



Lemon Tree Hotels Ltd.



Lemon Tree 2.0: Growth, Resilience, and Renewal

Accumulate

Lemon Tree Hotels Limited

Company Background

Lemon Tree Hotels Limited (LTH) is India's largest mid-priced hotel chain and a leading player in the hospitality sector. Established in 2002, the company has rapidly expanded its footprint across the country with a portfolio spanning the economy, midscale, upper-midscale, and upscale hotel segments. Over the years, Lemon Tree has positioned itself as a preferred brand for business and leisure travelers by offering a balance of affordability, quality service, and modern amenities. With its strong brand identity, the company operates multiple formats including Lemon Tree Premier, Lemon Tree Hotels, Red Fox Hotels, and Aurika Hotels & Resorts. Known for its wide reach and innovative operating model, Lemon Tree Hotels has built a network of properties strategically located in metros, tier-1, and tier-2 cities, catering to India's growing domestic travel demand. The company has also adopted an asset-light strategy by focusing on management contracts alongside owned and leased properties, which supports faster growth and scalability.

Outlook and Valuation

We are optimistic about the company's growth prospects, supported by the completion of its extensive renovation program, which is already yielding higher Average Room Rates (ARR) and occupancy gains across key properties. Additionally, deleveraging efforts, falling interest costs, and an asset-light expansion strategy further strengthen the outlook. As the market leader in the mid-priced hotel segment, with a rapidly expanding portfolio expected to cross 20,000 rooms well ahead of schedule, we expect Lemon Tree Hotels to deliver higher-than-industry revenue growth. We recommend an **ACCUMULATE** rating on the stock, with an expected revenue **CAGR of 10% over FY25-27E** during the same period. We estimate a forward **EV/EBITDA multiple of 24.1x** based on FY27E earnings, resulting in a **target price of ₹217 per share**.

Financial Snapshot (Consolidated)

Particulars (INR in Cr.)	FY24	FY25	FY26E	FY27E	CAGR %
					(FY25- FY27E)
Revenue	1071.1	1286.1	1458.7	1555.2	10.0
EBITDA	523	634	719	767	10.0
EBITDA %	48.9	49.3	49.3	49.3	
PAT	182	243	328	394	27.3
PAT Margin	9.5%	9.2%	9.5%	10.3%	
EPS (Rs.)	1.9	2.5	3.3	4.0	26.6

Source: Company, ACMIIL Retail Research

Company at a Glance

- India's largest mid-priced hotel chain with a diverse portfolio spanning economy, midscale, upper midscale, and upscale segments.
- Market leader in the mid-priced segment, supported by a powerful asset-light growth model through management contracts and franchises.
- Renovation-led upgrade across key properties driving higher ARR and occupancy, boosting (Revenue Per Available Room) RevPAR and margins.
- Strong presence in corporate travel, leisure, and MICE (Meetings, Incentives, Conferences, Exhibitions) segments, ensuring diverse demand drivers.
- Focused on sustainable growth, with renewable energy adoption and tech investments improving cost efficiencies.
- GST rate rationalisation in the hospitality sector supports affordability and demand, benefiting mid-priced hotels like Lemon Tree.
- Expanding globally with properties in Dubai and upcoming signings in select international markets

Key Data

DATE	08-Sep-2025
Reco Price	175-183
Target	217
Industry	Hotels & Resorts
BSE Code	541233
NSE Code	LEMONTREE
Face Value (INR.)	10.0
Market Cap (Cr)	14,173.0
52-week High/Low (INR)	181 / 111

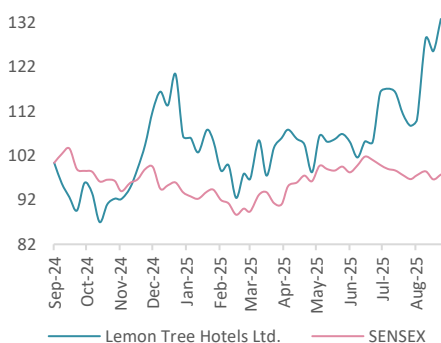
Source : NSE, BSE

Shareholding pattern
(Jun-2025)

	%
Promoters	22.28%
DII's	21.33%
FII's	19.98%
Public	36.36%
Others	0.05%
Total	100.00%

Source : NSE, BSE

Price Performance



Rebased to 100

Business Overview

Lemon Tree Hotels Limited (LTH) is India's largest mid-market hotel chain and a leading name in the country's hospitality sector. Established in 2002, the company has built a distinctive positioning by focusing on the mid-priced segment, which caters to the fast-growing base of value-conscious business and leisure travelers. Unlike luxury chains that concentrate on high-end destinations, Lemon Tree's strategy is to create scale and depth across the economy, midscale, upper midscale, and upscale categories. Its operations combine **owned and leased hotels** that provide stable cash flows and brand visibility, with an **asset-light management and franchise business** that drives rapid expansion and margin growth. This dual approach has made Lemon Tree a unique platform within the Indian hotel industry.

Scale and Footprint

At the close of FY25, Lemon Tree had a portfolio of **212 hotels with 17,116 rooms**, comprising **101 operational hotels with 10,269 rooms** and **111 hotels in the pipeline with 6,847 rooms**. These hotels are spread across more than **130 destinations in India** and selected international markets, reflecting the company's deliberate mix of metro, tier-1, tier-2 cities, airport hubs, and leisure destinations. Internationally, Lemon Tree has already established a presence in **Dubai, Nepal, and Bhutan**, with plans to expand selectively into other overseas markets through management contracts.

Brand Portfolio

Lemon Tree operates a **multi-brand architecture** that allows it to target different customer segments while leveraging a single operating backbone:

- **Aurika Hotels & Resorts:** Upscale luxury hotels catering to premium travelers, with Aurika Mumbai SkyCity as the flagship property.
- **Lemon Tree Premier:** Upper midscale hotels located in prime urban and business districts.
- **Lemon Tree Hotels:** The core mid-market offering, serving business and leisure guests.
- **Red Fox Hotels:** Economy hotels designed for young, budget-conscious travelers.
- **Keys Hotels :** Strengthens the economy-to-midscale offering and is being renovated to align with Lemon Tree's quality standards.

This structure enables the company to capture a wide spectrum of demand, from corporate and MICE travel to leisure and budget stays, while maintaining strong brand recall.

