

### 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. 6,258 cr
52-week high/low:	Rs. 635/348
NSE volume: (No of shares)	3.59 lakh
BSE code:	512179
NSE code:	SUNTECK
Free float: (No of shares)	5.4 cr

### Shareholding (%)

Promoters	63.3
FII	19.4
DII	7.5
Others	9.8

### Price chart



Source: NSE India, Mirae Asset Sharekhan Research

### Price performance

(%)	1m	3m	6m	12m
Absolute	-4.4	7.3	-13.0	-30.6
Relative to Sensex	-4.7	4.4	-19.1	-31.1

Source: Mirae Asset Sharekhan Research, Bloomberg

## Sunteck Realty Ltd

### Good Q1FY26, robust launch pipeline ahead

Real Estate	Sharekhan code: SUNTECK		
Reco/View: Positive	↔	CMP: Rs. 427	Upside potential: 24%
↑ Upgrade	↔ Maintain	↓ Downgrade	

### Summary

- We stay positive on Sunteck Realty and expects a 24% upside, supported by its robust launch pipeline and attractive valuation.
- Pre-sales remained strong, growing 30.9% y-o-y in Q1FY26 to Rs. 657 crore, led by healthy traction across projects, particularly in the uber-luxury and premium segments. Collections stood at Rs. 351 crore, up 2.6% y-o-y.
- Management has maintained its guidance of achieving over 30% growth in pre-sales for FY2026, backed by a strong pipeline of upcoming launches.
- The company has a healthy inventory and project pipeline with a total GDV of Rs. 39,800 crore and aims to scale it up to Rs. 50,000 crore in FY26.

**Sunteck Realty (Sunteck) delivered healthy pre-sales growth of 30.9% y-o-y, reaching Rs. 657 crore, driven by strong traction in its uber-luxury and premium luxury projects. Collections stood at Rs. 351 crore, marking a 2.6% y-o-y rise. Consolidated net revenues fell 40.5% y-o-y to Rs. 188.3 crore, while EBITDA margin expanded significantly by 1,543 bps y-o-y to 25.4%. Net profit grew 46.7% y-o-y to Rs. 33.4 crore. The company added a new 2.5-acre redevelopment project in Andheri, Mumbai—located near the Western Express Highway—with an estimated GDV of Rs. 1,100 crore. Looking ahead, the management has outlined a robust launch pipeline of Rs. 11,000 crore GDV planned over the next three quarters of FY26. Additionally, a luxury project in Dubai is expected to be launched in Q4FY26 or Q1FY27.**

### Key positives

- Strong Pre-sales: Bookings rose 30.9% y-o-y to Rs. 657 crore, supported by strong demand in uber-luxury projects.
- Healthy OCF: Net operating cash flow stood at Rs. 108 crore in Q1FY26, up 8% y-o-y.

### Management Commentary

- The company has set a target to launch new projects with a cumulative GDV of Rs. 11,000 crore over the next three quarters of FY26. Key upcoming projects include: The ODC 5th Avenue City – GDV of Rs. 1,500+ crore, Bandra West (Bandstand) – Rs. 1,000+ crore, Andheri (Western Express Highway) – Rs. 1,100 crore, Mira Road (New Tower) – Rs. 1,000 crore, Vasai Sunteck Beach Residences (Two Towers) – Rs. 500–600 crore, Naigaon – Sunteck World new phase – Rs. 500 crore and Nepean Sea Projects – over Rs. 5,000 crore.
- The company invested over Rs. 300 crore in new acquisitions during Q1FY26, a significant increase compared to Rs. 180 crore in FY25.
- Management reiterated its strategic focus on the luxury and premium luxury segments, which continue to drive a larger share of overall pre-sales.

### Our Call

**Valuation – Stay Positive; expect 24% upside:** The company is well-positioned across key micro-markets and income segments in the lucrative MMR region. A robust pipeline of launches from both existing and upcoming projects is expected to drive continued momentum in pre-sales and collections. Strong operating cash flows, low leverage, and strategic land acquisitions will support long-term growth. Its partnership with IFC also enhances credibility and scalability. The stock currently trades at a discount to its NAV, offering an attractive entry point for investors. We maintain a positive outlook on Sunteck Realty, with an estimated upside of 24%, supported by its strong and sustainable growth prospects.

### Key Risks

- Potential slowdown in real estate demand in the MMR region
- Delays in sales traction and/or execution of ongoing and upcoming projects.

### Valuation (Consolidated)

Particulars	FY24	FY25	FY26E	FY27E
Revenue	564.8	853.1	1249.7	1680.9
OPM (%)	20.8	21.8	24.8	27.9
Adjusted PAT	70.9	150.3	183.4	283.1
y-o-y growth (%)	NA	111.9	22.0	54.3
Adjusted EPS (Rs.)	4.8	10.3	12.5	19.3
P/E (x)	88.2	41.6	34.1	22.1
P/B (x)	2.0	1.9	1.8	1.7
EV/EBITDA (x)	55.7	34.7	22.1	14.2
RoNW (%)	2.4	4.7	5.5	7.9
RoCE (%)	4.7	6.3	8.3	11.4

