



“Indian Hotels Company Limited Earnings Conference
Call for the Quarter Ended 31st December 2025”

February 12, 2026



**MANAGEMENT: MR. PUNEET CHHATWAL - MANAGING DIRECTOR &
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*Indian Hotels Company Limited
February 12, 2026*

Moderator: Ladies and gentlemen, good day and welcome to the Indian Hotels Company Limited Earnings Conference Call for the Quarter Ended 31st December 2025.

On the call, we have with us Mr. Puneet Chhatwal – Managing Director and CEO, IHCL and Mr. Ankur Dalwani – EVP and CFO, IHCL.

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 this conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Puneet Chhatwal. Thank you and over to you, Mr. Chhatwal.

Puneet Chhatwal: Good evening, everyone, and thank you for joining our conference call for Q3 2025-26. We are pleased to inform you that we have continued our record performance for the 15th consecutive quarter, driven by sustained strength in our core business while building scale with profitability.

I will now want to outline the five key sections of this call or this presentation from us, after which we will take you through each of these in detail.

These five key sections would be:

1. Performance.
2. Pillars of diversification.
3. Portfolio and pipeline.
4. Partnerships and platforms.
5. Prospects and possibilities going forward.

#1. Let me now begin with the number one, which is ‘Performance’:

On a consolidated basis, revenue for Q3 2025-26 grew 12% year-on-year to INR 2,900 crores. EBITDA grew 11% year-on-year to INR 1,134 crores, yielding EBITDA margin of 39.1%. Our consolidated PAT before exceptional items grew 15% year-on-year to INR 668 crores, highest ever quarterly PAT in IHCL's history. For the very first time, our quarterly EBITDA for hotel segment crossed INR 1,000 crores, yielding 40.7% EBITDA margin.

Our standalone performance in Q3 was also the best ever with 9% growth in revenue to INR 1,654 crores and EBITDA margin expansion by 40 basis points to 48.2%. Standalone PAT before exceptional items grew 13% to INR 529 crores, taking PAT margin to a robust 32%. For



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9 months 2025-26, we delivered consolidated revenue growth of 17% year-on-year with EBITDA margin of 34% in line with our guidance of double-digit revenue growth.

What is important is to step back and reflect on our growth journey over the past four years. As you would have seen, we have delivered a double digit CAGR across revenue, EBITDA and PAT on both consolidated and standalone basis. On the investor presentation, there is an interesting slide number five if you would want to refer to during or after this call. These numbers underscore the consistency, quality and the structural strength of our business model.

#2. With that I move to point number two or section number two, the ‘Pillars of Diversification’:

Having discussed our performance, the move to the structural drivers behind it is also important because we have now a highly diversified business model, a journey we commenced a few years ago, we are right in the middle of it with a few more years and several more quarters to go.

Let's first take this journey across brands:

Taj continues to be our crown jewel with 69% of our operating revenue coming from the luxury segment anchored by the Taj. At the same time, as the overall revenue pie has expanded, the contribution from our other businesses and re-imagined brands too has scaled meaningfully. The new business vertical comprising of Ginger, Qmin, amā and Tree of Life now contributes 8% of total revenue. At the same time, TajSATS contributes 13% of the total revenue. Our upper upscale brands, Vivanta, SeleQtions and Gateway account for another 10%. This balanced brand architecture allows us to capture premium pricing while participating in structural growth across mid-scale in emerging formats across all of India.

Second pillar of diversification is geography:

53% of revenue comes from key domestic business cities, 15% from domestic leisure destinations and 22% from international markets. The balance obviously from other domestic locations. This diversified geographic mix reduces concentration risk, smoothens cyclicity and ensures resilience across demand cycles. In a sense, diversification is not incidental, it is deliberately designed to drive stability, scale and sustainable growth. Diversification is not only about revenue mix, it is also very important for capital efficiency. If we take the breakup of our operational portfolio, we have 32,300 keys of which 68% are on a capital light model, managed or fully fitted revenue share lease structures. You would recall those who have been with us for several years that 8 years ago this number was the other way around that the capital heavy was around 78% and the capital light model was 22%. This change in the ratios has enabled us to scale expansion with disciplined capital deployment supporting margins and return ratios. More importantly, when we look at the pipeline which is 30,200 keys under development, 30,200 keys is almost equal to the total number of operational keys that we have. 80% of our pipeline is

managed, only 6% is owned or leased. Basically, 94% of the total pipeline is on a capital light model. This significantly enhances forward visibility on earnings growth with limited balance sheet intensity. The result is a structurally strong business model, one that combines growth, margin expansion and higher return on capital employed.

#3. With that I move to section 3 which is about ‘Portfolio and Pipeline’:

With 361 operating hotels, 256 in pipeline and a total portfolio of 617 hotels, IHCL today is India's largest hospitality ecosystem spanning across 15 countries and 300 plus unique locations. Importantly, this translates as I mentioned previously to 32,300 operational keys and an almost equal amount of 30,200 keys under development which is an industry leading pipeline that provides strong multi-year growth visibility.

