"Ventive Hospitality Limited
Q1 FY26 Earnings Conference Call"
August 14, 2025

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Moderator: Ladies and gentlemen, good day and welcome to the Ventive Hospitality Limited Q1 FY26 Earnings Conference call. 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 touchtone phone. Please note that this conference is being recorded. The audio archive, transcription, financial statements and the other documents related to the quarter will be made available on the company's website.

We have with us today from the management team of Ventive Hospitality Limited represented by Mr. Ranjit Batra, Chief Executive Officer, Mr. Paresh Bafna, Chief Financial Officer, Mr. Milind Wadekar, Executive Vice President, Finance and Investor Relations and Mr. Kedar Shirali, Advisor, Investor Relations.

Please note that Ventive Hospitality Limited does not provide specific revenue or earnings guidance. Anything said on this call that reflects management's outlook for the future, or which could be construed as a forward-looking statement, must be viewed in conjunction with the risk that company faces. These risks are outlined in the second slide of earnings update presentation available on the company's website.

I now hand the conference over to Mr. Ranjit Batra. Thank you, sir. Over to you.

Ranjit Batra: Good afternoon, everyone and thank you for joining us today on this call. After a stellar performance in FY25, we've kicked off FY26 on a strong note with 18% year-on-year and EBITDA growing at 13% year-on-year.

Our India hospitality business demonstrated resilience and consistency, growing at 13% in revenue. This was despite the travel disruptions we witnessed in May due to geopolitical tensions. ADR in India grew at 10% year-on-year, driven by a sharp pricing strategy and active asset management, offsetting temporary softness in occupancies.

At Ventive, we've always looked at hospitality holistically. TRevPAR is our guiding parameter, which gives us a full picture of our assets and their performance.

In Q1, India TRevPAR stood at around INR13,000 up 13% over the same quarter last year. This was driven by 20% growth in F&B and other source revenue, led by strong non-resident footfalls at award-winning F&B outlets, as well as banquets and catering. This TRevPAR performance translated into strong EBITDA numbers, with India hospitality EBITDA growing at 28% in the quarter.

Turning to our international hospitality business, performance remained extremely robust. Revenue growth in Maldives continues to remain robust with 33% growth this quarter, driven by stabilization of Raaya by Atmosphere and TRevPAR growth across our portfolio. On same-store basis, revenue grew 11%. Same-store TRevPAR in Maldives was INR54,000, while including Raaya, it stood at INR44,000. As mentioned in previous calls, this is due to Raaya's all-inclusive model and it operates at different price point compared to our ultra-luxury offerings, both in Conrad, Anantara Maldives.

EBITDA grew at 47% for Maldives, while same-store EBITDA grew at 30% year-on-year to INR421 million, demonstrating the strength and resilience of our Maldives resorts, and showing their ability to capture the wallet share across multiple revenue streams.

We continue to maintain our industry-leading margins. Our consolidated EBITDA stood at 44% on the same-store basis, in line with last year. Including Raaya, consolidated EBITDA's margin was 42%.

Our annuity portfolio continues to remain stable, with 97% committed occupancy and a rent of INR117 per sq.ft/month.

Let me now update you on our development pipeline. Last month, we signed management contracts with Marriott International for three hotels in our pipeline:

Ritz-Carlton Reserve Pottuvil 73 villas in Sri Lanka, Varanasi Marriott Hotel, 161 rooms, Courtyard by Marriott, Mundra 200 rooms.

At the same event, our promoter group companies announced four more hotels:

J.W. Navi Mumbai, 450 keys, Moxy Navi Mumbai, 200 keys, Moxy Pune Wakad 264 keys and Moxy Pune Kharadi, 200 keys.

These four hotels will be made available on the right of first-offer or alternate structure basis, under a suitable arrangement that maximizes value for all stakeholders.

I am pleased to share that this was the largest one-day signing for Marriott ever in India and it further strengthens our long-lasting partnership with them. With Moxy, we are also tapping into the preferences of younger travelers-future-ready designs, digital savvy and catering to experience-seeking clientele.

Together, these seven hotels and the rebranding of Aloft Whitefield to AC by Marriott will add 1,582 keys over the next five years, starting FY27.

