

Mahindra Holidays & Resorts (India) Ltd (MHRIL) – ADD

Result Update

Current Market Price (CMP)

Rs. 422

Fair Value (FV)

Rs. 475

Rationale:

- Mixed Q4FY24 results; member addition better than estimates; resort income and EBITDA margins missed our estimates.
- Aggressive inventory addition plan; Aims to double room inventory to ~10,000 by FY30.
- Met FY24 guidance of ~20,000 net new member additions.
- Any major surprise in performance of HCR (subsidiary co.) may lead to further re-rating.
- Maintain ADD with revised SoTP (Sum of the parts) based FV of Rs475 (from Rs465).

(EBITDA: Earnings before interest, tax depreciation & amortization, PAT: Profit Aft. tax, CAGR: Compound Annual Growth rate)

Q4FY24 Earnings Update:

Positives:

- Added 5734 (+12.5% yoy) new members (net) in the quarter and took the cumulative membership base to 2.98 lakhs (+5.7% yoy).
- We expect revenue/adj. PAT to grow at a CAGR of 12.4%/22.6% in FY24-26E.
- HCR reported robust results despite adverse macroeconomic situation in Europe.

Negatives:

- EBITDA margin declined 190bps to 17.9% on higher rent and other expenses.

[Click here](#) For detailed report dated 29th April 2024. Note: CMP & valuation may differ due to difference in dates.



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