THE PHOENIX MILLS LIMITED

Research Report

15 December 2025

Ratings

Business	★★★★☆
Financials	★★★★☆
Valuation	★★★★☆
Management	★★★★☆

FIN2RESEARCH
Investment Advisor Pvt. Ltd.

Company: Phoenix Mills Ltd.
NSE Code: PHOENIXLTD
Sector: Realty

THE PHOENIX MILLS LIMITED

CMP: Rs. 1775 | Buying Range: 1765-1785 | Target 1/2: 1950/2130 | Potential Upside: 20% | Recommendation: Buy

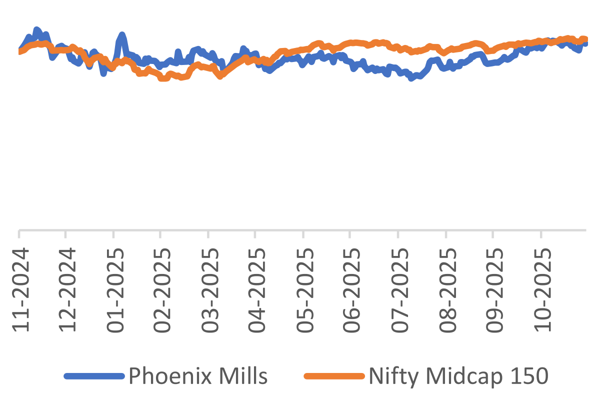
NSE Code/BSE Code	PHOENIXLTD/503100
Market Cap (crores)	Rs. 61,689
CMP (15-Dec-2025)	Rs. 1777
52W High/Low	1902/1402
Avg. Volume (lakhs)	2.48
No. of Equity Shares	35.75 crores
Face Value	Rs. 2
Free Float (crores)	Rs. 32,279

Source: NSE/BSE

Particulars	FY24	FY25
P/E	45.37	59.67
EPS	30.66	27.52
ROCE	11.8%	10.4%
EBIT Margin	47.9%	48.1%
P/B	4x	4.22x
EV/EBITDA	24.54x	28.9x
EV/EBIT	28x	34.1x
ROE	10.76%	9.44%
Net Profit Margin	30%	29.8%

Source: NSE, Company Annual Report

Stock Performance



Source: NSE

Phoenix Mills Ltd., commenced operations in 1905 as a textile manufacturing company in Mumbai. In 1987, the company entered into the growing real estate market with its High Street Phoenix shopping centre in Mumbai. Today, the company operates in four business segments- retail, commercial, hospitality and residential. Its focus is on premium real estate development where its properties has its core focus on mixed-use development, housing multiple segments withing one area. PML is India's leading owner, developer and operator of retail-led mixed-use destinations. PML and its subsidiaries have an operational retail portfolio of over 11 million square feet (msft) of chargeable retail area across 8 major cities in India and are further developing 7 msft of chargeable retail space across 5 new malls and expansion of the existing retail destinations. PML platform is fully integrated, spanning land acquisition, master planning, design, development, leasing, operations, and ongoing densification of existing landmark assets. Strategic partnerships with global and domestic brands, institutional investors, and delivery experts enhance both scale and execution strength.

Key Highlights:

- Total sales in Q2 FY2026 was up 21.5% to ₹1115 crore, driven by strong growth across business segments.
- Operating performance remained resilient with EBITDA up 28.8% YoY to ₹666.92 crore and margins improved to 59.8% from 56.4% a year earlier, indicating effective cost management. EBIT was up 30.79% to ₹575.6 crore with margin improvement from 48% to 51%. Net profit rose 39% YoY to ₹352.06 crore, with margins also improved from 27.6% a year earlier to 31.6%. This showcases both operating leverage and sustained demand momentum.
- PML is on track to expand its national retail footprint from 12 operating malls across 8 cities today to 17 malls across 13 cities by 2030. This next phase of growth will be driven by a mix of new asset launches and densification of existing assets.
- The next phase of our residential portfolio expansion will be led by Tower 8 and 9 at One Bangalore West in Bengaluru, One Belvedere in Kolkata and residential projects under planning at select locations. These projects will deepen our presence in key metros and reinforce our positioning in the high-end segment.

Key Risks:

- **Economic slowdown:** A large share of company's earnings comes from malls footfalls, rentals and rental leasing. If consumer spending slows due to economic downturn, inflation, rising interest rates, etc., it will hit occupancy, footfalls, retail sales and hence the company's revenue.
- **Cost overruns**: Company has multiple projects under development. Large expansions require capital, and the risk is that these projects may face delays, cost overruns or demand may not pickup as expected.

Rating: Buy | **Buying Range: Rs. 1765 – 1785** | **Target: 1950 - 2130** | **Potential Upside: 20%**

SWOT Analysis

Strengths

Successful mixed-use development model- PML integrates retail + office + hospitality + residential within one campus. This gives the company a unique edge over competitors. The presence of different segments helps the retail malls to maintain footfalls regularly.

Dominant position in premium retail malls- PML operates some of India's highest quality, high footfall malls. These malls command strong minimum guaranteed rent and premium brands prefer phoenix sites.

Strong revenue visibility- Retail rentals are multi-year with escalations, revenue share and near full occupancy in flagship assets. This creates sticky, predictable cash flows.

Diverse income streams- Company generates revenue from multiple sources in different segments

Weaknesses

High concentration in larger metro cities- Most assets are in Mumbai, Pune, Bengaluru, Chennai. Cyclical downturns in these cities can impact the company.

Capital intensive business- Malls and the other real estate projects require heavy upfront capex and long gestations period.

Opportunities

Massive growth in organized retail- India's organized retail penetration is still low. Premium malls are gaining traction due to rising income levels and aspirational spending.

Expansion into Tier 2 and Tier 3 cities- Replicating the mixed-use model in emerging cities where new job opportunities are emerging will be very beneficial for the company.

Growth in luxury housing demand- Demand of luxury housing is on the rise with 28% growth in luxury housing sales in quarter one of 2025. PML's presence in the segment will give it a huge revenue and profit potential.

Growth in tourism- Company's presence in overall real estate segments will give it an opportunity to earn.

Threat

Economic slowdown- If discretionary spending drop, mall footfalls and revenue share rents fall first

Ecommerce growth- Online retail may cap footfall growth in some categories like electronics, fashion, etc.

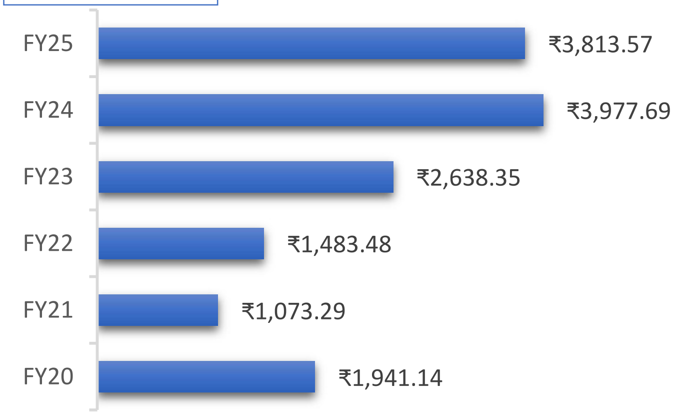
Interest risk & funding risk- High borrowing costs can hurt new projects IRR, refinancing, retailers ability to pay rents

Increasing competition- New malls by DLF, Nexus, Lulu Group, Prestige in key cities create competition for premium brands

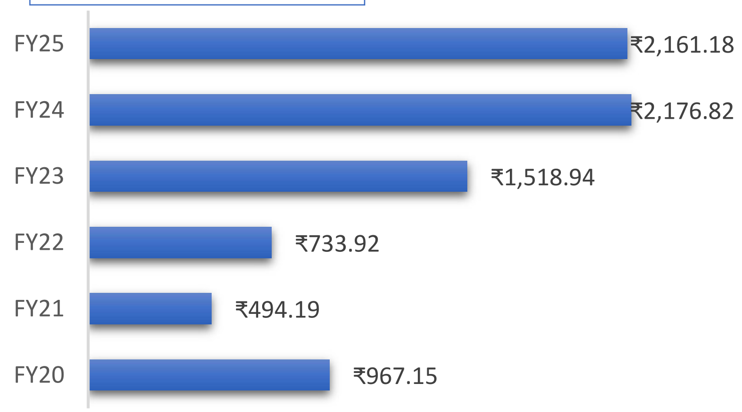
Regulatory risks- Changes in GST rules for rentals, real estate regulations, city level construction norms may affect project economies and timelines

Financial Highlights

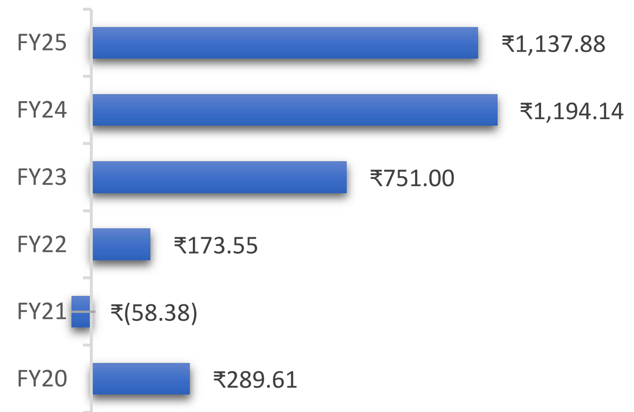
Revenue (cr.)



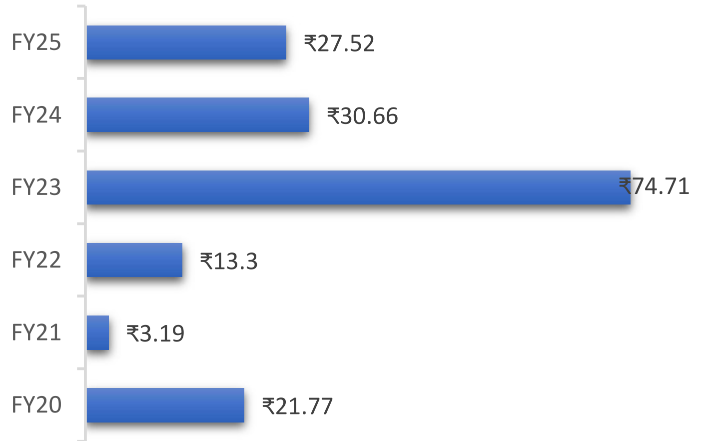
Operating EBITDA (cr.)



