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## Aggregate revenue grew 41% YoY

	Change YoY (%)	Change QoQ (%)
IH	28	-20
EIH	42	-22
CHALET	40	-16
LEMONTRE	51	-10
<b>Aggregate</b>	<b>26</b>	<b>-17</b>

## EBITDA performance impacted in 4QFY22

	1Q	2Q	3Q	4Q
IH	-1,488	728	3,218	1,590
EIH	-1,015	-97	859	190
CHALET	-90	357	458	332
LEMONTRE	-1	339	633	368
<b>Aggregate</b>	<b>-2,594</b>	<b>1,327</b>	<b>5,167</b>	<b>2,481</b>

## Revival in occupancy leading to growth in ARR

In this report, we highlight the current demand scenario in key cities and insights based on the 4QFY22 results and management commentaries of major Hospitality players –IH, LEMONTRE, CHALET, and EIH.

- Occupancies surpassed the 65% mark in Apr'22 – a first since the onset of the COVID-19 pandemic, with ARR higher by 4% from Apr'19 levels.
- On a YoY basis, the Hospitality basket reported a higher incremental EBITDA to incremental revenue in 4QFY22 with EIH leading the pack (48%) followed by IH, CHALET, and LEMONTRE.
- RevPAR is seeing an uptick in business, with leisure travel near normalized levels in Apr'22. Momentum continued in May'22.
- A demand v/s supply crunch will propel mid- to long-term ARR growth.

## ARR and ORR surpass pre-pandemic levels in Apr'22

- As per HVS ANAROCK, pan India occupancies touched the 65% mark in Apr'22 (up 1% from Apr'19 levels) for the first time since the onset of the pandemic.
- In India, ARR has improved significantly in recent months (up 4% from Apr'19 levels to INR5,850 in Apr'22). This led to RevPAR rising 5% to INR3,804 from Apr'19 levels.
- Mumbai remained the market leader, with record-high occupancies of over 80%, owing to IPL and large-ticket conferences.
- Currently, corporate demand touched pre-pandemic levels. Generally, corporate demand is always higher in the winter season than in summer.

## Aggregate revenue down 19% QoQ, but up 41% YoY

- Aggregate revenue for the Hospitality basket – IH, CHALET, LEMONTRE, and EIH – fell 19% QoQ, but rose 41% YoY in 4QFY22. Revenue fell QoQ across the board, while CHALET led the pack with a growth of 51% YoY, followed by IH/EIH (42%/40%).
- On an aggregate basis, EBITDA fell 52% QoQ across players in 4QFY22, but rose 2.7x YoY. IH's consolidated EBITDA grew 2.2x YoY and standalone EBITDA surged 56% YoY to INR1,634m in 4QFY22.
- EBITDA rose 2.3x/29% YoY to INR332m/INR368m for CHALET/LEMONTRE. EBITDA for EIH stood at INR190m v/s an operating loss of INR218m in 4QFY21.
- Adjusted net profit of the Hospitality basket stood at INR162m in 4Q v/s INR1,178m in 3QFY22 and a loss of INR1,838m in 4QFY21.
- EIH reported the highest incremental EBITDA to incremental revenue in 4Q at 48% YoY (v/s 62% in 3QFY22), followed by IH (standalone) at 45% (v/s 64%) and IH (consolidated) at 34% (v/s 61%). LEMONTRE/CHALET's 4QFY22 EBITDA flow through stood at 34%/37% (57%/42% in 3QFY22).

## Occupancy and ARR declines QoQ across the Hotels pack

- Across players, RevPAR grew YoY due to better occupancy, with ARR accounting for a pickup in travel. CHALET outperformed its peers, with an 85% YoY growth in RevPAR.
- The highest improvement in RevPAR was seen in **CHALET**, which grew 85% YoY to INR2,973, a 1,600bp improvement in occupancy (to 55%). ARR rose 30% YoY.

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- RevPAR for **EIH's** domestic Hotel network (including management contracts) grew 52% YoY to INR6,171 in 4QFY22, led by a 1100bp improvement in occupancy to 56%. ARR improved 22% YoY.
- **LEMONTRE:** RevPAR rose 27% YoY to INR1,888 in 4QFY22, led by a 64% improvement in ARR to INR4,093. ORR fell 1,320bp YoY.
- **IH:** RevPAR (26%/27% YoY) was led by ARR growth of 29%/24% YoY for its domestic network/standalone operations. On a YoY basis, there was a 140bp decline/ 130bp expansion in occupancy for its domestic network/standalone operations.

#### Key management commentaries: Firm ARR and demand-supply gap to propel long-term growth

- **Industrywide views:** a) Players can command better ARR from pre-COVID levels, with travel making a strong comeback, b) Industrywide occupancies have breached 60% for the first time in Mar'22 since the onset of the pandemic; c) Corporate demand touched pre-COVID levels, d) Corporate overheads have reduced across the industry, and e) demand v/s supply gap will intensify over the next five years, resulting in better realizations.
- **IH: Recovery:** There is a resurgence in demand, with average rates/ORR touching 94%/81% of pre-COVID levels in FY22. **RevPAR** touched 76% of pre-COVID levels in FY22 v/s an industry recovery rate of 65%. **Cost management:** Corporate overheads fell to 28%, with fixed cost/month declining 18% due to various cost-saving initiatives. **Qmin:** It is present in over 20 cities. It is expected to expand to more than 25 cities. It plans to diversify into cloud kitchens to reduce dependence on its Hotel portfolio. GMV was upward of INR660m in FY22. **Ama Stays'** plans to touch 500 properties by FY25. Revenue stood at INR600m in FY22. Its **Ginger** portfolio is expected to reach 100-150 Hotels in coming years. In 4QFY22, revenue touched 96% of pre-COVID levels. **Pipeline:** At present, 60 Hotels (over 7,500 rooms) are under pipeline, 40% projects are under Ginger / 74% under management contracts. **Management contracts:** Revenue stood at INR2.3b in FY22 and is expected to touch INR3.5b. **Leisure** ORR jumped 20pp to 64% in Mar'22 from Jan'22 levels.
- **LEMONTRE:** In 1QFY23 till date, Bengaluru/Hyderabad/Mumbai/Delhi registered ~80% occupancy. **Capex:** Lemon Tree Mountain Resort (Shimla) and Aurika (Mumbai International Airport) are under development at a project cost of INR10b. **Debt** stood at INR17b (as of Mar'22). It aims to be debt free over the next four-to-five years and generate ~INR20b of cash over the next five years. **Cost:** At INR9.5m/day, with an expected total cost of INR11.2m/day. **Mix:** Retail/Corporate stood at 45% each and the balance others. Revenue growth stood at least 100% in FY23, with an EBITDA margin of at least 50%. **Aurika -** Mumbai Airport, to open by CY23-end (soft-opening of 300-400 rooms by Oct'23). It has an EBITDA potential of INR1.5b-2b, with 60% GP. Aurika-Udaipur has an EBITDA potential of ~INR650m, with 65% GP. **Management contract:** It is adding at least 1,000 rooms (across 14 hotels) in FY23 and signing at least 2,000 rooms (across ~30 hotels) over the next 10 months. **Management fee** income is expected at INR350-420m from existing management Hotels in FY23.
- **CHALET | ORR:** It clocked 81% occupancy in Apr'22, with ADR ~INR7,500 levels – the highest during the pandemic. Domestic travel touched 80%, while foreign travel stood at 50% of pre-pandemic levels. **Cost management:** Fixed/variable

costs are lower by 33%/42% in FY22 from FY20 levels. Manpower costs rose 22% v/s 15% in FY20. **Capex** over the next two years stood at INR7.4b. Of this, it will spend INR5.4b in FY23. **Net debt** stood at INR22.3b and is expected to touch INR26b, and then taper-down. Repayment for FY23 stood at INR3b. **Realigning assets:** Mumbai and Bengaluru are being repurposed to Office/Commercial spaces. It plans to expand its Hotel room count by 1,000-1,500 over the next four-to-five years. The management aims to achieve FY20 revenue and EBITDA in FY23.

