

27 October 2026

India | Equity Research | Results Update

ITC Hotels

Hotels

Stellar quarter; healthy demand outlook for H2FY27

In Q2FY27, ITC Hotels (ITCHL) reported growth of 17% YoY in hotel revenue and 26% YoY in hotel EBITDA. ITCHL's performance was propelled by a 21% YoY uptick in RevPAR (ARR up 14% YoY; occupancy up 500bps) and room/F&B revenue accelerating 22%/12% YoY, with management fees up 25% YoY. The company is confident of demand remaining buoyant in H2FY27. We estimate a 9% RevPAR CAGR with a management fees CAGR of 16%, over FY26–29, led by new hotel openings. Hence, we estimate an 11% revenue CAGR on a consolidated basis with a 14% EBITDA CAGR over FY26–29E. We retain **BUY** on ITC Hotels with an unchanged TP of INR 235, based on 25x Mar'28E EV/EBITDA. **Key risks:** Slowdown in hotel occupancies/ARRs and delay in the execution of upcoming hotel assets.

Stellar quarter driven by BRICS event

ITCHL reported Q2FY27 consol. hotel revenue of INR 9.8bn, up 17% YoY, led by a 21% YoY RevPAR growth (ARR up 14% YoY; occupancy up 500bps) with room/F&B revenue up 22%/12% YoY and a 25% YoY uptick in management fees. As per management, ex-BRICS RevPAR growth is estimated in high teens. Hence, Q2FY27 hotel EBITDA of INR 3bn grew 26% YoY with the Ratnadipa, Colombo hotel delivering another EBITDA-positive quarter.

Demand drivers remain robust; expansion plans on track

ITCHL is confident of a demand pickup in H2FY27, based on domestic wedding and MICE demand, and the company continues to pursue its expansion plans. The company signed 20 hotels in H1FY27, with its managed hotel pipeline reaching 84 hotels with ~8,200 keys. ITCHL continues to pursue its 'Asset-Right' strategy and aims to scale the company's operating portfolio to 250 hotels, with 22,000+ keys by 2031, up from ~14,300 keys, as of Mar'26.

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Market Data

Market Cap (INR)	342bn
Market Cap (USD)	3,596mn
Bloomberg Code	ITCHOTEL IN
Reuters Code	ITCT.BO
52-week Range (INR)	227 /137
Free Float (%)	54.0
ADTV-3M (mn) (USD)	3.4

Price Performance (%)	3m	6m	12m
Absolute	2.7	3.8	(26.0)
Relative to Sensex	6.0	7.8	(13.4)

ESG Score	2024	2025	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

Previous Reports

17-07-2026: [Q1FY27 results review](#)

17-05-2026: [Q4FY26 results review](#)

Financial Summary

Y/E March (INR mn)	FY26A	FY27E	FY28E	FY29E
Net Revenue	41,394	44,683	50,240	56,448
EBITDA	14,238	16,086	18,589	20,886
EBITDA Margin (%)	34.4	36.0	37.0	37.0
Net Profit	8,169	9,907	11,606	13,181
EPS (INR)	3.9	4.8	5.6	6.4
P/B (x)	2.9	2.7	2.6	2.4
P/E (x)	41.6	34.1	29.1	25.7
EV/EBITDA (x)	23.3	20.4	17.2	15.1
RoCE (%)	7.8	8.5	9.5	10.4
RoE (%)	7.3	8.2	9.1	9.7

We expect 11% revenue and 14% EBITDA CAGR over FY26–29E

We build in same-store ARR growth of ~7% for operational hotels over FY26–29E, in-line with our view on the hotel industry. ITCHL's portfolio is potentially set to stabilise at 76–77% by FY29, as Ratnadipa, Sri Lanka stabilises.

Consequently, we estimate a 9% RevPAR CAGR over FY26–29E. We reckon management fees could grow at a 16% CAGR over FY26–29E to INR 2.7bn in FY29E, from INR 1.7bn in FY26, led by new hotel openings. Hence, we estimate an 11% revenue CAGR on a consolidated basis over FY26–29E.

While we build in an 11% revenue CAGR over FY25–28E, we estimate a 14% EBITDA CAGR for the period, envisaging higher operating margins from management fees and economies of scale on employee costs and corporate overheads. We estimate consol. EBITDA margin to rise 300bps over FY25–28 (100bps annually) to 37% in FY28/29E.

Valuation: Retain BUY; TP at INR 235

We retain **BUY** on ITC Hotels with an unchanged target price of INR 235, based on 25x Mar'28E hotel business EV/EBITDA. Adding net cash of INR 12.1bn (as of Mar'28E), the Dwarka hotel lease premium and the Sri Lanka residential project NAV of INR 9.1bn, we derive an equity value of INR 489bn or INR 235/share.

