

Phoenix Mills | BUY

Consolidates ownership in key assets; Upgrade to BUY

Phoenix Mills (Phoenix) reported a decent 12% YoY consumption growth in 1QFY26 on the back of ramp-up in new assets (Bengaluru and Pune) which was complimented by consumption growth at the Lucknow, Indore and Ahmedabad malls. The consumption at the Market City portfolio was impacted by the strategic repositioning initiatives underway across its legacy portfolio at Bengaluru, Pune, Mumbai and Chennai. This strategic churn led to a lower trading occupancy of 85% (v/s 95% leased occupancy) and had a 5% impact on rental income. However, the company's decision to acquire CPPIB's stake in ISML platform would address the near term growth concerns. Phoenix will purchase the 49% stake held by CPPIB in ISML which owns 4 malls (along with 2.2msf of office assets) for c.INR 55bn. This would result in full ownership and higher profitability accruing to the company. This coupled with gradual improvement in the performance of the Market City portfolio will drive growth in near term. The recent correction in stock price provides a good entry point and we therefore upgrade the rating to BUY with a TP of INR 1,630.

- **Steady performance:** Revenues came in at INR 9.5bn (+ 5% YoY; -6% QoQ) while EBITDA was INR 5.6bn (+6% YoY; flat QoQ). Retail rentals came in at INR 5.1bn (+4% YoY, +5% QoQ) while EBITDA grew by 4% YoY to INR 5.3bn with a margin of 72%. Revenue from the office segment stood at INR 530mn (+4% YoY; -2% QoQ), with an EBITDA margin of 65% (+6 YoY; +3% QoQ).
- **Consumption impacted by strategic churn:** Retail consumption in 1QFY26 stood at c. INR 35.8bn (+12% YoY; +10% QoQ) led by Phoenix Palassio, the new malls - Phoenix Mall of the Millennium, Phoenix Mall of Asia, and the expanded Phoenix Palladium. The growth in mature malls especially the PMC portfolio across Mumbai, Pune, Bengaluru and Chennai was largely flattish (-3% to 4% YoY uptick) owing to strategic repositioning initiatives being implemented in these assets. This led to lower trading occupancy of 85% (v/s 95% leased occupancy) and had a 5% impact on rental income. Management highlighted that these measures would improve the brand mix (higher premiumization) and enable the company to extract higher throughput from these assets.
- **CPPIB to exit retail platform:** The company has announced that its Board has approved the proposal to purchase 49% stake held by CPPIB in the ISML (Island Star Mall Developers Limited) platform entity which owns 4 retail malls (4.4msf) namely PMC Bengaluru, Mall of Asia Bengaluru, Millennium Pune and Citadel Indore and 2.2msf office assets. The acquisition will be done at an equity value of INR 54bn to be paid in 3 tranches over 36 months. On stabilised income of office annuity assets in FY27E and adjusting for the value (our estimates of INR 10bn) ascribed to the under construction assets and FSI potential, the implied cap rate for this transaction works out to be ~8.0%.
- **Targeting to add 7msf of retail space by FY30E:** Management is implementing various densification and revamping initiatives at all the PMC malls and Phoenix Palladium to improve the brand mix and drive higher rentals. The PMC Bengaluru and Phoenix Palladium, Mumbai asset will witness addition of 170k and 350k sft of new area by



Sumit Kumar
sumit.kumar@jmfl.com | Tel.: (91 22) 66303089

Sourabh Gilda
sourabh.gilda@jmfl.com | Tel: (91 22) 66303114

Tushar Wankhede
tushar.wankhede@jmfl.com | Tel: (91 22) 62241795

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	HOLD
Current Price Target (12M)	1,630
Upside/(Downside)	12.6%
Previous Price Target	1,640
Change	-0.6%

Key Data – PHNX IN

Current Market Price	INR1,448
Market cap (bn)	INR517.7/US\$6.0
Free Float	58%
Shares in issue (mn)	357.5
Diluted share (mn)	357.5
3-mon avg daily val (mn)	INR1,338.0/US\$15.5
52-week range	1,968/1,338
Sensex/Nifty	82,184/25,062
INR/US\$	86.4

Price Performance

%	1M	6M	12M
Absolute	-9.6	-4.5	-18.8
Relative*	-9.0	-11.5	-20.9

* To the BSE Sensex

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	39,777	38,136	46,545	55,377	59,438
Sales Growth (%)	50.8	-4.1	22.1	19.0	7.3
EBITDA	21,768	21,612	26,017	31,277	36,842
EBITDA Margin (%)	54.7	56.7	55.9	56.5	62.0
Adjusted Net Profit	10,992	9,842	13,891	17,818	22,331
Diluted EPS (INR)	30.7	27.2	38.9	49.8	62.5
Diluted EPS Growth (%)	50.6	-11.6	43.0	28.3	25.3
ROIC (%)	10.8	9.5	10.7	12.3	13.3
ROE (%)	12.3	9.8	11.4	12.1	13.5
P/E (x)	47.1	53.3	37.3	29.1	23.2
P/B (x)	5.5	5.0	3.7	3.3	2.9
EV/EBITDA (x)	26.5	27.2	21.9	18.6	16.0
Dividend Yield (%)	0.3	0.1	0.2	0.2	0.2

