Trade Brains PORTAL

Macrotech Developers Ltd

2025-04-10

Sector: Realty | Industry: Construction - Housing - Large | Buy

Price@Reco: ₹ 1,111.25 | Target Price: ₹ 1,350 | Target Period: 16 - 24 Months | Potential Returns: 21.48 %

Stock Info

Symbol	LODHA
CMP	₹ 1,111.25
P/E Ratio (TTM)	44.22
Enterprise Value	₹ 1,17,462 Cr
Market CAP	₹ 1,10,894 Cr
52w H/L (Rs)	₹ 1596.05 - ₹ 1055

Financial Ratios

ROE (TTM)	11.37
ROCE (TTM)	12.26
PEG Ratio (TTM)	0.90
Net Profit Margin (TTM)	12.30
EV/EBIDTA (TTM)	50.04
Debt to Equity (TTM)	0.68
ROA (TTM)	2.44

Shareholding Pattern

PARTICULARS	JUN 24	SEP 24	DEC 24
Promoters	72.13	72.11	71.98
Share Holding Pledge	0	0	0
FII	24.18	24.2	24.45
Total DII	2.97	2.78	2.64
Public	0.73	0.91	0.93

Indexed Stock Performance

PARTICULARS	LODHA	NIFTY50
1M	5.3%	-1.33%
6M	-4.32%	-11.35%
1Y	-7.69%	-2.6%
3Y	94.99%	25.38%
3Y-CAGR	24.93%	7.83%

Analyst

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Shashi Kumar

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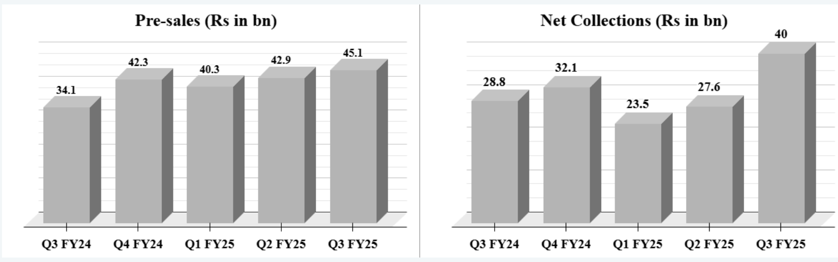
Company Overview

Macrotech Developers Limited (Lodha Group), incorporated in 1995, is one of India's leading real estate developers, with a strong footprint in the Mumbai Metropolitan Region (MMR), Pune, and Bengaluru. Macrotech Developers caters to residential, commercial, and integrated township projects, offering affordable, mid-income, and luxury housing, along with office spaces, retail, and warehousing. It serves homebuyers, businesses, and institutional investors, with a presence in India and London. With a proven track record, Macrotech has delivered over 65,000 homes and completed 100 million square feet of projects. The company operates 40 active projects across key markets, holding a significant market share of 10% in MMR, 5% in Pune, and 2% in Bengaluru as of Q3 FY25. Its well-recognized brands include Lodha, Lodha Luxury, and Palava City.

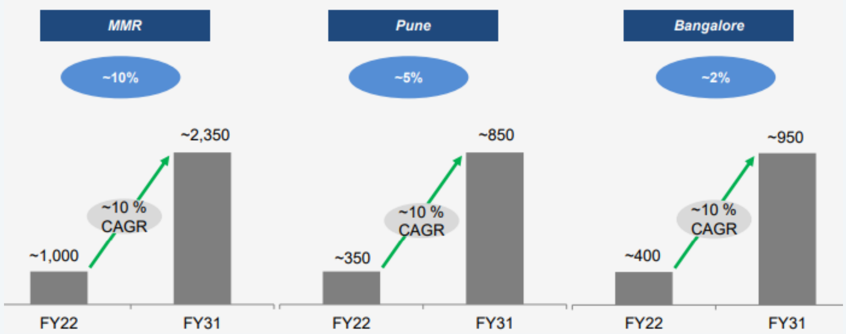
Financially, the company reported Rs 915 billion in pre-sales and Rs 875 billion in collections as of Q3 FY25. Looking ahead, Macrotech targets a 20% CAGR in pre-sales, an EBITDA margin of 30%, and an RoE of 20% by FY26. Additionally, it plans to build a steady annuity income of Rs 15 billion by FY31 through rental revenues from retail, warehousing, and commercial assets.



(Source: Company Reports, Trade Brains Research)

