Ventive Hospitality Limited

Q4 and Full Year FY25 Earnings Conference Call

May 13, 2025

MANAGEMENT: **MR. RANJIT BATRA – CHIEF EXECUTIVE OFFICER**
MR. PARESH BAFNA – CHIEF FINANCIAL OFFICER
MR. MILIND WADEKAR – EXECUTIVE VICE PRESIDENT – FINANCE AND INVESTOR RELATIONS
MR. KEDAR SHIRALI – ADVISOR – INVESTOR RELATIONS

Moderator: Ladies and gentlemen, good day and welcome to the Ventive Hospitality Limited Q4 and Full Year FY25 Earnings Conference Call. As a reminder, all participant lines will be in 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 star then zero on your touchtone phone. Please note that this conference is being recorded. The audio archive, transcription, financial statements and other document 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 Ltd 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 Ltd 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 constructed as a forward-looking statement must be viewed in conjunction with the risk that the company faces. These risks are outlined in the second slide of earnings update presentation available on company's website.

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

Ranjit Batra: Good afternoon everyone and thank you for joining the call today. We've delivered our best ever quarterly performance in Q4, closing our first financial year as a public listed company at an all-time high. We hit two important milestones. Our consolidated revenue for the full year crossed the INR 2,000 crore mark while our EBITDA for the year crossed the INR 1,000 crore mark on a proforma basis.

This positioning positions us amongst the top four listed hospitality companies in the country. For the quarter, we had set ourselves clear targets for ADR and occupancy improvements to drive revenue and EBITDA growth. I'm proud to say that we delivered on both objectives as you can see from the numbers

Let me walk you through some overall performance.

In Q4, our consolidated revenue was INR 717 crores, a growth of 20% year on year. EBITDA for the quarter was INR 371 crores, a growth of 23%. Consolidated EBITDA margin for the quarter was 52%, one of the highest in industry. EBITDA margin was at 46% in our India hospitality business and 47% in Maldives.

FY25 consolidated revenue was INR2,160 crores, growing 13% year on year. Our full year EBITDA was at INR 1,012 crores, growing 16% higher over the previous year. EBITDA margins were at 47% at consolidated level and 37% and 32% in India and Maldives hotels respectively.

Our Indian hospitality business recorded a 25% revenue growth in Q4 and 15% growth for the full year driven by a robust improvement in pricing and occupancy. In India, our dynamic revenue management strategies helped us to grow Q4 ADR by 16% year on year to 12,571, while full year ADR grew 10% over the previous year to 11,076, showing our power pricing and reinforcing our premium positioning. Our focus on MICE and weddings helped us to drive up weekend occupancy to 65% in Q4, resulting in occupancy expanding 4% points to 71%.

Full year occupancy also improved 4% points to 65.5%. This translated to our RevPar growing at a standout 24% in Q4 to almost INR 9,000, while the industry grew at 18%. Our RevPar also grew at 25% to INR 16,531 in Q4. Comparing the TRevPAR with RevPAR, you can see that we earned almost as much revenue from F&B, banquets, and other services as we did from room revenue. This is an important customer validation to further highlight our portfolio strength in F&B. For the full year, our RevPAR grew 18% to INR 7,256 and our TRevPAR grew 15% to INR 13,347.

Our flagship properties stood out once again with stellar operating metrics in Q4.

- JW Marriott Pune posted 19% TRevPAR growth, driven by TRevPAR and F&B performance.
- Aloft ORR in Bangalore achieved a remarkable 43% growth in RevPAR.
- Our Indian hotels hosted over 200 mice events, contributing 20% of hotel revenues. Revenue from weddings also went up 40% in the quarter.

Moving to Maldives, I'm proud to report that our portfolio continued to perform well. Our revenues in Q4 grew 27% and full year revenue grew 18% over previous year. We consolidated Raaya by atmosphere in our accounts with effect January 1st this year. This added INR 62 crores to our Q4 revenues with 49% EBITDA margin.

When reviewing operational performances of our Maldives portfolio, I want to highlight one important difference. In Maldives, as you know, it's a one island, one resort concept. We have an all-inclusive concept, which is Raaya, in our portfolio and also we have half board and full-board packages, which are very popular with holidaymakers in our other two resorts. So we track business performing using TRevPAR instead of the conventional metrics like ADR or RevPAR.

I'm also happy to share that in Q4, our TRevPAR Maldives grew 5% on a same-store basis. The TRevPAR, including Raaya, is lower in absolute terms because it operates at a lower price point compared to our other two Uber luxury resorts. Our Maldives portfolio demonstrates its strength with peak occupancies during high demand periods, such as Christmas, New Year's, Easter, Chinese New Year, Valentine's, and August school holidays.

