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## SAMHI HOTELS LIMITED

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### IPO NOTE

*September 2023*

## ISSUE HIGHLIGHTS

- Samhi Hotels Limited (“Samhi”)** was incorporated on December 28, 2010. Samhi is a prominent branded hotel ownership and asset management platform in India, with the 3<sup>rd</sup> largest inventory of operational keys (owned and leased) in India as of March 31, 2023. Within 12 years of starting their business operations, they have built a portfolio of 3,839 keys across 25 operating hotels in 12 of India’s key urban consumption centres, including Bengaluru, Hyderabad, National Capital Region (“NCR”), Pune, Chennai, and Ahmedabad, as of March 31, 2023. Pursuant to the completion of the ACIC Acquisition on August 10, 2023, their portfolio has further increased to 4,801 keys across 31 operating hotels.
- Samhi has adopted an **acquisition-led strategy**, which is underpinned by their track record of acquiring and successfully turning around hotels to grow their business. They acquire or build primarily business hotels and take steps to further upgrade properties and engage with established branded hotel operators to allow the hotels to be appropriately positioned within the market.
- Samhi currently categorizes their hotel portfolio into 3 distinct hotel segments based on brand classification – Upper Upscale and Upscale, Upper Mid-scale and Mid-scale. Over 51.14% of their Total Income for the Financial Year 2023, was from Upper Midscale and Mid-scale hotels. The Upper Mid-scale and Mid-scale segments offer significant growth opportunities in India due to their relevant price positioning and limited dependence on international travellers. Their Upper Upscale and Upscale hotels, which contributed to 47.35% of their Total Income for Financial Year 2023, are supported by markets with high density demand in cities such as Bangalore, Hyderabad, Ahmedabad, and Pune.
- Company’s portfolio comprises 3,839 keys across 25 operating hotels in 12 of India’s key urban consumption centres, as of March 31, 2023. They also have a growth pipeline to add 2 additional hotels and 617 keys in existing cities as well as 2 new cities of Kolkata and Navi Mumbai, thereby increasing their presence to 14 key urban consumption centres.
- On March 30, 2023, Samhi entered into a binding share subscription and purchase agreement with Asiya Capital and the ACIC SPVs (the “**ACIC SSPA**”) to acquire 962 keys across 6 operating hotels and a parcel of land for the development of a hotel in Navi Mumbai, Maharashtra (collectively, the “**ACIC Portfolio**” and such acquisition, the “**ACIC Acquisition**”). They completed the ACIC Acquisition on August 10, 2023 through the issuance of 37,462,680 Equity Shares to Asiya Capital. Pursuant to the ACIC Acquisition, they increased the number of keys in their total portfolio from 3,839 keys to 4,801 keys, and acquired the aforementioned parcel of land in Navi Mumbai, Maharashtra for development of an Upper Mid-scale hotel.

## BRIEF FINANCIAL DETAILS\*

(₹ In Cr)

	As at Mar’ 31,		
	2023	2022	2021
Share Capital	8.53	7.63	7.63
Reserves	(816.18)	(646.47)	(203.12)
Net Worth#	(807.65)	(638.84)	(195.49)
Revenue from Operations	738.57	322.74	169.58
Revenue Growth (%)# as stated	128.58%	85.83%	-
Adj. EBITDA	260.60	21.79	(59.71)
Adj. EBITDA Margin (%)	34.22%	6.54%	(33.31)%
Profit/(Loss) before Tax	(338.56)	(443.23)	(481.50)
Net Profit/(Loss) for the year	(338.59)	(443.25)	(477.73)

Source: RHP, \*Restated Summary, # Total Revenue Growth

## Issue Details

**Fresh Issue of Equity Shares aggregating upto ₹1,200 Cr and Offer for Sale of upto 13,500,000 Equity Shares**

### Issue summary

**Issue size: ₹ 1,361 – 1,370 Cr**

**No. of shares: 114,340,336 – 108,738,095 Shares**

**Face value: ₹ 1/-**

**Price band: ₹ 119 - 126**

**Bid Lot: 119 Shares** and in multiple thereof

**Post Issue Implied Market Cap =**

**₹ 2,661 – 2,747 Cr**

**BRLMs: JM Financial, Kotak Mahindra Capital**

**Registrar: KFin Technologies Ltd.**

**Issue opens on: Thursday, 14<sup>th</sup> Sep’2023**

**Issue closes on: Monday, 18<sup>th</sup> Sep’2023**

### Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	22-09-2023
Refunds/Unblocking ASBA Fund	25-09-2023
Credit of equity shares to DP A/c	26-09-2023
Trading commences	27-09-2023

### Issue break-up

	No. of Shares		₹ In Cr		% of Issue
	@Lower	@Upper	@Lower	@Upper	
QIB	85,755,253	81,553,572	1,020.49	1,027.57	75%
NIB	17,151,050	16,310,714	204.10	205.51	15%
-NIB2	11,434,033	10,873,809	136.06	137.01	
-NIB1	5,717,017	5,436,905	68.03	68.50	
RET	11,434,033	10,873,809	136.07	137.01	10%
<b>Total</b>	<b>114,340,336</b>	<b>108,738,095</b>	<b>1,360.65</b>	<b>1,370.10</b>	<b>100%</b>

