



THE PHOENIX
MILLS LIMITED



CSA
ADVISOR

PROTECTING | INVESTING | FINANCING | ADVISING

Research Report

Phoenix Mills Limited



Prepared By-

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About

Phoenix Mills Ltd is engaged in the operation & management of malls, construction of commercial & residential property and hotel business in India. India's leading retail mall developer and operator with approximately 0.64 million square meters of retail space spread across 9 malls in 6 gateway cities of India. It has developed over 2.11 million square meters. The Phoenix Mills Ltd has carved a niche for itself in the Indian real estate sector, be it mega retail malls, entertainment complexes, commercial spaces or hospitality units. Its operations span across most aspects of real estate development; planning, execution, marketing, management, maintenance & sales.

Key Segments

- Property & Related Services - 81%
- Hospitality Services - 19%

Synopsis of Financials

- Q2 FY25 consolidated operating revenue reached ₹918 crores, a 5% YoY increase.
- EBITDA for Q2 FY25 stood at ₹518 crores, up 2% YoY.
- Excluding the residential business, operating revenue grew by 22% to ₹870 crores; EBITDA increased by 19% to ₹502 crores.
- H1 FY25 adjusted operating revenues reached ₹1,742 crores, up 23%, with EBITDA at a historic high of ₹1,027 crores, up 20% YoY.

Stock data (as 5th November 2024)

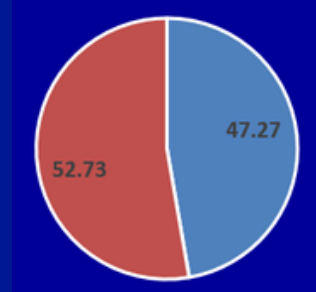
Nifty Price	: 24,766.25
52 week High (in Rs.)	: 2,068
52 week Low (in Rs.)	: 995
Market Cap. (in Crore)	: 54,655
NSE Code	: <u>PHOENIXLTD</u>

Stock data



-NIFTY50
-Phoenixltd

Shareholding Pattern (March 2024)



-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particulars	March 2024	March 2023	March 2022
Sales	3,972	2,616	1,460
Sales Growth %	52%	79%	40%
Expenses	1,790	1,096	725
Operating Profit	2,182	1,519	735
OPM %	55%	58%	50%
Net Profit	1,333	1,478	268
EPS in Rs	30.76	37.37	6.65

Quarterly Results

Particular	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Sales	729	811	875	986	1,306	904	918
Expenses	298	318	369	434	679	373	400
Operating Profit	431	492	506	552	627	531	518
OPM %	59%	61%	58%	56%	48%	59%	56%
Other Income	74	29	32	34	37	38	37
Interest	97	96	96	104	100	103	103
Depreciation	65	63	66	66	76	77	78
Profit before tax	343	363	375	416	489	388	374
Tax %	14%	20%	19%	17%	20%	19%	22%
Net Profit	292	291	305	345	392	315	292

Source: Screener

Key Ratios

S No.	Ratio	Formula	Ratio as on 31 March 2024	Ratio as on 31 March 2023	Variation (%)	Reason (If variation is more than 25%)
(a)	Current Ratio	Current Assets / Current Liabilities	1.98	1.41	40.20	Due to increase in current investment and decrease in borrowings
(b)	Debt-Equity Ratio	Total Debt/ Shareholder's Equity	0.14	0.13	5.65	Not Applicable
(c)	Debt Service Coverage Ratio	Earning available for debt Service / Debt Service	2.52	2.23	13.18	Not Applicable
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend / Average Shareholder's Equity	5.65	6.14	(7.89)	Not Applicable
(e)	Inventory Turnover Ratio	Cost of Goods Sold OR Sales / Average Inventory	NA	NA	NA	Not Applicable
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	16.45	12.74	29.11	Due to decrease in average trade receivable

Source: Annual Report

Yearly Results

Particulars	March 2024	March 2023	March 2022
Equity Capital	36	36	36
Reserves	9,422	8,344	6,547
Borrowings	4,639	4,259	3,982
Other Liabilities	5,051	4,787	3,765
Total Liabilities	19,148	17,426	14,330
Fixed Assets	13,137	10,964	7,508
CWIP	1,503	2,295	2,049
Investments	1,725	1,282	2,317
Other Assets	2,782	2,884	2,456
Total Assets	19,148	17,426	14,330

Synopsis Quater Results

Con-Call Aug FY'24: Key Highlights

Retail Portfolio:

- Retailer sales for Q2 FY25 reached ₹3,279 crores, marking a 24% YoY increase.
- Like-to-like consumption growth for Q2 FY25 was 5%, excluding new malls.
- Retail rentals grew by 22% to ₹474 crores, with retail EBITDA also increasing by 22% to ₹495 crores.
- For H1 FY25, retailer sales were ₹6,496 crores, up 25% YoY; retail EBITDA was ₹1,010 crores, up 27% YoY.
- Jewelry category saw the highest growth at 33% YoY; FEC & Multiplex declined by 15%.

