VICEROYHOTELS

To,	**Date:** 07th August, 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 04th August, 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 Q1 ended 30th June, 2026 held on Tuesday, 04th August, 2026.

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

Thanking you.

Yours faithfully,
For Viceroy Hotels Limited

CHAPPIDI SIVA KUMAR REDDY
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Company Secretary and Compliance Officer
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"Viceroy Hotels Limited
Q1 FY27 Conference Call"
August 04, 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

MODERATOR: **MR. CHIRAG BHATIYA – MUFG**

Moderator: Ladies and gentlemen, good day and welcome to Viceroy Hotels Limited Q1 FY27 Conference Call hosted by MUFG. 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Chirag Bhatiya from MUFG. Thank you and over to you, sir.

Chirag Bhatiya: Thank you, Saniya. Good afternoon, everyone, and welcome to Q1 FY27 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 you a small disclaimer that this call may contain certain forward-looking statements which are based on opinion, beliefs, and expectation of the management as on date. A detailed disclaimer has been given in the company's investor presentation, which has been uploaded on the stock exchange. I hope you all had chance to go through the same.

Now, I would like to hand over the call to Mr. Anirudh Reddy. Over to you, sir.

Anirudh Reddy: Good afternoon, everyone, and thank you for joining Viceroy Hotels Limited Q1 FY27 Earnings Conference Call. I hope all of you had the opportunity to review our quarterly results presentation and press release circulated earlier. We are pleased to report a strong start to FY27, reflecting the benefits of our ongoing asset enhancement initiatives, operational improvements, and growing demand across our hospitality portfolio.

The quarter witnessed encouraging operational momentum across our businesses. The broader outlook for the Indian hospitality industry remains positive. Rising business travel, growth in MICE activities, increasing domestic tourism, and Hyderabad's emergence as a major technology and commercial hub continue to support demand for quality hospitality assets. We believe Viceroy Hotels is well-positioned to benefit from these structural trends.

At Viceroy Hotels, our focus remains firmly centered on long-term value creation through asset enhancement, superior guest experiences, and disciplined execution. Over the several quarters, we have been implementing a comprehensive transformation and modernization program across our hospitality assets to strengthen their market positioning and unlock future growth opportunities.

These initiatives are not only aimed at improving the quality of our offerings, but also at ensuring that our properties remain competitive and relevant in an evolving hospitality landscape. Our executive apartments business continues to be an important strategic differentiator. As global corporations expand their presence in Hyderabad and demand for extended stay accommodation grows, we see significant opportunities in this segment.

The combination of premium hospitality services with residential-style comfort continues to resonate well with long-stay guests and corporate travelers. We also remain committed to maintaining a disciplined approach towards capital allocation. Our approach here remains disciplined and focused on enhancing asset quality, elevating guest experiences, and creating sustainable long-term value. At the same time, we also continue to evaluate selective growth opportunities that complement our portfolio and support our long-term strategy.

Looking ahead, our priorities remain unchanged. Number 1, completing ongoing renovation programs on schedule. 2, driving higher occupancy and RevPAR across our portfolio. 3, improving operational efficiencies and margin profile. 4, strengthening the contribution from executive apartments and ancillary businesses. And 5, pursuing disciplined growth opportunities while maintaining a prudent capital allocation framework.

With strong industry fundamentals, a premium portfolio of assets, ongoing enhancement initiatives, and a clear strategic roadmap, we believe Viceroy Hotels is positioned to participate in the next phase of growth in the Indian hospitality industry.

With that, I now request our CFO to take you through the financial performance for the quarter before we open the floor for questions. Thank you.

P. V. Krishna Reddy: Thank you, Anirudh. Good afternoon, everyone, and thank you for joining us today for the earnings call of the company. Let me take you through the financial performance of the company during the quarter.

For Q1 FY27, on a consolidated basis, the revenue from operations of the company stood at INR44.9 crores as compared to INR25.4 crores in Q1 FY26, showing robust growth of approximately 77%. EBITDA for the quarter came in at INR11.8 crores with a margin of 26.3% as compared to INR4.8 crores with a margin of 19% in Q1 FY26, representing a growth of 144% in EBITDA and an expansion of 725 basis points in margin. In terms of profitability, our profit after tax stood at INR1.4 crores with a margin of 3.2% as against a loss of INR3 crores with a margin of negative 11.9% in corresponding quarter of the previous year. Depreciation and amortization for the quarter stood at INR5 crores as against INR3.4 crores, reflecting the capitalization of the Phase 1 at Courtyard together with the depreciation on the acquired property. While finance costs stood at INR5.4 crores as against INR1 crores in Q1 FY26. It is this step-up in depreciation and finance cost that explains why INR11.7 crores in EBITDA translates into a profit after tax of INR1.4 crores.

