

RESEARCH REPORT **DLF LTD**



PREPARED BY:

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About

DLF Ltd with its subsidiaries, associates and JVs is engaged in real estate development, from the identification and acquisition of land to planning, execution, construction and marketing of projects. It is also engaged in business of leasing, generation of power, provision of maintenance services, hospitality and recreational services which are related to the overall development of real estate business.

Key Business

colonisation and real estate development
identification and acquisition of land
planning, execution, construction and marketing of projects

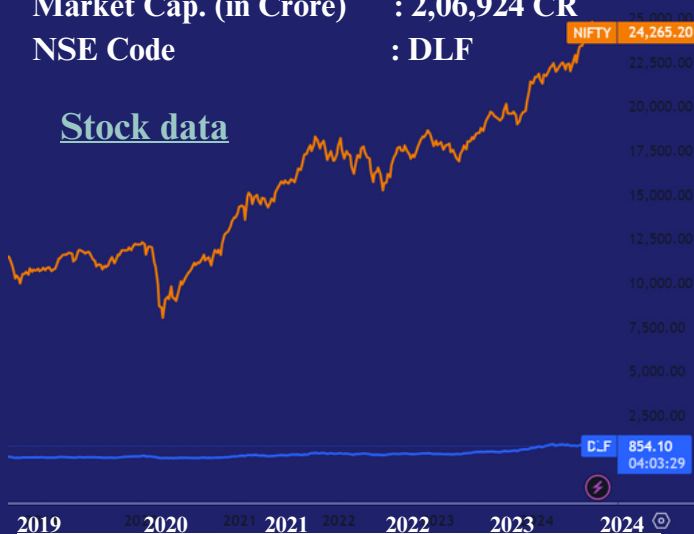
Synopsis of Financials

- Collection: Expected to be around 2,900 to 3,000 crores quarterly.
- Capex: DCCDL's CAPEX for the year to be 1,800 crores, increasing by 18-20% in the next 2-3 years.
- Rental income: Expected to increase significantly in FY26, especially with new projects coming online.
- Land acquisition and government charges: TDR payments and other land acquisitions contributing to costs.

Stock data (as 12th Aug 2024)

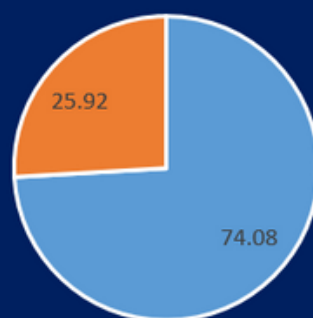
Nifty Price : 24,403.85
52 week High (in Rs.) : 968
52 week Low (in Rs.) : 462
Market Cap. (in Crore) : 2,06,924 CR
NSE Code : DLF

Stock data



-NIFTY50
-DLF

Shareholding Pattern (March 2024)



-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particulars	March 2024	March 2023	March 2022
Sales	6,427	5,695	5,717
Sales Growth %	12.86%	-0.39%	5.60%
Expenses	4,303	3,969	3,974
Operating Profit	2,124	1,726	1,743
OPM %	33%	30%	30%
Net Profit	2,724	2,034	1,500
EPS in Rs	11.02	8.22	6.06

Quarterly Results

Particular	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	1,302	1,495	1,456	1,423	1,348	1,521	2,135
Expenses	866	1,018	1,058	1,027	885	1,010	1,381
Operating Profit	437	477	398	396	462	511	754
OPM %	34%	32%	27%	28%	34%	34%	35%
Other Income	58	65	120	98	129	122	182
Interest	107	95	85	85	90	84	98
Depreciation	37	39	36	36	37	38	37
Profit before tax	351	408	397	373	464	512	802
Tax %	26%	27%	28%	27%	24%	26%	21%
Net Profit	477	518	570	526	622	656	920

