SAMHI
SMART HOTEL INVESTMENTS

SAMHI Hotels Ltd.
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05th February 2025

BSE Limited
Corporate Relationship Department
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Maharashtra, India

Scrip Code: 543984

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051, Maharashtra, India

Scrip Code: SAMHI

Sub: Transcripts of Q3 FY25 Earnings Call

Dear Sir / Madam,

Please find enclosed the transcripts of the Q3 FY25 Earnings Call held on **Thursday, 30th January 2025 at 02:00 p.m. IST**.

You are requested to kindly take the same on your records.

Thanking You.

Yours faithfully,

For **SAMHI Hotels Limited**

Sanjay Jain
Senior Director- Corporate Affairs,
Company Secretary and Compliance Officer

Encl.: ***As above***

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SAMHI Hotels Limited

Q3 & 9M FY25 Earnings Conference Call

January 30, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 30th January 2025 will prevail.

MANAGEMENT: **MR. ASHISH JAKHANWALA – MD & CEO**
MR. RAJAT MEHRA – CFO
MR. GYANA DAS – EVP & HEAD OF INVESTMENTS
MR. NAKUL MANAKTALA – VP (INVESTMENTS)

Moderator: Ladies and gentlemen, good day and welcome to the SAMHI Hotels Limited Q3 and 9 Months FY25 Earnings Conference Call.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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, please signal an operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashish Jakhanwala - MD & CEO of SAMHI Hotels Limited. Thank you and over to you, sir.

Ashish Jakhanwala: Thank you so much. Good afternoon, ladies and gentlemen. Welcome to SAMHI Hotels Earnings Call for the Quarter Ending December 31, 2024.

I have with me today, Rajat Mehra who is the CFO; Gyana who is EVP and Head of Investments; Nakul Manaktala – VP of Investments. We also have on call our Investor Relation Advisors, Strategic Growth Advisors.

We have uploaded our Q3 FY25 Financials and Presentation on the Exchanges and I hope everybody had an opportunity to go through the same.

To begin with, I will request my colleague, Rajat, to give us a "Summary" of our "Financial Performance", after which I will give you a small brief on business and then we will open the floor for Q&A.

Rajat, over to you.

Rajat Mehra: Thank you, Ashish, and good afternoon everyone.

It gives me immense pleasure to announce SAMHI's Financial Performance for the Quarter Ending December 31st, 2024.

Starting off, I would like to point out that this is the first quarter when both the current quarter and year-on-year comparable quarter have full consolidation of ACIC portfolio given the August 2023 acquisition date.

Our asset income, which captures the revenue generated from our hotels, stood at INR 296 crores registering a year-on-year growth of 10% as compared to same quarter last year. This growth is

driven by same-store assets delivering a strong RevPAR growth of 15% year-on-year. The ACIC portfolio had muted revenue growth as we have currently focused on completing the transition from 'Marriott Franchise' to 'Marriott Managed' coupled with fixing the cost structure. With those initiatives completed, our focus for ACIC portfolio now shall solely be towards increased market penetration and revenue growth during financial year 2026.

Our asset EBITDA, which captures hotel level profitability, stood at INR 122 crores for the current quarter, registering a year-on-year growth of 13% as compared to same quarter last year. Asset EBITDA margin stood at 41.2% demonstrating 90 bps year-on-year improvement. ACIC portfolio margin stands now at 39.4% for the quarter, which should move towards 40% or so going forward in Q4 FY25. We have seen material reduction in net corporate G&A and ESOP expense both at INR 4.4 crores each.

On the basis of this, I am happy to report that our reported consolidated EBITDA stood at INR 113 crores for the current quarter, registering a 25% year-on-year growth as compared to same quarter last year. Consolidated margins have reached to 37.9% with headroom for further margin expansion going forward. Depreciation expense has been stable at INR 29 crores. We have one of our pre-IPO high-cost loans during the quarter which has been refinanced and would result in an annual saving of INR 16 crores. However, this comes with a non-cash accounting entry related to the write-off of the upfront fees paid prior to the takeover of the loan. This has inflated our reported finance cost by Rs. 6.5 crores to Rs. 62 crores.

All in our reported PAT stood at INR 43 crores. Adjusted for non-cash finance cost entry, our PAT would have been circa INR 30 crores. From a capital structure perspective, our net debt as on December 31st, 2024 stood at about INR 2,060 crores with the cost of debt of 9.4%. The quarter-on-quarter increase in net debt on account of growth CAPEX that we have incurred for the acquisition of the Trinity Hotels in Bangalore, Holiday Inn Express additional rooms and W Hotel developments. Our operating assets are now at trailing 12 months net debt to EBITDA of 4.3x after adjusting to the growth CAPEX that has been incurred.

With that, I shall now request Ashish to speak us through the market and the business update.

Ashish Jakhanwala: Thank you, Rajat. As Rajat mentioned, we witnessed a very strong 15% RevPAR growth for same-store assets. This was a result of continued demand from an expanding office market across our key cities and a record passenger movement of 77 million passengers during the last quarter. The new hotel supply continues to remain very low in key cities and creates a perfect environment for RevPAR growth.

Bangalore and Hyderabad, two of our key markets and also the markets where we are adding new inventory, continue to see robust office space growth and a strong increase in airline passengers. The amount of investment in interest that the tech sector is getting alongside the global capabilities center will continue to boost demand in these cities. Bangalore benefits from

a very large base and while Hyderabad we feel has phenomenal infrastructure in place. As we see continued revenue growth, we remain focused on revenues to improve our EBITDA margins as Rajat mentioned, at the asset level, delivered EBITDA margins are 41.2%. Within that, the same-store assets achieved an EBITDA margin of 42.2%. ACIC is almost touching about 40%.

As discussed in past calls, we are working on a few fronts to deliver strong growth in addition to what we expect from our same-store assets. And I think the first part of that is pretty transformational in which we are changing the whole portfolio construct where the upper upscale and upscale hotel portfolio through various steps will double in inventory from about 1000 current rooms to over 2000 rooms. It is important to note that this segment of hotels operate at a much higher revenue per room as compared to our current portfolio average. These increases in inventories happening via the following, work has started to add 54 rooms in Sheraton, Hyderabad and 22 rooms in Hyatt Regency Pune. These shall be completed in FY26 and since these are part of the existing operating hotels, the stabilization timeline shall be very rapid.