Exhibit 1: Q2FY27 consolidated result snapshot

Year ending March (INR mn)	Q2FY27	Q2FY26	Q1FY27	YoY (%)	QoQ (%)
Total Operating income	10,541	8,395	9,360	25.6	12.6
Hotels & Other Operating Income	9,783	8,335	8,928	17.4	9.6
Real Estate Income	711	-	378	NM	NM
F&B Expenses	930	865	889	7.5	4.5
Real estate development cost	412	-	218	NM	NM
Personnel Cost	2,066	1,866	1,963	10.7	5.3
Other Expenses	3,760	3,206	3,367	17.3	11.7
Total Expenses	7,167	5,937	6,437	20.7	11.3
Overall EBITDA	3,375	2,458	2,923	37.3	15.4
EBITDA margin (%)	32.0	29.3	31.2	273.8	78.2
Hotel EBITDA	3,028	2,398	2,709	26.3	11.8
Hotels EBITDA Margin (%)	30.9	28.8	30.3	218.4	60.6
Interest (Net)	22	19	20	14.7	9.5
Depreciation	1,125	1,041	1,043	8.0	7.8
Other Income	519	454	585	14.3	(11.3)
JV profit/(loss)	33	35	37	(7.1)	(10.7)
Exceptional items	-	-	-		
Profit Before Tax	2,780	1,887	2,482	47.3	12.0
Taxation	753	554	663	36.0	13.6
Profit After Tax before MI/Associate	2,027	1,333	1,819	52.0	11.4
MI/Associate share	-	-	-		
Reported PAT	2,027	1,333	1,819	52.0	11.4
Net margin (%)	19.2	15.9	19.4	334.7	(21.0)

Source: Company data, I-Sec research

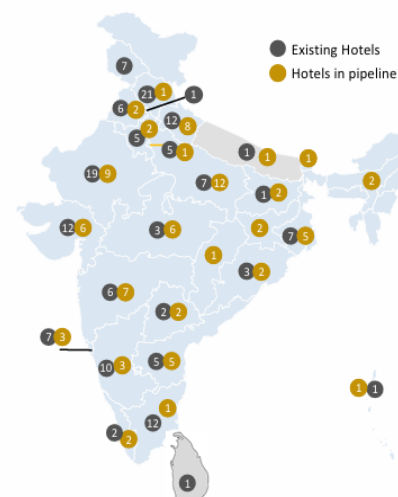
Exhibit 2: ITC Hotels' operational and pipeline hotels across India, as of Sep'26

Current Footprint

156 Operational Hotels
14,300+ Operational Keys
 (Owned / Managed Mix By % Keys : 41% / 59%)

By 2031

250 Operational Hotels
22,000+ Operational Keys
 (Owned / Managed Mix By % Keys : 33% / 67%)

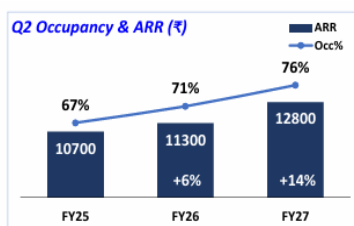
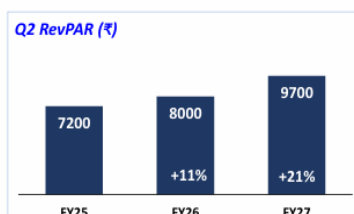


Status as on 30th Sep'26 | Managed portfolio includes hotels under franchise model

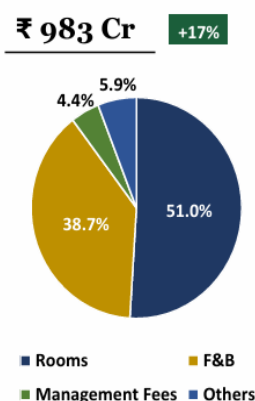
Map for disavol only. Not to scale

Source: Company, I-Sec research

Exhibit 3: Company's Q2FY27 hotels' key operating metrics



Q2 Revenue from Operations



Operating Indices pertain to Owned Hotels (Consolidated) - Same Store
 ARR and RevPAR have been rounded off to the nearest hundred

