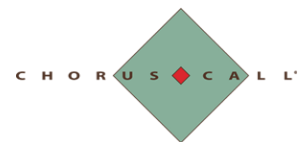




“Nexus Select Trust

Q3 FY 2026 Earnings Conference Call”

February 02, 2026



MANAGEMENT:

Mr. Dalip Sehgal – Executive Director & Chief Executive Officer

Mr. Pratik Dantara – Chief Investor Relations Officer and Head Strategy

Mr. Rajesh Deo – Chief Financial Officer

Mr. Jayen Naik – President Operations

Mr. Nirzar Jain – President Leasing

Moderator: Ladies and gentlemen, good day and welcome to the Earnings Conference Call of Nexus Select Trust for Q3 FY 2026.

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 star and then zero on your touch-tone phone.

I now hand the conference over to Mr. Pratik Dantara – Chief Investor Relations Officer and Head Strategy from Nexus Select Trust. Thank you and over to you, sir.

Pratik Dantara: Thank you. Good evening, everyone, and thank you for joining the Earnings Conference Call of Nexus Select Trust for the quarter ended December 2025.

Before we proceed, I'd like to highlight that the management may make certain statements that may constitute forward-looking statements. Please be advised that our actual results may differ materially from these statements.

Nexus Select Trust does not guarantee these statements or results and is not obligated to update them at any point of time. Specifically, any financial guidance and pro forma information that we share on this call are management estimates based on certain assumptions and have not been subjected to audit review examination procedures. You are cautioned not to place undue reliance on such information and there can be no assurance that we will be able to achieve the same.

Joining me today on the call are Dalip Sehgal – Executive Director and CEO, Rajesh Deo – CFO, Jayen Naik – President (Operations), and Nirzar Jain – President (Leasing).

We will start off with brief remarks on our business and financial performance and then open the floor for questions. Over to you, Dalip.

Dalip Sehgal: Thank you, Pratik. Good evening, everyone. It's my pleasure to welcome you to the Earnings Conference Call for Q3 FY 2026 for Nexus Select Trust, India's first listed retail REIT.

We are pleased to report another robust financial quarter, marked by 15% year-on-year Retail NOI growth. On the back of this strong performance, we are announcing a distribution of INR 359 crores, translating to INR 2.367 per unit. This marks our highest ever quarterly distribution since listing, underscoring the robustness and consistency of our cash flow generation.

Cumulatively for the year, we have distributed INR 1,029 crores, which is INR 6.795 per unit, achieving 75% of our full-year guidance. We remain firmly on track to achieve our FY 26 NOI and distribution guidance.

Turning to the performance of our recently acquired assets:

- Vega City continued its strong momentum during the quarter, delivering 14% year-on-year tenant sales growth with 11% year-on-year footfall growth. Just to remind you, when we acquired the asset, the consumption growth was negative 10%. So, from minus 10%, it's gone up to plus 14%.

- MBD Neopolis witnessed a sustained rebound in footfalls, driving robust year-on-year tenant sales growth of 15% during the quarter. So, i think our playbook of buying the assets and then turning them around continues to be strong.

On the consumption front, we continue to witness strong momentum in Q3 FY 26 with 16% year-on-year growth. This is on the back of 12% growth in Q1 and 16% growth in Q2. During the quarter, the growth was broad-based driven by targeted marketing campaigns and robust consumer demand.

Now, let me walk you through some of the category-wise trends:

1. Fashion, which constitutes approximately 50% of our overall consumption, has continued its strong performance, marking the second consecutive quarter of robust growth. So, we are seeing a reversal in trend as far as fashion is concerned, which at one point in time was a bit of a laggard.
2. Family Entertainment Centres, including multiplexes, sustained healthy momentum, aided by blockbuster titles like Dhurandhar, Kantara 2, Avatar, and others. We remain optimistic about this segment, given a very strong slate of upcoming releases in the current quarter as well.
3. Jewellery, which constitutes approximately 7% of our overall consumption, continued to see very strong sales growth of 57% year-on-year.

The sales growth momentum has continued into January 2026, indicating sustained demand across categories.

