

Q3FY26: Execution-Led Growth with Strengthening BD Momentum

Recommendation Rationale

- Bookings Guidance Remain Intact:** The company has clocked pre-sales of Rs 331 Cr, which is in line with our expectations for the quarter, with no launches. The pre-sales were mainly driven by Uplands 2.0 and 3.0, the Everland project and The Edge, showing strong sustenance sales recovery. The company has guided towards a ~Rs 1,500 Cr launch and a minimum of 40% sales at launch. With recurring sustenance sales run rate of Rs 200 Cr and major launches bunched in Q4, we believe the company can reach its pre sales guidance of ~1,700 Cr for FY26.
- Launches Pipeline & BD:** Arvind has guided towards a launch topline potential of Rs 2,000 Cr for the year, with 9M launch at Rs 500 Cr showing 90% sales at launch. Most of the launches will be majorly bunched up towards the last quarter of the year. It expects ~4 launches this quarter, mainly the Baroda launch, phase 2 for Orchards, Industrial project, and 1 project in Bangalore. These will sum up to ~Rs 1,500 Cr in GDV. The company reiterates an overall 25%-30% growth CAGR for its bookings. Arvind expects to maintain its BD at a healthy rate of Rs 4,000-5,000 Cr per annum with additions in Ahmedabad, Bangalore, and the MMR regions. Its BD going forward will be largely driven by JD/JV, with increasing outright buying share as well. The company is aiming at a 40-40-20 kind of distribution among Blr-Ahd-MMR.
- Recovery in Velocity:** Arvind has seen a recovery in its collections and construction velocity over the past 2 quarters. It has achieved the highest ever collections of Rs 1,545 Cr. The company's gross debt now stands at Rs 262 Cr vs the previous year's 55 Cr. This shows Arvind has recovered its BD momentum and is utilising available capital more efficiently. The net debt stands at 79 Cr with a comfortable net-debt to equity ratio of 0.13. The company aims to maintain this below 1, and it is unlikely to approach that threshold in the near term. This, in turn, will result in the company achieving its long-term growth CAGR of ~30%.

Sector Outlook: Positive

Company Outlook & Guidance: Arvind's outlook remains strong, supported by Rs 331 Cr pre-sales in a no-launch quarter and a sustained run rate of ~Rs 200 Cr per quarter. With ~Rs 1,500 Cr of launches planned and a minimum 40% sales at launch, FY26 pre-sales guidance of ~Rs 1,700 Cr appears achievable. The company reiterates 25–30% bookings CAGR, backed by launch pipeline and Rs 4,000–5,000 Cr annual BD additions. Healthy collections, low net debt of Rs 79 Cr and 0.13 net D/E support disciplined growth momentum.

Current Valuation: 5.5X FY28E EBITDA; Earlier Valuation: 5.5X FY28E EBITDA

Current TP: Rs 750/share (Earlier TP: Rs 740 /share).

Recommendation: With a 29% upside from the CMP, we **maintain our long-term BUY** rating on the stock.

Financial Performance

Arvind's bookings stood at Rs 331 Cr, reflecting a 48% YoY growth. Collections for the quarter were at Rs 317 Cr, up 38% YoY. Revenue for the quarter was Rs 166 Cr, down 21% YoY, EBITDA at Rs 42 Cr, down 30% YoY, and PAT stood at Rs 29 Cr, down 41% YoY. The company reported operating cash flows of Rs 169 Cr for the quarter, and net debt stood at Rs 79 Cr.

Key Financials (Consolidated)

(Rs Cr)	Q3FY25	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Revenue	210.2	140.5	166.4	(20.8)	18.4
EBITDA	59.4	29.5	41.6	(30.0)	40.9
EBITDA Margin	28.3	21.0	25.0	(11.6)	19.0
Adj. PAT	50.2	18.1	29.2	(41.8)	61.7
EPS	11.0	4.0	6.4	(41.8)	61.7

Source: Company, Axis Securities Research

(CMP as of 11th February, 2026)

CMP (Rs)	583
Upside /Downside (%)	29%
High/Low (Rs)	775/504
Market cap (Cr)	2,676
Avg. daily vol. (1m) Shrs	68,356
No. of shares (Cr)	4.5