Source: Screener

Key Ratios

S. No.	Particulars	Numerator	Denominator	31 March 2024	31 March 2023	Variance	Remarks for variance more than 25%
(a)	Current ratio (in times)	Current assets	Current liabilities	2.29	2.01	13.93%	Not Applicable
(b)	Debt-equity ratio (in times)	Total debt	Total equity	0.11	0.11	-	Not Applicable
(c)	Debt service coverage ratio (in times)	Earnings before exceptional items, interest and tax (EBIT)	[Finance cost + principal repayments made during the period for non-current borrowings (including current maturities)]	2.37	2.41	(1.66%)	Not Applicable
(d)	Return on equity ratio (%)	Net profit after tax	Total equity	4.30%	8.02%	(46.38%)	Decrease in ratio on account of decrease in net profit in current year as compared to previous year
(e)	Inventory turnover ratio (in times)	Cost of land, plots, constructed properties and other development activities	Average inventories	0.11	0.12	(8.33%)	Not Applicable
(f)	Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	48.61	87.68	(44.56%)	Decrease in ratio due to increase in trade receivable and decrease in turnover in current year
(g)	Trade payable turnover ratio (in times)*	Cost of land, plots, development rights, constructed properties and others	Average trade payables	0.67	0.65	3.08%	Not Applicable
(h)	Net capital turnover ratio (in times)	Revenue from operations	Working capital [§]	0.39	0.61	(36.06%)	Decrease in ratio due to decrease in turnover and increase in working capital in current year
(i)	Net profit ratio (in %)	Net profit after tax	Revenue from operations	38.59%	57.22%	(32.56%)	Decrease in ratio due to decrease in operating margin and increase in other cost as compared to previous year
(j)	Return on capital employed (%)	Earnings before exceptional items, interest and tax (EBIT)	Capital employed [¶]	6.24%	10.62%	(41.24%)	Decrease in ratio due to decrease in revenue and operating margin in current year as compared to previous year
(k)	Return on investment (%) [^]						
	(i) Mutual fund investments	Gain on sale/ fair valuation of mutual funds	Average investment in mutual funds	33.65%	6.75%	398.52%	Increase due to all mutual funds sold in current year
	(ii) Fixed income investments	Interest income	Average investment in fixed income investments	-	-	-	Not Applicable

Source: Annual Report

Yearly Results

Particulars	March 2024	March 2023	March 2022
Equity Capital	495	495	495
Reserves	38,936	37,192	35,867
Borrowings	4,834	3,334	4,182
Other Liabilities	14,804	11,551	10,623
Total Liabilities	59,069	52,572	51,167
Fixed Assets	3,880	4,785	4,862
CWIP	71	61	81
Investments	20,138	19,481	19,779
Other Assets	34,981	28,245	26,444
Total Assets	59,069	52,572	51,167

Synopsis Quater Results

Con-Call June 24: Key Highlights

Quarterly Performance:

- Pre-sales number: 6,400 crores, driven by the successful launch of Privana West.
- PAT: 646 crores, driven by possession letters issued.
- Free operating cash flow: Exceeded 2,500 crores during the quarter, indicating a strong cash flow position.
- DevCo business performing well due to strong pre-sales and robust collections.
- Continued robustness in the rental business, both in offices and malls, supporting overall performance.

Market Insights:

- Budget impact: Not expected to significantly affect sales behaviors.
- Sales pipeline: Launches planned for Goa, LUX 5, and Privana family in the upcoming quarters.
- Focus on retail customers rather than speculators, maintaining high price points.
- Strong demand and response to DLF products, with high-quality customers showing interest.
- Minimal speculation in sales, with emphasis on long-term buyers.

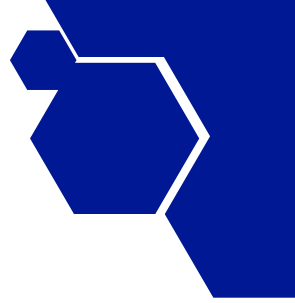
Future Plans:

- Launch of projects: Ireo piece launch planned for next year after completing license transfer processes.
- Focus on existing projects completion and leasing to optimize returns.
- No immediate plans for Dwarka Expressway market, focusing on current Gurgaon projects.

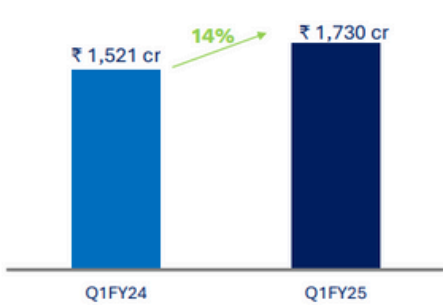
Overall Outlook:

- Management optimistic about the current market cycle and the company's performance.
- Sensible approach to launching and monetizing projects while maintaining cash flow and margin focus.
- Expectation to continue the positive trajectory with upcoming launches and projects.