Coming to our operating metrics, combined occupancy across the Marriott and Courtyard hotels, it had improved to 76.25% in Q1 FY27 from 53.65% in corresponding quarter. At Marriott, occupancy improved to 72.04% from 59.96%, while at Courtyard, occupancy improved to 83.65% from 38.31%, the latter reflecting the normalization of the property following the completion of the Phase 1. Combined ADR for the quarter stood at INR6,107 as against INR6,952, with Marriott at INR6,188 and Courtyard at INR5,985. Courtyard RevPAR nearly doubled to INR5,006 from INR2,545, while Marriott RevPAR improved 5.7% to INR4,457, taking combined RevPAR up 24.85% to INR4,657 from INR3,730. As the renovated work matures and the convention center returns to service, we expect ADR to follow occupancy.

Looking at the revenue composition across the Marriott and Courtyard hotels, room revenues stood at INR19.6 crores in Q1 FY27 as against INR14.1 crores in Q1 FY26, a growth of 38.9%, while food and beverage revenues stood at INR11.8 crores as compared to INR10.3 crores, a growth of 15.1%. The room revenue growth reflects the full availability of 168 keys at Courtyard together with materially better occupancies at Marriott. The more measured growth in food and beverages is a direct consequence of a convention center at Marriott being taken offline from the first week of April for the Phase 2 upgradation, which has temporarily constrained our banquet capacity through the quarter.

Turning to the Marriott Executive Apartments, the extended stay asset has continued to perform in line with the thesis on which it was acquired. Room revenues for the quarter stood at INR8.5 crores as against INR7.1 crores in the corresponding period, while food and beverage revenues stood at INR3.3 crores. ADR improved by 7.5% year-on-year to INR13,342, and occupancy improved to 94% from 83%, translating into RevPAR growth of 21.1% to INR12,519.

Looking ahead, three drivers will shape our performance: The renovated Courtyard facility should progressively convert occupancy strength into rate. The convention center at Marriott, once back in service, will materially expand our banqueting and event revenue, which is among the highest margin streams in our portfolio. And the Marriott Executive Apartments will continue for a full financial year for the first time.

Combined with continued cost discipline and efficiency gains now flowing from the upgraded back of the house infrastructure, we remain confident of progressing towards an EBITDA margin above 30% in the near term and towards our long-term benchmark of 40%.

We believe the investments currently being undertaken across the portfolio will further strengthen the positioning of our assets and support long-term value creation for our shareholders.

With that, I would like to open the floor for question and answers.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Animesh Jain from Dalal & Broacha. Please go ahead.

Animesh Jain: Thank you for the opportunity. So, I want to ask that our combined ADR has decreased around 12.15%, but our occupancy has risen by 42%. And if we see Courtyard, also ADR reduced by 9.9%. So, what is the trend going forward?

Anirudh Reddy: Hi, thanks for your question. So, one of the reasons why the ADR last year was slightly higher was due to a limited availability of rooms because a lot of the Courtyard was under renovation. Having all of the inventory back in this thing now was a slight - that's why the slight dip came along with the fact that we have taken our convention center as well out of order for the renovation.

So, typically, once the convention center is back in operation, then what we see is a percentage of groups and social functions that contribute to our overall revenue increase, and with that our ADRs also increase. So, that is something that we see only going upward from here on. To add to that, also the seasonality of Quarter 2 and Quarter 3, where typically we also observe higher ADRs, will also kick in.

Animesh Jain: Okay. So, as we know that in Phase 2, 168 Marriott rooms and the convention center is out of service. So, how much EBITDA displacement we are expecting in FY27?

Anirudh Reddy: FY26 you mean or FY27?

Animesh Jain: FY27.

Anirudh Reddy: Yes. So I think in terms of displacement, it's close to about INR10 crores in combination of the kind of business that you're losing through the convention and the rooms that comes with it.