Fleur Hotels and Carnation Hotels

Lemon Tree Hotels operates its business through two key subsidiaries, **Fleur Hotels** and **Carnation Hotels**, which together form the backbone of its dual strategy of asset ownership and asset-light growth.

Fleur Hotels functions as the **asset-holding arm** of the group. It was originally established as a joint venture with Warburg Pincus to acquire and own hotel properties, and today it continues to consolidate a large portion of the company's owned and leased portfolio. By housing capital-intensive assets under Fleur, Lemon Tree ensures stable revenues and cash flows while creating an avenue for capital recycling. Under the **Lemon Tree 2.0 strategy**, management has indicated plans to **list Fleur Hotels separately** in the medium term, unlocking value, reducing debt at the parent company, and allowing the brand platform to remain asset-light. Fleur therefore acts as a long-term balance sheet stabiliser, providing the base from which the group can pursue faster, more profitable growth.

Carnation Hotels, on the other hand, is the **exclusive management arm** of Lemon Tree and operates as India's largest mid-market hotel management services company. Carnation manages all hotels under the group's brands - Aurika, Lemon Tree Premier, Lemon Tree Hotels, Red Fox, and Keys - and is central to the company's **asset-light expansion strategy**. Through Carnation, Lemon Tree has signed a strong pipeline of management and franchise contracts, enabling rapid growth with minimal capital investment. In FY25, **management fees contributed nearly ₹149 crore**, demonstrating the scalability and profitability of this business.

Together, Fleur and Carnation represent the **two growth levers of Lemon Tree Hotels**. Fleur secures the company's foundation with owned assets that deliver stable cash flows and long-term value creation, while Carnation drives expansion and higher margins by scaling the brand across new properties and geographies. This integrated structure allows Lemon Tree to balance financial stability with aggressive growth, positioning it strongly for the next phase of expansion under its Lemon Tree 2.0 vision.



Business Overview

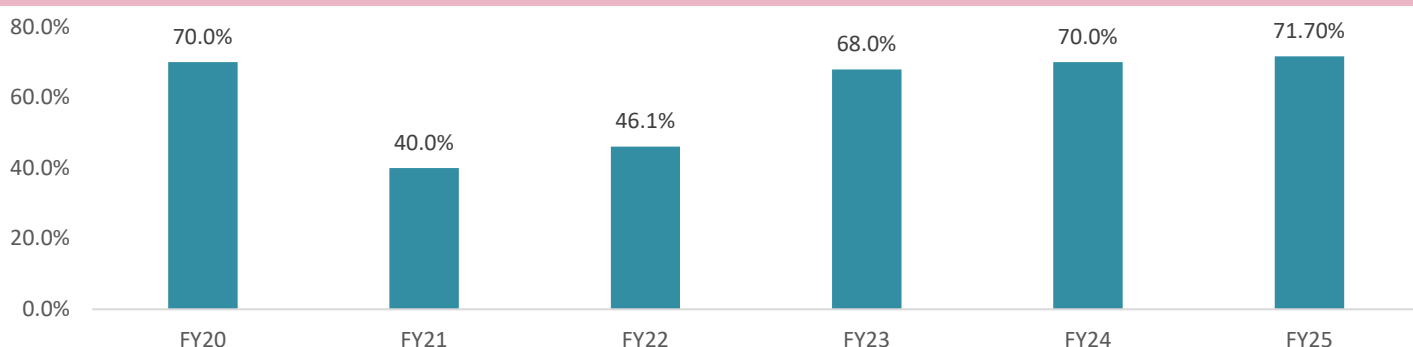
Occupancy Rate

Occupancy has been a key driver of Lemon Tree Hotels' operating performance and profitability. In **FY25**, the company reported an average occupancy of **71.7%**, supported by robust demand from both corporate and leisure travelers. This figure represented healthy growth compared to pre-pandemic levels and reflected the company's ability to capture diverse demand streams across metros, airports, and tier-2/3 cities.

The strong momentum continued into **Q1FY26**, where occupancy rose by **591 basis points year-on-year to 72.5%**. This increase came alongside a nearly 10% rise in average room rates (ARR), demonstrating that higher pricing has not come at the cost of volume. Specific properties highlighted the benefits of the renovation program: for instance, the **Keys Pimpri hotel saw occupancy rise by 10% post-renovation**, while Aurika Mumbai reached an occupancy of **76% in Q1FY26**, up sharply from 46% a year earlier.

Management has indicated that further upside exists once the renovation cycle is completed by FY27, as refreshed properties are expected to command higher rates while maintaining strong occupancy levels. This is expected to translate into meaningful gains in **RevPAR** and margins, with occupancy for the portfolio stabilizing above 75% in the medium term.

Occupancy Rate %



Source: Company Reports, Acmiil Retail Research

Average Room Rate (ARR)

Lemon Tree Hotels has consistently improved its Average Room Rate (ARR) through a combination of renovation-led upgrades, improved brand positioning, and favorable demand trends. In **FY25**, the company reported an ARR of approximately **₹6,381**, reflecting steady growth compared to prior years. The company has been able to command higher room rates across both its business and leisure properties, aided by the refurbishment of older hotels and the repositioning of the acquired Keys portfolio.

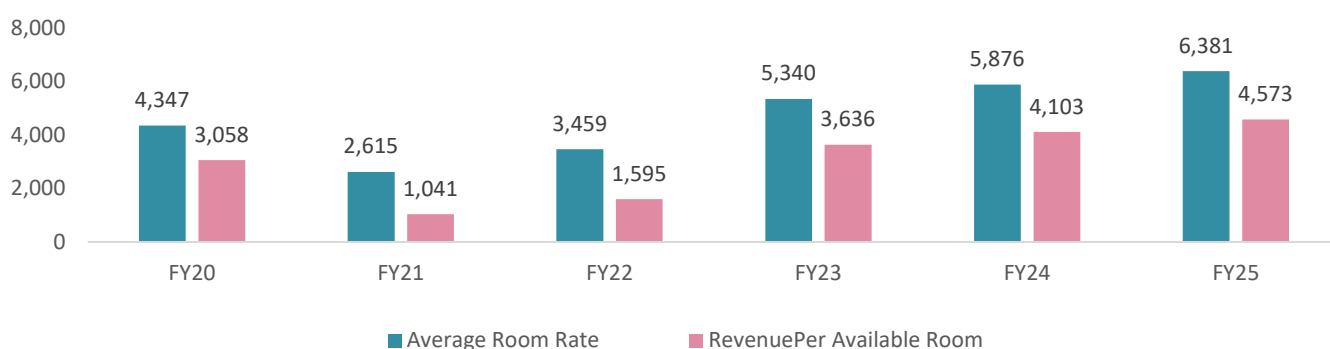
In **Q1FY26**, ARR stood at **₹6,236 per night**, marking a **9.7% year-on-year increase**. Management noted that renovated properties in Delhi and Hyderabad delivered ARR improvements of **15–19%**, while the Keys Pimpri property saw an ARR uplift of **₹1,300–1,400** post-renovation. These examples highlight the tangible benefits of the ongoing refresh cycle, which is expected to support ARR expansion across the portfolio once fully completed by FY27.

