

Result Update

Q1 FY26

Chalet Hotels Ltd.

Institutional
Research

Chalet Hotels Ltd.



BP WEALTH

Travel & Tourism | Q1FY26 Result Update

05th August 2025

Strong Q1FY26 performance with on-track expansion plans

In Q1FY26, Chalet Hotels Limited maintained a robust financial position, reporting a consolidated revenue of Rs. 8,946 million, marking a 148% YoY growth and 71% QoQ growth. This strong growth momentum was on the back of a one-time boost in the topline of Rs. 4,391 million, resulting from the completion and handover of 95 units in the company's residential project located in Bengaluru. Revenue from the hospitality segment increased 18% YoY / down 16% QoQ to Rs. 3,856 million, supported by a rise in Average Room Rate (ARR) to Rs. 12,207 and an occupancy rate of 66%, which declined on YoY basis, contributing to a 21% YoY improvement in RevPAR to Rs. 8,059. The consolidated EBITDA showed strong growth, reaching Rs. 3,573 million, a 155% increase YoY, with the company achieving an EBITDA margin of 39.9%. On the annuity business front, the company registered a revenue of Rs. 732 million, a 106% YoY growth, with an EBITDA margin of 83%. The company registered a net profit of Rs. 2,031 million in Q1FY26. During the quarter, the company commissioned the operation of its additional 121 rooms in the Marriott Hotel Whitefield in Bengaluru. The company completed renovation and addition of 44 rooms in Duke Retreat (Khandala), bringing the total number of rooms to 117, while the final phase of 30 rooms is on track. Additionally, the 'Taj' at New Delhi Airport (385-390 rooms), the 'Hyatt Regency' in Airoli, Navi Mumbai (280 rooms) and Varc Beachfront Resort, Goa are scheduled for completion in FY26, FY27 and FY28, respectively. CIGNUS Powai Tower II will add 900,000 square feet by FY27 to the office portfolio. With a focus on geography diversification, the company plans to develop a luxury resort in Goa with a capacity of 170 rooms on 15 acres of beachfront land in Bambolim, North Goa and a New Hotel in Trivandrum, Kerala, with a capacity of 150 rooms. Looking forward, Chalet Hotels continues its strategic growth initiatives with ongoing expansion, highlighting the company's commitment to its growth trajectory.

Valuation and Outlook

Chalet Hotels Limited remains a leading player in India's premium hospitality and mixed-use real estate sector, with a well-diversified portfolio of upscale hotels and commercial assets strategically located in key metro markets. The company's robust operational model, anchored by partnerships with global hospitality brands, efficient asset management, and a steady pipeline of new developments, reinforces its strong position in the industry. While its financial results for the latest quarter were significantly boosted by a one-off revenue recognition from its real estate segment, underlying performance in the hospitality division continued to demonstrate healthy growth in average room rates despite a decline in occupancy rate. This quarterly performance underscores Chalet's resilience and ability to capture market opportunities despite the cyclical and competitive pressures inherent in the hospitality industry. The successful expansion of its hotel room inventory and accelerated project deliveries have further enhanced its revenue-generating capabilities. Chalet Hotels' strategic focus on key metro markets positions its room inventory favourably amidst the revival in corporate business travel and a boost from the government. The company's strong asset base in these cities enhances its negotiation power during contract renewals, which is particularly beneficial amid rising demand for management contracts. At the same time, on the annuity business side, the company is poised for significant traction in leasing income in the coming two to three quarters. The company also aims for significant debt reduction over the next two years. The management remains confident in sustained growth, buoyed by the anticipated increase in room demand and rental rates across key markets. Looking ahead, Chalet Hotels forecasts a robust growth trajectory, aided by higher RevPar, ramp-up of its newly developed projects, expansion into the luxury segment, improved occupancy in its annuity business and unlocking value through selective real estate monetization. Given the strong operational performance anticipated alongside debt reduction initiatives, we maintain a positive outlook on Chalet Hotels Limited, expecting substantial improvement in its return profile in the coming years.