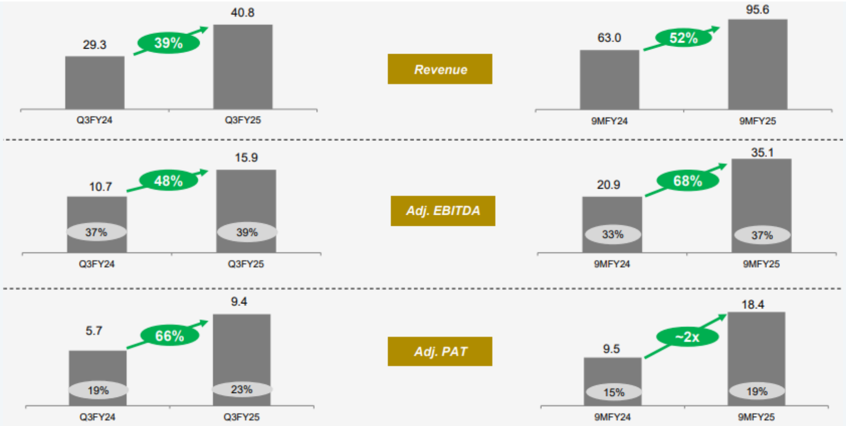
Investment Rationale

Strong Sales Performance and Expanding Market Presence: Macrotech Developers has demonstrated robust growth, achieving its highest-ever quarterly pre-sales of Rs 4,507 crore, a 32% YoY increase, and maintaining over Rs 4,000 crore pre-sales for four consecutive quarters. For 9MFY25, pre-sales reached Rs 12,820 crore, reflecting a 25% YoY growth, positioning the company well to meet its FY25 pre-sales target of Rs 17,500 crore. The company is aggressively expanding into high-growth cities, launching its fifth project in Bengaluru worth Rs 2,800 crore and initiating new developments across Pune, Alibaug, Vikhroli, and South Central Mumbai, reinforcing its market presence. With a diversified portfolio of 40 projects across luxury, premium, mid-income, and affordable housing, Macrotech holds a 10% market share in MMR, 5% in Pune, and 2% in Bengaluru. Its strategic focus on MMR, Pune, and Bengaluru, which collectively contribute 67% of primary home sales in India's top seven cities, ensures sustained demand. The company's continued expansion in Pune and Bengaluru signals a new growth phase, leveraging strong urban demand and favorable real estate trends to drive long-term value.



(Source: Company Reports, Trade Brains Research)

Strong financials and margin growth: Macrotech Developers reported strong financial performance in Q3 FY25, with revenue from operations rising 39% YoY to Rs 4,084 crore, adjusted EBITDA growing 48% YoY to Rs 1,587 crore, and EBITDA margins at 39%. Quarterly PAT surged 66% YoY to Rs 946 crore, while pro forma PAT increased 70% YoY, reflecting enhanced financial leverage. The company's embedded EBITDA margin stood at 35% for Q3 FY25 and 34% for 9M FY25, highlighting operational efficiency. With a focus on premium housing and high-value segments, Macrotech is optimizing profitability and targeting a sustainable 20% ROE. The company maintains a strong financial position, with FY24 operating cash flow at Rs 57 billion, expected to rise to Rs 65 billion in FY25. Net debt stands at Rs 43.1 billion, with a conservative net debt-to-equity ratio of 0.22x, well below its 0.5x limit. Adjusted PAT for Q3 FY25 grew 66% YoY to Rs 9.4 billion, driven by an expanded Adj. EBITDA margin of 39%. With consistent revenue growth and improving margins. Macrotech remains well-positioned for long-term stability and expansion.



(Source: Company Reports, Trade Brains Research)

Strategic Growth Driven by Infrastructure Expansion: Lodha anticipates strong growth in Palava and Upper Thane, supported by major infrastructure projects enhancing connectivity. Key developments include the Airoli-Katai Naka Tunnel (completion in 3–4 months), Navi Mumbai International Airport (12 months), and upcoming Metro Lines 12 & 14 (2028) and the bullet train (2029). Road expansions, including a 6-lane upgrade, including the 6-lane upgrade of Palava Phase 2–Taloja MIDC and a new connector road to Navi Mumbai, are underway for completion in 2–3 years, further strengthening accessibility. The Mumbai Multimodal Corridor, part of the Chief Minister's 100-day plan, reinforces Palava's position as a key urban hub, driving Lodha's strategic expansion and long-term growth potential.

INR bn

Micro-market	Period Added	Saleable Area (msf)	Est. GDV
MMR – Western Suburbs	Q1-25	1.1	77
MMR – Western Suburbs	Q1-25	0.2	16
Pune - West	Q1-25	1.4	18
Bangalore – North	Q2-25	2.1	24
Bangalore – South	Q2-25	1.5	14
Pune – South West	Q2-25	0.3	0.4
Pune – Pimpri Chinchwad	Q2-25	1.7	13
Bangalore – South	Q3-25	2.4	28
Total		10.7	194

Achieved >90% of full year guidance of INR 210bn

(Source: Company Reports, Trade Brains Research)

Strategic Expansion and Sales Growth Driven by Premium Launches: The company's sales momentum is driven by premium launches, with Rs 500 crores in township sales (excluding land transactions), of which Rs 100 crores came from premium and luxury offerings, while the remaining Rs 400 crores were from mid-income segments, including CASA and ASPI. The company is strategically expanding its portfolio with multiple launches planned for the rest of the fiscal year across key regions, including Alibaug, Vikhroli (Eastern Suburbs), South Central, and a major aspirational project in Palava, along with new developments in Pune and Bangalore. These launches align with Lodha's focus on catering to diverse customer segments, enhancing its presence in high-demand areas. The company is shifting towards premium and luxury housing, with sales in Palava increasing from Rs 40 lakh–Rs 1 crore to Rs 50 lakh–Rs 8 crore. Approximately 60% of sales will continue in the mid-income segment, but the growing focus on high-value homes aligns with evolving consumer preferences, supporting higher margins and revenue growth.

