

Lemon Tree Hotels

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR146 **TP: INR190 (+30%)** **Buy**

Higher occupancy drives revenue growth

In-line operating performance

- Lemon Tree Hotels (LEMONTRE) reported strong revenue growth of 23% YoY in 3QFY25, led by significant improvement in occupancy (OR) to 74.2% (up 830bp YoY) and healthy growth in ARR (up 7% YoY). OR improvement was primarily led by the ramp-up of Aurika Mumbai. Further, operating leverage resulted in an EBITDA margin improvement of 350bp YoY.
- With a robust performance in 9MFY25 (revenue up 23%), we expect FY25 to end on a strong footing with healthy performance in 4Q. The continuous ramp-up of Aurika Mumbai and favorable demand-supply dynamics coupled with renovations (boosting ARR and OR) will be the key drivers.
- We broadly maintain our FY25/FY26/FY27 EBITDA estimates and **reiterate our BUY rating** on the stock, with an SoTP-based TP of INR190 for FY27.

Operating leverage drives margin expansion

- Revenue grew 23% YoY to INR3.6b (in line), and occupancy rose 830bp YoY to 74.2%, reflecting the ongoing ramp-up at Aurika Mumbai and higher ARR of INR6,763 (up 7% YoY). Management fees increased 23% YoY to INR184m.
- EBITDA rose 32% YoY to INR1.8b (in line). EBITDA margin expanded 350bp YoY to 52% (est. ~50.3%) driven by favorable operating leverage. Adj. PAT increased 71% YoY to INR625m (est. INR664m).
- During the quarter, LEMONTRE signed 13 new management and franchise contracts, which added 766 new rooms to its pipeline, and operationalized one hotel, which added 38 rooms to its portfolio.
- As of 31st Dec'24, the total operational inventory comprised 112 hotels with 10,317 rooms, and the pipeline comprised 88 hotels with 6,068 rooms.
- In 9MFY25, revenue/EBITDA/adj. PAT grew 23%/24%/37% YoY to INR9b/ INR4.3b/ INR1.1b.

Highlights from the management commentary

- **Guidance:** The company expects mid-teen RevPAR growth through optimizing ARR and occupancy. It is also targeting to reach 20,000 rooms (operational and pipeline) ahead of FY27, i.e., within 12 to 15 months vs. the current 16,385 rooms (operational – 10,317; pipeline – 6,068).
- **Aurika:** The company expects Aurika Mumbai to stabilize by 2HFY26, with ARR reaching ~INR11.5-12.5k and occupancy stabilizing over 85%. The hotel is already doing ARR/OR of ~INR9,500/85% in Jan'25. Additionally, the company is close to signing Aurika in Varanasi, which is expected to have an ARR five times higher than the other Aurika properties.
- **Aurika Shillong:** LEMONTRE received a Letter of Award from the Directorate of Tourism, Government of Meghalaya, to redevelop Shillong's Orchid Hotel as Aurika under a PPP model, featuring 120 rooms. The company will invest INR1.2b for all 120 rooms supported by a 5% interest subvention. It received the land for a 1% revenue share plus INR10-20m annually. The initial annual EBITDA from this hotel is expected to be ~INR150m.

Bloomberg	LEMONTRE IN
Equity Shares (m)	792
M.Cap.(INRb)/(USDb)	115.7 / 1.3
52-Week Range (INR)	162 / 112
1, 6, 12 Rel. Per (%)	-3/7/-5
12M Avg Val (INR M)	619

Financials & Valuations (INR b)

Y/E Mar	2025E	2026E	2027E
Sales	12.8	15.3	16.5
EBITDA	6.3	7.9	8.6
PAT	1.76	3.04	3.59
EBITDA (%)	48.7	51.9	52.2
EPS (INR)	2.3	3.9	4.6
EBITDA Gr. (%)	18.8	72.6	18.0
BV/Sh. (INR)	14.6	18.5	23.1

Ratios

Net D/E	1.3	0.7	0.3
RoE (%)	16.7	23.5	22.1
RoCE (%)	11.7	16.5	19.3

Valuations

P/E (x)	61.1	35.4	30.0
EV/EBITDA (x)	20.7	15.8	14.0
FCF Yield (%)	5.2	6.4	7.4

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	22.8	22.8	23.2
DII	20.8	18.9	15.0
FII	20.1	21.8	22.9
Others	36.4	36.5	38.9

Valuation and view

- LEMONTRE is likely to maintain a healthy growth momentum, led by 1) the stabilization of Aurika Mumbai, 2) accelerated growth in the management contract (pipeline of ~5,879 rooms), and 3) the timely completion of the portfolio's renovation leading to improved OR, ARR, and EBITDA margins.
- We expect LEMONTRE to post a CAGR of 16%/19%/34% in revenue/EBITDA/Adj. PAT over FY24-27 and RoCE to improve to 19.3% by FY27 from ~10% in FY24. We reiterate our BUY rating on the stock with our SoTP-based TP of INR190 for FY27.

