SAMHI Hotels Ltd.
CIN: L55101DL2010PLC211816
Regd. & Corp. Office: 5th Floor, Unit No. Office - 11, Worldmark 4, Asset Area No. LP-1B-04, Gateway District, Delhi Aerocity, Near Indira Gandhi International Airport, New Delhi - 110037, India

10th August 2026

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001,
Maharashtra, India

Scrip Code: 543984

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051, Maharashtra, India

Scrip Code: SAMHI

Sub: Transcripts of Q1 FY27 Earnings Conference Call

Dear Sir / Madam,

Please find enclosed the transcripts of the Q1 FY27 Earnings Conference Call with the Investors or Analysts held on **Tuesday, 04th August 2026 at 10:30 a.m. (IST)**.

You are requested to kindly take the same on your records.

Thanking You.

Yours faithfully,

For **SAMHI Hotels Limited**

SANJAY JAIN
Digitally signed by SANJAY JAIN
Date: 2026.08.10 21:30:29 +05'30'

Sanjay Jain
Senior Director - Corporate Affairs,
Company Secretary and Compliance Officer

Encl.: ***As above***

Correspondence:
SAMHI Hotels Ltd.
5th Floor, Unit No. Office - 11, Worldmark 4, Asset Area No. LP-1B-04, Gateway District, Delhi Aerocity, Near Indira Gandhi International Airport, New Delhi - 110037, India
Tel: +91-11- 49077700 | Email: compliance@samhi.co.in
www.samhi.co.in

SAMHI Hotels Limited

Q1 FY27 Earnings Conference Call

August 04, 2026

E&OE -This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 4th August 2026 will prevail.

MANAGEMENT:
MR. ASHISH JAKHANWALA – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
MR. RAJAT MEHRA – CHIEF FINANCIAL OFFICER
MR. GYANA DAS – EXECUTIVE VICE PRESIDENT & HEAD (INVESTMENTS)
MR. NAKUL MANAKTALA – SENIOR VICE PRESIDENT (INVESTMENTS)

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY 27 Earnings Conference Call of SAMHI Hotels Limited.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashish Jakhanwala – Managing Director and Chief Executive Officer of SAMHI Hotels Limited. Thank you, and over to you, sir.

Ashish Jakhanwala: Good morning, everyone, and welcome to SAMHI Hotels Q1FY27 Earnings Call. Thank you for taking the time to join us today.

I am joined by our Chief Financial Officer – Rajat Mehra, our Executive Vice President and Head of Investments – Gyana Das, and Nakul Manaktala – our Senior Vice President of Investments. Our investor relations partners, Strategic Growth Advisors, are also on the call.

We have uploaded our Q1FY27 Financial Results, Investor Presentation, and the Excel Sheet on the Exchanges and on the website, and I hope everyone has had a chance to go through them.

Before I get into specific company-level details, let me spend a moment on the environment we operated in this quarter, because it speaks directly to why we have built SAMHI the way we have.

We are a firm believer and investor in the urbanization story of India, and we have deliberately built a portfolio in some of the most dense office markets in the country. That thesis held up well in Quarter 1. Net office absorption across our core markets was approximately 11 million square feet during the quarter, on top of approximately 58 million square feet for the whole Financial Year 2026. Leasing momentum across global capability centers remains strong with Bangalore, Hyderabad, and Pune together accounting for more than 65% of the quarter leasing activity.

On aviation, passenger traffic did dip early in the quarter as the geopolitical situation escalated, and more so because of the limitations of the Gulf carriers. But the latter half of the quarter saw a clear recovery, and Quarter 1 FY 27 passenger traffic came in essentially flat year-on-year for the quarter as a whole.

A good illustration of how quickly underlying travel demand in our markets reasserts itself once a disruption passes.

Against that backdrop, our own operating metrics were strong. Same-store RevPAR grew 9.6% year-on-year to approximately Rs. 5,220, with portfolio occupancy at 79.3%, which was up from 74.2% in the year-ago quarter. Domestic travelers now make up 82% of the room nights we sold, up from 78% a year ago. This more resilient domestic cohort is precisely what insulated our top line from the disruptions to international arrivals that we saw through the quarter. Encouragingly, 36% of the days in the quarter saw occupancy in excess of 90%, which tells us underlying demand compression is intact even with softer international business.

Let me now hand over to Rajat to take you through the Quarters Financial Performance in detail, and I will come back to you to talk through our growth pipeline.

Over to you, Rajat.

Rajat Mehra: Thank you, Ashish. Good morning, everybody.

Let me start with the three items that bridge our reported performance for the quarter to comparable performance, as that truly demonstrates the health of the business and gives a clearer guidance on the way forward.

Total income for Q1 FY2027 was Rs. 308.3 crores, which was on a reported basis up 7.3% on a year-on-year basis. However, there is approximately Rs. 9.3 crores of one-time other income that was included in our Q1 FY2026 base relating to a subsidiary capital restructuring as a part of the GIC transaction. Therefore, on a comparable revenue growth basis, we were up 10.8%. This included same-store growth of approximately 9.1%, and the balance came from the new openings last year.

Similarly, Q1 FY 2026 base also included approximately Rs. 2.1 crores as a one-time expense related to the GIC transaction, which reduced the reported EBITDA for that quarter.

Operating expenses in Q1 FY2026 include an approximate impact of Rs. 9.2 crores from the change in the GST regime from 12% with the input tax credit to 5% without the input tax credit. This impact is in the current year and is not a base period adjustment. Therefore, while we reported our EBITDA, which was lower by 4% on a year-on-year basis, the same on a comparable basis was healthy at about 12.1%.