Micro-market	Own/ JDA Project	Launch Period	New Project / Location			New Phase			Total		
			Area (Mn .Sq.ft)	Est. GDV (INR bn)	No of Projects	Area (Mn .Sq.ft)	Est. GDV (INR bn)	No of Projects	Area (Mn .Sq.ft)	Est. GDV (INR bn)	No of Projects
MMR - Extended Eastern Suburbs	Own	Q1	0.3	2.2	1	0.6	3.7	3	0.9	5.9	4
Pune	JDA	Q1	0.8	9.1	1	-	-	-	0.8	9.1	1
MMR - Western Suburbs	Own	Q1	0.2	14.8	1	-	-	-	0.2	14.8	1
MMR - Eastern Suburbs	Own	Q2	0.7	10.7	1	-	-	-	0.7	10.7	1
MMR - Eastern Suburbs	JDA	Q2	0.2	6.6	1	-	-	-	0.2	6.6	1
MMR - Western Suburbs	Own	Q2	0.5	10.1	1	-	-	-	0.5	10.1	1
MMR - Extended Eastern Suburbs	Own	Q2	-	-	-	0.1	1.0	2	0.1	1.0	2
Pune	JDA	Q2	-	-	-	0.1	1.1	1	0.1	1.1	1
MMR - Western Suburbs	JDA	Q2	-	-	-	0.1	2.0	1	0.1	2.0	1
MMR - Eastern Suburbs	JDA	Q3	-	-	-	0.8	17.8	2	0.8	17.8	2
MMR - Extended Eastern Suburbs	Own	Q3	0.4	3.2	1	0.4	2.5	2	0.8	5.7	3
Pune	JDA	Q3	0.4	4.6	1	0.3	2.7	1	0.7	7.3	2
Pune	Own	Q3	0.3	4.3	1	-	-	-	0.3	4.3	1
MMR - South & Central	Own	Q3	-	-	-	0.1	6.7	1	0.1	6.7	1
Total			3.8	65.7	9	2.5	37.3	13	6.3	103.0	22

(Source: Company Reports, Trade Brains Research)

Strong Collection Trajectory & Robust Pipeline: The company remains optimistic about its collection trajectory, with collections typically lagging sales by 12–18 months. The company aims to sustain an average quarterly collection run rate of Rs 4,000 crore over the next five quarters, driven by a robust sales pipeline of Rs 17,000 crore. Additionally, Lodha's aggressive expansion strategy is evident in 41 new projects with a GDV of Rs 740 billion since its IPO. In 9MFY25 alone, it secured projects worth Rs 195 billion, exceeding 90% of its full-year guidance. With a pre-sales target of Rs 500 billion by FY31 (20% CAGR), the company is well-positioned for sustained growth, supported by strategic land acquisitions, premium positioning, and strong execution.

Micro-market	Own/ JDA Project	New Projects			New Phase of existing projects			Total		
		Area (Mn .Sq.ft)	Est. GDV (INR bn)	No of Projects	Area (Mn .Sq.ft)	Est. GDV (INR bn)	No of Projects	Area (Mn .Sq.ft)	Est. GDV (INR bn)	No of Projects
MMR - Eastern Suburbs	JDA	-	-	-	0.4	6.7	1	0.4	6.7	1
MMR - Extended Eastern Suburbs	Own	1.3	10.0	1	0.2	1.1	2	1.5	11.1	3
MMR - Western Suburbs	Own	0.2	18.0	1	-	-	-	0.2	18.0	1
Pune	JDA	-	-	-	0.4	3.8	1	0.4	3.8	1
MMR - South Central	JDA	1.0	26.0	1	-	-	-	1.0	26.0	1
Bangalore	Own	-	-	-	0.8	9.7	1	0.8	9.7	1
Total		2.6	54.0	3	1.7	21.2	5	4.3	75.2	8

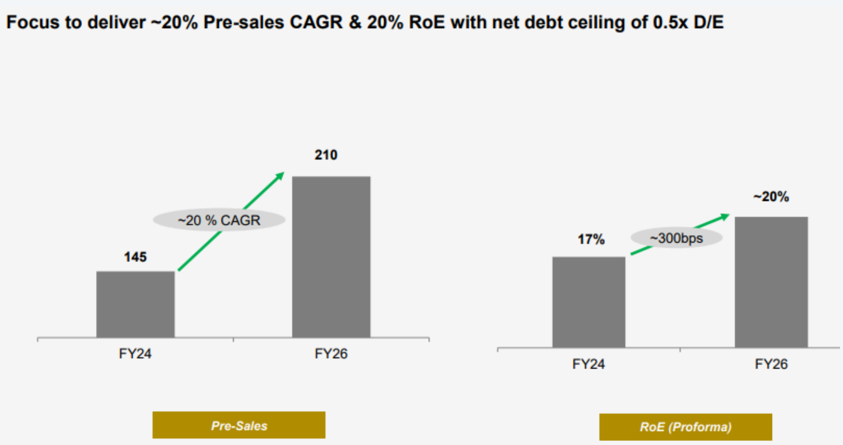
(Source: Company Reports, Trade Brains Research)

Strong Annuity Income Visibility & Diversification: The company is strategically expanding its annuity income, targeting Rs 15 billion in annual rental income by FY31 through high-street retail, warehousing, and office spaces. With a strong pipeline expected to generate Rs 12 billion, the company is leveraging its 2.9 million sq. ft. of leased office and retail space and marquee tenants like Skechers, DP World, and DHL. Lodha's recent land acquisitions, including 33 acres in NCR, further support its warehousing expansion. Holding the largest land bank among Indian real estate firms (600 mn sq. ft.), it projects US$175+ billion in sales over three decades, with EBITDA margins expanding to 50%, ensuring stable and diversified cash flows beyond residential sales.

