

Research Report

Brigade Enterprises Ltd



Prepared by
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About

Brigade Enterprises Ltd was established in 1986. It is a real estate developer in South India, based in Bengaluru, and expanding its area of operations in other parts of India. It has completed over 250 buildings aggregating to over 70 mn. sqft of developed space in residential, offices, retail, and hospitality sectors across Bengaluru and Mysuru, Chennai, Ahmedabad, Hyderabad, Kochi

Services

Brigade hospitality, These include – lifestyle membership clubs such as Signature Club Resort, The Woodrose, Augusta Club, Galaxy Club, etc. Holiday Inn Express & Suites, Bengaluru OMR started operations with 129 keys & has achieved 64% occupancy in the overall hospitality segment.

Clientele

Some of the clients are CISCO, COCA-COLA, CAPGEMINI, ADIDAS, APPLE, BLACK BERRYS, etc.

Synopsis of Financials

- Sales has increased due to increase from real estate development.
- Moreover, revenue from maintenance service has also increased.
- Profit of the company has grown due to real estate and services

Stock data (as on 5th Feb. 2024)

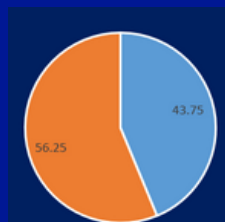
Nifty Price	: 21,941.40
52 week High (in Rs.)	: 1067
52 week Low (in Rs.)	: 446
Market Cap. (in Crore)	: 23,851 Cr.
NSE Code	: BRIGADE

Stock data (2022-2023)



-NIFTY50
- BRIGADE

Shareholding Pattern (Dec 2023)



-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particulars	March 2023	March 2022	March 2021
Sales	3,445	2,999	1,950
Sales Growth %	14.87%	53.79%	-25.92%
Operating Profit	866	770	476
OPM %	25%	26%	24%
Profit before tax	278	-15	-125
YOY Growth	-	7%	7%
EPS in Rs	12.63	3.59	2.20

Synopsis Quater Results

Con-Call Q2FY24: Key Highlights

Capex:

- Brigade Enterprises added approximately 42 acres of land across Bangalore, Hyderabad, and Chennai in Q2 FY24, with a development potential of 7 million square feet and a gross development value of INR7,700 crores.
- The company plans to launch almost 13 million square feet in the next 4 quarters, with 11 million square feet being residential projects with a gross development value of INR11,000 crores.
- The company plans to launch 6.5 million square feet of projects in Chennai and Hyderabad in the next 2 quarters, with an indicative gross development value of INR6,500 crores.
- The company has a pipeline of INR20,000 crores in Chennai and Hyderabad from its land bank.

Residential Sector:

- Residential sector outlook remains strong, with new sales of 1.66 million square feet and collections of INR992 crores in Q2 FY24, a 14% growth in sales and 19% growth in collections compared to the previous quarter.
- Brigade Plus brand has launched rentals and resale services for residential customers, which is receiving positive responses.

Retail Sector:

- The retail SBU saw a 15% growth in consolidated mall retail sales consumption in Q2 FY24, with a 7% growth over Q1 FY24.
- The multiplex operators had a star performing category with a 60% growth in consumption year-on-year.

Hospitality Sector:

- The hospitality sector showed growth in Q2 FY24, with revenues increasing by 17% and ARR's demonstrating a 9% increase.
- Occupancy also rose by 7% compared to Q2 FY23.
- The company is looking to add another 1,300 keys to its hospitality portfolio.

Debt:

- The company's net debt outstanding was INR2,527 crores, with 77% of the debt pertaining to the commercial portion.

Sales and Growth Targets:

- The company aims to reach 10 million square feet per annum sales in the next 2 financial years.
- The market demand and supply scenario played a role in the price increases, and the company expects to continue increasing prices to account for inflation and more.

Recognition and Awards:

- The company received awards for the World Trade Center Chennai and was recognized as one of India's top builders at the CW Architect and Builders Award 2023.

