

## Ramping up its annuity portfolio!

Oberoi Realty (ORL) clocked sales volumes growth of 10.8% YoY to 1.45 lsf with sales value of ₹ 319.1 crore. Revenues grew strongly by 66.3% YoY to ₹ 573.5 crore. EBITDA margin declined 16.6 percentage points YoY to 36.6% on account of higher revenue booking from low-margin Borivali projects. PAT grew 9.0% YoY to ₹ 155.8 crore on account of higher topline growth.

## Sales volumes grow 10.8% YoY to 1.45 lsf in Q4FY19

ORL's sales volumes were flattish QoQ at 1.45 lakh sq ft (lsf) in Q4FY19 on account of delayed purchases following GST rate changes and election environment. Overall, sales volumes grew strongly by 48% YoY to 0.82 msf in FY19. Going ahead, we anticipate ORL's sales volume to grow at CAGR of 37.2% to 1.42 msf during FY18-FY21E on the back of new launches.

## New launches planned from Q2FY20E

ORL has 4.5 msf saleable area at Exquisite Phase-III in Goregaon, which it plans to launch in Q2FY20E. Additionally, Thane project (total 63 acre land parcel) is expected to be launched in Q3FY20E. These new launches should support its sales momentum, going ahead. The construction activity for Borivali is also progressing in full swing. The company started construction activity on three more towers in addition to 5 ongoing towers for residential and retail assets. The timing for launch of these three towers would depend on sales response to ongoing 5 towers in Borivali Project.

## Strong ramp up in annuity portfolio

ORL has operational lease portfolio of 1.6 msf generating lease revenues of ₹274.6 crore in FY19. Currently, it is looking to expand its lease portfolio significantly through Borivali mall (GLA: 1.6 msf), Commerz III (GLA: 1.8 msf) and Worli mall (GLA: 1.0 msf). Construction work at Worli and Borivali malls is in full swing and it expects Borivali mall (GLA: 1.6 msf) would be ready for fit out by December, 2020. Furthermore, it has started construction work at Commerz-III (GLA: 1.8 msf). Going ahead, operational annuity assets, along with upcoming lease portfolio will significantly drive rental income.

## Valuation & Outlook

We like ORL given the quality of land bank, its healthy balance sheet and management bandwidth to execute large projects. The company is currently looking to ramp up its annuity portfolio, which would provide stable secure cash flow in the medium term. In residential portfolio, we anticipate its sales momentum to pick up from H2FY20E on the back of new launches such as Exquisite III and Thane projects. We maintain our **BUY** recommendation on the stock with a target price of ₹ 600/share.



### Particulars

Particular	Amount (₹ crore)
Market Capitalization	18,543.7
Total Debt	836.1
Cash	3,368.1
EV	16,011.6
52 week H/L (₹)	641 / 428
Equity capital	363.6
Face value (₹)	10.0

### Key Highlights

- ORL's sales volumes grew 10.8% YoY to 1.45 lsf with sales value of ₹ 319.1 crore and achieved collections worth ₹ 402.4 crore in Q4FY19
- The company could launch Exquisite Phase-III at Goregaon in Q2FY20E, while Thane project is expected to be launched By Q3FY20E
- Commerz-II is fully leased as of Q4FY19, while the company started construction at Commerz-III
- Maintain **BUY** with a target price of ₹ 600/share

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### Key Financial Summary

₹ crore	FY17	FY18	FY19E	FY20E	FY21E	CAGR FY19-21E
Net Sales	1113.7	1265.4	2582.5	2698.9	3031.7	8.3%
EBITDA	569.9	675.3	1155.4	1237.5	1229.5	3.2%
EBITDA Margin (%)	51.2	53.4	44.7	45.9	40.6	
Net Profit	378.7	458.8	816.9	893.7	1061.7	14.0%
EPS (₹)	10.4	12.6	22.5	24.6	29.2	
P/E (x)	49.0	40.4	22.7	20.8	17.5	
EV/EBITDA (x)	30.2	25.1	13.9	12.7	13.2	
RoE (%)	6.6	7.5	10.1	8.0	7.1	
RoCE (%)	8.6	9.3	13.4	11.3	10.3	

Source: Company, ICICI Direct Research

**Exhibit 1: Variance Analysis**

	Q4FY19	Q4FY19E	Q4FY18	YoY (Chg %)	Q3FY19	QoQ (Chg %)	Comments
Income from Operation	573.5	510.3	344.9	66.3	528.6	8.5	Revenues growth was led by higher revenue recognition from Borivali proejct
Other Income	23.8	20.2	7.9	202.3	20.2	17.9	
Operating Cost	316.8	288.3	132.0	140.1	297.5	6.5	
Employee cost	18.1	16.7	15.7	15.4	17.4	4.3	
Other expenditure	28.9	24.8	14.0	106.4	25.7	12.4	
EBITDA	209.7	180.5	183.3	14.4	188.1	11.5	
EBITDA Margin (%)	36.6	35.4	53.1	-1658 bps	35.6	99 bps	EBITDA margin contraction was due to higher revenue bookings from low-margon Borivali project.
Depreciation	11.0	11.4	11.8	-6.0	11.4	-3.2	
Interest	3.8	4.9	1.9	100.0	4.9	-22.5	
PBT	218.7	184.4	177.6	23.2	192.0	13.9	
Taxes	64.4	55.3	35.7	80.1	57.3	12.3	
PAT	155.8	132.3	142.9	9.0	137.9	12.9	PAT growth was led by strong topline growth

