THE PHOENIX MILLS LIMITED

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November 04, 2026

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

Security code: 503100

National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex, Bandra East,
Mumbai- 400051

Symbol: PHOENIXLTD

Dear Sir/Madam,

Sub: Intimation under Regulation 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of the Earnings Conference Call for Q2 & H1 FY27 Financial Results

This is further to our letter dated October 31, 2026, wherein we had informed the Stock Exchanges about the conclusion of the Earnings Conference Call hosted by the Company with the Analysts/ Institutional Investors on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2026, which was concluded on Saturday, October 31, 2026 at 12:28 P.M. (IST).

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/FY2027/Earnings-Call-Transcript.

You are requested to take the same on record.

Yours faithfully,

For The Phoenix Mills Limited

BHAVIK MANILAL GALA
Digitally signed by BHAVIK MANILAL GALA
Date: 2026.11.04 16:57:15 +05'30'

Bhavik Gala
Company Secretary
Membership No. F8671

Encl.: As enclosed

The Phoenix Mills Limited
Q2 & H1 FY27 Results Conference Call
October 31, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY27 Results Conference Call of The Phoenix Mills Limited.

As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal for an operator by pressing "*" followed by "0" on your touch-tone telephones. Please note that this conference call is being recorded.

At this time, I would like to hand over the conference to Mr. Varun Parwal. Thank you, and over to you, sir.

Varun Parwal: Good morning, everyone. Thank you for joining us to discuss our performance for the Second Quarter and First Half of Fiscal Year 2027.

Our core businesses have continued their strong operating momentum in the second quarter. The revenue from retail, offices, hotel, and our asset management vertical has grown by 16% year-on-year to Rs. 1,055 crores.

Our EBITDA from these annuity business lines has increased by 21% to INR 669 crores, while profit after tax and before minority interest from this business line has grown by 31% to INR 391 crores. For the first half of this financial year, our annuity EBITDA has increased by 20% to INR 1,318 crores.

Importantly, this growth is being driven by improving performance across our existing operational portfolio and with no new (mall) addition to this portfolio for the last two years. And we find this very encouraging before the next wave of developments begin contributing meaningfully to earnings.

In offices, our portfolio occupancy has increased to approximately 79% in September (2026) from 70% in March 2026 and 72% in June (2026). Our billing occupancy has also increased, and that is why we see office income growing by 64% year-on-year to INR 89 crores in the second quarter. EBITDA has also increased by a similar margin to INR 56 crores. As tenants complete their fit-outs and commence operations, we expect the portfolio to continue to contribute progressively more to our income and earnings.

Hospitality has also delivered a good, resilient performance during the quarter. The St. Regis, Mumbai continued to lead the performance with both income and EBITDA increasing by 13% during the second quarter and has continued to maintain its lead as far as average room rates are concerned. We saw a 20% increase in average room rates for The St. Regis, Mumbai while the EBITDA margins remained healthy at 44%.

Our development pipeline is also progressing well, with projects scheduled for completion and commencement of operations from 2027 onwards. We are also progressing well with respect to excavation and construction activities at Thane, Coimbatore, and Chandigarh, which provides further visibility on the next phase of portfolio growth. Our expansion and densification projects at Lower Parel and Whitefield, Bengaluru also continue to progress well.

With that, I will now hand over the call to Rashmi, who would take you through the retail performance. Over to you, Rashmi.

Rashmi Sen: Thank you, Varun, and good morning, everyone. Our retail portfolio delivered another strong quarter with broad-based growth across all our key operating metrics. Importantly, this performance was achieved without any addition to our operational retail area. Consumption for the quarter stood at INR 4,685 crores, representing growth of 25% year-on-year. For the first half, consumption increased by 28% to INR 9,415 crores. What is particularly encouraging is that every mall in our portfolio delivered double-digit consumption growth during the quarter.

We continue to pay close attention to the quality of this performance. Excluding jewelry and electronics, consumption grew by 22% during the quarter. Fashion and accessories, which account for approximately 60% of our trading area, grew by 22%. Food and beverages grew by 21%, while entertainment grew by 16%.

This shows that growth continues to be healthy across the customer's discretionary wallet and is not dependent on one or two categories. A notable portion of incremental consumption during the quarter came from brands introduced over the past year, net of planned store closures. These additions are strengthening the customer proposition and supporting productivity across the wider retailer mix.

