

Hotels

Aggregate revenue up 21% YoY

	Change YoY	Change QoQ
IH	16%	37%
EIH	26%	40%
CHALET	29%	21%
LEMONTRE	24%	27%
OBER	17%	23%
BRGD	22%	7%
PHNX	23%	36%
ITC	22%	34%
Aggregate	21%	34%

EBITDA performance (INR m)

	3QFY23	2QFY24	3QFY24
IH	5,972	3,548	7,324
EIH	2,090	1,429	3,244
CHALET	1,085	903	1,332
LEMONTRE	1,265	1,019	1,397
OBER	158	142	205
BRGD	211	402	446
PHNX	489	459	680
ITC	2,240	1,994	3,158
Aggregate	13,510	9,896	17,786

Leveraging favorable demand-supply dynamics

The hotel industry maintained its healthy performance in 3QFY24, mainly aided by an increase in the average room rate (ARR) and an improvement in occupancy (OR). In this report, we present the current demand scenario and key insights based on 3QFY24 results and management commentaries of our hotels basket, which includes major hotel players such as Indian Hotels (IH), Lemon Tree Hotels (LEMONTRE), Chalet Hotels (CHALET), EIH, Oberoi Realty (OBER), Brigade Enterprises (BRGD), The Phoenix Mills (PHNX), and ITC.

- During 3QFY24, ARR for our hotels basket (excluding ITC), grew ~13% YoY to INR12,981, while OR (excluding ITC) increased by 220bp YoY to 73.2%. Accordingly, the basket reported a strong financial performance as revenue/EBITDA grew ~21%/32% YoY. CHALET led the pack in terms of revenue growth (29% YoY), while BRGD reported the highest EBITDA growth of ~2.1x YoY.
- All the companies registered ARR growth (up ~7-19% YoY), with EIH/IH standalone leading the pack with 19%/17% YoY growth. Similarly, almost all the companies (except LEMONTRE) saw OR improvement, with CHALET/BRGD witnessing the highest gain (up 630bp/500bp YoY). LEMONTRE's OR dropped ~170bp YoY due to the opening of Aurika Mumbai (669 rooms).
- The industry is likely to sustain the healthy traction in 4QFY24 as well, with some of the major hotel companies indicating the continuation of a healthy demand scenario seen in Jan/Feb'24.
- We believe that growth in FY25 will be driven by favorable demand-supply dynamics in the industry and several demand catalysts, including the opening of new convention centers in NCR and Mumbai, spiritual and religious tourism, increase in weddings (MICE), improved connectivity, and an expected rebound in foreign tourist arrivals. Accordingly, ARR and OR should continue to increase, which will boost revenue per available room (RevPAR).

Healthy ARR growth drives performance; outlook remains optimistic

- The hotel industry witnessed another quarter of healthy performance in 3QFY24. ARR for our hotels basket (excluding ITC) grew ~13% YoY to INR12,981, while OR (excluding ITC) rose 220bp YoY to 73.2%.
- The healthy traction witnessed in 3QFY24 is likely to continue in 4QFY24 as well, with some of the major hotel companies indicating the continuation of a healthy demand scenario seen in Jan/Feb'24.
- The increasing domestic air passenger traffic and foreign tourist arrivals supported industry growth in 3QFY24. Domestic air passenger traffic grew 9% YoY to 39.1m in 3QFY24 and 4.5% YoY to ~12.54m in Jan'24. Foreign tourist arrivals grew 23%/20% YoY to ~0.81m/0.92m in Oct/Nov'23 (however, it was still ~14%/16% below pre-Covid levels of Oct/Nov'19).
- The industry also witnessed a significant boost from the wedding season. As per a survey of the Confederation of All India Traders (CAIT), the period of 23rd Nov'23 to 15th Dec'23 witnessed ~35 lakhs weddings, which generated revenue of ~INR4.25t for all the related sectors. Further, the survey expects ~INR5.5t worth of business from ~42 lakhs wedding to be held between 15th Jan'24 and 15th July'24.
- We believe that growth in FY25 will be supported by favorable demand-supply dynamics in the industry (tend to be even more favorable for the luxury segment which accounts for just 7% of the proposed supply) and several

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demand catalysts, including the opening of new convention centers in NCR and Mumbai, spiritual and religious tourism, improved connectivity, and an expected rebound in foreign tourist arrivals.

- Accordingly, growth momentum in OR and ARR should continue, leading to a strong performance for the majority of hotel companies in FY25.

CHALET recorded highest revenue and profitability growth in the pack

- In 3QFY24, aggregate revenue for our hotels basket grew 21% YoY to INR45.3b, primarily led by higher ARR. CHALET led the pack with 29% YoY growth, followed by EIH (26%) and LEMONTRE (24%).
- EBITDA for the basket came in at INR17.8b, up 32% YoY. BRGD registered the highest EBITDA growth of 2.1x YoY to INR446m, followed by EIH/ITC at 55%/41% to INR3.2b/INR3.15b.
- Adjusted net profit of our basket (excluding OBER/BRGD/PHNX/ITC; as segment-wise net profitability is not available) grew 30% YoY to INR8b. CHALET witnessed the highest net profit growth of ~69% YoY to INR706m, followed by EIH (up 63% YoY to INR2.4b).

Operational highlights: Higher ARR, better occupancy drive RevPAR

- All industry participants witnessed healthy YoY growth in RevPAR (up ~8-25%), led by an increase in ARR (up ~7-19%) and better OR. Almost all the companies saw improvements in both these parameters (except for LEMONTRE, whose OR dropped ~170bp YoY due to the opening of Aurika Mumbai).
- Among the pack, IH standalone achieved the highest RevPAR growth of 25% YoY, followed by EIH (23%) and PHNX (19%).
- RevPAR growth of 14%/25% YoY for **IH's** domestic network/standalone operations was led by ARR growth of 12%/17% and a 160bp/470bp rise in OR to 69.6%/76.8%.
- **LEMONTRE's** RevPAR grew 8% YoY to INR4,173, led by 10% growth in ARR to INR6,333. OR declined 170bp YoY to 65.9% due to the opening of Aurika, Mumbai Sky City (launched in Oct'23), and relatively poor OR in key cities, such as Pune and Bangaluru.
- **CHALET's** RevPAR jumped 18% YoY to INR7,826 in 3QFY24, led by 8% growth in ARR to INR10,974. The company saw a ~630bp YoY increase in OR to ~71.3%.
- RevPAR for **EIH's** domestic network hotels (including management contracts) rose 23% YoY to INR15,788, led by 19% growth in ARR. OR increased by 200bp YoY to 79% in 3QFY24.
- RevPAR of **OBER/BRGD/PHNX** grew 12%/15%/19% YoY to INR11,112/INR4,747/INR12,449, with ARR growing 7%/7%/16% YoY. OR grew by 200bp/500bp/230bp YoY to 82%/73%/82.7%.

Key management commentaries: Outlook remains strong

- **Industry-wide views:** 1) Demand is likely to surge at a CAGR of 8-10%, while the supply CAGR will be ~5-6% for the next five years. New supply in key markets (such as metro cities) is minimal. 2) New convention centers in Mumbai and New Delhi are playing a big role in demand. One event in Bharat Madapam/Jio Convention Center lead to full occupancy for all the nearby hotels. 3) Foreign tourist arrivals for Jan-Nov'23 were ~17% above the Jan-Nov'22 level, but they still remained below the pre-Covid level.

