CMP: ₹ 592 | Target ₹ 780 (32%) | Target Period: 12 months | BUY

August 17, 2026

Soft Q1; Launch pipeline stays strong...

About the stock: Brigade Enterprises (BEL) is one of the leading property developers in South India. Its offerings include Grade-A commercial property, affordable to ultra-premium housing in real estate business and operational marquee hotel assets in hospitality segment (listed entity). Given the healthy end user demand, strong launches, it has reported a robust sales value CAGR of ~22% over FY21-26 to ₹ 7,424 crore.

Q1FY27 performance: BEL reported pre-sales of ₹ 1061 crore in Q1FY27 (vs ₹ 1118 in Q1FY26 and ₹ 2521 crore in Q4FY26), Bengaluru led pre-sales at 58% mix followed by Chennai (28%) and Hyderabad (14%). Q1FY27 Collections at ₹ 1856 crore up 7.6% YoY (vs ₹1728 in Q1FY26 and ₹1985 in Q4FY26). On the leasing side revenue up 9% YoY to ₹328 crore in Q1FY27 led by a 11% growth in retail footfalls and 35% retail sales consumption. Hospitality 's occupancy stood at 76%, ARR of ₹ 7241 up 7% YoY clocking in total revenue of ₹145 crore up 3% YoY. On a consolidated basis the company reported Revenue EBITDA and PBT of ₹1178, ₹425 and ₹217 crore down 23%, 1% and +1% YoY respectively. There is an exceptional gain on sale of 50% stake in a subsidiary to Bain Capital of ₹ 43 crore which takes PAT to ₹217 crore up 14% YoY.

Investment Rationale:

- **Retains ₹ 9000 crore pre-sales guidance for FY27:** The company retained its ₹ 9000 crore pre-sales guidance for FY27 (+21% YoY) on the back of 9.36 msf new launches (₹ 10,000 crore GDV) planned during 9MFY27 and constribution from sustenance sales (almost ₹ 9000 crore unsold in ongoing and completed projects). Over the next four quarters, it has 16.4 msf (12.4 msf residential - ₹ 13,400 crore GDV, 4 msf commercial) launch pipeline. On the business development front, it added ₹ 2400 crores of GDV across 2.7 msf in residential segment. Overall, it has a strong land bank (including launch pipeline) of 543 acres with a development potential of 57 msf (brigade's share 43 msf).
- **Targeting ~20% CAGR in lease income over 4-5 years:** In its leasing portfolio, it had launched ~4 msf in Q1FY27 and has 5.56 msf ongoing projects. During FY27/FY28/FY29/FY30, it expects 3.8 msf/2.86 msf/0.65 msf/6 msf assets coming in the market. Consequently, it expects its rental income to grow at 20% CAGR over the next 4-5 years (FY26 - ₹ 765 crores). It would be incurring ₹ 6000 crore capex over the next 4 years towards scaling up it leasing portfolio. In hospitality, it plans to add 1700 keys (doubling its portfolio of hotels to 18 hotels) over the next 4-5 years.

Rating and Target Price:

- BEL's residential segment is expected to revert to growth trajectory from FY27 while commercial and hospitality continue to show healthy growth.
- We retain our BUY rating with our revised SOTP based Target Price of ₹ 780.

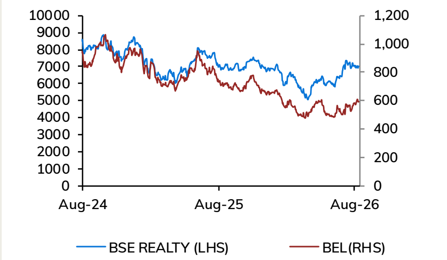
Market data

Particulars	Rs. in crore
Market Capitalisation	19408
Debt (FY26)	6110
Cash (FY26)	2685
EV	22833
52 Week H/L (Rs.)	802/ 461
Equity Capital	326.2
Face Value (Rs.)	10.0

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	41.1	41.1	41.1	41.1
FII	18.7	18.1	16.8	15.6
DII	23.3	23.6	24.7	25.5
Others	16.9	17.2	17.4	17.8

Price Chart



Key risks

(i) Operational risks in terms of project execution

(ii) Macro risks & Regulatory risks

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Particulars (₹ crore)	FY23	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Net Sales	3445	4897	5074	5697	18.3%	6976	7922	11.6%
EBITDA	859	1194	1414	1427	18.4%	1799	2052	12.9%
EBITDA Margin(%)	24.9	24.4	27.9	25.1		25.8	25.9	
Net Profit	291	452	686	658	31.2%	797	909	11.4%
EPS (₹)	8.9	13.8	21.0	20.2		24.4	27.9	
P/E(x)	66.7	43.0	28.3	29.5		24.4	21.4	
EV/EBITDA(x)	26.1	19.2	15.1	16.0		13.5	12.7	
RoE(%)	9.0	12.7	11.6	8.7		9.8	10.2	
RoCE(%)	8.5	11.9	12.2	9.7		10.9	11.1	