Rental income grew by 15% to INR 605 crore during the quarter and by 16% to INR 1,200 crores during the first half. Minimum guarantee rentals continue to grow well, while revenue share income increased significantly during the quarter.

Phoenix Mall of Asia has established itself as one of Bengaluru's leading premium retail destinations. During Q2, it continued to scale with consumption increasing by 68%, rental income by 44%, and trading occupancy reaching 96%, up from 84% a year ago.

Trading density, which is retailer sales per square feet of trading area at the center, crossed Rs. 3,300 pspm (per sq. ft. per month).

Our repositioning initiatives also continue to translate into stronger operating performance. At Phoenix MarketCity Bangalore, consumption increased by 19% and rental income grew by 25% during Q2, while trading occupancy improved to 93% from 82% a year ago.

At Phoenix Avenue of Stars, Pune, consumption grew by 21%, rental income increased by 16%, and trading occupancy improved to 90% from 82% a year ago. Both centers are more than 97% leased.

The results at these assets reinforce the benefits of active asset enhancement, which remains an important part of our strategy. Similar initiatives are underway across select assets in the portfolio.

At Phoenix Palassio in Lucknow, we are converting part of the existing non-F&B space into an enhanced F&B offering. We are also adding another floor to the mall along with other changes, which will add approximately 100 additional stores to the center.

At Phoenix Palladium, we are refreshing the tenant mix and reconfiguring select spaces as we prepare for the addition of the new retail area. The expanded complex will allow us to introduce several new brands, including a number of first-time brands within our portfolio and in India. In the immediate next phase of expansion, we will be adding 150 stores to the center.

These initiatives have temporarily affected trading occupancy at some assets. We expect occupancy to improve across our portfolio as the new stores and upgraded formats commence operations. With a high-quality portfolio of Grade-A malls across India and a consistent track record, we are a preferred partner for many renowned brands looking to open their first stores or expand their presence across the country.

During the first half, we completed over 675 leasing deals, covering approximately 1.8 million square feet across our operational and under-construction portfolio. Leasing across our new retail destinations and expansions is also progressing well. These assets have attracted several marquee brands and reflect the quality of retailer interest across our new destinations and expansions.

We also see significant opportunities within our existing portfolio. Leases covering around 50% of our retail area come up for expiry between FY27 and FY29, giving us the opportunity to refresh the brand mix in a strategic manner and reprice space.

Retail EBITDA grew by 18% to INR 639 crores during the quarter and by 17% to INR 1,264 crores during the first half, supported by rental growth, operating leverage, and cost discipline.

With resilient customer demand, ongoing asset enhancement, the upcoming renewal cycle, good leasing progress, and an ongoing increase in demand from new brands wanting to enter India, we have a long runway for sustainable growth in consumption, rentals, and EBITDA.

Before I hand over, a brief update on the festive season. Across our portfolio, all malls have a range of festive experiences and activations designed to bring the spirit of Diwali to the cities. At Phoenix Palassio in Lucknow, a Ramayana-themed Diwali decor was complemented by a spectacular drone show and large firework displays to mark the opening.

(Phoenix) Mall of Asia introduced the Festival of Lights, while across all our other malls, different Diwali decor experiences and activations have created a vibrant celebratory energy. Our retailer partners have complemented these initiatives with festive season new merchandise, creative window displays, and in-store experiences.

We are seeing customers celebrating and enjoying the festive atmosphere at our mall, shopping, dining, celebrating, and enjoying the start of the festive season along with their families and friends. We expect this period to support healthy consumption across the portfolio.

With this, I will now hand the call over to Kailash to take you through the next set of highlights.

Kailash Gupta: Thank you, Rashmi, and good morning, everyone. Let me take you through our financial performance, cash flow, and balance sheet.

For Q2, consolidated revenue stood at INR 1,153 crore, and operating EBITDA at INR 710 crore. EBITDA margin improved to 62%. Profit after tax and after minority interest was INR 326 crore for the quarter.

As Varun mentioned, our annuity businesses delivered strong growth during the period. Consolidated growth was relatively lower because residential revenue is recognized upon unit handover and can vary between periods. During H1, we recognized INR 62 crore of residential revenue compared with the significantly higher contribution in the corresponding period last year. We have already sold out the units of INR 120 crore more, which is yet to be booked, so this revenue will reflect in the H2 of current financial year.

Cash generation remained robust in Q2. Net cash from operations increased by 20% to INR 711 crore. Operating free cash flow after tax and net interest grew by 22% to INR 631 crore. Of this, approximately INR 570 crore came from the annuity businesses, representing a growth of 28%.

