

Published Date:	20 Jun 2023	Publication:	Financial Express [Ahmedabad]
Journalist:	Bureau	Page No:	7
Circulation:	10,000		

Hotels sector touched new highs in Q4



Aggregate revenue up 55% v/s Q4 2020

	Change		Chg v/s Q4 FY20
	y-o-y	q-o-q	
IH	86	-4	53
EIH	112	9	55
CHALET	145	17	54
LEMONTREE	111	8	43
OBER	102	10	56
BRGD	99	9	42
ITC	101	10	68
Aggregate	99	4	55

Source: MOFSL

ences, and exhibitions), and international events like the G20 meetings. Furthermore, the average daily rate (ADR) continued to climb, reaching ₹7,867, which marked a 9% increase compared to the last quarter and a 25% increase compared to the Q4 of FY20.

In FY23, the industry witnessed a sharp recovery with ARR/OR surpassing/touching the pre-Covid levels, supported by new travel themes, large global events, and favourable demand-supply dynamics.

ARR and OR are expected to continue its strong momentum in the near term, led by favourable demand-supply dynamics and demand drivers such as the G20 Summit meetings, the ICC ODI Cricket World Cup, and the resumption of foreign inbound travel. ARR should continue to inch higher, thereby boosting RevPAR.

We reiterate our Buy rating on IH with a TP of ₹440 for FY25. We retain our Buy rating on LEMONTREE with a TP of ₹115 for FY25.

MOTILAL OSWAL

Occupancy rates to rise due to G20 summit meetings, World Cup etc

THE HOSPITALITY INDUSTRY'S performance in Q4FY23 surpassed that of the previous quarter, which is traditionally regarded as the best quarter of the year. This accomplishment can be attributed to sustained growth in both the average

room rate (ARR) and occupancy rate (OR), surpassing figures from the last quarter and pre-pandemic levels. Consequently, there was a significant increase in revenue per available room (RevPAR). This report aims to provide insights into the current demand scenario in key cities, leveraging the Q4FY23 results and management commentaries from major players in the hospitality sector, namely Indian Hotels (IH), Lemon Tree Hotels (LEMONTRE), Chalet Hotels (CHALET), EIH, Oberoi Realty (OBER), Brigade Enterprises (BRGD), and ITC.

According to HVS Anarock, the occupancy rate (OR) in Q4FY23 reached approximately 66%, showing a q-o-q increase of 130 bps. This figure was 800 basis points higher than the OR recorded in Q4 of FY20. The rise in occupancy rate can be attributed to robust demand from various events such as weddings, MICE (meetings, incentives, confer-