



December 14, 2018

**National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051**

**BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001**

NSE Scrip Symbol: LEMONTREE

BSE Scrip Code: 541233

Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, we would like to inform you that the management of Lemon Tree Hotels is scheduled to meet Investors in Mumbai at HDFC Securities 'Consumer and Media' Investor Forum to be held at Sofitel, Bandra Kurla Complex, Bandra East, Mumbai on Monday, December 17, 2018.

Also find attached herewith the Corporate Presentation, which would be discussed during the Investors meet.

The above is for your record.

Thanking You

For Lemon Tree Hotels Limited


**Nikhil Sethi
Group Company Secretary & GM Legal
& Compliance Officer**

November 2018



Lemon Tree Hotels Limited

Corporate Presentation



Disclaimer

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Lemon Tree Hotels Limited (LTH) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



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Lemon Tree Premier, Delhi Airport



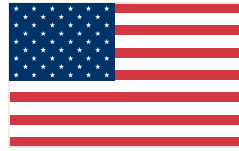
Lemon Tree Premier, Jaipur



Lemon Tree Premier, City Center,
Gurgaon

Attractiveness of Indian Hotel Industry

India: A comparatively under-penetrated hotel market



Supply of Rooms

16.2 Million

5.0 Million

3.78 Million

0.2 Million

Population

7349 Million

321 Million

1379 Million

1211 Million

Penetration (Rooms/1000 People)

2.2

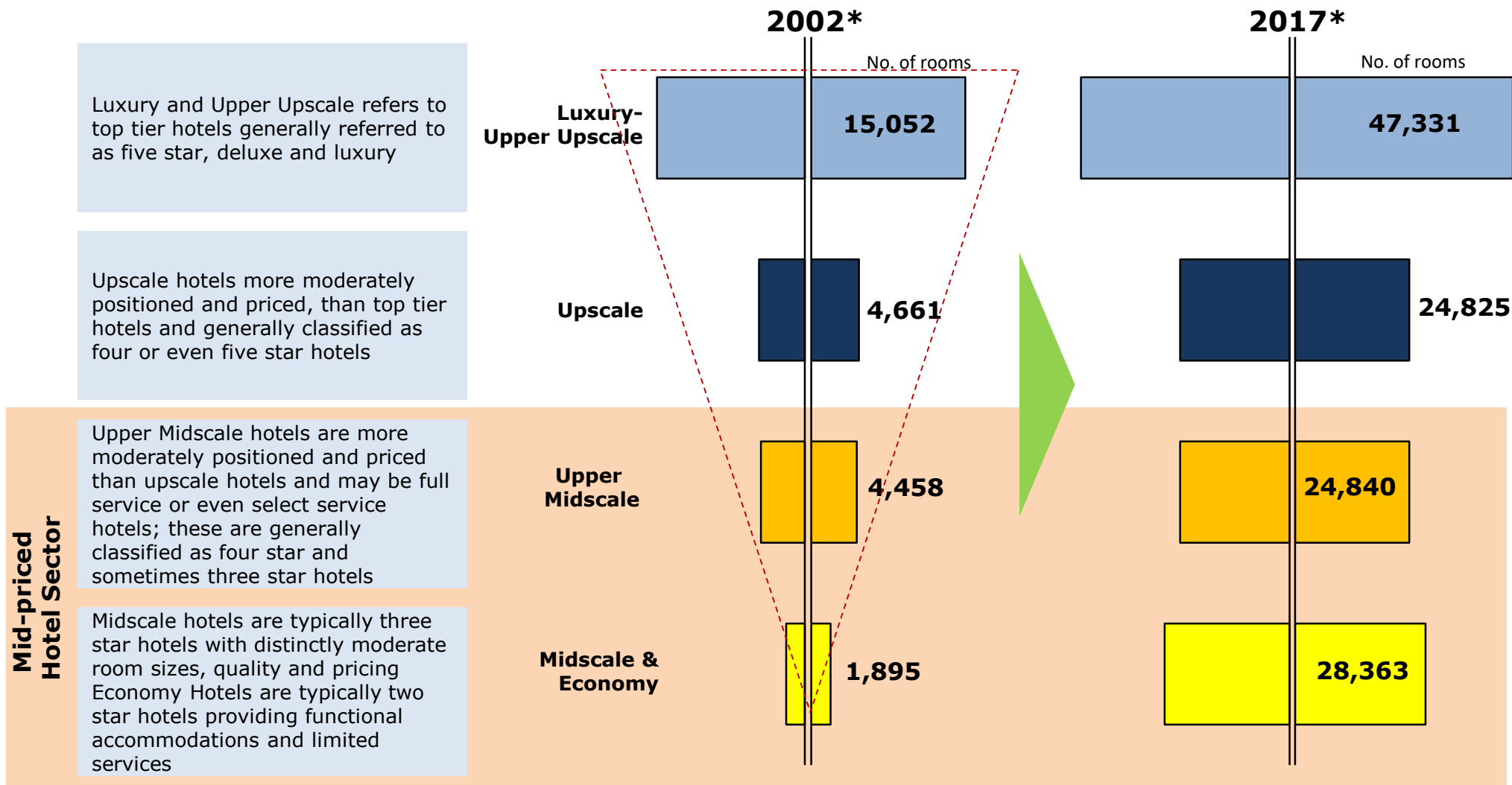
15.7

2.7

0.2

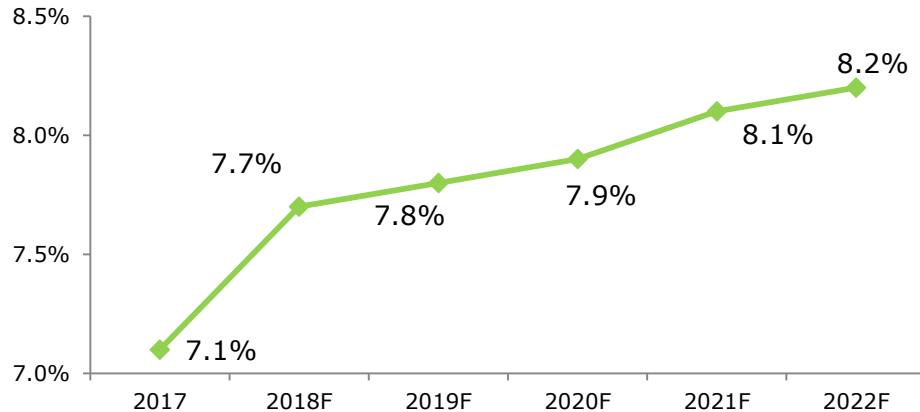
Supply of rooms in India's hotel industry was primarily at the top-end

