10 February 2026

3QFY26 Results Update | Sector: Hotels

Lemon Tree Hotels

Estimate change	⟷
TP change	⟷
Rating change	⟷

CMP: INR133 TP: INR200 (+51%) Buy

ARR growth offsets occupancy pressure

Operating performance in line with estimates

- Lemon Tree Hotels (LEMONTRE) reported healthy revenue growth of 14% YoY in 3QFY26, led by 34% YoY growth in FnB revenue and 7% YoY growth in room revenue. Average room rate (ARR) grew 11% YoY to INR7,487, while occupancy rate (OR) declined 80bp YoY to 73.4%.
- LEMONTRE maintained industry-leading EBITDA margins at 50.4%, which were, however, impacted by higher investments in renovations and technology and the GST impact, leading to a 150bp YoY contraction.
- The industry witnessed a muted start to 4QFY26 due to a soft January, while February registered strong demand, with March expected to sustain a similar momentum.
- We largely maintain our FY26/FY27/FY28 EBITDA estimates and reiterate our **BUY** rating on the stock with our SoTP-based **TP of INR200** for FY28.

Margin impacted by higher renovation opex and investment in technology

- Revenue grew 14% YoY to INR4b (in line). OR declined 82bp YoY to 74.2%. ARR increased 11% YoY to INR7,487. Management fees grew 24% YoY to INR229m.
- EBITDA grew 11% YoY to INR2b (est in line). EBITDA margin contracted 150bp YoY to 50.4% (est. 49.5%). Adj. PAT increased 38% YoY to INR862m (est. INR771m).
- During the quarter, LEMONTRE signed 17 new management and franchise contracts, which added 1,855 new rooms to its pipeline, and operationalized nine hotels, which added 816 rooms to its portfolio.
- As of 31st Dec'25, the total operational inventory comprised 130 hotels with 11,772 rooms, and the pipeline included 129 hotels with 10,170 rooms.
- In 9MFY26, revenue/EBITDA/adj. PAT grew 13%/11%/42% to INR10.3b/INR4.6b/INR1.6b.

Highlights from the management commentary

- **Aurika:** The company is strengthening the Aurika portfolio with planned launches across New Delhi, Shimla, and Varanasi. Design and approval work have been initiated for the Aurika project in Nehru Place, while two blocks of Aurika Shimla are scheduled to open by 2QCY26. The 47-room heritage Aurika hotel in Varanasi is expected to command an ARR nearly 3x that of other Aurika properties.
- **Key city performance:** Hyderabad delivered strong ARR growth (up 25% YoY), led by renovation and better demand. ARR in Pune grew 8% YoY, driven by renovation at Pimpri and improving conditions in Hinjewadi. Performance in Gurgaon remained subdued due to the absence of last year's large corporate blocks and weaker Red Fox performance, which led OR to decline to 69% from 74%. Mumbai/Delhi ARR grew 4%/10% YoY to INR9,391/INR8,748, and the OR grew 220bp/40bp to 79%/84%.
- **Fee income:** Fee income remained broadly stable during the year, despite the addition of 1,600 rooms in 9MFY26 (800 in 1H and 800 in 3Q). These additions are expected to start contributing meaningfully after roughly one year of operations.

Stock Info

Bloomberg	LEMONTRE IN
Equity Shares (m)	792
M.Cap.(INRb)/(USDb)	105.3 / 1.2
52-Week Range (INR)	181 / 111
1, 6, 12 Rel. Per (%)	-12/-14/-14
12M Avg Val (INR M)	534
Free float (%)	77.7

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	14.5	16.7	17.9
EBITDA	7.0	8.5	9.3
PAT	2.66	3.42	4.05
EBITDA (%)	48.3	51.0	51.7
EPS (INR)	3.4	4.3	5.1
EBITDA Gr. (%)	35.1	28.7	18.5
BV/Sh. (INR)	17.7	22.1	27.2
Ratios			
Net D/E	1.0	0.5	0.2
RoE (%)	20.7	21.7	20.8
RoCE (%)	13.4	17.2	19.4
Valuations			
P/E (x)	39.6	30.8	26.0
EV/EBITDA (x)	17.9	14.4	12.9
FCF Yield (%)	4.7	6.1	6.4

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	22.3	22.3	22.8
DII	19.5	19.7	20.8
FII	21.6	21.5	20.1
Others	36.7	36.5	36.4

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Valuation and view

- LEMONTRE is expected to maintain a healthy growth momentum going forward, led by: 1) the improving ARR of Aurika Mumbai, 2) accelerated growth in management contracts (pipeline of ~9,364 rooms), 3) the timely completion of the portfolio's renovation (by mid of FY27), leading to an improved OR, ARR, and EBITDA margin for the company, 4) rebranding of existing hotels, and 5) expansion of the Aurika portfolio.
- We expect LEMONTRE to post a CAGR of 12%/13%/27% in revenue/EBITDA/adj. PAT over FY25-28, with RoCE improving to ~19.4% by FY28 from ~11.7% in FY25. We reiterate our BUY rating on the stock with our SoTP-based TP of INR200 for FY28.

