

July 28, 2025

To,

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai- 400 001

National Stock Exchange of India Limited

Exchange Plaza,
Bandra-Kurla Complex, Bandra East,
Mumbai- 400051

Security code: 503100

Symbol: PHOENIXLTD

Dear Sir/Madam,

Sub: Transcript of Earnings Conference Call

This is further to our letter dated July 24, 2025, wherein we had informed the stock exchanges about the conclusion of our Earnings Conference Call concluded on Thursday, July 24, 2025 at 07:15 P.M. (IST), with Analysts / Institutional Investors covering the following:

1. Un-audited Standalone and Consolidated Financial Results of the Company for the quarter ended on June 30, 2025.
2. The proposed arrangement to provide exit to Canada Pension Plan Investment Board ('CPP Investments') from Company's material subsidiary, Island Star Mall Developers Private Limited ('ISMDPL').

Please find attached herewith the Transcript of the said Earnings Conference Call.

The enclosed Transcript is being made available on the Company's website and can be accessed at <https://www.thephoenixmills.com/investors/FY2026/Earnings-Call-Transcript>.

You are requested to take the same on record.

Yours faithfully,

For The Phoenix Mills Limited

Bhavik Gala

Company Secretary

Membership No. F8671

Encl.: As enclosed

The Phoenix Mills Limited
Q1 FY2026 Result Conference Call
July 24, 2025

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY26 Results Conference Call of the Phoenix Mills Limited. As a reminder, all participants' lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes.

The management of the company is being represented by Mr. Shishir Shrivastava – Managing Director; Ms. Rashmi Sen – Whole Time Director, and CEO Malls; Mr. Kailash Gupta – Group CFO; and Mr. Varun Parwal – Group President.

Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touch-tone phone. Please note that this conference is being recorded.

At this time, I would like to hand the conference over to Mr. Shishir Shrivastava. Thank you. And over to you, sir.

Shishir Shrivastava: Thank you. Good evening, ladies and gentlemen. And welcome to our Q1 FY26 Quarterly Conference Call. I am joined today with Ms. Rashmi Sen – CEO Malls and Whole Time Director, Mr. Kailash Gupta – Group CFO, and Mr. Varun Parwal – Group President.

Today marks a pivotal milestone in the growth journey for our company. Before we discuss the Q1 FY26 results, we are excited to share a strategic development that strengthens our control over a high performing retail and office platform and reinforces our long-term vision. We are glad to share that our Board of Directors has approved a proposal to acquire 49% stake in Island Star Mall Developers Private Limited platform, which the Group has seeded and grown over the past decade.

In the process, we are providing an exit to CPP Investments' 49% stake in ISML. The transaction is subject to shareholder approvals, CCI approvals and other customary approvals. The agreed consideration for the proposed transaction is Rs. 5,449 crores payable to CPP Investments over a 36-month period in four tranches, subject to applicable laws, and any adjustments including those related to prepayment of tranches.

Allow me to walk you through the Investor Presentation and share with you some key messages. The Investor Presentation and the Press Release in relation to this transaction has been uploaded on our website and at the Stock Exchanges.

If I may draw your attention to

Slide #2,

The payment of Rs. 5,449 crores is spread over 36 months. In the interim, ISMDPL continues to be a cash flow generating asset. The large portion of this Rs. 5,449 crores will be paid by the cash flows generated at the platform as well as additional leverage headroom available at ISMDPL.

ISMDPL was the foundation of our partnership with CPP Investments starting with Phoenix MarketCity Bangalore in 2017 which comprised of 1 million square feet of retail space, mall space. Together, we have grown it into a large portfolio of marquee operational retail and office assets in key cities of Bengaluru, Pune and Indore, spanning approximately 6.6 million square feet, marking a 6.6x growth in eight years and clocking Rs. 617 crores of EBITDA (Asset EBITDA) in FY25.

If I may introduce the ISMDPL platform for reference and continuity of our conversation. Today, the portfolio comprises ~4.4 million square feet of operational retail space, ~2.2 million square feet of completed offices, a planned expansion of 0.8 million square feet of retail and 1.6 million square feet of offices, along with two hotels totaling approximately 700 keys at the Phoenix MarketCity Bangalore development.

The idea of PML looking to acquire this 49% stake stems from the management's belief that the untapped growth potential in this platform can add significant value for shareholders over a period of time as we complete the projects under construction and undertake expansion based on the unutilized development potential or FSI potential.

Moving on to Slide #3,

The management plan basis 2030 would generate approximately a 13x growth over 13 years since 2017 when CPP Investments entered this platform, which was 1 million square feet in 2017, growing to 13 million square feet in 2030. Over this period of time, we will move from being a retail-only asset to a diversified portfolio of retail, offices and hotels.

Slides #4 through #6 capture the overview of the three assets which have been developed in ISML platform using the cash flow of the seed asset, Phoenix MarketCity Bangalore.

Moving on to Slide #7, here we introduce our vision for Phoenix MarketCity, Bangalore.

We have an ambitious multi-phase expansion plan for Phoenix MarketCity Bangalore, set to evolve it into a world class integrated super campus exceeding 4 million square feet. The subsequent slides detail the phase-wise approach encompassing enhanced retail offerings, premium office spaces and hospitality developments. This super campus will be a peak

amalgamation of the best-in-class retail, offices and hotels, all of which will sync with each other to create an ecosystem. Details are discussed in the subsequent slides.

Moving on to Slide #9,

Amongst the key deal rationale that makes the acquisition attractive to PML is the tranching payment structure where Rs. 5,449 crores consideration is paid across four tranches over 36 months with the flexibility to prepay along with related adjustments on the aggregate consideration. This structure preserves PML's liquidity to pursue our stated growth plans while also allowing for asset level monetization options within ISMDPL and its subsidiaries should we choose to do so.

