

Hotels & Restaurants

India

Sector View: **Attractive** NIFTY-50: **25,638**

June 30, 2025

Still more room to go

The Indian hospitality sector has started FY2026 on a strong footing, with 1QFY26 RevPARs seeing double-digit growth despite the Indo-Pak conflict impacting demand for some days in May 2025. Hoteliers remain confident in the sustenance of the current cycle, reflected in the record signings of 46k keys in FY2025. India added 14k keys last year, taking the branded inventory to 195k keys. We look to build on FY2025's ARR of Rs8.6k/day (+7% yoy) and occupancy of 68%, owing to favorable demand-supply dynamics; listed players are even better placed since most new hotel additions are focused on tier-2/3 cities, with a dominant share of mid-scale/economy hotels.

Favorable demand-supply dynamics continue to drive RevPAR improvement

India continues to witness healthy double-digit yoy RevPAR growth in 1QFY26, led by better occupancy levels. We note that the current performance is also supported by a favorable base, as 1QFY25 had weak demand owing to severe weather conditions (heat wave) as well as the national elections. 1QFY26 has had its share of trouble, with the border tensions affecting demand for a few days in May 2025. Hoteliers have alluded to at least high-single-digit rate increase for their contracted business (corporates and crew), even as the uncontracted business (incl. retail) continues to do well. Accordingly, we expect to build further on the FY2025 room rates of Rs8.6k/day (+7% yoy) and occupancy of 68% (flat yoy). February 2025 (generally strong) was the strongest-ever month for Indian hospitality, with ARR reaching a peak of Rs10,200/day.

New signing picking up, although commissioning has been measured so far

India signed 46k new keys in FY2025, building on the 35k keys signed in FY2024, while the actual supply addition was more measured at 14-15k keys in each of the last two years, taking the overall inventory to 195k keys as of March 2025. We highlight the long gestation period (4-5 years) and execution slippages that will likely keep incremental supply addition measured. We currently expect 6.7% supply CAGR for the industry over FY2025-30E, taking the total branded inventory to 270k keys, while we expect demand (room nights sold) to increase at 8.3% CAGR in the same period. Accordingly, we build in a 6.2% ARR CAGR over this period, with occupancy levels gradually inching closer to 73%.

New supply focused on midscale properties in tier-2/3 cities

The composition of the new supply is substantially in tier-2/3 cities, with limited supply growth in key towns such as Gurgaon at 5.5% (supply) CAGR, Bengaluru at 5%, Mumbai at 3.5%, Hyderabad at 3.4%, New Delhi at 2.1%, Pune at 1.7% and Chennai at 1.3%. Accordingly, listed hotel companies will likely continue to enjoy more favorable demand-supply dynamics in their key markets, with luxury supply even weaker at a mere 6%.

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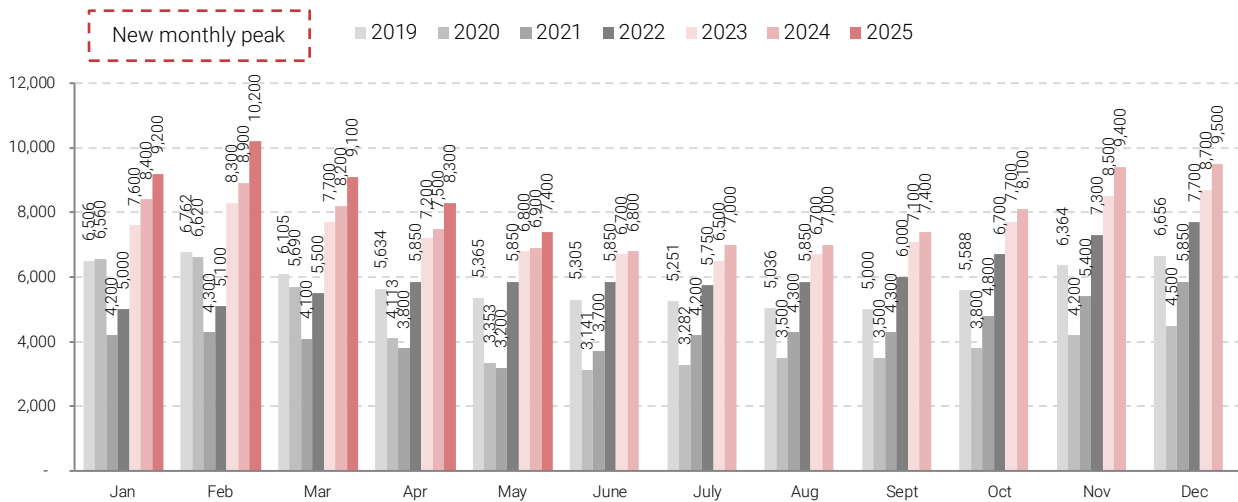
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Healthy earnings performance in FY2025; stage set for FY2026 and beyond

Our coverage universe (IHCL, Lemon Tree, Chalet, Ventive, and SAMHI) reported strong earnings performance in FY2025, aided by healthy RevPAR improvement and key additions during the year. Cumulative EBITDA rose 26% yoy, led by IHCL, Chalet and SAMHI, while Ventive saw a tad lower growth. Our coverage added 1.1k owned and 1.8k managed keys (across IHCL and Lemon Tree) in 2025. Going forward, we expect the strong earnings momentum to sustain, aided by industry tailwinds leading to RevPAR improvement and key additions—we expect 20-30% EBITDA CAGR for most coverage companies over FY2025-28E. Valuations are full for most players, leaving stock performance dependent on higher-than-expected ARR improvement.