Let me now walk you through leasing and marketing performance:

On the leasing, we continue to see very strong demand from both international and domestic brands. Supported by this robust demand, we released approximately 2 lakh square feet during the quarter at 20% spreads.

Over the past nine months, out of the total 8 lakh square feet area released, we have strategically churned approximately 3 lakh square feet of space ahead of expiry, achieving healthy spreads, reflecting proactive asset management.

During the quarter:

- Foot Locker opened its first flagship store in South India at Nexus, Koramangala, further reinforcing our position as the preferred destination of choice for international brands entering India.
- We curated a high-end jewellery zone at Nexus Elante, spanning over 30,000 square feet on the lower ground floor, housing 10+ marquee brands including Tanishq, Indriya, Malabar, CaratLane and Forevermark. Forevermark would be the first store in that market.

We are planning to replicate similar category-specific zones across other malls, with a strategic focus on premiumising our brand mix and improving the quality of footfalls.

From a marketing perspective, we introduced 25 immersive ticketed experiences across our malls during the quarter, driving strong engagement and augmenting footfalls.

Our NexusONE app now has over 8 lakh users and remains among India's top performing mall apps. The app is now live across 17 malls, including seamless onboarding of Nexus Vega City and Nexus MBD Neopolis.

Coming to our robust balance sheet, during the quarter we raised INR 700 crores, anchored by IFC. We are first in the industry to raise a 10-year sustainability-linked bond with a floating rate of INR 200 crores. This is expected to result in an annualized savings of INR 6 crores.

Since listing, our proactive debt management has resulted in approximately 120 basis points reduction in debt costs. In addition, I am also pleased to report that our average outstanding receivables remain at a historic low of approximately three days, reflecting strong operational discipline and tenant relationships.

Now, let me walk you through our recent acquisition in Chandigarh and our future pipeline.

We are delighted to have successfully completed a strategic bolt-on acquisition of 60,000 square feet of prime retail space within the Nexus Elante complex. This will enable activation of high-street frontage within the courtyard and we expect to lease this space with couture brands, the best in the country. We intend to selectively replicate this acquisition-led expansion strategy across our portfolio, where similar opportunities exist.

Coming to the acquisition pipeline, we have a robust pipeline of 11 assets across India, with 4 assets under due-diligence. Supported by a strong balance sheet, low leverage and close to USD 1 billion of debt headroom, we are very well positioned to execute the next phase of our inorganic growth strategy.

On sustainability, Nexus continues to lead the sector. We have been recognized as a “Regional Sector Leader – Retail, Asia” by GRESB. Under our Lakes of Happiness initiative, we have now rejuvenated 10 lakes and are targeting a total of 15 lakes restoration by 2026.

During the quarter, we also launched Aarunya, an education programme for frontline staff in strategic collaboration with Medhavi Skills University, India's first higher education programme in mall management, reinforcing our leadership and long-term talent vision.

Before concluding, I would like to share that “Nexus has been certified as a great place to work for the sixth consecutive year”. I would like to thank my fellow colleagues and all the employees of Nexus for this achievement.

Lastly, summarizing our quarter performance:

1. Consumption momentum remained strong with double-digit growth, and we expect this to sustain in the coming months.
2. Our inorganic growth strategy remains firmly on track, supported by a strong acquisition pipeline and a playbook that allows us to turn around assets in pretty quick time.
3. Leasing demand continues to be robust across categories and geographies.
4. Retail NOI grew 15% year-on-year in Q3 FY 26 and we remain on track to meet our full year guidance.

5. We declared our 10th consecutive 100% payout distribution; with total payout since listing approximately INR 22 per unit with over 80% total returns. We remain on track to achieve our full year NDCF guidance.

With this, let's now move on to the Q&A.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from Mohit Agrawal from IIFL.

Mohit Agrawal: My first question is on the consumption numbers. So, you have mentioned 9% like-for-like growth. What would that translate into rental growth? So, 15% is the reported number for retail NOI growth. What would be the like-for-like rental growth? Considering that jewellery category has grown 57% in the quarter, so that becomes important to understand.