Occupancy Highlights:

- Leased occupancy across major malls was about 97%, with trading occupancy at 92%.
- Phoenix Mall of the Millennium reached 87%, while Phoenix Mall of Asia recorded 78% trading occupancy.

Future Plans:

- Focus on enhancing existing mall performance through management and customer service.
- Retail block at Phoenix Palladium, Lower Parel is under fit-out, expected to operationalize 250,000 sq. ft. by end of 2024.
- Approximately 3 million sq. ft. of retail space under development, slated for completion by 2027.

Commercial Offices:

- Occupancy across operational office assets in Mumbai and Pune stood at 70%.
- Q2 FY25 income from commercial offices grew by 19% to ₹54 crores; EBITDA increased by 31% to ₹34 crores.

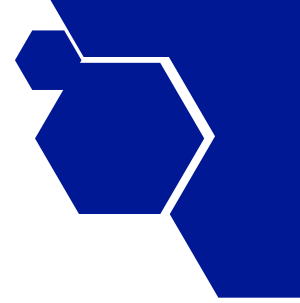
Hospitality Portfolio:

- The St. Regis, Mumbai, occupancy improved to 85% with a 15% growth in average room rates.

Residential Business:

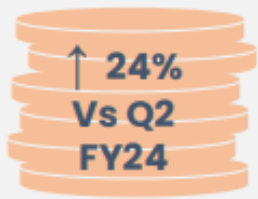
- Residential segment achieved gross sales of ₹78 crores and collections of ₹125 crores in H1 FY25.
- Average sales price across residential assets is approximately ₹26,000

