Horizon Industrial Parks Limited

DEVEN CHOKSEY RESEARCH

Rating	Issue Opens on	Issue Closes on	Listing Date	Price Band	Issue Size (INR Mn)
Subscribe	August 17, 2026	August 19, 2026	August 24, 2026	57-60	26,000

Wired for the Future; India's Vehicle Nervous System

- Horizon Industrial Parks Limited is India's largest industrial and logistics park developer by Total Network, with 58.58 msf across 45 Grade A+ assets in 10 cities, including 28.55 msf operational parks at 93.56% committed occupancy and a 30.03 msf development pipeline. Its 6.91 msf in-city logistics portfolio is institutionally scaled and backed by a 45-year CWC concession. The INR 2,600 Cr IPO is entirely fresh issue, with INR 2,250 Cr earmarked for debt repayment, potentially driving PAT inflection by FY27. At 30.7–31.9x FY26 EV/EBITDA, valuation commands a premium to Indian REITs but remains below ESR Group.

Outlook – Horizon Industrial Parks' long-term positioning is anchored to four structural drivers that compound simultaneously over the next four to six years, making this a rare Indian infrastructure franchise where the addressable market grows faster, the asset base appreciates without additional capital, and the income statement repairs itself — all at the same time.

The first driver is **rental compounding** above the contractual escalator. Leases carry 4.5–5.0% annual escalations, but FY26 renewals achieved 15–16% mark-to-market spreads — three times the contractual rate. Select markets have moved from INR 18–19/sqft/month in 2021 to INR 50/sqft today. With WALE at 8.1 years, the portfolio earns below-market rents on legacy leases; every renewal cycle is a structural revenue upgrade event independent of volume growth.

The second driver is **development pipeline conversion**. HIPL holds 30.03 msf of development potential on in-hand land, generating zero current revenue. At INR 2,200/sqft construction cost and stabilised bulk rents of INR 31/sqft/month, full build-out adds ~INR 1,500–1,800 Cr of incremental annual revenue — doubling current operations from INR 691 Cr — without acquiring a single additional acre, because the land already sits on the balance sheet at sunk cost.

The third driver is **in-city centre** scaling. Three centres at 100% committed occupancy is the proof-of-concept. Fourteen more across seven metros — on CWC concession land competitors cannot access — deliver over the next two to three years. At INR 80–100/sqft/month rents and 79% EBITDA margins, the full 6.91 msf in-city network contributes INR 400–550 Cr of incremental EBITDA, nearly equalling the entire current consolidated EBITDA base from just 3% of today's operational network.

The key watchpoint remains leasing velocity on Near-Term Deliveries. If HIPL absorbs the 7.22 msf of upcoming stock at committed occupancy above 88% while holding bulk rentals above INR 30/sqft and in-city rents above INR 75/sqft, the earnings power of this franchise in FY28–29 will look fundamentally different from today — a delevered, PAT-profitable, multi-format real estate platform that is the only listed access point in India for an asset class growing at 25.3% CAGR through 2030.

Valuation – At 2.15x–2.38x P/NAV, Horizon trades at a noticeable premium to listed commercial REITs (which trade near 1.0x NAV due to mandatory 90% income distribution constraints), but at a significant discount to corporate real estate platforms like Phoenix Mills (6.3x P/B). This reflects market pricing for a corporate platform that reinvests cashflows into land acquisitions rather than distributing yields immediately.

Key Risks – (a) Losses & Leverage: Persistent net losses and high interest costs leave limited visibility on PAT breakeven, while rate hikes could further delay earnings inflection. (b) Debt-Funded Growth: 86.5% of IPO proceeds repay debt, but the INR 6,600 Cr development pipeline could rebuild leverage and expose returns to capex inflation and execution risk. (c) Concentration & Governance: High customer/geographic concentration increases revenue volatility, while related-party acquisitions and Blackstone's 75.4% stake create governance and minority-shareholder risks.

Offer Details

Particulars	IPO Details
No. of Shares under IPO (Mn)	433.4
Fresh issue # Shares (Mn)	433.4
OFS # Shares (Mn)	NIL
Price Band	57-60
Post Issue M.Cap (INR Mn)	16,5630 – 17,2980

Issue	# Shares	INR Mn	%
QIB	32,43,75,000	19,462	Not More than 75%
NIB	6,48,75,000	3,892	Not Less than 15%
Retail	4,32,50,000	2,595	Not Less than 10%

Category	Pre-Issue (%)	Post-Issue (%)
Promoters & Promoter Group	88.74	75.40
Public / Others	11.26	24.60

Lead Manager(s)
JM Financial
IIFL Capital Services
SBI Capital Markets
360 ONE WAM

Indicative Timetable	
Offer Closing Date	19th Aug 2026
Finalization of Basis of Allotment with Stock Exchange	20th Aug 2026
Initiation of Refunds	21st Aug 2026
Credit of Equity Shares to Demat accounts	21st Aug 2026
Commencement of Trading of Eq. shares	24th Aug 2026

Source: IPO Prospectus

Company Overview

Horizon Industrial Parks Limited (formerly JEM Cements Private Limited, incorporated September 22, 2009 in Bengaluru) is India's largest industrial and logistics infrastructure developer, owner and operator by Total Network, according to the JLL Report commissioned for the IPO. The company was built from scratch under Blackstone's stewardship starting 2020, scaling from approximately 10 msf to 61.13 msf (including the recently acquired Vision Softech stake) in just five to six years — a growth trajectory with no domestic precedent.

