

To,

Date: 01st June, 2026

The Manager BSE Limited P. J. Towers, Dalal Street Mumbai-400001 (BSE Scrip Code: 523796)	The Manager, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051. (NSE Symbol: VHLTD)
---	--

Dear Sir/ Madam,

Unit: Viceroy Hotels Limited

Sub: Transcript of the Earnings call held on 25th May, 2026 under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“Listing Regulations”]

With reference to the subject cited, this is to inform the Exchanges that pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the transcript of the Post Earnings (Group Conference) Call for Q4 & year ended 31st March, 2026 held on Monday, 25th May, 2026.

This is for the information and records of the Exchange, please.

Thanking you.

Yours faithfully,

For Viceroy Hotels Limited

C. Siva Kumar Reddy
Company Secretary and Compliance Officer
Mem No.: ACS 72022

VICEROY HOTELS LIMITED

CIN: L55101TG1965PLC001048

Regd. Off: 8-2-120/112/88 & 89, Aparna Crest, 3rd Floor, Road No. 2

Banjara Hills, Hyderabad – 500 034, Telangana; Ph: 040 40204383

Website: www.viceroyhotels.in Email: secretarial@viceroyhotels.in



“Viceroy Hotels Limited Q4 & FY' 26 Earnings
Conference Call”

May 25, 2026



MANAGEMENT: **MR. ANIRUDH REDDY - NON-EXECUTIVE AND NON-
INDEPENDENT DIRECTOR, VICEROY HOTELS LIMITED**
**MR. P. V. KRISHNA REDDY - CHIEF FINANCIAL
OFFICER, VICEROY HOTELS LIMITED**
**MR. PRADYUMNA KODALI - CHIEF OPERATING
OFFICER, VICEROY HOTELS LIMITED**

MODERATORS: **MS. DARSHNI DESAI - MUFG INTIME**

Moderator: Ladies and gentlemen, good day and welcome to the Viceroy Hotels Limited Q4 & FY' 26 Earnings Conference Call.

As a reminder, all participants 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 ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I would now hand the conference over to Ms. Darshni Desai from MUFG Intime. Thank you and over to you ma'am.

Darshni Desai: Thank you. Good afternoon, everyone and welcome to the Q4 & FY' 26 Earnings Conference Call of Viceroy Hotels Limited.

From the management, today we have with us Mr. Anirudh Reddy – Non-executive and Non-independent Director; Mr. P. V. Krishna Reddy – Chief Financial Officer and Mr. Pradyumna Kodali – Chief Operating Officer.

Before we proceed with this call, I would like to give a small disclaimer that this call may contain some certain forward-looking statements which are based upon the beliefs, opinions and expectations of the management as of date. As detailed disclaimer has been given in the company's investor presentation which has been uploaded on the stock exchange, I hope you all had a chance to go through the same.

Now I would like to hand over the call to Mr. Anirudh Reddy for his opening remarks. Over to you sir. Thank you.

Anirudh Reddy: Good afternoon, everyone and thank you for joining our Call.

The hospitality industry witnessed a relatively softer operating environment during the later part of the quarter, particularly in March, impacted by geopolitical tensions, the ongoing West Asia conflict and temporary disruptions in travel sentiment. The sector also continued to face inflationary pressures across commodities, energy and operating costs during this period. However, our performance remained resilient with our company delivering 37% growth in revenue from operations in Q4 FY '26.

Despite these near-term challenges, the long-term outlook for the Indian hospitality sector continues to remain encouraging. Rising disposable incomes, increasing urbanization, improving travel infrastructure and growing preference towards premium branded hospitality experiences continue to support long-term demand growth across the sector.

Consumers are increasingly prioritizing experiential spending, which is expected to remain a favorable structural trend for the hospitality industry over the coming years. Against this

backdrop, Viceroy Hotels delivered a stable operational performance during the quarter while continuing to execute its long-term growth and asset enhancement strategy. While certain hospitality segments witnessed temporary moderation in their occupancy and room rates due to the broader operating environment, the company continued to maintain healthy business momentum across its portfolio.

A key development during the quarter was the initial contribution from Marriott Executive Apartments, Hyderabad, which was consolidated into the company's operations during this period and which also demonstrated healthy growth in ADR and RevPar, reflecting the strength of demand in the premium extended stay segment and the continued attractiveness of the Hyderabad market. The company also continued to make significant progress on its long-term asset enhancement initiatives. As previously outlined, Viceroy has embarked on a phased investment and renovation program across its hospitality portfolio aimed at strengthening product quality, improving guest experience, and enhancing long-term operating performance.

