

Brigade Enterprises Ltd.

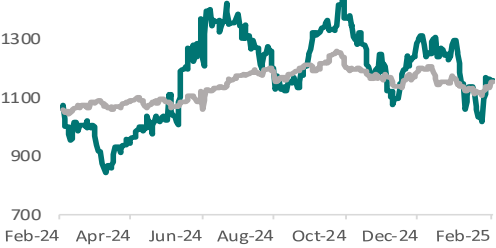
Accumulate

Sector: Real Estate

5th February 2025

Key Changes	Target ▲	Rating ▲	Earnings ▲	Target	Rs.1,282		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs.1,157
Small Cap	BRGD:IN	78,584	BRIGADE	532929	12 Months	Return	+11%

Data as of: 04-02- 2025

Company Data			
Market Cap (Rs. cr)	28,427		
52 Week High — Low (Rs.)	1,452 - 826		
Enterprise Value (Rs. cr)	30,153		
Outstanding Shares (Rs cr)	24.4		
Free Float (%)	56.0		
Dividend Yield (%)	0.2		
6m average volume (cr)	0.05		
Beta	1.3		
Face value (Rs)	10.0		
Shareholding (%)	Q1FY25	Q2FY25	Q3FY25
Promoters	43.7	41.4	41.4
FII's	16.2	18.5	20.2
MFs/Institutions	22.9	24	22.9
Public	17.2	16.1	15.5
Total	100.0	100.0	100.0
Promoter Pledge	0.0	0.0	0.0
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-5%	-2%	9%
Absolute Sensex	-1%	-1%	9%
Relative Return	-4%	0%	0%
*over or under performance to benchmark index			
1500 — Brigade Enterprises Limited — Sensex Rebased			
			
Consolidated(cr)	FY25E	FY26E	FY27E
Sales	5,372	6,313	7,065
Growth (%)	10	18	12
EBITDA	1,439	1,768	2,049
Margin(%)	27	28	29
PAT Adj.	654	912	1,143
Growth (%)	45	39	25
Adjusted EPS	27	37	47
Growth (%)	37	39	25
P/E	43	31	25
P/B	5	4	4
EV/EBITDA	21	18	15
ROE (%)	14	15	16
D/E	0.3	0.4	0.4

Outperforming its industry peers.

Brigade Enterprises Ltd. (BRGD) is one of India's leading property developers, with over three decades of expertise. Since its inception, Brigade has completed 280+ buildings, amounting to over 90msf. of developed space across a diverse real estate portfolio.

- In Q3FY25, Brigade reported strong pre-sales (63% YoY / 46% QoQ), primarily driven by Brigade Gateway, Hyderabad.
- Area sold in the quarter stood at 2.19msf (+29% YoY) with realization improving by 26% YoY.
- In the quarter, the company posted ~25% YoY revenue growth owing to higher revenue recognition from residential, supported by leasing and hospitality sectors, marking 12% and 16% YoY growth, respectively.
- Brigade has a pipeline of 12msf for the next four quarters across Bangalore and Mysore regions, where ~4msf are expected to launch in Q4.
- The retail and office segments showed steady occupancies at 95% and 99%, respectively. Further, the retail mall consumption improved 8% YoY, primarily due to the festive season.

Outlook & Valuation

During the quarter, Brigade demonstrated robust pre-sales and realizations in the residential segment, surpassing its industry peers. Looking ahead, the company is expected to do well across all segments, supported by a strong residential pipeline and substantial capex of ~714cr in the leasing segment. Despite potential approval delays, considering the strong operational performance of the company, **we upgrade our rating to Accumulate with a revised target price of Rs.1,282, based on NAV per share.**

Quarterly Financials Consol.

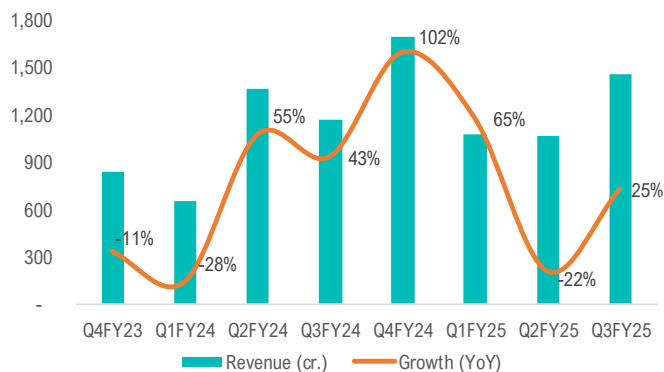
Rs. cr	Q3FY25	Q3FY24	YoY (%)	Q3FY24	QoQ (%)	9MFY25	9MFY24	YoY (%)
Sales	1,464	1,174	25	1,072	37	3,614	3,194	13
EBITDA	414	262	58	292	42	998	762	31
EBITDA margins(%)	28	22	594bps	27	103bps	28	24	378bps
EBIT	403	214	88	289	40	953	643	48
PBT	289	79	264	166	74	564	290	94
Reported PAT	236	56	322	115	105	431	190	127
Adj PAT	236	73	221	119	99	439	246	79
EPS (Rs)	10	3	213	5	102	19	11	74



