

June 3, 2026

Steady Q4; Focus on restructuring to create shareholders value...

About the stock: Lemon Tree Hotels (LTHL) is India's largest hotel chain in the mid-priced hotel sector and the third largest overall, based on controlling interest in owned and leased rooms. LTHL currently operates 11,811 rooms in India and abroad, under its various brands viz. Aurika Hotels & Resorts, Lemon Tree Premier, Lemon Tree Hotels, Red Fox Hotels and Keys etc.

Q4FY26 performance: LTHL consolidated revenues recorded 10% YoY growth to Rs.416.4cr in Q4FY26. Revenues were driven by 7% YoY growth in RevPAR to Rs.5855. ADR grew by 6% YoY to Rs.7457 while occupancies improved by 96bps YoY to 78.5%. EBITDA margins declined by 223bps YoY to 51.7% due to renovation costs, tech upgrades and GST impact. EBITDA grew by 5.5% YoY to Rs.215.2cr. Adjusted PAT grew by 9% YoY to Rs.117.9cr. Adjusted for restructuring expenses, reported PAT grew by 7.7% YoY to Rs.116.5cr in Q4FY26.

Investment Rationale:

- Revenues to grow at CAGR of 12.3% over FY26-28E:** LTHL's revenues grew 10% YoY to Rs.416.4cr in Q4FY26, led by 6% YoY ADR growth to Rs.7,457 and 96bps YoY improvement in occupancy to 78.5%. Management highlighted resilient D2C/OTA demand, while corporate and crew demand remained weak from March through April; however, demand recovered in May and is expected to remain steady if the war situation stabilises over the coming months. Q1FY27 is expected to benefit from a lower base due to Operation Sindoor, while renovated room inventory and the opening of 2 out of 3 blocks at Aurika, Shimla should support overall growth in H1FY27. Further stabilisation in the geopolitical environment could drive stronger H2FY27 growth, supported by high wedding demand, increased domestic retail demand and a healthy MICE pipeline. Management fee income is also expected to improve, aided by better performance at Fleur as GST-related headwinds reduce. Overall, we expect revenue to grow at 12% in FY27 to Rs.1,610.3cr. portfolio expansion (with premium hotels), steady RevPAR growth will help revenues to grow at a CAGR of 12.3% over FY26-28E.
- LTHL restructuring is expected to be completed over the next 15-18 months:** LTHL is undergoing a restructuring with focus demerging the business into two separate entity 1) LTHL – asset light business model with high EBIDTA margin (currently 60%; targeted - ~70%), debt free and high RoCE and 2) Fleur – ownership model with strong room inventory of 5,600 rooms catering to mid-market segment Pan India. The restructure is expected to be completed over the next 15-18 months (based on NCLT approval). Restructuring is expected to value accretive for public shareholders with its effective shareholding in Fleur expected to increase to 57.5% from the current 45.8%. With primary infusion of Rs960cr from Warburg Pincus, Fleur has an opportunity for attractive asset acquisition to expand in the coming years. Further it has flexibility to partner with leading hospitality brands to scale-up operations in domestic and international market.

Rating and Target Price: We recommend Buy with a revised price target of Rs.142 valuing it at 20x its FY28E EV/EBITDA (adjusting for 59% stake in Fleur Hotel).

Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	FY26	3 year CAGR (FY23-26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Revenues	875.0	1071.1	1286.1	1444.5	18.2	1610.3	1820.2	12.3
EBIDTA	447.6	523.2	634.1	691.2	15.6	788.2	903.6	14.3
EBIDTA Margins(%)	51.2	48.8	49.3	47.8		48.9	49.6	
Adjusted PAT	139.7	181.0	243.4	314.2	31.0	367.6	473.5	22.8
EPS (Rs.)	1.8	2.3	3.1	4.0		4.7	6.0	
PE (x)	62.3	48.0	35.7	27.7		23.6	18.4	
EV to EBIDTA (x)	24.2	21.0	17.0	15.3		13.1	11.0	
Price to book (x)	10.2	9.0	7.5	6.3		5.1	4.2	
RoE (%)	16.6	19.9	22.9	24.6		23.8	25.0	
RoCE (%)	10.0	11.1	12.6	13.8		15.3	17.4	