We outlined a plan to invest 100 plus crores to renovate and upgrade existing properties in three phases. The first phase relating to Courtyard by Marriott Hyderabad has now been completed successfully and has already started contributing towards improved product positioning and customer experience. Building on this progress, the second phase of renovation at Marriott Hyderabad commenced in the first week of April and is expected to be completed during FY '27, while the third phase is targeted for completion during FY '28.

These investments are aligned with the company's long-term strategy of upgrading its hospitality assets in line with evolving customer expectations and strengthening competitiveness across premium hospitality segments. We continue to evaluate growth opportunities in Hyderabad and all across India in line with our long-term expansion strategy. Our investment approach remains focused on evaluating greenfield and brownfield development opportunities along with select distressed assets that can be transformed into sustainable growth opportunities and long-term value creation assets. We believe that consistent execution, prudent capital deployment, timely asset upgrades and focus on operational efficiencies will continue to strengthen the company's foundation and support long-term shareholder value creation.

With this, I would like to hand over the call to our Chief Financial Officer – Mr. Venkata Krishna Reddy, who will take you through the detailed financial performance for this quarter and provide further insight into our key metrics and future outlooks.

P. V. Krishna Reddy:

Thank you, Anirudh.

Let me begin by taking you through the financial and operational performance of the company for the Quarter and Financial Year ended March 31st, 2026:

For Q4 FY26, total revenues stood at INR 49.5 crores as compared to INR 36.6 crores in Q4 FY '25, reflecting a robust growth of 35.3% year-on-year. Operating EBITDA for the quarter stood

at INR 15.6 crores, registering a growth of 43.7% year-on-year, while EBITDA margin improved by 183 basis points to 31.4%.

During the quarter, we were able to improve our operating performance through better cost control with lower material consumption and employee costs, supporting overall EBITDA growth. Profit after tax for the quarter stood at INR 6 crores, which was impacted during the quarter primarily due to the higher depreciation and finance costs arising from ongoing renovation, expansion, and acquisition-related investments undertaken by the company as part of its long-term growth strategy. On a full-year basis, total revenues stood at INR 149.7 crores as against INR 140.8 crores in FY '25, reflecting a growth of 6.3% year-on-year. EBITDA for FY '26 increased by 20.6% year-on-year to INR 44.6 crores, while EBITDA margin improved significantly by 353 basis points to 29.8%, reflecting continued focus on operational efficiencies and disciplined execution across properties. ADR performance during the quarter reflected the relatively softer operating environment witnessed across the hospitality sector during March.

For Q4 FY '26, ADR stood at INR 7,423 at Marriott and INR 8,010 at Courtyard, with combined ADR at Rs 7,605. Combined RevPar for the quarter stood at Rs 4,931, which was primarily impacted by softer occupancy trends during the period. However, on a full-year basis, ADR performance remained encouraging with Marriott and Courtyard reporting ADR growth of 6.8% and 13% occupancy. Room revenues across Marriott and Courtyard properties remained stable at Rs 20.5 crores during Q4 FY '26, while food and beverage revenues stood at Rs 13.4 crores, supported by banqueting, events and corporate activity.

Marriott Executive Apartments, which became part of the company's reported financial performance during the quarter, recorded encouraging initial operating metrics with ADR increasing by 6.9% year-on-year to Rs 16,578 and RevPar increasing by 3.2% year-on-year to Rs 13,438 in Q4 FY '26, supported by steady traction across corporate and long-stay demand segments in Hyderabad. In its first quarter of contribution, the property reported room revenues of Rs 9 crores, along with food and beverage revenues of Rs 3.7 crores, reflecting healthy initial operating momentum.

Looking ahead, we remain focused on strengthening operational performance, improving guest experience, and maintaining disciplined capital allocation while continuing to evaluate long-term opportunities across the hospitality sector. So, we believe the investments currently being undertaken across our portfolio will further strengthen the positioning of our assets and support long-term value creation for shareholders.

With that, I would now like to open the floor for questions.

Moderator:

Thank you very much. We will now begin the question-and-answer session. We have a question from the line of Pahal Sharma from AP Capital. Please go ahead.