Quarterly Results



Particular	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023
Sales	942	902	879	820	843	654	1,367
Expenses	737	670	663	612	641	479	1,042
Operating Profit	205	233	216	208	202	175	325
OPM %	22%	26%	25%	25%	24%	27%	24%
Other Income	3	32	51	38	47	31	41
Interest	109	106	110	118	100	108	110
Depreciation	91	75	78	78	83	68	76
Profit before tax	8	83	80	50	65	30	180
Tax %	255%	22%	35%	14%	3%	27%	38%
Net Profit	-12	65	52	43	63	22	112

Source: Screener

Key Ratios

Particulars	FY23	FY22	Variance%
Debt Service Coverage Ratio (DSCR)	0.90 Times	0.42 Times	118%
Return on Assets Ratio	3.27%	1.89%	73%
Return on Capital Employed Ratio	12.65%	9.63%	31%
Return on Equity Ratio (including MI)	8.84%	(0.52%)	1000%

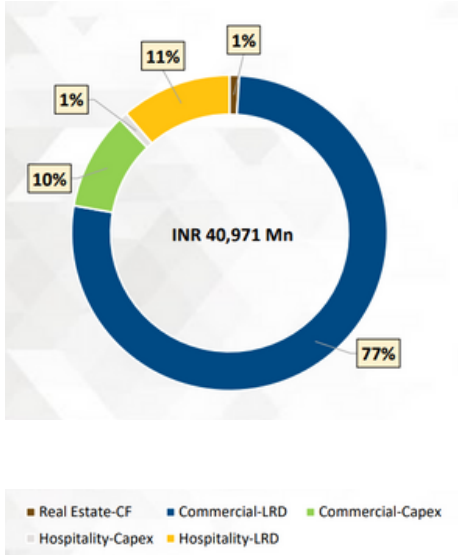
Source: Annual Report

Yearly Results

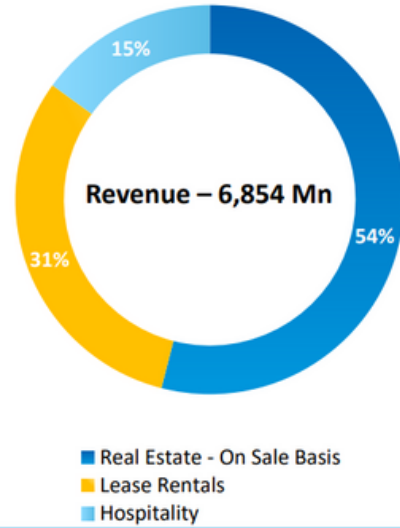
Particulars	Mar 2023	Mar 2022	Mar 2021
Equity Capital	211	230	231
Reserves	2,137	2,680	3,014
Borrowings	5,005	4,906	4,634
Other Liabilities	6,461	7,285	8,486
Total Liabilities	13,814	15,101	16,365
Fixed Assets	5,020	4,905	4,681
CWIP	495	541	740
Investments	89	509	62
Other Assets	8,210	9,147	10,882
Total Assets	13,814	15,101	16,365

