INVasset Corporate Insights

DLF

13th June, 2024

INVASSET

India's Best Performing and Most Customer Centric PMS

DLF Ltd: A Titan of Indian Real Estate

Business Presence Across India: DLF Ltd., with its subsidiaries, associates, and joint ventures, is a powerhouse in real estate development. From land acquisition to project marketing, the company is also involved in leasing, power generation, maintenance services, hospitality, and recreational activities. With a robust presence in 22 cities across 14 states and union territories in India, DLF Ltd. has established itself as a significant player in the Indian real estate market.

Sustainability Recognition: DLF Ltd. stands out for its commitment to sustainability and ESG practices, being the only Indian real estate company included in the Dow Jones Sustainability Index under the Emerging Markets category. This recognition underscores the company's dedication to integrating sustainable practices within its operations, setting a benchmark for other players in the industry.

Expansive Project Portfolio: As of February 2022, DLF Ltd. is developing approximately 35 million square feet, comprising commercial and residential projects with a total sales potential of around ₹47,000 crores. A significant contribution to this performance comes from the introduction of 'Independent Floors' in Gurugram. This extensive portfolio reflects DLF's strategic planning and execution capabilities.

New Luxury Launches: In the fiscal year 2022, DLF Ltd. launched its luxury development, 'ONE Midtown,' achieving sales bookings of approximately ₹1,952 crores from this project. This launch signifies the company's ability to innovate and cater to the premium segment of the market, enhancing DLF's luxury offerings.

A Legacy of Excellence: With over 75 years in the real estate industry, DLF Ltd. has developed more than 150 projects covering over 300 million square feet. This impressive track record demonstrates the company's expertise, reliability, and commitment to quality. Over the decades, DLF has shaped the skyline of numerous cities.

Vast Development Potential: DLF Ltd. boasts a total development potential of approximately 215 million square feet, highlighting its strategic land bank and future growth prospects. This extensive development potential enables DLF to plan and execute large-scale projects across various segments, including residential, commercial, and mixed-use developments.

DLF Cyber City Developers Ltd. (DCCDL): DLF Cyber City Developers Ltd., a flagship joint venture, focuses on developing commercial properties. With a strong asset base of leased assets, DCCDL manages and operates office spaces, IT parks, SEZs, and premium malls. DLF holds a two-thirds stake in DCCDL, with the remaining share held by GIC, Singapore's sovereign wealth fund.

Strategic Acquisitions and Asset Transfers: In the fiscal year ending March 2022, DLF Group acquired 100% shareholding in 35 Indian companies for approximately ₹35 crores. Additionally, DLF has transferred most of its rental assets, including key malls like DLF Avenue and Mall of India, to its joint venture..

Stock Data	
CMP (12-06-2024)	858
52 Week High/Low	968/462
Face Value	2.00
Market Cap (In Crs)	2,11,602
Enterprise Value (In Crs)	2,12,052
NSE	DLF
BSE	532868
Bloomberg	DLFU:IN
Sector	REALTY

Shareholding Pattern (in %)		
	MAR 24	DEC 23
Promoter	74.08	74.08
FII	16.53	15.75
DII	4.77	5.47
Public	4.62	4.72

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	5.23	10.77	25.04
DLF Ltd	14.68	78.21	154.29

Key Ratios	
P/E	77.7
P/S	32.9
P/B	5.36
Debt To Equity	0.12
ROE	7.06%
ROCE	5.88%
Dividend Yield	0.47%

Q4 FY 24 Result Update

Q4 FY24 Result Comparison (In Rs Cr)					
	Q4 FY24	Q3 FY24	Q4 FY23	QOQ	YOY
Sales	2,135	1,521	1,456	40.37%	46.63%
Expenses	1,381	1,010	1,058	36.73%	30.53%
EBITDA	936	633	518	47.87%	80.69%
Other Income	182	122	120	49.18%	51.67%
Net Profit	920	656	570	40.24%	61.40%
EPS	3.72	2.65	2.30	40.38%	61.74%