Source: Company data, JM Financial. Note: Valuations as of 24/Jul/2025

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and

Please see Appendix I at the end of this report for Important Disclosures and

FY26E/FY27E respectively. These measures coupled with six upcoming malls will expand the retail portfolio by c.7msf by FY30E. The mall at Kolkata and Surat will be among the first ones to begin operations in CY27E/28E and remaining malls will be opened gradually till CY30E.

- **Upgrade to BUY with a TP of INR 1,630:** We have revised downwards our Revenue and EBITDA by 14%/21% for FY26E/27E as we rationalize our assumptions related to the revenue recognition of residential projects and ramp-up of new office assets. These changes do not materially impact our cash flow calculations (except for the office annuity income) and hence limited impact on TP. The impact of slower annuity ramp-up gets absorbed by the accretive impact of the CPPIB buyout transaction. The recent correction in stock price provides a good entry point and we therefore upgrade the rating to BUY with a TP of INR 1,630.

- **Earnings con-call highlights:**

- **Buyout of CPPIB stake in ISML:**

- Providing exit to CPPIB by purchasing their 59% stake; PML will pay INR 54bn in 4 tranches over 36 months. The management believed that there is significant untapped growth potential in the operating assets and large subsequent development potential
- The tranche payment structure is the key aspect which provides flexibility and would allow to the fund the committed expansion along with any other acquisition
- The payment will largely be done through accruals and debt head room in the Island star subsidiary
- Portfolio comprises 4.4msf retail and 2.2msf of completed assets; retail fully operational and office
- Ambitious expansion plan at PMC Bengaluru which will make it a world class integrated development ecosystem comprising office, retail and hotel blocks
- 1x Net debt/EBITDA at ISMDL with gross debt of INR 9bn and INR 6bn net debt
- Targeting 90% leasing at office assets in Asia tower and Millennium tower by end-FY26 v/s 6% done as of Jun'25
- PMC Bengaluru - launching 170,000 sqft "Gourmet Village" comprising 19 restaurants will be unveiled in 2026
- At Mall of Asia, Bengaluru company had strategically held 10% area to attract high end luxury brands
- Also developing 0.4msf office and 400 keys hotel
- The future potential includes - 1.2msf office, 300 keys hotel and 0.6msf retail
- In FY25, ISML platform had INR 6.2bn EBITDA across 4 malls
- The leasing of office assets will be another valuation reset trigger as leasing accelerates
- Despite staggered payment, the agreement is akin to a spot transaction and the EBITDA will be attributable to Phoenix from day 1. Use of cash flow will be exclusive to Phoenix
- There was no exit obligation on Phoenix and the decision was mutual
- The balance capex for the under development assets in ISML is INR 10bn
- INR 5.1bn free cash post interest and tax

- **Completion timeline of New malls:**

- Kolkata and Surat Mall - CY27E

- Thane phase 1 retail and Coimbatore - CY29E
- Chandigarh - CY30E
- HSP Mumbai - retail and office - end of CY26E/mid-CY27E
- Estimated capex of INR 12-13bn in FY26E
- **Churn impact of the Market City portfolio:**
 - Premiumization on all the legacy assets underway since there is lot of room to improve the tenant mix
 - This rebranding exercise has resulted in significant churn leading to 3% drop in rental income v/s base quarter
 - Demolished last part of retail block in Phoenix Palladium which contributed INR 450mn rental income in FY25, resulted in INR 120mn quarterly rent loss
 - The above mentioned initiatives have resulted in 5% impact on rental income for the quarter
- **On leasing of office assets**
 - Confident of seeing significant ramp up in 2 new office assets in Bengaluru and Pune
 - Leasing pipeline remains very strong. 60% leasing in Chennai office in the next 4 months and similar trend will unfold in Bengaluru and Pune