For the first half, operating free cash flow from our annuity businesses increased by 30% to INR 1,137 crore. Total capex outflow during Q2 was INR 389 crore, out of which INR 349 crore was towards the construction cost and the remaining toward the FSI and land cost.

As of September 2026, gross debt was at INR 6,117 crore, and the liquidity was at INR 2,638 crore, resulting into a net debt of INR 3,479 crore. Net debt reduced by INR 179 crore during the Q2 (compared to June 2026) and was INR 319 crore higher compared to March 2026. Net debt-to-EBITDA remained comfortable at 1.2x, while the average cost of debt declined to 7.66%.

Our balance sheet remained conservatively leveraged, providing the flexibility to fund our committed development program. We are also expecting some credit rating upgrades, which may be coming next one or two weeks' time.

Let me now provide brief update to you on ISMDPL acquisition. In July 2025, we announced the acquisition of CPP Investments' 49% (stake) in ISMDPL. Tranche 1 was completed in November 2025, increasing the PML stake from 51% to 58.33%. In October 2026, the NCLT approved the Selective Capital Reduction scheme, forming part of Tranche 2. We expect the capital reduction to be completed in November 2026, following which PML stake in ISMDPL will increase from 58.33% to 68.1%. The capital reduction consideration is INR 1,350 crore.

With this, we will now open the floor for the question-and-answer session.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the question-and answer-session. The first question is from the line of Puneet from HSBC. Please go ahead.

Puneet Gulati: My first question is, if I look at the breakup of your consumption mix, I see food and beverage, hypermarket also has picked up quite nicely, while the trading area has remained pretty much same. You still attribute about 10%, 11% there. Can you talk about what's happening there specifically?

Varun Parwal: Sure, Puneet. I think, before I hand over to Rashmi to share more highlights, as you are aware, on our F&B area mix, we had launched Gourmet Village in Phoenix Palladium last year. With the success of Gourmet Village in Phoenix Palladium, we are also rolling out this experiential fine dining format across our other centers.

For example, Rashmi covered during her call (opening remarks) that we are creating this unique F&B offering in Phoenix Palassio, Lucknow at the moment. But a general update that has happened is that with the introduction of new fine dining restaurants, they take some time to pick up speed and reach a level of optimization, and you are seeing that playing out in the numbers right now.

I think, more than hypermarkets, we have introduced premium, more optimized gourmet shopping centers within our malls, and the improvement in the hypermarket number is actually attributable to these smaller, more efficient gourmet formats.

Puneet Gulati: Because the area has remained unchanged in terms of the new disclosure trading mix at 11%, but the massive jump in, it is just mix. Also, can you talk about what is roughly in this segment your revenue percentage that you get as rentals?

Varun Parwal: I think in F&B, I would say that our revenue percentages would typically be 15% and higher, depending on the kind of format that is there. It can be 15%, 18%, 20%, or more.

Puneet Gulati: That is very clear. Secondly, Rashmi also talked about 100 new stores in Phoenix Palassio. In terms of area, how much area would you add with that?

Varun Parwal: Puneet, look at it in two ways. One, we are optimizing some of the existing anchor areas. Phoenix Palassio, if we recall, had opened in July 2020. We are optimizing the areas for anchors and hypermarkets to some extent, so that frees up some space. With the addition of the new area that we are planning, I think we should end up adding at least 100,000 sq ft or thereabout to the Lucknow mall.

Puneet Gulati: That is very clear. Lastly, on capex, your cash flow discloses capex of almost INR 1,440 crores for first half.

Varun Parwal: Yes.

Puneet Gulati: But I think you talked about a lower number. What is included there?

Varun Parwal: So, I think, Puneet, the capex should be looked in two parts. One is capex towards land and capex towards construction activities. What Kailash spoke about in terms of, say, INR 370 crore to INR 390 crore of capex was towards construction activities (during Q2 FY27).

Now the main large expense towards land this time was the payment for the completion of land payment for Chandigarh, which we completed in quarter one. That was almost a INR 700 crore payout. And we are adding some incremental land around our existing sites in Coimbatore and Kolkata.

So, those are smaller acquisitions. So that also added to the number. Finally, there is an advance that we have given for an acquisition under discussion, that is also included in the number for this.

Puneet Gulati: How much would that be, roughly?

