



# Samhi Hotels Ltd. (SAMHI)

## Capital Recycling: Converting Distress into Value

### Upper Upscale & Upscale

Hyatt

Renaissance

Sheraton

Marriott

### Upper Midscale

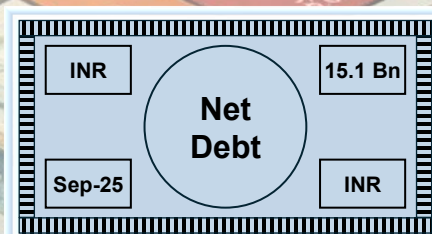
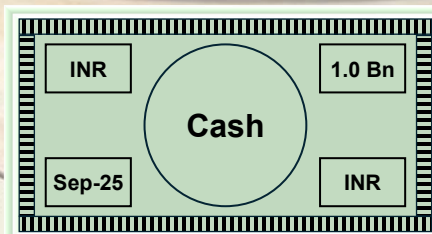
Four Points

Farfield

Trinity

### Midscale

HIEX



### COMMUNITY CHEST



INR 1.5 Bn GIC inflow to partly fund capex for the Westin Bengaluru Whitefield dual-branded hotel



## Samhi Hotels Ltd. (SAMHI)

April 02, 2026 | CMP: INR 134 | Target Price: INR 200

Expected Share Price Return: 49.1% | Dividend Yield: 0.0% | Expected Total Return: 49.1%

Sector View: Positive

BUY



## Company Description:

SAMHI Hotels operates in the hospitality sector, owning 31 hotels with 4,862 keys across 14 Indian cities. The portfolio spans Upper Upscale, Upscale, Upper Mid-scale, and Mid-scale segments, with long-term partnerships with Marriott, IHG, and Hyatt.

## Company Information

BB Code	SAMHI
ISIN	INE08U801020
Face Value (INR)	1.0
52-week High (INR)	255
52-week Low (INR)	121
Mkt Cap (INR Bn)	29.7
Shares Outstanding (Mn)	221.2
Free Float (%)	55.8

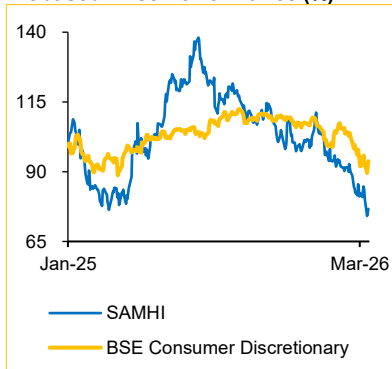
## Shareholding Pattern (%)

	Jun-25	Sep-25	Dec-25
Flls	47.5	45.8	44.1
Dlls	15.1	16.5	18.1
Public	37.5	37.6	37.8

## Relative Performance (%)

	1Y	2Y	3Y
BSE Cons. Dis.	(3.3)	(4.1)	49.7
SAMHI	(5.8)	(33.6)	NA

## Rebased Price Performance (%)


[Click here to read Bull/Bear case](#)
[Click here to watch IC summary](#)


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## Strategic Asset Revamp driving SAMHI's Upper-upscale Expansion

**SAMHI, by FY29E, is expected to operate 5,677 keys across its key micro-markets**, strategically located around corporate corridors and major air-traffic hubs. Its acquisition-and-rebranding strategy, accounting for nearly 87% of its portfolio, has been the centre of this growth engine, enabling the turnaround of underperforming assets under global brands, while the remaining 13% adds steady performance support. With planned expansions, rebranding, and conversions to upper-upscale inventories, we expect **ARR growth CAGR of 7.7% and a revenue CAGR of 14.3%** over FY26E–29E, reaffirming SAMHI's position as a high-efficiency consolidator in India's premium hospitality market.

## Efficiency, F&amp;B Ramp Up and Upgrades to Boost Margin

SAMHI's profitability is poised to strengthen further, supported by disciplined cost structure, improving revenue mix, and operational upgrades. The company operates **with lean employee costs (~17% of revenue) and controlled OTA bookings exposure (16%), keeping commissions low at ~4.2% of sales**. This cost discipline, coupled with a rising share of **high-margin room revenue (~60%)** and improving F&B performance, continues to enhance operating leverage. Additionally, the transition of ACIC portfolio assets to managed operations and the ongoing upgrade of select 'Four Points' hotels to the Upscale category are **expected to boost margin by 388 bps by FY29E**.

## Unlocking Value: Leveraging Capital and Assets Sale for Expansion

SAMHI's strategic capital approach, anchored on the **GIC infusion of INR 7.5 Bn and asset monetisation of INR 2.1 Bn**, has significantly deleveraged the company. This has lowered net debt-to-EBITDA to 2.9x, reduced the effective interest rate to ~8.3%, and materially boosted free cash flow from INR 577 Mn in FY25 to INR 2.4 Bn in FY29E for reinvestment and growth. This strategy, through targeted asset rebranding, has led to a **33% lower capex per key**, creating a self-funding growth engine, allowing SAMHI to fund expansion primarily through internal accruals. **We believe this approach is expected to reduce finance cost by a CAGR of 19.8% over FY26E–FY29E, leading to a PAT CAGR of 22.1% over FY26E–FY29E**.

**View and Valuation:** We initiate coverage on **SAMHI** with a **BUY** rating and an **FY28E EV/Adj. EBITDA of 9x** to arrive at a **TP of INR 200**, implying an upside potential 49.1%. We expect SAMHI to deliver Revenue / EBITDA / PAT CAGR of 14.3% / 18.2% / 22.1% over FY26E–29E, driven by the acquisition-and-rebranding model, ongoing premiumisation and a self-funding growth platform.

**Optionality:** SAMHI's stake in RARE India positions it to build a scalable asset-light experiential platform with ~INR 900–1,000 Mn revenue potential

**Key Risks:** Extended Geopolitical Conflict, Exposure to leverage, interest rate volatility, execution risk in asset turnarounds, operator dependence, and land title uncertainties

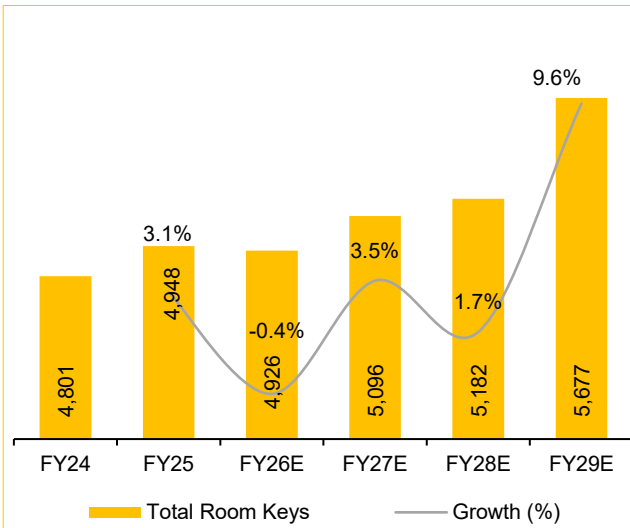
[Click Here To Read our Hotel Industry Thematic Report](#)

## Key Financials

INR Mn	FY25	FY26	FY27E	FY28E	FY29E
# Keys (Total)	4,948	4,926	5,096	5,182	5,677
Keys Growth (%)	3.1%	-0.4%	3.5%	1.7%	9.6%
RevPAR (Owned)	5,015	5,284	5,786	6,463	6,794
RevPAR Growth (%)	21.6%	5.4%	9.5%	11.7%	5.1%
Revenue	11,300	12,740	14,392	16,908	19,028
Revenue Growth (%)	18.0%	12.7%	13.0%	17.5%	12.5%
EBITDA	4,060	4,677	5,483	6,645	7,724
Adj. EBITDA	4,036	4,627	5,431	6,591	7,668
Adj. EBITDA Growth (%)	53.9%	14.6%	17.4%	21.3%	16.3%
Adj. EBITDAM (%)	35.7%	36.3%	37.7%	39.0%	40.3%
Profit after tax	855	2,114	2,467	3,481	3,851
Net Debt to Equity (x)	1.8x	0.7x	0.5x	0.4x	0.3x
ROE (%)	7.8%	13.6%	11.6%	14.0%	13.2%
ROCE (%)	9.4%	10.3%	11.9%	14.3%	15.7%
PE (x)	34.7x	16.2x	15.0x	10.7x	9.6x
EV/Adj. EBITDA (x)	12.5x	9.5x	8.1x	6.7x	5.7x

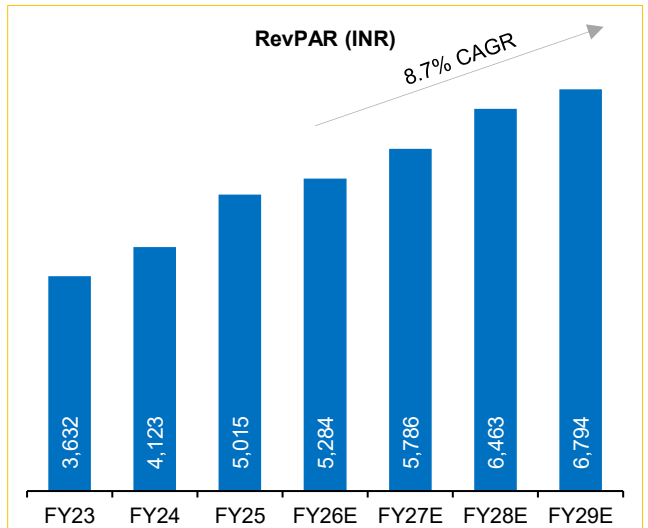
Source: SAMHI, Choice Institutional Equities

**Room Inventory Expands To 5,677 Keys By FY29E**



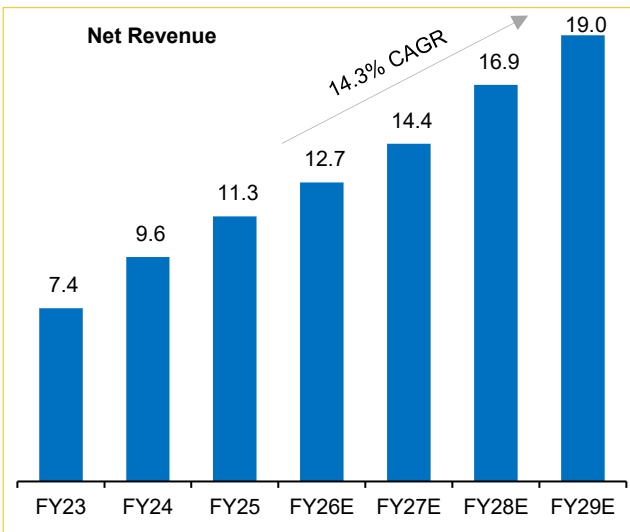
Source: SAMHI, Choice Institutional Equities

**Consistent RevPAR Uplift Led By Improved Occupancy**



Source: SAMHI, Choice Institutional Equities

**Revenue Tracks RevPAR over FY26E–FY28E**



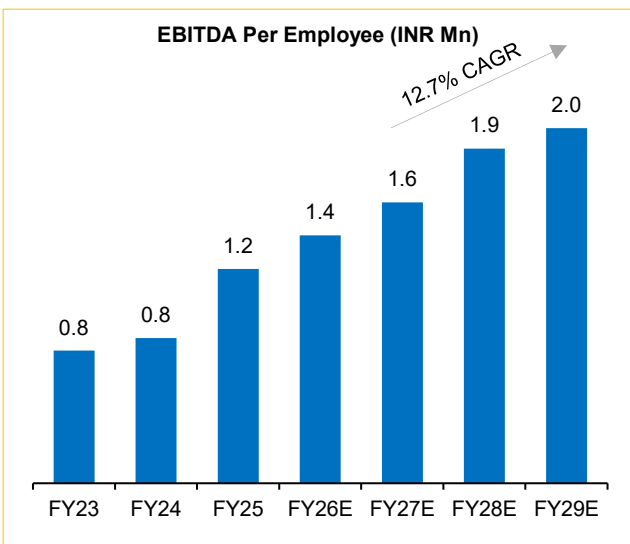
Source: SAMHI, Choice Institutional Equities

**Cost Advantage Sustained as Inventory Scales**



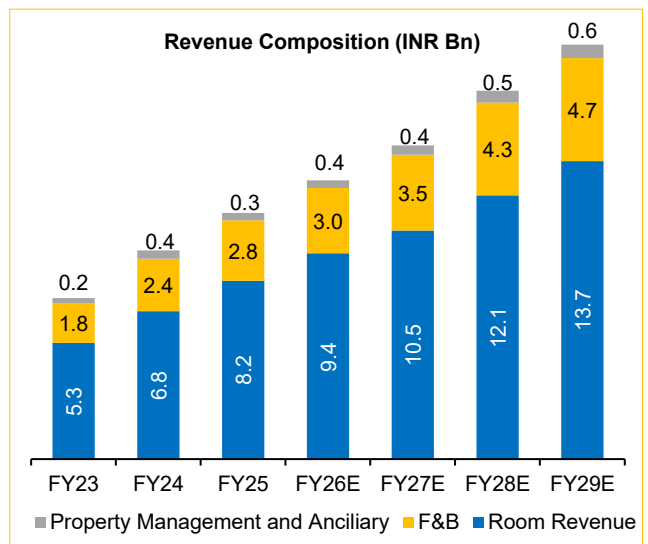
Source: SAMHI, Choice Institutional Equities

**Efficiency Driving EBITDA Productivity per Employee**



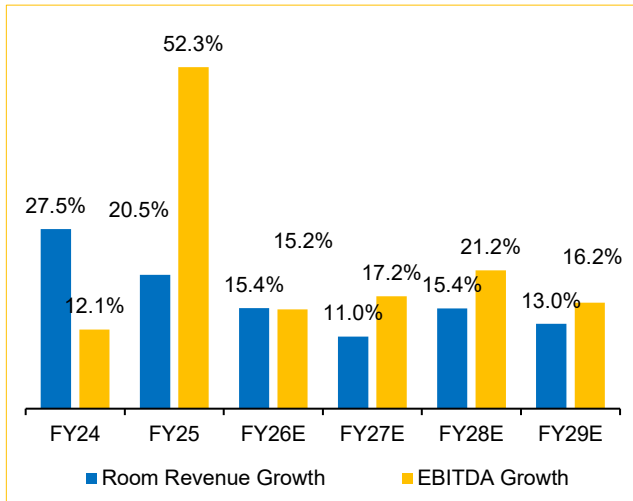
Source: SAMHI, Choice Institutional Equities

**Room-led Revenue Mix Supports Strong Flow-through**



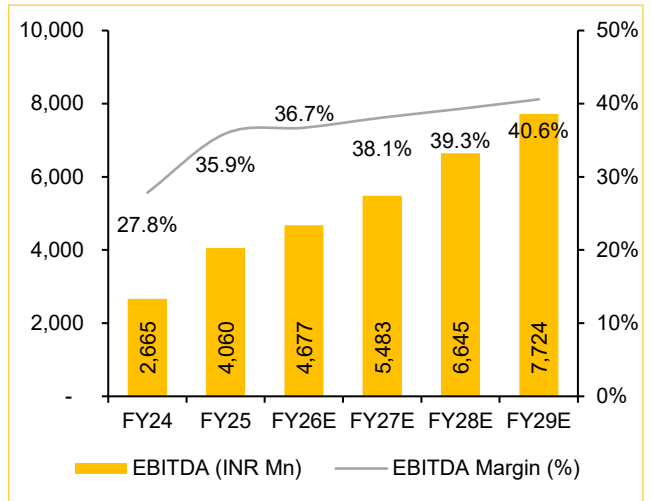
Source: SAMHI, Choice Institutional Equities

**Room-led Mix Drives Faster EBITDA Expansion**



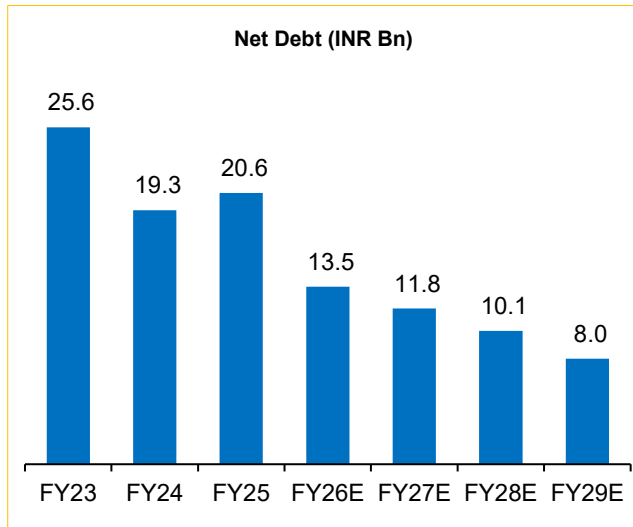
Source: SAMHI, Choice Institutional Equities

**EBITDA Margin Increasing to 40.6% By FY29E**



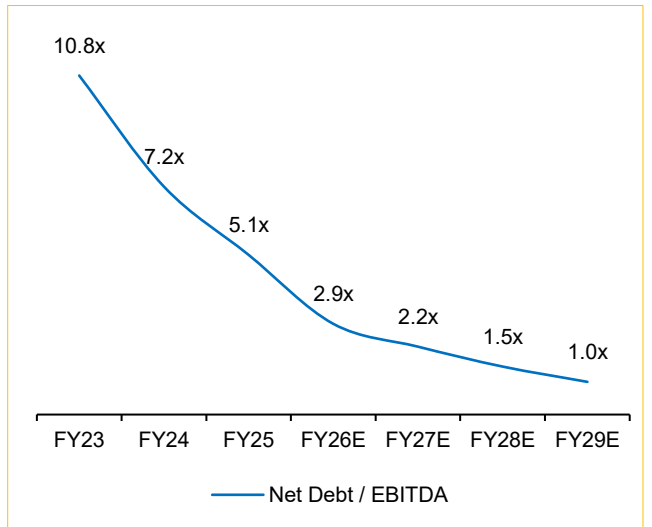
Source: SAMHI, Choice Institutional Equities

**Net Debt Declines Due to GIC Deal and Asset Sale**



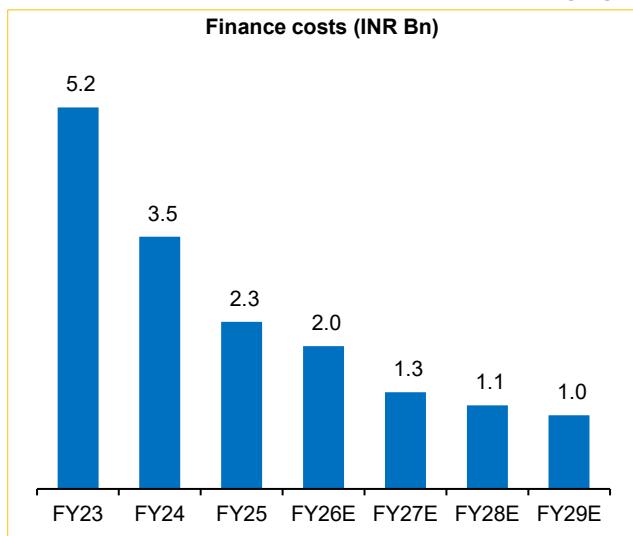
Source: SAMHI, Choice Institutional Equities

**Net Debt / EBITDA to Decline to 1x By FY29E**



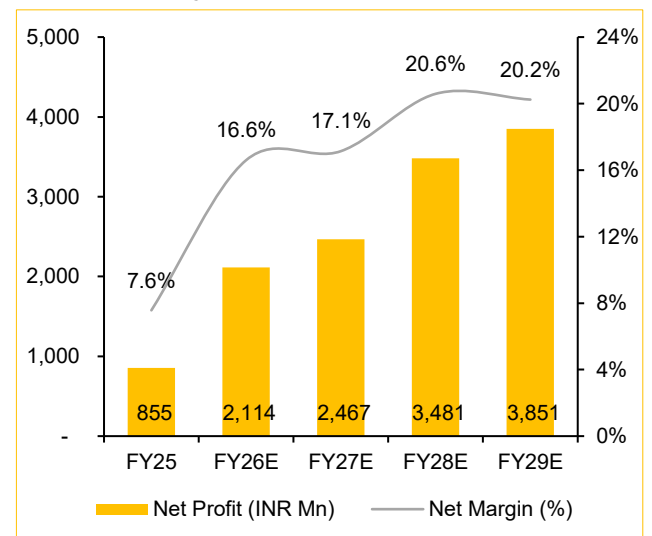
Source: SAMHI, Choice Institutional Equities

**Finance Costs Trend Down In Line With Deleveraging**



Source: SAMHI, Choice Institutional Equities

**Profit to Grow By 22.1% CAGR Over FY26E–29E**

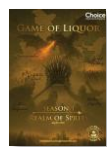


Source: SAMHI, Choice Institutional Equities

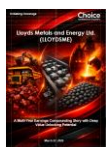
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Convex Choices Market View\_Investment Ideas\_Q3FY26

**1.1 Strategic Asset Revamp driving SAMHI's Upper-upscale Expansion**

**SAMHI, by FY29E, is expected to operate 5,677 keys across its key micro-markets**, strategically located around corporate corridors and major air-traffic hubs. Its acquisition-and-rebranding strategy, accounting for nearly 87% of its portfolio, has been the centre of this growth engine, enabling the turnaround of underperforming assets under global brands, while the remaining 13% adds steady performance support. With planned expansions, rebranding, and conversions to upper-upscale inventories, we expect **ARR growth CAGR of 7.7% and a revenue CAGR of 14.3%** over FY26E–29E, reaffirming SAMHI's position as a high-efficiency consolidator in India's premium hospitality market.

