

Lodha Developers (Lodha) - BUY

Q4FY26 Result Update

Current Market Price (CMP) Rs.879	Fair Value (FV) Rs.1,330
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Rationale:

- Lodha reported strong Q4FY26 pre-sales of Rs58900 cr (+25% yoy) on the back of Rs14000cr of new launches.
- Sales picked up in H2FY26 on the back of new launches.
- Management has guided for FY27 pre-sales of Rs24000cr (+17% yoy), with embedded EBITDA margin of 32-34% (similar to 33% in FY26).
- Guided for lower business development and improved cash generation in FY27.
- Maintain BUY with revised FV of Rs1,330 (from Rs1,385), based on Mar'28 estimates.

👍 Positives:

- Healthy financial performance in Q4FY26, EBITDA margin stood at 30%.
- Collections improved 18% yoy to Rs5200cr in Q4FY26 leading to better OCF of Rs2960cr.
- Lodha maintains healthy sales targets and improving cash flows.
- Lodha now has Rs2 lakh cr of unsold GDV, which would limit its business development spends in the next 1-2 years
- Lodha continues to deliver healthy growth across MMR and Pune, with plans to accelerate in Bengaluru and make a debut in NCR.
- Exploring opportunities to capture higher share of land value at Palava through models like powered shell and partnerships.
- Tied-up for Rs1000cr of potential rental income, with Rs1580cr of balance investment.

👎 Negatives:

- Lodha closed FY26 with pre-sales of Rs20,500cr (+17% yoy), marginally short of its guidance of Rs21,000 cr (+19% yoy).

(EBITDA: Earnings Before Interest, Depreciation, Amortization & Tax, MMR: Mumbai Metropolitan Region, NCR: National Capital Region, GDV: Gross Development Value, OCF: Operating Cash Flows)



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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- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
Head of Research
shrikant.chouhan@kotak.com
+91 22 6218 5408

Arun Agarwal
Auto & Auto Ancillary, Building Material,
Cement, Consumer Durable
arun.agarwal@kotak.com
+91 22 6218 6443

Amit Agarwal, CFA
Transportation, Paints, FMCG
agarwal.amit@kotak.com
+91 22 6218 6439

Rini Mehta
Research Analyst
rini.mehta@kotak.com
+91 22 6218 6433

Sumit Pokharna
Oil and Gas, Information Tech
sumit.pokharna@kotak.com
+91 22 6218 6438

Veer Trivedi
BFSI
veer.trivedi@kotak.com
+91 22 6218 6432

Pankaj Kumar
Construction, Capital Goods & Midcaps
pankajr.kumar@kotak.com
+91 22 6218 5498

Amarjeet Maurya
Internet Software & Services
amarjeet.maurya@kotak.com
+91 22 6218 6427

Gaurav Bhandari
Research Analyst
bhandari.gaurav@Kotak.com
+91 22 6218 6440

TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
shrikant.chouhan@kotak.com
+91 22 6218 5408

Amol Athawale
amol.athawale@kotak.com
+91 20 6620 3350

Sayed Haider
sayed.haider@kotak.com
+91 22 62185458

DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)

Sahaj Agrawal
sahaj.agrawal@kotak.com
+91 79 66041701

Prasenjit Biswas, CMT, CFTe
prasenjit.biswas@kotak.com
+91 33 6638 8331

Karan Kulkarni
karan.kulkarni@kotak.com
+91 20 66203350

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