Shriram Properties (SHRPRO)

CMP: ₹ 72 | Target ₹ 110 (53%) | Target Period: 12 months | BUY

November 16, 2026

Soft H1; launches to drive H2 sales...

About the stock: Shriram Properties (SPL) is among the top 5 residential real estate developer in south India primarily focused on the mid-market & mid-premium housing categories.

- It has established a strong presence in Bengaluru, Chennai, Kolkata and recently expanded to Pune. It has a project pipeline of more than 33 msf (15.5/17.7 msf – ongoing/upcoming) with a mix of Owned, Joint Development Agreement, Joint Venture & Development Management projects.

Q2FY27 performance: SPL reported a muted Q2FY27, pre-sales down 15% YoY to ₹ 583 crore (0.91 msf), in absence of project launches during Q2FY27. Collections increased 11% YoY to ₹ 431 crore. Revenue fell 11% YoY to ₹ 184 crore, significant other income led to 2.35x EBITDA growth at ₹ 62.4 crore (₹ -26.3 crore after adj. for other operating income) and PAT at ₹ 21.6 crore vs ₹ 8.6 crore in Q2FY26. Operating cash flow came in at ₹ 47 crore. The company took over partner share in three JVs which together brought in debt of ₹ 300 crore. The net debt position increased to ₹ 761 crore from ₹ 432 crore in June 2026 and net debt/equity climbed to 0.51x.

Investment Rationale:

- **FY27 guidance retained anticipating strong H2:** SPL retained ₹ 3300-3500 pre-sales growth (40-49% YoY) guidance for FY27 led by strong launch pipeline of ~₹ 6000 crore launch pipeline (~10% launched in H1), which is expected to generate ~₹ 2000 crore pre-sales. Further, sustenance sales is expected to contribute ~₹ 1400-1500 crore for FY27. Its H2FY27 launch pipeline of ~5.2+msf is well diversified across Bengaluru (50%), Pune (32%) and Chennai (17%), providing uptick in realisations (higher Bengaluru share). It has unsold inventory of 2.2 msf (GDV of ₹ 1400 crore) in ongoing projects and 17.7 msf (GDV of ₹ 12110 crore) in upcoming projects, scheduled to be launched over the next 4-5 years. Hence, overall, its unsold GDV potential stands at ₹ 13,510 crore, providing a strong pre-sales growth trajectory going ahead. We estimate its pre-sales to grow at 31% CAGR over FY26-FY28E to ₹ 4030 crore.
- **Business development of ₹ 5000-6000 crore for FY27 retained:** SPL has secured business development of ~41 msf (GDV of ~₹ 20,775 crore) since FY19 (H1FY27 - ₹ 650 crore). For FY27, it retained new project additions of 7-8 msf with GDV potential of ₹ 5000-6000 crore. Currently, it has 8.8 msf projects worth ₹ 7500 crore likely addition in ~6 months and 21+ msf projects at various stages of evaluation. The company retained its FY28 mission target of pre-sales (₹ 5000+ crore), revenues (₹ 2500+ crore) and PBT (₹ 250+ crore). Overall, it has ~₹ 14,000 crore of revenues (~₹ 4800+ crore – launched/ongoing, ~₹ 9000+ crore – Upcoming projects) to be recognised in 5-7 years.

Rating and Target Price:

- Shriram properties is expected to remain on a strong pre-sales growth trajectory over the next 2-3 years. We maintain our Buy rating on the stock with revised price target of ₹ 110 (factoring in increase in interest rates)

Shriram Properties
Homes that live in you

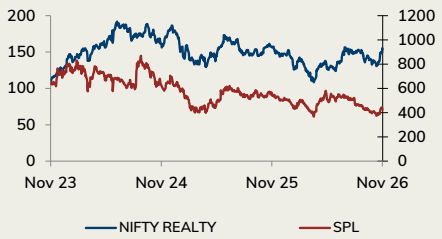
Market data

Particulars	Rs. in crore
Market Capitalisation	1,192
Debt (FY26)	610
Cash (FY26)	151
EV	1,651
52 Week H/L (Rs.)	99/60
Equity Capital	170.4
Face Value (Rs.)	10.0