When Lemon Tree commenced business in 2002, India's Hotel industry was an inverted pyramid



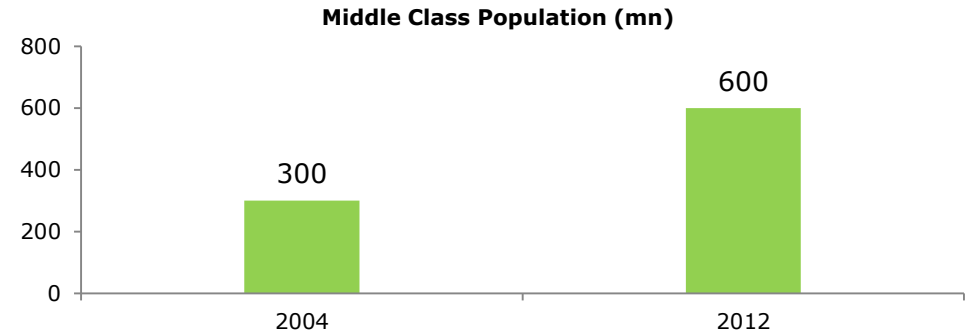
Significant drivers for hotel industry growth in India

Increasing Indian GDP



Source : Central Statistics Office, Govt. of India, IMF

Growing middle class population

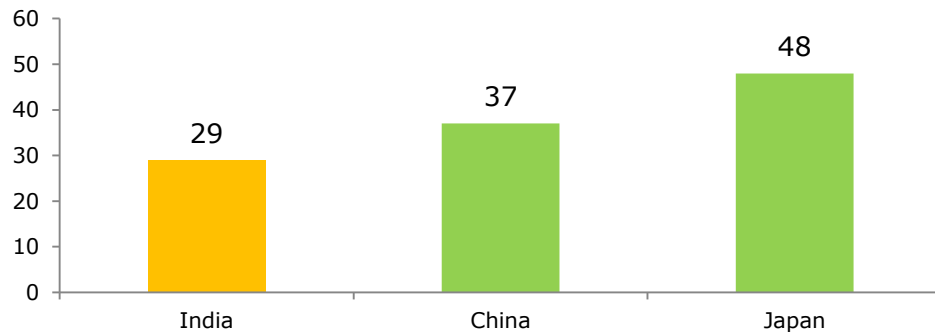


Middle class population in India is likely to overtake that of US and China by 2027

Source : World Economic Forum

Rise in young population

Average Age by 2020



64% of India's population is expected to be in the working age population by the fiscal year 2021

Source : Union budget and economic survey 2013

Higher spending

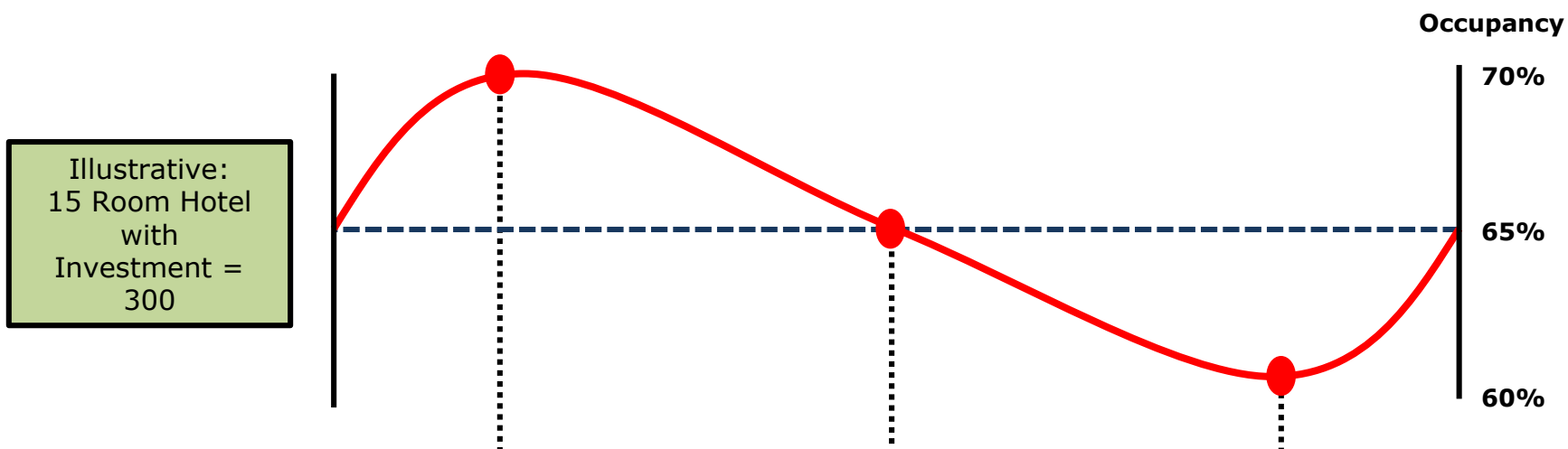
Increased income levels expected to create additional discretionary spending capacity for the individuals

Improved road and air connectivity

Growth in domestic travel in India in forms like business travel, leisure travel, MICE visitation, wedding and social travel etc.