Finance costs for the quarter declined by 25.5% on a year-on-year basis to Rs. 37.7 crores, resulting in a PBT of Rs. 32.7 crores, up by 26.4% over the same period last year.

Net debt as on June 30th, 2026, was approximately Rs. 1,490 crores. Our net debt-to-EBITDA stood at approximately 3.2x on a trailing 12-month basis and approximately 2.4x for operating assets excluding the capital deployed towards growth. Our effective interest rate is at 7.8%, approximately 300 basis points lower than that at the time of our IPO.

Our credit rating remains A+ (stable), both by ICRA and CARE, unchanged since our last upgrade during the financial year of 2026.

We remain firm on the trajectory outlined last year with the forecast to generate a cumulative cash flow of more than Rs. 3,000 crores (incorrectly mentioned Rs.2000 Crores on the call) over a period of FY2027 - FY2031. This enabled us to fund our committed growth CAPEX while maintaining a strong balance sheet.

However, we have two uncertainties in our business, the external environment and the growth opportunities that may come our way. But as we promised, the balance sheet needs to remain strong irrespective of either the two or both playing out. So, it is critical that the Board has the flexibility to act in time, and therefore we are enabling resolution for a capital raise during this meeting. Although the business actually stands very well capitalized as we speak.

With that, let me hand over the word back to Ashish.

Ashish Jakhanwala: Thanks, Rajat.

So, this operating performance that Rajat just spoke about, which is largely anchored around the 9% same-store RevPAR growth and also around the same level of total revenue growth for the same store assets, has remained within our expected long-term revenue growth forecast of 9%-11%, even with repeated headwinds. This is very reassuring and allows us to focus on the growth ahead. We are excited about the strong growth pipeline we have secured across cities such as Hyderabad, Bangalore, Chennai, Noida and Navi Mumbai, and with marquee brands such as The W, Westin and the Marriott. This will deepen our presence in key office and aviation markets and allow us to benefit from the urbanization trends and opportunities that India offers.

It is also worth understanding how the portfolio mix matters as much as the growth rate. Last financial year, on a same-store basis, our upper upscale and upscale hotels earned almost 4x in revenues what our midscale hotels earned on a per key basis. This is exactly why our portfolio mix matters. Most of the 1,660 rooms across seven new hotels in committed pipeline sit in the upper upscale and upscale segment. Add to that, around 450 rooms that we are rebranding from upper midscale to upscale. And our upscale share of revenue moves from approximately 40%-41% today to approximately 60% by Financial Year 2030.

The recent GST changes make this shift even more valuable since it impacts our midscale rooms far more than the upscale ones. Put simply, every new upscale key we now add brings in more revenue per key and a better margin than the midscale it often replaces or sits alongside.

This gives us an asymmetric growth, a bigger jump in revenue and profit than our room count alone would suggest. However, at the same time, midscale remains valuable for cyclical resilience, as is evident from its RevPAR growth in Quarter 1.

Beyond our core business, we continue to support the experiential Leisure platform through RARE India. The RARE portfolio now stands at 75 hotels with 1,046 rooms across 15 states. It's a curated collection of heritage palaces, wildlife lodges and boutique resorts. RARE is an asset-light model.

RARE owns the platform, not the underlying hotels, and its economics will come from three sources:

- The fee income from the business it generates for its hotel partners.
- Additional incentive fee in select hotels.
- And selective opportunistic investments.

One such being an 8 acres estate in Uttarakhand that we have opportunity to acquire for around Rs. 12 crores. This was a RARE hotel; the owner wanted to dispose of as they were leaving the country. We find such opportunities to be attractive. The entry capital is low relative to the asset potential, and much of the value creation will come from the RARE model itself. So, while RARE and the broader Leisure thesis will use a very small part of capital, we see it having the potential to create a relatively larger value for our shareholders, although it will take some time.

Marginal cost to marginal return ratio seems to be attractive, opportunity is scalable, and the RARE platform gives us a sectoral knowledge and talent pool.

In summary, our expectation from the market is modest, 9%-11%. We have delivered that for several quarters despite headwinds. Our portfolio growth is promising, both in scale and in terms of segments we are growing, allowing us to materially strengthen our core business in urban centers, and we have an opportunity to create totally asymmetrical returns from RARE while remaining nimble on capital allocation.

Thank you for your time today. We will now open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Karan Khanna from Ambit Capital. Please go ahead.

Karan Khanna: Thanks for the opportunity. Two questions from my side, Ashish. Firstly, can you talk a bit more about the Itmenaan Estate acquisition in Binsar, Almora? While the reviews appear quite strong on Booking.com, TripAdvisor, etc., but if I look at the revenue performance for past few years, it has been fairly ordinary. More importantly, with RARE India and now Itmenaan, you have already deployed Rs. 60 crore towards Leisure as a segment and with further expansion at

Itmenaan, it appears Leisure capital allocation will continue growing in your portfolio. Given that context, in your 2030 outlook, how are you thinking of Leisure as a part of your business? If you can also talk a bit more about opportunities within RARE India that you are currently evaluating.

Ashish Jakhanwala: Thank you, Karan. So, in terms of performance, you are absolutely right. The performance of this hotel took a little bit of a hit in the last year and a half, because the owners had moved to Canada. Since they moved out, of course, the hotel was pretty much in a state of being kept operational but not really seeing any active marketing. It also had gotten delisted from RARE for a period of time and will now get relisted. So, what you see as the near-term performance is not reflective of where this hotel needs to be. The Kumaon area, because of RARE, we now get some exceptional data. The Kumaon region now has these small experience-led hotels which drive rates anywhere between Rs. 20,000-Rs. 40,000. And We feel with the combination of RARE and potentially Outdoor Collection by Marriott Bonvoy and the unique asset that Itmenaan itself is, it should reclaim that price positioning, and therefore it will reflect in the financials also. That's part one.