Animesh Jain: Okay. And my third question is, as our subsidiary SLN Terminus, are there any -- are now deferred or any stamp duty left still to discharge?

P. V. Krishna Reddy: No, nothing is left.

Anirudh Reddy: Nothing is left.

Animesh Jain: Okay. And my last question is, our Greenfield expansion of Courtyard, the current status of it and the approval and design plan of it?

Anirudh Reddy: Yes. We have -- so basically we are in the approval stage with the government. The new tourism policy just came in, that is why it was in a little of -- it took us some time to get in place the approvals. The new tourism policy in place, we are pushing to get the approval with the government, and we are ready with the designs to go on ground.

Animesh Jain: Okay. Thank you, sir. Thank you for that.

Moderator: Thank you. The next question is from the line of Santosh Shetty from LGC Capital. Please go ahead.

Santosh Shetty: Good afternoon, sir.

Anirudh Reddy: Good afternoon.

Santosh Shetty: So, starting with my couple of questions. With the convention center down during the upgrade, are you effectively foregoing a wedding and MICE season? How much of business has been declared or like, not declared -- deferred versus permanently lost to competitors?

Anirudh Reddy: We have not lost anything permanently. We have firstly taken -- already budgeted this in our Phase 2 plan of renovation from April to December that we're going to take it out, because we wanted to get in the new facility to get more of businesses. But if you see, we still good to do the numbers, we did last year even without the convention center. So, with the convention center coming back online, we see to do much more in the coming year.

Santosh Shetty: Okay, sir. And just another question. What is the current status of approvals and what are the expected dates for construction start and opening for Courtyard at Madhapur?

Anirudh Reddy: So, the approvals should be received this year and we should be on ground this year. We are looking at FY29 - 2029-2030 to go operational.

Santosh Shetty: And a last question, sir. With PAT now positive, what is the board's thinking on a dividend policy? And is there any promoter share pledge currently outstanding?

Anirudh Reddy: The dividend policy, once we finish our Phase 2 renovation and we have the convention center back, and we would like to -- the board will surely discuss on the dividend policy and come out with a favorable outcome for the shareholders. The promoters have not pledged any of their shareholding.

Santosh Shetty: Okay. Thank you, sir.

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

Madhav Agarwal: Hi. Thanks for the opportunity. So, my question was for Courtyard by Marriott. So, for Courtyard by Marriott in FY26, your ARR was 7,600, right? So, now after the renovation, any target, like what can we expect for FY27, FY28, the average room rates, any targets if you can share?

And also the occupancy. So, occupancy like prior to if I see in FY25, the occupancy of Courtyard by Marriott was 73%. In FY26, it was impacted due to the construction work. Now in Q1 you have reported 84%. So, for a full year basis, what occupancies are you expecting?

Anirudh Reddy: Yes. So from an occupancy standpoint, this is an occupancy we'd like to maintain at a YTD level as well, while we strategically maneuver across the various businesses that we pick up based on season and demand once the convention center is back. Because what we do is we position the 2 hotels as a complex close to 500 rooms along with a massive convention center. So, that's where we get to do a lot of MICE and social events at much higher ADRs.

So, from an occupancy standpoint, we would like to maintain the 80% to 85% levels across the next 2 financial years. But ADR is something that we'd like to pick up from about that late 6,800 to 8,500 in the next 2 financial years. So, that is the target for Courtyard. But the thing is, with limited supply in the city, ADRs have been growing at a faster pace than in what most projections suggest. So, I wouldn't be surprised if we are closer to the 9,000-9,500 mark by FY28.

Madhav Agarwal: Okay, understood. So, basically, because of the convention center, currently you would be focusing more on keeping up the occupancies, and once that is completed, post that you are expecting that you will get the opportunity to increase rates?

P. V. Krishna Reddy: Correct, yes. One of the strategies that the management has taken since takeover itself is to change the contribution from pure corporate such as airlines and army over time to reduce that and increase our retail bit or even groups that come in from social functions, because they are higher-paying businesses.

It's just that now because of a combination of the convention center going out and the war for the 2-3 months in Quarter 1, that we had to go back to some of these businesses so that your hotel footfall is high and then you have multiple avenues for revenue. And which is how we managed to, in spite of all these challenges, beat our Q1 numbers from last year.