Consolidated Quarterly Performance

(INRm)

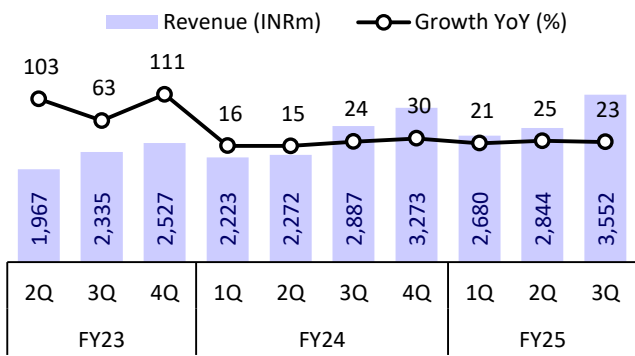
Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Gross Sales	2,223	2,272	2,887	3,273	2,680	2,844	3,552	3,765	10,655	12,841	3,528	1
YoY Change (%)	15.7	15.5	23.6	29.5	20.6	25.2	23.0	15.0	21.8	20.5	22.2	
Total Expenditure	1,178	1,253	1,490	1,558	1,530	1,536	1,710	1,808	5,479	6,584	1,752	
EBITDA	1,045	1,019	1,397	1,715	1,151	1,307	1,842	1,957	5,176	6,257	1,776	4
Margins (%)	47.0	44.8	48.4	52.4	42.9	46.0	51.9	52.0	48.6	48.7	50.3	
Depreciation	228	226	333	334	346	348	351	355	1,121	1,399	350	
Interest	481	473	534	528	518	513	503	480	2,016	2,014	480	
Other Income	24	29	22	39	4	5	6	30	113	45	60	
PBT before EO expense	359	348	552	892	291	451	994	1,152	2,151	2,888	1,006	
PBT	359	348	552	892	291	451	994	1,152	2,151	2,888	1,006	
Tax	87	86	118	50	91	102	197	274	341	664	240	
Rate (%)	24.2	24.8	21.3	5.6	31.2	22.7	19.8	23.8	15.9	23.0	23.9	
MI & P/L of Asso. Cos.	38	35	80	172	2	52	173	233	325	460	102	
Reported PAT	235	226	354	670	198	296	625	645	1,485	1,764	664	
Adj PAT	235	226	354	670	198	296	625	645	1,485	1,764	664	-6
YoY Change (%)	34.5	35.1	-11.4	52.4	-15.6	30.9	76.5	-3.7	25.7	18.8	87.5	
Margins (%)	10.6	10.0	12.3	20.5	7.4	10.4	17.6	17.1	13.9	13.7	18.8	

Key Performance Indicators

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Occupancy (%)	70.2	71.7	65.9	72.0	66.6	68.4	74.2	74.9	72.0	71.7
ARR (INR)	5,237	5,268	6,333	6,605	5,686	5,902	6,763	6,941	6,260	6,864
Change (%)	8.6	7.1	10.4	13.4	8.6	12.0	6.8	5.1	10.1	9.6
RevPAR (INR)	3,678	3,775	4,173	4,756	3,787	4,035	5,018	5,202	4,506	4,918
Change (%)	17.2	16.0	7.6	10.9	3.0	6.9	20.2	9.4		
Cost Break-up										
F&B Cost (% of sales)	5.6	5.8	5.8	6.3	6.1	6.0	5.5	6.0	5.9	5.9
Staff Cost (% of sales)	19.2	20.4	17.0	15.2	18.9	19.1	15.9	15.1	17.6	17.0
Power and fuel (% of sales)	8.7	8.4	6.9	6.0	8.7	8.0	6.0	6.2	7.3	7.1
Other Cost (% of sales)	19.6	20.6	22.0	20.1	23.3	20.9	20.7	20.7	20.6	21.3
Gross Margins (%)	94.4	94.2	94.2	93.7	93.9	94.0	94.5	94.0	94.1	94.1
EBITDA Margins (%)	47.0	44.8	48.4	52.4	42.9	46.0	51.9	52.0	48.6	48.7
EBIT Margins (%)	36.8	34.9	36.9	42.2	30.0	33.7	42.0	42.5	38.1	37.8

