VENTIVE
HOSPITALITY

Date: February 17, 2025

To,

National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001
Symbol: VENTIVE	**Scrip Code:** 544321

Dear Sir / Madam,

<u>Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”) - Transcript of the Earnings Call held on February 13, 2025</u>

Pursuant to Regulation 30 read with Clause 15 of Para A of Part A of Schedule III of the SEBI Listing Regulations, please find enclosed herewith the transcript of the Conference Call held by the Company on February 13, 2025, in respect of the unaudited financial results (standalone and consolidated) for the quarter and Nine months ended December 31, 2024 (“Financial Results”).

Further, pursuant to the provisions of Regulation 46 of the Listing Regulations, the aforesaid transcript will also be disclosed on the website of the Company i.e. www.ventivehospitality.com

Request you to take the same on record.

Thanking You.
For Ventive Hospitality Limited

PRADIP BHATAMBREKAR

Digitally signed by PRADIP BHATAMBREKAR
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Company Secretary & Compliance Officer
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Ventive Hospitality Limited

Q3 FY 2025 Earnings Conference Call

February 13, 2025

MANAGEMENT: **MR. RANJIT BATRA– CHIEF EXECUTIVE OFFICER**
MR. PARESH BAFNA – CHIEF FINANCIAL OFFICER
MR. MILIND WADEKAR – EXECUTIVE VICE PRESIDENT, FINANCE AND INVESTOR RELATIONS
MR. KEDAR SHIRALI – ADVISOR, INVESTOR RELATIONS

Moderator: Ladies and gentlemen, good day and welcome to Ventive Hospitality Limited Q3 FY 2025 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone.

Please note that this conference is being recorded. The audio archive, transcript, financial statements, and other documents related to the quarter will be made available on the company's website.

We have with us today the management team of Ventive Hospitality Ltd. presented by Mr. Ranjit Batra, Chief Executive Officer. Mr. Paresh Bafna, Chief Financial Officer. Mr. Milind Wadekar, Executive Vice President, Finance and Investor Relations and Mr. Kedar Shirali, Advisor, Investor Relations.

Please note that Ventive Hospitality Ltd. does not provide specific revenue or earnings guidance. Anything said on this call, which reflects management's outlook for the future, or which could be construed as a forward-looking statement, must be reviewed in conjunction with the risks that the company faces. These risks are outlined in the second slide of the earnings update presentation available on the company's website. I now hand the conference over to Mr. Ranjit Batra. Thank you and over to you Mr. Batra.

Ranjit Batra: Good morning, everyone, and a very warm welcome to the debut earnings conference call for Ventive Hospitality. Post our successful listing in December '24, with a strong investor interest of over 10 times oversubscription, I would like to welcome all the new shareholders to the Ventive family.

I would also like to introduce Mr. Milind Wadekar, who has joined the company and will lead corporate finance functions. He has over 30 years of experience in finance and hospitality sector. And his most recent stint was as the CFO of Chalet Hotels. We are very happy to have him on board. Welcome Milind.

Let me now take you through our performance and key highlights for the quarter ended December 2024.

Our overall ARR for the quarter was **INR 21,610**, the highest amongst all listed hotel companies in India. Our hospitality business delivered a stellar EBITDA growth of **33%** year-on-year, driven by **40%** growth in Maldives EBITDA. Our consolidated EBITDA margins for the quarter stood at **49%**, translating to a year-on-year margin expansion of a robust **600 bps**.

Our growth strategy is focused on value-accretive asset management and leveraging our long-term relationships with leading hotel operators to drive organic growth. We believe in our demonstrated development and acquisition capabilities to add hotels in strategic destinations. This coupled with long-term tailwinds in the hospitality industry will further propel our growth story.

Let me walk you through a couple of macro hospitality updates before jumping into our performance in detail. India has seen the highest ever occupancy and ARR in the luxury and upper upscale segment at 69% and over INR12,000. Our positioning as a luxury and upper upscale hotel company has helped us fully benefit from this shift in demand patterns.

Maldives continued its leadership as a top global leisure destination with a 9% growth in tourist arrivals in 2024 versus last year. This year was also the first time when Maldives crossed 2 million tourist arrivals. Ventive's portfolio will benefit the most from the infrastructure upgrades to Pune Airport and the brand new airports both in Maldives and Navi Mumbai.

