

Indian Hotels

Estimate change	↔
TP change	↔
Rating change	↔

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Bloomberg	IH IN
Equity Shares (m)	1420
M.Cap.(INRb)/(USDb)	546.8 / 6.7
52-Week Range (INR)	405 / 256
1, 6, 12 Rel. Per (%)	-4/23/30
12M Avg Val (INR M)	1817

Financials & Valuations (INR b)

Y/E Mar	2023	2024E	2025E
Sales	58.1	67.5	74.2
EBITDA	18.0	22.1	25.4
PAT	10.0	12.6	14.6
EBITDA (%)	31.1	32.8	34.2
EPS (INR)	7.0	8.9	10.3
EPS Gr. (%)	485.5	26.1	16.0
BV/Sh. (INR)	56.2	64.3	73.8

Ratios

Net D/E	(0.1)	(0.2)	(0.3)
RoE (%)	13.3	14.7	14.9
RoCE (%)	11.5	14.4	15.0
Payout (%)	8.5	9.0	7.8

Valuations

P/E (x)	54.7	43.4	37.4
EV/EBITDA (x)	30.1	24.1	20.6
Div Yield (%)	0.2	0.2	0.2
FCF Yield (%)	1.9	1.8	2.4

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	38.2	38.2	38.2
DII	24.2	27.6	29.7
FII	21.6	18.2	15.1
Others	16.0	16.0	17.1

FII Includes depository receipts

CMP: INR385 TP: INR440 (+14%) Buy

Occupancy remains intact sequentially on better demand

Operating performance in line with estimate

- Indian Hotels (IH) reported consolidated revenue growth of 16% YoY, aided by strong growth in standalone ARR (up 11% YoY) and better occupancy (up 430bp YoY). EBITDA grew 9% YoY due to high operating expenses in 1QFY24 vs. a lower base YoY. Consolidated management contract revenue grew 20% YoY to INR980m in 1QFY24.
- We maintain our FY24/FY25 EBITDA estimates and **retain BUY with our SoTP-based TP of INR440.**

Higher ARR and OR drive YoY revenue growth

- Consolidated revenue in 1QFY24 grew 15.8% YoY but declined 10% QoQ to INR14.7b (est. INR14.1b). EBITDA rose 9% YoY but fell 23% QoQ to INR4.1b (est. INR4.2b). Adjusted PAT surged 26% but dropped 32% QoQ to INR2.2b (est. INR2.1b).
- Standalone revenue/EBITDA grew by 17%/13% to INR8.9b/INR2.9b (down 21%/38% QoQ), propelled by strong ARR growth (11% YoY) to INR12,614. Occupancy was sustained at the 4QFY23 level of 74.7% (up 430bp YoY).
- Subsidiary (consolidated less standalone) sales grew 14% YoY/17% QoQ to INR5.8b, while EBITDA doubled QoQ to INR1,163m (down 1% YoY). Revenue from PIEM/Roots/Benares jumped 8%/12%/30% YoY.
- Net cash stood at INR8.9B as of June'23 vs. INR10b as of Mar'23.

Highlights from the management commentary

- As per STR, overall industry demand growth in 1QFY24 was 8% vs. FY20, which is faster than supply growth of 6.7% in 1QFY24 vs. FY20.
- IH opened five managed hotels (365 rooms) and signed 11 hotels in 1QFY24. Of the signed hotels, seven are conversions and brownfield, which will open within 24 months.
- IH has a robust pipeline of ~79 hotels (11,203 rooms) going ahead. Overall, the company has ~270 hotels (33,239 rooms) as of June'23 (including pipeline).
- Management has guided for a capex of over INR6b in FY24.

Valuation and view

- We expect the strong momentum to continue in FY24, led by: 1) a further improvement in occupancy due to multiple large global events such as G20 and ICC Cricket Men's World Cup in CY23; 2) an increase in ARR due to better demand, upgrades in hotels and corporate rate hikes; 3) higher income from management contracts; and 4) value unlocking by scaling up reimagined and new brands.
- We maintain our FY24/FY25 EBITDA estimates in anticipation of a strong demand environment and improving ARR. **Maintain BUY with our SoTP-based TP of INR440.**

Consolidated - Quarterly Earning Model

(INRm)

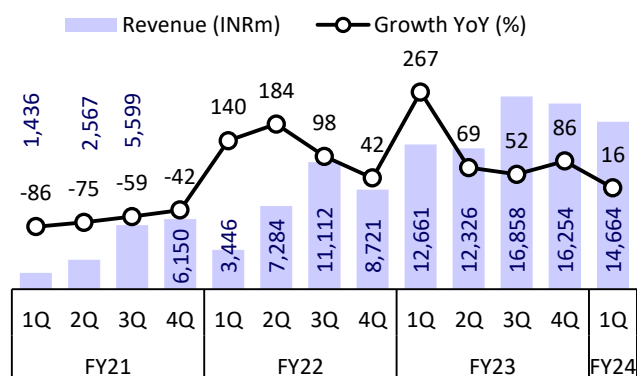
Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	(%)
Gross Sales	12,661	12,326	16,858	16,254	14,664	14,545	20,904	17,392	58,099	67,505	14,307	2
YoY Change (%)	267.5	69.2	51.7	86.4	15.8	18.0	24.0	7.0	90.1	16.2	-2.4	
Total Expenditure	8,882	9,386	10,886	10,899	10,562	10,559	12,778	11,460	40,054	45,359	10,084	
EBITDA	3,779	2,940	5,972	5,355	4,102	3,986	8,126	5,932	18,046	22,146	4,222	-3
Margins (%)	29.8	23.9	35.4	32.9	28.0	27.4	38.9	34.1	31.1	32.8	29.5	
Depreciation	1,026	1,026	1,033	1,076	1,091	1,110	1,170	1,190	4,161	4,561	1,080	
Interest	624	600	567	570	565	500	490	480	2,361	2,035	540	
Other Income	271	250	577	291	493	300	550	450	1,389	1,794	300	
PBT before EO expense	2,401	1,564	4,949	4,000	2,939	2,676	7,016	4,713	12,914	17,344	2,903	
Extra-Ord expense	91	-123	-1	0	0	0	0	0	-33	0	0	
PBT	2,309	1,687	4,950	4,000	2,939	2,676	7,016	4,713	12,946	17,344	2,903	1
Tax	648	443	1,161	980	833	803	2,105	1,414	3,232	5,155	871	
Rate (%)	28.1	26.3	23.4	24.5	28.4	30.0	30.0	30.0	25.0	29.7	30.0	
Minority Interest & Profit/Loss of Asso. Cos.	-39	28	-38	-263	-118	31	-42	-289	-312	-418	-43	
Reported PAT	1,701	1,216	3,827	3,283	2,224	1,842	4,953	3,588	10,026	12,607	2,075	
Adj PAT	1,769	1,123	3,826	3,283	2,224	1,842	4,953	3,588	10,001	12,607	2,075	7
YoY Change (%)	NA	NA	357.2	430.2	25.7	64.0	29.4	9.3	NA	25.7	-6.7	
Margins (%)	14.0	9.1	22.7	20.2	15.2	12.7	23.7	20.6	17.2	18.7	14.5	

