

CMP: ₹ 1040

Target: ₹ 1310 (26%)

Target Period: 12 months

BUY

October 31, 2025

Expect growth to catch-up in H2; Retain Buy

About the stock: Brigade Enterprises (BEL) is one of the leading property developers in South India. Its offerings include Grade-A commercial property, affordable to ultra-premium housing in real estate business and operational marquee hotel assets in hospitality segment (listed entity). Given the healthy end user demand, strong launches, it has reported a robust sales value CAGR of 27% over FY20-25 to ₹ 6013 crore

Q2FY26 performance: Brigade Enterprises reported strong pre-sales of ₹ 2034 crore (up 11.7% YoY, up 81.9% QoQ) for Q2FY26 led by higher sales volumes (up 13% YoY, up 100.2% QoQ). Collections were up 3.4% YoY (up 15.9% QoQ) at ₹ 2003 crore. On reported basis, consolidated sales were up 29% YoY at ₹ 1383 crore, EBITDA margins were lower 352 bps YoY at 23.7% while net profit was up 36.6% YoY at ₹ 162.5 crore (aided by lower effective tax rate). Leasing revenue in Q2FY26 stood at ₹ 341 Crores (up 17% YoY). EBITDA stood at ₹223 Crores (down 1% YoY). Hospitality revenue in Q2FY26 stood at ₹ 138 Crores (up 11% YoY). EBITDA stood at ₹ 42 Crores (down 22% YoY).

Investment Rationale

- **Eyeing 15% YoY pre-sales growth for FY26 despite soft H1:** For FY26, the company remains optimistic on achieving 15% YoY pre-sales growth guidance (~₹ 9000 crore) backed by a strong launch pipeline for H2. It targets to launch ~₹ 8000-8300 crore GDV projects (~7msf) in H2FY26 as against ~₹ 3000 crore GDV projects (~3msf) launched in H1FY26. New project launches contributed ~40% of sales in H1FY26 (~50% in Q2FY26) and is expected to contribute higher during H2FY26. It has already launched Brigade Gateway, Hyderabad for which sales is underway while plans to launch couple of large mixed-use projects in North and East Bengaluru in Q4FY26. Hence, overall, we believe timely launch of key projects in H2FY26 would be crucial to meet its FY26 guidance. However, over the next four quarters, it has a strong launch pipeline of 15 msf (~11 msf residential).
- **leasing and hospitality expansions stay intact:** In leasing, the company launched ~1.2 msf in H1FY26 while it has upcoming ~4.2 msf of launches. Its rental leasing income is projected to rise to ₹ 800-850 crore while it is expected to substantially increase in FY27. Of the total capex commitments of ₹ 1694 crore in leasing, it has incurred ₹ 536 crore as on Q2FY26, while balance ₹ 1158 crore will be spent over the next 12-18 months. In Hospitality, it plans to add 1700 keys (doubling its portfolio of hotels to 18 hotels) over the next 4-5 years.

Rating and Target Price

- BEL's outlook across residential, leasing and hospitality verticals remains positive driven by its controlled expansive strategy.
- We retain our BUY rating with our SOTP based Target Price of ₹ 1310/-.

Key Financial Summary

(₹ crore)	FY23	FY24	FY25	2 yr CAGR (FY23-25)	FY26E	FY27E	FY28E	3 yr CAGR (FY25-27E)
Net Sales	3445	4897	5074	21.4%	6603	7214	9763	24.4%
EBITDA	859	1194	1414	28.3%	1762	1969	2800	25.6%
EBITDA Margin(%)	24.9	24.4	27.9		26.7	27.3	28.7	
Net Profit	291	452	686	53.4%	877	1018	1592	32.4%
EPS (₹)	12.6	19.5	28.1		35.9	41.7	65.1	
P/E(x)	82.7	53.4	37.2		29.1	25.1	16.0	
EV/EBITDA(x)	33.2	24.3	19.4		15.3	13.5	7.9	
RoE(%)	9.0	12.7	11.6		13.1	13.5	17.7	
RoCE(%)	8.5	11.9	12.2		14.1	14.6	18.5	