Average ADRs scaled new peak at Rs10,200/day in February 2025; growth remains healthy in 1QFY26 despite some border tensions

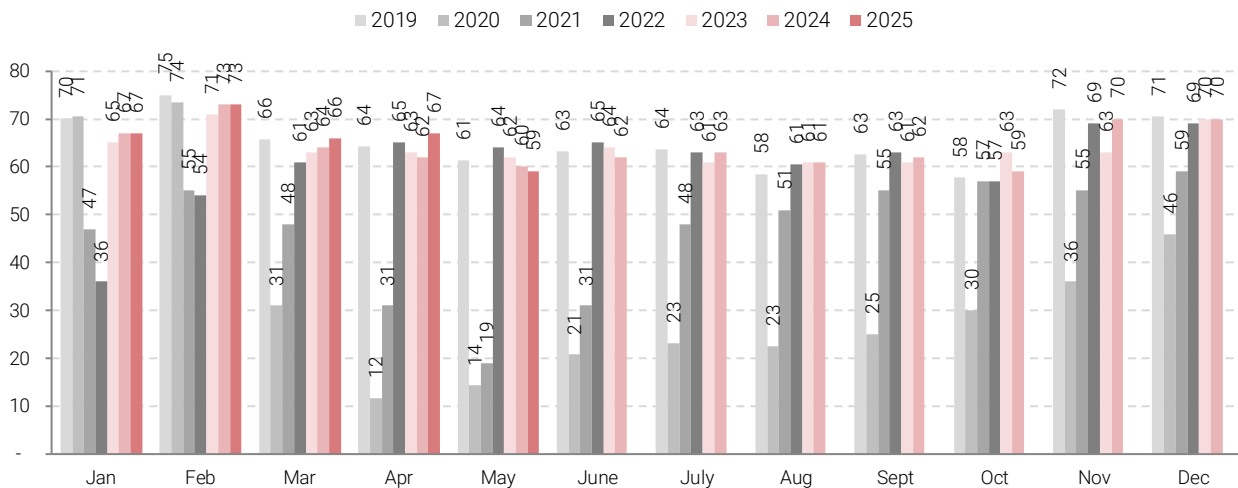
Exhibit 1: Monthly ADR for hotels in India, March fiscal year-ends, 2019-26 (Rs/day)



Source: HVS Anarock, Kotak Institutional Equities

Healthy occupancy levels aiding RevPAR improvement; May 2025 occupancy impacted by the Ind-Pak conflict

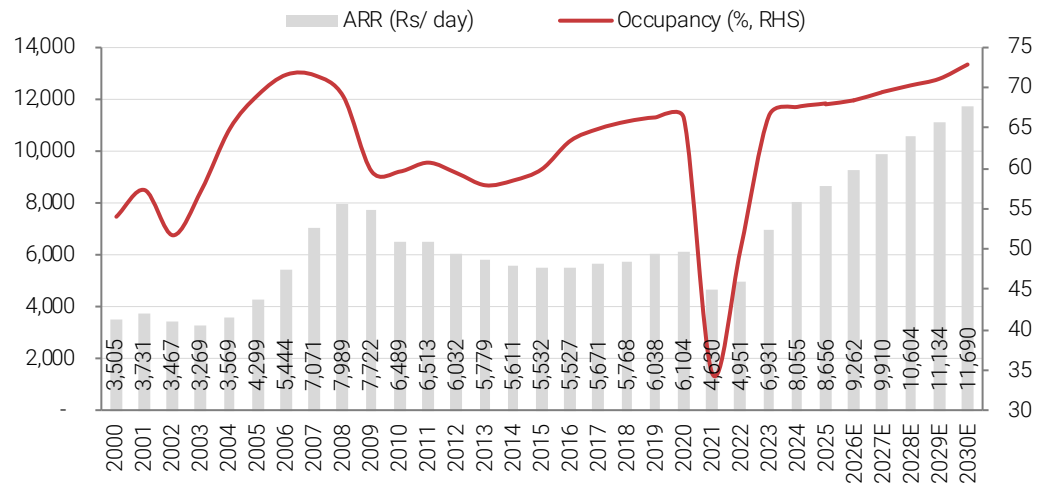
Exhibit 2: Monthly occupancy for hotels in India, March fiscal year-ends, 2019-26 (%)



Source: HVS Anarock, Kotak Institutional Equities

Annual ARR for FY2025 stood at Rs8.6/ day; we expect 6.2% CAGR over FY2025-30E, with occupancy gradually inching closer to 73% on the back of favorable demand-supply dynamics

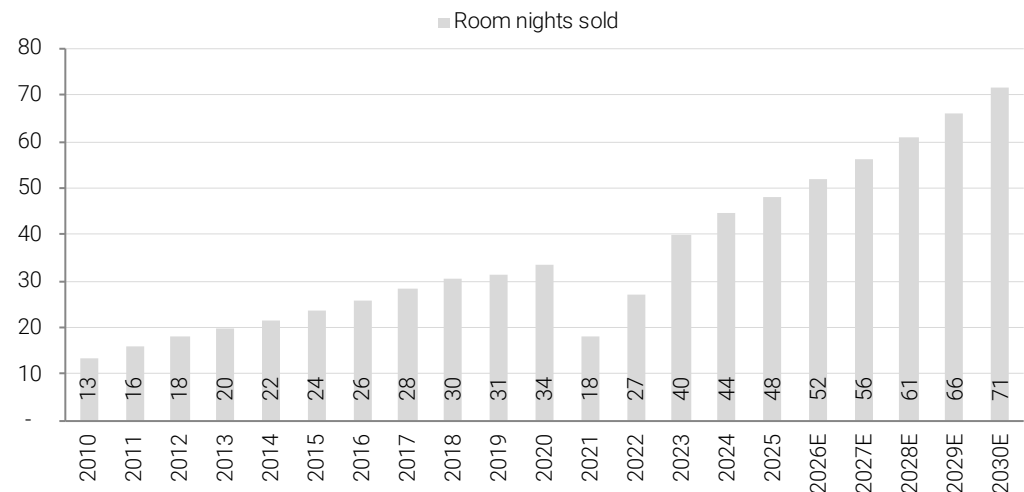
Exhibit 3: Annual ARR and occupancy, March fiscal year-ends, 2000-30 (Rs/day)



