

# Phoenix Mills

|                 |   |
|-----------------|---|
| Estimate change | ↔ |
| TP change       | ↔ |
| Rating change   | ↔ |

|                       |            |
|-----------------------|------------|
| Bloomberg             | PHNX IN    |
| Equity Shares (m)     | 357        |
| M.Cap.(INRb)/(USDb)   | 530 / 6.3  |
| 52-Week Range (INR)   | 2069 / 863 |
| 1, 6, 12 Rel. Per (%) | -10/-13/39 |
| 12M Avg Val (INR M)   | 1521       |

## Financials & Valuations (INR b)

| Y/E Mar      | FY24  | FY25E | FY26E |
|--------------|-------|-------|-------|
| Sales        | 39.8  | 40.1  | 46.7  |
| EBITDA       | 21.8  | 23.7  | 29.0  |
| EBITDA (%)   | 54.7  | 59.2  | 62.1  |
| PAT          | 11.0  | 10.8  | 14.9  |
| EPS (INR)    | 30.8  | 30.3  | 41.6  |
| EPS Gr. (%)  | 50.6  | -1.4  | 36.9  |
| BV/Sh. (INR) | 264.9 | 292.9 | 331.5 |

## Ratios

|            |      |      |      |
|------------|------|------|------|
| Net D/E    | 0.4  | 0.3  | 0.1  |
| RoE (%)    | 12.3 | 10.9 | 13.3 |
| RoCE (%)   | 12.3 | 11.3 | 13.6 |
| Payout (%) | 8.1  | 9.9  | 7.2  |

## Valuations

|               |      |      |      |
|---------------|------|------|------|
| P/E (x)       | 48.2 | 48.9 | 35.7 |
| P/BV (x)      | 5.6  | 5.1  | 4.5  |
| EV/EBITDA (x) | 26.1 | 23.5 | 18.6 |
| Div Yield (%) | 0.2  | 0.2  | 0.2  |

## Shareholding pattern (%)

| As on        | Sep-24 | Jun-24 | Sep-23 |
|--------------|--------|--------|--------|
| Promoter (%) | 47.3   | 47.3   | 47.3   |
| DII (%)      | 13.2   | 13.3   | 18.5   |
| FII (%)      | 35.5   | 35.4   | 30.0   |
| Others (%)   | 4.1    | 4.0    | 4.2    |

**CMP: INR1,484 TP: 1,652 (+11%) Neutral**

## Ramp-up of new assets drives growth in portfolio

### Revenue/EBITDA in line; marginal miss on PAT

- Phoenix Mills (PHNX) posted 2QFY25 revenue of INR9.2b, up 5% YoY (in line). EBITDA stood at INR5.2b, up 2% YoY (6% below est.) as margin contracted 143bp YoY. PAT declined by 14% YoY to INR2.2b (12% below est.), with a margin of ~24%.
- For 1HFY25, PHNX generated OCF (post-interest) of INR8.1b (down 8% YoY) and incurred INR13.8b on capex. It also received INR2.7b from JV partners, and hence, the consolidated net debt increased sequentially to INR24b.

## New malls drive strong consumption and rental growth

- Total consumption stood at ~INR33b, up 24% YoY, driven by a healthy ramp-up in new malls at Bengaluru, Pune, and Ahmedabad. Among the mature assets, PMC Mumbai delivered 6% YoY growth, aided by upgradation measures implemented in the last few years.
- On an LfL basis (excluding the contribution from new malls), consumption rose 5% YoY. Among the key categories, jewelry/hypermarkets outperformed with 33%/12% YoY growth, while electronics stood flat at 3% YoY. The entertainment and multiplex segment declined 15% YoY in 2Q.
- Retail income growth (of 22% YoY) was in line with consumption growth. Rental income was INR4.7b and EBITDA came in at INR5b (up 22% YoY), with a margin of 104%.
- Trading occupancy stood at 92% as of Sep'24, while leased occupancy was 97%. PHNX expects to achieve trading occupancy of >95% by FY25 end, which would drive 16% growth in retail rental income in FY25.

## Steady show in hospitality; office rentals to scale up from FY26E

- Hospitality:** Occupancy improved YoY to 85% for St. Regis (vs. 82% in 2QFY24) but declined to 67% at Marriott Agra (vs. 69% in 2QFY24). St. Regis reported an ARR of INR17,320, flat YoY. Marriott Agra's ARR grew by 8% YoY to INR4,569. Total income was up 16% YoY at INR1.3b. EBITDA stood at INR0.53b, up 15% YoY.
- Commercial performance:** Occupancy in office assets was steady at 70% and rental income rose 19% YoY to INR540m. EBITDA came in at INR340m, up 31% YoY.
- PHNX is expected to deliver 1.6msf of office assets across Bengaluru, Pune, and Chennai over the next 9-12 months. Bengaluru office assets will become operational in 4QFY25 and can reach 80-90% occupancy in FY26. We expect a 39% CAGR in its office rental income over FY24-FY27.

## Highlights from the management commentary

- LfL consumption growth:** LfL growth was 5% in 2Q and 6% in 1H, guided by jewelry/hypermarkets.

- **Business development:** All the assets within the current pipeline will be delivered by FY27, and it is currently evaluating opportunities that can support growth beyond FY27. PHNX acquired two land parcels - one in Coimbatore (9acres) and Chandigarh Mohali (13.1). With the acquisition in Coimbatore & Chandigarh Mohali, PHNX will double its portfolio by FY30.
- **Status of key upcoming assets:** Thane and Bengaluru lands are under the designing stage, and the development mix is not yet finalized. The management intends to launch the residential project in Kolkata in 1-2 quarters. The excavation is complete for the Surat Mall, and construction is underway, which would take three years to complete.