Source: Company, ICICI Direct Research



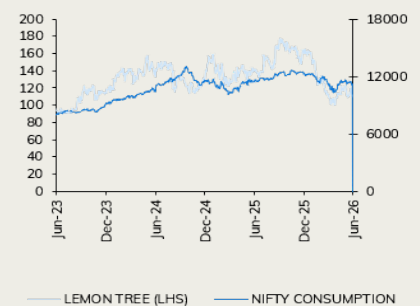
Particulars

Particular	Amount
Market Capitalisation (₹ crore)	8,710
Debt (FY26) - ₹ crore	2,047
Cash (FY26) - ₹ crore	171
EV (Rs crore)	10,586
52 week H/L (₹)	181 / 100
Equity capital (₹ crore)	791.8
Face value (₹)	10

Shareholding pattern

	Mar-25	Jun-25	Sep-25	Dec-25
Promoters	22.5	22.3	22.3	22.3
FII	20.9	21.3	21.5	21.5
DII	19.7	20.0	19.7	19.5
Others	36.9	36.4	36.6	36.8

Price Chart



Key risks

- Room demand getting impacted by global slowdown or any black swan event.
- Delay in reduction in debt.

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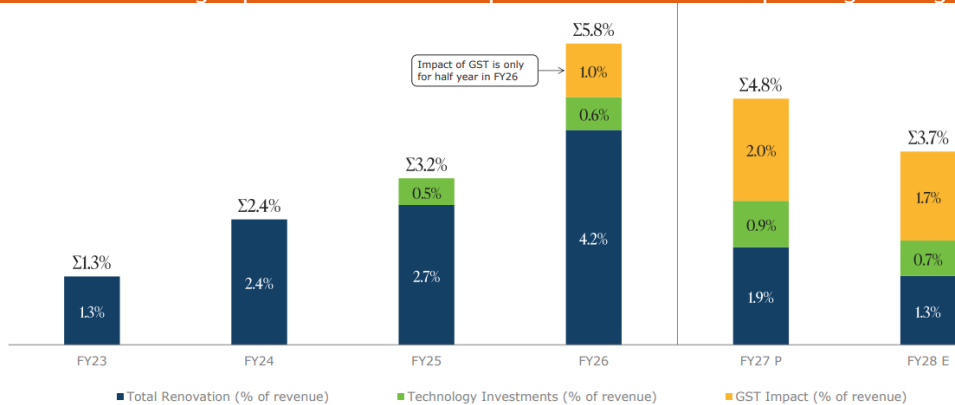
Exhibit 1: Fair Valuation

Particulars	FY28E
Lemon Tree Consolidated EBIDTA	904
Adjusting EBIDTA - APG 41.09% stake in Fleur	267
Adjusted EBITDA (Rs. Cr)	637
EV/EBIDTA (x)	20
Enterprise value (Rs. Cr)	12,737
Adjusted Debt (Rs. Cr)	1,560
Cash & Cash equivalent	98
Equity Value (Rs. Cr.)	11,274
Equity shares (in Cr.)	79
Target price (Rs.)	142

Source: Company, ICICI Direct Research

EBITDA margins to trend close ~50% over the medium term: LTHL's EBITDA margin declined 150bps YoY to 47.8% in FY26 due to renovation and technology upgradation costs of Rs.60.5cr and a GST impact of Rs.15.1cr. Management expects these costs to account for 4.8% of revenues in FY27E, reducing to 3.7% in FY28E. With 85% of renovations completed, renovation costs are expected to decline from 4.2% of revenues in FY26 to 1.9% in FY27E and normalise to 1.3% in FY28E. GST-related headwinds are also expected to moderate, aided by customer migration to higher-rate hotels and a premium-heavy pipeline led by Aurika. Consequently, GST impact is expected to reduce from 2.0% of revenues in FY27E to 1.7% by FY28E. We expect lower renovation costs, easing GST impact, improved portfolio mixes and better operating leverage to drive EBITDA margins closer to ~50% over the medium term.