Consolidated Quarterly Performance (INRm)

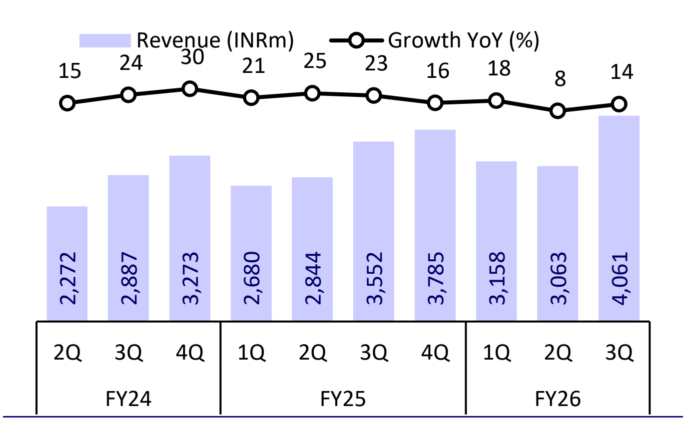
Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q	(%)
Gross Sales	**2,680**	**2,844**	**3,552**	**3,785**	**3,158**	**3,063**	**4,061**	**4,242**	**12,861**	**14,523**	**3,946**	**3**
YoY Change (%)	20.6	25.2	23.0	15.6	17.8	7.7	14.3	12.1	20.7	12.9	11.1	
Total Expenditure	1,530	1,536	1,710	1,744	1,753	1,756	2,014	1,990	6,520	7,512	1,992	
EBITDA	**1,151**	**1,307**	**1,842**	**2,041**	**1,405**	**1,307**	**2,047**	**2,252**	**6,341**	**7,011**	**1,954**	**5**
Margins (%)	42.9	46.0	51.9	53.9	44.5	42.7	50.4	53.1	49.3	48.3	49.5	
Depreciation	346	348	351	349	342	343	348	362	1,393	1,395	353	
Interest	518	513	503	472	447	423	414	362	2,007	1,647	400	
Other Income	4	5	6	9	16	17	17	11	23	61	14	
PBT before EO expense	**291**	**451**	**994**	**1,229**	**633**	**558**	**1,302**	**1,539**	**2,965**	**4,031**	**1,215**	
Extra-Ord expense	0	0	0	0	0	0	313	0	0	313	0	
PBT	**291**	**451**	**994**	**1,229**	**633**	**558**	**988**	**1,539**	**2,965**	**3,718**	**1,215**	
Tax	91	102	197	141	148	139	170	225	531	682	243	
Rate (%)	31.2	22.7	19.8	11.5	23.3	24.9	17.2	14.6	17.9	18.3	20.0	
MI & P/L of Asso. Cos.	2	52	173	241	102	73	191	249	468	615	201	
Reported PAT	**198**	**296**	**625**	**846**	**383**	**346**	**627**	**1,064**	**1,966**	**2,420**	**771**	
Adj PAT	**198**	**296**	**625**	**846**	**383**	**346**	**862**	**1,064**	**1,966**	**2,655**	**771**	**12**
YoY Change (%)	-15.6	30.9	76.5	26.3	93.5	16.7	37.9	25.7	32.4	35.1	23.3	
Margins (%)	7.4	10.4	17.6	22.4	12.1	11.3	21.2	25.1	15.3	18.3	19.5	

Key Performance Indicators

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Occupancy (%)	66.6	68.4	74.2	77.6	72.5	69.8	73.4	76.7	73.0	73.3
ARR (INR)	5,686	5,902	6,763	7,042	6,236	6,247	7,487	7,607	6,819	7,445
Change (%)	8.6	12.0	6.8	6.6	9.7	5.8	10.7	8.0	8.4	9.2
RevPAR (INR)	3,787	4,035	5,018	5,465	4,521	4,360	5,495	5,836	4,980	5,455
Change (%)	3.0	6.9	20.2	14.9	19.4	8.1	9.5	6.8		
Cost Break-up										
F&B Cost (% of sales)	6.1	6.0	5.5	6.1	6.3	6.5	5.7	6.0	5.9	6.1
Staff Cost (% of sales)	18.9	19.1	15.9	15.1	18.4	19.1	14.6	15.6	17.0	16.7
Power and fuel (% of sales)	8.7	8.0	6.0	5.3	6.9	7.4	5.0	6.3	6.8	6.3
Other Cost (% of sales)	23.3	20.9	20.7	19.6	23.9	24.3	24.3	19.0	21.0	22.7
Gross Margins (%)	93.9	94.0	94.5	93.9	93.7	93.5	94.3	94.0	94.1	93.9
EBITDA Margins (%)	42.9	46.0	51.9	53.9	44.5	42.7	50.4	53.1	49.3	48.3
EBIT Margins (%)	30.0	33.7	42.0	44.7	33.7	31.5	41.8	44.6	38.5	38.7