- **ElH: Growth** is outpacing its timeline of 3Q/2HFY23 in the Leisure/Corporate segment. **Total expenses/corporate cost/fixed costs** fell 22%/22%/15% from FY20 levels. Contribution from the MICE business fell to 12% v/s 25% prior to the pandemic. It **divested its non-core assets** (printing press business and flight services business) in Mauritius. **Mix:** Normally, it stood at 50% each between domestic and foreign, but it is currently leaning towards the lower margin domestic business.

#### Valuation and view: Buoyant demand and normalizing occupancies to propel growth

- The Hotel sector is poised for robust growth in the coming quarters on the back of a strong recovery in the Leisure segment, improving traction in corporate travel, resumption in international travel, and an improvement in MICE activity.
- The Hotel industry witnessed a demand revival in leisure and corporate travel, pushing up occupancies and leading to higher ARR.
- Like FY22, we expect the strong recovery to sustain in FY23/FY24 as well, based on: a) improved occupancies, driven by business travel as well as the leisure segment; b) cost rationalization efforts, and c) an increase in F&B income, with the resumption of banquets and conferences.
- We maintain our **Buy** rating on **IH** with an FY24-based TP of INR278 (premised on one-year forward EV/EBITDA multiple of 22x).
- We reiterate our **Buy** rating on **LEMONTRE** with an FY24-based TP of INR85 (premised on one-year forward EV/EBITDA multiple of 18x).

#### Exhibit 1: IH – SoTP valuation

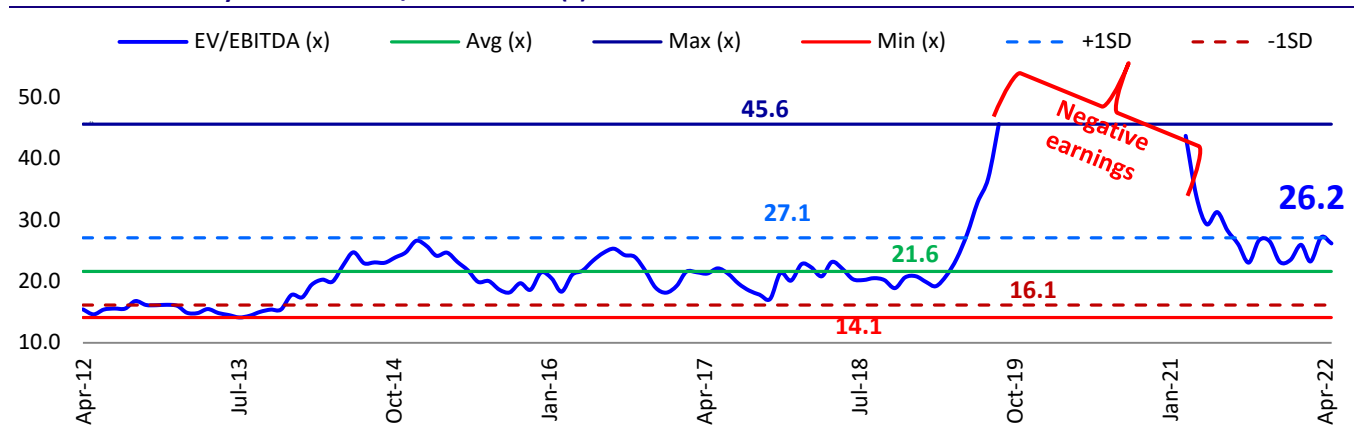
Particulars	Methodology	Metrics	FY24E	Multiple (x)	Value (INR m)	Value/ share (INR)
<b>IH excluding JV/associate</b>						
EV	EV/EBITDA (x)	EBITDA	17,002	22	3,80,842	268
Less: Net debt					14,382	10
Less: Minority interest					-5,930	(4)
<b>Sub-total</b>					3,89,294	274
<b>JV/associate</b>						
Taj GVK (IH's share – 25.5%) – JV	20% discount to m-cap	Attributable m-cap	2,774	80%	2,220	1.6
Oriental Hotel (IH's share – 35.7%) – associate	20% discount to m-cap	Attributable m-cap	4,198	80%	3,359	2.4
<b>Sub-total</b>					5,578	3.9
<b>Target price</b>					3,94,872	278

Source: MOFSL

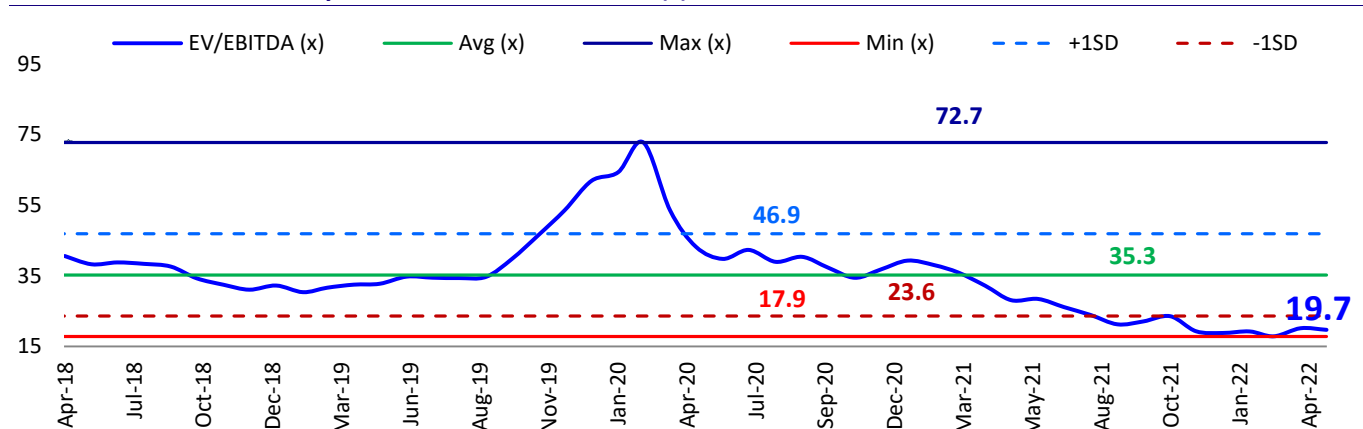
**Exhibit 2: LEMONTRE – SoTP valuation**

Particulars		FY24
EBITDA (FY24)	INR m	4,467
EV/EBITDA multiple	x	18
<b>EV</b>	<b>INR m</b>	<b>80,851</b>
Add: Capex for Aurika, Mumbai hotel	INR m	9,500
Less: Net debt (FY24)	INR m	(18,242)
Less: Minority interest (FY24)	INR m	(5,302)
<b>Target value</b>	<b>INR m</b>	<b>66,806</b>
<b>Number of shares</b>	<b>m</b>	<b>786</b>
<b>Target price</b>	<b>INR</b>	<b>85</b>

