Chalet Hotels posts 27 per cent revenue growth as hospitality demand lifts in Q3FY26 performance

Chalet Hotels Limited delivered a strong financial and operating performance for the quarter ended December 31, 2025, supported by sustained momentum in its hospitality business and steady growth in its annuity-led commercial real estate portfolio. Consolidated revenue for Q3 FY26 rose 27 per cent year on year to ₹5.9 billion, while consolidated EBITDA increased 29 per cent to ₹2.7 billion, reflecting pricing strength and operating leverage across key markets.

Consolidated EBITDA margin expanded to 46.3 per cent, up 76 basis points year on year. Profit before tax grew sharply by 41 per cent to ₹1.7 billion, driven by higher operating income and improved cost efficiencies. Despite a higher tax outgo, net profit rose 29 per cent year on year to ₹1.2 billion, with basic earnings per share at ₹5.67 for the quarter.

Hospitality remained the principal growth driver, with segment revenue increasing 23 per cent year on year to ₹4.9 billion. Performance was underpinned by a 16 per cent rise in average room rate to ₹14,970 and a 12 per cent increase in RevPAR to ₹10,162. Occupancy stayed resilient at 68 per cent, broadly stable across micro-markets, even as renovation work at the Four Points Sheraton Vashi and construction activity at Powai temporarily impacted occupancy in the Mumbai Metropolitan Region.

Hospitality segment EBITDA grew 20 per cent year on year to ₹2.2 billion. Margins moderated marginally to 45.3 per cent due to the ramp-up of new inventory and renovation-related disruptions. During the first half of FY26, the company added 129 keys in Bengaluru, while the 147-key Athiva Resort & Spa became fully operational from mid-November 2025. Q3 marked Athiva’s first full quarter of operations, with early contributions already visible in portfolio performance.

The rental and annuity segment reported revenue growth of 29 per cent year on year to ₹744 million, supported by additional leasing at Powai, Mumbai.

Segment EBITDA rose 37 per cent to ₹621 million, with margins improving to 83.5 per cent, highlighting the stability and strong cash-flow characteristics of the portfolio. Approximately 150,000 square feet of additional leasing, including letters of intent, was achieved during the quarter, strengthening annuity income visibility.

The residential segment recorded revenue of ₹166 million during the quarter, compared to no revenue in the same period last year, as execution progressed on ongoing projects. Segment EBITDA turned positive at ₹41 million, reflecting improved cost control and construction momentum.

On the development front, construction of The Taj at Delhi Airport is progressing steadily, with completion expected by Q4 FY27. Development of the second commercial tower at Powai, Cignus II, located within The Westin Powai Lake, remains on schedule for completion during FY27. These projects are expected to further strengthen hospitality capacity and annuity income over the medium term.

During the quarter, Chalet Hotels also undertook key portfolio initiatives, including the rebranding of Courtyard by Marriott Aravali Resort to Aravali Marriott Resort & Spa, Delhi-NCR. The company was certified as a Great Place to Work for the seventh consecutive year, with scores exceeding industry benchmarks—underscoring its focus on talent retention amid expansion.

Commenting on the results, Shwetank Singh, MD & CEO, said, “Q3 witnessed strong traction across key operating metrics, with healthy revenue and EBITDA growth driven by double-digit RevPAR expansion. Athiva has demonstrated early momentum and has begun contributing meaningfully to portfolio performance. Sustained demand from MICE and leisure travel during the festive and wedding season supported revenue growth, and we remain confident of maintaining operating momentum in the coming quarters.”