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India | Equity Research | Company Update

Godrej Properties

Real Estate

Record year for sales bookings; on a strong footing going ahead

Godrej Properties (GPL) has clocked strong Q4FY25 gross sales bookings of 7.5msf worth INR 101.6bn, led by several new launches across India. Buoyed by strong FY25 performance, wherein it achieved gross sales bookings of INR 294bn vs its FY25 guidance of INR 270bn, conversion of sales bookings CAGR of 55% over FY22-25 to stronger operating cash surplus (ex-land/tax/interest) over FY25-27 (INR 34.3bn achieved in 9MFY25), remains key. We maintain our sales bookings estimates of INR 305bn for FY26E and INR 312bn for FY27E owing to GPL's strong launch pipeline. Upgrade to **BUY** from **HOLD** post ~27% correction in the stock price over the last three months with a revised TP of INR 2,515 (earlier INR 2,842), factoring in marginally higher FY25 sales bookings. **Key risks:** Residential demand slowdown and muted price growth.

Exceeds FY25 sales booking guidance; healthy FY26 launch pipeline

GPL clocked record Q4FY25 gross sales bookings worth INR 101.6bn, led by several new launches during the quarter across Noida, Gurugram and Hyderabad along with sustenance sales worth INR 71.7bn. Hence, the company has achieved record FY25 sales bookings worth INR 294bn (up 31% YoY), which is 9% higher than its FY25 sales booking guidance of INR 270bn. We maintain our sales bookings estimates of INR 305bn for FY26E and INR 312bn for FY27E owing to GPL's strong launch pipeline. Conversion of strong sales bookings which have grown at 55% CAGR over FY22-25 to stronger operating cash surplus (ex-land/tax/interest) over FY25-27 (INR34.3bn achieved in 9MFY25), remains key for company's growth trajectory going ahead.

Balancing growth aspirations with optimal debt levels remains key

The company had a strong FY24 for business development and has added projects having GDV of INR 213bn between Apr'23-Mar'24 vs its own guidance of INR 150bn at the beginning of FY24. Consequently, it also incurred land capex of INR 54bn in FY24 vs operating cash surplus of INR 43bn. With GPL having given guidance for another INR 200bn of new project additions in FY25 and having achieved INR 265bn in FY25, already exceeding its FY25 guidance, we estimate land capex of INR 70bn in FY25 vs estimated gross operating surplus of INR 64bn and QIP proceeds of INR 60bn. As the company continues to invest in new land parcels to drive sales booking growth, its ability to maintain optimal net debt levels (net debt of INR 38bn as of Dec'24) remains a key monitorable.

Financial Summary

Y/E March (INR mn)	FY24A	FY25E	FY26E	FY27E
Net Revenue	30,356	55,000	82,500	99,000
EBITDA	1,297	7,070	16,577	21,535
EBITDA Margin (%)	(4.3)	12.9	20.1	21.8
Net Profit	7,471	9,752	13,868	17,527
EPS (INR)	26.9	32.4	46.0	58.2
P/B (x)	5.2	3.4	3.1	2.8
P/E (x)	71.7	59.5	41.8	33.1
EV/EBITDA (x)	NM	78.9	32.1	24.1
RoCE (%)	6.0	8.8	14.1	16.5
RoE (%)	7.6	7.1	7.7	9.0

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Market Data

Market Cap (INR)	580bn
Market Cap (USD)	6,764mn
Bloomberg Code	GPL IN
Reuters Code	GODR.BO
52-week Range (INR)	3,403 / 1,870
Free Float (%)	41.0
ADTV-3M (mn) (USD)	25.1

Price Performance (%)	3m	6m	12m
Absolute	(27.3)	(32.5)	(22.9)
Relative to Sensex	(20.9)	(22.8)	(21.4)

ESG Score	2022	2023	Change
ESG score	66.1	75.3	9.2
Environment	61.3	66.2	4.9
Social	47.4	71.3	23.9
Governance	77.5	83	5.5

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

05-02-2024: [Q3FY25 results review](#)

24-10-2024: [Q2FY25 results review](#)

Exhibit 1: Quarterly sales volume trends

Quarterly Sales Performance (Gross)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Volumes (mn-sqft)	5.24	4.34	8.17	8.99	5.15	4.07	7.52
Value of sales (INR mn)	50,340	57,200	95,190	86,370	51,980	54,460	101,630
Average realisation (INR/psf)	9,607	13,180	11,651	9,607	10,093	13,381	13,515

Source: I-Sec research, Company data

Exhibit 2: GPL's direct method cashflow (FY20-9MFY25)

