JUNIPER HOTELS

JHL/SJ/2025/14 **February 17, 2025**

National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	BSE Limited, Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001
Symbol: JUNIPER	**Scrip Code: 544129**

Dear Sir,

Sub.: Transcript of Earnings Conference Call

Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations")

In continuation to our letter no. JHL/SJ/2025/12 dated February 11, 2025, and pursuant to the Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed herewith the Transcript of the Earnings Conference Call held on February 11, 2025 for investors with respect to Unaudited Standalone and Consolidated Financial Results for the quarter ended December 31, 2024.

The Earnings Conference Call concluded at 04:40 p.m. (IST) on February 11, 2025.

This is for your information, record, and appropriate dissemination.

Thanking You,

For Juniper Hotels Limited

Sandeep Laxmikant Joshi

Digitally signed by Sandeep Laxmikant Joshi
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Sandeep L. Joshi
Company Secretary and Compliance Officer

Encl: a\a

"Juniper Hotels Limited

Q3 FY25 Earnings Conference Call"

February 11, 2025

MANAGEMENT: **MR. VARUN SARAF – CHIEF EXECUTIVE OFFICER, JUNIPER HOTELS LIMITED**
MR. TARUN JAITLY – CHIEF FINANCIAL OFFICER, JUNIPER HOTELS LIMITED
MR. P J MAMMEN – CHIEF OPERATING OFFICER, JUNIPER HOTELS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY25 Earnings Conference Call hosted by Juniper Hotels Limited.

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, please signal an operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded.

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I now hand the conference over to Mr. Varun Saraf – CEO from Juniper Hotels Limited. Thank you. And over to you, Mr. Saraf.

Varun Saraf: Good afternoon, everyone, and thank you for joining us on our Earnings Call.

I would like to start by informing everyone that Juniper Hotels has received a Letter of Intent from Saraf Hotels regarding exercising of their ROFO option. This letter of intent has been tabled before the board and the board has formed the committee to evaluate this opportunity. The two hotels under acquisition are Hyatt Regency Mumbai and Hyatt Regency Chennai. These potential value-accretive acquisitions will add approximately 750 keys to the Juniper portfolio and will have an immediate impact on the Company's performance. One of the assets is already operational and the other one is expected to be operational by the end of the current calendar year.

The management is currently exploring scenarios on how to integrate these assets within the Juniper portfolio in the most efficient manner. We have onboarded industry experts and consultants to advise us regarding the structuring of these acquisitions. Details about the structure, cost and timelines will be disclosed in due course.

To further update you on our Bangalore acquisition, we have taken over the possession of the asset. Currently, a team of 20 people have been deployed on site led by our projects head. The team has initiated interior works and MEP work streams in the rooms and the public area. We have onboarded the original designers and contractors to complete the hotel. The timeline for opening the Bangalore Hotel would be the end of the current calendar year. This acquisition in Bangalore will add approximately 220 rooms to our existing portfolio of rooms.

We have also received board approval for the acquisition of a Kaziranga leasehold land to develop a five star luxury hotel close to the National Park. It is proposed to be a approximately 120 room luxury resort to be operated by. Hyatt. Currently, the designing and planning is underway and we hope to start construction in Q3 of the current calendar year. The hotel will be operational by 2029, and we expect an estimated Capex of approximately 100 crores.

With two confirmed hotels and two potential acquisitions on the table, I'm proud to say in the first year of the listing of Juniper Hotels, we have visibility on adding approximately 1,100 rooms and four hotels to our existing portfolio.

Further, Grand Hyatt Mumbai has completed all renovation work. What we had started pre-IPO about 18 months ago is now complete. The showroom, the new restaurant Celini, the bar and 400 rooms renovation for which has all been completed and the hotel is fully operational with all revenue streams kicking in.

With this, I would like to hand over to "Tarun Jaitly, our CFO to give overview on the numbers."

Tarun Jaitly: Thank you, Varun.

On the performance side, since the presentation is already there with everybody, I will just stick to some of the key highlights for the quarter. Q3 FY25 saw us achieving the highest income; revenue at 261 crores which is up by ~17% QoQ sequentially, primarily driven by star performance of Andaz and Grand Hyatt ARRs. Both the assets have actually outperformed the peer Comp-set as far as the ARR performance is concerned year-to-date. These strong ARR performance continues in Jan'25 where at Grand Hyatt and Andaz, wherein both the assets are seeing between 10% to 12% YoY increase in ARR even in Jan '25.

