

Ventive Hospitality | BUY

Steady quarter; strong development pipeline

Ventive Hospitality's (Ventive) earnings print was a mixed bag: revenue of INR 5.1bn (+18% YoY) was in line while EBITDA was a ~3% miss on JMFe (INR 2.1bn, +13% YoY). The India hospitality and international portfolio recorded 7% and 11% YoY growth in RevPAR and (same-store) TRRevPAR respectively. Raaya in Maldives continues to do well and remained EBITDA positive during the quarter. With an extremely comfortable leverage position and steady cash flows from its existing portfolio, the company is well positioned to fund the addition of 1,582 keys across 8 upcoming hotels (including pipeline assets and ROFO). We estimate revenue/EBITDA CAGR of c.13%/15% respectively over FY25-28E, with a 200bps improvement in EBITDA margin. We maintain BUY rating and a target price (TP) of INR 890, valuing the company on an SoTP basis.

- **Steady performance with double-digit ARR growth:** Ventive reported consolidated revenue of INR 5.1bn (+18% YoY, -27% QoQ, in line) and EBITDA of INR 2.1bn (13% YoY, 3% miss on JMFe) as margin declined 230bps due to consolidation impact of Raaya. Indian hospitality revenue was up 13% YoY and EBITDA was up 28% YoY, due to impact of heat wave and general elections in the base quarter. The portfolio witnessed 10% YoY growth in ARR to INR 19,498, while the occupancy declined 180 bps to 60.5%, resulting in 7% YoY uptick in RevPAR. The management highlighted that c. 40% of F&B revenue in India is driven by MICE and weddings, with the balance coming from restaurants. Also, c. 80% of F&B income comes from non-resident guests, thus making the revenue stream independent of occupancy.
- **Raaya continues to remain EBITDA positive:** The Maldives portfolio reported 33% YoY growth in revenue led by consolidation of Raaya. On a same-store basis, revenue was up 11% YoY, driven by similar uptick in TRRevPAR. The management noted that Raaya's occupancy was in line with industry benchmarks and the asset continues to remain positive at EBITDA level. It had delivered ~50% EBITDA margin in 4QFY25 (best quarter for the region) and outperformed the company's other two assets in the region.
- **Development pipeline update:** Ventive has an expansion pipeline of 1,582 keys across 8 eights, of which 4 hotels (482 keys) will be developed by the company. The remaining 4 assets will be developed by the promoter group and will be made available to Ventive on a ROFO basis. The company has budgeted a cumulative outflow of c. INR 22bn towards development of owned assets (INR 10bn) and funding the ROFO pipeline (INR 12bn). The management expects the company to generate a total EBITDA of c. INR 65bn over the next 5 years, which will result in INR 45bn surplus – thus providing sufficient liquidity to fund the expansion. Ventive is also actively evaluating other growth opportunities especially in the high-end leisure and wellness segment.
- **Maintain BUY with a Sep'27 TP of INR 890:** We maintain our BUY rating and a target price (TP) of INR 890, valuing the company on an SoTP basis.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	18,421	20,784	24,034	26,661	30,083
Sales Growth (%)	8.4	12.8	15.6	10.9	12.8
EBITDA	8,045	9,310	11,165	12,455	14,082
EBITDA Margin (%)	43.7	44.8	46.5	46.7	46.8
Adjusted Net Profit	-1,094	-100	3,485	4,613	5,853
Diluted EPS (INR)	-4.7	-0.4	14.9	19.8	25.1
Diluted EPS Growth (%)	0.0	0.0	0.0	32.4	26.9
ROIC (%)	0.6	5.8	12.7	15.4	18.8
ROE (%)	-3.7	-0.3	6.9	8.4	9.6
P/E (x)	-164.2	-1,795.0	51.5	38.9	30.7
P/B (x)	6.0	3.7	3.4	3.1	2.8
EV/EBITDA (x)	27.3	22.5	18.3	15.9	13.5
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 13/Aug/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	890
Upside/(Downside)	24.8%
Previous Price Target	890
Change	0.0%

Key Data – VENTIVE IN

Current Market Price	INR713
Market cap (bn)	INR179.6/US\$2.1
Free Float	11%
Shares in issue (mn)	233.5
Diluted share (mn)	233.5
3-mon avg daily val (mn)	INR165.7/US\$1.9
52-week range	845/523
Sensex/Nifty	80,598/24,631
INR/US\$	87.6

Price Performance

%	1M	6M	12M
Absolute	-1.8	9.2	0.0
Relative*	0.3	2.9	0.0

* To the BSE Sensex

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■ Earnings concall highlights:

- The company expects industry level occupancy to reach 70-75% in Pune, driven by growing office space absorption, Navi Mumbai airport and strong influx of GCCs
- It is confident of delivering mid-teens top line growth along with high teens growth in EBITDA
- Strong growth in Maldives portfolio was led by stabilisation in Raaya's performance.
- Gross debt stood at INR 22bn, comprising INR 13bn of rupee-denominated debt and the balance being USD-denominated debt. While the Maldives debt is USD-denominated, revenue booking also happens in the same currency, thereby providing a natural hedge against currency movements
- The new airport terminal in Maldives can support tourist traffic of 7mn compared to 2mn earlier, thus enabling higher ARR and occupancies
- While there is no legal obligation to go with Marriott, its robust distribution network and broad brand spectrum makes it one of the most preferred brands globally

Exhibit 1. Financial snapshot

INR mn	1QFY26	1QFY25	YoY	4QFY25	QoQ	FY25	FY26E	FY25-26E YoY
Revenue from operations	5,075	1,149	-77%	6,979	-27%	20,784	24,034	16%
Cost of sales	429	71	-83%	432	-1%	1,642	3,153	92%
Gross margin (%)	92%	94%	2%	94%	-2%	92.1%	86.9%	-6%
Employee expenses	859	96	-89%	836	3%	3,096	1,845	-40%
Other expenses	1,709	303	-82%	2,196	-22%	6,736	7,871	17%
EBITDA	2,078	679	-67%	3,516	-41%	9,310	11,165	20%
EBITDA margin (%)	41%	59%	44%	50%	-19%	45%	46%	4%
Depreciation	798	112	-86%	1,031	-23%	3,636	4,057	12%
Interest costs	601	116	-81%	746	-20%	4,013	2,079	-48%
Other income	124	62	-50%	193	-36%	811	600	-26%
PBT	803	512	-36%	1,931	-58%	2,472	5,629	128%
Profit from associates	0	0	NA	0	NA	-435	0	-100%
Tax	424	248	-42%	420	1%	1,496	1,407	-6%
Minority Interest	0	0	NA	0	NA	61.09	0	-100%
Adjusted PAT	379	264	-30%	1,511	-75%	480	4,221	780%

Source: Company, JM Financial

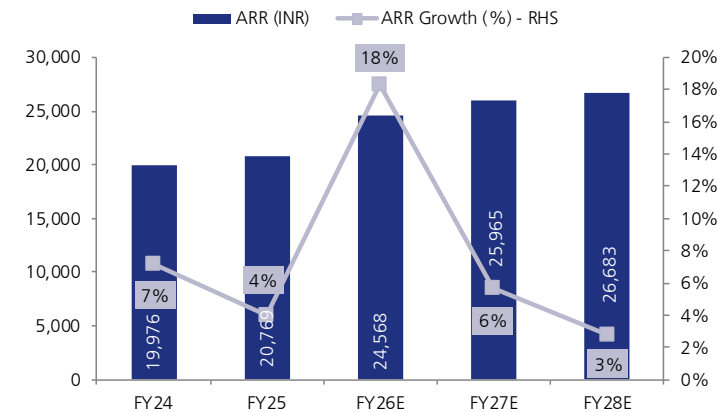
Exhibit 2. Quarterly operational and financial snapshot

INR mn	1QFY26	1QFY25	YoY	4QFY25	QoQ
India Business					
Revenue	1,792	1,590	13%	2,265	-21%
EBITDA	634	496	28%	1,039	-39%
EBITDA margin	35%	31%	381bps	46%	-1100bps
ARR	11,273	10,217	10%	12,571	-10%
Occupancy	61%	62%	-180bps	71%	-1050bps
RevPAR	6,822	6,361	7%	8,940	-24%
Maldives Business					
Revenue	2,074	1,560	33%	3,572	-42%
EBITDA	476	323	47%	1,663	-71%
EBITDA margin	23%	21%	229bps	47%	-2400bps
Occupancy	54%	51%	270bps	71.90%	-1810bps
TrevPAR	54,354	49,101	11%	77,076	-29%
Annuity business					
Revenue	1,241	1,220	2%	1,246	0%
EBITDA	1,112	1,105	1%	1,111	0%
EBITDA margin	90%	91%	-57bps	89%	100bps
Rentals	117	117	0%	115	2%
Occupancy	97%	97%	0bps	98%	-100bps
Consolidated					
Revenue	5,199	4,421	18%	7,172	-28%
EBITDA	2,202	1,950	13%	3,709	-41%
EBITDA margin	42%	44%	-211bps	52%	-1000bps
ARR	19,498	17,831	9%	26,963	-28%
Occupancy	59%	60%	-140bps	71%	-1260bps
RevPAR	11,556	10732%	10668%	19,249	-40%