This year, the Easter shifted to April, moving some of the Q4 revenues to Q1, and this will help our Q1 performance in Maldives as well.

I'm very proud of some of the global recognitions received in our Maldives portfolio.

- Raaya, our newly opened resort, was named as the Best New Opening by Travel Time Awards.
- Anantara Maldives was awarded Best Spa Retreat in the Indian Ocean.
- Conrad Maldives Muraka Residence, our Uber luxury underwater suite, was recognized as one of the Top 100 Suites in the World.

An important driver of our pricing growth and profitability is our channel strategy. In India, 40% of our business comes through non-commissionable distribution and web channels, up from 31% last year, reducing our dependency on non-direct channels, improving profitability.

In Maldives, while 60% of our business still flows through wholesale channels, we have a clear strategy shift towards direct digital platforms to improve margins. We are directing a lot of effort into building compelling websites and digital channels to drive this change.

We also continue to strengthen our premium positioning and pricing, with the majority of our portfolio focused on high-end offerings in both India and Maldives, allowing us to capture premium rates while delivering exceptional guest experiences.

On the overall outlook, all the drivers for growth and pricing strength remain very much in place. We will continue to drive strong organic growth by leveraging our premium positioning, our differentiated F&B offering, strong structural demand and limited supply in our chosen markets.

As per the normal trends, H1 will be softer compared to H2 due to seasonality. Regarding some global uncertainties, we are confident by the time we enter our peak seasons, they will be behind us and we will continue our growth trajectory.

Looking ahead, our growth ambition remains unchanged. We plan to double our hotel room inventory to 4,000 keys over the next five years, through a combination of greenfield and brownfield projects and acquisitions.

With that, I'll ask Milind and Paresh to walk you through our financial performance and balance sheet trends.

Milind Wadekar: Thank you, Ranjit. Good afternoon, everyone. Before we discuss the financial performance for Q4 and FY25, I would once again like to highlight that the acquisition of several entities in the portfolio took place in August 2024. Consequently, the financial statements for the first half of FY25 and FY24 do not include the financial numbers of these entities.

Proforma financial statements prepared based on internal MIS for these periods have been used to provide comparison in the press release and earnings update presentation which we have published for the quarter. These proforma financials are prepared as if those acquisitions were made on April 1, 2023, and 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 press release and earnings update presentation.

Let me begin with Q4 FY25 headline numbers. Our consolidated revenue in Q4 was INR 717 crores, a growth of 20% year-on-year. Our hospitality revenue was at INR 584 crores, a 26% increase YoY. Within that, our India portfolio contributed revenue of INR 227 crores, up 25% year-on-year, driven by strong ADR growth and occupancy growth that Ranjit spoke about.

Our international hospitality revenue grew 27% to INR 357 crores due to the Raaya consolidation disorder and strong occupancy growth in Q4.

Looking at the quarterly numbers, it might convey an impression that our Maldivian business is much larger than our India business. This is because Raaya was consolidated in Q4, which is typically the seasonally strongest quarter in the financial year. On full year basis, our Maldivian properties contributed 54% of our total revenue versus 46% from our India business.

Moving on to profitability, our consolidated EBITDA in Q4 was at INR 371 crores, a growth of 23% year-on-year. Our EBITDA margin was at 52%, one of the highest in the industry. Our hospitality business contributed an EBITDA of INR 270 crores, a growth of 47%. Within that, our India properties crossed the INR 100 crore mark quarterly milestone, with EBITDA of INR 104 crores.

You might have noticed that this arithmetically translated to growth of 76% year-on-year over the pro forma numbers of the same quarter last year. This is due to one-time expenses of INR 11 crores, which depressed the EBITDA of last year and income of INR 10.5 crores on account of government grants in Q4 FY25. Government grants will be accounted on quarter-on-quarter basis in the subsequent year. Adjusting for this, the EBITDA growth will be 33%.

Our Maldivian resource generated EBITDA of INR 166 crores in Q4, a growth of 33% year-on-year. EBITDA margin of our Indian hospitality was 46%, while that of our Maldivian business was 47%. This expansion was largely driven by operating leverages and prudent cost management.

As I mentioned earlier, this is the seasonally strongest quarter in Maldives, with Q4 contributing to 37% of Maldives' full-year revenue and 55% of Maldives' full-year EBITDA on a same-store basis.

For the full year, our consolidated revenue was INR 2,160 crores, representing 13% year-on-year growth. Our hospitality revenue was at INR 1,604 crores, a growth of 17% over the prior year.