Varun Parwal: I do not want to disclose the number, Puneet, at this time. Once we have closed the acquisition, of course, we will share all relevant details. But overall, for land in the first half, for land and some FSI, we have spent about INR 800 crores. For construction activities, we have spent about INR 700 crores.

Puneet Gulati: Very clear. Just because you also talked about adding land in Kolkata, does it have any implication on the commissioning timeline for Kolkata?

Varun Parwal: No, it does not. It would actually help enhance the arrival experience and give a broader frontage to our land parcel on the main Diamond Harbour Road, but it has no impact as such on the mall commencement timelines.

Puneet Gulati: That is very clear. Thank you so much and all the best.

Moderator: The next question is from the line of Gaurav Khandelwal from JPMorgan. Please go ahead.

Gaurav Khandelwal: I am going to follow up on consumption. Can we get some sense on how did the consumption trends, consumption shape up across months in this quarter? Because what I thought July, August were doing quite strong, and is September weak and weaker than what you would have thought? That is number one. Number two, if you could just give us some early insights into how is October looking for you?

Varun Parwal: Hey, Gaurav. Varun this side. Let me take the July, August, and September number question, and then I will hand over to Rashmi for outlook for the festive season.

I think, first on July and August, I think consumption was strong, and it was in line with our expectations. Once the festive season and the holiday breaks end in August, we do see a kind of a lull in September. Especially this time around with Dussehra and Diwali being later, September normally is the weakest month in a calendar year. Relatively, we have seen very strong growth even in September, but of course, July and August were stronger because of end-of-season sales and Independence Day, et cetera.

Now, one additional change that happened in September also is that if you take a walk around Phoenix Palladium or Phoenix Palassio in Lucknow, we have moved several stores under renovation or fit-outs, and that has had an impact on the trading occupancy and the consumption contribution from some of these stores. That impact would be, I would quantify that impact at about 2%-3% of the overall quarterly consumption that we

reported for this quarter. In fact, right now at this time, across our portfolio, 5% of the leasable area is under active fit-outs at this time. This includes the renovations and other optimizations that we are strategically carrying out.

Now, let me hand the call to Rashmi to give you an update and outlook on the festive season.

Rashmi Sen: Adding further to what Varun said, excluding jewelry and electronics, consumption grew by 22%, broadly in line with 24%, which was recorded in Q1. Another important aspect to highlight is that we are seeing about one-third of the increase in consumption coming from the new stores.

The interesting part of new stores is that they bring a wider impact beyond direct sales contribution to those stores, because they bring in a new set of affluent customers, which lifts up the overall sales of all the existing brands in the stores. I think the festive season is looking very exciting with all the Diwali initiatives the teams have done across all the malls. Not only do we expect this trend to continue, we definitely expect this growth percentage to increase in the festive season.

Gaurav Khandelwal: My other question is on Rise. Can you share any incremental data in terms of how much more pre-leasing have we done? Any tentative idea of what the rentals there could look like?

Rashmi Sen: With this next phase of expansion of retail, Rise 1, we are going to be adding about 150 stores. It is going to be a combination of relocations and new brands. About 50% of the brands in Rise 1 are going to be new brands that we are adding there. We have completed about 60% of the leasing, and the rentals are expected to be upwards of INR 500 pspm for that block, which is higher than the existing rent of Palladium overall complex.

Gaurav Khandelwal: Those were all my questions.

Moderator: The next question is from the line of Biplab Debbarma from Emkay Global. Please go ahead.

Biplab Debbarma: Just a few questions. First question is on the Kolkata residential. It is more than three and a half years since we acquired the land parcel. My understanding is that Kolkata is seeing good residential demand.

Normally, in residential, it takes us one to one and a half years years to turn around from acquisition of land to launch. Just wondering what is happening, what is the reason of this delay happening in launching that Kolkata project?

Kailash Gupta: Hi, Biplab. So, there are a couple of reasons. One is that when we took over, actually the plan was to build something else, and then subsequently we changed it to pure residential. That was the one reason.

Second is, the approval has taken longer time than what we were expecting to start this premise because of the election and other reasons. But we are expecting that to start maybe in two quarters' time, and you will see in couple of our investor calls subsequently.

Biplab Debbarma: That's great. Secondary question is on the upcoming assets. What are the upcoming assets that will come into operations in FY28 – FY29?

Kailash Gupta: There are couple of assets, the Kolkata and Surat mall is likely to come, plus the expansion at the Lower Parel. And Bengaluru, of course, the additional area of around 1 lakh-1.5 lakh sq ft. This is something that is already scheduled. Maybe the residential will also get launched during this period.