Source: Hotelivate, HVS Anarock, Kotak Institutional Equities estimates

Room nights sold in India to rise at 8.3% CAGR over 2025-30E

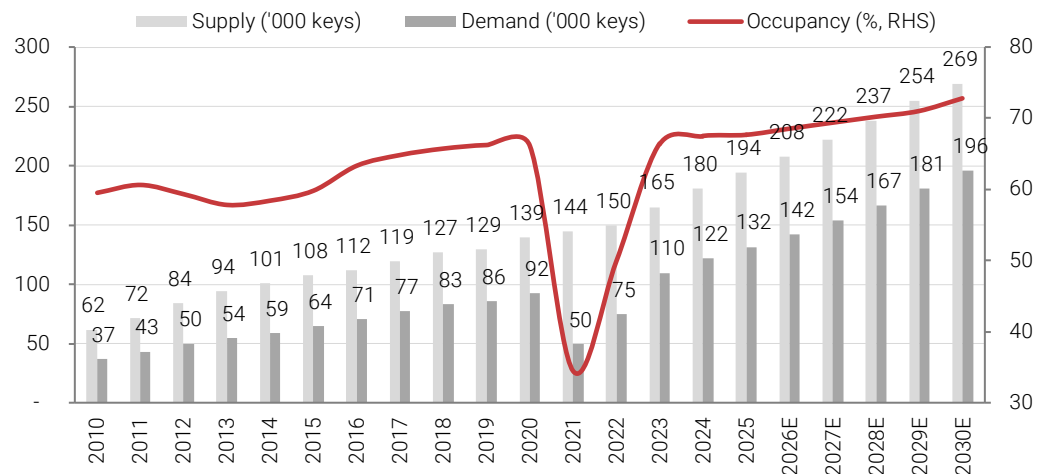
Exhibit 4: Room nights sold in India, March fiscal year-ends, 2010-30E (mn)



Source: Hotelivate, HVS Anarock, Kotak Institutional Equities estimates

Incremental supply of rooms to be 75k over the next five years

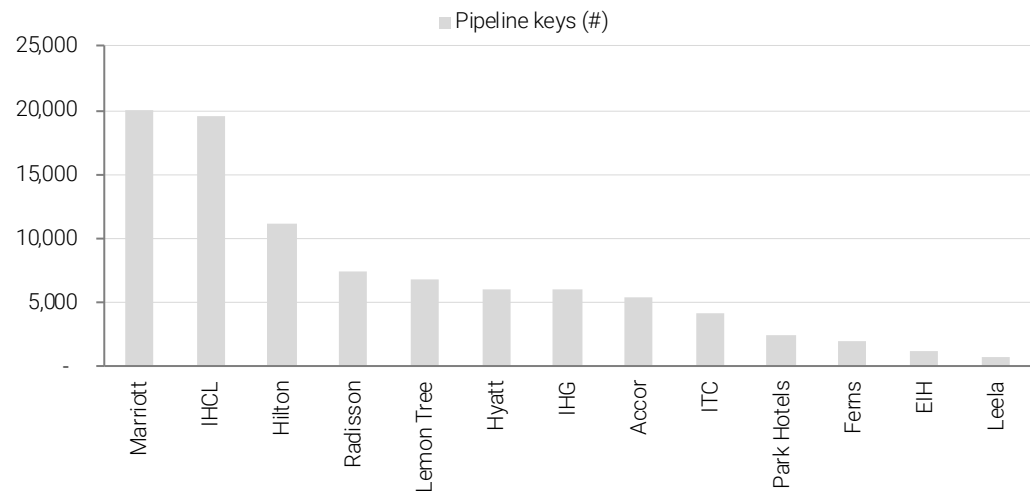
Exhibit 5: Supply, demand and occupancy of branded keys, March fiscal year-ends, 2010-30E ('000 keys, %)



Source: Hotelivate, HVS Anarock, Kotak Institutional Equities estimates

Top brands plan to increase their inventory by ~90k keys over 6-7 years

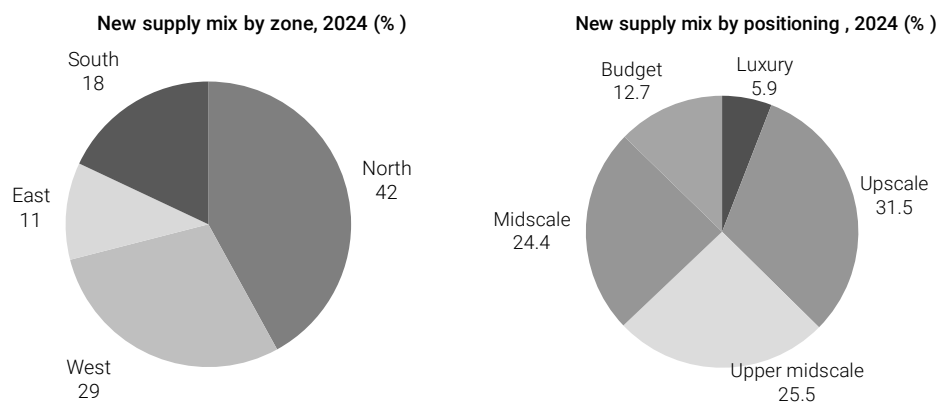
Exhibit 6: Pipeline keys in India for key brands (#)



Source: Companies, Kotak Institutional Equities estimates

Tier 2/3 cities will have higher share of new supply; upscale and upper midscale segments to lead addition