Result Highlights

DLF Ltd. Q4 FY24 Results: A Robust Performance

Strong Sales Growth: DLF Ltd. recorded impressive sales growth in Q4 FY24, reaching ₹2,135 crores, a significant increase from ₹1,521 crores in Q3 FY24 and ₹1,456 crores in Q4 FY23. This represents a quarter-over-quarter (QoQ) growth of 40.37% and a year-over-year (YoY) growth of 46.63%. The substantial rise in sales underscores DLF's successful market strategies and strong demand for its real estate offerings, reinforcing its position as a leading player in the industry, and reflecting its ability to adapt and thrive in a competitive market.

Efficient Cost Management: In Q4 FY24, DLF Ltd. managed to control its expenses effectively, recording ₹1,381 crores compared to ₹1,010 crores in Q3 FY24 and ₹1,058 crores in Q4 FY23. Despite the increase in absolute terms, the company's ability to maintain a balanced expense-to-sales ratio highlights its operational efficiency. The expenses grew by 36.73% QoQ and 30.53% YoY, reflecting DLF's strategic investments in growth while maintaining cost discipline. This approach is crucial for sustaining profitability and competitive advantage, ensuring the company remains agile and financially sound amid market fluctuations.

Impressive EBITDA Growth: DLF Ltd. achieved an impressive EBITDA of ₹936 crores in Q4 FY24, up from ₹633 crores in Q3 FY24 and ₹518 crores in Q4 FY23. This marks a QoQ growth of 47.87% and a YoY growth of 80.69%. The significant improvement in EBITDA indicates DLF's enhanced operational performance and effective cost management. This growth contributes to higher profitability and robust financial health, which is vital for long-term sustainability and investor confidence. DLF's ability to consistently improve its EBITDA showcases its operational efficiency and strategic execution capabilities.

Increase in Other Income: The company's other income surged to ₹182 crores in Q4 FY24 from ₹122 crores in Q3 FY24 and ₹120 crores in Q4 FY23. This represents a QoQ increase of 49.18% and a YoY growth of 51.67%. The rise in other income highlights DLF's diverse revenue streams and successful financial management strategies. This additional income stream strengthens its overall financial position and provides additional buffers against market volatility, demonstrating the company's robust financial planning and risk management frameworks.

Net Profit Surge: DLF Ltd. reported a remarkable net profit of ₹920 crores in Q4 FY24, compared to ₹656 crores in Q3 FY24 and ₹570 crores in Q4 FY23. This translates to a QoQ growth of 40.24% and a YoY growth of 61.40%. The substantial increase in net profit underscores the company's strong revenue growth and efficient cost management. This results in improved profitability and shareholder value, showcasing its capability to deliver consistent financial performance. The significant rise in net profit also highlights DLF's strategic focus on maximizing operational efficiency and optimizing financial outcomes.

EPS Growth: The earnings per share (EPS) for DLF Ltd. in Q4 FY24 stood at ₹3.72, up from ₹2.65 in Q3 FY24 and ₹2.30 in Q4 FY23. This marks a QoQ growth of 40.38% and a YoY increase of 51.74%. The consistent rise in EPS reflects DLF's robust financial performance, enhancing investor confidence and showcasing the company's ability to deliver strong returns, and maintaining a positive outlook for future growth and stability.

Concall Highlights

Positive Outlook for DLF Ltd. and the Real Estate Industry: The outlook for DLF Ltd. and the broader real estate industry remains positive. India's economy continues to exhibit robust growth, bolstering housing demand, which reached record levels in 2023 and is expected to maintain similar momentum in 2024. Large and organized players are gaining market share, with the luxury segment outperforming. Office demand is steady, with strong leasing momentum observed in Q1 CY2024. For DLF Ltd., a focused approach towards offering new products in the luxury and premium segments aims to drive steady growth. The company maintains a prudent strategy of offering calibrated supply across core markets. A strong pipeline of new products and healthy demand momentum for office and retail spaces indicate a promising future, with a positive outlook towards retail segment growth and enhanced ecosystems. This strategy will ensure sustained long-term growth and market leadership.