So, that's where, like Anirudh has mentioned, the target for our management as well in terms of the rest of the quarters this year as well, in spite of renovation, we intend to beat the previous year's quarters' numbers.

Madhav Agarwal: Okay. And finally, on the Marriott Executive Apartments, so there I see very strong occupancies. So, there you believe there is like ample opportunity to increase rates even if we have to compromise a bit on occupancies, or what will be your take on executive apartments?

Anirudh Reddy: See, the occupancy, as you rightly said, there's no scope of increasing more than this. We are trying to push the ADRs up and we think we can push the ADR up with the current occupancy, because of the big shortage of supply of rooms on the other side, and we are the only ones offering the long-term stay.

The long-term stay has become the hot product in the market. And some competitors are trying to adopt it by renovating, but still that inventory is very far away from getting in in supply. So, we still - we believe that the ADR can still be pushed in that market.

Madhav Agarwal: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Prashant Kshirsagar from Unived Corporate Research Private Limited. Please go ahead.

Prashant Kshirsagar: Am I audible?

Anirudh Reddy: Yes, you're audible.

Prashant Kshirsagar: So, you mentioned about the Phase 2 expansion in financial year 2027. So, can you give us a timeline for which quarter it should be completed?

Anirudh Reddy: So, we're expecting to finish this by December of this of this financial year. So, third quarter.

Prashant Kshirsagar: Third quarter. Okay. And - secondly, a bookkeeping question. Can you share the gross debt at standalone and consolidated level and the net debt?

Anirudh Reddy: Do you mean the interest rates or the total debt?

Prashant Kshirsagar: No, no, total debt.

Anirudh Reddy: Okay. At standalone, the total debt is around INR220 crores and at a consolidated level, it is INR259 crores.

Prashant Kshirsagar: Net debt sir?

Anirudh Reddy: One second. Net debt is around INR180 crores at standalone level, and then it is INR220 crores at consolidated level.

Prashant Kshirsagar: Consolidated level, okay. And the interest rates on that is the similar to which at around 8.75 or something or is it...?

P. V. Krishna Reddy: Blended rate is 8.7%.

Prashant Kshirsagar: 8.7%, okay. Fine. Next question, sir, is how do you see the bookings for this quarter, Q2? Because Q1 -- most of the hotel companies have shown a better occupancy and they have managed it with domestic business. So, how do you see the Q2 in July or...?

Anirudh Reddy: Q2 is pretty strong. It is coming back well and I think everybody has come to terms that this war is not something that is going to -- it's in anybody's hands to stop anytime soon or when it's going to stop. So, overcoming that, we are already taking that into account and gotten good business also in Q2. So, we still see a very strong quarter coming.

Prashant Kshirsagar: Okay. And in the executive apartments, what was the mix of the business, international and domestic? Would you be able to share?

Anirudh Reddy: Yes. So, I mean, again, it depends from quarter-to-quarter, but in peak season, it even goes up to about 40% coming in from international business, whereas quarters such as Q1 and Q2, it's slightly lower and closer to the 20% mark. But, I mean, having said that, that is the micro market that has grown year-on-year the strongest in the entire country. So, it's not as much a concern, but it's always good to have some of the dollar demand back.

Prashant Kshirsagar: And in the hotel business, what should be the mix, international and domestic?

Anirudh Reddy: If you see across the country, it's between 15% to 20% in most urban centers, and our portfolio also at a blended level, the contribution will be around the same numbers.

Prashant Kshirsagar: Okay.

Anirudh Reddy: And obviously in leisure markets such as Rajasthan and Goa, the contribution will be higher, but the business hotel segment usually is under 20%.

Prashant Kshirsagar: 20%. And sir, can you share the number of capital work-in-progress for June as on 30th June? Is it possible to share the number?

P. V. Krishna Reddy: Yes. The capital work-in-progress stands at INR8 crores, because we have already capitalized most of the assets that are finished in Courtyard.

Prashant Kshirsagar: Okay. But that's on standalone or consolidated?

P. V. Krishna Reddy: It's a consolidated level.

Prashant Kshirsagar: And standalone level, what is the capital?

P. V. Krishna Reddy: It will be close to the same number, because in Marriott Executive Apartments we don't have anything.