Source: Company, ICICI Direct Research



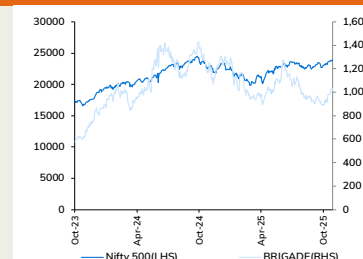
Particulars

Particulars	(₹ crore)
Market Cap	25,520
Total Debt FY25	5,274
Cash FY25	3,261
EV	27,533
52 week H/L (₹)	1340/ 852
Equity capital	244.4
Face value (₹)	10.0

Shareholding pattern

Particular	Dec-24	Mar-25	Jun-25	Sep-25
Promoters	41.4	41.1	41.1	41.1
FIIIs	20.2	20.2	19.3	18.7
DIIIs	22.9	22.9	23.4	23.3
Others	15.5	15.8	16.1	16.9

Price Chart



Key risks

- Slowdown in demand especially in its core Bengaluru market.
- Inability to scale up its leasing and hospitality portfolio.

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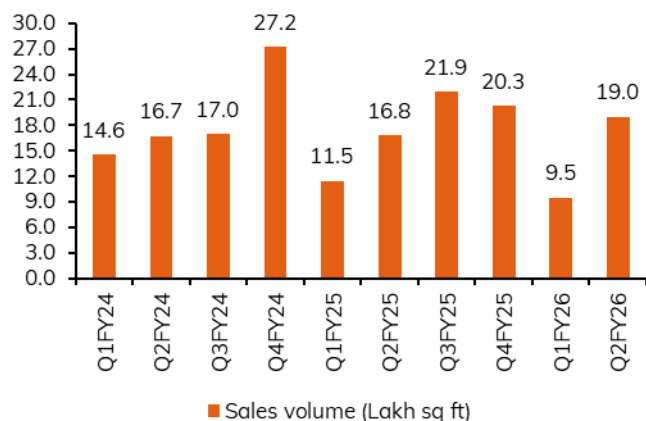
Recent earnings call highlights:

- **Guidance:** The company remains optimistic to achieve its earlier pre-sales guidance of ~₹ 9000 crore (+15% YoY) for FY26 (₹ 3152 crore sales bookings in H1FY26). It expects price realization growth of 5-7% YoY. As per management, Bengaluru remains net-net positive in terms of job creations offsetting job losses. value growth in pre-sales bookings for FY26.
- **Launches:** The company has a launch pipeline of ~15 msf (~11msf residential) for the next four quarters. In H1FY26, it had launched 3msf residential projects having a GDV of ₹ 3200 crore (Q2FY26 – 2msf having GDV of ₹ 2200 crore). For H2FY26, it targets to launch 7msf having GDV of ₹ 8000-8300 crore. It has already launched 1 msf Brigade Gateway, Hyderabad project for which sales are underway. It is trying to launch Brigade Innovation Gardens, North Bengaluru project in Q4FY26 (may get slip to Q1FY27).
- **Q2FY26 key highlights:** Pre-sales booking grew 12% YoY to ₹ 2034 crore led by sales volume growth of 13% YoY to 1.90 msf. Collections were up 16% YoY to ₹ 2003 crore (real estate - ₹ 1528 crore, leasing - ₹ 306 crore, hospitality - ₹ 169 crore). Net cash flow from operating activities stood at ₹ 433 crore.
- **Leasing:** Portfolio of 9.38 msf witnessed 92% occupancy (8.67 msf) in Q2FY26. It transacted 4.22 msf of which 50% were accounted in real estate sales. Retail segment saw 8% YoY growth in footfalls while consumption growth was up 9% YoY. Leasing revenues stood at ₹ 341 crore (up 16% YoY). It launched 1.2msf office space and has upcoming launch pipeline of 4.2 msf. The lease rental income for FY26 is estimated at ₹ 800-850 crore while it is expected to grow substantially in FY27.
- **Hospitality:** Hospitality SBU revenues grew 11% YoY to ₹ 138 crore with 76% portfolio occupancy and ARR of ₹ 7106 (up 14% YoY) in Q2FY26. EBITDA declined 22% YoY to ₹ 42 crore.
- **Outlook:** With strong pipeline of 15 msf of development across residential and commercial segments over next four quarters and hospitality with 1700 keys, it is confident of sustainable growth.
- **Business development:** During H1FY26, it added 13 msf with potential GDV of ₹ 14,000 crore which includes (~₹ 8000 crore in Bengaluru).
- **Debt:** The gross debt of the group stood at ₹ 4291 crore, cash ₹ 2574 crore and net debt at ₹ 1717 crore (company's share ₹ 1101 crore). 93% of the debt comprises for commercial portion which is backed by lease rentals. Average cost of debt reduced 20 bps QoQ to 8.05%.