*SAMHI's acquisition cycle drives rapid portfolio expansion via global brand partnerships*

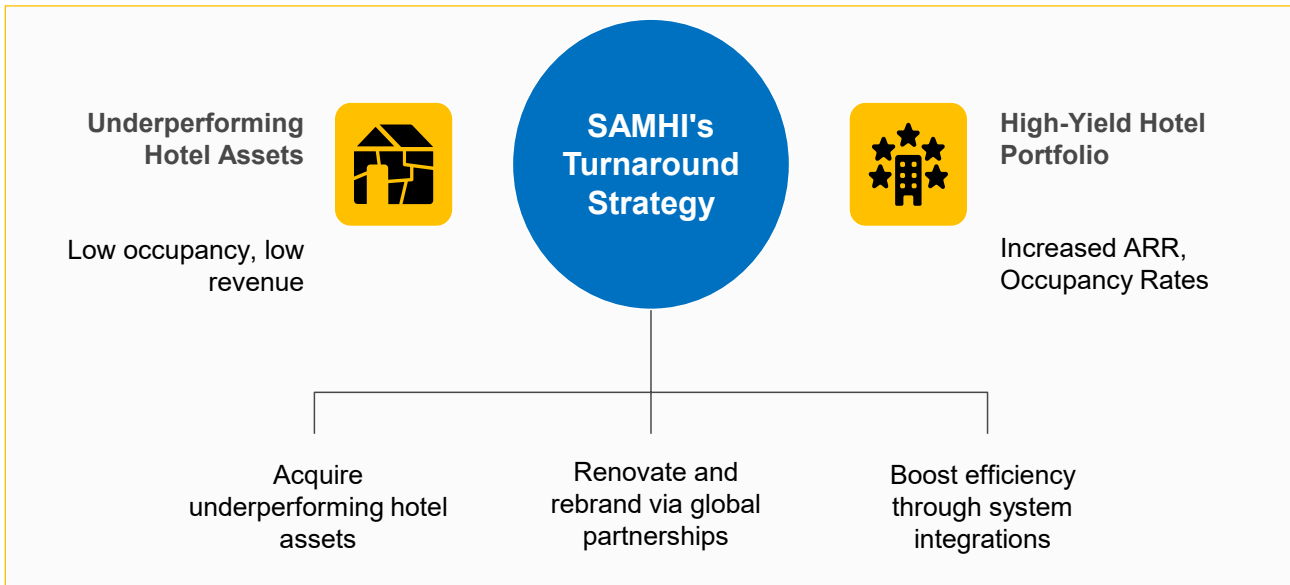
✓ **Acquiring Distressed Assets for Global Brands led Turnarounds**

Since its founding in 2010, SAMHI Hotels has followed a consistent cycle of acquisition and rebranding to build one of India's largest institutional hotel portfolios.

It has consistently scaled up its portfolio by acquiring distressed or underperforming assets, rebranding them under leading global brand, and driving efficiency through system and technology integration.

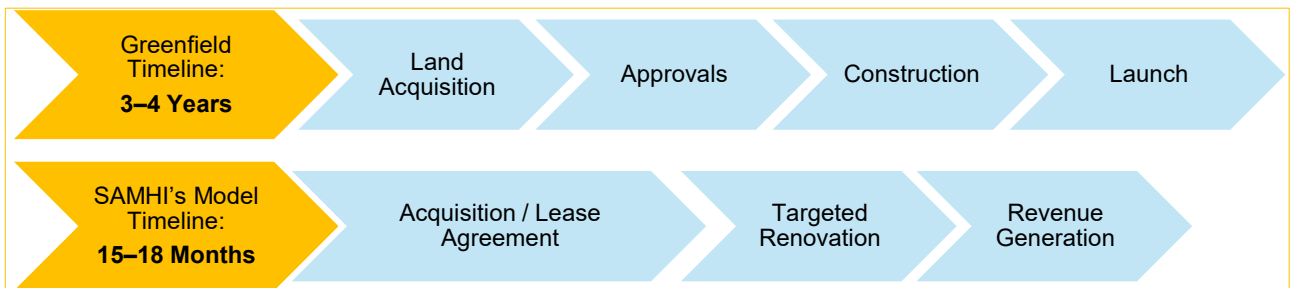
As performance improves, these assets are re-rated, propelling sustainable growth and creating both, capital and credibility, for the next acquisition, reinforcing a disciplined cycle of value-creation.

**SAMHI's Turnaround Strategy: Converting Distressed Hotels Into High-performing Yield Assets**



Source: SAMHI, Choice Institutional Equities

**Brownfield Acquisitions: Faster Returns as Compared to Longer Gestation of Greenfield Builds**



Source: SAMHI, Choice Institutional Equities

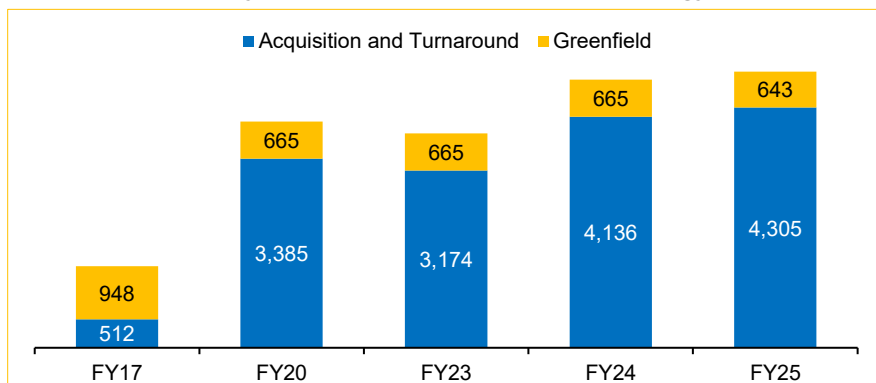
SAMHI's brownfield strategy acquires near-ready distressed assets for rapid rebranding and immediate revenue generation.

While, peers' greenfield model demands full construction from scratch, tying up capital with land, approvals, and demand risks.

**1.1 Strategic Asset Revamp driving SAMHI's Upper-upscale Expansion**

*This translates into steady inventory growth through acquisition and turnaround strategy*

**~87% Of SAMHI's Keys From Brownfield Acquisition Strategy**



Source: SAMHI, Choice Institutional Equities

*Post-acquisition, SAMHI leverages global brands to optimise assets across demand segments*

**Optimising Hotels Positioning via Global Brand Partnerships**

<p><b>Upper Upscale &amp; Upscale</b></p> <p>Hotels: 7 Keys: 1,540</p>		<p><b>Upcoming Brands</b></p> <p>Westin Hotels &amp; Resorts Tribute Portfolio W Hotels</p>
<p><b>Upper Mid-Scale</b></p> <p>Hotels: 15 Keys: 2,275</p>		
<p><b>Mid-Scale</b></p> <p>Hotels: 12 Keys: 1,729</p>		

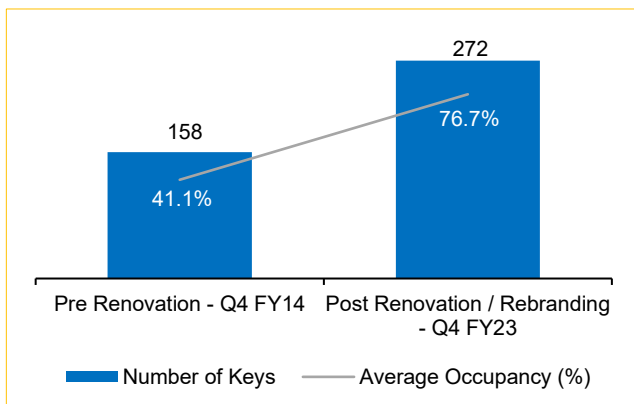
Source: SAMHI, Choice Institutional Equities

✓ **Execution Evidence: Brownfield Model Deployment**

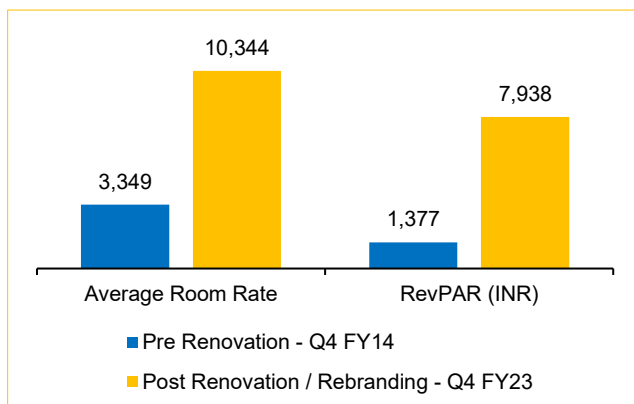
*Delivering tangible performance uplifts across key assets*

The prime examples of SAMHI's turnaround are – Sheraton Hyderabad, Holiday Inn Express and the ACIC Portfolio, all transformed into higher-value, high-performing assets through strategic intervention.

**Sheraton Hyderabad: Renovation, Expansion and Rebranding Helped Reposition It as an Upscale Property**



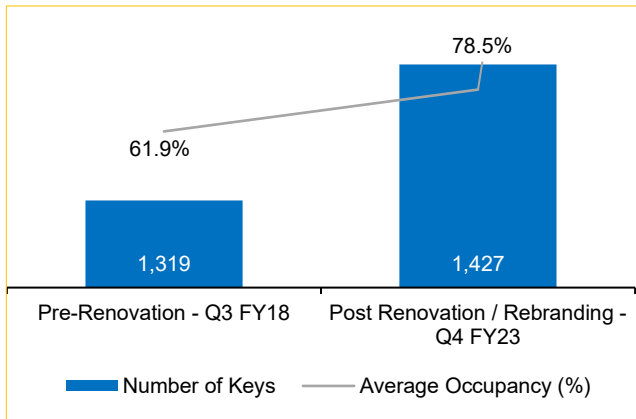
Source: SAMHI, Choice Institutional Equities



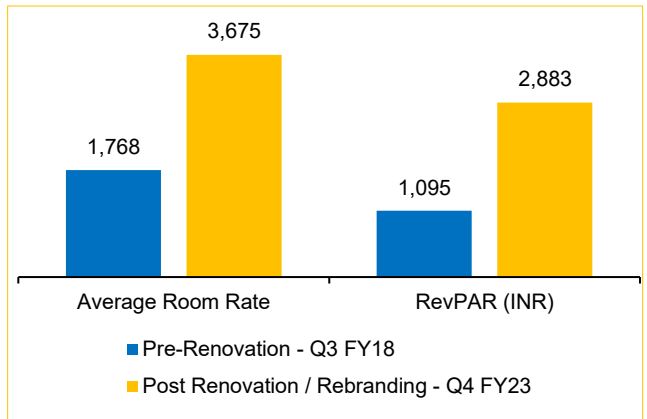
Source: SAMHI, Choice Institutional Equities

**1.1 Strategic Asset Revamp driving SAMHI's Upper-upscale Expansion**

**Holiday Inn Express: Standardised Turnarounds Improved Efficiency, Occupancy, and Asset Value**

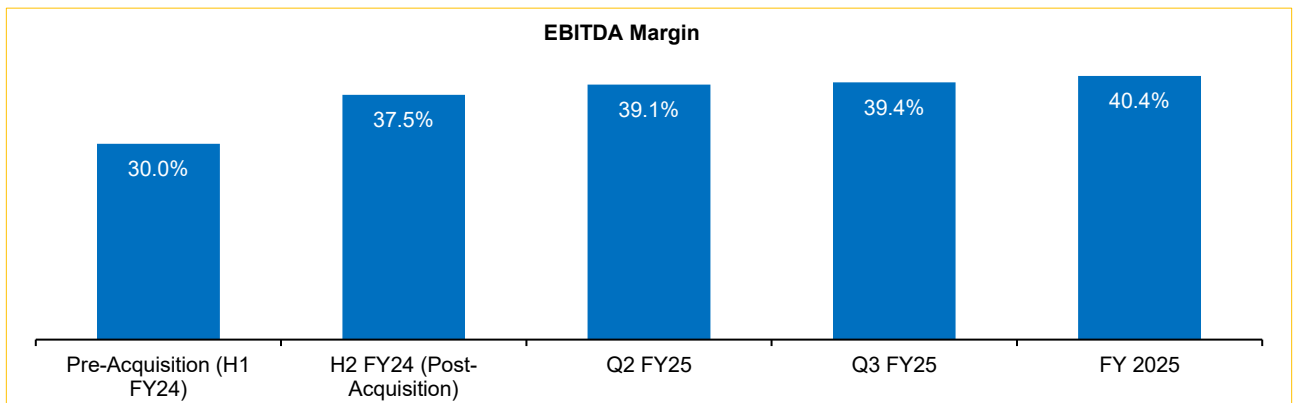


Source: SAMHI, Choice Institutional Equities



Source: SAMHI, Choice Institutional Equities

**ACIC Portfolio: Franchise-to-managed Conversion Is Boosting Margin Potential**



Source: SAMHI, Choice Institutional Equities

*Sheraton Hyderabad, Holiday Inn Express, and ACIC turnarounds validate SAMHI's repositioning strategy*

Sheraton Hyderabad has been repositioned as a high-margin upscale asset. The Holiday Inn Express portfolio reflects a repeatable mid-scale turnaround playbook.

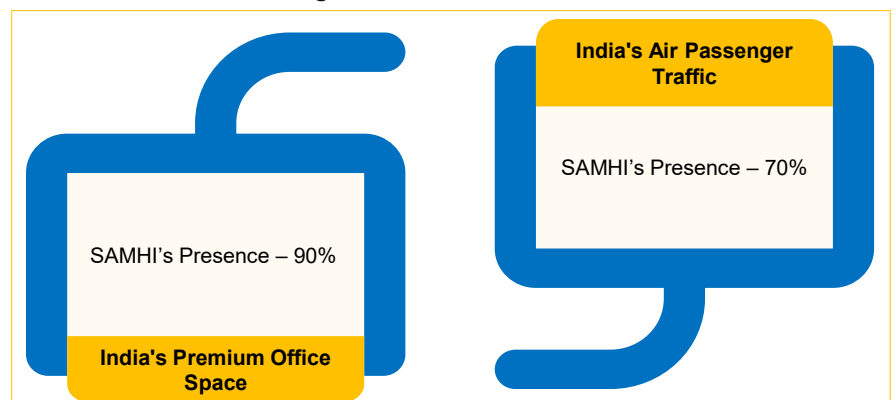
ACIC assets have similarly been upgraded through franchise-to-managed conversions into upscale brands.

Together, these shifts have lifted occupancy, strengthened RevPAR, and improved revenue quality, unlocking a more scalable portfolio performance.

✓ **Growing Presence in Key Upscale Micro-Markets to lift ARR**

**Presence across India's Highest-demand Commercial and Transit Zones**

*This playbook is further strengthened by SAMHI's increasing presence in high-barrier, high-demand micro-markets*



Source: JLL, Choice Institutional Equities

**1.1 Strategic Asset Revamp driving SAMHI's Upper-upscale Expansion**

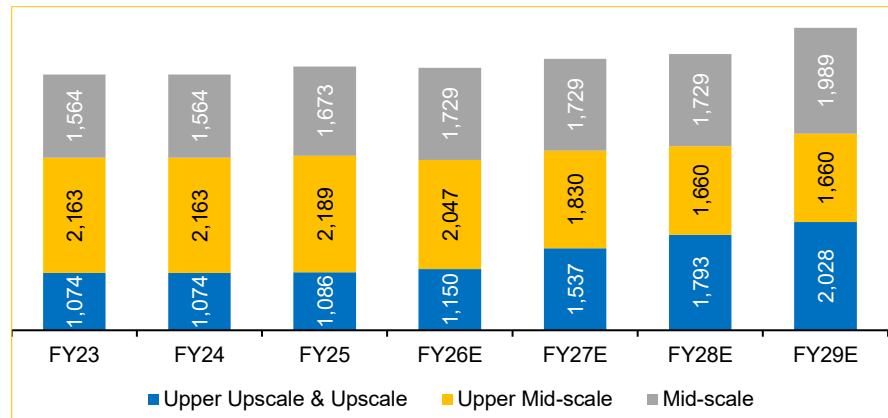
*Corporate/airport hub footprint drives defensible high-margin demand from tech giants, GCCs, and infrastructure growth*

SAMHI maintains a strong footprint in high-density corporate corridors and airport-adjacent hubs across Bengaluru, Hyderabad, Pune, NCR, Navi Mumbai, and Jaipur.

These premium locations, home to tech giants, Global Capability Centers (GCCs), and major infrastructure like upcoming airports and Atal Setu, provide defensible demand from high-margin corporate travellers and office leasing growth.

*This presence is further supported by a rising share of upper-upscale inventory, which is expected to increase further by FY29E*

**Upscale-led Room Additions Reshape Inventory Mix**



Source: SAMHI, Choice Institutional Equities

**Upscale-led Pipeline in Key Micro-markets Drives Inventory Growth**

Hotel	Location Profile	Segment	FY26E	FY27E	FY28E	FY29E	FY30E+
Sheraton, Hyderabad	Corporate Corridor	Upscale	42				
Hyatt Regency, Pune	Airport Adjacent Hub	Upscale	22				
W, Hyderabad	Corporate Corridor	Upscale		170			
Fairfield by Marriott, Chennai	Industrial / Manufacturing Cluster	Upper Mid-scale			86		
Westin, Whitefield, Bangalore	Corporate Corridor	Upscale				235	
Mid-scale asset, Hyderabad	Corporate Corridor	Mid-scale				260	
Westin & Fairfield by Marriott, Navi Mumbai	Airport Adjacent Hub	Upscale					~700

New Opening	Expansion
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Source: SAMHI, Choice Institutional Equities

**Rebranding and Repositioning Transitions Steadily Move Assets up The Value Curve**

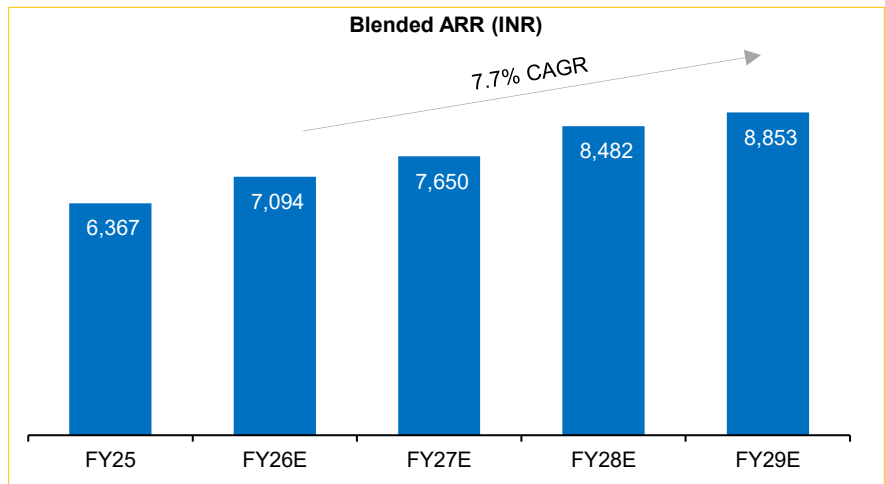
Hotel	Location Profile	Current Segment	New Segment	Keys	Year
Courtyard by Marriott, Pune	Corporate Corridor	Upper Mid-scale	Upscale	217	FY27E
Tribute Portfolio by Marriott, Bangalore	Corporate Corridor	Upper Mid-scale	Upscale	142	FY28E
Tribute Portfolio by Marriott, Jaipur	Leisure	Upper Mid-scale	Upscale	114	FY28E

Source: SAMHI, Choice Institutional Equities

1.1 Strategic Asset Revamp driving SAMHI's Upper-upscale Expansion

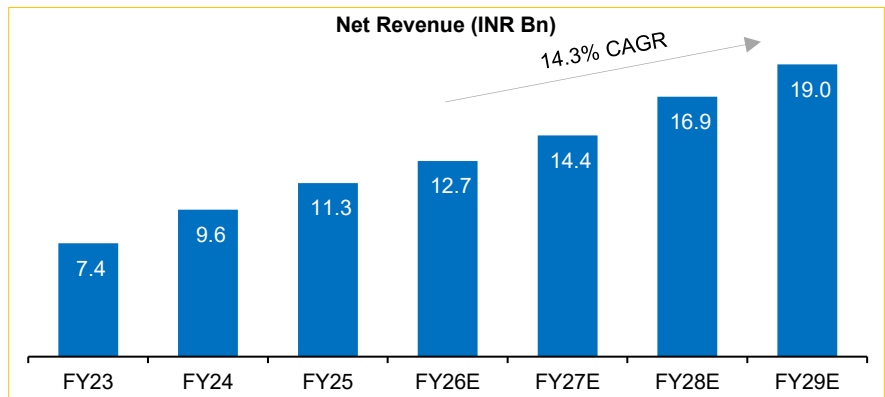
Upper-upscale pipeline (new openings, conversions, rebranding) set to drive ARR growth by a CAGR of 7.7% over FY26E–FY29E

ARR Uplift Underpinned by Increasing Upscale Room Mix



Source: SAMHI, Choice Institutional Equities

Revenue Trajectory Mirroring ARR Expansion For FY26E–FY29E



Source: SAMHI, Choice Institutional Equities

With targeted reinvestments and a growing premium pipeline, SAMHI is poised for a topline growth CAGR of 14.3% over FY26E–FY29E

Over the years, SAMHI built a proven track record of acquiring underperforming hotel assets at a discount and systematically turning them into premium, higher-yielding properties.