Details (INR mn)	FY20	FY21	FY22	FY23	FY24	9MFY25
Gross Sales Bookings	59,150	67,250	78,610	1,22,320	225,270	192,810
Operating Cash Inflow (Collections)	42,760	43,670	77,710	1,04,830	129,400	112,390
Operating Cash Outflow	-34,840	-34,750	-60,090	-69,500	-86,060	-78,020
Construction and related outflow	-19,020	-19,420	-32,200	-35,750	-40,930	-36,910
Other project related outflow	-15,820	-15,320	-27,890	-33,750	-45,130	-41,120
Net Operating Surplus(A)	7,920	8,930	17,610	35,330	43,340	34,360
Financial Cashflows:						
Inflow on private placement/QIP	20,660	36,970	-	-	-	59,960
PE exit	1,450	-	-	-	-	-
Interest and corporate taxes	-5,950	-4,070	-6,860	-6,970	-9,440	-9,540
Net Financial cashflow(B)	16,160	32,900	-6,860	-6,970	-9,440	50,420
Capital Cashflow:						
Land & approval related outflow	-17,350	-19,040	-17,350	-47,270	-53,640	-63,350
Advance to JV partners and others	-2,870	-1,740	-2,140	-1,350	-1,800	-490
Net Capital Cashflow(C)	-20,220	-20,780	-19,490	-48,620	-55,440	-63,840
Adjustment for JV Projects(D)	6,250	-3,550	-2,600	-12,300	-2,910	3,250
Total net GPL cashflow	10,110	1,750	-11,330	-32,550	-24,450	20,940
Other INDAS adjustments(E)	-290	-90	850	700	-1,060	-690
(Increase)/Decrease in Net Debt under Ind AS(A+B+C+D+E)	9,820	17,400	-10,480	-31,850	-25,500	23,500

Source: I-Sec research, Company data

Exhibit 3: 9MFY25 performance and FY25 guidance

Particulars	FY24 Actual	FY25 Guidance	9M FY25 Actual	Achievement (%)	Updated assessment
Booking Value (INR Crore)	22,527	27,000	19,281	71%	✓
Customer Collections (INR Crore)	11,436	15,000	10,086	67%	✓
Deliveries* (Million Sq. Ft.)	12.5	15.0	11.9	79%	✓
Business Development (by expected booking value) (INR Crore)	21,225	20,000	23,450	117%	✓

*Represents receipt of occupancy certificate from competent authorities.

- ✓ Guidance met
- ✓ On track to meet or exceed guidance
- ✓ Not on track to meet guidance

Source: I-Sec research, Company data

Exhibit 4: FY25 launch guidance city-wise details

City	Expected Launch Area (MSF)	Expected Launch Value (INR Crore)	9M FY25 Launch Area (MSF)	9M FY25 Launch Value (INR Crores)	Value Achievement (%)
MMR	5.5	9,500	6.8	6,750	71%
NCR	4.1	9,200	4.1	7,600	83%
Bengaluru	5.1	4,900	5.2	4,900	100%
Pune	4.5	3,700	3.1	2,850	77%
Others	2.7	2,700	1.8	1,500	56%
Total	21.9	30,000	21.0	23,600	79%

Note: Mix of actual launches may differ from planned launches.

Source: I-Sec research, Company data

Exhibit 5: SoTP valuation

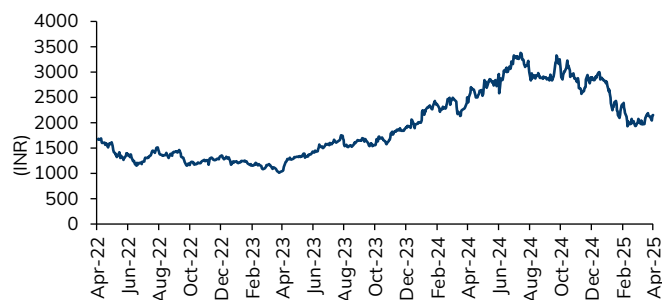
Segmental Valuation	GAV (INR mn)	Value (INR/share)
Devco sale model (FY26-31E Cash Flows)	4,66,340	1,548
Less: Mar'25E Net Debt	40,165	133
Devco NAV	4,26,176	1,415
Add:		
Value from Trees office/hotel	44,929	149
Vikhroli DM – Assuming 1msf p.a. for 40 years	33,860	112
NAV	5,04,965	1,677
Add: Business Development Value/Premium to NAV	2,52,483	838
Target Price	7,57,448	2,515

