



Sunteck Realty Limited (SUNT.NS)

Company Research
19 February 2024 00:39 HK

India | Real Estate

BUY

Ready to accelerate, valuation attractive

Sunteck is adding multiple growth levers to its portfolio, with new project launches lined up across diverse micro-markets in the MMR region (all of which should significantly accelerate pre-Sales growth in the coming Qs). We argue that with a strong balance sheet position on the back of declining net debt levels and BKC sales starting to show traction the stock should re-rate from current levels. At 6.3x EV/EBITDA (implied) and 9x P/E (implied), the stock is attractively valued relative to other MMR developers. We make changes to our estimates and reiterate BUY.

- **Pre-Sales to accelerate from FY25e onwards:** Pre-Sales to accelerate over the next few years with the launch of new projects at Nepean Sea Road and Bandstand should contribute Rs3-4bn to pre-Sales from FY25e onwards. Further, Borivali and Sion should start contributing to sales from FY26e, cumulatively taking SRL closer to doubling its pre-Sales from Rs17bn to Rs34bn over the next 3 years.
- **BKC inventory starting to see sales pick-up:** Sunteck's pre-sales growth has lagged its MMR peers in the post Covid residential boom. This was primarily due to the slow inventory offtake in its luxury BKC projects, where Pre-Sales have been flat in the last 4 FYs. Excluding BKC sales, pre-Sales grew at 20% CAGR for Sunteck. However, there is now a significant price gap vs other luxury micro-markets in MMR and the location offers several advantages with new infra developments., which should drive further sales.
- **Balance Sheet position improved organically, annuity income from commercial to increase significantly:** Sunteck has consistently de-levered its balance sheet over the last few quarters organically, with Net-Debt declining 90% from Rs4.9bn. in Q1'23 to ~Rs0.5bn as of Q3'24 on the back of strong operating cash flows. Net debt to equity is now at a mere 0.02x, With the commercial projects being fully paid for, no incremental debt would be required to finance their completion. Further, rental income from commercial properties is expected to improve 8-9x from Rs350mn currently to Rs3bn in the next 3 yrs.
- **Risk reward favourable, reiterate BUY:** Sunteck currently trades at 6.3x EV/EBITDA and 9x P/E, which is a discount to other MMR based developers. We make changes to our estimates. and reiterate a BUY on Sunteck.

Price: INR461

Target: INR640 (prev: INR560)

Forecast Total Return: 39.2%

Market Cap: INR68bn

EV: INR65bn

Average daily volume: 767k

Real Estate

Sri Karthik Velamakanni

+91 (22) 6849 7419

sri.karthik@investec.co.in

Investec Capital Services (India) Pvt. Ltd

Neel Mehta

+91 (22) 6849 7467

neel.mehta@investec.co.in

Investec Capital Services (India) Pvt. Ltd

Akshay Gupta

+91 22 6849 7581

akshay.gupta@investec.co.in

Investec Capital Services (India) Pvt. Ltd

Financials and valuation

	Year end: 31 March				
	2022A	2023E	2024E	2025E	2026E
Revenue (INRm)	5,131	3,624	2,000	12,801	14,338
EBITDA (INRm)	952	642	-871	3,764	3,966
EBITA (INRm)	879	549	-898	3,611	3,795
PBT (normalised) (INRm)	324	45	-1,157	3,314	3,459
Net Income (normalised) (INRm)	250	14	-363	2,585	2,698
EPS (norm. cont.) - FD (INR)	1.8	0.1	(2.6)	18.4	19.2
FCFPS - FD (INR)	(2.2)	18.7	(78.4)	38.9	-
DPS (INR)	1.5	0.0	2.0	2.0	2.0
PE (normalised) (x)	258.7	4,596.9	(178.1)	25.0	24.0
EV/sales (x)	12.5	17.8	39.0	5.6	4.9
EV/EBITDA (x)	67.4	100.5	(89.5)	19.0	17.7
FCF yield (%)	(0.5)	4.0	(17.0)	8.4	-
Dividend yield (%)	0.3	0.0	0.1	0.1	0.1

Source: Company accounts, Investec Equities estimates

Price Performance



Source: FactSet

Summary of estimate changes

The earnings estimates of Sunteck like all other real estate companies is dependent on the timing of OC approvals for each project. We were expecting OC approvals for two key projects - Naigoan and ODC - in FY24 but these are now pushed to FY25e because of which the revenue recognition has moved to FY25e. This has led to materially changes to our FY24e estimates while pushing revenue recognition for FY25e. This is only a change to accounting of the cashflows and not a delay to the cashflows in itself.

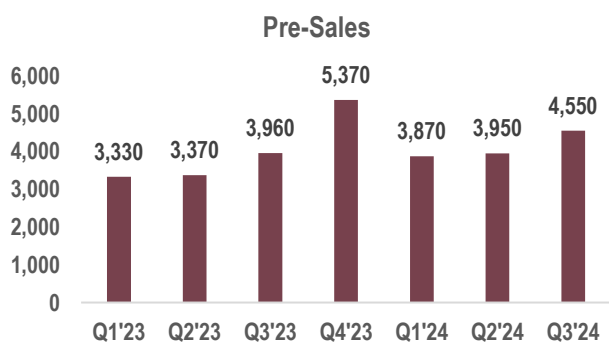
Figure 1: Summary of estimate changes

Summary of estimate changes	Old		New		Old	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Pre Sales (Rs.mn)	13,084	NA	18,595	23,987	42%	NA
Revenue	12,616	NA	2,319	13,147	-82%	NA
PAT	3,088	NA	-363	2,585	-112%	NA

Source: Investec Equities estimates

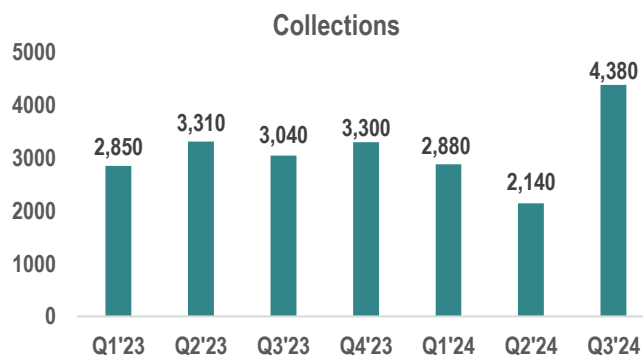
After remaining stagnant for the last few Qs, pre-Sales and Collections saw an uptick in Q3

