

LEELA PALACES HOTELS & RESORTS LIMITED

(formerly known as Schloss Bangalore Limited)

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Date: October 22, 2026

To	To
Sr. General Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400001 Scrip Code- 544408 ISIN - INE0AQ201015	Sr. General Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 Symbol- THELEELA ISIN - INE0AQ201015

Sub: Transcript of the Analysts / Institutional Call

Dear Sir/ Madam,

In continuation to our letter dated October 8, 2026, and pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Leela Palaces Hotels & Resorts Limited Q2'FY27 Earnings Conference Call held on October 14, 2026.

The above information will also be available on the website of the Company at www.theleela.com/investors.

We request you to kindly take the above on record.

Thanking you,

For Leela Palaces Hotels & Resorts Limited
(formerly known as Schloss Bangalore Limited)

JYOTI

MAHESHWARI

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MAHESHWARI
Date: 2026.10.22 18:30:07
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Jyoti Maheshwari
Company Secretary and Compliance Officer
Membership No.: A24469

Encl.: as Above



THE LEELA

PALACES HOTELS RESORTS

Leela Palaces Hotels & Resorts Limited

Q2 FY27 Earnings Conference Call

October 14, 2026

MANAGEMENT:

MR. ANURAAG BHATNAGAR, WHOLE TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER

MR. RAVI SHANKAR, HEAD - ASSET MANAGEMENT AND CHIEF FINANCIAL OFFICER

**MR. ABHISHEK AGARWAL, SENIOR VICE PRESIDENT – FINANCIAL PLANNING & ANALYSIS
AND INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 FY27 Earnings Call of Leela Palaces Hotels & Resorts Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand over the conference call to Mr. Abhishek Agarwal, Senior Vice President, FP&A and Investor Relations at The Leela Palaces Hotels & Resorts Limited. Thank you, and over to you, sir.

Abhishek Agarwal: Thank you, operator. Good evening, everyone. Welcome to the earnings call of Leela Palaces Hotels & Resorts Limited for the quarter and half year ended 30th September 2026. We have published our quarterly results and investor presentation on the stock exchanges earlier today. The same is also available on our Investor Relations website, www.theleela.com/investors.

Before we start, a disclaimer. We would like to inform you that the management may make certain comments on this call that one could deem forward-looking statement. Specifically, the financial guidance and proforma information that we will provide on the call are management estimates based on certain assumptions and have not been subjected to any audit, review, or examination procedures. The company does not guarantee these statements and is not obliged to update them at any time. Participants are cautioned not to place undue reliance on these forward-looking statements.

Joining me today are Mr. Anuraag Bhatnagar, Whole-Time Director and CEO; and Mr. Ravi Shankar, Head of Asset Management and CFO. I will now hand over the call to Mr. Bhatnagar. Over to you, Anuraag.

Anuraag Bhatnagar: Thank you, Abhishek. Good evening everyone, and thank you for joining us. Q2 FY27 was another quarter of exceptional performance for The Leela. More importantly, it reinforced what we believe is the core of our story. Luxury demand in India is broadening and deepening, supply remains constrained, and the value in this market accrues to the brands with the most iconic assets and the strongest guest franchise.

We delivered 30% RevPAR growth, 33% growth in operating revenue, and 36% growth in operating EBITDA; a second consecutive quarter of 35% plus EBITDA growth. The momentum we built earlier in the year has carried through, while we continue to gain market share and sustain industry-leading guest satisfaction.

For the first half as a whole, operating revenue grew 30% and operating EBITDA grew 38%, with margin expanding by 246 basis points. Overall, we have delivered significantly ahead of our guidance in H1; and as we enter H2, which is the stronger season for the hospitality sector. Rather than walk through the quarter line by line, I would like to focus on what is driving this performance, why we believe it is durable and sustainable, and how we are positioning The Leela for its next phase of growth?

The operating environment during the quarter was particularly favorable. Demand was strong across corporate travel, leisure, celebrations, and events. Domestic demand continued to

demonstrate robust growth, and international demand also returned in strength. This diversity of demand is an important source of resilience for our business. Premiumization was also broad-based across customer segments, clearly highlighted by higher sales of suites and premium room categories, where the suite occupancy rose by over 700 basis points.

India is increasingly the venue of choice for global summits and marquee events, and that plays directly to our strengths. During the BRICS Summit period, The Leela Palace New Delhi recorded exceptional operating performance, as our iconic location and premium positioning allowed us to capture compression demand at premium rates and further strengthened our market leadership. We see India's growing events and MICE calendar as a structural tailwind for rates, and we have a strong line-up of events in New Delhi and Bangalore in the second half.

On pricing power and market leadership, our Net Promoter Score for the first half stood at an industry-leading 87, about 13 points ahead of the luxury hospitality average for the Asia-Pacific region. This consistency is what sustains guest loyalty, repeat visitation, and our ability to price ahead of the market.

Alongside The Leela's ranking as the world's second-best hotel brand in the Travel + Leisure World's Best Awards 2026, three of our palaces; New Delhi, Jaipur, and Chennai were awarded MICHELIN Keys for the second consecutive year, with New Delhi and Jaipur each holding two MICHELIN Keys.

Our owned domestic hotels, including Coorg, delivered strong RevPAR growth of 30% year-on-year. This growth was led primarily by a 30% ADR growth to 25,046, with the India headline occupancy at 69%, and the same-store occupancy rising to over 70%.

Achieving this on an already elevated base demonstrates the durability of our pricing power. The quality of this growth matters as much as its scale. Even excluding Coorg, which was not part of our portfolio last year, our hotels delivered a similar RevPAR trajectory. Domestic revenue at our owned hotels grew by more than 30%.

Occupancy is also becoming structurally stronger across our city hotels and resorts, with no trade-off against ADR growth. Our city hotels reached record occupancy at 74% for the first half against 69% last year. Resort occupancy on a same-store basis rose to nearly 60%. Alongside a strong weekday corporate base, our city palaces are witnessing increased occupancy over weekends, as affluent Indian travelers choose staycations close to home.

Our resorts in parallel are becoming all-season destinations. The Leela Palace Jaipur, for example, has traditionally been a winter season property, but it is now drawing strong demand through the summer and monsoon months, taking its H1 occupancy well above 60%.