Another important facet is that we achieved the highest EBITDA of 101 crores in 3rd Quarter, which is a 39% QoQ sequential growth. Importantly, EBITDA margin has improved to 39% in Q3FY25 from 33% in Q2 and we are on track to achieve a normative EBITDA levels of around 42% - 43% at the corporate level.

The operating profit of Grand Hyatt at the operating level has increased in Jan from 43% to upwards of 50%. And this is an important factor which underlines the fact that the Grand Hyatt is achieving stabilization. And the performance of Grand Hyatt now going forward will contribute to the performance of overall Company as we move forward in the next few quarters. Strong top line and EBITDA growth has led to a PBT of 43.5 crores, which is a 118% QoQ sequential growth. In this quarter, there is 11 crores a notional reversal of the DTA, net of which the PAT is 32.5 crores, which is significantly above the last quarter.

With that, I'd like to hand over to Mr. Mammen, who is the COO, to give you a brief business overview and then I will step back in.

PJ Mammen: Good afternoon. Q3'25 has been a strong quarter marked by the full operational return of Grand Hyatt Mumbai since November '24 following the successful completion of refurbishment across rooms, the Grand Club and the Grand Showroom. The Grand Showroom launch has been a resounding success, setting a new benchmark for premium event space in the city, it's widely embraced as the preferred venue for high-end social and corporate events.

Andaz delivered exceptional performance, achieving a 25% year-on-year increase in RevPAR outpacing competition set at 19% growth.

Compared to the previous year, ADR Andaz surged 28% on year-on-year growth based on strong market performance, contract renegotiations on rates, which has been the strategy of the whole portfolio.

The total revenue for the quarter stands at 261, which is a sequential growth of 18%. ADR grew sequentially at 19% and RevPAR at 25%.

The outlook for the next few quarters continues to be robust, driven by strong corporate demand, large scale corporate event and high-profile social gatherings across the portfolio. We will possibly outperform comp-set based on the fact that Grand Hyatt Mumbai has returned to stabilization. Business mix is another focus area across the group and a sharper focus on reviving our F&B across the hotels. Over to you, Tarun.

Tarun Jaitly: Thank you, Mr. Mammen. Another important factor that I want to share is that our balance sheet strength remains very strong. Our net debt -to-EBITDA stands at approximately 1.5x. And Net debt of approximately 540 crores as of December Q3.

We have a significant headroom for growth capital to fund the proposed acquisitions as Varun touched upon in the earlier part of the speech. Balance sheet ratios, whether on the working capital side or the gearing side, remain fairly healthy.

And with that, I would like to conclude the presentation and throw the floor open to questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press '*' and '1' on their touchtone telephone. If you wish to withdraw yourself from the question queue, you may press '*' and '2'. Participants are requested to please use handsets while asking a question. Ladies and gentlemen, we will now wait for a moment while the question queue assembles. We have the first question from the line of Abhay Khaitan from Axis Capital. Please go ahead.

Abhay Khaitan: Hi, Varun and Tarun, thank you for the opportunity. So, my first question actually has two parts. So, firstly for the luxury hotel, so in the presentation you have mentioned ARR growth is 14% YoY and now that you have mentioned that for Andaz, the RevPAR growth is 25%. So, just wanted to understand the ARR growth between Andaz Delhi and Grand Hyatt Mumbai, how has it fared between the two hotels and for particularly Andaz, I wanted to understand if you have taken a high double digit ARR growth there, how much do you think it can sustain going forward?

Tarun Jaitly: So, look, as I said, there are two parameters that I would like to share with you that on ARR basis, both Grand Hyatt and Andaz have outperformed the peer concept. So, just to share the specific numbers and I'm giving you YTD numbers, Grand Hyatt ARR grew by 8.4% vis-à-vis the comp-set of 6.1%, and Andaz 19.1% vis-à-vis 4.3%. And this is when I say YTD I'm talking about January to December month. And the trajectory continues in January as I said. To give you specific numbers on top of the ARR growth which we saw till December, Grand Hyatt has seen a 12% YoY positive variance in ARR and Andaz 10% ARR growth in Jan'25. So, that trajectory continues. And we believe with the more fresher product in Grand Hyatt and also focus on improving the contribution of transient and group, we should see outperformance continue on the ARR side for Juniper from these two assets.

Abhay Khaitan: Understood. So, for Grand Hyatt Mumbai, given the renovations, are you expecting a higher ARR growth going forward?