**Key Metrics**

Sales Volume (in sq ft)	145,178	145,000	131,052	10.8	147,276	-1.4	Sales volume growth was on account of activation schemes and good sales at Worli project
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Source: Company, ICICI Direct Research

**Exhibit 2: Change in estimates**

(₹ Crore)	FY18	FY19	Old	FY20E	% Change	FY21E	Comments
	Actual	Actual		New		Introduced	
Revenue	1265.4	2582.5	2650.9	2698.9	1.8	3031.7	
EBITDA	675.3	1155.4	1328.5	1237.5	-6.9	1229.5	
EBITDA Margin (%)	53.4	44.7	50.1	45.9	-425 bps	40.6	
PAT	458.8	816.9	985.6	893.7	-9.3	1061.7	
EPS (₹)	12.6	22.5	27.1	24.6	-9.3	29.2	We introduce FY21E estimates

Source: Company, ICICI Direct Research

**Exhibit 3: Assumptions**

Volume sold in msf	FY16	FY17	FY18	FY19	FY20E	FY20E	FY21E	Comments
					New	Earlier	Introduced	
Goregaon	0.2	0.1	0.2	0.3	0.5	0.5	0.4	
Andheri/Borivali	1.1	0.2	0.2	0.3	0.4	0.5	0.4	
Worli	0.0	0.2	0.1	0.1	0.1	0.3	0.2	
Mulund	0.0	0.1	0.1	0.1	0.2	0.2	0.2	
Pune	0.0	0.0	0.0	0.0	0.2	0.2	0.2	
Total	1.3	0.6	0.6	0.8	1.4	1.5	1.4	We introduce FY21E estimates

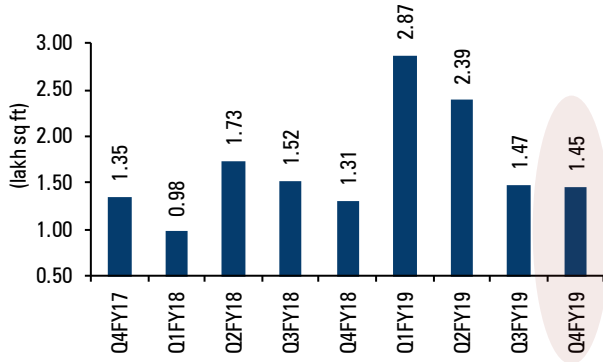
Source: Company, ICICI Direct Research

## Conference Call Highlights

- **Sales volumes:** ORL clocked sales volume growth of 10.7% YoY to 1.45 lakh sq ft in Q4FY19. Furthermore, it reported sales value of ₹ 319.1 crore and achieved collections worth ₹ 402.4 crore in Q4FY19
- **Launch pipeline:** The company plans to launch Exquisite Phase-III at Goregaon in Q2FY20E, while the Thane project (63 acre land parcel) could be launched by Q3FY20E end. Total saleable area at Exquisite Phase-III is ~4.5 msf
- **Borivali development:** The construction activity for Borivali is progressing in full swing. The company started construction activity on three more towers in addition to five ongoing towers for residential and retail assets. The timing for launch of these three towers would depend on sales response to ongoing five towers in Borivali Project.
- **Investment properties:** Oberoi Mall reported strong revenue growth by 34.2% YoY to ~₹ 39.0 crore mainly on account of 38% YoY rental rate growth to ₹ 243/sq ft per month in Q4FY19. Also, the company clocked strong 2x growth in revenues at Commerz-II mainly on account of rise in occupancy levels and 10.5% growth in rental rate to ₹ 136/sq ft per month. Commerz-II is fully leased as of Q4FY19.
- **Upcoming annuity portfolio:** Construction work at Worli and Borivali malls is in full swing. Furthermore, ORL has started construction work at Commerz-III (GLA: 1.8 msf). The company plans to launch the Borivali mall next year.
- **Three Sixty West project:** The company shall apply for OC for Three Sixty West project in Q1FY20E. Partial OC for the project is expected by Q2FY20E, while full OC is expected by FY20E end.
- **Raising funds:** ORL's board has passed an enabling resolution to: i) issue non-convertible debentures up to an ₹ 1500.0 crore by way of private placement in one or more tranches, and ii) issue of equity shares/securities convertible into equity up to ₹ 2000.0 crore by way of QIP.
- **South Mumbai project:** ORL is in advanced stage of discussion for South Mumbai project, which is to be developed under JDA. Rehabilitation of the existing tenants is underway, post which, free-sale component would be released. The project is spread on a 4 lakh sq ft area and has a potential sales value of ₹ 2,000 crore (ORL's share: 60%).

