



**“Nexus Select Trust
Q1 FY 2026 Earnings Conference Call”**

July 30, 2025



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. Nirzar Jain – President Leasing

Mr. Jayen Naik – President Operations

Moderator: Ladies and gentlemen, good day and welcome to Earnings Conference Call of Nexus Select Trust for Q1 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 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, 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 June 2025.

Before we proceed, I would 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 will provide on this call are management estimates based on certain assumptions and have not been subjected to any 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; our CFO – Rajesh Deo; 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 update call for the first quarter of Financial Year 2026 for Nexus Select Trust, India's first listed retail REIT.

Before we delve into our quarterly performance, I would like to take a moment to highlight some of the key macro trends shaping the broader environment:

- India's macroeconomic background remains very supportive – Retail inflation is at a six-year low, GDP growth is projected to grow at a healthy 6.5% for Financial Year 2026 and the repo rate has been reduced by 100 basis points over the last five months, now standing at 5.5%.
- Retail real estate fundamentals remain robust across our core markets, underpinned by favorable demand-supply dynamics and growing consumer confidence.

Now turning to our Quarter 1 Financial Year 2026 performance:

We are very pleased to report a Strong Operational and Financial quarter with NOI growing 12% year-on-year (6% year-on-year on a like-to-like basis). On the back of this robust performance, we are delighted to declare a distribution of INR 3,378 million, translating to per unit for the quarter at INR 2.230 — marking our eighth consecutive quarter of 100% distribution payout. With this, we have now cumulatively distributed approximately INR 26.7 billion / INR 17.655 per unit, delivering total returns of over 55% to our unitholders in just about 2 years.

Now let me share a few updates on our recently acquired assets:

- We acquired Nexus Vega City in February 2025. It has already delivered an impressive turnaround with both NOI and tenant sales growing upwards of 12%. What makes it especially noteworthy is that the asset was witnessing a decline in the 12 months prior to the acquisition — so achieving double-digit growth within just four months is a testament to the exceptional work done by the team.
- The second one is Nexus MBD Neopolis Complex in Ludhiana, which was acquired in May 2025, has already demonstrated strong early traction with tenant sales up by 5% despite being in the very early stages of integration. These results underscore the strength of our asset onboarding playbook, enabling us to unlock value from day one through focused operational enhancements and targeted marketing interventions.

The strong initial performance of both these acquired assets highlights the effectiveness of our post-acquisition strategy — driven by rapid rebranding under the Nexus umbrella, targeted upgrades to core mall services, curated category-level initiatives, and enhanced marketing efforts. These focused interventions enable us to unlock value swiftly and seamlessly.

Building on this momentum, our inorganic growth strategy remains firmly on track — supported by a strong pipeline of opportunities and a highly experienced team. We expect to complete the Hyderabad acquisition shortly and are actively advancing multiple other strategic transactions ahead, including greenfield development.

Now, coming to consumption, we witnessed 11% year-on-year growth (5% year-on-year on a like-to-like basis), despite temporary disruptions at our North and West India portfolio due to heightened geopolitical tensions. Our like-for-like consumption growth this quarter was nearly twice that of the previous quarter, clearly signaling a sequential improvement in the consumption trends. With early signs of recovery across key categories, we remain optimistic that this momentum will strengthen further in the coming quarters.

Let me share some category-wise consumption trends that we are witnessing across our malls:

- Categories such as Jewellery, Watches, Beauty and Personal Care, and Family Entertainment Centres recorded strong growth during the quarter and continue to demonstrate robust performance. In response, we have been proactively allocating additional space to these high-performing segments — a trend we intend to sustain going forward.
- As previously communicated on our Analyst Day in May 2025, one of our strategic priorities has been to increase the contribution of the Jewellery category within our portfolio. I am pleased to share that in-line with this vision, we launched Seven new Jewellery stores like Kalyan, Tanishq, Malabar, etc. across our malls this quarter. With this momentum, we remain on track to double this category's overall sales salience in the year to come.
- The Fashion category, which is our largest category, continues to recover, with sales driven by clearance of older stocks and the launch of new summer

collections. This upward movement was supported by our targeted marketing campaigns like Vacation Nation, Denim Fest, Sneaker Fest, which help augment footfalls.

Now, let me walk you through our Leasing and Marketing performance:

Leasing Performance: We continue to witness very strong tenant demand, with leasing occupancy now at 97.2%. During the quarter, we re-leased 0.27 million square feet at healthy spreads, underscoring the sustained appetite for high-quality Grade A retail space. Looking ahead, we have approximately 1 million square feet coming up for renewal annually every year over the next four years, representing nearly 50% of our total rental base. We remain confident in our ability to capture 20% plus leasing spreads in our portfolio. In parallel, we will continue to proactively churn and resize underperforming categories and brands to enhance overall productivity and mix.