This repeatable playbook, coupled with the stabilising asset base of the company has re-rated margin and structurally repositioned earnings.

With a defined reinvestment pipeline targeting over 15% net operating income, we expect SAMHI to deliver ARR growth CAGR of 7.7%, leading to a revenue **CAGR of 14.3% over FY26E–FY29E**, anchoring future growth in execution rather than market cycles.

**1.2 Efficiency, F&B Ramp Up and Upgrades to Boost Margin**

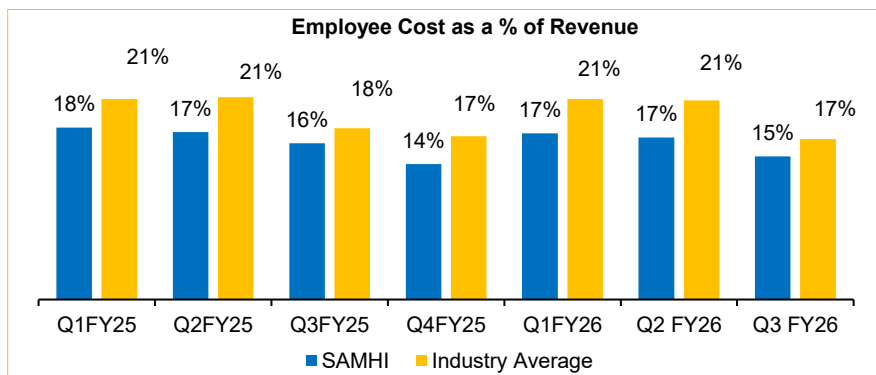
SAMHI's profitability is poised to strengthen further, supported by disciplined cost structure, improving revenue mix, and operational upgrades. The company operates **with lean employee costs (~17% of revenue)** and **controlled OTA bookings exposure (16%), keeping commissions low at ~4.2% of sales**. This cost discipline, coupled with a rising share of **high-margin room revenue (~60%)** and improving F&B performance, continues to enhance operating leverage. Additionally, the transition of ACIC portfolio assets to managed operations and the ongoing upgrade of select 'Four Points' hotels to the Upscale category are **expected to boost margin of 388 bps by FY29E**.

✓ **Efficient Operations and Cost Control Enhancing Operational Leverage**

*Built on a lean, centralised operating framework, SAMHI has institutionalised efficiency as a structural moat in India's upscale hotel space*

SAMHI's lean staffing model, enabled by shared service centers, technology, and efficient hotel design, has been the key to keep manpower cost among the lowest in the industry.

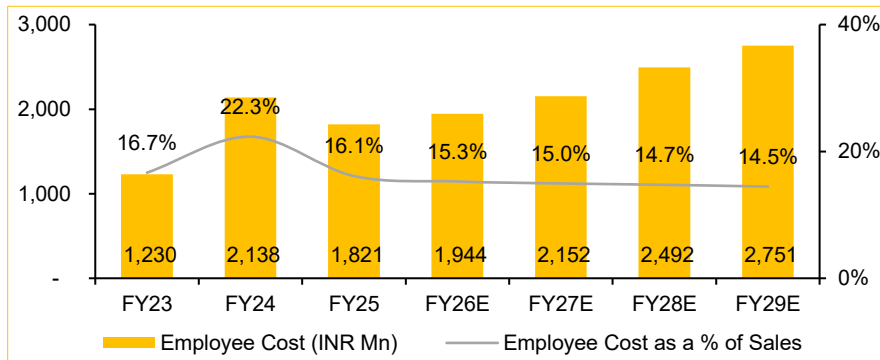
**Lean Staffing Model Enables Cost Advantage vs Peers**



Source: Companies, SAMHI, Choice Institutional Equities

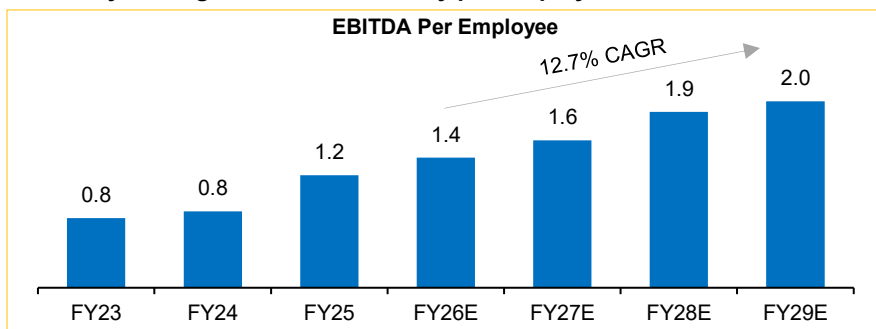
*This in turn enables the company to expand room inventory without proportional increases in staffing or overheads*

**The Cost Advantage Is Expected To Continue With Rising Room Inventory**



Source: SAMHI, Choice Institutional Equities

**Efficiency Driving EBITDA Productivity per Employee**



Source: SAMHI, Choice Institutional Equities

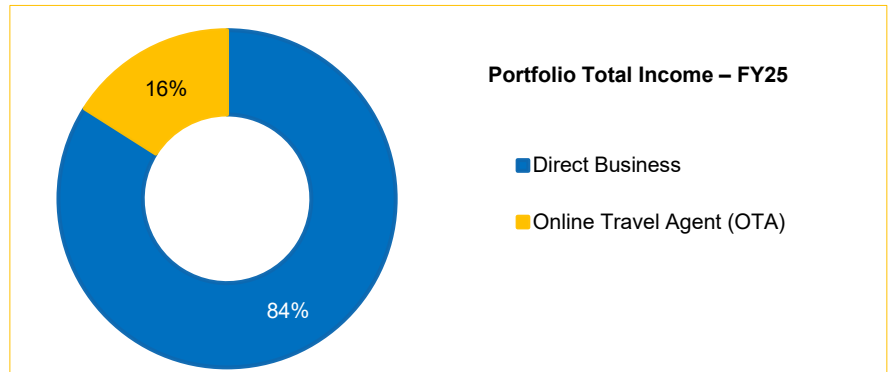
*Ultimately translating into stronger EBITDA per employee*

As majority of the overheads and fixed cost are already absorbed by the existing hotels, it leads to maximised operating leverage.

**1.2 Efficiency, F&B Ramp Up and Upgrades to Boost Margin**

As higher brand-led bookings continue to shift the revenue mix towards direct channels, reducing dependency on online travel agents

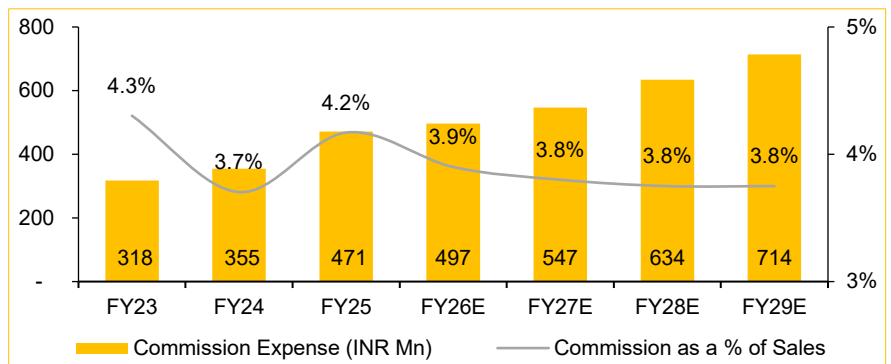
**Increasing Share of Brand-led Bookings Reduces Dependency on OTAs**



Source: SAMHI, Choice Institutional Equities

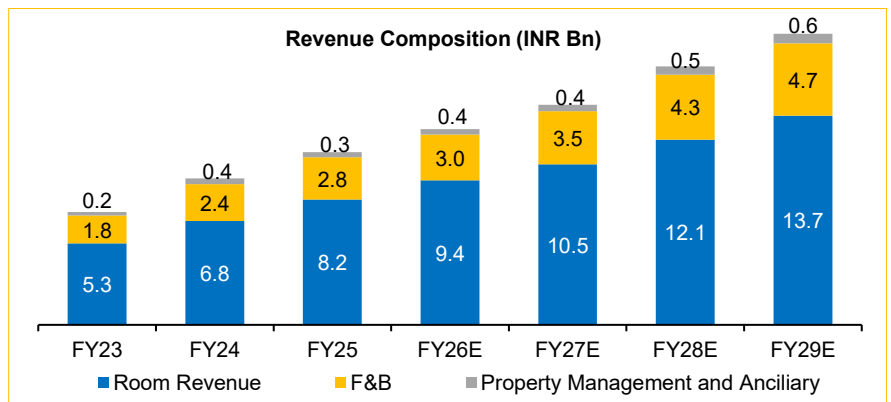
Translating into measurable cost saving through lower commission payouts

**Higher Direct Bookings Lowers Commission Expense**



Source: SAMHI, Choice Institutional Equities

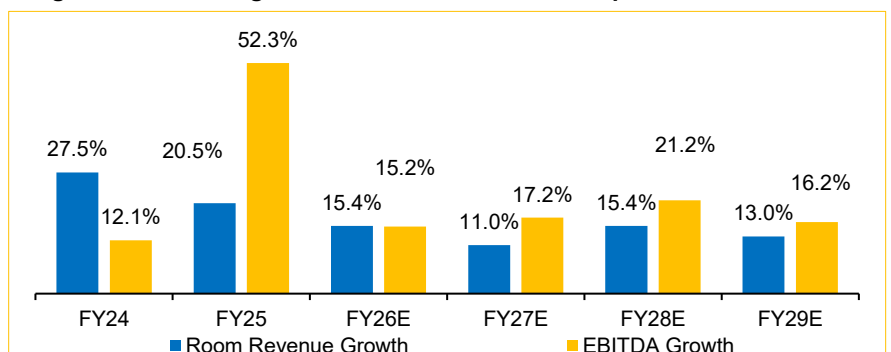
**✓ Rising Room Revenue and F&B Revamp lift Contribution Margin**



Source: SAMHI, Choice Institutional Equities

Room-led growth has been the key earnings catalyst, driving higher flow-through efficiency and improving revenue quality

**Margin-rich Room Segment Drives Faster EBITDA Expansion**

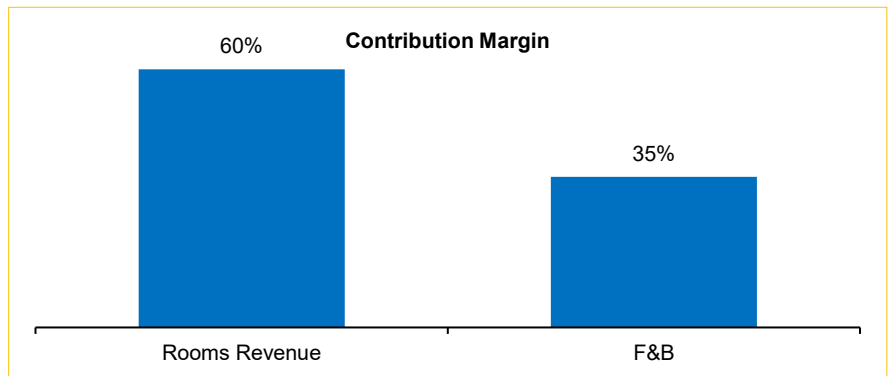


Source: SAMHI, Choice Institutional Equities

**1.2 Efficiency, F&B Ramp Up and Upgrades to Boost Margin**

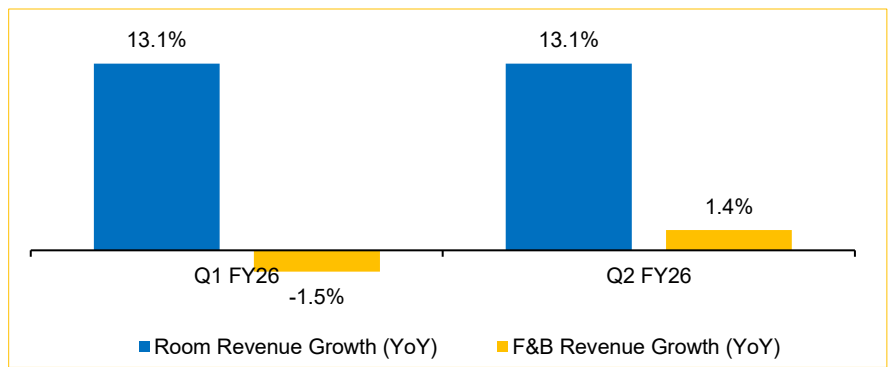
*Reinforcing SAMHI's strategic focus on high-yield categories which structurally outperform F&B on contribution margin*

**Standard Hotel Segment Margins: Rooms at 60%, F&B at 35%**



Source: SAMHI, Choice Institutional Equities

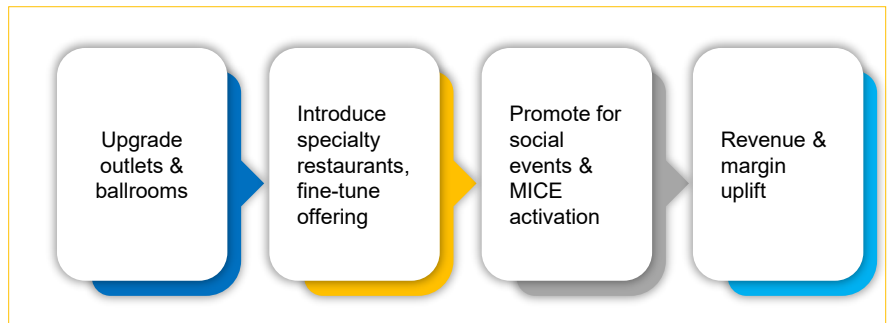
**Muted F&B Growth Highlights Scope for Value Unlock**



Source: SAMHI, Choice Institutional Equities

*Renewed attention on F&B operations opens scope for efficiency gains and incremental profitability upside*

**F&B Efficiency Gains to Drive Incremental Earnings Growth**

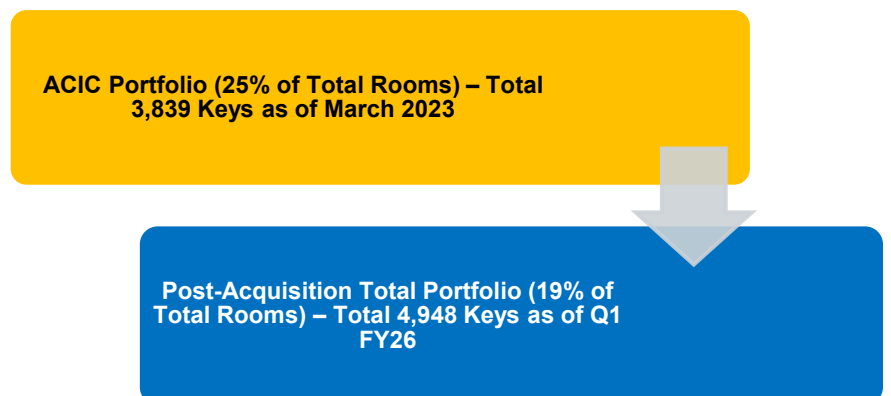


Source: SAMHI, Choice Institutional Equities

*ACIC acquisition augments portfolio scale and strengthens SAMHI's overall inventory depth and revenue potential*

✓ **ACIC Turnaround and Inventory Stabilisation to Fuel Margin Growth**

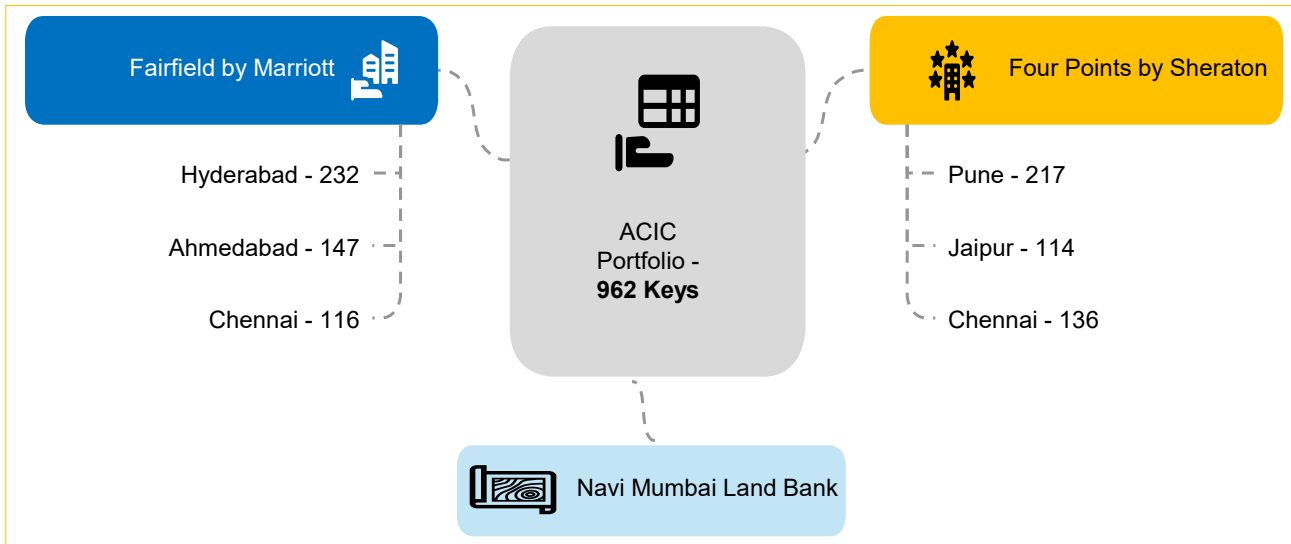
**19% Of SAMHI's Asset Base Driven by ACIC Portfolio**



Source: SAMHI, Choice Institutional Equities

1.2 Efficiency, F&B Ramp Up and Upgrades to Boost Margin

ACIC's Geographic Spread Ensures Steady, Well-distributed Demand



Source: SAMHI, Choice Institutional Equities

Simultaneously consolidating SAMHI's presence across high-demand urban markets like Hyderabad, Pune, Ahmedabad, Jaipur, and Chennai

The acquired ACIC portfolio, including assets like Four Points Pune and Jaipur, was initially underperforming.