- **IH:** 1) IH witnessed a healthy demand in Jan'24, in line with the 3QFY24 level. Demand has also been strong in Feb'24. The management expects a healthy performance in 4QFY24 and has guided for a double-digit revenue growth in FY25. 2) The share of new and re-imagined businesses stood at ~8.1%/11% in consolidated revenue/EBITDA in 9MFY24. New and re-imagined businesses witnessed ~34% YoY revenue growth in 9MFY24 (~2x higher than that of the core enterprise business). IH expect these businesses to grow at ~30% p.a. going ahead. 3) IH will launch a new brand to accelerate growth in Tier 2 and Tier 3 cities. The price points (ARR) of new brand are likely to be higher than Ginger but lower than the ~INR10,000 mark (i.e., ~INR8,000-9,000). 4) Management contracts accounted for ~42% of the operational inventory. IH is on track to achieve INR4.5b of management fees in FY24. 5) The company is targeting a revenue of ~INR6b/INR10b from Ginger/TajSATs in FY25. 6) Its international business is doing well, with the UK and South Africa being profitable. In the US, the New York market has been a challenge (not recovered to pre-Covid level), while San Francisco is now stabilizing. 7) IH has already opened ~16 hotels in 9MFY24 and expects to open four more in 4QFY24. The company has a pipeline of ~85 hotels and the management expects to open ~two hotels per month. Management contracts account for 76% of the total pipeline. 8) IH is opening three hotels in Ayodhya (first hotel to open in less than 12 months, while the rest two will take ~20 months) and two hotels in Lakshadweep (will take ~3-5 years for construction).
- **LEMONTRE:** 1) LEMONTRE expects mid-teens ARR growth in FY25, with OR of over 70%. The company expects to incur a capex of ~INR1b/INR400-500m in FY25/FY26. 2) Currently, ~300 rooms are shut for renovations. The company expects to renovate even a larger part of the portfolio in the coming summers. LEMONTRE expects to complete the renovations in the majority of keys and premier hotels by Apr'25. 3) Aurika Mumbai Sky City (launched in Oct'23) saw OR of below 40% in 3QFY24. However, the management expects OR of ~60% for this hotel in 4QFY24. The hotel's OR is expected to be in line with the company average in FY25. Aurika Sky City can generate EBITDA margin of ~60%. 4) In 3Q, margins were dragged down by higher expenses of recently launched Aurika MIAL and higher expenses for planned renovations. 5) Aurika Shimla with over 100 keys is expected to open in 1QFY26. The company will incur a capex of INR800-900m for this hotel. 6) As of 31st Dec'23, total operational inventory comprised 100 hotels with 9,687 rooms and the pipeline comprised 55 hotels with 3,746 rooms.
- **EIH:** 1) The healthy RevPAR growth trend in Nov/Dec'23 continued in Jan'24. 2) The company believes that it is still underpriced in terms of room rates, especially in metro cities, and expects ARR to rise from current levels. 3) EIH maintains its target of opening ~50 new hotels by 2030. Going ahead, a larger number of hotels will come in leisure locations. However, the hotels coming in metro cities will be larger in size (i.e., higher keys per hotel). Margins generated by the company in the leisure hotel are significantly higher compared to any other hotels. 4) EIH is confident of sustaining margins seen in 9MFY24 in the future. 5) It will open a new hotel in Tirupati (~105 keys) and Vizag (~125 keys). These hotels are likely to be commissioned in less than three years.
- **CHALET:** 1) The company is targeting a double-digit ARR growth for corporate contracts in CY24. It is witnessing a ~12-20% hike for the negotiations completed

till date. 2) CHALET has incurred a capex of INR3b in 9MFY24. It plans to incur an additional capex of ~INR8b over the next 15 months. 3) The company has started leasing out its Powai building. It expects a major jump in revenue from leasing in 1QFY25, and it will continue to increase significantly on a sequential basis till 4QFY25. 4) The company has received OC for four residential towers, and OC for the remaining five towers is expected to come in next quarter.

Valuation and view: Resilient ARR and improvement in OR to drive growth

- OR and ARR should continue to see upward trends in 4QFY24/FY25, backed by favorable demand-supply dynamics and several demand catalysts, including the opening on new convention centers in NCR and Mumbai, spiritual and religious tourism, the increase in weddings, improved connectivity and an expected improvement in foreign tourist arrivals.
- We anticipate healthy growth to remain intact across hotels in FY25, aided by: 1) an increase in ARR across hotels owing to better demand and corporate rate hikes, 2) operating leverage, and 3) a favorable demand-supply scenario.
- We reiterate our **BUY** rating on **IH** with a TP of INR615 for FY26. We retain our **BUY** rating on **LEMONTRE** with a TP of INR170 for FY26.

Exhibit 1: IH – SoTP

Particulars	Methodology	Metrics	FY26	Multiple (x)	Value (INR m)	Value/ share (INR)
IHCL- ex JV/ Associate						
EV	EV/EBITDA (x)	EBITDA	30,590	25	7,66,282	539
Less: Net Debt					48,554	34
Less: Minority Interest					-6,601	-5
Sub Total					8,08,235	569
JV/Associate						
Taj GVK (IHCL's share - 25.5%) - JV	20% discount to MCAP	Attributable Mcap	4,592	0.8	3,674	3
Oriental Hotel (IHCL's share - 35.7%) - Associate	20% discount to MCAP	Attributable Mcap	8,639	0.8	6,912	5
Taj Sats	P/E (x)	PAT (51% holding)	1,374	40	54,949	39
Sub Total					65,535	46
Target Price					8,73,770	615

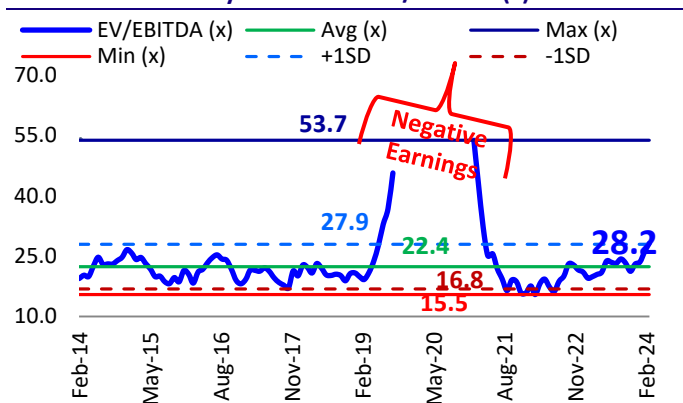
Source: MOFSL

Exhibit 2: LEMONTRE – SoTP

Particulars	FY26	
Standalone EBITDA	INRm	2,210
EV/EBIDTA Multiple	x	20
EV	INRm	44,205
Less: Standalone Net Debt	INRm	7,003
Target Value	INRm	37,202
Carnations EBITDA (Management Contract)	INRm	920
EV/EBIDTA Multiple	x	45
EV	INRm	41,405
Fluer's EBITDA	INRm	5,023
LemonTree's Share of Fluer EBITDA (58.91%)	INRm	2,959
EV/EBIDTA Multiple	x	20
EV	INRm	59,186
Less: LemonTree's Share of Fluer Net Debt	INRm	3,465
Target Value	INRm	55,721
Total Target Value	INRm	1,34,327
No. of shares	Mn	792
Target Price	INR	170

