

CMP: ₹ 795

Target: ₹ 980(23%)

Target Period: 12 months

BUY

## Muted Q4; Strong pipeline to drive growth ahead

May 26, 2026

**About the stock:** Chalet Hotels Ltd (Chalet) is an owner, developer and operator of premium hotels, commercial office spaces and residential properties in India. The Company's portfolio comprises 11 fully operational hotels representing 3389 keys, across mainstream and luxury segments, and commercial spaces, representing ~2.4 mn sq.ft. in close vicinity to its hospitality assets.

**Q4FY26 performance:** Chalet's core business (ex-residential) revenues reported 7% YoY growth Rs.558.2cr aided largely by 37% YoY growth in annuity business while hotel business reported muted growth of 3% YoY in Q4FY26. Consolidated EBITDA (ex-residential) grew to Rs.265.8cr reporting 10% YoY growth with margins improving by 136bps YoY to 47.6% driven by strong annuity business performance.

## Investment Rationale:

- Muted hospitality performance in Q4; Q1FY27 to better on a low base:** Hospitality business reported 3% YoY growth in revenues to Rs.474cr in Q4FY26. ADR witnessed 7.7% YoY growth to Rs.15456/night while occupancy dipped 770bps YoY to 68.2%. As a result, RevPAR declined by 3.2% YoY to Rs.10,544/night in Q4FY26. The performance during the quarter was largely impacted by lower foreign tourist travel due to West Asia war and disruption in Westin Powai due to construction of CIGNUS II. Q1FY27 is expected to witness good growth led by a low base of last year (Q1FY26 was impacted by operation Sindoor). Further, if Iran-USA war situation stabilises over the next 2 quarters, we expect H2FY27 to witness accelerated growth due to line up of MICE events and weddings. We expect hotel business revenues to grow by 13% in FY27, which will be driven stabilisation of new room addition in Bengaluru and likely improvement in demand in H2FY27. Over FY26-28E, we expect hospitality segment revenues to grow at CAGR of 14.4% to Rs.2265cr in FY28E.
- Strong value accretive pipeline to aid growth:** Chalet's strong expansion pipeline is expected to drive sustained revenue growth and margin expansion over the long term, supported by entry into high-demand luxury leisure and business markets. The company has acquired the 144-key Inder Residency Resort & Spa in Udaipur, where refurbishment and upper upscale positioning are likely to enhance ADRs amid rising demand for destination weddings and limited upper upscale supply. In addition, Chalet is developing a 330-key ultra luxury Ritz Carlton in Hyderabad's Madhapur micro-market, benefitting from strong demand-supply dynamics and integrated retail/commercial presence. These premium assets are expected to deliver superior occupancy and higher RevPAR, strengthening Chalet's premium portfolio mix and supporting long term revenue and profitability growth.
- Annuity business grew by 55% in FY26:** Annuity business continued its strong performance with 55% YoY growth in revenues in FY26. Its occupancy levels stood at ~88% while leased area improved to ~2.1msf from 2msf. The monthly exit rentals are further expected to improve from Rs.28cr/month to Rs.30cr/month aided by new agreements and additional leasing space in Bengaluru. Additionally, the CIGNUS-II, Powai is expected to be operation in Q4FY27. Hence, with additional leased area and opening of CIGNUS II, the annuity business revenues and EBITDA are expected to grow at CAGR of 19% and 18% over FY26-28E.

**Rating and Target Price:** We recommend Buy with a SOTP based price target of Rs.980.

## Key Financial Summary

| Key Financials (₹ Crore) | FY23   | FY24   | FY25   | FY26*  | 3 year CAGR (FY23-26) | FY27E* | FY28E  | 3 year CAGR (FY25-28E) |
|--------------------------|--------|--------|--------|--------|-----------------------|--------|--------|------------------------|
| Revenues                 | 1128.5 | 1417.3 | 1717.7 | 2769.8 | 34.9                  | 2941.8 | 2697.5 | 16.2                   |
| EBITDA                   | 452.8  | 584.6  | 735.8  | 1187.4 | 37.9                  | 1253.1 | 1193.9 | 17.5                   |
| EBITDA Margins(%)        | 40.1   | 41.2   | 42.8   | 42.9   |                       | 42.6   | 44.3   |                        |
| Adjusted PAT             | 151.9  | 213.5  | 382.3  | 645.8  | 62.0                  | 683.8  | 653.3  | 19.6                   |
| EPS (Rs.)                | 7.0    | 9.8    | 17.5   | 29.5   |                       | 31.2   | 29.8   |                        |
| PE (x)                   | 114.3  | 81.4   | 45.4   | 27.0   |                       | 25.5   | 26.6   |                        |
| EV to EBITDA (x)         | 44.4   | 34.6   | 26.9   | 16.4   |                       | 15.3   | 15.7   |                        |
| RoE (%)                  | 10.5   | 12.6   | 15.6   | 19.2   |                       | 16.9   | 13.9   |                        |
| RoIC(%)                  | 9.1    | 9.8    | 10.8   | 16.6   |                       | 16.7   | 15.2   |                        |

