

Lodha Developers (Lodha) - BUY

Q4FY26 Result Update

Current Market Price (CMP) Rs.898	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