

ORIENTAL HOTELS LTD.

RECOMMENDATION : BUY

MARKET PRICE : Rs.89.70 (As on 2nd June 2023)

TARGET PRICE : Rs.113.00

FACE VALUE : Re.1

BSE CODE : 500314

NSE CODE : ORIENTHOT



ORIENTAL HOTELS LIMITED



ORIENTAL HOTELS LIMITED



Gateway Coonoor – IHCL SeleQtions

Gateway Coonoor – IHCL SeleQtion is the perfect place to unwind for both business travellers and leisure seekers. Nestled in...

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Oriental Hotels Ltd. was established in 1970 with the objective to offer the best of Indian hospitality through world-class hotels. The year also marked the beginning of the Company's association with The Indian Hotels Company Limited (IHCL), among the biggest names in hospitality in South Asia and a global brand. During more than five decades of its partnership in the Southern Region of India, the Company has seen its flagship hotels acquire iconic status in hospitality.

ABOUT THE COMPANY

The Company brought luxury hospitality to the city of Chennai in 1974 through the launch of Taj Coromandel, its flagship hotel even today. It has premium hospitality in the region and has often seen some of the world's most prominent personalities and celebrities call it home. Its Taj Fisherman's Cove Resort and Spa in Chennai is another prominent offering as a luxury beach resort. It operates seven hotels under the IHCL brands of Taj, SeleQtions, Vivanta and Gateway with an inventory of 825 rooms which includes 42 suites and employ around 1000 people (permanent and contractual staff).

OUR HOTELS



Taj Coromandel, Chennai 1974, Owned

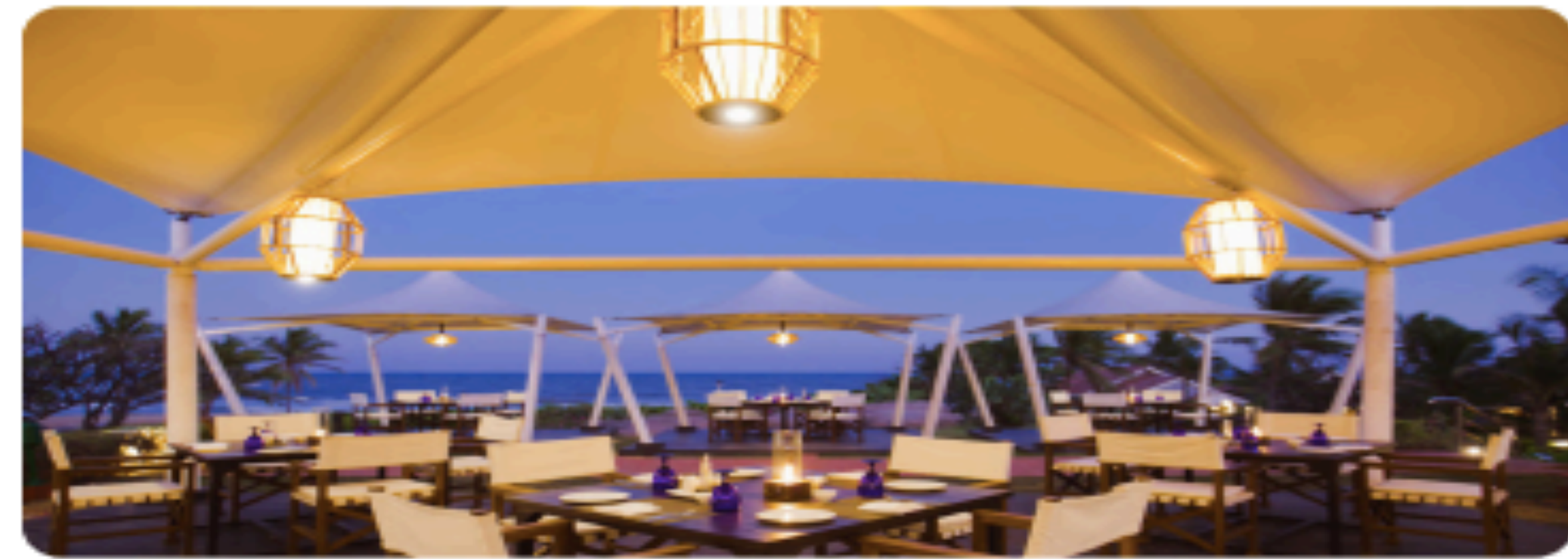
- Flagship hotel and among the best-known landmarks of Chennai
- Located at the centre of the city
- Equipped with a modern business centre and luxurious Grand Ballroom
- Continues to be the 'location of first choice' by all major consulates celebrating their National days
- Also offers gym, swimming pool, Jiva Spa and the exclusive Taj Club Lounge

