THE PHOENIX MILLS LIMITED
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May 22, 2024

To,

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: Transcript of Earnings Conference Call

This is further to our letter dated May 18, 2024, wherein we had informed the exchange about the conclusion of our Earnings Conference Call held on that date with Analysts / Institutional Investors on the Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended March 31, 2024, please find attached herewith the Transcript of the said Earnings Conference Call.

The enclosed Transcript is also available on the Company's website and can be accessed at https://www.thephoenixmills.com/investors/FY2024/Earnings-Call-Transcript.

You are requested to take the same on record.

Yours faithfully,

For The Phoenix Mills Limited

GAJENDRA MEWARA
Digitally signed by GAJENDRA MEWARA
Date: 2024.05.22 22:33:32 +05'30'

Gajendra Mewara
Company Secretary
Mem. No. A22941

Encl.: As enclosed

The Phoenix Mills Limited
Q4FY24 and FY24 Earnings Conference Call
May 18, 2024

Moderator: Ladies and gentlemen, good day and welcome to the Q4 and FY24 Results Conference Call of The Phoenix Mills Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

Today, we have with us Mr. Shishir Shrivastava – Managing Director, Mr. Kailash Gupta – Group CFO and Mr. Varun Parwal – Group President, Strategy, Internal Audit and Head Corporate Finance. I now hand the conference over to Mr. Shishir Shrivastava. Thank you and over to you sir.

Shishir Shrivastava: Good morning ladies and gentlemen. I take pleasure in welcoming you all to discuss the Operating and Financial Performance for the fourth quarter and year ended March 2024. However, before we proceed, I am very pleased to welcome Mr. Kailash Gupta, as the company's group CFO. Kailash brings over 25 years of experience across various financial disciplines, including business strategy, investor relations, M&A, financial planning and analysis, treasury and taxation to name a few. Most recently, Kailash served as the CFO at Inox Leisure Limited for eight years, leading their financial and commercial operations. He played a key role in the merger of Inox with PVR Limited. Prior to Inox, Kailash held significant positions at Torrent Pharma, Entertainment Network, Thomas Cook, Tata Teleservices and the Aditya Birla Group. Kailash is a qualified Chartered Accountant from the batch of 1995 with a well proven track record. He has received several accolades including the CA CFO Award for Media and Entertainment Industry from the ICAI and was also recognized as one of Asia's 100 Power Leaders in Financed by White Page International. We are confident that his expertise will be instrumental in our continued growth and performance.

I will now take you through the key highlights of the results with reference to the relevant slides of the results presentation. If I may draw your attention to slide #3. Starting off with a quick overview of the retail business. FY24 has been a milestone year for the business. At the start of this financial year, we had set sights on stabilizing the four new malls and driving growth across the existing operational assets. I am very pleased to report, that we had a strong operating performance across most centers and consumption or retailer sales that our malls for the year closed at Rs.11,344 crore up 23% year-on-year.

Moving on to slide #4. This slide provides a breakup of the performance and highlights the contribution from new malls during FY24. EBITDA from the retail business for the full year came in at Rs. 1,673 crores up 25% year-on-year. Overall existing operational malls saw full year rental income and EBITDA growing at about 6% and 7% respectively and EBITDA margin as a percentage of rental income is at a healthy 104% of rental income.

New malls contributed approximately Rs. 295 crores in rental income and approximately Rs. 257 crores in EBITDA for FY24. EBITDA margin as a percentage of rental income is lower in new malls during the initial period of occupancy ramp up. However, going forward in FY25, EBITDA margins from new malls should start moving towards the margins we see for our existing operational malls as these malls stabilize.

Let's go to slide #5. We are seeing a fast ramp up in trading occupancy at our newly launched malls. Phoenix Citadel, Indore launched in December 2022 crossed 90% occupancy levels within 12 months of launch and has been trading at a stable 91% occupancy since then.

Palladium Ahmedabad launched in February 2023, this is on slide #6, is already trading at 86%. In fact, the multiplex at Ahmedabad is ready and once we obtain the occupation certificate, the multiplex will commence operations and the occupancy level will cross 94%.

Moving on to slide #7, Phoenix Mall of the Millennium at Pune opened in September 2023, and is already trading at 77% occupancy levels within eight months of opening.

