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Today's topic:

Decoding Hotels industry - The Asset Right way

Upcoming FOFs:

- 13th March, 2025 | Thursday
- 24th April, 2025 | Thursday

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Cast of Characters

- The Grand Old Warriors
- The Regional Legends
- The Global Goliaths
- The HNW Hotel-Owner
- The Real Estate Owner
- The Institutional Investor
- The Government
- The Heritage Set
- The Disruptors



9,173

Properties



16,76,335

Rooms



Marriott
INTERNATIONAL



51

Properties

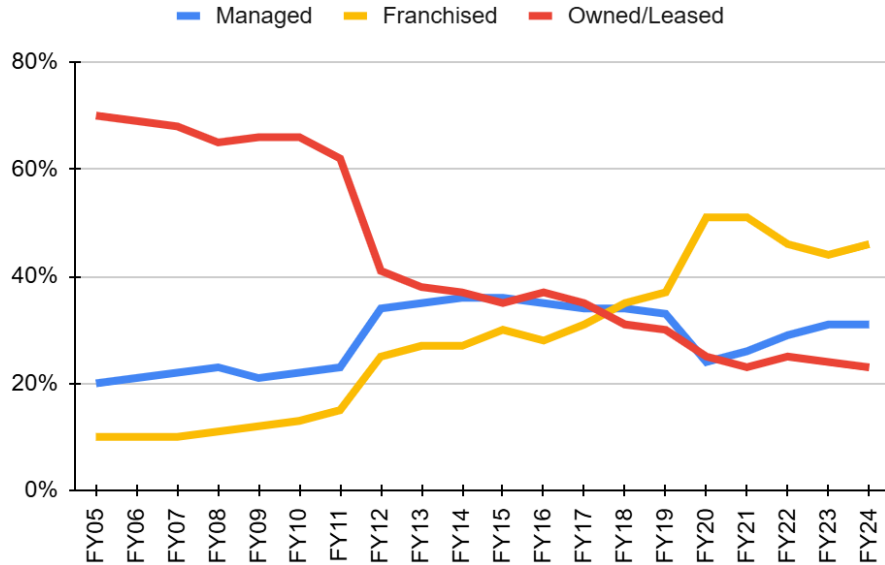


14,312

Rooms

Revenue split by ownership

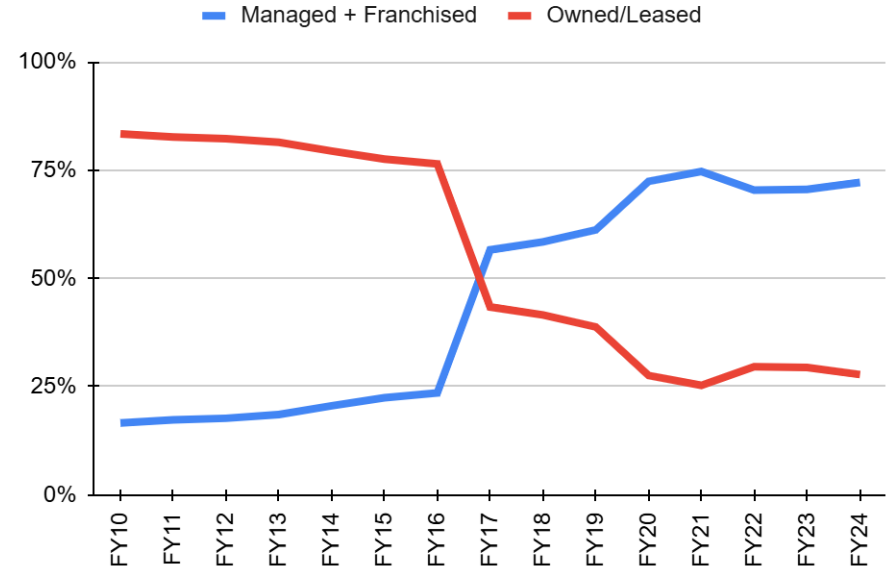
Marriott



Note: Owned/Leased includes Timeshare, which Marriott spun off in 2011.

Source: Company Reports

Hilton



Note: In 2017, Hilton spun off the bulk of its real estate business into a REIT and its Timeshare business as 2 separate publicly traded companies.

Source: Company Reports

But what does Managed and Franchised mean?

1. Owning the Asset
2. Managing the Asset
3. Branding the Asset

The Taj Mahal Palace, Mumbai



JW Marriot Sahar, Mumbai

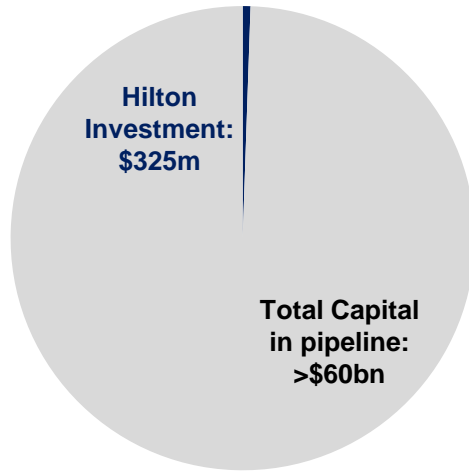


Four Points by Sheraton, Navi Mumbai



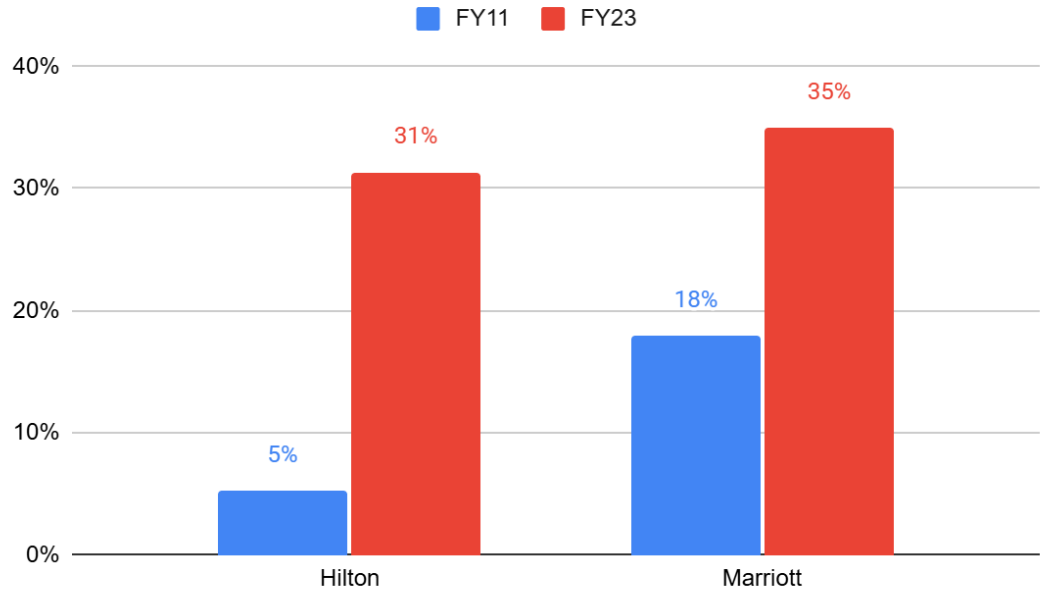
What's in it for the Brand?

Hilton own investment vs pipeline



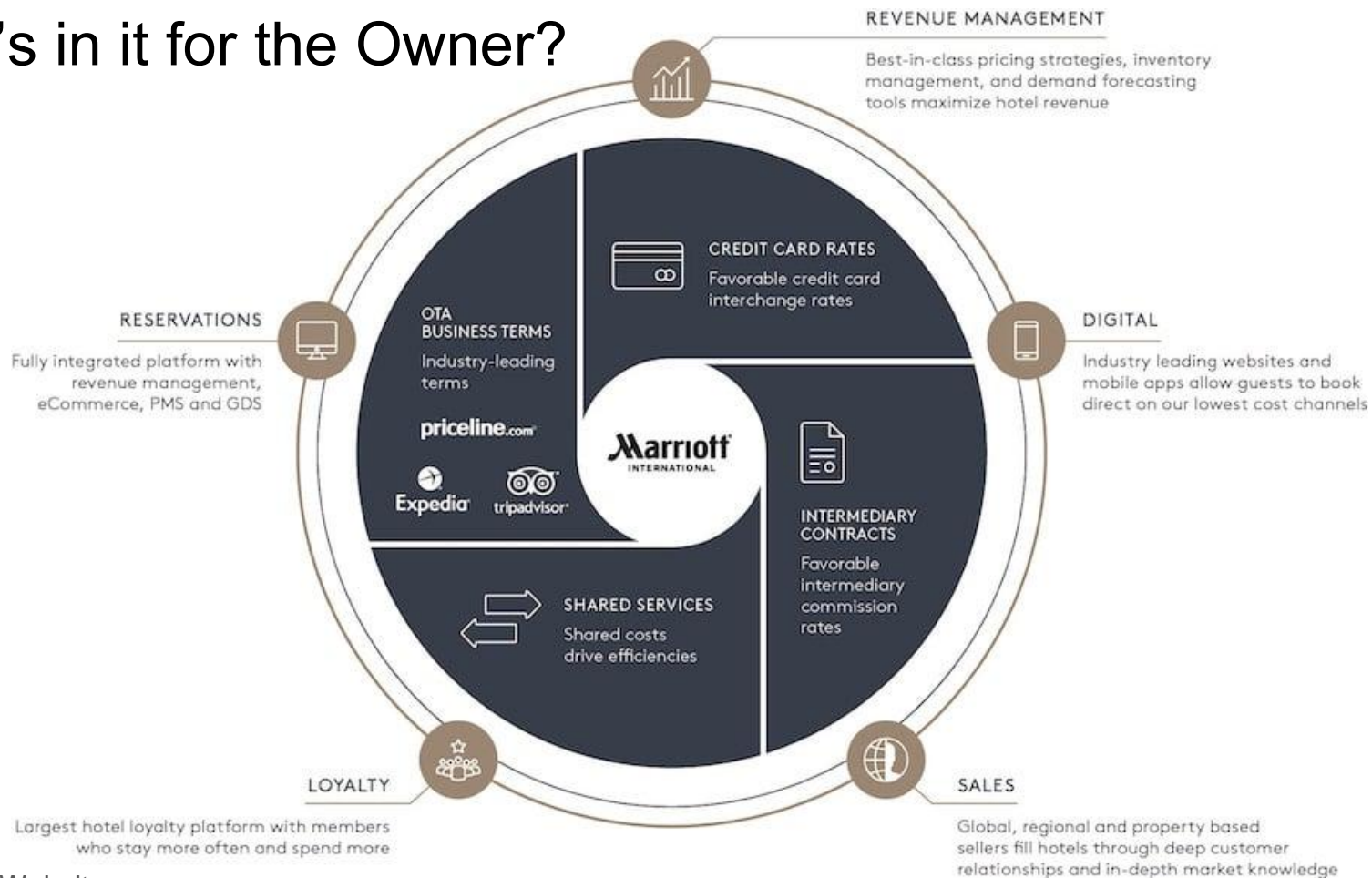
Source: As of Oct 2024, per Hilton Disclosure