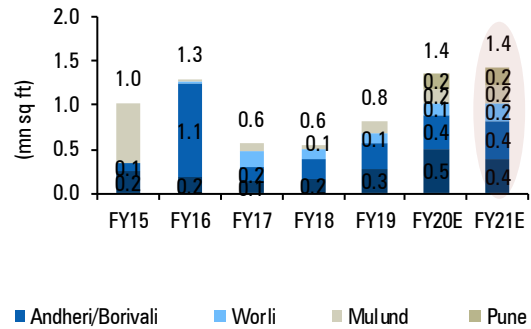
## Company Analysis

Exhibit 4: Quarterly sales volumes trend



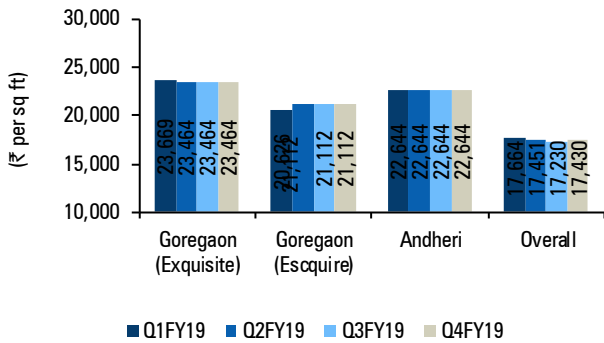
Source: Company, ICICI Direct Research

Exhibit 5: Sales volumes to improve hereon



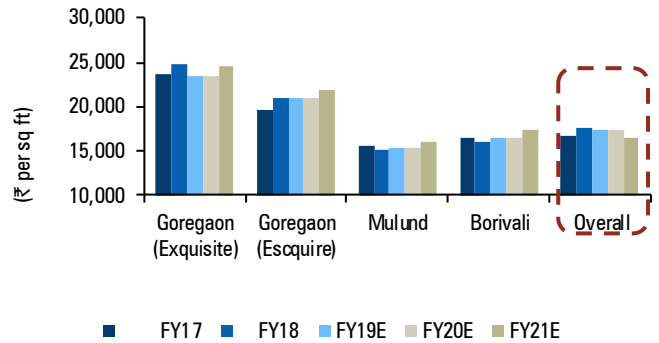
Source: Company, ICICI Direct Research

Exhibit 6: Quarterly average realization trend



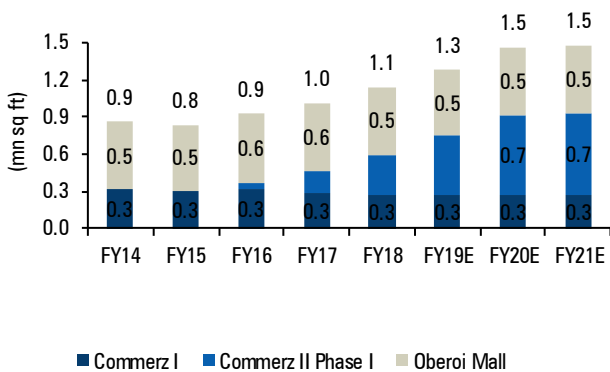
Source: Company, ICICI Direct Research

Exhibit 7: Annual realization trend across projects



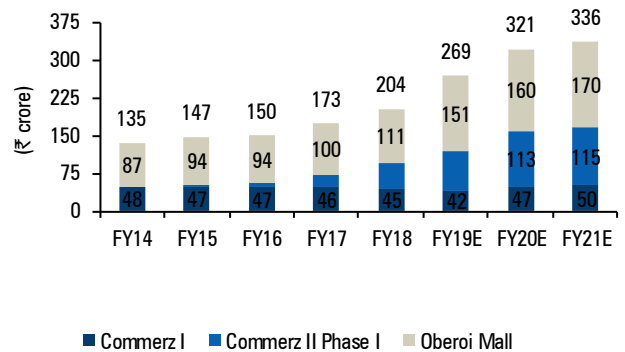
Source: Company, ICICI Direct Research

Exhibit 8: Leasing trend



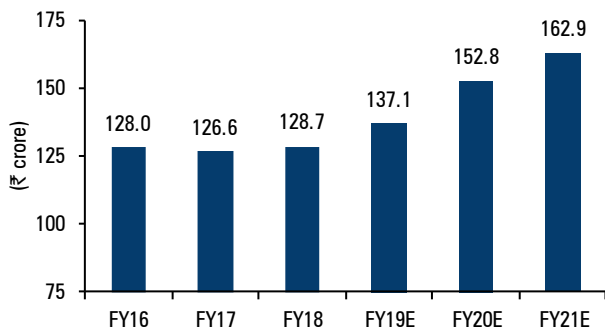
Source: Company, ICICI Direct Research

Exhibit 9: Leasing revenues trend



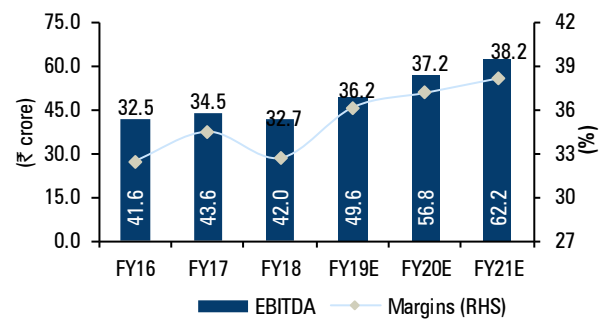
Source: Company, ICICI Direct Research

Exhibit 10: Hotel revenue trend



Source: Company, ICICI Direct Research

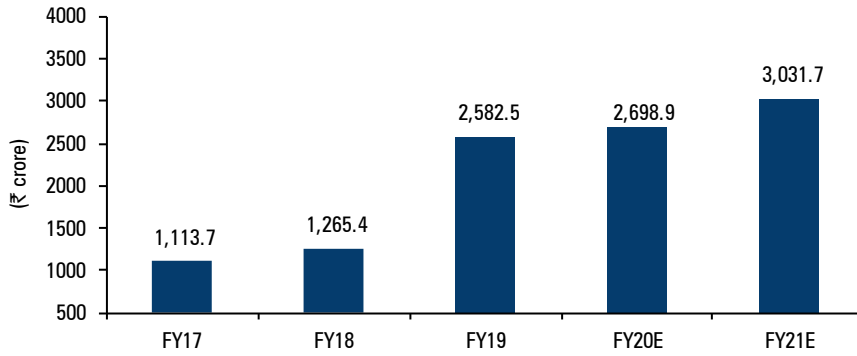
Exhibit 11: Westin's operating profit trend



