

IPO Note



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SCHLOSS BANGALORE LIMITED

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Hensex Securities Pvt Ltd
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ABOUT COMPANY:

- ❖ The Company was incorporated as “Schloss Bangalore Pvt. Ltd” on March 20, 2019, at New Delhi. Subsequently, on the conversion to a public limited company the name was changed to “Schloss Bangalore Ltd” on May 30, 2024.
- ❖ The company owns, operates, manages and develops luxury hotels and resorts under “The Leela” brand. The company undertakes its business primarily through direct ownership of hotels and hotel management agreements with third-party hotel owners.
- ❖ The Leela brand was ranked as #1 among the world’s best hospitality brands in 2020 and 2021, and among the world’s top three hospitality brands in 2023 and 2024, by Travel + Leisure World’s Best Awards Surveys.
- ❖ The company is one of the largest luxury hospitality companies by number of keys in India, comprising 3,553 keys across 13 operational hotels as on March 31,2025.
- ❖ The company’s portfolio includes 5 owned hotels (“Owned Portfolio”), 7 hotels that are managed by the company through hotel management agreements (“Managed Portfolio”) and 1 hotel which is owned and operated by a third-party owner under a franchise arrangement with the company.
- ❖ The company has a strategic footprint across 10 key Indian business and leisure destinations, covering 80% of international air traffic and 59% of domestic air traffic in India in FY 2025
- ❖ The company’s service excellence luxury hospitality is reflected through its net promoter score (“NPS”) across its Portfolio which was 84.00 -highest amongst key hospitality peers, in FY2024. The company’s NPS across its Portfolio was 85.11 in FY2025.
- ❖ The company’s the average room rate (“ARR”) and revenue per available room (“RevPAR”) across its Owned Portfolio amounted to ₹22,545 and ₹15,306, respectively, which were both 1.4 times the luxury hospitality segment average in India.
- ❖ The company plans to expand its Portfolio with 7 new hotels, aggregating ~678 keys or 19.08% of existing keys through 2028 that will be either developed, owned or managed by the company.
- ❖ The company’s properties are a luxury ecosystem, comprising of luxurious accommodations, curated experiences, wellness programs and award-winning food and beverage (“F&B”) options.

ISSUE BREAK-UP

Investor	No. of Equity Shares		₹ In Cr	% of Allocation
	Lower	Upper		
QIB	6,35,59,322	6,03,44,828	2,625	75%
NIB	1,27,11,864	1,20,68,965	525	15%
-NII 1	42,37,288	80,45,976	350	
-NII 2	84,74,576	40,22,988	175	
Retail	84,74,576	80,45,976	350	10%
Total	8,47,45,762	8,04,59,769	3,500	100%

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Anchor Bid on : Friday, 23th May 2025
Issue opens on : Monday, 26th May 2025
Issue closes on : Wednesday, 28th May 2025

Issue Details *Fresh Issue of Equity Shares aggregating up to ₹ 2,500 Cr + Offer for Sale of Equity Shares aggregating up to ₹ 1,000 Cr*
Issue size: ₹ 3,500 Cr
No. of shares: 8,47,45,762 - 8,04,59,769
Face value: ₹ 10
Price band: ₹413 – 435
Bid Lot: 34 Shares and in multiple thereof
Post Issue Implied Market Cap: ₹ 13,919 Cr - ₹ 14,527 Cr

BRLM Axis Capital, JM Financial, BofA Securities, Morgan Stanley, J.P. Morgan, Kotak Mahindra Capital

Registrar: KFin Technologies

Industry: Luxury Hospitality

Listing: BSE & NSE

INDICATIVE TIMETABLE:

Activity	On or about
Finalization of Basis of Allotment	29-05-2025
Refunds/Unblocking ASBA Fund	30-05-2025
Credit of equity shares to DP A/c	30-05-2025
Trading commences	02-06-2025

SHAREHOLDING (APPROX. NO. OF SHARES):

Pre issue	Post issue [~]	Post issue [^]
276,486,614	33,70,19,302	33,39,57,878

[~]@Lower price Band [^]@ Upper Price Band

SHAREHOLDING PATTERN(%)

Particulars	Pre-Issue	Post-Issue
Promoters	100%	75.91%
Public – Others S/h	-	24.09%
Total	100.00%	100.00%

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII – Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	34 Shares	476 Shares	2,312 Shares
Minimum Bid Lot Amount (₹)	₹ 14,790 [^]	₹ 2,07,060 [^]	₹ 10,05,720 [^]
No. Of Applications For 1x Applications	2,36,646 Applications	8,452 Applications	16,903 Application



