

Atour Lifestyle Holdings
First Quarter 2026 Earnings Conference Call

Opening Remarks

Operator introduction

Ladies and Gentlemen, thank you for standing by, and welcome to the Atour Lifestyle Holdings First Quarter 2026 Earnings Conference Call. At this time, all participants are in listen-only mode. After the speakers' presentation, there will be a Q&A session. Today's conference is being recorded. I would now like to turn the conference over to Mr. Luke Hu, IR Director. Please go ahead, sir.

Luke Hu:

Thank you, operator. Good morning and good evening, everyone. Welcome to our First Quarter 2026 Earnings Conference Call. Today, you will hear from our Founder, Chairman and CEO, Mr. Wang Haijun, and our EVP, Co-CFO, Mr. Wu Jianfeng.

Before we continue, please be aware that today's discussion will include forward-looking statements under federal securities laws. These statements are subject to various risks and uncertainties, and actual results may differ significantly from what is stated or implied in our comments today. The Company is not obligated to update any forward-looking statements except as required by applicable laws.

Additionally, during this call, our management will discuss certain non-GAAP financial measures solely for comparison purposes. For a clear understanding of these measures and a reconciliation of GAAP to non-GAAP financial results, please refer to the earnings release issued earlier today.

Furthermore, a webcast replay of this conference call will be accessible on our website at ir.yaduo.com, where a copy of the results presentation is also available. Now, I will turn the call over to Mr. Wang, our CEO.

Haijun Wang:

Thank you, Luke. Hello everyone, thank you for joining Atour's first quarter 2026 earnings call today.

Please turn to our results presentation. Entering 2026, China's service consumption is accelerating its transition from scale-driven expansion to value-driven upgrades centered on quality and experience. Supportive policies are being refined and implemented, while industry competition is becoming more rational. Together, these factors are shaping a healthier environment for the consumer market. Against this backdrop, the hotel market has continued its moderate recovery alongside structural upgrades, with development focus shifting toward deeper cultivation of refinement and differentiation. Meanwhile, the retail market is also evolving from traditional manufacturing-driven models to an experience-driven approach. Consumers are increasingly prioritizing holistic experiences and emotional value over functionality and value for money. At this pivotal moment, we will firmly seize the innovation opportunities arising from these transformations by embedding innovation across every dimension of our products, operations, and organization, and converting these opportunities into a long-term, sustainable growth engine. We are also more convinced than ever that our "User-First" philosophy, with experience as our cornerstone and brand as our anchor, is the fundamental path for Atour to navigate industry cycles.

Now, I would like to provide more details on our business performance for the first quarter of 2026.

Let's begin with our hotel business. In the first quarter, performance across our overall hotel portfolio and our mature hotels continued to improve sequentially. We achieved positive year-over-year RevPAR growth, primarily driven by a steady increase in ADR. This reflects a return to value-based competition in a healthier industry environment, alongside the steady compounding of our brand equity. In the first quarter, our RevPAR was RMB311.6, representing 102.4% of the level in the same period of 2025. Specifically, OCC reached 100.6% and ADR stood at 102.1% of their levels in the same period of 2025. RevPAR for our mature hotels in operation for more than 18 months was 98.3% of the level in the same period of 2025, with OCC and ADR at 99.2% and 99.4%, respectively of their levels in the same period of 2025.

As for our hotel network, we adhere to a "quality-first" principle and maintain strict quality control for every new signing and new hotel opening, ensuring growth is built on a solid quality foundation. In the first quarter, we opened 110 new hotels. By the end of the first quarter, our total number of hotels in operation reached 2,088. As of the same date, our pipeline of hotels under development remained at a healthy level of 751.

