

Lemon Tree Hotels | BUY

Strong performance aided by healthy scale-up in Aurika

Lemon Tree Hotels (LTH) continues to deliver healthy performance as revenue grew 16% YoY to INR 3.8bn, aided by 7% YoY growth in ARR and a c.560 bps YoY increase in occupancy. EBITDA came in at INR 2bn (19% YoY; 11% QoQ) with EBITDA margin improving to 54% (+154bps; +206bps), led by the improved occupancy at Aurika, Mumbai, and positive operating leverage. The operational portfolio currently stands at 10,270 keys and the management remains confident of achieving the ~20,000-key mark (including pipeline hotels) in the current financial year. We expect LTH to deliver Revenue/EBITDA/PAT CAGR of 11%/13%/14% over FY25-28E aided by low double-digit RevPAR growth and healthy pace of room additions. We have revised our FY26E/FY27E EBITDA estimates by 3%/6% respectively and reiterate BUY with a Mar'26 TP of INR 175, valuing LTH at 24.0x EV/EBITDA.

- **Robust performance, small beat on JMFe:** LTH reported healthy performance with revenue of INR 3.8bn (+16% YoY; +7% QoQ), 2% above JMFe estimates. Lemon Tree delivered a RevPAR of INR 5,462 (+15% YoY; +9% QoQ) driven by 7% YoY increase in ARR to INR 7,042 and higher occupancy of 78% (+560bps YoY; +340bps QoQ). In terms of markets, the Delhi and Pune portfolio outperformed others with 15% and 10% YoY growth in ARR respectively. Also, the Hyderabad portfolio witnessed 7% YoY growth in ARR despite 18% inventory being (especially in premium market) shut due to renovation. Revenue came in at INR 12.9bn (+20% YoY) and EBITDA stood at INR 6.4bn (+20% YoY) with steady margin of 49.4%. Fees from the O&M business (3rd party hotels) stood at INR 160mn in 4QFY25 (+11% YoY) while the total management fees also recorded healthy growth and stood at INR 444mn (+16% YoY). In FY25, ARR grew by 9% YoY to INR 6,381 with occupancy of 71.7% - up 200bps, resulting in revenue growing 20% to INR 12.9bn.
- **EBITDA margin poised to improve gradually:** In 4Q, EBITDA was INR 2bn (+19% YoY; +11% QoQ) – 2% above JMFe estimates with margin of 54% (+154bps; +206bps). The company benefited from positive operating leverage (as expenses grew 12% YoY) and healthy improvement in Aurika, Mumbai, where occupancy increased to over 83% in 4QFY25, with ARR of c.INR 10,560. The management believes that the Aurika portfolio has reached optimal occupancy and is poised to witness healthy growth in ARR. Margin for the year came in at 49.4%, and as renovation expenses declines to 1.2-1.4% of revenue (vs. 2.7% in FY25), margin is poised to increase to 53-54% over the next 2-3 years.
- **Portfolio update:** During the quarter, the company signed 15 new management and franchise contracts, adding 833 keys to the pipeline, and operationalised two hotels with 121 rooms. The company currently has an inventory of 212 hotels and 17,116 rooms and the management is confident of adding 3,000 keys to the portfolio in FY26, taking the total inventory to over 20k rooms, thereby achieving its 2028 target 3 years in advance.
- **Roadmap on Fleurs listing soon:** During the earnings call, the management highlighted that, by the next board meeting, it would have a definitive plan for Fleurs listing. The

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	10,711	12,861	15,079	16,604	17,700
Sales Growth (%)	22.4	20.1	17.3	10.1	6.6
EBITDA	5,232	6,341	7,645	8,573	9,136
EBITDA Margin (%)	48.8	49.3	50.7	51.6	51.6
Adjusted Net Profit	1,485	1,966	2,672	3,245	3,676
Diluted EPS (INR)	1.9	2.5	3.4	4.1	4.6
Diluted EPS Growth (%)	29.6	32.4	35.9	21.5	13.3
ROIC (%)	10.6	11.9	13.5	16.0	17.8
ROE (%)	16.3	18.5	20.6	20.4	19.0
P/E (x)	74.1	56.0	41.2	33.9	29.9
P/B (x)	11.4	9.5	7.7	6.3	5.2
EV/EBITDA (x)	25.7	20.9	16.7	14.4	13.1
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 30/May/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	175
Upside/(Downside)	25.6%
Previous Price Target	170
Change	2.9%

Key Data – LEMONTRE IN

Current Market Price	INR139
Market cap (bn)	INR110.4/US\$1.3
Free Float	62%
Shares in issue (mn)	791.6
Diluted share (mn)	791.6
3-mon avg daily val (mn)	INR448.0/US\$5.2
52-week range	162/111
Sensex/Nifty	81,451/24,751
INR/US\$	85.6

Price Performance

%	1M	6M	12M
Absolute	1.8	6.7	2.2
Relative*	0.6	5.1	-7.2

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

subsidiary would be the asset development and owning entity with final say on the key aspects of portfolio expansion (location, brand mix, financing, etc.) and LTH would be the management platform.