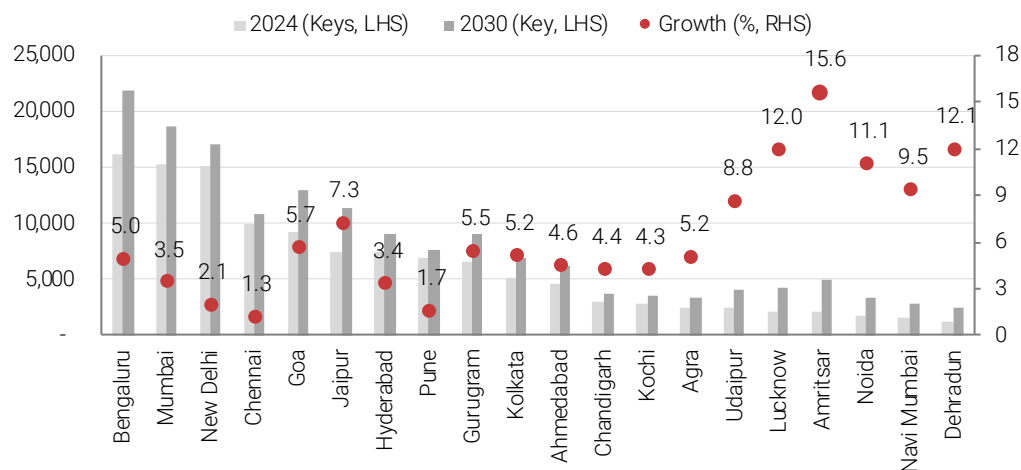
Exhibit 7: New supply mix by city tier and positioning (%)



Source: Hotelivate, Kotak Institutional Equities

Supply growth in key business cities is in low-single digits

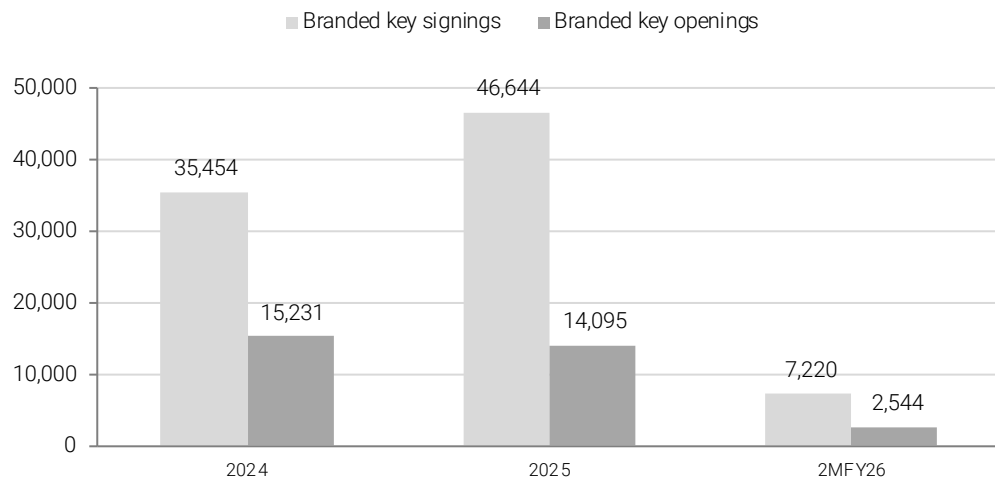
Exhibit 8: Details of supply growth by city over March 2024-30E (keys, %)



Source: Hotelivate, Kotak Institutional Equities

New signings increased to 46k in FY2025, although openings were much lower at 14k

Exhibit 9: Number of signing and opening of hotel keys, March fiscal year-ends, 2024-26



Source: HVS, Anarock, Kotak Institutional Equities

Review of earnings performance

- IHCL:** IHCL reported in-line 4QFY25 consolidated revenue of Rs24.2 bn (+27% yoy, -4% qoq) and EBITDA of Rs8.6 bn (+30% yoy, -11% qoq), yielding healthy margins of 35%. Earnings were aided by (1) healthy improvement in ARR (standalone, domestic) to Rs21,013/ day (+14% yoy) and occupancy to 80% (+80 bps yoy), yielding a RevPAR of Rs16,842/day (+16% yoy), (2) consolidation of TajSATS in August 2024 which contributed Rs2.8 bn of revenue; adjusted for same, revenue grew 13% yoy and EBITDA grew 19% yoy, (3) increase in inventory of 937 owned keys over the past year, (4) strong management revenue of Rs1.7 bn (+15% yoy), and (5) better performance of Ginger and other international subsidiaries. Revenue and EBITDA for full year FY2025 stood at Rs83 bn (+23% yoy) and Rs27.7 bn (+28% yoy); growth stood at 12%/20% after adj. for TajSATS consolidation. Standalone revenue in 4QFY25 was also strong at Rs14.8 bn (+10% yoy) and EBITDA at Rs6.8 bn (+16% yoy), yielding strong 46% margin.

IHCL has an operational inventory of 26.5k keys, comprising 14.75k owned keys and 11.7k managed keys. During FY2025, IHCL added 733 owned keys and 1,644 managed keys to its portfolio. Incrementally, IHCL is looking to add 19.5k keys over the next 4-5 years, comprising 3.6k owned keys and 15.9k managed keys. We highlight that there has been an increase in future pipeline through the addition of new keys under the 'Taj' and 'Gateway' brands. Management also highlighted that construction for the Sea Rock hotel is likely to begin toward end-FY2026.

- Lemon Tree Hotels.** Lemon Tree reported healthy 19% yoy growth in 4QFY25 EBITDA to Rs2 bn, aided by blended ARR growth of 7% yoy and 4% qoq to Rs7,042/day, coupled with strong 77.7% occupancy. The improvement in 4QFY25 occupancy at Mumbai to 85% (73% in 4QFY24/76% in 3QFY25) is attributable to Aurika, Mumbai (80% occupancy); this without compromising on room rates appears to be the key driver of earnings. Management fees (external) grew 11% yoy to Rs160 mn on an expanded base of 4,510 keys (+10% yoy), with an incremental pipeline of 6,591 keys (4,087 as of March 2024). The margin profile for 4QFY25 improved to 53.9% (+154 bps yoy, +206 bps qoq) on account of RevPAR growth as well as higher contribution from management fees.

For FY2025, Lemon Tree reported EBITDA growth of 21% yoy to Rs6.3 bn, aided by 20% yoy growth in revenues at Rs12.8 bn. Earnings were driven by 11% yoy RevPAR increase to Rs4,575/day, coupled with 20% yoy growth in management fees to Rs603 mn, and also aided by full-year contribution from the 669 key Aurika, Mumbai (commissioned in 2HFY24).

