

# Nexus Select Trust | BUY

## Strengthening its presence in North India

Nexus has concluded the acquisition of MBD complex (announced in Feb'25) in Ludhiana through its SPV Select Infrastructure Private Limited (SIPL) at an enterprise value of INR 5.3bn which is 14% lower than INR6.2b value assigned by independent valuer. The asset is located on Ferozepur-Ludhiana road and well connected to dense and affluent residential catchment. It is currently operating at a monthly average tenant sales of INR 200mn and is expected to deliver a stabilized Retail Net Operating Income of INR 370mn and INR 125mn Hotel EBITDA in FY26. Management highlighted the implied retail cap rate stands at 9.7% with 12x multiple on Hotel EBITDA. The asset has a strong occupancy of 95% and there is an opportunity to realize high teens MTM on upcoming expiries of 62k sf (24% of retail area) in FY26. Nexus also intends to premiumize brand offering by introducing marquee domestic and international brands and improve category mix. The asset would complement the REIT's existing presence in Punjab with Nexus Elante and Nexus Amritsar.

- **Transaction highlights:** Nexus has acquired 100% stake in MBD complex which includes a Grade A consumption center spanning 0.3msf and a 96 key Radisson Hotel. The purchase consideration for this acquisition stands at INR 5.3bn (Enterprise Value) – 14% lower than INR6.2b value assigned by independent valuer – and has been fully funded through maiden issuance of sustainability-linked bonds at debt cost of 7.2%. The asset is operating at monthly tenant sales of INR 200mn and is expected to deliver a stabilized Retail Net Operating Income of INR 370mn and INR 125mn Hotel EBITDA in FY26. Management highlighted the implied retail cap rate stands at 9.7% with 12x multiple on Hotel EBITDA. Nexus expects the asset to contribute INR 120m to NDCF post debt servicing. With the conclusion of the acquisition, the Loan-to-Value (LTV) stand at 18% and the REIT is well placed to pursue future inorganic opportunities given the debt headroom of USD 1bn.
- **Asset overview:** The asset is located on Ferozepur-Ludhiana road and well connected to dense and affluent residential catchment. Recognized as Ludhiana's premier retail destination, MBD Mall currently has an occupancy rate of c. 95%, anchored by a well-diversified tenant base featuring prominent international and domestic brands. As Ludhiana continues to evolve into a key retail hub in North India driven by a growing urban population and rising disposable incomes; this acquisition reinforces Nexus Select Trust's strategic expansion into high-growth urban centres.
- **Strategic Rationale:** MBD is a top performing mall in Ludhiana which has consistently outperformed its nearest competitor across key metrics. It presents an immediate growth opportunity in the form of high-teens MTM potential on upcoming expiries of 62k sf (24% of retail area) in FY26. Nexus also intends to premiumize brand offering by introducing marquee domestic and international brands. Additionally, there is an opportunity to improve category mix as 2/3rd of leasable area currently is leased to categories like Apparel and Accessories, Beauty and Personal Care, and F&B. For the hotel, there is potential upside of 10-12% in ARR stemming from the expiry of hotel management agreement in FY26. Management also intends to optimize margins through strategic capex over next two years.



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Please see Appendix I at the end of this report for Important Disclosures and

## Exhibit 1.Transaction overview

MBD Complex, Ludhiana		Key Stats	
		<b>Operational Metrics</b>	
		<b>MBD Mall</b>	
		Leasable Area	0.3M sf
		In-place Occupancy (%)	95%
		In-place Rent	INR 114 psf pm
		Avg. Monthly Tenant Sales	Approx. INR 20 cr
		WALE (Years)	5.1
		<b>Radisson Hotel</b>	
		Keys	96
		FY25 Occupancy (%)	64.4%
		FY25 ARR	INR 6,850 per key
<b>Key Tenants</b>		<b>Acquisition Metrics</b>	
		TEV <sup>(1)</sup>	INR 531 cr
		Discount to GAV (%) <sup>(2)</sup>	Approx. 14%
		Incremental NDCF <sup>(3)</sup>	Approx. INR 12 cr
		FY26 Stabilized Retail NOI <sup>(3)</sup>	INR 37.0 cr
		FY26 Hotel EBITDA <sup>(3)</sup>	INR 12.5 cr
		Implied Retail Cap Rate (%)	9.7%
		Implied Hotel EBITDA Multiple (x)	12.1x

Source: Company, JM Financial

(1) Includes INR 490 cr of Purchase Consideration, INR 10 cr of stamp duty, and balance towards planned capex &amp; closing costs.

(2) Based on purchase consideration (incl. Stamp duty) and GAV as per independent valuation.

