

Prestige Estates

Momentum intact across verticals

PEPL reported residential presales of INR 72.3bn, up 20% YoY and 10% QoQ, which has come at a time of peak market pessimism and heightened geopolitical conflict. That shows the resilience of housing demand and the strength of the Prestige brand. Collections of INR 101bn (+16% YoY in H1) and steady retail occupancy of 99% add to the evidence that end-user demand and execution have held up despite the muted macro backdrop. H1FY27 presales of INR 138.0bn are about 24% below the record INR 181bn of H1FY26, a gap that reflects a very high Q1FY26 base (about INR 121bn) that was largely due to spillover of Q4FY25 launches. PEPL launched 30.25msf in H1FY27 and completions reached 9.44msf. Management has lined up a launch pipeline of over INR 400bn for H2FY27 across Bengaluru, Mumbai, NCR, Chennai, and Hyderabad, about 2.5x H1 residential launch GDV. We expect a strong H2FY27, which shall help meet FY27 presales guidance of INR 350bn. On annuity assets, retail gross turnover was INR 7.2bn with 99% occupancy, and exit rentals were INR 8.43bn (commercial) and INR 2.78bn (retail). In hospitality, CPP Investments will invest INR 30bn for ~27% of Prestige Hospitality Ventures; we expect about INR 15bn to come to PEPL and balance for growth. PEPL reiterated confidence in delivering 15-20% sales growth, with the main execution risk still centred around approval timing rather than demand, which it described as resilient across its operating markets. We maintain BUY with a target price of INR 1,878 per share, driven by superior growth prospects across the residential portfolio and multi-fold expansion in annuity income. We believe the robust launch pipeline will act as a key catalyst, supporting both presales momentum and long-term value creation.

- **Launch pipeline provides strong visibility to achieve full-year presales guidance:** Bengaluru contributed 41% of H1FY27 sales, Hyderabad 32%, Mumbai 12%, followed by Chennai and other markets. H1FY27 residential launches were 23.1msf with GDV of over INR 162bn, against 18.8msf and INR 175bn a year ago, so GDV psf launched fell about 25%. Q2 launches were three projects (5.91msf, ~INR 40.2bn GDV). H2FY27 launches are pegged at INR400bn including Q3FY27 launches of Business Bay- INR 77bn, Thane – INR 60bn, NCR – Noida/Gurugram - INR 40bn each, Chennai – INR 68bn, and Falcon Reserve – INR 60bn.
- **Strong collections and diversified income; H2 launch execution the key monitorable:** PEPL's H1FY27 performance reflects healthy sales momentum, strong collections, and continued execution across business verticals. The substantial upcoming launch pipeline provides a key growth driver for H2FY27, while commercial leasing and retail operations support recurring income and portfolio diversification. Key monitorables include launch execution and absorption, collections conversion, realization trends, project approvals, and the pace of hospitality expansion.

Consolidated Financial Summary

YE March (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	72,419	63,895	83,150	78,771	73,494	1,26,854	1,35,281	1,46,444	1,73,513
EBITDA	19,583	15,335	20,863	24,984	25,588	37,091	41,951	47,784	57,399
APAT	3,809	4,764	5,592	5,491	4,675	11,955	14,948	17,037	23,546
Diluted EPS (INR)	9.5	11.9	13.0	12.7	10.9	27.8	34.7	39.6	54.7
P/E (x)	159.4	127.4	116.6	118.8	139.5	54.5	43.6	38.3	27.7
EV / EBITDA (x)	31.8	42.4	34.3	29.7	28.7	21.0	19.3	17.1	14.3
RoE (%)	5.7	5.6	5.9	5.2	3.5	7.5	8.8	9.2	11.5

Source: Company, HSIE Research

BUY

CMP (as on 13 Oct 2026)	INR 1,485
Target Price	INR 1,878
NIFTY	22,722

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,878	INR 1,878
EPS Change %	FY27E -13.5	FY28E -35.9

KEY STOCK DATA

Bloomberg code	PEPL IN
No. of Shares (mn)	431
MCap (INR bn) / (\$ mn)	640/6,713
6m avg traded value (INR mn)	1,172
52 Week high / low	INR 1,805/1,090

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.9)	13.8	(8.0)
Relative (%)	(8.0)	18.8	3.3

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	60.95	60.95
FIs & Local MFs	14.2	13.27
FPIs	22.6	23.51
Public & Others	2.26	2.28
Pledged Shares	-	-

Source: BSE

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Changes in Estimates

Particulars (INR mn)	FY27E			FY28E			FY29E		
	New	Old	Chg (%)	New	Old	Chg (%)	New	Old	Chg (%)
Revenues	1,35,281	1,44,847	(6.6)	1,46,444	1,74,329	(16.0)	1,73,513	1,74,329	(0.5)
EBIDTA	41,951	46,408	(9.6)	47,784	61,746	(22.6)	57,399	61,746	(7.0)
EBIDTA Margins (%)	31.0	32.0	(103)	32.6	35.4	(279)	33.1	35.4	(234)
APAT	14,948	17,272	(13.5)	17,037	26,598	(35.9)	23,546	24,387	(3.5)