212
Rooms

11
Suites

F&B Destinations

- Anise, All Day Diner
- Prego, Italian Cuisine
- Southern Spice, Traditional South Indian Delicacies
- Golden Dragon, Chinese Delights
- Chipstead, Bar
- The Chambers



Taj Fisherman's Cove Resort & Spa, Chennai 1985, Owned

- A luxury beach resort built on the ramparts of an 18th century Dutch fort
- Close to the famed Covelong Beach and the temple town of Mahabalipuram in Chengalpattu District
- Equipped with every modern facility for business and leisure travellers
- Hosts the award-winning Jiva Spa

149
Rooms

2
Suites

F&B Destinations

- Seagull, All-Day Diner
- Bay View, Speciality Sea-Food
- Upper Deck, Bistro European Cuisine



OUR HOTELS (continued)



Taj Malabar Resort & Spa, Kochi 1986, Leased

- Perched conveniently on the tip of Willingdon Island, India's largest artificial island
- Offers a multitude of activities and experience that keep guests entertained
- Sunset cruise with the 'high-tea at sea' and 'BBQ-on-the-yacht' experiences aboard the Taj Cinnamon Coast - a luxury three-bedroom yacht
- Jiva Spa

95
Rooms

9
Suites

F&B Destinations

- Pepper, Multi-Cuisine, All-Day Diner
- Dolphins Point, Open-air AI Fresco Restaurant
- Rice Boat, Seafood Restaurant
- Thai Pavilion, Asian Cuisine
- The Mattancherry Bar, a Lounge Bar



Gateway Coonoor-IHCL SeleQtions, Coonoor 1991, Owned

- Upgraded and repositioned as an IHCL SeleQtions Hotel
- Offers contemporary facilities amidst lush gardens and colonial styled cottages
- Nestled in the heart of the Nilgiris, each room offers a panoramic vista

32
Rooms

4
Suites

F&B Destinations

- The Dining Hall, Multi Cuisine
- The Hampton Bar



OUR HOTELS (continued)



Vivanta, Coimbatore 2011, Leased

- Upscale property conveniently located for both leisure and business travellers
- Offers world-class amenities and echoes the city's heritage in its design
- Hosts banqueting facilities - from all equipped meeting rooms to an exquisite lawn that can host a reception for 600 guests
- Also has the Jiva Spa

178
Rooms

9
Suites

F&B Destinations

- Latitude, All-Day Diner
- Red Pearl, Chinese and Thai Restaurant
- Tease Bar
- Smoke on the Water, Bar Be Que and Grill Restaurant



The Gateway Hotel Pasumalai, Madurai 1990, Licensed

- Located at the heart of the city and at a short distance from Madurai's IT corridor
- Surrounded by 62 acres of scenic gardens and offers a perfect vantage point to view the picturesque temple town and the Kodai hills

63
Rooms

2
Suites

F&B Destinations

- Vista, All-Day Diner
- Harveys Lounge Bar



The Gateway Hotel, Old Port Road, Mangalore 1993, Licensed

- Situated at the confluence of two rivers, the Gurupura and Nethravathi, it overlooks the rivers and the Arabian Sea
- Spacious rooms, world-class amenities, a tranquil, resort-like setting at the heart of the city

96
Rooms

5
Suites

F&B Destinations

- Port Café, All-Day Diner
- High Tide Bar
- Cardamom, West Coast Cuisine Specialty Restaurant