ROCE



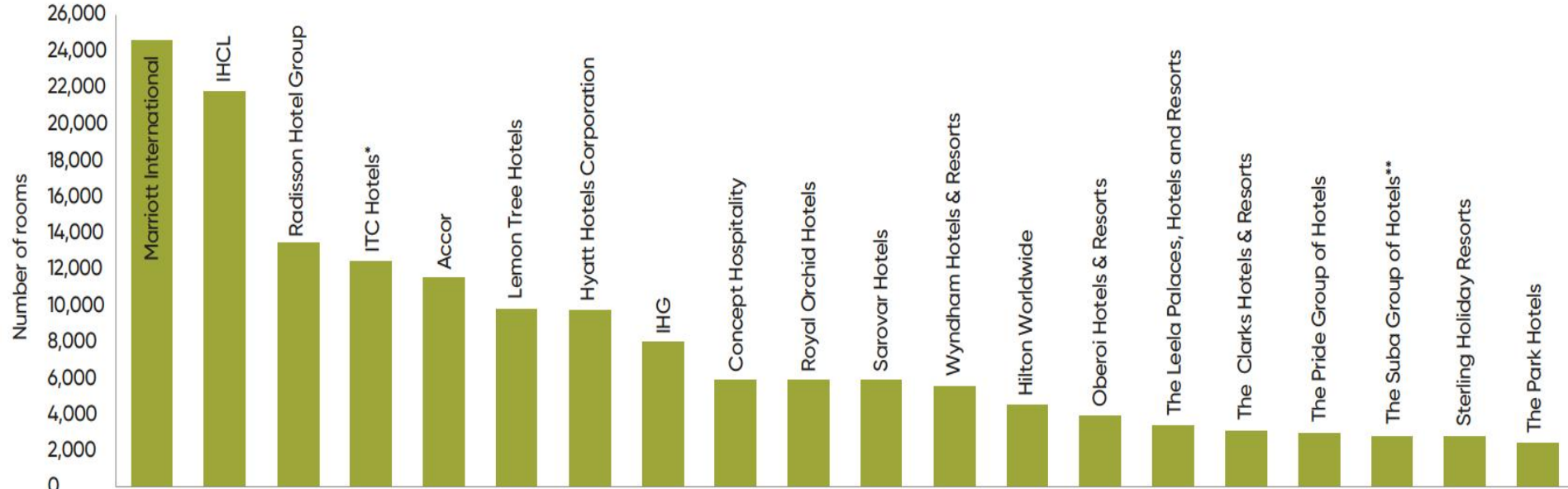
Source: Company Reports

What's in it for the Owner?



Is it that simple?

Top 20 Hotel Brands by Existing Inventory (August 2024)



* ITC Hotels includes Fortune Hotels, Luxury Collection and WelcomHeritage

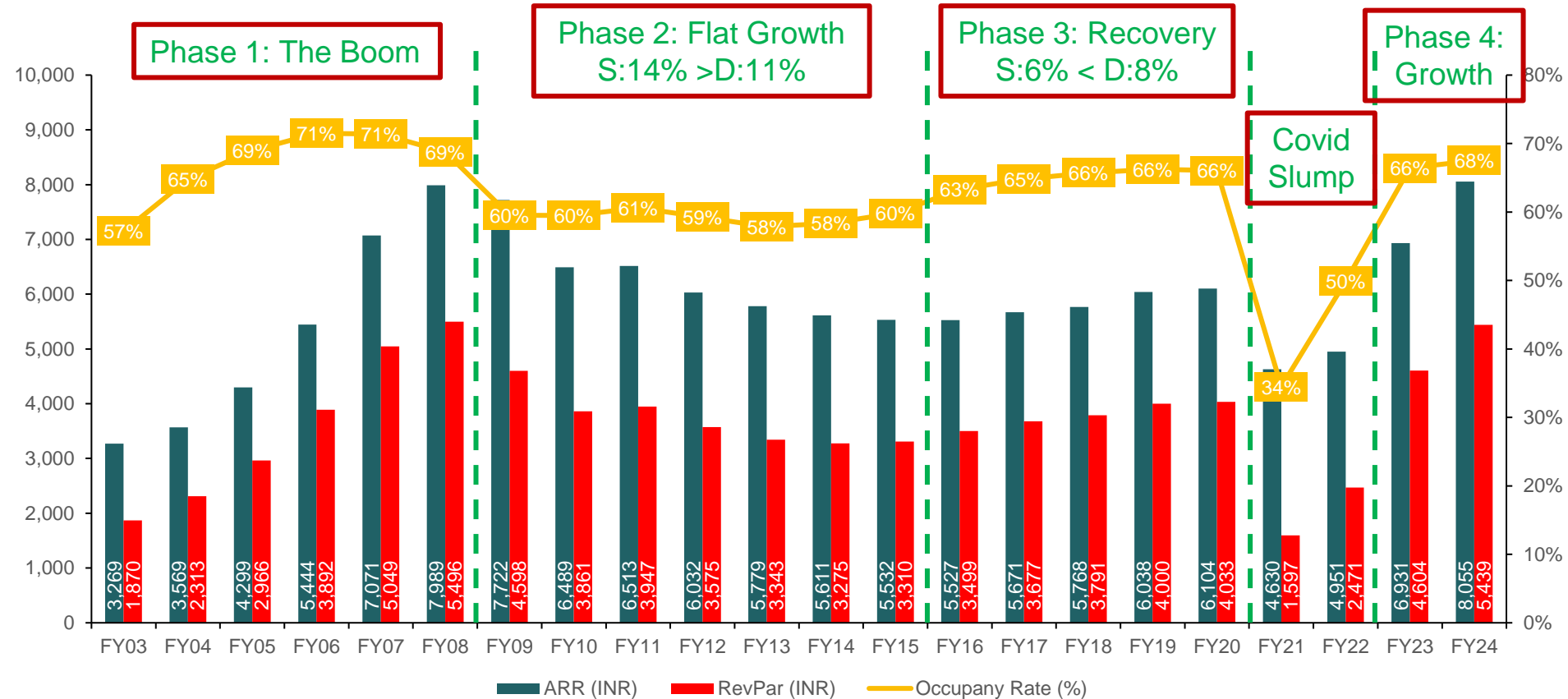
** Suba Group of Hotels includes Choice Hotels

