



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	✓	↔	✓

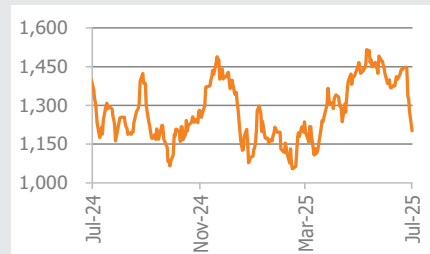
Company details

Market cap:	Rs. 1,19,912 cr
52-week high/low:	Rs. 1,534/1,036
NSE volume: (No of shares)	16.1 lakh
BSE code:	543287
NSE code:	LODHA
Free float: (No of shares)	28.0 cr

Shareholding (%)

Promoters	71.9
FII	24.9
DII	2.2
Others	1.0

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	-15.5	-8.3	6.2	-14.3
Relative to Sensex	-11.6	-9.0	-0.1	-13.6

Source: Mirae Asset Sharekhan Research, Bloomberg

Lodha Developers Ltd

H2 to drive growth; FY26 outlook intact

Real Estate	Sharekhan code: LODHA		
Reco/View: Positive	↔	CMP: Rs. 1,201	Upside potential: 29%
↑ Upgrade	↔ Maintain	↓ Downgrade	

Summary

- Pre-sales rose 10.4% y-o-y to Rs. 4,450 crore, slightly hit by geopolitical tensions in May 2025, while collections rose 7.1% y-o-y to Rs. 2,880 crore. Net debt/equity remained healthy at 0.24x.
- In Q1, five projects with a GDV potential of Rs. 22,700 crore were added across Mumbai, Pune and Bengaluru, with over 90% of full-year guidance being achieved.
- FY26 guidance includes pre-sales of Rs. 21,000 crore (19% growth), embedded margin of 33%, OCF of Rs. 7,700 crore, new projects with a GDV addition of Rs. 25,000 crore, pricing growth of 5-6%, and a net debt/equity ratio below 0.5x.
- We stay Positive on the stock and expect a 29% upside, given solid growth levers for its residential portfolio.

Lodha Developers Limited reported strong pre-sales bookings of Rs. 4,450 crore (up 10.4% y-o-y) in Q1FY2026, while collections surged 7.1% y-o-y to Rs. 2,880 crore. Consolidated net revenues stood at Rs. 3,492 crore, rising 22.7% y-o-y, with OPM rising 161 bps y-o-y to 28.2%. In Q1FY26, Lodha added five new projects across Mumbai, Pune and Bengaluru with a GDV of Rs. 22,700 crore, exceeding 90% of full-year guidance. The company launched projects worth Rs. 8,000 crore during the quarter and plans to launch Rs. 17,000-18,000 crore worth of projects in the next three quarters. Lodha also plans to enter Delhi-NCR with a pilot phase involving moderate investments and expects to conclude land transactions this year, with project launches targeted for FY27. At the Palava township, the company continues to focus on premiumisation and aims to reach Rs. 8,000 crore in annual sales and 50% EBITDA margin by the end of this decade and expects a 50% contribution (currently 20%) from premium offerings. In the warehousing and industrial leasing segment, strong traction continued with 0.2 million sq ft leased to clients like Tesla and DP World, taking the total leased area to 2.3 million sq ft. Lodha has set long-term targets of Rs. 50,000 crore in pre-sales and Rs. 1,500 crore in annuity income by FY31.

Key positives

- It added 5 new projects with a GDV of ~ Rs. 22,700 in Q1FY26, achieving over 90% of full-year guidance of Rs. 25,000.

Management Commentary

- Bengaluru realty market is estimated to be worth Rs. 80,000-85,000 crore, clocking a 19-20% CAGR since 2021 driven by IT sector, start-ups and the global capability center.
- The management expects 40-45% of the pre-sales to be achieved in H1FY26, with an upward bias towards 45%, with the balance in H2 fuelled by major launches, new business deals, repo rate cut benefits and income tax cuts for mid-income buyers, and easing of approval bottlenecks.
- The company aims to establish Rs. 5,000 crore quarterly pre-sales as the new base.
- Average per sq. ft. price grew 2% q-o-q in Q1FY26; FY26 guidance is at 6%.