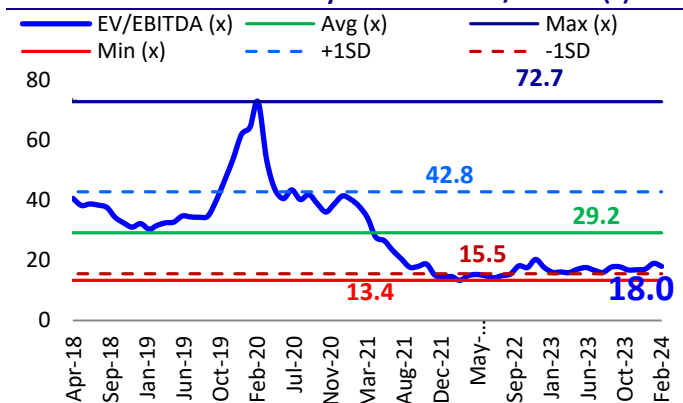
Source: MOFSL

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 grew 21% YoY and 34% QoQ in 3QFY24

(INR m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	Change YoY	Change QoQ
IH – standalone	7,409	5,936	7,612	7,503	10,616	11,311	8,904	8,929	12,806	21%	43%
IH – consolidated	11,112	8,721	12,661	12,326	16,858	16,254	14,664	14,332	19,638	16%	37%
EIH – consolidated	3,601	3,010	3,943	4,011	5,864	6,371	4,981	5,306	7,413	26%	40%
CHALET*	1,420	1,263	2,298	2,233	2,656	3,094	2,822	2,845	3,437	29%	21%
LEMONTRE	1,437	1,195	1,920	1,967	2,335	2,527	2,223	2,272	2,887	24%	27%
OBER	250	228	348	341	419	461	394	402	492	17%	23%
BRGD	626	553	899	917	1,006	1,101	1,016	1,142	1,227	22%	7%
PHNX	653	577	913	932	1,229	1,446	1,223	1,110	1,513	23%	36%
ITC	4,734	3,896	5,550	5,360	7,124	7,817	6,002	6,494	8,725	22%	34%
Aggregate (ex-IH standalone)	23833	19443	28532	28087	37491	39071	33324	33902	45331	21%	34%

*Hospitality Business only; Source: MOFSL

Exhibit 6: EBITDA performance

(INR m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	Change YoY	Change QoQ
IH – standalone	2,609	1,634	2,605	2,128	4,391	4,773	2,939	2,738	5,584	27%	104%
IH – consolidated	3,218	1,590	3,779	2,940	5,972	5,355	4,102	3,548	7,324	23%	106%
EIH – consolidated	859	190	995	847	2,090	2,042	1,555	1,429	3,244	55%	127%
CHALET*	367	290	950	811	1,085	1,473	1,159	903	1,332	23%	47%
LEMONTRE	633	368	924	936	1,265	1,399	1,045	1,019	1,397	10%	37%
OBER	60	56	136	111	158	208	145	142	205	30%	44%
BRGD	179	3	291	286	211	388	381	402	446	111%	11%
PHNX	193	124	318	347	489	650	477	459	680	39%	48%
ITC	1,170	320	1,800	1,560	2,240	2,720	2,035	1,994	3,158	41%	58%
Aggregate (ex-IH standalone)	6,678	2,942	9,193	7,837	13,510	14,235	10,898	9,896	17,786	32%	80%

*Hospitality Business only; Source: MOFSL

Exhibit 7: EBITDA margin trend

%	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	Change YoY	Change QoQ
IH – standalone	35%	28%	34%	28%	41%	42%	33%	31%	44%	223	1293
IH – consolidated	29%	18%	30%	24%	35%	33%	28%	25%	37%	187	1254
EIH – consolidated	24%	6%	25%	21%	36%	32%	31%	27%	44%	812	1682
CHALET*	26%	23%	41%	36%	41%	48%	41%	32%	39%	-210	700
LEMONTRE	44%	31%	48%	48%	54%	55%	47%	45%	48%	-575	357
OBER	24%	25%	39%	32%	38%	45%	37%	35%	42%	394	630
BRGD	29%	1%	32%	31%	21%	35%	38%	35%	36%	1537	115
PHNX	30%	21%	35%	37%	40%	45%	39%	41%	45%	516	360
ITC	25%	8%	32%	29%	31%	35%	34%	31%	36%	476	550
Aggregate (ex-IH standalone)	28%	15%	32%	28%	36%	36%	33%	29%	39%	320	1005

*Hospitality Business only; Source: MOFSL

Exhibit 8: PAT trend

(INR m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	Change YoY	Change QoQ
IH – standalone	1,266	1,120	1,489	1,159	2,832	3,112	1,882	1,806	3,804	34%	111%
IH – consolidated	837	619	1,769	1,123	3,826	3,283	2,224	1,669	4,520	18%	171%
EIH – consolidated	391	-238	539	511	1,459	1,228	1,037	931	2,372	63%	155%
CHALET*	-31	-88	296	145	419	577	967	364	706	69%	94%
LEMONTRE	-19	-132	174	168	400	440	235	226	354	-11%	56%
Aggregate	1,178	162	2,778	1,947	6,104	5,528	4,463	3,191	7,952	30%	149%

*Consolidated level; Source: Company, MOFSL

Exhibit 9: ARR trend

(INR)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	Change YoY	Change QoQ
IH – standalone	11,348	10,569	11,397	11,003	15,456	16,915	12,614	12,972	18,111	17%	40%
IH – domestic	8,089	7,671	8,315	7,929	10,565	11,220	9,128	8,826	11,792	12%	34%
EIH – consolidated	11,483	11,019	11,066	11,467	16,737	17,963	13,579	13,736	19,985	19%	45%
CHALET	5,078	5,429	7,457	7,930	10,168	11,304	10,317	9,610	10,974	8%	14%
LEMONTRE	3,901	4,093	4,822	4,917	5,738	5,824	5,237	5,268	6,333	10%	20%
OBER	6,918	7,166	9,116	9,546	12,344	13,723	11,602	11,686	13,269	7%	14%
BRGD	4,181	4,182	5,363	5,650	6,081	7,032	6,214	6,161	6,503	7%	6%
PHNX	7,195	7,340	9,808	9,778	13,006	14,822	12,531	11,669	15,061	16%	29%

NA - Data not available, Source: Company, MOFSL

Exhibit 10: Occupancy trend

(%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	Change YoY	Change QoQ
IH – standalone	67%	58%	70%	70%	72%	75%	75%	76%	77%	470	90
IH – domestic	63%	55%	65%	62%	68%	68%	67%	66%	70%	160	390
EIH – consolidated	63%	56%	72%	70%	77%	80%	70%	67%	79%	200	1,200
CHALET	60%	55%	78%	71%	65%	74%	70%	73%	71%	632	-168
LEMONTRE	58%	46%	65%	66%	68%	74%	70%	72%	66%	-170	-580
OBER	72%	75%	91%	83%	80%	84%	82%	84%	82%	200	-200
BRGD	59%	49%	71%	68%	68%	68%	67%	73%	73%	500	-
PHNX	74%	66%	77%	77%	80%	82%	79%	78%	83%	231	492