Revenue per Available Room (RevPAR)

RevPAR, which captures both pricing (ARR) and occupancy, has shown even stronger momentum. In **FY25**, Lemon Tree achieved a RevPAR of **₹4,573**, underpinned by healthy occupancy levels of 71.7%. With both occupancy and room rates moving higher, RevPAR has accelerated meaningfully in FY26.

In **Q1FY26**, RevPAR rose by **19.4% year-on-year to ₹4,523 per night**, driven by higher ARR and a 591 bps improvement in occupancy. The Aurika Mumbai property, for instance, contributed significantly as its occupancy ramped up while sustaining healthy ARR levels. Management has guided that once the renovation cycle concludes and demand tailwinds from corporate and MICE segments deepen, RevPAR growth will remain well above industry averages, ensuring sustained operating leverage and margin expansion.

RevPAR and ARR (INR Actuals)



Source: Company Reports, Acmiil Retail Research

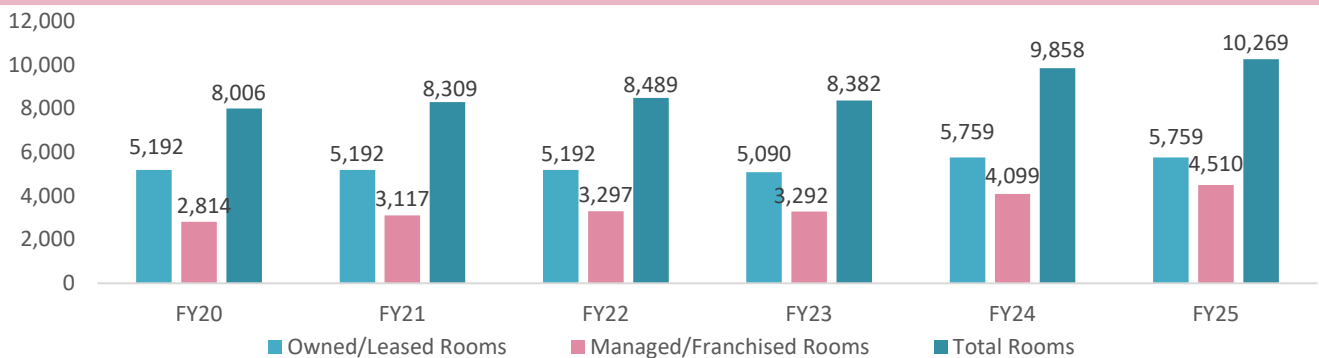
Business Overview

Operating Model

Lemon Tree's operating model rests on two pillars:

- Owned/Leased Hotels:** These form the backbone of the business, providing control over service quality and guest experience. In FY25, the company operated **41 owned/leased hotels with 5,759 rooms**. While capital-intensive, these assets deliver consistent revenues and long-term value through appreciation.
- Managed/Franchised Hotels:** The company has accelerated its **asset-light expansion** by signing management and franchise contracts. These hotels, funded by third-party owners, generate **high-margin management fee income** with minimal capital investment from Lemon Tree. Management fees totaled **₹149 crore in FY25**, underscoring the scalability of this model. The long-term target is for managed hotels to account for the majority of the portfolio, which will reduce capital intensity and boost return ratios.

Consistent Growth in Room Inventory Driven by Asset-Light Expansion



Source: Company Reports, Acmiil Retail Research

Renovation and Efficiency Gains

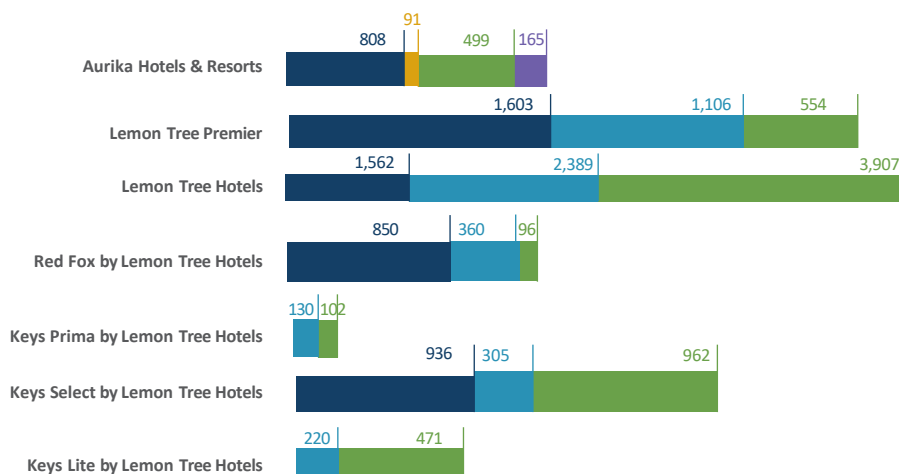
A key focus area is the renovation of older hotels, including the acquired Keys portfolio and select Lemon Tree Premier properties. By Q1FY26, about **65-70% of the planned renovations were complete**, with full portfolio refresh expected by FY27. Renovations have already shown tangible results, such as ARR uplifts of ₹1,300–1,400 at Keys Pimpri and 15–19% ARR gains in Delhi and Hyderabad properties post-renovation. Once completed, the cycle is expected to drive **higher margins, lower repair and maintenance costs, and improved guest experience**.

Growth Strategy - Lemon Tree 2.0

The company's strategic roadmap, branded as **Lemon Tree 2.0**, is designed to transform the business by FY27. The plan emphasizes:

- Asset-light growth:** Increasing the share of managed and franchised hotels, targeting more than 70% of the portfolio.
- Digital and Retail Transformation:** Driving direct bookings, enhancing loyalty (Infinity Rewards now has over 2.1 million members with ~44% repeat usage), and leveraging data science for dynamic pricing.
- Operational Excellence:** Sustaining industry-leading margins through cost control, tech adoption, and energy efficiency.
- Capital Recycling:** Aggregating owned assets into the Fleur platform, which may be separately listed, to unlock value and reduce capital intensity.

