RATING BUY | CMP INR 116 | TP INR 156

PL Capital PRABHUDAS LILLADHER

Apeejay Surrendra Park Hotels (PARKHOTE IN)

Q1FY27 Result Update

August 18, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	156		165	
Sales (INR mn)	8,141	9,673	8,214	9,854
% Chng.	*(0.9)*	*(1.8)*		
EBITDA (INR mn)	2,525	3,159	2,641	3,313
% Chng.	*(4.4)*	*(4.6)*		
EPS (INR)	4.4	5.7	5.0	6.5
% Chng.	*(12.0)*	*(12.3)*		

Key Data APEJ.BO | PARKHOTE IN

BSE Code	544111
NSE Code	PARKHOTELS
52-W High / Low	INR 164 / INR 95
Face Value	1
Sensex / Nifty	77,728 / 24,288
Market Cap	INR 25 bn / $ 260 mn
Shares Outstanding	213.37 mn
3M Avg. Daily Value	INR 21.93 mn

Shareholding Pattern (%)

Promoters	68.22
FIIs	4.07
Mutual Funds	7.19
Domestic Institutions	1.61
Public & Others	18.92
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(7.5)	(2.6)	(9.8)	(22.9)
Relative	(7.0)	(5.6)	(2.8)	(19.4)

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	6,315	7,073	8,141	9,673
EBITDA (INR mn)	2,045	2,180	2,525	3,159
Margin (%)	*32.4*	*30.8*	*31.0*	*32.7*
PAT (INR mn)	914	696	933	1,226
EV (INR mn)	25,721	27,570	28,453	29,640
Total Debt (INR mn)	1,676	3,729	4,732	5,647
C&C Eq. (INR mn)	214	242	362	90
EPS (INR)	4.3	3.3	4.4	5.7
Gr. (%)	*33.1*	*(24.0)*	*34.1*	*31.4*
DPS (INR)	0.5	0.7	0.7	1.0
Yield (%)	*0.4*	*0.6*	*0.6*	*0.9*
RoE (%)	*7.4*	*5.3*	*6.8*	*8.3*
RoCE (%)	*10.4*	*9.1*	*9.3*	*11.0*
EV/Sales (x)	4.1	3.9	3.5	3.1
EV/EBITDA (x)	12.6	12.6	11.3	9.4
PE (x)	27.1	35.7	26.6	20.3
P/BV (x)	1.9	1.9	1.8	1.6

Soft operating performance

Quick Pointers

- RevPAR increases marginally by 1.6% YoY to INR6,858
- Aims to open 472 keys for rest of FY27E (Owned + Leased + Managed)

We cut our EBITDA estimates by 4.4%/4.6% for FY27E/FY28E as we fine tune our RevPAR growth and margin assumptions. PARKHOTE IN reported a modest operating performance with EBITDA margin of 28.1% (PLe 28.8%); while RevPAR was flat at INR6,858 amid a challenging operating environment. Led by acquisition of Zillion Hotels, Juhu and the buyout of Malabar House, Fort Kochi and Purity, Lake Vembanad, we do not foresee any major delays in the near term planned inventory pipeline. Further, Flurys is poised to expand its geographical footprint, with planned addition of ~30 new outlets in FY27E. To support this expansion, PARKHOTE IN is actively engaging with mall developers, airport owners and multiplex operators to secure strategic locations across multiple geographies. We expect sales/EBITDA CAGR of 17%/20% over FY26-FY28E and retain BUY with a SoTP based TP of INR156 valuing the hotel business at 11.5x FY28E EBITDA and Flurys at 1.5x FY28E sales (no change in target multiple).

Revenue increased 8.1% YoY: Revenue increased 8.1% YoY to INR1,668mn (PLe INR1,658mn). Hotels revenue increased 6.2% YoY to INR1,468mn while Flurys revenue grew 25.0% YoY to INR200mn. ARR increased 1.7% YoY to INR7,459 while occupancy stood at 92.0%, translating into a RevPAR of INR6,858 (up 1.6% YoY).