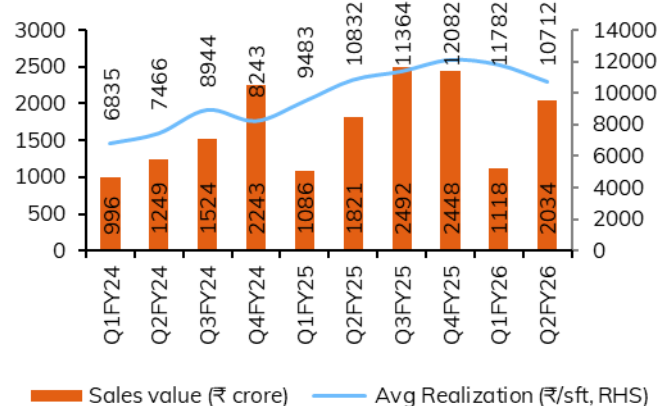
Exhibit 1: Quarterly Analysis

Particulars	Q2FY26	Q2FY25	YoY (Chg %)	Q1FY26	QoQ (Chg %)	Comments
Income from Operation	1,383.4	1,072.2	29.0	1,281.1	8.0	Leasing/hospitality revenues grew by 16%/11% YoY to ₹ 341 crore/₹ 138 crore respectively
Other Income	46.5	66.0	-29.5	51.7	-10.1	
Total Income	1,429.9	1,138.1	25.6	1,332.9	7.3	
Total Operating Cost	735.2	486.1	51.2	580.9	26.6	
Employee cost	117.8	99.3	18.6	109.2	7.9	
Other expenditure	291.5	228.5	27.6	215.7	35.2	
EBITDA	328.1	291.9	12.4	323.7	1.4	Lower margins on account of project mix, higher ad spends, tech investments
EBITDA Margin (%)	23.7	27.2	-352 bps	25.3	-155 bps	
Depreciation	76.5	68.9	11.0	75.6	1.2	
Interest	102.3	122.6	-16.6	105.6	-3.2	
PBT	195.8	166.4	17.7	194.1	0.9	
Total Tax	25.3	51.3	-50.7	35.9	-29.5	
Pat after Minority Interest	162.5	119.0	36.6	149.9	8.4	Lower tax rate aid PAT growth

