

Indian Hotels

Estimate change

TP change

Rating change

CMP: INR97
TP: INR111 (+15%)
Buy

Cost initiatives save the day

Broadly in-line operating performance

Bloomberg	IH IN
Equity Shares (m)	1,189
M.Cap.(INRb)/(USDb)	114.8 / 1.5
52-Week Range (INR)	158 / 62
1, 6, 12 Rel. Per (%)	-5/5/-37
12M Avg Val (INR M)	283

Financials & Valuations (INR b)

Y/E Mar	2020	2021E	2022E
Sales	44.6	19.5	41.6
EBITDA	9.7	-1.5	9.1
PAT	3.2	-6.5	1.0
EBITDA (%)	21.7	(7.9)	21.9
EPS (INR)	2.7	(5.4)	0.8
EPS Gr. (%)	14.8	NA	NA
BV/Sh. (INR)	36.6	31.6	31.8

Ratios

Net D/E	0.4	0.7	0.7
RoE (%)	7.4	(15.9)	2.6
RoCE (%)	6.8	(3.9)	5.5
Payout (%)	20.5	(5.1)	73.5

Valuations

P/E (x)	35.5	(17.7)	116.3
EV/EBITDA (x)	14.6	(96.9)	16.3
Div Yield (%)	0.5	0.2	0.5
FCF Yield (%)	2.1	(4.8)	3.8

Shareholding pattern (%)

As On	Sep-20	Jun-20	Sep-19
Promoter	40.8	40.8	39.1
DII	31.5	32.9	41.1
FII	10.5	10.9	0.0
Others	17.3	15.5	19.8

FII Includes depository receipts

- RevPAR performance for Indian Hotels (IHIN) standalone improved sequentially, led by improved occupancy levels. The company has been successful in generating an additional revenue stream (with higher EBITDA flow) without deploying additional resources.
- Cost reduction initiatives undertaken by IHIN have yielded results, wherein EBITDA (incl. other income) stood at INR130m for Sept'20 (v/s loss of INR600m/INR360m for July/Aug'20). This, in our view, is commendable.
- Factoring in the current demand scenario, we have increased our EBITDA loss (from INR966m to INR1,540m) for FY21, whereas we have maintained it for FY22. We maintain our Buy rating on the stock, with an SOTP-based TP of INR111.

Occupancy-led improvement in RevPAR

- Revenue declined 75% YoY to INR2,567m (est. INR3,022m), but grew 79% QoQ. EBITDA loss was broadly in line with our est. at INR1,503m v/s profit of INR1,605m reported last year (loss of INR2,660m in 1QFY21). The company reported net loss of INR2,454m v/s profit of INR715m last year.
- Total expenditure incurred (including lease cost) declined 51% YoY to INR4.4b; of the absolute cost reduction on a YoY basis, 70% (v/s 80% in 1QFY21) was a reduction in variable cost and the balance in fixed cost. 1HFY21 RM cost reduced by 82%, admin cost by 61%, power cost by 50%, fixed lease by 51%, and manpower cost by 40%. In 1HFY21, IHIN secured lease rental waivers of INR310m/INR370m/INR240m for standalone / subsidiaries / group companies, respectively.
- Standalone revenue de-grew by 72% YoY to INR1,652m; revenue grew 73% QoQ. On a QoQ basis, RevPAR improved significantly by 77% to INR1,751 due to an 11.8pp improvement in occupancy to 32.3% and ARR by 12% YoY to INR5,424. The ARR improvement was partly aided by a change in the customer mix away from quarantine guests / medical staff. EBITDA loss stood at INR877m v/s profit of INR1,209m last year (loss of INR1,619m in 1QFY21). It reported net loss of INR1,296m v/s profit of INR1,247m last year.
- Subsidiary (consol less standl) sales de-grew 78% YoY to INR915m (revenue grew 89% QoQ). Subsidiary EBITDA loss stood at INR626m v/s profit of INR396m last year (loss of INR1,041m in 1QFY21).
- In 1HFY21, revenue declined 80% YoY to INR4b, with EBITDA loss of INR4.2b, v/s profit of INR3.3b last year. In 1HFY21, net outflow from operating activity stood at INR5.1b v/s inflow of INR2.5b last year.

Highlights from management commentary

- Consol gross debt as of 2QFY21 stood at INR34.6b (v/s INR26b as of FY20 and INR29.7b as of 1QFY21). Consol net debt as of 2QFY21 stood at INR29.4b v/s INR19.1b as of FY20 (v/s INR23.3b). Gross debt increased QoQ, mainly due to the consolidation of Taj Cape Town debt and loss from business operations.

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- Ginger Hotels exhibited a strong performance, with revenue in 1HFY21 standing at 53% of last year. Occupancy at Ginger Hotels stood at 51% in Sept'20.
- In 1HFY21, company generated revenue of INR1,350m from new revenue initiatives (such as Qmin, 7Rivers Brewpub, and Hospitality@Home). It is to be noted that 60-70% would flow from the said initiatives.
- IHIN has signed eight hotels under a management contract in 1HFY21.

