CMP: ₹ 1888 Target ₹ 2200 (17%) Target Period: 12 months **BUY**

August 3, 2026

Consumption growth momentum stays intact...

About the stock: Phoenix Mills (PML) is a leading retail mall developer and operator in India. It is into retail-led, mixed-use properties.

- PML has an operational retail area of ~11.5 msf, spread across 12 operational malls and plans to reach 18 msf across 17 malls by FY30E.
- It has 5msf/588 keys operational commercial office/hotels and plans to reach 9msf/2188 keys by FY30E.

Q1FY27 performance: The Phoenix Mills reported consolidated revenues of ₹ 1075 crore (up 12.8% YoY, -12.8% QoQ) with revenue from core business (retail, office, Hotel & Asset management) rising by 17% YoY (+1.6% QoQ) at ₹ 1033 crore. Retail rental income grew 17% YoY at ₹ 594 crore, commercial office revenues were up 44% YoY at ₹ 75 crore and Hospitality revenue grew 11% to ₹145 crore. Further, consolidated EBITDA margins were up 47 bps YoY (down 110 bps QoQ) at 59.7% with steady core business margins at 62.8%. Overall consolidated EBITDA at ₹ 642 crore was up 14% YoY and PAT was up 23% YoY at ₹ 394 crore

Investment Rationale:

- **Expect mid-teen rental income growth during FY27 and FY28:** PML maintained strong consumption growth during Q1FY27 (up 32% YoY, Q4FY26 consumption grew 31% YoY) at ₹ 4,730 crore (up 21% YoY at ₹ 16,587 crore for FY26) driven by Fashion & Accessories (consumption growth of 24% YoY). Rental income grew 17% YoY during Q4FY26 was up 15% YoY (up ~8% QoQ). The management expects mid-teens growth in rental income during FY27 and FY28. PMC Pune and Bengaluru have seen rise in rental income by 13% YoY and 17% YoY respectively during Q1FY27. Rising occupancies in Pune and Bengaluru malls, area additions in PMC, Bengaluru and Palladium (Mumbai), new destinations (Kolkata and Surat), expiry of 50% of portfolio over next three years is expected to drive rental income growth over FY26-FY29.
- **Scale up plans across office, retail and hotels**: In retail, Kolkata (~1msf) and Surat (~1msf) is expected to be completed in 2027 while Thane (~1.3-1.5msf), Coimbatore (~1msf) and Chandigarh (~1.5msf) are expected for 2030 completions. Overall, retail portfolio is expected to scale up to 14msf/18msf by 2027/2030 respectively from current 11.5msf. In office, its 4.8 msf portfolio is operating at 70% occupancy. Gross leasing of more than 2.2 msf during FY26 along with increase in occupancies in three newly delivered offices in 2025, is expected to double its quarterly office rental run-rate from Q4FY28 onwards. Overall, it plans to scale up its office portfolio to 7 msf and 9 msf by 2027 and 2030 respectively. In hotels, it targets 988/2188 keys by 2027/2030 from 588 keys.

Rating and Target Price:

- PML remains quasi-play on domestic consumption story. We retain Buy on PML with an unchanged price target of ₹ 2200.

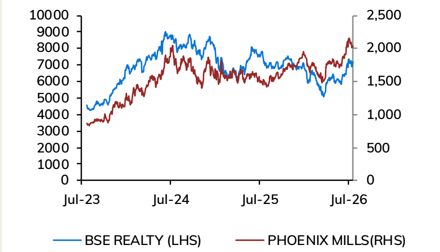
Market data

Particulars	Rs. in crore
Market Capitalisation	68,502
Debt (FY26)	5,296
Cash (FY26)	823
EV	67,554
52 Week H/L (Rs.)	2168/1403
Equity Capital	72
Face Value (Rs.)	10

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	47.3	47.3	47.3	47.3
FII	33.5	33.9	33.0	31.7
DII	15.5	15.3	16.1	17.4
Others	3.8	3.6	3.6	3.6