- **Maintain BUY with a Mar'26 TP of INR 175:** We expect LTH to deliver Revenue/EBITDA/PAT CAGR of 11%/13%/14% over FY25-28E aided by low double-digit RevPAR growth and healthy pace of room additions. We have revised our FY26E/FY27E EBITDA estimates by 3%/6% respectively and reiterate BUY with a Mar'26 TP of INR 175, valuing LTH at 24.0x EV/EBITDA.

Conference call Highlights

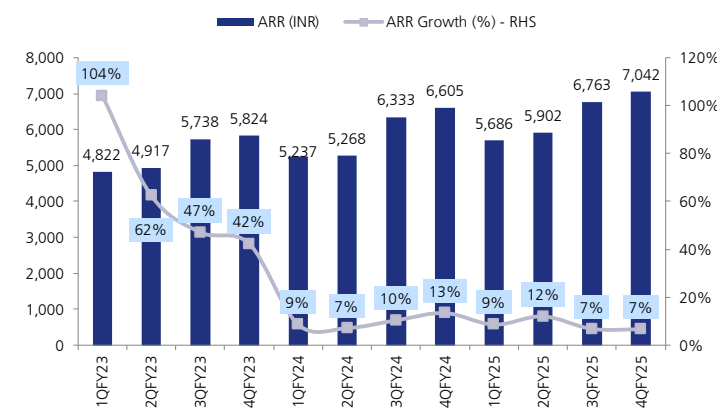
- The company is targeting to get into 200 towns and cities in India and, within them, the priority is to focus on markets that have good connectivity, and where GDP is growing at higher rates compared to the national average
- It has relaunched its loyalty programme and intends to take the share of loyalty business from 30-35% currently to over 60% in the next few years, which is in line with that of large global hotel companies
- LTH witnessed 21% growth in Apr'25 but the business was impacted in May'25 due to early cases of Covid and geopolitical tensions – resulting in just 14% growth during the month.
- While the Keys portfolio has achieved healthy margin of 40% in 4Q, the management believes that the portfolio will deliver a strong performance on a sustainable basis once the refurbishing is complete. It is confident of achieving INR 600mn of EBITDA from Keys portfolio by FY27
- The investments made in renovation/technology are being treated as opex, and as these expenses decline to 1.2-1.3% of revenue (v/s 3% now), margin will surely increase to 53-55%
- Most of the upcoming pipeline is in Tier 2/3 cities as company is focused on the mid-segment, which is poised for significant growth going ahead

Exhibit 1. Financial snapshot

INR mn	4QFY24	FY24	1QFY25	2QFY25	3QFY25	4QFY25	FY25	QoQ	YoY	4QFY25E	Variance
Revenue from operations	3,273	10,711	2,680	2,844	3,552	3,785	12,861	7%	20%	3,703	2%
Cost of sales	205	628	164	172	196	230	762	17%	21%	200	15%
Gross margin (%)	94%	94%	94%	94%	94%	94%	94%	-55bps	-6bps	95%	-68bps
Employee expenses	499	1,878	507	543	564	570	2,185	1%	16%	564	1%
Other expenses	855	2,973	858	822	949	944	3,573	-1%	20%	941	0%
EBITDA	1,715	5,232	1,151	1,307	1,842	2,041	6,341	11%	21%	1,999	2%
EBITDA margin (%)	52.4%	48.8%	42.9%	46.0%	51.9%	53.9%	49.3%	206bps	46bps	54.0%	-5bps
Depreciation	334	1,121	346	348	351	349	1,393	-1%	24%	349	0%
Interest costs	528	2,085	518	513	503	472	2,112	-6%	1%	510	-7%
Other income	39	125	4	5	6	9	129	41%	3%	20	-57%
PBT	892	2,151	291	451	994	1,229	2,965	24%	38%	1,160	6%
Profit from associates	-2	7	1	2	1	-6	-3	-821%	-138%	1	-726%
Tax	50	341	91	102	197	141	531	-28%	56%	232	-39%
Minority Interest	170	332	3	54	174	235	465	35%	40%	190	24%
Adjusted PAT	670	1,485	198	296	625	846	1,966	35%	32%	739	15%
Extraordinary Income	0	0	0	0	0	0	0	NA	NA	0	NA
PAT	670	1,485	198	296	625	846	1,966	35%	32%	739	15%

