

11 September 2025

India | Equity Research | Initiating Coverage

Brigade Hotel Ventures

Hotels

Building lobbies to legacy: Doubling keys to unlock growth

We initiate coverage of Brigade Hotel Ventures Ltd. (BHVL) with a **BUY** rating and a target price of INR117, based on 18x Sep'27E EV/EBITDA for operational hotels and 1x capital WIP for assets opening beyond FY28E adjusted for incremental debt. BHVL, a subsidiary of the listed Brigade Enterprises Ltd. (BRGD), is an owner and developer of hotels in key cities in India, primarily across south India. As of Jun'25, BHVL's portfolio boasts of nine operating hotels across Bengaluru (Karnataka), Chennai (Tamil Nadu), Kochi (Kerala), Mysuru (Karnataka) and the GIFT City (Gujarat) with 1,604 keys. As part of its expansion plans, the company intends to develop nine new hotels with 1,700 keys across south India with an estimated capex of ~INR 34bn over FY25–29 (assuming capex of ~INR 20mn/key).

An assorted platter – operated by marquee hospitality labels

While BHVL is an asset owner, its hotels are operated by global marquee hospitality companies such as Marriott, Accor and InterContinental Hotels Group. Notably, BHVL, via these labels, caters to the upper upscale, upscale, upper-midscale and midscale segments. The hotels provide a comprehensive customer experience, including fine dining and specialty restaurants, venues for meetings, incentives, conferences, and exhibitions ('MICE'), lounges, swimming pools, outdoor spaces, spas, and gymnasiums.

Master 'key' move – aims to double operational keys by FY30

As of Jun'25, BHVL has a portfolio of nine operating hotels across Bengaluru (Karnataka), Chennai (Tamil Nadu), Kochi (Kerala), Mysuru (Karnataka) and the GIFT City (Gujarat) with 1,604 keys. As part of its expansion plans, the company intends to develop nine new hotels with 1,700 keys across south India with an estimated capex of ~INR34bn over FY25–29 (assuming capex of ~INR 20mn/key). In addition to the current operational + pipeline of hotels as of Jun'25 – which would take total operational keys to ~3,300 by FY29E, BHVL continues to look for strategic expansion opportunities.

Key risks: Slowdown in hotel occupancies/ARRs and delay in execution of upcoming hotel assets.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	4,683	5,452	6,237	7,542
EBITDA	1,644	2,030	2,378	2,846
EBITDA Margin (%)	35.1	37.2	38.1	37.7
Net Profit	202	1,107	1,466	1,311
EPS (INR)	0.7	2.9	3.5	3.5
P/B (x)	NM	3.0	2.6	1.8
P/E (x)	NM	28.1	21.2	23.8
EV/EBITDA (x)	NM	16.7	17.4	15.9
RoCE (%)	16.7	14.0	9.5	6.8
RoE (%)	48.5	18.9	12.8	8.8

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Market Data

Market Cap (INR)	32bn
Market Cap (USD)	358mn
Bloomberg Code	BRIGHOTE IN
Reuters Code	BRAI.BO
52-week Range (INR)	92 / 77
Free Float (%)	13.0
ADTV-3M (mn) (USD)	0.0

Price Performance (%)	3m	6m	12m
Absolute	0.0	0.0	0.0
Relative to Sensex	0.0	0.0	0.0

ESG Score	2023	2024	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Strong parentage of the Brigade Group

The company is a subsidiary of Brigade Enterprises Ltd. (BRGD), which is a real estate developer in India. BRGD is a multi-asset class real estate developer with projects across real estate, leasing and hospitality businesses. With extensive experience in real estate and commercial projects, BRGD has a deep understanding of market trends and location opportunities, which enables the company to locate strategic land parcels for its hotels.

Further, BRGD's involvement in developing large mixed-use developmental projects provides it with an opportunity to develop hotels as part of these projects, which allows the company to provide an integrated experience to its customers by combining hospitality with other amenities and services.

Also, the company leverages BRGD's expertise and knowledge to develop hotels with cost efficiency and high quality in shortened timelines. In addition, the company benefits from the strong reputation of BRGD, its network and relationships to secure corporate clientele for hospitality tie-ups and share services such as human resource, accounting and legal to drive operational efficiencies.

17% revenue and 20% EBITDA CAGR over FY25–28E

We build in same-store RevPAR growth of ~8% for operational hotels over FY25–28E, in line with our view on the hotels industry; the balance revenue contribution of 9-10% stemming from new hotels and increased F&B revenue over the medium term, which was ~33% of overall hotel revenue in FY25. We estimate 20% EBITDA CAGR over the same period with EBITDA margins expanding 260bps to 37.7% in FY28 vs. 35.1% in FY25 on account of operating leverage. Beyond FY28E, margins may expand further as the Hyderabad and Chennai luxury/premium hotels begin to meaningfully contribute to revenue and EBITDA at higher margins upon stabilisation.

Valuation: Initiate with BUY; TP INR 117

We initiate coverage with a **BUY** rating on BHVL with a target price of INR 117. We value the company's operational hotels as of Sep'27E at an EV of INR 43.5bn at 18x Sep'27E EV/EBITDA of INR 2.4bn (adjusted for 50% Chennai hotel share) – at a 20% discount to our target multiple of 23x for peers such as Lemon Tree Hotels and Chalet Hotels, considering company's operational portfolio leans more towards upper upscale hotels. As the company's premium/luxury hotels begin operations from FY28E, the EBITDA multiple may expand over time. For the company's hotels set to open beyond FY28E, we add 1x capital WIP of INR 15.1bn and reduce Sep'27E net debt of INR 14.1bn factoring in the capex required for these hotels. Hence, we arrive at a target equity value of INR 44.5bn or INR 117/share.