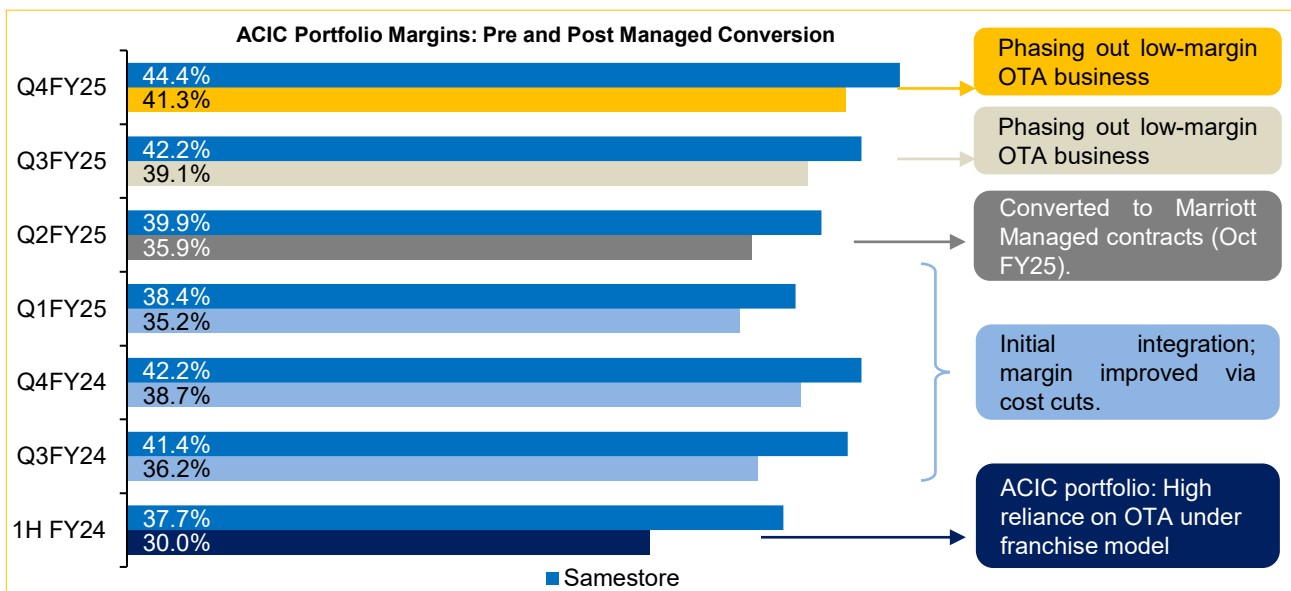
After implementing multiple cost intervention steps, this portfolio crossed the 40% EBITDA milestone.

Franchise-to-managed Transition a Key EBITDA Lever

Step	Operational Model & Key Challenge	Strategic Lever (Conversion)
Pre-Conversion	Franchise model with high OTA reliance; high distribution cost	<b>Problem:</b> The business acquired through OTAs comes at a high commission cost, severely diluting profitability
The Shift (Acquisition & contract change)	Managed contract conversion; clustered under Marriott shared services	<b>Solution:</b> Marriott provides full sales support; reduces OTA dependency
Asset Strategy	Flushed low-rated, low-margin OTA business	<b>Outcome:</b> Freed up inventory to secure high-rated, high-margin corporate business

Source: SAMHI, Choice Institutional Equities

ACIC Portfolio Margin Expands Sharply After Conversion; Validating Managed Model Strategy



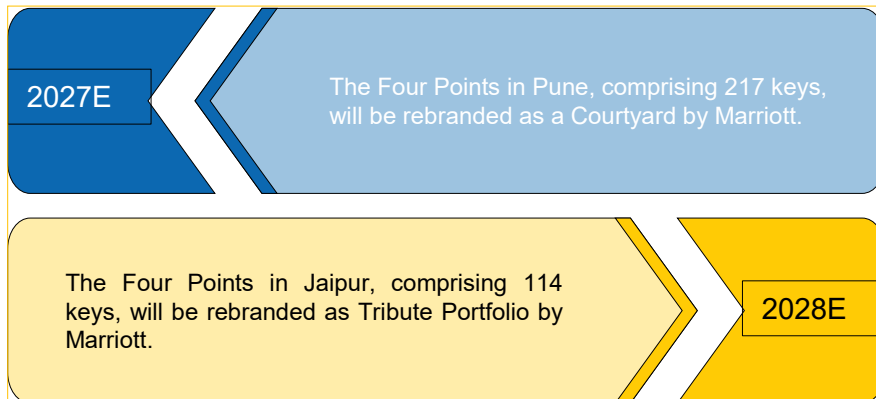
Source: SAMHI, Choice Institutional Equities

**1.2 Efficiency, F&B Ramp Up and Upgrades to Boost Margin**

*Upcoming brand conversion to Courtyard & Tribute Portfolio positioning SAMHI for higher yield and market re-rating*

Specific assets in Hyderabad, Ahmedabad, and Chennai, after conversion from franchise to managed, saw margin expand, from approximately 30% to 41- 42%.

**Brand Upgrades to Upscale Categories to Drive Premiumisation**



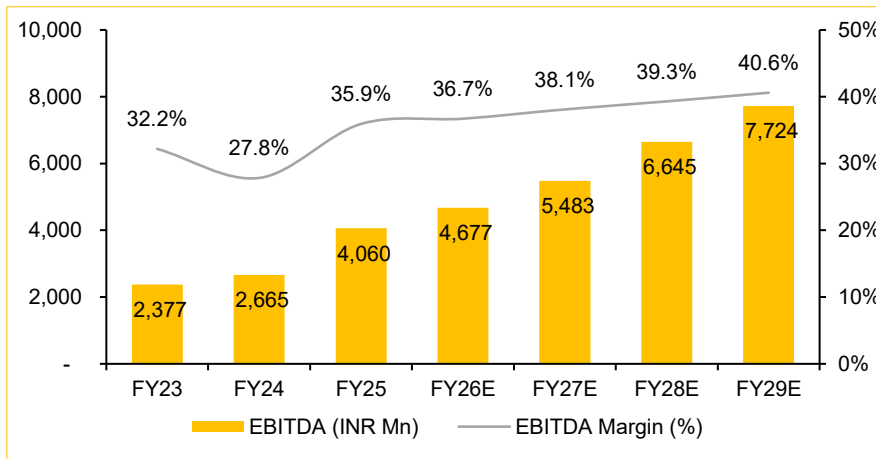
Source: SAMHI, Choice Institutional Equities

*Tracing SAMHI's evolution, from acquisition to full stabilisation, as rebranding and renovation phases unlock higher yield*

Two of the five ACIC hotels are being upgraded, with 331 keys shifting from Upper Mid-scale to Upscale/Upper Upscale, supporting SAMHI's strategy to double its premium inventory and enhance portfolio RevPAR.

The ACIC portfolio remains in its stabilisation phase, with rebranding and renovation underway – positioning SAMHI for a sharp revenue uplift and portfolio-wide rerating over FY26E–27E.

**EBITDA Margin Trending Upwards**



Source: SAMHI, Choice Institutional Equities

As SAMHI refines its cost structure and optimises revenue mix, the company enters a phase of margin-led growth.

*With efficiency, increased focused on F&B and ACIC upgrades, we expect the EBITDA margin to expand by around 388 bps over FY26E–FY29E,*

Rising room yields, improving F&B profitability and the ongoing portfolio premiumisation reinforce its operational flywheel.

Moreover, as ACIC assets are integrated into SAMHI's shared services centers, allowing corporate and cluster overheads to be amortised over a larger number of hotels.

**With efficiency gains compounding across assets, EBITDA margin is expected to expand by around 388 bps over FY26E–FY29E, transforming execution strength into sustained value-creation.**

**1.3 Unlocking Value: Leveraging Capital and Assets Sale For Expansion**

SAMHI’s strategic capital approach, anchored on the **GIC infusion of INR 7.5 Bn and asset monetisation of INR 2.1 Bn**, has significantly deleveraged the company. This has lowered net debt-to-EBITDA to 2.9x, reduced the effective interest rate to ~8.3%, and materially boosted free cash flow from INR 577 Mn in FY25 to INR 2.4 Bn in FY29E for reinvestment and growth. This strategy, through targeted asset rebranding, has led to a **33% lower capex per key**, creating a self-funding growth engine, allowing SAMHI to fund expansion primarily through internal accruals. **We believe this approach is expected to reduce finance cost by 19.8% over FY26E–FY29E, leading to a PAT CAGR of 22.1% over FY26E–FY29E.**

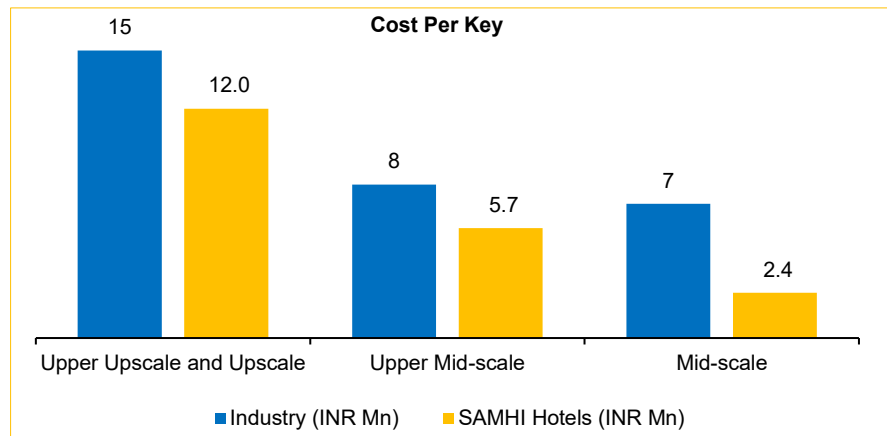
✓ **GIC Infusion and Low-cost Expansion Strengthen Financial Base**

*By acquiring distressed hotels at a discount, SAMHI sets the stage for high-return growth*

**Lean Capex Strategy Enables SAMHI to Build More With Less**

At the core of SAMHI’s strategy is a disciplined cycle of discounted acquisitions, value unlocking and capital recycling.

**SAMHI’s Cost Per Key Is Well Below Industry Benchmarks**



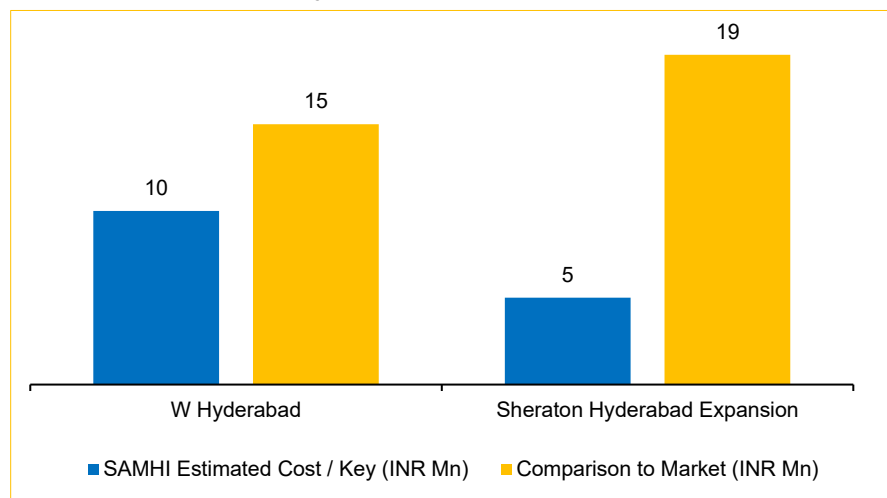
Source: SAMHI, Choice Institutional Equities

*Leveraging discounted acquisitions, SAMHI maximises asset returns while minimizing capital outlay*

By acquiring underperforming hotels at significant discounts, SAMHI lowers its capital base and accelerates revenue, achieving above-industry returns — ideally within 4–6 quarters and generally under 2 years.

These projects leverage existing infrastructure by converting underutilised spaces into guest rooms, lowering capex versus greenfield development and general acquisitions.

**FY25–FY26: Optimised Project Execution Lowers Cost Per Room**







Source: SAMHI, Choice Institutional Equities

**1.3 Unlocking Value: Leveraging Capital and Assets Sale For Expansion**

W Hyderabad was developed at ~33% lower cost than typical upper-upscale construction, while Sheraton Hyderabad’s greenfield expansion was executed well below the earlier INR-20Mn per key benchmark.

Notably, the 42-room Sheraton addition is being executed at just ~INR 5Mn per key — highlighting strong capital efficiency and strong ROCE potential.

**SAMHI’s Asset Monetisation: Unlocking Capital, Enhancing Returns**

	FY23	FY25	FY26
	 <p>Four Points Ahmedabad</p>	 <p>Fairfield Chennai (OMR)</p>	 <p>Four Points Chennai (OMR)</p>
			 <p>Caspia Delhi</p>
<b>Asset Monetisation</b>	<b>INR 936 Mn</b>	<b>INR 535 Mn</b>	<b>INR 650 Mn</b>

Source: SAMHI, Choice Institutional Equities

*Converting historical investments into capital for high-return opportunities*

The company has concluded INR 2.1 Bn in asset sales since 2023 at an average Enterprise Value (EV) to EBITDA multiple of ~20x.

The asset monetisation included a 142-room hotel at Caspia, Delhi, along with a 116-room hotel, Four Points by Sheraton, OMR, Chennai, and Four Points by Sheraton, Ahmedabad.

**Assets worth INR 2.1 Bn Monetised at ~20x EV/EBITDA — Strengthening Capital Base**

Characteristic	Four Points Ahmedabad	Fairfield Chennai OMR	Four Points Chennai OMR	Caspia Hotel New Delhi
Asset Segment	Upper Mid-scale	Upper Mid-scale	Upper Mid-scale	Upper Mid-scale
Transaction Type	Asset Sale (Business Transfer)	Asset Sale (Slump)	Subsidiary Sale (SPA)	Asset Sale
Number of Keys	NA	136	116	142
Completion Date	Feb 2, 2023	Feb 8, 2023	Feb 10, 2025	NA
Funds Utilisation	Debt Repayment	Debt Repayment	Debt Repayment	Reduce Net Debt

Source: SAMHI, Choice Institutional Equities

**1.3 Unlocking Value: Leveraging Capital and Assets Sale For Expansion**

Through capital recycling, the company seeks to exit assets that, despite renovation, might yield 10% or lower ROCEs.

*Strategic divestments of ~10% ROCE assets and reinvestment into 40–50% ROCE projects materially enhance capital productivity*

The capital is then reinvested into projects offering materially higher returns.

The fundamental goal is to extract capital from certain assets and redeploy it where it yields the best returns.

**GIC Fund Infusion Fuels High-return Upscale Growth**

The SAMHI–GIC partnership establishes a JV platform for Upscale and Upper Upscale growth, with a 65:35 co-investment structure in flagship projects, such as Westin-Tribute Whitefield and W Hyderabad, supported by dual governance and ROFR (Right of First Refusal) arrangements.

This platform consolidates a scalable premium asset base generating INR 1.3Mn EBITDA, enabling disciplined, high-return expansion.


**65:35 Co-investment Model; Driving Capital Efficiency And Scales**

Characteristic	SAMHI	GIC Pte.
Function in JV	Provides operating platform and execution capability	Provides institutional equity capital
Equity Share	Majority stake (~65%)	Minority stake (~35%)
Value Driver	Asset operations and performance	Capital participation
Decision Role	Leads execution and asset management	Provides oversight and approvals
Assets	Manages existing upscale assets	Holds stake in seed assets
Growth Strategy	Aims to double upscale inventory	Scales exposure via capital deployment
Risk Management	Retains optionality to transfer assets	Right of First Refusal (ROFR)


Source: SAMHI, Choice Institutional Equities

*Strategic funding provides runway for premium project pipeline*


**GIC Platform Consolidates Premium Assets Under Disciplined Governance**



**Courtyard-Fairfield**  
Bangalore (ORR)



**Hyatt Regency**  
Pune



**Westin-Tribute**  
Bangalore (Whitefield)

Source: SAMHI, Choice Institutional Equities

**1.3 Unlocking Value: Leveraging Capital and Assets Sale For Expansion**

**SAMHI-GIC Partnership Overview**

...reducing leverage while  
enabling premium hotel  
investments

GIC Pte. Limited acquired a 35% stake in SAMHI's three Upscale-focused subsidiaries: Ascent Hotels, ITHPL, and SAMHI JV Business Hotels.

The stake was acquired through primary equity subscriptions and, in the case of SAMHI JV, via a secondary transfer of ~14% of shares from SAMHI.

**Capital Structure Impact of The SAMHI-GIC Partnership**



Source: SAMHI, Choice Institutional Equities

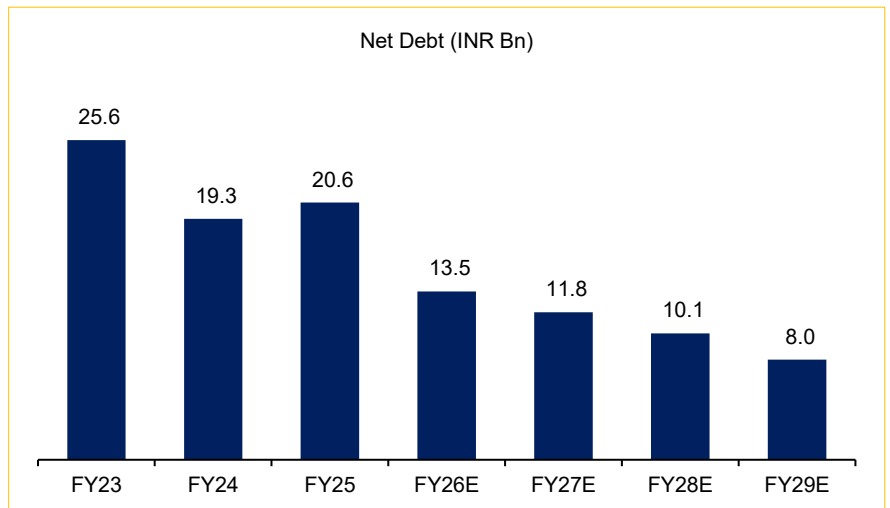
Out of GIC's total commitment of INR 7.5 Bn, SAMHI had received INR ~6 Bn as of May 2025. After accounting for INR 12 Mn in operational expenses, the amount was used to reduce debt.

The remainder has been earmarked for future capex, including the Westin/Tribute Whitefield project and will be drawn down over the next few years according to project milestones.

Declining debt strengthens  
liquidity and self-funding  
capability

✓ **Asset Monetisation and Capital Efficiency Drive Self-funding Growth**

**Net Debt Declines Steadily, Reflecting Disciplined Capital Management**



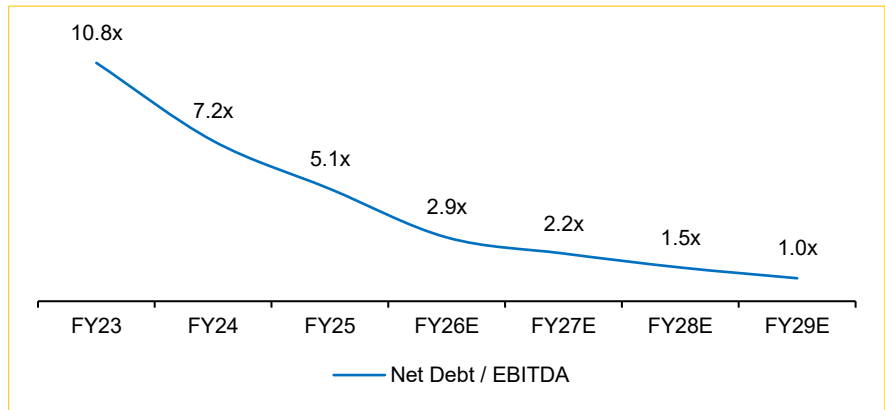
Source: SAMHI, Choice Institutional Equities

From a highly leveraged platform to a self-funding company, SAMHI has transformed its balance sheet to unlock the capital flexibility to accelerate acquisitions and premiumization.