Key Highlights

Particulars (Rs. Mn)	Q1FY26	Q4FY25	Q1FY25	YoY (%)	QoQ (%)
Net Sales	8,946	5,220	3,610	148%	71%
EBITDA	3,573	2,414	1,402	155%	48%
OPM (%)	39.9%	46.3%	38.8%	109 bps	-632 bps
Net Profit	2,031	1,238	606	235%	64%
EPS (Rs.)	9.3	5.7	2.8	234%	64%
Occupancy Rate (%)	66%	70%	71%	-450 bps	-400 bps
ARR (Rs.)	12,207	12,944	10,433	17%	-6%
RevPAR (Rs.)	8,059	9,090	7,351	10%	-11%

Source: Company, BP Equities Research

Sector Outlook

Positive

Stock

CMP (Rs.)	874
BSE code	542399
NSE Symbol	CHALET
Bloomberg	CHALET IN
Reuters	CHAL.BO

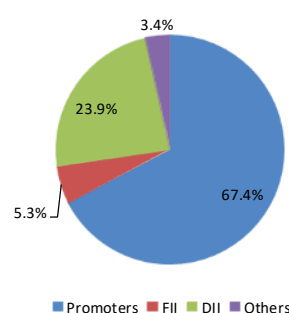
Key Data

Nifty	25,062
52 Week H/L (Rs.)	1,082 / 634
O/s Shares (Mn)	218
Market Cap (Rs. bn)	191
Face Value (Rs.)	10

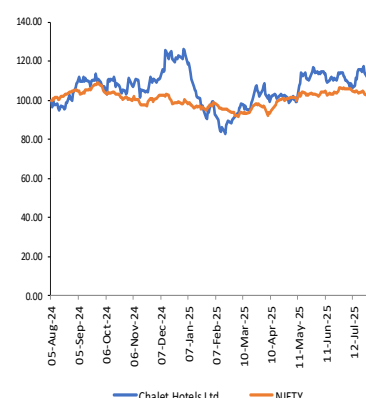
Average Volume

3 months	3,28,010
6 months	3,35,790
1 year	3,67,400

Share Holding Pattern (%)



Relative Price Chart



Research Analyst

Akriti Mehrotra

akriti.mehrotra@bpwealth.com

022-61596158

Key Concall Highlights

- The quarter experienced significant external volatility, including geopolitical tensions, airspace closures, and an aviation accident that disrupted the travel ecosystem. Despite these challenges, the sector demonstrated strong resilience.
- This disruption led to a dip of 450 bps in the occupancy rate to 66% in Q1FY26. Despite this dip, the company recorded ADR growth of 17% YoY to Rs. 12,207, resulting in an improved RevPAR of Rs. 8,059 (up 10% YoY)
- Construction at the upcoming Delhi Airport hotel is on track for opening next year.
- The Cignus II office tower at Westin Powai Lake Complex is progressing well and is scheduled for completion in FY27.
- There are delays in commencing work on the Hyatt Regency Airoli and Bambolim Goa properties due to the NGT law changes.
- The Trivandrum hotel project is awaiting the government lease document signing before construction can begin.
- The company has planned capital expenditures of approximately Rs. 20 billion by FY27. All capex will be funded through internal accruals.
- During Q1FY26, the company handed over 95 apartments in its residential project located in Bengaluru, resulting in a one-time boost in the topline of Rs. 4,391 million.
- On the annuity segment, the management projects reaching 90% occupancy in the coming quarters.
- Chalet Hotels aims to diversify its portfolio, targeting 20% in the leisure segment, although it currently falls short of this goal.