#### Valuation and view

- While new malls continue to ramp up well, PHNX is taking measures to accelerate consumption at mature malls. These initiatives, along with a further increase in the trading occupancy, will help in sustaining healthy traction in consumption. However, in the absence of completion of any major new mall, we expect the growth to decelerate in FY26-27.
- That said, we remain confident in the long-term consumption growth, which should be at least ~7-8%. We value the mature malls at 20x EV/EBITDA and the new malls at 25x EV/EBITDA. **Reiterate Neutral with a TP of INR1,652.**

#### Quarterly Performance (INR m)

| Y/E March              | FY24  |       |       |        | FY25E |       |        |        | FY24    | FY25E   | FY25E<br>2QE | Var. %  |
|------------------------|-------|-------|-------|--------|-------|-------|--------|--------|---------|---------|--------------|---------|
|                        | 1Q    | 2Q    | 3Q    | 4Q     | 1Q    | 2Q    | 3Q     | 4Q     |         |         |              |         |
| Gross Sales            | 8,106 | 8,750 | 9,861 | 13,059 | 9,041 | 9,180 | 10,415 | 11,421 | 39,777  | 40,057  | 9,213        | 0%      |
| YoY Change (%)         | 41.1  | 34.4  | 44.2  | 79.1   | 11.5  | 4.9   | 5.6    | -12.5  | 50.8    | 0.7     | 5.3          |         |
| Total Expenditure      | 3,183 | 3,691 | 4,343 | 6,792  | 3,731 | 4,003 | 4,254  | 4,374  | 18,009  | 16,362  | 3,731        |         |
| EBITDA                 | 4,923 | 5,060 | 5,518 | 6,267  | 5,310 | 5,177 | 6,161  | 7,047  | 21,768  | 23,695  | 5,482        | -6%     |
| Margins (%)            | 60.7  | 57.8  | 56.0  | 48.0   | 58.7  | 56.4  | 59.2   | 61.7   | 54.7    | 59.2    | 59.5         | -311bps |
| Depreciation           | 630   | 659   | 656   | 757    | 775   | 775   | 960    | 1,182  | 2,702   | 3,692   | 849          |         |
| Interest               | 957   | 965   | 1,042 | 995    | 1,031 | 1,031 | 1,021  | 539    | 3,959   | 3,622   | 898          |         |
| Other Income           | 290   | 316   | 343   | 372    | 383   | 371   | 333    | 196    | 1,322   | 1,283   | 295          |         |
| PBT before EO expense  | 3,627 | 3,752 | 4,163 | 4,886  | 3,887 | 3,741 | 4,513  | 5,521  | 16,429  | 17,663  | 4,029        |         |
| Extra-Ord expense      | 0     | 0     | 0     | 0      | -5    | 0     | 0      | 0      | 0       | 0       | 0            |         |
| PBT                    | 3,627 | 3,752 | 4,163 | 4,886  | 3,882 | 3,741 | 4,513  | 5,521  | 16,429  | 17,663  | 4,029        | -7%     |
| Tax                    | 730   | 714   | 724   | 998    | 747   | 835   | 1,134  | 1,721  | 3,166   | 4,437   | 1,012        |         |
| Rate (%)               | 20.1  | 19.0  | 17.4  | 20.4   | 19.2  | 22.3  | 25.1   | 31.2   | 19.3    | 25.1    | 25.1         |         |
| MI & P/L of Asso. Cos. | 492   | 512   | 646   | 621    | 809   | 725   | 618    | 225    | 2,270   | 2,378   | 547          | 33%     |
| Reported PAT           | 2,405 | 2,526 | 2,793 | 3,267  | 2,326 | 2,181 | 2,761  | 3,575  | 10,993  | 10,849  | 2,470        | -12%    |
| Adj PAT                | 2,405 | 2,526 | 2,793 | 3,267  | 2,331 | 2,181 | 2,761  | 3,575  | 10,993  | 10,849  | 2,470        | -12%    |
| YoY Change (%)         | 48.5  | 35.9  | 58.3  | 58.9   | -3.1  | -13.7 | -1.1   | 9.4    | 1,880.3 | 1,986.7 | -2.2         |         |
| Margins (%)            | 29.7  | 28.9  | 28.3  | 25.0   | 25.8  | 23.8  | 26.5   | 31.3   | 27.6    | 27.1    | 26.8         |         |