Total Rooms by Inventory Type



Operational

- Owned/Leased
- Managed/Franchised

Pipeline

- Owned/Leased
- Managed/Franchised
- Public-Private Partnership

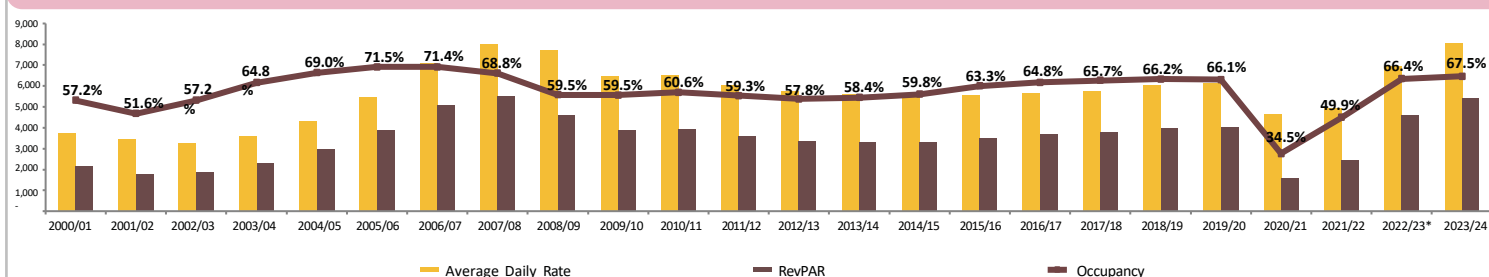
Source: Company Reports, Acmiil Retail Research

Indian Hospitality Industry Outlook

The Indian hospitality industry has grown into one of the most dynamic sectors of the economy, closely linked with tourism, aviation, infrastructure and urban development. It has shown remarkable resilience over the past few years, moving from a pandemic-induced collapse to a strong recovery led by domestic demand. Hotels across the country have benefitted from rising disposable incomes, improved connectivity, and a cultural shift towards travel and leisure. At the same time, the sector is becoming more structured, with branded supply expanding rapidly and international operators showing keen interest in India's growth story.

As of FY2023/24, branded supply in India had crossed **1.8 lakh rooms**, distributed across nearly 300 cities. Occupancy levels averaged around **67.5%**, with an **average daily rate (ADR)** of about **₹8,100**. This represents a significant improvement compared to earlier years, although the recovery is not uniform across all markets. Established properties in prime locations have consistently outperformed, while new supply and smaller hotels have faced challenges in achieving sustainable occupancies.

Nationwide Performance (2000/01 - 2023/24)



Source: Company Reports, Acmiil Retail Research

Key Demand drivers

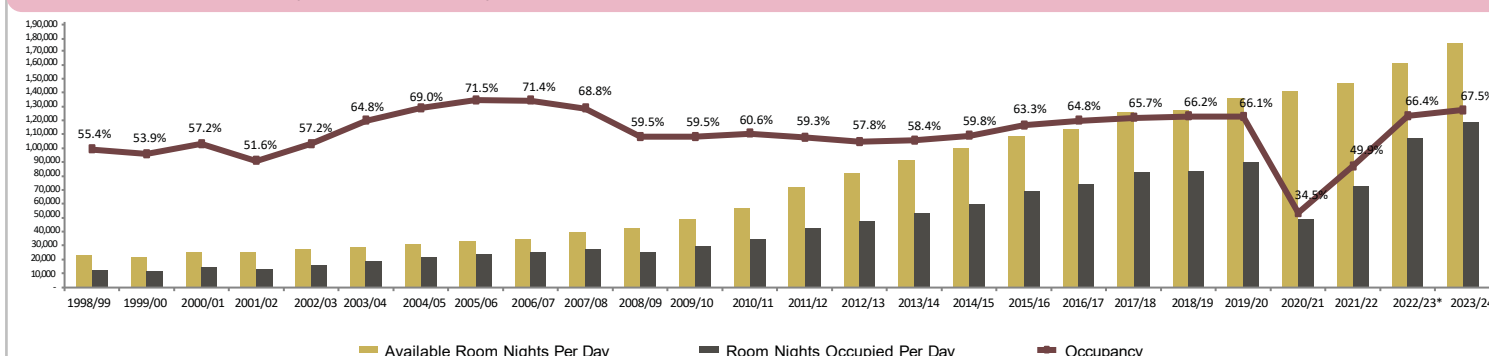
Domestic travel as the foundation: Domestic travellers remain the backbone of India's hospitality sector, accounting for the vast majority of demand. Rising incomes, increasing urbanisation and a stronger cultural appetite for leisure travel have led to more frequent holidays, weekend getaways and short breaks. Spiritual tourism has grown rapidly, with destinations such as Rishikesh, Varanasi, Tirupati and Amritsar witnessing strong growth. Wildlife tourism, driven by parks in Rajasthan, Madhya Pradesh and Uttarakhand, is also attracting a mix of domestic and international visitors.

Corporate and business travel: Business travel has rebounded, though its structure has evolved. Many corporations are moving away from bulk contracted room-night deals and instead opting for retail or dynamic pricing arrangements. This gives hotels more flexibility to adjust rates based on demand but also requires careful yield management. Large metro markets like Mumbai, Delhi and Bengaluru continue to be driven by corporate activity, especially in banking, consulting, IT and professional services. The growth of start-ups and regional offices has also created demand in secondary business hubs.

Meetings, incentives, conferences and exhibitions (MICE): The MICE segment has grown into a critical demand driver. Weddings, corporate events and conferences contribute significantly to revenue, particularly for full-service hotels with large banqueting spaces. Wedding-related travel alone has become a billion-dollar opportunity, and hotels with large banquet halls or resorts in scenic locations are positioned to benefit disproportionately. The return of large-scale exhibitions, corporate off-sites and social events has further strengthened weekday occupancies.

