

PHOENIX MILLS

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Neutral
Price (INR)	1,690
12 month price target (INR)	1,944
52 Week High/Low	1,902/1,392
Market cap (INR bn/USD bn)	604/6.8
Free float (%)	52.7
Avg. daily value traded (INR mn)	985.9

SHAREHOLDING PATTERN

	Sep-25	Jun-25	Mar-25
Promoter	47.25%	47.26%	47.26%
FII	33.45%	36.27%	36.14%
DII	15.47%	12.72%	12.59%
Pledge	0%	0%	0%

FINANCIALS

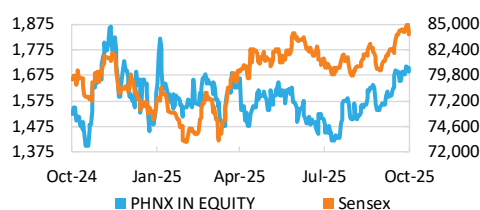
(INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	38,136	41,907	44,977	49,015
EBITDA	21,612	23,402	25,082	26,912
Adjusted profit	9,842	11,779	13,175	13,245
Diluted EPS (INR)	27.5	32.9	36.9	37.0
EPS growth (%)	(55.2)	19.7	11.9	0.5
RoAE (%)	13.0	11.7	11.0	10.1
P/E (x)	61.1	44.0	39.3	39.1
EV/EBITDA (x)	26.0	24.5	22.9	21.9
Dividend yield (%)	0.1	0.2	0.2	0.2

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	41,907	44,977	-1%	-1%
EBITDA	23,402	25,082	-2%	-2%
Adjusted profit	11,779	13,175	-4%	-6%
Diluted EPS (INR)	32.9	36.9	-5%	-6%

PRICE PERFORMANCE



Consumption growth remains strong

Consumption at Phoenix Mills' (PML) malls in Q2FY26 expanded 14% YoY (13% YoY in H1FY26) despite 'asset repositioning' being underway in four malls (which has affected trading occupancy temporarily). The benefit of such an exercise is visible in the Palladium Mumbai mall where consumption surged 13%/10% YoY in Q2FY26/H1FY26. Retail rentals grew 10%/7% YoY in Q2FY26/H1FY26. Occupancy in recently completed office assets rose to 38% (5% at end-FY25).

Aided by ongoing expansions and tenant churn, we believe PML shall deliver double-digit consumption growth in FY26/27 (refer to '[Retail Realty – Inexorable secular growth](#)'). Retain 'BUY' with an unchanged target price of INR1,944.

Consumption growth robust in Q2FY26; more in store

PML reported consumption of INR37.5bn at its malls in Q2FY26, up 14% YoY/5% QoQ despite heavy monsoon in several cities. Adjusted for 'strategic repositioning' in four malls, Q2FY26 consumption would have been up 19–20% YoY. Due to asset churn, trading occupancies in the Market City malls in Bengaluru, Pune and Chennai have declined to 82–88% against the usual 95% plus levels; as the exercise gets completed over the next few quarters, these malls will see both higher trading occupancy as well as trading densities (up 13–21% YoY in Q2FY26), boosting consumption. Management indicated that the festive season has started on a strong note.

Other verticals performing well too

In the office vertical, PML clocked YTD gross leasing of 0.94msf (0.19msf in FY25, 0.53msf in FY24 and 0.43msf in FY23). Occupancy in the legacy office assets in Mumbai and Pune rose to 77% (67% at end-FY25) while that in the recently completed ~1.9msf assets stands at ~38% (5% at end-FY25); PML expects occupancy to reach 80–80% across all assets by end-FY26. Hospitality segment EBITDA rose 12% YoY in Q2FY26. H1FY26 pre-sales in the residential segment at INR2.9bn have crossed FY25 levels despite price hikes taken by PML.

Portfolio expansion gathers pace

The first tranche of payment to CPPIB for stake acquisition ([Link](#)) will be made next week. The company aims to complete the Surat and Kolkata malls in Q3CY27, retail expansion and office assets at PMC Bangalore in CY26 and 'Project Rise' in Mumbai and Grand Hyatt hotel in Bengaluru in CY27. Pre-construction activity is underway for development of malls in Thane, Coimbatore and Mohali which are targeted to be completed by CY29/30.

Financials

Year to March	Q2FY26	Q2FY25	% Change	Q1FY26	% Change
Net Revenue	11,154	9,180	21.5	9,530	17.0
EBITDA	6,669	5,177	28.8	5,643	18.2
Adjusted Profit	3,841	2,922	31.5	3,209	19.7
Diluted EPS (INR)	21.6	16.4	31.5	18.0	19.7

Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	38,136	41,907	44,977	49,015
Gross profit	35,953	37,238	40,495	43,809
Employee costs	3,627	3,990	4,389	5,047
Other expenses	10,714	9,846	11,024	11,851
EBITDA	21,612	23,402	25,082	26,912
Depreciation	3,265	3,643	3,866	4,199
Less: Interest expense	4,032	4,389	4,941	6,130
Add: Other income	1,509	1,660	1,494	1,345
Profit before tax	15,882	17,106	17,844	18,002
Prov for tax	2,936	4,292	4,478	4,518
Less: Other adj	0	0	0	0
Reported profit	9,715	11,779	13,175	13,245
Less: Excp.item (net)	127	0	0	0
Adjusted profit	9,842	11,779	13,175	13,245
Diluted shares o/s	358	358	358	358
Adjusted diluted EPS	27.5	32.9	36.9	37.0
DPS (INR)	1.2	3.0	3.0	3.0
Tax rate (%)	18.5	25.1	25.1	25.1

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
Selling price infl. (%)	8.0	8.0	8.0	8.0
Const. cost infl. (%)	5.0	5.0	5.0	5.0
Gross margin (%)	94.3	88.9	90.0	89.4
EBITDA margin (%)	56.7	55.8	55.8	54.9
Net profit margin (%)	25.8	28.1	29.3	27.0
Revenue growth (% YoY)	(4.1)	9.9	7.3	9.0
EBITDA growth (% YoY)	(1.1)	8.3	7.2	7.3
Adj. profit growth (%)	(10.5)	19.7	11.9	0.5

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	6.0	6.2	7.0	0
Repo rate (%)	6.0	5.0	5.0	0
USD/INR (average)	84.0	82.0	81.0	0
Interest cost (%)	10.6	10.5	11.0	12.5
Employee cost (%)	9.5	9.5	9.8	10.3
Other exp. (%)	28.1	23.5	24.5	24.2
Other inc. (%)	4.0	4.0	3.3	2.7
Dep. (% gr. block)	1.9	1.9	2.0	1.9
Effect. tax rate (%)	18.5	25.1	25.1	25.1

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	61.1	44.0	39.3	39.1
Price/BV (x)	5.8	4.5	4.1	3.7
EV/EBITDA (x)	26.0	24.5	22.9	21.9
Dividend yield (%)	0.1	0.2	0.2	0.2

Source: Company and Nuvama estimates

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	715	715	715	715
Reserves	1,03,766	1,14,473	1,26,575	1,38,748
Shareholders funds	1,04,481	1,15,188	1,27,290	1,39,463
Minority interest	34,046	35,081	35,272	35,511
Borrowings	46,631	56,631	59,631	73,631
Trade payables	2,032	2,235	2,459	2,705
Other liabs & prov	15,949	17,252	17,915	18,611
Total liabilities	2,14,273	2,38,672	2,56,081	2,84,786
Net block	1,44,664	1,61,646	1,59,480	1,86,881
Intangible assets	0	0	0	0
Capital WIP	31,428	38,936	54,800	56,173
Total fixed assets	1,76,092	2,00,582	2,14,280	2,43,054
Non current inv	14,647	14,841	15,039	15,239
Cash/cash equivalent	5,120	3,844	5,930	4,099
Sundry debtors	2,302	2,463	2,709	2,980
Loans & advances	180	215	246	282
Other assets	15,932	16,727	17,877	19,131
Total assets	2,14,273	2,38,672	2,56,081	2,84,786

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	9,842	11,779	13,175	13,245
Add: Depreciation	3,265	3,643	3,866	4,199
Interest (net of tax)	3,290	3,283	3,696	4,585
Others	736	(5,504)	(6,334)	(7,433)
Less: Changes in WC	(3,365)	(380)	541	620
Operating cash flow	20,498	13,581	13,862	13,977
Less: Capex	(29,686)	(24,490)	(13,698)	(28,775)
Free cash flow	(9,188)	(10,909)	165	(14,797)

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	13.0	11.7	11.0	10.1
RoCE (%)	10.7	10.3	10.0	9.6
Inventory days	1,301	626	708	671
Receivable days	24	21	21	21
Payable days	341	167	191	181
Working cap (% sales)	7.6	6.0	6.8	7.5
Gross debt/equity (x)	0.4	0.5	0.5	0.5
Net debt/equity (x)	0.4	0.5	0.4	0.5
Interest coverage (x)	4.6	4.5	4.3	3.7

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	(55.2)	19.7	11.9	0.5
RoE (%)	13.0	11.7	11.0	10.1
EBITDA growth (%)	(1.1)	8.3	7.2	7.3
Payout ratio (%)	4.6	9.1	8.1	8.1

Exhibit 1: Financial snapshot

Consolidated (INR mn)	Q2FY26	Q2FY25	YoY %	Q1FY26	QoQ %	FY25	FY26E	FY27E	FY28E
Revenue	11,154	9,180	21.5	9,530	17.0	38136	41907	44977	49015
Direct cost	790	546	44.5	480	64.4	4320	7235	7303	8450
Staff cost	1,075	885	21.6	962	11.7	3627	3990	4389	5047
Other expenditure	2,620	2,572	1.9	2,444	7.2	8577	7281	8203	8606
Total expenditure	4,485	4,003	12.0	3,887	15.4	16,524	18,505	19,895	22,103
EBITDA	6,669	5,177	28.8	5,643	18.2	21,612	23,402	25,082	26,912
Depreciation	912	775	17.7	934	(2.4)	3265	3643	3866	4203
EBIT	5,757	4,402	30.8	4,708	22.3	18,347	19,759	21,216	22,708
Less: Interest Expense	919	1,031	(10.8)	951	(3.4)	4032	4389	4941	6130
Add: Other income	308	371	(17.0)	315	(2.3)	1509	1660	1494	1345
Add: Prior period items	0	0	NA	0	NA	0	0	0	0
Add: Exceptional items	0	0	NA	0	NA	127	0	0	0
Add: Share of Associates	12	15	(17.7)	9	32.8	58	75	75	75
Less: Minority interest	801	741	8.1	802	(0.1)	3,231	1,035	191	239
PBT	5,145	3,741	37.5	4,072	26.4	15,951	17,031	17,769	17,923
Less: Provision for Tax	1,317	835	57.7	873	50.9	2936	4292	4478	4517
Reported profit	3,040	2,181	39.4	2,407	26.3	9,842	11,779	13,175	13,242
Adjusted profit	3,040	2,181	39.4	2,407	26.3	9,715	11,779	13,175	13,242
Adjusted Diluted EPS	8.5	7.4	14.9	6.7	26.3	27.5	32.9	36.9	37.0
As % of net revenues	YoY bps			QoQ bps					
Direct cost	7.1	6.0	112.8	5.0	203.9	11.3	17.3	16.2	17.2
Other expenses	23.5	28.0	(452.7)	25.6	(215.7)	22.5	17.4	18.2	17.6
EBITDA	59.8	56.4	339.6	59.2	57.8	56.7	55.8	55.8	54.9
Adjusted profit	27.3	23.8	349.5	25.3	199.8	25.5	28.1	29.3	27.0
Tax rate	25.6	22.3	327.7	21.4	415.9	18.4	25.2	25.2	25.2