Source: Company, MOFSL

Exhibit 11: RevPAR trend

(INR)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	Change YoY	Change QoQ
IH – standalone	7,559	6,176	8,021	7,681	11,137	12,634	9,428	9,840	13,918	25%	41%
IH – domestic	5,070	4,183	5,424	5,016	7,184	7,605	6,126	5,795	8,212	14%	42%
EIH – consolidated	7,234	6,171	7,968	8,027	12,887	14,370	9,505	9,203	15,788	23%	72%
CHALET	3,035	2,973	5,794	5,650	6,640	8,363	7,222	7,015	7,826	18%	12%
LEMONTRE	2,246	1,888	3,138	3,255	3,879	4,286	3,678	3,775	4,173	8%	11%
OBER	5,001	5,397	8,326	7,891	9,961	11,558	9,525	9,830	11,112	12%	13%
BRGD	2,467	2,049	3,808	3,842	4,135	4,782	4,163	4,498	4,747	15%	6%
PHNX	5,329	4,875	7,596	7,540	10,450	12,207	9,864	9,070	12,449	19%	37%

Source: Company, MOFSL

Exhibit 12: Operational performance by region – LEMONTRE

Parameters by region (rooms)	Occupancy (%)		Change YoY (bp)	ARR		Change YoY (%)
	3QFY24	3QFY23		3QFY24	3QFY23	
Delhi (636)	81	81	0	6,803	6,090	12
Gurugram (529)	70	68	240	5,832	5,286	10
Hyderabad (663)	78	74	340	6,678	6,245	7
Bengaluru (874)	55	54	70	5,016	5,205	-4
Mumbai (972)	53	79	-2600	8,844	8,473	4
Pune (426)	65	69	-380	5,315	4,978	7
Rest of India (1,659)	68	64	330	5,822	5,317	10

