




Signature Global

Estimate change	
TP change	
Rating change	

CMP: INR1,282 **TP: 2,000 (+56%)** **Buy**

Strong operational performance

P&L declined due to higher indirect costs related to new launches

Bloomberg	SIGNATUR IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	180.3 / 2.1
52-Week Range (INR)	1647 / 684
1, 6, 12 Rel. Per (%)	-11/-7/64
12M Avg Val (INR M)	811

- Signature Global achieved pre-sales of INR27.8b in 2QFY25, higher by 183% YoY, aided by strong contributions from Titanium SPR (group housing) and Daxin Vistas (township project), which were launched in 1HFY25.
- Strong pre-sales were boosted by volumes of 2.38msf, up 143% YoY and 17% QoQ. In 1HFY25, volumes jumped 132%YoY to 4.41msf.
- The company reported pre-sales of INR59b (217% YoY) in 1HFY25, which is 59% of its FY25 guidance. Additionally, Signature launched projects worth GDV of INR90b vs. its full-year guidance of INR160b.
- During 1HFY25, the company added 2.9msf at the strategic location of Sector 37D, and part of the projects in Sector 88A have been converted from JDA to owned. The company continues to focus on consolidation in three micro markets, e.g., Sec 71, Sec 37 D, and Sohna.
- **P&L performance:** The company reported revenue of INR7.5b, higher by 660% YoY and 87% QoQ (18% below our est.). Additionally, it reported an operating loss of INR116m, while a profit of INR41m was driven by the deferred tax credits of INR291m.
- For 1HFY25, the company posted revenue of INR11.5b, up 335% YoY (31% of FY25E); EBITDA loss of INR128m; and adj. PAT of INR110m (vs. loss of INR261m in 1HFY24).

Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	12.4	37.3	52.3
EBITDA	-0.3	5.1	10.2
EBITDA (%)	-2.2	13.6	19.5
Adj. PAT	0.2	4.1	7.9
EPS (INR)	1.2	29.0	56.5
EPS Gr. (%)	NA	2367.1	94.9
BV/Sh. (INR)	44.6	73.6	130.1

Ratios

Net D/E	1.9	-0.3	-0.2
RoE (%)	4.9	49.1	55.5
RoCE (%)	5.8	20.0	39.2
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	1,090.4	44.2	22.7
P/BV (x)	28.7	17.4	9.9
EV/EBITDA (x)	-694.6	34.8	17.2
Div Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	69.6	69.6	69.6
DII	4.7	5.3	6.0
FII	12.2	8.3	5.4
Others	13.5	16.7	18.9

Steady collections but debt inches up due to business development

- Collections were up 27% YoY at INR9.2b, driven by strong pre-sales and steady execution.
- For 1HFY25, collections were higher by 60% YoY to INR21.3b, which is 35% of its FY25 guidance. Further, Signature posted an operating cash surplus before land investment of INR8.1b/INR2.8b for 1HFY25/2QFY25.
- Debt rose to INR10.1b in 2Q from INR9.8b in 1Q (lower by ~INR1.4b vs. INR11.6b in FY24).

Key highlights from the management commentary

- Management reiterated its FY25 guidance of INR100b in pre-sales and INR60bn in collections.
- It is confident of recognising revenue of INR38b in FY25 and INR70b in FY26, as ~16msf is expected to be delivered over FY25-26E, which has potential GDV of INR110b. Additionally, it is confident of achieving blended embedded operating margin of 35% for the projects.
- For FY25, gross debt is expected to come down to INR5-6b from INR10bn currently (well below 0.5x).
- Management is confident of achieving 25% growth post FY25, which will be driven by 8-10% realization growth and the remaining from volumes.
- Signature intends to launch projects worth GDV of IN350b over FY26-27 and plans to keep replenishing inventory in the present markets.