Exhibit 1. Financial snapshot

INR mn	1QFY26	1FY25	YoY (%)	4QFY25	QoQ (%)	FY25	FY26E	FY25-26E YoY (%)
Net Sales	9,530	9,041	5%	10,163	-6%	38,136	46,545	22%
Cost of Sales	1,005	919	9%	1,204	-17%	4,320	4,654	8%
Gross Margin (%)	89%	90%	-38bps	88%	131bps	89%	90%	133bps
Employee Expenses	962	886	9%	870	11%	3,627	4,189	16%
Other Expenses	1,920	1,926	0%	2,493	-23%	8,577	11,684	36%
EBITDA	5,643	5,310	6%	5,597	1%	21,612	26,017	20%
EBITDA Margin (%)	59.2%	58.7%	48bps	55.1%	415bps	56.7%	55.9%	-77bps
Depreciation	934	775	21%	902	4%	3,265	3,702	13%
Interest Costs	951	1,031	-8%	941	1%	4,032	4,762	18%
Other Income	315	383	-18%	451	-30%	1,509	844	-44%
Share of Associates	9	13	NM	12	NM	58	200	244%
PBT	4,081	3,900	5%	4,216	-3%	15,882	18,597	17%
Tax	873	747	17%	712	23%	2,936	3,413	16%
Exceptional items	0	-5	NM	-27	NM	127	0	-100%
Share of Minority	802	822	-2%	789	2%	3,231	1,292	-60%
PAT	2,407	2,325	4%	2,688	-10%	9,842	13,891	41%

Source: Company, JM Financial

Exhibit 2. New assets driving consumption growth

Consumption - INR mn	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
High Street Phoenix	5,463	5,450	6,190	5,140	5,340	5,130	6,440	5,400	5,770
Pune Market City	3,995	4,000	4,490	3,690	4,080	4,280	4,970	3,940	4,150
Kurla Market City	2,685	2,710	3,310	2,650	3,010	2,890	3,490	2,750	3,130
Bangalore Market City	4,746	4,610	5,150	4,200	4,540	4,590	5,300	4,120	4,390
Chennai Market City	3,634	3,760	3,860	3,390	3,730	3,860	3,990	3,430	3,810
Phoenix Palassio Lucknow	2,403	2,460	3,040	2,560	2,740	2,780	3,630	2,820	3,040
Phoenix United Lucknow	508	480	590	520	540	510	640	530	580
Phoenix United Bareilly	508	500	620	580	570	530	670	600	650
Phoenix Citadel	1,045	1,140	1,390	1,120	1,250	1,240	1,580	1,230	1,410
Palladium Ahmedabad	751	980	1,440	1,430	1,660	1,680	2,350	1,900	2,030
Phoenix Mall of the Millennium, Pune	NA	310	1,470	1,530	2,350	2,700	3,520	2,840	3,230
Phoenix Mall of Asia	NA	NA	1,410	1,520	2,360	2,600	3,460	2,920	3,690
Total Consumption (incl. Palassio)	25,738	26,400	32,960	28,330	32,170	32,790	40,040	32,480	35,880

Source: Company, JM Financial

Exhibit 3. Retail rental income grew by 4% YoY

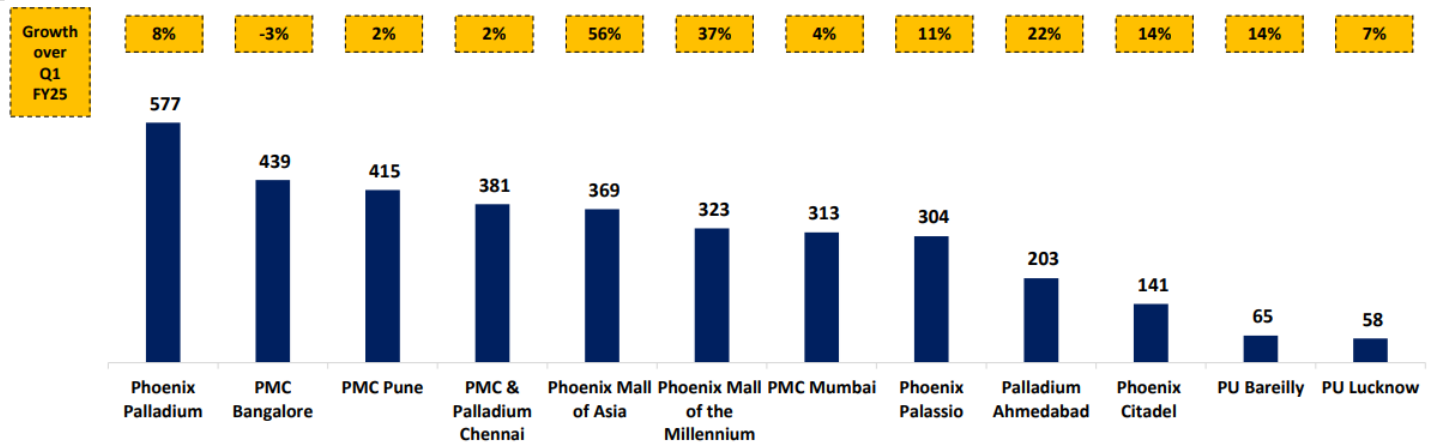
Name of Asset	Retail Rental Income (INR mn)		YoY growth (%)
	1QFY26	1QFY25	
Phoenix Palladium Mumbai*	1010	970	4%
Phoenix MarketCity Bangalore	480	510	-6%
Phoenix MarketCity Pune	540	530	0%
Phoenix MarketCity and Palladium Chennai	570	560	2%
Phoenix MarketCity Mumbai	450	440	2%
Phoenix Palassio Lucknow	360	340	5%
Phoenix United Lucknow	90	90	5%
Phoenix United Bareilly	70	60	12%
Phoenix Citadel Indore (operational from Dec-22)	250	230	9%
Palladium Ahmedabad (operational from Feb-23)	330	290	14%
Phoenix Mall of the Millennium Pune (operational from Sep-23)	430	380	15%
Phoenix Mall Asia Bangalore (operational from Oct-23)	480	480	0%
Grand Total	5,060	4,880	4%