Source: Company, MOFSL

Exhibit 13: Industry demand growth outpaces supply

Expected Rooms
Demand CAGR of

8-10%

In the next 5 years

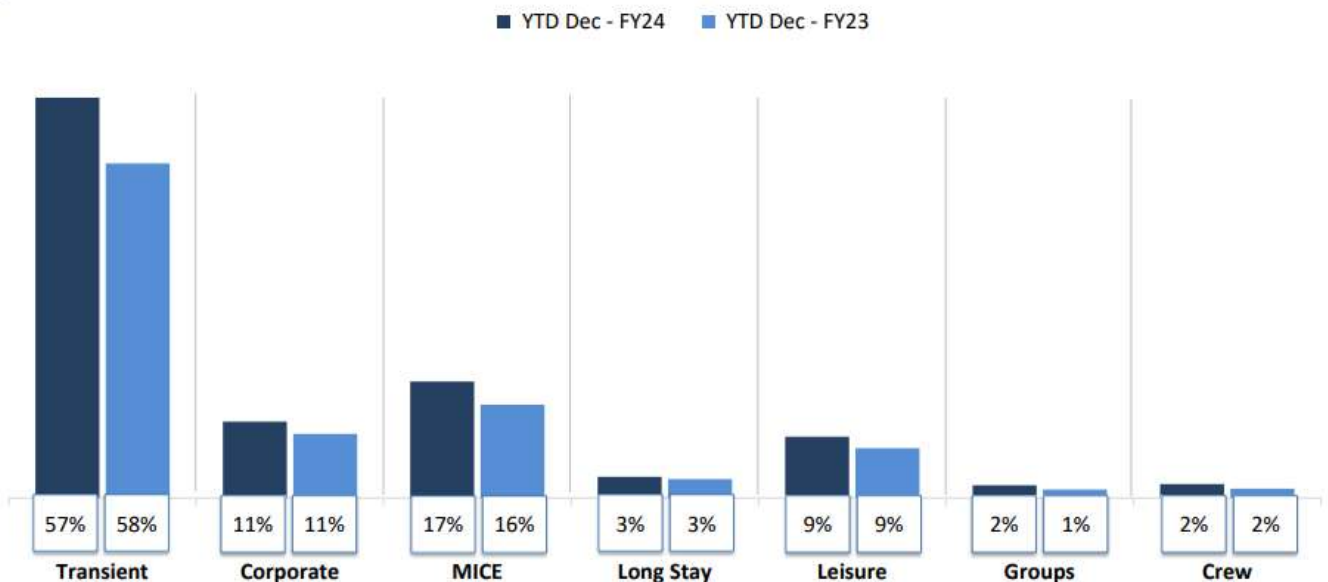


Hotel Supply To
Grow at CAGR of

5-6%

In the next 5 years

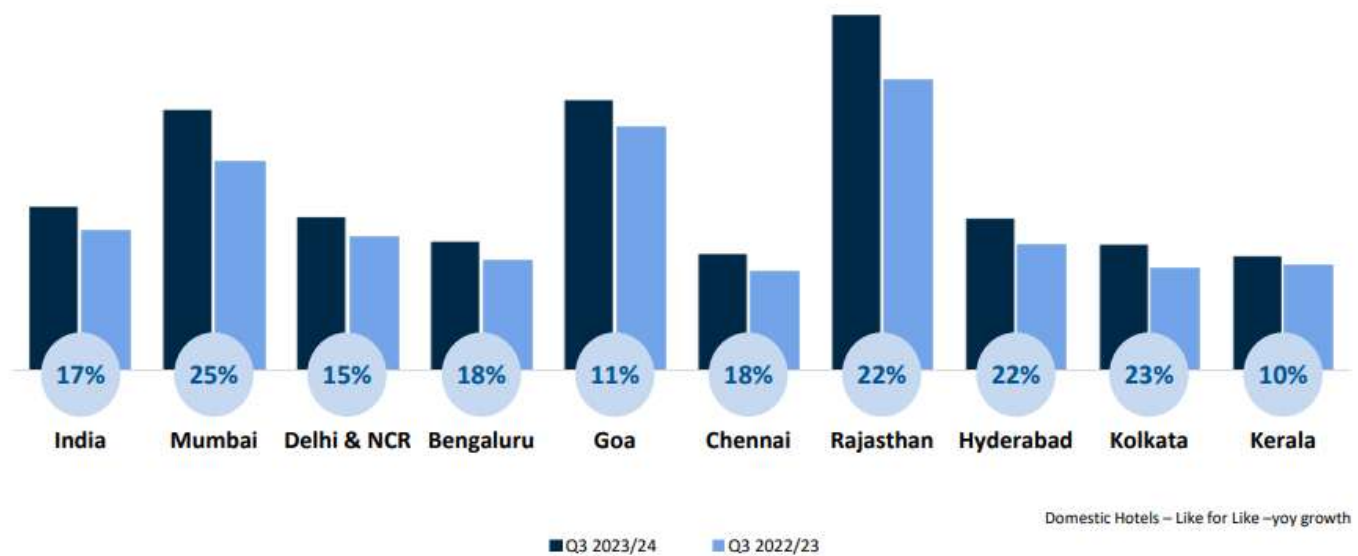
Source: Company, MOFSL

Exhibit 14: IH's market-wise growth in ARR across all hotels – 9MFY24 vs. 9MFY23

Includes all Hotels except Ginger

Source: Company, MOFSL

Exhibit 15: IH's witnessing strong RevPAR growth



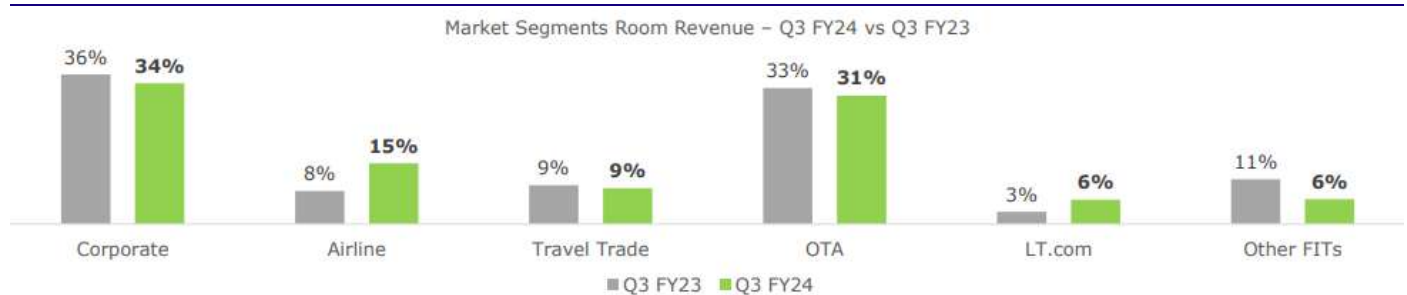
Source: Company, MOFSL

Exhibit 16: Indian hotels new and re-imagined business growing at 2x of core enterprise revenue.



Source: STR Global, Company, MOFSL

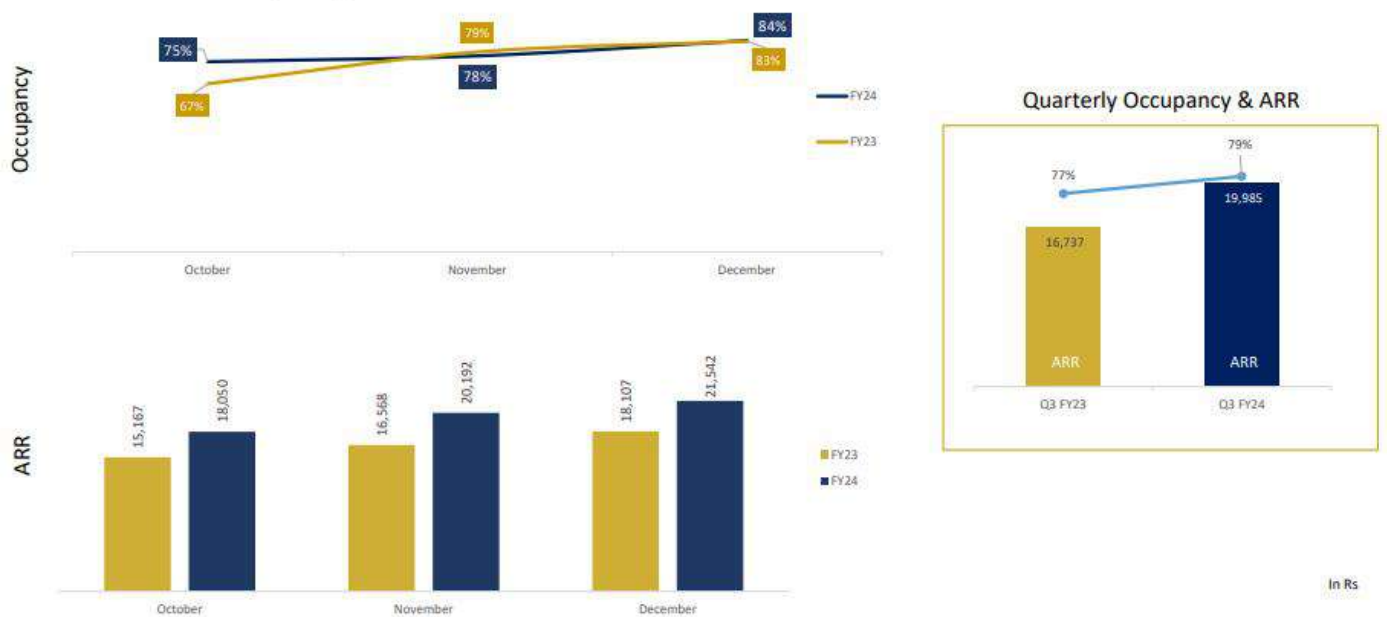
Exhibit 17: LEMONTRE's market segment-wise room revenue share



