

Mindspace Business Parks REIT

Accumulate

Sector: Real Estate

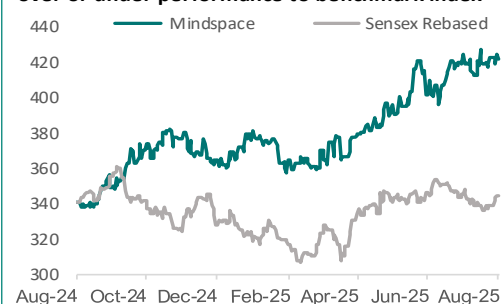
22nd August 2025

| <div>Key ChangesTarget▲Rating●Dividend▲</div> | | | | | | Target | Rs. 444 |
|---|----------------|--------|-----------|----------|------------|--------|---------|
| Stock Type | Bloomberg Code | Sensex | NSE Code | BSE Code | Time Frame | CMP | Rs. 423 |
| Small Cap | MINDSPCE:IN | 81,307 | MINDSPACE | 543217 | 12 Months | TER* | +11% |

Data as of: 22-08- 2025, 18:00 hrs

| Company Data | | | |
|---------------------------|-----------|---------|--------|
| Market Cap (Rs. cr) | 25,715 | | |
| 52 Week High — Low (Rs.) | 430 - 334 | | |
| Enterprise Value (Rs. cr) | 36,037 | | |
| Outstanding Units (Rs cr) | 60.9 | | |
| Free Float (%) | 35.5 | | |
| Dividend Yield (%) | 5.4 | | |
| 6m average volume (cr) | 0.01 | | |
| Beta | 0.2 | | |
| Face value (Rs) | - | | |
| Unit holding (%) | Q3FY25 | Q4FY25 | Q1FY26 |
| Sponsors | 63.5 | 64.5 | 64.5 |
| Institutions | 26.2 | 23.1 | 23.5 |
| Non-institutions | 10.3 | 12.5 | 12.0 |
| Total | 100.0 | 100.0 | 100.0 |
| Price Performance | 3 Month | 6 Month | 1 Year |
| Absolute Return | 7% | 16% | 24% |
| Absolute Sensex | 1% | 9% | 1% |
| Relative Return | 5% | 7% | 23% |

*over or under performance to benchmark index



| Consolidated(Rs. cr) | FY25A | FY26E | FY27E |
|----------------------|-------|-------|-------|
| Sales | 2,596 | 3,082 | 3,450 |
| Growth (%) | 7 | 19 | 12 |
| EBITDA | 1,889 | 2,278 | 2,550 |
| Margin(%) | 73 | 74 | 74 |
| PAT Adj. | 514 | 710 | 845 |
| Growth (%) | -8 | 38 | 19 |
| DPU (Rs.) | 22 | 24 | 28 |
| Growth (%) | 15 | 7 | 17 |
| P/E | 50 | 36 | 31 |
| P/B | 2 | 2 | 2 |
| EV/EBITDA | 19 | 16 | 14 |
| ROE (%) | 3 | 5 | 6 |
| D/E | 1 | 1 | 1 |

Strong Distribution Amid Higher Occupancy

Mindspace Business Parks REIT, listed in 2020, primarily focuses on rental-yielding commercial properties, specifically Grade-A office properties across tier 1 cities.

- In Q1FY26, revenue recorded a strong ~18% YoY growth, driven by a 552 bps increase in occupancy and the addition of 3.9msf of operational area compared to the previous year.
- Distribution per unit for the quarter stood at Rs.5.79, marking ~15% YoY, driven by strong topline growth.
- Gross leasing for the quarter was at ~1.7msf, with a releasing spread of 30%. Average rent for the area leased stood at Rs. 78psf/month vs. in-place portfolio rent of Rs. 73psf/month.
- During the quarter, NOI margin expanded 185 bps along with a total distribution growth of 18% YoY.
- In the quarter, Mindspace acquired Q City Campus in Hyderabad, offering a leasable area of 0.81msf, for Rs. 4,957 cr. The transaction was executed at an 11.6% discount to the GAV, according to the company.