Within that, our Indian hotels contributed INR 742 crores, up 15% over the prior year, while our international revenue grew by 18% to INR 862 crores. Our full-year consolidated EBITDA was INR 1,012 crores, a growth of 16% over the prior year. Consolidated margin was 47%, up 130 basis points over the prior year on a proforma basis.

Our India hospitality business contributed INR 273 crores of EBITDA, up 31% year-on-year, while our international properties contributed EBITDA of INR 280 crores, a robust growth of 38% year-on-year. EBITDA margins of our Indian business was 37%, while that of international portfolio was at 32%, both expanding by around 500 basis points over the prior year.

Let me also point out here that our premium positioning and pricing power across our flagship luxury properties significantly boost our profitability and positions us among the top four listed companies in this sector. We have one of the highest revenue per key in India, a little shy of INR 50 lakhs, despite our limited presence in gateway cities. Our EBITDA per key in India at INR 18 lakhs is also one of the highest in the industry.

Finally, a word on our annuity assets. These prime commercial real estate and retail properties in our portfolio provide tremendous resilience to our business, especially during volatile times like what we just went through, with their stable and predictable cash flows. Our annuity revenue in Q4 was at INR 125 crores, up 5% year-on-year, while EBITDA was at INR 111 crores, a growth of 5% year-on-year. For the full year, our annuity revenue was at INR 483 crores and EBITDA was at INR 437 crores.

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

Paresh Bafna: Thank you Milind and Ranjit. Good afternoon everyone. We maintain a strong balance sheet with a consolidated gross debt of INR 2,306 crores. This includes INR 1,340 crores in rupee-denominated debt and USD113 million equivalent to INR 965 crores in USD-denominated debt for our Maldives hotels. Our consolidated cash balance stands at INR 560 crores, resulting in a net debt of INR 1,745 crores.

Our cost of finance is very competitive in the market. As on 31st March, rates were at 8.24% for rupee-denominated loans and 7.7% for USD-denominated loans. We have seen further reductions post-March of around 15 basis points in the overall cost of funds. Our net debt to EBITDA ratio is at 1.7, one of the lowest in the industry. At a current level of debt in India, on a 6x multiple, the company can raise additional LRD debt of INR 1,300 crores based on a FY25 annuity EBITDA of INR437 crores.

We have received strong credit ratings with CRISIL assigning us AA rating (Stable) and one of our material subsidiaries, Panchshil Corporate Park Private Limited, receiving AA plus rating (Stable). These robust financial fundamentals combined with our conservative leverage provide a solid foundation for growth initiatives.

With that, we would now like to open the line for questions. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Angad Saluja from UBS Securities India. Please go ahead.

Angad Saluja: Thank you for taking my question. So my first question is that I think in your opening remarks, you did mention about almost doubling your number of keys from 2,000 odd right now to 4,000 plus over the next five years. I just wanted to understand what would be a mix of acquisition versus development properties within that? How are you looking at that?

Ranjit Batra: Thank you for your question. So, let me give you a little flavor on how we are going to reach 4000 keys. Our vision continues to double our room inventory in the next five years, as we have done so in the previous five years. About our growth in the next five years, going up to 4000 keys, what I can do is give you a breakup. Before that, I would like to reiterate that we had actually had a growth of -- we have doubled our portfolio in the last five years, so we have already proven that we can and we will continue to do the same going forward.

Just a break-up on the keys. We have announced a pipeline of 367 keys, in the three different cities, Varanasi, Sri Lanka and the rebranding of the Aloft to AC by Marriott, in Bangalore, Whitefield. That’s 367. We have 900 keys from our ROFO assets. The big box being built in Navi Mumbai. That's a combination between JW and a Moxy, and two more Moxys in integrated business parks in Pune- one with 150 and the other with 250 keys.

So, the balance, we will be looking at branded villa projects, around 300 keys, for which we are very close to signing MOUs for two big land parcels. And the balance, which is the remainder 500 keys will be covered through acquisitions. So, that's our plan.

Angad Saluja: Got it. And just to follow up on that, in terms of funding the acquisitions as well, what sort of debt and equity are you comfortable with? I think in the last one year, there's been significant focus on deleveraging as well. And I think that's visible in your net debt levels. But going ahead, with the number of keys that you intend to add, how are you looking at that bit to shape up? And what are the levels that you are comfortable with?

Milind Wadekar: So Angad, let me take this question. To fund this ambitious growth plan of 2,000 rooms will require significant capital expenditure. Assuming a mix of luxury and upscale hotels with a capex of around INR 2.5 crores per key, we estimate around INR 5,000 crores will be needed over the next five years, right?