Events are a common thread across both corporate MICE, underpins weekday business in our cities, while weddings and social celebrations bring demand to our cities and resorts throughout the year. We still have meaningful occupancy headroom across the portfolio, which gives us the ability to grow volumes alongside rate.

While the India luxury hospitality market delivered a healthy 13% RevPAR growth over April to August 2026, Leela once again outperformed with 17% RevPAR growth. This was driven by our superior luxury positioning, strong pricing power, and continued market gains across key destinations.

As a result, our RevPAR index expanded to 1.46x from 1.41x, reflecting a RevPAR premium of approximately 4,500 over the luxury market. A defining feature of The Leela business model is the diversity of our revenue streams. More than half of our revenue, 52% for the first half, comes from beyond rooms, spanning F&B, management fees, club revenues, wellness, transport, and retail. This adds resilience to our earnings.

F&B continued to deliver with 21% revenue growth, reflecting sustained traction across restaurants, bars, banqueting, and experiential dining offerings. We have launched eight F&B venues over the past year.

As a case study, Azulian House, our newest F&B outlet delivering a botanical dining experience, was launched in May '26. Early performance has exceeded expectations, with more than 90% of the covers coming from non-resident guests, which validates our strategy of creating differentiated luxury experiences and creating a funnel for the core ecosystem through the non-room businesses as well.

As our managed properties portfolio continued to ramp up, management fees continued to grow and steadily increase the asset-light share of our earnings. Active asset management remains the key value-creation lever for us.

Our objective is simple, make every part of our iconic assets work harder for our guests and for our shareholders. The Leela Palace Bengaluru illustrates this well. The hotel has been ranked number one by RGI index in its peer set over the last four years, delivered a RevPAR CAGR of approximately 16% between FY23 and FY26, and is running at a 1.5x RGI index this year.

We converted an idle parking area into the Maharaja Ballroom for MICE, turned unutilized space into ZLB23, and launched Azulian House in Q1. Together, these initiatives have unlocked new demand segments, strengthened non-room revenues, and enhanced overall asset productivity.

The next wave of value drivers is well underway. Arq By The Leela in New Delhi is operational, and the Arq Chennai is scheduled to open this quarter. Development is advancing well on the Aujasya wellness facility in Bengaluru, and on renewable energy initiatives in Chennai and Coorg. These projects will deepen customer engagement, unlock incremental revenue from our existing assets, and lower our fixed costs.

Our development pipeline remains a significant driver of future growth, and we continue to scout for opportunities across both owned and managed assets, both greenfield and brownfield. We remain on track for our FY27 openings. The Leela Jaisalmer, a luxury desert resort and spa, and The Leela Luxury Residences in Mumbai that marks a new business vertical for us, are both in pre-opening phase with teams on board.

At The Leela Coorg Forest Sanctuary, our 71-key owned resort rebranded on 8th of July, the guest response has been very encouraging, with market-leading ADR, excellent guest satisfaction scores, and strong reviews across all digital platforms. We made steady progress across all pipeline projects during the quarter.

Construction continues to advance across Srinagar, Bandhavgarh, Sikkim, Ayodhya, Agra, Ranthambore, Tadoba, and BKC Mumbai, and we now have more than 1,000 keys under development across marquee destinations. As we continue to expand our portfolio, talent development remains a strategic priority.

We continue to deepen our partnerships with leading global educational and training institutions to build a future-ready talent pipeline. The Leela Centre of Excellence has already delivered over 4,800 man-hours of training and engaged more than 280 participants since launch. We were also recognized amongst the Top 100 of India's Best Workplaces for Women 2026 in the large category by Great Place to Work.

To summarize, Q2 FY27 was another quarter of strong execution, and the first half as a whole shows that our growth is sustained rather than episodic. Our brand continues to strengthen, our development pipeline is progressing well, and several new growth platforms are beginning to scale.

With that, I will hand over to Ravi to discuss the financial performance in greater detail.

Ravi Shankar:

Thank you, Anuraag. Good evening, everyone. Let me take you through our financial performance for the quarter and half year ended 30th September 2026. In quarter 2 FY27, operating revenue increased by 33% year-on-year to INR 4,119 million, with every revenue stream growing by more than 20%.

Room revenue grew 39% to INR 2,041 million, driven by the ADR and occupancy gain and contribution from the Coorg. F&B revenue grew 21% to INR1,456 million. Management fees grew 76% to INR 289 million, and other operation services revenue, which includes wellness, retail, club membership, and transport, grew 25% to INR 333 million.

Operating EBITDA increased 36% to INR 1,877 million. This translates into an operating EBITDA margin of 46%, a 118-basis point improvement over the previous year, supported by operating leverage, pricing discipline, and a continued focus on cost efficiency. Profit after tax for the quarter increased 27% year-on-year to INR 946 million, supported by a strong operating performance across the business.

In terms of H1 FY27, it was a very strong delivery with operating revenue growing 30%, operating EBITDA by 38%. PAT also grew by 72% to INR 1,433 million. We continue to make progress in driving direct bookings. For H1 FY27, the contribution to The Leela brand website to room revenue rose to 15.1% from 10.5% last year, and from 5.5% 2 years ago.

This reduces our dependency on the higher cost third-party channels and improved distribution economics while enhancing guest engagement. In terms of finance cost, it was broadly stable to INR 384 million for the quarter.

For the first half, finance costs fell 37% to INR 777 million, reflecting the debt reduction through the IPO. Depreciation increased 24% to INR 336 million on account of the addition of Coorg and our investment in value drivers.

Our share of loss from joint ventures is primarily attributable to our 25% stake in the Dubai Palm Jumeirah hotel and has improved versus the last quarter. The asset is operating at high occupancy through local staycations, though ADRs are lagging given lower international tourism demand. We continue to monitor the on-ground situation, and our plans and timeline for the asset have not changed.

Tax expense was lower at INR 158 million following the recognition of deferred tax asset for Coorg. Pursuant to this, the tax rate for H1 was 16% of the PBT, prior to accounting for the share of profit from joint ventures. We anticipate an effective tax rate to be in 20s in FY27.

