



IPO DETAILS

#IPOlogy

Nexus Select Trust REIT



Issue Opens

9 May 2023, Tuesday

Issue Closes

11 May 2023, Thursday

Min. Lot Size

150 Units

Issue Price Band

₹95 - ₹100

Industry

REIT

Issue Size

Fresh Issue:
140 mn units
(₹14,000 mn)

OFS:

180 mn units
(₹18,000 mn)

Face Value

-

Listing at

NSE, BSE

Rationale

The IPO is priced conservatively at a 22% discount to the Net Asset Value (NAV) of the units. Post-IPO, the equity value of the trust will be Rs. 1,51,500 mn. and NAV per unit in relation to the offer price shall be 0.78 at the upper price band.

Based on the pricing, investors would get ongoing return of 8.3 per cent pre-tax and 7.1 per cent post-tax in terms of the distributions made by the REIT.

We assign "Subscribe" rating to this IPO as company has India's largest platform of best-in-class assets with a presence in 14 of India's key consumption cities and strategically located in prime in-fill locations with high barriers to entry. There are no listed real estate investment trusts in the retail sector in India comparable to that of this business.

Objectives of the issue

Partial or full repayment or prepayment and redemption of certain financial indebtedness of the Asset SPVs and the Investment Entity

Acquisition of stake and redemption of debt securities in certain Asset SPVs

General purposes

Rating

Subscribe

APPLY NOW



Nexus Select Trust REIT

Company Overview

Nexus Select Trust is India's leading real estate investment trust. They are the owner of India's leading consumption centre platform of high-quality assets that serve as essential consumption infrastructure for India's growing middle class.

Their portfolio comprises of 17 best-in-class Grade A urban consumption centres with a total Leasable Area of 9.2 msf, two complementary hotel assets (354 keys) and three office assets (1.3 msf) as of December 31, 2022.

Their Portfolio has a tenant base of 1,044 domestic and international brands with 2,893 stores as of December 31, 2022.

Main Locations

Delhi

Navi Mumbai

Bengaluru

Pune

Hyderabad

Chennai



Hedging strategy

Portfolio offers an attractive opportunity to capitalize on India's consumption growth through a robust business model and diversified asset base that can serve as a natural hedge against inflation.



Utilization

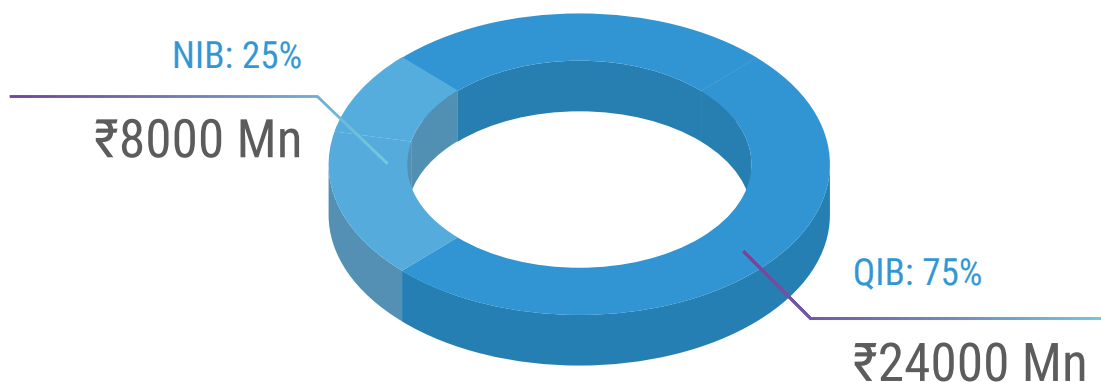
Out of the net proceeds of the fresh issue, they will use Rs. 2,500 mn for partial or full repayment/prepayment of debt securities, Rs. 10,500 mn. for the acquisition of stake and redemption of debt securities in certain Asset SPVs, and the rest for general corporate purposes.