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Company Profile

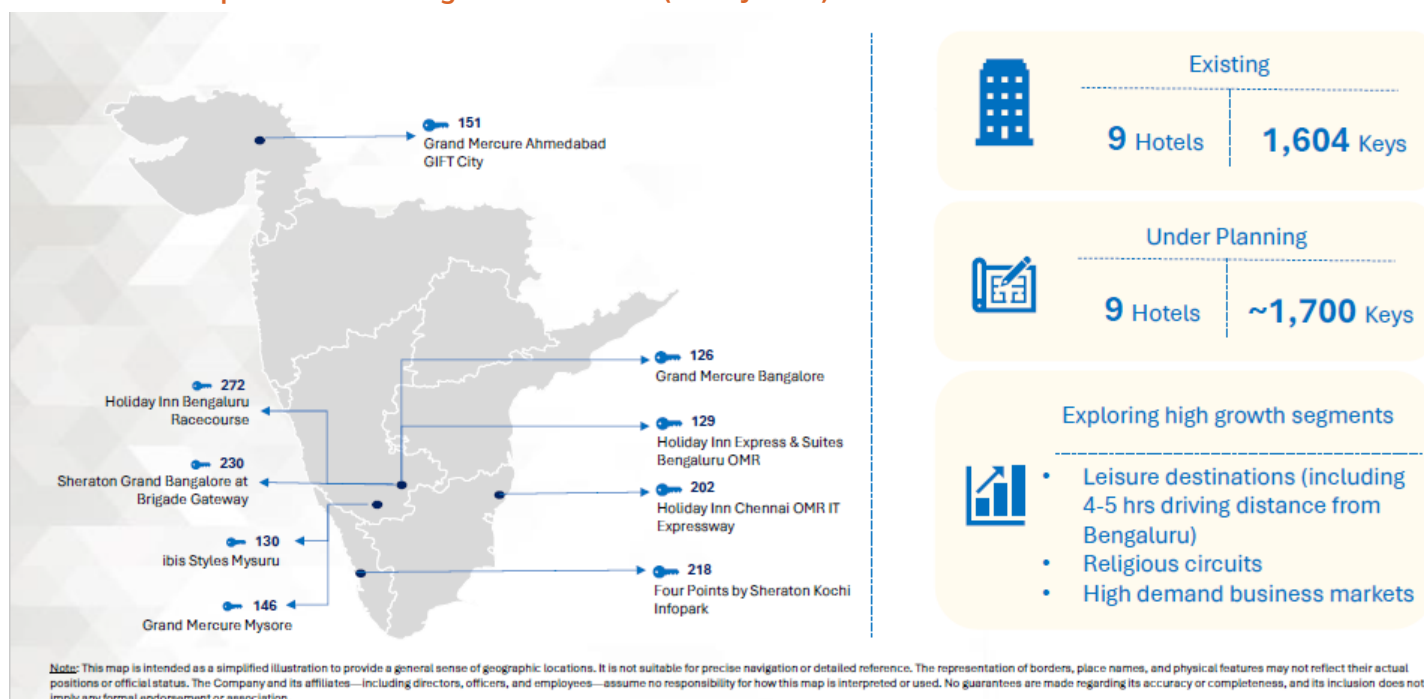
BHVL is an owner and developer of hotels in key cities in India, primarily across south India. As per Horwath HTL, the company is the second largest owner of chain-affiliated hotels and hotel rooms in south India (comprising the states of Kerala, Andhra Pradesh, Tamil Nadu, Karnataka, Telangana, and the Union Territories of Lakshadweep, Andaman and Nicobar Islands and Pondicherry), among major private hotel asset owners (i.e., investors owning at least 500 rooms pan India), as of 31 Mar'25.

The company's promoter, BRGD, entered the hospitality business in 2004 with the development of its first hotel Grand Mercure Bangalore, which commenced operations in 2009.

As of Jun'25, BHVL has a portfolio of nine operating hotels across Bengaluru (Karnataka), Chennai (Tamil Nadu), Kochi (Kerala), Mysuru (Karnataka) and the GIFT City (Gujarat) with 1,604 keys. The company's hotels are operated by global marquee hospitality companies such as Marriott, Accor and InterContinental Hotels Group and are in the upper upscale, upscale, upper-midscale, and midscale segments. Its hotels provide a comprehensive customer experience including fine dining and specialty restaurants, venues for meetings, incentives, conferences, and exhibitions ("MICE"), lounges, swimming pools, outdoor spaces, spas, and gymnasiums.

As part of its expansion plans, the company intends to develop nine new hotels spread across 1,700 keys across south India with an estimated capex of ~INR 34bn over FY25–29 (capex of ~INR 20mn/key).

Exhibit 1: BHVL's portfolio – existing and in ideation (as of Jun'25)



Source: Company, I-Sec research

Doubling operational keys by FY30

BHVL has decisive plans to develop five new hotels across south India, as of Mar'25. In particular, it intends to develop a luxury beach resort at ECR in Chennai (Tamil Nadu) and two upper midscale hotels in Bengaluru (Karnataka). With respect to the luxury beach resort, it has entered into a management agreement with Hyatt to develop the resort under the 'Grand Hyatt' brand.

Similarly, with respect to the two upper midscale hotels in Bengaluru (Karnataka), it has entered into definitive agreements with Marriott to develop these hotels under the 'Fairfield by Marriott' brand. The company also intends to develop a luxury hotel under the InterContinental brand in Hyderabad (Telangana), for which its Promoter, BRGD, has entered into a definitive agreement with InterContinental Hotels Group.