Figure 2: Quarterly pre-Sales (Rs Mn)



Source: Company, Investec Equities estimates

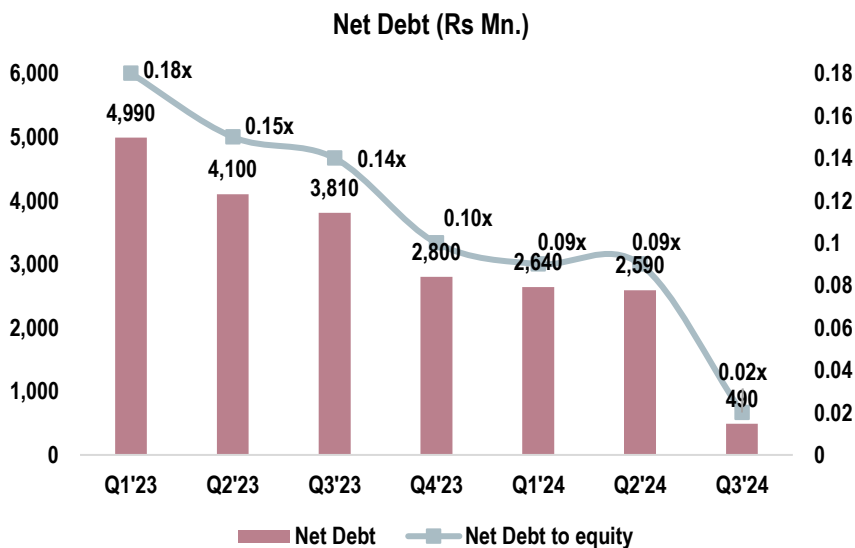
Figure 3: Quarterly Collections trends (Rs Mn)



Source: Company, Investec Equities estimates

Balance Sheet has been significantly de-levered

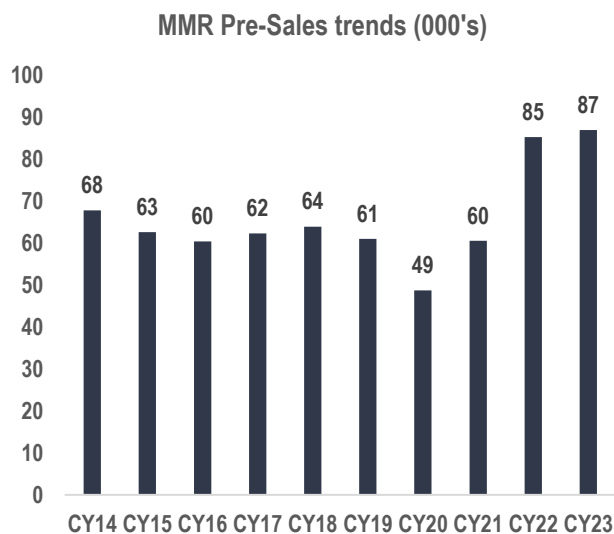
Figure 4: Net debt levels have steadily declined over the last few quarters



Source: Company, Investec Equities estimates

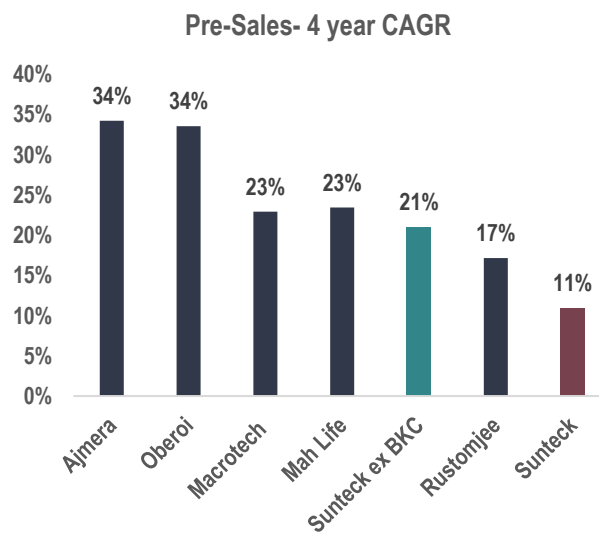
MMR Sales have been on a strong trajectory post Covid, but Sunteck's growth lagged MMR peers

Figure 5: MMR pre-Sales have consistently increased post Covid lows



Source: Knight Frank, Investec Equities estimates

Figure 6: However, Sunteck has lagged MMR peers in the last 4 years



Source: Company, Investec Equities estimates

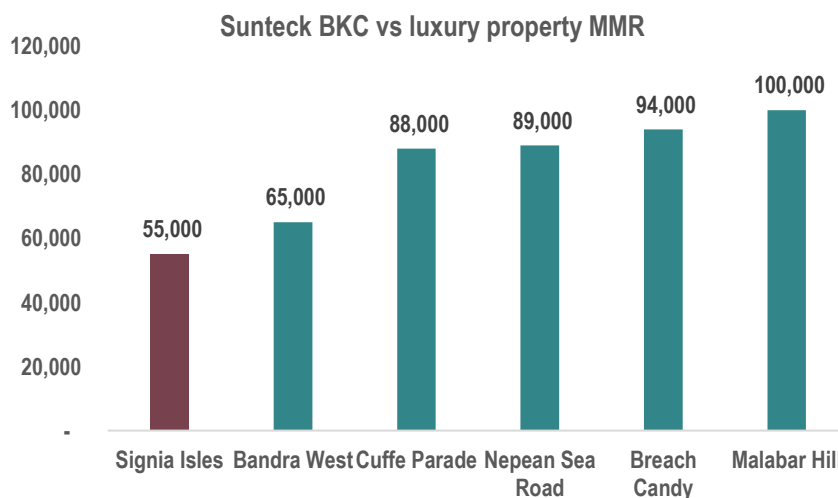
While Sunteck's BKC properties had hitherto been a drag on headline growth, there are two major factors working in its favour that could lead to a revival in pre-Sales growth.

Rates per sf are lower than other residential luxury micro-markets in MMR due to rapid price increases in these micro-markets.

In the last year, several destinations have developed around the BKC micro-market- such as the Jio Convention Centre, Jio World Plaza (luxury shopping centre) etc., which makes the location attractive for homebuyers in this category.