And on slide #8, last but not the least, Phoenix Mall of Asia at Bangalore launched in October 2023 and is already at 67% occupancy levels within six months of opening.

Let's take a look at slide #10. As we have noted earlier, total consumption in FY24 was at Rs. 11,344 crores approximately demonstrating a year-on-year growth of 23% over FY23. On a like-to-like basis, consumption in FY24 grew by 8% over FY23 led by strong double-digit growth in Phoenix Market City and Palladium Chennai, Phoenix Market City Mumbai at Kurla and Phoenix

Palassio, Lucknow. Phoenix Palladium reported a growth of 4% but if adjusted for the loss of contribution from the Lifestyle store, its reported consumption growth will be approximately 9% on a like-for-like basis. As you may all be aware, we have shut down that store and demolished that structure as per our revised approval plans to provide a spectacular entry and arrival experience and better circulation for the ever growing iconic Phoenix Palladium development. Gross retail collections for the period were approx. Rs. 2,743 crores up 27% over FY23.

Slide #11, shows total consumption in Q4 FY24 was at approximately Rs. 2,833 crores up 28% year-on-year and on a like-to-like basis grew by 10% over Q4 FY23. This excludes the new malls which were launched in the end of calendar year 23.

Slide #12 provides an overview of the category-wise consumption performance across our malls on a like-to-like basis.

Moving on to slide #13, rental income for the quarter grew by 31% over Q4 FY23. Driven by strong performances from Phoenix MarketCity, Pune, Phoenix MarketCity in Mumbai, Chennai, and Phoenix Palassio, Lucknow. The rental income performance is reflected in the EBITDA performance as well and on slide #14, it demonstrates a growth of 28% over Q4 FY23.

Drawing your attention to slides #15 and #16. Since we have discussed the FY24 retail income and EBITDA performance, I will skip through these slides and go to the occupancy overview across major malls on slide #17. Weighted average leased occupancy across major malls stood at 97% and trading occupancy at 88%.

Moving on to the commercial offices section, which is on slide #18 and onwards. We have taken significant strides towards cementing our presence in this asset class as well.

Slide #19 demonstrates that for FY24 total income from the office business was approximately Rs. 190 crores with an EBITDA of approximately Rs. 110 crores depicting a growth of 12% and 13% respectively over FY23. FY24 gross leasing has been over half a million square feet out of which approximately 3.6 lakh square feet is new leasing and 1.7 lakh square feet is renewal.

Slide number #20, occupancy in our operational portfolio of Mumbai and Pune has increased to 70% at the end of FY24 up from 63% last year while maintaining healthy gross rental levels.

On slides #21 and #22. In line with the performance in FY24 income from the office business in Q4 FY24 was at Rs. 49 crores up 13% compared to the same quarter last year and EBITDA was Rs. 30 crores up 12% over Q4 FY23. We are hopeful to continue this momentum with the launch of best-in-class benchmark-setting new age commercial office assets at Bangalore, Pune and Chennai in 2024, where we have seen keen interest from prospective clients.

Moving on to slide number #23 and hotel assets. We continue to see positive trends in the hospitality segment with double digit growth in ARRs along with high occupancy levels in both of our operational hotels.

Slide #24 shows that our marquee destination - The St. Regis, Mumbai, we have seen a remarkable ARR level at more than Rs. 21,000 in Q4 FY24. Even for the full year of FY24 there has been a notable increase of 23% in room rates while maintaining above 80% occupancy throughout the year.

Coming to the operational performance, shown on slide #25. St. Regis continues to reach new heights and has clocked a total income of over Rs. 490 crores with EBITDA of approximately Rs. 223 crores, representing an impressive EBITDA margin of 46%.

Slides #26 and #27, moving on to the Courtyard by Marriott at Agra, we have seen double digit ARR growth throughout the year with occupancy levels close to 80%. The operational performance, in FY24, this asset has clocked a total income of Rs. 55 crores with EBITDA of Rs. 16 crores and healthy margins of 29%.

Let's move to the Residential business which is on slide #28 and onwards. We have had another remarkable year during FY24.