Our balance sheet remains exceptionally strong and growth-ready. Net debt stood at INR 12,150 million as of September 2026, and our net debt to LTM EBITDA improved to 1.4x from 1.6x in March 2026, and from 3.7x in March 2025, even as we continue to invest in our pipeline assets.

Our debt has a long-dated maturity profile for more than 10 years, and our AA-stable credit rating underscores our financial strength. This gives us ample capacity to pursue attractive growth opportunities while maintaining balance sheet discipline.

Additionally, our borrowing costs have reduced by a further 30 basis points from mid-October, as we have actively renegotiated with our lenders, which provides a shield from potential transmission of policy rate hikes.

For the Mumbai BKC project, we would like to update that the lease deed in respect of the land was executed in September 2026 with MMRDA. To recap, the mixed-use project is planned as a 250-key Leela Palace Hotel and a 700k square feet office with Leela and Brookfield owning 50% share each in the JV. To progress further and get the benefit of an existing government scheme, we will now look to buy the entire FSI required for the project.

Since this is a material transaction with a related party, with the JV entity, Leela will shortly reach out to the shareholders for an approval of investment. Our long-term plan remains the same as it was previously. We intend to eventually divest our stake in our office portion and keep our 50% stake in the hotel, subject to regulatory, shareholders, and other approvals.

To summarize, with momentum sustained across the first half, a diversified revenue base, a strong balance sheet, and expanding pipeline, we remain confident in our ability to drive industry-leading growth. On behalf of the management team, I would like to thank our associates, guests, partners, and investors for their continued support. Yes, operator, we can start the Q&A session now.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and Gentlemen, we will wait for a moment while the

question queue assembles. The first question is from the line of Karan Khanna from Ambit Capital. Please go ahead.

Karan Khanna:

Hi, team. Thanks for taking my questions, and congrats on yet another quarter of RevPAR outperformance. My first question to you, Anuraag, in a recent podcast with Anant at Brij, you spoke about how a lot more needs to be done towards the Incredible India campaign, and without this, recovery on the FIT front looks difficult. Given this, how should one think about sustainability of the RevPAR outperformance that you've witnessed over the past few quarters? And at what point would you like to prioritize occupancies over ARR growth?

And as a follow-up, in the same podcast, you spoke about the GCC boom and what that could eventually mean for branded residences. So, how are you thinking about this opportunity beyond Mumbai in markets such as Bangalore, Chennai, and perhaps even Hyderabad?

Anuraag Bhatnagar:

Thank you, Karan, for these questions. Firstly, let me just take the question in terms of our sustainability of our RevPAR and ADR. And let me just remind everyone that, look, Leela's properties are iconic, and they are located in very key, supply-constrained markets, and the brand offers a very highly regarded quality of service. Our Net Promoter Score has risen even further to 87. It has been hovering between 86 to 87 for H1. And that, to itself, gives us the ability to exercise our pricing power.

Secondly, if you look at our growth today, if you look at this quarter as well, it has been very broad-based across all segments, whether it's leisure, or corporate, or MICE, or retail, or brand.com. All segments have grown high double-digits when it comes to our rate and RevPAR. Premiumization is the third strength of the company. Our ability and propensity of the consumers to pay continues to increase.

If you look at our portfolio, our suite occupancy has risen by over 700 basis points. That shows you how our guests are willing to pay for experience and quality. And then, if you talk about the compression events that happen every year, every year there's a major event happening, and Leela is the best positioned and the best-poised to take advantage of this compression. If you go back to G20 in FY24, India Energy Week in FY25, and the AI Impact Summit in FY26, all of them attracted premium travel to the country and to New Delhi and Bangalore.

We expect that these kind of opportunities will keep coming year-on-year, especially because of Bharat Mandapam and Yashobhoomi. It is not an exceptional or an outlier kind of an uptick. It is a structural advantage that we have created in our ecosystem, where we can sustain this kind of ADR and RevPAR growth quarter-on-quarter and year-on-year.

International business has also started slowly trickling in. In the last quarter, there was a low double-digit growth in terms of international business (even excluding BRICS). We eventually believe that we would again go back to our 50-50 kind of a mix of international to India. All of this gives us a runway to continue growing on our ADR and RevPAR in the future quarters and the balance years as well.

Now coming to your question on Dubai. On Dubai and the GCC market, whilst of course, we all understand what's going on in the geopolitical world, and the situation is very hard for anyone

to comment and predict upon, what we have seen in the asset that we own as 25%, we have seen the occupancy returning, whilst the ADRs have fully not come in.

The hotel was operationally breakeven even in Q2, and the on-the-ground situation has not got fully resolved, but there was an improvement in occupancy, and the ADR level was low because international demand is not there.

When it comes to the residences, the business plan that we have submitted, and the guidance that we have given, it seems very much on track. We have seen the demand on the Dubai residences remains intact. If you look at the numbers, in the last few months, there have been more than 260 or 270 high-value residential transactions in the Palm Jumeirah.

That's a great iconic location, and in our business plan, we have factored in a two to three-year year for the sale of residences, and there has been no change in that business plan. While the Dubai recent situation has dragged the transaction volumes, it has not reduced the values.

Karan Khanna: Sure. Dubai was actually one of my other questions, but thanks for this. On the Leela Residences in Mumbai, what's the outlook here in terms of branded residences? Generally, when you think about markets like Bangalore, Chennai, Hyderabad, are these markets also under consideration for potentially entering the branded residences space as well? That was the other question that I had.

Anuraag Bhatnagar: So, the Leela Mumbai Residences are very much on track. We have the opening teams in place. The asset is ready for show-rounds. We already have a funnel of queries to open the asset in the fourth quarter of this financial year. We are going ahead for seeking the last-mile approvals in terms of OC, and we should look at having our first set of residents in the last quarter of this financial year. That's going to be really a new line of business for us.

And yes, with the success of Leela Luxury Residences in Mumbai, we definitely believe that this model can be scaled up in other high-value destinations like Gurgaon, NCR, Hyderabad, and Bangalore. These are the cities that have the propensity, with the kind of demographics that they have, and the GCC and the other international businesses being set up there, to consume this kind of a differentiated product.