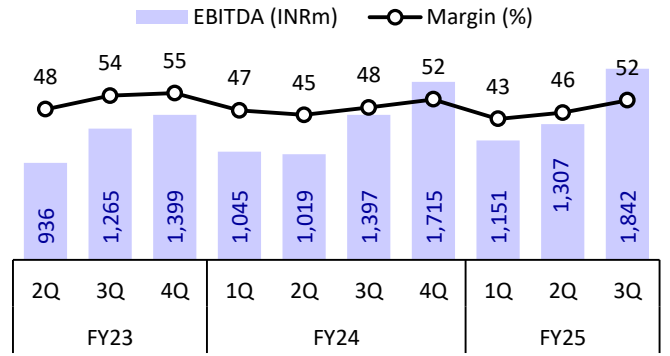
Key Exhibits

Exhibit 1: Consolidated revenue trend



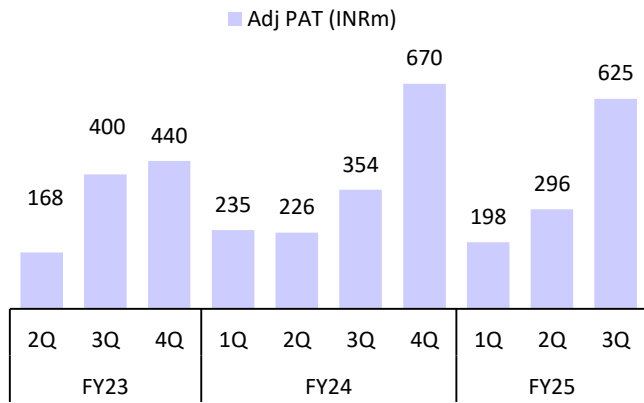
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



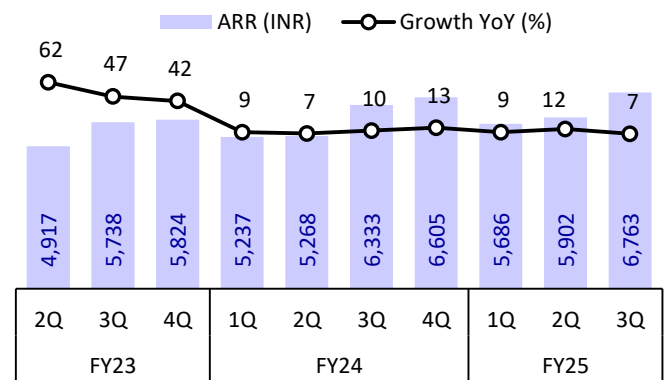
Source: Company, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