Source: Company, ICICI Direct Research

Q1FY27 – Earnings call summary

- **Guidance:** The company has maintained pre-sales guidance of ₹ 9000 crore in FY27. It plans to launch ~11.5 msf projects having GDV of ~₹ 11,900 crore in FY27 (average APR at ₹ 10,000 psf).
- **Residential Launches:** The company has planned launches for the next four quarters of 12.4 million square feet (Bengaluru/Hyderabad/Chennai/Mysuru 4.3/4/3/1 msf), with a GDV of approximately ₹ 13,400 crore. For 9MFY27, residential launches are 9.4 msf of which 2.4 msf in Q2FY27 and remainder in H2FY27. This pipeline gives BEL confidence that it remains on track for its FY27 guidance of ₹ 9,000 crores in pre-sales with launches expected to be more backended in FY27E.
- **Business Development:** The company added 2.7 msf projects having GDV of ₹ 2400 crore in Q1FY27 mainly in Hyderabad.
- Commercial: BEL launched 4 msf of commercial projects (3.3 msf BEL share) across Bengaluru (2.29 msf, 1.58 msf BEL share) and Hyderabad (1.72 msf, 100% BEL Share) in Q1FY27. Going ahead it has upcoming commercial pipeline of 4 msf, of which Bengaluru is 2.6 msf, Chennai is 1.3 msf and Kochi is 0.2 msf. Currently it has ~7.15 msf ongoing commercial projects for which it has committed a capex of ~₹ 4814 crore (₹ 1216 crore is already incurred). From the ongoing and upcoming projects (~11 msf), BEL expects 2.9 msf commercial space to come to market in FY28, 0.7 msf in FY29 and 6 msf in FY30. Over the long term it has guided leasing revenue growth of 20% CAGR.
- **Hospitality:** In the hospitality business BEL has 1,700 keys in the pipeline.
- **Morgan Heights:** The project was impacted by the environmental clearance being revoked by SEIAA. BEL has refunded affected home buyers. BEL maintains its position that the project land does not fall within the Pallikaranai marshland. It has approached the High Court, which in turn directed SEIAA, which is a state environment impact authority, to file its counter affidavit and asked all authorities to maintain status quo. BEL is committed to the project and will plan the relaunch once the issue has been addressed.
- Debt: Gross debt stands at ₹ 5305 crore, cash & cash equivalents at ₹ 3087 crore, net debt at ₹ 2218 crore (BEL's share ₹ 1541 crore). 86% of the debt is related to commercial segment. D/E ratio stands at 0.26x and average cost of debt at 7.61%.

Exhibit 1: Quarterly trend

	Q1FY27	Q1FY26	YoY (Chg %)	Q4FY26	QoQ (Chg %)	Comments
Income from Operation	**1,115.6**	**1,281.1**	**-12.9**	**1,457.6**	**-23.5**	Real Estate/ Leasing/ Hospitality revenues stood at ₹ 707/ ₹ 264 /₹ 144 crore respectively
Other Income	63.7	51.7	23.1	65.5	-2.8	
Total Income	1,179.2	1,332.9	-11.5	1,523.1	-22.6	
Total Operating Cost	564.8	580.9	-2.8	692.0	-18.4	
Employee cost	135.3	109.2	24.0	131.9	2.6	
Other expenditure	250.8	215.7	16.3	336.4	-25.4	
EBITDA	**361.4**	**323.7**	**11.7**	**364.7**	**-0.9**	
EBITDA Margin (%)	32.4	25.3	714 bps	25.0	738 bps	Real estate margin improved to 21% vs 12% in Q1FY26
Depreciation	73.2	75.6	-3.1	80.2	-8.7	
Interest	109.2	105.6	3.3	111.7	-2.3	
PBT	**242.7**	**194.1**	**25.0**	**238.4**	**1.8**	
Total Tax	67.9	35.9	89.4	54.2	25.4	
PAT after Minority Interest	**200.4**	**149.9**	**33.7**	**145.5**	**37.7**	Expansion of margins in real estate and exceptional Income of ₹ 36.6 crore at PAT level