Let me take you through some of the operating metrics for the quarter: Starting with India, in line with our strategy to ramp up occupancy, we achieved a 3% growth in occupancy and a 12% growth in RevPAR in this quarter.

Second, we've achieved a superior 9% growth in ARRs compared to 5% to 6% growth in the market.

Third, we excelled with a record performance in some of our key assets. Ritz Carlton Pune continues to enjoy its leadership as the number two business hotel amongst all Ritz Carltons in the Asia Pacific region. Ritz also achieved its highest ever monthly revenue and RevPAR in November.

Ukiyo, the flagship Japanese restaurant in Ritz, featured in the Conde Nast Travelers' list of top 50 restaurants in India. JW Marriott Pune is rated amongst the top five business hotels in the country. In this quarter, JW recorded an impressive F&B margin improvement of 600 bps compared to the same quarter last year.

Aloft ORR in Bangalore achieved its highest ever ARR and RevPAR in November 2024. Our overall F&B revenue grew by 12% in our hotels compared to the same quarter last year. Our award-winning F&B offerings continued to their dominance in their respective markets, with six of our restaurants featuring in TripAdvisor's top 10 list in Pune.

Moving to the white sands and clear blue waters of Maldives. As you know, our assets have gone through comprehensive refurb in calendar year 2023, repositioning them in the Uber luxury space. Due to which, we've achieved EBITDA growth of 40%, with margins improving by 700 bps on a year-on-year basis.

Anantara achieved its highest ever EBITDA margin in December. On the F&B front, Conrad witnessed a 500-bps improvement in F&B margins in the quarter compared to the same quarter last year. With a special mention to Ithaa, Maldives' first underwater restaurant that we have in the Conrad.

Lastly, we are happy to report our newest asset, Raaya by Atmosphere, launched in July 2024, is ramping up exceptionally and I'm very pleased. Raaya turned EBITDA positive in October, just 4 months after its opening into operations. This EBITDA uptrend continues during this quarter and improves margin month-on-month.

Let me give you a little update on our development pipeline in Varanasi, Bangalore and Sri Lanka, where we continue to make progress and will keep you updating you over the next couple of quarters. In addition, we have around INR500 crore of liquidity to fund our new greenfield or brownfield opportunities as and when they present themselves.

A little bit on the future outlook. As mentioned before, Ventive will greatly benefit from the airport infrastructure upgrades in Navi Mumbai, Pune, and Maldives. There is no new luxury supply in Pune in the near term, which will continue to benefit our Pune assets. The fresh refurb in our Maldives assets and the ramp-up of Raaya will continue to drive robust growth in our portfolio.

We will also benefit from the seasonal tailwinds in Q4. We foresee strong MICE activity driving demand for conferences, exhibitions, and social functions. The wedding season peaks in Q4, with most number of weddings compared to any other quarter. Domestic tourism is seeing continued momentum backed by infrastructure development and more aspirational travellers. International tourism is also expected to expand in Q4.

I would now request Paresh and Milind to take you through the IPO updates and financial performance for this quarter.

Paresh Bafna: Thank you, Ranjit. Good morning, everyone. Let me share a few key updates post a successful listing. Firstly, on the IPO, we raised INR1,600 crore of primary capital to pay down debt and thereby create new growth avenues for sustained value creation in the coming years. As per our business plan, we have utilized INR1,400 crore for repayment of debt at our Indian entity and Maldivian subsidiaries.

Out of the INR1,400 crore, we utilized INR800 crore to partly pay down our external borrowings in the Maldives assets and refinance the balance loan, thereby achieving 210 basis points reduction in average cost of borrowing in our Maldive entities. This translates to approximately INR15 crore additional savings in finance costs for our Maldives entity annually.

As a result, our balance sheet remains healthy with a net debt of INR1,732 crore with cash and cash equivalents of around INR373 crore. I would now request Milind to take you through the company's financial performance for the quarter.

Milind Wadekar: Thank you, Ranjit. Thank you, Paresh. Good morning, ladies, and gentlemen. It's a pleasure to be part of Ventive. Before I delve into financial performance, I would like to highlight that the acquisition transaction took place in August 2024 and few entities were added to the portfolio.