Among the key cities, Mumbai saw improved occupancy at 85% (73% in 4QFY24/ 76% in 3QFY25) on account of improved performance at Aurika, with ARR of Rs9,382/ day (+3% yoy, +4% qoq). New Delhi saw strong occupancy of 88% (87% in 4QFY24/ 84% in 3QFY25) and ARR of Rs8,126/ day (+15% yoy, +2% qoq). Bengaluru saw a marked improvement with occupancy improving to 67% in 4QFY25 (58% in 4QFY24) and ARR improvement of 7% yoy to Rs5,579/day. The 669 keys at Aurika, Mumbai saw better occupancy of 80% in 4QFY25 (70-75% in 3QFY25), with ARR seeing slight growth. As highlighted earlier, a successful ramp-up of Aurika, Mumbai is key to the earnings growth. Lemon Tree only has 256 owned keys in pipeline (91-key hotel in Shimla + the recently signed 120-key hotel in Shillong, likely to be commissioned by 2029E).

- **Chalet.** Chalet reported in-line 4QFY25 consolidated revenue of Rs5.2 bn (+25% yoy, +14% qoq), EBITDA of Rs2.4 bn (+32% yoy, +18% qoq), and PAT of Rs1.2 bn (+50% yoy, +28% yoy). Earnings growth was aided by the addition of 141 keys at Westin, Rishikesh in February 2025. Hospitality revenue grew to Rs4.6 bn (+20% yoy, +15% qoq), with EBITDA of Rs2.2 bn (+22% yoy, +21% qoq), yielding strong margin of 48%. The hospitality business benefitted from strong ARR of Rs14,345/day (+21% yoy, +11% qoq) and occupancy of 76% (flat yoy, +600 bps qoq), leading to RevPAR of Rs10,909/day (+21% yoy, +20% qoq). The annuity business also reported an improvement with revenue of Rs619 mn (+75% yoy, +7% qoq) and EBITDA of Rs498 mn (+83% yoy, +9% qoq), aided by occupancy improving to 71%. ARR improvement in 4QFY25 was driven by Bengaluru (~30% yoy), followed by Hyderabad (~20% yoy), MMR (16% yoy) and Pune (~8% yoy). Occupancy was aided by Pune and Bengaluru (high single-digit improvement), followed by Hyderabad (mid-single-digit improvement), even as MMR saw a slight decline (-100 bps yoy). Same-store ARR and RevPAR growth stood at 19% yoy and 23% yoy, respectively. For FY2025, Chalet saw 13% yoy growth in both ARR and RevPAR.

Chalet has approved the acquisition of "Lakeview Mercantile Company Private Limited", the entity that owns a 15-acre beach-front land parcel at Bambolim, Goa with potential for the development of a ~170 key luxury resort. The acquisition will be done for a cash consideration of Rs1.4 bn (enterprise value), with completion expected within 12 months. We highlight that Chalet has commissioned 121 keys at Bengaluru in 1QFY26, and the balance 8 keys are expected to be commissioned soon. This takes the operational keys to 3,314, from 3,193 keys as of March 2025. The remaining pipeline is on track – Chalet expects to commission 67 keys at Lonavala in 1HFY26, followed by 390 keys at New Delhi + 0.9 mn sq. ft of office space at Powai in FY2027. These would be followed by the addition of 190 keys (+20 versus earlier estimate) at the first land parcel in Goa in FY2028. We highlight that the 280-key Hyatt Regency at Airoli has been delayed, with the commissioning now expected within 36 months post the approvals, in comparison to 2HFY27 commissioning expected earlier. In total, Chalet has 600 keys under approval (280 at Airoli, 170 at the recently approved land parcel in North Goa and 150 keys at Trivandrum, Kerala). Accordingly, the total pipeline stands at 1,250 keys currently (excluding the recently commissioned 129 keys at Whitefield, Bengaluru).

Chalet will incur a capex of Rs23 bn over the next three years, largely funded by internal accruals. The net debt increased to Rs20 bn as of March 2025, from Rs15.8 bn as of December 2024, owing to the recent Rishikesh acquisition. Management expects the net debt/EBITDA to remain at <3.5X.

- **SAMHI.** SAMHI reported 4QFY25 revenue of Rs3.2 bn (+14% yoy, +8% qoq) and EBITDA of Rs1.2 bn (+42% yoy, +10% qoq), with healthy 38.1% margin (+750 bps yoy, +83 bps qoq). EBITDA growth was aided by (1) strong ARR of Rs7,487/day (+19% yoy, +14% qoq), coupled with 75% occupancy (-100 bps yoy, +300 bps qoq); the same-store RevPAR was healthy at Rs5,958/day (+21% yoy), (2) lower ESOP expenses at Rs44 mn (-61% yoy), and (3) re-opening of Holiday Inn Express, Greater Noida post the renovation in December 2024. We highlight that the earnings in 4QFY25 were also aided by the acquisition of 142-keys at Trinity, Bengaluru in October 2024. Same store top-line growth stood at 15.8% yoy, lower than the same-store RevPAR growth owing to lower ~8% yoy growth in the F&B revenues. For FY2025, SAMHI reported revenue of Rs11.3 bn (+18% yoy) and EBITDA of Rs4.1 bn (+52% yoy), with healthy 36% margin (+809 bps yoy), while PAT stood at Rs1 bn (Rs1.6 bn loss in FY2024). The full-year performance was also aided by improved (same-store) RevPAR of Rs5,015/day (+16.5% yoy), acquisition of Trinity, Bengaluru and reopening of the Greater Noida hotel.