Marketing Performance: Our pan-India scale enables us to design and execute large-format, thematic campaigns across the country. This quarter, we focused on summer activations such as Jungle Tales, Army Boot Camp, Sunken Kingdom, and Neon Park — all of which attracted high footfalls, particularly among young families.

One of the standout campaigns this quarter was the pan-India Pokemon Fiesta, a fully immersive experiential event. It generated significant buzz and delivered memorable, high-engagement moments for our shoppers through a series of Pokemon-themed activations.

Our Nexus One app, with a user base of over 6 lakhs, continues to rank among the top-performing shopping mall apps in India. The app has witnessed a 2x year-on-year increase in both tenant sales uploads, and downloads, reflecting its growing relevance in deepening consumer engagement and driving digital-enabled retail experiences.

Coming to our robust balance sheet: I am pleased to share that our average cost of debt declined by 40 basis points to 7.5% this quarter, benefiting from the recent repo rate cut by the RBI, with the full benefit expected to reflect in the coming quarters. Additionally, we have successfully refinanced INR 3,500 million at a competitive rate of 6.67%, achieving a tight spread of just 37 basis points over the 10-year G-Sec yield, a noteworthy accomplishment by our finance team. Our current gross debt is evenly

balanced, with 49% in fixed-rate instruments and 51% in floating rate — positioning us well to benefit from any further reduction in the repo rate.

Coming to sustainability: Your company continues to lead the retail sector on ESG benchmarks. We remain the only mall platform in India to receive a prestigious 5-star rating from GRESB. During the quarter, we successfully commissioned a 13 MW solar power plant in Pavagada (Karnataka), which is expected to generate approximately 19 million units of clean energy annually, nearly offsetting 15,000 tons of CO₂ emissions. With this addition, our total renewable energy capacity has increased to 60 MW, enabling us to meet approximately 55% of our portfolio's total energy requirements through renewable sources.

Lastly, summarising our quarterly performance:

1. We witnessed sequential improvement in consumption growth this quarter and expect this momentum to sustain.
2. Newly acquired malls delivered a strong NOI and consumption growth, validating our integration strategy.
3. NOI grew 12% year-on-year in the quarter; we remain on track to achieve our full year guidance of 15% NOI growth.
4. We declared 8th consecutive distribution. Total payout since listing now exceeds INR 17.5 per unit with over 55% total returns since listing. We remain on track to achieve the full year FY26 NDCF guidance that was shared in the last quarter.
5. We crossed another milestone, 50,000 unitholders this quarter, which is twice the number that we had at the time of listing. This is a testament to your continued trust and support.

Let's now move on to Q&A.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Puneet from HSBC. Please go ahead.

Puneet:

Yes, thank you so much and congratulations on good performance. My first question is with respect to the consumption growth. So, your like-to-like consumption growth for the quarter is 4.6%, but if I look at consumption growth for your top malls like Select CityWalk, Elante, Ahmedabad, and Nexus Seawoods which is still better, are

below 4.6%. Can you highlight which were the stronger performing malls and what's happening in those malls?

Dalip Sehgal:

First of all, as you know, in the month of May, we had a disruption in operations because of geopolitical tensions. As a result of which the malls in the north, including the one in Delhi, got impacted because malls were not allowed to operate for some time in Amritsar and in Chandigarh. Also, even when they were operating, they were shutting down early and there were lower number of footfalls. So, north malls to a very large extent got impacted with what happened during those 5 or 6 days in May. Ahmedabad is back on track. As you know, we had a competitive entry in that market but I am very happy to say that in less than a year's time, we are actually now positive in terms of sales and of course, in terms of NOI as well. We will see even better results in Ahmedabad as we go forward. Seawoods has been good. I don't think there's any great issue there.

Puneet:

But any other standout mall that you want to highlight?

Dalip Sehgal:

Malls in South has performed extremely well. The three existing malls plus the fourth that we acquired in Bangalore, if you look at an overall level our consumption growth was a strong double-digit growth in Bangalore, way ahead of competition as well. So, Bangalore is one where I think our numbers are stacking up brilliantly. In some of the tier-2 cities also, we have done very well. Bhubaneswar grew almost double digits, so did Fiza by Nexus in Mangalore and Udaipur was one of our fastest growing markets which grew over 17% in terms of consumption. Overall, if you look at it, the tier 2 cities also have done well and Bangalore specifically, now that we have synergies of scale with four malls and our ability to advertise across the city, helping us to grow. Chennai did well as well. So, overall, if you look at it, apart from the disruption that we faced in the north and to some extent, even in Ahmedabad, where there were some blackouts that happened in the evening, malls were asked to close at a very early time in the day. Our sense is that we have probably lost about 1%. So, overall, our 4.6% like-for-like growth, it could have been 100 bps higher. So, we could have been at 5.5%-6%.