EBITDA margin stood at 28.1%: EBITDA increased 3.2% YoY to INR469mn (PLe INR477mn) with a margin of 28.1% (PLe 28.8%) as against a margin of 29.4% in 1QFY26. PAT decreased 14.4% YoY to INR115mn (PLe INR155mn) for the quarter with a margin of 6.9% (PLe 9.3%) as compared to a PAT margin of 8.7% in 1QFY26. Higher than expected depreciation at INR211mn (PLe INR182mn) and finance cost at INR104mn (PLe INR88mn) led to miss at the bottom-line.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
Net Sales (INR mn)	1,658	1,668	*1.0*	1,543	*8.0*
EBITDA (INR mn)	477	469	*(2.0)*	454	*3.0*
Margin (%)	*28.8*	*28.1*	*(70) bps*	*29.4*	*(130) bps*
PAT (INR mn)	155	115	*(26.0)*	142	*(19.0)*

Source: Company, PL

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Con-call highlights: 1) Of the 69 apartments at EM Bypass, 32 have been booked to date. PARKHOTE IN expects to receive ~INR 800mn from the project in FY27E, of which ~INR 213mn has been received so far. **2)** PARKHOTE IN has transitioned to the new tax regime, resulting in a deferred tax provision of ~INR 22mn. Going forward, the blended tax rate is expected to moderate to ~30–35%. **3)** The acquisition of Malabar House, comprising 17 keys, is currently underway and is expected to be completed by October/November 2026. **4)** Aiming for high-single-digit ARR growth for the remainder of FY27E, supported by the BRICS India Summit, Bharat Mobility Expo and ~40 wedding dates between Nov'26 and Mar'27. **5)** Expects to open ~29 new Flurys outlets during the remainder of FY27E. **6)** During 1QFY27, Lotus Palace, Chettinad achieved an ARR of ~INR 13,000, while Ran Baas Palace, Patiala achieved an ARR of ~INR 33,000. **7)** PARKHOTE IN is exploring tie-ups with the Adani Group, Phoenix Mills and DLF for Flurys expansion. The PVR tie-up for Flurys is also nearing completion, with 10 potential outlets to be opened simultaneously. **8)** PARKHOTE IN reiterated its capex guidance of ~INR 15bn over the next five years. It is expected to be funded through a mix of internal accruals and debt.

Exhibit 1: Quarterly Estimates

Particulars (INR mn)	1QFY27	YoY gr.	2QFY27E	YoY gr.	3QFY27E	YoY gr.	4QFY27E	YoY gr.
Sales	1,668	*8.1%*	1,930	*15.3%*	2,304	*15.2%*	2,240	*21.9%*
EBITDA	469	*3.2%*	560	*14.2%*	852	*20.7%*	644	*21.6%*
EBITDA margin	*28.1%*		*29.0%*		*37.0%*		*28.8%*	
Adj PAT	115	*-18.8%*	193	*17.9%*	276	*8.0%*	349	*159.0%*
Adj PAT margin	*6.9%*		*10.0%*		*12.0%*		*15.6%*	

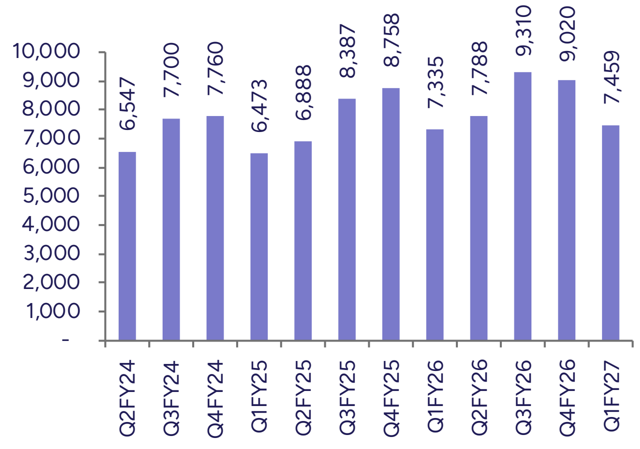
Source: Company, PL

Exhibit 2: Q1FY27 Result Overview - Consolidated (INR mn)