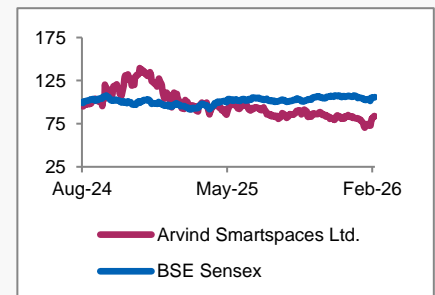
Shareholding (%)

	Jun-25	Sep-25	Dec-25
Promoter	50.0	49.8	49.8
FII	1.6	1.0	0.8
MF's/Banks	2.3	3.9	5.0
Others	46.1	45.3	44.4

Financial & Valuations

Y/E Mar (Rs Cr)	FY26E	FY27E	FY28E
Net Sales	892	1,115	1,393
EBITDA	223	279	348
Net Profit	121	156	198
EPS, Rs	26.7	34.4	43.7
PER, x	21.7	16.9	13.3
EV/EBITDA, x	11.0	8.3	6.4
P/BV, x	3.7	3.1	2.5
ROE, %	17.1	18.2	19.0

Relative Performance



Source: Ace Equity, Axis Securities Research

Result Gallery

[Q2FY26](#)

[Q1FY26](#)

[Q4FY25](#)

[Q3FY25](#)

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Key Highlights

- **Demand Scenario:** Demand remains largely end-user driven, with calibrated new supply supporting sustainable absorption.
- **Outlook:** The company has maintained guidance of 25–30% pre-sales growth; execution momentum and collections have improved over the past 2 quarters.
- **BD:** Business development at Rs 2,500 Cr (over 50% of the initial target of Rs 4,000 Cr) with 2 projects in BLR, 1 in AHD and 1 in Baroda; while targeting 22–25% IRR.
- **Way Forward:** Portfolio continues to focus towards mid-to-higher income housing; Mumbai expected to meaningfully contribute to GDV amid leadership transition and progress on Khopoli (Karjat) project.
- **Marketing Costs:** Marketing cost remains efficient at 1–1.5% of bookings (3.5–4% including brokerage); digital bookings are rising while channel sales remain dominant.
- **Debt:** Balance sheet comfortable with low net D/E (well below 1:1), with no plans to approach leverage ceiling in the near future.

Key Risks to Our Estimates and TP

- **Approval and Launch Delays:** The company needs to maintain a higher run rate of new launches to sustain its growth momentum. To keep up with pre-sales growth, it must follow a rigorous launch trajectory. Any approval delays will result in a delay in launches and, consequently, a slowdown in bookings.
- **Geographical Challenges:** While the company has entered the MMR region, it has yet to establish its sales excellence in this market. Additionally, the Surat project has not been launched due to technical issues, leading to delays.
- **Delays in Organisational Transformation:** The company is undergoing a lot of ideological and executional changes to better scale up its business and maintain efficient cash flows; any disruptions and issues might lead to slow sales.

Operational Highlights

(Rs Cr)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY26E
Bookings (Pre-Sales)	224	381	175	432	331	1,700
Collections	229	215	191	236	317	-5%
% Completion of Bookings Guidance					44%	

Results Review

(Rs Cr)	Q3FY25	Q2FY26	Q3FY26	YoY Growth (%)	QoQ Growth (%)
Revenue from Operations	210.2	140.5	166.4	(20.8)	18.4
Total operating costs	150.7	111.0	124.8	(17.2)	12.4
% Sales	0.7	0.8	0.7	4.6	(5.1)
Construction Cost	37.9	28.6	34.1	(10.0)	19.1
Land Development Cost	64.4	107.7	275.2	327.3	155.4
Changes in Inventory	6.4	(70.1)	(242.9)	(3,907.4)	246.3
Employee costs	17.3	19.7	24.6	42.0	24.9
Other expenses	24.7	25.1	33.8	36.7	35.0
EBITDA	59.4	29.5	41.6	(30.0)	40.9
% Margin	28.3	21.0	25.0	(11.6)	19.0
Depreciation	1.2	1.4	1.7		
EBIT	58.2	28.1	39.9	(31.4)	41.8
Finance Costs	5.1	6.4	5.1	(0.1)	(19.7)
Other income	5.3	3.5	4.1		
PBT	58.4	25.3	38.9	(33.4)	53.8
Net Tax	8.2	7.2	9.7	18.3	34.4
Associates and JVs	(0.0)	0.0	0.0		
Group PAT	50.2	18.1	29.2	(41.8)	61.7
% Margin	0.2	0.1	0.2	(26.5)	36.6
Non-Controlling Interests	2.4	-	-		
Adjusted PAT	47.7	18.1	29.2	(38.8)	61.7