Next, we are repositioned two of the upper mid-scale ACIC assets in Pune and Jaipur, adding to about 330 rooms into a Courtyard by Marriott and the second hotel in the Tribute Portfolio by Marriott. The 217 room Courtyard in Pune will therefore be the second Courtyard in our portfolio following the hugely successful Courtyard by Marriott in Bangalore, Outer Ring Road. The W Hotel in HITEC City, Hyderabad and the Westin Tribute Combo Hotel in Bangalore, Whitefield will together add about 530 rooms in key and high performing micro markets. We have witnessed both of these micro markets, which is HITEC City and Whitefield perform very strong over the past few quarters.

In our upper mid-scale portfolio, we are adding about 80 rooms to our existing Fairfield by Marriott in Chennai, Sriperumbudur. The existing 153 room hotel has seen strong performance within our portfolio and after this expansion, that hotel would be 230 rooms. Lastly, in our mid-scale or the Holiday Inn Express Portfolio, we have seen successful renovation and rebranding of the erstwhile Caspia Pro into Holiday Inn Express with 133 rooms. This hotel reopened in December 2024 and is gradually capturing market share within the Greater Noida precinct. The other 170 odd rooms in Calcutta and Whitefield, Bangalore are fully ready and waiting for final approvals, which are expected shortly. We also continue to make good progress for asset recycling as discussed on our earlier call and this will help us reallocate the capital for both better margins and improve the process.

I would request participants to access our Q3 FY25 Investor Presentation that has been uploaded to view some of the images of the growth projects we are working on. This will give you a good idea on how we are transforming a portfolio and its impact on the financial outlook.

With this, I shall open the floor for Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press "*" and 1 on their touchtone telephone. If you wish to withdraw yourself from the question queue, you may press "*" and 2. Participants are requested to please use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Karan Khanna from Ambit Capital. Please go ahead.

Karan Khanna: Hi, thanks for the opportunity and congrats, Ashish team on another quarter of operational turnaround. So, Ashish, my first question is on the broader market, we have seen about 3 or 4 years of very strong performance on the luxury hotel rooms. Increasingly, do you think that next 2-3 years, we will possibly see the mid-scale and the upscale segment doing potentially better than the luxury segment? And in that context, how do you think about potential RevPAR outperformance for your portfolio compared to, let us say the luxury hotel rooms in the next 2-3 years?

Ashish Jakhanwala: So, thanks Karan. You are absolutely right, we have now seen, I guess about 8-9 quarters of strong performance. The early indicators for the current quarter continue to indicate pretty strong growth on a year-on-year basis. We think the occupancy levels are now mid 70s in several markets, touching high 70s. If you were to break that within day of the week occupancy, we are seeing weekdays doing anywhere between 80%-90% occupancy levels in some of our key markets and hotels and therefore that really leaves the room for rate growth. I think in terms of segment performance, Karan, we feel that for the next several quarters, all segments will continue to perform well. Having said that, we believe that the inventory position that we have created in Bangalore and Hyderabad and the future supply that we are bringing through the W in Hyderabad, the Westin Tribute in Bangalore, I think that will have a substantial impact on how SAMHI's performance turns around over the next few quarters and years because these are undisputedly some of the best performing market, not just in terms of hotel performance, also in terms of office absorption and airline growth. So, I think our excitement is stemming from the fact that we have secured the right growth pipeline in cities, which are fairly well poised for continued RevPAR growth and you will see the impact of that starting this year, when we add rooms to, let us say, Sheraton Hyderabad, next year, I am saying FY 27 when we start seeing the opening of W in HITEC City, Hyderabad and then, of course, beyond that the Westin in Bangalore.

Karan Khanna: Sure, this is helpful, Ashish. My second question pertains to your net debt. So, we have seen about almost Rs. 2 billion increase this quarter and your net leverage is at about 21 billion, which is your peak net debt guidance as well. Do you still maintain the 4.5x net debt EBITDA for FY25 and 3.5x for FY26 and as a follow up, do you also see any potential asset recycling opportunities materializing soon, in which case the leverage or the net debt to EBITDA potentially could be at a lower level?

Ashish Jakhanwala: So, Karan, first, just to clear, you are absolutely right. We have the peak leverage levels right now because we have already accounted for the CAPEX we spent on Bangalore acquisition and Hyderabad. Now, starting Quarter 4, all of the CAPEX that we are incurring in, development of these assets is coming from our internal accruals and free cash. With that, we remain fairly confident of achieving the 4.5x net debt to EBITDA on a reported basis, end of the current fiscal year and then subsequently because our EBITDA growth is pretty substantial, we expect that to quickly de-accelerate to 3.5x net debt to EBITDA levels. So, we are absolutely on track. And to add to that I did make a comment, Karan, that we are making good progress on asset recycling. We believe that as we probably start that program that will obviously further assist our ability to further accelerate the deleveraging, which means that the path to that 3.5x could be slightly quicker basis the success of that asset recycling and we are making good progress so far.

Karan Khanna: Sure. My third and last question, if rebranded the Caspia Pro in Greater Noida to Holiday Inn Express, so if you can talk a bit about how has been the change in terms of the ARR, RevPAR since last week of December when you rebranded this into Holiday Inn Express?

Ashish Jakhanwala: So, Karan, the Holiday Inn Express, Greater Noida opened in December 2024. It has just been just about a month. Just give me a second. I am just looking at the performance data, so this hotel used to operate at a rate of about Rs. 2,300, early numbers and that is because it is just the first few days. The hotel is currently trading at month to date at about Rs. 5,600. So, we have seen a 2x growth, but word of caution, Quarter 4 is undoubtedly the best quarter at least our company tends to see because of how business travel stacks up in this current quarter. So, I would not guide people to think that Holiday Inn Express Greater Noida will sell at Rs. 5,600, but it is just that it has transformed into a 2x change with renovation and rebranding.

Karan Khanna: Sure, this is helpful, Ashish. Thank you and all the best.

Moderator: Thank you. Ladies and gentlemen, in order that the management is able to address questions from all participants in the queue, we request you to please restrict your questions to 2 per participant. You may rejoin the queue for follow-up questions. We have the next question from the line of Pradyumna Choudhary from JM Financial Family Office. Please go ahead.