Source: Company, Nuvama Research

Exhibit 2: Operational snapshot

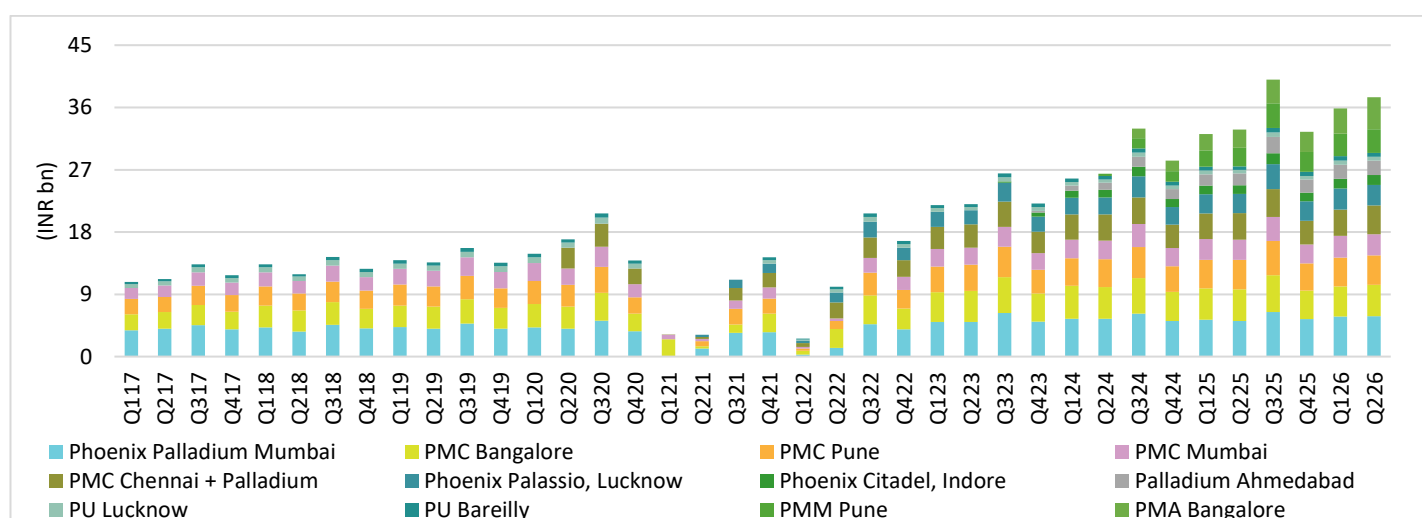
Particulars (INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Consumption	25,748	26,400	32,960	28,330	32,170	32,790	40,040	32,480	35,880	37,053
Retail Rentals	3,727	3,900	4,480	4,420	4,835	4,710	5,040	4,790	5,040	5,180
Commercial Rentals	449	470	490	510	524	550	540	530	520	530
Total Hospitality income	1,223	1,115	1,509	1,617	1,178	1,219	1,675	1,668	1,310	1,218
Cumulative residential sales	26,807	30,031	30,040	30,550	30,790	31,260	31,170	32,550	33,760	35,410
Cumulative residential collections	25,193	27,033	29,473	30,293	30,903	31,543	31,923	32,463	33,443	34,603
Gross Debt	40,500	42,630	42,880	42,880	43,980	43,800	43,910	44,080	44,350	46,840
Interest rate (%)	8.9	8.7	8.8	8.8	8.8	8.7	8.6	8.5	7.9	7.7

Source: Company, Nuvama Research

Q2FY26 conference call: Key highlights

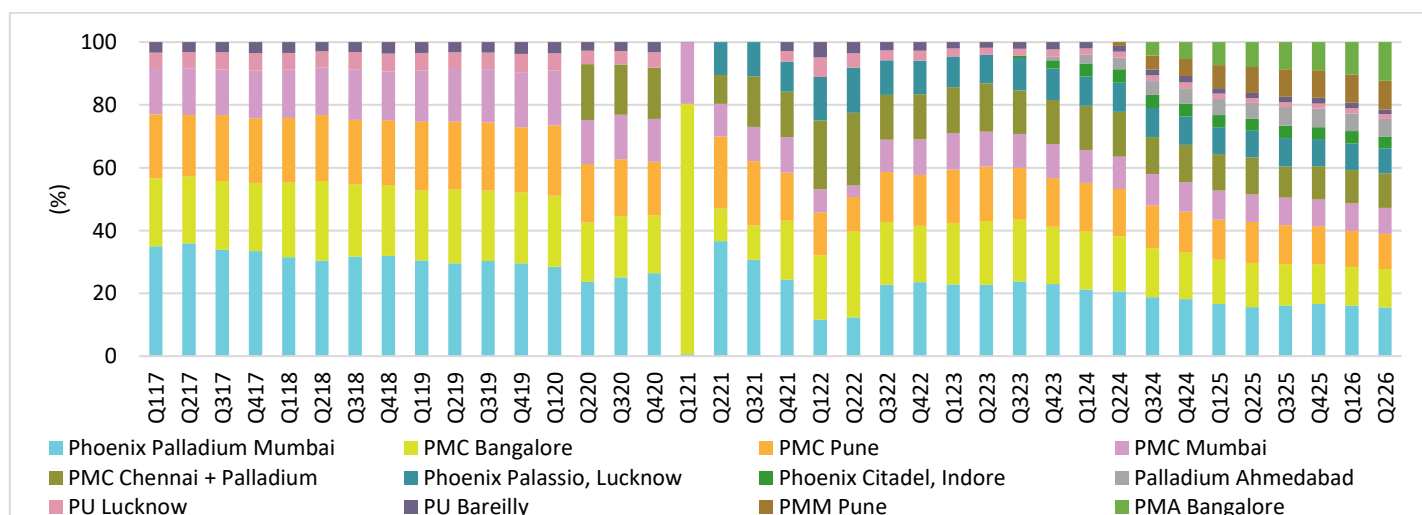
- Financial performance:** Revenue was INR11.2n (up 22% YoY/17% QoQ). EBITDA margin was 59.8% (up 340bp YoY/60bp QoQ). Adjusted PAT came in at INR3bn (up 39% YoY/26% QoQ).
- Consumption growth:** Retail consumption growth that picked up pace during the festive season (in Q3FY25) continued thereafter, rising 14% YoY/5% QoQ to INR37.5bn during Q2FY26 despite heavy monsoon in several cities. Consumption growth during the quarter was led by Phoenix Palladium (Mumbai), Phoenix Citadel (Indore), Palladium Ahmedabad, Phoenix Mall of the Millennium (Pune) and Phoenix Mall of Asia (Bengaluru).

Exhibit 3: Consumption rises YoY in Q2FY26



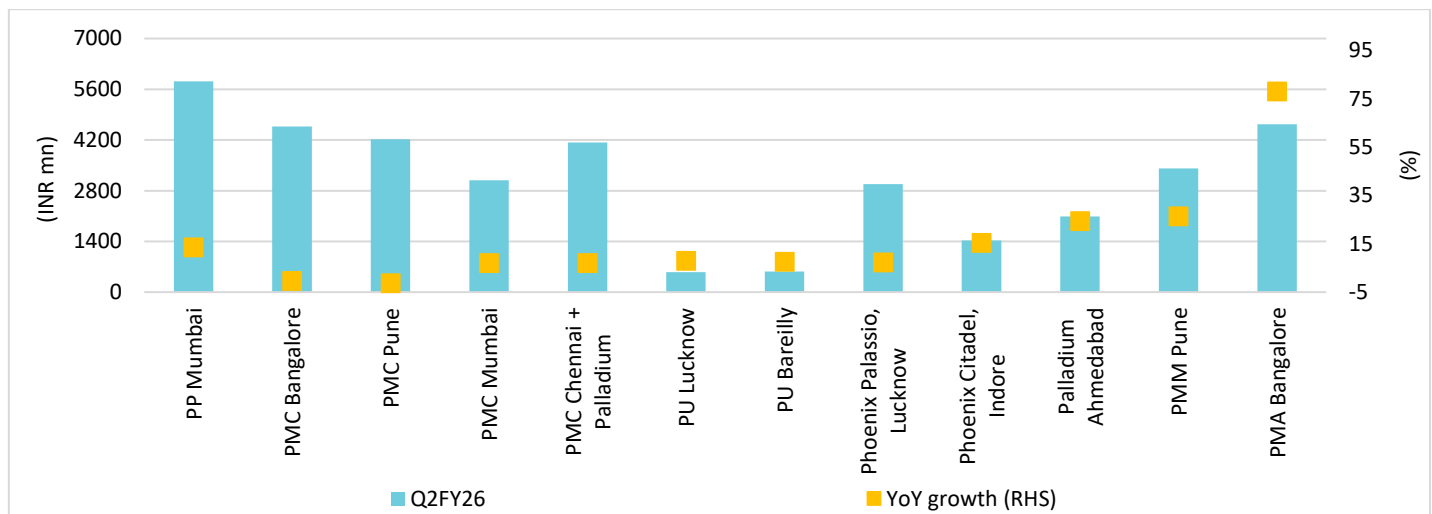
Source: Company, Nuvama Research

Exhibit 4: Share of Mumbai malls in consumption decreasing



Source: Company, Nuvama Research

Exhibit 5: Q2FY26 consumption across malls



Source: Company, Nuvama Research

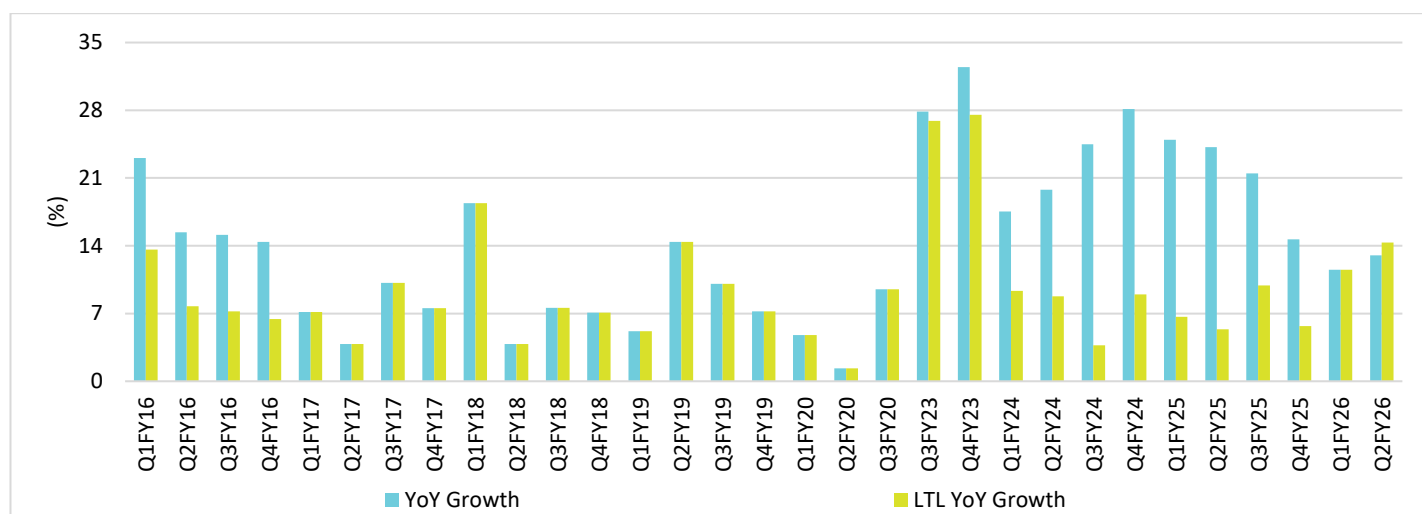
Exhibit 6: Consumption across different categories in Q2FY26