Source: Company, Axis Securities Research

Financials (Consolidated)

Profit & Loss					(Rs Cr)
Y/E Mar (Rs Cr)	FY25	FY26E	FY27E	FY28E	
Net sales	713	892	1,115	1,393	
Growth, %	109.1	25.0	25.0	25.0	
Other operating income	-	-	-	-	
Total income	713	892	1,115	1,393	
Raw material expenses	(163)	(348)	(435)	(543)	
Employee expenses	(73)	(125)	(156)	(195)	
Other Operating Expenses	(309)	(196)	(245)	(306)	
EBITDA (Core)	168	223	279	348	
Growth, %	50.9	32.5	25.0	25.0	
Margin, %	23.6	25.0	25.0	25.0	
Depreciation	(5)	(4)	(4)	(4)	
EBIT	163	219	275	344	
Growth, %	53	34	25	25	
Margin, %	23	25	25	25	
Interest paid	(21)	(53)	(56)	(70)	
Other Income	23	15	14	21	
Share of profits from associates	0	0	0	0	
Pre-tax profit	165	181	233	296	
Tax provided	(46)	(60)	(77)	(98)	
Profit after tax	119	121	156	198	

Source: Company, Axis Securities Research

Balance Sheet					(Rs Cr)
Y/E Mar (Rs Cr)	FY25	FY26E	FY27E	FY28E	
Cash & bank	56	217	347	419	
Marketable securities at cost	220	220	220	220	
Inventory	1,489	1,689	1,939	2,289	
Other current assets	208	208	208	208	
Total current assets	1,973	2,333	2,713	3,135	
Gross fixed assets	74	94	114	134	
Less: Depreciation	(16)	(20)	(24)	(28)	
Add: Capital WIP	25	25	25	25	
Net fixed assets	83	99	115	131	
Non-current assets	133	133	133	133	
Total assets	2,671	3,047	3,443	3,881	
Current liabilities	1,617	1,867	2,117	2,367	
Provisions	6	6	6	6	
Total current liabilities	1,623	1,873	2,123	2,373	
Non-current liabilities	239	255	255	255	
Total liabilities	1,863	2,128	2,378	2,628	
Paid-up capital	46	46	46	46	
Reserves & surplus	552	664	810	998	
Shareholders' equity	808	919	1,065	1,253	
Total equity & liabilities	2,671	3,047	3,443	3,881	

Source: Company, Axis Securities Research

Cash Flow
(Rs Cr)

Y/E Mar (Rs Cr)	FY25	FY26E	FY27E	FY28E
PBT	165	181	233	296
Add: Depreciation	5	4	4	4
Interest Paid	21	53	56	70
Op profit before WC changes	191	238	293	369
Cash from Operations	(33)	285	293	269
Taxes paid	(51)	(60)	(77)	(98)
Cash from Operating Activities	(84)	225	216	172
Change in Fixed Assets	(84.5)	(20.0)	(20.0)	(20.0)
Net Cash from Investing Activities	(109)	(20)	(20)	(20)
Interest paid	(18)	(53)	(56)	(70)
Dividend paid	(16)	(10)	(10)	(10)
Net Cash from Financing	186	(45)	(66)	(80)
Net cash for the period	(8)	160	130	72
Cash at the end of the period	55	216	346	418
Others	1	1	1	1
Cash as per Balance Sheet	56	217	347	419

