kotak Securities

Dated: 3 Nov 2025

Lodha Developers (Lodha)- BUY

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1198	Rs.1455

Rationale:

- Modest sales performance, big launches planned for H2FY26.
- Lodha delivered a modest performance in Q2FY26, with pre-sales of Rs4570cr (+7% yoy, +3% qoq) on the back of launches of Rs4900 cr.
- Done well with business development of Rs25000cr in H1FY26, meeting the full-year target.
- Modest sales growth in H1FY26 is on account of large land sales in the base period,
- We remain hopeful that strong launch pipeline of Rs14000cr in H2FY26 will allow Lodha to make good on its sales growth.
- Maintain BUY with a revised FV of Rs1,455 (from Rs1,500).

Positives:

- Healthy financial performance in Q2FY26, EBITDA margin at 29%.
- Lodha continues to deliver healthy and sustainable growth across MMR and Pune, with plans to accelerate momentum in Bengaluru and its debut in NCR.
- Management continues to guide for Rs21000cr (+19% yoy) of pre-sales for FY26E, having achieved 43% of the target in H1FY26.

Negatives:

- Lodha is currently lagging on its pre-sale targets of Rs21000cr for the full-year FY26 (Rs9000 cr in H1FY26).
- Investment in land and annuity assets leads to a modest increase in net debt.

(EBITDA: Earnings before Interest, tax, Depreciation and Amortization, MMR: Mumbai Metropolitan region, NCR: National Capital Region)

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.
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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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