Further, it plans to develop a wellness resort in Vaikom, Kerala of 70 keys. It has also entered into a definitive agreement with Marriott to develop this resort under 'The Ritz-Carlton' brand. BHVL intends to complete the construction of the luxury beach resort in Chennai (Tamil Nadu) and two upper midscale hotels in Bengaluru (Karnataka) by FY28 and the remaining two hotels (including the wellness resort) by FY29.

In addition to these, post Mar'25, the company has added another four hotels to its future pipeline including the Courtyard brand hotel at WTC Chennai set to be operational in H2FY27 and a 200 keys Marriott brand hotel at WTC Thiruvananthapuram along with a 250 keys JW Marriott hotel at Chennai OMR and a hotel in Tumkur Road, Bengaluru.

While the company's existing portfolio of hotels cater to demand in the upper upscale and midscale categories, there is a clear strategy to add premium/luxury hotels on an incremental basis.

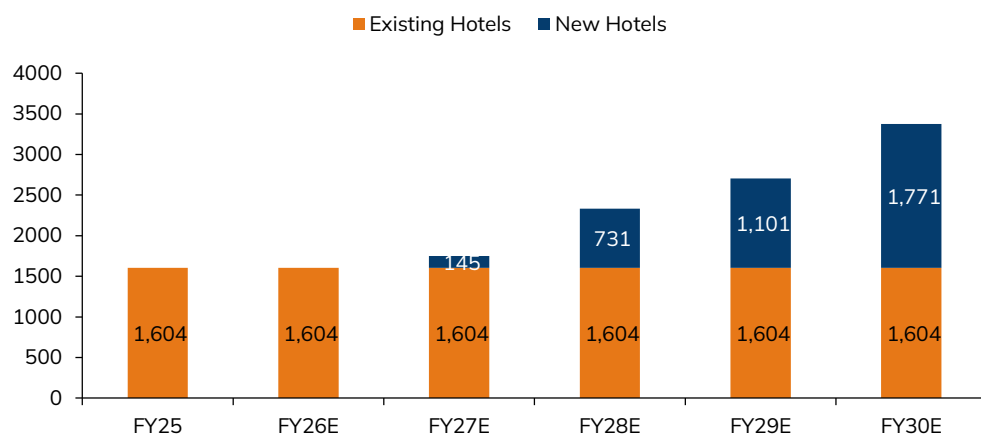
Exhibit 2: Details of BHVL's hotels in ideation portfolio (as of Jun'25)

SL. No.	Project	Keys (Approx.)	Location
1	Fairfield by Marriott Bengaluru International Airport	224	Bengaluru International Airport
2	Fairfield by Marriott Bengaluru at Brigade Valencia	151	Near Electronic City, Bengaluru
3	Grand Hyatt Chennai ECR	211	East Coast Road, Chennai
4	InterContinental Hyderabad at Brigade Gateway	300	Kokapet, Hyderabad
5	The Ritz-Carlton Resort Vaikom Kerala	70	Vaikom Island, Kochi
6	JW Marriott Chennai OMR**	250	OMR, Chennai
7	'Courtyard' brand hotel at WTC Chennai	45	OMR, WTC Chennai
8	'Marriott' brand hotel at WTC Thiruvananthapuram**	200	Technopark, Thiruvananthapuram
9	Purchased ~ 2.24-acre land near Tumkur road, Bengaluru to build upper midscale hotel		
BHVL Upcoming Keys		1,700*	
Total BHVL Portfolio (Existing + Upcoming)		3,300	

*Keys mentioned above for the upcoming hotels are tentative and are subject to change basis final design drawing and project execution.

**Land documentation is under finalization

Source: Company, I-Sec research

Exhibit 3: BHVL's growth in operational hotel keys (FY25–30E)

Source: Company, I-Sec research

In addition to the current pipeline of hotels, as of Jun'25, BHVL continues to look for strategic expansion opportunities. Overall, we expect the company to double its operational portfolio to over 3,300 keys by FY30E. Assuming a capex of ~INR 20mn/key across the portfolio, we estimate a capex spend of ~INR 34bn over FY25–29, which may be funded through an equal mix of equity/internal accruals and debt.

Strong parentage of Brigade Group

BHVL is a subsidiary of BRGD, which is a real estate developer in India. BRGD is a multi-asset class real estate developer with projects across real estate, leasing and hospitality businesses. In its real estate business, from Jan'21 to Mar'25, it has completed 45 projects with an aggregate developable area of 24.57msf and 17.93msf of aggregate saleable area.

Further, in its leasing business, from Jan'21 to Mar'25, it has completed six projects with a developable area of 7.42msf and 4.42msf of aggregate leasable area. It also started the Brigade Real Estate Accelerator programme (Brigade REAP) in 2016, which helps companies create sustainable and scalable businesses in the real estate industry.

BRGD was incorporated in 1995 and was listed on NSE and BSE with effect from 31 Dec'07. Being a subsidiary of BRGD allows BHVL to benefit from its brand reputation and leverage its network, relationships, businesses and credibility which helps the company to be a trusted provider of hospitality services.

With extensive experience in real estate and commercial projects, BRGD has a deep understanding of market trends and location opportunities which enables the company to locate strategic land parcels for its hotels. Further, BRGD's involvement in developing large mixed-use developmental projects provides it with an opportunity to develop hotels as part of these projects, which allows it to provide an integrated experience to its customers by combining hospitality with other amenities and services.

The company leverages BRGD's expertise and knowledge to develop hotels with cost efficiency and high quality in shortened timelines. In addition, the company benefits from the strong reputation of BRGD, its network and relationships to secure corporate clientele for hospitality tie-ups and share services such as human resource, accounting and legal to drive operational efficiencies.

