

# Juniper Hotels Limited

February 21, 2024



Juniper Hotels Ltd. (JHL) is a luxury hotel development and ownership company and is the largest owner, by number of keys of “Hyatt” affiliated hotels in India as of H1FY24. The company has a portfolio of seven hotels and serviced apartments. As of H1FY24, the company operated 1,836 keys across the luxury, upper upscale, and upscale categories of hotels across various locations in India, namely Mumbai, Delhi, Ahmedabad, Lucknow, Raipur, and Hampi. The company benefits from a unique partnership between Saraf Hotels (and its affiliates) and affiliates of Hyatt Hotels Corporation. JHL stands as the sole hotel development company in India in which Hyatt has made a strategic investment. As of H1FY24, the company owns 19.6% of the hotel rooms and apartments affiliated with the Hyatt group in India.

## Investment Rationale:

### Rising per capita income, urbanisation and changing demographics:

- Several positive elements for the hotel sector include (a) robust domestic travel for business, leisure, Meetings, Incentives, Conferences and Exhibitions (MICE), weddings, and social purposes, with better rate-paying potential; (b) increased use of hotels for leisure, weddings and social travel; (c) increased urbanisation and access infrastructure creating new travel destinations and micro-markets for hotels; (d) changing demographics, with millennials and younger travellers seeking experiences and willing to spend on entertainment and recreation; (e) evolving attitudes towards recreation, entertainment, wellness and lifestyle.
- Even a 0.5% increase in hotel use during domestic visits by travellers provides a 70% occupancy for approximately 50,000 new rooms. The rapid growth in India's hospitality industry is expected at an overall supply CAGR of 8.6% from September 2023–FY 27, across all segments.
- Through FY 2027, about 25% of new supply will be in the Luxury-Upper Upscale segment, 24% and 20% in the Upscale and Upper-Midscale segments respectively and 31% in the Midscale-Economy segment.
- About 90% of the total inventory is controlled by the top 25 chains. JHL attributes these industry trends to achieving enhanced financial and operational performance.

### Robust asset management capabilities with a focus on enhancing operating efficiency and profitability:

- JHL has established specialized asset management teams with asset managers at each of its hotels. The engineering cluster, through continuous monitoring of operational data, has improved costs related to heat, light, and power (HLP) without compromising the customer experience.
- JHL's revenue from operations increased to INR 6,668.54 million in Fiscal 2023 from INR 3,086.89 million in Fiscal 2022 and INR 1,663.51 million in Fiscal 2021. HLP costs were INR 421.36 million, INR 280.07 million, and INR 211.56 million in Fiscals 2023, 2022, and 2021, respectively.

### Increasing returns by having multiple revenue streams and cross-selling opportunities:

- JHL has introduced complementary revenue-generating streams at its hotels, benefiting from revenue contributions from areas such as serviced apartments, restaurants, MICE services, and other services to ensure optimal utilization of available resources.

### Award-winning F&B offerings:

- JHL's hotels feature an aggregate of 22 renowned restaurants and bars, including several award-winning establishments.
- Celini, the Italian restaurant at the Grand Hyatt Mumbai Hotel and Residences, was awarded Best Italian Cuisine-Premium Dining by The Times Food & Nightlife Awards 2023, and AnnaMaya, the restaurant at the Andaz Delhi, was awarded Best Pan Indian – Premium Dining by Times Food & Nightlife Awards 2023.

**Valuation and Outlook:** JHL's planned expansion program at: (a) Grand Hyatt Mumbai Hotel and Residences which will increase its inventory of 549 rooms and 116 serviced apartments (total of 665 keys) to 842 rooms and 140 serviced apartments (total 982 keys) (with the increased inventory to be operational by mid-Fiscal 2027); and (b) Hyatt Regency Ahmedabad (59 rooms added in October 2023). Most of the planned expansion is expected to be reflected in the earnings of the company by the end of FY27. Along with reduced debt via the IPO proceedings of INR 15,000 million, the company's PAT is expected to grow exponentially by the end of FY27. Rising F&B share of revenues, along with falling HLP and employee expenses is also expected to improve profitability margins FY25 onwards. JHL's ARR increased to INR 9,875.12 in Fiscal 2023 from INR 5,656.77 in Fiscal 2021, and its Average Occupancy increased to 75.74% in Fiscal 2023 from 34.23% in Fiscal 2021. In the six months ended September 30, 2023, and September 30, 2022, JHL's ARR was INR 10,139.85 and INR 8,817.95, respectively, and its Average Occupancy was 74.84% and 72.59%, respectively. The company reported total revenue of INR 3374.30 million in H1FY24 along with EBITDA of INR 1245.95 million. The company's inventory grew 30.58% YoY in H1FY24. In FY23 the company's net sales grew 116.03% YoY along with EBITDA growth of 217.70% YoY. As the recent capacity additions (~30%) start to contribute we expect the earnings to register decent growth, add to that at par valuations and the premium category tag - offering scope for increasing occupancy and ARR improvements could lead to very strong growth in the bottomline, recommend to subscribe as a good long term investment.

