

**JHL/SJ/2024/27****June 3, 2024**

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
<b>Symbol: JUNIPER</b>	<b>Scrip Code: 544129</b>

**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/2024/22 dated May 28, 2024 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 May 28, 2024 for investors with respect to Audited Standalone and Consolidated Financial Results for the Quarter and Year ended March 31, 2024.

The Earnings Conference Call concluded at 06:08p.m. (IST) on May 28, 2024.

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

Thanking You,

**For Juniper Hotels Limited****Sandeep L. Joshi**  
**Company Secretary and Compliance Officer**



“Juniper Hotels Limited Q4 FY24 Earnings Conference Call”

**May 28, 2024**



**MANAGEMENT: MR. ARUN SARAF – MANAGING DIRECTOR, JUNIPER HOTELS LIMITED**  
**MR. VARUN SARAF – CHIEF EXECUTIVE OFFICER, JUNIPER HOTELS LIMITED**  
**MR. TARUN JAITLEY – CHIEF FINANCIAL OFFICER, JUNIPER HOTELS LIMITED**

**Moderator:** Ladies and Gentlemen, Good Day and Welcome to Q4 FY'24 Earnings Call of 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. We have with us today the management team of Juniper Hotels Limited, represented by Mr. Arun Saraf – M.D., Mr. Varun Saraf – CEO, and Mr. Tarun Jaitly – CFO.

Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded. This conference call and this presentation prepared by Juniper Hotels Limited has been solely prepared for information purposes and does not constitute a sale offer or any invitation to subscribe for or purchase of equity share. The information and data which forms the basis of this presentation has been derived from sources that the Company considers to be reliable. Certain statements disclosed in this presentation or that may be disclosed over this call may relate to Company's growth prospects that are forward-looking statements within the meaning of applicable securities law and regulations. These forward-looking statements are not guarantees of future performance as they are subject to known and unknown risks which are beyond the control of the Company.

I now hand the conference over to Mr. Arun Saraf – Managing Director, Juniper Hotels Limited. Thank you and over to you.

**Arun Saraf:** First of all, I would like to welcome all our investors who have participated in our IPO and now have become part of our community and all the representatives of various funds and investors themselves.

This is our first Investor Call and please be mindful that the Company has been listed for just three months today and this is the First Quarterly Result, and we are also reviewing the first yearly result of the Financial Year '23-24 and going forward we are expecting a wonderful year in the Financial Year '24-25.

Thank you for participating in our IPO and supporting the Company. We had a very successful IPO and all our commitments in terms of usage of funds have been as per our disclosed in our Prospectus and other documents. I will ask our CFO to give you an update later in his presentation on this.

We had a very good '23-24 and it was the highest revenue ever for the Company. We have seen growth in all across all segments and both occupancies and ARR's. The hotels in Bombay and Delhi have been very, very exceptionally good performers in this financial year (FY24) compared to previous Financial Year (FY23), we have been very much encouraged by these results. This trend continues to hold ground in the '24-25 financial year and we expect this to continue for a considerable future. No significant supply increases are expected in our markets. So, the demand will continue to outstrip the supplies, as also confirmed by many of the hotel sector experts.

Hotel industry has been predicted to grow at 3%-5% in occupancy and 6%-8% in average room rate. Your hotel, (JHL) Juniper Hotels Limited, has initiated the “Juniper 2.0”. What it means is that we have recast ourselves as a Company which is now forward-looking with an aggressive growth strategy and in terms of both existing assets would be expected to have higher revenues and also we would like to be in the market to acquire more assets both in Brownfield and Greenfield opportunities.

At present, we are now upgrading many of our facilities in our existing hotels and these will result in handsome increases in our revenue in the coming year and in the future.

In terms of our commitments, earlier also shared with yourselves, Juniper will exercise its ROFOs as disclosed in our DRHP and RHPs; and we shall be aggressively pursuing a growth strategy to increase our capacities in different markets.

We are at present focused on large assets in strategic locations. And large assets meaning that they would be large in size and scale having multiple revenue streams.

I would like to now hand over to our Tarun Jaitly – our CFO to make the formal presentation to yourselves. Thank you.

**Tarun Jaitly:**

Thank you, Mr. Saraf. Good evening, everyone.

So, just taking on from what Mr. Saraf has said to, FY'24 has certainly been a very milestone year; we have achieved the highest ever operational revenue of 818 crores, that's 150 crores of incremental revenue and a 23% YoY growth. This is, as I said, been the year of the highest revenue for the Company.

We have had a successful IPO; we have raised INR 1,800 crores in the IPO, pure growth capital and we have utilized 1,400 crores as of March'24 to repay debt and significantly strengthen our balance sheet and the consequent ratios.

We are now very well set given the tailwinds that we see in the sector. We are very well set to embark on a journey for ‘Juniper 2.0’, which will be driven by organic and inorganic growth.

As on March '24, Juniper had seven operating hotels, 1,895 keys with the revenue of 826 crores and 320 crores of EBITDA.

Next slide (Slide – 4 of the Q4FY24 result analysis). This is our portfolio of assets. I would like to reiterate, we perceive ourselves to be big box asset owners and that has been the key strength for Juniper.