Pradyumna Choudhary: Yes. Hi, Ashish, congratulations on a good set of numbers. I just wanted to understand a bit more on the ACIC side, what has been the revenue growth. You spoke about muted RevPAR growth over there. So, that means it has been absolutely flat and second would be, what is happening in terms of you spoke about transition and all, but on the ground, what really was happening which actually prevented us from growing on the ACIC portfolio given the strong tailwinds across the hotels that we are currently seeing?

Ashish Jakhanwala: Thank you for your question. So, let me first assure you what we are seeing is a part of the plan and not either a surprise or disappointment. So, just to give you numbers, during the quarter that we just reported, the total income in ACIC remains flat vis-a-vis the same quarter last year, but

the EBITDA margin is expanded by about, actually the growth in EBITDA was about 10% with a margin expansion of 300 basis points. So, what had happened was that till about October, November, these assets were franchised and in November they transitioned to Marriott manage. All the efforts towards restructuring the organization, change in food and beverage has now been implemented and that is why even on a flat revenue we have delivered almost a 10% EBITDA growth.

The second thing which happened Pradhyumna, it is very standard when you transform a hotel from franchise to manage is you tend to draw a lot of business which is low rated and not high margin. So, the first thing one needs to do is to free up the bandwidth to secure the high rated high margin business, but the first step has to be to lose and let go of the low rated low margin business. So, that has happened in the last quarter. You will see the revenue growth coming into this portfolio starting the current quarter, because now all of that cleanup has happened, lot of low rated account have been now flushed out of the system. There is a part of the plan which is delivering margin expansion, EBITDA growth and starting Quarter 4. As we start seeing the revenue growth coming into this portfolio, you will then see a significant flow through impact on to the bottom line.

Pradyumna Choudhary: Understood. And just to follow up here, so the muted revenue growth was account of lower occupancies or lower muted ARR growth or was it a combination of both?

Ashish Jakhanwala: Actually, if you ask me pretty much the same, both are flat and so is the F&B income also right. So, it is actually when I am looking at the data here, we are seeing occupancy remain flat, the rate also kind of remain flat and F&B the income was exactly the same Rs. 13.2 crores for the quarter. So, overall metrics were kept flat, but the EBITDA went from Rs. 19 crores to Rs. 21 crores.

Pradyumna Choudhary: Alright. And my last question is regarding the CAPEX plan for FY26 and FY27, if you could just give the broad numbers that would be really helpful?

Ashish Jakhanwala: Yes, so FY25, we have now at least we had made a lot of investments. In the current quarter, we only expect about Rs. 20 odd crores of capital expenditure which is Quarter 4. For the next fiscal year, we have approximately Rs. 200 crores of capital expenditure of which about Rs. 50 crores will go towards the new rooms opening in Sheraton and Hyatt Regency. And the good news is that that capital expenditure brings immediate profit because these are existing operating hotels and then the balance about Rs. 125-Rs. 140 odd crores is between the W Hyderabad and the Tribute and Westin Bangalore Whitefield.

Pradyumna Choudhary: And FY27 plan you have or it is like?

Ashish Jakhanwala: About 150 crores a year for FY27, FY28 for us to be able to deliver the Westin in Bangalore in FY29 as we have indicated. So, for both FY27 and FY28, we expect about Rs. 150 crores annualized capital expenditure.

Pradyumna Choudhary: Alright. Thank you and all the very best.

Ashish Jakhanwala: Thank you so much.

Moderator: Thank you. We have the next question from the line of Jinesh Joshi from PL Capital. Please go ahead.

Jinesh Joshi: Thanks for the opportunity. Sir, just one observation from my side. Our same-store RevPAR growth is about 15%, but our revenue growth is 11%, which perhaps indicates that F&B revenue growth in this quarter was a bit subpar. Now, given in this quarter, the MICE revenue typically tends to be higher given the concentration of wedding dates. Any reason why the F&B revenue growth was lagging this time around and also in this context, how should we think about F&B growth going ahead?

Ashish Jakhanwala: Yes. So, I think a very good question. I will just further break, so first of all, absolutely yes. The RevPAR growth of 15% resulting in a total revenue growth of 11% means lower than 15%, actually lower than 11% F&B growth. So, we have seen F&B grow at about 5% on a year-on-year basis. Not within that what is interesting is that we have seen the venue revenue, which is what you are referring to the meeting spaces, the ballrooms and all of that has actually grown at 13% year-on-year. So, you have seen reasonable growth in the MICE or the events related business. It is the specialty restaurant, the outlet income, which has remained almost flat, right. So, we have seen some sort of flattening of revenues in the outlet revenues. I cannot really naturally I think it is too early to blame external factors. Give us a quarter or so. We are reviewing internally both our pricing products, probably some marketing efforts that we need to make in 3 or 4 specialty restaurants that we have. Our total F&B contribution is just about 25%-26%. It is not very substantial, but we see opportunities to improve the outlet revenues because we don't really see a problem per se as you mentioned in the overall MICE or the events revenue.

Jinesh Joshi: Got that and sir, in the opening comment, you also mentioned that the ACIC portfolio is expected to shift from the franchise route to the management contract route in November, so with the shift happening, what kind of RevPAR growth are you expecting given the fact that in the 9 month, your number on the ACIC side was relatively flattish?

Ashish Jakhanwala: So, I think the main focus now, so first of all, the whole transition has been completed. All the organization changes that needed to be made, I would believe 90% of those changes have been fully completed so far. The focus therefore now is completely repricing the asset. Our expectation is that from current quarter, you will start seeing the rate growth coming into the ACIC portfolio. Occupancies are at 72%-73%. So, they are pretty stable and good. You will see

a churn of the rate mix and I think in FY26, you should expect 9%-11% total revenue growth in ACIC.

Jinesh Joshi: Sure. And the last question from my side and the margin rejig exercise in ACIC, is it fully complete or do you think that further elements in terms of cost rejig are yet to be pending, which can lead to further improvement in margin because I need this 9%-11% RevPAR growth, the flow through for EBITDA will be there from this element, but anything from the cost side which can lead to an improvement in the margin is what I want to understand?