In parallel, we are evaluating land parcels for Greenfield Resort projects with branded residents, as well as acquisition opportunities to add an additional 500 keys. In total, our pipeline will exceed 2000 keys, effectively doubling our portfolio over the next five years.

While there are inorganic opportunities as well, we will remain focused on same-store growth through pricing, deeper F&B monetization, improved weekend occupancy and activation of our underutilized spaces across our hotels and the opportunity of having a very dominating position in Pune itself.

In other highlights from the quarter:

The Ritz-Carlton Pune received LEED Platinum Certification from the U.S. Green Building Council for Sustainable Operations, further furthering our ESG commitment.

Anantara Dhigu Maldives and Conrad Rangali Maldives featured in Travel + Leisure 500 2025 Top Hotels in Asia.

Aasmana and Ukiyo at the Ritz-Carlton Pune, Paasha and Alto Vino at the JW Marriott Pune were awarded three stars by Hospitality Horizon, Epicurean Awards.

Looking ahead, we see continued momentum in both our India and Maldives business as we move towards seasonally stronger second half of the year.

With that, I now request Milind and Paresh to take through the financials in detail.

Milind Wadekar: Thank you, Ranjit. Good afternoon, everyone. Before we begin, let me share my usual disclaimer on the comparative for last year. As you are aware, the acquisition of several entities in our portfolio took place in August 2024. So, our financial statement of prior period does not have the financial numbers of those entities.

To enable comparison, we have prepared proforma financial statements based on internal MIS of these periods, as if those acquisitions were made on April 1, 2023. Their revenue, cost and EBITDA are included in the proforma financial statement of FY24 and H1 FY25. Hence, the number presented in the statutory financial statement will differ from the proforma figures in our commentary, our press release and earnings update presentation.

Let me now walk you through our Quarter 1 FY26 headline numbers. Our consolidated revenue in Q1 was INR520 crores, a growth of 18% year-on-year. Our hospitality revenue was INR386 crores, a 23% increase year-on-year. Within that, our India portfolio contributed revenue of INR179 crores, up 13% year-on-year basis, driven by ADR growth and strong F&B revenue growth that Ranjit highlighted.

Our international hospitality revenue grew 33% to INR207 crores, including Raaya, which got consolidated from January 1, 2025. On the same store basis, international hospitality revenue growth was 11%.

Moving on to profitability in our India hospitality business, our prudent cost management resulted in 72% flow through of the incremental revenue, helping expand our EBITDA margin by 4% points to 35%.

Similarly, in our international business, we delivered incremental revenue of INR16.6 crores, while limiting incremental expenses to INR7 crores on same store basis. Consequently, our EBITDA margin expanded by 3% points year-on-year basis to 24%.

We will continue our prudent cost management strategies to expand our hospitality margins further on annual basis.

In absolute terms, our consolidated EBITDA in Q1 FY26 was INR220.3 crores, a growth of 13% year-on-year basis. Our consolidated EBITDA margin was at 44% on same store basis and at 42%, including Raaya.

Let me highlight that Raaya commenced its operation in July 2024 and this is the first operating quarter in non-peak season. We are confident that our revenue management strategies will help improve these resorts, hospitality segments and our consolidated EBITDA margins in the quarters to come.

Our hospitality business contributed EBITDA of INR110.9 crores, a growth of 35% year-on-year basis. Within that, our India hospitality business contributed an EBITDA of INR 63.4 crores, up 28% year-on-year basis.

Our international hospitality business generated an EBITDA of INR 47.6 crores in Q1, a growth of 47%. EBITDA growth on same store basis was 30%.

Lastly, the annuity component of our portfolio consisting of prime commercial office buildings and retail properties in Pune generated a revenue of INR 124 crores, up 2% year-on-year, while EBITDA was INR 111 crores, a growth of 1% year-on-year.

Now I request Paresh to take you through our debt summary.

Paresh Bafna: We are continuing to consolidate our balance sheet during the quarter, supported by strong operational performance. Our consolidated gross debt stood at INR 2,188 crores, comprising of INR 1,264 crores in rupee-denominated debt and USD 108 million (equivalent to INR 924 crores) in USD denominated debt for our Maldives hotel. Our consolidated cash balance was INR 509 crores, resulting in net debt of INR 1,679 crores.