**Varun Saraf:**

This is Varun here. To give you a bit of the city overview, right, I'd like to start with Ahmedabad. So, in Ahmedabad, we added 59 rooms in Q3 last year. Initially, we saw strong demand given the ICC World Cup, but this has continued and we have seen occupancies maintain going forward. The manufacturing-led growth in the state has resulted in strong occupancies and

ARRs, which are consistent and we believe that the city will continue to show good demand going forward.

Lucknow, another city where we have actually seen new demand generators come in. With the opening of the Ram Mandir in Ayodhya, an entire new segment has been created, the segment for religious pilgrimage, which has come in, and this will continue to drive occupancies at our hotel in Lucknow.

Delhi: In our segment, there are no new hotels that are coming up. The next new hotels are probably two to three years out and we continue to see strong occupancy and ARR growth.

Mumbai: Where our flagship hotel is, has seen some hotels come into the market, but that is in the upscale segment and not in our luxury segment. There was a slight softening of demand, but pace has picked up and we are well positioned for the coming months. New demand generators, which are fed by the NMACC, the Convention Center, which has opened up in Bandra Kurla complex, will continue to generate new business in the city.

Next slide please (Slide – 5 of the Q4FY24 result analysis). So, as you can see, our segments are the luxury and upper upscale segment. And within these two segments where we are positioned, the supply will be limited and demand seems to be very strong.

Having multiple streams of revenue has only boosted our numbers. This is something that we take great pride in all our hotels. The large big box hotels have multiple revenue streams and this has actually benefited us. Long-stay business continues to generate good revenues. With the increase in investment in the infrastructure space, we have seen a lot of FDI coming in and this has generated long-term business for our service apartments. Foreign companies that have actually sent their expatriates into the country especially in Delhi and Bombay have resulted in increased occupancy in the serviced apartment segment.

Room business has continued to show great consistency. Year-on-year, occupancy has increased marginally, but the ARR growth has been upwards of 10%. So, as you can see, room business has been consistent and it will continue to be consistent.

F&B which is 30% of our total revenue is driven by banqueting. Banqueting, we see going forward will continue to make good tailwinds. And keeping this in mind, we are in process of adding two additional banqueting spaces, one in Grand Hyatt Mumbai, which should be operational in Q3, and one in Ahmedabad, again operational in Q3. So, we do believe banqueting will continue to be a strong growth segment within the F&B space.

Finally, utilization of our marginal spaces where we actually lease out commercial spaces will continue to generate good profitability as well.

**Tarun Jaitly:**

Thank you, Varun. This presentation is on our website and on NSE. So, I will walk through this very quickly so that we can get to the questions and answers. So, from a key performance matrix, the key point to get out from this slide (Slide – 6 of the Q4FY24 result analysis) is that whether basis YoY for the quarter or for the full year, we maintain very high level of occupancies and

have still been able to add INR 1,500 delta incremental on the ARR. And that's a high flow through to the bottom line and that has been one of the key factors for the Company, we believe.

And luxury space in particular comprises of Mumbai and Delhi, which is >74% of the Company's revenue. So, on that segment, we have been able to increase ARR by Rs.1,500. We believe given the tailwinds in the micro markets and the performance of Juniper within these micro markets, we anticipate and expect that this trend will continue going forward.

Moving on to the next slide (Slide – 8 of the Q4FY24 result analysis), Financial Performance. On a quarter-on-quarter basis for the Q4, we have achieved revenue of Rs.248 crores, which is 3% quarter-on-quarter growth and 25% YoY growth for the quarter. Adjusted for other income, we have EBITDA of INR 91 crores for the Q4FY24 and adjusting for one-time items which appear in the quarter, we have maintained EBITDA margins over the last quarter. So, on quarter-on-quarter, adjusted for one-time items, we have maintained our EBITDA margins.

On the fiscal FY'24, Rs.826 crores of turnover is primarily driven by a very strong 23% growth in top line. Again, we identify as big box hoteliers, these are large assets with 23% top line growth YoY (operating). And operating margins have been very strong and have been maintained.

On the corporate EBITDA, adjusted for other income, the EBITDA is Rs.311 crores, which has shown a 14% YoY growth, adjusted for other income, over the last year.

We have a reconciliation on slide 10, I will move quickly to that. (Slide – 10 of the Q4FY24 result analysis) So, this is the point that I was trying to enumerate that our operating EBITDA has been very strong and maintained. Juniper 45.4% and chartered 35.5%, these are operating EBITDA margins.

And on the reconciliation from the reported EBITDA of INR 311 crores, there were INR 20 crores of one-time non-recurring costs which were incurred in this last fiscal, adding back that in and also doing a like-to-like comparative because in FY'24 we had six months of chartered (CHPL), that's the Company that got amalgamated into Juniper as of September '23. And if we kind of add back the revenues last year for full 12 months of chartered versus six months in FY'24, that would translate into an EBITDA of Rs.343 crores in FY'24 against Rs.300 crores last year, which is a 14%-plus growth in EBITDA and a strong EBITDA margin which has been maintained year-on-year.

