

Indian Hotels

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	IH IN
Equity Shares (m)	1420
M.Cap.(INRb)/(USD\$)	532 / 6.4
52-Week Range (INR)	436 / 280
1, 6, 12 Rel. Per (%)	-6/4/9
12M Avg Val (INR M)	1677

Financials & Valuations (INR b)

Y/E Mar	2023	2024E	2025E
Sales	58.1	67.1	74.0
EBITDA	18.0	21.5	25.0
PAT	10.0	12.2	14.4
EBITDA (%)	31.1	32.0	33.7
EPS (INR)	7.0	8.6	10.2
EPS Gr. (%)	485.5	22.1	18.1
BV/Sh. (INR)	56.2	64.0	73.3

Ratios

Net D/E	(0.1)	(0.2)	(0.3)
RoE (%)	13.3	14.3	14.8
RoCE (%)	11.5	14.0	14.8
Payout (%)	8.5	9.3	7.9

Valuations

P/E (x)	53.2	43.6	36.9
EV/EBITDA (x)	29.3	24.2	20.4
Div Yield (%)	0.2	0.2	0.2
FCF Yield (%)	2.0	1.8	2.4

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	38.2	38.2	38.2
DII	23.3	24.2	29.3
FII	22.2	21.6	16.3
Others	16.4	16.0	16.2

FII Includes depository receipts

CMP: INR375

TP: INR480 (+28%)

Buy

Strong OR and ARR drive operating performance

Operating performance lower than our estimate

- Indian Hotels (IH) reported consolidated revenue growth of 16% YoY in 2QFY24, aided by strong growth in standalone ARR (up 18% YoY) and better occupancy (up 610bp YoY). Consolidated management contract revenue grew 14% YoY to INR870m in 2QFY24.
- We maintain our FY24/FY25 EBITDA estimates and **retain BUY with our SoTP-based TP of INR480.**

Domestic business drives overall performance

- Consolidated revenue was up 16% YoY/down 2% QoQ at INR14.3b (est. INR14.4b). EBITDA grew 21% YoY but declined 14% QoQ to INR3.5b (est. INR3.9b). Adjusted PAT was up 49% YoY/down 25% QoQ at INR1.7b (est. INR1.7b).
- Standalone revenue/EBITDA grew by 19%/29% YoY to INR8.9b/INR2.7b (flat/down 7% QoQ), aided by strong ARR growth (up 18% YoY/3% QoQ) to INR12,972. Occupancy grew 610bp YoY and 120bp QoQ to 75.9%.
- Subsidiary (consol. less standalone) sales stood at INR5.4b, up 12% YoY but down 6% QoQ. Subsidiary EBITDA came in at INR810m, flat YoY/down 30% QoQ.
- Revenue from PIEM/Roots/Benares/St. James Court jumped 12%/16%/46%/22% YoY, while it declined for UOH Inc by 4% YoY.

Highlights from the management commentary

- Outlook:** RevPAR growth has been strong so far in Oct'23, and showing good demand visibility for Nov'23. The management has guided for double-digit RevPAR growth in 3QFY24 and FY24.
- The majority of growth in FY24 is structural (events like G20 and cricket world cup accounting for just 1-1.5% of total revenue). Accordingly, the management expects to sustain growth in FY25 on the back of a strong demand outlook, coupled with more such events.
- Ginger Santacruz will open in the next two to three weeks, and the management has indicated that this hotel can touch the revenue mark of INR1b in the next three years, with ARR in range of INR6,500 to INR7,000.

Valuation and view

- We expect the strong momentum to continue in FY24, led by: 1) a further improvement in occupancy led by favorable demand-supply dynamics and big global events such as ongoing ICC Cricket Men's World Cup; 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 ARR improvement. **Maintain BUY with our SoTP-based TP of INR480.**

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Consolidated - Quarterly Earning Model

(INRm)

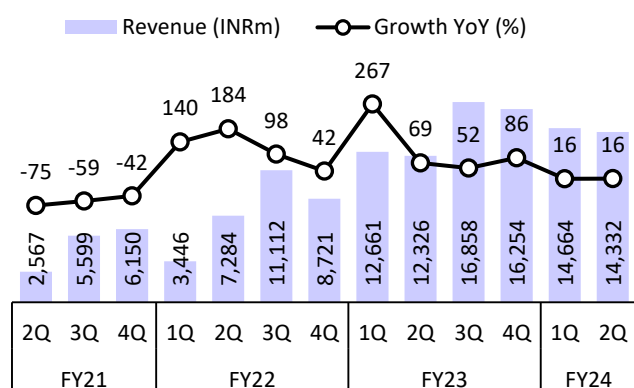
Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q	
Gross Sales	12,661	12,326	16,858	16,254	14,664	14,332	20,735	17,392	58,099	67,123	14,422	-1
YoY Change (%)	267.5	69.2	51.7	86.4	15.8	16.3	23.0	7.0	90.1	15.5	17.0	
Total Expenditure	8,882	9,386	10,886	10,899	10,562	10,784	12,803	11,502	40,054	45,651	10,571	
EBITDA	3,779	2,940	5,972	5,355	4,102	3,548	7,932	5,890	18,046	21,472	3,850	-8
Margins (%)	29.8	23.9	35.4	32.9	28.0	24.8	38.3	33.9	31.1	32.0	26.7	
Depreciation	1,026	1,026	1,033	1,076	1,091	1,112	1,170	1,190	4,161	4,563	1,110	
Interest	624	600	567	570	565	591	540	510	2,361	2,206	540	
Other Income	271	250	577	291	493	477	550	450	1,389	1,970	300	
PBT before EO expense	2,401	1,564	4,949	4,000	2,939	2,322	6,772	4,641	12,914	16,674	2,500	
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	2,322	6,772	4,641	12,946	16,674	2,500	
Tax	648	443	1,161	980	833	723	2,032	1,392	3,232	4,980	750	
Rate (%)	28.1	26.3	23.4	24.5	28.4	31.1	30.0	30.0	25.0	29.9	30.0	
MI & Profit/Loss of Asso. Cos.	-39	28	-38	-263	-118	-70	-42	-289	-312	-519	31	
Reported PAT	1,701	1,216	3,827	3,283	2,224	1,669	4,782	3,538	10,026	12,213	1,719	
Adj PAT	1,769	1,123	3,826	3,283	2,224	1,669	4,782	3,538	10,001	12,213	1,719	-3
YoY Change (%)	NA	NA	357.2	430.2	25.7	48.6	25.0	7.8	NA	21.8	53.1	
Margins (%)	14.0	9.1	22.7	20.2	15.2	11.6	23.1	20.3	17.2	18.2	11.9	

