

# **The Leela's net profit skyrockets 162% in best-ever quarter**

Leela Palaces Hotels & Resorts Limited has announced its financial and operational results for the quarter ended December 31, 2025 (Q3 FY26), delivering its fifth consecutive quarter of double-digit growth in both RevPAR and EBITDA. The performance continues to significantly outperform India's luxury hospitality segment.

## **Record quarterly performance**

Commenting on the results, Anuraag Bhatnagar, Whole-time Director and Chief Executive Officer, said:

“We delivered our best-ever quarterly performance in Q3 FY26, with total operating revenue growing 21% to ₹4,574 million. This reaffirms the strength of our differentiated luxury positioning and pricing power, with year-to-date growth nearly 2.7x the Indian luxury hotel industry. We also advanced our strategy of disciplined, capital-efficient expansion with the signing of The Leela Jaisalmer and our first international strategic investment in Dubai.”

## **Q3 FY26 financial and operating highlights**

- Operating revenue increased 21% year-on-year to ₹4,574 million, while operating EBITDA grew 23% to ₹2,378 million. Profit after tax (PAT) surged 162% to ₹1,479 million, marking the highest quarterly PAT in the company's history.
- EBITDA margins expanded by 61 basis points to 52%, driven by operating leverage and disciplined cost management. Over 60% of incremental operating revenue flowed through to EBITDA during 9M FY26, underscoring scalability.
- RevPAR rose 20% to ₹21,551, outperforming the Indian luxury hotel segment by ~2.3x during October–November 2025.

- Room revenue grew 20%, led by higher retail (+18%) and strong group demand (+45%), particularly from weddings. F&B revenue increased 29%, supported by banqueting and MICE demand.
- Brand.com direct bookings surged 153% year-on-year, strengthening margins and direct-to-consumer economics.
- Fifth straight quarter of double-digit RevPAR and EBITDA growth, highlighting sustained demand momentum and portfolio resilience.

Disciplined, capital-efficient expansion: 1,000+ keys

During Q3 FY26, The Leela executed two strategically significant growth initiatives:

Domestic expansion – Jaisalmer

- Signed a management contract for an 80-key luxury resort spread across 30 acres, expected to open by mid-FY27.
- Enhances The Leela's Rajasthan portfolio, enabling a four-destination luxury circuit across Jaipur, Udaipur, Ranthambore and Jaisalmer, with strong cross-selling synergies.

International foray – Palm Jumeirah, Dubai

- Acquired a 25% equity stake in a 23-acre luxury beachfront resort on Palm Jumeirah, marking The Leela's first international strategic investment.
- Total equity investment of approximately USD 70 million (including capex), expected to be fully recovered within 2–3 years through branded-residence monetisation, making it effectively asset-light.
- The investment secures continuity of the hotel management agreement without key money and is expected to generate ~₹670 million in annual management fees at stabilisation, in addition to profit-share participation—enhancing global brand visibility and long-term shareholder value.

Portfolio scale and development pipeline

The Leela currently operates 14 hotels with 4,090 keys across 12 Indian cities, comprising six owned, seven managed and one franchised property. With nine hotels in the pipeline, the portfolio is set to expand to 23 properties over the next three years in high-growth markets including Agra, Ayodhya, Bandhavgarh, Mumbai, Ranthambore, Sikkim, Srinagar and Jaisalmer.

#### Strengthened balance sheet and financial flexibility

- Successfully renegotiated term loans, reducing interest rates from 9.1% to 8.25%, lowering borrowing costs and enhancing both PAT and return on equity.
- Maintains a strong balance sheet with ample headroom for growth while preserving a conservative leverage profile.

#### Long-term value creation

The company reiterated its ₹20,000 million EBITDA target by FY30, anchored on four strategic growth pillars:

- Same-store growth driven by sustained ADR expansion, occupancy improvement and operating leverage.
- Expansion of new verticals including Arq by The Leela, curated F&B, wellness and experiential offerings to enhance TRevPAR and guest lifetime value.
- Development of owned hotels in high-barrier markets to build long-term asset value.
- Capital-light management contracts and selective strategic investments to expand brand footprint while maximising returns on invested capital.