Part two in terms of capital allocation. I think, Karan, it's fair to say that we like the RARE story as asset-light. That's why we invested in it and to that extent, the incremental capital in RARE is negligible. Whatever we had disclosed is where we stop. Actually, the total capital investment in RARE is around Rs. 47 crores. Now with Itmenaan, which is an add-on, it's about Rs. 60 odd crore, right? If you take a four or five-year view, it's hard to put a number, but we like to believe that it will remain to be a relatively small portion of our capital allocation. I think in the zip code of 10%±. But, Karan, what is important is we don't need to be apologetic about capital allocation because we think the value some of these assets will create will be far more than the percentage capital allocation they seek from us. The reason is the underlying thesis that we are now understanding through RARE India, that these hotels have an arbitrage where the amount of capital they require and the level of average room rates they produce are totally disconnected.

If you take a core business hotel, there is a kind of a correlation between segment, cost per square feet and the average room. The hotels we have seen through RARE India, a large part of rate is realized through experiences and distribution. So, even though the capital allocation, Karan, will remain really small, we like to believe, and its early days, that the value it will create for the shareholders will be disproportionate. I think we need to be clear that the amount of capital they will suck up today and in the future may not really pass the zip code of around 10%-12%.

Karan Khanna: Secondly, and lastly, if you look at the RevPAR performance, it appears ARRs were largely flat on a year-over-year basis. There was 2 or 3 percentage point improvement in that, but as for the rest of FY 2027, when you think about growth, how much of that is being penciled in via ARRs and how much of that will be occupancy-led? And also for July, have you seen a sharp recovery in July or are trends similar to what you had seen last quarter?

Ashish Jakhanwala: Two points. One is how do we see FY 2027 growth structured in terms of rate versus occupancy. I think, Karan, in the first six months, you will see occupancy driving the total revenue growth and occupancy continues to remain extremely-extremely robust. If you had asked me five years back, can you underwrite a 79% occupancy for a business hotel portfolio? I myself would have been reluctant, and I am sure you and I had this conversation some time back, right? But today it's easy to underwrite seventies, early eighties occupancy for business hotels. Having said that, don't forget that the domestic share of occupancy has gone from 78%-79% to about 82%, but it comes at a certain cost because my international business always came at a premium of 10%, 15%, 20%, depending on the segment you operate in. As towards H2, we rebalance the domestic versus international, that rate growth has automatically come to our portfolio. That's part one.

Part two, I will give you the answer, but I will also caution that one month is never representative of either a quarter or the balance of the year. July has been quite strong. And I will not want to give specific numbers because we have not done that before as a practice to give. I can assure you that July is trending far ahead of where we ended the previous quarter. Also, we are seeing a growth in rate now, which we had not seen in Quarter 1. The trends that we are seeing are quite encouraging. Karan, I will caution everybody, it's one month of the three months of this quarter, and we still have eight more months to go before we end this year.

Karan Khanna: Sure. That's it. I will come back in the queue for any follow-ups.

Ashish Jakhanwala: Thank you, Karan.

Moderator: Thank you. The next question is from the line of Jinesh Joshi from Prabhudas Lilladher Capital. Please go ahead.

Jinesh Joshi: Sir, my question is on RARE. I think we have mentioned in the presentation that out of 75 hotels, roughly about 40 hotels have agreed to be a part of the Marriott Outdoor Collection program. Now given the parentage, were we expecting the number to be in this trajectory? Also, what could be the reason for not signing to the Marriott program because essentially the hotelier gets the brand right, which helps him boost his occupancy and ARR. So, any specific reason why the sign-ups apparently appear to be slightly lower?

Ashish Jakhanwala: So, Jinesh, actually, the sign-ups are far ahead of our own expectation when we had done the transaction. It's nothing to do about them liking or not. It's about the pace. So, a bunch of reasons will relate to this. One is some of those hotels were on other platforms. We obviously don't want to interrupt existing contracts that any parties may have. So, we are very mindful of that. There is about 10 or 12 hotels which currently are on other platforms, and they will make their own decisions to be on Marriott Bonvoy. And for the balance, I think it's about just getting in touch with the owners, explaining benefit analysis, doing a bit of a property review to understand what wildlife safety measures need to be taken. It's just a time and a process. But, I think in terms of the level of participation, the level of confirmations that we have received is a lot more encouraging than what we had anticipated originally.

Jinesh Joshi: Sure. Sir, just to understand this right, if a hotelier is on a RARE platform, does it imply that he cannot be on any other OTA? Is that understanding correct or?

Ashish Jakhanwala: No. He can be on OTA. Jinesh, OTA of course, is independent. All of our Marriott and Hyatt and IHG hotels are on OTA. Similarly, all RARE hotels, including the ones which will go on Outdoor Collection at their own discretion, can or cannot be on OTAs. There's no restriction to that. When I talk about other platforms, I am talking about platforms like Mr & Mrs Smith which are very similar to Bonvoy. Because of it being a legacy company, there are about 10 or 12 hotels which are on these platforms, and I will reiterate, it's not our intent to ever get between contract of two parties. So, we will allow those owners to take their own calls. We are focusing on the hotels which are currently unaffiliated with similar platforms. OTAs, there is no issue.

Jinesh Joshi: Understood. Sir, one last question from my side, and it pertains to the fundraise. I know this is just an enabling resolution that we have taken. Given the fact that the promoter holding is slightly lower and majority of our inventory addition is back-ended and given the free cash generation that we are seeing, which implies a limited funding need in the near term, any specific reason to go ahead and take this resolution of Rs. 750 crore?