## Key Financial & Operating Metrics (Consolidated)

In INR mn	Revenue	YoY (%)	EBITDA	EBITDA %	PAT	EPS	ROE	ROCE
FY21	1663.51	-0.69	-42.971	-2.58%	-1994.85	-13.88	-31.00	-3.42
FY22	3086.89	85.56	664.02	21.51%	-1880.31	-13.08	-41.77	0.06
FY23	6668.54	116.03	2719.28	40.78%	-14.97	-0.07	-0.42	9.87

## Issue Snapshot

Issue Open	21-Feb-23
Issue Close	23-Feb-23
Price Band	INR 342- 360
Issue Size (Shares)	5,00,00,000
Market Cap (INR mln)	INR 80101

## Particulars

Fresh Issue (INR mln)	INR 18000
OFS Issue (mln)	-
QIB	75%
Non-institutionals	15%
Retail	10%

## Capital Structure

Pre Issue Equity	17,25,02,384
Post Issue Equity	22,25,02,384
Bid Lot	40 shares
Minimum Bid amount @ 342	INR 13680
Maximum Bid amount @ 360	INR 14400

## Share Holding Pattern

	Pre Issue	Post Issue
Promoters	100.00%	77.53%
Public	0.0000%	22.47%

## Particulars

Face Value	INR 10
Book Value	INR 96.83
EPS, Diluted	INR -0.07

## Objects of the Issue

- Repayment of borrowings – INR 15,000 million
- General Corporate Purposes

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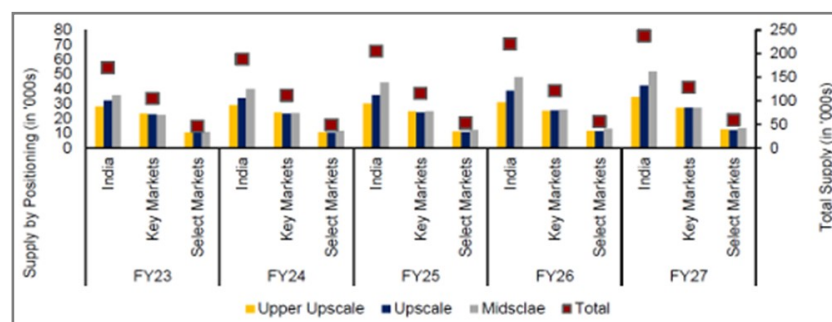
## Industry Overview:

As at September 30, 2023, India has 178k chain-affiliated hotel rooms, across segments. Supply at independent hotels is widely fragmented, with about 80% of midscale and lower positioning. Chain-affiliated supply has evolved over the last two decades: (a) total rooms as at September 30, 2023 are nearly 7.5 times the Fiscal 2001 inventory; (b) rooms supply has greater balance across different segments, yet the luxury and upper upscale segments, as an aggregate, comprise 20% of total hotels and 35% of total rooms; (c) 74% of hotel rooms are now owned by entities other than hotel chains, as compared to 31% of hotel rooms as at Fiscal 2001; (d) changed developer and ownership patterns were essential to achieve large supply growth through diversified ownership and capital deployment; which has in turn, enabled growth of management contract and franchise structures that are particularly preferred by international chains; (e) international chains have increased their supply share from 21% in Fiscal 2001 to 47% as at September 30, 2023, and several domestic companies have diversified their portfolio and materially grown in size; and (f) guest preferences have evolved with greater use of hotels for weddings and events, greater appreciation of lifestyle and boutique hotel offerings, well-curated F&B experiences, leisure, recreation and entertainment. Per Hotel Association of India’s report on “Vision 2047- Indian Hotel Industry - Challenges & The Road Ahead”, the GDP contribution of the hotel sector is estimated at USD 40 billion in 2022, with projected increase to USD 68 billion by 2027 and USD one trillion by 2047.

## Expected Supply to Fiscal 2027

60k rooms are expected to be added between October 1, 2023, and March 31, 2027 – given the past track record of materialised supply being slower, actual inventory growth may be smaller. Growth may happen somewhat speedily if more conversions occur as these need a shorter lead time to fruition. Pipeline data included in this report is based on deals signed and announced as of November 30, 2023, by various chains.

## Expected Supply Inventory



About 25% of the new supply will be in the Luxury Upper Upscale segment; 24%, 20% and 31% in the Upscale, Upper Midscale, and Midscale Economy segments, respectively. 65% of the new supply will occur in markets outside the Key Markets. Sizeable supply expansion outside the Key Markets and segmental spread of supply reflects increasing market maturity and potential for wider demand growth.

## JHL Supply Pipeline

Supply pipeline includes JHL’s planned expansion program at: (a) Grand Hyatt Mumbai Hotel and Residences which will increase its inventory of 549 rooms and 116 serviced apartments (total of 665 keys) to 842 rooms and 140 serviced apartments (total 982 keys) (with the increased inventory to be operational by mid-Fiscal 2027); and (b) Hyatt Regency Ahmedabad (59 rooms added in October 2023). The Grand Hyatt Mumbai Hotel and Residences will continue to be the largest luxury hotel in Mumbai and India; combined with expanded function spaces (under way), the hotel will have enhanced capability to cater to multiple large events at the same time. Upon expansion in October 2023, Hyatt Regency Ahmedabad is the largest hotel in Ahmedabad (excluding the government-owned The Leela, Gandhinagar).