**1.3 Unlocking Value: Leveraging Capital and Assets Sale For Expansion**

Decreasing leverage enables sustainable capital-light expansion strategy

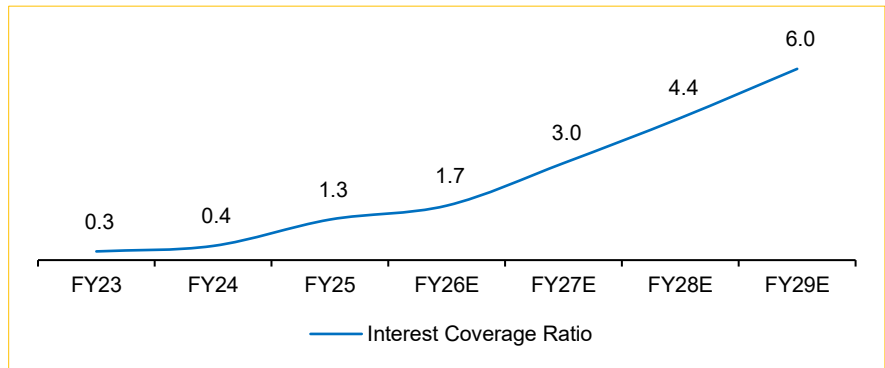
**Decreasing Leverage Supporting Self-funded Upscale Expansion**



Source: SAMHI, Choice Institutional Equities

Improved coverage ratio reinforces stable funding for strategic execution

**Interest Coverage Rises, Reflecting Lower Finance Cost And Higher EBITDA**



Source: SAMHI, Choice Institutional Equities

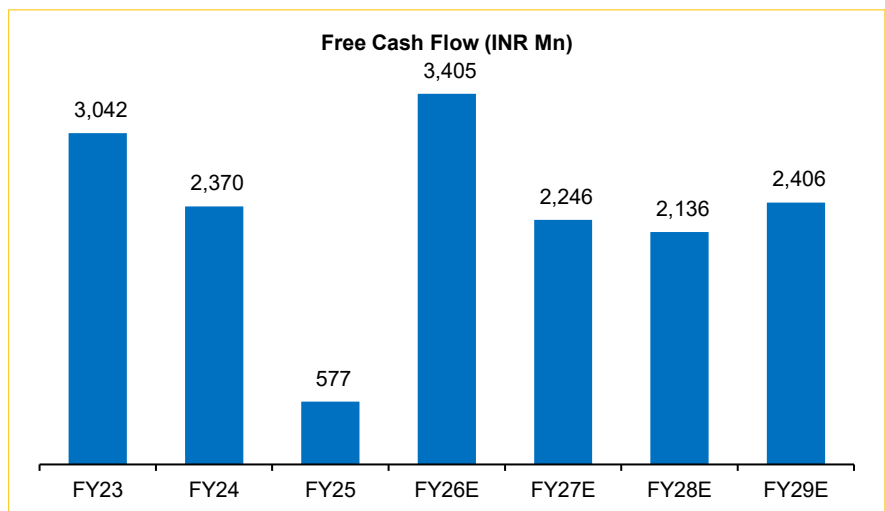
Growing cash supports execution of premium pipeline projects

✓ **Self-funded Growth increases Cash Flow, reduces Finance Cost**

The INR ~6 Bn GIC investment, along with INR 2.1 Bn from asset sales, enabled substantial deleveraging, lowering annual finance cost by nearly 30% over FY24-FY25.

This immediate reduction in interest outflow has translated into higher free cash generation, strengthening SAMHI’s internal cash position and funding capacity.

**FCF Rises as Deleveraging Reduces Interest and Boosts Internal Cash**



Source: SAMHI, Choice Institutional Equities

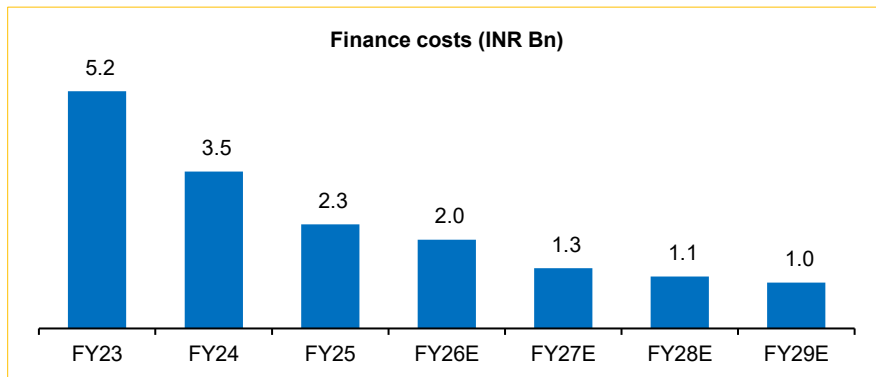
**1.3 Unlocking Value: Leveraging Capital and Assets Sale For Expansion**

GIC infusion and asset recycling significantly enhanced SAMHI's free cash flow by reducing high-cost debt and interest expenses.

*Cost savings enable efficient funding of renovations and acquisitions*

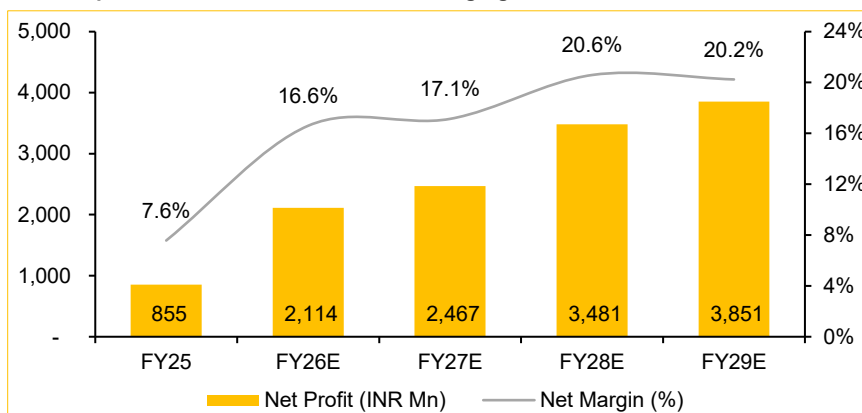
*Free cash flows and internal accruals create a self-reinforcing loop of deleveraging and growth*

**Lower Interest Expense Supports Reinvestment In Upscale Projects**



Source: SAMHI, Choice Institutional Equities

**Profit Expansion Due to Successful Deleveraging and Lower Interest Cost**



Source: SAMHI, Choice Institutional Equities

*We believe refinancing actions and balance sheet optimisation will reduce finance cost, resulting in a 22.1% CAGR growth in net profit over FY26E–FY29E*

With Net Debt/EBITDA now below 3.0x, the company is positioned among the more financially disciplined hotel operators.

This stronger balance sheet allows future growth to be funded through internal accruals and capital recycling rather than debt.

As a result, free cash flow can support renovation, new developments, and 10–15% annual inventory expansion while still reducing debt.

This creates a steady cycle where lower finance cost supports higher FCF, which, in turn, aids further balance-sheet improvement.

Overall, the company is set up for consistent bottom-line growth driven by falling interest cost and improving operating performance.

**We believe refinancing actions and balance sheet optimisation will reduce finance cost, resulting in a 22.1% CAGR growth in net profit over FY26E–FY29E.**

**1.4 Optionality**

*SAMHI's investment in RARE India marks an asset-light entry into India's premium experiential hospitality market*

**RARE India Stake Approval Opens Experiential Luxury Opportunity**

SAMHI has approved the acquisition of a 70% stake in RARE India to capitalise on the rapid growth of India's experiential economy, with an investment of INR 473.9 Mn planned over the next 12 months.

This transaction will serve as SAMHI's low-risk, asset-light entry into the niche but high-margin luxury leisure segment.

RARE India has a curated portfolio of 67 hotels and 990 rooms which command a premium average daily stay price of approximately INR 25,000.

**SAMHI's Two-phase Investment in RARE India**

Phase	Primary Contribution (to the Firm)	Secondary Acquisition (from Partners)	Total per Tranche
Tranche 1 (by May 31, 2026)	INR 168.9 Mn	INR 144 Mn	<b>INR 312.9 Mn</b>
Tranche 2 (within 12 months)	INR 65.0 Mn	INR 96 Mn	<b>INR 161.0 Mn</b>
<b>Total</b>	<b>INR 233.9 Mn</b>	<b>INR 240 Mn</b>	<b>INR 473.9 Mn</b>

Source: SAMHI, Choice Institutional Equities

The primary contribution is planned to be deployed to scale up RARE India business.

The strategy to scale up involves strengthening management capabilities, upgrading technology & distribution systems and expanding marketing & brand reach to support RARE's transition into a B2C brand.

*The Investment is expected to support RARE's growth and B2C transformation. In addition, INR 240 Mn has been allocated for secondary stake acquisition*

The secondary acquisition involves paying INR 240 Mn to the existing partners of RARE India.

**RARE India's Pan India Presence Across Experiential Locations**



Source: SAMHI, Choice Institutional Equities

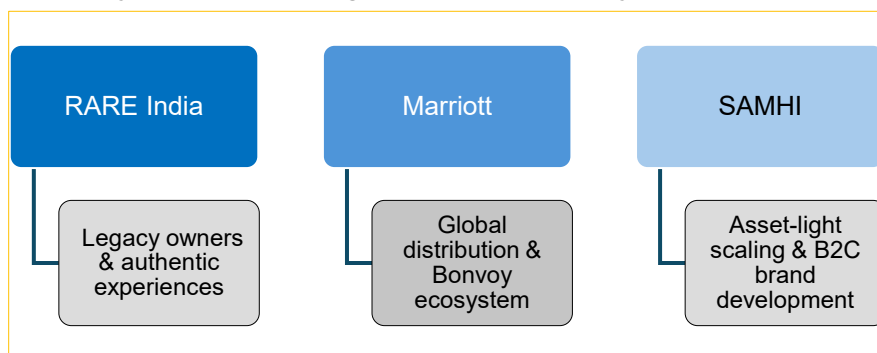
**1.4 Optionality**

*MoU with Marriott enables RARE to leverage global distribution through the Bonvoy loyalty ecosystem*

SAMHI and RARE have entered into a Memorandum of Understanding (MoU) with Marriott International to leverage Marriott’s global distribution network and the Marriott Bonvoy ecosystem.

Under the proposed affiliation, RARE would have exclusive rights to operate its hotel portfolio under the ‘Outdoor Collection by Marriott Bonvoy’ across India, Nepal, Bhutan and Sri Lanka, with distribution through Marriott’s global channels.

**Three-Way Partnership Driving Experiential Hospitality**



Source: SAMHI, Choice Institutional Equities

*Supported by Marriott, RARE’s B2C shift is expected to unlock direct booking income*

Supported by Marriott’s global distribution and loyalty ecosystem, SAMHI plans to transition RARE from a B2B representation platform to a full-stack B2C brand.

This transition is expected enable direct bookings and higher-margin revenue streams.

Management targets doubling the platform’s property count to 120–150 hotels in the medium term.

**RARE India’s Business Model Evolution**

	Current B2B Model	With B2C transition	With Network Growth
No. of Properties	60+	60+	120-150
Keys	~1,000	~1,000	1,800-2,200
Subscription Fees (Mn)	25-30	25-30	60-70
B2C income (Mn)		500	900-1,000
Operating margins		25-30%	35-40%
EBITDA potential (Mn)		~150	~315-400

Source: SAMHI, Choice Institutional Equities

*We believe RARE provides SAMHI a scalable, asset-light platform to tap India’s emerging luxury leisure opportunity*

The RARE India acquisition adds strategic optionality for SAMHI, enabling an asset-light entry into India’s luxury leisure segment.

Leveraging Marriott’s global distribution and loyalty ecosystem, this platform could evolve into a high-margin revenue stream alongside SAMHI’s core Tier-1 business hotel portfolio.

2.1 View and Valuation

- SAMHI is a leading hotel asset repositioning platform, backed by marquee global investors, with a proven ability to transform underperforming assets into high-yield branded hotels.
- As stabilized assets ramp up and upscale hotels contribute a growing share of revenues, SAMHI is well positioned to deliver Revenue / Adj. EBITDA CAGR of 14.3% and 18.3% over FY26E–FY29E respectively.
- With leverage declining to 2.9x Net Debt/EBITDA and free cash flow strengthening to INR 2.4 Bn, the company has strong financial capacity to fund future growth while maintaining balance sheet discipline.

We recommend 'BUY' on SAMHI with an upside of 49.1% to INR 200

**We believe SAMHI offers a compelling long-term compounding opportunity, supported by its scalable acquisition and repositioning model, visible pipeline expansion, structural RevPAR tailwinds, and strengthening balance sheet flexibility.**

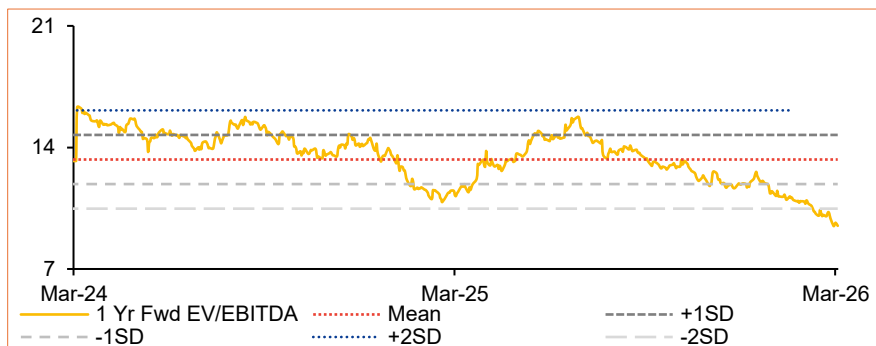
These structural growth drivers are expected to deliver Revenue, Adj. EBITDA, and PAT CAGRs of 14.3%, 18.2%, and 22.1% over FY26E–29E, with EBITDA and PAT outpacing revenue supported by operating leverage and mix improvement. Applying a forward EV/Adj. EBITDA multiple of **9x** on FY28E, we derive a fair value of **INR 200**, implying **49.1%** upside and a **BUY** rating.

EV/ Adj. EBITDA Valuation

SAMHI	FY2028E Adj. EBITDA	Target EV/Adj. EBITDA	Enterprise Value (INR Mn)	INR/share (rounded to nearest 10)
Hospitality Business	6,591	9.0x	59,318	270
Less: Net Debt			(13,473)	
Less: Minority Interest			(694)	
<b>Attributable Equity Value</b>			<b>45,151</b>	<b>200</b>

Source: SAMHI, Choice Institutional Equities

1 year forward EV / Adj. EBITDA



Source: SAMHI, Choice Institutional Equities

2.2 DCF Valuation

DCF Assumptions

Particular (INR Bn unless specified)	
WACC (%)	12.13%
Terminal Growth Rate (%)	5.00%
Cost of Equity (%)	15%
PV of FCFF	20.5
Terminal Value	118.3
PV of Terminal Value	37.6
EV	58.1
Net Debt	(13.5)
Equity Value	48.6
Minority Interest	-0.7
<b>Equity Value Per Share (INR)</b>	<b>200</b>

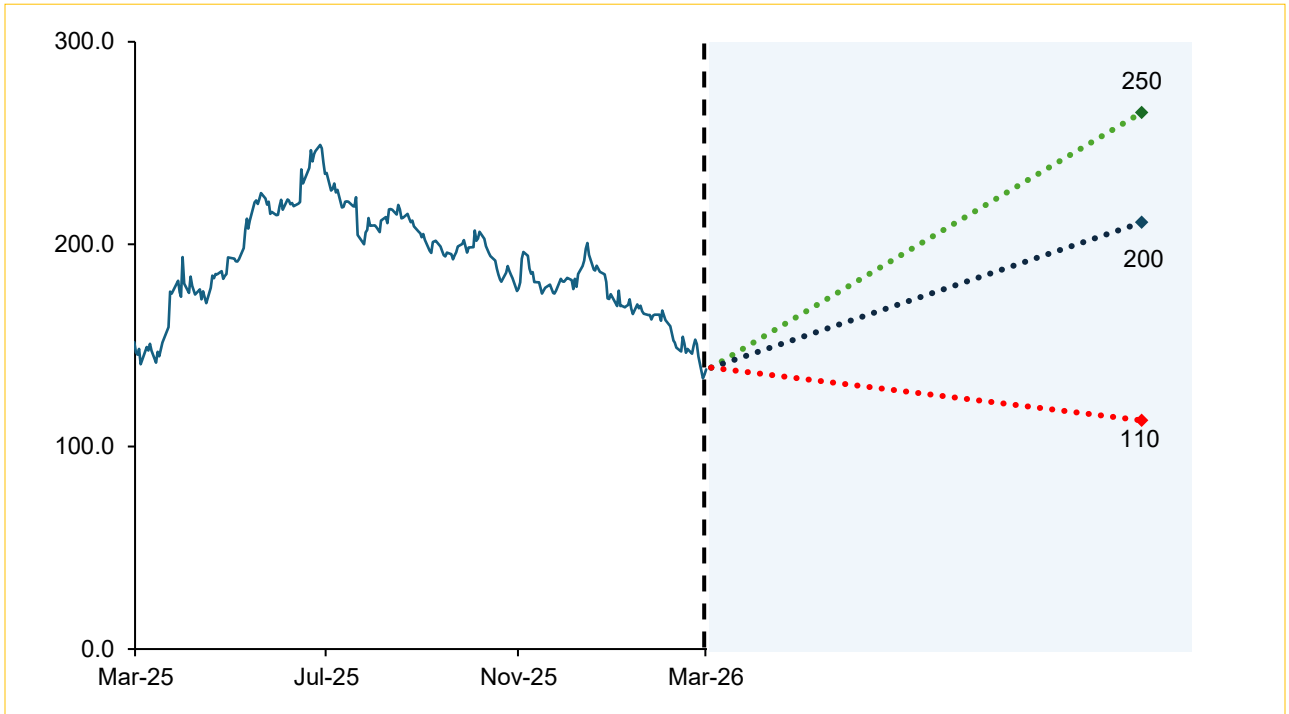
Source: SAMHI, Choice Institutional Equities

Sensitivity Analysis

		Terminal Growth Rate %				
		4.0%	4.5%	5.0%	5.5%	6.0%
WACC	10.1%	280	300	330	360	400
	11.1%	220	230	250	270	300
	12.1%	180	190	<b>200</b>	210	230
	13.1%	150	150	160	170	180
	14.1%	120	130	130	140	150

Source: SAMHI, Choice Institutional Equities

2.3 Scenario Analysis – Bull, Bear & Base Case



Source: FactSet, Choice Institutional Equities



**INR 250**  
**86.3% Upside**

**BULL Assumptions**

- Successful premium repositioning and capital-efficient expansion drive earnings acceleration and valuation re-rating
- Revenue/EBITDA CAGR of 20.8% / 26.1% in FY26E-28E respectively.