	Consumption Contribution	Trading Area Mix	YoY Consumption Growth
Fashion & Accessories	53%	61%	17%
Jewellery	14%	2%	12%
Electronics	12%	3%	23%
Food & Beverages	10%	11%	6%
Others	4%	3%	-5%
FEC & Multiplex	5%	15%	23%
Gourmet & Hypermarket	2%	4%	-16%

Source: Company, Nuvama Research

Since all malls were operational in Q2FY25, consumption growth on an LTL basis remains same roughly similar at 14% YoY during the quarter (without adjusting for differences in trading occupancy).

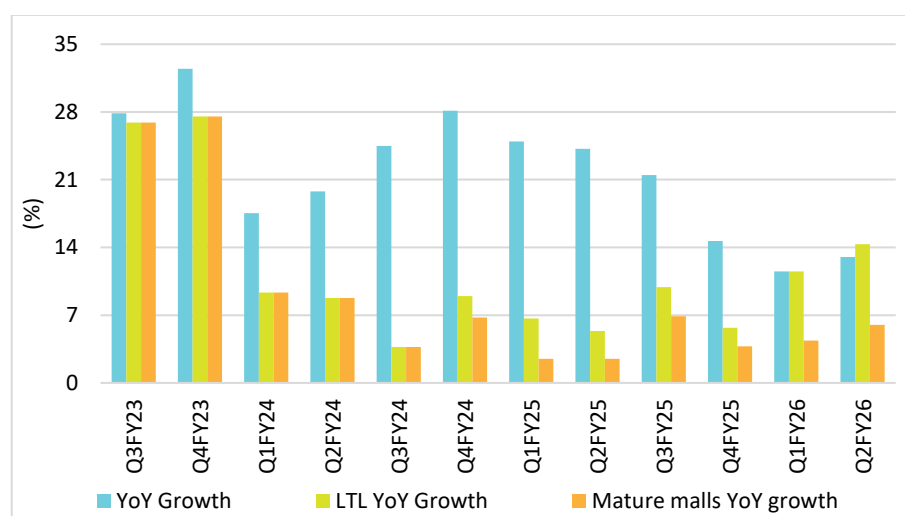
Exhibit 7: Like-to-like consumption growth (YoY) improves in Q2FY26



Source: Company, Nuvama Research

Considering only the mature malls that are operational for more than two years (i.e. excluding Phoenix Palladium, Ahmedabad, launched in Feb-23, Phoenix Mall of Millennium, Pune, launched in Sep-23 and Phoenix Mall of Asia, Bengaluru, launched in Oct-23), the LTL consumption grew 6% YoY in Q2FY26.

Exhibit 8: YoY consumption growth in mature malls remained low in Q2FY26



Source: Company, Nuvama Research

H1FY26 consumption came in at ~INR73.4bn (up 13% YoY).

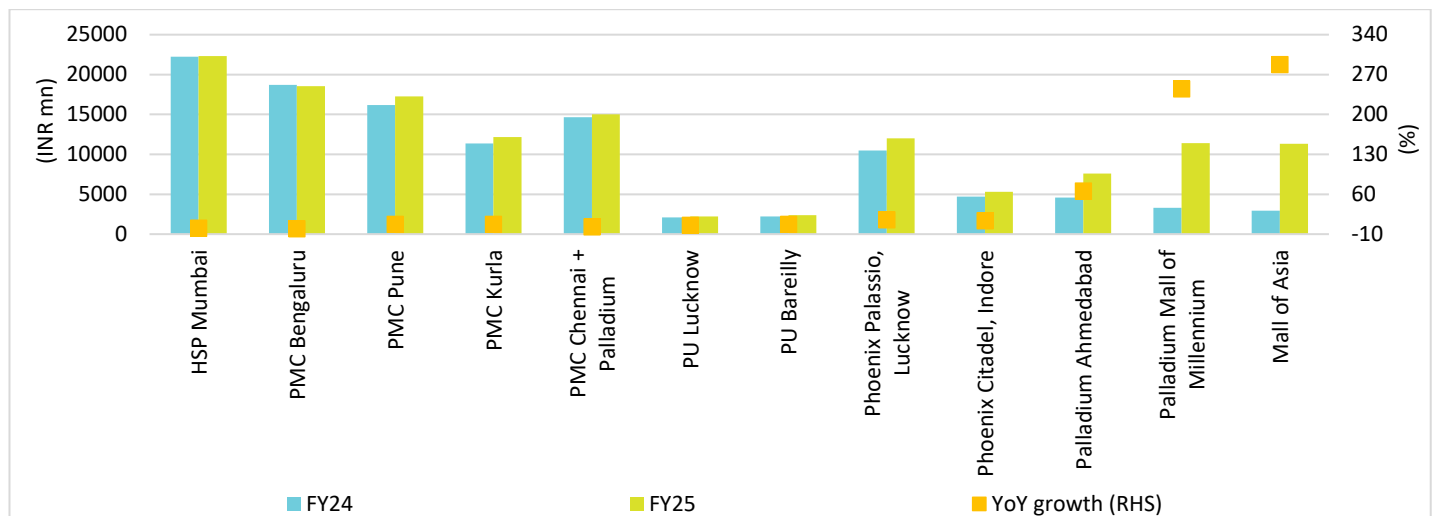
The company had clocked highest-ever consumption of INR137.5bn in FY25, up 21% YoY (up 7% YoY on LTL basis). FY24 consumption at INR113.4bn had jumped 23% YoY (8% on an LTL basis).

Like-to-like consumption growth in Palladium mall in Mumbai was 13% (excluding the newly opened spaces and under-construction spaces), aided by Gourmet Village.

Consumption in Oct-25 has been robust and management expects this trend to continue in Q3/Q4FY26.