Consequently, the financial statements for the quarter and nine months ended 2024 are consolidated taking into consideration the financial statements of subsidiaries, whereas the results for the previous year are reported on a standalone basis and hence are not truly comparable.

The information presented in quarterly investor presentation is prepared based on pro forma financials for the comparative period. That is, the numbers presented are assuming all acquisitions were made in previous years.

Coming to the financial performance for the quarter. Our consolidated revenue and EBITDA stood at **INR566 crore** and **INR278 crore** for the quarter respectively and witnessed a growth of **15%** and **31%** as compared to the same quarter last year.

Our hospitality assets performed strongly with **33%** EBITDA growth year on year. The segment witnessed a remarkable performance with **40%** and **27%** EBITDA growth in our Maldives and India hotels, respectively. Our annuity assets reported a stable **95%** occupancy on **3.4 million** square feet of space. Our overall EBITDA margin stood at **49%** as compared to 43% in Q3 FY24.

I would like to highlight that we saw margins improving by a robust **700 bps** in our Maldives hotels and **400 bps** in our India hotels, primarily because of efficiency in managing costs, optimization of F&B margins and gains due to additional operating leverages on the back of occupancy and RevPAR ramp up across our assets.

We have also implemented strategies like cluster procurement and platform level vendor negotiations to further rationalize costs. We are also increasing our reliance on renewable sources of energy and optimizing teams to improve our manpower ratio. We believe this will prove to be further advantageous in improving margins going forward.

Going ahead, we believe that our strong balance sheet supported by low leverage and robust cash flow generation will enable us to pursue our growth strategy. With this, we are happy to move to questions and answers. Thank you.

Moderator: Thank you. We will now begin with the question-and-answer session. The first question is from the line of Mohit Agrawal from IIFL Securities. Please go ahead.

Mohit Agrawal: Yes, congratulations to the entire team on listing and a very good quarter. I have three questions. My first question is, on your Quarter 4 so I understand that you've said that you will not give guidance in your opening remarks. But just trying to understand, from a full year fiscal '25 perspective and some color on '26. Considering that we are already halfway through the fourth quarter, how are the trends looking like?

If I look at your last year numbers shared in your RHP, DRHP, it seems that the fourth quarter numbers are a pretty meaningful part of your full year numbers. So, does the trend continue in this fourth quarter as well? And how are you seeing the quarter shaping up? So, some color on that, even some directional color would be very, very helpful.

Milind Wadekar: Mohit, we don't give forward looking numbers. I'm sorry, but we can give you some color on quarter four. I request Ranjit to come in.

Ranjit Batra: Yes, as you know, sort of traditionally Q3 and Q4 are best performing quarters, and it is the same for Ventive Hospitality as well. We performed stellar numbers in Q3, and I am very confident of the same trajectory going forward. There is no reason we have many more accelerators in our portfolio that will make sure that we are moving in the right direction and continue to do so. Not only the next quarter, but also FY26.

Mohit Agrawal: Okay. So directionally, you think fourth quarter should be similar to third quarter or should it be better than that if you could give that color?

Ranjit Batra: It's a little difficult to give you forward looking indications, I wish I could. But things are looking positive. We expect the trend to continue. No material change. Maldives, January to March is the best quarter and we expect to remain the same.

Mohit Agrawal: Okay. Understood. My second question is on your newest asset, the Raaya Hotel in Maldives. If you could give some color on operationally how has been the first nine months and when do you expect it to be EBITDA break even and PAT break even? Some color on that.

Ranjit Batra: Sure. So, as you know, Panchshil has built this asset, and we opened this in July 2024. It was not an easy task to build a resort in the middle of the ocean. It is a big achievement from our perspective to deliver a fantastic resort. And what we have is further good news. It's in four months we've actually gone EBITDA positive, which is quite rare in our business in Maldives, especially because the ramp up period in Maldives is fairly longer compared to any other market because of the way the nature of one island, one resort concept is you have to have a lot of fam trips and you have to have a lot of confidence between the operators and wholesalers to actually send you business.

And this is where our concept of all-inclusive, which is the concept Raaya is offering to our customers, is super successful mainly because of our partner Atmosphere. Atmosphere is a dominant player or most successful player in the all-inclusive market in Maldives. It has 11 resorts in all segments, including luxury in an all-inclusive concept.

