LEELA PALACES HOTELS & RESORTS LIMITED

(formerly known as Schloss Bangalore Limited)
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Ref No. THELEELA/2026-27/035

Date: August 6, 2026

To Sr. General Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400001 **Scrip Code- 544408** **ISIN - INE0AQ201015**	To Sr. General Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 **Symbol- THELEELA** **ISIN - INE0AQ201015**

Sub: Transcript of the Analysts / Institutional Call

Dear Sir/ Madam,

In continuation to our letter dated July 28, 2026 and pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Leela Palaces Hotels & Resorts Limited Q1'FY27 Earnings Conference Call held on July 31, 2026.

The above information will also be available on the website of the Company at www.theleela.com/investors.

We request you to kindly take the above on record.

Thanking you,

For Leela Palaces Hotels & Resorts Limited
(formerly known as Schloss Bangalore Limited)

JYOTI MAHESHWARI
Digitally signed by JYOTI MAHESHWARI
Date: 2026.08.06 16:46:46 +05'30'

Jyoti Maheshwari
Company Secretary and Compliance Officer
Membership No.: A24469

Encl.: as Above

Leela Palaces Hotels & Resorts Limited

Q1 FY27 Earnings Call

July 31, 2026

MANAGEMENT:
MR. ANURAAG BHATNAGAR, WHOLE TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER

MR. RAVI SHANKAR, HEAD ASSET MANAGEMENT AND CHIEF FINANCIAL OFFICER

MR. ABHISHEK AGARWAL, SENIOR VICE PRESIDENT – FINANCIAL PLANNING & ANALYSIS AND INVESTOR RELATIONS

Moderator: Ladies and gentlemen, good evening and welcome to The Leela Palaces Hotels & Resorts Limited Q1 FY27 Earnings Conference Call. 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhishek Agarwal, Senior Vice President, FP&A and Investor Relations at The Leela. Thank you and over to you, sir.

Abhishek Agarwal: Thank you, operator. Good evening, everyone. Welcome to the earnings call of Leela Palaces Hotels & Resorts Limited for the quarter ended 30th June 2026. We have published our quarterly results and investor presentation on the stock exchanges earlier today. The same is also available on our investor relations website www.theleela.com/investors. Before we start, a disclaimer.

We would like to inform you that the management may make certain comments on this call that one could deem forward-looking statements. Specifically, the financial guidance and proforma information that we will provide on this call are management estimates based on certain assumptions and have not been subjected to any audit, review, or examination procedure.

The company does not guarantee these statements and is not obliged to update them at any point. Participants are cautioned not to place undue reliance on these forward-looking statements. Joining me today are Mr. Anuraag Bhatnagar, Whole-time Director and CEO, Mr. Ravi Shankar, Head of Asset Management and CFO. I will now hand over the call to Mr. Bhatnagar. Over to you, Anuraag.

Anuraag Bhatnagar: Thank you, Abhishek. Good evening, everyone, and thank you for joining us. The quarter underscored the resilience of India's luxury hospitality demand, despite a softer operating environment created by temporary travel disruptions. For The Leela, this backdrop created an opportunity to demonstrate our agility in managing our business mix, the benefits of increasingly diversified revenue streams, and our unwavering focus on operational excellence, which is reflected in our guest experience benchmark and consistent translation into stronger financial outcomes.

As a result, we delivered 28% operating revenue growth and a 41% rise in operating EBITDA. However, before I discuss our operating performance, let me begin with a recognition that reflects the strength of The Leela brand, service culture, and distinguished 40-year legacy. The Leela was ranked the world's second-best hotel brand in the Travel + Leisure World's Best Awards 2026 survey among global luxury hospitality brands.

This is the fifth time since 2020 that The Leela has featured among the top three brands in the world in these elite guest-voted awards, and it is deeply gratifying to see an Indian brand being consistently recognized among the global best in its category. Guest experience remains our most important differentiator and the source of our competitive advantage and ADR premium.

During Q1 FY27, our Net Promoter Score stood at an industry-leading 86, remaining 12 points above the luxury hospitality average in the APAC region. This consistency reinforces the strength of our service culture and delivers tangible commercial benefits through stronger guest loyalty, repeat visitation, and pricing power.

The quarter began with the lingering impact of the West Asia conflict resulting in a temporary slowdown in international tourist arrivals, primarily due to travel disruptions. Given that nearly 40% of India's international air traffic transits through West Asia, these disruptions have impacted both inbound and outbound travel demand since March. We responded proactively with targeted initiatives focused on mining domestic demand through event-led business, long stay offers, and digital activations.

As a result, domestic room revenue increased by 25% year-on-year at our five palace hotels. Importantly, we believe that the impact on international business is temporary. As travel connectivity was partially reconfigured and inbound demand revived, the international room revenue mix for our five owned palace hotels recovered progressively through the quarter, moving from a 10% Y-o-Y decline in March to a 1% Y-o-Y increase by June.

This recovery reinforces the resilience of our international demand base even while the geopolitical situation has not fully normalized. More importantly, it demonstrates our ability to dynamically rebalance the business with domestic demand around periods of external disruption. Moving to operating performance, our six owned hotels delivered another quarter of strong performance.

After the drag witnessed in March, occupancy recovered strongly to 67.5% for Q1, compared to 63.6% in the corresponding period last year, highlighting the underlying resilience of demand. We delivered a robust RevPAR growth of 17%, driven by 10% increase in ADR, coupled with a four percentage point improvement in occupancy on an expanded portfolio which now includes Coorg. Even excluding our new resort at Coorg, which was part of the portfolio for the full quarter, we registered a similar same-store RevPAR growth of 15%.

Importantly, this growth is on a base of 20% RevPAR growth delivered in Q1 FY26, highlighting the compounding gains delivered by our palaces. Our RevPAR growth was broad-based, with city hotels growing 14%, while resorts grew 24%. From 1.3x in Q1 last year, our RevPAR index further rose to 1.4x, reflecting continued market share gains.