Revenue Highlights

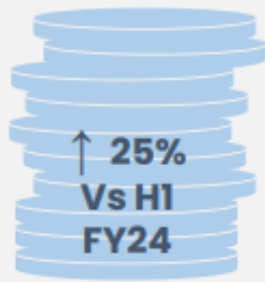


Q2 FY25 and H1 FY25 Consumption

Q2 FY25
~Rs. 3,279 Cr



H1 FY24
~Rs. 6,496 Cr



Consumption Growth Components

5% 24%



Q2 FY25

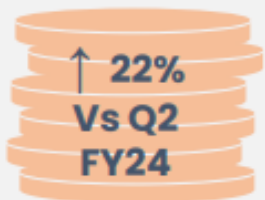
6% 25%



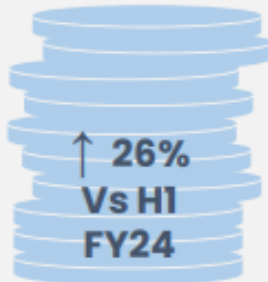
H1 FY25

Q2 FY25 and H1 FY25 Rentals

Q2 FY25
Rs. 474 Cr



H1 FY25
Rs. 958 Cr



Rental Growth Components

5% 22%



Q2 FY25

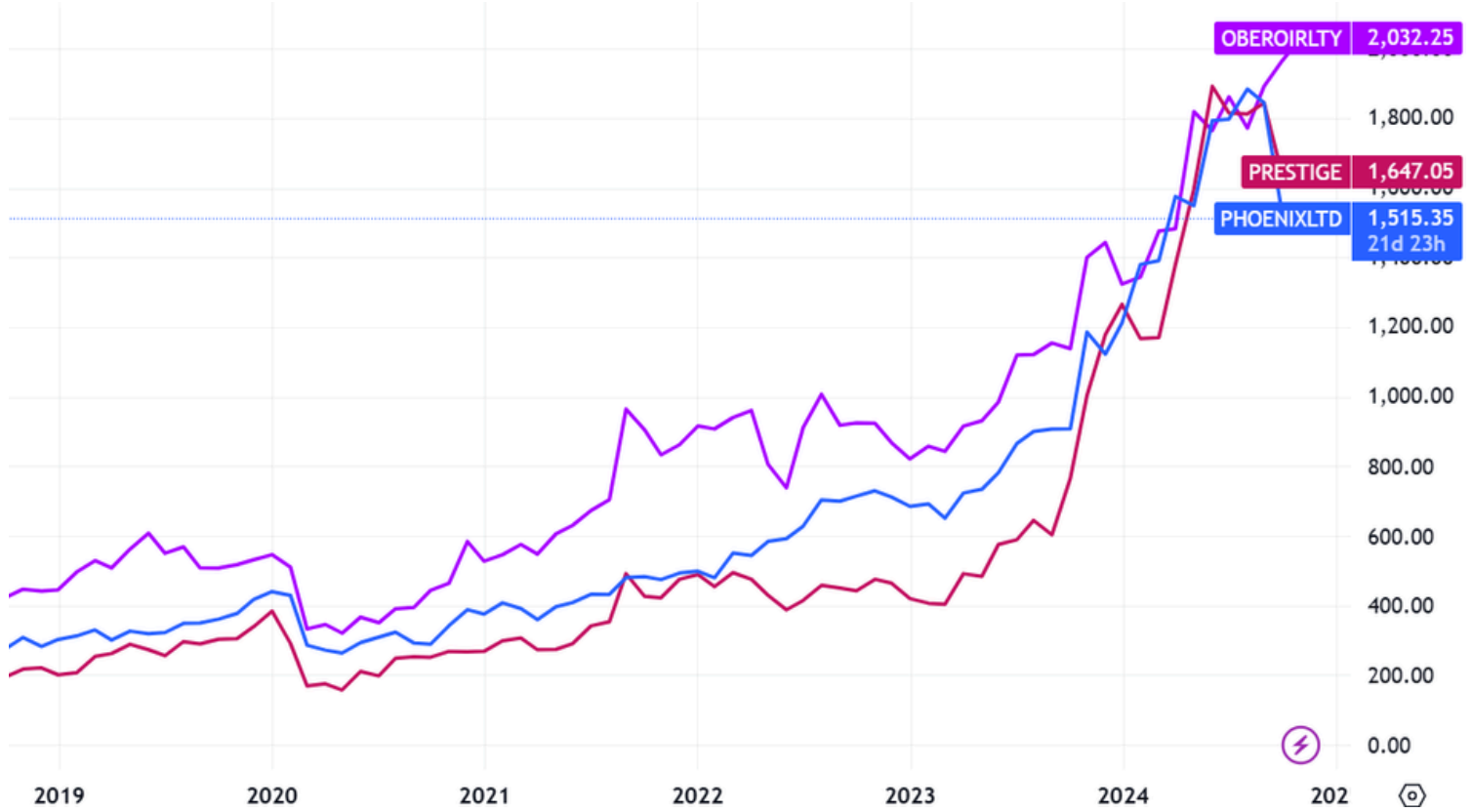
6% 26%



H1 FY25

Peer Comparison

Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
Oberoi Realty	2071.85	32.48	75332.93	0.40	589.44	29.05	1319.89	8.42	15.24
Prestige Estates	1655.95	104.74	71326.71	0.11	234.60	-77.41	2304.40	3.04	14.86
Phoenix Mills	1528.85	51.70	54654.83	0.17	292.16	-13.66	917.97	4.91	12.44
Brigade Enterpr.	1185.00	63.62	28940.60	0.17	80.53	267.88	1077.72	64.80	12.66

Source: Screener

Final Outlook

PHOENIXLTD: BUY | LTP: 1,529

According to the IMF's World Economic Outlook from April 2024, global economic growth for 2024 and 2025 is projected to stabilise at around 3.2 percent. The IMF's World Economic Outlook for April 2024 forecasts a robust growth trajectory for India, with projected growth rates of 6.8% in 2024 and 6.5% in 2025 (based on calendar year). The Indian real estate market is valued at around USD 300 billion, with a composition of 80% residential and 20% commercial segments. Company FY2024 Consumption of retail portfolio reached an all-time-high of ` 11,344 crores in FY24, with a growth of 23% compared to FY23.. Total income from commercial offices increased by 12% to ` 190 crores in FY2024 vs. 170 crores in FY2023 and Asset EBITDA improved by 13% to ` 110 crores in FY2024 vs. ` 98 crores in FY2023. EBITDA Margins remained stable at 58%. TPML through its wholly owned subsidiary, Sparkle Two Mall Developers Private Limited acquired a prime land parcel located at the Majiwada Junction in Thane and TPML through its wholly owned subsidiary, Sparkle Two Mall Developers Private Limited acquired a prime land parcel located at the Majiwada Junction in Thane. Financial Overview of company are Income from Operations increased to ` 3,978 crore in FY2024, marking a 51% growth from FY2023. From a standalone perspective operating revenue stood at ` 466 Crore in FY2024, with a marginal decline of -2% over FY 2023. The consolidated EBITDA is ` 2,177 Crore in FY2024, reflecting a 43% growth over FY2023 and standalone basis, the EBITDA is 312 Crore, showing a marginal decline of 3% compared to FY2023. However, EBITDA margins have declined marginally by 300 basis points on the consolidated front. Current ratio is 1.5* in 2024 but Debt Equity ratio & Operating profit margin falls (-3%) and also Net profit margin falls from -22% . According to my perspective the stock of company shows a rise in their value and financials numbers of company also improve but negative net profit which is huge -22% is caution for company from above the information and company recent stock performance giving mix signal . my opinion is to hold the stock for sometime until it gain its momentum.

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