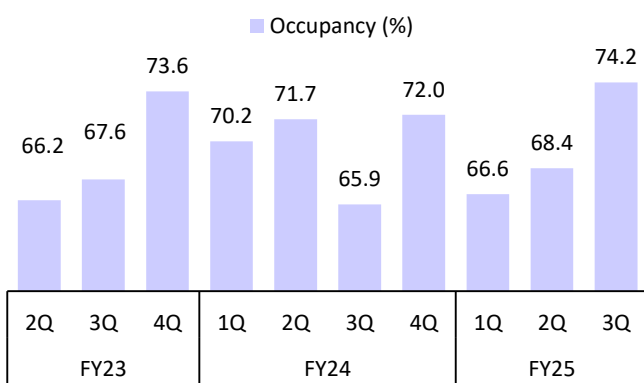
Source: Company, MOFSL

Exhibit 4: ARR trend



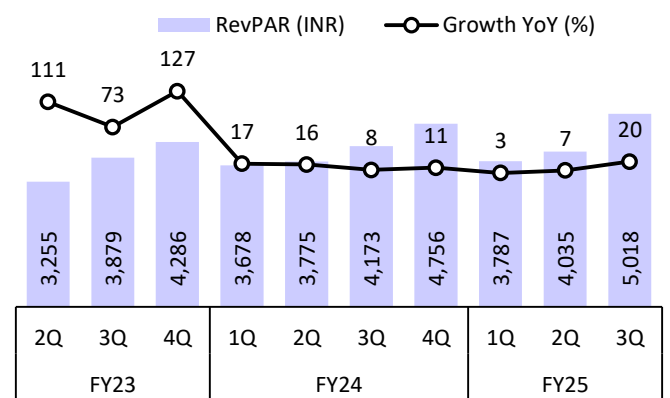
Source: Company, MOFSL

Exhibit 5: Occupancy trend



Source: Company, MOFSL

Exhibit 6: RevPAR trend



Source: Company, MOFSL

Exhibit 7: Portfolio breakup as of 31st Dec'24 – operational

Operational portfolio	Owned		Leased		Managed/ Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika	2	808	0	0	1	55	3	863
Lemon Tree Premier	7	1,442	2	161	12	1121	21	2,724
Lemon Tree Hotels	13	1,241	4	321	43	2,408	60	3,970
Red Fox Hotels	5	759	1	91	5	440	11	1,290
Keys Prima	0	0	0	0	1	42	1	42
Keys Select	7	936	0	0	5	335	12	1,271
Keys Lite	0	0	0	0	4	157	4	157
Total	34	5,186	7	573	71	4,558	112	10,317

Source: Company, MOFSL

Exhibit 8: Portfolio breakup as of 31st Dec'24 – pipeline

In pipeline	Owned		Leased		Public Private Partnership		Managed/Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika	1	69	0	0	1	120	4	499	6	688
Lemon Tree Premier	0	0	0	0	0	0	4	362	4	362
Lemon Tree Hotels	0	0	0	0	0	0	54	3753	54	3,753
Red Fox Hotels	0	0	0	0	0	0	1	50	1	50
Keys Prima	0	0	0	0	0	0	3	160	3	160
Keys Select	0	0	0	0	0	0	11	635	11	635
Keys Lite	0	0	0	0	0	0	9	420	9	420
Total	1	69	0	0	1	120	86	5879	88	6068

Source: Company, MOFSL

Exhibit 9: Brand-wise operating performance trend

	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Lemon Tree Premier									
Occupancy (%)	75.0	81.0	78.0	80.0	77.0	81.0	79.0	79.0	81.0
ARR (INR)	6,863	7,143	6,380	6,334	7,437	7,565	6,558	6,802	7,852
Hotel level EBITDAR/room (INR m)	0.35	0.20	0.32	0.32	0.35	0.42	0.32	0.35	0.44
Hotel level EBITDAR Margin (%)	60.0	61.0	56.0	56.0	55.0	60.0	53.0	56.0	60.0
Lemon Tree Hotels									
Occupancy (%)	68.0	74.0	73.0	74.0	71.0	74.0	72.0	73.0	75.0
ARR (INR)	5,400	5,501	5,163	5,178	5,935	6,036	5,299	5,425	6,083
Hotel level EBITDAR/room (INR m)	0.25	0.24	0.22	0.21	0.25	0.25	0.20	0.24	0.28
Hotel level EBITDAR Margin (%)	57.0	51.0	49.0	46.0	50.0	50.0	43.0	50.0	52.0
Red Fox Hotels									
Occupancy (%)	73.0	78.0	68.0	69.0	73.0	76.0	64.0	70.0	78.0
ARR (INR)	4,315	4,310	4,044	4,059	4,746	4,796	4,214	4,458	5,144
Hotel level EBITDAR/room (INR m)	0.20	0.20	0.14	0.14	0.19	0.21	0.13	0.17	0.25
Hotel level EBITDAR Margin (%)	60.0	59.0	50.0	46.0	54.0	58.0	46.0	51.0	60.0
Aurika									
Occupancy (%)	53.0	69.0	46.0	49.0	42.0	66.0	46.0	50.0	71.0
ARR (INR)	17,102	16,152	9,989	11,487	10,743	10,553	9,061	9,491	10,457
Hotel level EBITDAR/room (INR m)	0.79	1.03	0.25	0.45	0.29	0.56	0.27	0.32	0.63
Hotel level EBITDAR Margin (%)	69.0	72.0	44.0	56.0	55.0	64.0	49.0	53.0	64.0