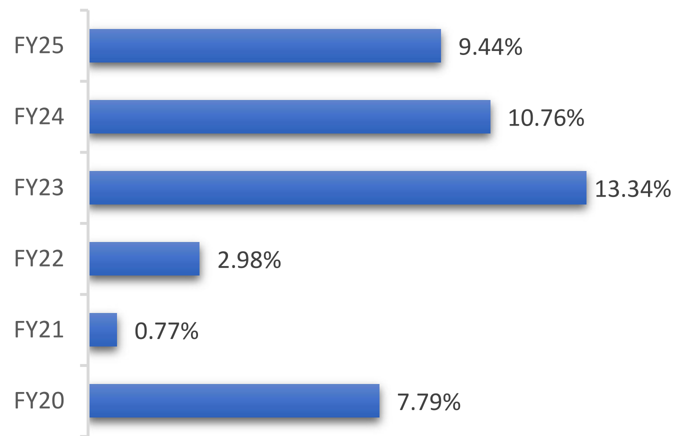
Operating PAT (cr.)



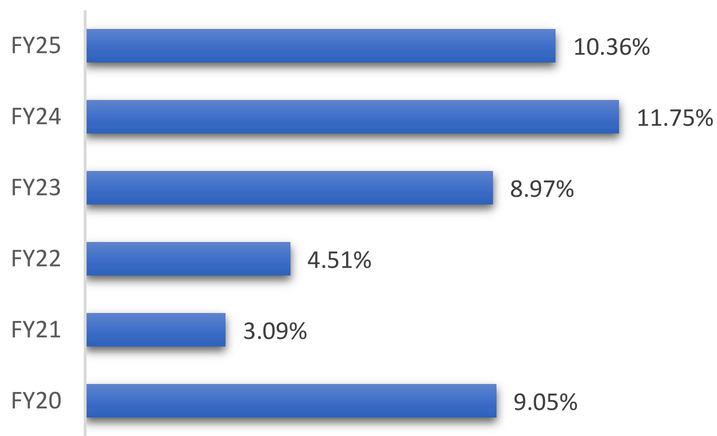
EPS



ROE

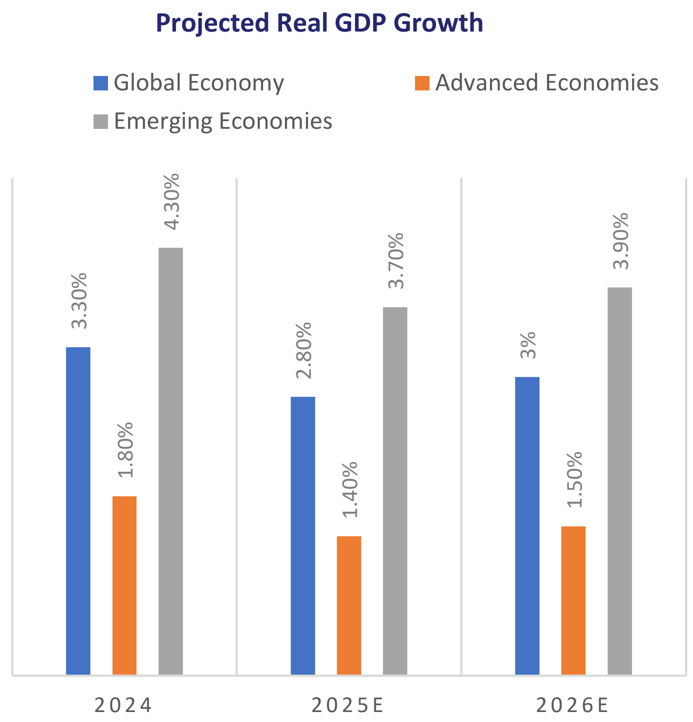


ROCE



Economy and Industry Overview

Economy Overview



Source: IMF, Company Annual Report

Global Economy

The global economy grew by 3.3% in 2024 (IMF), showing resilience despite a period of disruptions. Growth has lacked strong momentum, and concerns of a slowdown are emerging as governments realign their policy priorities to address evolving global challenges. Trade tensions and policy uncertainty are expected to weigh on global economic activity in 2025. The outlook for 2025 is marked by cautious optimism amid persistent uncertainties. Reflecting this, the IMF now projects growth of 2.8% in 2025 and 3.0% in 2026, revised down from its earlier forecast of 3.3% for both years.

A key positive has been the easing of global inflation. Headline inflation is now expected to decline, though at a slightly slower pace than forecast in January. It is projected to ease to 4.3% in 2025 and further to 3.6% in 2026. Within this, estimates for advanced economies have been revised upwards, while those for emerging and developing markets have been slightly adjusted downward for 2025.

Indian Economy

The IMF projects India's GDP growth at 6.2% for 2025 and 6.3% for 2026, well above the global average and emerging market peers. Robust domestic demand, continued reforms, and sustained infrastructure investment and development support this outlook. India's lower reliance on merchandise exports and its active services sector contribute to stability during global trade interruptions. With sound macroeconomic fundamentals and steady policy support, India is expected to be a major driver of global economic growth over the medium term.

Headline inflation softened at the beginning of 2025, primarily driven by a sharp decline in food prices. The decline in crude oil prices has further strengthened the disinflationary outlook. As a result, CPI inflation for 2025–26 is now projected at 3.1%, with quarterly estimates at 2.1% in Q2, 3.1% in Q3, and 4.4% in Q4.

Source: IMF

Industry Overview

Real Estate Segments

Residential

Residential sector is set to make up over 70% of the market by 2026, with 1 crore new homes expected in 2025-26.

Boosted by supply from established developers, stable economic conditions, and positive buyer sentiments, first quarter of CY25 saw record residential sales with 93,280 units sold.

Commercial

Gross leasing volume reached approximately 20.3 msft in Q1 2025, marking a 5% YoY increase

India's commercial real estate market is projected to grow at 19.8% CAGR, reaching US$ 253 billion by 2033.

Retail

FDI in multi-brand retail to boost demand.

Retail sector leasing reached 5 years high of 3.1 msft in the first half of 2024.

Top 7 Indian cities are expected to add nearly 9 msft of retail space in 2025, with leasing likely to outpace 2023's 8.7 msft mark

Hospitality

Hotel occupancies are likely to grow at a CAGR of 3.5-4%, adding approximately 15,000-16,000 premium branded rooms.

In 2024, India's hospitality sector experienced a notable shift towards Tier II and III cities, introducing high-quality accommodations to previously underserved areas such as Amritsar, Mathura, Bikaner, and others.

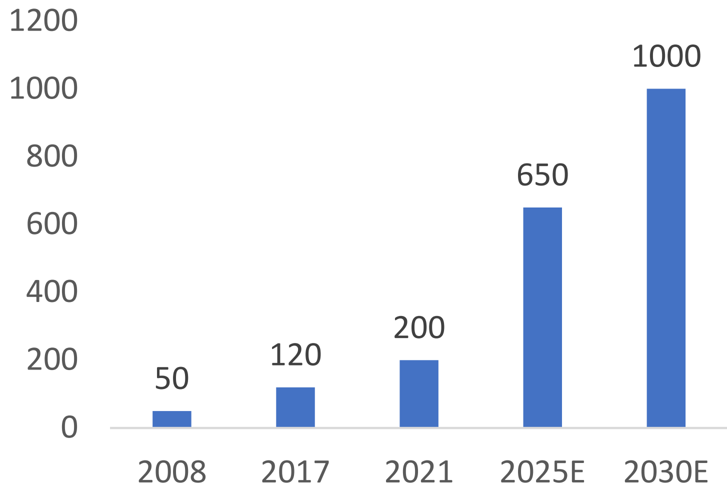
ATTRACTIVE OPPORTUNITIES

- The real estate sector shows promise with a projected 9.2% CAGR from 2023 to 2028. 2025 is expected to drive growth with urbanization, rental market expansion, and property price appreciation.
- ICRA expects new project launches across the top seven cities to rise by 6-9% in FY26, reaching around 620-640 million square feet
- Average home prices rose by 13-15% in FY25, and they're expected to climb another 3–5% in FY26, a sign that demand remains strong and developers continue to hold pricing power.
- The Union Budget 2025-26 allocated Rs. 1 lakh crore to the Urban Challenge Fund, aiming to transform cities into growth hubs through redevelopment and infrastructure projects.

Industry Overview

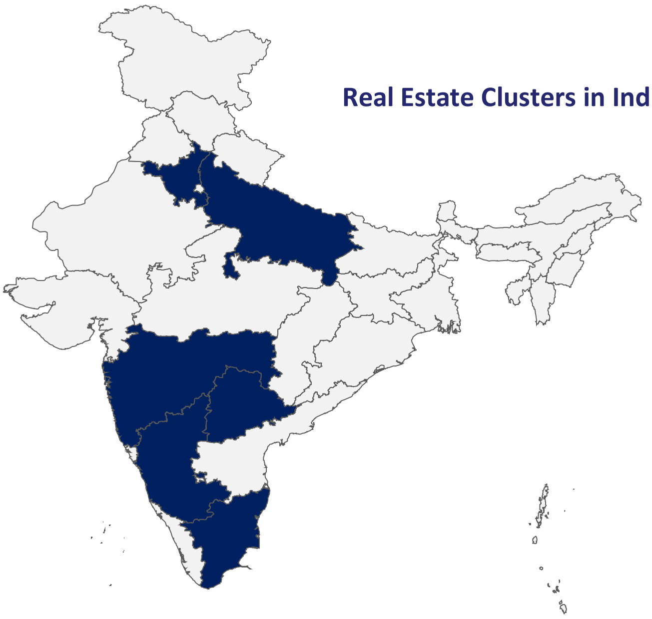
India's real estate sector accounts for 6%-8% of the total GDP during 2014- 2017. Going forward, it is expected to double to 13% by 2025, making it one of the major drivers of the country's economic growth. Many factors influence the development of the commercial real estate industry. The real estate industry plays a pivotal role in influencing numerous related sectors, including cement, steel, iron, paint, furniture, and other construction materials. The significant rise in office leasing activity reflects growing confidence among occupiers and the strong fundamentals of India's economy. India's commercial real estate sector has significantly contributed to the country's economic growth, demonstrating resilience amidst global uncertainties. The market is expected to experience substantial growth due to favorable economic conditions, supportive government policies, evolving business needs, with proactive measures ensuring continued market progress

Indian Real Estate Size (USD Billion)



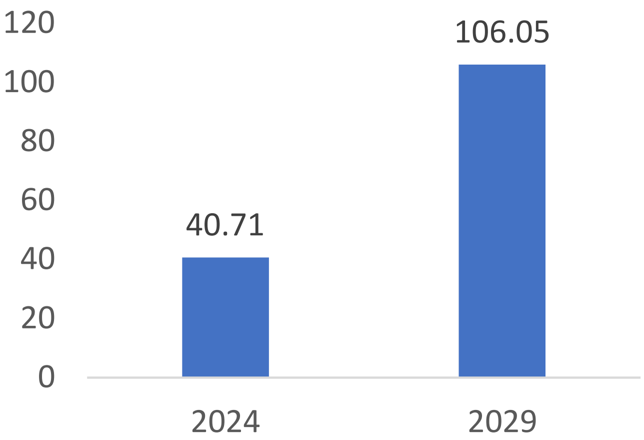
Source: IBEF

Real Estate Clusters in India



Source: IBEF

Indian Commercial Real Estate Size (USD Billion)