Source: I-Sec research, Company data

Exhibit 6: Shareholding pattern

%	Jun'24	Sep'24	Dec'24
Promoters	58.5	58.5	46.5
Institutional investors	39.0	35.5	39.2
MFs and others	3.2	4.4	5.7
FIs/Banks	0.0	0.3	0.6
Insurance	1.7	2.0	2.1
FIIIs	30.3	28.8	30.9
Others	6.3	6.0	14.3

Source: Bloomberg

Exhibit 7: Price chart

Source: Bloomberg

Financial Summary

Exhibit 8: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Net Sales	30,356	55,000	82,500	99,000
Operating Expenses	31,653	47,930	65,923	77,465
EBITDA	(1,297)	16,577	16,577	21,535
EBITDA Margin (%)	(4.3)	12.9	20.1	21.8
Depreciation & Amortization	446	1,056	1,083	1,110
Interest expenditure	1,521	3,127	7,039	7,137
Other Non-operating Income	12,986	10,389	10,908	11,454
Recurring PBT	9,723	13,276	19,363	24,742
Less: Taxes	2,529	5,024	6,011	9,029
PAT	7,193	8,252	12,218	15,712
Profit / (Loss) from Associates	277	1,500	1,650	1,815
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	7,471	9,752	13,868	17,527
Net Income (Adjusted)	7,471	9,752	13,868	17,527

Source Company data, I-Sec research

Exhibit 9: Balance sheet

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	3,08,511	3,83,723	4,04,878	3,90,022
of which cash & cash eqv.	29,204	68,400	95,174	1,07,956
Total Current Liabilities & Provisions	1,47,616	1,50,435	1,54,939	1,21,745
Net Current Assets	1,60,896	2,33,288	2,49,939	2,68,277
Investments	31,501	31,501	31,501	31,501
Net Fixed Assets	12,320	11,564	10,780	9,970
Other assets	4,862	4,862	4,862	4,862
Total Assets	2,09,579	2,81,215	2,97,083	3,14,611
Liabilities				
Borrowings	1,06,565	1,08,565	1,10,565	1,10,565
Equity Share Capital	1,390	1,506	1,506	1,506
Reserves & Surplus	1,01,624	1,71,145	1,85,013	2,02,541
Total Net Worth	1,03,014	1,72,651	1,86,519	2,04,046
Minority Interest	-	-	-	-
Total Liabilities	2,09,579	2,81,215	2,97,083	3,14,611

Source Company data, I-Sec research

Exhibit 10: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	7,916	10,808	14,952	18,638
Working Capital Changes	(3,246)	(33,196)	10,122	(5,555)
Capital Commitments	(6,934)	(300)	(300)	(300)
Free Cashflow	(2,264)	(22,688)	24,774	12,783
Other investing cashflow	(16,508)	0	0	0
Cashflow from Investing Activities	(23,442)	(300)	(300)	(300)
Issue of Share Capital	0	59,884	0	0
Inc (Dec) in Borrowings	41,364	2,000	2,000	0
Dividend paid	-	-	-	-
Others	-	-	-	-
Cash flow from Financing Activities	41,364	61,884	2,000	-
Chg. in Cash & Bank balance	22,592	39,196	26,774	12,783
Closing cash & balance	29,204	68,400	95,174	1,07,956

Source Company data, I-Sec research

Exhibit 11: Key ratios

(Year ending March)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	26.9	32.4	46.0	58.2
Dividend per share (DPS)	0.0	0.0	0.0	0.0
Book Value per share (BV)	370.6	573.3	619.3	677.5
Growth (%)				
Net Sales	34.8	81.2	50.0	20.0
EBITDA	(152.4)	(645.2)	134.5	29.9
EPS (INR)	20.4	30.5	42.2	26.4
Valuation Ratios (x)				
P/E	71.7	59.5	41.8	33.1
P/BV	5.2	3.4	3.1	2.8
EV / EBITDA	(458.7)	78.9	32.1	24.1
P / Sales	19.6	10.1	6.5	5.3
Operating Ratios				
EBITDA Margins (%)	(4.3)	12.9	20.1	21.8
Net Profit Margins (%)	24.6	17.7	16.8	17.7
Net Debt / Equity (x)	0.6	0.1	(0.0)	(0.1)
Net Debt / EBITDA (x)	(82.2)	15.4	6.7	5.1
Profitability Ratios				
RoCE (%)	6.0	8.8	14.1	16.5
RoE (%)	7.6	7.1	7.7	9.0

Source Company data, I-Sec research

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