Aditya Birla Real Estate (CENTEX)

ICICI Direct

CMP: ₹ 1402 | Target ₹ 1800 (28%) | Target Period: 12 months | BUY

Result Update

August 17, 2026

Sturdy launch pipeline for H2; BD addition positive ...

About the stock: Aditya Birla Real Estates (ABREL), is the real estate arm of the Aditya Birla group.

- Residential portfolio is well diversified across MMR, NCR, Bengaluru and Pune. Worli comprise more than 50% of the overall portfolio GDV.
- Two operational commercial assets of 6 lakh square feet.

Q1FY27 performance: ABREL posted a muted set for Q1FY27. Pre-sales for Q1FY27 at ₹ 329 crore -22% YoY (Q4FY26 at ₹ 4288 crore). Pune contributed 36% of presales at ₹ 119 crore followed by MMR, Bengaluru and Delhi-NCR. Collections for Q1FY27 grew 31% YoY to ₹ 713 crore. Leasing revenue grew 27% YoY to ₹ 35 crore. The company has completed its transfer of paper and pulp business to ITC. ABREL has secured a business development project in Navi Mumbai with an estimated Gross Development Value (GDV) of ₹ 2600 crore in a prime location spanning ~3 acres offering premium and luxury residences. This project is undertaken in a joint development with Priyanka Group.

Investment Rationale:

- **Pre-sales pipeline (launch + sustenance) of ₹ 16,500+ crore for FY27:** The company has a robust launch pipeline of ₹ 9596 crore for FY27 comprising comprises Niyaara Tower C, Worli (₹ 4868 crore GDV in Q2FY27/Q3FY27), Taranya, Thane (₹ 1375 crore in Q3FY27), Khar redevelopment (₹ 1631 crore in Q4FY27), Navya, NCR (₹ 710 crore in Q3FY27), Punya, Pune (₹ 583 crore in Q3FY27) and Evam, Pune (₹ 429 crore in Q4FY27). Additionally, sustenance sales potential from ongoing projects is estimated at ₹ 6917 crore, leading to overall pre-sales pipeline of ₹ 16,500+ crore for FY27. The management re-iterated its aspirational pre-sales target of ₹ 15,000 crore for FY29. It also plans to commence construction of 1.3 msf commercial development at Niyaara by FY27 end which has annual rental potential of ₹ 800 crore.
- **New business development expected to gather pace:** The company added ₹ 2600 crore GDV redevelopment project (90% economic interest) at Vashi which is expected to get launched in Q2FY28. It targets ₹ 10,000-15,000 crore BD in FY27 (pursuing ₹ 60,000 crore GDV projects), post weak FY26 (one redevelopment project of ₹ 1700 crore GDV in Khar west, Mumbai). Notably, it had added ~₹ 25,000 crore GDV projects during FY25. It has also received ₹ 3325 crore out of ₹ 3500 crore from pulp and paper business divestment turning almost net debt zero. The same places it in comfortable position to fund new business developments. We continue to monitor its new business developments, which is expected to be a key growth driver for sustainable high-growth post FY27.

Rating and Target Price:

- We retain our BUY rating with a revised Target Price of ₹ 1800/- on project NAV basis.

ADITYA BIRLA REAL ESTATE

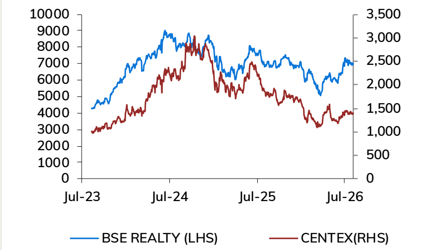
Market data

Particulars	Rs. in crore
Market Capitalisation	15,661
Debt (FY26)	5,636
Cash (FY26)	1,399
EV	19,899
52 Week H/L (Rs.)	1975/1080
Equity Capital	112
Face Value (Rs.)	10.0

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	50.2	50.2	50.2	50.2
FII	9.1	9.0	9.0	9.3
DII	16.4	16.9	16.4	16.6
Others	24.3	23.9	24.3	23.9

Price Chart



Key risks

(i) Operational risks in terms of project execution

(ii) Macro risks & Regulatory risks

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Key Financial Summary

Particulars (₹ crore)	FY23	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Revenues	3831.8	1100.6	1218.9	407.2	-39.2	1239.2	3211.5	180.8
EBITDA	568.7	242.7	29.6	-362.0	-	17.1	918.0	-
EBITDA margin (%)	14.8	22.1	2.4	-88.9		1.4	28.6	
Net Profit	188.4	118.4	-28.6	-293.9	-	-64.0	616.0	-
EPS (Rs)	16.9	10.6	-2.6	-26.3		-5.7	55.2	
P/E (x)	82.6	131.5	-	-		-	25.3	
P/B (x)	4.0	3.9	4.1	4.2		4.3	3.8	
RoCE (%)	7.3	2.8	-0.4	-4.6		-0.6	8.6	
RoE (%)	4.7	2.9	-0.7	-7.9		-1.8	14.9	

