

## Indian Hotels (IH) - ADD

### Result Update

Current Market Price (CMP)

**Rs.578**

Target Price

**Rs.640**

### Rationale:

- IHCL closed FY24 with 20% yoy growth in consolidated EBITDA.
- Modest quarter; strong growth profile.
- Portfolio of 24,136 keys to be supplemented by 12,953 incremental keys.
- IHCL is the largest play on India's hospitality sector, with its wide presence across mid-to-premium segments as well as in business and leisure locations.
- We expect earnings per share to grow by 60.6% in FY25E and by 25.6% in FY26E.
- Maintain ADD rating with a revised fair value of Rs640/share.

### Q4FY24 Earnings update:

#### **Positives:**

- Standalone occupancy (domestic) up 440 bps yoy /230 bps qoq to 79.1% in Q4FY24.
- IHCL has a net cash balance of ~Rs1,200 cr as of March 2024.
- Taj Sats and Ginger portfolio saw meaningful improvement in comparison to Q4FY23.

#### **Negatives:**

- Standalone earnings lagged our estimate owing to lower non-room revenues.
- ARR declined sequentially, partly owing to inclusion of new Ginger hotels.

(EBITDA - Earnings Before Interest, Tax, Depreciation and Amortization; ARR – Average Room Rate)

[Click here](#)

For detailed report dated 25th April 2024. Note: CMP & valuation may differ due to difference in dates.



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