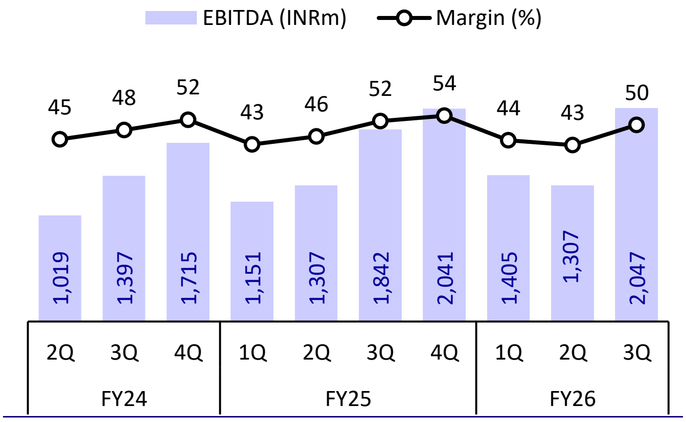
Key exhibits

Exhibit 1: Consolidated revenue trend



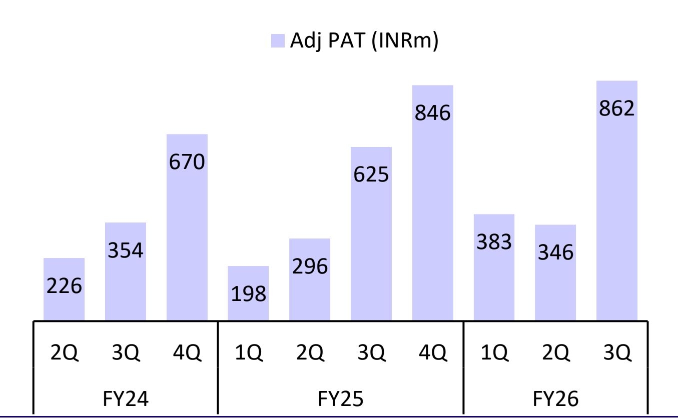
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



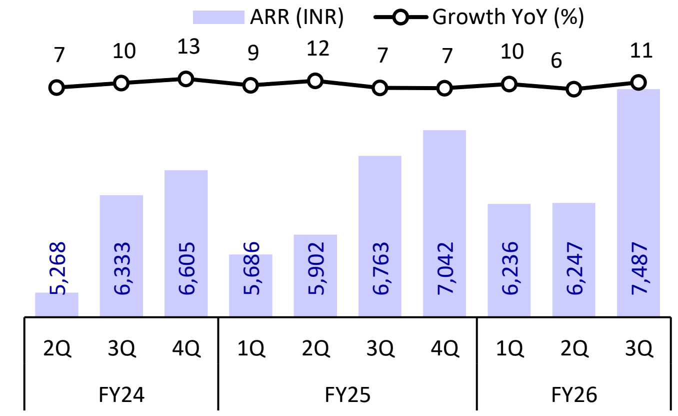
Source: Company, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