Our existing assets in India and Maldives, we expect to generate substantial EBITDA. And we conservatively estimate that over INR 6,500 crores will be generated in the next five years, driven by, let's say, mid-teen RevPAR growth and high-teen EBITDA growth, right? And even after the accounting for taxes and finance cost of around INR 2,000 crores, say, I mean, our debt is at today INR 2,300 crores. I assume it remains at the same level. So, my interest at 8% will be around INR 185-190 crores and tax outflow of INR 200 crores. So, we are assuming an average of INR 400 crores per year, INR 2,000 crore for the next five years. We will have sufficient internal accruals to fund this project. I mean, INR 6,500 crores minus, let's say, INR 2,000 crores. So, we'll have around INR 4,500 crores. There could be temporary mismatch, which we'll manage with debt.

Now, if you look at our debt profile, our India debt today is at INR 1,400 crores and annuity EBITDA of around INR 440 crores. So, if I take six multiple, I can go up to INR 2,600 crores. So like Paresh mentioned, we can take additional INR 1,200 to 1300 crores, INR1,300 crores from LRD.

Additionally, our hospitality EBITDA is virtually debt-free, right? Giving us further headroom for strategic growth initiatives. With this strong financial position and growth prospect, I think with internal accruals, we'll be funding most of this capex, maintaining a healthy net debt to EBITDA ratio for next five years. I hope I've answered your question.

Angad Saluja: Yes, that's it from my side. Thank you so much. And best of luck for the quarters to come.

Moderator: Thank you. The next question is from the line of Mohit Agrawal from IIFL Capital. Please go ahead.

Mohit Agrawal: Yes, congratulations on great four-quarter performance and overall FY25 numbers. Sir, in your previous question, you just said that probably you're looking at a revenue growth of mid-teens and an EBITDA growth of high-teens. So just trying to understand, say, over a medium-term two, three-year period, just kind of breaking down into, let's say, how your India portfolio will do and how your Maldives portfolio will do.

Which do you think will deliver higher kind of revenue growth? And if you could break it down further into what will it be driven by. Broadly, occupancy and ARR, how do you see some color on that will be very helpful?

Ranjit Batra: Okay. Thank you, Mohit. Over the next five years, we see both organic growth, that is through our existing properties, and inorganic growth from our additional keys. Let me tell you a little bit about our existing properties. So, INR 1,000 crores will come from our existing properties driven by occupancy mainly, stabilizing at 70%-75% in India, and about 10% ADR growth. While in Maldives, we will stabilize our occupancies at around 65% occupancy with about 10% TRevPAR growth. So this is pretty much how we're going to grow from existing properties. As per the question about the split, there'll be 40% from India and 60% from Maldives in revenue terms.

Inorganic growth will come from acquisitions, like I mentioned before, and key additions, adding another INR 1,000 crores to revenue. And overall story, that's doubling our revenue from INR 2,000 to INR 4,000 crores.

Milind Wadekar: So Mohit, further to what Ranjit said, I mean, when you analyze, look at the hotel operating cost structure, certain costs such as payroll, utilities, repairs and upkeep are relatively fixed, right? And tend to rise with inflation. On the other hand, costs like fees to operators, sales and marketing contribution are variable in nature, and directly linked to the top line.

There are certain controllable costs like hotel operating expenses, which we can manage effectively. One notable aspect in food costs, which are largely passed through, meaning we can offset inflationary pressures through price increase. So the key driver of profitability is operating leverage, which Ranjit had just mentioned, and we are expecting mid-teen revenue growth from occupancy as well as ADR growth, and which will translate into high-teen EBITDA growth.

And that will take our EBITDA from organically, from INR 1,000 crores to around 1,700 crores. As for same-store revenue, we expect to go from INR 2,000 crores to INR 3,000 crores.

Mohit Agrawal: Sure, sir, this is very clear. And sir, now that you spoke about profitability, you gave these numbers, the EBITDA margin numbers, 46% for the India portfolio and 47% for Maldives. And you also mentioned that there's a, so we understand that Maldives would typically have a higher cost structure. And Maldives has kind of marginally outperformed the India portfolio in terms of margins.

So if you could explain that, if that is sustainable and also if you could explain that, probably is it due to the consolidation of Raaya that you started this quarter? So some color on that as well?

Milind Wadekar: So our margins, our India portfolio margins today are at 37%, right? So our internal target is to take it to around 42% in next two to three years. And Maldives from 32% to 35-36%. So how do we do this? We are confident that there is great demand from GCC and high-end manufacturing in Pune, Pune micro market, and no new supply in the luxury segment. So which will drive our revenue as well as EBITDA and EBITDA margins. I hope I have answered your question.