Valuation and view

- The Hotel industry has been the first to witness the COVID-19 impact, and would be the last to recover from it; demand recovery would happen in a phased manner.
- Near-term demand would remain under pressure as people would avoid traveling. Business travel would only happen in the utmost necessary situations, and MICE/exhibition demand would not exist as large gatherings would be restricted. Leisure travel has picked up at a faster pace post the relaxation of the lockdown; hence, people have started traveling to nearby locations through personal commuting vehicles.
- To ride out such times, the management laid down a new strategy during 4QFY20 and named it 'RESET 2020' (R: Revenue Growth Initiatives, E: Excellence Initiatives, S: Spend Optimization Initiatives, E: Effective Asset Management, T: Thrift & Financial Prudence).
- Quarterly performance was aided by the above initiatives, wherein IHIN has identified additional avenues for generating revenues and has also adopted cost initiatives, which have aided in reducing costs.
- While FY21 earnings would remain weak, we expect sharp recovery in FY22 on: a) a low base, b) improvement in ARR's once things normalize, c) improved occupancies, d) positivity in cost rationalization efforts in FY21, e) an increase in F&B income as banqueting/conferences resume, and f) higher income from management contract.
- Factoring in the current demand scenario, we have increased our EBITDA loss (from INR966m to INR1,540m) for FY21, whereas we have maintained it for FY22. We maintain our Buy rating on the stock, with an SOTP-based TP of INR111.

Consol. Quarterly Earnings

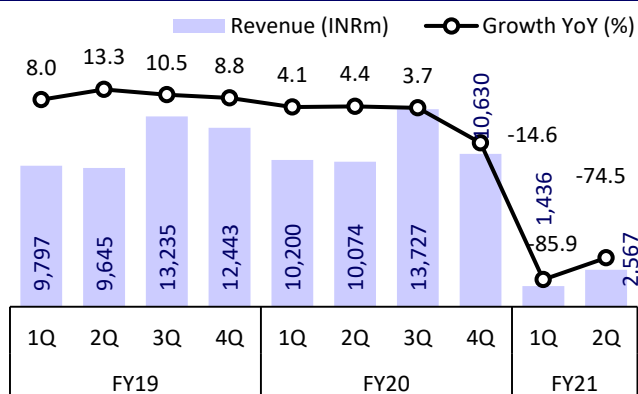
Y/E March	(INR m)											
	FY20				FY21				FY20	FY21	FY21	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Gross Sales	10,200	10,074	13,727	10,630	1,436	2,567	7,001	8,504	44,631	19,508	3,022	-15
YoY Change (%)	4.1	4.4	3.7	-14.6	-85.9	-74.5	-49.0	-20.0	-1.1	-56.3	-70.0	
Total Expenditure	8,466	8,470	9,470	8,551	4,096	4,070	6,110	6,772	34,956	21,048	4,619	
EBITDA	1,734	1,605	4,257	2,079	-2,660	-1,503	891	1,732	9,675	-1,540	-1,597	-6
Margins (%)	17.0	15.9	31.0	19.6	-185.2	-58.6	12.7	20.4	21.7	-7.9	-52.8	
Depreciation	1,004	999	1,008	1,031	1,001	1,028	1,060	1,080	4,042	4,170	1,070	
Interest	847	868	849	848	879	968	1,020	1,050	3,411	3,917	1,000	
Other Income	371	211	362	380	317	669	300	300	1,324	1,586	160	
PBT before EO expense	255	-52	2,762	581	-4,223	-2,831	-889	-98	3,546	-8,041	-3,507	
Extra-Ord expense	-23	3	12	-401	-861	-205	0	0	-410	-1,066	0	
PBT	277	-54	2,750	982	-3,362	-2,626	-889	-98	3,955	-6,975	-3,507	
Tax	176	-855	813	314	-693	-429	-293	-32	448	-1,448	-1,157	
Rate (%)	63.5	NA	29.6	32.0	20.6	16.3	33.0	33.0	11.3	20.8	33.0	
MI & Profit/Loss of Asso. Cos.	45	88	-94	-75	130	103	-50	-40	-37	143	47	
Reported PAT	57	713	2,031	743	-2,799	-2,300	-545	-25	3,544	-5,670	-2,397	
Adj PAT	39	715	2,040	442	-3,445	-2,454	-545	-25	3,237	-6,469	-2,397	2
YoY Change (%)	-78.3	148.8	55.7	-57.4	NA	NA	NA	-105.8	14.8	-299.9	NA	
Margins (%)	0.4	7.1	14.9	4.2	-239.9	-95.6	-7.8	-0.3	7.3	-33.2	-79.3	

Key Performance Indicators

Y/E March	FY20				FY21				FY20	FY21
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue Growth (%)										
Standalone	1.3	5.0	6.5	-14.8	-83.3	-72.4	-45.0	-15.0	(1.3)	(51.1)
Subs	8.0	3.7	-0.5	-14.1	-89.2	-77.6	-55.6	-30.4	(0.7)	(64.5)
EBITDA Margin (%)										
Standalone	19.2	20.2	37.1	29.7	(170.0)	(53.1)	17.4	27.1	27.7	(0.1)
Subs	14.2	9.7	21.0	(1.6)	(215.3)	(68.4)	3.1	3.1	12.0	(16.0)
Cost Break-up										
F&B Cost (% of sales)	8.3	8.4	8.5	7.9	6.4	8.5	10.0	9.0	8.3	9.1
Staff Cost (% of sales)	36.3	36.2	28.4	34.7	167.0	79.6	31.8	28.2	33.5	46.4
Other Cost (% of sales)	38.3	39.4	32.0	37.9	111.9	70.5	45.5	42.5	36.5	52.3
Gross Margins (%)	91.7	91.6	91.5	92.1	93.6	91.5	90.0	91.0	91.7	90.9
EBITDA Margins (%)	17.0	15.9	31.0	19.6	-185.2	-58.6	12.7	20.4	21.7	-7.9
EBIT Margins (%)	7.2	6.0	23.7	9.9	-254.9	-98.6	-2.4	7.7	12.6	-29.3