I think lot of projects are already in the pipeline, and then you will also see the upcoming assets, like which will be at the peak of its construction in Chandigarh, Coimbatore, as well as the Thane which you can expect 2029 onwards, basically.

Biplab Debbarma: These three assets, you think would be operational by FY30 or beyond FY30? The Thane, Coimbatore, and Chandigarh.

Varun Parwal: Calendar Year 2030, Biplab. We have to keep some elbow room in terms of the regulatory approval timeline and also the time that retailers may seek to complete their fit-outs. So, 2030 is when we would target or we would expect for operations for Thane, Chandigarh, and Coimbatore.

Biplab Debbarma: Calendar Year 2030?

Varun Parwal: Calendar Year 2030. Besides the assets that Kailash mentioned, you would also have a first phase of offices in Bengaluru, which is about 400,000 sq ft that should become operational. We will also have the hotel in Bengaluru, the Grand Hyatt Bangalore, which should become operational. And Rise offices are also targeted for completion during 2028.

Biplab Debbarma: My understanding is Whitefield, you were talking about when you said Bangalore, the Whitefield office and hotel. In Rise, the mall would be operational by FY28, the Rise, the mall portion.

Varun Parwal: The mall would be operational next year, in Calendar Year 2027.

Biplab Debbarma: 2027. Okay.

Varun Parwal: Yeah.

Biplab Debbarma: And then after that, the office portion of Rise would get operational.

Varun Parwal: Right. Correct.

Biplab Debbarma: One final question. Should we expect any major land acquisition in this financial year? How is the deal pipeline going on?

Varun Parwal: Deal pipeline is very strong, Biplab, but closure of some of these marquee land parcels takes time. We will update you and the investor and the analyst community as soon as we close something. We currently have one at a very advanced stage, for which we have also given some advance consideration earlier in the year. But let us secure all the necessary approvals and sign the documents before we announce it.

Biplab Debbarma: Thank you, and congratulations on the excellent results.

Moderator: The next question is from the line of Parvez Qazi from Nuvama. Please go ahead.

Parvez Qazi: So, two questions from my side. First, of the 25% growth in consumption that we have seen this quarter, broadly what contribution would have come from, let us say, increase in trading occupancy, and what contribution from increase in trading density at a portfolio level?

Varun Parwal: So, Parvez, Varun this side. Let me take the first part of the question. I think the trading occupancy change between Quarter 2 this year and Quarter 2 last year is only 3 percentage points. Out of 25%, not more than 3% can be attributed to increase in trading area. The rest of it has come from natural growth.

But at the same time, I would say that our business is such that some part of the portfolio would always be under active management and optimization. Like we mentioned earlier in the call, there is also 5% of area that is under fit-out at a portfolio level, which in itself has had a 2-3 percentage point impact on the consumption growth that we reported during the quarter.

Parvez Qazi: Secondly, of the projects, which are going to get completed in CY 2027, what would be the pre-leasing status? I mean, you mentioned about Rise, the retail portion, but it would be great if we can get an idea about Kolkata and Surat as well.

Rashmi Sen: So in FY27, the projects that we are expecting in terms of opening, like Varun mentioned, Phoenix Palladium, we expect in the next calendar year to open. Kolkata will start fit-outs around Q2, and then we expect the launch six months from there on. Begaluru retail

expansion also we expected to complete by 2027. Surat again to complete by 2027, open in 2028.

As far as the leasing percentages of these projects are concerned, Kolkata is about 90% leased, Surat is 50% leased, Bangalore expansion is about 70% leased. Palladium, I mentioned earlier, we are 60% leased. We actually have a long pipeline of brands that are wanting to come in each of these centers, but we are very strategic about our tenant mix decisions as we sign and conclude all these leasing transactions. Even for our other centers, Coimbatore or Chandigarh, Thane, leasing is progressing very well.

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

Pritesh Sheth: First is on some asset-related questions which I had, three, four of them. Phoenix Mall of Asia, I think, very strong growth in terms of consumption despite trading occupancy not changing much, like 84% to 96%. So 12% change in trading occupancy, but consumption growth was high. What is driving this? Was it always in our plans of towards the end, the consumption boost would be much stronger because of maybe some luxury brands getting operational now? First is that.

