

SAMHI HOTELS LTD

Smart hotel investments





Not Rated

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SAMHI is a prominent branded hotel ownership and asset management platform in India with an institutional ownership model, experienced leadership and professional management team. SAMHI has long-term management arrangement with three of the established and well recognized global hotel operators, namely, Marriott, IHG and Hyatt. SAMHI has a portfolio of 31 operating hotels comprising 4,801 keys and has a diverse geographic presence in 14 cities across India, including National Capital Region (NCR), Bengaluru, Hyderabad, Chennai and Pune. SAMHI has 2 hotel under development with a total of 461 keys in Kolkata and Navi Mumbai.

SAMHI has adopted an acquisition led strategy which is underpinned by its track record of acquiring and successfully turning around hotels to grow its business. SAMHI's hotels operate under established and well-recognised hotel operator brands such as Courtyard by Marriott, Sheraton, Hyatt Regency, Hyatt Place, Fairfield by Marriott, Four Points by Sheraton and Holiday Inn Express, which provide its hotels access to the operator's loyalty programs, management and operational expertise, industry best practices, online reservation systems and marketing strategies.

SAMHI was incorporated in 2010, and counts Sam Zell led Equity International, GTI Capital, International Finance Corporation amongst its shareholders.

Sahmi's proposed issue size is INR 1,370 cr out of which INR 1200 cr is a fresh issue and the remaining INR 170 cr is OFS. The proposed fresh issue will be utilized for

- INR 900 cr for financing the Repayment/ prepayment/ redemption, in full or in part, of certain borrowings availed of by our Company and our Subsidiaries including payment of the interest accrued
- And the balance amount would be used for general corporate purposes

Industry	Hotel and asset management
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Issue Details

Listing	BSE & NSE
Open Date	14 th Sep 2023
Close Date	18 th Sep 2023
Price Band	INR 119-126
Face Value	INR 1
Market Lot	119 shares
Minimum Lot	1 Lot

Issue Structure

Offer for Sale	12.40%
Fresh Issue	87.60%
Issue Size (Amt)	INR 1370.10 cr
Issue Size (Shares)	10,87,38,095
QIB Share (%)	≥ 75%
Non-Inst Share (%)	≤ 15%
Retail Share (%)	≤ 10%
Pre issue sh (nos)	12,27,97,231
Post issue sh (nos)	21,80,35,326
Post issue M Cap	2746.8 cr

Shareholding (%)	Pre (%)	Post (%)
Promoter	00.00	00.00
Public	100.00	100.00
TOTAL	100	100

Key Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	PAT	EBITDA (%)	PAT (%)	Adj EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (x)	EV/Sales (x)	EV/EBITDA (x)
FY21	169.6	-69.4	-477.7	-40.9	-281.7	-21.9	-9.0	244.4	-8.9	-5.7	29.7	-72.6
FY22	322.7	11.4	-443.3	3.5	-137.3	-20.3	-29.3	69.4	-5.0	-6.2	16.2	457.7
FY23	738.6	237.7	-338.6	32.2	-45.8	-15.5	-37.0	41.9	8.1	-8.1	7.3	22.5

Issue Structure and Offer Details

The proposed fresh issue size of SHL is INR 1370.10 cr (INR 170.10 cr OFS and INR 1200 cr fresh issue) and the price band for the issue is in the range of INR 119 – 126 and the bid lot is 119 shares and multiples thereof.

Issue Structure	
Investor Category	Allocation
QIB	Not less than 75% of the Offer
NIB	Not more than 15% of the Offer
Retail	Not more than 10% of the Offer

Number of shares based on a higher price band of INR 126

Source: Company Reports

Details of the selling shareholders		
Promoter Selling shares	Amount offered	No of shares
Blue Chandra Pte. Ltd.	Not more than 106.20 Cr	84,28,510
Goldman Sachs Investments Holdings (Asia) Limited	Not more than 62.14 Cr	49,31,490
GTI Capital Alpha Pvt Ltd	Not more than 1.76 Cr	1,40,000