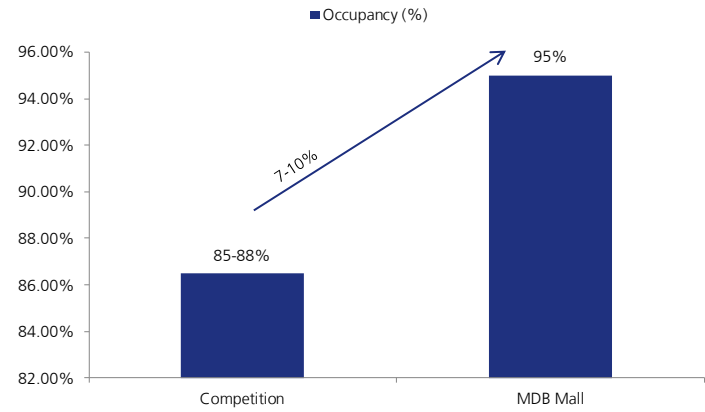
(3) Based on management estimates.

## Exhibit 2.Asset location



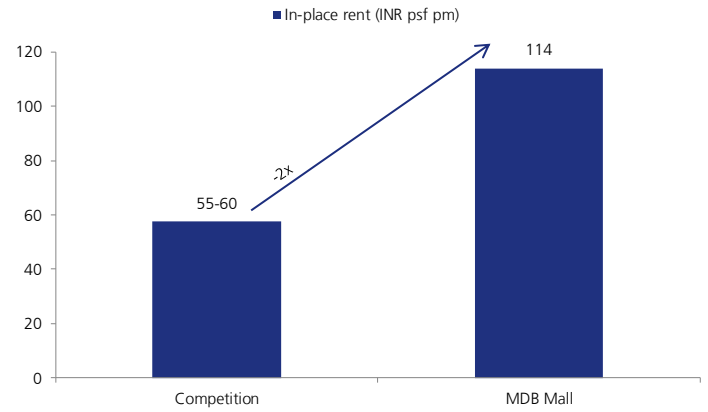
Source: Company, JM Financial

Exhibit 3.Occupancy



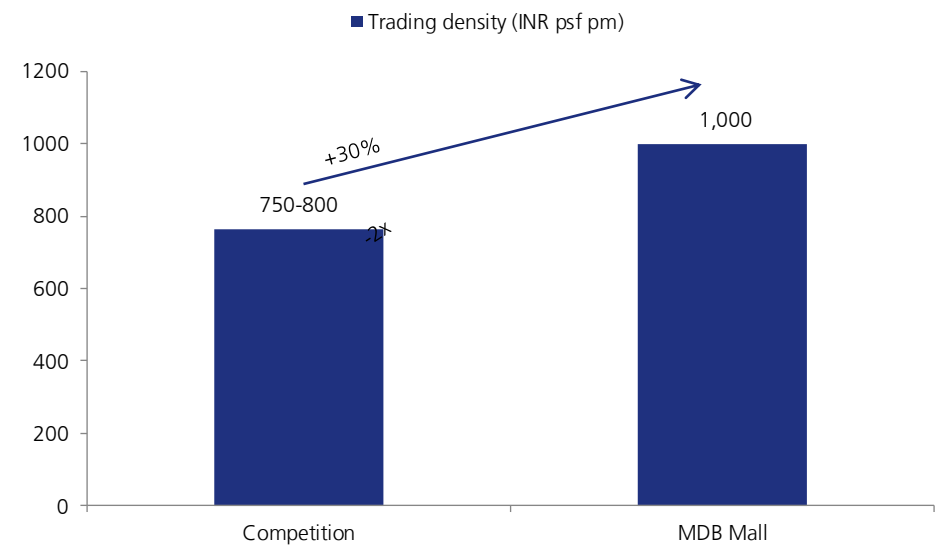
Source: Company, JM Financial

Exhibit 4.In-place Rentals



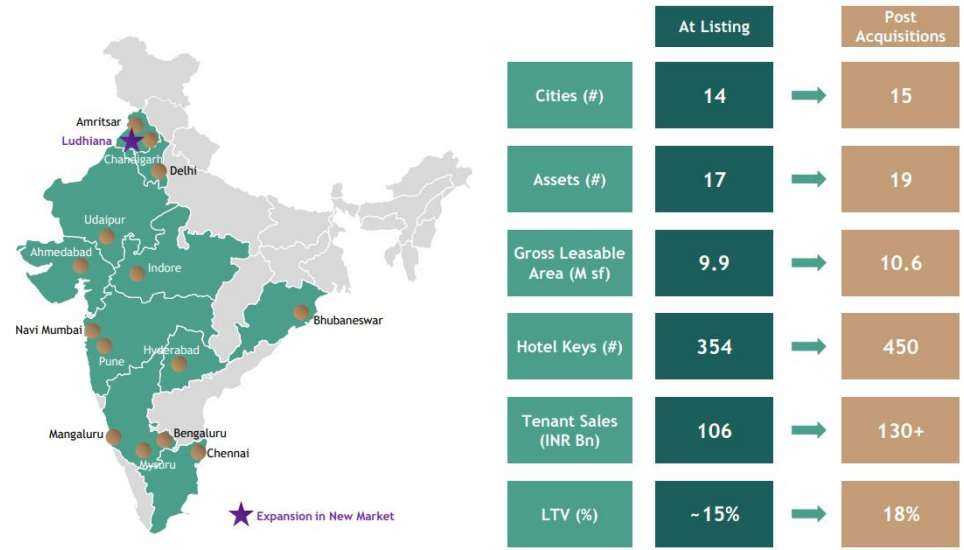
Source: Company, JM Financial

Exhibit 5.Trading density to increase by 30%



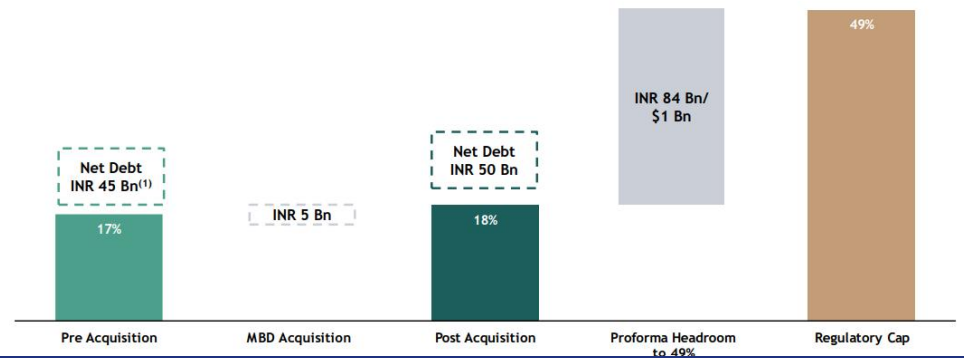
Source: Company, JM Financial

Exhibit 6.MBD Complex acquisition strengthens its presence in North India



