Lemon Tree Hotels Ltd. (LEMTRE)

CMP: ₹123 | Target ₹ 150 (22%) | Target Period: 12 months | BUY

November 13, 2026

Steady Q2; Improved pricing power to aid growth ahead...

About the stock: Lemon Tree Hotels (LTHL) is India's largest hotel chain in the mid-priced hotel sector. LTHL currently operates 11,811 rooms in India and abroad, under its various brands.

Q2FY27 performance: LTHL's consolidated revenues reported 18% YoY growth to Rs.361.4cr in Q2FY27. Revenues were driven by 18% YoY growth in RevPAR. RevPAR growth was largely balanced between occupancy (+633bps YoY) and ADR (+8% YoY). EBITDA margins improved 152bps YoY to 44.2%. EBITDA grew by 22.2% YoY to Rs.159.7cr and PAT grew by 51% YoY to Rs.63.5cr.

Investment Rationale:

- **Improving demand environment and renovations to support revenue growth:** LTHL is witnessing a gradual improvement in the demand environment, with retail demand remaining healthy, while corporate travel recovery is still awaited. The company reported 18% YoY growth in RevPAR to Rs.5,137, driven by an 8% increase in ARR to Rs.6,751 and a 633bps improvement in occupancy to 76.1% in Q2FY27. After adopting an occupancy-driven strategy in Q1FY27, the company has shifted towards a more balanced ARR-occupancy approach, with greater emphasis on improving room rates as demand strengthens. This is reflected in Aurika, where occupancy has stabilised at ~75%, allowing management to focus on ARR improvement, which grew ~9% YoY in Q2FY27. Further, renovation-led improvements are driving stronger performance across the portfolio, particularly at Keys, where RevPAR grew 29% YoY, while renovated properties in Delhi reported over 30% growth. With ~80% of the Keys renovation programme completed and the share of revenue from rooms priced above Rs.7,500 increasing from ~48% to 50%, the company is witnessing improving pricing power and a favourable portfolio mix. Going ahead, we expect seasonal MICE, wedding and leisure demand, along with continued repricing and renovation-led improvements, are expected to support low teens revenue growth in H2FY27. We expect FY27 revenues to be close to ~Rs.1630cr.
- **Asset light expansion strengthens; Expected to aid further improvement in management fee income:** LTHL continues to strengthen its asset-light portfolio, signing 24 managed/franchised hotels with 1845 rooms during H1FY27, taking its combined operational and pipeline inventory to 24,061 rooms across 285 hotels. The company is targeting annual room opening of ~2,000 rooms in FY27 and ~2,500 rooms from FY28 onwards, largely through the management and franchise model. This expanding portfolio is expected to drive a steady increase in management fee income, which stood at Rs.86.2cr in H1FY27 (+20% YoY). Management expects fee income growth to accelerate over the next 8–12 quarters as newly signed hotels become operational and contribute to revenues. Further, Fleur's management fee income is expected to improve as renovation-related expenses moderate and hotel margins recover, supporting higher incentive fee income. Overall, the growing asset-light portfolio is expected to strengthen the contribution of management fee income and support revenue growth with limited incremental capital investment.

Rating and Target Price: We recommend Buy with a revised price target of Rs.150 valuing it at 22x its FY28E EV/EBITDA (adjusting for 59% stake in Fleur Hotel).

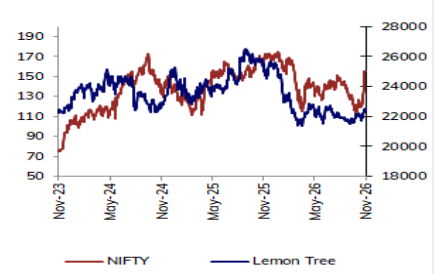
Particulars

Particuar	Amount
Market Capitalisation (₹ crore)	9,740
Debt (FY26) -₹ crore	2,047
Cash (FY26) - ₹ crore	171
EV (Rs crore)	11,615
52-week H/L (₹)	181 / 100
Equity capital (₹ crore)	791.8
Face value (₹)	10

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoters	22.3	22.3	22.3	22.3
FII	21.5	21.6	19.4	18.3
DII	19.5	15.7	14.4	14.8
Others	36.8	40.4	43.9	44.6

Price Chart



Key risks

(i) Room demand getting impacted by global slowdown or any black swan event.
(ii) Delay in reduction in debt.