Y/e March	Q1FY27	Q1FY26	YoY gr.	Q1FY27E	% Var.	Q4FY26	QoQ gr.	FY27E	FY26	YoY gr.
Net sales	**1,668**	**1,543**	***8.1%***	**1,658**	***0.6%***	**1,837**	***-9.2%***	**8,141**	**7,073**	***15.1%***
Cost of Materials consumed	208	199	*4.6%*	224	*-6.9%*	230	*-9.4%*	1,034	906	*14.1%*
As a % of sales	*12.5%*	*12.9%*		*13.5%*		*12.5%*		*12.7%*	*12.8%*	
Employee Cost	406	367	*10.6%*	398	*2.1%*	452	*-10.2%*	1,782	1,594	*11.8%*
As a % of sales	*24.3%*	*23.8%*		*24.0%*		*24.6%*		*21.9%*	*22.5%*	
Other Expenditure	585	522	*12.0%*	559	*4.7%*	625	*-6.4%*	2,801	2,393	*17.0%*
As a % of sales	*35.1%*	*33.9%*		*33.7%*		*34.0%*		*34.4%*	*33.8%*	
EBITDA	**469**	**454**	***3.2%***	**477**	***-1.9%***	**530**	***-11.6%***	**2,525**	**2,180**	***15.8%***
EBITDA margin	*28.1%*	*29.4%*		*28.8%*		*28.8%*		*31.0%*	*30.8%*	
Depreciation	211	180	*16.9%*	182	*15.6%*	192	*9.6%*	841	744	*13.1%*
EBIT	**258**	**274**	***-5.7%***	**295**	***-12.6%***	**338**	***-23.6%***	**1,684**	**1,436**	***17.2%***
EBIT margin	*15.5%*	*17.7%*		*17.8%*		*18.4%*		*20.7%*	*20.3%*	
Interest cost	104	65	*59.8%*	88	*18.0%*	87	*19.1%*	378	299	*26.6%*
Other income	48	23	*110.1%*	31	*55.3%*	8	*538.7%*	130	57	*127.7%*
PBT	**202**	**231**	***-12.7%***	**238**	***-15.1%***	**258**	***-21.7%***	**1,436**	**1,195**	***20.2%***
Exceptional items/Share of JVs	-	7	*NM*	-	*NM*	16	*NM*	-	39	*NM*
Tax expenses	87	90	*-3.1%*	83	*4.5%*	123	*-29.3%*	502	499	*0.7%*
Tax rate	*43.1%*	*38.9%*		*35.0%*		*47.8%*		*35.0%*	*41.8%*	
Reported PAT	**115**	**134**	***-14.4%***	**155**	***-25.7%***	**119**	***-3.3%***	**933**	**657**	***42.0%***
PAT margin	6.9%	8.7%		9.3%		6.5%		11.5%	9.3%	
Adjusted PAT	**115**	**142**	***-18.8%***	**155**	***-25.7%***	**135**	***-14.7%***	**933**	**696**	***34.1%***
Noncontrolling interest	-	0	*NM*	-	*NM*	-	*NM*	0	0	*NM*
Other comprehensive income (OCI)	2	(3)	*NM*	-	*NM*	4	*-38.9%*	11	(10)	*NM*
PAT inclusive of OCI	**117**	**131**	***-10.9%***	**155**	***-24.3%***	**122**	***-4.3%***	**944**	**648**	***45.8%***
Adjusted EPS (Rs)	**0.5**	**0.7**	***-18.8%***	**0.7**	***-25.7%***	**0.6**	***-14.7%***	**4.4**	**3.3**	***34.1%***

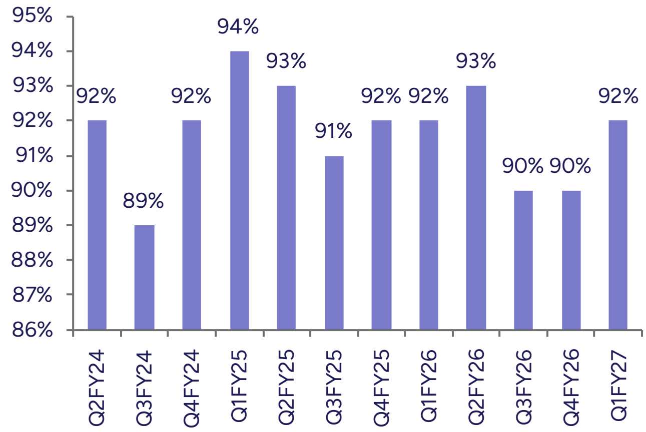
Source: Company, PL

Exhibit 3: ARR stood at INR7,459 in 1QFY27 (INR)