Moving on to Slide #10,

As we see from this slide, the cash flow has grown by approximately 9x to Rs. 513 crores in FY25 when compared to FY17. FY25 net debt to EBITDA is just 1x at ISML, this also allows us meaningful room to borrow at the platform level and such borrowing, if any, would be staggered over 36 months to fund the acquisition and upstream cash flows to PML, if required.

Slide #11,

This Slide explains how the buyout is significantly accretive for PML from the first year itself. This is an illustration and for representation purposes only, where even if we choose to fund the entire first tranche through debt, the platform remains accretive to PML's earnings. By moving to 100% ownership, we will capture the full share of operating free cash flows and the additional interest cost will be covered by increase in the share of such operational free cash flows.

The deferred payment schedule combined with projected operating free cash flows growth ensures we will continue to maintain a healthy interest cover for each tranche. In the same illustration, with 100% of the first tranche being funded by debt, PML's share of cash flows from ISMDPL could increase by 58% assuming the FY25 free cash flows. The transaction structure also provides a high margin of safety.

Moving on to Slide #12,

The 100% ownership by Phoenix of this platform brings with it a large flexibility at PML level to gain unrestricted access to cash flows, ability to raise money using multiple means available at the ISMDPL and underlying SPV levels, each of which shall be evaluated at an opportune time. Full ownership also gives us complete control over capital allocation and execution timelines. With this structure, PML's attributable EBITDA is expected to grow manifold over a period of time, which will be allocated to PML. At the right time, we will also retain the flexibility to

monetize selectively whether at asset level or through a platform level, REIT or listing, if required.

Moving on to Slide #13,

This is just to go back and show you a snippet of our 2020 QIP deck where we had promised three malls, two offices and one hotel under the ISMDPL platform. I am pleased to announce that we have delivered all of these assets in totality, with the hotel being under construction and expected to be completed by 2027. We have continuously demonstrated strong execution and accountability. This consolidation is in line with PML's objective of owning and developing high-growth retail-led mixed-use assets to add to shareholders value. With the clear identified growth levers in place in the ISMDPL platform, we remain confident in our ability to deliver robust EBITDA growth over the next five years.

Slide #14

It illustrates the growth drivers where we expect the EBITDA to grow from Rs. 617 crores in FY25 to a much larger number over a period of time through organic growth from our operational retail portfolio further optimizing trading occupancy and increasing trading density via premiumization and brand mix improvements. The ramp up of occupancy in our completed office assets, unlocking their full earning potential. The Phase-2 expansion at Phoenix MarketCity Bangalore, which adds additional retail, office and the hotel. Further Phase-3 expansion potential, which will further strengthen our mixed-use ecosystem with additional retail ,office and a second hotel offering (in Phoenix MarketCity Bangalore complex). Balance FSI potential across the developments in Indore, Pune and Bengaluru give us additional room for future value creation.

Moving on to Slide #15.

Across our completed office spaces of ~2.2 million sq. ft., today only 6% is leased. Our internal target is to achieve a 90% leasing in 2026, and we have a strong leasing pipeline in place. This brings a huge upside potential as all the construction work is already complete. OC is received for two out of the three office towers across Pune and (full OC received in) Bengaluru. Leasing of these offices is also gathering strong momentum.

Moving on to Slide #16, Millennium Towers and Millennium Club.

Our vision of Millennium Towers is for it to be the best office building in Pune. These assets are high quality and have high visibility. They are located in strong micro markets with limited new supply expected. These will drive consistent annuity style earnings. The vision for these offices is to provide a lifestyle-oriented offering with grade A amenities along with high quality office spaces.

Moving on to Slide #17,

At Phoenix Asia Towers, we are ramping up leasing to 90% by 2026, which currently stands at approximately 10% and this will drive strong EBITDA growth and further value creation. The offices sit in a well-established office micro market with upcoming metro and infrastructure projects, which will enable seamless access to the campus and increase the catchment area, and the attraction of offices at this location. The highlight is the metro station which has access from within the campus itself.

Moving on to Slides 18 through 23, which explain the Phoenix MarketCity Bangalore Phase 2 and Phase 3 expansions.

We have several initiatives underway under Phase 2. We will be launching the Gourmet Village in 2026, a brand new floor of F&B and entertainment spanning 19 new experiential dining options set in a beautiful theme. With a 400 key Grand Hyatt focused on events, we plan to establish ourselves as one of the most renowned hotels in Bengaluru and perhaps with very high performance, focusing on strong occupancy and areas.

The case study of a similar hotel in the same micro market gives you an idea of the healthy revenue and EBITDA margins achievable. The hotel product has been designed based on our learnings at The St. Regis (Hotel), Mumbai and the designs have been optimized to yield the highest revenue per square foot. In addition, we will also be introducing about 400,000 square feet of state-of-the-art offices in this campus in Phase 2.

Moving on to Phase 3 where this campus further expands, we intend to add a second hotel of approximately 300 keys, offices of about 1.2 million square feet and a further retail expansion of about 600,000 square feet by 2030. This will help us deliver our vision of a super-campus, one of the largest retail-led mixed-use campuses across the country.

Moving on to Slide #24,

The super campus is a preferred and top-of-the-mind destination for any consumption. All parts of the campus are designed to feed each other with higher visits, longer stays, stronger consumption. All from PML's point of view, fueling stronger rental needs and driving consumption.

Moving on to Slide #25, EBITDA growth drivers at operational malls.

EBITDA growth at our malls is driven by optimizing anchor spaces for higher yield tenants, enhancing category and brand mix, attracting star and luxury brands to prime locations; and with the upgraded infrastructure in the neighborhood, this will also improve access and visitor experience to our malls.