Source : Horwath Report

The hotel business cycle



| Cycle | Top (2) | Middle (3) | Bottom (2) |
|----------------------------------|-------------|------------|-------------|
| Occupancy | 70% or more | 63-68% | 60% or less |
| Rooms Sold | 12 | 10 | 8 |
| Average Daily Rate | 13 | 10 | 7 |
| Revenue | 156 | 100 | 56 |
| Expenses | 60 | 50 | 40 |
| EBITDA | 96 | 50 | 16 |
| Hotel RoCE | 32% | 17% | 5% |
| Sustainable Debt:Equity Coverage | Full Debt | 1:1 | No Debt |

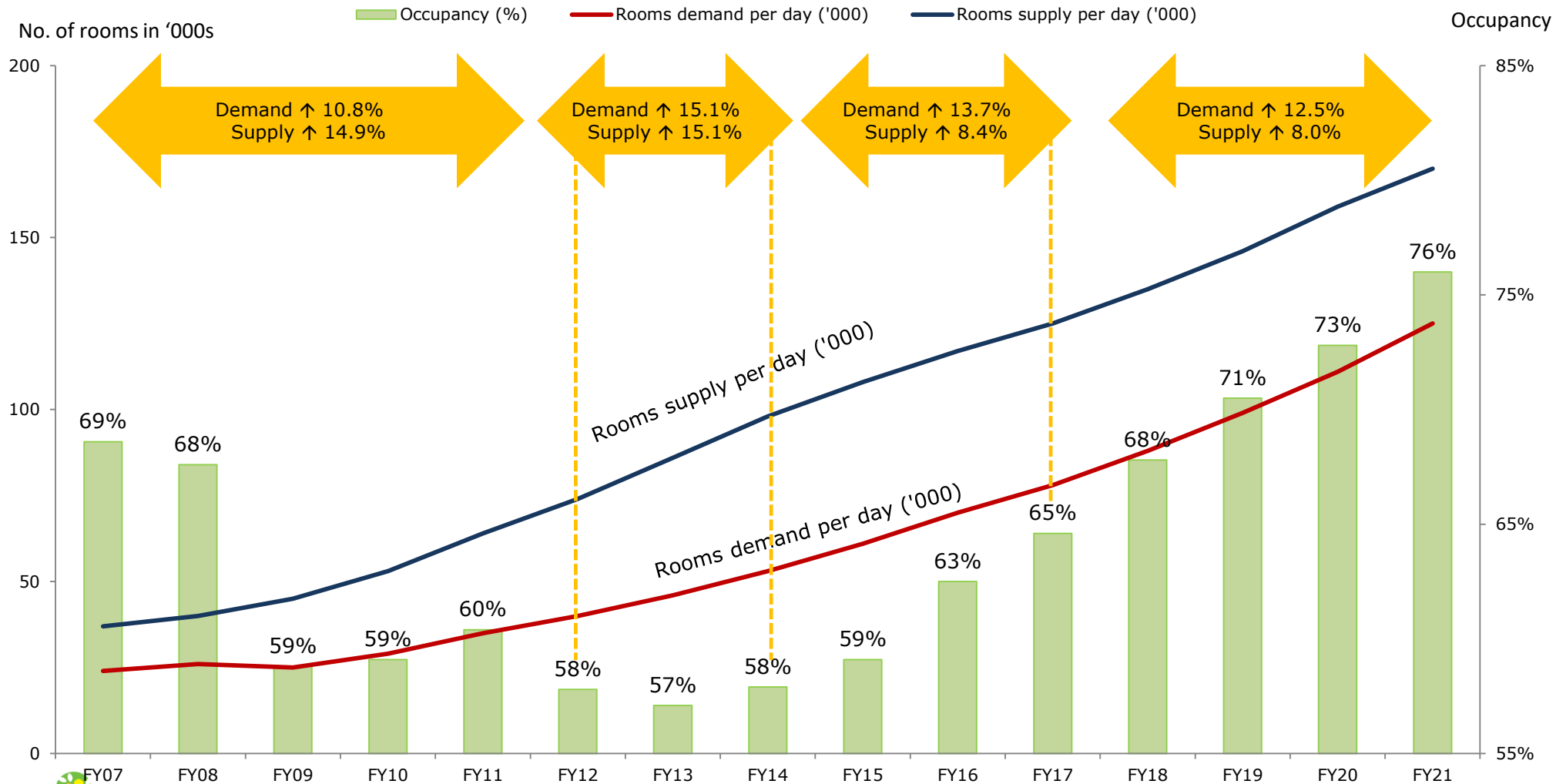
3:2:1

6:3:1

Note: Hotel RoCE is calculated as Hotel level EBITDA/Capital deployed for operational hotels.

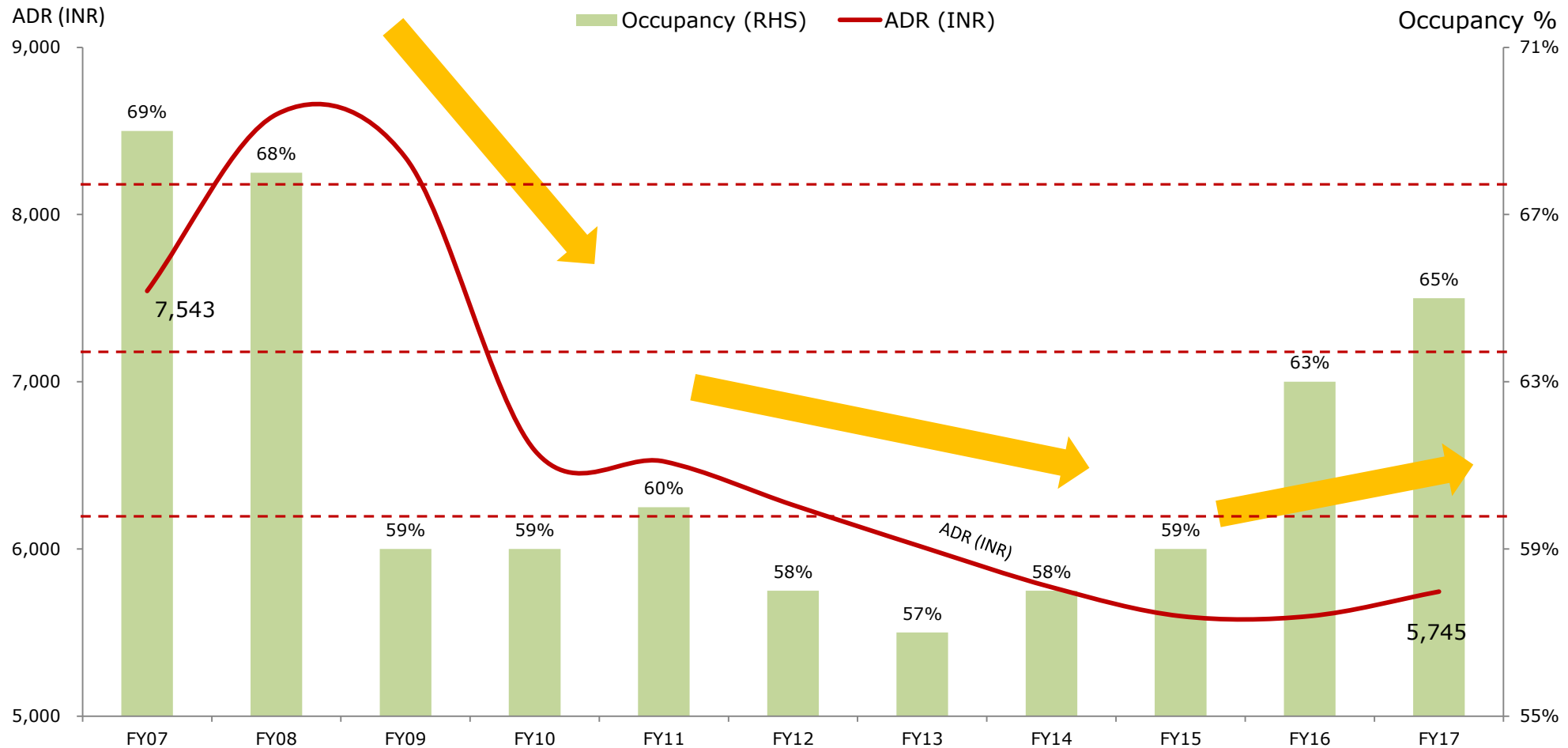
Indian hotel industry is at an inflection point