Karan Khanna: Sure. And a last question for Ravi. You spoke about BKC, given that the lease premiums have been paid to the authority. Is there a chance that the hotel could actually get commissioned before CY30, or you think that the CY30 number is still on track?

Ravi Shankar: We have paid the land premium and what I had spoken in the script was that we are looking for shareholders' approval for getting incremental fund infusion for buying the FSI. But we are on track in terms of the design, in terms of the pre-construction work; and CY30 timelines are realistic, Karan.

Karan Khanna: Sure, great. Thank you. I'll come back in the queue for any follow-ups. Thank you and all the best.

Ravi Shankar: Thank you.

- Anuraag Bhatnagar:** Thank you, Karan.
- Moderator:** Thank you. The next question is from the line of Dipak Saha from Ashika Institutional Equities. Please go ahead.
- Dipak Saha:** Hi. Thanks for the opportunity. Congratulations on a great set of numbers again. A couple of questions. First on the management fees side. As in opening remarks also, Ravi sir highlighted that the share is going up almost from 5% of revenue to 7%. Trying to understand that trajectory sustains in terms of higher mix from management fees?
- And in terms of EBITDA contribution from management fees, is it fair to assume that if it is 7% in terms of revenue, then in terms of EBITDA, it would be early double-digit to mid double-digit kind of a number? Just this first part of the question.
- Ravi Shankar:** Thanks, Dipak, for the question. The HMA fees grew 76% Y-o-Y to 289 million in quarter two FY27. The growth is in line with the growth in quarter four FY26 and quarter one FY27. Growth is led by the ramp-up of the managed properties, including higher fees in some of the contracts linked to performance and past key money investment. While quarter-to-quarter growth rates may vary, we remain confident about the trajectory of the fee income given the expanding management portfolio, upcoming openings in India and internationally.
- Dipak Saha:** And on the EBITDA contribution from management fee side, so will it be, is that to say, double the revenue?
- Ravi Shankar:** So, yes, for a new managed opening, if you get a management fees, it flows down to 85% to 90% into the EBITDA.
- Dipak Saha:** Got it. Second question is on the staff cost side. Sequentially, there is some movement. If you can just throw some color on the break-up of the staff cost, anything one-off or anything that you would like to highlight?
- Ravi Shankar:** Yes. From this quarter onwards, we also expensed the ESOP cost into the payroll. Also, we had some additional headcounts we added to take care of the value drivers that we had started operating the Arq clubs, Azulian House. Because there was an increase in the headcounts, the payroll cost increased including the ESOP expense. If we exclude all that, we will be around 10% to 11% for H1.
- Dipak Saha:** Okay. Then if you just exclude that ESOP cost, then it would be, still EBITDA growth would be 40% plus kind of a number excluding the ESOP cost?
- Ravi Shankar:** Excluding the ESOP cost, the EBITDA margin will be even better. The flow-through, excluding ESOP and excluding Coorg because Coorg is also stabilizing and it's not giving the EBITDA numbers as Jaipur and Udaipur, flow-through would be around 60% for the quarter.
- Dipak Saha:** Okay. Fine. Got it. That's all for now. Thank you.
- Moderator:** Thank you. The next question is from the line of Binay Singh from Morgan Stanley. Please go ahead.

- Binay Singh:** Hi, team. Thanks for the opportunity. Congratulations on a good set of numbers. My first...
- Anuraag Bhatnagar:** Hi, Binay. Sorry, can you just increase the volume? We can't hear you.
- Binay Singh:** Hi, team. I hope this is better.
- Anuraag Bhatnagar:** Yes.
- Binay Singh:** My question is on Q3 and H2. Could you share some outlook on how Q3 is trending? Also, earlier we talked about mid-to-high teens EBITDA growth for FY27. We've had a very strong H1, almost 38% growth. Are we looking to revise the guidance, any thoughts on that? Thanks.
- Anuraag Bhatnagar:** Binay, I think we are trending very well and very strongly on both Q3 and the fourth quarter of the year. This is typically H2 of the year, as we know, is almost 65-odd percent of the total business of the year comes in H2. This is also the quarter where more international conferencing, international leisure would typically come in. It is also the quarters of celebrations and high-profile destination weddings.
- This year, because of the global situation, we expect that the internal domestic business will also continue to grow, especially on the leisure and destination side. So we expect a very strong closing for the year and we definitely stay true on the guidance, that yes, H1 has been far stronger than the guidance and we expect the trends to continue but definitely mid-to-high teens (EBITDA) for the balance of the year is something that we are anchored towards.
- Binay Singh:** Thanks. And secondly, just on the earlier question on the ESOP cost, that contribution for the quarter would be around INR 8 crores or so? Will that be a fair estimate, somewhere in the range of INR 6 crores to INR 8 crores?
- Ravi Shankar:** It'll be a little lower than that, Binay, but we don't give exact numbers.
- Binay Singh:** Okay, team. And lastly, just outside of Delhi, because it would have been a stellar quarter for Delhi, how did our other markets like Bangalore and Chennai did in the city hotels?
- Anuraag Bhatnagar:** All our hotels, Binay, have done extremely well. As I mentioned earlier in my opening commentary, that has been very broad-based. Our city hotels, if you look at divide between city and resorts, our city hotels RevPAR has grown by 26% in H1FY27. And our resorts have grown by 18%. At an individual asset level, Bangalore, Chennai, Jaipur, Udaipur, all of them have done high double-digit growth.
- The BRICS impact was only restricted to Delhi, I would say. The other hotels have also grown very high structurally. If you look at our FITs, our FITs have grown 20% in terms of revenue year-on-year, and overall, the growth has been high double-digit across our hotels.
- Binay Singh:** Great. Great. Thanks, team.
- Moderator:** Thank you. Next question is from the line of Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar: Hi. Good evening. Congrats for great results. I have a few questions. Firstly, the presentation mentioned that acquisition and asset management opportunities are being evaluated given the FY30 EBITDA aspiration of INR 2,000 crores odd. Do you have an internal target for total keys for FY30 and mix of managed and owned based on versus what we have currently?