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	27.9	27.9	27.9	27.9
FII	3.6	6.1	6.9	6.3
DII	2.5	2.5	1.4	1.4
Others	66.0	63.6	63.8	64.4

Price Chart



Key risks

(i) Inability to acquire new residential projects

(ii) Delay in under-construction residential projects

Research Analyst

Ronald Siyoni
ronald.siyoni@icicisecurities.com

Samarth Khandelwal
samarth.khandelwal@icicisecurities.com

Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

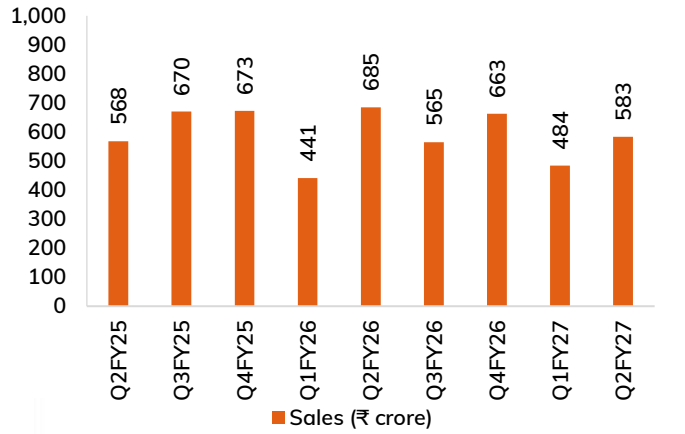
Particulars (₹ crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	FY29E	3-year CAGR (FY26-29E)
Revenues	865	823	1,267	21.1%	1,754	2,362	2,565	26.5%
EBITDA	100	29	87	-6.5%	147	298	322	54.4%
EBITDA margin (%)	11.6	3.6	6.9		8.4	12.6	12.5	
Net Profit	75	77	101	15.6%	95	204	253	35.9%
EPS (Rs.)	4	5	6		6	12	15	
P/E (x)	19	19	15		14	7	5	
EV/EBITDA (x)	19	66	22		12	6	5	
RoCE (%)	11.1	8.4	8.1		7.9	13.4	14.4	
RoE (%)	5.9	5.7	6.9		6.1	11.6	12.4	

Source: Company, ICICI Direct Research

Q2FY27 – Earnings call summary

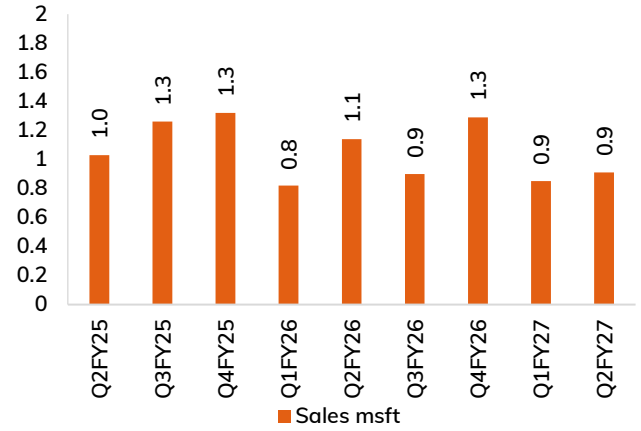
- **Guidance for FY27E:** SPL has maintained pre-sales guidance of ₹ 3300-3500 crore, new project launches having estimated gross development value of ₹ 6000 crore, new business development of 7-8 msf having estimated GDV of ₹ 5000-6000 crore in FY27E. On project completions company has guided to deliver 7-8 projects having approx. 3750 units totalling to 4-4.5 msf having revenue potential of ₹ ~1700 crore for FY27E.
- **New project launches in H2FY27E:** SPL has planned 9 new projects in H2FY27E having 5.93 msf of saleable area across Bengaluru (6 projects), Pune (2) and one each in Chennai.
- Business development: It has business development pipeline of ~₹ 7500 crore having ~8.8 msf saleable area over the near term.
- Financial performance: Q2FY27 financial results record impact of legacy projects which SPL has handed over, these formed 40% of total revenues. The company has guided for Revenue of ₹ 2500 crore in FY28E and ~10% PBT margins by FY28E
- **Cashflows and Debt:** SPL invested ₹ 17 crore in business development in Q2FY27. It recorded collections of ₹ 431 crore in Q2FY27 and construction spends of ₹ 129 crore. It acquired partner share in three joint ventures which also brought in debt of ₹ 300 crore as a result the gross and net debt balance increased to ₹ 1118 and ₹ 761 crore as on Sep 2026. The net debt to equity position increased to 0.51x. The company aims to maintain Net Debt to equity ratio of 0.5:1 in the long term. Cost of debt at 11%.