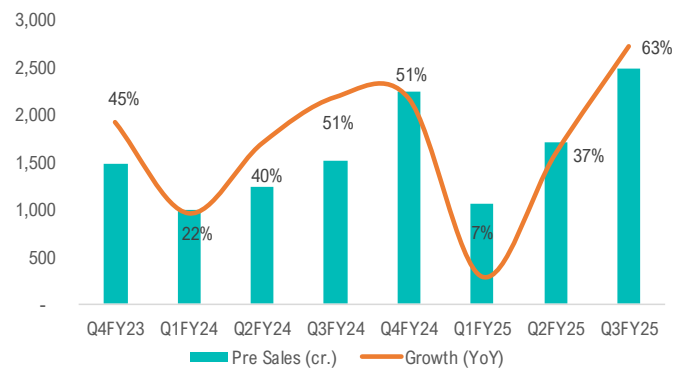
Key Highlights

- During the quarter, brigade acquired 20 acre land parcel in Whitefield with a GDV of ~3,000cr.(2.5msf saleable area).
- Cash collection for the quarter stood at 1,777cr (+28% YoY / -8% QoQ).
- The company plans to launch ~4msf in the coming quarter, with around ~2msf in Bangalore and Chennai each, along with another potential launch in Mysore.
- Brigade Gateway, Hyderabad significantly contributed to the quarter's pre-sales, achieving sales of ~200 out of the 300 units.

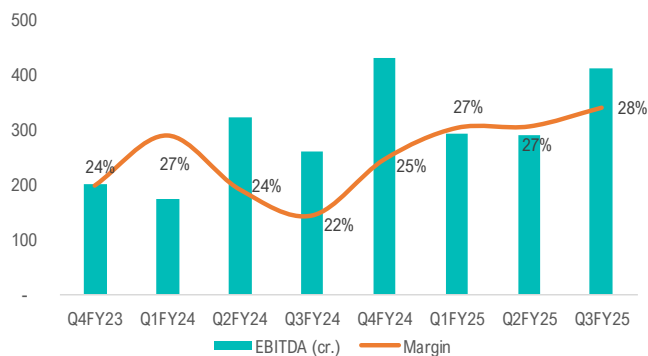
Revenue



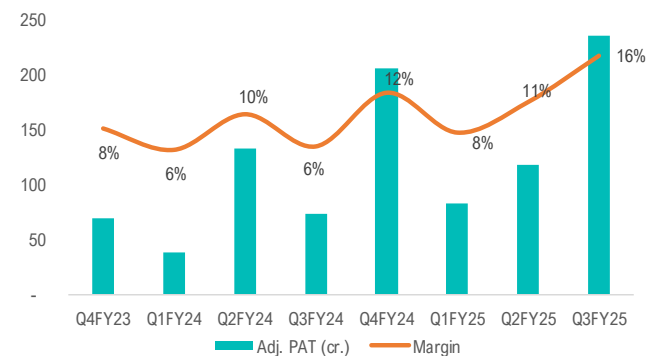
Pre-Sales



EBITDA



PAT



Net Asset Valuation (NAV)

Segment	Value (Rs. cr)	NAV per Share
Residential (Including land)	16,175	662
Rental Assets	12,251	502
Hospitality Portfolio	4,848	199
Total Gross Assets Value	33,274	1,362
Less : FY27 Net Debt	1,973	81
FY26E NAV per Share	31,301	1,282
CMP		1,157
Return		11%

Change in Estimates

Year / Rs cr	Old estimates			New estimates			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	5,377	6,116	-	5,372	6,313	7,065	0	3	-
EBITDA	1,396	1,651	-	1,439	1,768	2,049	3	7	-
Margins (%)	26	27	-	27	28	29	83bps	101bps	-
Adj. PAT	606	823	-	654	912	1,143	8	11	-
EPS	25	34	-	27	37	47	7	10	-



Consolidated Financials

Profit & Loss

Y.E March (Rs cr)	FY23A	FY24A	FY25E	FY26E	FY27E
Sales	3,445	4,897	5,372	6,313	7,065
% change	15	42	10	18	12
EBITDA	859	1,194	1,439	1,768	2,049
% change	12	39	20	23	16
Depreciation	315	302	321	341	354
EBIT	712	1,060	1,356	1,679	1,977
Interest	434	491	497	479	479
Other Income	119	167	238	253	283
PBT	278	569	859	1,199	1,498
% change	1,948	105	51	40	25
Tax	56	168	213	300	374
Tax Rate (%)	20	29	25	25	25
Reported PAT	222	401	646	899	1,123
Adj.	-69	-51	-9	-13	-19
Adj. PAT	291	452	654	912	1,143
% change	252	55	45	39	25
No. of shares (cr)	23	23	24	24	24
Adj EPS (Rs)	13	20	27	37	47
% change	244	55	37	39	25
DPS (Rs)	2	2	3	3	3