Tarun Jaitly: That is right. That's what I said. There are two factors, right? One is a fresher product and second is the focus on transient and groups. So, these would be the two factors which will enable us to do better than the comp-set and continue to do so going forward. Another important thing which I want to share just to cap up this is as I shared in my earlier part of the speech, in Jan'25 the operating EBITDA of Grand Hyatt has increased from 43% to 50%. This basically underlines the fact that Grand Hyatt is getting back into normalcy and being the mother ship which is 50% of the corporate EBITDA came from Grand Hyatt. This will be a significant positive influencer for our EBITDA going forward as well.

Varun Saraf: To further add to that, you asked a question on Andaz and whether we'll be able to sustain that? I believe that Q4 will be very strong and that will continue going forward as well. The growth may not be at the same level, but we will definitely be able to sustain the current RevPAR and head in a positive direction.

Abhay Khaitan: Got it. Thank you. That was helpful. I also wanted to understand about other upscale and upper upscale hotels as well. So, for them, I see the ARR has actually declined YoY in the 3rd Quarter. So, any particular reason, is it because any particular hotel that we are seeing or is it overall an industry trend, because even in the industry data we have been seeing that non-metro cities have actually done worse than metros, is it more on that light or any particular asset that has underperformed?

Tarun Jaitly: So, on the upper upscale, the only asset which you see is Hyatt Regency Ahmedabad and that was also because last year comparative period there was event specific ARR increase. So, it's a high base effect that you saw in Ahmedabad. But again, I would say that Ahmedabad is operating at 98% occupancy for the past two consecutive months. This is on additional capacity, the room additions that we had done, that's got fully absorbed and its operating at significant occupancy levels. And we believe that given the strength in the micro market in Ahmedabad, the ARR will continue to hold firm.

Varun Saraf: So, we do not see a decline in the non-metro cities in the upper upscale in terms of rate. I think the rates will hold and only increase.

Abhay Khaitan: Okay. Thank you. So, the last question is on the EBITDA margin. So, we have seen for the quarter that it has declined to 37%, but I guess this includes the renovation cost that happened in Grand Hyatt Mumbai as well. But once that is done, what is the ideal consolidated EBITDA margin that you're looking at and what will be the driver of that?

Tarun Jaitly: So, look, I already shared that with you, right? In Q3, there was roughly around 140 rooms which are out for almost 40 days in this quarter in Grand Hyatt. That is the impact which was there in 3Q. Despite that, we've kind of held the EBITDA at 101 crores and the EBITDA margin has increased from 33% in Q2FY25 to 39% in Q3FY25, we are on track to achieve 42%-43% EBITDA. What will drive it? As I said, in Jan'25, Grand Hyatt which was at 43% has gone up to 50% plus at the asset level, Delhi is already operating at 50%. So, this would be the key contributor to margin improvement over the next few quarters.

Abhay Khaitan: Okay. Thank you. I will get back in queue.

Moderator: Thank you. The next question is from the line of Lokesh Manik from Vallum Capital. Please go ahead.

Lokesh Manik: Yes. Hi, good afternoon to the team. The first question was on the non-luxury side of the portfolio. So, when you say that the EBITDA of 50% is contributed by Grand Hyatt, then the rest 50% comes from non-Grand Hyatt Hotel. Are we underindexed to parent Company where the margins in my estimation would come somewhere around 25% versus Grand Hyatt is coming at 50%, any steps we are taking out there to bring that up to the consol level or the comp set level of 40% EBITDA margin?

Tarun Jaitly: Hi, Lokesh, if I understood your question, you said that normally for smaller size hotels, you've seen EBITDA at around 20s or mid 20s is that what you meant?

Lokesh Manik: Yes.

Tarun Jaitly: Okay. So, for us, traditionally… and this is not just for this quarter, we are fairly efficient from the perspective of the EBITDA that we get from our assets that we own. Even the smaller assets, for instance, if I were to give you an example, in Q3, the asset level EBITDA for an asset like Hampi would be 46%, while in the INR crores, it's a smaller contribution because of a much smaller asset than Grand Hyatt, but as a percentage it's 46% EBITDA at the asset level. So, as far as EBITDA is concerned on these smaller assets, we obviously are doing much better than what other industry sector peers are able to achieve.

Lokesh Manik: Understood, understood. My second question was on the new asset acquisition in Assam property where we are planning 116 rooms and as the past commentary you mentioned that any asset you acquire you would want big box assets at least 300 keys, this is 116. So, any reason for deviation from that strategy for Assam?