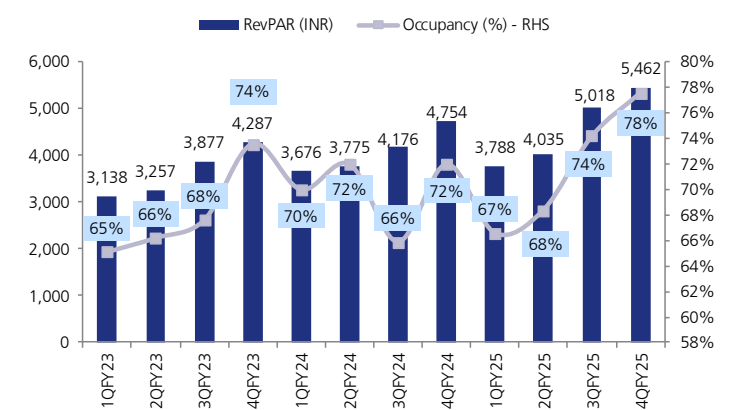
Source: Company, JM Financial

Exhibit 2. Healthy ARR growth of 7% YoY in 4QFY25



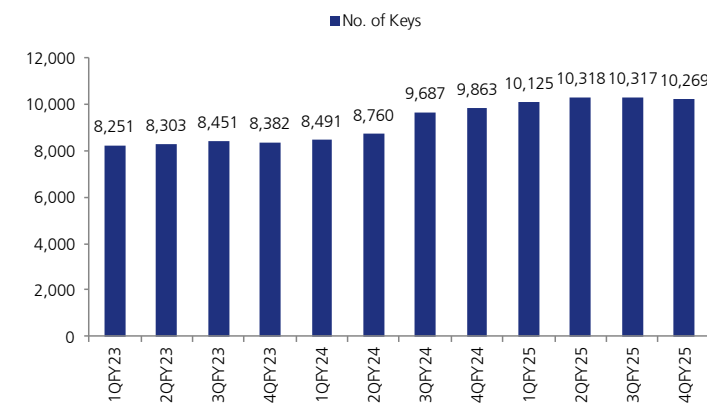
Source: Company, JM Financial

Exhibit 3. Occupancy increased significantly in 4QFY25



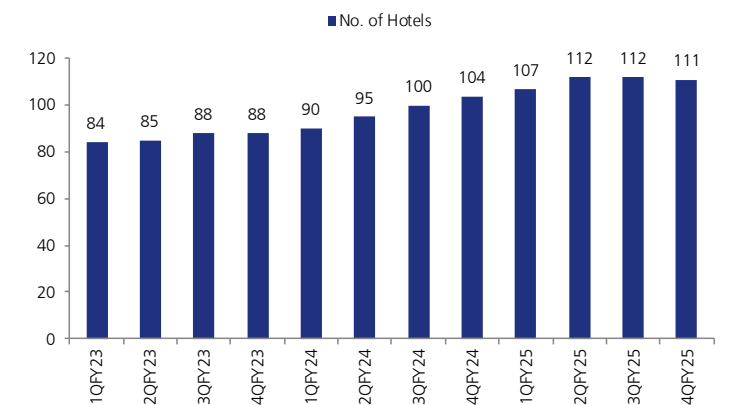
Source: Company, JM Financial

Exhibit 4. No of keys constant...



Source: Company, JM Financial

Exhibit 5. ...across 112 assets



Source: Company, JM Financial

Exhibit 6. Operational portfolio break-up

Operational Portfolio	Owned (including leased land)		Leased		Managed/Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika Hotels & Resorts	2	808	0	0	0	0	2	808
Lemon Tree Premier	7	1,442	2	161	11	1,106	20	2,709
Lemon Tree Hotels	13	1,241	4	321	43	2,389	60	3,951
Red Fox by Lemon Tree Hotels	5	759	1	91	5	360	10	1,210
Keys Prima by Lemon Tree Hotels	0	0	0	0	1	100	2	100
Keys Select by Lemon Tree Hotels	7	936	0	0	5	335	12	1,271
Keys Lite by Lemon Tree Hotels	0	0	0	0	5	220	5	220
Total	34	5,186	7	573	70	4,510	111	10,269

Source: Company, JM Financial

Exhibit 7. Pipeline portfolio break-up

Pipeline Portfolio	Owned (including leased land)		Leased		Public Private partnership		Managed/Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika Hotels & Resorts	1	91	0	0	1	165	4	499	6	755
Lemon Tree Premier	0	0	0	0	0	0	7	604	7	604
Lemon Tree Hotels	0	0	0	0	0	0	56	3,857	56	3,857
Red Fox by Lemon Tree Hotels	0	0	0	0	0	0	2	96	2	96
Keys Prima by Lemon Tree Hotels	0	0	0	0	0	0	2	102	2	102
Keys Select by Lemon Tree Hotels	0	0	0	0	0	0	17	962	17	962
Keys Lite by Lemon Tree Hotels	0	0	0	0	0	0	11	471	11	471
Total	1	91	0	0	1	165	99	6,591	101	6,847

Source: Company, JM Financial

Exhibit 8. Managed and franchised hotels opened in 4QFY25

Hotels	States	Rooms	Opening Dates
Keys Lite by Lemon Tree Hotels, Vadodara	Gujarat	63	Jan'25
Keys Prima by Lemon Tree Hotels, Kota	Rajasthan	58	Mar'25
Total		121	

Source: Company, JM Financial

Exhibit 9. Managed and franchised hotels signed in 4QFY25

Hotels Pipeline	States	Rooms	Expected Opening
Keys Select by Lemon Tree Hotels, GS Road, Guwahati	Assam	55	FY26
Keys Lite by Lemon Tree Hotels, Niman	Madhya Pradesh	42	FY26
Keys Lite by Lemon Tree Hotels, Garoth	Madhya Pradesh	42	FY26
Keys Select by Lemon Tree Hotels, Vrindavan	Uttar Pradesh	54	FY26
Keys Lite by Lemon Tree Hotels, Moga	Punjab	30	FY26
Keys Select by Lemon Tree Hotels, Pali	Maharashtra	54	FY26
Lemon Tree Resort, Chittorgarh	Rajasthan	98	FY26
Keys Select By Lemon Tree Hotels, Bokaro	Jharkhand	50	FY27
Red Fox Hotel, Bhopal	Madhya Pradesh	46	FY27
Keys Select by Lemon Tree Hotels, Dispur, Guwahati	Assam	60	FY27
Lemon Tree Hotel, Shirdi	Maharashtra	50	FY28
Keys Select by Lemon Tree Hotels, Navsari	Gujarat	54	FY28
Lemon Tree Hotel, Valsad	Gujarat	46	FY29
Lemon Tree Hotel, Anand	Gujarat	60	FY29
Lemon Tree Premier, Vadodara	Gujarat	92	FY29
Total		833	