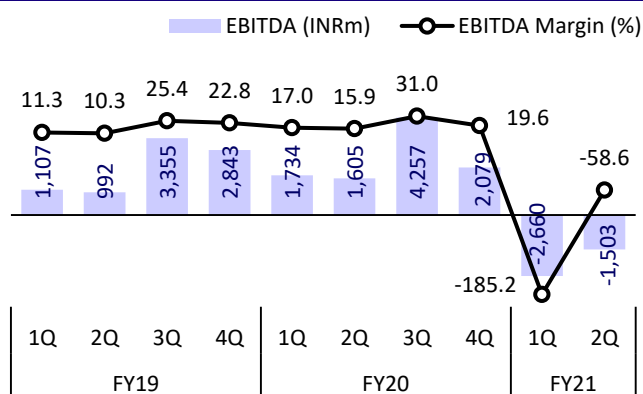
Key exhibits

Exhibit 1: Consolidated revenue trend



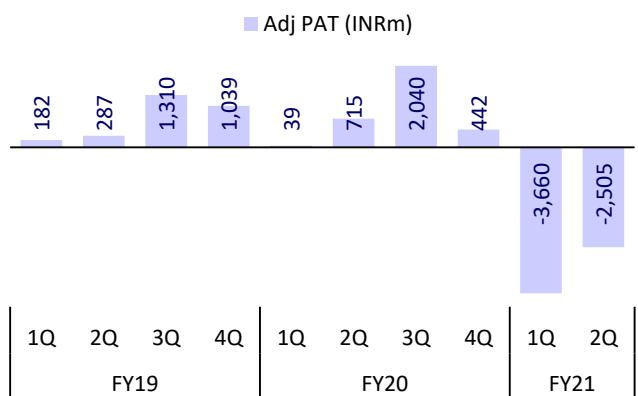
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