DLF Group's Key Business Priorities for Sustained Growth: DLF Group aims to maintain its leadership position by focusing on consistent, competitive, and profitable growth. The company's development business is set to scale up product offerings across key geographies, including core markets like Gurugram and Delhi NCR, and new entries into Mumbai. The rental business targets double-digit growth through organic expansion and new developments, with a significant increase in retail presence. Cash management remains a priority, with a focus on consistent free cash flow generation and maintaining a net cash-positive position. Profitability and shareholder returns are set to improve with a targeted double-digit PAT growth annually. Organizational capabilities will be strengthened, optimizing overheads to align with growth plans and enhance efficiency and controls, ensuring sustained long-term success. This strategic approach will enable DLF to remain agile and responsive to market dynamics.

DLF's Strategic Path to Scaling Up: DLF Ltd. is strategically positioned for growth by leveraging strong demand momentum, a low-cost land bank in established locations, and a diversified launch pipeline targeting various segments and geographies. The company's robust balance sheet and healthy cash flows provide a solid financial foundation to support expansion efforts. Enhanced organizational capabilities ensure efficient project execution and management. These factors collectively drive DLF's calibrated approach towards business growth, enabling it to capitalize on market opportunities and sustain its leadership position. By focusing on these critical growth levers, DLF aims to deliver consistent, competitive, and profitable growth, reinforcing its commitment to creating long-term value for stakeholders. This strategic positioning ensures DLF can adapt to changing market dynamics while maintaining robust performance.

DLF Ltd. Achieves Robust New Sales Bookings in Fy24: DLF Ltd. reported strong new sales bookings totaling ₹14,778 crores for FY24, demonstrating consistent delivery in sales performance. Despite a lower quarterly performance of ₹1,462 crores in Q4 FY24 compared to ₹8,458 crores in Q4 FY23, the yearly trend shows resilience with nearly matching figures to FY23's ₹15,058 crores. Approximately 82% of FY24 sales came from new products, including significant contributions from DLF Privana South in Gurugram, Chandigarh Tri-city, and various commercial and residential developments. Sustained demand momentum was observed for completed inventory, notably from The Camellias and other projects. This performance underscores DLF's strategic focus on developing attractive, high-demand properties, ensuring robust sales and solidifying its market leadership. By maintaining a strong sales pipeline and responding to market demands, DLF continues to enhance its growth prospects and industry standing.

DLF Ltd. Launched Products Summary as of March 31, 2024: As of March 31, 2024, DLF Ltd. has achieved significant milestones with its launched products, totaling ₹39,067 crores in sales bookings. Key projects include The Camellias with ₹11,183 crores in bookings and 10,431 crores in recognized revenue, and the high-rise developments (Arbour and Privana South) contributing ₹15,233 crores. Independent Floors in Gurugram also showed strong performance with ₹7,656 crores in sales bookings. The total revenue recognized stands at ₹12,635 crores, with a balance revenue of ₹26,432 crores yet to be recognized. The residual gross margin across projects is ₹10,100 crores, and the balance receivable amounts to ₹18,357 crores. This diverse portfolio, coupled with efficient project execution, underscores DLF's robust financial health and strategic market positioning.

DLF Ltd. Q4 and FY24 Results Highlights: DLF Ltd. demonstrated strong financial performance in Q4 and FY24, marked by impressive new sales bookings of ₹1,462 crores in Q4 and ₹14,778 crores for the full year. Collections amounted to ₹2,205 crores in Q4 and ₹8,655 crores for FY24, reflecting robust operational efficiency. The company generated an operating cash flow of ₹1,105 crores in Q4 and ₹4,385 crores for the year. Net cash position remained positive at ₹1,547 crores. DLF's profit after tax (PAT) surged to ₹927 crores in Q4, a 60% YoY growth, and ₹2,733 crores for FY24, a 33% YoY growth. The company maintained strong credit ratings of ICRA AA/Stable and CRISIL AA/Stable. These results underscore DLF's consistent growth momentum and effective cash generation strategies.