On the hotel channel front, our CRS channel continued its steady performance, accounting for 63.7% of total room nights sold in the first quarter. The contribution of room nights sold to corporate members was 19.3% during the quarter. At the same time, we are safeguarding the experience of guests who book through our official channels with our price-assurance policies, including "Price Drop Refund" and "Best Price Guarantee," as well as various other practical

measures. During the Chinese New Year holiday in particular, the seamless execution of these safeguards earned widespread positive feedback from users. This reflects our long-term commitment to deepening our membership operations and strengthening member loyalty, while also representing our consistent commitment to providing users with a more reassuring experience.

As our hotel network expands and our brand strength steadily grows, our supply chain capabilities are advancing in parallel. More high-quality suppliers are joining our supply chain network, the platform's offerings are becoming more diverse, and franchisees are increasingly willing to consolidate their procurement with us. We want our supply chain business to consistently deliver long-term value in two aspects: First, by empowering our franchisees with high-quality products at attractive value, helping them improve procurement efficiency, and enhancing the overall franchisee experience. Second, by ensuring a consistent stay experience for users, giving them greater convenience and peace of mind when using our products. We adhere to our "Eight Supply Chain Procurement Commitments," establishing reliable mechanisms across pricing, after-sales service, and customer care. At the same time, we are deepening collaborative R&D with upstream suppliers to improve the practical functionality of existing products and develop new ones that deliver greater value. We will take innovation as our driving force to continuously enhance the core capabilities of our supply chain, jointly elevating the value of the Atour brand.

Next, I would like to share the latest developments across our hotel brands.

In a highly competitive hotel market, Atour pioneered and continues to lead the upper midscale segment. Over the past decade, we have earned strong customer word-of-mouth and steadily built clear, resilient brand mindshare. This long-term commitment has enabled us to build differentiated competitive advantages that are difficult to replicate, supporting our resilience and sustainable growth through ever-changing market conditions. Atour 3.6, our latest Atour Hotel product, was built around a systematic redesign of the key moments in the guest journey, grounded in an in-depth deconstruction of real guest experiences. This has allowed us to create a verifiable and scalable operational standard and product model. Since its launch over a year ago, Atour 3.6 has continued to receive positive market feedback, validating our product competitiveness in the upper midscale market.

Atour Origin represents our continued effort to explore and expand the possibilities of the upper midscale segment, and marks a concrete step forward in our "Brand-Led Excellence" strategy. Going forward, we will continue to refine Atour Origin with a long-term mindset, while advancing more refined operations and quality upgrades. We will roll out the deep sleep system hotel-wide, and further integrate cultural elements and service details from Yunnan. We hope Atour Origin will bring the tranquil strength rooted in Yaduo Village to more corners of urban life, further enriching what the "Chinese Experience" represents. In the first quarter, RevPAR of Atour Origin hotels in operation exceeded RMB400. The two upper-midscale brands develop in parallel, forming a differentiated and complementary price tier.

For the upscale brand, SAVHE Hotel continues to build brand visibility and recognition, while

expanding its development potential. In the first quarter, RevPAR of SAVHE hotels in operation exceeded RMB910, with ADR surpassing RMB1,000. Meanwhile, SAVHE has attracted a more diverse customer base, with a higher proportion of international customers and family travelers. On overseas review platforms and social media, SAVHE has also received a growing number of organic recommendations and positive reviews from international users. This demonstrates the unique appeal of SAVHE's deep Chinese cultural roots and opens up broader possibilities for its future development.

We are taking a long-term view on SAVHE. We will continue to drive brand upgrades, bringing China's home-grown philosophy and expression of upscale living to a broader global audience. SAVHE's development calls for patience. We will remain disciplined in scale, pursue continuous refinement in product and service, and translate our long-term vision into every tangible experience.

For our midscale brand, demand for more differentiated stay experiences continues to grow, an opportunity that aligns closely with Atour Light's positioning. Atour Light continued its steady, long-term trajectory in the first quarter. On the customer side, Atour Light has been attracting a more diverse customer base, gaining increasing recognition among younger users while steadily broadening its business traveler base. This has further built the brand's differentiated momentum. Atour Light 3.3 has now opened in more than 20 hotels. Its enhanced product experience and more efficient operating model have earned strong recognition from both customers and franchisees. Operationally, Atour Light 3.3 has demonstrated stronger pricing power: in the first quarter, RevPAR of Atour Light 3.3 hotels in operation was more than 10% higher than that of the 3.0 version.