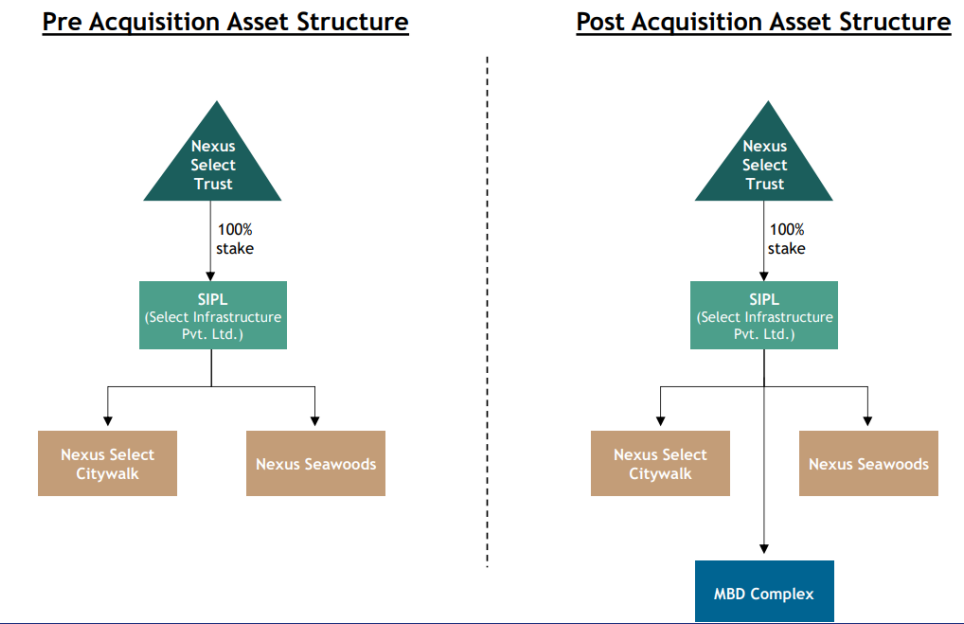
Source: Company, JM Financial

Exhibit 7.Debt profile



Source: Company, JM Financial  
(1) Post Vega Acquisition.

Exhibit 8.Asset structure (slump sale)



Source: Company, JM Financial

## APPENDIX I

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Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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\* REITs refers to Real Estate Investment Trusts.

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