“Nexus Select Trust

Q2 FY 2026 Earnings Conference Call”

November 04, 2025

MANAGEMENT:
Mr. Dalip Sehgal – Executive Director & Chief Executive Officer
Mr. Pratik Dantara – Chief Investor Relations Officer and Head Strategy
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 Q2 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 touchtone 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, Mr. Pratik Dantara.

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

Before we proceed, I'd like to highlight that the management may make certain comments 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 obliged 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 & CEO; 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 Q2 FY 2026 for Nexus Select Trust, India's first listed retail REIT.

Firstly, I would like to thank SEBI for their landmark move of classifying REITs as an equity instrument — a move that enhances liquidity, widens the investor base and strengthen REITs as a mainstream asset class. This progressive step further reinforces confidence in India's REIT ecosystem.

Before delving into our quarterly performance, let me highlight some key macro trends shaping the broader environment in our country.

- GDP growth forecast for FY 2026 has been revised upwards to 6.8% from 6.5% on the back of strong domestic consumption, investments, good monsoons, GST rate reductions, and improved credit flow and we are seeing signs of that already in the month of October.
- Retail real estate fundamentals are also robust across India, underpinned by favorable demand supply dynamics and strong consumption growth.

Now, turning to our Q2 FY 2026 **performance.**

We are very pleased to report another strong operational and financial quarter with 16% year-on-year tenant sales growth and 14% year-on-year retail NOI growth. On the back of this performance, we are announcing a distribution of INR 333 crores, translating into INR 2.198 per unit — our ninth consecutive quarter of 100% payout since listing.

Cumulatively, we have distributed INR 30.1 billion/ INR19.853 per unit and delivered total returns of over 80% to our unitholders since our listing in May 2023. We remain on track to achieve our FY 2026 NOI and distribution guidance.

Our recently acquired assets continue to perform strongly.

- **Nexus Vega City Mall** in Bengaluru has seen a remarkable turnaround. It was witnessing negative consumption growth before our acquisition, however post-acquisition, tenant sales in the mall has grown by 20% in Q2 FY 2026 — sustaining double-digit growth for two quarters post-acquisition.
- **Nexus MBD Neopolis mall in Ludhiana** was acquired in May 2025 also recorded double-digit tenant sales growth and a positive footfall growth. We expect the full stabilization of the mall by March 2026.

Building on this momentum, our inorganic growth strategy continues to remain on track, with a robust pipeline of 10 assets, out of which 3 are under due diligence, expected to close in the next five to six months. Our strong balance sheet and low leverage provide almost $1 billion in debt headroom to pursue these opportunities.

Turning to consumption, we witnessed very strong 16% year-on-year growth, despite heavy rains in September and purchase deferment pre-GST cuts. Like-for-like consumption this quarter was over twice what it was in the first quarter, signaling a positive demand trend. Growth in this quarter was driven by Fashion, Jewellery, Beauty & Personal Care, Entertainment, and Electronics. We continue to see similar double-digit growth momentum in October and expect this to sustain through the second half of FY 2026.

Let me now walk you through category-wise trends:

- Fashion: Our largest category, delivered sales growth over 2x of the previous quarter, led by premiumization, festive launches and improved sentiment.
- Entertainment grew in double digits, supported by blockbuster releases such as Saiyaara, Mahavatar Narsimha, Chhaava, Coolie and Kantara. Our family entertainment centres continues to do well.
- Categories like Jewellery, Beauty & Personal Care, and Electronics maintained strong growth during the quarter and continue to demonstrate robust performance. In response, we have been proactively allocating additional space to these high-performing categories, a trend we intend to sustain going forward.

Let me now walk you through our leasing and marketing performance.

On leasing, tenant demand remains strong, with occupancy at 97%. Our leasing pipeline remains strong and we have a wait list of over 50 domestic and 15 international brands.

On the back of this strong demand, our re-leasing spread continues to be at 20%. We are confident in our ability to sustain 20% mark-to-market spreads on future lease expiries while optimizing category mix.

From a marketing perspective, our pan-India presence enables large-scale AR and VR experiences such as *Thrillscape*, *velocity,* etc. driving strong engagement and footfall growth. Our NexusONE app now has 7.5 lakh downloads and remains among India's top-performing mall apps. We have recently rolled it out at Nexus Vegas City to enhance digital engagement.

Coming to our balance sheet - Our NAV rose 8% to INR 159 per unit, reflecting stable, growing cash flows. With 51% of gross debt in floating instruments, our current average cost of debt is 7.5%, and this stands to benefit from any further rate cuts.