Pratik Dantara: Mohit, the retail NOI growth is about 9% like-for-like versus reported of 15% and rental growth broadly replicates these numbers.

Mohit Agrawal: Perfect. My next question is, Dalip sir, in your opening remarks, you mentioned that the growth has been broad-based and led by marketing campaigns. I did not find the mention of the entire GST cuts which have happened. So, it is fair to say that at your price points, at your segments, it does not matter much?

And secondly, what segments would you still consider are a laggard? Would fashion at 6% LFL be among the weakest within your consumption basket?

Dalip Sehgal: I think you have asked two different questions. One is the impact of the GST reduction. Our sense overall is that there is a positive impact. It is a bit difficult to assess the impact category wise.

As far as our mass market categories are concerned, especially fashion and footwear. We have definitely seen some positive impact, but it is very difficult to quantify this at the moment.

On your second question, which categories are lagging and which are performing well, while fashion at 6% may appear to be a laggard, it is important to note that over the last four to five quarters, fashion growth was either flat or in low single digits. In that context, 6% represents a meaningful improvement.

Will it get better as we go forward? My answer is yes, primarily because the inventory overhang that was there a couple of quarters back is now over. Number two, I think the whole supply chain, which did take a bit of a hit, has now stabilized, both for footwear as well as for fashion.

The categories which are still doing very well is jewellery doing extremely well. The other is Beauty. I think beauty has once again performed extremely well. Most brands in our malls have performed well, largely driven by the relatively low penetration of personal care and beauty among consumers, which suggests significant growth potential for this category going forward.

Entertainment has also performed reasonably well this quarter thanks to the blockbuster movies like Dhurandhar and Kantara 2. Overall, the growth this quarter has been far more broad-based than in the past. While the overall growth rate remains at 16% this quarter, similar to last quarter, the mix of growth across categories has shifted, with Q3 showing a much more broad-based recovery compared to the previous quarter.

- Pratik Dantara:** And Mohit, we are seeing this momentum also continuing in January 2026. So, January is also witnessing similar overall growth.
- Dalip Sehgal:** Yes, the momentum has continued and our sense is that if fashion being 50% of the business performs well, then strong double-digit growth at overall level is achievable.
- Mohit Agrawal:** Yes, that's very clear. My second question is, how is the acquisition pipeline looking in the near term and maybe if you can guide something for FY 27. Broadly, what kind of assets you are looking at and what is the NOI addition that you plan to do for FY 27 and if there is some plan for FY26 also.
- Pratik Dantara:** Over the next four to six months, we are looking to close the four assets which are currently under diligence. So hopefully over the next few months, you will see us signing and closing some of these deals. We had earlier guided that we would add close to about INR 150 crores of annual NOI through inorganic growth every year starting FY 26. We did a couple of acquisitions this year and are broadly on track with that guidance. Accordingly, we expect to add around INR 150 crores of NOI every year for the next five years through acquisitions.
- Dalip Sehgal:** Yes, and the pipeline is very robust. As of today, apart from the four that Pratik mentioned which are under due diligence, there are another 7 malls which are there in the pipeline and we are actively looking to close those as well. The pipeline is very robust as we get into the next financial year.
- If you recall, our overall objective for 2030 was to reach around 30-35 malls from 19 malls today and we believe this is still very much achievable.
- Mohit Agrawal:** My last question is any update on the Greenfield acquisition that we had earlier guided to?
- Dalip Sehgal:** It is progressing well. I think there are couple of issues that we needed to sort out. Hopefully this will also materialize pretty soon.
- Mohit Agrawal:** Okay, that's all from my side. Thank you so much and all the best.
- Moderator:** Thank you. The next question is from Pritesh Sheth from Axis Capital.
- Pritesh Sheth:** Thanks for the opportunity. Good evening to everyone. First on, the like-for-like consumption growth, we saw, a slight moderation compared to last quarter, and generally the tendency is like Q3 tends to be better than Q2. What explains this marginal dip in growth? Is it largely a base effect or is it driven by any specific category trends?
- Pratik Dantara:** Couple of our top malls - Select Citywalk and Elante, we had certain stores were under-fit out and were in the process of churning a few tenants. As a result, there was some temporary impact on occupancy, which led to slightly lower growth. However, this is largely a transitional phase. So this should come back as things normalize. Growth would have been a bit higher if those stores had not been under fit-out and in transition.
- Pritesh Sheth:** In terms of the 60,000 square feet acquisition that we concluded in Elante, you mentioned a comment on a slide that we'll keep exploring such opportunities in other assets. Can you quantify how much such opportunities are available right now in our portfolio where we can consolidate a third-party space or a space which is not owned by us?

