

## Retail Equity Research

### Indian Hotels Co Ltd

#### Hotels

CMP Rs. ₹ 790

Rating: Overweight

NSE CODE: INDHOTEL BSE CODE: 500850

The company delivered a strong Q4 FY24, with sales surging 39% YoY to INR 2,533.05 crore, reflecting robust demand recovery. Operating profit nearly doubled (92% YoY) to INR 961.68 crore, supported by controlled expense growth and improved efficiency.

Net profit stood at INR 582.32 crore, marking a 5% QoQ increase but moderating from 55% QoQ growth in Q3. The spike in other income (INR 371.46 crore in Q3) suggests non-operational gains played a role in the previous quarter's profitability. Despite steady depreciation (INR 133.94 crore) and interest costs (INR 52.39 crore), profit before tax rose 20% QoQ to INR 834.03 crore.

Overall, the company's sequential growth trajectory remains strong, though near-term margins will depend on cost control and sustained revenue momentum. Investors should watch for expense trends and sustainability of other income in future quarters.

#### Company Data

Market Cap (cr)	Rs.	2,15,903.78	
Enterprise Value (cr)	Rs.	2,52,412.67	
Outstanding Shares (cr)		96.42	
52 week high	Rs.	2,778.00	
52 week low	Rs.	2,131.00	
1m average volume (lacs)		9.44	
Face value	Rs.	1.00	
	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Sales	16896.96	19126.3	24393.89
Growth(%)	15%	13%	28%
EBITDA	3813.55	4586.49	5972.14
EBITDA Margin(%)	22.6%	24.0%	24.5%
PAT	2,390.52	2,998.67	3,932.84
Growth(%)	13%	25%	31%
EPS	24.8	31.1	40.8
P/E	79.1	85.5	64.3
P/B	76.9	104.2	75.7
EV/EBITDA	49.4	55.7	42.3
ROE(%)	97%	121.9%	118%
ROCE(%)	125%	152.3%	147.5%
ROIC(%)	128%	158.1%	125.4%
D/E	0.11	0.11	0.10

**Record Financial & RevPAR Growth:** IHCL achieved its highest-ever quarterly EBITDA of INR 1,000 crores, with consolidated revenue up 29% YoY to INR 2,592 crores. PAT hit a record INR 582 crores, while standalone revenue and PAT grew 15% and 23%, respectively. RevPAR rose 13%, with IHCL maintaining a 78% premium over the industry.

**Expansion & Capital-Light Growth:** IHCL signed 20 hotels and opened 8 in Q3, totaling 55 signings and 20 openings in 2024. With 360 hotels and 123 in the pipeline, management fees grew 32% YoY. New businesses like Reimagined Ginger, Qmin, and amā Stays & Trails saw 40% revenue growth.

**Efficiency, Sustainability & Outlook:** Hotel EBITDA margins improved to 39.4%, aided by digital initiatives and cost controls. Tata Neu now contributes 40% of revenue. Sustainability efforts include 37% renewable energy use and 48% water recycling. Management expects strong Q4 growth despite potential headwinds.

## Key Highlights

**Diverse Hospitality Portfolio:** IHCL is one of India's leading hospitality companies, operating across luxury, upscale/upper upscale, and lean luxury/midscale segments. With operations spanning four continents, 12 countries, and over 100 cities, IHCL continues to expand its global footprint.

**Expanding Hotel Portfolio:** As of March 2024, IHCL has 218 operational hotels with 24,136 rooms and a strong pipeline of 92 hotels with 12,953 rooms. In Q4FY24 alone, the company opened 20 hotels, including Taj, Vivanta, SeleQtions, and Ginger brands. Additionally, 53 hotel signings and 34 openings were recorded in FY24, showcasing robust growth.