Key Performance Indicators

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue Growth (%)										
Standalone	267.0	62.6	43.3	90.6	17.0	19.0	24.1	4.8	84.9	15.7
Subs	268.1	80.7	68.6	77.5	14.1	12.0	21.1	12.0	100.0	15.2
EBITDA Margin (%)										
Standalone	34.2	28.4	41.4	42.2	33.0	30.7	45.0	42.9	37.5	39.0
Subs	9.6	30.7	42.5	16.9	7.3	5.6	2.7	5.8	19.7	19.7
Cost Break-up										
F&B Cost (% of sales)	8.2	8.4	8.3	7.7	7.9	7.8	8.1	7.8	8.1	7.9
Staff Cost (% of sales)	28.4	30.5	25.2	26.0	29.2	30.7	21.8	25.9	27.2	26.4
Other Cost (% of sales)	33.5	37.3	31.1	33.4	34.9	36.7	31.8	32.4	33.6	33.7
Gross Margins (%)	91.8	91.6	91.7	92.3	92.1	92.2	91.9	92.2	91.9	92.1
EBITDA Margins (%)	29.8	23.9	35.4	32.9	28.0	24.8	38.3	33.9	31.1	32.0
EBIT Margins (%)	21.7	15.5	29.3	26.3	20.5	17.0	32.6	27.0	23.9	25.2

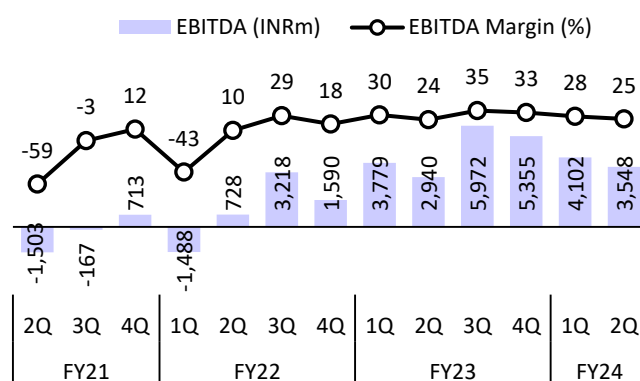
Key exhibits

Exhibit 1: Consolidated revenue trend



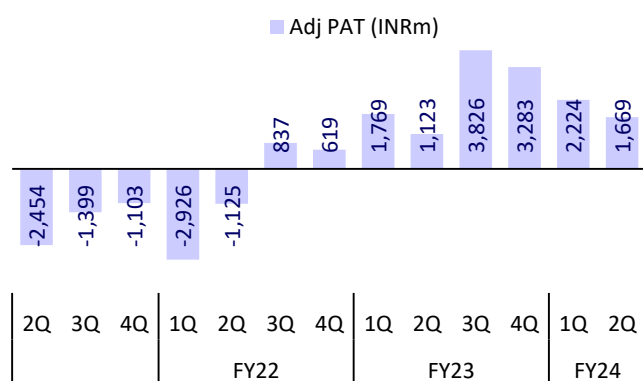
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



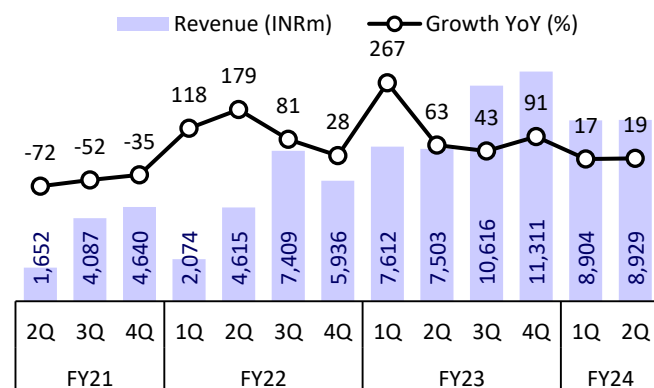
Source: Company, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