EBITDAR – Earnings before interest, taxes, depreciation, amortization, and rent

Source: Company, MOFSL

Exhibit 10: Consolidated profit and loss breakup in 3QFY25

INR m	Total without Keys Hotels					Key Hotels					Total				
	3Q FY25	2Q FY25	3Q FY24	QoQ Change	YoY change	3Q FY25	2Q FY25	3Q FY24	QoQ Change	YoY change	3Q FY25	2Q FY25	3Q FY24	QoQ Change	YoY change
Inventory	4,823	4,823	4,154	0%	16%	936	936	936	0%	0%	5,759	5,759	5,090	0%	13%
ARR	7,210	6,246	6,711	15%	7%	3,733	3,677	3,612	2%	3%	6,763	5,902	6,302	15%	7%
Occupancy	77.2%	70.7%	68.4%	650 bp	880 bp	58.7%	56.3%	53.2%	240 bp	550 bp	74.2%	68.4%	65.9%	580 bp	830 bp
RevPAR	5,567	4,417	4,591	26%	21%	2,191	2,071	1,921	6%	14%	5,018	4,035	4,155	24%	21%
Revenue from operations	3,328	2,634	2,706	26%	23%	224	211	200	6%	12%	3,552	2,845	2,906	25%	22%
Total expenses	1566	1389	1343	13%	17%	144	148	147	-3%	-2%	1710	1536	1490	11%	15%
EBITDA	1,762	1,245	1,363	42%	29%	80	63	53	27%	51%	1,842	1,309	1,416	41%	30%
EBITDA margin (%)	52.9%	47.3%	50.4%	568 bp	258 bp	35.7%	29.9%	26.5%	586 bp	921 bp	51.9%	46.0%	48.7%	585 bp	313 bp

Source: Company, MOFSL

Exhibit 11: Operational performance by region

Parameters by region (rooms)	Occupancy (%)		Change YoY* (bps)	ARR		Change YoY* (%)
	3QFY25	3QFY24		3QFY25	3QFY24	
Delhi (636)	84	81	270	7,949	6,808	17
Gurugram (529)	74	70	400	6,146	5,832	5
Hyderabad (663)	80	78	260	7,298	6,678	9
Bengaluru (874)	65	55	1040	5,023	4,773	5
Mumbai (972)	76	53	2360	9,052	8,844	2
Pune (426)	73	65	740	5,762	5,323	8
Rest of India (1,659)	72	68	440	5,862	5,818	1

Note: Aurika Mumbai Sky City (669 rooms) was operational from 5th Oct'23

Source: Company, MOFSL



Highlights from the management commentary

Guidance and outlook

- Moving forward, the company remains confident in its ability to sustain growth in the coming quarters by focusing on key strategic drivers: I) accelerating the expansion of its management and franchised portfolio, resulting in a proportional increase in fee-based income. (II) Ensuring the timely completion of renovation activities in its owned portfolio to enhance Gross ARR and occupancy rates.
- The company aims to significantly increase EBITDA, while operating at an EBITDA margin of 60%, with Keys expected to double its EBITDA.
- The company aims for mid-teen growth in RevPAR by optimizing the right combination of ARR and occupancy rate growth.
- The company is confident of reaching its target of 20k rooms well ahead of FY27, potentially achieving this milestone within the next 12 to 15 months.
- The company expects management fee income to double in the next two years.
- Demand growth is expected to continue exceeding supply in the mid-market hotel segment in India.

Shillong – Public-Private-Partnership

- The company has received a Letter of Award from the Directorate of Tourism, Government of Meghalaya, for the redevelopment, operation, and maintenance of the existing Orchid Hotel in Shillong. This project will be undertaken under the Design, Build, Finance, Operate, and Transfer model through a Public-Private Partnership. The hotel will be redeveloped as Aurika, Shillong, and is expected to become operational within the next three years.
- The property will feature 120 elegantly designed rooms and suites, with an all-day dining restaurant, a bar, and rejuvenating recreational facilities.
- This hotel is situated in the prime location of Polo Market, opposite the Chief Minister's Bungalow, and will mark the company's first Public-Private Partnership.
- The project qualifies for capital subsidy and various incentives, including full GST reimbursement after seven years.
- Currently, two hotels are operating in Shillong – the Taj and Courtyard by Marriot – operating at an ARR of INR10,000 /INR12,000. The management targets an ARR of ~INR12,000/INR13,000 because of its superior location.
- The company has received the land for 1% of the revenue and INR10-INR20m and the company plans to incur a capex of ~INR1.2b for all the 120 rooms.
- The company estimates to earn an EBITDA of ~INR150m a year to begin with while operating at an EBITDA margin of ~65%.

