

Apr-Jun'25 Earnings Preview

Vermilion puts brakes on growth pedal

1QFY26E is expected to reflect the impact of geopolitical disruptions - most notably in the hospitality and aviation sectors. Hotel occupancies were adversely affected, moderating to 58–60% in May-25, following the Pahalgam terror attack. However, the sector's pricing power remained resilient, with pan-India ARR's holding firm in the Rs7,300–7,500 range, reflecting inherent pricing power. The aviation sector also witnessed a notable slowdown in traffic growth, with May-25 recording just 1.9% YoY pax growth, lowest in recent quarters, reaching 14.1mn passengers. As for the luggage sector, while it was relatively less affected by geopolitical developments, the overall environment remained challenging and competitive intensity continues to persist. Within our hospitality coverage universe, we expect RevPAR growth of 2%/16%/15% for CHALET IN, LEMONTRE IN and SAMHI IN respectively. As for INDIGO IN, we expect yields to drop ~4% on YoY basis with a top-line of Rs210bn and EBITDAR margin of 28.6% (excluding FX loss/gain).

Top pick: SAMHI IN is our top pick in the travel & tourism space. Following the fund infusion by GIC and consequent deleveraging, net debt has reduced to Rs14bn (net debt to EBITDA is set to decline from 5.1x in FY25 to 1.7x in FY27E). SAMHI IN trades at 14.2x/11.7x our FY26E/FY27E EBITDA (adjusting for the minority interest in newly formed JV platform funded by GIC) and now has valuation as well as BS comfort. Retain BUY with a TP of Rs308 (15.5x FY27E EBITDA).

Luggage – GM to improve on YoY basis: We expect VIP IN/SII IN to report revenue of Rs6.3bn (down 1.0% YoY)/Rs5.1bn (up 13.0% YoY) respectively, despite the geo-political tensions during 1QFY26E. VIP is expected to report GM of 47.3% aided by new launches, rising contribution from Bangladesh and pick-up in offline channel while Safari's GM is expected to be at 46.5%, supported by higher capacity utilization at Jaipur.

For VIP IN, we put our TP and rating under review, given ~27% rally in the stock price since our last update. We shall revisit our view on the stock after 1QFY26E results. For SII IN, we have marginally cut our FY26E/FY27E EPS estimates by 0.7%/2.1% given the elevated competitive intensity. We maintain 'BUY' on the stock with a revised TP of Rs2,386 (45x FY27E EPS, no change in target multiple).

Hotels – Occupancies take a hit but pricing shows resilience: For CHALET IN, we expect ARR's to increase 9.8% YoY to Rs11,470 with an occupancy of 65.4%. A 500-bps YoY dip in occupancy is anticipated as FTAs have declined due to Operation Sindoor and Air India plane crash incident. Overall, we expect CHALET IN to report 19.8% YoY growth in revenue with an EBITDA margin of 39.3%. We maintain 'BUY' with an SOTP-based TP of Rs1,130 valuing the hotel business at EV/EBITDA multiple of 24x over FY27E (no change in target multiple).

For LEMONTRE IN, we expect ARR's to increase 8.2% YoY to Rs6,152 with an occupancy of 71.5%. We expect revenue growth of 16.6% YoY with an EBITDA margin of 43.2%. We maintain 'BUY' on the stock with a SOTP-based TP of Rs175 valuing the stock at an EV/EBITDA multiple of 24x over FY27E (no change in target multiple).

July 9, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Chalet Hotels	BUY	859	1,130
InterGlobe Aviation	BUY	5,802	6,691
IRCTC	BUY	785	864
Lemon Tree Hotels	BUY	147	175
Safari Industries (India)	BUY	2,230	2,386
Samhi Hotels	BUY	221	308
V.I.P. Industries	UR	422	NA

Source: PL UR=Under Review

Top Picks

Samhi Hotels

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For SAMHI IN, we expect ARR's to increase 18.0% YoY to Rs6,689 with an occupancy of 72.0%. However, revenue growth is likely to lag RevPAR growth as lot of MICE events were cancelled/postponed due to the geo-political disruptions. We expect EBITDA margin of 34.7% and maintain 'BUY' on the stock with a TP of Rs308 valuing the stock at an EV/EBITDA multiple of 15.5x over FY27E (earlier 14x). We have increased our target multiple as, after the fund infusion by GIC, the net debt has declined to Rs14bn; providing increased BS comfort.

