



VIEWPOINT

Company Update

SECTOR

Consumer Discretionary

COMPANY DETAILS

Market cap:	Rs. 3,822 cr
52-week high/low:	Rs. 255 / 120
NSE volume: (No of shares)	9.5 lakh
BSE code:	543984
NSE code:	SAMHI
Free float: (No of shares)	22.1 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	0.0
FII	45.5
DII	18.1
Others	36.4

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-8.8	-13.1	-20.7	0.4
Relative to Sensex	-6.9	-13.5	-24.2	-6.3

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **Positive**

CMP: **Rs. 173**

Upside Potential: **43%**

Quick Snapshot

- Revenues grew 16% y-o-y, while EBITDA margin (post-ESOP) fell 133 bps y-o-y. PAT more than doubled y-o-y on decent operating performance, higher other income and lower interest cost.
- Management maintained guidance of ~Rs. 3,000 crore in revenue by FY30, supported by same-store revenue CAGR of 9-11% and incremental revenues from already-funded growth initiatives and rebranding/additions.
- Company will continue to fund capex through internal accruals with no material increase in net leverage expected.
- Stock has corrected 14% from recent highs and trades at 8x/7x/6x its FY26E/FY27E/FY28E EV/EBITDA, respectively. We stay Positive with a 43% upside.

Result overview

- Consolidated revenue grew 15.6% y-o-y to Rs. 338 crore driven by 13.3% y-o-y growth in same-store RevPar to Rs. 5,643/night. Same-store occupancy fell by 160 bps y-o-y to 73%, while same store ARR reported ~15.9% y-o-y growth.
- Upper-upscale assets' ARR grew by ~17% y-o-y while occupancy fell by ~400 bps y-o-y. Upper Mid-scale assets reported ~27% y-o-y growth in ARR and ~100 bps y-o-y decline in occupancy while Mid-scale assets posted a 9% y-o-y ARR growth and flat occupancy.
- EBITDA margins declined by 133 bps y-o-y to 36.2% hit by removal of Input Tax Credit (ITC) for hotels having rates less than Rs. 7,500/night (~200 bps margin impact due to GST changes).
- EBITDA (post-ESOP) grew by 11.5% y-o-y to Rs. 122 crore. Decent operating performance, higher other income and lower interest cost helped adjusted PAT double to Rs. 49 crore. Adjusted for one-time labour code changes, reported PAT grew by 108% y-o-y to Rs. 48 crore.
- 9MFY26 revenues grew 12.3% y-o-y to Rs. 903 crore, OPM stood flat y-o-y at 35.2% and adjusted PAT grew more than doubled to Rs. 97 crore.
- Samhi currently has 4,904 operational rooms (64 rooms added to operational rooms in Q3). It is rebranding 473 rooms and adding 1,458 rooms through a combination of expansion and new openings to aid revenue growth.

Our Call

Stock has corrected by 14% from recent highs and is trading at discounted valuations of 8x/7x/6x its FY26E/FY27E/FY28E EV/EBITDA, respectively, as compared to its peers. Improving cash flows and de-leveraging balance sheet will narrow the valuation gap with close peers in the near term. We maintain a Positive stance and expect a potential upside of 43% in the next 12 months.

Key Risks

Drop in room demand, delay in the launch of new hotels/rooms or postponement in the repayment of loans would act as a risk to our earnings estimates in the coming years.

Valuations (Consolidated)

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	957	1,130	1,283	1,490	1,647
EBITDA margin (post-ESOP) (%)	29.4	36.0	37.3	38.4	38.8
Adjusted PAT	-147	114	170	269	329
Adj. diluted EPS (Rs.)	-6.7	5.1	7.7	12.2	14.9
P/E (x)	-	33.6	22.5	14.2	11.6
P/B (x)	3.7	3.3	2.2	1.9	1.7
EV/EBIDTA (x)	12.8	9.3	7.9	6.7	5.9
RoNW (%)	-	10.4	11.9	14.6	15.3
RoCE (%)	7.3	9.2	10.2	12.0	12.8

Source: Company; Mirae Asset Sharekhan estimates

Concall highlights

- Q3 revenue benefited from new openings (Trinity Whitefield; new Holiday Inn Express rooms in Kolkata and Greater Noida), partly offset by sold/discontinued assets (Four Points Chennai; Sheraton Hyderabad commercial floors converted to 42 rooms).
- Management stated that demand in January was soft due to extended school holidays, however, February-March bookings are expected to be strong, with the World Cup seen as an additional driver, supporting high occupancy and pricing.
- EBITDA margin to see temporary impact of 150-200 bps in the near term. However, factors such as growth, pricing, higher occupancies, upscale portfolio shift will help to offset the impact in 1-2 quarters.
- As of Q3FY26-end, net debt stood at Rs. 1,450 crore (up Rs. 70-80 crore q-o-q) mainly due to Navi Mumbai extension payments and timing mismatch pending GIC investment for Bangalore project. Management guided that net debt is expected to remain stable in the near term.
- Management highlighted strong ramp-up at recently added properties, particularly Trinity Bangalore and Whitefield, will support growth from FY27.

Results (Consolidated)

Particulars	Rs cr				
	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Revenue from operations	337.8	292.1	15.6	293.0	15.3
Cost of materials consumed	26.5	22.2	19.4	22.3	18.7
Employee cost	47.4	42.4	11.8	46.6	1.8
Other expenditure	139.3	113.6	22.6	114.6	21.6
Total expenditure	213.2	178.2	19.7	183.4	16.2
EBITDA (pre-ESOP)	124.5	113.9	9.3	109.5	13.7
ESOP Cost	2.4	4.4	-45.5	2.4	0.0
EBITDA (post-ESOP)	122.1	109.5	11.5	107.1	14.0
Other income	4.1	2.0	-	3.4	23.4
Interest expenses	40.3	59.9	-32.8	42.7	-5.7
Depreciation	29.8	28.8	3.5	29.6	0.7
Profit Before Tax	56.2	22.8	146.4	38.2	47.1
Tax	7.2	-0.4	-	3.1	-
Adjusted PAT	49.0	23.2	111.4	35.1	39.5
Extra-ordinary gain / loss	-0.8	0.0	-	67.3	-
Reported PAT	48.1	23.2	107.8	102.4	-53.0
Adjusted EPS (Rs.)	2.2	1.1	111.4	1.6	39.5
			bps		bps
GPM (%)	92.2	92.4	-25	92.4	-23
EBITDA Margin (post-ESOP) (%)	36.2	37.5	-133	36.6	-41
NPM (%)	14.5	7.9	657	12.0	252
Tax rate (%)	12.8	-1.6	-	8.1	476

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	ACIC Mauritius 1	14.98
2	Republic of Singapore	7.29
3	Tata Asset Management Pvt. Ltd.	5.38
4	Aditya Birla Sun Life AMC Ltd.	3.44
5	Steinburg India Emerging Opportunities Fund Ltd.	3.01
6	Emirate of Abu Dhabi United Arab Emirates	2.67
7	SBI Funds Management Ltd.	2.26
8	TT International Funds Plc	2.21
9	ACIC Mauritius 2	1.95
10	FLC Investco LLC	1.55

Source: Bloomberg

Key management personnel

Name	Designation
Ashish Jakhanwala	Chairman, Managing Director and Chief Executive Officer
Rajat Mehra	Chief Financial Officer
Sanjay Jain	Company Secretary & Compliance Officer

Source: Company Website

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