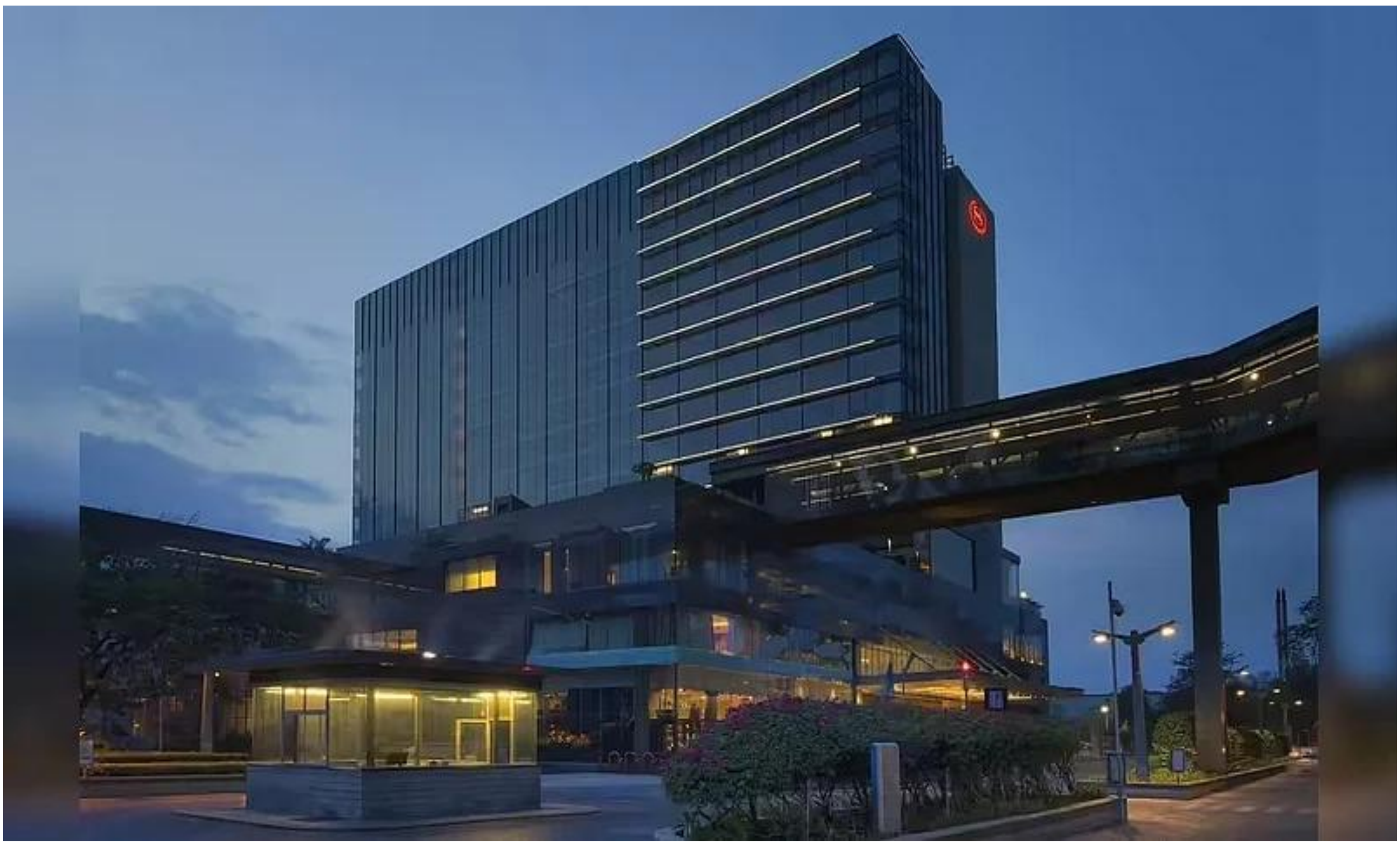
Brigade Hotel Ventures Ltd

IPO Note



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Unlocking Growth in South India's Hospitality Sector

Brigade Hotel Ventures Ltd (BVHL), a subsidiary of Brigade Enterprises Ltd (BEL), operates as an owner and developer of hotels primarily in key cities across South India.

BHVL boasts a portfolio of nine operating hotels with 1,604 keys. These hotels are managed under the global marquee hospitality names such as Marriott, Accor, and InterContinental Hotels Group (IHG). These hotels are located across Bengaluru (Karnataka), Chennai (Tamil Nadu), Kochi (Kerala), Mysuru (Karnataka), and the GIFT City (Gujarat).