Anuraag Bhatnagar: Our goal currently, we are already contracted, and at various, including our openings that we are at various stages of development, at over 5,200 keys by FY30, and which will include 2,600 or so keys, which will be under our ownership. If you see, it's almost a 50-50 split between our ownership and managed keys.

But these are the keys that we're already committed to, and like I mentioned, we have 10 new openings in eight new locations across multiple segments, including the new verticals of luxury residences and clubs. Now this is where we are today, but at the same time, we are evaluating several opportunities both on the asset-right side as well as possibly acquisitions, or brownfield acquisitions, which will be bolting-on to all what we already have.

Prateek Kumar: Sure. Another question is on, again, harping on the cost. RevPAR and revenue growth is 30% to 33%. Last quarter particularly, Q1, we saw like 400 bps margin expansion. I know you mentioned about Coorg-related cost curve and the ESOP cost, which has impacted that flow-through. Possible to quantify, additionally quantify, impact on cost, line by line?

Ravi Shankar: Prateek, I'll tell you the main two reason where the cost went up was on the payroll that I explained, which was related to higher new headcount for the value drivers, plus the ESOP expense. Other than that reason was Coorg, which is under ramp-up, while the revenue gets added to the base, it does not contribute meaningful to the EBITDA yet.

Further, as I spoke, we started recording ESOP expenses from this quarter, which is a part of employee expense, and so you see the spike in the payroll cost. If you adjust these just two impacts, our flow-through will be close to 60, which is industry-leading flow-through to margins. We remain focused on improving the operating margin and maximizing profitability.

Prateek Kumar: Sure. Thank you. Question is on, you talked about buying out FSI for Mumbai project. So there have been like some changes versus when the project was announced, and then midway we again changed, and now again we are changing in terms of the way we are moving forward with this project. So INR 800 crores capex, is there any review on that capex number for that project from your side?

Ravi Shankar: There is no change in the overall capex cost as of now. The INR 800 crores of our committed capex remains the same; INR 400 crores of equity and INR 400 crores of debt. So that remains the same. Only right now, what we had actually communicated to the street that this is a mixed-use project with 250 rooms Leela Palace and 700k square feet of office space. We are 50%-50% owners with Brookfield. So our funding as of now is 50%-50%.

But we'll go to the shareholders when we want to divest our office stake and get into the 50% stake in the hotel, because that's our expertise, and we wanted to be in the hotel space, and not to have a drag on the balance sheet. But since we are 50%-50% owners, obviously we'll contribute in buying the FSI with our share.

- Prateek Kumar:** But doesn't that take your total capex commitment to over INR 800 crores in this project from the Leela's side?
- Ravi Shankar:** It will take, because as of now, we are 50%-50% owners for the entire project, Prateek. This will be trued up when the demerger proposal goes to the shareholders and gets approval.
- Prateek Kumar:** Sure. I'll take it offline. Thank you. That's it from my side.
- Moderator:** Thank you. Next question is from the line of Vikas Ahuja from Antique Stock Broking Limited. Please go ahead.
- Vikas Ahuja:** Yeah. Hi. Thank you for the opportunity and congrats on reporting such a strong ADR growth. My first question is, how is Q3 outlook looking against the tough base? Last year Q3, RevPAR was 20%, ADR was almost 18%. Looking at maybe Q3 bookings and pricing, especially for November and December, any color around that would be great.
- And second, I'm just taking a shot at this question. I'm not sure if it's possible. But out of this 30% ADR growth which we have reported, how much of it has come from BRICS and other events, and how much is more like-to-like? What it would have been without the event, especially for the city, which reported almost 36% in Q2? Thank you.
- Anuraag Bhatnagar:** Yeah. thank you. I think I'll take the second part of the question first before I come to Q3. Look, BRICS is a great event that increased the demand across all hotels in the city of New Delhi. And Leela, as a market leader, we have always been able to exercise our highest pricing power and really yield high on these compression events and have a larger share and optimize on this kind of demand. So, it did have an impact overall on the New Delhi asset.
- But even if I take the BRICS impact out, which was only on one particular asset, the overall growth for the portfolio would have been in high-teens on ADR. So, please understand, Leela is poised for ADR leadership and exercising pricing power, the location of our assets, the iconic nature, the supply constraint where our hotels operate, the quality of service and experience that we provide, our world-beating NPS scores, the value of the brand. All of these are tailwinds to keep help us grow the ADR.
- Plus, the revival, slow, albeit, but still a revival of the international market also presents an opportunity for us to keep growing ADR year-on-year, quarter-on-quarter. And see, events like BRICS, there will be some spike event in some quarter every year. That is something that I can tell you with a lot of assurance. Even if you look at the calendars of our global quality convention places in Bharat Mandapam and Yashobhoomi, and if you look at historically, every year there has been one big spike event.
- Now, coming back to the third quarter, we are ahead on pace. There are major events that are happening. As we speak right now, there's a global Bloomberg convention happening in our hotel right now, which is probably in the public domain and in the media. The festive season demand is growing.

We see a lot of pick up happening around the long festive weekends that are there in the months of October and November. So we are very much on track for double-digit growth in terms of RevPAR in Q3 as well.

Vikas Ahuja: Sure, sir. This is helpful. Sir, one last quick question. On this corporate rate negotiation for CY27, which is underway, any early colors if you can provide? That would be all. Thank you.

Anuraag Bhatnagar: So, every year we have been going in and actually circling up with almost a mid-to-high double-digit growth in terms of our corporate rate plan. The second shift that we started doing a couple of years back, we pivoted almost 60% to 70% of our static rates on corporate to dynamic rates. And we also over-index on the GDS bookings directly to ensure that we got the maximum booking through these channels at the highest yield on cost.

So we are pitching for mid-to-high double-digit growth rates in terms of our ask rates, but the negotiations are on. As you know, the RFP season starts in the month of July, which started a couple of months back this year and will continue towards the end of this year, but one can definitely expect a mid-to-high double-digit growth in terms of corporate pricing as well.

Vikas Ahuja: Thank you.

Moderator: Thank you. Ladies & Gentlemen, in order to ensure that the management is able to address questions from all the participants in the conference, kindly limit your questions to two per participant. If you have a follow-up question, please re-join the queue. We will take our next question from the line of Murtuza from Kotak Securities. Please go ahead.