Phoenix MarketCity Mumbai, there is a consistent gap in terms of trading occupancy and leased occupancy, 7%-8%, since quite some time. So, a trajectory to fill that. Phoenix Palassio and Indore both has seen a decline in terms of leased occupancy. I think Phoenix Palassio, you mentioned about some churn that you are doing. If you can elaborate the same for Indore as well. So those are my first set of questions.

Rashmi Sen: For Phoenix MarketCity Mumbai and Indore Center and Phoenix Palassio, these are strategic tenant mix that we are doing at the center, because of which you see the change in trading occupancy. But as far as the leased occupancy is concerned, all of them are leased at close to 96%. Very soon you will see the trading occupancies increasing at each of these centers. These are all strategic changes. We bring in better performing brands at the center, which overall uplifts the center in all aspects.

As far as Phoenix Mall of Asia is concerned, it continues to be exceptionally well. It has become one of the largest mall by consumption in our portfolio. The kind of marquee brands we have in the portfolio, the overall catchment, the city profile, we see that there is a lot of potential to grow at this center in terms of the overall consumption. We will continue to see healthy growth at Phoenix Mall of Asia.

Varun Parwal: I think, Pritesh, just adding to what Rashmi has said, Phoenix Mall of Asia was always planned as a destination mall, and the performance does not surprise us. We also believe that this performance does not peak in FY27. In fact, we expect to see healthy double-digit growth continuing in FY28 as well.

By the time we reach FY28, some of the earlier leases would also be coming up for expiry and renewal, and that should give us an opportunity to also relook at re-optimizing and repricing some of the rentals. So, I would say that the growth outlook for Phoenix Mall of Asia and Mall of the Millennium and Palladium Ahmedabad, et cetera, remain very strong.

To your earlier question, I will just add that we have spoken about previously our asset optimization strategy. In Bengaluru and Pune, we had taken a conscious call to revamp the entire mall at one go, which is why you had flat growth happening last year. But now you are seeing 15%-20% growth in FY27, which should also continue in FY28. We have a similar strategy that is underway for Chennai, for Phoenix MarketCity Mumbai, and for Phoenix Palassio, Lucknow, but there it is more graded.

So, Kurla, for example, has seen some area coming up every year. Currently, if you visit Phoenix MarketCity Mumbai, we are undertaking a significant facade upgrade and landscaping upgrade, as well as some retailer churn and optimization, which should help us deliver a new set of brands and categories to the mall as well, and a new premium experience. You will see a similar impact happening in Indore and Lucknow as well going forward.

Pritesh Sheth: Interesting. Just on Indore, I think even the leased occupancy is 89 odd percent, and not 96, which we have in Phoenix Palassio. So, it is part of this churn that you are doing?

Rashmi Sen: Yes, this is all part of our churn strategy. In fact, we have a large chunk of expiries that are coming up in the next nine months at that center. So this is all part of our larger strategy in terms of the newer high-performing brands that were not in the center because we had leased this center close to five years back, and there are so many new brands that have come in the country during that period, who are all keen to enter this market as they are not present in the state.

Pritesh Sheth: Second on, since now I think high base of consumption starts kicking in from next quarter, what would be the building blocks of growth beyond the usual 6%-7% kind of a growth? I understand one would be the ramp-up of trading occupancy for existing churn that we were already doing, right? We have started doing some more. So base expectations should we keep like double-digit growth for minimum till the time these new assets start coming in? Is it how our business model being planned?

Varun Parwal: I think, Pritesh, we had come out in Q4 and actually given a straight guidance for two years to expect a 14%-15% kind of rental growth. I do not think that changes for FY27 and FY28. Of course, first half of FY27 has been very strong relative to our expectations as well. That should flow through in the overall numbers that we report for FY27.

But otherwise, as well, with all the initiatives that we have planned with the trading occupancy ramp-up that we have, that will progressively come on stream in the coming months, you should continue to expect double-digit growth in the rental income going forward for FY28. Then the new assets come in, and that should help further boost the growth profile.

Rashmi Sen: Also, we have 50% of our portfolio coming up for expiries over the next two years plus. You would have seen that typically we have a 20% increase on our previous minimum guarantee rentals,when we reprice the expiries, we expect the same trend to continue as well. That will also have a positive impact on the rental growth.

Varun Parwal: In fact, Pritesh, just building on what Rashmi has said, I think it has been a cornerstone of our strategy always to first focus on our existing operational centers because they are already established landmarks and destinations. With no new completion coming in, with infrastructure access improving, with new metros and highways getting constructed, and with the catchment itself densifying and becoming higher earning catchment, we have always looked at how can we extract double-digit growth from these assets going forward. I think the rental expiries gave us a chance to reset the base for the next five years, and that is how we plan the growth in these centers.

