ROYAL ORCHID HOTELS LTD.,

Regd. Office :
1, Golf Avenue, Adjoining KGA Golf Course,
HAL Airport Road, Kodihalli, Bangalore - 560 008, India.
T +91 80 41783000, F : +91 80 252 03366
www.royalorchidhotels.com
CIN : L55101KA1986PLC007392
email : investors@royalorchidhotels.com

Date: June 10, 2025

To,
The Manager,
Department of Corporate Services,
Bombay Stock Exchange Limited
Floor 25, P. J. Towers,
Dalal Street,
Mumbai – 400 001
BSE Scrip Code: 532699

To,
The Manager,
Department of Corporate Services,
National Stock Exchange of India Limited,
Exchange Plaza, Plot no. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Scrip Symbol: ROHLTD

Dear Sir/Madam,

Re: Transcript of the Earnings Conference Call for the Fourth Quarter and Year ended March 31, 2025

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the transcript of the Earnings Conference Call for the Fourth Quarter and Year ended March 31, 2025 held on June 06, 2025.

The above information is also available on the website of the Company www.royalorchidhotels.com

This is for your kind information and records.

Thanking You.

Yours Faithfully,

For **Royal Orchid Hotels Limited**

Royal Orchid Hotels Limited

Amit Jaiswal
Chief Financial Officer

Encl: A/A

ROYAL ORCHID HOTELS LIMITED

Q4 & FY25

POST EARNINGS ANALYST MEET

June 06, 2025

Management Team

Mr. Chander K. Baljee - Chairman & Managing Director
Mr. Arjun Baljee - President
Mr. Keshav Baljee - Non-Executive Director
Mr. Amit Jaiswal - Chief Financial Officer

Mr. Vinay Pandit – CEO, Kaptify Consulting (I.R.)

Analyst Meet Coordinator

KAPTIFY®

Strategy & Investor Relations Consulting

Presentation

Vinay Pandit: Ladies and gentlemen, good evening to you all. On behalf of Kaptify Consulting, the Investor Relations partner of Royal Orchid Hotels Limited, I welcome you all today to the Q4 and FY '25 Analyst Meet of Royal Orchid Hotels Limited (ROHL) at ICONIQA hotel, The newly launched hotel by Royal Orchid Hotels Ltd, an upscale lifestyle 5 star hotel right next to T2 Mumbai international airport.

Before I begin, I would like to update you that Mr. Chander K. Baljee, CMD would not be able to join us physically for this event today, due to a last-minute development, which required his urgent presence in Bangalore. However, he will be joining us with a message virtually for a brief while.

In-person from the management team we have with us, Mr. Arjun Baljee, President; Mr. Keshav Baljee, Non-Executive Director; and Mr. Amit Jaiswal, Chief Financial Officer.

In 1973, a young man at the age of 24-25 came from Shimla to Bangalore and started Harsha Hotels when there were very few hotels in Bangalore those days. This also had the most happening Indian restaurant introducing Chana Bhature, a mouthwatering oil-soaked North Indian delicacy, which was never there in Bangalore before. To make it authentic, his mother came from Shimla to teach the chefs how to make authentic Chana Bhatura, Sarson Ka Saag, and Makki Di Roti, and that's how this journey started.

In 2001, he launched the flagship hotel Royal Orchid Hotel Bangalore. And today, ROHL has more than 115 hotels and nearly 9,500 plus signed rooms in its portfolio. Ladies and gentlemen, I now invite Mr. Chander K. Baljee, Chairman & Managing Director, Royal Orchid Hotels Limited to give his opening remark through video conference from Bangalore.

Chander K. Baljee: Dear friends, good evening, and a warm welcome to all of you. It is a pleasure to be with you, not just to present our numbers, but to showcase what the future of Royal Orchid looks like. And I can't think of a better venue than where you are seated right now, our flagship property ICONIQA, Mumbai.

This is just not another hotel. It's a landmark in our evolution. 292 rooms located just 10 minutes' walk from the Terminal 2 of Mumbai international airport, executed start to finish in just under 12 months.

But more than speed, it's intelligence and modernity of this hotel that we are most proud of. ICONIQA is a technology first experience. Every room features a dry cleaning and a steam iron closet, making it the first hotel in the world to offer such a facility. A Blue Tokai coffee pot machine for premium in room brewing, intelligent lighting and automation systems, and a rooftop party pool, a new lifestyle addition in the heart of Mumbai's airport corridor. This is where design meets forward thinking hospitality. Growth, consistent and disciplined.

In FY '25, we added 14 hotels contributing 963 rooms. In Q4 alone, we opened three properties with 226 keys. With this, we now operate 115 hotels totalling 9,583 keys including signed properties, across 78 plus destination. Looking ahead to FY 2030, our vision is bold, but grounded. 345 hotels, 20,000 plus keys, a sustained return on capital employed, ROCE of 25% plus. This is a clear focus roadmap backed by brand clarity, asset light strategy, and operational efficiency.

Now I'll come to financial highlights of FY '25. Q4 FY '25 revenues were ₹92.34 crores, up by 12% year-on-year. EBITDA of ₹25.52 crores up by 7%. PAT before exceptional items ₹13.15 crores. The Y-on-Y PAT decline is explained by two factors. We have renewed the lease of our flagship, Bangalore prop hotel for ₹2.6 crores, securing it for a period of 30 years. #2, a ₹6 crores deferred tax credit last year after requiring Icon Hospitality Private Limited, which owns Royal Orchid Central Hotel on MG Road, Bangalore.

