

May 27, 2026

Accelerating pre-sales growth in FY27

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 35 msf (16.7/18.6 msf – ongoing/upcoming) with a mix of Owned, Joint Development Agreement, Joint Venture & Development Management projects.

Q4FY26 performance: SPL reported resilient sales performance for Q4FY26 and FY26. For Q4FY26 SPL achieved presales of ₹ 663 crore (vs ₹ 673 crore in Q4FY25 and ₹ 565 crore in Q3FY26). Collections came in at ₹ 511 crore up 12% YoY. FY26 pre-sales grew 3% YoY to ₹ 2354 crore. Collections grew 12% YoY to ₹ 1661 crore. On the financial side, SPL reported robust financial performance on highest ever project handovers despite e-khata and registration challenges. FY26 revenues/EBITDA/PAT up 54%/197%/30% at ₹1267/₹87/₹101 crore. EBITDA Margins expanded 330 bps to 6.9%. On the business development side SPL secured projects worth ₹ 3500 crore.

Investment Rationale

- Stepping up pre-sales growth guidance for FY27 to 40-49% YoY:** SPL is targeting a robust pre-sales growth of 40-49% YoY (volume growth of 20-33% YoY) for FY27 at ₹ 3300-3500 crore (FY26 pre-sales grew 3% YoY). It plans ~6+ msf launches in FY27 across Bengaluru (45%), Pune (28%), Chennai (20%) and Kolkata (7%), eyeing ₹ 2000+ crore from new launches. It has unsold inventory of 2.6 msf (GDV of ₹ 1710 crore) in ongoing projects and 18.6 msf (GDV of ₹ 12240 crore) in upcoming projects, scheduled to be launched over the next 4-5 years. Hence, overall, its unsold GDV potential stands at ₹ 13,950 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:** SPL has secured business development of ~40 msf (GDV of ~₹ 20,125 crore) since FY19. For FY27, it plans to 7-8 msf projects with GDV potential of ₹ 5000-6000 crore. Currently, it has 7.3 msf projects worth ₹6000 crore likely addition in ~6 months and overall it has 26+ msf projects (3+/3+/20+ msf projects under closure/advanced/under active stages) business development pipeline. The company is stepping up new project additions over the next three years to achieve its internal pre-sales target of ₹ 5000 crore in FY28E (our estimate ₹ 4030 crore).

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 SOTP based price target price of ₹ 125 and Buy rating on the stock.

Key Financial Summary

Particulars (Rs. in crore)	FY24	FY25	FY26	2 Year CAGR (FY24-26)	FY27E	FY28E	2 Year CAGR (FY26-28E)
Revenues	865	823	1,267	21.1%	1,901	2,410	37.9%
EBITDA	100	29	87	-6.5%	216	345	98.7%
EBITDA margin (%)	11.6	3.6	6.9		11.4	14.3	
Net Profit	75	77	101	15.6%	146	239	53.9%
EPS (Rs.)	4	5	6		9	14	
P/E (x)	22	21	16		11	7	
EV/EBITDA (x)	21	72	24		9	6	
RoCE (%)	11.1	8.4	8.1		10.7	14.8	
RoE (%)	5.9	5.7	6.9		9.1	13.0	

Source: Company, ICICI Direct Research; Note: EBITDA for FY25/FY24 stands at ₹ 203 crore/₹ 203 crore as per company's adjusted reporting due to inclusion of other operating revenues in revenue from operations. Other operating revenues include impact of ASK exit from Shriram Pristine Estates, fair value gains in Project JVs and monetization of development rights etc.