Exhibit 2: Reducing impact of Renovation expenses and GST to aid operating leverage



Source: Company, ICICI Direct Research

Q4FY26 – Key Performance highlights

- Consolidated revenues recorded double-digit growth of 10% YoY to Rs.416.4cr in Q4FY26 despite the geopolitical instability during the quarter. Growth was aided by 7.2% YoY growth in RevPAR. RevPAR growth was aided by 5.9% YoY growth in ADR and 90bps improvement in occupancy during the quarter.
- EBITDA ex-renovation and GST impact stood at ~Rs.231.8cr in Q4FY26 vs ~Rs.206.8cr in Q4FY25. EBITDA margins (ex-renovation and GST impact) expanded by ~100bps YoY to 55.7% in Q4FY26.
- On comparable basis, EBITDA ex-GST Impact stood at Rs.222.9cr growing by 9% YoY in Q4FY26. EBITDA margins (ex-GST Impact) declined by 40bps YoY to 53.5% in Q4FY26 vs 53.9% in Q4FY25.
- Reported EBITDA grew by 6% YoY Rs.204.7cr while margins declined by 223bps YoY to 51.7%. Decline in margins was due to investments in renovation, technology and GST impact. Renovation and GST impact stood at Rs.8.9cr and Rs.7.7cr respectively during the quarter.
- Aurika's room revenue grew by 2.5% YoY to Rs.65.4cr with Occupancies declining to 81% in Q4FY26 vs. 83% in Q4FY25. ARR grew by 5% YoY Rs.11097/night. EBITDA stood at Rs.45.8cr while EBITDA margins improved by 200bps YoY to 70% in Q4FY26.
- LTHL's consolidated ARR stood at Rs.7457 growing by 6% YoY in Q4FY26. Lemon Tree Hotels ARR grew by 8% YoY to Rs.6924. Lemon Tree Premier ARR reported 5% YoY to Rs.8529. Red Fox recorded 5% YoY ARR to Rs.4706 while Keys recorded 12% YoY growth in ARR to Rs.4557 in Q4FY26.
- Overall occupancy witnessed 96bps YoY improvement to 78.5%. Among other hotels, Lemon Tree hotels occupancy in Q4FY26 stood flat at 80% while Red Fox occupancy stood at 76% in Q4FY26 compared to 75% in Q4FY25. Keys by Lemon tree witnessed 240bps YoY improvement in occupancy to 64% in Q4FY26. Lemon Tree premier occupancy improved 200bps YoY to 85% in Q4FY26.
- Overall RevPAR stood at Rs.5855 witnessing 7% YoY growth in Q4FY26. Lemon Tree Hotel and Lemon Tree Premier witnessed 9% and 7% YoY growth in RevPAR to Rs.5569 and Rs.7232 respectively. Red Fox recorded 6% YoY growth in RevPAR to Rs.3574 while Keys recorded 16% YoY growth to Rs.2910 in Q4FY26.
- Consolidated Management Fees grew by 13% YoY to Rs.49.9cr in Q4FY26. Management fees from Fleur Hotels stood at Rs.29.3cr growing by 3% YoY and fees from 3rd party owned hotels grew by 29% YoY to Rs.20.6cr in Q4FY26.
- Adjusted PAT grew by 9% YoY to Rs.117.9cr in Q4FY26. During the quarter the recorded exceptional charge pertaining to restructuring exp (Rs.1.9cr). Adjusted for exceptional charge, Reported PAT grew by 7.7% YoY to Rs.116.5cr during Q4FY26.

Exhibit 3: Q4FY26 consolidated result overview (₹ crore)