**Strong Brand Presence:** IHCL operates under four main brands:

**Taj** (luxury segment, 84 operational hotels with 12,378 rooms)

**Vivanta and SeleQtions** (upscale/upper upscale, 30 Vivanta and 26 SeleQtions hotels)

**Ginger** (midscale, 64 operational hotels) The company is also launching the re-imagined Gateway brand, targeting upscale markets with an initial rollout of 15 hotels and an expansion plan to reach 100 hotels by 2030.

**Hotel Ownership Structure:**

**Operational Portfolio:** 40% owned/group owned, 60% under management contracts.

**Total Portfolio (including pipeline):** 28% owned/group owned, 72% under management contracts.

**Revenue Streams:**

Rooms: ~49%

Food & Beverage: ~34%

Management Fee: ~7%

Other Operating Income: ~8%

Other Income: ~3%

**Ancillary Businesses & Partnerships:**

**Qmin:** A gourmet delivery platform, now aligned with Ginger hotels.

**Ama Stays & Trails:** Offers 200+ private bungalows and villas, with 103 signings and 40 new openings in FY24.

**Taj SATS:** A joint venture with SATS Limited, holding a 60% market share in airline catering.

**The Chambers:** An exclusive membership club contributing to premium revenue.

**Strong Tata Group Backing:** Tata Group holds a 38.19% stake in IHCL, with Tata Sons (35.74%) and other group companies demonstrating continued financial support.

**Future Growth & Financial Strategies:**

Plans to open 13 hotels (1,236 rooms) in H1FY25, targeting 25 hotel openings in FY25.

Portfolio expansion: 3,540 rooms (FY25), 3,557 (FY26), 2,598 (FY27), 3,258 (FY28).

Capex for FY24 was Rs. 637 Cr., with a planned investment of ~Rs. 2,500 Cr. for FY25-27.

## Quarterly Financial Consolidated

### Profit and loss account

(Rs Cr)

	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Sales	4,600.42	5,267.59	4,813.95	5,104.00	4,779.73
Growth(%)	-9%	15%	-9%	6%	-6%
Expenses	3,505.30	3,918.77	3,699.62	3,936.27	3,694.80
Operating Profit	1,095.12	1,348.82	1,114.33	1,167.73	1,084.93
Growth(%)	-11%	23%	-17%	5%	-7%
Other Income	-77.00	36.83	39.12	297.68	4.44
Depreciation	108.69	108.87	112.71	121.60	132.51
Interest	22.95	26.20	31.68	32.22	34.60
Profit before tax	886.48	1,250.58	1,009.06	1,311.59	922.26
Tax	230.87	316.41	262.46	325.23	226.13
Net profit	655.61	934.17	746.60	986.36	696.13
Growth(%)	-39%	30%	-25%	24%	-42%

## Financial Consolidated

### Profit & Loss

(Rs Cr)

	Dec-20	Dec-21	Dec-22	Dec-23	Mar-24
Sales	13,350.03	14,740.59	16,896.96	19,126.30	24,393.89
Growth(%)	8%	10%	15%	13%	28%
Expenses	10,148.53	11,178.19	13,190.67	14,655.31	18,580.74
Operating Profit	3,201.50	3,562.40	3,706.29	4,470.99	5,813.15
Growth(%)	9%	11%	4%	21%	30%
Other Income	145.85	-112.38	107.26	115.50	158.99
Depreciation	370.38	391.02	403.01	428.91	537.78
Interest	164.18	201.68	154.57	119.29	145.49
Profit before tax	2,812.79	2,857.32	3,255.97	4,038.29	5,288.87
Tax	730.36	738.91	865.45	1,039.62	1,356.03
Net profit	2,082.43	2,118.41	2,390.52	2,998.67	3,932.84
Growth(%)	6%	2%	13%	25%	31%

**Balance Sheet**

(Rs Cr)