- Nirzar Jain:** In Elante, we have a strong opportunity to add around 60,000 square feet. Our strategy is to position this with high-end couture brands, bringing in a new flavor as we further strengthen the assets. While we've already repositioned the lower ground floor as a jewellery zone, this expansion gives us an opportunity to do add more depth and flavor to what is already a high-consumption centre.
- Pratik Dantara:** Across our top five malls, we see similar opportunities in at least two to three assets. While we cannot go into too much detail at this stage given the conversations are confidential. I'd say that we are seeing this potential across two to three of our top five malls.
- Pritesh Sheth:** And one last on the interest side. So, large part of the lower interest cost-benefit seems like largely has flown through this quarter. I back-calculated interest cost to be around INR 110 crores a quarter of interest expense between SPV and REIT debt. So, large part of that is already there or there's some more benefit to come in?
- Rajesh Deo:** I think the large part of it is already there. Additionally, we have refinanced INR 700 crores this quarter and the benefit of that will come over next quarters. The reduction was around 90 bps on INR 700 crores. So, this benefit of INR 6 crores should flow in the next quarter.
- Moderator:** Thank you. The next question is from Jatin from Bank of America.
- Jatin:** Hi, team. Thanks for taking my question. Great set of numbers. Just had a follow-up from one of the previous questions. The five to six targets that you had for acquisitions, and you mentioned that for four of them, you're looking to close them in the next four to six months. I just want to check that the Hyderabad portfolio, the three malls that you had, that is in addition to that, right? And any expected closing timelines for that bit?
- Pratik Dantara:** The five to six month timeline and the four assets that we're looking to close, that doesn't include the Hyderabad one. The Hyderabad malls are part of our pipeline, but currently at this point of time, not part of the diligence list.
- Jatin:** Understood. Got it. And the second one, in FY'26, working capital adjustments have been supportive and have contributed positively. Any guidance on this particular number for next year? Given you're already at 97% occupancy. What are your plans to offset this if the contribution from working capital adjustments decline next year? How should we think about that?
- Pratik Dantara:** I think we're pretty much there in terms of the number, in terms of operating leverage and efficiency that we have on working capital are pretty much there. There could be a few basis points reduction or the number of days reduction, but I don't see it materially changing.
- Dalip Sehgal:** Our outstandings are less than three days now. A large part of this is built in, but from where we are in this quarter, which is 97%, I think there is another 100 bps of increased occupancy that will result in better cash flows.
- Jatin:** All right. Thank you so much.
- Moderator:** The next question is from Parvez Qazi from Nuvama Group. Please go ahead.

