kotak neo

Dated: 23 July 2026

Sunteck Realty (SRIN) - BUY

Q1FY27 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.291	**Rs.460**

Rationale:

- Sunteck reported pre-sales of Rs790cr (+20% yoy), tracking behind the growth guidance of 25-30% for FY27E.
- Collections saw some improvement at Rs4100cr (+17% yoy), including collections from the Nepean Sea Road project.
- Sunteck has a string of projects with a project pipeline of Rs42700 cr that could help the company raise its sales profile.
- Healthy margins (35%), coupled with improving cash collection, remain key positives from the result print for Q1FY27.
- Maintain BUY with a revised SoTP-based FV of Rs460 (from Rs470).

Positives:

- Modest revenue recognition, although margin profile remains promising.
- EBITDA margin improved to 35% in Q1FY27 (25% in Q1FY26 and 29% in Q4FY26).
- Management is targeting the launch of new towers at Mira Road, Vasai and Naigaon along Nepean Sea Road project over the next few quarters.
- These projects should support 25-30% yoy pre-sales growth guidance for next 1-2 years.
- Net debt declined slightly, leading to lower net debt/equity ratio of 0.07x.
- Valuations remain attractive at 4.4x EV/EBITDA.

Negatives:

- Sunteck had a muted start to the year with sales growth of 20% yoy.
- Absence of meaningful deliveries led to modest revenue recognition.

(EBITDA: Earnings Before Interest, Tax, Depreciation & Amortization, EV: Enterprise Value, SoTP: Sum of the Parts)

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

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

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

REDUCE – We expect the stock to deliver -5% - +5% returns over the next 12 months

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NA – **Not Available or Not Applicable.** The information is not available for display or is not applicable

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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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