The company's corporate structure is a single-entity framework, meaning it captures the full value chain — land acquisition, development, leasing, and active asset management — within one listed entity, eliminating the management fee leakage and manager-owner conflicts inherent in a REIT structure. This is explicitly differentiated from Blackstone's earlier Indian vehicles (Embassy REIT, Nexus Select Trust) and is the first time this architecture has been used for an industrial platform in India.

Three Core Offerings

I. Fulfilment Centres (Warehouses) — 16.34 msf Operational, 57% of Network

Large-format bulk storage facilities of 50,000 to 500,000 sqft+, serving e-commerce, 3PL, FMCG and retail clients. Key specifications: ~12 metre clear heights, K160/K115 sprinkler systems, 5–8 tonne floor loads, 16-metre docking aprons and 12-metre turning radius. These are the revenue backbone of the company — reliable, long-tenure, Fortune-500-grade tenants. Committed occupancy: 91.58% as of May 2026.

II. Industrial Facilities — 11.42 msf Operational, 40% of Network

Assembly, light engineering, manufacturing, and associated storage facilities ranging from 50,000 to 800,000 sqft. Customers include Vestas (1.01 msf built-to-suit nacelle assembly in Oragadam), Schneider Electric (0.73 msf battery management manufacturing in Hosur), Lumax (first leased industrial campus in Pune), TD Connex (expanded from 83.94 ksf to 418.45 ksf at Oragadam), and Fosroc (chemical manufacturing campus in Hyderabad with 21.5-metre high rooms). Industrial rentals run approximately 10% above warehousing rentals and carry similar 4.5–5% annual escalation contracts. Committed occupancy: 95.94% as of May 2026 — the strongest occupancy segment.

At mature rental yields of INR 80–100/sqft/month (vs. INR 31/sqft/month for bulk warehouses), and with the in-city centres scaling from 0.79 msf to 6.91 msf over the next 2–3 years, this segment could contribute 20–25% of total revenue at maturity — a non-linear EBITDA inflection point.

III. In-City Centres — 0.79 msf Operational (3 centres), 6.91 msf Total Pipeline (17 centres)

The most strategically differentiated offering and the company's biggest embedded option. In-city centres are multi-use vertical facilities on 3–6-acre plots in dense urban locations, each within a 10–30-minute driving distance of more than 20 million end-consumers. Current use cases: last-mile delivery, micro-fulfilment, dark stores, cold storage, cloud kitchens, service centres, experience centres, large-format retail and SME industrial. All three operational in-city centres are at 100% committed occupancy.

The in-city network's strategic defensibility comes from a 45-year DBFOT (Design-Build-Finance-Operate-Transfer) concession agreement with Central Warehousing Corporation (CWC), which grants access to 13 strategically located government-owned sites in metropolitan cores — land that is functionally irreplaceable given urban densification trends and competing land uses. The CWC partnership is the only institutional pipeline of urban logistics land at scale in India, creating a structural barrier to entry that pure private developers cannot replicate.

Integrated Business Ecosystem

Beyond the three core offerings, HIPL has built revenue-diversifying services that enhance customer stickiness and monetize the rooftop and campus footprint:

Energy Solutions: 21.31 MW of operational rooftop solar; 17.20 MW being installed. Additional 18–24 months rollout underway. Clean energy reduces customer opex while generating incremental yield for HIPL at virtually zero incremental land cost.

Turnkey Solutions: Customer-specific build-to-suit capex and fit-out for clients with strong credit profiles and long-term commitments. Currently covering 8.32 msf of the operational network.

Cold Storage: In-house capability across ambient, chilled and frozen ranges. ~1 msf of cold storage planned over the next three years.

On-Site Staff Accommodation: 1 facility operational at Farukhnagar II (Delhi-NCR); 4 upcoming facilities across Chennai, Bangalore, Pune and Delhi-NCR with capacity for 2,000+ beds. Partnered with CII for skill development centres.

Hospitality: 115-key mid-scale hotel under development at Dobbaspet I, Bangalore — India's first on-campus hotel within an industrial park, monetizing unutilized FSI.