Source: Mordor Intelligence

Growth Opportunities-

- **Flex Space Segment-** India's flexible office space supply is anticipated to surpass 80 million square feet by the end of 2025
- **Smaller office spaces-** Due to flexible working system where employees can work from home, smaller offices requirement is also on the rise. The co-working and flex space segment is rapidly expanding, with operators leasing about 6.5 msft of managed and flexible office space in top 7 cities in H1 2025, marking a 48% YoY growth.
- **Healthcare**- The healthcare market was expected to reach US$ 220.8 billion by 2027 growing at a CAGR of 18.24%. India needs to add 2 million hospital beds to meet the global average of 2.6 for every 1,000 people.
- **Senior citizen housing-** Emergence of nuclear families and growing urbanisation have given rise to several townships that are developed to take care of the elderly. The segment in India can reach US$ 7.7 billion in market size by 2030 according to a study by the Ministry of Commerce and Industry.
- **Service apartments-** Growth in tourists has resulted in demand for service apartments, which is likely to grow and presents opportunity for the unorganised sector.
- **Hotels**- FTAs in India is expected to reach 15.3 million by 2025, which is expected to lead to an increase in demand for hotels. Spiritual tourism is one of the biggest untapped markets for domestic travel; nearly 60% of domestic tourism in India is religion-based.

Industry Overview

Retail Segment

India's Retail Industry
Indian retail industry is on a rapid transformation and it is projected to reach $1.6 trillion by 2030. The growth will be driven by rising middle class, rising disposable income, young population, growing aspiration, rising urbanisation, booming digital ecosystem.

Current consumption- Essential goods dominate consumer spending. Nearly 70% of Indian retail market remains highly fragmented, still dominated by non-branded and unorganised players, indicating an untapped opportunity for organised retail growth.

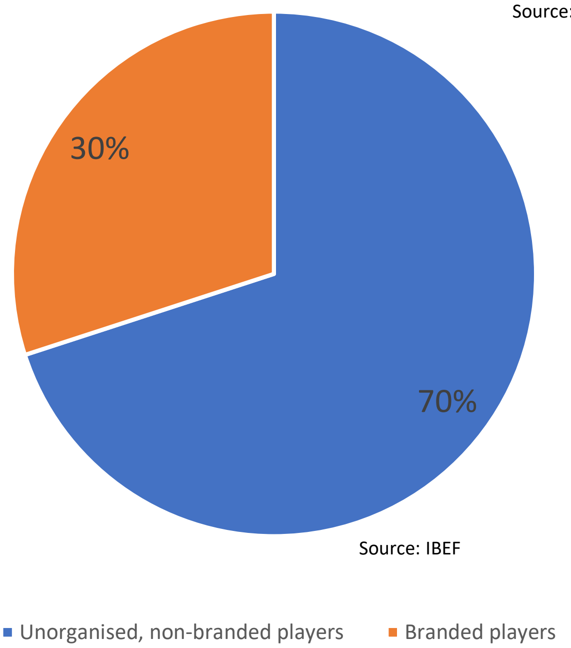
Future consumption- Growth will be led by discretionary categories such as apparel and lifestyle products. Evolving consumer preferences are prompting brands to blend convenience, quality, and digital integration.

As consumer aspirations evolve and demand for formal retail experiences rises, organised players are well positioned to capture a larger market share, offering quality, trust, and consistency.

A notable trend shaping the sector is the premiumisation of retail real estate. According to Cushman & Wakefield, the demand for high-quality, experience-driven retail spaces is accelerating, fuelled by the aspirations of a rising middle class and the entry of global brands. Premium malls, luxury districts, and well-curated high streets are becoming increasingly important , especially in metropolitan and tier-1 cities. Developers are responding with sophisticated, lifestyle-oriented environments that integrate shopping, dining, entertainment, and community experiences.

Brands with $100 million Revenue	
China	2800
India	350

Source: IBEF



Source: IBEF

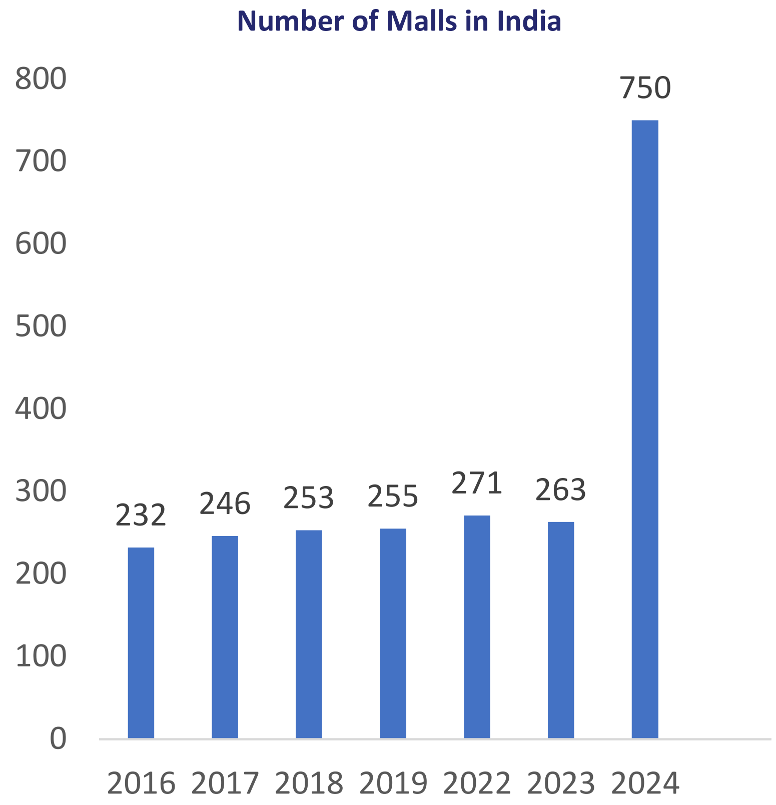
Growth Driving Cities

Ahmedabad	• Upcoming office space likely to boost hospitality segment
Bengaluru	• Corporate clients expected to provide steady growth to room demand
Chennai	• Promising commercial destination with Chennai-Bengaluru industrial corridor
Hyderabad	• Commercial and office space likely to boost room demand
Kolkata	• Projects like Light Rail Transport System, Monorail, Eco-Park, and Airport expansion are likely to boost travel.
Mumbai	• New airport, infra growth will improve hotel demand
NCR	• Luxury market in Delhi NCR surged in H1 2025, with branded residencies dominating and prices appreciating by around 9% YoY
Pune	• IT parks are increasing traffic. New businesses are likely to increase business conferences and events, which will boost hotels demand.

Source: IBEF

Segment Overview

Retail Segment



Source: IBEF

Currently, retail accounts for a small portion of the Indian real estate market. Organised retailers are few and the organised retail space is mostly developed by residential/office space developers.

Key Drivers-

- Booming consumerism in India
- Organised retail sector is growing 25-30% annually
- Entry of MNC retailers
- India's population below 30 years of age and having exposure to global retail is expected to drive demand for organised retail.

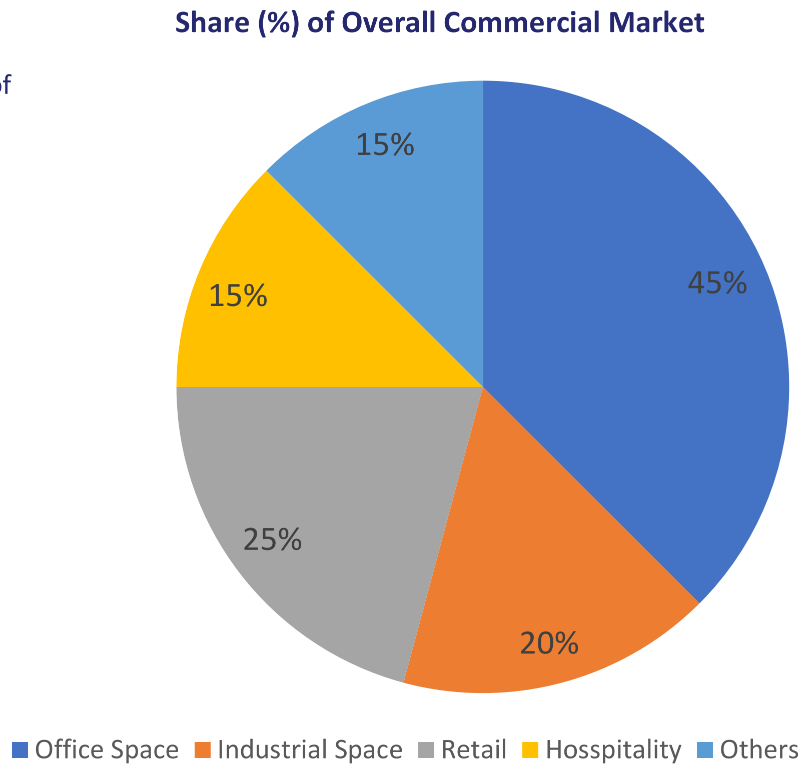
Current Trends-

- India is expected to add 30 msft of shopping mall space by 2027, aiming to reach a total of 200 msft by 2036. The National Capital Region (NCR), has the largest 3.53 square feet. of space occupied by such malls.
- India's retail real estate is rapidly evolving, driven by Millennials, Gen Z, and Gen Alpha prioritizing convenience, digital integration, and immersive brand experiences. In H1 2025, apparel and F&B accounted for 54% of leasing (~2 msft) in top cities, with growing demand for entertainment and lifestyle retail, reflecting a shift towards tech enabled, personalized retail formats for future success.

Growth Drivers

The top seven cities in India are set to add over 16.6 msft of new Grade A mall space between 2025 and 2026. Hyderabad and Delhi NCR are expected to lead this surge, accounting for 65% of new supply. The broader retail real estate pipeline is expected to add over 40 million square feet of new retail space across major urban centers by 2029. Mall vacancy rates in the top seven cities, which peaked at 15.5% in 2021, are projected to **stabilize** at around **8.2% in 2025** and **8.5% in 2026**, indicating a balancing of demand and supply.

Currently, organized retail accounts for only about **12%** of the total retail market, which is significantly lower than in developed economies. This large gap provides substantial room for growth as consumers increasingly prefer quality, consistency, and a branded experience. The market is powered by a large and aspirational consumer base, including **400 million Gen Z** individuals and **350 million Millennials** expected by 2030, who are driving exponential growth in categories like fashion, health & wellness, and experiential spending.