Murtuza: Hi. Thank you, sir, for taking my questions. Two questions. One on Coorg, what would be the revenue contribution for Coorg during the quarter? It appears like, since Coorg is still in the ramp-up phase, you don't have a significant EBITDA. But if you could give us a number on that EBITDA contribution also.

And on BKC, you talked about looking to divest the office stake, which is a plan that you've laid out. But is there any consideration in mind for that or it's just too early stage a project, is there any consideration for that 50% stake or it would just be the premium paid for the lease deed?

Anuraag Bhatnagar: I'll talk about Coorg and then Ravi can chime in for the BKC project. Look, as far as Coorg is concerned, the ADR has doubled over what it used to operate when it was not branded as The Leela. We branded the asset towards the middle of July. It's been just less than 85 days since we branded the asset as The Leela. It has delivered a very strong improvement in operating performance with ADR doubling versus pre-acquisition period. The guest experience and integration with the sales channels, loyalty ecosystem and revenue management has been completed.

If you look at the asset, look at the reviews and the experiences, it is literally a 10-on-10 and 5-on-5 on every digital and every global kind of review system. We are very confident that whilst the ADR positioning has already happened, we can really focus on growing volumes through occupancy as well. And the property, as I think we mentioned last time also, has broken even in

terms at an EBITDA level and we are focused on stabilizing the asset and then thereby further with our enhanced distribution.

We have rolled out our various streams of wellness now. We just launched our wellness itineraries just a couple of weeks back and I'm sure in the coming quarters they will really play out the three-day, five-day, seven-day wellness itineraries, not just for the domestic market but also a very large European wellness-centric market. A combination of experiences, wellness, forest rituals and the forest sanctuary experiences, we are very confident of the performance in terms of occupancy of Coorg also ramping up. And on the BKC, Ravi?

Ravi Shankar: What was your exact question, Murtuza, on BKC? Just repeat once more.

Murtuza: You talked about the divestment of 50% office stake. Now, while that plan has been previously told, is there any consideration that would come through on that divestment or it would just be the premium paid?

Ravi Shankar: That's too early, Murtuza, right now. It is an arm's-length, basically going to the board and also the audit committee. Once that gets finalized, obviously we'll come back to you on this answer.

Murtuza: Sure. All right. Thank you.

Moderator: Thank you. Next question is from the line of Karan Kamdar from Choice Institutional Equities. Please go ahead.

Karan Kamdar: Congrats, sir, on a very good set of numbers, especially on the ARR side. That is exactly where my question is also. Where do you expect this ADRs to end at for the full year? Given that these have been rising on quite a high base, do you see any demand shortfall coming in because of high ARR?

Anuraag Bhatnagar: If I just talk about more of a macro environment, and I was traveling recently, and I think all of us have experienced that, even what we call as high ARR and ADRs in India are significantly lower than anywhere else anywhere in the even in the nearby markets. If you look at Bali, you look at Dubai, even forget Dubai now, not at the current state, but take Dubai when it was like a stable market or Singapore or Thailand.

I don't think anywhere in India, on the luxury side, given the asset qualities that we have, the size of our rooms, the real estate that we deploy, and most important, the service that we provide, we are anywhere, have come close to plateauing or reaching a ceiling when it comes to average daily rates.

I really believe that we have a very strong runway to grow, keep growing on the average daily side. It's just that let's put it this way, that we've become more mindful now in terms of how to price ourselves, and we have just started. I would like to even be optimistic to the extent of saying that the next two decades are there in terms of growth for us, in terms of both value creation in terms of average rate.

And coming to the demand, look, India is significantly underserved when it comes to international inbound. Even today, our inbound has still not reached the pre-COVID levels. Today, there are much smaller countries, rather cities, which have two times the inbound on the leisure side than just India as a country. There's a lot of work happening there, and this is again a demand side which has not been optimized at all.

There's a lot of focus that is happening both at the government level as well as asset and the company level, where there's a lot of focus in terms of creating this kind of a demand. And the domestic market is so strong in India. We have grown, we have been growing almost 20% to 30%, if you see. Last quarter, we grew 30% on the domestic market. The domestic market has got the propensity to travel and pay for these experiences, so we don't see that demand tipping off anytime in the near future.

Karan Kamdar: Got it, sir. On the Dubai side, we posted a better loss, for a lack of a better word, this quarter. When do we see breakeven coming in, and how long do we, what is the timeline for that?

Ravi Shankar: Dubai, as a property, is doing a breakeven on the EBITDA. Even they did breakeven EBITDA in Q1, and there was positive EBITDA in this quarter. Only the interest and depreciation is a drag on their PAT, and that's impacting our share of PAT also because of 25% ownership. Obviously, the performance is improving quarter-by-quarter. We see the occupancy ramping up and the rate also improving in the next two quarters.

Karan Kamdar: Can you put a number on the EBITDA for the Dubai JV?

Ravi Shankar: Look, Dubai JV, Dubai is being managed right now by third-party operator, so we don't want to actually spell out the EBITDA generated by a third-party operator right now.

Karan Kamdar: Okay. Fine. Thank you, sir.

Ravi Shankar: Yeah.

Karan Kamdar: Sorry, please go ahead.

Ravi Shankar: I said this hotel is being operated by third-party operator. Early next year, we will get the handover of the hotel, take 12 months for renovation, and once we brand the hotel, then we'll have full visibility on the EBITDA and the other numbers, which we can communicate.

Karan Kamdar: Got it. So, '28 would be non-operational, right? Is that a correct understanding and takeaway for the Dubai property, as it goes under renovation?

Anuraag Bhatnagar: We are looking at taking the hotel under renovation in early '27, I would say probably early FY28, to be precise, like April or so is when we to start the renovating hotel, and finish the renovation within a year.

Karan Kamdar: Got it. Thank you so much, sir. Thank you.

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

Vaibhav Muley:

Hi, Anuraag sir and Ravi sir. Congratulations on a phenomenal set of numbers for Q2. My first question was on our execution capability. We have seen a disproportionate benefit coming in from Leela Delhi because of BRICS Summit. We have generated a very strong pre-, during, and after-summit demand for Delhi. What has been done differently compared to some of the other players which are operating an asset in the same vicinity?