I think, over a long period of time, we have maintained a guidance of double-digit growth in rental, and we have been able to deliver on it, and we keep our fingers crossed and continue to work hard to deliver this going forward as well within the operational portfolio.

Pritesh Sheth: Just one last, out of this 77% which is occupied in our new office portfolio, which you delivered after 2025, how much is already rent generating?

Varun Parwal: So right now, at an overall portfolio level, Pritesh, 79% is leased and 54% is rent generating. We expect to reach 70% rent generating occupancy by March, and we should reach 80% by June, July next year.

Pritesh Sheth: That is very helpful. That is it from my side.

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

Parikshit Kandpal: First question is, on the presentation, you have given 10 new locations which you are potentially scouting out for the new malls. Does it change anything on your guidance which you used to give that adding about 1 million sq ft of mall area or retail area every year? Does it substantially change that?

Varun Parwal: I think, Parikshit, we must come back to you on the revised area addition because we are silently increasing the size of our malls, right? It is our endeavor to double the size of Palladium and Phoenix MarketCity Bangalore from the current 1 million to about 2 million sq ft. Even Thane and Chandigarh, we are pushing the size of the retail malls to 1.6 to 1.8 million sq ft, given the amount of retailer interest that we have here.

Rashmi also spoke about adding more area to Lucknow, and Lucknow, when it started, was just 900,000 sq ft, and by the time we end this expansion, it will actually reach 1.1 million sq ft. So, I think every new location that we add, I think the old benchmark was adding 1 million sq ft of retail. The new benchmark is definitely moving to a 1.3-1.4 million sq ft of retail size.

Parikshit Kandpal: My question was the 10 new locations. I mean, I understand captive incumbent malls you are looking to increase areas, so that you already highlighted. But Hyderabad, NCR, Navi Mumbai, Goa, Jaipur, Visakhapatnam, Nagpur, which you have highlighted in Slide 49 on 10 locations. Approximately ballpark, these will be about 13 million, 14 million. So that raises the bar of mall addition, retail area addition every year significantly higher. What are the timelines of identifying these opportunities? My question was, does it significantly raise our mall addition targets or guidance?

Kailash Gupta: Currently we are looking for the correct land parcel because we can't just randomly go and pick up something. This is where we need to understand the difference. We have identified these cities as potential cities where we will be definitely be there actually at some point of time.

Unless we finalize the land, actually we can't commit any timelines or can't give you any kind of perspective on these cities or the addition. We are in the process of identifying and discussion in couple of these locations. Once we finalize the land parcel, then we will be in a better position to give the guidance.

Varun Parwal: But Parikshit, if we just come back to our 2030 target. If you see where we were in 2024, we are increasing retail from 11 million to about 19 million sq ft. We are increasing offices from about 2 million to 9 million sq ft, and we are also significantly increasing our office portfolio. Now, all the new cities that you spoke about, they would form a part of the 2035, 2036 plan.

At the same time, we are also densifying our existing centers. For example, in Lucknow, while we are adding a mall, we are also evaluating addition of a luxury hotel on top of the mall. That in itself boosts the overall earning capacity from a particular center and the productivity from that center as well.

Our growth is driven by existing operational portfolio, by identifying new city centers, and also identifying densification opportunities within the existing center. What we have done between 2024 to 2030, I think broadly that would be a baseline kind of a growth to replicate for 2035, 2036 as well.

Parikshit Kandpal: Is it right to assume that the new acquisitions will have a significantly higher economic interest versus 50%, 51% we used to have? Or we again look at partnering across all these locations?

Kailash Gupta: I think this will be very selective based on the opportunity. We can't comment or commit for any, as I said, whether it will be a 51% or 100%. It is property by, I mean, the location by location or the addition by addition we will decide, based on the situation at that point of time.

Parikshit Kandpal: Just a last question on the strong consumption growth. One factor is also inflation there. The 25%-30% range we have been averaging on consumption growth now sometimes. This is still not translating into rental growth in a similar kind of quantum. What would be the consumption rental elasticity factor? Is it like 50%, 70% of consumption growth? How does that converge with a one-year lag or two-year lag? How does it start mirroring the consumption growth?