Key Performance Indicators

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue Growth (%)										
Standalone	267.0	62.6	43.3	90.6	17.0	19.4	24.1	4.8	84.9	15.8
Subs	268.1	80.7	68.6	77.5	14.1	15.7	23.8	12.0	100.0	16.9
EBITDA Margin (%)										
Standalone	34.2	28.4	41.4	42.2	33.0	32.8	45.2	43.2	37.5	39.5
Subs	9.6	30.7	42.5	16.9	7.3	5.6	2.7	5.8	19.7	21.1
Cost Break-up										
F&B Cost (% of sales)	8.2	8.4	8.3	7.7	7.9	8.0	8.1	7.8	8.1	8.0
Staff Cost (% of sales)	28.4	30.5	25.2	26.0	29.2	29.5	21.5	25.7	27.2	26.0
Other Cost (% of sales)	33.5	37.3	31.1	33.4	34.9	35.1	31.5	32.4	33.6	33.2
Gross Margins (%)	91.8	91.6	91.7	92.3	92.1	92.0	91.9	92.2	91.9	92.0
EBITDA Margins (%)	29.8	23.9	35.4	32.9	28.0	27.4	38.9	34.1	31.1	32.8
EBIT Margins (%)	21.7	15.5	29.3	26.3	20.5	19.8	33.3	27.3	23.9	26.1

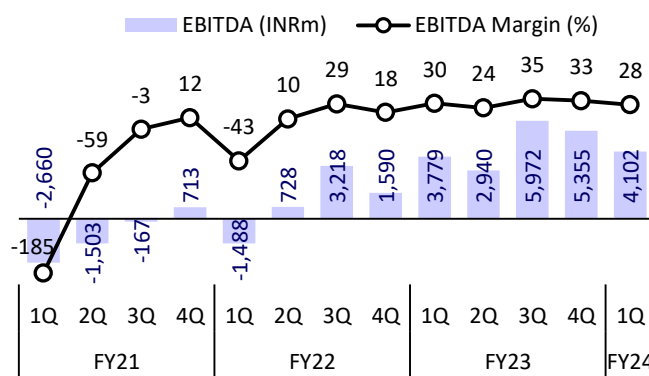
Key exhibits

Exhibit 1: Consolidated revenue trend



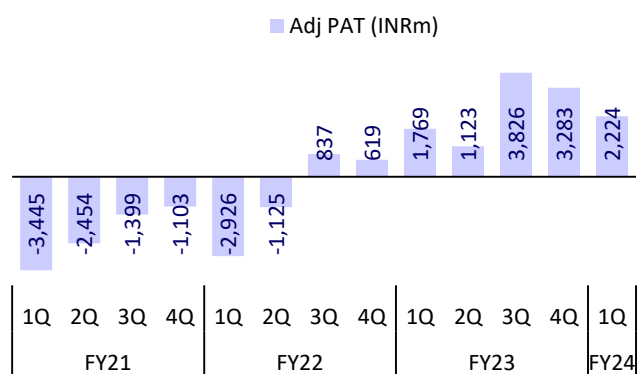
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



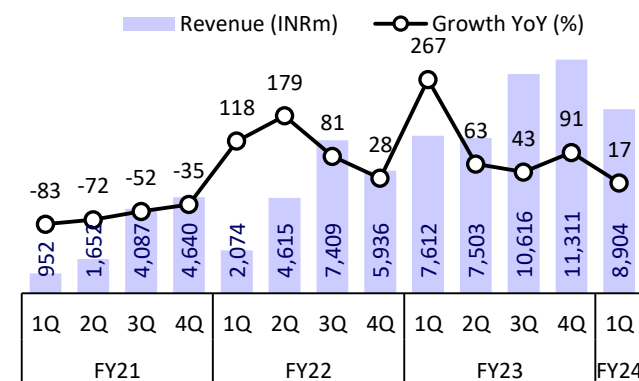
Source: Company, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