On sustainability, Nexus continues to lead the sector. We remain the only mall platform in India to achieve a five-star GRESB rating for two consecutive years, with a latest score of 93 - ranked second in Asia among listed retail peers. We are very proud of this achievement. Under our Lakes of Happyness initiative, we have now rejuvenated 10 lakes, the latest being in Chennai and Hyderabad.

Lastly, summarizing our quarterly performance

1. We witnessed robust consumption growth this quarter and expect this momentum to sustain in the second half of the year.
2. Newly acquired malls delivered strong consumption and positive footfall growth, validating our integration and acquisition strategy.
3. Our Retail NOI grew by 14% in Q2 FY 2026. We remain on track to achieve the full year NOI growth guidance.
4. Declared ninth consecutive distribution with 100% payout; total payout since listing now close to INR 20 per unit with delivering over 80% total shareholder returns. We remain on track to achieve the full year NDCF guidance.

Before we go to the Q&A, I would like to share some updates with respect to changes in our Board Composition.

Mr. Tuhin Parikh, Director of the Manager and Chairman of the Board, has decided to step down with immediate effect. Mr. Parikh has been instrumental in establishing the Nexus platform in 2015 and guiding us to expand to 19 malls, culminating in the landmark listing as India's first retail REIT in May 2023. I would like to extend our heartfelt appreciation for his visionary leadership and invaluable contribution.

Consequently, **Mr. Asheesh Mohta,** has been appointed as the **new Chairman of the Board**, and **Mr. Siddharth Nawal from Blackstone** joins us as an **Additional Director**, bringing strong industry experience to drive the next phase of growth.

Now, let's move on to the Q&A.

Moderator: Our first question comes from the line of Adhidev Chattopadhyay from ICICI Securities.

Adhidev Chattopadhyay: Good evening, everyone. There are couple of questions. Firstly, if you could just help us understand in the malls, especially in Seawoods and Ahmedabad, among a few others, where we have witnessed strong consumption growth exceeding 12%-13%. What are the key factors driving this performance in these malls? And our distribution guidance was around INR 9.1 to 9.2 per unit, for full year. Are we on track of achieving full year guidance considering the H1 distributions?

Dalip Sehgal: Let me answer the second one straight away. Yes, we are on course to meet our guidance.

Coming to your first question on consumption growth across Seawoods and Ahmedabad

- In Seawoods, we have maintained a strong strategic focus on premium brands, jewellery, electronics, etc. and this has improved footfalls across the mall which has led to double-digit consumption growth in this quarter.
- In Ahmedabad, we have witnessed a notable resurgence in both sales growth and footfall. We have opened multiple new stores across the mall in line with our premiumization strategy, which has helped attract teenagers and younger consumers, resulting in double-digit growth this quarter. Also, overall, if you look at the Ahmedabad market, the consumption trends are robust and we do believe that as one of the largest mall in the state, we will lead the consumption growth in not just the city, but in the state as well.

Pratik Dantara: Just to add to Dalip’s point on the premiumization trend across these two malls, we are also witnessing an uptick in trading densities across these two malls. So, the year-on-year growth in trading densities across both these malls are in double-digits.

Dalip Sehgal: So, trading density increase on account of higher value categories, higher value brands, which lead to higher growth in trading density and premiumization of malls and that's really one of the reasons why both of these malls have performed well in the quarter.

Adhidev Chattopadhyay: Okay, Sure sir. That is very helpful. All the best.

Moderator: Our next question comes from the line of Mohit Agrawal from IIFL.

Mohit Agrawal: Yes. Good evening, everyone, and congratulations on delivering pretty heavy consumption growth numbers. My first question is on consumption. Dalip, you mentioned that you expect second half to be equally good double-digit growth. How would we interpret this? Has there been a trajectory shift post the GST cut getting implemented?

How was October, let's say, versus the average in the second quarter? Have you seen kind of a meaningful shift, and probably even after Diwali. Can you give some color around that and if you could also mention which categories would have witnessed the pickup?

Dalip Sehgal: Let me first share an update on the growth we recorded in October. In October, we witnessed significantly better growths than Q2 FY 2026. We witnessed 16% growth in second quarter of the financial year, and in October we have witnessed very high double-digit growth in consumption, driven by robust performance across categories with the onset of festive season.

We are witnessing the consumption momentum continuing post-Diwali also.

Yes, GST rate cuts would have triggered part of the consumption change or increase post announcement.

The economy is expected to grow at 6.8% with inflation probably at an all-time low. These favorable macroeconomic conditions results in increased in discretionary spending capacity among consumers. We are seeing pretty good traction in F&B as well. Weekend footfalls are extremely good. Growth in quarter 1 was around 5% like-for-like and in Quarter 2 was 10% and October was significantly better than even that. So, overall, quarter three is going well and should again be a very robust consumption growth quarter. As we go into the last quarter of the year, we'll just have to see where this entire consumption trend stabilizes. So, in summary, if we see it as of today, I think there is a very, very strong positive feedback in terms of consumer uptick and footfall increase.