Our full-year results for FY '25. Revenue ₹343 crores, growth of 10% over the previous year. EBITDA, ₹96.8 crores as compared to ₹95.16 crores showing a growth of 2%. PAT ₹47.5 crores, and EPS ₹17.23. Notably, PBT rose 5.5% Y-on-Y, and cash profits continue to be strong and stable. A new initiative, intelligent hospitality powered by AI. Alongside expansion, we invested heavily in making our operations smarter and more predictive. AI based guest chatbots for 24/7 support. AI edited wedding video solution for faster turnaround and better experience. AI-enabled revenue dashboard that dynamically manage pricing and demand. Live guest feedback monitoring that flag service issues in real time. These tools are creating tangible results, not only in the efficiency, but enhancing the overall guest journey.

Inclusion through innovation. We have redefined what it means to be socially responsible. This year, we have partnered with Globatrix, bringing AI powered clubs to our properties that help deaf and speech impaired staff to translate sign languages into speech. Then the other company that working with torchit whose AI enabled smart mobility tools enable us to hire visually impaired employees and enable them to read. For us, CSR is not just a contribution. It's integration. We are building a brand with accessibility, where accessibility is operationalised, not organised.

Now we have introduced another thing called Regenta Rewards, loyalty redefined. Now let me take a moment to talk about one of our most powerful initiated this year, the Regenta Rewards program. We have invested ₹57 lakhs on building a fully digital, fully automated loyalty ecosystem. It's not just another hotel point system. Here all stands apart. Seamless enrolment and redemption, accessible via apps or website, automated tracking of stays, spending, and preferences. No manual intervention. Points that can be redeemed not just for state, but also for in room timing and upgrades. Planning for real time integration with our PMS, property management system, and CRM, customer relation management. Ensure personalised offer and dynamic targeting for every guest segment.

More importantly, the platform is built to scale with AI, so over time, it'll get better at anticipating guest preferences, increasing repeat bookings, and driving lifetime value for guests. Loyalty for us is not an afterthought, it is a strategic engine driving both top line and retention.

In closing, in summary, we have delivered steady financial and operational performance. We have made investment in future forward technologies. We have based CSR that's inclusive, actionable, and measurable. We've launched one of the most advanced loyalty program in the Indian hospitality industry. With 345 hotels 20,000 plus keys inside, we remain focused on building a hospitality group that's sustainable, scalable, and truly future ready.

Thank you once again for your continued trust and support. We are excited about the road ahead, and we are glad that you are on it with us. Thank you.

Vinay Pandit: Thank you, Mr. Baljee. The detailed investor presentation post the results were uploaded to the exchanges on 17th Feb 2025. Today, we've uploaded an Analyst Meet presentation where we're going to talk about the vision and the plan for 2030.

I will now request Mr. Arjun Baljee, President, Royal Orchid Hotels Limited to come and present us on the same. Arjun?

Arjun Baljee: Thanks, Vinay. I really don't know what to say considering the fact that my father has pretty much said everything that I had, but let me try. Okay, so we have a disclaimer here, that's supposed to be out there. Let me start with, listen. Good evening, everyone. Now the last couple of quarters, we've been dangling this carrot of ICONIQA to all of you, right?

And, today, we're delighted to have you here, preview this hotel, tell us what you think, and really look at this as the new way for our company forward. So over the next few minutes, what I want to do is run through the evolution of the company, obviously, our journey, where we are today, what our plan is for the future. And really the question you all will ask is how will you get there? What is the plan and what is the strategy? So I want to demonstrate that to you guys a little bit, and then, of course, we'll open it up for questions. And my brother, and CFO are both here, and you can badger them, while I run away.

So, we started from 2001, where Royal Orchid Bangalore really started, and that hotel in itself had a number of firsts. But since then, we've prided ourselves into being an Indian hotel company for the Indian consumer, and that has been a core pillar of who we are. That's our core DNA, and that's something that we've done across how we've grown. We've grown fast. We've built hotels. We've created a slew of hotel opportunities, 115 of them. And over the years, we've added brands at ad hoc. We've had caterings. We've had F&B. We've had a whole bunch of things, but it was all opportunistic.

Today, with a 115 hotels operational, a pipeline of 40 plus hotels, upgrades in technology, people, design process. We're actually looking towards the next phase of growth. So where are we? We are within touching distance of 10,000 rooms. It's a nice little magical number. And with a little more effort, I think we will get to those 10,000 rooms. We are a diverse hotel company. We cater to business, leisure, wildlife, weddings, anything that you want. We kind of cater to that.

But over the years, customer preferences too have changed, and so must we. And for that, we needed a goal to aspire towards. And that brings us to Vision 2030. The Vision 2030 is very simple. It's, 3x growth in five years. It's 115 hotels going to 345. It's sub-10,000 keys going to 22,000 keys. Lofty numbers? Well, not really. How will we achieve this and what will drive this vision?

The three pillars, brand architecture, smart execution, and a constant look at the return on invested capital. That's it. These are just three simple things that we have to do consistently quarter-on-quarter to achieve our goal. ICONIQA Mumbai, where you're sitting is a testament and really the proof of concept for how we are going to take this company forward.

And let's take ICONIQA as the example. So we have a clearly defined brand architecture with this brand. ICONIQA is an upscale lifestyle product. The first thing we're going to do is obviously bucket our existing 115 hotels into the various brands, and I'll talk about those brands in a second. And the reason we're doing that is that as the market grows and as the market matures, you need specific hotel products and brands to cater to specific target audiences.