Source: Company, JM Financial

Exhibit 10. As of 4QFY25, the upcoming pipeline remains strong ~6,600 keys

Hotels Pipeline	States	Rooms	Expected Opening
Bhangeri Durbar Resort, operated by Lemon Tree Hotels, Nepal	Nepal	51	FY26
Keys Lite by Lemon Tree Hotel Dehradun	Dehradun	32	FY26
Keys Lite by Lemon Tree Hotels, Banswara	Rajasthan	54	FY26
Keys Lite by Lemon Tree Hotels, Coimbatore	Tamil Nadu	40	FY26
Keys Lite by Lemon Tree Hotels, Garoth	Madhya Pradesh	42	FY26
Keys Lite by Lemon Tree Hotels, Jaipur	Rajasthan	47	FY26
Keys Lite by Lemon Tree Hotels, Metropolitan, Vijayawada	Andhra Pradesh	44	FY26
Keys Lite by Lemon Tree Hotels, Moga	Punjab	30	FY26
Keys Lite by Lemon Tree Hotels, Niman	Madhya Pradesh	42	FY26
Keys Lite by Lemon Tree Hotels, Vijayawada	Andhra Pradesh	44	FY26
Keys Prima by Lemon Tree Hotels, Kempty Road, Mussoorie	Uttarakhand	47	FY26
Keys Select by Lemon Tree Hotels, Bareilly	Uttar Pradesh	60	FY26
Keys Select by Lemon Tree Hotels, Chirang	Assam	40	FY26
Keys Select by Lemon Tree Hotels, GS Road, Guwahati	Assam	55	FY26
Keys Select by Lemon Tree Hotels, Kufri	Himachal Pradesh	49	FY26
Keys Select by Lemon Tree Hotels, Nashik	Maharashtra	45	FY26
Keys Select by Lemon Tree Hotels, Pali	Maharashtra	54	FY26
Keys Select by Lemon Tree Hotels, Shivpuri	Madhya Pradesh	50	FY26
Keys Select by Lemon Tree Hotels, Srinagar	J&K	40	FY26
Keys Select by Lemon Tree Hotels, Vrindavan	Uttar Pradesh	54	FY26
Lemon Tree Hotel Gomti Nagar Lucknow	Uttar Pradesh	72	FY26
Lemon Tree Hotel, Anjuna, Goa (now open)	Goa	51	FY26
Lemon Tree Hotel, Arpora (now open)	Goa	57	FY26
Lemon Tree Hotel, Bapane	Maharashtra	76	FY26
Lemon Tree Hotel, Bharuch	Gujarat	83	FY26
Lemon Tree Hotel, Bhubuneshwar	Odisha	60	FY26
Lemon Tree Hotel, Bokaro	Jharkhand	70	FY26
Lemon Tree Hotel, Chandausi	Chaundausi, UP	70	FY26
Lemon Tree Hotel, Erode	Erode, Tamil Nadu	64	FY26
Lemon Tree Hotel, Jabalpur	Madhya Pradesh	75	FY26
Lemon Tree Hotel, Jamnagar (now open)	Gujarat	60	FY26
Lemon Tree Hotel, Junagadh	Gujarat	64	FY26
Lemon Tree Hotel, Mashobra	Himachal Pradesh	48	FY26
Lemon Tree Hotel, Meerut	Uttar Pradesh	75	FY26
Lemon Tree Hotel, Mira Road, Mumbai (now open)	Maharashtra	108	FY26
Lemon Tree Hotel, Morbi	Gujarat	75	FY26
Lemon Tree Hotel, Motihari	Bihar	50	FY26
Lemon Tree Hotel, Mussoorie	Uttarakhand	60	FY26
Lemon Tree Hotel, Ranchi	Jharkhand	45	FY26
Lemon Tree Hotel, Sasan Gir	Gujarat	74	FY26
Lemon Tree Hotel, Nashik	Maharashtra	57	FY26
Lemon Tree Premier Gomti Nagar, Lucknow	Uttar Pradesh	82	FY26
Lemon Tree Premier, Biratnagar	Nepal	80	FY26
Lemon Tree Premier, Dehradun	Uttarakhand	80	FY26
Lemon Tree Premier, Thiruvananthapuram	Trivandrum	100	FY26
Lemon Tree Premier, Tirupathi	Andhra Pradesh	120	FY26
Lemon Tree Resort, Chittorgarh	Rajasthan	98	FY26
Red Fox Hotel, Vishakhapatnam	Vishakhapatnam	50	FY26
Sankhwas Garh, a Lemon Tree Resort	Rajasthan	51	FY26
Keys Lite by Lemon Tree Hotels, Pathankot	Punjab	44	FY27
Keys Lite by Lemon Tree Hotels, Somnath	Gujarat	52	FY27
Keys Prima by Lemon Tree Hotels, Dehradun	Uttarakhand	55	FY27
Keys Select by Lemon Tree Hotels, Amritsar	Punjab	45	FY27
Keys Select by Lemon Tree Hotels, Anjar	Gujarat	61	FY27
Keys Select By Lemon Tree Hotels, Bokaro	Jharkhand	50	FY27
Keys Select by Lemon Tree Hotels, Dispur, Guwahati	Assam	60	FY27
Keys Select by Lemon Tree Hotels, Vadodara	Gujarat	45	FY27
Keys Select by Lemon Tree Hotels, Yadagirigutta	Telangana	150	FY27