Source: Company, MOFSL

Exhibit 18: EIH's monthly ARR and OR trends

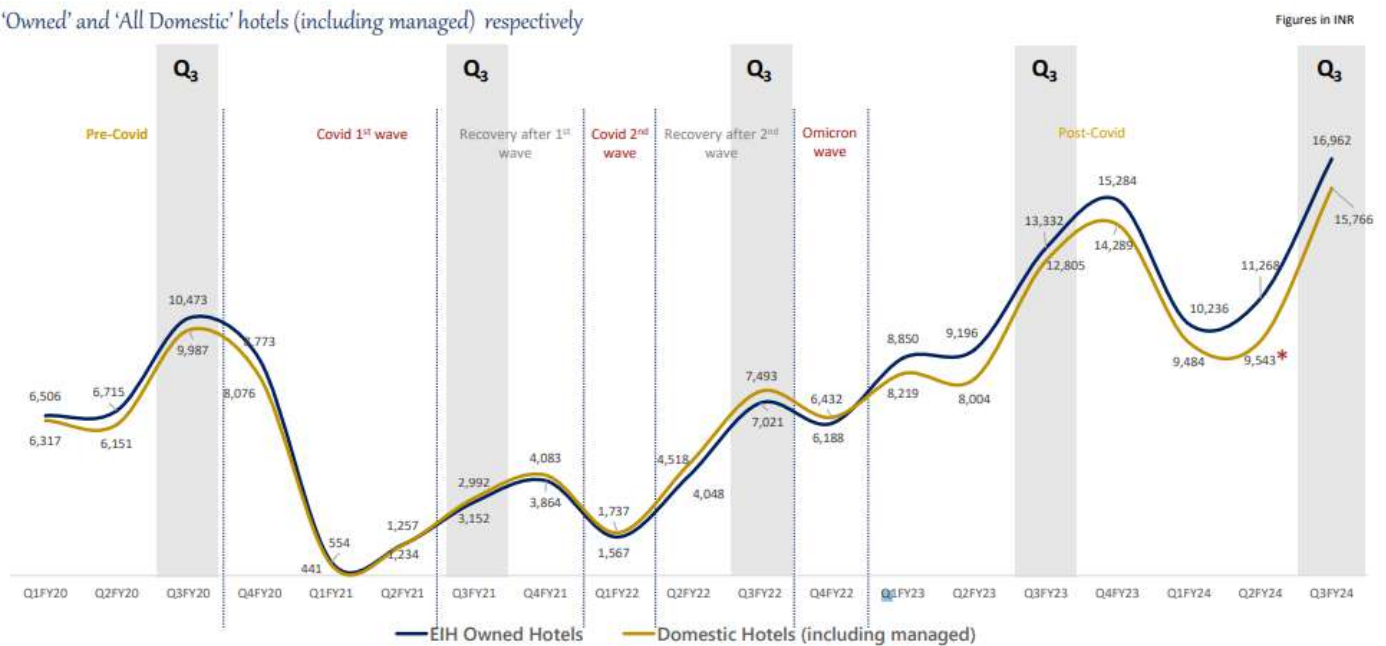
All Domestic Hotels including managed



Source: Company, MOFSL

Exhibit 19: RevPAR growth trajectory of EIH

'Owned' and 'All Domestic' hotels (including managed) respectively



Source: Company, MOFSL

IH – Financials & Valuations

Consolidated - Income Statement

(INRm)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Total Income from Operations	40,206	41,036	45,120	44,631	15,752	30,562	58,099	67,408	76,583	84,349
Change (%)	-0.1	2.1	10.0	-1.1	-64.7	94.0	90.1	16.0	13.6	10.1
Food and beverages consumed	3,640	3,764	4,041	3,706	1,438	2,572	4,729	5,274	5,973	6,495
Employees Cost	13,647	13,466	14,708	14,946	8,940	11,502	15,823	18,049	20,052	22,055
Power & Fuel Cost	2,586	2,591	2,736	2,699	1,729	2,250	3,486	3,910	4,442	4,808
Licence Fees	2,502	2,544	2,758	1,459	756	1,681	3,486	3,842	4,059	4,386
Other Expenses	11,736	11,967	12,580	12,147	6,506	8,509	12,530	14,728	15,605	16,015
Total Expenditure	34,110	34,332	36,823	34,956	19,369	26,515	40,054	45,803	50,131	53,759
% of Sales	84.8	83.7	81.6	78.3	123.0	86.8	68.9	67.9	65.5	63.7
EBITDA	6,096	6,704	8,297	9,675	-3,618	4,048	18,046	21,605	26,452	30,590
Margin (%)	15.2	16.3	18.4	21.7	-23.0	13.2	31.1	32.1	34.5	36.3
Depreciation	2,994	3,012	3,279	4,042	4,096	4,061	4,161	4,516	4,829	5,082
EBIT	3,102	3,692	5,019	5,633	-7,714	-13	13,885	17,089	21,623	25,508
Int. and Finance Charges	3,238	2,690	1,901	3,411	4,028	4,277	2,361	2,197	2,011	2,011
Other Income	549	617	834	1,324	1,647	1,552	1,389	1,818	1,761	1,940
PBT bef. EO Exp.	413	1,618	3,951	3,546	-10,095	-2,738	12,914	16,711	21,373	25,437
EO Items	-108	225	66	410	1,600	156	33	0	0	0
PBT after EO Exp.	306	1,843	4,017	3,955	-8,495	-2,582	12,946	16,711	21,373	25,437
Total Tax	1,137	1,211	1,571	448	-1,553	-358	3,232	4,844	6,412	7,631
Tax Rate (%)	372.2	65.7	39.1	11.3	18.3	13.9	25.0	29.0	30.0	30.0
Minority Interest	-200	-376	-422	-37	259	253	-312	-617	-648	-680
Reported PAT	-632	1,009	2,868	3,544	-7,201	-2,477	10,026	12,484	15,609	18,486
Adjusted PAT	-551	840	2,819	3,237	-8,401	-2,594	10,001	12,484	15,609	18,486
Change (%)	NA	NA	235.4	14.8	-359.5	-69.1	-485.5	24.8	25.0	18.4
Margin (%)	-1.4	2.0	6.2	7.3	-53.3	-8.5	17.2	18.5	20.4	21.9

Consolidated - Balance Sheet

(INRm)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	989	1,189	1,189	1,189	1,189	1,420	1,420	1,420	1,420	1,420
Total Reserves	24,188	40,622	42,291	42,379	35,295	69,202	78,399	89,746	1,04,219	1,21,569
Net Worth	25,177	41,811	43,480	43,568	36,484	70,623	79,820	91,167	1,05,640	1,22,990
Minority Interest	7,378	7,774	7,999	7,649	6,346	5,930	6,601	6,601	6,601	6,601
Total Loans	33,830	24,270	23,260	26,020	36,328	19,848	8,183	1,183	1,183	1,183
Lease Liability	0	0	0	18,987	18,464	18,604	22,760	22,760	22,760	22,760
Deferred Tax Liabilities	2,820	3,563	3,768	1,869	781	876	1,567	1,567	1,567	1,567
Capital Employed	69,206	77,418	78,506	98,093	98,403	1,15,880	1,18,930	1,23,278	1,37,751	1,55,100
Gross Block	57,923	63,356	69,051	73,316	81,772	85,655	89,962	95,805	1,02,174	1,08,147
Less: Accum. Deprn.	5,506	7,385	10,663	14,706	18,802	22,863	27,023	31,539	36,368	41,450
Net Fixed Assets	52,417	55,971	58,388	58,610	62,970	62,792	62,939	64,266	65,806	66,698
Goodwill on Consolidation	5,737	5,655	5,835	6,146	6,110	6,229	6,536	6,536	6,536	6,536
Right-of-Use assets				15,833	15,297	15,134	18,789	18,789	18,789	18,789
Capital WIP	2,227	1,970	1,162	2,441	1,650	1,933	3,242	3,898	4,030	3,556
Total Investments	12,437	15,965	13,351	14,266	14,832	19,668	18,910	18,910	18,910	18,910
Current Investment	908	3,305	2,112	4,362	4,486	9,025	7,573	7,573	7,573	7,573
Curr. Assets, Loans&Adv.	13,173	14,184	17,102	17,887	14,269	25,139	26,271	30,852	46,158	65,206
Inventory	804	857	804	936	929	1,008	1,092	1,380	1,511	1,620
Account Receivables	2,721	3,286	3,214	2,900	2,198	2,553	4,465	4,986	5,665	6,240
Cash and Bank Balance	2,471	2,703	2,409	3,156	1,536	11,878	10,534	12,352	25,198	42,164
Loans and Advances	7,177	7,338	10,675	10,895	9,605	9,700	10,180	12,133	13,785	15,183
Curr. Liability & Prov.	16,785	16,328	17,331	17,090	16,724	15,016	17,757	19,975	22,479	24,595
Account Payables	3,370	3,513	3,253	3,893	3,178	3,873	4,766	5,145	5,631	6,039
Other Current Liabilities	11,305	10,349	11,579	10,441	10,921	8,233	9,732	11,459	13,019	14,339
Provisions	2,110	2,465	2,500	2,756	2,625	2,909	3,259	3,370	3,829	4,217
Net Current Assets	-3,612	-2,143	-229	798	-2,456	10,123	8,514	10,877	23,679	40,611
Misc Expenditure	0	0	0	0	0	0	0	0	0	0
Appl. of Funds	69,206	77,418	78,507	98,093	98,403	1,15,880	1,18,930	1,23,278	1,37,751	1,55,100