And much like the larger brands are doing, we must do. ICONIQA as I said is one such of our brands, and this is our upscale lifestyle product. That gets me to Pillar #2. Pillar #2 is execution. Over the last couple of quarters, you all have all asked me or asked us when is the hotel opening, how long will it take, and so on and so forth. Now just by show of hand, how many of you have renovated a home? Okay. So how long has that taken you? Six months? Okay. Well, from start to finish, this product, we signed it at the end of May. We took over keys at the end of June.

We designed it by July and really got our team on the ground in August. We are now in May, and we have 291 rooms, four bars, two restaurants, a conference room, and so on and so forth ready and done. Shelve to completion in under 11 months. The industry standard is 18 to 24 months, and that was done through meticulous planning, methodical execution, and an absolute keen eye on being below the estimated budget.

And we're not talking about this. This is not something to be taken lightly because this is Royal Orchid Hotels going forward. And it required us to not just talk about it, but actually do it and physically show you guys where you're sitting that this is doable, and we will continue to do it going forward. And the third pillar is return on invested capital.

As you all know, and you must have seen our reports in the past and this quarter as well, among the listed hospitality stocks, we constantly rank among the highest in return on equity and in return on invested capital. This hotel too, without violating any rules will continue that trend of 25% plus return on invested capital. So with these three pillars, we plan to go out and build the new brands.

And our new brand architecture and if you see those numbers, they're the hotel additions we're predicting going forward. But the numbers, they are fairly simple. There's Regenta Zed, which sits at the bottom of the pyramid, all the way up to ICONIQA, which sits at the top. And among that, there's the idea of how we plan to grow each of these brands.

All the way from franchise, which is least capital intensive or there's no capital requirement. It is a pure branding technology and audit play all the way to hardcore involvement like this hotel today. This, of course, is a four pronged access, which has the most amount of revenue, the most amount of profit yields from the most amount of investment and effort, and all the way down to franchise, which is the growth brand and the flag bearing brand that'll go across the country.

So with each brand, there is risk, there's reward, there's involvement, there's bandwidth, and we are human, and there is 24 hours a day. So, sometimes we will falter. And, we're grateful for the fact that you are patient with us and have been through the last quarters. With this, all I can say to you is that our prediction with our current signed pipeline. This is nothing to do with pie in the sky stuff. This is current signed confirmed pipeline. We plan to do between ₹550 crores to ₹600 crores in two years from now in top line, up from ₹340 crores today.

And all I can tell you is that because this is the signed confirmed pipeline, the best years of Royal Orchid are ahead of us. So thank you all for coming, and I now invite Mr. Jaiswal and Keshav Baljee on stage. And somebody to give us chairs please.

Question-and-Answer Session

Vinay Pandit: So we'll begin the Q&A session. If you could just raise your hand so the person will come there to hand over the mic.

Sharad Chandra: Yeah. My name is, Sharad Chandra, and I'm an investment analyst. The question which comes to my mind, you showed that branding slide. If you can just, put that up again on the board. Yeah. This one. So you have, put in five categories, and there is investment and the amount of profit which you get. But in this whole five categories of names, these are not known names. Royal Orchid is the name, the mother brand, which is known to everybody. So how will I know ICONIQA, if I drive from T2 to my house? I'll say ICONIQA, but I'll say, who's this?

If it would have been Royal Orchid, ICONIQA, then something would have made sense. Because Royal Orchid is a name which has been there for last few years, and it resonates with us in the hospitality space. Thank you.

Arjun Baljee: I thank you for that question. Do you know out of 115 hotels, how many Royal Orchids we have?

Sharad Chandra: No. I don't know.

Arjun Baljee: 13. That's it.

Sharad Chandra: But that name still comes to my mind.

Arjun Baljee: It does. Because the parent company is Royal Orchid Hotels, and that's who you're invested in. The reason why we are doing this is and wanting to now go ahead and spend on brands because brands add value. As you said that you know Royal Orchid, you don't know Regenta, but there are 103 Regentas and 12 Royal Orchid. Okay, that is our fault because we promoted the parent company and not the brand.

And the reason we're putting this up here is to tell you that the path forward for the company, but there are no more Royal Orchid Hotels that will ever come up. It's not going to happen for reasons that I think you all know.

But therefore it is prudent that we promote Regenta. We promote Regenta Place. We promote two other upper category brands. Now to your logic of ICONIQA by Royal Orchid, let me give you a little analogy. Fairfield says Fairfield by Marriott because Marriott is a bigger brand and a more luxurious aspirational brand as opposed to Fairfield. Therefore, you always want a lower brand to be associated with the higher brand.

In the same vein, it will never say Ritz-Carlton by Marriott, because you don't want Ritz-Carlton, the bigger brand to be associated with Marriott which is the lower brand though Marriott is the bigger parent company. This again from a customer perspective and not an investor perspective. So in the customers mind you always aspire to something bigger and better. That's our little $0.02 learning from Taj and Marriott and Hilton and Accor and whoever else.

In that same vein, we could not have put ICONIQA by Royal Orchid because we have never built a hotel like this and this is our flagship. As you go around, you'll see why it is our flagship. And it cannot be associated with, it cannot be a buy from a customer point of view. We want to create a new category, and it is a new category hotel.

Sharad Chandra: But will this not lead to a lot of expenses in terms of promoting all these brands, one by one?