Prashant Kshirsagar: Anything, yes. Last question or may have one more. This rights issue which is in the approval stage, can you share some details or is it too early to ask the question?

Anirudh Reddy: I mean, see, we have applied for permission to the exchanges. So, we're waiting for the approval to come in. The main requirement is to reduce it below 75% as mandated by SEBI by October. So, that's why we're doing this activity. And once we get the approval, we'll disclose more on that.

Prashant Kshirsagar: Okay. But can you just share this INR107 crores which will be raised, it will be for the new Greenfield or is it to repay the debt or is it...?

Anirudh Reddy: No, we're just repaying the debt and to keep the limit open for the Greenfield project or any other future expansion.

Prashant Kshirsagar: Okay. And when do you expect the Greenfield to start?

Anirudh Reddy: FY29-2030.

Prashant Kshirsagar: FY29 you're expecting.

Anirudh Reddy: Operational.

Prashant Kshirsagar: Operational. But construction should start at?

Anirudh Reddy: Yes, it should start this year. That's why the Telangana Government had a new tourism policy that was just came in last month or 2 months back. So, because of that policy being delayed, the hotel permissions and all that were kept in abeyance. So, under the new policy, we applied and the tourism department has written to the MAUD and then we're waiting on that.

Prashant Kshirsagar: So, your expectation in which quarter you should start the construction?

Anirudh Reddy: Expecting fourth quarter to start.

Prashant Kshirsagar: Fourth quarter, Q4. Okay. So, thanks a lot. That answers most of my questions. If there is anything else, I'll join the queue.

Moderator: Thank you. The next question is from the line of Siya from SMSV Securities. Please go ahead.

Siya: Hello.

P. V. Krishna Reddy: Yes, hi.

Siya: Am I audible?

P. V. Krishna Reddy: Yes, you're audible.

Siya: Hi. Yes, sir. Thank you for the opportunity. Sir, I had a few questions. Starting with, sir, could you just, like, Q1 FY27 total income between revenue from operations and other income. And if you could also tell us what sits in the other income and how much of it is recurring?

P. V. Krishna Reddy: So, on a consolidated basis, the total revenue from operations for the quarter ended June 30 is INR44.90 crores, and other income is INR29.25 lakhs. So, the total income is INR45.19 crore. So, other income includes mostly interest income on the FDs that we kept.

Siya: Okay, sir. Got it. And also for FY26 as a whole, the Courtyard ADR of INR7,633 sat above the Marriott's INR7,328. In Q1 FY27, Courtyard has slipped below Marriott. Given Courtyard is a fully renovated asset, does the 25%-30% premium thesis still hold? And like on what time frame, if you could just help me out with that?

Anirudh Reddy: Yes. So, again, like I said earlier, one of the reasons why you saw such an uptick in the ADR last year in Courtyard was because of the limited inventory that was available. So, now with the new inventory coming in, we've managed to still maintain a good ADR in spite of the war and not having the convention center available to us so that we get businesses from groups or socials.

But like I've mentioned, we see this ADR growing over the next 2 financial years, and once the convention center is back, we -- like I said, we would want to see ADRs that are above 8,000.

Siya: Okay, sir. Got it. And sir, Phase 1 at Courtyard is complete, right? So, what...

Anirudh Reddy: Courtyard, the entire entire renovation. No, so when we divided the phases, Phase 1 was entirely Courtyard's renovation, which is complete now. So, Phase 2 is where we started the renovation in Marriott. So, Phase 2 and Phase 3 entirely will be Marriott Hotels. So, once these 3 phases are done, we will be done complete with renovation in all of our hotels.

Siya: Okay, sir. Got it. And sir, so what ADR and RevPAR are you achieving on the renovated inventory versus pre-renovation?

Anirudh Reddy: So, there's almost a 30% delta. The ADRs for the renovated inventory, I mean, the newer rooms, is closer to 9,000 versus the 6,700-6,800 mark that you see at a consolidated level.

Siya: Okay, sir. Got it. And sir, your investment strategy slide lists Greenfield, Brownfield, and NCLT distress assets. Are you actively evaluating distress hospitality assets today? Or like what is the size of the pipeline and would those be on the balance sheet or through a separate vehicle?