We reduced our debt by INR 75.9 crores and USD denominated debt by USD 5 million, totalling equivalent to INR 116 crores.

Our cost of finance remains highly competitive. As of June 30, interest rates were 7.85% for rupee-denominated loans and 7.55% for USD denominated loans. This reduction will lead to interest savings of further INR 40 million on an annualized basis, further strengthening our cash reserves.

Our net debt-to-EBITDA ratio has improved quarter-on-quarter. We believe our stable annuity cash flows, strong cash surplus and available debt headroom provide us with financial flexibility to pursue acquisition and growth opportunities while maintaining our competitive advantage.

We continue to hold strong credit ratings, AA' with CRISIL and 'AA+' for our material subsidiary and remain fully compliant with SEBI regulations for listed entities.

With this, we would now like to open the floor for questions.

Moderator: Thank you, sir. We will now begin the question-and-answer session. The first question is from the line of Achal Kumar from HSBC. Please go ahead.

Achal Kumar: Hi, thank you for taking my question. So, I had a few questions actually. So, first of all, I wanted to understand about the difference between the RevPAR and the TRevPAR. So, your TRevPAR was up 13% while your RevPAR was up about 8%. So, what's going on there? I mean, your non-room revenue grew very strongly it seems. So, was it because of strong MICE or was it because of higher restaurant sales? So, any color would be appreciated, please?

Ranjit Batra: Hi, Achal, this is Ranjit here. Yes, of course, given our portfolio and our high performance in F&B, which includes specialty restaurants and banquets in India and also in Maldives, the concept of one island, one resort makes our customers spend again on the extra incremental revenue apart from the rooms on F&B and other things like excursions, bars, etcetera.

So, we have a very high level of contribution of other sources and that's why for us as Ventive our parameter is TRevPAR, which means total revenue per available room as a correct metric, which will indicate to us fairly our real performance.

Achal Kumar: But is it possible for you to break down the non-room revenue into the like the food and beverage and the sort of other part of MICE, marriages, exhibitions and all, please?

Ranjit Batra: Yes, sure. So, approximately 35% to 40% of our F&B revenue, now I'm talking about India or to put differently around 15% of total revenue in India comes from MICE and weddings, which is very healthy. Rest comes from specialty restaurants. We are as you know we have one of the largest banquet halls in Western India and JW also is positioned as a convention hotel.

So, we focus equally on F&B, like I said, as a company and on rooms. So, for example, in FY25, India F&B contribution was 36% and Maldives was 33%. And our flagship properties in India, had an even higher contribution up to 50%. To give you a little bit more flavor, we are not fully dependent on our occupancies for our F&B portfolio, 80% of our F&B footfall actually comes from outside the city, which means that the hotel in-house capture is only 20%, which keeps our F&B performance largely independent of room occupancy. I hope I have answered your question.

Achal Kumar: Yes, I think that's helpful. My second question about your debt. So, basically, your debt has -- your INR debt has gone down slightly, your US dollar debt has gone down slightly. But, I mean, you face significant currency risk on your US dollar debt. Although, I understand that the cost of debt is also slightly low, but I think forex risk is much bigger.

So, don't you have or sort of, I mean, do you have a focus on reducing US dollar debt much faster than INR and especially in the situation when we are facing so much of drama from Trump? So, there's a bigger risk to the currency. So, what are your thoughts on that, please?

Milind Wadekar: So, Achal, Milind here, our US debt is on our Maldives entities and the entire revenue and expenses in Maldives are accounted in US dollars. So, from that perspective, we have natural hedge when it comes to currency risk as far as repayment is concerned. And, in fact, when US dollar goes up, it helps us in incremental revenue when we convert it, convert Maldives companies financials to Indian rupees and consolidate it. So, from that perspective it helps and, currency risk perspective there is a natural hedge.

Achal Kumar: Okay, fine. And then I had a question around your operational performance. I mean, you had continued sort of low occupancy levels in the domestic as well as international market, which actually confuses me because I mean, it is these occupancy levels are well below the industry average. And then, of course, once I get talking about a lot more and more GCC coming to Pune, but I think, I mean, the current occupancy levels are quite low as compared to the industry. Any thoughts, any colors on that? How do you see these?