Our Call

Valuation – Stay Positive; expect a 29% upside: Lodha is expected to benefit from sustained momentum in real estate demand. The company is eyeing a 20% CAGR in pre-sales over the medium term, building a sizeable annuity portfolio, and capping leverage at comfortable levels. The company's leadership position in the MMR and focus on newer geographies such as Pune and Bengaluru are expected to sustain pre-sales growth. We stay Positive on the stock, expecting an upside of 29% on account of strong growth opportunities in its residential portfolio.

Key Risks

Slowdown in real estate demand, especially in MMR and Pune, is a crucial risk to our call. Unfavourable macroeconomic indicators, such as any rise in interest rates, can dampen demand.

Valuation (Consolidated)

Particulars	Rs cr			
	FY24	FY25E	FY26E	FY27E
Revenue	10316.1	13779.5	16484.4	19197.9
OPM (%)	25.9	28.9	29.6	30.5
Adjusted PAT	1654.0	2764.3	3281.0	4146.9
y-o-y growth (%)	NA	67.1	18.7	26.4
Adjusted EPS (Rs.)	16.6	27.8	33.0	41.7
P/E (x)	72.2	46.5	33.3	28.8
P/B (x)	6.5	5.7	5.0	4.3
EV/EBITDA (x)	48.5	32.5	26.6	22.2
RoNW (%)	11.0	14.8	15.2	16.6
RoCE (%)	9.0	12.1	12.3	13.6

Source: Company; Mirae Asset Sharekhan estimates

Results (Consolidated)

Particulars	Q1FY26	Q1FY25	y-o-y%	Q4FY25	Rs cr q-o-q%
Net sales	3491.7	2846.5	22.7	4224.3	-17.3
Other income	133.0	71.8	85.2	196.0	-32.1
Total income	3624.7	2918.3	24.2	4420.3	-18.0
Total expenses	2507.3	2089.7	20.0	3003.6	-16.5
Operating profit	984.4	756.8	30.1	1220.7	-19.4
Depreciation	65.9	60.4	9.1	77.8	-15.3
Interest	147.8	117.2	26.1	151.7	-2.6
Profit Before Tax	903.7	651.0	38.8	1187.2	-23.9
Taxes	228.4	174.7	30.7	263.7	-13.4
PAT	675.3	476.3	41.8	923.5	-26.9
Exceptional items	0.0	0.0	NA	0.0	NA
Inc from JV	0.6	1.0	-40.0	1.8	-66.7
Adj. PAT	674.7	475.3	42.0	921.7	-26.8
EPS (Rs.)	6.8	4.9	37.5	9.3	-26.8
OPM (%)	28.2	26.6	161 bps	28.9	-70 bps
NPM (%)	19.3	16.7	261 bps	21.9	-252 bps
Tax rate (%)	25.3	26.8	-156 bps	22.2	306 bps

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Residential market on a growth trajectory

The real estate sector, especially the residential realty market, is expected to be in the limelight, as it benefits from low inventory, anticipated cut in the interest rates and conducive regulatory environment. Rising income and affordability levels are expected to drive sales for quality and organised developers. Further, organised players are expected to benefit from ample inorganic opportunities in the sector, aiding consolidation in the sector. The sector is also likely to benefit from low interest rates, which provide the twin benefits of driving demand and lowering funding costs. Overall, we are positive about the residential real estate segment for the above reasons.

■ Company Outlook – Reaping benefits of scale as industry consolidates

Lodha has outpaced its peers in sales from FY2014 to FY2021, positioning itself in the league of large residential property developers. The company has also been the second-largest developer in terms of deliveries, showcasing strong execution capabilities on a larger scale. The company enjoys a leadership position in the lucrative MMR market. The company targets pre-sales growth of over 20% y-o-y for FY2026. Embedded EBITDA margin is expected at 33% in FY2026. The company expects to achieve its RoE target of ~21% by FY2026. The management has given an operating cash flow target of Rs. 7,700 crore (Rs. 6,600 crore in FY2025). The management targets annuity income of Rs. 400 crore per annum by FY2026 and Rs. 1,500 crore per annum by the end of the decade. The company also has capped its net debt target to below 0.5x net debt/equity ratio for FY2026.