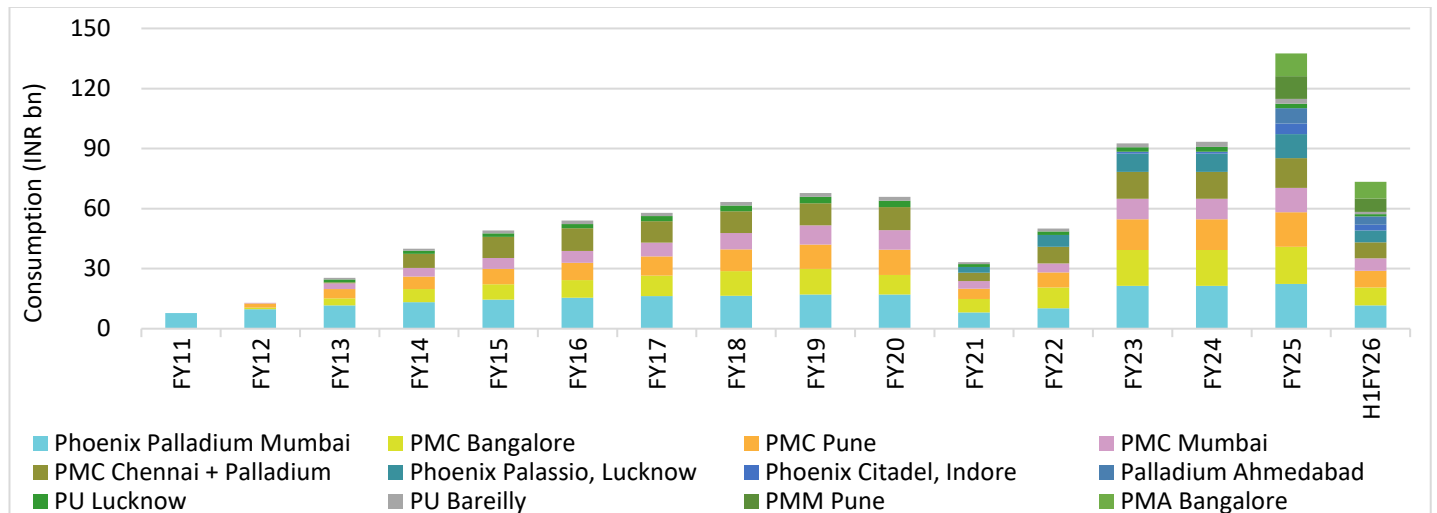
PHOENIX MILLS

Exhibit 9: FY25 versus FY24 consumption across malls



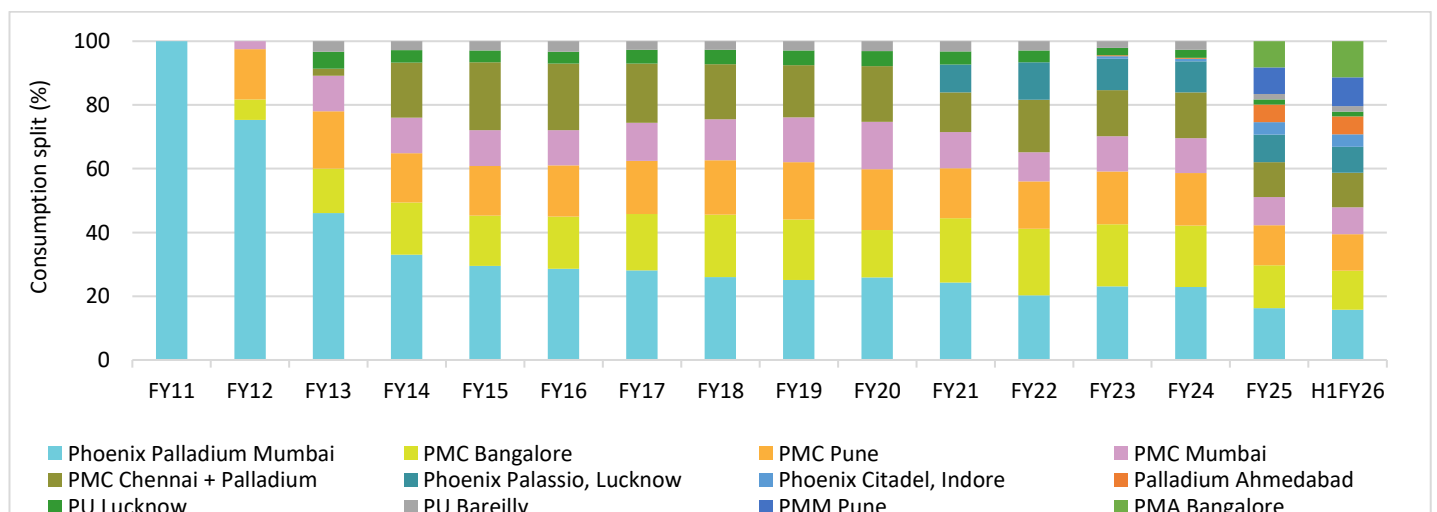
Source: Company, Nuvama Research

Exhibit 10: Annual consumption ramp up across malls



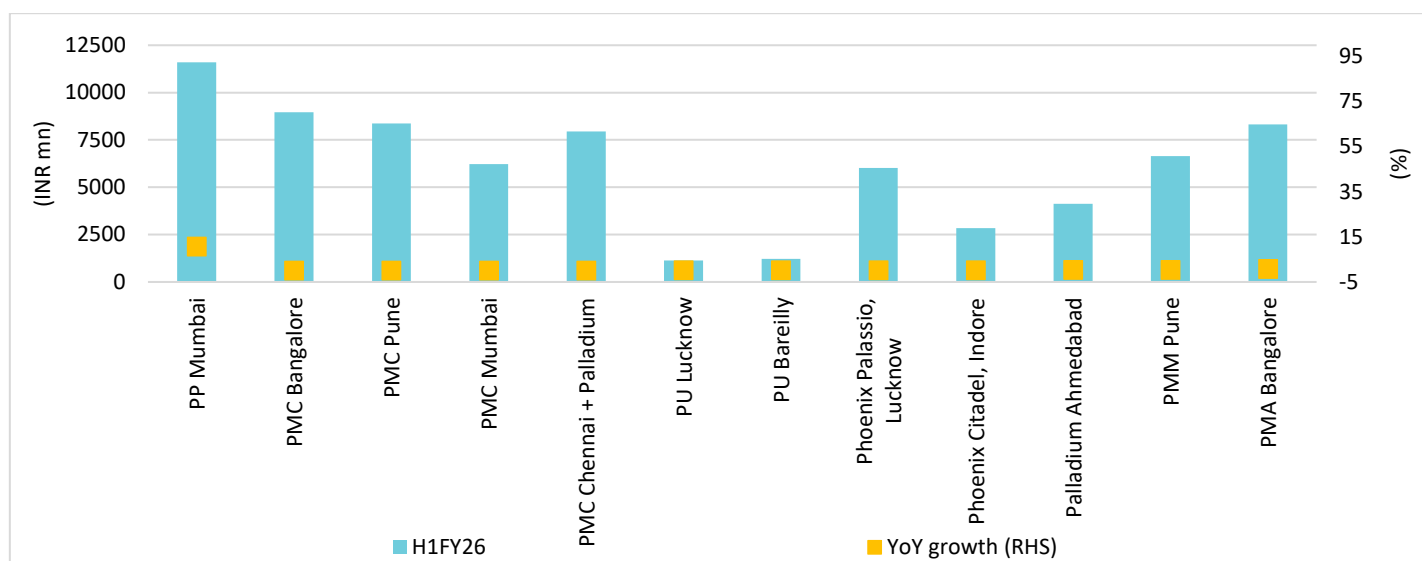
Source: Company, Nuvama Research

Exhibit 11: Annual mall consumption split



Source: Company, Nuvama Research

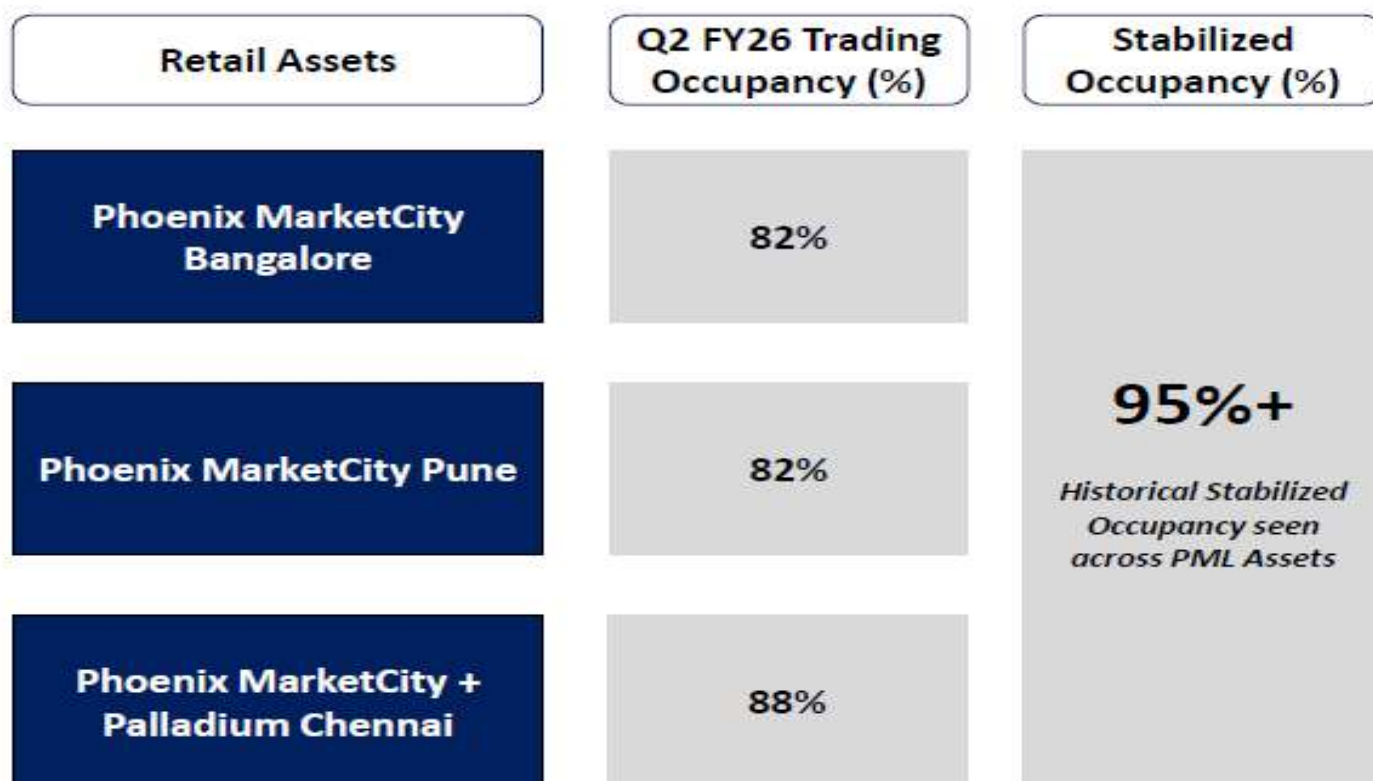
Exhibit 12: H1FY26 consumption across malls



Source: Company, Nuvama Research

- Strategic repositioning:** To improve consumption in legacy malls, PML is undertaking strategic repositioning in Palladium Mumbai as well as the Market City malls in Bengaluru, Pune and Chennai. This has led to temporary decline in trading occupancies in Palladium Mumbai (91% in Q2FY26 v/s 96% in Q2FY25) as well as the three PMC malls.

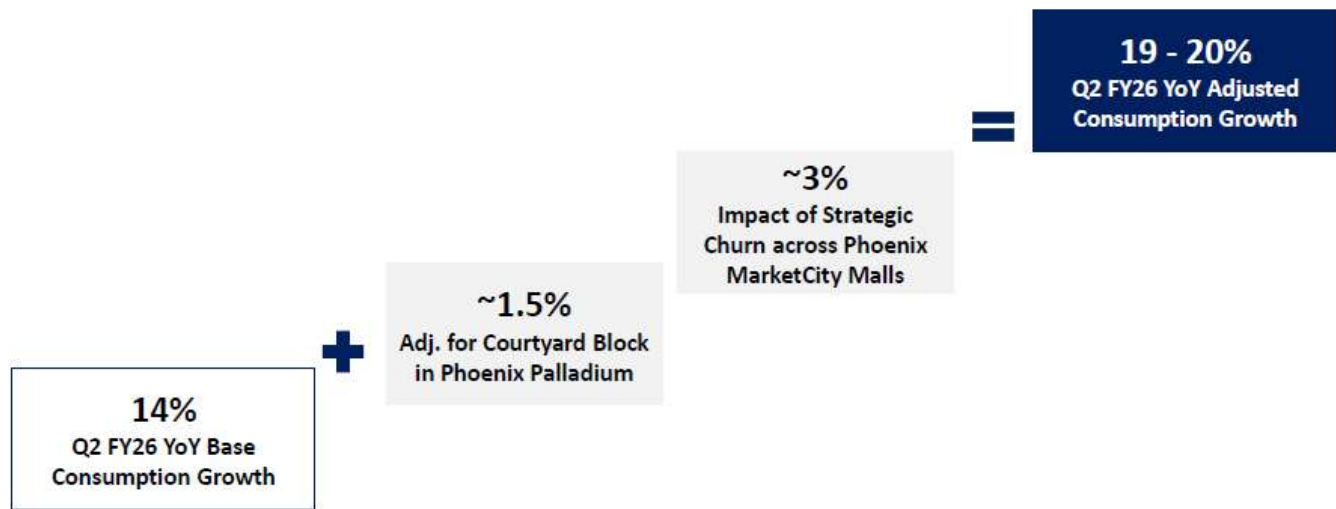
Exhibit 13: Impact of strategic repositioning on trading occupancies



Source: Company, Nuvama Research

Adjusted for this, consumption in Q2FY26 would have grown 19-20% YoY.

Exhibit 14: Insights into adjusted consumption growth



Source: Company, Nuvama Research

The benefit of such asset churn is already visible in the higher consumption growth in Palladium Mumbai (13% in Q2FY26, 10% in H1FY26) as well as better trading densities in the PMC malls.