Source: Company, ICICI Direct Research

Q1FY27 – Earnings call summary

- **Guidance:** The company refrained from giving FY27 guidance on account of inherent project approval related uncertainties affecting the timing of launch of projects.
- **Launch pipeline:** The company plans to launch ₹ 9596 crore GDV projects in 9MFY27 comprising Niyaara Tower C, Worli (₹ 4868 crore GDV in Q2FY27/Q3FY27), Taranya, Thane (₹ 1375 crore in Q3FY27), Khar redevelopment (₹ 1631 crore in Q4FY27), Navya, NCR (₹ 710 crore in Q3FY27), Punya, Pune (₹ 583 crore in Q3FY27) and Evam, Pune (₹ 429 crore in Q4FY27).
  Business Development: The company has secured business development worth ₹ 2600 crore in August 2026 in a joint development with Priyanka Group in Navi Mumbai having 1 msf of saleable area. ABREL has 90% economic interest in the project. For FY27 the company targets ₹ 10000-15000 crore business development for which the management is pursuing ₹ 60,000 crore new projects including ₹ 35000 crore in MMR. Region-wise the type of projects acquisitions are expected as follows Noida – Outright, Gurgaon – JDA, Mumbai – JDA & Outright, Pune – Outright and Bengaluru – JDA & Outright.
- **ITC deal:** The transaction has concluded on 1st August 2026 and ABREL has received ₹ 3325 crore (95% of transaction amount) as part of this deal. The rest 5% is receivable subject to various conditions.
- **Commercial:** It is at designing stage with respect to commercial projects planned at Worli. It plans to develop ~1.3 msf commercial development (one tower) at its Worli land. The construction is expected to begin in Q4FY27. It expects to achieve an annual rental of ~ ₹ 800 crore once it is stabilised from this project. It also plans to develop 5 lakh square feet commercial development at Taranya, Thane project.
- **Q1FY27 performance:** The Q1FY27 presales were impact by cancellations of units cancelled in Birla Niyara, Arika and other projects. Three out of 4 units cancelled are rebooked. These units are now being resold at a higher price than earlier sales. Unit sales at Birla Niyara are in range of ₹ 40 crore. The gross sales in Q1FY27 exceed ~₹700 crore.
- **Construction capex**: Q1FY27 construction cost were ₹ 226 crore forming part of total outflows of ₹ 437 crore which included approval and design cost. The company expects to incur construction capex of ₹ 1200-1300 crore during FY27.
- **Birla Niyara:** Company expects to receive RERA approval by end of Q2FY27 and launch the project in early Q3FY27 with psf realisation of ~₹100000 – 120000 on carpet. For the commercial aspect the company is evaluating involving a private equity firm.

Exhibit 1: Quarterly trend

Year	Q1FY27	Q1FY26	YoY (Chg %)	Q4FY26	QoQ (Chg %)	Comments
Operating Income	188.9	145.6	29.7	82.6	128.6	Lower revenue booking in residential business continues, Rental income grew 27% YoY to ₹ 35 crore
Other Income	16.9	11.9	42.4	15.6	8.3	
Total Revenue	205.7	157.4	30.7	98.2	109.5	
Raw materials costs	81.3	71.3	14.1	31.2	161.0	
Employees Expenses	59.8	50.4	18.7	59.1	1.2	
Other Expenses	103.1	63.8	61.5	152.5	-32.4	
Total Expenditure	244.2	185.5	31.6	242.7	0.6	
EBITDA	-55.3	-39.9	-	-160.1	-	
EBITDA margins (%)	-29.3	-27.4	-	-193.8	-	Lower revenue recognition and higher fixed costs lead to operating loss
Interest	25.8	7.1	265.9	20.6	25.4	
Depreciation	17.4	15.5	11.9	18.5	-6.2	
PBT	-81.6	-50.6	-	-186.1	-	
Tax	-16.0	-5.8	-	-81.3	-	
Adj. PAT	-70.9	-45.7	-	-102.4	-	