Source: IBEF

Industry Overview

Hotel Industry Growth Rate
- 11-13%

Occupancy Rate
- FY25- 70-72%
- FY26E- 72-74%

Premium Room Inventory Growth
- 4.5-5%

Average Room Rates
- FY25- 8000-8200
- FY26E- 8200-8500

Source: Company Annual Report

Hospitality Sector

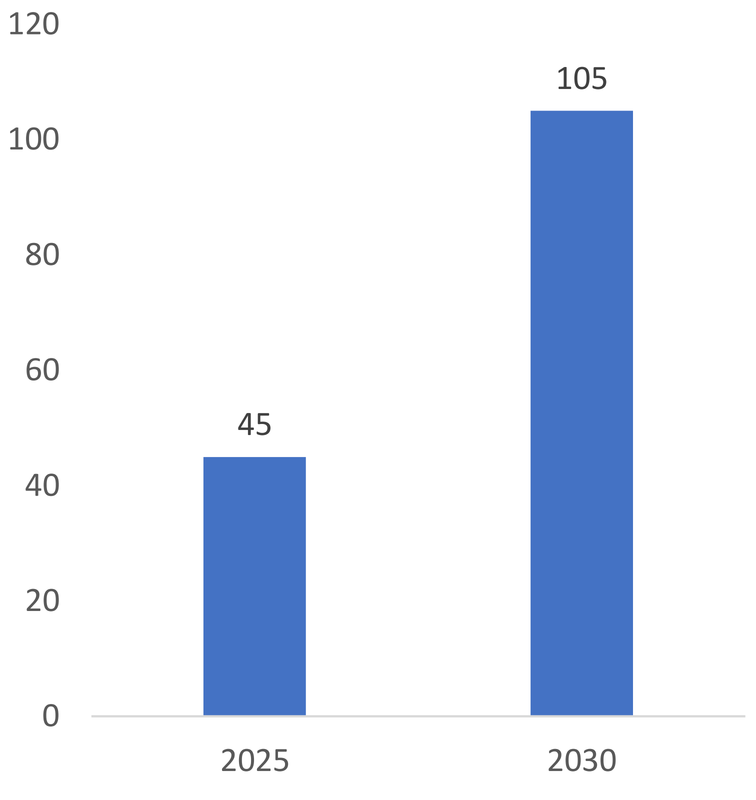
India's hospitality sector is experiencing an unprecedented boom, marked by substantial investment activity and rapid expansion plans. According to JLL, the industry is poised to add approximately 42,000 new hotel keys over the next five years, reflecting the largest growth pipeline seen in recent times. This surge is driven by robust domestic demand, a rebound in business and leisure travel, and increasing interest from global hotel chains seeking to expand their footprint in India. New supply has been measured, with the premium room inventory across 12 key cities projected to grow at a CAGR of ~4.5–5.0% between FY2023 and FY2026, ensuring that demand will continue to outpace supply. This disciplined approach is expected to prevent oversupply issues and facilitate a prolonged upcycle in the industry. The pan-India premium hotel occupancy rate is estimated to be around 70–72% for FY2025 and is likely to improve further to 72–74% in FY2026. Revenue and profitability metrics have also improved significantly. Average room rates (ARRs) for premium hotels are estimated at INR 8,000–8,200 for FY2025, with a further rise projected to INR 8,200–8,500 in FY2026. RevPAR (Revenue per Available Room) has almost reached pre-2008 peak levels and is anticipated to rise to INR 5,900–6,300 in FY2026. Operating margins of large hotel players are expected to be around 34–36% for FY2025 and FY2026, up from pre-COVID averages of 20–22%, driven by cost rationalisation and operating leverage. Higher business accruals have also strengthened the sector's capital structures, improving debt coverage metrics.

Indian Luxury Residential Real Estate

Valued at approximately USD 45 billion in 2024, is projected to reach USD 105 billion by 2030 growing at a CAGR of around 15%. **Growth Drivers-**

- **Surge in High-Net-Worth Demand:** The number of High-Net-Worth Individuals (HNIs) in India is expected to rise further to **1.65 million by 2027**. Ultra-High-Net-Worth Individuals (UHNIs) are expected to see a **50% growth by 2028**, significantly outpacing the global average growth of 30%. Affluent buyers, including HNIs, UHNIs, and Non-Resident Indians (NRIs), are increasingly turning to luxury real estate as a tangible asset to safeguard their wealth amid global uncertainties.
- **Recent Performance:** The market has already experienced spectacular growth, with luxury housing sales (homes priced at ₹4 crore) rising nearly **28% Year-on-Year** in the first half of 2025 across major cities.
- **Supply and Demand Shift:** Luxury homes have unequivocally dominated sales, capturing a massive **62% market share of all residential sales in the first half of 2025**, a significant jump from 51% in the preceding year.
- **Developer Focus:** Luxury homes now account for **27% of overall housing supply**, up from 16% previously, as developers pivot towards larger layouts, premium specifications, and integrated amenities.
- **Experiential Living:** Luxury has evolved from basic opulence to an emphasis on holistic, experiential living. Buyers prioritize properties that offer dedicated zones for wellness, flexible floor plans, and sophisticated amenities.

Luxury Real Estate Market (USD Billion)



Business Overview

Business Overview

Phoenix Mills Ltd. Has its operations across retail, commercial, hospitality and residential segments. The company is focussed on premium segment of real estate where it designs, builds and operates retail led led mixed use destinations where one destination houses multiple segments like retail shopping centre, offices, residential units and hospitality units. The company looks to integrate its multiple offerings into a single destination where customers can visit and get all the things at one place.

Business Segments

Retail

Operational Malls- 13
Total Area- 11.5 msft
Cities- 8
Upcoming- 5 msft

Commercial

Operational- 7
Total Area- 3.24 msft
Net leasable- 1.98 msft
Upcoming- 6 properties

Hospitality

Operational Hotels- 2
Rooms- 581
Restaurant- 12
Occupancy- 80%

Residential

Properties- 2
Total Area- 3.44 msft
Launched- 2.83 msft

The company operates 13 malls in 8 cities, covering 11.5 msft of area. Upcoming pipeline includes 5 new malls, adding 5 msft of area. This will take the total operational area of the mall to nearly 18 msft. In commercial portfolio, there are seven operational grade A offices, covering total area of 3.24 msft. Out of these, net leasable area is 1.98 msft. In the upcoming pipeline, there are six new grade offices in the different stage of planning and development. In hospitality portfolio, the company has two operational hotels with 581 rooms and 12 restaurant. The occupancy rate is 80%. The residential portfolio includes two properties with total area of 3.44 msft. Total area launched till date is 2.83 msft. There are upcoming plans to launch new towers in Bangalore.

FY2025 was a year of steady growth for PML's commercial office portfolio. It leased approximately 3.0 lakh sq. ft. of space, comprising ~1.1 lakh sq. ft. in newly completed assets and ~1.9 lakh sq. ft. across operational assets in Kurla, Mumbai and Viman Nagar, Pune. Portfolio occupancy stood at 67% as of March 2025, with average gross rentals of `125 per sq. ft. per month. Commercial office income rose 10% year-on-year to 210 crore, supported by rental escalations, and improved absorption in core markets. EBITDA grew 19% to 131 crore, with margins expanding to 62% from 58% in FY2024, underscoring operational efficiency and scale benefits.

During the year, Bengaluru projects: Kessaku and One Bangalore West (Towers 1 to 7), achieved gross sales of 212 crore and collections of 219 crore, reflecting steady demand and buyer confidence. The portfolio continued to see strong price appreciation, with the average selling price for FY2025 rising to 26,000 per sq. ft., up 8% from 24,000 per sq. ft. in March 2024, and a remarkable 63% increase from 16,000 per sq. ft. in March 2020. This growth highlights both the resilience of the luxury residential segment and the enduring appeal of our developments. As of March 2025, it held 340,000 sq. ft. of ready-to-sell inventory, offering healthy visibility for near-term monetisation.

Top 5 Rental Generating Malls (FY25)

Palladium, Mumbai
Rental Income- 394 crore
Growth- 3%

MarketCity, Chennai
Rental Income- 225 crore
Growth- 6%

MarketCity, Pune
Rental Income- 218 crore
Growth- 4%

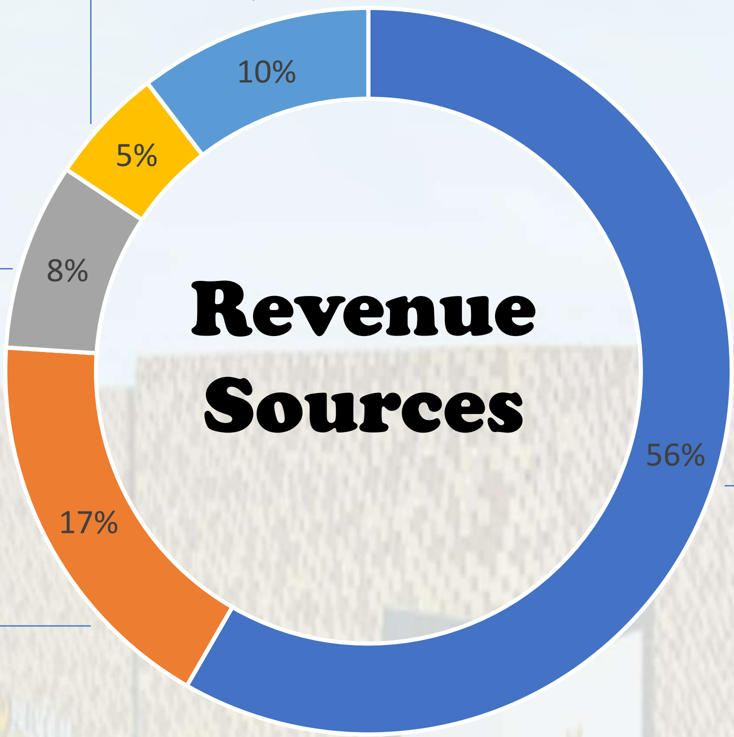
MarketCity, Bengaluru
Rental Income- 206 crore
Growth- 2%

MarketCity, Mumbai
Rental Income- 179 crore
Growth- 8%

Business Overview

Food & beverages and banquet income- Income earned from foods and drinks sold in company's restaurants, bars, cafes, in-room dining, buffets, outdoor catering, etc. Banquet income includes income coming from wedding arrangements, corporate events, conferences, parties, exhibitions, social gatherings, etc.

Room rental income- Rent charged from renting out hotel rooms



Sale of Real Estate- The company makes and sells premium residential houses in top cities of India. This contributes 8-9% of revenues.