Development Lifecycle — Full Stack Capability

Unlike most Indian real estate developers who outsource significant portions of the development lifecycle, HIPL internalises all four functions: a 11-member acquisition team (end-to-end land identification, due diligence, negotiation), 120-member development team (planning, architectural/engineering design, procurement, execution monitoring), 30-member leasing team (hub-and-spoke model with dedicated leasing managers per location), and an asset management team that manages 24×7 operational continuity. Between FY2024 and May 2026, the team delivered 11.93 msf across 19 assets — approximately 2.4 msf per quarter.

Land Bank & Asset Ownership

Ownership Type	Acres	% of Land Bank	Comment
Freehold	1,691.08	**77.11%**	Strongest ownership; full flexibility
Long-Term Lease (Govt Authorities)	431.37	**19.67%**	KIADB, MIDC, TSIIC, GIDC — mitigates title risk
CWC Concession (45-yr DBFOT)	70.62	**3.22%**	13 in-city centre sites; unreplicable urban access
TOTAL	**2,193.07 acres**	**100%**	**Across 45 assets in 10 cities**

Portfolio Network Snapshot (May 31, 2026)

Metric	May 2026	Mar 2026	Mar 2025	Mar 2024
Operational Network (msf)	28.55	28.42	23.31	20.70
Near-Term Deliveries (msf)	7.22	6.98	6.46	4.68
Planned Projects (msf)	22.81	23.07	23.17	21.71
Total Network (msf)	58.58	58.47	52.94	47.09
Committed Occupancy (%)	93.56%	89.88%	93.94%	92.01%
Number of Assets	45	45	41	27
No. of Customers	118	114	95	79

Source: Deven Choksey Research

Key Competitive Moat

- **CWC concession:** Horizon's 45-year CWC concession across 13 urban sites provides access to 6.91 msf of high-value in-city logistics development that private players cannot economically replicate. Its operational centres maintain 100% committed occupancy, with mature rentals of INR 80–100/sqft/month versus INR 31/sqft/month for bulk warehouses, creating significant EBITDA upside as 14 additional centres are delivered.

- **Land bank:** Horizon's 2,193-acre land bank across 45 assets, largely acquired during 2020–25, provides a structural cost advantage in key logistics corridors. More than 240 acres of adjacent land acquired since FY21 adds 6+ msf of development potential. The 30.03 msf pipeline requires no further land acquisition, while comparable land today could cost 40–70% more.

- **Integrated corporate structure:** Horizon uniquely combines acquisition, development, leasing and asset management within one corporate entity. This avoids REIT-style external management, development and leasing fees, potentially saving over INR 100 Cr annually on its INR 13,495 Cr asset base. The structure also enables faster capital allocation and allows Horizon to retain development margins for reinvestment.

- **In-house execution capability:** Horizon's 200-member acquisition, development and leasing team delivered 11.93 msf across 19 assets between FY24 and May 2026. Its ability to deliver complex facilities within 11–13 months versus 24–30 months for conventional self-development provides a key advantage for multinational customers. The associated vendor network, regulatory expertise and execution know-how require years to replicate.

- **Tenant stickiness:** Fortune 500 companies represent 54.05% of committed operations, while 40.65% of incremental area since FY24 came from repeat customers. Horizon's standardised Grade A+ specifications and multi-city presence increase switching costs, supported by an 8.1-year WALE. Lease renewals at 15–16% mark-to-market premiums indicate tenants are willing to pay more to avoid relocation and operational disruption.

- **Blackstone network:** Blackstone's global platform, with $1.30 trillion AUM and $315 billion in real estate AUM, provides Horizon access to multinational customers and cross-border deal flows that domestic developers may not replicate. This relationship has supported customer wins including Vestas and Schneider Electric. With Blackstone retaining 75.4% post-IPO, the origination channel remains strategically important over the next four to five years.

SCOT ANALYSIS

Strengths

- Scale Leadership: India’s largest I&L developer with 58.58 msf across 45 assets, providing procurement advantages, multi-city leasing leverage and strong MNC brand recognition.
- High Occupancy: Committed occupancy has remained above 89% since FY21, reaching 93.56% in May 2026, supported by pre-leasing and repeat customer engagements.
- Fortune 500 Tenant Base: Fortune 500 companies contribute 54.05% of committed operational network, providing strong credit quality, long-term commitments and high switching costs.
- Blackstone Network: Blackstone’s global AUM and logistics footprint provide access to international customers, capital and deal origination channels unavailable to most domestic developers.

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Challenges

- Debt-Focused IPO Proceeds: 86.5% of IPO proceeds are allocated to debt repayment, limiting direct growth funding and leaving future developments dependent on construction financing.
- Customer Concentration: Top 10 customers contributed 42.6% of FY26 revenue, creating material revenue risk if large tenants reduce operations or fail to renew.
- Geographic Concentration: Four cities contribute 79% of FY26 revenue, exposing the business to regional policy, regulatory, infrastructure and operational disruptions.
- Development-Stage Exposure: 51% of the Total Network remains under development and generates no current revenue, making future growth dependent on execution, costs and absorption.
- Unproven In-City Model: Only three of 17 in-city centres are operational, leaving much of the premium urban logistics thesis dependent on successful future execution.