Slowing supply and rising demand is expected to increase occupancy



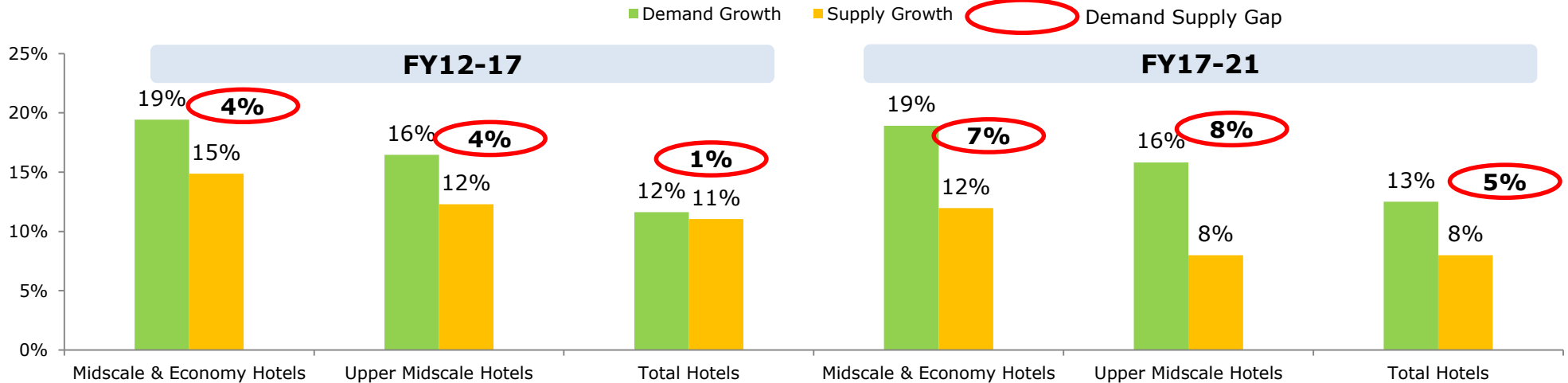
Increasing occupancy leading to increase in room rates

Average Daily Rate (ADR) is increasing with increase in occupancy rates

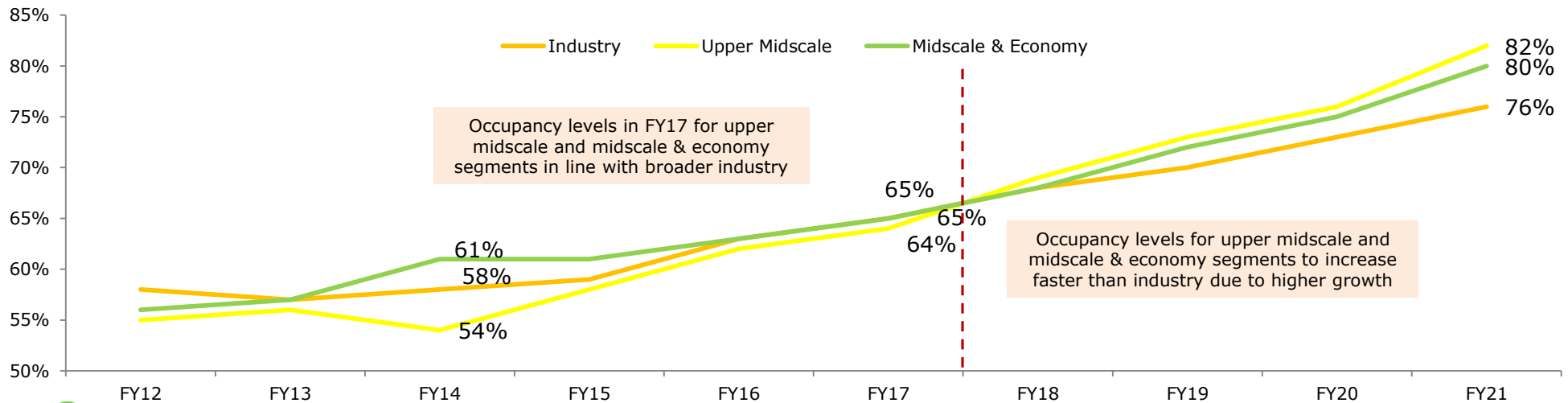


Mid-priced hotel sector expected to have higher demand supply gap resulting in higher growth in occupancy

Mid-priced hotel sector expected to continue having higher demand-supply gap leading to...