BRGD's expertise in project development serves as a foundation for BHVL's hotels, allowing it to deliver quality hotels. This is evident in several instances where the company's hotels were upgraded to higher brand levels following construction. For instance, its hotel, Grand Mercure Bangalore was originally a Mercure brand; but was upgraded and opened as Grand Mercure hotel. Its hotels Grand Mercure Mysore and Grand Mercure Ahmedabad GIFT City were initially designed as ibis Styles hotels. But owing to the high quality of their designs and builds, both were opened as Grand Mercure hotels.

Further, Holiday Inn Bengaluru Racecourse commenced operation in 2017 and was upgraded from a Holiday Inn Express & Suites hotel to a Holiday Inn hotel in 2020. Its hotel Sheraton Grand Bangalore at Brigade Gateway was originally branded as a Sheraton hotel and commenced operations in 2011. This was upgraded to a Sheraton Grand in 2015.

Experienced management team with strong domain expertise

BHVL benefits from the experience of the company's management team, which has extensive knowledge in the hospitality and real-estate sector, including in operations, business development and customer relationships.

The company's key managerial and senior management personnel include its Chief Financial Officer, Ananda Natarajan who has several years of experience in finance, its Company Secretary and Compliance Officer, Akanksha Bijawat who has several years of experience in secretarial and corporate matters.

Further, Chief Operating Officer - Hospitality, Manoj Agarwal, who has several years of experience in hotel asset management and financial advisory and sales, and President of Engineering in Hospitality, Arindam Mukherjee, are responsible for overall budgeting, design management, construction delivery of hotels and appointment of consultants. The company's key managerial and senior management are guided by its Directors, including, Nirupa Shankar and Vineet Verma with several years of experience in the hospitality and real-estate industry, respectively, who have been instrumental in the growth of the company's business and revenues.

Nirupa Shankar has been with the Brigade Group since 2009 and has won several awards. She has been recognised as a CNBC Young Turk and Economic Times (ET) 40 under 40. She is on the advisory board of Hotelier India publication, Hospitality Biz publication and the Indian School of Hospitality based out of Delhi. She has also received the Construction Woman of the Year 2018 – India by Construction Times, and Entrepreneur of the Year 2017 by Future Woman Leader Summit, Young Entrepreneur of the Year 2016 by Construction Week. She is also a two-time TEDx speaker and a fitness enthusiast who completed the Ironman Copenhagen in August 2023.

Vineet Verma, has been with the Brigade Group since 2006 and oversees the development and operation of all hotels in the company's portfolio. He is also the Managing Director of the World Trade Center in Bengaluru (Karnataka), Kochi (Kerala) and Chennai (Tamil Nadu) and is on the board of the World Trade Center Association, New York. He has received several awards including 'Hotel Owner of the Year' by Hospitality Leaders Industry Choice Awards 2015. He was featured in the Hotelier India Power List for 2021 and received the Hall of Fame award from BBC Goodfood India. He is the longest serving chairman of the Expert Committee for Hospitality & Tourism, Bengaluru Chamber of Industry & Commerce and assumed the office of President of BCIC in Aug'24. He is also the Vice President of Karnataka Tourism Society and a member of the National Task Force for Tourism, CII. He was awarded the Honorary MRICS by the Royal Institute of Chartered Surveyors UK in 2017 and was recognised by Great Place to Work as one of India's best leaders in Times of Crisis in 2021. He has also been elected a Fellow of the International Institute of Hotel Management in recognition of his exemplary services and contribution to the hospitality profession.

Well positioned to capitalise on industry tailwinds

According to Horwath HTL, future demand will be driven by diverse domestic and inbound travel needs - business, leisure, MICE, weddings, social events, pilgrimages and other personal travels, political and business delegations and airline crew.

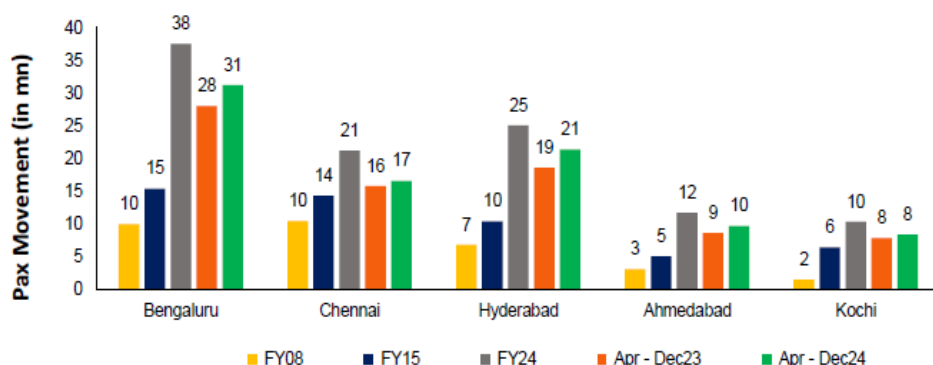
As per The World Travel & Tourism Council (WTTC), the travel and tourism sector's contribution to India's economy was INR 15.7trn in CY22 and INR 19.1trn in CY23. Further, as per the WTCC Economic Impact Factsheet released on 28 Jun'24, the travel and tourism sector's contribution to India's economy was estimated at INR 21.2trn for CY24, and is forecast at INR 43.3trn for CY34, growing at 7.4% CAGR from CY24 to CY34 (Source: Horwath HTL). Additionally, the Hotel Association of India (HAI) estimates foreign tourist arrivals (FTA) to cross 30mn in India by CY37 and McKinsey estimates 5bn domestic visits by CY30. Further, HAI forecasts 15bn domestic visits and 100mn FTAs by CY47. As per Horwath HTL, the growth in FTAs is expected to strengthen hotel average daily rates, particularly for upper-tier hotels.