This is primarily because the BKC project was a drag on headline growth, but that is set to change...

Figure 7: Signia Isles/Signature's rates/sf are the lowest vs other luxury micro-markets



Source: 99 Acres, Investec Equities estimates

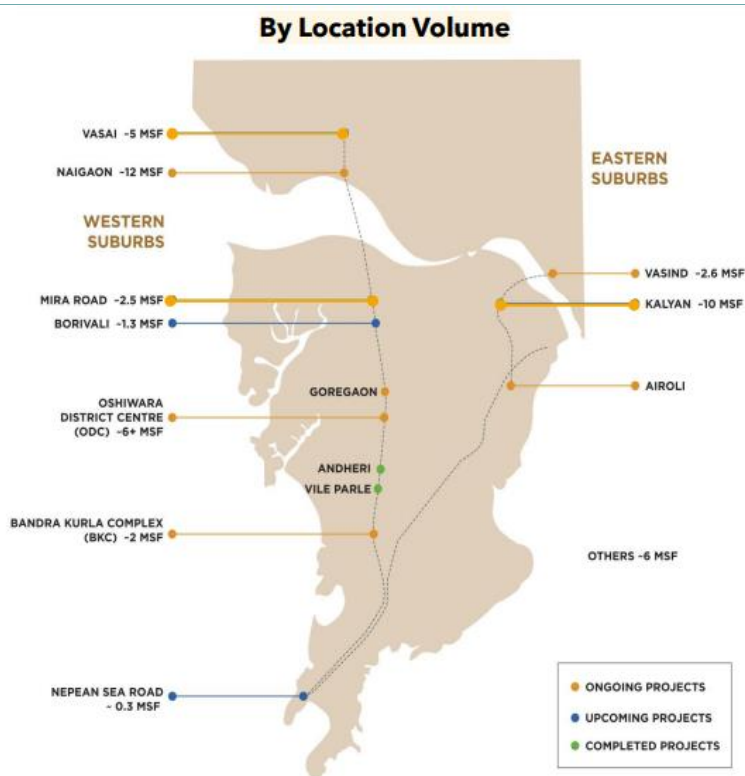
An attractive project pipeline should enable Sunteck to double GDV in the next 3 years

GDV should double from Rs. 300bn to Rs600bn in the next 3-4 years

This GDV accretion would be led by additional phases in existing projects as well as new launches.

Nepean Sea Road and Bandra Bandstand projects should be launched in FY25e, while Borivali and Sion projects are expected to contribute to sales from FY26e onwards

Figure 8: Status of projects in MMR



Source: Investec Equities estimates

Collections have lagged pre-Sales for most developers, but have been relatively healthy for Sunteck over a 4-6 year period

Figure 9: Collections have lagged Pre-Sales for most developers over multiple time periods

Collections (Rs Mn)	FY24e YoY	2 yr CAGR	4 yr CAGR	6 yr CAGR	Pre Sales (Rs Mn)	FY24e YoY	2 yr CAGR	4 yr CAGR	6 yr CAGR
Kolte Patil	5%	13%	10%	10%	Kolte Patil	39%	34%	24%	17%
Mah Life	20%	10%	11%	15%	Mah Life	5%	36%	23%	21%
Sunteck	12%	15%	18%	18%	Sunteck	15%	19%	11%	21%
Rustomjee	13%	2%	13%	17%	Rustomjee	-15%	-15%	17%	18%
Ajmera	-4%	14%	8%	8%	Ajmera	32%	60%	34%	24%
Man Infra	-23%	13%	19%	28%	Man Infra	-21%	-19%	6%	6%

Collections (Rs Mn)	FY24e YoY	2 yr CAGR	4 yr CAGR	6 yr CAGR	Pre Sales (Rs Mn)	FY24e YoY	2 yr CAGR	4 yr CAGR	6 yr CAGR
Godrej (Total)	30%	30%	34%	19%	Godrej (Total)	55%	55%	34%	28%
Macrotech	8%	16%	9%	5%	Macrotech	25%	29%	23%	11%
DLF	59%	39%	37%	22%	DLF	20%	57%	51%	61%
Prestige	22%	27%	27%	19%	Prestige	34%	35%	50%	40%
Obero	47%	16%	18%	22%	Obero	24%	1%	34%	21%

Source: Company Data, Investec Equities estimates

At 6.3x EV/EBITDA and 9x P/E Sunteck looks attractive on a relative valuation basis...

vs large listed developers

Figure 10: Relative Valuation comps for Large listed developers and Sunteck

FY25e (Rs. Bn)	Sunteck	Macrotech	Godrej Prop	DLF	Prestige	Oberoi
Sales (Annual)	21	180	168	180	190	48
Margins	35%	32%	20%	42%	29%	52%
EBITDA	7	58	34	76	55	25
PAT (estimated)	5	43	25	57	41	19
PAT Margins	23%	24%	15%	32%	22%	39%
EV/Sales (X)	2.2	5.3	3.6	7.9	1.8	7.8
EV/EBITDA (X)	6.3	16.5	18.2	18.8	6.3	15.0
P/E	9.0	20.4	21.7	25.0	7.8	18.5

Source: Company Guidance, Company Data, Investec Equities estimates

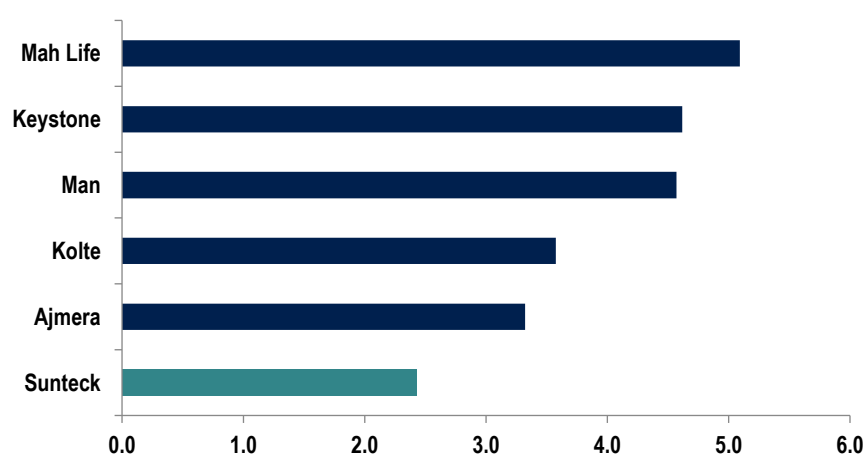
...as well as against mid-sized MMR focussed developers