Source: Company, JM Financial

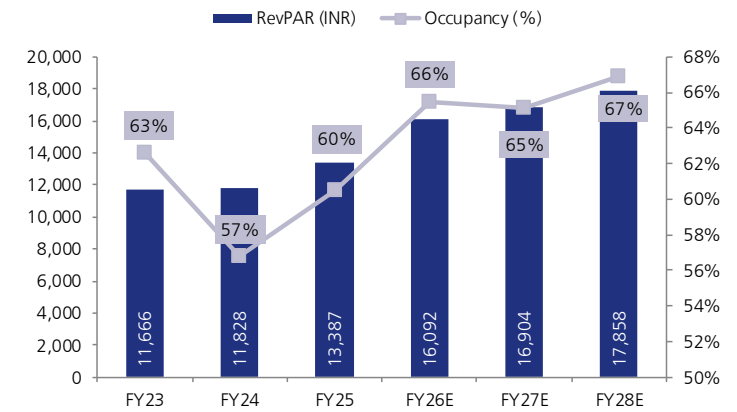
Estimates and valuation

Exhibit 3. ARR to grow at a CAGR of 6%...



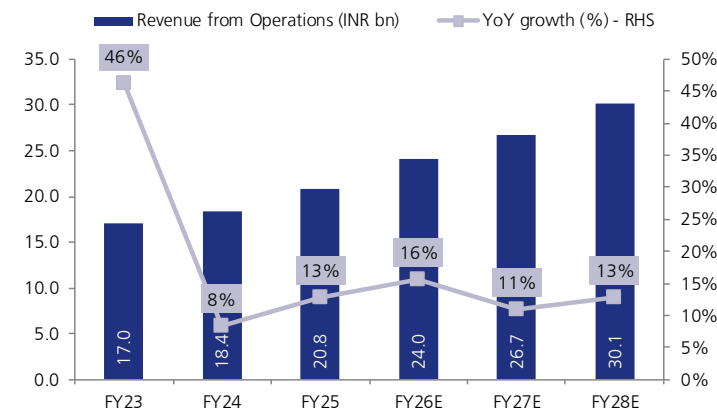
Source: Company, JM Financial

Exhibit 4. ...with improving occupancy



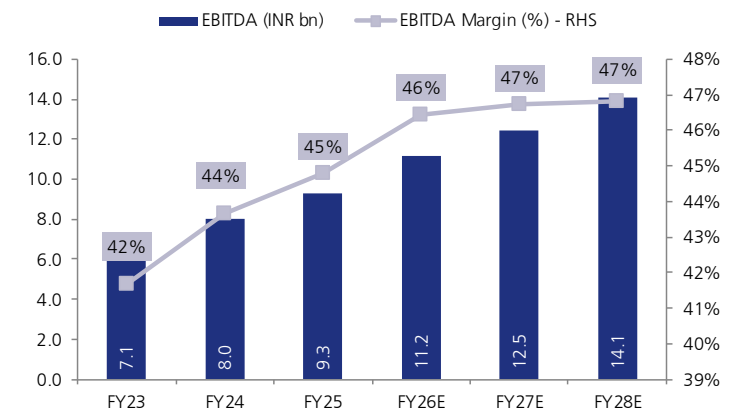
Source: Company, JM Financial

Exhibit 5. Revenue to grow at 13% CAGR over FY25-28E...