The amount is based on a higher price band of INR 126

Source: Company Reports

SHL financial summary and analysis

Fig in INR Cr (unless specified)	FY21	FY22	FY23	Fig in INR Cr (unless specified)	FY21	FY22	FY23
Income Statement				Per share data & Yields			
Revenue	169.6	322.7	738.6	Adjusted EPS (INR)	(21.9)	(20.3)	(15.5)
<i>YoY Growth (%)</i>	<i>(72.0)</i>	<i>90.3</i>	<i>128.8</i>	Adjusted Cash EPS (INR)	(16.8)	(15.7)	(11.1)
Raw Material Cost	18.6	32.8	58.0	Adjusted BVPS (INR)	(9.0)	(29.3)	(37.0)
<i>RM Cost to Sales (%)</i>	<i>10.9</i>	<i>10.2</i>	<i>7.8</i>	Adjusted CFO per share (INR)	1.0	1.2	10.0
Employee Cost	86.5	90.5	123.0	CFO Yield (%)	0.8	1.0	7.9
<i>Employee Cost to Sales (%)</i>	<i>51.0</i>	<i>28.1</i>	<i>16.7</i>	Adjusted FCF per share (INR)	(0.9)	0.8	15.0
Other Expenses	133.9	188.0	319.9	FCF Yield (%)	(0.7)	0.6	11.9
<i>Other Exp to Sales (%)</i>	<i>78.9</i>	<i>58.3</i>	<i>43.3</i>	Solvency Ratio (X)			
EBITDA	(69.4)	11.4	237.7	Total Debt to Equity	(12.5)	(4.1)	(3.4)
<i>Margin (%)</i>	<i>(40.9)</i>	<i>3.5</i>	<i>32.2</i>	Net Debt to Equity	(11.7)	(3.9)	(3.2)
<i>YoY Growth (%)</i>	<i>(146.2)</i>	<i>(116.5)</i>	<i>1,979.6</i>	Net Debt to EBITDA	(33.0)	217.4	11.0
Depreciation & Amortization	111.8	100.6	96.3	Return Ratios (%)			
EBIT	(181.2)	(89.2)	141.5	Return on Equity	244.4	69.4	41.9
<i>Margin (%)</i>	<i>(106.8)</i>	<i>(27.6)</i>	<i>19.2</i>	Return on Capital Employed	(8.2)	(4.6)	7.5
<i>YoY Growth (%)</i>	<i>(859.1)</i>	<i>(50.8)</i>	<i>(258.6)</i>	Return on Invested Capital	(8.9)	(5.0)	8.1
Other Income	9.7	10.4	22.9	Working Capital Ratios			
Finance Cost	308.7	346.0	522.1	Payable Days (Nos)	216	139	69
Interest Coverage (X)	(0.6)	(0.3)	0.3	Inventory Days (Nos)	6	3	2
Exceptional Item	(1.3)	(18.4)	19.2	Receivable Days (Nos)	39	28	25
PBT	(481.5)	(443.2)	(338.6)	Net Working Capital Days (Nos)	(171)	(108)	(42)
<i>Margin (%)</i>	<i>(283.9)</i>	<i>(137.3)</i>	<i>(45.8)</i>	Net Working Capital to Sales (%)	(46.9)	(29.5)	(11.6)
<i>YoY Growth (%)</i>	<i>59.6</i>	<i>(7.9)</i>	<i>(23.6)</i>	Valuation (X)			
Tax Expense	(3.8)	0.0	0.0	P/E	(5.7)	(6.2)	(8.1)
<i>Tax Rate (%)</i>	<i>0.8</i>	<i>(0.0)</i>	<i>(0.0)</i>	P/BV	(14.1)	(4.3)	(3.4)
PAT	(477.7)	(443.3)	(338.6)	EV/EBITDA	(72.6)	457.7	22.5
<i>Margin (%)</i>	<i>(281.7)</i>	<i>(137.3)</i>	<i>(45.8)</i>	EV/Sales	29.7	16.2	7.3
<i>YoY Growth (%)</i>	<i>59.3</i>	<i>(7.2)</i>	<i>(23.6)</i>	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	(481.5)	(443.2)	(338.6)
Net Profit	(477.7)	(443.3)	(338.6)	Adjustments	449.9	445.8	572.4
<i>Margin (%)</i>	<i>(281.7)</i>	<i>(137.3)</i>	<i>(45.8)</i>	Change in Working Capital	49.5	23.8	(16.4)
<i>YoY Growth (%)</i>	<i>59.3</i>	<i>(7.2)</i>	<i>(23.6)</i>	Less: Tax Paid	3.8	(0.0)	(0.0)
Balance Sheet				Cash Flow from Operations	21.7	26.3	217.4
Share Capital	7.6	7.6	8.5	Net Capital Expenditure	(0.7)	0.0	86.8
Total Reserves	(203.1)	(646.5)	(816.2)	Change in Investments	43.0	(2.5)	(18.4)
Shareholders Fund	(195.5)	(638.8)	(807.6)	Cash Flow from Investing	42.3	(2.5)	68.4
Long Term Borrowings	1,870.6	2,374.2	2,055.3	Change in Borrowings	315.2	328.6	203.4
Deferred Tax Assets / Liabilities	0.0	0.0	0.0	Less: Finance Cost	(308.7)	(346.0)	(522.1)
Other Long Term Liabilities	85.6	233.4	75.1	Proceeds from Equity	0.0	0.0	0.0
Long Term Trade Payables	0.0	8.0	1.4	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	4.8	4.4	5.3	Dividend Paid	0.0	0.0	0.0
Total Liabilities	1,765.6	1,981.3	1,329.3	Cash flow from Financing	6.5	(17.4)	(318.7)
Net Block	2,233.3	2,090.8	1,980.2	Net Cash Flow	70.4	6.3	(32.8)
Capital Work in Progress	17.7	19.7	20.2	Forex Effect	0.0	0.0	0.0
Intangible assets under developmer	0.0	0.0	0.0	Opening Balance of Cash	74.7	145.1	151.4
Non Current Investments	0.0	0.0	0.0	Closing Balance of Cash	145.1	151.4	118.5
Long Term Loans & Advances	4.4	5.9	6.6				
Other Non Current Assets	9.3	9.5	8.7				
Net Current Assets	(499.3)	(144.7)	(686.5)				
Total Assets	1,765.6	1,981.3	1,329.3				

The amount is based on a higher price band of INR 126

Source: Company Reports

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Corporate Office: I-Think Techno Campus, 8th Floor, 'B' Wing, Off Pokhran Road No 2, Eastern Express Highway, Thane (W) – 400608