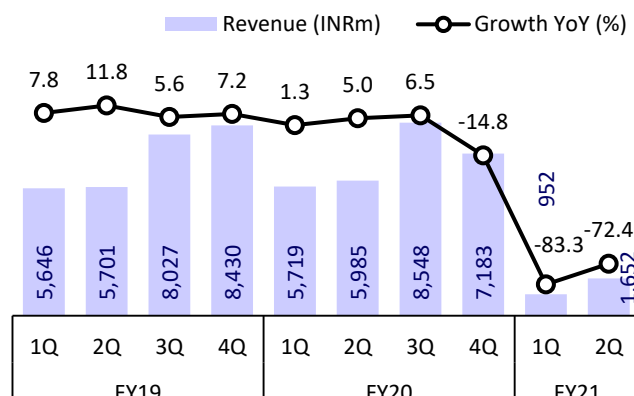
Source: Company, MOFSL

Exhibit 3: Consolidated adj. PAT trend



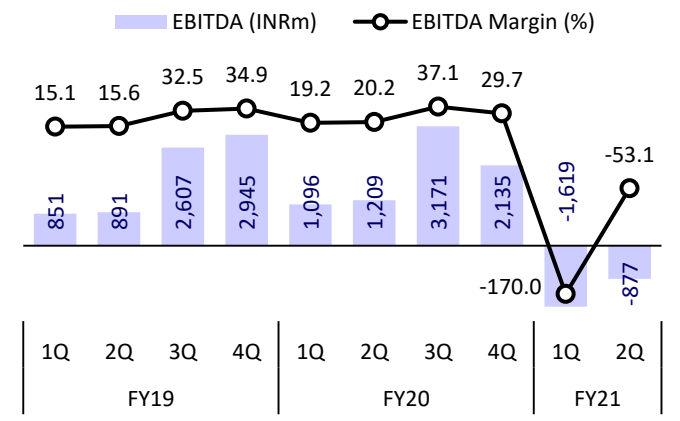
Source: Company, MOFSL

Exhibit 4: Standalone revenue trend



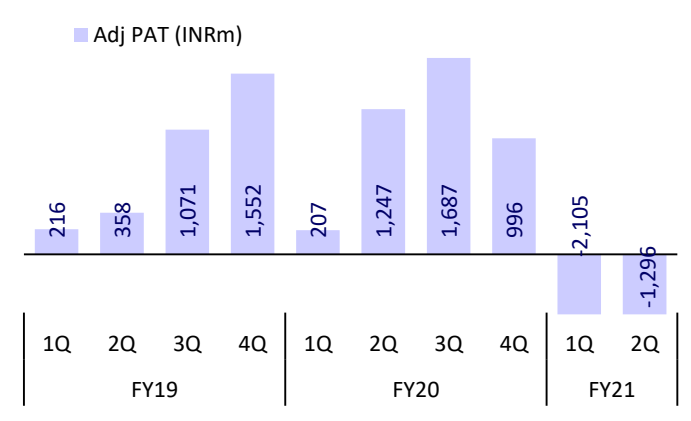
Source: Company, MOFSL

Exhibit 5: Standalone EBITDA trend



Source: Company, MOFSL

Exhibit 6: Standalone adj. PAT trend



Source: Company, MOFSL

Exhibit 7: R.E.S.E.T 2020 – IHIN’s response to COVID-19



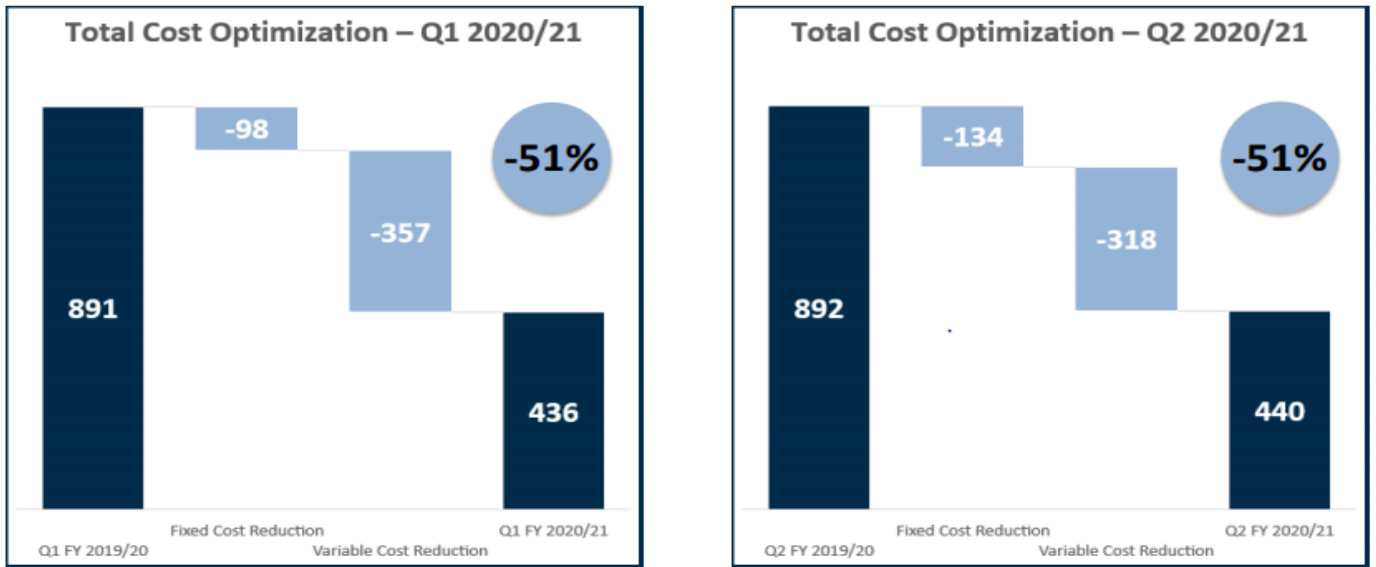
Source: Company, MOFSL

Exhibit 8: IHIN’s F&B innovations are yielding results

Qmin	1st Qmin Shop	Qmin Food Truck	Hospitality@Home 2.0	7Rivers Brewpub
34,000+ orders till date	launched at President –	To launch in 3 cities in	₹ 14 cr enterprise revenues	₹ 60L+ in revenue since launch
₹ 10 cr enterprise revenues in H1	IHCL SeleQtions	December	in H1 2020/21	on 25 th Sept. at Taj MG Road