Aviation – Yields to fall by ~4% YoY: We expect INDIGO IN to report a load factor of 85.6% as pax growth in May-25 was impacted by Operation Sindoor. We expect PRASK to moderate by mid-single digit and consequently expect yield of Rs5.05 (down 3.6% on YoY basis). INDIGO IN is expected to report revenues of Rs210bn (up 7.4% YoY) with an EBITDAR margin of 28.6% (excluding FX adjustments) supported by capacity addition.

We expect ASKM/RPKM to increase by 17.0%/15.4% YoY to 42.5bn/36.4bn. We expect RASK of Rs4.95 and gross spread (RASK less fuel CASK) of Rs3.44. We retain 'BUY' with a revised TP of Rs6,691 after assigning an EV/EBITDA multiple of 12x (earlier 11x).

IRCTC – Ticketing volumes to be ~127mn: We expect online ticketing volumes of ~127mn, resulting in ticketing revenue of Rs3.6bn in 1QFY26E. Catering revenue is expected to increase 10.0% YoY to Rs6.1bn, while tourism business is expected to grow by 15.0% YoY to Rs1.4bn. Overall, we expect IRCTC IN's revenue to increase 10.8% YoY to Rs12.4bn with an EBITDA margin of 34.5%. We maintain BUY with a TP of Rs864 (44x FY27E; no change in target multiple).

Exhibit 2: Q1FY26 Result Preview (Rs mn)

Company Name		Q1FY26E	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Remark
Chalet Hotels	Sales	4,326	3,610	19.8	5,220	(17.1)	For Chalet, we expect ARR's to increase 9.8% YoY to Rs11,470 with an occupancy of 65.4%. Hotel revenue is likely to be at Rs3.6bn with an EBITDA margin of 41.2% while annuity income is expected to rise 95.0% YoY to Rs693mn with an EBITDA margin of 77.0%. Overall, we expect Chalet to report 19.8% YoY growth in revenue with an EBITDA margin of 39.3%.
	EBITDA	1,698	1,402	21.1	2,414	(29.7)	
	Margin (%)	39.3	38.8	41 bps	46.3	-700 bps	
	PBT	825	777	6.1	1,588	(48.1)	
	Adj. PAT	618	607	1.9	1,238	(50.1)	
InterGlobe Aviation	Sales	210,179	195,707	7.4	221,519	(5.1)	We expect Indigo to report revenues of Rs210bn (up 7.4% YoY) with a load factor of 85.6% and yield of Rs5.05. We expect RASK of Rs4.95 and gross spread (RASK less fuel CASK) of Rs3.44 with EBITDAR margin of 28.6% for the quarter. Foreign currency fluctuations have not been taken into consideration while making our projections.
	EBITDAR	60,084	57,833	3.9	69,535	(13.6)	
	Margin (%)	28.6	29.6	-96 bps	31.4	-280 bps	
	PBT	26,293	28,040	(6.2)	31,694	(17.0)	
	Adj. PAT	25,767	27,288	(5.6)	29,309	(12.1)	
Indian Railway Catering and Tourism Corporation	Sales	12,382	11,176	10.8	12,685	(2.4)	We expect 10.8% YoY growth in top-line to Rs12.4bn. We expect ticketing volumes of ~127mn for the quarter with internet ticketing revenues of Rs3.6bn. Catering revenue is expected to increase 10.0% YoY to Rs6.1bn. Overall, we expect an EBITDA margin of 34.5%.
	EBITDA	4,274	3,749	14.0	3,855	10.9	
	Margin (%)	34.5	33.5	97 bps	30.4	413 bps	
	PBT	4,541	4,096	10.9	4,266	6.4	
	Adj. PAT	3,383	3,055	10.7	3,125	8.2	
Lemon Tree Hotels	Sales	3,124	2,680	16.6	3,785	(17.5)	For Lemon Tree, we expect ARR's to increase 8.2% YoY to Rs6,152 with an occupancy of 71.5%. We expect Lemon Tree to report 16.6% YoY growth in revenue with an EBITDA margin of 43.2%.
	EBITDA	1,350	1,151	17.3	2,041	(33.9)	
	Margin (%)	43.2	42.9	27 bps	53.9	-1072 bps	
	PBT	572	291	96.6	1,229	(53.5)	
	Adj. PAT	210	198	6.1	846	(75.2)	