THE LEELA
PALACES HOTELS RESORTS

SCHLOSS BANGALORE LIMITED

- IPO NOTE



HENSEX
SECURITIES
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KEY FINANCIALS:

₹ in Cr

Particular (INR Cr)	As at Mar' 31,		
	2025	2024	2023
Share Capital	276.49	20.17	20.17
Net Worth	3,604.99	-2,825.72	-2,511.96
Total Borrowings	3,908.75	4,242.18	3,696.18
Total Income	1,406.56	1,226.50	903.27
Revenue from Operations	1,300.57	1,171.45	860.06
Revenue Growth (%)	11.02%	36.21%	—
Adj. EBITDA as stated	700.17	600.03	423.63
Adj. EBITDA Margin (%) as stated	49.78%	48.92%	46.90%
Net Profit for the period	47.66	-2.13	-61.68
Net Profit (%) as stated	3.39%	-0.17%	-6.83%
EPS – Basic & Diluted (₹)	1.97	-0.12	-3.5
Average Room Rate (₹)	16,408.67	15,212.77	12,819.85
Average Occupancy (%)	65.19%	63.05%	61.00%
RevPAR (₹)	10,696.34	9,592.29	7,828.02

Source: RHP, * Not annualized, ^ includes a share of net loss of JV of ₹ 0.19 Cr; The company converted 622,103,028 CCPS into 100,501,294 Equity Shares pursuant to board resolution on Jan. 10, 2025; the conversion price was ₹ 619/share

OBJECT OF THE ISSUE :

Objects	Amount (₹ Cr)
Repayment/ prepayment/ redemption, in full or in part, of certain outstanding borrowings, interest accrued & prepayment penalties, as applicable, availed:	
(i) by the company	1,102.50
(ii) certain wholly owned Subsidiaries, and step-down subsidiaries viz, Schloss Chanakya, Schloss Chennai, Schloss Udaipur and TPRPL, through investment in such Subsidiaries	1,197.50
General Corporate Purposes	[•]
Total	[•]

OFFER DETAIL :

The Offer	No. of Shares
Fresh Issue (₹ 2,500 Cr [^])	Upto 5,74,71,264 [^] Equity Shares
Project Ballet Bangalore Holdings (DIFC) Pvt Ltd (₹ 1,000 Cr)	Up to 2,29,88,505 [^] Equity Shares

SHAREHOLDING PATTERN:

Shareholders	Pre-offer		Fresh Issue & Offer for Sale	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter	27,64,86,609	100%	2,29,88,505	25,34,98,104	75.91%
Promoters Group	5	0.00%	-	5	0.00%
Total for Promoter and Promoter Group	27,64,86,614	100.00%	2,29,88,505	25,34,98,109	75.91%
Public – Investor Shareholders	-	0.00%	5,74,71,264	8,04,59,769	24.09
Public – Other Shareholders	-	0.00%	-	-	-
Total for Public Shareholder	-	0.00%	5,74,71,264	8,04,59,769	24.09%
Total Equity Share Capital	27,64,86,614	100.00%	8,04,59,769		100.00%

BUSINESS OVERVIEW:

The company's properties are a luxury ecosystem, comprising of luxurious accommodations, curated experiences, wellness programs and award-winning food and beverage ("F&B") options. This has enabled the company to drive superior total revenue per available room, in comparison to the luxury hospitality segment in India. The company's the average room rate ("ARR") and revenue per available room ("RevPAR") across its Owned Portfolio amounted to ₹22,545 and ₹15,306, respectively, which were both 1.4 times the luxury hospitality segment average in India. For FY2025 the company's total revenue per available room ("TRevPAR") for the Owned Portfolio was ₹ 29,575, which was 1.4 times the luxury hospitality segment in India. Further, between FY2019 and 2024, the company's Owned Portfolio demonstrated a 11.8% CAGR in RevPAR, higher than the 8.6% CAGR of the luxury hospitality segment in India. For FY 2025, the ARR and RevPAR of the company's Managed Portfolio, in comparison to comparable hotels across their micro-markets, was 1.3 times and 1.2 times respectively. Further, the company plans to expand its Portfolio with 7 new hotels, aggregating ~678 keys or 19.08% of existing keys through 2028 that will be either developed, owned or managed by the company. The company plans to expand footprint across

Further, the company plans to expand its Portfolio with 7 new hotels, aggregating ~678 keys or 19.08% of existing keys through 2028 that will be either developed, owned or managed by the company. The company plans to expand footprint across additional cities and tourist destinations, which include modern palace hotels in Agra (Uttar Pradesh) and Srinagar (Union Territory of Jammu and Kashmir), resorts in Ranthambore (Rajasthan) and Bandhavgarh (Madhya Pradesh) and serviced apartments in Mumbai's (Maharashtra) international airport district. The company intends to develop existing land assets, pursuing accretive asset acquisition opportunities, hotel management agreements and pursue selective partnerships, acquisitions and development of brands that complement its Portfolio.

