

On track to deliver strong growth

30 January 2025

Samhi Hotels (SAMHI IN) reported a topline growth of 10.4% to INR 2.96bn, driven by 14% growth in upper-upscale and upscale segments. RevPAR rose 15.1% YoY to INR 5,088, supported by upper-upscale and midscale segments. EBITDA grew 29.8% to INR 1.16bn. Margins expanded by 557bps to 37.3%, led by ARR growth and lower ESOP expense and corporate G&A expense. SAMHI turned PAT positive in Q3FY25 from loss last year. SAMHI is a play on: 1) asset addition-led growth (to add 857 keys in FY25E-29E), and 2) value addition-led growth as it enriches the portfolio mix towards upper upscale and upscale segments. These triggers, organic ARR growth of ~6% and occupancy increase of ~100-200bps per annum would drive a revenue CAGR of 12%, and EBITDA CAGR of 26% in FY24-27E. We maintain BUY with TP of INR 308, on 16x FY27E EV/EBITDA.

Focus shifting to reprising ACIC portfolio: The ACIC portfolio transitioned from franchise model to management contracts in Q3FY25. ACIC portfolio's RevPAR was flat due to letting go off low-priced business, but margins expanded 320bps YoY, driven by correcting the cost structure. The focus is now on reprising the asset and FY26 revenue growth is likely to be ARR-led. Margin expansion will also be led by repositioning of two of its hotels, one in Pune and another in Jaipur.

Leverage has peaked out: Net debt: EBITDA improved YoY from 5.1x to 4.9x but deteriorated QoQ from 4.6x as a result of cash outflow towards Trinity Hotel and W. SAMHI is targeting net debt reduction by way of asset recycling and internal cash generation. The management claims to be making good progress on asset recycling. Its criteria for selling any asset are following: (a) minuscule EBITDA contribution, (b) asset should be located in non-priority markets and (c) asset should be from the mid-scale segment. SAMHI aims to reduce net debt to ~INR 1.75bn by FY27E without any external capital raise.

Good traction at newly rebranded Holiday Inn: SAMHI opened renovated and rebranded Holiday Inn Express (Caspia Pro) in December '24 with 133 rooms. The hotel is clocking good ARR as well as gaining market share within its micro market. The hotel used to operate at an ARR of INR 2,300 but has garnered ARR of INR 5,600 in January till date (not adjusted for seasonality). Caspia Delhi is also going for renovation and is likely to be repositioned as Fairfield by Marriott and drive RevPAR growth.

Maintain Buy; TP retained at INR 308: SAMHI has built a reputation of turning around inorganic growth opportunities. Despite robust fundamentals, it is trading at compelling valuation due to the risk of impending supply of ~34mn shares (~16% of paid-up capital) from PE investors (lock-in period expires on 21 March 2025). We expect these exits to happen in the block trade window to arrest price erosion. Maintain Buy with a TP of INR 308 (unchanged), based on 16x (unchanged) FY27E EV/EBITDA.

Rating: **Buy**

Target Price: **INR 308**

Upside: **71%**

CMP: **INR 180**

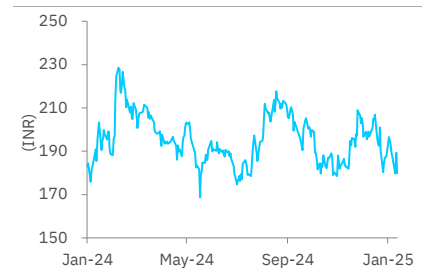
As on 30 January 2025

Key data

Bloomberg	SAMHI IN
Reuters Code	SAMH.NS
Shares outstanding (mn)	220
Market cap (INR bn/USD mn)	40/457
Enterprise Value (INR bn/USD mn)	60/689
Avg daily volume 3M (INR mn/USD mn)	263/3
52 week high/low	238/147
Free float (%)	75

Note: as on 30 January 2025; Source: Bloomberg

Price chart



Source: Bloomberg

Shareholding (%)	Q4	Q1	Q2	Q3
	FY24	FY25	FY25	FY25
Promoter	0.0	0.0	0.0	0.0
% Pledged	-	-	-	-
FII	69.5	63.4	58.4	54.8
DII	16.7	17.9	19.7	18.6
Others	13.8	18.7	22.0	26.7