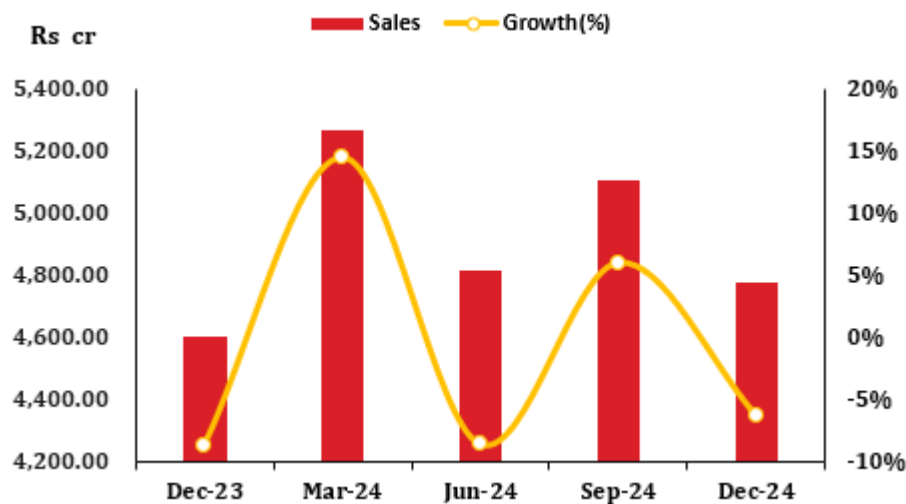
Report Date	Dec-20	Dec-21	Dec-22	Dec-23	Mar-24
Equity Share Capital	96.42	96.42	96.42	96.42	96.42
Reserves	1,922.92	1,849.96	2,362.75	2,362.75	3,244.47
Borrowings	147.49	266.46	270.52	270.52	344.53
Other Liabilities	5,732.90	6,021.29	6,249.05	6,249.05	6,837.64
<b>Total</b>	<b>7,899.73</b>	<b>8,234.13</b>	<b>8,978.74</b>	<b>8,978.74</b>	<b>10,523.06</b>
Net Block	2,179.41	2,994.67	3,043.70	3,043.70	3,460.25
Capital Work in Progress	638.58	246.23	358.36	358.36	1,741.71
Investments	1,463.77	773.98	777.54	777.54	463.87
Other Assets	3,617.97	4,219.25	4,799.14	4,799.14	4,857.23
<b>Total</b>	<b>7,899.73</b>	<b>8,234.13</b>	<b>8,978.74</b>	<b>8,978.74</b>	<b>10,523.06</b>