Source: Company, JM Financial

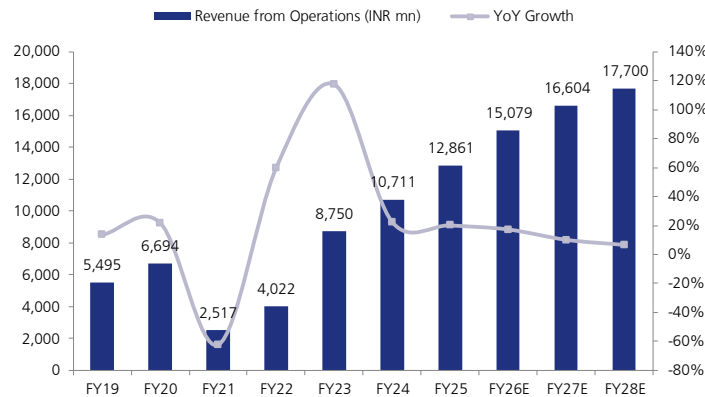
Exhibit 10. As of 4QFY25, the upcoming pipeline remains strong ~6,600 keys (Contd.)

Hotels Pipeline	States	Rooms	Expected Opening
Lemon Tree Hotel, Agartala	Tripura	80	FY27
Lemon Tree Hotel, Ayodhya	Uttar Pradesh	72	FY27
Lemon Tree Hotel, Badrinath	Uttarakhand	72	FY27
Lemon Tree Hotel, Bhuj	Gujarat	74	FY27
Lemon Tree Hotel, Darjeeling	Darjeeling	55	FY27
Lemon Tree Hotel, Dibrugarh	Assam	65	FY27
Lemon Tree Hotel, Kalaburagi	Karnataka	72	FY27
Lemon Tree Hotel, Kharar	Punjab	60	FY27
Lemon Tree Hotel, Kundapura	Karnataka	80	FY27
Lemon Tree Hotel, Pune	Maharashtra	117	FY27
Lemon Tree Hotel, Ranchi	Jharkhand	65	FY27
Lemon Tree Hotel, Tejpur	Assam	42	FY27
Lemon Tree Hotel, Udaipur	Rajasthan	54	FY27
Lemon Tree Hotel, Ujjain	Madhya Pradesh	72	FY27
Lemon Tree Hotel, Zirakpur	Punjab	80	FY27
Lemon Tree Premier, Kasauli	Himachal Pradesh	50	FY27
Lemon Tree Resort, Marpalle	Telangana	50	FY27
Lemon Tree Resort, Pavagarh	Gujarat	44	FY27
Red Fox Hotel, Bhopal	Madhya Pradesh	46	FY27
Aurika, Rishikesh	Uttarakhand	132	FY28
Keys Select by Lemon Tree Hotels, Navsari	Gujarat	54	FY28
Keys Select by Lemon Tree Hotels, Varanasi	Uttar Pradesh	50	FY28
Lemon Tre Hotel, Amritsar	Punjab	68	FY28
Lemon Tree Hotel, Aurangabad	Maharashtra	60	FY28
Lemon Tree Hotel, Civil Lines, Ayodhya	Uttar Pradesh	80	FY28
Lemon Tree Hotel, Shirdi	Maharashtra	50	FY28
Lemon Tree Hotel, Varanasi	Uttar Pradesh	65	FY28
Aurika,Sasan Gir	Gujarat	82	FY29
Lemon Tree Hotel, Anand	Gujarat	60	FY29
Lemon Tree Hotel, Valsad	Gujarat	46	FY29
Lemon Tree Premier, Vadodara	Gujarat	92	FY29
Lemon Tree Resort, Mirik	West Bengal	50	FY29
Aurika, Surat	Gujarat	175	FY30
Lemon Tree Hotel,Gir	Gujarat	80	FY30
Aurika, Kasauli	Himachal Pradesh	110	TBD
Lemon Tree Hotel, Gulmarg	Kashmir	35	TBD
Lemon Tree Hotel, Kathmandu	Nepal	75	TBD
Lemon Tree Hotel, Ludhiana	Punjab	60	TBD
Lemon Tree Hotel, Rajahmundry	Andhra Pradesh	60	TBD
Lemon Tree Hotel, Sri Ganganagar	Rajasthan	60	TBD
Spectrum, operated by Lemon Tree Hotels, Gurugram	Gurugram	260	TBD
Total Pipeline		6,591	