#4. Moving on to section 4 is about ‘Partnerships and Platforms’:

Having outlined the strength of our portfolio and pipeline, let me now move to partnerships and platforms, a key lever for accelerating inorganic growth and unlocking value. We have completed the acquisition of a 51% stake in ANK and Pride. We have signed a definitive agreement to acquire a 51% stake in Brij. We have also completed the acquisition of 51% stake in Atmantan. These transactions strengthen our presence in high growth segments including mid-scale, experiential leisure and holistic wellness while further expanding our portfolio, scale and geographic footprint. Importantly, these acquisitions are expected to contribute meaningfully in the range of INR 250 crores to INR 300 crores to IHCL's consolidated topline in FY'26-'27. Also, very important is that we have divested our stake in TAJGVK generating INR 592 crores in cash while retaining management contracts for all GVK hotels. We have also signed another contract with the GVK Group which we announced for a 250 plus room hotel in Yelahanka in Bengaluru that is about to open in the next 3 to 4 months' time. All this reflects disciplined capital allocation, recycling capital from ownership into higher return capital light growth opportunities. In a sense, we are sharpening the portfolio while strengthening our operating platform.

A key focus area within our platform strategy is mid-scale expansion about which we have been communicating with all of you over the last 5 to 7 years. Yes, ladies and gentlemen, this is about Ginger which today has a portfolio of 110 plus hotels reinforcing its position as a category leader in the branded mid-scale segment. Post the migration and integration of ANK plus Pride hotels, the combined portfolio will comprise of 250 plus hotels in this segment, significantly enhancing our scale, distribution reach and owner network in this structurally under-penetrated segment. We have already signed an addendum for 20 hotels for brand migration with another 30 planned in the first half of FY'27 demonstrating our momentum of execution. Today, the combined portfolio of Ginger and ANK plus pride has over 10,000 mid-scale operating keys with approximately 24% market share of branded mid-scale inventory. These figures are as per a report from lodging econometrics. This scale provides operating leverage, stronger procurement

economics, enhanced brand recall and improved return metrics. Through partnerships and platform-led expansion, we are building not just incremental rooms but scalable ecosystems that drive sustained growth, margin expansion and long-term shareholder value.

#5. With that, I would want to move to the last section on ‘Prospects and Possibilities’:

We see six clear drivers that will shape the next phase of growth for IHCL:

1. Like-for-like revenue growth momentum is expected to continue supported by favorable demand supply dynamics in key markets and sharper asset management focus, something which we have been pursuing for last seven years in a very focused and consequent fashion.
2. A strong forward pipeline including balance sheet assets and greenfield projects. This provides multi-year visibility on revenue and EBITDA expansion.
3. Management fee income is set to grow in the high teens driven by 60 plus openings. Yes, ladies and gentlemen, 60 plus openings in FY’27 and sustained asset light expansion on what we call a capital light model.
4. Ginger and our new business verticals are expected to deliver 25% plus revenue growth supported by integration benefits and scale efficiencies.
5. TajSATS to continuous growth trajectory on the back of travel buoyancy and structural tailwinds such as new airports.
6. Strategic acquisitions such as bridge and Atmantan will deepen our presence in boutique leisure and integrated wellness segments, a much-awaited growth segment for the future. Collectively these levers give us confidence in delivering double digit revenue growth in FY’26 and FY’27 with improving quality of earnings and sustained margin strength.

Let me just now address a few more issues before we come to the end of the call:

1. Favorable demand supply will continue to drive RevPAR growth. That is the core engine of value creation is the continuous growth in RevPAR and over the last few years the sector has benefited from strong demand tailwinds and favorable supply dynamics. Importantly, we believe this is not cyclical alone but structural change that is here to stay. Because India's travel and tourism ecosystem continues to deepen driven by rising disposable incomes, infrastructure investments, MICE demand, weddings, spiritual tourism and premiumization of experiences. On the supply side additions remain measured in several key micro markets and this is ultimately supporting the RevPAR growth. For IHCL this translates into continued pricing power across segments, improved mix and yield management, operating leverage flowing through to margins. As a result we expect steady like-for-like revenue growth to remain a meaningful contributor to earnings expansion.