...faster growth in expected occupancy





Lemon Tree Hotel, Aurangabad



Lemon Tree Hotel, Gachibowli,
Hyderabad




Lemon Tree Hotel, Vadodara

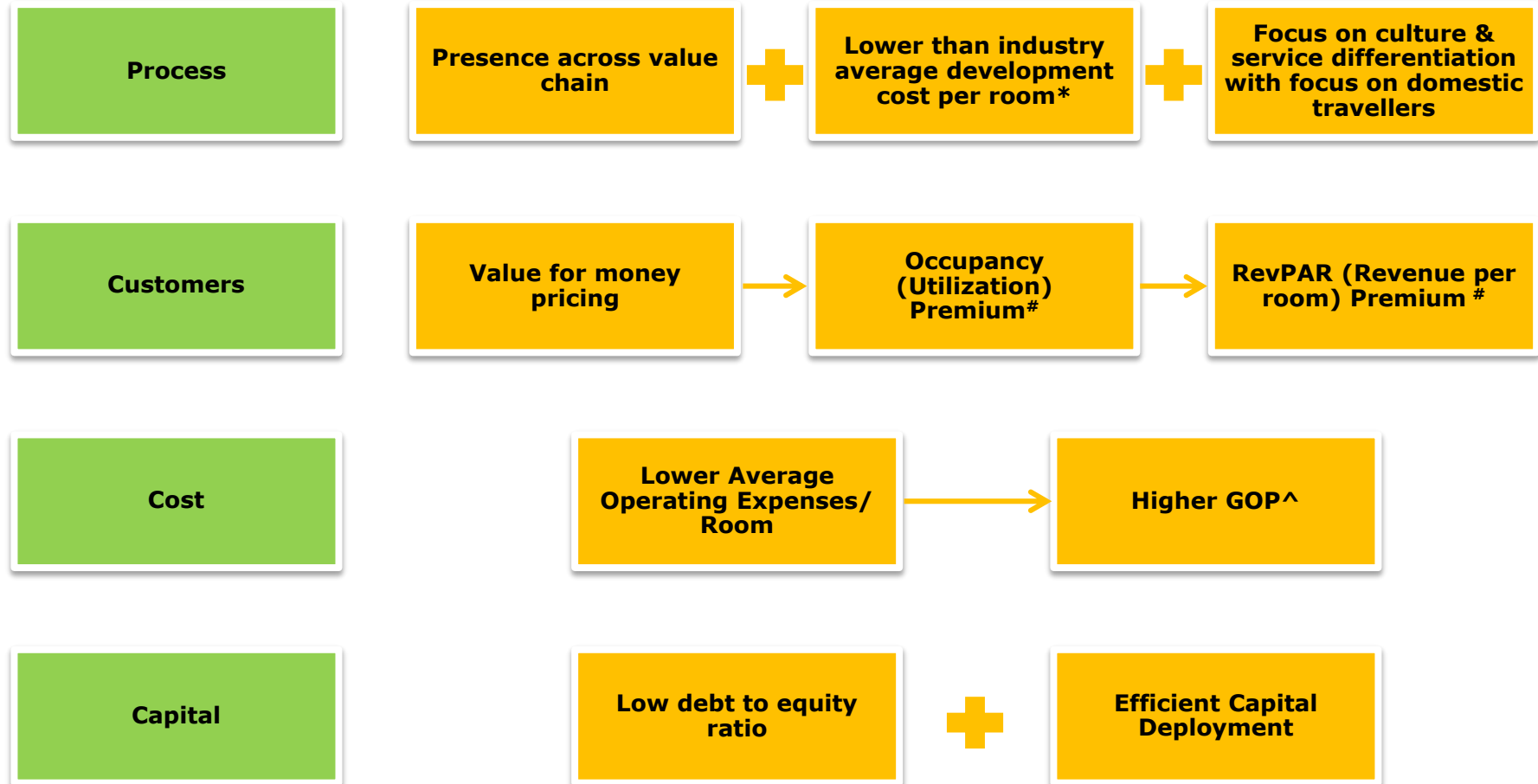
Differentiated business model of Lemon Tree (LTH)

The Business Model | Mid-cycle

Lemon Tree's ROCE is > 1.5x of a typical 5 star hotel in India

| | Typical 5 star |  | |
|-----------------------------------|----------------|---|----------------------------|
| Cost Per Room (Normalised) | 1000 | 400 | ~40% of Five Star |
| Rate (Normalised) | 100 | 50 | |
| Occupancy | x% | 1.2x% | |
| Room Revenue (Normalised) | 100 | <u>60</u> | ~60% of Five Star |
| Total Revenue (Normalised) | 100 | <u>50</u> | Lower other income for LTH |
| Cost (Normalised) | 65 | <u>25</u> | ~40% of Five Star |
| EBITDA (Normalised) | 35 | <u>25</u> | |
| RoCE | x | <u>1.7x</u> | |

Competitive Advantage: Differentiated Business Model



Notes: *Based on average development cost per room (excluding the cost of land), for our owned hotels (including owned hotels located on leased or licensed land), developed between the fiscal years 2011 and 2015 in the upper -midscale, midscale and economy hotel segments, respectively, which was lower than the average of select hotels in the respective hotel segments, for the same period; Source : HVS (India – 2016 Hotel Development Cost Survey)

#Source : Horwath Report; ^RevPAR Premium and Lower Average Operating Expenses/ Room of Lemon Tree as compared to industry leading to higher GOP