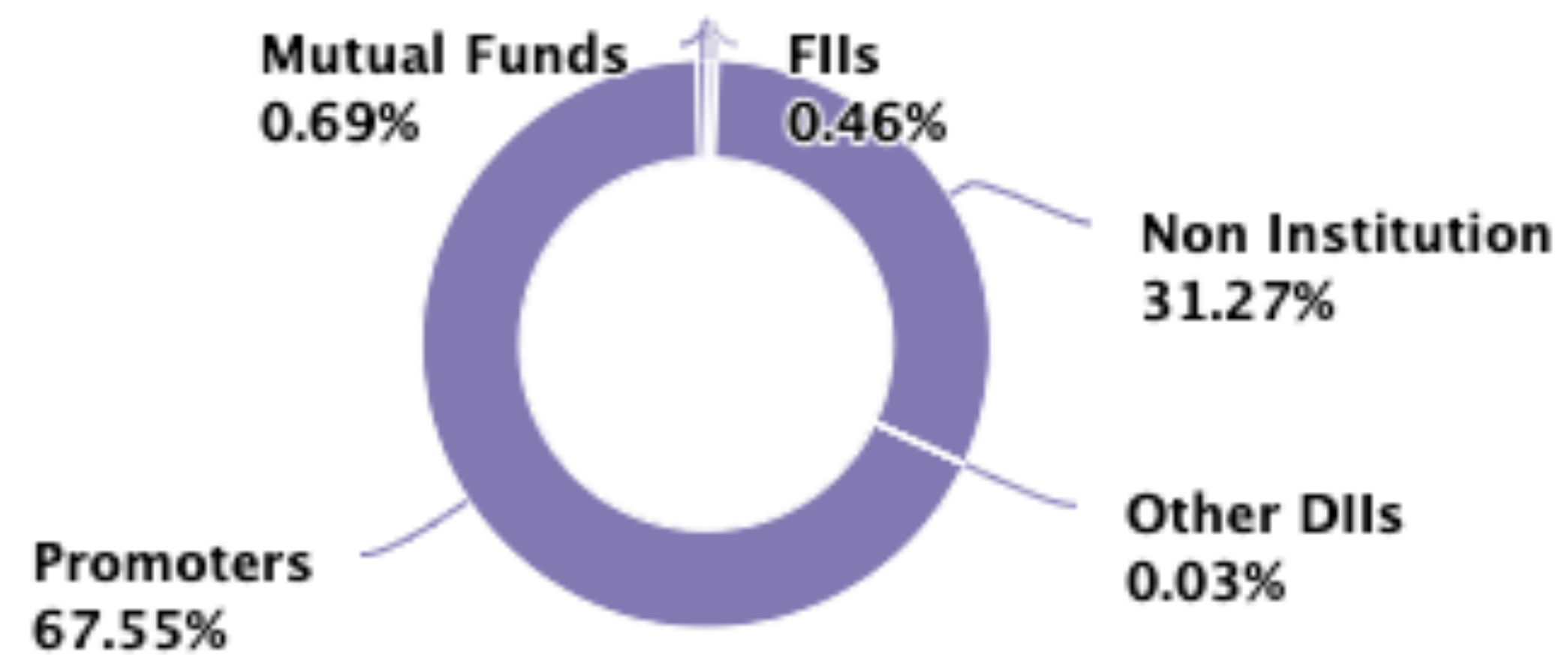
Yearly Results

YEARLY RESULTS OF ORIENTAL HOTELS (in Rs. Cr.)	MAR '23	MAR '22	MAR '21	MAR '20	MAR '19
Net Sales/Income from operations	394.51	219.40	115.88	291.14	346.79
Total Income From Operations	394.51	219.40	115.88	291.14	346.79
EXPENDITURE					
Consumption of Raw Materials	38.96	21.88	15.10	30.41	37.07
Employees Cost	81.43	71.62	63.32	86.56	97.59
Depreciation	22.65	26.26	28.75	27.70	28.38
Other Expenses	161.81	102.48	69.48	135.76	160.68
P/L Before Other Inc., Int., Excpt. Items & Tax	89.66	-2.84	-60.77	10.71	23.07
Other Income	10.77	7.04	7.24	7.69	7.97
P/L Before Int., Excpt. Items & Tax	100.43	4.20	-53.53	18.40	31.04
Interest	20.12	22.20	22.01	24.02	27.18
P/L Before Exceptional Items & Tax	80.31	-18.00	-75.54	-5.62	3.86
Exceptional Items	--	--	--	-0.78	96.16
P/L Before Tax	80.31	-18.00	-75.54	-6.40	100.02
Tax	24.82	-5.16	-21.96	0.20	12.98
P/L After Tax from Ordinary Activities	55.49	-12.84	-53.58	-6.60	87.04
Net Profit/(Loss) For the Period	55.49	-12.84	-53.58	-6.60	87.04
Minority Interest	-1.23	--	--	--	--
Share Of P/L Of Associates	--	-7.42	-17.69	-1.66	4.55
Net P/L After M.I & Associates	54.26	-20.26	-71.27	-8.26	91.59
Equity Share Capital	17.86	17.86	17.86	17.86	17.86
Reserves Excluding Revaluation Reserves	521.16	421.97	432.78	512.92	515.95
EPS BEFORE EXTRA ORDINARY					
Basic EPS	3.04	-1.13	-3.99	-0.46	5.13
Diluted EPS	3.04	-1.13	-3.99	-0.46	5.13
EPS AFTER EXTRA ORDINARY					
Basic EPS.	3.04	-1.13	-3.99	-0.46	5.13
Diluted EPS.	3.04	-1.13	-3.99	-0.46	5.13

