



19th February, 2026

To,
Department of Corporate Services
BSE Limited
P.J. Towers, Dalal Street,
Mumbai-400 001.
Scrip Code: 544443

To,
Listing Department
The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Bandra Kurla Complex,
Bandra (East), Mumbai-400 051
Scrip Code: TRAVELFOOD

Dear Sir/Madam,

Sub: Earning Call Transcript – Q3 FY2025-26 Results

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the earnings/conference call hosted by the Company on February 13, 2026, post declaration of Un-audited Financial Results (Standalone and Consolidated) for the quarter ended December 31, 2025.

The above information is also being uploaded on the website of the Company-
www.travelfoodservices.com.

This is for your information and records.

Thanking you,

Yours truly,
For Travel Food Services Limited

Neeta Arvind Singh
Company Secretary and Compliance Officer

Encl.: as above

Travel Food Services Limited

(Formerly: Travel Food Services Private Limited)

Registered Office: Block-A, South Wing, 1st Floor, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai-400018

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CIN : L55209MH2007PLC176045



“Travel Food Services Limited
Q3 FY '26 Earnings Conference Call”

February 13, 2026



MANAGEMENT: **MR. VARUN KAPUR – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – TRAVEL FOOD
SERVICES LIMITED**
**MR. VIKAS VINOD KAPOOR – WHOLE-TIME
DIRECTOR AND CHIEF FINANCIAL OFFICER – TRAVEL
FOOD SERVICES LIMITED**
**MS. CHHAVI AGARWAL – INVESTOR RELATIONS –
TRAVEL FOOD SERVICES LIMITED**

MODERATOR: **MR. ASHUTOSH JOYTIRADITYA – ICICI SECURITIES
LIMITED**



Moderator: Ladies and gentlemen, good day and welcome to the Travel Food Services Limited Q3 FY '26 Earnings Conference Call, hosted by ICICI Securities. 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 the conference call, please signal an operator by pressing * then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashutosh Joytiraditya. Thank you and over to you, sir.

Ashutosh Joytiraditya: Thank you, Huda. Hello and good afternoon everyone present on the call. I, on behalf of ICICI Securities, welcome you on Travel Food Services Limited Q3 FY '26 earnings call. I now hand the call over to Miss Chhavi Agarwal from Travel Food Services for further remarks. Thank you.

Chhavi Agarwal: Thank you, Ashutosh, and good afternoon, everyone. Welcome and thank you for joining us on the Travel Food Services Limited earnings conference call for the third quarter ended December 31, 2025. I have with me Mr. Varun Kapur, Managing Director and CEO, and Mr. Vikas Vinod Kapoor, Whole-time Director and CFO of TFS.

We will start the call with management presenting their perspective on the company's operational and financial performance during the quarter. Post that, we will open the forum for the question and answer session.

Before we proceed, here is a disclaimer to the call. A few statements by the company's management in the call can be forward-looking in nature and we request you to refer to the disclaimer in the earnings presentation for further details.

Now, I would like to hand over the call to Mr. Varun Kapur for opening remarks. Thank you.

Varun Kapur: Thanks, Chhavi. Good afternoon, ladies and gentlemen, and thank you for joining us for today's earnings call. We appreciate your continued interest in our company and its long-term growth journey. We hope you had the opportunity to go through our Q3 results and the presentation that was released yesterday, as well.

Starting off, I am pleased to share that Q3 was an excellent quarter for the company, characterized by strong financial performance. We delivered robust sales growth with system-wide sales increasing by 28.1% year-on-year to INR8.75 billion. This impressive growth was primarily driven by successful mobilization of more than 50 units over the last 12 months. Driven by strong sales momentum, as well as our efforts on cost efficiency, we have achieved a 35.3% year-on-year increase in our adjusted PAT in the quarter, showcasing the continued strength of our business model and our market leadership.

Moving to passenger traffic trends, the third quarter is seasonally the strongest period of the year, driven by festive and holiday travel demand. In line with this trend, the quarter began with



a visible rebound in passenger traffic during October and November, following the softness observed as we had all seen in the preceding quarter, due to aircraft maintenance-related issues.

This positive trajectory was briefly disrupted at the start of December due to airline-related operational challenges arising from the implementation of the FDTL regulations. These were the crew rest regulations which temporarily led to flight restrictions for the country's largest airline. This resulted in short-term moderation in passenger volumes. However, the impact was short-lived. Underlying demand fundamentals remain robust and traffic trends in recent weeks indicated an immediate passenger volume recovery. For TFS operated airports, passenger traffic increased by 1.6% year-on-year in Q3, reflecting an improvement compared to the nearly 1% year-on-year decline seen in Q2.

A point of note that during the temporary disruption in December, we ensured uninterrupted food service to affected passengers through proactive planning and operational action on the ground. Our centralized operations framework, supply chain efficiencies, master-concession structure across airports, and the scale of our operations proved highly supportive to the airport clients and passengers during this challenging period.

We had real-time monitoring of flight cancellations and delays, followed dynamic stock planning along with closely monitoring the manpower redeployment across lounges and travel QSR outlets. This helped us meet the unpredictable food and beverage requirements for the airports during those days, thereby allowing us to maintain service continuity despite heightened congestion and operational complexity.

While the business continues to be highly agile to tackle such challenging situations, our growth has been continuing at a robust pace with our system-wide footprint now expanded to over 530 travel QSR outlets and lounges, with the addition of about 30 units during the quarter. This continued expansion further strengthens our market leadership position in the travel F&B segment.