Source: Company, ICICI Direct Research

\*FY26E/FY27E includes revenues and EBITDA for Bengaluru's residential project

# CHALET HOTELS

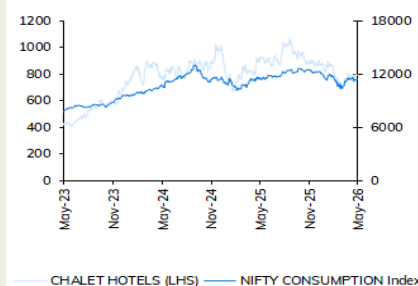
## Particulars

| Particular                      | Amount     |
|---------------------------------|------------|
| Market Capitalisation (₹ crore) | 17,410     |
| Debt (FY26) - ₹ crore           | 2,368      |
| Cash (FY26) - ₹ crore           | 309        |
| EV (Rs crore)                   | 19,469     |
| 52 week H/L (₹)                 | 1080 / 690 |
| Equity capital (₹ crore)        | 219.0      |
| Face value (₹)                  | 10.0       |

## Shareholding pattern

| Particular | Jun-25 | Sep-25 | Dec-25 | Mar-26 |
|------------|--------|--------|--------|--------|
| Promoters  | 67.4   | 67.3   | 67.3   | 67.3   |
| FII        | 5.2    | 5.7    | 5.1    | 4.7    |
| DII        | 23.9   | 23.4   | 24.0   | 24.6   |
| Others     | 3.4    | 3.5    | 3.5    | 3.5    |

## Price Chart



## Key risks

- Any adverse event such as terrorist attack or geo political tension will affect the near-term business.
- Delay in operationalisation of new hotels.
- Delay in repayment of debt.

## Research Analyst

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**Exhibit 1: SOTP Valuation**

| Particulars            | Method              | Multiple (x) | Rev/EBITDA (FY28E) | EV/NAV (₹ cr.) |
|------------------------|---------------------|--------------|--------------------|----------------|
| Hotels                 | EV/EBITDA           | 19           | 988                | 18763          |
| Commercial             | Capitalisation rate | 8            | 355                | 4437           |
| Residential property   | NAV                 |              |                    | 293            |
| Enterprise value (A)   |                     |              |                    | 23494          |
| Total Debt             |                     |              |                    | 2368           |
| Cash                   |                     |              |                    | 309            |
| Net Debt (B)           |                     |              |                    | 2059           |
| Equity value (A-B)     |                     |              |                    | 21435          |
| Number of shares (cr.) |                     |              |                    | 21.9           |
| <b>Target price</b>    |                     |              |                    | <b>980</b>     |

Source: Company, ICICI Direct Research

**Chalet’s portfolio (operational + pipeline) crosses 5000+ keys; Value accretive additions to drive growth**

Chalet’s portfolio stood at 5033 keys with 3389 operational keys and 1644 keys under pipeline as of March 2026. Chalet has announced 2 new luxury properties additions to its portfolio, 144-key Inder Residency Resort & Spa and 330-key Ritz Carlton in Hyderabad during the year.

**Inder Residency Resort & Spa:** Chalet Hotels’ announced acquisition of 100% stake in Seasons Hotels Pvt Ltd., owner of Inder Residency Resort and Spa, Udaipur. It is a 144 key resort set up over 8.4 acres of land. It has a large banqueting space, 2 restaurants, bar, pool, spa and gym. The company has acquired the property for Rs.171cr. The acquisition is in-line with the company’s strategy to expand in the luxury leisure space along markets where demand supply dynamics remain favourable. Udaipur is a premium hospitality location where there is limited upper upscale supply. With growing demand for domestic destination weddings, this property is rightly positioned to leverage the growing demand thereby commanding higher ADRs in the market. Chalet aims to refurbish and reposition the hotel into a upper-upscale hotel to take advantage of the favourable demand dynamics. Over, the long term, this property is expected to command high ADR and be additional growth lever for revenue growth and also aid margin expansion.

**Exhibit 2: Strategic entry in the Udaipur market**


**Acquired Inder Residency Resort & Spa, Udaipur**

Total consideration: ₹1,710 Mn

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**STRATEGIC IMPORTANCE**

- Premium location
- Reduced “land-to-launch” risk
- Deep leisure market; fast growing demand
- Limited supply in upper-upscale segment
- Scope for repositioning & expansion
- High return; long-term value creation



- 8.2 Acres; ~3 Acres lawn
- 144 Keys
- Large banqueting space
- 2 Restaurants, 1 Bar
- Pool, Spa, Gym