## Supply Distribution (Inventory in 000s)

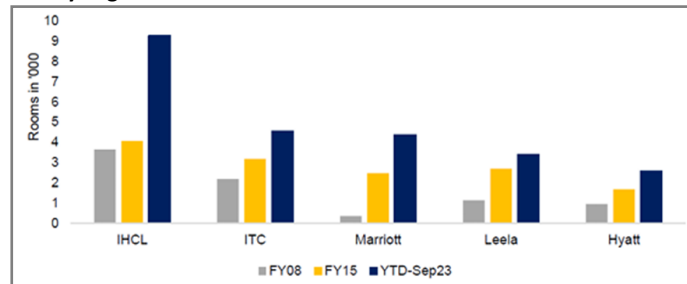
Market Category	Room Count (000)				Supply Share %			
	Fiscal 2001	Fiscal 2015	Sep 30, 2023	Fiscal 2027	Fiscal 2001	Fiscal 2015	Sep 30, 2023	Fiscal 2027
3 Main Metros	10	41	56	69	40.0%	38.3%	31.6%	28.9%
3 Other Metros	3	15	23	25	14.3%	14.3%	12.8%	10.6%
Other Key Markets	3	18	28	35	12.2%	16.9%	15.9%	14.7%
Other Markets	8	33	71	109	33.4%	30.5%	39.6%	45.8%
<b>Total</b>	<b>24</b>	<b>108</b>	<b>178</b>	<b>238</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

JHL has the second-largest geographic coverage and has the largest aggregate inventory of upper tier branded serviced apartments in Mumbai and New Delhi. The table below reflects that the top ten major private investors have only 13% share of guest rooms that are not chain-owned; the fragmented ownership structure points to a possibility of ownership consolidation in the future.

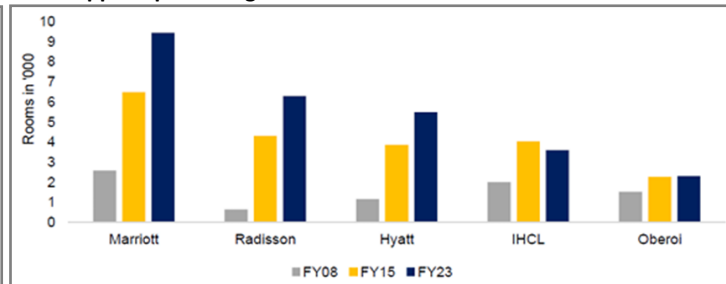
Group Company	Hotels	Rooms (000s)	Remarks
Interglobe Hotels	20	3.7	JV with private shareholding
Chalet Hotels	8	2.8	Four cities – Listed Company
JHL#	7	1.8	Six cities
Triguna	7	1.7	JV with private and institution shareholding
Brigade Group	8	1.5	Part of Listed Company; five cities
Prestige Group	8	1.4	Part of Listed Company; substantial growing pipeline
Panchshil Group	7	1.3	Pune based – has institution ownership share
IHHR	8	1.2	Eight cities – owner and chain managed hotels
Embassy REIT	4	1.1	Hotels only in Bengaluru
Dangayach Group	4	0.9	Three cities – substantial growth pipeline
<b>Total</b>	<b>81</b>	<b>17.5</b>	

## Chain-wise Inventory – Luxury, and Upper Upscale Segments

### Luxury Segment:



### Upper Upscale Segment:



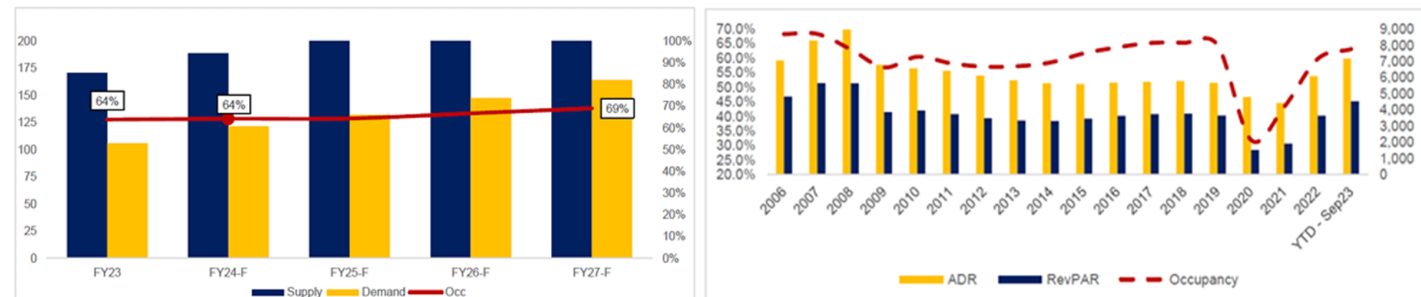
### Future Demand

Year	Projected Foreign Demand Recovery (relative to Fiscal 2019)	Projected Domestic Demand Growth (YoY starting over Fiscal 2023)	Projected Growth – Overall Demand (YoY starting over Fiscal 2023)
Fiscal 2024	87.5%	12.0%	15%
Fiscal 2025	100%	8.0%	9%
Fiscal 2026	115%	11.0%	12%
Fiscal 2027	130%	11.0%	11%