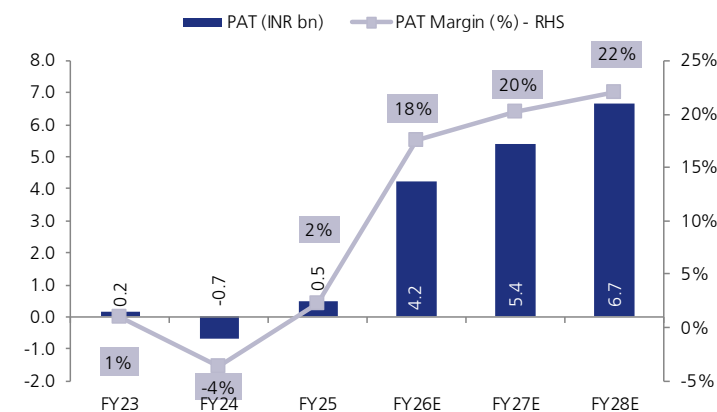
Source: Company, JM Financial

Exhibit 6. ...and EBITDA to clock 15% CAGR over the same period



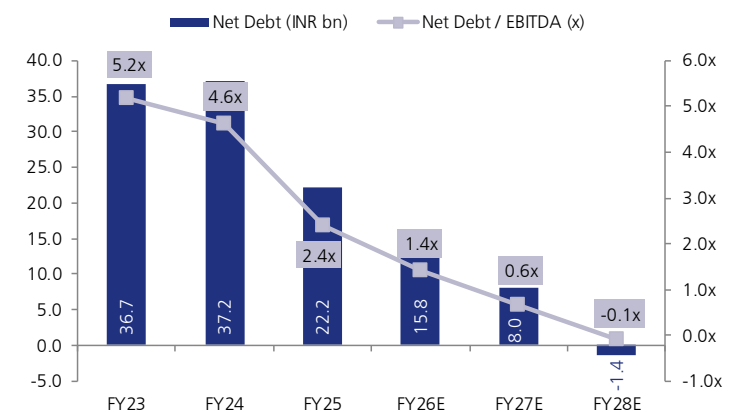
Source: Company, JM Financial

Exhibit 7. Ventive to witness multi-fold increase in PAT



Source: Company, JM Financial

Exhibit 8. Company to become cash positive after FY28E



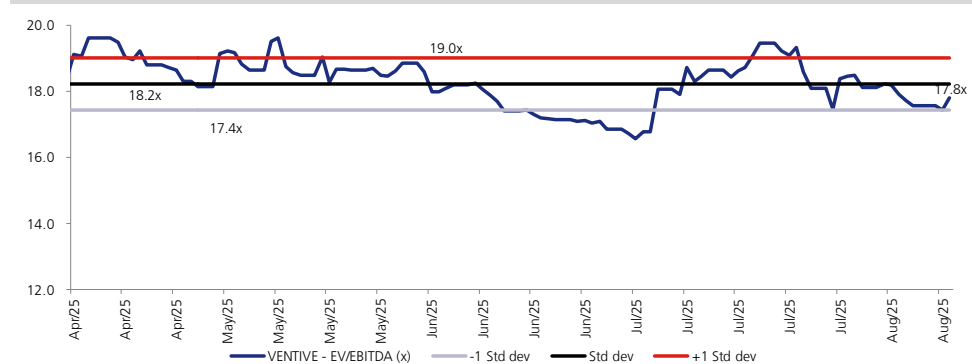
Source: Company, JM Financial

Exhibit 9. Sep'26 TP of INR 890

Assets	Adj EBITDA - Sep'27	Multiple	Value
India Hotels	3,402	22	74,834
Maldives Hotels	4,467	20	89,345
Annuity business	3,693	7.25%	50,940
Total EV			215,119
Post Issue debt			6,933
Equity Value			208,186
Shares Outstanding (mn)			234
TP			890
CMP			713
Upside			25%

Source: JM Financial

Exhibit 10. Ventive EV/EBITDA



Source: Bloomberg

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	18,421	20,784	24,034	26,661	30,083
Sales Growth	8.4%	12.8%	15.6%	10.9%	12.8%
Other Operating Income	0	0	0	0	0
Total Revenue	18,421	20,784	24,034	26,661	30,083
Cost of Goods Sold/Op. Exp	1,581	1,642	1,898	2,106	2,376
Personnel Cost	2,729	3,096	3,099	3,538	4,254
Other Expenses	6,066	6,736	7,871	8,562	9,371
EBITDA	8,045	9,310	11,165	12,455	14,082
EBITDA Margin	43.7%	44.8%	46.5%	46.7%	46.8%
EBITDA Growth	13.6%	15.7%	19.9%	11.6%	13.1%
Depn. & Amort.	3,541	3,636	4,057	3,965	4,010
EBIT	4,504	5,674	7,108	8,490	10,072
Other Income	653	811	600	612	624
Finance Cost	4,285	4,013	2,079	1,929	1,829
PBT before Excep. & Forex	872	2,472	5,629	7,173	8,867
Excep. & Forex Inc./Loss(-)	0	-61	0	0	0
PBT	872	2,411	5,629	7,173	8,867
Taxes	836	1,496	1,407	1,793	2,217
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-276	205	737	766	797
Reported Net Profit	-1,094	-161	3,485	4,613	5,853
Adjusted Net Profit	-1,094	-100	3,485	4,613	5,853
Net Margin	-5.9%	-0.5%	14.5%	17.3%	19.5%
Diluted Share Cap. (mn)	233.5	233.5	233.5	233.5	233.5
Diluted EPS (INR)	-4.7	-0.4	14.9	19.8	25.1
Diluted EPS Growth	0.0%	0.0%	0.0%	32.4%	26.9%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	2,052	2,937	5,629	7,173	8,867
Depn. & Amort.	481	2,562	4,057	3,965	4,010
Net Interest Exp. / Inc. (-)	397	2,337	2,079	1,929	1,829
Inc (-) / Dec in WCap.	132	-324	-611	38	76
Others	-55	215	737	766	797
Taxes Paid	-356	-952	-1,407	-1,793	-2,217
Operating Cash Flow	2,651	6,775	10,484	12,079	13,362
Capex	0	0	-1,960	-2,420	-2,089
Free Cash Flow	2,651	6,775	8,525	9,659	11,274
Inc (-) / Dec in Investments	-321	-1,027	0	0	0
Others	-1,660	-19,327	0	0	0
Investing Cash Flow	-1,981	-20,354	-1,960	-2,420	-2,089
Inc / Dec (-) in Capital	0	41,479	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-129	-7,965	-2,264	-1,000	-1,000
Others	-442	-19,879	-2,517	-2,323	-2,184
Financing Cash Flow	-571	13,636	-4,782	-3,323	-3,184
Inc / Dec (-) in Cash	99	56	3,743	6,335	8,090
Opening Cash Balance	226	4,064	4,120	7,863	14,198
Closing Cash Balance	324	4,120	7,863	14,198	22,288