Moving on to the next slide. (Slide – 11 of the Q4FY24 result analysis) On the balance sheet side, as I said, one of the key highlights has been the INR 1,800 crores of fundraise. We have significantly deleveraged our balance sheet, paid down INR 1,400 crores of debt, another INR 100 crores residual is underway. So, we will achieve the INR 1,500 crores of debt pay down as per what we started out in the objects of the IPO.

As on date, we have INR 1,400 crores of tax shield available to the Company and we believe that over the next two to three years we will maintain tax neutral status.

Next slide please. (Slide – 12 of the Q4FY24 result analysis) This just gets out the transformation of the balance sheet matrices. Net bank debt-to-EBITDA going down to 0.7 from 5.7x and a significant saving in interest cost which is INR 160 crores which will be as a result of the debt pay down that we have actually paid out. There will be a further reduction in interest cost. We have replaced INR 416 crores of high-cost JP Morgan NCD just last month, with ICICI Bank's long-term financing. We have got 2% delta interest saving in that. That is going to be incremental to this. So, that will significantly strengthen our cash flows. None of this impact has been captured in FY'24 because we just started paying down the debt post-IPO. So, the full impact of this will be felt in FY'25.

(Slide – 13 of the Q4FY24 result analysis) So, this I have already covered. We paid down 1,400 crores. As of date we have INR 330 crores in interest bearing deposits. Of this, we would pay down another INR 90 crores of debt to cumulate the 1,500 crores debt pay down and the balance would be kept for growth capital GCP for growth capital for strategic purposes.

On the ICICI Bank, I have already covered. It's a 2% interest rate delta over JP Morgan NCD, which we have been able to close successfully and that will also further help reduce the interest burden on the Company.

(Slide – 14 of the Q4FY24 result analysis) Moving on to Slide #14. Key operational KPIs, manpower-to-room ratio at 1.02x is possibly one of the best in the sector. On the power units, we are still 22% below FY'20 despite the full blown capacity that we're operating on.

On the guest profile split, we have still not reached the pre-pandemic international traffic and that remains a positive significant upside as we go forward and we expect international traffic to pick up which will drive occupancy and consequently ARRs going forward.

Number of keys remain 1,895. And this will move as we get into the next year through the acquisition strategy as per plans.

**Varun Saraf:**

Next slide please. (Slide – 16 of the Q4FY24 result analysis) So, our focus continues to be in the luxury and upper upscale segment and supply will be limited in these segments.

You might have seen recently a lot of projects are being announced, but those projects are still four to five years out. So, we do believe that we have a good headroom available for growth in the next few years. Furthermore, between 2019 till '2022-23, very few hotels were announced or taken up. So, no hotels or very limited hotels will be coming on line now. So, we are very well positioned in our segments to actually take advantage of the market conditions.

Demand will continue to outpace supply as you can see Ahmedabad, Delhi, Mumbai and this is for the entire market. If you see in the luxury and upper upscale segment, the demand is even higher and the supply is even lower. So, this is all segments averaged out but within our segments we will still continue to maintain good delta there.

Some questions that have come up already and I would like to address them straight on. We have been asked about the ARR growth specifically in Mumbai. So, to start with that, I would like to

state that Mumbai is our flagship and we believe there is significant headroom for ARR growth still available for us. The first step that we had taken in FY'23-24 was resegmentation, moving away from contracted airline crew business, moving to group business. This has resulted in the first delta that you see the overall ARR increase of 11% is contributed on that account. Going forward, we actually will be moving more away from the group business and focusing on the Transient. And in order to achieve that, we have already initiated the entire refurbishment of Grand Hyatt Mumbai, which all of you are aware. Four floors that is about 380 rooms will be refurbished and ready in operation by Q2 of 2024 which is basically in three months by September, 380 rooms will be fully refurbished for this transient high paying customer. Furthermore, our Grand Club, the lounge is also being upgraded to cater to this transient traveler. Two restaurants in the form of Cellini and the bar are also being refurbished. So, this refurbishment at Grand Hyatt Mumbai which was long overdue which has already been initiated and underway, will actually result in us being able to target the transient customer, adding to further upside on the ARR.

Furthermore, we believe that we can also add to our occupancy rates by focusing on the weekends. Given that this is such a large hotel, MICE business has always been a good contributor to our overall demand.

Weekends are usually low for transient and now because we will have two banquet halls. Since the second banquet hall will also come in, this will allow us to take in MICE business over the weekends as well as focus on the social business city generated business in the second ballroom. So, if you see what will happen is, we will be able to drive additional occupancy, additional room nights over the weekend, which will add to our occupancy rate.

Delhi, we have already done a significant catch up compared to our competition set. Last year, we were trading at 0.78, 0.79 (Index). That's according to the Third party report ranking and we have already reached 0.89 (Index). We do believe there is further headroom here. In recent publications we have read and we have come to know that the Delhi International Airport, that Aerocity is actually going to go through a further enhancement; 6.3 million square feet of space is being added by 2027. This is 2.8 million square feet retail and 3.5 million square feet of commercial space. The next hotels to open in the Aerocity complex is still about two years out and we believe that these two years actually is clear space available for our hotel to take advantage of that. As you can see, compared to the industry, we have grown on ARR on both hotels and we will continue to do that going forward.