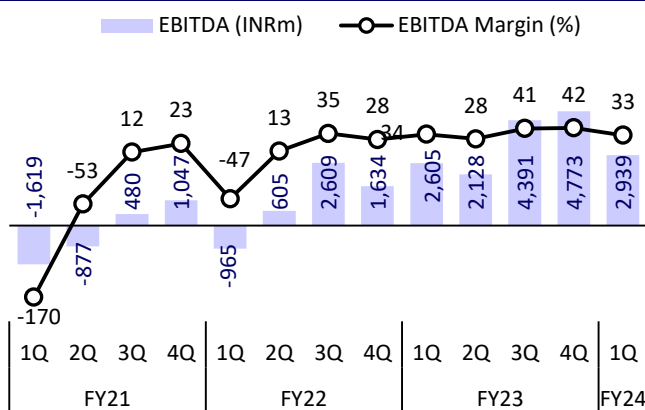
Source: Company, MOFSL

Exhibit 4: Standalone revenue trend



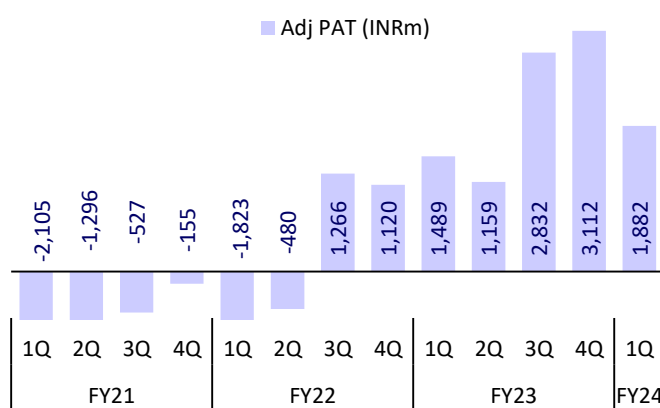
Source: Company, MOFSL

Exhibit 5: Standalone EBITDA trend



Source: Company, MOFSL

Exhibit 6: Standalone adjusted PAT trend



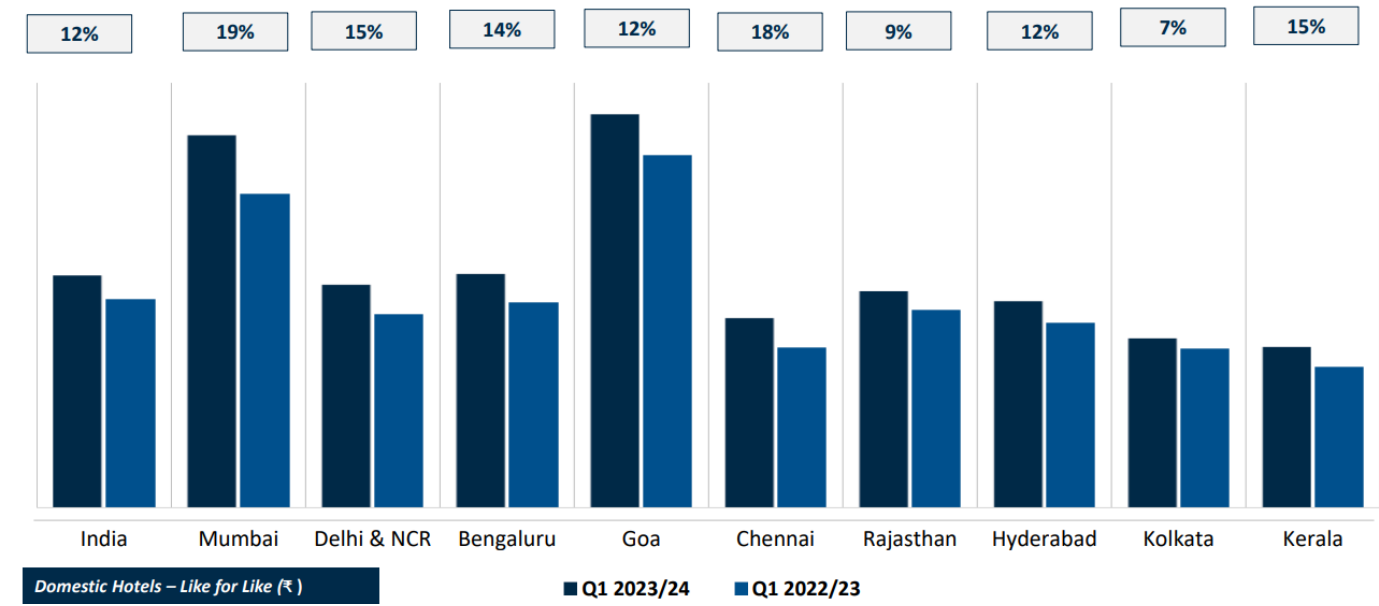
Source: Company, MOFSL

Exhibit 7: Demand growth outpaces supply growth



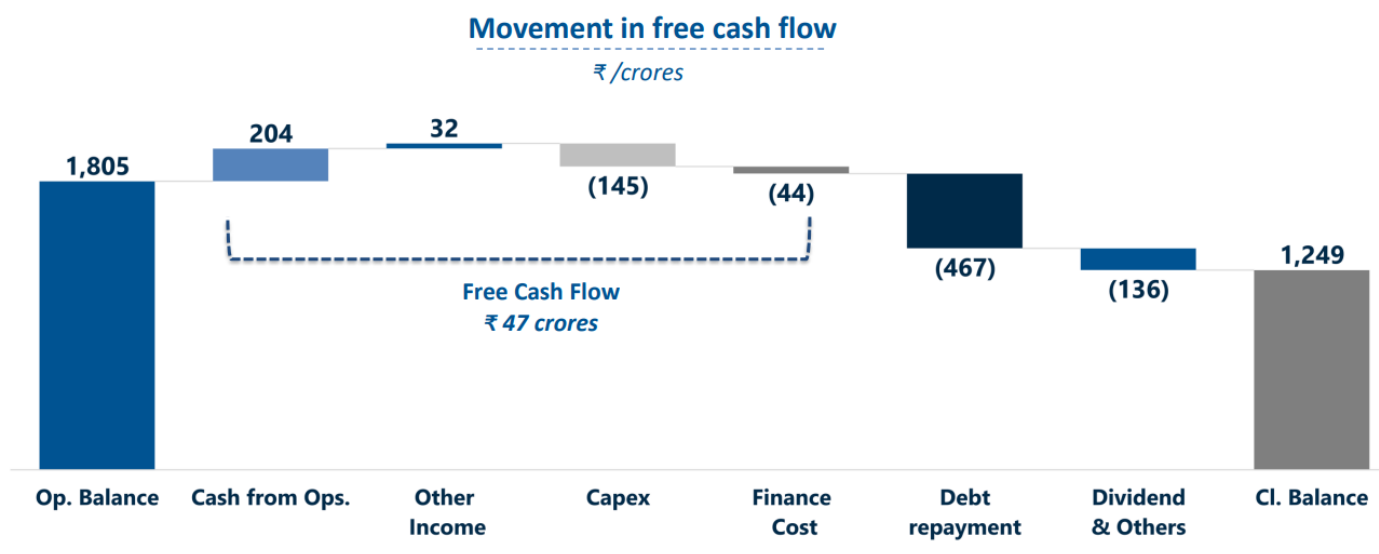
Source: STR, Company, MOFSL

Exhibit 8: Industry-leading recovery across key markets

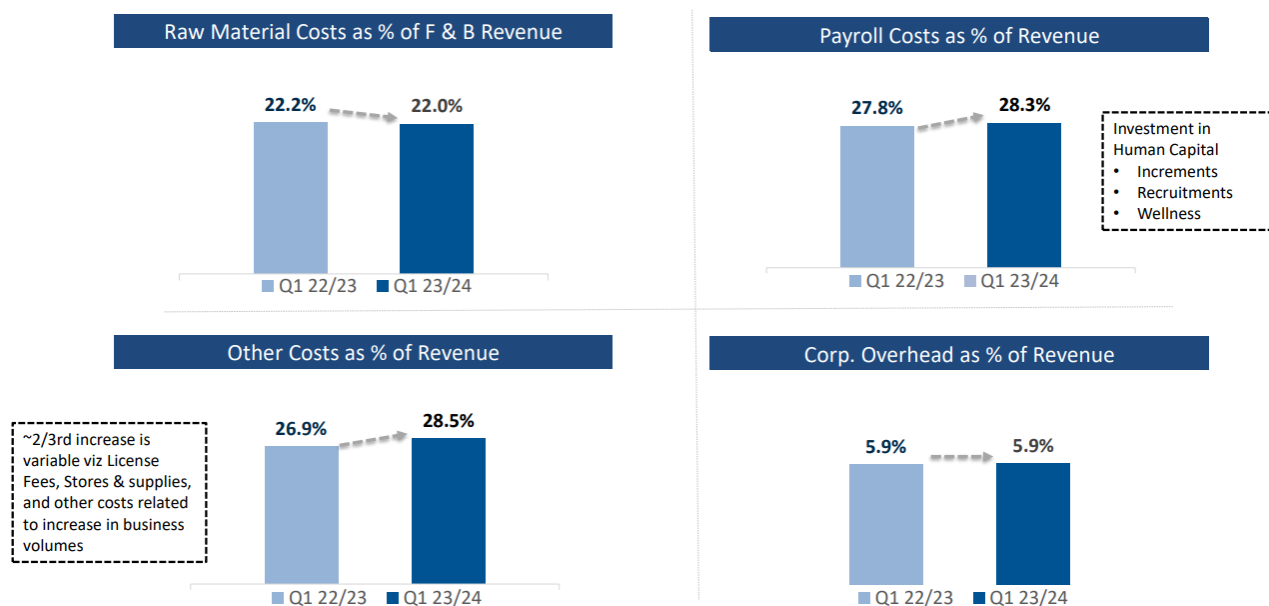


Source: STR Global, Company, MOFSL

Exhibit 9: Movement of free cashflow



Source: Company, MOFSL

Exhibit 10: Focus on cost management drives margin expansion