Pratik Dantara: A large part of our business, almost 50% of our business comprises of fashion category and if you recollect, that wasn't growing that well last year and it was slow to pick up in the first half. So, it's actually now picked up in quarter two and we expect that momentum to actually continue in the second half as well. So, fashion category should see strong high single-digit growth in the second half as well.

Dalip Sehgal: And maybe I can request Nirzar and Jayen, who are also on the call to probably add to this.

Jayen Naik: I think Mr. Sehgal and Pratik have already answered. There are three strategic steps which I think fuel growth.

1. Number one is, as Mr. Sehgal pointed out, the premiumization that we are doing. The process was started last year and we are witnessing the green shoots now, and we hope that the same will continue in the next quarters to come;
2. The second, is the strong penetration of the NexusONE app across not just our top malls, but also in our Tier 2 malls. This has significantly strengthened consumer loyalty, which resulted in strong consumption growth in Tier 2 cities.; and
3. Third, is the innovative marketing initiatives we have undertaken. We increased engaging events across our malls which augmented footfalls not just for shopping but to spend time at the mall as well. Our whole thrust was that we wanted to give a separate reason for the person to come back to the mall again and again. That's why you see that the footfalls, which were rather stagnant, have actually shown an uptick in this quarter and we hope that the momentum will continue as we go forward.

Dalip Sehgal : Yes, that's really, in a sense, at the heart of what we do, which is improve engagement, accelerate stickiness and ensure that our consumers are happy with our offerings. So, that, in a sense, is the promise that we give to our consumers.

Mohit Agrawal: That's very helpful. The second question is, on your pipeline, you do mention 10 assets, and in the presentation, it says, including greenfield assets. And then you say that there are three assets which are under due diligence. So, could you give some color across, what kind of size or geographical location, broadly, that you're looking at these three assets and do these three assets include a greenfield asset also?

Dalip Sehgal: Let me request Pratik to take this.

Pratik Dantara: We will not be able to give you specifics around this. We're trying to fill in white spaces in cities where we aren't currently present through some of these transactions. At the same time, for something like the greenfield one, we're trying to do it in the existing markets where we have some presence, which are large consumption centres. One mall is not enough in some markets and there aren't any assets that we can acquire in some of the markets. So, I will give you more details on this, maybe in the second half of the financial year. That's when we probably end up announcing these transactions.

Dalip Sehgal: Yes.

Mohit Agrawal: I'm just trying to understand that you had put out a target of about INR150 crores NOI addition. Is it fair to say that you are on track assuming these three go through? Will you be on track for that by the end of the year?

Pratik Dantara: Yes, we'll definitely be on track. The pipeline also looks very robust with 10 assets in the pipeline. So, we view this as an annual recurring number that we can definitely achieve with the strong pipeline that we have today.

Mohit Agrawal: Sure. And just one last clarification here. The NAV has gone up by about 8% year-on-year and this quarter, like, first six months, it's up approximately 5%. Do we think of this moving up in line with the consumption growth? So, typically, or is there a different match to it?

Pratik Dantara: There are a couple of reasons why it's kind of gone up. One is obviously the consumption growth bounced back. The second is interest costs have gone down and therefore WACC has seen some bit of dip. The third is because we're seeing very robust occupancies across our mall. So, vacancy allowance that we typically keep has gone down in few of our malls.

So, I think these three broader reasons because of which the NAV has gone up by 8%. If consumption grows strongly, we should see this number going up and we'll probably revisit this number with the valuer towards the end of the year when we do the full year valuation.

Moderator: Our next question comes from the line of Parvez Qazi from Nuvama Group.

Parvez Qazi: Hi. Good evening. So, I have two questions. First is, our like-to-like 10% consumption growth, broadly what would have been the contribution of let's say higher footfalls and what proportion would have come from maybe premiumization or increase in consumption price or trading density?

Second, you mentioned the reasons behind the strong performance of Ahmedabad and Seawood. Now, one obviously doesn't expect all malls to perform equally well, but do we have some plans in place to let's say increase consumption in some of the malls like Select Citywalk or Elante which are relatively lagging compared to Seawood or Ahmedabad?

Dalip Sehgal: As far as Elante and Select are concerned, if you see all the malls in the North including Amritsar, all three of them suffered quite a bit because of severe rains. There was a period when the monsoon was so heavy in Punjab that people were unable to even move out or travel.

