

Lemon Tree Hotels | BUY

Strong performance; gearing up for version 2.0

LTH reported a healthy performance with revenue of INR 3.1bn (+18% YoY; 3% beat on JMFe) led by 10% YoY growth in ARR and c.591bps YoY increase in occupancy. EBITDA grew 22% YoY to INR 1.4bn with EBITDA margin improving 156bps to 44.5% led by improved performance of Aurika, Mumbai and positive operating leverage. The company has strengthened its leadership team with the appointment of Mr. Neelendra Singh as the Managing Director of LTH along with a new MD & CEO for Fleur and few more functional heads at senior management level. These changes are part of its future-focused succession planning and will help in creating the roadmap for Fleur's listing. We expect LTH to deliver Revenue/EBITDA/PAT CAGR of 11%/13%/14% over FY25-28E aided by low double-digit RevPAR growth and rapid scale-up of the asset light business. Maintain BUY with a Mar'26 TP of INR 175, valuing LTH at 24.0x EV/EBITDA.

- **Strong uptick in occupancy:** LTH reported a healthy performance with revenue of INR 3.1bn (+18% YoY, -17% QoQ; 3% beat on JMFe). Led by the performance of Aurika, Mumbai and low base of last year, LTH witnessed ~6pps increase in occupancy to 73% and ARR grew by 10% YoY to INR 6,236. The total operational inventory (including managed hotels) was up by 5% YoY to 10,660 keys. Fees from O&M business (3rd party hotels) stood at INR 161mn in 1QFY26 (+29% YoY) and total management fees came in at INR 374mn (+29% YoY).
- **Margin poised to improve further:** EBITDA for the quarter came in at INR 1.4bn (+22% YoY, -31% QoQ) with EBITDA margin improving 156bps to 44.5% (50bps higher than our estimates). While the ongoing renovation exercise across the portfolio continues to impact the overall margins, it was offset by the savings accrued from lower power & fuel cost (down 180 bps). Payroll cost (as % of sales) also declined marginally, resulting in overall cost decreasing by 178 bps. So far, LTH has renovated 65% of c.4,300 targeted keys and the balance will be completed in the next 15 months. Subsequently, the renovation cost will normalize to 2-2.5% of revenue from current levels of c. 6%.
- **Portfolio update:** Total network revenue stood at INR 4.9bn (+18% YoY) in 1QFY26 which was similar to 17% YoY growth in the LTH owned portfolio. The Aurika Mumbai witnessed 30pps improvement in occupancy YoY to 76% and as it stabilizes at these levels, the company will push for higher rates. During the quarter, company signed 14 new management and franchise contracts, adding 1,273 new rooms to the pipeline, and launched 5 hotels adding 392 rooms to the portfolio. As of 1QFY26, the total inventory for the group stands at 18,431 rooms in 226 hotels. The management expects its earlier stated target of 20,000 rooms by CY27 to be achieved well in advance.
- **Maintain BUY with a TP of INR 175:** We expect LTH to deliver Revenue/EBITDA/PAT CAGR of 11%/13%/14% over FY25-28E aided by low double-digit RevPAR growth and rapid scale-up of fee business. We maintain a BUY rating with a Mar'26 TP of INR 175, valuing LTH at 24.0x EV/EBITDA.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	175
Upside/(Downside)	23.1%
Previous Price Target	175
Change	0.0%

Key Data – LEMONTRE IN

Current Market Price	INR142
Market cap (bn)	INR112.6/US\$1.3
Free Float	62%
Shares in issue (mn)	791.6
Diluted share (mn)	791.6
3-mon avg daily val (mn)	INR429.0/US\$4.9
52-week range	162/111
Sensex/Nifty	80,604/24,585
INR/US\$	87.7

Price Performance

%	1M	6M	12M
Absolute	-7.3	10.1	18.6
Relative*	-5.2	4.0	17.2

* To the BSE Sensex

Financial Summary	(INR mn)				
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	10,711	12,861	15,079	16,604	17,700
Sales Growth (%)	22.4	20.1	17.3	10.1	6.6
EBITDA	5,232	6,341	7,645	8,573	9,136
EBITDA Margin (%)	48.8	49.3	50.7	51.6	51.6
Adjusted Net Profit	1,485	1,966	2,672	3,245	3,676
Diluted EPS (INR)	1.9	2.5	3.4	4.1	4.6
Diluted EPS Growth (%)	29.6	32.4	35.9	21.5	13.3
ROIC (%)	10.6	11.9	13.5	16.0	17.8
ROE (%)	16.3	18.5	20.6	20.4	19.0
P/E (x)	75.7	57.2	42.1	34.6	30.6
P/B (x)	11.6	9.7	7.9	6.4	5.3
EV/EBITDA (x)	26.1	21.3	17.0	14.7	13.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 11/Aug/2025