Source: Company, MOFSL

Exhibit 9: Cost optimization gains gathered pace in 2Q



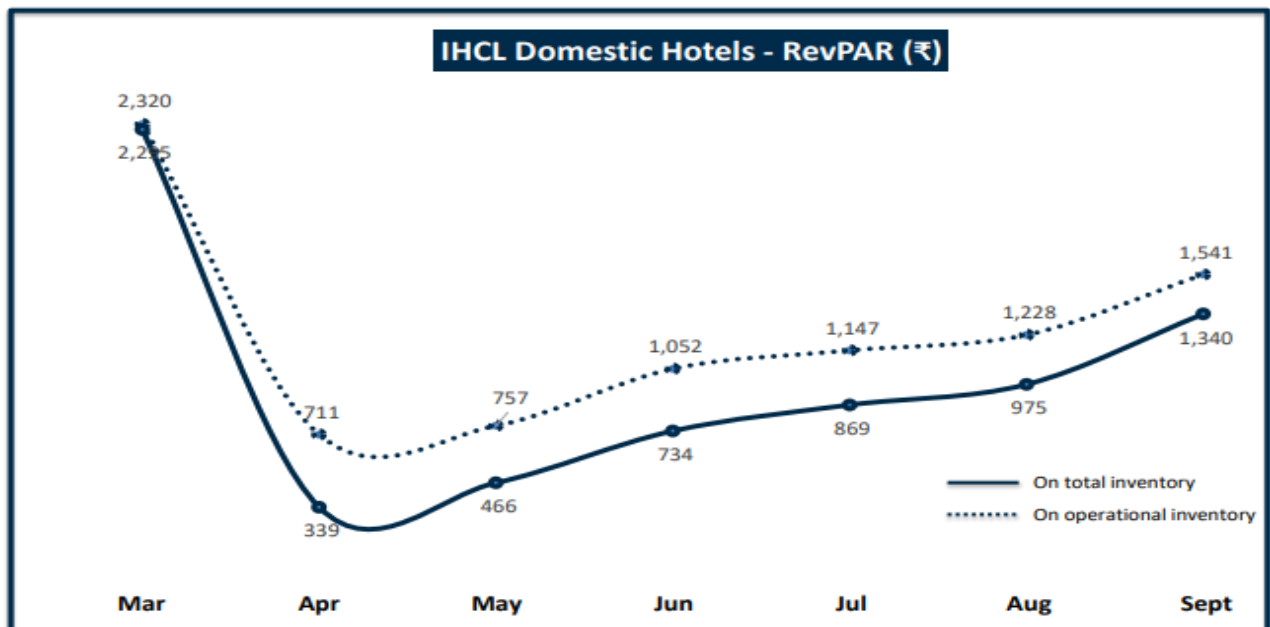
Source: Company, MOFSL

Exhibit 10: RESET 2020: Revenue/Cost Impact – 1HFY21



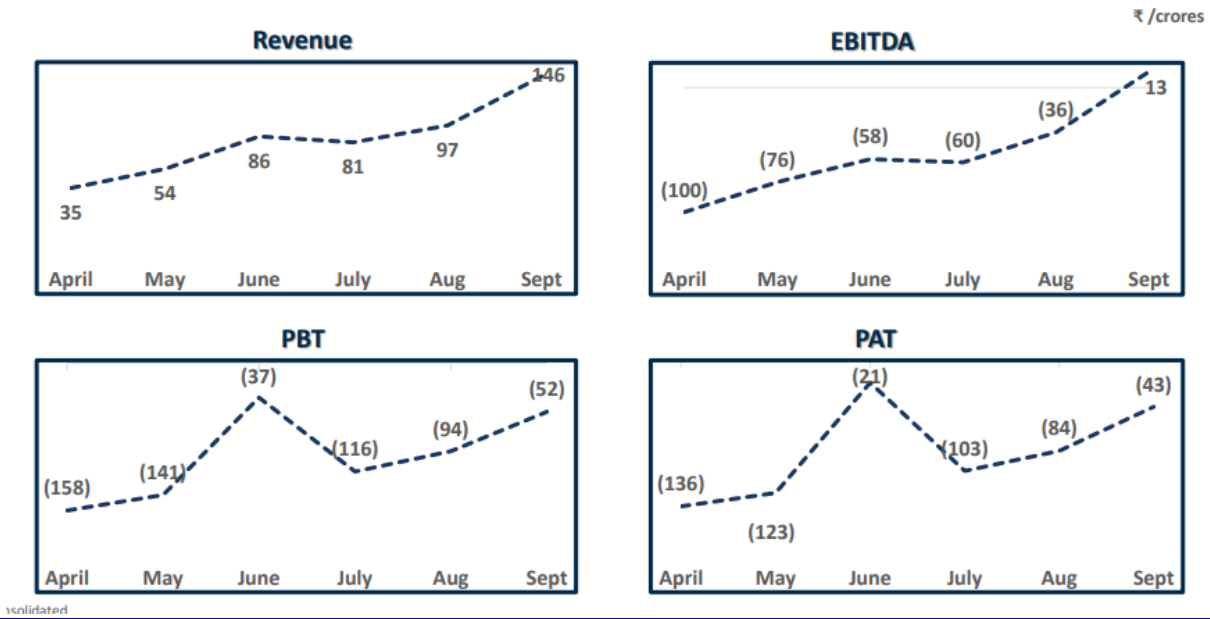
Source: Company, MOFSL

Exhibit 11: IHIN’s RevPAR for domestic hotels improved sequentially



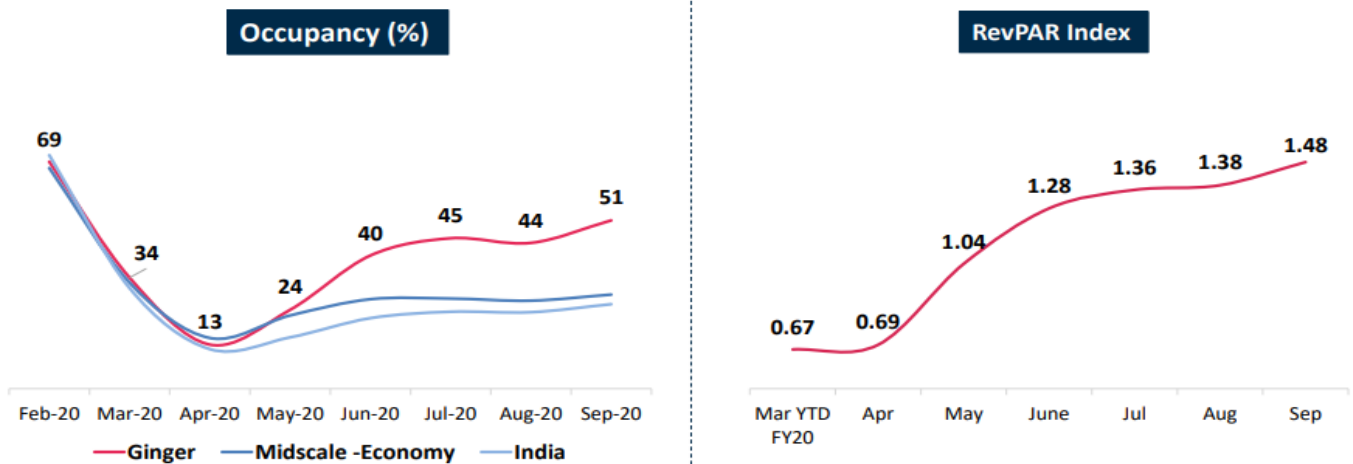
Source: Company, MOFSL

Exhibit 12: IHIN’s consol performance improved month over month



EBITDA include other income Source: Company, MOFSL

Exhibit 13: Ginger Hotels delivered significant outperformance



Source: Company, MOFSL

Exhibit 14: Debt position

Particulars	Standalone		Consolidated	
	2QFY21	4QFY20	2QFY21	4QFY20
Gross Debt (INRm)	24,990	19,430	34,620	26,020
Less: Liquidity (INRm)	-3,890	-5,400	-5,200	-6,870
Net Debt (INRm)	21,100	14,030	29,420	19,150
Weighted cost of Debt (%)	7.8	8.1	6.7	7.0
Net Debt to Equity (x)	0.50	0.31	0.68	0.37

Source: Company, MOFSL

Exhibit 15: IHIN’s standalone revenue metrics

Particulars	July'20	Aug'20	Sept'20	1QFY21	2QFY21	QoQ Ch %
Occupancy %	31.5	30.9	34.5	20.5	32.3	11.8pp
ARR	4,568	5,087	6,544	4,848	5,424	12%
RevPAR	1,439	1,572	2,258	992	1,751	77%
Revenue Mix						
Room Revenue	200	220	300	400	710	78%
F & B Revenue	110	170	200	200	480	140%
Other Revenue	230	250	470	570	960	68%
Total Revenue	540	640	970	1,170	2,150	84%