Source: Company, ICICI Direct Research

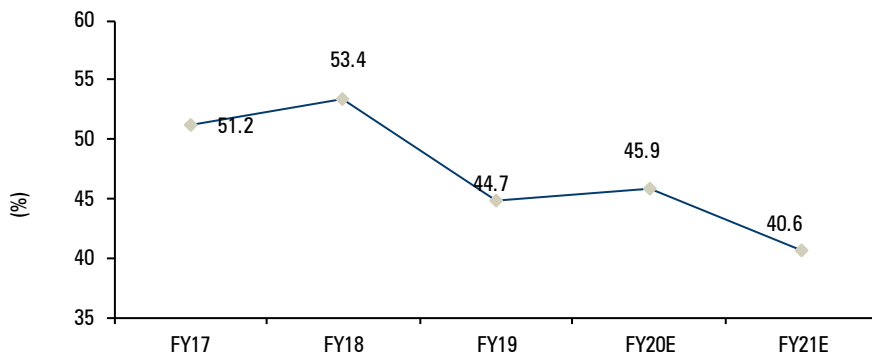
## Financial story in charts

Exhibit 12: Revenues to grow at 8.3% CAGR in FY19-21E



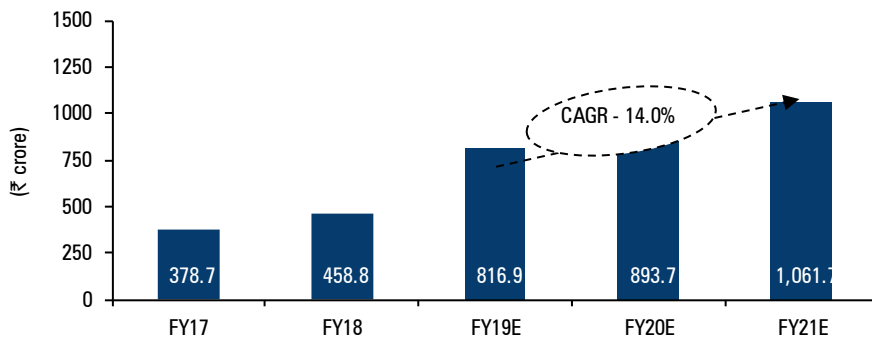
Source: Company, ICICI Direct Research

Exhibit 13: EBITDA margin trends



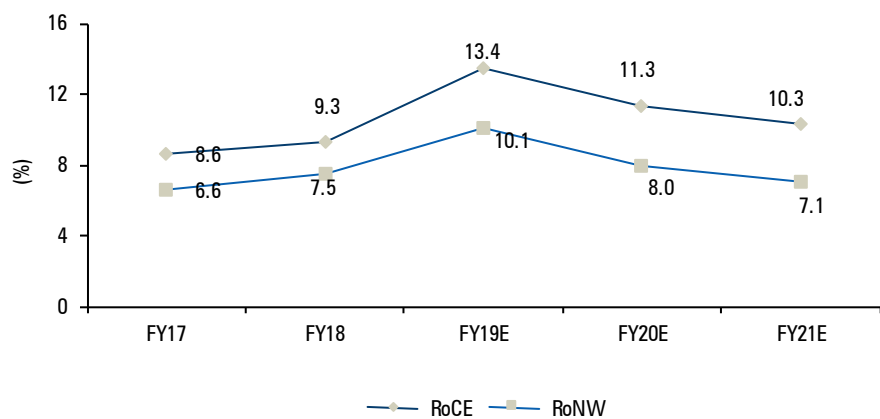
Source: Company, ICICI Direct Research

Exhibit 14: PAT to grow 14.0% CAGR in FY19-21E



Source: Company, ICICI Direct Research

**Exhibit 15: Return ratios trend**



Source: Company, ICICI Direct Research

## Valuation & Outlook

We like ORL given the quality of land bank, its healthy balance sheet and management bandwidth to execute large projects. The company is currently looking to ramp up its annuity portfolio, which would provide stable secure cash flow in the medium term. In residential portfolio, we anticipate its sales momentum to pick up from H2 FY20E on the back of new launches such as Exquisite III and Thane projects. We maintain our **BUY** recommendation on the stock with a target price of ₹ 600/share.