Next slide please. (Slide – 17 of the Q4FY24 result analysis) Again, just going back, there are two things we would like to highlight here. So, the foreign travel is something that Tarun did mention on. We do believe that Q3 will see some leisure foreign travelers coming in and their gateway cities at Delhi and Bombay and both our hotels will be able to benefit from that. So, there is further headroom available there.

And one general comment. Even with the ARR's the way they are, we're still at about \$150. Reasonably, the \$250 is the minimum that we believe that we should be able to achieve. So, there is a still \$100 headroom, which is about Rs.8,500 available to us.



**Tarun Jaitly:** (Slide – 19 of the Q4FY24 result analysis) On the growth projects and expansion on the existing capacities, we are adding a banquet which is a very high end space in Mumbai, which is called the ‘Showroom’. It’s a 49,655 square feet high in space, which will become operational in this year. In the next few months, we will start taking in business. So, that will be a significant contributor for Mumbai. We are already undertaking a refurbishment of all the rooms in Mumbai and that project is also on track, already 180 plus rooms are under refurb and we should be completing the total refurb by end of September '24.

In Ahmedabad, we added 59 keys, taking the total counts in Ahmedabad to 270. And I would like to add that, despite the addition of the rooms, the rooms addition has been really timed impeccably. We have not seen a drop in occupancy. In fact, it's benefited from ARR uptick in Ahmedabad and the business that we got from the Cricket World Cup T20.

We have also added another F&B unit in Ahmedabad, high end local cuisine-oriented “Sarvatt,” which is received very well.

And last but not the least on the inorganic front, we are pretty much on target on the various projects that we are working on to enhance the room count and in the overall strategy to make Juniper as the flagship Company from a future growth perspective. The projects are pretty much on track and we are confident that we will achieve the stated objective here.

So, with that, I think we come to the end of the Presentation, and I would like to invite questions and we would be happy to answer them.

**Moderator:** We will now begin the question-and-answer session. We will take our first question from the line of Prashant Biyani from Elara Securities. Please go ahead.

**Prashant Biyani:** Sir, any update on the acquisition of ROFO assets, if you can update on the recent developments?

**Tarun Jaitly:** Hi, Prashant. Tarun here. So, as I said the acquisition strategy is pretty much to get for the promoters to utilize the ROFO available to them to get the assets into Juniper. There has been news flow which I'm sure that you have picked up, that indicates that we are in the process, things are moving as per plan and yes, I think there is that much that I can share with you... we will come back and share with you further details at every opportune time and milestone that we achieve.

**Prashant Biyani:** Outside of ROFO assets, what would be our plans for growth on the Greenfield new asset side?

**Varun Saraf:** So, outside the ROFO assets, which we are seeking opportunities both Brownfield and Greenfield. There are several opportunities that are coming towards, but we are evaluating each one at its own merit. We are not in a rush to go and acquire assets which are overpriced. We are seeking good value and each opportunity will be evaluated and taken forward. In terms of Greenfield, as we mentioned during the fundraise as well, we are still looking out for opportunities in new Bombay, in Goa, at the Delhi Aerocity as well, that will continue to be our focus. And as and when we have something, we will share with you.

**Prashant Biyani:** As a vision, would you have anything in mind as to three or maybe five years down the line, how much keys you would want to have under your portfolio?

**Tarun Jaitly:** The aim is to add 1,000 plus keys over the next two years, primarily as I said, driven by inorganic strategy. And while we are doing that and implementing that, as Varun said, we are right now actively evaluating value-accretive and profitable, developmental opportunities. At the end of the day, Greenfield development is the key strength for the Company, and we are right now actively evaluating land parcels, which can then be developed. We would have sufficient cash flows to fund these acquisitions of land and implement these projects out. I also have Amit Saraf who is the President and he leads the developmental effort with the company. Amit, would you want to add something?

**Amit Saraf:** Hi, good evening everybody. So, apart from the land and the green field, we are also looking at opportunities which are available in the market, which had been in some sort of a problem could not be opened. So, we are exploring opportunities in different markets in Bangalore, Hyderabad, Cochin. And those are also in serious discussions. So, those opportunities are also available, which can be added over a period of time.

**Prashant Biyani:** Mr. Jaitly, what will be the CAPEX plan for the year?

**Tarun Jaitly:** So, CAPEX, we are talking about normative CAPEX, including refurb of INR 100 crores. So, it is not significant CAPEX. Most of it is already expended last year. And fresh CAPEX is going to be roughly INR 100 crores. The significant CAPEX for ongoing projects would be for constructing 300-odd keys on top of Grand Hyatt Mumbai. And that is something that would happen in FY '26. And that would be again funded through internal accruals.

This number that I am sharing with you is primarily just the expansion enhancements on existing capacity. Obviously, there would be additional expenditure that would be done or investment that would be done for acquisition. If there is an acquisition that Juniper needs to fund, that would be over and above this.