And secondly, similarly on the resort side, you mentioned that Jaipur has been operating above 60% occupancy in a leaner period of H1, and given Jaipur is a very cyclical market, occupancy is trending towards higher levels even in a lean period. What different are we doing compared to the rest of the players in such market? Can you share some light on that?

Anuraag Bhatnagar:

Sure. Absolutely, this is a great question. Let me first say that. The Leela Palace New Delhi, along with other very eminent players in that particular luxury market, all of the hotels had the opportunity during the recent BRICS Summit, but we were extremely well-poised, and we exercised our revenue management and asset management capabilities, and our strength of our relationships, the location and the nature and the quality of our assets, and the investments that we have made on food and beverage, experiences, and programming, to be able to secure four smaller heads of state delegations rather than large delegations, or one single large delegation.

What it allowed us to do was to have outstanding market share and outsized, more than fair share in terms of, and market leadership in terms of rate when it comes to just this particular delegation. Without giving you specifics, I can tell you we were significantly higher than every other brand that operates in the same micro-market in terms of the yielding from this one particular BRICS event, and that has been a trend across the board, across all the events that have happened.

Coming to resorts, there have been a lot of exclusive offers, summer special offers, and we were the first, in many ways, to roll out our all-inclusive offers, which is backed by experiences and programming and elements of wellness, so that when a family and a multigenerational travellers, they visit our resorts, they get to experience the entire ecosystem of luxury that we have created.

There was a lot of focus on weekend business in our city hotels and growing our revenue through staycations in our city hotels, and if you notice, in Q2, our weekend revenues have grown by over 20%. We have also put in some dollars in terms of investment into the markets which are international source markets for us through Expedia and other third-party OTAs, where they have a very strong presence, to capture when the international business revival has started happening.

So, combination of all of this, plus focus on upselling, plus focus on premiumization, as I mentioned earlier, has enabled Leela to really grow rates and occupancies both in city hotels as well as the resorts, and not being dependent on one spike event.

Vaibhav Muley:

Understood, sir. Just a small follow-up on our resorts. We have already surpassed 60% occupancy for Jaipur in H1. So, what will be the stabilized occupancy you expect for '27, and going forward as well, what is the target occupancy for overall resorts portfolio? And second question on...

Anuraag Bhatnagar:

Please carry on.

- Vaibhav Muley:** Second question on our overall project timelines. We have two owned assets coming up in CY27 and three assets in CY28. So, can you share the exact quarter in which these assets are likely to become operational, and is there any risk of any delays in the operational? That's all.
- Ravi Shankar:** In terms of the resort occupancy, our resorts are operating, including Coorg, is in mid-50s, and we expect that will go to closer to 60, and there's a runway for all our resorts to go to late 60s in the next few years because of the programming, and in terms of the packages and guest experience that we deliver at our resorts. That's in terms of the resort occupancy.
- The other two hotels that we are looking to open this year, end of this year is Jaisalmer and The Leela Residences. So, we are on track of opening this hotel later this year or earlier next year, in FY27, these two hotels will open.
- Vaibhav Muley:** From CY27 perspective, sir, on the owned timelines, owned portfolio?
- Anuraag Bhatnagar:** Sorry, we didn't get that. Can you please repeat that?
- Vaibhav Muley:** Sir, I was asking regarding our own projects, mainly the Ranthambore, Ayodhya?
- Anuraag Bhatnagar:** I'll give you a timeline calendar from now. As I mentioned earlier, Jaisalmer and The Leela Luxury Residences, we are opening in this financial year, sorry, Jaisalmer and The Leela Luxury Residences. I would say Srinagar and Bandhavgarh would open towards the end of calendar year '27.
- We are in advanced stages, with mock-up rooms and the civil work is progressing on fast track, and in Bandhavgarh, the villa construction is advancing steadily and structural work is going on schedule. And then in '28, is a very big year, where we have almost four openings in that particular year, including Agra, Ayodhya, Ranthambore, and Sikkim.
- In Agra, the entire piling work has been completed, excavation has been completed, and shell and core is about to start. Ayodhya has already advanced to the shell and core stage. Sikkim, the main block and the villas civil works have been completed and are underway right now for the balance wellness wing and the villa wing.
- Ranthambore, right now, if you recollect, it's a 400-year-old fortress, and so whilst we have to preserve that asset, so we are doing the fort wall stabilization work, which is happening. And on Tadoba, which is opening towards CY30, the survey work is in progress, and the appointment of architects and consultants and design development is already underway.
- Vaibhav Muley:** Perfect, sir. This is very helpful. All the best for the next quarter.
- Moderator:** Thank you. Next question is from the line of Achal Kumar from HSBC. Please go ahead.
- Achal Kumar:** Yeah. Hi. Thanks for taking my question. First of all, Anuraag, going back to the question around the second half, and I guess you mentioned that you're still tracking high-teen growth, and that implies only about 8% to 10% EBITDA growth in the second half. So I mean, is it because of the high base, or what are you expecting, what are you building in second half to make you

believe that you're still tracking only high-teen growth? Can you please elaborate on that, and give us a bit of a color in terms of what exactly you need to sort of surpass that guidance?

Anuraag Bhatnagar: High teens is for H2. The number that I'm talking about is high teens growth is specifically for H2, okay? We had given guidance of double-digit RevPAR growth and mid-teens EBITDA growth in FY27. In H1, as you know, we have already significantly overachieved relative to that run rate.

But we maintain our guided run rate for H2, where the base is also high. You're right, the base is also high, because last year we had a great H2 as well. But on that base, we are looking at a high teens growth this year as well. Obviously, this implies that we will have a much better FY27 than what we had initially guided.

Achal Kumar: Right. Your original guidance was mid-teen growth in FY27 EBITDA, and that should be significantly higher than that, right?

Anuraag Bhatnagar: That's right.

Achal Kumar: Okay. Perfect. That makes sense. Now second question about your comments about the 700 bps increase in your suite occupancy. Can you please clarify as in which market is it? Is it across India? How much is contributed by Delhi, and what kind of demand drove this occupancy? Was it domestic travelers, or inbound international tourism? What kind of, if you give a bit of a color in terms of that? I just want to understand whether domestic people are really spending a lot, or is it more inbound, and which markets is it? Thanks.