Outlook & Valuation

Mindspace Business Parks REIT reported solid distributions for the quarter, supported by strong leasing activity. The company remains well-positioned for steady growth, driven by inorganic expansion and accretive acquisitions, alongside continued traction in operational projects. The 3.7msf area under construction, coupled with 3.4msf in future developments, provides long-term visibility. Accordingly, **we retain our Accumulate rating on the stock with a target price of 444 based on 16x June'28E DPU**, implying a TER of 11% (~6% distribution yield and ~5% capital appreciation).

* TER (Total Expected Return) = Capital Appreciation + Distribution yield)

Quarterly Financials Consol.

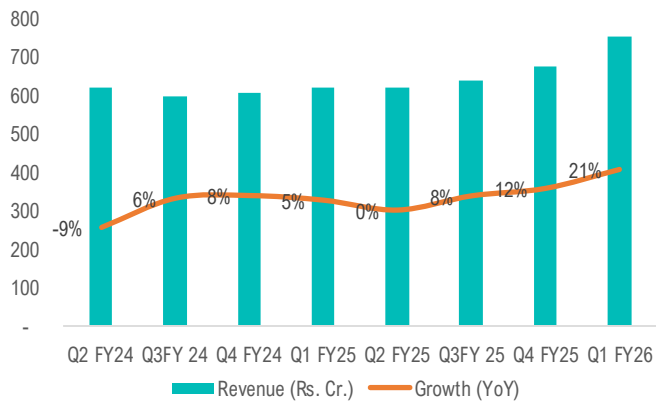
| Rs. cr | Q1FY26 | Q1FY25 | YoY (%) | Q4FY25 | QoQ (%) |
|--------------|--------|--------|---------|--------|---------|
| Revenue | 7,403 | 6,277 | 18 | 6,811 | 9 |
| EBITDA | 5,647 | 4,655 | 21 | 5,137 | 10 |
| Margins(%) | 76 | 74 | 213bps | 75 | 86bps |
| EBIT | 4,499 | 3,686 | 22 | 4,093 | 10 |
| PBT | 2,591 | 2,343 | 11 | 2,493 | 4 |
| Reported PAT | 1,668 | 1,377 | 21 | 961 | 74 |
| NDCF | 3,585 | 2,993 | 20 | 3,931 | -9 |
| DPU (Rs.) | 6 | 5 | 15 | 6 | -10 |