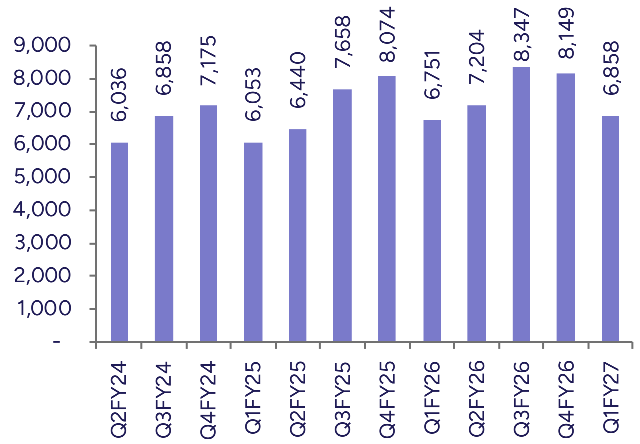
Source: Company, PL

Exhibit 4: Occupancy stood by 92% for 1QFY27



Source: Company, PL

Exhibit 5: RevPAR for 1QFY27 was at INR6,858 (INR)

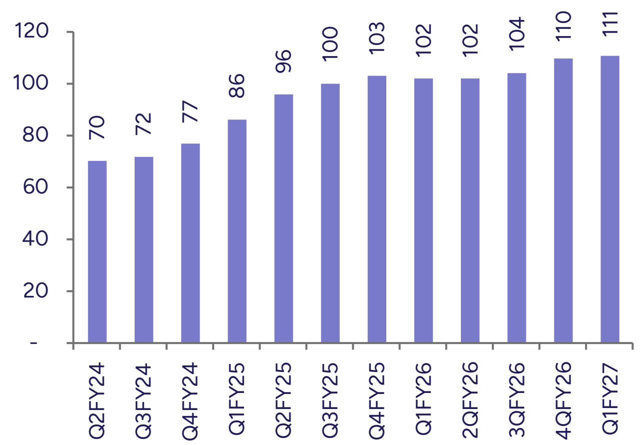


Source: Company, PL

Exhibit 6: Flurys revenue for 1QFY27 stood at INR200mn

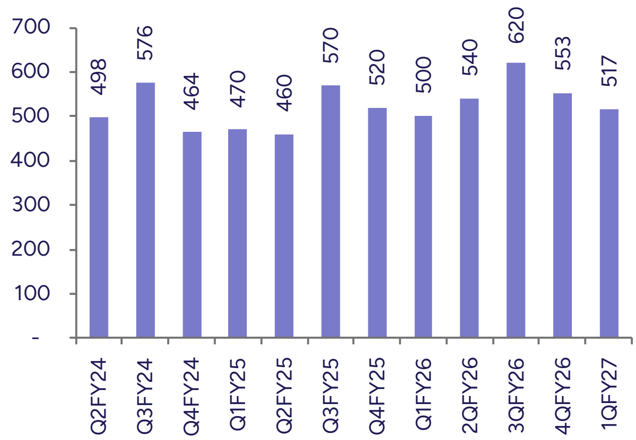
Source: Company, PL

Exhibit 7: Total store count of Flurys for 1QFY27 stands at 111



Source: Company, PL

Exhibit 8: F&B revenue for 1QFY27 was INR517mn



Source: Company, PL

Exhibit 9: EV/EBITDA valuation table

Particulars (INR mn)	FY28E
EV/EBITDA - Hotels Business	11.5
EBITDA of Hotels	2,936
Hotels EV	33,763
EV/Sales - Flurys	1.5
Sales - Flurys	1,591
Flurys EV	2,386
Total EV	36,149
Less: Debt	3,773
Add: Cash	862
Equity Value	33,238
No of shares	213
TP (INR)	**156**

