

Chalet Hotels (CHALET IN)

Rating: BUY | CMP: Rs875 | TP: Rs1,130

May 14, 2025

Q4FY25 Result Update

Change in Estimates | Target | Reco

Change in Estimates

| | Current | Previous | | |
|----------------|---------|----------|--------|--------|
| | FY26E | FY27E | FY26E | FY27E |
| Rating | BUY | BUY | | |
| Target Price | 1,130 | 1,108 | | |
| Sales (Rs. m) | 21,817 | 24,492 | 21,823 | 24,549 |
| % Chng. | - | (0.2) | | |
| EBITDA (Rs. m) | 9,935 | 11,167 | 10,064 | 11,341 |
| % Chng. | (1.3) | (1.5) | | |
| EPS (Rs.) | 22.3 | 26.2 | 22.8 | 26.8 |
| % Chng. | (2.2) | (2.5) | | |

Key Financials - Consolidated

| Y/e Mar | FY24 | FY25 | FY26E | FY27E |
|----------------|--------|--------|--------|--------|
| Sales (Rs. m) | 14,173 | 17,178 | 21,817 | 24,492 |
| EBITDA (Rs. m) | 5,846 | 7,359 | 9,935 | 11,167 |
| Margin (%) | 41.2 | 42.8 | 45.5 | 45.6 |
| PAT (Rs. m) | 2,386 | 3,450 | 4,877 | 5,714 |
| EPS (Rs.) | 11.6 | 15.8 | 22.3 | 26.2 |
| Gr. (%) | 68.8 | 36.0 | 41.4 | 17.2 |
| DPS (Rs.) | - | - | - | 2.6 |
| Yield (%) | - | - | - | 0.3 |
| RoE (%) | 14.1 | 14.1 | 14.8 | 15.1 |
| RoCE (%) | 9.8 | 10.7 | 13.6 | 14.1 |
| EV/Sales (x) | 14.7 | 12.4 | 9.8 | 8.7 |
| EV/EBITDA (x) | 35.6 | 29.1 | 21.5 | 19.0 |
| PE (x) | 75.3 | 55.4 | 39.2 | 33.4 |
| P/BV (x) | 9.7 | 6.3 | 5.4 | 4.7 |

Key Data

| | CHALBO CHALET IN |
|---------------------|----------------------|
| 52-W High / Low | Rs.1,052 / Rs.634 |
| Sensex / Nifty | 81,148 / 24,578 |
| Market Cap | Rs.191bn / \$ 2,239m |
| Shares Outstanding | 218m |
| 3M Avg. Daily Value | Rs.236.21m |

Shareholding Pattern (%)

| | |
|-------------------------|-------|
| Promoter's | 67.41 |
| Foreign | 5.23 |
| Domestic Institution | 23.93 |
| Public & Others | 3.41 |
| Promoter Pledge (Rs bn) | - |

Stock Performance (%)

| | 1M | 6M | 12M |
|----------|-------|-----|-------|
| Absolute | 6.7 | 6.9 | 7.7 |
| Relative | (1.2) | 2.3 | (3.4) |

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Strong RevPAR traction continues

Quick Pointers:

- Same store RevPAR increases 23.0% YoY to Rs10,909 in 4QFY25.
- Enabling resolution taken to raise up to Rs10bn via debt instruments (NCDs & CPs).

CHALET reported better than expected performance with EBITDA margin of 46.3% (PLe 44.9%) aided by 21.4% growth in RevPAR and strong traction in leasing income. Apart from continuing momentum in RevPAR, near term growth in the hospitality business is likely to be driven by addition of ~450 keys at Khandala and Delhi over the next 2 years. Pipe-line for long term is stronger with plans to add new hotels in Goa, Airoli and Kerala which will take the total key count to ~4,500+ in next 4-5 years. Even the annuity business has started gaining traction with an expectation of reaching an occupancy of ~90% in next 2-3 quarters. We have cut our EPS estimates by ~2% over the next 2 years as we have re-aligned our employee cost assumptions and expect sales/EBITDA CAGR of 19%/23% over FY25-FY27E. Retain BUY" with a TP of Rs1,130 as we value the hotel business at EV/EBITDA multiple of 24x (no change in target multiple), annuity portfolio at a cap rate of 8.5% and the residential project at NAV of Rs29 per share.