Threats

- Prologis Entry: Prologis’s planned USD 500 million India investment could intensify competition for Grade A land and multinational tenants across key logistics corridors.
- IndoSpace IPO: A potential IndoSpace listing would introduce another comparable listed I&L platform, potentially reducing HIPL’s scarcity premium and increasing valuation benchmarking.
- Interest Rate Risk: Every 100bps increase in borrowing costs could add approximately INR 46 Cr to annual interest expense, delaying PAT breakeven.
- Construction Inflation: Higher steel, cement, labour and logistics costs could compress development yields and make certain planned projects less economically attractive.
- China+1 Reversal: Manufacturing investment could shift toward Vietnam, Mexico or Indonesia if India loses relative cost or policy competitiveness.

Opportunities

- PLI-Driven Capex: Production-linked incentives across 14 sectors should drive manufacturing investments requiring Grade A facilities, supporting HIPL’s built-to-suit and turnkey development model.
- Quick-Commerce Growth: Quick-commerce GOV is projected to reach INR 2 trillion by 2028, supporting demand for strategically located in-city logistics centres and premium urban warehouse rentals.
- Specialised Logistics: Airport logistics, cold chain, liquid storage and multimodal parks offer adjacent growth opportunities while leveraging HIPL’s existing infrastructure and government relationships.
- Manufacturing Expansion: India’s manufacturing GVA is projected to approach USD 1 trillion by FY30, supporting demand for industrial facilities and directly benefiting HIPL’s industrial portfolio.

Industry Overview

India's Industrial & Logistics Real Estate — A Structural Upgrade Cycle

India's industrial and warehousing real estate sector is undergoing a structural transformation that is less about cyclical demand and more about the formalization and quality-upgrading of a historically fragmented market. The total Grade A + B stock across eight major cities reached 514 million sqft in Q1 2026 (JLL), growing 13% year-on-year. Grade A assets specifically grew ~20% year-on-year to 293 million sqft, now representing 57% of total inventory. By 2030, total stock is projected to reach 850 million sqft (JLL/CBRE), implying a CAGR of ~11.4% at the aggregate level — but Grade A alone, per the JLL Report cited in the RHP, is projected to grow at a far faster 25.3% CAGR from CY2025 to CY2030, reaching 943.6 msf by 2030.

The gap between India's Grade A warehousing stock (~293 msf in 2026) and comparable economies illustrates the depth of the opportunity. The Chicago metropolitan area alone has approximately 1.2 billion sqft of industrial and warehousing stock — four times India's entire Grade A + B inventory for a city whose economy is a fraction of India's. The UK's 50+ msf of modern logistics supply serves a population of 68 million; India with 1.45 billion people is served by a fraction of that on a per-capita basis.

Demand Drivers — Multi-Vector, Structural

- **E-commerce and Quick Commerce:** India's e-commerce market is one of the world's fastest-growing. Quick-commerce GOV is projected at INR 2 trillion by 2028 (CBRE), driving a hub-and-spoke model of micro-fulfillment centres with 2,000–4,000 SKUs per facility. This directly drives in-city centre demand.

- **Manufacturing and China-Plus-One:** The government's Production Linked Incentive (PLI) scheme across 13+ sectors, 'Make in India', the formal shift of global supply chains toward India as a China + 1 destination, and inbound FDI from companies like Apple (through Foxconn/Pegatron), Samsung, and global EV manufacturers are collectively creating sustained demand for complex industrial facilities — HIPL's fastest-growing segment.

- **3PL Growth:** Third-party logistics providers accounted for ~30% of H1 2026 Grade A leasing (Colliers India). As organised retail and e-commerce penetration deepens, 3PL operators are building national warehouse networks anchored in Grade A facilities.

- **GST Consolidation:** The shift from pre-GST multi-state tax-optimized warehousing to post-GST logistics-optimized distribution network design has systematically favoured large-format Grade A hubs near city peripheries — exactly HIPL's park format.

- **Flight to Quality:** Occupiers are increasingly rejecting Grade B and C stock as supply chains become more complex and customer SLAs tighten. Blockchain inventory tracking, automated pickers, and EV-charging requirements are incompatible with ageing informal warehousing.

Leasing Momentum — 2026 Data

India's industrial and warehousing leasing in H1 2026 touched approximately 22 million sqft, a 12% year-on-year increase (Colliers India). Annual absorption for 2026 is projected to exceed 45 million sqft (Vestian). Manufacturing accounted for 28% of Q1 2026 gross absorption (JLL). Mumbai and Pune jointly commanded 43% of Q1 2026 leasing (JLL) — two markets where HIPL has significant presence (Chakan, Talegaon, Bhiwandi, Bhayala).