- Pahal Sharma:** Hi, sir, and hi, everyone. You mentioned interest in acquiring NCLT distressed assets. So, like, are there specific opportunities currently under evaluation? And, like, how do you assess the risk return in such acquisitions?
- Anirudh Reddy:** Yes, there are many opportunities that we keep looking for in NCLT and other distressed scenarios. Currently, the hospitality sector for the last two years has experienced tremendous growth and has outperformed many other industries. And this distress is a little lesser. But for us, the analysis is based on how the asset is built, what's its performance, and what location is it at, and what can it yield us in the future. So, these three metrics, we do an in-depth analysis of the assets that's an offering and then take a call on it. Yes, we have shown an expression of interest to a lot of these assets, but nothing has materialized as of yet.
- Pahal Sharma:** Okay, understood. And, like, could you provide a detailed breakdown of your customer mix across the corporate lines or transient travelers and group booking? And also explain which of these segments you are prioritizing for growth?
- Pradyumna Kodali:** Yes, hi. So, I mean, now that our portfolio also includes the marriott executive apartments, which is part of a different micro market in the city. Now, the client base is slightly wider. Previously, when we only had our two hotels near the Tank Bund side of Hyderabad, it was majorly group business that we were looking for, because the Convention Center is what was contributing to that. But having said that, now on the other, in the newer hotel, we have a lot of direct corporate relocation sort of business that comes up for us. And having said that, also, while renovation, we are currently in the process of renovating our Convention Center. So, again, there is a lot of transient bookings that we are catering to, along with groups such as airlines and armies. But this is something that is also cyclical in nature, where the fair-weather season, once there are weddings and other corporate events that start happening, is when, again, the percentage bookings that we get from groups keep increasing. So, it's a constant switch that we have to keep objectively looking at and catering to, based on what is the maximum sort of area that we can garner for each of our properties.
- Pahal Sharma:** Okay, I understand. That's all from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Suhani Singh from Teja Capital. Please go ahead.
- Suhani Singh:** Hi. So, good afternoon. I just wanted to ask, what were the main contributors to 35.3% of year-on-year revenue in Q4 FY '26? And could you please explain whether this momentum is sustainable or partly driven by temporary factors?
- Anirudh Reddy:** The main contributor for the revenue increase is the adding of the portfolio of Marriott Executive apartments. This purchase was done on 1st January of this year. And because of that portfolio being added of 75 rooms, with almost a yearly revenue of north of INR 50 crores, that is why

the Q4 numbers added up. So, you won't see a jump as this big. But yes, on year-on-year growth, we will have a double-digit growth as we have explained in our previous call as well.

Suhani Singh: Understood, sir. So, the EBITDA margins improved by 183 basis points in Q4. Was this margin expansion primarily due to structural improvements in operations or was it influenced by short-term cost efficiencies that may or may not repeat in future quarters?

Anirudh Reddy: See, there are two factors to it. One factor is, again, as I said, the portfolio adding of Marriott Executive apartments. That's full rooms play, wherein there's only one all-day diner and 75 rooms. So, the EBITDA margins are higher there. Adding that to this caused an increase in the EBITDA margins in all the three hotels. Secondly, we have finished our phase one of renovation, wherein we fixed a lot of the backend of the hotels. So, with that also, we were able to push the efficiency up and because of which the EBITDA percentage also has gone up.

Suhani Singh: One last question, sir. So, despite the strong revenue and EBITDA growth, the profit after tax fell to nearly around 40% year-on-year in Q4. So, can you elaborate on how much of this decline was driven by higher depreciation from renovation versus increased finance costs from borrowing?

Anirudh Reddy: The main reason why it came down, point number one, is because of the deferred tax element which we took last year, wherein we had booked our losses because the company, Viceroy, had come out of NCLT three years back. We have eight years period to recoup, to offset the losses against the profits we make. That was an initial accounting adjustment that happened last year, because of which the net profit was seen as a much higher savings. And secondly, yes, the net profit came down a little bit because of the additional financing which we loaded upon the company to acquire the Marriott Executive Apartments. Yes, these are the two reasons.

Suhani Singh: Okay, thank you so much. All the very best.

Moderator: Thank you. The next question is from the line of Yash Mehta from SKP Capital. Please go ahead.

Yash Mehta: Hello, everyone. Hi. So, I have got a few set of questions. So, the first is, like the ADRs grew strongly on a full-year basis, but it got softened in Q4 due to geopolitical tensions. So, how do you see ADR trends evolving in FY '27? And what strategies are you using to sustain pricing power while remain competitive?