Slide #29 and #30 show a strong demand and fast conversion where we have seen gross sales of approximately Rs. 566 crores and we have collected Rs. 646 crores during FY24. Also, we are happy to report that we have received the occupation certificate for Tower 7 at One Bangalore West. Accordingly, on the basis of the sale of the completed inventory and on receipt of OC of Tower 7, we have recognized revenue of Rs. 870 crores for FY24 and Rs. 454 crores during the last quarter.

Moving on to the financial results for the quarter and year ended 31st March 2024. This is on slide #31 and onwards.

Slide #32 shows the standalone P&L which houses Phoenix Palladium, Mumbai and a very small component of offices - Phoenix House. Income from operations for Q4 FY24 and full year FY24 have been slightly lower than Q4 FY23 and full year FY23 as well. Mainly on account of ongoing enhancements to the overall layout, we have vacated and demolished the structure which housed the Lifestyle store previously and that has had an impact both on consumption and on our rental incomes.

Without spending too much time on the standalone balance sheet, we will move on to consolidated performance. On slide number #34, with the addition of new operational assets and momentum in leasing and occupancy, our income from operations for Q4 FY24 is higher by almost 80% compared to Q4 FY23. For the full year of FY24 income from operations is higher by about 50% compared to FY23. I would like to mention at this point that in FY24 we have booked Rs. 870 crores of revenue in our Residential business which has been added to this and this demonstrates a boost in the top line. On our operating EBITDA metrics for the full year FY24 we have reported Rs. 2,185 crores with an increase of 44% over FY23. This momentum has been seen quarter-on-quarter with Q4 FY24 clocking 46% growth in operating EBITDA over Q4 FY23. Profit after tax after adjustment of minority interest and exceptional items which was Rs. 1,152 crores for FY24 grew by over 60% over FY23.

Let's move on to slide number #36. Our consolidated debt as on 31st March 24 is Rs. 4,366 crores with an average cost of roughly 8.8%.

Let's draw your attention to slide #37 and #38. On the consolidated cash flows front, we have crossed the milestone of Rs. 2,000 crores and generated net cash flow from operations of Rs. 2,162 crores net of taxes. We have reinvested a considerable amount of this cash flow through capital expenditure across assets under development and one land acquisition during the year in total aggregating about Rs. 1,670 crores.

Just for perspective, after removing interest paid to service the existing debt our operating free cash flow net of taxes and interest is about Rs. 1,781 crores for FY24 which is 27% higher than last year.

Slide #39 and slide #40, show a group level net debt position has remained close to Rs. 2,200 crores as the majority of our CAPEX has been funded by operational cash flows. PML level net debt position has improved with net debt of Rs.1,560 crores as on 31st March 2024.

Let's move on to slide #41. Last month in April, we acquired 6.6 acres of land adjacent to Phoenix MarketCity Bangalore at a cost of about Rs. 230 crores. This has been acquired through a joint venture with Canada Pension Plan and will add to the overall footprint and development potential accessibility and experience for our destination retail-led mixed use development Phoenix Market City located on Whitefield Road in Bangalore.

On slide #42, we have a clear roadmap of where we intend to be by 2027. We aim to have an operational portfolio of about 14 million square feet of retail, 7 million square feet of offices close to 1,000 keys in hotels and add another million square feet to our Residential development. These are all projects which are already underway, lands have been acquired and we may be under construction or at design development stage. We are busy charting our growth beyond 2027 and have added to our development mix through land acquisitions at Thane and Bangalore. And we continue to evaluate and work on opportunities selectively to add to our growing portfolio.

Moving on to sustainability slides #43 and #44. Sustainability is very important for our company. As we grow we are committed to doing so responsibly and here's how. We are ramping up our use of renewable power across our entire portfolio aiming for over 70%. All our new buildings are targeted to be LEED certified, ensuring they are environmentally friendly and efficient. We are already making strides on this front with 1/3rd of our existing retail buildings, i.e. 1/3rd by GLA are already certified with a USGBC LEED certification.

This brings me to the end of our operational and financial performance update and we can now be open for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal: Shishir my first question is on the same store growth of 8%. If you can help us understand a little bit more on how has been the trading occupancy impact on this 8% volume growth and inflation?