■ Valuation – Retain Positive view and upside potential of 29%

Lodha is expected to benefit from sustained momentum in real estate demand. The company is eyeing a 20% CAGR in pre-sales over the medium term, building a sizeable annuity portfolio, and capping leverage at comfortable levels. The company's leadership position in the MMR and focus on newer geographies such as Pune and Bengaluru are expected to sustain pre-sales growth. We stay Positive on the stock, expecting an upside of 29% on account of strong growth opportunities in its residential portfolio.

About company

Lodha Group is among the largest real estate developers in India that delivers with scale since 1980s. The core business of Lodha Group is residential real estate development with a focus on affordable and mid-income housing. Lodha has delivered over ~110 million square feet of real estate and is currently developing approximately 130 million square feet under its ongoing and planned projects. The company holds a 10% market share in Mumbai, 5% in Pune, and 2% in Bengaluru.

Investment theme

Lodha enjoys a leadership position in the lucrative MMR region, which has recently shown strong traction in residential sales, which are expected to sustain going ahead. Industry consolidation is expected to benefit the company owing to its scale of operations. The company is one of the leading players in both sales and deliveries, highlighting its in-house capabilities. The company's large land reserves provide long-term sustainable growth visibility. The company's balance sheet is expected to materially improve, led by strong cashflows expected from residential projects.

Key Risks

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

Additional Data

Key management personnel

Name	Designation
Mukund Chitale	Independent Director and Chairman
Abhishek Lodha	Managing Director and CEO
Sanjay Chauhan	Chief Financial Officer

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Capital Group Cos Inc/The	5.15
2	Homecraft Developers & Farms Pvt L	2.49
3	Blackrock Inc	1.50
4	Vanguard Group Inc/The	1.39
5	GQG Partners LLC	1.11
6	Invesco Ltd	1.01
7	Nordea Bank Abp	0.66
8	Nomura Holdings Inc	0.45
9	HDFC Life Insurance Co Ltd	0.40
10	Franklin Resources Inc	0.36

Source: Bloomberg

Mirae Asset Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a position in the companies mentioned in the article.

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

DISCLAIMER

This information/document has been prepared by Sharekhan Ltd. and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited. This information/ document is subject to change without prior notice.

Recommendation in reports based on technical and derivatives analysis is based on studying charts of a stock's price movement, trading volume, and outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply to information/documents focused on technical and derivatives research and shall not apply to reports/documents/information focused on fundamental research.

This information/document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. Mirae Asset Sharekhan will not treat recipients as customers by virtue of their receiving this information/report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and Mirae Asset Sharekhan has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on a reasonable basis, Mirae Asset Sharekhan, its subsidiaries and associated companies, their directors, and employees ("Mirae Asset Sharekhan and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent Mirae Asset Sharekhan and its affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Mirae Asset Sharekhan may have issued other recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this recommendations/report.

This information/recommendation/report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Mirae Asset Sharekhan and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restrictions.

The analyst certifies that the analyst might have dealt or traded directly or indirectly in the securities of the company and that all the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of Mirae Asset Sharekhan. The analyst and Mirae Asset Sharekhan further certifies that either he or his relatives or Mirae Asset Sharekhan associates might have direct or indirect financial interest or might have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report. The analyst and Mirae Asset Sharekhan encourage independence in research report/ material preparation and strive to minimize conflict in the preparation of the research report. The analyst and Mirae Asset Sharekhan do not have any material conflict of interest or have not served as officers, directors or employees or engaged in market-making activity of the company. The analyst and Mirae Asset Sharekhan have not been a part of the team which has managed or co-managed the public offerings of the company, and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Ltd, or its associates, or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from a third party in the past twelve months in connection with the research report.

Either Mirae Asset Sharekhan or its affiliates or its directors or employees/representatives/clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. Mirae Asset Sharekhan may from time to time solicit from, or perform investment banking or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall Mirae Asset Sharekhan, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Sharekhan Ltd and its affiliates undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader/investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgment before taking any investment decision.

Investment in securities market are subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Mirae Asset Sharekhan has been ranked as India's No.1 Retail Broker by Asiamoney Brokers Poll 2023. For more details, visit bit.ly/AsiamoneyPoll

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com

Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE - 748, NSE - 10733, MCX - 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

For any complaints/ grievances, email us at igc@sharekhan.com, or you may even call the Customer Service desk on 022-41523200/ 022-61151111.