### All India Supply and Demand CAGR

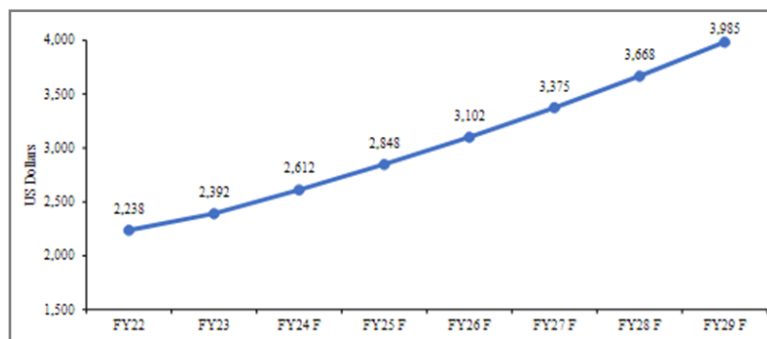
CAGR	Fiscal 2016 to Fiscal 2020	Fiscal 2023 to Fiscal 2027
Supply	6.5%	8.7%
Demand	8.3%	11.6%

### India Hotel Market Performance



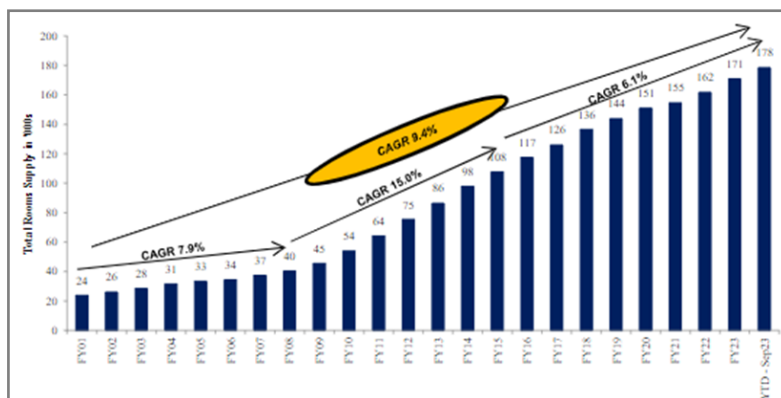
### Investment Rationale:

Rising per capita income, urbanisation and changing demographics: India has only 178000 chain-affiliated hotel rooms, across segments, as of 30 September 2023. Supply at independent hotels is widely fragmented and substantially of midscale and lower positioning. The hotel sector suffered due to lockdowns during the pandemic but has recovered positively since then. Several positive elements for the hotel sector include (a) robust domestic travel for business, leisure, Meetings, Incentives, Conferences and Exhibitions (MICE), weddings, and social purposes, with better rate-paying potential; (b) increased use of hotels for leisure, weddings and social travel; (c) increased urbanisation and access infrastructure creating new travel destinations and micro-markets for hotels; (d) changing demographics, with millennials and younger travellers seeking experiences and willing to spend on entertainment and recreation; (e) evolving attitudes towards recreation, entertainment, wellness and lifestyle. Domestic leisure and wedding demand has been a vital factor in reviving business after the Covid-19 pandemic. The hotel industry would likely benefit from increased individual incomes, which can reasonably be expected to create additional discretionary spending, particularly as supply growth occurs. Even a 0.5% increase in hotel use during domestic visits by travellers provides a 70% occupancy for approximately 50,000 new rooms. The rapid growth in India's hospitality industry is expected at an overall supply CAGR of 8.6% from

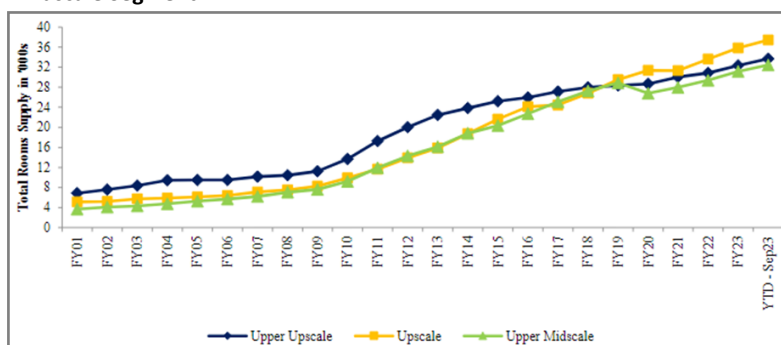


September 2023–FY 27, across all segments. Through FY 2027, about 25% of new supply will be in the Luxury-Upper Upscale segment, 24% and 20% in the Upscale and Upper-Midscale segments respectively and 31% in the Midscale-Economy segment. About 90% of the total inventory is controlled by the top 25 chains. JHL attributes these industry trends to achieving enhanced financial and operational performance. For instance, JHL's ARR increased to INR 9,875.12 in Fiscal 2023 from INR 5,656.77 in Fiscal 2021, and its Average Occupancy increased to 75.74% in Fiscal 2023 from 34.23% in Fiscal 2021. In the six months ended September 30, 2023, and September 30, 2022, JHL's ARR was INR 10,139.85 and INR 8,817.95, respectively, and its Average Occupancy was 74.84% and 72.59%, respectively. JHL also holds the second-largest geographic coverage and the largest aggregate inventory of upper-tier branded serviced apartments in Mumbai and New Delhi as of September 30, 2023.

