

Pick of the week

SAMHI Hotels (SAMHI)

Recommendation: **Buy**

Target Price: **₹265**

Current Price: **₹209**

Time Period: **12 Months**

Date: **16th December 2024**



- SAMHI is on a healthy growth trajectory, aided by an improvement in room rates and occupancy, and the consolidation of the ACIC portfolio.
- Management has stated that it plans to grow its inventory by 10-15% annually over the medium term.
- SAMHI is on track to add 165 keys across Kolkata and Bengaluru, and re-open the 137 keys at Caspia Pro G. Noida (rebranded as Holiday Inn Express) in Q3FY25.
- SAMHI has acquired a 142-key operational hotel in Bengaluru, with additional land to add another ~200 keys.
- SAMHI announced that it has entered into a long-term variable lease agreement for a completed office building (270k sq. ft built-up area) at Hitec City, Hyderabad.
- We expect earnings per share of Rs8.5 in FY26E and Rs13.1 in FY27E.
- We value SAMHI using a DCF-based methodology.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 11th Nov'24, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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