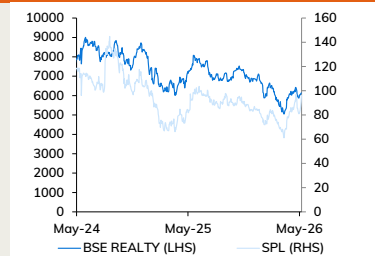
Particulars

Particular	Rs in crore
Market Capitalisation	1,652
FY26 Gross Debt	651
FY26 Cash	179
EV	2,124
52 Week H/L (Rs.)	106/61
Equity Capital	170.4
Face Value (Rs.)	10.0

Shareholding pattern

	Jun-25	Sep-25	Dec-25	Mar-26
Promoter	27.9	27.9	27.9	27.9
FII	2.1	2.9	3.6	6.1
DII	2.0	1.9	2.5	2.5
Others	68.0	67.3	66.0	63.6

Price Chart



Key risks

- Key Risk: i) Delay in under-construction residential projects
- ii) Inability to acquire new residential projects

Research Analyst

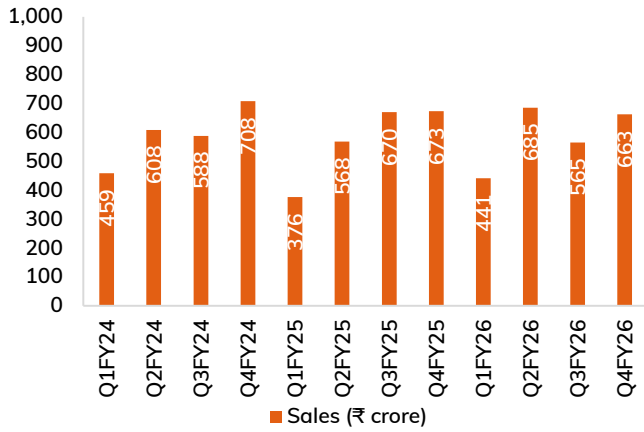
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Earnings call highlights

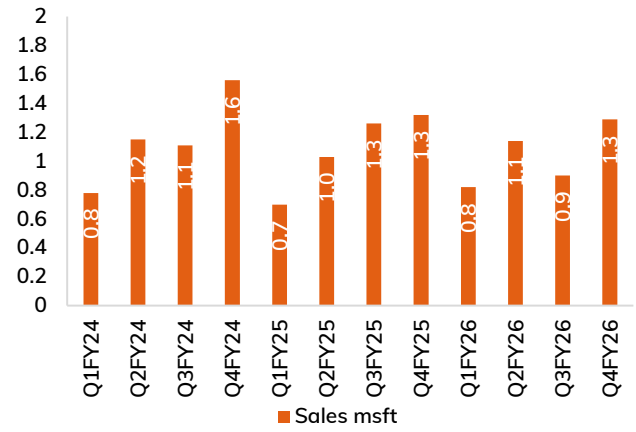
- **Guidance for FY27E:** SPL has guided to achieve pre-sales of ₹ 3300-3500 crore, new project launches having estimated gross development value of ₹ 2000 crore, new business development of 7-8 msf having estimated GDV of ₹ 5000-6000 crore in FY27E. On project completions company has guided to deliver 7-8 projects having approx. 3750 units totalling to 4-4.5 msf having revenue potential of ₹ 1740 crore.
- **New project launches in FY27E:** SPL has planned 10 new projects in FY27E having 5.93 msf of saleable area across Bengaluru (6 projects), Pune (2) and one each in Chennai and Kolkata.
- **Kolkata strategy:** SPL has approximately more than 100 acres of monetizable land bank in Kolkata region. It already has approvals in place for 2.3 msf of apartment launches. SPL is confident of monetising its land bank in the region. In FY26, it launched maiden villa project and a small commercial project both of which received exceptional response. This year it has launched a branded plotted project in Q1FY27, with no other project launches planned in FY27E. Basis response received for branded plotted projects SPL will work upon a strategy to accelerate monetisation of land bank with aim to achieve the best possible realisation.
- **FY26 project response:** SPL received exceptional market response to project launched by SPL across Pune, Kolkata, Chennai and Bengaluru. Project launch includes Spectrum, Pune (over 300 units sold); Songs of the Earth, Bangalore (over 85% sold); SkyBloom Villas, Kolkata over 50% sold; Signature Square in Kolkata approximately 40% sold at launch.
- **Cashflows and Debt:** SPL invested ₹ 372 crore in business development in FY26 securing projects with estimated GDV of ₹ 3500 crore. It recorded collections of ₹ 1661 crore in FY26 and construction spends of ₹ 434 crore during the year. SPL has gross and net debt balance of ₹ 610 and ₹ 438 crore in FY26, net debt to equity position of 0.30x. Going ahead the company expects construction outflows of 900-1000 crore and business development investment of ~₹ 400 crore.
- **US-Iran war impact:** SPL does not expect a significant impact from rise in prices of raw materials due to supply chain disruptions caused by US Iran conflict. The prices of basic materials like cement, steel and RMC are stable or declining whereas tiles, paints and plastic related items are experiencing price rise of 5-10%. SPL expects built in contingencies to provide cushion against these incremental costs.
- **Rise in other expenses:** SPL recorded a significant rise in revenue in FY26 at ₹ 1200 crore vs ₹ 900 crore in FY25, other expenses contain ₹ 25 crore of brokerage expenditure, these were capitalised and are recognised along with revenue. Moreover, the company has made a provision of ₹ 5-10 crore on prudent basis in FY26 on certain receivables. SPL expects to recover these dues in the near future.