Ashish Jakhanwala: So, I think on cost we have, so whatever you are seeing with flat revenue, we have got the margins up from almost 32% to 40% now. Going forward, the margin expansion will really be a result of flow throughs from incremental revenue. So, first of all, we do definitely see the margins in ACIC portfolio cross 40%, remain there for an annualized basis. You will always see quarter 1, quarter 2 being slightly lower. But I think on a full year basis, you will see ACIC definitely cross 40% plus, but that movement from let us say 39% for the quarter or for the last year, let us say 36%-37% to 40% is now going to be largely a factor of flow through of incremental revenues.

Jinesh Joshi: Got that. Thank you, sir.

Ashish Jakhanwala: Thank you.

Moderator: Thank you. The next question comes from the line of Abhishek Khanna from Kotak. Please go ahead. Mr. Abhishek Khanna, your line has been unmuted.

Abhishek Khanna: Yes. Am I audible?

Moderator: Yes, you are audible.

Abhishek Khanna: I just wanted to check. I understand the Caspia Delhi is going for renovation starting January as you mentioned in the presentation. Could you share what was the contribution to earnings in terms of, let us say, the revenue or EBITDA for this hotel annually, if any?

Ashish Jakhanwala: Rs. 1 crore. That is it.

Abhishek Khanna: Negligible. Got it. And when do you expect to complete this innovation broadly a year or so? Is that how it is?

Ashish Jakhanwala: Yes, that is about a year. Our Fairfield Portfolio today, Abhishek delivers us EBITDA, so our Fairfield Portfolio does an EBITDA per key of about 10-12 lakhs. We do expect this hotel to kind of be positioned on the lower end of that. So, I will say closer to the 9-10 lakhs per EBITDA. Effectively, Abhishek this hotel was being kept operational because of the licensing issues and that is why the EBITDA was just about Rs. 1 crore. As we renovate this hotel and it is a pretty

quick light renovation, Fairfield, we do expect the contribution from these 140 rooms to be materially different to what we have seen in the past. It is in FY27.

Abhishek Khanna: Got it. And second, on slide 10 of your presentation were you have given the waterfall from the asset income and the asset EBITDA 3Q 24 to 3Q 25. It says the acquisition contribution is 56 million, does that include ACIC and Trinity both in the two lists and the EBITDA contribution is Rs. 4 crores or you mentioned in the notes that it is ACIC plus Trinity, is it both of them or just Trinity?

Ashish Jakhanwala: Both, because ACIC, we will take to same-store starting 1st April. Yes, once we complete the fiscal year for just the sanctity of the numbers. From 1st April or first quarter FY26, ACIC will be kind of included in the same-store. In such point, ACIC and Trinity both are adding up to that acquisition impact.

Abhishek Khanna: Does that mean 960 keys plus 140 keys of Trinity were generating Rs. 6 crores of quarterly revenue and Rs. 4 crores of quarterly return?

Ashish Jakhanwala: Additional. ACIC remains flat and therefore the large amount of incremental revenue that you are seeing is actually from Trinity.

Abhishek Khanna: So, you are saying the first bar, which is 2692 for asset income, includes part of the ACIC income?

Ashish Jakhanwala: That is it. That was reported, absolutely.

Abhishek Khanna: Got it. And then the last question from my end, given the capex plans for the next 3 years Rs. 200 and Rs. 150 crores each for the years after that, that broadly adds up to what you have given as the planned CAPEX for the Hyderabad and the Bangalore hotels, from what I remember I think Rs. 150-Rs. 200 crores for Hyderabad and probably Rs. 300 odd crores for Bangalore existing plus new, is that all the CAPEX that you plan to do or there is some additional CAPEX that you will do for the renovation etc., and the addition of existing keys that you are doing on the portfolio that you already have?

Ashish Jakhanwala: Abhishek, I just add to what I said earlier. So, if you see the total CAPEX plan for Bangalore continues till FY29 and when you are adding a whole block of rooms, a large part of the CAPEX actually seeing not really back ended, but like spend towards the completion of the project and FF&E and other items, right. So, the current Rs. 200-Rs. 220 crores for FY26, Rs. 150 each for FY27, FY28 and then of course the Westin Bangalore going into FY29 gives us the whole pool of capital, which is required for next year, Sheraton in Hyderabad room addition, we need about Rs. 50 crores for that it is required for some bit of the renovation and Caspia Delhi for instance, is a very low, it is about 8 lakh, 10 lakh per key Rs. 14 crores renovation that we are envisaging for massaging for Caspia Delhi and the rest is basically going towards the Westin and the W.

We don't forget we already have assumed in our, of course, we don't give a guidance, but in our internal business plan our financial statement already carries approximately Rs. 40-Rs. 50 crores of expense that we take through a P&L and that pretty much captures all capital expenditure that is needed to be incurred in our existing operating portfolio. So, in addition to the CAPEX that we are setting aside outside of the P&L, our P&L always carries a significant amount of charge towards capital expenditures, both maintenance and sometimes slightly longer term and that number will be about Rs. 40-Rs. 50 crores.

Abhishek Khanna: Got it, so just confirming the next 2 years of Rs. 150 crore each would also probably include some towards, let us say expansions at Chennai and the other hotels that you do, there may be.

Ashish Jakhanwala: That is right.

Abhishek Khanna: But the balance for W / Bangalore being slightly there in FY29 is how it is?

Ashish Jakhanwala: Only for Westin Bangalore. The W will be fully spent in FY26 and FY27. We are pretty much on track to open that hotel in FY27 right now. So, W has to have flow through the capital expenditure for this period. The renovation of the existing hotel in Trinity is not a high amount and that will also be done in FY27, early 28 and Westin goes in FY27.

Abhishek Khanna: Perfect. That is helpful. Thanks a lot.

Moderator: Thank you. Participants who are joining question queue are requested to please restrict your questions to 2 per participant. Please rejoin the queue for follow up questions. We have the next question from the line of Shubham Ajmera from SOIC. Please go ahead.

Shubham Ajmera: I just had a question that in Quarter 4, basically, do we see a topline reverting to 10%-15% level in Quarter 4?

Ashish Jakhanwala: We are seeing pretty good business in books, Shubham. But I would like to abstain from giving a very definitive guidance. But I can for sure say that looking at the business on books today and we still have 60 odd more days to go in the current quarter, the total revenue growth does remain higher than what we have seen for the prior quarter.

Shubham Ajmera: Thank you and basically, second question was when we look at the EBITDA margins of our hotel versus some of the other listed hotels, do we expect that even our EBITDA margins will start inching towards 41%-42% level?