Slide #26 represents the significant rental upside. This is an illustration or rather an explanation of initiatives undertaken at Phoenix MarketCity Bangalore in the last year, where the hypermarket and a fashion anchor were exited from their current locations. The space was redesigned, and the layout was expanded to accommodate the growing fashion category. This has created prime space for re-leasing to flagship inline and mini anchors at higher rental yields, driving stronger trading density. In this particular case, we believe we have nearly doubled our monthly rental from the same space.

Slide #27,

At Phoenix Mall of Asia, we have about 10% vacancy. 8% is located at the upper ground level which was kept strategically, kept last for leasing to bring in the highest rent yielding luxury and star brands. Some of the watch brand deals recently concluded are currently at a minimum guaranteed rental of approximately Rs. 550 a square foot (per month).

Moving on to Slide #28.

We expect the proposed infrastructure upgrades near and around Phoenix Citadel in Indore to significantly benefit the mall. The new flyover and underpass are expected to be ready by 2026. This not only improves access but also reduces the interim hardship that our mall visitors are currently facing because of the roadworks which have been ongoing. This will further enhance footfalls and consumption.

Moving on to Slide #29,

After accounting for all the expansion plans and the ongoing projects across locations, we continue to have balanced FSI potential across all these developments. It's expected to be at about 2.71 million square feet cumulatively across three cities. This is based on land that we already own. Clearly it is subject to regulatory and planning approvals, and payment of premiums, and charges as may be applicable. We have not yet planned the CAPEX for exploiting the potential of this balanced FSI potential.

Slide #30 takes us to ESG initiatives.

We are fully aligned with sustainability expectations of long-term investors, and we continue to be driven by them. The USGBC LEED™ certification has been achieved with a gold rating in place for three of the latest retail assets. We have already initiated solar energy, smart building systems, water conservation, EV charging efforts.

To conclude, this transaction fully aligns with our strategic objectives. It gives us complete control of a high-performing platform structured in a capital-efficient manner that safeguards

PML's liquidity. The transaction enhances operational flexibility, removes minority interest leakage and provides a clear path to unlocking further value at both asset and platform levels.

Since the inception of the JV, we have delivered marquee developments including three retail assets, two office assets and an iconic hotel and additional offices currently under construction. We remain committed to building destinations of international standards, vibrant retail hubs, attracting a large catchment, lifestyle-oriented offices and integrated mixed-use super campus in Whitefield.

The next phase of growth is already in motion and full ownership of this platform positions us to execute this seamlessly. Our other partnerships with CPP Investments at Kolkata and Lower Parel continue as planned, and we look forward to exploring future opportunities with CPP Investments to further expand this fantastic partnership. Thank you.

We will now move to the earnings section. May I request Mr. Varun Parwal to kindly takeover the section.

Varun Parwal:

Thank you, Shishir. And moving on very quickly to an update on Quarter 1 results. I will first start with the retail portfolio. Retail consumption at our malls was strong during Quarter 1, coming in at 12% year-on-year. We had very strong year-on-year growth at Phoenix Palladium, Phoenix Palassio and our malls in Ahmedabad (Palladium Ahmedabad), Indore (Phoenix Citadel), Pune (Phoenix Mall of the Millennium) and Bengaluru (Phoenix Mall of Asia).

I would also like to highlight that this strong growth was despite a temporary and a strategic dip in trading occupancy during the quarter. Our portfolio level leased occupancy is at an average in excess of 95% plus, but there was a temporary dip in trading occupancy owing to a significant repositioning exercise that is currently underway across our Phoenix MarketCity malls, particularly in Mumbai, Pune, Chennai and Bengaluru.

We are actively reshaping the brand mix across these key centers and the broad goal here is to replace low efficiency formats with stronger, better trading brands while also creating more room for high performing flagship in-line stores and other key categories. In parallel, we are also upgrading the underutilized or lower yielding areas by bringing in premium brands across watches, electronics, beauty, etc.

This churn has a temporary impact on occupancy and rental income, but it is a planned investment in creating sustainable long-term value for our retail assets. Over the coming quarters, we expect this repositioning to result in much stronger and improved brand mix, higher consumption and stronger rental income growth, ultimately supporting and driving the double-digit EBITDA growth that we have seen historically in our retail malls.

For the quarter, retail rental income stood at approximately Rs. 506 crores, up 4% despite an impact from the planned churn at Phoenix MarketCity malls and also the loss of rentals from the planned convergence (Courtyard) block redevelopment at Phoenix Palladium. If I account for the impact from the churn as well as convergence (Courtyard) block, this impacted our retail income growth by approximately 5% to 6% for the quarter. This is of course temporary in nature, and as trading occupancy returns to stabilized levels of 95% plus in coming quarters, we expect to see much stronger growth coming through.

Moving on to our offices, we have had a great start to the year with completion of Phoenix Asia Towers and receipt of OC (Occupation Certificate), as well as completion of the three towers in Pune and receipt of occupation certificate for one of the three towers. Our leasing has also picked up in line with delivery of these two developments as well as the commercial offices in Chennai (One National Park) which are nearing completion. Overall for the quarter, we have leased an area in excess of 4,30,000 square feet and we expect demand to remain strong especially for these quality well-located office spaces.

Our hotel portfolio had a strong performance for the quarter with revenue coming in 11% higher at Rs. 130 crores, and EBITDA showing very strong growth of 19% reaching Rs. 58 crores for the quarter. Our hotel portfolio consists of The St. Regis, Mumbai and Courtyard by Marriott in Agra.