Our premium positioning continues to be the base of our sustained pricing power, which drove ADR growth despite temporary pressures on international demand, especially in the early part of the quarter. Occupancy growth was particularly encouraging, with our existing portfolio of five owned palace hotels rising to nearly 70%, reflecting our ability to successfully capitalize on growing domestic leisure and MICE demand.

Operating EBITDA grew 41% year-on-year to INR143 crores, highlighting the strong operating leverage of our business model and resulting in a record first quarter EBITDA margin of 41%. Non-room revenues contribute over 50% of our overall operating revenue, further strengthening the resilience and diversity of our earnings profile.

We delivered strong F&B revenue growth of 25% year-on-year to clock INR132 crores, nearly INR133 crores. Our curated portfolio of specialty restaurants, bars, and experiential dining concepts continues to attract a diverse customer base, resulting in F&B contributing 38% of the operating revenue.

Additionally, more than half of the F&B revenue at our city hotels was driven by non-resident guests, highlighting The Leela's growing position as a preferred destination for dining, celebrations, and lifestyle experiences beyond traditional hospitality offerings.

HMA fees grew 86% to INR262 million, driven by ramp-up of managed properties, including higher fees in some contracts linked to performance and past key money investment, while other operational service revenues increased by 26%.

We believe the macro backdrop for luxury hospitality remains very favourable. India continues to see rapid growth in high net worth households, expanding airport infrastructure, and double-digit domestic air travel growth, all of which support premium travel demand. At the same time, the luxury segment remains significantly undersupplied, representing only 12% of room nights while contributing nearly 24% of industry room revenues.

A structural demand-supply imbalance, combined with India's increasing attractiveness as a global destination, provides a strong foundation for sustained growth in the luxury segment. Notably, over FY20 to FY26, Leela's RevPAR growth has been 1.4x of the growth in luxury hospitality RevPAR and 1.6x of the growth in India's hospitality sector's RevPAR.

Our expansion strategy remains firmly on track with consistent additions to our portfolio every quarter since listing. During the quarter, we signed a concession agreement to develop a premium resort in Tadoba in Maharashtra, an underserved premium wildlife tourism location.

The development will comprise 30 luxury keys spread across a 62-acre site. The INR1,200 million project is to be developed under a 60-year concession agreement with an opportunity to extend for another 30 years and is targeted for completion in CY30. Tadoba represents a highly attractive opportunity given the significant demand-supply imbalance in one of India's most visited tiger reserves.

Along with Ranthambore and Bandhavgarh, it also adds the potential to create a wildlife tourism trail. Following this addition, our portfolio now stands at 25 properties with 5,257 keys across 15 operational hotels and 10 in the pipeline. We are also maintaining a balanced structure with roughly half our keys owned and half managed, enabling us to scale while preserving capital flexibility.

We unveiled The Leela Coorg Forest Sanctuary, the new identity for our recently acquired operational resort, on 8th July ahead of schedule. Notably, the ADR at Coorg has nearly doubled post our acquisition, and the asset broke even operationally in the quarter even before its rebranding.

We continue to make steady progress across our development pipeline of more than 1,000 keys across Bandhavgarh, Ayodhya, Agra, Ranthambore, Sikkim, and BKC Mumbai. At Bandhavgarh, construction of villas has started. At Srinagar, room walling and landscaping activities are in progress. In Agra, piling work continue to advance, while test piling has been completed in Ayodhya. We remain on track for other FY27 openings, namely Jaisalmer and Luxury Residences Mumbai.

As we expand from 15 operational hotels today to well over 25 hotels over the coming years, scaling The Leela culture and developing future leaders remain a strategic priority. During the quarter, we launched The Leela Centre of Excellence (LCOE), a 9,600 square feet purpose-built learning hub developed in partnership with Le Cordon Bleu.

The LCOE will help institutionalize The Leela's service standards at scale, support a future-ready talent pipeline, and is expected to train more than 3,000 associates over the next three years to support our portfolio expansion. During the quarter, we conducted the LEAD program at IIM Ahmedabad, bringing together 20 members of our executive committee as part of a focused leadership development initiative.

The program was designed to accelerate the readiness of our next generation of leaders by strengthening leadership effectiveness, enhancing decision-making capabilities, and providing exposure to global best practices.

On the ESG front, our commitment to responsible luxury continues to deepen. We remain firmly on track towards our Net Zero 2050 ambition. All our owned hotels, including Coorg, have a Platinum green building certification, reinforcing our leadership in sustainable hospitality. Almost two-thirds of the electricity consumed across our five palace hotels is sourced from green power.

To summarize, Q1 FY27 has started strongly with rock-solid guest satisfaction scores, a healthy operating and financial metrics, and continued expansion of our growth pipeline. With that, I will hand over to Ravi to discuss the financial performance in greater detail.

Ravi Shankar: Thank you, Anuraag. Good evening, everyone. Let me take you through our financial performance for the quarter ended 30th June 2026. Operating revenue increased by 28% Y-o-Y to INR3,520 million, driven by strong same-store growth, contribution from Coorg, higher F&B revenues, and growth in HMA fees income.

During the quarter, the contribution of the Leela brand website booking doubled to 16% versus Q1 FY26, reducing reliance on the higher-cost third-party channels and enhancing distribution economics.

Excluding Coorg, which is under ramp-up, the portfolio delivered an over 60% EBITDA flow-through. Combined with disciplined cost management, this translated into a 383 basis point expansion in operating EBITDA margin, driving operating EBITDA up 41% Y-o-Y to INR1,434 million.

Over the last two years, we have expanded operating EBITDA margin by 10% from 31% in Q1 FY25 to 41% in Q1 FY27, demonstrating the scalability of The Leela business model. The strength of our operating performance, combined with lower finance cost following the debt reduction through IPO, has translated into significant profitability growth.