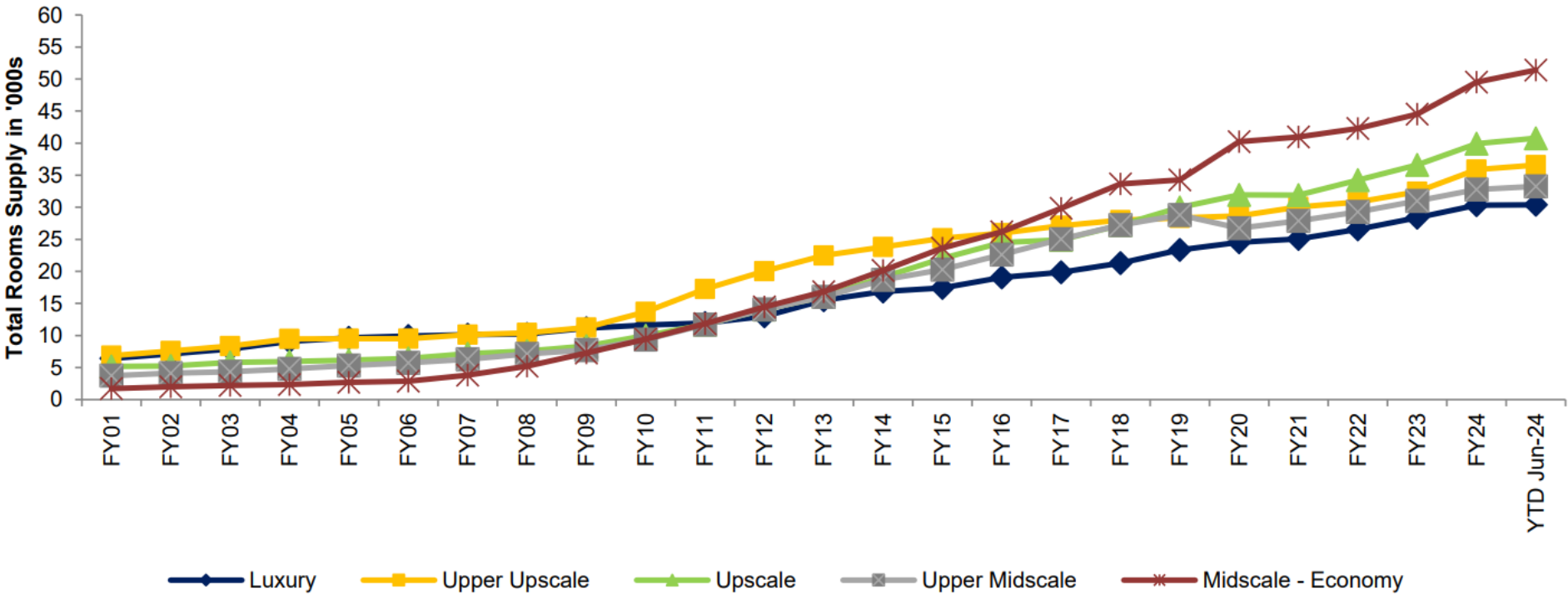
Source: Hotelivate Research

Key Terms

- ARR - Average Room Rate
- Occupancy Rate (%)
- RevPAR - Revenue Per Available Room = $ARR \times \text{Occupancy Rate}$

India's Historical Performance



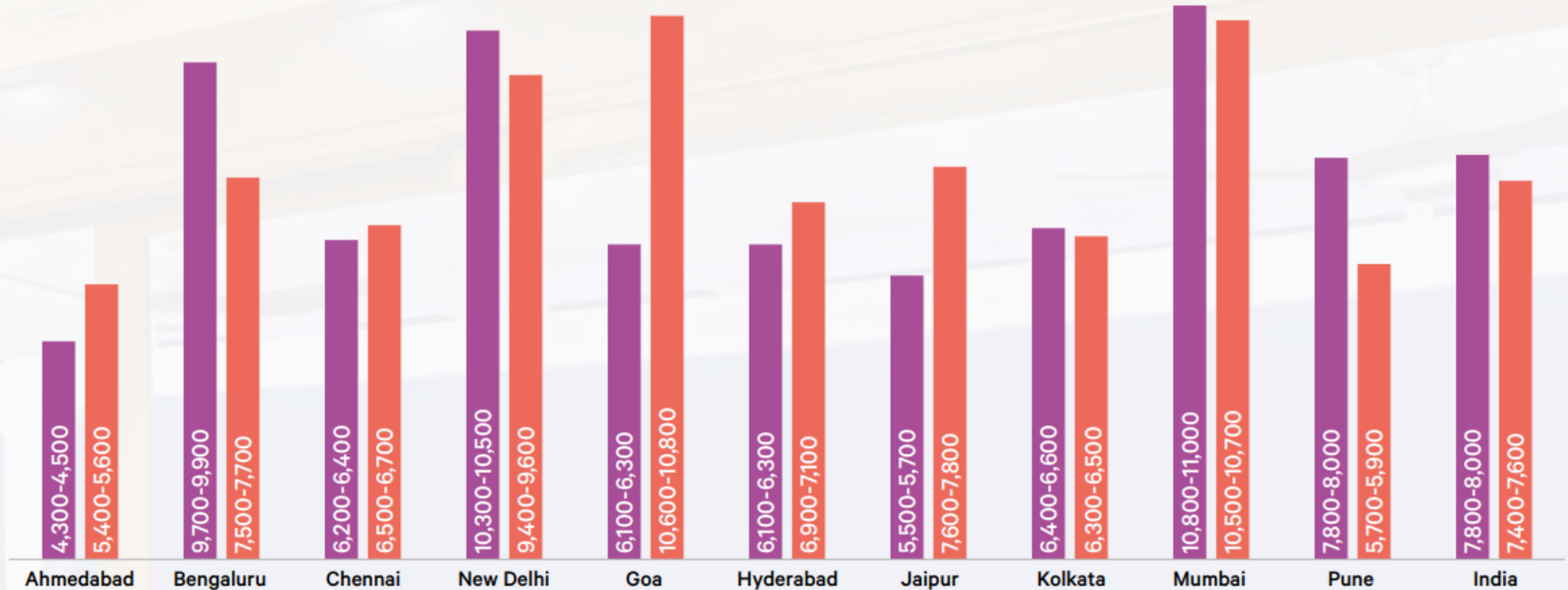


Source: Horwath HTL – Brigade Hotels DRHP

Hotel Sector Performance in 2007 vs 2023

Average Rate 2007 vs 2023

■ Average Rate 2007 ■ Average Rate 2023

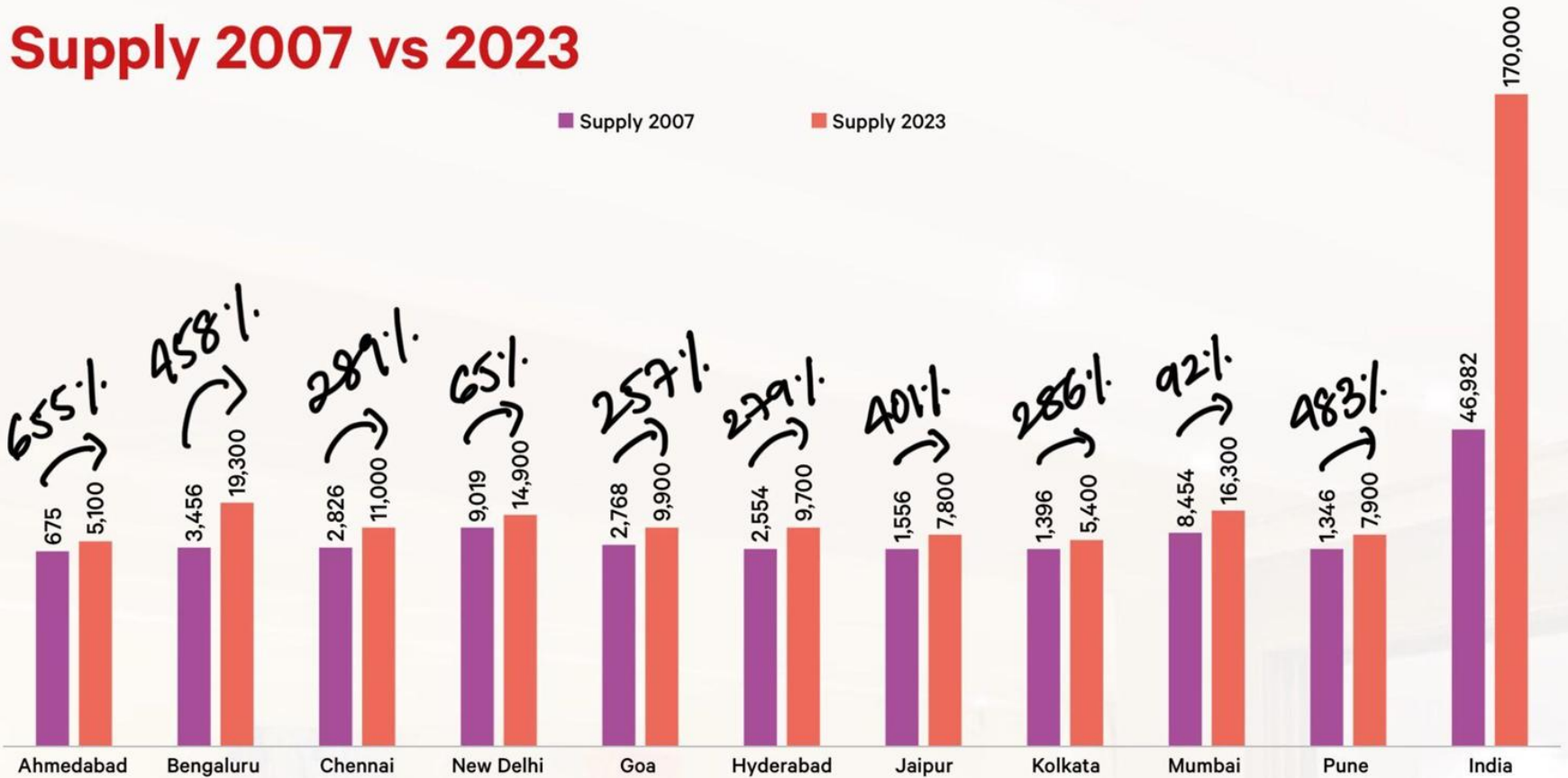


Source: STR, HVS Research; all the data is for the calendar year and represents averages for the respective markets