RevPAR grows 21.4% YoY: Topline increased 24.8% YoY to Rs5,220mn (PLe Rs5,029mn, CE: Rs5,067mn). Hospitality revenue reached record levels, and was up 20.2% YoY to Rs4,604mn (PLe Rs4,444mn), while annuity revenue was up 75.1% YoY to Rs619mn (PLe Rs585mn). ARR increased 20.9% YoY to Rs14,345. RevPAR grew 21.4% YoY to Rs10,909 while occupancy stood at 76.0%.

EBITDA margin stood at 46.3%: EBITDA increased 32.0% YoY to Rs2,414mn (PLe Rs2,258mn, CE: Rs2,307mn) with a margin of 46.3% (PLe 44.9%). Hospitality/annuity EBITDA stood at Rs2,228mn/Rs498mn with margin of 48.4%/80.4% respectively. PAT rose 50.2% YoY to Rs1,238mn (PLe Rs1,059mn, CE: Rs1,138mn) with a margin of 23.7% (PLe: 21.1%).

Con-call highlights: **1)** The new Goa hotel in Bambolim is expected to be complete in ~3 years, with approvals anticipated in the next 6–9 months. Capex per key will be higher than Chalet's Varca property. Comparable market ARRs are in the range of Rs18K–21K. **2)** At the Koramangala project, 92% of flats have been sold, with only 27 units remaining. All 9 towers have received the OC and are ready for handover. **3)** Collections/outstanding receivables for Koramangala stood at Rs3.9bn/Rs4.1bn respectively in FY25. **4)** Capex of Rs23bn has been earmarked for next 3 years which will primarily be funded through internal accruals. **5)** As of Apr'25, the cost of debt was reset to 8.35% from 8.40%, with further reset expected in May'25, bringing it down to ~8.32%. **6)** Revenue is up 12% in May-25 so far despite recent geopolitical developments. **7)** Foreign guests accounted for 39%/42% of room nights in FY25/4QFY25 respectively. **8)** Occupancy for JW Sahar/Westin Powai stood at 83%/76% respectively, in 4QFY25. **9)** The project at Hyatt Regency, Airoli has been delayed due to regulatory changes for granting approvals to hotels that are located close to green zones. **10)** The rental annuity occupancy is expected to cross 90% over the next 2–3 quarters. **11)** Blended staff-to-room ratio has increased to ~1.01, driven by significantly higher staffing requirements at leisure hotels. **12)** Leisure segment is expected to form less than 20% of portfolio mix. **13)** US forms 60% of the foreign guest mix.

Exhibit 1: 4QFY25 Result Overview – Consolidated (Rs mn)