Moreover, the demand for chain affiliated hotels has increased from 61,000 rooms per day in FY15 to 116,000 rooms per day in FY24 and to 127,000 rooms per day at the end of Mar'25. FTA was above 10mn annually from CY17 to CY19 and recovered, post Covid-19, to 9.2mn in CY23. FTA for CY24 was 9.7mn, 1.4% higher than CY23.

The company also benefits from the demand from the services sector. According to Horwath HTL, services sector is among the fastest growing in the Indian economy. India is a software hub for exports. Karnataka, Tamil Nadu, Kerala and Telangana contributed about 65% of India's IT and ITeS exports for FY24, with operations mainly driven from Bengaluru, Chennai, Kochi and Hyderabad, respectively.

Further, growth in air travel is a material driver of demand and overall market growth. The select markets (Bengaluru, Chennai, Kochi, Gandhinagar, Ahmedabad, Mysore and Hyderabad) had 28.7% share of air traffic for FY25, while having 23% supply share of hotel inventory.

Exhibit 4: Passenger (pax) movement (arrivals and departures) in million for select markets*



* Excludes Mysore airport due to limited and inconsistent travel from that airport; Source: Airports Authority of India (AAI)

Source: Horwath HTL, I-Sec research

Further, domestic travel visits grew at 13.5% CAGR between CY01 and CY19, from 236mn visits in CY01 to 2.3bn visits in CY19. Domestic travel numbers for CY23 at 2.51bn have surpassed CY19 (pre-Covid-19) by 8%, reflecting strong rebound of travel and an increase of 45% over 1.7bn visits for CY22.

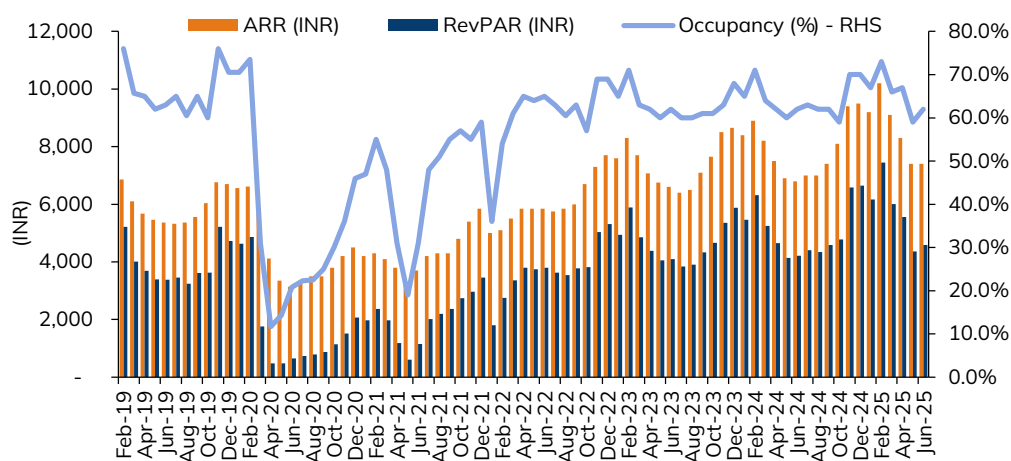
As an owner and developer of branded hotels in key cities primarily in South India, the company is well positioned to benefit from its scale, built-in operating efficiencies and ability to expand the company's operations in key markets.

Medium-term demand outlook remains positive

FY24 (Apr'23–Mar'24) was a stellar year with industry RevPAR growth at 14%. For FY25, even with a weak Q1FY25 where India's General elections and heatwaves impacted demand, we estimate that FY25 industry RevPAR has grown 10-12% over FY24. With various estimates pegging industry supply CAGR at 5–6% over FY24–29 vs. demand CAGR at ~10%, we expect a high single-digit ARR CAGR of 6–8% across hotels over FY25–28E with occupancies rising 100–200bps each in FY26E and FY27E. Ahead, new asset additions/completions remain key for companies to deliver an EBITDA CAGR of 15–20% over FY25–28E.

We expect management contracts to remain the preferred choice of expansion for most hotel companies (over 80% of incremental room addition over FY25–29E) with pure asset owners looking to either acquire operational hotels or utilise their existing land banks to drive growth.

Exhibit 5: Industry ARR/occupancy trends from Feb'19 to Jun'25



Source: I-Sec research, HVS Anarock

Financial Analysis

Exhibit 6: Key operating assumptions for BHVL at a portfolio level

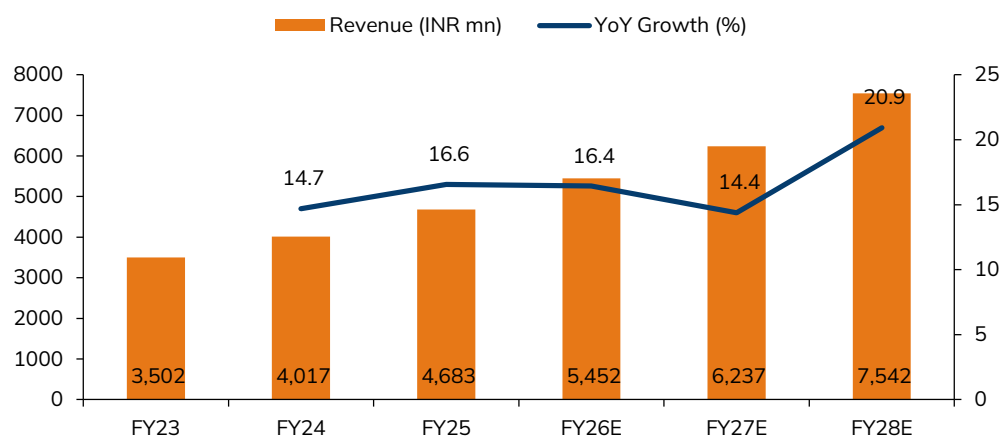
Details	FY23	FY24	FY25	FY26E	FY27E	FY28E
Operational Keys	1,474	1,474	1,604	1,604	1,749	2,335
ARR (INR)	5,944	6,388	6,694	7,208	7,743	8,366
Occupancy (%)	69.6%	73.3%	76.8%	78.0%	79.4%	76.5%
RevPAR (INR)	4,136	4,681	5,138	5,622	6,150	6,399
YoY RevPAR Growth (%)		13.2	9.8	9.4	9.4	4.0