NIB-2 = NII Bid Above ₹ 10 Lakhs

NIB-1 = NII Bid between ₹ 2 to 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	119 Shares	1,666 Shares	7,973 Shares
Minimum Bid Lot Amount (₹)	₹ 14,994 <sup>^</sup>	₹ 2,09,916 <sup>^</sup>	₹ 10,04,598 <sup>^</sup>
No. of Applications for 1x	91,377 Applications	3,263 Applications	6,527 Applications

## Listing: BSE & NSE

### Shareholding (No. of Shares)

Pre issue	Post issue <sup>~</sup>	Post issue <sup>^</sup>
122,797,231	223,637,567	218,035,326

<sup>~</sup>@Lower price Band <sup>^</sup>@ Upper Price Band

### Shareholding (%)

	Pre-Issue	Post-Issue
Public – Selling Shareholders	59.78%	27.48%
Public – Other	40.22%	72.52%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## BACKGROUND

### Company and Directors

The Company was originally incorporated as “SAMHI Hotels Private Limited” on December 28, 2010. The company is a professionally managed company and does not have an identifiable promoter in terms of SEBI ICDR Regulations and the Companies Act 2013. Consequently, there are no members forming part of the ‘promoter group’ in terms of the SEBI ICDR Regulations.

### Brief Biographies of Directors

**Ashish Jakhanwala** is the Chairman, Managing Director, and Chief Executive Officer of the company. He has been a member of the Board since December 28, 2010. He was previously associated with InterGlobe Hotels Pvt Ltd and Pannell Kerr Forster Consultants Pvt. Ltd.

**Manav Thadani** is a Non-Executive Director of the company. He is an experienced consultant in the field of hospitality and is the founder and chairman of Hotelivate Pvt Ltd. He was previously associated with HVS Licensing LLC.

**Ajish Abraham Jacob** is a Non- Executive Director of the company. He has previously worked with Albazie & Co.(RSM) and Ernst & Young, prior to joining Asiya Capital Investments Company K.S.C.P. He has been associated with Asiya Capital Investments Company K.S.C.P. since 2013.

**Michael Peter Schulhof** is a Non-Executive Director of the company. At present he is the chairman of GTI Holdings LLC.

**Krishan Dhawan** is an Independent Director of the company. He was previously associated with Bank of America, Oracle India, and Shakti Sustainable Energy Foundation.

**Michael David Holland** is an Independent Director of the company. He has work experience in the commercial real estate sector in Asia. He has previously worked with Embassy Office Parks Management Services Pvt Ltd and Assetz Property Management Services Pvt Ltd. He set up the India business of JLL and served its India business from 1998 to 2002.

**Aditya Jain** is an Independent Director of the company. He is the chairman and editorial director of International Market Assessment India Pvt Ltd, an economic and business research company, established in 1996.

**Archana Capoor** is an Independent Director of the company. She has experience across various sectors, including tourism and finance, and has previously worked with the Tourism Finance Corporation of India, the Indian Trust for Rural Heritage and Development and Jet Airways.

**Rajat Mehra** is the Chief Financial Officer of the company. He joined the company on December 11, 2012. Previously, he was associated with Religare Corporate Services Ltd.

**Sanjay Jain** is the Senior Director – Corporate Affairs, Company Secretary and Compliance Officer. He joined the company on July 1, 2011.

## OBJECTS OF THE ISSUE

Objects	Amount ( ₹ Cr)
<ul style="list-style-type: none"> <li>Repayment/ prepayment/ redemption, in full or in part, of certain borrowings availed of by the company and their Subsidiaries including payment of the interest accrued thereon;</li> </ul>	900.00
<ul style="list-style-type: none"> <li>General Corporate Purposes</li> </ul>	[ • ]
<b>Total</b>	<b>[ • ]</b>

## OFFER DETAILS

Fresh Issue	No. of Shares	WACA per Equity Share on a fully diluted basis (₹)
Fresh Issue (₹ 1,200 Cr)	Upto 100,840,336~ - 95,238,095^ Equity Shares	–
<b>The Offer for Sale by:</b>	<b>Upto 13,500,000 Equity Shares</b>	
<b>The Selling Shareholders:</b>		

Blue Chandra Pte. Ltd.	Upto 8,428,510 Equity Shares	127.01
Goldman Sachs Investments Holdings (Asia) Ltd	Upto 4,931,490 Equity Shares	208.81
GTI Capital Alpha Pvt Ltd	Upto 140,000 Equity Shares	127.94

(~ at lower price band and ^ upper price band; ) WACA = Weighted Average Cost of Acquisition

## SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue and No. of Shares Offered	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Public – Selling Shareholders	73,412,227	59.78%	13,500,000	59,912,227	27.48%
Public – Other	49,385,004	40.22%	95,238,095	158,123,099	72.52%
<b>Total for Public Shareholder</b>	<b>122,797,231</b>	<b>100.00%</b>	<b>108,738,095</b>	<b>218,035,326</b>	<b>100.00%</b>
<b>Total Equity Share Capital</b>	<b>122,797,231</b>	<b>100.00%</b>	<b>108,738,095</b>	<b>218,035,326</b>	<b>100.00%</b>

## BUSINESS OVERVIEW

Samhi Hotels Limited (“Samhi”) is a prominent branded hotel ownership and asset management platform in India, with the 3<sup>rd</sup> largest inventory of operational keys (owned and leased) in India as of March 31, 2023. Within 12 years of starting their business operations, they have built a portfolio of 3,839 keys across 25 operating hotels in 12 of India’s key urban consumption centres, including Bengaluru, Hyderabad, National Capital Region (“NCR”), Pune, Chennai, and Ahmedabad, as of March 31, 2023. Pursuant to the completion of the ACIC Acquisition on August 10, 2023, their portfolio has further increased to 4,801 keys across 31 operating hotels.