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Con-call highlights:

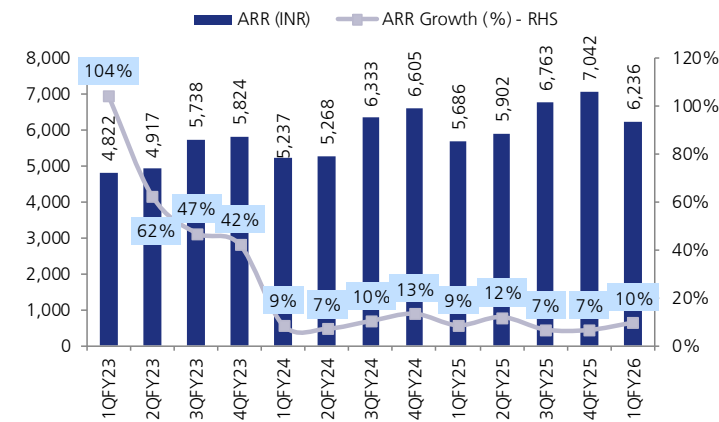
- The company will spend c. INR 1.3bn on renovations, of which around 65% (INR 800-900mn) will be classified as operating expenditure and the remaining 35% as capital expenditure, with all renovations targeted for completion by October 2026.
- Out of the 4,300 rooms identified for renovation, c.65% have been completed in the last 2.5 years. In FY26, the company will renovate 1,300 rooms with all renovations targeted for completion by Oct'26
- In terms of markets, LTH has completed 80% of upgradation in Delhi, 60% in Hyderabad, and 30% in Bangalore. These initiatives are already bearing fruit with ARR in NCR increasing by 15% in 1QFY26
- As occupancy stabilizes at Aurika Mumbai, LTH will push for higher rates. It has already witnessed increase in corporate business. It has four new Aurika hotels in the pipeline, with potential for additional greenfield or brownfield projects that meet brand standards
- Although the current rate of hotel signings is higher than the rate of openings, management expects this trend to reverse in the coming year, with the portfolio projected to reach 20,000 rooms in the next six months
- LTH has 2.1mn members in the loyalty program and the repeat usage stands strong at c. 44%. The company has a robust loyalty program which shall help accelerate the path to break even for new hotels.
- In the Keys portfolio, renovations have been completed at Keys Pimpri (INR 100-200mn spent) and Keys Whitefield (INR 80-100mn spent), and the company plans to invest INR 450-500mn over the next three years to increase revenue to INR 1.5b-1.6bn and EBITDA to INR 500-600mn from the Keys portfolio.
- Fleur Hotels will be carved out as a separate, publicly listed asset company following an IPO, while Lemon Tree Hotels will focus on branding, management, and distribution under an asset-light; the IPO structure is being evaluated with options including a direct listing or a demerger.

Exhibit 1. Financial snapshot

Particulars	1QFY25	2QFY25	3QFY25	4QFY25	FY25	1QFY26	QoQ	YoY	1QFY26E	Variance
Cons. Revenue (INR mn)	2,680	2,844	3,552	3,785	12,861	3,158	-17%	18%	3,066	3%
Total operating expense	1,530	1,536	1,710	1,744	6,520	1,753	0%	15%	1,717	2%
EBITDA	1,151	1,307	1,842	2,041	6,341	1,405	-31%	22%	1,349	4%
EBITDA margin	42.9%	46.0%	51.9%	53.9%	49.3%	44.5%	-943bps	156bps	44.0%	50bps
Depreciation & amortization	346	348	351	349	1,393	342	-2%	-1%	350	-2%
EBIT	805	960	1,491	1,692	4,948	1,063	-37%	32%	999	6%
EBIT margin	30.0%	33.7%	42.0%	44.7%	38%	33.7%	-1105bps	363bps	32.6%	108bps
Other income	4	5	6	9	129	16	86%	362%	20	-18%
Profit before tax	291	451	994	1,229	2,965	633	-49%	117%	521	21%
Income tax expense	91	102	197	141	531	148	5%	62%	104	42%
PAT	198	296	625	846	1,966	383	-55%	93%	417	-8%
Adjusted Basic EPS	0.3	0.4	0.8	1.1	2.5	0.5	-55%	93%	0.5	-8%