Ranjit Batra: Yes, to an extent, yes. This was pretty much an effort we started two years back where we were pushing ADRs. And like we said, we are going to be going the route of occupancy moving forward. Very clearly, we have some results to back this. FY25 we grew our occupancy by on portfolio level by 4%. And we are continuing this growth going forward. I think this gives us a lot of headroom for growth in occupancy and catching up with the industry. I think that's where we are right now.

Milind Wadekar: So, Achal, to add further to what Ranjit said, I mean, our last year's occupancy for the year, India portfolio was 66% and we have limited presence in gateway cities. Now, if you look at occupancy in gateway cities, I mean, three years back, occupancy picked up in Hyderabad. Last one and a half year, occupancy is hitting the roof in Bangalore. And our view is occupancy will pick up in Pune, as we move ahead. And our internal estimate, it should go up to 70% to 75% in medium term. I mean, we are not saying it will happen immediately. But progressively, it will go up to 70% to 75%.

Achal Kumar: Okay. And why do you think so? I mean, what are the drivers you see when you say that you expect occupancy levels to go to 77% something like that?

Ranjit Batra: Look, in my view, we have very clear indications of the office uptake, where we are concentrated Pune especially, there's a 40 million growth of office space directly relating to hotel occupancy. There's huge infrastructural upgrade that is going to be affecting a lot of our assets. Let me talk about first the Maldives.

Maldives has got a huge infrastructure development of the new airport that's open. So that's going to be catering from 2 million going up to 7 million international travelers going seamlessly to the resort. So that's going to be quite a changer, both in rates and occupancies, more so occupancies because that will drive volume.

And Pune again, apart from Pune offices, it is going to be the office uptake related also to the new Navi Mumbai Airport that is set to open end of the year. And we are seeing strong demand from GCCs, BPOs, FinTech, and banking firms and especially where our hotels are well placed to catch that opportunity.

Milind Wadekar: So actually, two, three infra projects. One is New Mumbai Airport, Pune Airport, new airport is getting constructed. The old one is expanded. Connectivity, Mumbai-Pune Express Highway will be improved. It will reduce travel time by half an hour. And ring road is getting built around Pune City. So that will improve traffic conditions within the city. So all that should improve overall living standards and business in Pune.

Achal Kumar: Right. And then on the capex plan, could you please give a bit of a color on what are your capex plan now? And given that you have now you have ROFO assets which are coming up. So how, including all that, what kind of capex should we expect and how are you planning to fund those capex? And while we are on the capex, I also wanted to understand if you have any plans or any focus on inorganic growth, or are you already in the process to find out something for the growth?

Ranjit Batra: So the total capital outlay for the seven announced hotels will be around INR2,200 crores. I'll let Milind give you further details on that.

Milind Wadekar: Yes, Achal. Now, if you look at our announcement for 1,582 keys, I mean 1,582 includes 34 keys addition to our Aloft Bangalore hotel. So, four hotels, including Bangalore Marriott Rebranding, is on the company's balance sheet. That is Varanasi, Mundra in Gujarat, Sri Lanka, and Marriott Bangalore. So total capex outlay for these four hotels will be in the range of INR1,000 crores to be spent over the next 30 to 36 months and balance 1114 keys are developed by the group.

And these are on, we are looking at various options and alternatives on how to take it. And one of the options we are evaluating is we'll take warm-shell lease from group companies. That will happen after 30 to 36 months. So for the first three years or two and a half years, we'll spend capex of INR1,000 crores on four hotels on the balance sheet.

By the time this warm-shell is ready and we will need around 12 to 18 months for fit out, that capex is around INR1.200. So, our approach is to fund growth through internal accruals, maintaining healthy leverages. The hospitality industry, we are looking at structural long-term growth. Last financial year, we achieved consolidated EBITDA of INR1,000 crores on proforma basis. And we expect mid-term, mid-teens revenue growth and high-teens EBITDA growth, resulting in estimated cumulative EBITDA of INR6,500 crores over the next five years. And that will generate around INR4,500 crores cash surplus and 500 what we have cash on books. So total INR5,000 crores is available for capex. So we are committing INR2,200 crores for the announced pipeline, keeping gunpowder dry for potential value accretive acquisition. I hope that answers your question.

Achal Kumar: And does that include all the maintenance capex and everything?