Source: MOFSL

**Exhibit 3: IH – One-year forward EV/EBITDA ratio (x)**

Source: MOFSL

**Exhibit 4: LEMONTRE – One-year forward EV/EBITDA ratio (x)**

Source: MOFSL

**Exhibit 5: Aggregate revenue grew 41% YoY**

(INR m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	Change YoY (%)	Change QoQ (%)	FY21	FY22	Change YoY (%)
IH – standalone	7,183	952	1,652	4,087	4,640	2,074	4,615	7,409	5,936	28	-20	11,332	20,033	77
IH – consolidated	10,630	1,436	2,567	5,599	6,150	3,446	7,284	11,112	8,721	42	-22	15,752	30,562	94
EIH – consolidated	4,104	297	719	1,792	2,152	959	2,301	3,601	3,010	40	-16	4,960	9,871	99
CHALET	2,273	526	589	825	978	676	1,282	1,642	1,480	51	-10	2,918	5,080	74
LEMONTRE	1,761	407	476	684	951	422	969	1,437	1,195	26	-17	2,517	4,022	60
<b>Aggregate</b>	<b>18,769</b>	<b>2,666</b>	<b>4,351</b>	<b>8,899</b>	<b>10,231</b>	<b>5,502</b>	<b>11,835</b>	<b>17,792</b>	<b>14,406</b>	<b>41</b>	<b>-19</b>	<b>26147</b>	<b>49535</b>	<b>89</b>

Source: Company, MOFSL

## Exhibit 6: EBITDA performance

(INR m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	Change YoY (%)	Change QoQ (%)	FY21	FY22	Change YoY (%)
IH – standalone	2,135	-1,619	-877	480	1,047	-965	605	2,609	1,634	56	-37	-969	3,883	NA
IH – consolidated	2,079	-2,660	-1,503	-167	713	-1,488	728	3,218	1,590	123	-51	-3,618	4,048	NA
EIH – consolidated	847	-1,408	-1,000	-268	-218	-1,015	-97	859	190	NA	-78	-2,895	-62	NA
CHALET	651	-60	-23	114	145	-90	357	458	332	130	-27	175	1,057	503
LEMONTRE	639	44	83	201	285	-1	339	633	368	29	-42	613	1,339	119
<b>Aggregate</b>	<b>4,216</b>	<b>-4,085</b>	<b>-2,443</b>	<b>-121</b>	<b>925</b>	<b>-2,594</b>	<b>1,327</b>	<b>5,167</b>	<b>2,481</b>	<b>168</b>	<b>-52</b>	<b>-5725</b>	<b>6382</b>	<b>-211%</b>

Source: Company, MOFSL

## Exhibit 7: EBITDA margin trend

%	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	Change YoY (%)	Change QoQ (%)	FY21	FY22	Change YoY
IH – standalone	30	-170	-53	12	23	-47	13	35	28	496	-770	-9	19	2,793
IH – consolidated	20	-185	-59	-3	12	-43	10	29	18	664	-1,072	-23	13	3,621
EIH – consolidated	21	-474	-139	-15	-10	-106	-4	24	6	1647	-1,752	-58	-1	5,773
CHALET	29	-11	-4	14	15	-13	28	28	22	766	-547	6	21	1,481
LEMONTRE	36	11	17	29	30	0	35	44	31	82	-1,324	24	33	895
<b>Aggregate</b>	<b>22</b>	<b>-153</b>	<b>-56</b>	<b>-1</b>	<b>9</b>	<b>-47</b>	<b>11</b>	<b>29</b>	<b>17</b>	<b>818</b>	<b>-1,182</b>	<b>-22</b>	<b>13</b>	<b>3478</b>

Source: Company, MOFSL

## Exhibit 8: Incremental EBITDA/revenue in 3Q and 4QFY22 (YoY)

(INR m)	3QFY22		4QFY22		Increase in EBITDA/revenue (YoY) (%)	
	Increase in revenue (YoY)	Increase in EBITDA (YoY)	Increase in revenue (YoY)	Increase in EBITDA (YoY)	3QFY22	4QFY22
IH – standalone	3,321	2,129	1,296	587	64	45
IH – consolidated	5,514	3,385	2,571	877	61	34
EIH – consolidated	1,810	1,127	857	409	62	48
CHALET	817	345	502	188	42	37
LEMONTRE	753	432	245	83	57	34
<b>Aggregate</b>	<b>8,893</b>	<b>5,289</b>	<b>4,174</b>	<b>1,556</b>	<b>59</b>	<b>37</b>

Source: Company, MOFSL

## Exhibit 9: PAT trend

(INR m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	Change YoY (%)	Change QoQ (%)	FY21	FY22	Change YoY (%)
IH – standalone	996	-2,105	-1,296	-527	-155	-1,823	-480	1,266	1,120	NA	-11	-4,083	82	NA
IH – consolidated	442	-3,445	-2,454	-1,399	-1,103	-2,926	-1,125	837	619	NA	-26	-8,401	-2,594	NA
EIH – consolidated	279	-1,493	-1,133	-557	-453	-1,132	-371	391	-238	NA	NA	-3,637	-1,350	NA
CHALET	451	-383	-417	-290	-113	-408	-107	-31	-88	NA	NA	-1,203	-633	NA
LEMONTRE	-179	-419	-371	-312	-168	-401	-208	-19	-132	NA	NA	-1,271	-760	NA
<b>Aggregate</b>	<b>993</b>	<b>-5,739</b>	<b>-4,375</b>	<b>-2,559</b>	<b>-1,838</b>	<b>-4,867</b>	<b>-1,810</b>	<b>1,178</b>	<b>162</b>	<b>NA</b>	<b>-86</b>	<b>-14511</b>	<b>-5337</b>	<b>NA</b>

Source: Company, MOFSL

## Exhibit 10: ARR trend

(INR)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	Change YoY (%)	Change QoQ (%)
IH – standalone	NA	4,848	5,424	8,300	8,537	7,024	8,273	11,348	10,569	24	-7
IH – domestic	NA	3,349	3,759	5,643	5,953	4,656	5,878	8,089	7,671	29	-5
EIH – consolidated	13,230	6,523	7,532	9,084	9,025	7,778	8,548	11,483	11,019	22	-4
CHALET	8,890	3,860	4,030	4,023	4,173	3,523	3,882	5,078	5,429	30	7
LEMONTRE	4,530	2,626	2,654	2,528	2,498	2,362	3,028	3,901	4,093	64	5

NA - Data is not available Source: Company, MOFSL

**Exhibit 11: Occupancy trend**

(%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	Change YoY (%)	Change QoQ (%)
IH – standalone	NA	21	32	47	57	28	57	67	58	130	-820
IH – domestic	NA	15	28	46	56	29	54	63	55	-140	-820
EIH – consolidated	61	7	16	35	45	22	51	63	56	1,100	-700
CHALET	61	24	25	33	39	36	56	60	55	1,600	-500
LEMONTRE	61	29	32	42	59	30	51	58	46	-1,320	-1,150