Arjun Baljee: It will. However, we, today, in Regenta Inn's. And I'm certain that, it's lost on most people. Now how do I create, what do I tell the customer? What does a Regenta Inn stand for? And therefore the idea was that, listen, if we were to brandify it per se on a pure franchise perspective, you're effectively launching a brand, seeding it with 29 such assets, and there is a pipeline or more. The fact that there is scale already in each of these buckets, the expense would not be as much as one would think.

Keshav Baljee: I'll just add to that. There's also synergy in what we're doing. So just we mentioned the loyalty program, Regenta Rewards. That continues for the entire chain. So if you were to come to this hotel, you would be enrolled in Regenta Rewards. If you go to a Regenta Z, you'd be enrolled in a Regenta Rewards. So across the entire chain, we're trying to also have a common loyalty program. So there is some synergy there. The second thing is our sales team across the country is common and will sell every hotel.

As we grow, that becomes more synergistic. Every time I add a hotel, that hotel can sell the other 100s of hotel which are out there and vice versa. So it gets more synergistic as we grow. So your point about expenses of creating a brand, you're absolutely right. There will be an investment and not an expense of creating a brand. That's the way we are looking at it for the long run because these brands will be assets, and therefore, we look at it.

And of course, the investment will be prudent, but we just wanted to highlight it. We look at it more as an investment rather than just an expense.

Sharad Chandra: Thank you and all the best.

Archana: Hi, Archana here from IDBI Capital. I have two questions. So firstly, beautiful hotel congratulations for unveiling a new brand. You have been pretty, very optimistic target of reaching ₹550 crores, ₹600 crores top line by FY '27. You can help us to understand what kind of operating matrices you have worked on to reach there, would be helpful.

And secondly, if I look at the margins for us last four years, barring this FY '23, the margins have been pretty volatile. I do understand there would have been cost escalations. But then at let's say, reaching at ₹550 crores, what kind of sustainable margins we should look at operating level? This is my first question.

Amit Jaiswal: Yeah, so if you really look at it, I've given explanation in my quarterly results that why our margins were in last few quarters were flat. Okay. Because we were, post-COVID, we need to spruce up our hotels to sustain for next five, seven years. So we have done some investment there. However, in the books, we have written it off, not capitalised it.

And, as far as the growth in the numbers is concerned, this hotel itself will give us a top line growth of almost ₹100 crores. In this year, it will be for three quarters only. But next year, it will be ₹100 crores top line from one hotel. Apart from that, we have given the footnote that we have signed few revenue share hotel Goa, Gurgaon, and Lucknow, which we'll add. So these numbers, what we are telling is a sure shot number based on the hotels that we have signed and which are coming up. We have not taken into consideration during the year what we are going to sign and all those stuff. So we are pretty sure about reaching these numbers in two years' time.

Archana: But if you can help us, what kind of occupancy and ADR you're considered to reach there would be slightly more helpful?

Amit Jaiswal: See, if you really look at our investors' presentation, which I have uploaded in few days back, so our ADRs have grown in Q4 as well as in FY '25. We have shown a good sustainable growth of our ADR by almost 7%, 8%, 9%. And as far as occupancy is concerned, we are into mid 70s like 73%, 72% occupancy, which we are pretty sure of adding into all these hotels. Because all these hotels which we are coming up like Bombay, your average occupancy has always been 80% in all our competition hotels you can check.

And similarly, we are coming up in Gurgaon, which is also showing a very good occupancy. So with all this, I think occupancy will be somewhere around 75%. And ADR is going to grow because this ICONIQA will add to the ADR of the entire group, because we are targeting an ADR of around ₹9,000 for this hotel. So, definitely, there will be a good jump in the ADR also.

Archana: Sure. My second question is on Regenta Rewards, he explained pretty well there. One of the peer was talking about taking the repeat business more than 40% by using this loyalty customer thing. What is our basis of now of the loyalty customers and how exactly we want to capitalise on this Regenta Rewards going forward?

Arjun Baljee: So, great question. Thank you. We launched this program about five, six months ago. We have a little under half a million people who've registered for this reward program. We're already seeing between 14% and 18% repeat usage on that. We are seeing a healthy burn and churn, earn and burn ratio there. Now as the number of hotels, so you can't turn on and plug it and say 115 hotels all have it, because systems have to come into each of those hotels. Staff has to be trained and all. So that's a process that's going on. So by the end of this year, we hope to have it across the entire platform.

And the moment that is done, I think you will see the entire shopping cartization, which is what our vision is that you should be able to use your points that you earn with us, but you should be able to burn it to buy a pair of Levi's jeans for all somebody cares.

So that entire system is already built and tested, and therefore you're already seeing 14% to 18% repeat business from there. What that does is brings down our cost of customer acquisition in the long run. So give this I want to say, 12 to 24 months to see the two power of rewards. From a comparison basis, Marriott bought SPG, which are the world's most powerful hotel rewards program, and built that over a decade to what it is today.

Taj had to merge with Tata Neu and add the entire new platform customer base here to say that they've got 10 million customers. So by that base of metric, we're not doing too badly for six months.

Archana: Maybe if I can add one more question. So whatever the existing Royal Orchids hotels we have? Will those be under ICONIQA, or those will be the still under the Royal Orchid hotels?

Arjun Baljee: They're going to continue on the Royal Orchid today. This is a very different brand, a very different strategy. Again, the third pillar was return on capital. So you have to very clearly look at, it's not a win to stick a logo on top. It has to have a very detailed discussion on investing in that hotel, and only if that third pillar of return on capital is met will the brand change. All three have to be met. Brand execution ROIC. Without all three being met, status quo will remain.