Ashish Jakhanwala: Jinesh, I think like Rajat articulated, there are three or four things we need to be mindful of. Number one is that in starting last year with Operation Sindhoor, IndiGo crisis, Middle East crisis, every quarter we have seen something that would have been termed as unpleasant, would have been termed as unexpected. I think what's very heartening is that SAMHI and largely the hotel industry, and we are not alone, has weathered these storms reasonably well on account of very strong domestic demand. It does give you a sense of alarm about the fact that the world is clearly not normal. That's part one. Part two, interestingly, sometimes when the world is not going right is when you get hit with some opportunities. Not that we see anything right now in the horizon. You put the two together and often companies are motivated to let the financial discipline be diluted. We have that one promise that we will never violate, which is of financial discipline and balance sheet strength. Now as and when such problems or opportunities arise, Jinesh, we just want the Board to be capable to take their decisions in time. And therefore, I would think not just this year, you would see every year we will take an enabling resolution as a practice just to provide a professional Board with financial flexibility to act in time if there is a need. That's really the reason, and I think we should be ready that it is not just this year. We will make sure that the company's Board has the ability to act in time at all times.

Jinesh Joshi: Sure, sir. Thank you so much, all the best.

Ashish Jakhanwala: Thank you, Jinesh.

Moderator: Thank you. The next question is from the line of Vikas Ahuja from Antique Stock Broking. Please go ahead.

Vikas Ahuja: Yes. Hi. Good morning and thank you for taking my question. My first question is, Ashish, if I look at the ADR growth, since we have listed, it's the lowest in last two quarters. We have seen, I think last quarter was flat and this quarter it's close to 2.6-2.7. Compared with the early double-digit growth we were witnessing, is it primarily because of the West Asia disruption and we have more of a Marriott-led inventory? And just to add on, if I look at the occupancy, it's now touching almost 79%. So, is it more of a tactical play like we are just trying to because the travel is little muted, especially in the Southern cities? We are just trying to have lower rate and trying to bump up the occupancy.

Ashish Jakhanwala: Vikas, I think a couple of things. A 79% capacity utilization or occupancy indicates anything but a very strong and resilient demand environment. Okay. I would actually seek comfort in that number, especially for a company like ours, which is today predominantly business hotels. Two, you are absolutely right. The last quarters, the West Asia crisis, which has then led to disruption in international business travel or international inbound travel, is leading to the rate growth being slightly soft. Having said that, I think we have always remained clear that we focus more on total revenue growth because operators will take their own decisions quarter-on-quarter about yielding the assets, sometimes through occupancy, sometimes through rate. And in terms of total revenue growth and remove all the noise and the clutter of new openings and one time, the same store is Holy Grail. The same set of hotels last year versus same set of hotels this year, the total revenue growth was around 9%-9.5%. That remains squarely in the zip code of 9%-11% that we have guided for the long term. I must confess that what we need to deliver our business plan, which is Rs. 3,000 crore of free cash, a lot of growth CAPEX, and the revenue growing 2.5x from where they were last year to where they should be in the next four to five years. From our perspective, the total revenue growth remains pretty much healthy in range that we expect it to. Capacity utilization or occupancies are quite heartening at 79%-80%. Yes, there is a short-term dilution in the average rate because of the inbound but as I said earlier, both when that crisis starts to stabilize, I am not even using the word the crisis gets resolved, because honestly, we have seen the Russia-Ukraine war hasn't resolved. So long as the crisis stabilizes and the world gets used to it and we move into H2, I think you will start seeing some of that growth coming too through rate. As I was responding to Karan's questions earlier, in July, we have already seen that starting to play out. Again, I will repeat my caution that one month is not representative of the balance eight months that have to come. But in July, we have seen the total revenue growth split between half rate and half occupancy.

So, I think, Vikas this quarter-on-quarter revenue management, we should remain focused on two or three things. One is total revenue growth, especially same store, and where the margin profile is heading. I am sure somebody will at some point ask that question, otherwise we will address it, that we also see the margin profile significantly improving. A) because of the GST impact, B) we had some of the new openings last year in the Holiday Inn Express platform. C) of course, the fact that increasing share of upscale will boost our margin because they don't get affected by GST. Those are two or three parameters that we track very closely. Yes, we will keep you updated as we see the rate growth come in H2.

Vikas Ahuja: Sure. That's helpful. Actually, sorry to ask the question again on this fundraising, but I am just trying to understand because I remember in last Analyst Day, we did talk about investment surplus of Rs. 17,000 mn (incorrectly mentioned 1,700 billion on the call). I think at that time the growth guidance was little higher, and it has come down for all the known reasons. But why we are talking about equity-led dilution and not taking an enabling resolution for debt instead. Thank you.

Ashish Jakhanwala: Enabling resolution is for almost everything. I will repeat that it's just an enabling resolution to allow the Board to act in time. Vikas, to answer your question, like Rajat said, we are taking this resolution to respond to what we don't know. If everything goes as per what we think, both on the problems and on the opportunities, then we have a clear path set. I think we need to be prepared to respond to both problems if we continue to see them or opportunities that we don't know about today. But what I think this management is very clear is not we will take a chance on is leading growth or getting into problems without a well-capitalized balance sheet. So, therefore, the Board needs to have that ability, and it needs to have that ability every year so that it can act in a timely fashion.

COVID has taught us one thing. If you are not prepared, you lose. So, we will keep the Board and the company prepared so that it can act in time. You are absolutely right. All the numbers that we have shown to you, they are sum of parts. They are not by forecast. We have not assumed any new acquisitions to lead up from Rs. 1,200 crores to Rs. 3,000 crores. That whole path is available for everybody to see. There is no information asymmetry there. I think we are just preparing ourselves for what we don't know.