Varun Parwal: Parikshit, I don't think rent and consumption follow a straight trajectory quarter-on-quarter. Over a five-year period, they have converged previously, and it is our expectation that they will continue to converge. Especially if you go back three years ago, rent was 15 percentage points ahead of consumption when the new malls had opened up, and the situation flipped last year when consumption was much ahead of rentals.

Today, the gap between consumption and rental has narrowed significantly. And with the new lease expiries and the new areas that are becoming operational, this will continue to compress. But, I wouldn't say that there would be a straight line correlation or one quarter where, incidentally both rent and consumption would hit the same number.

There would be some gap between the two, and I think the important metric remains to track rent growth on an absolute basis and the rent to consumption. If you see this quarter, the rent to consumption has improved to 13% compared to a low of 12% that we had in quarter four. So it is, the rent is growing ahead of consumption, and that is reflected in the rent to consumption also normalizing to the long-term average of 13.5% to 14%.

Moderator: The next question is from the line of Aakash Gupta from Nomura. Please go ahead.

Aakash Gupta: So, I didn't catch the consumption growth number for the month of October. Could you please let me know, how did we see the consumption growth for the month of October?

Varun Parwal: I think I would say that, October this year and October last year is not directly comparable because last year we had Diwali in the month of October. But if we compare the trends and we take a normalization trend, I think the growth has been very strong. Ahead of say 20% year-on-year is what we are expecting.

We are still on the last day of the month and it's a weekend, so Saturday is going to have a significant impact to the final numbers that we see for the month of October. Of course, thereafter the consumption calibration with retailers would also happen based on their audited reports. So we would be in a better position to give indication of October and November consumptions, say, towards the end of November, once the festive period is also consolidated and over.

Aakash Gupta: So, on a normalized basis in October, we are looking at a 20% growth. That is the right understanding?

Varun Parwal: Yes, I think I would say at least a 20%, because still these are, yesterday's and today's numbers are not yet in, right? I would say that, I would compare maybe October this year to November last year. Because last year there was no Diwali in the month of November. Diwali was in October last year. So we are comparing two different time periods and maybe, a 20% to the higher end of 25% range is what we can say is the outlook for October 2026.

Aakash Gupta: My second question is on our FY27 rental income growth guidance for the retail business. It is roughly 15%, and we have done 16% in the first half. Does that mean that the second half will be below 15% due to the base coming in? Is that the way to think about it?

Varun Parwal: No, I think I would say that, see, you have to give us some leeway and some credit also. We gave this guidance in April before we had seen consumption numbers play out for the first half. I feel that naturally, the guidance should be one or two percentage points higher now, given the first half performance.

But I think, this is the main, the festive season, October, November, and then December are the main months. That would give us a more clearer indication of where we expect to end the year. But I am optimistic that the guidance of 15% that we gave, we should be able to cross it.

Aakash Gupta: My third question is on the consumption growth in FY28. What I am understanding is all our volume drivers are kicking in towards the end of FY28. In that sense, because we are circling a higher base going into FY28, should we expect a mid-teen kind of consumption growth till at least the second half of FY28? Is that how we should think about the business?

Varun Parwal: I think I would say that a better metric and a metric that we have more control and visibility over is the rental growth. From that perspective, factoring in a 14%-15% growth for FY28 is something that I believe is a more tangible and achievable outcome.

Consumption is driven by many factors, whether gold prices or electronics or some new stores or categories doing well or not doing well. So, it is a more holistic bucket there. I would rather say that is why I think even at the beginning of the year or even last year, we had spoken more about rental growth because that is something where we have far more visibility and control over.

Aakash Gupta: Sorry, if I may just push one more. Once our volume starts kicking in FY28 end, how should we think about the rental income growth trajectory going into FY29, FY30? Because these volume drivers will also take, I think, some time to ramp up. In that case, should we expect a 15% growth post-FY28 as well on the rental income side?

Kailash Gupta: I think it is too much to speculate right now, you know? Leave it for next quarters also. Everything, if you will factor in now, I mean, it is difficult to answer.

Varun Parwal: But I think I would say that, you can connect with Karl and Madhurima offline. They have the numbers mapped out, and they should be able to guide you. But, we hope to continue to do well.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from participants, I now hand the conference over to the management for closing comments.

Varun Parwal: Thank you so much, everyone, for joining us on a Saturday. Wish you all a lovely and happy and prosperous Diwali and the festive season ahead. See you next quarter. Bye-bye.

Kailash Gupta: Thank you.

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

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