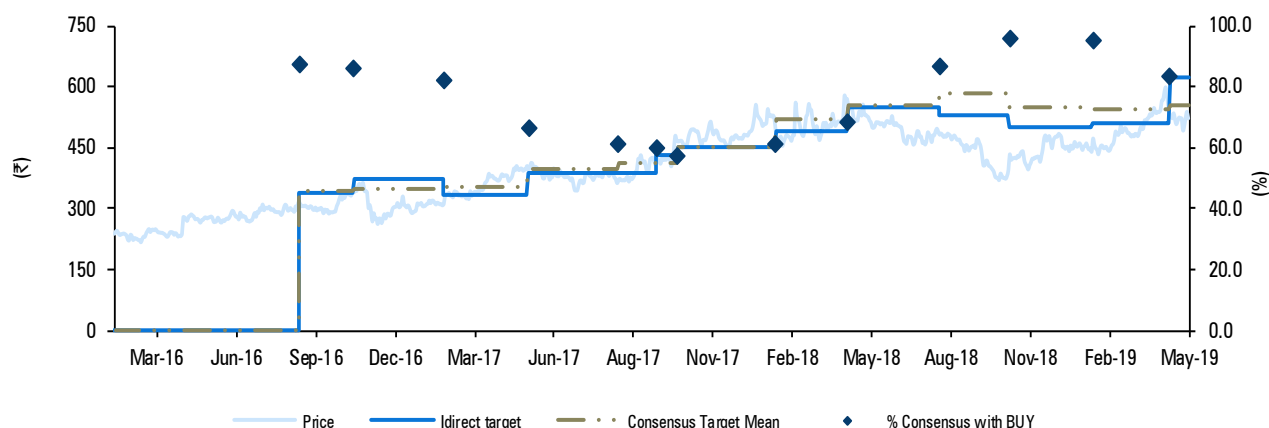
Exhibit 16: Valuation

Location	Type	Status	Saleable Area ( in mn sq ft)	NAV	NAV Multiple	Value (₹ cr)	₹/share
<b>Goregaon</b>			<b>10.1</b>	<b>9,257.2</b>		<b>9,257.2</b>	<b>254.6</b>
Oberoi Mall	Retail	Completed	0.6	1,945.4	1.0	1,945.4	53.5
Commerz I	Commercial	Completed	0.4	589.4	1.0	589.4	16.2
Westin	Hotel	Completed	0.4	1,106.1	1.0	1,106.1	30.4
Exquisite I	Residential	Ongoing	1.5	259.4	1.0	259.4	7.1
Exquisite II	Residential	Ongoing	1.5	619.2	1.0	619.2	17.0
Commerz II Phase I	Commercial	Ongoing	0.7	1,287.0	1.0	1,287.0	35.4
Exquisite III	Residential	Planned	1.9	1,016.4	1.0	1,016.4	28.0
Commerz II Phase II	Commercial	Planned	1.7	2,322.3	1.0	2,322.3	63.9
Oberoi International school	Social Infrastructure	Ongoing	0.3				
Education complex		Planned	0.9	111.9	1.0	111.9	3.1
Hospital		Planned	0.4				
<b>Andheri/Khar/Borivali</b>			<b>3.1</b>	<b>5,398.5</b>		<b>5,398.5</b>	<b>148.5</b>
Oberoi Maxima	Commercial	Ongoing	0.3	246.9	1.0	246.9	6.8
Oberoi Prisma	Residential	Ongoing	0.7	28.3	1.0	28.3	0.8
Oberoi Splendour IT park	Commercial	Planned	0.1	77.2	1.0	77.2	2.1
Oberoi Splendour school	Social Infrastructre	Planned	0.4	14.7	1.0	14.7	0.4
Borivali	Residential	Ongoing	4.5	3,060.9	1.0	3,060.9	84.2
Borivali	Mall	Planned	1.6	1,970.5	1.0	1,970.5	54.2
<b>Worli</b>			<b>3.6</b>	<b>2,400.1</b>		<b>2,400.1</b>	<b>66.0</b>
Oasis Residential	Residential	Ongoing	2.3	674.9	1.0	674.9	18.6
Oasis Hospitality	Hospital	Ongoing	0.3	586.5	1.0	586.5	16.1
I-Ventures	Mall	Planned	1.0	1,138.7	1.0	1,138.7	31.3
<b>Thane</b>	Residential	Planned	<b>10.2</b>	<b>3,490.3</b>	<b>1.0</b>	<b>3,490.3</b>	<b>96.0</b>
<b>Mulund</b>			<b>3.2</b>	<b>1,224.0</b>		<b>1,224.0</b>	<b>33.7</b>
Eternia	Residential	Ongoing	1.6	678.1	1.0	678.1	18.6
Enigma	Residential	Ongoing	1.6	457.8	1.0	457.8	12.6
Mulund Commercial	Commercial	Planned	0.1	88.1	1.0	88.1	2.4
<b>Pune</b>			<b>1.3</b>	<b>118.6</b>		<b>118.6</b>	<b>3.3</b>