Annuity Asset Type	Total Area (msf)	Area leased (msf)	Potential Annual Rental income (FY31) (INR bn)	Already invested (INR bn)	Balance investment (INR bn)
Highstreet Retail	1.7	0.1	3.0	3.2	10.1
RTMI	0.2	0.1	0.4	1.2	-
UC	1.1	-	2.0	1.9	7.4
Planned	0.4	-	0.6	-	2.8
Mall	0.4	0.3	0.5	2.0	-
Office	0.8	0.5	1.7	6.9	-
Total Office & Retail	**2.9**	**0.9**	**5.2**	**12.1**	**10.1**
Digital Infrastructure	7.3	2.0	3.6	7.0	23.5
Facilities Management (incl. Digital App)			3.0		
Grand Total	**10.2**	**2.9**	**11.8**	**19.1**	**33.7**

(Source: Company Reports, Trade Brains Research)

Management guidance on pricing and growth prospects: Lodha remains confident in achieving 5-6% pricing growth, supported by a steady YTD increase from under 2% in Q1, around 3% in Q2 to 4% in Q3. Its long-term vision for Palava targets over Rs 8,000 crore in annual pre-sales by the decade's end, with EBITDA margins nearing 50%. Successful premium launches, price arbitrage opportunities, and a 20% CAGR pre-sales target reinforce its growth prospects. With an RoE target of 20% by FY26, Lodha's strategic focus on premium developments and market positioning strengthens its pricing power and long-term expansion.



(Source: Company Reports, Trade Brains Research)

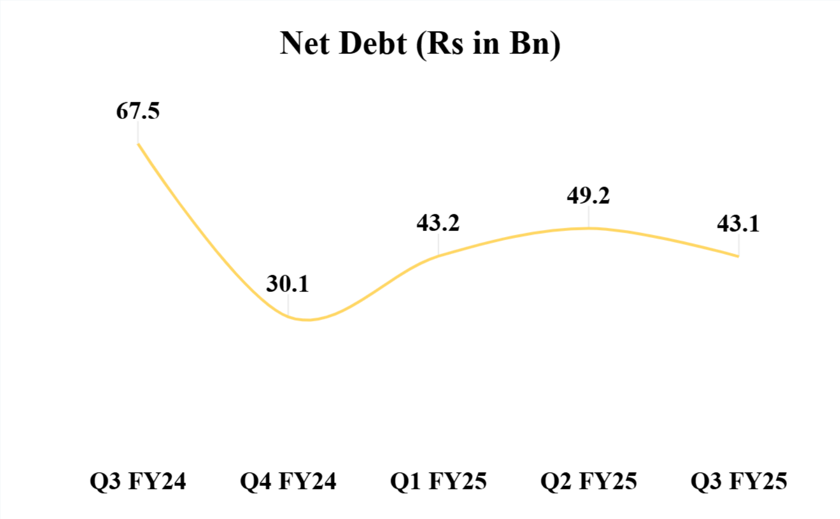
Repo Rate reduction: The Reserve Bank of India (RBI) has reduced the repo rate by 25 basis points, bringing it down to 6%. This move is expected to benefit the real estate sector by making mortgages and home loans more affordable, thereby encouraging more homebuyers to enter the market. As a result, sales volumes and property prices are likely to rise, contributing to a stronger real estate market. Additionally, the rate cut will make it easier for real estate developers, such as Macrotech, to secure financing for new projects, which is likely to boost construction activity and drive overall industry growth.

Business Performance:

Revenue from operations stood at Rs 4,084 crore in Q3 FY25, compared to Rs 2,931 crore in Q3 FY24 (up 39% YoY), with adjusted EBITDA at Rs 1,587 crore from Rs 1,075 crore (up 48% YoY) and margins at 39%. Quarterly PAT grew 66% YoY to Rs 946 crore from Rs 505 crore. The company achieved its best-ever quarterly pre-sales of Rs 4,507 crore, marking a 32% YoY growth, contributing to YTD sales of Rs 12,800 crore, up 25% YoY. It remains on track to achieve full-year guidance of Rs 17,500 crore, expecting Rs 4,700 crore in Q4 FY25. Pre-sales have exceeded Rs 4,000 crore for four consecutive quarters, with embedded EBITDA at 35% for the quarter and 34% for the first nine months. Pro forma PAT reached Rs 1,000 crore, with a 23% margin, supported by a 70% YoY surge due to operational and financial leverage, aligning with the company's 20% sustainable ROE target.