Ashish Jakhanwala: Yes, absolutely, no doubt about it.

Ashish Jakhanwala: Actually, we don't like too much of breaking the numbers because it looks like unnecessary justification, but if you look at our upscale portfolio, which is very stable, there is no new addition, no ACIC. We actually see the EBITDA margin of what 43%-44% there and as we

integrate ACIC as some of the mid-scale hotels starts to improve performance, I think the least we expect is the number that you just mentioned.

Shubham Ajmera: Great, sir. Thank you and all the best for the next financial year.

Ashish Jakhanwala: Thank you.

Moderator: Thank you. The next question is from the line of Yashowardhan Agarwal from Arthya Wealth & Investments. Please go ahead.

Yashowardhan Agarwal: Hello, I am audible?

Ashish Jakhanwala: Yes.

Yashowardhan Agarwal: Congratulation on good set of numbers and thanks for the opportunity. Sir, my first question is on the debt. So, earlier you had explained that how will net debt to EBITDA will look like in terms of absolute debt so sir, if you can talk about that how the debt reduction plan would be and absolute debt that you were expecting by FY25, FY26-FY27 end so if you can talk on that?

Ashish Jakhanwala: Yes, I think I only partly got your question, which is the first part that how do we intend to reduce our debt, right? Can you repeat the second part of the question?

Moderator: Sorry to interrupt, Yashowardhan before you ask your question again, we request you to please check the mode that you are using on the handset, you do sound a little muffled.

Yashowardhan Agarwal: Is it better?

Moderator: Please go ahead.

Yashowardhan Agarwal: So, the question is that please explain the net debt we are expecting in FY25, FY26 and FY27, but can you please talk about the absolute number that you would be seeing in the year end? And what is the road map towards the reduction because you have just highlighted the CAPEX plan, so if you can talk more than that?

Ashish Jakhanwala: Absolute debt reduction right. So, as of today, our gross debt is about Rs. 2,200 crores, which has remained pretty much the same for the last several quarters. Our net debt has increased on account of utilization of cash for the acquisition in Bangalore, Hyderabad and capital expenditure towards the opening of the two or three Holiday Inn Express hotels that we have. So, our gross debt has remained same. There could be marginal changes quarter-on-quarter on account of overdraft limits being drawn and deposited, so on and so forth. But largely it remained the same, right. In terms of the gross debt level, it will obviously come down on account of two factors. One is the fact that we continue to make scheduled repayments to our term loans on a yearly basis. So, there is a part of the cash that the business generates which is used towards

repaying the gross debt, right. The second is of course the fact that if you look at our current cash production being done by the company, interest expense and capital expenditure, we expect that we will always maintain a slight surplus which will further go towards further reducing our net debt. And the last but not the least our potential impact of an asset recycling where when we just sell an asset and all of that cash either goes towards reducing gross debt or cash in the company reduces in the net debt the asset recycling will further allow us to reduce the net debt right. In terms of an absolute number of where we expect the gross or the net debt to be over the next let us say, 3 years, we actually think that it will be closer to Rs. 1,700-Rs. 1,800 crores of net debt over the next let us say 2-3 years and that will be a factor of really the cash generations and asset recycling. So, we see Rs. 1,700-Rs. 1,800 crores of net debt in the business and this is without any so to say, expectation of the capital raise for an external capital.

Yashowardhan Agarwal: So, but this is after considering the asset recycling that we are trying, right?

Ashish Jakhanwala: Yes, some bit of asset recycling. The amount from asset recycling as we have indicated earlier is not very substantial about Rs. 200 odd crores, so about Rs. 200 crores from asset recycling and the balance, let us say, about Rs. 100-150 crores is the incremental cash that the business will generate because of the efforts we are making. So, that will take our net debt from Rs. 2000 crores to Rs. 1700 crores.

Yashowardhan Agarwal: Thank you, sir. And sir, in terms of asset recycling, if you can share how many rooms are you expected to recycle so in terms of total room that we can see after next, let us say, one or two years our asset recycling strategy successful, what will be the total luxury number of rooms?

Ashish Jakhanwala: Let me clarify. The assets that we are considering for asset recycling are, I have to follow the following criteria. Number one, the contribution of EBITDA from those assets should be, I would say minuscule, and therefore they really don't impact the path that we have set for the company in terms of where it is headed in terms of revenue, EBITDA and PAT. So, these are assets which don't really contribute significantly to our current revenue and EBITDA.

Second, obviously we want to recycle capital in markets where, we believe in the market, but we believe we have a better opportunity of that capital going to some other markets, right. So, we expect the room count to be not substantially different, Yash. I would think that cumulative rooms across these assets that we would recycle would be perhaps 200-250 rooms. We are adding far more inventory in our portfolio and the recycling is being done of assets which are in the mid-scale space and therefore the revenue contribution is also not substantial.

Yashowardhan Agarwal: Welcome, sir. And sir, just last question if you share the RevPAR growth citywise for Bangalore, Hyderabad, Pune and Delhi?

Ashish Jakhanwala: So, just give me a second. So, we saw for the quarter ending December 31st - Hyderabad RevPAR growth was 24%, Bangalore was 20%, Pune was 17%. Yes, that is the RevPAR growth that we

have seen. We have seen some smaller markets grow disproportionately, like Vizag at 28% and Coimbatore at 31%. But I don't take those things. I think those things are a pinch of salt because there is a base which is playing into those numbers, right. They started from a very low base. So, my excitement continues to be about Hyderabad being at a very large base last year and yet growing in 24% RevPAR year-on-year, same for Bangalore. Our Bangalore hotels are some of the best performing hotels in the portfolio and yet we saw a RevPAR growth of 20% year-on-year and that is for same store, so no impact of acquisitions and disposals on that. And Pune also remains pretty impressive at actually 17% RevPAR growth.

Yashowardhan Agarwal: Thank you.

Moderator: So, sorry to interrupt. We request you to please rejoin the queue for further questions. Thank you. Ladies and gentlemen, to ask a question you may please press "*" and 1. The next question is from the line of Aditya Singh from Robo Capital. Please go ahead.

