

IHCL

STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Consumer Discretionary

COMPANY DETAILS

Market cap:	Rs. 95,669 cr
52-week high/low:	Rs. 859/627
NSE volume: (No of shares)	27.4 lakh
BSE code:	500850
NSE code:	INDHOTEL
Free float: (No of shares)	88.1 cr

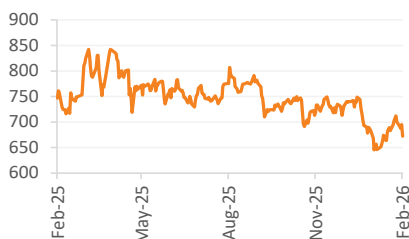
Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	38.1
FII	25.9
DII	20.8
Others	15.2

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	0.6	-6.6	-13.3	-10.0
Relative to Sensex	1.5	-3.4	-14.3	-18.6

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **BUY**

CMP: **Rs. 672**

Price Target: **Rs. 891**

Quick Snapshot

- IHCL's Q3FY26 consolidated revenues grew by 12% y-o-y, EBITDA margin stood flat y-o-y at 37.9% and adjusted PAT grew by 7% y-o-y.
- Management expects to sustain double-digit revenue growth in the hotels segment in FY26 and FY27, with 12-14% growth in Q4 supported by strong tailwinds from upcoming events.
- About 89 hotels with ~3,700 rooms were operationalised in Q3. Currently IHCL has 361 operational hotels and 256 in the pipeline, taking total operational keys to ~32,300 and ~30,200 under development.
- We maintain a Buy with an unchanged PT of Rs. 891. Stock trades at 25x/21x/18x its FY26E/FY27E/FY28E EV/EBITDA, respectively.

Result overview

- Consolidated revenues grew by 12.2% y-o-y to Rs. 2,842 crore led by a 7% y-o-y ARR growth to Rs. 17,700/room/night with occupancy rising by 120 bps y-o-y to 78%, leading to 9% y-o-y RevPar growth to Rs. 13,800/room/night.
- Standalone revenue grew 9.5% y-o-y to Rs. 1,614 crore, driven by 6% y-o-y ARR growth to Rs. 21,900/room/night and a 90 bps y-o-y improvement in occupancy to 78%, resulting in 7% y-o-y RevPar growth to Rs. 17,100/room/night.
- Among businesses, TajSATS grew by 17% y-o-y and New Businesses comprising of Ginger, Qmin, amã Stays & Trails and Tree of Life together grew by 31% y-o-y.
- EBITDA margins stood largely flat y-o-y at 37.9%. EBITDA grew by 11.9% y-o-y to Rs. 1,076 crore and adjusted PAT grew by 7.3% y-o-y to Rs. 679 crore. Considering exceptional items pertaining to profit on stale sale in Taj GVK and impact of new labour code, reported PAT grew by 50.9% y-o-y to Rs. 954 crore.
- During Q3, IHCL acquired 51% stake in Brij Hospitality, marking its entry into boutique experiential leisure, while the 51% acquisition of Atmantan strengthened its presence in the high-margin luxury wellness segment. It also scaled the Ginger brand with 51% acquisition in ANK & Pride Hospitality.
- 9MFY26 consolidated revenue grew by 17.2% y-o-y to Rs. 6,924 crore, EBITDA margin fell by 27 bps y-o-y to 32.1% and adjusted PAT grew by 10.1% y-o-y to Rs. 1,294 crore.

Our Call

Company has excelled its performance in the past five years by delivering consistent growth ahead of industry, strong uptick margins and strengthening its balance sheet by becoming net cash positive. We expect the next five years' journey to be good for IHCL, led by industry tailwinds and its strategic initiatives. We expect revenues and PAT to clock a CAGR of 14% and 17% respectively over FY25-28E. The stock trades at 25x/21x/18x its FY26E/FY27E/FY28E EV/EBITDA, respectively. We retain a Buy with an unchanged PT of Rs. 891.

Key Risks

Slowdown in corporate travel, slower recovery in inbound and the outbound tourism industry or delay in room addition would act as a key risk to our earnings estimates.

