

To,

Date: 10<sup>th</sup> February, 2025

The Manager BSE Limited P. J. Towers, Dalal Street Mumbai-400001 (BSE Scrip Code: 523796)	The Manager, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051. (NSE Symbol: VHLTD)
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Dear Sir/ Madam,

**Unit: Viceroy Hotels Limited**

**Sub: Transcript of the Earnings call held on 07<sup>th</sup> February, 2025 under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“Listing Regulations”]**

With reference to the subject cited, this is to inform the Exchanges that pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the transcript of the Post Earnings (Group Conference) Call for Q3 of FY24-25 held on Friday, 07<sup>th</sup> February, 2025.

This is for the information and records of the Exchange, please.

Thanking you.

Yours faithfully,

**For Viceroy Hotels Limited**

**C. Siva Kumar Reddy**  
**Company Secretary and Compliance Officer**  
**Mem No.: ACS 72022**

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**VICEROY HOTELS LIMITED**

CIN: L55101TG1965PLC001048

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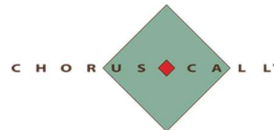
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“Viceroy Hotels Limited  
Q3 FY '25 Earnings Conference Call”

**February 07, 2025**



**MANAGEMENT: MR. ANIRUDH REDDY – DIRECTOR – VICEROY  
HOTELS LIMITED  
MR. PRADYUMNA KODALI – CHIEF FINANCIAL  
OFFICER – VICEROY HOTELS LIMITED  
MR. HIMANSHU RAJANI -- HEAD OF ACCOUNTING –  
VICEROY HOTELS LIMITED**

**MODERATOR: MR. BHAVIK BHAVSAR -- INVESTEC CAPITAL  
SERVICES**

**Moderator:** Ladies and gentlemen, good day and welcome to the Viceroy Hotels Limited Q3 FY'25 Earnings Conference call hosted by Investec Capital Services. 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 any assistance during this conference, please signal for an operator by pressing star and then zero on your touch-tone telephones.

I now hand the conference over to Mr. Bhavik Bhavsar from Investec Capital Services. Thank you and over to you sir.

**Bhavik Bhavsar:** Good morning everyone and welcome to the Q3 FY'25 Earnings Conference call of Viceroy Hotels Limited. For today's call, we have with us Mr. Anirudh Reddy, the Promoter, Mr. Pradyumna Kodali, CFO and Mr. Himanshu Rajani, Head of Accounting and other senior members of the management. Please note that some of the statements might be forward-looking and does not guarantee for future performance.

Now, I would just hand over to the management for the initial remarks after which we will open the floor for Q&A session. Thank you and over to you.

**Anirudh Reddy:** Good morning ladies and gentlemen. Thank you for joining us for the call today. This is Anirudh Reddy, Director in Viceroy Hotels.

Trust all of you have a great start to the year. Today, me and Pradyumna will share some highlights from the quarter, updates on the renovation and the recently concluded rights issue. After which we can open up for questions and answers.

The industry continues to experience strong demand, particularly in the metro cities. We have observed significant improvement in ADRs and RevPar. Domestic travel seems to be at an all-time high, which is a good indicator for the times to come. In order to maximize this opportunity, Viceroy Hotels Limited has decided to upgrade its facility in both the hotels, which is the Marriott and the Courtyard by Marriott.

Coming to the quarter results, we are happy to announce that we have one of the best quarters in the company's history. The revenue from operations was INR37.75 crores, which is up 16% from Q2, and an EBITDA of INR11.35 crores, which is up 43% from Q2. The ADR also was significantly higher at INR7,423 and compared to Q2, it was significantly higher, which the ADR in Q2 was only INR6,063.

We have initiated the renovation project this year in both the hotels. Firstly, we are concentrating on the Courtyard by Marriott, which has five operational floors, but a structure for nine floors. The interiors of the remaining four floors are being completed as we speak, and by the end of June, we expect 56 new guest rooms to be added to the sixth and seventh floor, and a brand new state-of-the-art gym and spa facility is on the eighth floor, and a rooftop bar with a pool on the ninth floor.

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We are expecting all these floors to be operational by the end of June of this year. In the Marriott property, the convention center and select guest rooms attached to the convention center will undergo renovation from April 2025. The Marriott property will undergo renovation in a phase-wise manner over two years, keeping in mind that it is a fully operational hotel.

Majority of the work has been planned for the slower part of the year, in summer, so that the revenues aren't affected. Post-renovation, we expect our ADRs to significantly improve to INR9,500 to INR10,500 mark. Our current comp set is already selling in these ranges, and with the designs that we are working on to upgrade the facility, we are very confident of achieving high ADRs, revenue, EBITDA, and PAT.

Also, we would like to state that the company's recent rights issue received an overwhelming response and was subscribed to close to 112%, reflecting strong investor confidence and demand. The successful allotment of the complete shares in the rights issue underscores the market's trust in our company and the growth trajectory. Thank you.

We are open for any Q&A.

**Moderator:** Thank you very much, sir. We will now begin with the question-and-answer session. Anyone who wishes to ask a question may press star and 1 on the touch-tone telephones.

If you wish to remove yourself from the queue, you may enter star followed by 2. Participants are requested to use only handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We have a question from the line of Rohit Panchmurthy, who is an Individual Investor. Please go ahead.