Source: Company, MOFSL

## Key exhibits

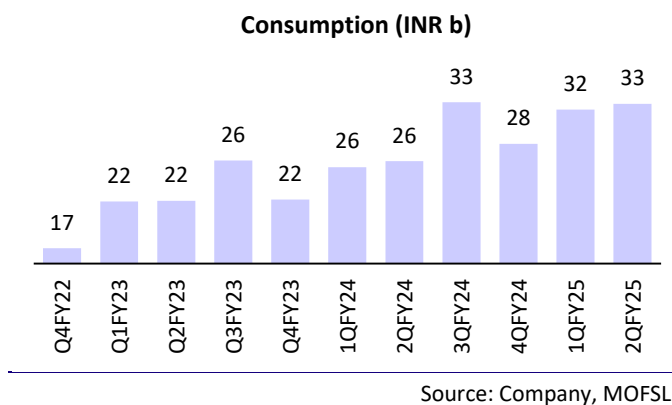
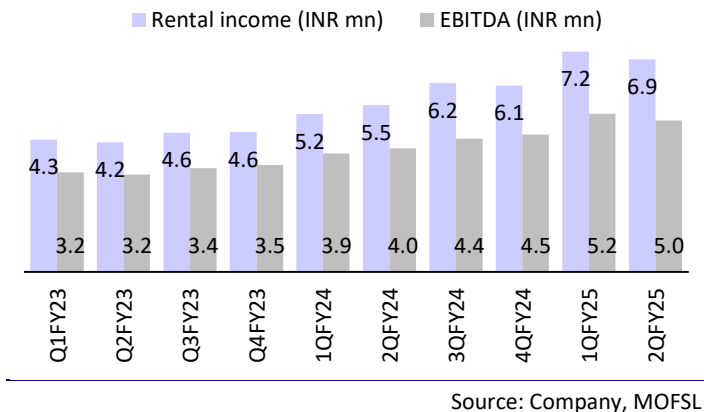
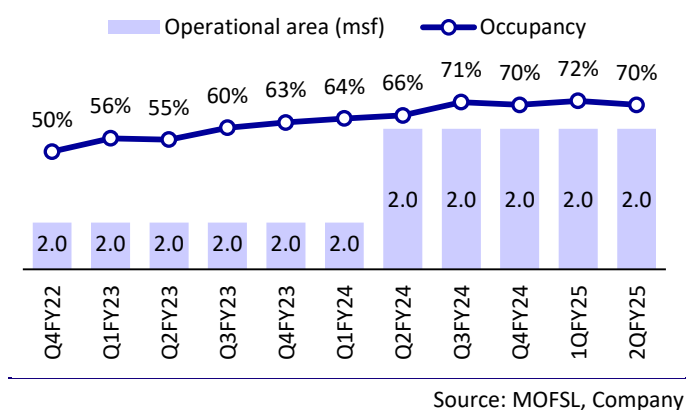
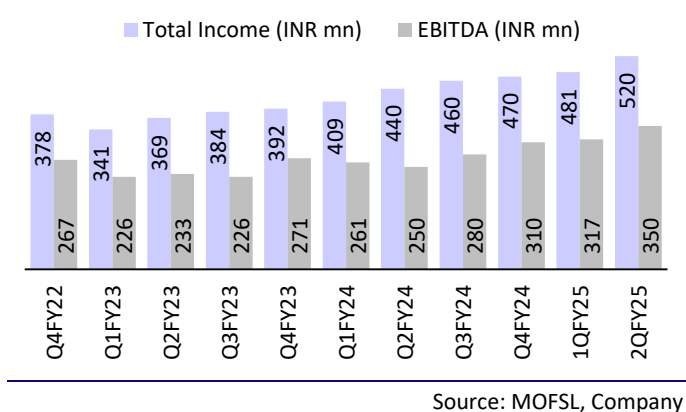
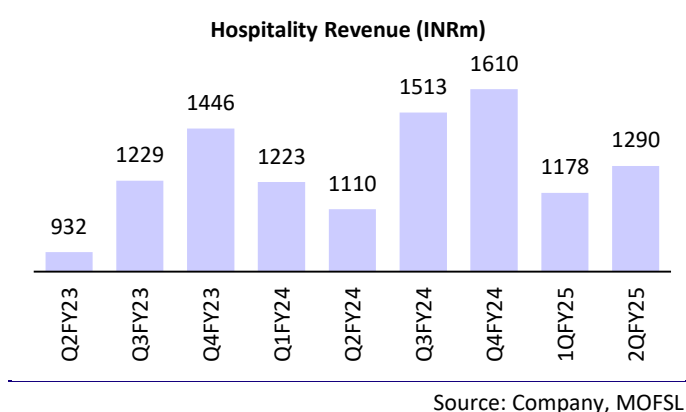
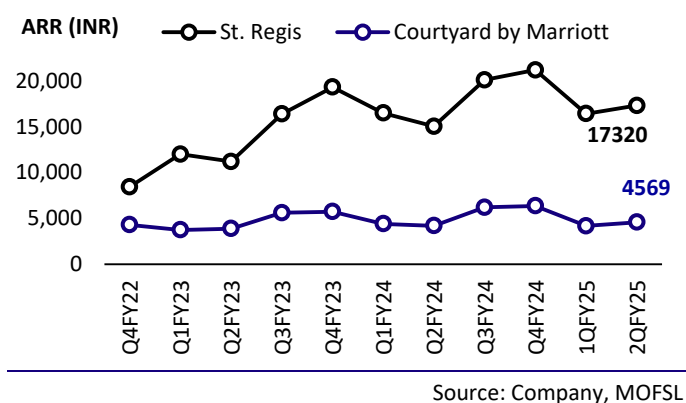
**Exhibit 1: Consumption across malls increased 24% YoY, aided by the ramp-up of new malls****Exhibit 2: Rental income/EBITDA grew 27%/23% YoY****Exhibit 3: Office portfolio witnessed steady occupancy...****Exhibit 4: ...and rental income inching up each quarter****Exhibit 5: Hospitality revenue was flat YoY****Exhibit 6: ARR at St. Regis remained steady on a YoY basis**

Exhibit 7: Flagship hotel generated EBITDA of INR520m

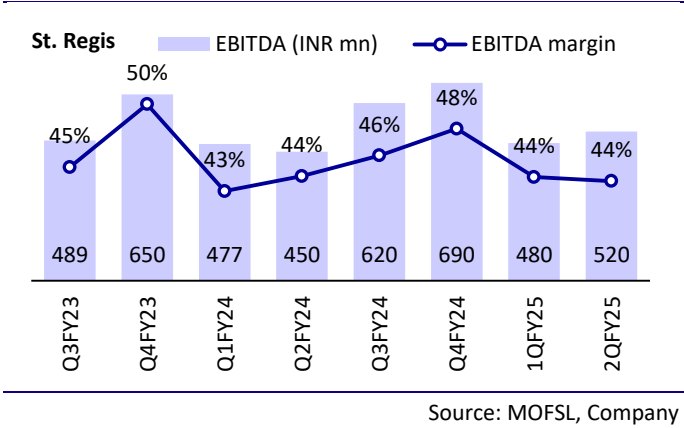
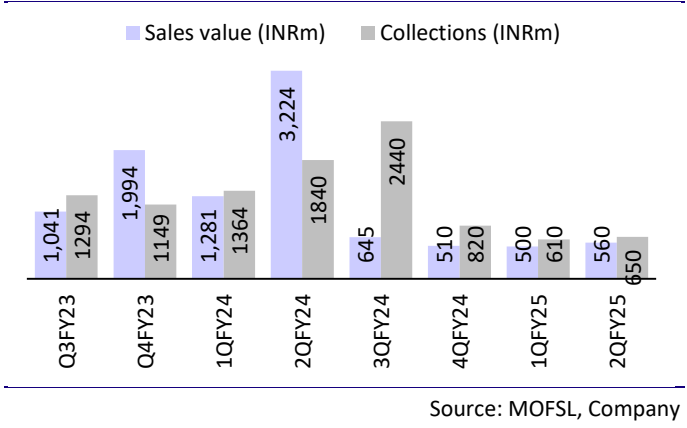
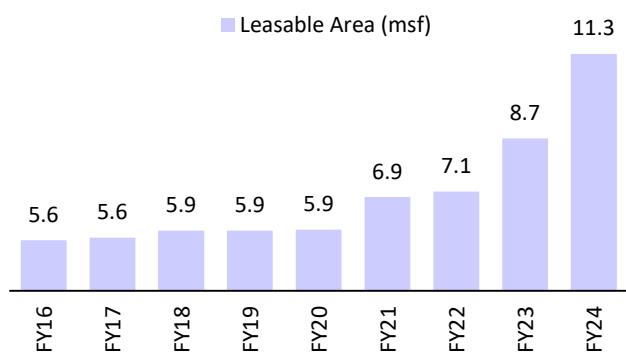