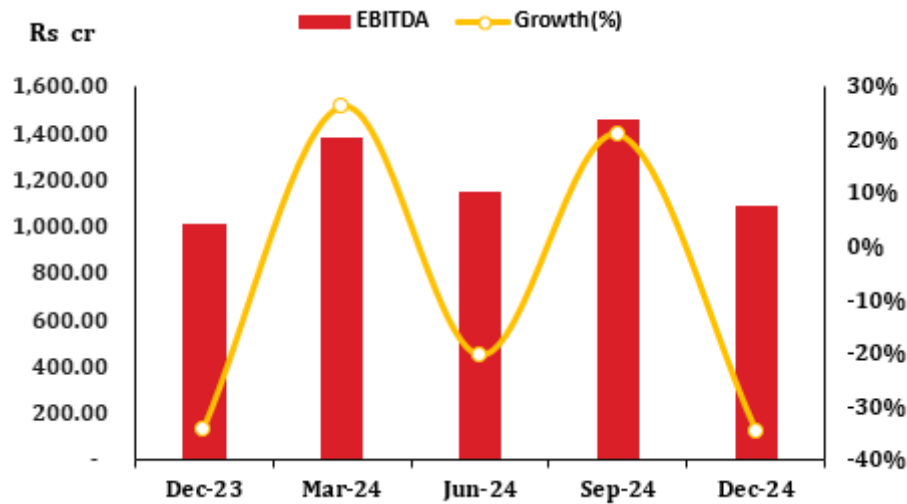
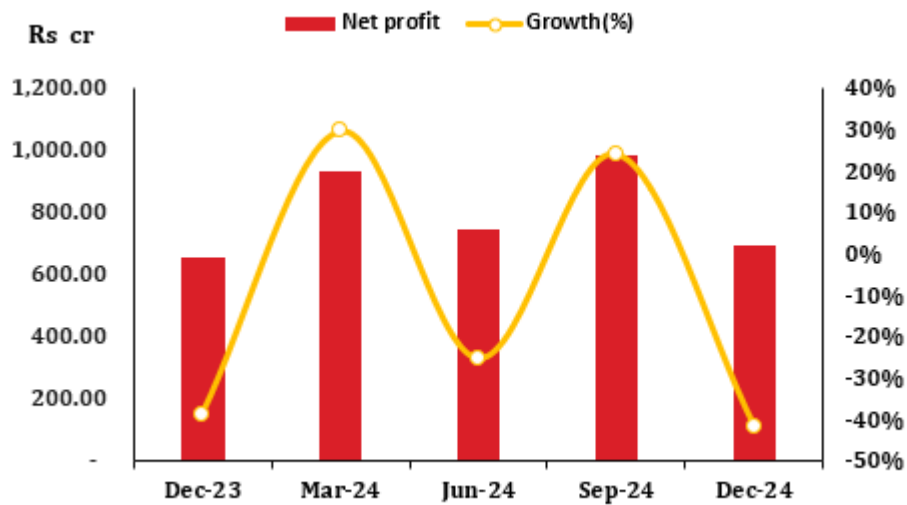
**Cash Flow**

(Rs Cr)

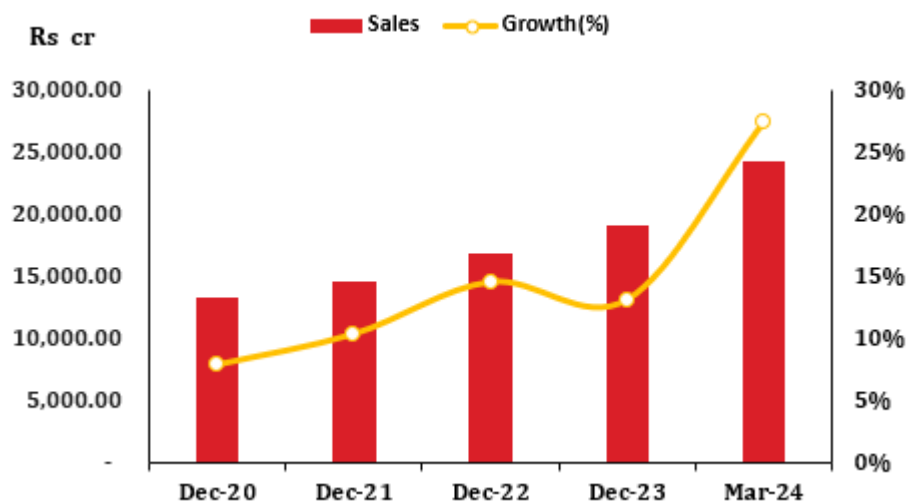
	Dec-20	Dec-21	Dec-22	Dec-23	Mar-24
Cash from Operating Activity	2454.48	2236	2737.43	3392.19	4174.79
Cash from Investing Activity	-321.46	-1920.33	-391.73	-926.99	-1237.42
Cash from Financing Activity	-1955.89	-2019.97	-2122.74	-2436.47	-3134.92
Net Cash Flow	177.13	-1704.3	222.96	28.73	-197.55