The YTD price growth stands at 4%, in line with full-year guidance of between 5% to 7% growth, maintaining affordability by staying 200-300 bps below wage growth. The company added 8 new projects in 9M FY25 worth Rs 19,500 crore, exceeding 90% of full-year guidance, while adding a fifth project in Bangalore with a Rs 2,800 crore. The company acquired 33 acres in NCR for digital infrastructure and increased its stake in the digital infrastructure platform to grow annuity income. Despite significant investments, net debt fell by Rs 600 crore (15% reduction) to Rs 4,300 crore (0.22x leverage), with the average cost of funds declining to 8.8%.

For the quarter, the collections reached to Rs 4,300 crore (up 65% YoY), with 9M collections surpassing Rs 10,000 crore (up 30% YoY). Pre-sales in Western Suburbs hit Rs 2,200 crore in 9M FY25, more than doubling FY24's Rs 1,050 crore, with Juhu and Borivali generating Rs 1,000 crore and Rs 500 crore, respectively. The company leased 300,000 sq. ft. this quarter, bringing the total to 2 million sq. ft., attracting major clients like Skechers, DP World, DHL, and Mitsui. A deal with a global hyperscale data center operator was closed at Rs 21 crore per acre, significantly higher than Rs 12-13 crore per acre in previous transactions. Palava's land prices surged 8x in four years to Rs 21 crore per acre, with 4,000 acres of undeveloped land. The company continues transitioning to percentage completion revenue recognition, with sales made before April 2023 still following the project completion method, a dual system expected to last 18-24 months.

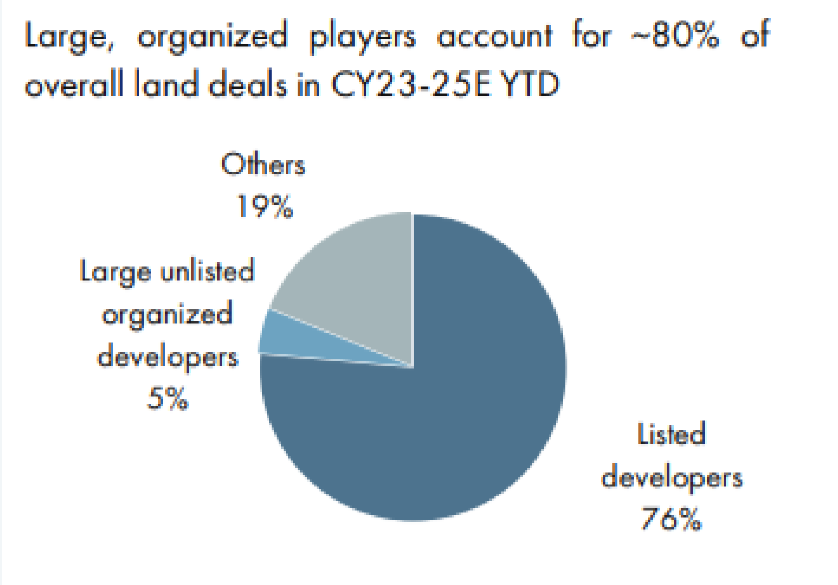


(Source: Company Reports, Trade Brains Research)

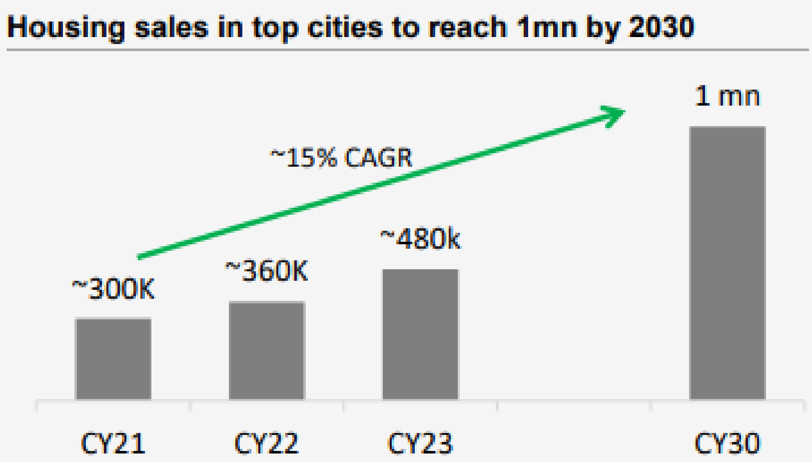
Industry Overview:

The Indian real estate sector is experiencing strong growth driven by rising demand, affordability, and industry consolidation. The residential market benefits from a historically low property cost-to-income ratio of 3.3x and declining EMI-to-income ratios in Tier 1 cities. Luxury housing (units above Rs 30 million) has seen its absorption mix rise by 10 percentage points from FY20 to FY24, supporting an 8% CAGR in weighted average pricing, while construction costs remain stable. Large, organized developers have increased their market share from 21% in FY15 to 27% in FY24, aided by a 59% decline in developers in Bengaluru, 36% in Chennai, and 53% in NCR since FY13. Land prices have surged 20-200% post-COVID, and high capital costs (18-24%) are further consolidating the market in favor of well-capitalized players. Expansion beyond Tier 1 cities is also accelerating, with India expected to have over 70 cities with 1 million+ populations by CY30, supported by rapid economic growth in states like Madhya Pradesh, Gujarat, and Odisha. Infrastructure investments are increasing in non-metro regions, and alternative investments are rising, with Tier 2 cities now accounting for 50% of cryptocurrency investments. Per capita income is expected to rise 2.5x between FY20 and FY32, increasing homeownership potential. By 2030, 75-100 million new households will become capable of owning homes this decade, driving sustained demand.