Mohit Agrawal: No, I think this is perfect. I'm just trying to understand that, typically your Maldives margins are lower. This quarter, it seems the Maldives margins are higher, right?

Ranjit Batra: Yes, Mohit, let me come in here. I think I understand your question. I'll probably answer it in two parts, India and Maldives. So over the last one year, what we've done is actually we've improved our margins by 500 bips and we'll continue to improve that through operating leverage as you know, with both ADRs and occupancy growth and cost efficiencies.

Currently, the margins in India, which is around 37% for the full year, we are targeting around 40-42%. As you can see, we've already covered quite a lot with all the operating leverage coming in. And Maldives, we've also done the same thing. We've had the same story in Maldives. We've improved our margins by 500 basis points, which I think is a fantastic achievement.

We are at 32% margin and our target is to reach 35%, which is pretty much the industry benchmark there. And you rightly mentioned that Maldives works on typical higher fixed costs. It's like running a little mini city. And you have to look at Maldives EBITDA, in absolute numbers.

Mohit Agrawal: Sure, great.

Ranjit Batra: Sorry, Q4 margins are higher also because of the higher ADRs and occupancies in Maldives.

Mohit Agrawal: Understood. And lastly, sir, is it possible to provide the full year revenue EBITDA PAT for Raaya?

Milind Wadekar: Yes, sure. So we have started consolidating Raaya by atmosphere from 1st January. So the revenue was around INR 62 crores and EBITDA was INR 30 crores, 49% EBITDA margin. This being seasonally stronger quarter, the margins are strong.

Ranjit Batra: As I mentioned before, just to give you a little bit more flavor on Raaya, we had the best new opening. We consolidated numbers in the last quarter. We had some phenomenal occupancy at 71% and our margin at 49%. And we expect Raaya to close in line with the budgets for FY26 as well. So we are very, very pleased with this opening. I think it's the talk of Maldives, how well Raaya has actually positioned so quickly.

Maybe I'd like to also elaborate for some people who don't know. Raaya is a bit of a unique concept. So I'll take this opportunity to elaborate. It's an all-inclusive concept, which is actually one of the fastest growing concepts in leisure travel consumption patterns and we are right there with the right product at the right price.

Mohit Agrawal: Great, sir. Those were my questions. Thanks and all the best.

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

Achal Kumar: Yes, hi. Thanks for taking the question.

Moderator: Sorry to interrupt, sir. I would request you to please use your handset.

Achal Kumar: Yes, perfect. Hi. So my first question is around Pune market. So basically, we can see there is a growth in Pune. There are a lot of new GCCs coming. So what kind of impact have you seen in the Pune market in terms of demand? And did you speak to the corporates and all and did you sign new corporate contracts? So how does the situation looks like in terms of Pune market because of GCCs and any concrete evidence in terms of more business coming in from your corporate discussions?

Ranjit Batra: Yes, hi, Achal. I think we are headquartered in Pune, so we understand Pune quite a lot. And considering our promoters also on the real estate space, this is a fairly straightforward question. I would like to draw your attention towards the hospitality front. I think that's what the question is.

Achal Kumar: Yes.

Ranjit Batra: The important factor here to note, of course, is that Pune has very limited or no supply in the luxury market. And this is one of the single-biggest reasons why I feel our hotel portfolio in Pune will continue to grow. The other is the fact that we actually dominate the luxury space with over 65% of the inventory, that we control. This is also pegged against the office space in Pune, which is, I think, currently, increasing by around 40 million square feet over the next five years.

Pune will see 70 million square feet going up to 110 million square feet, which will be easily consumed. And there are some other key drivers to give you the flavor of Pune. I think out of the 40 million, 25 million is coming in the East and 15 is coming in the West. The West being a home for most of the automobile companies like Hyundai and then there is a mix of GCC, Microsoft, TCS and all that new companies setting up shop. Big change in infrastructure.

So that is the new Navi Mumbai Airport, I feel is going to further propel demand in Pune. The connectivity will become even closer and faster, especially to the international destinations. And one of our key strengths with our mixed-use development where we have hotels adjacent to a great commercial office space, our mixed-use development contribute to actually very stable 25% occupancies to our hotels from the corporate segment. So that itself is a huge advantage that we have. This is pretty much giving you a flavor of how Pune market is.