Rental Dynamics — Upward Trajectory

Warehousing rentals are expected to maintain an upward trajectory in 2026, supported by a 'flight-to-quality' dynamic and rising development costs (CBRE India Logistics Market Outlook 2026). For HIPL specifically, gross rental per sqft grew at a 7.69% CAGR from April 2023 to May 2026. The mark-to-market on lease renewals was 15–16% in FY26, demonstrating that market rents are running significantly ahead of the 4.5–5.0% contractual annual escalators embedded in existing leases. This creates a structural positive earnings revision as older leases roll over.

Industry Overview

Competitive Landscape — No Listed Domestic Peer

The RHP itself acknowledges there are no listed companies in India or major global economies that operate as a pure-play industrial and logistics park developer comparable to HIPL's model (JLL Report). The closest competitive references are:

Company	Model	India Exposure	Key Difference vs. HIPL
IndoSpace	Developer/Owner (private)	52+ parks, ~22 msf (IndoSpace Core JV)	Unlisted; JV structure (CPPIB/GLP/Everstone); no P&L visibility
ESR India	Developer/Owner (private)	Multiple parks across India	Unlisted; parent ESR Group listed in HK (ESR:HK)
Prologis (US)	Global REIT ($500mn India commitment)	Early-stage India entry; first assets in progress	Nascent India presence; no operational scale yet
Indian REITs (Embassy, Mindspace, Brookfield)	Listed office REITs	100% India; income distribution mandated	Office only; must distribute 90%+ of income; no development upside
Nexus Select Trust	Listed retail mall REIT	17 malls; Blackstone-sponsored	Retail, not industrial; different demand drivers

Source: Deven Choksey Research

Peer Analysis

PARAMETER	HORIZON INDUSTRIAL PARKS (IPO)	EMBASSY REIT	MINDSPACE REIT	NEXUS SELECT TRUST	PROLOGIS (US)	ESR GROUP (HK)
SECTION 1 — ENTITY IDENTITY & STRUCTURE						
Stock Exchange / Ticker	BSE & NSE (Listing Aug 24, 2026)	NSE: EMBASSYPP	NSE: MINDSPACERE	NSE: NEXUSSELECT	NYSE: PLD	HKEX: 1821
Entity / Structuring Type	Listed Developer-Owner-Operator (Corporate)	InvIT / REIT (SEBI regulated)	InvIT / REIT (SEBI regulated)	InvIT / REIT (SEBI regulated)	Listed REIT (NYSE)	Listed RE Developer / Fund Manager
Asset Class	Industrial & Logistics Parks (Grade A+)	Office (Campuses + SEZ)	Office (SEZ dominant)	Retail Malls	Industrial & Logistics (Global)	Industrial & Logistics (APAC)
Sponsor / Promoter	Blackstone Group (75.40% post-IPO)	Blackstone + Embassy Group	K. Raheja Corp	Blackstone Group	Prologis Inc. (self-managed REIT)	GIC + CPPIB + APG
India I&L Exposure	100% India — Pure-Play I&L	Nil (Office only)	Nil (Office only)	Nil (Retail only)	Early-stage India entry (~INR 4,200 Cr committed)	Multiple India parks; unlisted India vehicle
Distribution Mandate	None — reinvest for growth (corporate)	90%+ distributable income (SEBI REIT)	90%+ distributable income (SEBI REIT)	90%+ distributable income (SEBI REIT)	~90% distributable income (US REIT)	Discretionary — not REIT-structured
Development Upside Capture	Full — developer margin stays in company	None — REIT cannot develop speculatively	None — REIT cannot develop speculatively	None — REIT cannot develop speculatively	Partial — REIT develops but distributes income	Full — developer and fund manager model
SECTION 2 — PORTFOLIO SCALE & OPERATIONAL METRICS						
Total Portfolio Area (msf)	58.58 msf Total Network (May 2026)	45.9 msf (office campus)	34.0 msf (office)	10.7 msf (retail GLA)	~1,200 msf (global logistics)	~700 msf across APAC
Operational / Stabilized Area (msf)	28.55 msf (48.7% of Total Network)	45.9 msf (fully operational)	34.0 msf (fully operational)	10.7 msf (fully operational)	~1,200 msf	~500 msf operational
Development Pipeline (msf)	30.03 msf (51.3% of Total Network)	Minimal — acquisitions only	~3 msf planned	~2 msf	~15-20 msf in development globally	~200 msf under development
Number of Assets / Properties	45 assets	9 office parks	8 business parks	17 malls	~5,500 buildings globally	400+ properties
Geographic Presence	10 Indian cities (Tier I & II)	7 Indian cities (office)	5 Indian cities (office)	14 Indian cities (malls)	19 countries (Americas, Europe, APAC)	10 APAC markets
Committed / Leased Occupancy (%)	93.56% (May 2026; >89% since FY21)	~84% (office; impacted post-WFH)	~88% (office SEZ)	~97% (retail; consumption-driven)	~97% (global logistics; near-full)	~90–92% (APAC portfolio)
Average Rental (INR /sqft/month)	INR 31 (bulk); INR 80-100 (in-city centres)	INR 110-130 (Grade A office, Bangalore/Mumbai)	INR 90-115 (office SEZ)	INR 150-200 (mall rental equivalent)	USD 8-12/sqft/month (US market)	INR 20-50/sqft/month (India avg est.)
Rental Escalation (Annual)	4.5–5.0% p.a. OR 15% every 3 years	5% p.a. (REIT standard)	5% p.a.	Revenue share + 5% fixed	3–4% p.a. (US market CPI-linked)	3–5% p.a. varies by market
Lease WALE (years)	8.1 years	~6.5 years	~6.2 years	~4.5 years (retail cycles shorter)	~4.5 years (US logistics)	~5.5 years
No. of Active Customers / Tenants	118 (May 2026)	~230+ tenants	~200+ tenants	~3,000 brand outlets across 17 malls	~5,800 customers globally	~1,000+
Fortune 500 / MNC Tenant %	54.05% of committed Operational Network	~60% (tech MNCs dominate)	~55% (tech, pharma)	~50% (anchor brands)	~80% (Amazon, Home Depot, FedEx, etc.)	~60%

