

**Launches paused in Q3; activity to resume in Q4**

**VIEWPOINT**

Result Update

**SECTOR**

Real Estate

**COMPANY DETAILS**

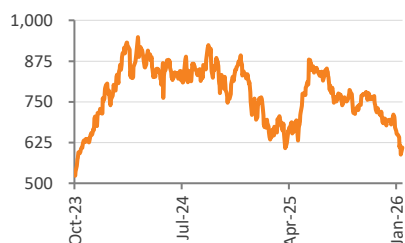
Market cap:	Rs. 1,50,746 cr
52-week high/low:	Rs. 888/587
NSE volume: (No of shares)	26.7 lakh
BSE code:	532868
NSE code:	DLF
Free float: (No of shares)	64.2 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

**SHAREHOLDING (%)**

Promoters	74.1
FII	14.8
DII	5.8
Others	5.3

Source: NSE, BSE, Mirae Asset Sharekhan Research

**PRICE CHART**


Source: NSE, BSE, Mirae Asset Sharekhan Research

**PRICE PERFORMANCE**

(%)	1m	3m	6m	12m
Absolute	-12.3	-21.8	-26.5	-12.3
Relative to Sensex	-8.6	-18.8	-26.6	-20.3

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **Positive**

CMP: **Rs. 609**

Price Target: **Rs. 900**
**Quick Snapshot**

- Pre-sales of Rs 419 crore in Q3 FY26, down significantly (97% y-o-y) due to no new launches and temporary pause of Dahlias. The collections stood at a record quarterly high, up 65% y-o-y to Rs. 5,100 crore.
- DCCDL, its annuity business performed well, rental income rising 18.4% y-o-y to Rs 1,412 crore.
- The company is confident to achieve its full year pre-sales guidance of Rs. 20,000 crore (80% already done). Exit rental expected Rs.6400 for FY26.
- We maintain a positive view on the stock with a revised TP of Rs. 900, given a strong growth potential in the residential segment and the scaling up of rental portfolio.

**Result overview**

- Consolidated revenue stood at Rs 2,020 crore in Q3FY26, up 32.2% y-o-y, (12% below our estimates). EBITDA fell 2.5% y-o-y to Rs 390 crore, with EBITDA margin contracting to 19.3% (down 687 bps y-o-y and 244 bps below our forecast).
- DCCDL's rental income grew 18.4% y-o-y in Q3. Total revenue from DCCDL up 17.4% y-o-y to Rs. 1,859 crore and EBITDA margin stood at 77.7%.
- Pre-sales in Q3 came from monetization (25%) of launched inventory, excluding Dahlias. The collections hit a record high in this quarter due to construction-linked payments and no spillover from previous quarters.
- New bookings in Dahlias were paused in Q3 due to redesign and enhanced customer service experience.
- Collection growth likely 10-15% y-o-y annually. Rental income expected Rs. 6,400 crore in FY26 (DCCDL 5,900, DLF 550) and FY27 is 7,400-7,500 crore, big jump from Atrium Place and 3 new malls (DLF Midtown, Summit Plaza, and Promenade Goa).
- Launches in next 18-24 months:**
  - Arbour Phase II (Senior Living), expected to launch in Q4FY26 – GDV ~Rs 2,000 crore
  - Next phase of West Park (Mumbai)
  - Group housing in DLF City
  - Panchkula
  - Goa residential project
  - Further phases of Dahlias

**Our Call**

We stay positive on DLF given a robust launch pipeline, strong execution record, and expanding annuity income base. The company is well-positioned to deliver sustained growth in pre-sales, supported by upcoming launches such as The Dahlias next phase, Arbour, and Privana, which are expected to contribute to revenue and margins in the next few years. The rental portfolio continues to scale up, with better occupancy across office assets and a clear focus on doubling the retail footprint in 4-5 years. DLF's dominant presence in the Delhi-NCR market, large low-cost land reserves, debt-free balance sheet, and favourable housing market tailwinds provide strong multi-year growth visibility. With a healthy mix of residential cashflows and annuity income, we maintain a Positive view on the stock, with a revised TP of Rs.900 driven by continued traction in the residential business and scaling up of its rental portfolio.

**Key Risks**

Slowdown in real estate demand, especially in the Delhi-NCR region, is a key risk to our call. Unfavourable macro indicators, such as a rise in interest rates, can dampen demand.