Source: Company, MOFSL

Exhibit 11: RevPAR growth by domestic destination vs. pre-Covid – LFL

Domestic Hotels - Q1 LFL	Occ %			ARR in ₹			RevPAR in ₹		
	ACT 23/24	PY 22/23	%	ACT 23/24	PY 22/23	%	ACT 23/24	PY 22/23	%
Mumbai	86%	82%	4%	12,222	10,830	13%	10,502	8,838	19%
Delhi & NCR	76%	76%	0%	8,273	7,174	15%	6,286	5,446	15%
Bengaluru	77%	76%	1%	8,532	7,592	12%	6,593	5,788	14%
Goa	77%	72%	5%	14,336	13,817	4%	11,094	9,948	12%
Chennai	73%	69%	4%	7,321	6,572	11%	5,351	4,519	18%
Rajasthan	42%	37%	6%	14,472	15,289	-5%	6,112	5,583	9%
Hyderabad	68%	72%	-4%	8,566	7,191	19%	5,829	5,210	12%
Kolkata	71%	74%	-3%	6,698	6,046	11%	4,779	4,482	7%
Kerala	60%	56%	4%	7,558	7,097	7%	4,539	3,958	15%
Grand Total	70%	68%	2%	9,381	8,660	8%	6,549	5,867	12%