Figure 11: Relative Valuation comps for mid-sized developers

FY25e (Rs. Bn)	Sunteck	Mah Life	Keystone	Ajmera	Kolte	Man
Sales (Annual)	21	27	23	13	36	18
Margins	35%	18%	25%	26%	18%	32%
EBITDA	7	5	6	3	7	6
PAT (estimated)	5	4	4	3	5	4
PAT Margins	23%	14%	19%	20%	14%	24%
EV/Sales (X)	2.2	2.8	3.4	2.2	1.0	2.4
EV/EBITDA (X)	6.3	15.4	13.6	8.3	5.8	7.4
P/E	9.0	20.6	17.6	8.0	7.5	11.0

Source: Company Guidance, Company Data, Investec Equities estimates

Figure 12: Trailing P/B multiple



Source: Investec Equities estimates

Major completed and ongoing developments

Signature & Signia Isles

- Sunteck's premier luxury project in the heart of BKC
- While inventory offtake has been slow here post Covid, sales witnessed a revival in Q3.
- With rates per sf much lower than other luxury micro-markets, the property is attractive to HNIs/UHNIs looking to acquire luxury properties.
- Further, developments around the property, such as the Jio World Plaza and Jio Convention Centre have improved residential demand in the area.
- The projects have a remaining GDV of Rs. 14.25 Bn.
- **Cumulative NAV of BKC projects → Rs. 91 per share**

Sunteck City

- The project is situated in the Oshiwara District Centre (ODC)
- The company has already handed over the units in Sunteck City Avenue 1 and Sunteck City Avenue 2 with limited inventory remaining. A new phase has been launched at Sunteck City 4th Avenue, which comprises of two towers.
- A majority of the inventory in this project has been sold, and we estimate there to be 0.1 msf of unsold inventory in this project
- **Cumulative NAV of Sunteck City projects → Rs. 40 per share**

Sunteck World

- Sunteck World at Naigaon continues to experience robust demand and remains a significant part of Sunteck's portfolio in Suburban MMR.
- We expect unsold inventory to be in the range of 20-30% in the One World and Maxx World projects
- **Cumulative NAV of Sunteck World projects → Rs. 38 per share**

Sunteck Crescent Park

- This project is situated in Kalyan and has a GDV of Rs. 89.3 Bn
- **NAV from the project → Rs. 6 per share**

Sunteck Sky Park

- The project is situated in Mira Road and has a GDV of Rs. 20.25 Bn
- **NAV from the project → Rs. 17 per share**

Sunteck Beach Residences

- The project is situated in Vasai (W) and has a GDV of Rs. 39.5 Bn
- **NAV from the project → Rs. 19 per share**

Upcoming Developments

Borivali

- In FY2021, Sunteck Realty acquired a new residential project under its asset light strategy with minimal upfront capital commitment in a strategic location with of Vasai with untapped demand.
- The project consists of 1.0 msf of saleable area of residential development.
- Sunteck's revenue share: ~74% (assumed)
- Sunteck's expected Sales: ~Rs17bn (net of JDA partner's share).
- Expected targeted to completion by FY2027-2028.
- **NAV from the project → Rs. 29 per share.**

Nepean Sea Road

- The project will have a GDV of Rs. 25 Bn and will be launched in FY25e.
- **NAV from the project → Rs. 44 per share.**

Bandra

- We estimate the project to have a GDV of close to Rs.6bn.
- This will be launched in FY25e.
- **NAV from the project → Rs. 7 per share.**

Sion

- 5 Acres of land acquired in 2007 under JV cum JDA model for ~Rs. 40 crores in Sion Central Mumbai.
- JV partner includes Ajay Piramal Group.
- Sunteck's share of JV: 50%.
- Sunteck's total expected Sales from this project: ~Rs. 4.8 Bn.(net of JV Partner's share).
- Ongoing discussions with Partners for way forward; Project targeted to commence by FY 2025e.

Figure 13: Computation of NAV for Sunteck

Project	Gross AV	Probability (discount factor)	Net AV
Completed	138	75%	103
BKC Projects	122	75%	91
Others	16	75%	12
Ongoing projects	175	60%	105
ODC	51	60%	31
Naigaon	53	60%	32
Others	71	60%	43
Upcoming projects	959	41%	391
Commercial	74	60%	45
Gross AV per share	1,272	49%	644
(-) Net Debt			3
NAV			640
No of shares (Mn.)	141		

Source: Investec Equities estimates

Project wise NAV Summary

Figure 14: Project Wise Net Asset Value

Project	Location	Unsold %	Estimated pricing (Rs / sqft)	Total Inventory Value (Mn.)	Probability (Discount factor)	Adjusted NAV (Mn.)	Reported NAV per share	Adjusted NAV per share
Completed								
Signature Island	BKC	25%	55,000	9,904	0.75	7,428	70	53
Signia Isles	BKC	10%	50,000	2,094	0.75	1,571	15	11
Signia Pearl	BKC	21%	50,000	5,147	0.75	3,860	37	27
Sunteck City, 1st Av.	Goregaon(W)	6%	18,000	1,667	0.75	1,250	12	9
Sunteck City, 2nd Av.	Goregaon(W)	2%	18,000	253	0.75	190	2	1
Sunteck West World	Naigaon	2%	6,500	335	0.75	251	2	2
Sub-Total		9%		19,400			138	103
Ongoing								
Sunteck City, 4th Av.	Goregaon(W)	3%	18,000	7,205	0.7	5,044	51	31
Sunteck One World	Naigaon	28%	6,500	3,703	0.7	2,592	26	16
Sunteck MaxxWorld	Naigaon	17%	6,500	3,723	0.7	2,606	26	16
Sunteck Crescent Park	Kalyan	81%	7,000	1,414	0.7	990	10	6
Sunteck SkyPark	Mira Road	33%	12,000	4,044	0.7	2,831	29	17
Sunteck Beach Residency	Vasai West	54%	8,500	4,554	0.7	3,188	32	19
Sub-Total		29%		24,643			175	105
Upcoming								
Sunteck MaxxWorld - Phase II	Naigaon	0%	7,000	1,562	0.4	625	11	4
Nepeansea Road	Mumbai	0%	100,000	15,500	0.4	6,200	110	44
Sunteck Beach Residency	Vasai West	0%	9,000	11,460	0.4	4,584	81	33
Sunteck Crescent Park Phase 2	Kalyan	0%	8,000	34,198	0.4	13,679	243	97
Sunteck Sky Park Phase 2	Mira Road	0%	13,000	7,092	0.4	2,837	50	20
Sunteck City- Balance	ODC, Goregaon (W)	0%	20,000	40,125	0.4	16,050	285	114
Sunteck World - Balance -	Naigaon	0%	7,000	15,009	0.4	6,004	106	43
Borivali	Borivali West	0%	24,000	10,300	0.4	4,120	73	29
Bandra Bandstand	Bandra (W)	0%	NA	2,500	0.4	1,000	18	7
Sub-Total				135,246		-	959	391
Grand Total-Residential				179,289		-		599
Commercial Assets				10,500	0.6	6,300	75	45