Anirudh Reddy: See, we are actively looking at distressed assets to integrate into our portfolio, and it will all hospitality one will be done in this entity and not a separate SPV or separate on the promoter side. We are actively looking with different regions, but the current market, the hospitality sector is not in any distress. So, it is hard to find good assets -- hospitality assets to grab in NCLT.

So, we're looking at more strategic kind of integration of running assets or brownfield assets which are about to open, integrate them into the portfolio. So, something like that we are looking around, and we almost on a weekly basis at least look at 2-3 opportunities. So, we are looking to add more. So, yes, we'll let you know when we finalize something soon.

Siya: Great. Thank you so much for answering my questions, sir, and all the best.

Anirudh Reddy: Okay.

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

Madhav Agarwal: Yes. Hi. Thanks for the follow-up opportunity. Sir, I wanted to know, like if you can share, what is your arrangement with Marriott? Like Marriott must be taking a certain - I believe - really how it functions -- is like Marriott would be taking a certain percentage of your revenue and a certain percentage of your operating profit. So, if you can share like how the arrangement is with them?

Anirudh Reddy: Yes. So, on a revenue basis, Marriott takes about 1% to 1.5% on the total revenue, and on the GOP, that is the gross operating profit, it takes around 6% to 7%. So, the majority of what goes to Marriott is on the GOP. And that is why their interests are aligned with our interest, and they just don't concentrate on revenue, but they concentrate on profitability.

Madhav Agarwal: Okay. And like this percentage, there must be a cycle, right? After 5 to 6 years or like how is it and when is the next revision going to happen?

Anirudh Reddy: So, for us, in the hotels, all three hotels are beyond the first 5-year mark. So, all these percentages stabilize within the first 5 years. Typically, there are some fees that increase from 1% to 2% to 3%. Say, for example, even the percentage fee that you give on the GOP has now stabilized at 7%. So, there is not going to be any further uptick to this.

And what we've additionally also done is for the Greenfield asset, we have negotiated in a different way, wherein instead of based on the number of years of operations, we've decided to have a matrix where we'll pay them on how high the percentage of GOP is. So, the higher the percentage of GOP, the higher the percentage that Marriott makes. So, our interests are further aligned.

Madhav Agarwal: Okay, got it. And sir, just one final question on the, let's say, for Courtyard. So, what you told that ARRs that you are targeting for next 2 years. So, like broadly, very broadly speaking, what I can understand is that for the upscale hotels, upscale, upper upscale hotels, like I believe that from here on for FY27, FY28, possibly the industry can increase their rates from mid to high single-digit. Is this understanding correct? Let's say around like 7% to 8%, is this understanding correct given the demand-supply dynamics in next 2 years?

Anirudh Reddy: Yes. So, the number you mentioned, I think, is at a national level, but I think Hyderabad specifically and Bangalore, we are expected to grow at a double digit -- early double-digit level, 10% to 12% is what the industry is suggesting.

So, we also what we do is from time to time for any of our new, either our Greenfield project or any other hotel that we are considering to either acquire through distress or potentially do another Greenfield, we keep do getting studies done, feasibility studies done to see how the market is performing and what the hospitality consultants have.

So, what we've observed from them and what we've been told from them is that Hyderabad is some -- is one of the markets where you can expect a 10% to 12% growth in ADRs.

Madhav Agarwal: Okay. For your, like, it depends on the positioning also, right? So, for the mid-scale hotels, possibly because of the greater supply-side risk, so possibly they cannot increase, but for you for upscale, upper upscale, you expect 10% to 12% growth from here on?

Anirudh Reddy: Correct.

Madhav Agarwal: Okay. Got it. Very helpful. Thank you.

Moderator: Thank you. The next question is from the line of Vivek Gupta from Star Investments. Please go ahead.

Vivek Gupta: Hi, sir. Am I audible?

Anirudh Reddy: Yes.

Vivek Gupta: Sir, sequentially if you see, all the financial numbers, the total income is down by 8.7%, the EBITDA is also down by 24.2%, and the PAT is down of 76% versus the last quarter. So, how much of that is like normal Hyderabad Q1 seasonality versus anything specific to this quarter?

Anirudh Reddy: No. So this is specific to the industry as such, nothing to do with Hyderabad or like, you know. Okay, maybe because of the war kicking in Quarter 1, you would have seen this gap slightly higher than other years for every hotel company, but this is a seasonality that exists every year.