Amit Agarwal: Thanks. Hi, Amit Agarwal from Nuvama. My question goes to both of you, because this is the first time we've seen you. We normally see Mr. Chandra Baljee. So firstly, some background about yourself, where you've been before, getting into this hotel business. And secondly, what is your skin in the game right now just coming to this business? Mr. Chandra Baljee is being running the business. So as you go forward, what will be the changes which probably will bring about compared to the way, the business was run today or structured today or whatever you might call?

Arjun Baljee: How serious or how funny do you want the response? You decide. Well, listen. So Keshav and I have both, let's go back in time to Hotel Harsha, okay? Every day post St. Anthony's and St. Joseph Boys High School in Bangalore. If we didn't have tuitions our source of entertainment was to go to Harsha Hotel and play at the telephone operators cabin. That was growing up. So you end up growing up in a single 80 room hotel where you learn swimming and so on and so forth.

Fast forward a bunch of years, obviously both our parts diverted in terms of what we want to do with our lives and skill set per se is the far more academic knowledgeable brainy one. I on the other hand have no such skill set. So I decided to go to the hotel school at Cornell, and as we like to call it the world's most expensive waiter training program. And I worked at the Fairmont in Dubai, worked at the Four Seasons in Singapore, came back to India in 2003, and joined my father. We were two hotels then Royal Orchid Bangalore and Hotel Harsha. We leased, the central which became now the Royal Orchid Central, Central Park Hotel and the Metropole in Mysore. Put those four hotels under one umbrella, rebranded as Royal Orchid, and listed it on February 6, 2006 on the Indian Stock Exchanges. So that was the first bit of involvement.

Fast forward a bunch of years, I set up Peppermint Hotels, which is a budget hotel platform. Oyo came and ate my lunch, and that took its own, once we time of doing stuff. I consulted for the tourism development fund in Saudi Arabia, set up a travel tech startup. And last year, before this hotel was signed, I was asked to come back, to help with Royal Orchid 2.0. And it's been a fascinating journey because I think India's had a great inflection point on hospitality, and we'll see how to take this company forward.

Both of us have been hidden from view by my father intentionally, and I think it's about time that is he on Zoom? If he's on Zoom he'll kill us for saying this.

Keshav Baljee: Thanks for that question. I'm nowhere as humorous as he is, so I'll keep it brief. Actually, we haven't really been not participating in the calls. I mean, if you look at any of the videos of the last at least seven, eight quarters, I've very much been part of all the Zooms, and I've been on the Board for almost five years. And so been very much part of the strategy and the planning of the Board level.

I sit as a Non-Executive Director currently. My background is, I did my undergraduate at the University of Pennsylvania where I did the Management and Technology Program. So I'm a Computer Engineer, and I did Finance at Wharton. I worked as a Western banker in Lehman Brothers in New York City, post which I did by MBA at ISB in Hyderabad. I joined the family business in 2007, worked till 2011, primarily as a person looking after development and growth. And of course, I did a lot of corporate related stuff as well. So it was around that time that we started management contracts, and expanding on an asset like basis as well.

I subsequently, started my own company called Spree Hotels. Did that for about 12 years. That was a budget hotel company, which was purely asset light. Grew that, and I sold that to a listed company called EaseMyTrip, some years back, just post the pandemic, post which I run a real estate firm, which basically builds villas in Alibaug, called Kensington Villas. That's the background.

Amit Agarwal: Okay. My last question, so what will be when you talk about 300 hotels, within let's say five years only and 20,000 rooms. You're right now about 5,000, 6,000 rooms only.

Arjun Baljee: 9,000.

Amit Agarwal: Okay. Expedition. Yeah. So, my question is you're doubling in four years. So what's the strategy behind it? Are you going to be increasing your geographical presence or in the same city further more hotels? And how are you going to go about it in terms of brands also? Increase the number of higher brands going in? What's the strategy behind it?

Arjun Baljee: So, as you put the brand architecture, the five different brand categories, your Regenta Z which is your neighbourhood hotel brand. It is budget, its value price, it is quasi standardised, and we want to grow that. So let's say Bombay you can do theoretically, you can do 50 of them. I mean, you could write wherever there's a or lack of a better competitor, wherever there's a bloom, you can stick one next to it. So it is an asset light asset light strategy. There are 29 such Inns today. We have a pipeline of another 10, 12, Regenta Zs that are already signed. So very soon and mind you this the first time we're actually talking brand in a forum like this, because we've got enough to seed each brand with so that it's not just a pipe dream.

So Regenta Z can very quickly become 50 to 80 hotels on the pure franchise of manchise basis with assisted management within the next six to 12 months very quickly. We see huge growth in that. It is not an OYO. It's not a Treebo. It's a step above where it is a value priced hotel brand that is actually built by hoteliers for the value price segment. It's not built by techy geeks for it. That's a first brand that and therefore automatically there should be trust in the offering.

The second pillar, which was Regenta Place. And in Jaipur, we opened a really interesting Regenta Place few months ago on a road called Sirsi Road. When we signed that hotel, last year, it was a hotel it was available it was signed and the owner was a lovely, lovely man who said, listen, I'll spend whatever you guys want. You find the interior designer. I just want to build this hotel. But we realised that the location wasn't a premium location. It's pointless making him spend endless money, but how do you make him spend money where the hotel has a unique draw in the neighbourhood?