**Rohit Panchmurthy:** My question was, what are the expected financials post the completion of the entire renovation?

**Pradyumna Kodali:** Hi, Rohit. Thanks for asking a question. So, currently, like Anirudh had mentioned, we in this quarter saw ADRs of INR7,500. We are still, from a product standpoint, still a pre-renovation product. But once we are finished, completed the renovation, we can look at the INR9,500 to INR10,500 mark, which can easily lead to about a 30% increase in our revenues.

So where potentially post-renovation, in the first full year, we're looking at revenues of about INR170 crores with an EBITDA north of INR60 crores. And majority of this is driven by the room business, which was typically the flow-through profit in this additional ADR jump is almost about 95%.

**Rohit Panchmurthy:** Got it. Thanks. I think that clarifies.

**Moderator:** The next question is from the line of Nihal, who is an Individual Investor.

**Nihal:** Hi. Are there any other hotel projects in the pipeline?

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- Pradyumna Kodali:** Yes. So, currently as we speak, we are evaluating another hotel in Hyderabad. Once we have the definitive agreement signed, we will make that announcement. But we are looking at expanding our portfolio to three hotels very, very soon.
- Nihal:** Got it. Thank you. And just to confirm, when is the renovation being completed again? I know you touched upon it. I just wanted to get that again.
- Pradyumna Kodali:** Yes. So as we mentioned, the Courtyard project is already underway. So assuming we are in year one, it's going to be done in a phase-wise manner over three years. And we're expecting the entire renovation to be completed by 2027.
- Nihal:** Okay. Thank you.
- Moderator:** Thank you. If you have any questions at this time, you may enter star and 1. Bhavik sir, do you have any questions at this time?
- Bhavik Bhavsar:** Yes. So I just wanted to know, so how is the Q4 occupancy and ARR panning out right now? So since Jan has already ended, how do you see that moving forward as well in Hyderabad?
- Pradyumna Kodali:** Typically, what happens in the central business district, Hyderabad basically has two compsets, predominant compset. One is the central business district, and one is the slightly newer part, which is your Madhapur- Gachibowli. So the compset that we are a part of, which is referred to as the central business district, typically works in a 65% to 70% occupancy mark.
- While this is something that we've been able to beat and achieve in the current year in itself, we're almost at about a 70% occupancy mark. And we can see that going forward, once the product is also renovated, we can see a few percentage points improvement. Having said that, the majority of the improvement in revenues in EBITDA is going to be driven by ADRs and not so much the occupancy, because that is not something that the entire compset can improve upon.
- Bhavik Bhavsar:** And just one more thing. So you all have stated out in the presentation that Marriott Hotel conventional center and guest room renovations are going on and it is going to begin in April 25. So what is the expected downtime for that? And what will be the impact on the revenues due to that?
- Anirudh Reddy:** So basically, in April, we have from April to September lean months in the summer. So basically, they're taking the convention center out in April -- for April 1st, so that it comes back by September. And on top of that, there are certain rooms, which anyways have to be shut down because of the noise levels, which might go up.
- So those rooms also are being renovated and we expect those rooms also to come live this year itself. So there will be a very minimal impact, considering that the occupancy levels are at, if

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you see a compset at around 75%. So any of these rooms are going under - not sold. But obviously, there'll be a little bit impact because it's an under renovation hotel.

**Bhavik Bhavsar:** And just last question is that, what are the expectations around the demand and supply for the next three years? So basically, people are saying that we are in the mid cycle of the hotel and hotel sector as a whole. And now, recently, in the budget, we have this thing, which is expected to bolster the hospitality sector.

So can you just give me a brief on what can be expected related to demand and supply over the next three years?

**Pradyumna Kodali:** Yes, sure. I mean, to start with, I mean, you touched upon the budget. And so that was actually very good to hear from my finance minister that, they have very good ideas for the hospitality sector in general.

So the tailwinds are always helpful for us as a company to grow. Having said that, particularly in the metro cities, such as Hyderabad, Bangalore, Delhi, Bombay, the supply is fairly limited. Even in Hyderabad, there have been a lot of reports about how supply is only growing at about 3% to 4% per year, whereas the demand is growing at about 10%, 12% every year.

Now, typically, this sort of gap between supply and demand only leads to one thing, that is increase in ADRs. And we've observed that some of the hotels in Hyderabad have sold rooms that are as high as 35,000 to 40,000 rupees. So that way, this is a great sign for us that over the next three to four years, we can see a great increase in demand. And then that all the money that we are infusing into our renovation also can have an ROI much sooner than we can expect.

**Bhavik Bhavsar:** Okay. Thank you, sir. That's all my questions.

**Moderator:** Thank you. Participants, if you have any questions, you may enter star and one. As there are no further questions, I would like to hand the floor over to the management for closing comments.

**Pradyumna Kodali:** Thank you, everybody, for joining us on this call. I hope we've answered the questions. We would like to tell everybody that, the management is putting their best efforts in order to protect everybody's interest, and we would like the continued support of our shareholders, so that the company can grow leaps and bounds over the next two years.

**Moderator:** Thank you very much. On behalf of Investec Capital Services, that concludes this conference call. Thank you all for joining us and you may now disconnect your lines. Thank you.

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