Vikas Ahuja: Thanks, Ashish. Wish you luck for the next quarter. Thanks.

Moderator: Thank you. The next question is from the line of Shrinjana Mittal from MS Capital. Please go ahead.

Shrinjana Mittal: Hi. Thanks for the opportunity. Am I audible?

Ashish Jakhanwala: Yes, you are.

Shrinjana Mittal: You mentioned that the rate growth was slower in this quarter. But if I look at segment-wise, I see that upper upscale, the rate growth was slightly softer than mid-scale and what we would usually expect from the segments, right? So, what I am trying to understand is there a pattern that you expect to see that when the overall demand softens, the upper upscale tends to underperform a little bit because there is some sort of downtrading which is happening? That is my question.

Ashish Jakhanwala: So, RevPAR, you would see softer in the upscale. Actually, the raw average room rate was in that zip code of 3.5%-4% for all the segments. There is no disparity. But what you saw is that the mid-scale outperformed the broader upscale because of the RevPAR growth of 13.7%. That led by very healthy occupancy levels. So, if you see, my upper upscale portfolio was at 78.4%, whereas the mid-scale portfolio delivered 81.3% occupancy. Also, what we need to bear in mind is last year, same quarter, the occupancy levels for the upscale was about 74%, but for the mid-scale it was 73.8%. So, year-on-year, that portfolio has made a really good improvement. Actually, I don't recollect if we discussed this in the past, but we did enumerate that for FY 2027 we have two or three opportunities within our portfolio which will remain outside of our dependence on the market. One was, of course, the broader mid-scale, which we felt had an opportunity to perform better, and we are very happy to report that in the 1st Quarter it has delivered as we thought it would. That's why you see it's growing disproportionately. Second, there was a part of our portfolio, which we felt had underperformed in FY 2026, early indications are that part of the portfolio is performing really, really strong. That's why we remain fairly bullish that Quarter 1 is only a start, and the early trends that we are seeing for Quarter 2 and beyond are actually far ahead of what we delivered in Quarter 1.

Shrinjana Mittal: Understood. That's very clear. Just one more question on the GST impact. This quarter, it's little above 2%. So, this is just because of the mix, because the upper upscale mix was little bit lower and mid-scale was higher. Is that a right understanding?

Ashish Jakhanwala: That's right. As you get a little bit of larger number of rooms being sold below 7.5, what happens is your GST impact enlarges in that quarter. Typically Quarter 1, Quarter 2, you see volume-driven growth in any case in the sector, and you will see larger GST impact. From Quarter 3, interestingly, at least on a year-on-year basis, the GST impact kind of equalizes because prior period also will have that. In terms of margin depression, it of course continues, but It will be lesser in H2 than in H1.

Shrinjana Mittal: Right. It would be closer to 2%.

Ashish Jakhanwala: That's right.

Shrinjana Mittal: Yes, understood. Thanks for taking my question, and all the best. Thank you.

Ashish Jakhanwala: Thank you so much.

Moderator: Thank you. The next question is from the line of Vaibhav Muley from Haitong India Securities. Please go ahead.

Vaibhav Muley: Hi. Thank you for taking my question. Congratulations on the good set of numbers, sir. My first question was on our F&B revenue growth for this quarter. While overall room revenue has grown at a pretty decent pace, F&B growth has actually seen a bit of slowdown with around 4% growth year-on-year. I wanted to get a bit more color on why was there a slowdown in F&B, and what are the initiatives that you are taking to boost the F&B growth? That's my first question.

Ashish Jakhanwala: Very good question, Vaibhav. What we have seen as a trend is that international travelers tend to be higher spenders on food and beverage, especially in our upscale segment. We clearly have seen the business mix move from almost 78%-79% domestic to 80%-83% domestic and a large bulk of that, honestly, I am talking about portfolio-wide. This data would be even more stark if we were just to restrict ourselves to upper upscale. Second is we had a renovation in one of our key restaurants in Bangalore, which is now open again. Third, we had some event cancellations on account of the West Asia crisis. Some of them moved to July onwards. Like in Hyatt Regency Pune, we had some events in June, which got moved to July and August. So, combination of these three has led to around a 3.5%-4% F&B growth against the 9%-10%. Actually, the total room growth is 14%. F&B is muted at 3.7%. That's why the blended average comes lower. As the events pick pace, you will see that coming back.

Vaibhav Muley: All right. Second question, sir, on the GIC investment. You mentioned in the morning that you are evaluating a partnership with GIC for some of the new opportunities that SAMHI is missing. Can you highlight a bit more about this in terms of which assets are you looking at that GIC as 10% incremental CAPEX and also if you can highlight if any partnership that you are evaluating for existing assets.

Ashish Jakhanwala: Okay. Second is easier. We are not evaluating any partnership for existing assets at this point of time. As per our GIC agreement, they have the right to participate to the extent of 35% in new upscale opportunities after we sign the joint venture agreement. The only opportunity that we have signed since our GIC JV is really the IKEA, the Ingka opportunity in Noida. We will know in due course of time whether they will come in into that opportunity or not. Other than that, on the prior hotels, clearly there is no discussion at this point of time. For future acquisition opportunities, I will repeat the JV is constructed that we will continue to share 65:35, 65 in favor of SAMHI, 35 in favor of GIC. Also, what is important and pertinent here is that that joint venture is extremely well capitalized. It has the firepower to grow if we see any opportunities come our way. No conversation on existing operating assets.