Source: Company, JM Financial

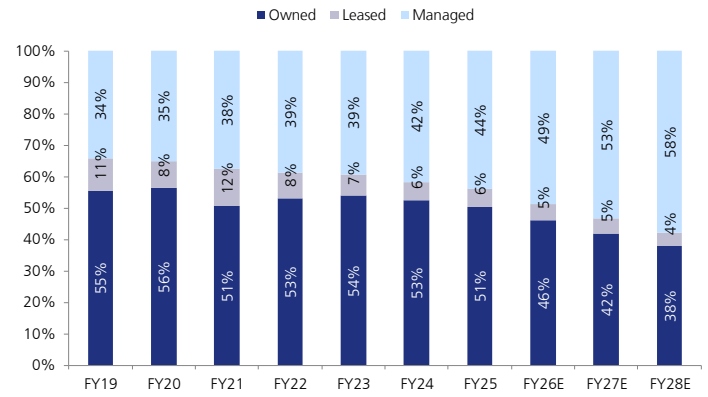
Financials and estimates

Exhibit 11. Revenue to grow at 11% CAGR over FY25-28E



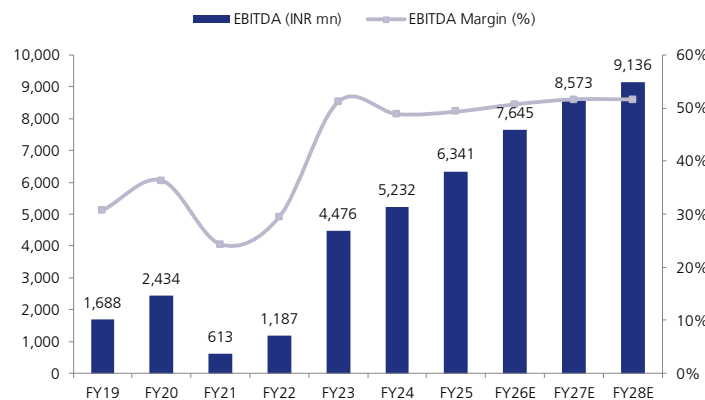
Source: Company, JM Financial

Exhibit 12. Well-balanced portfolio – increasingly asset-light



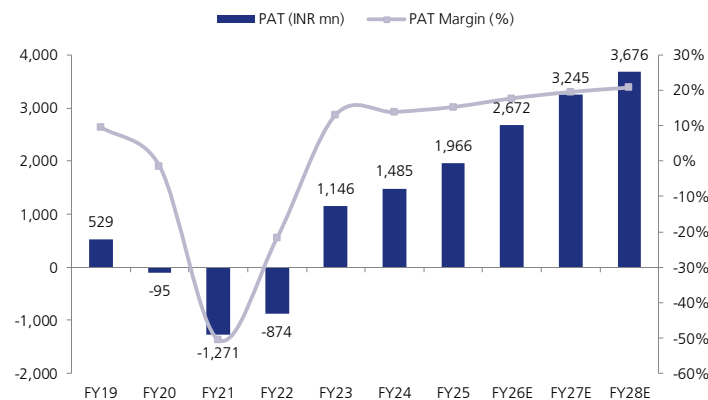
Source: Company, JM Financial

Exhibit 13. Management contracts to maintain high EBITDA margin...