Sangam city - Residential	Residential	Planned	0.8	55.3	1.0	55.3	1.5
Sangam city - Commercial	Commercial	Planned	0.3	33.7	1.0	33.7	0.9
Sangam city - Retail	Retail	Planned	0.3	29.7	1.0	29.7	0.8
<b>Net cash/ (Debt)</b>				<b>(24.1)</b>	<b>1.0</b>	<b>(24.1)</b>	<b>(0.7)</b>
<b>Total</b>			<b>31.6</b>	<b>21,864.6</b>	<b>1.0</b>	<b>21,864.6</b>	<b>601</b>
<b>Rounded off Target price</b>							<b>600</b>

Source: Company, ICICI Direct Research



Exhibit 17: Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICI Direct Research

Exhibit 18: Top 10 Shareholders

Rank	Name	Latest Date	Filing	% O/S	Position (m)	Change (m)
1	Oberoi (Vikas Ranvir)	31-Mar-19		58.5%	212.9	0.0
2	R S Estate Developers Pvt. Ltd.	31-Mar-19		9.2%	33.3	0.0
3	OppenheimerFunds, Inc.	31-Mar-19		2.9%	10.6	6.5
4	Franklin Advisers, Inc.	31-Dec-18		2.1%	7.8	-1.4
5	Fidelity Management & Research Company	31-Mar-19		1.7%	6.1	0.0
6	Franklin Templeton Investment Management Ltd.	31-Mar-19		1.6%	5.7	5.7
7	Reliance Nippon Life Asset Management Limited	31-Mar-19		1.4%	5.2	-0.3
8	APG Asset Management N.V.	31-Mar-19		1.3%	4.9	-1.1
9	L&T Investment Management Limited	31-Mar-19		1.2%	4.3	0.5
10	Wellington Management Company, LLP	31-Mar-19		1.1%	4.2	0.3

Source: Reuters, ICICI Direct Research

Exhibit 19: Recent Activity

Buys			Sells		
Investor name	Value (m)	Shares (m)	Investor name	Value (m)	Shares (m)
OppenheimerFunds, Inc.	49.3	6.5	Franklin Advisers, Inc.	-8.7	-1.4
Franklin Templeton Investment Management Ltd.	43.8	5.7	APG Asset Management N.V.	-8.6	-1.1
Stewart Investors	11.6	1.5	Norges Bank Investment Management (NBIM)	-2.1	-0.3
Caisse de Depot et Placement du Quebec	5.0	0.8	Reliance Nippon Life Asset Management Limited	-1.9	-0.3
L&T Investment Management Limited	3.9	0.5	Legato Capital Management LLC	-1.9	-0.3

Source: Reuters, ICICI Direct Research

Exhibit 20: Shareholding Pattern

(in %)	Sep-18	Dec-18	Mar-19
Promoter	67.7	67.7	67.7
FII	25.5	25.4	25.4
DII	4.0	4.5	4.5
Others	2.8	2.4	2.4