Exhibit 8: Residential business recorded pre-sales of INR500m



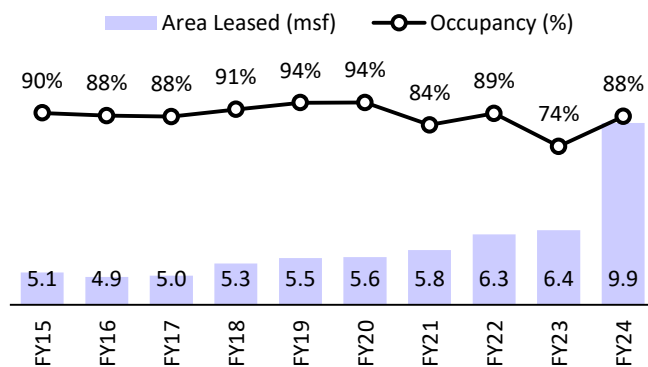
## Story in charts

**Exhibit 9: Scaled up its leasable portfolio to ~11msf**



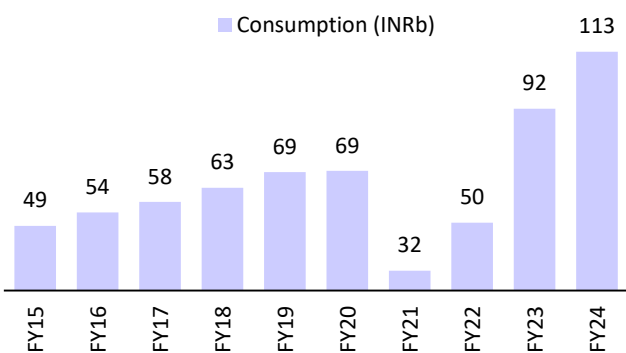
Source: Company, MOFSL

**Exhibit 10: Occupancy inching up with ramp-up in new malls**



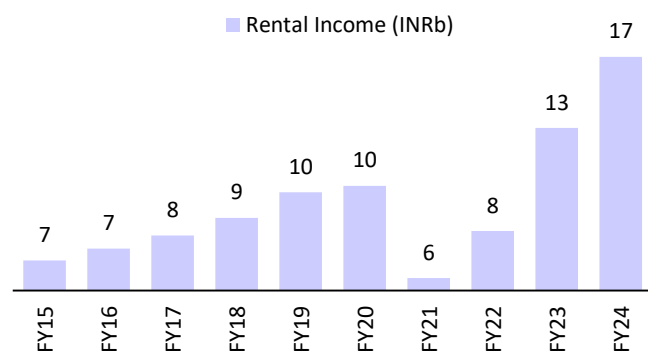
Source: Company, MOFSL

**Exhibit 11: Consumption saw 11% CAGR over FY14-24**



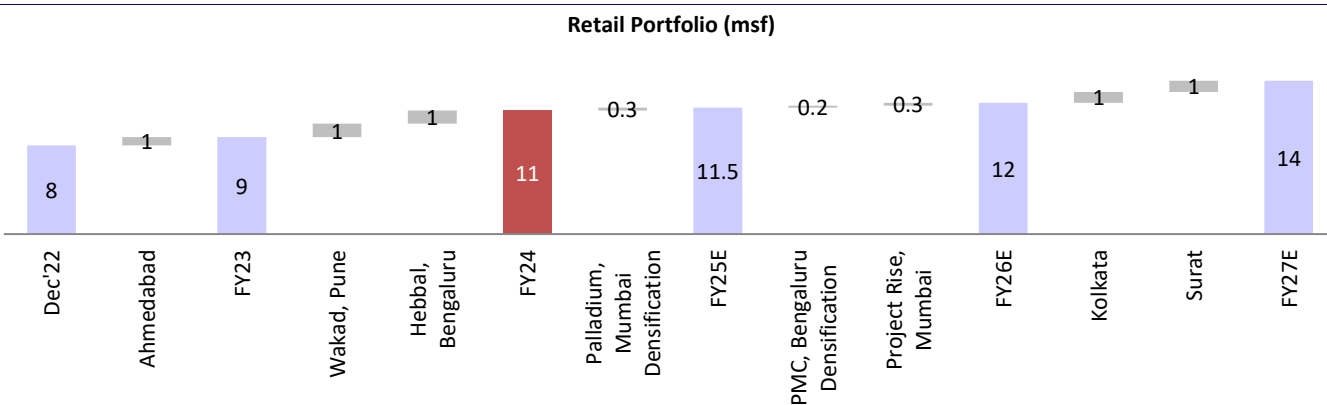
Source: MOFSL, Company

**Exhibit 12: Rental income tracked consumption growth**

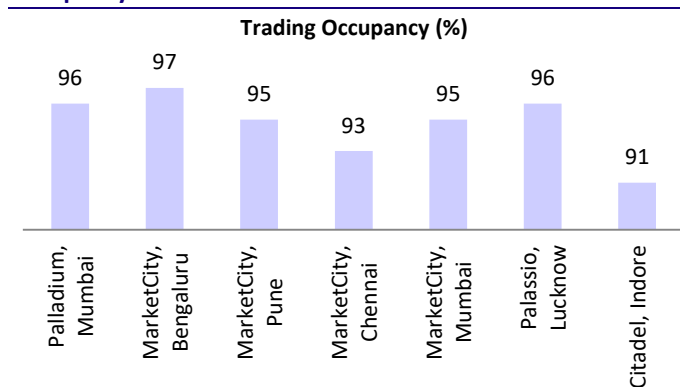


Source: MOFSL, Company

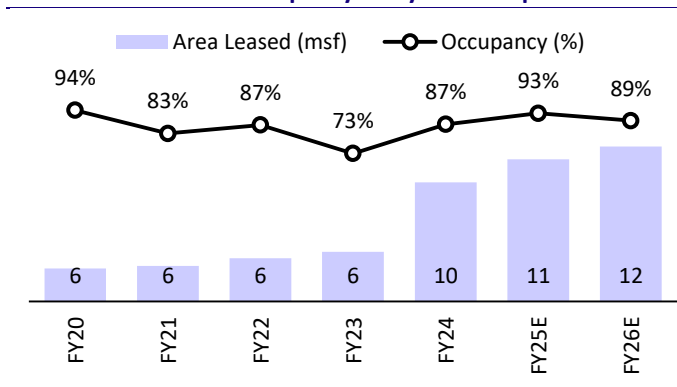
**Exhibit 13: Retail portfolio to increase to 14msf by FY27**



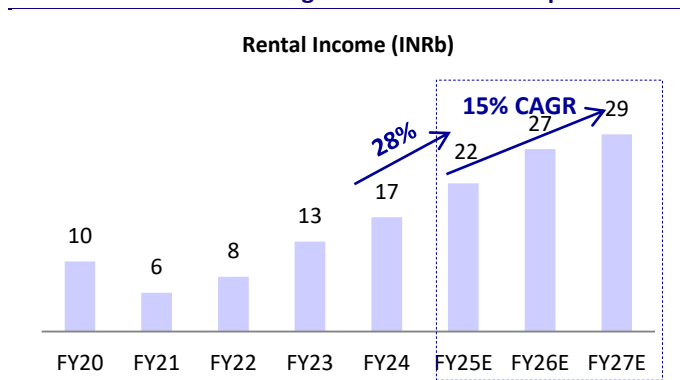
Source: MOFSL, Company

**Exhibit 14: Most of the existing malls have 95%+ trading occupancy**

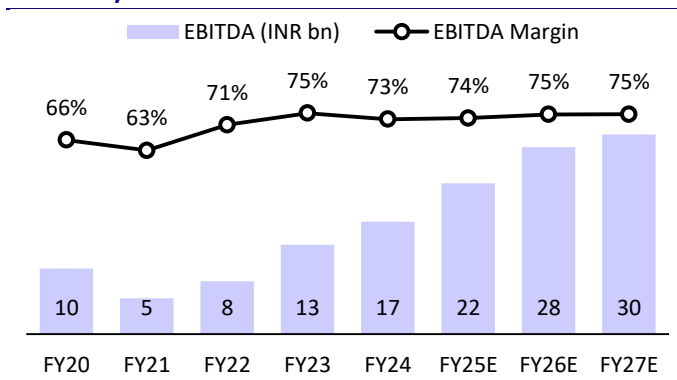
Source: MOFSL, Company

**Exhibit 15: Portfolio occupancy likely to inch up toward 93%**

Source: MOFSL, Company

**Exhibit 16: Rental income growth to ebb to 15% post-FY25**

Source: Company, MOFSL

**Exhibit 17: Retail portfolio could generate an EBITDA of INR34b by FY27E**

Source: Company, MOFSL