Particulars	Q4FY26	Q4FY25	y-o-y %	Q3FY26	q-o-q %
Net revenue	416.4	378.5	10.0	406.1	2.5
Cost of food and beverages consumed	21.9	23.0	-4.6	23.0	-4.7
Employee cost	63.3	57.0	11.0	59.4	6.6
Power & fuel	20.2	20.2	0.0	20.5	-1.3
Other expenditure	95.7	74.2	29.0	98.5	-2.8
Total expenditure	201.2	174.4	15.3	201.4	-0.1
EBITDA	215.2	204.1	5.5	204.7	5.2
Other income	3.1	0.9	252.3	1.7	82.5
Interest expenses	38.8	47.2	-17.9	41.4	-6.4
Depreciation	35.5	34.9	1.8	34.8	2.0
Profit Before Tax	144.1	122.9	17.3	130.2	10.7
Tax	25.6	14.1	81.7	24.9	3.1
Adjusted PAT	118.5	108.8	8.9	105.3	12.5
Minority interest	0.6	0.6	-	0.0	-
Adjusted PAT (after MI)	117.9	108.1	9.0	105.3	-91.4
Extra-ordinary gain / loss	-1.4	0.0	-	-23.5	-
Reported PAT	116.5	108.1	7.7	81.8	42.3
Adjusted EPS (Rs.)	1.5	1.4	8.9	1.3	12.5
Margins	Q4FY26	Q4FY25	bps	Q3FY26	bps
GPM (%)	94.7	93.9	80	94.3	40
EBITDA Margin (%)	51.7	53.9	-223	50.4	128
NPM (%)	28.5	28.7	-28	25.9	252
Tax rate (%)	17.8	11.5	630	19.1	-131

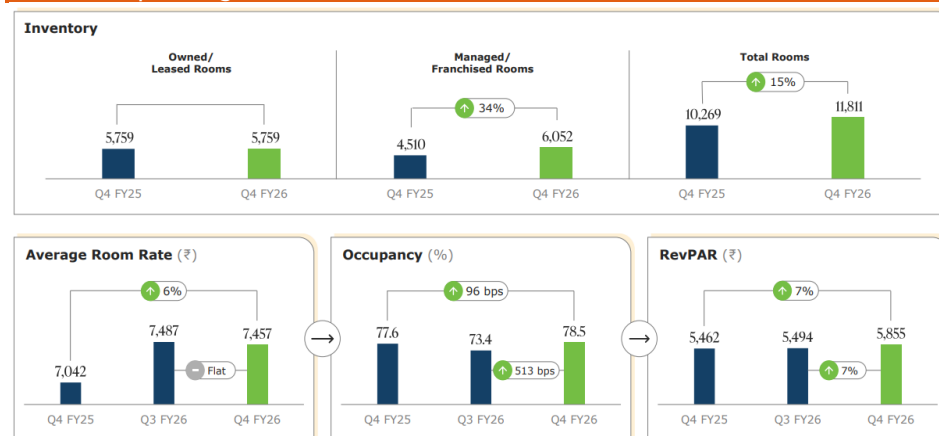
Source: Company, ICICI Direct Research

Exhibit 4: Q4FY26 brand wise performance

Brands	No. of rooms	RevPAR (Rs.)			Occupancy (%)			Gross ARR (Rs.)		
		Q4FY26	Q4FY25	Q4FY25 Chg (%)	Q4FY26	Q4FY25 Chg (bps)	Q4FY26	Q4FY25	Chg (%)	
Aurika Hotels & Resorts	808.0	8975	8756	2.5	81	83	-200.0	11097	10566	5.0
Lemon Tree Premier	1603.0	7232	6775	6.7	85	83	200.0	8529	8156	4.6
Lemon Tree Hotels	1769.0	5569	5099	9.2	81	80	90.0	6924	6412	8.0
Red Fox	643.0	3574	3358	6.4	76	75	100.0	4706	4469	5.3
Keys by Lemon Tree Hotels	936.0	2910	2500	16.4	64	61	290.0	4557	4068	12.0
Lemon Tree Consolidated	5759.0	5855	5462	7.2	79	78	90.0	7457	7042	5.9

Source: Company, ICICI Direct Research

Exhibit 5: Operating Metrics



Source: Company, ICICI Direct Research

FY26 – Key Performance highlights

- Consolidated revenues reported 12.3% YoY growth to Rs.1444.5cr as in FY26.
- Reported EBITDA margins declined by 150bps YoY to 47.8% due to higher investments in renovations, technology and GST impact. Reported EBITDA witnessed 9% YoY growth to Rs.691.2cr.
- On comparable basis, EBITDA (ex-GST impact) stood at Rs.706.3cr growing by 11% YoY. EBITDA margins stood flat at 48.8% in FY26 declining by 50bps YoY.
- Adjusted PAT stood at Rs.314.2cr in FY26 growing by 22% YoY.

