



Godrej Properties

Estimate change	↓
TP change	↔
Rating change	↔

CMP: INR2,964 TP: 3,725 (+26%) Buy

Strong 1HFY25 show!

BD to keep launches momentum ongoing

Bloomberg	GPL IN
Equity Shares (m)	278
M.Cap.(INRb)/(USDb)	824.3 / 9.8
52-Week Range (INR)	3403 / 1548
1, 6, 12 Rel. Per (%)	-1/8/55
12M Avg Val (INR M)	2206

- Godrej Properties (GPL) achieved its best ever second-quarter bookings of INR52b, guided by strong demand momentum (up 3% YoY). New launches/existing projects accounted for 53%/47% of total sales.
- GPL launched INR61b worth of projects across 5.6msf of saleable area, of which 45% of inventory was sold during the quarter and contributed 53% to pre-sales value.
- Sales volume was flat at 5.2msf, while realizations moved up 5% YoY at INR10,093/sft due to a better product mix. MMR reported over 4.5x jump in sales and contributed 42% to total volumes, while NCR/Bangalore contributed 23%/14% respectively.
- GPL launched ~49% of the planned launches in 1H and has achieved 51% of FY25 pre-sales guidance of INR270b. The management is confident to surpass its FY25 launch (INR300b) and pre-sales guidance on the back of strong inherent demand on ground. Till date achieved 87% target of BD.
- **P&L performance:** Revenue surged 219% YoY to INR10.9b – 110% higher than our estimate. Gross margin was healthy at 44%; however, higher other expenses due to the launches limited the operating profit to INR319m. PAT jumped 4x to INR3.3b due to higher other income of INR2.5b.
- For 1HFY25, GPL clocked revenue of INR18.3b, up 43%, backed by the delivery of 9.3msf. GPL reduced its operating loss to INR931m and reported 313% YoY growth in PAT to INR8.5b, guided by other income of INR12b.

Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	30.4	34.7	35.6
EBITDA	-1.3	2.2	1.5
EBITDA (%)	-4.3	6.2	4.2
PAT	7.5	14.4	9.1
EPS (INR)	26.9	52.0	32.8
EPS Gr. (%)	113.1	132.6	22.0
BV/Sh. (INR)	359.5	411.5	444.3

Ratios

Net D/E	0.6	0.6	0.5
RoE (%)	8	13	8
RoCE (%)	5	7	5
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	110	57	90
P/BV (x)	8	7	7
EV/EBITDA (x)	NM	414	587
Div Yield (%)	0	0	0

Shareholding pattern (%)

As On	Sep-24	Mar-24	Dec-23
Promoter	58.5	58.5	58.5
DII	4.7	4.6	4.6
FII	29.7	29.3	27.4
Others	7.1	8.4	9.6

Net debt rises due to increased investments in land

- GPL's gross collections jumped 63% YoY to INR43b, leading to over 8x jump in OCF (pre-interest and tax) to INR18.3b, despite 36% growth in construction and other outflows.
- The company spent INR16.8b on new land investments and approvals, which resulted in a cash shortfall of INR1.4b and an increase in net debt to INR75.7b or 0.7x of equity (vs. 0.71x as of Jun'24).

Key highlights from the management commentary

- **Strong H2FY25 anticipated:** The management is optimistic about building on the current momentum, with plans to launch projects in Worli, Golf Course Road in Gurgaon, Sector 44 in Noida, Bangalore, Pune, Kolkata, and Hyderabad.
- **Record cash flow and earnings expected:** Aiming to achieve a record year from cash flow and earnings perspectives.
- **Continued growth in FY26:** Targeting to sustain growth on top of the current year's exceptional sales.
- **Focus on replenishing land bank:** Emphasized the importance of land bank replenishment for sustaining growth, given the faster-than-anticipated growth rates.