Our brand portfolio now spans 140 brands with 15 new brands added over the past year, including famous celebrity-led brands such as Gordon Ramsay Street Burger and Street Pizza, currently launched at Delhi and Mumbai airports, as well as internationally acclaimed brands like Nando's, enhancing both the depth and premium positioning of our offerings.

During the quarter, we operationalized 14 travel QSR outlets at Terminal 2 of Delhi Airport, offering a curated mix of regional and international cuisines. Additionally, we commenced operations at Navi Mumbai International Airport through our joint venture, further increasing our presence to 19 airports. These milestones significantly strengthen our footprint across India's two largest aviation markets, Delhi and Mumbai, reinforcing our strategic position in high-traffic, high-growth hubs.

I would like to highlight, as reiterated in earlier calls as well, that we remain strongly focused on leveraging technology to drive business growth. Through our EATS platform, we have enabled direct bank-to-lounge access as an integrated service. This marks an important step in our evolution of becoming a tech-enabled, scalable travel hospitality company.



Further, as spoken about in the previous quarter, we continue to focus on revenue optimization initiatives and targeted promotions aimed at increasing throughput and premiumizing our offerings. For example, we launched premium sleeping pods at the Bengaluru International Airport lounge, with this wellness offering designed to elevate passenger comfort while creating an incremental experience-led revenue stream within our lounge portfolio.

In addition, we introduced innovative and engaging customer-centric initiatives such as signature filter coffee and automated cocktail dispensers, enhancing the passenger experience through differentiated offerings. These initiatives not only drive higher passenger engagement as well as spend per pax but also reinforce our position as a premium and innovative travel QSR player.

Turning to our international growth strategy, we are actively pursuing lounge opportunities across the Asia-Pacific and Middle East markets, where we see significant long-term potential. We have already established a presence in Malaysia and Hong Kong, demonstrating our ability to successfully enter and operate in competitive international markets. Most recently, we opened our second Kyra Lounge at Hong Kong International Airport, marking an important step in our continued global expansion journey and reaffirming our ability to build strong relationships with airport operators and other clients as a preferred partner of choice.

We commenced operations at the domestic terminal of Cochin International Airport on schedule, with additional outlets expected to be launched through the year. We also secured the contract to operate 33 travel QSR units at Terminal 1 of the Delhi Airport for 11 years, which included extensions for existing outlets being operated there. With this win, we have further strengthened our presence across all three terminals at the Delhi Airport. In addition to this, we are excited to be close to launching new outlets at the greenfield terminals at Noida Airport and through our JV at Guwahati Airport as well, further contributing to a robust committed pipeline in the period ahead.

Therefore, before concluding, I would like to mention that our focus remains firmly on sustaining our strong growth trajectory and continuing our financial outperformance. This momentum is expected to be driven by disciplined execution across our existing business, continued operational excellence, and the successful mobilization of our recent wins.

So thank you, ladies and gentlemen. Now, I will request our CFO, Vikas to walk you through the financial performance of the company in more detail.

Vikas Kapoor:

Thank you, Varun, and good afternoon, everyone. As highlighted in our earlier calls, I would like to reiterate that our JV entity, Semolina Kitchens, was part of our consolidated financials for the first half and part of Q3 of FY '25 and was subsequently deconsolidated, as planned effective October 14, 2024. Accordingly, to ensure a like-for-like comparison and consistency in performance evaluation, the third quarter and first nine-month numbers have been adjusted to exclude the contribution of Semolina Kitchens. The details of these adjustments have been shared in the presentation.



The third quarter is seasonally strong for the business and the scale up of recent business wins is also reflected in our financial performance. During the quarter, system-wide sales reached INR8.75 billion, registering a 28% year-on-year increase. Like-for-like sales growth stood at 12.5% at TFS managed airports on a system-wide basis, supported by strong execution across both domestic and international markets. Net contract gains increased by 13.5% year-on-year, driven by mobilization of the new sites.

Moving to the consolidated numbers, consolidated sales reached INR4.56 billion, representing a year-on-year growth of 18.3%. Like-for-like sales growth for the quarter was 7.1%, while net contract gains increased by 12.3%, supported by operationalization of new business. In terms of profitability, gross profit margins expanded to 83.9% compared to 82.1% in the same period last year.

This margin expansion was supported by efficient procurement practices, lower cost inflation, and value unlock of our lounge aggregation business, which together contributed to the improvement in gross profitability. We have continued to manage our employee cost efficiently. During the quarter, we assessed the impact of the new labour code on employee cost and have taken a one-time charge, which is not material. In spite of this small one-off impact, employee cost as a percentage of sales were maintained at 15%, which is similar to Q3 of the previous year. This is because scale-up of operations across key airports which enabled better manpower utilization. We continue to maintain strong operating profitability, with an EBITDA margin of nearly 40% during the quarter.

Our consolidated PAT increased to INR1.37 billion in Q3 FY '26 compared to INR1.1 billion in the same period last year, reflecting a 35.3% year-on-year growth on an adjusted basis. This improvement was driven by disciplined execution, effective cost management, and increasing share of profit from joint ventures.

On a sequential basis, consolidated sales increased by 28.2% supported by strong passenger growth of approximately 14% in Q3 compared to the previous quarter. This momentum translated into a 40% increase in profit after tax on a quarter-on-quarter basis. While this is seasonally a strong quarter, the improvement in earnings quality also reflects enhanced operating leverage, disciplined cost management, and the benefits of scale across our expanding network.