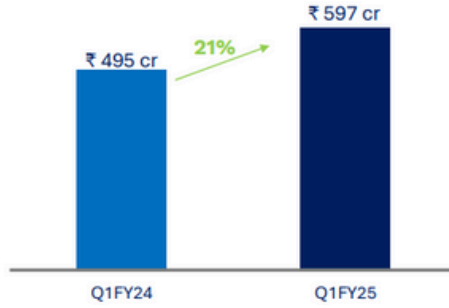
Revenue Highlights



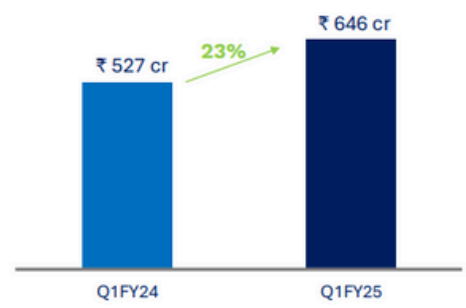
Revenue (in Rs crore)



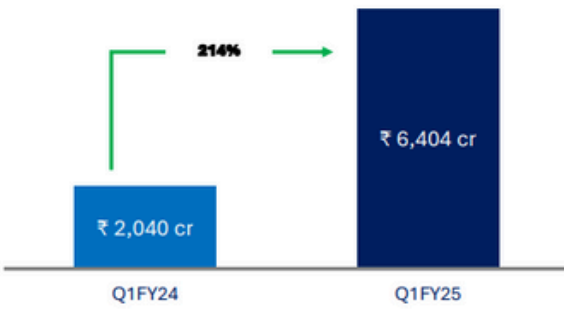
EBITDA (in Rs crore)



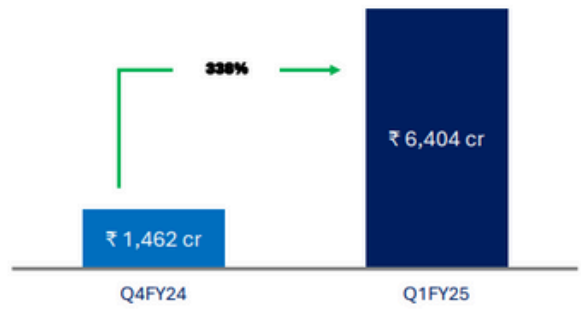
PAT (in Rs crore)



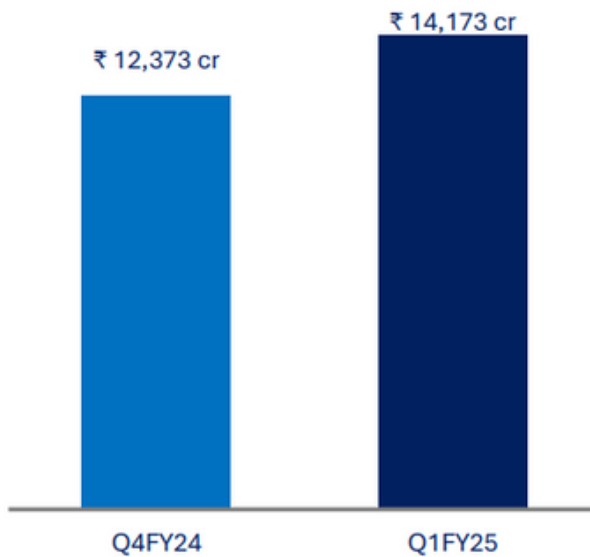
Sales Trend [Y-o-Y]



Sales Trend [Q-o-Q]