In FY25, BHVL reported an average occupancy rate of 76.8%, significantly higher than the industry average of 64.5%. Company has demonstrated steady growth, with revenue increasing by over 16% YoY. Net borrowings have declined over the past three fiscal years—from ₹652.8 crore in FY23 to ₹580.9 crore in FY25—reflecting improving leverage.

The company is developing five new hotel properties, which will take its total portfolio to 14 hotels with around 2,560 keys by FY29. These include a luxury beach resort under the Grand Hyatt brand in Chennai, two Fairfield by Marriott hotels in Bengaluru, an InterContinental hotel in Hyderabad, and a Ritz-Carlton wellness resort in Vaikom, Kerala

Outlook:

By combining brand-driven hospitality with real estate development expertise from its parent BEL, Brigade Hotel Ventures is positioning itself to capture demand in India's growing premium and business hotel segments, while strengthening its balance sheet and operational footprint through this IPO. We recommend 'Subscribe' to Brigade Hotel Ventures Ltd.

Industry	Hotels & Resorts

Scrip Details	
Listing	BSE & NSE
Open Date	Jul 24, 2025
Close Date	Jul 28, 2025
Price Band	INR 85 – 90
Face Value	INR 10
Market Lot	166 Shares
Minimum Lot	1

Issue Structure	(%)
Issue Size (INR cr)	759.6
Issue Size (Shares)	8,44,00,000
QIB Share (%)	< 75%
Non-Inst Share (%)	< 15%
Retail Share (%)	< 10%
Pre-Issue Sh (in Cr)	29.5
Post Issue Sh (in Cr)	39.9
Post Issue MCap (in INR Cr)	3,591

Shareholding (%)	Pre (%)	Post (%)
Promoter	95.3	74.1
Public	4.7	25.9
TOTAL	**100**	**100**

Key Consolidated Financial Data (INR Cr, unless specified):

	Revenue	EBITDA	Net Profit	EBITDA Margin (%)	PAT Margin (%)	Adj. EPS	P/E (X)
FY23	**350.2**	**96.8**	**(3.8)**	**27.6**	**(0.9)**	**(0.1)**	**(935.2)**
FY24	**401.7**	**141.5**	**24.9**	**35.2**	**7.8**	**0.6**	**144.4**
FY25	**468.2**	**164.5**	**18.0**	**35.1**	**4.6**	**0.5**	**199.5**

Source: Ventura Research & Company update

Issue Structure and Offer Details:

Brigade Hotel Ventures Ltd IPO is entirely fresh issue of 8.44 crore shares aggregating to INR 759.6 cr.

Issue Structure	
Investor Category	**Allocation**
QIB	**Not more than 75% of the Offer**
NII (HNI)	**Not less than 15% of the Net issue**
Retail	**Not less than 10% of the Offer**

Number of shares based on a higher price band of INR 90

Source: Company Reports

Objects of the Issue:

The Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

Utilisation of IPO Proceeds	
Objects of the Issue	**Amount (in INR Cr)**
Repayment/ pre payment, in full or in part, of certain outstanding borrowings availed by the company and material subsidiary, namely, SRP Prospertia Hotel Ventures Ltd.	**468.1**
Payment of consideration for buying of undivided share of land from the Promoter, BEL	**107.5**
Pursuing inorganic growth through unidentified acquisitions and other strategic initiatives and General corporate purposes	**183.9**