Vaibhav Muley: Sir, does new opportunity include your dual-branded development in Navi Mumbai and W Hyderabad?

Ashish Jakhanwala: No.

Vaibhav Muley: Are these included?

Ashish Jakhanwala: No. Those are opportunities which were seeded prior to the GIC joint venture. So, both Navi Mumbai and W Hyderabad are currently and proposed to be owned 100% by SAMHI.

Vaibhav Muley: Thank you so much.

Ashish Jakhanwala: Thank you.

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

Prashant Biyani: Yes, thank you for the opportunity. Sir, Hyatt Regency Pune, we are thinking of pre-positioning it as Grand Hyatt. That should happen by when?

Ashish Jakhanwala: Prashant, there was a very early discussion but we are not pursuing that right now. We have already seen a significant change in the performance of that hotel. If you see Slide #27 of the presentation, which has been consistent for last several quarters that was not really part of the plan. It was a discussion we had about 2.5 to 3 years back, since then we have seen the hotel grow fairly rapidly without that incremental CAPEX so we are obviously not going that way.

Prashant Biyani: Sir, secondly, W Hyderabad and Courtyard Pune, in which quarter of FY 2027 can we see opening of these two hotels?

Ashish Jakhanwala: W Hyderabad is kind of very exciting, Prashant. We are gunning for that hotel to be fully operational for the second half of FY 2028. In terms of project progress, we have made progress as scheduled and which would have led to the opening in, let's say, June or so. We have always seen surprises come our way in terms of regulatory approvals and licenses. We would like to be a little cautious and say that we will make sure that that hotel is available for operations in second half of FY28 or Calendar Year 2027. Second was Courtyard Pune. Courtyard Pune, we have started the back-office renovation. We have started doing the MEP renovation. One of the markets which was not impacted significantly by the West Asia crisis was Pune. So, Prashant, we did take a strategic view to not let that inventory go off our books, especially at times when we see that market remaining more resilient to actually some of the other markets we operate in. So, while we are doing the back-end renovation, we have strategically deferred the public area and guest rooms renovations for now, which we now plan to start around April of 2027. Typically, as I said, it will take about five to six months.

Prashant Biyani: Sure. Just similarly for Tribute Portfolio, in FY 2028, it should be starting in second half?

Ashish Jakhanwala: The Courtyard Pune, the W Hyderabad, both of these are now geared for the second half. And same for actually Jaipur. Actually, Jaipur we have received most of the drawings and development. Thankfully for Jaipur, Prashant, it's easier because the period from April onwards does not contribute anything to the revenue and EBITDA. We can actually take the bold call of taking a lot of inventory offline and doing the renovations faster. The same task in Pune is a little bit more difficult because the revenue is spread across all 12 months, so we have to do renovation in parts not to impact anything significantly on our revenue side. So, that's obviously the timelines playing out right now.

Prashant Biyani: Sure, sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Karan Gupta from Asit C Mehta Investment. Please go ahead.

Karan Gupta: Hi. My question on the RARE. In terms of realization or the revenue part, how it is different in terms of asset-light to our upper upscale and upper-middle scale? Is it something we have the asset light, the operation and maintenance part that you are doing through the RARE part? Let's take an example, like Rs. 100 of billing, how much we will get in terms of our revenue? Just trying to understand the current model.

Ashish Jakhanwala: Good question. Within the RARE, there will be two revenue recognition models. Majority of will be just the booking revenues because what's happening is that RARE is entitled to fee or a commission. The first is the fee or the commission income that RARE will get on account of the bookings it channelizes through the distribution. So, that's straight income that comes to RARE. We are seeing some hotels that there is an opportunity to sign what I would call a more extended agreement, in which case we feel that a higher share of revenue will come through to RARE over and above the booking revenue. So, that will mirror more like a pure, for lack of any other word, a franchise where the revenue share of RARE will be actually higher than just the income coming through the booking. We actually see increasing opportunities for that as well, which we had not honestly underwritten. That's really a huge upside for us because it's not just the direct booking income, we also see some of the fee income come through to RARE India in the next few years. Those are the two sorts of income. The hotel revenues don't come to RARE India. That remains with the hotel owner. RARE India will recognize the fee income that it generates from these hotels.

Karan Gupta: Okay. Share from booking revenues.

Ashish Jakhanwala: That's a commission on the booking, basically.

Karan Gupta: Okay. Commission on the booking.

Ashish Jakhanwala: That's right.

Karan Gupta: Okay. The RevPAR, any number you can share?

Ashish Jakhanwala: RevPAR of RARE?

Karan Gupta: Yes.

Ashish Jakhanwala: Okay. RARE obviously is a different model. It's a blend of 75 hotels. I think taking average there would be the most mathematically dishonest thing to disclose because the hotels operate from Rs. 15,000 average rates to Rs. 55,000, Rs. 60,000, Rs. 70,000 average rates. Occupancy levels vary from 25%-75%. As far as RARE is concerned, it's a booking engine. It's a provider of service. Really, RevPAR is important, but more important is how much business can we generate through RARE and through our proposed partnership with Marriott and on that business, RARE gets a commission from the hotel owners, and that is what it recognizes as its own income. That will be recognized more as a fee income. In future, I think we would like to color any RevPAR reporting that we do because of RARE, because honestly, for foreseeable future, our core business remains to be the owned hotels that we have in the Tier-1 business destination. We would like to report RevPAR rate occupancy from that portfolio. Otherwise, I think we will be sending conflicting information to investors. RARE will recognize the commission, and we show that as a fee income.

Karan Gupta: That's right. In future, this kind of asset-light model, we are also exploring more rooms or more hotels in that particular segment or it is just a kind of the experiment that you are doing?