Source: I-Sec research, Company data,

Exhibit 4: Company's managed hotels' details

68 Managed Hotels Signed in last 24 months (60%+ in Premium Segment)



ACCELERATED YoY SIGNINGS

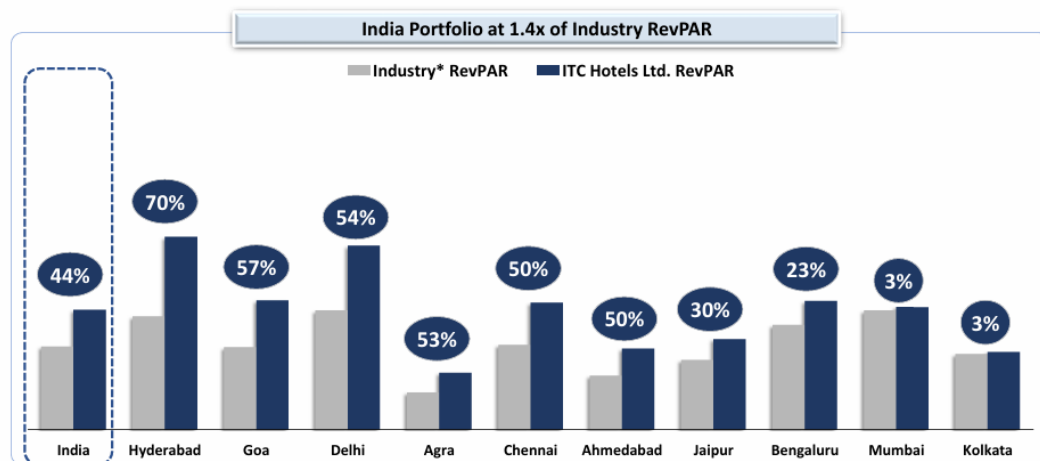
15 H1 FY26 signings → 20 H1 FY27 signings

HIGHER MANAGEMENT FEES

30% H1 FY27
 YoY Consol. management fee growth

Source: I-Sec research, Company data

Exhibit 5: Company's performance relative to industry



Data for Q2 FY27 (Domestic Owned Hotels)
Source: CoStar

*Luxury, Upper Upscale & Upscale

Source: I-Sec research, Company data

Exhibit 6: Company's project pipeline



Source: I-Sec research, Company data

Exhibit 7: Company's hotel brand scope as of Sep'26

Brands	Operational Hotels Keys	Pipeline Hotels Keys	Total Hotels Keys
ITC HOTELS	17 4,857	2 449	19 5,306
MENTOS	2 181	3 641	5 822
EPIQ	-	3 469	3 469
STORI	11 389	17 960	28 1,349
WELCOMHOTEL	31 3,440	30 3,969	61 7,409
FORTUNE	58 4,340	28 2,344	86 6,684
WelcomHeritage	37 1,119	4 108	41 1,227
Total	156 14,326	87 8,940	243 23,266
Structure			
Owned	27 5,841	3 748	30 6,589
Managed	129 8,485	84 8,192	213 16,677
Total	156 14,326	87 8,940	243 23,266

Source: I-Sec research, Company data

Exhibit 8: Key operating and revenue/EBITDA assumptions for ITC Hotels*

Details	FY24	FY25	FY26	FY27E	FY28E	FY29E
Operational Metrics						
ARR (INR)	12,000	12,500	13,404	14,333	15,341	16,261
YoY ARR Growth (%)	20.0	4.2	7.2	6.9	7.0	6.0
Occupancy (%)	69%	71%	72%	74%	76%	77%
RevPAR (INR)	8,280	8,869	9,703	10,464	11,514	12,318
YoY RevPAR Growth (%)	20.0	7.1	9.4	8.8	9.9	7.0
Management Fees (INR bn)	1.2	1.4	1.7	2.0	2.4	2.7

Source: I-Sec research, Company data, *Includes ITC Ratnadipa, Sri Lanka which commenced operations in FY25

Valuation

We retain **BUY** on ITC Hotels with an unchanged target price of INR 235 based on 25x Mar'28E hotel business EV/EBITDA.

Exhibit 9: ITC Hotels valuation

Particulars	INR mn
Mar'28E EBITDA	18,589
Enterprise Value (EV at 25x EV/EBITDA)	464,720
Add: Sri Lanka residential project NAV	9,144
Add: Dwarka Hotel Lease Premium (1x P/B)	3,265
Add: Net Cash as of Mar'28E	12,072
ITC Hotels Equity Value	489,200
Equity Value per Share (INR)	235

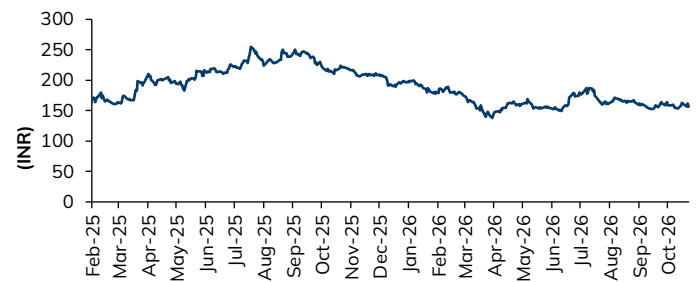
Source: Company data, I-Sec research

Exhibit 10: Shareholding pattern

%	Mar'26	Jun'26	Sep'26
Promoters	39.9	39.9	39.9
Institutional investors	36.1	35.5	35.2
MFs and others	10.8	6.7	6.0
FIs/Banks	0.0	0.0	0.3
Insurance	10.7	16.2	16.2
FII	14.6	12.6	12.7
Others	24.0	24.6	25.0