Shishir Shrivastava: Thanks for your question Parikshit. Let me try and answer it to the best of my abilities. If you look at our operating assets, several of our Phoenix Market Cities continue to be at the lag end of the tenure with anchors. So, for example, Phoenix MarketCity, Bangalore, and Phoenix Market City, Pune both have anchor space, which is about more than 52%. During the cycle of the mall's life, or the tenure of the contracts, we continue to see opportunities to make these malls more efficient. What I mean by that is moving away from being anchor heavy, depending on where you are in the life of that mall, what the customer aspirations are, and bringing in a new brand mix, and perhaps new categories. So, we did this in Phoenix MarketCity, Mumbai, and we have seen a significant, I would say in one - one and a half years, the numbers have played out, and they demonstrate how the strategy has worked for us. So in several of our malls, we are now seeing that opportunity again, in the next year and maybe year and a half. So, that strategy will help boost consumption. So it's always important to refresh the category mix and brand mix. We took some hit at Lower Parel as I mentioned during my opening remarks, with the Lifestyle block, which generated close to Rs. 25 - Rs. 27 crores annual rent and significant consumption, we saw a drop in consumption and rent because the Lifestyle block was vacated and demolished to create a better experience for the ongoing development. We are doing some fantastic work at Phoenix Palladium, Mumbai in expansion. There is a host of new brands that we are in discussion with and these are definitely going to aid in improving both consumption and overall rental income for us. So, I don't think we are seeing any structural issue here, which is causing a consumption to let's say, be at a stable, consistent level or not demonstrate great growth. It's every mall in its life has this opportunity of improvements every three to five years and that's where we are in with several of our malls. So, we are going to see this getting better.

Parikshit Kandpal: And guidance for next year, what kind of things to grow you are looking at?

Shishir Shrivastava: Sorry, Parikshit can you repeat what you are saying?

Parikshit Kandpal: So for these malls which are like operational, like-to-like basis what kind of growth you think we can forecast for FY25 versus 8% you have reported this year?

Shishir Shrivastava: See, I don't think it's fair to talk about FY25 alone. I would say one has to always look at the three year CAGR, three to five year CAGR and over a three to five year CAGR. I would estimate anywhere between 11% to 12% kind of growth.

Parikshit Kandpal: Okay. Sir my second question is on Thane. So, you have acquired the land parcel so any plans like what have we decided to do there. One of your competitor is coming up with a hotel about 560 odd rooms, keys. So any plans, what are you looking to add there, do there, in terms of you can help us in the mix understand where we commercial, hospitality what you intend to do there?

Shishir Shrivastava: We are not ready to announce what we are doing there yet, because it's still not concluded. So, we are going to take probably another two-three months to perhaps decide. But it's seeming to be a large mixed-use development with a combination of maybe some retail, some hotel, we are trying to really determine if residential is the right way to go, that's where the question really is and what's the best use on this land. So we will be very, very happy to announce as soon as we have taken a decision.

Parikshit Kandpal: Okay. And just last thing on the Residential piece. So now we have said we are increasing our overall developable area there my FY27. So what kind of pre sales number do you think we can achieve on a more consistent and steady basis so that, that portfolio gives more visibility on growth. We didn't have any major launches besides the Bangalore one, Alipore is still awaited. So how do you intend to build that portfolio over the next three four years and what kind of places do you think you can achieve in that segment in three years' time, more on the roadmap of three years, next three years.

Shishir Shrivastava: In Kolkata, we have secured the major approvals, this is going to be about a million square feet of saleable area. We are waiting, we have applied for EC; so we are in the process of getting the approvals. We may be about six to eight months away from launch on this asset. The micro market there seems to be very, very strong and stable. Our primary research is showing rates in that micro market to be in excess of about Rs. 18,000 – Rs.20,000. We have already decided on what the product mix is going to be like in terms of the sizing of the apartments, configuration, etc. We have about Rs. 350 to Rs. 400 crores as our target this year to sell the ready inventory which we have in Bangalore between One Bangalore West & Kessaku. So, that's a great target for us to chase another Rs. 400 crores this year. We have total ready inventory of about Rs. 1,200 crores of which this year we are targeting about Rs. 400 crores, we certainly work harder to deliver more than our target. We have taken some price hikes and the market has also accepted that well. And we are selling at about Rs. 24,000 per square foot plus plus, compared to Rs. 15,000 per square foot plus plus in 2019. This would be our guidance for FY25 that we are targeting to get about aim to sell about Rs. 400 crores.