NA - Data not available Source: Company, MOFSL

**Exhibit 12: RevPAR trend**

(INR)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	Change YoY	Change QoQ
IH – standalone	NA	992	1,751	3,936	4,877	1,992	4,679	7,559	6,176	27%	-18%
IH – domestic	NA	513	1,061	2,573	3,329	1,331	3,168	5,070	4,183	26%	-17%
EIH – consolidated	8,070	457	1,205	3,179	4,061	1,711	4,359	7,234	6,171	52%	-15%
CHALET	5,386	926	1,007	1,318	1,610	1,252	2,161	3,035	2,973	85%	-2%
LEMONTRE	2,764	759	859	1,073	1,481	700	1,544	2,246	1,888	27%	-16%

NA - Data not available Source: Company, MOFSL

**Exhibit 13: MoM operational indicators for LEMONTRE**

Particulars	Apr'21	May'21	Jun'21	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Change (Apr'21 to Mar'22)
Total occupancy	40%	20%	30%	51%	51%	52%	55%	56%	61%	32%	47%	60%	1,990
Occupancy in operational Hotels	41%	25%	35%	54%	54%	54%	57%	59%	62%	34%	51%	60%	1,920
Gross ADR (INR)	2,369	2,288	2,429	2,775	3,075	3,230	3,415	3,981	4,263	3,659	4,038	4,204	77%

Source: Company, MOFSL

**Exhibit 14: MoM operational indicators for CHALET**

Particulars	Apr'21	May'21	Jun'21	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Change (Apr'21 to Mar'22)
Occupancy (%)	36%	23%	47%	54%	58%	54%	58%	57%	64%	38%	59%	68%	3,200
RevPAR (INR)	1,408	884	1,475	2,074	2,135	2,278	2,571	2,978	3,554	1,956	2,703	4,232	201%

Source: Company, MOFSL

**Exhibit 15: Operational performance by region for LEMONTRE****City-wise occupancy trend (%)**

By region (# rooms)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	YoY (bp)	QoQ (bp)
Delhi (636)	72%	39%	59%	55%	74%	38%	64%	69%	64%	-1,045	-500
Gurugram (529)	65%	25%	25%	30%	51%	24%	40%	51%	36%	-1,533	-1,500
Hyderabad (663)	64%	36%	34%	45%	57%	42%	61%	66%	45%	-1,195	-2,100
Bengaluru (874)	57%	38%	24%	24%	49%	19%	33%	41%	39%	-1,021	-200
Mumbai (303)	59%	38%	49%	59%	81%	72%	78%	76%	69%	-1,182	-700

**City-wise ARR trend (INR)**

By region (# rooms)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	YoY (%)	QoQ (%)
Delhi (636)	5,169	3,210	2,921	2,314	2,382	2,298	3,087	3,902	3,912	64%	0%
Gurugram (529)	4,537	2,983	2,987	2,290	2,091	2,775	3,044	3,812	4,186	100%	10%
Hyderabad (663)	4,780	3,259	2,175	2,128	2,228	2,084	2,530	3,467	4,125	85%	19%
Bengaluru (874)	3,941	1,873	1,643	2,202	1,567	2,000	2,558	3,086	3,399	117%	10%
Mumbai (303)	6,800	3,766	3,789	2,908	2,892	2,615	3,105	4,120	4,762	65%	16%

Source: Company, MOFSL

**Exhibit 16: Operational performance by region for CHALET****City-wise ARR trend (INR)**

	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	YoY (%)	QoQ (%)
MMR	8,886	3,616	3,812	4,110	4,562	3,431	3,938	5,351	5,797	27%	8%
Bengaluru	9,461	5,245	5,337	4,520	3,900	4,476	3,694	4,039	5,572	43%	38%
Hyderabad	9,211	3,958	4,726	4,196	4,067	4,017	4,285	5,592	4,974	22%	-11%
Pune	5,255	2,888	2,930	2,835	2,888	2,418	3,170	3,880	3,914	36%	1%
<b>Combined</b>	<b>8,890</b>	<b>3,860</b>	<b>4,030</b>	<b>4,023</b>	<b>4,173</b>	<b>3,523</b>	<b>3,882</b>	<b>5,078</b>	<b>5,429</b>	<b>30%</b>	<b>7%</b>

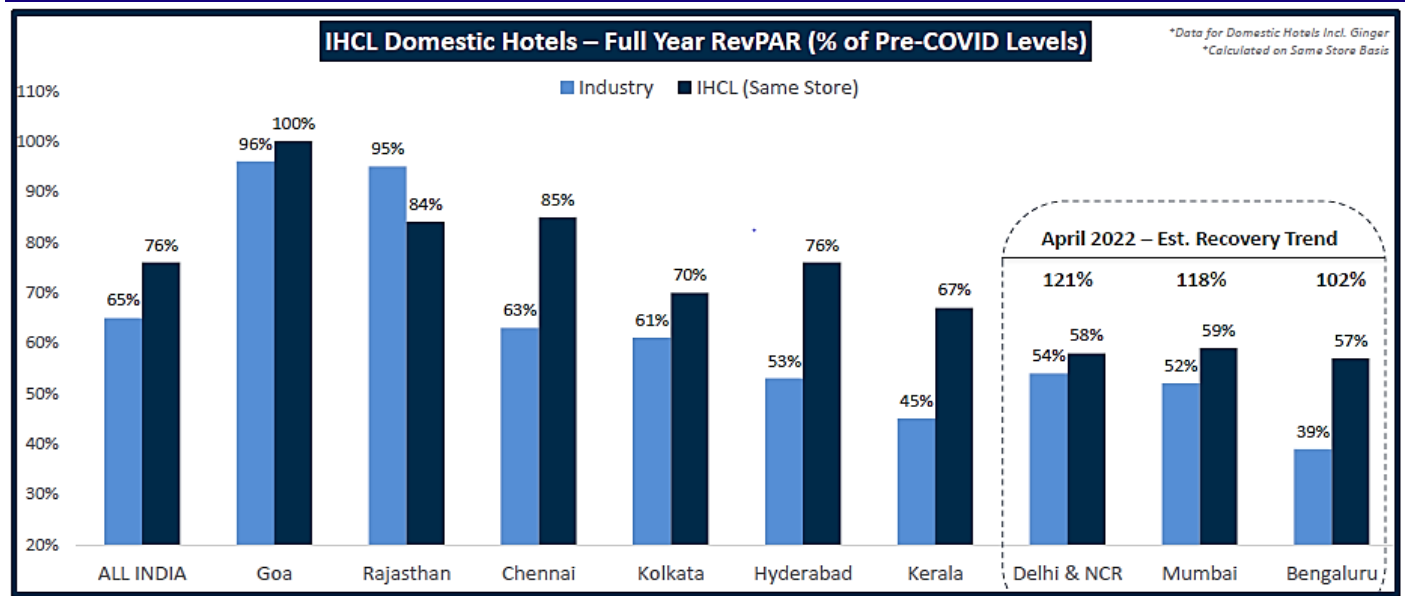
**City-wise occupancy trend (%)**

	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	YoY (bp)	QoQ (bp)
MMR	62%	30%	33%	37%	39%	42%	64%	64%	60%	2,100	-400
Bengaluru	62%	19%	20%	24%	35%	23%	22%	40%	25%	-1,000	-1,500
Hyderabad	60%	18%	9%	22%	27%	24%	46%	53%	56%	2,900	300
Pune	41%	63%	7%	42%	63%	32%	73%	81%	71%	800	-1,000
<b>Combined</b>	<b>61%</b>	<b>24%</b>	<b>25%</b>	<b>33%</b>	<b>39%</b>	<b>36%</b>	<b>56%</b>	<b>60%</b>	<b>55%</b>	<b>1,600</b>	<b>-500</b>