**Prashant Biyani:** Sir, lastly, before I jump back to the queue, sir, the standalone numbers for us were a bit weak on a Y-o-Y basis for the quarter. Any reason would you like to allude to that?

**Tarun Jaitly:** So, I believe you are talking about the EBITDA?

**Prashant Biyani:** Yes.

**Tarun Jaitly:** So, yes, there is, as I said, you know, when I was going through the presentation in the quarter, there is a one-time expense relating to IPO, which is roughly around INR 12 crores. And if you actually add that back in, there is a growth in EBITDA and also the margin is slightly higher than last quarter, you know, 41% plus. So, the numbers that you see are carrying a one-time cost element, which would obviously not be there going forward.

**Moderator:** Thank you. The next question is from the line of Kunal Lakhan from CLSA. Please go ahead.

**Kunal Lakhan:** My first question was on the outlook for FY '25. Would you like to share any guidance in terms of revenue growth or also on the margin side?

**Tarun Jaitly:** So, Kunal, you know, the only guidance I would give you is that we would outperform the micro markets that we are in. I mean, at the end of the day, luxury and upper upscale is 93% plus of my key count, 70% plus revenue is Mumbai and Delhi. And if you look at the data, as on even the last month, on ARR's, we are outperforming what is the growth witnessed in Mumbai and Delhi as micro markets. And these again are large, large assets in both the cities.

So, you know, growth would be healthy. We would outperform the micro markets there and would be driven by ARR's and maintaining occupancy fairly healthy. So, that would be the kind of overall theme that we see playing in.

In addition to that, new projects, which is in Mumbai, the ballroom, that will add incrementally in FY'25. And also, we would see return back to the full capacity of lease rentals. They were kind of impacted because of the disruption that was caused as we were constructing the ballroom. So, these would be incremental additions overall to the revenue in addition to what is the organic operating growth.

On the margins, as I said, ARR's are a high flow through. So, that would be a positive influencer for our operating margins. And you know, we believe that we are as of now outperforming our internal budgets for the year. So, that is a positive that I would like to emphasize and share with you. So, I believe that, going forward, we will see a growth which is in excess to the market and we would definitely see positive influence on margin expansion.

**Kunal Lakhan:** Just to follow up on that, you said in your opening comments that the ARR growth in the luxury segment you expected to sustain. So, would you expect 15% growth that we saw in '24 to sustain in '25 as well?

**Tarun Jaitly:** Well, you know, so if you just look what is happening again, so there are two elements to it, right? And I am just sharing some data with you on Mumbai, and these are year-to-date numbers up to March. For instance, Mumbai ARR grew 5.5% and this is not just the Comp-set, this is the broader market I am talking about. And we grew at above 9% in Mumbai year-to-date. And as far as Delhi is concerned, it was a 14.6% growth and for Juniper it was (+22%).

And if you remember when we went out and met investors, one thing we specifically said as a strategy is that one year ago we embarked on a catch-up strategy. We were not sitting at number one with respect to our Comp-set. All these strategies with respect to looking at higher transient share, also re-pricing airline business, for instance, I will share we increase airlines ARR's by almost 48% in Delhi and Mumbai since the last quarter or two. So, that will also help.

And in addition to all that, you know, Delhi, the kind of tailwinds that we are seeing in Delhi, given what's happening in Aerocity, it's a significant plus. We believe that Delhi market is growing at 22%-24%, which will help overall here our trajectory. Varun, do you want to add anything more?

**Varun Saraf:** I won't focus on the percentage. I will leave that to you, but in terms of the demand, right? So, in Bombay, if you have to go back to the strategy, right? So, we went away from contracted to group. That was the first phase, as I mentioned, and phase two is transient. Phase two is transient, and that will be, we will be able to do that given the fact that we are refurbishing the hotel, repositioning it for that transient customer. Currently, that transient customer is paying higher rates across at the other hotel. So, we believe that the rates in Bombay definitely has an upside.

Even in Delhi, if you see, given the fact that demand is strong and there is no supply, we believe that we will be able to keep the rates, and when demand picks up in the Q3 and Q4, we will actually be able to drive rates even higher. So, traditionally, Q1, Q2 is slightly soft, we all know from the industry, and the growth that you will see will actually kick in in Delhi in Q3 and Q4, where you will see that upside.

**Tarun Jaitly:** Just one more point I would add to what Varun said, just kind of closing out on this point from our side, Kunal, is that the 9% growth in ARR that I spoke about in Mumbai is with zero contribution coming in from refurb, with the refurb getting completed fully by the end of September. That will have a positive impetus. We will have a much more fresher product to offer. We will get the transient business back. That's a stated strategy and that would automatically impact faster growth in ARR compared to our comp set. I hope that answers your question.

**Kunal Lakhan:** That's very, very helpful. Just on the occupancy side, if you can share a similar breakup of occupancy between Mumbai and Delhi.

**Tarun Jaitly:** On the occupancy, in Mumbai, we have seen a little bit of flattening out on the occupancy as a market, but from our side, we have kind of maintained the occupancy levels in line with what's happening in the micro market, despite the growth in ARR.