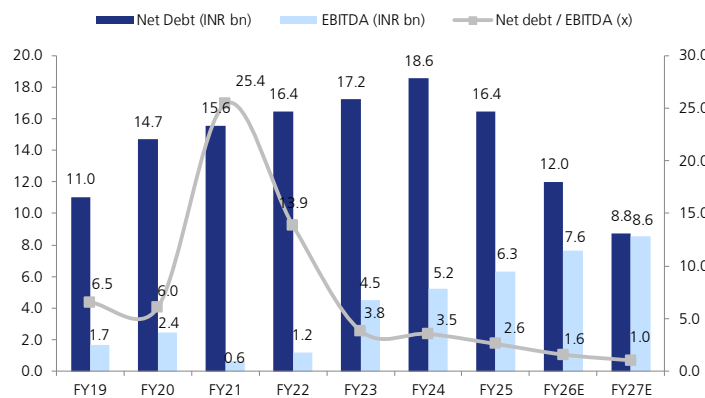
Source: Company, JM Financial

Exhibit 14. ...resulting in healthy PAT



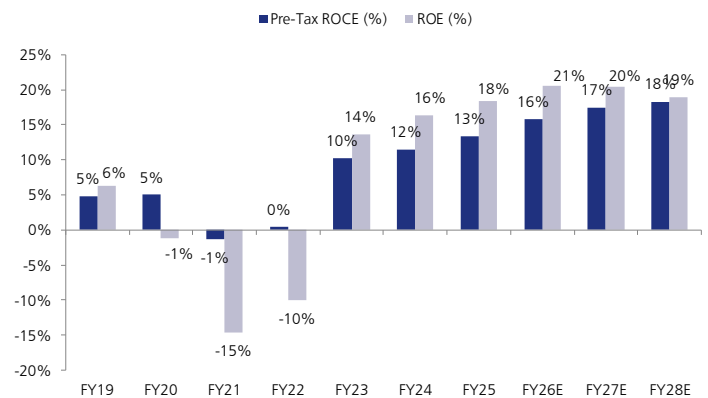
Source: Company, JM Financial

Exhibit 15. Expect debt to decline from current levels



Source: Company, JM Financial

Exhibit 16. Healthy return ratios by FY28E



Source: Company, JM Financial

Exhibit 17. Mar'26 TP of INR 175

Particulars	Mar-26	Per Share
Consolidated EBITDA (Mar'27E) - FY+1	8,573	
Adjustment for Fleur APG 41% stake	2,572	
Lemon Tree share of EBITDA	6,001	
Valuation Multiple (x)	24.0x	
Enterprise Value	1,44,030	
Less: Net Debt (Mar'26E) adjusted for LT stake	8,414	
Less: Minority Interest	-	
Equity Value	1,35,616	171.3
Target Price (INR)	1,35,616	175.0
CMP (INR)	1,10,295	139
Upside (%)	26%	
No. of shares outstanding	792	

Source: Company, JM Financial

Exhibit 18. Peer comps

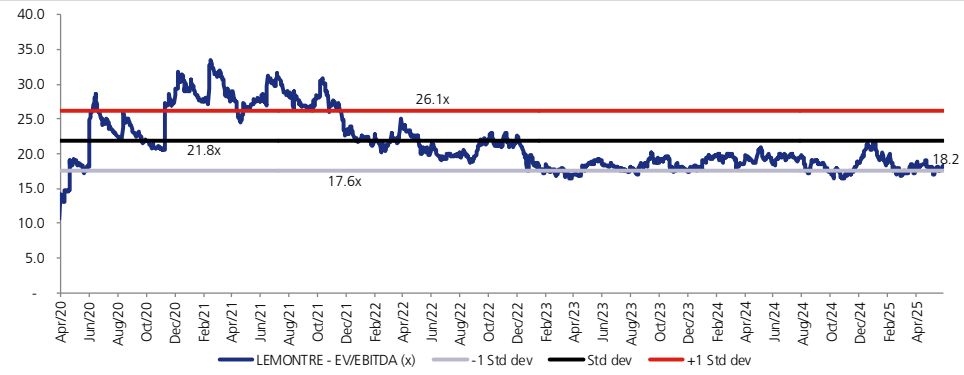
Company	CMP	Shares o/s	Mcap	TP (INR/sh)	Upside	Reco	FY24-FY27E CAGR		
		(mn)	(INR bn)				Sales	EBITDA	PAT
Asset Owners									
Chalet	917	218	200	1,000	9%	BUY	21%	25%	29%
Juniper Hotels	308	223	69	410	33%	BUY	16%	20%	140%
Asset/Brand Owners									
Indian Hotels	770	1,423	1,096	765	-1%	HOLD	17%	20%	21%
Lemon Tree	139	792	110	175	26%	BUY	16%	18%	30%

Company	EV/Sales			EV/EBITDA			P/E		
	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
Asset Owners									
Chalet	12.8x	10.3x	8.8x	29.9x	23.3x	19.3x	140.5x	55.8x	33.7x
Juniper Hotels	8.1x	6.7x	5.9x	22.9x	16.9x	14.0x	110.5x	30.9x	21.1x
Asset/Brand Owners									
Indian Hotels	12.8x	10.7x	9.8x	38.5x	31.4x	28.3x	68.4x	54.2x	48.9x
Lemon Tree	9.8x	8.4x	7.6x	20.0x	16.6x	14.8x	56.0x	41.2x	33.9x

Company	Sales. (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
Asset Owners									
Chalet	17,178	21,246	25,058	7,359	9,421	11,358	1,426	3,589	5,938
Juniper Hotels	9,296	11,126	12,670	3,276	4,438	5,358	620	2,220	3,244
Asset/Brand Owners									
Indian Hotels	83,345	99,763	1,09,015	27,693	33,990	37,681	16,028	20,215	22,427
Lemon Tree	12,861	15,079	16,604	6,341	7,645	8,573	1,966	2,672	3,245

