



### Q3FY26 Highlights

- Consolidated Revenues grew by 13% YoY and 20%QoQ to ₹2,001mn led by ARR growth of 11% YoY to ₹9,310, also the company maintained its industry leading occupancy to 90% resulted in healthy RevPAR growth of 9% YoY to ₹8,347.
- EBITDA grew by 12% YoY and 44% QoQ to ₹706mn. EBITDA margin de-grew by 38 bps YoY and grew 603 bps QoQ to 35.3%. Net Profit de-grew by 20% YoY and grew by 56% QoQ to ₹256mn.

### Concall Highlights

#### New Launches

- The company announced the launch of Park Unison at EM Bypass, Kolkata, a mixed-use development comprising a luxury hotel and branded serviced residences.
- The residential component is expected to generate ₹3000-3500mn of cash flow over the next three to four years.
- The cash inflows from residential sales will begin immediately and not post completion, making the project largely self-funding over the construction cycle and reducing funding risk perception.
- The total development area of ~6 lakh sq ft remains unchanged, the hotel key count has been reduced from 250 to 218 rooms to allocate higher space toward banqueting and conferencing, reflecting a strategic shift toward revenue density and ROCE improvement given Kolkata's strength in weddings and MICE.
- On the residential side, units have been reduced from ~100 to ~69-71, though saleable area remains largely intact at ~2.93 lakh sq ft. The configuration now comprises only 4,000 sq ft apartments, including duplex units, indicating premiumization rather than volume reduction.

#### Flagship Properties

- The Park Kolkata operated at 100% occupancy, Chennai achieved 96%, and Bangalore and Navi Mumbai recorded occupancy levels above 90%. Delhi, Hyderabad, Goa, Vizag and Indore reported occupancy premiums of approximately 25% versus competitors.
- Kolkata delivered 11% ARR growth, in line with market growth of 11–13%, but due to 100% occupancy, RevPAR growth was also 11%, significantly higher than city RevPAR growth of 6–9%.
- The Management noted that weekend demand in Kolkata exceeds weekday demand due to entertainment-led positioning, strong nightlife and F&B differentiation, prime CBD location and AI-based revenue management.
- The company emphasized that AI is integrated with revenue management and described its platform as the industry's most widely applied and profitable AI upselling solution. Its demand management framework focuses sequentially on city demand, micro-market demand and property-level demand.

#### Renovation

- The company renovates approximately 10% of its inventory annually due to high occupancy constraints, at a cost of ~₹25 lakh per room.
- In FY26, renovation plans include 28 rooms in Delhi along with two restaurants and one bar, 30 rooms in Chennai, 20 rooms in Bangalore and refurbishment of 60 rooms in Kolkata.
- Delhi is expected to see ~10% revenue uplift post renovation for a ₹1000+mn property, while Chennai has already delivered ARR growth of 15%, food revenue growth of ~21% and Q3 growth of over 20%.

#### Important Data

Nifty	25,807.20
Sensex	83,674.92

#### Key Stock Data

Close*	₹129.40
Market Cap (₹)	₹27.64bn
52W High/Low	₹181.50//116.85
BSE Code	544111
NSE Code	PARKHOTELS
Bloomberg Code	PARKHOTE:IN

#### Shareholding Pattern (%) – Dec'25

Promoter	68.14
FIIs	3.29
DIIIs	9.51
Public	19.05

#### Financials

Particulars	₹ mn				
	FY23	FY24	FY25	FY26E	FY27E
Revenue	5,105	5,790	6,315	7,220	8,388
EBITDA	1,631	1,925	2,045	2,433	3,011
EBITDA Margin (%)	32.0	33.2	32.4	33.7	35.9
Adj.PAT	480	688	836	880	1,250
EPS (₹)	2.7	3.2	3.9	4.2	5.9
PE(x)	51.5	44.0	36.2	30.5	21.8
EV/EBITDA (x)	18.1	15.4	14.9	12.1	10.1
RoE (%)	9.0	7.8	6.7	8.8	11.2
RoCE (%)	10.1	11.1	10.2	12.4	14.9

Source: Company Data, Way2Wealth

#### Relative Performance

Absolute Return (%)	1Yr	3Yr	5Yr
ASPHL	-(20.32)	-	-
Nifty50	12.48	-	-
Sensex	10.47	-	-

Source: Company, Way2Wealth

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- The Management indicated that it would prefer to renovate more than 10% of inventory but is constrained by 90%+ occupancy levels, highlighting tight supply conditions.

