

## **ITC Hotels to Expand Room Inventory by 33%, Targeting 17,265 Rooms by 2028**

ITC Ltd., a diversified conglomerate in the process of demerging its hotel business into a separate listed entity, plans a significant expansion of its hotel room inventory by 33% within the next four years, reaching a total of 17,265 rooms. As outlined in a presentation submitted to the stock exchanges, the company also aims to increase its hotel count from 140 to 186 properties during this period.

This expansion will be largely driven by ITC's upscale hotel brands, Welcomhotel and Fortune. Welcomhotel intends to add 1,796 rooms across 13 new properties, while Fortune hotels will contribute 1,439 rooms across 18 new locations. The flagship ITC Hotels brand will not open new properties but will expand its presence by adding 102 rooms within existing hotels.

Other brands in ITC's portfolio will also see significant growth. Storii is set to add 578 rooms through 10 new properties, WelcomHeritage will open four new properties with a total of 162 rooms, and Mementos will launch one property with 223 rooms.

ITC's expansion strategy follows an "asset-right" model, focusing on owning large luxury properties while expanding mainly through management contracts. This approach allows ITC to minimize capital investment and amortization costs by handling renovations and operations for real estate developers who retain ownership of the properties. While owned properties generally offer higher margins, management contracts enable faster expansion with lower initial investments.

The company is also focusing on increasing its presence in the premium hotel segment. By 2029, premium hotel rooms are projected to make up 42% of ITC's total managed portfolio, up from the current 30%.

In the short term, ITC plans to open at least one hotel every month over the next two years. Between November 2022 and October 2024, the company has already launched 28 new managed properties, highlighting its aggressive expansion strategy.