Consolidated PAT increased five-fold year-on-year to INR488 million. This is after a INR156 million loss booked due to the share of profit of JV, which is mainly on account of our Dubai JV. While the Dubai hotel continues to be operational, reduced travel flows due to the West Asia conflict have impacted both occupancy and ADR for the time being.

However, the asset is operationally break-even despite this being an off-peak period on the back of demand from local business and leisure segments, including MICE and staycation. The interest on the asset-level debt and the depreciation for the Dubai asset is required to be expensed as per the accounting standard, leading to an accounting loss in the Dubai SPV presently.

As Leela's 25% ownership interest with our sponsor Brookfield holding the remainder, the Dubai SPV financials do not get consolidated into our P&L line-by-line. Hence, there is no impact on our consolidated revenue or EBITDA. In line with our shareholding, 25% of the Dubai SPV profit or losses are reflected in The Leela P&L under the share of profit of JV or associates head.

Once operational under The Leela brand, we will get management fees income as well as the royalty from the planned sale of branded residences that will flow into our HMA revenue and EBITDA and will get consolidated. The Dubai hotel is presently being operated by the existing operator. Leela will take over in CY27 and the property will be under renovation for about a year as per our plan.

Recent operating trends and broader travel developments indicate that the conditions are improving and we expect performance to progressively improve as travel activity normalizes. Given the asset's iconic positioning and the resilience of the Dubai real estate and the hospitality market, we believe it is well-positioned to deliver a strong recovery and evolve into a significant long-term value creator for the portfolio.

We had factored a two to three year period for the sale of residences, and there is no change in our business plan presently. The Dubai residential market has largely been resilient in the last quarter, the prices have remained stable, with overall transaction volumes have moderated as expected.

However, luxury market continues to see strong volumes with large trophy transactions. H1 2026 recorded 296 home sales above USD10 million, a record for the first half despite the regional conflict. Palm Jumeirah and a few other sub-markets have accounted for disproportionate share of transactions.

Active asset management remains a key driver of long-term value creation. Several initiatives are underway during FY27. We continue to expand our portfolio of high-margin, experience-led value drivers. We expanded the ultra-premium club offering, Arq by The Leela, to Delhi, enhancing our luxury ecosystem for Leela loyalists.

Azulian House, a 74-cover signature restaurant spread over 3,300 square feet, has opened to strong reviews and occupancies in Bengaluru. We have also progressed on future growth initiatives, including the upcoming Arq Chennai launch, a world-class wellness facility in Bengaluru, and a renewable energy project at Coorg and Chennai that will lower our fixed cost.

These projects will strengthen customer engagement, driving diversified revenue growth, and reinforce our commitment to environmental stewardship. Moreover, they will sweat our assets by unlocking incremental revenue streams and improving asset productivity across the portfolio. We have delivered nearly all the value drivers outlined at the time of the IPO through the disciplined execution. Overall, the balance sheet remains growth-ready with 1.6x net debt to EBITDA, maintained even as we continue to invest in our development pipeline.

To summarize, with our operating momentum, development pipeline, strong balance sheet, and iconic brand positioning, we remain confident in our ability to continue delivering industry-leading growth. On behalf of the management team, I would like to thank our associates, guest partners, and investors for their continued support.

Moderator: Sir, shall we open the floor for questions?

Abhishek Agarwal: Yes, please.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Karan Khanna from Ambit Capital. Please go ahead.

Karan Khanna: Yeah. Hi, thanks for the opportunity, and congrats Anuraag, Ravi, and team on another quarter of industry outperformance. My first question, Anuraag, contrary to your peers, your RevPAR growth has been driven by both occupancies improving as well as ARR's. In a tough quarter, you're seeing 17% RevPAR growth. So how should we read this for the rest of the year?

What stood out in terms of occupancies during the quarter? And for full year FY27, are you looking at occupancies hovering around potentially the mid-70s range, given Q1 historically is the weakest and still you've seen 67% occupancy?

Anuraag Bhatnagar: Thanks, Karan. See, yeah, as you're right, Q1 was basically impacted, at least the initial part of Q1 was impacted because the international movement was not in line with what it used to be happening over last year. But the domestic demand was very robust, and our business pivoted and over indexed on the domestic demand.

And if you see, our RevPAR and growth is very well-balanced, both in our city hotels as well as in the resorts. In the city hotels, we have grown by 14%, and in our resorts portfolio, we have grown by 24%. We were also able to grow our ADR because, see, fundamentally and structurally, if you look at The Leela business, we have the highest Net Promoter Score, so the guest love is the highest for us.

There have been a lot of investments into our luxury experiences and offering and programming, which is reflected in these high NPS scores. The markets in which we operate are typically underserved in terms of luxury keys, and there is that delta between demand and supply.

The international business, for which we have a very large mix, remains like a future opportunity because as the things normalize, we expect the international business to start coming in. So if you look at all the levers of growth, Leela being so strong with domestic resilience and extremely well-loved and well-utilized by domestic luxury travellers, international business yet to come in its full way.

We definitely believe that the future quarters will also be strong and we'll continue on the growth trajectory as we have seen in the first quarter. And typically, historically, if you look at, the second half of the year is the time when international business, the foreign travellers, the tourist business, incentives, and some very high-impact conferences start happening in the country.

Every year, we had some major events that have impacted our business and created compression in the markets in which we operate. We expect and we forecast the same to happen. There are several global events that are happening in certain key cities in India where we operate from, so we expect a second half of the year to be as strong as it has always been historically.

Karan Khanna: Sure. And then secondly, on the Tadoba expansion, wanted to understand two things. One, what kind of ARRs, occupancies, and IRRs have you underwritten in this asset? And secondly, given it's just 30 keys, is there a chance that the resort could get commissioned sooner than CY30?

And also, will you look at subsequent phase expansion here, given it's a 62-acre land parcel? And a follow-up in terms of leverage, given that you've had four greenfield and acquisitions since your listing, what's the upper cap in terms of leverage that you're comfortable with, both absolute and relative to your EBITDA as well?