2. Second, as I already mentioned a strong forward pipeline as we are going to open a lot of hotels and our capital allocation remains disciplined. Our capital will be deployed only on high visibility locations, our focus will be on growth driven by management contracts or fully fitted revenue share lease models in the mid-scale segment and selective capital deployment with strategic control and long-term value creation justify ownership. All these ensure multi-year revenue visibility, margin resilience and strong return ratios.
 - As you will all ask one question before you ask let me address Taj Bandstand – That is a project which is both strategic and symbolic for IHCL and for the Taj brand and for our country India. Excavation at the site has commenced since a few months and the tendering process is currently underway. We are progressing in line with the planned milestones. Once completed Taj Bandstand will be a state-of-the-art project redefining the seafront skyline of Mumbai. From a financial standpoint upon stabilization Taj Bandstand is expected to contribute INR 1,000 plus crores to IHCL's topline with EBITDA margins close to 50%. This reflects the premium positioning and strong operating leverage of luxury assets which not only define the new skyline but create iconic buildings for the new and buoyant India. We have put some renderings on the investor presentation would welcome you to have a look through that.
3. Growth in management fee income with 60 plus expected openings in FY'27 and sustained signings momentum our asset light model continues to strengthen. As the share of managed hotels rises the quality of earnings improves and improves structurally. We expect management fee income to grow in the high-teens reinforcing both profitability and cash generation.
4. Then comes new business which is at an inflection point which is our fourth lever. This is emerging a significant growth engine for IHCL and I have already mentioned the growth of Ginger in this segment, which is also getting support from Qmin, Amã and Tree of Life as we move ahead in the next years. TajSATS is consistently delivering on all fronts. Q3 revenue grew by 17% year-on-year with an EBITDA margin of 26%. We only see this growth accelerating with newer airports coming in as well as TajSATS is venturing into non-aviation business segments which should help it diversify also the revenue base.
5. Finally, strategic acquisitions which is brands like Atmantan and Bridge and I think these acquisitions underline our strategy.
 - Atmantan this marks IHCL's foray into the niche but fast-growing segment of integrated wellness in luxury hospitality. This acquisition was completed a few weeks ago and we plan to add several new wellness slots and additional rooms in this segment. This property and this brand is projected to generate revenue of approximately INR 100 crores in FY'27 with strong margin characteristics aligned to the premium wellness positioning.

- Second Brij, this represents a penetration into the boutique pleasure space a high growth segment driven by experiential travel and curated stays. The definitive agreements have been signed, acquisition is expected to be completed by March 31, 2026. This will also contribute approximately INR 100 crores in FY'27 and provide IHCL with a differentiated offering in heritage and immersive leisure destinations.

In conclusion:

IHCL stands today on the strength of a fully diversified business model across brands, geographies, formats and platforms enabling us to scale with profitability and resilience. We remain confident of delivering on our guidance of double-digit growth supported by sustained margins strong like-for-like momentum and a robust pipeline that provides multi-year visibility. Our balance sheet remains healthy with gross cash reserves of over 3,800 crores despite having built a few of our owned assets like Cochin International Airport Taj or Vivanta and Ginger in Ektanagar investments into our core assets and our trophy assets like London or Taj Mahal Palace in Colaba or Taj Lands End and as you would recall in the last quarter call when we talked about the rooms being out of order for the Taj Palace in Delhi which was around 130 rooms which have been renovated. However, having said that we will continue to invest in our core competitive advantages, our iconic physical assets, our diversified brandscape and most importantly our people. With scale, strength and strategic clarity we are well positioned to shape the next phase of growth and to continue delivering sustainable long-term value for our shareholders.

Thank you for listening and we will now open the call for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Shaleen Kumar from UBS India. Please go ahead.

Shaleen Kumar: First of all, congratulations on a good set of numbers. Just to understand, we have a 9% RevPAR growth. Can you get a sense of like contribution of ARR growth/occupancy?

Puneet Chhatwal: We have given that, Shaleen, this time as we had promised in several calls, by brand and because there is RevPAR growth and RevPAR growth which is very different in mid-scale and at what base we are talking about. Firstly, let me go by brand. At Taj is at 8% at a base of 22,000. In Vivanta, SeleQtions and Gateway is 10% and in Ginger is also around 9%. So, the majority of the growth is coming driven by average room rate which if we take everything together comes to 7% which accounts for the 9% RevPAR growth. So, 7% is ARR growth.

Shaleen Kumar: Got it, sir. If I can ask, how is the 4Q going on in terms of RevPAR? Any sense on that?

Puneet Chhatwal: You see, I personally prefer to talk about RevPAR but I know that we always get the same question on RevPAR. I think it would be fair to assume anything in a similar trend or even higher is definitely not lower. So, it would be fair to assume approximately a double digit growth number. If not, then it could be 9, it could be 8.8 but I think with a bit of tailwind that we are currently having, we could get anything between 9% to 10% RevPAR growth but definitely you should expect a total revenue growth in a similar range as you have experienced in the past. So, I would say 12% to 14% in Q4 as a topline growth is realistic.

Shaleen Kumar: Okay. So, you think RevPAR growth of...till now we are seeing double digit, RevPAR growth, you said that?

Ankur Dalwani: So, I was just saying that till now, Quarter-to-date is actually comfortably in double digit. We will see how the quarter plays out and because we have, I think, big events lined up in the next couple of weeks. So, we will see how the quarter in February month plays out.

Shaleen Kumar: Sure. Got it, sir. Just changing towards strategy, I would really like to hear about Atmantan. So, few questions around it. Any sense of its positioning in terms of what are the key **25:01** ___ it has and in terms of your expansion plan, what kind of a CAPEX are you thinking you will be needing? Does it need a bigger CAPEX or a small CAPEX, multiple location, etc.? And in terms of the returns and margins, if we can get some sense of that because I think that could be a big sector going forward. So, if you can give some color on that bit?

