

### Issue Highlights

Issue Open	September 14, 2023
Issue Close	September 18, 2023
Issue Price	Rs 119 - Rs 126 Per share
Total Issue Size	Rs 1,370.1 Cr
Of which	
Fresh Issues	Rs 1,200 Cr
Offer of Sale	Rs 170.1 Cr
Face Value	Rs 1 Per share
Market Lot	119 Equity Shares
Issue Type	Book Built Issue

### Offer Structure

QIB Category	75%
Retail category	10%
Non-Institutional	15%

### Lead Book Running Manager

- ⇒ JM Financial Ltd.
- ⇒ Kotak Mahindra Capital Company Ltd.

### Registrar To The Offer

- ⇒ Kfin Technologies Ltd.

### Research Analyst

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### Key Highlights

- ❑ **Company background:** SAMHI Hotels is a prominent branded hotel ownership and asset management platform, with the third largest inventory of operational keys (owned and leased) in India as of March 31, 2023. They have built a portfolio of 3,839 keys across 25 operating hotels in 12 of India's key urban consumption centers and have recently acquired ACIC which aided its portfolio to further increase to 4,801 keys across 31 operating hotels. They categorize their hotel portfolio into three distinct segments based on brand classification i.e. Upper Upscale and Upscale, Upper Mid-scale and Mid-scale.
- ❑ **Improving landscape of Hotel Industry:** The Indian hotel industry is largely unorganized and has one of the lowest brand penetration rates in comparison to other key Asia Pacific markets. However, brand penetration in India has been on an upward trajectory since the CY13 and has steadily increased despite the COVID-19 pandemic. As of March 2023, brand penetration in India stands at 52% which is the highest in the last decade and yet is lower than other comparable markets in the region. The recent past has witnessed a large number of conversions of independent inventory into the branded segment either through change in ownership or rebranding through management contracts and/or franchises.
- ❑ **Diversified portfolio:** SAMHI Hotels are located in 12 cities in India that constitute key urban consumption centers which collectively accounted for ~70% of air passenger traffic and approximately 90% of office space in India. They are strategically located based on macro themes such as proximity to airports and premium office space growth, high-density micro-markets which generally have high barriers-to-entry due to land acquisition complexities, long development time frames, and fragmented ownership structures. Also their hotels are well connected to key transport infrastructure and residential areas.
- ❑ **Ability to Create Operating Arbitrage using Analytical Tools:** They benefit from a cross-section of operating data that they receive on a real-time basis from their chain of hotels. The analysis of such data helps them to continuously improve performance, identify opportunities for future growth and monitor risks. It also helps in improving analysis for new investments, helps in leveraging this data and achieve the aforementioned objectives.
- ❑ **Financials:** On the financials front, the company's revenue has seen a strong growth while on the bottom line it is posting losses.
- ❑ **Key risk:** 1) Operates in a highly competitive market. 2) Business is subject to seasonal and cyclical variation. 3) Making losses and having high debt.

Research Team

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**Statements on ownership and material conflicts of interest, compensation– Research Analyst (RA)**

[Please note that only in case of multiple RAs, if in the event answers differ inter-se between the RAs, then RA specific answer with respect to questions under F(a) to F(j) below, are given separately]

S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No

	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
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	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

**Nature of Interest ( if answer to F (a) above is Yes :**

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SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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