Price Chart



Key risks

(i) Slowdown in consumption trend

(ii) Slower commercial leasing

(iii) Delay in execution of new projects

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Particulars (₹ crore)	FY23	FY24	FY25	FY26	3-year CAGR (FY23-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Net Sales	2,638	3,978	3,814	4,423	19%	5,163	5,419	11%
EBITDA	1,519	2,177	2,161	2,637	20%	3,091	3,371	13%
EBITDA margin (%)	58	55	57	60		60	62	
Adj. Net Profit	730	1,099	1,011	1,179	17%	1,454	1,580	16%
Adj. EPS (₹)	87.5	76.6	37.1	43.9		40.6	44.2	
P/E (x)	27.1	33.0	72.7	60.1		49.9	45.9	
EV/EBITDA (x)	49.5	34.5	35.0	28.8		24.1	21.7	
Price / Book (x)	4.3	3.8	6.9	6.6		5.6	4.9	
RoCE (%)	8.8	11.4	10.0	11.7		12.0	12.0	
RoE (%)	8.7	11.6	9.7	10.7		11.1	10.7	

Source: Company, ICICI Direct Research

Q1FY27 – Earnings call summary

- **Guidance:** The management retained its double-digit consumption growth guidance for FY27. Phoenix Avenue of Stars, Pune and Phoenix Market City (PMC), Bangalore on track to reach 95% and 90% trading occupancy by mid-FY27. Across the company's mall portfolio, over 50% of the area will be coming up for renewals and repricing over the next three years.
- **Retail Consumption:** Retail consumption during Q1FY27 grew by 32% YoY to ₹ 4730 crore. Mall of Asia, Bangalore saw 96% YoY growth in consumption to ₹ 725 crore. Palladium (Mumbai), PMC (Pune), PMC (Ahmedabad) and Mall of Millennium (Pune) witnessed YoY consumption growth of 25%, 29%, 27% and 34% respectively. Category-wise, Fashion & Accessories grew by 24% YoY, family entertainment and multiplexes by 19% YoY, FNB by 26% YoY, jewellery by 55% and electronics by 61% YoY. Overall, retail rental income rose by 17% YoY to ₹ 594 crore and EBITDA by 17% YoY to ₹ 625 crore. Brand churns have resulted in improvement in trading densities at PMC Bangalore (up 15% YoY in Q1FY27) and PMC Pune (up 26% YoY in Q1FY27).
- **Office business:** The commercial segment revenues were up 44% YoY at ₹ 75 crore and EBITDA was up 31% YoY at ₹ 42 crore for Q1FY27. It achieved gross leasing of 3.54 msf across Mumbai, Pune, Bengaluru and Chennai during Q1FY27. Occupancy in stabilised offices at Mumbai and Vimmanagar in Pune improved to 84% in June'26 from 70% in June'25. Occupancy at recently completed offices stands at 64%.
- **Hotel Business:** Hotels revenues for Q1FY27 was up 18% YoY at ₹ 145 crore, EBITDA was up 19% YoY at ₹ 62 crore respectively. The St. Regis Hotel, Mumbai achieved 85% occupancy with 13% YoY growth in ARR to ₹ 20862 15% YoY rise in RevPAR to ₹ 17763 in Q1FY267. On the other hand, the Courtyard by Marriott, Agra reported 79% Occupancy with 13% growth in ARR to ₹ 4948 and 26% YoY growth in RevPAR to ₹ 3921.
- **Residential Business:** The residential sales for Q1FY27 stood at ₹ 64 crore, collections at ₹ 51 crore with average realisation of ₹ 36000 psf. The Kolkata project is in the final stages of approvals and design fine-tuning, with launch timeline updates expected early CY27 (Q4FY27E), while the Thane mixed-use development (1.3-1.5 msf retail, 0.5-1 msf office) is awaiting environmental clearance, with excavation and construction starting in two to three months. It recognised revenues of ₹ 42 crore in Q1FY27.
- **Capex:** It incurred capex of ₹ 1085 crore in construction and development across retail and office assets and ₹ 771 crore for the land and development (mainly for Chandigarh land announced in FY26) rights during Q1FY27.
- Phoenix Mills plans to operationalise Phoenix Grand Victoria, Kolkata and Phoenix Surat by FY28E, it has secured leasing for 79% Kolkata and 41% for Surat. In the office space, company has moved from approvals stage to execution stage in all three upcoming office space at Thane, Coimbatore and Chandigarh.
- **Cash and Debt:** The gross debt stood at ₹ 5658 crore while its net debt stood at ~₹ 3658 crore. Its net debt to EBITDA stands at 1.3x (FY26 1.19x) while overall cost of debt increased marginally to 7.61% in Q1FY27 from 7.51% in FY26.