Pradyumna Kodali: Hi, Yash. So, the thing is, I mean, like you mentioned that we did see a slight dip in terms of ADR because of the ongoing war. But as we speak, we have found other businesses that are giving us ADRs that are close to what we would have otherwise expected, if not for the war, slightly lower. But what we are compensating with is occupancies and other avenues, such as outdoor catering. So, if you look at it from a revenue standpoint, we are still protecting our budgets. And in fact, maybe by the end of the year, maybe even beat what we were initially projecting to do because of the slight change in strategies. I mean, none of us know exactly

where this is heading. But ideally, we'd like to believe that for the next couple of months, we will see some of the demand start coming back. And once the wedding season and a lot of other domestic corporate events start coming back towards the end of the year, I feel that the ADR will go back to the earlier numbers. And having said that, also the one thing, other thing we notice is that supply is still something that hasn't come to the market. And we don't foresee any new supply coming into the next couple of years as well. So, that way, we are not very concerned by what's happening.

Yash Mehta: Got it. And also the combined revpar declined slightly in FY '26. So, what specific initiatives such as dynamic pricing or bundling with F&B or loyalty programs are being implemented to drive the RevPar growth across the properties?

Pradyumna Kodali: Yes, like I said, let's say, for example, like, typically when the demand was extremely strong, hotels would typically be sold out Monday through Thursday, whereas weekends, relatively, there's lesser corporate booking. So, what we started doing is a lot of long stay weekend packages and things like that, that where people can come and then experience your F&B. So, what we have also done is because of these weekend programs recently, we have also launched a new spa, which I would like, very confidently and proudly claim is probably the best spa in the city right now. So, because of these things, and we also have a new rooftop restaurant, which has a view of the lake and a new secretariat, which we are very confident will do well and contribute to our P&L over the next six, eight months. So, these are the things that we have done in terms of initiatives to make up for some of the other demand that may have been lost.

Yash Mehta: Okay. And the last question about the Marriott Executive Apartments. So, it reported healthy ADR and RevPar growth in the first quarter of the contribution itself. So, how do you see this segment scaling FY '27? And what role will it play in overall profitability compared to your hotel portfolio?

Pradyumna Kodali: So, like Anirudh had mentioned in a couple of the previous questions, both in terms of overall revenue and EBITDA margins, this property has already given has contributed significantly. And even going forward, because this hotel is mostly dominant by room revenue, the EBITDA percentages will always be higher than the other hotels where F&B play is a larger contributor. So, that way, this hotel is always going to contribute to improving our EBITDA margins. And in terms of the segment in itself, there's not a lot of supply that typically comes in in this segment. It's not like, you know, a lot of other developers typically look at the hotel room concept. So, that way, it's a fairly unique positioning that we have. So, we continue to see, in fact, in this current quarter, we are seeing higher occupancies than the previous ones as well.

Yash Mehta: Okay, got it. Thank you so much.

Moderator: Thank you. The next question is from the line of Charchit from Genuity Capital. Please go ahead.

- Charchit:** Hi, sir. Thanks a lot for the opportunity. Hi, what's our revenue and EBITDA guidance for FY '27 and FY '28 and contribution from F&B going forward?
- Pradyumna Kodali:** So, I mean, obviously, projections of the numbers is something while I can't share with you. What I can tell you is, in general, for our Marriott and Courtyard complex, our room revenue contribution is about 55% to 60%, whereas F&B contributes about 35% to 40%. Whilst in the executive apartments, room revenues contribution is about 64% to 65%, and F&B is about 32% to 33%. That's how the split is in our various assets.
- Charchit:** Okay, and like, what's the margin in F&B?
- Pradyumna Kodali:** The margin in F&B is about 45% to 50%. And the gross margin is close to 85%.
- Charchit:** Understood. And like going forward, I think we were expecting to increase the F&B share, right?
- Pradyumna Kodali:** Yes, not just share, even in terms of profitability, once our new convention center is back, we expect to see a higher profitability in our F&B. Or even the rooms that you know, as we speak with, there are certain rooms that are continuing to be upgraded. And this is something that will happen for the next two financial years. So, as and when newer and newer inventory hits are offering, we continue to see a higher profitability in the rooms business as well.
- Charchit:** So, like, till when we are expecting this share to increase?
- Pradyumna Kodali:** Until FY '28, until everything is complete. And even post FY '28, as and when ADR continue to increase, we do keep seeing that the portfolio at a portfolio level, the profitability in the rooms business will continue to go up.
- Charchit:** Understood, sir. Just one last quick question. So, I think we have a seasonal business. So, in which month we get the most out of the business? If you have can give some idea?
- Pradyumna Kodali:** I mean, if I understood your question correctly, you are asking me which months are the best for our business?
- Charchit:** Correct.
- Pradyumna Kodali:** So, Q3 and Q4 undoubtedly are always the best quarters, not just for the business hotels in the cities, even other hotels, whether it's across like resorts or any other vacation, Q3-Q4 is typically when most of the action happens in terms of conferences, weddings, even general personal travel, that is when it peaks. So, Q3 and Q4 are the best months.
- Charchit:** So, what is the occupation? Like, what is the difference between the percentage?
- Pradyumna Kodali:** So, in Q3 and Q4, you can expect hotels like our Courtyard by Marriott and Marriott Executive Apartments to even reach the 90% mark. Whereas, in a quarter such as Q1, our Marriott Hotel

