The Phoenix Mills (PHOMIL)

CMP: ₹ 2005 | Target ₹ 2390 (19%) | Target Period: 12 months | BUY

November 2, 2026

Broadening consumption growth to sustain...

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.

Q2FY27 performance: The Phoenix Mills reported consolidated revenues of ₹ 1153 crore (up 3% YoY, up 7% QoQ) with revenue from core business (retail, office, Hotel & Asset management) rising by 16% YoY (up 2% QoQ) at ₹ 1055 crore. Retail rental income grew 15% YoY at ₹ 605 crore while commercial office revenues were up 64% YoY at ₹ 89 crore. Further, consolidated EBITDA margins were up 183 bps YoY (up 194 bps QoQ) at 61.6% with steady core business margins rising by 303 bps YoY (up 57 bps QoQ) at 63.5%. Overall, consolidated EBITDA was up 6.5% YoY at ₹ 710 crore. PAT was up 9% YoY at ₹ 331 crore.

Investment Rationale:

- **Mid-teen rental income growth guidance for FY27 and FY28 retained:** PML reported strong consumption growth during H1FY27 (up 28% YoY) along with rental income growth of 16% YoY. The momentum has sustained during October 2026 (20-25% YoY normalised consumption growth). The management expects to surpass its 14-15% YoY rental income growth guidance for FY27 and expects to sustain 14-15% YoY growth for FY28 as well. 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 FY27-FY29 (typically ~20% rise in re-lease), is expected to drive rental income growth over FY26-FY29.
- **Scale up plans across office, retail and hotels:** In retail, Phoenix Grand Victoria, Kolkata (~1msf) and Surat (~1msf) is expected to be completed in CY2027 while Thane (~1.3 msf phase I), Coimbatore (~1msf) and Chandigarh (~1.7 msf phase I) are expected for 2030 completions. Additionally, retail expansions at PMC, Bengaluru (~0.2 msf) and Palladium, Mumbai (~0.45 msf) are slated for CY27 completion. In Offices, Art Exchange, Bengaluru (~0.4 msf) and Rise Offices, Mumbai (~1.6 msf) are slated for CY27 and CY28 completion respectively. In Hospitality, Grand Hyatt, Bengaluru (upto 400 keys) is expected to complete in CY27. Overall, retail portfolio is expected to scale up to 14msf/18msf by 2027-28/2030 respectively from ~11msf in 2025. It plans to scale up its office portfolio to 7 msf and 9 msf by 2027-28 and 2030 respectively from ~5 msf in 2025. In hotels, it targets 988/2188 keys by 2027-28/2030 from 588 keys in 2025.

Rating and Target Price:

- PML remains quasi-play on domestic consumption story. We retain Buy on PML with a revised target price of ₹ 2390 (increasing premium to 85%)

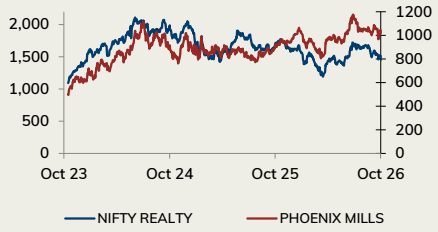
Market data

Particulars	Rs. in crore
Market Capitalisation	71,782
Debt (FY26)	5,296
Cash (FY26)	823
EV	76,255
52 Week H/L (Rs.)	2169 / 1465
Equity Capital	72
Face Value (Rs.)	2.0

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	47.3	47.3	47.3	47.3
FII	33.5	33.9	33.0	31.6
DII	15.5	15.3	16.1	17.3
Others	3.8	3.6	3.6	3.8

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)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	FY29E	3-year CAGR (FY26-29E)
Net Sales	3,978	3,814	4,423	5%	5,144	5,851	6,175	12%
EBITDA	2,177	2,161	2,637	10%	3,058	3,489	3,774	13%
EBITDA margin (%)	55	57	60		59	60	61	
Adj. Net Profit	1,099	1,011	1,179	4%	1,440	1,681	1,861	16%
Adj. EPS (₹)	76.6	37.1	43.9		40.3	47.0	52.0	
P/E (x)	33.0	72.7	60.1		46.9	40.2	36.3	
EV/EBITDA (x)	34.5	35.0	28.8		22.8	19.5	17.5	
Price / Book (x)	3.8	6.9	6.6		5.2	4.6	4.0	
RoCE (%)	11.4	10.0	11.7		11.8	12.4	12.3	
RoE (%)	11.6	9.7	10.7		11.1	11.4	11.2	