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(4.5)	(6.5)	8.0
Samhi Hotels	(2.3)	(2.7)	(3.0)
NSE Mid-cap	(6.4)	(10.1)	10.3
NSE Small-cap	(10.0)	(13.8)	5.7

Key financials

YE March	FY23	FY24	FY25E	FY26E	FY27E
Rev (INR mn)	7,386	9,574	11,262	12,279	13,541
YoY (%)	128.8	29.6	17.6	9.0	10.3
EBITDA (INR mn)	2,377	2,666	4,044	4,671	5,380
EBITDA margin (%)	0.3	0.3	0.4	0.4	0.4
Adj PAT (INR mn)	(3,578)	(1,613)	460	1,081	1,891
YoY (%)	(15.8)	(54.9)	(128.5)	134.7	74.9
EPS (INR)	(39.7)	(10.7)	2.1	4.9	8.6
RoE (%)	NA	NA	4.3	9.5	14.7
RoCE (%)	7.4	6.1	8.8	10.3	12.0
P/E (x)	0.0	(18.3)	86.0	36.6	20.9
EV/EBITDA (x)	0.0	24.2	14.5	12.6	10.8

Note: pricing as on 30 January 2025; Source: Company, Elara Securities Estimate

Prashant Biyani

Fertilizers & Agricultural Chemicals,
Hotels, Sugar
+91 22 6164 8581
prashant.biyani@elaracapital.com

Associate
Yashi Jain



Financials (YE March)

Income Statement (INR mn)	FY23	FY24	FY25E	FY26E	FY27E
Net Revenues	7,386	9,574	11,262	12,279	13,541
EBITDA	2,377	2,666	4,044	4,671	5,380
Less :- Depreciation & Amortization	963	1,137	1,280	1,363	1,435
EBIT	1,415	1,529	2,764	3,308	3,945
Less:- Interest Expenses	5,221	3,451	2,532	2,472	2,316
Add:- Non operating Income	229	213	228	244	261
PBT	(3,577)	(1,709)	460	1,081	1,891
Less :- Taxes	0	(95)	-	-	-
Adjusted PAT	(3,578)	(1,613)	460	1,081	1,891
Add/Less: - Extra-ordinaries	192	(732)	-	-	-
Reported PAT	(3,386)	(2,346)	460	1,081	1,891
Balance Sheet (INR mn)	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	85	220	220	220	220
Reserves	(8,162)	10,165	10,626	11,707	13,597
Borrowings	26,900	20,763	21,097	20,597	19,297
Deferred Tax (Net)	-	391	391	391	391
Trade Payable	1,400	1,269	1,851	2,018	2,226
Other Liabilities	2,407	1,642	2,057	2,050	2,192
Total Liabilities	22,630	34,451	36,242	36,983	37,924
Gross Block	27,853	40,111	43,402	45,902	48,102
Less:- Accumulated Depreciation	8,697	10,606	11,886	13,248	14,684
Net Block	19,156	29,505	31,516	32,654	33,419
CWIP	202	325	325	325	325
Other Non-Current Assets	733	1,742	1,746	1,903	2,099
Cash & bank balances	1,314	1,474	834	115	(145)
Inventory	33	40	93	101	111
Trade Receivable	513	605	771	841	965
Other Net Assets	679	759	957	1,044	1,151
Total Assets	22,630	34,451	36,242	36,983	37,924
Cash Flow Statement (INR mn)	FY23	FY24	FY25E	FY26E	FY27E
Cash profit adjusted for non-cash items	2,450	3,191	4,044	4,671	5,380
Add/Less : Working Capital Changes	(267)	(330)	299	103	24
Taxes Paid	(8)	(114)	-	-	-
Operating Cash Flow	2,174	2,748	4,343	4,774	5,404
Less:- Capex	(75)	(379)	(3,292)	(2,500)	(2,200)
Free Cash Flow	2,100	2,368	1,051	2,274	3,204
Financing Cash Flow	(3,187)	(2,123)	(1,755)	(3,072)	(3,521)
Investing Cash Flow	684	(569)	(3,078)	(2,420)	(2,143)
Net change in Cash	(328)	55	(490)	(719)	(261)
Ratio Analysis	FY23	FY24	FY25E	FY26E	FY27E
Income Statement Ratios(%)					
Revenue Growth	128.8	29.6	17.6	9.0	10.3
EBITDA Growth	1,979.6	12.1	51.7	15.5	15.2
PAT Growth	(15.8)	(54.9)	(128.5)	134.7	74.9
EBITDA Margin	32.2	27.8	35.9	38.0	39.7
Net Margin	(47.0)	(16.5)	4.0	8.6	13.7
Return & Liquidity Ratios (%)					
Net Debt/Equity (x)	(3.2)	1.7	1.8	1.6	1.3
ROE (%)	NA	NA	4.3	9.5	14.7
ROCE (%)	7.4	6.1	8.8	10.3	12.0
Per Share data & Valuation Ratios					
Diluted EPS (INR/share)	(39.7)	(10.7)	2.1	4.9	8.6
EPS Growth (%)	(28.8)	(73.1)	(119.6)	134.7	74.9
DPS (Rs/Share)	-	-	-	-	-
P/E Ratio (x)	-	(19.8)	86.0	36.6	20.9
EV/EBITDA (x)	-	24.2	14.5	12.6	10.8
EV/Sales (x)	-	6.5	5.3	4.9	4.4
BVPS (INR)	-	0.2	0.2	0.2	0.3
Price/Book (x)	-	4.1	3.7	3.3	2.9