Company Name		Q1FY26E	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Remark
Safari Industries (India)	Sales	5,085	4,500	13.0	4,211	20.8	For Safari, we expect revenues to increase 13.0% YoY to Rs5,085mn in 1QFY26E. We expect GM of 46.5% supported by higher capacity utilization at Jaipur, and an EBITDA margin of 14.4% for the quarter.
	EBITDA	732	659	11.2	609	20.3	
	Margin (%)	14.4	14.6	-24 bps	14.5	-5 bps	
	PBT	615	575	7.0	494	24.5	
	Adj. PAT	474	444	6.7	376	26.0	
Samhi Hotels	Sales	2,767	2,499	10.7	3,188	(13.2)	For Samhi, we expect ARR's to increase 18.0% YoY to Rs6,689 with an occupancy of 72.0%. We expect Samhi to report 10.7% YoY growth in revenue (growth would've been higher if MICE events weren't cancelled due to the geo-political disruptions) with an EBITDA margin of 34.7%.
	EBITDA	960	821	17.0	1,215	(21.0)	
	Margin (%)	34.7	32.8	186 bps	38.1	-341 bps	
	PBT	185	35	432.1	420	(55.9)	
	Adj. PAT	185	42	337.9	420	(55.9)	
V.I.P. Industries	Sales	6,325	6,389	-1.0	4,942	28.0	We expect revenue to be marginally lower by 1.0% YoY to Rs6,325mn in 1QFY26E. We expect GM of 47.3%, aided by by new launches, rising contribution from Bangladesh and pick-up in offline channel and an EBITDA margin of 9.8% for the quarter.
	EBITDA	620	493	25.7	65	853.6	
	Margin (%)	9.8	7.7	208 bps	1.3	848 bps	
	PBT	183	37	394.4	-369	NA	
	Adj. PAT	143	40	254.1	-316	NA	

Source: Company, PL

Exhibit 3: Valuation Summary

Company Names	S/ C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs mn)				EBITDA (Rs mn)				PAT (Rs mn)				EPS (Rs)				RoE (%)				PE (x)			
						FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E
Chalet Hotels	C	BUY	859	1,130	187.7	14,173	17,178	21,817	24,492	5,846	7,359	9,935	11,167	2,386	3,450	4,877	5,714	11.6	15.8	22.3	26.2	14.1	14.1	14.8	15.1	74.0	54.4	38.5	32.8
InterGlobe Aviation*	S	BUY	5,802	6,691	2,241.9	689.0	808.0	885.4	1,061.3	173.9	210.7	229.4	265.5	88.9	88.8	92.2	97.0	230.3	229.7	238.7	251.1	-418.3	156.2	66.9	42.4	25.2	25.3	24.3	23.1
IRCTC	S	BUY	785	864	628.2	42,602	46,748	53,163	57,292	14,660	15,498	17,820	19,884	11,696	12,670	14,183	15,711	14.6	15.8	17.7	19.6	41.0	36.8	35.0	32.2	53.7	49.6	44.3	40.0
Lemon Tree Hotels	C	BUY	147	175	116.2	10,711	12,861	14,466	16,127	5,232	6,341	7,476	8,458	1,485	1,966	2,691	3,438	1.9	2.5	3.4	4.3	16.3	18.5	20.7	21.7	78.3	59.1	43.2	33.8
Safari Industries (India)	C	BUY	2,230	2,386	109.0	15,504	17,716	20,612	24,553	2,775	2,250	3,195	3,904	1,758	1,428	2,124	2,593	36.1	29.2	43.4	53.0	28.1	16.1	20.2	20.4	61.8	76.4	51.3	42.1
Samhi Hotels	C	BUY	221	308	48.9	9,574	11,300	12,872	14,405	2,665	4,060	4,892	5,634	-1,614	816	1,798	2,511	-7.3	3.7	8.1	11.3	-139.8	7.5	11.8	12.0	-30.1	59.9	27.2	19.5
V.I.P. Industries	C	UR	422	NA	59.9	22,450	21,784	23,288	25,469	1,936	823	2,585	3,922	285	-766	754	1,877	2.0	-5.4	5.3	13.2	4.3	-11.8	11.5	24.3	210.0	-78.2	79.5	31.9