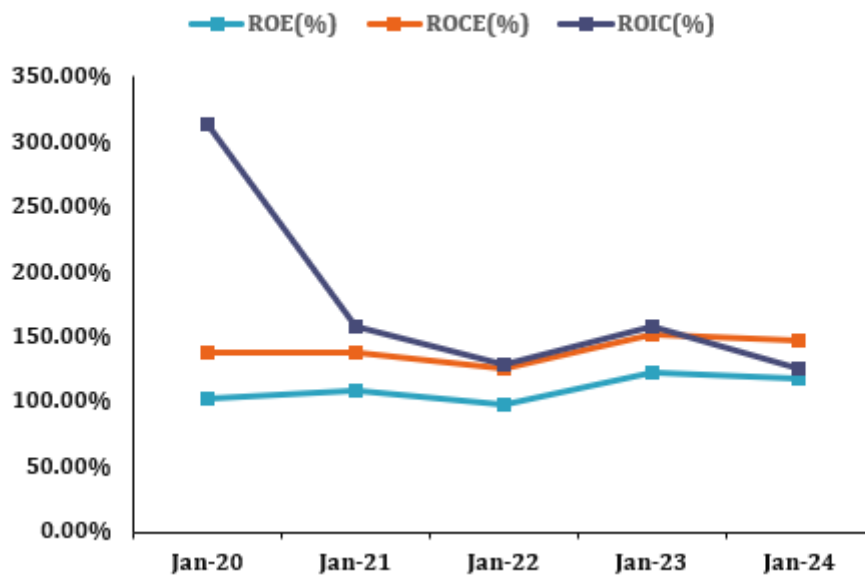
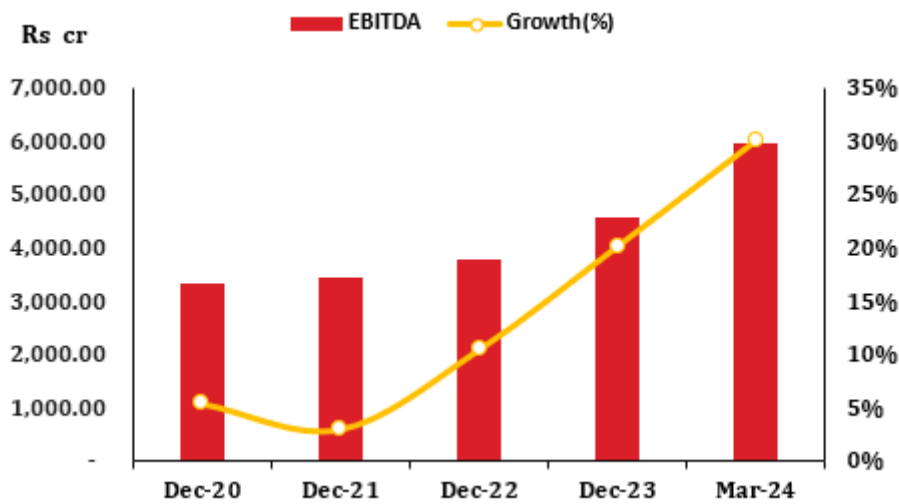
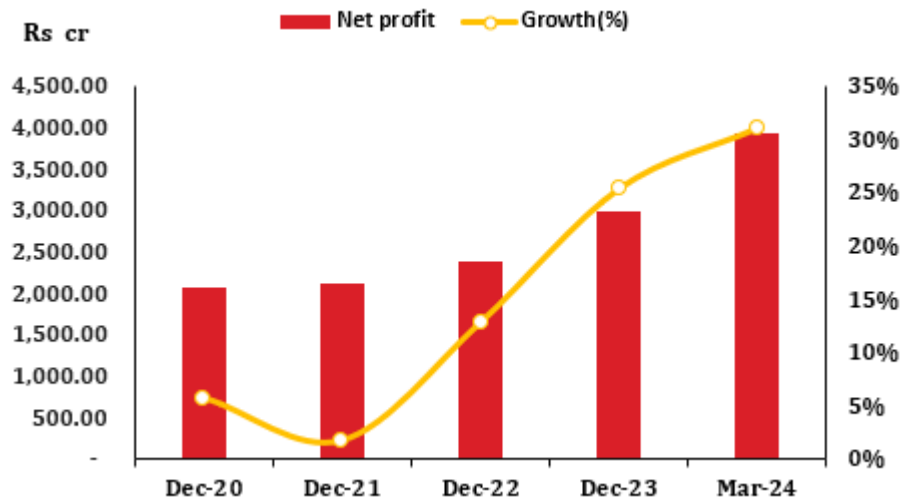
**Key Metrics: Quarterly**