Chalet to renovate & rebrand as premium property

Evaluating expansion potential

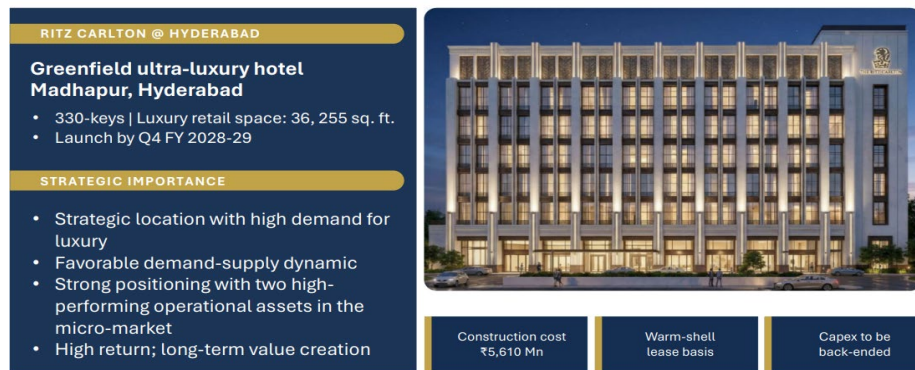
Resort to remain non-operational during renovation phase

Source: Company, ICICI Direct Research

**Ritz Carlton, Hyderabad:** Chalet announced development of 330-room ultra luxury hotel in Madhapur, Hyderabad. The property includes ~36,225 sqft of luxury retail space and 70mn sqft of commercial space in the vicinity. Chalet will avail warm shell lease of the building from Mindspace REIT. Post the construction of the property, Chalet will do fit-outs and interiors of the hotels. It expects the capex to be ~Rs.561cr (Rs.1.7cr per room). The proposed hotel will strengthen Chalet’s presence in Hyderabad’s key IT hub. The hotel will be located near The Westin Hyderabad, HITEC City, which currently operates at 100% occupancy under a corporate contract, creating a favourable operating environment. The demand for the hotel will be further supported by its proximity to the Mindspace commercial

park which houses large GCCs and IT companies positioning it as prime location for corporate events and MICE.

### Exhibit 3: Key addition in the Hyderabad market



Source: Company, ICICI Direct Research

**Upcoming Assets:** The management expects to initially launch 70-rooms in the Taj, Delhi International Airport project by Q4FY27. The balance inventory (310 rooms) is expected to open in Q1FY28. The excavation work has commenced for the Hyderabad Ritz Carlton hotel as well as for the 280-rooms Hyatt Hotel in Airoli, Navi Mumbai. The disruption in Westin Powai is expected to end by FY27 with majority of the CIGNUS II construction being completed. The company expects the access to the event space to be restored which will lead to revival of corporate events, weddings and MICE in the hotel.

## Q4FY26 – Key performance highlights

- Chalet's consolidated revenues recorded 6.9% YoY to Rs.558.2cr in Q4FY26. Growth was largely aided by robust growth of 37% YoY in annuity business revenues while hospitality business reported low single digit revenue growth of 3% YoY during the quarter.
- Hospitality segment reported 3% YoY growth in revenues to Rs.474cr, impacted by lower occupancy due to the ongoing geopolitical crisis in West Asia. RevPAR declined by 3% YoY with occupancy declining by 770bps YoY and ADR growing by 8% YoY during the quarter. EBITDA Margins declined by 100bps YoY to 47.4%. EBITDA stood almost flat at Rs.224.8cr.
- Annuity business reported strong revenue growth of 37% YoY to Rs.84.7cr in Q4FY26 aided by increase in leased area on YoY basis. Overall occupancy stood at 88% in Q4FY26 vs 71% in Q4FY25. Strong revenues translated to improved EBITDA margins which stood at 83.6% in Q4FY26 vs 80.4% in Q4FY25 improving by ~320bps YoY.
- Consolidated EBITDA stood at Rs.265.8cr witnessing 10.1% YoY growth while margins expanded 136bps YoY to 47.6% driven by strong annuity business performance.
- Adjusted PAT reported 31.6% YoY growth to Rs.163cr.