Ashish Jakhanwala: No, I don't think we will call it an experiment. Anywhere where we deploy capital, it's not an experiment because it's been well vetted, well thought through. RARE, when we actually signed the term sheet or when we signed the transaction in March had 66 or 67 hotels. That portfolio is now up to 75 hotels. We continue to see, as we had highlighted during our call on RARE India in March, we continue to see that segment having significant potential to grow in terms of the asset base. Two, we also see that portfolio grow as distribution becomes stronger and we bring more revenue to the owners and obviously RARE India charges a commission. So, it's a business where we think, as I say, the beauty of asset-light is that the marginal income does not come at necessarily every time a marginal cost. We see that as the portfolio grows and the revenue profile of the portfolio grows, the fee income that will accrue to RARE, there is no comparison to the past. It will be substantially different to what it has done in the past period.

Karan Gupta: Okay. Last question on revenue potential or the margin profile if you can share of RARE.

Ashish Jakhanwala: Of?

Karan Gupta: Of RARE only.

Ashish Jakhanwala: Revenue potential we have already given in the March presentation, which we think once stabilized will be about Rs. 100 crore-Rs. 120 crore of top line. We, at this point of time, I think, had highlighted our margin profile around 35% because there is a cost towards Mariott distribution. We continue to operate this at around. I think the EBITDA contribution from this should be about Rs. 35 crore-Rs. 40 crore in the next, I would think, year and a half, two years which is exactly the amount of investment that we are making in this portfolio. This portfolio should do a 100% NOI yield in about two-year period, after that it will start producing returns.

Karan Gupta: Okay. Thank you.

Ashish Jakhanwala: Yes.

Moderator: Thank you. The next question is from the line of Viraj Mahadevia from Moneygrow Asset. Please go ahead.

Viraj Mahadevia: Hi, Ashish. Just to carry-on on the RARE point. Given you mentioned that potentially much higher chargeability points with much lower capital employed. At steady state, do you think the RARE Group could do double the ROCE of your consolidated SAMHI, which is roughly around 10%?

Ashish Jakhanwala: So, Viraj, not double. It should do probably 5x.

Viraj Mahadevia: Okay. Wow.

Ashish Jakhanwala: Again, I will highlight that our current business plan is that, we have invested about Rs. 47 crores of total investment over a period of time. A bunch of that is going into the company. Some of it is going to the existing shareholders. On a stabilized combination of the commissioning sum, combination of the fee income that we have now started seeing opportunities for, which is more than just the commission, should get this portfolio to Rs. 35 to Rs. 40 crores EBITDA. There is no depreciation here, really. It is all funded through internal accruals. Secondly, there is marginal, very little depreciation, no finance cost. The flow through from EBITDA to PBT is pretty much, I would think, 95%. Therefore, the ROCEs on this should be. I don't think we would have done this for just 10 going to 20. Even our mature owned portfolio today is at about 18%-19%. So, an asset-light investment should at least be 2x to 3x, otherwise that distraction is not needed. So, we clearly expect this portfolio to deliver 50%-55% return on capital employed, largely because of how it's constructed.

Viraj Mahadevia: Fantastic. My next question is, Ashish, little bit of a disconnect that I am trying to reconcile. Quarter 1 last year to Quarter 1 this year, revenue has grown by 7%, but EBITDA is actually flat or down by 4%. That is the biggest driver effectively your LBO that you are running within the SAMHI Group, right? Because despite that, your PBT has grown at +25%. What will course-correct our EBITDA and really get it in growth mode over the next few quarters, if you could just give some clarity around that.

Ashish Jakhanwala: This quarter, we tried kind of giving a bridge on Slide #21 (incorrectly mentioned slide#30 on the call), Quarter 1 FY 26, Rs. 9 crore of other income, which really which was not an operating income, which came to us because of the GIC transaction where an instrument got revalued. That is why you see is that entire Rs. 9 crores also got added to the EBITDA of the prior quarter. So, that's one distraction that you are seeing about what Rajat said, reported numbers. That's I think that two important considerations. One is negating the impact of that one-time last quarter.

Second is don't forget on a YoY basis, there is a GST impact of about Rs. 9 crores, which will kind of at least a YoY comparison will get removed from Quarter 3 onward. Interestingly, when you remove the last year one-time revenue recognition, which flew straight to EBITDA, straight to PBT, PAT actually, right. So there is a sequential impact of that. Also, the Rs. 9 crores of GST input tax credit loss. If you were to kind of adjust for that comparable hotel performance only grew at about 11% and EBITDA grew at about 12.5%. Pretty decent performance for that. Quarter 2, you will actually see the elimination of the one-time income in the prior period. It will help our EBITDA growth improve. Quarter 3, the GST gets negated. We will come back to the revenue and EBITDA numbers looking rational. Right now, they look totally irrational.

Viraj Mahadevia: Understood. Just sorry, last question, if I may. If we are targeting a 2.4x, 2.5x net debt-to-EBITDA by year-end, I was just doing some math. It's roughly Rs. 550 odd crores of EBITDA versus Quarter 1 we have done about Rs. 100 crores. We have about Rs. 150 per quarter to go for the next quarters to land at that sort of outcome. Does that sound achievable and reasonable?

Ashish Jakhanwala: No. We didn't say 2.5x by end of FY 2027. We think we will get there by FY 2028, both because of EBITDA. Actually, largely on account of stable net debt and growth in EBITDA, Viraj, to be honest with you.

Viraj Mahadevia: Right. Okay, understood. Thank you. All the best.

Ashish Jakhanwala: Thank you.

Moderator: The next question is from the line of Bharat Gianani from MC Research. Please go ahead.