Service charge- This contributes 17-18% in revenue and this is earned through common area maintenance fees collected from tenants in malls, commercial offices, residential units, etc.

License fees and rental income- This source dominates with more than 50% revenue coming from it. This is earned by renting out the space in malls, commercial offices to different brands and companies. Some part of the fees is fixed as a minimum guarantee while another part of it is based on % of sales the brand makes.

Revenue Growth	5Y CAGR	FY25	FY24	FY23
License fees and Rental income	18.59%	17.17%	25.53%	77.70%
Service charge	14.52%	16.33%	19.91%	66.88%
Sale of RE	-7.58%	-78.30%	346.78%	3.18%
Room rent	13.36%	9.44%	33.18%	159.67%
F&B and banquet income	17.20%	17.22%	25.04%	194.37%

Business Overview

Retail Portfolio

In retail segment, the company builds and operates large scale malls at prime city locations. Their retail assets are recognised for their premium designs, prime city-centre locations, and immersive experiences. With consistently high trading occupancy, sustained consumption growth, and resilient rental income, retail portfolio has become a benchmark for destination retail in India. Each mall combines premium positioning with a carefully curated brand mix, balancing global and Indian labels with diverse dining, entertainment, and community-centric offerings to drive long-term footfall and tenant productivity.

Primary source of revenue from these retail assets is rental income from leasing the space in malls to different brands. These brands gives a fixed leasing rent plus a certain percentage of their sales income. PML takes full responsibility of management of common area in all of its malls and provides best in class experience to their customers.

Portfolio

Malls- 13 | Cities- 8 | Area- 11.5 msft

Marquee Brands

Palladium
- Mumbai
- Ahmedabad

MarketCity
- Mumbai
- Bengaluru
- Chennai
- Pune

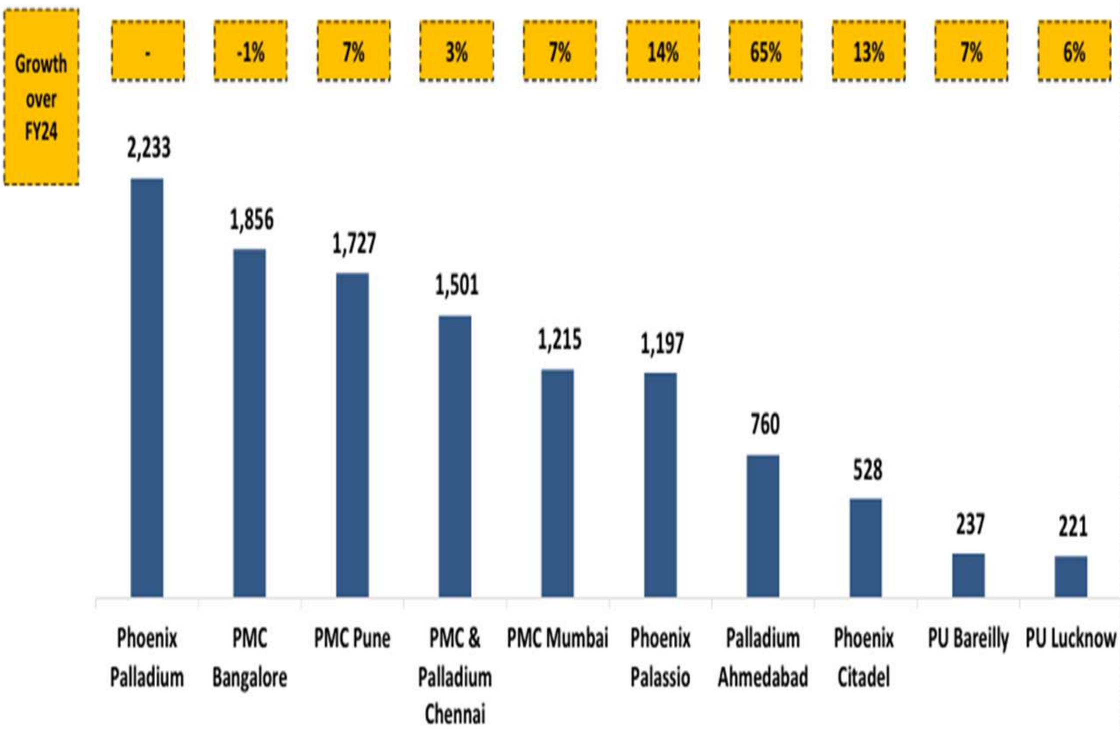
Palassio
- Lucknow

Citadel
- Indore

Mall of Asia
- Bengaluru

Mall of Millenium
- Pune

Retail Consumption (FY25)
(in Rs. Crore)



Source: Company presentation

Retail consumption grew across all of its malls excluding MarketCity Bengaluru, which saw a decline of 1%. This growth shows that visitors are increasingly participating in purchases across different brands inside the malls. This reflects a belief and trust of customers in Phoenix brand. In the newly launched Phoenix Mall of Asia and Phoenix Mall of Millenium, the growth was 287% and 244%, respectively. Total consumption across all its malls was Rs. 13,750 crore, 21% growth compared to FY24. Fashion & accessories contributed 55% in total consumption, Jewellery (13%), Electronics (11%) and F&B (9%).

Business Overview

Retail Portfolio

Name of Asset	FY25 Retail Rental Income (Rs. cr)	FY24 Retail Rental Income (Rs. cr)	% growth
Phoenix Palladium Mumbai	394	383	3%
Phoenix MarketCity Bangalore	206	201	2%
Phoenix MarketCity Pune	218	211	4%
Phoenix MarketCity and Palladium Chennai	225	212	6%
Phoenix MarketCity Mumbai	179	165	8%
Phoenix Palassio Lucknow	143	133	8%
Phoenix United Lucknow	34	34	-1%
Phoenix United Bareilly	26	25	5%
Phoenix Citadel Indore (operational from Dec-22)	89	89	0%
Palladium Ahmedabad (operational from Feb-23)	122	85	44%
Phoenix Mall of the Millennium Pune (operational from Sep-23)	149	65	NC
Phoenix Mall Asia Bangalore (operational from Oct-23)	166	56	NC
Grand Total	**1,951**	**1,660**	**18%**

Source: Company presentation

Retail rental income grew 18% YOY to Rs. 1951 crore in FY25, driven by growth across all operating assets. Palladium, Mumbai continued to dominate its position as highest income generating assets and its income grew by 3%. Matured assets in Mumbai, Bengaluru and Chennai continued to drive consumption, while new assets in Ahmedabad, Lucknow and Indore has shown potential to drive future growth. The exceptional 44% growth from Palladium Ahmedabad and the significant contributions from the newly operational Phoenix Mall of the Millennium Pune and Phoenix Mall Asia Bangalore are crucial. These figures indicate that recent expansions, acquisitions, or properties nearing maturity are rapidly generating high returns, successfully capturing new market share, and will be key drivers of future revenue. The slight decline experienced by Phoenix United Lucknow (-1%) and the flat income for Phoenix Citadel Indore (0%) should be viewed as areas for operational review. While the overall trend is positive, these specific assets may require targeted interventions to regain growth momentum or manage local market competition. In summary, the results reflect a company effectively leveraging new capacity while maintaining performance in established markets, positioning the portfolio well for continued revenue expansion.

Expansion Plans

West Zone at Phoenix Palladium- In November 2024, West zone was introduced at Phoenix Palladium, Mumbai adding 250,000 SQFT. 14 new stores also got opened. Gourmet Village, two level curated dining and entertainment area also opened in west zone. More leisure avenues are in plans to be opened here.

•Planned outlets= 25
•Operational= 12

New Malls- 5 new malls and 5 new cities are in plans by 2030, taking taking total portfolio to 17 malls in 13 cities. Mix of new assets launches plus densification of existing assets.

•Current gross leasable area (GLA)= 11.5 msft
•Addition after new malls= 7 msft
•Total by 2030= 18 msft

Project Pipeline	Location	Retail GLA (msft)
Phoenix Grand Victoria	Kolkata	1
New Malls	Surat Coimbatore	2
Mixed use destinations	Thane Chandigarh	2.8
Expansion- Phoenix Palladium	Mumbai	0.45
Expansion- Phoenix MarketCity	Mumbai Bengaluru	0.22

Business Overview

Commercial Portfolio

In commercial segment, the company builds and operates large scale grade A office premises at prime city locations. These locations generally have company's existing retail asset. Their Grade A commercial offices form a critical component of PML's retail-led mixed-use ecosystem, designed to complement destination malls while unlocking additional development potential and establishing a second economic driver. By co locating premium office spaces with high-performing retail, they create integrated campuses that deliver stronger returns compared to standalone office projects. This approach allows them to target corporate head offices and service-sector tenants, with workplaces that combine functional efficiency, premium amenities, and proximity to world-class retail, dining, and leisure. Primary source of revenue from these assets is rental income from leasing the space to different companies.

Portfolio

Offices- 7 | **Cities- 3** | **Area- 1.98 msft**

Asset	Location	Net Leasable Area (msft)	Area Leased (msft)	% area leased	Gross Rent (psfpm)*
Art Guild House	Mumbai	0.63	0.54	86%	149
Phoenix Paragon	Mumbai	0.31	0.15	47%	132
Centrium	Mumbai	0.11	0.06	59%	97
Phoenix House	Mumbai	0.11	0.05	50%	163
FountainHead	Pune	0.84	0.53	63%	98
Total		**1.99**	**1.33**	**67%**	**125**

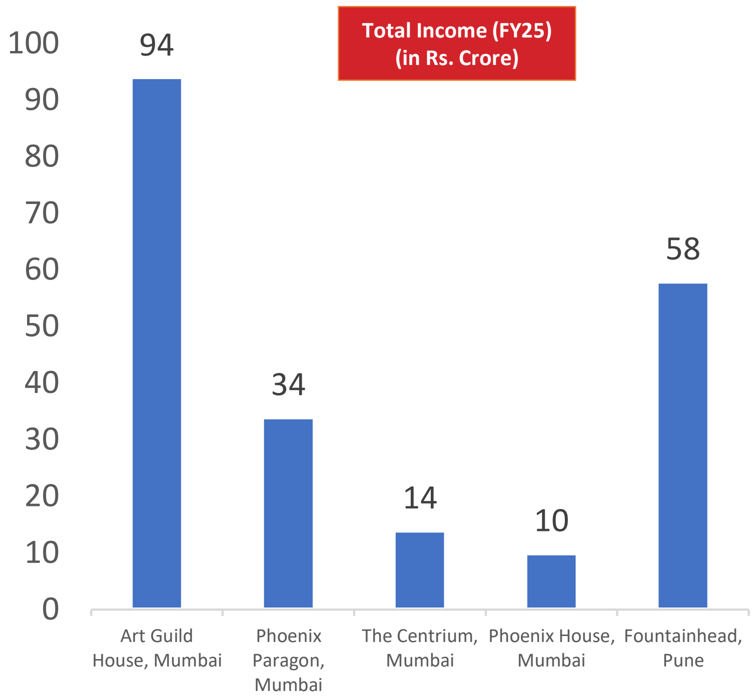
Source: Company presentation

In Pipeline-
- Art Exchange, Bengaluru
- Project Rise, Mumbai
- ISML Offices, Bengaluru
- Other

Operational Highlights

FY2025 was a year of steady growth for PML's commercial office portfolio. It leased approximately 3.0 lakh sq. ft. of space, comprising ~1.1 lakh sq. ft. in newly completed assets and ~1.9 lakh sq. ft. across operational assets in Kurla, Mumbai and Viman Nagar, Pune. Portfolio occupancy stood at 67% as of March 2025, with average gross rentals of `125 per sq. ft. per month.