## Exhibit 4: Q4FY26 consolidated result overview (₹ crore)

| Particulars                  | Q4FY26        | Q4FY25        | y-o-y (%)   | Q3FY26        | q-o-q (%)   |
|------------------------------|---------------|---------------|-------------|---------------|-------------|
| <b>Net revenue</b>           | <b>558.2</b>  | <b>522.0</b>  | <b>6.9</b>  | <b>581.7</b>  | <b>-4.0</b> |
| Food and beverages cons.     | 31.7          | 32.1          | -1.2        | 37.2          | -14.7       |
| Employee cost                | 75.8          | 67.7          | 12.1        | 72.9          | 4.1         |
| Operating Supplies Cons.     | 10.0          | 12.6          | -20.6       | 13.2          | -24.1       |
| Real Estate Development Cost | 0.0           | 2.1           | -           | 7.4           | -           |
| Other expenditure            | 174.9         | 166.1         | 5.3         | 186.0         | -6.0        |
| Total expenditure            | 292.4         | 280.5         | 4.2         | 316.6         | -7.6        |
| <b>EBITDA</b>                | <b>265.8</b>  | <b>241.4</b>  | <b>10.1</b> | <b>265.1</b>  | <b>0.3</b>  |
| Other income                 | 12.8          | 15.4          | -16.6       | 7.5           | 70.4        |
| Interest expenses            | 40.6          | 48.2          | -15.8       | 45.9          | -11.6       |
| Depreciation                 | 60.2          | 49.8          | 20.9        | 58.5          | 2.9         |
| Profit Before Tax            | 177.9         | 158.8         | 12.0        | 168.3         | 5.7         |
| Tax                          | 14.9          | 35.0          | -57.5       | 43.4          | -65.8       |
| <b>Adjusted PAT</b>          | <b>163.0</b>  | <b>123.8</b>  | <b>31.6</b> | <b>124.8</b>  | <b>30.6</b> |
| Extra-ordinary gain / loss   | 0.0           | 0.0           | -           | -0.8          | -           |
| <b>Reported PAT</b>          | <b>163.0</b>  | <b>123.8</b>  | <b>31.6</b> | <b>124.1</b>  | <b>31.4</b> |
| Adjusted EPS (Rs.)           | 7.5           | 5.7           | 31.6        | 5.7           | 30.6        |
| <b>Margins</b>               | <b>Q4FY26</b> | <b>Q4FY25</b> | <b>bps</b>  | <b>Q3FY26</b> | <b>bps</b>  |
| GPM (%)                      | 94.3          | 93.9          | 47          | 93.6          | 71          |
| EBITDA Margin (%)            | 47.6          | 46.3          | 136         | 45.6          | 204         |
| NPM (%)                      | 29.2          | 23.7          | 548         | 21.5          | 774         |
| Tax rate (%)                 | 8.4           | 22.0          | -           | 25.8          | -           |

Source: Company, ICICI Direct Research

## Exhibit 5: Q4FY26 Segmental revenues and results (₹ crore)

| Particulars                                  | Q4FY26       | Q4FY25       | y-o-y %    | Q3FY26       | q-o-q %     |
|--|--------------|--------------|------------|--------------|-------------|
| <b>Hospitality business</b>                  |              |              |            |              |             |
| Room revenue                                 | 313.8        | 302.1        | 3.9        | 309.0        | 1.6         |
| F&B revenue                                  | 129.2        | 126.3        | 2.3        | 148.7        | -13.1       |
| Other  | 31.0         | 31.4         | -1.3       | 33.6         | -7.7        |
| <b>Total Hospitality revenue (Rs. crore)</b> | <b>474.0</b> | <b>459.8</b> | <b>3.1</b> | <b>491.3</b> | <b>-3.5</b> |
| EBITDA (Rs. crore)                           | 224.8        | 222.8        | 0.9        | 222.6        | 1.0         |
| EBITDA Margin (%)                            | 47.4         | 48.5         | -103       | 45.3         | 213         |
| <b>Annuity business</b>                      |              |              |            |              |             |
| Revenue (Rs. crore)                          | 84.7         | 61.9         | 36.8       | 74.4         | 13.8        |
| EBITDA (Rs. crore)                           | 70.8         | 49.8         | 42.2       | 62.1         | 14.0        |
| EBITDA Margin (%)                            | 83.6         | 80.5         | 315        | 83.5         | 13          |

Source: Company, ICICI Direct Research

## Exhibit 6: Q4FY26 Operational Performance

| Particulars   | Q4FY26 | Q4FY25 | y-o-y (%/bps) | Q3FY26 | q-o-q (%/bps) |
|---------------|--------|--------|---------------|--------|---------------|
| ADR (Rs.)     | 15456  | 14345  | 7.7           | 14970  | 3.2           |
| Occupancy (%) | 68.2   | 75.9   | -770          | 67.9   | 30            |
| RevPAR (Rs.)  | 10544  | 10893  | -3.2          | 10162  | 3.8           |

Source: Company, ICICI Direct Research

## FY26 – Key performance highlights

- Chalet's consolidated revenues were not comparable on YoY basis due to inclusion of residential revenues in FY26. On comparable basis, Chalet's consolidated revenues (ex-residential business) grew by 18% YoY to Rs.2074.1cr driven by strong performance in the annuity business while hospitality business revenues witnessed low-teens growth during the year.
- Hospitality business grew by 13.8% YoY to Rs.1731.1cr in FY26. RevPAR grew in mid-single digit of 5.1% YoY with ADR growing by 13.5% and occupancy declining to 67.2%, down by 540bps on YoY basis. Occupancy decline was on account on geopolitical instability, adverse weather conditions and addition of newer assets to the portfolio. Hospitality business EBITDA margins declined 81bps YoY to 43.6% while EBITDA grew by 12% YoY to Rs.760.3cr in FY26.
- Annuity business recorded 55.4% YoY growth to Rs.306.1cr driven by increase in leased area. EBITDA grew by 65% YoY to Rs.254.4cr while margins expanded 490bps YoY to 83.1% in FY26
- Consolidated EBITDA (Ex-residential business) grew by 21% YoY to Rs.957.3cr while margins expanded 220bps YoY to 46.2%.
- Overall revenues (inc. residential business) grew by 61.2% YoY to Rs.2769.8cr. EBITDA grew in-line with revenues to Rs.1187.4cr while margins stood flat at 42.9% in FY26. Adjusted PAT grew by 69% YoY to Rs.645.8cr in FY26.