Aditya Singh: Hi, thank you for the opportunity. Sir, going through the page 18 of PPT, can you please explain me what are the new projects or new keys that we are adding in FY25 and FY26, for instance, serial #2 Holiday Inn Express, Kolkata, that belongs to the new opening category, so that will be new keys, right?

Ashish Jakhanwala: That is right.

Aditya Singh: And the conversion will be just the conversion from X to Y, right?

Ashish Jakhanwala: Yes, so good question. Let me clarify it for you and even Nakul just help me here. So, in FY25, Greater Noida was a conversion does not change the total inventory reported by us. The Calcutta 111 rooms and the new 56 rooms in Bangalore Whitefield adding up to 170 rooms, is an incremental inventory. FY26 of 54 rooms in Sheraton Hyderabad and 22 rooms in Hyatt Regency Pune are new rooms, were not renovated. They are actually increase in inventory. So, we see about 80 odd rooms or 76 odd rooms improving in FY26. Then, if you look at Pune, Caspia Delhi, Four Points, Jaipur, these are all conversions, so they don't change the total inventory. The Fairfield by Marriott, Chennai, Sriperumbudur, which is 86 rooms, is again an additional inventory which will add to the total count. And then, of course, the W Hyderabad 170 rooms is a completely new hotel and in Westin and Tribute Portfolio, Bangalore Whitefield of the intended 362 rooms, 142 is existing to be rebranded and the balance 220 odd rooms is the new inventory. So, that is really, I will take you through the entire summary of both projects, where there is a conversion and where there is actually an impact on the total inventory.

Aditya Singh: Alright, I got my answer. Thank you.

Ashish Jakhanwala: Thanks, Aditya.

Moderator: Thank you. We have the next question from the line of Kaushik from Trader Capital Management. Please go ahead.

Kaushik: Yes. Hi, Ashish, actually I want a medium-term perspective. Three years out, where do you see the revenue number in the EBITDA margin number, 3 years out?

Ashish Jakhanwala: So, Kaushik, we will not give guidance on 3 years forward, but I do refer you to a page number 17 of our presentation. If you look at how we are transforming the portfolio construct, Kaushik, right, all the answers lie there in, right. So, for instance, we have 1000 rooms currently operating at 43 lakh per key, we have 2100 rooms operating at about 22 lakhs per key revenue and we have about 1500 rooms operating at about 12 lakhs per key. When you look at the portfolio construct 3 years forward, even if I take the same revenue per key that I get today, this demonstrates about a 35% overall revenue growth, right. So, if we are doing about Rs. 1,000 – 1100 crores today on a trailing 12-month basis, there is about 34%-35% embedded growth just as to how the portfolio is transforming and I am making an assumption that total revenue growth is now "0" from now till then. Because that is one place where I think as a management we kind of have our own point of view which is that revenue growth will remain to be in high single digits to early double digits so, but that calculation is brought of forecasting this. But what we are very certain is just the reconstruction of the portfolio has an embedded 35% revenue upside for which A, we don't need to acquire anything further; B, we don't need any capital debt or equity and all of that is going to be funded through both internal accruals and internal growth. I am sorry I am not giving you a number but Slide #17 has a number.

Kaushik: Great, no problem. Yes, I got the direction. And the next question is from longer-term question. So, how do you see SAMHI being the hotel operator, how do you see in the next, longer term, what is your ambition to scale number of keys or to churn more number of EBITDA? What is your vision or aspiration as a SAMHI brand? That is all I need.

Ashish Jakhanwala: First of all, we don't share vanity numbers like number of rooms, Kaushik, I will be very honest. We clearly want to create a company of substance, and the substance will reflect in revenue in operating margins, which is EBITDA and also the earnings strategy, which is the PAT. And I think where we have positioned the company today, which is good base of hotels substantial growth which has already been sort of acquired over the last 2 years, free cash coming from the business. I am fairly confident that we will unlock tremendous value both on P&L and also on the balance sheet, right and what we unlock in the P&L will be reflected in terms of revenue and EBITDA and what we unlock in the balance sheet will be obviously then close round to our PAT and net earnings, right. So, we believe that in the next, let us say 5 odd years, this company will be nothing of what you see today because of the internal capabilities that you have created, both on growth and also on how we will continue to strengthen our balance sheet.

Kaushik: Great, but will be growing at 10%-12% CAGR consistently and turning higher EBITDA margin, right? That is how we will be positioning for 5 odd years?

Ashish Jakhanwala: Yes. So, again, Kaushik, we will do the math. If we just have to come to office in the morning, be here till 9 in the evening, work hard, work honestly and you have 35% growth on slide number 17 without markets growing even 1%, right. If the markets grow at 6%-7%, that 35% growth can easily become 50%-55% growth over the next 3-4 years so that really gives you that early double digit, total revenue growth. We have so far looked at our quarter-on-quarter presentation and we try and explain same store separate to total portfolio, but we have always delivered almost at 1.25-1.4 multiple of EBITDA growth over revenue growth. So, which means if our revenue growth is 10%, the EBITDA growth in a bad quarter will be 12.5%-13% in a good quarter will be 14%-14.5%. So, we think that we have the right ingredients now to sustain that growth over the next 4-5 years, and as I said without much dependencies on external environment.

Kaushik: Good, all the best, Ashish.

Ashish Jakhanwala: Thank you.

Moderator: Thank you. Ladies and gentlemen, if you wish to ask questions, you may please press "*" and 1 on your touchtone telephones. The next question is from the line of Yash Darak from RSPN Ventures Private Limited. Please go ahead. Yash, your line has been unmuted. You may proceed with your question.

Yash Darak: Hello.

Moderator: You may proceed, sir. You are audible.

Yash Darak: Yes. So, sir, my question is, Q3 based on the occupancy seasonally weak quarter because as we are not a business hotel and because of the corporate holidays, we see a definitely occupancy in Q3?

Ashish Jakhanwala: Yes. Are you asking do we see a different occupancy in Quarter 3?

Yash Darak: Yes.