We note that SAMHI has completed the transaction with GIC, wherein it has entered into a partnership leading to the divestment of 35% stake to GIC in three SPVs (representing five hotels with 1,021 keys) for a consideration of Rs7.5 bn. We highlight that the transaction implies an EV of Rs22 bn for the five hotels (1,021 keys) and trailing 12 months EBITDA of Rs1.3 bn. The Rs7.5 bn infusion has allowed for ~Rs6 bn of debt reduction, while setting aside Rs1.5 bn for funding capex for 220 keys in Bengaluru (part of transaction SPV). SAMHI will retain 4% of EBITDA of the JV platform as part of asset management fees. Accordingly, SAMHI's net debt has come down to Rs14.3 bn as on date, implying 3.5X FY2025 EBITDA, from Rs19.7 bn as of March 2025. Going forward, management is targeting to further reduce the net debt to < 3X EBITDA.

The upper-upscale and upscale portfolio (44% revenue share) led the earnings improvement, with 23% yoy RevPAR growth, followed by the upper-midscale portfolio (41% revenue share) with 20% RevPAR growth. The mid-scale portfolio (15% revenue share) saw weaker 7% yoy RevPAR growth owing to lower occupancy. Operational keys stood at 4,823 keys as of March 2025 post the reopening of 133 keys at Greater Noida in December 2024 and sale of 116 keys at Four Points by Sheraton, Chennai. SAMHI has commissioned 125 keys (113 greenfield at Kolkata + 12 expansion at Hyderabad) in May 2025, taking the operational keys to 4,948. It has another 120 keys (expansion) to be opened in 2026, with incremental 476 in pipeline to be commissioned by 2029. We highlight that SAMHI had shut the 142-key Caspia in Delhi for renovation and rebranding, starting Jan 2025—the same would be converted to a Fairfield and reopened by FY2027.

- **Ventive Hospitality.** Ventive reported revenue of Rs6.98 bn (+20% yoy, +31% qoq), EBITDA of Rs3.5 bn (+23% yoy, +43% qoq) and net profit of Rs1.3 bn (+474% qoq) for 4QFY25 with EBITDA margin improving to 50.4% (+130 bps yoy, +450 bps qoq). Business performance in 4QFY25 was aided by hospitality revenue of Rs5.7 bn (+26% yoy, +37% qoq) on the back of healthy RevPAR growth, and the annuity revenue improving to Rs1.25 bn (+12% qoq) as occupancy improved to 98%. Ventive closed full-year FY2025 with revenue, EBITDA and PAT to Rs20.8 bn (+13% yoy), Rs9.3 bn (+16% yoy) and (-) Rs161 mn ((-) Rs1.1 bn in FY2024), with the EBITDA margin improving to 44.8% (+112 bps yoy).

Ventive reported a 5% yoy increase in the consolidated ARR to Rs26,963/day and 16% yoy increase in India ARR to Rs12,571/day. Occupancy for the portfolio improved to 71.4% (+360 bps yoy), led by the India portfolio at 71% (+410 bps yoy), leading to the overall RevPAR improving to Rs19,249/ day (+11% yoy). Management highlighted that the performance in the quarter was supported by strong MICE and wedding demand for the India portfolio. For FY2025, Ventive's consolidated ARR rose 4% yoy, while the occupancy improved 450 bps to 64%.

Indian hospitality firms saw healthy performance, driven by rising ADRs and occupancy rates
Exhibit 10: Quarterly snapshot of hospitality firms under coverage, March fiscal year-ends, 2024-25 (Rs mn)

				(% chg.)					
	4QFY25	4QFY24	3QFY25	yoy	qoq	2025	2024	(% chg.)	Comments for 2025 earnings
IHCL									
Owned keys	14,750	13,813	14,518	7	2	14,750	13,813	7	Strong 28% EBITDA growth aided by healthy RevPAR growth, 20% growth in management fees and consolidation of TajSATS; EBITDA grew 20% yoy adj. for TajSATS consolidation. Modest 33% margin (34% excl. Taj SATS, +200bps yoy).
ADR	21,013	18,368	20,440	14	3	15,626	13,736	14	
Occupancy	80	79	78	70 bps	210 bps	77	72	530 bps	
RevPAR	16,842	14,577	15,996	16	5	12,032	9,851	22	
Managed keys	11,744	10,323	11,417	14	3	11,744	10,323	14	
Revenue	24,251	19,053	25,331	27	(4)	83,345	67,688	23	
EBITDA	8,568	6,598	9,617	30	(11)	27,693	21,571	28	
Margin (%)	35	35	38	70 bps	-264 bps	33	32	136 bps	
PAT	5,426	3,931	6,138	38	(12)	16,565	12,016	38	
Lemon Tree									
Owned keys	5,759	5,759	5,759	—	—	5,759	5,759	—	21% yoy EBITDA growth aided by healthy 11% RevPAR growth and full-year contribution from Aurika, Mumbai, but partly offset by higher renovation leading to weak occupancy and higher costs in 1HFY25.
ADR	7,042	6,605	6,763	7	4	6,381	5,876	9	
Occupancy	77.7	72.0	74.2	572 bps	352 bps	71.7	69.9	180 bps	
RevPAR	5,473	4,756	5,018	15	9	4,575	4,107	11	
Managed keys	4,510	4,104	4,558	10	(1)	4,510	4,104	10	
Revenue	3,785	3,273	3,552	16	7	12,861	10,711	20	
EBITDA	2,041	1,715	1,842	19	11	6,341	5,232	21	
Margin (%)	54	52	52	154 bps	206 bps	49	49	46 bps	
PAT	1,088	842	798	29	36	2,434	1,810	34	
Chalet									
Keys	3,193	3,052	3,052	5	5	3,193	3,052	5	Strong 26% yoy EBITDA growth, aided by 13% RevPAR growth, addition of new keys, as well as better earnings in the annuity portfolio.
ADR	14,345	11,862	12,944	21	11	12,094	10,718	13	
Occupancy	76	76	70	0 bps	600 bps	73	73	0 bps	
RevPAR	10,909	8,984	9,090	21	20	8,829	7,824	13	
Revenue	5,220	4,183	4,578	25	14	17,178	14,173	21	
EBITDA	2,414	1,829	2,047	32	18	7,359	5,846	26	
Margin (%)	46	44	45	254 bps	154 bps	43	41	159 bps	
PAT	1,238	824	965	50	28	1,425	2,782	(49)	
SAMHI									
Keys	4,823	4,664	4,939	3	(2)	4,823	4,801	0	52% yoy EBITDA growth and 36% margins (+809 bps yoy) on the back of 12% RevPAR growth (+16.5% yoy same-store growth), acquisition of Trinity Bengaluru, and reopening of the Greater Noida hotel.
ADR	7,487	6,279	6,574	19	14	6,406	5,804	10	
Occupancy	75	76	72	-100 bps	300 bps	74	73	100 bps	
RevPAR	5,615	4,772	4,733	18	19	4,740	4,237	12	
Revenue	3,188	2,792	2,958	14	8	11,300	9,574	18	
EBITDA	1,215	854	1,103	42	10	4,060	2,665	52	
Margin (%)	38	31	37	750 bps	83 bps	36	28	809 bps	
PAT	653	77	228	751	187	1,049	(1,614)	(165)	
Ventive									
Keys	2,036	2,036	2,036	—	—	2,036	2,036	—	16% yoy EBITDA growth driven by 450 bps occupancy improvement and consolidation of Raaya, Maldives.
ADR	26,963	25,608	NA	5	NA	20,769	19,976	4	
Occupancy	71	68	NA	360 bps	NA	64	60	450 bps	
RevPAR	19,249	17,362	NA	11	NA	13,293	11,886	12	
Revenue	6,979	5,816	5,340	20	31	20,784	18,421	13	
EBITDA	3,516	2,854	2,450	23	43	9,310	8,045	16	
Margin (%)	50	49	46	130 bps	449 bps	45	44	112 bps	
PAT	1,511		475		218	977	36	2,627	