## Business wise highlights

- **Hospitality:** Hospitality revenues grew by modest 3% YoY to Rs.474cr in Q4FY26. Room revenues recorded 4% YoY growth to Rs.313.8cr. RevPAR declined by 3.2% YoY to Rs.10,544/night with ADR growing by 8% YoY to Rs.15,456/night and occupancy declining by 770bps YoY to 68.2%. Business hotel ADRs grew by 7.1% YoY to Rs.15,168 while resort hotel ADRs grew by 6.3% YoY. Occupancy declined by 760bps to 71.7% impacted by the recent West Asia war which led to cancellations of corporate events, MICE and lower foreign tourist arrivals Hospitality EBITDA stood at Rs.224.8cr with margins declining 102bps YoY to 47.4%. For full year FY26, Hospitality segment revenues grew by 14% YoY to Rs.1731.1cr. EBITDA stood at Rs.760.3cr with margins declining 81bps YoY to 43.9%
- **Annuity:** Annuity business revenues grew by 37% YoY to Rs.84.7cr in Q4FY26. Revenue growth was supported by increase in leased area while monthly rentals stood at Rs.28cr during the quarter. Occupancy stood at 88% during the quarter while leased area was at 2.1mn sqft out of 2.4mn sqft of available space. EBITDA stood at Rs.70.8cr growing by 42% YoY with margins expanding by 320bps YoY to 83.6%. For FY26, revenues grew by 55% YoY to Rs.306.1cr with EBITDA growing by 65% YoY to Rs.254.4cr and margins expanding by 490bps YoY to 78.2%.

## Q4FY26 Earnings call highlights

- **Demand Trends**
  - January remained relatively weak due to absence of wedding dates, Mumbai municipal elections and lack of large events/concerts compared to last year, impacting Mumbai demand materially.
  - February witnessed strong recovery with healthy improvement in both ADRs and occupancies across the portfolio, particularly in South India hotels.
  - March demand was impacted by geopolitical tensions in West Asia, resulting in sharp cancellations in foreign tourist arrivals and associated domestic business travel. The company lost ~9,000

foreign tourist room nights during the month, leading to an estimated 10-12% disruption in business during the period.

- The management indicated that April performance surprised positively while May demand remains strong aided by improving domestic travel trends and low base effect; June bookings are also tracking steady.
- Any stability in the geo-political environment would lead to recovery in the business performance in H2FY27 supported by weddings shifting back to India, resilient domestic leisure demand and normalization in international travel.
- **Room revenues expected to grow in doubles digits in FY27; Leisure hotels EBITDA margins to move towards 40% range**
  - The management highlighted confidence in achieving double-digit room revenue growth with mid-to-high single digit RevPAR growth in FY27.
  - City hotel EBITDA margins are expected to remain broadly stable at current elevated levels, with limited room for further expansion given already high operating efficiencies.
  - Leisure hotel margins are expected to improve gradually towards mid-40% levels as newer assets such as Athiva Khandala, Rishikesh and other resorts stabilize occupancy.
  - Bengaluru room additions and leisure portfolio ramp-up are expected to provide incremental earnings and margin support over the coming quarters.
  - Management highlighted confidence in achieving double-digit room revenue growth with mid-to-high single digit RevPAR growth going ahead.
- **Hotel-wise impact**
  - Q4FY26 performance was impacted by weak Mumbai demand due to lack of wedding dates, municipal elections and absence of large concerts/events compared to the high base last year.
  - Powai hotels continued to witness temporary operational disruption due to ongoing CIGNUS II construction, impacting crew stays, MICE demand and banquet business.
  - Bengaluru occupancies continue to remain impacted due to ramp-up of newly added ~129 rooms, although management remains confident of strong occupancy recovery over the coming quarters.
  - Despite near-term disruptions, management highlighted that structural demand trends across hospitality remain strong with recovery visible from April onwards.
- **Leisure hotels reported good performance**
  - Leisure portfolio significantly outperformed city hotels during the quarter with strong traction across resort assets.
  - Westin Rishikesh delivered strong operating performance and continued its momentum into April and May.
  - Athiva Khandala completed its first full quarter with full inventory operational and witnessed healthy occupancy traction while sustaining ADRs above INR15,000.
  - The management highlighted that multiple marketing initiatives and positive customer response have strengthened confidence in Athiva Khandala's growth potential ahead of monsoon and wedding season.
  - Leisure assets are currently operating at ~43% occupancy and management expect occupancy to gradually improve towards ~60% as assets stabilize, supporting margin expansion towards mid-40% levels.