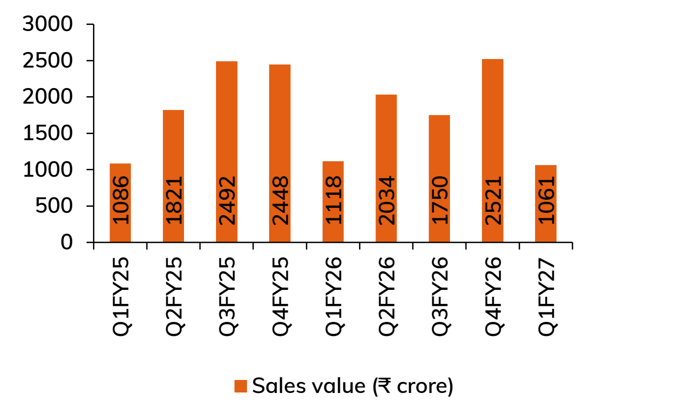
Source: Company, ICICI Direct Research

Exhibit 2: Valuation table

Particulars	Value	NAV/share	Remarks
Residential NAV	**14395**	**441**	
Leasing Portfolio Total	**11018**	**338**	
Hospitality Portfolio	**1794**	**55**	At MCap of Brigade Hotel Ventures
Total Gross Asset Valuation	**27208**	**834**	
Less:Net Debt (Brigade share)	1679	51	Brigade's effective net debt
Valuation	**25529**	**783**	
Rounded off	**25529**	**780**	