Keys – renovations

- The renovation of the 101 keys in Pune led to higher occupancy rates and a ~24% increase in ARR compared to pre-renovation levels. The property is currently operating at an occupancy rate of approximately 80-90%
- The renovation at Pimpri, Pune, has been fully completed, while Keys Whitefield is 50% renovated. Renovations at Keys Ludhiana and Keys Visakhapatnam are approximately 70% complete, whereas renovations at Keys Thiruvananthapuram and Cochin have yet to begin.

Aurika

- The company expects Aurika Mumbai to stabilize by the 2HFY26. Currently, the occupancy rate is around 70%, with an ARR of ~INR9k by 3QFY25, the company is seeing further improvement, with ARR ~INR9.5k and OR ~85% in Jan'25. In the long term, the company targets an ARR of ~INR11.5k, with occupancy rates above 85%.
- In Mumbai, the ARR for crew typically is under ~USD100, which is around INR7.5k to INR8k. For corporate clients, the ARR varies depending on the corporate, ranging from INR9k to INR 11k. Retail rates fluctuate based on the time of year and day of the week, ranging from INR9k to INR16k.
- The company has amicably parted ways with the Coorg Hotel, reasons undisclosed.
- The company is close to signing Aurika in Varanasi, which is expected to have an ARR 5x higher than that of the other Aurika properties.
- Aurika Mumbai's foreign demand accounts for around 15-20%; however, the company is more focused on attracting Indian customers, as there is an increasing number of Indian travelers both domestically and internationally.

Fleur

- The company is looking to list Fleur in the most tax-friendly form possible and aims to have all of its owned assets in Fleur, and Fleur will then transform into a pure asset company.
- LEMONTRE will continue to be a significant shareholder of Fleur.
- It is expected that within the next three to four months, a clearly defined picture of what will happen with Fleur will emerge.

Other key highlights

- The management is confident that the company will achieve a debt-free status within the next two years.
- The company believes it has a competitive moat due to its network effect, which is difficult for competitors to overcome
- The company does not directly compete with the hotel industry for talent, as only about 15% of its workforce is interchangeable with staff from five-star hotels.
- The company has a practice of transferring employees to other hotels and replacing them with employees who have a lower salary, which helps manage rising wage costs.
- The company is focused on eliminating lower-price businesses and replacing them with higher-price businesses.
- The increased investment in renovation expenses will persist into FY26 until the entire portfolio of owned hotels has been fully renovated and refreshed.

Valuation and view

- LEMONTRE is likely to maintain a healthy growth momentum, led by 1) the stabilization of Aurika Mumbai, 2) accelerated growth in the management contract (pipeline of ~5,879 rooms), and 3) the timely completion of the portfolio's renovation leading to improved OR, ARR, and EBITDA margins.
- We expect LEMONTRE to post a CAGR of 16%/19%/34% in revenue/EBITDA/Adj. PAT over FY24-27 and RoCE to improve to 19.3% by FY27 from ~10% in FY24. We reiterate our BUY rating on the stock with our SoTP-based TP of INR190 for FY27.

Exhibit 12: Valuation methodology

Particulars		FY27
Standalone EBITDA	INRm	2,070
EV/EBIDTA Multiple	x	20
EV	INRm	40,987
Less: Standalone Net Debt	INRm	4,681
Target Value	INRm	36,306
Carnations EBITDA (Management Contract)	INRm	1,130
EV/EBIDTA Multiple	x	45
EV	INRm	50,872
Fluer's EBITDA	INRm	5,437
LEMONTRE's Share of Fluer EBITDA (58.91%)	INRm	3,203
EV/EBIDTA Multiple	x	20
EV	INRm	63,422
Less: LEMONTRE's Share of Fluer Net Debt	INRm	128
Target Value	INRm	63,295
Total Target Value	INRm	1,50,472
No. of shares	Mn	792
Target Price	INR	190