IH – Financials & Valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic (INR)										
EPS	-0.4	0.6	2.0	2.3	-5.9	-1.8	7.0	8.8	11.0	13.0
Cash EPS	1.7	2.7	4.3	5.1	-3.0	1.0	10.0	12.0	14.4	16.6
BV/Share	17.7	29.4	30.6	30.7	25.7	49.7	56.2	64.2	74.4	86.6
DPS	0.2	0.2	0.4	0.4	0.4	0.4	0.6	0.8	0.8	0.8
Payout (%)	-53.9	41.9	25.3	20.5	-9.6	-28.0	8.5	9.1	7.3	6.1
Valuation (x)										
P/E	-1,288.1	845.1	251.9	219.4	-84.5	-273.7	71.0	56.9	45.5	38.4
Cash P/E	290.8	184.4	116.5	97.6	-165.0	484.4	50.1	41.8	34.7	30.1
P/BV	28.2	17.0	16.3	16.3	19.5	10.1	8.9	7.8	6.7	5.8
EV/Sales	18.6	17.9	16.3	16.5	47.4	23.4	12.2	10.4	8.9	7.9
EV/EBITDA	122.7	109.8	88.8	76.1	-206.4	176.7	39.2	32.3	25.9	21.8
Dividend Yield (%)	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
FCF per share	6.7	-0.1	1.4	1.7	-7.6	1.7	7.4	6.8	9.6	12.3
EV/ Adj Rooms (INRm)	79.2	75.3	73.7	71.4	72.4	68.2	67.0	64.9	58.7	54.2
EBITDA/ Room (INR)	4,129	4,341	5,193	6,039	-7,214	4,344	10,396	11,260	12,217	13,061
Return Ratios (%)										
RoE	-2.2	2.5	6.6	7.4	-21.0	-4.8	13.3	14.6	15.9	16.2
RoCE	3.8	4.6	5.9	6.8	-5.7	1.3	11.5	14.0	15.7	15.9
RoIC	-14.9	2.3	5.2	7.1	-7.9	0.0	12.4	13.9	17.0	19.8
Working Capital Ratios										
Fixed Asset Turnover (x)	0.7	0.6	0.7	0.6	0.2	0.4	0.6	0.7	0.7	0.8
Asset Turnover (x)	0.6	0.5	0.6	0.5	0.2	0.3	0.5	0.5	0.6	0.5
Inventory (Days)	7	8	7	8	22	12	7	7	7	7
Debtor (Days)	25	29	26	24	51	30	28	27	27	27
Creditor (Days)	31	31	26	32	74	46	30	28	27	26
Leverage Ratio (x)										
Current Ratio	0.8	0.9	1.0	1.0	0.9	1.7	1.5	1.5	2.1	2.7
Interest Cover Ratio	1.0	1.4	2.6	1.7	-1.9	0.0	5.9	7.8	10.8	12.7
Net Debt/Equity	1.2	0.4	0.4	0.4	0.8	0.0	-0.1	-0.2	-0.3	-0.4

Consolidated - Cash Flow Statement

(INRm)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	306	1,618	4,017	3,955	-10,095	-2,738	12,914	16,711	21,373	25,437
Depreciation	2,994	3,012	3,279	4,042	4,096	4,061	4,161	4,516	4,829	5,082
Interest & Finance Charges	3,015	2,073	1,068	2,087	2,381	2,725	972	379	250	71
Direct Taxes Paid	-868	-1,425	-1,571	-448	1,553	358	-3,232	-4,844	-6,412	-7,631
(Inc)/Dec in WC	-599	-1,033	323	-1,402	-2,722	2,155	1,633	-546	44	34
CF from Operations	4,848	4,246	7,115	8,235	-4,786	6,560	16,447	16,215	20,084	22,993
Others	498	675	0	0	1,600	156	33	0	0	0
CF from Operating incl EO	5,345	4,920	7,114	8,235	-3,187	6,716	16,480	16,215	20,084	22,993
(Inc)/Dec in FA	4,193	-5,094	-5,067	-5,855	-7,629	-4,286	-5,922	-6,500	-6,500	-5,500
Free Cash Flow	9,538	-174	2,048	2,380	-10,816	2,431	10,557	9,715	13,584	17,493
(Pur)/Sale of Investments	4,425	-1,462	2,614	-915	-566	-4,836	758	0	0	0
Others	496	912	-1,428	1,750	6,998	-7,303	3,719	1,818	1,761	1,940
CF from Investments	9,114	-5,644	-3,882	-5,019	-1,197	-16,425	-1,446	-4,682	-4,739	-3,560
Issue of Shares	0	14,999	0	0	0	231	0	0	0	0
Inc/(Dec) in Debt	-11,719	-9,498	-1,010	2,760	10,308	-16,481	-11,665	-7,000	0	0
Interest Paid	-1,637	-4,089	-1,901	-3,411	-4,028	-4,277	-2,361	-2,197	-2,011	-2,011
Dividend Paid	-458	-447	-725	-725	-693	-693	-852	-1,136	-1,136	-1,136
Others	0	-7	110	-1,093	-2,823	41,270	-1,500	617	648	680
CF from Fin. Activity	-13,814	957	-3,527	-2,470	2,764	20,050	-16,378	-9,716	-2,500	-2,467
Inc/Dec of Cash	645	233	-294	746	-1,620	10,342	-1,344	1,817	12,846	16,966
Opening Balance	1,826	2,471	2,704	2,409	3,156	1,536	11,878	10,534	12,352	25,198
Closing Balance	2,471	2,704	2,409	3,156	1,536	11,878	10,534	12,352	25,198	42,164

LEMONTRE – Financials & Valuations

Consolidated - Income Statement

(INRm)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Total Income from Operations	4,843	5,495	6,694	2,517	4,022	8,750	10,567	14,217	15,733
Change (%)	17.5	13.5	21.8	-62.4	59.8	117.5	20.8	34.5	10.7
F&B Consumed	436	498	570	178	279	499	598	853	912
Employees Cost	1,096	1,205	1,553	704	973	1,497	1,909	2,346	2,502
Other Expenses	1,949	2,104	2,137	1,022	1,432	2,230	3,040	4,022	4,165
Total Expenditure	3,481	3,807	4,260	1,905	2,683	4,226	5,546	7,221	7,579
% of Sales	71.9	69.3	63.6	75.7	66.7	48.3	52.5	50.8	48.2
EBITDA	1,362	1,688	2,434	613	1,339	4,524	5,020	6,996	8,154
Margin (%)	28.1	30.7	36.4	24.3	33.3	51.7	47.5	49.2	51.8
Depreciation	526	541	922	1,076	1,043	966	1,137	1,313	1,320
EBIT	836	1,146	1,512	-463	296	3,557	3,883	5,683	6,833
Int. and Finance Charges	784	847	1,565	1,817	1,740	1,772	2,039	1,940	1,493
Other Income	126	145	58	133	140	36	105	142	157
PBT bef. EO Exp.	178	445	5	-2,147	-1,304	1,822	1,950	3,885	5,498
EO Items	0	0	0	0	153	-48	0	0	0
PBT after EO Exp.	178	445	5	-2,147	-1,456	1,774	1,950	3,885	5,498
Total Tax	38	-111	109	-322	-72	377	465	926	1,310
Tax Rate (%)	21.3	-25.0	2220.8	15.0	5.0	21.3	23.8	23.8	23.8
MI/ share of profit from associates	-2	27	-9	-555	-510	251	227	559	925
Reported PAT	142	529	-95	-1,271	-874	1,146	1,258	2,400	3,263
Adjusted PAT	142	529	-95	-1,271	-760	1,182	1,258	2,400	3,263
Change (%)	NA	271.9	-118.0	1,232.4	-40.2	-255.5	6.4	90.8	36.0
Margin (%)	2.9	9.6	-1.4	-50.5	-18.9	13.5	11.9	16.9	20.7