Exhibit 1: Pre-sales/booking value (Rs. crore)



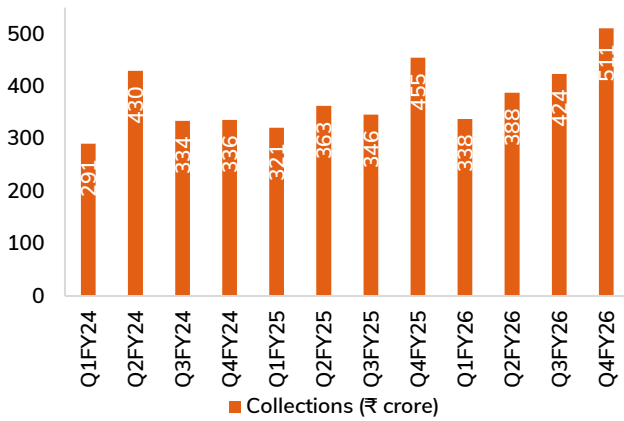
Source: Company, ICICI Direct Research

Exhibit 2: Sales area in msf



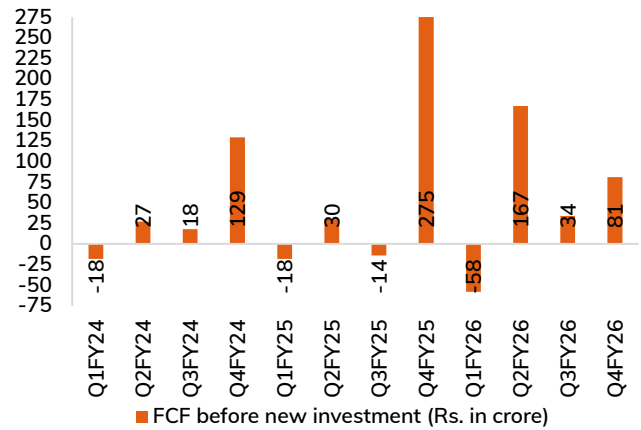
Source: Company, ICICI Direct Research

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 of ₹ 125.

Exhibit 5: Valuation Mix

Particulars	Valuation Methodology	Value per share (Rs)
Residential (Ongoing+Upcoming)	Project NAV basis	115
Kolkata balance land monetisation	Based on current market price	35
Less Net Debt		25
NAV		125
Price Target (Rs)		125

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 6: Profit and loss statement		₹ crore			
(Year-end March)	FY25	FY26	FY27E	FY28E	
Revenue	823	1,267	1,901	2,410	
% Growth		53.9	50.0	26.7	
Other income	150	90	44	46	
Total Revenue	823	1,267	1,901	2,410	
% Growth		53.9	50.0	26.7	
Total Raw Material Costs	575	902	1,348	1,654	
Employee Expenses	92	105	116	127	
Other expenses	127	173	222	283	
Total Operating Expenditure	794	1,180	1,685	2,064	
Operating Profit (EBITDA)	29	87	216	345	
% Growth		197.3	147.8	59.4	
Interest	105	86	79	85	
PBDT	75	91	181	306	
Depreciation	10	10	13	14	
PBT before Exceptional Items	64	81	168	292	
Total Tax	11	(23)	42	73	
PAT before MI	54	103	126	219	
PAT	77	101	146	239	
% Growth		30.6	44.8	63.5	
EPS	4.5	5.9	8.6	14.0	