So, your Q3 and Q4 are always outperforming your Q1 and Q2, because that is the part of the year where most conferences, most weddings, most travel leisure trips happen. It's just seasonality of the industry. So, that way it's never a concern for any hotel company that your Q1 is like slightly weaker than your Q4 of the previous year.

Vivek Gupta: Okay, sir. So, the combined ADR for Marriott and Courtyard fell 12% Y-o-Y to INR6100 crores approximately, with Marriott down 12% and Courtyard down 9.9%. Like what drove the rate decline? And was this a conscious decision to trade rates for the occupancy?

Anirudh Reddy: No. See, again, like I said, the decline comes from the demand-supply factors that changed from Q1 to -- from Q4 to Q1. Your January, February, March are still months where there's a lot of conferences being held by say, by a lot of companies to set up the year.

And the fact that, your weddings continue to happen through the months of February versus your Q1 where there's a lot of summer holidays and a lot of corporates then cut down on how much corporate travel there is and meetings and conferences that happen. So, some of the leisure travel increases, but business travel typically is always lesser in Q1.

Along with the fact that, again, like I said, we also witnessed a war where a lot of the foreign demand dropped in the country. So, that is where you see the drop in ADR. So, what we have also done strategically in this Q1 quarter is because of some of these sorts of businesses not coming in, we then ventured and got others other group corporate businesses such as the army and the airlines, which is what is indicated in the occupancy increase.

So, we just increased our footfalls in the hotel and increased our occupancies, which was a slightly lower paying business in terms of room rate. So, that is what you observe. But the important metric for any hospitality company at the end of the day is RevPAR, because that's the absolute money that you are making, and that is something that we continue to grow year-on-year.

Vivek Gupta: Okay, sir. Sir, how was the 200, approximately INR200 crores funded? How was this? I mean, debt through or equity or the internal accruals? And what is the interest cost on the acquisition financing?

P. V. Krishna Reddy: So, before the acquisition of Marriott Executive Apartments, we were not leveraged at all. We had we had almost zero leverage compared to cash balances we had. So, we leveraged it by picking up the INR200 crores debt at an interest rate of about 8.7%, and that's how the deal was financed.

Vivek Gupta: Okay, sir. For the 200-key Greenfield Courtyard at Madhapur, what is the total project cost, cost per key, and the funding mix?

P. V. Krishna Reddy: So, the total project cost will be around INR120 to INR130 crores, the total project cost, and we look to build about 180 to 200 seats.

Vivek Gupta: Okay, sir. Thank you. That was all from my end, and all the best.

P. V. Krishna Reddy: Thank you.

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

Pahal Sharma: Hi, sir. Thanks for the opportunity. I have some questions with me. So, my first question will be that F&B at Marriott and Courtyard is INR12 crores against room revenue of almost INR19.5 crores or something. So, that is about 38% of hotel revenue, right? So, what is the contribution margin on F&B relative to rooms and also how does that shape your overall margin trajectory?

Anirudh Reddy: So, in terms of contribution to revenue, that is a mark that we'll probably continue to witness, I mean, about 40% to 45% of overall F&B, which includes your banqueting and your restaurants, there is about 50%-55% kind of contributes from the rooms. In terms of the profit we make from these businesses, obviously the rooms business comes at a significantly higher gross margins closer to 80%-85%, whereas the F&B gross margins are typically in the 45% to 50% region.

So, that's where at the end of the day, whether the acquisition of MEA also came from the fact that the contribution from rooms business is very high and even the Greenfield project that we've signed is, you know, majorly like a room play where we're looking at a potentially a 200-room Courtyard in the best micro market of the city.

Pahal Sharma: Understood, sir. The next question is that, what is the debt maturity profile and the annual repayment obligations over the next 3 years? And also, are there covenants tied to leverage or DSCR, and what is the current headroom?

P. V. Krishna Reddy: So, monthly INR3.25 crores is the repayments that we do, debt repayments that we do, close to INR39 to INR40 crores per annum. And the interest rates are around 8.75%, ranges from 8.7 -- the blended interest rates ranges from 8.75% to 9%. So, what is the third question? Sorry, if you repeat it?

Pahal Sharma: Like, what is the current headroom?