Anuraag Bhatnagar: So I think, Karan, we have already signed a concession agreement with MTDC earlier this month, and as you said, it's a great addition to our portfolio, being one of the oldest national parks, and like it's got the highest number of tigers and high propensity of sighting and all of that. So we're very excited about this property. And this would be, like you said correctly, a 30-key luxury wildlife resort with a 60-year concession agreement, which is extendable by another 30 years.

So we are expecting, like typically the wildlife segment is a very nuanced segment and a very fast, rapidly growing segment. And if you look at even today the existing wildlife resorts which are operating in the country, they operate at very high ADR. And we have kept our ADR in terms of what a typical Leela wildlife resort with such a high level of quality, build quality, should deliver in terms of programming. And we definitely expect the same to be executed.

And to your second part of the question that why FY30, well, of course, this is a very early stage for us. We are working, the teams are working to get all the approvals and the design development, which will be very similar in terms of design language, whilst localized to Tadoba.

As you know, we already are coming up with exotic wildlife resorts in Bandhavgarh and Ranthambore. So creating this wildlife trail in a circuit and creating the entire wildlife narrative would be of extreme importance to us, because that's what we do in terms of creating experiences. And so that's why we kept ourselves enough time.

And in terms of leveraging, Ravi would like to add something.

Ravi Shankar: So, just to complete on the Tadoba point, that's a very value accretive deal for us, Karan, and we'll generate 15% to 17% of YOC on that deal, just to give that number. We have got concession at very attractive terms.

On the second question on the leverage, our gross debt is around INR1,600 crores and net debt is INR1,332 crores, and net debt to LTM EBITDA is 1.6x at this point of time. As we take, we have good cash flows coming from our existing same-store hotels, in the next three years if you see our EBITDA trend, we'll have enough cash to fund our capex.

But even if we take debt for, the capex and even for some acquisition if it's value accretive, we have always given the guidance that we are comfortable to an average of 2.5x in the coming years, up and down in some quarters.

Karan Khanna: Sure. This is helpful, Ravi. I'll come back in the queue if any follow-ups. Thank you.

Ravi Shankar: Thanks, Karan.

Moderator: Thank you. Next question is from the line of Deepak Saha from Ashika Institutional Equities. Please go ahead.

Deepak Saha: Hi, thanks for the opportunity. Congratulations on a great set of numbers. Just two questions. First is on the domestic room revenue growth of 25%. If you can attribute some of the reasons behind this, because recently we have started seeing average length of stay really going up on the domestic side.

So, do you believe this is how durable this particular part is if you can share some colour on that, this is my first question. On the average length of stay going on the higher side at least in the recent time?

Anuraag Bhatnagar: So thank you, Deepak. If you recollect, last year also when we had spoken about it when we met, we had told that Leela has been building towards the domestic segment in a big way. We have repurposed all our resort hotels to ensure that we enhance our products and programming and experiences to focus on length of stay.

For instance, in Jaipur, we added two new restaurants, we renovated as a value driver our spa and made it an Aujasya Spa, we created unique dining experiences and programming. So, and likewise we did in Udaipur as well, and especially focused on various generational, multi-generational traveller.

So, so we have seen that play out very effectively in this year. And also what has continued to happen is that as we focus on our experiences, programming, and asset upgrades on the resort side, this segment is going to grow, looking at all the macro indicators in terms of the growing household income, disproportionate spend on luxury and consumption through experiences. So, we definitely expect that to continue growing.

And length of stay, because see, there are far more people travelling today, staying longer, taking higher categories of rooms, suites, and villas, travelling in small groups and multi-generational travellers. These are trends which were set in a couple of years back and are here to stay in our opinion. So, this is the segment which is going to keep growing, so they're going to keep travelling and staying longer in our hotels, especially on the resorts which are within driving distance of major cities.

Deepak Saha: Thanks, that's really helpful. My second question is, for BRICS that's scheduled 12th September and 13th September, we have almost 20% of the total out of the total five owned palaces, 20% of the keys are coming from say Delhi.

Now, how the rates trending up because for BRICS Summit, we have already started seeing rates are trending quite meaningfully and if we just see how AI summit panned out, which was really impactful even from our business point of view last year Q4, are we really seeing that particular event can do meaningfully, bring some positive catalyst as far as our numbers are concerned for Q2?

Anuraag Bhatnagar: So, it's a very good question. We are very happy that, that every year there are certain marquee events that happen in New Delhi, and Leela Palace New Delhi is extremely well-poised, all our hotels are extremely well-poised to receive an outsized share of demand. The AI conference example that you gave, and I'm sure it was all over in the media the kind of compression it created and what Leela was able to optimize during that conference, we see the same trends playing out as far as the BRICS event is concerned.

But given the sensitivity and our things, we are not able to disclose more information at this point in time. All I can tell you is that we are very well-poised to get an outsized share of business and are contracted with the right delegations, and we will benefit from the BRICS pre-demand as well in addition to the conference, pre and post-demand as well.

Deepak Saha: Thank you, that's really helpful. I'll fall back in the queue. Thank you and all the best for upcoming quarters. Thank you.

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

Achal Kumar: Yeah. Hi, thanks for taking my question. First of all, on the short-term, so how do you see the trends in July and August, basically especially knowing that July has more wedding days, more events coming through versus last year?

And the Q1 growth of course would have been positively impacted by the problems in the Q1 last year. So, I mean, do you expect the Q1 growth to continue in July, August, and of course how do you see the overall FY27 revenue growth if you can give a bit of a colour on that, please?

Anuraag Bhatnagar: So Achal, thanks. Well, we have fared well in July. As you correctly picked up, from a downside in March, every month our share of international business has been increasing, and in the month of June, we actually came even with last year's growth and we actually grew by 1% year-on-year over last year.

