Dated: 31 Oct 2025

Brigade Enterprises (BRDG) – BUY

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1039	**Rs.1,300**

Rationale:

- Brigade delivered an improved performance across business segments in Q2FY26.
- Residential sales recovered; other business is going strong.
- Healthy pre-sales of Rs2030cr (+12% yoy, +82% qoq), aided by improved launches.
- Business prospects remain strong with 1.1 cr sq. ft of residential launches in the next four quarters.
- Brigade remains our preferred pick in the mid-cap space.
- Valuations at 7.5X EV/ EBITDA remain attractive.
- We maintain BUY with unchanged SoTP-based FV of Rs1,300.

Positives:

- Q2FY26 consolidated revenue of Rs1383cr (+29% yoy, +8% qoq).
- Lease rentals of Rs340cr (+16% yoy), on the back of 92% occupancy on an expanded asset base of 94 lakh sq. ft.
- 16% yoy revenue growth in the hospitality business, aided by 14% ARR growth.
- Brigade reported strong collections of Rs2000cr (+3% yoy, +16% qoq) in Q2FY26.
- Net debt decreased to Rs1720cr, as of Sept 2025 from Rs2270cr, as of June 2025.

Negatives:

- Reported lower blended margins at 23.8%.
- Free cash outflow owing to higher capex and land payments.

(EBITDA: Earnings before interest depreciation, amortization and tax, EV: Enterprise value, SOTP: Sum of the parts, ARR: Average room rate)

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
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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