India's real estate market, valued at $300 billion in 2024, is projected to reach $1 trillion by 2030 with a CAGR of 27.23% and $4.8 trillion by 2047, contributing 13% to the GDP by 2025 and 18% by 2047. The commercial segment, attracting 70% of FDI inflows and $24.98 billion in private equity investments, is set to expand from $49.30 billion in 2025 to $128.40 billion by 2030. Government initiatives like PM Gati Shakti, the National Logistics Policy, and PMAY-U 2.0 (Rs 10 lakh crore urban housing allocation) further support long-term expansion, reinforcing India's real estate sector as a key economic driver.



(Source: Elara securities, Trade Brains Research)



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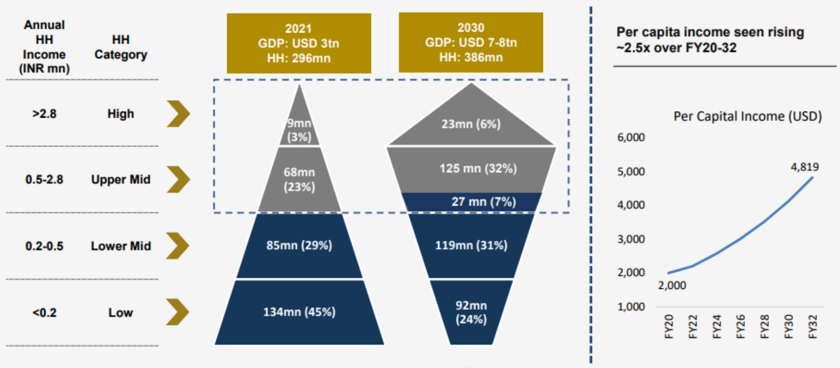

(Source: Company Reports, Trade Brains Research)

▸Risks and concerns

Unanticipated delays in project approvals: Delays in securing necessary approvals from local authorities or regulatory bodies may result in extended project timelines, affecting overall delivery schedules and increasing project costs for Macrotech Developers.

Increased cost of manpower: An increase in the cost of labor due to market conditions, competition, or labor shortages can escalate operational costs, negatively impacting macro-tech developers' profitability and project budgets.

Elevated raw material cost: Fluctuations in the prices of essential construction materials, such as steel, cement, and fuel, may lead to unforeseen increases in construction costs, potentially affecting a project's overall financial planning.

Geographical Concentration Risk: The company's real estate development is focused on the MMR, where market conditions, such as economic factors, supply and demand, government regulations, demographics, employment, interest rates, and natural disasters, can impact business. As a result, operations, cash flow, and financial performance are closely tied to the real estate market in the MMR.

Land acquisition risk: Land acquisition is crucial for macro-tech developers' growth. It involves risks such as finding land with a clear title and in desirable locations. Local authorities regulate land availability and development, with restrictions in eco-sensitive or protected zones that may limit development.

Brand Reputation: The recent legal conflict between the Lodha brothers over alleged trademark violations could cause brand confusion among consumers, potentially damaging Macrotech's reputation and market share. Abhishek Lodha, the managing director of Macrotech Developers (formerly known as Lodha Group), has filed a Rs 5,000 crore lawsuit against House of Abhinandan Lodha (HoABL) for trademark infringement.

Q3 FY25 Con-Call Highlights:

- For the quarter, the revenue from operations rose 39% YoY to Rs 4,084 crore.
- Adjusted EBITDA stood at Rs 1,587 crore (+48% YoY), with margins nearing 39%.
- Quarterly PAT came in at Rs 946 crore, reflecting 66% YoY growth.
- The company achieved its best-ever quarterly pre-sales of Rs 4,507 crore, up 32% YoY.
- In Q3 FY25, sales reached Rs 12,800 crore, reflecting 25% YoY growth.
- The company is on track to achieve its full-year guidance of Rs 17,500 crore, with Rs 4,700 crore expected in Q4 FY25.
- Pre-sales exceeded Rs 4,000 crore for four consecutive quarters, showcasing strong demand.
- Embedded EBITDA stood at 35% for Q3 and 34% for 9M FY25.
- The YTD price growth of 4% aligns with the 5%-7% annual target, keeping prices 200-300 bps below wage growth.
- Pro forma PAT came in at Rs 1,000 crore, with a 23% margin on pre-sales.
- Pre-sales grew 32% YoY, while pro forma PAT surged 70%, benefiting from operational and financial leverage to support 20% sustainable ROE.
- Expanded presence in Bangalore by adding a fifth new project with a GDV of about Rs 2,800 crore. The pilot phase is complete, and the company expects meaningful pre-sales contributions from the next fiscal year.
- Added 8 new projects were added in 9M FY25 with a gross development value of Rs 19,500 crore, covering 90% of full-year guidance.
- Acquired 33 acres of land in NCR for its digital infrastructure business.
- Net debt fell by Rs 600 crore (-15% reduction) to Rs 4,300 crore in Q3, and net debt to equity stood at 0.22x, remaining well below the 0.5x ceiling despite significant business development investments.
- The average cost of funds declined to 8.8%, down -10 bps for the quarter.
- Quarterly collections reached Rs 4,300 crore (+65% YoY), while 9M FY25 collections exceeded Rs 10,000 crore (+30% YoY).
- In the first 9 months, the company launched new projects in Western & Eastern Suburbs, Palava, and Pune, and continued to launch for the rest of the year and in fiscal 26.
- Western Suburbs' pre-sales surged to Rs 2,200 crore in 9M FY25, surpassing Rs 1,050 crore in full-year FY24. Juhu contributed Rs 1,000+ crore in sales, and Borivali recorded Rs 500 crore in sales from recent launches.
- The company signed a high-value data center deal at Rs 21 crore per acre, significantly above the previous Rs 12-13 crore per acre transactions.
- The company leased 300,000 sq. ft. in Q3, bringing the total leased area to 2 million sq. ft., attracting marquee tenants like Skechers, DP World, DHL, Mitsui, and Schlumberger.

