


3R MATRIX

	+	=	-
Right Sector (RS)	✓	✗	✗
Right Quality (RQ)	✓	✗	✗
Right Valuation (RV)	✓	✗	✗
+ Positive = Neutral - Negative			

What has changed in 3R MATRIX

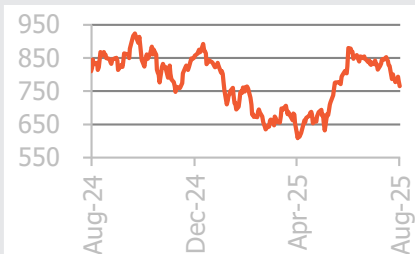
	Old		New
RS	✗	↔	✗
RQ	✗	↔	✗
RV	✗	↔	✗

Company details

Market cap:	Rs. 1,89,423 cr
52-week high/low:	Rs. 928/601
NSE volume: (No of shares)	37.1 lakh
BSE code:	532868
NSE code:	DLF
Free float: (No of shares)	64.2 cr

Shareholding (%)

Promoters	74.1
FII	16.0
DII	5.0
Others	4.9

Price chart


Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	-8.0	13.1	0.1	-6.7
Relative to Sensex	-4.5	13.2	-3.0	-9.2

Source: Mirae Asset Sharekhan Research, Bloomberg

DLF Ltd
Pre-sales robust; Outlook bright

Real Estate	Sharekhan code: DLF		
Reco/View: Positive ↔	CMP: Rs. 765 (as on Aug 06, 2025)	Upside potential: 32% ↔	

Summary

- Pre-sales were strong, driven by the successful launch of the DLF Privana North. Net cash surplus and position continue to grow significantly.
- Consolidated revenues stood strong at Rs. 2,717 crore (up 99.4% y-o-y), with EBITDA at Rs.364 crore (up 59.3% y-o-y). Pre-sales was robust at Rs. 11,425 crore rising up 78% y-o-y, while collections declined 6% to Rs. 2,794 crore, DCCDL continued its healthy performance.
- DLF has guided for pre-sales of Rs. 20,000-22,000 crore for FY26 and expects the exit rental to reach Rs. 6,700 crore by FY26.
- We remain positive and expect an upside of 32%, given a strong growth potential in the residential segment and the scaling up of rental portfolio.

DLF reported robust pre-sales bookings of Rs. 11,425 crore (up 78% y-o-y) in Q1FY26, driven by the launch of Privana North which contributed Rs. 11,000 crore in new bookings. While collections was down by 6% to Rs. 2,794 crore. Operating cash surplus and cash position remained healthy at Rs. 1,420 crore and Rs. 7,980 crore, representing increases of 5% and 176% y-o-y, respectively. DLF's rental portfolio currently comprises 46 mn sq. ft. of operational assets, with 28 msf. under development—of which 5 msf. (3.5 msf office + 1.4 msf retail) is expected to be completed in FY26. The remaining 23 msf is part of the planned pipeline. Exit rental for FY26 is projected at Rs. 6,700 crore. On the project front, the next phase of Dahlias is expected to launch in March or April 2026. The Phase 2 of the Mumbai project is scheduled for FY27, following the successful Phase 1 launch that recorded pre-sales of over Rs. 2,300 crore in July. DCCDL also delivered a strong performance in Q1FY26, with rental income growing 15% y-o-y to Rs. 1,326 crore, total revenues rising 12% y-o-y to Rs. 1,739 crore, and EBITDA increasing 14% y-o-y to Rs. 1,356 crore. The company's medium-term launch pipeline stand at Rs. 62,900 crore.

Key positives

- Pre-sales grew significantly in Q1FY26 up by 78% y-o-y to Rs. 11,425 crore.

Management Commentary

- Downtown Chennai received OC in Q1FY26 (occupancy rate 99%), also received the OC for Midtown Plaza (pre-leased 81%) and OC for Atrium place expected in Q2FY26.
- The capex for FY26 and FY27, is expected Rs. 5,000 crores annually. This includes investments in DLF's own properties, DCCDL, and other joint ventures like Atrium Place.
- The company is waiting for necessary approvals for Goa project and will launch as soon it receives.
- Occupancy rate for office stood at 94% and for Retail its 98%.

Our Call

Valuation – Stay Positive, expect 32% upside: DLF is expected to report healthy sales bookings, led by a strong launch pipeline in medium terms, which is expected to sustain, given healthy demand momentum. Furthermore, the Dahlias project is also expected to contribute significantly in coming years. The company's rental portfolio is gradually seeing higher physical occupancies while focusing on doubling its retail portfolio over the next 4-5 years. DLF's strong leadership position in Delhi-NCR, a strong residential project pipeline, increasing rental portfolio, large land reserves at low carrying costs, and strong housing market tailwinds provide a high-growth opportunity. We retain our Positive view on the stock and expect a potential upside of 32%, considering strong growth potential in its residential and scaling up of rental project portfolios.

Key Risks

Slowdown in real estate demand, especially in the Delhi-NCR region, is a key risk to our call. Unfavourable macro indicators, such as a rise in interest rates, can dampen demand.