## All India Chain Affiliated Rooms Supply



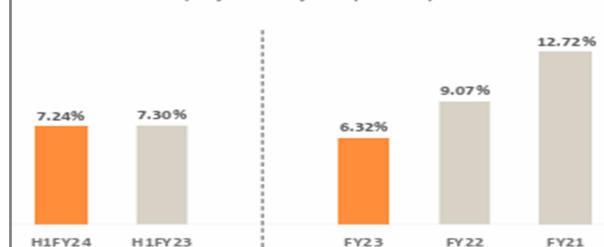
## All India Chain Affiliated Rooms Supply –Upper Upscale, Upscale and Upper Midscale Segment



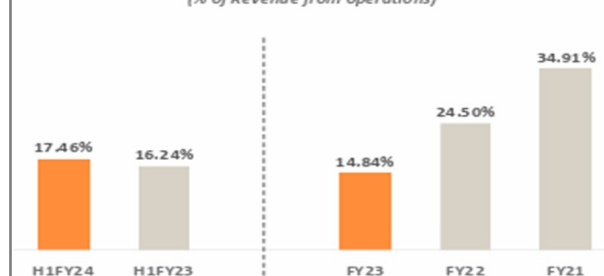
## Segmental Composition (Inventory in 000s)

Category	FY01	FY08	FY15	YTD Sep23	FY27	CAGR FY01-08	CAGR FY08-15	CAGR FY15-YTD Sep23	CAGR FY YTD Sep23-27
Luxury	6	10	17	29	35	6.9%	7.8%	6.1%	5.8%
Upper Upscale	7	10	25	34	42	6.2%	13.5%	3.5%	6.8%
Upscale	5	8	22	37	52	5.7%	16.3%	6.7%	9.8%
Upper Midscale	4	7	20	32	44	9.7%	16.1%	5.9%	9.3%
Midscale-Economy	2	5	24	46	65	17.1%	24.2%	8.2%	10.0%
<b>Total</b>	<b>24</b>	<b>40</b>	<b>108</b>	<b>178</b>	<b>238</b>	<b>7.9%</b>	<b>15.0%</b>	<b>6.1%</b>	<b>8.6%</b>

## Heat Light and Power Expenses (% of Revenue from operations)

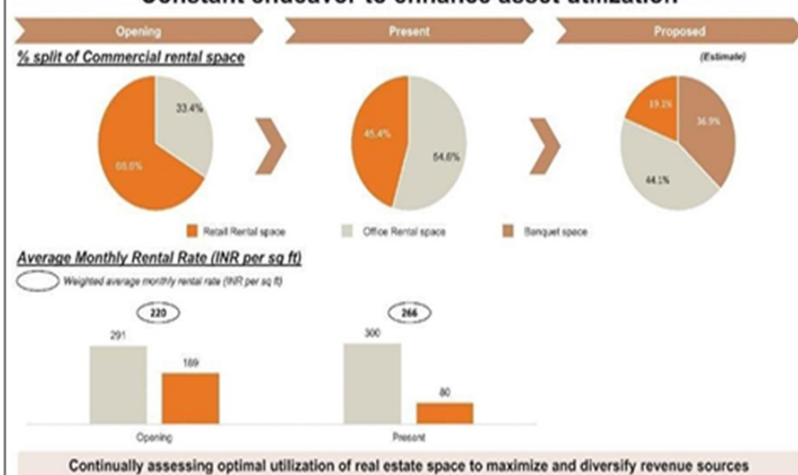


## Employee Expenses (% of Revenue from operations)



Robust asset management capabilities with a focus on enhancing operating efficiency and profitability: JHL has established specialized asset management teams with asset managers at each of its hotels. The engineering cluster, through continuous monitoring of operational data, has improved costs related to heat, light, and power (HLP) without compromising the customer experience. JHL's revenue from operations increased to INR 6,668.54 million in Fiscal 2023 from INR 3,086.89 million in Fiscal 2022 and INR 1,663.51 million in Fiscal 2021. HLP costs were INR 421.36 million, INR 280.07 million, and INR 211.56 million in Fiscals 2023, 2022, and 2021, respectively. As a percentage of revenue from operations, HLP costs decreased to 6.32% in Fiscal 2023 from 9.07% in Fiscal 2022 and 12.72% in Fiscal 2021. In the six months ended September 30, 2023, and September 30, 2022, revenue from operations was INR 3,361.12 million and INR 2,942.93 million, respectively. HLP costs were INR 243.47 million and INR 214.83 million, respectively, with HLP costs as a percentage of revenue from operations at 7.24% and 7.30%, respectively, during the same periods. In Fiscal 2022, JHL implemented a focused exercise on efficiency to realign and redeploy manpower to ensure optimal manpower across all departments at its hotels. Employee benefits expense increased to INR 989.49 million, INR 756.43 million, and INR 580.79 million in Fiscals 2023, 2022, and 2021, respectively, consistent with the growth in the business. Employee benefits expense as a percentage of revenue from operations reduced to 14.84% in Fiscal 2023 from 24.50% in Fiscal 2022 and 34.91% in Fiscal 2021. In the six months ended September 30, 2023, and September 30, 2022, employee benefits expense was INR 586.90 million and INR 477.93 million, respectively, with employee benefits expense as a percentage of revenue from operations at 17.46% and 16.24%, respectively, during the same periods. JHL is well-positioned to leverage the relationships developed with its customers to drive the growth of its F&B service. The company intends to include an additional F&B venue at the Grand Hyatt Mumbai Hotel and Residences. Additionally, there are plans to refurbish one of the restaurants at the Andaz Delhi, AnnaMaya, to create two additional specialty restaurants serving Asian and Italian food to increase F&B offerings for guests. It is expected that this will significantly enhance the service offerings and contribute positively as parallel revenue streams.