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Key Financial Summary

Key Financials (₹ Crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Revenues	1071.1	1286.1	1444.5	10.5	1626.8	1818.7	12.2
EBIDTA	523.2	634.1	691.2	9.7	776.9	902.1	14.2
EBIDTA Margins(%)	48.8	49.3	47.8		47.8	49.6	
Adjusted PAT	181.0	243.4	314.2	20.2	364.3	476.2	23.1
EPS (Rs.)	2.3	3.1	4.0		4.6	6.0	
PE (x)	53.7	39.9	30.9		26.7	20.4	
EV to EBIDTA (x)	23.0	18.7	16.9		14.6	12.2	
RoE (%)	19.9	22.9	24.6		23.6	25.1	
RoCE (%)	11.1	12.6	13.8		15.0	17.4	

Source: Company, ICICI Direct Research

Exhibit 1: Fair Valuation

Particulars	FY28E
Lemon Tree Consolidated EBIDTA	902
Adjusting EBIDTA - APG 41.09% stake in Fleur	286
Adjusted EBITDA (Rs. Cr)	616
EV/EBIDTA (x)	22
Enterprise value (Rs. Cr)	13,240
Adjusted Debt (Rs. Cr)	1,560
Cash & Cash equivalent	98
Equity Value (Rs. Cr.)	**11,777**
Equity shares (in Cr.)	**79**
Target price (Rs.)	**150**

Source: Company, ICICI Direct Research

Q2FY27 – Key Performance highlights

- Consolidated revenues reported 18% YoY growth to Rs.361.4cr. Growth was aided by 18% YoY growth in RevPAR. RevPAR growth was balanced through Occupancy (+633bps YoY) and ADR (+8% YoY) in Q2FY27.
- RevPAR stood at Rs.5137/night witnessing 18% YoY growth. ADR witnessed 8% YoY growth to Rs.6751/night while occupancy improved 633bps YoY to 76.1%. As renovations across Keys and other portfolio were completed, the occupancy has improved while the company is also witnessing substantial pricing power post renovations.
- Consolidated Management Fees grew by 19% YoY to Rs.40.8cr in Q2FY27. Management fees from Fleur Hotels stood at Rs.22.1cr growing by 11% YoY and fees from 3rd party owned hotels grew by 30% YoY to Rs.18.7cr in Q2FY27.
- Consolidated EBITDA margins improved by 152bps YoY to 44.2%. GST and stock appreciation charges for the quarter stood at ~3.2% of revenues which accounts for ~Rs.11.2cr. These charges were not present in Q2FY26. Hence, adjusting for the same, Like-to-like EBITDA margins would have stood at 47.4% in Q2FY27. EBITDA grew by 22.2% YoY to Rs.159.7cr. Adjusted EBITDA grew by 51% YoY to Rs.63.2cr.

Exhibit 2: Q2FY27 Consolidated result snapshot (₹ crore)

Particulars	Q2FY27	Q2FY26	y-o-y %	Q1FY27	q-o-q %
Net revenue	**361.4**	**306.3**	**18.0**	**344.6**	**4.9**
Cost of food and beverages consumed	21.3	20.0	6.4	20.4	4.4
Employee cost	66.9	58.5	14.3	64.7	3.3
Power & fuel	23.7	22.6	5.3	23.9	-0.7
Other expenditure	89.7	74.4	20.5	85.8	4.5
Total expenditure	201.7	175.6	14.9	194.9	3.5
EBITDA	**159.7**	**130.7**	**22.2**	**149.7**	**6.7**
Other income	2.4	1.7	41.7	2.1	13.7
Interest expenses	36.4	42.3	-13.9	36.4	0.1
Depreciation	36.6	34.3	6.7	36.1	1.5
Profit Before Tax	89.1	55.8	59.7	79.4	12.2
Tax	25.6	13.9	84.1	21.8	17.5
Adjusted PAT	**63.5**	**41.9**	**51.5**	**57.6**	**10.2**
Minority interest	0.3	0.0	-	-0.3	-
Adjusted PAT (after MI)	**63.2**	**41.9**	**50.7**	**57.9**	**-12.4**
Extra-ordinary gain / loss	16.6	0.0	-	0.0	-
Reported PAT	**79.8**	**41.9**	**90.3**	**57.9**	**37.7**
Adjusted EPS (Rs.)	0.8	0.5	51.5	0.7	10.3
Margins	**Q2FY27**	**Q2FY26**	**bps**	**Q1FY27**	**bps**
GPM (%)	94.1	93.5	64	94.1	3
EBITDA Margin (%)	44.2	42.7	152	43.4	76
NPM (%)	17.6	13.7	389	16.7	86
Tax rate (%)	28.7	24.9	382	27.4	128