Process

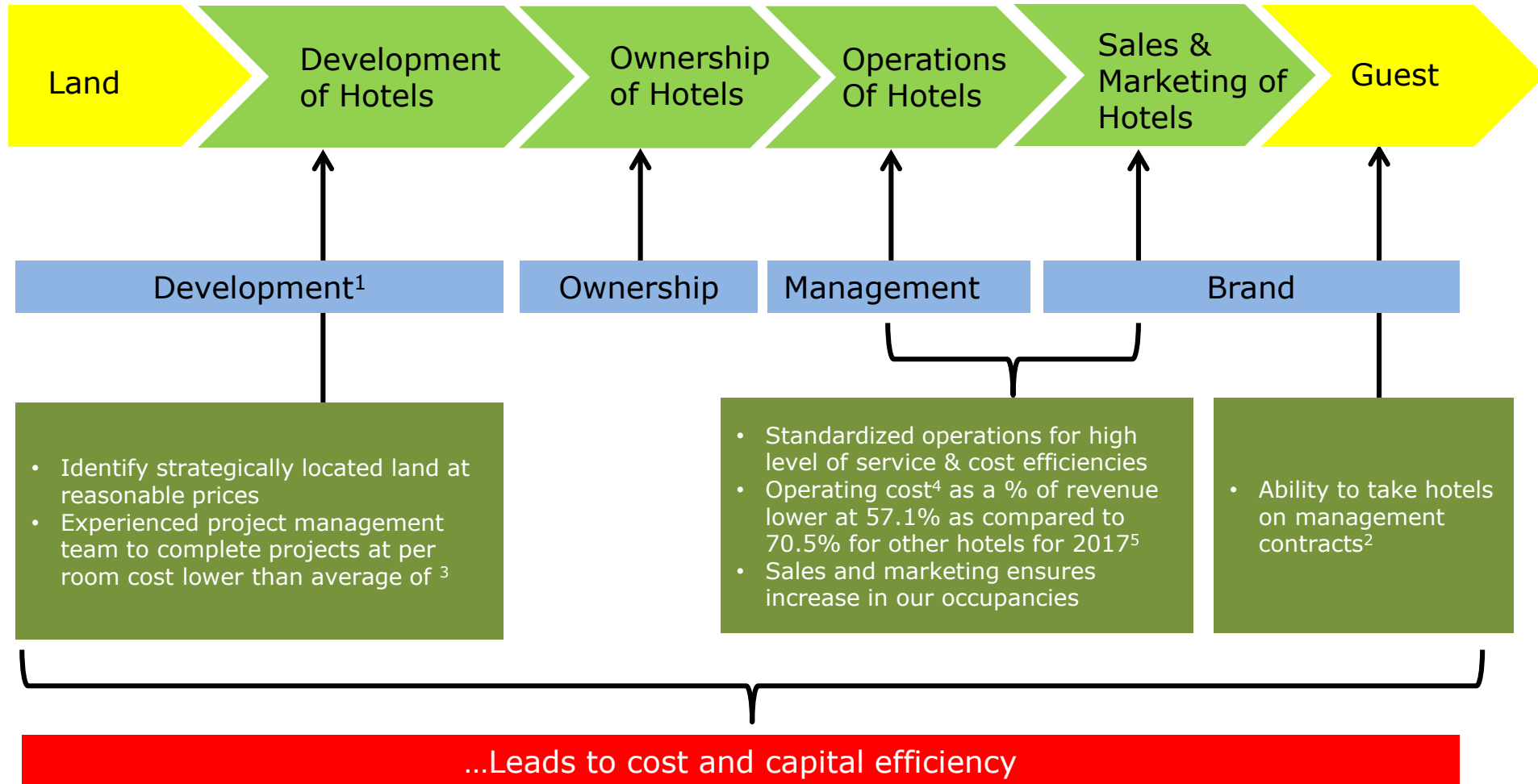
Presence across value chain



Lower than industry average development cost per room



Focus on culture & service differentiation with focus on domestic travellers



Process

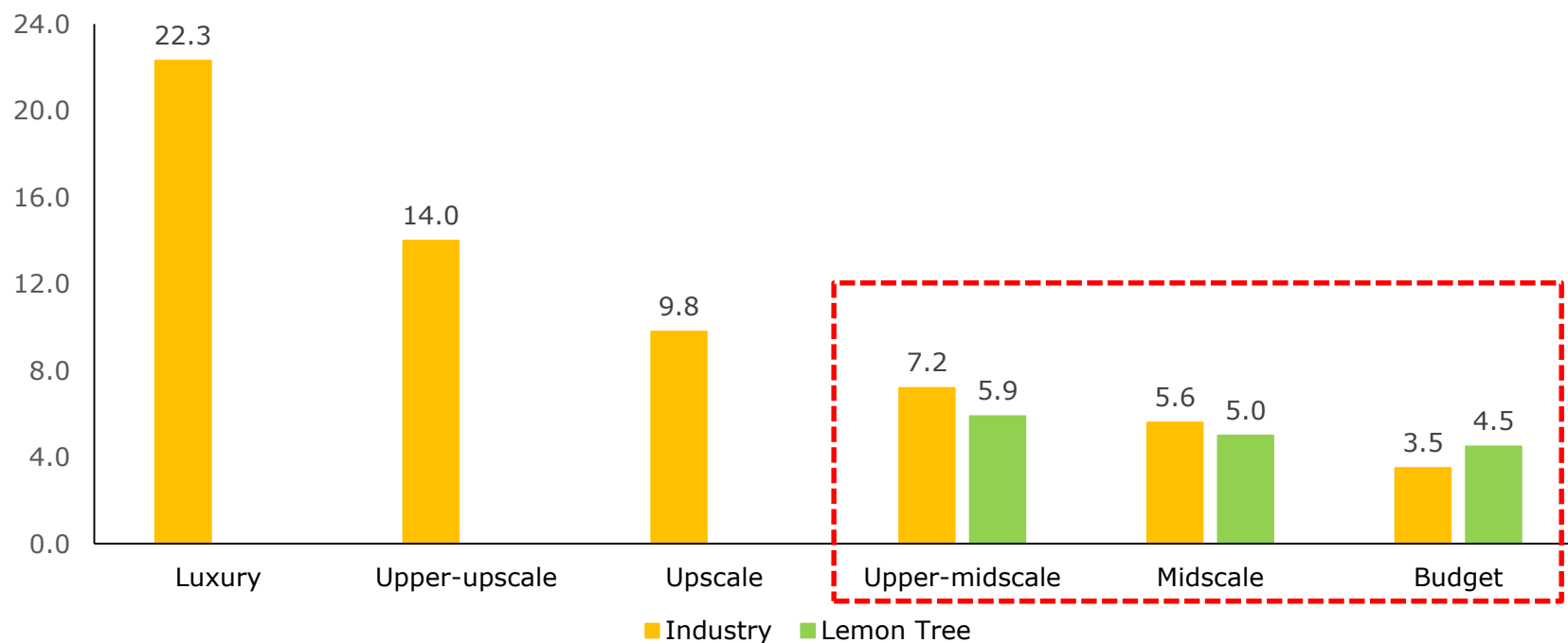
Presence across value chain



**Lower than industry
average development cost
per room ^**

**Focus on culture & service
differentiation with focus on
domestic travellers**

Average development
cost, per room* (INR Mn.)