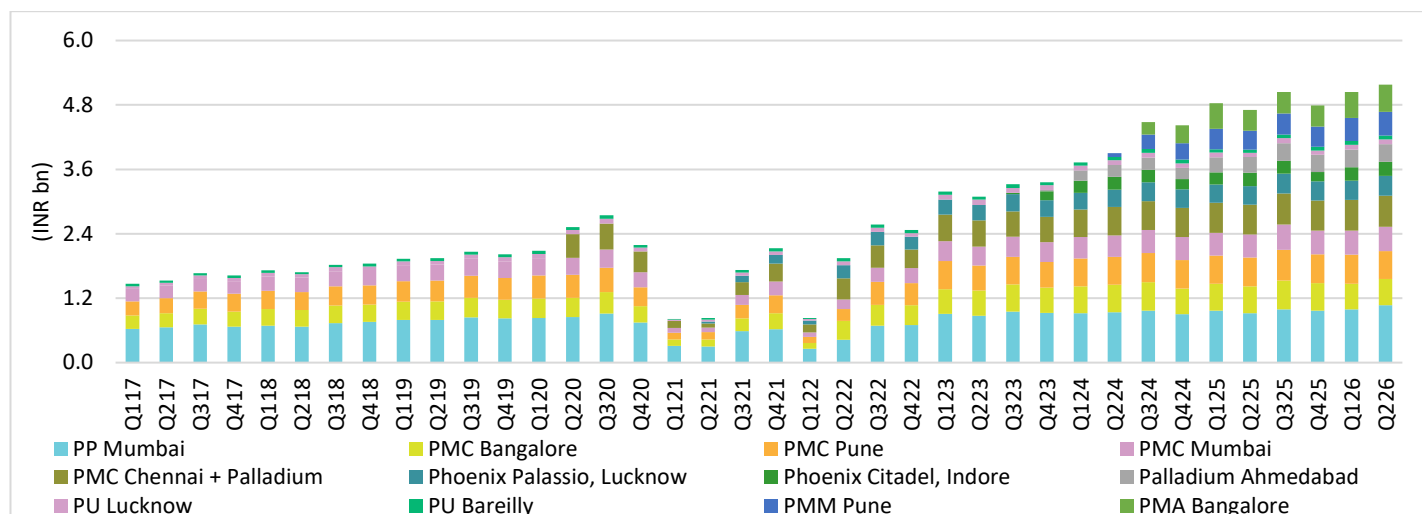
Exhibit 15: Strategic repositioning improves tenant productivity across PMC malls

Retail Assets	Q2 FY26 Consumption	Q2 FY26 Trading Occupancy	Q2 FY26 Trading Density
Phoenix MarketCity Bangalore	Rs. 457 cr (Flat)	82% (↓14 pps)	Rs. 2,831 pspm (↑21%)
Phoenix MarketCity Pune	Rs. 422 cr (↓2%)	82% (↓13 pps)	Rs. 2,083 pspm (↑11%)
Phoenix MarketCity + Palladium Chennai	Rs. 413 cr (↑7%)	88% (↓5 pps)	Rs. 1,965 pspm (↑13%)

Source: Company, Nuvama Research

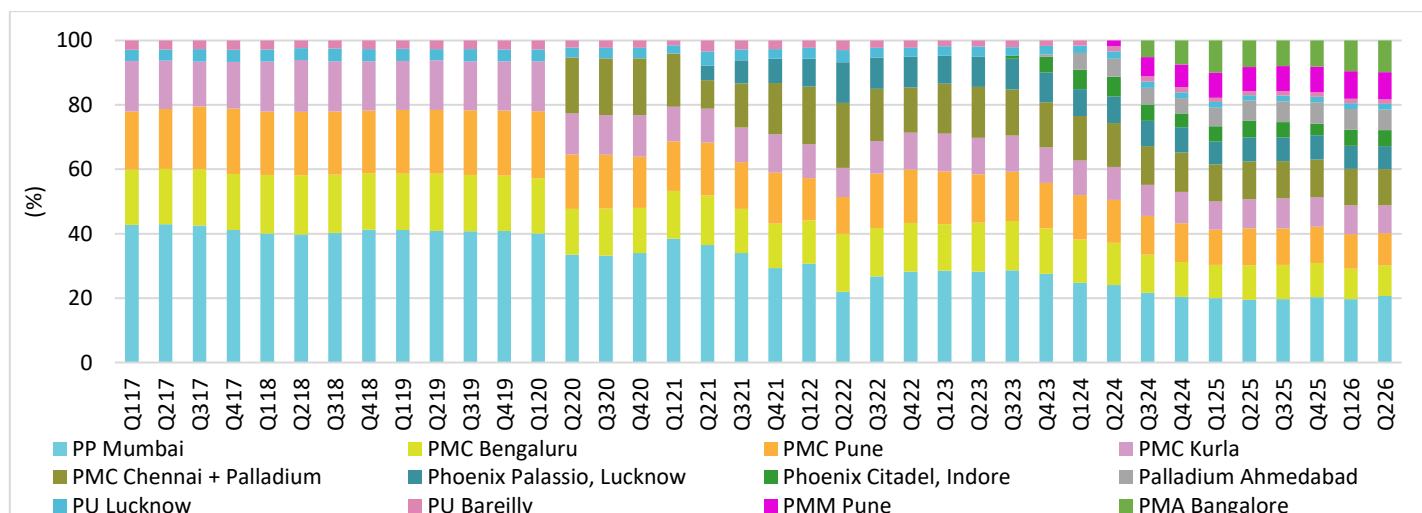
- Retail rentals:** Retail rentals during Q2FY26 came in at ~INR5.3bn, up 10% YoY/5% QoQ. H1FY26 retail rentals at ~INR10.4bn were up 7% YoY while FY25 retail rentals at INR19.5bn were up 18% YoY.

Exhibit 16: Retail rentals increase YoY during Q2FY26



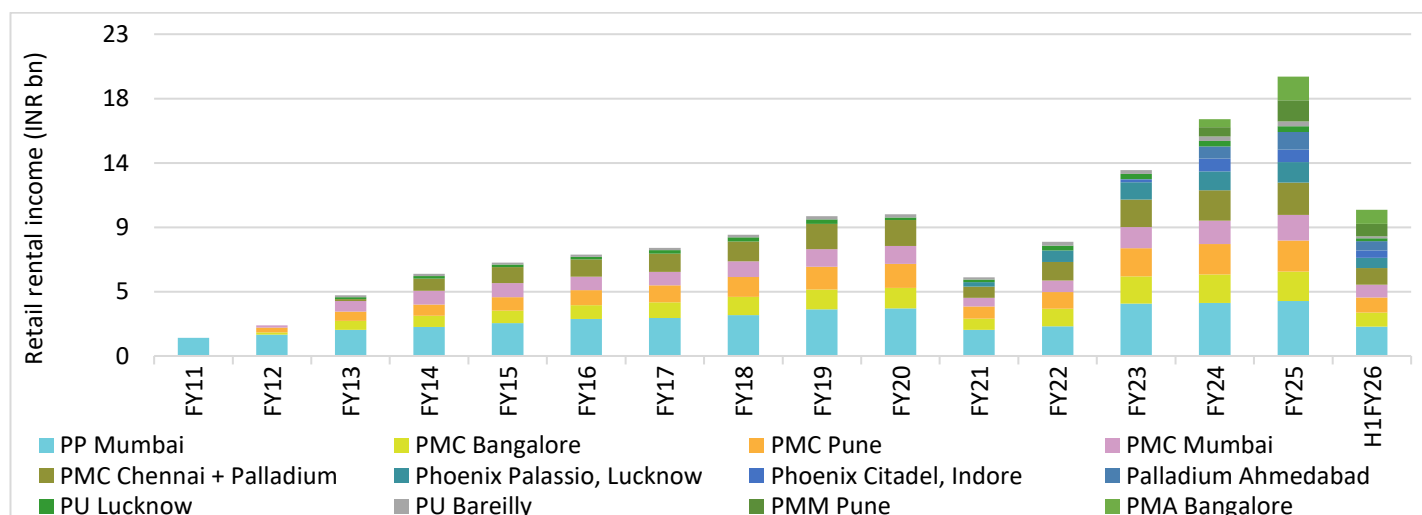
Source: Company, Nuvama Research

Exhibit 17: Share of older malls in retail rentals on declining trajectory



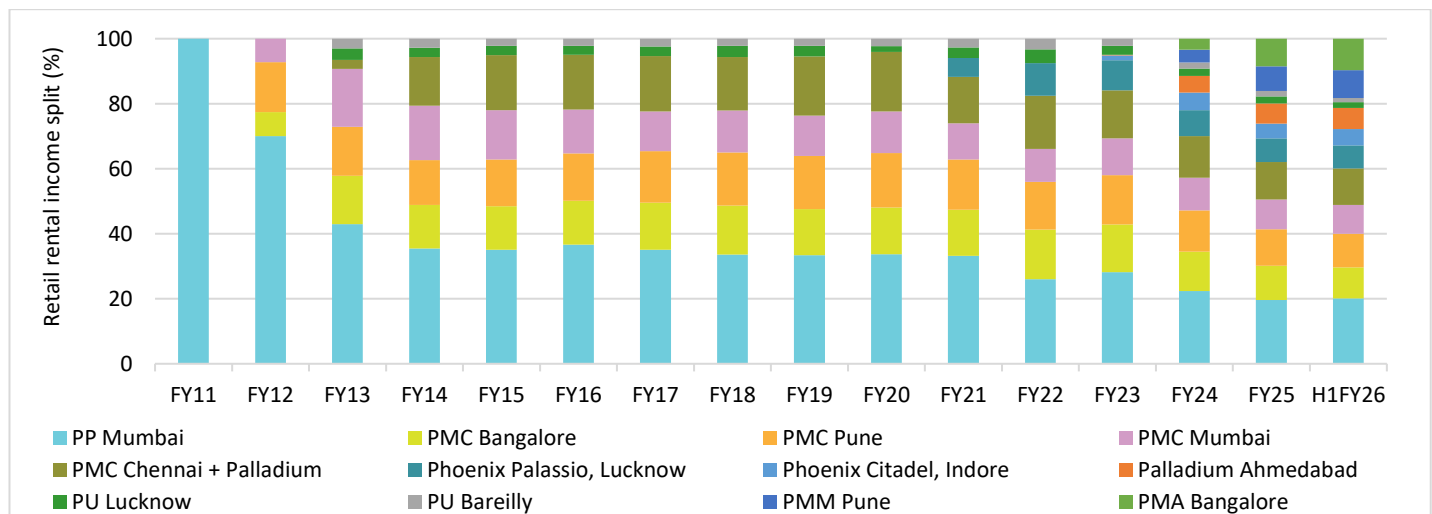
Source: Company, Nuvama Research

Exhibit 18: Annual rentals trajectory



Source: Company, Nuvama Research

Exhibit 19: Contribution of new malls in rentals increasing

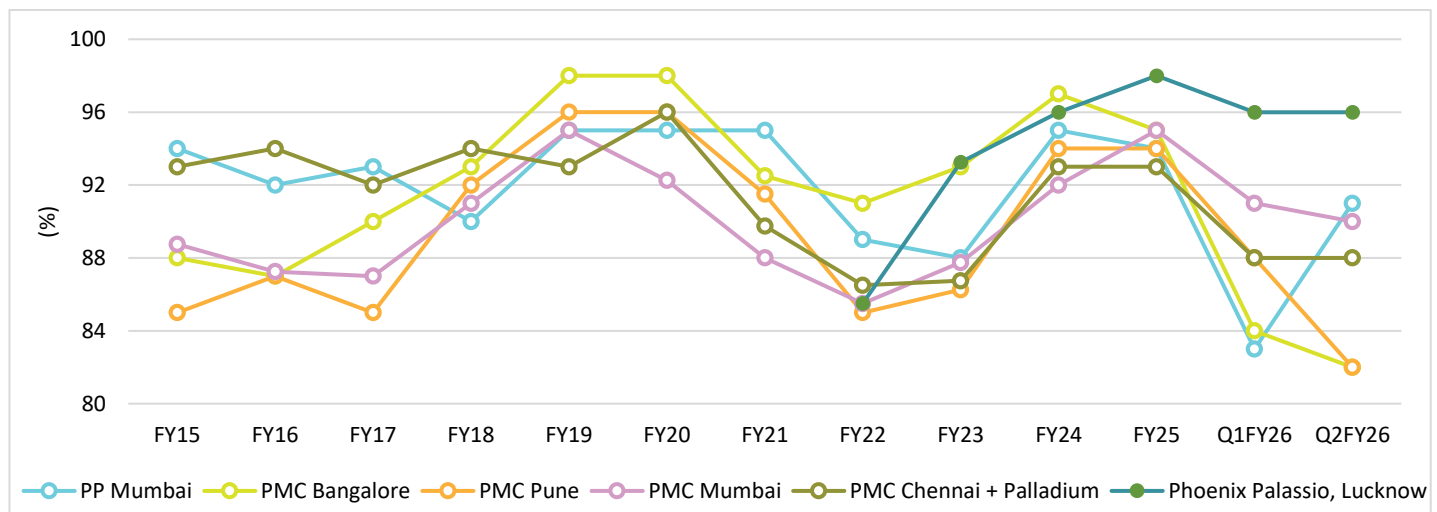


Source: Company, Nuvama Research

- **Trading occupancy:** While the leased occupancy remained at ~95%-plus at the portfolio level, trading occupancy has declined on account of strategic churn, resizing and relocation of brands.