In Delhi, the occupancy levels have grown 3.8% and for us, it's increased by 4.8%. And I would also add Ahmedabad, Kunal. I mean, Ahmedabad saw a little bit of flattening out of occupancy and we witnessed a 3.5% growth in occupancy. And if you look at the current month ARR for Ahmedabad, we have seen a 9% growth month-on-month in the ARR for Ahmedabad. When I say month-on-month, I am talking about the current month versus the same month last year in Ahmedabad, 9% ARR uptick. So, that's what we are witnessing as far as the occupancies are concerned. I think Mumbai will see occupancy hardening up by at least a couple of basis points. Varun, would you want to add more to that?

**Varun Saraf:** So, our focus, again, going back to Bombay, our focus is to drive in weekend business. Weekend business we believe will contribute positively to occupancy growth and by adding this, so our strategy, overall strategy is to bring back transient business.

So, we are taking steps along with the operator to actually chalk-out a plan for that. And one of the areas where we did notice was the weekend business. So, weekend being a large convention hotel, we are able to take in large convention related businesses which add to room occupancy.

Over the past year, because of lack of banquet spaces, we sometimes let go of these large businesses because there was city-wide, city-focused social events which contributed high on

the F&B. Now with this additional F&B space, we can do both. So, we believe the occupancy growth will be there. At 80%-82%, I think that is how the market sort of, these large hotels sort of taper out, but given where we are, the occupancies will remain, if not grow by a few percentage points.

**Kunal Lakhan:** And same will happen with Delhi also, or Delhi you think it's peaked out in terms of occupancy?

**Varun Saraf:** I think, again, Delhi, right, seasonality. I think Q3 and Q4 will be very, very strong in Delhi. I think that it will be a very, very strong market.

And please keep in mind, Delhi actually has zero, if I may say, inventory coming online, right? So, this will actually allow us to maintain our occupancies. And when demand does pick up, I think we will see that headroom. I think if I, please correct me, Tarun, but we did see almost 90%-92% occupancy rates in a couple of months. This is extremely high given Delhi's situation. And we believe Q3, Q4, we would do similar numbers if we can take any sort of sense from the past data.

So, I think on the occupancy front, we are very well-positioned, and we will maintain, if not increase, by a few percentage points.

**Tarun Jaitly:** Plus, I think, Varun, you would have mentioned that point, right? I mean, there is really no new capacity, meaningful capacity coming up in Delhi. And with the new development there, with the largest Mall & Commercial space coming in, in the micro market of Aerocity, those would also be additional drivers for business there.

**Moderator:** Thank you. The next question is from the line of Prashant Biyani from Elara Securities. Please go ahead.

**Prashant Biyani:** Sir, on the employee cost front, would the 49-50 crore run rate continue for the entire year?

**Tarun Jaitly:** So, as I said, there is an element of one time in the current year and the current quarter. And if you strip that out, you will see a much more sustainable level of manpower cost going forward.

**Varun Saraf:** Just to add to that, I will let you talk about the numbers, Tarun. But to give your perspective, Prashant, what has happened is, if you see, FY '23 was the first year after COVID, right? So, we were still not stabilized. '24 was the first year stabilized, where all positions across the operating hotels were filled, including new ex-pats, new specialized employees being brought in. So, what you do see here is an increase, definitely, and I believe this will stay consistent.

The attrition rate has been high across the industry. So, to retain, there will be certain increments that will be given across the board. But again, in terms of the actual cost, the jump between 37 to 48 crores that you see will not happen again. That's a one-time thing to realign with the market.

**Tarun Jaitly:** Yes. So, there is a large one time element there.

- Prashant Biyani:** And sir, how much is it ?
- Tarun Jaitly:** So, this would be in the region of around INR 10 crores roughly.
- Prashant Biyani:** So, now around 40 crores would be the quarterly run rate then.
- Tarun Jaitly:** Yes, even that as Varun said, right, I mean, we have kind of taken in as we, you know, FY '24 was the first full-blown year post-COVID from an occupancy business standpoint, and to enhance the product offering, we did on board some expat chefs and managers and that is something which has impacted the cost of manpower in the current year in the quarter, right, apart from the one time that he spoke about. So, going forward, as the ARR's pick up, you know, you will see as a percentage of revenue manpower cost coming down.
- Prashant Biyani:** Sir, in FY '24, what was the crew business mix? And what could that be in '25?
- Tarun Jaitly:** Prashant, I can say that we have taken, as we embarked on the strategy of renegotiating contract rates with corporates and airlines last November, December, since then there has been a focused approach to renegotiate upwards the rate with the airlines and if there were airlines which couldn't take on that rate, revised rate, we kind of let them go. That has resulted in a 48% growth in ARR from airline business, crew business in Delhi and Mumbai.
- Prashant Biyani:** So, just one data-keeping question. What would be the breakup of revenue within room revenue, F&B and others for the quarter?
- Tarun Jaitly:** We have it for annual. Yes, so on the quarterly run rate, right? I mean, it's mirroring what we have done on the annual numbers, right. The room revenue is 48%-49% and your F&B has been maintained at around 30%.
- Prashant Biyani:** And sir, would you have the last year same quarter number handy?
- Tarun Jaitly:** I can share that with you offline, Prashant.
- Moderator:** Thank you. We will take our next question from the line of Sumit Kumar from JM Financial. Please go ahead.
- Sumit Kumar:** My question is on the one-time expense. If you could just explain in a little more detail, what was the nature of these expenses of 20 crores?
- Tarun Jaitly:** So, on an annual basis, right, I mean, in FY '24, as we detailed in the slide during the presentation, there is a 20 crore one-time. There are different elements to this. Majority, more than half of it actually, or almost 60%, if I can take that number, is IPO related.
- So, whether that's listing fee and IPO related expenses, including management incentives which are included in that, and then there is a balance which is 20 odd percent balance is amalgamation related expenses. If you remember that, you know, before we went into IPO, we got chartered