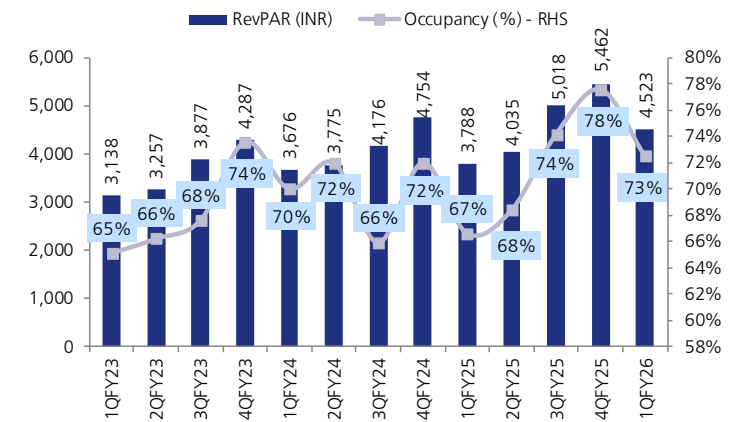
Source: Company, JM Financial

Exhibit 2. Healthy ARR growth of 10% YoY in 1QFY26



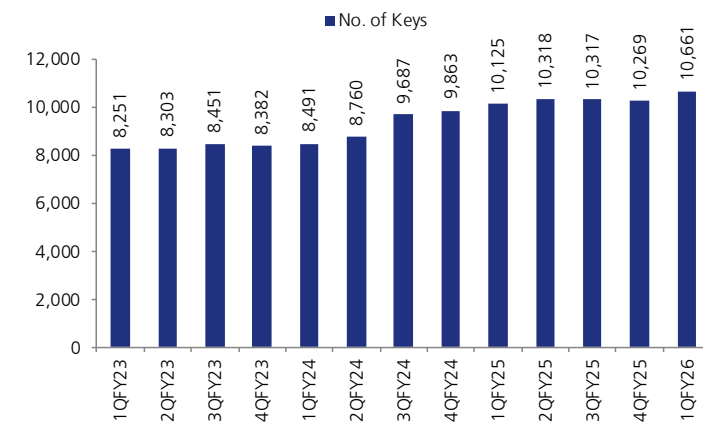
Source: Company, JM Financial

Exhibit 3. Occupancy increased by 6pps YoY



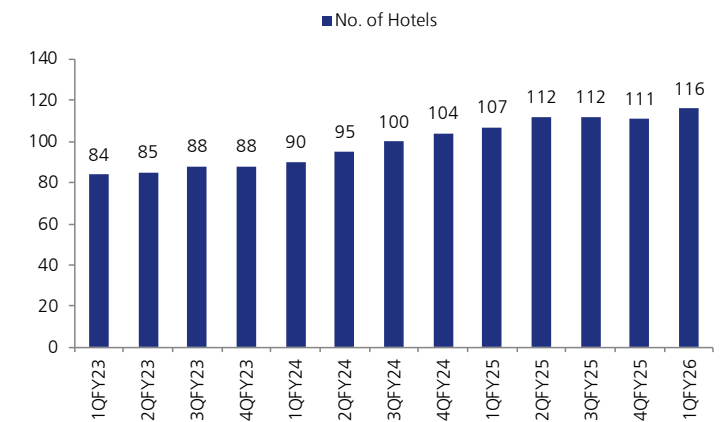
Source: Company, JM Financial

Exhibit 4. No of keys increased 5% YoY...



Source: Company, JM Financial

Exhibit 5. ...across 116 assets



Source: Company, JM Financial

Exhibit 6. Operational portfolio break-up

Operational Portfolio	Owned (including leased land)		Leased		Managed/Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika Hotels & Resorts	2	808	0	0	0	0	2	808
Lemon Tree Premier	7	1,442	2	161	11	1,106	20	2,709
Lemon Tree Hotels	13	1,241	4	321	48	2,781	65	4,343
Red Fox by Lemon Tree Hotels	5	759	1	91	4	360	10	1,210
Keys Prima by Lemon Tree Hotels	0	0	0	0	3	130	3	130
Keys Select by Lemon Tree Hotels	7	936	0	0	4	305	11	1,241
Keys Lite by Lemon Tree Hotels	0	0	0	0	5	220	5	220
Total	34	5,186	7	573	75	4,902	116	10,661

Source: Company, JM Financial

Exhibit 7. Pipeline portfolio break-up

Pipeline Portfolio	Owned (including leased land)		Leased		Public Private partnership		Managed/Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika Hotels & Resorts	1	91	0	0	1	165	4	499	6	755
Lemon Tree Premier	0	0	0	0	0	0	10	882	10	882
Lemon Tree Hotels	0	0	0	0	0	0	58	4,283	58	4,283
Red Fox by Lemon Tree Hotels	0	0	0	0	0	0	2	96	2	96
Keys Prima by Lemon Tree Hotels	0	0	0	0	0	0	3	167	3	167
Keys Select by Lemon Tree Hotels	0	0	0	0	0	0	18	1,025	18	1,025
Keys Lite by Lemon Tree Hotels	0	0	0	0	0	0	13	562	13	562
Total	1	91	0	0	1	165	108	7,514	110	7,770