Ashish Jakhanwala: So, Yash, actually Quarter 3 would be probably the second-best quarter for our business traditionally, Quarter 4 being the best and you are right. Quarter 3 tends to kind of be slightly lower because we have the two holiday seasons, Diwali, Dussehra and Christmas, New Year. So, we do see some redundancies in our business hotel portfolio which is most of our portfolio in that quarter whereas Quarter 4 once people go back to work, we tend to see pretty strong performance through that, right. But I would think the occupancies remain, if you look at last year, Quarter 3 was 72.6% portfolio occupancy, same store and Quarter 4 was 77.2%. So, Quarter 3 is same as quarter 1 and quarter 2 in terms of occupancy. The rate does tend to move 10% up because on non-holiday days you have strong demand and in Quarter 4, you obviously

take advantage of the fact that you have high occupancies and good rates, but you don't really get to lose that I would say almost 3 or 4 weeks between Diwali, Dussehra, Christmas, New Year. Dussehra, Diwali, of course one needs to be cautious, follows Hindu calendar, so may sometimes be on the edge of quarter 2 and Quarter 3, sometimes in Quarter 3. So, yes, to that extend Quarter 4 is always a better quarter for us than Quarter 3.

Yash Darak: Got it, sir. Thank you. And last question is on the bookkeeping side. So, if there was not this one-off cost in the interest of Rs. 6.5 crores, so our interest would have been around Rs. 55 crores, is that understanding, right?

Ashish Jakhanwala: So, actually, Yash, the interest was Rs. 55 crores. This loan that we refinanced where the pricing went down from 13.5% to 9.3%. The upfront fee that we had paid to that lender 2 years back that was amortized over the tenure of the loan, but because we refinanced the loan much earlier, the unamortized portion had to be taken as an expense for P&L. So, that Rs. 6.5 crores was a completely non-cash impact on the P&L. The actual interest expense was still about Rs. 55 crores.

Yash Darak: Got it. Thank you so much.

Ashish Jakhanwala: Actually, interest cost is slightly lower that is total finance cost including some of the leasehold accounting impact which comes in our P&L finance cost.

Yash Darak: Thank you so much.

Ashish Jakhanwala: Thank you, Yash.

Moderator: Thank you. The next question is from the line of Akshat Bairathi from Flute Aura Enterprises Private Limited. Please go ahead. Akshat, your line has been unmuted. You may proceed with your question. Mr. Akshat Bairathi, are we audible to you? As there is no response from the current participant, we will move to the next question, which will be from the line of Sunil Jain from Nirmal Bang Securities Private Limited. Please go ahead.

Sunil Jain: Yes. Thanks for taking my question. Sir, you said that interest cost has come down, so this quarter it was 55, so it can come down in the coming quarter.

Rajat Mehra: In Quarter 4, it should come down in the coming quarter because this quarter actually had this one-time hit. Otherwise in general, it will also be reducing because of the fact that the overall cost of borrowing also from the previous quarter has gone down. We are now at a weighted average cost of 9.4%, so our overall actual interest cost that is service to the bank not the one which is actually the P&L hit will be circulated about Rs. 50 odd crores plus the other Ashish said, the lease expense and other things. We are looking at a reduction in what was reported as the finance cost in Quarter 3 vis-a-vis that Quarter 4 will be definitely lower.

Sunil Jain: And sir, the second question about recycling. So, have you identified any of the assets which you want to recycle or has done some exercise or?

Ashish Jakhanwala: Yes. So, we have identified the assets. Our confidence stems from the current conversations and offers that we have, which we are obviously negotiating and doing further diligence in terms of actionability. So, assets have been identified. We have a bank who is helping us with the process and we have some degree of interest which gives us the confidence about committing to the asset recycling approach.

Sunil Jain: Thank you very much.

Moderator: Thank you. The next question is from the line of Dhairya Trivedi from DJT Investments. Please go ahead.

Dhairya Trivedi: Good afternoon, Ashish and team and congratulations on walking the talk as far as the numbers are concerned. I had a couple of questions. One is, are we expecting any revenue loss in FY27 when the Four Points Pune and Caspia Delhi convert to Courtyard and Fairfield respectively?

Ashish Jakhanwala: Not really. So, Caspia Delhi, of course, has no impact because that hotel hardly contributed anything to our numbers, at least in terms of EBITDA. The Four Points in Pune conversion is being done on a phase wise manner and actually if you see the revenue improvement that we are seeing because of the conversion to 'Marriott Managed' pretty much covers for the part inventory that we will keep taking for renovation during the year. So, we really don't see any, there could be marginal, but nothing material in terms of the impact of renovations on the performance of the hotel.

Dhairya Trivedi: Understood. And what would be the EBITDA per key for the Holiday Inn Portfolio of our Noida, Kolkata and Bangalore, the weighted EBITDA per key?

Ashish Jakhanwala: So, the weighted average EBITDA per key for the Holiday Inn Express portfolio is about 5 lakhs per key. So, let us break it up. Greater Noida is an average market so far in terms of performance within our portfolio. We are very excited that even though we are adding only 56 rooms in Bangalore, the room size there is actually significantly larger than our existing hotel and we are going to price that at a substantial premium to our existing hotel. So, in terms of weighted average, the impact of the 56 rooms may almost equal into that of a 75-80 room hotel, right. And Calcutta is a good market, especially at that price point. So, the overall inventory addition of 330 odd rooms should operate at premium to the current average in terms of EBITDA per key.

Dhairya Trivedi: And as far as Sheraton Hyderabad and Hyatt Regency Pune, fair to assume roughly 20-22 lakh per key EBITDA?

Rajat Mehra: Yes, 20 lakhs per key. So, Sheraton, we are very excited, Dhairya, because it is a market which has been doing really well. I just give the numbers earlier where Hyderabad RevPAR growth was 24% in the last quarter. And therefore in such a strong market with no new supply when you immediately add about 55 odd rooms to an existing operating hotels, two things happen, A, of course, the revenue per key is pretty much the same that you get in an existing hotel; B, flow throughs from that revenue should be, in our opinion upwards 60% because of the existing hotel is operating at a 43%-44% EBITDA margin. Then, a lot of sunk cost is captured by that and the new room should operate at a fairly high margin. So, that was very exciting adding those 55 rooms. By the way, the current quarter did see a negligible reduction in our rental income because those offices are the places you are converting to the additional rooms. But as I said, by September, October, we have those rooms open well in time for H2 and same for Pune where we have seen a RevPAR growth of 17% in the last quarter. We are actually adding 22 apartments, so these are between studio 1 bedroom, 2-bedroom apartments and we actually think that they should continue, they will perform really well, so at minimum we should expect about a 20 lakh per key EBITDA on those assets starting H2 FY26.