- **Commercial assets continue strong performance; Monthly rentals to touch Rs.30cr in FY27**
  - Commercial portfolio occupancy remained healthy with Powai occupancy at ~90% and Bengaluru occupancy improving to ~91% during the quarter.
  - Monthly rental run-rate increased to ~Rs.28cr in March'26 and management expect rentals to scale up to ~Rs.30cr during FY27.
  - Commissioning of CIGNUS II from FY28 onwards is expected to drive a significant step-up in commercial cash flows and profitability.
  - Management highlighted that GCC-led office demand continues to remain robust with no visible slowdown in commercial leasing demand.
- **Capex plans**
  - The management guided for cumulative capex of ~Rs.3000cr across FY27-FY29 towards hospitality and commercial real estate expansion projects. Planned capex includes projects such as Ritz-Carlton Hyderabad, Delhi Airport hotel expansion, Goa, Airoli and CIGNUS II developments.
  - The management reiterated that majority of the capex would be funded through internal accruals supported by strong operating cash flows and improving CRE cash generation.
  - The company highlighted that despite investing ~Rs.1900cr over the last two years, net debt reduced from ~Rs.2500cr to ~INR1900cr, reflecting disciplined capital allocation. Due to its strong cash flow position, it was able to fund Rs.1500cr through its internal accruals.

## Revision in earnings estimates

We have reduced our earnings estimates for FY27E and FY28E by 5.4% and 4.2% respectively to factor in lower than earlier expected RevPar growth in key markets due to uncertain global environment.

### Exhibit 7: Changes in headline estimates

| (₹ crore)         | FY27E  |        |       | FY28E  |        |       |
|-------------------|--------|--------|-------|--------|--------|-------|
|                   | Old    | New    | % Chg | Old    | New    | % Chg |
| Net Revenues      | 3088.3 | 2941.8 | -4.7  | 2803.2 | 2697.5 | -3.8  |
| EBITDA            | 1307.7 | 1253.1 | -4.2  | 1235.9 | 1193.9 | -3.4  |
| EBITDA margin (%) | 42.3   | 42.6   | 30bps | 44.1   | 44.3   | 20bps |
| PAT               | 722.6  | 683.8  | -5.4  | 681.6  | 653.3  | -4.2  |
| EPS (Rs.)         | 33.0   | 31.2   | -5.4  | 31.1   | 29.8   | -4.2  |

Source: Company, ICICI Direct Research

### Exhibit 8: Key Operating Assumptions

| Particulars  | FY24   | FY25   | FY26   | FY27E  | FY28E  | CAGR% |
|--|--------|--------|--------|--------|--------|-------|
| <b>Hotel business</b> (existing and upcoming properties) |        |        |        |        |        |       |
| Rooms  | 3052   | 3314   | 3389   | 3459   | 3,769  | 5.5   |
| Revenues (Rs. Cr)  | 1288.5 | 1521.0 | 1731.1 | 1951.7 | 2265.0 | 14.4  |
| EBITDA (Rs. Cr)  | 574.1  | 680.3  | 760.3  | 843.1  | 987.5  | 14.0  |
| EBITDA margins (%)                                       | 44.6   | 44.7   | 43.9   | 43.2   | 43.6   |       |
| <b>Annuity &amp; Rental business</b>                     |        |        |        |        |        |       |
| Revenues (Rs. Cr)  | 124.1  | 196.4  | 306.1  | 374.0  | 432.5  | 18.9  |
| EBITDA (Rs. Cr)  | 98.7   | 154.0  | 254.4  | 310.9  | 355.0  | 18.1  |
| EBITDA margins (%)                                       | 79.5   | 78.4   | 83.1   | 83.1   | 82.1   |       |
| <b>Residential business</b>                              |        |        |        |        |        |       |
| Revenues (Rs. Cr)  |        |        | 738.3  | 616.1  | -      |       |
| EBITDA (Rs. Cr)  |        |        | 272.8  | 234.1  | -      |       |
| EBITDA margins (%)                                       |        |        | 36.9   | 38.0   | -      |       |