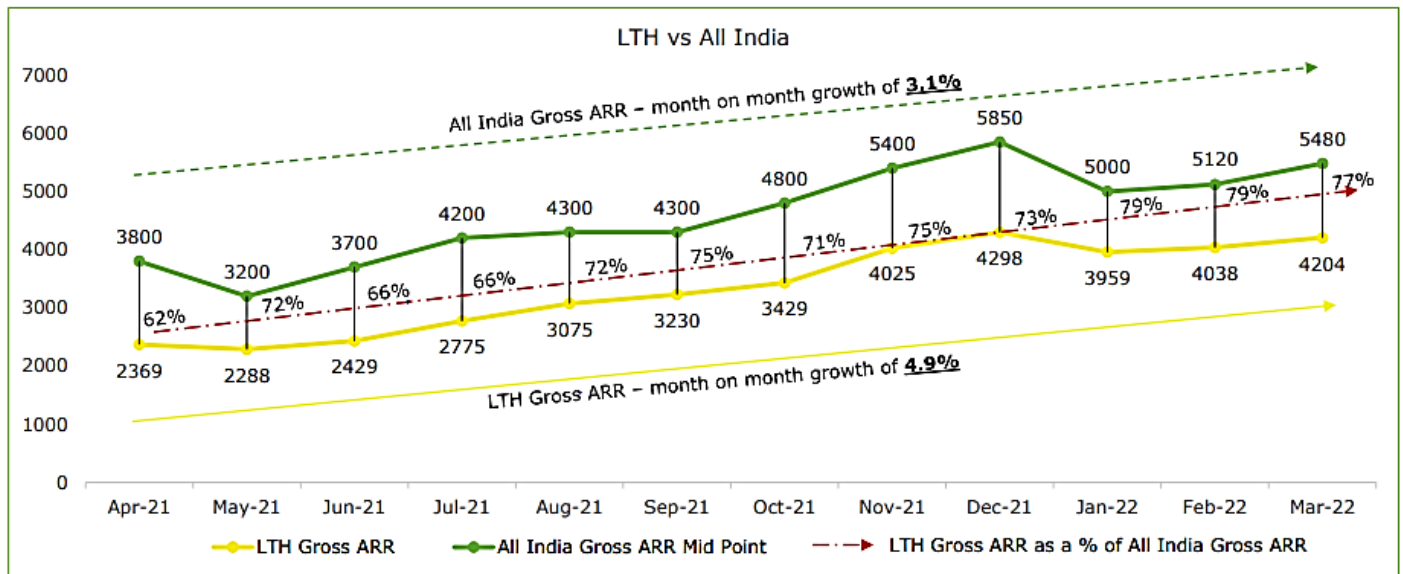
**City-wise RevPAR trend (INR)**

	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	Change YoY	Change QoQ
MMR	5,540	1,099	1,272	1,506	1,779	1,456	2,536	3,406	3,466	95%	2%
Bengaluru	5,830	1,016	1,050	1,087	1,365	1,033	829	1,618	1,402	3%	-13%
Hyderabad	5,554	711	442	934	1,098	980	1,969	2,957	2,768	152%	-6%
Pune	2,130	1,831	214	1,188	1,819	770	2,319	3,151	2,767	52%	-12%
<b>Combined</b>	<b>5,386</b>	<b>926</b>	<b>1,007</b>	<b>1,318</b>	<b>1,610</b>	<b>1,252</b>	<b>2,161</b>	<b>3,035</b>	<b>2,973</b>	<b>85%</b>	<b>-2%</b>

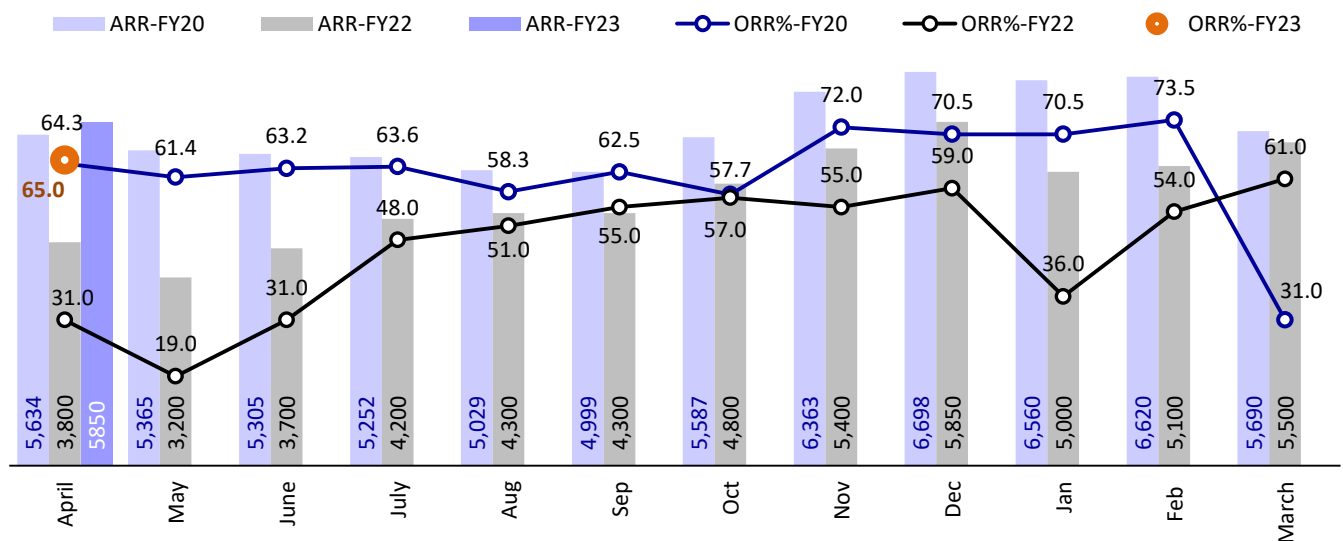
Source: Company, MOFSL

**Exhibit 17: Recovery in industry RevPAR in Mumbai, Delhi and NCR, and Bengaluru Hotels stood at 52%/54%/39% of pre-COVID levels in 4QFY22**