Source: Company, ICICI Direct Research

Exhibit 3: Q2FY27 Brand-wise performance

Brands	No. of rooms	RevPAR (Rs.)			Occupancy (%)			Gross ARR (Rs.)		
	Q2FY27	Q2FY27	Q2FY26	Chg (%)	Q2FY27	Q2FY26	Chg (bps)	Q2FY27	Q2FY26	Chg (%)
Aurika Hotels & Resorts	808.0	7300	6248	16.8	76	71	500	9589	8806	8.9
Lemon Tree Premier	1523.0	6716	5696	17.9	86	80	600	7773	7142	8.8
Lemon Tree Hotels	1769.0	4611	3840	20.1	73	67	600	6358	5695	11.6
Red Fox	643.0	2945	2430	21.2	70	59	1100	4212	4145	1.6
Keys by Lemon Tree Hotels	936.0	3109	2416	28.7	70	60	1000	4460	4031	10.6
Lemon Tree Consolidated	5679.0	5137	4358	17.9	76	70	630	6751	6247	8.1

Source: Company, ICICI Direct Research

H1FY27 – Key Performance highlights

- Consolidated revenues reported 14% YoY growth to Rs.706cr in H1FY27.
- EBITDA margins improved by 23bps YoY to 43.6%. Adjusted for GST and stock appreciation charges, EBITDA margins stood at 47% (+360bps YoY). Consolidated EBITDA grew by 14% YoY to Rs.309.4cr. Adjusted EBITDA grew by 22.2% YoY to Rs.331cr.
- Adjusted PAT grew by 58% YoY to Rs.121cr.

Exhibit 4: H1FY27 Consolidated result snapshot (₹ crore)

Particulars	H1FY27	H1FY26	y-o-y %
Net revenue	**706.0**	**622.0**	**13.5**
EBITDA	**309.4**	**271.2**	**14.1**
Profit Before Tax	168.5	119.1	41.5
Tax	47.4	28.7	65.3
Adjusted PAT	**121.2**	**90.4**	**34.0**
Minority interest	0.6	0.4	-
Adjusted PAT (after MI)	**120.5**	**90.0**	**33.9**
Extra-ordinary gain / loss	16.6	0.0	-
Reported PAT	**137.1**	**90.0**	**52.3**
Adjusted EPS (Rs.)	1.5	1.1	34.0
Margins	**H1FY27**	**H1FY26**	**bps**
GPM (%)	94.1	93.6	49
EBITDA Margin (%)	43.8	43.6	23
NPM (%)	17.2	14.5	263
Tax rate (%)	28.1	24.1	404

Source: Company, ICICI Direct Research

Expansion through management contracts

- In Q2FY27, LTHL signed management/franchised contracts for 11 hotels with 825 rooms. Managed/Franchised pipeline stood at 140 hotels with 11,930 keys.

Exhibit 5: Signings and openings

Hotels Signed in Q2 FY27

lemon tree HOTELS

(Managed & Franchised Contracts)

Signings in Q2 FY27

11
Hotels

825
Rooms

#	Hotel Name	Cities	States/Country	Rooms
1	Keys Lite by Lemon Tree Hotels, Manali	Manali	Himachal Pradesh	24
2	Keys Select by Lemon Tree Hotels, Bodhgaya	Bodhgaya	Bihar	70
3	Keys Select by Lemon Tree Hotels, McLeodganj	McLeodganj	Himachal Pradesh	45
4	Keys Select by Lemon Tree Hotels, Panthpiplai, Ujjain	Ujjain	Madhya Pradesh	51
5	Keys Select by Lemon Tree Hotels, Vijayawada	Vijayawada	Andhra Pradesh	70
6	Lemon Tree Hotel, Bodhgaya	Bodhgaya	Bihar	75
7	Lemon Tree Hotel, Jorhat	Jorhat	Assam	70
8	Lemon Tree Hotel, Patancheru	Patancheru	Telangana	90
9	Lemon Tree Hotel, Siddharthanagar	Siddharthanagar	Lumbini Province	120
10	Lemon Tree Premier, Madurai	Madurai	Tamil Nadu	100
11	Lemon Tree Premier, Visakhapatnam	Visakhapatnam	Andhra Pradesh	110
	Total Signings			**825**

Source: Company, ICICI Direct Research

Premium additions to owned/leased inventory

LTHL is expanding its owned/leased portfolio through addition of 4 hotels under the premium Aurika brand across leisure and business locations.