So it's on a rooftop bar. It's on a really cool co-working coffee shop at the bottom. The rooms are modern, non-standard, and that became the foundation for what Regenta Place would be. So it's not budget. It's a step up. So it will have some F&B. Now do we have hotels within us? We open were Dalhousie is a Regenta Place, again, modern, in the same vein. This is all the last six months that I'm telling you. So we have these proof-of-concepts and proof of execution, across these different brands where franchise is the easiest or the quickest to grow. It's the least involvement as templatised.

There's a brand book already created. Owner wants to sign a franchise. After he signs a franchise agreement, you give him a brand book. You give him the list of vendors. You give him the pricing. He can go and just bang it out himself. It's that simple. So across, this wasn't an Excel exercise where you just take it and add a zero and pull the Excel down and suddenly you have random numbers. It wasn't done that way. It was actually done looking at pipeline. It was done looking at potential. It was done at what are the state, how many districts across the country? It's 560 districts or something like that? So how many of those districts? What are the hotels that are there that can be converted? What are the areas that there is development happening? So there's been a little bit of homework done to throw these numbers out.

Amit Agarwal: Thank you.

Unidentified Analyst: I have few question mainly on the business model itself. So there are some hotels which are on lease model. Like, they are leased hotels. Then there are some JV hotels. Then there are some managed hotels. And then can you just explain the business model? Like, what is the difference between across all this segment? And along with that, you also mentioned that there are some hotels which are on the revenue sharing model. So can you give the percentage or how many hotels are from revenue share model?

Keshav Baljee: Yeah. Okay. So, though there is a split in our presentation, which actually splits up all our hotels by their business model. So it'll be difficult for me to tell you that because it's a thing, but I would recommend.

Amit Jaiswal: I will just take that question. Okay. So we have three owned hotel. Owned means 100% owned by our company. And then we have five leased hotels. Then we have two subsidiaries, which are, again, where we don't hold the entire stake. Although both the subsidiaries are owned hotels, but we hold in one 50% and in one 65% stake. And then we have five revenue share hotel where we don't have any fixed lease. It's called percentage of the top line. We have to give it as a lease rent to the owners. And then we have 75 managed hotels, and we have around 26 franchisee hotels.

Now managed hotel, we get the percentage of the top line as well as the percentage of the operating profits. We get as our management fees. And then there are 26 franchisee hotels where we get a percentage of the revenues as our franchise fee. Hope I've answered your question.

Unidentified Analyst: One follow-up on that. Under the flexi lease model, in the previous con call, you stated that you give some refundable deposits. What are those for? Can you, like elaborate on…

Amit Jaiswal: See in flexi lease, what happens is, the lease amount is not fixed. It depends on the percentage of the revenue, what the hotel earns. And we give a refundable deposit of on an average, three to six months of the lease rent, what we have to pay. We calculate it on a projection basis and pay thus as a refundable security deposit to the owner of the hotel.

Unidentified Analyst: Thank you about that. And my final question is with respect to the Mumbai's ICONIQA hotel, what is the CapEx, did you spend on this?

Amit Jaiswal: Yeah. So here we have paid a ₹40 crores refundable deposit. Apart from that, around ₹15 crores, we have to do the crockery, cutlery, and very small, small things and the working capital around ₹15 crores. That's our investment.

Unidentified Analyst: Thank you.

Unidentified Analyst: Thanks. So, my question is to both Arjun and Keshav. I know you're both bringing a fresh perspective to the opportunity building on the legacy and the foundation, but also, I'm conscious that you are stepping up in terms of the premium nature, the branding, the kind of properties, and the kind of investment, are there any learnings from the past which will serve as guardrails for you going forward so that, we as a group don't sort of repeat those mistakes? Thanks.

Keshav Baljee: It's actually a very good question. Look, first of all, I think we are very much acknowledging the fact that this is an extraordinary platform. I think there are, like I said 120 odd hotels operational. Think of the number of associates that work with us. Think of the number of corporates that are associated on a regular basis transacting with us, the loyalty customers.

So, I think for us, the most important thing is whatever we do going forward is to keep all those stakeholders in mind. So, if we are premiumising, it's because our stakeholders want a premium experience. Our customers are staying with us in certain locations, and they want premium experience from us. So therefore, we're expanding to a premium experience.

If we are adding a neighbourhood hotel, it's because that's what the market requires. I mean, like we used to have one Maruti 800 and that was the only car. And now if you look at the Maruti portfolio itself, there are SUVs, there are variety of different things. And I think that's essentially as the market expands and the opportunity grow, really ramps up.

There are opportunities for us to really expand. And I also want to bring out one more point is that the opportunity by adding these new brands also grows many folds. For instance, if you look at the Marriott brand itself, they have a JW Marriott and a Fairfield right next to it. But if I just had a Regenta brand, could I put two Regentas next to each other? I could not. And these two also hotels don't look like each other.

So we want a brand that fits also what people are building out there. And also we'd like to grow our share in each of the cities that we're in. So I think that's hopefully, I've answered your question.

Unidentified Analyst: Yeah. Thank you. That's very helpful for your detailed and candid thoughts. My final question is, you have an on the ground presence in a very large number of locations, which itself is a strategic advantage. So if you look at greenfield versus, let's say, brownfield or turnaround situations, will you be open to looking at properties in various locations, which may do with your management bandwidth leadership? I'm talking of turnaround situations where you think things can be fixed, and that could be…

Arjun Baljee: 100%. I mean, I think if you look at what India has given us over the last few years, be it with government investment, in creating new places. I mean, 10 years ago, did you ever think there'd be a Statue of Unity and there'd be crazy amounts of investment in that area? No. But we got two, one open and one coming under construction. That's one opportunity. The second bit is, of course, you've got to what you said about turnaround opportunities, investing in hotels that are not.