Turning to the nine-month performance, system-wide sales reached INR23.2 billion, registering a 24.5% year-on-year growth. Like-for-like sales stood at 12.2% while net contract gains were 10.2% year-on-year. This translated into a strong profitability growth with consolidated PAT increasing by 24% year-on-year on an adjusted basis during the first nine months. Our balance sheet remains strong with zero debt and a cash balance of nearly INR8 billion, enhancing our financial flexibility to pursue new growth opportunities.

With that, I will close the opening remarks and hand it back to the operator to open it for Q&A.

Moderator:

Thank you very much. We will now begin the question and answer session. The first question is from the line of Nacem Patel from Bastion Research. Please go ahead.



Naeem Patel: Hi. Thank you for this opportunity and congratulations on a very good set of numbers. My questions were around working capital side. If I look at trade payables, they were around INR330 to 340 crores in FY '25 as well as in H1 FY '26. So I'm puzzled to understand that who do we owe these trade payables to and what is the right way to look at it, considering that we are in a QSR business? So if you could throw some colour on that, would be helpful.

Vikas Kapoor: Hi. This is Vikas here. I'll take this question. So our trade payables are to our normal vendors. Yes, we are a QSR player and we pay our vendors on a timely basis, but a part of our trade payables is also for capex and some of the projects that we currently are underway, in terms of building capacity across our network. So from that perspective, these are regular trade payables that we have in our books of accounts. Another important point is, a part of our trade payables is also reflective of our lounge aggregation business, which we do for some of the long-tail lounges and that is getting reflected in-terms of the payables as well.

Naeem Patel: Got it. And considering, like we have opened a new lounge in Cochin Airport as well. Like you have mentioned in the past that it would take 12 to 18 months for a typical lounge to mature. Considering this is already an operational airport, how long would it take for us to stabilize this lounge?

Varun Kapur: So, yes, Varun here. In terms of a running airport while it's there, part of the thing we will be doing, mobilization of that lounge and upgradation of that lounge in a phased manner. So I think question you have is versus a greenfield, while a running airport has those numbers coming through, but in terms of capacity you would be seeing some upgradation happening there. No doubt, over a period of time the performance and the ability to generate additional revenue once that phasing is complete, say over the next 12 to 14 months, it would have a kicker tied into it.

Naeem Patel: Understood. That's all from my side. Thank you and best of luck.

Moderator: Thank you. The next question is from the line of Aachal Pal from Monarch Network. Please go ahead.

Aachal Pal: Thank you for the opportunity and congratulations on a good set of numbers. So sir, my first question is, in the current LFL growth, how much growth is coming from volumes and how much is from value?

Vikas Kapoor: I'll take this question. So in terms of, as Varun had mentioned earlier, the PAX growth has roughly been in the range of 1.6% for the quarter as well as for the nine-month period across our system-wide sales. But what we do as a standard approach and an operating leverage that we have across our network, we focus on revenue enhancement activities, improving the ATV and the penetration levels, so that the realizations at airports improve.

Further to this, what we have also seen is that some of our international markets have performed strong LFL growth mainly because of an uptick in their traffic and improvement in their realizations as well.

Varun Kapur: Yes, I think I'll add to what Vikas said as well. I think to a particular point, so LFLs, you would have seen our system-wide numbers about 12.5%. You know, passenger traffic at the same time



has been in the quarter about 1.5%. So the delta of about 11. Our price normally is largely in line with the increases with inflation. So you would assume a decent proportion of that would be driven, portion by price, but a decent amount driven by revenue enhancement objectives, which is what I was mentioning as well, in my introduction.

Aachal Pal: Okay. So my second question is, could you share the current bidding pipeline and how many airports are under evaluation over the next two to three years?

Varun Kapur: So in terms of the way we look at opportunities in airports, the way we work as well, opportunities come up not only for master concession but also come up in sections for airport. Like for example, certain airports have terminals, sometimes there's an opportunity for a certain set of units. So for example, if you look at our wins, which I was talking about, we recently won at Delhi Terminal 2, which we had mobilized. And similarly, Cochin Airport was one where we started mobilizing, so that's still in the pipeline.

In addition to that we have Delhi T1, a recent tender which includes some existing outlets but as well as new outlets in Delhi Terminal 1. We have also, Noida, we have new Guwahati Airport coming in which will be under a JV, there we'll be mobilizing units. And aside from that, opportunities not only in India, we'll be looking at opportunities even outside of India for which we had set up joint ventures as well.

So the pipeline, both in India and internationally, as these opportunities come, one, there's a lot of mobilization already in the pipeline, as well as obviously new tenders as and when come up, we are quite active in looking at these.

Aachal Pal: Okay. So sir, like could you number it like till by FY '28 how many airports we will be present, if I see currently, we are at 19 airports? So if you want to number it?

Varun Kapur: So what we can probably say, so while we do look at the universe, because our way is that we would not compromise our return metrics. So, we do take part in opportunities. Aviation as you know is a fast-growing sector and obviously the infrastructure that's happening on all fronts is quite impressive there, in terms of the growth. So the opportunities are quite a few. We are obviously the market leader, so we will be present, one would see as in the past, in considerable number of those. But I'd like to call it probably a number may not be there but the universe what we generally look at is, airports that are over you could say roughly that 2 to 3 million mark, is airports that make sense for us from a scale point of view to look at.