The company's strategic initiatives and expansion plans are greatly enhanced by the support of its Promoters, that are advised and managed by affiliates of Brookfield, a global alternative asset manager with over US\$1 trillion of AUM and operations in over 30 countries. To further accelerate growth the company has entered into a right of first offer agreement, dated September 17, 2024, with an affiliate of Brookfield (BSREP III India Ballet Holdings (DIFC) Ltd) a promoter of the company's Promoter, granting Schloss Bangalore the right of first offer to acquire hospitality assets from them, before such offer is made to third parties. The company has generated robust growth between the FY 2023 and the FY 2025, in terms of revenue from operations, ARR, RevPAR and TRevPAR. The company's EBITDA margin for the FY 2024 amounted to 48.92%, which, according to the HVS Report, was better than the EBITDA margin of the company's listed peers which ranged from 33.66% to 45.60%. The company's EBITDA margin for the FY 2025 amounted to 49.78%. In addition, the RevPAR of the company's Owned Portfolio, was ~ 2.9 times of the overall hospitality industry in India and 1.4 times of the luxury hospitality segment in India for the FY 2025.



PORTFOLIO OF OWNED & MANAGED HOTELS

- The Leela Palace Bengaluru:** The hotel is spread across 8.23 acres and comprises 357 keys, including 312 rooms (including 75 royal club rooms) and 45 suites (which comprises 12.61% of keys for the hotel) as of March 31, 2025

Key Operational Data	As at March 31 st		
	2025	2024	2023
Number of keys	357	357	357
Average Occupancy (%)	69.70%	68.40%	72.70%
ARR (₹)	21,445	18,872	14,873
RevPAR (₹)	14,947	12,918	10,815

- The Leela Palace Chennai:** The hotel comprises 325 keys, comprising 295 rooms (including 85 royal club rooms and eight premier club rooms) and 30 suites (which comprises 9.23% of keys for the hotel) as of March 31, 2025

Key Operational Data	As at March 31 st		
	2025	2024	2023
Number of keys	325	325	325
Average Occupancy (%)	74.60%	68.00%	66.80%
ARR (₹)	12,725	12,573	10,292
RevPAR (₹)	9,486	8,550	6,874

- The Leela Palace New Delhi:** The hotel comprises 254 keys, comprising 236 rooms (including 74 royal club rooms) and 18 suites (which comprises 7.09% of keys for the hotel) as of March 31, 2025.

Key Operational Data	As at March 31 st		
	2025	2024	2023
Number of keys	254	254	254
Average Occupancy (%)	73.00%	71.50%	67.90%
ARR (₹)	27,430	26,680	20,697
RevPAR (₹)	20,019	19,078	14,046

- The Leela Palace Jaipur:** The Leela Palace Jaipur comprises 200 keys, comprising 108 villas (including 64 royal villas and 44 grand villas), 74 rooms and 18 suites (which comprises 9.00% of keys for the hotel) as of March 31, 2025.

Key Operational Data	As at March 31 st		
	2025	2024	2023
Number of keys	200	200	200
Average Occupancy (%)	53.00%	62.30%	60.40%
ARR (₹)	28,756	23,831	22,116
RevPAR (₹)	15,242	14,851	13,361

- The Leela Palace Udaipur:** The hotel comprises 88 keys, comprising 76 rooms and 12 suites and villas (which comprises 13.64% of keys for the hotel), as of March 31, 2025.

Key Operational Data	As at March 31 st		
	2025	2024	2023
Number of keys	88	80	80
Average Occupancy (%)	54.10%	52.60%	49.00%
ARR (₹)	47,138	44,052	41,344
RevPAR (₹)	25,519	23,185	20,240

- The Leela Kovalam, A Raviz Hotel:** The hotel comprises 188 keys, comprising 133 rooms, 41 villas and 14 suites, as of March 31, 2025

Key Operational Data	As at March 31 st		
	2025	2024	2023
Number of keys	188	188	188
Average Occupancy (%)	64.00%	62.70%	56.80%
ARR (₹)	19,678	18,444	15,880
RevPAR (₹)	12,585	11,555	9,026



PORTFOLIO OF OWNED & MANAGED HOTELS

- **The Leela Ashtamudi, A Raviz Hotel:** The hotel comprises 96 keys, comprising 82 rooms, 10 suites, two private pool villas and two cottages as of March 31, 2025.