(CHPL) amalgamated into Juniper (JHL). So, there were amalgamation costs including legal duties and taxes and time duties that were paid. So, that's a broad composition of those one time.

**Sumit Kumar:** So, just a small follow-up, sir. The employee expenses have gone up 30%. So, is that right if we deduce that it has gone up largely because of some part of the management incentives paid due to the IPO?

**Tarun Jaitly:** Correct. So, that is what we were discussing, right. I mean, there is an element in the current quarter and the full year which relates to manpower one time in nature. If you strip that out and also at the operating level, we have onboarded some expats last year to enhance the offering. These elements would, A, be on the operating side would stabilize as the ARR's go up, and if you take out the one time, manpower as a percentage of revenue should kind of contract a little bit going forward.

**Moderator:** Thank you. We have a question from the line of Kunal Lakhan from CLSA. Please go ahead.

**Kunal Lakhan:** Just wanted to understand on the Brownfield expansion at the Mumbai asset, when do you plan to start it? And by when that will get completed.

**Amit Saraf:** So, it will start by FY '26, and it should be complete by FY '27.

**Varun Saraf:** So, to answer your question, Kunal, preparatory work is already underway for Bombay. It's a long-run process because it's adding on top of the existing structure, right? So, the structural aspect, the MEP aspect is all underway. The actual construction, as I said, was FY '26. It will start, and it will be an 18-month window by which we will be able to construct it and get the whole thing open.

**Kunal Lakhan:** And you mentioned about improvement in occupancies at GHM. Would you, in '26, you expect this to start, the Brownfield expansion? Do you think that will have some bearing on the occupancies and ARR's in '26-'27 because of the one that may go on there?

**Tarun Jaitly:** Tarun here. I would like to answer that. In our internal planning and forecast, we have assumed some disruption that this would cause as we start construction of the additional rooms on top of Grand Hyatt Mumbai. Not as much of an impact on the ARR's, but yes, certainly on the available rooms and occupancies, there would be a disruption impact, which has been built into our forecast.

**Kunal Lakhan:** And one last question. I mean, when I look at the adjusted EBITDA that you have given in your presentation, that is post the one-time, of 343 odd crores, that's a growth of 14% on a like-to-like EBITDA of FY '23. When I try to see this in conjunction with the ARR or the RevPAR growth rather, it's pretty much in line, right? RevPAR growth of about 15% we saw consolidated versus 14% growth. You tend to assume that there will be some kind of an operating leverage due to the RevPAR growth which will flow down into the margins or in terms of EBITDA growth. How should we read this? Should we expect that EBITDA growth would be in line with the RevPAR growth going ahead?

**Tarun Jaitly:** So, you know, in our internal forecast and planning for the year, we have assumed that, as I said, we will outpace the growth of the micro-markets and at the same time, because it will be primarily driven by improving ARR and holding firm the occupancies, you know, there would be in conjugation with new revenue streams coming in, like lease and incremental contribution coming in from the ballroom, etc., there would be an expansion on the profitability going forward.

**Moderator:** Thank you. We will take our next question from the line of Prateek Kumar from Jefferies. Please go ahead.

**Prateek Kumar:** My first question is on, I mean, we have discussed this partly, but talked about like sort of growing or outgrowing your peers in micro markets, but how has been the ARR growth and FY growth in like first two months for the three markets you operate in? And what is the absolute growth maybe for market what you are looking at? Maybe not for yourself, but for industry how are we looking at for FY '25 in terms of ARR and FY growth?

**Tarun Jaitly:** Hi, Prateek. You know, I can share the YTD numbers with you, you know, year-to-date. So, there are two elements to it, right? As we were discussing that on the ARR, whereas the Mumbai markets grown at 5.5%, we have grown in excess of 9%. And this, you know, it will gain further momentum going forward as we have a much fresher product to offer because of the refurb and the elements that we just spoke about, right. The ballroom revenue plus the incremental lease rentals that keep on coming in are in addition to the ARR, right. In Delhi, 14.6% versus 22% (JHL). You know, this is a market which will continue to hold strong and we see this play out even in FY '25. There is no capacity coming in and if you look at all the data that you get in the micro markets that we are in whether it's Mumbai, Delhi or Ahmedabad, the demand is going to continue to outstrip the supply. So, that's the trajectory that we see.