could be even operating at about 60%-65% occupancy. So, that's the sort of difference variance that you can observe through the year.

- Charchit:** Like occupancy level of like Q1-Q2 versus Q3-Q4, if you can say?
- Pradyumna Kodali:** Yes, so at an entire portfolio level, Q1-Q2, while it operates at 70% occupancy across the portfolio, at Q3-Q4, we can expect to be 80% and north of 80%.
- Charchit:** Okay, got it. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Santosh Shetty from LGC Capital. Please go ahead.
- Santosh Shetty:** Good afternoon, sir. So, my first question is that the finance cost rose sharply from 64 lakhs to 530 lakhs in Q4. What is your plan for managing debt servicing going forward? And do you anticipate further increases in interest expense as expansion projects continue?
- Anirudh Reddy:** So, the major increase was because of the debt being loaded on the company for purchasing the asset of Marriott Executive Apartments for a total consideration of around INR 215 crores. Before this, considering the cash component in the company and the outstanding debt, the debt was at zero. And so based on this, that's why the interest cost has also gone up. We don't see any further increase. We have healthy cash revenues and healthy cash balances to fund our ongoing renovations.
- Santosh Shetty:** So, talking about borrowing, it jumped from INR 466 crores to INR 2,453 crores during FY '26. What is the target leverage ratio and how comfortable are you with current debt levels given the scale of ongoing investments?
- Pradyumna Kodali:** No, we are very comfortable with the current debt levels and we wish to maintain this at this level. And because we are still making a good amount of surplus with the current debt level. I didn't understand the first part of your question. Can you please repeat that?
- Santosh Shetty:** So, borrowings jumped from INR 466 crores to approximately INR 2400 crores during FY '26. So, what is your target leverage ratio?
- P. V. Krishna Reddy:** Hi, you see, as of 31st March 2026, our borrowings are at INR 264 crores (on a consolidated basis). That's it. They are not in thousands.
- Santosh Shetty:** Okay, I think I got the wrong. I just misjudged the data. And so sorry for that. A last question. The courtyard occupancy dropped significantly from 72.6% to 52.2% in FY '26. What corrective measures are being taken to stabilize occupancy and how quickly do we expect performance to normalize?