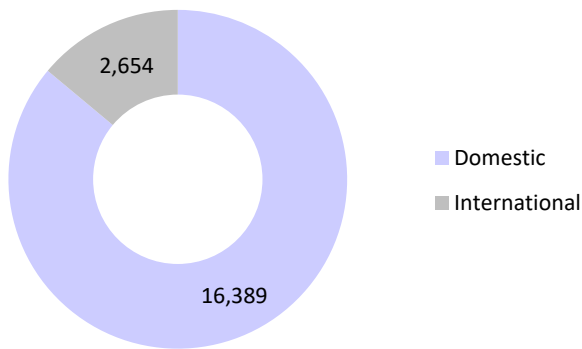
Source: Company, MOFSL

Exhibit 16: IHIN – Domestic Network Revenue Metrics

Particulars	July'20	Aug'20	Sept'20	1QFY21	2QFY21	QoQ Ch %
Occupancy %	26.0	26.8	32.4	15.3	28.4	13.1
ARR	3,344	3,645	4,140	3,357	3,741	11%
RevPAR	869	975	1,340	513	1,061	107%
Revenue Mix						
Room Revenue	410	480	640	750	1,540	105%
F & B Revenue	250	370	430	390	1,060	172%
Other Revenue	160	190	190	460	520	13%
Total Revenue	820	1,040	1,260	1,600	3,120	95%

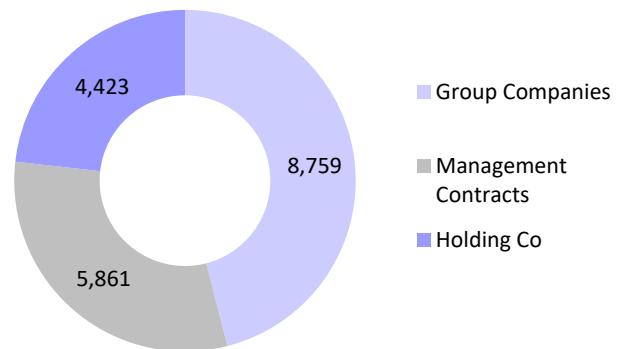
Source: Company, MOFSL

Exhibit 17: Inventory by Geography



Source: Company, MOFSL

Exhibit 18: Inventory by Contract type



Source: Company, MOFSL



Conference call highlights

- **Industry:** The global Tourism industry was one of the worst affected due to the lockdown, with an estimated loss of USD5t and ~200m job loss.
- In the Indian Hospitality sector, branded hotels lost ~INR312b in revenue, whereas unbranded hotels lost revenue of ~INR1,110b.
- **Hotel occupancy:** Hotel occupancies fell significantly to 7% in Apr'20 from 75% in Apr'19, with a 55–60% drop in average rates. Loss in hotel revenues over Jan–Dec'20 is estimated to be ~INR1,430b.
- **RESET'20 strategy:** In 1QFY21 IHIN initiated the RESET'20 strategy, under which it introduced several new revenue initiatives – Qmin Home delivery, Qmin Shop, Qmin Food Truck, Qmin Hospitality@Home, and 7 Rivers. Under Qmin Home Delivery / Qmin Hospitality@Home / 7 Rivers, the company achieved INR100m/INR140m/INR6m in revenue in 1HFY20. Other Qmin initiatives are also gaining traction.
- The average ticket size of Qmin's (F&B) orders for two people is INR3,500–4,000, and the food is sold at the same price as the restaurant food; hence, these businesses have very high margins. There is no additional cost to take Qmin orders (other than RM cost) as the same kitchen is used and the same chefs prepare the meal. Hence, incremental cost associated with these new initiatives is very low.
- **Unlocking the potential of the domestic business:** Under this new initiative (another new revenue source), IHIN managed to achieve revenue of INR270m in 1HFY21 (launched in June'20).
- **New hotel launches:** IHIN signed eight new hotels, thereby adding 740 rooms to its room inventory.
- **Cost rationalization:** In 2QFY21, it managed to reduced its variable/fixed cost by INR3,180m/INR134m YoY. A similar initiative was taken in 1QFY21 as well, where the company managed to reduce variable/fixed cost by INR3,570/INR980m YoY. Of the 51% YoY drop in total expenditure (in 2QFY21), a significant drop was seen in RM/Admin/Fixed lease expenses by 82%/61%/51% YoY.
- **Lease rental waivers:** In 1HFY21, IHIN managed to achieve significant lease rental waivers to the tune of INR310m/INR370m/INR240m under IHIN / subsidiaries / group companies. Of this, an INR420m benefit was received in 1HFY21. Also, IHIN managed to reduce corporate overheads by 28% YoY in 1HFY21 (by INR430m) on the back of prudent corporate spending, redeployments, and restructuring.
- **RevPAR:** RevPAR across portfolios fell to its lowest level of INR339 in Apr'20 from INR2,320 (on total inventory) in Mar'20. However, with an increase in demand and the effect of the pandemic gradually subsiding, RevPAR is gradually growing and increased by INR1,001 to INR1,340 (as of Sept'20) from its lowest level in Apr'20.
- **Industry RevPAR:** Compared with the industry, IHIN's RevPAR increased by 2.1x to INR1,061 over Jun–Sept'20; the corresponding increase in industry RevPAR was 1.7x to INR796 for the same period.