| Y/e March | Q4FY25 | Q4FY24 | YoY gr. | Q4FY25E | % Var. | Q3FY25 | QoQ gr. | FY25 | FY24 | YoY gr. |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| Net sales | 5,220 | 4,183 | 24.8% | 5,029 | 3.8% | 4,578 | 14.0% | 17,178 | 14,173 | 21.2% |
| Real estate development cost | 21 | 21 | -0.7% | 23 | -9.8% | 21 | 0.0% | 85 | 85 | -0.3% |
| <i>As a % of sales</i> | <i>0.4%</i> | <i>0.5%</i> | | <i>0.5%</i> | | <i>0.5%</i> | | <i>0.5%</i> | <i>0.6%</i> | |
| (Inc)/Dec in Stock of trade | - | - | NM | 8 | NM | - | NM | - | - | NM |
| <i>As a % of sales</i> | <i>0.0%</i> | <i>0.0%</i> | | <i>0.2%</i> | | <i>0.0%</i> | | <i>0.0%</i> | <i>0.0%</i> | |
| Food and beverages consumed | 321 | 288 | 11.2% | 273 | 17.3% | 312 | 2.9% | 1,168 | 1,056 | 10.6% |
| <i>As a % of sales</i> | <i>6.1%</i> | <i>6.9%</i> | | <i>5.4%</i> | | <i>6.8%</i> | | <i>6.8%</i> | <i>7.4%</i> | |
| Operating supplies consumed | 126 | 104 | 21.5% | 136 | -7.2% | 105 | 19.5% | 425 | 397 | 7.0% |
| <i>As a % of sales</i> | <i>2.4%</i> | <i>2.5%</i> | | <i>2.7%</i> | | <i>2.3%</i> | | <i>2.5%</i> | <i>2.8%</i> | |
| Employee Cost | 677 | 516 | 31.1% | 560 | 20.8% | 578 | 17.1% | 2,345 | 1,946 | 20.5% |
| <i>As a % of sales</i> | <i>13.0%</i> | <i>12.3%</i> | | <i>11.1%</i> | | <i>12.6%</i> | | <i>13.6%</i> | <i>13.7%</i> | |
| Other Expenditure | 1,661 | 1,425 | 16.6% | 1,771 | -6.2% | 1,515 | 9.6% | 5,797 | 4,843 | 19.7% |
| <i>As a % of sales</i> | <i>31.8%</i> | <i>34.1%</i> | | <i>35.2%</i> | | <i>33.1%</i> | | <i>33.7%</i> | <i>34.2%</i> | |
| EBITDA | 2,414 | 1,829 | 32.0% | 2,258 | 6.9% | 2,047 | 18.0% | 7,359 | 5,846 | 25.9% |
| <i>EBITDA margin</i> | <i>46.3%</i> | <i>43.7%</i> | | <i>44.9%</i> | | <i>44.7%</i> | | <i>42.8%</i> | <i>41.2%</i> | |
| Depreciation | 498 | 371 | 34.1% | 461 | 8.0% | 477 | 4.3% | 1,788 | 1,384 | 29.2% |
| EBIT | 1,917 | 1,457 | 31.5% | 1,797 | | 1,570 | 22.1% | 5,571 | 4,462 | 24.8% |
| <i>EBIT margin</i> | <i>36.7%</i> | <i>34.8%</i> | | <i>35.7%</i> | | <i>34.3%</i> | | <i>32.4%</i> | <i>31.5%</i> | |
| Interest cost | 482 | 529 | -8.7% | 455 | 6.1% | 453 | 6.5% | 1,591 | 1,967 | -19.1% |
| Other income | 154 | 61 | 150.7% | 70 | 118.5% | 67 | 131.1% | 363 | 198 | 83.4% |
| PBT | 1,588 | 990 | 60.4% | 1,413 | 12.4% | 1,184 | 34.2% | 4,343 | 2,694 | 61.2% |
| Exceptional items/Share of JVs | - | - | NM | - | NM | - | NM | - | - | NM |
| Tax expenses | 350 | 166 | 110.9% | 353 | -0.9% | 218 | 60.3% | 2,918 | (88) | NM |
| <i>Tax rate</i> | <i>22.0%</i> | <i>16.7%</i> | | <i>25.0%</i> | | <i>18.4%</i> | | <i>67.2%</i> | NM | |
| Loss from discontinued operation before tax | - | - | NM | - | NM | - | NM | - | - | NM |
| PAT | 1,238 | 824 | 50.2% | 1,059 | 16.9% | 965 | 28.3% | 1,425 | 2,782 | -48.8% |
| <i>PAT margin</i> | <i>23.7%</i> | <i>19.7%</i> | | <i>21.1%</i> | | <i>21.1%</i> | | <i>8.3%</i> | <i>19.6%</i> | |
| Noncontrolling interest | (0) | 0 | NM | 1 | NM | (0) | NM | -1 | 0 | NM |
| Other comprehensive income (OCI) | 5 | (4) | NM | 6 | -22.7% | (2) | NM | -1 | -8 | NM |
| PAT inclusive of OCI | 1,243 | 820 | 51.6% | 1,066 | 16.7% | 963 | 29.1% | 1,424 | 2,773 | -48.7% |
| EPS (Rs) | 5.7 | 4.0 | 41.4% | 4.9 | 16.8% | 4.4 | 28.3% | 6.5 | 13.5 | -51.8% |

Source: Company, PL

Exhibit 2: Hospitality/Annuity business forms 88%/12% of 4QFY25 revenue

| Particulars (Rs mn) | Q4FY22 | Q1FY23 | Q2FY23 | Q3FY23 | Q4FY23 | Q1FY24 | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Hospitality revenue | 1,263 | 2,298 | 2,233 | 2,656 | 3,094 | 2,822 | 2,845 | 3,437 | 3,829 | 3,255 | 3,352 | 3,999 | 4,604 |
| As a % of sales | 85.4% | 90.9% | 90.1% | 91.6% | 91.7% | 90.8% | 90.5% | 91.9% | 91.5% | 90.2% | 88.9% | 87.4% | 88.1% |
| Rental/Annuity revenue | 216 | 231 | 244 | 244 | 281 | 285 | 300 | 302 | 354 | 355 | 419 | 576 | 619 |
| As a % of sales | 14.6% | 9.1% | 9.9% | 8.4% | 8.3% | 9.2% | 9.5% | 8.1% | 8.5% | 9.8% | 11.1% | 12.6% | 11.9% |
| Total sales | 1,479 | 2,529 | 2,477 | 2,899 | 3,375 | 3,107 | 3,144 | 3,739 | 4,183 | 3,610 | 3,771 | 4,575 | 5,223 |