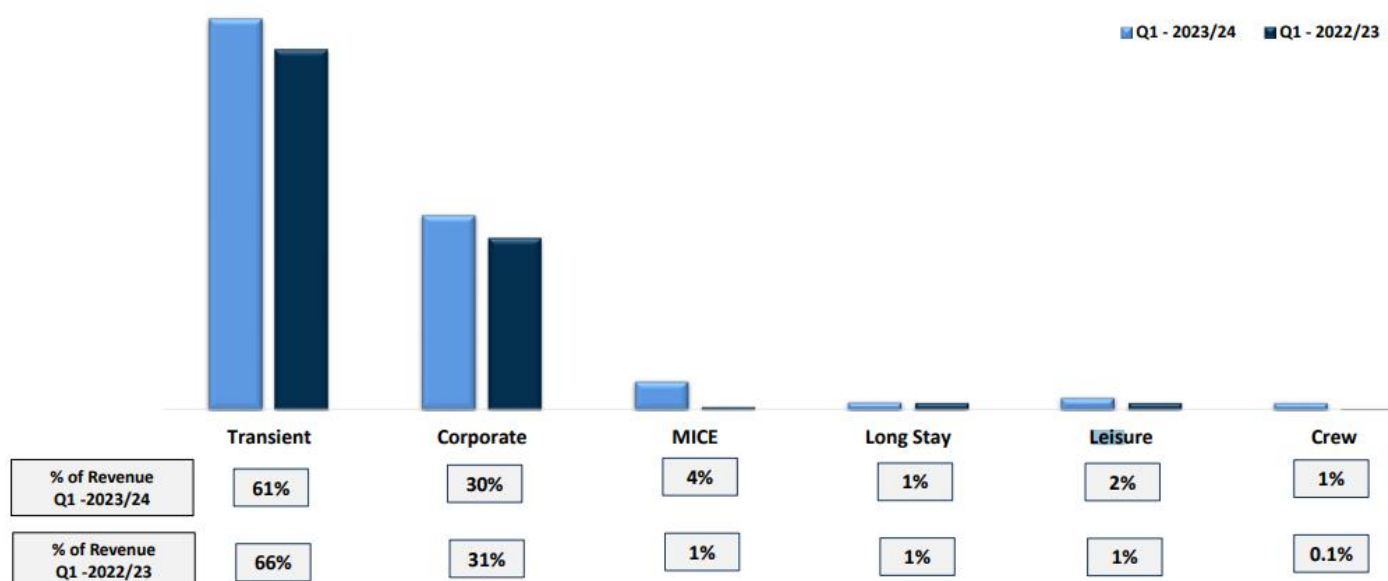
Source: Company, MOFSL

Exhibit 12: RevPAR growth by international destination v/s pre-Covid – LFL

International Hotels \$ - Q1	Occ %			ARR in \$			RevPAR in \$		
	ACT 23/24	PY 22/23	%	ACT 23/24	PY 22/23	%	ACT 23/24	PY 22/23	%
USA	61%	59%	3%	645	660	-2%	396	387	2%
UK	79%	74%	4%	480	419	14%	378	311	21%
Maldives	57%	65%	-9%	541	601	-10%	306	391	-22%
Dubai	81%	66%	15%	217	203	7%	177	134	32%
Cape Town	71%	56%	15%	135	129	5%	96	72	33%
Sri Lanka	50%	30%	19%	86	85	1%	43	26	65%
Grand Total	65%	54%	11%	279	288	-3%	182	155	17%

Source: Company, MOFSL

Exhibit 13: Market segment – Room revenue (all hotels): 1QFY24 vs. 1QFY23



Source: Company, MOFSL

Exhibit 14: IH Room pipeline as on Jun'23

Brands	2023-24 Jul-Mar	2024-25	2025-26	2026-27 & 2027-28	Pipeline Rooms	No. of Hotels
Taj	699	829	1,228	1,225	3,981	20
IHCL & Group		161	122	220	503	3
Management Contracts	699	668	1,106	1,005	3,478	17
SeleQtions	450	741	128		1,319	12
Management Contracts	450	741	128		1,319	12
Vivanta	174	992	820	870	2,856	21
IHCL & Group		125			125	1
Management Contracts	174	867	820	870	2,731	20
Ginger	924	870	448	805	3,047	26
Owned/Leased	790	545	448	425	2,208	20
Management Contracts	134	325	0	380	839	6
Grand Total	2,247	3,432	2,624	2,900	11,203	79

Source: Company, MOFSL

Exhibit 15: IH – standalone revenue metrics

Particulars	1QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	YoY %	QoQ %
Occupancy (%)	28.4	70.4	70	72.1	74.7	74.7	430bp	0bp
ARR (INR)	7,024	11,397	11,003	15,456	16,915	12,614	11	-25
RevPAR (INR)	1,992	8,021	7,681	11,137	12,634	9,428	18	-25
Room revenue (INR m)	880	3,250	3,180	4,520	4,990	3,770	16	-24
F&B revenue (INR m)	650	2,810	2,840	4,000	4,170	3,200	14	-23
Other revenue (INR m)	730	1,810	1,730	2,320	2,500	2,380	31	-5
Total revenue (INR m)	2,260	7,870	7,750	10,840	11,660	9,350	19	-20

Source: Company, MOFSL

Exhibit 16: Revenue metrics for its domestic network

Particulars	1QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	YoY %	QoQ %
Occupancy (%)	28.6	65.2	62	68	67.8	67.1	190bp	-70bp
ARR (INR)	4,656	8,315	9,952	10,565	11,220	9,128	10	-19
RevPAR (INR)	1,331	5,424	5,942	7,184	7,605	6,126	13	-19
Room revenue (INR m)	2,070	8,590	11,220	11,870	12,590	10,320	20	-18
F&B revenue (INR m)	1,880	7,570	8,970	10,240	10,690	9,020	19	-16
Other revenue (INR m)	1,050	2,650	3,260	3,810	2,430	2,510	-5	3
Total revenue (INR m)	5,000	18,810	23,450	25,920	25,710	21,850	16	-15

Source: Company, MOFSL



Highlights from the management interaction

Operating performance

- RevPAR growth in Mumbai/Bengaluru/Goa/Delhi & NCR/Chennai stood at 12%/14%/ 12%/15%/18% YoY in 1QFY24
- In the domestic business, ARR/occupancy/RevPAR grew 10%/190bp/13% YoY.
- For the standalone business, occupancy increased by 430bp YoY (flat QoQ) to 74.7% in 1QFY24. ARR grew 11% YoY (down 25% QoQ) to INR12,614.
- Payroll costs/corporate overheads as a percentage of revenue increased/flat to 28.3%/5.9% in 1QFY24 from 27.8%/5.9% in 1QFY23.