Supply 2007 vs 2023

Supply 2007

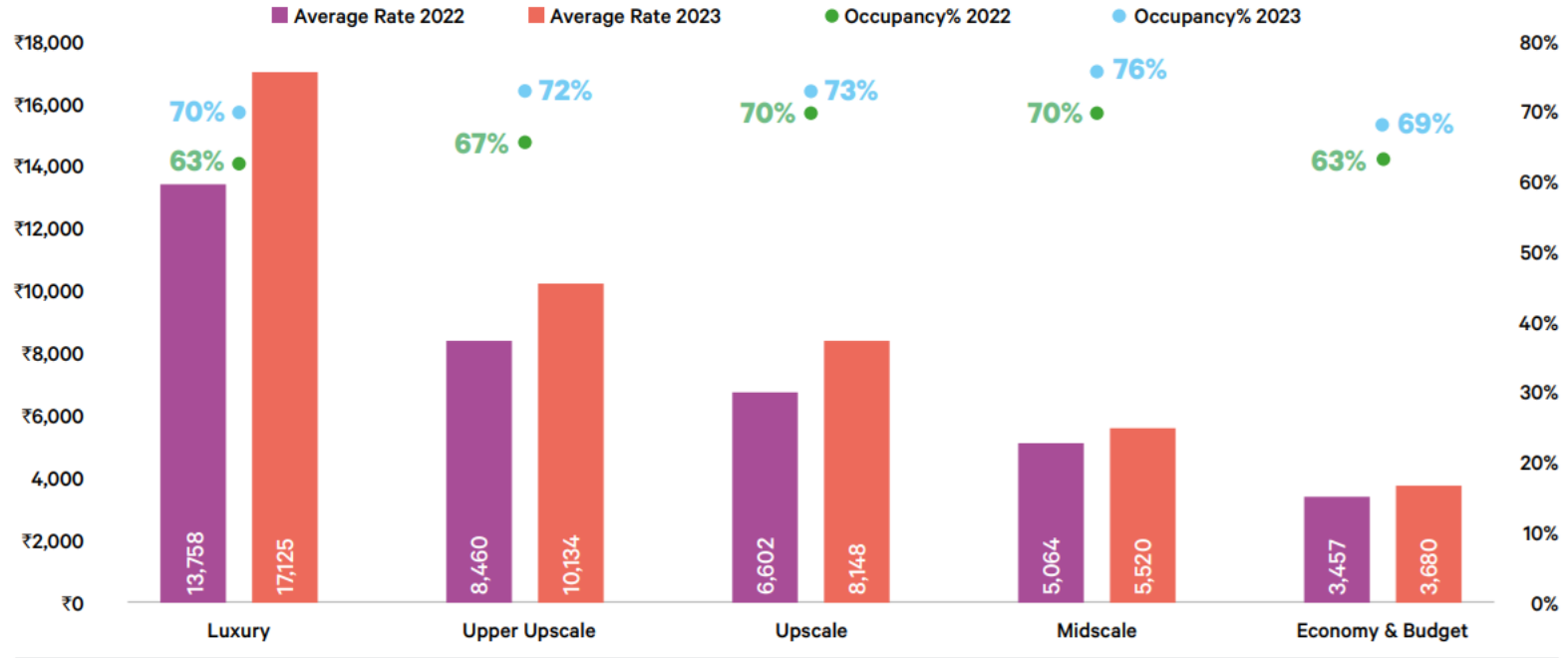
Supply 2023



Source: STR, HVS Research; all the data is for the calendar year

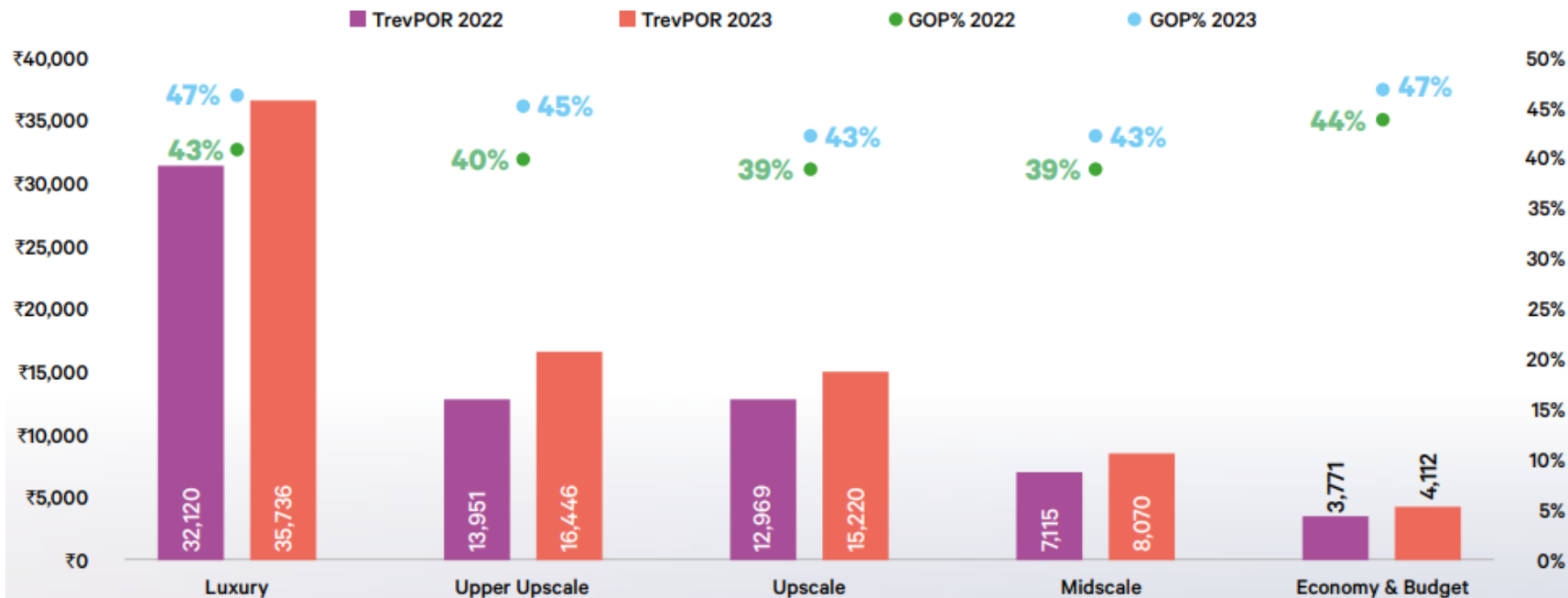
Key Metrics by Hotel Positioning

Average Rates (in INR) and Occupancy (in %)



Occupancy rates grew at an average of 8% across segments despite ARR growing at a significantly higher average pace of 16.6%.

Total Revenue per Occupied Room (in INR) and GOP (%)



Source: HVS Research; all the data is for the calendar year and represents averages for the respective segment sample

International vs Domestic Brands Signing



By Keys



By Properties



Avg. Room Count (Keys)

2023

56% Domestic
44% International

72% Domestic
28% International

70 Domestic
138 International

2022

64% Domestic
36% International

75% Domestic
25% International

68 Domestic
119 International

2021

63% Domestic
37% International

78% Domestic
22% International

65 Domestic
133 International

2020

55% Domestic
45% International

61% Domestic
39% International

82 Domestic
108 International

2019

50% Domestic
50% International

67% Domestic
33% International

71 Domestic
140 International

Signings by Contract Type



BY KEYS

	Managed	Franchised	Leased	Others
2023	84%	12%	2%	2%
2022	80%	14%	3.7%	2.3%
2021	79%	16%	3.5%	1.5%
2020	80%	17%	3%	---
2019	76%	14%	4%	6%

Source: HVS Research

Signings by Development Status



BY KEYS

	Greenfield	Brownfield	Conversion	Expansion to Existing Signing
2023	47.6%	36.2%	15.3%	0.9%
2022	35.8%	36.5%	27.7%	---
2021	32%	48%	20%	---
2020	39%	40%	21%	---
2019	53%	25%	22%	---

*Expansion to existing signing accounted for the rest
Source: HVS Research

Signings by Market Positioning & Market Segment

Year	By Keys			
	Economy	Midscale	Upper Upscale & Upscale	Luxury
2023	3%	52%	33%	12%
2022	8%	37%	41%	14%
2021	11%	44%	32%	13%
2020	11%	41%	37%	11%
2019	16%	38%	35%	11%

Year	By Keys		
	Commercial	Leisure	Mixed
2023	54%	36.5%	9.5%
2022	52%	43%	5%
2021	50%	42%	8%
2020	49%	41%	10%
2019	63%	30%	7%

Long-term Structural Tailwinds

DEMAND

India's Economic Growth

\$7 Tn

3rd Largest Economy

(Source: Figure for 2030, Chief Economic Advisor, Govt. of India)

Growing Middle Class

31% → 38%

of popn. from '24 to '30

(Source: Skift Research)

Rising Disposable Incomes

↑50%

Disp. Income ('24-→'30)

(Source: Trading Economics)

Strong Demand Growth

9-11%

Future CAGR

(Source: Horwath)

FTA Recovery & Growth

25 Mn

from 10.9 Mn (2019)

(Source: Trading Economics)

SUPPLY

India is Underpenetrated

0.2 Mn

Hotel rooms (4% of US)

(Source: Hotelivate)

Govt. Focus on Infra Sector

\$2 Tn

Govt. spend (2024-30)

(Source: CRISIL)

New Destinations

75%

New hotels in Tier 2/3/4

(Source: Hotelivate)

Lower Supply Growth

6-8%

Future CAGR

(Source: Hotelivate)

Focus on MICE, Conventions

18%

CAGR till 2030

(Source: Coherent Market Insights)

...been Added To The Queue...

715597 people ahead of you
Queue status last updated at 2:03:30 PM IST

COLDPLAY

MUSIC *of the* SPHERES

WORLD TOUR

MYSTERY GUEST
TO BE ANNOUNCED

DR. RAJESH PATIL STADIUM
MUMBAI

18 & SUN 19 JANUARY

GET TICKETS EXCLUSIVELY ON

MUSIC

10 OCTOBER

COM

Coldplay gives India's largest concert ever with 1.34 lakh fans, more than Diljit-Justin Bieber's biggest shows combined

By Abhimanyu Mathur

Jan 27, 2025 10:33 AM IST



Coldplay's Ahmedabad concert on Republic Day set a new record for India's largest concert ever with 1.34 lakh people in attendance.