Expansion through management contracts

- In Q4FY26, LTHL signed management/franchised contracts for 9 hotels with 646 rooms. The Total managed and franchised contract pipeline stood at 133 hotels with 9895 rooms.
- In FY26, the company signed 55 hotels with 4912 rooms under managed/franchisee contracts.

Exhibit 6: Signings and Openings

55 hotels with 4,912 rooms were signed in FY26										
Signings in Q1 FY26		+	Signings in Q2 FY26		+	Signings in Q3 FY26		+	Signings in Q4 FY26	
Hotels	Rooms		Hotels	Rooms		Hotels	Rooms		Hotels	Rooms
14	1,273		15	1,138		17	1,855		9	646

Source: Company, ICICI Direct Research

Premium additions to owned/leased inventory

LTHL is expanding its owned/leased portfolio through addition of 4 hotels under the premium Aurika brand across leisure and business locations.

Aurika, Shimla (91 keys) is at advanced stage of completion with management guiding for opening of 2 out of 3 blocks of the hotel set to open in H1FY27. It expects full opening of the hotel in FY27. The company has deployed capex of Rs.82cr as of March 2026 for development of the hotel.

Aurika, Shillong (165 keys) is also progressing towards completion with expected opening in FY28. The total capex deployed for development is Rs.23cr as of March 2026. Aurika Nehru Place, Delhi, 572-key business hotel will be located at the centre of the country's capital. The company expects ~Rs.700cr capex for development of the hotel with opening expected in FY30.

The company announced new Aurika hotel (47 keys) in Varanasi, marking its entry in the premium spiritual location. The management expects higher ADR from the hotel due to its strategic location near the Ganges River and also due to higher rates in the vicinity. Demand is also expected to support occupancy and ADR growth for the hotel. Post refurbishment/renovation, it is expected to be opened in FY30.

Exhibit 7: Signings and Openings

Aurika, Shimla	Aurika, Shillong	Aurika, Nehru Place, Delhi	Aurika, Varanasi
			
Type: Owned	Type: Leased	Type: Leased	Type: Leased
Rooms: 91	Rooms: 165	Rooms: 572*	Rooms: 47
Expected Opening Date: FY27	Expected Opening Date: FY28	Expected Opening Date: FY30	Expected Opening Date: FY30
~₹82 Cr	~₹23 Cr	Expected capital to be deployed/capital expenditure will be announced soon	Expected capital to be deployed/capital expenditure will be announced soon
Total capital deployed/capital expenditure already incurred (i.e. CWIP + Land Capitalised + Capital advances – Capital creditors) as on 31 st March 2026			

Source: Company, ICICI Direct Research

Q4FY26 Earnings call highlights

- **Industry and Demand Outlook**

- The management indicated that demand moderated from mid-March and the softness continued through April. May has seen recovery and the management expects the upcoming months to be better considering stabilisation of war conditions.
- Corporate travel demand has been impacted as companies have become more cautious on discretionary travel spending, while retail and leisure demand has remained resilient.
- The company continues to witness robust growth in direct-to-consumer and OTA bookings, partially offsetting weakness in corporate demand.
- The management shifted its strategy towards protecting occupancies rather than maximizing room rates during this period and has successfully maintained occupancy premiums over the market.
- Despite near-term volatility, management remains constructive on the medium-term outlook as industry demand continues to outpace supply, particularly in the mid-market and upscale segments where Lemon Tree has strong presence.