We fully recognize that brand development is not built overnight. It requires us to first focus on product refinement and operating system development, so that we can build strong brand equity and support healthy, sustainable growth. In 2026, we will continue to comprehensively and systematically enhance Atour Light's operational efficiency and product competitiveness, and continue to focus our expansion on second-tier and above cities, pursuing quality-led expansion and laying a more solid foundation for the next stage of Atour Light's development.

Moving on to our retail business. Entering 2026, Atour's retail business sustained its strong growth momentum, with core categories continuing to deliver outstanding performance. Retail revenue reached RMB1,071 million in the first quarter, representing 54.4% year-over-year growth. Atour Planet also ranked among the top brands in the bedding category on major third-party platforms, with our product and brand strength continuously being validated by the market.

We recognize that maintaining long-term competitiveness requires continuous innovation—responding faster and more precisely to meeting the evolving needs and expectations of our users. As our understanding of users' sleep needs deepens, we are steadily turning latent demands into tangible product strengths. We approach each product iteration as a systemic solution, grounded in scientific testing and validation. As Atour Planet's product capabilities continue to grow, we are proud to enter a new stage defined by technological innovation and standard-setting.

In the pillow category, Atour Planet maintained its strong and clear leadership in the first quarter, consistently ranking first in category sales on major third-party platforms. We have remained guided by genuine sleep needs, integrating this principle into every product upgrade within the pillow category — consistently building a strong word-of-mouth. During the Chinese New Year, we launched a special edition of the Deep Sleep Memory Foam Pillow Pro 3.0. Paired with a supporting brand campaign, we sought to turn a sleeping product into a meaningful expression of emotion helping users rest fully in body and mind during the holiday, and fall naturally into deep sleep.

For our comforter category, market share is steadily increasing, with very strong growth continuing into the first quarter. The Deep Sleep Thermo-Regulating Comforter series has consistently achieved strong sales and garnered significant user preference, with cumulative sales exceeding 3 million units since its launch. At the end of March, we launched the latest upgrade in the series, the Deep Sleep Thermo-Regulating Comforter Pro 3.0 (Summer Season). This new generation delivers systematic improvements in dynamic temperature and humidity control, featuring a fully upgraded two-way temperature regulation technology that helps smooth out temperature fluctuations. Its moisture absorption and permeability have also been enhanced. With each innovation cycle in the comforter category, our product strength continues to improve — enabling us to more precisely capture users' pain points and translate them into practical applications through enhanced R&D capabilities. Within just 45 days of launch, the GMV of Deep Sleep Thermo-Regulating Comforter Pro 3.0 (Summer Season) exceeded RMB100 million.

For new categories, sales momentum has also been very positive. Recently, we launched the summer edition of the Deep Sleep Loungewear in line with the season, and introduced new color options for the Deep Sleep Fitted Sheet. As our sleep ecosystem continues to evolve, Atour Planet's product mindshare among users is becoming stronger, and trust between the brand and users is reinforced through each experience.

Turning to membership. By the end of the first quarter, our registered individual members reached 116 million, representing a 20% year-over-year increase. In 2026, we will continue to focus on “Deep Sleep” as a core scenario, deepening the synergy between our hotel and retail businesses to enhance members’ sense of membership value and benefits. At the same time, we are actively exploring partnerships with like-minded brands, jointly creating expanded quality lifestyle experiences. We hope Atour membership will continue to evolve as a lifestyle membership brand that accompanies users with warmth, helping every member find experiences where body and mind return to inner peace.