Samhi has adopted an acquisition-led strategy, which is underpinned by their track record of acquiring and successfully turning around hotels to grow their business. They acquire or build primarily business hotels and take steps to further upgrade properties and engage with established branded hotel operators to allow the hotels to be appropriately positioned within the market. Subsequent to this one-time upgrade of the property, they deploy their in-house and proprietary asset management tools and capabilities to further enhance the ongoing financial and operational performance of the property.

Their portfolio is diversified across key consumption centres in India, at different price-points and with established brands catering to a broad set of demand. They currently categorize their hotel portfolio into 3 distinct hotel segments based on brand classification – Upper Upscale and Upscale, Upper Mid-scale and Mid-scale. Over 51.14% of their Total Income for the Financial Year 2023, was from Upper Midscale and Mid-scale hotels. The Upper Mid-scale and Mid-scale segments offer significant growth opportunities in India due to their relevant price positioning and limited dependence on international travellers. Their Upper Upscale and Upscale hotels, which contributed to 47.35% of their Total Income for Financial Year 2023, are supported by markets with high density demand in cities such as Bangalore, Hyderabad, Ahmedabad, and Pune.

As a hotel owner and asset manager, they identify the focus markets and target properties for capital allocation and growth. Their average number of keys grew by 5.8 times from the FY2014 to the FY 2017, by 2.8 times from the Financial Year 2017 to the Financial Year 2020 and further grew by 1.2 times from the Financial Year 2020 to February 28, 2023 (after taking into account the keys to be acquired pursuant to the ACIC Acquisition).

Company’s dominant position among the Upper Mid-scale and Mid-scale brands in India enabled them to grow their Fairfield by Marriott and Holiday Inn Express portfolio to 936 and 1,427 keys, respectively, as of March 31, 2023, making them the largest owner of these brands in India. Due to the ACIC Acquisition on August 10, 2023, their Fairfield by Marriott portfolio has further increased to 1,429 keys.

During their acquisition process, they assess multiple parameters including hotel location profile, demand / supply, competition, future business potential, product or brand profile, development cost and timelines and detailed financial analysis. They are actively involved in development of the hotel and identification of the appropriate hotel operator with established brands. The key to their successful turnaround strategy is the preparation and execution of an asset management plan. Their hotels typically operate under long-term management contracts with established and well recognized global hotel operators such as Marriott, Hyatt and IHG. These engagements benefit their hotels by giving them access to strong operating processes, sales and distribution experience, larger clientele, and loyalty programs of such hotel operators.

Their portfolio of 3,839 keys as of March 31, 2023 is present in Upper Upscale and Upscale, Upper Mid-scale and Mid-scale segments. These hotel segments vary based on multiple parameters including brand, price-point, and room size, as demonstrated below:

Particulars	Upper Upscale and Upscale	Upper Midscale	Mid-scale	Total Portfolio
Number of Keys as of March 31, 2023	1,074	1,201	1,564	3,839
Average Occupancy for the Financial Year 2023	71.38%	74.51%	69.35%	71.67%
Average Room Rate for the Financial Year 2023 (₹)	7,902	4,917	3,210	5,069
RevPAR for the Financial Year 2023 (₹)	5,641	3,663	2,226	3,632
Total Income from Assets for the Financial Year 2023 (₹ Cr)	360.51	245.03	144.35	749.88
Adjusted EBITDA from Assets for the Financial Year 2023 (₹ Cr)	145.34	83.03	52.17	280.55
Percentage of Adjusted Gross Block as of March 31, 2023	54.57%	29.26%	15.65%	99.48%
Brands	Hyatt Regency™, Sheraton, Courtyard by Marriott, Hyatt Place™, Renaissance	Fairfield by Marriott, Four Points by Sheraton, Caspia	Holiday Inn Express, Caspia Pro	N.A.
Gross Floor Area per Key	70 – 144 sq mt	45 -91 sq mt	23 -32 sq mt	NA
Average F&B Outlets ( <i>per hotel</i> )	2 - 3	1 - 2	1	NA
Average space for meetings, incentives, conferences and exhibitions ( <i>per hotel</i> )	358 – 2,285 sq mt	127 -497 sq mt	0 – 127 sq mt	NA

Given their pace of expansion, scale and pan India footprint, they have developed proprietary tools that help them manage and improve the performance of their hotels. Further, their hotel portfolio is supported by their shared service centres which improve the process and quality of their operations and business units.

The company intends to continue to grow their business by investing their future internal accruals into continuous improvement of performance of their existing hotels, accretive organic growth opportunities, while also exploring additional inorganic growth opportunities. They maintain cash reserves to manage their debt obligations and had an aggregate of cash and bank balances of ₹ 141.40 crore (excluding restricted bank deposits) as of March 31, 2023.