P. V. Krishna Reddy: So, we are at, like, debt-equity ratio of close to 1 now. So, we can go to and we can take another INR100 crores based on the current portfolio.

Anirudh Reddy: And all these are long-term debts, about 12 years to pay back.

P. V. Krishna Reddy: Yes.

Moderator: The current participant has been disconnected. The next question is from the line of Saumya Raghuvanshi from Nirva Securities. Please go ahead.

Saumya Raghuvanshi: Good afternoon, sir. Thank you so much for the opportunity. Sir, in the Q3 FY26 call, Reddy sir had said the company was confident of holding EBITDA margins above 30% and working towards 40% long-term benchmark. But coming to Q1 FY27, it came at 26.1% consolidated against 31.4% in Q4. Is 30% still the working flow for FY27, and which quarter do you expect it to be back above it?

Anirudh Reddy: Yes. So, I mean, like Mr. Reddy had mentioned, the 30% EBITDA margin is something that is a target for us this year and I think it's a fairly easy target, because once your Q3, Q4 numbers kick in, your EBITDA margins significantly go up. Q1, Q2 are, like I mentioned earlier on the call, are the slightly quieter months in terms of high ADRs and things like that.

To add to that, the other reason we're also confident is that now we have a portfolio of that includes the Marriott Executive Apartments where the room revenue contribution is very high at extremely high ADRs. So, that's where we see our EBITDA percentages further going up for the next financial year.

And going forward also, the nature of the hotels, I think that would be adding as a company, would only take our EBITDA percentages higher. Along with the fact that including our existing portfolio, also we'll see a convention center coming back, which will improve our EBITDA percentages.

P. V. Krishna Reddy: Also, if you see quarter last -- Q1 in the previous financial year, the EBITDA margin was 19%. Now it has improved to 26.25% this year. So, that's almost a 31% jump. And that is on a weak quarter. So, all the other quarters put together, we will easily cross that 30% EBITDA margin, and we are looking -- once we have the complete renovated product, we'll be looking to hit that 40% margin, as I already promised.

Saumya Raghuvanshi: Okay, sir. Sir, the consolidated finance cost rose from INR1 crores to INR5.4 crores, and annualized run rate of about INR21.8 crores, which is close to the INR21.45 crores in FY25 EBITDA of the acquired asset. On a full-year basis, is the acquisition PAT accretive after interest and depreciation?

P. V. Krishna Reddy: Yes. PAT is after the interest and depreciation, and also we picked up this debt in Jan of -- 1st Jan 2026. So, from then the revenues of Marriott Executive Apartments also started getting added here to the combined portfolio of Viceroy Hotels. So, together, yes, the numbers you stated are right.

Saumya Raghuvanshi: Okay, sir. Got it. Standalone revenue grew from 35.8% to INR35.9 crores, while consolidated grew 70.8%. The gap between consolidated and standalone is about INR9.3 crores. But the executive apartments section shows around INR8.5 crores of revenue. Could you reconcile which revenue stream sit in the consolidated entity versus the subsidiary?

P. V. Krishna Reddy: There is an elimination which we do on a consolidation level. So, the subsidiary pays the rent to the holding entity. So, that gets eliminated in the consolidated level. That's the gap.

Anirudh Reddy: Because what happened is when we did the acquisition, the asset was purchased in 2 forms. One was the land which was purchased by Viceroy Hotels, and Viceroy Hotels also purchased the equity in the SLN Terminus, which was running the Marriott Executive Apartments on a lease basis on the property. So, that's why this is the gap which you see.

Saumya Raghuvanshi: Okay sir. Just one last question from my end. Phase 1 closed at INR50 crores and delivered 56 additional rooms, a spa, gym, rooftop bar, and pool. With a full quarter of operation behind it, what incremental revenue and EBITDA has Phase 1 actually generated? And what return does that imply on the INR50 crores?

Anirudh Reddy: So, yes. So basically from a revenue standpoint, the previous, let's say, calendar year of Courtyard, which, you know, full calendar year where we didn't have any renovation, was about INR30 crores. This is excluding any of the new inventory, but this year with the first year in itself, we expect this number to be a little north of INR50 crores. So, that's basically like a 60% jump that we see in both revenue, and EBITDA will also see a similar jump.

Saumya Raghuvanshi: Okay, sir. All right. That's it from my side, sir. Thank you so much.

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

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