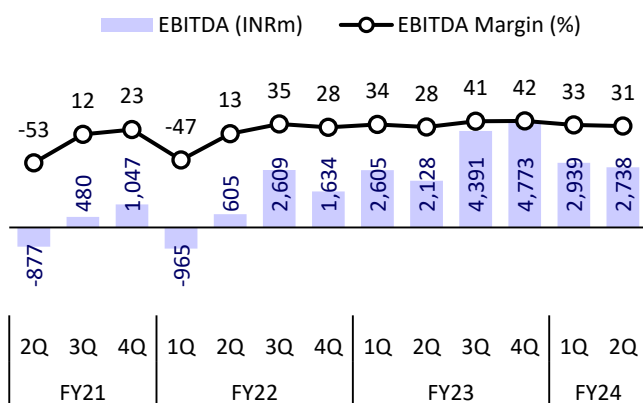
Source: Company, MOFSL

Exhibit 4: Standalone revenue trend



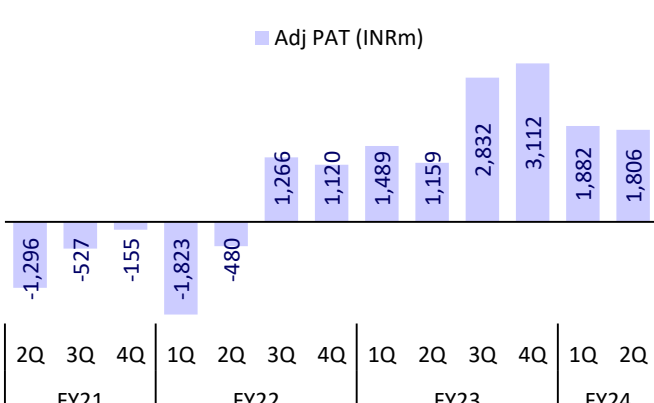
Source: Company, MOFSL

Exhibit 5: Standalone EBITDA trend



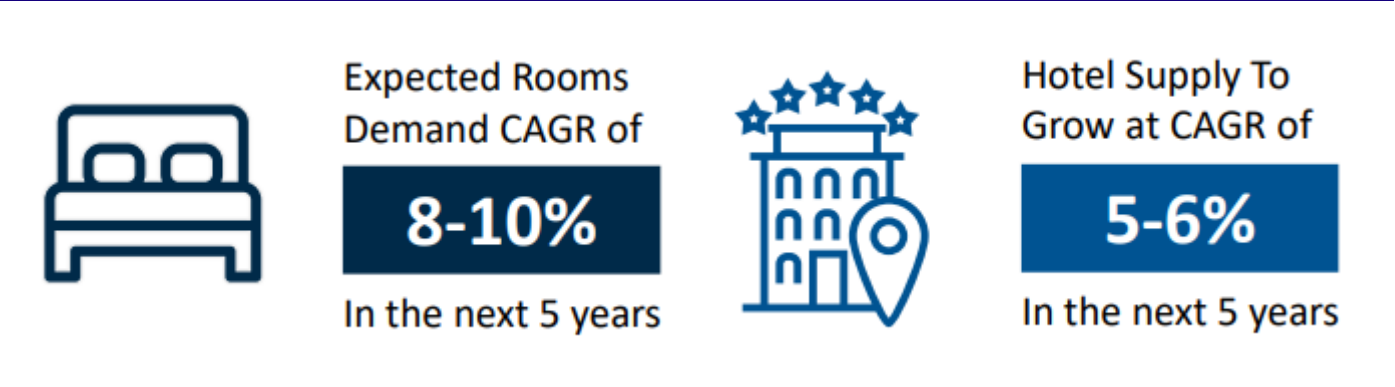
Source: Company, MOFSL

Exhibit 6: Standalone adjusted PAT trend



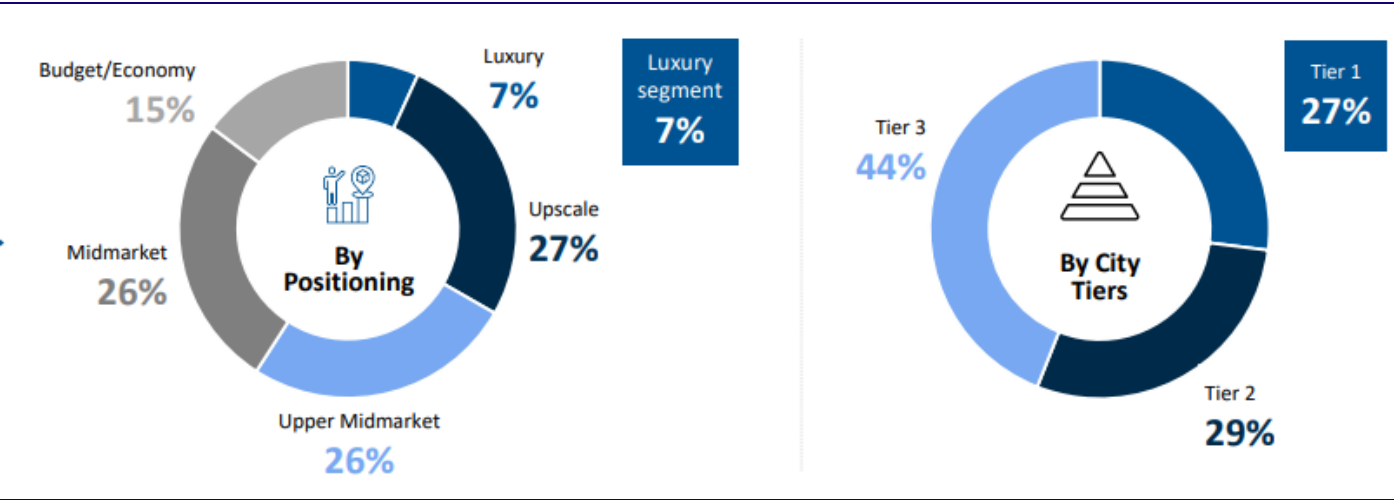
Source: Company, MOFSL

Exhibit 7: Demand growth outpaces supply growth



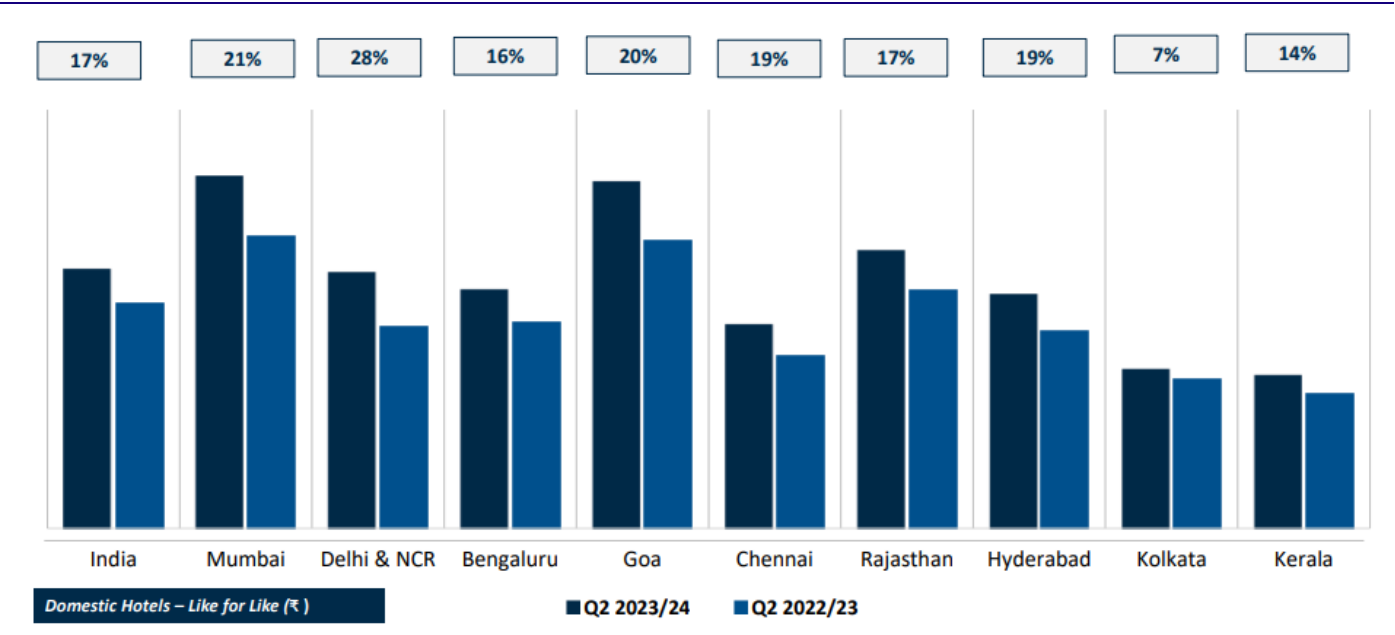
Source: STR, Company, MOFSL

Exhibit 8: Supply growth primarily in non-luxury, tier 2/3 markets



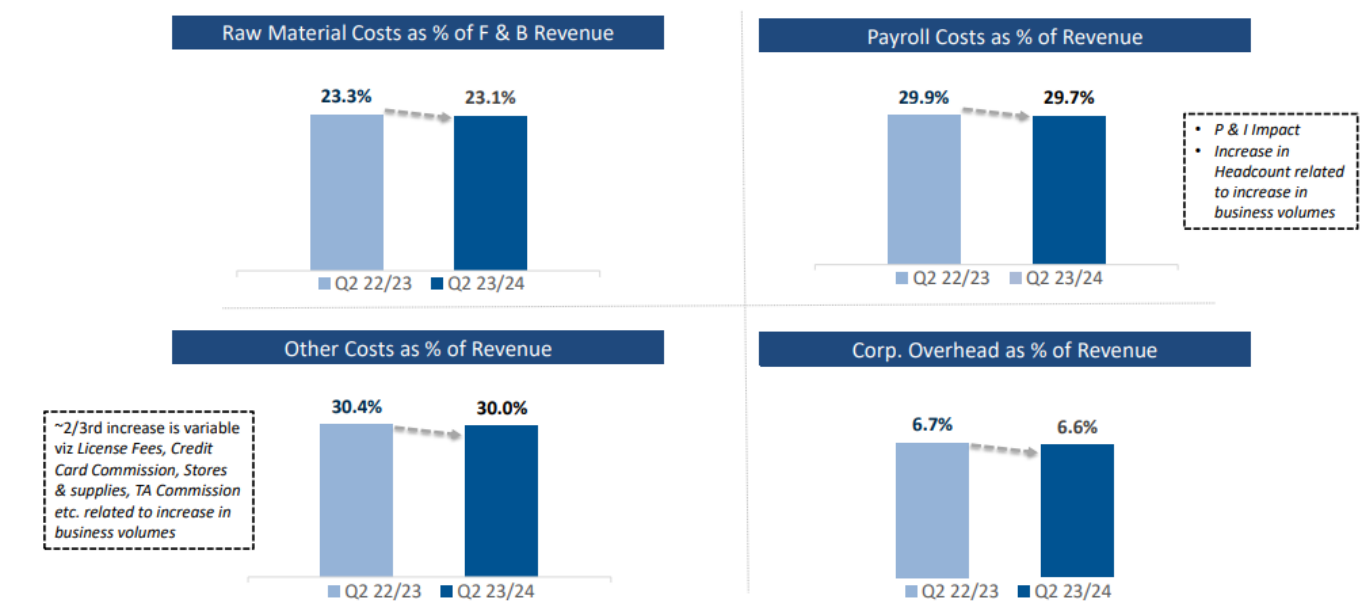
Source: STR Global, Company, MOFSL

Exhibit 9: Industry-leading recovery across key markets