On March 30, 2023, Samhi entered into a binding share subscription and purchase agreement with Asiya Capital and the ACIC SPVs (the “**ACIC SSPA**”) to acquire 962 keys across 6 operating hotels and a parcel of land for the development of a hotel in Navi Mumbai, Maharashtra (collectively, the “**ACIC Portfolio**” and such acquisition, the “**ACIC Acquisition**”). They completed the ACIC Acquisition on August 10, 2023 through the issuance of 37,462,680 Equity Shares to Asiya Capital. Pursuant to the ACIC Acquisition, they increased the number of keys in their total portfolio from 3,839 keys to 4,801 keys, and acquired the aforementioned parcel of land in Navi Mumbai, Maharashtra for development of an Upper Mid-scale hotel. They intend to pursue the following growth opportunities within the ACIC Portfolio:

- Renovation and re-branding of the 217 keys Four Points by Sheraton Pune into an Upper Upscale and Upscale hotel, which is expected to be completed by September 30, 2025; and
- Development of a 350 keys hotel under the Upper Mid-scale segment in MIDC, Navi Mumbai (on the aforementioned parcel of land being acquired as part of the ACIC Portfolio), which is expected to be completed by June 30, 2027.

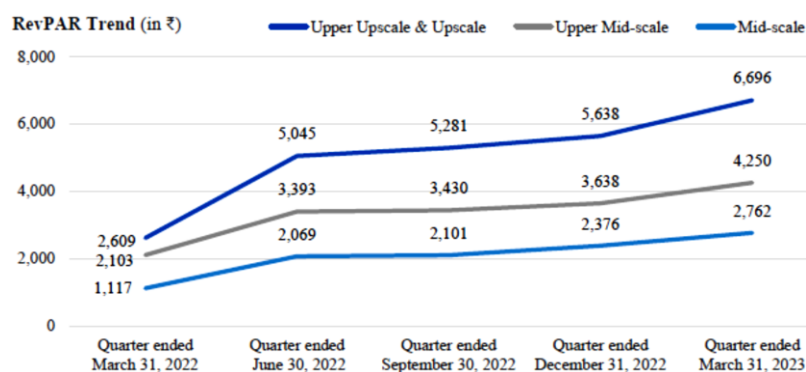
In addition to the ACIC Acquisition, they have a pipeline of growth opportunities as set out below:

- Intended renovation and re-branding of the existing 301 keys Hyatt Regency Pune hotel into a Luxury brand hotel under Hyatt’s management, which is expected to be completed by September 30, 2025;
- Development of a 111 keys Holiday Inn Express in Rajarhat, Kolkata, which is currently under development and is expected to be completed by September 30, 2024; and
- Expansion and renovation within their existing portfolio of hotels by renovating and/or rebranding 402 keys, adding 156 keys and adding two additional F&B outlets across several locations, including Hyatt Regency Pune, Four Points by Sheraton Vizag, Holiday Inn Express Bengaluru Whitefield, Fairfield by Marriott Chennai Sriperumbudur, Caspia Pro Greater Noida and Caspia Delhi, which are expected to be completed between September 30, 2024 and September 30, 2026.

**The information on the operational hotels (excluding the ACIC Portfolio):**

Particulars	Financial Year		
	2023	2022	2021
<b>Upper Upscale and Upscale</b>			
Number of Keys (Nos.)	1,074	1,074	1,074
Average Occupancy (%)	71.38%	47.56%	23.76%
Average Room Rate (₹)	7,902	4,263	3,607
RevPAR (₹)	5,641	2,028	857
Total Income from Assets (₹ Cr)	360.51	146.13	68.50
Adjusted EBITDA from Assets (₹ Cr)	145.34	21.32	(20.74)
Adjusted EBITDA Margin from Assets (%)	40.32%	14.59%	NA
<b>Upper Mid-scale</b>			
Number of Keys (Nos.)	1,201	1,412	1,412
Average Occupancy (%)	74.51%	51.95%	34.73%
Average Room Rate (₹)	4,917	3,259	2,779
RevPAR (₹)	3,663	1,693	965
Total Income from Assets (₹ Cr)	245.03	125.39	74.82
Adjusted EBITDA from Assets (₹ Cr)	83.03	17.30	(5.93)
Adjusted EBITDA Margin from Assets (%)	33.89%	13.80%	NA
<b>Mid-scale</b>			
Number of Keys (Nos.)	1,564	1,564	1,564
Average Occupancy (%)	69.35%	39.30%	24.72%
Average Room Rate (₹)	3,210	2,092	1,778
RevPAR (₹)	2,226	822	439
Total Income from Assets (₹ Cr)	144.35	56.20	31.26
Adjusted EBITDA from Assets (₹ Cr)	52.17	5.65	(8.72)
Adjusted EBITDA Margin from Assets (%)	36.14%	10.04%	NA
<b>Total Portfolio</b>			
Number of Keys (Nos.)	3,839	4,050	4,050
Average Occupancy (%)	71.67%	45.90%	27.96%
Average Room Rate (₹)	5,069	3,149	2,624
RevPAR (₹)	3,632	1,445	733
Total Income from Assets (₹ Cr)	749.88	327.73	174.59
Adjusted EBITDA from Assets (₹ Cr)	280.55	44.26	(35.39)
Adjusted EBITDA Margin from Assets (%)	37.41%	13.51%	NA
<b>Corporate Expenses (₹ Cr)</b>	<b>(19.95)</b>	<b>(22.47)</b>	<b>(24.32)</b>
<b>Adjusted EBITDA (₹ Cr)</b>	<b>260.60</b>	<b>21.79</b>	<b>(59.71)</b>

For the Financial Year 2023, the Domestic Customer Volume (i.e., percentage of nights occupied by customers who are Indian citizens as compared to total nights occupied) for Upper Upscale and Upscale, Upper Mid-scale and Mid-scale segments was 69.71%, 75.08% and 95.79%, respectively, demonstrating a high domestic demand base. For the Financial Year 2023, the Domestic Customer Volume for their hotel portfolio was 81.45%. The continued recovery of both international and domestic business travel, led to strong quarter-on-quarter growth of RevPAR across segments as demonstrated below:



## COMPANY'S PORTFOLIO

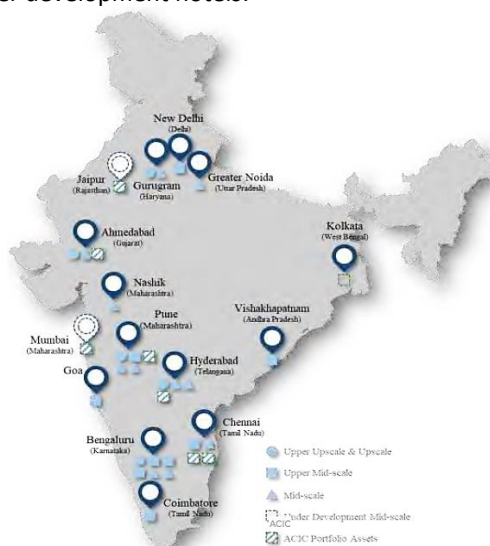




Company’s portfolio comprises 3,839 keys across 25 operating hotels in 12 of India’s key urban consumption centers, as of March 31, 2023. All of their hotels are in the Upper Upscale and Upscale, Upper Mid-scale and Mid-scale hotel segments. This does not include the 962 keys across 6 hotels and a parcel of land for the development of a hotel in Navi Mumbai which they intend to acquire as part of the ACIC Portfolio. They also have a growth pipeline to add 2 additional hotels and 617 keys in existing cities as well as 2 new cities of Kolkata and Navi Mumbai, thereby increasing their presence to 14 key urban consumption centres.

## GEOGRAPHICAL PRESENCES

The locations of the operating and under development hotels:



## ACIC PORTFOLIO

On March 30, 2023, Samhi entered into a binding share subscription and purchase agreement with Asiya Capital to acquire 9 SPVs incorporated in India comprising the ACIC Portfolio. They completed the ACIC Acquisition on August 10, 2023 through the issuance of 37,462,680 Equity Shares to Asiya Capital. The ACIC Portfolio comprises 6 operating hotels with a total of 962 keys in the Upper Mid-Scale segment. It also includes a parcel of land for the development of a hotel under the Upper Mid-scale segment in Navi Mumbai, Maharashtra.

The details of hotels in the ACIC Portfolio:

Hotel Name	Location	Number of Keys
Fairfield by Marriott, Hyderabad	Gachibowli	232
Four Points by Sheraton, Pune	Viman Nagar	217
Fairfield by Marriott, Ahmedabad	Ashram Road	147
Four Points by Sheraton, Jaipur	City Square	114
Four Points by Sheraton, Chennai	OMR	116
Fairfield by Marriott, Chennai	Mahindra World Centre (“MWC”)	136
Navi Mumbai Land	Navi Mumbai	NA
<b>Total for the ACIC Portfolio</b>		<b>962</b>

ACIC Portfolio	As of and for the FY 2023	As of and for the FY2022
Number of Keys	962	962
Average Occupancy	78.58%	58.12%
Average Room Rate	4,918	2,998
RevPAR	3,865	1,743

## REVENUE FROM OPERATIONS

The revenues from operations across Business verticals:

Particulars	For the Year Ended March 31,					
	2023		2022		2021	
	Revenue (₹ Cr)	% to Revenue	Revenue (₹ Cr)	% to Revenue	Revenue (₹ Cr)	% to Revenue
<b>Sale of Services</b>	<b>730.04</b>	<b>98.85%</b>	<b>315.06</b>	<b>97.62%</b>	<b>162.88</b>	<b>96.05%</b>
Room Revenue	532.83	72.14%	213.66	66.20%	108.43	63.94%
Food and Beverage Revenue	182.04	24.65%	94.97	29.43%	50.99	30.07%
Recreation and other services	15.17	2.05%	6.43	1.99%	3.46	2.04%
<b>Other Operating Revenue</b>	<b>8.53</b>	<b>1.15%</b>	<b>7.68</b>	<b>2.38%</b>	<b>6.70</b>	<b>3.95%</b>
Property management and space rental	8.53	1.15%	7.68	2.38%	6.70	3.95%
<b>Total</b>	<b>738.57</b>	<b>100.00%</b>	<b>322.74</b>	<b>100.00%</b>	<b>169.58</b>	<b>100.00%</b>

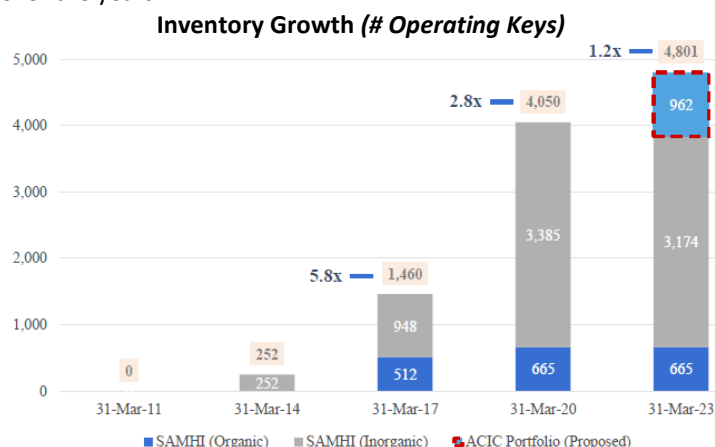
## COMPETITIVE STRENGTHS

- Ability to Acquire Dislocated Hotels and Demonstrated Track Record to Re-rate Hotel Performance through Renovation and/or Re-branding**

Using an acquisition and turnaround-led strategy, Samhi has established an asset ownership business model that has enabled them to achieve scale and earnings growth by incurring lower capital expenditures. Within 13 years of starting their business operations, they have grown to become India's 3<sup>rd</sup> largest hotel owner, by number of keys, as of March 31, 2023.