Source: Company, JM Financial

Exhibit 4. Mall-wise EBITDA

Name of Asset	Retail EBITDA (INR mn)		YoY growth (%)
	1QFY26	1QFY25	
Phoenix Palladium Mumbai*	1,050	1,030	2%
Phoenix MarketCity Bangalore	510	560	-10%
Phoenix MarketCity Pune	600	580	3%
Phoenix MarketCity and Palladium Chennai	630	620	2%
Phoenix MarketCity Mumbai	480	480	1%
Phoenix Palassio Lucknow	390	370	4%
Phoenix United Lucknow	90	90	6%
Phoenix United Bareilly	70	60	11%
Phoenix Citadel Indore (operational from Dec-22)	270	230	17%
Palladium Ahmedabad (operational from Feb-23)	320	270	20%
Phoenix Mall of the Millennium Pune (operational from Sep-23)	450	340	31%
Phoenix Mall Asia Bangalore (operational from Oct-23)	490	510	-3%
Grand Total	5,350	5,140	4%

Source: Company, JM Financial

Exhibit 5. Consumption in 1QFY26 has grown 12% YoY

Source: Company, JM Financial

Commercial Portfolio

Exhibit 6. Strong leasing traction YTD

Project name	Location	Total Area (msf)	Area Leased (msf)	% area leased	Gross Rent * (psfpm)
Art Guild House	Mumbai	0.63	0.55	87%	122
Phoenix Paragon Plaza	Mumbai	0.31	0.19	62%	136
Fountainhead Towers	Pune	0.83	0.55	66%	98
Phoenix House	Mumbai	0.11	0.04	38%	185
The Centrium	Mumbai	0.11	0.06	59%	117
Total		1.99	1.33	67%	116

Source: Company, JM Financial

* Gross rent includes CAM and Property Tax

Exhibit 7. Strong leasing traction YTD

Operational Portfolio	Total income (INR mn)			EBITDA (INR mn)			EBITDA as a % of total income	
	1QFY26	1QFY25	Growth (%)	1QFY26	1QFY25	Growth (%)	1QFY26	1QFY25
Art Guild House	240	230	3%	160	160	2%	70%	71%
Phoenix Paragon Plaza	80	90	-9%	50	50	-9%	58%	57%
Fountainhead Towers	150	130	17%	110	90	29%	73%	66%
Phoenix House	20	20	-3%	Part of Phoenix Palladium			NA	NA
Centrium	30	30	-5%	20	20	1%	59%	55%
Total	520	500	4%	340	320	8%	65%	63%

Source: Company, JM Financial

Stake acquisition details

Exhibit 8. PML to increase stake in ISMDPL to 100%


Transaction structure	PML to consolidate 100% ownership in ISMDPL Structured buy out of CPP Investments' 49% stake
Consideration	c. INR 54.5bn, to be paid over 36 months in four tranches
Funding	Funded substantially from surplus cash + Internal accruals generated + Incremental debt at ISMDPL

Source: Company, JM Financial

Note:

1. Island Star Mall Developers Pvt Ltd & its wholly owned subsidiaries, collectively referred to as ISMDPL
2. Consolidation of the transaction may be undertaken either directly or through an affiliate
3. Payments will be made based on the actual transaction structure and execution

Exhibit 9. ISMDPL platform: Charting a strong growth path

ISMDPL	~1 msft				~13 msft
Segments	2017A	2025A	2027E	2030E	
Retail	~1 msft	~4.4 msft	~4.6 msft	~5.2 msft	
Offices	-	~2.2 msft	~2.6 msft	~3.7 msft	
Hotel	-	-	~400 keys	~1,000 keys*	
Balance FSI potential	-	-	-	~2.7 msft*	

Source: Company, JM Financial

*Hotel with ~400 keys under construction + Second hotel with ~300 Keys at Phoenix MarketCity Bangalore complex yet to commence construction + under-planning hotel with ~300 Keys at Phoenix Citadel complex
GLA and areas are an estimate based on current plans and market/company norms and are subject to change based on changes in development plans, tenant negotiations, regulatory and planning approvals, etc.