#### Expansion, Capex & Guidance

- In Q4FY26, the company plans to add 234 keys across six hotels (Vizag, Darjeeling, Katra, Kochi, Goa and Dharamshala), comprising 57 lease keys, 14 owned keys and 163 management contract keys.
- For FY27, 438 keys are planned, largely under management contracts but including ~85 owned keys in Mumbai (Juhu). Total additions over the next 14 months are expected to be 672 keys across 17 hotels, taking the portfolio to 3,219 keys across 56 hotels.
- The Management clarified that a verbal reference to 254 keys was a speaking inconsistency, with formal guidance maintained at 234 keys in Q4FY26 and 438 keys in FY27.
- The long-term capex pipeline is estimated at ~₹9500mn and includes major owned projects in Pune (~200 rooms), Mumbai (Juhu), Vizag (100 rooms), EM Bypass (250+ rooms) and Jaipur (150 rooms).
- Funding sources include EM Bypass residential monetization (~₹3500mn), internal accruals and existing credit lines of ₹2500–3000mn. Net Debt/Equity currently stands at 0.11, within the target range of 0.1–0.2, and management internally tracks Debt/EBITDA below 2x.
- The Pune project has witnessed a significant FSI increase from 2.5 lakh sq ft to ~6.7 lakh sq ft, and if converted into an IT park model, entitlement could exceed 8 lakh sq ft.
- The Management indicated that monetization could precede hotel construction depending on final configuration, potentially funding hotel capex and limiting leverage impact.
- In Mumbai (Juhu), the project has been reconfigured from an initial 60 keys to 88 keys, with additional F&B spaces including a front-facing Flurys outlet, rooftop restaurant with retractable roof and premium bar concept, materially enhancing revenue potential. Opening is targeted at the end of FY27.
- Navi Mumbai is expected to scale from 250 rooms to 300+ rooms driven by improved FSI norms.
- The Vizag project has nearly completed permissions, with groundbreaking expected within one month, and is largely under company control, implying lower execution risk.

#### Inorganic

- The company acquired Malabar House (Fort Kochi) with ARR of ~₹15,000 and Purity (Vembanad Lake) with ARR of ~₹14,000 at a total staggered cost of ~₹640mn, focusing on occupancy improvement while maintaining ARR.
- Heritage luxury assets continue to gain traction. Lotus Palace Chettinad operates at ARR of ~₹13,376, while Ran Baas Palace, Patiala commands ARR of ~₹31,967.
- Ran Baas has received one Michelin Key (among only 24 hotels in India), Prix Versailles recognition and coverage in Condé Nast (India and International). The property contributed ~₹60mn revenue in Q3FY26, and management highlighted growing international traction post Michelin recognition.

#### Flurys expansion plan

- Flurys operates 104 outlets and reported Q3FY26 growth of 19% and 9M growth of 33%, with same-store growth of 9% and ₹10mn single-day sales on 24th Dec'25.
- The Management clarified that Q3 growth appears lower due to the festive high base effect.
- Store additions slowed due to capital reallocation toward hotel acquisitions and broader retail/F&B sector slowdown, with competitor closures noted.
- The focus has shifted from store count to revenue growth and margin discipline, with expansion recalibrated toward cafe-heavy formats rather than kiosks.
- In Q4, 14–16 stores are expected to be added, taking total stores to ~120 by FY26-end.
- FY27 target stands at 150–160 stores, with 30–40 new cafes planned.
- The long-term target of 450–500 stores by FY29–30 and revenue target of ₹5000mn over 3–4 years remain unchanged.

**View**

The company delivered good topline growth with revenue growth of 13% YoY to ₹2,001mn, while EBITDA also grew by 12% YoY to ₹706mn. EBITDA margin de-grew by 38 bps YoY to 35.3%. The PAT de-grew by ~25% YoY which was mainly due to higher interest cost. There has also been delays in scale up of Flurys (4 outlets added in 9MFY26) also the completion timeline of Park, Pune and EM Bypass, Kolkata, has been delayed to 2030. The company continues its strong growth momentum driven by hospitality and F&B segment. The company is currently trading at an EV/EBITDA multiple of 10.42x on FY27E. **We recommend Hold the stock.**

**Quarterly Performance**

Particulars	(₹ mn)				
	Q3FY26	Q3FY25	YoY	Q2FY25	QoQ
Net Sales	2001	1775	13%	1674	20%
Raw Material expense	253	231	9%	227	12%
Increase/decrease in stocks	-1	-8	-94%	-3	-82%
Employee Expense	389	381	2%	383	2%
Other Expense	652	537	21%	577	13%
Total Expense	1294	1142	13%	1184	9%
EBITDA	706	633	12%	490	44%
EBITDA margin	35.3%	35.7%	-38bps	29.3%	603bps
Other Income	15	11	35%	12	24%
Depreciation	194	146	34%	177	10%
EBIT	527	499	6%	325	62%
Interest expense	101	45	125%	46	121%
PBT	426	454	-6%	280	52%
Tax expense	170	132	29%	116	46%
PAT	256	322	-20%	164	56%
Exceptional Income/Loss	-14	0	NA	-2	833%
Adjusted PAT	242	322	-25%	162	49%
EPS	1.2	1.5	-20%	0.8	56%

Source: Company, Way2Wealth

**Coverage**

Date	Coverage	Report Price (₹)	Buy Range (₹)	Target Price (₹)
06-Feb-25	<a href="#">Quick Insight</a>	197.0	180 – 190	220 – 230
12-Feb-25	<a href="#">Q3FY25</a>	166.8		
02-Jun-25	<a href="#">Q4FY25</a>	151.0		
12-Aug-25	<a href="#">Q1FY26</a>	148.0		
18-Nov-25	<a href="#">Q2FY26</a>	142.0		

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**Disclosure of Interest Statement: Apeejay Surrendra Park Hotels Ltd. as on 13<sup>th</sup> February 2026**

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Name of the analyst	Ashwini Sonawane
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