Exhibit 1: Q1FY27 result snapshot (₹ crore)

Year	Q1FY27	Q1FY26	YoY (Chg %)	Q4FY26	QoQ (Chg %)	Comments
Income from Operations	1,074.9	953.0	12.8	1,233.2	-12.8	Retail Rental Income was up 17% YoY at ₹ 594 crore. Commercial segment revenues up 44% YoY at ₹ 75 crore. Hotels revenues were up 11% YoY at ₹ 145 crore.
Other Income	40.2	31.5	27.6	61.2	-34.3	
Total raw material Expenses	44.1	48.0	-8.1	97.5	-54.7	
Employee cost	105.5	96.2	9.6	91.2	15.7	
Other expenditure	224.6	192.0	17.0	253.2	-11.3	
EBITDA	641.5	564.3	13.7	749.6	-14.4	Core business margins remained healthy at 62.8%
EBITDA Margin (%)	59.7	59.2	47 bps	60.8	-110 bps	
Depreciation	95.5	93.4	2.2	89.4	6.9	
Interest	93.8	95.1	-1.4	97.4	-3.7	
PBT	492.4	407.2	20.9	620.0	-20.6	
Taxes	98.9	87.3	13.2	134.3	-26.4	
Reported PAT	313.4	240.7	30.2	388.5	-19.3	

Source: Company, ICICI Direct Research

Exhibit 2: Mall wise consumption and rental income trend

Particulars	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Consumption (₹ crore)							
HSP & Palladium	569	582	785	663	711	25	7
PMC Mumbai	310	309	397	334	384	24	15
PMC Bangalore	443	457	585	500	540	22	8
PMC & Palladium Chennai*	382	413	466	403	455	19	13
PMC Pune	415	422	534	462	536	29	16
Phoenix Pallasio	306	298	441	347	372	22	7
Phoenix United Lucknow	58	55	70	64	68	17	6
Phoenix United Bareily	66	57	77	71	71	8	-
Phoenix Citadel Indore	142	143	186	156	176	24	13
Phoenix Ahmedabad	206	209	278	232	261	27	13
Pune - Mall of the Millenium	322	341	441	379	432	34	14
Bangalore - Mall of Asia	369	463	732	649	725	96	12
Total	**3,588**	**3,749**	**4,992**	**4,260**	**4,731**	**32**	**11**
Rental Income (₹ crore)							
HSP & Palladium	108	116	123	120	126	17	5
PMC Mumbai	45	45	50	49	50	11	2
PMC Bangalore	47	49	54	51	56	19	10
PMC & Palladium Chennai*	57	58	61	61	64	12	5
PMC Pune	54	52	56	54	60	11	11
Phoenix Pallasio	36	37	41	38	39	8	3
Phoenix United Lucknow	8	9	9	9	9	13	-
Phoenix United Bareily	7	7	8	7	7	-	-
Phoenix Citadel Indore	26	26	24	22	29	12	32
Phoenix Ahmedabad	32	33	37	33	37	16	12
Pune - Mall of the Millenium	43	44	49	46	47	9	2
Bangalore - Mall of Asia	47	51	62	61	69	47	13
Total	**510**	**527**	**574**	**551**	**593**	**16**	**8**

Source: Company, ICICI Direct Research

Exhibit 3: Valuation mix

Type	NAV (Rs. in crore)	PML Value (Rs. in crore)	Value/ share (Rs. in crore)
Retail	44,277	32,706	915
Commercial	6,267	4,971	139
Hospitality	8,417	6,263	175
Residential	2,085	2,085	58
Total		46,026	1,287
Premium for Growth (70%)		32,218	901
Standalone Cash & Cash equivalent		292	8
Grand Total		**78,536**	**2,200**