Source: Company, JM Financial

Exhibit 8. Managed and franchised hotels opened in 1QFY26

Hotels	States	Rooms
Lemon Tree Hotel, Pune	Maharashtra	117
Lemon Tree Hotel, Mira Road, Mumbai	Maharashtra	108
Lemon Tree Hotel, Anjuna, Goa	Goa	51
Lemon Tree Hotel, Jamnagar	Gujarat	60
Lemon Tree Hotel, Arpora	Goa	56
Total openings		392

Source: Company, JM Financial

Exhibit 9. Managed and franchised hotels signed in 1QFY26

Hotels Pipeline	States	Rooms
Lemon Tree Suites, Nashik	Maharashtra	135
Lemon Tree Suites, Greater Noida	Uttar Pradesh	336
Lemon Tree Resort, Mori Bera	Rajasthan	17
Lemon Tree Resort, Limbodagari	Madhya Pradesh	60
Lemon Tree Premier, Surat	Gujarat	108
Lemon Tree Premier, Somnath	Gujarat	70
Lemon Tree Premier, Mhow	Madhya Pradesh	72
Lemon Tree Hotel, Vrindavan	Uttar Pradesh	120
Lemon Tree Hotel, Jaipur	Rajasthan	66
Lemon Tree Hotel, Itanagar	Arunachal Pradesh	70
Keys Select by Lemon Tree Hotels, Siliguri	West Bengal	63
Keys Prima by Lemon Tree Hotels, Darjeeling	West Bengal	65
Keys Lite by Lemon Tree Hotels, Kharar	Punjab	47
Keys Lite by Lemon Tree Hotels, Ambala	Punjab	44
Total Pipeline		1,273

Source: Company, JM Financial

Exhibit 10. As of 1QFY26, the upcoming pipeline remains strong ~7,500 keys (Contd.)

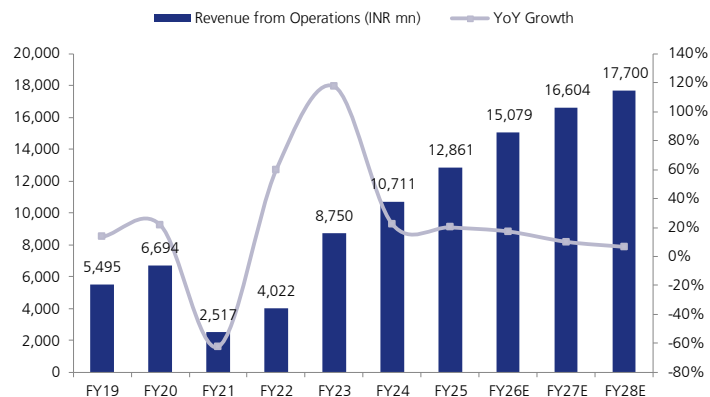
Hotels Pipeline	States	Rooms
Aurika, Kasauli	Himachal Pradesh	110
Aurika, Rishikesh	Uttarakhand	132
Aurika, Sasan Gir	Gujarat	82
Aurika, Surat	Gujarat	175
Bhangeri Durbar Resort, operated by Lemon Tree Hotels, Nepal	Nepal	51
Keys Lite by Lemon Tree Hotels, Ambala	Punjab	44
Keys Lite by Lemon Tree Hotels, Banswara	Rajasthan	54
Keys Lite by Lemon Tree Hotels, Coimbatore	Tamil Nadu	40
Keys Lite by Lemon Tree Hotels, Dehradun	Uttarakhand	32
Keys Lite by Lemon Tree Hotels, Garoth	Madhya Pradesh	42
Keys Lite by Lemon Tree Hotels, Jaipur	Rajasthan	47
Keys Lite by Lemon Tree Hotels, Kharar	Punjab	47
Keys Lite by Lemon Tree Hotels, Metropolitan, Vijayawada	Andhra Pradesh	44
Keys Lite by Lemon Tree Hotels, Moga	Punjab	30
Keys Lite by Lemon Tree Hotels, Niman	Madhya Pradesh	42
Keys Lite by Lemon Tree Hotels, Pathankot	Punjab	44
Keys Lite by Lemon Tree Hotels, Somnath	Gujarat	52
Keys Lite by Lemon Tree Hotels, Vijayawada	Andhra Pradesh	44
Keys Prima by Lemon Tree Hotels, Darjeeling	West Bengal	65
Keys Prima by Lemon Tree Hotels, Dehradun	Uttarakhand	55
Keys Prima by Lemon Tree Hotels, Kempty Road, Mussoorie	Uttarakhand	47
Keys Select by Lemon Tree Hotels, Amritsar	Punjab	45
Keys Select by Lemon Tree Hotels, Anjar	Gujarat	61
Keys Select by Lemon Tree Hotels, Bareilly	Uttar Pradesh	60
Keys Select By Lemon Tree Hotels, Bokaro	Jharkhand	50
Keys Select by Lemon Tree Hotels, Chirang	Assam	40
Keys Select by Lemon Tree Hotels, Dispur, Guwahati	Assam	60
Keys Select by Lemon Tree Hotels, GS Road, Guwahati	Assam	55
Keys Select by Lemon Tree Hotels, Kufri	Himachal Pradesh	49
Keys Select by Lemon Tree Hotels, Nashik	Maharashtra	45
Keys Select by Lemon Tree Hotels, Navsari	Gujarat	54
Keys Select by Lemon Tree Hotels, Pali	Maharashtra	54
Keys Select by Lemon Tree Hotels, Shivpuri	Madhya Pradesh	50
Keys Select by Lemon Tree Hotels, Siliguri	West Bengal	63
Keys Select by Lemon Tree Hotels, Srinagar	J&K	40
Keys Select by Lemon Tree Hotels, Vadodara	Gujarat	45
Keys Select by Lemon Tree Hotels, Varanasi	Uttar Pradesh	50
Keys Select by Lemon Tree Hotels, Vrindavan	Uttar Pradesh	54
Keys Select by Lemon Tree Hotels, Yadagirigutta	Telangana	150
Lemon Tre Hotel, Amritsar	Punjab	68
Lemon Tree Hotel Gomti Nagar Lucknow	Uttar Pradesh	72
Lemon Tree Hotel, Adalat Road, Aurangabad	Maharashtra	60
Lemon Tree Hotel, Agartala	Tripura	80
Lemon Tree Hotel, Anand	Gujarat	60
Lemon Tree Hotel, Ayodhya	Uttar Pradesh	72
Lemon Tree Hotel, Badrinath	Uttarakhand	72
Lemon Tree Hotel, Bapane	Maharashtra	76
Lemon Tree Hotel, Bharuch	Gujarat	83
Lemon Tree Hotel, Bhubuneshwar	Odisha	60
Lemon Tree Hotel, Bhuj	Gujarat	74
Lemon Tree Hotel, Bokaro	Jharkhand	70
Lemon Tree Hotel, Chandausi	Uttar Pradesh	70
Lemon Tree Hotel, Civil Lines, Ayodhya	Uttar Pradesh	80
Lemon Tree Hotel, Darjeeling	Darjeeling	55
Lemon Tree Hotel, Dibrugarh	Assam	65
Lemon Tree Hotel, Erode	Tamil Nadu	64
Lemon Tree Hotel, Gir	Gujarat	80