▸ **Outlook and Valuation**

Income Statement (Extract)

Particulars (Rs in Cr)	2022	2023	2024	2025E	2026E	2027E
Revenue from Operations	**9,233**	**9,470**	**10316.1**	**11399**	**12653**	**14108**
other income	292	141	153	161	169	178
Total Revenue	**9,525**	**9,611**	**10,470**	**11560**	**12822**	**14286**
Total Expenses	**7,055**	**7,404**	**7,640**	**7991**	**8391**	**8858**
Cost of equipment and software	6,063	6,064	6,203	6482	6806	7194
Employee benefits expense	354	424	471	495	519	545
Other expenses	638	916	966	1015	1065	1119
EBIDTA	**2,471**	**2,207**	**2,829**	**3569**	**4431**	**5428**
EBITDA Margin %	**26.8%**	**23.3%**	**27.4%**	**31.3%**	**35.0%**	**38.5%**
Depreciation and amortisation	74.8	92.8	204	208	225	250
EBIT	**2,396**	**2,114**	**2,625**	**3361**	**4207**	**5178**
EBIT Margin %	**25.95%**	**22.32%**	**25.45%**	**29.48%**	**33.25%**	**36.70%**
Finance costs	680	479	480	403	328	260
Exceptional item & Share of Net Profit/(Loss) in Associates	0.9	1,183	118	0	0	0
PBT	**1,717**	**452**	**2,028**	**2957**	**3879**	**4918**
Effective Tax Rate	29.60%	8.18%	23.35%	25.00%	25.00%	25.00%
Tax amount	**508**	**37**	**473**	**739**	**970**	**1230**
Net Profit	**1,209**	**489**	**1,554**	**2218**	**2909**	**3689**
NPM %	**12.69%**	**5.09%**	**14.85%**	**19.19%**	**22.69%**	**25.82%**
Profit/Loss attributable to owners	1202.4	486.7	1549.1	2209	2897	3674
No of Equity shares (in cr)	45.75	96.33	96.62	97	97	97
EPS Basic	**26**	**5**	**16**	**23**	**30**	**38**

(Source: Company Report, Trade Brains Research)

Balance sheet (Extract)

Particulars (Rs in Cr)	2022	2023	2024	2025E	2026E	2027E

Property, Plant and Equipment	1,119	1,143	571	583	628	699
Investment Property	265	154	146	151	155	160
Goodwill	539	530	452	452	452	452
Other Intangible Assets	0	0	4	4	4	4
Investments accounted for using the Equity Method	51	23	280	294	308	324
Investments	133	189	213	220	226	233
Other non-current assets	2,283	1,123	974	1,218	1,498	1,797
Deferred Tax Assets (Net)	326	243	28	29	29	30
Total Non-Current Assets	**4,716**	**3,405**	**2,668**	**2,949**	**3,301**	**3,699**
Inventories	27,358	30,117	33,993	34,061	34,273	34,708
Investments	390	35	2,007	3,613	5,059	6,323
Loans	1,199	488	1,145	1,717	2,576	3,863
Trade Receivables	645	739	800	884	981	1,094
Cash and Cash Equivalents	477	1,311	1,827	2,327	2,849	3,523
Bank Balances other than Cash and Cash Equivalents	769	513	808	1,131	1,357	1,398
Other current assets	2,925	2,547	3,978	5,092	6,619	8,539
Total Current Assets	**33,763**	**35,750**	**44,558**	**48,825**	**53,713**	**59,448**
Total Assets	**38,479**	**39,155**	**47,225**	**51,773**	**57,014**	**63,147**
Equity Share Capital	482	482	995	995	995	995
Other Equity	11,624	12,181	16,475	18,693	21,602	25,291
Equity attributable to Owners of the Company	**12,105**	**12,663**	**17,469**	**19,687**	**22,596**	**26,285**
Non-Controlling Interests	57	60	65	65	65	65
Total Equity	**12,162**	**12,722**	**17,534**	**19,752**	**22,661**	**26,350**
Borrowings	2,716	2,257	1,970	1,773	1,507	1,236
Lease Liability	0	10	13	13	14	14
Trade Payables	122	130	48	53	58	65
Other Financial Liabilities	153	122	45	46	47	49
Other liabilities	301	56	188	194	200	206
Total Non-Current Liabilities	**3,292**	**2,574**	**2,264**	**2,079**	**1,827**	**1,570**
Borrowings	8,821	6,792	5,710	4,682	3,746	2,922
Lease Liability	0	2	5	5	5	5
Trade Payables	1,386	1,967	2,531	3,197	3,916	4,730
Other Current Liabilities	12,817	15,099	19,182	22,059	24,860	27,570
Total Current Liabilities	**23,025**	**23,859**	**27,427**	**29,942**	**32,527**	**35,227**
Total Liabilities	**26,317**	**26,433**	**29,691**	**32,021**	**34,353**	**36,797**
Total Equity and Liabilities	**38,479**	**39,155**	**47,225**	**51,773**	**57,014**	**63,147**