### Key Metrics: Yearly





## Key Ratio:

Leverage Ratios	Dec-20	Dec-21	Dec-22	Dec-23	Mar-24
D/E	0.07	0.14	0.11	0.11	0.10
Debt/Assets	0.02	0.03	0.03	0.03	0.03
Debt/Ebitda	0.04	0.08	0.07	0.06	0.06
Debt/Capital Ratio	7%	12%	10%	10%	9%
Cash flow/Debt	16.64	8.39	10.12	12.54	12.12
Interest coverage ratio	18.13	15.17	22.06	34.85	37.35
Sales Change	8%	10%	15%	13%	28%
Ebit Change	6%	3%	11%	22%	31%
Operating Leverage	1.19	1.08	0.28	1.56	1.09
Financial Leverage	3.91	4.23	3.65	3.65	3.15

### Efficiency ratios

Receivable days	5	4	4	4	4
Receivable turnover	80.94	88.81	88.06	99.67	81.19
Inventory days	0.00	0.00	0.00	0.00	0.00
Inventory turnover	7	7	7	8	9
Net Fixed assets turnover	6.13	4.92	5.55	6.28	7.05
Sales/capital employed	6.16	6.66	6.19	7.01	6.62
Total Asset Turnover	1.69	1.79	1.88	2.13	2.32

### Profitability ratios

Ebitda	3347.35	3450.02	3813.55	4586.49	5972.14
Ebitda margin	25%	23%	23%	24%	24%
Gross Profit	7163.58	7749.38	8310.72	10693.59	12628.23
Gross Profit Margin	54%	53%	49%	56%	52%
EBIT	2976.97	3059	3410.54	4157.58	5434.36
EBIT Margin	22%	21%	20%	22%	22%
ROE	103%	109%	97%	122%	118%
Net profit margin	16%	14%	14%	16%	16%
EPS	21.60	21.97	24.79	31.10	40.79
DU Pont ROE	103%	109%	97%	122%	118%
Net Profit Margin	16%	14%	14%	16%	16%
Sales/Total assets	1.69	1.79	1.88	2.13	2.32
Financial Leverage	3.91	4.23	3.65	3.65	3.15
DU PONT ROA	26%	26%	27%	33%	37%
Net Profit Margin	16%	14%	14%	16%	16%
Sales/Total assets	1.69	1.79	1.88	2.13	2.32

Capital Allocation Ratios	Dec-20	Dec-21	Dec-22	Dec-23	Mar-24
ROCE	3258%	204%	153%	188%	265%
EBIT Margin	22%	21%	20%	22%	22%
Sales/cap employed	6.16	6.66	6.19	7.01	6.62
NOPAT	2203.98	2267.94	2504.00	3087.25	4041.03
Capital employed	2166.83	2212.84	2729.69	2729.69	3685.42
ROIC	102%	102%	92%	113%	110%

Valuation Ratios					
Price/Earnings	85.15	89.69	79.08	85.47	64.29
Price/Book	87.81	97.62	76.87	104.22	75.68
Marketcap	1,77,319.27	1,90,002.36	1,89,041.05	2,56,287.25	2,52,846.99
Enterprise Value	1,75,696.89	1,89,533.41	1,88,366.02	2,55,612.22	2,52,412.67
EV/EBITDA	52.49	54.94	49.39	55.73	42.27



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