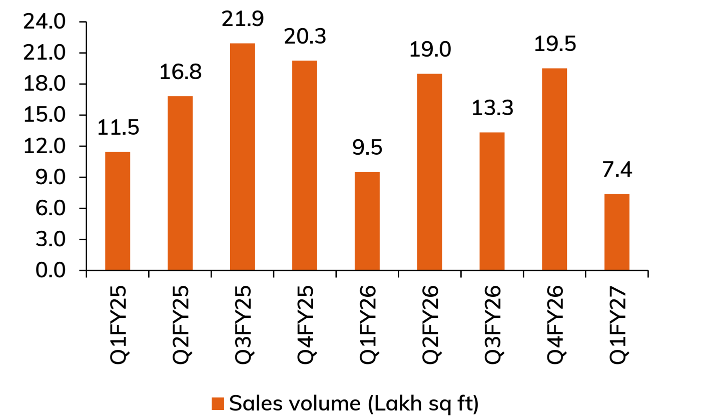
Source: Company, ICICI Direct Research

Exhibit 3: Pre-sales quarterly trend booking



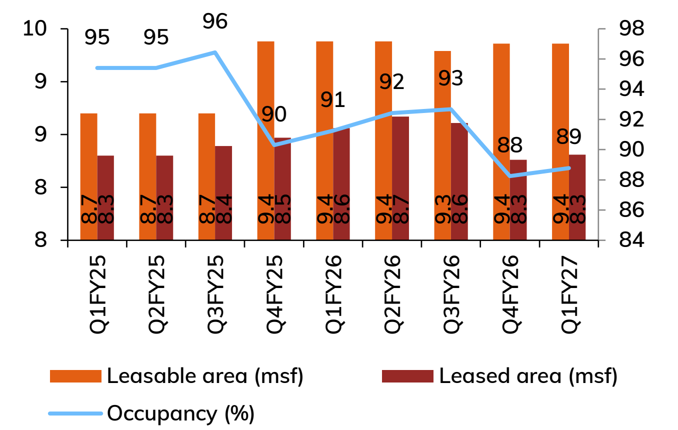
Source: Company, ICICI Direct Research

Exhibit 5: Sales volume trend



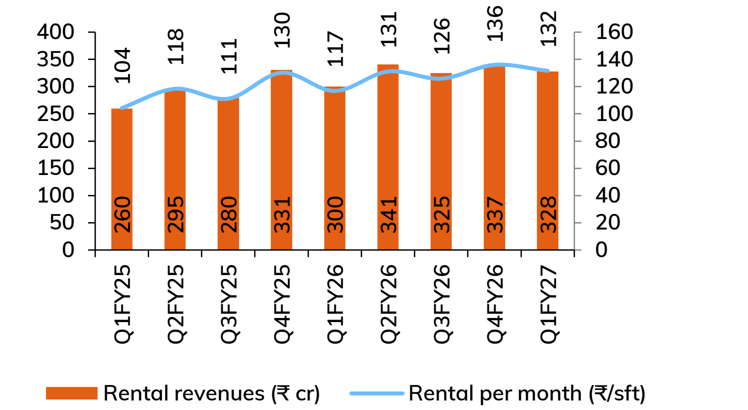
Source: Company, ICICI Direct Research

Exhibit 4: Leasing/ Occupancy trend



Source: Company, ICICI Direct Research

Exhibit 6: Rental revenues trend



Source: Company, ICICI Direct Research

Financial summary

Exhibit 7: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Net Sales	5,074.2	5,697.2	6,975.8	7,922.1
Other Income	239.3	211.8	222.4	233.5
Total revenues	**5,313.5**	**5,909.0**	**7,198.1**	**8,155.6**
Cost of Materials Sold	2,316.8	2,706.9	3,357.0	3,822.2
Employee Cost	404.7	481.9	530.0	583.1
Other Expenditure	938.5	1,081.1	1,290.2	1,465.2
Total Operating Exp.	**3,660.0**	**4,269.9**	**5,177.2**	**5,870.4**
EBITDA	1,414.2	1,427.3	1,798.6	2,051.7
Interest	495.5	409.4	519.0	592.0
Depreciation	288.8	312.4	359.5	397.5
PBT	869.3	903.5	1,142.5	1,295.7
Tax	188.8	179.1	251.3	285.1
Profit before MI	**680.5**	**724.4**	**891.1**	**1,010.6**
Minority Interests	(5.3)	80.4	94.3	101.8
PAT	**685.8**	**658.2**	**797.2**	**909.3**
EPS (₹)	**21.0**	**20.2**	**24.4**	**27.9**

Source: Company, ICICI Direct Research

Exhibit 8: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit before Tax	**869**	**904**	**1,142**	**1,296**
Depreciation	289	312	359	397
Interest paid	495	409	519	592
CF before wc changes	1,472	1,451	1,705	1,950
Net Increase in CA	(1,667)	(2,617)	(2,622)	(3,147)
Net Increase in CL	1,510	1,533	2,256	1,859
Net CF from op. activities	**995**	**(137)**	**977**	**244**
Purchase of Fixed Assets	(639)	(1,739)	(1,780)	(1,400)
(Purchase)/Sale of Inv.	12	(12)	-	-
Interest received	161	166	222	233
Others	134	(60)	(334)	(102)
Net CF from inv. activities	**(331)**	**(1,640)**	**(1,892)**	**(1,268)**
Equity Raised	-	-	-	-
Proceeds from Borrowing	(92)	911	1,000	1,000
Interest Paid	(467)	(464)	(519)	(592)
Dividend Paid	(46)	(61)	(82)	(82)
Net CF from fin. activities	**860**	**1,202**	**399**	**326**
Net Cash flow	1,524	(576)	(516)	(698)
Opening Cash	1,737	3,261	2,685	2,169
Closing Cash	**3,261**	**2,685**	**2,169**	**1,471**

Source: Company, ICICI Direct Research

Exhibit 9: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	244	245	326	326
Reserves & Surplus	5,394	6,576	7,210	8,037
Networth	5,915	7,524	8,145	8,871
Total Debt	5,274	6,110	7,110	8,110
Deferred Tax Liability	14	49	49	49
Source of Funds	**11,204**	**13,683**	**15,304**	**17,030**
Gross Block	1,612	1,989	1,612	1,612
Less: Accumulated Dep	620	932	765	838
Net Block	992	1,057	847	775
Capital WIP	1,929	3,590	3,990	4,390
Net Investment Properties	4,081	4,075	5,545	6,220
Total Fixed Assets	**7,002**	**8,722**	**10,382**	**11,385**
Goodwill	20	20	20	20
Investments	43	62	62	62
Deferred Tax Assets	459	740	740	740
Inventories	8,869	11,401	13,681	16,417
Trade Receivables	629	601	704	829
Loans & Advances	475	668	783	922
Cash & Bank Balances	3,261	2,685	2,169	1,471
Other Current Assets	512	709	831	978
Other Non-current assets	820	646	757	891
Total Current Assets	14,566	16,709	18,926	21,509
Trade Payable	786	882	1,034	1,217
Provisions	33	54	54	54
Other Current Liabilities	8,858	10,335	12,215	13,621
Total Current Liabilities	9,677	11,270	13,302	14,891
Net Current Assets	**3,680**	**4,138**	**4,099**	**4,823**
Application of Funds	**11,204**	**13,683**	**15,304**	**17,030**

Source: Company, ICICI Direct Research

Exhibit 10: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per Share Data				
Reported EPS	21.0	20.2	24.4	27.9
Cash EPS	29.9	29.8	35.5	40.1
BVPS	181.4	230.7	249.7	272.0
Operating Ratios				
EBITDA / Net Sales	27.9	25.1	25.8	25.9
PAT / Net Sales	13.5	11.6	11.4	11.5
Return Ratios				
RoE	11.6	8.7	9.8	10.2
RoCE	12.2	9.7	10.9	11.1
Valuation Ratios				
EV / EBITDA	15.1	16.0	13.5	12.7
P/E	28.3	29.5	24.4	21.4
EV / Net Sales	4.2	4.0	3.5	3.3
Market Cap / Sales	3.8	3.4	2.8	2.5
Price to Book Value	3.3	2.6	2.4	2.2
Turnover Ratios				
Asset turnover	0.5	0.4	0.5	0.5
Gross Block Turnover	3.1	2.9	4.3	4.9
Solvency Ratios				
Net Debt / Equity	0.3	0.4	0.6	0.7
Current Ratio	1.0	1.1	1.1	1.1
Quick Ratio	0.1	0.2	0.2	0.2

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%

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