DLF Ltd. Q4 FY24 Consolidated Profit & Loss Analysis: DLF Ltd. reported robust financial results for Q4 FY24, with revenue from operations at ₹2,135 crores, marking a 40% QoQ and 47% YoY growth. The cost of sales was ₹862 crores, resulting in a gross margin of ₹1,274 crores and a gross margin percentage of 60%. Other income increased to ₹182 crores, reflecting a 49% QoQ rise. EBITDA stood at ₹936 crores, a 48% QoQ and 81% YoY increase, with an EBITDA margin of 40%. Profit before tax (PBT) before exceptional items was ₹802 crores, a 57% QoQ and 102% YoY growth. After accounting for deferred tax, the profit after tax (PAT) was ₹630 crores, with an additional ₹297 crores from joint ventures, leading to a total PAT of ₹927 crores, a 43% QoQ and 60% YoY increase. This performance underscores DLF's strong operational efficiency and financial management, reflecting its strategic focus on maximizing profitability and shareholder value.

DLF Ltd.'s Strong Surplus Cash Potential: DLF Ltd. continues to lead in sustainability and wellness, recognized globally for its ESG best practices. The U.S. Green Building Council has awarded DLF's rental business with multiple LEED Platinum certifications, including for Cybercity in Gurgaon and Chennai, under the City & Community category. Additionally, DLF has achieved LEED Zero Water certification for 45 projects, demonstrating leadership in water sustainability. The company's commitment to zero waste is evident with ongoing efforts to achieve LEED Zero Waste certifications at other locations. Furthermore, DLF has been granted a green star rating by GRESB in both development and standing investments categories. These accolades underscore DLF's dedication to environmental stewardship, reflecting its unwavering commitment to sustainable development and wellness in the built environment.

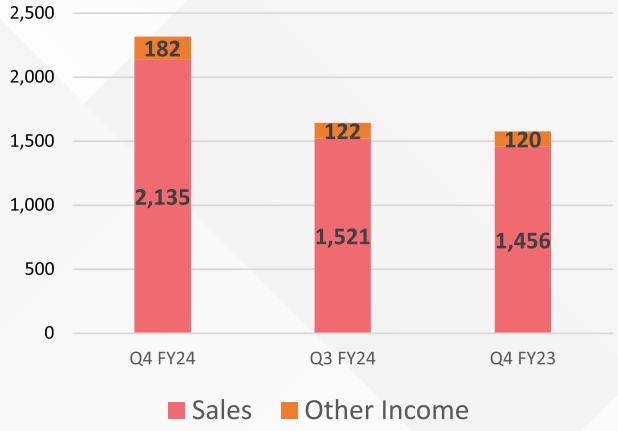
DLF Ltd.'s Leadership in Sustainability and Wellness: DLF Ltd. continues to lead in sustainability and wellness, recognized globally for its ESG best practices. The U.S. Green Building Council has awarded DLF's rental business with multiple LEED Platinum certifications, including for Cybercity in Gurgaon and Chennai, under the City & Community category. Additionally, DLF has achieved LEED Zero Water certification for 45 projects, demonstrating leadership in water sustainability. The company's commitment to zero waste is evident with ongoing efforts to achieve LEED Zero Waste certifications at other locations. Furthermore, DLF has been granted a green star rating by GRESB in both development and standing investments categories. These accolades underscore DLF's dedication to environmental stewardship, reflecting its unwavering commitment to sustainable development and wellness in the built environment. This ongoing recognition highlights DLF's role as a pioneer in promoting green building practices and sustainable urban development.