Note: Pricing as on 30 January 2025; Source: Company, Elara Securities Estimate

Quarterly financials

Consolidated financials (INR mn)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
Consolidated net sales	2,958	2,678	10.4	2,655	11.4	8,112	6,782	19.6
Food & Beverages consumed	224	207	8.2	197	13.4	599	525	14.0
Employee cost	476	448	6.2	458	3.9	1,376	1,392	(1.1)
Other expenses	1,155	1,174	(1.6)	1,078	7.1	3,291	3,054	7.8
Total expenditure	1,855	1,829	1.4	1,734	7.0	5,267	4,972	5.9
EBITDA	1,103	850	29.8	922	19.6	2,845	1,811	57.1
Margin (%)	37.28	31.72	557bp	34.71	257bp	35.07	26.70	838bp
Depreciation	291	312	(6.8)	288	1.0	879	821	7.0
EBIT	812	537	51.1	633	28.1	1,966	989	98.7
Interest	617	651	(5.2)	562	9.9	1,734	2,875	(39.7)
Other income	30	54	(45.5)	50	(41.1)	149	106	40.1
Exceptional items	-	(768)	NA	-	NA	-	(768)	NA
PBT	224	(828)	(127.1)	122	83.8	381	(2,547)	(115.0)
Tax	(4)	(84)	(95.7)	(4)	(12.7)	(15)	(88)	(82.6)
Tax rate (%)	(1.6)	10.1	(12)bp	(3.4)	1.8	(4.0)	3.5	(216.1)
RPAT	228	(744)	(130.6)	126	80.6	396	(2,459)	(116.1)
APAT	228	24	846.6	126	80.6	396	(1,691)	(123.4)
Adj EPS (INR)	1.0	0.1	846.6	0.6	80.6	1.8	(14.9)	(112.2)