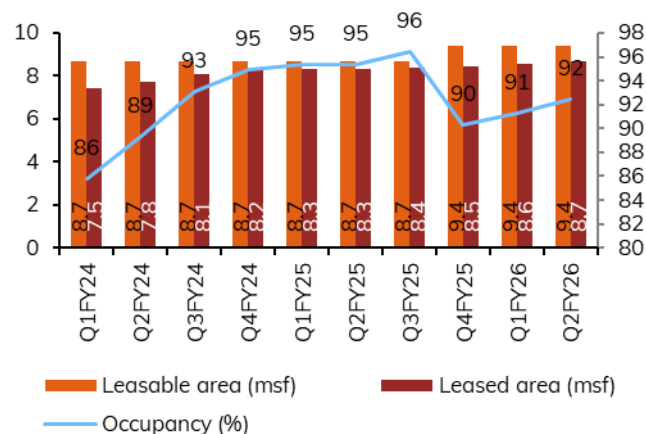
Source: Company, ICICI Direct Research

Exhibit 2: Residential sales volume trend


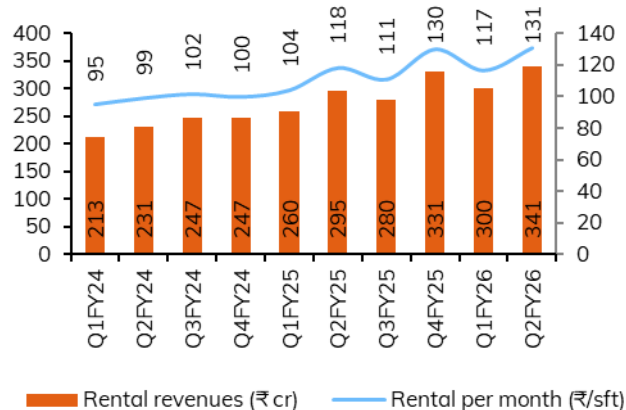
Source: Company, ICICI Direct Research

Exhibit 3: Residential sales value/realisation trend


Source: Company, ICICI Direct Research

Exhibit 4: Leasing/Occupancy trend


Source: Company, ICICI Direct Research

Exhibit 5: Rental revenues trend


Source: Company, ICICI Direct Research

Exhibit 6: Valuation table

Particulars	Value	NAV/share	Remarks
Residential NAV	20585	842	
Leasing Portfolio Total	11018	451	
Hospitality Portfolio	2351	96	At Mcap of Brigade Hotel Ventures
Total Gross Asset Valuation	33955	1389	
Less: Net Debt (Brigade share)	1101	45	Brigade's effective net debt
Less: Land dues payable	781	32	
Valuation	32073	1312	
Rounded off	32073	1310	

Source: ICICI Direct Research

Financial Summary

Exhibit 7: Profit and loss statement

₹ crore

₹ crore	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	4,896.7	5,074.2	6,603.0	7,214.5	9,763.5
Other Income	167.5	239.3	251.3	263.9	277.1
Total revenues	5,064.2	5,313.5	6,854.3	7,478.3	10,040.5
Cost of Materials Sold	2,738.3	2,316.8	3,174.9	3,421.8	4,619.3
Employee Cost	319.9	404.7	445.2	489.7	538.7
Other Expenditure	644.2	938.5	1,221.2	1,334.3	1,805.7
Total Operating Exp.	3,702.3	3,660.0	4,841.3	5,245.8	6,963.7
EBITDA	1,194.4	1,414.2	1,761.6	1,968.7	2,799.7
Interest	491.0	495.5	451.6	468.1	484.6
Depreciation	302.1	288.8	295.8	295.0	327.0
PBT	568.7	869.3	1,265.5	1,469.4	2,265.1
Tax	167.6	188.8	341.7	396.7	611.6
Profit before MI	401.0	680.5	923.8	1,072.7	1,653.5
Minority Interests	(50.6)	(5.3)	46.9	54.3	61.8
PAT	451.6	685.8	876.9	1,018.3	1,591.8
EPS (₹)	19.5	28.1	35.9	41.7	65.1

