

Price: 275

Recommendation: Buy

Industry: Hotels & Resorts

Sector: Consumer Discretionary

Report Date: 18-Mar-2025

Juniper Hotels Limited is expanding its market presence with strategic initiatives, including acquiring Kaziranga land for a luxury hotel and integrating Hyatt Regency Mumbai and Chennai, adding 750 keys. The Bangalore acquisition will add 220 rooms. Renovations at Grand Hyatt Mumbai boosted EBITDA from 43% to 50%. Despite a YoY ARR decline in upscale hotels, strong occupancy in Ahmedabad and strategic growth plans position Juniper for success in the hospitality industry.

Sales		Profit & Loss		Profitability Matrix	
Current Year	912 Cr	Operating Profit(Year)	311 Cr	Operating Profit Margin	34.1 %
Previous Year	667 Cr	Operating Profit(Quarter)	92.8 Cr	EBITDA Margin	34.98 %
Current Quarter	252 Cr	PAT (Year)	23.5 Cr	Net Profit Margin	2.88 %
Previous Quarter	215 Cr	PAT (Quarter)	32.5 Cr	EPS	2.84
Revenue (QYoY)	236 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	96.8	Sales Growth	19.0 %	Sales Growth	17.21 %
PEG Ratio		PAT Growth	-179.12 %	Sales Growth QYoY	6.78 %
EV/EBITDA	20.9	EPS Growth	165.42 %	PAT Growth	-216.91 %
P/B	2.35	Dividend Yield	0.00	PAT Growth QYoY	818.08 %
Capital Allocation		Holdings		Leverage	
RoE	1.56 %	Promoter	77.5 %	Debt/Equity	0.44
RoA	0.65 %	FII	9.39 %	Debt	1151 Cr
RoCE	6.80 %	DII	9.65 %	Market Cap	6113 Cr
RoIC	6.15 %	Public	3.44 %	Enterprise value	7018 Cr
		No of Shares	22.2 Cr	Cash Equivalents	247 Cr

source : Company filings

Company's Overview Based on Recent Concall and Performance:

Juniper Hotels Limited has embarked on several new initiatives and business strategies to enhance its portfolio and market presence. The company has received board approval for the acquisition of a Kaziranga leasehold land to develop a five-star luxury hotel near the National Park, which is expected to be operational by 2029 with an estimated Capex of approximately 100 crores. Additionally, Juniper is integrating two potential value-accretive acquisitions, Hyatt Regency Mumbai and Hyatt Regency Chennai, which will add approximately 750 keys to its portfolio. The company is also focusing on the completion of its Bangalore acquisition, which will add 220 rooms by the end of the current calendar year. These initiatives reflect Juniper's commitment to expanding its footprint and enhancing its luxury offerings.

The company's business strategies are centered around optimizing asset performance and enhancing revenue streams. The Grand Hyatt Mumbai has completed its renovation, including the showroom, new restaurant Celini, and bar, which are now fully operational. This has contributed to a significant increase in operating EBITDA from 43% to 50%. The company is also focusing on improving the contribution of transient and group bookings, which are expected to drive ARR growth. The Andaz hotel has shown exceptional performance with a 25% year-on-year increase in RevPAR, outpacing the competition. These strategies are aimed at sustaining growth and maintaining a competitive edge in the hospitality industry.

Looking ahead, Juniper Hotels is poised for robust growth and scaling. The company has achieved the highest income in Q3 FY25, with revenue at 261 crores, up by 17% QoQ, driven by the strong performance of Andaz and Grand Hyatt. The EBITDA margin has improved to 39% in Q3FY25 from 33% in Q2, and the company is on track to achieve normative EBITDA levels of around 42% - 43% at the corporate level. The outlook for the next few quarters remains positive, driven by strong corporate demand and high-profile social gatherings. The company's balance sheet strength, with a net debt-to-EBITDA ratio of approximately 1.5x, provides significant headroom for growth capital to fund proposed acquisitions.