| | Upper-midscale | Midscale | Budget |
|--|----------------|----------|--------|
| Lemon Tree development cost (% of industry) | 82% | 89% | 129% |
| Lemon Tree average development cost (% of upper-upscale) | 37% | | |

^ Lemon Tree's average development cost per room (excluding the cost of land) for owned hotels developed between 2011 and 2015 was lower than the average of select hotels in the respective hotel segments for the same period

Process

Presence across value chain



Lower than industry average development cost per room



Focus on culture & service differentiation with focus on domestic travellers



- Ranked 4th in India and only Hotel chain in top 10 Best Companies to Work for by the Great Place to Work Institute, India in 2017
- Ranked 12th in Asia's Best Large Workplaces in 2018 by Great Place to Work Institute. Only Indian company in top 15
- The highly engaged work force provides superior service to customers

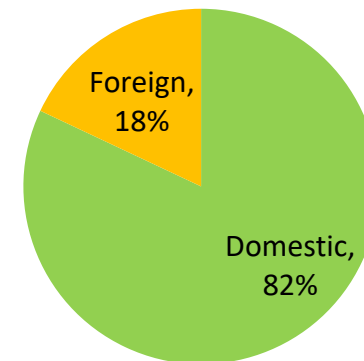
Superior service leads to higher Customer Satisfaction as demonstrated by TripAdvisor recognition

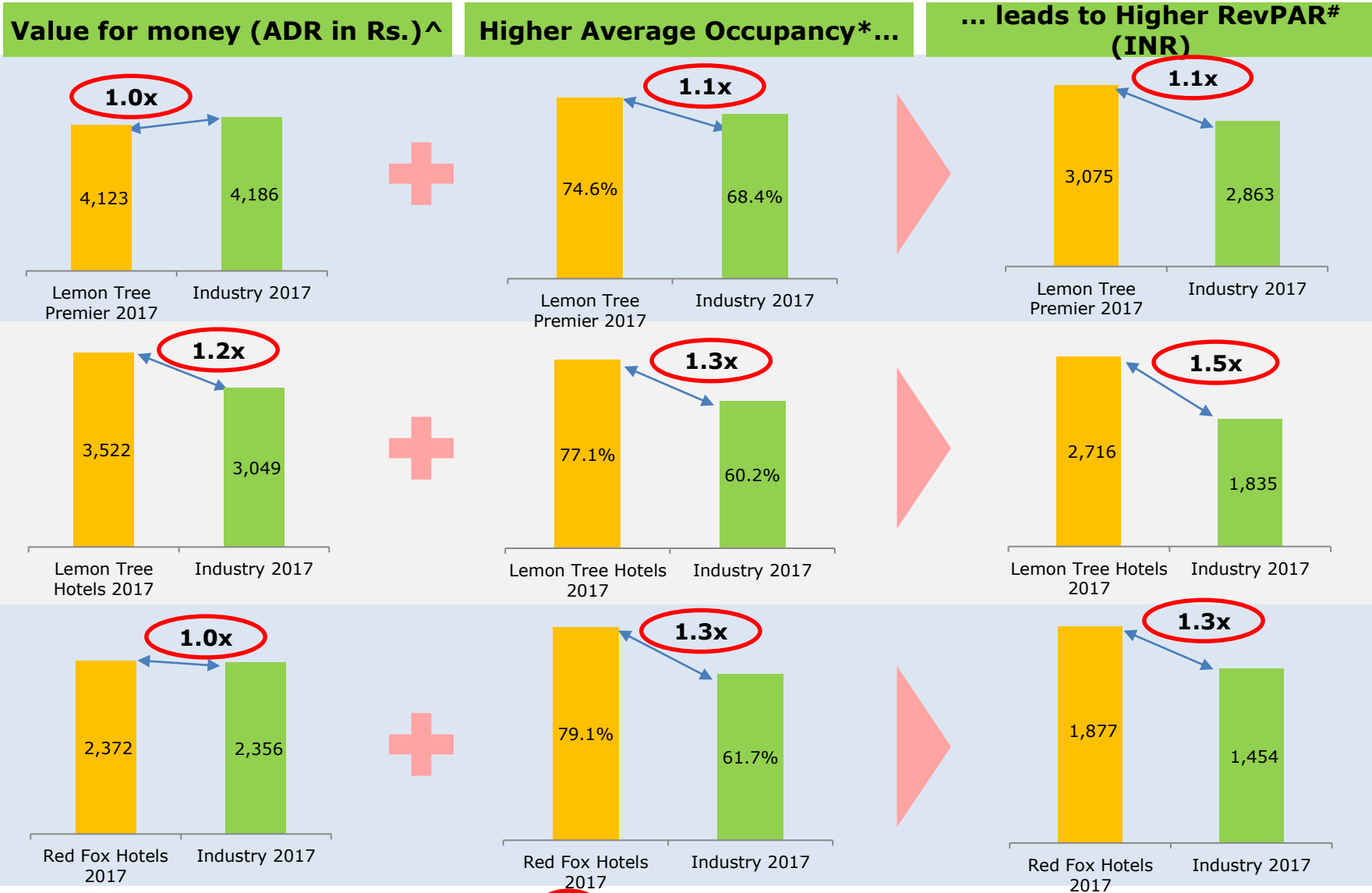
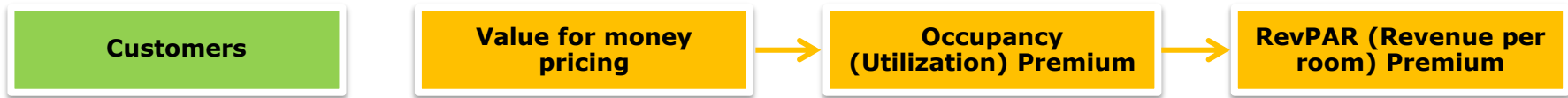


26 out of 41 hotels (which were operational for at least a year and were eligible for receiving this recognition) were awarded the TripAdvisor Certificate of Excellence for 2018

Focus on Domestic Customers

FY18





Lemon Tree/Industry

Source : Industry data is sourced from FHRAI-Indian-Hotel-Survey-2016-17.