- **Brand wise performance**

- **Lemon Tree Hotels** remained the strongest-performing brand, reporting 23% YoY room revenue growth during Q4FY26 aided by 8% ADR growth while maintaining occupancies at around 80%. The brand continues to benefit from the repositioning of Red Fox Aerocity into the Lemon Tree format and remains a key growth driver.
- **Aurika Hotels & Resorts** witnessed relatively muted growth during Q4 due to temporary supply additions in the Mumbai micro-market, lower MICE activity, municipal elections and disruptions in air travel. However, on a full-year basis, Aurika delivered strong 19% RevPAR growth with portfolio occupancy improving from 62% to 74%. Management remains positive on the brand given its premium positioning and superior margin profile.
- **Keys Hotels** continued its steady growth in FY26, driven by benefits from ongoing renovations and repositioning initiatives. Management expects growth momentum to sustain over the next few years as the remaining portfolio undergoes refurbishment and occupancies move closer to portfolio averages.
- **Red Fox Hotels** continues to benefit from renovation-led upgrades and selective brand conversions. The company expects refurbished properties to witness stronger ADRs and occupancies over time, improving overall profitability.

- **Lemon Tree Hotels and Fleur Hotels – Highlights and Outlook**

- The company added 20 managed/franchised hotels comprising 1,523 rooms during FY26 and signed 55 hotels with 4,912 rooms.
- The Management expects annual signings to remain strong, with around 55+ hotels being signed annually and approximately 2,000 rooms expected to open during FY27.
- Post demerger, Fleur will become one of India's largest hotel ownership platforms with around 5,600 rooms across 39 operational hotels.
- The company currently has four hotels with 875 rooms in the confirmed pipeline.

- Aurika Nehru Place (572 rooms) is awaiting final approvals and is expected to become North India's largest hotel upon completion.
 - 2 out of 3 blocks at Aurika, Shimla are expected to open in Q2FY27 to capitalize on peak leisure demand.
 - Fleur has also signed a 47-room Heritage Aurika property in Varanasi, located on the Ganges riverfront.
 - Growth strategy remains focused on upscale and upper-upscale segments, primarily under the Aurika and Lemon Tree Premier brands.
 - The expansion will be concentrated in India's top six cities, select leisure destinations and international markets frequented by Indian travellers.
 - The company is evaluating greenfield developments, brownfield opportunities and acquisitions while maintaining strict return thresholds.
 - Supported by Warburg Pincus capital (of Rs960cr) and internal accruals, Fleur has the ability to deploy up to ₹3,000 crore over the next 12-18 months subject to availability of suitable opportunities.
 - The management remains confident of adding the targeted 2,500 rooms through a mix of acquisitions and developments over the coming years.
- **Renovation Update**
 - Renovation activity remained elevated during FY26 and was one of the key reasons for margin pressure during the year. ~85% of the targeted heavy renovation program has already been completed across the portfolio.
 - Key properties under renovation include Keys Whitefield, Lemon Tree Premier Bengaluru, Keys Hosur Road and remaining rooms at the erstwhile Red Fox Delhi (now rebranded as Lemon Tree Hotel Delhi).
 - Around 400-500 rooms were under renovation during Q4FY26, while renovation activity remains higher in summer months and lower during peak demand seasons.
 - The management expects renovation expenditure to decline materially from FY27 onwards as the catch-up renovation cycle nears completion. It is expected to reduce to ~1.9% of revenue in FY27 and normalize to ~1.3% of revenue from FY28 onwards.
 - Besides guest room refurbishment, the company is also undertaking replacement of HVAC systems, pumps, DG sets and other critical infrastructure across older assets.
- **Management Fees to continue its steady growth**
 - Management and franchise fee income from third-party owned hotels increased 23% YoY to ₹73.9 crore in FY26.
 - Fees received from Fleur Hotels grew 8% YoY to ₹95.8 crore, impacted by renovation-led disruptions and lower incentive fees due to temporary margin pressure at owned assets.
 - Following the demerger, Lemon Tree will evolve into a predominantly asset-light business with management fees, brand income and digital services becoming the primary earnings drivers.
 - Long-term management contracts with Fleur will ensure a stable and growing fee stream for Lemon Tree post demerger.

- Management expects EBITDA flow-through on incremental fee income to improve meaningfully over time and targets steady-state margins of 70%+ for the asset-light platform.