Milind Wadekar: Yes, maintenance capex will be small amount, I mean, INR30 crores-INR50 crores a year. So it will not move the needle, I mean, looking at the cash flow, what we are expected to generate year-on-year basis.

Achal Kumar: Okay, fine, perfect. I have two more questions, but I'll come back in a queue. Thank you.

Moderator: Thank you so much. Thank you. The next question is from the line of Mr. Angad from UBS India. Please go ahead.

Angad: Yes, hi, thank you for taking my question. Two questions. One, on the inorganic strategy that you were intending to implementing. So what sort when you're looking at these assets to acquire, what sort of criteria do you look at in terms of size, profitability, if you could just give some more color on what's the strategy around looking at those assets?

Ranjit Batra: Hi, Angad. Thank you for your question. Yes, I think it's a very interesting landscape that we have in terms of trying to acquire assets for all listed companies at this stage. And we are no different. What we do is we look at the industry as a whole. And we also put a lot of weightage on what the customer preferences are and how they are shifting today and for the tomorrow users. So, we're combining that with our strength of construction that we have as a legacy.

And we will be looking at a lot of opportunities for rebranding, repositioning and we will be open to new concepts as well. At this stage, our focus is looking at four trends of leisure, combined with wellness at a very aggressive way. We know this industry is right now at around $6.3 trillion and is going to move to $9 trillion by 2028. So, we want to be part of that as well. I know, in general, India has to a great extent missed the pure leisure story. And we want to -- we clearly see the space to come and fill that for sure. Apart from this, we are also looking very actively to add some branded residences in leisure destinations. That's pretty much our view at this stage, how we look at acquiring new assets.

Milind Wadekar: So let me add further. Angad our capital allocation policies are guided by internal threshold or return on capital employed and we are location agnostic. And we'll deploy our capital in hospitality assets, which will diversify our geographic concentration and also help us to address new market and customer segments.

So, Ranjit has covered most of it. See, currently we are actively evaluating potential acquisition candidates in high-end leisure and wellness segments. We especially like assets with surplus land and further development potential, where we can build, as Ranjit mentioned branded residences for sale, which will bring down our project cost.

Angad: And when you say that you're intending to be geographic agnostic to a certain extent, what sort of micro-markets are you excited today in terms of -- when you look at India, like obviously you have existing assets in certain geographies, but when you're looking to expand, what sort of micro-markets are you really looking very bullish on?

Ranjit Batra: So, we already have very strategic presence in the Bangalore micro-markets, both ORR and Whitefield. We also have covered the religious destination with our Marriott in Varanasi. We actually are looking at more from an opportunity perspective, not geography perspective. And some of the micro-markets that obviously excite us are some of the assets that are already in the pipeline with the Moxy portfolio that we discussed in the beginning.

And we are also very excited about the Navi Mumbai combination of the new JW, which is a very dominating brand for that market, which we've managed to secure well ahead of time with the combination with Moxy. So, this is pretty much how we are looking at as first entry mover advantage areas that have less supply.

For example, Mundra would be a first mover's advantage with a proper branded hotel. And leisure is something we all recognize is there are huge opportunities. In my view, our leisure has got us a little diluted over the years. I think most of the hotels have become wedding hotels. So we've missed the leisure boat to most of our neighboring countries, especially when they get very, very aggressive with the visa-free policies and lure most of our holiday makers.

And if we are true to leisure, I feel, and we combined that with wellness, which is inherently a strong point for India, I believe we have a good combination to get leisure travelers back to India. And I think there are two obvious reasons. I think when we see leisure, Indians are a little different when they consume leisure. They particularly travel in big groups, and they make last-minute plans for holidays. So, I see more and more reason why we would be right in the right position to capture this market in India itself.

Angad: Got it. Thank you for that elaborate answer. Just one last question. We're talking about occupancy levels to increase and we're anticipating that to happen for Pune as well. We just want to understand the sensitivity of that towards margins. Occupancy and ADR, how do you see the sensitivity towards margins and with occupancy rising what do you see the potential of some improvement on margins front as well?

Milind Wadekar: Yes, Angad. Let me first talk about margin sensitivity to ADR improvement. I mean, we estimate approximately, I mean, it has two impacts. One is there will be incremental EBITDA, which will flow through and there will be impact on our EBITDA margins. So, 1% ADR improvement will translate into around 90% to 95% of incremental EBITDA, because the cost against this incremental revenue is only operator fees and credit card commission.