Source: CEA, Kotak Institutional Equities

We expect healthy 20-30% EBITDA growth for most players, aided by industry tailwinds and key additions

Exhibit 11: Financial profile of hospitality companies, March fiscal year-ends, 2020-28E (Rs mn)

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	Growth	
										2020-25	2025-28E
Revenue											
Chalet	9,811	2,856	5,078	11,285	14,173	17,178	24,952	33,636	33,587	11.9	25.0
Chalet (Hotels)	8,755	2,018	4,058	10,285	12,932	15,208	18,844	21,923	27,076	11.7	21.2
Indian Hotels	44,631	15,752	30,562	58,099	67,688	83,345	103,059	118,331	132,264	13.3	16.6
Lemon Tree	6,694	2,517	4,022	8,750	10,711	12,861	14,540	16,428	18,320	13.9	12.5
SAMHI Hotels	6,056	1,696	3,227	7,386	9,574	11,300	13,091	15,123	17,256	13.3	15.2
Ventive			11,626	16,994	18,421	20,784	24,339	27,895	31,156		14.4
EBITDA											
Chalet	3,366	71	985	4,528	5,846	7,359	11,092	15,378	16,335	16.9	30.4
Chalet (Hotels)	3,110	(432)	520	3,824	4,944	5,904	7,904	9,453	12,246	13.7	27.5
Indian Hotels	9,675	(3,618)	4,048	18,046	21,571	27,693	38,350	47,074	54,973	23.4	25.7
Lemon Tree	2,383	613	1,187	4,476	5,232	6,341	7,617	9,116	10,316	21.6	17.6
SAMHI Hotels	1,500	(694)	114	2,377	2,665	4,060	5,002	5,859	6,944	22.0	19.6
Ventive			4,574	7,083	8,045	9,310	10,713	12,928	14,305		15.4
Adjusted EBITDA											
Chalet	3,366	71	985	4,528	5,846	7,359	11,092	15,378	16,335	16.9	30.4
Chalet (Hotels)	3,110	(432)	520	3,824	4,944	5,904	7,904	9,453	12,246	13.7	27.5
Indian Hotels	9,087	(3,225)	4,277	17,032	20,316	25,431	35,035	43,289	50,812	22.9	26.0
Lemon Tree	1,947	463	881	3,580	4,154	4,378	5,390	6,455	7,395	17.6	19.1
SAMHI Hotels	1,500	(694)	114	2,377	2,665	4,060	5,002	5,859	6,944	22.0	19.6
Ventive			3,623	5,886	6,350	7,680	8,726	10,758	11,967		15.9
PAT (including profit from associates and after MI)											
Chalet	1,007	(1,313)	(704)	1,410	2,782	1,426	5,938	8,832	9,538	7.2	88.4
Indian Hotels	3,228	(8,801)	(2,633)	9,993	12,591	16,028	23,237	29,681	36,323	37.8	31.4
Lemon Tree	(95)	(1,271)	(875)	1,146	1,485	1,966	2,649	3,695	4,942	NM	36.0
SAMHI Hotels	(1,603)	(4,765)	(4,248)	(3,578)	(1,614)	1,049	2,232	3,213	4,382	NM	61.0
Ventive			(1,569)	(150)	(1,094)	(161)	3,376	5,594	6,851		NM
Keys (Owned)											
Chalet	2,558	2,558	2,558	2,558	3,052	3,193	3,389	3,779	3,949	4.5	7.3
Indian Hotels	13,099	13,207	13,170	12,914	13,905	14,638	15,221	15,594	16,917	2.2	4.9
Lemon Tree	5,192	5,192	5,192	5,090	5,759	5,759	5,759	5,850	5,850	2.1	0.5
SAMHI Hotels	4,050	4,050	4,050	3,839	4,801	4,823	5,068	5,238	5,324	3.6	3.3
Ventive			1,869	1,869	1,869	2,036	2,036	2,203	2,403		5.7

Source: CEA, Kotak Institutional Equities

Most hospitality firms are trading at full multiples

Exhibit 12: Valuation summary of hospitality firms, March fiscal year-ends, 2025-28E (Rs, Rs mn, X)