**Exhibit 18: Revisions to our estimates**

| (INR b)  | Old   |       | New   |       | Change |       |
|----------|-------|-------|-------|-------|--------|-------|
|          | FY25E | FY25E | FY25E | FY26E | FY25E  | FY26E |
| Revenue  | 40    | 47    | 40    | 47    | 0%     | 0%    |
| EBITDA   | 24    | 29    | 24    | 29    | 0%     | 0%    |
| Adj. PAT | 11    | 15    | 11    | 15    | 0%     | 0%    |

Source: Company, MOFSL

### Valuation and view

#### We value PHNX based on SoTP valuation:

- **Retail assets:** We adopt a multiple-based approach, valuing the retail business at a blended EV/EBITDA of 21x (20x for mature malls and 25x for new malls), implying a value of INR500b for the mall portfolio.
- **Operational boutique offices** are valued at a cap rate of 9% and the upcoming office assets are valued using DCF and a cap rate of 8%.
- **Hospitality business** is valued using 12-15x EV/EBITDA multiple on Mar'26E. We have not assigned any value to its upcoming Grand Hyatt hotel in Bengaluru.
- **Residential business** is valued at NPV with WACC of 11%.

Based on the above SoTP approach, we arrive at a gross asset value of INR606b. Netting-off FY25E net debt of INR15b, we derive a NAV of INR591b or INR1,652 per share, indicating 11% upside.