**Exhibit 18: India gross ARR clocks a 3.1% MoM growth in FY22**

Source: MOFSL, Company

**Exhibit 19: ARR and ORR in FY22 v/s pre-pandemic levels (FY20)**

Source: MOFSL, Company



## IH – Financials and valuations

### Consolidated Income Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Total Income from Operations</b>	<b>40,206</b>	<b>41,036</b>	<b>45,120</b>	<b>44,631</b>	<b>15,752</b>	<b>30,562</b>	<b>48,986</b>	<b>55,287</b>
Change (%)	-0.1	2.1	10.0	-1.1	-64.7	94.0	60.3	12.9
<b>Total Expenditure</b>	<b>34,110</b>	<b>34,332</b>	<b>36,823</b>	<b>34,956</b>	<b>19,369</b>	<b>26,515</b>	<b>35,858</b>	<b>38,285</b>
As a percentage of Sales	84.8	83.7	81.6	78.3	123.0	86.8	73.2	69.2
<b>EBITDA</b>	<b>6,096</b>	<b>6,704</b>	<b>8,297</b>	<b>9,675</b>	<b>-3,618</b>	<b>4,048</b>	<b>13,128</b>	<b>17,002</b>
Margin (%)	15.2	16.3	18.4	21.7	-23.0	13.2	26.8	30.8
Depreciation	2,994	3,012	3,279	4,042	4,096	4,061	4,308	4,570
<b>EBIT</b>	<b>3,102</b>	<b>3,692</b>	<b>5,019</b>	<b>5,633</b>	<b>-7,714</b>	<b>-13</b>	<b>8,820</b>	<b>12,431</b>
Int. and Finance Charges	3,238	2,690	1,901	3,411	4,028	4,277	2,814	2,019
Other Income	549	617	834	1,324	1,647	1,552	1,568	1,769
<b>PBT bef. EO Exp.</b>	<b>413</b>	<b>1,618</b>	<b>3,951</b>	<b>3,546</b>	<b>-10,095</b>	<b>-2,738</b>	<b>7,574</b>	<b>12,182</b>
EO Items	-108	225	66	410	1,600	156	0	0
<b>PBT after EO Exp.</b>	<b>306</b>	<b>1,843</b>	<b>4,017</b>	<b>3,955</b>	<b>-8,495</b>	<b>-2,582</b>	<b>7,574</b>	<b>12,182</b>
Total Tax	1,137	1,211	1,571	448	-1,553	-358	2,499	4,020
Tax Rate (%)	372.2	65.7	39.1	11.3	18.3	13.9	33.0	33.0
Minority Interest	-200	-376	-422	-37	259	253	266	292
<b>Reported PAT</b>	<b>-632</b>	<b>1,009</b>	<b>2,868</b>	<b>3,544</b>	<b>-7,201</b>	<b>-2,477</b>	<b>4,809</b>	<b>7,869</b>
<b>Adjusted PAT</b>	<b>-551</b>	<b>840</b>	<b>2,819</b>	<b>3,237</b>	<b>-8,401</b>	<b>-2,594</b>	<b>4,809</b>	<b>7,869</b>
Change (%)	NA	NA	235.4	14.8	-359.5	-69.1	-285.4	63.6
Margin (%)	-1.4	2.0	6.2	7.3	-53.3	-8.5	9.8	14.2

### Consolidated Balance Sheet

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	989	1,189	1,189	1,189	1,189	1,420	1,420	1,420
Total Reserves	24,188	40,622	42,291	42,379	35,295	69,202	73,159	80,176
<b>Net Worth</b>	<b>25,177</b>	<b>41,811</b>	<b>43,480</b>	<b>43,568</b>	<b>36,484</b>	<b>70,623</b>	<b>74,579</b>	<b>81,596</b>
Minority Interest	7,378	7,774	7,999	7,649	6,346	5,930	5,930	5,930
Total Loans	33,830	24,270	23,260	26,020	36,328	19,848	9,148	1,148
Lease Liability	0	0	0	18,987	18,464	18,604	18,604	18,604
Deferred Tax Liabilities	2,820	3,563	3,768	1,869	781	876	876	876
<b>Capital Employed</b>	<b>69,206</b>	<b>77,418</b>	<b>78,507</b>	<b>98,093</b>	<b>98,403</b>	<b>1,15,880</b>	<b>1,09,137</b>	<b>1,08,154</b>
Gross Block	57,923	63,356	69,051	73,316	81,772	85,655	89,201	93,111
Less: Accum. Deprn.	5,506	7,385	10,663	14,706	18,802	22,863	27,170	31,741
<b>Net Fixed Assets</b>	<b>52,417</b>	<b>55,971</b>	<b>58,388</b>	<b>58,610</b>	<b>62,970</b>	<b>62,792</b>	<b>62,031</b>	<b>61,370</b>
Goodwill on Consolidation	5,737	5,655	5,835	6,146	6,110	6,229	6,229	6,229
Right-of-Use assets				15,833	15,297	15,134	15,134	15,134
Capital WIP	2,227	1,970	1,162	2,441	1,650	1,933	2,387	2,477
<b>Total Investments</b>	<b>12,437</b>	<b>15,965</b>	<b>13,351</b>	<b>14,266</b>	<b>14,832</b>	<b>19,668</b>	<b>19,668</b>	<b>19,668</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>13,173</b>	<b>14,184</b>	<b>17,102</b>	<b>17,887</b>	<b>14,269</b>	<b>25,139</b>	<b>20,942</b>	<b>22,503</b>
Inventory	804	857	804	936	929	1,008	1,179	1,154
Account Receivables	2,721	3,286	3,214	2,900	2,198	2,553	3,355	3,787
Cash and Bank Balance	2,471	2,703	2,409	3,156	1,536	11,878	5,631	6,505
Loans and Advances	7,177	7,338	10,675	10,895	9,605	9,700	10,777	11,057
<b>Curr. Liability and Prov.</b>	<b>16,785</b>	<b>16,328</b>	<b>17,331</b>	<b>17,090</b>	<b>16,724</b>	<b>15,016</b>	<b>17,254</b>	<b>19,228</b>
Account Payables	3,370	3,513	3,253	3,893	3,178	3,873	4,028	4,301
Other Current Liabilities	11,305	10,349	11,579	10,441	10,921	8,233	9,797	11,057
Provisions	2,110	2,465	2,500	2,756	2,625	2,909	3,429	3,870
<b>Net Current Assets</b>	<b>-3,612</b>	<b>-2,143</b>	<b>-229</b>	<b>798</b>	<b>-2,456</b>	<b>10,123</b>	<b>3,687</b>	<b>3,275</b>
<b>Appl. of Funds</b>	<b>69,206</b>	<b>77,418</b>	<b>78,507</b>	<b>98,093</b>	<b>98,403</b>	<b>1,15,880</b>	<b>1,09,137</b>	<b>1,08,154</b>

## IH – Financials and valuations

### Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>-0.4</b>	<b>0.6</b>	<b>2.0</b>	<b>2.3</b>	<b>-5.9</b>	<b>-1.8</b>	<b>3.4</b>	<b>5.5</b>
Cash EPS	1.7	2.7	4.3	5.1	-3.0	1.0	6.4	8.8
BV/Share	17.7	29.4	30.6	30.7	25.7	49.7	52.5	57.4
DPS	0.2	0.2	0.4	0.4	0.4	0.4	0.6	0.6
Payout (%)	-53.9	41.9	25.3	20.5	-9.6	-28.0	17.7	10.8
<b>Valuation (x)</b>								
P/E	-589.4	386.7	115.3	100.4	-38.7	-125.3	67.6	41.3
Cash P/E	133.1	84.4	53.3	44.6	-75.5	221.7	35.6	26.1
P/BV	12.9	7.8	7.5	7.5	8.9	4.6	4.4	4.0
EV/Sales	9.0	8.6	7.8	7.9	23.0	10.8	6.6	5.7
EV/EBITDA	59.5	52.4	42.4	36.3	-100.0	81.5	24.8	18.6
Dividend Yield (%)	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3
FCF per share	6.7	-0.1	1.4	1.7	-7.6	1.7	4.8	7.2
EV/Adjusted Room (INR m)	38.0	35.5	34.9	33.7	34.7	31.1	30.1	28.7
EBITDA/Room (INR)	4,107	4,313	5,157	5,869	-6,404	3,929	7,770	9,116
<b>Return Ratios (%)</b>								
RoE	-2.2	2.5	6.6	7.4	-21.0	-4.8	6.6	10.1
RoCE	3.8	4.6	5.9	6.8	-5.7	1.3	8.0	11.4
RoIC	-14.9	2.3	5.2	7.1	-7.9	0.0	7.2	10.3
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	0.7	0.6	0.7	0.6	0.2	0.4	0.5	0.6
Asset Turnover (x)	0.6	0.5	0.6	0.5	0.2	0.3	0.4	0.5
Inventory (Days)	7	8	7	8	22	12	9	8
Debtor (Days)	25	29	26	24	51	30	25	25
Creditor (Days)	31	31	26	32	74	46	30	28
<b>Leverage Ratio (x)</b>								
Current Ratio	0.8	0.9	1.0	1.0	0.9	1.7	1.2	1.2
Interest Coverage Ratio	1.0	1.4	2.6	1.7	-1.9	0.0	3.1	6.2
Net Debt/Equity ratio	1.2	0.4	0.4	0.4	0.8	0.0	-0.1	-0.2