We see the same trend continuing in July marginally, but over what it was last year in terms of international business, and domestic remains very strong for us. August will have festive weekend demand, which will benefit our resorts. So overall, all I can tell you is that there are no real, as such, headwinds that we kind of foresee for the next quarter or for the balance of the year.

And we re-iterate that based on the current operating environment and the momentum that we are seeing in our business, we remain very confident on delivering double-digit RevPAR growth and mid-to-high teens EBITDA growth for FY27.

Achal Kumar: Right. And my second question is around your long-term target. So FY30, you are expecting 10 times increase in over FY20 EBITDA. So could you please give a bit of a bridging to your FY30 EBITDA target, to your INR19.3 billion EBITDA according to FY20 number, in sort of what kind of revenue growth, what kind of ARR growth are you building in? And, I can see that you have shown the 800 owned room addition which is already in the pipeline. So if you add more, can this...

Anuraag Bhatnagar: Sorry Achal, we lost you.

Moderator: Achal, can you hear us? Achal, can you hear us? Due to no response, we move on to the next participant. Next question is from the line of Girish Choudhary from Avendus Spark. Please go ahead.

Girish Choudhary: Yeah. Hi, thanks for the opportunity, and congratulations on the continued good set of numbers. Firstly, I just wanted to understand this international demand. We have seen recovery through the quarter, and also you commented that June was positive. So what are you seeing currently in international bookings.

And just as a follow-up to that, as and when we see the international demand to fully normalize, should we expect it to be incremental to domestic demand, or will it replace some of the domestic activation which you have done right in terms of group bookings or MICE and all those things? So that's my first question.

Anuraag Bhatnagar: So, just to step back and give you a context, both segments have been equally important for us in terms of our mix for international and domestic, even before these issues or geopolitical issues happened, having 50-50. And as you correctly picked up, since June onwards, we have seen international demand recovering, come back to FY26 level for the same period.

And we expect that to now evening out and growing from here on. Typically, the months from October to March are the peak months for international travellers, and being, and from there, November to February are the busiest because that's when the international FTOs and the tourists and the MICE and incentives from international travellers also start happening.

And we see no change in that pattern or trend this year as well. The long-term bookings that we have, the international conferences that we spoke about, as well as our international tourist arrivals that we see coming to India at this point in time and using our hotels, we don't see any change in that travel pattern.

And to your second part of your question, what it does for us, look, we are equally strong in both the markets given our distribution system and our presence and the global recall. I'm sure all of you are aware that Leela has been voted consistently among the top global luxury brands in the world, and that acts like a big kind of a pull factor for us.

So we expect that once the international business is fully actualized in the second half of this year, it will create further compression on the inventory that we have and give us an opportunity to exercise our pricing power and yield even more during the high demand dates.

But domestic is here to stay, and domestic is also growing in high double-digit across all our hotels, both city hotels and resorts. So it's a good position to be in, in the, specifically in the business that we are in, where we are over indexed only on luxury and creating those food and beverage, wellness, and other luxury experiences.

Girish Choudhary: Sure, sure. Secondly, we also noticed a significant improvement from the direct website contribution, right, which is now close to 16%. So if you could throw some more light, what should be the medium term target for direct bookings and also what kind of benefit we are seeing on the distribution cost or let's say the EBITDA margins from this initiative?

Anuraag Bhatnagar: So our direct bookings for this quarter have been close to 64% from direct bookings from our direct channel, which typically we would expect that for the full year, two-thirds of our business should keep coming and continue to come from our direct business channel. As you correctly observed, our website business has grown 2x. We have put a lot of investment into our revenue management tools, created an AI overlay.

We have optimized and yielded on the best of technology and also the talent to ensure that our brand.com and our website business continues to grow. We are currently also working on enhancing our business channels and also creating more AI-based content which can be picked up by the LLMs and, have access, which can ensure that we get more business directly.

Now in terms of costing, generally, the cost of direct acquisition is significantly lower. And without having to give you a specificity right now, it is like almost one-third the cost of what you would pay to a third-party external channel or an OTA. So that's the benefit of having direct business.

And we already operate at industry-leading EBITDA margins. If you see the EBITDA for this quarter has been 41%, and consistently if you look at FY26, our EBITDA margins have been close to 48-odd percent or so. So all of this kind of creates a better flow-through for us, and hence we continue to focus on the direct business and direct channels.

Girish Choudhary: Sure, sure. And lastly, if I may, the other outlier has been the HMA fees, right? We have seen again substantial growth. So if you could again give us a sustainable number because it's now we are tracking close to INR100 crores annualized run rate. So if you could just give some more light on the sustainability of this?

Ravi Shankar: So HMA is an ongoing business for us. The HMA contracts have various fee structures, incentive linked to performance and past key money commitments. While quarter-on-quarter the growth may vary, but we are confident about the trajectory of the fee income and its growth, given the expanding managed portfolio, the upcoming hotels both in India and internationally.

Girish Choudhary: Got it, got it. Thank you and all the very best.

Moderator: Thank you. Next question is from the line of Vaibhav Mule from Haitong Securities. Please go ahead.

Vaibhav Mule: Hi, sir. Thanks for the opportunity and congratulations on a very strong set of numbers. Pleased to see the numbers. My first question was on our expansion pipeline. Though we have a very strong pipeline slated over next three years to four years, we have seen minor delays, if I'm not wrong, in terms of our timelines for Bandhavgarh, Srinagar, as well as for Ayodhya, Agra. So is there a few quarters delay in terms of timelines?

Anuraag Bhatnagar: Vaibhav, all our activities are in full swing and all our projects are on track. I mean, the delays that you're probably alluding to is what we declared last time it’s just been a quarter or so of delay. But if you look at all our expansion pipeline that we have declared right now, we are well-set to open Srinagar in calendar year '27, as well as Bandhavgarh.

This year, by the year-end, we'll be opening Jaisalmer and the Leela Residences. We are on track to open Agra, Ayodhya, and Sikkim, and Ranthambore in CY28. And we have added Tadoba to the mix, which will open in CY30.