**Valuations (Consolidated)**

	Rs cr			
Particulars	FY25	FY26E	FY27E	FY28E
Revenue	7,993.7	8,249.9	9,799.9	11,293.6
OPM (%)	26.4	28.3	29.8	31.8
Adjusted PAT	4,670.0	4,721.0	5,428.1	6,385.0
y-o-y growth (%)	71.2	1.1	15.0	17.6
Adjusted EPS (Rs.)	18.9	19.1	21.9	25.8
P/E (x)	32.3	31.9	27.8	23.6
P/B (x)	3.4	3.1	2.8	2.5
EV/EBITDA (x)	62.0	56.1	44.8	36.5
RoNW (%)	11.2	10.3	10.8	11.5
RoCE (%)	11.0	10.0	10.5	11.2

Source: Company; Mirae Asset Sharekhan estimates

## Concall highlights

- On Dahlias: About 55-60% of units are sold already. Buyers are mostly NRIs, Ultra-HNIs/Global Investors. It's dynamic pricing power and in the past one year, a 25% price hike has been seen.
- Construction Q3 disrupted due to pollution-related stoppage. 9M FY26 construction spend is 2,400 crore (1,500 last year). Normalised quarterly construction spend is Rs. 900-1,000 crore.
- Summit Plaza, DLF5, Gurugram [~0.5 msf]: Pre-leased at ~95%; OC received; with this completion and expected commencement of DLF Promenade, Goa [0.7 msf] in next few months, retail portfolio will grow to 5.6 msf; y-o-y growth of 33%.
- Occupancy – Office 94% in Q3 FY26 (Non-SEZ 98% & SEZ 88%) and retail 97% occupancy (DCCDL 97% & DLF 93%).
- DLF's rental portfolio stands at 49 msf of operational assets, with 27 msf pipeline to deliver, including 13.6 msf (11 msf office + 2.6 msf retail) under construction and 13.3 msf in the pipeline. This is projected to reach 76 msf (75% DCCDL & 25% DLF) with an income of Rs. 10,000 crore in the medium term.
- DLF's residential launch pipeline totals Rs 1.15 lakh crore (37 msf) – of which Rs 54,285 crore (13.2 msf) has been launched till date. The balance of Rs 60,215 crore (25 msf) will be monetised in the medium term.
- Pre-sales annual run rate will be Rs. 20,000 crore.
- DLF stated that demand in Gurgaon remains strong; buyer mix includes 25% NRI and 15% rest of India.
- Gross debt was nil in Q3. Cash in hand amounted to in Rs.1,227 crore and 70% holds of the cash (Rs.10,433) in RERA account. Operating cash flows stood at Rs.3876 crore, up by 110%.

## Results

	Rs cr				
Particulars	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
<b>Net sales</b>	<b>2020.2</b>	<b>1528.7</b>	<b>32.2</b>	<b>1643.0</b>	<b>23.0</b>
other income	459.3	208.8	120.0	618.8	-25.8
<b>Total income</b>	<b>2479.5</b>	<b>1737.5</b>	<b>42.7</b>	<b>2261.8</b>	<b>9.6</b>
Total expenses	1630.4	1128.7	44.4	1359.5	19.9
<b>Operating profit</b>	<b>389.9</b>	<b>400.0</b>	<b>-2.5</b>	<b>283.6</b>	<b>37.5</b>
Depreciation	30.2	38.7	-22.2	29.5	2.1
Interest	36.3	93.9	-61.4	63.1	-42.5
<b>Profit Before Tax</b>	<b>722.6</b>	<b>173.7</b>	<b>316.0</b>	<b>1044.9</b>	<b>-30.8</b>
Taxes	-7.4	-266.7	NA	276.3	NA
PAT	730.0	440.4	65.8	768.5	-5.0
Exceptional items	60.2	0.0	NA	-235.2	NA
Inc from JV	473.3	618.3	-23.4	411.6	15.0
<b>Adj PAT</b>	<b>1263.5</b>	<b>1058.7</b>	<b>19.3</b>	<b>944.9</b>	<b>33.7</b>
EPS	5.1	4.3	19.3	3.8	33.7
			<b>BPS</b>		<b>BPS</b>
OPM(%)	19.3	26.2	-687	17.3	204
NPM(%)	36.1	28.8	733	46.8	-1064

Source: Company; Mirae Asset Sharekhan Research

## Additional Data

### Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Rajdhani Invest & Agencies	61.53
2	Preh Traders & Inv Pvt	3.64
3	Mallika Housing co	2.90
4	Raisina Agen & Invest	2.66
5	Invesco Ltd	2.04
6	Jhandewalan Ancillaries	1.91
7	Vanguard Group	1.22
8	ICICI Prudential Asset Management	1.12
9	Blackrock Inc	1.11
10	Singh Pia	0.87

Source: Bloomberg

### Key management personnel

Name	Designation
Rajiv Singh	Chairman
Ashok Kumar Tyagi	Managing Director
Devinder Singh	Co-CEO/Whole Time Director

Source: Company Website

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