And also, just to let you know, this is one of the fastest growing leisure offerings in the world, the all-inclusive. So we are in the right place, the right product, the right time, and we have gone operational positive in the fourth month alone. We are positive by INR10 crore, and our occupancies are above 60% for Q3. I hope I answered your question.

Mohit Agrawal: Yes, sure. And my last question is, you've mentioned that you'll be growing both in the India and the Maldives market through inorganic acquisitions. Any sort of pipeline or any target that you have in mind internally that you'll be tracking and any sort of guidance you want to give on over the next 2 to 3 years, what is the kind of pipeline you're seeing in terms of inorganic acquisitions?

Ranjit Batra: Yes, like you know, our organic EBITDA grew itself from existing assets by 31%, which is very healthy. From 2019 to 2024, we've actually doubled our portfolio, out of which the growth has been mainly outside Pune. And we intend -- in the next 3 to 5 years, we intend to replicate the same pace going forward. So, we are very clear on our growth strategy and how we're going to reach that. And we've already proven that in the last five years.

Mohit Agrawal: And it will be both in India and Maldives markets?

Ranjit Batra: So, we will focus on existing geographies in India. And given the right opportunity in Maldives, we are open for consideration. But most of our growth efforts are concentrated in India alone. And we'll continue on capitalizing our capabilities on building assets, acquiring assets, repositioning, rebranding, refurbishment. But yes, that's our focus.

Mohit Agrawal: Okay, great. Thanks a lot. Those were my questions and all the best.

Moderator: Thank you. Next question is from Murtuza Arsiwala from Kotak Securities. Please go ahead.

Murtuza Arsiwala: Yes. Hi, gentlemen. Congratulations on the improved operational performance. Just to get a sense, if you could give us some more color in terms of both Maldives and Pune, in terms of the occupancy. More, medium term trajectory on how you see the occupancy improvement further from here on, Maldives at 59%, India at about 64%. I'm sure you would have more sort of targets to achieve and further improvement occupancy. If you could give us some color around that as to how that would sort of come about, that's one.

Second is on the growth pipeline, on the under-construction sort of properties. If you could give us some color on how they are progressing. Some data points on capex already incurred and what is planned for the next 2 or 3 years, how it's going to be started. So those are my two questions.

Ranjit Batra: Sure, thank you, Murtuza. Regarding your second question, let me take that first. Regarding our growth pipeline, we are on track as per our budgets and schedules. We have already engaged with our key consultants and are in phase of procuring licenses for assets under development. These are for Varanasi and Sri Lanka and Bangalore that you are referring to.

Regarding your color on the occupancies and the trajectory going forward, both in Pune market and in Maldives, we intend to show the Maldives, both Conrad and Anantara clocked occupancies around 50 to 59. Overall, India occupancy has been around at 64. For our big box hotels in India, JW beds, we've been around 61, 62. And this will continue going up.

I can emphasize a little bit more. We actually, -- our endeavour is always to maximize a RevPAR rather than occupancies per se. This has been our constant strategy. Just to emphasize our hospitality ADR was around 21,000 highest, like I already said, highest in the industry. And our RevPAR around 14,000, also highest in the industry against our peers. This is also reflective in our EBITDA growth and margins. So, this is where we are.

And our story has always been in India ADR driven, where we've seen an increase of 9%. Also important is to note that we make efforts to maintain our premium positioning while we drive our ADR. So, this strategy helped us reach our double-digit growth of 12% in RevPAR. That's pretty much what we do.

And in Maldives, we follow something called TRevPAR because that's more appropriate in Maldives. TRevPAR is the total revenue per available room. Because of the nature of Maldives, Murtuza, there is a one island, one resort concept. So, we end up capturing incidentals, F&B, etc. as well, over and above the room revenue that we capture. So, our TRevPAR growth is very, very healthy in Maldives. It's at 11%. So, I think that these are great numbers and great trajectories.

Murtuza Arsiwala: Just one clarification, the Maldives KPI numbers include Raaya also, right? Because Raaya has been considered an associate. So just wanted to be sure that the operational numbers include the entire set of portfolios there?

Milind Wadekar: Murtuza, Milind here, so Raaya operational numbers we have not included. Raaya is a joint venture. So as per accounting standards, we considered we have considered share of joint venture profit and loss in the Consolidated financial statements.