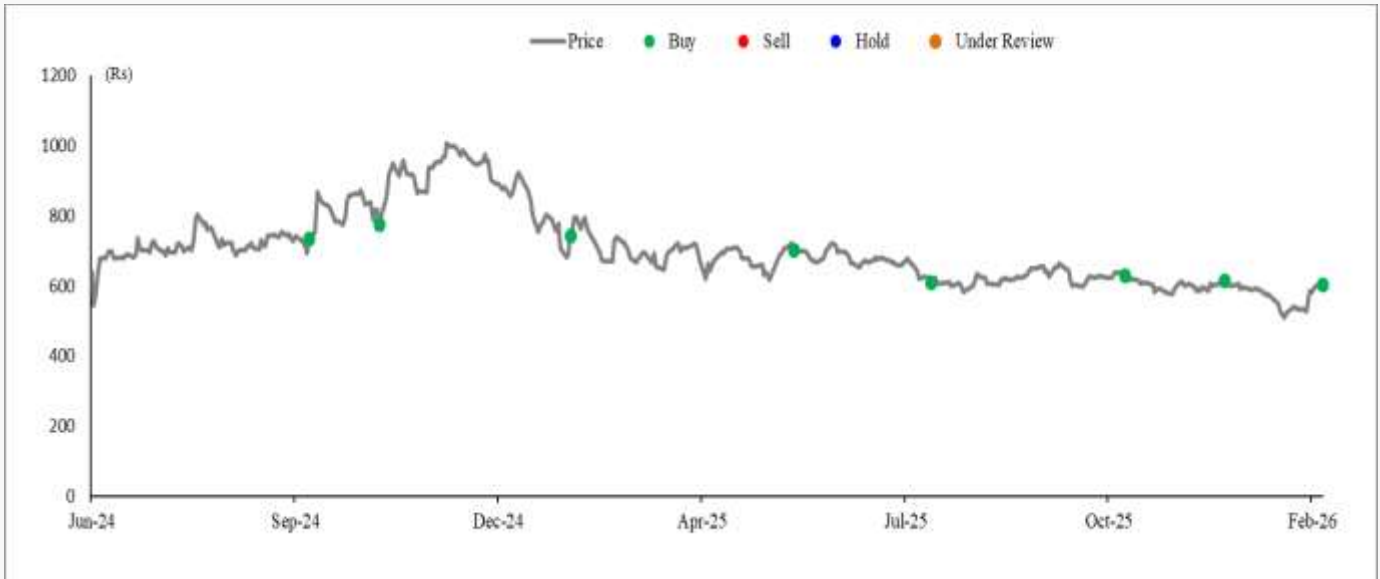
Source: Company, Axis Securities Research

Ratio Analysis
(%)

Y/E Mar	FY25	FY26E	FY27E	FY28E
EPS (Rs)	28.2	26.7	34.4	43.7
Growth, %	207.5	(5.3)	28.8	26.9
DPS (Rs)	2.2	2.2	2.2	2.2
Return ratios				
Return on assets (%)	5.9	6.1	6.5	7.3
Return on equity (%)	21.4	17.1	18.2	19.0
Return on capital employed (%)	15.7	15.6	16.9	18.8
Turnover ratios				
Asset turnover (x)	1.6	1.5	1.9	2.2
Sales/Total assets (x)	0.3	0.3	0.3	0.4
Sales/Net FA (x)	9.2	9.8	10.4	11.3
Working capital/Sales (x)	0.1	0.0	0.0	0.1
Liquidity ratios				
Current ratio (x)	1.2	1.2	1.3	1.3
Quick ratio (x)	0.3	0.3	0.4	0.4
Interest cover (x)	7.8	4.1	4.9	4.9
Total debt/Equity (%)	0.4	0.4	0.3	0.2
Valuation				
PER (x)	20.6	21.7	16.9	13.3
PEG (x) YoY growth	0.1	(4.1)	0.6	0.5
Price/Book (x)	4.4	3.7	3.1	2.5
EV/Net sales (x)	3.6	2.7	2.1	1.6
EV/EBITDA (x)	15.4	11.0	8.3	6.4
EV/EBIT (x)	15.8	11.2	8.4	6.5

Source: Company, Axis Securities Research

Arvind Smartspaces Price Chart and Recommendation History



Date	Reco	TP	Research
24-Sep-24	BUY	1,085	Initiating Coverage
28-Oct-24	BUY	1,085	Result Update
30-Jan-25	BUY	1,005	Result Update
22-May-25	BUY	970	Result Update
30-Jul-25	BUY	840	Result Update
06-Nov-25	BUY	740	Result Update
24-Dec-25	BUY	740	Company Update
12-Feb-26	BUY	750	Result Update

Source: Axis Securities Research

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