Source: I-Sec research, Company data, * assumed Delhi Airport hotel to be fully operational in FY27E

We estimate 17% revenue CAGR over FY25–28E

We build in same store RevPAR growth of ~8% for operational hotels over FY25–28E, in line with our view on the hotels industry with balance revenue contribution from new hotels and increased F&B revenue over the medium term which was ~33% of overall hotel revenue in FY25. In Q1FY26, the company was able to achieve 32% YoY in F&B revenue vs. overall hotel revenue growth of 22%, which demonstrates the company's increased focus on diversifying its revenue stream and deliver growth.

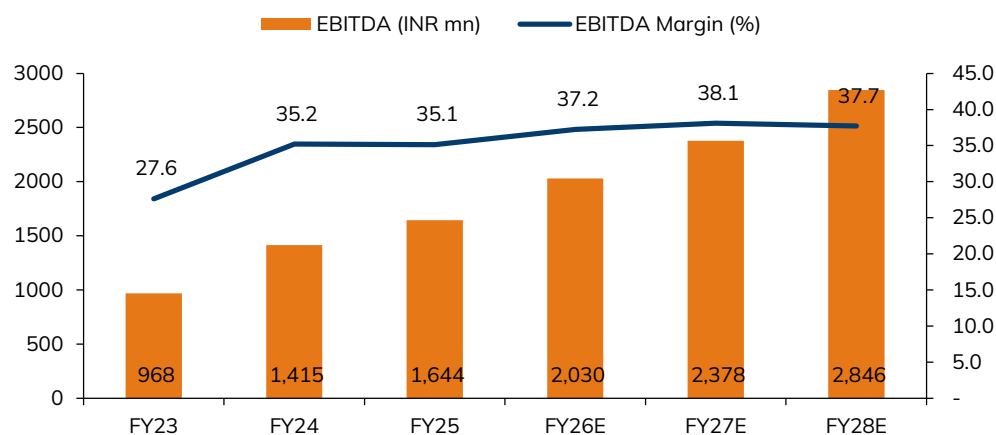
Exhibit 7: We estimate 17% revenue CAGR over FY25–28



Source: Company, I-Sec research estimates

We estimate 20% EBITDA CAGR over FY25–28E

While we build in 17% revenue CAGR over FY25–28E, we estimate 20% EBITDA CAGR over the same period with EBITDA margins expanding 260bps to 37.7% in FY28E vs. 35.1% in FY25 on account of operating leverage. Beyond FY28E, margins may expand further as the Hyderabad and Chennai luxury/premium hotels begin to meaningfully contribute to revenue and EBITDA at higher margins upon stabilisation.

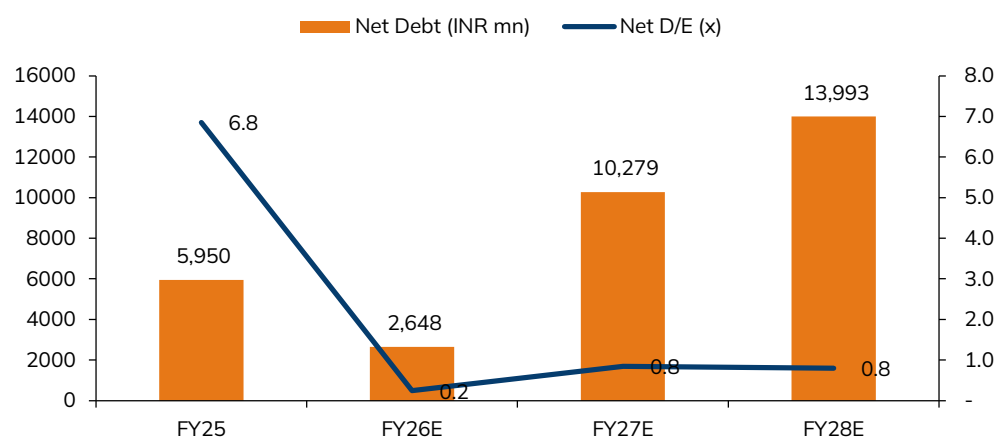
Exhibit 8: BHVL's EBITDA to expand at 20% CAGR over FY25–28E


Source: Company, I-Sec research estimates

Net debt/equity to remain at under 1x even with expansion plans

BHVL, being an asset owner, is targeting to double its operational hotel keys to over 3,300 keys by FY30 and we estimate capex of INR34bn over FY25–29 at a capex of ~INR 20mn/key, considering the focus on adding a larger share of premium/luxury hotels in the portfolio.

While this may result in net debt rising to ~INR 14bn by Mar'28E, we expect net D/E to remain under 1x over this time period. While the accelerated capex may lead to depressed return ratios in FY27–28E, we estimate stabilised cash flow yield of 9–10% from the incremental capex of ~INR 34bn, which may potentially add ~INR 3bn of incremental EBITDA by FY29/30E.