Management believes the large gap between leased occupancy and trading occupancy is temporary and the trading occupancy is poised to return to stabilised levels of 95%-plus in the coming quarters.

Exhibit 20: Trading occupancy across the years in mature malls



Source: Company, Nuvama Research

- **Business development:** PML has been consistently investing in business development. Over the Dec'22–Dec'24 period, the company acquired ~53 acres of land and committed ~INR28.5bn towards these land acquisitions.
 - **Surat:** The company acquired a 7.2-acre land parcel for a total consideration of ~INR5.1bn in Surat in Dec-22. It plans to develop a mall with a GLA of 1msf whose construction is likely to be completed by Q3CY27. The mall is ~35-40% pre-sales.

Graceworks Realty & Leisure (GRLPL), which is a PML-GIC joint venture entity, owns 80% equity shareholding in the subsidiary, which will construct the mall, and the balance 20% equity shareholding is held by

Bsafal Construction (India). PML owns a 67.1% stake in GRLPL, which effectively translates to ~54% stake for PML in the mall.

- **Kolkata:** To enhance its footprint in the housing space, PML acquired a ~5.5 acre land in Feb-23 and is developing a ~1msf premium housing project in Alipore, Kolkata. The mall is likely to be operationalized by end-Q3CY27 and is already 75% pre-leased.
- **Thane:** In Nov-23, the company acquired an ~11.5-acre land parcel in Thane for ~INR4.3bn. It has decided to go ahead with a retail-led mixed used development here. The retail portion is likely to have a 1.2–1.4msf of GLA. An additional 2.5msf FSI will be here. Construction work is likely to commence soon and is expected to get completed by end-CY29.
- **Bengaluru:** The company acquired a ~6.6-acre land parcel in Apr-24 in Whitefield adjacent to its existing mall (PMC Bengaluru) for INR2.3bn with development potential of 1.2–1.3msf. PML has already planned and started construction of Grand Hyatt hotel and expansion of ~0.6msf at the PMC Bengaluru.

The retail expansion in the existing PMC Bengaluru mall is likely to be completed by Q3CY26.

- **Coimbatore:** In Aug-24, Phoenix acquired a ~9-acre land parcel for a consideration of ~INR3.7bn to develop a retail mall with a GLA of ~1msf. The construction is expected to commence in Q3FY26.
- **Mohali (Chandigarh):** In Sep-24, the company added a 13.1-acre land parcel here and is planning to develop a ~1.3msf retail mall and a hotel here. The company has received environmental clearance last week.
- **Mumbai:** In Q4FY25, the company acquired additional 136,000 sq. m. (~1.4msf) FSI in Lower Parel in Mumbai at a cost of ~INR5.9bn.

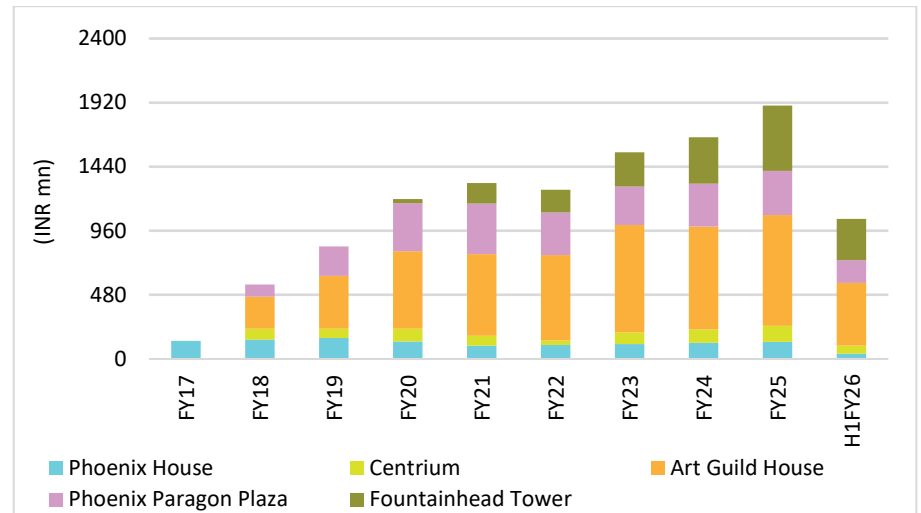
Post-covid, PML has added five new malls and increased its portfolio to 12 malls with a GLA of 11.5msf (~6msf in 2019). The company aims to complete the Surat and Kolkata malls in CY27, the Thane phase-1 (retail portion) and the Coimbatore malls in CY29 and the Mohali mall in CY29/30.

The company incurred a capex of ~INR6.6bn in H1FY26.

- **Office segment:** The total income from the commercial portfolio in Q2FY26 was INR540mn, up 1% YoY while EBITDA at INR330mn was up 2% YoY.

Similarly, H1FY26 office revenues and EBITDA at ~INR1.1bn and ~INR670mn are up 2% and 1% YoY respectively.

Exhibit 21: Office rental trajectory



Source: Company, Nuvama Research

FY25 rental income/EBITDA at INR2.1bn/INR1.3bn were up 10%/19% YoY, respectively.

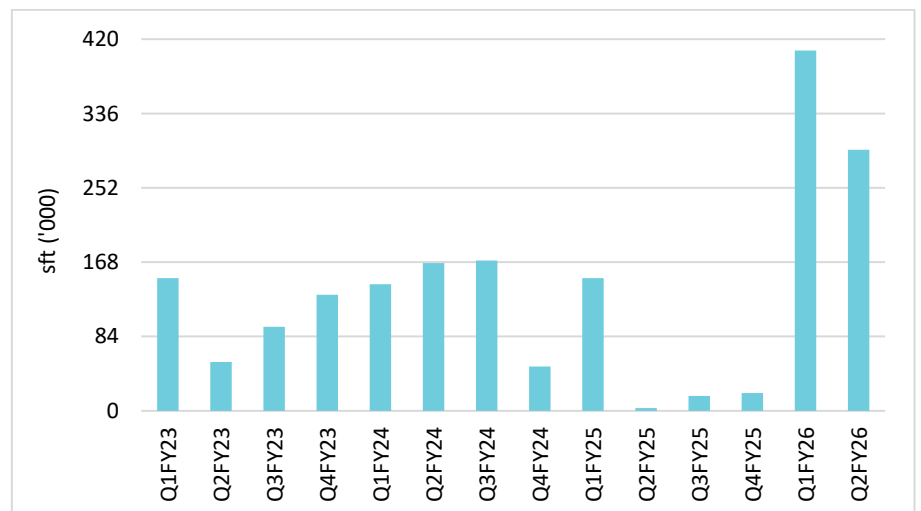
Occupancy in operational assets in Mumbai and Vimmanagar in Pune were at 77% as at end-Q2FY26 (70% at end-Q1FY26 and 67% at end-FY25).

PML clocked H1FY26 gross leasing of ~0.7msf across its office assets in Mumbai, Pune, Bengaluru and Chennai. YTD FY26 gross leasing (up to Oct-25) stands at ~0.94msf. The company targets to lease 80-90% across all assets by end-FY26.

It has completed work on all three towers in Pune and has received OC for one of them (Tower 3). The company also received OC for One National Park (Chennai) asset in Aug-25 and for phase-1 of ~0.8msf in Asia Towers, Bengaluru. Occupancy in the newly completed assets having a total GLA of ~1.9msf stands at ~38% (5% at end-FY25).

Phase-1 of under-construction office asset in PMC Bengaluru (Art Exchange) and Project Rise in Mumbai are slated for completion in Q3CY26/Q3CY27 respectively.

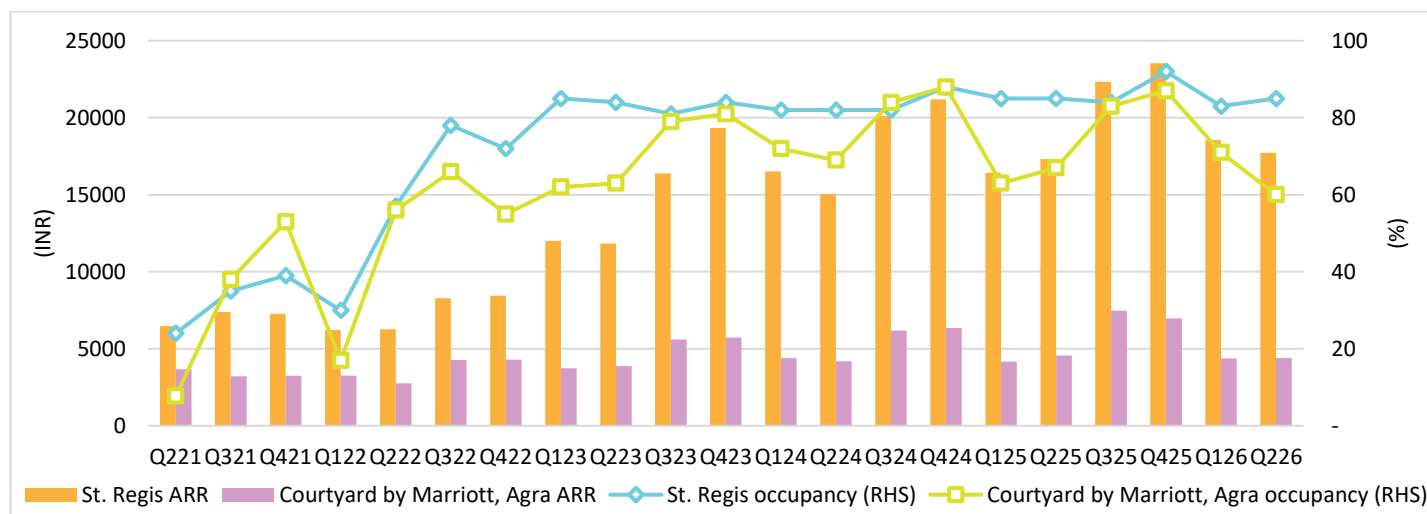
Exhibit 22: Commercial gross leasing over quarters



Source: Company, Nuvama Research

- **Hospitality segment:** Occupancy at the St. Regis hotel came in at 85% in Q2FY26 (flat YoY) with ARR at INR17,727 (up 2% YoY). Occupancy at its Agra hotel was 60% in Q2FY26 (67% in Q2FY25) with ARR at INR4,396 (down 4% YoY).

