

Revenue (INR m)

	FY23	FY24	Change YoY (%)
IH	58,099	67,688	17
EIH	20,188	25,113	24
CHALET*	10,281	12,932	26
LEMONTRE	8,750	10,655	22
SAMHI	7,386	9,573	30
PARK	5,105	5,790	13
JUNIPER	6,669	8,177	23
OBER*	1,569	1,773	13
BRGD*	3,924	4,641	18
PHNX*	4,520	5,456	21
ITC*	25,851	30,531	18
Aggregate	1,52,339	1,82,326	20

*Hospitality business only

EBITDA performance (INR m)

	FY23	FY24	Change YoY (%)
IH	18,046	21,571	20
EIH	5,974	9,269	55
CHALET*	4,842	5,803	20
LEMONTRE	4,524	5,176	14
SAMHI	2,378	2,665	12
PARK	1,631	1,925	18
JUNIPER	2,719	3,110	14
OBER*	613	699	14
BRGD*	1,176	1,685	43
PHNX*	1,804	2,366	31
ITC*	8,320	10,743	29
Aggregate	52,025	65,012	25

*Hospitality business only

In the midst of an upcycle!

The hotel industry is continuing its healthy performance, led by favorable demand-supply dynamics, which are expected to continue in the foreseeable future. All the major players are harnessing their strength to tap into the ongoing uptrend in the hotel industry. In this report, we highlight the industry tailwinds and unique positioning of key players.

- **Long-term growth story intact:** We expect the uptrend in the hotel industry to continue as demand for branded rooms (~10.6% CAGR over FY24-27) is expected to outpace supply (~8% CAGR), led by multiple industry tailwinds. The gap is even wider for top-8 cities and the leisure market. Further, supply growth is even lower in the luxury/upper upscale segments (~5/7% CAGR over FY23-27), leading to better pricing power for premium players.
- Interestingly, all the key players are positioned differently to tap into this opportunity. The brand owners (Indian Hotels, Lemon Tree, EIH and The Park) are much more focused on management hotels and revenue diversification, along with the addition of some owned hotels. Meanwhile, the asset owners (Chalet, Samhi and Juniper) are strongly focused on leveraging the growth by adding more owned keys.
- **Outlook:** Key listed hotel companies witnessed healthy performance in 4Q, with EIH outperforming peers. Going ahead, we expect 1QFY25 to be relatively muted on account of elections and severe heatwaves in North India. However, we believe that the medium- to long-term outlook remains optimistic.

Favorable demand-supply dynamics at play

- The hospitality industry is currently in the midst of an uptrend, led by favorable demand-supply dynamics. Horwath HTL, the world's largest hospitality consulting firm, estimates demand for branded rooms in India to witness a ~10.6% CAGR over FY24-27, while supply of branded rooms is expected to clock an ~8% CAGR over the same period.
- Furthermore, this gap is even wider in the top 8 cities. The majority of this incremental supply is coming from outside these top destinations. Thus, supply growth in the key cities (which account for majority of revenue in our hospitality basket) is expected to be just ~5% CAGR, while demand growth is expected to be much higher at ~9%.
- For the key leisure market, demand is expected to witness a ~13% CAGR over FY24-27 vs. supply CAGR of 10%.
- Further, supply growth in the luxury/upper upscale segments is much lower at ~5%/7% CAGR over FY23-27 vs. ~11% CAGR for the economy/midscale segment, leading to better pricing power for premium players.
- Thus, the current favorable scenario is expected to continue over the next couple of years, leading to improved occupancy and rising ARR, significantly benefiting the key players, which are well positioned to tap this opportunity.

Multiple levers driving growth

- The Indian hotel industry is expected to continue its growth momentum, led by key drivers such as:
 - **Infrastructure development:** Improvement in connectivity with new airports (total number of airports in India is expected to reach ~220-250 by CY30 from 149 in CY23) and national highways across India (world's largest highway building program with about 55,000 to 85,000 km of national highways to be constructed over the next seven years).

- **Increase in business travel:** Higher traction in business travel is driven by a buoyant economic environment, coupled with the launch of new convention centers. For instance, the launch of Jio convention center in Mumbai and Bharat Mandapam/Yashobhoomi convention centers in Delhi has significantly improved occupancies of hotels in those cities.
- **Leisure demand on the rise:** The increase in foreign tourist arrivals (expected to reach ~28m by CY30 from ~9m in CY23), an increasing share of middle-income households to overall population (~142m households to enter middle-income category over CY18-30E) and a clearly visible trend of premiumization should boost demand for leisure destinations.
- **Growing theme-based tourism:** The advent of spiritual/religious tourism (16% CAGR expected by CY30), weddings in India, and growing wildlife tourism will add new destinations and provide an impetus to growth.
- These trends are expected to provide a long and sustainable uptrend for the hospitality industry in India.

Key hospitality players tapping growth opportunities in their own styles

- In order to tap into the growing demand, Indian hospitality players are accelerating their execution plans. Each player is positioned differently from the other and expects to race ahead by harnessing its strength.
- The brand owners (Indian Hotels, Lemon Tree, EIH and The Park) are much more focused on management hotels, revenue diversification, and the addition of some owned hotels.
- Meanwhile, the asset owners (Chalet, Samhi and Juniper) are strongly focused on leveraging the growth by adding more assets (owned/leased hotels).

Indian Hotels (IH):

- **New brand for Tier II/Tier III:** IH will introduce the reimagined brand, 'Gateway,' in FY25 to capture growth opportunities in emerging micro markets in metros and Tier II and Tier III cities. This brand will be scaled to over 100 hotels by CY30.
- **Diversifying revenue base:** The new and reimagined portfolio of IH (consisting of TajSATS – Air catering, Ginger – Lean luxe, Ama's - Homestay, Qmin – QSR & delivery, and Chambers - Club) witnessed 35% YoY growth in FY24, accounting for 12% of IH Enterprise revenue. Going ahead, IH expects this business to grow annually by ~30%.