So, our margin sensitivity, as I said, will be 60 bps to 65 bps with 1% growth in ADR. Similarly, with 1% expansion in occupancy, our EBITDA margins will improve by 75 bps. And incremental revenue from incremental occupancy, incremental EBITDA from incremental occupancy will be 80% to 85%, because incremental cost is only guest supplies, room amenities, operator fees and credit card commission.

To elaborate further, I mean, let me give you some perspective and some numbers. Our India ADR in FY25 was around 11,250, which is equivalent to U.S. dollar 130. Given the demand supply dynamics in India hospitality, we expect this to converge with global rates. Even a small $25 ADR improvement will add around INR75 crores to INR80 crores of our EBITDA. I mean, to summarize, 1% ADR growth improves our EBITDA margin by 60 bps to 65 bps and 1% occupancy expansion will improve our EBITDA margins by 70 bps to 75 bps.

Angad: Got it. Thank you so much. That's all from my side. Thank you.

Moderator: Thank you. The next question is from the line of Mr. Vaibhav Muley from Yes Securities Limited. Please go ahead.

Vaibhav Muley: Yeah, sir. First of all, congratulations on a good set of numbers. My first question was on international performance. We have done a fairly decent occupancy expansion year-on-year and TRevPAR has also held up well on a same-store basis. So what has fundamentally changed to this led to this improvement in the international market? And do you think this trajectory will continue in the upcoming quarters and we'll see notable improvement in the operational performance for full year?

Ranjit Batra: So, I agree, Vaibhav, the Maldives revenue did grow. We grew 33% in EBITDA by 47%, which is fantastic. Thank you for the compliment. Even though there is a seasonality factor in Maldives now that we have taken over full and active asset management. We are bringing in a huge amount of efficiencies in place for margins. And Anantara did grow in occupancy, but there was a little blip in the ADR, while Conrad grew both in occupancy and ADR. But overall margins and growth was seen in both the hotels. We put in some efficiencies. There are three big boxes in Maldives. One is the power, the second is manpower and the third is the procurement. So, we put in procurement in place.

We are doing cluster procurement, which has started to show a lot of results. There is a lot of learning from Raaya, which is actually an all-inclusive concept, and it has a lot of discipline in the purchase front. We have done some serious negotiations on diesel pricing. Diesel is something that is running 24/7 on generators in Maldives.

So, any change there has a huge impact on margins. And, of course, we are expanding the solar footprint and all the three resorts that we have. And the work is not only started, it started showing results and we are going to start moving into the expansion mode. So, these are the few things, plus very active asset management on a day-to-day basis, a lot of focus on marketing, a lot of focus on ESG.

I think Maldives is a very fragile country and ESG is currently the filters to choose and book resorts in Maldives- which has huge implications on the eco-sensitivity. So, we have actually gone into a lot of certifications and partnerships there, which is going to be a huge change.

We have got new programs which are in place for guests to come and enjoy luxury without guilt and things like that. So, it's a matter of marketing and sending the right messaging across. Lastly, I think our occupancy, yes, has gone up by 3%, which is also through some operating leverage.

Vaibhav Muley: Understood. And just a follow-up on that. So how has been the performance of Raaya? Last time you had mentioned it had turned EBITDA positive within six months of operations. Now, has there been any improvement?

Ranjit Batra: Yes. Personally, looking into Raaya, since it's our brand-new baby. On the same store basis, Maldives revenue grew 11%, whereas TRevPAR grew at 11%, Maldives grew by 33% and

EBITDA grew by 47%. So, Raaya continues to be a very stable performer in line with our projections and our budgets.

Occupancy has already reached occupancies at par with the industry standards, which we are very, very happy with. And this all-inclusive concept typically works really well if it has got a lot of visibility and presence in the wholesale market, which was our strategy for the first year. The presence further gives a lot of volume. One has to know that 80% of Maldives still works with wholesale market. And all-inclusive is right now the most popular for the wholesale market. So, we are right there with the right product, right time.

Milind Wadekar: And we have reported positive EBITDA for Raaya for the quarter.