Milind Wadekar: Achal I want to add to what Ranjit said, I mean, for quarter 4 let's take two of our flagship hotels. We were able to drive rates, we were North of 19,000 in Ritz and JW, we were close to 15,000. Occupancies were also very good. So as occupancy picks up, we'll be able to drive the rate further. So that will improve our margins.

Achal Kumar: Right, perfect. Thanks for that. No, I mean, actually my second question was around the point which you just spoke about the Navi Mumbai Airport and I think I had a thought around this. I mean what I want to understand is that do you think Navi Mumbai Airport could actually be negative for the Pune market?

And why I'm asking is because I think given that infrastructure, such a nice road between the Navi Mumbai and Pune and the distance is shortened, do you think people can actually come stay in Navi Mumbai and do the morning, evening rather than staying in Pune since the roads are closed, since the transit time is less? So do you think that could be negative or do you see that's probably not the right way to think about it?

Ranjit Batra: Achal, from a hospitality perspective, what I have seen in many, many cycles, the infrastructure growth facilitates hotels in a huge way. And we have a huge infrastructural story here which is the Navi Mumbai. And this is not only catering, as we already have an airport in Pune, but this is further connecting Pune to the whole world in a more seamless way and much more convenient way.

So, I see Pune as a city taking huge advantage of this. And this is not just the Navi Mumbai Airport, there's further conveniences of travelling and in and out of Pune with other infrastructural upgrades that we have, such as the Metro and the Outer Ring Road. So, you will see in the coming years, all these elements work in synergy to make Pune on one of the rising cities of India, which it already is, but at a much faster pace going forward. It's directly linked to infrastructure growth and hotel success.

Achal Kumar: Okay, perfect. My last question is around how the forward booking looks like, especially in the context of the recent uncertainties because of U. S. tariff and all. So anything you can highlight about do you see there's no impact? How do you see the forward booking? What kind of business you have at books, versus probably the same period last year. So any flavor on those things would be really helpful, please?

Ranjit Batra: Yes, Achal, aren't we relieved that everything is behind us, hopefully now? I think there's the same sentiment across the board with both domestic and international travelers. So yes, there is been a blip. We've seen some cancellations due to some airline disruptions and travel advisories. Yes, there's also some geopolitical tensions.

But I feel this is only, it was rather, let me stress on the word 'was', for a short period of time. And I mean, we don't expect to see cancellations. As of this morning. I checked, there were no cancellations that were happening in the last four, five days. And our portfolio, as you know, Achal has great resilience.

We have also diversified revenue streams, as you know, through our annuity backbone and we are resilient from our Maldives leisure business. So as a portfolio, we are in a very good space. And as we progress towards normalcy in travel, we'll be able to mitigate whatever impact of these cancellations have had to deliver strong results going forward. And, of course, these are -- sorry, please go ahead.

Achal Kumar: No please you carry on. Sorry.

Ranjit Batra: Yes. And we believe that we have great assets, we have great partners, we have great channel distributions and we will fire and we're already firing as and when, as we speak.

Achal Kumar: Sorry, no, I mean, I was not talking about the cancellations because of this geopolitical tension between India and Pakistan. I was talking more broadly because of the U.S. tariff at all. I think there was a, definitely, there was a slowdown, significant slowdown, even all the U.S. airlines reported slowdown. And since Maldives is the market where you have a lot of traffic coming from the US and UK, Europe, basically, that's what I was meaning to when I was asking about how the impact you see any slowdown in demand.

And secondly, also, if you could please give a bit of a color on the forward booking, maybe, I know it's a bit of a short period or our bookings don't take place four months in advance or three months in advance, but whatever bookings you may have, maybe the June quarter or whatever, any color would be helpful?

Ranjit Batra: Yes. So I answered a little bit about India, but I understood from the question that you wanted to know a flavor from Maldives as well. And from our current Indian revenue management team, we are not seeing any huge downward trend through the U.S. tariff situation that you're mentioning.

We just came out of a very strong quarter and our bookings are looking pretty strong in this quarter in India as well. As far as Maldives is concerned, the beauty of Maldives is that it's provided from a very well diversified customer profile from all over the world. And it doesn't really depend on a particular country as a source of foreign tourist arrivals.

U.S., if you see the latest numbers, is only 3% of the entire Maldives inbound tourism. So very well spread, plus there is seasonality which takes care of the Maldives business extremely well. Now we are off the peak to big quarters. Now we're going into soft season. The soft season typically is serviced from Asia, overall China, Japan, Korea, and India. So next two quarters, these are the big segments that are going to be supporting Maldives.