Commercial office income rose 10% year-on-year to 210 crore, supported by rental escalations, and improved absorption in core markets. EBITDA grew 19% to 131 crore, with margins expanding to 62% from 58% in FY2024, underscoring operational efficiency and scale benefits.



Business Overview

Hospitality Portfolio

The hospitality segment of The Phoenix Mills Limited demonstrates a focused portfolio of two currently operational hotels, comprising a total of 588 operational keys, alongside a significant pipeline of 1,600 keys under development. The operational properties are centered on a mixed strategy, balancing luxury and mid-market offerings: The St. Regis, Mumbai, a luxury hotel, and the Courtyard by Marriott, Agra. The St. Regis, Mumbai, which debuted in 2015, is a key performer, posting a 6% growth in RevPAR in H1 FY26 (reaching Rs. 15,230) compared to H1 FY25 (Rs. 14,311). This property's financial performance in H1 FY26 was robust, generating a total income of Rs. 225 crores (5% growth over H1 FY25) and an Operating EBITDA of Rs. 103 crores, which marks a strong 16% growth over the previous year. Its revenue mix highlights the importance of non-room income, with Food & Beverage (F&B) contributing 50%, Rooms 47%, and Other income 4%. In contrast, the Courtyard by Marriott, Agra, saw a modest 1% RevPAR growth in H1 FY26, reaching Rs. 2,862. While its Total Income grew by 6% to Rs. 19.8 crores in H1 FY26, its Operating EBITDA declined by 8% to Rs. 2.0 crores. Looking ahead, the company is focused on a substantial expansion, with the 1,600-key pipeline including the Grand Hyatt Bangalore (Whitefield) with up to 400 keys, and other hotels in planning for locations like Whitefield in Bengaluru and Indore

Portfolio

The St. Regis, Mumbai
Rooms- 381
Occupancy- 85%
Restaurants- 8

Courtyard by Marriott, Agra
Rooms- 189
Occupancy- 75%
Restaurants- 4

The St. Regis, Mumbai showed healthy financial growth in FY25, with the Total Income rising by 7% to Rs. 523 crore compared to Rs. 491 crore in FY24. This growth was predominantly fueled by an 11% increase in Revenue from Rooms, which totaled Rs. 239 crore. Revenue from F&B and Banqueting also grew by 6% to Rs. 240 crore. This strong topline performance translated efficiently to the bottom line, with Operating EBITDA expanding by 11%, reaching Rs. 248 crore. Consequently, the EBITDA margin improved year-over-year, moving from 45% in FY24 to a strong 47% in FY25, indicating enhanced operational efficiency. CYM, Agra total income rose 4% compared to Rs. 55 crore in FY24 with 6% increase in Revenue from Rooms. Revenue from F&B and Banqueting grew by 2%. Operating EBITDA expanded 12%, reaching Rs. 18 crore with EBITDA margin improved year-over-year to 32% indicating enhanced operational efficiency.

FY25 Revenue	The St. Regis	CYM
Rooms (cr.)	Rs. 239	Rs. 30.8
F&B (cr.)	Rs. 240	Rs. 24.1
Other (cr.)	Rs. 44	Rs. 2
Total (cr.)	Rs. 523	Rs. 57
EBITDA (cr.)	Rs. 248	Rs. 18
Margin	47%	32%

Business Overview

Residential Portfolio

PML's residential business is focused on building luxury housing, catering to the aspirations of a growing affluent demographic. They have previously delivered high quality residential projects in Mumbai and Chennai, establishing credibility in this category. Currently, launched portfolio is concentrated in Bengaluru, where One Bangalore West and Kessaku have emerged as benchmark developments in the city's luxury housing market.

Residential Project pipeline: The next phase of our residential portfolio expansion will be led by Tower 8 and 9 at One Bangalore West in Bengaluru, One Belvedere in Kolkata and residential projects under planning at select locations. These projects will deepen its presence in key metros and reinforce its positioning in the high-end segment.

Project Name[1]	Total Saleable area (msft)	Area launched (msft)	Cumulative Area Sold (msft)	Constructed and ready to sell inventory (msft)	Cumulative Sales Value (Rs. cr) [3]
One Bangalore West[2]	2.45	1.79	1.72	0.07	1,963
Kessaku, Bengaluru	1.03	1.03	0.75	0.28	1,292
Total	**3.48**	**2.82**	**2.47**	**0.34**	**3,255**

Source: Company presentation

Operational Highlights

During the year, Bengaluru projects: Kessaku and One Bangalore West (Towers 1 to 7), achieved gross sales of 212 crore and collections of 219 crore, reflecting steady demand and buyer confidence. The portfolio continued to see strong price appreciation, with the average selling price for FY2025 rising to 26,000 per sq. ft., up 8% from 24,000 per sq. ft. in March 2024, and a remarkable 63% increase from 16,000 per sq. ft. in March 2020. This growth highlights both the resilience of the luxury residential segment and the enduring appeal of our developments. As of March 2025, it held 340,000 sq. ft. of ready-to-sell inventory, offering healthy visibility for near-term monetisation. The luxury real estate segment offers huge potential as the number of HNIs in India is rising very fast and this new affluent customer sees luxury as a need and thus, demand for luxury housing will be key driving force for real estate segment. With premium positioning in this segment, PML is in key position to benefit from this rising trend.

Upcoming Projects

Project Pipeline Hospitality	Location	Rooms
Grand Hyatt	Bengaluru	400
New Hotel	Bengaluru Indore	300 300
Other	Multiple	600

Project Pipeline Residential	Location	Saleable Area (msft)
One Belvedere	Kolkata	1
One Bangalore West- Tower 8,9	Bengaluru	0.67
Other Projects	Multiple	1.6

Management Overview

Management Overview

Mr. Atul Ruia
Chairman

Mr. Atul Ruia is a graduate in Chemical Engineering from the University of Pennsylvania and holds a degree in Business Management from the Wharton School of Finance. He joined the Board of PML in 1996 and is the key visionary, pioneer and force behind the development of High Street Phoenix, Mumbai's first retail-led mixed use destination. It was under his aegis that the Company embarked upon a pan-India asset creation strategy with the flagship brand of 'Phoenix MarketCity'. His foresight and entrepreneurial spirit have been instrumental in positioning Phoenix Mills as a leading player in India's real estate and retail landscape.

Mr. Shishir Srivastava
Managing Director

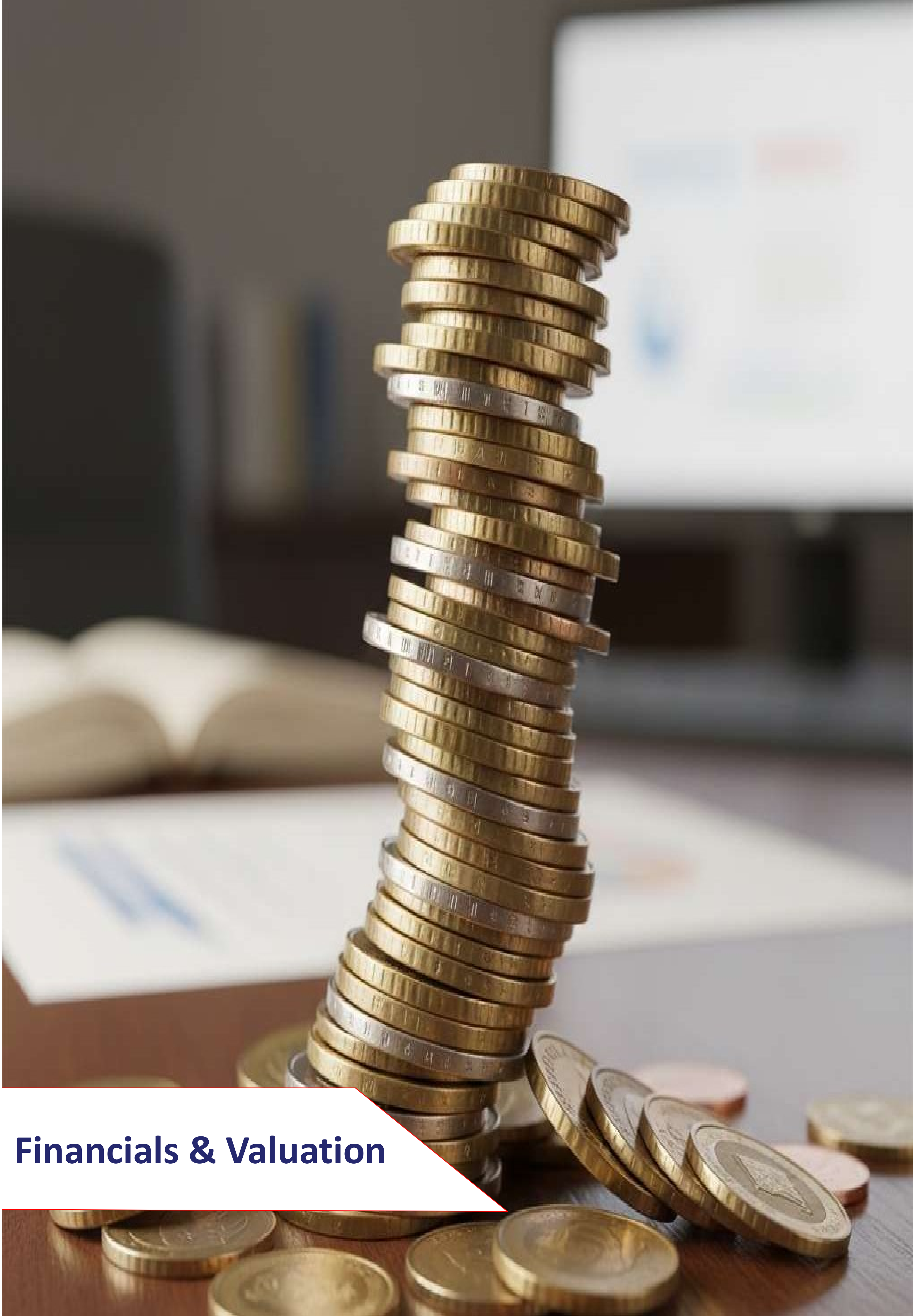
Mr. Shishir Shrivastava has been employed with the Phoenix group since 1999. His over 26 years of experience with the Phoenix group spans across multiple businesses and varied functions including operations, acquisitions, capital raise, project management, asset management amongst others. Shishir spearheads strategy and all business verticals including retail, commercial offices, hotels, and new businesses. Over the years he has led operational and financial excellence at The Phoenix Mills Limited. Shishir has been instrumental in forming several strategic platforms with marquee global investors.