As of March 31, 2023, they have added approximately 369 keys to their portfolio per year since their inception in 2010 (including keys added pursuant to the ACIC Acquisition). They have demonstrated their ability to identify, acquire and turnaround hotels which offer significant opportunities for value accretion over the years and, consequently, have grown their total operating keys to 3,839 keys as of March 31, 2023.

The growth of their portfolio over the years:



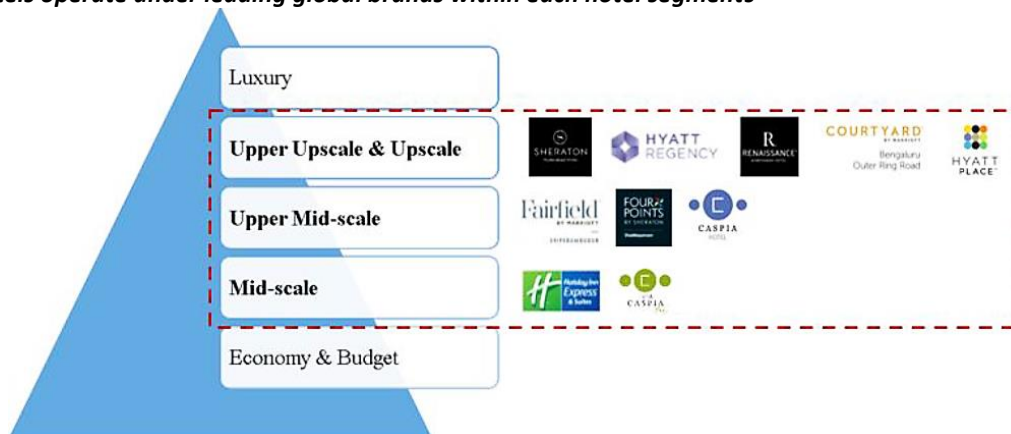
Note: Figures as of March 31, 2023 includes the ACIC Portfolio, and excludes Four Points by Sheraton Ahmedabad and Fairfield by Marriott OMR Chennai, which the company sold on February 2, 2023 and February 8, 2023, respectively.

- Portfolio's Scale and Diversification Further Enhanced by Sector Tailwinds**

Company's hotels are strategically located in high-density micro-markets, which generally have high barriers-to entry due to land acquisition complexities, long development time frames, and fragmented ownership structures. Their hotels are generally well connected to key transport infrastructure and located near social infrastructure and residential areas. They benefit from diversification across cities, price-points and hotel operators which reduces the impact of market volatility in any of their key markets. Their multi-brand and segments business model enables them to capitalize on expected growth in several hotel segments.



**Company's hotels operate under leading global brands within each hotel segments**



Note: The logos provided in the above diagram are the exclusive intellectual property of the respective hotel operator and/or its affiliates.

**Company's presence in each of their key target markets by segment, along with potential growth opportunities that they are targeting (marked in *italics*):**

Market	Upper Upscale and Upscale Brands	Upper Mid-scale Brands	Mid-scale Brands
<b>Bangalore</b>	Courtyard by Marriott (ORR)	Fairfield by Marriott (ORR) Fairfield by Marriott (Rajajinagar) Fairfield by Marriott (Whitefield)	Holiday Inn Express (Whitefield) Holiday Inn Express (Tumkur Road)
<b>Mumbai</b>	-	<i>A 350 keys hotel under the Upper Mid-scale segment (Navi Mumbai) *^</i>	-
<b>Delhi NCR</b>	Hyatt Place™ in Udyog Vihar, Gurugram	Caspia (Shalimar Bagh)	Holiday Inn Express (Gurugram) Caspia Pro (Greater Noida)
<b>Hyderabad</b>	Sheraton	Fairfield by Marriott (Gachibowli)*	Holiday Inn Express (Hi-Tech) Holiday Inn Express (Banjara Hills)
<b>Pune</b>	Hyatt Regency™ on Nagar Rd	Fairfield by Marriott (Kharadi) <i>Four Points by Sheraton (Viman Nagar)*#</i>	Holiday Inn Express (Hinjewadi) Holiday Inn Express (Pimpri)
<b>Chennai</b>	-	Fairfield by Marriott (Sriperumbudur) <i>Four Points by Sheraton (OMR)*</i> <i>Fairfield by Marriott (MWC)*</i>	Holiday Inn Express (OMR)
<b>Ahmedabad</b>	Renaissance (SG Highway)	<i>Fairfield by Marriott (Ashram Road) *</i>	Holiday Inn Express (SG Road)
<b>Kolkata</b>	-	-	Holiday Inn Express (Rajarhat)
<b>Others</b>	-	Four Points by Sheraton (Vizag) Fairfield by Marriott (Coimbatore) Fairfield by Marriott (Goa) Four Points by Sheraton (Jaipur)*	Holiday Inn Express (Nashik)

Notes: \* This hotel is part of the ACIC Portfolio.