Source: Deven Choksey Research

PARAMETER	HORIZON INDUSTRIAL PARKS (IPO)	EMBASSY REIT	MINDSPACE REIT	NEXUS SELECT TRUST	PROLOGIS (US)	ESR GROUP (HK)
SECTION 3 — FINANCIAL PERFORMANCE (FY2026 / CY2025 — LATEST AVAILABLE)						
Revenue from Operations (INR Cr)	INR 691 Cr (restated); INR 691 Cr (proforma FY26)	~INR 4,000 Cr	~INR 2,200 Cr	~INR 2,100 Cr	~INR 75,000 Cr (USD ~$9.0 bn)	~INR 5,800 Cr (HKD ~$7 bn)
EBITDA (INR Cr)	INR 608 Cr (79.2% of Total Income)	~INR 3,000 Cr	~INR 1,600 Cr	~INR 1,470 Cr	~INR 62,000 Cr (USD ~$7.4 bn)	~INR 3,200 Cr
EBITDA Margin (%)	79.2% (on Total Income); 87.9% (on Revenue)	~75%	~73%	~70%	~82% (US logistics premium)	~55% (mixed developer + fee income)
Net Profit / (Loss) (INR Cr)	(INR 204 Cr) — Loss (high D&A + finance costs)	~INR 2,400 Cr (distributable cash)	~INR 1,400 Cr (distributable cash)	~INR 1,575 Cr (distributable cash)	~INR 37,500 Cr (USD ~$4.5 bn)	~INR 900 Cr (excluding fair-value gains)
Finance Costs (INR Cr)	INR 539 Cr (88.7% of EBITDA — dominant P&L drag)	~INR 350 Cr (lower leverage; REIT)	~INR 200 Cr	~INR 150 Cr	~INR 17,500 Cr (USD ~$2.1 bn; large absolute)	~INR 2,100 Cr
Revenue CAGR (2-year, FY24–FY26)	~73.8% CAGR (restated); 23.6% proforma	~8–10% (stable mature REIT)	~10–12%	~12–15% (post-COVID mall recovery)	~8–10% (global)	~15–20% (APAC growth)
Return on Net Worth (RONW, %)	(4.23%) on restated basis — loss-making	~7–8% (distributable yield)	~6–7%	~9–10% (retail yield premium)	~8–10% (US REIT standard)	~5–7%
SECTION 4 — BALANCE SHEET & LEVERAGE						
Total Assets (INR Cr)	INR 13,495 Cr (FY26)	~INR 47,000 Cr	~INR 26,000 Cr	~INR 16,000 Cr	~INR 10,00,000 Cr (USD ~$120 bn)	~INR 1,30,000 Cr (HKD ~$155 bn AUM)
Total Borrowings (INR Cr)	INR 6,884 Cr (pre-IPO); ~INR 4,634 Cr (post-IPO)	~INR 10,000 Cr	~INR 6,000 Cr	~INR 4,500 Cr	~INR 2,90,000 Cr (USD ~$34 bn)	~INR 55,000 Cr
Gross Debt / EBITDA (x)	11.3x pre-IPO; ~7.6x post-IPO	~3.5x (REIT-disciplined)	~3.8x	~3.1x	~4.8x (absolute; large absolute size)	~17x (developer leverage)
Net Debt / EBITDA (x) — Post-IPO	~3.5x (post debt repayment of INR 2,250 Cr)	~3.2x	~3.5x	~2.8x	~4.5x	~15x (developmental stage assets)
NAV per Share (INR)	INR 27.89 (book; FY26 restated)	~INR 405/unit (stated NAV)	~INR 390/unit	~INR 130/unit	USD 110–120/share	HKD 7–8/share
SECTION 5 — MARKET VALUATION METRICS (AUG 2026 / LATEST)						
Market Capitalisation (INR Cr)	INR 17,298 Cr (at cap price INR 60)	~INR 42,000 Cr	~INR 33,000 Cr	~INR 14,500 Cr	~INR 8,30,000 Cr (USD ~$100 bn)	~INR 54,000 Cr (HKD ~$65 bn)
Enterprise Value (INR Cr) — Post-IPO	~INR 19,398 Cr (Mkt Cap + Net Debt ~INR 2,100 Cr)	~INR 52,000 Cr	~INR 39,000 Cr	~INR 19,000 Cr	~INR 11,20,000 Cr	~INR 1,09,000 Cr
EV / EBITDA (x)	31.9x (FY26; demanding but scarcity-justified)	~17–19x (stable REIT; income visibility)	~24–26x	~13–15x (retail discount)	~22–26x (global I&L premium)	~34–38x (APAC growth premium)
Price / NAV (P/NAV, x)	2.15x (INR 60 / INR 27.89 book NAV)	~1.05x (mild premium)	~1.10x	~0.95x (slight discount)	~1.8–2.0x (premium to book NAV)	~0.8–0.9x (discount; HK market)
Price / Book (x)	2.95x (INR 60 / FY26 consol. equity per share)	~1.1x	~1.3x	~1.5x	~2.2x	~1.0x
EV / sqft (Operational, INR /sqft)	INR 6,793/sqft (on 28.55 msf operational)	INR 1,133/sqft (office premium location)	INR 1,147/sqft	INR 1,776/sqft (retail mall premium)	~INR 840/sqft (global Grade A logistics)	~INR 210/sqft (APAC blended)
EV / sqft (Total Network, INR /sqft)	INR 3,311/sqft — deep pipeline discount embedded	N/A (no pipeline)	N/A (no pipeline)	N/A (no pipeline)	~INR 840/sqft (stabilized; minimal pipeline)	~INR 150/sqft (massive development pipeline)
P/E Ratio (x)	N/A (negative EPS in FY24–FY26)	~18x (distributable income basis)	~22x	~9–10x (retail discount)	~35–40x (US REIT premium)	~25x