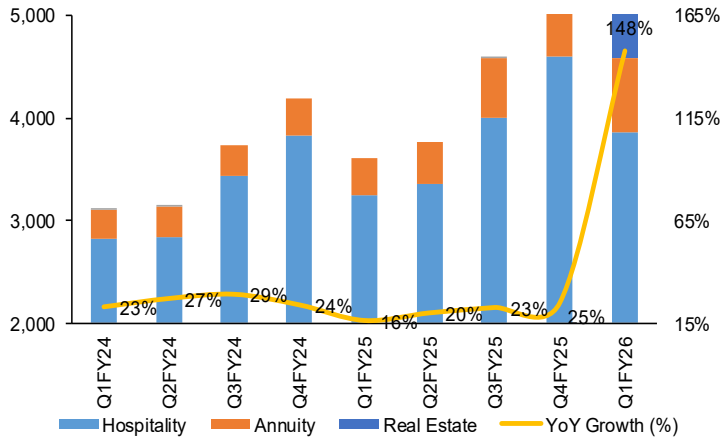
"During the quarter, the company added 165 rooms, including 121 rooms at Marriott Whitefield, Bengaluru (bringing it to 512 rooms total) and 44 rooms plus a new banquet facility at The Dukes Retreat, Khandala."

"Currently, the company has 3,300 operational rooms, and 1,200 rooms in inventory. The goal is to cross over 5,000 rooms (including pipeline) by the end of the current fiscal year."

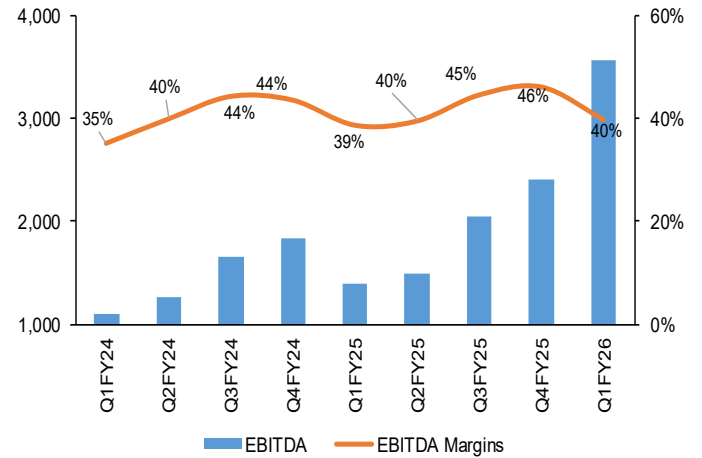
"The company mentioned that it expects RevPAR growth to be comfortably in the double-digits for the two acquired resorts, driven by occupancy-led growth and rate."