Exhibit 8: Key Operating Assumptions

Particulars	FY24	FY25	FY26	FY27E	FY28E
Aurika Hotels -revenues (Rs. Cr)	97.2	184.9	220.5	244.5	287.5
Rooms	808.0	808.0	899.0	899.0	973.0
Occupancy ratio (%)	51	63	75	76	76
ARR (Rs)	10693	9894	10001	10495	11211
Lemon Tree Premier - revenues (Rs. Cr)	320.2	346.3	374.7	398.6	430.1
Rooms	1603.0	1603.0	1603.0	10494.6	11211.0
Occupancy ratio (%)	79	81	82	83	83
ARR (Rs)	6929	7342	7827	8226	8846
Room revenues	827.6	963.1	1064.8	1154.8	1266.1
yoy% growth	20.0	16.4	10.6	8.5	9.6
Management fees	121.9	149.0	169.8	214.1	276.5
yoy% growth	18.3	22.3	13.9	26.1	29.1
F&B revenues	120.8	174.0	209.9	241.4	277.7
yoy% growth	46.6	44.0	20.7	15.0	15.0
Total revenues	1070.3	1286.1	1444.5	1610.3	1820.2
yoy% growth	22.3	20.2	12.3	11.5	13.0

Source: Company, ICICI Direct Research

Financial summary

Exhibit 9: Profit and loss statement ₹ crore

(Year-end March)	FY24	FY25	FY26	FY27E	FY28E
Total Operating Income	1071.1	1286.1	1444.5	1610.3	1820.2
Growth (%)	22.4	20.1	12.3	11.5	13.0
Cost of food and beverages consumed	62.8	76.2	84.8	83.7	94.7
Gross Profit	1008.3	1209.9	1359.7	1526.6	1725.6
Employee Expenses	187.8	218.5	239.3	270.4	308.2
Power & fuel	78.0	87.8	85.1	88.5	92.0
Other Expenditure	219.3	269.5	344.2	379.6	421.7
Total Operating Expenditure	547.9	652.0	753.3	822.2	916.6
EBITDA	523.2	634.1	691.2	788.2	903.6
Growth (%)	16.9	21.2	9.0	14.0	14.6
Interest	201.6	200.7	167.2	143.7	106.9
Depreciation	112.1	139.3	138.8	158.7	169.2
Other Income	5.6	2.3	8.2	9.0	9.9
PBT	215.1	296.5	393.3	494.8	637.3
Less Tax	34.1	53.1	79.1	127.2	163.8
Adjusted PAT (before exceptional item)	181.0	243.4	314.2	367.6	473.5
Growth (%)	29.6	34.5	29.1	17.0	28.8
Minority interest / profit from associates	0.7	-46.6	-61.2	-65.1	-70.9
Exceptional item	0.0	0.0	0.0	0.0	0.0
Reported PAT	181.7	196.8	253.0	302.6	402.6
Growth (%)	29.3	8.3	28.5	19.6	33.1
EPS (Adjusted)	2.3	3.1	3.2	3.8	5.1

Source: Company, ICICI Direct Research

Exhibit 10: Cash flow statement ₹ crore

(Year-end March)	FY24	FY25	FY26	FY27E	FY28E
Profit/(Loss) after taxation	175.4	241.1	306.1	358.7	463.6
Add: Depreciation & Amortization	112.1	139.3	138.8	158.7	169.2
Other income	5.6	2.3	8.2	9.0	9.9
Changes in the working capital	-29.5	-67.7	-82.1	95.8	21.0
CF from Operating activities	263.6	315.0	370.9	622.1	663.8
(Purchase)/Sale of Fixed Assets	-339.2	-87.5	-195.4	-310.0	-310.0
Investments & Bank balances	-24.1	-36.4	-43.3	-11.9	0.0
Others	-3.7	-11.7	-9.2	0.0	0.0
CF from Investing activities	-367.1	-135.6	-247.9	-321.9	-310.0
(inc)/Dec in Loan	159.0	-159.6	-128.7	-335.5	-334.7
Change in equity & reserves	-67.8	-46.8	-85.8	-65.1	-70.9
Dividend paid	0.0	0.0	0.0	0.0	0.0
Other	22.3	48.7	94.2	65.1	70.9
CF from Financing activities	113.4	-157.7	-120.3	-335.5	-334.7
Net Cash Flow	10.0	21.8	2.7	-35.3	19.1
Cash and Cash Equivalent (opening)	23.7	33.6	55.4	58.1	22.8
Cash	33.6	55.4	58.1	22.8	41.8
Free Cash Flow	-75.6	227.6	175.4	312.1	353.8