- Anirudh Reddy:** So, the temporary dip in this year, you have seen it because of the massive renovation that happened to courtyard. That's why you see the dip in the occupancy, but it's already back to normal. And you can see it being back to normal this year.
- Santosh Shetty:** Okay, sir. Thank you so much. That really helps. All the best for your future.
- Moderator:** Thank you. The next question is from the line of Varun Mishra from Bawa Investments. Please go ahead.
- Varun Mishra:** Thank you for the opportunity. A couple of questions from my end. So, you've **outlined** INR 100 crore plus phased renovation program, like what measurable improvements are we seeing in terms of ADR occupancy or guest satisfaction? Like, do you expect it post completion? And how do you see these benefits like reflecting in the financial performance?
- Anirudh Reddy:** We have already finished our phase one of our renovations. And we see that there's a big impact on it because the new rooms have come into play. And we see the new rooms being occupied almost all the time. That is close to 95% to 99% occupancy because these are new rooms that are offering. This shows that the product being a premier product is really selling and people are looking to book these rooms. And also, we have put up a new spa and a new gym that to enhance the customer experience, which has worked out really well. The spa revenue has more than doubled. And we have a rooftop restaurant also in play now. So, the F&B revenues also will see a substantial increase. So, put all these together. This renovation is really going to uplift the product and therefore uplift the revenue as well as the margins because we are also investing in backend services.
- Varun Mishra:** All right, sir. Thank you, sir. The Marriott Hyderabad Convention Center, which we have done, like we have expanded it to 20,000 square feet now. So, how much incremental revenue do you expect from like events and let's say what could be the breakdown, like the break-even timeline in terms of your investment?
- Anirudh Reddy:** So, the investment is being done as we speak. The convention center went into renovation this year from first week of April. We look to finish this renovation by the end of this year. And we look to recoup the investment made into this in a period of one and a half year.
- Varun Mishra:** All right. And for the upcoming Courtyard, which is like being done in Madhapur. So, it's positioned near the Hyderabad IT corridor. So, what could be the expected opening date for that? And how do you differentiate this property like from the existing ones which are already there in the city?
- Anirudh Reddy:** So, we would say we are targeting the opening date to be FY '29 or FY '30. We are currently in the permission stage, land conversion permission stage. And we see this being a hotel or completely a room play, wherein less of banqueting or less of F&B revenue and just a straight up rooms model because the supply of rooms in that area is very less. And we don't see any other

hotels coming up around that area much. So, considering the room play to be a high GOP business that we are looking at.

- Varun Mishra:** All right, sir. Great. That helps me. That's it from my side. Thanks so much.
- Moderator:** Thank you. The next question is from the line of Diren Roy, an individual investor. Please go ahead.
- Dhiren Roy:** My question is when will you start paying dividends?
- Anirudh Reddy:** Yes, sir. Good question, sir. Thanks for the question. It's been about three years. This October, it will be three years since the new management has come in play. By the end of this year, we will be completing the renovation of the convention center where a lot of capital has been reinvested in the property to uplift it. So, mostly the board also discussed this issue several times, and we expect to give you a good outcome from next year.
- Dhiren Roy:** Thank you.
- Moderator:** Thank you. The next question is from the line of Suhani Singh from Teja Capital. Please go ahead.
- Suhani Singh:** Hello. So, I have a couple of more questions. So, with 25 new star hotels planned by 2032, how will the expansion impact Hyderabad's position among India's top hospitality hubs? And the current stock is 4,000 rooms, and these 25 hotels will add to 5,000 rooms, so double premium capacity. So, how will this impact supply and ADR because sector-wide bulk of supply is coming from 2029 onwards, which is an investor concern?
- Anirudh Reddy:** Yes, see, we also see a lot of hotels coming up in our market, but the timeline, as you said, we believe it's more than that. It's going to come at FY '30- FY '31. But we see that the demand will still go up during this period and will catch up, or it will be even more than what the supply is. So, we see that in no way affecting our ADRs, and our ADRs are still going to be strongly improving because the supply will be less. And second thing, in hotel projects, the planning and the execution and the capital allocation and the time management is very crucial, and the debt management. So, we see, even though a lot of hotel projects being announced, less than half of them being actually being open. So, we are still very protected in the – because there is very less supply, and the growing costs, which we see across the sectors, have impacted all these openings, which are deeply now cost-consuming, and the costs have really gone up.
- Suhani Singh:** Okay, understood, sir. Also, how does the bookings vary between OTA in - house Marriott loyalty programs? Also, do we have preferential management contract with Marriott, and have we explored some other brands as well?
- Pradyumna Kodali:** So, for the first question, in terms of OTAs versus our direct channels, see the direct channel is something that started growing significantly over the last two, three years, and the Marriott

Bonvoy program started getting more and more popular. So, the target for both the Marriott and even ownership in general is that we increase the contribution from the direct channels so that your commissions that you pay to the OTAs are lower. But having said that, because Marriott is such an established brand in itself, the percentages that are being paid to the OTAs compared to some of the other brands in itself is already less. So, that's something that we also push Marriott to do more and more. And in fact, as we speak, currently the percentage of occupancy in our hotel is about 65% from Marriott Bonvoy members. That is a good sign. And the target for them, I believe, should at least should be to take that up to 80%-85% and significantly reduce what the OTAs are contributing. That's the first question. And to the second part, do we have favorable contracts with Marriott? Yes. I mean, the thing is, when we had acquired the company in 2023, we had also acquired two contracts that were signed one, way back in 2006 and one slightly after that when the courtyard was signed as well. And in fact, the Marriott that was signed was the first in Hyderabad and I believe third in the country. So, at that point, we got quite favorable contracts. And now the new contracts that we have signed even for our courtyard with Marriott, we were able to leverage being multi-property owners and getting a good contract, whereas a lot of new developers who are entering the market may or may not get some of these benefits in terms of budget approvals and other things that we have access to.