Varun Saraf: Sure. So, our focus still remains on big box assets, but when we actually get an opportunity in niche segments, we will also continue to explore those, for example, so Assam government has come up with a scheme to promote the National Park. At the end of the day, we're in the tourism space. This luxury asset of ~120 rooms will help in the development of the much needed infrastructure to promote tourism in that sector. If you came through the recent budget, right, the government is promoting various destinations. So, we are aligned with the India growth story. Our business hotels will be our focus, but when value-accretive opportunities for development comes in, when we can integrate with the India growth story, we would also be exploring those. I believe this 120 room hotel in Kaziranga will be the first branded hotel there. It will open up the Northeast for future tourism development as well, and I think it would be a good addition to our portfolio.

Lokesh Manik: Fair enough. Do you have space to expand if required in the future?

Varun Saraf: The land is big, but we actually are going to build 120. If opportunity presents, yes, we will expand, but currently, we do not see that requirement coming up immediately.

Lokesh Manik: Fair enough. That's all from my side. Thank you so much.

Moderator: Thank you. The next question is from the line of Saurabh Bansal from STAR Finvest. Please go ahead.

Saurabh Bansal: Yes, hi, good afternoon and thank you for taking the question. I have two questions on the ROFO intimation which has been given. Question one, is there a timeline by which the Company plans to take a decision or a final call on this? Also, is there any deadline this has been given in the ROFO by the promoters by which the Company needs to take a call? So, that is question one please.

Varun Saraf: So, on the timeline, as I said, the board has created the committee. The committee will start the evaluation process. We hope before the end of the current financial year, we should have some clarity on this. So, that's the timeline.

Saurabh Bansal: Alright. Is there any deadline that has been given in the ROFO by which the Company needs to take a call?

Varun Saraf: There is no deadline as such which has been given in the ROFO letter. But as you're aware, the promoters of Juniper are the ones who have exercised this ROFO option and we do have some control on that side in terms of the timelines as well.

Tarun Jaitly: So, I will just add to what Varun is saying, right? I am Tarun here. This ROFO was discussed at the board and the board directed us, the management to constitute a sub-committee. And the intent of that is to take it in a speedy manner and expeditiously and revert on the assessment of ROFO and reply back to the Saraf family.

Saurabh Bansal: Got it. Got it. Alright. And the second part is that how would you be looking at valuing these assets for example in the previous quarter, I've already highlighted that it's mostly going to be a non-cash transaction. So, what would be the thought process in terms of valuing these assets – will it be on an NAV basis, book value basis, replacement cost models, any direction or any indication that you could give?

Tarun Jaitly: Yes. So, as we discussed in the past that this is a process, and we have taken a few steps already. And I would say that ROFO invocation letter is a major milestone, constitution of the sub-committee is a major milestone in that entire journey. As per the direction to the management, we have to evaluate the most optimum manner to get this in which we are in the process. There are options in which we can get this integrated into Juniper, but most likely it could be a share swap.

Moderator: Alright. Thank you so much. Thank you. That's it from my side.

Moderator: Thank you. Ladies and gentlemen, if you wish to ask questions, you may please press '*' and '1' on your touchtone telephones. Participants to ask a question, you may press '*' and '1'. We have the next question from the line of Abhay Khaitan from Axis Capital. Please go ahead.

Abhay Khaitan: Yes. Hi. Thanks. One more question. So, my question is on the Kaziranga project. So, basically the circular mentions that this is more of a PPP project. So, just wanted to understand whether this entire hotel will be 100% held by Juniper or is there some other government stake as well? And secondly, on the 100 crores CAPEX that you have been talking about, so what will be the split of this CAPEX -- how much of this will be spent in the next 2-3 years and how much in the end?

Varun Saraf: Sure. So, this is not a PPP project. This is leasehold land which we have taken for 99 years. So, it is 100% owned by us. The lease (post-acquisition) will belong to Juniper Hotels. The second part in terms of CAPEX, the CAPEX will be spread over three years. We do intend to start construction in September of this year 2025 It's a three year, three and a half years project. The initial design phase will be for about six to nine months, which will require very minimal investment. Once the full swing construction starts, the funds will be used in a proportionate manner. So, it would be spread across the three and a half years starting September.

Abhay Khaitan: Got it. Thank you. That's it.

Moderator: Thank you. Participants to ask a question, you may press '*' and '1'. Ladies and gentlemen, if you wish to ask questions, you may please press '*' and '1'. We have the next question from the line of Saurabh Bansal from STAR Finvest. Please go ahead.

Saurabh Bansal: Yes, hi, thank you for taking one more question. Just one simple question. What is the kind of thought behind the management when they look at setting up a new project in terms of the IRR that the Company wants to generate on that?