### Consolidated Cash Flow Statement

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>(INR m)</b>								
OP/(Loss) before Tax	306	1,618	4,017	3,955	-10,095	-2,738	7,574	12,182
Depreciation	2,994	3,012	3,279	4,042	4,096	4,061	4,308	4,570
Interest and Finance Charges	3,015	2,073	1,068	2,087	2,381	2,725	1,246	250
Direct Taxes Paid	-868	-1,425	-1,571	-448	1,553	358	-2,499	-4,020
(Inc.)/Dec. in WC	-599	-1,033	323	-1,402	-2,722	2,155	188	1,287
<b>CF from Operations</b>	<b>4,848</b>	<b>4,246</b>	<b>7,115</b>	<b>8,235</b>	<b>-4,786</b>	<b>6,560</b>	<b>10,817</b>	<b>14,269</b>
Others	498	675	0	0	1,600	156	0	0
<b>CF from Operations incl. EO</b>	<b>5,345</b>	<b>4,920</b>	<b>7,114</b>	<b>8,235</b>	<b>-3,187</b>	<b>6,716</b>	<b>10,817</b>	<b>14,269</b>
(Inc.)/Dec. in FA	4,193	-5,094	-5,067	-5,855	-7,629	-4,286	-4,000	-4,000
<b>Free Cash Flow</b>	<b>9,538</b>	<b>-174</b>	<b>2,048</b>	<b>2,380</b>	<b>-10,816</b>	<b>2,431</b>	<b>6,817</b>	<b>10,269</b>
(Pur.)/Sale of Investments	4,425	-1,462	2,614	-915	-566	-4,836	0	0
Others	496	912	-1,428	1,750	6,998	-7,303	1,568	1,769
<b>CF from Investments</b>	<b>9,114</b>	<b>-5,644</b>	<b>-3,882</b>	<b>-5,019</b>	<b>-1,197</b>	<b>-16,425</b>	<b>-2,432</b>	<b>-2,231</b>
Issue of Shares	0	14,999	0	0	0	231	0	0
Inc./(Dec.) in Debt	-11,719	-9,498	-1,010	2,760	10,308	-16,481	-10,700	-8,000
Interest Paid	-1,637	-4,089	-1,901	-3,411	-4,028	-4,277	-2,814	-2,019
Dividend Paid	-458	-447	-725	-725	-693	-693	-852	-852
Others	0	-7	110	-1,093	-2,823	41,270	-266	-292
<b>CF from Fin. Activity</b>	<b>-13,814</b>	<b>957</b>	<b>-3,527</b>	<b>-2,470</b>	<b>2,764</b>	<b>20,050</b>	<b>-14,632</b>	<b>-11,164</b>
<b>Inc./Dec. in Cash</b>	<b>645</b>	<b>233</b>	<b>-294</b>	<b>746</b>	<b>-1,620</b>	<b>10,342</b>	<b>-6,248</b>	<b>874</b>
Opening Balance	1,826	2,471	2,704	2,409	3,156	1,536	11,878	5,631
<b>Closing Balance</b>	<b>2,471</b>	<b>2,704</b>	<b>2,409</b>	<b>3,156</b>	<b>1,536</b>	<b>11,878</b>	<b>5,631</b>	<b>6,505</b>

## LEMONTRE – Financials and valuations

### Consolidated Income Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Total Income from Operations</b>	<b>4,843</b>	<b>5,495</b>	<b>6,694</b>	<b>2,517</b>	<b>4,022</b>	<b>7,802</b>	<b>9,083</b>
Change (%)	17.5	13.5	21.8	-62.4	59.8	94.0	16.4
<b>Total Expenditure</b>	<b>3,481</b>	<b>3,807</b>	<b>4,260</b>	<b>1,905</b>	<b>2,683</b>	<b>4,191</b>	<b>4,616</b>
As a percentage of Sales	71.9	69.3	63.6	75.7	66.7	53.7	50.8
<b>EBITDA</b>	<b>1,362</b>	<b>1,688</b>	<b>2,434</b>	<b>613</b>	<b>1,339</b>	<b>3,612</b>	<b>4,467</b>
Margin (%)	28.1	30.7	36.4	24.3	33.3	46.3	49.2
Depreciation	526	541	922	1,076	1,043	1,110	1,148
<b>EBIT</b>	<b>836</b>	<b>1,146</b>	<b>1,512</b>	<b>-463</b>	<b>296</b>	<b>2,502</b>	<b>3,319</b>
Int. and Finance Charges	784	847	1,565	1,817	1,740	1,952	2,141
Other Income	126	145	58	133	140	133	145
<b>PBT bef. EO Exp.</b>	<b>178</b>	<b>445</b>	<b>5</b>	<b>-2,147</b>	<b>-1,304</b>	<b>683</b>	<b>1,324</b>
EO Items	0	0	0	0	153	0	0
<b>PBT after EO Exp.</b>	<b>178</b>	<b>445</b>	<b>5</b>	<b>-2,147</b>	<b>-1,456</b>	<b>683</b>	<b>1,324</b>
Total Tax	38	-111	109	-322	-72	102	199
Tax Rate (%)	21.3	-25.0	2220.8	15.0	5.0	15.0	15.0
MI/share of profit from associates	-2	27	-9	-555	-510	-258	-131
<b>Reported PAT</b>	<b>142</b>	<b>529</b>	<b>-95</b>	<b>-1,271</b>	<b>-874</b>	<b>838</b>	<b>1,256</b>
<b>Adjusted PAT</b>	<b>142</b>	<b>529</b>	<b>-95</b>	<b>-1,271</b>	<b>-729</b>	<b>838</b>	<b>1,256</b>
Change (%)	NA	271.9	-118.0	1,232.4	-42.6	-214.9	49.9
Margin (%)	2.9	9.6	-1.4	-50.5	-18.1	10.7	13.8