Our operational performance in residential was also very strong with gross sales in excess of Rs. 168 crores and collections of Rs. 99 crores. The price hike that we had undertaken in Kessaku and One Bangalore West has been well accepted by the market, and we recorded an average sales price of Rs. 27,000 a square feet for the sales done during Quarter 1.

A large part of the sales was completed during the month of June, and as such, revenue recognition for Quarter 1 came in only at about Rs. 40 crores. However, the rest of the sales booking done in Quarter 1 will reflect in terms of revenue recognition in coming quarters on completion of registration and that should boost our revenue and EBITDA performance from the residential portfolio in coming quarters.

And now wrapping up, overall, if we look at our group levels, our EBITDA across the portfolio came in at about Rs. 544 crores, registering a 6% growth. Our Group debt stood at about Rs. 4,435 crores and our net debt to EBITDA reduced moderately from the March ending quarter. We have also seen a significant reduction in our cost of debt. Cost of debt came at about 7.92% for quarter ending June 2025 and we expect some of the recently announced rate cuts for RBI to translate into the balanced loan portfolio in the coming quarters.

Overall, we have continued to maintain a prudent balance sheet and disciplined capital deployment, which gives us significant headroom to continue investing in high quality assets while maintaining our financial flexibility to pursue growth.

This brings me to the end of our formal update. We can now move to the Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Puneet from HSBC. Please go ahead.

Puneet Gulati: Yes. Thank you so much and congratulations on this acquisition, quite an interesting one. My first question is, if you can give us some color on what is the cap rate you are ascribing to this valuation in your mind.

Shishir Shrivastava: Puneet, we have not approached this transaction on a cap rate basis, okay. We see it as being significantly value accretive over the next five years with the several ongoing construction nearing completion as well as the further expansions that we planned in Phase3 in ISMDPL Bengaluru, which will commence shortly. So, that may not be the appropriate way to assign an enterprise value by simply looking at a cap rate on NOI.

Having said that, in FY25 the EBITDA at the ISMDPL platform was at Rs. 617 crores. And with all the ongoing developments which are nearing completion, plus what is planned to be completed by 2030 in this platform, we hope to see the EBITDA grow by multiples over this period of time, and it becoming highly value accretive to us. We believe that today's acquisition price is at fair value. This has also been, I would say, based on the valuation reports that have been put together by the registered valuers, Bansi S. Mehta Valuers LLP and the fairness opinion provided by Morgan Stanley Company India Private Limited.

In FY25, while the retail EBITDA contribution came in mainly from retail, which was about Rs. 617 crores across four malls. We have ~2.2 million square feet of offices which are ready, and a sizable part of that OC is received, and for the balance we expect the OC to be received. But they are pre-leased only at about 6% cumulatively, right, so there is a huge headroom which will also be a significant valuation upside trigger as these get leased out during this year.

We have a very strong pipeline in place, and we have a very strong team now spearheaded by the CEO for commercial real estate and offices, Mr. Vithal Suryavanshi, who has recently come on Board. We have about 170,000 square feet of retail which is currently ongoing, expansion ongoing and this will be delivered by 2027.

Puneet Gulati: Got it. So, from the valuation perspective, is it fair to assume Rs. 5,400 crores is only equity value? There is roughly Rs. 1,000 crores of existing debt in ISMDPL. Those numbers are right?

Shishir Shrivastava: No, that may be the gross debt.

Puneet Gulati: Yes.

Shishir Shrivastava: Gross debt is about Rs. 950 crores and currently it is also about --

- Kailash Gupta:** Rs. 650 crores is the net debt.
- Shishir Shrivastava:** So, adjusting for cash on the balance sheet, the net debt is about Rs. 650 crores.
- Puneet Gulati:** Okay. And when you talk about the Rs. 5,400 crores of value which you pay over three years, is the entire EBITDA attributable to you from day-one or does it also get attributable?
- Shishir Shrivastava:** That is also right. No, the way this transaction is structured, it is pretty much like a spot transaction. And I mean, obviously, every tranche will only be payable as per the applicable law and fair value ascertain. But EBITDA is attributable to us, and cash flow uses are exclusively for us going forward from the day the transaction gets approved and the first tranche payment is made.
- Puneet Gulati:** Understood. And lastly, if I can ask you, what can you do now which you could not do earlier in this platform?
- Shishir Shrivastava:** Okay. From PML's perspective I think it helps, because minority leakages are kind of addressed, it reduces that or eliminates minority leakages entirely. It allows us PML to upstream or the cash flows to be upstreamed to PML for efficient utilization. And we estimate that our EBITDA could potentially grow 3x to 4x over a period of time, and this will all result in a growth to PML's PAT.
- At the ISMDPL level, it allows us several synergies to optimize structure and drive operational efficiencies, including costs. It allows us the optionality of future platform monetization of ISMDPL by way of REIT or listing etc. And at the subsidiary level, again, we retain the optionality for individual asset level monetization should we choose to do so, and gives us the opportunity to create new growth platforms.
- Puneet Gulati:** Understood. But is there a thought at this point of time to monetize individual assets?
- Shishir Shrivastava:** No. That is an option available to us as I mentioned, that is not the strategy.
- Puneet Gulati:** Okay. And from a timing perspective, is it the right time even, your offices are not yet leased and CPPIB theoretically would have provided good insights on the office leasing side. From timing perspective, are you comfortable or would you have --
- Shishir Shrivastava:** The timing is perfect, Puneet. The timing is perfect. In fact, as I mentioned earlier, the scale up or ramp up of occupancy at the offices from current approximate 6% across locations to what our target is to be at 90% in 2026, and that's what Vithal and the team are actively working on. I think that is where there is a huge-huge valuation upside that can be achieved based on our performance and our delivery.

Puneet Gulati: And lastly, if you can tell us what is your CAPEX plan for this year and next year, how much should we pencil in the numbers?

