

ITC Hotels reports revenue of Rs 3,333 crore with 44 per cent surge in FY25

ITC Hotels Ltd has reported its strongest financial results to date for the fiscal year ended 31st March 2025, delivering record-breaking performance across key operational and financial metrics. With a standalone revenue of Rs 3,333 crore and a profit after tax (PAT) of Rs 698 crore for the year, the company capped off FY25 with its best-ever quarterly showing.

In Q4 FY25 alone, revenue stood at Rs 1,017 crore, up 17 per cent year-on-year. PAT surged by 44 per cent to Rs 264 crore, while EBITDA margins expanded to 40 per cent, up 350 basis points, driven by higher revenue per available room (RevPAR), robust growth in food and beverage (F&B) operations, and strategic cost efficiencies.

The results mark the company's first full quarter as an independent entity following its demerger from ITC Ltd., with the hotel business formally transferred to ITC Hotels Ltd. effective 1st January 2025. The company's shares were successfully listed on the National Stock Exchange and BSE on 29th January 2025.

Strategic growth and expansion

With over 140 properties and 13,300 rooms under six distinct brands—ITC Hotels, Mementos, Welcomhotel, Storii, Fortune, and WelcomHeritage—the company has positioned itself among India's fastest-growing hospitality chains. Over the past 24 months, ITC Hotels signed 54 new properties and opened 30 hotels, underscoring its ambitious expansion agenda.

A key component of this growth is the company's 'asset-right' strategy, focussing on management and franchising contracts to scale with lower capital intensity. Currently, a pipeline of 50 hotels with over 4,500 keys is under development, with a target of reaching 220 operational hotels and 20,000 keys by 2030. Expansion is also extending to Tier 2 and Tier 3 cities, reflecting growing demand for premium hospitality in emerging urban centres.

Owned property expansion is also underway, with construction progressing on greenfield projects in Puri and Visakhapatnam, and a new block at the existing Welcomhotel in Bhubaneswar.

Segment-wise performance

Room revenues remained a core strength, sustained by a strong showing in retail, contracted, wedding, and airline crew segments. For FY25, the average daily rate (ADR) stood at approximately Rs 12,500 with 73 per cent occupancy. In Q4, ADR increased by 14 per cent to nearly Rs 15,000, with occupancy climbing to 79 per cent, driving a 17 per cent rise in RevPAR.

F&B revenues also saw robust growth, rising 12 per cent in Q4, buoyed by increased demand in event catering and a strategic revamp of select F&B outlets. The company's innovative culinary experiences and performance in wedding and institutional banquets further solidified F&B as a vital revenue pillar.

EBITDA margins for FY25 stood at 36 per cent, fuelled by higher operational leverage, increased management fees, and digital transformation initiatives. In Q4 alone, margins expanded by 350 basis points to reach 40 per cent.

Sustainability and Global recognition

Reinforcing its reputation for responsible luxury, ITC Hotels became the first Indian hotel chain to receive the USGBC Leadership Award for Organisational Excellence in 2024. The group boasts 23 LEED Platinum-certified properties—the most in the world—along with 12 LEED Zero Carbon and 8 LEED Zero Water certifications, both global firsts.

The company has surpassed the hospitality sector's 2030 emissions targets for four consecutive years and is on track with 2050 COP21-aligned goals for 12 of its hotels.

International foray and digital focus

In April 2024, ITC Hotels launched its first international property, ITC Ratnadipa, in Colombo, Sri Lanka. Positioned as a landmark in the city's

skyline, the luxury hotel turned EBITDA-positive by Q3 FY25 and is poised to serve discerning global travellers.

The group's full-stack ITC Hotels App remains central to its digital strategy, facilitating everything from room bookings and table reservations to food delivery, loyalty programmes, and in-room automation—enhancing the guest experience while driving operational efficiencies.

Industry outlook and Future prospects

India's macroeconomic fundamentals remain strong, with GDP growth for FY25 estimated at 6.5 per cent. Rising urbanisation, domestic demand, and demographic advantages are expected to propel continued growth in hospitality. According to IMF projections, India's per capita GDP is forecast to grow at a compound annual growth rate (CAGR) of 9.2 per cent over the next five years.

Foreign tourist arrivals, still 12 per cent below pre-pandemic levels, offer significant headroom for growth. With government efforts to enhance infrastructure, connectivity, and tourism promotion, ITC Hotels is well poised to capitalise on these opportunities.