Lemon Tree (LEMONTRE):

- **Management hotels:** LEMONTRE focuses on adding hotels under management contracts (accounts for ~98% of total pipeline of ~4,156 rooms), with the majority of inventory coming from outside top key cities.
- **Renovation:** LEMONTRE is increasing its spending on renovations across its brands (renovation opex as a percentage of sales was 2% in 4QFY24 vs. 0.6% in 4QFY23). This will help the company increase ARR after the renovation. The company is expected to recover the amount invested through incremental EBITDA in the next two years.

EIH:

- **Upcoming owned/leased hotels:** EIH will open Rajgard (65 keys) and Vindya Villas (21 keys) hotels in FY25. It has already started work on Tirupati (~125 keys) and Vizag (~125 keys) hotels. Goa hotel (~90 keys) is in the planning stage and construction will start in the next 8-12 months.
- **Air Catering & Lounge business:** EIH majorly caters to international airlines and expects to witness healthy growth in air catering business amid growth in outbound tourism. Within the lounge business, it has only one lounge in Mumbai as of now. Both of these businesses are witnessing strong growth and margin expansion (EBITDA margin of ~38% in 4QFY24 vs. 22% in 4QFY23).

The Park:

- **Tapping the leisure market:** The Park is expanding company's presence through management contract in high growth market such as Indore, Manali, Mussoorie and Udaipur (opened eight new hotels in FY24). Going ahead, it expects to add ~228 more keys under management contract in FY25 in key leisure locations. Apart from this, the company is also adding ~830 owned rooms across Pune, Kolkata, Jaipur, Vishakhapatnam and Mumbai. Company expects to increase inventory to 4,780 keys in next few years (with 53% mix of managed keys)
- **Flurys - Confectionary shop brand of The Park,** continues to witness strong growth with revenues of INR480m (up 25% YoY) in FY24. Company plans to expand Flurys from the existing 82 outlets to 120 outlets in FY25 and maintain industry leading margin of ~18%.

Chalet:

- **Metro-heavy pipeline:** Chalet will add ~865 additional owned keys over the next three years. The majority of its inventory is coming in key metros, with 130 keys in Bengaluru by FY25, 390 keys in Delhi by FY26 and 280 keys in Mumbai by FY27.
- **Diversified portfolio of commercial assets:** Chalet has operational commercial assets of ~2.4 million square feet (msf) with 0.9msf in the pipeline. (CIGNUS Powai Tower II). Chalet focuses on maximizing development potential and creating an additional diversified revenue stream. This enables it to counter cyclicity of the business.

Juniper:

- **MICE and F&B:** Juniper has added a new repurposed banquet of ~50k sq. ft., which will be operational at Grand Hyatt Mumbai from Jul'24. Further, it has recently operationalized a new F&B outlet 'SARVATT' at Ahmedabad.
- **Organic and inorganic growth runway to continue:** The company has repurposed commercial space at Hyatt Regency Ahmedabad to 59 additional rooms in Oct'23. Further, the refurbishment of rooms at Grand Hyatt Mumbai will be completed by Sep'24. The management is actively looking for inorganic growth opportunities.

Samhi:

- **Focusing on micro markets:** Samhi believes all the core markets will benefit from India's growth story. However, it focuses on Hyderabad and Bangalore due to much higher upside potential in these markets. The company expects Hyderabad and Bangalore to deliver mid-teen RevPAR growth going ahead.

- **Inventory addition:** Samhi has recently acquired ACIC portfolio of ~962 rooms, which will be fully integrated soon. Going ahead, it is adding ~302 more keys by 3QFY25 (including 54 in Bengaluru, 111 in Kolkata and 137 in Noida). These incremental keys have revenue potential of ~INR250-300m.

Healthy performance of hospitality basket continues; EIH outperform peers

- As per HVS Anarock, in 4QFY24, industry RevPAR grew 11% YoY to INR5,780, led by healthy growth in ARR (up ~8% YoY to INR8,500) and occupancy (up 170bp YoY to 68%).
- In 4QFY24, aggregate revenue/EBITDA for the hospitality basket (includes IH, LEMONTRE, EIH, CHALET, SAMHI, JUNIPER, PARK OBER, BRGD, PHNX and ITC) grew 19%/26% YoY to INR53b/INR20.5b.
- In term of operating performance, EIH registered the highest EBITDA growth among peers (49% YoY growth to INR3b), followed by ITC/CHALET (31%/24% YoY growth to INR3.6b/INR1.8b).
- All industry participants witnessed healthy YoY growth in RevPAR (up ~7-17%), led by increasing ARR (except for BRGD and PHNX) and better occupancy (except for LEMONTRE, PARK and OBER).
- Similarly, for FY24, aggregate revenue/EBITDA for the hospitality basket grew 20%/25% YoY to INR182b/INR65b.
- EIH registered the highest EBITDA growth of 55% YoY to INR9.3b, followed by BRGD/PHNX at 43%/31% to INR1.7b/INR2.4b in FY24.
- All industry participants witnessed healthy YoY growth in RevPAR (up ~11-20%), led by increasing ARR and better occupancy (except for EIH and OBER).

Elections, heat waves weigh down 1QFY25; outlook remains optimistic

- Most of the hotel companies have witnessed a relatively muted demand in Apr/May'24 on account of elections and severe heat waves in North India. However, most of them expect a rebound from Jun'24.
- Overall, 1QFY25 is expected to be a relatively muted quarter with single-digit to low double-digit RevPAR growth on a YoY basis. However, the medium- to long-term outlook remains strong.

Valuation and view: Improvement in ARR and occupancy, incremental inventory to drive growth ahead

- Occupancy and ARR are expected to continue to trend higher in FY25, backed by favorable demand-supply dynamics. The industry is witnessing strong demand drivers, such as buoyant economic activities, new convention centers, improved connectivity, recovery in FTA, and rising trends such as spiritual/wildlife tourism.
- We anticipate earnings growth for hotel companies to remain intact in FY25/FY26, aided by: 1) an increase in ARR across hotels, due to a favorable demand-supply scenario, corporate rate hikes and room upgrades through renovations; and 2) healthy operating leverage.
- We reiterate our **BUY** rating on **IH** (TP of INR680) and **LEMONTRE** (TP of INR175) for FY25.