Source: PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**6,315**	**7,073**	**8,141**	**9,673**
YoY gr. (%)	*9.1*	*12.0*	*15.1*	*18.8*
Cost of Goods Sold	792	906	1,034	1,280
Gross Profit	5,522	6,167	7,107	8,394
Margin (%)	*87.5*	*87.2*	*87.3*	*86.8*
Employee Cost	1,412	1,594	1,782	1,966
Other Expenses	2,065	2,393	2,801	3,270
EBITDA	**2,045**	**2,180**	**2,525**	**3,159**
YoY gr. (%)	*6.2*	*6.6*	*15.8*	*25.1*
Margin (%)	*32.4*	*30.8*	*31.0*	*32.7*
Depreciation and Amortization	618	744	841	970
EBIT	**1,428**	**1,436**	**1,684**	**2,188**
Margin (%)	*22.6*	*20.3*	*20.7*	*22.6*
Net Interest	165	299	378	447
Other Income	219	57	130	145
Profit Before Tax	**1,481**	**1,156**	**1,436**	**1,886**
Margin (%)	*23.5*	*16.3*	*17.6*	*19.5*
Total Tax	645	499	502	660
Effective Tax Rate (%)	*43.6*	*43.1*	*35.0*	*35.0*
Profit After Tax	**836**	**657**	**933**	**1,226**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**914**	**696**	**933**	**1,226**
YoY gr. (%)	*33.0*	*(23.9)*	*34.1*	*31.4*
Margin (%)	*14.5*	*9.8*	*11.5*	*12.7*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**765**	**657**	**933**	**1,226**
YoY gr. (%)	*11.3*	*(14.1)*	*42.0*	*31.4*
Margin (%)	*12.1*	*9.3*	*11.5*	*12.7*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Equity Shares O/s (mn)	**213**	**213**	**213**	**213**
EPS (INR)	**4.3**	**3.3**	**4.4**	**5.7**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**12,494**	**16,012**	**19,048**	**22,082**
Tangibles	12,083	15,564	18,564	21,564
Intangibles	411	448	484	518
Acc: Dep / Amortization	**2,882**	**3,385**	**4,074**	**4,870**
Tangibles	2,712	3,179	3,829	4,584
Intangibles	171	206	245	286
Net Fixed Assets	**9,612**	**12,627**	**14,974**	**17,212**
Tangibles	9,371	12,385	14,735	16,980
Intangibles	241	242	239	232
Capital Work In Progress	748	804	835	906
Goodwill	228	228	228	228
Non-Current Investments	425	397	407	484
Net Deferred Tax Assets	(750)	(1,009)	(906)	(813)
Other Non-Current Assets	2,961	3,299	3,541	3,843
Current Assets				
Investments	561	772	772	772
Inventories	1,118	1,140	1,338	1,458
Trade Receivables	385	414	468	557
Cash & Bank Balance	214	242	362	90
Other Current Assets	375	524	456	542
Total Assets	**16,714**	**20,543**	**23,513**	**26,241**
Equity				
Equity Share Capital	213	213	213	213
Other Equity	12,628	13,210	13,983	14,996
Total Networth	**12,841**	**13,423**	**14,197**	**15,209**
Non-Current Liabilities				
Long Term Borrowings	1,133	2,931	3,767	4,519
Provisions	150	162	204	242
Other Non Current Liabilities	29	21	41	48
Current Liabilities				
ST Debt / Current of LT Debt	544	798	965	1,128
Trade Payables	511	547	714	848
Other Current Liabilities	633	1,233	2,278	2,949
Total Equity & Liabilities	**16,714**	**20,543**	**23,513**	**26,241**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	1,481	1,156	1,436	1,886
Add. Depreciation	618	744	841	970
Add. Interest	163	299	378	447
Less Financial Other Income	219	57	130	145
Add. Other	(71)	(16)	-	-
Op. Profit before WC Changes	2,192	2,182	2,655	3,304
Net Changes-WC	(312)	(56)	1,034	531
Direct Tax	304	311	(606)	(753)
Net Cash from Op. Activities	**1,576**	**1,815**	**3,084**	**3,082**
Capital Expenditures	(1,505)	(2,866)	(3,032)	(3,070)
Interest / Dividend Income	33	27	-	-
Others	(483)	(195)	(440)	(586)
Net Cash from Invt. Activities	**(1,956)**	**(3,035)**	**(3,472)**	**(3,657)**
Issue of Share Cap. / Premium	(122)	(17)	-	-
Debt Changes	446	1,785	-	-
Dividend Paid	-	(107)	(160)	(213)
Interest Paid	(58)	(188)	(378)	(447)
Others	(225)	(322)	1,046	963
Net Cash from Fin. Activities	**42**	**1,151**	**508**	**303**
Net Change in Cash	**(338)**	**(69)**	**120**	**(272)**
Free Cash Flow	66	(1,054)	52	11