Valuation (Consolidated)

	Rs cr				
Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	6,769	8,335	9,751	11,214	12,336
EBITDA margin (%)	31.9	33.2	33.3	34.9	36.0
Adjusted PAT	1,202	1,717	1,891	2,344	2,725
Adjusted EPS (Rs.)	8.4	12.1	13.3	16.5	19.1
P/E (x)	71.7	53.2	47.4	38.6	33.4
P/B (x)	9.4	7.7	6.8	6.0	5.2
EV/EBITDA (x)	37.8	29.3	24.9	20.5	17.8
RoNW (%)	12.8	15.2	14.3	15.6	15.8
RoCE (%)	14.8	16.7	17.3	19.8	20.8

Source: Company; Mirae Asset Sharekhan estimates

Concall highlights

- Management fee income grew by 15% y-o-y to Rs. 203 crore led by not like for like growth. Management expects it to grow by 18% in FY27, driven by 60+ openings.
- TajSATS reported revenue of Rs. 323 crore, rising 17% y-o-y, while EBITDA margin was at 26%.
- Enterprise revenue of Ginger stood at Rs. 232 crore with a EBITDAR margin of 47%.
- Qmin has grown to 110 outlets across multiple formats, amã Stays & Trails has reached a portfolio of 351 bungalows with 176 in pipeline and Tree of Life is at a 27 resorts portfolio with 9 in pipeline.
- IHCL reported 8% y-o-y RevPAR growth in Taj, 10% y-o-y growth in Vivanta Selections and Gateway, and 9% y-o-y growth in Ginger.
- New York asset crossed Rs. 100 crore in revenue for the first time in December, with improving profitability. Hence, IHCL intends to retain the asset with no exit plans.
- San Fransico RevPAR grew 50% y-o-y on a low base, while the London property is under renovation and is expected to reopen by Feb/Mar-26, providing a boost from Q1FY27.
- Excavation at the Taj Bandstand site has been underway for the past few months, with the tendering process currently in progress and development undergoing as planned. After stabilisation, it is expected to generate ~Rs. 1,000 crore revenue and EBITDA margins of ~50%.
- Revenue mix – About 53% - key domestic business cities; 15% - domestic leisure; 22% - international and rest (10%) other domestic.
- About 94% of the total pipeline of 30,200 keys is asset light, almost equal to its current operational keys of 32,300, thereby aiding higher profitability.
- During 9MFY26, IHCL generated cash of ~Rs. 1,600 crore and undertook capex of Rs. 750 crore towards greenfield projects at Ekta Nagar, Taj Frankfurt, brownfield expansion at Taj Ganges Varanasi and the upcoming Taj Bandstand project along with renovations to key hotels such as Taj Palace Delhi, Taj Fort Aguada Goa and St James Court London among others.

Results (Consolidated)

	Rs cr				
Particulars	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Net Sales	2,842.0	2,533.1	12.2	2,040.9	39.3
Foods & Beverage consumed	276.9	250.5	10.5	208.2	33.0
Employee cost	641.5	579.5	10.7	591.1	8.5
Other operating & general expenses	847.7	741.4	14.3	671.5	26.2
Total expenditure	1,766.1	1,571.4	12.4	1,470.8	20.1
EBITDA	1,075.8	961.7	11.9	570.1	88.7
Other income	58.3	58.7	-0.7	83.4	-30.1
Interest cost	55.8	52.4	6.5	56.1	-0.4
Depreciation	150.3	133.9	12.2	144.7	3.9
PBT	928.0	834.0	11.3	452.7	105.0
Tax	269.1	220.2	22.2	136.5	97.1
Adjusted PAT	658.8	613.8	7.3	316.2	108.4
Share of profit from associates	19.9	18.7	6.5	2.1	-
Adjusted PAT after MI	678.7	632.5	7.3	318.3	113.3
Extraordinary item	275.5	0.0	-	0.0	-
Reported PAT	954.2	632.5	50.9	318.3	-
EPS (Rs.)	4.6	4.3	7.3	2.2	108.4
			bps		bps
GPM (%)	90.3	90.1	15	89.8	46
EBITDA margin (%)	37.9	38.0	-11	27.9	992
NPM (%)	23.2	24.2	-105	15.5	769
Tax rate (%)	29.0	26.4	260	30.2	-115

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	NPS Trust A/c Uti Retirement Solutions Ltd.	4.14
2	Nippon Life India Asset Management Co. Ltd.	2.67
3	Vanguard Group Inc.	2.61
4	Blackrock Inc.	2.51
5	SBI Pension Funds Pvt. Ltd.	2.27
6	Axis AMC Ltd.	2.12
7	Canara Robeco AMC Ltd.	2.09
8	HDFC AMC Ltd.	1.50
9	Franklin Resources Inc.	1.39
10	ICICI Prudential AMC Ltd.	1.19

Source: Bloomberg

Key management personnel

Name	Designation
N. Chandrasekaran	Chairman
Giridhar Sanjeevi	Executive Vice President and Chief Financial Officer
Puneet Chhatwal	Chief Executive Officer and Managing Director
Melisa Alva	Company Secretary & Compliance Officer

Source: Company Website

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