Mr. Rajesh Kulkarni
CEO- Projects Delivery

With over 34 years of experience in design & project management, Mr. Rajesh Kulkarni has been with PML for close to 19 years. Rajesh has a stellar track record of delivering on many award-winning, market leading Assets in a timely and cost-efficient manner. He carries on his strong able shoulders the responsibility for delivering some of the best malls, hotels, offices and residential projects in the country under development by The Phoenix Mills Ltd Group.

Ms. Rashmi Sen
CEO- Malls & WTD

Rashmi has over 27 years of rich and varied experience in developing business plans, building innovative marketing strategies, leasing, sales & business development for retail, residential and commercial assets. At PML, she is responsible for driving overall strategic intent for the future expansion of the retail business. She is also responsible for developing and implementing the right retailer mix and retail leasing plans for all malls of the group.



Financials & Valuation

THE PHOENIX MILLS LIMITED

FIN2RESEARCH Investment Advisor Pvt. Ltd.

Research Report

Quarterly Update (Consolidated)

Quarterly Income Statement					
Particulars	**Q2 FY26**	**Q2 FY25**	**YoY Growth**	**Q1 FY26**	**QoQ Growth**
Operating Revenue	**₹1115.43**	**₹917.97**	21.51%	**₹952.99**	17.05%
Operating Expenses Excl. Depreciation	(₹448.51)	(₹400.29)	12.05%	(₹388.70)	15.39%
Operating EBITDA	**₹666.92**	**₹517.68**	28.83%	**₹564.29**	18.19%
EBITDA margin	***59.79%***	***56.39%***		***59.21%***	
Depreciation	(₹91.23)	(₹77.53)	17.67%	(₹93.45)	-2.38%
Operating Profit	**₹575.69**	**₹440.15**	30.79%	**₹470.84**	22.27%
OP margin	***51.61%***	***47.95%***		***49.41%***	
Finance Cost	(₹91.94)	(₹103.10)	-10.82%	(₹95.15)	-3.37%
Operating PBT	**₹483.75**	**₹337.05**	43.52%	**₹375.69**	28.76%
Operating PBT Margin	***43.37%***	***36.72%***		***39.42%***	
Tax	(₹131.7)	(₹83.50)	57.72%	(₹87.29)	50.88%
Operating PAT	**₹352.05**	**₹253.55**	38.85%	**₹288.4**	22.07%
Operating PAT Margin	***31.56%***	***27.62%***		***30.26%***	
Other income	₹32.04	₹38.62	-17.04%	₹32.46	-1.29%
PAT inc. Other Income	**₹384.09**	**₹292.17**	31.46%	**₹320.86**	19.71%
PAT Margin	***34.43%***	***31.83%***		***33.67%***	
No. of Shares (in crores)	*35.75*	*35.74*	0.03%	*35.72*	0.08%
Operating EPS	**₹9.85**	**₹7.09**	38.93%	**₹8.07**	22.06%
Actual EPS	**₹10.74**	**₹8.17**	31.46%	**₹8.98**	19.60%
Owner EPS	**₹8.50**	**₹6.10**	39.34%	**₹6.73**	26.30%

The consolidated quarterly update for **The Phoenix Mills Limited** in Q2 of the fiscal year 2026 demonstrates a period of robust financial expansion and improved profitability. The company reported **Operating Revenue** of ₹1,115.43 crores. This marked significant growth, rising **21.51%** year-over-year (YoY) and **17.05%** quarter-over-quarter (QoQ). Profitability surged due to strong top-line performance and improved margins: **Operating EBITDA** reached ₹666.92 crores, recording an increase of **28.83% YoY** and **18.19% QoQ**. The **EBITDA margin** expanded to **59.79%** in Q2 FY26, up from 56.39% in the year-ago period. Furthermore, **Operating PBT** (Profit Before Tax) saw the highest relative growth rate, rising **43.52% YoY**. Consequently, **Operating PAT** (Profit After Tax) stood at **₹352.05 crores**, showing an increase of **38.85% YoY** and **22.07% QoQ**. Earnings per share also saw strong growth, with **Operating EPS** at ₹9.85 (a rise of 38.93% YoY) and **Actual EPS** at ₹10.74 (growing by 31.46% YoY). In summary, the Q2 FY26 results highlight The Phoenix Mills Limited's strong operational performance, characterized by rapid revenue growth, significant expansion in operating margins, and substantial increases in overall profitability and per-share earnings.

Financial Statements

Income Statement

Particulars	FY25	FY24	FY23
Operating Revenue	**₹3813.57**	**₹3977.69**	**₹2638.35**
Operating Expenses Excl. Depreciation	(₹1652.4)	(₹1800.87)	(₹1119.41)
Operating EBITDA	**₹2161.18**	**₹2176.82**	**₹1518.94**
EBITDA margin	***56.67%***	***54.73%***	***57.57%***
Depreciation	(₹326.52)	(₹270.2)	(₹227.81)
Operating Profit	**₹1834.66**	**₹1906.61**	**₹1291.12**
OP margin	***48.11%***	***47.93%***	***48.94%***
Finance Cost	(₹403.21)	(₹395.87)	(₹341.18)
Operating PBT	**₹1431.45**	**₹1510.74**	**₹949.94**
Operating PBT Margin	***37.54%***	***37.98%***	***36.01%***
Tax	(₹293.57)	(₹316.6)	(₹198.94)
Operating PAT	**₹1137.88**	**₹1194.14**	**₹751**
Operating PAT Margin	***29.84%***	***30.02%***	***28.46%***
Other income	₹169.46	₹138.61	₹726.56
PAT inc. Other Income	**₹1307.34**	**₹1332.75**	**₹1477.57**
PAT Margin	***34.28%***	***33.51%***	***56%***
No. of Shares (in crores)	*35.75*	*35.74*	*35.72*
Operating EPS	**₹31.83**	**₹33.41**	**₹21.02**
Actual EPS	**₹27.52**	**₹30.66**	**₹40.84**

Cash Flow Statement

Particulars	FY25	FY24	FY23
Profit Before Tax	₹1595.09	₹1642.92	₹1671.44
Operating Cash Flow Before WCC Changes	₹2149.35	₹2183.37	₹1569.17
Total WCC Changes	₹219.07	₹294.35	(₹4.15)
Cash Flow From Operations	₹2368.41	₹2477.72	₹1565.02
Taxes Paid	(₹284.85)	(₹316.78)	(₹208.97)
Net Cash Flow From Operations	**₹2083.56**	**₹2160.94**	**₹1356.05**
Purchase of PPE	(₹2617.29)	(₹1673.64)	(₹1825.73)
Net Cash Flow From Investing	**(₹2162.12)**	**(₹1859.15)**	**(₹1536.02)**
Proceeds/(Repayment) of Borrowings	₹103.22	₹475.41	(₹450.7)
Interest Paid	(₹345.41)	(₹380.57)	₹366.89
Dividend Paid	(₹89.50)	(₹89.60)	(₹43.07)
Proceeds from Equity	₹5.29	₹5.60	₹4.88
Net Cash Flow From Financing	**(₹47.27)**	**(₹299.21)**	**₹136.76**
Net Increase/(Decrease) in Cash	(₹125.83)	₹2.58	₹43.21
Cash at Beginning of Year	₹98.74	₹96.16	₹307.79
Cash at End of Year	(₹27.09)	₹98.74	₹264.58

Balance Sheet

Particulars	FY25	FY24	FY23
Property, Plants & Equipments	₹2279.77	₹2239.83	₹1809.25
Investment Property	₹11593.32	₹10274.99	₹8535.76
Property Under Construction	₹3142.78	₹1503.26	₹2294.66
Financial Assets	₹720.96	₹634.74	₹458.38
Other Non-current Assets	₹1097.92	₹1195.19	₹1024.67
Total Non-current Assets	**₹18834.75**	**₹15848.01**	**₹14122.72**
Inventory	₹773.91	₹781.74	₹1211.73
Investments	₹985.22	₹1323.96	₹980.12
Receivables	₹230.19	₹270.05	₹238.25
Cash & Bank Balance	₹512.01	₹709.64	₹630.21
Other Financial Assets	₹109.81	₹126.91	₹118.60
Other Current Assets	₹85.34	₹175.15	₹287.57
Total Current Assets	**₹2696.48**	**₹3387.45**	**₹3466.48**
Total Assets	**₹21531.23**	**₹19235.46**	**₹17589.20**
Common Shares Capital	₹71.50	₹35.74	₹35.72
Other Equity Capital	₹10376.64	₹9421.97	₹8344.04
Non-controlling Interest	₹3404.57	₹2929.73	₹2696.32
Total Equity	**₹13852.71**	**₹12387.44**	**₹11076.08**
Long-term Debt/Leases	₹3864.56	₹3834.13	₹3310.20
Other Financial Liabilities	₹1013.82	₹409.74	₹261.40
Other Non-current Liabilities	₹432.08	₹406.86	₹363.01
Total Non-current Liabilities	**₹5310.46**	**₹4650.73**	**₹3934.61**
Short-term Debt/Leases	₹822.66	₹805.11	₹949.08
Payables	₹203.20	₹205.15	₹158.50
Other Financial Liabilities	₹1048.14	₹896.83	₹882.95
Other Current Liabilities	₹294.06	₹290.21	₹587.98
Total Current Liabilities	**₹2368.05**	**₹2197.29**	**₹2578.51**
Total Equity and Liabilities	**₹21531.23**	**₹19235.46**	**₹17589.20**

PML has a diversified revenue mix with 56% of revenue i.e., ₹2143.34 crore being generated from licensing and renting fees charged from brands and companies which leases the stores in the malls and commercial complex. The other 17% of revenue i.e., ₹652.68 crores is generated from service charges billed to lessee for maintenance of mall, commercial complexes, hotels and residential units. Other sources include hotel room charges (8%), food & beverages sold (10%) and sale of real estate units (5%). Residential segment holds good potential to grow larger share in revenue mix.