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**1,674**	**2,001**	**1,837**	**1,668**
YoY gr. (%)	*18.2*	*12.7*	*3.6*	*8.1*
Raw Material Expenses	224	253	230	208
Gross Profit	1,450	1,748	1,607	1,459
Margin (%)	*86.6*	*87.4*	*87.5*	*87.5*
EBITDA	**490**	**706**	**530**	**469**
YoY gr. (%)	*17.9*	*11.5*	*(13.3)*	*3.2*
Margin (%)	*29.3*	*35.3*	*28.8*	*28.1*
Depreciation / Depletion	177	194	192	211
EBIT	**313**	**512**	**338**	**258**
Margin (%)	*18.7*	*25.6*	*18.4*	*15.5*
Net Interest	46	101	87	104
Other Income	12	15	8	48
Profit before Tax	**278**	**412**	**242**	**202**
Margin (%)	*16.6*	*20.6*	*13.2*	*12.1*
Total Tax	116	170	123	87
Effective Tax Rate (%)	*41.7*	*41.2*	*50.9*	*43.1*
Profit After Tax	**162**	**242**	**119**	**115**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**164**	**256**	**135**	**115**
YoY gr. (%)	*7.2*	*(20.4)*	*(49.3)*	*(18.8)*
Margin (%)	*9.8*	*12.8*	*7.3*	*6.9*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**162**	**242**	**119**	**115**
YoY gr. (%)	*(39.5)*	*(24.8)*	*(55.3)*	*(14.3)*
Margin (%)	*9.7*	*12.1*	*6.5*	*6.9*
Other Comprehensive Income	19	(9)	4	2
Total Comprehensive Income	**181**	**233**	**122**	**117**
Avg. Shares O/s (mn)	213	213	213	213
EPS (INR)	**0.8**	**1.2**	**0.6**	**0.5**

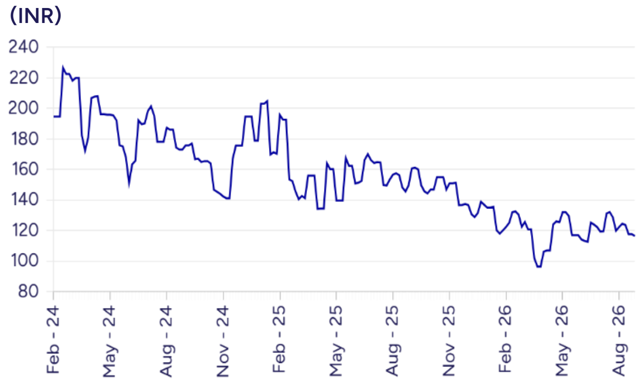
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	4.3	3.3	4.4	5.7
CEPS	7.2	6.7	8.3	10.3
BVPS	60.3	62.9	66.5	71.3
FCF	0.3	(4.9)	0.2	0.1
DPS	0.5	0.7	0.7	1.0
Return Ratio (%)				
RoCE	10.4	9.1	9.3	11.0
ROIC	6.2	5.5	6.5	7.5
RoE	7.4	5.3	6.8	8.3
Balance Sheet				
Net Debt : Equity (x)	0.1	0.2	0.3	0.3
Net Working Capital (Days)	57	52	49	44
Valuation (x)				
PER	27.1	35.7	26.6	20.2
P/B	1.9	1.8	1.7	1.6
P/CEPS	16.2	17.2	14.0	11.3
EV/EBITDA	12.5	12.6	11.2	9.3
EV/Sales	4.0	3.8	3.4	3.0
Dividend Yield (%)	0.4	0.6	0.6	0.8
FCFF Yield (%)	0.2	(4.3)	0.2	-
PEG Ratio	0.8	(1.5)	0.7	0.6

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	09-Jul-26	BUY	165	124
2	01-Jun-26	BUY	168	116
3	09-Apr-26	BUY	207	114
4	07-Feb-26	BUY	206	126
5	09-Jan-26	BUY	240	131
6	14-Nov-25	BUY	235	143
7	16-Oct-25	BUY	238	150

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Apeejay Surrendra Park Hotels	BUY	165	124
2	Chalet Hotels	BUY	991	805
3	Delhivery	HOLD	503	473
4	DOMS Industries	Buy	2703	2253
5	Flair Writing Industries	BUY	409	248
6	Imagicaaworld Entertainment	BUY	62	47
7	Indian Railway Catering and Tourism Corporation	BUY	706	507
8	InterGlobe Aviation	Hold	4520	5024
9	Lemon Tree Hotels	BUY	143	108
10	Mahindra Logistics	Buy	507	391
11	Nazara Technologies	BUY	378	353
12	PVR Inox	BUY	1307	1064
13	Safari Industries (India)	Buy	1953	1505
14	Samhi Hotels	BUY	201	174
15	TCI Express	HOLD	576	580
16	V.I.P. Industries	SELL	246	308
17	Zee Entertainment Enterprises	BUY	116	94

PL's Recommendation Nomenclature (Absolute Performance)

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

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Jinesh Joshi MS(Finance) and CFA, Ms. Stuti Beria MBA Finance, Mr. Dhvanit Shah CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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