Exhibit 23: Occupancy has remained healthy in hospitality assets



Source: Company, Nuvama Research

FY25 occupancy in St. Regis remained strong at 86% (83% in FY24). ARR at INR19,958 was up 9% YoY. Occupancy in the Agra hotel was 75% (78% in FY24). ARR at INR5,987 is up 13% YoY in FY25.

Exhibit 24: Operating performance of hotels

Hotels	FY20	FY21	FY22	FY23	FY24	FY25	H1FY26
Occupancy (%)							
St. Regis	78	29	59	84	83	86	85
Courtyard by Marriott, Agra	65	36	48	72	78	75	60
ARR (INR)							
St. Regis	12,241	7,396	7,306	14,851	18,247	19,958	17,727
Courtyard by Marriott, Agra	4,352	3,340	3,686	4,795	5,278	5,987	4,396

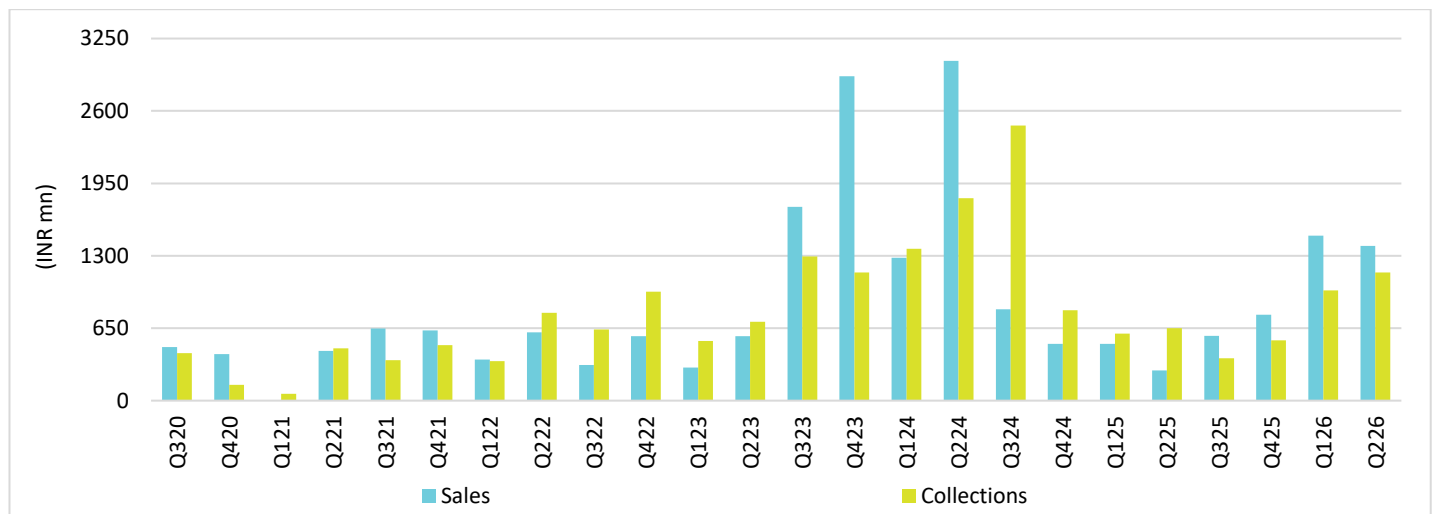
Source: Company, Nuvama Research

The company is currently constructing the Grand Hyatt Bengaluru (~400 keys), which is likely to be operationalised by end-CY27. It can also construct another ~300 keys hotel in Bengaluru. Furthermore, two new hotels with ~500 keys are under planning at existing mixed-use destinations.

- **Residential division:** Q2FY26 pre-sales came in at ~INR1.4bn (up 415% YoY/ down 6% QoQ) with collections at ~INR1.2bn (up 78% YoY/18% QoQ).

The company undertook price hikes during the quarter due to which the ASP increased to INR28,900/sft.

Exhibit 25: Quarterly residential trends



Source: Company, Nuvama Research

H1FY26 pre-sales/collections at ~INR2.9/2.1bn are up 268%/71% YoY.

Exhibit 26: Residential portfolio details

Particulars	Total area (msf)	Area launched (msf)	Cumulative area sold (msf)	Area left to be sold (msf)	Cumulative sales value (INR bn)	Cumulative revenue recognised (INR bn)
One Bangalore West,	2.45	1.79	1.75	0.03	20.5	20.1
Kessaku, Bengaluru	1.03	1.03	0.82	0.21	14.9	14.0
Total	3.48	2.82	2.57	0.24	35.4	34.1

Source: Company, Nuvama Research

FY25 pre-sales came in at ~INR2.1bn (down 63% YoY) with collections of ~INR2.2bn (down 66% YoY). Pre-sales were INR5.7bn in FY24, INR4.7bn in FY23 and INR3.4bn in FY22.

The company wants to exhaust existing inventory in the Bengaluru projects before launching a new tower.

- ISMDPL stake acquisition:** PML will acquire the 49% stake of CPPIB in Island Star Mall Developers Private Limited (ISMDPL), which houses the following assets:
 - PMC Bangalore mall spanning ~1msf
 - The Indore mall (Phoenix Citadel) spanning ~1msf
 - 'Phoenix Mall of Millennium' (1.2msf) and commercial offices known as 'Millennium Towers' (1.37msf) in Pune.
 - 'Phoenix Mall of Asia' (1.2msf) and commercial offices known as 'Phoenix Asia Towers' (0.78msf) in Bengaluru.

Overall, the ISMDPL portfolio comprises operational retail space spanning ~4.4msf and completed offices spanning ~2.2msf. Furthermore, the company plans to develop retail space of ~0.8msf, office space of ~1.6msf and hotels with 700 keys as part of PMC Bangalore expansion. Beyond this, balance FSI potential of ~2.7msf is there across the other three malls.

Exhibit 27: ISMDPL platform: Current and future potential

ISMDPL	~1 msft				~13 msft
Segments	2017A	2025A	2027E	2030E	
Retail	~1 msft	~4.4 msft	~4.6 msft	~5.2 msft	
Offices	-	~2.2 msft	~2.6 msft	~3.7 msft	
Hotel	-	-	~400 keys	~1,000 keys*	
Balance FSI potential	-	-	-	~2.7 msft*	

Source: Company, Nuvama Research

Note: Hotel with ~400 keys under construction + Second hotel with ~300 Keys at PMC Bangalore complex yet to commence construction + under-planning hotel with ~300 Keys at Phoenix Citadel complex

CPPIB's stake shall be acquired at a consideration of ~INR54.5bn, which would be paid in four tranches, over the next three years.

Exhibit 28: Payments by tranche

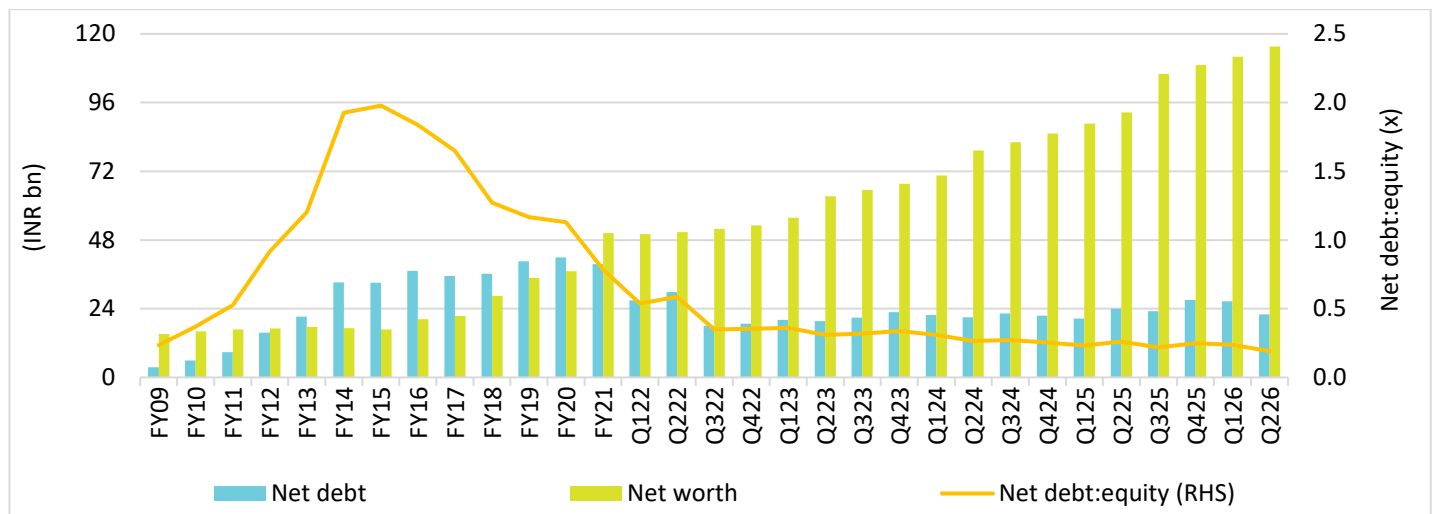
Tranches	Amount (Rs. Cr)
FY26: 1 st Tranche (T-)	1,257
FY27: 2 nd Tranche (T + 12 months)	1,370
FY28: 3 rd Tranche (T + 24 months)	1,358
FY29: 4 th Tranche (T + 36 months)	1,465
Total	5,449

Source: Company, Nuvama Research

The 1st tranche of payment will be made next week.

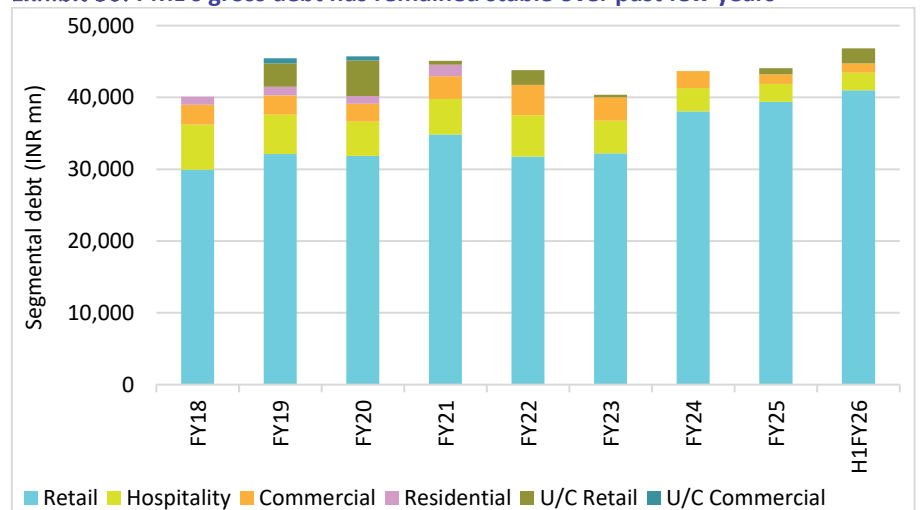
- **Leverage:** The net debt (at the group level) decreased to ~INR22bn (INR26.6bn in Q14FY26). Management expects Debt/EBITDA to stay ~1-2x.