## Constant endeavor to enhance asset utilization





**Increasing returns by having multiple revenue streams and cross-selling opportunities:** JHL has introduced complementary revenue-generating streams at its hotels, benefiting from revenue contributions from areas such as serviced apartments, restaurants, MICE services, and other services to ensure optimal utilization of available resources. During the COVID-19 pandemic, the Average Occupancy at the Grand Hyatt Mumbai Hotel and Residences decreased by 64.70% in Fiscal 2021 from the previous year, while the Average Occupancy at the serviced apartments at the Grand Hyatt Mumbai Hotel and Residences and Hyatt Delhi Residences remained strong, with a decrease of 26.06% and 9.42%, respectively, in Fiscal 2021 from the previous year. JHL's complementary offerings also result in a mix of customers and guests staying at its properties, improving its ARR. The company consistently monitors the usage of available space at its hotels and aims to enhance its customer offering by adapting the available real estate space in its hotels to meet the ever-changing demands of the market. Serviced apartments: Guests at JHL's serviced apartments consist of a mix of expatriates and Indians, primarily comprising corporate employees. As of September 30, 2023, JHL had 116 serviced apartments at the Grand Hyatt Mumbai Hotel and Residences and 129 serviced apartments at the Hyatt Delhi Residences. The Average Occupancy of JHL's serviced apartments was 74.25%, 74.63%, 75.34%, 55.57%, and 47.19% in the six months ended September 30, 2023, and September 30, 2022, and Fiscals 2023, 2022, and 2021, respectively.

**Award-winning F&B offerings:** JHL's hotels feature an aggregate of 22 renowned restaurants and bars, including several award-winning establishments. Celini, the Italian restaurant at the Grand Hyatt Mumbai Hotel and Residences, was awarded Best Italian Cuisine-Premium Dining by The Times Food & Nightlife Awards 2023, and AnnaMaya, the restaurant at the Andaz Delhi, was awarded Best Pan Indian – Premium Dining by Times Food & Nightlife Awards 2023. JHL also offers meetings, conference, and banqueting spaces (MICE), which are used to target customers for events, exhibitions, meetings, as well as for weddings and marquee social events, such as a G20 conference. As of September 30, 2023, JHL's hotels had a total MICE area of 105,310 sq. ft. JHL's F&B Revenue for the six months ended September 30, 2023, and September 30, 2022, and Fiscals 2023, 2022, and 2021 were INR 1,059.82 million, INR 930.85 million, INR 2,023.61 million, INR 895.02 million, and INR 408.15 million, respectively, representing 31.53%, 31.63%, 30.35%, 28.99%, and 24.54% of the total revenue from operations, which were INR 3,361.12 million, INR 2,942.93 million, INR 6,668.54 million, INR 3,086.89 million, and INR 1,663.51 million, respectively. With increasing F&B revenue share the growth in overall revenues is also expected to increase.

Particulars	Six months ended September 30, 2023*		2022		2023		Fiscal 2022		2021	
	(in ₹ million)	% of total revenue from contracts with customers	(in ₹ million)	% of total revenue from contracts with customers	(in ₹ million)	% of total revenue from contracts with customers	(in ₹ million)	% of total revenue from contracts with customers	(in ₹ million)	% of total revenue from contracts with customers
Hotel room revenue	1,498.05	44.57%	1,241.69	42.52%	2,982.74	44.88%	1,151.94	38.26%	563.54	33.88%
Serviced apartments revenue	436.33	12.98%	389.93	13.35%	820.14	12.34%	547.91	18.20%	419.51	25.22%
F&B Revenue*	1,059.82	31.53%	930.85	31.87%	2,023.61	30.45%	895.02	29.73%	408.15	24.54%
Lease rentals	161.21	4.80%	159.51	5.46%	338.61	5.09%	240.51	7.99%	200.54	12.06%
Other hospitality services	205.71	6.12%	198.54	6.80%	481.03	7.24%	175.17	5.82%	71.77	4.31%
<b>Total Revenue from contracts with customers</b>	<b>3,361.12</b>	<b>100.00%</b>	<b>2,920.52</b>	<b>100.00%</b>	<b>6,646.13</b>	<b>100.00%</b>	<b>3,010.55</b>	<b>100.00%</b>	<b>1,663.51</b>	<b>100.00%</b>

## Enhancement of facilities at existing assets: I. Grand Hyatt Mumbai Hotel and Residences:

A. Addition of New Ballroom (Phase I): Demand in the Mumbai hospitality industry is primarily driven by business travel, MICE, and weddings, with anticipated positive trends in these segments over the next three to five years. Based on this analysis, construction of a ballroom and MICE space of approximately 49,655 sq. ft. commenced in Fiscal 2023 at the Grand Hyatt Mumbai Hotel and Residences. This space is intended for high-end social occasions catering to the city's business sector. Municipal approval has been obtained for this addition. The estimated cost for completing this construction is approximately INR 300.00 million, with the ballroom expected to be operational by the second quarter of Fiscal 2025.

B. Addition of Hospitality Inventory (Phase II): Considering the robust demand in Mumbai, particularly in the expanding financial district of BKC (Bandra Kurla Complex), additional floors will be constructed at the Grand Hyatt Mumbai Hotel and Residences. This expansion will add 293 rooms and 24 serviced apartments, positioning the hotel favorably to cater to large-scale events and maintain its status as the largest luxury hotel in Mumbai and India. Municipal approval has been secured for this expansion. Design for these additional floors is slated to commence in Fiscal 2025, with operations expected to begin by mid-Fiscal 2027.