### Consolidated Balance Sheet

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	7,864	7,893	7,903	7,904	7,908	7,908	7,908
Preference Capital	0	0	0	0	0	0	0
Total Reserves	284	857	1,986	1,272	404	1,243	2,499
<b>Net Worth</b>	<b>8,148</b>	<b>8,750</b>	<b>9,889</b>	<b>9,176</b>	<b>8,312</b>	<b>9,151</b>	<b>10,407</b>
Minority Interest	4,286	4,322	5,559	6,174	5,676	5,427	5,302
Total Loans	10,110	12,042	15,775	16,850	16,986	17,886	18,686
Lease Liability	0	0	4,619	4,671	4,247	4,247	4,247
Deferred Tax Liabilities	43	0	0	0	0	0	0
<b>Capital Employed</b>	<b>22,588</b>	<b>25,114</b>	<b>35,841</b>	<b>36,870</b>	<b>35,223</b>	<b>36,711</b>	<b>38,643</b>
Gross Block	16,044	18,068	35,073	35,016	34,637	34,737	34,837
Less: Accum. Deprn.	1,513	2,054	2,977	4,052	5,096	6,206	7,354
<b>Net Fixed Assets</b>	<b>14,531</b>	<b>16,014</b>	<b>32,097</b>	<b>30,964</b>	<b>29,542</b>	<b>28,532</b>	<b>27,484</b>
Goodwill on Consolidation	68	0	951	951	951	951	951
Capital WIP	5,591	6,639	1,896	2,418	2,968	4,968	7,968
<b>Total Investments</b>	<b>146</b>	<b>373</b>	<b>164</b>	<b>79</b>	<b>114</b>	<b>114</b>	<b>114</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>4,247</b>	<b>4,693</b>	<b>2,521</b>	<b>3,737</b>	<b>2,776</b>	<b>4,469</b>	<b>4,800</b>
Inventory	54	60	82	72	81	69	76
Account Receivables	525	844	503	308	291	556	647
Cash and Bank Balance	210	314	408	1,411	543	334	444
Loans and Advances	3,458	3,475	1,528	1,945	1,861	3,511	3,633
<b>Curr. Liability and Prov.</b>	<b>1,994</b>	<b>2,605</b>	<b>1,786</b>	<b>1,278</b>	<b>1,128</b>	<b>2,323</b>	<b>2,674</b>
Account Payables	811	958	842	788	585	918	948
Other Current Liabilities	1,140	1,592	877	412	319	1,170	1,635
Provisions	43	55	67	78	224	234	91
<b>Net Current Assets</b>	<b>2,253</b>	<b>2,088</b>	<b>734</b>	<b>2,459</b>	<b>1,648</b>	<b>2,146</b>	<b>2,126</b>
Misc. Expenditure	0	0	0	0	0	0	0
<b>Appl. of Funds</b>	<b>22,588</b>	<b>25,114</b>	<b>35,841</b>	<b>36,870</b>	<b>35,223</b>	<b>36,711</b>	<b>38,643</b>

## LEMONTRE – Financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Basic (INR)</b>							
<b>EPS</b>	<b>0.2</b>	<b>0.7</b>	<b>-0.1</b>	<b>-1.6</b>	<b>-0.9</b>	<b>1.1</b>	<b>1.6</b>
Cash EPS	0.9	1.4	1.1	-0.2	0.4	2.5	3.1
BV/Share	10.4	11.2	12.7	11.7	10.6	11.7	13.3
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>							
P/E	362.6	97.5	-540.6	-40.6	-70.7	61.5	41.0
Cash P/E	77.1	48.2	62.3	-264.2	164.2	26.5	21.4
P/BV	6.3	5.9	5.2	5.6	6.2	5.6	5.0
EV/Sales	13.6	12.3	10.8	29.0	18.3	9.6	8.3
EV/EBITDA	48.2	39.9	29.8	119.3	55.0	20.6	16.8
EV/Room (INR m)	20.0	18.9	17.0	17.2	17.3	14.9	15.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	-2.4	-1.5	-9.5	-1.5	0.9	0.6	1.5
<b>Return Ratios (%)</b>							
RoE	1.8	6.3	-1.0	-13.3	-8.3	9.6	12.8
RoCE	3.8	4.4	4.5	-0.9	1.1	6.7	8.3
RoIC	3.8	5.0	4.4	-1.0	0.7	6.0	9.2
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	0.3	0.3	0.2	0.1	0.1	0.2	0.3
Asset Turnover (x)	0.2	0.2	0.2	0.1	0.1	0.2	0.2
Inventory (Days)	4	4	4	10	7	3	3
Debtor (Days)	40	56	27	45	26	26	26
Creditor (Days)	61	64	46	114	53	43	38
<b>Leverage Ratio (x)</b>							
Current Ratio	2.1	1.8	1.4	2.9	2.5	1.9	1.8
Interest Cover Ratio	1.1	1.4	1.0	-0.3	0.2	1.3	1.6
Net Debt/Equity ratio	1.2	1.3	1.5	1.7	2.0	1.9	1.7

### Consolidated Cash Flow Statement

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>(INR m)</b>							
OP/(Loss) before Tax	178	445	5	-2,147	-1,446	683	1,324
Depreciation	526	541	922	1,076	1,043	1,110	1,148
Interest and Finance Charges	658	702	1,507	1,685	1,786	1,819	1,995
Direct Taxes Paid	-38	111	-109	322	-17	-102	-199
(Inc.)/Dec. in WC	450	25	-754	-1,009	27	-708	131
<b>CF from Operations</b>	<b>1,775</b>	<b>1,824</b>	<b>1,572</b>	<b>-74</b>	<b>1,394</b>	<b>2,801</b>	<b>4,399</b>
Others	-629	43	-62	-635	-41	-241	-118
<b>CF from Operations incl. EO</b>	<b>1,145</b>	<b>1,867</b>	<b>1,510</b>	<b>-709</b>	<b>1,353</b>	<b>2,560</b>	<b>4,281</b>
(Inc.)/Dec. in FA	-3,012	-3,004	-8,969	-465	-668	-2,100	-3,100
<b>Free Cash Flow</b>	<b>-1,867</b>	<b>-1,138</b>	<b>-7,459</b>	<b>-1,174</b>	<b>685</b>	<b>460</b>	<b>1,181</b>
(Pur.)/Sale of Investments	-82	-228	210	85	132	0	0
Others	495	337	2,677	-276	-56	133	145
<b>CF from Investments</b>	<b>-2,600</b>	<b>-2,895</b>	<b>-6,082</b>	<b>-656</b>	<b>-591</b>	<b>-1,967</b>	<b>-2,955</b>
Issue of Shares	52	29	10	1,750	8	0	0
Inc./(Dec.) in Debt	2,124	1,931	3,733	1,075	134	900	800
Interest Paid	-784	-847	-1,565	-1,817	-1,400	-1,952	-2,141
Dividend Paid	0	0	0	0	0	0	0
Others	97	18	2,488	1,361	-372	250	125
<b>CF from Fin. Activity</b>	<b>1,489</b>	<b>1,131</b>	<b>4,667</b>	<b>2,368</b>	<b>-1,630</b>	<b>-802</b>	<b>-1,216</b>
<b>Inc./Dec. in Cash</b>	<b>35</b>	<b>103</b>	<b>94</b>	<b>1,003</b>	<b>-869</b>	<b>-209</b>	<b>111</b>
Opening Balance	176	211	314	408	1,411	543	334
<b>Closing Balance</b>	<b>211</b>	<b>314</b>	<b>408</b>	<b>1,411</b>	<b>543</b>	<b>334</b>	<b>444</b>

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Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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