So as those opportunities keep coming up. We would look at that universe for expanding into, aside from obviously the international airport opportunities that we did Malaysia, we did Hong Kong, including one this year as well, we opened an additional lounge in Hong Kong Airport. So those opportunities are over and above that.

Aachal Pal: Okay. Got it. So sir, currently we are just focusing on airport or we are planning to expand our highway QSR as well?

Varun Kapur: So that's a good question. So like, answering earlier piece, airports I think, was answering that particular question, but yes, highways very evidently for us is a key growth area. We see



highways as being where airports were probably when we entered the business in 2008. And we see highways being at that stage, significant government investment, private participation happening, even the way nature of highways right now is in the form of expressways, which are access-controlled highways.

You know, with the wayside amenities, these are semi-captive locations, set distances apart, expressways have controlled access. So, they work very well for a player like us, larger investments, scale, multi-brand opportunity. And we do see that as being, now it's not something we'll just jump into and do everything today, but it'll be a phase-wise calibrated approach to ensure we deliver the returns and get the business model right. So we see that being a long-term opportunity because there's a very significant scalable opportunity there in India.

Aachal Pal: Yes. Okay. thank you. That's it from my side.

Moderator: Thank you. The next question is from the line of Dhiraj Mistry from ICICI Securities. Please go ahead.

Dhiraj Mistry: First of all, congratulations on good set of numbers. I have two questions. One is on the new airport which is going to come in our portfolio, the Cochin Airport and Noida Airport, what is the expected timeline, by when we can start building in revenue from those airports, going ahead?

Varun Kapur: Hi. Hi Dheeraj. Thank you for the congrats. So just in terms of those particular airports, it depends actually, so first maybe just an overarching element, it obviously depends on the nature of the airport. So a running airport like Cochin, would obviously the numbers would come-in, because it has a particular capacity there. In the case of Cochin particularly, we have some units already mobilized there and part of the schedule plan there, we will be mobilizing additional units through this year. So you will be seeing that revenue uptick happen as we mobilize those units.

In the case of airports like Noida or even Navi Mumbai, which are generally greenfield airports, those airports ramp up in a phased manner, as the airports open up, as their phases open up, as additional passengers come in, our revenues get tied in. So I think those airports you would potentially see being more meaningful in the next financial year, or the second half of the next year, as those passenger volumes uptick does happen and our stores get mobilized. So I think that's probably the way to look at it in terms of a greenfield versus, an airport that was already running, a brownfield airport.

Dhiraj Mistry: Okay. And just for clarification in this part, in Cochin Airport we have lounge business as well, right?

Varun Kapur: That's right. We operate the lounges in Terminal 1 Domestic Airport and we have currently mobilized those, like I mentioned, I think, to an earlier question, that we will be doing the uplift and upgradation of that in a phased manner, but we are running that lounge currently.

Dhiraj Mistry: Okay. It's currently operational, right?



Varun Kapur: That's right. And our value proposition, with the renovation upgrade, will improve as that kicks in, but yes, we are currently operating it.

Dhiraj Mistry: Got it. And second question is about our share of profit in associate and JV and then minority interest also. So we have seen good amount of, we have already seen somewhere around INR44 crores of share of profit from associate. How should we think of this line item going ahead? Obviously, it's going to increase, but then there is no clarity in terms of what kind of increase we can expect on that kind of a number. Can you give some maths where we can work on this number?

Vikas Kapoor: So Dheeraj, Vikas here. Thanks for that question. So in terms of our JV, basically what is happening in our joint ventures is, as we said that each JV is going through its own phase of expansion and within that expansion, quite a few of the units are materializing faster. So say for example – Mumbai, our airport was an existing running airport in our joint venture Semolina Kitchens and recently we have kick-started operations in Navi Mumbai.

As Varun alluded earlier, Navi Mumbai will grow in phases and as it mobilizes much more, profit pick-up from that will start contributing to the overall pie. Similarly, in Semolina Kitchens, we are expecting the new Guwahati terminal to contribute substantially to the Semolina Kitchens profitability.

In the case of GMR Hospitality, the other joint venture, we have mobilized quite a few units in Hyderabad, but still there is further more mobilization which will happen in the current year as well as in the next year. And as that starts picking up, we will see an uptick in the JVs and associate profit line.

Also another point you have to note is that, we have our international business which has started performing well, specifically markets like Malaysia and Hong Kong, wherein traffic uptick was a bit slower from the COVID phase, that has now started normalizing and from there we are seeing improved contributions to our JVs and associate line.

Dhiraj Mistry: Got it. But just for one clarification in this part, whether the P&L of all these JV, especially Semolina, would be more or less replicating to TFS P&L?

Vikas Kapoor: Yes, because in terms of the business model, it is same travel QSR and lounge business, which is kind of a replica of the TFS model.

Dhiraj Mistry: Got it. And last question from my end on minority interest. When is Delhi T3 going in GMR JV and what would be the amount of minority interest going forward after that?

Vikas Kapoor: So our Delhi T3 is an existing joint venture as part of the SPV, when we had won that contract, wherein we hold 60% and DIAL holds 40%. The contract, as you are aware, has been extended till September 30th. When the contract will come up for renewal, people will bid for it, the various entities, and whoever wins the tender would be consolidating or running the operations. So at this moment, I can't say where it will land because it's an open tender.

Dhiraj Mistry: Got it. Thank you. That's it from my side.