Aviation and connectivity: Air travel recovery has played a central role in supporting hotel demand. Indian airports handled over **370 million passengers in FY2023/24**, and the government's continued investment in regional airports and new flight routes has expanded the addressable market for hotels. Cities that were once poorly connected are now within easy reach, opening up entirely new demand clusters. The growth of low-cost carriers has also encouraged short-haul leisure travel, allowing families and young professionals to explore destinations more frequently.

Nationwide Performance (2000/01 - 2023/24)

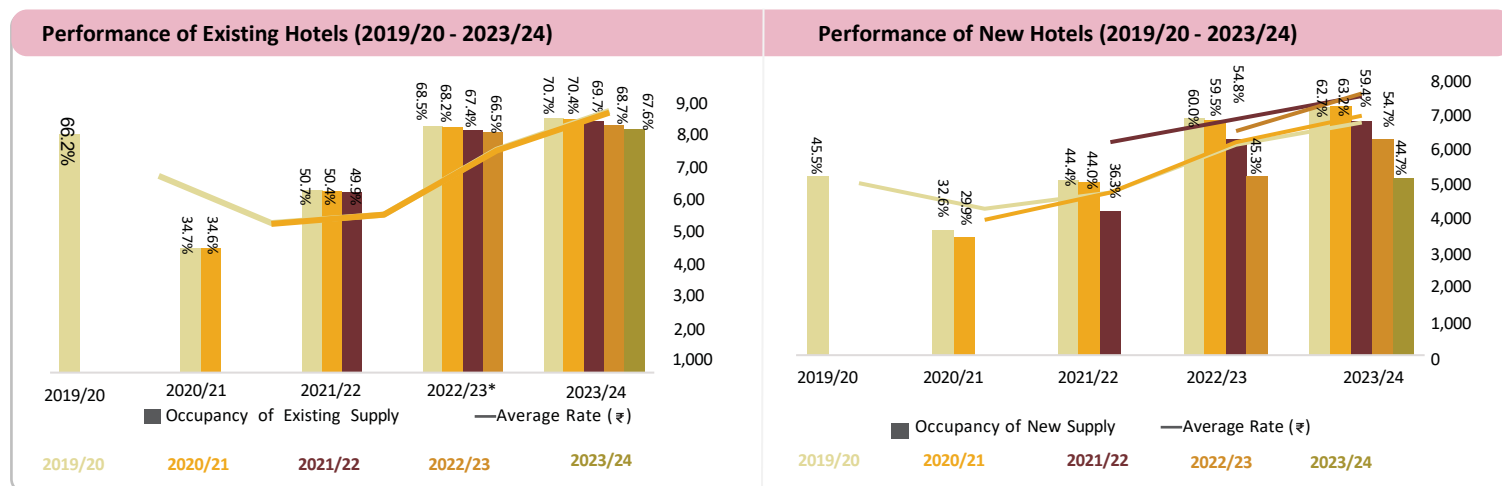


Source: Company Reports, Acmiil Retail Research

Indian Hospitality Industry Outlook

Existing base and pipeline

India currently has over **180,000 branded rooms**, with a robust pipeline of about **89,000 additional rooms** over the next five years. Importantly, nearly three-fourths of these planned projects are under active development, suggesting strong confidence among developers and investors. If delivered on schedule, branded supply is expected to rise by almost 40% by FY2029, bringing the total close to **2.5 lakh rooms**. Newly opened hotels are stabilising faster, with first-year occupancies now averaging ~45% versus ~35–40% a few years ago, while a greater share of upper midscale and leisure properties is supporting higher starting room rates.



Source: Company Reports, Acmiil Retail Research

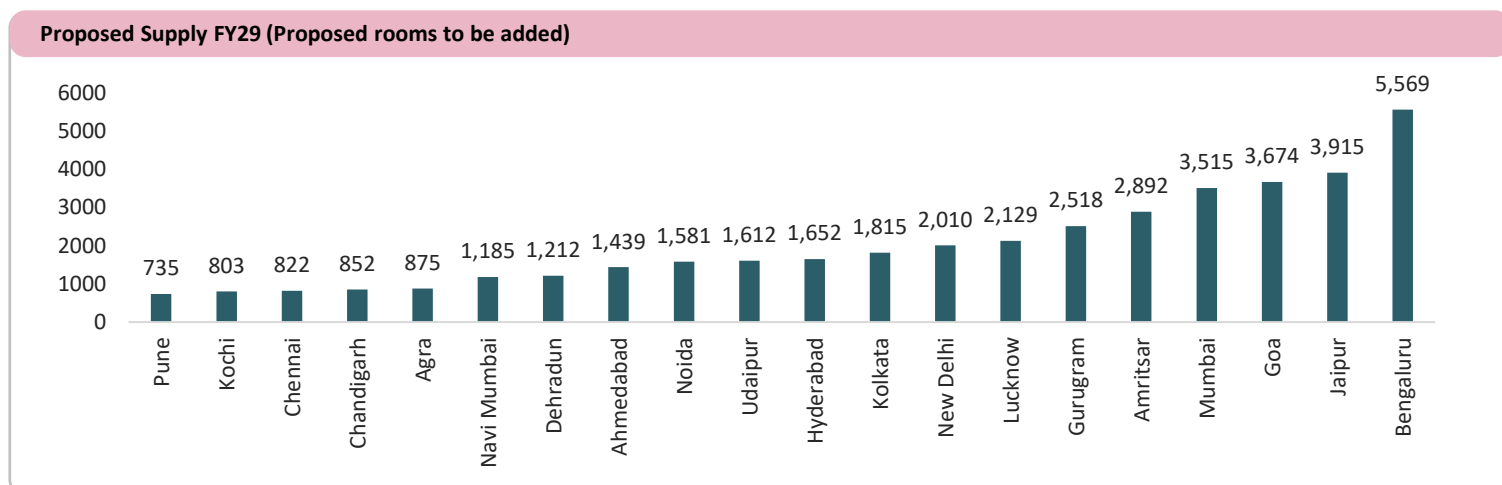
Source: Company Reports, Acmiil Retail Research

Segment focus of new supply

The majority of upcoming supply is concentrated in the **midscale and upper-midscale categories**, reflecting the demand base of domestic corporate and leisure travellers. Luxury hotels form a smaller share of the pipeline, but remain important in select leisure destinations and gateway cities. Budget and economy hotels continue to grow steadily, driven by travellers seeking affordable stays and operators adopting asset-light franchise models.