So for example in Jaisalmer right now, we have finished finishing the interiors and putting a pre-opening team in place. As far as the Leela Residences are concerned, the pre-opening teams are already in place and we are doing interior fit-outs at a very advanced stage.

In Srinagar, the walling work and the landscaping work has started. Right now, we're doing the ceiling work and all, so very much on track. And we'll do plantation next month and progress in terms of the project to open next year. Bandhavgarh, the villa construction has already started.

Sikkim, the main block work and civil work has already started. Ayodhya, design development and test piling has been completed and the main piling work is to commence, that should be commencing by the end of or middle of August, middle to end of August. Agra, the piling work has already started. Ranthambore, is being a 400-year-old fortress, we have to stabilize the walls.

And you are right, that’s got delayed by a couple of quarters, but we have now stabilized the wall and this is work in progress, but this is a one-time activity when we are building in Ranthambore. Once that is done, we can fast track Ranthambore as well and catch up on the quarter.

And Tadoba, we have just started and we signed the concession agreement. And Mumbai BKC, we have finalized and in the last stage, I'm preparing the site and finalizing the design development. So as I mentioned, all our capex projects are on track and at various stages of development as per the timelines.

Vaibhav Mule: Understood, sir. That perfectly explains it. My second question was on our The Leela Coorg. We have rebranded the property very recently. So I just wanted to get your feedback in terms of how has been the initial customer response since the acquisition and post the rebranding, and any sort of colour you can provide in terms of the revenue contribution expected for the first year, FY27?

Anuraag Bhatnagar: So the customer response has been great. I mean, I'm sure if you are there on the social media, or if you go on the, on TripAdvisor or any of the public sites, you see how the guests are, kind of responding to it. Like everything else that we do at Leela, we have created experiences and programming to ensure that our customers love what we are doing, whether it is just food and beverage or the wellness, an extremely well respond.

The first couple of months, three months actually, since we opened the hotel, and you can get more details on slide 14 of the deck that we have made, where we have given some metrics. We rebranded the hotel as The Leela on 8th of July, but we have been able to improve occupancy and importantly, the ADR to nearly 2x levels in this quarter as versus what it used to be earlier as in pre-acquisition.

We have also achieved an EBITDA break-even even for the quarter. However, right now EBITDA contribution in Q1 was negligible, but we broke even. Post rebranding, ramp-up is now being driven by integration into The Leela distribution network, our loyalty ecosystem, direct channels, domestic, plus we'll now be focusing overall in terms of wellness and leisure travellers into Coorg, they're going to phase two. So it's very much on track and very much in part of what we had envisioned for this asset.

Vaibhav Mule: Okay. And related to this, when do you plan to do this brownfield expansion of 19 keys? And lastly, on the RevPAR front, in the business properties, you have delivered a very strong number this quarter despite having significant presence in Bengaluru and Chennai, which are the markets which are FTA-dependent.

So what we have done differently than the industry, where we have outperformed the industry growth in terms of RevPAR? These are the last questions. Thank you.

Anuraag Bhatnagar: I'll quickly answer what you asked on the follow-up question on the Coorg. We are presently focused on stabilizing the operating asset, and post that, we will work on the expansion of the 19 keys in Coorg.

Now when you spoke about what we have done differently, look, we have been very consistent, in terms of what we deliver. See, the first building block is the voice of the customer that we focus on. The second thing is what is the value and experiences that we create, third is the asset management approach and the revenue management approach that we bring to all our assets and all our operating platforms.

So, and of course, all our hotels are in iconic locations, extremely hard to replicate, the supply that's even coming in those markets is not really coming into our micro-markets. There is a huge demand on the luxury, and experiences and programming, and we see the household income and discretionary spend happening everywhere.

So, a combination of all these levers, plus with such a high customer love, global recognition, and the brand value that has been recognized globally, we have all the right levers to continue growing on the RevPAR growth across both the city hotels as well as resorts.

Our city hotels, especially Bengaluru and Chennai, have a very large share of GDS business, high-profile corporate business, global CEO, C-suite representations and delegations. Delhi is the hotel where heads of state and heads of state global delegations come and stay from visiting dignitaries and global conferences.

Udaipur and Jaipur and now Coorg are becoming destinations for very high quality celebrations and luxury experience-seeking travellers. So, we definitely believe that all our hotels in that sense are unique, and we continue growing both in terms of RevPAR under our revenue and asset management initiatives.

Moderator: Thank you, Vaibhav. I'll request you to come back for a follow-up question. A kind request to all the participants, please limit yourself to two questions per participant and rejoin for a follow-up, so the management will be able to address answers for the questions from the participants. Next question is from the line of Prashant Biyani from Elara Capital. Please go ahead.

Prashant Biyani: Yeah, thank you for the opportunity. Sir, regarding the Dubai asset, given what's happening in the Middle East, is it giving us any opportunity to either pre-pone the capex or we are re-evaluating and postponing it under the current circumstances? What are the plans there right now?

Ravi Shankar: Prashant, we are on track on our plan. We'll get the handover from the current operator and start the rehab early next year, and as per our plan, we intend to complete the renovation in the next 12-months and rebrand to Leela.

Prashant Biyani: Right. And sir, for the companies which have reported results till now, we have seen RevPAR management either being done through occupancy or through ADR, and for you, it has been through both, and that is why you have delivered the numbers you have. Sir, of the top three hotels of yours, can you elaborate how the RevPAR performance has been? Are there hotels which have been outlier, or there has been broad-based growth across all hotels?

Ravi Shankar: Both international and domestic is our important key pillars for our growth, and this when the international mix was a little muted, we focused on the domestic demand and we grew around 25% of the revenue, even our retail segment grew by more than 20%, where ADR also grew high double digit.