Exhibit 29: PML's leverage has improved materially since FY15



Source: Company, Nuvama Research

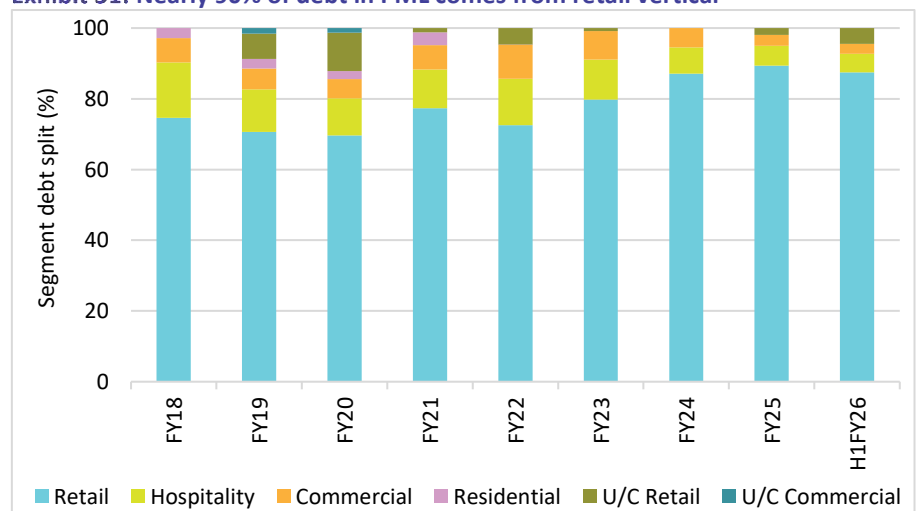
Exhibit 30: PML's gross debt has remained stable over past few years



Source: Company, Nuvama Research

Note: Overall debt and not PML's share of debt

Exhibit 31: Nearly 90% of debt in PML comes from retail vertical

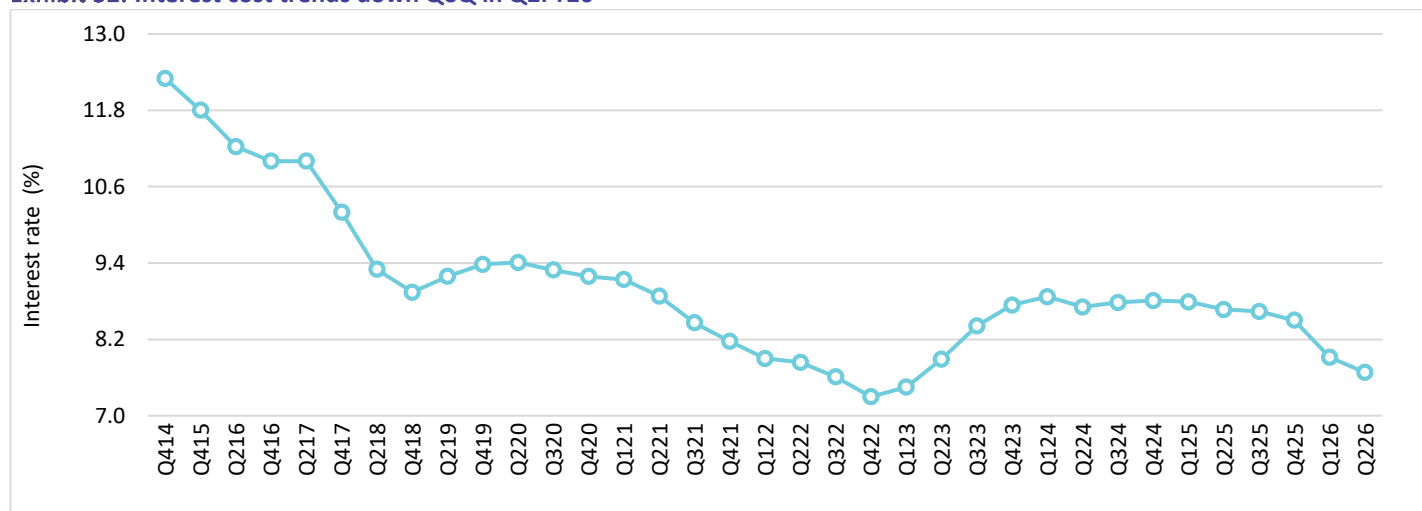


Source: Company, Nuvama Research

Note: Split of overall debt and not PML's share of debt

- **Interest rate:** PML's average cost of debt went down to 7.68% in Sep-25 (7.92% in Sep-25).

Exhibit 32: Interest cost trends down QoQ in Q2FY26



Source: Company, Nuvama Research

Outlook and valuation: Focus on cash flow; maintain 'BUY'

PML's leadership position in the retail realty space, ongoing industry consolidation (refer to [Real Estate – Leadership matters](#)) and its unique understanding of the Indian consumer's psyche coupled with the structural story of urban consumption growth underpin our bullish stance on the company. Entry into new cities and operationalisation of under-construction/planned assets are some stock triggers that we expect to play out over the next few years. We maintain 'BUY/SN' with a target price of INR1,944 (at a 50% premium to Q2FY28E based NAV of INR1,296).

Exhibit 33: SotP valuation

Particulars	Value (INR mn)	Value per share (INR)
Value of completed malls	3,28,589	919
Value of under construction malls	90,242	252
Value of hotel portfolio	42,869	120
Value of office portfolio	42,722	119
Value of residential projects:	20,152	56
Less: Q2FY27E Net debt	21,692	61
Less: CPPIB acquisition pending payment	54,490	152
NAV	4,48,392	1,254
Premium to NAV (%)		55%
Price Target (INR)		1,944

Source: Nuvama Research

We argue a 55% premium to NAV valuation for PML based on the following factors.

- Presence across the entire gamut of realty space, leading to risk diversification.
- Premium brand in the retail realty space.
- Potential market share gains due to consolidation in the realty space.
- Partnerships with marquee institutions lend capital flexibility to increase portfolio size and grow its NAV faster.

Company Description

The Phoenix Mills Limited, (PML) was incorporated in the year 1905. The group has been involved in the real estate business since the 1980s and is India's largest retail-led mixed-use developer. It possesses assets in various cities like Mumbai, Bengaluru, Chennai, Pune, Agra, Indore, Lucknow, Ahmedabad etc.

PML also develops commercial real estate as part of mixed-use developments in and around its core retail projects. PML's hotels have been established as among the best performing hotels in their respective categories. It has also developed premium residential projects in Bengaluru and Chennai.

Investment Theme

A sharp revival in consumption post the pandemic.

Resilience of the business model, sound cost structure and comfort about cash flows.

Limited number of players in the retail realty space, especially those willing to undertake development risk.

PML's long-standing experience of innovations in the retail space.

Robust balance sheet provides opportunities for portfolio growth.

Consumption being a natural corollary to economic growth.

Key Risks

Aggressive capex plans: PML intends to significantly expand its retail and commercial asset portfolio and is developing multiple assets across major cities. This is likely to lead to elevated levels of debt going ahead.

Slowdown in economic growth: The consumption trajectory in retail assets and occupancy in office and hotel assets are intrinsically linked to economic growth. A slowdown in economic growth can adversely impact the performance of these assets

Additional Data

Management

Chairman	Atul Ruia
MD	Shishir Shrivastava
Director	Rajesh Kulkarni
CFO	Kailash Gupta
Auditor	DTS & Associates

Holdings – Top 10*

	% Holding		% Holding
ICICI Pru MF	2.92	Polar Capital	1.26
Gov. of Singapo	2.37	Schroder	1.14
Axis MF	2.00	Invesco MF	1.13
DSP MF	1.47	Aberdeen Group	0.86
UTI MF	1.31	Aditya Birla	0.77

*Latest public data

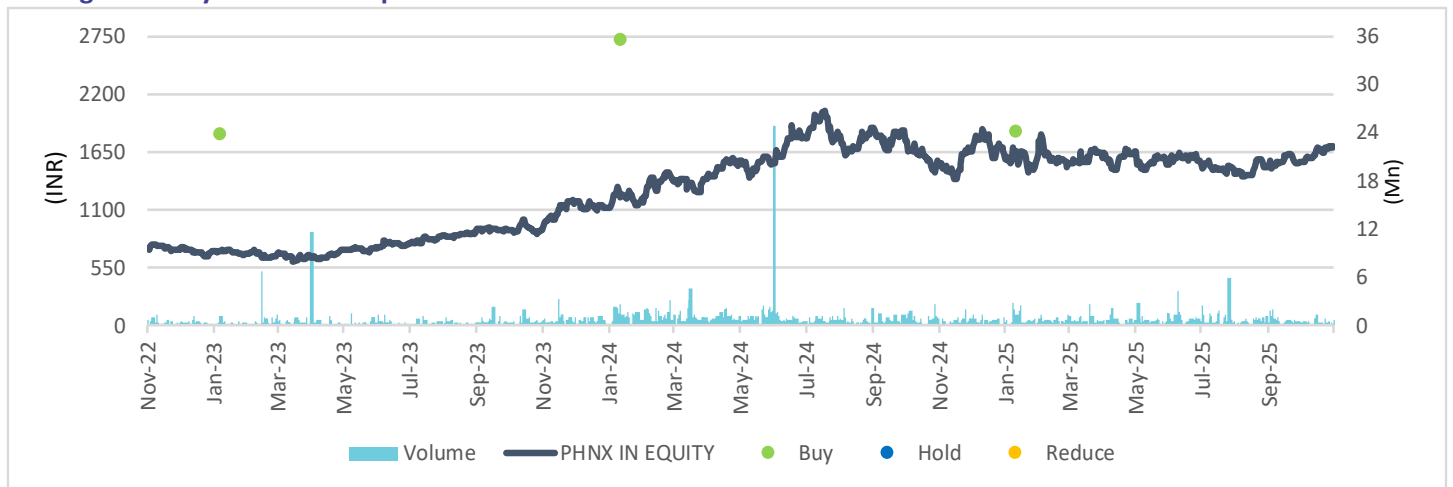
Recent Company Research

Date	Title	Price	Reco
13-Oct-25	Q2FY26: Robust consumption growth; <i>Company Update</i>	1,592	Buy
24-Jul-25	Stake acquisition to be value accretive ; <i>Result Update</i>	1,448	Buy
07-Jul-25	Q1FY26: Power-packed performance; <i>Company Update</i>	1,549	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
31-Oct-25	Lodha	Decent quarter; <i>Result Update</i>
31-Oct-25	DLF	Mumbai launch spurs bookings; <i>Result Update</i>
30-Oct-25	Brigade Enterprises	Launches key to pre-sales growth; <i>Result Update</i>

Rating and Daily Volume Interpretation



Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	205
Hold	<15% and >-5%	68
Reduce	<-5%	37

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