Consolidated - Balance Sheet

(INRm)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	7,864	7,893	7,903	7,904	7,908	7,916	7,916	7,916	7,916
Total Reserves	284	857	1,986	1,272	404	621	1,879	4,279	7,542
Net Worth	8,148	8,750	9,889	9,176	8,312	8,537	9,795	12,195	15,458
Minority Interest	4,286	4,322	5,559	6,174	5,676	5,597	5,834	6,401	7,331
Total Loans	10,110	12,042	15,775	16,850	16,986	17,457	19,057	15,557	11,057
Lease Liability	0	0	4,619	4,671	4,247	4,253	4,253	4,253	4,253
Deferred Tax Liabilities	43	0	0	0	0	0	0	0	0
Capital Employed	22,588	25,114	35,841	36,870	35,223	35,844	38,939	38,406	38,100
Gross Block	16,044	18,068	35,073	35,016	34,637	34,666	43,666	43,844	44,184
Less: Accum. Deprn.	1,513	2,054	2,977	4,052	5,096	6,062	7,199	8,512	9,832
Net Fixed Assets	14,531	16,014	32,097	30,964	29,542	28,605	36,467	35,332	34,352
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	72	294	304
Total Investments	146	373	164	79	114	73	73	73	73
Current Investment	120	287	44	91	59	10	0	0	0
Curr. Assets, Loans&Adv.	4,247	4,693	2,521	3,737	2,776	2,873	3,378	4,406	5,185
Inventory	54	60	82	72	81	105	137	178	187
Account Receivables	525	844	503	308	291	560	666	857	948
Cash and Bank Balance	210	314	408	1,411	543	275	251	243	589
Loans and Advances	3,458	3,475	1,528	1,945	1,861	1,933	2,325	3,128	3,461
Curr. Liability & Prov.	1,994	2,605	1,786	1,278	1,128	1,479	2,002	2,651	2,766
Account Payables	811	958	842	788	585	668	988	1,286	1,350
Other Current Liabilities	1,140	1,592	877	412	319	730	866	1,166	1,259
Provisions	43	55	67	78	224	81	148	199	157
Net Current Assets	2,253	2,088	734	2,459	1,648	1,394	1,376	1,755	2,420
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	38,939	38,406	38,100

LEMONTRE – Financials & Valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic (INR)									
EPS	0.2	0.7	-0.1	-1.6	-1.0	1.5	1.6	3.1	4.2
Cash EPS	0.9	1.4	1.1	-0.2	0.4	2.7	3.1	4.8	5.9
BV/Share	10.4	11.2	12.7	11.7	10.6	10.9	12.5	15.6	19.8
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	759.1	204.1	-1,131.6	-84.9	-142.0	91.3	85.8	45.0	33.1
Cash P/E	161.5	100.9	130.5	-553.0	380.7	50.3	45.1	29.1	23.5
P/BV	13.2	12.3	10.9	11.8	13.0	12.6	11.0	8.8	7.0
EV/Sales	25.2	22.5	19.2	51.4	32.3	14.9	12.5	9.1	8.0
EV/EBITDA	89.6	73.3	52.9	211.3	97.1	28.9	26.4	18.5	15.4
EV/Room (INRm)	37.2	34.6	30.3	30.4	30.5	27.1	27.5	26.9	26.1
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	0.7	7.5	9.1
Return Ratios (%)									
RoE	1.8	6.3	-1.0	-13.3	-8.7	14.0	13.7	21.8	23.6
RoCE	3.8	4.4	4.5	-0.9	1.1	9.4	9.7	13.8	17.3
RoIC	3.8	5.0	4.4	-1.0	0.7	8.6	8.5	11.3	13.9
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	23	22	22
Creditor (Days)	61	64	46	114	53	28	34	33	31
Leverage Ratio (x)									
Current Ratio	2.1	1.8	1.4	2.9	2.5	1.9	1.7	1.7	1.9
Interest Cover Ratio	1.1	1.4	1.0	-0.3	0.2	2.0	1.9	2.9	4.6
Net Debt/Equity	1.2	1.3	1.5	1.7	2.0	2.0	1.9	1.2	0.7

Consolidated - Cash Flow Statement

(INRm)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	178	445	5	-2,147	-1,446	1,782	1,950	3,885	5,498
Depreciation	526	541	922	1,076	1,043	966	1,137	1,313	1,320
Interest & Finance Charges	658	702	1,507	1,685	1,786	1,773	1,933	1,798	1,335
Direct Taxes Paid	-38	111	-109	322	-17	-207	-465	-926	-1,310
(Inc)/Dec in WC	450	25	-754	-1,009	27	-403	-6	-387	-319
CF from Operations	1,775	1,824	1,572	-74	1,394	3,912	4,550	5,683	6,525
Others	-629	43	-62	-635	-41	-63	247	574	937
CF from Operating incl EO	1,145	1,867	1,510	-709	1,353	3,849	4,796	6,258	7,461
(Inc)/Dec in FA	-3,012	-3,004	-8,969	-465	-668	-1,618	-4,250	-400	-350
Free Cash Flow	-1,867	-1,138	-7,459	-1,174	685	2,231	546	5,858	7,111
(Pur)/Sale of Investments	-82	-228	210	85	132	8	0	0	0
Others	495	337	2,677	-276	-56	-1,222	105	142	157
CF from Investments	-2,600	-2,895	-6,082	-656	-591	-2,832	-4,145	-258	-193
Issue of Shares	52	29	10	1,750	8	17	0	0	0
Inc/(Dec) in Debt	2,124	1,931	3,733	1,075	134	471	1,600	-3,500	-4,500
Interest Paid	-784	-847	-1,565	-1,817	-1,400	-1,432	-2,039	-1,940	-1,493
Dividend Paid	0	0	0	0	0	0	0	0	0
Others	97	18	2,488	1,361	-372	-379	-237	-567	-931
CF from Fin. Activity	1,489	1,131	4,667	2,368	-1,630	-1,323	-676	-6,007	-6,923
Inc/Dec of Cash	35	103	94	1,003	-869	-306	-24	-7	346
Opening Balance	176	211	314	408	1,411	543	275	251	243
Closing Balance	211	314	408	1,411	543	275	251	243	589

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NOTES

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BUY	>=15%
SELL	< - 10%
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UNDER REVIEW	Rating may undergo a change
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