Murtuza Arsiwala: So, when you put the Maldives KPIs in the presentation, that is ex-Raaya?

Milind Wadekar: Yes, you're right.

Murtuza Arsiwala: Okay. Thank you for that clarification. I just assumed it.

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

Achal Kumar: Thanks for taking my question. Coming back to the operational numbers.

Moderator: Sorry, your audio is not coming very clear. Can you speak through the handset?

Achal Kumar: Yes, thanks. So, on the operational numbers, so on the occupancy levels, so your occupancy in Indian hospitality sector, you had about 64%, which is well below the industry. So, I mean, what's the issue there? And then, of course, you mentioned that you have a high focus on ARRs or RevPARs. But then if your ARRs are already about 22,000, how far these ARRs can go?

And especially if I compare with some of your peers like Indian hotels, I mean, they had an ARR of 20,000, which is quite comparable to yours, but their occupancy levels are still 78%. So, your occupancy levels are still well below. So, what's the issue? And how do you see going forward? What kind of growth do you see? I mean, even if your focus is on RevPAR, how far you think you can go, given 22K is already very high? So that is my first question.

Secondly, in terms of growth, so you mentioned that you have a high focus on India market. But within India market, you have a significant presence in Pune and looks like Pune is a market, which is not a pure Indian market, is a bit of a business market. But now, do you think you will try to diversify and look around in the other markets? And have you found any interesting assets, which you think you can target? Any color on that? I mean, you mentioned that you have a growth pipeline, but I mean, you have a growth in plan, but what exactly is going on there?

And my final question is about your USD dollar denominated debt. You have 78 million, you mentioned you have a 78 million debt, and INR is depreciating very fast, very rapidly. So, do you have any hedging in place against forex or is it fully exposed to the market? Can you please help? Thank you.

Ranjit Batra: Hi, I'll try to remember all three questions very quickly. I think your first question was based on ADRs Yes, we have high ADRs but let me break it into two. Our Indian ADR is 11,200 plus. It's not 20,000, that's blended with Maldives. Maldives, like I explained before, we calculate TRevPAR, which is above INR70,000, which is again very healthy. So, you have to see these differently. So, there's plenty of room to grow, to answer your question.

Also, the second question was regarding growth. We have a very clear strategy, and I think your question was about going out of Pune. So, while we have our existing focus in India, and that is the way we are going to go forward, we will target big box hotels with chunky EBITDA, looking at the YOC thresholds that we have. This opportunity could happen anywhere outside.

We have not made up our mind that we are only going to go in a particular destination or geography within India. So that's our strategy. We are already building Varanasi, Sri Lanka, and we are doing a conversion in Bangalore with the Aloft, as you would know, and that's our strategy.

Milind Wadekar: The third question, we have around USD77.2 million denominated loans. Now, if you see, we have a natural hedge there. All our income and expenses, income we earn in US dollars. Our repayment obligations are in US dollars. So, we have a natural hedge there. So, there is no exchange fluctuation risk to us. I hope this clarifies.

Achal Kumar: Okay, perfect. Thank you.

Milind Wadekar: In fact, with the dollar appreciation, our revenue goes up, and it's benefiting us in terms of our EBITDA.

Moderator: Thank you very much. Next question is from Adhidev Chattopadhyay from ICICI Securities. Please go ahead.

Adhidev Chattopadhyay: Good afternoon, everyone. Thank you for the opportunity. The first question is on our Maldives, our source market for demand, if you could help us understand across the markets like EU, the US, Russia, China, and other markets. How have the demand patterns changed over the course of this calendar year? And where is the incremental demand coming from?

And the second part of that question is because of the whatever currency fluctuations we are now seeing in USD, right, vis-à-vis other currencies, just help us understand how the demand would get impacted positively or negatively in terms of our pricing. That is the first question.

Ranjit Batra: I think, Maldives, if you see the Maldives history, it's not really reliant on a particular feeder market. So, it's very well hedged. There are many, many geographies that contribute both to long haul and short haul flights. The connection to Maldives is fantastic. We have over 90 flights over 34 destinations. There is a huge contribution of Europe and for off-season Asia that actually kicks in.