Puneet Chhatwal: In the short term, which when I say short term, I think the next three years or so, we expect to grow Atmantan with the founders in a hybrid fashion. I don't think we will have all growth coming through own. There is a lot of interest in Atmantan brand. So, if we did, let's say 4 projects, at least 2 would be on a capital light model and 2 could be owned by us. We would definitely want to have one additional asset in the west and a minimum of one in Kerala. That takes us to three and another one in South in the area of Hyderabad because it has a lot of demand there and very, very affluent base and maybe one in the north or in the east, I mean in the hill areas. But the order of priority would be like this, the west and Kerala being top priority followed by the others. That's our three-year plan. We haven't gone and seen beyond that because the acquisition only completed less than four weeks ago.

Ankur Dalwani: Just to add with the margins, we kind of disclosed the six-monthly margins when we did the announcement. So, they are comfortably above 40% and for the full year, we expected to be in high 40s only. So, I think that's something which we think will sustain over the next year as well. And the pipeline, we will get more colour on the pipeline as we integrate and move forward as to see which are the locations where we can sort of provide to Atmantan and to expand. But that's the journey we have just started like Mr. Chhatwal said. So, we will get more clarity in the next couple of quarters on that.

Shaleen Kumar: Okay, sir. Just one last bit on that. What kind of CAPEX per project we need and how big are these projects?

Ankur Dalwani: These are typically 25 to 35-acre kind of projects. So, large land areas located outside cities, close to a big airport because a lot of clientele is also offshore from foreign NRI clients or just foreigners. So, you do need connectivity and then of course, the location has to be in a place where you can actually benefit from the whole wellness angle. So, whether it's near overlooking a mountain or a beach or close to a river. So, those are the typical locations. So, legal locations, high end and it's not actually CAPEX per room kind of a metric here because it's also how many wellness slots you sort of put in, how many treatment rooms you put in and what kind of medical facilities you put in. This as you know is an acquired facility medically. It's a combination of all of those things which goes into CAPEX.

Shaleen Kumar: Okay. Got it, sir. All right, sir. Thank you so much. I will join back the queue. Thank you.

Ankur Dalwani: Thank you, Shaleen.

Moderator: Thank you. Our next question comes from the line of Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar: Good evening, sir. My first question is on your reported margins. So, we have like stable margins year-on-year. There's a mention of some one-off expenses during the quarter in your slides. Can you quantify this one-off number and impact on the margins with that?

Puneet Chhatwal: Should be around INR 20 crores to INR 25 crores, Prateek. Of course, we are on a, we have been on a journey of acquisitions. It obviously increases legal expenses. It increases technical expenses. It includes deal expenses, due diligence expenses. These are some of the one-offs and some others are related to GST. And anything else you would like to add?

Ankur Dalwani: No, I think that are the big heads. GST particularly has been an expense which we think will neutralize in the next quarter. So, that will probably explain half of the impact. And then the deal expenses and some related to the marketing events which happened one-off in this quarter. So, I think all put together will be in the INR 20 crores-INR 25 crores zone. Adjusted for those, the margin would have been higher and the growth in EBITDA would be at least a couple of percentage higher.

Puneet Chhatwal: Prateek, as a strategy, I think if we are going to have in a quarter like, quarter three, on a consolidated basis, which includes also international assets, margin close to 40% and on standalone 48%, we are happy with that. Our main focus will be to grow, scale profitably in all the new businesses that we have started. And also asset manage the great assets that we have so that we can drive more and more revenue per square foot. So, I think in doing so, all these things work in a certain way. The more we do for this long term, the more we displace in the short term.

So, like I said Taj Palace, you take out the inventory. So, there is a displacement that happens. Sometimes delays happen because of what you call GRAP in Delhi that you have to stop construction which is beyond your control. So, there are things like this that happen. But if we can maintain margins close to 39%-40% on consolidated in a Q3 and a 48 on a standalone, we are very pleased with that. We do not mind getting more, but then we would not be doing justice to the iconic assets and the positioning we have, which in long term will not help us to get those premium average rates that we are enjoying today.

Prateek Kumar:

All right. Just delving on this further, like in your opening remarks multiple times you mentioned about steady margins. So, we should be looking at maybe higher revenue growth and maybe similar EBITDA growth because we generally thought that there are a few line items like management contracts, which can drive your EBITDA margin expansion year-on-year. But we are looking at, I mean, while you talk about consol margins as 40% is something which you desire. So, your core margins or like non-management contract margin seems to be then probably lower year-on-year and management contract was like expected to be 70%. Is that the way we should understand?

Puneet Chhatwal:

No, I think typically it should be like this. If you want to understand this, if the topline growth in our kind of diversified portfolio is around 10%, then the EBITDA growth could be 15 and the PAT growth could be 20. I mean, this is how, if you look at our investor presentation, which will show you this kind of a trend on quarter basis, you will see on standalone and consolidated that the Q3 shows a 14%, 17% and 20%. Now, there could be an improvement on that 17 and 20 if the revenue CAGR is 14. Similarly, if you look at 9 months, it shows 13 and again 17. That is what I meant by improvement. But the PAT goes to 23 in that slide. So, I think this is the way to look at it that approximately you can add whatever the topline is, you could add another 10 percentage points or double that for the PAT and somewhere in between is the growth in your EBITDA.