Exhibit 9: BHVL's net D/E to remain under 1x over FY26–28E


Source: Company, I-Sec research

Valuation

We initiate coverage with a **BUY** rating on BHVL with a target price of **INR 117**. We value the company's operational hotels as of Sep'27E at an EV of INR 43.5bn at 18x Sep'27E EV/EBITDA of INR 2.4bn (adjusted for 50% Chennai hotel share) at a 20% discount to our target multiple of 23x for peers such as Lemon Tree Hotels and Chalet Hotels considering company's operational portfolio leans more towards upper upscale hotels. As the company's premium/luxury hotels begin operations from FY28E onwards, the company's EBITDA multiple may expand over time.

For the company's hotels set to open beyond FY28E, we add 1x capital WIP of INR 15.1bn and reduce Sep'27E net debt of INR 14.1bn factoring in the capex required for these hotels. Hence, we arrive at a target equity value of INR 44.5bn or INR 117/share.

Exhibit 10: SoTP-based valuation of BHVL (INR mn)

Particulars	
Sep'27E Hotel EBITDA (INR mn) – adjusted for 50% Chennai hotel share	2,416
Operational Hotels Enterprise Value (EV at 18x EV/EBITDA)	43,482
Add: 1x capital WIP of hotel openings beyond FY28E	15,108
BHVL SoTP EV (INR mn)	58,590
Less: Net Debt as of Sep'27E (INR mn)	14,136
BHVL Total SOTP Equity Value (INR mn)	44,454
Equity Value per Share (INR)	117

Source: Company data, I-Sec research

Exhibit 11: Peer Comparison

Company	Revenue (INR mn)				EBITDA (INR mn)				EBITDA Margin (%)			
	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E
Indian Hotels	67,688	83,345	1,01,329	1,12,809	21,571	27,734	35,225	40,166	31.9	33.3	34.8	35.6
Chalet Hotels	14,173	17,178	20,511	23,600	5,846	7,359	9,491	11,291	41.2	42.8	46.3	47.8
Lemon Tree Hotels	10,711	12,861	15,699	18,123	5,232	6,341	7,705	9,079	48.8	49.3	49.1	50.1
Brigade Hotel Ventures	4,017	4,683	5,452	6,237	1,415	1,644	2,030	2,378	35.2	35.1	37.2	38.1

Company	RoE (%)				RoCE (%)				EV/EBITDA (x)			
	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E
Indian Hotels	14.4	16.3	16.4	16.9	13.6	15.8	17.3	17.6	50.6	39.2	30.6	26.3
Chalet Hotels	17.3	6.3	21.9	17.9	10.2	11.6	13.1	13.8	41.0	33.8	25.5	21.2
Lemon Tree Hotels	16.3	18.5	24.5	25.9	10.2	11.7	14.9	17.0	38.5	35.9	29.1	24.0
Brigade Hotel Ventures	40.6	48.5	18.9	12.8	14.8	16.7	14.0	9.5	NM	NM	16.7	17.4

Source: Company data, I-Sec research estimates

Annexure: Snapshot of company's operational hotels

Grand Mercure Bangalore

It commenced operations in Jan'09 and operates 126 keys. It is located in the centre of Bengaluru's Koramangala region. The hotel is designed in an apartment-style, offering all-suite accommodations with modular kitchenettes and private balconies in every room. It has four meeting and banqueting spaces, a pool, a fitness center and a spa. The hotel operates two restaurants - By The Blue and The Verandah.

Sheraton Grand Bangalore at Brigade Gateway

It commenced operations in Apr'11 and operates 230 keys. It is situated within the integrated lifestyle precinct of Brigade Gateway in Rajajinagar, Bengaluru (Karnataka), adjacent to the World Trade Center and the Orion Mall. It has eight meeting and banqueting spaces with an aggregate event space of ~24,500 square feet for a MICE capacity, an infinity pool, a health club and a spa. It also houses seven restaurants including Feast, The Lounge, The Persian Terrace, Hydeout Bar and Lounge, High Ultra Lounge, the World Cafe, and Horizon.

Grand Mercure Mysore

It commenced operations in April'16 and operates 146 keys. It serves luxury tourists and MICE from major cities such as Bengaluru, Chennai, Mumbai, and Hyderabad. It is located on Sayyaji Rao road, the main commercial road of Mysuru, offering modern services, room quality and dining options. It is in proximity to multiple industrial hubs such as Metagalli, Hebbal, Hootagalli, Koorgalli, Kadakola and Nanjangud. It has five meeting and banqueting spaces. In addition, it has a rooftop swimming pool, a fitness center that is equipped with cardio and strength-training machines and a spa. It operates four restaurants including By The Blue and La Uppu. Other dining option includes the Silk Bar, located at the hotel lobby.

Holiday Inn Chennai OMR IT Expressway

It commenced operations in Apr'17 and operates 202 keys. It is located at the beginning of the Old Mahabalipuram Road, Chennai. It caters to the demand from the IT/ITes sector and the local market. It also has a 220 feet frontage and has five meeting and banqueting spaces, a fully equipped business center, a pool and a gym. It operates three restaurants including Cafe G, The Lounge and Score – The Sports Bar & Grill.

Holiday Inn Bengaluru Racecourse

It commenced operations in Oct'17 and operates 272 keys. It is located in the central business district area of Bengaluru (Karnataka). It has three meeting and banqueting spaces. It has a variety of amenities that include a fitness center, a spa and a rooftop swimming pool. It operates four F&B outlets (restaurants, coffee shops and bars) including Cafe G, Glass Kitchen & Bar, The Lounge Café and Turf View.

Four Points by Sheraton Kochi Infopark

It commenced operations in Dec'18 and operates 218 keys. It has three meeting and banqueting spaces. Furthermore, it has a rooftop infinity swimming pool, a fully equipped fitness center and a spa. It operates four restaurants including The Eatery, Deli, Caper – High Energy Lounge Bar, Infinity - Poolside bar and All Spice.