Source: Company, ICICI Direct Research

Exhibit 11: Balance sheet ₹ crore

(Year-end March)	FY24	FY25	FY26	FY27E	FY28E
Equity Capital	791.8	791.8	791.8	791.8	791.8
Reserve and Surplus	175.0	371.7	600.1	902.6	1305.2
Total Shareholders funds	966.9	1163.5	1391.9	1694.5	2097.1
Minority Interest	579.5	626.1	687.2	752.3	823.3
Total Debt	2335.8	2176.0	2046.9	1711.7	1377.0
Deferred Tax Liability	5.3	7.2	30.0	30.0	30.0
Long-Term Provisions	3.2	3.4	13.7	13.7	13.7
Total Liabilities	3890.8	3976.2	4170.4	4202.2	4341.0
Gross Block - Fixed Assets	3706.9	3749.2	3857.6	4075.7	4385.7
Accumulated Depreciation	590.9	684.8	823.6	982.3	1151.5
Net Block	3116.0	3064.4	3034.0	3093.4	3234.2
Capital WIP	24.8	58.6	108.1	200.0	200.0
Leased Assets	390.7	365.1	392.2	392.2	392.2
Fixed Assets	3531.5	3488.0	3534.3	3685.6	3826.4
Goodwill & Other intangible assets	135.1	126.8	137.2	137.2	137.2
Investments	13.3	44.6	73.4	50.0	50.0
Other non-Current Assets	155.7	167.4	176.5	176.5	176.5
Inventory	13.8	13.8	13.8	22.1	24.9
Debtors	71.5	78.6	116.3	123.5	124.7
Other Current Assets	55.0	80.7	134.4	134.4	134.4
Loans & Advances	3.3	1.2	1.0	1.0	1.0
Cash	33.6	55.4	58.1	22.8	41.8
Bank balance	20.1	25.3	39.7	75.0	75.0
Total Current Assets	197.4	255.0	363.3	378.8	401.9
Creditors	85.9	61.6	67.1	176.5	199.5
Provisions	6.0	6.4	8.1	8.1	8.1
Other Current Liabilities	50.4	37.3	39.1	41.0	43.1
Total Current Liabilities	142.3	105.3	114.3	225.6	250.7
Net Current Assets	55.2	149.7	249.0	153.2	151.2
Application of Funds	3890.8	3976.5	4170.4	4202.5	4341.3

Source: Company, ICICI Direct Research

Exhibit 12: Key ratios

(Year-end March)	FY24	FY25	FY26	FY27E	FY28E
Per share data (₹)					
Adjusted EPS	2.3	3.1	3.2	3.8	5.1
Cash EPS	3.7	4.8	5.7	6.6	8.1
BV per share	12.2	14.7	17.6	21.4	26.5
Cash per Share	0.8	1.6	2.2	1.9	2.1
Operating Ratios (%)					
Gross Profit Margins	94.1	94.1	94.1	94.8	94.8
Operating EBITDA margins (%)	48.8	49.3	47.8	48.9	49.6
PAT Margins	16.9	18.9	21.8	22.8	26.0
Cash Conversion Cycle	-40	-13	-3	-7	-10
Return Ratios (%)					
RoE	19.9	22.9	24.6	23.8	25.0
RoCE	11.1	12.6	13.8	15.3	17.4
Valuation Ratios (x)					
P/E	48.0	35.7	27.7	23.6	18.4
EV / EBITDA	21.0	17.0	15.3	13.1	11.0
EV / Net Sales	10.3	8.4	7.3	6.4	5.5
Market Cap / Sales	8.1	6.8	6.0	5.4	4.8
Price to Book Value	9.0	7.5	6.3	5.1	4.2
Solvency Ratios (x)					
Debt / EBITDA	4.5	3.4	3.0	2.2	1.5
Debt / Equity	2.4	1.9	1.5	1.0	0.7

Source: Company, ICICI Direct Research

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