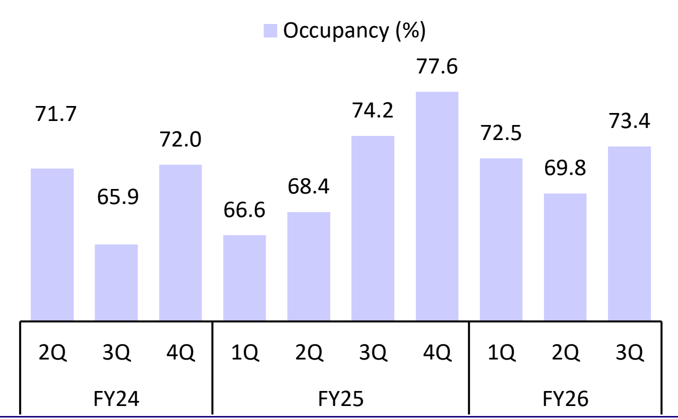
Source: Company, MOFSL

Exhibit 4: ARR trend



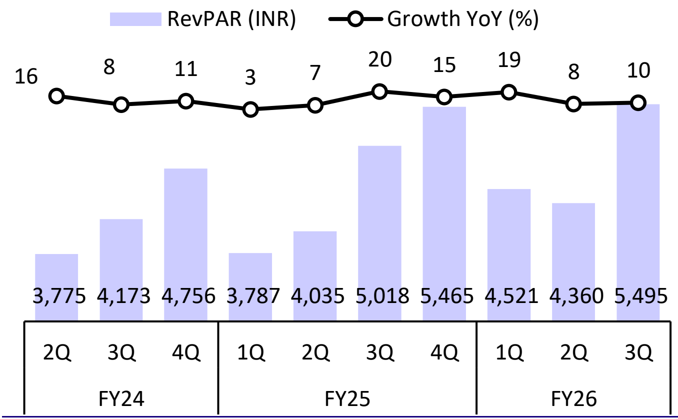
Source: Company, MOFSL

Exhibit 5: Occupancy trend



Source: Company, MOFSL

Exhibit 6: RevPAR trend



Source: Company, MOFSL

Exhibit 7: Portfolio breakup as of 31st Dec'25 – operational

Operational portfolio	Owned		Leased		Managed/ Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika	2	808	0	0	0	0	2	808
Lemon Tree Premier	7	1,442	2	161	14	1,364	23	2,967
Lemon Tree Hotels	14	1,448	4	321	55	3,437	73	5,206
Red Fox Hotels	4	552	1	91	4	360	9	1,003
Keys Prima	0	0	0	0	3	130	3	130
Keys Select	7	936	0	0	5	354	12	1,290
Keys Lite	0	0	0	0	8	368	8	368
Total	**34**	**5,186**	**7**	**573**	**89**	**6,013**	**130**	**11,772**

Source: Company, MOFSL

Exhibit 8: Portfolio breakup as of 31st Dec'25 – pipeline

In pipeline	Owned		Leased		Public Private Partnership		Managed/Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika	2	641	0	0	1	165	4	499	7	1,255
Lemon Tree Premier	0	0	0	0	0	0	11	1,136	11	1,136
Lemon Tree Hotels	0	0	0	0	0	0	69	5,481	69	5,481
Red Fox Hotels	0	0	0	0	0	0	1	50	1	50
Keys Prima	0	0	0	0	0	0	6	435	6	435
Keys Select	0	0	0	0	0	0	22	1,230	22	1,230
Keys Lite	0	0	0	0	0	0	13	533	13	533
Total	**2**	**641**	**0**	**0**	**1**	**165**	**126**	**9,364**	**129**	**10,120**

Source: Company, MOFSL

Exhibit 9: Brand-wise operating performance trend

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Lemon Tree Premier									
Occupancy (%)	77.0	81.0	79.0	79.0	81.0	83.0	81.0	80.0	81.0
ARR (INR)	7,437	7,565	6,558	6,802	7,852	8,156	7,132	7,142	8,506
Hotel level EBITDAR/room (INR m)	0.35	0.42	0.32	0.35	0.44	0.48	0.37	0.37	0.47
Hotel level EBITDAR Margin (%)	55.0	60.0	53.0	56.0	60.0	62.0	57.0	56.0	60.0
Lemon Tree Hotels									
Occupancy (%)	71.0	74.0	72.0	73.0	75.0	78.0	73.0	67.0	73.0
ARR (INR)	5,935	6,036	5,299	5,425	6,083	6,171	5,693	5,695	7,081
Hotel level EBITDAR/room (INR m)	0.25	0.25	0.20	0.24	0.28	0.27	0.23	0.19	0.31
Hotel level EBITDAR Margin (%)	50.0	50.0	43.0	50.0	52.0	50.0	47.0	44.0	52.0
Red Fox Hotels									
Occupancy (%)	73.0	76.0	64.0	70.0	78.0	80.0	67.0	65.0	70.0
ARR (INR)	4,746	4,796	4,214	4,458	5,144	5,457	4,873	4,824	5,016
Hotel level EBITDAR/room (INR m)	0.19	0.21	0.13	0.17	0.25	0.26	0.17	0.16	0.19
Hotel level EBITDAR Margin (%)	54.0	58.0	46.0	51.0	60.0	59.0	52.0	50.0	52.0
Aurika									
Occupancy (%)	42.0	66.0	46.0	50.0	71.0	83.0	72.0	71.0	74.0
ARR (INR)	10,743	10,553	9,061	9,491	10,457	10,566	9,118	8,806	10,984
Hotel level EBITDAR/room (INR m)	0.29	0.56	0.27	0.32	0.63	0.78	0.49	0.47	0.72
Hotel level EBITDAR Margin (%)	55.0	64.0	49.0	53.0	64.0	68.0	58.0	58.0	65.0