#### Exhibit 19: Our SoTP-based approach implies 11% downside

| Nav Calculation          | Rationale  | INR b      | per share (INR) | %           |
|--------------------------|--|------------|-----------------|-------------|
| Retail - Operational     | Blended EV/EBITDA of 21x on Mar'26E  | 383        | 1,073           | 65%         |
| Retail - Ongoing         | 25x EV/EBITDA on Mar'26E adjusted for pending capex                                      | 133        | 372             | 23%         |
| <b>Total Retail</b>      |  | <b>516</b> | <b>1,445</b>    | <b>87%</b>  |
| Office - Operational     | Mar'26E EBITDA discounted at a cap rate of 8-9%  | 18         | 50              | 3%          |
| Office - Ongoing         | Steady-state EBITDA at a cap rate of 7.5%, discounted back to Mar'26 using a WACC of 12% | 24         | 67              | 4%          |
| <b>Total Office</b>      |  | <b>42</b>  | <b>118</b>      | <b>7%</b>   |
| Hospitality              | EV/EBITDA multiple of 12-15x on Mar'26E EBITDA   | 30         | 84              | 5%          |
| Residential              | NPV at WACC of 12%   | 17         | 48              | 3%          |
| <b>Gross Asset Value</b> |  | <b>606</b> | <b>1,694</b>    | <b>103%</b> |
| Less: Net Debt           | FY25E  | (15)       | (42)            | -3%         |
| <b>Net Asset Value</b>   |  | <b>591</b> | <b>1,652</b>    | <b>100%</b> |
| CMP                      |  |            | 1,484           |             |
| Up/down                  |  |            | 11%             |             |

## Financials and Valuation

### Consolidated - Income Statement

(INR M)

| Y/E March                           | FY21          | FY22          | FY23          | FY24          | FY25E         | FY26E         | FY27E         |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Total Income from Operations</b> | <b>10,450</b> | <b>14,835</b> | <b>26,383</b> | <b>39,777</b> | <b>40,057</b> | <b>46,695</b> | <b>52,133</b> |
| Change (%)                          | -46.2         | 42.0          | 77.8          | 50.8          | 0.7           | 16.6          | 11.6          |
| Cost of Materials/Construction      | 769           | 1,030         | 1,489         | 5,212         | 3,205         | 3,736         | 4,171         |
| Employees Cost                      | 1,125         | 1,569         | 2,325         | 2,989         | 3,405         | 3,736         | 4,171         |
| Other Expenses                      | 3,614         | 4,896         | 7,381         | 9,807         | 9,752         | 10,223        | 8,628         |
| <b>Total Expenditure</b>            | <b>5,508</b>  | <b>7,496</b>  | <b>11,194</b> | <b>18,009</b> | <b>16,362</b> | <b>17,695</b> | <b>16,969</b> |
| % of Sales                          | 52.7          | 50.5          | 42.4          | 45.3          | 40.8          | 37.9          | 32.5          |
| <b>EBITDA</b>                       | <b>4,942</b>  | <b>7,339</b>  | <b>15,189</b> | <b>21,768</b> | <b>23,695</b> | <b>29,001</b> | <b>35,164</b> |
| Margin (%)                          | 47.3          | 49.5          | 57.6          | 54.7          | 59.2          | 62.1          | 67.5          |
| Depreciation                        | 2,094         | 1,859         | 2,278         | 2,702         | 3,692         | 3,995         | 4,120         |
| <b>EBIT</b>                         | <b>2,848</b>  | <b>5,481</b>  | <b>12,911</b> | <b>19,066</b> | <b>20,003</b> | <b>25,005</b> | <b>31,045</b> |
| Int. and Finance Charges            | 3,478         | 2,945         | 3,412         | 3,959         | 3,622         | 3,184         | 3,206         |
| Other Income                        | 923           | 744           | 1,163         | 1,322         | 1,283         | 1,801         | 2,762         |
| <b>PBT bef. EO Exp.</b>             | <b>292</b>    | <b>3,280</b>  | <b>10,663</b> | <b>16,429</b> | <b>17,663</b> | <b>23,622</b> | <b>30,601</b> |
| EO Items                            | 0             | 0             | 6,052         | 0             | 0             | 0             | 0             |
| <b>PBT after EO Exp.</b>            | <b>292</b>    | <b>3,280</b>  | <b>16,714</b> | <b>16,429</b> | <b>17,663</b> | <b>23,622</b> | <b>30,601</b> |
| Total Tax                           | -47           | 801           | 1,989         | 3,166         | 4,437         | 5,934         | 7,687         |
| Tax Rate (%)                        | -16.0         | 24.4          | 18.7          | 19.3          | 25.1          | 25.1          | 25.1          |
| Share of associate                  | 138           | 202           | 51            | 65            | 648           | 689           | 733           |
| Minority Interest                   | -99           | 308           | 1,426         | 2,335         | 3,025         | 3,522         | 3,782         |
| <b>Reported PAT</b>                 | <b>576</b>    | <b>2,374</b>  | <b>13,350</b> | <b>10,993</b> | <b>10,849</b> | <b>14,855</b> | <b>19,865</b> |
| <b>Adjusted PAT</b>                 | <b>576</b>    | <b>2,374</b>  | <b>7,298</b>  | <b>10,993</b> | <b>10,849</b> | <b>14,855</b> | <b>19,865</b> |
| Change (%)                          | -82.5         | 311.8         | 207.5         | 50.6          | -1.3          | 36.9          | 33.7          |
| Margin (%)                          | 5.5           | 16.0          | 27.7          | 27.6          | 27.1          | 31.8          | 38.1          |