- **Ginger occupancy:** Ginger Hotels was the first to see a strong surge in occupancy rates from its lowest level (in Apr'20). Occupancy rates at Ginger Hotels increased to 51% in Sept'20 from 13% in Apr'20.
- **Other highlights:** Domestic air traffic has improved significantly in the last three months on the back of a surge in domestic tourism, and is expected to continue its growth trajectory. Air traffic increased by 40% in Sept'20 v/s Aug'20. Going forward, leisure travel is expected to pick up faster than corporate travel, part of which is due to an increase in 'revenge travel'.
- Travel has picked up for the MSME business, which has thus aided performance in Ginger.
- The company would be cash positive from Nov'20.
- The Goa hotel of IHIN is operating at 80% occupancy for the last 4–6 weeks, but hotels at business locations are operating at 40% (some hotels would be operating at 60%).
- **International hotels:** Hotels in Dubai are doing very well because of the IPL (Indian Premier League) tournament. US and Cape Town hotels opened up in October, and demand is expected to pick up in the next 2–3 months. Hotels in Sri Lanka and London have resumed, but the London hotel was closed once again due to the re-imposition of lockdown. Certain packages are announced by the US and UK governments as the resultant impact on the business is low.

Valuation

- The Hotel industry has been the first to witness the COVID-19 impact, and would be the last to recover from it; demand recovery would happen in a phased manner.
- Near-term demand would remain under pressure as people would avoid traveling. Business travel would only happen in the utmost necessary situations, and MICE/exhibition demand would not exist as large gatherings would be restricted. Leisure travel has picked up at a faster pace post the relaxation of the lockdown; hence, people have started traveling to nearby locations through personal commuting vehicles.
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Exhibit 19: Valuation methodology

Particulars	Methodology	Metrics	FY22E	Multiple (x)	Value (INR m)	Value/sh (INR)
IHCL- ex JV/ Associate						
EV	EV/EBITDA (x)	EBITDA	9,120	18.0	1,64,158	138
Less: Net Debt					-26,382	(22)
Less: Minority Interest					-8,510	(7)
Sub Total					1,29,266	109
JV/Associate						
Taj GVK (IHCL's share - 25.5%) - JV	20% discount to MCAP	Attributable Mcap	2,021	0.8	1,617	1.4
Oriental Hotel (IHCL's share - 35.7%) - Associate	20% discount to MCAP	Attributable Mcap	1,225	0.8	980	0.8
Sub Total					2,596	2.2
Target Price					1,31,863	111
CMP						97
Upside (%)						15%

Source: MOFSL

Exhibit 20: Change in estimates

Earnings Change (INR m)	Old		New		Change	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Revenue	22,793	41,292	19,508	41,620	-14%	1%
EBITDA	-966	9,064	-1,540	9,120	NA	1%
Adj. PAT	-6,211	959	-6,469	986	NA	3%

Source: MOFSL

Financials and valuations

Consolidated – Income Statement

	(INR m)						
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Total Income from Operations	40,230	40,206	41,036	45,120	44,631	19,508	41,620
Change (%)	-4.0	-0.1	2.1	10.0	-1.1	-56.3	113.4
Total Expenditure	34,709	34,110	34,332	36,823	34,956	21,048	32,500
% of Sales	86.3	84.8	83.7	81.6	78.3	107.9	78.1
EBITDA	5,521	6,096	6,704	8,297	9,675	-1,540	9,120
Margin (%)	13.7	15.2	16.3	18.4	21.7	-7.9	21.9
Depreciation	2,848	2,994	3,012	3,279	4,042	4,170	4,358
EBIT	2,673	3,102	3,692	5,019	5,633	-5,710	4,761
Int. and Finance Charges	3,756	3,238	2,690	1,901	3,411	3,917	4,301
Other Income	997	549	617	834	1,324	1,586	1,235
PBT bef. EO Exp.	-86	413	1,618	3,951	3,546	-8,041	1,696
EO Items	-827	-108	225	66	410	1,066	0
PBT after EO Exp.	-913	306	1,843	4,017	3,955	-6,975	1,696
Total Tax	906	1,137	1,211	1,571	448	-1,448	560
Tax Rate (%)	-99.3	372.2	65.7	39.1	11.3	20.8	33.0
Minority Interest	493	-200	-376	-422	-37	143	150
Reported PAT	-2,312	-632	1,009	2,868	3,544	-5,670	986
Adjusted PAT	-1,692	-551	840	2,819	3,237	-6,469	986
Change (%)	NA	NA	NA	235.4	14.8	-299.9	-115.2
Margin (%)	-4.2	-1.4	2.0	6.2	7.3	-33.2	2.4