**INR 200**  
**49.1% Upside**

**BASE Assumptions**

- Expansions, ramp-ups, and stabilisations for track plan.
- Revenue/EBITDA CAGR of 15.2% / 18.7% in FY26E-28E respectively.
- Yield accretive new asset acquisition/expansion



**INR 110**  
**-18.0% Downside**

**BEAR Assumptions**

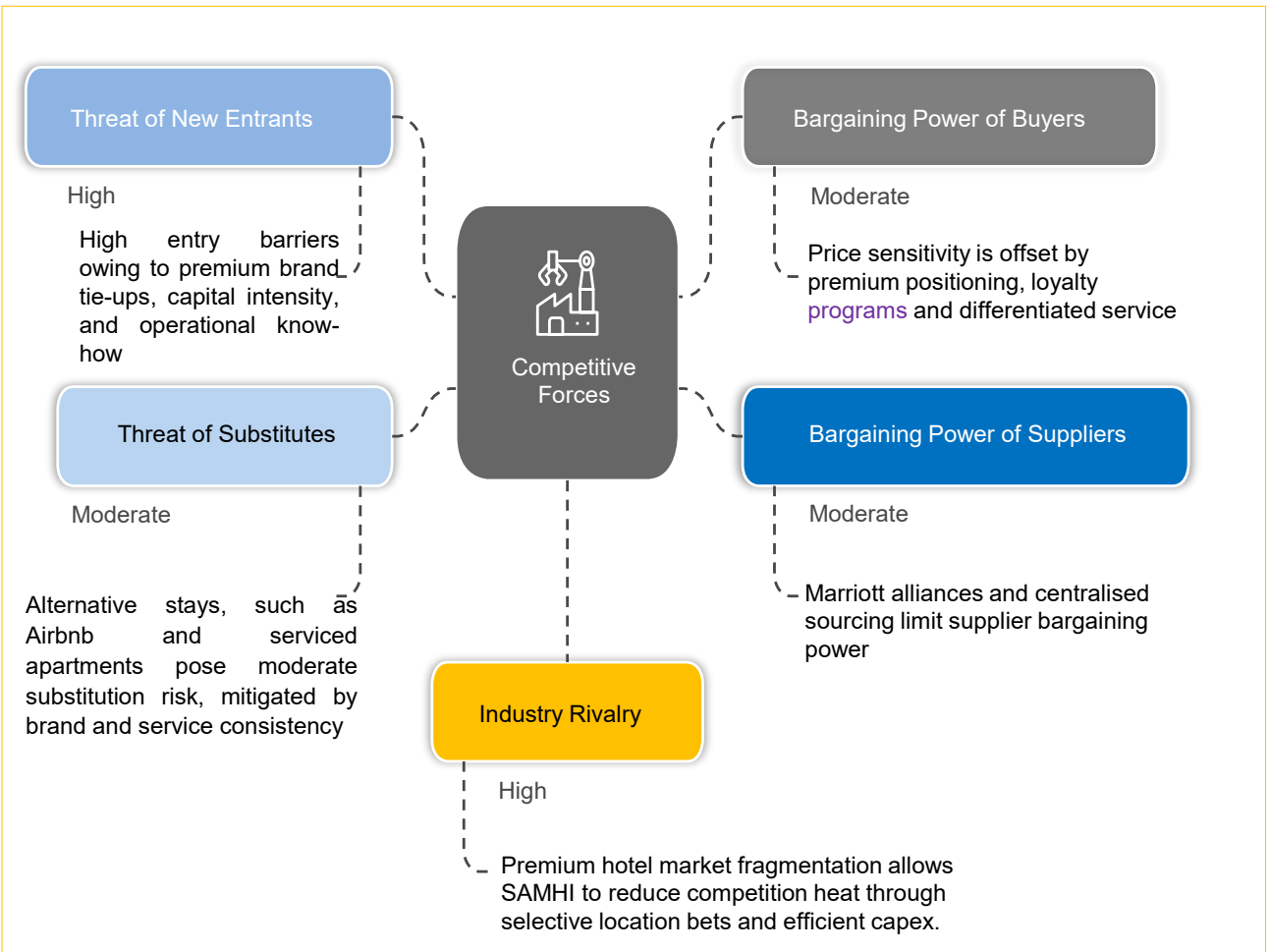
- Delays in asset repositioning, ramp-up timelines and West Asia war impact operating leverage and margin recovery.
- Revenue & EBITDA CAGR remains flat.

## 2.4 Risks to Our Investment Thesis

*SAMHI's key risks stem from its asset-heavy ownership model, ongoing sustenance capex requirements, and the illiquid, cycle-sensitive nature of hotel assets.*

- **Asset-Heavy Model & Sustenance Capex:** As a predominantly asset-heavy hotel owner, SAMHI requires ongoing sustenance and brand-led capex to maintain asset quality and ARR. Mis-timing of such investments, particularly during softer demand phases, could moderate free cash flow generation.
- **Limited Asset-Light Optionality:** Unlike peers with mixed ownership models, SAMHI lacks an asset-light leg, which constrains capital-light scalability, limits ROE acceleration during peak cycles and reduces downside insulation in demand slowdowns.
- **Illiquidity of Hotel Assets:** Hotel real estate, while high-value, is inherently illiquid and cyclical. In stressed market conditions, asset monetisation may involve time lags or valuation haircuts, potentially constraining timely value realisation.
- **Corporate Travel Contraction:** Escalation in West Asia leads to reduced international business arrivals in India's primary office hubs. For SAMHI's business-heavy portfolio, this results in lower occupancy and RevPAR pressure as MNC travel budgets are tightened.
- **Global Booking Volatility:** As a partner to international brands like Marriott and IHG, SAMHI is highly sensitive to global travel sentiment. Geopolitical unrest can trigger sudden cancellations in the international corporate and group segments.

3.1 Michael Porter's Five Force Analysis



Source: SAMHI, Choice Institutional Equities

**Five Forces' Competitive Analysis**

ITCHOTEL and THELEELA benefit from stronger entry barriers owing to sustainability leadership and marquee assets, while SAMHI and VENTIVE mitigate entry risk through their focus on supply-constrained micro-markets

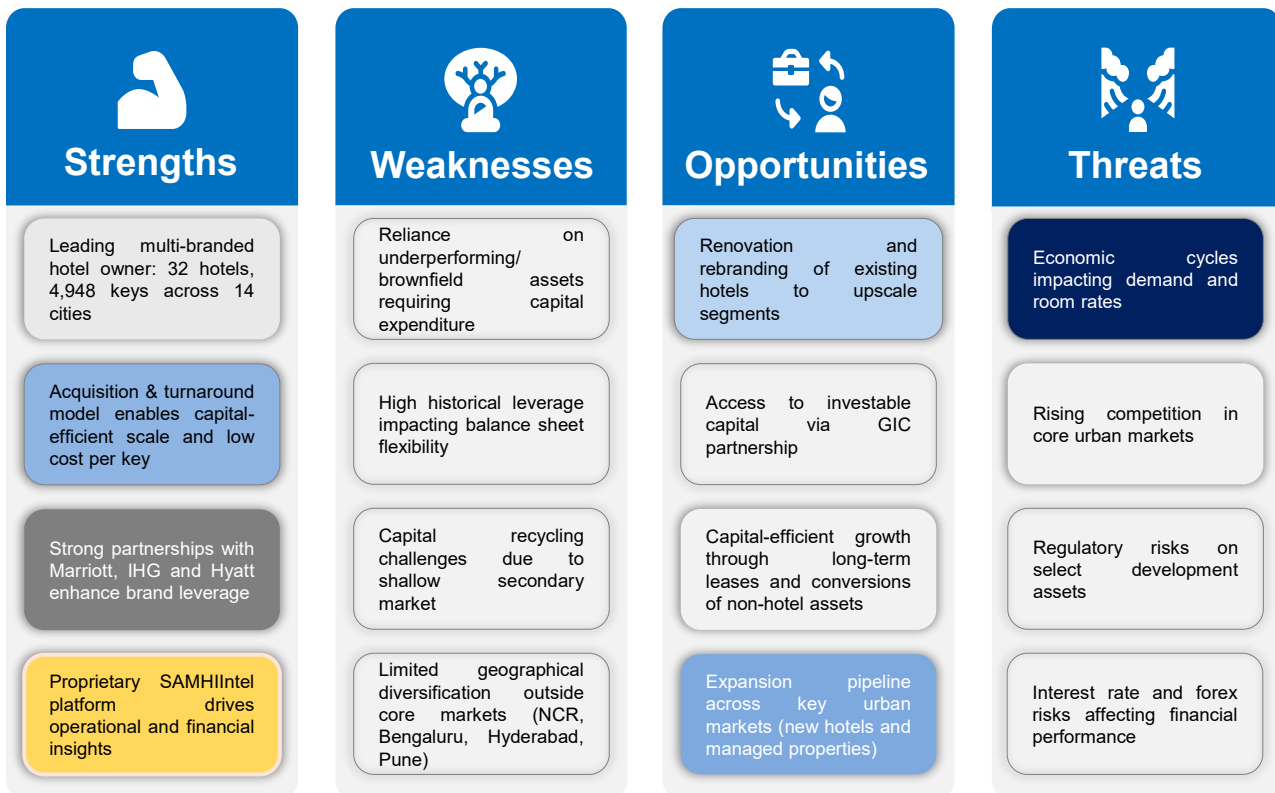
ITCHOTEL and THELEELA command premium through stronger brand equity and premium positioning, while SAMHI, CHALET and VENTIVE reduce buyer pressure by leveraging global loyalty ecosystems

The surge of alternative lodging platforms poses a threat to traditional leisure-heavy players, such as VENTIVE and CHALET. SAMHI and Juniper are less vulnerable to leisure substitutes because their portfolios are anchored in commercial gateways and airport corridors, where corporate and MICE travellers prioritise full-service reliability and brand consistency to homestay experience

Rivalry intensifies with aggressive expansion: ITCHOTELS is targeting 220 properties by 2030 via 'Asset-right,' JUNIPER doubles keys through acquisitions and ROFO, while SAMHI pursues selective growth with 'Dual-branding' so as to dominate multiple price points and neutralise standalone rivals

ITCHOTEL and THELEELA face the lowest supplier pressure via owned brands. JUNIPER benefits from Hyatt as equal promoter, ensuring owner-operator alignment. SAMHI and CHALET counter brand leverage with "Platform Thinking" and centralised tools, such as SAMHIntel and BirchStreet for procurement, controlling cost regardless of the brand

3.2 SWOT Analysis



Source: SAMHI, Choice Institutional Equities

**SAMHI's Distinct Strengths Vs Competitors**

SAMHI scales up through capital-efficient acquisitions and turnarounds, unlike peers, such as THELEELA, JUNIPER, VENTIVE, ITCHOTEL and CHALET, which rely on luxury expansion, asset-light management, or real estate-led growth

SAMHI has greater operating flexibility and demand access than its peers due to its operator-agnostic model leveraging Marriott, Hyatt and IHG partnerships, enabling superior asset optimisation and occupancy resilience

SAMHI has stronger operational independence and asset optimisation capabilities than peers owing to its proprietary SiD platform, which enables superior cross-brand benchmarking, acquisition underwriting and turnaround efficiency.

**SAMHI's Distinct Opportunities Vs Competitors**

SAMHI has stronger scalable growth potential than peers owing to its capital-efficient midscale focus, enabling it to capture high-volume business travel demand and scale faster than luxury-focussed or asset-light peers

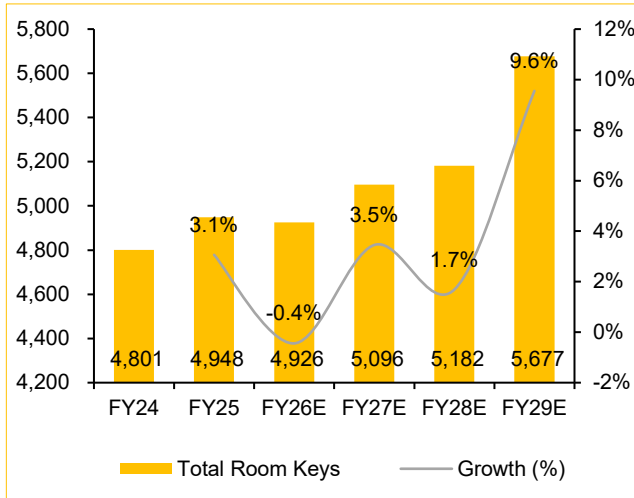
SAMHI is positioned better than luxury-focussed peers to scale up rapidly in urban business hubs owing to its capital-efficient midscale ownership model, while competing more directly with diversified players, such as ITCHOTEL, which rely more on brand ownership or asset-light expansion

**SAMHI's Threats Vs Competitors**

SAMHI faces higher earnings sensitivity to economic cycles than asset-light or annuity-backed peers, such as ITCHOTEL, CHALET, VENTIVE and JUNIPER due to its asset-heavy ownership model, but benefits from demand resilience better than luxury-focussed players like THELEELA due to its midscale exposure

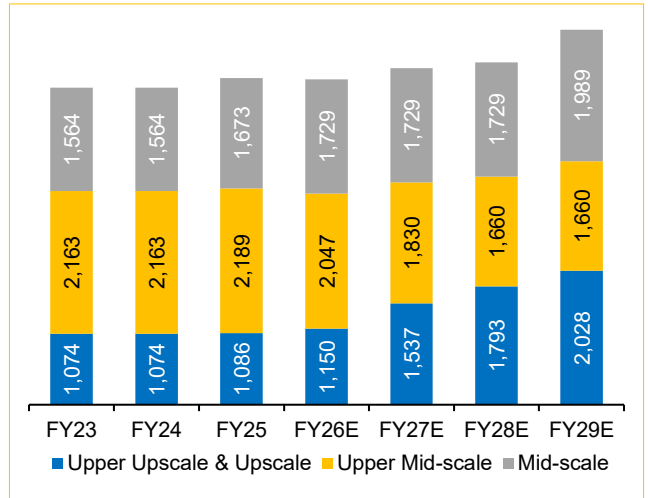
4.1 Key Operational Ratios

Room Inventory to Grow at 4.8% CAGR



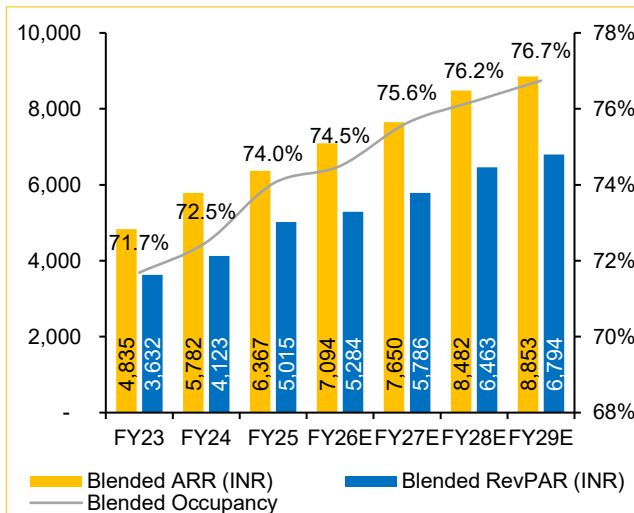
Source: SAMHI, Choice Institutional Equities

Upscale Rooms Expected to Remain ~35.6% of Portfolio



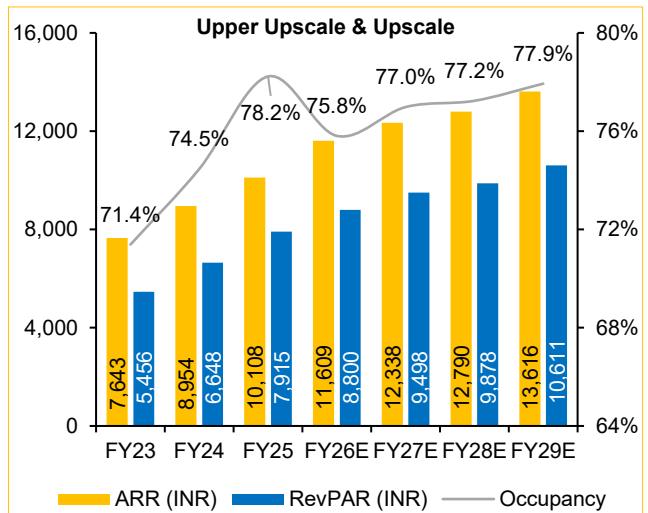
Source: SAMHI, Choice Institutional Equities

Blended ARR and RevPAR Rising Steadily



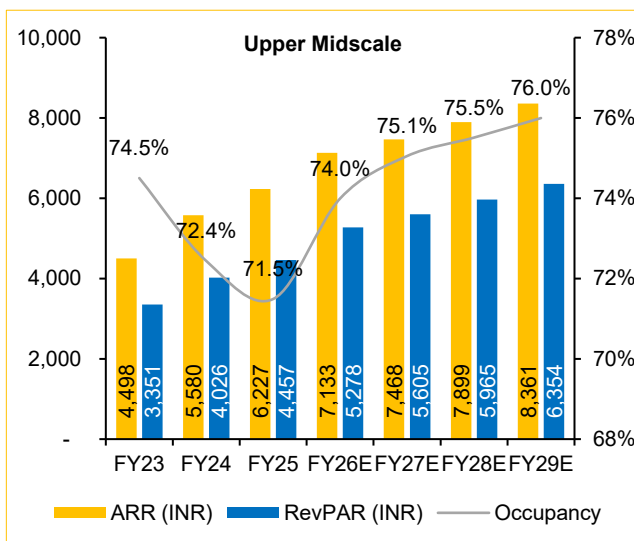
Source: SAMHI, Choice Institutional Equities

Premium Segment Expected to Support Margins



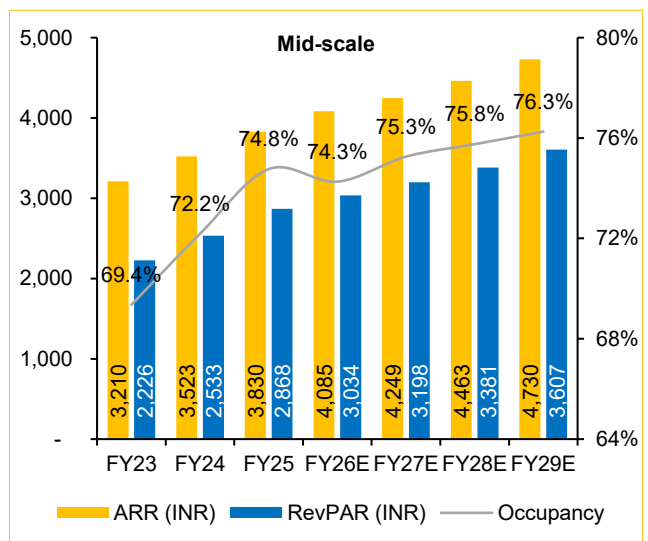
Source: SAMHI, Choice Institutional Equities

Upper Midscale Strengthening through FY29E



Source: SAMHI, Choice Institutional Equities

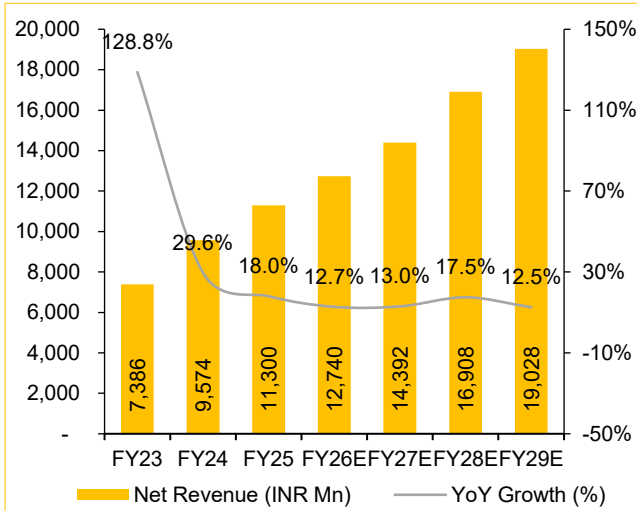
Mid-scale on a Gradual Growth Trajectory



Source: SAMHI, Choice Institutional Equities

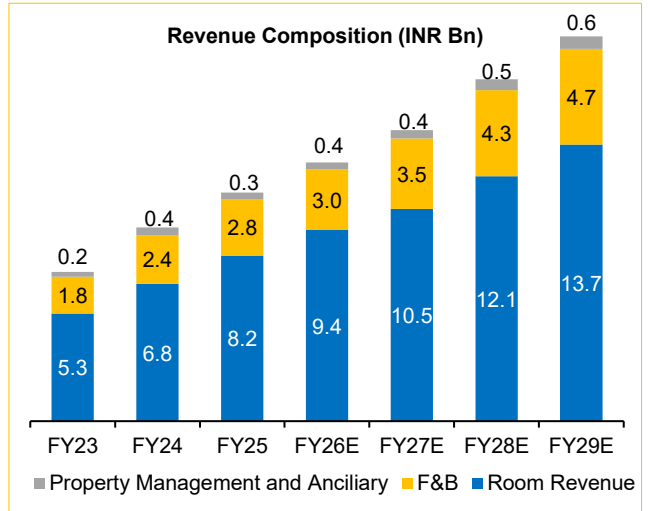
4.2 Key Financial Ratios

Revenue Expected to Grow at 14.3% CAGR by FY26E–29E



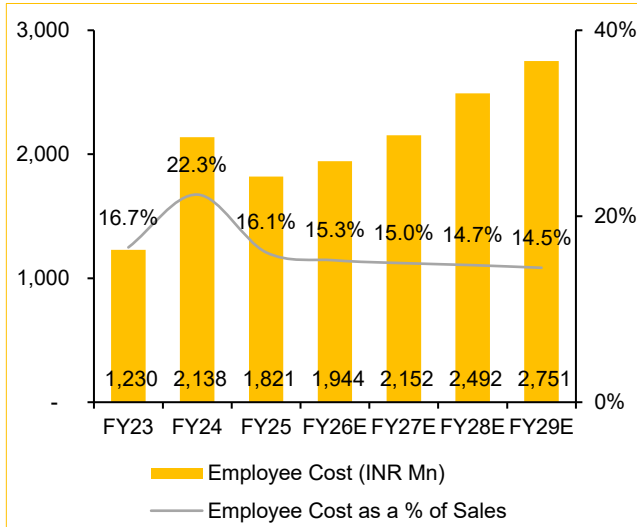
Source: SAMHI, Choice Institutional Equities