So, rest of Europe still remains as number one contributor towards the Maldives business, followed by Russia and UK, Germany, and US being very strong markets. India also coming up quite strong. So yes, Maldives is quite resilient to most of the ups and downs.

It's always shown great growth. And this is also further strengthened by the fact that Maldives for the first time crossed 2 million inbound tourists in the history of Maldives in 2024. China being number one, to give you the flavor, China is also bouncing back very strong.

Adhidev Chattopadhyay: Okay. So just a second on the currency things. Is there anything to our pricing? How we price our Maldives currency movements in terms of how we price our product across geographies to different customers? Please help us understand how it works.

Milind Wadekar: So, Adhidev, it is all dollar denominated billing. And from our consolidation perspective, this currency fluctuation is net positive for us. We generate our substantial cash flows in USD and with rupee depreciating, it improves our profitability.

Adhidev Chattopadhyay: Okay. Sure. So just I have another question on our India hotel portfolio. If you could just help us understand the demand breakup between retail, corporate and other categories. And it will also help us understand pricing trends across these categories, which category is doing better and any repricing of corporate contracts or we are focusing more on retail, just some qualitative inputs. You may not be able to share exact numbers, but just some qualitative inputs if you could help us understand. Thank you.

Ranjit Batra: Yes. Okay. So, our primary focus from segmentation of feeding markets is on the non-qualified or retail segment which in hotel terminology is basically non-contracted rates. And I think that's a great push for the ADR story. That's our focus, and the primary reason for our RevPAR growth as well, which is 12%.

So as per our strategy, we continue to increase the non-qualified mix over other segments. That's one. And the ADR of NQ also remains about 50% to 60% higher than special corporates, which is the contracted rates to RFP, which we negotiate every year as the industry in double digits.

While the corporates actually give us a base occupancy, it is the NQ and further MICE and conference business that adds up over and above the weekend. That's our channel mix in India. If you wanted to know about Maldives, Maldives is primarily based on wholesale business, but our focus there also is to go towards direct bookings and direct business to optimize margins. And we have been quite successful in that as well, both with Anantara and Conrad. Over and above, it would be important to note that the Bonvoy program, which is the loyalty program of one of our biggest partners, Marriott , also kicks in to help boost revenues and demand.

Adhidev Chattopadhyay: Okay, sir, which is very helpful. Thank you.

Moderator: Thank you very much. Next question is from the line of Pradyumna Choudhary from JM Financial. Please go ahead.

Pradyumna Choudhary: Yes, congratulations on a good set of numbers. So, I have two questions. The first one being on the India side -- India hospitality side. So, the India RevPAR in Q3 has grown by 12%, right? And this was probably despite a low base of FY24 where the RevPAR growth seems to lag some of our peers.

So, from that perspective, I understand the occupancy still there's a lot of room to grow on the occupancy side and all those things. But from that perspective, how do you see this Q3 growth and RevPAR for us on a relatively low base compared to some of the peers?

Ranjit Batra: Our RevPAR growth of 12% is actually higher than the RevPAR growth for the quarter for India as such. So, I think we've done fairly well. Of course, I agree with you, there's more room and headroom to improve. And we will continue doing that. But yes, over last year also, we had a good base. But like before I explained, we pushed our ADRs, and we are continuing both only on our RevPAR story and strategy.

Pradyumna Choudhary: Maybe there's a difference because like some of the listed peers actually have grown at a higher rate in Q3 also. And second on the Maldives side, we've seen a TRevPAR growth of 11% and this was on the base of FY24 where overall, the metrics in Maldives had actually contracted, right, or were flat. So, do we expect this growth to accelerate? Do we expect this growth to continue? How do we read this?

Ranjit Batra: I think I might have not understood, but I'll try to answer. In Maldives, we have actually come out of a huge refurb and capex for both our assets. And that's why you see the great, great numbers there, 40% in EBITDA growth. So, this is just the starting of the play out of the plan where we actually pushed our product to a very high level and our services to very high level and we are seeing great traction and great appreciation from customer base and great reviews as well.

So, this will continue. We've seen a great TRevPAR growth in occupancy. And now we are seeing also the TRevPAR in absolute numbers also going up.

Pradyumna Choudhary: All right. Thank you and all the very best.