Source: Deven Choksey Research

About the Management

Mr. Urvish Rambhia
(Chief Executive Officer)

- Leads Horizon Industrial Parks with a focus on growth, execution and long-term value creation.
- Former Blackstone Real Estate leader, overseeing asset management across logistics, industrial and data centre portfolios in India.
- Spent 12+ years at Morgan Stanley Investment Banking covering real estate across India and Australia; Chartered Accountant with a Master's in Commerce.

Mr. Kunal Shah
(Chief Financial Officer)

- Chartered Accountant with 16+ years of experience in finance, accounting, and business transformation.
- Former Blackstone professional, handling corporate finance, transactions, deals, and business valuation.
- Consulting experience across EY, Deloitte, and Grant Thornton, spanning audit, advisory, taxation, treasury, compliance, and financial management.

Mr. RK Narayan
(Chief Investment Officer)

- Chief Investment Officer at Horizon, leading investment strategy, portfolio expansion, acquisitions, partnerships, ESG, and renewable-energy initiatives.
- 28+ years of experience across real estate investment & asset management, investment banking, and logistics infrastructure; previously with Allcargo Logistics, Macquarie, Aevitas Property Partners, and JM Financial.
- MBA from IIM Ahmedabad and BE (Mechanical) from BIT Mesra, with affiliations including CII, IGBC, and RICS.

Source: Deven Choksey Research

Key Risks

- **Persistent Losses & Uncertain PAT Inflection:** HIPL has reported widening net losses, reaching INR 204 Cr in FY26, while finance costs remain elevated. Although the IPO-led INR 2,250 Cr debt repayment should reduce interest costs, residual debt of ~INR 4,634 Cr leaves earnings rate-sensitive. A 100bps increase in borrowing costs could add ~INR 46 Cr annually, potentially delaying PAT breakeven.

- **Debt Cycle May Restart:** 86.5% of IPO proceeds will repay debt rather than fund growth. The 30.03 msf development pipeline requires significant construction capex, largely financed through debt. As development accelerates, gross borrowings could rebuild materially, potentially approaching pre-IPO levels. Thus, the IPO improves the starting balance sheet but does not structurally eliminate the company's dependence on leverage.

- **Customer & Geographic Concentration:** Top 10 customers contributed 42.6% of FY26 revenue, while Delhi-NCR, Chennai, Bangalore and Pune accounted for 79%. A major tenant exit or regional disruption could therefore create a significant revenue impact. The Hoskote asset, where 31.625 acres have been marked for government acquisition, highlights that geographic and regulatory risks are already tangible.

