



**Ananya Research**

Facts Without Fiction

BUY RECOMMENDATION- DLF LTD

CMP:400

TARGET LONG TERM: 523

SHORT TERM TARGET: 438

STOP LOSS : 386

COMPLETE EXIT : 370

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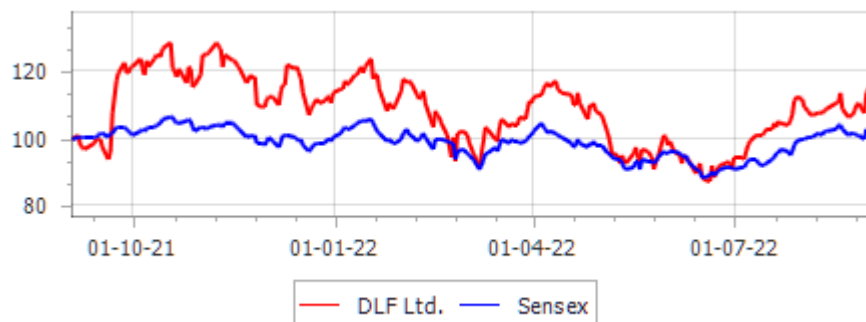
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**Snapshot - DLF Ltd. - Consolidated****Registered Office: Shopping Mall, 3rd Floor , Arjun Marg, Gurgaon, 122002, Haryana**

DLF Ltd is primarily engaged in the business of real estate development. The company has a unique business model with earnings arising from development and rentals. DLF has also forayed into infrastructure, SEZ and hotel businesses. They operate in all aspects of real estate development, ranging from acquisition of land, to planning, executing, constructing & marketing of project. The group is also engaged in the business of generation and transmission of power, provision of maintenance services, hospitality and recreational activities. The business of DLF is organized on a SBU basis. The Homes SBU caters to 3 segments of the residential market - Super Luxury, Luxury and Mid-Income. The product offering involves a wide range of products including condominiums, duplexes, row houses and apartments of varying sizes.

Company Details	
Industry	Construction - Real Estate
Chairman	Rajiv Singh
Managing Director	
Company Secretary	R P Punjani
ISIN	INE271C01023
Bloomberg Code	DLFU IN
Reuters Code	DLF.BO

**Price Vs Sensex Chart**

Key Market Indicators (Consolidated)	
Latest Date	01-Sep-2022
Latest Price (Rs)	398.55
Previous Close (Rs)	389.85
1 Day Price Var%	2.23
1 Year Price Var%	19.72
52 Week High (Rs)	449.80
52 Week Low (Rs)	294.75
Beta	1.5687
Face Value (Rs)	2.00
Industry PE	131.27
Industry BV	2.62
TTM Period	202206
TTM EPS(Rs)	6.60
TTM CEPS(Rs)	4.23
Price/TTM CEPS(x)	94.13
TTM PE (x)	60.40
Price/BV(x)	2.69
EV/TTM EBIDTA(x)	47.22
EV/TTM Sales(x)	16.89
Dividend Yield%	0.75
MCap/TTM Sales(x)	16.39
Latest Book Value (Rs)	147.94
Market Cap (Rs. In Crores)	98,653.55
EV (Rs. In Crores)	1,01,681.92
[Latest no. of shares (Rs. In Crores)]	247.53

[Share Holding Pattern as on 202206]	
[Promoter No of shares (In Crores)]	185.52
Promoter %	74.95
FII No of Shares (In Crores)	36.94
FII %	14.93
Total No of Shares (In Crores)	247.53
Free Float %	25.05

Inc/Exp Statement(Consolidated)					(Rs in Crores)
Description	202203	202103	202003	201903	201803
Net Sales	5717.39	5414.06	6082.77	8366.09	6706.79
Total Income	6137.84	5944.89	6888.14	9029.41	7663.71
Total Expenditure	3974.83	3996.26	4947.77	6224.58	4329.35
PBIDT	2163.02	1948.62	1940.37	2804.83	3334.36
PAT	843.62	477.29	-1479.21	368.27	4292.41
Dividend %	150	100	100	100	100
Adj. EPS(Rs)	6.06	4.42	-2.36	5.98	25.02