So, if you look at Chandigarh as a city, it's basically a city where people would come from different neighboring states for shopping in Nexus Elante. There was disruption due to rains in Shimla, Manali, and neighboring cities which led to lower footfall and sales growth as compare to other malls in the portfolio. Probably more than one-third of consumer base of Nexus Amritsar comes from surrounding cities and persistent rain in those areas led to lower footfall in Nexus Amritsar as well during the quarter.

Pratik Dantara: The other reason is that in Elante, we probably saw an impact of about 3% on consumption, because of strategic tenant churn in the mall. We are creating a Jewellery zone in the lower ground floor area which currently is kind of fully leased out and fit outs are going on. So, that's about 60,000 square feet of area that's under fit out and that's to some extent impacted the growth in Q2. Our assumption is that the 5% number that we had reported for Elante in this quarter should be at least closer to overall like-for-like average and up by about 3% at least if this disruption wouldn't have happened.

Nirzar Jain: Similarly in Select, multiple stores were under fit out during the quarter. We've recently opened the first in-country stores of COS, Prada Beauty opened earlier. We also had a new addition like Polo Ralph Lauren. So, there are some more new additions that happened that impact we'll see in Q3. So, the premiumization journey continues and it's just an impact of some of these fitments happening in the quarter.

In terms of footfall or premiumization. We think both of these contributes to healthy consumption growth. Last year, the movies weren't good which led to lower footfall and this year we saw multiple blockbuster movies resulting in strong performance of multiplexes. So, part of 10% consumption growth is because of footfalls where more people coming in and part is because of the premiumization, new brands, high focus categories such as jewellery, watches kind of outperform and new additions to that space as well.

Dalip Sehgal: Roughly to give you a sense, I think anywhere between 35% to 45% of the growth actually has come from premiumization. Rest of it is organic growth and footfall growth like-for-like would have been around 3% after a long time and overall would be around 7%. In the previous quarter, there was no footfall growth. So, footfalls are coming back despite the fact that the north witnessed lower footfalls on account of rains. So, overall, we think the strategy to premiumize the portfolio is giving us probably anywhere between one-third to half of a growth and the rest of it is organic, as well as increase in footfalls.

Moderator: Our next question comes from the line of Pritesh Sheth from Axis Capital.

Pritesh Sheth: Yes. Good evening, everyone. So, just on acquisition pipeline – Nine malls plus one greenfield. Just trying to understand how would be the mix of distressed versus a reasonably settled mall in these nine malls that we are looking at? And should we expect similar kind of turnaround, that we have seen in MBD Neopolis and Vega City malls that we have acquired till now?

Pratik Dantara: We wouldn't kind of look at it as distressed versus settled, but we would look at it as Grade-A and anything that is not Grade A. To our mind, what we are acquiring are all Grade-A assets. Obviously, the way we look at it is on two fronts. If it's an under-leased asset, we look at it as how we can increase occupancy and some of our integration timelines have actually been crunched now. We have been integrating assets in quick time and the two assets that we acquired have been integrated in record time internally within five to six months.

If it's an optimally leased mall, the way we look at it is when can we actually transform the mall? So, we look at the lease expiry schedule and identify the tenants expiring in next 12-24 months and then we look at ways we can change the aesthetics of the mall in next six - twelve months after we've acquired it, I think that's the other lens that we apply.

Integration timelines, like I said, have gone down to about five - six months from eight - ten months earlier. So, we are integrating assets faster. So, hopefully some of the assets that come into the portfolio in future, you will see them stabilizing much faster than before.

Pritesh Sheth: Got it. And just to understand, I mean, you would have some under-leased assets in these nine assets that you are looking to acquire, or all are optimally leased then?

Pratik Dantara: Yes. Some of them definitely fall in that bucket of under-leased.

Pritesh Sheth: Second on this gap between like-for-like consumption growth and NOI growth, in our medium-term outlook, we expect incremental growth in NOI versus the like-for-like growth. The gap that we have seen since last two quarters is just a transitionary and probably over the long-term it settles down or how should we think about it?

Pratik Dantara: The way this business typically works is that consumption will increase initially and then as the contracts get reset, you will have the ability to take the rentals up and that's the mark-to-market, which will then flow into your NOI. So, once the consumption cycles come back and consumption starts growing very strongly, you will see with a lag the NOI growth also coming back due to improved ability to take rental increases.

Pritesh Sheth: Got it. Fair enough. And just one last question on this year NDCF guidance. Just to clarify, guidance doesn't include any acquisition-related increase in NDCF?

Pratik Dantara: So, the guidance that we had given included the two acquisitions that we had done.

Pritesh Sheth: Yes.

Pratik Dantara: The last one being MBD. Any future acquisitions that we'll do from now till the end of the year, are not included in that guidance.

Moderator: That was the last question. As there are no further questions, on behalf of Nexus Select Trust, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

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