Exhibit 1: IH – SoTP

Particulars	Methodology	Metrics	FY25	Multiple (x)	Value (INR m)	Value/ share (INR)
IHCL- ex JV/ Associate						
EV	EV/EBITDA (x)	EBITDA	31,807	27	8,50,850	599
Less: Net Debt					48,514	34
Less: Minority Interest					-6,721	(5)
Sub Total					8,92,643	628
JV/Associate						
Taj GVK (IHCL's share - 25.5%) - JV	20% discount to MCAP	Attributable Mcap	5,969	80%	4,775	3
Oriental Hotel (IHCL's share - 35.7%) - Associate	20% discount to MCAP	Attributable Mcap	8,541	80%	6,833	5
TajSats	P/E	PAT (51% holding)	1,369	45	61,585	43
Sub Total					73,192	52
Target Price					9,65,836	680

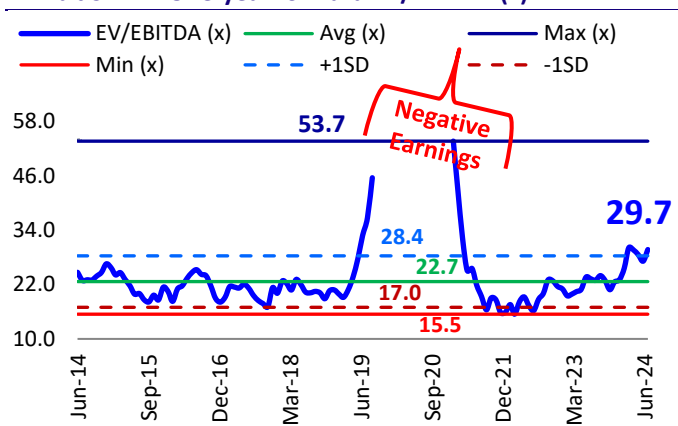
Source: MOFSL

Exhibit 2: LEMONTRE – SoTP

Particulars	FY26
Standalone EBITDA	INRm 2,282
EV/EBIDTA Multiple	x 20
EV	INRm 44,719
Less: Standalone Net Debt	INRm 6,849
Target Value	INRm 37,870
Carnations EBITDA (Management Contract)	INRm 1,021
EV/EBIDTA Multiple	x 45
EV	INRm 45,947
Fluer's EBITDA	INRm 4,997
LemonTree's Share of Fluer EBITDA (58.91%)	INRm 2,943
EV/EBIDTA Multiple	x 20
EV	INRm 57,692
Less: LemonTree's Share of Fluer Net Debt	INRm 2,951
Target Value	INRm 54,741
Total Target Value	INRm 1,38,558
No. of shares	Mn 792
Target Price	INR 175

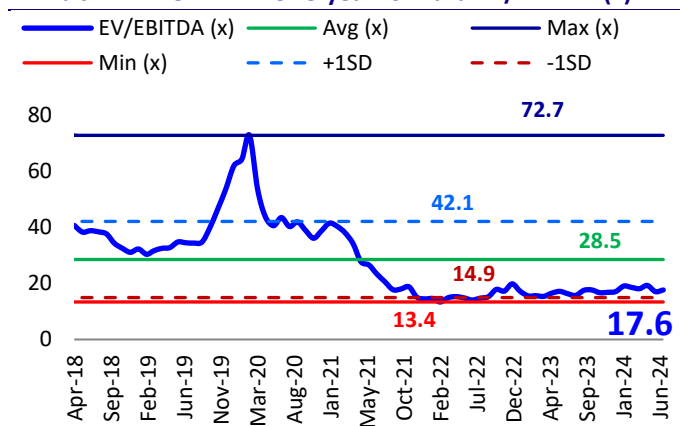
Source: MOFSL

Exhibit 3: IH – One-year forward EV/EBITDA (x)



Source: MOFSL

Exhibit 4: LEMONTRE – One-year forward EV/EBITDA (x)



Source: MOFSL

Exhibit 5: Aggregate revenue trend

(INR m)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	Change YoY (%)	Change QoQ (%)	FY23	FY24	Change YoY (%)
IH – standalone	11,311	8,904	8,929	12,806	13,417	19	5	37,042	44,056	19
IH – consolidated	16,254	14,664	14,332	19,638	19,053	17	-3	58,099	67,688	17
EIH – consolidated	6,371	4,981	5,306	7,413	7,413	16	0	20,188	25,113	24
CHALET*	3,094	2,822	2,845	3,437	3,829	24	11	10,281	12,932	26
LEMONTRE	2,527	2,223	2,272	2,887	3,273	30	13	8,750	10,655	22
SAMHI	2,048	1,904	2,200	2,678	2,791	36	4	7,386	9,573	30
PARK	1,441	NA	1,349	1,589	1,557	8	-2	5,105	5,790	13
JUNIPER	1,940	NA	1,685	2,363	2,453	26	4	6,669	8,177	23
OBER*	461	394	402	492	485	5	-2	1,569	1,773	13
BRGD*	1,101	1,016	1,142	1,227	1,256	14	2	3,924	4,641	18
PHNX*	1,446	1,223	1,110	1,513	1,610	11	6	4,520	5,456	21
ITC*	7,817	6,002	6,494	8,725	9,310	19	7	25,851	30,531	18
Aggregate (ex-IH standalone)	44500	35228	39135	51961	53030	19	2	1,52,339	1,82,326	20

*Hospitality Business only; Source: MOFSL

Exhibit 6: EBITDA performance

(INR m)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	Change YoY (%)	Change QoQ (%)	FY23	FY24	Change YoY (%)
IH – standalone	4,773	2,939	2,738	5,584	5,861	23	5	13,897	17,122	23
IH – consolidated	5,355	4,102	3,548	7,324	6,598	23	-10	18,046	21,571	20
EIH – consolidated	2,042	1,555	1,429	3,244	3,041	49	-6	5,974	9,269	55
CHALET*	1,473	1,198	1,184	1,589	1,832	24	15	4,842	5,803	20
LEMONTRE	1,399	1,045	1,019	1,397	1,715	23	23	4,524	5,176	14
SAMHI	699	453	508	850	854	22	1	2,378	2,665	12
PARK	446	NA	443	559	536	20	-4	1,631	1,925	18
JUNIPER	866	NA	602	966	911	5	-6	2,719	3,110	14
OBER*	208	145	142	205	208	0	1	613	699	14
BRGD*	388	381	402	446	456	18	2	1,176	1,685	43
PHNX*	650	477	459	680	750	15	10	1,804	2,366	31
ITC*	2,720	2,035	1,994	3,158	3,557	31	13	8,320	10,743	29
Aggregate (ex-IH standalone)	16247	11390	11729	20418	20457	26	0	52,025	65,012	25