Finally, I would like to share Atour’s progress on ESG. We recently released the “Atour Group 2025 ESG Report.” Atour started from Yaduo Village in Yunnan, and we have always been dedicated to a founding aspiration of doing good. Over time, this simple goodwill has become the spiritual foundation of Atour’s growth. We have embedded ESG principles into our corporate mission and core values, continuously enhancing our ESG governance and advancing environmental responsibility across our hotel and retail operations. Through industry support

and social assistance programs, we continue to give back to Yaduo Village and the surrounding communities, fostering goodwill and extending warmth.

At the end of 2025, we officially established the Atour Foundation, with the goal of advancing public welfare in a more systematic way, extending care to people. Recently, we launched a dedicated public welfare program focused on frontline housekeeping staff, open not only to our own employees, but also to housekeeping professionals across China's service industry. Guided by our belief that everyone deserves kindness, aim to extend Atour's warmth to the broader industry, and enable these connections of goodwill to generate a more far-reaching impact.

Grounded in the present and looking to the long term, we will continue to uphold our mission of "creating an intimate ambiance where people can warmly connect," stay true to our founding aspiration, and fulfill our corporate responsibilities. We will remain committed to doing the right things with warmth, steadily move toward our long-term vision of "A Timeless Atour, Warmth Along Every Journey," and continue to contribute steadfast and warm strength to the industry and society.

I will now turn the call over to our Co-CFO, Mr. Wu Jianfeng, who will discuss our financial results.

Wu Jianfeng:

Thank you, Haijun. Hello everyone, I'd like to present the Company's financial performance for the first quarter of 2026.

Our net revenues for the first quarter of 2026 grew by 47.5% year-over-year to RMB2,811 million.

Revenues from our managed hotels for the first quarter of 2026 grew by 51.9% year-over-year to RMB1,568 million. The increase was primarily fueled by the ongoing expansion of our hotel network as well as supply chain business development.

Revenues contributed by our leased hotels for the first quarter of 2026 decreased by 8.0% year-over-year to RMB118 million. The decline was primarily due to a decrease in the number of leased hotels as a result of our product mix optimization. The total number of our leased hotels decreased from 25 as of March 31, 2025 to 19 as of March 31, 2026.

Revenues from our retail business for the first quarter of 2026 increased by 54.4% year-over-year to RMB1,071 million. The growth was driven by increasing brand recognition, successful product innovation, and a broadened range of product offerings.

Gross profit of our hotel businesses for the first quarter of 2026 increased by 29.5% year-over-year to RMB550 million. The decline in the gross margin was primarily due to changes in the revenue structure.

Gross profit of our retail business for the first quarter of 2026 increased by 58.3% year-over-year to RMB564 million. The increase in the gross margin was attributable to the increasing contribution from higher-margin products.

Selling and marketing expenses accounted for 14.3% of net revenues for the first quarter of 2026, compared with 14.8% for the same period of 2025. The decrease was primarily due to improved efficiency of investment in our retail business.

General and administrative expenses, excluding share-based compensation expenses, accounted for 4.2% of net revenues for the first quarter of 2026, compared with 4.1% for the same period of 2025.

Technology and development expenses accounted for 1.8% of net revenues for the first quarter of 2026, compared with 2.1% for the same period of 2025.

Adjusted net profit margin for the first quarter of 2026 was 17.4%, representing a decrease of 0.7 percentage points year-over-year. Adjusted EBITDA margin for the first quarter of 2026 was 25.5%, increased by 0.6 percentage points year-over-year.

We maintained a healthy cash position. As of March 31, 2026, cash and cash equivalents totaled RMB3.7 billion, with net cash of RMB3.4 billion.

Today, in accordance with our Annual Dividend Policy, we declared the first cash dividend of 2026, totaling around US\$72 million, as a reward for our shareholders' trust and support.

That concludes our financial highlights for the first quarter of 2026. And for the full year of 2026, we currently expect total net revenues to increase by 24% to 28% compared with the full year of 2025.

Now, let's open the floor for Q&A.

Luke Hu:

Thank you for joining us today. If you have any further questions, please feel free to contact our IR team. We look forward to speaking with you again next quarter. Thank you, and goodbye.