Geographic concentration

More than half of all branded supply is concentrated in ten major cities, with Mumbai, Delhi NCR, Bengaluru, Hyderabad and Goa leading the list. However, Tier-2 and Tier-3 markets such as Lucknow, Amritsar, Dehradun and Guwahati are seeing large percentage increases in supply, often supported by new airports and highway projects. While this creates exciting growth opportunities, it also raises the risk of short-term oversupply in smaller markets where demand may not keep pace.



Source: Company Reports, Acmiil Retail Research

Indian Hospitality Industry Outlook

Market performance and regional variations

The performance of the hospitality industry varies sharply across regions. Western India, anchored by Mumbai, has delivered the highest revenues and strongest ADRs. Mumbai continues to be the most lucrative city market, supported by financial services, entertainment and corporate demand. Delhi NCR has shown strong ADR growth, helped by government activity, MICE events and a steady flow of business travellers. Southern markets like Bengaluru and Hyderabad have benefitted from the IT and services sectors, while Goa remains India's leisure capital, commanding premium rates during peak seasons.

Leisure destinations such as Udaipur, Jaipur, Rishikesh and Ranthambore have witnessed exceptional rate growth. Weddings, wellness tourism and heritage travel have pushed ADRs higher, and many of these destinations are supply constrained due to environmental regulations. On the other hand, several satellite towns and smaller urban markets are facing performance pressures. Oversupply in places like Zirakpur, Dwarka and Navi Mumbai has led to lower occupancies and weaker RevPAR growth.

Revenue trends

The most striking feature of recent industry performance is that revenue growth has been largely **rate-driven**. ARR increases have contributed more to RevPAR growth than occupancy gains. Hotels are relying on sophisticated revenue management systems to optimise pricing by day of week, length of stay and segment. Larger hotels with banquet facilities enjoy higher ADRs, as they can attract group bookings, weddings and corporate events. In contrast, smaller properties without such facilities struggle to maintain high rates.

Hotels are also diversifying revenue streams. Food and beverage, events, spas and curated experiences now form a meaningful share of overall revenues, particularly in resorts and leisure markets. This diversification not only improves profitability but also makes hotels less dependent on room revenues alone.

Distribution and technology

Distribution dynamics are shifting as hotels reduce dependence on online travel agencies (OTAs). While OTAs provide reach, they also charge high commissions, squeezing margins. To address this, hotel brands are investing heavily in their own websites, mobile apps and loyalty programmes to encourage direct bookings. Loyalty members receive benefits such as discounts, upgrades and exclusive offers, which improves customer retention and lowers acquisition costs.

Technology adoption has also accelerated. Dynamic pricing, AI-based revenue management tools, contactless check-in, digital payment systems and personalised marketing campaigns are becoming standard. Hotels are collecting and analysing guest data to improve experiences and generate repeat stays.

Outlook for the medium term

The Indian hospitality industry is set to continue on a growth trajectory, though at a more moderate pace than the sharp rebound of the last two years. Occupancy levels are likely to hold steady around current levels, while further ADR increases will drive revenue growth. Tier-1 cities such as Mumbai, Delhi, Bengaluru and Hyderabad will remain the most reliable performers, supported by corporate travel and large events.

Leisure destinations will continue to benefit from weddings, wellness tourism and experiential travel, but pricing power may soften slightly as more supply enters these markets. Secondary and tertiary markets will offer opportunities for first movers but also carry risks of oversupply. Overall, the strong base of domestic travel, improved infrastructure, and rising investor interest suggest a healthy medium-term outlook.



Investment Rationale

1) Leadership in India's Mid-Market Hospitality Segment

Lemon Tree Hotels is the largest player in India's mid-market hotel category, a segment that is structurally underpenetrated yet poised for multi-year growth. With a portfolio spanning economy, midscale, upper midscale, and upscale hotels, the company caters to diverse demand pools including corporate, leisure, and MICE travel. Its market leadership is reinforced by a wide presence across more than 100 cities and a strong pipeline, positioning the company to capture the next leg of growth in India's fast-evolving travel and tourism industry.

2) Scale and Multi-Brand Portfolio

At the close of FY25, Lemon Tree had 212 hotels with over 17,100 rooms, including 101 operational hotels and 111 in the pipeline. The group operates five distinct brands - Aurika, Lemon Tree Premier, Lemon Tree Hotels, Red Fox, and Keys - which allow it to address a wide spectrum of customers and geographies. This brand layering provides both breadth and depth, enabling the company to strengthen loyalty and improve customer stickiness across different travel occasions and budgets.

3) Asset-Light Growth Model Through Carnation

The company's dual structure of owned/leased assets and managed/franchised hotels is a key differentiator. While owned and leased hotels provide stable cash flows, Carnation Hotels, its management arm, drives asset-light growth by signing third-party properties. In FY25, management fees contributed nearly ₹149 crore, underscoring the scalability of this model. With more than 60 properties in the pipeline under management contracts, Carnation is expected to contribute a rising share of revenues and margins, reducing capital intensity and improving return ratios.

4) Fleur Hotels: Capital Recycling and Balance Sheet Deleveraging

Fleur Hotels, the subsidiary that houses Lemon Tree's owned and leased portfolio, plays a central role in capital recycling. Management has indicated plans to list Fleur separately, which would unlock asset value, allow debt reduction at the parent level, and support an asset-light future for the operating platform. This structure provides Lemon Tree with flexibility to expand rapidly without burdening the balance sheet and creates a clear separation between asset ownership and brand operations.

5) Renovation Programme Driving ARR and RevPAR Uplift

A comprehensive renovation program is underway across older properties, particularly the Keys portfolio. By Q1FY26, about 65-70% of renovations were completed, with clear benefits visible in upgraded hotels. Keys Pimpri, for example, saw ARR gains of ₹1,300-1,400 and occupancy improvements of 10% after renovation, while Delhi and Hyderabad properties registered ARR growth of 15-19%. Once the cycle is completed by FY27, the company expects higher ARR, improved occupancies, and lower maintenance costs, leading to sustained RevPAR growth and margin expansion.

6) Margin Leadership with Room for Further Expansion

Lemon Tree has one of the best margin profiles in the industry, with an EBITDA margin of ~49% in FY25. The margin expansion is supported by a greater share of management fee income, efficiency gains from digital initiatives, and lower energy intensity from renewable adoption. With renovation expenses tapering off by FY27 and cost-saving measures in place, the company is targeting sustainable margins above 50%, creating a powerful driver of earnings growth.