Puneet:

What's driving this strong, positive contribution of working capital in NDCF?

- Rajesh Deo:** I think the organic NDCF reflects the growth that we have had in the NOI. If you look at like-for-like malls, the NOI grew by 6% which is reflecting in the NDCF.
- Puneet:** So, this is INR 53 crore of working capital, positive number. Can you provide some color on that part?
- Rajesh Deo:** We have received some tax refunds amounting to approximately INR 4-5 crores. Additionally, improved debtor collections have contributed to a positive working capital. We have successfully brought down receivables to around 3 days, and security deposit collections have reached a record high.
- Dalip Sehgal:** So, this is the great work done by the finance team that our receivables are now at 3 days, which is probably the lowest that we have ever had since the incorporation of the company.
- Puneet:** That's very interesting. Why is the occupancy at Select Citywalk down to 95%? Anything specific you are doing there?
- Dalip Sehgal:** Occupancy at Select Citywalk is down due to tenant churn happening at the mall. We are in the process of introducing a few international brands at the mall, and as part of this, there is temporary closure of few stores during the quarter.
- Nirzar Jain:** Adding to Dalip sir, these stores are under fit out and we will see launch of few first in country stores at Select in the next few months. So, these stores are under fit out just now which has led to the drop in trading occupancy.
- Dalip Sehgal:** Just to add to that, we launched some of the first in country stores at Select in last few months.
- Nirzar Jain:** We have launched almost 7 to 8 first in country stores like Prada Beauty, Nespresso, Gucci Beauty, Foot Locker, etc at Select. We will soon see some more launches in a different zone as well.
- Pratik Dantara:** We are targeting to launch these stores before the festive season. So, hopefully next quarter, these stores should be operating.
- Puneet:** Excellent. That's helpful. Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Praveen Choudhury from Morgan Stanley. Please go ahead.

Praveen Choudhary: Hi, thanks so much for taking my question and congrats for very strong NOI growth. My question was related to dividend growth. Is it correct that I am seeing 4% growth in DPU despite very strong NOI growth? So, just want to understand, despite good refinancing and accretive acquisitions of these two malls, why are we seeing our dividend growth to be slightly lower? Will DPU improve in the next couple of quarters as the new malls mature?

Pratik Dantara: Our NOI growth was 12%, while the like-for-like growth was about 6% during the quarter. The new malls that we acquired are in the process of being integrated like Dalip mentioned earlier. So, DPU growth was 4% on the back of NOI growth being 6% and we expect this to only improve in the quarters ahead. We have maintained the full-year guidance provided last quarter and remain confident in achieving the guidance on a full year basis. As we are witnessing gradual recovery in consumption, and the trends are looking positive.

Praveen Choudhury: Okay, thank you.

Pratik Dantara: On the interest cost, this quarter saw partial benefit on account of repo rate reduction. The full quarter benefit should actually start flowing in from the next quarter.

Praveen Choudhury: Understood. Okay, thank you.

Moderator: Thank you. The next question is from the line of Parvez Qazi from Nuvama Group.

Parvez Qazi: Hi, good evening. Two questions from my side. First, wanted to get your views on our acquisition pipeline and second, what would have been the footfall growth this quarter?

Pratik Dantara: Our acquisition pipeline remains robust. We have got around 10 plus assets in the pipeline across different states in India. Multiple conversations going on, both on the Asset Acquisition as well as a couple conversations on the greenfield development.

We are hopeful that once the Hyderabad acquisition closes, we will be able to close a few more in this financial year. On footfall growth, we have about 4% overall growth in footfalls during the quarter. While on like-for-like basis, that growth was flat.

Parvez Qazi: Thanks and all the best for the future.

Moderator: Thank you. The next question is from the line of Ashish Mendhekar from JP Morgan.

Ashish Mendhekar: Thank you for the opportunity. I have a few questions. So, first one is, what is the leverage ceiling you have, like the shareholder approval leverage you have? And the second one is, can you help with the consumption growth outlook for the portfolio at large? And lastly, you mentioned about the repo rate benefits, can you just quantify how much benefit we can accrue during the year?

Rajesh Deo: Our cost of debt has reduced from 7.9% to 7.5%, reflecting a 40-bps sequential reduction during the quarter. Some of the benefits of repo rate reductions will be effective only on the reset date of those term loans. Like Pratik said, those benefits would start accruing in upcoming quarters and the same will be passed on to the unitholder in the form of distributions.