- In FY23, key domestic subsidiaries such as Piem/Roots/Benares witnessed revenue growth of ~8%/12%/30%, while EBITDA for Piem/Roots declined by 2%/1% YoY and for Benares grew by 31% YoY
- Net cash stood at INR8.9b as of June'23 vs. INR10b as of Mar'23.
- IH is consistently leading the industry growth with LFL ARR/OR/RevPar of INR9,400/70%/INR6,500 vs. Industry LFL of INR6,800/62%/INR4,400 in 1QFY24.

Outlook

- IMF has upgraded the CY23 growth outlook for India to 6.1% from 5.9% earlier.
- Overall, demand in the industry is growing faster than supply. Hotel demand grew 8% in 1QFY24 vs. FY20, while supply grew ~6.7% over the same period (as per STR).
- This is led by demand factors such as Miss World Pageant, G20, B20, ICC World Cup, and Tourism Summit in Q1 in Goa, among other events happening in India.
- Foreign tourist arrival has not yet come back fully. However, domestic demand is driving the sector.
- G20 is starting in Sep'23, so 2QFY24 will also witness some increase in OR and ARR.
- IH has maintained its guidance of signing and expects to open minimum ~20 hotels in FY24.

Costs

- Other costs as % of revenue increased from 26.9% to 28.5% YoY in 1QFY24 as ~2/3rd increase is variable viz license fees, stores & supplies, and other costs related to increase in business volumes.
- The company is doing more marketing activities for new business. It has created a new team for new business and will do aggressive marketing for these businesses, which can put some pressure on margins.
- The company is looking into this business from a five- to ten-year perspective.
- In Employee cost in 1QFY24 is higher YoY as in 1QFY23 there was not much ramp up so employee cost was lower. The staff-to-room ratio is still below the pre-Covid level, indicating better productivity.

International business

- RevPar growth in US/UK/Cape Town/ Dubai stood at 2%/21%/33%/32% in 1QCY23 vs. 1QCY22.
- Key international subsidiary St James Court, London, witnessed revenue/EBITDA growth of ~29%/39% YoY in 1QFY24. UOH Inc, US, saw revenue growth of 9% YoY, while EBIDTA declined by 74% YoY to INR50m.

New businesses

- Qmin has crossed GMV of INR1.7b since inception and is present in 19 cities. Ginger accommodates ~50% of Qmin outlets, in line with the company's aim of 'Qminization of Ginger'.
- Ama Stay and Trials has over 125 properties across 50+ locations.
- Chambers added over 50 members in 1QFY24, taking the total number to ~2,650. The businesses recorded 10% revenue growth vs. FY23 levels and had a flow-through of more than 80%.

Ginger

- IH plans to upgrade seven hotels in FY24, with Qminizing 19 outlets of Ginger.
- The management maintains its guidance of opening Ginger Santacruz during Oct'23-Nov'23.
- Revenue of Lean Luxe Ginger was 30% higher than old Ginger's. In Mumbai, it is 40%.

Taj Sats

- Taj Stats recorded revenue/EBITDA of INR2.05b/INR500m (up 55%/161% YoY). EBITDA margin was the highest in the industry and its highest-ever at 24.5% (up 10pp YoY). The management expects to sustain this margin levels or even increase from current levels.
- Taj Stats remains the market leader with 59% market share (by number of meals).
- Factors driving up margins include: increase in international customers; charter facilities to goa; entire non-airline catering (institutional catering) also growing at good pace.

Board approvals

- The board of directors has **granted in-principle approval for IHCL** or one of its subsidiaries, subject to receipt of requisite approvals, **to purchase 100% equity of Pamodzi Hotels Plc** (presently a listed company in Zambia) from an international subsidiary of Tata International Ltd.
- Pamodzi Hotels Plc has long-term lease hold rights for Taj Pamodzi, Zambia. IHCL presently operates this hotel.
- The enterprise value (purchase consideration) of Pamodzi Hotel is USD15m which is to be paid to Tata International in three tranches i.e. 15% upon execution of Sale purchase agreement, 40% after 12 months and balance 45% after 24 months.
- The board has also accorded its approval, subject to requisite regulatory approvals as required, **to enter into a lease agreement**, for operation of a **hotel in Frankfurt, Germany, for a period of 20 years** with the right of two renewals of five years each.
- Capex Investment for renovation of aforesaid hotel of upto Euro5m by IHCL or through one of its subsidiary

Others highlights

- IH opened five hotels and signed 11 hotels in 1QFY24. Of the signed hotels, seven are conversions and brownfield, which will open in 24 months.
- The management has guided for capex of INR6b in FY24.
- IH has a robust pipeline of ~79 hotels (11,203 rooms) going ahead. Overall, the company has ~270 hotels as of June'23 (including pipeline).
- IH will add hotels on an asset-light model going ahead.
- The company expects the balance of owned and leased portfolio to reach 50:50 ratios in the current year. This will boost margin.
- IH is building capabilities to drive D2C offering. It currently has ~4.6m customers — 3x growth in active members since the program went live in Apr'22.
- Indian hotel rates are still very low compared to international locations, i.e., not even at 10-20% of these locations. The management aspires the rates to be at least 35-40% of those locations.