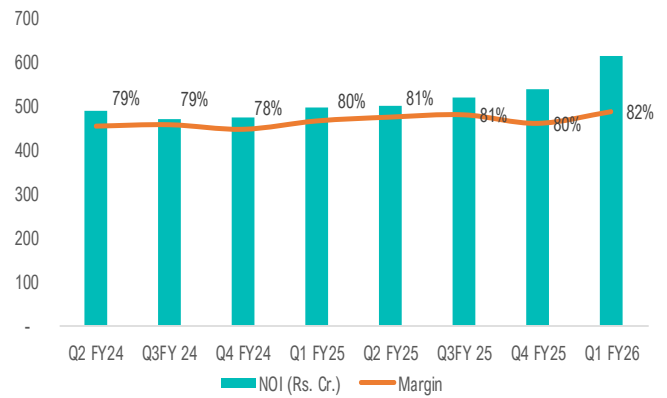
Key Highlights

- Mindspace acquired the Q City campus in Hyderabad with a total leasable area of ~0.81msf, with committed occupancy of ~64.5%, a WALE of 3 years, and in-place rent of ~Rs. 60 per square foot.
- Mindspace distributed Rs. 5.79 per unit during the quarter, comprising Rs. 3.19 as dividend, Rs. 2.47 as capital repayment, Rs. 0.10 as interest, and Rs. 0.03 as other income.
- The REIT plans to invest ~Rs. 210cr in upgrades over the next 12 months, while the balance of construction capex stands at ~Rs. 4,242cr.
- Mindspace is undertaking three constructions in Mindspace Madhapur. The Pearl Club has a leasable area of 0.13msf, with OC applied and completion expected by Q3FY26. The B1 redevelopment project spans 1.5msf, is fully pre-leased to a GCC client, and is scheduled for completion by Q1FY27. The B8 redevelopment covers 1.6msf, with slab work in progress and expected completion by Q4FY27.
- In FY26, expiries are expected to total 2.2msf, of which 1.5msf is anticipated to be retained, while 0.7msf is expected to exit.
- Mindspace operates at a loan-to-value (LTV) of 25%, providing headroom for future acquisitions.

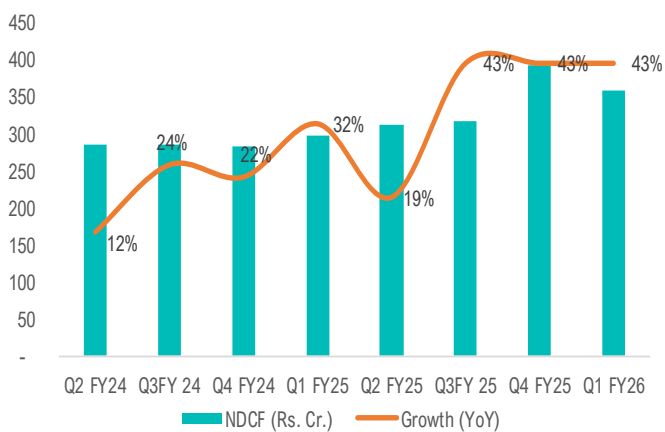
Revenue



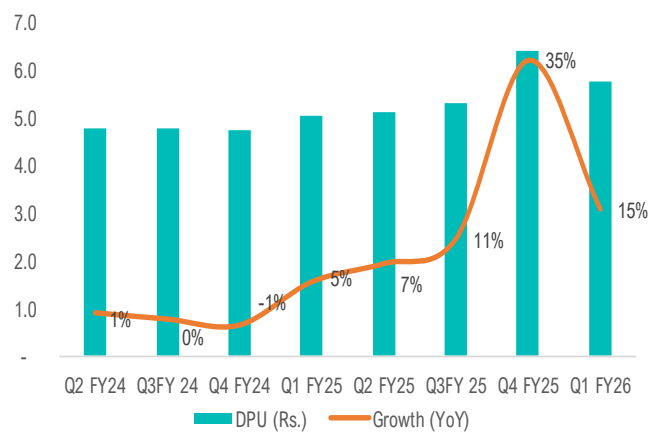
NOI (Net Operating Income)



NDCF (Net Distributable Cashflow)



DPU (Distribution per Unit)



Change in Estimates

| Year / Rs cr | Old estimates | | New estimates | | Change (%) | |
|--------------|---------------|-------|---------------|-------|------------|-------|
| | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E |
| Revenue | 2,794 | 2,987 | 3,082 | 3,450 | 10 | 16 |
| EBITDA | 2,056 | 2,200 | 2,278 | 2,550 | 11 | 16 |
| Margins (%) | 74 | 74 | 74 | 74 | 31bps | 24bps |
| NDCF | 1,327 | 1,413 | 1,438 | 1,679 | 8 | 19 |
| DPU (RS.) | 22 | 23 | 24 | 28 | 8 | 19 |