Source: MOFSL

Exhibit 13: Revisions to our estimates

Earnings Change (INR m)	Old			New			Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	12,806	15,259	16,463	12,841	15,294	16,544	0%	0%	0%
EBITDA	6,180	7,925	8,678	6,257	7,934	8,638	1%	0%	0%
Adj. PAT	1,826	2,967	3,514	1,764	3,045	3,593	-3%	3%	2%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement								(INRm)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	6,694	2,517	4,022	8,750	10,655	12,841	15,294	16,544
Change (%)	21.8	-62.4	59.8	117.5	21.8	20.5	19.1	8.2
F&B Consumed	570	178	279	499	628	758	887	960
Employees Cost	1,553	704	973	1,497	1,878	2,184	2,432	2,597
Other Expenses	2,137	1,022	1,432	2,230	2,973	3,641	4,041	4,349
Total Expenditure	4,260	1,905	2,683	4,226	5,479	6,584	7,360	7,906
% of Sales	63.6	75.7	66.7	48.3	51.4	51.3	48.1	47.8
EBITDA	2,434	613	1,339	4,524	5,176	6,257	7,934	8,638
Margin (%)	36.4	24.3	33.3	51.7	48.6	48.7	51.9	52.2
Depreciation	922	1,076	1,043	966	1,121	1,399	1,411	1,426
EBIT	1,512	-463	296	3,557	4,054	4,858	6,523	7,212
Int. and Finance Charges	1,565	1,817	1,740	1,772	2,016	2,014	1,578	1,174
Other Income	58	133	140	36	113	45	153	165
PBT bef. EO Exp.	5	-2,147	-1,304	1,822	2,151	2,888	5,098	6,203
EO Items	0	0	153	-48	0	0	0	0
PBT after EO Exp.	5	-2,147	-1,456	1,774	2,151	2,888	5,098	6,203
Total Tax	109	-322	-72	377	341	664	1,172	1,426
Tax Rate (%)	2220.8	15.0	5.0	21.3	15.9	23.0	23.0	23.0
MI/ share of profit from associates	-9	-555	-510	251	325	460	881	1,185
Reported PAT	-95	-1,271	-874	1,146	1,485	1,764	3,045	3,593
Adjusted PAT	-95	-1,271	-760	1,182	1,485	1,764	3,045	3,593
Change (%)	-118.0	1,232.4	-40.2	-255.5	25.7	18.8	72.6	18.0
Margin (%)	-1.4	-50.5	-18.9	13.5	13.9	13.7	19.9	21.7

Consolidated - Balance Sheet								(INRm)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	7,903	7,904	7,908	7,916	7,918	7,918	7,918	7,918
Eq. Share Warrants & App. Money	0	0	0	0	0	0	0	0
Preference Capital	0	0	0	0	0	0	0	0
Total Reserves	1,986	1,272	404	621	1,750	3,515	6,560	10,152
Net Worth	9,889	9,176	8,312	8,537	9,669	11,433	14,478	18,071
Minority Interest	5,559	6,174	5,676	5,597	5,795	6,256	7,138	8,323
Total Loans	15,775	16,850	16,986	17,457	18,891	16,391	11,891	6,891
Lease Liability	4,619	4,671	4,247	4,253	4,423	4,423	4,423	4,423
Deferred Tax Liabilities	0	0	0	0	0	0	0	0
Capital Employed	35,841	36,870	35,223	35,844	38,779	38,504	37,930	37,708
Gross Block	35,073	35,016	34,637	34,666	42,627	42,950	43,335	43,862
Less: Accum. Deprn.	2,977	4,052	5,096	6,062	7,183	8,582	9,993	11,419
Net Fixed Assets	32,097	30,964	29,542	28,605	35,444	34,368	33,342	32,443
Goodwill on Consolidation	951	951	951	951	951	951	951	951
Capital WIP	1,896	2,418	2,968	4,822	254	331	346	69
Total Investments	164	79	114	73	151	151	151	151
Current Investment	44	91	59	10	81	0	0	0
Curr. Assets, Loans&Adv.	2,521	3,737	2,776	2,873	3,531	4,777	5,534	6,674
Inventory	82	72	81	105	138	162	181	195
Account Receivables	503	308	291	560	715	844	1,006	1,088
Cash and Bank Balance	408	1,411	543	275	537	1,202	1,288	2,083
Loans and Advances	1,528	1,945	1,861	1,933	2,140	2,568	3,059	3,309
Curr. Liability & Prov.	1,786	1,278	1,128	1,479	1,552	2,073	2,393	2,580
Account Payables	842	788	585	668	859	1,046	1,169	1,256
Other Current Liabilities	877	412	319	730	601	899	1,071	1,158
Provisions	67	78	224	81	92	128	153	165
Net Current Assets	734	2,459	1,648	1,394	1,979	2,703	3,141	4,094
Misc Expenditure	0	0	0	0	0	0	0	0
Appl. of Funds	35,841	36,870	35,223	35,844	38,779	38,504	37,930	37,708