Key Operational Data	As at March 31 st		
	2025	2024	2023
Number of keys	96	93	93
Average Occupancy (%)	50.00%	46.90%	38.60%
ARR (₹)	10,069	9,403	7,958
RevPAR (₹)	5,037	4,407	3,073

- **The Leela Ambience Convention Hotel Delhi:** The hotel comprises 480 keys, comprising 405 rooms, 50 club rooms and 25 suites as of March 31, 2025.

Key Operational Data	As at March 31 st		
	2025	2024	2023
Number of keys	480	480	480
Average Occupancy (%)	71.40%	62.90%	56.30%
ARR (₹)	7,916	6,974	5,802
RevPAR (₹)	5,650	4,385	3,268

- **The Leela Ambience Gurugram Hotel & Residences:** Hotel is part of a lifestyle complex and comprises 412 keys, comprising 294 rooms, 29 suites and 89 serviced apartments as of March 31, 2025

Key Operational Data	As at March 31 st		
	2025	2024	2023
Number of keys	412	412	412
Average Occupancy (%)	80.50%	82.20%	81.20%
ARR (₹)	15,456	12,655	10,669
RevPAR (₹)	12,436	10,403	8,662

- **The Leela Gandhinagar:** The hotel comprises 318 keys, comprising 306 rooms and 12 suites as of March 31, 2025.

Key Operational Data	As at March 31 st		
	2025	2024	2023
Number of keys	318	318	318
Average Occupancy (%)	37.90%	35.70%	34.90%
ARR (₹)	8,748	10,472	8,244
RevPAR (₹)	3,313	3,741	2,874

- **The Leela Bhartiya City Bengaluru:** The hotel comprises 281 keys, comprising 258 rooms and 23 suites as of March 31, 2025

Key Operational Data	As at March 31 st		
	2025	2024	2023
Number of keys	281	281	281
Average Occupancy (%)	64.70%	55.00%	55.50%
ARR (₹)	10,549	9,266	8,582
RevPAR (₹)	6,820	5,099	4,759

- **The Leela Mumbai:** The hotel comprises 398 keys, comprising 353 rooms and 45 suites as of March 31, 2025. This hotel is operated under a franchise arrangement and a central services agreement by a third-party hotel owner and operator

- **The Leela Hyderabad:** The hotel comprises 156 keys as of March 31, 2025

Key Operational Data	As at March 31 st		
	2025	2024	2023
Number of keys	156	-	-
Average Occupancy (%)	27.30%	-	-
ARR (₹)	19,253	-	-
RevPAR (₹)	5,254	-	-

COMPETITIVE STRENGTH:

- **Leading Luxury Hospitality Brand with Rich Heritage and Global Appeal**

The Leela brand is associated with luxury and is established as a leading luxury hospitality brand in the world, with 250 industry awards since January 2021. The Leela brand was ranked as #1 among the world's best hotel brands in 2020 and 2021 and among the world's top three best hotel brands in 2023 and 2024 by Travel + Leisure World's Best Award Surveys. The company has also been awarded India's best hotel brand by Travel + Leisure India's Best Award Surveys for five years (2020-2024) and named a Global Vision Honoree in Travel + Leisure Global Vision Awards 2025. The company's brand's excellence is validated through comprehensive annual luxury audits by Leading Quality Assurance ("LQA"), one of the leading quality assurance audit service providers, where the company scored 82.9% in FY 2025. As of March 31, 2025, the staff-to-room ratio for the company's Owned Portfolio and the company's Portfolio were 2.5 times and 2.2 times, respectively, which enables them to provide personalized and attentive service to its guests, as reflected by its NPS. The NPS of the company's Portfolio, at 84.00, is the highest as compared to listed hospitality peers for FY 2024. For FY2025, the NPS was 85.11. During FY2025, the company's RevPAR across its Owned Portfolio was 1.4 times of the overall luxury hotel segment average in India and company's direct sales channels contributed 65.36% of its room revenue, further reflecting the company's premium market positioning and brand strength in luxury hospitality. Further, the company's global appeal is further evidenced by the diverse mix of guests, with international travelers contributing 46.8% of its room revenues in FY 2025