Shishir Shrivastava: I think about Rs. 1,200 crores to Rs. 1,300 crores over the next 12 months.

Puneet Gulati: That's it. Okay.

Shishir Shrivastava: That's it.

Puneet Gulati: Okay. Great. That's all from my side. Thank you so much. And all the best.

Shishir Shrivastava: Clarifying that that Rs. 1,200 crores to Rs. 1,300 crores is at a group level, not just at ISMDPL.

Puneet Gulati: Yes. Understood. Okay. Great. Thank you so much.

Moderator: Thank you. The next question is from the line of Praveen Choudhary from Morgan Stanley. Please go ahead.

Praveen Choudhary: Hi. Thank you so much for taking my call. Congratulations on this deal. I have a few questions, that related to the business segment. Can you talk about why Mall of Asia, Bengaluru business performance have been down year-over-year? I thought it's a new mall, so it must be ramping. So, that was one small question. I had another question on depreciation, which jumped massively. And then, the third question I have is on the timing of Kolkata and Surat and many malls, if you can talk about? Thank you so much.

Varun Parwal: Hi, Praveen. Varun this side. I will take the first question before handing it over to the other management people on the call. So, your question on Mall of Asia, Praveen, I think last quarter, in Quarter 1 we had a significant one-time rental billing that happened for several retailers. That was a one-time increase in rental of about Rs. 10 crores.

So, if you compare Quarter 1 FY26 rental billing and you compare it with quarter-four FY25 rental billing, we reported about Rs. 47.5 crores for Quarter 1, whereas the quarter-four rental billing was at about Rs. 40 crores. So, the normalized billing for Mall of Asia in FY '25 was about Rs. 40 crores per quarter. And if you see Quarter 1 FY26, it has come in at about Rs. 48 crores.

So, adjusted for the one-time billing that we had taken in the prior year, we are seeing a strong 20% growth as far as rental billing is concerned. Praveen, does that answer your question?

Praveen Choudhary: Yes, it does. I am just waiting for the questions. Thank you, Varun.

Shishir Shrivastava: Praveen, may I request you to repeat the follow-up questions that you had on this, so we can address them one at a time?

- Praveen Choudhary:** Yes. I just wanted to get a sense of the latest timing for the opening of new malls that is expected to come in the next two, three years. But just wanted to get if you have better clarity on Kolkata and Surat malls. And then I had a question on depreciation. It seems like depreciation number on your P&L jumped year-over-year and I just wanted to understand anything which is one-off?
- Shishir Shrivastava:** Sure. So, we will take the first part which is the completion of, we expect the (Phoenix) Grand Victoria Mall, Kolkata to be completed in 2027. Surat is also expected to be completed in 2027. Thane Phase1 retail is expected to be completed in 2029. Coimbatore retail in the same year, and Chandigarh Phase1 retail between 2029 and 2030. We also have a sizable expansion going on at our flagship property, (Phoenix) Palladium Mumbai which has retail and offices, all of this is expected to be completed by end of 2026 and mid of 2027 in phases.
- Praveen Choudhary:** Yes. Great, sir.
- Kailash Gupta:** Yes. So, on our accounting piece basically there are two things, one is that the Rise (Phoenix Palladium West Zone) portion actually which we have recently opened in the (Phoenix) Palladium Mall, so that has added depreciation and that will be continuous over the period of time. And apart from this there is a one-time depreciation of around Rs. 7 crores to Rs. 8 crores primarily driven from the demolition of couple of pieces (Courtyard Block) in the Phoenix Palladium side because where we have used the accelerated depreciation basically.
- Shishir Shrivastava:** So, existing retail blocks have now been demolished, we have therefore written down that in our value for about Rs. 8 crores.
- Praveen Choudhary:** Understood. Can I ask on the deal, last question from me. So, this deal that has been done, it will reduce your minority interest and there is lot of optionality here clearly. Did you think of similar deal maybe not this year but in future with another partner that you have or should I put it differently, was this deal initiated by the other party or it was mutual?
- Shishir Shrivastava:** Well, it was mutual. If I may clarify that there was no exit obligation on us to provide our partners an exit, but it was a mutual discussion, and both sides saw the benefit of it. With regards to our other joint venture with the other partners, we have the Coimbatore project and the Surat project under development, in there (with GIC). And I think our partners will only see true value once those projects near completion or rather are completed and commence operations and become revenue generating. There is no conversation ongoing for any similar transaction on that JV.
- Praveen Choudhary:** Thank you. And once again congratulations. This deal definitely looks good if you continue to execute the way you have been. Thank you.
- Shishir Shrivastava:** Thank you very much.

Moderator: Thank you. The next question is from the line of Girish Choudhary from Avendus Spark. Please go ahead.

Girish Choudhary: Hi. Good evening. Firstly, if you can help us understand the funding of this Rs. 5,400 crores, I mean, will it be like significantly buyback at the ISMDPL level or let's say the standalone entity also buying out the stake. So, how will the funding route happen? And also I mean internal approvals and what's the incremental debt we can see from this?

Shishir Shrivastava: So, now the transaction is structured in four tranches, right, payment consideration is to be paid in four tranches. We have multiple modes of paying this consideration. These include buybacks, payment of dividends, capital reduction and secondary by PML or any of its affiliates. So, this is a combination that we are going to be looking at, and in each year, depending on the cash flows at the ISMDPL level we are going to be affecting dividend payouts or buybacks or capital reduction. Currently, we do not envisage the secondary transaction to take place until perhaps the last tranche. There may be some small amount initially which PML or any of its affiliates may need to fund.

But again, as I mentioned, with this 100% ownership, we get the ability to upstream free cash flows from the ISMDPL platform to PML as well, which could also fund such secondary transaction.