EBITDAR – Earnings before interest, taxes, depreciation, amortization, and rent

Source: Company, MOFSL

Exhibit 10: Operational performance by regions

Parameters	Occupancy (%)		Change	ARR		Change
by region (rooms)	3QFY26	3QFY25	YoY* (bps)	3QFY26	3QFY25	YoY (%)
Delhi (636)	84	84	38	8,748	7,949	10
Gurugram (529)	69	74	-569	6,542	6,146	6
Hyderabad (663)	60	65	-355	9,113	7,298	25
Bengaluru (874)	60	65	-460	6,183	5,023	23
Mumbai (972)	79	76	223	9,391	9,052	4
Pune (426)	77	73	475	6,205	5,762	8
Rest of India (1,659)	72	732	15	6,230	5,862	6

Source: Company, MOFSL

CONFERENCE CALL

Highlights from the management commentary

Operating performance

- The margin decline was largely driven by higher spending on renovation, technology upgrades, and GST-related costs. These investments accounted for 6.4% of revenue in the quarter. However, all three expense heads are expected to moderate to ~3.6% of revenue by FY28, supporting a meaningful expansion in EBITDA margins.
- The GST change alone accounted for 1.8% of revenue in what is typically a seasonally strong quarter. For the full-year FY27, this impact is expected to average around 2%, before easing to approximately 1.7% in FY28.
- The company incurred a one-off exceptional expense of INR313m related to the Labor Code impact, ex-gratia payments to employees, and a property tax settlement for its properties in New Delhi.
- RevPAR growth was impacted by a weak quarter in Gurgaon, where the region saw negative RevPAR momentum.
- In Mumbai, the company is prioritizing occupancy improvement first, following which it plans to drive rate-led growth.

Aurika

- The company has initiated the design and approval process for its upcoming Aurika project at Nehru Place, which is expected to be completed over the next 3-3.5 years.
- It plans to open two out of three blocks of Aurika, Shimla, by 2Q 2026 to capture the increased demand during the summer season.
- In January, Lemon Tree Hotels signed a license deed for a 47-room heritage Aurika hotel in Varanasi, located directly on the ghat adjoining the Ganges River. Its prime riverfront location, coupled with Varanasi's year-round demand, is expected to support exceptionally high rates. Management expects ARR to be nearly 3x that of other Aurika properties.
- Material ARR growth expected going ahead in Mumbai Aurika.
- Aurika Shillong is scheduled to commence operations in 3QCY27. The total project cost is estimated at ~INR2b. The company can fund 70% of this through borrowings at an interest rate of 5% lower than its normal cost of debt, effectively borrowing INR1.4b at ~3%-2.5%. Additionally, the project is eligible for a GST retention benefit for the next 9 to 15 years, significantly enhancing project returns.
- In the Shillong market, the upcoming Aurika property will primarily compete with Taj Hotels and Marriott International. The property is strategically located

directly opposite the Chief Minister's residence, giving it a strong visibility and positioning advantage.

Fee income

- Fee income did not decline materially this year despite the addition of 1,600 rooms to the portfolio.
- The company added 800 rooms in 1H and another 800 rooms in 2H. Since fee income becomes meaningful only once new hotels stabilize, these additions are expected to start contributing meaningfully after roughly one year of operations.

Outlook

- 4QFY26 is shaping up to be strong. While it began on a slower note, February has turned highly positive across companies, and March also appears to be excellent. Overall, 4Q is expected to outperform 3Q.
- Gurgaon remains a work in progress, as the company still needs to replace the large group business it had in 3Q and 4Q last year. As a result, the Lemon Tree and Red Fox portfolios continue to underperform meaningfully vs last year.
- The existing portfolio is expected to deliver ~15% revenue growth in the long run.

Renovations and rebranding

- Instead of refurbishing the entire older portfolio, the company is selectively renovating hotels where there is strong potential to reprice meaningfully based on product upgrades.
- The Red Fox Hotel, New Delhi, was rebranded as a Lemon Tree property, resulting in a significant increase in ADR.
- A similar rebranding is planned for Red Fox Hyderabad, which is well located and has large rooms. Following renovation, it is expected to be rebranded as a Lemon Tree Hotel by October this year.
- The company has already rebranded Lemon Tree Keys Select into Keys Prima in Pimpri-Chinchwad, and it also plans to rebrand Keys Whitefield into Keys Prima, which aligns with the Premier positioning.
- The company is evaluating converting Lemon Tree LLP, a small but attractively located hotel outside Kochi, into an Aurika property—though this transition is not expected in the near term.