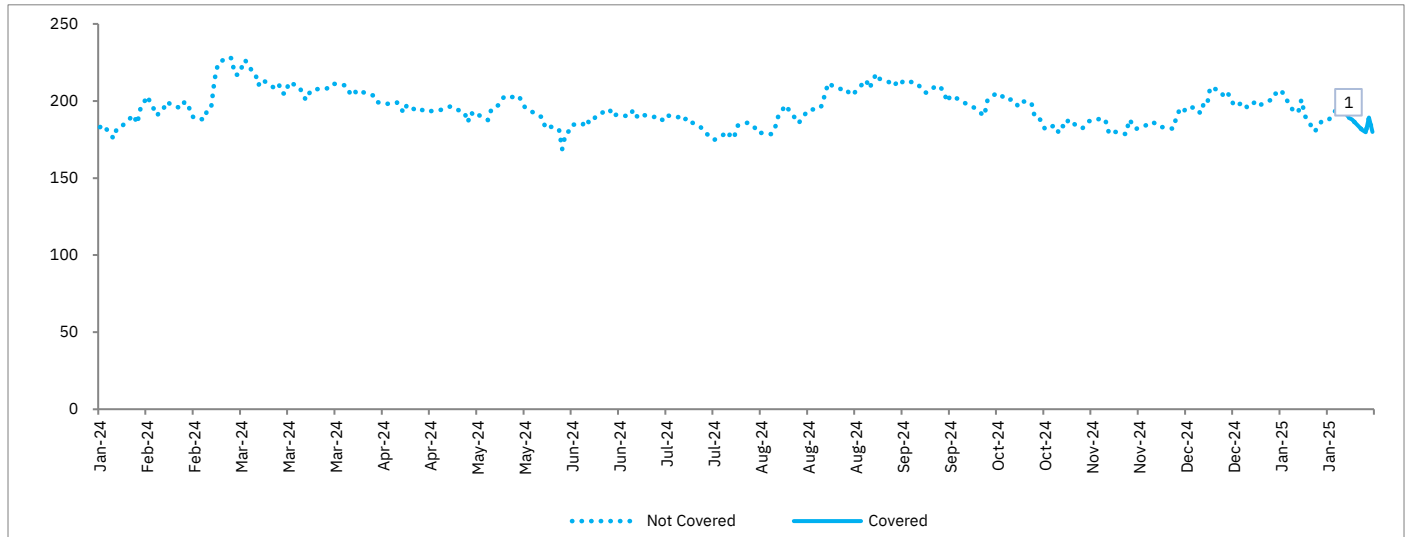
Source: Company, Elara Securities Estimate

Exhibit 1: Blended RevPAR growth led by 14% ARR growth in upper-upscale and 9% in midscale segment

Segments	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Upper Upscale and Upscale									
Average occupancy (%)	68.4	71.0	68.0	77.0	74.0	78.0	79.0	77.0	75.0
Average room rate (INR)	8,242	9,431	8,628	8,192	9,374	10,076	8,658	9,162	10,683
RevPAR (INR)	5,638	6,696	5,827	6,308	6,933	7,909	6,829	7,067	8,043
Upper Mid-scale									
Average occupancy (%)	72.3	74.3	75.0	71.0	70.0	73.0	72.0	71.0	70.0
Average room rate (INR)	5,030	5,721	5,435	5,396	5,776	6,058	5,598	5,865	6,203
RevPAR (INR)	3,638	4,250	4,062	3,848	4,061	4,438	4,033	4,170	4,362
Mid-scale									
Average occupancy (%)	67.8	75.6	69.0	69.0	71.0	79.0	74.0	79.0	73.0
Average room rate (INR)	3,507	3,654	3,226	3,392	3,705	3,758	3,382	3,538	4,028
RevPAR (INR)	2,376	2,762	2,232	2,348	2,627	2,967	2,509	2,810	2,948

Source: Company, Elara Securities Research

Coverage History



	Date	Rating	Target Price	Closing Price
1	23-Jan-2025	Buy	INR 308	INR 189

Guide to Research Rating

BUY	Absolute Return >+20%
ACCUMULATE	Absolute Return +5% to +20%
REDUCE	Absolute Return -5% to +5%
SELL	Absolute Return < -5%