Assets and Liabilities (C) as on 202203				(Rs in Crores)
Share Capital	495.06	Net Block		4465.26
Reserve	35867.22	Long term Investments		19536.42
Share Holder's Funds	36362.28	Short term investments		243.06
Long Term Debt - Calc	2189.46	Total Investments		19779.49
Short Term Debt - Calc	1702.49	Cash and Bank Bal		931.62
Total Debt - Calc	3959.99	Net Current Assets		13687.02

Quarter On Quarter (Consolidated)					(Rs in Crores)
Particulars	202206	202203	Q on Q	202106	Y on Y Var%
Net Sales	1441.63	1547.26	-6.83	1139.53	26.51
Total Expenditure	1027.97	1179.72	-12.86	744.09	38.15
PBIDT (Excl OI)	413.66	367.54	12.55	395.44	4.61
PAT	258.15	223.54	15.48	202.54	27.46
PBIDTM% (Excl OI)	28.69	23.75	20.80	34.7	-17.32
PBIDTM%	33.87	30.53	10.94	43.72	-22.53
PATM%	17.91	14.45	23.94	17.77	0.79
Adj. EPS(Rs)	1.9	1.64	15.85	1.36	39.71

Top Holdings as on 202206		
Name	Category	Holding %
RAJDHANI INVESTMENTS AND AGENCIES PRIVATE LIMITED	Promoters	61.53
PREM TRADERS LLP	Promoters	3.64
MALLIKA HOUSING COMPANY LLP	Promoters	3.14
INVESCO GLOBAL FUND	Non - Promoters	2.76
RAISINA AGENCIES LLP	Promoters	2.66
JHANDEWALAN ANCILLARIES LLP	Promoters	1.91
SBI Mutual Fund (across different funds)	Non - Promoters	1.03

**Latest Events [BC, Bonus, AGM, Split & Rights Only]**

No Records Found

Peer Group Comparison					(Rs in Crores)	
Company Name	Brigade Enterprises	DLF	JMC Projects (India)	Oberoi Realty	Prestige EstatesProj	
Year End	202203	202203	202203	202203	202203(U)	
Net Sales	2998.78	5717.39	5518.82	2693.97	6389.5	
PBIDT	833.06	2163.02	542.98	1239.79	1744.2	
PAT	-67.46	843.62	38.08	807.5	1231.3	
Adj. EPS(Rs)	3.59	6.06	1.08	28.8	28.69	
PBIDTM%	27.78	37.83	9.84	46.02	27.3	
PATM%	-2.25	14.76	0.69	29.97	19.27	
ROCE%	5.68	4.35	12.8	9.93	15.89	
ROE%	-2.58	2.35	7.49	8.16	13.54	
<b>TTM Ratios</b>	01-Sep-2022	01-Sep-2022	01-Sep-2022	01-Sep-2022	01-Sep-2022	
Latest EPS(Rs)	9.13	6.6	3.55	37.67	32.76	
Latest CEPS(Rs)	18.26	4.23	16.77	30.96	47.35	
Price/TTM CEPS(x)	28.22	94.13	5.92	33.42	9.94	
TTM PE (x)	56.45	60.4	27.94	27.47	14.37	
Price/BV(x)	4.01	2.69	2.99	3.49	2.02	
EV/TTM EBIDTA(x)	16.37	47.22	5.76	24.83	11.69	
EV/TTM Sales(x)	4.48	16.89	0.52	12.09	3.29	
Dividend Yield%	0.29	0.75	1.01	0.29	0.32	
MCap/TTM Sales(x)	3.38	16.39	0.28	11.32	2.67	
Latest Book Value (Rs)	128.61	147.94	33.24	296.31	233.2	

Company News	
Date	News
01-Aug-2022	DLF reports 39% rise in Q1 consolidated net profit
01-Aug-2022	DLF reduces net debt by 16% during April-June period
01-Aug-2022	DLF aiming 10% growth in sales bookings in FY23
01-Aug-2022	DLF, Ujjivan Small Finance Bank and FSN E-Commerce Ventures to see some action today
29-Jul-2022	Results Commentary

Latest Events		
Date	Events	Details
22-Jul-2022	Board Meeting	Quarterly Results
18-Jul-2022	AGM	
17-May-2022	Board Decision	Inter alia, Recommendation of Dividend of 3/- each per equity share of face value of 2/- each for the FY 2021-22, subject to approval of the shareholders.
10-May-2022	Dividend Announcement	Dividend & Audited Results
10-May-2022	Board Meeting	Dividend & Audited Results