Source: Company, ICICI Direct Research

Q2FY27 – 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 Q2FY27 grew by 25% YoY to ₹ 4685 crore. Mall of Asia, Bangalore saw 68% YoY growth in consumption to ₹ 777 crore. PMC (Ahmedabad), Phoenix United (Lucknow), Mall of Millennium (Pune) and PMC (Pune) witnessed YoY consumption growth of 26%, 25%, 22%, and 21% respectively. Category-wise, Fashion & Accessories grew by 22% YoY, family entertainment and multiplexes by 16% YoY, FNB by 21% YoY, jewellery by 28% and electronics by 39% YoY. Overall, retail rental income rose by 15% YoY to ₹ 605 crore and EBITDA by 18% YoY to ₹ 639 crore.
- **Office business:** The commercial segment revenues were up 64% YoY at ₹ 89 crore and EBITDA was up 61% YoY at ₹ 56 crore for Q2FY27. It achieved gross leasing of 4.8 msf across Mumbai, Pune, Bengaluru and Chennai during Q2FY27. Occupancy in stabilised offices at Mumbai and Vimmanagar in Pune improved to 83% in Sep'26 from 70% in June'25. Occupancy at recently completed offices stands at 77%.
- **Hotel Business:** Hotels revenues for Q2FY27 was up 13% YoY at ₹ 137 crore, EBITDA was up 12% YoY at ₹ 56 crore respectively. The St. Regis Hotel, Mumbai achieved 82% occupancy with 20% YoY growth in ARR to ₹ 21247, 13% YoY rise in RevPAR to ₹ 16953 in Q2FY27. On the other hand, the Courtyard by Marriott, Agra reported 72% Occupancy with 13% YoY growth in ARR to ₹ 4950 and 35% YoY growth in RevPAR to ₹ 3548.
- **Residential Business:** The residential sales for Q2FY27 stood at ₹ 84 crore, collections at ₹ 84 crore with average realisation of ₹ 37300 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 ₹ 389 crore of which ₹ 349 was spent in construction and development across retail and office assets and ₹ 40 crore for the land and development rights during Q2FY27.
- **Cash and Debt:** The gross debt stood at ₹ 6117 crore while its net debt stood at ~₹ 3479 crore. Its net debt to EBITDA stands at 1.2x (FY26 1.19x) while overall cost of debt increased marginally to 7.66% in Q2FY27 from 7.61% in Q1FY27.

Exhibit 1: Q2FY27 result snapshot (₹ crore)

Year	Q2FY27	Q2FY26	YoY (Chg %)	Q1FY27	QoQ (Chg %)	Comments
Income from Operations	1,152.8	1,115.4	3.4	1,074.9	7.2	Retail Rental Income was up 12% YoY at ₹ 829 crore. Commercial segment revenues up 65% YoY at ₹ 89 crore. Hotels revenues were up 13% YoY at ₹ 137 crore.
Other Income	36.3	30.8	17.9	40.2	-9.8	
Total raw material Expenses	53.8	79.0	-31.9	44.1	21.9	
Employee cost	105.0	107.5	-2.4	105.5	-0.5	
Other expenditure	226.9	208.2	9.0	224.6	1.0	
EBITDA	710.3	666.9	6.5	641.5	10.7	Core business margins remained healthy at 63.4%
EBITDA Margin (%)	61.6	59.8	183 bps	59.7	194 bps	
Depreciation	93.8	91.2	2.8	95.5	-1.8	
Interest	103.2	91.9	12.2	93.8	9.9	
PBT	549.6	514.5	6.8	492.4	11.6	
Taxes	125.6	131.7	-4.6	98.9	27.0	
Reported PAT	330.9	304.0	8.8	313.4	5.6	

Source: Company, ICICI Direct Research

Exhibit 2: Mall wise consumption and rental income trend

Particulars	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)
Consumption (₹ crore)							
HSP & Palladium	582	785	663	711	682	17	(4)
PMC Mumbai	309	397	334	384	363	17	(5)
PMC Bangalore	457	585	500	540	542	19	0
PMC & Palladium Chennai*	413	466	403	455	479	16	5
PMC Pune	422	534	462	536	509	21	(5)
Phoenix Pallasio	298	441	347	372	355	19	(5)
Phoenix United Lucknow	55	70	64	68	69	25	1
Phoenix United Bareily	57	77	71	71	63	11	(11)
Phoenix Citadel Indore	143	186	156	176	166	16	(6)
Phoenix Ahmedabad	209	278	232	261	263	26	1
Pune - Mall of the Millenium	341	441	379	432	417	22	(3)
Bangalore - Mall of Asia	463	732	649	725	777	68	7
Total	**3,749**	**4,992**	**4,260**	**4,731**	**4,685**	**25**	**(1)**
Rental Income (₹ crore)							
HSP & Palladium	116	123	120	126	120	3	(5)
PMC Mumbai	45	50	49	50	50	11	-
PMC Bangalore	49	54	51	56	61	24	9
PMC & Palladium Chennai*	58	61	61	64	64	10	-
PMC Pune	52	56	54	60	60	15	-
Phoenix Pallasio	37	41	38	39	40	8	3
Phoenix United Lucknow	9	9	9	9	9	-	-
Phoenix United Bareily	7	8	7	7	7	-	-
Phoenix Citadel Indore	26	24	22	29	30	15	3
Phoenix Ahmedabad	33	37	33	37	39	18	5
Pune - Mall of the Millenium	44	49	46	47	51	16	9
Bangalore - Mall of Asia	51	62	61	69	73	43	6
Total	**527**	**574**	**551**	**593**	**604**	**15**	**2**