- **Marquee Owned Hotels in Markets with High Barriers to Entry**

The company's Owned Portfolio includes 5 hotels comprising 1,224 keys as of March 31, 2025, across top business and leisure destinations in India – Bengaluru (Karnataka), Chennai (Tamil Nadu), New Delhi (Delhi), Jaipur. (Rajasthan) and Udaipur (Rajasthan). Between the FY 2019 and FY 2024, the Owned Portfolio demonstrated a 11.8% CAGR in RevPAR, significantly higher than the 8.6% CAGR of the overall luxury hospitality sector in India. The hotels in the Owned Portfolio are strategically located in prime locations where acquisition of large parcels of land is challenging. New hotel construction requires a significant gestation period in site development and operational stabilization, creating significant barriers to entry for new supply. The company's Owned Portfolio's ARR was 1.4 times of the overall luxury hotel segment average in the FY2025. The company's modern palace hotels in New Delhi (Delhi), Bengaluru (Karnataka) and Chennai (Tamil Nadu) are among the largest, by number of keys in their respective markets, according to the HVS Report. The company's strategically located iconic hotels with high barriers to entry also lead to a network effect which has strengthened the company's brand and enabled it to achieve premium pricing and consistent global recognition.

- **Comprehensive Luxury Ecosystem Resulting in Diversified Revenue Sources**

As of March 31, 2025, the company operate 72 restaurants, bars and cafes across its Portfolio including F&B venues such as Jamavar, Library Bar, ZLB 23, Megu, China XO, Le Cirque and Sheesh Mahal. There are 13 spas and wellness sanctuaries across the Portfolio, including a spa collaboration with Soneva (under development at The Leela Palace Bengaluru and expected to be completed in FY 2026). The company's hotels have a comprehensive luxury ecosystem that caters to evolving customer preferences, by providing luxurious accommodation, curated experiences, and F&B venues offering award-winning dining experiences spanning multiple cuisines, award-winning wellness offerings and several other amenities. This ecosystem has enabled the company to diversify revenue base across non-room revenue sources such as F&B, MICE and banqueting venues. For FY 2025, the company derived 56.96% of its room revenues from retail and leisure guests, 16.97% from corporate bookings and 25.45% from group bookings, demonstrating the strength of its diversified customer base. For the FY 2025, 2024 and 2023, the company's non-room revenues amounted to 51.7%, 49.9% and 54.4% of its total income, respectively.

- **Track Record of Driving Operational Efficiency by the Active Asset Management Approach**

The company has delivered superior EBITDA margins and increased RevPAR for its Owned Portfolio driven by operational efficiencies through structured and disciplined approach to asset management. The RevPAR for Owned Portfolio improved from 1.2 times in the Financial Year 2019 to 1.4 times in the FY 2025, as compared to the luxury hospitality segment in India. The company's initiatives of investments, refurbishment and upgradation of properties have resulted in improvement of RevPAR and ARR. For example, with respect to The Leela Palace Jaipur, the measures have resulted in doubling the ARR from ₹11,928 in FY 2020 to ₹28,756 in FY 2025 and increase the RevPAR from ₹7,037 in FY 2020 to ₹15,242 in FY 2025. Similarly, at The Leela Kovalam, the ARR increased by 108.25% from ₹ 9,449 in the FY 2022 to ₹ 19,678 in the FY 2025 and RevPAR increased by 202.31% from ₹ 4,163 in the FY2022 to ₹ 12,585 in the FY 2025, hence enabling it to generate incremental management fees.

- **Highly Experienced, Cycle-Tested Senior Management Team, Guided by an Experienced and Distinguished Board**

The company is a professionally managed, institutionally backed company, committed to creating long-term shareholder value. The company's leadership team is comprising of 3 Key Managerial Personnel and 7 members of the Senior Management team, who are responsible for strategic direction, and are supported by 13 general managers and regional vice presidents, who oversee various aspects of the daily operations. The company's key managerial personnel and core team have an average experience of more than 20 years. The management team's experience through multiple hospitality cycles provides valuable insight and perspective into the asset management of the company's Portfolio as well as future expansion.