Moderator: Thank you. The next question is from the line of Purva from B&K Securities. Please go ahead.

Purva: Hi. Good afternoon team. Congratulations on good set of numbers. So my question was related to Delhi Terminal 3. So with domestic traffic at Delhi Terminal 3 reportedly declining to 50% due to flight movements to T1 and T2, how this will affect our Delhi Terminal 3 revenue?

Varun Kapur: So Purva, Varun here. So in terms of just conceptually what we see in the airport, and that's why, our business model is about being present across there, and being market leaders, that's the advantage of our position and it makes sense in travel, because obviously airports have multiple terminals. Now, in the case of Delhi, Delhi is continuously growing. It's an airport that's growing well. However, there obviously terminal, the capacity part of the overall line of expansion, they are mobilized. So today T1, T2, T3 are running. T1 is, very impressive, the new T1 terminal, significant capacity. So obviously traffic is being balanced across the terminals to unlock more potential in the existing airports.

So with that movement, Delhi Terminal 3 particularly may have seen some drop in numbers, they're doing some upgradation work there, and that reflects probably in the numbers, while we've driven, good amount of sales and profitability there. But I think, the additional area is that in T1, you are seeing incremental demand where we are present as well. You're seeing T2 where we won the tender as well. So we actually touch all three terminals at Delhi Airport and actually leverage the consumer there. In addition, in Delhi part of the T3 upgradation, what you'll see play out in the future, is there'll be a third international pier unlocked. And that will actually unlock international demand where spend is higher.

So in reality, that's just generally the direction in travel in India, there is unlock of additional passenger capacity as these infrastructure movements happen. You could have short-term impact at one airport, but our beauty of our business model is we tap across and we see the benefit if, it goes a bit down somewhere, we get a bit much more than that elsewhere. So that's I think what works well for us.

Purva: Okay. Got it. And second question was related to PAT margins for your SSP Malaysia and Hong Kong entities. They have been lower than overall company average. So could you help explain the key factors for this and can we expect it to go back to the company-level PAT margins?

Varun Kapur: Sure. So international, I think as spoke about this also on a previous conference call, if you see international, relatively, both our enterprises set up post-COVID, and in the case of Malaysia was a ramp up that happened over a period of time, a set of units mobilizing from '21, '22, '23, and '24 as well. So as expected, that business has been mobilizing and as we've always said, in the greenfield and especially more so in a new market where you set up, it takes you that 18 months of getting there, maybe the case of Malaysia 18 to 24 months to get there. Currently, the business is performing very well. Traffic also in that market compared, because of the Chinese travel effect, as many of you would be aware, they came much later to the recovery post-COVID. But, this year Malaysia and Hong Kong have been very, very strong passenger traffic recoveries in those markets. So those numbers are reflective and I think Vikas alluded to the fact that they're actually contributing quite strongly now.



And we expect that we see that will be at a similar level. We don't see any difference really in how that financials do play out for us. I think especially with Hong Kong being more recent, we had set up a second lounge in Hong Kong Airport just last month. So you'll see the benefit of that also probably kicking in over a period of 12 months. So I think both the businesses currently are performing quite well and will further improve from here.

Purva: Okay. And lastly was can you quantify how much was revenue for SKPL and GHIL for the Q3 FY '26 and nine months?

Vikas Kapoor: Yes. So Purva, both the sales have grown, in spite of the passenger traffic remaining at 1.6%. What we have seen is an improvement in the ATV and the realizations because of the expanded network. We would not be sharing the specific numbers of the JV, but on a broad basis, if you subtract between system-wide sales and consolidated sales, that would be roughly around INR4.1 billion of sales which we have from our JVs. And predominantly within that, Semolina and GHIL contribute substantially.

Purva: Okay, thank you. That's all from my side.

Moderator: Thank you. The next question is from the line of Aman from InCred Capital. Please go ahead.

Aman: Hi. Thank you for the opportunity, sir. So my first question was that in terms of our growth, what was the mix between lounges and QSRs?

Vikas Kapoor: Aman, thanks for the question. Vikas here. So in terms of growth, the way we look at it, our travel QSR and lounge contribution to our revenue or top-line has not seen any differential change in the mix. So the growth has come from both the businesses as such, and it is reflected in the 12.5% LFL on a system-wide and similarly 7.1% at a consolidated level. So both the units are performing well, in terms of contributing to LFL and net gains.

Aman: Okay. any breakup you have in mind?

Vikas Kapoor: So predominantly lounge contributes somewhere in the range of 40% to 42% of our overall revenue mix and travel QSR is in the 50% to 55% range. So that's been our typical range of both the businesses

Aman: Okay. And the second question was, so we are in 13 of the airports out of 15 in India. So what has led to the growth? I mean the top five airports are seeing the growth, in terms of the passengers transacting more, in terms of QSRs or lounges, or is it a broad-based trend that you are seeing?

Varun Kapur: Hi Aman, Varun here. So I think what we've been seeing, I think the big difference that's happening actually even before COVID as well, but surely after, India's seeing a very broad-based growth on passenger traffic. So leave aside Q2 of this year, because that was when the aircraft maintenance issues happened, unfortunately post the crash, but basically other than that, what we've seen is been quite a broad-based growth across both the big and the small airports.



So I think that's the impressive piece, because obviously measures in the big airports no doubt with the international traffic, those areas do grow well. But at the same time, with some of the initiatives done by the government around UDAN scheme and, the proliferation of more airlines, the fact is many of the smaller airports are getting a fair share of growth as well.