Exhibit 10. Tranche wise payments*^

Tranches	Amount (INR bn)
FY26: 1st Tranche (T^)	12.6
FY27: 2nd Tranche (T + 12 months)	13.7
FY28: 3rd Tranche (T + 24 months)	13.6
FY29: 4th Tranche (T + 36 months)	14.7
Total	54.5

Source: Company, JM Financial

* With an option to prepay

^ within 30 days from the date of receipt of all requisite approval

all payments subject to applicable laws and suitable adjustments, including for prepayment

Exhibit 11. Completed Offices of ~2.15msft to contribute to EBITDA Growth

Asset	Area (msft)	% Leased (as of Jun-25)	2026 Leased Occupancy
Phoenix Asia Towers	0.78	11%	90%
Millennium Towers	1.37	3%	90%
Total	2.15	6%	90%

Source: Company, JM Financial

Exhibit 12. Retail portfolio under ISML platform

Malls	Leasable area (msf)	leased occupancy (%)	balanced FSI potential (msf)
Phoenix Mall of Asia	1.2	91%	1.2
Phoenix Mall of the Millennium	1.2	91%	0.7
Phoenix Citadel (Retail)	1.0	93%	0.9
Phoenix MarketCity Bangalore	1.0	97%	3.4

Source: Company, JM Financial
As of FY25**Exhibit 13. Significant scope of expansion at PMC Bengaluru**

PMC Bengaluru	Phase 2	Phase 3
Retail (msf)	0.2	0.6
Office (msf)	0.4	1.2
Hotel (keys)	400	300

Source: Company, JM Financial

Annual Information and Estimates**Exhibit 14. Healthy consumption trends across assets**

Consumption (INR mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
HSP, Mumbai	17,102	8,098	10,185	21,348	22,240	22,300	24,914	27,613	29,006
PMC Kurla	9,790	3,769	4,593	10,255	11,360	12,150	12,758	13,778	14,880
PMC Pune	12,592	5,206	7,461	15,368	16,180	17,270	18,326	20,209	21,826
PMC Bangalore	13,140	6,726	10,426	17,958	18,710	18,540	20,255	24,131	27,568
PMC Chennai	11,538	4,170	8,240	13,349	14,640	15,010	16,099	17,589	18,644
PMC Bangalore Hebbal	-	-	-	-	2,930	11,340	15,340	17,920	19,712
PMC Pune Wakad	-	-	-	-	3,310	11,410	14,086	15,777	17,354
PMC Indore	-	-	-	793	4,690	5,300	6,238	7,324	8,203
PMC Lucknow	-	2,896	5,903	9,081	10,470	12,020	12,982	14,020	15,142
PMC Ahmedabad	-	-	-	230	4,600	7,600	8,540	9,592	10,359
United Lucknow	3,113	1,387	1,832	2,161	2,100	2,210	2,444	2,795	3,186
United Bareilly	2,033	1,049	1,469	1,942	2,210	2,370	2,530	2,893	3,298
Phoenix Kolkata	-	-	-	-	-	-	-	3,600	11,424
Phoenix Surat mall	-	-	-	-	-	-	-	-	1,224
Total	70,451	33,301	50,109	92,485	1,13,440	1,37,520	1,54,512	1,77,241	2,01,827