Quarterly Snapshot

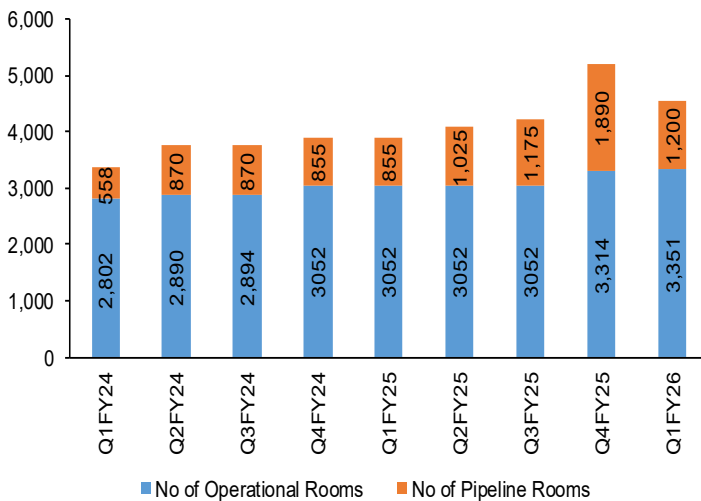
Revenue Growth



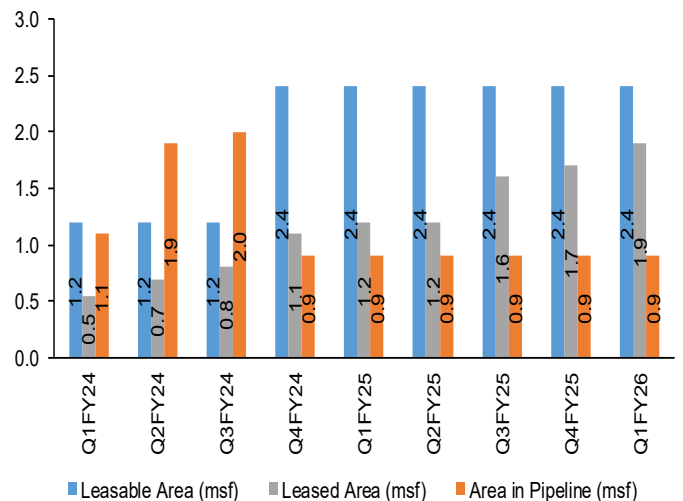
EBITDA & EBITDA Margin



Hotels Portfolio

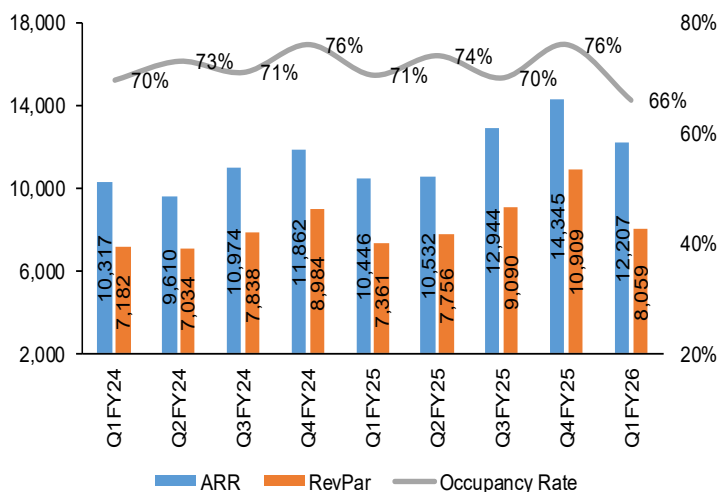


Annuity Portfolio

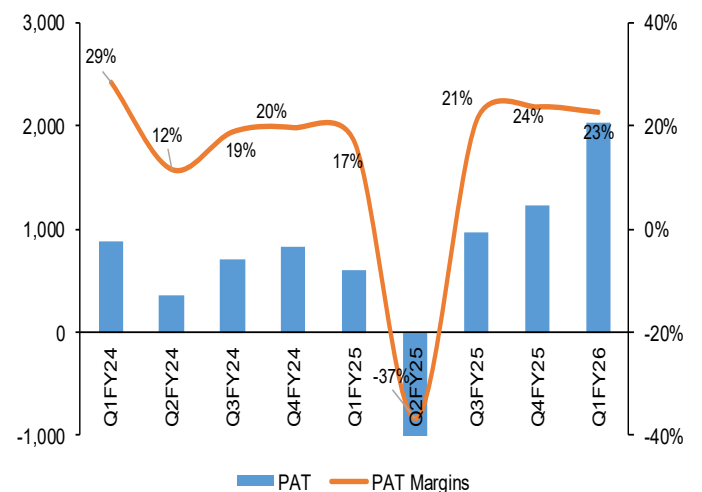


msf - million square feet

ARR, RevPAR & Occupancy



PAT & PAT Margin



Key Financials						
YE March (Rs. mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	4,144	10,398	13,083	15,506	21,886	25,507
Growth %	100%	151%	26%	19%	41%	17%
EBIDTA	985	4,528	5,891	7,375	9,890	11,667
Growth %	1295%	360%	30%	25%	34%	18%
Net Profit	-815	1,833	2,782	1,426	5,077	6,248
Growth %	-40%	-325%	52%	-49%	256%	23%
Diluted EPS	-4.0	8.9	13.5	6.5	22.4	28.3
Profitability & Valuation						
EBIDTA (%)	23.8%	43.5%	45.0%	47.6%	45.2%	45.7%
NPM (%)	-19.7%	17.6%	21.3%	9.2%	23.2%	24.5%
ROE (%)	NM	11.9%	15.0%	4.7%	14.3%	15.0%
P/E (x)	NM	97.8x	64.6x	134.1x	39.1x	30.9x
Market Cap/Sales (x)	46.0x	18.3x	14.6x	12.3x	8.7x	7.5x

Source: Company, Bloomberg

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Corporate Office:

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392