Aurika, Shimla (91 keys) is at advanced stage of completion. It expects full opening of the hotel in FY27. The company has deployed capex of Rs.122cr as of Sept'26 for development of the hotel.

Aurika, Shillong (165 keys) is also progressing towards completion with expected opening in FY28. The total capex deployed for development is Rs.47cr as of Sept'26. Aurika Nehru Place, Delhi, 572-key business hotel will be located at the centre of the country's capital. The company expects ~Rs.700cr capex for development of the hotel with opening expected in FY30.

The company announced new Aurika hotel (47 keys) in Varanasi, marking its entry in the premium spiritual location. The management expects higher ADR from the hotel due to its strategic location near the Ganges River and due to higher rates in the vicinity. Demand is also expected to support occupancy and ADR growth for the hotel. Post refurbishment/renovation, it is expected to be opened in FY30.

LTHL has announced 172 key Lemon Tree Premier in Bandra, Mumbai. The company aims to capitalise the MICE traction from BKC, commercial hub which is near the planned hotel. It has capitalised Rs.129cr as of Sept'26 including land. The property is expected to be commissioned in FY30

Q2FY27 Earnings call highlights

- **Industry and Demand Outlook**
    - **Corporate demand remains relatively muted:** While retail and non-negotiated demand has improved, corporate travel continues to remain subdued amid geopolitical uncertainty, elevated oil prices and inflation. Corporate travel, particularly IT-sector hiring and employee relocation-led demand in markets such as Gurgaon, has not fully recovered.
    - **Balanced ARR and occupancy strategy:** The company had adopted a retail-led, occupancy-driven strategy in Q1FY27 to sustain occupancy amid weaker corporate demand. Q2 witnessed a more balanced performance, with growth driven by both ARR and occupancy. Management intends to continue using both levers depending on market conditions.
    - Management expects the usual seasonal revenue mix, with H2 contributing approximately 55% of full-year revenue and 60% of EBITDA. Retail demand momentum remains healthy, while corporate demand recovery is still awaited. MICE, banqueting and weddings are expected to support performance during H2.
- **Brand wise performance**
    - **Aurika:** Management believes the brand has matured, with occupancy stabilising at around 75%. The focus is shifting towards improving ARR through pricing actions. Aurika reported approximately 9% ARR growth in Q2FY27, its highest growth in several quarters. Management expects further improvement in pricing as the brand strengthens its positioning.
    - **Lemon Tree Premier / Lemon Tree Hotels:** Renovated properties are witnessing strong improvement in both ARR and occupancy. Lemon Tree Premier Delhi and Lemon Tree Hotel Delhi (formerly Red Fox Delhi) reported over 30% growth, aided by repricing following completion of renovations. Benefits of refurbishment are becoming increasingly visible across key properties.

- **Keys:** Q2FY27 RevPAR grew 29% YoY to Rs.3,109, driven by a 976bps improvement in occupancy to 69.7% and 11% growth in ARR to Rs.4,460. Hotel EBITDAR margin improved 748bps YoY to 50%. Around 80% of the renovation programme is now complete, with renovated properties witnessing improvement in both occupancy and ARR.

- **Red Fox:** The brand continues to follow a refurbishment-led approach, with greater emphasis on improving occupancy rather than aggressive pricing. In price-sensitive markets, the focus remains on driving demand, while repricing opportunities are pursued where product positioning allows higher ARR.