Disclosures & Confidentiality for non U.S. Investors

The Note is based on our estimates and is being provided to you (herein referred to as the "Recipient") only for information purposes. The sole purpose of this Note is to provide preliminary information on the business activities of the company and the projected financial statements in order to assist the recipient in understanding / evaluating the Proposal. Nothing in this document should be construed as an advice to buy or sell or solicitation to buy or sell the securities of companies referred to in this document. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. Nevertheless, Elara Securities (India) Private Limited or any of its affiliates is committed to provide independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Elara Securities (India) Private Limited or any of its affiliates have not independently verified all the information given in this Note and expressly disclaim all liability for any errors and/or omissions, representations or warranties, expressed or implied as contained in this Note. The user assumes the entire risk of any use made of this information. Elara Securities (India) Private Limited or any of its affiliates, their directors and the employees may from time to time, effect or have effected an own account transaction in or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for or solicit investment banking or other business from any company referred to in this Note. Each of these entities functions as a separate, distinct and independent of each other. This Note is strictly confidential and is being furnished to you solely for your information. This Note should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This Note is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Elara Securities (India) Private Limited or any of its affiliates to any registration or licensing requirements within such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law, and persons in whose possession this document comes, should inform themselves about and observe, any such restrictions. Upon request, the Recipient will promptly return all material received from the company and/or the Advisors without retaining any copies thereof. The Information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This Information is subject to change without any prior notice. Elara Securities (India) Private Limited or any of its affiliates reserves the right to make modifications and alterations to this statement as may be required from time to time. However, Elara Securities (India) Private Limited is under no obligation to update or keep the information current. Neither Elara Securities (India) Private Limited nor any of its affiliates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. This Note should not be deemed an indication of the state of affairs of the company nor shall it constitute an indication that there has been no change in the business or state of affairs of the company since the date of publication of this Note. The disclosures of interest statements incorporated in this document are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. Elara Securities (India) Private Limited generally prohibits its analysts, persons reporting to analysts and their family members from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Any clarifications / queries on the proposal as well as any future communication regarding the proposal should be addressed to Elara Securities (India) Private Limited. It is important to note that any dispute with respect to this research report, would not have access to stock exchange investor redressal forum or arbitration mechanism.

Elara Securities (India) Private Limited was incorporated in July 2007 as a subsidiary of Elara Capital (India) Private Limited.

Elara Securities (India) Private Limited is a SEBI registered Stock Broker in the Capital Market and Futures & Options Segments of National Stock Exchange of India Limited [NSE], in the Capital Market Segment of BSE Limited [BSE] and a Depository Participant registered with Central Depository Services (India) Limited [CDSL].

Elara Securities (India) Private Limited's business, amongst other things, is to undertake all associated activities relating to its broking business.

The activities of Elara Securities (India) Private Limited were neither suspended nor has it defaulted with any stock exchange authority with whom it is registered in last five years. However, during the routine course of inspection and based on observations, the exchanges have issued adverse letters or levied minor penalties on Elara Securities (India) Private Limited for minor operational deviations in certain cases. Elara Securities (India) Private Limited has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has the certificate of registration been cancelled by SEBI at any point of time.

Elara Securities (India) Private Limited offers research services primarily to institutional investors and their employees, directors, fund managers, advisors who are registered or proposed to be registered.

Details of Associates of Elara Securities (India) Private Limited are available on group company website www.elaracapital.com

Elara Securities (India) Private Limited is maintaining arms-length relationship with its associate entities.

Research Analyst or his/her relative(s) may have financial interest in the subject company. Elara Securities (India) Private Limited does not have any financial interest in the subject company, whereas its associate entities may have financial interest. Research Analyst or his/her relative does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Elara Securities (India) Private Limited does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Associate entities of Elara Securities (India) Private Limited may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Research Analyst or his/her relative or Elara Securities (India) Private Limited or its associate entities does not have any other material conflict of interest at the time of publication of the Research Report.

Research Analyst or his/her relative(s) has not served as an officer, director or employee of the subject company.

Research analyst or Elara Securities (India) Private Limited have not received any compensation from the subject company in the past twelve months. Associate entities of Elara Securities (India) Private Limited may have received compensation from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities have not managed or co-managed public offering of securities for the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associates have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company or third party in connection with the Research Report in the past twelve months.

Disclaimer & Standard warning

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Disclaimer for non U.S. Investors

The information contained in this note is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Disclosures for U.S. Investors

The research analyst did not receive compensation from Samhi Hotels Limited.

Elara Capital Inc.'s affiliate did not manage an offering for Samhi Hotels Limited.