Key Financial Ratios

KEY FINANCIAL RATIOS OF ORIENTAL HOTELS (in Rs. Cr.)	MAR 23	MAR 22	MAR 21	MAR 20	MAR 19
PER SHARE RATIOS					
Basic EPS (Rs.)	3.04	-1.13	-3.99	-0.46	5.13
Diluted EPS (Rs.)	3.04	-1.13	-3.99	-0.46	5.13
Cash EPS (Rs.)	4.38	0.75	-1.39	1.18	6.46
Book Value [ExclRevalReserve]/Share (Rs.)	30.18	24.63	25.23	29.72	29.89
Book Value [InclRevalReserve]/Share (Rs.)	30.18	24.63	25.23	29.72	29.89
Revenue from Operations/Share (Rs.)	22.09	12.28	6.49	16.30	19.42
PBDIT/Share (Rs.)	6.89	1.71	-1.39	2.58	3.33
PBIT/Share (Rs.)	5.62	0.24	-3.00	1.03	1.74
PBT/Share (Rs.)	4.50	-1.01	-4.23	-0.36	5.60
Net Profit/Share (Rs.)	3.11	-0.72	-3.00	-0.37	4.87
NP After MI And SOA / Share (Rs.)	3.04	-1.13	-3.99	-0.46	5.13
PROFITABILITY RATIOS					
PBDIT Margin (%)	31.19	13.88	-21.39	15.83	17.13
PBIT Margin (%)	25.45	1.91	-46.19	6.31	8.95
PBT Margin (%)	20.35	-8.20	-65.18	-2.20	28.84
Net Profit Margin (%)	14.06	-5.85	-46.23	-2.26	25.09
NP After MI And SOA Margin (%)	13.75	-9.23	-61.50	-2.83	26.40
Return on Networth/Equity (%)	10.06	-4.60	-15.81	-1.55	17.15
Return on Capital Employed (%)	13.71	0.60	-7.77	2.48	5.71
Return on Assets (%)	6.55	-2.57	-9.24	-0.99	10.75
Total Debt/Equity (X)	0.34	0.61	0.49	0.39	0.00
Asset Turnover Ratio (%)	0.55	0.32	15.03	35.14	40.70
LIQUIDITY RATIOS					
Current Ratio (X)	0.98	1.19	0.98	1.20	0.45
Quick Ratio (X)	0.89	1.11	0.88	1.10	0.42
Inventory Turnover Ratio (X)	4.65	0.00	14.25	34.06	48.33
Dividend Payout Ratio (NP) (%)	0.00	0.00	0.00	-108.12	0.00
Dividend Payout Ratio (CP) (%)	0.00	0.00	0.00	45.92	0.00
Earnings Retention Ratio (%)	0.00	0.00	0.00	208.12	0.00
Cash Earnings Retention Ratio (%)	0.00	0.00	0.00	54.08	0.00
COVERAGE RATIOS					
Interest Coverage Ratios (%)	6.12	1.37	-2.43	0.77	1.14
Interest Coverage Ratios (Post Tax) (%)	6.12	1.37	-2.43	0.77	1.14
VALUATION RATIOS					
Enterprise Value (Cr.)	1,550.42	1,329.40	587.59	469.91	768.75
EV/Net Operating Revenue (X)	3.93	6.06	5.07	1.61	2.22
EV/EBITDA (X)	12.60	43.64	-23.71	10.19	12.94
MarketCap/Net Operating Revenue (X)	3.57	5.16	3.51	1.12	2.39
Retention Ratios (%)	0.00	0.00	0.00	208.12	0.00
Price/BV (X)	2.61	2.57	0.90	0.61	1.55
Price/Net Operating Revenue	3.57	5.16	3.51	1.12	2.39
Earnings Yield	0.04	-0.02	-0.18	-0.03	0.11

Shareholding Pattern an on Mar'23



Summary

- ❖ With deliverance of phenomenal performance in Q4 of FY'23, the Company's Net Sales jumped by 68.58% i.e. Rs.111.40 crs in Mar'23 versus Rs.66.08 crs in Mar'22. However, the Net Profits proliferated by 51750.00% i.e. Rs.20.74 crs in Mar'23 on contrary to Rs.0.04 crs in Mar'22.
- ❖ As per sound financials and fair fundamentals, the Company is available at a good price of Rs.89.70 with its 52 week low at Rs.50.60 and 52 week high at Rs.98.00.
- ❖ Since the Promoters are holding majority stake around 67.55% as well as its healthy valuations, indicates that the Management is committed to growth of the Company.
- ❖ The Shareholding Pattern as on Mar'23, shows the FIIs and the Other DIIs collectively held 0.49% holdings. The Mutual Fund Houses own 0.69% stake in the Company.
- ❖ It is reassuring to see that Oriental Hotels Ltd. is held by QUANT MF.
- ❖ On consolidated basis, Return on Equity (ROE) and Return on Capital Employed (ROCE) were registered around 10.06% & 13.71% respectively as on Mar'23.
- ❖ For the year ending Mar'23, Oriental Hotels Ltd. has declared an equity dividend of 50.00% i.e. Rs.0.50 per equity share. The Company has a good dividend track report and has consistently declared dividends for the last 5 years.

Disclosure

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2. My daughter, Ms. Palvit Kaur

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