*Hospitality Business only; Source: MOFSL

Exhibit 7: EBITDA margin trend

%	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	Change YoY	Change QoQ	FY23	FY24	Change YoY
IH – standalone	42	33	31	44	44	149	9	38	39	135
IH – consolidated	33	28	25	37	35	168	-266	31	32	81
EIH – consolidated	32	31	27	44	41	897	-274	30	37	732
CHALET*	48	42	42	46	48	24	161	47	45	-222
LEMONTRE	55	47	45	48	52	-297	398	52	49	-312
SAMHI	34	24	23	32	31	-355	-112	32	28	-436
PARK	31	NA	33	35	34	346	-74	32	33	130
JUNIPER	45	NA	36	41	37	-751	-376	41	38	-274
OBER*	45	37	35	42	43	-226	124	39	39	37
BRGD*	35	38	35	36	36	107	-4	30	36	633
PHNX*	45	39	41	45	47	163	163	40	43	346
ITC*	35	34	31	36	38	340	200	32	35	300
Aggregate (ex-IH standalone)	37	32	30	39	39	207	-72	34	36	151

*Hospitality Business only; Source: MOFSL

Exhibit 8: PAT trend

(INR m)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	Change YoY (%)	Change QoQ (%)	FY23	FY24	Change YoY (%)
IH – standalone	3,112	1,882	1,806	3,804	3,990	28	5	8,593	11,482	34
IH – consolidated	3,283	2,224	1,669	4,520	4,178	27	-8	10,001	12,591	26
EIH – consolidated	1,228	1,037	931	2,372	2,105	71	-11	3,738	6,445	72
CHALET*	505	967	369	706	905	79	28	1,365	2,948	116
LEMONTRE	440	235	226	354	670	52	89	1,182	1,485	26
SAMHI	-737	-835	-880	24	76	-110	217	-3,386	-1,615	NA
PARK	107	NA	148	274	184	72	-33	480	687	43
JUNIPER	148	NA	-157	35	468	216	1223	-15	238	NA
Aggregate	4975	3628	2308	8285	8586	73	4	13364	22779	70

*Consolidated level; Source: Company, MOFSL

Exhibit 9: ARR trend

(INR)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	Change YoY (%)	Change QoQ (%)	FY23	FY24	Change YoY (%)
IH – standalone	16,915	12,614	12,972	18,111	17,546	4	-3	13,736	15,414	12
EIH	17,963	13,579	13,736	19,985	19,713	10	-1	14,558	16,991	17
CHALET	11,304	10,317	9,610	10,974	11,862	5	8	9,169	10,714	17
LEMONTRE	5,824	5,237	5,268	6,333	6,605	13	4	5,325	5,861	10
SAMHI	NA	5,123	5,275	5,965	6,349	NA	6	NA	5,678	NA
PARK	6,884	NA	6,154	7,286	7,463	8	2	6,071	6,699	10
JUNIPER	10,283	NA	9,352	10,983	11,110	8	1	9,002	10,165	13
OBER	13,723	11,602	11,686	13,269	14,810	8	12	11,182	12,842	15
BRGD	7,032	6,214	6,161	6,503	7,054	0	8	6,032	6,483	7
PHNX	14,822	12,531	11,669	15,061	14,866	0	-1	11,854	13,532	14

NA - Data not available, Source: Company, MOFSL

Exhibit 10: Occupancy trend

(%)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	Change YoY	Change QoQ	FY23	FY24	Change YoY
IH – standalone	75	75	76	77	79	440	230	72	77	500
EIH	80	70	67	79	81	100	200	75	74	-50
CHALET	74	70	73	71	76	192	468	72	73	56
LEMONTRE	74	70	72	66	72	-160	610	68	70	153
SAMHI	0	71	72	71	76	7,607	485	NA	73	NA
PARK	93	NA	93	90	92	-150	160	92	92	30
JUNIPER	78	NA	72	75	80	200	500	74	75	100
OBER	84	82	84	82	83	-100	100	84	83	-101
BRGD	68	67	73	73	75	700	200	69	72	344
PHNX	82	79	78	83	88	564	534	80	82	244

