kotak Securities

Dated: 21 Jan 2026

Oberoi Realty (Oberoi) - REDUCE

Q3FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1,524	**Rs.1,575**

Rationale:

- Oberoi Realty reported weak Q3FY26 pre-sales of Rs840cr bn (-42% yoy) in the absence of any launches, with the 9MFY26 pre-sales also down 15% yoy.
- Reported modest revenue recognition in residential and hospitality businesses.
- Annuity business continued its healthy momentum, as it saw 36% yoy EBITDA growth on the back of improving occupancy at Commerz II.
- Management is targeting the launch of new towers in Goregaon and Borivali as well as its maiden Gurgaon project in Q4FY26.
- Valuations have come off, but slow pace of launches & sustenance sales do not instill confidence.
- Maintain REDUCE with a revised FV of Rs1,575 (Rs1,700 earlier).

Positives:

- Blended EBITDA margins were healthy at 57% (57% in Q2FY26), aided by good margins in the residential business and a higher share of commercial earning.
- Blended EBITDA margin was healthy at 57% (62% in Q2FY25 and 53% in Q1FY26).
- Oberoi has a large inventory of projects (~Rs13000cr at current realizations) and a strong launch pipeline of over Rs30000cr GDV.

Negatives:

- Modest revenue recognition (+6% yoy) in Q3FY26 due to flat residential revenues.
- PAT of Rs645.7 cr (+4% yoy, -15% qoq), on the back of flat residential revenues.
- Valuations have come off to 11.5X implied EV/EBITDA (FY27E), but they still remain full.

(EBITDA: Earnings before interest, tax, depreciation & amortization, PAT: Profit After Tax, EV: Enterprise Value, GDV: Gross Development Value)

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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