Coldplay's Ahmedabad concert causes surge in hotel price, fans complain 'rooms going for Rs 50K to Rs 1 Lakh a night'

TOI Entertainment Desk / etimes.in / Updated: Nov 22, 2024, 14:24 IST



Coldplay Mumbai Concert 2025: Hotel prices in Navi Mumbai touch ₹90,000 for a night, booked for the weekend

By HT Real Estate News

Jan 18, 2025 12:48 PM IST



Coldplay's concert on January 18, 19 and 21 in Navi Mumbai has led to hotel prices shooting up to anything between ₹25,000 to close to ₹90,000 a night

Plan Your Wedding

At The Oberoi Udaivilas, Udaipur

A billion-dollar affair: How Ambanis splurged Rs 5,000 cr for their youngest son's wedding

Weddings get more expensive: Average spends rise 28% in the last two years to ₹32-35 lakh says report

Average wedding expenses in 2024 rose 14% to ₹32-35 lakh, driven by demand for personalized celebrations. Weddings now feature larger guest lists and more weekday ceremonies. Emerging destinations like Nainital and Dehradun are gaining popularity, while November remains the top wedding month.

Varuni Khosla

Published • 5 Feb 2025, 09:00 AM IST

Long Story

Condé Nast Traveller India

At Rs2-4 lakh per guest, this could be India's most expensive wedding destination

A wedding in Udaipur can cost you as much or more than one in Europe or Thailand. But there's a good reason for it, say the people who make...

27 Jan 2023

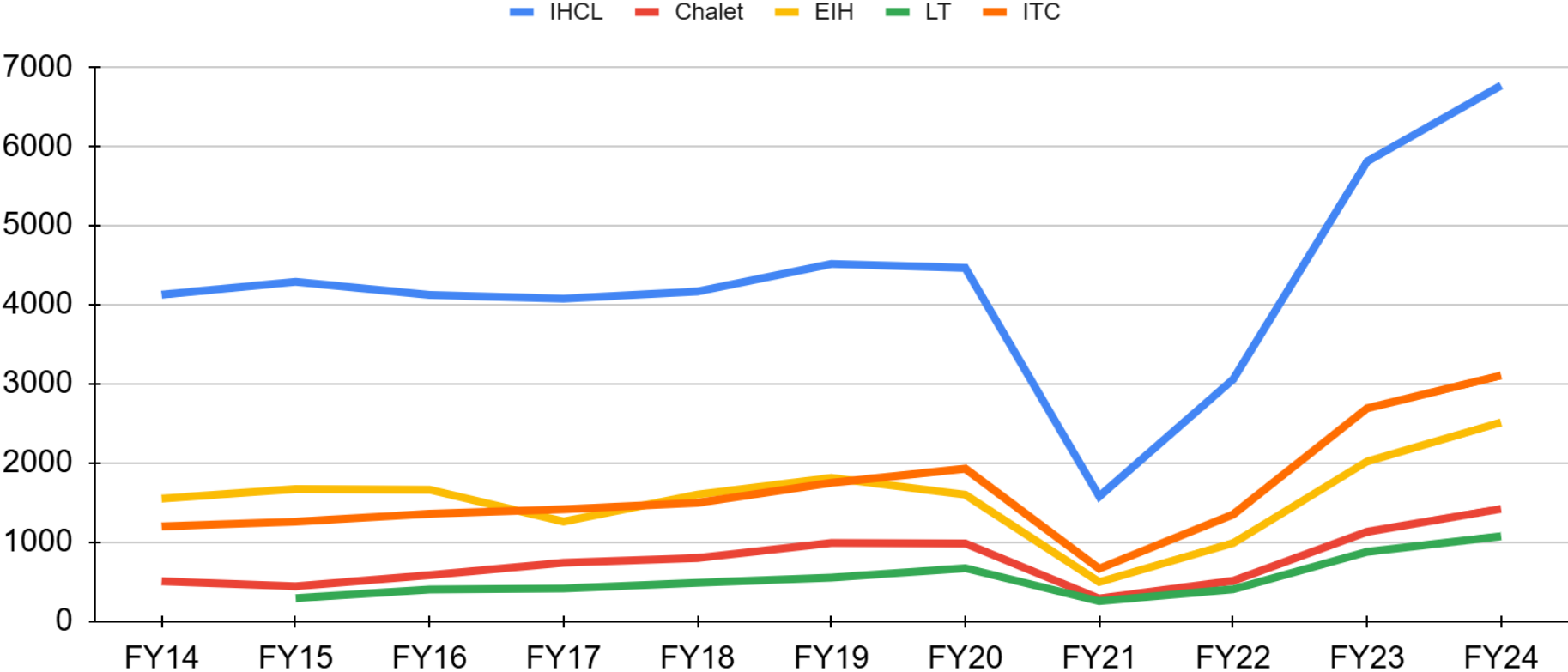
Other Key Trends in the Hotel Sector

- MICE (Meetings, Incentives, Conventions and Exhibitions) activity and Global events - a huge opportunity
- Championing Sports Tourism
- Elevating Luxury Wellness Resorts
- Religious Tourism

Comparative Analysis

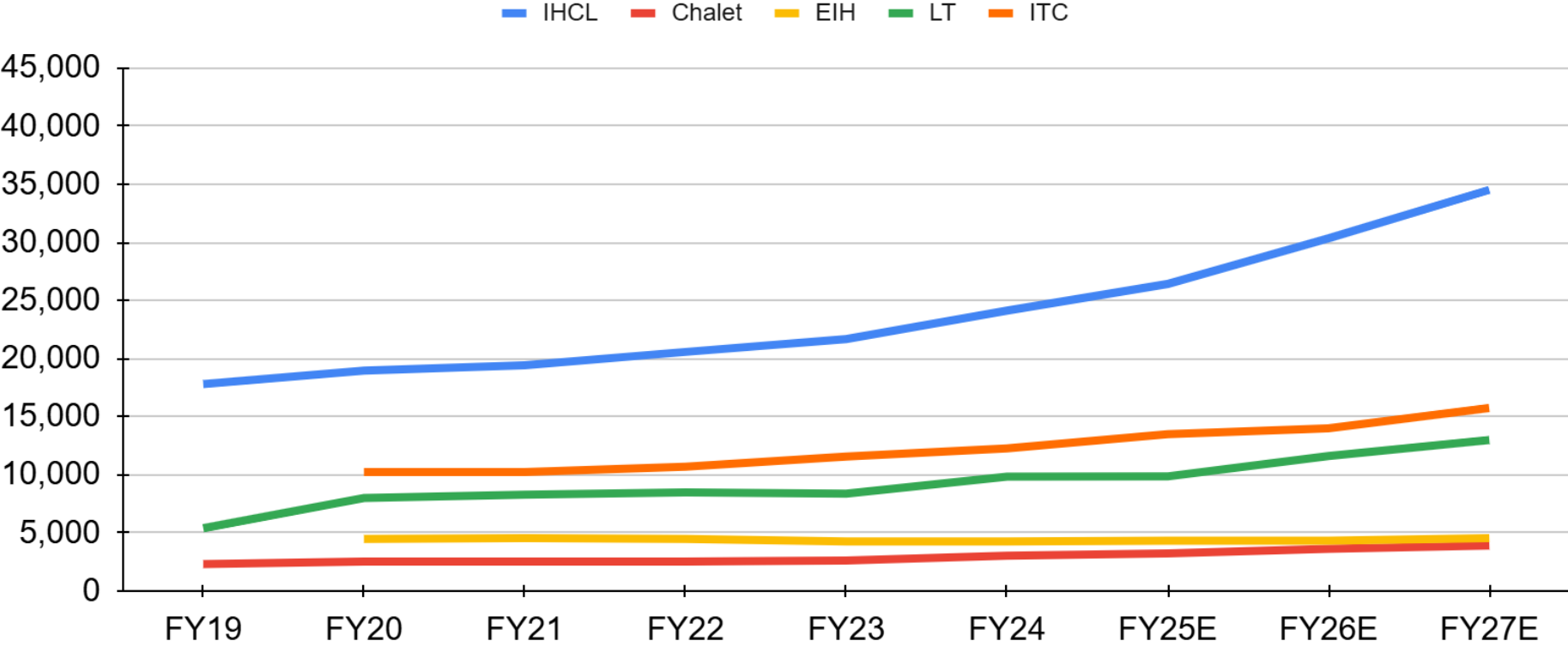
IHCL, EIH, ITC, Chalet & Lemon Tree

Revenue (in cr)