- **Large Unbuilt Pipeline:** 51.3% of the Total Network remains under development and currently generates no revenue. The 30.03 msf pipeline faces simultaneous execution, construction-cost, financing and absorption risks. A 10% construction-cost increase could add ~INR 660 Cr to capex, while delays or weaker leasing could materially reduce expected development yields and extend project payback periods.

- **In-City Centre Scaling Risk:** Only three of 17 planned in-city centres are operational, making the premium rental thesis relatively untested. If rents stabilise closer to INR 50–60/sqft rather than INR 80–100/sqft, expected EBITDA could be materially lower. Additionally, profitability pressures among quick-commerce operators could lead to dark-store consolidation and slower absorption.

- **Related-Party Governance Risk:** Significant assets have been acquired from Blackstone entities, while Blackstone will retain 75.4% post-IPO. Future related-party acquisitions could create potential conflicts between Blackstone's interests as seller and majority shareholder. Minority shareholders have limited influence over such transactions, making independent board oversight particularly important.

- **IndoSpace Listing Risk:** HIPL's 31.9x EV/EBITDA valuation partly reflects the scarcity of listed Indian I&L platforms. A potential IndoSpace IPO would introduce a direct listed comparable and reduce this scarcity premium. If IndoSpace trades at a lower multiple, HIPL could face valuation compression despite unchanged operating fundamentals.

- **E-Commerce & Manufacturing Demand Sensitivity:** 57.2% of the Operational Network serves fulfilment-oriented sectors including e-commerce, 3PL, FMCG and retail. A macro slowdown could trigger inventory rationalisation, space consolidation and lease renegotiations. Even a 5% occupancy decline across fulfilment centres could affect approximately INR 30 Cr of annual revenue, with a larger impact on cash flows due to fixed costs.

Source: Deven Choksey Research

Profit & Loss (INR Mn)	FY24	FY25	FY26
Net Sales	2,289	3,903	6,914
Operating and maintenance expenses	228	305	534
Changes in Inventories	0	(5)	0
Employee Cost	300	204	309
Other Expenses	413	498	757
Total Expenses	**940**	**1,002**	**1,600**
EBITDA	**1,349**	**2,901**	**5,313**
EBITDA Margin (%)	**58.9%**	**74.3%**	**76.9%**
Depreciation & Amortization	982	1,433	2,661
EBIT	**367**	**1,468**	**2,652**
EBIT Margin (%)	**16.0%**	**37.6%**	**38.4%**
Other Income	167	491	765
Finance Costs	2,108	3,529	5,390
Exceptional Items	–	237	-
PBT before share of profit / (loss) of joint ventures	**(1,575)**	**(1,808)**	**(1,973)**
Share of loss of joint ventures	49	0	0
PBT	**(1,624)**	**(1,808)**	**(1,973)**
Tax	(1)	(20)	64
Reported PAT	**(1,623)**	**(1,787)**	**(2,036)**
PAT Margin (%)	**(70.9)%**	**(45.8)%**	**(29.5)%**
Basic EPS (INR)	**(2.96)**	**(3.11)**	**(1.18)**

Source: IPO Prospectus, Deven Choksey Research

Balance Sheet (INR Mn)	FY24	FY25	FY26
Equity share capital	5,357	5,357	24,495
Other equity	1,667	6,431	34,092
Total equity	**7,024**	**11,787**	**58,587**
Borrowings	35,852	66,001	67,607
Other financial liabilities	3,535	1,795	1,647
Other non-current liabilities	470	757	1,033
Total non-current liabilities	**39,857**	**68,552**	**70,287**
Borrowings	1,030	4,090	1,237
Other financial liabilities	1,667	13,437	4,128
Other current liabilities	354	649	712
Total current liabilities	**3,051**	**18,176**	**6,077**
Total equity and liabilities	**49,932**	**98,515**	**1,34,951**
Property, plant and equipment	41	54	117
Investment properties	33,663	70,383	81,884
Investment properties under development	7,333	14,260	17,078
Other non-current assets	5,405	7,888	9,970
Total non-current assets	**46,402**	**92,531**	**1,08,933**
Trade receivables	191	304	349
Cash and cash equivalents	1,636	2,788	6,378
Bank balances other than cash and cash equivalents	337	224	10,138
Other current assets	1,366	2,641	9,154
Total current assets	**3,530**	**5,956**	**26,019**
Assets Held for Sale		28.44	
Total assets	**49,932**	**98,515**	**1,34,951**

Source: IPO Prospectus, Deven Choksey Research

Cash Flow Statement (INR Mn)	FY24	FY25	FY26
Operating Cash Flow	1,193	2,351	4,641
Investing Cash Flow	(8,764)	(15,963)	(48,728)
Financing Cash Flow	7,943	14,579	46,381
Net Change in Cash	371	967	2,294
Closing Cash Balance	1,636	2,740	6,361

Source: IPO Prospectus, Deven Choksey Research

ANALYST CERTIFICATION:

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