And lastly, yes, we are always open to other brands. But the thing is, right now, we are very comfortable with Marriott and believe that Marriott's loyalty program is probably one of the best in the world. And the rate at which Marriott is signing new hotels in India, more and more people will book in that ecosystem than any others. But at any point, if we feel like a certain brand is unavailable and we want to go ahead, we always have our direct networks with the other brands as well.

Suhani Singh: Okay, so that helps. Thank you very much.

Moderator: Thank you. The next question is from the line of Pahal Sharma from AP Capital. Please go ahead.

Pahal Sharma: So, I wanted to ask the question like, what is the ADR growth you expect going forward and breakup of ADR growth due to natural growth and ADR growth due to refurbishments?

Pradyumna Kodali: Yes, so I mean, like you said, it's always going to be a combination of two things. One is the organic growth and one is the inorganic growth that because of our refurbishment organically, what we always expect a minimum every year is about 5% to 7%. So, that is something that anyway happens I feel year-on-year in spite of the few blitz, whether it's because of war or any such other factors. Apart from that, particularly in the case of our Marriott and Courtyard, we expect growth of at least 20% to 22% from the refurbishment. So, in combination of all three, as and when the new inventory comes in, I think we can expect anywhere between 25% to 30% growth in ADR. So, the current levels of 7,000 odd is something that we aim to target reaching 9,000 to 9,500 in a more immediate basis. But in the long run, we want both of those hotels as a

complex to be running closer to the 10,000 mark, which is what a lot of hotels in that current comp set are able to achieve.

Pahal Sharma: Great, understood. And also, what efficiency initiatives have you taken in place to, like, reduce OpEx and so going forward? We may have some operating leverage at employee level, heating, power level, etc.

Pradyumna Kodali: Yes, so I mean, there are two ways of, again, doing this. Like I said, one is from what Anirudh had mentioned in terms of back of the house efficiency being improved. One of the first things that we had done after we took over was outsourcing the laundry, for example. But now our laundry is running at 60% to 65% of the cost that it used to run before. So, there was a big saving made there. We have also recently invested into, like, our HVAC equipment which has then lowered various HLP costs for the company where, again, we are saving costs. Now, the additional thing that we are intending to do is after we had acquired the third hotel, is that even from a human resource standpoint, to see how much we can leverage and, you know, reduce costs where, you know, some of the departments that are not customer facing could be common to all the hotels. So, these are the other initiatives that we are taking in terms of reducing costs.

Pahal Sharma: Okay, understood. Looking ahead, like, could you outline your strategic priorities for FY '27 and beyond? Like, specifically, what revenue growth targets or, like, margin improvements and expansion milestones are you guiding towards? And also, how do you expect ongoing renovations, new projects like Courtyard at Madhapur and the integration of executive apartments to contribute to these goals?

Anirudh Reddy: The first thing is the biggest contribution we will see is the adding of the new convention center and the renovation of the old convention center in Marriott. We are going to see a substantial twofold increase in the EBITDAs because of this addition. And also, the integration of the all three properties is going to improve our GOPs. That is the second area which will be really improving our profitability. The third thing is that we are also building new properties like the Madhapur Courtyard, where it's a complete room play, wherein the profitability is much higher. So, and the fourth point is that the backend services have really been upgraded, which will provide us efficiency at cost level. So, putting all these four, we see a robust growth in the next year. And we think that the properties in the next year will be at full throttle.

Pahal Sharma: Okay. Thanks a lot. All the best. Thank you so much.

Moderator: Thank you. As there no further questions from the participants, I would now hand the conference over to Mr. Anirudh Reddy for closing comments. Over to you, sir.

Anirudh Reddy: Thank you, everyone, for taking some time out to participate in this call. In case of any queries, reach out to us or our investor relation agency, MUFG Investor Relations. We wish you all the best and hope to interact with you soon. Thank you very much.

Moderator: Thank you. On behalf of Viceroy Hotels Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.