

Horizon Industrial Parks Ltd – IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
17 August 2026	19 August 2026	₹57-60	Avoid

Investment Summary

Horizon Industrial Parks Limited is a pan-India industrial and logistics infrastructure platform engaged in developing, owning and operating Grade A industrial facilities, fulfilment centres and in-city logistics centres. The company has a Total Network of **58.58 msf** across 45 assets, with an Operational Network of **28.55 msf** and committed occupancy of **93.56%** as of May 31, 2026, supported by a diversified customer base across manufacturing, e-commerce, retail, FMCG and automotive sectors. On a Restated Consolidated basis, Horizon reported FY26 revenue from operations of **₹691.38 Cr** and EBITDA of **₹607.80 Cr**, while recording a net loss of ₹203.65 Cr, largely due to high finance and depreciation costs associated with its capital-intensive business model. The IPO comprises a **fresh issue of up to ₹2,600 Cr** with **no OFS**, with ₹2,250 Cr proposed towards repayment/prepayment of borrowings, which should materially strengthen the balance sheet. While Horizon offers exposure to the growing organised logistics infrastructure segment and has a sizeable 30.03 msf development pipeline, we maintain an **Avoid stance** as the valuation appears demanding, given the company's continued losses, residual leverage, high capital intensity and execution risks associated with the large development pipeline.

Company Overview

Horizon Industrial Parks Limited was originally incorporated as 'JEM Cements Private Limited' in 2009, subsequently renamed through various stages and became 'Horizon Industrial Parks Private Limited' in 2021, before being converted into a public limited company as 'Horizon Industrial Parks Limited' in 2025. The company is an integrated industrial and logistics real estate platform engaged in developing, owning and operating Grade A industrial and logistics infrastructure across India. The company's portfolio comprises industrial facilities, fulfilment centres and in-city logistics centres, catering to customers across manufacturing, e-commerce, retail, FMCG, automotive, renewable energy and other sectors. As of the RHP date, Horizon had a Total Network of 58.58 msf across 45 assets in 10 cities, comprising an Operational Network of 28.55 msf and a Development Network of 30.03 msf. Its Operational Network recorded a committed occupancy of 93.56% as of May 31, 2026. Horizon serves over 118 customers, including multinational and Fortune 500 companies, and provides built-to-suit facilities along with value-added infrastructure solutions tailored to customer requirements. The company's geographically diversified portfolio includes key industrial and consumption hubs such as Delhi-NCR, Mumbai, Pune, Bengaluru, Chennai, Hyderabad and Nagpur. The company is promoted by BREP Asia II EIP Holding (NQ) Pte. Ltd., BREP Asia II Indian Holding Co VI (NQ) Pte. Ltd. and BREP Asia III India Holding Co III Pte. Ltd., which are associated with the Blackstone Group. Leveraging its large portfolio, high occupancy levels and development pipeline, Horizon is positioned to benefit from the continued growth of organised industrial and logistics infrastructure in India.

Business Model

Horizon Industrial Parks Limited operates an integrated industrial and logistics real estate business model, wherein it acquires or secures land, develops Grade A logistics and industrial infrastructure, leases the completed facilities to customers and manages the assets throughout their lifecycle. Its portfolio comprises industrial facilities, fulfilment centres and in-city logistics centres, catering to sectors such as e-commerce, retail, FMCG, automotive, renewable energy and manufacturing. The company develops both ready-to-move and built-to-suit facilities, with customized infrastructure designed around customer-specific operational requirements. Revenue is generated primarily through rental income from leased properties, supported by contractual rental escalations and high committed occupancy across the Operational Network. The company also undertakes leasing, development and asset management activities across its portfolio. Horizon provides additional infrastructure solutions including rooftop solar installations, cold storage and other value-added facilities, strengthening customer relationships and increasing asset utility. As of May 31, 2026, its Operational Network stood at 28.55 msf, while its 30.03 msf Development Network provides visibility for future capacity additions. Going forward, the company intends to expand its network, increase occupancy and rentals, develop its project pipeline and strengthen its presence across major industrial and consumption hubs in India.

Investment Rationale

Market Leadership with Large Pan-India Portfolio: Horizon is a leading industrial and logistics infrastructure platform in India, with a Total Network of 58.58 msf across 45 assets in 10 cities. Its geographically diversified presence across major manufacturing and consumption hubs provides scale advantages and exposure to multiple industrial clusters.