Source: Company, ICICI Direct Research

## Financial summary

Exhibit 21: Profit and loss statement				
	₹ crore			
(Year-end March)	FY18	FY19	FY20E	FY21E
<b>Net Sales</b>	<b>1,265.4</b>	<b>2,582.5</b>	<b>2,698.9</b>	<b>3,031.7</b>
Other Operating Income	0.0	0.0	0.0	0.0
<b>Total Operating Income</b>	<b>1,265.4</b>	<b>2,582.5</b>	<b>2,698.9</b>	<b>3,031.7</b>
Growth (%)	13.6	104.1	4.5	12.3
<b>Operating Costs</b>	<b>467.9</b>	<b>1,247.2</b>	<b>1,272.5</b>	<b>1,603.8</b>
Employee Expenses	67.2	73.4	77.0	80.9
Other Expenses	55.1	106.6	111.9	117.5
<b>Total Operating Expenditure</b>	<b>590.1</b>	<b>1,427.1</b>	<b>1,461.4</b>	<b>1,802.2</b>
<b>EBITDA</b>	<b>675.3</b>	<b>1,155.4</b>	<b>1,237.5</b>	<b>1,229.5</b>
Growth (%)	18.5	71.1	7.1	-0.6
Depreciation	49.1	44.0	57.4	60.9
Interest	6.9	19.4	37.4	56.0
Other Income	26.6	78.8	45.9	37.3
<b>PBT</b>	<b>645.9</b>	<b>1,170.7</b>	<b>1,188.7</b>	<b>1,149.8</b>
Prior Period Adjustments	0.0	0.0	0.0	0.0
<b>Total Tax</b>	<b>190.7</b>	<b>360.7</b>	<b>392.3</b>	<b>379.4</b>
<b>PAT before profit from associates</b>	<b>455.2</b>	<b>810.0</b>	<b>796.4</b>	<b>770.4</b>
Minority Interest	0.0	0.0	0.0	0.0
<b>Profit from associates</b>	<b>3.6</b>	<b>6.9</b>	<b>97.2</b>	<b>291.3</b>
<b>PAT</b>	<b>458.8</b>	<b>816.9</b>	<b>893.7</b>	<b>1,061.7</b>
EPS (₹)	12.6	22.5	24.6	29.2

Source: Company, ICICI Direct Research

Exhibit 22: Cash flow statement				
	₹ crore			
(Year-end March)	FY18	FY19E	FY20E	FY21E
<b>Profit after Tax</b>	<b>458.8</b>	<b>816.9</b>	<b>893.7</b>	<b>1,061.7</b>
Depreciation	49.1	44.0	57.4	60.9
Interest	6.9	19.4	37.4	56.0
Others	-23.4	-85.7	-143.2	-328.6
<b>Net Increase in Current Assets</b>	<b>-452.8</b>	<b>11.1</b>	<b>-1080.2</b>	<b>-989.6</b>
<b>Net Increase in Current Liabilities</b>	<b>-224.3</b>	<b>-924.6</b>	<b>99.6</b>	<b>279.9</b>
<b>Net cf from operating activities</b>	<b>-205.8</b>	<b>-111.0</b>	<b>-135.4</b>	<b>140.3</b>
(Purchase)/Sale of Fixed Assets	-77.3	-142.7	-735.7	-769.9
Others	-23.4	-85.7	-143.2	-328.6
<b>Net cf from Investing Activities</b>	<b>-588.3</b>	<b>-575.7</b>	<b>-592.5</b>	<b>-441.3</b>
Inc / (Dec) in Equity Capital	1.7	1,242.4	1,200.0	2.4
Inc / (Dec) in Loan Funds	#REF!	-108.3	0.0	0.0
(Payment) of Dividend & Div. Tax	-81.7	-122.5	-134.0	-159.3
Interest paid	-99.6	-19.4	-37.4	-56.0
<b>Net cf from Financing Activities</b>	<b>675.0</b>	<b>992.2</b>	<b>1,028.6</b>	<b>-212.9</b>
<b>Net Cash flow</b>	<b>-119.1</b>	<b>305.5</b>	<b>300.7</b>	<b>-513.9</b>
Opening Cash/Cash Equivalent	235.9	116.8	422.3	723.0
<b>Closing Cash/ Cash Equivalent</b>	<b>116.8</b>	<b>422.3</b>	<b>723.0</b>	<b>209.1</b>