Prateek Kumar:

Sure. Moving on to other question, how are you looking at the New York asset now? There was like some news recent, I mean, a few months back, you are looking to exit that location. What is the update there?

Puneet Chhatwal:

Do not believe everything that is written. There is a very famous saying, you never eat as hot as it is cooked. We are very much there. We are operating it, the New York asset for the first time since we have it in the month of December crossed INR 100 crores in revenue. And we are for the first time in a lucky situation of cash profit. Even San Francisco has done well. You will see that in the details. It is very iconic Fifth Avenue. We would like to keep it. We are in negotiations. We would know more maybe by the next quarter call that we have as to where we stand. But definitely exit is not our preferred option.

Ankur Dalwani:

Also, we have clarified that that was basically the news, which was not true when that came out, in the sense that basically we said that we will get X billion dollars of money because we are not

the owners of the asset. We have a lease right on the asset. So, that is what we are engaging with the owners of the asset.

Prateek Kumar: Sure. I have more questions. I will get back to the queue.

Puneet Chhatwal: Thank you, Prateek.

Moderator: Thank you. Our next question comes from the line of Karan Khanna from Ambit Capital. Please go ahead.

Karan Khanna: Hi. Good evening. Thanks for taking my questions. Firstly, Puneet, you spoke about Taj Bandstand. On slide 15, if I look at the revenue potential of the asset, is it safe to assume that you are building an ARR of around 38,000 to 40,000 at 78% to 80% occupancy at the time of stabilization? And can you reiterate the timelines for first year of stabilization? And when you are building these numbers, what kind of ARR growth are you pencilling in here over, let's say, next 5 years to 7 years by when the asset should stabilize?

Puneet Chhatwal: Both on occupancy and rate, you could go marginally higher. And the year of stabilization should, in such an asset, it does not take more than 3 years to stabilize. It all depends if you are able to complete by 30 or 29 or 31. It is very difficult to say that today because we are building a 164-meter tall building and a part of the construction is in water. You know, there are things that happen in terms of climate and other things which are beyond anybody's reasonable control. So, we do believe that given our experience of Taj Mahal Palace in Colaba and the kind of revenue it already does today, in 7 years from now, we could have the same base as that what we have guided for which is INR 1,000 crores plus as the revenue base for the full year of revenue. So, I mean, for the first full year of revenue and maybe going up 10% year-on-year to a higher number by the 7th year from now, which means 4.5 years to build and another 3 to operate.

Karan Khanna: Sure, this is helpful. Secondly, just shifting gears to this quarter, given that this was the first quarter after quite a while where the growth was entirely like-for-like. So, is the 11%-12% consolidated revenue growth something you expect to remain largely constant going ahead into 4Q and FY'27 as well? And in the past, you used to talk about double-digit RevPAR growth and now double-digit revenue growth. So, are you now seeing the rate growth cycle close to peaking, especially given that even for Taj, the RevPAR growth was around 8%?

Puneet Chhatwal: That is not accurate. We said we still talk about very high RevPAR growth. That's why we said we will start guiding by brand and that's what we have tried to do it this time. The growth is there and the growth is very robust. We feel, as I said during my opening remarks, 12% to 14% growth going forward, of which maybe I can repeat only 8.5% to 9.5% comes through RevPAR. A lot of growth will come from not like-for-like growth if you are going to open 60 hotels and some of the growth will obviously come from F&B and other revenue sources that we have,

whether it's a private membership club or it is doing the pedal court or the pickleball or whatever else we might be doing in terms of ancillary revenues including our spa business. Given the kind of base that we have, Karan, if we get to 12%-14% growth, our flow-throughs can be very high. We had certain costs because if in a period of 3-4 months, you acquire a few companies, then the due diligence costs, the travel costs, the legal costs, all these fees go up by a significant amount. We expect all this to settle down by this quarter, which is the Q4 and we will continue our growth journey. I am not saying we will not, but in all these years, we did not acquire so many portfolios or brands as we have done in just 4 months alone and opened at the same time 2 company-owned hotels as I mentioned also before in Ekta Nagar, 1 Ginger, 1 Vivanta plus earlier part of the year, the Taj at Cochin International Airport. So, these are all startup costs that come in because before the hotel goes into renovation and you have a company-owned asset, it creates a startup cost, but happy to report that within the first 100 days already, we have had a break-even on these assets.

Ankur Dalwani: I think both the assets which opened last quarter and now EBITDA positive and that's a good sign for the new assets which have opened.

Karan Khanna: Sure. And then lastly, just on the acquisition opportunities that are available while some of the recent acquisitions including Atmantan, Brij Hospitality etc., while certainly value accretive, still relatively smaller in size given your current scale. So, are you looking at any big-ticket acquisitions and are you seeing viable opportunities that are currently available in the market?