Balance Sheet

Y.E March (Rs cr)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash	1,478	1,737	3,290	2,191	2,174
Account Receivable	462	500	559	657	736
Inventories	7,327	7,736	8,536	10,117	11,033
Other Cur. Assets	445	534	657	811	1,003
Investments	582	599	643	692	744
Gross Fixed Assets	6,160	6,365	6,770	7,176	7,316
Net Fixed Assets	4,644	4,558	4,611	4,678	4,467
CWIP	740	1,232	1,847	2,494	2,943
Intangible Assets	37	35	34	34	33
Other Assets	662	956	1,030	1,114	1,212
Total Assets	16,377	17,886	21,209	22,788	24,343
Current Liabilities	8,388	8,567	10,060	10,866	11,317
Provisions	11	23	25	26	28
Debt Funds	4,549	5,337	5,016	4,891	4,891
Other Liabilities	287	401	457	502	523
Equity Capital	231	231	244	244	244
Reserves & Surplus	2,913	3,327	5,407	6,258	7,339
Shareholder's Fund	3,144	3,558	5,651	6,502	7,584
Total Liabilities	16,377	17,886	21,209	22,788	24,343
BVPS	136	154	231	266	311

Cash Flow

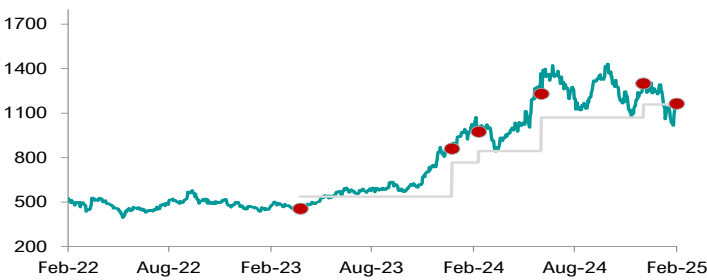
Y.E March (Rs cr)	FY23A	FY24A	FY25E	FY26E	FY27E
Net inc. + Depn.	606	754	975	1,254	1,497
Non-cash adj.	296	385	505	492	499
Other adjustments	0	0	0	0	0
Changes in W.C	237	-679	510	-1,026	-733
C.F. Operation	966	334	1,982	707	1,243
Capital exp.	-266	-268	-989	-1,054	-591
Change in inv.	-50	-210	-118	-133	-150
Other invest.CF	45	99	0	0	0
C.F - Investment	-271	-379	-1,108	-1,187	-741
Issue of equity	8	8	1,500	0	0
Issue/repay debt	-282	882	-293	-184	0
Dividends paid	-35	-46	-61	-61	-61
Other finance.CF	-386	-603	-467	-375	-458
C.F - Finance	-695	241	679	-620	-519
Chg. in cash	1	195	1,553	-1,100	-17
Closing cash	375	574	2,127	1,028	1,011

Ratio

Y.E March	FY23A	FY24A	FY25E	FY26E	FY27E
Profitab & Return					
EBITDA margin (%)	24.9	24.4	26.8	28.0	29.0
EBIT margin (%)	20.7	21.6	25.2	26.6	28.0
Net profit mgn.(%)	8.5	9.2	12.2	14.5	16.2
ROE (%)	9.7	13.5	14.2	15.0	16.2
ROCE (%)	11.1	16.5	17.3	19.0	20.7
W.C & Liquidity					
Receivables (days)	51.2	35.8	36.0	35.2	36.0
Inventory (days)	1,403	1,004	1,068	1,037	1,071
Payables (days)	143.3	99.6	99.9	92.4	95.6
Current ratio (x)	1.1	1.2	1.2	1.2	1.3
Quick ratio (x)	0.3	0.3	0.4	0.3	0.3
Turnover & Leverage					
Gross asset T.O (x)	0.6	0.8	0.8	0.9	1.0
Total asset T.O (x)	0.2	0.3	0.3	0.3	0.3
Int. covge. ratio (x)	1.6	2.2	2.7	3.5	4.1
Adj. debt/equity (x)	1.0	1.0	0.3	0.4	0.4
Valuation					
EV/Sales (x)	6.9	6.1	5.6	4.9	4.4
EV/EBITDA (x)	27.7	25.2	20.9	17.5	15.1
P/E (x)	71.1	58.6	43.3	31.0	24.8
P/BV (x)	6.6	7.4	5.0	4.4	3.7



Recommendation Summary (last 3 years)



Dates	Rating	Target
28.03.2023	Accumulate	537
26.12.2023	Sell	767
12.02.2024	Sel	845
04.02.2024	Sell	1,070
06.12.2024	Sell	1,158
05.02.2024	Accumulate	1,282

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


Not rated/Neutral


Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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