Girish Choudhary: Okay. So, my second question is, again from a capital allocation perspective, I mean the part generally, you have said us that, I mean for your investments generally you look at 14%, 15% yield on cost. So, I mean for this Rs. 5,400-odd crores of investments or payout, can we expect a better yield on cost, I mean once everything is up and running?

And just a follow-up to that, I mean this investment does it also signal that, I mean, in the past we had a development-led growth, right now, I mean, are we seeing that we are shifting towards yield-focused asset consolidation, so how should we look at this transaction from that point of view as well?

Shishir Shrivastava: Okay. Several questions in that question, we will try and break it up into parts, right. In the first instance, the illustration that we have on Slide #14 will give you kind of an indication on the growing EBITDA at ISML level and you should be able to work out the yield on cost, right and we can get into details offline with our team on this, on the structure and the anticipated returns. But we see that if you look at also Slide #10, where we have shown what the cash flows are and leverage headroom is. We have explained how in the last 8 years between FY 17 to FY 25 our asset EBITDA has grown 6x. We hope to see at least double-digit growth in EBITDA from all the initiatives which are underway including completion of the under-construction projects, leasing out of the already completed offices and organic growth at our operating retail malls.

Kailash Gupta: Just to add to what Shishir is saying and we have already narrated in our commentary earlier. So, we are not compromising in terms of our expansion projects, which we will continue to do because largely the transaction will be paid through the ISMDPL platform. So, effectively the PML and its other entities are free to use its cash for acquisition or expansion. So, I do not think we are compromising on any of the parameters which we had set as a benchmark for our company.

But at the same time, since the cash flow or the free cash flow is generation is growing year-on-year basis, we thought to even consolidate because this opportunity was like very tempting for us, because one reason is that even the current EBITDA is quite strong. And secondly, the expansion plan is quite big if you see the overall slides and presentation.

Shishir Shrivastava: Lastly, again give you some guidance. If we look at our FY25 operational free cash flows, they were about Rs. 1,225 crores at the PML level excluding the ISMDPL and its subsidiaries. Now just assume a similar run rate over the next five years without anything else that itself could potentially translate to over Rs. 6,000 crores of operating free cash flows.

Add to that the cash flows from the residential sales which as Varun explained earlier, we have seen a phenomenal quarter in residential sales; we are gearing to launch the Kolkata residential project sales as well. Add to that the organic growth at retail, the completion of expansion, leasing out of offices plus the significant potential to leverage the PML portfolio excluding ISMDPL.

So, Rs. 6,000 crores plus growth triggers plus the leverage potential at PML excluding ISMDPL assets is more than adequate to pursue our growth aspirations including acquisitions of greenfield, brownfield, operating assets in identified 10-11 cities including funding the CAPEX required for our FY 2030 envisaged portfolio (excluding ISMDPL) of 14 million square feet of retail, taking the gross portfolio to 14 million of retail, 3.5 million of offices, 1,200 keys and hotels, and roughly 2.5 million square feet of additional residential inventory.

Girish Choudhary: Got it. Fair enough. Thank you. And all the best.

Moderator: Thank you. The next question is from the line of Parikshit Kandpal from HDFC. Please go ahead.

Parikshit Kandpal: Hi, Shishir. My first question is what is the current book value of the assets which you are buying?

Shishir Shrivastava: The gross block of all the assets and of all the assets under these ISML and underlying SPVs is about Rs. 5,080 crores.

Parikshit Kandpal: Okay. You are paying a slight premium to buy this out. So, which covers the growth opportunity?

- Shishir Shrivastava:** Growth underway, FSI potential, which continues to get exploited over the next five years.
- Parikshit Kandpal:** But your share will be 50% of this approximately, so 2500 worth of gross block which is going out for the share you are buying out, so that is you are paying almost 2x right, Rs. 5,400 crores to Rs. 5,500 crores.
- Kailash Gupta:** I think this is the wrong way to interpret real estate especially, because what you are seeing is the historical value of the assets but you are not seeing the potential of the market value of the assets which would be much higher, I mean, while we have not assigned the number but I think looking at the book value is not certainly the right approach to value the transaction.
- Parikshit Kandpal:** No. I am just trying to arrive at the IRR, which the CPPIB (CPP Investments) is getting in 7-8 years, it is almost doubling, so just from that point I was asking. And what is the balance CAPEX for rest of all the assets and also what is the balance CAPEX for ISMDPL assets till you reach FY30 when all these development opportunities complete, so if you can help us with the break up.
- Kailash Gupta:** So, barring the new acquisitions and the three assets basically we are talking about, excluding Thane, Coimbatore and Chandigarh, the CAPEX for next five years would be in the range of around Rs. 5,000 crores to Rs. 6,000 crores, and against that the cash flow generation will be much higher.
- Parikshit Kandpal:** Sir, I was asking what is the residual CAPEX in ISMDPL to reach that FY30 full development potential which you highlighted in the presentation.
- Shishir Shrivastava:** Okay. We hear you clearly now. Phase2, which is ongoing at ISML will roughly require about Rs. 1,000 crores between now and 2027 to take it to completion. Phase3 we will share the details when we have crystallized on our development plans and we have received all the final approvals.
- Parikshit Kandpal:** Okay. And just last question on the EBITDA of Rs. 627-odd crores. So, what is the clean EBITDA based on Rs. 617 crores which you highlighted. So, out of that if I remove the CAM EBITDA and other EBITDA, or is it just the asset level EBITDA from the malls, so does it include the CAM and other charges, other income and all this. So, what is the clean EBITDA?
- Shishir Shrivastava:** This is the asset level EBITDA chief.
- Parikshit Kandpal:** So, this is the clean EBITDA, which is no other income, no CAM EBITDA on this.
- Varun Parwal:** Yes, Parikshit. If you see the reported numbers for each of these assets, we have reported EBITDA numbers every quarter, every year, and if you add up the reported EBITDA for Phoenix MarketCity Bangalore, Phoenix Citadel Indore, Phoenix Mall of the Millennium and Phoenix Mall of Asia, you will get to the to the FY25 asset EBITDA of Rs. 617 crores. The offices that

were completed and they received OC, in Jan and April (2025), they are not yet EBITDA contributing.