Valuation and view

- We expect the strong momentum to continue in FY24, led by: 1) a further improvement in occupancy due to multiple large global events such as G20 and ICC Cricket Men's World Cup in CY23; 2) an increase in ARR due to better demand, upgrades in hotels and corporate rate hikes; 3) higher income from management contracts; and 4) value unlocking by scaling up reimagined and new brands.
- We expect a revenue/EBITDA/Adj. PAT CAGR of 13%/19%/21% over FY23-25.
- We maintain our FY24/FY25 EBITDA estimates in anticipation of strong demand environment and improving ARR. Maintain BUY with our SoTP-based TP of INR440.

Exhibit 17: Valuation methodology

Particulars	Methodology	Metrics	FY25	Multiple (x)	Value (INR m)	Value/ share (INR)
IHCL- ex JV/ Associate						
EV	EV/EBITDA (x)	EBITDA	25,407	23	5,93,246	418
Less: Net Debt					30,748	22
Less: Minority Interest					-6,601	-5
Sub Total					6,17,393	435
JV/Associate						
Taj GVK (IHCL's share - 25.5%) - JV	20% discount to Mcap	Attributable Mcap	4,219	0.8	3,375	2.4
Oriental Hotel (IHCL's share - 35.7%) - Associate	20% discount to Mcap	Attributable Mcap	6,004	0.8	4,803	3.4
Sub Total					8,178	5.8
Target Price					6,25,571	440

Source: MOFSL

Exhibit 18: Changes to our estimates

Earnings Change (INR m)	Old		New		Change	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	66,732	73,428	67,505	74,190	1%	1%
EBITDA	21,931	25,466	22,146	25,407	1%	0%
Adj. PAT	12,293	14,580	12,607	14,630	3%	0%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement

(INRm)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Total Income from Operations	40,206	41,036	45,120	44,631	15,752	30,562	58,099	67,505	74,190
Change (%)	-0.1	2.1	10.0	-1.1	-64.7	94.0	90.1	16.2	9.9
Food and beverages consumed	3,640	3,764	4,041	3,706	1,438	2,572	4,729	5,368	6,009
Employees Cost	13,647	13,466	14,708	14,946	8,940	11,502	15,823	17,547	19,453
Power & Fuel Cost	2,586	2,591	2,736	2,699	1,729	2,250	3,486	3,915	3,932
Licence Fees	2,502	2,544	2,758	1,459	756	1,681	3,486	3,848	3,932
Other Expenses	11,736	11,967	12,580	12,147	6,506	8,509	12,530	14,681	15,457
Total Expenditure	34,110	34,332	36,823	34,956	19,369	26,515	40,054	45,359	48,784
% of Sales	84.8	83.7	81.6	78.3	123.0	86.8	68.9	67.2	65.8
EBITDA	6,096	6,704	8,297	9,675	-3,618	4,048	18,046	22,146	25,407
Margin (%)	15.2	16.3	18.4	21.7	-23.0	13.2	31.1	32.8	34.2
Depreciation	2,994	3,012	3,279	4,042	4,096	4,061	4,161	4,561	4,829
EBIT	3,102	3,692	5,019	5,633	-7,714	-13	13,885	17,585	20,578
Int. and Finance Charges	3,238	2,690	1,901	3,411	4,028	4,277	2,361	2,035	2,011
Other Income	549	617	834	1,324	1,647	1,552	1,389	1,794	1,706
PBT bef. EO Exp.	413	1,618	3,951	3,546	-10,095	-2,738	12,914	17,344	20,273
EO Items	-108	225	66	410	1,600	156	33	0	0
PBT after EO Exp.	306	1,843	4,017	3,955	-8,495	-2,582	12,946	17,344	20,273
Total Tax	1,137	1,211	1,571	448	-1,553	-358	3,232	5,155	6,082
Tax Rate (%)	372.2	65.7	39.1	11.3	18.3	13.9	25.0	29.7	30.0
Minority Interest	-200	-376	-422	-37	259	253	-312	-418	-439
Reported PAT	-632	1,009	2,868	3,544	-7,201	-2,477	10,026	12,607	14,630
Adjusted PAT	-551	840	2,819	3,237	-8,401	-2,594	10,001	12,607	14,630
Change (%)	NA	NA	235.4	14.8	-359.5	-69.1	-485.5	26.1	16.0
Margin (%)	-1.4	2.0	6.2	7.3	-53.3	-8.5	17.2	18.7	19.7

Consolidated - Balance Sheet

(INRm)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	989	1,189	1,189	1,189	1,189	1,420	1,420	1,420	1,420
Eq. Share Warrants & App. Money	0	0	0	0	0	0	0	0	0
Preference Capital	0	0	0	0	0	0	0	0	0
Total Reserves	24,188	40,622	42,291	42,379	35,295	69,202	78,399	89,870	1,03,364
Net Worth	25,177	41,811	43,480	43,568	36,484	70,623	79,820	91,290	1,04,784
Minority Interest	7,378	7,774	7,999	7,649	6,346	5,930	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
Lease Liability	0	0	0	18,987	18,464	18,604	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
Capital Employed	69,206	77,418	78,506	98,093	98,403	1,15,880	1,18,930	1,23,401	1,36,895
Gross Block	57,923	63,356	69,051	73,316	81,772	85,655	89,962	95,805	1,02,174
Less: Accum. Deprn.	5,506	7,385	10,663	14,706	18,802	22,863	27,023	31,584	36,413
Net Fixed Assets	52,417	55,971	58,388	58,610	62,970	62,792	62,939	64,221	65,761
Goodwill on Consolidation	5,737	5,655	5,835	6,146	6,110	6,229	6,536	6,536	6,536
Right-of-Use assets				15,833	15,297	15,134	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
Total Investments	12,437	15,965	13,351	14,266	14,832	19,668	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
Curr. Assets, Loans&Adv.	13,173	14,184	17,102	17,887	14,269	25,139	26,271	30,992	44,670
Inventory	804	857	804	936	929	1,008	1,092	1,367	1,470
Account Receivables	2,721	3,286	3,214	2,900	2,198	2,553	4,465	4,993	5,488
Cash and Bank Balance	2,471	2,703	2,409	3,156	1,536	11,878	10,534	12,480	24,357
Loans and Advances	7,177	7,338	10,675	10,895	9,605	9,700	10,180	12,151	13,354
Curr. Liability & Prov.	16,785	16,328	17,331	17,090	16,724	15,016	17,757	19,946	21,802
Account Payables	3,370	3,513	3,253	3,893	3,178	3,873	4,766	5,095	5,480
Other Current Liabilities	11,305	10,349	11,579	10,441	10,921	8,233	9,732	11,476	12,612
Provisions	2,110	2,465	2,500	2,756	2,625	2,909	3,259	3,375	3,710
Net Current Assets	-3,612	-2,143	-229	798	-2,456	10,123	8,514	11,045	22,868
Misc Expenditure	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	1,23,401	1,36,895