- **Sponsorship by Brookfield – A Leading Global Investor with Deep Local Expertise**

The company is promoted by private equity funds which are managed and/or advised by affiliates of Brookfield, one of the world's largest alternative asset managers and investors with over US\$1 trillion of AUM as of March 31, 2025, across real estate, infrastructure, renewable power, private equity and credit sectors. Additionally, Brookfield's longstanding presence in India, managing over US\$30 billion of AUM and a history of ~16 years are likely to create growth opportunities for the company. The company plans to either utilize Brookfield's affiliates (such as Brookprop Property Management Services Pvt. Ltd) resources directly for development and project management services for a fixed fee, or manage the projects themselves while collaborating closely and benefiting from their extensive knowledge and resources

KEY BUSINESS STRATEGIES

- **Improve same-store growth and profit margins through proactive asset management**

The company is focused on improving its same-store revenue growth and optimizing operational efficiencies to drive profitability. The company plans to enhance existing properties, launch targeted marketing initiatives and improve cost efficiencies. The measures are expected to aid growth in RevPAR, market share, and profitability of company's Owned Portfolio and Managed Portfolio. The initiatives include upgrading properties, such as adding a ballroom space and luxury retail areas at The Leela Palace Bengaluru, including introduction of globally renowned and India's first Soneva spa. The company also plans to utilize additional floor space index potential in New Delhi to develop the hotel further, potentially adding over 50 keys and a new banqueting space. The Operational revenues and efficiency enhancement initiatives include increasing room rates while maintaining occupancy, implementing advanced property management systems and data analytics, launching -The Leela App- and enhancing website booking capabilities and driving staff productivity through training programs like LLDP and LEAD. Since April 1, 2021, the company has undertaken significant property improvement initiatives with a total capital expenditure plan of ₹ 654.58 Cr, 65.37% of which has been incurred as of March 31, 2025. The remaining improvements are ongoing and are being targeted to be completed over the next 12 to 18 months.

- **Expansion of Portfolio through acquisitions and developments, including through identified assets**

The company plans to expand its Portfolio, primarily through acquisition of existing hotels and resorts in both urban and resort locations and development of new hotels and resorts. The company's recent growth has been driven partly due to additions to its portfolio, particularly The Leela Palace Jaipur. The Leela Palace Jaipur's ARR and RevPAR have more than doubled between FY2020 to FY2025. Schloss Bangalore currently plans to further expand its footprint by acquiring and/or developing 5 new hotels that will be directly owned and managed by the company. These hotels are expected to be completed and operational by FY 2027 to 2028. These developments will enable the company's entry into some of the most attractive leisure, heritage, spiritual and wildlife tourist destinations.

- **Expand the footprint through new hotel management agreements**

In addition to growing the company's Owned Portfolio, it also plans to focus on growth through hotel management agreements with third-party hotel owners, allowing it to extend its brand presence with minimal capital investment. Under the hotel management agreements, Schloss Bangalore is typically entitled to a fixed percentage of the gross operating revenue as well as a fixed percentage of the net room revenue. It is also entitled to an incentive fee, generally being a variable percentage linked to the gross operating profit of the hotel. The company's management agreements with third-party hotel owners are long-term and the initial term varies from 10 to 30 years, with extensions up to 10 years. For FY2025, the management and other operating fees amounted to ₹ 69.82 Cr, out of which the company generated ₹ 60.68 Cr in management fees from 7 hotels in its Managed Portfolio, which translated into an average of ₹ 8.67 Cr per hotel. Further, the company has recently entered into hotel management agreements for 2 properties: a new hotel that is located in Gangtok (Sikkim) as well as luxury serviced apartments in Mumbai (Maharashtra).

- **Maintain a sustainable capital structure while pursuing organic and inorganic growth opportunities with prudent capital allocation**

The company will continue to focus on expansion plans in key gateway markets in India and internationally, through a combination of greenfield development, inorganic acquisitions and hotel management arrangements. The geographies which the company intends to focus on for future growth are the Maldives, Dubai, and Mumbai and Goa in India, among others. The company intends to continue to adopt prudent capital allocation strategies in its approach to the development of greenfield projects and for the inorganic acquisitions of existing hotel properties, which can be rebranded and operated under The Leela brand.

- **Expand the reach of The Leela brand**

The company will continue to evolve its luxury offerings and service standards that are representative of Indian hospitality traditions and also relevant to today's luxury travelers. Some of the initiatives include:

- **The Leela Clubs:** The company is introducing exclusive, members-only clubs known as "Arq" at several locations, including more imminently at The Leela Palace Bengaluru, the Leela Palace Chennai and Leela Palace New Delhi. These clubs will operate on a subscription-based business model. The clubs aim to enhance customer loyalty, generate recurring revenue streams through membership fees, and strengthen customer engagement with its hotels' luxury offerings
- **The Leela-branded serviced residences:** In response to the increasing demand for luxury residential experiences, the company plans to launch branded serviced residences that are integrated with its hotels and resorts. The company
- **The Leela branded serviced apartments:** This initiative caters to a growing market segment seeking extended stays with the convenience of residential living and luxury of hotel services. The company has secured a management contract for The Leela Luxury Residences and Club, in Mumbai, near Mumbai's international airport in Andheri (Maharashtra). This will enable the company to diversify its revenue streams and capitalize on the growing market for high-quality serviced residences