Vaibhav Muley: Okay, got it. Coming to our Pune market, we have as the previous participant mentioned, occupancies are relatively lower still compared to industry standards. And we do have a lot of headroom for occupancy expansion from the current levels. So would we expect any sort of shift in strategy towards higher occupancy expansion at the expense of lower ADR growth in future?

Ranjit Batra: The idea is not to lower the ADR in the future. Idea is to push TRevPAR. That's always our philosophy and we'll continue that. And that's where we see our F&B and other incremental revenues kicking in. So, while you're right, we did push the ADR in the past and occupancies are growing very strong in our portfolio. We will continue the same trajectory with our occupancies.

Vaibhav Muley: Got it. All right. Thank you so much for answering the questions and all the best.

Moderator: Thank you. The next question is from the line of Achal Kumar from HSBC. Please go ahead.

Achal Kumar: Sorry about that and then thanks for another opportunity. So one I just wanted to understand about the operator concentration. So for the new properties also you announced, you have selected Marriott as your partner. So just want to understand if there is a legal bounding for you to stick to Marriott or not. And if not, then was there a commercial sense to stick to Marriott? Why I'm asking this question is that basically, for example, a Varanasi property.

Now Varanasi is a place where you have a lot of local tourism and do you think local would prefer to stay with Marriott or maybe some different players, for example, say Taj or whatever. So I'm just trying to understand what is the commercial logic and is there a legal bounding to stick with Marriott and not to not to sort of break this operator concentration, please?

Ranjit Batra: I think it's a great question, Achal. And let me try to explain this. I think we have, first of all, no legal bounding with any brand here in general, totally brand agnostic. And we are also location agnostic, like I said before, but I'll explain the answer. I think when we evaluate hotel operators, we obviously consider the demand and supply dynamics and a suitable brand which will be available in that particular micro market.

So, I think a good management company will always have to have good systems, processes, and the ability most importantly of global distribution and reservations and Marriott being one of them. For our announced project, we felt Marriott brand was fitting and the right choice. We introduced the first combo, like I said, JW and Moxy, Navi Mumbai, the first Marriott branded in Varanasi, the first Ritz Carlton Reserve in Sri Lanka, the only eight in the world.

So that's something very, very prestigious. And the first Moxy's in Pune as well. Our relationship, I think, has been further strengthened by signing the seven properties. And when we signed first with Marriott, it's a long association, Achal. When we signed with Marriott first, there were only six hotels. Today, about 160 hotels and in my view, this partner is a growth driver rather than a, what do you say, concentration risk.

So, Marriott is, in my view, this is again up for debate, but I feel Marriott is truly one of the first international brands which has a lot of local adaptability to your question of Varanasi. And not only that, but they are also one of the few operators that are bringing in lifestyle brands like Moxy and AC, which we have actually participated with. These are perfectly suited for millennials, Gen Zs, and I think to a great extent, the IT professionals.

Marriott also has about 240 million Bonvoy members. I think that's a huge, huge advantage that creates a base of a loyalty program, which really brings in new customers, easy to acquire new customers. And also, I think it encourages a lot of stickiness to increase our base of repeat clientele.

We've seen this in our existing hotels, and we have seen this how the world is shaping up when it comes to choosing hotels through loyalty programs. And that's probably one of the top reasons why people choose hotels. So, Achal, I think to sum it up would be that, sometimes if you're concentrated geographically in certain locations, having the same brand has a lot of advantages, both on the cost side and also the revenue side. And we can also look at, we do look at some efficiencies coming out of clustering of resources, talent, revenue management and procurements, etcetera.

Achal Kumar: Right. Okay. Now, fair enough. Sorry. And then, I just want to understand. So basically, you're spending a lot of money on sales and distribution and digital improvement. How much that has helped? I mean, did you see any increase in your direct sales and how do you see that going forward? I mean, do you see the reduced dependency on the OTAs? And also, so overall, if you could just give a bit of a color on your sales and distribution strategy and your direct sales, please?

Ranjit Batra: So, as the world keeps advancing on technology and seamless connectivity, direct bookings on bar rate or direct distribution channels is the future. Bundling is also another aspect that is going to come in, especially with AI, where we could be bundling in the hotels with other travel options and options for things to do. So, these are the things that are 100% coming in.