- **Capex Updates**
  - **Bandra East development:** The company acquired land adjoining BKC, Mumbai, for approximately Rs.120cr to develop a 172-room Lemon Tree Premier hotel, with opening targeted in FY30. Management expects an initial ARR of approximately Rs.12,000 and believes the property could generate 12–13% ROCE immediately upon stabilisation.
  - **Aurika expansion:** Aurika Shimla (90 rooms) is expected to open in Q3FY27. Aurika Shillong (165 rooms) is progressing well and is expected to open in FY28. Aurika Varanasi (47 rooms) is expected to open in FY29, while Aurika Nehru Place, Delhi, is now planned to have approximately 610 rooms, with opening targeted in CY31, subject to regulatory approvals.
  - **Capex outlook:** The company has incurred approximately Rs.180–200cr of investments during FY27 so far, including development projects and renovation-related capex. Renovation expenditure is split between operating expenses (60–65%) and capital expenditure (35–40%). Management expects total investments of approximately Rs.3,000cr over the next 3.5 years, including potential acquisitions and new developments.
  - Omaxe partnership: LTHL has entered an asset-light MoU with Omaxe covering approximately 4,000 rooms across 10 properties, primarily in Tier-2 and Tier-3 cities. Omaxe will undertake the development investment, while Lemon Tree will manage and brand the hotels. Nine properties are greenfield projects, with most expected to take 3–4 years to become operational.

Exhibit 6: Key Operating Assumptions

Particulars	FY25	FY26	FY27E	FY28E
Aurika Hotels -revenues (Rs. Cr)	184.9	220.5	247.4	299.3
Rooms	808.0	899.0	899.0	973.0
Occupancy ratio (%)	63	75	77	79
ARR (Rs)	9894	10001	10546	11218
Lemon Tree Premier - revenues (Rs. Cr)	346.3	374.7	393.0	411.0
Rooms	1603.0	1603.0	10546.2	11218.1
Occupancy ratio (%)	81	82	84	84
ARR (Rs)	7342	7827	8292	8827
Room revenues	963.1	1067.3	1173.3	1267.5
yoy% growth	16.4	10.8	9.9	8.0
Management fees	149.0	169.8	202.8	262.9
yoy% growth	22.3	13.9	19.4	29.6
F&B revenues	174.0	207.4	250.7	288.3
yoy% growth	44.0	19.2	20.8	15.0
Total revenues	1286.1	1444.5	1626.8	1818.7
yoy% growth	20.2	12.3	12.6	11.8

Source: Company, ICICI Direct Research

Revision in earnings estimates

We have slightly tweaked our estimates for FY27E considering lower EBITDA expenses due to impact of GST related changes and Stock appreciation charges. We have broadly maintained our estimates for FY28E.

Exhibit 7: Changes in headline estimates

(₹ crore)	FY27E			FY28E		
	Old	New	% Chg	Old	New	% Chg
Net Revenues	1610.3	1626.8	1.0	1820.2	1818.7	-0.1
EBIDTA	788.2	776.9	-1.4	903.6	902.1	-0.2
EBIDTA margin (%)	48.9	47.8	(110) bps	49.6	49.6	
PAT	302.6	299.3	-1.1	402.6	405.2	0.7
EPS (Rs.)	3.8	3.8	-1.1	5.1	5.1	0.7

Source: Company, ICICI Direct Research

Financial summary

Exhibit 8: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Total Operating Income	**1286.1**	**1444.5**	**1626.8**	**1818.7**
Growth (%)	20.1	12.3	12.6	11.8
Cost of food and beverages consumed	76.2	84.8	84.6	94.6
Gross Profit	1209.9	1359.7	1542.2	1724.1
Employee Expenses	218.5	239.3	265.6	302.8
Power & fuel	87.8	85.1	91.9	93.7
Other Expenditure	269.5	344.2	407.8	425.5
Total Operating Expenditure	652.0	753.3	849.9	916.6
EBITDA	**634.1**	**691.2**	**776.9**	**902.1**
Growth (%)	21.2	9.0	12.4	16.1
Interest	200.7	167.2	136.8	101.8
Depreciation	139.3	138.8	158.7	169.2
Other Income	2.3	8.2	9.0	9.9
PBT	**296.5**	**393.3**	**490.4**	**640.9**
Less Tax	53.1	79.1	126.0	164.7
Adjusted PAT (before exceptional item)	**243.4**	**314.2**	**364.3**	**476.2**
Growth (%)	34.5	29.1	16.0	30.7
Minority interest / profit from associates	-46.6	-61.2	-65.1	-70.9
Exceptional item	0.0	0.0	0.0	0.0
Reported PAT	**196.8**	**253.0**	**299.3**	**405.2**
Growth (%)	8.3	28.5	18.3	35.4
EPS (Adjusted)	**3.1**	**3.2**	**3.8**	**5.1**