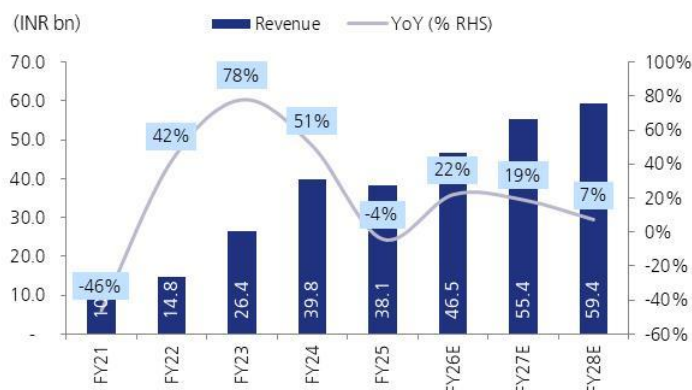
Source: Company, JM Financial

Exhibit 15. New assets to drive rental growth

Rentals (INR mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
HSP	3,486	1,962	2,219	3,818	3,830	3,940	4,235	4,832	5,221
PMC Kurla	1,270	615	808	1,470	1,650	1,790	1,914	2,067	2,232
PMC Pune	1,667	848	1,171	1,970	2,110	2,180	2,382	2,678	2,947
PMC Bangalore	1,426	779	1,221	1,912	2,010	2,060	2,228	2,715	3,170
PMC Chennai	1,809	782	1,306	1,930	2,120	2,250	2,415	2,638	2,797
PMC Bangalore Hebbal	-	-	-	-	560	1,660	2,301	2,688	2,957
PMC Pune Wakad	-	-	-	-	650	1,490	2,113	2,445	2,690
PMC Indore	-	-	-	191	915	890	998	1,099	1,230
PMC Lucknow	-	321	803	1,200	1,330	1,430	1,688	1,823	1,968
PMC Ahmedabad	-	-	-	29	850	1,220	1,366	1,439	1,554
United Lucknow	318	181	246	364	340	340	391	447	510
United Bareilly	224	145	193	241	254	260	304	347	396
Phoenix Kolkata	-	-	-	-	-	-	-	540	1,714
Phoenix Surat mall	-	-	-	-	-	-	-	-	184
Total	10,464	5,633	7,967	13,125	16,619	19,510	22,335	25,758	29,569

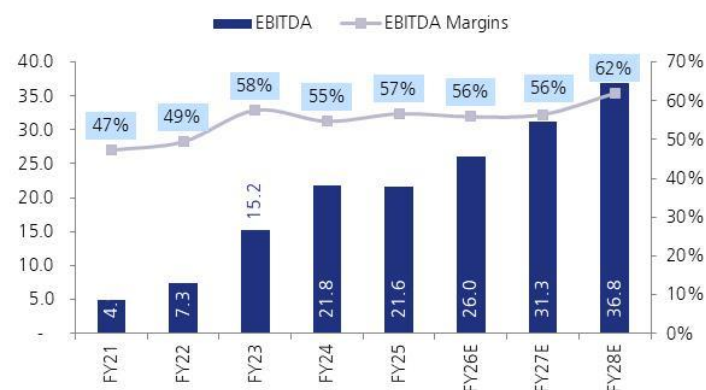
Source: Company, JM Financial

Exhibit 16. Revenue to increase on addition of new malls



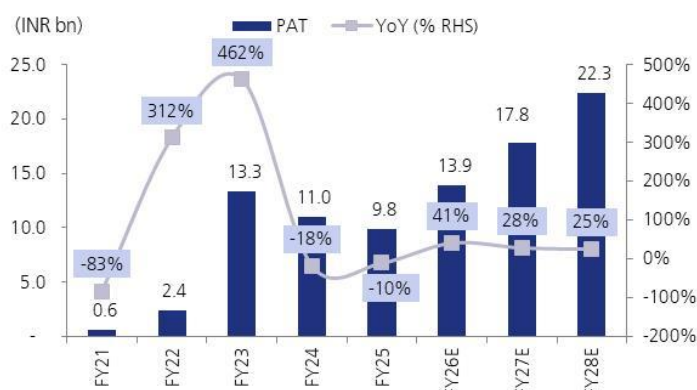
Source: Company, JM Financial

Exhibit 17. EBITDA to grow significantly



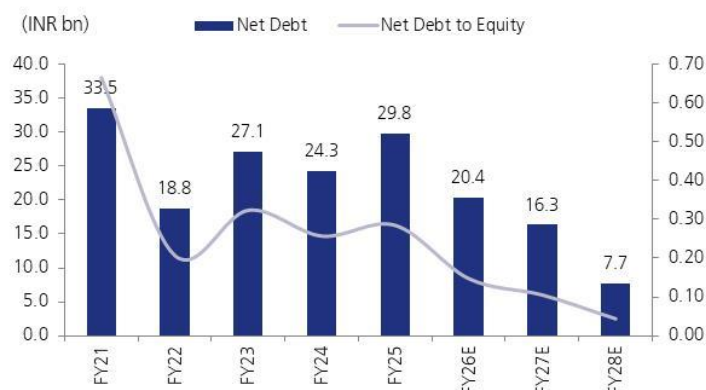
Source: Company, JM Financial

Exhibit 18. PAT moves in tandem with EBITDA



Source: Company, JM Financial

Exhibit 19. Leverage on balance sheet remains comfortable



Source: Company, JM Financial

Exhibit 20. Change in Estimates

TP	1,630			TP	1,640			TP	-1%		
Current	FY26	FY27	FY28	Old	FY26	FY27	FY28	Differences	FY26	FY27	FY28
Revenue	46,545	55,377	59,438	Revenue	53,942	69,254	-	Revenue	-13.7%	-20%	n/a
EBITDA	26,017	31,277	36,842	EBITDA	28,524	39,158	-	EBITDA	-8.8%	-20%	n/a
EBITDA Margin	55.9%	56.5%	62.0%	EBITDA Margin	52.9%	56.5%	-	EBITDA Margin	302bps	-6bps	n/a
PAT	13,891	17,818	22,331	PAT	14,135	22,834	-	PAT	-2%	-22%	n/a

