

The Phoenix Mills (PML) - REDUCE

Q4FY26 Result Update

Current Market Price (CMP) Rs.1,770	Fair Value (FV) Rs.1,760
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Rationale:

- Phoenix Mills closed FY26 with Rs16600cr of consumption, which rose 21% yoy.
- Rental growth lagged at 14%/10% yoy for Q4FY26/FY26, impacted by the ramp-up of new stores.
- Strong pipeline of assets (1.2-1.3 cr sq. ft) to be commissioned by FY2030E, although the next assets will be completed only by end-FY28.
- We estimate retail consumption to grow at 17% CAGR over FY25-28E.
- Valuations remain full at 26X EV/EBITDA (2027E).
- Retain REDUCE with a revised SoTP-based FV of Rs1,760 (Rs1,620 earlier).

👍 Positives:

- Phoenix Mills reported Q4FY26 consolidated revenues of Rs1233cr (+21% yoy).
- Revenue growth was aided by the residential (and other) business, which saw a 105% yoy increase to Rs250cr.
- H2FY26 consumption (+27.6% yoy) saw material improvement over H1FY26 (+13% yoy).
- The office portfolio continues to see an improvement in blended occupancy (70%).
- Hospitality segment saw an earnings improvement, led by The St. Regis in Mumbai.

👎 Negatives:

- Adjusted for residential segment, revenue/EBITDA saw modest 10%/17% yoy growth.
- We factor some delay in commissioning of capacities and higher minority interest for CPP transaction.

(EV: Enterprise Value, EBITDA: Earnings Before Interest, Depreciation, Amortization & Tax, CAGR: Compound Annual Growth Rate, SoTP: Sum of the Parts,



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Holding Period: 12 months

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