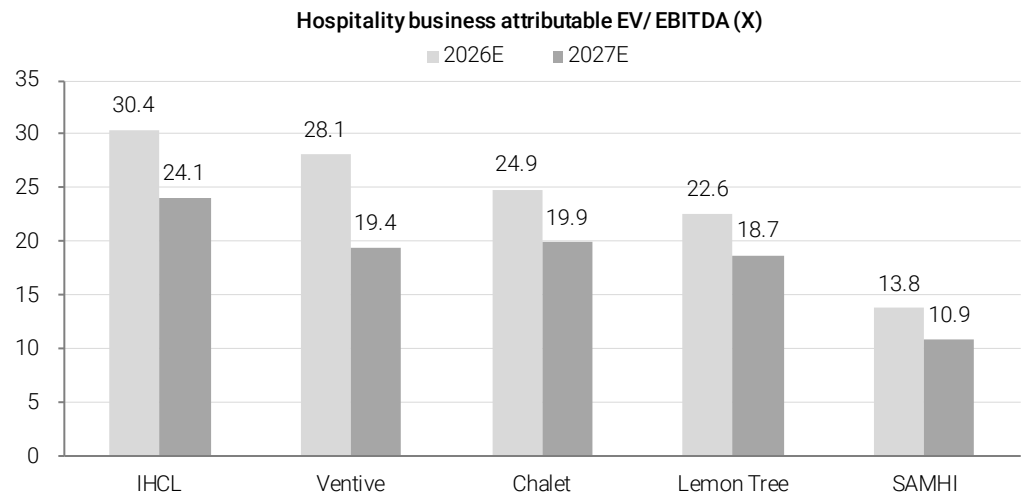
	CMP (Rs)	EV/EBITDA (X)				Attributable EV/EBITDA (X)				P/E (X)				P/B (X)			
		2025	2026E	2027E	2028E	2025	2026E	2027E	2028E	2025	2026E	2027E	2028E	2025	2026E	2027E	2028E
Chalet Hotels	916	29.9	20.0	14.2	12.9	29.9	20.0	14.2	12.9	140.5	33.7	22.7	21.0	6.6	5.6	4.5	3.8
Indian Hotels	767	38.7	27.6	22.0	18.3	42.3	30.4	24.1	20.0	68.2	47.0	36.8	30.1	9.8	8.3	6.9	5.8
Lemon Tree	139	19.9	16.3	13.2	11.1	27.9	22.6	18.7	15.5	55.9	41.5	29.7	22.2	9.4	8.4	7.2	5.9
SAMHI Hotels	217	16.9	12.4	9.9	7.7	16.9	13.8	10.9	8.5	45.8	21.5	15.0	11.0	4.2	3.6	3.0	2.5
Ventive Hospitality	689	19.2	15.9	12.5	10.6	23.3	19.5	15.1	12.7		47.6	28.8	23.5	3.3	3.1	2.8	2.5

	FV (Rs)	EBITDA				Attributable EBITDA				PAT				Net worth			
		2025	2026E	2027E	2028E	2025	2026E	2027E	2028E	2025	2026E	2027E	2028E	2025	2026E	2027E	2028E
Chalet	930	7,359	11,092	15,378	16,335	7,359	11,092	15,378	16,335	1,425	5,938	8,832	9,538	30,462	35,964	44,249	53,132
Indian Hotels	880	27,693	38,350	47,074	54,973	25,431	35,035	43,289	50,812	16,028	23,237	29,681	36,323	111,607	131,855	157,949	189,967
Lemon Tree	130	6,341	7,617	9,116	10,316	4,378	5,390	6,455	7,395	1,966	2,649	3,695	4,942	11,635	13,079	15,332	18,538
SAMHI Hotels	270	4,060	5,002	5,859	6,944	4,060	4,489	5,287	6,284	1,049	2,232	3,213	4,382	11,421	13,220	15,824	19,485
Ventive Hospitality	840	9,310	10,713	12,928	14,305	7,680	8,726	10,758	11,967	(161)	3,376	5,594	6,851	48,065	51,441	57,035	63,886

Source: CEA, Kotak Institutional Equities

20-25X hospitality EV/EBITDA on 2027E estimates for most hotel companies

Exhibit 13: Hospitality business attributable EV/EBITDA, March fiscal year-ends, 2026-27E (X)



Source: HVS, Anarock, Kotak Institutional Equities

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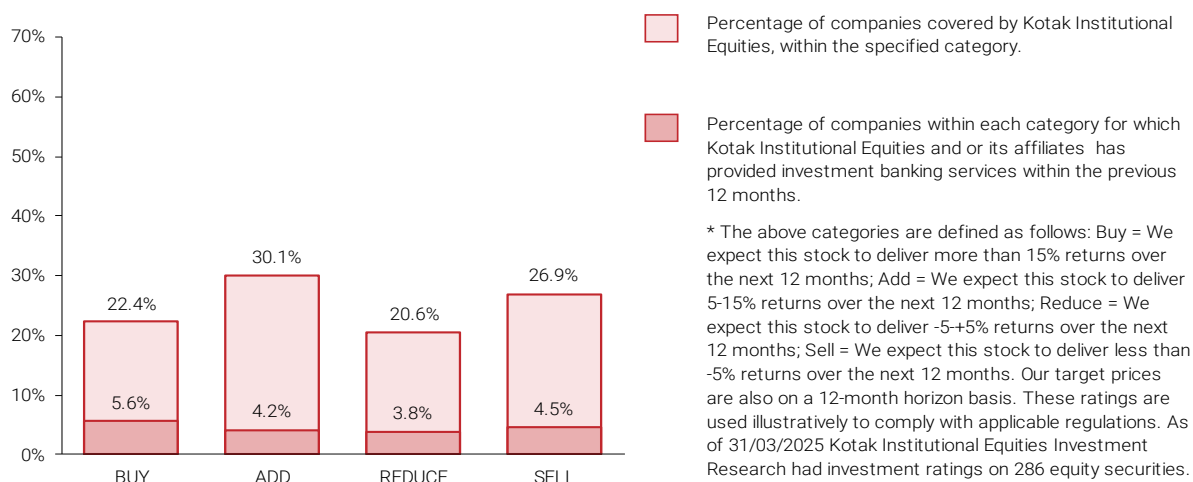
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