Source: Bloomberg, I-Sec research

Exhibit 11: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 12: Profit & Loss

(INR mn, year ending March)

(Numbers are ex-residential)*	FY26A	FY27E	FY28E	FY29E
Net Sales	41,394	44,683	50,240	56,448
Operating Expenses	27,156	28,597	31,651	35,562
EBITDA	14,238	16,086	18,589	20,886
EBITDA Margin (%)	34.4	36.0	37.0	37.0
Depreciation & Amortization	4,165	4,320	4,563	4,776
Interest expenditure	79	83	87	92
Other Non-operating Income	1,919	2,015	2,116	2,222
Profit / (Loss) from Associates	119	125	131	137
Extraordinary items	(802)	-	-	-
PBT	11,230	13,823	16,186	18,377
Less: Taxes	3,017	3,870	4,532	5,146
PAT	8,213	9,952	11,654	13,232
Less: Minority Interest	(44)	(46)	(48)	(51)
Net Income (Adjusted)	8,169	9,907	11,606	13,181

Source Company data, I-Sec research, *FY27-29E Sri Lanka residential project revenue and EBITDA not included

Exhibit 13: Balance sheet

(INR mn, year ending March)

	FY26A	FY27E	FY28E	FY29E
Total Current Assets	32,589	37,187	44,611	51,987
of which cash & cash eqv.	7,654	12,072	19,037	24,481
Total Current Liabilities & Provisions	11,769	12,120	12,481	12,853
Net Current Assets	20,819	25,068	32,130	39,134
Investments	19,727	19,977	20,227	20,477
RoU/Other Assets	11,785	12,045	12,316	12,600
Net Fixed Assets	76,937	79,740	80,201	81,070
Capital Work-in-Progress	2,061	2,061	2,061	2,061
Total Assets	131,329	138,891	146,936	155,343
Liabilities				
Borrowings	1	1	1	1
Deferred Tax Liability	4,317	4,317	4,317	4,317
other Liabilities	10,028	10,074	10,121	10,170
Equity Share Capital	2,083	2,083	2,083	2,083
Reserves & Surplus	114,495	121,965	129,915	138,221
Total Net Worth	116,578	124,048	131,998	140,304
Minority Interest	407	453	501	552
Total Liabilities	131,329	138,891	146,936	155,343

Source Company data, I-Sec research

Exhibit 14: Cashflow statement

(INR mn, year ending March)

	FY26A	FY27E	FY28E	FY29E
Operating Cashflow	11,892	13,628	15,540	17,297
Working Capital Changes	442	(44)	(321)	(1,795)
Capital Commitments	(4,085)	(7,123)	(5,024)	(5,645)
Free Cashflow	8,249	6,460	10,194	9,857
Other investing cashflow	(7,657)	1,765	1,866	1,972
Cashflow from Investing Activities	(11,742)	(5,357)	(3,158)	(3,673)
Issue of Share Capital	268	-	-	-
Interest Cost	(83)	(86)	(91)	(95)
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	-	(2,437)	(3,656)	(4,874)
Others	-	-	-	-
Cash flow from Financing Activities	186	(2,524)	(3,746)	(4,969)
Chg. in Cash & Bank balance	778	5,702	8,314	6,860

Source Company data, I-Sec research

Exhibit 15: Key ratios

(Year ending March)

	FY26A	FY27E	FY28E	FY29E
Per Share Data (INR)				
Adjusted EPS (Diluted)	3.9	4.8	5.6	6.4
Cash EPS	5.9	6.8	7.8	8.6
Dividend per share (DPS)	1.0	1.5	2.0	2.5
Book Value per share (BV)	56.0	59.6	63.4	67.4
Growth (%)				
Net Sales	16.3	7.9	12.4	12.4
EBITDA	17.6	13.0	15.6	12.4
EPS (INR)	28.7	21.3	17.1	13.6
Valuation Ratios (x)				
P/E	41.6	34.1	29.1	25.7
P/BV	2.9	2.7	2.6	2.4
EV / EBITDA	23.3	20.4	17.2	15.1
EV / Sales	8.0	7.3	6.4	5.6
Dividend Yield (%)	0.6	0.9	1.2	1.5
Operating Ratios				
EBITDA Margins (%)	34.4	36.0	37.0	37.0
Net Profit Margins (%)	19.7	22.2	23.1	23.4
Net Debt / Equity (x)	(0.1)	(0.1)	(0.1)	(0.2)
Net Debt/EBITDA (x)	(0.5)	(0.8)	(1.0)	(1.2)
Profitability Ratios				
RoCE (%)	7.3	8.2	9.1	9.7
RoE (%)	7.8	8.5	9.5	10.4

Source Company data, I-Sec research

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