Source: Company, ICICI Direct Research

Exhibit 7: Cash flow statement		₹ crore			
(Year-end March)	FY25	FY26	FY27E	FY28E	
Profit after Tax	88	78	146	239	
Depreciation	10	10	13	14	
Interest	105	86	79	85	
Others	(148)	(58)	-	-	
Cash Flow before WC changes	55	116	238	338	
Change in working capital	(80)	(208)	156	127	
Net CF from Operations	154	(16)	273	206	
(Purchase)/Sale of Fixed Assets	(6)	(1)	(7)	(7)	
Net CF from Investing activities	(31)	110	(69)	(26)	
Dividend and Dividend Tax	-	-	-	-	
Others	(125)	(71)	(79)	(85)	
Net CF from Financing Activities	(128)	(123)	15	(85)	
Net Cash flow	(5)	(28)	219	94	
Opening Cash/Cash Equivalent	184	179	151	370	
Closing Cash/ Cash Equivalent	179	151	370	464	

Source: Company, ICICI Direct Research

Exhibit 8: Balance sheet		₹ crore			
(Year-end March)	FY25	FY26	FY27E	FY28E	
Equity Capital	170	171	171	171	
Reserve and Surplus	1,185	1,289	1,430	1,668	
Total Shareholders funds	1,356	1,460	1,600	1,839	
Total Debt	651	610	710	710	
Total Liabilities	2,018	2,084	2,325	2,563	
Gross Block	109	122	129	136	
Acc: Depreciation	46	56	70	84	
Net Block	69	66	60	52	
Capital WIP	-	-	-	-	
Total Fixed Assets	82	128	122	114	
Non Current Assets	179	199	261	280	
Inventory	2,533	2,447	2,692	2,961	
Debtors	94	71	156	198	
Other Current Assets	495	351	351	351	
Cash	179	151	370	464	
Total Current Assets	3,678	3,387	3,936	4,422	
Current Liabilities	182	216	339	429	
Provisions	9	10	10	10	
Other Current Liabilities	1,323	1,284	1,521	1,687	
Total Current Liabilities	1,920	1,630	1,994	2,254	
Net Current Assets	1,757	1,757	1,941	2,169	
Total Assets	2,018	2,084	2,325	2,563	

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios		FY25	FY26	FY27E	FY28E
(Year-end March)					
EPS		4.5	5.9	8.6	14.0
Cash per Share		10.5	8.9	21.7	27.2
BVPS		79.6	85.7	93.9	108.0
DPS		-	-	-	-
EBITDA Margin		3.6	6.9	11.4	14.3
PAT Margin		9.4	8.0	7.7	9.9
RoE		5.7	6.9	9.1	13.0
RoCE		8.4	8.1	10.7	14.8
RoIC		1.0	4.0	10.5	15.9
EV / EBITDA		70.6	23.6	9.0	5.4
P/E (Adjusted)		20.7	15.9	11.0	6.7
EV / Net Sales		2.5	1.6	1.0	0.8
Sales / Equity		0.6	0.9	1.2	1.3
Market Cap / Sales		1.9	1.3	0.8	0.7
Price to Book Value		1.2	1.1	1.0	0.9
Asset turnover		0.4	0.6	0.8	0.9
Debtors Turnover Ratio		9.7	15.4	16.7	13.6
Creditors Turnover Ratio		4.8	6.4	6.9	6.3
Debt / Equity		0.5	0.4	0.4	0.4
Current Ratio		5.3	8.5	6.9	6.3
Quick Ratio		1.1	1.4	1.2	1.1

Source: Company, ICICI Direct Research

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Buy: >15%

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