^ This hotel is currently under development and is expected to be completed by June 30, 2027.

# This hotel is currently under renovation and rebranding into an Upper Upscale and Upscale hotel and is expected to be completed by September 30, 2025.

**• Track Record to Operate Hotels Efficiently**

Company's operating efficiency enables them to maximize the impact of favourable revenue growth on their profitability and limit the impact of low revenue cycles. The parameters for measuring the operating efficiency of their hotels include gross floor area per room, staff per room and EBITDA margin.

- **Efficient space utilization:** Across their portfolio of hotels, Samhi has an average gross floor area of 61 sq. mt. per room. This is fundamental for long term operating efficiency, as space utilization has a material impact on the utility expenses, repair and maintenance costs and manpower-related expenses required to operate and maintain a hotel.
- **Shared services centres:** With the partnership with Marriott and IHG across multiple hotels, Samhi has set up shared services centres to centralize the key functions across hotels. This reduces on-property staff for operational functions.
- **Lowest staffing ratios amongst peers:** Company's use of technology to manage hotels, space efficiencies and shared services centres enables them to achieve one of the lowest staffing ratios amongst peers.
- **Ability to Create Operating Arbitrage using Analytical Tools**

Samhi benefits from a cross-section of operating data that they receive on a real-time basis from their hotels. The analysis of such data helps them to continuously improve performance, identify opportunities for future growth and monitor risks that they foresee. To help them leverage the data and achieve the objectives they have developed **SAMHIntel**, a proprietary analytics tool, and **SAMConnect**, a building management tool.

**SAMHIntel, the Business Intelligence System:** SAMHIntel manage, analyze and use operating data received from their hotels. This data analytics platform monitors and analyses several financial and non-financial parameters of each of their hotels.

**SAMConnect, a building management tool:** The electricity consumption, equipment and related operating parameters at their hotels are monitored by an IoT based building management and engineering solution platform (the “**IoT Engineering Platform**”) to ensure that their hotels run efficiently and have minimal downtime and maintenance issues.

- **Superior Governance and Seasoned Management Team**

Samhi is led by a strong and stable management team supervised by an experienced Board of Directors. Their operations are led by a professional management team that has been with the company since early days and has a proven track record of growing their business through different business cycles. Their leadership team consists of experienced professionals from diverse backgrounds and has raised multiple rounds of institutional capital since their inception, with a weighted average tenure of 10.45 years. As of March 31, 2023.

They are majority owned by institutional investors and follow global best practices of separation of management from ownership which brings in high degree of managerial accountability. Their relationships with the Sam Zell-led Equity International, GTI and IFC has enabled them to streamline their business operations to best practices.

## KEY BUSINESS STRATEGIES

- **Position the hotels to benefit from favorable demand trends in the hospitality industry and enhance operating efficiencies**

With occupancy levels reaching above 70% levels across company’s portfolio during the Financial Year 2023, they intend to focus on increasing Average Room Rates and improving operating margins, while driving occupancies further. They intend to focus on the key initiatives to benefit from a favourable demand environment for the hospitality industry.

- **Complete development of identified opportunities that are currently under development**

Samhi has a strong pipeline of projects that are under development, which they intend to complete in the near future; these are projects where material capital expenditure has already been incurred:

- Renovation and re-branding of Hyatt Regency Pune
- Completion of under-development Holiday Inn Express in Rajarhat, Kolkata
- Expansion of existing facilities:

Hotel Name	Planned Expansion	Target Date
Hyatt Regency Pune	Addition of 16 new keys Addition of a new F&B facility of approximately 422 sq. meters	30 <sup>th</sup> September 2024
Four Points by Sheraton Vizag	Addition of a new F&B facility of approximately 255 sq. meters Renovation of 123 keys	30 <sup>th</sup> September 2024
Holiday Inn Express Bengaluru Whitefield ITPL	Addition of 54 new keys	30 <sup>th</sup> September 2024
Fairfield by Marriott Chennai Sriperumbudur	Addition of 86 new keys	30 <sup>th</sup> September 2024
Caspia Pro Greater Noida	Renovation of 137 keys Rebranding to Holiday Inn Express	30 <sup>th</sup> September 2024
Caspia Delhi	Renovation of 142 keys Rebranding to Fairfield by Marriott	30 <sup>th</sup> September 2024

- **Integrate the ACIC Portfolio to drive enhanced performance**

The ACIC Acquisition will benefits them in the following ways:

- Improve their inventory and market share in key cities such as Hyderabad, Pune, Chennai and Ahmedabad and give them access to new cities such as Jaipur and Mumbai (future development),
- Enable them to create synergies, streamline costs and enhance the overall margin profile of their portfolio, given that the ACIC Portfolio is complementary to their existing portfolio of hotels,
- Materially expand their share of Marriott-branded Upper Mid-scale hotels in India,

- Fill a gap in their portfolio through the addition of an Upper Mid-scale hotel in the high growth market of Hyderabad,
- Provide them with a growth opportunity to renovate, rebrand and develop certain hotels in the ACIC Portfolio to enable strong returns on incremental capital investment based on their past track record.
- **Pursue growth opportunities via programmatic capital deployment and tactical mergers and acquisitions**

Company's growth strategy to expand their hotel portfolio is based on their track record in hotel acquisition and turnaround and is focused on acquiring properties with the intent of obtaining long term and sustainable risk-adjusted returns on capital employed.