Source: Company, ICICI Direct Research

Exhibit 8: Cash Flow Statement

₹ crore	FY24	FY25	FY26E	FY27E	FY28E
Profit before Tax	569	869	1,266	1,469	2,265
Depreciation	302	289	296	295	327
Interest paid	491	495	452	468	485
CF before wc changes	1,255	1,472	1,715	1,914	2,738
Net Increase in CA	(1,046)	(1,667)	422	(174)	(1,301)
Net Increase in CL	367	1,510	736	820	6,123
Net CF from op. activities	334	995	2,218	2,083	6,350
Purchase of Fixed Assets	(269)	(639)	(1,400)	(1,400)	(1,400)
(Purchase)/Sale of Inv.	8	12	-	-	-
Interest received	99	161	251	264	277
Others	(155)	134	(47)	(54)	(62)
Net CF from inv. activities	(315)	(331)	(1,196)	(1,190)	(1,185)
Equity Raised	-	-	-	-	-
Proceeds from Borrowing	882	(92)	200	200	200
Interest Paid	(580)	(467)	(452)	(468)	(485)
Dividend Paid	(46)	(46)	(73)	(86)	(86)
Net CF from fin. activities	241	860	(325)	(354)	(370)
Net Cash flow	259	1,524	697	539	4,795
Opening Cash	1,478	1,737	3,261	3,958	4,497
Closing Cash	1,737	3,261	3,958	4,497	9,292

Source: Company, ICICI Direct Research

Exhibit 9: Balance sheet

₹ crore

₹ crore	FY24	FY25	FY26E	FY27E	FY28E
Equity Capital	231	244	244	244	244
Reserves & Surplus	3,285	5,394	6,198	7,130	8,637
Networth	3,558	5,915	6,672	7,551	8,995
Total Debt	5,337	5,274	5,474	5,674	5,874
Deferred Tax Liability	27	14	14	14	14
Source of Funds	8,921	11,204	12,161	13,239	14,884
Gross Block	1,465	1,612	1,662	1,712	1,762
Less: Accumulated Dep	564	620	686	755	825
Net Block	901	992	976	957	937
Capital WIP	1,232	1,929	2,279	2,629	2,979
Total Fixed Assets	2,132	2,921	3,254	3,586	3,915
Investments	50	43	43	43	43
Inventories	7,736	8,869	7,831	7,847	7,969
Trade Receivables	500	629	869	931	1,390
Loans & Advances	523	475	656	702	1,049
Cash & Bank Balances	1,737	3,261	3,958	4,497	9,292
Other Current Assets	388	512	708	758	1,132
Total Current Assets	11,657	14,566	15,154	15,948	22,642
Trade Payable	760	786	1,086	1,162	1,736
Provisions	23	33	33	33	33
Other Current Liabilities	7,168	8,858	8,833	9,458	14,125
Total Current Liabilities	7,951	9,677	9,952	10,654	15,895
Net Current Assets	2,692	3,680	3,532	3,506	4,077
Application of Funds	8,921	11,204	12,161	13,239	14,884

Source: Company, ICICI Direct Research

Exhibit 10: Key ratios

	FY24	FY25	FY26E	FY27E	FY28E
Per Share Data					
Reported EPS	19.5	28.1	35.9	41.7	65.1
Cash EPS	32.6	39.9	48.0	53.7	78.5
BVPS	154.0	242.1	273.0	309.0	368.1
Operating Ratios					
EBITDA / Net Sales	24.4	27.9	26.7	27.3	28.7
PAT / Net Sales	9.2	13.5	13.3	14.1	16.3
Return Ratios					
RoE	12.7	11.6	13.1	13.5	17.7
RoCE	11.9	12.2	14.1	14.6	18.5
Valuation Ratios					
EV / EBITDA	24.3	19.4	15.3	13.5	7.9
P/E	53.4	37.2	29.1	25.1	16.0
EV / Net Sales	5.9	5.4	4.1	3.7	2.3
Market Cap / Sales	5.2	5.0	3.9	3.5	2.6
Price to Book Value	6.8	4.3	3.8	3.4	2.8
Turnover Ratios					
Asset turnover	0.5	0.5	0.5	0.5	0.7
Gross Block Turnover	3.3	3.1	4.0	4.2	5.5
Solvency Ratios					
Net Debt / Equity	1.0	0.3	0.2	0.2	(0.4)
Current Ratio	1.0	1.0	0.9	0.8	0.6
Quick Ratio	0.2	0.1	0.2	0.2	0.2

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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