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%)		39,122	1,094
Standalone Cash & Cash equivalent		378	11
Grand Total		85,526	2,390

Source: Company, ICICI Direct Research

Financial summary

Exhibit 4: Profit and loss statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Net Sales	4,423	5,144	5,851	6,175
Other Income	171	152	160	168
Total revenues	4,594	5,296	6,010	6,343
Raw Material Expenses	291	339	385	407
Employee Cost	404	470	535	565
Other Expenditure	1,090	1,277	1,441	1,430
Total Operating Expenditure	1,786	2,086	2,361	2,401
EBITDA	2,637	3,058	3,489	3,774
Interest	387	417	415	418
Depreciation	360	438	462	485
PBT	2,032	2,355	2,772	3,039
Tax	475	542	699	766
Reported PAT	1,208	1,440	1,681	1,861
EPS	33.8	40.3	47.0	52.0

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Profit after Tax	1,208	1,440	1,681	1,861
Depreciation	360	438	462	485
Interest paid	387	417	415	418
Cash Flow before wc changes	2,641	3,210	3,649	3,941
Net Increase in Current Assets	(131)	(616)	(262)	(120)
Net Increase in Current Liabilities	221	723	494	227
Net cash flow from op. activities	2,426	2,775	3,182	3,282
Purchase of Fixed Assets	(1,397)	(1,114)	(1,129)	(1,129)
(Purchase)/Sale of Investments	17	-	-	-
Net cash flow from inv. activities	(1,384)	(1,599)	(2,362)	(1,111)
Proceeds from Long Term Borrowings	824	(450)	(19)	30
Interest paid	(348)	(417)	(415)	(418)
Net cash flow from fin. activities	(731)	(776)	(373)	(344)
Net Cash flow	311	401	447	1,827
Opening Cash	512	823	1,224	1,671
Closing Cash	823	1,224	1,671	3,498

Source: Company, ICICI Direct Research

Exhibit 6: Balance sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Equity Capital	72	72	72	72
Reserves & Surplus	10,917	12,958	14,700	16,605
Networth	10,989	13,030	14,772	16,677
Total Debt	5,296	4,845	4,826	4,856
Other financial liabilities	997	1,460	1,660	1,752
Deferred Tax Liability	380	380	380	380
Source of Funds	20,978	23,421	25,754	28,210
Gross Block	17,799	20,852	21,981	23,109
Less: Accumulated Dep	3,068	3,519	3,981	4,466
Net Block	14,208	17,333	18,000	18,643
Capital WIP	3,879	1,941	1,941	1,941
Total Fixed Assets	18,087	19,274	19,941	20,584
Investments	480	480	480	480
Inventories	776	1,044	1,187	1,253
Trade Receivables	317	310	353	373
Loans & Advances	3	22	26	27
Cash & Bank Balances	823	1,224	1,671	3,498
Other Current Assets	195	530	603	637
Total Current Assets	3,123	4,641	6,600	8,547
Trade Payable	212	274	312	329
Provisions	189	230	262	276
Other Current Liabilities	1,474	1,631	1,856	1,959
Total Current Liabilities	1,874	2,135	2,429	2,564
Net Current Assets	1,249	2,505	4,171	5,984
Application of Funds	20,978	23,421	25,754	28,210

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per Share Data				
Diluted EPS	33.8	40.3	47.0	52.0
Adjusted EPS	33.0	40.3	47.0	52.0
BVPS	307.3	364.3	413.0	466.2
Operating Ratios				
EBITDA / Net Sales	59.6	59.4	59.6	61.1
PAT / Net Sales	26.7	28.0	28.7	30.1
Return Ratios				
RoE	10.7	11.1	11.4	11.2
RoCE	11.7	11.8	12.4	12.3
RoIC	15.3	14.7	16.4	17.2
Valuation Ratios				
EV / EBITDA	26.9	22.8	19.5	17.5
P/E	55.9	46.9	40.2	36.3
EV / Net Sales	16.0	13.5	11.6	10.7
Market Cap / Sales	15.3	13.1	11.5	10.9
Price to Book Value	6.1	5.2	4.6	4.0
Turnover Ratios				
Asset turnover	0.2	0.2	0.2	0.2
Gross Block Turnover	0.2	0.2	0.3	0.3
Solvency Ratios				
Net Debt / Equity	0.3	0.2	0.0	(0.1)
Current Ratio	0.7	0.9	0.9	0.9
Quick Ratio	0.3	0.4	0.4	0.4

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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