Source: Company, ICICI Direct Research

Exhibit 2: FY27 Project launch pipeline

Projects		Location	Ownership	Economic Interest (%)	Total Estimated GDV (₹ crore)	FY27 Launch GDV (₹ crore)	Saleable Area (msft)
MMR	Birla Niraya (Tower C)	Worli	Own	100.0	13792.3	4867.8	0.7
	Birla Taranya	Boisar	PE Profit share	54.0	10466.8	1375.1	1.1
	Khar Redevelopment	Khar	Revenue Share	87.0	1631.2	1631.2	0.3
NCR	Birla Navya	Golf Course Extension	Profit Share	50.0	3119.4	710.3	0.3
Pune	Birla Punya	Wellesley Road	Outright	100.0	2822.0	582.6	0.3
	Birla Evam	Manjiri	PE Profit share	54.0	2809.1	429.0	0.5
	Total				**34640.8**	**9596.0**	**3.3**

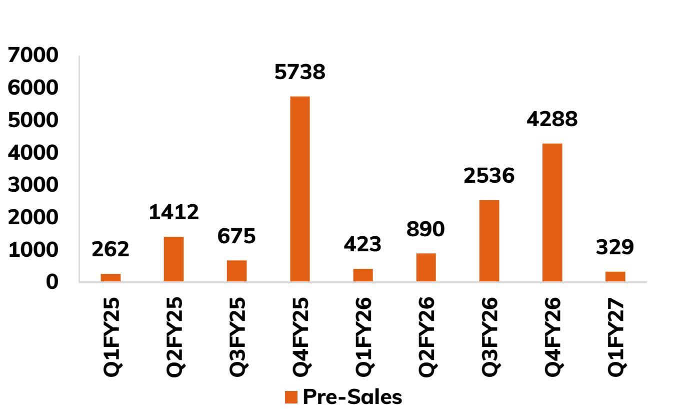
Source: Company, ICICI Direct Research

Exhibit 3: Total project portfolio

Projects		Ownership	Economic Interest (%)	Estimated GDV (₹ crore)	Total saleable area (msft)
Ongoing Projects (A)				31753	20
Launch pipeline in 2027 (B)				9596	3.35
Mumbai	Birla Taranya	Outright	56%	6942	3.9
	Worli – New Plot	Own	100%	14870	2.6
	Worli West	Own	100%	2699	0.4
Bengaluru	Birla Trimaya	Profit Share	47%	820	0.6
NCR	Birla Arika	Revenue Share	58%	1199	0.3
	Mathura Road	Revenue Share	64%	3443	1.5
Pune	Birla Evam	Outright	56%	1608	1.6
	Birla Punya	Outright	100%	928	0.4
Future Pipeline (C)				32509	11.3
Total Portfolio (A+B+C)				**73857**	**34.7**

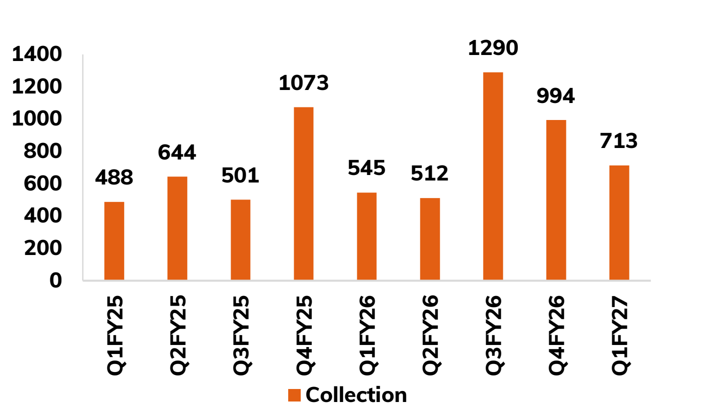
Source: Company, ICICI Direct Research

Exhibit 4: Pre-sales quarterly trend booking



Source: Company, ICICI Direct Research

Exhibit 5: Collections quarterly trend



Source: Company, ICICI Direct Research

Valuation

We value CENTEX on SOTP basis valuing 1) residential projects (ongoing and upcoming) on project NAV basis 2) commercial assets on 7.5% capitalization rate 3) Paper and pulp business on deal transaction with ITC and 4) Land bank at current land prices. Consequently, we arrive at our SOTP based price target price of ₹ 1800.

CENTEX is currently trading at a discount to its NAV which we believe provides a lucrative buying opportunity considering its high pre-sales growth trajectory over the next three years and estimated new business developments. Consequently, we retain Buy rating on the stock with a price target of ₹ 1800.