Puneet Chhatwal: If anything comes, we are well-positioned from having no debt and having cash to take advantage of that, but let's not forget those acquisitions that we did were mainly to consolidate and make our mid-market presence the strongest. So, that post our majority of the market share, more than 50% of the market share in flight catering businesses with TajSATS, that we achieve something similar in the mid-scale segment because with Taj, obviously, we are very, very strong with a portfolio close to almost 150 hotels and more than 90 in operation. So, I think this is the reason we did that. We didn't do it because the ticket size was small or the revenue was this or the revenue was that. In a segment like Ginger, you need scale and it took us 25 years to get to 70 hotels in operation and but within one year, we will get to more than 200 hotels in operation and that's when you go through the presentation and you see the map of India, which I think my colleagues are pointing out, it's a slide 10 on the presentation. It will give you a very good snapshot of how and what Ginger would look like and what to expect from it in the next 12 months to 18 months.

Karan Khanna: Great. Thank you, Puneet. All the best.

Moderator: Thank you. Our next question is from the line of Achal Kumar from HSBC. Please go ahead.

Achal Kumar: Thanks for taking my questions. So, basically, first of all, sorry, I joined a bit late. So, kindly excuse me if you already answered the question. First question, I want to understand what

happened to your management fee. I mean, in the 3rd Quarter management fee, actually, the growth was slowed and what you reported in 1st Quarter and 2nd Quarter, what's happening there? And secondly, just to ask one-by-one, how do you see your wellness entrance now? And are you sort of intent to grow there? How do you see the wellness overall in the country doing? Thanks.

Ankur Dalwani:

Yeah, I think the management fee for the quarter was about 15% growth, which is in line with our expectations. I think you know what happens when you look at from a quarter-to-quarter perspective, there are incentives move from one quarter to another quarter depending on the performance, the incentive fee. But if you look at our guidance on the next year's outlook, I think which is more relevant, I think is you can see that we should end the year with a close to 18% growth on a YOY basis and the next year should be similar. That's what we are guiding towards high teens growth on the management fee given the strong pipeline of openings with large portion coming up in the first half. And that should really add to the management fee growth plus the fact that whatever is open will stabilize and you will have RefPAR expansion in the new hotels, which kind of get to higher occupancy as they stabilize. So I think, no, nothing unusual, it's just a normal business, which moves up and down in a quarter. But overall, we think this will continue to grow at, high teens for the next year, and then over a long term period, mid to high teens.

Achal Kumar:

And on the wellness side, please?

Ankur Dalwani:

On the wellness side, like we mentioned earlier, I think we just closed the transaction, you know, just about three weeks, four weeks back. So we are obviously excited with the partnership, because it's an ideal fit from our luxury positioning. There is definitely a very strong interest to do add more Atmantan. This is not going to be a brand which get to like 100 Atmantan, but definitely over the next 2030, actually 2030, we should be looking at having 3 to 5 more Atmantan. And that's the plan we will actually work on with the management team in the next couple of quarters, put the strategy together for Atmantan. But you know, organically itself, there is growth opportunity in the current asset, which will add both rooms and wellness lots in the next financial year, and take the revenues close to about INR 100 crores in the coming year. So, that should give us good growth. And plus the margins for this business are very high. So this is typically a north of 40%-45% kind of margin. Given that, this is essentially a rooms heavy business, although there is no concept of ARR and RevPAR in this, but essentially, when you sell a package, you are selling it as a combined thing for treatments as well as for stay as well as for food and beverage. And as you know, the beverage here is really soft beverages, there's no hard beverage. So all of that put together gives you a pretty high flow through on the bottomline.

Achal Kumar:

Okay, and then if I may, if I may squeeze one more, basically, in terms of ARRs, so ARRs in most of the cities which you have reported except Rajasthan were sort of in high single digits. While I think most of the peers have reported except Mumbai, I think Delhi, I think Bangalore, they reported very, very strong ARR. So what's happening, and I am talking about the luxury

hotels, like of Leela and all. So why what's happening with Indian Hotels, especially in those markets where ARRAs are reported very high by the peers?

Ankur Dalwani: Not really getting into what the peers have reported. But I think in general, if you see the growth on revenues across cities, it's a healthy mix. With most of them doing well, I think the only city which has grown slower was Delhi and Bombay, which was 7%, 8% because we had some one-off business in the previous year, which did not get repeated in Bombay, particularly. And then Delhi was, as you know was impacted because of Taj Palace renovation, which is not out of the way. So we should see that uptick also in Q4. But a lot of markets have done well, whether it is Rajasthan, Bangalore, Goa, Goa 10% growth. So I think, overall, you can say it's a pretty secular growth across the board.