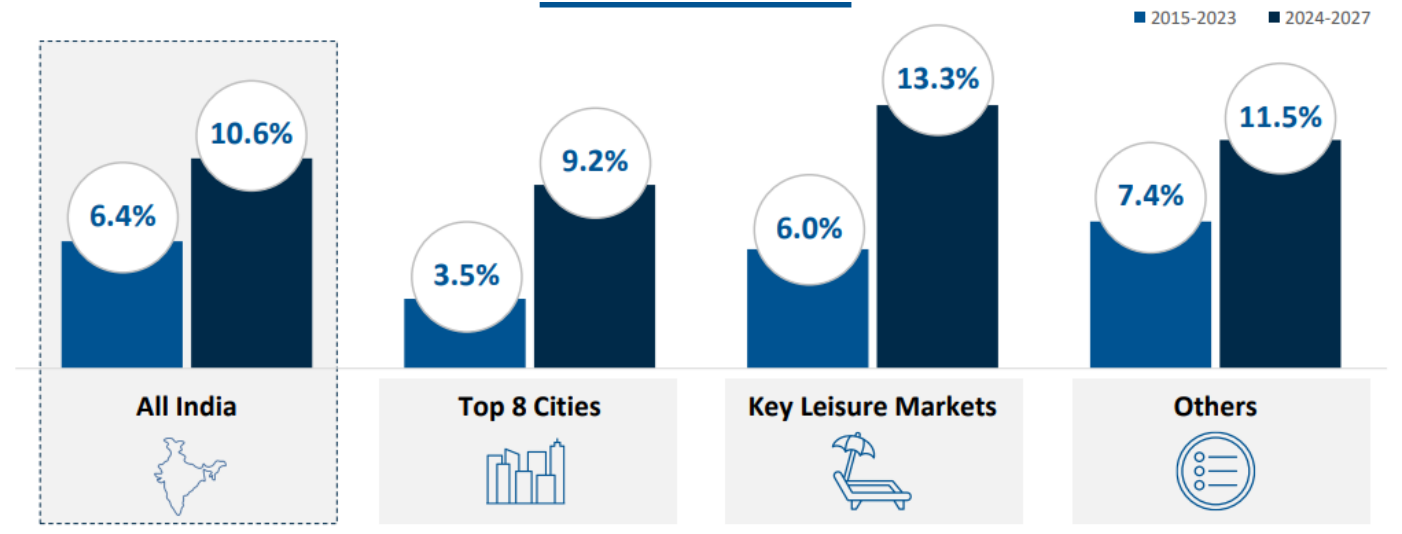
Source: Company, MOFSL

Exhibit 11: RevPAR trend

(INR)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	Change YoY (%)	Change QoQ (%)	FY23	FY24	Change YoY (%)
IH – standalone	12,634	9,428	9,840	13,918	13,885	10	0	9,849	11,823	20
EIH	14,370	9,505	9,203	15,788	15,968	11	1	10,882	12,616	16
CHALET	8,363	7,222	7,015	7,826	9,015	8	15	6,601	7,774	18
LEMONTRE	4,286	3,678	3,775	4,173	4,756	11	14	3,640	4,096	13
SAMHI	4,132	3,662	3,782	4,248	4,830	17	14	3,524	4,123	17
PARK	6,414	NA	5,702	6,562	6,847	7	4	5,571	6,170	11
JUNIPER	7,977	NA	6,730	8,244	8,850	11	7	6,677	7,645	14
OBER	11,558	9,525	9,830	11,112	12,348	7	11	9,434	10,704	13
BRGD	4,782	4,163	4,498	4,747	5,291	11	11	4,142	4,675	13
PHNX	12,207	9,864	9,070	12,449	13,082	7	5	9,448	11,116	18

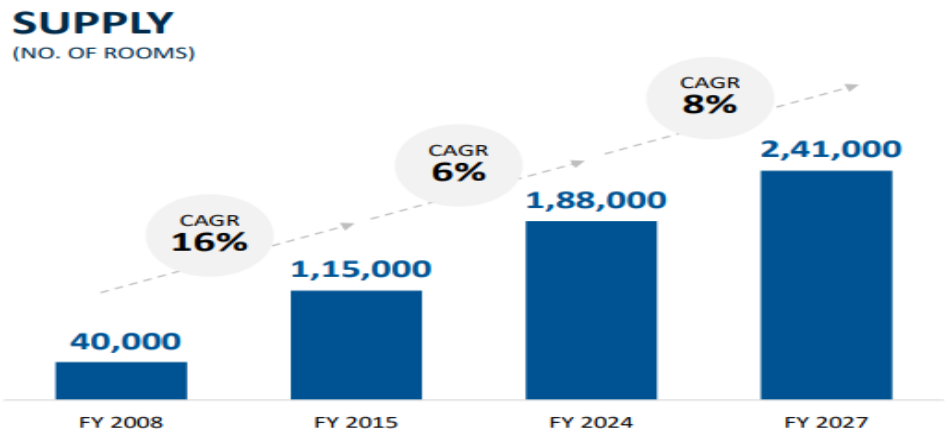
Source: Company, MOFSL

Exhibit 12: Healthy demand growth for branded rooms in the medium term



Source: Horwath HTL, Company, MOFSL

Exhibit 13: Branded room supply addition to witness 8% CAGR over FY24-27



Source: Company, MOFSL

Exhibit 14: Long term demand drivers for Hotel Industry



Further Impetus to Demand by Govt. initiatives : 'Wed in India' , 'New circuits' – Ayodhya (100Mn tourists) & 'Destinations' (Lakshadweep) & PRASHAAD scheme

Source: MOFSL, Company

IH – Financials & Valuations

Consolidated - Income Statement

(INRm)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	41,036	45,120	44,631	15,752	30,562	58,099	67,688	79,932	88,146
Change (%)	2.1	10.0	-1.1	-64.7	94.0	90.1	16.5	18.1	10.3
Food and beverages consumed	3,764	4,041	3,706	1,438	2,572	4,729	5,208	6,235	6,787
Employees Cost	13,466	14,708	14,946	8,940	11,502	15,823	18,052	19,614	21,569
Power & Fuel Cost	2,591	2,736	2,699	1,729	2,250	3,486	3,926	4,636	5,024
Licence Fees	2,544	2,758	1,459	756	1,681	3,486	3,858	4,236	4,584
Other Expenses	11,967	12,580	12,147	6,506	8,509	12,530	15,072	17,886	18,375
Total Expenditure	34,332	36,823	34,956	19,369	26,515	40,054	46,116	52,607	56,339
% of Sales	83.7	81.6	78.3	123.0	86.8	68.9	68.1	65.8	63.9
EBITDA	6,704	8,297	9,675	-3,618	4,048	18,046	21,571	27,325	31,807
Margin (%)	16.3	18.4	21.7	-23.0	13.2	31.1	31.9	34.2	36.1
Depreciation	3,012	3,279	4,042	4,096	4,061	4,161	4,543	4,955	5,177
EBIT	3,692	5,019	5,633	-7,714	-13	13,885	17,028	22,370	26,631
Int. and Finance Charges	2,690	1,901	3,411	4,028	4,277	2,361	2,202	2,256	2,256
Other Income	617	834	1,324	1,647	1,552	1,389	1,829	1,838	2,027
PBT bef. EO Exp.	1,618	3,951	3,546	-10,095	-2,738	12,914	16,655	21,953	26,403
EO Items	225	66	410	1,600	156	33	0	0	0
PBT after EO Exp.	1,843	4,017	3,955	-8,495	-2,582	12,946	16,655	21,953	26,403
Total Tax	1,211	1,571	448	-1,553	-358	3,232	4,639	6,586	7,921
Tax Rate (%)	65.7	39.1	11.3	18.3	13.9	25.0	27.9	30.0	30.0
Minority Interest	-376	-422	-37	259	253	-312	-575	-604	-634
Reported PAT	1,009	2,868	3,544	-7,201	-2,477	10,026	12,591	15,970	19,116
Adjusted PAT	840	2,819	3,237	-8,401	-2,594	10,001	12,591	15,970	19,116
Change (%)	NA	235.4	14.8	-359.5	-69.1	-485.5	25.9	26.8	19.7
Margin (%)	2.0	6.2	7.3	-53.3	-8.5	17.2	18.6	20.0	21.7