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## II. Addition of Two Floors at the Hyatt Regency Ahmedabad:

Following healthy occupancy levels and anticipated growth drivers in Ahmedabad, including airport expansion and infrastructure projects, two additional floors at the Hyatt Regency Ahmedabad have been fitted out to add 59 keys. These rooms have been operational since October 2023, with a total cost of approximately INR 166.00 million.

**III. Premiumization Initiatives: Premiumization Strategy:** JHL is implementing premiumization efforts across several properties, including the Grand Hyatt Mumbai Hotel and Residences, Andaz Delhi, Hyatt Regency Ahmedabad, Hyatt Raipur, and Hyatt Place Hampi. Refurbishments and Upgrades: Grand Hyatt Mumbai Hotel and Residences: Upgrading all rooms and introducing a new club floor category to enhance the guest experience and increase ARR. Andaz Delhi: Enhancing public areas and improving F&B outlets to capitalize on the significant F&B market in New Delhi and Delhi Aerocity. Hyatt Regency Ahmedabad: Recently completed refurbishment of banqueting areas and opening of a new F&B venue, Sarvatt, to enhance offerings. Hyatt Raipur and Hyatt Place Hampi: Planned refurbishments of public areas to maintain competitiveness and improve customer offerings.

These initiatives aim to maximize the revenue potential of JHL.

**Valuation and outlook:** JHL's planned expansion program at: (a) Grand Hyatt Mumbai Hotel and Residences which will increase its inventory of 549 rooms and 116 serviced apartments (total of 665 keys) to 842 rooms and 140 serviced apartments (total 982 keys) (with the increased inventory to be operational by mid-Fiscal 2027); and (b) Hyatt Regency Ahmedabad (59 rooms added in October 2023). Most of the planned expansion is expected to be reflected in the earnings of the company by the end of FY27. Along with reduced debt via the IPO proceedings of INR 15,000 million, the company's PAT is expected to grow exponentially by the end of FY27. Rising F&B share of revenues, along with falling HLP and employee expenses is also expected to improve profitability margins FY25 onwards. JHL's ARR increased to INR 9,875.12 in Fiscal 2023 from INR 5,656.77 in Fiscal 2021, and its Average Occupancy increased to 75.74% in Fiscal 2023 from 34.23% in Fiscal 2021. In the six months ended September 30, 2023, and September 30, 2022, JHL's ARR was INR 10,139.85 and INR 8,817.95, respectively, and its Average Occupancy was 74.84% and 72.59%, respectively. The company reported total revenue of INR 3374.30 million in H1FY24 along with EBITDA of INR 1245.95 million. The company's inventory grew 30.58% YoY in H1FY24. In FY23 the company's net sales grew 116.03% YoY along with EBITDA growth of 217.70% YoY. As the recent capacity additions (~30%) start to contribute we expect the earnings to register decent growth, add to that at par valuations and the premium category tag - offering scope for increasing occupancy and ARR improvements could lead to very strong growth in the bottomline, recommend to subscribe as a good long term investment.

## Peer Comparison

	JHL	Apeejay Surendra Park Hotels Ltd.		Chalet Hotels Ltd.		Lemon Tree Ltd.		Indian Hotels Company Ltd.		EIH Ltd.		
KPI	H1FY24	H1FY23	H1FY24	H1FY23	H1FY24	H1FY23	H1FY24	H1FY23	H1FY24	H1FY23	H1FY24	H1FY23
Total Income	3,374.30	3,210.11	2,723.12	2,384.50	6,327.44	5,103.70	4,547.23	3,897.25	29,965.70	25,507.60	10,750.90	8,293.40
Total Income Growth %	5.11	-	14.2	-	23.98	-	16.68	-	17.48	-	29.63	-
EBITDA	1245.95	1403.7	909.05	803.28	2,431.55	1,964.85	2,116.37	562.74	8,619.50	7,239.40	3,448.20	2,104.80
EBITDA Margin %	36.92	43.73	33.38	33.69	38.43	38.5	46.54	14.44	28.76	28.38	32.07	25.38
PAT	-265.02	-175.09	229.5	185.11	1,250.99	443.07	539.16	-929.77	4,149.80	3,104.30	2,001.70	882.1
PAT Margin %	-7.85%	-5.45%	8.43	7.76	19.77	8.68	11.86	-23.86	13.85	12.17	18.62	10.64
Net Debt	22396.91	21049.55	5807.1	5,925.40	28,893.70	25,695.45	18,919.03	16,594.38	-1,327.90	1,608.00	-848.4	1,819.80
Net Debt / Total Equity	2.61	6.21	1	1.13	1.71	1.85	2.19	1.96	-0.02	0.02	-0.02	0.06
Net Debt/ EBITDA	17.98	15	6.39	7.38	11.88	13.08	8.94	29.49	-0.15	0.22	-0.25	0.86
Inventory (No. of	1836	1406	2,123	1,890	2,890	2,554	8,760	8,303	22,465	21,094	4,269	4,247
Inventory	30.58	0	12.33	-	13.16	-	5.5	-	6.5	-	0.52	-
No. of Hotels	7	4	27	22	9	7	95	85	192	182	29	33
ARR	10139.85	8817.95	6,059.05	5,419.31	9,944	-	-	-	-	-	16,509.00	11,036.00
Avg Occupancy %	74.84%	72.59%	93.29	91.89	71	-	-	-	-	-	72	69