Parikshit Kandpal: And more on the longer term like three, four years what kind of sales can this segment do for us like Residential, can we reach that 2000 crore number with addition of more projects over the next two, three years?

Shishir Shrivastava: So currently, we don't have any active plans on expanding on Residential. We are not in any race to become a larger Residential developer. We are being very selective about the opportunities and depending on the value at which we are able to buy land in mature, stable markets where absorption has been consistent, we will continue to look at those opportunities. But I can clarify that today we are not actively looking at any Residential growth, new projects.

Moderator: Thank you very much. The next question is from the line of Praveen Choudhary from Morgan Stanely. Please go ahead.

Praveen Choudhary: Just a quick question for me. Can you talk about the competition in tier one existing cities where you already have malls in terms of are you finding considering how good this business has been, credible competition coming in. And the second question is on tier two cities, the return on invested capital, how are you thinking about it as you are going into newer cities. So far you have obviously achieved that. But are you finding that you may not be, or you need to slow down if the returns are coming slower. How are you thinking about it is the question. Thank you.

Shishir Shrivastava: Thanks Praveen. So, let's talk about tier one cities and competition in tier one cities. See we have seen a significant I would say we continue to see a good growth in our numbers in tier one cities, it's a great business to be in. But it also requires a very large team, a lot of effort. Land has become very expensive and especially in the locations where our malls are, land has become very expensive. So, there are many factors which deter competition. We are conscious of the fact that there can be competition, anybody can come into these markets. So, our focus is on creating such experiential centers, which become dominant consumption centers. And with that approach, we will continue to stay a little ahead of the game here. We don't see other developers building malls around our locations at present in any of the markets where we are and we will continue to innovate, get bigger, better where we are. So, that we are just always established as a dominant center. Your second question was return on capital invested in tier two cities. In fact, I must say that return on capital in percentage terms, I would say have been even better than tier one, because these are not really, they may be tier two cities, but they are tier one opportunities. Case and example Phoenix Palassio Lucknow within six years of acquisition we are seeing a yield on cost of about 17% and growing every year. And Indore, Ahmedabad these also look to be very, very promising. We are very keen to work, go ahead full steam, on our retail project at Surat and it is progressing fast. We expect to see the same story that played out in Lucknow to also play out in Surat, which is a great market to be in. Ahmedabad, I would like to say that in the first full year of operations our yield has exceeded 14% so that's great.

Praveen Choudhary: Thank you. That totally makes sense, I did go to your Ahmedabad mall, it's actually fantastic. I have one more question if it's okay. I was looking at your slide number #12 and you have category wise growth in your consumption. So, you look at electronics showing minus 1% or others showing 3%, food and beverage slightly lower. How are you thinking about it of course, you can't have a mall which has zero percentage of these categories. But how do you ensure that you keep pruning it and improving that trade mix? Thank you.

Shishir Shrivastava: Yes, pruning and correcting the category mix and the brand mix is very routine for us. This is how we manage our retail business, it's something that we do virtually every day. Looking at electronics specifically, it's a blip for that one year and interestingly last year we did an electronics fest which really, really worked well. This was done in Bangalore and Chennai and we saw great turnout for that. So, there are these marketing initiatives that we create for specific categories to boost their sales and we are not seeing electronics really not getting customers, it's not like customers have moved away from coming into physical stores and started ordering online to the extent that will impact these physical stores. Accordingly, we remain very vigilant on the performance of each of the categories and we continue to take corrective action be it marketing, be it engaging with them, launching some kind of a special. I would like to talk a little bit about F&B in our newer malls . We have significantly increased the percentage of gross leasable area occupied by F&B in the new malls we maybe in about 15%- 16% range for F&B alone. And then you add that, entertainment centers, multiplex and entertainment options, you are inching closer to about 30%. This is a very, I would say a strategic shift, where F&B and entertainment would earlier occupy cumulatively about 15% and now, we are inching closer to about 30%. Even in our existing malls we are working on an upgrade to revamp uplift F&B brands and options. So, this drives the relevant profile of the customer to the mall, and drives overall consumption.

Moderator: Thank you. The next question is from the line of Kunal Lakhan from CLSA. Please go ahead.