Consolidated Income Statement

Year ending March (INR mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	63,895	83,150	78,771	73,494	1,26,854	1,35,281	1,46,444	1,73,513
Growth (%)	- 11.8	30.1	- 5.3	- 6.7	72.6	6.6	8.3	18.5
Material Expenses	38,904	47,244	26,923	13,136	51,094	52,627	54,206	67,215
Employee Expenses	4,510	6,034	7,467	8,217	10,027	10,629	11,373	12,510
Other Operating Expenses	5,146	9,009	19,397	26,553	28,642	30,074	33,082	36,390
EBIDTA	15,335	20,863	24,984	25,588	37,091	41,951	47,784	57,399
EBIDTA (%)	24.0	25.1	31.7	34.8	29.2	31.0	32.6	33.1
EBIDTA Growth (%)	(21.7)	36.0	19.8	2.4	45.0	13.1	13.9	20.1
Other Income	2,107	4,570	15,482	3,861	5,101	5,458	5,513	5,678
Depreciation	4,710	6,471	7,165	8,123	9,061	9,895	10,805	11,799
EBIT	12,732	18,962	33,301	21,326	33,131	37,515	42,492	51,278
Interest	5,553	8,066	12,191	13,338	15,824	15,946	18,098	18,623
Exceptional items	(8,079)	(3,079)	-	-	-	-	-	-
PBT	15,258	13,975	21,110	7,988	17,307	21,568	24,394	32,655
Tax	2,945	3,475	4,936	1,389	4,082	5,176	5,854	7,837
PAT	11,500	9,418	13,741	4,675	11,955	14,948	17,037	23,546
Minority Interest	648	1,250	2,546	1,494	1,099	1,154	1,212	1,272
Share of associates	(165)	168	113	(430)	(171)	(290)	(290)	-
EO items (net of tax)	8,079	3,079	11,000	-	-	-	-	-
APAT	4,764	5,592	5,491	4,675	11,955	14,948	17,037	23,546
APAT Growth (%)	25.1	17.4	(1.8)	(14.9)	155.7	25.0	14.0	38.2
EPS	11.9	13.0	12.7	10.9	27.8	34.7	39.6	54.7
EPS Growth (%)	25.1	9.3	(1.8)	(14.9)	155.7	25.0	14.0	38.2

Source: Company, HSIE Research

Consolidated Balance Sheet

As at March (INR mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
SOURCES OF FUNDS								
Share Capital	4,009	4,009	4,009	4,307	4,307	4,307	4,307	4,307
Reserves	86,937	95,744	1,08,879	1,49,923	1,58,422	1,72,362	1,88,392	2,10,929
Total Shareholders' Funds	90,946	99,753	1,12,888	1,54,230	1,62,729	1,76,669	1,92,699	2,15,236
Minority Interest	4,523	2,832	5,122	4,815	4,669	5,823	7,035	8,307
Long Term Debt	63,010	73,532	1,14,623	1,06,002	1,49,861	1,69,861	1,74,861	1,79,861
Short Term Debt	2,120	7,676	-	-	-	-	-	-
Total Debt	65,130	81,208	1,14,623	1,06,002	1,49,861	1,69,861	1,74,861	1,79,861
Deferred Taxes	-3,136	-2,464	-841	-3,828	-8,612	-8,612	-8,612	-8,612
Long Term Provisions & Others	-	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS	1,57,463	1,81,329	2,31,792	2,61,219	3,08,647	3,43,741	3,65,982	3,94,792
APPLICATION OF FUNDS								
Net Block	57,981	67,224	86,095	1,04,786	1,18,991	1,25,323	1,59,518	1,92,719
CWIP	17,246	23,987	21,372	14,243	22,072	52,345	52,345	52,345
Goodwill	534	534	534	534	534	534	534	534
Investments, LT Loans & Advances	7,724	10,228	12,786	12,737	12,164	12,164	12,164	12,164
Inventories	1,15,667	1,43,671	2,41,562	3,18,831	4,02,519	4,14,595	4,22,886	4,35,573
Debtors	14,196	13,286	12,340	13,582	20,422	23,485	24,660	25,893
Cash & Equivalents	21,712	18,146	25,582	24,228	23,804	14,317	11,117	12,141
ST Loans & Advances, Others	63,514	83,171	78,628	95,693	1,01,888	1,14,898	1,17,908	1,20,918
Total Current Assets	2,15,089	2,58,274	3,58,112	4,52,334	5,48,633	5,67,294	5,76,571	5,94,525
Creditors	9,800	14,514	16,574	18,710	25,050	25,301	25,554	25,809
Other Current Liabilities & Provns	1,31,311	1,64,404	2,30,533	3,04,705	3,68,697	3,88,619	4,09,596	4,31,686
Total Current Liabilities	1,41,111	1,78,918	2,47,107	3,23,415	3,93,747	4,13,920	4,35,150	4,57,495
Net Current Assets	73,978	79,356	1,11,005	1,28,919	1,54,886	1,53,375	1,41,421	1,37,030
Misc Expenses & Others	-	-	-	-	-	-	-	-
TOTAL APPLICATION OF FUNDS	1,57,463	1,81,329	2,31,792	2,61,219	3,08,647	3,43,741	3,65,982	3,94,792