Nexus Select Trust REIT

Issue Details

Issue Break-Up



Tentative Timeline

Particulars	On or about
Basis of Allotment Date	May 16, 2023
Initiation of Refunds	May 17, 2023
Credit of Shares to Demat Account	May 18, 2023
Listing Date	May 19, 2023

Credit Rating

Rating	Rating Agency
AAA/Stable	ICRA
AAA/Stable	CRISIL



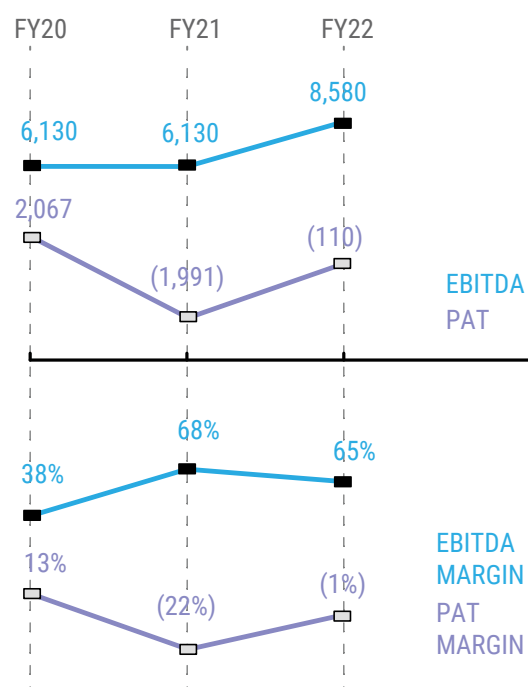
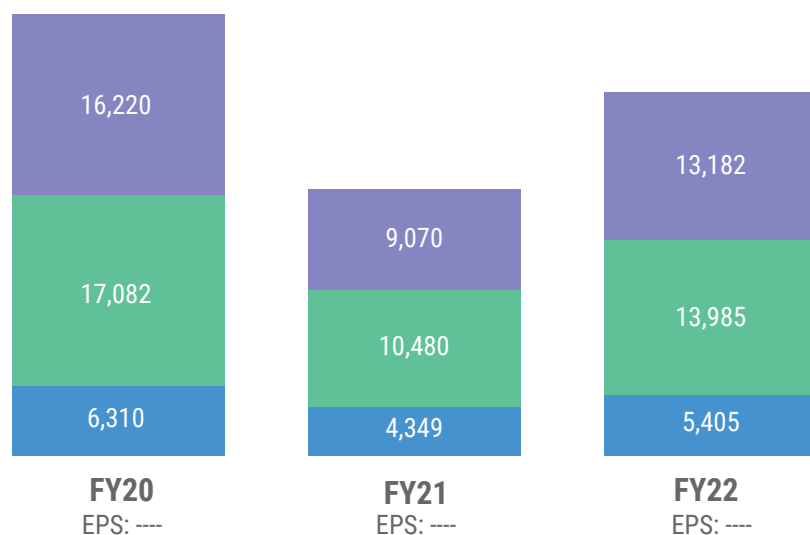
Nexus Select Trust REIT

Valuations and Peer Comparison

The Nexus Select Trust does not have any industry peers as on date of this Offer Document as there are no listed real estate investment trusts in the retail sector in India.

Financial Snapshot (in ₹ Mn)

- Revenue
- Total Income
- Total Expenses





Nexus Select Trust REIT

Business Insights



Competitive Strengths

- Located in India, one of the world's fastest growing consumption-led major economies
- India's largest platform of best-in-class assets with a presence in 14 of India's key consumption cities
- Highly occupied by a diversified tenant base of renowned national and international brands
- Strong embedded growth with inflation hedged cash flows
- Strategically located in prime in-fill locations with high barriers to entry
- Fully integrated platform with a highly experienced management team
- Proprietary insights and access through industry-leading technology initiatives
- Renowned Sponsor with global expertise and local knowledge
- Long-term ESG commitment.



Business Strategy

- Capitalize on Portfolio's embedded organic growth opportunities
- Proactive asset management driving growth in value
- Disciplined acquisition strategy with a strong balance sheet
- Marketing and consumer outreach initiatives



Risks

- They may utilize a significant amount of debt in the operation of their business, and their cash flows and operating results could be adversely affected by required repayments or related interest and other risks of their debt financing. Their inability to service debt may impact distributions to Unitholders.
- They do not provide any assurance or guarantee of any distributions to the Unitholders. They may not be able to make distributions to Unitholders in the manner described in this Offer Document or at all, and the level of distributions may decrease.
- If the Indian real estate market weakens, their business, financial condition, results of operations and cash flows may be adversely affected.

Promoters and Management Details

Dalip Sehgal - Non-Independent Director and the Chief Executive Officer of the Manager

Jayen Naik - Chief Operations Officer of the Manager

Nirzar Jain - Chief Leasing Officer of the Manager

Rajesh Deo - Chief Financial Officer