Source : ACE EQUITY NXT

## **BUSINESS HIGHLIGHTS**

- ❖ Residential demand continued to exhibit sustained momentum. The high demand for luxury homes has been a key trend and the same is expected to continue. Their residential business clocked new sales bookings of ₹2,040 crore, reflecting a YoY growth of 101%.
- ❖ The contribution of new products in the total sales was ~75%. New products portfolio continues to enhance company's margins.
- ❖ The Camellias- their super luxury offering remained the preferred destination across the super luxury segment and delivered a healthy sales booking of ₹352 crore during the quarter.
- ❖ Their new product offerings achieved strong interest from the markets and made a contribution of ₹1,532 crore. While rising interest rates may pose some challenges, they expect this structural recovery in the residential segment to continue. Further, they would continue to bring newer offerings across multiple segments and geographies.
- ❖ Their collections during the quarter were ~₹1,000 crore, which is expected to rise on a QoQ basis, going forward

## **DLF CYBER CITY DEVELOPERS LIMITED (DCCDL)**

- ❖ They witnessed steady performance across their office portfolio. Retail business continued its growth path and delivered a healthy growth. Rental income grew 20% YoY, driven by a strong growth in retail revenues.
- ❖ Their revenue during the quarter stood at ₹1,260 crore as compared to ₹1,041 crore in Q1 FY22, reflecting a 21% YoY growth. EBITDA was at ₹961 crore exhibiting a YoY increase of 18% and net profit was reported at ₹323 crore, an increase of 60% YoY.
- ❖ Occupiers' attendance continued to exhibit steady improvement indicating return to normalcy in the office segment. With sustained collections and steady improvement in occupancy, the office segment looks well poised for growth in the times ahead.

## **DEVELOPMENT ON THE BUSINESS:**

- ✓ On an industry level, sustained momentum was seen in housing demand and new supply pick up was seen in luxury segment & larger homes continue to be the preferred choice.
- ✓ Their DLF City floors -recently launched project are adding up to margins of over ~50% for the company.
- ✓ Their capex would be utilised towards DCCDL platform, where they would invest ~₹1,200-₹1,500 crore in the next 3-5 years which includes DLF Downtown Gurgaon, DLF Downtown Chennai (rentals from this would start from Q3 FY24), Mall of India in Gurgaon, Vasant Kunj mall expansion, etc. In addition to that, there are a few projects both in offices and retail on the DLF platform which includes IT Park in Noida, new mall in Goa named as DLF Avenue Goa, and high street shopping centres in Phase V in Gurgaon and near Midtown, which would entail an expenditure of ₹400-₹500 crore a year.
- ✓ Exit run rate from DCCDL platform by the end of FY23 would be ₹4,400 crore and 12 months later post this it is anticipated to be ~₹4,800-₹4,900 crore.
- ✓ In their under-construction project in DCCDL platform, the plan for Mall of India Gurgaon is at advanced stage and in 3-5 months time they anticipate to finalise the plan. Expansion of Vasant Kunj malls are also at advanced stage of discussion and would be closed in 2-3 quarters. In the DLF platform, the construction of DLF Avenue in Goa & high street shopping centres (Summit Plaza DLF 5) to be launched in mid-late calendar year 2024. High street shopping centre near Midtown construction would start in next 2-3 months.
- ✓ In DLF 5, they would be doing a premium launch called The Grove in one of the most premium locations of India.

- ✓ They had provided a guidance to launch ~7.6 million sq ft in FY23, of which ~0.7 million sq feet has been launched in Q1 FY23. They have a quarterly built-up from now onwards which includes, for Q2
- ✓ FY23, they have a launch built up of ~₹2,000 crore, for Q3 it would be ~₹2,500 crore and ₹2,000-₹2,500 crore for Q4. Their premium luxury housing (~3.3 million sq ft) includes Floors in DLF 5, Goa residential, etc.
- ✓ For DLF Downtown Gurgaon, they received Occupation Certificate by the end of June 2022 and process of handing over spaces to tenants had commenced. Rentals inflow would start from October and run rate post few months of launch would be ~₹18-₹19 crore/month.

## **DISCLAIMER**

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