Room Revenue to Drive Overall Growth



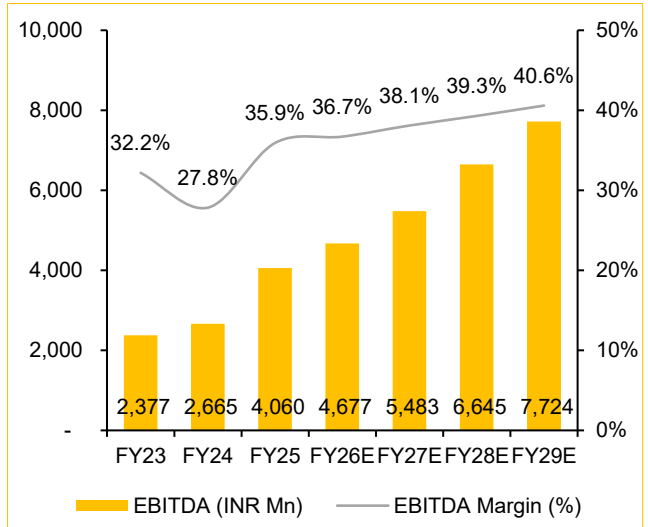
Source: SAMHI, Choice Institutional Equities

Employee Cost Stabilises at ~15% of Revenue



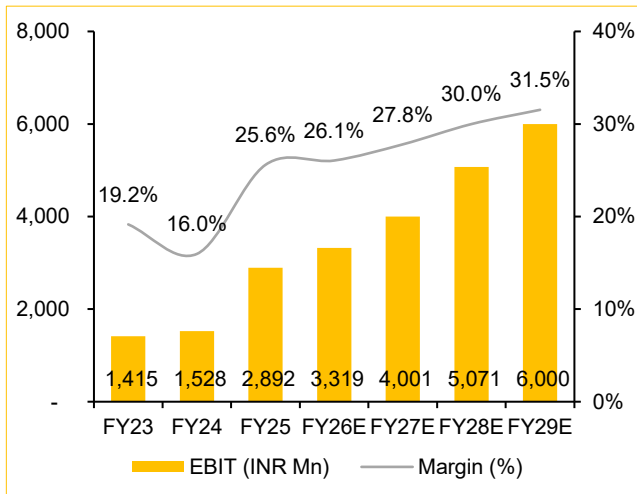
Source: SAMHI, Choice Institutional Equities

EBITDA Margin to Expected Expand 388 bps by FY29E



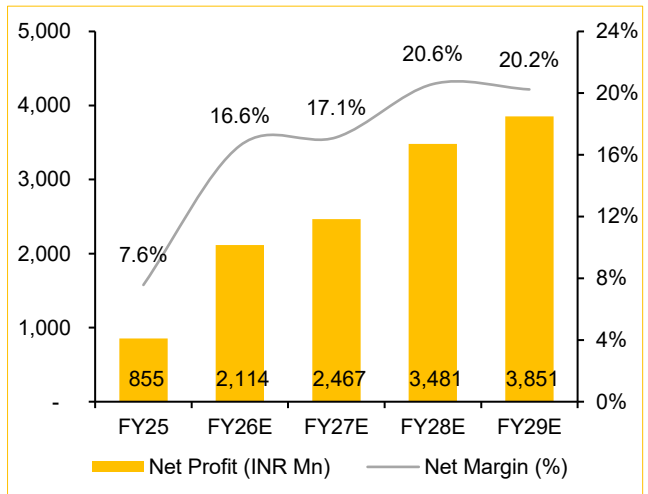
Source: SAMHI, Choice Institutional Equities

Operating Leverage Driving EBIT Expansion



Source: SAMHI, Choice Institutional Equities

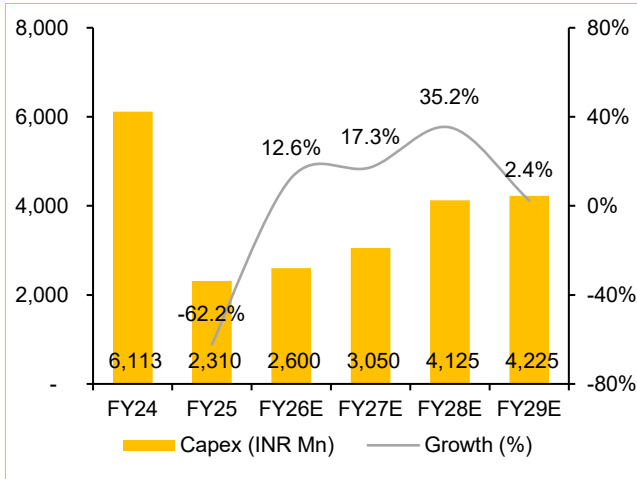
Net Margin Projected to Expand 16.2% by FY29E



Source: SAMHI, Choice Institutional Equities

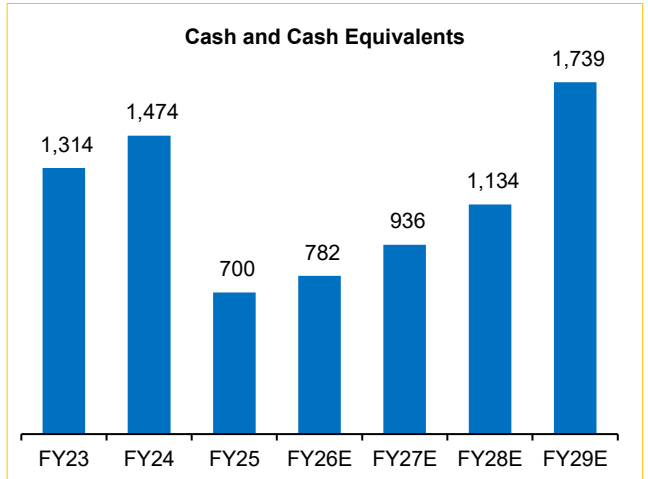
4.2 Key Financial Ratios

Capex Expected to Peak at FY28E



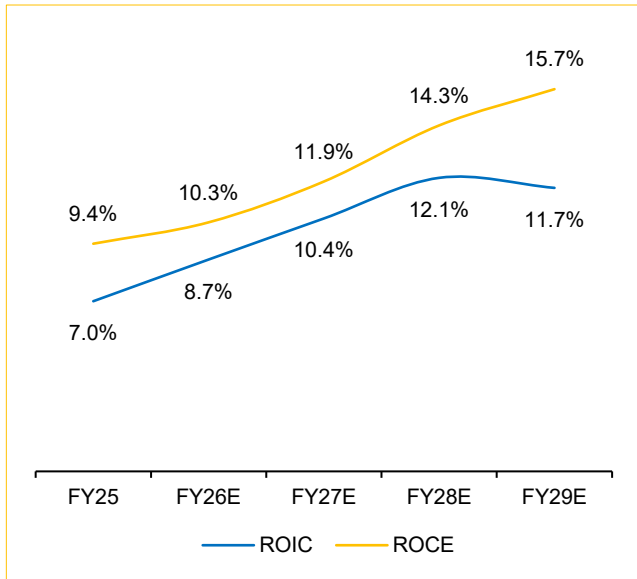
Source: SAMHI, Choice Institutional Equities

Cash Growth Driven by EBITDA Expansion



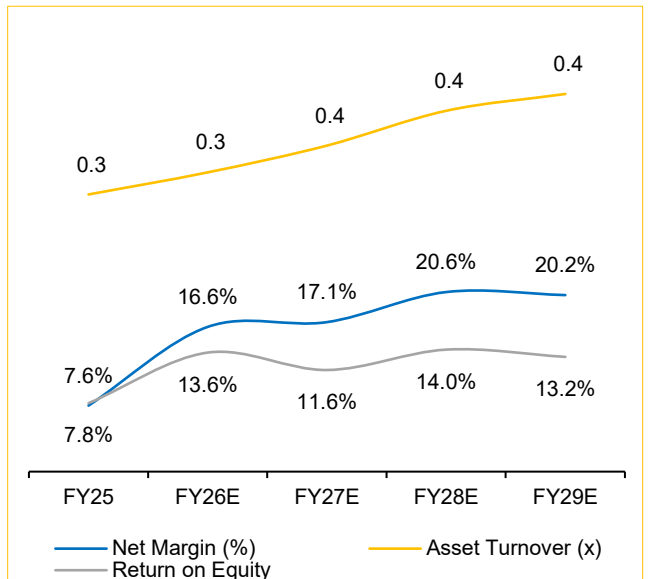
Source: SAMHI, Choice Institutional Equities

ROCE and ROIC to Reach ~15.5% and ~11.5%, Respectively



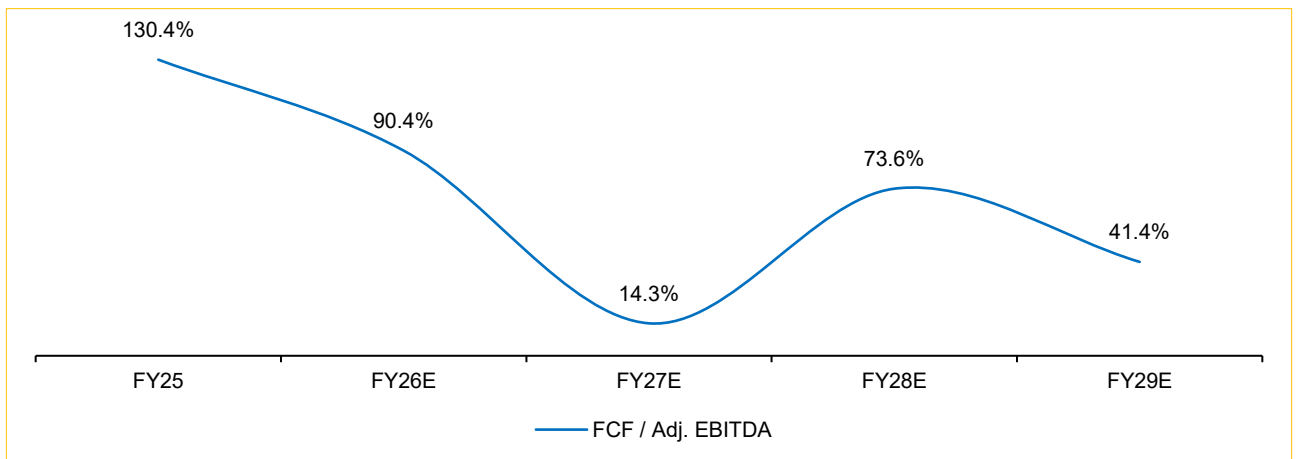
Source: SAMHI, Choice Institutional Equities

Earnings and Efficiency Driving Higher ROE



Source: SAMHI, Choice Institutional Equities

Cash Conversion Improving after Capex Cycle



Source: SAMHI, Choice Institutional Equities

## 4.3 Financials

## Income Statement (Consolidated in INR Mn)

Particular	FY25	FY26E	FY27E	FY28E	FY29E
Net Revenue	11,300	12,740	14,392	16,908	19,028
Total Op. Exp.	7,240	8,063	8,909	10,263	11,304
<b>EBITDA</b>	<b>4,060</b>	<b>4,677</b>	<b>5,483</b>	<b>6,645</b>	<b>7,724</b>
Adj. EBITDA	4,036	4,627	5,431	6,591	7,668
Depreciation	1,168	1,358	1,482	1,574	1,724
EBIT	2,892	3,319	4,001	5,071	6,000
Other Income	197	263	144	169	190
Finance Cost	2,288	1,954	1,324	1,145	1,007
PBT	607	2,481	2,821	4,095	5,183
<b>Net Income</b>	<b>855</b>	<b>2,114</b>	<b>2,467</b>	<b>3,481</b>	<b>3,851</b>
EPS (INR)	3.9	8.3	8.9	12.6	13.9

Ratio Analysis	FY25	FY26E	FY27E	FY28E	FY29E
<b>Growth Ratios</b>					
Revenu	18.0%	12.7%	13.0%	17.5%	12.5%
Gross Profit	18.4%	12.3%	13.1%	17.5%	12.5%
EBITDA	52.3%	15.2%	17.2%	21.2%	16.2%
Adj. EBITDA	NM	14.6%	17.4%	21.3%	16.3%
PBT	NM	308.7%	13.7%	45.1%	26.6%
Net Income	NM	147.2%	16.7%	41.1%	10.6%
<b>Margin Ratios</b>					
Gross Profit Margin	92.8%	92.4%	92.6%	92.6%	92.6%
EBITDA Margin	35.9%	36.7%	38.1%	39.3%	40.6%
Adj. EBITDA	35.7%	36.3%	37.7%	39.0%	40.3%
EBIT Margin	25.6%	26.1%	27.8%	30.0%	31.5%
PBT Margin	5.4%	19.5%	19.6%	24.2%	27.2%
PAT Margin	7.6%	16.6%	17.1%	20.6%	20.2%
<b>Profitability</b>					
ROE	7.8%	13.6%	11.6%	14.0%	13.2%
ROCE	9.4%	10.3%	11.9%	14.3%	15.7%
ROIC	7.0%	8.7%	10.4%	12.1%	11.7%
<b>Valuation</b>					
P/B (x)	2.6x	1.5x	1.3x	1.1x	0.9x
P/E (x)	34.7x	16.2x	15.0x	10.7x	9.6x
EV/Adj. EBITDA (x)	12.5x	9.5x	8.1x	6.7x	5.7x

## Balance Sheet (Consolidated in INR Mn)

Particular	FY25	FY26E	FY27E	FY28E	FY29E
Net Worth	11,421	19,565	22,782	26,991	31,570
Borrowings	21,285	13,935	12,469	11,003	9,536
Lease Liabilities	1,029	982	926	889	841
Other Non-current Liabilities	1,092	1,092	1,092	1,092	1,092
Other Current Liabilities	1,847	2,016	2,148	2,351	2,527
<b>Total Net Worth &amp; Liabilities</b>	<b>36,673</b>	<b>37,590</b>	<b>39,416</b>	<b>42,325</b>	<b>45,565</b>
Net Block	24,740	25,574	27,234	29,877	32,470
Right of Use Assets	2,861	2,769	2,676	2,584	2,492
Goodwill & Intangible Assets	5,275	5,275	5,275	5,275	5,275
Trade Receivables	673	759	857	1,007	1,134
Cash & Cash Equivalents	700	782	936	1,134	1,739
Inventories	42	49	55	64	72
Other Non-current Assets	1,744	1,744	1,744	1,744	1,744
Other Current Assets	640	640	640	640	640
<b>Total Assets</b>	<b>36,673</b>	<b>37,590</b>	<b>39,416</b>	<b>42,325</b>	<b>45,565</b>

Cash Flows (INR Mn)	FY25	FY26E	FY27E	FY28E	FY29E
Cash Flows from Operations	3,571	5,505	5,296	6,261	6,631
Cash Flows from Investing	(2,600)	(946)	(3,050)	(4,125)	(4,225)
Cash Flows from Financing	(1,822)	(4,478)	(2,092)	(1,937)	(1,801)

DuPont Analysis	FY25	FY26E	FY27E	FY28E	FY29E
Tax Burden	140.9%	85.2%	87.4%	85.0%	74.3%
Interest Burden	21.0%	74.7%	70.5%	80.8%	86.4%
EBIT Margin	25.6%	26.1%	27.8%	30.0%	31.5%
Asset Turnover	0.3x	0.3x	0.4x	0.4x	0.4x
Equity Multiplier	3.3x	2.4x	1.8x	1.6x	1.5x
<b>ROE</b>	<b>7.8%</b>	<b>13.6%</b>	<b>11.6%</b>	<b>14.0%</b>	<b>13.2%</b>

Source: SAMHI &amp; Choice Institutional Equities

**5.1 Introduction**

**SAMHI: Business Overview**

Incorporated on December 28, 2010, SAMHI Hotels Limited is engaged in the business of owning and operating hotels in India.

The company's core activity is Accommodation and Food Service, including rooms, food and beverages, banquets and leisure facilities, which account for 100% of its turnover.

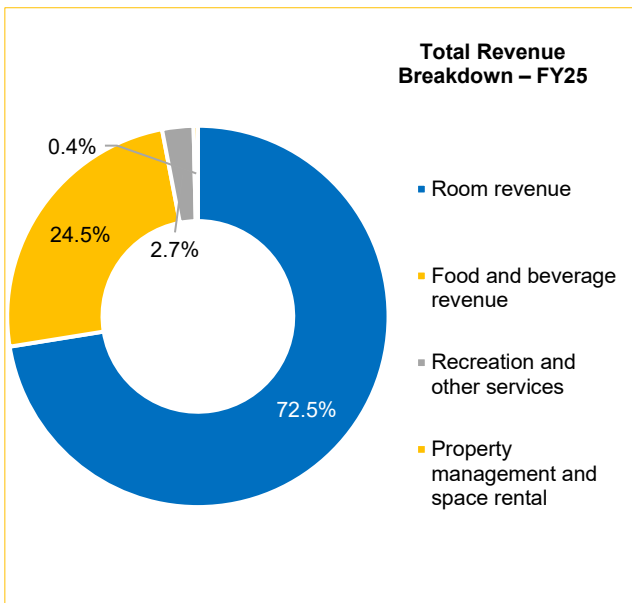
As of Q3, FY26, SAMHI has a portfolio of 31 operating hotels with 4,862 keys across 14 cities in India, including the National Capital Region (NCR), Bengaluru, Hyderabad, Chennai and Pune.

Its portfolio covers Upper Upscale and Upscale, Upper Mid-scale and Mid-scale segments.

The company has long-term management arrangements with Marriott, IHG and Hyatt.

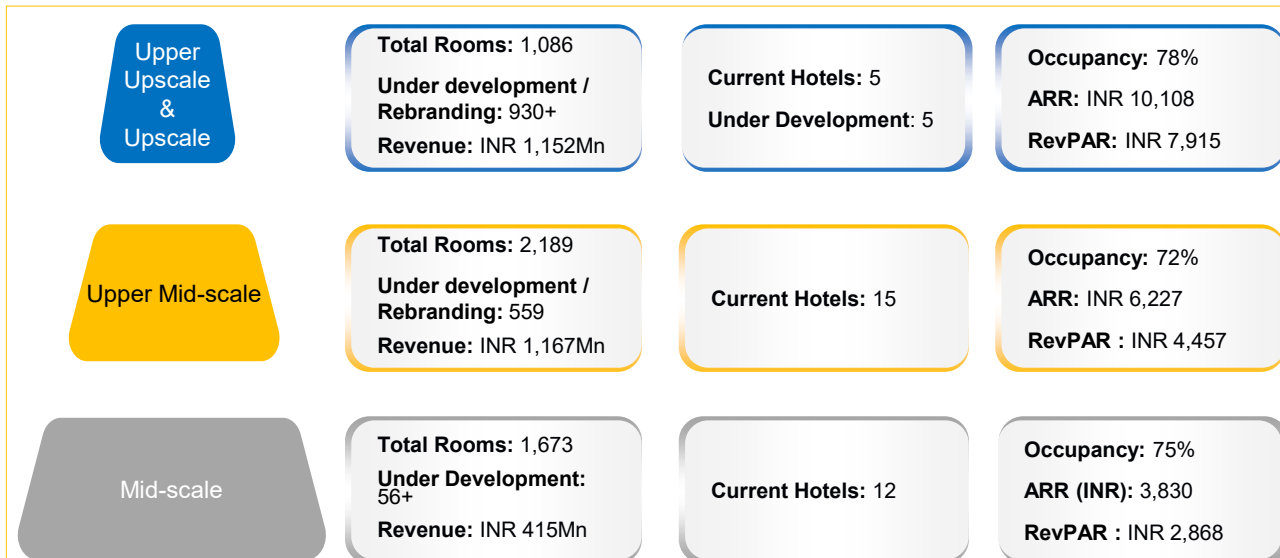
It also uses a proprietary business intelligence system called SAMHIntel to monitor and analyse operating and financial parameters.