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	-0.1	-1.6	-1.0	1.5	1.9	2.3	3.9	4.6
Cash EPS	1.1	-0.2	0.4	2.7	3.3	4.0	5.7	6.4
BV/Share	12.7	11.7	10.6	10.9	12.4	14.6	18.5	23.1
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)								
P/E	-1,130.4	-84.8	-141.9	91.2	72.6	61.1	35.4	30.0
Cash P/E	130.3	-552.4	380.2	50.2	41.4	34.1	24.2	21.5
P/BV	10.9	11.7	13.0	12.6	11.1	9.4	7.4	6.0
EV/Sales	19.2	51.4	32.3	14.9	12.4	10.1	8.2	7.3
EV/EBITDA	52.9	211.1	97.0	28.9	25.5	20.7	15.8	14.0
EV/Room (INRm)	30.2	30.4	30.5	27.1	27.3	26.8	26.0	24.6
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	-9.5	-1.5	0.9	2.9	1.6	7.2	8.8	10.2
Return Ratios (%)								
RoE	-1.0	-13.3	-8.7	14.0	16.3	16.7	23.5	22.1
RoCE	4.5	-0.9	1.1	9.4	10.2	11.7	16.5	19.3
RoIC	4.4	-1.0	0.7	8.6	10.0	10.0	13.8	15.5
Working Capital Ratios								
Fixed Asset Turnover (x)	0.2	0.1	0.1	0.3	0.2	0.3	0.4	0.4
Asset Turnover (x)	0.2	0.1	0.1	0.2	0.3	0.3	0.4	0.4
Inventory (Days)	4	10	7	4	5	5	4	4
Debtor (Days)	27	45	26	23	24	24	24	24
Creditor (Days)	46	114	53	28	29	30	28	28
Leverage Ratio (x)								
Current Ratio	1.4	2.9	2.5	1.9	2.3	2.3	2.3	2.6
Interest Cover Ratio	1.0	-0.3	0.2	2.0	2.0	2.4	4.1	6.1
Net Debt/Equity	1.5	1.7	2.0	2.0	1.9	1.3	0.7	0.3

Consolidated - Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
(INRm)								
OP/(Loss) before Tax	5	-2,147	-1,446	1,782	2,151	2,888	5,098	6,203
Depreciation	922	1,076	1,043	966	1,121	1,399	1,411	1,426
Interest & Finance Charges	1,507	1,685	1,786	1,773	1,903	1,970	1,425	1,009
Direct Taxes Paid	-109	322	-17	-207	-341	-664	-1,172	-1,426
(Inc)/Dec in WC	-754	-1,009	27	-403	-523	-59	-351	-159
CF from Operations	1,572	-74	1,394	3,912	4,312	5,534	6,411	7,053
Others	-62	-635	-41	-63	339	461	882	1,185
CF from Operating incl EO	1,510	-709	1,353	3,849	4,651	5,995	7,293	8,238
(Inc)/Dec in FA	-8,969	-465	-668	-1,618	-3,393	-400	-400	-250
Free Cash Flow	-7,459	-1,174	685	2,231	1,258	5,595	6,893	7,988
(Pur)/Sale of Investments	210	85	132	8	-78	0	0	0
Others	2,677	-276	-56	-1,222	-495	45	153	165
CF from Investments	-6,082	-656	-591	-2,832	-3,965	-355	-247	-85
Issue of Shares	10	1,750	8	17	2	0	0	0
Inc/(Dec) in Debt	3,733	1,075	134	471	1,434	-2,500	-4,500	-5,000
Interest Paid	-1,565	-1,817	-1,400	-1,432	-2,016	-2,014	-1,578	-1,174
Dividend Paid	0	0	0	0	0	0	0	0
Others	2,488	1,361	-372	-379	157	-461	-882	-1,185
CF from Fin. Activity	4,667	2,368	-1,630	-1,323	-423	-4,975	-6,960	-7,359
Inc/Dec of Cash	94	1,003	-869	-306	263	665	86	795
Opening Balance	314	408	1,411	543	275	537	1,202	1,288
Closing Balance	408	1,411	543	275	537	1,202	1,288	2,083

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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

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Grievance Redressal Cell:

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

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