Elara Capital Inc.'s affiliate did not receive compensation from Samhi Hotels Limited in the last 12 months.

Elara Capital Inc.'s affiliate does not expect to receive compensation from Samhi Hotels Limited in the next 3 months.

Disclaimer for U.S. Investors

This material is based upon information that we consider to be reliable, but Elara Capital Inc. does not warrant its completeness, accuracy or adequacy and it should not be relied upon as such.

This material is not intended as an offer or solicitation for the purchase or sale of any security or other financial instrument. Securities, financial instruments or strategies mentioned herein may not be suitable for all investors. Any opinions expressed herein are given in good faith, are subject to change without notice, and are only correct as of the stated date of their issue. Prices, values or income from any securities or investments mentioned in this report may fall against the interests of the investor and the investor may get back less than the amount invested. Where an investment is described as being likely to yield income, please note that the amount of income that the investor will receive from such an investment may fluctuate. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. This material does not take into account your particular investment objectives, financial situations or needs and is not intended as a recommendation of particular securities, financial instruments or strategies to you. Before acting on any recommendation in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice.

Certain statements in this report, including any financial projections, may constitute "forward-looking statements." These "forward-looking statements" are not guarantees of future performance and are based on numerous current assumptions that are subject to significant uncertainties and contingencies. Actual future performance could differ materially from these "forward-looking statements" and financial information.

India
Elara Securities (India) Private Limited
 One International Center, Tower 3,
 21st Floor, Senapati Bapat Marg,
 Elphinstone Road (West)
 Mumbai – 400 013, India
 Tel : +91 22 6164 8500

Europe
Elara Capital Plc.
 6th Floor, The Grove,
 248A Marylebone Road,
 London, NW1 6JZ,
 United Kingdom
 Tel : +44 20 7486 9733

USA
Elara Securities Inc.
 230 Park Avenue, Suite 2415,
 New York, NY 10169, USA
 Tel: +1 212 430 5870
 Fax: +1 212 208 2501

Asia / Pacific
Elara Capital (Asia) Pte.Ltd.
 One Marina Boulevard,
 Level 20,
 Singapore 018989
 Tel : +65 6978 4047



Managing Director

Harendra Kumar | harendra.kumar@elaracapital.com | +91 22 6164 8571



Head of Research

Dr Bino Pathiparampil | bino.pathiparampil@elaracapital.com | +91 22 6164 8572

Sales Team



India

Hitesh Danak - hitesh.danak@elaracapital.com - +91 22 6164 8543
Ashok Agarwal - ashok.agarwal@elaracapital.com - +91 22 6164 8558



India, APAC & Australia

Sudhanshu Rajpal - sudhanshu.rajpal@elaracapital.com - +91 22 6164 8508
Joshua Saldanha - joshua.saldanha@elaracapital.com - +91 22 6164 8541
Shraddha Shrikhande - shraddha.shrikhande@elaracapital.com - +91 22 6164 8567



India & UK

Prashin Lalvani - prashin.lalvani@elaracapital.com - +91 22 6164 8544



India & US

Karan Rathod - karan.rathod@elaracapital.com - +91 22 6164 8570



Corporate Access, Conference & Events

Anita Nazareth - anita.nazareth@elaracapital.com - +91 22 6164 8520
Tina D'souza - tina.dsouza@elaracapital.com - +91 22 6164 8595

Access our reports on Bloomberg: Type **RESP ESEC <GO>**

Also available on **Thomson & Reuters**

Elara Securities (India) Private Limited

Registered Office Address: One International Center, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013, India Tel : +91 22 6164 8500
 CIN: U74992MH2007PTC172297 | SEBI Research Analyst Registration No.: INH000000933
 Member of BSE Limited and National Stock Exchange of India Limited | SEBI REGN. NO.: INZ 000 238236
 Member of Central Depository Services (India) Limited | SEBI REGN. NO.: IN-DP-370-2018
 Investor Grievance Email ID: investor.grievances@elaracapital.com - Tel. +91 22 6164 8509
 Compliance Officer: Mr. Anand Rao - Email ID: anand.rao@elaracapital.com - Tel. +91 22 6164 8509