Source: STR Global, 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 - Q2 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	85%	81%	4%	11,865	10,282	15%	10,101	8,358	21%
Delhi & NCR	79%	79%	-	9,349	7,278	28%	7,352	5,765	28%
Bengaluru	79%	74%	5%	8,648	7,969	9%	6,856	5,891	16%
Goa	73%	68%	6%	13,561	12,219	11%	9,945	8,254	20%
Chennai	78%	72%	6%	7,560	6,864	10%	5,861	4,937	19%
Rajasthan	50%	45%	4%	16,102	15,127	6%	7,977	6,834	17%
Hyderabad	72%	67%	5%	9,390	8,481	11%	6,723	5,654	19%
Kolkata	75%	71%	4%	6,091	6,013	1%	4,580	4,261	7%
Kerala	63%	55%	8%	6,988	7,014	0%	4,410	3,864	14%
Grand Total	69%	65%	4%	9,176	8,289	11%	6,350	5,428	17%

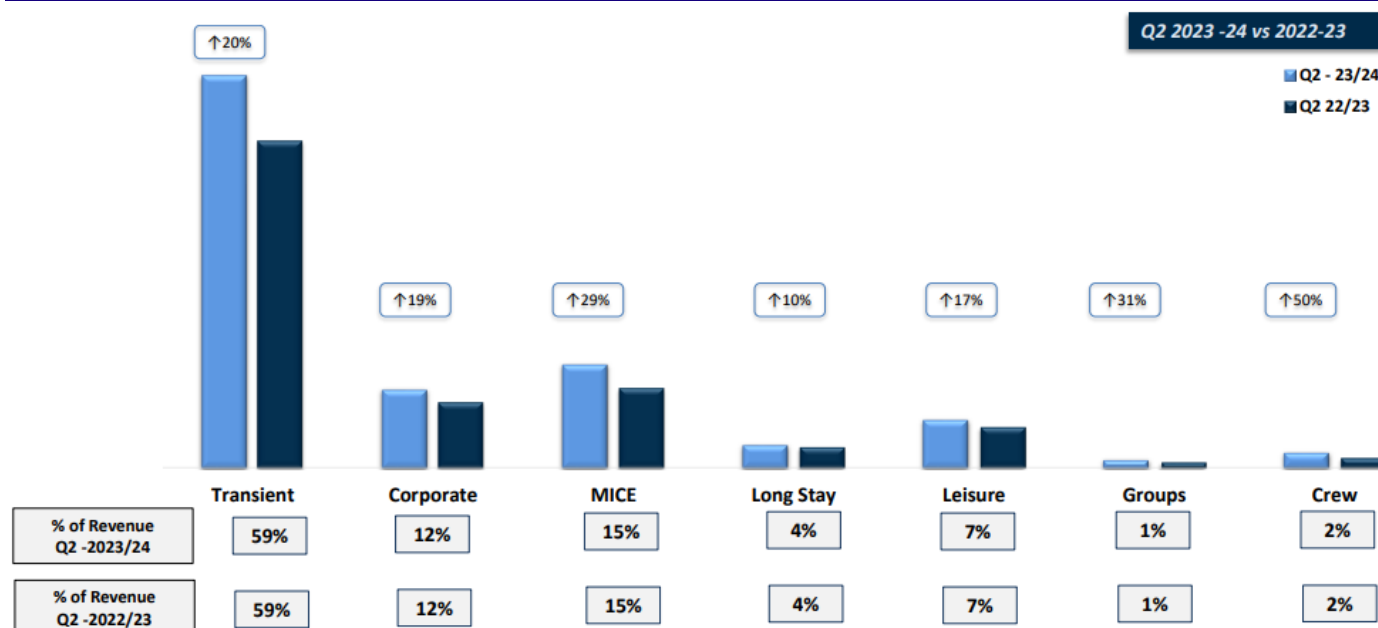
Source: Company, MOFSL

Exhibit 12: RevPAR growth by international destination vs. pre-Covid – LFL

International Hotels \$ - Q2	Occ %			ARR in \$			RevPAR in \$		
	ACT 23/24	PY 22/23	%	ACT 23/24	PY 22/23	%	ACT 23/24	PY 22/23	%
USA	57%	59%	-2%	649	641	1%	370	380	-3%
UK	76%	76%	0%	484	416	16%	369	317	16%
Maldives	49%	54%	-5%	489	526	-7%	241	283	-15%
Dubai	78%	73%	5%	156	163	-5%	121	119	2%
Cape Town	72%	57%	14%	128	119	7%	92	69	33%
Sri Lanka	51%	28%	23%	90	73	22%	46	21	121%
Grand Total	64%	57%	8%	251	263	-5%	162	150	8%

Source: Company, MOFSL

Exhibit 13: Market segment – Room revenue (all hotels): 2QFY24 vs. 2QFY23



Source: Company, MOFSL

Exhibit 14: Declining dependency across events...