Grand Mercure Ahmedabad GIFT City

It commenced operations in Dec'19 and operates 151 keys. It is located within GIFT City (Gujarat) which is India's pioneering global financial hub (Source: Horwath HTL Report). It has three banquet spaces, a swimming pool and a fitness center. It has two

F&B outlets which includes a 'Wine & Dine' facility and a multi-cuisine restaurant, 'Sangam'.

Holiday Inn Express & Suites Bengaluru OMR

It was launched in Aug'20 and operates 129 keys. It is located along the Old Madras Road in Bengaluru, Karnataka, in proximity to the industrial hub of Hoskote, Narsapura and Whitefield. It has two meeting and banqueting spaces. It operates two restaurants including The Great Room and The Verandah.

ibis Styles Mysuru

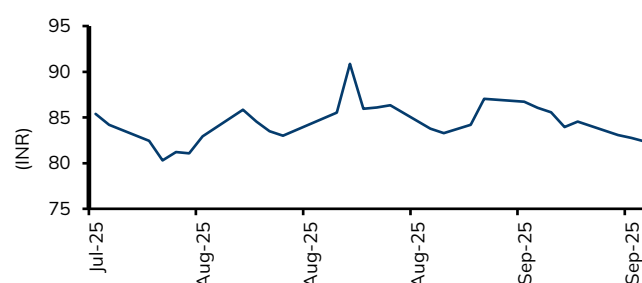
It is operational, as of Jun'25, and operates 130 keys. It is located in proximity to multiple industrial hubs such as Metagalli, Hebbal, Hootagalli, Koorgalli, Kadakola and Nanjangud. It aims to offer simple, trendy hospitality with a wide array of choices, with three F&B outlets including The Verandah and Flamingo, a rooftop bar, a limitless swimming pool, a large banquet space, and seven meeting rooms.

Exhibit 12: Shareholding pattern

%	Jul'25
Promoters	74.1
Institutional investors	19.5
MFs and other	15.9
Banks/ FIs	0.0
Insurance Cos.	0.6
FIs	3.0
Others	6.4

Source: Bloomberg, I-Sec research

Exhibit 13: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 14: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	4,683	5,452	6,237	7,542
Operating Expenses	3,038	3,423	3,859	4,696
EBITDA	1,644	2,030	2,378	2,846
EBITDA Margin (%)	35.1	37.2	38.1	37.7
Depreciation & Amortization	498	538	631	995
Interest expenditure	726	457	343	312
Other Non-operating Income	24	73	63	70
Recurring PBT	445	1,107	1,466	1,608
Less: Taxes	209	-	-	298
PAT	237	1,107	1,466	1,311
Less: Minority Interest	(35)	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	202	1,107	1,466	1,311
Net Income (Adjusted)	202	1,107	1,466	1,311

Source Company data, I-Sec research

Exhibit 15: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	879	1,485	866	1,296
of which cash & cash eqv.	224	778	62	324
Total Current Liabilities & Provisions	772	1,009	1,201	1,388
Net Current Assets	107	476	-335	-93
Investments	1	1	1	1
Net Fixed Assets	7,315	7,910	8,300	16,158
Capital Work-in-Progress	203	5,912	14,617	15,600
Total Assets	7,625	14,299	22,582	31,666
Liabilities				
Borrowings	6,173	3,425	10,341	14,317
Deferred Tax Liability	(574)	(574)	(574)	(574)
Equity Share Capital	2,829	2,829	2,829	2,829
Reserves & Surplus	-1,961	7,877	9,344	14,654
Total Net Worth	869	10,707	12,173	17,484
Minority Interest	155	155	155	155
Other liabilities	1,003	587	488	285
Total Liabilities	7,625	14,299	22,582	31,666

Source Company data, I-Sec research

Exhibit 16: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	1,509	2,069	1,544	1,898
Working Capital Changes	-109	-33	-897	-720
Capital Commitments	-947	-7,022	-9,726	-9,836
Free Cashflow	542	-4,953	-8,182	-7,938
Other investing cashflow	-3	-	-	-
Cashflow from Investing Activities	-950	-7,022	-9,726	-9,836
Issue of Share Capital	-	8,856	-	4,000
Interest Cost	-444	-457	-343	-312
Inc (Dec) in Borrowings	161	-2,748	6,915	3,976
Dividend paid	-	-	-	-
Others	-69	-144	894	536
Cash flow from Financing Activities	-352	5,507	7,466	8,200
Chg. in Cash & Bank balance	187	554	-716	262
Closing cash & balance	224	778	62	324

Source Company data, I-Sec research

Exhibit 17: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	0.7	2.9	3.9	3.5
Cash EPS	3.3	4.3	5.5	6.1
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	28.2	32.0	46.0	49.3
Growth (%)				
Net Sales	16.6	16.4	14.4	20.9
EBITDA	16.2	23.4	17.1	19.7
EPS (INR)	(18.8)	448.5	32.4	(10.6)
Valuation Ratios (x)				
P/E	NM	28.1	21.2	23.8
P/BV	NM	2.9	2.6	1.8
EV / EBITDA	NM	16.7	17.4	15.9
EV / Sales	NM	6.2	6.6	6.0
Dividend Yield (%)	NM	-	-	-
Operating Ratios				
Net Debt / Equity (x)	6.8	0.2	0.8	0.8
Debt / EBITDA (x)	3.8	1.7	4.3	5.0
Profitability Ratios				
RoCE (%)	16.7	14.0	9.5	6.8
RoE (%)	48.5	18.9	12.8	8.8
EBITDA Margin (%)	35.1	37.2	38.1	37.7
Net Income Margin (%)	4.3	20.3	23.5	17.4

Source Company data, I-Sec research

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