So actually, it has been quite a broad-based set of growth. And obviously within that you may have some airports likely doing more. For example, you see an airport like Goa Mopa growing very well, places like Guwahati, you have examples like that, but generally it has been quite a broad-based growth across the country.

Aman: All right, sir. Sir, my last question was that, you know...

Moderator: Sorry to interrupt you, Mr. Aman, but can you please rejoin the queue for more questions?

Aman: Sure.

Moderator: Thank you. The next question is from the line of Rahul Agarwal from Ikigai Asset. Please go ahead.

Rahul Agarwal: Yes. Hi. Very good afternoon, Varun and Vikas. Just few questions. Firstly on the renewals lined up, going into from now to next two years, could you just highlight which are the airports on the existing network which are lined up for renewals?

Varun Kapur: Hi Rahul. Yes. So in terms of opportunities coming up, we have next two years, three contracts. So the Delhi contract I think someone asked that before, so Delhi Airport the contract for Terminal 3 does come up in September. We obviously had a short-term extension on that. We have then in the next year, coming up are contracts at Chennai and then Kolkata come up as well for renewal. These are probably the next two years the only ones in my mind that come up for renewal.

Rahul Agarwal: And Chennai, Kolkata are due when?

Varun Kapur: It is in the next calendar year, I think next financial year, it comes the early part of FY 27-28.

Rahul Agarwal: Okay. Got it. Thanks for that. And in terms of, new airport bidding, right now could you just highlight like which airports are going to, go for bidding from a new contract angle going into next 12 months, and this is only domestic I'm talking about?

Varun Kapur: So in terms of opportunities coming up for bidding, so for example, we know Bangalore Airport T1 just as a perspective, if you're a traveller, you see there's a lot of upgradation work happening there. I think the airport's got quite ambitious in terms of what they're planning there, it's very interesting and I think that's an opportunity, because I think, when you fly there you can see that work happening in that airport. So significant upgrade, which will obviously entail new opportunities coming up in the non-aero side as well. So we see that obviously as one that will come up in the short term.

I mean, there will be multiple, so for example, we are present at 14 of the 15 largest airports. Our universe is over 25 airports. Even those 14 out of 15, there are a lot of areas we're not



present at. So there will be opportunities, for example in Mumbai Airport T2, there will be opportunities coming up there for redeveloping units as well. So there will be multiple opportunities coming up in this phase, but, Bangalore is the big immediate one that I know was coming up. I think I spoke previously in the last-to-last quarter about Cochin and Delhi, so obviously those have fructified. So the next probably one to look at would be Bangalore immediately.

Rahul Agarwal: Perfect. And just lastly on the Chennai and Calcutta, Bangalore overall like-for-like, how is the traffic behaving there, because those are like core part of the portfolio? Just some sense on outlook, how do you look at traffic growth and, our like-for-like growth going into next year? That's all from my side.

Varun Kapur: So sure. Chennai and Kolkata obviously from a size point of view would be in the top 10 airports in terms of traffic. So the growth has been in those airports, while Chennai has been a bit of a stronger performer in terms of traffic growth, Kolkata has had a slower growth. So Kolkata has been one of those airports where I think in Q3 saw a slight decline, but Kolkata, it was the only one in the top 10 if I recollect in Q3 saw a bit of a decline. Otherwise, we saw most of the other airports actually have an increase, during that period.

Rahul Agarwal: Yes, I was looking for more colour for the next year, in terms of your own thoughts on like-for-like growth for these airports?

Varun Kapur: In terms of passenger traffic, if I may refer to that because, obviously that's a key determinant. So generally, passenger traffic has been positive in airports, like, we're not used to talking about de-growth. Obviously, this year was the one period where we had it in Q2, and a little bit remnant of that. Obviously now you can see very evidently the trend is changing.

So k it would be prudent to say we'd be back to growth in next year. You know, the indication has been that over the next, even at the time of the IPO when we had and during our first call, we spoke a bit about this, I think the expectation on passenger traffic growth generally is the 7% to 9% range is what you generally hear, over the next decade or so of travel. So, you may have some years a little bit less, some years a bit more. I think that's generally been the callout, if you refer to any source of credible information that tends to be over the next 10 years, what passenger traffic looks at.

And obviously our perspective is on top of that price, on top of that our initiatives we drive on top of this passenger traffic, which is our LFL, plus, net gains we can drive, which is new wins like some of the ones we spoke about. I think the pipeline of growth is quite significant for us on new wins. So that's the way we look at our business model. It's quite healthy between LFL and net gains. And even in a challenging period like this, we've been able to deliver 28% system-wide growth in sales, through a balanced combination of LFL and net gains, almost equally split between both.

Rahul Agarwal: Perfect. Got it. Thank you so much, Varun, for answering the questions, and best wishes to you guys. Thank you.

Varun Kapur: Thank you so much. Thanks for your questions. Appreciate it.



Moderator: Thank you. The next question is from the line of Vatsal Dujari from Tata AIA Life Insurance. Please go ahead.

Vatsal Dujari: Hi team. Thanks for the opportunity and congratulations on a good set of numbers. I wanted to get some more clarity on the LFL situation this quarter. So you mentioned how December was impacted by disruptions. So could you provide some more granularity as to how was the LFL growth looking like in October and November and what it went to in December and any clarity on, whether it's back on the normal path?