Source: Company; Mirae Asset Sharekhan estimates

## Results (Consolidated)

Particulars	Q1FY26	Q1FY25	y-o-y (%)	Q4FY25	Rs cr q-o-q (%)
<b>Net sales</b>	<b>188.3</b>	<b>316.3</b>	<b>-40.5</b>	<b>206.0</b>	<b>-8.6</b>
other income	13.2	11.7	12.6	11.8	12.1
<b>Total income</b>	<b>201.5</b>	<b>328.0</b>	<b>-38.6</b>	<b>217.8</b>	<b>-7.5</b>
Total expenses	140.6	284.9	-50.7	137.4	2.3
<b>Operating profit</b>	<b>47.7</b>	<b>31.4</b>	<b>52.2</b>	<b>68.7</b>	<b>-30.5</b>
Depreciation	3.4	3.4	2.6	2.8	24.8
Interest	14.9	10.3	45.1	11.9	24.8
<b>Profit Before Tax</b>	<b>42.6</b>	<b>29.5</b>	<b>44.5</b>	<b>65.8</b>	<b>-35.2</b>
Exceptional items	0.0	0.0	0.0	0.0	0.0
Taxes	9.2	7.0	30.8	17.0	-45.9
PAT	33.4	22.4	48.8	48.7	-31.5
<b>Adj. PAT after JV/MI</b>	<b>33.4</b>	<b>22.8</b>	<b>46.7</b>	<b>50.4</b>	<b>-33.7</b>
EPS (Rs.)	2.3	1.6	46.7	3.4	-33.7
			<b>BPS</b>		<b>BPS</b>
OPM (%)	25.4	9.9	1543	33.3	-798
NPM (%)	17.8	7.2	1055	24.5	-670
Tax rate (%)	21.6	23.9	-226	25.9	-428

Source: Company Data; Sharekhan Research, \*Adjusted for one-time expense related to Avenue 2, ODC project

## Outlook and Valuation

### ■ Sector Outlook – Residential market on growth trajectory

The real estate sector, especially the residential realty market, is expected to be in the limelight, as it benefits from central and state governments' favourable policies about the affordable housing segment. 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 segment of the real estate market for the aforementioned reasons.

### ■ Company Outlook – Strong growth visibility over the near to long term

Sunteck Realty has a robust project portfolio of over 50 million square feet (msf), with a primary focus on the residential market in the Mumbai Metropolitan Region (MMR). Since 2018, the company has steadily built a strong presence across key MMR micro-markets, with diversification across all income segments. Sunteck offers a well-positioned luxury portfolio across the spectrum—from uber-luxury to aspirational luxury—catering to a wide range of homebuyers. Its current portfolio has a total GDV of Rs. 39,800 crore, which is expected to drive sales and collections and is likely to scale up to Rs. 50,000 crore in FY26. With a strong launch pipeline worth over Rs. 11,000 crore planned for FY26, the company is targeting over 30% growth in pre-sales and expects a meaningful ramp-up in collections. In addition, its negligible leverage and growing annuity income potential further enhance its financial flexibility and long-term growth outlook.

### ■ Valuation – Retain Positive view; expect an upside of 24%

The company is well-positioned across key micro-markets and income segments in the lucrative MMR region. A robust pipeline of launches from both existing and upcoming projects is expected to drive continued momentum in pre-sales and collections. Strong operating cash flows, low leverage, and strategic land acquisitions will support long-term growth. Its partnership with IFC also enhances credibility and scalability. The stock currently trades at a discount to its NAV, offering an attractive entry point for investors. We maintain a positive outlook on Sunteck Realty, with an estimated upside of 24%, supported by its strong and sustainable growth prospects.

## About company

Sunteck Realty Limited (SRL) is one of India's leading Luxury real-estate developers. SRL has an immaculate track record of having one of the lowest net Debt/Equity ratios, financial prudence, and sustainable growth. The company focuses on a city-centric development portfolio of about 52.5 million square feet spread across 32 projects. Sunteck Realty has differentiated its projects under six brands - 'Signature': Uber luxury residences, 'Signia': Ultra luxury residences, 'Sunteck City' & 'Sunteck Park': Premium luxury residences, 'Sunteck Beach Residences': Marquee Luxury Destination, 'Sunteck World': Aspirational luxury residences, 'Sunteck': Commercial & Retail developments. The company has been a trendsetter in creating iconic destinations such as the flagship project, Signature Island at Bandra Kurla Complex (BKC), Sunteck City in Oshiwara District Centre (ODC), Goregaon and SunteckWorld at Naigaon - the largest township of MMR's Western Suburbs.

## Investment theme

Sunteck Realty offers strong and sustainable growth potential over the near to long term, underpinned by robust foundations across key regions and income segments in the high-growth MMR market. The company's completed and ongoing projects are positioned to generate healthy net operating surplus in the near to medium term with minimal incremental expenditure. Its strategic objective of doubling its GDV every three years remains intact. A strong launch pipeline is expected to drive collections and help achieve the targeted 30% growth in pre-sales for FY26. The company's focused approach toward uber-luxury and premium luxury segments continues to support strong sales momentum and brand positioning in high-value markets.

## Key Risks

- ♦ Slowdown in realty demand in MMR region
- ♦ Delays in sales traction and/or execution of ongoing and upcoming projects

## Additional Data

### Key management personnel

Name	Designation
Kamal Khaitan	Chairman and Managing Director
Santhana Kumar	Chief Technology Officer
Prashant Chaubey	Chief Financial Officer

Source: Company Website

### Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	CLSA GLOBAL MARKETS	5.18
2	Life Insurance Corp of India	4.02
3	NTASAIN DISCOVERY MASTER FUND	2.73
4	Schroders PLC	2.25
5	Khetan Akrur Kamal	1.53
6	IDFC Mutual Fund/India	1.50
7	FMR LLC	1.34
8	State of Kuwait	1.25
9	Aditya Birla Sun Life Asset Manage	1.20
10	Dimensional Fund Advisors LP	0.73

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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