Financial Performance

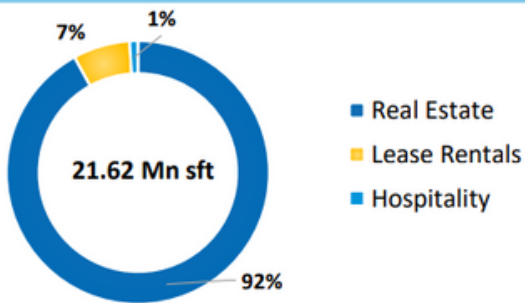
Segment Wise - Gross Debt Split



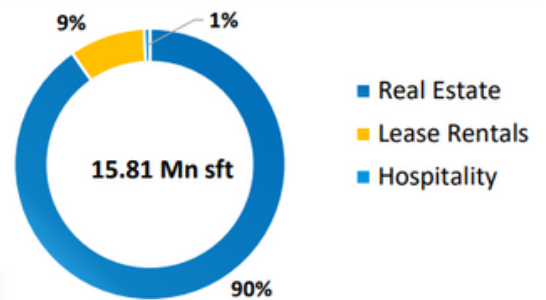
Revenue Share %



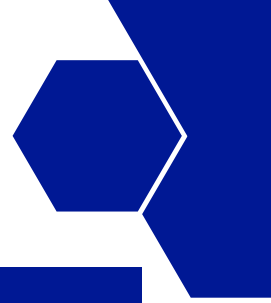
Total Project Area



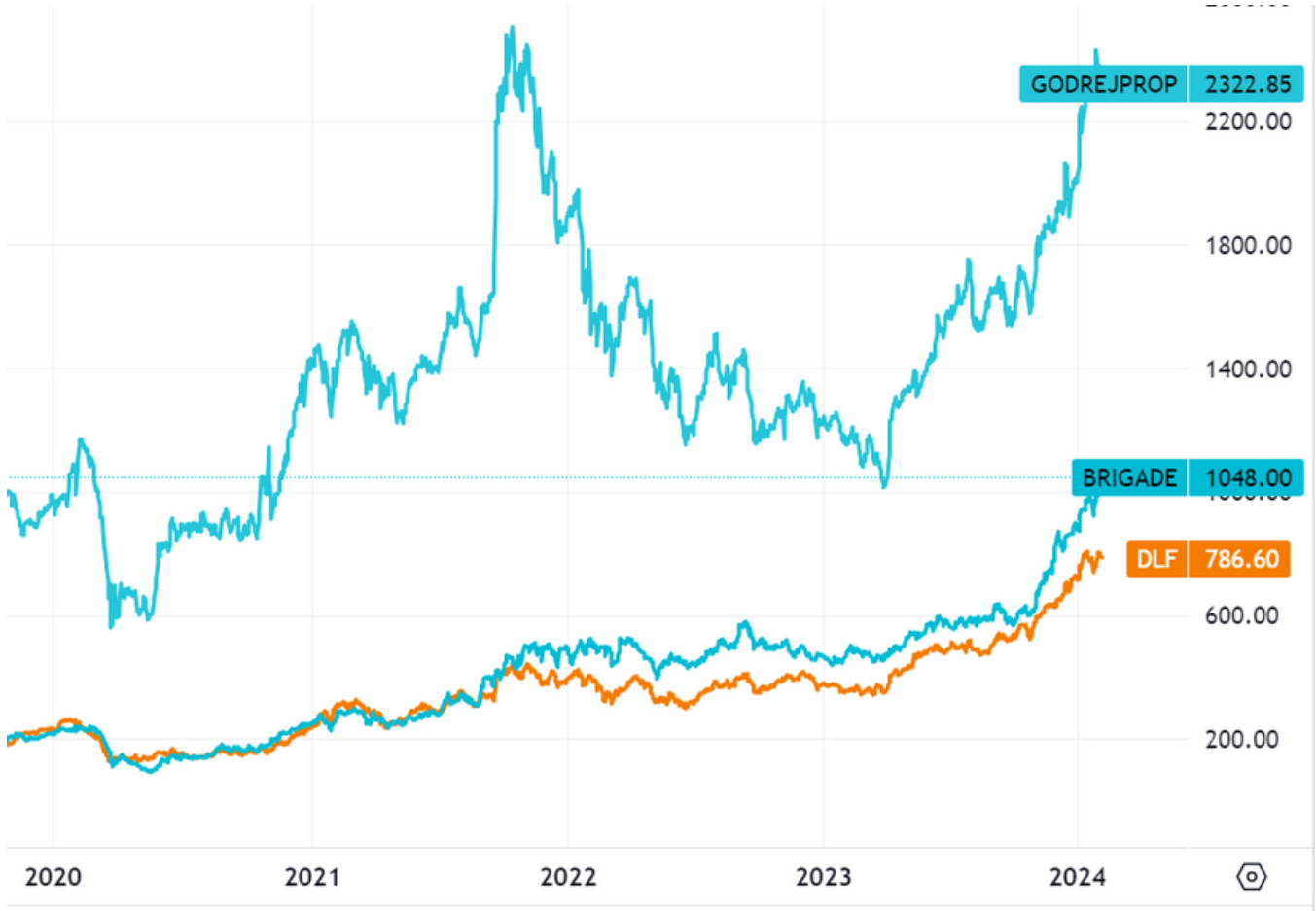
Brigade's share of Project Area



Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
DLF	786.60	82.19	195053.04	0.51	655.71	26.60	1521.25	1.77	4.61
Godrej Propert.	2322.85	97.82	64584.46	0.00	72.64	21.54	343.00	107.77	5.69
Prestige Estates	1200.25	28.16	48008.44	0.12	910.30	1162.36	2236.40	56.64	10.31
Phoenix Mills	2655.25	53.61	47579.97	0.19	305.27	35.96	875.02	34.40	9.94
Oberoi Realty	1297.55	29.21	47282.22	0.31	360.15	-48.74	1053.64	-35.34	16.03
Brigade Enterpr.	1038.15	102.72	24287.28	0.19	112.50	162.85	1366.58	55.43	8.41

Source: Screener

Final Outlook



BRIGADE: Buy | LTP: 1038

Revenue has grown at a yearly rate of 14.9%, Where industry avg revenue growth rate is -0.11%.

Net income has grown at a yearly rate of 15.92%, Where industry average growth is -10.27% Market share increased from 2.75% to 4.81%.

The financial statement shows the potential in the company, the Revenue growth rate, net income, and market share is upto the industry benchmark. But there is a some negative impact in the company, It have high Debt to Equity ratio, and Current ratio. But the negative impact is negligible, So Hold the Position.