We're already seeing that our brands that we are associated with preparing themselves from technology perspective, from guest retention and guest acquisition. Data is going to be cold. Knowing what a customer wants, how he behaves, and how he's going to consume your hotel, whether it's business or leisure. We are no different. Our partners are no different. Marriott is ahead in the game, whether it comes to seamless check-in or any of the other technologies that they're adopting. I'm particularly very, very bullish on some of the energy monitoring systems that we put into place in Ventive, where we can see all the energy on a dashboard on HO level, which also relates to other lifecycle management of our assets as well. So yeah, personally, very, very bullish on the technology part.

Achal Kumar: Right, okay. And my last question is on your international revenue and EBITDA. So internationally, your revenue was up 33%, EBITDA was up 47%. So what was these growth number for revenue and EBITDA on same store basis? And then in terms of Raaya, when do you think Raaya can come up to the standards of your other hotels, especially in terms of EBITDA margin? What was EBITDA margin in this quarter for Raaya, please?

Ranjit Batra: So, on same store basis, Maldives revenue grew 11% and EBITDA grew by 30%. So, this is highlighting actually excellent performance of Conrad and Anantara. Regarding Raaya, if you look at our high season margins of Q4, Raaya did even better than Conrad and Anantara, which is probably in high 40s.

I cannot give you forward looking numbers, but this will give you a good indication how Raaya performs in this brand-new avatar of just eight months old, already attaining high 40s EBITDA. And it's like I said before, it's totally in line with our budgets and performance reviews that we do as per our forecast.

Milind Wadekar: So, Achal, just to add further, I mean, if you look at Maldives business, first two quarters are seasonally lean quarters and revenue and EBITDA of quarter 3 equals to revenue and EBITDA quarter 1 and quarter 2. And revenue and EBITDA of quarter 4 is equivalent to first three quarters revenue and EBITDA.

From that perspective, Ranjit, as I already explained, Raaya quarter 4, which was peak quarter for Maldives reported around 50% EBITDA, which was higher than Conrad and Anantara. And with all-inclusive concept and cost initiatives, what we have, we are very confident it will show the same level of EBITDA in the quarters to come.

Ranjit Batra: Just a special mention, Achal, if you look at the Tripadvisor, which has a metric for customer reviews, Raaya, what we're doing in the first year basically is solidifying the brand, solidifying customer experience and laying a foundation for future repeat clientele base. So, a special mention is the guest reviews on Tripadvisor for Raaya which is amongst the top 10% globally. I think that shows a lot on how the brand is being positioned, how the customers have given feedback and how the wholesalers have accepted this product in a very positive way, leading a pretty good path for a solid growth in the future.

Achal Kumar: Right. And sorry, just clarification. So, you said on same store basis EBITDA was up 13%, right?

Ranjit Batra: 30%.

Achal Kumar: 30 okay. Sorry 30. I am sorry if I can squeeze in last question and I promise I'll shut up after that. So basically any words on the forward quarter, the next quarter, any color, because we've been hearing that some of the conferences, some of the marriages which was planned in the first quarter and because of this India-Pakistan war and all that, some of them were actually shifted to the second quarter and these mice and exhibitions and people usually tend to book much in advance. So I guess you must have some visibility on the next quarter. So I would really appreciate if you could give us some color in terms of how the next quarter looks in terms of room revenue, in terms of mice business and all, please?

Ranjit Batra: I'd love to give you a flavor, but all I can tell you at this time, we do not give too much of outlook on the future, but we are definitely in line with our projections. Historically, we've done double-digit growth, and we'll continue to do double-digit growth in most of the parameters.

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

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

Ranjit Batra: To conclude, we started the year with strong momentum led by double-digit revenue growth and even higher profit growth. In India, revenue grew 13% while EBITDA grew at 28% year-on-year. In our international hospitality business, same-store revenue grew 11% and EBITDA grew 30% year-on-year.

Our annuity business continued to deliver stable performance with a 2% revenue growth. As we continue to drive same-store performances through operational excellence, our growth pipeline of over 2,000 keys puts us on track to double our portfolio over the next five years. Of this, 1,582 keys come from the seven Marriott we signed last month and AC by Marriott. The rest is from Greenfield and acquisition opportunities. Thank you once again for joining us today. Wishing you all a great evening and a great weekend.

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

Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.