**Revenue Composition: Rooms, F&B & Others**

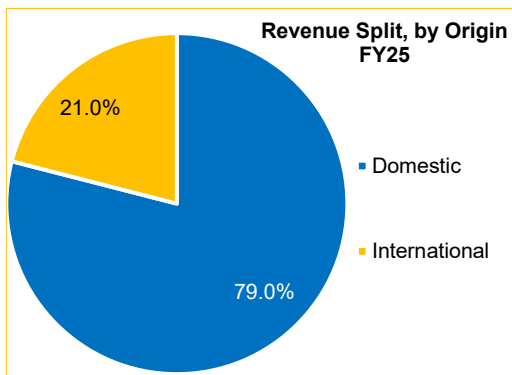


Source: SAMHI, Choice Institutional Equities

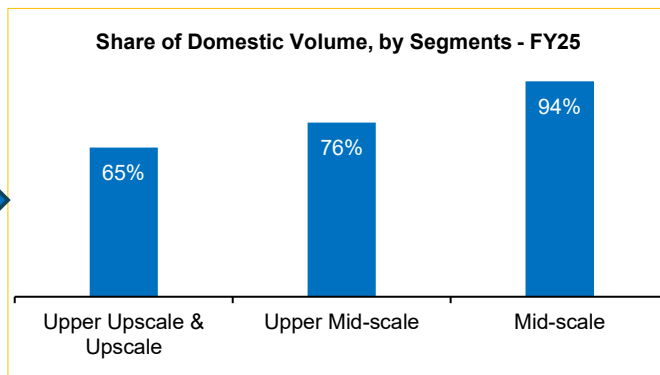
**Snapshot of SAMHI's Diversified Hotel Portfolio (as of FY25)**



Source: SAMHI, Choice Institutional Equities.



Source: SAMHI, Choice Institutional Equities.



Source: SAMHI, Choice Institutional Equities.

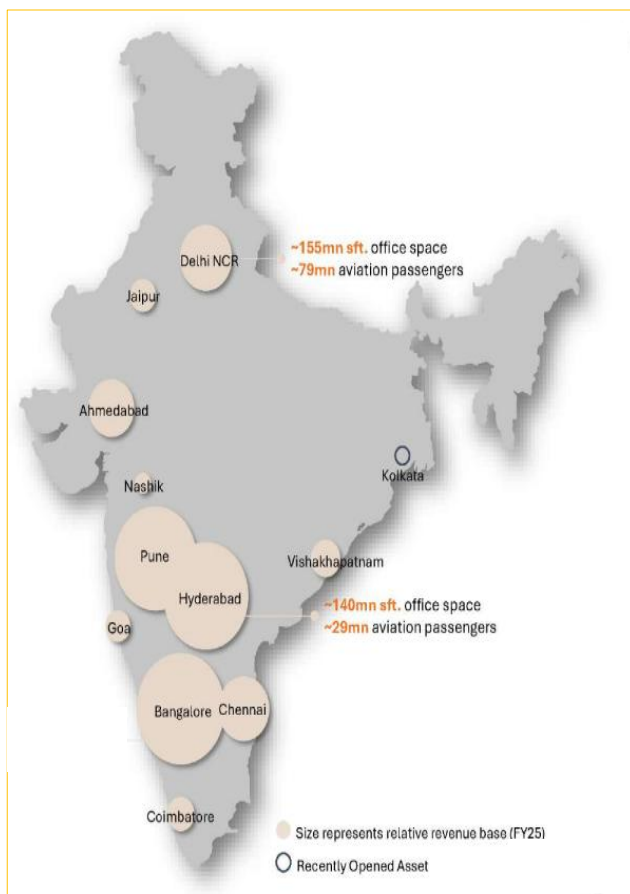
**5.1 Introduction**

**Hotel Portfolio Breakdown, by Brand and Segment – FY25**

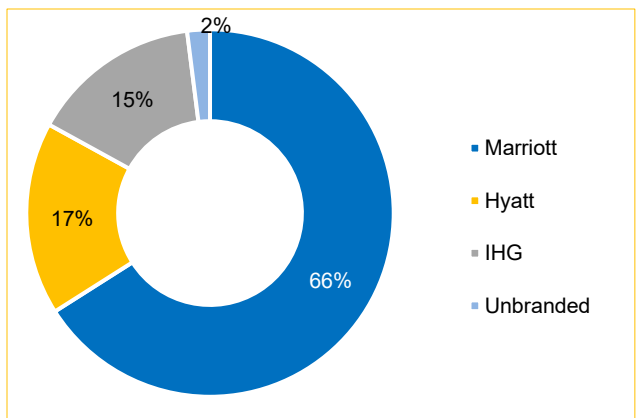


Source: SAMHI, Choice Institutional Equities

**Strategic Presence in High-density Key Indian Cities**



**Brand Affiliation Breakdown**



Source: SAMHI, Choice Institutional Equities

**Rebranding under Global Hotel Operators for Scale Advantage**

SAMHI Hotels Limited follows an acquisition- and turnaround-led strategy.

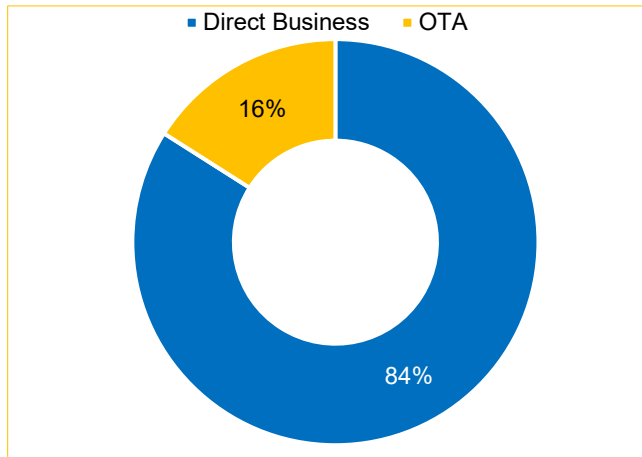
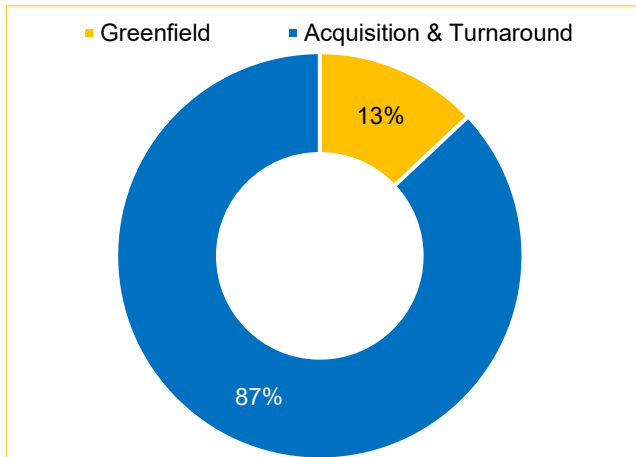
It focuses on underperforming brownfield assets in demand-rich urban hubs, such as NCR, Bengaluru, Hyderabad, Chennai, and Pune.

These properties are refurbished and rebranded under global operators, such as Marriott, IHG or Hyatt.

They are then repositioned into higher segments so as to drive RevPAR growth and operating efficiency.

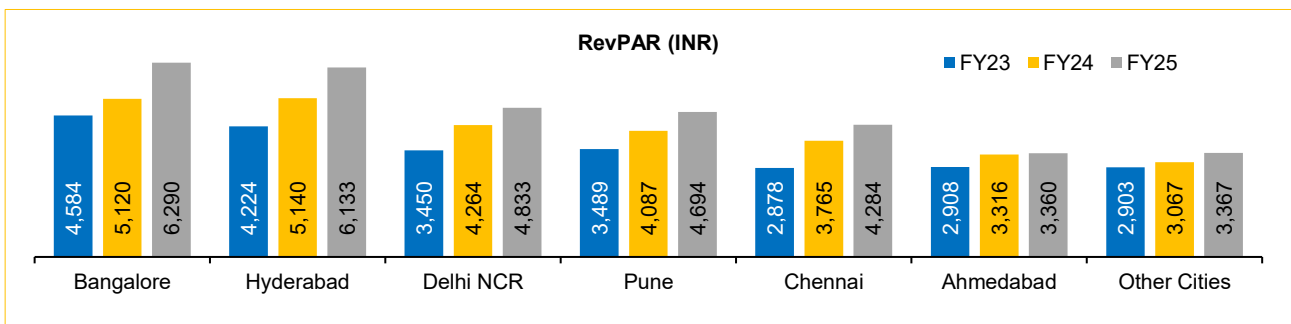
5.1 Introduction

A Portfolio Built on Smart Acquisitions



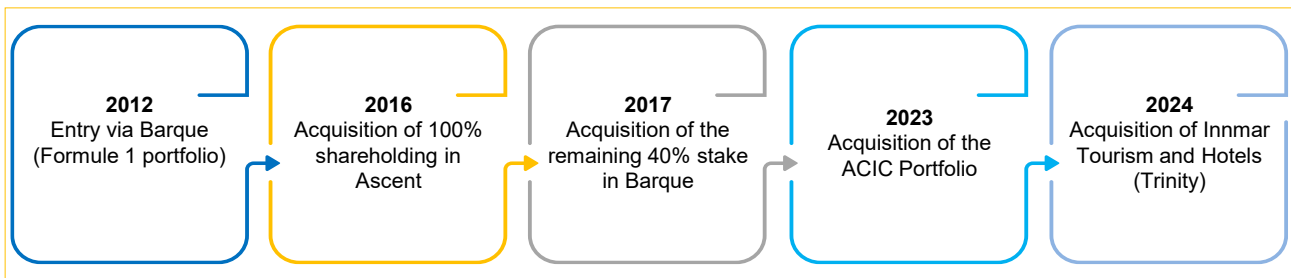
Source: SAMHI, Choice Institutional Equities

Metro Markets sustain Premium RevPAR Levels



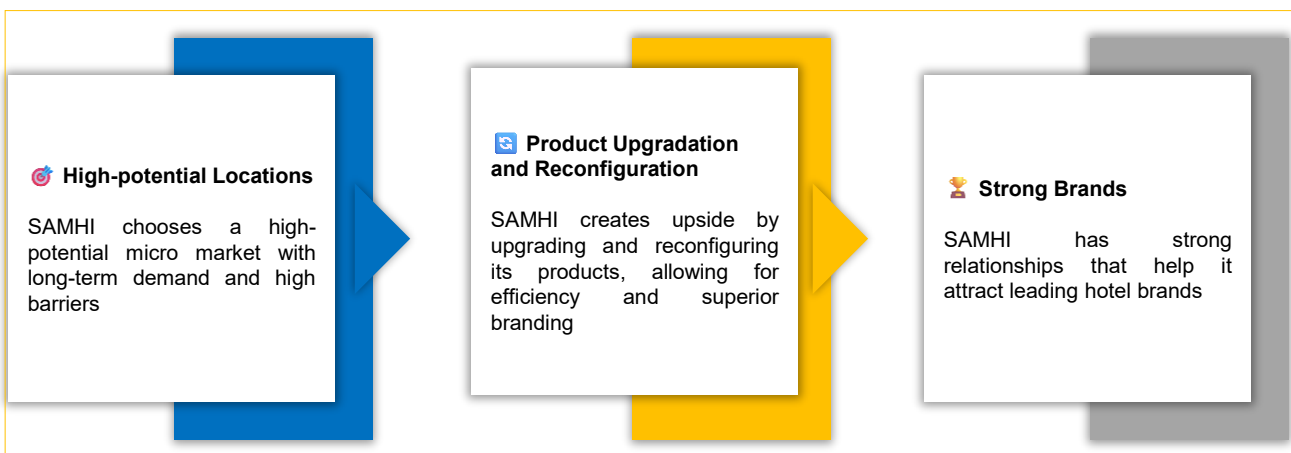
Source: SAMHI, Choice Institutional Equities

From First Portfolio to Industry Leaders: A Decade of Strategic Growth



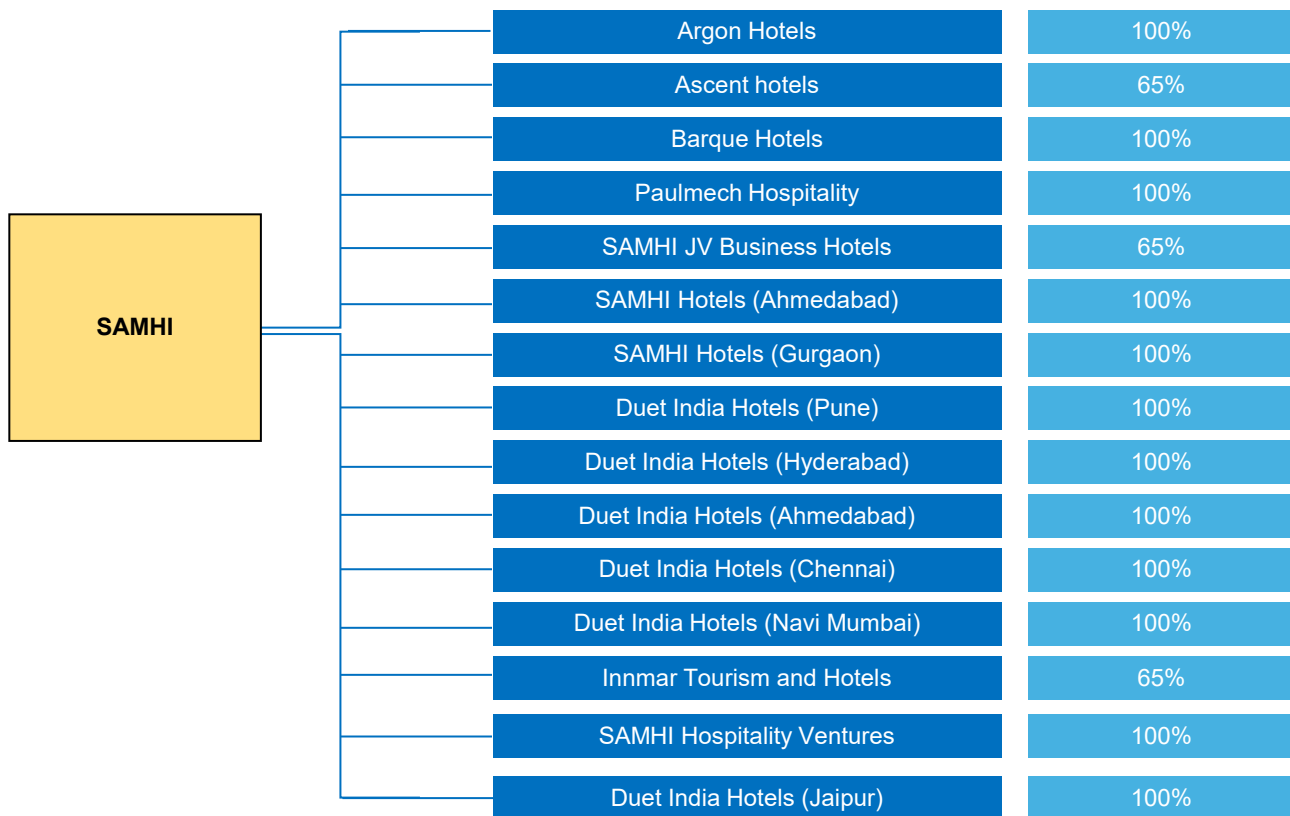
Source: SAMHI, Choice Institutional Equities

SAMHI's Framework for Scalable Hotel Assets

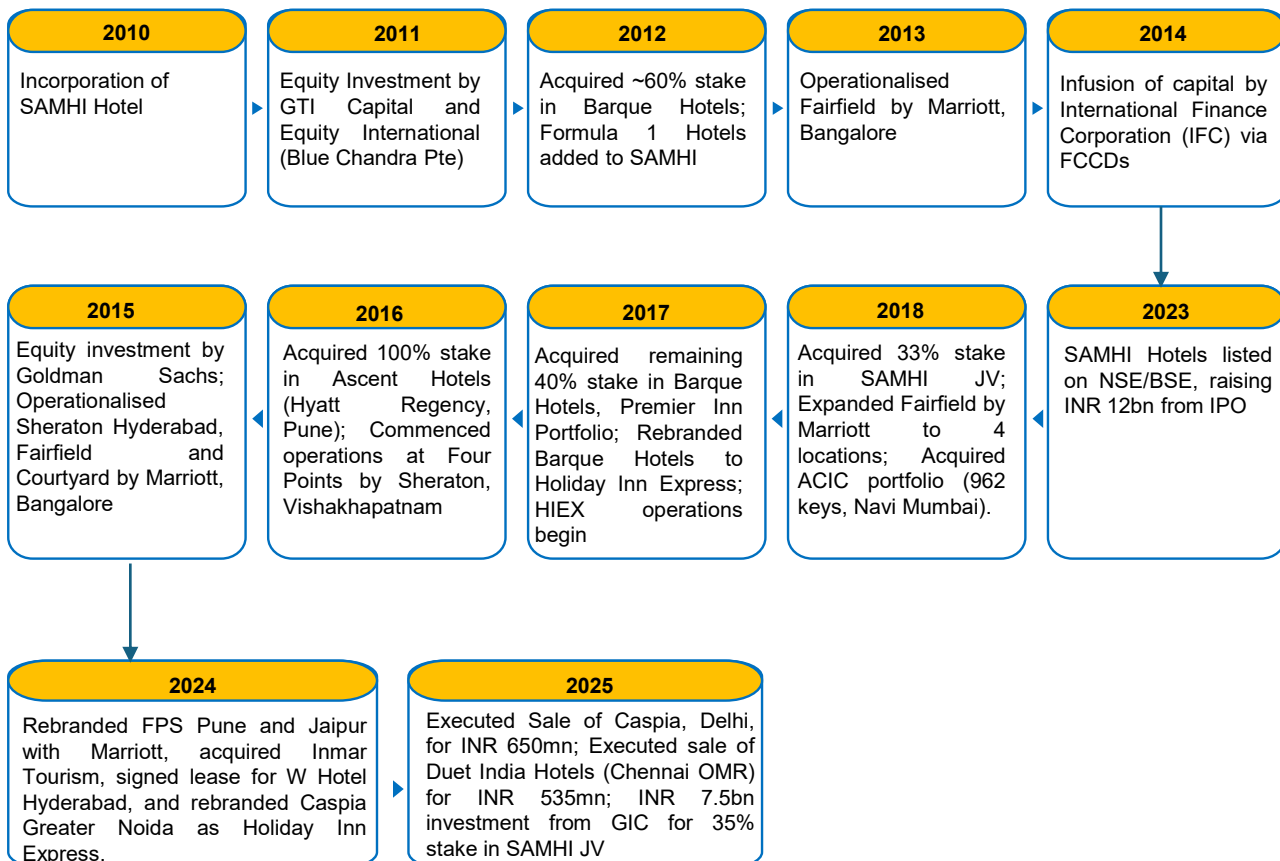


Source: SAMHI, Choice Institutional Equities

**5.2 Organisational Structure**








**5.3 Key Milestones**



Source: SAMHI, Choice Institutional Equities

5.4 Key Managerial Personnel

Key Managerial Personnel	Designation	About the Board
 <b>Mr Ashish Jakhanwala</b>	Chairman, MD & CEO	He holds degrees in commerce, hotel management and management from leading institutions in Delhi. With experience spanning hotel operations, design, consulting and investment, he has previously worked with InterGlobe Hotels as Director – Development and with Pannell Kerr Forster as a consultant.
 <b>Mr Rajat Mehra</b>	CFO	An Associate Chartered Accountant with a diploma in Management from IGNOU and a commerce graduate from the University of Delhi, he joined SAMHI in 2012 after serving as EVP – Finance at Religare Corporate Services.
 <b>Mr Sanjay Jain</b>	Senior Director, Corporate Affairs, Company Secretary and Compliance Officer	A commerce graduate from the University of Delhi and a qualified Cost Accountant and Company Secretary, he joined SAMHI in 2011. He has previously worked with Beekman Helix India, DLF and Consortium Finance.
 <b>Mr Gyana Das</b>	EVP & Head of Investments	With a background in architecture and city planning from NIT Nagpur and IIT Kharagpur, he joined SAMHI in 2011. He has previous experience with InterGlobe Hotels.
 <b>Mrs Tanya Chakravarty</b>	General Counsel, Legal	Tanya holds a bachelor’s degree in law from the Army Institute of Law, Mohali. She joined SAMHI in 2017 after working with Phoenix Legal and Unitech Limited.

Source: SAMHI, Choice Institutional Equities

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**CHOICE RATING DISTRIBUTION & METHODOLOGY**
**Large Cap\***

BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months

**Mid & Small Cap\***

BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months

**Other Ratings**

NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change

**Sector View**

POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

\*Large Cap: More Than INR 20,000 Cr Market Cap  
 \*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

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