Dalip Sehgal: So, in terms of consumption growth, the trends are certainly better than what they were in the first half of last year. We witnessed 11% consumption growth including the growth from two acquisitions during the quarter. The growth will only get better from here. Early trends in the month of July are positive and we do believe that with a good monsoon overall demand will pick up. There are other tailwinds that will help improve consumption like Income tax relief measures announced by our Finance Minister in the Budget will increase disposable income with the Indian households and with inflation under control, we will witness improved consumption in the upcoming quarters.

Pratik Dantara: Ashish, to answer your question on how much debt headroom we have. We have about a billion dollars of debt headroom to reach the 49% leverage cap. Our vision of doubling our portfolio over a period of 5 years will increase the LTV to about 28%-30%. From a unitholder approval standpoint, I think we have unitholder approval to go upto 49% LTV though we don't intend to go to that level.

Ashish Mendhekar: Okay, so 49%. Yes. That is the number what I was looking for. Thank you.

Moderator: Thank you. The next question is from the line of Tushar, an Individual Investor.

Tushar: Hi, sir. Just a bookkeeping question. In the results which you published and, in the presentation, there's a difference in EBITDA and the Revenue from Operations, and on foot note it was mentioned that eliminating inter-company transactions. So, I just wanted to understand what kind of transactions are these that are eliminated that caused the difference?

Rajesh Deo: These are basically on account of cross-charge fee. Normally, the manager charges 4% of revenue from operations from the SPVs. So, these get eliminated and one on account of renewable power that is being supplied to Bangalore malls from a Solar entity named MSPL. These are another set of transactions that gets eliminated.

Moderator: Thank you. The next question is from the line of Jatin from Bank of America.

Jatin: Hi, thanks for the opportunity. Just wanted to get some more color on your Greenfield strategy. You did mention that there are a couple of conversations on Greenfield development. What's the strategy here – Are you looking for a partnership model or want to develop on your own? Any particular markets that you are focusing on where mall penetration is less?

Dalip Sehgal: You are absolutely right. We are looking at a partnership model for Greenfield development where we will partner with reputed developer as our core strength is in operating the mall. We will work with reputable developers who has strong financial and are able to deliver projects on time. In terms of cities, we are looking at all cities where we have existing presence and we think that there is an opportunity across tier 1 and 2 cities. We are looking at all the options that financially and from a consumer perspective would make sense.

Jatin: Thank you so much. That is really helpful.

Moderator: Thank you. The next question is from the line of Biplab Debbarma from Antique Stock Broking.

- Biplab Debbarma:** Good evening, everyone. So, my question is on the Greenfield acquisition, what kind of structure would you have? Is it like after the delivery of the mall, you would be owning 100% of the mall and whose responsibility is it to lease? Would you lease after the developer delivered to you?
- Pratik Dantara:** Our strength is leasing, operations and marketing. So, our role will start primarily with these. On the developer side, the role would be to get approvals and complete the construction. Once the structure is completed, we step in to do the leasing. So, that's the structure that we are looking for Greenfield developments.
- Biplab Debbarma:** Okay, so the developer identifies the land, show it to you, you give the green signal and then they give you the cost and once it's delivered, you buy that at that price and then you lease it. You don't pay for the land, right? They acquire the land, right?
- Pratik Dantara:** Yes, they acquire the land and there will be a construct wherein we kind of get into a partnership by committing ourself to buying it in the future.
- Biplab Debbarma:** Okay, 100%. Then once they deliver it to you, you own the asset 100% and you lease it, right?
- Pratik Dantara:** Yes.
- Moderator:** Thank you. The next question is from the line of Ashish Mendhekar from JP Morgan.
- Ashish Mendhekar:** Yes, just to follow up. Are you looking at new geography outside of the cities where we are present in for Greenfield development?
- Pratik Dantara:** Yes, we are definitely looking at markets outside our existing presence because not all markets in India have ready-made Grade-A malls to acquire. We are considering Greenfield developments in markets characterized by strong consumption and a scarcity of acquisition opportunities.
- Dalip Sehgal:** Today Mumbai is not what it was earlier, Mumbai is now extended. So, if you look at Seawoods, it's in Navi Mumbai, which 10 years ago wasn't really a flourishing market. But today it's delivering very good results. So, we are looking at markets

where we have presence and also considering the markets which are being underserved and there is an opportunity for Greenfield development.

Biplab Debbarma: Okay, understood. Thank you.

Dalip Sehgal: Thank you so much.

Moderator: Thank you. On behalf of Nexus Select Trust, that concludes this conference. Thank you for joining us and 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.