Hotels Pipeline	States	Rooms
Lemon Tree Hotel, Gulmarg	J&K	35
Lemon Tree Hotel, Itanagar	Arunachal Pradesh	70
Lemon Tree Hotel, Jabalpur	Madhya Pradesh	75
Lemon Tree Hotel, Jaipur	Rajasthan	66
Lemon Tree Hotel, Junagadh	Gujarat	64
Lemon Tree Hotel, Kalaburagi	Karnataka	72
Lemon Tree Hotel, Kathmandu	Nepal	75
Lemon Tree Hotel, Kharar	Punjab	60
Lemon Tree Hotel, Kundapura	Karnataka	80
Lemon Tree Hotel, Ludhiana	Punjab	60
Lemon Tree Hotel, Mashobra	Himachal Pradesh	48
Lemon Tree Hotel, Meerut	Uttar Pradesh	75
Lemon Tree Hotel, Morbi	Gujarat	75
Lemon Tree Hotel, Motihari	Bihar	50
Lemon Tree Hotel, Mussoorie	Uttarakhand	60
Lemon Tree Hotel, Rajahmundry	Andhra Pradesh	60
Lemon Tree Hotel, Ranchi	Jharkhand	45
Lemon Tree Hotel, Ranchi	Jharkhand	65
Lemon Tree Hotel, Sasan Gir	Gujarat	74
Lemon Tree Hotel, Shirdi	Maharashtra	50
Lemon Tree Hotel, Sri Ganganagar	Rajasthan	60
Lemon Tree Hotel, Tezpur	Assam	42
Lemon Tree Hotel, Udaipur	Rajasthan	54
Lemon Tree Hotel, Ujjain	Madhya Pradesh	72
Lemon Tree Hotel, Valsad	Gujarat	46
Lemon Tree Hotel, Varanasi	Uttar Pradesh	65
Lemon Tree Hotel, Vrindavan	Uttar Pradesh	120
Lemon Tree Hotel, Zirakpur	Punjab	80
Lemon Tree Premier Gomti Nagar, Lucknow	Uttar Pradesh	82
Lemon Tree Premier, Biratnagar	Nepal	80
Lemon Tree Premier, Dehradun	Uttarakhand	80
Lemon Tree Premier, Kasauli	Himachal Pradesh	78
Lemon Tree Premier, Mhow	Madhya Pradesh	72
Lemon Tree Premier, Somnath	Gujarat	70
Lemon Tree Premier, Surat	Gujarat	108
Lemon Tree Premier, Thiruvananthapuram	Trivandrum	100
Lemon Tree Premier, Tirupathi	Andhra Pradesh	120
Lemon Tree Premier, Vadodara	Gujarat	92
Lemon Tree Resort, Chittorgarh	Rajasthan	98
Lemon Tree Resort, Limbodagari	Madhya Pradesh	60
Lemon Tree Resort, Marpalle	Telangana	50
Lemon Tree Resort, Mirik	West Bengal	50
Lemon Tree Resort, Mori Bera	Rajasthan	17
Lemon Tree Resort, Nashik	Maharashtra	72
Lemon Tree Resort, Pavagarh	Gujarat	44
Lemon Tree Suites, Greater Noida	Uttar Pradesh	336
Lemon Tree Suites, Nashik	Maharashtra	135
Red Fox Hotel, Bhopal	Madhya Pradesh	46
Red Fox Hotel, Vishakhapatnam	Vishakhapatnam	50
Sankhwas Garh, a Lemon Tree Resort	Rajasthan	51
Spectrum, operated by Lemon Tree Hotels, Gurugram	Gurugram	260
Total		7,514