	FY23					
KPI	JHL	Apeejay Surendra Park Hotel	Chalet Hotels Ltd.	Lemon Tree Ltd.	Indian Hotels Company Ltd.	EIH Ltd.
Total Income	7172.88	5,244.30	11,779.54	8,785.66	59,488.10	20,964.10
Total Income Growth	108.66	95.81	122.36	111.06	85.24	100.82
EBITDA	3223.62	1,770.95	5,023.04	4,511.44	19,434.60	6,649.30
EBITDA Margin (%)	44.94	33.77	42.64	51.35	32.67	31.72
PAT	-14.97	480.62	1,858.36	1,405.40	10,528.30	3,291.00
PAT Margin %	-0.21	9.16	15.78	16	17.7	15.7
Net Debt	20357.66	5,500.10	27,494.17	17,220.47	818.7	-289.4
Net Debt/ Total Equity	5.74	0.99	1.78	2.02	0.01	-0.01
Net Debt / EBITDA	6.32	3.11	5.47	3.82	0.04	-0.04
Inventory (No. of	1406	2,009	2634	8,382	21,686	4,192
Inventory Growth %	0	7.72	3.13	-1.26	5.37	-6.82
No. of Hotels	4	25	8	88	188	24
ARR	9875.12	6,070.51	9,169.00	5,340.00	13,736.00	-
Avg Occupancy %	75.74	91.77	72	68	72	-
Diluted EPS	-0.07	-0.07	9.06	1.45	7.06	5.03
P/E	-	68.89	79.78	92.34	65.67	56.59

# Juniper Hotels Limited

February 21, 2024



Income Statement				Balance Sheet			
Y/E (INR mn)	FY21	FY22	FY23	Y/E (INR mn)	FY21	FY22	FY23
Revenue	1663.51	3086.89	6668.54	<b>Source of funds</b>			
Expenses:				Equity Share Capital	1437.00	1437.00	1437.00
Employee Cost	580.79	756.43	989.49	Reserves	4001.97	2126.67	2108.07
Total Expenses	1706.48	2422.87	3949.26	Total Share holders funds	5438.97	3563.67	3545.07
EBITDA	-42.97	664.02	2719.28	Total Debt	18549.47	21218.09	20456.08
EBITDA Margin %	-2.58%	21.51%	40.78%	Current Liabilities	3278.81	2381.67	1977.35
Interest	1862.14	2156.29	2663.60	Trade Payables	1339.18	676.15	784.22
Depreciation	1053.96	999.39	815.21	Total Non-Current	21257.22	23958.21	23644.57
Other Income	265.01	350.66	504.34	<b>Total Liabilities</b>	29975.00	29903.55	29166.99
PBT	-2694.06	-2141.00	-255.19	<b>Application of funds</b>			
PAT	-1994.85	-1880.31	-14.97	Fixed Assets	24695.23	28295.52	27389.01
EPS	-13.88	-13.08	-0.10	Capital Work in Progress	0.00	442.28	488.08
				Cash and Bank	222.37	148.96	98.42
				Other current assets	6.62	200.69	100.72
				Inventory	60.91	67.71	75.66
				Sundry Debtors	239.27	295.91	447.61
				<b>Total Assets</b>	29975.00	29903.55	29166.99

Cash Flow				Key Ratios			
Y/E (INR cr)	FY21	FY22	FY23	Y/E (INR cr)	FY21	FY22	FY23
Profit Before Tax	-2694.06	-2141.00	-255.19	<b>Growth Ratio</b>			
Adjustment	2781.61	3123.92	3110.57	Net Sales Growth(%)	-69.13	85.56	116.03
Changes In working Capital	170.15	-1276.32	103.09	EBITDA Growth(%)	-87.77	356.98	217.70
Cash Flow after changes in Working	257.71	-293.40	2958.47	PAT Growth(%)	-153.28	5.74	99.20
Tax Paid	278.06	-71.09	-94.03	<b>Margin Ratios</b>			
Cash From Operating Activities	535.77	-364.49	2864.44	Gross Profit	56.47	66.73	77.61
Cash Flow from Investing Activities	-78.04	-630.82	277.00	PBIDTM	13.35	32.87	48.34
Cash from Financing Activities	-414.86	902.48	-3107.99	EBITM	-50.01	0.50	36.12
Net Cash Inflow / Outflow	42.87	-92.83	33.45	PBT	-161.95	-69.36	-3.83
Opening Cash & Cash Equivalents	114.52	157.39	64.56	PAT	-119.92	-60.91	-0.22
Closing Cash & Cash Equivalent	157.39	64.56	98.01	<b>Return Ratios</b>			
				ROA	-6.53	-6.28	-0.05
				ROE	-31.00	-41.77	-0.42
				ROCE	-3.42	0.06	9.87
				<b>Turnover Ratios</b>			
				Asset Turnover(x)	0.05	0.10	0.23
				Inventory Turnover(x)	22.41	48.00	93.03
				Debtors Turnover(x)	5.87	11.54	17.94
				Fixed Asset Turnover (x)	0.05	0.09	0.18
				<b>Solvency Ratios</b>			
				Total Debt/Equity(x)	3.41	5.95	5.77
				Current Ratio(x)	0.21	0.36	0.42
				Quick Ratio(x)	0.19	0.33	0.38
				Interest Cover(x)	-0.45	0.01	0.90

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