### Consolidated - Balance Sheet

(INR M)

| Y/E March                           | FY21            | FY22            | FY23            | FY24            | FY25E           | FY26E           | FY27E           |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Equity Share Capital                | 344             | 357             | 357             | 357             | 715             | 715             | 715             |
| Total Reserves                      | 50,044          | 65,468          | 83,440          | 94,220          | 1,03,996        | 1,17,779        | 1,37,644        |
| <b>Net Worth</b>                    | <b>50,388</b>   | <b>65,825</b>   | <b>83,797</b>   | <b>94,577</b>   | <b>1,04,711</b> | <b>1,18,494</b> | <b>1,38,359</b> |
| Minority Interest                   | 11,014          | 24,288          | 26,963          | 29,297          | 42,371          | 53,448          | 53,448          |
| Total Loans                         | 40,626          | 39,821          | 42,593          | 46,392          | 36,392          | 36,392          | 36,892          |
| Deferred Tax Liabilities            | -1,215          | -1,209          | 1,238           | 3,250           | 3,250           | 3,250           | 3,250           |
| <b>Capital Employed</b>             | <b>1,00,812</b> | <b>1,28,725</b> | <b>1,54,591</b> | <b>1,73,516</b> | <b>1,86,724</b> | <b>2,11,584</b> | <b>2,31,949</b> |
| Gross Block                         | 84,595          | 89,428          | 1,23,156        | 1,51,016        | 1,70,066        | 1,77,366        | 1,80,866        |
| Less: Accum. Deprn.                 | 15,582          | 17,409          | 19,687          | 22,389          | 26,082          | 30,077          | 34,197          |
| <b>Net Fixed Assets</b>             | <b>69,013</b>   | <b>72,019</b>   | <b>1,03,468</b> | <b>1,28,626</b> | <b>1,43,984</b> | <b>1,47,288</b> | <b>1,46,669</b> |
| Goodwill on Consolidation           | 3,058           | 3,058           | 6,176           | 6,203           | 6,203           | 6,203           | 6,203           |
| Capital WIP                         | 12,740          | 20,486          | 22,947          | 15,033          | 12,378          | 16,402          | 20,402          |
| <b>Total Investments</b>            | <b>5,756</b>    | <b>23,173</b>   | <b>12,823</b>   | <b>17,253</b>   | <b>17,901</b>   | <b>18,590</b>   | <b>18,590</b>   |
| <b>Curr. Assets, Loans&amp;Adv.</b> | <b>22,110</b>   | <b>23,354</b>   | <b>28,843</b>   | <b>29,174</b>   | <b>36,668</b>   | <b>57,750</b>   | <b>79,783</b>   |
| Inventory                           | 7,682           | 7,498           | 12,117          | 7,817           | 11,207          | 12,120          | 11,623          |
| Account Receivables                 | 3,237           | 2,799           | 2,382           | 2,700           | 4,390           | 5,117           | 5,713           |
| Cash and Bank Balance               | 5,139           | 5,926           | 6,302           | 7,096           | 9,054           | 26,504          | 46,807          |
| Loans and Advances                  | 6,053           | 7,131           | 8,041           | 11,560          | 12,017          | 14,009          | 15,640          |
| <b>Curr. Liability &amp; Prov.</b>  | <b>11,865</b>   | <b>13,366</b>   | <b>19,665</b>   | <b>19,317</b>   | <b>26,953</b>   | <b>31,193</b>   | <b>36,975</b>   |
| Account Payables                    | 950             | 1,299           | 1,585           | 2,052           | 2,690           | 2,909           | 2,789           |
| Other Current Liabilities           | 9,580           | 10,499          | 16,251          | 15,178          | 20,028          | 23,348          | 28,673          |
| Provisions                          | 1,335           | 1,568           | 1,829           | 2,087           | 4,235           | 4,937           | 5,512           |
| <b>Net Current Assets</b>           | <b>10,245</b>   | <b>9,988</b>    | <b>9,178</b>    | <b>9,857</b>    | <b>9,715</b>    | <b>26,557</b>   | <b>42,808</b>   |
| <b>Appl. of Funds</b>               | <b>1,00,812</b> | <b>1,28,725</b> | <b>1,54,592</b> | <b>1,73,517</b> | <b>1,86,725</b> | <b>2,11,584</b> | <b>2,34,672</b> |



## Financials and valuations

### Ratios

| Y/E March                     | FY21       | FY22       | FY23        | FY24        | FY25E       | FY26E       | FY27E       |
|-------------------------------|------------|------------|-------------|-------------|-------------|-------------|-------------|
| <b>Basic (INR)</b>            |            |            |             |             |             |             |             |
| <b>EPS</b>                    | <b>1.7</b> | <b>6.6</b> | <b>20.4</b> | <b>30.8</b> | <b>30.3</b> | <b>41.6</b> | <b>55.6</b> |
| Cash EPS                      | 7.8        | 11.9       | 26.8        | 38.4        | 40.7        | 52.7        | 67.1        |
| BV/Share                      | 146.6      | 184.4      | 234.7       | 264.9       | 292.9       | 331.5       | 387.0       |
| DPS                           | 0.0        | 0.5        | 2.5         | 2.5         | 3.0         | 3.0         | 0.0         |
| Payout (%)                    | 0.0        | 7.2        | 6.7         | 8.1         | 9.9         | 7.2         | 0.0         |
| <b>Valuation (x)</b>          |            |            |             |             |             |             |             |
| P/E                           | 885.1      | 223.2      | 72.6        | 48.2        | 48.9        | 35.7        | 26.7        |
| Cash P/E                      | 191.0      | 125.2      | 55.3        | 38.7        | 36.5        | 28.1        | 22.1        |
| P/BV                          | 10.1       | 8.0        | 6.3         | 5.6         | 5.1         | 4.5         | 3.8         |
| EV/Sales                      | 52.2       | 38.0       | 21.5        | 14.3        | 13.9        | 11.6        | 10.0        |
| EV/EBITDA                     | 110.4      | 76.8       | 37.3        | 26.1        | 23.5        | 18.6        | 14.8        |
| Dividend Yield (%)            | 0.0        | 0.0        | 0.2         | 0.2         | 0.2         | 0.2         | 0.0         |
| <b>Return Ratios (%)</b>      |            |            |             |             |             |             |             |
| RoE                           | 1.3        | 4.1        | 9.8         | 12.3        | 10.9        | 13.3        | 15.5        |
| RoCE                          | 5.1        | 4.8        | 9.9         | 12.3        | 11.3        | 13.6        | 15.3        |
| RoIC                          | 4.5        | 5.3        | 11.0        | 12.5        | 10.6        | 12.6        | 15.7        |
| <b>Working Capital Ratios</b> |            |            |             |             |             |             |             |
| Asset Turnover (x)            | 0.1        | 0.1        | 0.2         | 0.2         | 0.2         | 0.2         | 0.2         |
| Inventory (Days)              | 268        | 184        | 168         | 72          | 102         | 95          | 81          |
| Debtor (Days)                 | 113        | 69         | 33          | 25          | 40          | 40          | 40          |
| Creditor (Days)               | 33         | 32         | 22          | 19          | 25          | 23          | 20          |
| <b>Leverage Ratio (x)</b>     |            |            |             |             |             |             |             |
| Interest Cover Ratio          | 0.8        | 1.9        | 3.8         | 4.8         | 5.5         | 7.9         | 9.7         |
| Net Debt/Equity               | 0.7        | 0.5        | 0.4         | 0.4         | 0.3         | 0.1         | -0.1        |