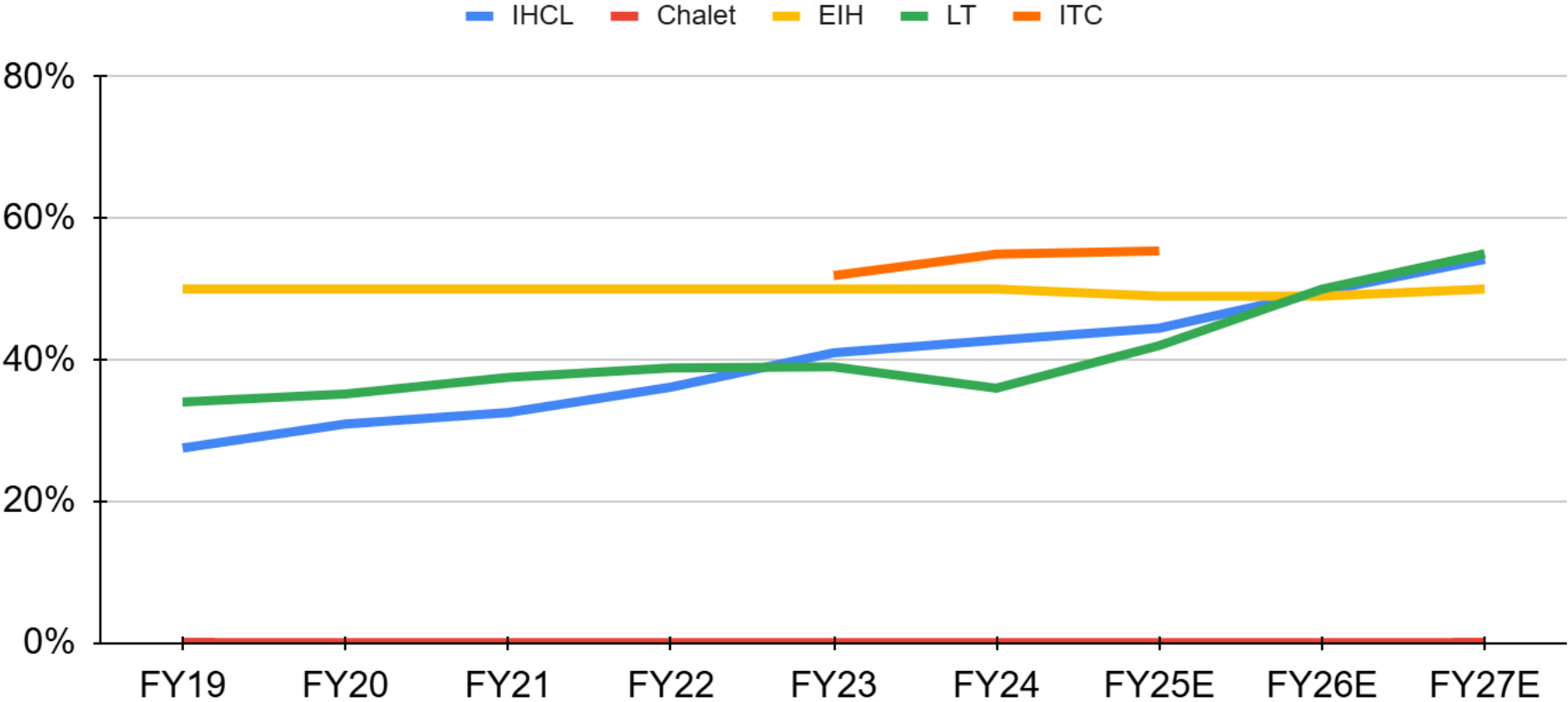
Source: Company Reports

No of Operational Keys



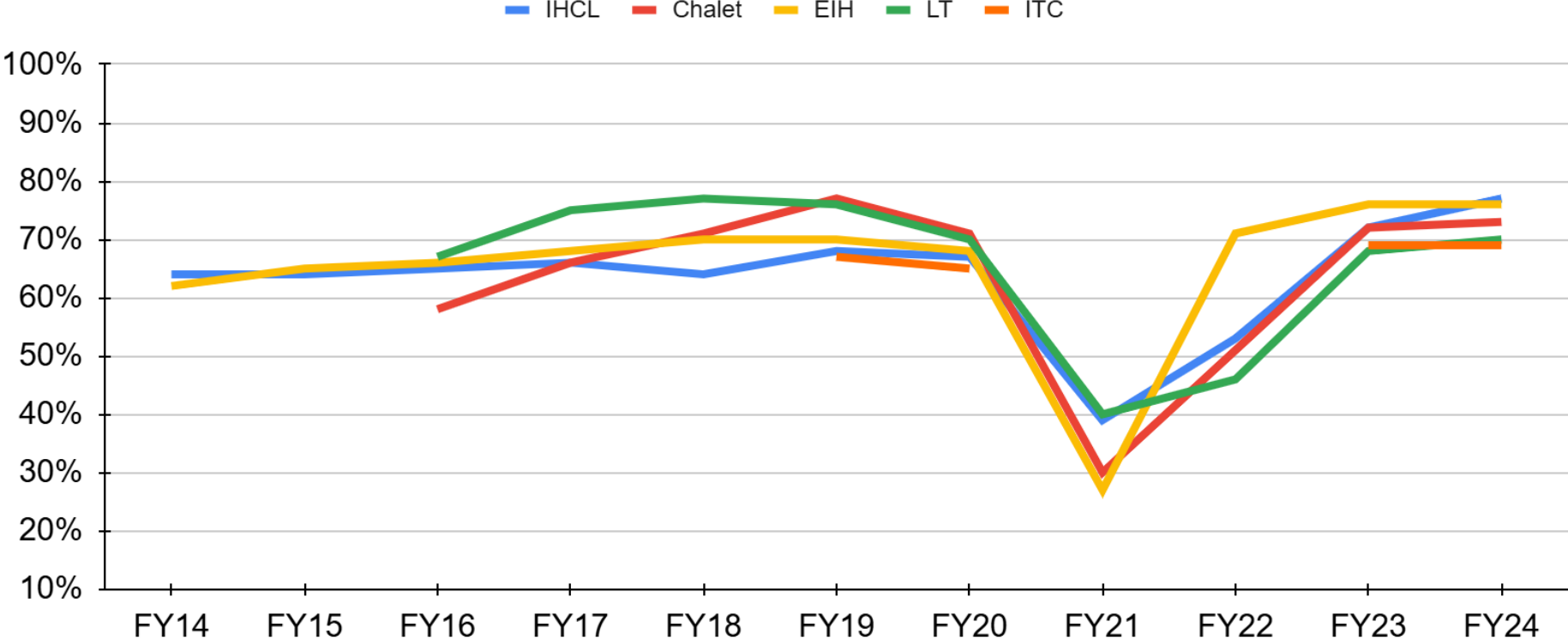
Source: Company Reports

Managed Keys Share



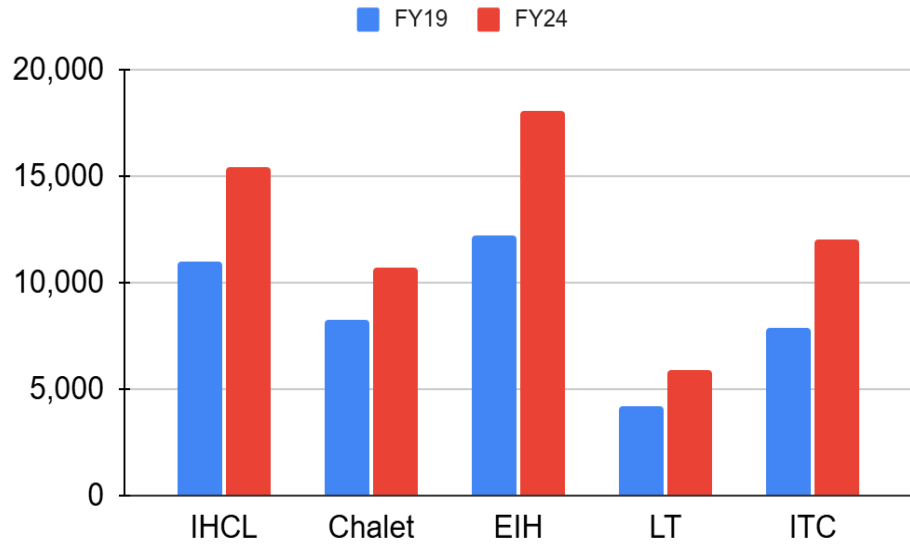
Source: Company Reports

Occupancy Rates (%)