While the company's growth prospects are promising, there are areas for improvement. The ARR for upscale and upper upscale hotels has declined YoY in the 3rd Quarter, attributed to a high base effect in Ahmedabad. However, Ahmedabad is operating at 98% occupancy, indicating strong market demand. The company should continue to focus on optimizing asset performance and exploring value-accretive opportunities in niche segments. Additionally, the integration of new acquisitions should be managed efficiently to maximize their impact on the company's performance. Overall, Juniper Hotels is well-positioned to capitalize on growth opportunities and enhance its market presence in the hospitality industry.

JUNIPER Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
Mahindra Holiday	6120.10	45.46	24.03%	1.14%	6.87%	203.48%	230.86%
Juniper Hotels	6113.25	96.85	1.56%	17.70%	6.87%	216.79%	817.80%
ITC Hotels	36503.79					39.62%	
EIH	23019.62	32.78	17.62%	35.85%	7.95%	102.47%	12.43%
Ventive Hospital	16928.24	102.57	65.74%	20.73%	23.14%	59.29%	-23.65%

Aspect	Commentary
Revenue	Revenue increased significantly, with a 17% QoQ growth, driven by strong performance in key properties. This indicates robust demand and effective pricing strategies, positioning the company well for future growth.
Profit & Loss	Operating profit shows a healthy margin, but net profit is low, indicating high expenses or other financial challenges. The focus should be on cost management to improve net profitability.
Profitability Matrix	Operating and EBITDA margins are strong, reflecting efficient operations. However, the net profit margin is low, suggesting room for improvement in cost control or revenue enhancement.
Valuation Matrix	The high P/E ratio suggests the market expects future growth, but the low PEG ratio indicates potential undervaluation. The EV/EBITDA ratio is moderate, reflecting balanced market expectations.
Growth (YoY)	Sales growth is positive, but PAT growth is negative, indicating profitability challenges. EPS growth is strong, suggesting improved earnings per share, but dividend yield remains zero.
Growth (QoQ)	Sales growth is robust, but PAT growth is negative, highlighting profitability issues. The significant PAT growth QYoY suggests potential recovery, but sustainability needs monitoring.
Capital Allocation	Return metrics are low, indicating inefficient capital use. Improving RoE, RoA, and RoCE should be a priority to enhance shareholder value and operational efficiency.
Holdings	High promoter holding indicates confidence, while FII and DII holdings suggest institutional interest. Public holding is low, which may limit liquidity but ensures stability.
Leverage	Debt levels are moderate with a healthy debt/equity ratio, indicating manageable leverage. The company should focus on maintaining this balance to support growth without over-leveraging.

Analyst viewpoint: Juniper Hotels Limited is well-positioned for substantial growth, evidenced by a commendable 17% QoQ sales increase. This growth underscores robust demand and strategic pricing, particularly in high-performing properties like Andaz and Grand Hyatt. The company's focused initiatives, such as the integration of Hyatt Regency acquisitions and ongoing expansions, augment its market presence significantly. With a strategic emphasis on asset optimization and revenue enhancement, Juniper has witnessed an impressive uptick in operating EBITDA from 43% to 50%, fortifying its competitive edge in the industry. Its capital allocation strategies promise further scalability, supported by a strong balance sheet with a manageable net debt-to-EBITDA ratio.

Despite the positive outlook buttressed by a healthy growth trajectory and peer comparisons affirming its market position, Juniper faces challenges in maintaining profit margins amidst significant CAPEX and expansion efforts. The EBITDA margins have shown improvement; however, sustaining profitability amid increased competition and operational costs remains critical. While the ARR has declined YoY due to base effects, high occupancy is a promising counterbalance. Efficient integration of new acquisitions and vigilant cost management will be vital to capitalizing on future growth opportunities, ensuring Juniper's enduring success in the dynamic hospitality landscape.

Please read detailed disclosure on next page.

Explanation of Investment Rating*	
Investment Rating	Expected Return (over 12-month)
BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (hereinafter referred to as the Regulations).

1. GOALZEN CAPITAL SERVICES PRIVATE LIMITED is a SEBI-Registered Research Analyst having SEBI registration number INH000013448. GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"), the research entity, is engaged in providing research services on securities and information on personal financial products. This Research Report (called Report) is prepared and distributed by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with brand name 'GoalFi' (brand name trademarked to research analyst and company director 'Robin Arya') and used by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with mutual consent.