Source: Investec Equities estimates

Summary Financials	(INRm)			Year end: 31 March	
	2022	2023E	2024E	2025E	2026E
Income Statement					
Revenue	5,131	3,624	2,000	12,801	14,338
EBITDA	952	642	-871	3,764	3,966
Depreciation and amortisation	73	92	27	153	171
Operating profit	952	642	-871	3,764	3,966
Other income	221	354	389	416	448
Net interest	-776	-859	-648	-712	-784
Share-based-payments	0	0	0	0	0
PBT (normalised)	324	45	-1,157	3,314	3,459
Impairment of acquired intangibles	-	-	-	-	-
Non-recurring items/exceptionals	-	-	-	-	-
PBT (reported)	324	45	-1,157	3,314	3,459
Taxation	-75	-31	793	-729	-761
Minorities & preference dividends	0	0	0	0	0
Discontinued/assets held for sale	0	0	0	0	0
Net Income (normalised)	250	14	-363	2,585	2,698
Attributable profit	250	14	-363	2,585	2,698
EPS (reported)	-	-	-	-	-
EPS (norm., cont.) – FD (INR)	1.8	0.1	(2.6)	18.4	19.2
EPS (norm., cont., IAS19R adj.) – FD	1.8	0.1	(2.6)	18.4	19.2
DPS (INR)	1.5	0.0	2.0	2.0	2.0
Average number of group shares - FD (m)	140	140	140	140	140
Average number of group shares (m)	140	140	140	140	140
Total number of shares in issue (m)	140	140	140	140	140
Cash Flow					
Operating profit	952	642	-871	3,764	3,966
Depreciation & amortisation	-73	-92	-27	-153	-171
Other cash and non-cash movements	980	667	-504	3,121	3,252
Change in working capital	-1,138	2,022	-11,296	3,074	1,767
Operating cash flow	50	2,955	-11,481	6,541	2,323
Interest	-208	-267	-319	-346	-378
Tax paid	-152	-68	793	-729	-761
Dividends from associates and JVs	0	0	0	0	0
Cash flow from operations	-310	2,620	-11,006	5,466	1,185
Maintenance capex	0	0	0	0	0
Free cash flow	-310	2,620	-11,006	5,466	1,185
Expansionary capex	-183	-181	-1,193	1,447	210
Exceptionals and discontinued operations	-	-	-	-	-
Other financials	952	-2,033	-1,002	14	-181
Acquisitions	-	-	-	-	-
Disposals	-	-	-	-	-
Net share issues	13	7	0	0	0
Dividends paid	-142	-211	-281	-281	-281
Change in net cash	331	202	-13,483	6,646	933
Net cash/(debt)	585	282	-13,200	-6,554	-5,355
FCFPS - FD (INR)	(2.2)	18.7	(78.4)	38.9	-
Balance Sheet					
Property plant and equipment	1,298	1,503	310	1,757	1,967
Intangible assets	-	-	-	-	-
Investments and other non current assets	2,329	0	0	0	0
Cash and equivalents	968	1,582	1,661	1,744	1,832
Other current assets	7,268	10,753	7,222	7,538	7,870
Total assets	54,989	72,586	75,145	91,315	104,403
Total debt	7,869	6,853	7,539	8,293	9,122
Preference shares	0	0	0	0	0
Other long term liabilities	17,234	36,168	39,722	49,618	58,999
Provisions & other current liabilities	1,981	1,686	650	3,867	4,327
Pension deficit and other adjustments	0	0	0	0	0
Total liabilities	27,085	44,708	47,911	61,777	72,447
Net assets	82,073	117,294	123,055	153,092	176,850
Shareholder's equity	27,904	27,879	27,234	29,538	31,956
Minority interests	0	0	0	0	0
Total equity	27,904	27,879	27,234	29,538	31,956
Net working capital	-	-	-	-	-
NAV per share (INR)	198.7	198.5	193.9	210.3	227.5

Source: Company accounts, Investec Equities estimates

Calendarised Valuation

Year end: 31 March

	2022	2023E	2024E	2025E
Calendar PE (x)	895.3	(240.1)	34.9	24.2
Calendar Price/NAVPS (x)	2.3	2.4	2.2	2.1
EV/sales (x)	16.1	31.1	7.2	5.0
EV/EBITDA (x)	89.7	(150.1)	27.9	18.0
FCF yield (%)	2.9	(11.8)	2.1	-
Dividend yield (%)	0.1	0.3	0.4	0.4