7) Well-Defined Growth Roadmap Under LT 2.0

The company's strategic roadmap, Lemon Tree 2.0, is designed to accelerate growth and profitability. It emphasizes asset-light expansion, digital transformation, retail acceleration through loyalty programs, renovation-driven upgrades, and capital recycling.

8) Strengthening Balance Sheet and Deleveraging

Lemon Tree has made significant progress in reducing debt. Net debt declined by over ₹200 crore year-on-year to ₹1,658 crore in Q1FY26, while the average cost of borrowing fell from 8.8% to 8.01%. Management has guided towards becoming net-debt free within the next 18 months, supported by strong operating cash flows, capital recycling via Fleur, and improved profitability. A stronger balance sheet will enhance financial flexibility and reduce risk, further supporting growth.

9) Near-Term Catalysts and Re-Rating Triggers

Several catalysts are expected to unlock value in the near term. These include the completion of renovations by FY27, continued ramp-up of Aurika Mumbai (already at 76% occupancy in Q1FY26), accelerated signing of management contracts, potential listing of Fleur Hotels, and rapid deleveraging. Together, these factors create visibility for above-industry growth and improved valuation multiples over the next 12-24 months.

10) GST Catalyst

GST rationalisation has made mid-market hotels more affordable, boosting occupancy and ARR in the ₹2,500-₹7,500 segment where Lemon Tree dominates. Combined with the benefits of the upcoming festival season, which typically drives strong leisure and corporate travel demand, this will further accelerate the shift from unorganised to branded hotels and directly strengthen Lemon Tree's growth prospects.

Peer Analysis (INR Crore, Except Per Share)

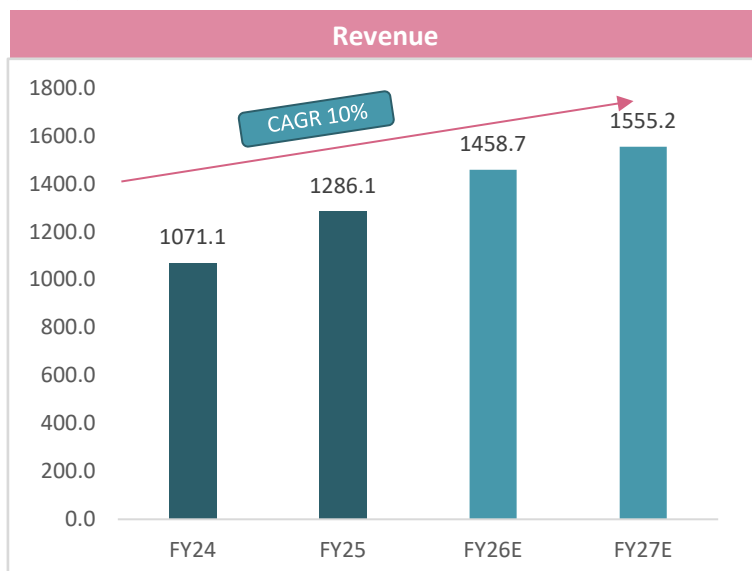
Name	Last Price	Mkt Cap	Revenue	Revenue			EPS		
			5Y CAGR	FY25	FY26E	FY27E	FY25	FY26E	FY27E
LEMON TREE HOTELS LTD	173.0	13705.9	13.9%	1286.1	1458.7	1555.2	2.5	3.3	4.0
VENTIVE HOSPITALITY LTD	750.0	17514.5	14.2%	697.9	2409.2	2719.0	5.4	12.4	20.9
JUNIPER HOTELS LTD	294.6	6553.8	12.4%	944.3	1084.3	1266.9	3.2	7.2	10.7
SAMHI HOTELS LTD	217.2	4804.6		1130.0	1283.1	1450.7	4.5	8.3	11.9
CHALET HOTELS LTD	1039.0	22720.3	11.5%	1550.6	2343.4	2640.4	6.3	24.0	29.5
APEEJAY SURRENDRA PARK HOTEL	157.5	3359.6	9.5%	631.5	740.8	862.4	3.9	6.2	6.9
ROYAL ORCHID HOTELS LTD	531.1	1456.6	9.3%	319.5	400.0	484.2	17.2	22.7	28.9
EIH LTD	401.8	25124.0	11.4%	2743.1	2904.2	3160.5	12.3	12.7	13.7
ITC HOTELS LIMITED	246.1	51253.8		3559.8	4289.5	4898.2	3.1	4.4	12.0
INDIAN HOTELS CO LTD	775.8	110422.8	13.3%	8334.5	9875.8	11140.0	13.2	14.5	17.1

Name	ROE	P/B			P/E			EV/EBITDA		
		FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
LEMON TREE HOTELS LTD	17.0%	5.7	6.9	6.3	41.8	43.2	36.0	19.3	22.0	20.1
VENTIVE HOSPITALITY LTD	5.0%	3.5	3.4	3.1	130.0	46.5	30.0	39.6	17.8	
JUNIPER HOTELS LTD	2.6%	4.3	2.2	2.1	78.3	33.1	24.1	39.7	17.6	14.4
SAMHI HOTELS LTD	7.8%	2.7	2.8	2.4	36.3	22.1	15.4	13.0	13.6	9.2
CHALET HOTELS LTD	5.8%	5.9	6.1	5.1	125.5	38.9	32.1	27.6	22.3	18.7
APEEJAY SURRENDRA PARK HOTEL	6.7%	2.4	2.4	2.2	37.4	24.4	19.3	15.7	12.9	10.2
ROYAL ORCHID HOTELS LTD	22.4%	4.6	5.4	4.5	22.6	21.8	18.1	17.1	15.9	11.9
EIH LTD	17.3%	4.8	4.9	4.3	29.9	31.4	28.7	21.1	22.6	
ITC HOTELS LIMITED	11.8%	3.8	4.7	4.3	64.8	32.6	19.8	32.5	30.6	25.0
INDIAN HOTELS CO LTD	18.5%	10.0	8.6	7.4	58.8	49.5	42.3	40.9	30.4	25.2