Other key highlights

- Around 65% of the portfolio identified for renovation has already been completed, and at any given time, roughly 800 rooms remain closed due to ongoing refurbishment.
- In Gurgaon, large corporate blocks seen in Sector 60 last year did not materialize this year, and performance of the Red Fox brand was notably weaker.
- All ongoing technology investments are being pursued with a clear monetization roadmap. These initiatives began in FY25, will continue over the next 4–5 years, and are expected to become a progressively smaller share of revenue as they scale.
- In Pune, growth has been strong: Keys Prima delivered 25-30% RevPAR growth, while Lemon Tree Premier has stabilized. The Hinjewadi micro-market, which was high-performing when the hotel opened 20 years ago, had become

oversupplied, but the supply is now being absorbed, leading to improved market dynamics.

- Earlier, hotels were not designed to accommodate large MICE formats, but the company is now integrating MICE-friendly design into new properties to align with evolving demand trends.
- The company also plans to expand its presence in Dubai, strengthening its international footprint.

Valuation and view

- LEMONTRE is expected to maintain a healthy growth momentum going forward, led by: 1) the improving ARR of Aurika Mumbai, 2) accelerated growth in management contracts (pipeline of ~9,364 rooms), 3) the timely completion of the portfolio's renovation (by mid of FY27), leading to an improved OR, ARR, and EBITDA margin for the company, 4) rebranding of existing hotels, and 5) expansion of the Aurika portfolio.
- We expect LEMONTRE to post a CAGR of 12%/13%/27% in revenue/EBITDA/adj. PAT over FY25-28, with RoCE improving to ~19.4% by FY28 from ~11.7% in FY25. We reiterate our BUY rating on the stock with our SoTP-based TP of INR200 for FY28.

Exhibit 11: Valuation methodology

Particulars		FY28
Standalone EBITDA	**INRm**	**2,230**
EV/EBIDTA Multiple	x	20
EV	INRm	45,050
Less: Standalone Net Debt	INRm	1,055
Target Value	**INRm**	**43,995**
Carnations EBITDA (Management Contract)	**INRm**	**1,203**
EV/EBIDTA Multiple	x	40
EV	INRm	48,598
Fluer's EBITDA	**INRm**	**5,828**
LemonTree's Share of Fleur EBITDA (58.91%)	INRm	3,433
EV/EBIDTA Multiple	x	20
EV	INRm	69,349
Less: LemonTree's Share of Fleur Net Debt	INRm	3,718
Target Value	**INRm**	**65,631**
Total Target Value	INRm	1,58,223
No. of shares	Mn	792
Target Price	**INR**	**200**

Source: MOFSL

Exhibit 12: Revisions to our estimates

Earnings Change	Old			New			Change		
(INR m)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	14,437	16,285	17,499	14,523	16,690	17,929	1%	2%	2%
EBITDA	6,983	8,363	9,108	7,011	8,506	9,261	0%	2%	2%
Adj. PAT	2,620	3,371	3,977	2,655	3,416	4,049	1%	1%	2%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement (INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**6,694**	**2,517**	**4,022**	**8,750**	**10,655**	**12,861**	**14,523**	**16,690**	**17,929**
Change (%)	21.8	-62.4	59.8	117.5	21.8	20.7	12.9	14.9	7.4
F&B Consumed	570	178	279	499	628	762	883	968	1,040
Employees Cost	1,553	704	973	1,497	1,878	2,185	2,419	2,620	2,815
Other Expenses	2,137	1,022	1,432	2,230	2,973	3,573	4,209	4,596	4,813
Total Expenditure	**4,260**	**1,905**	**2,683**	**4,226**	**5,479**	**6,520**	**7,512**	**8,184**	**8,668**
% of Sales	63.6	75.7	66.7	48.3	51.4	50.7	51.7	49.0	48.3
EBITDA	**2,434**	**613**	**1,339**	**4,524**	**5,176**	**6,341**	**7,011**	**8,506**	**9,261**
Margin (%)	36.4	24.3	33.3	51.7	48.6	49.3	48.3	51.0	51.7
Depreciation	922	1,076	1,043	966	1,121	1,393	1,395	1,434	1,450
EBIT	**1,512**	**-463**	**296**	**3,557**	**4,054**	**4,948**	**5,616**	**7,073**	**7,810**
Int. and Finance Charges	1,565	1,817	1,740	1,772	2,016	2,007	1,647	1,379	1,022
Other Income	58	133	140	36	113	23	61	67	72
PBT bef. EO Exp.	**5**	**-2,147**	**-1,304**	**1,822**	**2,151**	**2,965**	**4,031**	**5,760**	**6,860**
EO Items	0	0	153	-48	0	0	313	0	0
PBT after EO Exp.	**5**	**-2,147**	**-1,456**	**1,774**	**2,151**	**2,965**	**3,718**	**5,760**	**6,860**
Total Tax	109	-322	-72	377	341	531	682	1,325	1,578
Tax Rate (%)	2220.8	15.0	5.0	21.3	15.9	17.9	18.3	23.0	23.0
MI/ share of profit from associates	-9	-555	-510	251	325	468	615	1,019	1,233
Reported PAT	**-95**	**-1,271**	**-874**	**1,146**	**1,485**	**1,966**	**2,420**	**3,416**	**4,049**
Adjusted PAT	**-95**	**-1,271**	**-760**	**1,182**	**1,485**	**1,966**	**2,655**	**3,416**	**4,049**
Change (%)	-118.0	1,232.4	-40.2	-255.5	25.7	32.4	35.1	28.7	18.5
Margin (%)	-1.4	-50.5	-18.9	13.5	13.9	15.3	18.3	20.5	22.6