Source: Company, ICICI Direct Research

Exhibit 9: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit/(Loss) after taxation	241.1	306.1	355.4	466.3
Add: Depreciation & Amortization	139.3	138.8	158.7	169.2
Other income	2.3	8.2	9.0	9.9
Changes in the working capital	-67.7	-82.1	96.1	20.7
CF from Operating activities	**315.0**	**370.9**	**619.1**	**666.1**
(Purchase)/Sale of Fixed Assets	-87.5	-195.4	-310.0	-310.0
Investments & Bank balances	-36.4	-43.3	-11.9	0.0
Others	-11.7	-9.2	0.0	0.0
CF from Investing activities	**-135.6**	**-247.9**	**-321.9**	**-310.0**
(inc)/Dec in Loan	-159.6	-128.7	-335.5	-334.7
Change in equity & reserves	-46.8	-85.8	-65.1	-70.9
Dividend paid	0.0	0.0	0.0	0.0
Other	48.7	94.2	65.1	70.9
CF from Financing activities	**-157.7**	**-120.3**	**-335.5**	**-334.7**
Net Cash Flow	21.8	2.7	-38.3	21.4
Cash and Cash Equivalent (opening)	**33.6**	**55.4**	**58.1**	**19.8**
Cash	**55.4**	**58.1**	**19.8**	**41.2**
Free Cash Flow	**227.6**	**175.4**	**309.1**	**356.1**

Source: Company, ICICI Direct Research

Exhibit 10: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	791.8	791.8	791.8	791.8
Reserve and Surplus	371.7	600.1	899.3	1304.6
Total Shareholders funds	1163.5	1391.9	1691.2	2096.4
Minority Interest	626.1	687.2	752.3	823.3
Total Debt	2176.0	2046.9	1711.7	1377.0
Deferred Tax Liability	7.2	30.0	30.0	30.0
Long-Term Provisions	3.4	13.7	13.7	13.7
Total Liabilities	**3976.2**	**4170.4**	**4198.9**	**4340.3**
Gross Block - Fixed Assets	3749.2	3857.6	4075.7	4385.7
Accumulated Depreciation	684.8	823.6	982.3	1151.5
Net Block	3064.4	3034.0	3093.4	3234.2
Capital WIP	58.6	108.1	200.0	200.0
Leased Assets	365.1	392.2	392.2	392.2
Fixed Assets	3488.0	3534.3	3685.6	3826.4
Goodwill & Other intangible assets	126.8	137.2	137.2	137.2
Investments	44.6	73.4	50.0	50.0
Other non-Current Assets	167.4	176.5	176.5	176.5
Inventory	13.8	13.8	22.3	24.9
Debtors	78.6	116.3	124.8	124.6
Other Current Assets	80.7	134.4	134.4	134.4
Loans & Advances	1.2	1.0	1.0	1.0
Cash	55.4	58.1	19.8	41.2
Bank balance	25.3	39.7	75.0	75.0
Total Current Assets	255.0	363.3	377.3	401.1
Creditors	61.6	67.1	178.3	199.3
Provisions	6.4	8.1	8.1	8.1
Other Current Liabilities	37.3	39.1	41.0	43.1
Total Current Liabilities	105.3	114.3	227.4	250.5
Net Current Assets	149.7	249.0	149.9	150.6
Application of Funds	**3976.5**	**4170.4**	**4199.2**	**4340.3**

Source: Company, ICICI Direct Research

Exhibit 11: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
Adjusted EPS	3.1	3.2	3.8	5.1
Cash EPS	4.8	5.7	6.6	8.2
BV per share	14.7	17.6	21.4	26.5
Cash per Share	1.6	2.2	1.8	2.1
Operating Ratios (%)				
Gross Profit Margins	94.1	94.1	94.8	94.8
Operating EBIDTA margins (%)	49.3	47.8	47.8	49.6
PAT Margins	18.9	21.8	22.4	26.2
Cash Conversion Cycle	-13	-3	-7	-10
Return Ratios (%)				
RoE	22.9	24.6	23.6	25.1
RoCE	12.6	13.8	15.0	17.4
Valuation Ratios (x)				
P/E	39.9	30.9	26.7	20.4
EV / EBITDA	18.7	16.9	14.6	12.2
EV / Net Sales	9.2	8.1	7.0	6.0
Market Cap / Sales	7.6	6.7	6.0	5.4
Price to Book Value	8.4	7.0	5.8	4.6
Solvency Ratios (x)				
Debt / EBITDA	3.4	3.0	2.2	1.5
Debt / Equity	1.9	1.5	1.0	0.7

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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