Source: Company accounts, Investec Equities estimates

Ratios and Metrics

Year end: 31 March

Ratios and metrics	2022	2023E	2024E	2025E	2026E
Revenue growth (y-on-y) (%)	(16.5)	(29.4)	(44.8)	540.2	12.0
EBITDA growth (y-on-y) (%)	(30.6)	(32.6)			5.4
Net income (normalised) growth (yoy)	(30.6)	(94.4)			4.4
EPS (normalised) growth (y-on-y) (%)	(40.2)	(94.4)			4.4
FCFPS growth (y-on-y) (%)					-
NAVPS growth (y-on-y) (%)	0.6	(0.1)	(2.3)	8.5	8.2
DPS growth (y-on-y) (%)	0.0			0.0	0.0
Interest cover (x)	1.1	0.6	(1.4)	5.1	4.8
Net debt/EBITDA (x)	(0.6)	(0.4)	(15.2)	1.7	1.4
Net debt/equity (%)	(2.1)	(1.0)	48.5	22.2	16.8
Net gearing (%)	(2.1)	(1.0)	32.6	18.2	14.4
Dividend cover (x)	1.2	n.m.	(1.3)	9.2	9.6
EBITDA margin (%)	18.6	17.7	(43.6)	29.4	27.7
EBITA margin (%)	17.1	15.2	(44.9)	28.2	26.5
ROE (%)	0.9	0.1	(1.3)	8.8	8.4
ROCE (%)	-	-	-	-	-
NWC/revenue (%)	-	-	-	-	-
Tax rate (normalised) (%)	23.0	68.6	68.6	22.0	22.0
Tax rate (reported) (%)	23.0	68.6	68.6	22.0	22.0

Source: Company accounts, Investec Equities estimates

Target Price Basis

Sum of the Parts valuation

Key Risks

Sluggish macro, Weak launches, Slow sales momentum

Disclosures

Third party research disclosures

This report has been produced by a non-member affiliate of Investec Securities (US) LLC and is being distributed as third-party research by Investec Securities (US) LLC in the United States. In the United States, this report is not intended for use by or distribution to entities that do not meet the definition of a Major US Institutional Investor, as defined under SEC Rule 15a-6, or an Institutional Investor, as defined under FINRA rule 4512 (c), or for use by or distribution to any individuals who are citizens or residents of the United States.

Investec Securities (US) LLC accepts responsibility for the issuance of this report when distributed in the United States to entities who meet the definition of a US Major Institutional Investor or an Institutional Investor.

Investec Europe Limited distribute this report to European Economic Area clients as third party research under relevant regulations.

Analyst certification

Each research analyst responsible for the content of this research report, in whole or in part, and who is named herein, attests that the views expressed in this research report accurately reflect his or her personal views about the subject securities or issuers. Furthermore, no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in this research report.

SEC Regulation Best Interest

If you are a United States "retail investor," as defined by the Securities and Exchange Commission ("SEC") Regulation Best Interest, please click [here](#) to download SEC Form CRS for important information before you invest.

Managing conflicts

Investec has investment banking relationships with a number of companies covered by our Research department. In addition we may seek an investment banking relationship with companies referred to in this research. As a result investors should be aware that the firm may have a conflict of interest which could be considered to have the potential to affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Research recommendations framework

Investec Equities bases its investment ratings on a stock's expected total return (ETR) over the next 12 months (with total return defined as the expected percentage change in price plus the projected dividend yield). Our rating bands take account of differences in costs of capital, risk premia and required rates of return in the various markets that we cover. Our rating systems for issuers are based on the frameworks set out in the tables below.

Stock ratings for European/Hong Kong stocks

	Expected total return		All stocks		Corporate stocks	
	12m performance	Count	% of total	Count	% of total	
Buy	greater than 10%	272	76%	112	41%	
Hold	0% to 10%	69	19%	0	0%	
Sell	less than 0%	16	4%	0	0%	

Source: Investec Equities estimates

Stock ratings for Indian stocks

	Expected total return		All stocks		Corporate stocks	
	12m performance	Count	% of total	Count	% of total	
Buy	greater than 15%	129	52%	0	0%	
Hold	5% to 15%	77	31%	0	0%	
Sell	less than 5%	41	17%	0	0%	

Source: Investec Equities estimates

Stock ratings for African* stocks

	Expected total return		All stocks		Corporate stocks	
	12m performance	Count	% of total	Count	% of total	
Buy	greater than 15%	36	46%	12	33%	
Hold	5% to 15%	20	26%	2	10%	
Sell	less than 5%	22	28%	7	32%	

Source: Investec Equities estimates

*For African countries excluding South Africa, ratings are based on the 12m implied US dollar expected total return (ETR). This is derived from the expected local currency (LCY) ETR by making assumptions on the 12month forward exchange rates for the respective currencies. For South African stocks, ratings are based on the ETR in rand terms.

For European and Hong Kong stocks, within the Hold banding, an Add rating may be (optionally) applied if the analyst is positive on the stock and the ETR is greater than 5%; a Reduce rating may be (optionally) applied if the analyst is negative on the stock and the ETR is less than 5%.

Not rated (N/R) is applied to any stock where we have no formal rating and price target. Under Review (U/R) can be applied to an analyst's rating, price target and/or forecasts for a limited time period and indicates that new information is available that has not yet been fully digested by the analyst. We regularly review ratings across our coverage universe as we seek to ensure price targets and ratings remain aligned. However, during periods of market, sector or stock volatility, we may allow minor deviations from our recommendation framework to persist on a temporary basis to avoid a high frequency of rating changes arising from rapid share price movements.

The subject company may have been given access to a pre-published version of this report (with recommendation and price target redacted) to verify factual information only.

Investec Equities research contains target prices and recommendations which are prepared on a 12 month time horizon, and therefore may not reflect the different circumstances, objectives and investment time horizons of those who receive it. Investors should therefore independently evaluate whether the investment(s) discussed is (are) appropriate for their specific needs. In addition, the analysts named in this report may from time to time discuss with our clients, including Investec salespersons and traders, or may discuss in this report, trading strategies that reference near term catalysts or events which they believe may have an impact in the shorter term on the market price of securities discussed in this report. These trading strategies may be directionally counter to the analyst's published target price and recommendation for such issuers.

For price target bases, risks to the achievement of our price targets and for full disclosures, including any company mentioned herein, please visit: <http://researchpdf.investec.co.uk/Documents/WDisc.pdf>

Investec may act as a liquidity provider or as a systematic internaliser in the securities of the subject company/companies included in this report.