DLF Ltd.'s Well-Diversified Tenant Mix: DLF Ltd. maintains a well-diversified and balanced portfolio, significantly lowering concentration risk. In Q4 FY24, the top 10 office tenants, based on revenue, include Cognizant (4%), American Express (3%), IBM (3%), and others, collectively accounting for 24%. When considering leased area, Cognizant leads at 5%, followed by IBM, Concentrix, and American Express at 3% each. This diverse mix ensures stability and reduces dependency on any single tenant. The retail tenant mix is equally varied, with apparels and accessories leading at 43%, followed by F&B at 23%, and other segments like beauty and cosmetics, entertainment, and sports contributing significantly. This strategic tenant diversification across sectors enhances DLF's resilience, ensuring sustained revenue streams and robust financial health amidst market fluctuations. By maintaining a broad tenant base, DLF mitigates risks and strengthens its market position.

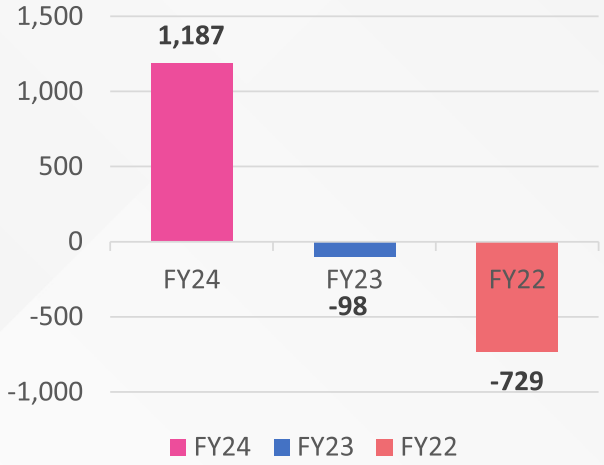
DLF Ltd.'s Development Progress Remains On Track: DLF Ltd. continues to make significant strides in its new product development, ensuring projects remain on track. The DLF Downtown project in Gurugram spans approximately 12 million square feet (msf), with Phase I (1.7 msf office) completed and rentals commenced. Phase II (2 msf office) is under development with 1.8 msf pre-leased, while Phase III, comprising 2.6 msf retail and 5.5 msf office space, has initiated development. In Chennai, DLF Downtown covers around 7 msf, with Phase I (1.2 msf office) fully pre-leased and under development. Phase II (2.3 msf office) has received its occupancy certificate, and Phase III (3.5 msf office) is under planning. In total, 5.8 msf is under development, with an additional 3.5 msf under planning, showcasing DLF's robust project pipeline and strategic growth execution. This consistent progress underlines DLF's commitment to delivering high-quality developments and meeting market demands efficiently.

DLF Ltd. FY24 Result Highlights: Steady Growth and Robust Performance: DLF Ltd. reported strong performance in FY24, with rental income growing by 9% year-on-year, reaching ₹4,325 crores, including ₹1,124 crores in Q4. The operational portfolio spans 42 million square feet (msf) with a high occupancy rate of 93%. Gross leasing for the year totaled 6.7 msf, with 2.1 msf leased in Q4. The company maintains a healthy net debt position of ₹17,903 crores, with a net debt-to-GAV ratio of 0.23. DLF's credit ratings remain strong, with ICRA AA+/Stable and CRISIL AA+/Stable. Notably, DLF Cybercity, Chennai achieved LEED Platinum certification under the City & Community category, reflecting the company's commitment to sustainability. These results highlight DLF's steady growth, operational efficiency, and dedication to sustainable development, reinforcing its market leadership.