Source: Company, JM Financial

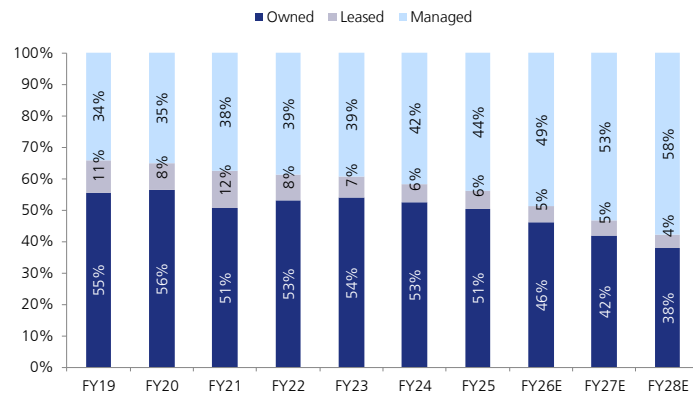
Financials and estimates

Exhibit 11. Revenue to grow at 11% CAGR over FY25-28E



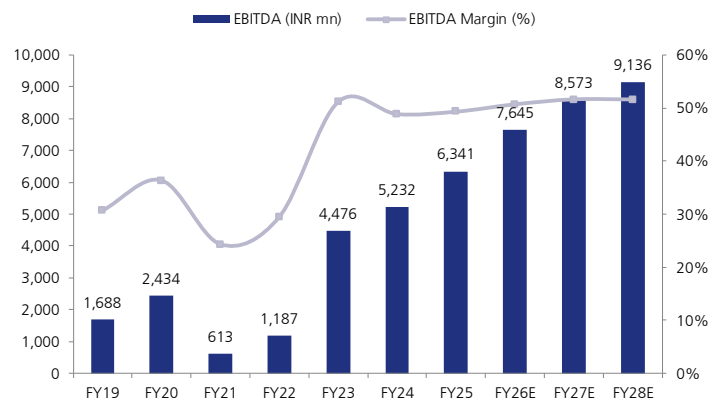
Source: Company, JM Financial

Exhibit 12. Well-balanced portfolio – increasingly asset-light



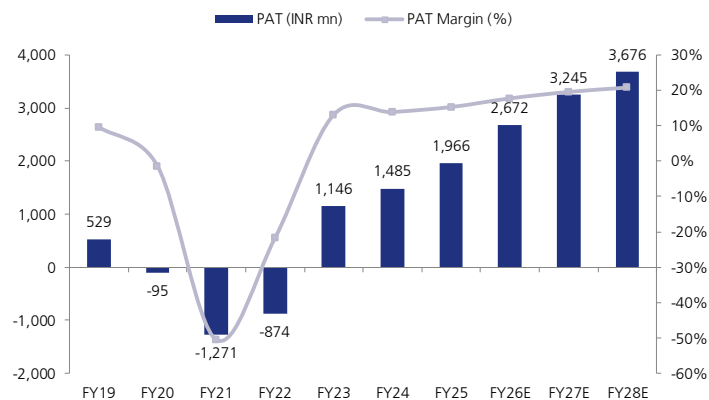
Source: Company, JM Financial

Exhibit 13. Management contracts to maintain high EBITDA margin...