(Source: Company Report, Trade Brains Research)

Cash Flow Statement (Extract)

Particulars (Rs in Cr)	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Profit Before Tax	1,717	453	2,028	2,957	3,879	4,918
Depreciation, Impairment and Amortisation Expense	75	93	204	208	225	250
Finance Costs	1,992	1,389	1,064	403	328	260
Other Adjustments	-251	1,136	63	0	0	0
Operating profit before changes in assets and liabilities	**3,533**	**3,070**	**3,359**	**3,569**	**4,431**	**5,428**
(Increase)/Decrease in Trade and Other Receivables	-942	45	-1,913	-1,199	-1,626	-2,033
(Increase)/Decrease in Inventories	1,273	-205	83	-68	-211	-436
Increase/(Decrease) in Trade and Other Payables	-1,687	50	1,007	676	731	827
Cash Generated from/(used in) Operating Activities	**2,176**	**2,961**	**2,536**	**2,978**	**3,325**	**3,786**
Income Tax (Paid)/Refund (Net)	-178	-211	-24	-739	-970	-1,230
Net Cash Flows from/(used in) Operating Activities	**1,998**	**2,750**	**2,512**	**2,239**	**2,356**	**2,556**

Purchase of Property, Plant and Equipment	-45	-90	-170	-220	-270	-320
Investments	28	101	-272	-254	-291	-311
Other Investments	1,156	1,767	-2,506	-2,515	-2,545	-2,609
Net Cash Flows from/(used in) Investing Activities	**1,139**	**1,778**	**-2,947**	**-2,990**	**-3,106**	**-3,240**
Finance Costs Paid	-1,943	-1,176	-851	-403	-328	-260
Proceeds / Repayment of borrowings	-6,614	-2,539	-1,369	-1,225	-1,202	-1,095
Payment of Lease Liability	0	-1	-7	1	1	1
Other financing activities	5,669	10	3,177	2,879	2,803	2,711
Net Cash Flows from/(used in) Financing Activities	**-2,888**	**-3,706**	**951**	**1,251**	**1,273**	**1,357**
(D) Net Increase in Cash and Cash Equivalents (A + B + C)	**250**	**822**	**516**	**500**	**523**	**673**
Cash and Cash Equivalents at the Beginning of the Year	228	477	1,311	1,827	2,327	2,849
Cash and Cash Equivalents Acquired on Account of Acquisition of Subsidiary	0	11	0	0	0	0
Cash and Cash Equivalents at Year End	**477**	**1,311**	**1,827**	**2,327**	**2,849**	**3,523**

(Source: Company Report, Trade Brains Research)

Ratio Analysis

	2023	2024	2025E	2026E	2027E
Profitability Ratios					
Revenue growth	2.57%	8.93%	10.50%	11.00%	11.50%
PAT margin	5.09%	14.85%	19.19%	22.69%	25.82%
EBITDA margin	23.30%	27.42%	31.31%	35.02%	38.47%
EBIT margin	22.32%	25.45%	29.48%	33.25%	36.70%
Net Profit Margin	5.09%	14.85%	19.19%	22.69%	25.82%
Return Ratios					
ROE	3.93%	10.27%	11.90%	13.72%	15.05%
ROCE	3.20%	7.85%	10.16%	11.88%	13.21%
Leverage Ratios					
Debt-to-Equity Ratio	0.7	0.4	0.3	0.2	0.2
Current ratio	1.5	1.6	1.6	1.7	1.7
Quick ratio	0.2	0.4	0.5	0.6	0.7
Per Share Data					
EPS basic	5	16	23	30	38
Book value per share	132	181	204	235	273

Summary

We maintain a Buy rating on Macrotech Developers with a target price of Rs 1,350 per share based on FY26/27 PE and EPS multiples. India's real estate sector is witnessing robust growth, driven by rising demand, improved affordability, and industry consolidation, with the market projected to reach $1 trillion by 2030.

In addition, Macrotech Developers (Lodha) recorded an all-time high of pre-sales of Rs 4,507 crore in Q3 FY25, expanding into high-growth cities like Bengaluru and Pune. The company posted a 39% YoY increase in revenue, with EBITDA margins at 39%, supported by strong demand for premium housing. Strategic infrastructure developments, such as metro and airport projects, are enhancing connectivity and fueling growth. Lodha targets a 20% CAGR in pre-sales, aims to generate Rs 15 billion in annual rental income, and is strengthening its annuity income through diversification into retail, warehousing, and office spaces.

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