Varun Saraf: We usually try and target high teens. So, one of our criterias is the land cost needs to be within a certain limit here, at least if you're referring to the Kaziranga acquisition, the land cost is very nominal and the opportunity that presents itself will be very valuable for the Company.

Saurabh Bansal: Alright, alright. Also just one more thing. Will there be let's say a non-cash swap for both of the possible ROFO assets under consideration or will it be a case-to-case basis as to a cash in and a non-cash transaction?

Tarun Jaitly: So, most likely both the assets will come in, in a share swap.

Saurabh Bansal: Alright. Okay. Thank you.

Moderator: Thank you. Ladies and gentlemen, you may press '*' and '1' if you wish to ask questions. We have the next question from the line of Aman Goyal from Axis Securities. Please go ahead.

Aman Goyal: Thank you, sir. Sir, my question is related to outlook on the corporate MICE events. Do you see any slowness in this segment, there is a sluggish growth in the economy and do you see any lagging on this part?

P J Mammen: No. As I mentioned in my speech, we see a robust demand driver for the next two to three quarters. That's the indication.

Aman Goyal: Okay, sir. Thank you.

Moderator: Thank you. Ladies and gentlemen, you may press '*' and '1' if you wish to ask questions. We have the next question from the line of Sugandhi from Fedex Securities. Please go ahead.

Sugandhi: Yes, hi. Congratulations on the great results. My question is with regards to the ROFO assets again. Could you give us an idea about the deals are going to go through what kind of net debt to equity we are looking at? I'm just trying to get an idea of how much leverage we have in these assets.

Tarun Jaitly: So, if you look at both the companies, one of them, which is already operational, the debt level, when it will come in, it would not carry any net debt. On the second one, we could look at approximately 1x to the expected JHL EBITDA of debt that could come in along with that asset. From a Juniper consolidated standpoint, with both the assets coming in, we would still be within the sustainable limits of net debt-to-EBITDA that we've set for ourselves on a sustainable basis of roughly around 2.5x. I think with those two assets coming in, we would still be around there.

Sugandhi: Thank you. And could you give us an idea of how long it would take for you to bring the second asset up to operational levels in terms of number of months… I'm not sure if you can share, this amount of expenditure it would entail in terms of time and profit?

Tarun Jaitly: So, we are expecting as per the current estimate the way I understand it the work stream to get that asset operational is already underway. A significant amount of work has already been done. Our estimates are that the Mumbai asset should become operational by the end of this calendar year and should start them contributing as we get into FY27. I would also like to take this opportunity to extend a formal invite to anybody who's interested in visiting that hotel. Our IR team can organize a visit and communicate a day and coordinate and take your convenience and coordinate a time for the visit to the asset in Mumbai.

Sugandhi: Okay. Thank you for that. And the other asset, any numbers you can share on capacity utilization?

Tarun Jaitly: Sorry?

Sugandhi: The occupancy levels of the Chennai asset?

Tarun Jaitly: Chennai today would be upwards of 78% to 80% occupancy and we expect a significant occupancy level in the asset in Mumbai once it becomes operational.

Sugandhi: Thank you. That's it from my side.

Moderator: Thank you. You may press '*' and '1' to ask a question. The next question is from the line of Aman Goyal from Axis Securities. Please go ahead.

Aman Goyal: So, my question is related to Grand showroom. So, what is the reported revenue for this quarter and what is the EBITDA margin for the showroom?

P J Mammen: Right. As I mentioned you, the showroom is a very premium space and we have targeted upwards of 30 crores for the year and we seem to be well on track in terms of the kind of profile and kind of MICE that we are able to drive. It's a process, but we're pretty confident we'll get there.

Aman Goyal: And sir, what about CHPL reported revenue and operating margin for the subsidiary for the nine months or for this quarter?

Tarun Jaitly: The EBITDA for Chartered for Q3FY25 is roughly 14 crores and the gross top line including the Hampi asset is 37 crores for the Q3FY25.

Moderator: Thank you. As we have no further questions, I would now like to hand the conference over to Mr. Tarun Jaitly, CFO, for closing comments. Over to you, sir.

Tarun Jaitly: Thank you, everybody for taking time out and coming on to this call. As I said, there is an invitation we'd like to extend to everyone if anybody is interested in seeing and visiting the Mumbai Hotel asset. And if there are any follow-on queries, feel free to reach out to us. Thank you again for taking time. Have a nice day.

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

Note: This transcript has been edited for factual errors, clarity and forward-looking guidance. Although an effort has been made to ensure a high level of accuracy in this transcript, however company takes no responsibility of any errors that may have occurred due to transcription.