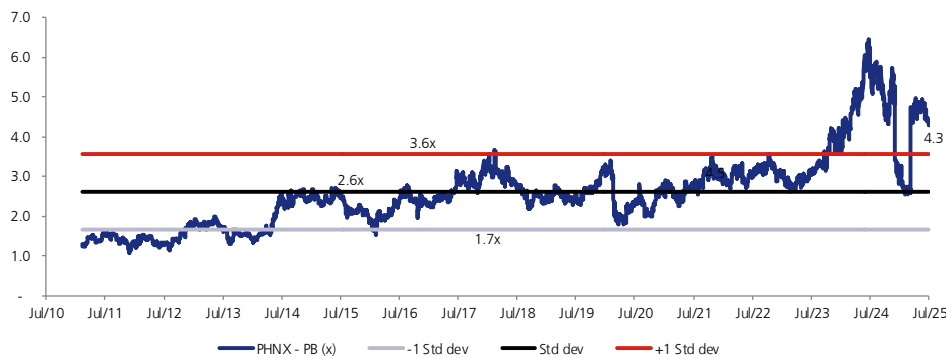
Source: JM Financial

Exhibit 21. SOTP-based TP of INR 1,630

Particulars (INR mn)	PML Value	INR/sh	% of NAV
Malls	478,298	1,338	82%
Office	55,883	156	10%
Hotel	51,234	143	9%
Residential	11,435	32	2%
New BD	23,246	65	4%
GAV	620,096	1,734	106%
Net debt	-37,948	-106	-7%
NAV	582,148	1,630	100%

Source: Company, JM Financial

Exhibit 22. Phoenix Mills stock is currently trading at 4x P/B



Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	39,777	38,136	46,545	55,377	59,438
Sales Growth	50.8%	-4.1%	22.1%	19.0%	7.3%
Other Operating Income	0	0	0	0	0
Total Revenue	39,777	38,136	46,545	55,377	59,438
Cost of Goods Sold/Op. Exp	6,830	4,320	4,654	5,538	5,944
Personnel Cost	2,989	3,627	4,189	4,984	5,349
Other Expenses	8,189	8,577	11,684	13,578	11,303
EBITDA	21,768	21,612	26,017	31,277	36,842
EBITDA Margin	54.7%	56.7%	55.9%	56.5%	62.0%
EBITDA Growth	43.3%	-0.7%	20.4%	20.2%	17.8%
Depn. & Amort.	2,702	3,265	3,702	3,993	5,033
EBIT	19,066	18,347	22,316	27,284	31,809
Other Income	1,322	1,509	844	1,662	2,365
Finance Cost	3,959	4,032	4,762	5,570	5,169
PBT before Excep. & Forex	16,429	15,823	18,397	23,376	29,005
Excep. & Forex Inc./Loss(-)	0	127	0	0	0
PBT	16,429	15,951	18,397	23,376	29,005
Taxes	3,166	2,936	3,413	4,337	5,381
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	2,400	3,289	1,492	1,622	1,693
Reported Net Profit	10,992	9,842	13,891	17,818	22,331
Adjusted Net Profit	10,992	9,842	13,891	17,818	22,331
Net Margin	27.6%	25.5%	29.8%	32.2%	37.6%
Diluted Share Cap. (mn)	357.5	357.5	357.5	357.5	357.5
Diluted EPS (INR)	30.7	27.2	38.9	49.8	62.5
Diluted EPS Growth	50.6%	-11.6%	43.0%	28.3%	25.3%
Total Dividend + Tax	1,788	715	1,073	1,073	1,073
Dividend Per Share (INR)	5.0	2.0	3.0	3.0	3.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	16,493	15,882	18,597	23,576	29,205
Depn. & Amort.	2,702	3,265	3,702	3,993	5,033
Net Interest Exp. / Inc. (-)	3,459	3,580	3,919	3,908	2,804
Inc (-) / Dec in WCap.	2,951	2,191	1,917	-7,322	-4,173
Others	-821	-1,233	-200	-200	-200
Taxes Paid	-3,168	-2,849	-3,413	-4,337	-5,381
Operating Cash Flow	21,617	20,836	24,521	19,618	27,288
Capex	-16,736	-26,173	-10,357	-10,785	-15,002
Free Cash Flow	4,881	-5,337	14,165	8,833	12,286
Inc (-) / Dec in Investments	0	0	12,570	13,700	13,580
Others	-1,855	4,552	-24,789	-26,255	-25,338
Investing Cash Flow	-18,591	-21,621	-22,576	-23,339	-26,760
Inc / Dec (-) in Capital	56	53	0	0	0
Dividend + Tax thereon	-896	-895	-1,073	-1,073	-1,073
Inc / Dec (-) in Loans	1,654	1,571	7,000	10,000	7,000
Others	-1,933	-2,269	-4,762	-5,570	-5,169
Financing Cash Flow	-1,119	-1,540	1,165	3,357	758
Inc / Dec (-) in Cash	1,907	-2,325	3,111	-364	1,287
Opening Cash Balance	2,646	4,552	2,227	5,338	4,974
Closing Cash Balance	4,552	2,227	5,338	4,974	6,261