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	30,040	48,065	52,287	57,667	64,317
Share Capital	209	234	234	234	234
Reserves & Surplus	29,831	47,832	52,053	57,433	64,083
Preference Share Capital	0	0	0	0	0
Minority Interest	6,657	10,993	11,729	12,496	13,293
Total Loans	36,821	23,055	20,790	19,790	18,790
Def. Tax Liab. / Assets (-)	5,328	5,309	5,309	5,309	5,309
Total - Equity & Liab.	78,847	87,422	90,116	95,262	101,709
Net Fixed Assets	30,579	35,193	33,608	32,688	31,392
Gross Fixed Assets	46,404	54,918	55,668	56,418	58,408
Intangible Assets	5	4	4	4	4
Less: Depn. & Amort.	16,935	20,571	24,116	27,456	30,841
Capital WIP	1,105	842	2,052	3,722	3,820
Investments	39,120	35,626	35,251	34,876	34,501
Current Assets	18,198	27,594	31,594	38,069	46,370
Inventories	486	538	721	800	902
Sundry Debtors	843	1,164	1,202	1,333	1,504
Cash & Bank Balances	2,150	4,120	7,863	14,198	22,288
Loans & Advances	1,475	2,146	2,232	2,321	2,414
Other Current Assets	13,244	19,626	19,576	19,417	19,262
Current Liab. & Prov.	9,050	10,992	10,337	10,372	10,554
Current Liabilities	6,058	7,471	7,054	6,935	6,918
Provisions & Others	2,992	3,520	3,283	3,437	3,636
Net Current Assets	9,148	16,602	21,256	27,698	35,816
Total - Assets	78,847	87,422	90,116	95,262	101,709

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	-5.9%	-0.5%	14.5%	17.3%	19.5%
Asset Turnover (x)	0.2	0.2	0.3	0.3	0.3
Leverage Factor (x)	2.8	2.3	1.9	1.8	1.7
RoE	-3.7%	-0.3%	6.9%	8.4%	9.6%

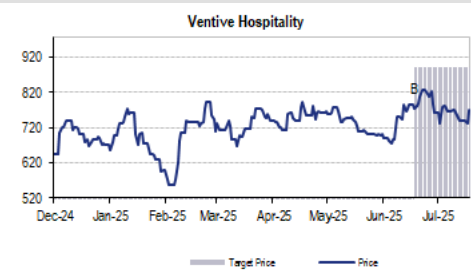
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	128.6	205.8	223.9	246.9	275.4
ROIC	0.6%	5.8%	12.7%	15.4%	18.8%
ROE	-3.7%	-0.3%	6.9%	8.4%	9.6%
Net Debt/Equity (x)	1.1	0.4	0.2	0.1	-0.1
P/E (x)	-164.2	-1,795.0	51.5	38.9	30.7
P/B (x)	6.0	3.7	3.4	3.1	2.8
EV/EBITDA (x)	27.3	22.5	18.3	15.9	13.5
EV/Sales (x)	11.9	10.1	8.5	7.4	6.3
Debtor days	17	20	18	18	18
Inventory days	10	9	11	11	11
Creditor days	51	60	52	52	52

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
14-Jul-25	Buy	890	

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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