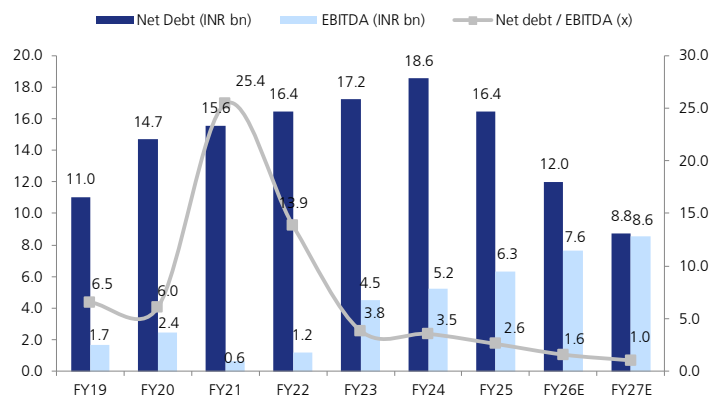
Source: Company, JM Financial

Exhibit 14. ...resulting in healthy PAT



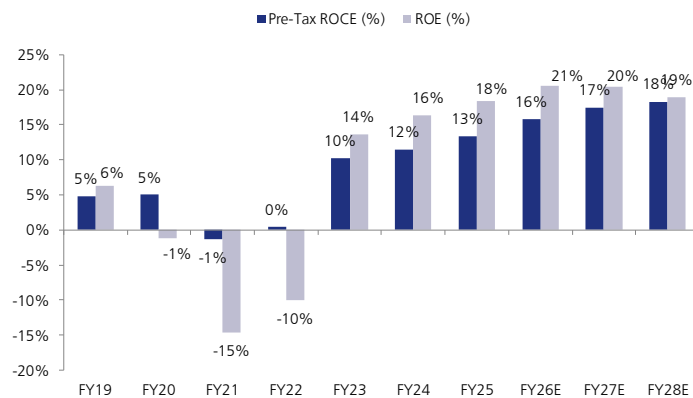
Source: Company, JM Financial

Exhibit 15. Expect debt to decline from current levels



Source: Company, JM Financial

Exhibit 16. Healthy return ratios by FY28E



Source: Company, JM Financial

Exhibit 17. Mar'26 TP of INR 175

Particulars	Mar-26	Per Share
Consolidated EBITDA (Mar'27E) - FY+1	8,573	
Adjustment for Fleur APG 41% stake	2,572	
Lemon Tree share of EBITDA	6,001	
Valuation Multiple (x)	24.0x	
Enterprise Value	1,44,030	
Less: Net Debt (Mar'26E) adjusted for LT stake	8,414	
Less: Minority Interest	-	
Equity Value	1,35,616	171.3
Target Price (INR)	1,35,616	175.0
CMP (INR)	1,10,295	139
Upside (%)	26%	
No. of shares outstanding	792	

Source: Company, JM Financial

Exhibit 1. EV/EBITDA chart

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	10,711	12,861	15,079	16,604	17,700
Sales Growth	22.4%	20.1%	17.3%	10.1%	6.6%
Other Operating Income	0	0	0	0	0
Total Revenue	10,711	12,861	15,079	16,604	17,700
Cost of Goods Sold/Op. Exp	628	762	876	957	1,033
Personnel Cost	1,878	2,185	2,403	2,596	2,777
Other Expenses	2,973	3,573	4,154	4,478	4,754
EBITDA	5,232	6,341	7,645	8,573	9,136
EBITDA Margin	48.8%	49.3%	50.7%	51.6%	51.6%
EBITDA Growth	16.9%	21.2%	20.6%	12.1%	6.6%
Depn. & Amort.	1,121	1,393	1,659	1,826	1,770
EBIT	4,111	4,948	5,987	6,747	7,366
Other Income	125	129	110	114	119
Finance Cost	2,085	2,112	1,776	1,624	1,583
PBT before Excep. & Forex	2,151	2,965	4,321	5,237	5,903
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	2,151	2,965	4,321	5,237	5,903
Taxes	341	531	1,088	1,318	1,486
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	339	463	556	668	735
Reported Net Profit	1,485	1,966	2,672	3,245	3,676
Adjusted Net Profit	1,485	1,966	2,672	3,245	3,676
Net Margin	13.9%	15.3%	17.7%	19.5%	20.8%
Diluted Share Cap. (mn)	791.6	791.6	791.6	791.6	791.6
Diluted EPS (INR)	1.9	2.5	3.4	4.1	4.6
Diluted EPS Growth	29.6%	32.4%	35.9%	21.5%	13.3%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	2,158	2,962	4,321	5,237	5,903
Depn. & Amort.	1,121	1,393	1,659	1,826	1,770
Net Interest Exp. / Inc. (-)	2,025	2,041	1,776	1,624	1,583
Inc (-) / Dec in WCap.	-218	-416	842	4	-16
Others	-77	-63	-562	-673	-741
Taxes Paid	-360	-502	-1,088	-1,318	-1,486
Operating Cash Flow	4,650	5,416	6,948	6,700	7,013
Capex	-3,305	-932	-1,000	-1,500	-1,500
Free Cash Flow	1,345	4,484	5,948	5,200	5,513
Inc (-) / Dec in Investments	-70	-419	391	0	0
Others	-590	77	231	173	165
Investing Cash Flow	-3,965	-1,274	-378	-1,327	-1,335
Inc / Dec (-) in Capital	5	0	-559	-671	-738
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	1,026	-2,330	-2,241	-1,230	280
Others	-1,616	-1,593	-1,776	-1,624	-1,583
Financing Cash Flow	-585	-3,923	-4,575	-3,525	-2,040
Inc / Dec (-) in Cash	100	218	1,994	1,848	3,638
Opening Cash Balance	237	336	554	2,548	4,396
Closing Cash Balance	336	554	2,548	4,396	8,034