Puneet Chhatwal: Achal, we can take it offline, but you should look at the base. The base of Taj is very high and there comes a point that you cannot, when you are a small company, with a smaller base, suppose you are like a INR 30 crores PAT or a INR 50 crores PAT, you say 10% more is 55. But if you are already at INR 1,500 crores PAT, and then you have to add 10% means you have to add 150. So that's a big difference. We are still ahead in most of the markets. But we also have multiple brand presence. And multiple brand presence gives us scale, gives us that revenue, but also dilutes sometimes some of the metrics at a high level, if you take them. But if you took a hotel by hotel, the Taj Palace in Delhi is number one in its comp set, the Mansingh in Delhi is among the top two in the comp set, Taj Mahal Palace in Colaba is number one, Taj Lands End has always been almost number one. So, it cannot be that others may be reporting maybe because they had a lower base. But on the STR statistics, I think most of our trophy assets are doing quite well, and are always either number one or number two in any given market. And then obviously comes the size of the property in place. So, if our competitor is double in inventory, then they may not be number one very easily. And if we are double, then it's vice versa. So, because there are so many shoulder days where you have to fill up the room. So, I think that is not the generally the sector is doing well, everyone is doing well. And that is what has enabled us to do 15 consecutive record quarters. And I have no nothing suggest today, that Q4 will not be the same. There's nothing that suggests or Q1 as a start of the next year would be any different. I don't see that coming.

Achal Kumar: Right. Okay. Thank you, Puneet. I will come back in the queue.

Ankur Dalwani: Thank you.

Moderator: Thank you . Our next question comes from the line of Sreetika with JP Morgan. Please go ahead.

Sreetika: Thank you for the opportunity. Just a quick question on the international RevPAR performance. Of course, last quarter also it was stronger. This quarter again, also showing up in the margin performance for the US and UK entities. How much of it do you think is currency driven? Is that

a significant tailwind here? Are you seeing structural improvement in demand in these markets? And what kind of revenue you expect in terms of--

Puneet Chhatwal:

Very good question, because it's very interesting. You know, a year and a half ago, six weeks ago everyone had written off San Francisco. And it's coming back. It's not at the same level as its peak used to be. But it's backed by 75%-80% and the challenges of that market have, you know, kind of subsided. And there's a lot of improvement. So our RevPAR improvement in San Francisco, in Q3 is 50% versus the previous year. But the base had gone down so much that that 50% is good to have, but should have been maybe 60% or 70%. So we expect that increase to happen. New York, for us, has started doing much better than ever was the case for as long as anybody follows us. For the last 5-6 quarters, New York has improved both in topline as well as in bottomline. Cape Town is doing very well. One asset where we had the similar situation, even now as we speak, is London. We have invested significant amount of money in London. So as we speak today, the banqueting facility, the lobby, the lobby bar, the lounges, they are all under renovation and some rooms also. So all that is expected to start coming back into operation between end of February and end of March. And that should give us a very big boost in definitely Q1 of the next financial year because that inventory will just come back now. So I think all four properties, you can expect them to do well. On management contract basis, Dubai has been performing well. Where we expect some improvement is in international is in Sri Lanka and in Maldives. They have not been doing that great. Those markets have been a bit more volatile for us and otherwise we are very pleased with the performance overseas. One more asset to watch out definitely in Q1, not in this quarter of next year, would be that definitely Taj Frankfurt would have opened. And in the Q1, somewhere towards the middle or towards the end, we would also open our first safari at the Kruger National Park followed by the second one in the same park in November of next year.

Sreetika:

Understood. Thank you for all the details. But how much of it is currently driven that you have seen in this quarter specifically? And would it mean that we can see growth from these businesses, inch up even higher in terms of RevPAR in the next 2-3 quarters, maybe even go up to mid-teens hotel RevPAR growth?

Ankur Dalwani:

So on the currency front, it would be about 1.5% to 2% impact benefit of that, which flowed to the consolidated numbers on account, 1.5% on the RevPAR of these hotels, not on the overall numbers. So if this was 10%, basically it was 8% in local currency, it should have been 10% reported.

Sreetika:

That's very helpful. So just on the domestic side, then would it be fair to say that the kind of 7%-8% RevPAR growth is something that is going to be a more normal trend going ahead for the next couple of years? Or do you see any room for further expansion there?

Puneet Chhatwal:

You know, I have been saying it, I think, whether it's, I have said it many times, I say it again, anything between 8.5% to 10% over our portfolio is realistic. That's one. But for us, more

important is the not-like-for-like growth. We could be doing over the next year, at least 40 new hotels, which are not part of ANK, Pride or other portfolio, which will come on top. So I think our, that percentage growth, plus F&B growth, plus spa, plus chambers, I think should definitely give us anything between 12% to 14% topline growth. RevPAR is only one metrics. And also in India, it is much lower. I mean, it's not like the Western world, as compared to where the revenues are. International world, 60% to 80% in the Western hemisphere, your revenue is driven by RevPAR in India, depending on which brand, but let's take an example of Taj, is less than 50% is driven by RevPAR. Does that answer?

Sreetika: Yes, thank you. This is very helpful. That's all from my side.

Moderator: Thank you. Our next question comes from the line of Akash Gupta from Nomura. Please go ahead.

Akash Gupta: Hi, sir. Congratulations on a great performance. My question was for slide 21. For the standalone ARR growth was roughly 6% on a year-over-year basis. I think that is slightly on the lower side. I just wanted to know your thoughts around that. And then when we say in FY'27, we are going to do roughly 8% to 9% RevPAR growth, how much of that would be driven by ARR on occupancy? Because I think we are already at peak occupancy.