Their strategy is based on the following key factors:

- Identification of hotels which they view as dislocated,
- Strategic timing of target selection,
- Renovation and rebranding of acquired hotels by identifying core target market, product, and brand,
- Assessing potential operating opportunities using data analytics, asset management tools and economies of scale,
- engaging with hotel operators such as Marriott, Hyatt and IHG.
- **Ensure disciplined capital allocation and reduction of debt**

As of June 30, 2023, company's weighted average cost of debt for their secured borrowings from financial institutions was 11.46% and their weighted average cost of debt for their consolidated borrowings was 12.87%. In addition, they maintain sufficient cash and cash equivalents as reserves to manage their debt and working capital obligations and had an aggregate of cash and bank balances of ₹141.40 crore (excluding restricted bank deposits) of March 31, 2023.

## COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31<sup>ST</sup> MARCH 2023)

Name of the Company	Consolidated / Standalone	Face Value	Revenue from Operations (₹ in Cr)	EPS		Net Worth	Market Capitalization / Total Income	Market Cap to Tangible Assets	EV/EBITDA (FY23)	NAV	P/E	RoNW (%)
				Basic	Diluted							
Samhi Hotels	Consolidated	1	738.57	(43.93)	(43.93)	(871.43)	[•]	[•]	[•]	(113.07)	[•]	NA
Samhi Hotels	Pro Forma Condensed	1	932.81	(31.95)	(31.95)	(9.06)	[•]	[•]	[•]	NA	[•]	NA
Chalet Hotels	Consolidated	10	1,128.47	8.94	8.94	1,533.03	9.59	5.12	27.81	74.77	61.64	11.96%
Lemon Tree	Consolidated	10	874.99	1.45	1.45	1,125.76	9.83	2.96	22.96	14.22	75.26	12.48%
Indian Hotels	Consolidated	1	5,809.91	7.06	7.06	8,598.14	10.05	9.87	30.65	60.53	59.63	12.24%
EIH	Consolidated	2	2,018.81	5.03	5.03	3,469.35	7.44	7.52	22.84	55.48	49.55	9.49%

Source: RHP; P/E Ratio has been computed based on the closing market price of equity shares on BSE on August 31, 2023

## The comparison of key performance of indicators with the listed industry peers

	Samhi Hotels		Samhi & ACIC SPV		Chalet		Lemon		Indian Hotels		EIH	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
Total Income	761.42	333.10	964.37	442.00	1,177.95	529.74	878.57	416.27	5,948.81	3,211.38	2,096.41	1,043.95
Total Income Growth (Y-o-Y)	128.58%	85.83%	118.18%	NA	122.36%	72.26%	111.06%	57.10%	85.24%	84.57%	100.82%	90.85%
Adjusted EDITDA	260.60	21.79	311.46	38.87	502.30	113.87	451.14	132.69	1943.46	559.91	664.93	46.41
Adjusted EBITDA Margin	34.22%	6.54%	32.30%	8.79%	42.64%	21.50%	51.35%	31.88%	32.67%	17.44%	31.72%	4.45%
Restated loss for the year	(338.59)	(443.25)%	(365.90)	(494.53)	183.29	(81.47)	140.54	(137.36)	1052.83	(264.97)	329.10	(95.06)
Restated loss for the year Margin	(44.47)%	(133.07)%	(37.94)%	(111.88)%	15.56%	(15.38)%	16.00%	(33.00)%	17.70%	(8.25)%	15.70%	(9.11)%
Net Borrowings	2,614.41	2,415.66	2,833.93	2,718.71	2,671.89	2,434.14	1,718.25	1,644.36	(235.17)	796.95	(401.85)	73.10
Net Borrowings/ Total Equity	NA	NA	51.78	12.29	1.74	1.83	1.53	1.48	(0.03)	0.10	(0.12)	0.02
Inventory (No. of operating keys)	3,839	4,050	4,801	5,012	2,634	2,554	8,382	8,489	21,993	20,581	4,269	4,499
Inventory Growth	-	-	-	-	3.13%	0.00%	(1.26)%	2.17%	6.86%	5.95%	(5.11)%	NA
No of Hotels	25	27	31	33	8	7	88	87	191	175	30	30
Average Room Rent	5,069	3,149	5,037	3,114	9,169	4,576	NA	3,459	13,736	9,717	NA	NA
Average Occupancy	71.67%	45.90%	73.00%	48.25%	72.00%	51.00%	NA	46.00%	72.00%	53.00%	NA	NA

**Source:** All the financial information for the industry peers mentioned above is on a consolidated basis and is sourced from the annual reports as available of the respective company for the relevant period/ year

**Comparison of liquidity ratios with listed industry peers:**

( in times)

	Industry Average		Samhi Hotels		Samhi & ACIC SPV		Chalet		Lemon		Indian Hotels		EIH	
	As at and for the Financial Year													
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Current Ratio</b>	0.99	0.90	0.26	0.55	0.30	0.56	0.65	0.76	0.37	0.52	1.22	1.36	1.73	0.97
<b>Quick Ratio</b>	0.73	0.60	0.20	0.46	0.23	0.46	0.17	0.17	0.23	0.35	1.07	1.19	1.48	0.69
<b>Cash Ratio</b>	0.52	0.48	0.14	0.40	0.16	0.39	0.11	0.12	0.07	0.24	0.85	1.06	1.04	0.51

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