Consolidated - Balance Sheet

(INRm)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	1,189	1,189	1,189	1,189	1,420	1,420	1,423	1,423	1,423
Total Reserves	40,622	42,291	42,379	35,295	69,202	78,399	93,143	1,07,977	1,25,957
Net Worth	41,811	43,480	43,568	36,484	70,623	79,820	94,567	1,09,401	1,27,380
Minority Interest	7,774	7,999	7,649	6,346	5,930	6,601	6,721	6,721	6,721
Total Loans	24,270	23,260	26,020	36,328	19,848	8,183	2,605	2,605	2,605
Lease Liability	0	0	18,987	18,464	18,604	22,760	24,247	24,247	24,247
Deferred Tax Liabilities	3,563	3,768	1,869	781	876	1,567	1,437	1,437	1,437
Capital Employed	77,418	78,506	98,093	98,403	1,15,880	1,18,930	1,29,576	1,44,410	1,62,389
Gross Block	63,356	69,051	73,316	81,772	85,655	89,962	98,598	1,03,696	1,09,416
Less: Accum. Deprn.	7,385	10,663	14,706	18,802	22,863	27,023	31,566	36,521	41,698
Net Fixed Assets	55,971	58,388	58,610	62,970	62,792	62,939	67,032	67,175	67,718
Goodwill on Consolidation	5,655	5,835	6,146	6,110	6,229	6,536	6,623	6,623	6,623
Right-of-Use assets			15,833	15,297	15,134	18,789	19,703	19,703	19,703
Capital WIP	1,970	1,162	2,441	1,650	1,933	3,242	2,310	3,712	3,492
Total Investments	15,965	13,351	14,266	14,832	19,668	18,910	22,611	22,611	22,611
Current Investment	3,305	2,112	4,362	4,486	9,025	7,573	7,242	7,242	7,242
Curr. Assets, Loans&Adv.	14,184	17,102	17,887	14,269	25,139	26,271	30,279	48,079	67,962
Inventory	857	804	936	929	1,008	1,092	1,164	1,585	1,698
Account Receivables	3,286	3,214	2,900	2,198	2,553	4,465	4,765	5,913	6,520
Cash and Bank Balance	2,703	2,409	3,156	1,536	11,878	10,534	14,855	26,193	43,877
Loans and Advances	7,338	10,675	10,895	9,605	9,700	10,180	9,495	14,388	15,866
Curr. Liability & Prov.	16,328	17,331	17,090	16,724	15,016	17,757	18,983	23,494	25,721
Account Payables	3,513	3,253	3,893	3,178	3,873	4,766	5,194	5,909	6,328
Other Current Liabilities	10,349	11,579	10,441	10,921	8,233	9,732	10,389	13,588	14,985
Provisions	2,465	2,500	2,756	2,625	2,909	3,259	3,400	3,997	4,407
Net Current Assets	-2,143	-229	798	-2,456	10,123	8,514	11,296	24,585	42,241
Misc Expenditure	0	0	0	0	0	0	0	0	0
Appl. of Funds	77,418	78,507	98,093	98,403	1,15,880	1,18,930	1,29,576	1,44,410	1,62,389

IH – Financials & Valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)									
EPS	0.6	2.0	2.3	-5.9	-1.8	7.0	8.9	11.2	13.5
Cash EPS	2.7	4.3	5.1	-3.0	1.0	10.0	12.1	14.7	17.1
BV/Share	29.4	30.6	30.7	25.7	49.7	56.2	66.6	77.0	89.7
DPS	0.2	0.4	0.4	0.4	0.4	0.6	0.8	0.8	0.8
Payout (%)	41.9	25.3	20.5	-9.6	-28.0	8.5	9.0	7.1	5.9
Valuation (x)									
P/E	961.8	286.7	249.7	-96.2	-311.5	80.8	64.2	50.6	42.3
Cash P/E	209.8	132.6	111.0	-187.8	551.2	57.1	47.2	38.6	33.3
P/BV	19.3	18.6	18.6	22.2	11.4	10.1	8.5	7.4	6.3
EV/Sales	20.3	18.5	18.7	53.6	26.6	13.9	11.8	9.8	8.7
EV/EBITDA	124.4	100.6	86.2	-233.5	200.9	44.6	36.9	28.7	24.1
Dividend Yield (%)	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
FCF per share	-0.1	1.4	1.7	-7.6	1.7	7.4	7.5	8.7	13.0
EV/ Adj Rooms (INRm)	85.3	83.5	80.9	81.9	78.1	76.9	69.7	65.0	60.2
EBITDA/ Room (INR)	4,341	5,193	6,039	-7,214	4,374	10,456	10,652	11,952	12,917
Return Ratios (%)									
RoE	2.5	6.6	7.4	-21.0	-4.8	13.3	14.4	15.7	16.1
RoCE	4.6	5.9	6.8	-5.7	1.3	11.5	13.6	15.5	15.9
RoIC	2.3	5.2	7.1	-7.9	0.0	12.4	14.0	17.2	20.2
Working Capital Ratios									
Fixed Asset Turnover (x)	0.6	0.7	0.6	0.2	0.4	0.6	0.7	0.8	0.8
Asset Turnover (x)	0.5	0.6	0.5	0.2	0.3	0.5	0.5	0.6	0.5
Inventory (Days)	8	7	8	22	12	7	6	7	7
Debtor (Days)	29	26	24	51	30	28	26	27	27
Creditor (Days)	31	26	32	74	46	30	28	27	26
Leverage Ratio (x)									
Current Ratio	0.9	1.0	1.0	0.9	1.7	1.5	1.6	2.0	2.6
Interest Cover Ratio	1.4	2.6	1.7	-1.9	0.0	5.9	7.7	9.9	11.8
Net Debt/Equity	0.4	0.4	0.4	0.8	0.0	-0.1	-0.2	-0.3	-0.4