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	94,577	104,481	138,300	155,045	176,304
Share Capital	357	715	715	715	715
Reserves & Surplus	94,220	103,766	137,585	154,330	175,589
Preference Share Capital	0	0	0	0	0
Minority Interest	29,297	34,046	14,338	15,760	17,253
Total Loans	46,119	46,631	53,631	63,631	70,631
Def. Tax Liab. / Assets (-)	0	0	0	0	0
Total - Equity & Liab.	169,994	185,158	206,269	234,436	264,188
Net Fixed Assets	139,936	170,175	176,831	183,622	193,591
Gross Fixed Assets	148,233	165,343	178,842	192,455	210,003
Intangible Assets	79	79	79	79	79
Less: Depn. & Amort.	23,408	26,673	30,375	34,368	39,401
Capital WIP	15,033	31,428	28,285	25,456	22,911
Investments	17,253	14,647	27,910	42,327	56,650
Current Assets	35,644	30,490	33,977	40,568	43,494
Inventories	7,817	7,739	7,239	6,739	6,239
Sundry Debtors	2,700	2,302	2,550	3,034	3,257
Cash & Bank Balances	4,552	2,227	5,338	4,974	6,261
Loans & Advances	647	180	180	180	651
Other Current Assets	19,927	18,042	18,669	25,640	27,087
Current Liab. & Prov.	22,840	30,155	32,447	32,080	29,548
Current Liabilities	2,051	2,032	2,480	2,951	3,167
Provisions & Others	20,788	28,123	29,967	29,130	26,381
Net Current Assets	12,805	336	1,529	8,488	13,947
Total - Assets	169,994	185,158	206,270	234,436	264,188

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	27.6%	25.5%	29.8%	32.2%	37.6%
Asset Turnover (x)	0.2	0.2	0.2	0.3	0.2
Leverage Factor (x)	1.8	1.8	1.6	1.5	1.5
RoE	12.3%	9.8%	11.4%	12.1%	13.5%

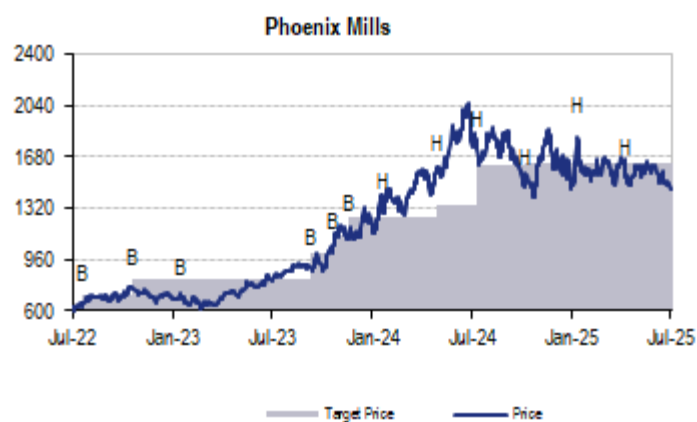
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	264.5	292.2	386.8	433.7	493.1
ROIC	10.8%	9.5%	10.7%	12.3%	13.3%
ROE	12.3%	9.8%	11.4%	12.1%	13.5%
Net Debt/Equity (x)	0.3	0.3	0.3	0.3	0.3
P/E (x)	47.1	53.3	37.3	29.1	23.2
P/B (x)	5.5	5.0	3.7	3.3	2.9
EV/EBITDA (x)	26.5	27.2	21.9	18.6	16.0
EV/Sales (x)	14.5	15.4	12.3	10.5	9.9
Debtor days	25	22	20	20	20
Inventory days	72	74	57	44	38
Creditor days	42	45	44	45	51

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
27-Aug-20	Buy	385	
16-Nov-20	Buy	380	-1.3
14-Feb-21	Buy	460	21.1
30-May-21	Buy	455	-1.1
9-Aug-21	Buy	478	4.9
3-Nov-21	Buy	603	26.2
9-Feb-22	Buy	603	0.0
27-May-22	Buy	655	8.7
12-Aug-22	Buy	710	8.4
10-Nov-22	Buy	823	15.8
8-Feb-23	Buy	823	0.0
4-Oct-23	Buy	1,005	22.2
11-Nov-23	Buy	1,135	12.9
13-Dec-23	Buy	1,260	11.0
14-Feb-24	Hold	1,255	-0.4
20-May-24	Hold	1,340	6.8
2-Aug-24	Hold	1,620	20.9
28-Oct-24	Hold	1,630	0.6
3-Feb-25	Hold	1,630	0.0
2-May-25	Hold	1,640	0.6

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Chenergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: sahil.salastekar@jmfl.com

Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 27th Floor, Office No. 2715, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.