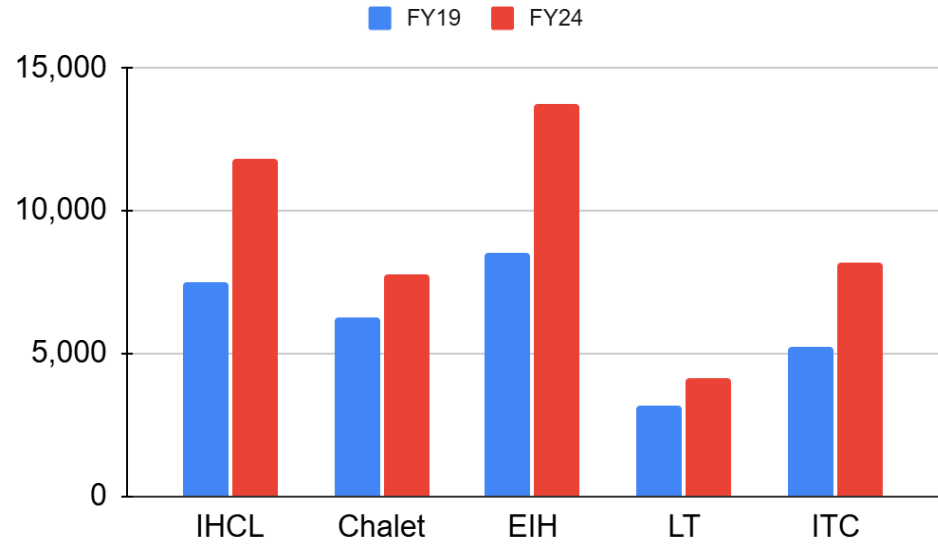


Source: Company Reports

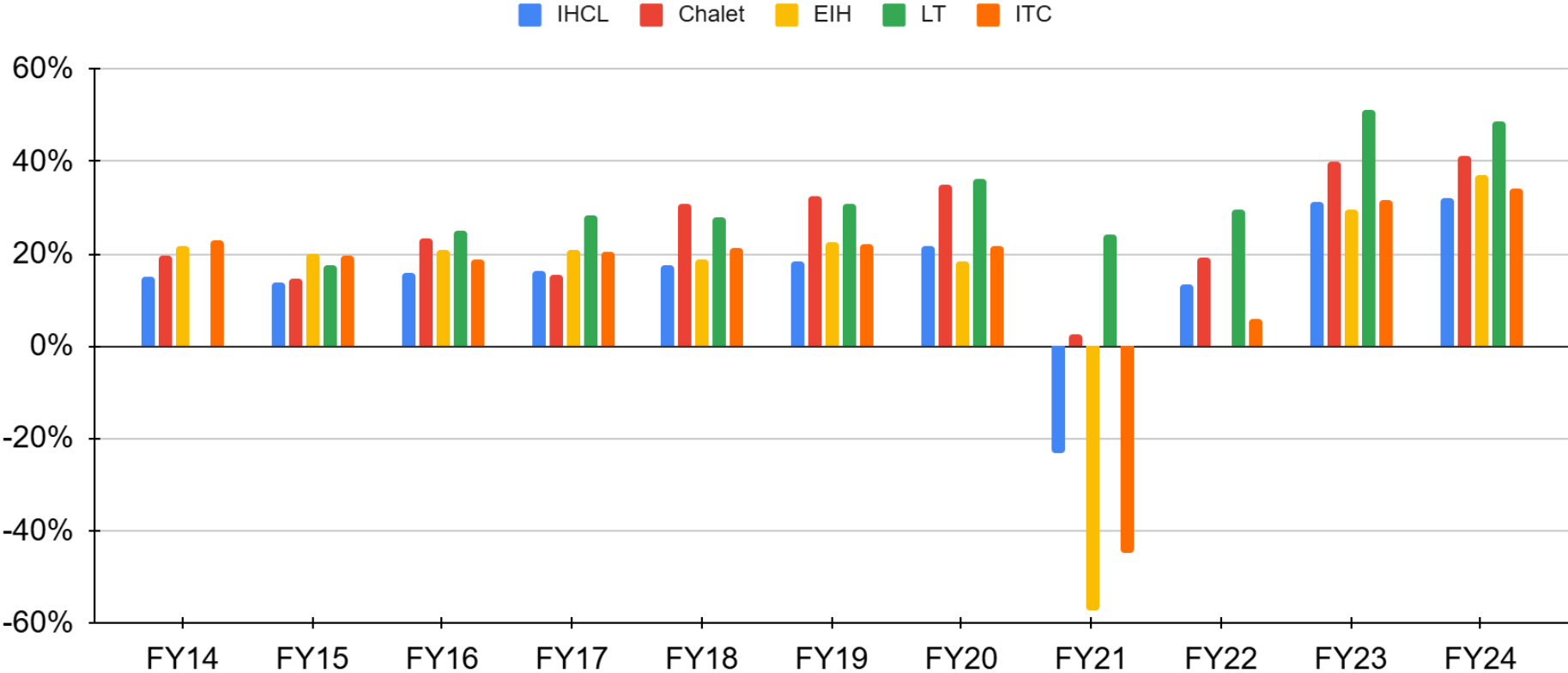
ARR



RevPAR

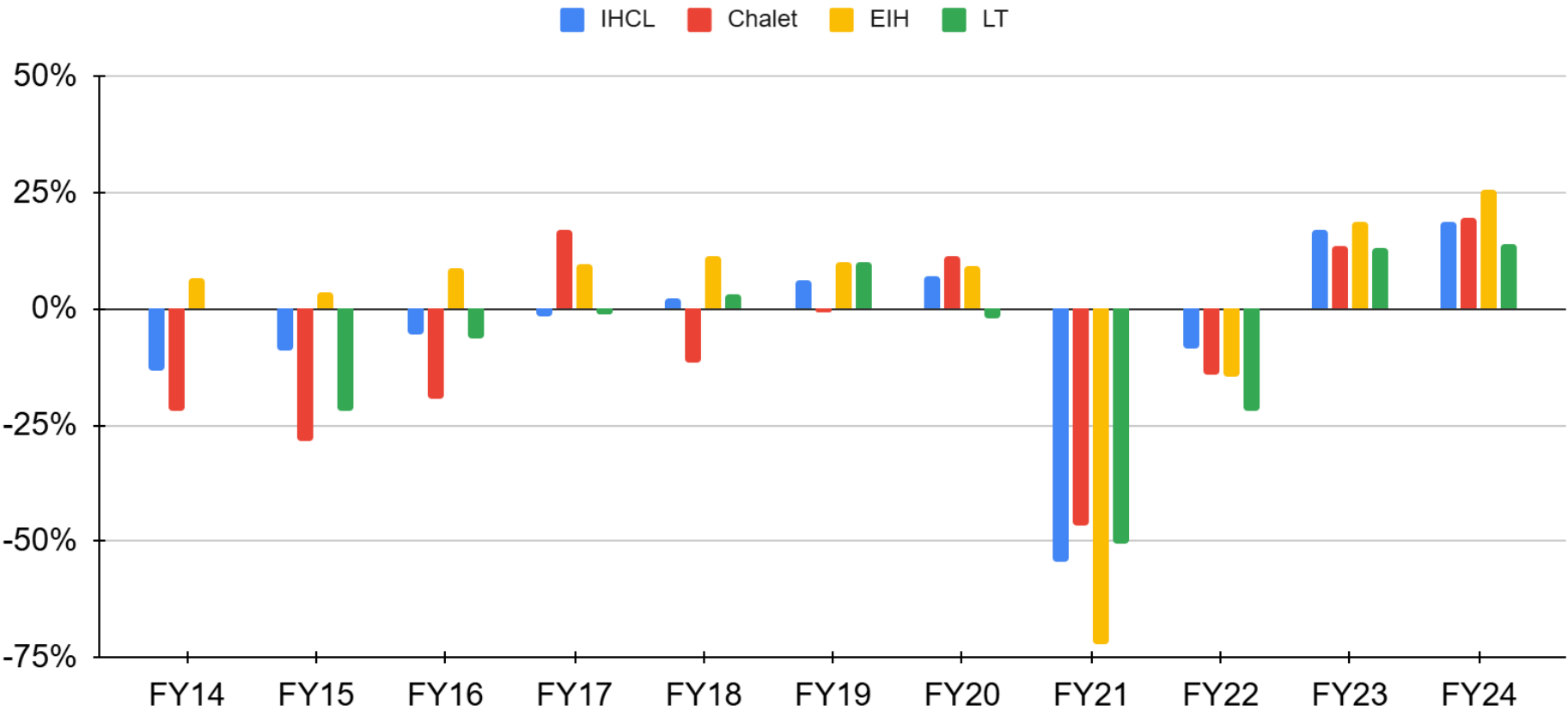


EBITDA Margins (%)



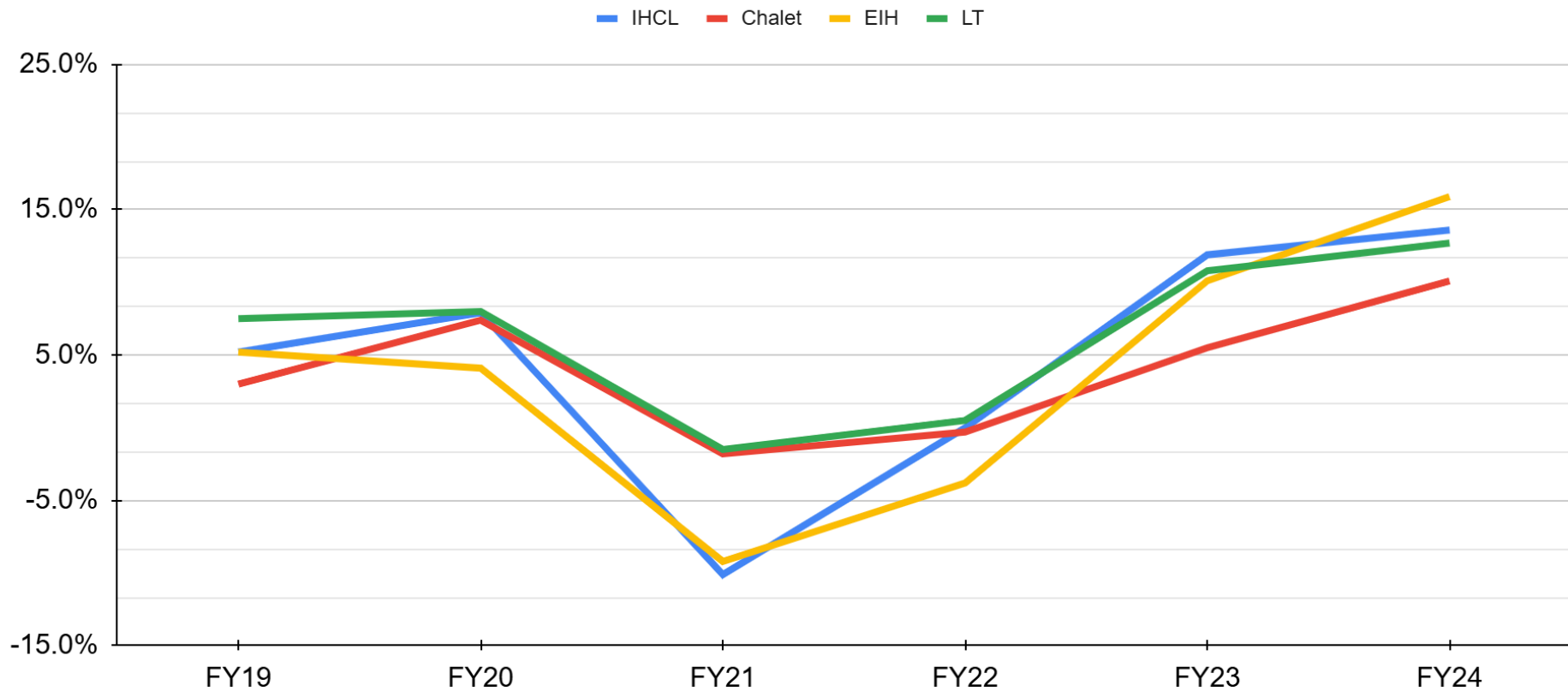
Source: Company Reports

PAT Margins (%)