Milind Wadekar: So actually from India perspective, when we look at April numbers, we have not seen any impact. And see, I mean, H1 is typically softer. So, I mean, when we compare it year on year, we have not seen softness and we don't see when there will be any impact. GCC demand is very high. So, we don't see any impact as of now.

Achal Kumar: Thank you so much and wish you good luck.

Ranjit Batra: Achal was I able to be convincing on the Maldives front with my answer or you would like me to elaborate?

Achal Kumar: No, I think that's fine.

Ranjit Batra: Thank you.

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

Vaibhav Muley: Hi, team. Congratulations on a great set of numbers for the quarter. I have a couple of questions on your Maldives business. So firstly, you mentioned that you are targeting to increase the occupancies from current level of 57%, 58% to 65% odd levels. So given Maldives is a cyclical market and for Q4 we are already registering occupancies of 71%, 72% and it's kind of flattish year-on-year.

So Q4 seems to have little headroom for occupancy growth. So how do you plan to improve this occupancy to 65% for full year? And so basically, how do you plan to reduce the cyclicality component for the full year business in Maldives? That's the first question?

Ranjit Batra: So I think you're right. There is always these big five, six peaks that Maldives goes through, whether it's the New Year, Christmas, etcetera, the Chinese New Year and there is a cyclical. First of all, this year, we've had a shift of the Easter. So the Easter has moved from last quarter to this quarter. I think that itself is going to be a huge shift in revenue generation for this quarter.

And additionally, we do a lot of strategic market-wise diversification approach. That's what we take in Maldives. So depending on which countries and geographies we need to penetrate and we look for new geographies all the time to generate business. But the uniqueness of Maldives is the attraction for global travelers looking out for leisure destinations.

And we have one of the best partners and loyalty programs in place with Hilton in Maldives, Anantara, and the Discovery program, a loyalty program that generates a lot of off-season business for Maldives typically. And that's one of the ways we can further look at increasing business in the off-season as well.

Vaibhav Muley: Great, sir. Understood. And my second question was on the RevPAR for Maldives market. So that has seen a year-on-year decline, including Raaya. So I guess Raaya basically operates at a lower price point compared to other luxury resorts. But can you share the levels for Raaya specifically?

What kind of RevPAR it operates at and do you expect improvement in RevPAR for Raaya going forward given the hotel is currently in a stabilization phase? And what kind of uptake can we expect in medium term?

Ranjit Batra: I think a very good question specifically for Raaya. Raaya is operating at TRevPAR at around INR35,000. Now, typically, especially for Maldives, it takes a long period for ramp up of any resorts, considering it's sitting in isolation and you have to have a lot of to showcase the resort to a lot of people in all over the world.

So I already mentioned that we've actually gone very quick on the first quarter with high occupancies and rates. We have strategically moved majority of business on volume-based, not so much on rate-based as a strategy for the first 1-1.5 years, so we can showcase our properties. The segment that actually fires for all-inclusive resorts in the world is actually through wholesale business.

And wholesale business typically works on reputation and customer feedback after they go and experience a resort and then that creates further attraction and goodwill. So this is our focus right now. And going forward, we will obviously be increasing the rates to a significant amount in the near future. But this is pretty much our strategy. We've mutated the rates a little bit. We've left a little bit money for the wholesalers to push the resort, and that's our strategy.

Vaibhav Muley: Understood, sir. And do you see this all-inclusive concept has potential to be applied in your other existing properties or any other new properties where this can be implemented?

Ranjit Batra: So to be honest, I mean, to take a global view, there are pockets of places like the Caribbean Islands where all-inclusive concepts are really popular. It's mainly popular in the leisure destination, leisure product, so to speak. Now, it's convenient for both operator and for the consumer both.

And I'm seeing that there's a lot of traction. Why am I seeing this is because in the luxury segment in Maldives and some other places, this half-board and full-board concept is also coming out quite strong where the customer wants to know how much they're going to spend and need some certainty on budgeting their holidays.

So yes, while it will go into half-board and full board, all-inclusive is a very specialized business. Not everyone can actually emulate or do this successfully, because if there is unlimited consumption of food and beverage, there has to be some stringent discipline and cost control as well at the same time to make this work.

So only a few operators are actually mastered the art of doing an all-inclusive with high EBITDA margins such as we have. And I already mentioned our EBITDA margins at 49%.

Vaibhav Muley: Great, sir, understood. Thank you so much, sir, for answering my questions and all the best for future.

Moderator: Thank you. The next question is from the line of Sumit Kumar from JM Financial. Please go ahead.