Source: Company, ICICI Direct Research

## Financial summary

| Exhibit 9: Profit and loss statement          |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
|   | ₹ crore       |               |               |               |               |
| (Year-end March)                              | FY24          | FY25          | FY26          | FY27E         | FY28E         |
| <b>Total Operating Income</b>                 | <b>1417.3</b> | <b>1717.7</b> | <b>2769.8</b> | <b>2941.8</b> | <b>2697.5</b> |
| Growth (%)                                    | 25.6          | 21.2          | 61.2          | 6.2           | -8.3          |
| Cost of food and beverages cons.              | 105.6         | 116.8         | 129.8         | 167.4         | 190.2         |
| Gross Profit                                  |               |               |               |               |               |
| Employee Expenses                             | 194.6         | 234.5         | 287.9         | 331.0         | 377.4         |
| Operating Supplies Consumed                   | 39.7          | 42.5          | 43.6          | 60.5          | 70.1          |
| Other Expenditure                             | 492.8         | 588.1         | 1121.1        | 747.7         | 865.9         |
| Total Operating Expenditure                   | 832.7         | 981.9         | 1582.3        | 1306.6        | 1503.6        |
| <b>EBITDA</b>                                 | <b>584.6</b>  | <b>735.8</b>  | <b>1187.4</b> | <b>1253.1</b> | <b>1193.9</b> |
| Growth (%)                                    | 29.1          | 25.9          | 61.4          | 5.5           | -4.7          |
| Interest                                      | 196.7         | 159.1         | 180.5         | 137.8         | 114.7         |
| Depreciation                                  | 138.4         | 178.8         | 230.0         | 228.4         | 243.4         |
| Other Income                                  | 19.8          | 36.3          | 42.7          | 33.4          | 43.4          |
| PBT   | 269.4         | 434.2         | 819.7         | 920.3         | 879.3         |
| Less Tax                                      | 55.9          | 51.9          | 173.9         | 236.5         | 226.0         |
| <b>Adjusted PAT (before exceptional item)</b> | <b>213.5</b>  | <b>382.3</b>  | <b>645.8</b>  | <b>683.8</b>  | <b>653.3</b>  |
| Growth (%)                                    | 40.5          | 79.1          | 68.9          | 5.9           | -4.5          |
| Exceptional item                              | 40            | -240          | -1            | 0             | 0             |
| <b>Reported PAT</b>                           | <b>253.6</b>  | <b>142.4</b>  | <b>645.0</b>  | <b>683.8</b>  | <b>653.3</b>  |
| Growth (%)                                    | 38.4          | -43.9         | 352.9         | 6.0           | -4.5          |
| EPS (Adjusted)                                | 10.4          | 17.5          | 29.5          | 31.2          | 29.8          |

Source: Company, ICICI Direct Research

\*FY26&FY27 includes residential project performance

| Exhibit 11: Balance sheet         |               |               |               |               |               |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                   | ₹ crore       |               |               |               |               |
| (Year-end March)                  | FY24          | FY25          | FY26          | FY27E         | FY28E         |
| Equity Capital                    | 205.5         | 218.5         | 219.0         | 219.0         | 219.0         |
| Reserve and Surplus               | 1645.4        | 2827.2        | 3478.2        | 4162.0        | 4815.2        |
| Total Shareholders funds          | 1850.9        | 3045.7        | 3697.2        | 4389.0        | 5034.2        |
| Minority Interest                 | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Total Debt                        | 3005.2        | 2604.0        | 2367.7        | 2114.8        | 1615.2        |
| Deferred Tax Liability            | 0             | 85.5          | 219.9         | 219.9         | 219.9         |
| Other Non Current Liabilities     | 81.5          | 131.7         | 184.0         | 202.5         | 222.7         |
| <b>Total Liabilities</b>          | <b>4937.5</b> | <b>5866.9</b> | <b>6468.7</b> | <b>6918.1</b> | <b>7092.0</b> |
| Gross Block - Fixed Assets        | 5613.8        | 6517.0        | 7230.5        | 7613.0        | 8113.0        |
| Accumulated Depreciation          | 1281.3        | 1392.2        | 1622.2        | 1850.6        | 2094.0        |
| Net Block                         | 4332.4        | 5124.8        | 5608.3        | 5762.4        | 6019.0        |
| Capital WIP                       | 36.9          | 183.2         | 132.5         | 250.0         | 250.0         |
| Fixed Assets                      | 4369.3        | 5307.9        | 5740.8        | 6012.4        | 6269.0        |
| Goodwill & Other intangible asset | 73.2          | 85.6          | 85.1          | 85.4          | 85.4          |
| Other non-Current Assets          | 424.9         | 504.8         | 579.7         | 608.6         | 639.1         |
| Inventory                         | 542.0         | 632.5         | 269.3         | 663.1         | 653.7         |
| Debtors                           | 55.2          | 78.2          | 68.7          | 104.7         | 103.2         |
| Other Current Assets              | 152.6         | 268.2         | 256.6         | 264.3         | 272.2         |
| Loans & Advances                  | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Cash                              | 82.3          | 109.2         | 164.0         | 127.9         | 96.3          |
| Bank balance                      | 49.9          | 77.0          | 144.5         | 200.0         | 200.0         |
| Total Current Assets              | 882.1         | 1165.1        | 903.1         | 1360.0        | 1325.4        |
| Creditors                         | 207.1         | 171.3         | 164.9         | 395.8         | 385.0         |
| Provisions                        | 8.0           | 8.7           | 10.2          | 8.0           | 8.0           |
| Other Current Liabilities         | 597.0         | 1016.5        | 664.8         | 744.6         | 833.9         |
| Total Current Liabilities         | 812.0         | 1196.5        | 839.9         | 1148.3        | 1226.9        |
| Net Current Assets                | 70.1          | -31.4         | 63.2          | 211.7         | 98.5          |
| <b>Application of Funds</b>       | <b>4937.5</b> | <b>5866.9</b> | <b>6468.7</b> | <b>6918.1</b> | <b>7092.0</b> |