High Occupancy and Diversified Customer Base: The company's 28.55 msf Operational Network recorded committed occupancy of 93.56% as of May 31, 2026. Horizon serves more than 118 customers across manufacturing, e-commerce, retail, FMCG, automotive and renewable energy sectors, including several Fortune 500 companies, supporting revenue visibility and reducing dependence on individual customers.

Strong Development Pipeline Supporting Future Growth: Horizon has a 30.03 msf Development Network, comprising 7.22 msf of near-term deliveries and 22.81 msf of planned projects. The large pipeline provides significant potential to expand leasable area, increase rental income and strengthen its presence across existing and new industrial markets.

Strong Operating Profitability: On a Restated Consolidated basis, Horizon reported FY26 revenue from operations of ₹691.38 Cr and EBITDA of approximately ₹607.80 Cr, reflecting the high-margin nature of its rental-led business model. However, high finance and depreciation costs continue to result in net losses.

Favorable Industry Outlook and Deleveraging Potential: Growth in manufacturing, e-commerce, organised retail and third-party logistics, along with increasing demand for Grade A warehousing infrastructure, provides structural growth opportunities. Further, utilisation of ₹2,250 Cr of IPO proceeds towards debt repayment is expected to materially reduce leverage and finance costs, strengthening the balance sheet.

Key Risk Factors

Recent Acquisition-Led Portfolio Expansion: A significant portion of Horizon's current portfolio was acquired during FY25 and FY26, including assets acquired from its Promoters and related entities. This limits comparability of historical consolidated financials and creates integration, valuation and related-party transaction risks.

Continued Net Losses and High Finance Costs: The company reported net losses of ₹203.65 Cr, ₹178.78 Cr and ₹162.21 Cr in FY26, FY25 and FY24, respectively. The capital-intensive business model results in significant finance costs and depreciation, and there is no assurance that the company will achieve sustained profitability in the near term.

Development and Execution Risk: Horizon has a 30.03 msf Development Network, including 22.81 msf of planned projects. Construction delays, cost overruns, regulatory approvals, material-price inflation or financing constraints could delay project completion and rental commencement, adversely affecting returns and cash flows.

High Indebtedness and Capital Requirements: Total borrowings stood at approximately ₹6,884 Cr as of FY26 on a consolidated basis. Although ₹2,250 Cr of IPO proceeds is proposed for debt repayment, the company will continue to require substantial capital for development and expansion, exposing it to interest-rate and refinancing risks.

Dependence on Occupancy and Rental Growth: Horizon's revenue is primarily dependent on leasing its industrial and logistics facilities. Any decline in occupancy levels, rental rates, lease renewals or customer demand across key industrial and consumption markets could adversely affect revenue, operating cash flows and asset returns.

Financial Snapshot

Metric	FY24	FY25	FY26
Revenue from Operations	228.86	390.29	691.38
EBITDA	151.51	339.12	607.80
EBITDA Margin	66.20%	86.89%	87.91%
Profit After Tax (PAT)	(162.21)	(178.78)	(203.65)
PAT Margin	(70.88%)	(45.81%)	(29.46%)
Basic EPS (₹)	-	-	-

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Horizon Industrial Parks Limited
IPO Issue Size	43,34,09,090 shares (agg. up to ₹2,600 Cr) Fresh Issue 43,34,09,090 shares (agg. up to ₹2,600 Cr)
Price Band	₹57 – ₹60 per share
Face Value	₹10 per share
IPO Opening Date	17 August 2026
IPO Closing Date	19 August 2026
Listing	NSE / BSE
Promoter Holding (Pre/Post)	Pre-IPO: ~88.74% → Post-IPO: ~75.4%
Book Running Lead Managers	JM Financial Limited, Axis Capital Limited, IIFL Capital Services Limited, SBI Capital Markets Limited, 360 ONE WAM Limited
Use of Proceeds	₹2,250 Cr towards repayment/prepayment, in part or full, of certain borrowings of the company and identified wholly owned subsidiaries

Valuation and Outlook

At the upper price band of ₹60, Horizon Industrial Parks is valued at a P/B multiple of **~2.15x**, based on its FY26 NAV of **₹27.89** per share, implying a post-issue market capitalization of approximately **₹17,298 Cr**. While Horizon benefits from a large pan-India portfolio, 93.56% committed occupancy and proposed ₹2,250 Cr debt repayment, the valuation appears demanding, given its continued net losses, high capital intensity, residual leverage and execution risk associated with the 30.03 msf development pipeline. Considering the current risk-reward profile, we recommend an **Avoid rating**. Key monitorables include improvement in profitability, reduction in leverage, execution and leasing of the development pipeline, occupancy levels and rental growth across the portfolio.

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