Source: Company, HSIE Research

Consolidated Cash Flow

Year ending March (INR mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Reported PAT	15,093	14,143	21,223	7,558	17,136	21,568	24,394	32,655
Non-operating & EO items	-9,737	-7,579	-15,059	-2,915	-4,542	-5,748	-5,803	-5,678
PAT from Operations	-2,361	-3,288	-4,164	-3,957	-6,815	-5,176	-5,854	-7,837
Interest expenses	5,553	8,066	12,191	13,338	15,824	15,946	18,098	18,623
Depreciation	4,710	6,471	7,165	8,123	9,061	9,895	10,805	11,799
Working Capital Change	8,141	-2,418	-8,383	-20,841	1,439	-7,976	8,754	5,415
OPERATING CASH FLOW (a)	21,399	15,395	12,973	1,306	32,103	28,508	50,393	54,977
Capex	-21,578	-16,006	-28,790	-14,976	-28,742	-46,500	-45,000	-45,000
Free cash flow (FCF)	-179	-611	-15,817	-13,670	3,361	-17,992	5,393	9,977
Investments	-18,876	-11,555	3,308	1,492	-27,732	5,458	5,513	5,678
INVESTING CASH FLOW (b)	-40,454	-27,561	-25,482	-13,484	-56,474	-41,042	-39,487	-39,322
Share capital Issuance	0	0	0	-155	0	0	0	0
Debt Issuance/Repayment	21,926	13,468	32,454	-8,621	43,430	20,000	5,000	5,000
Interest expenses	-5,341	-7,412	-12,161	-16,658	-19,240	-15,946	-18,098	-18,623
Dividend	-601	-601	-601	-775	-775	-1,008	-1,008	-1,008
FINANCING CASH FLOW (c)	15,984	5,455	19,692	-26,209	23,415	3,046	-14,106	-14,631
NET CASH FLOW (a+b+c)	-3,071	-6,711	7,183	-38,387	-956	-9,487	-3,200	1,024
Non-operating and EO items	-8,147	-6,116	-12,751	-385	-1,659	-290	-290	0
Closing Cash & Equivalents	21,712	18,146	25,582	24,228	23,804	14,317	11,117	12,141

Source: Company, HSIE Research

Key Ratios

	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
PROFITABILITY (%)								
GPM	39.1	43.2	65.8	82.1	59.7	61.1	63.0	61.3
EBITDA Margin	24.0	25.1	31.7	34.8	29.2	31.0	32.6	33.1
APAT Margin	7.5	6.7	7.0	6.4	9.4	11.0	11.6	13.6
RoE	5.6	5.9	5.2	3.5	7.5	8.8	9.2	11.5
Core RoCE	9.7	11.8	17.1	9.1	12.2	11.9	12.4	13.9
RoCE	9.7	11.8	17.1	9.1	12.2	11.9	12.4	13.9
EFFICIENCY								
Tax Rate (%)	19.3	24.9	23.4	17.4	23.6	24.0	24.0	24.0
Asset Turnover (x)	0.4	0.5	0.4	0.3	0.4	0.4	0.4	0.5
Inventory (days)	604	569	893	1,392	1,038	1,102	1,044	903
Debtors (days)	80	60	59	64	49	59	60	53
Payables (days)	59	53	72	88	63	68	63	54
Cash Conversion Cycle (days)	625	576	880	1,368	1,024	1,094	1,040	902
Debt/EBITDA (x)	4.2	3.9	4.6	4.1	4.0	4.0	3.7	3.1
Net D/E	0.5	0.6	0.8	0.5	0.8	0.9	0.8	0.8
Interest Coverage	2.3	2.4	2.7	1.6	2.1	2.4	2.3	2.8
PER SHARE DATA								
EPS (Rs/sh)	11.9	13.0	12.7	10.9	27.8	34.7	39.6	54.7
CEPS (Rs/sh)	23.6	28.0	29.4	29.7	48.8	57.7	64.6	82.1
DPS (Rs/sh)	2.3	2.3	2.3	2.3	2.5	2.5	2.5	2.5
BV (Rs/sh)	226.9	231.6	262.1	358.1	377.8	410.2	447.4	499.7
VALUATION								
P/E	127.4	116.6	118.8	139.5	54.5	43.6	38.3	27.7
P/BV	6.7	6.5	5.8	4.2	4.0	3.7	3.4	3.0
EV/EBITDA	42.4	34.3	29.7	28.7	21.0	19.3	17.1	14.3
OCF/EV (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
FCF/EV (%)	(0.0)	(0.1)	(2.1)	(1.9)	0.4	(2.2)	0.7	1.2
FCFE/Market Cap (%)	2.7	0.8	0.7	(6.0)	4.2	(2.1)	(1.2)	(0.6)
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Source: Company, HSIE Research

Price movement



Rating Criteria

BUY : >+15% return potential

ADD : +5% to +15% return potential

REDUCE: -10% to +5% return potential

SELL : >10% Downside return potential

Prestige Estates: Company Update

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