Our policy on managing actual or potential conflicts of interest in the United Kingdom can be found at:

<https://www.investec.co.uk/legal/uk/conflicts-of-interest.html>

Our policy on managing actual or potential conflicts of interest in South Africa can be found at:

<http://www.investec.co.za/legal/sa/conflicts-of-interest.html>

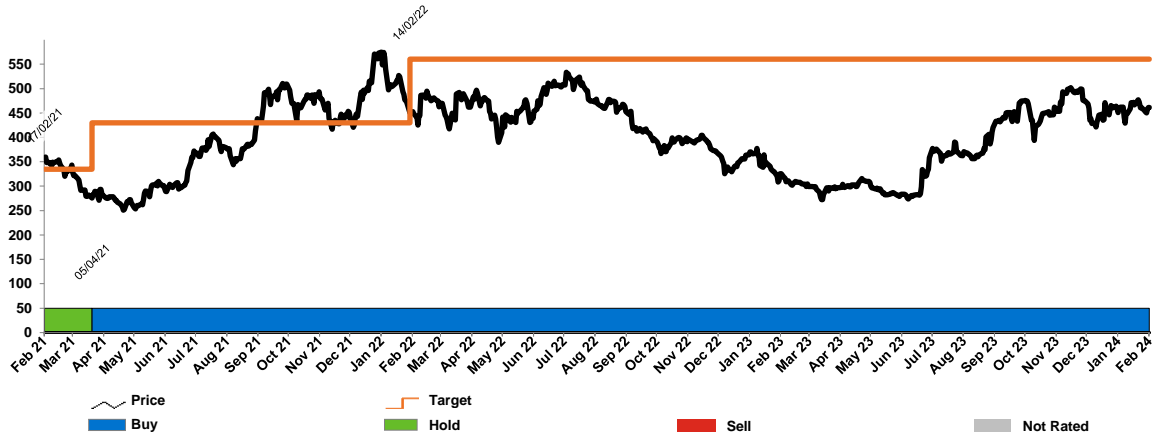
Company disclosures

Sunteck Realty Limited

Key: ● Investec has received compensation from the company for investment banking and/or brokerage services within the past 12 months, ◆ Investec expects to receive or intends to seek compensation from the company for investment banking services, <> Investec has been involved in managing or co-managing a publicly disclosed offer of the company's securities in the past 12 months, ● Investec makes a market in the securities of the company, ⊙ Investec holds more than 1% of common equity securities in the company, ■ Investec is broker and/or advisor and/or sponsor to the company, ▣ The company holds more than 5% of common equity securities in Investec, ◆ The analyst (or connected persons) has a holding in the subject company, ⊙ Investec holds a net long position in excess of 0.5% of the total issued share capital of the company, ⊠ Investec holds a net short position in excess of 0.5% of the total issued share capital of the company, ⊙ The sales person has a holding in the company. ◆ Investec holds more than 1% of the debt instruments of the company.

Recommendation history (for the last 3 years to previous day's close)

Sunteck Realty Limited (SUNT.NS) – Rating Plotter as at 18 Feb 2024



Source: Investec Equities, FactSet

Important Disclaimer – please read

Investec Equities:

In the United Kingdom refers to Investec Equities a division of Investec Bank plc.

Investec Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is a member of the London Stock Exchange.

Registered in England No. 489604

Registered Office Address:

30 Gresham Street London EC2V 7QP

In the EEA refers to Investec Europe Limited trading as Investec Europe and is regulated by the Central Bank of Ireland. Registration No. 222173.

Registered Office Address:

The Harcourt Building, Harcourt Street, Dublin 2, Ireland

In South Africa refers to:

Investec Bank Limited an authorised financial services provider and a member of the JSE.

Registered in South Africa No. 1969/004763/06

Investec Markets (Pty) Limited an authorised financial services provider and a member of the JSE.

Registered in South Africa No. 2018/243092/07

Registered Office Address:

100 Grayston Drive

Sandown, Sandton

2196, South Africa

In India refers to Investec Capital Services (India) Private Limited, engaged in businesses of equities, corporate finance and private credit and which is registered with the Securities and Exchange Board of India, the Capital Market regulator in India as a (i) Research Analyst with registration number INH000000263; (ii) Category-I Merchant Banker with registration number INM000011971; and (iii) Stock Broker with registration number INZ000007138.

Registered Office Address:

Investec Capital Services (India) Private Limited

Parinee Crescenzo, C 38 & 39, "G" Block,

11th flr , B Wing , Unit No 1103 & 1104

Bandra Kurla Complex, Mumbai - 400 051, India

In Singapore refers to Investec Singapore Pte. Ltd. an exempt financial adviser which is regulated by the Monetary Authority of Singapore as a capital markets services licence holder.

Registered Office Address:

71, Robinson Road

#14-113

Singapore 068895

In the United States refers to Investec Securities (US) LLC.

Registered Office Address:

10 East 53rd Street, 22nd Floor

New York, NY 10022

Further details of Investec office locations, including postal addresses and telephone contact details:
https://www.investec.com/en_gb/welcome-to-investec/contact-us.html

Analyst(s)

Sri Karthik Velamakanni

+91 (22) 6849 7419

sri.karthik@investec.co.in

Neel Mehta

+91 (22) 6849 7467

neel.mehta@investec.co.in

For the purposes of this disclaimer, "Investec Equities" shall mean: (i) Investec Bank plc ("IBP"); (ii) Investec Bank Limited ("IBL"); (iii) Investec Markets (Pty) Limited ("IML"); (iv) Investec Capital Services (India) Private Limited; (v) Investec Singapore Pte. Ltd ("ISPL"); (vi) Investec Europe Limited; and (vii) Investec Securities (US) LLC and from time to time, in relation to any of the foregoing entities, the ultimate holding company of that entity, a subsidiary (or a subsidiary of a subsidiary) of that entity, a holding company of that entity or any other subsidiary of that holding company, and any affiliated entity of any such entities. "Investec Affiliates" shall mean any directors, officers, representatives, employees, advisers or agents of any part of Investec Equities. This research report has been issued solely for general information and should not be considered as an offer or solicitation of an offer to sell, buy or subscribe to any securities or any derivative instrument or any other rights pertaining thereto.

This research may have been issued to you by one entity within Investec Equities in the fulfilment of another Investec Equities entity's agreement to do so. In doing so, the entity providing the research is in no way acting as agent of the entity with whom you have any such agreement and in no way is standing as principal or a party to that arrangement. The information in this report has been compiled by Investec Equities from sources believed to be reliable, but neither Investec Equities nor any Investec Affiliates accept liability for any loss arising from the use hereof or makes any representations as to its accuracy and completeness. Any opinions, forecasts or estimates herein constitute a judgement as at the date of this report. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied is made regarding future performance. The information in this research report and the report itself is subject to change without notice.