Valuation (Consolidated)

Particulars	Rs cr			
	FY24	FY25	FY26E	FY27E
Revenue	6,427.0	7,993.7	9,034.3	10,157.7
OPM (%)	33.0	26.4	31.2	32.9
Adjusted PAT	2,727.1	4,670.0	4,012.3	5,116.8
y-o-y growth (%)	34	71.2	-14.1	27.5
Adjusted EPS (Rs.)	11.0	18.9	16.2	20.7
P/E (x)	69.5	40.6	47.2	37.0
P/B (x)	4.7	4.3	4.0	3.6
EV/EBITDA (x)	79.8	80.4	60.1	50.8
RoNW (%)	7.1	11.2	8.8	10.4
RoCE (%)	7.2	11.0	8.7	10.1

Source: Company; Mirae Asset Sharekhan estimates

Results (Consolidated)

Particulars	Q1FY26	Q1FY25	y-o-y (%)	Q4FY25	Rs cr q-o-q (%)
Net sales	2716.7	1362.4	99.4	3127.6	-13.1
other income	264.2	367.5	-28.1	220.2	20.0
Total income	2980.9	1729.8	72.3	3347.8	-11.0
Total expenses	2352.5	1133.7	107.5	2149.6	9.4
Operating profit	364.2	228.6	59.3	978.0	-62.8
Depreciation	34.5	37.3	-7.5	36.9	-6.6
Interest	78.6	101.2	-22.4	108.6	-27.7
Profit Before Tax	515.3	457.6	12.6	1052.7	-51.0
Taxes	133.2	118.3	12.5	181.3	-26.5
PAT	382.1	339.3	12.6	871.4	-56.1
Exceptional items	0.0	0.0	NA	0.0	NA
Inc from JV	380.6	306.3	24.2	410.8	-7.4
Adj. PAT	762.7	645.6	18.1	1282.2	-40.5
EPS (Rs.)	3.1	2.6	18.1	5.2	-40.5
			BPS		BPS
OPM (%)	13.4	16.8	-338	31.3	-1787
NPM (%)	14.1	24.9	-1084	27.9	-1380
Tax rate (%)	25.8	25.9	-1	17.2	863

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Residential market on a growth trajectory

The Indian residential realty segment has undergone major structural transformations over the last decade. This has led to a decadal high performance across the residential segment. The sector saw multiple challenges including demonetisation, implementation of Goods and Services Tax (GST) and Real Estate (Regulation and Development) Act, 2016 (RERA). Organised developers who are expected to benefit from ample inorganic opportunities in the sector, leading to consolidation in the sector. The sector is also expected to benefit from low interest rates, which drive demand and reduce funding costs. Overall, we are positive about the residential segment of the real estate market for the reasons mentioned above.

■ Company Outlook – Strong growth tailwinds in both the near and long term

DLF, a leader in its core Delhi-NCR real estate market, is a proxy play on the entire real estate sector due to its presence across residential, office, and retail sub-segments. The company's sales and cash flows are expected to be driven by 25 msf of a residential project pipeline estimated at over Rs. 62.9 thousands crore over the medium term. Furthermore, the company's rental office portfolio in DCCDL provides steady cash flows and sustainable project pipeline visibility, along with better OPM.

■ Valuation – Stay Positive and expect 32% upside

DLF is expected to report healthy sales bookings, led by a strong launch pipeline in medium terms, which is expected to sustain, given healthy demand momentum. Furthermore, the Dahlias project is also expected to contribute significantly in coming years. The company's rental portfolio is gradually seeing higher physical occupancies while focusing on doubling its retail portfolio over the next 4-5 years. DLF's strong leadership position in Delhi-NCR, a strong residential project pipeline, increasing rental portfolio, large land reserves at low carrying costs, and strong housing market tailwinds provide a high-growth opportunity. We retain our Positive view on the stock and expect a potential upside of 32%, considering strong growth potential in its residential and scaling up of rental project portfolios.

About company

DLF has developed more than 185 real estate projects and developed an area more than 352 million square feet (approx.). DLF Group has 280 msf (approx.) of development potential across residential and commercial segment including current projects under execution and the identified pipeline. The group has an annuity portfolio of over 45 msf (approx). DLF is primarily engaged in the business of development and sale of residential properties (the "Development Business") and the development and leasing of commercial and retail properties (the "Annuity Business").

Investment theme

DLF's strong leadership position in Delhi-NCR, strong residential project pipeline, increasing rental portfolio, large land reserves at a low carrying cost, and strong housing market tailwinds provide high-growth opportunities. DLF offers a long-term play on the real estate market, with its presence across residential, office, and retail sub-segments. The company's sales and cash flows are expected to be driven by 25 msf of residential project pipeline estimated at Rs. 62.9 thousands crore over the medium term. Furthermore, the company's rental office portfolio in DCCDL provides steady cash flows and sustainable project pipeline visibility, along with better operating margins.

Key Risks

- ♦ Slowdown in the macroeconomic environment percolating to the slowdown in the real estate sector.
- ♦ Delay in execution, inability to maintain sales, rising interest rates, and rising commodity prices.

Additional Data

Key management personnel

Name	Designation
Rajiv Singh	Chairman
Ashok Kumar Tyagi	Managing Director & Chief Executive Officer
Devinder Singh	Co-CEO/Whole Time Director

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Invesco Ltd	2.29
2	Vanguard Group Inc	1.19
3	ICICI Prudential Asset Management	0.86
4	Quant Money Managers Ltd	0.72
5	SBI Funds Management Ltd	0.40
6	UBS AG	0.36
7	HSBC Holdings PLC	0.32
8	Jupiter Fund Management PLC	0.32
9	ICICI Prudential Life Insurance Co	0.30
10	Credit Agricole Group	0.29

Source: Bloomberg

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Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and deteriorating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

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