- Parvez Qazi:** Hi, good evening, and thanks for taking my question. So, two questions from my side, this may have been asked earlier. I mean, our MG and revenue share obviously will be different across categories?
- So, for something like a jewellery where we have seen 57% Y-o-Y growth, obviously it will not translate to similar kind of increase in rentals over the medium term. So, how should we look at consumption translating into rentals over the medium term?
- And second question is 9% like to like increase that we have seen in consumption, how much would have come from increase in trading density and from increase in footfall?
- Pratik Dantara:** The first question on NOI lagging consumption growth, right? That was the question. So, the gap typically between them is about 100-150 bps. If you see, even in this quarter, whether it's reported or like for like, that's the gap that typically is there and the lag is primarily driven by rental growth. So, that's the gap that we would see and we should kind of see that gap going ahead as well. Does that answer your first question, Parvez?
- Parvez Qazi:** No, I think it was about jewellery. About jewellery in a sense that, I mean, across different categories, obviously, you'll have different revenue share. For higher ticketed items, maybe the increase in consumption does not translate into rental growth over the medium term. So, your view on that?
- Dalip Sehgal:** So, just to give you a perspective, without getting into too many specific numbers, the trading density of malls what we have currently ranges from INR 1000 to INR 2000. If you look at jewellery, by and large, trading density could be anywhere between INR 15,000 to INR 20,000 rupees per square foot. So, overall, there will be better realization of rentals as we go forward.
- Of course, we have to establish the zone, we have to establish the brands, but these are all very well-known brands. I mean, you're looking at a Tanishq, looking at Kalyan, Indriya, and now Forevermark, which is probably the first store outside of Delhi opening in North India. So, my overall view is that, there will be a mix of revenue share and MG, which is slightly different from other categories.
- Overall, given the strong throughputs, we believe this will work to our advantage. The contribution from jewellery has increased and it has also performed better in terms of rentals.
- Parvez Qazi:** Sure. And what would have been the footfall growth this quarter?
- Dalip Sehgal:** Overall footfall growth, as reported it is 6% and like for like it is in low single digit.
- Parvez Qazi:** Sure. And lastly, I mean, there is dip in trading occupancy across some of the malls, as Pratik highlighted, because some of the stores are under fit-out. What would have been the consumption growth on a like-to-like basis, assuming, let's say, trading occupancy were similar to last year across these malls?
- Pratik Dantara:** For the ones in North, it would have been at least 150 to 200 bps higher, especially in Chandigarh and Delhi.
- Parvez Qazi:** Sure. Thanks and all the best.
- Moderator:** The next question is from Sarvesh Gupta from Maximal Capital.

- Sarvesh Gupta:** Yes, good evening, sir. And thank you for the opportunity. Sir, this mark-to-market slide that you have mentioned around 48% is going to be up for expiry. So, generally, is it done with the existing tenants Or, you replace them with the new tenants?
- Pratik Dantara:** Typically, we try and release it back to the existing tenant. There are instances wherein we've actually partially released it to existing tenants and partially to a newer brand. So, it's a combination of both. Typically, it goes back to the same brand.
- Nirzar Jain:** Generally, our churn rate is between 30% to 40% of the total area released. This gives us an opportunity to introduce newer brands in the malls. About 60% would be released to the same tenant.
- Sarvesh Gupta:** And secondly, on the overall acquisition pipeline. We are currently at around 11 million square feet. where would our total portfolio square footage stand by the end of FY 27 and FY 28, considering the acquisitions currently in the pipeline that meet your pricing criteria?
- Pratik Dantara:** See, we had laid out a roadmap in our Analyst Day presentation that we want to double our reach and count and square footage. We have indicated about 18 to 20 million square feet over a period of five years by FY 30. I think with this pipeline that we have, we'll be closer to the 18 malls over a period of five years.
- Dalip Sehgal:** And just to give you a sense, over the last five -six years, including COVID, we've added around one million square feet every year.
- Sarvesh Gupta:** The kind of malls which are up for acquisition, so obviously, some of these like are the smaller ones. But are you finding enough, larger malls also in the market? Because, for example, in Mumbai, now you have Jio and Oberoi. So, these are larger and new ones, but then they are probably not in the market for sale and what may be available for acquisition would be, smaller ones.
- There is one phenomena which probably we are also seeing that people want to go to larger mall where they get everything in one place and smaller malls may not get, enough footfalls. So, how do you see that scenario playing out when you look at your inorganic approach?
- Dalip Sehgal:** Sure. So, I think you must look at the current portfolio and what we have acquired in the context of what we have. So, if you look at Bangalore, while Vega was a smaller mall, with Vega, now we have four malls in Bangalore and put together, they'll probably be close to 1.7 million square feet. So, we have a substantial presence and this allows us synergies and savings in terms of marketing costs, admin costs, etc. So, that is one way of looking at malls which are slightly smaller, but very, very strategic and synergistic in terms of our acquisition.
- The other is that some of the smaller towns, you take Ludhiana, for example, the mall is at the center of the city and does extremely well Our entire focus would be to bring in better brands and improve the throughput. So, there is no 1 million square feet mall in Ludhiana competing with this.
- You take Bhubaneswar, where we opened our mall in 2017, I think, is now at the center of a whole consumption area of Odisha, not just Bhubaneswar. So, people come from all over, Cuttack, other cities and that then becomes the focal point. So, you don't again need 2 million square feet or 1 million square feet. It depends on the consumption pattern in the city.