Puneet Chhatwal: Sorry, I had asked Ankur to answer, but I want to answer. You see, Q3 is undisputedly the best quarter ever that we have had for as long as people follow hotel business. Your RevPAR in this quarter is already at such a high level, there is only so much more you can drive on terms of that like-for-like. Because we are like an iconic hotel company with being there for a long time. So, if you look at on the consolidated side, in the same slide, you see the room revenue growth at 11%. So, you are only looking at standalone and standalone has some of those assets that we own, but that does not include assets like Rambagh Palace, which is on management. We have Umaid Bhawan Palace, which is also on management. The rates there in the peak in Q3 get close to INR 1 lakh. So, that is the difference in how we report. So, somewhere we get a benefit on the percentage and in other places, we get the benefit through the management fee income. So, in the case of standalone, Jai Mahal Palace in Jaipur is included, but Rambagh is not. Hari Mahal in Jodhpur is included, but Umaid Bhawan is not. The rate in Jai Mahal is less than half of Rambagh and in Hari Mahal is also less than half of Umaid Bhawan. That's why we came up, 8 years ago, when we first guided, we came up with the most iconic and most profitable, most iconic, because we have this iconic assets, which we have to always kind of polish and keep them as the crown jewels of the Company and most profitable because Jai Mahal profitability is far higher to us and the income from Jai Mahal than Rambagh has. So, it depends how we read these numbers, because everything that we have in standalone may not be our best asset.

Akash Gupta: Understood, sir. Thank you so much. That was my question.



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Moderator: Thank you. The next question comes from the line of Sameet Sinha with Macquarie Capital. Please go ahead.

Sameet Sinha: Yes, thank you very much. A couple of questions. First is, Puneet, you were talking about 12% to 14% revenue growth for the 4th Quarter. Did you, that it should, that 12% to 14% should continue into the next year as well?

Puneet Chhatwal: Absolutely, yes.

Sameet Sinha: That includes the 300 crores of acquisitions, correct?

Puneet Chhatwal: That includes that. Not like, for like, growth is an important component of our.

Sameet Sinha: Right, absolutely. The second question is, can you talk about the renovations that you undertook at some pretty marquee properties? What's the experience been? How much increase in ARR or occupancy are you seeing that you can attribute to the renovations? And if you can also tell us if, if you have other renovations planned through this year or how much of a visibility you have that will at least help us at least understand to model it out?

Puneet Chhatwal: We are planning to spend approximately, we have guided on that before also, approximately INR 1,000 crores in CAPEX, which includes routine and new, and also renovation or expansion. For example, we have done the Taj Mahal Palace in Colaba, the Chambers, or we did the new restaurant Loya. We are going to do an Italian out there. We just finished the two floors in Taj Palace. The rates have almost doubled versus two years ago. So, post renovation, not just of the renovated rooms, but of the entire hotel. So, it's pushed the entire hotel ahead. Same things we have noticed in London, in terms of first comes displacement, but then comes the other moneys. Mansingh is a very good example. Mansingh, despite 89% increase in rent and INR 250 crores in renovation, it actually makes more money on absolute amount now than it ever made when the rent was only 17.25%, that's Taj Mahal Delhi. And our Chambers membership fees has increased 5x in last eight years and is going to double very soon because of all the investment that has gone into the new chambers that we have built in the West End, the renovation in Lands End, the renovation in Colaba, the ongoing renovation of the Chambers in London. So, all these things obviously create future income streams, which are very high margin businesses also, and give us a lot more stability, which is not dependent on any form of cyclicity.

Sameet Sinha: Got it. Okay. That makes sense. Just one final question. How about CAPEX? You gave us a number for this year. Has that number changed for, let's say the next 3 years-5 years, or is still as going as per plan?

Ankur Dalwani: I think for, we can only talk about next year, because we have more visibility on that. But broadly speaking, I think it will be in a similar zone as what we are going to do this year. So, maybe plus percent, (+/-5%) to (+/-10%). That's what we think we will end up doing in cash flow, cash out



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for next year on CAPEX. I think long term, it could move up a little bit in, let's say, 2-3 years from now, as the Bandstand project starts to scale up. So, I think that's what it will be. But I think the good thing is that our operating cash flows are far ahead of these numbers. So, we will not have any problem of funding these capital expenditures. In fact, we will be left with less cash to figure out how to spend. And that's something which we can look at attractive opportunities on the inorganic side.

Sameet Sinha: Got it. Okay. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, that would be our last question for today. Puneet sir, would you like to proceed with any closing comments?

Puneet Chhatwal: Yes. Well, thank you everyone for joining the conference call. Thank you for your questions. Thank you for your interest. And we look forward to interacting with all of you during the quarter and of course, definitely post announcement of our full year results. We remain optimistic about the outlook and the first six weeks of the 4th Quarter give us definitely the optimism that is needed to say that we are on a good track of what you've witnessed in the last foregone 15 quarters. Thank you very much, everyone. Have a wonderful evening.

Moderator: Thank you. On behalf of the Indian Hotels Company Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.