Kunal Lakhan: My first question was on, what is the development plan for the 6.6 acres of land that we have bought in Bangalore?

Shishir Shrivastava: Hi Kunal. This, land is adjacent to our existing Phoenix MarketCity development, and which sits under the joint venture with CPP in an SPV called Island Star. So, now, this is exactly adjacent to that we have the ability, we are looking at how we can amalgamate the two land parcels and be able to utilize the overall development mix in a composite manner. So, it has a, I would say the land parcel has a development potential, including TDR of about 1.3- 1.4 million square feet. We have at our existing development, we have development potential, including TDR of 3 million square feet, and we are expanding the existing mall and existing mall development. As you are aware we are adding a ~400 room hotel Grand Hyatt, we have plans to add about a million odd square feet of offices. So, this acquisition will help us create a much larger destination with more perhaps more retail and more entertainment and F&B options. And we also have the ability to evaluate a standalone residential development should we want to take that up, the rates seem to be fairly reasonable, viable, and profitable in that area, and in the range of about Rs.15,000 a square foot. So that is also under consideration. We are working on several options now. Since we have recently acquired, we may be about two quarters away from deciding how we want to proceed with the development here.

Kunal Lakhan: Sure. Just a few thoughts there. Generally this is very kind of uncharacteristic of us, in terms of like, in the past we have generally been very clear about like what we want to do and then in fact we have paid top dollar and bought land and built malls, and those malls have been pretty strong in terms of profitability and return. Whereas this is like, this again like very similar to what we are doing in Thane also, they bought land, but we are not sure what we are going to build over there. Any change in the thought process or strategic thinking that versus what used to be doing in the past versus what we are doing today?

Shishir Shrivastava: Yes, so with this Bangalore land of 6.6 acres, it was an opportunity that we had to close very fast. It came up in our discussions with the landowners and we didn't really get an opportunity to deep dive into finalizing a development mix. Of course, we ran numbers based on a base case. But we are trying to see how we can improve on that base case. And it's a little complex because the property is immediately adjacent to us. We have this existing mall, we are already constructing the multi-level car park and the office towers on top of that, which are closer to the boundary of this adjacent land parcel. So, we are trying to figure out what is the most efficient and I would say what is going to be the best experience for a customer here in terms of circulation, etc. So, it will undergo a little bit of some, it requires a lot of thought. But nevertheless, we feel that it's a huge value add to this development. The ability to add another 1.3-1.4 million square feet to this development, perhaps even going up higher, is a huge value add to our overall destination.

Kunal Lakhan: Sure. Just one follow up on that is, in terms of like we are looking at like, you gave an example of Bangalore also that you may look at adding some retail space also over there. And we are only doing some expansion at the Palladium, Mumbai in terms of retail space. Our earlier strategy was like build these, like 1 million square feet of retail was like the sweet spot. But do you think that, that thing is changing now, like there is potential of building larger scale malls and we are seeing that with some of your competitors also, who are building like huge malls, especially in North?

Shishir Shrivastava: No, absolutely the sweet spot has moved up simply because of the demand from retail brands. So many new global brands entering into the country its becoming, the sweet spot now is closer to about 1.4-1.5 million square feet. And that's the goal of our expansion across all locations where we have malls operating and also the new malls that we are building.

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

Parvez Qazi: Two questions from my side, first in terms of our trading occupancy which currently is at about 88% will it be fair to assume that let's say by the end of FY25 this number would have moved to somewhere closer to the mid-90s at a portfolio level?

Shishir Shrivastava: Yes, absolutely because there are so many deals done and concluded and under various stages of fit out, we should be in 95% - 96% range for sure.

Parvez Qazi: Sure. And my second question is regarding our various office assets. Would be great if you could tell us about the status of the construction there and when do we expect the various assets to become operational.

Shishir Shrivastava: So, Asia Towers, Bangalore is nearly complete, we are waiting for the OC, and we should be able to commence operations immediately thereafter. Phoenix Millennium Towers at Pune, Wakad - these will be ready by the end of this calendar year and Chennai as well. So, we are estimating within the next six months both of these, at least phase one of Millennium Tower, Pune will be ready before the end of this calendar year, which will be about half a million square feet and Chennai, half a million square feet should be ready by the end of this calendar year. The offices that we are building in Mumbai as part of our flagship development at Lower Parel– we expect this to be completed sometime in 2027. And, yes at Bangalore, about 400,000 square feet of new offices at Phoenix MarketCity, Bangalore on Whitefield Road should be ready by 2026, calendar year 2026.