Exhibit 1: Pre-sales quarterly trend booking



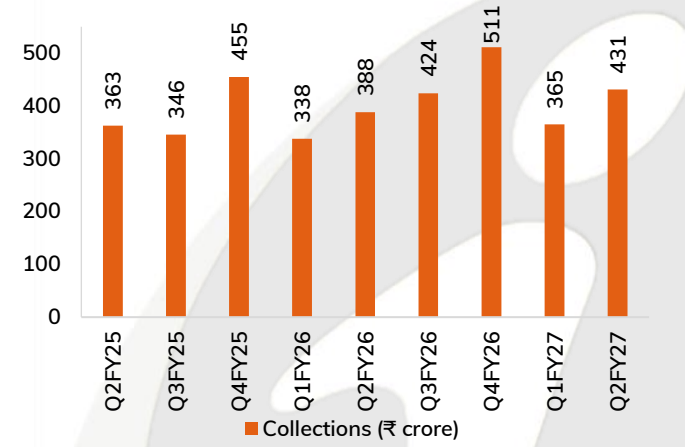
Source: Company, ICICI Direct Research

Exhibit 2: Sales area in msf



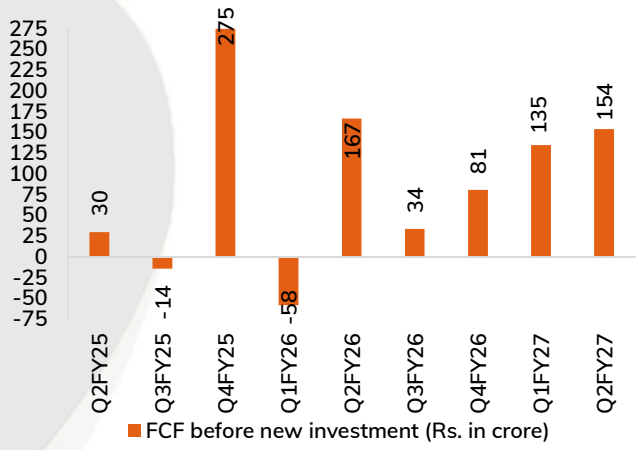
Source: Company, ICICI Direct Research

Exhibit 3: Collections (Rs. crore)



Source: Company, ICICI Direct Research

Exhibit 4: FCF before investment in business development



Source: Company, ICICI Direct Research

Valuation

We value SPL on SOTP basis with valuation methodology for its residential businesses and land bank. We have valued its residential vertical by calculating project-wise NAV discounting net post-tax operating cashflows at 14% WACC rate. We value its Kolkata balance land parcel at market value. Consequently, we arrive at our SOTP based price target price of ₹ 110.

