

Pick of *the week*

Indian Hotels

Recommendation:	ADD
Target Price:	₹640
Current Price:	₹544
Time Period:	12 Months
Date:	13th May 2024



- Indian Hotels 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.
- Indian Hotels has an operational inventory of 24,136 keys, comprising 13,813 owned keys and 10,323 managed keys. In FY24, IHCL added 2,500 keys.
- The company is looking to add 12,953 keys in the next four years, comprising 2,779 owned keys and 10,174 managed keys.
- Indian Hotels generated operational cash flows of Rs1,740 cr in FY24. The company has a net cash balance of ~Rs1,200 cr as of March 2024.
- We expect earnings per share to grow by 60.6% in FY25E and by 25.6% in FY26E.
- The strong earnings growth keeps us positive despite rich valuations. We have an ADD rating with a fair value of Rs640.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 25th April 2024, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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