Consolidated - Balance Sheet (INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	7,903	7,904	7,908	7,916	7,918	7,918	7,918	7,918	7,918
Eq. Share Warrants & App. Money	0	0	0	0	0	0	0	0	0
Preference Capital	0	0	0	0	0	0	0	0	0
Total Reserves	1,986	1,272	404	621	1,750	3,716	6,137	9,553	13,602
Net Worth	**9,889**	**9,176**	**8,312**	**8,537**	**9,669**	**11,635**	**14,055**	**17,471**	**21,520**
Minority Interest	5,559	6,174	5,676	5,597	5,795	6,261	6,874	7,891	9,122
Total Loans	15,775	16,850	16,986	17,457	18,891	16,986	13,986	9,986	5,486
Lease Liability	4,619	4,671	4,247	4,253	4,423	4,431	4,431	4,431	4,431
Deferred Tax Liabilities	0	0	0	0	0	0	0	0	0
Capital Employed	**35,841**	**36,870**	**35,223**	**35,844**	**38,779**	**39,313**	**39,346**	**39,779**	**40,559**
Gross Block	35,073	35,016	34,637	34,666	42,627	43,170	43,983	44,325	46,325
Less: Accum. Deprn.	2,977	4,052	5,096	6,062	7,183	8,576	9,971	11,404	12,855
Net Fixed Assets	**32,097**	**30,964**	**29,542**	**28,605**	**35,444**	**34,594**	**34,012**	**32,921**	**33,470**
Goodwill on Consolidation	951	951	951	951	951	951	951	951	951
Capital WIP	1,896	2,418	2,968	4,822	254	454	1,141	2,191	2,191
Total Investments	**164**	**79**	**114**	**73**	**151**	**446**	**446**	**446**	**446**
Current Investment	44	91	59	10	81	386	0	0	0
Curr. Assets, Loans&Adv.	**2,521**	**3,737**	**2,776**	**2,873**	**3,531**	**4,373**	**4,595**	**5,291**	**5,659**
Inventory	82	72	81	105	138	138	165	179	190
Account Receivables	503	308	291	560	715	786	875	1,006	1,081
Cash and Bank Balance	408	1,411	543	275	537	807	577	684	713
Loans and Advances	1,528	1,945	1,861	1,933	2,140	2,642	2,977	3,422	3,675
Curr. Liability & Prov.	**1,786**	**1,278**	**1,128**	**1,479**	**1,552**	**1,505**	**1,799**	**2,020**	**2,157**
Account Payables	842	788	585	668	859	616	782	852	902
Other Current Liabilities	877	412	319	730	601	790	871	1,001	1,076
Provisions	67	78	224	81	92	99	145	167	179
Net Current Assets	**734**	**2,459**	**1,648**	**1,394**	**1,979**	**2,868**	**2,796**	**3,271**	**3,502**
Misc Expenditure	0	0	0	0	0	0	0	0	0
Appl. of Funds	**35,841**	**36,870**	**35,223**	**35,844**	**38,779**	**39,313**	**39,346**	**39,779**	**40,560**

