

IPO Note – Brigade Hotel Ventures Limited

24 July 2025

A strategic bet on South India's 2nd largest owner of chain-hotels!!

Brigade Hotel Ventures Limited (Brigade), promoted by Brigade Enterprises Limited is the 2nd largest owner of chain-affiliated hotels and rooms in Southern India. It owns 1,604 rooms across 9 operational properties as on FY25 with a pipeline of 5 hotels and 956 rooms, expected to be operational by FY29. Their portfolio caters to varied segments i.e. upper upscale (230 keys, 1 hotel), upscale (641 keys, 4 hotels), upper-midscale (603 keys, 3 hotels) and midscale (130 keys, 1 hotel). Brigade's occupancy improved by ~350 bps to ~77% in FY25 while ARR grew by ~5% YoY to ~Rs. 6,700.

Strong and diversified hotel portfolio with robust expansion pipeline:- Brigade's hotel assets are strategically located across key cities in India with major concentration in Southern India. They have a portfolio of 9 operating hotels across Bangalore (Karnataka), Chennai (Tamil Nadu), Kochi (Kerala), Mysuru (Karnataka) and the GIFT City (Gujarat) with 1,604 keys as on FY25 with 5 hotels and 956 keys upcoming at Chennai, Bangalore, Hyderabad and Vaikom. Their hotels are operated by global marquee hospitality companies such as Marriott, InterContinental Hotels and Accor Group, with a new partnership to begin with Hyatt with their property at Chennai, reflecting their commitment to offer curated experiences to their customers across various price segments. Their hotels are typically located in positive demand locations, driven by factors such as population density, premium neighbourhoods, commercial centres, IT hubs or strong leisure potential.

Expansion of portfolio through inorganic acquisitions backed by strong parentage:-

Brigade is planning to use part of IPO proceeds to explore opportunities for acquisition of companies and assets which can help them expand their portfolio inorganically. They intend to acquire operating hotels and use their experience in running those properties in cost-efficient manner. They will be looking to expand in markets where they are currently operating as well as new markets in India a that attract a substantial inflow of business and leisure travellers to further strengthen and expand our presence. They are backed by a strong parentage of Brigade Enterprises Limited, which will help them benefit from their brand reputation and leverage its network, relationships, businesses and credibility to be a trusted provider of hospitality services. The said backing also helps Brigade in building new assets typically at a lower cost than any other new player in the market.

Key Risks:- 1.) Brigade's room addition and ARR growth has been slower than peers over FY22-FY25, 2.) Apart from any new inorganic opportunities, majority of room additions will take place in FY28 and FY29, 3.) It derived ~63% of FY25 revenue from properties situated in Bangalore, 4.) Increasing competition in its key markets.

Rating	SUBSCRIBE	
Issue Details		
Issue Opens	24-July-25	
Issue Closes	28-July-25	
Face Value (₹)	10	
Price Band (₹)	85-90	
Bid Lot	166 shares	
Issue Size at higher price band (₹ Cr)	759.6	
Market cap @ upper price band (₹ cr)	3,292 cr	
Listing	NSE/BSE	
BRLMs	JM Financial, ICICI Securities	
Registrar	KFIN Technologies	
Shareholding Pattern (%)		
	Pre-Issue	Post Issue
Promoters	95.3	74.1
Public	4.7	25.9
Total	100	100
Issue Structure (In cr no. of shares)		
Issue size	8.44	
OFS	-	
Break-up of net issue to public (%):		
QIB's portion	75.0	
Non-Institutional portion	15.0	
Retail Portion	10.0	
Source: ABML Research, RHP Company		
Analyst Details		
Mihir B. Manek		
022-6819 0520		
mihir.manek1@adityabirlacapital.com		

Aditya Birla Money Ltd.

10th Floor, R - Tech Park, Nirlon Knowledge Park, Off Western Express Highway,

Goregaon (E), Mumbai - 400 063

+91 22 6225 7600

care.stocksandsecurities@adityabirlacapital.com | www.stocksandsecurities.adityabirlacapital.com

Registered Office:

Indian Rayon Compound, Veraval,

Gujarat - 362 266

CIN: L65993GJ1995PLC064810

IPO Note – Brigade Hotel Ventures Limited

24 July 2025

Financials & valuation:-

Brigade Hotel Ventures Limited has a strong operational portfolio across brands and segments with a robust expansion pipeline and an opportunity for inorganic growth. Backed by a strong promoter and a healthy balance sheet which will further strengthen post debt- reduction efforts through IPO proceeds, makes it well poised for next leg of growth. The Indian hospitality industry is expected to remain under focus owing to a demand-supply mismatch for branded rooms, strong growth in MICE activities, resumption of FTA and a healthy marriage season. At the upper-price band, Brigade is available at a comfortable valuation of 20x its FY25 EV/ EBITDA. We have a **SUBSCRIBE** recommendation to this issue

Key Financials (₹ Cr)	Mar-23	Mar-24	Mar-25
Total Income	356	405	471
EBITDA	114	145	167
EBITDA Margin (%)	32.0	35.7	35.5
PAT	(3)	31	24
PAT Margin (%)	-0.9	7.7	5.0
Net Worth	34	59	79
Rooms	1,474	1,474	1,604
Occupancy	70%	73%	77%
ARR	5,944	6,388	6,694
RevPAR	4,136	4,681	5,138

Source: ABML Research, RHP, company presentation

Aditya Birla Money Ltd.