Consolidated - Cash Flow Statement

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
(INRm)									
OP/(Loss) before Tax	1,618	4,017	3,955	-10,095	-2,738	12,914	16,655	21,953	26,403
Depreciation	3,012	3,279	4,042	4,096	4,061	4,161	4,543	4,955	5,177
Interest & Finance Charges	2,073	1,068	2,087	2,381	2,725	972	373	417	228
Direct Taxes Paid	-1,425	-1,571	-448	1,553	358	-3,232	-4,639	-6,586	-7,921
(Inc)/Dec in WC	-1,033	323	-1,402	-2,722	2,155	1,633	1,539	-1,951	28
CF from Operations	4,246	7,115	8,235	-4,786	6,560	16,447	18,470	18,788	23,914
Others	675	0	0	1,600	156	33	0	0	0
CF from Operating incl EO	4,920	7,114	8,235	-3,187	6,716	16,480	18,470	18,788	23,914
(Inc)/Dec in FA	-5,094	-5,067	-5,855	-7,629	-4,286	-5,922	-7,792	-6,500	-5,500
Free Cash Flow	-174	2,048	2,380	-10,816	2,431	10,557	10,679	12,288	18,414
(Pur)/Sale of Investments	-1,462	2,614	-915	-566	-4,836	758	-3,701	0	0
Others	912	-1,428	1,750	6,998	-7,303	3,719	1,829	1,838	2,027
CF from Investments	-5,644	-3,882	-5,019	-1,197	-16,425	-1,446	-9,663	-4,662	-3,473
Issue of Shares	14,999	0	0	0	231	0	3	0	0
Inc/(Dec) in Debt	-9,498	-1,010	2,760	10,308	-16,481	-11,665	-5,578	0	0
Interest Paid	-4,089	-1,901	-3,411	-4,028	-4,277	-2,361	-2,202	-2,256	-2,256
Dividend Paid	-447	-725	-725	-693	-693	-852	-1,136	-1,136	-1,136
Others	-7	110	-1,093	-2,823	41,270	-1,500	4,427	604	634
CF from Fin. Activity	957	-3,527	-2,470	2,764	20,050	-16,378	-4,487	-2,788	-2,758
Inc/Dec of Cash	233	-294	746	-1,620	10,342	-1,344	4,321	11,338	17,684
Opening Balance	2,471	2,704	2,409	3,156	1,536	11,878	10,534	14,855	26,193
Closing Balance	2,704	2,409	3,156	1,536	11,878	10,534	14,855	26,193	43,877

LEMONTRE – Financials & Valuations

Consolidated - Income Statement

(INRm)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	4,843	5,495	6,694	2,517	4,022	8,750	10,655	14,021	16,053
Change (%)	17.5	13.5	21.8	-62.4	59.8	117.5	21.8	31.6	14.5
F&B Consumed	436	498	570	178	279	499	628	841	931
Employees Cost	1,096	1,205	1,553	704	973	1,497	1,878	2,313	2,552
Other Expenses	1,949	2,104	2,137	1,022	1,432	2,230	2,973	3,953	4,271
Total Expenditure	3,481	3,807	4,260	1,905	2,683	4,226	5,479	7,108	7,754
% of Sales	71.9	69.3	63.6	75.7	66.7	48.3	51.4	50.7	48.3
EBITDA	1,362	1,688	2,434	613	1,339	4,524	5,176	6,913	8,299
Margin (%)	28.1	30.7	36.4	24.3	33.3	51.7	48.6	49.3	51.7
Depreciation	526	541	922	1,076	1,043	966	1,121	1,326	1,337
EBIT	836	1,146	1,512	-463	296	3,557	4,054	5,587	6,962
Int. and Finance Charges	784	847	1,565	1,817	1,740	1,772	2,016	1,941	1,493
Other Income	126	145	58	133	140	36	113	154	161
PBT bef. EO Exp.	178	445	5	-2,147	-1,304	1,822	2,151	3,800	5,629
EO Items	0	0	0	0	153	-48	0	0	0
PBT after EO Exp.	178	445	5	-2,147	-1,456	1,774	2,151	3,800	5,629
Total Tax	38	-111	109	-322	-72	377	341	907	1,344
Tax Rate (%)	21.3	-25.0	2220.8	15.0	5.0	21.3	15.9	23.9	23.9
MI/ share of profit from associates	-2	27	-9	-555	-510	251	325	540	918
Reported PAT	142	529	-95	-1,271	-874	1,146	1,485	2,353	3,368
Adjusted PAT	142	529	-95	-1,271	-760	1,182	1,485	2,353	3,368
Change (%)	NA	271.9	-118.0	1,232.4	-40.2	-255.5	25.7	58.5	43.1
Margin (%)	2.9	9.6	-1.4	-50.5	-18.9	13.5	13.9	16.8	21.0