Dhairya Trivedi: Got it which means that W HITEC City Hyderabad when it opens, I think they should be much higher given that it is an upper upscale asset?

Ashish Jakhanwala: So, let us take some numbers for context. Our Courtyard in Bangalore Outer Ring Road does an EBITDA of about 31 lakhs per key, clearly an out performer. It does a rate of Rs. 16,000 high occupancy. But what we are seeing interestingly in our Fairfield in Hyderabad Gachibowli it is ramping up really quickly trying to catch up with our Fairfield in Outer Ring Road Bangalore, right. It is almost a race that they feel Bangalore used to be at a rate of 8.5, Fairfield, Hyderabad was at a rate of 5.5. Fairfield, Hyderabad has gone at a rate of 7.5, Fairfield Bangalore has gone to a rate of 9.5, right? So, we actually think that HITEC City is very mature, very low vacancy, constant news of GCC is opening there. The latest news this morning was McDonald's setting up their global capability center in HITEC City, right, no new supply. I think that market with a brand like W and an operator like Marriott and the location that we have, we should expect it to deliver Courtyard level performance in future, which is actually 30 lakhs per key.

Dhairya Trivedi: Got it. And we are expecting this to open in the second-half of FY27. Is that understanding right?

Ashish Jakhanwala: Yes, we should get quarter plus for FY27 for this hotel.

Dhairya Trivedi: Perfect. Thank you so much. Thank you and all the best.

Ashish Jakhanwala: Thank you, Dhairya.

Moderator: Thank you. The next question is from the line of Shrinarayan Mishra from Baroda BNP Paribas. Please go ahead.

Shrinarayan /Mishra: Thank you for the opportunity. Can you hear me?

Ashish Jakhanwala: Yes, we can.

Shrinarayan Mishra: This is my first question. Will it be possible to give the ROCE breakup between the three segments, for upscale and midscale and upper upscale and upscale?

Ashish Jakhanwala: Yes, just give us a second.

Ashish Jakhanwala: So, the upscale segment will deliver about 16% odd ROCE. Actually, if you ask me it is pretty similar. Actually, it is only the upper mid-scale because ACIC which is at about 8%-9%, the mid-scale is at about 12% to 13% and the upper upscale is about 15.5%-16% and we actually expect upper midscale also to get to about 14%-15% once ACIC is fully, we get what we need from ACIC, including conversions and all of that. Yes, that is the number for you right now, but one good news and that only just disclaimer, it is not our guidance on ROCE, it is just how good can good be. We have one hotel in our Holiday Inn Express Portfolio in Hyderabad, which is now almost getting to (+50%) ROCE right. Now, again I will repeat the disclaimer that does not mean that we are saying our portfolio will get to 50%, but often we are asking ourselves that what is the real headroom and the way we have constructed our portfolio, Karan started with this question mid-scale, upper mid-scale upscale, we actually feel that is the RevPAR cycle continues for which the data demonstrates it should continue. Our cost basis is actually very low in part of our portfolio Holiday Inn express for instance, just about 28-29 lakhs per key, right. We actually can see substantial transformation of the ROCE profile as you can see the flow through go straight to the bottom and then impact ROCE. So, the average is around 14%-15%, but I was just giving you what we think how good can good really be when a market at an asset hits bulls-eye.

Shrinarayan Mishra: So, for most matured properties which you would have, so what would be the range of ROCE there?

Ashish Jakhanwala: I think I will rather take this question depending on where the city cycle is or a market cycle is. A city like Bangalore for us today and this will not include Trinity, right. A market like Bangalore today would be sitting at almost (+20%) ROCE for us as a market and we have one Courtyard, three Fairfield by Marriott and two Holiday Inn Express Hotel. So, very well spread in within the city and within the segments. It is about a (+20%) ROCE in that market. You would have markets like Hyderabad touching mid-teens. You would have markets like Delhi NCR now going towards mid-teens. So, you typically see a good profile and as I said, as the markets mature and start delivering a consistent RevPAR and RevPAR growth, the potential is ready to cross that magical 20% number on ROCE.

Shrinarayan Mishra: Thank you so much. The second question, last one from me, so I was reading through FY24 Annual report wherein we have highlighted that IT/ITeS has been the top contributor to

revenues, and we are trying to diversify from that, but our recent properties seem to be in those areas. How is the concentration now and are we doing anything about that or we are happy with that so it is growing, so we want to be intentionally high concentrated in that?

Ashish Jakhanwala: So, first of all, I think we are seeing a reduced contribution from IT/ITeS sector, generally across our portfolio and including in so-called Hi-tech cities like Bangalore and Hyderabad, right. So, on a year-on-year basis, we have seen other sectors kind of contributing relatively more to what they were. It is not that the absolute business is necessarily reduced from IT/ITeS, but what happened is that a lot of growth has come in sectors like and that is where things get little gray. When we talk about startups, a lot of startups can also be classified in the IT/ITeS sector, right. So, this classification as one need to kind of be a little careful about how precise or indicative it is. But if it is indicative we have seen IT/ITeS contribution recede, giving way to other sectors, smaller companies, it could be healthcare, it could be biotech, it could be defense, it could be infrastructure, it could be BFSI consulting, manufacturing and also much smaller companies where tracking the sector becomes difficult, right. So, these are multiple small accounts. All of them have kind of taken a higher proportion than IT/ITeS. So, I think it is not that we have a concern around IT/ITeS. We actually see an opportunity where our hotels even in Bangalore and Hyderabad are continuing to see diversification of where the business is coming from.

Shrinarayan Mishra: Thank you so much.

Ashish Jakhanwala: Thank you.

Moderator: Thank you. Ladies and gentlemen, that was our last question for today. I would now like to hand the conference over to Mr. Ashish Jakhanwala for closing comments. Over to you, sir.

Ashish Jakhanwala: Thank you so much, everybody. We truly enjoyed the Q&A, which I think leaves little for us to conclude with. As I had mentioned earlier, we remain very excited about having put the company on a path where over the next 2-5 years we have secured both unlocking value in the P&L and also in the balance sheet and we look forward to continue to work with all of you as we implement that plan. Thank you everybody and talk to you soon.

Moderator: Thank you. On behalf of SAMHI Hotels limited, that concludes this conference. Thank you all for joining us, you may now disconnect your lines.