Parikshit Kandpal: Okay. But they are also not adding --

Varun Parwal: This is only Purely retail.

Parikshit Kandpal: Okay. Purely retail, and there is no negative or any, there is nothing from other income, nothing from CAM coming in here?

Varun Parwal: No, other income gets, we reported below EBITDA. So, whatever is the contribution from other income is coming below the EBITDA line item. Like Kailash mentioned earlier, if I just see the FY25 balance sheet, our gross consolidated debt on the ISMDPL platform was Rs. 960 crores, and our cash on books at the end of FY25 was Rs. 360 crores. So, our net debt is a shade under Rs. 600 crores at this point in time. The Rs. 617 crores of EBITDA generated by the platform also converted into an operating free cash flow of about Rs. 510 crores for FY25 if you take out interest and tax expense just for the platform. So, out of PML's Rs. 1,800 - 1,900 crores of operating free cash flow that we reported in FY25, Rs. 510 crores came from the ISML platform itself.

Parikshit Kandpal: Sure. Okay. Thank you. Those were my questions, and congratulations on the deal.

Varun Parwal: Thank you.

Moderator: Thank you. The next question is from the line of Pritesh Sheth from Axis Capital. Please go ahead.

Pritesh Sheth: Yes. Thanks for the opportunity. Couple of questions on the transaction. First, has the valuer report mentioned about valuation for operational, under-construction and future potential assets? I means, is a break-up available and if you can provide that to us?

Kailash Gupta: No, there is no break-up as such in the public domain. And I do not think we will be in a position to declare or inform you of any kind of numbers.

Shishir Shrivastava: The valuers have not published the sum of parts, if that's what you are asking.

Pritesh Sheth: Yes. Okay. Fair enough. And from pure CPPIB's perspective, while some of the assets have been recently completed, Citadel, Bangalore, Pune, and the office assets which you recently delivered. What was the thought process from their side to exit these assets without even seeing that five years of maturity or a steady state kind of run rate? So, what was the thought process of exiting these assets at the early stage? And would this be a precedent for the next assets which we are building under this platform, be it Kolkata, Project Rise and even for that matter, Coimbatore, so your thoughts on that?

Shishir Shrivastava: Okay. So, I cannot speak for CPPIB (CPP Investments), their rationale is obviously well-deliberated. As I mentioned earlier, I want to clarify that we had no stated commitment or contractual commitment to provide an exit to CPPIB. I think it's their own considerations on their timeline of their investment, etc. And this was a conversation that we have mutually arrived at after negotiation, so I cannot speak on their behalf. Coimbatore does not sit under the CPP platform, I am clarifying since you mentioned that. And so this is not intended to be a precedent for CPP to look for an exit in the other JVs where we have ongoing construction or otherwise. Again, I want to mention again that we have a fantastic partnership in CPPIB (CPP Investments), and we are looking forward to this relationship growing as we grow our own portfolio.

Pritesh Sheth: Sure. And taking this partnership with our other partner, will we be offering some of the decent assets to GIC for some stake acquisition in this asset or do you think that given the cash flows and the leverage potential that we have, we will be able to easily fund the consideration and create lot of value, and hence, no need to offer to them. So, what would be our thought process in this?

Shishir Shrivastava: Pritesh, I think it's important for you to understand why we have created these two platforms at the time when we did. In 2017, when we entered into this first joint venture with CPPIB, we were looking for growth capital. We had estimates of potentially future cash flows. However, there was opportunities that could be exploited at that point in time and there was a timing issue in terms of free cash being generated from our residential sales and organic growth resulting in higher free cash from our operating assets, which is why at that point in time we were looking for capital for growth and we entered into this transaction.

Moving forward in 2021, when we executed our second JV with our other partners, we were looking at creating sizable liquidity at Phoenix Mills level, this was immediately post COVID and we were looking at creating some kind of a safety net. And we have been very committed to the growth of that platform, and we have added Coimbatore and we have added Surat to that platform, and we have committed the entire funds or the entire capital that was infused as a primary into that joint venture. We have committed that capital for growth of that platform.

Now when we look at our balance sheet, we have a very-very strong balance sheet, we have sizable free cash being generated on a year-to-year basis and we do not have intention of creating more platforms, at least we have no need to create those more platforms because we have enough cash.

Pritesh Sheth: Sure. Thanks for that answer. And we completely agree on that. Just one last on the assets beyond this platform. So, there has been drop in terms of trading occupancy for MarketCity malls in Bengaluru, Chennai, Pune, is that it in terms of whatever churn we wanted to plan? And potentially from this year end and next year, we will start seeing good outcomes and good growth outcomes from the churn exercise that we are doing in these three malls.

Varun Parwal:

So, Pritesh, let me take the first part of that question and then I will hand it over to Rashmi to expand on what we are doing here. You have seen a significant drop in trading occupancy for this quarter in Phoenix MarketCity Bangalore and dip in trading occupancy, which are lower but still there in Pune and Chennai. These are of course very strategic and planned in nature and they are aligned in terms of the brand mix and the key anchor flagship and inline stores that we want to bring into these malls at this point in time.