Source: Company, PL

S=Standalone / C=Consolidated

UR = Under Review

* Indigo figures are in bn & EBITDA is EBITDAR

Exhibit 4: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
						FY26E			FY27E			FY26E			FY27E			FY26E			FY27E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Chalet Hotels	BUY	BUY	1,130	1,130	0.0%	21,817	21,817	0.0%	24,492	24,492	0.0%	4,877	4,877	0.0%	5,714	5,714	0.0%	22.3	22.3	0.0%	26.2	26.2	0.0%
InterGlobe Aviation*	BUY	BUY	6,691	6,084	10.0%	885,403	885,403	0.0%	1,061,281	1,061,281	0.0%	92,220	92,220	0.0%	97,042	97,042	0.0%	238.7	238.7	0.0%	251.1	251.1	0.0%
IRCTC	BUY	BUY	864	864	0.0%	53,163	53,163	0.0%	57,292	57,292	0.0%	14,183	14,183	0.0%	15,711	15,711	0.0%	17.7	17.7	0.0%	19.6	19.6	0.0%
Lemon Tree Hotels	BUY	BUY	175	174	0.7%	14,466	14,318	1.0%	16,127	16,089	0.2%	2,691	2,631	2.3%	3,438	3,412	0.8%	3.4	3.3	2.3%	4.3	4.3	0.8%
Safari Industries (India)	BUY	BUY	2,386	2,437	-2.1%	20,612	20,763	-0.7%	24,553	25,080	-2.1%	2,124	2,139	-0.7%	2,593	2,649	-2.1%	43.4	43.7	-0.7%	53.0	54.2	-2.1%
Samhi Hotels	BUY	BUY	308	313	-1.6%	12,872	12,872	0.0%	14,405	14,405	0.0%	1,798	1,798	0.0%	2,511	2,511	0.0%	8.1	8.1	0.0%	11.3	11.3	0.0%
V.I.P. Industries	UR	BUY	NA	404	NA	23,288	23,288	0.0%	25,469	25,957	-1.9%	754	754	0.0%	1,877	1,913	-1.9%	5.3	5.3	0.0%	13.2	13.5	-1.9%

Source: Company, PL

C=Current / P=Previous

UR = Under Review

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	BUY	1,130	875
2	Delhivery	BUY	444	410
3	DOMS Industries	BUY	3,087	2,456
4	Imagicaaworld Entertainment	BUY	93	66
5	Indian Railway Catering and Tourism Corporation	BUY	864	775
6	InterGlobe Aviation	BUY	6,084	5,462
7	Lemon Tree Hotels	BUY	174	139
8	Mahindra Logistics	Hold	312	364
9	Navneet Education	Hold	145	143
10	Nazara Technologies	Hold	1,241	1,357
11	PVR Inox	Hold	1,045	972
12	S Chand and Company	BUY	286	229
13	Safari Industries (India)	BUY	2,437	1,960
14	Samhi Hotels	BUY	313	192
15	TCI Express	Hold	778	744
16	V.I.P. Industries	BUY	404	338
17	Zee Entertainment Enterprises	BUY	179	146

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Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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