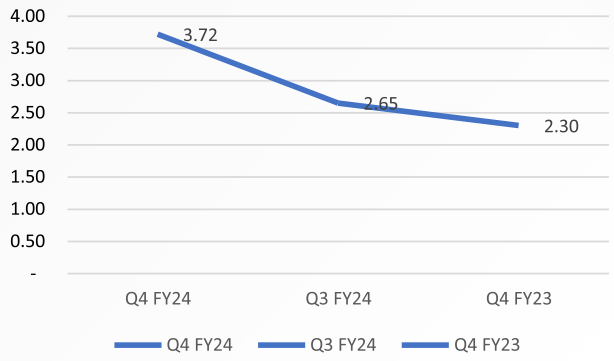
Sales & Other Income (In Cr)



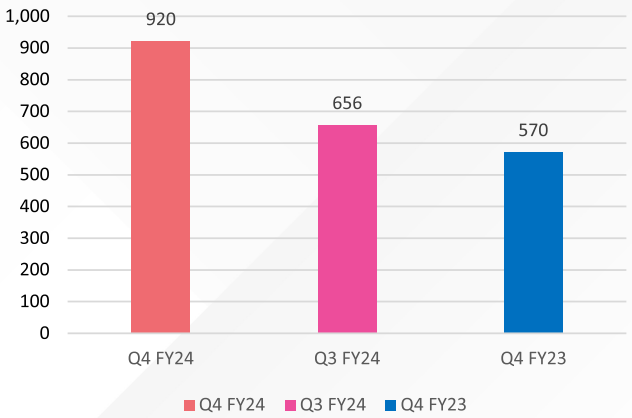
Cashflow (In Cr)



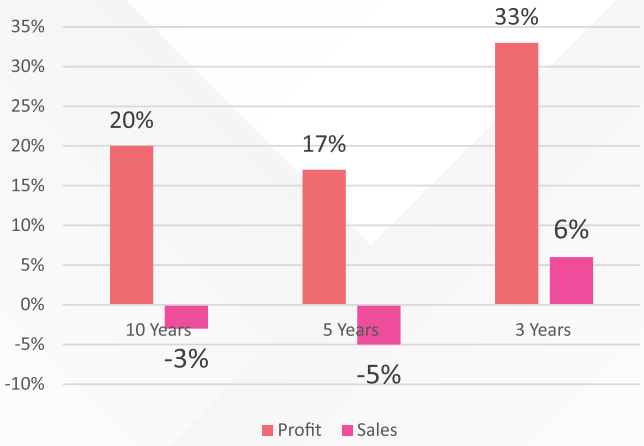
EPS



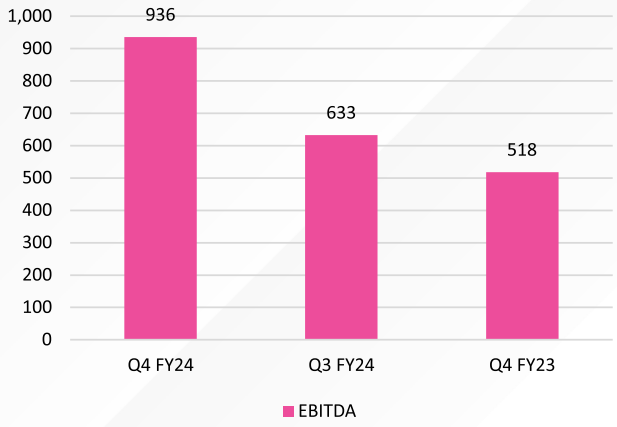
Net Profit (In Cr)