### Consolidated - Cash Flow Statement

(INR M)

| Y/E March                        | FY21          | FY22           | FY23           | FY24           | FY25E          | FY26E         | FY27E         |
|----------------------------------|---------------|----------------|----------------|----------------|----------------|---------------|---------------|
| OP/(Loss) before Tax             | 292           | 3,280          | 16,714         | 16,429         | 17,663         | 23,622        | 30,601        |
| Depreciation                     | 2,094         | 1,859          | 2,278          | 2,702          | 3,692          | 3,995         | 4,120         |
| Interest & Finance Charges       | 3,478         | 2,945          | 3,412          | 3,959          | 2,339          | 1,383         | 444           |
| Direct Taxes Paid                | 124           | -577           | -2,090         | -3,168         | -4,437         | -5,934        | -7,687        |
| (Inc)/Dec in WC                  | -974          | 713            | -41            | 2,951          | 2,101          | 608           | 4,051         |
| <b>CF from Operations</b>        | <b>5,015</b>  | <b>8,220</b>   | <b>20,273</b>  | <b>22,874</b>  | <b>21,359</b>  | <b>23,675</b> | <b>31,528</b> |
| Others                           | -696          | -414           | -6,713         | -1,256         | 0              | 0             | 0             |
| <b>CF from Operating incl EO</b> | <b>4,319</b>  | <b>7,806</b>   | <b>13,561</b>  | <b>21,617</b>  | <b>21,359</b>  | <b>23,675</b> | <b>31,528</b> |
| (Inc)/Dec in FA                  | -6,903        | -12,271        | -18,257        | -16,736        | -16,395        | -11,324       | -7,500        |
| <b>Free Cash Flow</b>            | <b>-2,583</b> | <b>-4,465</b>  | <b>-4,697</b>  | <b>4,881</b>   | <b>4,963</b>   | <b>12,351</b> | <b>24,028</b> |
| (Pur)/Sale of Investments        | -3,008        | -17,417        | 2,525          | -2,337         | 0              | 0             | 0             |
| Others                           | 409           | 1,277          | 372            | 482            | 1,283          | 1,801         | 2,762         |
| <b>CF from Investments</b>       | <b>-9,502</b> | <b>-28,412</b> | <b>-15,360</b> | <b>-18,591</b> | <b>-15,113</b> | <b>-9,523</b> | <b>-4,738</b> |
| Issue of Shares                  | 10,907        | 96             | 52             | 56             | 358            | 0             | 0             |
| Inc/(Dec) in Debt                | -2,458        | -805           | -1,019         | 1,654          | -10,000        | 0             | 500           |
| Interest Paid                    | -3,680        | -2,795         | -3,669         | -3,806         | -3,622         | -3,184        | -3,206        |
| Dividend Paid                    | -3            | -174           | -431           | -896           | -1,072         | -1,072        | 0             |
| Others                           | 451           | 25,954         | 6,384          | 0              | 10,048         | 7,555         | -3,782        |
| <b>CF from Fin. Activity</b>     | <b>5,217</b>  | <b>22,276</b>  | <b>1,318</b>   | <b>-2,992</b>  | <b>-4,288</b>  | <b>3,298</b>  | <b>-6,488</b> |
| <b>Inc/Dec of Cash</b>           | <b>35</b>     | <b>1,670</b>   | <b>-482</b>    | <b>34</b>      | <b>1,958</b>   | <b>17,450</b> | <b>20,303</b> |
| Opening Balance                  | 1,293         | 1,328          | 3,128          | 4,519          | 4,552          | 6,510         | 23,960        |
| <b>Closing Balance</b>           | <b>1,328</b>  | <b>2,998</b>   | <b>2,646</b>   | <b>4,552</b>   | <b>6,510</b>   | <b>23,960</b> | <b>44,263</b> |

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

NOTES

| Explanation of Investment Rating |  |
|----------------------------------|--|
| Investment Rating                | Expected return (over 12-month)  |
| BUY                              | >=15%  |
| SELL                             | < - 10%  |
| NEUTRAL                          | > - 10 % to 15%  |
| UNDER REVIEW                     | Rating may undergo a change  |
| NOT RATED                        | We have forward looking estimates for the stock but we refrain from assigning recommendation |

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:

- received any compensation/other benefits from the subject company of this report
- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

- a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures. To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

#### Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

#### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

|   |                      |
|---|----------------------|
| <b>Disclosure of Interest Statement</b> | <b>Phoenix Mills</b> |
| Analyst ownership of the stock          | No                   |

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act

and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act of Singapore. Accordingly, if a Singapore person is not, or ceases to be, such an investor, they must immediately discontinue any use of this Report and inform MOCMSPL.

#### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

#### Grievance Redressal Cell:

| Contact Person     | Contact No.                 | Email ID                     |
|--------------------|-----------------------------|------------------------------|
| Ms. Hemangi Date   | 022 40548000 / 022 67490600 | query@motilaloswal.com       |
| Ms. Kumud Upadhyay | 022 40548082                | servicehead@motilaloswal.com |
| Mr. Ajay Menon     | 022 40548083                | am@motilaloswal.com          |

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp@grievances@motilaloswal.com.