Sumit Kumar: Congratulations on a very good set of numbers for the Q3 FY '25. My first question is, if you could break up the growth of the India hospitality business between Pune and Bangalore, and the second question would be on ROFO Assets, on what stage of development would you like the ROFO Assets to come into ventive? Is it at the last stage or is it more towards completion? Those are my two questions.

Milind Wadekar: So, Sumit, I mean, India business, we don't have numbers readily available, but we'll share it with you. As far as ROFO is concerned, I mean, it is initial stage. We are evaluating various options in what shape and format it will come to Ventive, and we'll keep you posted, I mean, everyone posted once this is done, but we expect it will be done in two quarters or so.

Ranjit Batra: Just to add to Milind, I think we will bring the assets into Ventive at a warm shell stage at fair market value. And I think that will ensure creation of wealth for minority shareholders as well. So the timeline for warm shell transfer will be around 2.5 to 3 years, just to answer that question as well. You'll be hearing some announcements very soon on this.

Sumit Kumar: Sure, sir.

Moderator: So does that answer your question?

Sumit Kumar: Yes, sir. That's all for me. Thank you.

Moderator: Thank you. The next question is from the line of Vignesh Iyer from Sequent Investments. Please go ahead.

Vignesh Iyer: So my question is more on the lines of your earlier commentary where you said how you will use the internet accruals to take care of the doubling your keys expansion in the next 5 years. So I wanted to understand, would it be fair to say that your promoter holding from 80% to 75% that needs to be done as per SEBI guidelines there would be no dilution on your part?

Milind Wadekar: So, we still have around 2.5 years for that dilution, but the cash flow, what I explained, is coming out of internal accruals. I mean, most of our capex will be funded through internal accruals. We are not looking at any dilution. We will look at ways and means, how to reduce that to 75% as and when it is required as per SEBI guidelines.

Vignesh Iyer: So basically that could be offered still from the promoter side?

Milind Wadekar: Not necessary, Vignesh.

Vignesh Iyer: Okay, because your calculation based on, I mean, EBITDA minus tax and interest, which is your prop, accruals that gets takes care of the capex. And if there is no dilution that has to be OFS only, right? I mean, there is no other way to reduce the profit from the promoter's stake in the company.

Milind Wadekar: See, there are ways and means, I mean, we'll discuss on it when it comes. I mean, we still have 2.5 years. So there are quite a few options on that front.

Vignesh Iyer: Okay. Got it. And just one more question on my end. Just wanted to understand what would be the taxation going ahead in FY '26 on standalone level, as well as Maldives business?

Milind Wadekar: See, Maldives tax is at 15% on profit. So we have some debt there. So taxable, the income is not taxable there. In India, we have different entities. So tax rate is different. One of our material subsidiaries, we are at 25%. We have carried forward tax losses on account of 35AD incentive given to hospitality companies.

So we'll use that once we exhaust with that, we will move to a new tax rate and effective tax rate will come at 25%. So this is the basis of our broad calculation. But if you look at the financial statement, it will be current tax and deferred tax. So in our calculation, we are discussing only current tax, which is actual outflow.

So, with this, we are saying interest and tax and some repairs and maintenance capex all put together will be around, will average to around INR 400 crores a year.

Vignesh Iyer: Okay. Because I mean, since the rate of tax is changing almost every quarter, it would be more better to look from a PBT point of view?

Milind Wadekar: Rate of taxes is changing every quarter, and taxes paid at legal entity level. So, when you add it arithmetically by subsidiaries, the profit of one company legal entity is reduced by losses of other entities. So we cannot do that straight away PBT to tax percentage. So we'll have to look at each legal entity level. But I mean, tax rate will not go beyond 25% actual outflow.

Vignesh Iyer: Actual outflow, yes. Thank you for the clarity. That's all from my side.

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

Ranjit Batra: Thank you. So FY '25 has been a landmark year for Ventive Hospitality marked by record breaking results, operational discipline and strategic progress. We crossed two key milestones surpassing INR 2,000 crores in full year revenue and INR 1,000 crore mark in EBITDA. We've delivered our best ever quarterly performance with 20% revenue growth and 23% EBITDA growth.

Our hospitality business delivered outstanding KPIs across the board. We remain focused on driving margin on improvement. Our overall EBITDA margin in Q4 was 52%, one of the highest in the industry.

Lastly, we remain confident of sustaining our growth, both organically and achieving our vision through doubling our number of keys in the next 5 years.

All of these accomplishments were made possible by a fabulous team at Ventive. Our operators, our associates and most importantly, our customers. I want to thank each one of them for the support and everyone here on the call today for your support and encouragement. Thank you once again for joining this call and have a good evening.

Moderator: Thank you. 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.