Parvez Qazi: Got it. And apart from that two acquisitions that we have done in Thane and Bangalore. How is our business development, etc. plans for new retail asset development, whether in tier one or tier two cities?

Shishir Shrivastava: There are probably two more real transactions that we are currently pursuing, and we should be able to conclude them in this calendar year. So that would add maybe another 2 - 2.5 million to our portfolio in the next four years or four to five years. I had previously guided to closing four to five transactions within 24 months. This was in the last quarter call. The Bangalore acquisition was the first one and there are two more which are underway. So, give us a couple of quarters to be able to announce more.

Moderator: Thank you. The next question is from the line of Atul Mehra from Motilal Oswal. Please go ahead.

Atul Mehra: My question is, in terms of retail expansion so in the presentation we have spoken about 11 going to 14 msft. So, the question was in terms of given our very successful in terms of response so far on that just like Ahmedabad and Lucknow you spoke about. Can we look at the next two to three years to build a very, very large pipeline, like the targeting +20 million in retail, because what tends to happen is, every city will tend to have a potential destination which will prosper over the next decade. And if we don't get that opportunity, some of our competitors might go in there. And which would mean that once they have an established asset, it would not give us that opportunity, because obviously there is a limit to how much land space a city can absorb. So structurally, given also that we have a very strong balance sheet today, and cash flows are very strong, can we look at stepping up the growth agenda on retail?

Shishir Shrivastava: Atul, the estimate is to hit about, to have a pipeline to target about 20 million square feet in the next few years, of course we are already at 14 million square feet. With the two, three acquisitions that we are considering right now. Plus, the development at Thane, plus the extensive expansion that we are doing everywhere, we will hit that 20 million much sooner. We continue to look for opportunities, selectively in key markets. So, like I mentioned to you, I don't know if you remember this, but way back in 2017, we had told you what our portfolio is going to be, we are going to get 13 million square feet by 2023 end and we are going to make sure that we add another million square feet every year. So, we are very, we are well on track of delivering that and perhaps more.

Atul Mehra: Right, got it that's good to know.

Shishir Shrivastava: Now, we are shifting gears also. Of course we are going to be very selective, but we are looking at each development being that 1.5 million plus, as I mentioned in my response to the previous question.

Atul Mehra: And henceforth like when you are looking at setting up, so is the template going to be 1.5 million for all new assets that you wish to acquire or it depends on like, like we have done in the past phase wise development and maybe looking at building on assets?

Shishir Shrivastava: It depends on, now when we acquire land mostly the sizing is such that you have the ability to develop much more even, the development regulations in all cities have changed, the FSI available is more. But depending on the demand in any particular market, we will decide on the size and we will always have the opportunity for future expansion, which we plan for right up front. So, the new development in Bangalore for example, which is Mall of Asia, Pune Mall of the Millennium, we have also completed, we are building the mall and office at the same time. So earlier, we used to pre-build the mall then wait a few years. But, because the market is ready at these locations for the office asset class, we have decided to go ahead upfront. So, it's going to be customized, but the sweet spot for retail in tier one is definitely about a million and a half. But depending on for example, if we look at a smaller town, we may not choose to build a million half upfront, we may build only 800,000 and then keep a second phase development potential.

Moderator: Thank you. The next question is from the line of Prem Khurana from Anand Rathi. Please go ahead.

Prem Khurana: Sir, just if could talk about the Indore asset in detail because in terms of trading density seems to be a not there, generally when I compare with most of the other assets that we have and most of these assets would be closer to Rs. 1,000 sort of number on trading densities side like Lucknow and recently commissioned Pune and all. But this is closer to Rs. 600 odd so are we happy with this number or is it is in line with your expectation or it's slightly lagging your expectation?