Exhibit 6: Valuation mix

Particulars	Valuation Methodology	Value per share (Rs)
Residential (Ongoing+Upcoming)	Project NAV basis	1375
Commercial	Capitalisation at 7.5%	135
Paper and Pulp	As per deal with ITC	313
Land Bank	At current land prices	363
Less Net Debt		389
Price Target (Rs) (Rounded Off)		1800

Source: Company, ICICI Direct Research

Financial summary

Exhibit 7: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Revenue	1,219	407	1,239	3,212
% Growth	11	(67)	204	159
Other income	38	52	57	63
Total Revenue	1,257	459	1,296	3,274
% Growth	9	(63)	182	153
Total Raw Material Costs	742	169	543	1,526
Employee Expenses	172	232	255	280
Other expenses	276	369	424	487
Total Operating Expenditure	1,189	769	1,222	2,294
Operating Profit (EBITDA)	30	(362)	17	918
% Growth	(88)	-	-	5,275
Interest	46	64	85	85
PBDT	22	(374)	(10)	896
Depreciation	64	70	75	75
PBT before Exceptional Items	(41)	(444)	(85)	821
Total Tax	(30)	(139)	(21)	205
PAT before MI	(11)	(305)	(64)	616
PAT	(29)	(294)	(64)	616
% Growth	-	-	-	-
EPS	(3)	(26)	(6)	55

Source: Company, ICICI Direct Research

Exhibit 8: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit before Tax	(192)	(267)	(85)	821
Depreciation	223	73	75	75
Interest	-	70	85	85
Others	192	(25)	-	-
Cash Flow before WC changes	223	(148)	74	981
Net Increase in Current Assets	(4,896)	(2,327)	(1,181)	(1,915)
Net Inc in Current Liabilities	3,477	3,341	1,469	1,689
Tax	(97)	(119)	21	(205)
Net CF from Operating activities	(1,293)	747	383	550
(Purchase)/Sale of Fixed Assets	(120)	(87)	(100)	(100)
Others	(206)	(561)	-	-
Net CF from Investing activities	(326)	(648)	(100)	(100)
Net Borrowings	2,501	609	(0)	(0)
Interest paid	(160)	(252)	(85)	(85)
Others	(123)	(59)	(56)	(56)
Net CF from Financing Activities	2,218	299	(140)	(140)
Net Cash flow	599	398	143	309
Opening Cash/Cash Equivalent	402	1,001	1,399	1,541
Closing Cash/ Cash Equivalent	1,001	1,399	1,541	1,851

Source: Company, ICICI Direct Research

Exhibit 9: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	112	112	112	112
Reserve and Surplus	3,777	3,588	3,468	4,028
Total Shareholders funds	3,888	3,699	3,579	4,140
Total Debt	4,997	5,636	5,636	5,636
Total Liabilities	8,885	9,336	9,216	9,776
Gross Block	5,239	5,236	5,336	5,436
Acc: Depreciation	3,799	3,869	3,944	4,019
Net Block	1,440	1,367	1,392	1,417
Capital WIP	24	18	18	18
Total Fixed Assets	1,464	1,385	1,410	1,435
Non Current Assets	4,272	5,023	5,023	5,023
Inventory	8,943	11,060	12,167	13,992
Debtors	105	17	17	17
Other Current Assets	699	1,349	1,424	1,514
Cash	1,001	1,399	1,541	1,851
Total Current Assets	10,748	13,825	15,149	17,373
Current Liabilities	7,414	10,664	12,132	13,821
Provisions	184	233	233	233
Total Current Liabilities	7,598	10,897	12,366	14,055
Net Current Assets	3,149	2,928	2,783	3,318
Total Assets	8,885	9,336	9,216	9,776

Source: Company, ICICI Direct Research

Exhibit 10: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per Share Data				
EPS	(2.6)	(26.3)	(5.7)	55.2
Cash per Share	3.1	(20.0)	1.0	61.9
DPS	5.0	5.0	5.0	5.0
BV	343.8	331.3	320.6	370.8
Operating Ratios				
EBITDA Margin	2.4	(88.9)	1.4	28.6
PAT Margin	(2.3)	(72.2)	(5.2)	19.2
Return Ratios				
RoE	(0.7)	(7.9)	(1.8)	14.9
RoCE	(0.4)	(4.6)	(0.6)	8.6
Valuation Ratios				
EV / EBITDA	613.5	(50.8)	1,068.7	19.5
P/E	-	-	-	22.9
EV / Net Sales	14.9	45.2	14.7	5.6
Sales / Equity	0.3	0.1	0.3	0.8
Market Cap / Sales	11.6	34.8	11.4	4.4
Price to Book Value	3.7	3.8	3.9	3.4
Working Capital Management Ratios				
Inventory Days	2,678.1	9,914.7	3,583.7	1,590.2
Debtor Days	31.3	15.0	5.0	2.0
Creditor Days	247.7	592.9	224.0	99.4
Asset Turnover	0.1	0.0	0.1	0.3
Solvency Ratios				
Debt / Equity	1.3	1.5	1.6	1.4
Current Ratio	1.4	1.3	1.2	1.2
Quick Ratio	0.2	0.3	0.2	0.2

Source: Company, ICICI Direct Research

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