So, that's really been our approach. A, is it synergistic to what we have on board? Two, do we have the capability to build it into the marquee mall for that city? And that marquee mall doesn't have to be, like I said, a million square feet. So, that's the context in which we would acquire malls. So, if it is smaller, but still, we have the ability to make it the center of the city, we would do that.

Sarvesh Gupta: At the sponsor level, are there some greenfield developments, what we are seeing in the office REIT space that the developers are developing that and taking the development risk and then sort of onward selling it to the REITs? So, here, is that also a thought process of the plan at the sponsor level to develop some of these Greenfield malls at their end and then sort of forward roll it to the REITs?

Dalip Sehgal: As of now, we're evaluating the whole process of doing a Greenfield. This is still under discussion and you'll probably hear about it from us over the next few months.

Moderator: The next question is from Gaurav Khandelwal from JP Morgan.

Gaurav Khandelwal: Hi, thanks for taking my questions. I've got a couple of those. First question is on a comment which was made earlier that NOI growth would often lag consumption growth. Can I just understand that better? Does it mean that NOI as a percentage of consumption will continue to trend down? In FY 25, retail NOI to consumption was about 12.5%. That's been coming off almost four quarters in a row now.

Pratik Dantara: A large portion of the rentals is fixed, with a smaller component typically coming from revenue share. In our malls, anywhere between 10% to 12% would be the revenue share contribution and the balance would be from minimum guarantee. So, the increase in consumption increases the revenue share. Typically, when consumption increases first, it crosses a threshold after which the revenue share starts kicking in versus the contract.

When contracts come up for renegotiation, what we would typically do is try and subsume the revenue share component into the minimum guaranteed rental. At that point of time, what happens is that your rentals go up, but you don't get the revenue share because consumption doesn't cross a particular threshold.

So, once it kind of crosses over a period of, let's say, one, one and a half or two years, only then the revenue share comes in. So, we'll always see NOI lagging consumption growth because of the way contracts are structured and the fact that a large part of our rentals are fixed rentals.

Gaurav Khandelwal: Got it. That's clear, Pratik. But in this case, where are we right now in this resetting cycle? And the other way to ask this is over medium term, how should I think of what's the right ratio on NOI to consumption or rent to consumption?

Pratik Dantara: Our NOI grows typically for a business like us would be anywhere between 8.5% to 9%.

You would see 5% growth coming in on account of minimum guaranteed rentals. So, that escalates at 15% every three years and therefore 5% or a little less than 5% every year.

Second, we typically have 10% of our the gross rental expiring every year. We typically get a 20% mark to market on those rentals that are expiring. So, you would earn anywhere up to 2% growth from the rentals that are expiring every year.

Third, if consumption grows at about 8%, we see revenue share contributing to about 1% - 1.5% of growth.

That takes it to about 7.5% - 8% and then cost saving measures, growth from hotels and offices, some of these things put together add another 0.5% to a 1% on our NOI growth. So, I think on a steady state basis, you should see about 8.5% - 9% NOI growth in this business.

Rajesh Deo: And I think just to add, your NOI to consumption will always kind of remain between 10% to 12% in a business like this, which is 12% for this quarter.

Gaurav Khandelwal: Got it, thanks a lot. If I can just ask one more housekeeping question, can you share details on segment mix by trading occupancy?

Pratik Dantara: So, broadly, 50% is fashion and that's the biggest contributor, about 17% is Entertainment, 12% is F&B. But then it is kind of broadly spread out between Electronics, Beauty and Personal Care, and others.

Moderator: Okay. Thank you very much. That was the last question in queue. On behalf of Nexus Select Trust, that concludes the conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.

Disclaimer – The transcript has been edited for language and grammar, it however may not be a verbatim representation of the call.