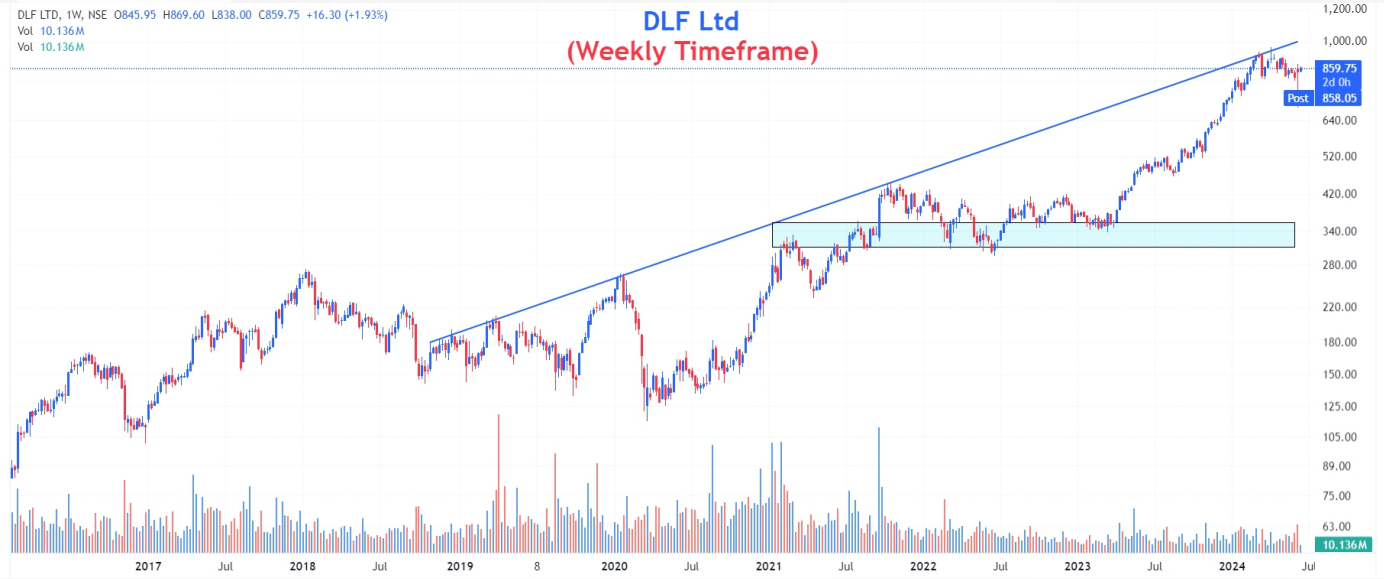
Compounded Growth (In %)



EBITDA(In Cr)



Technical Outlook



DLF Ltd exhibits a strong bullish trend based on the weekly timeframe technical analysis. The stock is currently priced at 859.75, reflecting a minor gain of 1.93%. The chart indicates a consistent uptrend since 2017, with the stock breaking past significant resistance levels around the 340-400 range in early 2022, which now acts as a strong support zone. The upward-sloping trendline shows a steady increase in price, highlighting strong investor confidence and sustained momentum. The volume data of 10.136 million suggests healthy trading activity, further reinforcing the bullish sentiment. In recent months, DLF Ltd has maintained its upward trajectory, reaching new highs. Investors should monitor for short-term corrections due to overbought conditions but can remain optimistic about the long-term outlook given the strong upward trend and healthy trading volumes.

DLF Ltd shows strong bullish momentum with its short-term 5-day Simple Moving Average (SMA) at 835.97 and Exponential Moving Average (EMA) at 842.35. The 50-day SMA at 863.97 and EMA at 846.82 indicate sustained growth. Long-term averages (200-day SMA at 728.53 and EMA at 745.29) further support the upward trend, suggesting continued positive performance.

DLF Ltd exhibits stable momentum with a daily Relative Strength Index (RSI) of 53.91 and a weekly RSI of 57.00, indicating neither overbought nor oversold conditions. This suggests balanced investor sentiment and potential for steady performance. The stock's current RSI levels point to a neutral outlook, providing room for potential upward movement.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	835.97	842.35
10	824.80	834.70
20	833.22	836.80
50	863.97	846.82
100	853.47	823.83
200	728.53	745.29

Pivot Levels : FIBONACCI		
R1 854.61	Pivot 847.45	S1 840.29
R2 859.04		S2 835.86
R3 866.20		S3 828.70

	Daily	Weekly
Relative Strength Index (RSI)	53.91	57.00

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