

## THE INDIAN HOTELS COMPANY LTD.

Sector

March 17, 2025

Buy at CMP: Rs 750 | Target: Rs 881 (18%) | SL: Rs 705

Hospitality

Indian Hotels is one of the leading hospitality companies with hotels spread across different countries and cities.

### Investment Rationale

- ◆ **A diversified hotels portfolio with key brands:** Indian Hotels offers a diverse portfolio spanning luxury, upscale, lean luxe segments, and homestays. As of 9M FY2025, the company boasts a total of 360 hotels, with 237 operational properties and 123 in the pipeline. These hotels operate under renowned brands such as Taj, SeleQtions, Vivanta, Ginger, Tree of Life, and ama Stays & Trails, with 70% of the portfolio concentrated in the luxury and upper-upscale segments. While maintaining a strong focus on asset-light and managed models, IHCL is selectively exploring franchise opportunities, to further expand its footprint strategically.
- ◆ **IHCL's growth trajectory driven by hotels portfolio expansion:** As of Q3 FY2025, IHCL boasts a portfolio of 237 operational hotels, comprising 140 properties under its steady growth brands—Taj, SeleQtions, and Vivanta—and 97 properties under its accelerated growth brands, including Gateway, Ginger, and Tree of Life. Between April and December 2025, the company signed agreements for 55 new hotels and successfully launched 20 new properties. With an ambitious target of surpassing 500 operational hotels by 2030, IHCL plans to expand its footprint by adding 15 hotels annually under its steady growth brands and 30 hotels per year under its accelerated growth brands. This strategic expansion is expected to fuel revenue growth at a robust CAGR of 16.5% over the next five years.
- ◆ **Poised for Strong Growth Amid Robust Demand Drivers:** In the near to medium term, demand is expected to remain strong, with domestic travel continuing to be the primary growth driver. In its Q3 earnings commentary, Indian Hotels highlighted strong demand visibility for Q4, driven by large-scale events, concerts, conferences, and weddings. Additionally, the company anticipates a stronger Q1FY26 compared to the previous year, supported by an extended wedding season and the absence of election-related disruptions. Furthermore, the long-term demand outlook remains robust, fueled by a persistent demand-supply gap, opportunities for market expansion in Tier II and Tier III cities, a resurgence in MICE (Meetings, Incentives, Conferences, and Exhibitions), the rise of spiritual tourism, a steady recovery in foreign tourist arrivals, and sustained growth in the wedding segment.
- ◆ **Outlook and Valuations:** We model a Revenue/PAT CAGR of 15%/10% and estimate INDHOTEL to clock PAT of Rs 2,061 Cr by FY27E. INDHOTEL is trading at forward PE (x) of 68 and we value at 70 (x) FY27E and Recommend BUY on INDHOTEL with Target Price of Rs. 880 (18%).

### Financial Snapshot

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY24	6,853	2,197	1,285	83.1	37.8
FY25E	7,881	2,679	1,355	78.8	40.3
FY26E	9,063	3,081	1,559	68.5	35.1
FY27E	10,422	3,543	1,793	59.6	30.5

Source: Company Data, Ace Equity, GEPL Research

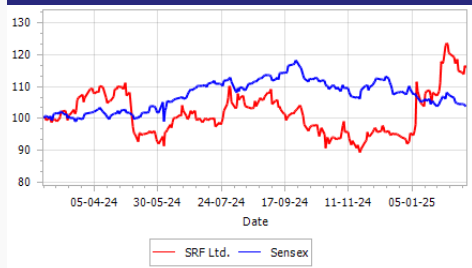
### Script Details

BSE Group	A
BSE Code	500850
NSE Code	INDHOTEL
Bloomberg Code	IH IN
Market Cap (INR Cr.)	1,06,779
Free Float (%)	61.9%
52wk Low/High	894/507
Beta (1yr Nifty 50)	0.00
Face Value (INR)/ D. Yield (%)	1/0.2
Total paid Up Shares (Mn.)	1423.4