In Ahmedabad, there was an element last year where you had the ICC T20 World Cup business really shooting up the rates. But if you look at it on a sustainable basis, we believe that despite a higher base in Ahmedabad, we will see the ARR in Ahmedabad holding firm. You know, we have got 9% in March, you know, over a high base in Ahmedabad. And we believe that's a market where again, there is not much of supply coming anymore. And we will benefit out of the 59 keys that we have added and we believe that the ARR will hold firm there as well.

**Prateek Kumar:** And there is no impact of like this government machinery slowing down during elections, particularly in Delhi market. You said that 15% YTD growth in ARR in Delhi for the rural market. So, there is no impact of elections on this.

**Tarun Jaitly:** You know, on that we will mirror what's happening to the sector, I mean, that's an impact which is on the entire hospitality industry per se. You know, that's not something which is unique to us.

**Prateek Kumar:** No, no, I am saying is there an impact because 15% growth doesn't seem to reflect any impact?



- Varun Saraf:** So, the question was the impact of the elections in Delhi. I think the first part is whatever the industry is going to face, that's going to be across. But the other part is, given the fact that elections have been spread across these 2.5 months starting in March going on into June, I think the Delhi election just happened last week. So, what would happen is April probably didn't see that impact. May, minimal impact. We do actually see the elections. There has been some softening, but it actually did not impact it significantly, if that answers your question.
- Moderator:** Thank you. We will take our next question from the line of Nikhil Agrawal from VT Capital. Please go ahead.
- Nikhil Agrawal:** Sir, I just wanted to understand why have you seen a drop in the ARR in the upper upscale and upscale segments on a quarter compared to Q3?
- Tarun Jaitly:** So, if you look at the classification of upper upscale, we are talking about Ahmedabad. And if you look at the quarter-on-quarter, Ahmedabad is the largest asset in that particular category for us. So, that is what we were talking about. Last year in Q4, we had this entire ICC World Cup business with T20. Last year, if you remember the November-December period, we had the ICC World Cup. So, that had kind of impacted or created the high base.
- And if you look at we are coming off those high numbers, there is a little bit of ARR depression because of that. But as I said, on March, we have seen Ahmedabad pick it up and we are seeing a 9% growth in the month of March on the ARR in Ahmedabad. So, that impact has got normalized and we are seeing now the growth in ARR coming back in.
- Nikhil Agrawal:** 9% growth on?
- Tarun Jaitly:** So, for the month of March, over the last March.
- Nikhil Agrawal:** And what about upscale? The ARR in the upscale segment has also gone down.
- Varun Saraf:** So, in the upscale segment, we have Hampi, which is our sole asset in the upscale segment, and in that segment, we were undergoing a refurbishment at the hotel, which also resulted in certain disruption. But again, that business is driven by leisure segment, and that leisure segment did contribute. And also from the corresponding vicinity, we have a large integrated steel plant there. So, business is coming from there, but the drop is minimal, and we believe that this will be picked up going forward in Q3, Q4 again.
- Nikhil Agrawal:** And sir, your inorganic opportunities, it would be largely funded by internal accruals, or will you be taking on more debt, or maybe raising more equity?
- Tarun Jaitly:** Right. So, you know, from an inorganic perspective, we have, A, raised the GCP, which is the cash which we have got in deposit. In addition to that, going forward, depending on the size of acquisitions that we are looking at and the mode of acquisition, there may be a possibility of taking on some debt. But at any point in time, going forward, we believe that we will not exceed debt-to-EBITDA of 2 to 2.25.

- Nikhil Agrawal:** Debt-to-EBITDA of 2 to 2.25.
- Tarun Jaitly:** Yes.
- Nikhil Agrawal:** And lastly, sir, how many keys would the ROFO assets account for? And by when? Any expected timeline on that?
- Tarun Jaitly:** Sorry, I didn't get your question. Could you repeat?
- Nikhil Agrawal:** How many keys would the ROFO assets add to the company's portfolio? And by when?
- Tarun Jaitly:** So, as I said, we have a plan of adding 1,000 keys over the next couple of years. You know, of the 300 keys (approximately) are additional rooms that will be constructed on top of GHM. The balance would come in primarily from inorganic growth.
- Moderator:** Thank you. We have our next question from the line of Prashant Biyani from Elara Securities. Please go ahead.
- Prashant Biyani:** Sir, our short-term debt has increased vis-a-vis last year. Any particular reason for that?
- Tarun Jaitly:** That is just a classification. See, what had happened is the INR 416 crores JP Morgan bond was due on the 10th of May. So, that is the reason that the maturity was 10th May. So, it got classified accordingly. That's now been paid out through a 10-year door-to-door ICICI loan at 9%, which is 2% below the rate of interest of JP Morgan NCDs.
- Moderator:** Thank you. We will take that as the last question for today. 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 so much. I would like to thank everybody for taking time out to attend Juniper conference call. This is the first analyst conference call for Juniper as a listed entity. We are very excited that you could take time out to participate. If there is any follow on question or clarification, myself and my team are available to give you any information and all the clarifications required. Thank you again for your time and have a nice day.
- Moderator:** Thank you, members of the management team. On behalf of Juniper Hotels Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

*Note: This transcript has been edited for factual errors and clarity. 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.*