17th June, 2026

DLF Ltd.

BSE: 532868 | NSE: DLF | Market Cap: Rs 1,54,348 cr

Recommendation	Time Period	Current Price	Target Price	Potential Upside
BUY	**12 months**	**623.6/-**	**720.0/-**	**15.5%**

DLF Ltd is India's leading real estate developer with a track record of close to eight decades. It has developed more than 185 real estate projects and developed area of more than 352 mn sq. ft. (approx.) as of Mar'26. DLF is primarily engaged in the business of development & sale of residential properties (Development Business) and development & leasing of commercial as well as retail properties (Annuity Business).

Key Investment Rationale:

- **Strong & diversified business model:** DLF operates as a diversified enterprise having significant presence in both Development and Annuity businesses. The development business delivers high margins and strong cash flows while the rental business provides consistently growing income stream.
- **Annuity business portfolio:** DLF has a strong operational portfolio of ~50 mn sq. ft. operating at high occupancy levels of 95%. The office portfolio comprises of ~45 mn sq. ft. having occupancy of 95% while the retail portfolio comprises of ~5 mn sq. ft. having occupancy of 97%. It has a strong pipeline of ~27 mn sq. ft. (~20/7 mn sq. ft. of Office/Retail respectively) currently under planning/development phase. DLF reported an FY26 exit rental run-rate of Rs 7,400 cr and guided to scale up to ~Rs 8,200 cr by FY27, with a medium-term aspiration of Rs 10,000 cr.
- **Strong business performance in FY26:** The company achieved record collections of Rs 13,517 cr, up 15% YoY during FY26 and recorded pre-sales of Rs 20,143 cr, in-line with DLF's guidance. It also generated surplus cash of Rs 7,746 cr during the year. DLF's pre-sales, collections and PAT have grown at a CAGR of 29%/31%/31% respectively between FY22-FY26. The annuity business has also shown strong growth with rental portfolio growing 1.3x to ~50 mn sq. ft. and exit rentals clocking 15% CAGR over the last four years.
- **Growth Strategy:** The management has explicitly stated that they will not chase pre-sales volumes and will focus on high margin accretion and strong free cash flow generation, ensuring that project launches perfectly align with actual construction and execution capabilities. The pre-sales guidance is maintained at ~Rs 20,000 cr for FY27 with major launches including a large DLF City project (estimated sales potential of Rs 8,000-9,000 cr), Arbour Senior Living, the second phase of Westpark in Mumbai and continued sales momentum for The Dahlias.
- **Attractive Valuation:** At CMP of Rs 623, the stock trades at FY27E/FY28E Bloomberg consensus PE of 29.1x/23.3x respectively which looks attractive given the company's sustainable and profitable growth outlook.

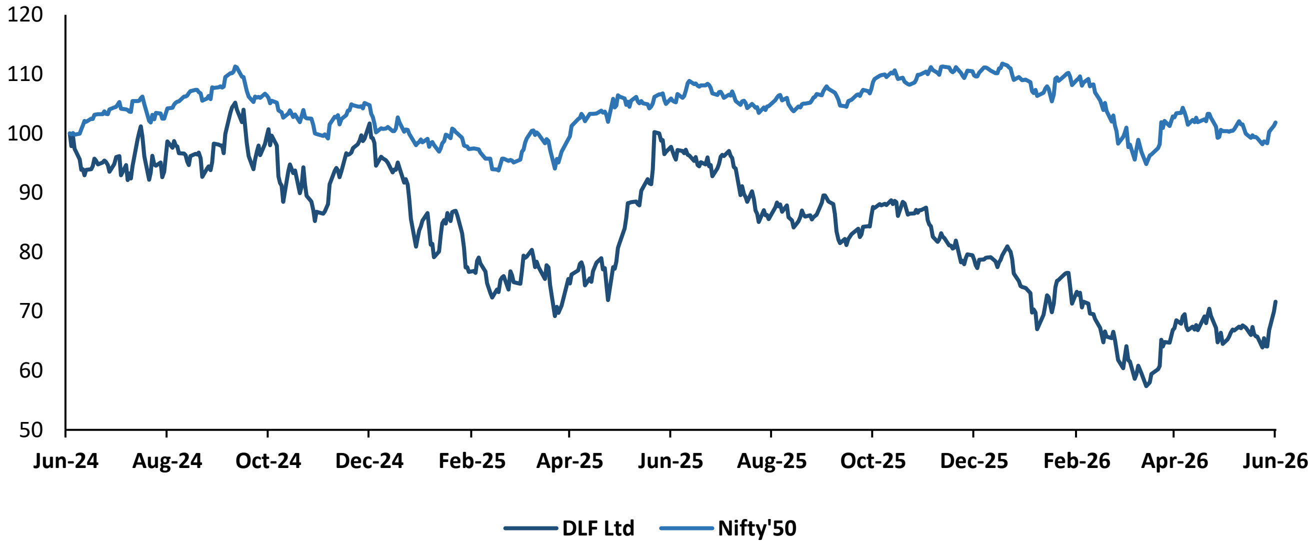
Key Risks: Project concentration risk (high NCR market dependency); Delay in project execution; Cyclicality in real estate market

Financial Summary

Particulars (Rs cr)	FY25A	FY26A	FY27E	FY28E
Net Sales	7,994	8,194	10,027	12,598
EBITDA	2,109	1,448	3,244	4,258
Net Profit	4,367	4,415	5,301	6,628
EBITDA Margin (%)	26.4	17.7	32.4	33.8
RoE (%)	10.7	10.0	11.2	13.0
EPS (Rs)	17.6	17.8	21.4	26.8
P/E (x)	35.3	35.0	29.1	23.3
EV/EBITDA (x)	73.0	101.3	43.4	31.8

Source: AceEquity, Bloomberg, SSL Research

Stock Performance (2-Yr) – Indexed to 100



Source: ACE Equity, SSL Research

Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
NA	NA	NA	NA	NA

Disclaimer

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