In a sense, The Metropole and these hotels that we took on government lease, were those opportunities that we did back in the day. So we took an old hotel, we polish it up, and it's immensely profitable for us and for the government as well. So absolutely. I think when I was speaking I said the key to us is that we are nimble, we are agile, we are opportunistic, but that third pillar that has to be there all the time.

Keshav Baljee: Just want to add one thing. Sorry. Is that, actually turnarounds and what we call conversions in our terminology. These are existing operating hotels, and we come in with one of the brands, whichever the one where the fitment is right. And when we take this hotel, there's a process of upgrading it and refitting it to our standards. There's a process of training the staff, etc, putting the technology, all of that stuff, and then plugging it into our system.

That's a core part of what we have done. A large part of hotel that we add typically come as part of conversions. And that's, I think faster for us and of course has allowed us to expand the way it is. Also there's one thing post pandemic, did we have tailwinds in this part? And I think we'll continue to see tailwinds here. It's become very difficult for a standalone hotelier to attract really good staff.

We have a college of hotel management. We've got skill building programs. We've got, Pan India, HR, recruitment. Each of our hotels ends up becoming a recruitment centre for any new hotel that we set up. So, over a period of time, it becomes much more affordable and much more expedient for us to take over that hotel than for the person to run it themselves. So for us taking over your hotel, let's say you're running hotel is a win-win. You probably make more money with zero effort, when we take over your hotel. And we also earn a fee. So that's really how we've been able to grow our management business so fast.

Unidentified Analyst: Thank you very much, and congratulations again on ICONIQA Mumbai, and all the best to the entire team. Thank you.

Ramesh Bhojwani: Hello again. Ramesh Bhojwani from Mehta & Vakil. First and foremost, your colleague or your PR, Kaptify told us that we have to report here for registration at 04:15. It was experience and a very pleasant experience. Registration came half an hour after that, but first half an hour, we were treated to a hospitality, which really practically, physically explained to us why ICONIQA is so correctly and accurately named and the logo of a King's crown. It's very, so it is very correctly as you have put it up really truly flagship.

The top end scale hotel from your side, which is full marks to you. We had a very good view on in and around, and we are very pleased to see that this hotel is hardly a stone's throw from the International airport. So the thought which came to me was, is this a hotel, dual purpose or dual utilisation hotel for a business traveller as well as a leisure traveller? Would like to have your comments on this as the core business tactic.

Arjun Baljee: Absolutely. I think, okay, ICONIQA the brand wasn't conceived to be an airport hotel brand. Let's put the first thing. ICONIQA is conceived to be an upscale lifestyle hotel that, by the way happens to have an airport in its backyard. That's how we are viewing it. The airport is our neighbour, and we are not the airport's neighbour. I mean, if you know that's where the King's Crown and our ego is so big about it.

But to say that thank you for the credit that you've given the team at the back for their hospitality. It's really nice to hear. From a business and leisure perspective, of course, this area, this micro market has become pretty big with business consumers, because you've got BKC on one side and you've got another massive convention facility down the road.

You've got Andheri with all the business and now multimillion square feet of office space coming up not too far from here with stones and all of that. So, yes, it is a convenient space to stay from a business consumer perspective. From a leisure perspective, I'll let my brother answer because he lives in Bombay.

Keshav Baljee: Yeah. So I think, look when you stay next to the airport, if you're coming to town for leisure, even a lot of people who come for one night stays like to come and stay at the airport. But a lot of the hotels are very boring and drabbed, I think have avoided that problem. So it's a bit more, it's a lot more fun. It's something that will draw in a customer, a little bit more. So I think that's where we'd probably get more leisure. There's huge amount of leisure that comes to the airport.

First one is transient business, just to clarify. Folks that come here for one night stays. One night stay, the airport hotel is the best place. You could come for pleasure. You come for work. You could come for Visa interview. You could come for this. Hundreds of things that you would come for. And Bombay being a city where I don't have to explain why people come. So that's really one major aspect.

We found that even things like NMACC at the Jio World Plaza have driven good amounts of bookings to the city, but lots of people from across the country come for that. I'll just give you one that's it, one example. There are hundreds of other reason people come for leisure. We can discuss that.

Arjun Baljee: So just coming to the hotel for a second. The map that we found is that the average length of stay for somebody in this neighbourhood is anywhere between 1.4 and 1.8 nights. That's the average length of stay. This hotel has multiple F&B. It has bars. It has a swimming pool. It has a nail bar. It has salon this that and the other multiple offerings within the premises. And the hope is that you would not see and experience everything on the first time you come and stay here. And therefore, the hope is that you'd want to come again.

Within the room, as we stated this brand and hotel was designed by first putting the customer and the pain points of the customer upfront. Yes. We had fun while we were designing it. To say that you walk into a bar and not a lobby, that was us being cheeky. But let's go back to the pain point. You come into Bombay to go to a meeting and you need your shirt ironed and you need a jacket ironed.

You have two options. You get an ironing board, try and do it yourself, or you send it down to very expensive laundry who may bring it on time or may not bring it on time. The fact that we are the world's first hotel to invest in that laundry closet in every room. All 290 rooms have it. The smallest to the largest, it is there. And in 20 minutes, your shirt or your jacket or your saree or your salwar kameez comes out almost brand new or actually brand new refreshed. That's a pain point solved. The other thing is how many times you go to a hotel and they say, so what did you consume at the minibar?