Source: Company, ICICI Direct Research

| Exhibit 10: Cash flow statement     |               |                |               |               |               |
|-------------------------------------|---------------|----------------|---------------|---------------|---------------|
|                                     | ₹ crore       |                |               |               |               |
| (Year-end March)                    | FY24          | FY25           | FY26          | FY27E         | FY28E         |
| Profit/(Loss) after taxation        | 193.7         | 346.0          | 603.1         | 650.4         | 609.9         |
| Add: Depreciation & Amortization    | 138.4         | 178.8          | 230.0         | 228.4         | 243.4         |
| Other income                        | 19.8          | 36.3           | 42.7          | 33.4          | 43.4          |
| Changes in the working capital      | 157.4         | 155.4          | 27.7          | -129.0        | 81.5          |
| <b>CF from Operating activities</b> | <b>509.3</b>  | <b>716.5</b>   | <b>903.4</b>  | <b>783.2</b>  | <b>978.2</b>  |
| (Purchase)/Sale of Fixed Assets     | -629.6        | -1129.8        | -662.3        | -500.3        | -500.0        |
| Investments                         | 0.0           | 0.0            | 0.0           | 0.0           | 0.0           |
| Bank balance                        | 27.6          | -27.0          | -67.5         | -55.5         | 0.0           |
| Others                              | -149.9        | -79.9          | -74.8         | -29.0         | -30.4         |
| <b>CF from Investing activities</b> | <b>-751.9</b> | <b>-1236.7</b> | <b>-804.7</b> | <b>-584.8</b> | <b>-530.4</b> |
| (inc)/Dec in Loan                   | 184.6         | -350.9         | -184.0        | -234.4        | -479.4        |
| Change in equity & reserves         | 95.9          | 812.5          | 5.7           | 0.0           | 0.0           |
| Dividend paid                       | 0.0           | 0.0            | 0.0           | 0.0           | 0.0           |
| Other                               | 0             | 85.461         | 134.399       | 0             | 0             |
| <b>CF from Financing activities</b> | <b>280.5</b>  | <b>547.1</b>   | <b>-44.0</b>  | <b>-234.4</b> | <b>-479.4</b> |
| Net Cash Flow                       | 37.9          | 26.9           | 54.8          | -36.1         | -31.7         |
| Cash and Cash Equivalent (openi     | 44.5          | 82.3           | 109.2         | 164.0         | 127.9         |
| <b>Cash</b>                         | <b>82.3</b>   | <b>109.2</b>   | <b>164.0</b>  | <b>127.9</b>  | <b>96.3</b>   |
| <b>Free Cash Flow</b>               | <b>-120.3</b> | <b>-413.3</b>  | <b>241.1</b>  | <b>282.8</b>  | <b>478.2</b>  |

Source: Company, ICICI Direct Research

| Exhibit 12: Key ratios       |      |       |       |       |       |
|------------------------------|------|-------|-------|-------|-------|
| (Year-end March)             | FY24 | FY25  | FY26  | FY27E | FY28E |
| <b>Per share data (₹)</b>    |      |       |       |       |       |
| Adjusted EPS                 | 9.8  | 17.5  | 29.5  | 31.2  | 29.8  |
| Cash EPS                     | 17.1 | 25.7  | 40.0  | 41.7  | 40.9  |
| BV per share                 | 90.1 | 139.4 | 168.9 | 200.1 | 229.9 |
| Dividend per share           | 0    | 0     | 0     | 0     | 0     |
| <b>Operating Ratios (%)</b>  |      |       |       |       |       |
| Operating EBITDA margins (%) | 41.2 | 42.8  | 42.9  | 42.6  | 44.3  |
| PAT Margins                  | 17.9 | 8.3   | 23.3  | 29.4  | 24.2  |
| <b>Return Ratios (%)</b>     |      |       |       |       |       |
| RoE                          | 12.6 | 15.6  | 19.2  | 16.9  | 13.9  |
| RoCE                         | 9.9  | 11.0  | 16.2  | 15.8  | 14.2  |
| RoIC                         | 9.8  | 10.8  | 16.6  | 16.7  | 15.2  |
| <b>Valuation Ratios (x)</b>  |      |       |       |       |       |
| P/E                          | 81.4 | 45.4  | 27.0  | 25.5  | 26.6  |
| EV / EBITDA                  | 34.6 | 26.9  | 16.4  | 15.3  | 15.7  |
| EV / Sales                   | 14.3 | 11.5  | 7.0   | 8.3   | 6.9   |
| Market Cap / Sales           | 12.3 | 10.1  | 6.3   | 7.5   | 6.5   |
| Price to Book Value          | 8.8  | 5.7   | 4.7   | 4.0   | 3.5   |
| <b>Solvency Ratios (x)</b>   |      |       |       |       |       |
| Net Debt / EBITDA            | 4.9  | 3.3   | 1.7   | 1.4   | 1.1   |
| Debt / Equity                | 1.6  | 0.9   | 0.6   | 0.5   | 0.3   |

Source: Company, ICICI Direct Research

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