Source: Company Reports

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Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement			
Revenue	350.2	401.7	468.2
YoY Growth (%)	*139.1*	*14.7*	*16.6*
Employee Cost	63.3	76.3	86.3
Employee Cost to Sales (%)	*18.1*	*19.0*	*18.4*
Other Expenses	190.1	184.0	217.4
Other Exp to Sales (%)	*54.3*	*45.8*	*46.4*
EBITDA	96.8	141.5	164.5
Margin (%)	*27.6*	*35.2*	*35.1*
YoY Growth (%)	*-*	*46.2*	*16.3*
Depreciation & Amortization	49.4	43.6	49.8
EBIT	47.4	97.8	114.7
Margin (%)	*13.5*	*24.4*	*24.5*
YoY Growth (%)	*-*	*106.2*	*17.3*
Other Income	6.2	3.2	0.0
Bill discounting & other charges	69.2	68.9	72.5
Fin Charges Coverage (X)	0.7	1.4	1.6
Exceptional Item	11.0	0.0	0.0
PBT	(4.5)	32.1	42.2
Margin (%)	*(1.3)*	*8.0*	*9.0*
YoY Growth (%)	*-*	*-*	*31.5*
Tax Expense	(1.5)	0.9	20.8
Tax Rate (%)	*31.9*	*2.9*	*49.3*
PAT	(3.1)	31.1	21.4
Margin (%)	*(0.9)*	*7.8*	*4.6*
YoY Growth (%)	*-*	*-*	*(31.3)*
Min Int/Sh of Assoc	(0.7)	(6.3)	(3.4)
Net Profit	(3.8)	24.9	18.0
Margin (%)	*(1.1)*	*6.2*	*3.8*
YoY Growth (%)	*-*	*-*	*(27.6)*
Balance Sheet			
Share Capital	282.9	282.9	282.4
Total Reserves	(235.1)	(203.9)	(180.7)
Shareholders Fund	47.8	79.0	101.8
Long Term Borrowings	501.1	549.1	493.3
Deferred Tax Assets / Liabilities	(79.1)	(78.2)	(57.4)
Other Long Term Liabilities	78.5	129.2	149.7
Long Term Trade Payables	0.0	0.0	0.0
Long Term Provisions	0.9	1.1	1.0
Total Liabilities	549.1	680.3	688.4
Net Block	628.1	651.7	729.6
Capital Work in Progress	29.4	71.7	20.2
Intangible assets under developm	0.0	0.0	0.0
Non Current Investments	0.1	0.1	0.6
Long Term Loans & Advances	13.9	14.9	24.0
Other Non Current Assets	0.3	2.8	27.7
Net Current Assets	(122.6)	(60.8)	(113.8)
Total Assets	549.1	680.3	688.4

Fig in INR Cr (unless specified)	FY23	FY24	FY25
Per share data & Yields			
Adjusted EPS (INR)	(0.1)	0.6	0.5
Adjusted Cash EPS (INR)	1.1	1.7	1.7
Adjusted BVPS (INR)	1.2	2.0	2.6
Adjusted CFO per share (INR)	2.7	3.9	3.4
CFO Yield (%)	3.0	4.3	3.8
Adjusted FCF per share (INR)	3.6	4.2	4.3
FCF Yield (%)	4.0	4.6	4.8
Solvency Ratio (X)			
Total Debt to Equity	13.2	7.6	5.6
Net Debt to Equity	12.6	7.4	5.3
Net Debt to EBITDA	6.2	4.1	3.3
Return Ratios (%)			
Return on Equity	(9.1)	37.1	23.5
Return on Capital Employed	4.8	14.2	9.5
Return on Invested Capital	7.4	15.1	18.6
Working Capital Ratios			
Payable Days (Nos)	33	25	30
Inventory Days (Nos)	5	5	5
Receivable Days (Nos)	22	20	18
Net Working Capital Days (Nos)	(7)	0	(6)
Net Working Capital to Sales (%)	(1.8)	0.1	(1.8)
Valuation (X)			
P/E	(935.2)	144.4	199.5
P/BV	75.1	45.4	35.3
EV/EBITDA	43.3	29.5	25.1
EV/Sales	12.0	10.4	8.8
Cash Flow Statement			
PBT	(4.5)	32.1	42.2
Adjustments	108.4	130.5	107.0
Change in Working Capital	2.6	(6.7)	8.6
Less: Tax Paid	1.5	(0.9)	(20.8)
Cash Flow from Operations	107.9	154.9	137.0
Net Capital Expenditure	(9.7)	(55.5)	(4.7)
Change in Investments	10.7	10.2	55.8
Cash Flow from Investing	1.0	(45.3)	51.1
Change in Borrowings	(63.1)	(23.2)	13.1
Less: Finance Cost	(69.2)	(68.9)	(72.5)
Proceeds from Equity	0.0	0.0	0.0
Buyback of Shares	0.0	0.0	0.0
Dividend Paid	0.0	0.0	(2.0)
Cash flow from Financing	(132.2)	(92.1)	(61.4)
Net Cash Flow	(23.4)	17.4	126.7
Forex Effect	0.0	0.0	0.0
Opening Balance of Cash	9.9	(13.5)	4.0
Closing Balance of Cash	(13.5)	4.0	130.6

Source: Ventura Research

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