Source: Company, PL

Exhibit 3: Hospitality/Annuity EBITDA margin of 48%/80% in 4QFY25

| Particulars (Rs mn) | Q4FY22 | Q1FY23 | Q2FY23 | Q3FY23 | Q4FY23 | Q1FY24 | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Hospitality EBITDA | 290 | 950 | 811 | 1,085 | 1,473 | 1,198 | 1,180 | 1,589 | 1,832 | 1,341 | 1,387 | 1,847 | 2,228 |
| EBITDA margin | 23.0% | 41.3% | 36.3% | 40.9% | 47.6% | 42.5% | 41.5% | 46.2% | 47.8% | 41.2% | 41.4% | 46.2% | 48.4% |
| Rental/Annuity EBITDA | 144 | 183 | 198 | 198 | 260 | 227 | 237 | 251 | 272 | 264 | 323 | 455 | 498 |
| EBITDA margin | 66.7% | 79.1% | 81.1% | 81.2% | 92.5% | 79.6% | 79.0% | 83.1% | 76.9% | 74.3% | 77.1% | 78.9% | 80.4% |
| Total EBITDA | 434 | 1,133 | 1,009 | 1,283 | 1,733 | 1,425 | 1,417 | 1,840 | 2,104 | 1,605 | 1,710 | 2,302 | 2,726 |

Source: Company, PL

Exhibit 4: ADR stood at Rs14,345 in 4QFY25 (In Rs)



Source: Company, PL

Exhibit 5: Occupancy levels at 76% for 4QFY25



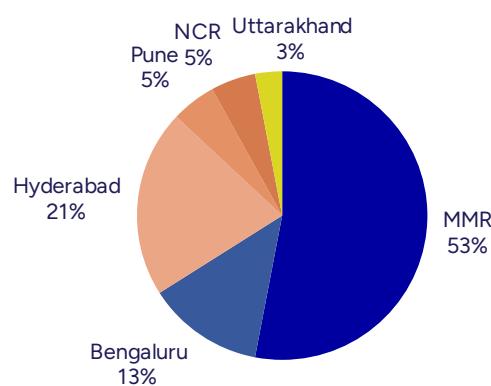
Source: Company, PL

Exhibit 6: RevPAR for 4QFY25 was at Rs10,909 (In Rs)



Source: Company, PL

Exhibit 7: MMR forms 53% of Chalet's revenue



Source: Company, PL

Exhibit 8: SOTP valuation of Chalet Hotels

| Particulars (Rs mn) | Methodology | Multiple | EBITDA - FY27E | EV |
|---------------------------|---------------------|----------|----------------|--------------|
| Hotels | EV/EBITDA | 24 | 9,543 | 2,29,026 |
| Commercial | Capitalization rate | 12 | 2,687 | 31,615 |
| Residential (Koramangala) | NAV | NA | NA | 6,241 |
| Total EV | | | | 2,66,882 |
| Less: Debt | | | | 24,539 |
| Add: Cash | | | | 4,588 |
| Equity value | | | | 2,46,930 |
| O/S shares | | | | 218 |
| TP (Rs) | | | | 1,130 |

Source: Company, PL

Financials

Income Statement (Rs m)