Source: Company, JM Financial

Exhibit 19. EV/EBITDA chart



Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	10,711	12,861	15,079	16,604	17,700
Sales Growth	22.4%	20.1%	17.3%	10.1%	6.6%
Other Operating Income	0	0	0	0	0
Total Revenue	10,711	12,861	15,079	16,604	17,700
Cost of Goods Sold/Op. Exp	628	762	876	957	1,033
Personnel Cost	1,878	2,185	2,403	2,596	2,777
Other Expenses	2,973	3,573	4,154	4,478	4,754
EBITDA	5,232	6,341	7,645	8,573	9,136
EBITDA Margin	48.8%	49.3%	50.7%	51.6%	51.6%
EBITDA Growth	16.9%	21.2%	20.6%	12.1%	6.6%
Depn. & Amort.	1,121	1,393	1,659	1,826	1,770
EBIT	4,111	4,948	5,987	6,747	7,366
Other Income	125	129	110	114	119
Finance Cost	2,085	2,112	1,776	1,624	1,583
PBT before Excep. & Forex	2,151	2,965	4,321	5,237	5,903
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	2,151	2,965	4,321	5,237	5,903
Taxes	341	531	1,088	1,318	1,486
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	339	463	556	668	735
Reported Net Profit	1,485	1,966	2,672	3,245	3,676
Adjusted Net Profit	1,485	1,966	2,672	3,245	3,676
Net Margin	13.9%	15.3%	17.7%	19.5%	20.8%
Diluted Share Cap. (mn)	791.6	791.6	791.6	791.6	791.6
Diluted EPS (INR)	1.9	2.5	3.4	4.1	4.6
Diluted EPS Growth	29.6%	32.4%	35.9%	21.5%	13.3%
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	2,158	2,962	4,321	5,237	5,903
Depn. & Amort.	1,121	1,393	1,659	1,826	1,770
Net Interest Exp. / Inc. (-)	2,025	2,041	1,776	1,624	1,583
Inc (-) / Dec in WCap.	-218	-416	842	4	-16
Others	-77	-63	-562	-673	-741
Taxes Paid	-360	-502	-1,088	-1,318	-1,486
Operating Cash Flow	4,650	5,416	6,948	6,700	7,013
Capex	-3,305	-932	-1,000	-1,500	-1,500
Free Cash Flow	1,345	4,484	5,948	5,200	5,513
Inc (-) / Dec in Investments	-70	-419	391	0	0
Others	-590	77	231	173	165
Investing Cash Flow	-3,965	-1,274	-378	-1,327	-1,335
Inc / Dec (-) in Capital	5	0	-559	-671	-738
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	1,026	-2,330	-2,241	-1,230	280
Others	-1,616	-1,593	-1,776	-1,624	-1,583
Financing Cash Flow	-585	-3,923	-4,575	-3,525	-2,040
Inc / Dec (-) in Cash	100	218	1,994	1,848	3,638
Opening Cash Balance	237	336	554	2,548	4,396
Closing Cash Balance	336	554	2,548	4,396	8,034

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	9,669	11,635	14,307	17,552	21,229
Share Capital	7,918	7,918	10,590	13,836	17,512
Reserves & Surplus	1,750	3,717	3,717	3,717	3,717
Preference Share Capital	0	0	0	0	0
Minority Interest	5,795	6,261	5,702	5,032	4,294
Total Loans	18,891	16,986	14,569	13,154	13,243
Def. Tax Liab. / Assets (-)	-358	-209	-209	-209	-209
Total - Equity & Liab.	33,997	34,673	34,368	35,528	38,556
Net Fixed Assets	36,666	36,148	35,258	34,758	34,324
Gross Fixed Assets	37,730	38,656	38,656	40,656	41,656
Intangible Assets	4,858	4,601	4,371	4,197	4,032
Less: Depn. & Amort.	6,170	7,563	9,222	11,048	12,818
Capital WIP	248	454	1,454	954	1,454
Investments	52	60	45	45	45
Current Assets	3,254	4,400	6,390	8,444	12,258
Inventories	138	138	151	166	177
Sundry Debtors	715	786	1,056	1,162	1,239
Cash & Bank Balances	336	554	2,548	4,396	8,034
Loans & Advances	81	386	10	10	10
Other Current Assets	1,983	2,536	2,625	2,710	2,797
Current Liab. & Prov.	5,975	5,935	7,325	7,720	8,071
Current Liabilities	4,651	5,128	6,492	6,859	7,182
Provisions & Others	1,324	807	833	860	888
Net Current Assets	-2,721	-1,535	-936	725	4,187
Total - Assets	33,997	34,673	34,368	35,528	38,556

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	13.9%	15.3%	17.7%	19.5%	20.8%
Asset Turnover (x)	0.3	0.3	0.4	0.4	0.4
Leverage Factor (x)	4.1	3.7	3.0	2.5	2.2
RoE	16.3%	18.5%	20.6%	20.4%	19.0%

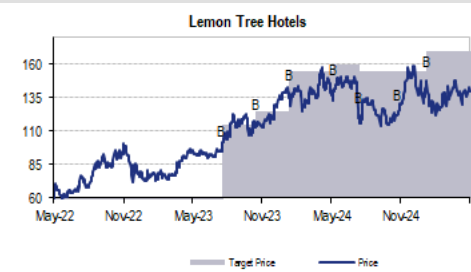
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	12.2	14.7	18.1	22.2	26.8
ROIC	10.6%	11.9%	13.5%	16.0%	17.8%
ROE	16.3%	18.5%	20.6%	20.4%	19.0%
Net Debt/Equity (x)	1.9	1.4	0.8	0.5	0.2
P/E (x)	74.1	56.0	41.2	33.9	29.9
P/B (x)	11.4	9.5	7.7	6.3	5.2
EV/EBITDA (x)	25.7	20.9	16.7	14.4	13.1
EV/Sales (x)	12.6	10.3	8.5	7.5	6.8
Debtor days	24	22	26	26	26
Inventory days	5	4	4	4	4
Creditor days	12	34	89	91	91

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
16-Aug-23	Buy	115	
13-Nov-23	Buy	125	8.7
10-Feb-24	Buy	155	24.0
3-Jun-24	Buy	160	3.2
9-Aug-24	Buy	155	-3.1
19-Nov-24	Buy	155	0.0
6-Feb-25	Buy	170	9.7

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

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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.
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