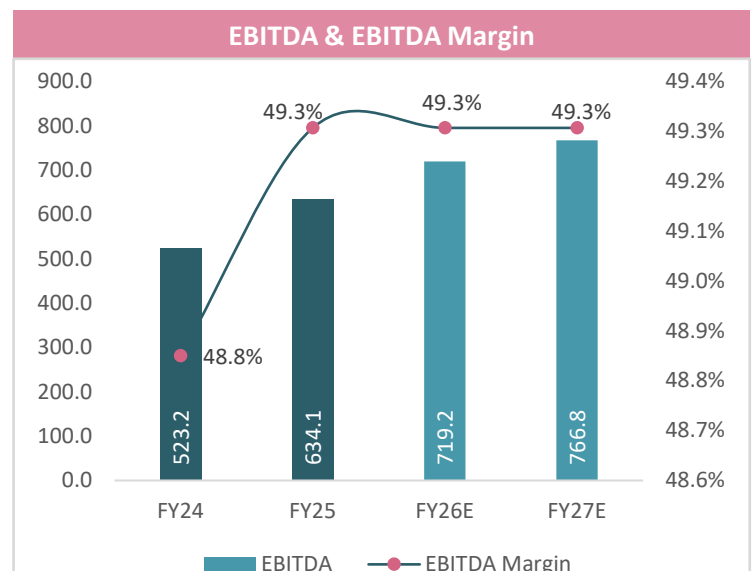
Data as on 10th Sep 2025

Source: Bloomberg Estimates, ACMIIL Retail Research

Story in Charts (Values in INR Crore.)



Source: Company Reports, ACMIIL Retail Research



Source: Company Reports, ACMIIL Retail Research

Financial Statements (INR Crore, Except Per Share)

Condensed Profit and Loss Statement (Consolidated)

Particulars	FY24	FY25	FY26E	FY27E
Revenue from Operations	1071.1	1286.1	1458.7	1555.2
Cost of food and beverages consumed	62.8	76.2	86.4	92.2
Employee Benefit Expenses	187.8	218.5	247.8	264.2
Other Expenses	297.3	357.3	405.2	432.0
Other Income	5.6	2.3	2.6	2.8
Finance Cost	208.5	211.2	171.4	130.0
Depreciation	112.1	139.3	155.6	159.6
Share of Associates	0.7	-0.3	3.0	-0.3
Profit Before Tax	215.8	296.2	409.9	492.4
Taxes	34.1	53.1	82.0	98.5
Profit After Tax	181.7	243.1	327.9	394.0
Basic & Diluted EPS	1.9	2.5	3.3	4.0

Source: Company Reports, ACMIIL Retail Research

Ratio Analysis

Particulars	FY24	FY25	FY26E	FY27E
EV/EBITDA	24.1	19.3	22.0	20.1
Price to FCFF	76.9	22.7	20.0	21.2
PE	56.9	41.8	43.2	36.0
PB	6.7	5.7	6.9	6.3
ROE	12.3%	14.6%	17.0%	18.2%
ROA	4.7%	6.0%	7.9%	9.1%
ROCE	11.2%	13.2%	15.3%	15.9%
Interest Coverage Ratio	2.0	2.3	3.3	4.7
Asset Coverage Ratio	1.6	1.8	2.1	2.7
Operating Cashflow To EBITDA	0.9	0.9	1.0	0.9
FCFF	134.5	448.4	708.7	668.3
Total Debt	2335.8	2147.6	1804.4	1444.5
Total Cash	53.7	80.7	145.4	167.8
Net Debt	2282.1	2067.0	1659.0	1276.7
Debt/Equity	1.5	1.2	0.9	0.6
Net Debt/ EBITDA	4.4	3.3	2.3	1.7
Debt/EBITDA	4.5	3.4	2.5	1.9

Source: Company Reports, ACMIIL Retail Research

Condensed Cash Flow Statement (Consolidated)

Particulars	FY24	FY25	FY26E	FY27E
Net cash flow generated from operating activities	465.0	541.6	708.7	668.3
Net Cash flow in investing activities	-396.5	-127.4	-150.8	-165.1
Net Cash flow used in financing activities	-58.5	-392.3	-496.6	-482.7
Cash and cash equivalents at the end of year	33.6	55.4	116.7	137.3

Source: Company Reports, ACMIIL Retail Research

Condensed Balance Sheet (Consolidated)

Particulars	FY24	FY25	FY26E	FY27E
ASSETS				
Non-Current Assets				
Net Block	3666.6	3614.8	3799.2	3896.2
Financial Assets	93.6	102.1	115.8	123.5
Deferred Tax Assets (Net)	35.8	20.9	0.0	0.0
Non-Current Tax Assets (Net)	22.9	37.0	0.0	0.0
Other Non-Current Assets	8.8	13.5	15.4	16.4
Total Non-Current Assets	3827.7	3788.4	3930.4	4036.0
Current Assets				
Inventories	13.8	13.8	17.6	15.9
Financial Assets	136.5	198.9	287.5	314.5
Other Current Assets	55.0	80.7	14.6	15.6
Total Current Assets	205.3	293.4	319.7	345.9
TOTAL ASSETS	4033.0	4081.8	4250.1	4382.0
EQUITY AND LIABILITIES				
TOTAL EQUITY	1546.4	1789.6	2066.3	2265.3
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities	2119.0	1937.2	1581.0	1207.4
Long term Provisions	3.2	3.4	30.0	40.0
Deferred Tax Liabilities (net)	5.3	7.2	3.6	4.2
Total Non-Current Liabilities	2127.5	1948.1	1614.6	1551.6
Current Liabilities				
Financial Liabilities	317.5	300.4	357.6	370.1
Provisions	6.0	6.4	51.1	23.9
Total Current Liabilities	359.1	344.1	569.1	565.1
TOTAL LIABILITIES	2486.6	2292.2	2183.7	2116.7
TOTAL EQUITY AND LIABILITIES	4033.0	4081.8	4250.1	4382.0

Source: Company Reports, ACMIIL Retail Research

Risks and concerns

- Execution risk on renovations
- Oversupply in select markets
- Competition from alternative stays
- Debt and refinancing risk
- Demand or economic slowdown



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Asit C. Mehta

INVESTMENT INTERMEDIATES LTD.

Retail Research Desk:

Devang Shah E: devang.shah@acm.co.in
 Hrishikesh Yedve E: hrishikesh.yedve@acm.co.in
 Ruchi Jain E: ruchi.jain@acm.co.in
 Sameer Mokashi E: sameer.mokashi@acm.co.in
 Neeraj Sharma E: neeraj.sharma@acm.co.in
 Email: retailresearch@acm.co.in

Research Analyst Registration Number:

INH000016940

CIN: U65990MH1993PLC075388

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