| Y/e Mar | FY24 | FY25 | FY26E | FY27E |
|-------------------------------|---------------|---------------|---------------|---------------|
| Net Revenues | 14,173 | 17,178 | 21,817 | 24,492 |
| YoY gr. (%) | 25.6 | 21.2 | 27.0 | 12.3 |
| Cost of Goods Sold | 1,538 | 1,678 | 2,030 | 2,211 |
| Gross Profit | 12,634 | 15,500 | 19,787 | 22,282 |
| Margin (%) | 89.1 | 90.2 | 90.7 | 91.0 |
| Employee Cost | 1,946 | 2,345 | 2,789 | 3,283 |
| Other Expenses | 4,843 | 5,797 | 7,063 | 7,832 |
| EBITDA | 5,846 | 7,359 | 9,935 | 11,167 |
| YoY gr. (%) | 29.1 | 25.9 | 35.0 | 12.4 |
| Margin (%) | 41.2 | 42.8 | 45.5 | 45.6 |
| Depreciation and Amortization | 1,384 | 1,788 | 1,921 | 2,095 |
| EBIT | 4,462 | 5,571 | 8,013 | 9,071 |
| Margin (%) | 31.5 | 32.4 | 36.7 | 37.0 |
| Net Interest | 1,967 | 1,591 | 1,898 | 1,935 |
| Other Income | 198 | 363 | 387 | 482 |
| Profit Before Tax | 2,694 | 4,343 | 6,502 | 7,618 |
| Margin (%) | 19.0 | 25.3 | 29.8 | 31.1 |
| Total Tax | (88) | 2,918 | 1,626 | 1,905 |
| Effective tax rate (%) | (3.3) | 67.2 | 25.0 | 25.0 |
| Profit after tax | 2,782 | 1,425 | 4,877 | 5,714 |
| Minority interest | 0 | (1) | - | - |
| Share Profit from Associate | - | - | - | - |
| Adjusted PAT | 2,386 | 3,450 | 4,877 | 5,714 |
| YoY gr. (%) | 69.2 | 44.6 | 41.4 | 17.2 |
| Margin (%) | 16.8 | 20.1 | 22.4 | 23.3 |
| Extra Ord. Income / (Exp) | - | - | - | - |
| Reported PAT | 2,782 | 1,426 | 4,877 | 5,714 |
| YoY gr. (%) | 51.7 | (48.7) | 242.1 | 17.2 |
| Margin (%) | 19.6 | 8.3 | 22.4 | 23.3 |
| Other Comprehensive Income | (8) | (1) | - | - |
| Total Comprehensive Income | 2,773 | 1,424 | 4,877 | 5,714 |
| Equity Shares O/s (m) | 205 | 218 | 218 | 218 |
| EPS (Rs) | 11.6 | 15.8 | 22.3 | 26.2 |

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

| Y/e Mar | FY24 | FY25 | FY26E | FY27E |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Non-Current Assets | | | | |
| Gross Block | 37,203 | 44,907 | 48,907 | 52,907 |
| Tangibles | 37,042 | 44,753 | 48,753 | 52,753 |
| Intangibles | 161 | 154 | 154 | 154 |
| Acc: Dep / Amortization | 12,739 | 13,999 | 15,351 | 16,930 |
| Tangibles | 12,624 | 13,883 | 15,236 | 16,815 |
| Intangibles | 115 | 115 | 115 | 115 |
| Net fixed assets | 43,370 | 51,286 | 57,084 | 60,810 |
| Goodwill | 43,324 | 51,248 | 57,046 | 60,771 |
| Non-Current Investments | 981 | 1,790 | 1,188 | 1,077 |
| Net Deferred tax assets | 1,623 | (711) | (393) | (343) |
| Other Non-Current Assets | 1,645 | 3,115 | 1,745 | 1,837 |
| Current Assets | | | | |
| Investments | 8 | 988 | 988 | 988 |
| Inventories | 5,420 | 6,325 | 897 | 1,007 |
| Trade receivables | 552 | 782 | 897 | 1,007 |
| Cash & Bank Balance | 1,323 | 1,862 | 3,543 | 4,588 |
| Other Current Assets | 1,356 | 1,466 | 1,418 | 1,470 |
| Total Assets | 57,495 | 70,635 | 69,587 | 74,409 |
| Equity | | | | |
| Equity Share Capital | 2,055 | 2,185 | 2,185 | 2,185 |
| Other Equity | 16,459 | 28,278 | 33,155 | 38,297 |
| Total Networth | 18,513 | 30,462 | 35,339 | 40,482 |
| Non-Current Liabilities | | | | |
| Long Term borrowings | 18,546 | 15,530 | 16,530 | 16,530 |
| Provisions | 118 | 158 | 153 | 171 |
| Other non current liabilities | 235 | 414 | 393 | 367 |
| Current Liabilities | | | | |
| ST Debt / Current of LT Debt | 10,957 | 10,013 | 10,013 | 10,013 |
| Trade payables | 2,071 | 1,713 | 2,391 | 2,684 |
| Other current liabilities | 6,100 | 10,312 | 3,333 | 2,877 |
| Total Equity & Liabilities | 57,495 | 70,635 | 69,587 | 74,409 |