2. GOALZEN CAPITAL SERVICES PRIVATE LIMITED, its partners, employees, directors or agents, do not have any material adverse disciplinary history as on the date of publication of this report.

3. I, Robin Arya, author/s and the name/s in this report, hereby certify that all of the views expressed in this research report accurately reflect my/our views about the subject issuer(s) or securities. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any financial interest in the subject company.

4. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any material conflict of interest. I/we have not served as director / officer, etc. in the subject company in the last 12-month period.

5. I, Robin Arya, do not hold this stock as part of my investment portfolio at the date of recommendation. I/analysts in the Company have not traded in the subject stock thirty days preceding this research report and will not trade within five days of publication of the research report as required by regulations.

6. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received any compensation from the subject company in the past twelve months. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not been engaged in market making activity for the subject company.

7. In the last 12-month period ending on the last day of the month immediately preceding the date of publication of this research report, GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received compensation or other benefits from the subject company of this research report or any other third-party in connection with this report.

Analyst Certification:

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclaimers:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent.

This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.

The investment discussed or views expressed may not be suitable for all investors. Certain transactions - including those involving futures, options, another derivative product as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of GOALZEN CAPITAL SERVICES PRIVATE LIMITED. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject GOALZEN CAPITAL SERVICES PRIVATE LIMITED to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees responsible for any such misuse and further agrees to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of GOALZEN CAPITAL SERVICES PRIVATE LIMITED only.

GOALZEN CAPITAL SERVICES PRIVATE LIMITED has a contractual arrangement with a vendor - Smallcase Technologies Private Limited (STPL) whereby STPL provides technology solutions and related back-end infrastructure along with support for back-office related operations & processes. STPL does not provide any investment advice or recommendation nor does it make any claim of returns or performance with respect to any advice or recommendation.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Terms & Conditions:

These Terms and Conditions govern the use of the research subscription services provided by GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"). By subscribing to our services, you agree to these terms, if you disagree with any part of the terms, you must not use our services.

Payment and Renewal:

The subscription fee is non-refundable. No such requests over email or any other channel requesting for refund or for pro-rata refund will be acknowledged if smallcase constituents or research provided is accessed by the user. Please do not subscribe if you disagree with any part of the terms. Subscription renewals will be charged the standard rate unless otherwise notified.

Limitation of Liability:

GoalFi provides research based on data and analysis. The subscriber acknowledges that all investment decisions carry inherent risks, and GoalFi shall not be liable for any losses incurred based on our research.

No Investment Advice:

The content provided under the subscription is purely for informational purposes and should not be construed as investment advice. GoalFi, being a SEBI Registered Research Analyst (RA), provides research insights and not investment advisory services.

Termination:

GoalFi reserves the right to terminate the subscription at any time due to non-compliance with these terms or any other reasons deemed appropriate by us and no refund will be made.

No Guarantee: While we strive to provide accurate and reliable research, there is no guarantee on the returns or performance of the recommendations. Investing in securities involves risks, and there's the potential for losing money.

Review and Update: Our research products are reviewed and updated periodically to reflect the latest market conditions and insights. However, market conditions can change rapidly, and there's no guarantee that the conditions on which recommendations and insights are based will remain the same.

Research Analyst Details:

Name: Robin Arya

Email: smallcase@goalfi.in

Contact: +91-9394306085

GOALZEN CAPITAL SERVICES PRIVATE LIMITED

CIN: U66190TS2023PTC176030

Address: Co ikeva Office 10, Level 3, NSL Centrum, Serene Estate Pvt Ltd, Site No. Phase I and II, Opp KPHB Colony Lane Opp. Forum Mall Kukatpally, HYDERABAD, TELANGANA, 500072

Support Telephone: +91 9063309052, Support Email – support@goalfi.in

Customer having any query/feedback/ clarification/ In case of grievances for any of the services rendered by GOALZEN CAPITAL SERVICES PRIVATE LIMITED, write to hello@goalfi.app

Website: goalfiresearch.smallcase.com