REVENUE FROM OPERATIONS

Key Operational Metrics (As of March 31st)

Metric	2025	2024	2023
Overall Portfolio			
Number of cities	11	10	10
Number of hotels	13	12	12
Number of keys	3,553	3,382	3,382
Average occupancy (%)	65%	63%	61%
ARR (₹)	16,409	15,213	12,820
RevPAR (₹)	10,696	9,592	7,828
Owned Portfolio			
Number of cities	5	5	5
Number of hotels	5	5	5
Number of keys	1,224	1,216	1,216
Average occupancy (%)	68%	67%	67%
ARR (₹)	22,545	20,966	17,248
RevPAR (₹)	15,306	14,030	11,475
TRevPAR (₹)	29,575	26,218	22,665
Managed Portfolio			
Number of cities	8	7	7
Number of hotels	8	7	7
Number of keys	2,329	2,166	2,166

REVENUE FROM OPERATIONS

Particulars	As at March 31 st					
	2025		2024		2023	
	Revenue (₹ in Cr)	% of Revenue (%)	Revenue (₹ in Cr)	% of Revenue (%)	Revenue (₹ in Cr)	% of Revenue (%)
Room income	680.02	52.29%	615.06	52.50%	411.79	47.88%
Revenue from food and beverages	478.17	36.77%	431.71	36.85%	330.6	38.44%
Management and other operating fees	69.82	5.37%	59.5	5.08%	66.55	7.74%
Other allied services*	53.86	4.14%	48.85	4.17%	38.73	4.50%
Manpower services	18.71	1.44%	16.34	1.39%	12.4	1.44%
Total Revenue from Operations	1,300.57	100%	1,171.45	100%	860.06	100%



THE LEELA
PALACES HOTELS RESORTS

SCHLOSS BANGALORE LIMITED

- IPO NOTE



HENSEX
SECURITIES
save money & make money

INDUSTRY OVERVIEW :

Peer Group analysis

Company	Revenue from Ops (₹ Cr)	EPS (₹) Diluted	P/E (x)	RONW (%)	Net Worth (₹ Cr)	NAV (₹)	EV / EBITDA (x)
Schloss Bangalore (FY25)	1,300.57	1.97	220.81#	0.01	3,604.99	148.88	20.84
Schloss Bangalore (FY24)	1,171.45	-0.12	[●]	N.A.*	-2,825.72	-160.57	[●]
Listed Peers (FY25)							
The Indian Hotels Co	8,334.54	13.4	59.84	0.16	12,415.61	87.22	37.31
Listed Peers (FY24)							
The Indian Hotels Co	6,768.75	8.86	86.43	0.13	10,128.71	71.16	45.75
EIH Limited	2,511.27	10.22	36.42	0.17	4,086.37	65.34	22.34
Chalet Hotels	1,447.25	13.53	59.93	0.15	1,850.87	84.74	33.46
Vention Hospitality	1,842.07	-5.24	N.A.	-0.02	3,669.73	157.13	24.39
ITC Hotels^	3,034.00	-	-	-	-	-	-

Source: RHP; * net worth was negative for the FY2024 CMP as on May 07, 2025., P/E based on respective CMP, ^ ITC Hotels data not calculable or not reported by the company publicly, # AS per statutory Advt. in newspaper, computed on upper price band

Peer Comparison -Average Occupancy

Company	2025	2024	2023
Schloss Bangalore	65.19%	63.05%	61.06%
The Indian Hotels Co	78.10%	77.00%	72.00%
EIH Ltd	-	-	-
Chalet Hotels	-	72.55%	72.04%
Juniper Hotels	-	75.00%	75.74%
Ventive Hospitality	-	59.47%	63.67%
ITC Hotel	-	69.00%	69.00%

Peer Comparison – Operational Parameters & Brands

Peers	Company	Total Operational Keys	Total Income CAGR FY22–24	FY 2024 EBITDA Margin (%)	Key Brands
Direct Peers	The Leela	3,553	72%	49%	The Leela (Palaces, Hotels & Resorts)
	IHCL	25,935	47%	34%	Taj, Selections, Vivanta, Gateway, Ginger
	EIH	4,184	59%	40%	Oberoi, Trident
	ITC	13,328	52%	40%	ITC Hotels, Mementos, WelcomHotel, Storii, Fortune, WelcomHeritage
Other Industry Players	Juniper	2,115	55%	39%	Grand Hyatt, Andaz, Hyatt Residences, Hyatt Regency, Hyatt & Hyatt Place
	Chalet	3,052	65%	42%	JW Marriott, Marriott Executive Apartments, Novotel, Westin, Courtyard by Marriott & Four Points by Sheraton
	Ventive	2,036	26%	46%	JW Marriott, Ritz Carlton, Anantara, Conrad, Raaya, Marriott Suites, DoubleTree by Hilton, Oakwood Residences, Courtyard by Marriott, Marriott Aloft