Bharat Gianani: Yes, sir. Thank you for the opportunity. The first question is on the enabling resolution that we have taken, and you highlighted the comments that we are going to do this every year. So, while it will give you comfort to be prepared for an acquisition, but then it does not really go down from an investment standpoint because the overhang of equity dilution and related impact on the stock price does not go well with the investors if you especially do it every year. And secondly, you also have a platform especially for the upscale hotels for GIC as well. Probably, then if you have the opportunity from the GIC side and then again, you have an enabling resolution, it does not give a very comforting sign to the investor. Just wanted to check on that point and if at all, if you were to utilize the funds, since it is a mix of equity and debt, tentatively what would be the equity and the debt proportion if ever you were to utilize the resolution for growth?

And the second point is that, considering that if we kind of utilize the funds for acquisition obviously that's the business model. But comparatively, acquisitions have become costlier since the hotel owners are demanding a lot of money nowadays. So, how do you think about the return on capital employed in that case? Thanks.

Ashish Jakhanwala: Okay, Bharat. A lot of questions. Let me try and split them and try and answer. First is about the practice and any potential anxiety or overhangs. I think we have checked, and there are quite a few precedences of companies which operate in a capital-intensive business to keep such provisions and flexibility available to its Board members, right? I think to that extent we don't see this as anything negative, but only as I repeat "keep the Board and the company fully prepared to act in time if there is such need", right? That's important, and it's more important for capital-intensive businesses and more important for companies which are headed into a massive CAPEX cycle and for companies operating in sectors which tend to respond fairly quickly to global uncertainties. Put all of that together, and I think people should draw comfort from the fact that the Management and the Board, A) have the ability and B) have the intent to protect balance sheet over everything else. That's part one. Part two, Bharat, I cannot answer about the mix because as I said, this is an enabling resolution. We have not really done any work or met investors or deliberated about all of that. As and when the need arises or the Board deliberates this, only then we can really comment on size, scale, structure.

Three, I think in terms of acquisition opportunities, Bharat, I am not worried because we have always said that we are buying hotels which have an operational distress. An operational distress, I kind of acknowledge that tends to be less in up cycles than in down cycles. But nevertheless, we have been able to find opportunities in at peak of the cycle at some of our most attractive markets like Bangalore Whitefield or Hyderabad City or Heart of Noida. If you see in the last three years, the sort of opportunities that we have secured for the company, they all follow the theme that we have followed for the last several years and yet at a time when one would expect the markets to be really at a peak. We are not worried about continuing to see opportunities where our efforts of renovation, rebranding, and asset management can create an operational turnaround and create value for our shareholders. That's part two of your question, and I think those were the two main questions. Apologies if I missed any, happy to address them.

Bharat Gianani: Okay, sir. Thanks a lot.

Ashish Jakhanwala: Thank you, Bharat.

Moderator: Thank you. The last question for the day will be from the line of Ashish from Leo Capital. Please go ahead.

Ashish: Thank you for taking my question. I have one major question split into two parts. Can you give an update on the status of the Navi Mumbai project? Are there any approvals which are awaited that could derail the project at this point? What were the earlier issues with regards to that project, and are they fully resolved as of now? That's the first part.

Ashish Jakhanwala: Yes, sure. No issues on Navi Mumbai. All the issues that we had reported, I think two years back, are fully resolved. There are absolutely no issues. The project is moving in three directions at this point of time. The first direction is statutory approvals, which are moving quite well. We expect to receive the first set in the next few months or so. The second is design development. I think in the next quarter, we will be able to present a substantial part of that as well. The third part is really talking to construction firms about the construction technology, because this being a large project, we need to be well-prepared about deploying technologies that can help us expedite delivering this very large project. So, on all three fronts, we are making really good progress, and I will assure everybody that there are no "concerns" or issues with approvals or authorities at this point of time.

Ashish: Could you give a sense on the timeline for the completion of this project? By when do you expect the capital investments for this project to begin?

Ashish Jakhanwala: Ashish, we were originally planning to be on-site, hit the ground by end of this fiscal year. Let's assume to be on the safe side, 1st April 2027 is when we hit the ground. Honestly, I would give ourselves between three years to four years to deliver this hotel, given the size and the scale. That's really the timeline that we see for ourselves, really, and in line with what we have indicated to all of you. We remain on time right now. Indications are that we should be hitting the ground by 1st April. I will repeat, unlike many other projects, given the size and scale of this project, the development approach needs to be very different, more scientific. Prep time will be longer, but it will help us really shorten the time on-site, which is when majority of the capital is deployed. Third point, which is really important, Ashish, is even though the project will need a large pool of capital, through FY 2028 it will be much lesser because that's going to be largely towards the RCC structure. The main part of capital investment in this project will start in FY 2029, FY 2030, which is when we head into finishing and engineering installations. Through FY 2028, the investment in this project will remain rather small. Therefore, it matches with our current cash flow statements.

Ashish: Thank you, sir, and best of luck.

Ashish Jakhanwala: Thank you so much, Ashish.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day. Now I hand over the conference to Mr. Ashish Jakhanwala for closing comments.

Ashish Jakhanwala: Thank you everyone for your patience and belief in SAMHI. I will reiterate the fact that in spite of what one would consider a very uncertain external environment, both SAMHI and the sector we operate in remain fairly resilient. That resilience gives us the confidence to keep pursuing the growth that we have invested in. With that, we remain fairly excited about the fact that SAMHI is destined to at least multiply its revenue by 2.5x, which is the path we have given of going from Rs. 1,200 crores to Rs. 3,000 crores. With that, I would like to thank you all and talk to you again soon.

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