kotak Securities

Dated: 3 Nov 2025

The Phoenix Mills (PHNX) – REDUCE

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1,690	**Rs.1,650**

Rationale:

- PHNX reported a more spirited performance; Possibly turning the corner on consumption and occupancy.
- Consumption growth of 14% yoy and mature malls improving to 5.5% yoy growth (from low-single digits).
- Occupancy for older office assets improving to 77% while the recently completed assets saw occupancy of 35% (from low-single digits)
- Has a strong pipeline of new assets (1.2 cr sq. ft) to be commissioned by 2030.
- Valuations remain full at 22X EV/EBITDA (2027E).
- Retain REDUCE with a revised SoTP-based FV of Rs1,650 (Rs1,520 earlier)

Positives:

- Phoenix Mills reported Q2FY26 consumption of Rs3750cr (+14% yoy, +4% qoq).
- EBITDA of Rs670cr (up 29% yoy, 18% qoq) and PAT of Rs304cr (up 39% yoy, 26% qoq), ahead of our expectations.
- Earnings in Q2FY26 were aided by the residential revenue recognition.

Negatives:

- Residential revenues continue to distort headline growth.
- Annuity and hospitality earnings were weak.
- 10% yoy rental growth lagged consumption growth, likely owing to mix-change.

(EV: Enterprise Value, EBITDA: Earnings before interest, depreciation, amortization and tax, PAT: Profit After tax)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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