Moderator: Thank you. Next question is from Rashmi Sharma from Samar Wealth Advisors. Please go ahead.

Rashmi Sharma: Good morning, everyone. How are you all doing? Sir, my first question is, some of the companies you recently acquired reported losses. So, when do you anticipate these businesses turning profitable and contributing positively to the consolidated value chain?

Milind Wadekar: Rashmi, you are not very audible. Will you please repeat your question?

Moderator: Rashmi, may I request you to rejoin the queue, please? Next question is from the line of Shivam Dave from Prodigy Investment Management. Please go ahead. Shivam, may I request you to unmute and go ahead with your question, please?

Shivam Dave: Hi, sir. Congrats on the great set of numbers. I wanted some clarity on your acquisition strategy. So, going forward, what are the boxes that need to be ticked usually for a hotel to come as a target for an acquisition? And historically, what was your funding methodology for the acquisitions that you've done in the past? And going forward, how do you intend to fund these acquisitions?

Milind Wadekar: So let me answer on this funding methodology. We expect to generate free cash flow. And depending on the type of opportunity we get, the location, micro-market, demand conditions in that market, we'll decide about the funding and debt equity ratios. But we are very comfortable with the free cash flows expected to be generated in the next few years.

Ranjit Batra: To further Milind’s point, I think we are very clear on our growth strategy by targeting regions or geographies. We have one of the most balanced portfolios both in business and in leisure. And we'll keep going in that direction. Given the right opportunity, we will work on the right acquisition.

As you know, we have the capabilities of building assets, our promoters being in the construction business. And now that we've delivered a resort in the middle of the ocean, I think we can build a hotel anywhere in India or acquire or reposition or rebrand. But yes, the threshold will still be the YOC. And we have our internal YOC thresholds. And the target will be big-box assets with chunky EBITDAs.

I don't think we want to go into sprinkling gunpowder and buying small EBITDA hotels and exhausting our bandwidth. Primarily also, it's important to mention that we will grow through management contracts.

Shivam Dave: Okay, that's fair enough. And the two hotels that are coming up, one in Varanasi and Sri Lanka, have you tied up with which MNC?

Ranjit Batra: Okay, all three are actually, at this stage I'm going to refrain from one, but Varanasi is clearly a Marriott. It's a Marriott hotel and Bangalore is a conversion. Bangalore is an existing Aloft by Marriott. And now we are converting it into an AC by Marriott, which is a lifestyle brand, an upcoming brand.

We might be one of the first to actually come up with that brand in India, which is targeted especially for youngsters and fun and the IT market. So, we are very happy with that brand, and I think the Bangalore Whitefield area is going to see something great coming up for all the customers. And I'm very proud that we can actually do a great refurb on that asset to show the entire turnaround.

Shivam Dave: Right, right. And these should start contributing from which year?

Ranjit Batra: At this stage it's on time, but I think to give you an idea, it should be FY28.

Shivam Dave: FY28. Okay. That's it from my side. Thank you.

Moderator: Thank you very much. Next question is from Anuj Kashyap from A3 Capital. Please go ahead.

Anuj Kashyap: Sir, I wanted to know, is there any purposeful strategy from our side to draw in more retail customers and to boost the F&B revenues like in advertisement and digital space and something?

Ranjit Batra: Yes, I think we have a very healthy contribution of F&B. I think 80% in Pune market is F&B contribution from outside the hotel, which means the feeder market is a city itself and it's not in-house capture. So that is very, very healthy and one of our success stories for Ventive Hospitality has always been F&B.

We understand F&B. We deliver high quality with top trends, global trends that we incorporate. And that has immense indirect benefits to things like social events, corporate events, and MICE. So yes, we are on top of that game. At JW itself, we managed to raise F&B revenue by 18%. So that is great. This was the six mega corporate events that we held.

Anuj Kashyap: And just to add in this, are you planning something like drawing in more influencers and all so that the youngsters, you can tap on the young booming market who are wanting to explore the restaurants and all. Is there any strategy for that?

Ranjit Batra: Yes, influencer marketing is great. I mean, I personally believe in the power of social media and marketing, but this is more relevant for Maldives. I think in Maldives; the influencers have great leverage. For example, we have the Michelin chef in Conrad, Jereme Leung, who has got a great following. And we continue doing that on a time-to-time basis, more so in Maldives and our upper upscale and luxury assets. Yes, we do that.