(At Phoenix) MarketCity Bangalore churn is happening, it has come together, so that's why there is a big drop from where we were in December at 98% occupancy to today where we are at about 84% occupancy. And through the rest of the year, the occupancy will go up significantly from here. There are still some, few more churns that are planned but they are more staggered, and they will take place in the coming year. Now, I think I will hand the call over to Rashmi to just talk a bit on our philosophy and strategy.

Rashmi Sen:

Yes. Hi. Currently, as you would know, we are undergoing a significant repositioning and premiumization change for most of our legacy assets, which are completing close to 14, 15 years. And we see that there is a lot of headroom and appetite for increasing rental for a lot of these older deals. We also see that there is a lot of room for optimizing the anchor sizes to inline stores, and over the last few years there has been increased demand and appetite from international brands for coming and opening stores in our centers.

And I think it's sort of a moment in pivot where everything is coming together for us because a lot of these large boxes, expiries are coming up and it gives us a beautiful opportunity to sort of rethink, reimagine because change is the only constant and we want to continue to give newer experiences to our customers. So, all these changes that we are making is from a long term perspective. And even though you may see a drop in trading occupancies, all of these are typically leased to the newer premium international brands. And what we do is like if hypermarket, we feel like 50,000 (sq. ft.), a larger hypermarket may not be as relevant, so the hypermarket may get leased to another brand in a different category. But we move the hypermarket to a smaller Gourmet concept. And basically, these are the things that we do. And what you see right now is basically a short-term impact of the long-term visionary changes that we are making.

Pritesh Sheth:

Got it. So, just to clarify, there would still be some bit of staggered churn across the three assets which will come through the year and then we will be done and probably 2027 is when we will stabilize.

Varun Parwal:

Pritesh, Varun this side. You will have trading occupancy going up and there may be some churn that could happen but overall we should see a ramp up in trading occupancies. You will see the progression of trading occupancy towards the lease occupancy.

Pritesh Sheth:

Got it. Fair enough.

Varun Parwal: Many of these repositioning brands, etc., they are already under very active fit outs. So, if you are visiting Bangalore any time, give us a shout and we would love to show you and walk you around either the Bangalore mall or the Pune or the Chennai mall.

Shishir Shrivastava: So, to summarize what Varun is saying that the gap between what you see as the trading occupancy and the leased occupancy, leased occupancy is much higher than trading occupancy. That gap is forced (planned on account of repositioning) by us and going to become operational soon.

Pritesh Sheth: Got it. That's really helpful. Thank you. All the best. That's it from my side.

Moderator: Thank you. The next question is from the line Murtaza from Kotak Securities. Please go ahead.

Murtaza Arsiwalla: Yes. Hi, gentlemen. Firstly, congratulations on the deal. I think it's a very elegant exit that you are planning to get CPP. But just on the operational numbers, just two or three pieces. One is one is, if I look at this quarter's numbers, 12% consumption growth, 4% rental income, should that be just explained by a possible less favorable shift in mix or anything else that we should read into that number, number one.

Number two, on the CPP piece, you also amongst other things highlighted the potential upside in the occupancies for the recently commissioned office assets. Any visibility, because to me that number on how much is leased appears low for an asset which has just received OC. But you have said that you are targeting 90% in 2026, but any near-term visibility numbers on how you look at a ramp-up in that occupancy. So, two pieces, one on the retail side, the growth in consumption versus rental income, second on the leased occupancy for the new commercial assets.

Varun Parwal: Sure, Murtaza. Varun this side. I think first on the quarterly performance for the rental income compared to the consumption trend. We spoke about it earlier on at the starting of the call that this quarter we had impact on two accounts. One is because of the planned churn that we had undertaken and the significant churn that we had undertaken at our Phoenix MarketCity Mall. Even in Mumbai, Pune, Chennai, and significantly in Bengaluru, that churn contributed to about a 3% drop in rental income compared to the numbers that we reported.

There is also the negative impact from, when you compare Year-on-Year at Phoenix Palladium, we have demolished a large part of the retail block which housed retailers like Nike and Hamleys, which for the full-year, last year contributed about Rs. 200 crores in consumption and over Rs. 45 crores in rental income. So, the quarterly rental loss from the demolition of that retail block is also at about Rs. 12 crores.

The planned churn and the loss of rent from convergence (Courtyard) block between them have a 5% to 6% impact on our rental income growth for the quarter. I am not taking into

consideration the other aspects where there may be smaller fit-outs or any rent impact from retailers being exited. But broadly these are the two main reasons for the gap between consumption and rental income growth.

Murtaza Arsiwalla: So, a couple of high-yielding tenants have been churned out, is that the way to read it? Nike, Hamleys would have been, how should I read that, I mean, on the office assets, the newer office assets in terms of visibility in the near term on occupancy ramp-up?

Shishir Shrivastava: So, we have every reason to be confident about seeing a significant ramp-up in the next 12 months. In calendar year 2026, our target is to see a 90% occupancy across office assets. We have completed these assets and completed all the amenities at these locations. Also we have a very strong pipeline. Just to give you an illustration, in Chennai, the office asset, we have completed about 60% leasing in about four months. And we expect to see a similar trend even in Bengaluru and Pune.

Murtaza Arsiwalla: Sure. Thank you.

Shishir Shrivastava: Thank you.

Moderator: Thank you. A reminder to all the participants, you may press star and 1 to ask questions. As there are no further questions from the participants, I would now hand the conference over to the management for closing comments. Over to you, sir.

Shishir Shrivastava: Thank you very much, ladies and gentlemen, for joining us on our Q1 earnings call. We wish you all the very best, and talk to you next quarter. Have a good evening.

Moderator: Thank you. On behalf of The Phoenix Mills Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.

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