Revenues declined 4.13% in FY25 on account of 78% fall in sale of real estate to ₹188 crore from ₹870 crore in FY24. Licensing & rental fees saw growth of 17.1% and service charges growth was 16.3%. Operating costs declined by 4.45%, leading to improved operating margin to 48.11% from earlier 47.93%. The company maintained its operating performance continuously with operating EBITDA margin, operating margin and operating profit margin all maintained their margins with improvement from last year. This shows company has kept its costs under control.

Ratio Analysis

Profitability Ratio			
Particulars	**FY25**	**FY24**	**FY23**
Sales Growth	-4.61%	47.79%	77.85%
Operating EBITDA Growth	-1.49%	38.14%	106.96%
Operating Profit Growth	-4.79%	41.59%	135.58%
Operating PAT Growth	-6.63%	50.77%	274.57%
EBITDA Margin	55.57%	53.81%	57.57%
Net Profit Margin	35.95%	36.73%	36.01%
ROE	9.44%	10.76%	13.34%
ROCE	10.36%	11.75%	8.97%

Liquidity Ratio			
Particulars	**FY25**	**FY24**	**FY23**
Current Ratio	1.14	1.54	1.34
Quick Ratio	0.81	1.19	0.87
Cash Ratio	0.22	0.32	0.24

Valuation Ratio			
Particulars	**FY25**	**FY24**	**FY23**
Enterprise Value	₹62,657.09	₹53428.73	₹50720.60
EV/EBITDA	28.99x	24.54x	23.2x
P/E	51x	49x	50x
Price/Sales	17x	16x	16x
Price/Book Value	4.22x	4x	3.8x

Efficiency Ratio			
Particulars	**FY25**	**FY24**	**FY23**
Asset Turnover	0.18x	0.21x	0.15x
Receivable Turnover	16.6x	14.7x	11x
Payables Turnover	1.07x	2.7x	0.94x

Leverage Ratio			
Particulars	**FY25**	**FY24**	**FY23**
Debt to Equity	0.28x	0.31x	0.30x
Debt to Capital	0.05x	0.05x	0.06x
Interest Coverage Ratio	4.55x	4.82x	4.55x

Cash Ratio			
Particulars	**FY25**	**FY24**	**FY23**
CFO/EBITDA	2.84x	4.37x	1.4x
CFO/Revenue	0.55x	0.54x	0.51x
CFO/PAT	1.83x	1.81x	1.81x

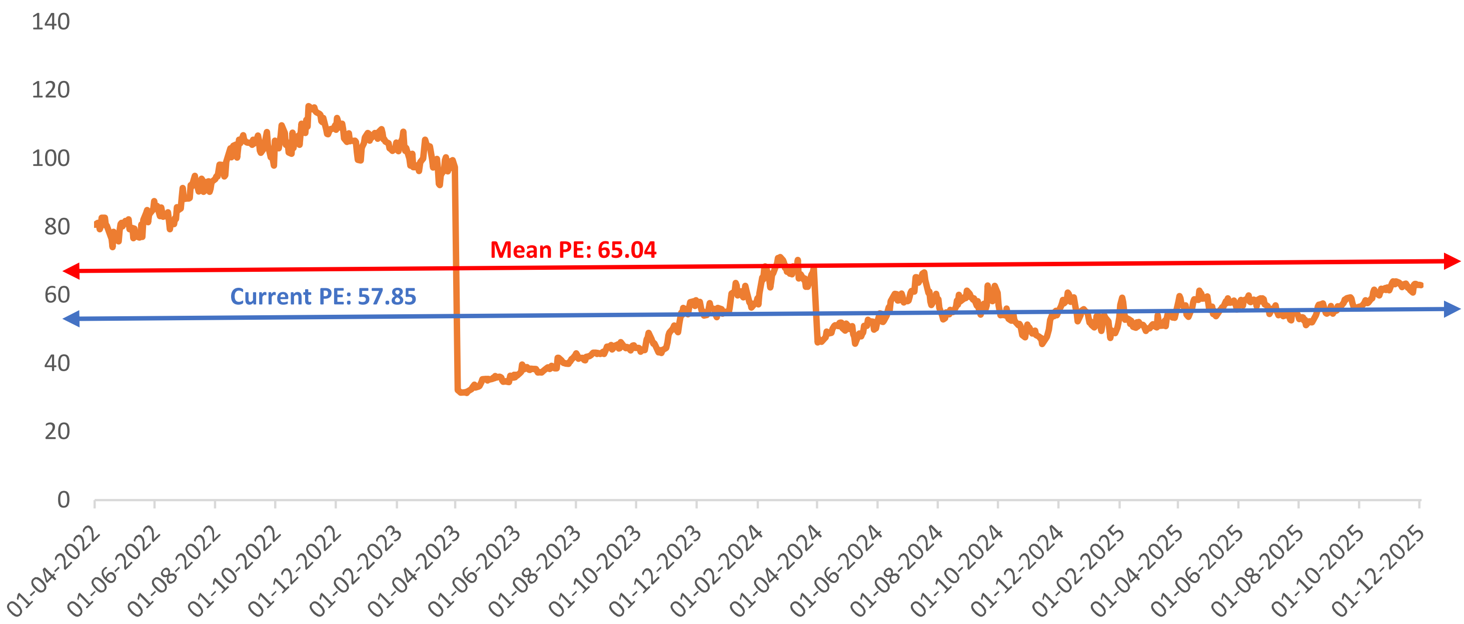
Growth and Profitability: Sales growth was exceptionally strong in FY23 (77.85%) and robust in FY24 (47.79%). However, all major growth metrics turned negative in FY25, with Sales Growth at -4.61% and Operating PAT Growth at -6.63%. Operating EBITDA saw a marginal decline of 1.49% as the company saved on some of the operating costs. Despite the decline in growth, EBITDA Margin remained healthy and relatively stable, closing FY25 at 55.57%, and the Net Profit Margin stayed consistent at around the 36% mark throughout the three years.

Liquidity and Leverage: The company maintains a conservative and stable debt profile. The Debt to Equity ratio was low and consistent (0.28x in FY25), and the Interest Coverage Ratio remained strong at 4.55x in FY25, indicating a solid ability to meet debt obligations. However, liquidity ratios tightened in FY25: the Current Ratio dropped from 1.54 in FY24 to 1.14, and the Quick Ratio fell to 0.81.

Valuation and Cash Flow: The company's valuation multiple has increased, with the EV/EBITDA rising from 23.2x in FY23 to 28.99x in FY25, suggesting the market places a higher value on its operating earnings. In terms of cash generation, the CFO/EBITDA ratio saw a sharp decline from 14x in FY23 to 2.84x in FY25, implying a reduced conversion of operating earnings into cash flow.

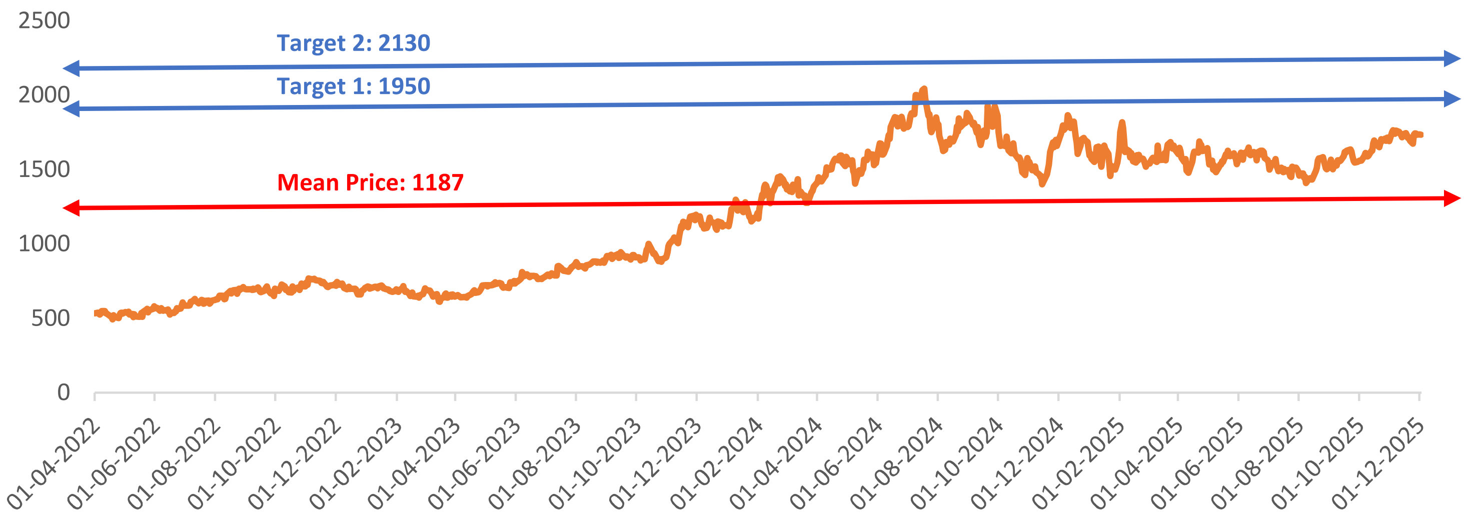
Valuation

PE Ratio



Phoenix Mills Price-to-Earnings (P/E) ratio has consistently traded below its historical average. The stock currently trades at a P/E of 57.85 versus its long-term mean of 65.04. This shows that there is an opportunity for price adjustments from current levels.

Target Price



We believe Phoenix Mills offers a compelling investment opportunity at current levels, supported by robust fundamentals, sustained earnings momentum, and strong structural growth drivers in real estate sector. The ongoing P/E re rating is underpinned by operating leverage, network expansion, and a strategic focus on premium segment of real estate presents a good growth potential. Our target price of ₹2130 is based on forward earnings, calibrated at two standard deviation above the historical mean P/E, and is backed by improving financials, rising demand, and premium product offerings. Given its elevated but well-supported valuation, strong balance sheet, superior return metrics, and continued investor interest, we initiate a BUY recommendation on Phoenix Mills Limited. The stock represents an attractive opportunity for investors looking to participate in India’s expanding retail sector growth.

DISCLAIMER

RATING SCALE: DEFINITION OF RATINGS

- BUY –We expect the stock to deliver more than 10%-20% returns over the next 9 months.
- ACCUMULATE –We expect the stock to deliver 5% -12% returns over the next 9 months.
- REDUCE –We expect the stock to deliver 0% -5% returns over the next 9 months.
- SELL –We expect the stock to deliver negative returns over the next 9 months.
- NR –Not Rated. Fin2Research is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
- RS –Rating Suspended. Fin2Research has suspended the investment rating and price target for this stock, either because there is not a Sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
- NA –Not Available or Not Applicable. The information is not available for display or is not applicable.
- NM –Not Meaningful. The information is not meaningful and is therefore excluded.
- NOTE –Our target prices are with a 9-month perspective. Returns stated in the rating scale are our internal benchmark.

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