So all our cylinders fired, even our branded website grew from 8%, double-digit growth we had in the branded website growth as well. Plus, even the group business, we were able to have at the BOB in the very start of the quarter, and we have been able to have in the month, in the quarter for the quarter business as well. That led us to both occupancy and the ADR growth.

Anuraag Bhatnagar: And specifically, since you asked about our portfolio, like we mentioned, both our city hotels and resort hotels have done well. Jaipur and New Delhi specifically have had some great performance, but across, it's been very broad-based and spread across all our entire portfolio.

Prashant Biyani: Sure, thank you.

Moderator: Thank you. The next question is from the line of Sumant Kumar from Motilal Oswal. Please go ahead.

Sumant Kumar: Yeah, so my question is for resort hotel. We have seen 24% RevPAR growth. So we know that there is a base effect of Operation Sindoor. Apart from that, is there any higher demand from say outbound has de-grown and that has, that business had diverted, or there is more other event and any other factor for higher growth?

Anuraag Bhatnagar: So our FIT share has grown significantly, so it is not just led by events or celebrations. As I mentioned in a previous answer also, there was a lot of investment that we did last year in our resorts to grow our market share, to grow our share in terms of multi-generational travellers.

We invested in Kids Club, so we got very nice Kids Club in both our hotels, we invested in the wellness offerings, food and beverage venues were renovated, we added a very nice terrace restaurant, the Amber Terrace in Jaipur. So we have seen families coming and staying with us, and we expect that this trend of multi-generational travellers to keep growing and increasing.

So resorts, if you see our occupancy and ADR growth in our two hotels in Rajasthan, they both have done extremely well, double-digit growth, high double-digit growth, and hence 24% growth in terms of RevPAR. So it is not just based on the outbound effect that you are alluding to, or, and I would like to disagree with you, it's not even a low base effect of Operation Sindoor, even if you look at last year number, there was a high double-digit growth in our resorts.

So it's like year-on-year our resorts are continuing to grow high double-digit, and of course because it's just a market impact as well, because there are increasing number of travellers who can drive to these destinations and experience luxury.

Sumant Kumar: Okay. Thank you so much.

Moderator: Thank you. Next question is from the line of Karan Kamdar from Choice Institutional Equities. Please go ahead.

Karan Kamdar: Hello, sir. Thank you for the opportunity, and congrats on a great beat of numbers. Sir, my question, first question is on the EBITDA margin. What have we done sequentially to sort of see a such a high margin for this quarter? Were there any items which could persist throughout the year, or was there some one-off impact?

Ravi Shankar: So if you look at our EBITDA margin, we always have been consistent in driving our EBITDA margin quarter-on-quarter, on year basis we are close to 50%, this is a summer quarter, hence we are at 41%, and because of the cost structure that we have, we have been able to manage our cost, for example, a lot of our AMCs and our central procurement, we have got very effective rates from our vendors, we have renegotiated all those rates from them.

Plus our renewable share of energy is around 67%, which we intend to take it to 75%. So all these cost, plus, the growth in our revenue also has helped us in driving our EBITDA margin, and we expect our EBITDA margin to continue in the similar levels or grow it marginally quarter-on-quarter.

Karan Kamdar: Any targets you set for yourself for FY27-28 on the EBITDA margin side?

Ravi Shankar: I tell you, we already operate a very significant good EBITDA, we are around 50%, and we intend to maintain that and marginally grow it year-on-year as our RevPAR grows.

Karan Kamdar: Got it, sir. My second question is, sir, on the Mumbai, HMA, Mumbai Residences side. If you could throw some colour on the revenue potential and by when can it achieve peak potential, that would be helpful?

Anuraag Bhatnagar: So we are looking at launching the, the Mumbai Residences, it's 63 keys, various combinations across 200 bays. So we have 2-bed, 3-bed luxury residences. We are looking at getting the, all the approvals in place, the asset is getting ready, the mock-up rooms have been finished, show-arounds are starting towards the end of this year, and we are looking at having, residences and tenants move in, in early next year. This is how we are planning it, and we are very much on track to execute that.

Karan Kamdar: Got it, sir. And anything on the revenue side, how will it generate revenue and what percentage if any, if you can share?

Anuraag Bhatnagar: All I can tell you that this is a very new and interesting line of business. This creates a whole ecosystem of live, work, play. This is already creating a lot of demand and a lot of queries. And this will be positioned as one of the best luxury residences product and service offering under the Leela brand in the city of Mumbai. So we are expecting it to be well-positioned in its category as one of the highest and the best.

Karan Kamdar: Got it, sir. Thank you and all the best.

Moderator: Thank you. Next question is from the line of Akash Gupta from Nomura. Please go ahead.

Akash Gupta: Hi, am I audible?

Anuraag Bhatnagar: Yeah.

Akash Gupta: Got it. Hi, sir, congratulations on an excellent quarter. So, my question is on our INR20 billion EBITDA target by FY30. So, the question is how much have we locked in and do you think if there is any downside risk to this number considering the volatility that's going on in the world? That's my first question.

Ravi Shankar: So, I'll answer. We are on track of what we have given our targets. You have seen our same-store performance, we have either achieved or overachieved our, the targets quarter-on-quarter. If you look at the new pipeline, the last five quarters we have signed five new deals that will add to our both top line and EBITDA margin, and we continue to look for value-accretive deals, both on the HMA and the acquisition side.

In terms of our development pipeline, all our five owned hotels are on track, we have already discussed about it. We have all approvals and financing in place, the construction is going on full swing. So I can say all in all, we are on track, we are moving in the right direction to achieve the targets that we have committed.

Anuraag Bhatnagar: Just I'd like to add on a couple of points to what Ravi has said. All the value drivers which were playing a big role in terms of contributing to this EBITDA have all been executed, like in terms of the Arq clubs, the new F&B outlets, the retail space. And like Ravi mentioned, every quarter we have added on to our pipeline. And if you recollect, the guidance that we had given, we have exceeded that guidance as well historically across all our hotels. So we remain firmly on track.