10th Floor, R - Tech Park, Nirlon Knowledge Park, Off Western Express Highway,
Goregaon (E), Mumbai - 400 063
+91 22 6225 7600

care.stocksandsecurities@adityabirlacapital.com | www.stocksandsecurities.adityabirlacapital.com

Registered Office:

Indian Rayon Compound, Veraval,
Gujarat - 362 266

CIN: L65993GJ1995PLC064810

IPO Note – Brigade Hotel Ventures Limited

24 July 2025

Disclaimer:-

We hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Aditya Birla Money Limited, hereinafter referred to as ABML. Further, We have not served / do not serve as an officer, director or employee of the companies mentioned in the report. Further, We have not been engaged in market making activity in the Subject Company. AI tools were not used for research services.

Aditya Birla Money Limited (ABML) is in the business of offering stock broking and depository services in securities through its various affiliations with Stock Exchanges and Depositories. It offers Portfolio Management Services to HNI and Corporate investors. ABML also caters to investments in Mutual Funds through its digital platform to diversify asset allocation.

This document is not for public distribution and is meant solely for the personal information of the authorized recipient. No part of the information must be altered, transmitted, copied, distributed or reproduced in any form to any other person. Persons into whose possession this document may come are required to observe these restrictions. This document is for general information purposes only and does not constitute an investment advice or an offer to sell or solicitation of an offer to buy / sell any security and is not intended for distribution in countries where distribution of such material is subject to any licensing, registration or other legal requirements.

The information, opinion, views contained in this document are as per prevailing conditions and are of the date of appearing on this material only and are subject to change. No reliance may be placed for any purpose whatsoever on the information contained in this document or on its completeness. Neither ABML, its group companies, its directors, associates, employees nor any person connected with it accepts any liability or loss arising from the use of this document. The views and opinions expressed herein by the author in the document are his own and do not reflect the views of Aditya Birla Money Limited or any of its associate or group companies. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. Past performance is no guarantee and does not indicate or guide to future performance.

Nothing in this document is intended to constitute legal, tax or investment advice, or an opinion regarding the appropriateness of any investment, or a solicitation of any type. The contents in this document are intended for general information purposes only. This document or information mentioned therefore should not form the basis of and should not be relied upon in connection with making any investment. The investment may not be suited to all the categories of investors. The recipients should therefore obtain your own professional, legal, tax and financial advice and assessment of their risk profile and financial condition before considering any decision.

ABML, its associate and group companies, its directors, associates, employees from time to time may have various interests/ positions in any of the securities of the Company (ies) mentioned therein or be engaged in any other transactions involving such securities or otherwise in other securities of the companies / organization mentioned in the document or may have other interest with respect of any recommendation and / related information and opinions.

Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

ABML may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Neither the Research Analysts nor ABML have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ABML by any Regulatory Authority impacting Equity Research Analysis activities during the past 1 year.

In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report Research Analysts, ABML or any of its associates

- (i) have not received any compensation from the Subject Company
- (ii) may have managed or co-managed public offering of securities from subject company of this research report, or
- (iii) may have received compensation for investment banking or merchant banking or brokerage services from subject company of this research report, or
- (iv) may have received compensation for products or services other than investment banking or merchant banking or brokerage services as applicable from the subject company of this research report or
- (v) the Subject Company may have been a client of ABML or its associates during twelve months preceding the date of distribution of the research report.

ABML and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report. Accordingly, neither ABML nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

The company follows employee trading policy which regulates the trading activities of the research analyst. The company policy do not restrict the compensation of research analyst linked with the recommendations provided therein.

Name of the Compliance officer: Mr. Murali Krishnan L R: 044-49490014 E-mail Address: abm-chn.compliance@adityabirlacapital.com. For any queries or grievances: Mr. Sathish Kumar Email address: care.stocksandsecurities@adityabirlacapital.com Contact Number: 18002707000.

Securities Broking is through Aditya Birla Money Limited: SEBI Registration No. NSE/BSE/MCX/NCDEX:INZ000172636 ; NSDL /CDSL: IN-DP-17-2015. PMS - INP 000003757, Research Analyst –INH000002145. Central Insurance Repository Limited: IRDA/IR2/2014/312. Investments in securities market are subject to market risks, read all the related documents carefully before investing. Please read the risk disclosure document, rights and obligations, guidance note, Do's and Don'ts and policies and procedure carefully before making any investment decision. Brokerage will not exceed the SEBI prescribed limit. Margins as prescribed by Exchange / SEBI will be applicable.

Aditya Birla Money Ltd.

10th Floor, R - Tech Park, Nirlon Knowledge Park, Off Western Express Highway,
Goregaon (E), Mumbai - 400 063
+91 22 6225 7600

care.stocksandsecurities@adityabirlacapital.com | www.stocksandsecurities.adityabirlacapital.com

Registered Office:

Indian Rayon Compound, Veraval,
Gujarat - 362 266

CIN: L65993GJ1995PLC064810