### Share Holding Pattern (%)

Promoters	Public	Others
38.1%	61.9%	-

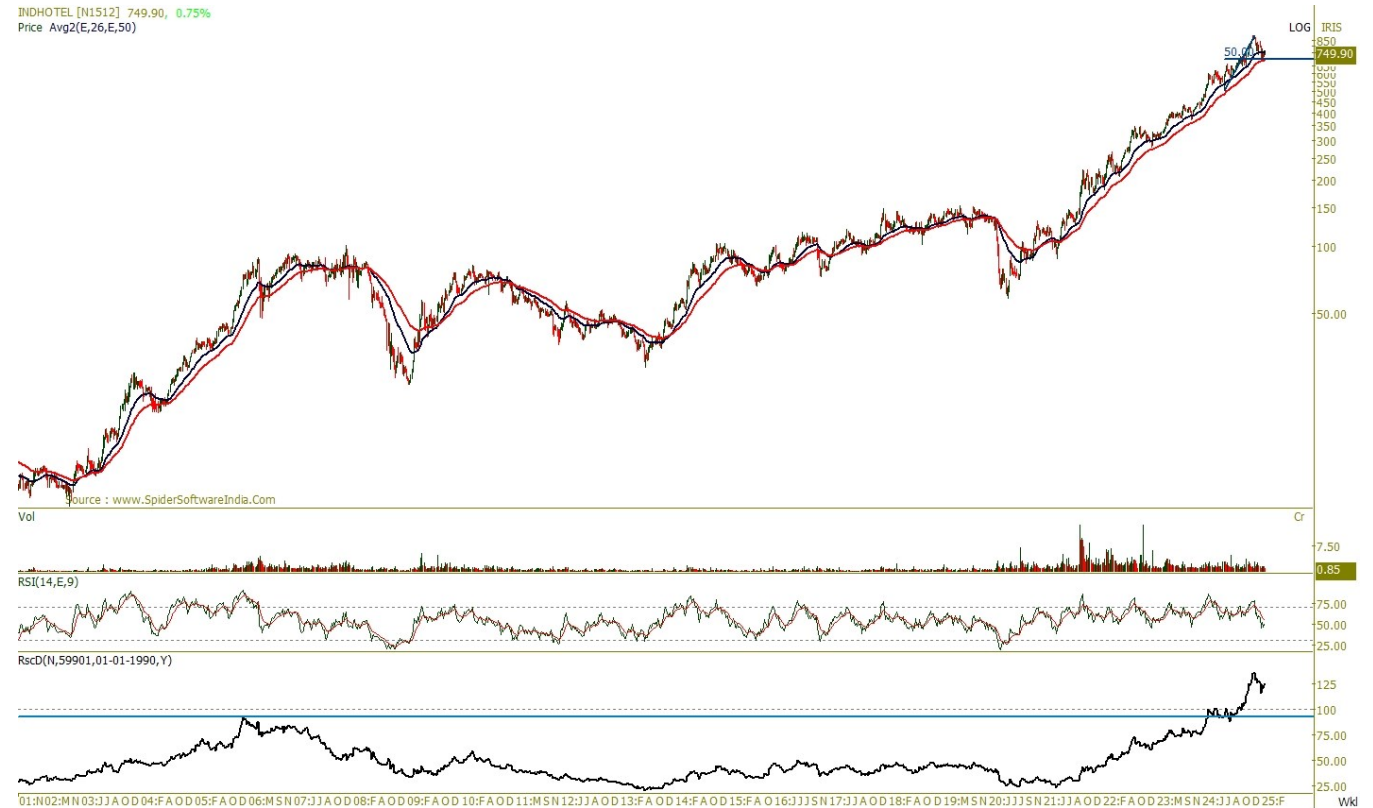
### Share Price Relative Performance



# TECHNICAL VIEW

## Observation

- INDHOTEL has maintained a steady uptrend since the 2020 bottom, consistently respecting its 12-month EMA, reaffirming its long-term bullish structure.
- On the weekly timeframe, the stock has exhibited a bullish mean reversion from the 50-week EMA, which coincides with the 50% Fibonacci retracement level of the prior rally from 504.93 to 894.90. Additionally, the formation of higher lows for three consecutive weeks signals renewed buying interest from a key demand zone.
- Momentum indicators further strengthen the bullish outlook, with the stochastic indicator confirming a bullish crossover on the weekly scale, while the daily RSI reclaiming the 50 mark indicates improving positive momentum.
- The ratio chart of INDHOTEL versus the NIFTY also reflects a strong uptrend, forming higher highs and higher lows. Notably, in October 2024, the ratio line achieved a multiyear breakout above the 2006 swing high, reinforcing the stock's potential for continued outperformance.
- With this strong technical structure, the stock is targeting an upside of 880, while a stop loss is set at 705 on a closing basis for effective risk management.



- **Inference & Expectations**
- Considering these factors, it can be inferred that INDHOTEL stock is set to continue uptrend.
- Going ahead we expect the prices to move higher till 880 level.
- The stop loss must be at 708 level, strictly on the closing basis.

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Source: Tradingview.in, GEPL Research

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