Shishir Shrivastava: Okay. I would think that overall, what we have underwritten when we acquired this land in terms of rental income, we are probably there already, almost there. In terms of trading density Rs.600 per square foot per month you are right. But then we must also understand that the retailers' cost is lower because rentals are lower. So, if you look at the occupancy cost compared to a mall which is at Rs. 2,000- Rs.2,300 trading density compared to Indore which is at Rs. 600, their occupancy cost is much lower. That yes, there is a lot of effort to be put into it's already established, I would say as a great destination. But we have to put in a lot more effort into bringing in great F&B options and driving other marketing activities, etc. to drive the right profile of the customer there. Rent is averaging as I mentioned earlier, at this mall at about Rs. 79 per sq. ft., all the other malls are averaging at about Rs.150 per sq. ft. or even higher. So, for our model, what we have spent in acquisition and the incremental cost of construction at Rs. 750 crores, we are already at an EBITDA of about Rs.85-Rs.86 crores for the year, it is 11% yield. And we are quite confident it will take maybe it will take another two quarters for our strategy to play out and for consumption to start growing here.

Prem Khurana: Sure. And in terms of monthly rental rate that you are charging and I agree it's lower than some of these other malls but, if I were to look at from so eventually when I look at a retailer they tend to have their cost structures in place and how much do they intend to share with you in terms of CAM and rental rate. And, what would you believe is the ideal number for these and for example for Indore it works out to be 20% odd sort of number. Palladium I can understand it's a destination of course people will be willing to pay more than 20%, 25% Just to be able to have presence there. But generally speaking, whenever you are evaluating what sort of number do you tend to bake in into your estimates to understand whether the mall would find take or not?

Varun Parwal: Hi Prem, Varun this side. So, the question on Indore, one thing that does not come out when you look at a retail mall is the tenant mix that you have with each center. So, Indore, for example has today lower anchor area than what you would see even in Kurla or Pune or Bangalore and that has been a very conscious strategy, driving more in line centers and creating more space for F&B and family entertainment centers, which actually drives a stickier profile of the grade A consumers that we are targeting. And because the anchor area is lower in area in Indore, cost of occupancy can actually be higher than what you may see for established centers like a Phoenix MarketCity in Bangalore or Pune or Chennai which are at about 13% - 14% rent to consumption.

Moderator: Thank you. The next question is from the line of Mohit Agrawal from IIFL Securities. Please go ahead.

Mohit Agrawal: My first question is, we talked about tier one malls. So just for your expansion in tier one metro cities, we have so far taken the greenfield route for constructing new malls, but for given the land availability issue, would you be open to or have you considered exploring the brownfield or acquiring existing malls and turning them around. And would your valuation expectations be very different when you are acquiring a brownfield mall, so, that's my first question.

Shishir Shrivastava: Yes, generally we look at greenfield developments, resulting in a stabilized yield. Let's say in the third year or fourth year of operation, we look at trying to be closer to 18%, 19% kind of yield on cost. So that's where we find the real value for us. Buying operational malls - the opportunities are very, very few because there aren't too many great malls that meet our specs for us to acquire. We are always open to acquiring brownfield assets. With brownfield assets also our experience with let's say Lucknow has been fantastic when we acquired it at a great price, and we were able to take it to completion in a very short span of time and make the mall operational. So, we are open to brownfield and greenfield is clearly what we do. Operating malls, as I mentioned, there aren't too many assets that we can look to buy, the ones which were available for sale have already been purchased by several of the funds, as you know the REITs. And the returns are very, very low. So that's really not our principal strategy.

Mohit Agrawal: Okay, understood that's clear. And secondly, on the commercial bid, you gave timelines on the completion. So, between Bangalore, Millennium Towers and Chennai, in the next six months we have almost roughly about 1.5 to 2 million square feet of space coming up. What is the leasing pipeline looking like in these assets?

Shishir Shrivastava: So, this is about 1.6 million square feet. We have started soft leasing at Asia Towers Bangalore, and we have there has been a lot of interest we have seen, despite North Bangalore being a slightly soft market we have seen a lot of inquiries and interest in this asset. We will see great traction as we get our OC in place in the coming months. At Pune Millennium Towers and Chennai, we have not yet started leasing, but we have started inviting potential leads and again, I would say there's a reasonably good inbound interest from a lot of tenants in both these markets.

Moderator: Thank you. As that was the last question. On behalf of The Phoenix Mills Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.