Akash Gupta: So my second question is on the two hotels coming in calendar year '27. Are they coming towards the beginning of CY27 or should we expect them towards the end, and in which case we shouldn't assume any revenue contribution from these two hotels in CY27?

Anuraag Bhatnagar: Early '27. We're expecting them very early. We would definitely, look at them, somewhere like in the first quarter of '27 is when we are looking at. You're talking about Jaisalmer and Leela Mumbai Residences, right? Or which one are you talking about?

Akash Gupta: Yeah, I'm talking about the Srinagar and Bandhavgarh, the two owned properties that are coming.

Anuraag Bhatnagar: Srinagar and Bandhavgarh will come towards the, I would say, towards the Q4, October to December of '27.

Akash Gupta: Understood, that's the question I had. Thank you so much, sir.

Moderator: Thank you. Next question is from the line of Madhav Agarwal from SKP Securities. Please go ahead.

Madhav Agarwal: Hi. Hi, thanks for the opportunity, sir. I wanted to know, like broadly speaking, so if I look at your resorts occupancy for FY26, so blended it was 59%. So, like going ahead, like where do you see this number, the occupancy of your resort hotels, in next let's say three years, four years? So any targets you have or any number you can share?

Ravi Shankar: So, you know, I can just say what Anuraag earlier mentioned, we have really worked on our resort programming. We have joined villas to create multi-generational travel, we have created a Kids Club in all our resorts to have a 12-months occupancy, and hence you would see our resort occupancy inching closer to 60%, and we expect that with the 12-months market that we are trying to create for resorts.

We would be able to go to mid-60s, but that's our growth trajectory that we intend to go to, and we are confident we'll be on track.

Madhav Agarwal: Okay. Okay. And similarly for city hotels, if I see, so on a blended basis it was 72%. So, like you, like how confident are you like from this 72% level for these existing hotels, like the occupancies at these hotels can go up to like how much? Is there like 80% or like any number you'd like to mention?

Ravi Shankar: So we don't have a specific target. We grow, we focus on the ADR positioning as well while looking at growing our occupancy. So obviously a lot of luxury hotel do operate in the market that in close to 80%, we can obviously cross 75% threshold as well, but we are more, target towards driving the ADR, and accordingly the growth from the ADR side rather than occupancy.

Madhav Agarwal: Thank you. Thank you, sir.

Moderator: Thank you. Next question is from the line of Abhishek Khanna from Kotak Securities. Please go ahead.

Abhishek Khanna: Hi, sir. I just had one question. On the management fees, which is nearly doubled on a Y-o-Y basis. While you mentioned that there is an improvement in the existing hotels, but also is there a one-off that we expect in this one, or should we take this INR250 million, INR25 crores kind of a number as a run-rate with the seasonal improvement that we could see in 3Q and 4Q, which means the annual number would be closer to INR100 crores, is that the correct way to look at it?

Ravi Shankar: So as I mentioned earlier, on another question that somebody had asked on HMA, HMA is, half of the portfolio is HMA for us, and it's an ongoing business. Every quarter, we'll have a new hotel coming or a new existing hotel ramping up, and these HMA contracts have various fee structures and incentive, some are linked to the performance of the hotel, some are linked to the past key money commitment.

So these growth percentage may vary quarter-to-quarter, but I can only tell you that we are very confident that the fee growth will keep happening based on the opening of the new hotel, ramping of the hotels that we are doing both in the, both India and internationally.

Abhishek Khanna: Okay. All right. Just maybe one small one. The Coorg hotel, just to confirm, you said had nearly zero EBITDA contribution in the quarter, is that correct?

Ravi Shankar: It had a positive EBITDA contribution and will start ramping up because we are just, we just rebranded the hotel.

Abhishek Khanna: Was it a significant number or a very small number in the overall?

Ravi Shankar: Not too significant looking at the overall EBITDA, but it's EBITDA positive and this will ramp up and will do similar EBITDA margins as other resort hotels in Leela does.

Abhishek Khanna: All right. All right. Thanks a lot.

Moderator: Thank you very much. Ladies and gentlemen, due to time constraint, we'll take the last question from the line of Achal Kumar from HSBC. Please go ahead.

Achal Kumar: Yeah hi sorry I was thrown out of line. So again coming back to the question of your long-term target. Would appreciate if you can do a bit of a bridging from here to FY30 to your INR20 billion EBITDA target and I can see you've given 800 room additions in that target slide.

If you add more rooms do you think there's an upside risk to the target and what should be the ROCE target for FY30 if you could.

Abhishek Khanna: So Achal, I did explain on this question, but I'll tell you if you've seen our same store numbers we have achieved our targets or we have over achieved our target. We are fully on track of the same store numbers that we have committed. Even if you look at our development pipeline all the hotels construction has started. The financing and approvals are all in place.

For the new pipeline we have signed up five hotels in the last five quarters and there is a very active pipeline in terms of both owned and managed hotels which will drive our EBITDA.

Third if you look at our growth in our RevPAR, we are looking at least a double digit RevPAR growth in the coming years that's our endeavour to achieve and that will also flow to the EBITDA because of the operating flow through that we have done.

This will take us to the on track to achieve the target that we have committed to our investors and the market. Even the value drivers that we spoke about most all the value drivers committed in the IPO have already been made operational and they are adding to our EBITDA and they are fully stabilized.

Achal Kumar: Anything on the ROCE Ravi?

Ravi Shankar: ROCE obviously we are double digit ROCE and with these new hotels when they open and the value drivers are just stabilized. This will go to mid-to-high teens ROCE in the coming years in few years when all the new hotels will become operational.

Achal Kumar: Thank you and wish you good luck.

Moderator: Thank you very much. Ladies and gentlemen in the interest of time that was the last question for today. For any further queries, you may reach out to the Investor Relations team at The Leela. Thank you for joining us, and you may now disconnect your lines. Thank you all.