Consolidated - Balance Sheet

(INRm)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	7,864	7,893	7,903	7,904	7,908	7,916	7,918	7,918	7,918
Total Reserves	284	857	1,986	1,272	404	621	1,750	4,104	7,472
Net Worth	8,148	8,750	9,889	9,176	8,312	8,537	9,669	12,022	15,390
Minority Interest	4,286	4,322	5,559	6,174	5,676	5,597	5,795	6,341	7,263
Total Loans	10,110	12,042	15,775	16,850	16,986	17,457	18,891	15,391	10,891
Lease Liability	0	0	4,619	4,671	4,247	4,253	4,423	4,423	4,423
Capital Employed	22,588	25,114	35,841	36,870	35,223	35,844	38,779	38,178	37,968
Gross Block	16,044	18,068	35,073	35,016	34,637	34,666	42,627	42,950	43,335
Less: Accum. Deprn.	1,513	2,054	2,977	4,052	5,096	6,062	7,183	8,509	9,847
Net Fixed Assets	14,531	16,014	32,097	30,964	29,542	28,605	35,444	34,441	33,488
Goodwill on Consolidation	68	0	951	951	951	951	951	951	951
Capital WIP	5,591	6,639	1,896	2,418	2,968	4,822	254	331	346
Total Investments	146	373	164	79	114	73	151	151	151
Current Investment	120	287	44	91	59	10	81	0	0
Curr. Assets, Loans&Adv.	4,247	4,693	2,521	3,737	2,776	2,873	3,531	4,556	5,549
Inventory	54	60	82	72	81	105	138	175	191
Account Receivables	525	844	503	308	291	560	715	922	1,056
Cash and Bank Balance	210	314	408	1,411	543	275	537	654	1,091
Loans and Advances	3,458	3,475	1,528	1,945	1,861	1,933	2,140	2,804	3,211
Curr. Liability & Prov.	1,994	2,605	1,786	1,278	1,128	1,479	1,552	2,251	2,516
Account Payables	811	958	842	788	585	668	859	1,129	1,232
Other Current Liabilities	1,140	1,592	877	412	319	730	601	981	1,124
Provisions	43	55	67	78	224	81	92	140	161
Net Current Assets	2,253	2,088	734	2,459	1,648	1,394	1,979	2,305	3,032
Misc Expenditure	0	0	0	0	0	0	0	0	0
Appl. of Funds	22,588	25,114	35,841	36,870	35,223	35,844	38,779	38,178	37,968

LEMONTRE – Financials & Valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)									
EPS	0.2	0.7	-0.1	-1.6	-1.0	1.5	1.9	3.0	4.3
Cash EPS	0.9	1.4	1.1	-0.2	0.4	2.7	3.3	4.7	6.0
BV/Share	10.4	11.2	12.7	11.7	10.6	10.9	12.4	15.4	19.7
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)									
P/E	773.1	207.9	-1,152.5	-86.5	-144.6	93.0	74.0	46.7	32.6
Cash P/E	164.5	102.7	132.9	-563.2	387.7	51.2	42.2	29.9	23.4
P/BV	13.5	12.6	11.1	12.0	13.2	12.9	11.4	9.1	7.1
EV/Sales	25.6	22.9	19.5	52.2	32.8	15.2	12.6	9.3	7.9
EV/EBITDA	91.0	74.5	53.7	214.5	98.6	29.3	25.9	18.9	15.3
EV/Room (INRm)	37.8	35.2	30.7	30.9	31.0	27.5	27.8	27.2	26.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	-2.4	-1.5	-9.5	-1.5	0.9	2.9	1.6	7.6	9.2
Return Ratios (%)									
RoE	1.8	6.3	-1.0	-13.3	-8.7	14.0	16.3	21.7	24.6
RoCE	3.8	4.4	4.5	-0.9	1.1	9.4	10.2	13.7	17.8
RoIC	3.8	5.0	4.4	-1.0	0.7	8.6	10.0	11.4	14.4
Working Capital Ratios									
Fixed Asset Turnover (x)	0.3	0.3	0.2	0.1	0.1	0.3	0.2	0.3	0.4
Asset Turnover (x)	0.2	0.2	0.2	0.1	0.1	0.2	0.3	0.4	0.4
Inventory (Days)	4	4	4	10	7	4	5	5	4
Debtor (Days)	40	56	27	45	26	23	24	24	24
Creditor (Days)	61	64	46	114	53	28	29	29	28
Leverage Ratio (x)									
Current Ratio	2.1	1.8	1.4	2.9	2.5	1.9	2.3	2.0	2.2
Interest Cover Ratio	1.1	1.4	1.0	-0.3	0.2	2.0	2.0	2.9	4.7
Net Debt/Equity	1.2	1.3	1.5	1.7	2.0	2.0	1.9	1.2	0.6

Consolidated - Cash Flow Statement

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
(INRm)									
OP/(Loss) before Tax	178	445	5	-2,147	-1,446	1,782	2,151	3,800	5,629
Depreciation	526	541	922	1,076	1,043	966	1,121	1,326	1,337
Interest & Finance Charges	658	702	1,507	1,685	1,786	1,773	1,903	1,787	1,332
Direct Taxes Paid	-38	111	-109	322	-17	-207	-341	-907	-1,344
(Inc)/Dec in WC	450	25	-754	-1,009	27	-403	-523	-208	-291
CF from Operations	1,775	1,824	1,572	-74	1,394	3,912	4,312	5,798	6,665
Others	-629	43	-62	-635	-41	-63	339	551	927
CF from Operating incl EO	1,145	1,867	1,510	-709	1,353	3,849	4,651	6,349	7,592
(Inc)/Dec in FA	-3,012	-3,004	-8,969	-465	-668	-1,618	-3,393	-400	-400
Free Cash Flow	-1,867	-1,138	-7,459	-1,174	685	2,231	1,258	5,949	7,192
(Pur)/Sale of Investments	-82	-228	210	85	132	8	-78	0	0
Others	495	337	2,677	-276	-56	-1,222	-495	154	161
CF from Investments	-2,600	-2,895	-6,082	-656	-591	-2,832	-3,965	-246	-239
Issue of Shares	52	29	10	1,750	8	17	2	0	0
Inc/(Dec) in Debt	2,124	1,931	3,733	1,075	134	471	1,434	-3,500	-4,500
Interest Paid	-784	-847	-1,565	-1,817	-1,400	-1,432	-2,016	-1,941	-1,493
Others	97	18	2,488	1,361	-372	-379	157	-545	-922
CF from Fin. Activity	1,489	1,131	4,667	2,368	-1,630	-1,323	-423	-5,986	-6,915
Inc/Dec of Cash	35	103	94	1,003	-869	-306	263	117	437
Opening Balance	176	211	314	408	1,411	543	275	537	654
Closing Balance	211	314	408	1,411	543	275	537	654	1,091

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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