Consolidated Financials

Profit & Loss

| Y.E March (Rs cr) | FY23A | FY24A | FY25A | FY26E | FY27E |
|-------------------|-------|-------|-------|-------|-------|
| Revenue | 2,282 | 2,429 | 2,596 | 3,082 | 3,450 |
| % change | 30 | 6 | 7 | 19 | 12 |
| EBITDA | 1,538 | 1,752 | 1,889 | 2,278 | 2,550 |
| % change | 13 | 14 | 8 | 21 | 12 |
| Depreciation | 355 | 383 | 406 | 377 | 381 |
| EBIT | 1,182 | 1,369 | 1,483 | 1,901 | 2,169 |
| Interest | 343 | 457 | 557 | 719 | 768 |
| Other Income | 22 | 48 | 80 | 38 | 44 |
| PBT | 861 | 960 | 1,005 | 1,219 | 1,445 |
| % change | 9 | 11 | 5 | 21 | 18 |
| Tax | 430 | 349 | 454 | 473 | 563 |
| Tax Rate (%) | 50 | 36 | 45 | 39 | 39 |
| Reported PAT | 431 | 610 | 550 | 746 | 882 |
| Adj. | -123 | -49 | -37 | -37 | -37 |
| Adj. PAT | 308 | 561 | 514 | 710 | 845 |
| % change | -31 | 82 | -8 | 38 | 19 |
| No. of units (cr) | 61 | 61 | 61 | 61 | 61 |
| Adj EPS (Rs) | 5 | 9 | 8 | 12 | 14 |
| % change | -31 | 82 | -8 | 38 | 19 |
| DPU (Rs) | 19 | 19 | 22 | 24 | 28 |
| % change | 4 | 0 | 15 | 7 | 17 |

Balance Sheet

| Y.E March (Rs cr) | FY23A | FY24A | FY25A | FY26E | FY27E |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| Cash | 427 | 610 | 741 | 538 | 597 |
| Account Receivable | 57 | 109 | 59 | 77 | 86 |
| Inventories | 7 | 4 | 5 | 5 | 5 |
| Other Cur. Assets | 312 | 434 | 439 | 502 | 554 |
| Investments | 3 | 3 | 4 | 4 | 4 |
| Gross Fixed Assets | 22,327 | 23,238 | 26,408 | 26,862 | 26,930 |
| Net Fixed Assets | 21,431 | 21,973 | 24,774 | 24,851 | 24,538 |
| CWIP | 0 | 0 | 65 | 65 | 66 |
| Intangible Assets | 0 | 0 | 0 | 0 | 0 |
| Other Assets | 486 | 711 | 1,074 | 1,209 | 1,317 |
| Total Assets | 22,723 | 23,845 | 27,160 | 27,252 | 27,168 |
| Current Liabilities | 960 | 1,174 | 1,203 | 1,244 | 1,281 |
| Provisions | 415 | 336 | 410 | 418 | 426 |
| Debt Funds | 5,454 | 6,973 | 10,110 | 10,859 | 11,548 |
| Other Liabilities | 316 | 434 | 627 | 627 | 627 |
| Equity Capital | 16,284 | 16,284 | 16,582 | 16,582 | 16,582 |
| Reserves & Surplus | -706 | -1,355 | -1,772 | -2,479 | -3,297 |
| Shareholder's Fund | 15,578 | 14,929 | 14,811 | 14,103 | 13,285 |
| Total Liabilities | 22,723 | 23,845 | 27,160 | 27,252 | 27,168 |
| BVPS | 256 | 245 | 243 | 232 | 218 |

Cash Flow

| Y.E March (Rs cr) | FY23A | FY24A | FY25A | FY26E | FY27E |
|-------------------------|--------------|---------------|---------------|---------------|---------------|
| Net inc. + Depn. | 1,094 | 1,293 | 1,374 | 1,560 | 1,789 |
| Non-cash adj. | 320 | 270 | 286 | 246 | 205 |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Changes in W.C | -21 | -37 | 357 | -41 | -23 |
| C.F. Operation | 1,393 | 1,527 | 2,017 | 1,765 | 1,970 |
| Capital exp. | -763 | -1,082 | -1,489 | -454 | -69 |
| Change in inv. | 13 | -377 | -11 | -135 | -109 |
| Other invest.CF | 0 | 0 | 0 | 0 | 0 |
| C.F - Investment | -751 | -1,459 | -1,500 | -589 | -177 |
| Issue of equity | 0 | 0 | 0 | 0 | 0 |
| Issue/repay debt | 746 | 1,049 | 773 | 30 | -79 |
| Dividends paid | -1,201 | -1,211 | -1,244 | -1,432 | -1,679 |
| Other finance.CF | -1 | -1 | -2 | 23 | 24 |
| C.F - Finance | -456 | -164 | -473 | -1,378 | -1,734 |
| Chg. in cash | 186 | -96 | 45 | -203 | 59 |
| Closing cash | 284 | 189 | 638 | 435 | 494 |

