

Pick of *the week*

Mahindra Holidays & Resorts India Ltd

Recommendation: **BUY**

Target Price: **₹482**

Current Price: **₹378**

Time Period: **12 Months**

Date: **09th December 2024**



- MHRIL is the market leader in vacation ownership business in India, operating under brand name 'Club Mahindra'.
- We like MHRIL for its differentiated business model that ensures revenue and earnings predictability with strong cash flows across economic cycles.
- The company aims to nearly double room inventory by FY30 to ~10,000; giving strong growth visibility for membership base in the long run.
- Strong balance sheet (net cash and equivalent of Rs 1450 cr at standalone) and robust cash flows would support its in room inventory addition.
- The company is working on product rationalization strategy with focus on higher AUR (realization) product, more down payment, etc.
- We arrive at SoTP based FV of Rs482/share; any major surprise in performance of HCR may lead to further re-rating in the stock

Note: The above is a brief note on the company, based on the inputs of the Kotak Securities report dated 28 Oct 2024, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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