Source: Company Data, PL Research

Cash Flow (Rs m)

| Y/e Mar | FY24 | FY25 | FY26E | FY27E |
|--------------------------------------|----------------|-----------------|----------------|----------------|
| PBT | 2,694 | 4,343 | 6,502 | 7,618 |
| Add. Depreciation | 1,384 | 1,788 | 1,921 | 2,095 |
| Add. Interest | 1,967 | 1,591 | 1,898 | 1,935 |
| Less Financial Other Income | 198 | 363 | 387 | 482 |
| Add. Other | 38 | (181) | - | - |
| Op. profit before WC changes | 6,082 | 7,541 | 10,322 | 11,648 |
| Net Changes-WC | 1,366 | 2,830 | (996) | (517) |
| Direct tax | (553) | (867) | (1,626) | (1,905) |
| Net cash from Op. activities | 6,894 | 9,504 | 7,700 | 9,227 |
| Capital expenditures | (6,511) | (13,459) | (6,507) | (5,579) |
| Interest / Dividend Income | 199 | 115 | - | - |
| Others | (36) | (510) | 1,585 | 10 |
| Net Cash from Inv. activities | (6,349) | (13,854) | (4,922) | (5,569) |
| Issue of share cap. / premium | 135 | 9,903 | - | - |
| Debt changes | 381 | (3,358) | 1,000 | - |
| Dividend paid | - | - | - | (571) |
| Interest paid | (1,746) | (1,387) | (1,898) | (1,935) |
| Others | 152 | (203) | (200) | (107) |
| Net cash from Fin. activities | (1,078) | 4,956 | (1,098) | (2,613) |
| Net change in cash | (532) | 606 | 1,681 | 1,045 |
| Free Cash Flow | 298 | (4,007) | 1,193 | 3,648 |

Source: Company Data, PL Research

Key Financial Metrics

| Y/e Mar | FY24 | FY25 | FY26E | FY27E |
|----------------------------|------|--------|-------|-------|
| Per Share(Rs) | | | | |
| EPS | 11.6 | 15.8 | 22.3 | 26.2 |
| CEPS | 18.3 | 24.0 | 31.1 | 35.7 |
| BVPS | 90.1 | 139.4 | 161.8 | 185.3 |
| FCF | 1.5 | (18.3) | 5.5 | 16.7 |
| DPS | - | - | - | 2.6 |
| Return Ratio(%) | | | | |
| RoCE | 9.8 | 10.7 | 13.6 | 14.1 |
| ROIC | 10.2 | 10.4 | 14.3 | 15.0 |
| RoE | 14.1 | 14.1 | 14.8 | 15.1 |
| Balance Sheet | | | | |
| Net Debt : Equity (x) | 1.5 | 0.7 | 0.6 | 0.5 |
| Net Working Capital (Days) | 100 | 115 | (10) | (10) |
| Valuation(x) | | | | |
| PER | 75.3 | 55.4 | 39.2 | 33.4 |
| P/B | 9.7 | 6.3 | 5.4 | 4.7 |
| P/CEPS | 47.7 | 36.5 | 28.1 | 24.5 |
| EV/EBITDA | 35.6 | 29.1 | 21.5 | 19.0 |
| EV/Sales | 14.7 | 12.4 | 9.8 | 8.7 |
| Dividend Yield (%) | - | - | - | 0.3 |

Source: Company Data, PL Research

Quarterly Financials (Rs m)