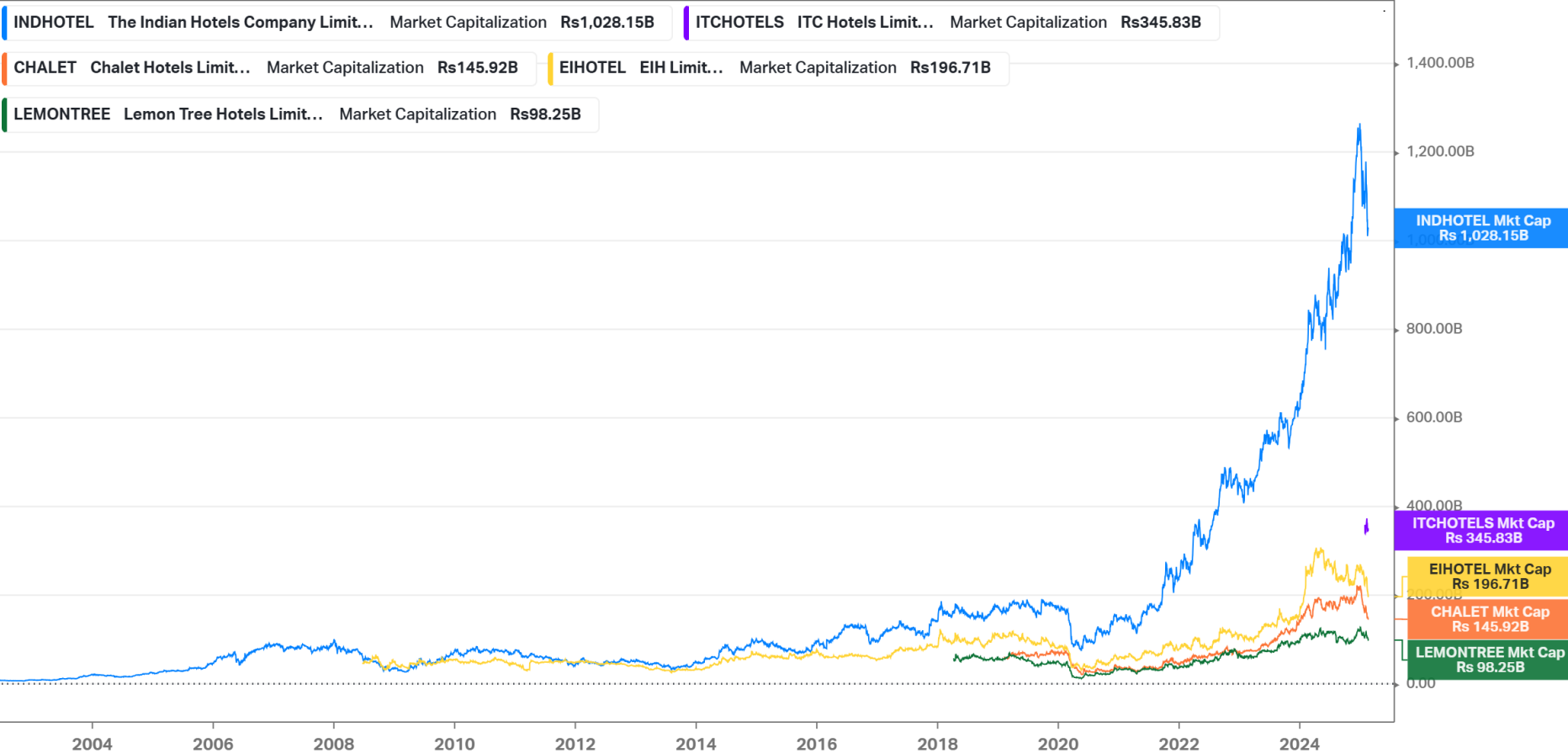


Source: Company Reports

ROCE (%)



Market Capitalisation (Rs Bn)



Source: KoyFin (as on 19/02/2025)

Valuation Comparison



Source: KoyFin (as on 19/02/2025)

IPOs



VENTIVE
HOSPITALITY

VENTIVE HOSPITALITY LIMITED



JUNIPER
HOTELS

JUNIPER HOTELS LIMITED



SAMHI HOTELS LIMITED

THE
PARK



APEEJAY
SURRENDRA
PARK HOTELS

APEEJAY SURRENDRA PARK HOTELS LIMITED



THE LEELA
PALACES HOTELS RESORTS

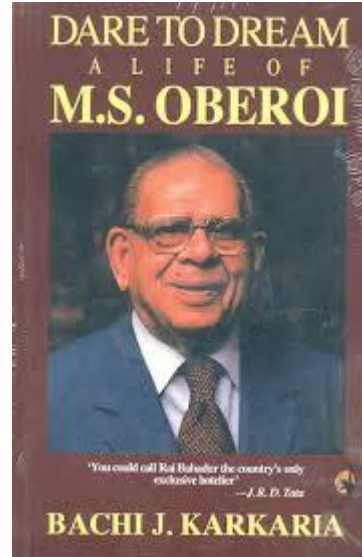
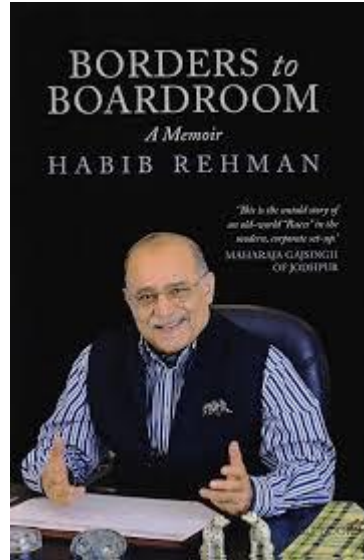
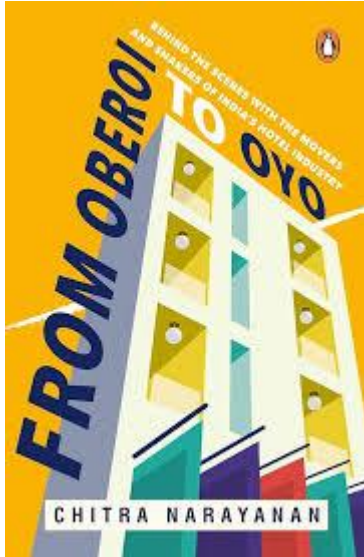
SCHLOSS BANGALORE LIMITED



BRIGADE

BRIGADE HOTEL VENTURES LIMITED

References



Hotel, Tourism and Leisure

HVS



Thank You

Any Questions?

Figure 16: Key Operating Statistics by Hotel Classification - Average Rate (₹)

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23*	2023/24
Overall Average	4,299	5,444	7,071	7,989	7,722	6,489	6,513	6,032	5,779	5,611	5,532	5,527	5,671	5,768	6,038	6,104	4,630	4,951	6,931	8,055
Five-star Deluxe	5,606	7,168	9,778	11,200	11,096	9,277	9,350	9,189	8,982	8,727	8,815	8,881	10,099	10,260	10,660	10,679	8,293	8,914	13,026	15,655
Five-star	3,897	4,985	6,506	7,652	7,268	6,410	6,380	6,135	5,881	5,720	5,559	5,484	6,051	6,088	6,280	6,451	5,166	5,169	7,308	8,756
Four-star	3,088	3,847	5,111	5,722	5,745	4,638	4,905	4,905	4,691	4,474	4,361	4,424	4,505	4,635	4,713	4,827	3,694	4,037	5,548	6,255
Three-star	1,830	2,212	3,012	3,488	3,530	3,255	3,348	3,354	3,252	3,083	3,039	3,155	3,016	3,200	3,371	3,474	2,703	2,920	4,026	4,417
Two-star								1,714	1,849	2,063	2,063	2,122	2,049	2,245	2,524	2,589	2,080	2,358	3,149	3,416

Figure 17: Key Operating Statistics by Hotel Classification - RevPAR (₹)

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23*	2023/24
Overall Average	2,966	3,892	5,049	5,496	4,598	3,861	3,947	3,575	3,343	3,275	3,310	3,499	3,677	3,791	4,000	4,033	1,597	2,471	4,604	5,439
Five-star Deluxe	4,003	5,290	7,138	8,030	6,933	5,715	5,694	5,491	5,398	5,231	5,438	5,715	6,560	6,825	7,125	7,103	2,645	4,377	8,762	10,829
Five-star	2,771	3,509	4,567	5,142	4,250	3,756	3,949	3,626	3,257	3,185	3,178	3,355	3,876	4,015	4,132	4,334	1,679	2,590	4,899	5,983
Four-star	2,217	2,797	3,665	3,942	3,362	2,797	2,977	2,942	2,718	2,643	2,669	2,840	2,975	3,099	3,151	3,223	1,393	2,127	3,741	4,241
Three-star	1,038	1,458	2,075	2,257	1,985	1,806	1,959	1,909	1,848	1,786	1,817	2,044	1,965	2,083	2,268	2,245	938	1,399	2,619	2,912
Two-star								1,110	1,091	1,258	1,190	1,281	1,285	1,327	1,553	1,563	803	1,049	1,929	2,160