

Brigade Enterprises (Brigade) - BUY

Q4FY26 Result Update

Current Market Price (CMP) Rs.773	Fair Value (FV) Rs.1200
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Rationale

- Brigade closed FY26 with pre-sales of Rs7400cr ((-)5% yoy), as the inability to launch projects led to a miss against guidance.
- Brigade is hopeful of a better FY27, with a launch pipeline of 1.2 cr sq. ft, likely to aid 20% yoy growth in pre-sales.
- The leasing business completes under-construction projects aggregating 31 lakh sq. ft and the hospitality business doubling room inventory over the next few years.
- Valuations remain attractive (7.6X adjusted EV/EBITDA) as weak pre-sales weighed on stock performance.
- Maintain BUY with a revised SoTP-based FV of Rs1,200 (Rs1,250 earlier).

👍 Positives:

- Reported improved pre-sales of Rs2520cr (+3% yoy) in Q4FY26 aided by launches in Bengaluru, Hyderabad and Chennai with most of launches towards the end of Q4.
- Management expects an improvement in the reported EBITDA margins (toward double-digits), starting H2FY27.
- Brigade reported Q4FY26 collections of Rs1980cr (+3 yoy, +13% qoq), supporting operating cash generation of Rs280cr.

👎 Negatives:

- Modest revenue recognition; weakness in residential margins persists.
- The leasing business was impacted due to the exit of Amazon from WTC Bengaluru, leading to a drop in portfolio occupancy to 88%.
- Net debt increased to Rs2280cr as of March 2026 from Rs1890cr as of December 2025.

(EBITDA: Earnings Before Interest, Depreciation, Amortization & Tax, EV: Enterprise value, SoTP: Sum of the parts, WTC: World Trade Centre)



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
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- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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