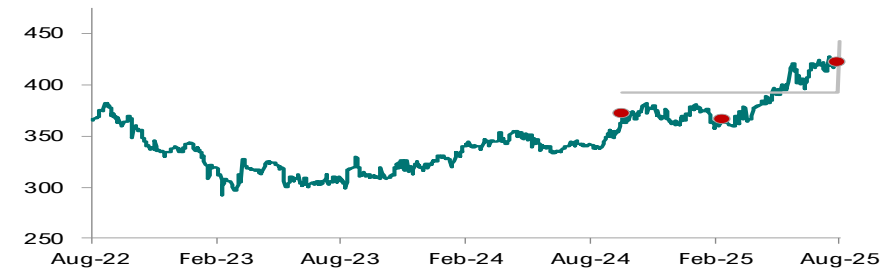
Ratios

| Y.E March | FY23A | FY24A | FY25A | FY26E | FY27E |
|--------------------------------|-------|-------|-------|-------|-------|
| Profitab & Return | | | | | |
| EBITDA margin (%) | 67.4 | 72.1 | 72.7 | 73.9 | 73.9 |
| Net profit mgn.(%) | 13.5 | 23.1 | 19.8 | 23.0 | 24.5 |
| ROE (%) | 2.0 | 3.8 | 3.5 | 5.0 | 6.4 |
| ROCE (%) | 5.6 | 6.2 | 5.9 | 7.6 | 8.7 |
| W.C & Liquidity | | | | | |
| Receivables (days) | 9.1 | 16.4 | 8.2 | 9.1 | 9.1 |
| Inventory (days) | 1.2 | 0.7 | 0.7 | 0.6 | 0.5 |
| Payables (days) | 34.8 | 58.6 | 67.7 | 59.5 | 53.2 |
| Current ratio (x) | 0.8 | 1.0 | 1.0 | 0.9 | 1.0 |
| Quick ratio (x) | 0.5 | 0.6 | 0.7 | 0.5 | 0.5 |
| Turnover & Leverage | | | | | |
| Net debt to asset (x) | 0.2 | 0.3 | 0.4 | 0.4 | 0.4 |
| Total asset T.O (x) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Int. covge. ratio (x) | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 |
| Adj. debt/equity (x) | 0.3 | 0.4 | 0.6 | 0.7 | 0.8 |
| Valuation | | | | | |
| P/FFO (x) | 47.3 | 28.6 | 29.0 | 24.4 | 21.5 |
| EV/EBITDA (x) | 19.9 | 18.2 | 18.5 | 15.8 | 14.3 |
| P/E (x) | 83.1 | 45.6 | 49.8 | 36.0 | 30.3 |
| P/BV (x) | 1.6 | 1.7 | 1.7 | 1.8 | 1.9 |



Recommendation Summary (last 3 years)

| Dates | Rating | Target |
|-----------|------------|--------|
| 08.Oct.24 | Accumulate | 393 |
| 06.Mar.25 | Accumulate | 393 |
| 22.Aug.25 | Accumulate | 444 |



Investment Rating Criteria

| Ratings | Large caps | Midcaps | Small Caps |
|-------------|----------------------------|---------------------------|---------------------------|
| Buy | Upside is above 10% | Upside is above 15% | Upside is above 20% |
| Accumulate | - | Upside is between 10%-15% | Upside is between 10%-20% |
| Hold | Upside is between 0% - 10% | Upside is between 0%-10% | Upside is between 0%-10% |
| Reduce/sell | Downside is more than 0% | Downside is more than 0% | Downside is more than 0% |

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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