Anuraag Bhatnagar: This is across all our owned assets, and across all markets. This is not necessarily located, only defined by international business. This is across all markets. Leela has always been the preferred address and the preferred hotels for stay for all kinds of heads of states, global CEOs coming to India. Even if you look at our city hotels, our city hotel suite occupancy is almost running into mid-40s today. It is not only dependent on any one spike event or any one major event.

What has really helped is, like I said, the customer mindset has changed. We have been able to strategically yield and also ensure that we are capturing the whole suite experience, where there's an airport arrival, there's a butler attached to you throughout your stay with a Palace Service Associate, there is personalization of amenities, there is a wellness program. There is a market which is growing, which is growing every quarter in the country, which is willing to pay a premium to have these kind of experiences.

Achal Kumar: Right. And when you say 700 bps increase in occupancy, so what kind of occupancy now you're achieving in this suite business?

Anuraag Bhatnagar: I would say mid-40s.

Achal Kumar: Mid-40s. Okay. Fine. Last question...

Anuraag Bhatnagar: This is paid occupancy. Now, of course, for the highest tier of loyalty guests and all of that, we obviously are committed to give them as a part of their experience an upgrade, so I'm not taking

that into account. If you take the blended occupancy, it is almost late 60s, but I'm talking about the ones who deliberately choose and pay and stay at a suite in mid-40s.

Achal Kumar: Okay. Perfect. And then the last question I have. You just said that you are sort of getting—

Moderator: I'm so sorry to interrupt, Mr. Kumar. May I request you to join back the queue, please? We have other participants waiting for their turn.

Achal Kumar: I have only one question, if you allow.

Moderator: Please go ahead. Thank you.

Achal Kumar: Yeah, sorry. Yeah. So, Anuraag, you just said that you're getting ready for all the international business which is returning, and you are sort of trying to enter all these markets. Any particular markets you think you are still missing and you want to enter in those markets?

Say, for example, Goa, it is very heavy international tourism market. So, which are the markets where you think you're still missing and you want to be in there, those markets? And what are the plans? Do you have any plans?

Anuraag Bhatnagar: As in where we should have assets and hotels, is that the question?

Achal Kumar: Exactly.

Anuraag Bhatnagar: No. So...

Achal Kumar: Especially for the international business.

Anuraag Bhatnagar: Absolutely. You're right. Since we're already present in major Indian cities, all the business cities, but we would definitely, at the right time, for the right asset quality and the right agreement, with the right returns, we would want to be present also in Kolkata and Pune at the right time.

On the resort side, we are coming up in all the major destinations, but we would definitely want to be there in Goa, and plus look at other emerging destinations, which we believe have a very high experiential futuristic destination potential.

Achal Kumar: Okay. Perfect. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, we request you to kindly restrict yourself to one question only. Next question is from the line of Akash Gupta from Nomura. Please go ahead.

Akash Gupta: Hi. Thank you for taking my question, and congrats on a great set of numbers. On our own hotel portfolio, so, I wanted to understand, does Leela do its own capex, in the sense that are we doing our own hotels? Or are we actually giving it to some contractor and he's doing everything? In which case, how are we doing the quality control and how much say we have on the planning side? So, that's my one question.

- Anuraag Bhatnagar:** So, Leela, we have built a very strong development ecosystem, both at the corporate level and at the site level. So, we have our own technical services, which includes our in-house architects, designers, project execution, cost consultants, and quality controllers. But at the same time, we work with top-tier firms, both on the costing side, on the quality assurance side, as well as MEP and other consultants, the top-tier guys.
- So, the capex which is under deployment, in most cases, we are doing it ourselves. For example, in Srinagar, it's being done end-to-end by The Leela team, wherein in Bandhavgarh and Ranthambore, it's being executed by our JV partner, but on Leela quality controls, Leela brand standards, with all the touch points and all the control points residing within Leela, where we are makers as well as checkers of the whole process.
- As far as Dubai is concerned, Dubai will be done through the Brookfield ecosystem, again on Leela brand standards, which are very, very important for us, even in such agreements and contracts, to ensure that the sanctity and the quality of the asset, of the built quality, is aesthetically as per Leela design standards.
- Akash Gupta:** Understood. And if I may, just one question...
- Moderator:** I'm so sorry to interrupt, Mr. Gupta. One question at a time, please.
- Akash Gupta:** Okay. Understood. Thank you.
- Moderator:** Thank you. We will take our next question from the line of Sourabh Gilda from JM Financial. Please go ahead.
- Sourabh Gilda:** Yeah. Am I audible?
- Moderator:** You are audible.
- Sourabh Gilda:** Yeah. Hi. Thanks for the opportunity, and congratulations on a great set of numbers. I just have two small questions. First is, if you can highlight the pending capex for the own pipeline that you have laid out which will get commissioned over next 2 years?
- Ravi Shankar:** So, I'll tell you the capex for our five contracted pipelines, is Agra, Srinagar, Ayodhya, Ranthambore, Bandhavgarh is around INR1,432 crores. We have spent around INR150 crores. By the end of this year, we will be spending around INR450 crores. Next year, we are looking at spending around INR600 crores, and subsequent to that, the balance capex.
- Sourabh Gilda:** Okay. Got it. Clear. And lastly, on the F&B part, if you can break down how much was the growth in F&B driven by the MICE segment?
- Ravi Shankar:** So, if I tell you about the outlet, the outlet revenue mix was around 56%, and the banquet mix was around 44%.
- Sourabh Gilda:** Sorry, I missed the last part.

Ravi Shankar: Outlet generated around 56%, and banquet, which is generally related to groups and MICE, was around 44%.

Sourabh Gilda: Okay. Great. Thank you. Those were my questions.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, we will take that as the last question for today. The Investor Relations team at Leela remains available for any more clarification. I now hand it back to the management for closing comments.

Abhishek Agarwal: Thank you, operator. Thank you, everyone. We can now close the call.

Moderator: Thank you very much. On behalf of Leela Palaces Hotels & Resorts Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.