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	9,669	11,635	14,307	17,552	21,229
Share Capital	7,918	7,918	10,590	13,836	17,512
Reserves & Surplus	1,750	3,717	3,717	3,717	3,717
Preference Share Capital	0	0	0	0	0
Minority Interest	5,795	6,261	5,702	5,032	4,294
Total Loans	18,891	16,986	14,569	13,154	13,243
Def. Tax Liab. / Assets (-)	-358	-209	-209	-209	-209
Total - Equity & Liab.	33,997	34,673	34,368	35,528	38,556
Net Fixed Assets	36,666	36,148	35,258	34,758	34,324
Gross Fixed Assets	37,730	38,656	38,656	40,656	41,656
Intangible Assets	4,858	4,601	4,371	4,197	4,032
Less: Depn. & Amort.	6,170	7,563	9,222	11,048	12,818
Capital WIP	248	454	1,454	954	1,454
Investments	52	60	45	45	45
Current Assets	3,254	4,400	6,390	8,444	12,258
Inventories	138	138	151	166	177
Sundry Debtors	715	786	1,056	1,162	1,239
Cash & Bank Balances	336	554	2,548	4,396	8,034
Loans & Advances	81	386	10	10	10
Other Current Assets	1,983	2,536	2,625	2,710	2,797
Current Liab. & Prov.	5,975	5,935	7,325	7,720	8,071
Current Liabilities	4,651	5,128	6,492	6,859	7,182
Provisions & Others	1,324	807	833	860	888
Net Current Assets	-2,721	-1,535	-936	725	4,187
Total - Assets	33,997	34,673	34,368	35,528	38,556

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	13.9%	15.3%	17.7%	19.5%	20.8%
Asset Turnover (x)	0.3	0.3	0.4	0.4	0.4
Leverage Factor (x)	4.1	3.7	3.0	2.5	2.2
RoE	16.3%	18.5%	20.6%	20.4%	19.0%

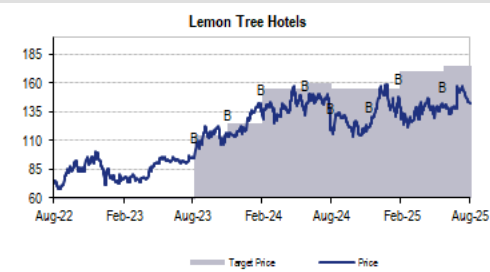
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	12.2	14.7	18.1	22.2	26.8
ROIC	10.6%	11.9%	13.5%	16.0%	17.8%
ROE	16.3%	18.5%	20.6%	20.4%	19.0%
Net Debt/Equity (x)	1.9	1.4	0.8	0.5	0.2
P/E (x)	75.7	57.2	42.1	34.6	30.6
P/B (x)	11.6	9.7	7.9	6.4	5.3
EV/EBITDA (x)	26.1	21.3	17.0	14.7	13.3
EV/Sales (x)	12.8	10.5	8.6	7.6	6.9
Debtor days	24	22	26	26	26
Inventory days	5	4	4	4	4
Creditor days	12	34	89	91	91

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
16-Aug-23	Buy	115	
13-Nov-23	Buy	125	8.7
10-Feb-24	Buy	155	24.0
3-Jun-24	Buy	160	3.2
9-Aug-24	Buy	155	-3.1
19-Nov-24	Buy	155	0.0
6-Feb-25	Buy	170	9.7
2-Jun-25	Buy	175	2.9
12-Aug-25	Buy	175	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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* REITs refers to Real Estate Investment Trusts.

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