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic (INR)									
EPS	-0.4	0.6	2.0	2.3	-5.9	-1.8	7.0	8.9	10.3
Cash EPS	1.7	2.7	4.3	5.1	-3.0	1.0	10.0	12.1	13.7
BV/Share	17.7	29.4	30.6	30.7	25.7	49.7	56.2	64.3	73.8
DPS	0.2	0.2	0.4	0.4	0.4	0.4	0.6	0.8	0.8
Payout (%)	-53.9	41.9	25.3	20.5	-9.6	-28.0	8.5	9.0	7.8
Valuation (x)									
P/E	-991.8	650.8	194.0	168.9	-65.1	-210.8	54.7	43.4	37.4
Cash P/E	223.9	142.0	89.7	75.1	-127.0	373.0	38.6	31.9	28.1
P/BV	21.7	13.1	12.6	12.6	15.0	7.7	6.9	6.0	5.2
EV/Sales	14.5	14.0	12.7	12.8	37.0	18.1	9.4	7.9	7.0
EV/EBITDA	95.9	85.5	69.1	59.2	-161.3	136.3	30.1	24.1	20.6
Dividend Yield (%)	0.1	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	7.0	9.1
EV/ Adj Rooms (INRm)	61.9	58.6	57.4	55.6	56.5	52.6	51.6	49.7	45.3
EBITDA/ Room (INR)	4,129	4,341	5,193	6,039	-7,214	4,344	10,396	11,633	12,119
Return Ratios (%)									
RoE	-2.2	2.5	6.6	7.4	-21.0	-4.8	13.3	14.7	14.9
RoCE	3.8	4.6	5.9	6.8	-5.7	1.3	11.5	14.4	15.0
RoIC	-14.9	2.3	5.2	7.1	-7.9	0.0	12.4	14.2	16.2
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
Asset Turnover (x)	0.6	0.5	0.6	0.5	0.2	0.3	0.5	0.5	0.5
Inventory (Days)	7	8	7	8	22	12	7	7	7
Debtor (Days)	25	29	26	24	51	30	28	27	27
Creditor (Days)	31	31	26	32	74	46	30	28	27
Leverage Ratio (x)									
Current Ratio	0.8	0.9	1.0	1.0	0.9	1.7	1.5	1.6	2.0
Interest Cover Ratio	1.0	1.4	2.6	1.7	-1.9	0.0	5.9	8.6	10.2
Net Debt/Equity	1.2	0.4	0.4	0.4	0.8	0.0	-0.1	-0.2	-0.3

Consolidated - Cash Flow Statement

(INRm)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	306	1,618	4,017	3,955	-10,095	-2,738	12,914	17,344	20,273
Depreciation	2,994	3,012	3,279	4,042	4,096	4,061	4,161	4,561	4,829
Interest & Finance Charges	3,015	2,073	1,068	2,087	2,381	2,725	972	241	305
Direct Taxes Paid	-868	-1,425	-1,571	-448	1,553	358	-3,232	-5,155	-6,082
(Inc)/Dec in WC	-599	-1,033	323	-1,402	-2,722	2,155	1,633	-585	54
CF from Operations	4,848	4,246	7,115	8,235	-4,786	6,560	16,447	16,406	19,379
Others	498	675	0	0	1,600	156	33	0	0
CF from Operating incl EO	5,345	4,920	7,114	8,235	-3,187	6,716	16,480	16,406	19,379
(Inc)/Dec in FA	4,193	-5,094	-5,067	-5,855	-7,629	-4,286	-5,922	-6,500	-6,500
Free Cash Flow	9,538	-174	2,048	2,380	-10,816	2,431	10,557	9,906	12,879
(Pur)/Sale of Investments	4,425	-1,462	2,614	-915	-566	-4,836	758	0	0
Others	496	912	-1,428	1,750	6,998	-7,303	3,719	1,794	1,706
CF from Investments	9,114	-5,644	-3,882	-5,019	-1,197	-16,425	-1,446	-4,706	-4,794
Issue of Shares	0	14,999	0	0	0	231	0	0	0
Inc/(Dec) in Debt	-11,719	-9,498	-1,010	2,760	10,308	-16,481	-11,665	-7,000	0
Interest Paid	-1,637	-4,089	-1,901	-3,411	-4,028	-4,277	-2,361	-2,035	-2,011
Dividend Paid	-458	-447	-725	-725	-693	-693	-852	-1,136	-1,136
Others	0	-7	110	-1,093	-2,823	41,270	-1,500	418	439
CF from Fin. Activity	-13,814	957	-3,527	-2,470	2,764	20,050	-16,378	-9,753	-2,709
Inc/Dec of Cash	645	233	-294	746	-1,620	10,342	-1,344	1,946	11,877
Opening Balance	1,826	2,471	2,704	2,409	3,156	1,536	11,878	10,534	12,480
Closing Balance	2,471	2,704	2,409	3,156	1,536	11,878	10,534	12,480	24,357

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www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000.

Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.