**HENSEX OUTLOOK:****Rating: or long-term investors – Subscribe, backed by global strength and demonstrated turnaround stability**

- ✓ *A marquee luxury hospitality player operating under The Leela brand with 13 premium properties across key leisure and business destinations in India.*
- ✓ *Backed by global asset manager Brookfield Group, ensuring access to capital, global expertise, and long-term operational stability.*
- ✓ *Strong brand equity with high entry barriers, strategic locations, and superior pricing power reflected in ARR and RevPAR consistently above industry averages.*
- ✓ *Operates a diversified luxury ecosystem with 72 F&B venues, 13 wellness sanctuaries, and extensive MICE facilities; non-room revenue consistently exceeds 50%.*
- ✓ *Witnessed a turnaround in FY25, reporting revenue of ₹1,300.57 crore and PAT of ₹48 crore, recovering from previous years' losses primarily due to high finance costs.*
- ✓ *Plans to use a significant portion of IPO proceeds to repay debt, which will materially reduce interest burden and boost profitability.*
- ✓ *Aggressive expansion plan includes adding 7 new properties (678 keys) across emerging luxury segments like heritage, wildlife, spiritual tourism, and serviced residences.*
- ✓ *Exploring international expansion in high-potential luxury markets such as the Maldives and Dubai; also launching The Leela Clubs and branded residences.*
- ✓ *The company is valued at FY25 EV/EBITDA multiple of 26.3x at post issue capital of upper price band.*

MAJOR RISK FACTOR:

- ✓ *A significant portion of our total income is derived from the five hotels owned by Leela Hotels (aggregating to 93.46%, 93.77% and 91.13% of its total income for the Financial Year 2025, Financial Year 2024 and Financial Year 2023, respectively) and any adverse developments affecting such hotels or regions could have an adverse effect on its business, results of operations and financial condition*
- ✓ *Leela Hotels and certain of its Material Subsidiaries have incurred losses in the past during Financial Years 2024 and 2023 ₹(21.27) million for the Financial Year 2024 and ₹(616.79)million for the Financial Year 2023 (on a consolidated and restated basis)),as well as during Financial Year 2025 for three of our Material Subsidiaries, and may experience losses in the future which could result in an adverse effect on our business, cash flows and financial condition.*
- ✓ *The Hotel company has granted security interests over certain of its assets, and any failure to satisfy its obligations under its secured borrowings could lead to invocation of security interest, resulting in a forced sale or seizure of such assets.*
- ✓ *As of March 31, 2025, it had outstanding borrowings of ₹3908 crore on a restated and consolidated basis. Further, its finance costs as a percentage of total income for the Financial Year 2025 amounted to 32.57%. In addition, It may require additional financing in the future in order to continue to grow its business, which may not be available on acceptable terms, or at all*
- ✓ *The business remains vulnerable to external shocks such as pandemics. Events like COVID-19 or future public health crises could disrupt operations and impact financial performance*

Our Branches

JODHPUR

First Floor, 7th, Bhagat ki Kothi Extension,
New Pali Road, Jodhpur – 342005

MUMBAI

Shop No. 27/28 Grd Floor, Oswal Ornate
Bldg.No. 2 Jesal Park, Near Jain Mandir,
Bhayander (East) Thane – 401105

JAIPUR

5th Floor, Okay Plus Tower, Government
Hostel Circle, Ajmer Road, Jaipur, 302001
(Raj).

JODHPUR

Shop No. 2, Behind Senior Secondary
School, Behind Rawat Chakki, Phalodi-
342301



AHMEDABAD

928, Shyamal Iconic, Shyamal Cross
Road, Shyamal,
Ahmedabad 380015

VADODARA

151-153, Paradise Complex, sayajiganj,
Vadodara - 390005, Gujarat.

BENGALURU

No. 156/1, 1st Floor, Opp. Karnataka
Bank, Near Minerva Circle, R.V. Road,
V.V. Puram, Bangalore, 560004

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Is not engaged in market making activity for the subject company.

Source: RHP (Red Herring Prospectus)

(For Additional & Detailed information, please refer RHP.)

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