This research report as well as any other related documents or information may be incomplete, condensed and/or may not contain all material information concerning the subject of the research and/or its group companies (including subsidiaries): its accuracy cannot be guaranteed. Investec Equities has no obligation to update, modify or amend this research report or to otherwise notify a recipient thereof if an opinion, forecast or estimate changes or becomes inaccurate. Coverage and the frequency of changes in market conditions and in both general and company-specific economic prospects make it difficult to update research at defined intervals. Updates are at the sole discretion of the analyst or the Head of Research and reports may be published at irregular intervals. Investec Equities (or its directors, officers or employees) may, to the extent permitted by law, own or have a position in the securities or financial instruments (including derivative instruments or any other rights pertaining thereto) of any company or related company referred to herein, and may add to or dispose of any such position or may make a market or act as a principal in any transaction in such securities or financial instruments. Directors of Investec Equities may also be directors of any of the companies mentioned in this report. Investec Equities may from time to time provide or solicit investment banking, underwriting or other financial services to, for or from any company referred to herein. Investec Equities (or its directors, officers or employees) may, to the extent permitted by law, act upon or use the information or opinions presented herein, or research or analysis on which they are based prior to the material being published. Investec Equities may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them. The value of any securities or financial instruments mentioned in this report can fall as well as rise. Foreign currency denominated securities and financial instruments are subject to fluctuations in exchange rates that may have a positive or adverse effect on the value, price or income of such securities or financial instruments. Certain transactions, including those involving futures, options and other derivative instruments, can give rise to substantial risk and are not suitable for all investors. This report does not contain advice. Specifically, it does not take into account the objectives, financial situation or needs of any particular person. Investors should not do anything or forebear to do anything on the basis of this report. Before entering into any arrangement or transaction, investors must consider whether it is appropriate to do so based on their personal objectives, financial situation and needs and seek financial advice where needed.

No representation or warranty, express or implied, is or will be made in relation to, and no responsibility or liability is or will be accepted by Investec Equities or any Investec Affiliates as to, or in relation to, the accuracy, reliability, or completeness of the contents of this research report and each entity within Investec Equities (for itself and on behalf of all Investec Affiliates) hereby expressly disclaims any and all responsibility or liability for the accuracy, reliability and completeness of such information or this research report generally. This report may contain hyperlinks to independent third-party websites. Investec and its affiliates (including Investec Securities (US) LLC) do not have any influence or control over the content of these third-party sites or any information contained therein. The content contained within these sites is maintained exclusively by independent third-parties.

The securities or financial instruments described herein may not have been registered under the US Securities Act of 1933, and may not be offered or sold in the United States of America or to US persons unless they have been registered under such Act, or except in compliance with an exemption from the registration requirements of such Act. US entities that are interested in trading securities listed in this report should contact a US registered broker dealer.

This report and the distribution of this report do not constitute an offer or an invitation to offer to the Hong Kong or Singaporean public to acquire, dispose of, subscribe for or underwrite any securities or related financial instruments. Neither this research report nor the information contained in it is intended to be an offer to any person, or to induce or attempt to induce any person to enter into or to offer to enter into any agreement for or with a view to acquiring, disposing of, subscribing for or underwriting securities. The distribution of this document in other jurisdictions may be prohibited by rules, regulations and/or laws of such jurisdiction. Any failure to comply with such restrictions may constitute a violation of United States securities laws or the laws of any such other jurisdiction.

For readers of this report in: **South Africa:** this report is produced by IBL an authorised financial services provider and a member of the JSE Limited. **Europe Economic Area:** this report is distributed by Investec Europe Limited, an investment firm authorised by the Central Bank of Ireland, this report may only be distributed to professional clients and eligible counterparties as defined in MiFID II and is not intended for retail clients. **United Kingdom:** this report is produced by IBP and was prepared by the analyst named in this report. IBP is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. This report may only be issued to professional clients, eligible counterparties and investment professionals, as described in S19 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 and is not intended for retail clients. **Hong Kong:** this report is distributed in Hong Kong by Templewater Hong Kong Limited, a Securities and Futures Commission licensed corporation (Central Entity Number AFT069) and is intended for distribution to professional investors (as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) only. This report is personal to the recipient and any unauthorised use, redistribution, retransmission or reprinting of this report (whether by digital, mechanical or other means) is strictly prohibited. **India:** this report is issued by Investec Capital Services (India) Private Limited which is registered with the Securities and Exchange Board of India. Investec Capital Services (India) Private Limited had received an administrative warning letter from SEBI in 2020 pursuant to inspection carried out by SEBI for the year 2018-2019. **Singapore:** This report is produced by IBP and issued and distributed in Singapore through Investec Singapore Pte. Ltd., an exempt financial adviser which is regulated by the Monetary Authority of Singapore as a capital markets services licence holder. This material is intended only for, and may be issued and distributed in Singapore only to accredited investors and institutional investors, as defined in Section 4A of the Securities and Futures Act, Cap. 289 ("SFA"). This material is not intended to be issued or distributed to any retail or other investors. ISPL may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Singapore recipients of this document should contact ISPL at the above address in respect of any matters arising from, or in connection with, this report. **Canada:** this report is issued by IBP, and may only be issued to persons in Canada who are able to be categorised as a "permitted client" under National Instrument 31-103 Registration Requirements and Exemptions or to any other person to whom this report may be lawfully directed. This report may not be relied upon by any person other than the intended recipient.

This publication is confidential for the information of the addressee only and may not be reproduced in whole or in part, copies circulated, or disclosed to another party, without the prior written consent of an entity within Investec Equities. Securities referred to in this research report may not be eligible for sale in those jurisdictions where an entity within Investec Equities is not authorised or permitted by local law to do so. In the event that you contact any representative of Investec Equities in connection with receipt of this research, including any analyst, you should be advised that this disclaimer applies to any conversation or correspondence that occurs as a result, which is also engaged in by Investec Equities and any relevant Investec Affiliate solely for the purposes of providing general information only. Any subsequent business you choose to transact shall be subject to the relevant terms thereof. We may monitor e-mail traffic data and the content of email. Calls may be monitored and recorded. Investec Equities does not allow the redistribution of this report to non-professional investors or persons outside the jurisdictions referred to above and Investec Equities cannot be held responsible in any way for third parties who effect such redistribution or recipients thereof. © 2024