Anuj Kashyap: One more additional question I want to ask is, the type of bookings, like the retail booking for the hotels, what is the percentage we are drawing from online sales? Or we have our digital stack in place, like our own app and something?

Ranjit Batra: I'm not able to understand the question.

Anuj Kashyap: Sorry, I'll repeat it. I'll put in more straightforward. The reservations we are drawing in for the hotel, how much percentage is from the online channels? And what is the -- or do we have our own digital stack, like app, something in place so that we can monitor the data, and we can, so we should know that what is our repetitive customer we are drawing in.

Ranjit Batra: Yes. So, to answer your question, our retail bookings in India are above 40%, which is very, very healthy. This is mainly powered by also the Bonvoy program, which encourages you to do direct bookings at hotels. Apart from retail, we have the OTA, which is significantly lower at around 10%. That's where we have, and we have about 25% of repeat clientele in Maldives, which is again a very healthy metric.

Anuj Kashyap: Thank you. That’s all from my side.

Moderator: Thank you. Next question is from Rashmi Sharma from Samar Wealth Advisors. Please go ahead.

Rashmi Sharma: Yes. So, sir, my first question is that some of the companies you recently acquired reported consequently losses. So, when do you anticipate these businesses turning profitable and contributing positively to the consolidated balance sheet?

Milind Wadekar: Rashmi, this acquisition transaction happened somewhere in August ‘24, and the losses were mainly on account of high leverages these entities had. Now, we have refinanced most of these entities with lower cost of finance. The cost has come down by 210 bps. Our asset management teams have started working on various operating leverages as well as cost optimization. So, going forward,all these entities will be EBITDA positive. I mean, we are already EBITDA positive. We expect these entities to turn PBT positive in a quarter or two.

Rashmi Sharma: Okay, sir. Thank you. Then, I just want to know that, can you obviously share the liquidity you earlier told in the opening remarks for the Greenfields opportunity, something like that?

Milind Wadekar: So, Rashmi, we have cash equivalent on balance sheet of around INR373 crore. We have unutilized OD limits. All put together, we have INR500 crore funds available.

Rashmi Sharma: Okay, sir. Thank you for the opportunity, sir.

Moderator: Thank you. Next question is from Anant Mundra from Mytemple Capital Advisors. Please go ahead.

Anant Mundra: Hello. Thank you for the opportunity. Sir, at PCPPL level, what is our EBITDA contribution and what is the net debt at PCPPL?

Milind Wadekar: At PCPPL quarterly share of minority shareholders is around INR35 crore for quarter. And net debt is around INR400 crore on that entity.

Anant Mundra: So, total net debt is around INR400 crores. And the EBITDA contribution is how much for the quarter? Could you repeat that number?

Milind Wadekar: Is around INR35 crore a quarter.

Anant Mundra: So, INR35 crore is the total EBITDA?

Milind Wadekar: Yes. INR35 crore is their share.

Anant Mundra: Okay. So, that includes both the Ritz Carlton as well as the Business Bay.

Milind Wadekar: That's right.

Anant Mundra: Got it. Okay. Thank you.

Milind Wadekar: Anant, just to clarify further, INR70 crore is total quarterly EBITDA from that entity, and our share is 50% of that.

Moderator: Thank you. Sir, next participant is Achal Kumar from HSBC.

Achal Kumar: Yes. Thanks. Thanks for another opportunity. Just one question I had. So, you mentioned that you have a lot of headroom for further growth. At the moment, I think your net debt to EBITDA is about two. How much you think you have the headroom and at what level you think you will not be very comfortable? So, at what level you can go in terms of net debt to EBITDA or leverage?

Milind Wadekar: Our net debt today is around INR1,730 crore. Now, if we leverage our earnings of annuity assets, at 6.5 times of annuity EBITDA, virtually at consolidated level we don't have any debt on hotel assets. 2 to 3 times net debt to EBITDA we can go up to..

We don't want to give forward looking numbers, but, if you look at Our quarterly numbers and build your model, we have big headroom for the growth.

Achal Kumar: Okay. Perfect. Thank you.

Moderator: Thank you very much. As there are no further questions, we now conclude the conference. On behalf of Ventive Hospitality Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.