Exhibit 5: Valuation mix

Particulars	Valuation Methodology	Value per share (Rs)
Residential (Ongoing+Upcoming)	Project NAV basis	120
Kolkata land	Based on current market price	35
Less Net Debt		45
NAV		110
Price Target (Rs)		**110**

Source: Company, ICICI Direct Research

Financial summary

Exhibit 6: Profit and loss statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Revenue	1,267	1,569	2,362	2,565
% Growth	53.9	23.8	50.5	8.6
Other income	90	94	99	104
Total Revenue	1,267	1,569	2,362	2,565
% Growth	53.9	23.8	50.5	8.6
Total Raw Material Costs	902	1,146	1,654	1,796
Employee Expenses	105	116	127	140
Other expenses	173	188	283	308
Total Operating Expenditure	1,180	1,450	2,064	2,243
Operating Profit (EBITDA)	87	120	298	322
% Growth	197.3	36.9	149.1	8.0
Interest	86	91	106	100
PBDT	91	122	290	325
Depreciation	10	11	14	14
PBT before Exceptional Items	81	111	276	311
Total Tax	(23)	28	69	78
PAT before MI	103	84	207	233
PAT	101	104	227	253
% Growth	30.6	2.7	119.3	11.5
EPS	5.9	6.1	13.3	14.9

Source: Company, ICICI Direct Research

Exhibit 7: Cash flow statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Profit after Tax	78	104	227	253
Depreciation	10	11	14	14
Interest	86	91	106	100
Others	(58)	-	-	-
Cash Flow before WC changes	116	206	347	367
Change in working capital	(208)	(85)	338	126
Net CF from Operations	(16)	(7)	431	201
(Purchase)/Sale of Fixed Assets	(1)	(7)	(7)	(7)
Net CF from Investing activities	110	(41)	(51)	(35)
Dividend and Dividend Tax	-	-	-	-
Others	(71)	(91)	(106)	(100)
Net CF from Financing Activities	(123)	203	(156)	(150)
Net Cash flow	(28)	156	224	16
Opening Cash/Cash Equivalent	179	151	307	531
Closing Cash/ Cash Equivalent	151	307	531	546

Source: Company, ICICI Direct Research

Exhibit 8: Balance sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Equity Capital	171	171	171	171
Reserve and Surplus	1,289	1,387	1,614	1,868
Total Shareholders' funds	1,460	1,558	1,785	2,038
Total Debt	610	910	860	810
Total Liabilities	2,084	2,482	2,659	2,863
Gross Block	122	129	136	143
Acc: Depreciation	56	67	81	97
Net Block	66	62	55	47
Capital WIP	-	-	-	-
Total Fixed Assets	128	124	117	109
Non-Current Assets	199	233	277	305
Inventory	2,447	2,692	2,961	3,257
Debtors	71	129	194	211
Other Current Assets	351	351	351	351
Cash	151	307	531	546
Total Current Assets	3,387	3,793	4,478	4,839
Current Liabilities	216	279	421	457
Provisions	10	10	10	10
Other Current Liabilities	1,284	1,255	1,654	1,796
Total Current Liabilities	1,630	1,667	2,212	2,391
Net Current Assets	1,757	2,125	2,266	2,447
Total Assets	2,084	2,482	2,659	2,861

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios

(Year-end March)	FY26	FY27E	FY28E	FY29E
EPS	5.9	6.1	13.3	14.9
Cash per Share	8.9	18.0	31.1	32.1
BVPS	85.7	91.5	104.8	119.6
DPS	-	-	-	-
EBITDA Margin	6.9	7.6	12.6	12.5
PAT Margin	8.0	6.6	9.6	9.9
RoE	6.9	6.6	12.7	12.4
RoCE	8.1	8.2	14.5	14.4
RoIC	4.0	5.0	13.4	13.4
EV / EBITDA	18.9	15.0	5.1	4.5
P/E (Adjusted)	11.8	11.5	5.2	4.7
EV / Net Sales	1.3	1.1	0.6	0.6
Sales / Equity	0.9	1.0	1.3	1.3
Market Cap / Sales	0.9	0.8	0.5	0.5
Price to Book Value	0.8	0.8	0.7	0.6
Asset turnover	0.6	0.6	0.9	0.9
Debtors Turnover Ratio	15.4	15.7	14.6	12.7
Creditors Turnover Ratio	6.4	6.3	6.7	5.8
Debt / Equity	0.4	0.6	0.5	0.4
Current Ratio	8.5	7.8	6.4	6.5
Quick Ratio	1.4	1.3	1.1	1.0

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey | Head – Research | pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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