Well, I ate a packet of chips. Okay. Fine. Let's go and check. I mean, the smallest we're like listen, this non-alcoholic mini bars included in your room stay. Please eat the chips. We actually don't care. Eat it. So is this pain point of when a customer comes in, how do you ensure that he's coming, he's enjoying his stay, we're charging him for it, but we're not irritating him with different things along the way, which we've run enough hotels to know and get feedback on what have been their points. And we're trying to eliminate all of that here.

Ramesh Bhojwani: I think it is very innovatively and incisively thought out strategy. And, you have rightly mentioned that you are expecting an occupancy of 80% plus, but with the business traveller, I see it going beyond 90%. Hopefully. All the best.

Arjun Baljee: Thank you, Insha Allah.

Hitesh: Yeah, hi. This is Hitesh in from Avagrah Capital. So I think you all mentioned you all expect ₹100 crores from this property as top line?

Amit Jaiswal: Full year.

Hitesh: Full year. By when?

Amit Jaiswal: No. Like, this year, we will get for nine months. Okay. This year, we'll get for nine months. So it will be around ₹75 crores. Next year, full year, we'll get ₹100 crores.

Hitesh: Could you explain the economics? I think you said you've given ₹40 crores as deposit and ₹15 crores for others. So when do like expect breakeven? And I mean, if you could just explain the…

Amit Jaiswal: See, as far as breakeven is concerned, I think in the first quarter itself, we will be having profits. As far as our investment is concerned, this ₹40 crores is refundable over a period of time. So we will be deducting it from the rent, what we'll pay to the owners. And our ₹15 crores, I think I'm expecting that second year itself, we will recover our investment.

Hitesh: Okay. Thank you.

Unidentified Analyst: Yeah. Just a follow-up question. In the PPT, you mentioned that your FY '26 guidance for revenue is ₹450 crores to ₹480 crores. How much organically are you planning to grow?

Amit Jaiswal: Around 10%.

Unidentified Analyst: And, can you give any particular guidance with respect to ARR and revpar?

Amit Jaiswal: Right now, we have already sitting for the financial year '25, our ARR is around 6,137. I've given it in my PPT. So ARR growth will be around 5%, 6%. 5% to 8%, not more than that.

Arjun Baljee: Really, we've done an amazing job explaining it to you or we've confused the living daylights out. Whichever way it is, Vinay, last…

Amit Jaiswal: Mr. Amit wants to ask. Just give the mic to him.

Unidentified Analyst: Just one last question. What I found and correct me if I'm wrong, Amit. Your focus more on room rentals rather than F&B. Because if you take a ratio of room rental to F&B, F&B is relatively much smaller compared to, let's say other branded hotels. So, I'm not talking about the couple of them, who just don't look at F&B at all. So my question is, with ICONIQA coming in, I am moving up the brand ladder, let's say. Are you looking at improving the F&B also in terms of the ratio of room rent to F&B?

Arjun Baljee: Absolutely. So if you look at our current portfolio, a vast number of it falls in the 3 Star-ish category. And with the advent of standalone restaurants everywhere and Swiggy and whatever else, people really aren't going to 3 Star hotels to go and dine at their coffee shops. Doesn't happen. It's up the value chain that people go and dine at the hotels, and room guests also dine at the hotels. This hotel has three bars. It has two restaurants. It has Bombay's first want to say day club or restaurant on the rooftop where we'll allow the guest who's dining at the restaurant to use the pool. So it's not inclusive. It's not, the pool is exclusive only to hotel guests.

So we want to try and as you go around seeing the hotel, we've tried to maximise or create interesting F&B spaces around the hotel for varied experiences. There are a bunch of small meeting rooms and party rooms that people can take, and there's a conscious effort that will be done by the sales team to go out and attract even the smaller groups. And how do you make them, enjoy the hotel across the board.

Keshav Baljee: Just one thing I want to clarify is that, actually, our DNA isn't food and beverage. So, my grandfather started off with a restaurant called Baljees in Shimla, and that's really how the entire thing started. So, the other thing that, while we do have I mean, I think as we've grown, we've obviously added a lot of hotels, which are sort of more city like.

But, if you notice our investor presentation in the last many years, we focus a lot on weddings as well. And I think what has not been disrupted by Swiggy and Zomato and all those things, thankfully is weddings. In fact, post-COVID people have been spending a lot on weddings.

So our focus has been to drive business, in a lot of our hotels through weddings, and that's how the F&B is actually at a fairly healthy ratio. It actually surprised that…

Amit Jaiswal: I would like to add to your question. If you see our Slide 36 in our investor's presentation, out of our total ₹343 crores of revenues, our room revenue has been ₹182 crores, and the F&B revenue has been ₹125 crores. So it's a fairly decent, 60:40 kind of thing, which I think is a fair if you compare with others also. And as far as F&B is concerned, as Keshav rightly said, that you need bigger banquet halls, to do more weddings. So that's how our focus has been. And this ratio, I think it's at par with any bigger chain if you look at it. Thank you.

Vinay Pandit: Any more questions? Since there are no further questions, we'll end the discussion here. Post this, you're free to interact with the management and do join us for another round of hospitality and some sumptuous food created at the restaurants of the hotel. We also have an optional hotel tour. So, anybody who wishes to do that, we have our team out here. You can go with them in batches of four or five to take you around and show you the hotel. Thank you so much, and thank you to the management team.