Source: Company, ICICI Direct Research

Financial summary

Exhibit 4: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Net Sales	3,814	4,423	5,144	5,851
Other Income	151	171	152	160
Total revenues	3,964	4,594	5,296	6,010
Raw Material Expenses	218	291	339	385
Employee Cost	363	404	470	535
Other Expenditure	1,071	1,090	1,277	1,441
Total Operating Expenditure	1,652	1,786	2,086	2,361
EBITDA	2,161	2,637	3,058	3,489
Interest	403	387	417	415
Depreciation	327	360	438	462
PBT	1,595	2,032	2,355	2,772
Tax	294	475	542	699
Reported PAT	998	1,208	1,440	1,681
EPS	27.9	33.8	40.3	47.0

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax	998	1,208	1,440	1,681
Depreciation	327	360	438	462
Interest paid	403	387	417	415
Cash Flow before wc changes	2,149	2,641	3,210	3,649
Net Increase in Current Assets	118	(131)	(616)	(262)
Net Increase in Current Liabilities	101	221	723	494
Net cash flow from op. activities	2,084	2,426	2,775	3,182
Purchase of Fixed Assets	(2,617)	(1,397)	(1,114)	(1,129)
(Purchase)/Sale of Investments	(2,710)	17	-	-
Net cash flow from inv. activities	(2,234)	(1,384)	(1,599)	(2,362)
Proceeds from Long Term Borrowings	450	824	(450)	(19)
Interest paid	(345)	(348)	(417)	(415)
Net cash flow from fin. activities	(47)	(731)	(776)	(373)
Net Cash flow	(198)	311	401	447
Opening Cash	710	512	823	1,224
Closing Cash	512	823	1,224	1,671

Source: Company, ICICI Direct Research

Exhibit 6: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	72	72	72	72
Reserves & Surplus	10,377	10,917	12,958	14,700
Networth	10,448	10,989	13,030	14,772
Total Debt	4,663	5,296	4,845	4,826
Other financial liabilities	1,082	997	1,460	1,660
Deferred Tax Liability	350	380	380	380
Source of Funds	19,948	20,978	23,421	25,754
Gross Block	16,580	17,799	20,852	21,981
Less: Accumulated Dep	2,707	3,068	3,519	3,981
Net Block	13,873	14,208	17,333	18,000
Capital WIP	3,143	3,879	1,941	1,941
Total Fixed Assets	17,016	18,087	19,274	19,941
Investments	479	480	480	480
Inventories	774	776	1,044	1,187
Trade Receivables	230	317	310	353
Loans & Advances	17	3	22	26
Cash & Bank Balances	512	823	1,224	1,671
Other Current Assets	393	195	530	603
Total Current Assets	2,911	3,123	4,641	6,600
Trade Payable	203	212	274	312
Provisions	170	189	230	262
Other Current Liabilities	1,210	1,474	1,631	1,856
Total Current Liabilities	1,583	1,874	2,135	2,429
Net Current Assets	1,328	1,249	2,505	4,171
Application of Funds	19,948	20,978	23,421	25,754

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per Share Data				
Diluted EPS	27.9	33.8	40.3	47.0
Adjusted EPS	28.3	33.0	40.3	47.0
BVPS	292.2	307.3	364.3	413.0
Operating Ratios				
EBITDA / Net Sales	56.7	59.6	59.4	59.6
PAT / Net Sales	26.5	26.7	28.0	28.7
Return Ratios				
RoE	9.7	10.7	11.1	11.4
RoCE	10.0	11.7	11.8	12.4
RoIC	12.7	15.3	14.7	16.4
Valuation Ratios				
EV / EBITDA	32.7	26.9	22.8	19.5
P/E	67.6	55.9	46.9	40.2
EV / Net Sales	18.5	16.0	13.5	11.6
Market Cap / Sales	17.7	15.3	13.1	11.5
Price to Book Value	6.5	6.1	5.2	4.6
Turnover Ratios				
Asset turnover	0.2	0.2	0.2	0.2
Gross Block Turnover	0.2	0.2	0.2	0.3
Solvency Ratios				
Net Debt / Equity	0.3	0.3	0.2	0.0
Current Ratio	0.9	0.7	0.9	0.9
Quick Ratio	0.4	0.3	0.4	0.4

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

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Sell: <-15%

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