Varun Kapur: Yes. Hi Vatsal. So thanks for your question. So in terms of where we saw, I think the perspective actually would have been we probably would have ended higher in terms of the numbers, while I think we did see robust growth. And that's not saying less, but yes, we probably would have even done better if there wasn't that flight disruption that caused December traffic to be a bit hit.

So we saw October bounce back reasonably well. We saw November be at many airports, record traffic. We saw some very strong traffic in November. December in a sense there was a slight plateauing in some airports and de-growth as well, because of the very short-term temporary effect that happened. And it was quite extreme. Because you did see for that period delays for the first two-three days, and then you saw a considerable amount of cancellations. So undoubtedly, the effect of that would be that the overall numbers for the month and therefore our numbers and LFL would get disrupted, which did happen.

But the demand was so strong that it came back very quickly, already January trends are completely back to normal and, actually growing quite well. So the perspective is our LFLs, yes, for the month of December would have been even better if it was business as usual, if that's answering your question.

Vatsal Dujari: Got it. And another question on the LFL more from a medium-term perspective. So the divergence between traffic growth at airport and LFL is 10%-11% kind of range. So from a 3 to 5 year perspective, how much do you feel this kind of divergence is sustainable? This double-digit kind of divergence between your LFL and passenger traffic? And, what kind of an LFL growth are you comfortable with or you expect this extent of divergence to continue over the medium term?

Varun Kapur: Yes. So I would maybe take a step back in the way we see our business model always is that, there is undoubtedly in our sector underlying passenger growth. And that is obviously a key driver of PAX coming in and therefore our sales. But what we drive, and we've seen that I think over the entire period we've been operating. And I think we've understood that quite well and we drive it quite well as a business, is that over and above passenger traffic, we do achieve a delta to drive our LFL.

And that's done through a combination and maybe I'll simplify for the sake of the call, is being probably two factors: one on price and one in terms of revenue driving initiatives. So in terms of you see traffic, in this quarter was about 1.6%. We achieved an LFL of about 12.5%, so you



see an 11% delta playing out there. Normally somewhere like that's roughly, you normally see that upside being in that 9%, 10%, 11%, 12% range in terms of outperformance.

And that comes through that combination of, A) yes inflation, which drives up price, but B) and importantly, our revenue enhancement that we drive. So this could be promotions, this could be initiatives we do around things like we did Food@Gate, which is a thing we piloted, where we actually delivered food to consumers at gates, you know when they go straight to people in Indian airports, a lot of people go straight to the gate, anxious, first-time flyers. We made people go around with iPads and going to the gates and taking orders. That probably, contributed incremental LFL

So those type of initiatives on a continuing month-on-month basis, like a simple example we gave, special filter coffee. I spoke about that when I was talking. Something like that, filter coffee not only in the south, but people are enjoying it across the country. We did a wide initiative around that very successful for us. That's a pure LFL driver in terms of revenue optimization. So, those types of areas drive that delta between passenger traffic and LFL growth, and it's been quite stable for us, and that's what we do. That's the USP of our business model.

Vatsal Dujari:

Got it. Thank you, a lot, for your answers and all the best for the coming quarters.

Varun Kapur:

Thanks a lot.

Moderator:

Thank you. The next question is from the line of Praneet Kumar from Kotak Securities. Please go ahead.

Praneet Kumar:

Hi, thanks for opportunity. I just have a couple. The first one is on EATS. So how should we think about the revenue potential of this particular business, and while it's early days, how many lounges did we expand this to and , does it also cater to other lounges which are beyond the system of TFS, and how about profitability of this particular business? Thanks.

Varun Kapur:

Hi Praneet. So in terms of our EATS solution, yes, no, I think as you rightfully said, it is early days for us. We are a business, no doubt technology has always played an important part for us, but even more so. It has been something, obviously you can imagine that rolling out and going live entails a lot of work and period at the backend, which we have done.

The key point is, it has been successfully rolled out. I think it's clear evidence in terms of some of the outperformance as well as the consumer experience at the ground. So, we rolled out the direct bank-to-lounge access that is there, one can see directly on this EATS platform. And we are confident while it is early days, it's already showing us benefit. We're seeing that contribute positively to us both in incremental revenue, and it will, I think already incremental profit as well, and we see that playing out probably more so over the next few quarters as we build this out more effectively. It's a constant learning experience.

We see a lot of potential for this, but it's one of those areas where we believe A) we have quite a focused strategy on this and as we unlock more and more, we'll be coming back and we'd love we will be constantly sharing some of those initiatives. But there's a lot we're working on, a lot



of opportunity we see in taking this, even further in the initial success that this has proven for our business model that's been there in this financial year.

We are touching and maybe answering your last part, we are touching all of our lounges as you would imagine, but also the solution being quite effective and recently we've actually tied up with lounges, even that are not ours, and you can provide that solution to them. So that's also an additional upside that we get by developing such a successful solution. It can be actually used outside of our network to support other smaller players in smaller airports. So, but it has actually been quite a big success for us, and we will undoubtedly be growing on this part of our DNA with TFS.

Praneet Kumar: Thank you. Very helpful. And my second question is on the occupancy fee direction. Now we have a couple of new airports, right? One is Noida and then we have onboarded a couple of units from Cochin and Delhi as well. So directionally for the next two years what do you think that occupancy fee would be? Are these new airports coming at higher occupancy fee compared to what we have currently or at similar levels? So that's it. Thanks.