G20	ICC Men's Cricket World cup
<p>YTD September 2023</p> <p>95 Crores</p> <p>1% of FY23 Enterprise revenue</p>	<p>Incremental expected on PY across match dates</p> <p>30 Crores</p> <p>0.5% of FY23 Enterprise revenue</p>

Source: Company, MOFSL

Exhibit 15: ... led by strong additions; IH Room pipeline as on Sept'23

Brands	FY 24 H2	FY25	FY26	FY27 / FY28	Total	No. of Hotels
Taj	375	697	1,404	1,225	3,701	21
IHCL & Group		255		220	475	4
Management Contracts	375	442	1,404	1,005	3,226	17
SeleQtions	252	959	147		1,358	13
Management Contracts	450	741	128		1,358	13
Vivanta	174	848	964	870	2,856	21
IHCL & Group			125		125	1
Management Contracts	174	848	839	870	2,731	20
Ginger	862	720	598	967	3,147	27
Owned/Leased	728	395	598	587	2,308	21
Management Contracts	134	325		380	839	6
Grand Total	1,663	3,224	3,113	3,062	11,062	82

Source: Company, MOFSL

Exhibit 16: IH – standalone revenue metrics

Particulars	2QFY22	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	YoY %	QoQ %
Occupancy (%)	56.6	69.8	72.1	74.7	74.7	75.9	610bp	120bp
ARR (INR)	8,273	11,003	15,456	16,915	12,614	12,972	18	3
RevPAR (INR)	4,679	7,681	11,137	12,634	9,428	9,840	28	4
Room revenue (INR m)	1,990	3,180	4,520	4,990	3,770	4,000	26	6
F&B revenue (INR m)	1,650	2,840	4,000	4,170	3,200	3,150	11	-2
Other revenue (INR m)	1,160	1,730	2,320	2,500	2,380	2,340	35	-2
Total revenue (INR m)	4,800	7,750	10,840	11,660	9,350	9,490	22	1

Source: Company, MOFSL

Exhibit 17: Revenue metrics for its domestic network

Particulars	2QFY22	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	YoY %	QoQ %
Occupancy (%)	53.9	62	68	67.8	67.1	65.7	370bp	-140bp
ARR (INR)	5,878	9,952	10,565	11,220	9,128	8,826	-11	-3
RevPAR (INR)	3,168	5,942	7,184	7,605	6,126	5,795	-2	-5
Room revenue (INR m)	4,940	11,220	11,870	12,590	10,320	10,100	-10	-2
F&B revenue (INR m)	4,190	8,970	10,240	10,690	9,020	8,890	-1	-1
Other revenue (INR m)	1,630	3,260	3,810	2,430	2,510	2,390	-27	-5
Total revenue (INR m)	10,760	23,450	25,920	25,710	21,850	21,380	-9	-2

Source: Company, MOFSL



Highlights from the management interaction

Operating performance

- RevPAR growth in Mumbai/Delhi & NCR/Bengaluru/Goa/Chennai stood at 21%/28%/16%/20%/19% YoY in 2QFY24.
- In the domestic business, ARR/occupancy/RevPAR grew 11%/240bp/16% YoY.
- For the standalone business, occupancy increased by 610bp YoY to 75.9% in 2QFY24. ARR grew 18% YoY to INR12,972.
- Payroll costs/corporate overheads as a percentage of revenue declined to 29.7%/6.6% in 2QFY24 from 29.9%/6.7% in 2QFY23.
- In FY23, key domestic subsidiaries such as Piem/Roots/Benares posted revenue growth of ~12%/16%/46% YoY to INR1.2b/INR0.8b/INR0.3b, while EBITDA grew 18%/9%/91% YoY to INR230m/INR280m/INR110m.

- Among international subsidiaries, Revenue/EBITDA for St James (London, UK) grew 22%/35% YoY to INR1.4b/INR0.5b. For UOH Inc (US), revenue declined 4% YoY to INR1.4b, while operating loss stood at INR270m.

Outlook

- RevPAR growth was in higher double digits in 2QFY24, led by ARR growth in the domestic market.
- RevPAR growth remains strong in Oct'23 so far, indicating strong demand visibility for Nov'23. The management has guided for double-digit RevPAR growth in Q3FY24.
- A favorable demand-supply scenario and a rebound in FTA should boost occupancy going ahead.
- With most of the new supply coming into Tier II and Tier III cities, the hospitality industry could increase rates in Tier I cities.
- Double-digit RevPAR growth for FY24 is comfortably achievable
- With the ongoing renovations in full swing, the company expects to sustain strong revenue growth.
- The majority of growth in FY24 is structural (with events like G20 and cricket world cup accounting for just 1-1.5% of the total revenues). Accordingly, management expects growth to continue in FY25, with a strong demand outlook coupled with more such events.

New Business

- IH has reorganized Qmin, Ama and Ginger into a new business vertical.
- New businesses recorded INR2.4b GMV in 1HFY24.
- Enterprise revenue of Ginger stood at ~INR1.04b in 2QFY24 with EBITDA margins of ~37%.
- About 70% of Ginger hotels have gone through renovations. Once all inventory comes online, growth will be much higher in Ginger.
- ARR in renovated Ginger hotels can increase by up to 20% YoY from current levels.
- Ginger has ~40 Qmin branded dining outlets as of 2QFY24.
- Ginger Santacruz will open in the next two to three weeks and the management has indicated that this hotel can touch INR1b in revenue in next three years of operations, with ARR of around INR6,500-7,000.
- Qmin generated revenue of ~INR220m in 2QFY24 and targets GMV of ~INR1b in FY24.
- Ama Stays and Trails has 75 operational villas as on 2QFY24.
- Taj SATs reported ~INR2.1b in revenue in 2QFY24, with EBITDA margins of ~24%. It has a ~60% market share. Further, it has started its operations at Goa (MOPA Airport).