| Y/e Mar | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 |
|-----------------------------------|--------------|----------------|--------------|--------------|
| Net Revenue | 3,610 | 3,771 | 4,578 | 5,220 |
| YoY gr. (%) | 16.2 | 19.9 | 22.5 | 24.8 |
| Raw Material Expenses | 379 | 394 | 438 | 468 |
| Gross Profit | 3,232 | 3,377 | 4,140 | 4,752 |
| Margin (%) | 89.5 | 89.6 | 90.4 | 91.0 |
| EBITDA | 1,402 | 1,495 | 2,047 | 2,414 |
| YoY gr. (%) | 27.7 | 18.7 | 23.3 | 32.0 |
| Margin (%) | 38.8 | 39.7 | 44.7 | 46.3 |
| Depreciation / Depletion | 389 | 424 | 477 | 498 |
| EBIT | 1,013 | 1,071 | 1,570 | 1,917 |
| Margin (%) | 28.1 | 28.4 | 34.3 | 36.7 |
| Net Interest | 317 | 339 | 453 | 482 |
| Other Income | 81 | 61 | 67 | 154 |
| Profit before Tax | 777 | 794 | 1,184 | 1,588 |
| Margin (%) | 21.5 | 21.1 | 25.9 | 30.4 |
| Total Tax | 171 | 2,179 | 218 | 350 |
| Effective tax rate (%) | 22.0 | 274.4 | 18.4 | 22.0 |
| Profit after Tax | 606 | (1,385) | 965 | 1,238 |
| Minority interest | - | - | - | - |
| Share Profit from Associates | - | - | - | - |
| Adjusted PAT | 607 | (1,385) | 965 | 1,238 |
| YoY gr. (%) | 30.0 | (480.0) | 36.7 | 50.2 |
| Margin (%) | 16.8 | (36.7) | 21.1 | 23.7 |
| Extra Ord. Income / (Exp) | - | - | - | - |
| Reported PAT | 607 | (1,385) | 965 | 1,238 |
| YoY gr. (%) | (31.6) | (480.0) | 36.7 | 50.2 |
| Margin (%) | 16.8 | (36.7) | 21.1 | 23.7 |
| Other Comprehensive Income | (2) | (2) | (2) | 5 |
| Total Comprehensive Income | 605 | (1,387) | 963 | 1,243 |
| Avg. Shares O/s (m) | 218 | 218 | 218 | 218 |
| EPS (Rs) | 2.8 | (6.4) | 4.4 | 5.7 |

Source: Company Data, PL Research

Key Operating Metrics

| Y/e Mar | FY24 | FY25 | FY26E | FY27E |
|---------|------|------|-------|-------|
|---------|------|------|-------|-------|

Source: Company Data, PL Research

Price Chart

Recommendation History



| No. | Date | Rating | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|------------|----------|-------------------|
| 1 | 09-Apr-25 | BUY | 1,108 | 825 |
| 2 | 31-Jan-25 | BUY | 1,064 | 767 |
| 3 | 09-Jan-25 | Accumulate | 1,076 | 940 |
| 4 | 25-Oct-24 | Accumulate | 921 | 845 |
| 5 | 09-Oct-24 | Accumulate | 922 | 891 |
| 6 | 28-Jul-24 | Accumulate | 887 | 836 |
| 7 | 08-Jul-24 | Accumulate | 902 | 850 |
| 8 | 15-May-24 | Accumulate | 830 | 789 |

Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (Rs) | Share Price (Rs) |
|---------|---|--------|---------|------------------|
| 1 | Chalet Hotels | BUY | 1,108 | 825 |
| 2 | Delhivery | BUY | 350 | 249 |
| 3 | DOMS Industries | BUY | 3,308 | 2,635 |
| 4 | Imagicaaworld Entertainment | BUY | 97 | 67 |
| 5 | Indian Railway Catering and Tourism Corporation | BUY | 850 | 715 |
| 6 | InterGlobe Aviation | BUY | 5,875 | 5,157 |
| 7 | Lemon Tree Hotels | BUY | 173 | 139 |
| 8 | Mahindra Logistics | Hold | 287 | 310 |
| 9 | Navneet Education | Hold | 152 | 136 |
| 10 | Nazara Technologies | BUY | 1,127 | 973 |
| 11 | PVR Inox | Hold | 1,027 | 884 |
| 12 | S Chand and Company | BUY | 294 | 193 |
| 13 | Safari Industries (India) | BUY | 2,437 | 1,960 |
| 14 | Samhi Hotels | BUY | 267 | 176 |
| 15 | TCI Express | BUY | 924 | 636 |
| 16 | V.I.P. Industries | BUY | 433 | 265 |
| 17 | Zee Entertainment Enterprises | BUY | 137 | 111 |

PL's Recommendation Nomenclature (Absolute Performance)

| | |
|--------------------------|-----------------------------------|
| Buy | : > 15% |
| Accumulate | : 5% to 15% |
| Hold | : +5% to -5% |
| Reduce | : -5% to -15% |
| Sell | : < -15% |
| Not Rated (NR) | : No specific call on the stock |
| Under Review (UR) | : Rating likely to change shortly |