Vikas Vinod Kapoor: So Praneet, Vikas here. So in terms of occupancy fee, what has been the general trajectory in our business is that when an airport kind of gets in our network, we do see a jump in the occupancy fee for that purpose, but it kind of stabilizes after a point of time, which we have built into our business case, because we know how the sales will ramp up, and how the airport traffic will move.

And it tends to then, which is the exact 12 to 18 months which we normally allude to, that by 12 to 18 months we see it coming back to the normal level as the rest of the portfolio. So that is how has been the general trajectory, and we work towards that. So it would be in the same ballpark, after a small blip for some of the new airports.

Praneet Kumar: Got it. thank you so much.

Moderator: Thank you. The next question is from the line of Akshay Krishnan from ICICI Securities. Please go ahead.

Akshay Krishnan: Hey. Hi, Varun and Vikas. Great performance. So few questions from my end. So if we look at the last few quarters, so when we compare the revenue growth and the passenger growth, vis-a-vis, the revenue growth has been a notch higher than the passenger growth. So I just wanted to understand the delta that's been coming in from the higher spend that per passenger versus the premiumization in the mix shift. So how sustainable is this revenue performance versus the traffic growth?

Varun Kapur: Yes. So I think the point is that, we've seen is that, this actually has been our business model from the very beginning. I think, what we've done is over the last few years actually been able to unlock that quite well and sustainably. So we've always seen that scenario where, that incremental of a combination of price, and more importantly revenue optimization initiatives, have led to that delta and that's purely on LFL. This is aside from net gains.



So you see, in terms of PAT we outperform on the LFL side, but the net gains which has been the DNA of our business, I mean, a few years back, we were at present at for example seven airports, pre-COVID. Today we are present if you see the entire network, 19 airports. That's a question of net gains. That is irrespective of the passenger growth which has been quite robust. And on top of that we've had LFL above that. We've also delivered quite high net gains. But we generally believe we're just scratching the surface because new terminals, even the existing terminals we're at, there's significant growth in that so that's why the entire opportunity is a combination of LFL and a combination of net gains.

And obviously catering to such areas as delayed flights, the fact that, our scale plays out, and with our scale we can unlock more opportunities. You know, all of those elements really play out in that LFL growth as well, aside from the revenue optimization I was speaking on earlier.

Akshay Krishnan: Perfect. The second question is on the PAT margin. So if we look at the Q3 numbers, so our margins has expanded close to around 30 percent. So how much of this expansion is from the operating leverage from the new unit ramp-ups versus the structural cost optimization, and should we view this current margin as a new base or is it closer to the peak?

Vikas Vinod Kapoor So basically in terms of the PAT margin, what exactly happens is, yes, our PAT margin has improved mainly due to quite a bit of factors: one is of course the disciplined execution on the new projects that we have been following. The further important thing is that yes, our PAT margin has been in the range of 27% in Q3, but it is a seasonally strong quarter, very similar to what Varun alluded as part of the delayed flights and the scale that we operate.

Our PAT margin has been in the range of 20% to 22%, before the share of the joint ventures and with the addition of the JV profitability, it kind of moves to the 25% to 26%. We believe it will be stable around that phase, but as we continue to expand and build on new projects, we expect the PAT margin to continue in that same threshold.

Akshay Krishnan: So what will be the contribution from the new unit ramp-ups which has actually helped us in this delta buildup?

Vikas Vinod Kapoor: So, one important factor you have to take is, some bit of the PAT margin has started to be contributed by EATS, which is just started to contribute to that. Also with Cochin which is one of existing airport which is there and not a greenfield airport. We believe very similar to what Varun said at the start of the call will start contributing a bit faster. But from a range perspective, I believe that we should be in the comfortable range of that 25% to 28%. We will continue to outperform that.

Akshay Krishnan: Perfect, great. And one final question, if I may. So what proportion of the system-wide revenue is from the premium brand versus the mass format, and how does this impact the margin volatility going forward?

Varun Kapur: You know, honestly, we don't see it as being one versus the other, we don't look at the business in that way. What it tends to be for us is it's a portfolio approach across. So you know, in terms of the brands as well, we look at it as having a multitude of offerings there. So it could be the very same traveller, and today many people travel frequently, it could be that very much that



you're going today in the morning, and you want to go to the South Indian concept which may be deemed as value. But maybe the next time when you're flying in the night and you're with your family, you want to go try the Nando's or the Gordon Ramsay restaurant and want a nice you know, great premium experience there.

So in some sense we see the same traveller actually unlock multiple areas. So our portfolio approach is what we see. And yes, because you'll have some outlets which may be in-house, which may be slightly more profitable. You don't have royalty to pay, we have third-party brands where we pay a royalty. But the portfolio approach of all that coming together is the way our business model works, because you can't have one concept across 50 locations in an airport. So getting the right mix to maximum to extract value and therefore the highest IRR, that is our business model.

And that's how we generally look at our business as a multitude of offerings rather than saying that oh let's do more premium or more value or for example let's do more in-house or it's always a portfolio approach, that's the way we look at evaluating the business.

Akshay Krishnan: Perfect, perfect. That's it from my end and good luck and all the best. Thank you.

Varun Kapur: Thank you so much.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments. Over to you, sir.

Varun Kapur: So, yes, thank you. Thank you very much to the ICICI Securities team for hosting us, and appreciate all of you taking the time today to join us for the earnings call, post our Q3 results. So if you have any further queries, do feel free to reach out to our Investor Relations team. Thanks a lot.

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