Consolidated – Balance Sheet

	(INR m)						
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Equity Share Capital	989	989	1,189	1,189	1,189	1,189	1,189
Total Reserves	24,813	24,188	40,622	42,291	42,379	36,418	36,679
Net Worth	25,803	25,177	41,811	43,480	43,568	37,608	37,869
Minority Interest	7,429	7,378	7,774	7,999	7,649	7,649	7,649
Total Loans	45,260	33,830	24,270	23,260	26,020	35,020	34,520
Lease Liability	0	0	0	0	18,987	18,987	18,987
Deferred Tax Liabilities	2,382	2,820	3,563	3,768	1,869	1,869	1,869
Capital Employed	80,874	69,206	77,418	78,506	98,093	1,01,132	1,00,893
Gross Block	64,751	57,923	63,356	69,051	73,316	78,796	83,248
Less: Accum. Deprn.	2,661	5,506	7,385	10,663	14,706	18,876	23,234
Net Fixed Assets	62,090	52,417	55,971	58,388	58,610	59,920	60,014
Goodwill on Consolidation	5,527	5,737	5,655	5,835	6,146	6,146	6,146
Right-of-Use assets					15,833	15,833	15,833
Capital WIP	2,900	2,227	1,970	1,162	2,441	2,441	2,988
Total Investments	15,152	12,437	15,965	13,351	14,266	14,266	14,266
Curr. Assets, Loans&Adv.	12,305	13,173	14,184	17,102	17,887	10,238	17,003
Inventory	802	804	857	804	936	460	710
Account Receivables	2,420	2,721	3,286	3,214	2,900	1,336	2,737
Cash and Bank Balance	1,825	2,471	2,703	2,409	3,156	3,858	3,776
Loans and Advances	7,258	7,177	7,338	10,675	10,895	4,584	9,781
Curr. Liability & Prov.	17,099	16,785	16,328	17,331	17,090	7,711	15,357
Account Payables	3,240	3,370	3,513	3,253	3,893	1,859	2,871
Other Current Liabilities	11,846	11,305	10,349	11,579	10,441	4,877	10,405
Provisions	2,013	2,110	2,465	2,500	2,756	975	2,081
Net Current Assets	-4,794	-3,612	-2,143	-229	798	2,527	1,646
Appl. of Funds	80,874	69,206	77,418	78,506	98,093	1,01,132	1,00,893

Financials and valuations

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Basic (INR)							
EPS	-1.4	-0.5	0.7	2.4	2.7	-5.4	0.8
Cash EPS	1.0	2.1	3.2	5.1	6.1	-1.9	4.5
BV/Share	21.7	21.2	35.2	36.6	36.6	31.6	31.8
DPS	0.0	0.2	0.3	0.5	0.5	0.2	0.5
Payout (%)	0.0	-53.9	41.9	25.3	20.5	-5.1	73.5
Valuation (x)							
P/E	NA	NA	136.6	40.7	35.5	-17.7	116.3
Cash P/E	99.3	47.0	29.8	18.8	15.8	-49.9	21.5
P/BV	4.4	4.6	2.7	2.6	2.6	3.1	3.0
EV/Sales	4.1	3.8	3.4	3.1	3.2	7.6	3.6
EV/EBITDA	29.7	25.0	21.0	17.1	14.6	-96.9	16.3
Dividend Yield (%)	0.0	0.3	0.3	0.5	0.5	0.2	0.5
FCF per share	2.1	8.0	-0.1	1.7	2.0	-4.7	3.7
EV/ Adj Rooms (INRm)	17.5	16.0	14.3	14.0	13.5	13.9	13.6
EBITDA/ Room (INR)	3,710	4,107	4,313	5,157	5,892	-1,791	5,874
Return Ratios (%)							
RoE	-7.0	-2.2	2.5	6.6	7.4	-15.9	2.6
RoCE	3.4	3.8	4.6	5.9	6.8	-3.9	5.5
RoIC	8.9	-14.9	2.3	5.2	7.1	-5.7	4.0
Working Capital Ratios							
Fixed Asset Turnover (x)	0.6	0.7	0.6	0.7	0.6	0.2	0.5
Asset Turnover (x)	0.5	0.6	0.5	0.6	0.5	0.2	0.4
Inventory (Days)	7	7	8	7	8	9	6
Debtor (Days)	22	25	29	26	24	25	24
Creditor (Days)	29	31	31	26	32	35	25
Leverage Ratio (x)							
Current Ratio	0.7	0.8	0.9	1.0	1.0	1.3	1.1
Interest Cover Ratio	0.7	1.0	1.4	2.6	1.7	-1.5	1.1
Net Debt/Equity	1.6	1.2	0.4	0.4	0.4	0.7	0.7

Consolidated – Cash Flow Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
OP/(Loss) before Tax	-912	306	1,618	4,017	3,955	-8,041	1,696
Depreciation	2,848	2,994	3,012	3,279	4,042	4,170	4,358
Interest & Finance Charges	3,293	3,015	2,073	1,068	2,087	2,331	3,066
Direct Taxes Paid	-900	-868	-1,425	-1,571	-448	1,448	-560
(Inc)/Dec in WC	948	-599	-1,033	323	-1,402	-1,027	798
CF from Operations	5,278	4,848	4,246	7,115	8,235	-1,120	9,359
Others	910	498	675	0	0	1,066	0
CF from Operating incl EO	6,188	5,345	4,920	7,114	8,235	-54	9,359
(Inc)/Dec in FA	-3,657	4,193	-5,094	-5,067	-5,855	-5,480	-5,000
Free Cash Flow	2,531	9,538	-174	2,048	2,380	-5,534	4,359
(Pur)/Sale of Investments	5,028	4,425	-1,462	2,614	-915	0	0
Others	1,196	496	912	-1,428	1,750	1,586	1,235
CF from Investments	2,567	9,114	-5,644	-3,882	-5,019	-3,894	-3,765
Issue of Shares	0	0	14,999	0	0	0	0
Inc/(Dec) in Debt	-9,850	-11,719	-9,498	-1,010	2,760	9,000	-500
Interest Paid	-1,880	-1,637	-4,089	-1,901	-3,411	-3,917	-4,301
Dividend Paid	-235	-458	-447	-725	-725	-290	-725
Others	-1	0	-7	110	-1,093	-143	-150
CF from Fin. Activity	-11,966	-13,814	957	-3,527	-2,470	4,651	-5,676
Inc/Dec of Cash	-3,211	645	233	-294	746	702	-82
Opening Balance	5,036	1,826	2,471	2,704	2,409	3,156	3,858
Closing Balance	1,825	2,471	2,704	2,409	3,156	3,858	3,776

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

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