International Locations

- IH is facing challenges in San Francisco. It will take ~3-5 quarters for the region to come back.
- Further, UK and US regions are not at optimum levels. Whenever these locations make a comeback, there will be healthy upside potential for the company.

- Cape Town and Dubai are doing well for the company.
- Going ahead, company investments will be India specific. Accordingly, it will not invest in owned hotels internationally, but it is open to signing management contracts in international locations.

Piem Hotels (Subsidiary of IH)

- Few hotels (2 out of 6/7 hotels) within Piem are under refurbishments, leading to a subdued performance for the subsidiary.
- The board has approved a buyout of shareholding in Piem Hotels (a 51.57% subsidiary) by acquiring 6.8% equity from New Vernon Pvt Equity Ltd and 0.28% equity from Tata Investment Corporation.
- The transaction will be executed through a combination of share swap (preferential issue) and cash for a total consideration of ~INR1.33b.
- Accordingly, IH's shareholding in Piem Hotels Ltd will increase to 58.65% from 51.57%.
- After this preferential issue, IH's equity share capital will increase by ~0.2%.

Others

- The industry is expected to witness a CAGR of 8-10% in hotel demand and a CAGR of 5-6% in supply for the next five years.
- The company signed total six hotels in Q2FY24 and opened three hotels, including three Taj hotels in the international market under management contracts.
- For 1HFY24, the company signed 18 hotels and opened 9 hotels. It **targets to open 20 hotels in FY24**.
- Since Taj is the strongest hotel brand in India, it commands premium. With strong occupancy, it can charge high rates.
- Taj has a dominating presence in luxury hotels with a ~65% share of inventory in the pipeline.
- IH is focusing on leasing land for its greenfield capex, reducing cash outflow.
- Free cash flow for 1HFY24 stood at INR2.7b, with capex of ~INR3b.
- For any new capex plans, the company is looking at the property having returns higher than at least WACC rate of 11.5%.

Valuation and view

- We expect the strong momentum to continue in FY24, led by: 1) a further improvement in occupancy led by favorable demand-supply dynamics and big global event such as ongoing ICC Cricket Men's World Cup; 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%/18%/20% over FY23-25.
- We maintain our FY24/FY25 EBITDA estimates in anticipation of a strong demand environment and ARR improvement. **Maintain BUY with our SoTP-based TP of INR480.**

Exhibit 18: Valuation methodology

Particulars	Methodology	Metrics	FY25	Multiple (x)	Value (INR m)	Value/ share (INR)
IHCL- ex JV/ Associate						
EV	EV/EBITDA (x)	EBITDA	24,967	25	6,19,192	436
Less: Net Debt					30,178	21
Less: Minority Interest					-6,601	-5
Sub Total					6,42,769	453
JV/Associate						
Taj GVK (IHCL's share - 25.5%) - JV	20% discount to Mcap	Attributable Mcap	3,632	0.8	2,905	2
Oriental Hotel (IHCL's share - 35.7%) - Associate	20% discount to Mcap	Attributable Mcap	6,160	0.8	4,928	3
Taj Sats	P/E (x)	PAT (51% holding)	1,047	30	31,420	22
Sub Total					39,253	28
Target Price					6,82,023	480

Source: MOFSL

Exhibit 19: Changes to our estimates

Earnings Change (INR m)	Old		New		Change	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	67,381	74,114	67,123	73,996	0%	0%
EBITDA	22,100	25,323	21,472	24,967	-3%	-1%
Adj. PAT	12,512	14,570	12,213	14,426	-2%	-1%

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	67,123	73,996
Change (%)	-0.1	2.1	10.0	-1.1	-64.7	94.0	90.1	15.5	10.2
Food and beverages consumed	3,640	3,764	4,041	3,706	1,438	2,572	4,729	5,314	5,994
Employees Cost	13,647	13,466	14,708	14,946	8,940	11,502	15,823	17,732	19,668
Power & Fuel Cost	2,586	2,591	2,736	2,699	1,729	2,250	3,486	3,893	3,922
Licence Fees	2,502	2,544	2,758	1,459	756	1,681	3,486	3,826	3,922
Other Expenses	11,736	11,967	12,580	12,147	6,506	8,509	12,530	14,886	15,524
Total Expenditure	34,110	34,332	36,823	34,956	19,369	26,515	40,054	45,651	49,029
% of Sales	84.8	83.7	81.6	78.3	123.0	86.8	68.9	68.0	66.3
EBITDA	6,096	6,704	8,297	9,675	-3,618	4,048	18,046	21,472	24,967
Margin (%)	15.2	16.3	18.4	21.7	-23.0	13.2	31.1	32.0	33.7
Depreciation	2,994	3,012	3,279	4,042	4,096	4,061	4,161	4,563	4,829
EBIT	3,102	3,692	5,019	5,633	-7,714	-13	13,885	16,909	20,138
Int. and Finance Charges	3,238	2,690	1,901	3,411	4,028	4,277	2,361	2,206	2,011
Other Income	549	617	834	1,324	1,647	1,552	1,389	1,970	1,702
PBT bef. EO Exp.	413	1,618	3,951	3,546	-10,095	-2,738	12,914	16,674	19,829
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	16,674	19,829
Total Tax	1,137	1,211	1,571	448	-1,553	-358	3,232	4,980	5,949
Tax Rate (%)	372.2	65.7	39.1	11.3	18.3	13.9	25.0	29.9	30.0
Minority Interest	-200	-376	-422	-37	259	253	-312	-519	-545
Reported PAT	-632	1,009	2,868	3,544	-7,201	-2,477	10,026	12,213	14,426
Adjusted PAT	-551	840	2,819	3,237	-8,401	-2,594	10,001	12,213	14,426
Change (%)	NA	NA	235.4	14.8	-359.5	-69.1	-485.5	22.1	18.1
Margin (%)	-1.4	2.0	6.2	7.3	-53.3	-8.5	17.2	18.2	19.5