Financials and valuations

Ratios									
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Basic (INR)									
EPS	**-0.1**	**-1.6**	**-1.0**	**1.5**	**1.9**	**2.5**	**3.4**	**4.3**	**5.1**
Cash EPS	1.0	-0.2	0.4	2.7	3.3	4.2	5.1	6.1	6.9
BV/Share	12.5	11.6	10.5	10.8	12.2	14.7	17.7	22.1	27.2
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)									
P/E	-1,103	-83	-138	89	71	54	40	31	26
Cash P/E	127.2	-539.1	371.1	49.0	40.4	31.3	26.0	21.7	19.1
P/BV	10.6	11.5	12.7	12.3	10.9	9.0	7.5	6.0	4.9
EV/Sales	18.8	50.3	31.6	14.6	12.1	9.9	8.6	7.3	6.6
EV/EBITDA	51.8	206.8	95.0	28.3	25.0	20.1	17.9	14.4	12.9
EV/Room (INRm)	29.6	29.8	29.9	26.5	26.8	26.4	26.0	25.4	24.2
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	-9.4	-1.5	0.9	2.8	1.6	5.7	6.3	8.1	8.5
Return Ratios (%)									
RoE	-1.0	-13.3	-8.7	14.0	16.3	18.5	20.7	21.7	20.8
RoCE	4.5	-0.9	1.1	9.4	10.2	11.7	13.4	17.2	19.4
RoIC	4.4	-1.0	0.7	8.6	10.0	10.8	12.3	14.8	16.3
Working Capital Ratios									
Fixed Asset Turnover (x)	0.2	0.1	0.1	0.3	0.2	0.3	0.3	0.4	0.4
Asset Turnover (x)	0.2	0.1	0.1	0.2	0.3	0.3	0.4	0.4	0.4
Inventory (Days)	4	10	7	4	5	4	4	4	4
Debtor (Days)	27	45	26	23	24	22	22	22	22
Creditor (Days)	46	114	53	28	29	17	20	19	18
Leverage Ratio (x)									
Current Ratio	1.4	2.9	2.5	1.9	2.3	2.9	2.6	2.6	2.6
Interest Cover Ratio	1.0	-0.3	0.2	2.0	2.0	2.5	3.4	5.1	7.6
Net Debt/Equity	1.5	1.7	2.0	2.0	1.9	1.4	0.9	0.5	0.2

Consolidated - Cash Flow Statement									(INRm)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
OP/(Loss) before Tax	5	-2,147	-1,446	1,782	2,151	2,962	4,031	5,760	6,860
Depreciation	922	1,076	1,043	966	1,121	1,393	1,395	1,434	1,450
Interest & Finance Charges	1,507	1,685	1,786	1,773	1,903	2,041	1,585	1,312	950
Direct Taxes Paid	-109	322	-17	-207	-341	-502	-682	-1,325	-1,578
(Inc)/Dec in WC	-754	-1,009	27	-403	-523	-416	-157	-368	-202
CF from Operations	**1,572**	**-74**	**1,394**	**3,912**	**4,312**	**5,478**	**6,172**	**6,813**	**7,481**
Others	-62	-635	-41	-63	339	-63	296	1,015	1,229
CF from Operating incl EO	**1,510**	**-709**	**1,353**	**3,849**	**4,651**	**5,416**	**6,469**	**7,828**	**8,710**
(Inc)/Dec in FA	-8,969	-465	-668	-1,618	-3,393	-932	-1,500	-1,392	-2,000
Free Cash Flow	**-7,459**	**-1,174**	**685**	**2,231**	**1,258**	**4,484**	**4,969**	**6,436**	**6,710**
(Pur)/Sale of Investments	210	85	132	8	-78	-357	0	0	0
Others	2,677	-276	-56	-1,222	-495	14	61	67	72
CF from Investments	**-6,082**	**-656**	**-591**	**-2,832**	**-3,965**	**-1,274**	**-1,439**	**-1,325**	**-1,928**
Issue of Shares	10	1,750	8	17	2	0	0	0	0
Inc/(Dec) in Debt	3,733	1,075	134	471	1,434	-1,927	-3,000	-4,000	-4,500
Interest Paid	-1,565	-1,817	-1,400	-1,432	-2,016	-1,593	-1,647	-1,379	-1,022
Dividend Paid	0	0	0	0	0	0	0	0	0
Others	2,488	1,361	-372	-379	157	-352	-613	-1,017	-1,231
CF from Fin. Activity	**4,667**	**2,368**	**-1,630**	**-1,323**	**-423**	**-3,872**	**-5,259**	**-6,396**	**-6,753**
Inc/Dec of Cash	**94**	**1,003**	**-869**	**-306**	**263**	**269**	**-229**	**107**	**29**
Opening Balance	314	408	1,411	543	275	537	807	577	684
Closing Balance	**408**	**1,411**	**543**	**275**	**537**	**807**	**577**	**684**	**713**

N O T E S

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.