Source: Company, ICICI Direct Research

Exhibit 23: Balance sheet				
	₹ crore			
(Year-end March)	FY18	FY19E	FY20E	FY21E
Equity Capital	339.6	363.6	363.6	363.6
Preference Capital	0.0	0.0	0.0	0.0
Reserve and Surplus	5,752.8	7,665.6	9,625.2	10,530.0
<b>Total Shareholders funds</b>	<b>6,092.4</b>	<b>8,029.2</b>	<b>9,988.8</b>	<b>10,893.6</b>
<b>Total Debt</b>	<b>944.4</b>	<b>836.1</b>	<b>836.1</b>	<b>836.1</b>
<b>Total Liabilities</b>	<b>10,225</b>	<b>11,129</b>	<b>13,188</b>	<b>14,372</b>
<b>Assets</b>				
Gross Block	1,123.5	1,253.6	1,303.6	1,353.6
Less Accumulated Depreciation	147.0	191.0	248.4	309.3
<b>Net Block</b>	<b>976.5</b>	<b>1,062.5</b>	<b>1,055.2</b>	<b>1,044.3</b>
Capital WIP	112.5	125.1	810.8	1,530.7
<b>Total Fixed Assets</b>	<b>1,089.0</b>	<b>1,187.7</b>	<b>1,865.9</b>	<b>2,575.0</b>
Goodwill on consolidation	0.0	0.0	0.0	0.0
<b>Investments</b>	<b>2,424.2</b>	<b>2,942.8</b>	<b>2,942.8</b>	<b>2,942.8</b>
Inventory	4,246.7	4,165.5	4,917.4	5,599.6
Debtors	181.3	109.4	225.2	266.4
Loans and Advances	1,874.9	1,946.7	2,159.1	2,425.3
Cash	116.7	425.3	723.0	209.1
Other Current Assets	146.2	216.4	216.4	216.4
<b>Total Current Assets</b>	<b>6,565.8</b>	<b>6,863.3</b>	<b>8,241.1</b>	<b>8,716.8</b>
Creditors	3,183.5	2,258.9	2,358.5	2,638.4
Provisions	4.4	4.4	4.4	4.4
<b>Net Current Assets</b>	<b>3,378.0</b>	<b>4,600.0</b>	<b>5,878.3</b>	<b>6,074.1</b>
Deferred Tax Assets	145.8	134.8	134.8	134.8
<b>Total Assets</b>	<b>10,225</b>	<b>11,129</b>	<b>13,188</b>	<b>14,372</b>

Source: Company, ICICI Direct Research

Exhibit 24: Key ratios				
(Year-end March)	FY18	FY19E	FY20E	FY21E
<b>Per share data (₹)</b>				
EPS	12.6	22.5	24.6	29.2
Cash EPS	14.0	23.7	26.2	30.9
BV	167.6	220.8	274.7	299.6
Operating profit per share	18.6	31.8	34.0	33.8
Cash Per Share	3.2	11.7	19.9	5.7
<b>Operating Ratios (%)</b>				
EBITDA Margin	53.4	44.7	45.9	40.6
PBT / Net Sales	51.0	45.3	44.0	37.9
PAT Margin	36.0	31.4	29.5	25.4
Inventory days	1,225	589	665	674
Debtor days	52	15	30	32
Creditor days	920	320	320	318
<b>Return Ratios (%)</b>				
RoE	7.5	10.1	8.0	7.1
RoCE	9.3	13.4	11.3	10.3
RoIC	14.8	21.2	19.0	16.9
<b>Valuation Ratios (x)</b>				
P/E	40.4	22.7	20.8	17.5
EV / EBITDA	25.1	13.9	12.7	13.2
EV / Net Sales	13.4	6.2	5.8	5.4
Market Cap / Sales	14.7	7.2	6.9	6.1
Price to Book Value	3.0	2.3	1.9	1.7
<b>Solvency Ratios (x)</b>				
Debt / EBITDA	1.4	0.7	0.7	0.7
Debt / Equity	0.2	0.1	0.1	0.1
Current Ratio	2.0	2.8	3.2	3.2
<b>Quick Ratio</b>	<b>0.7</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>

Source: Company, ICICI Direct Research

**Exhibit 25: ICICI Direct coverage universe (Real Estate)**

Sector / Company	CMP		Rating	M Cap			EPS (₹)			P/E (x)			N/EBITDA (x)			P/B (x)			RoE (%)		
	(₹)	TP(₹)		(₹ Cr)	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E		
Oberoi Realty (OBREA)	523	625	Buy	19,198	12.6	20.4	26.4	47.6	29.5	22.7	30.0	17.3	14.6	3.6	2.8	2.2	7.5	9.2	8.7		
Mahindra Lifespace (MAHLIF)	381	410	Hold	1,956	19.7	23.3	27.5	19.4	16.3	13.9	32.1	63.1	56.8	0.9	0.9	0.9	4.9	5.6	6.3		
Sobha (SOBDEV)	486	580	Buy	4,815	22.5	25.8	34.7	21.8	19.0	14.2	13.5	11.9	9.4	1.7	1.6	1.5	7.8	8.5	10.6		
Sunteck Realty (SUNRE)	470	520	Hold	6,594	16.2	21.3	26.4	29.1	22.1	17.8	18.2	14.1	11.4	2.3	2.1	1.9	8.0	9.7	10.9		
The Phoenix Mills (PHOMIL)	597	775	Buy	9,188	15.8	16.9	21.7	37.9	35.6	27.6	16.1	15.4	13.5	3.2	2.5	2.3	8.5	7.2	8.4		
Brigade Enterprises (BRIENT)	234	330	Buy	3,198	10.2	17.6	18.0	23.0	13.3	13.1	11.2	8.2	8.6	1.4	1.4	1.3	6.1	10.3	9.9		

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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