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
Total Reserves	24,188	40,622	42,291	42,379	35,295	69,202	78,399	89,476	1,02,765
Net Worth	25,177	41,811	43,480	43,568	36,484	70,623	79,820	90,897	1,04,186
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	1,23,007	1,36,296
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	31,586	36,415
Net Fixed Assets	52,417	55,971	58,388	58,610	62,970	62,792	62,939	64,219	65,759
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	30,549	44,058
Inventory	804	857	804	936	929	1,008	1,092	1,376	1,478
Account Receivables	2,721	3,286	3,214	2,900	2,198	2,553	4,465	4,965	5,474
Cash and Bank Balance	2,471	2,703	2,409	3,156	1,536	11,878	10,534	12,125	23,788
Loans and Advances	7,177	7,338	10,675	10,895	9,605	9,700	10,180	12,082	13,319
Curr. Liability & Prov.	16,785	16,328	17,331	17,090	16,724	15,016	17,757	19,895	21,786
Account Payables	3,370	3,513	3,253	3,893	3,178	3,873	4,766	5,128	5,507
Other Current Liabilities	11,305	10,349	11,579	10,441	10,921	8,233	9,732	11,411	12,579
Provisions	2,110	2,465	2,500	2,756	2,625	2,909	3,259	3,356	3,700
Net Current Assets	-3,612	-2,143	-229	798	-2,456	10,123	8,514	10,654	22,272
Appl. of Funds	69,206	77,418	78,507	98,093	98,403	1,15,880	1,18,930	1,23,007	1,36,296

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	8.6	10.2
Cash EPS	1.7	2.7	4.3	5.1	-3.0	1.0	10.0	11.8	13.6
BV/Share	17.7	29.4	30.6	30.7	25.7	49.7	56.2	64.0	73.3
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	9.3	7.9
Valuation (x)									
P/E	-965.2	633.3	188.8	164.4	-63.3	-205.1	53.2	43.6	36.9
Cash P/E	217.9	138.1	87.3	73.1	-123.6	363.0	37.6	31.7	27.6
P/BV	21.1	12.7	12.2	12.2	14.6	7.5	6.7	5.9	5.1
EV/Sales	14.2	13.6	12.4	12.5	36.1	17.6	9.1	7.8	6.9
EV/EBITDA	93.5	83.3	67.4	57.7	-157.2	132.7	29.3	24.2	20.4
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	6.6	8.8
EV/ Adj Rooms (INRm)	60.3	57.1	55.9	54.1	55.1	51.2	50.2	48.4	44.1
EBITDA/ Room (INR)	4,129	4,341	5,193	6,039	-7,214	4,344	10,396	11,345	11,844
Return Ratios (%)									
RoE	-2.2	2.5	6.6	7.4	-21.0	-4.8	13.3	14.3	14.8
RoCE	3.8	4.6	5.9	6.8	-5.7	1.3	11.5	14.0	14.8
RoIC	-14.9	2.3	5.2	7.1	-7.9	0.0	12.4	13.6	15.9
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	1.5	2.0
Interest Cover Ratio	1.0	1.4	2.6	1.7	-1.9	0.0	5.9	7.7	10.0
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

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
(INRm)									
OP/(Loss) before Tax	306	1,618	4,017	3,955	-10,095	-2,738	12,914	16,674	19,829
Depreciation	2,994	3,012	3,279	4,042	4,096	4,061	4,161	4,563	4,829
Interest & Finance Charges	3,015	2,073	1,068	2,087	2,381	2,725	972	235	309
Direct Taxes Paid	-868	-1,425	-1,571	-448	1,553	358	-3,232	-4,980	-5,949
(Inc)/Dec in WC	-599	-1,033	323	-1,402	-2,722	2,155	1,633	-548	44
CF from Operations	4,848	4,246	7,115	8,235	-4,786	6,560	16,447	15,943	19,063
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	15,943	19,063
(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	9,443	12,563
(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	1,970	1,702
CF from Investments	9,114	-5,644	-3,882	-5,019	-1,197	-16,425	-1,446	-4,530	-4,798
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	-2,206	-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	519	545
CF from Fin. Activity	-13,814	957	-3,527	-2,470	2,764	20,050	-16,378	-9,823	-2,602
Inc/Dec of Cash	645	233	-294	746	-1,620	10,342	-1,344	1,591	11,662
Opening Balance	1,826	2,471	2,704	2,409	3,156	1,536	11,878	10,534	12,125
Closing Balance	2,471	2,704	2,409	3,156	1,536	11,878	10,534	12,125	23,788

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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.