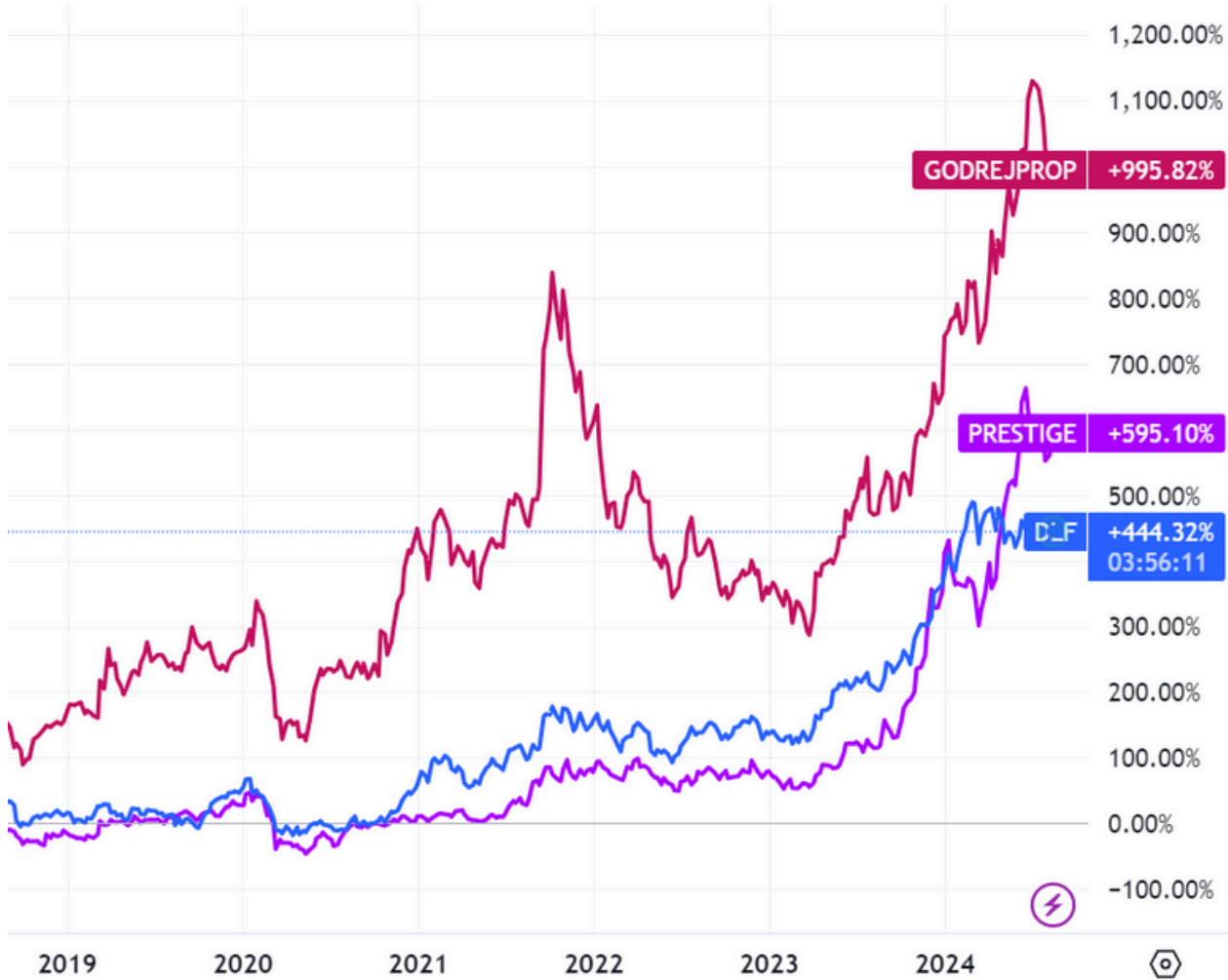


Residual Gross Margin



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	853.80	74.35	211342.12	0.61	644.67	22.54	1362.35	-4.28	5.74
Godrej Propert.	2927.70	72.72	81406.73	0.00	518.80	315.24	739.00	-21.05	5.74
Prestige Estates	1800.80	53.89	72187.17	0.08	307.00	-12.85	1862.10	10.78	14.87

Source: Screener

Final Outlook

DLF : BUY | LTP: 836

There has been a constant growth over years and DLF has a huge order book for next 3-5 years which will grow the wealth of the investors in long term. Company has consistently increased ROE in last 5 years with majority of profits being added to its reserves last year. Company's annual revenue growth of 15.74% outperformed its 3 year CAGR of 5.33%.

DLF is trading 0.66% upper at Rs 836.35 as compared to its last closing price. DLF has been trading in the price range of 838.75 & 819.15. DLF has given 14.39% in this year.

DLF has TTM P/E ratio 71.74 as compared to the sector P/E of 16.10.

When comparing ratios of DLF with its peers, despite the size of the company it surpasses others with some ratios like debtor days, cash conversion cycle.

Surpassing these things DLF plans to launch properties worth 80,000 cr in next 4 years which will definitely increase revenue and generate profits in the future.

I Will Give BUY/HOLD Recommendation For this stock