^ Average Daily room rent; *Average occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels; #RevPAR is calculated by multiplying ADR and average occupancy, where ADR represents revenue from room rentals divided by total number of room nights sold at our owned and leased hotels (including rooms that were available for only a certain portion of a period); Industry 2017 data is for all participating hotels in respective hotel segment

Cost

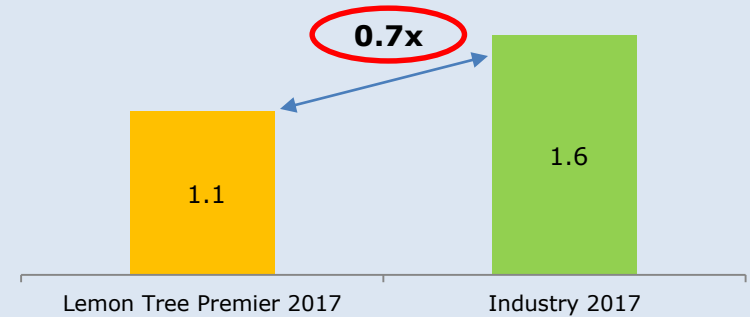
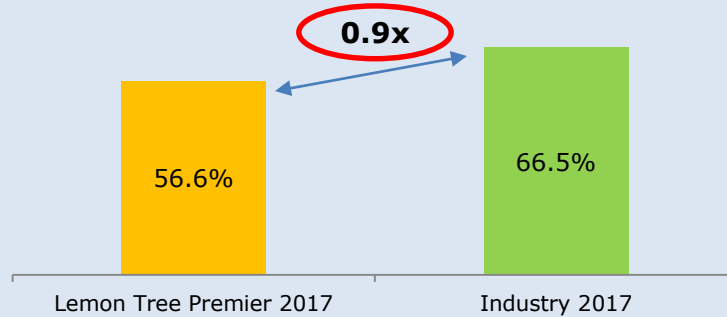
Lower Average Operating
Expenses/ Room

Higher GOP^

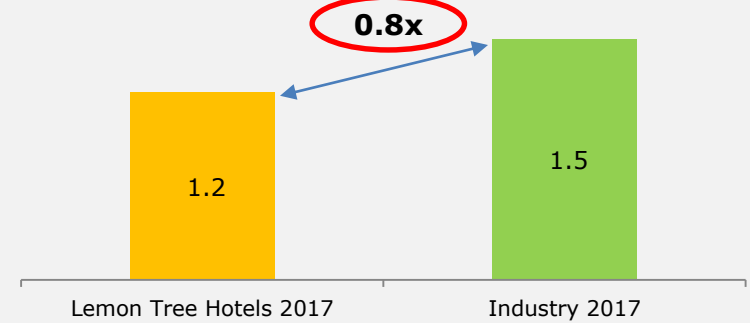
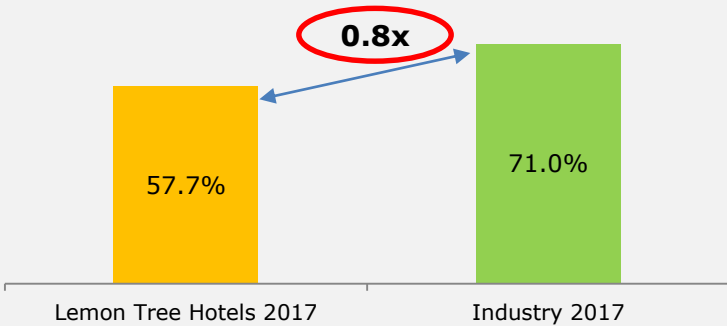
Lower Operating Expense as % of Revenue

Lower Staff per room ratio

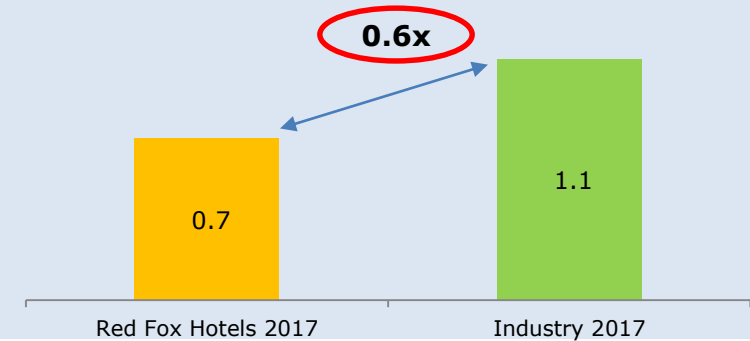
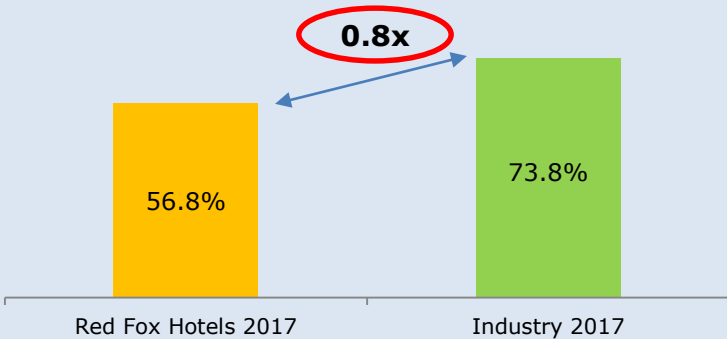
Upper
Midscale



Midscale



Economy



Lemon Tree/Industry

Summary | Relative Performance comparison (Lemon Tree vs. Industry Segments)

| FY17 | LT Group % of Five Star Aggregate | LTP % of Four Star Aggregate | LTH % of Three Star Aggregate | RFH % of Two Star Aggregate |
|-------------------------------|--|---|--|--|
| Net ARR (INR) | 59% | 98% | 115% | 101% |
| Occupancy (%) | 114% | 109% | 128% | 128% |
| RevPAR (INR) | 68% | 107% | 148% | 129% |
| | | | | |
| Total Revenue | 53% | 100% | 110% | 84% |
| | | | | |
| Total Expenses | 46% | 85% | 89% | 65% |
| | | | | |
| EBITDAR | 65% | 129% | 160% | 138% |
| | | | | |
| Average development cost/room | 37% | 82% | 89% | 129% |
| | | | | |
| ROCE | 178% | 158% | 179% | 108% |
| | | | | |
| Staff/room | 58% | 70% | 75% | 65% |

Capital

**Low debt to equity
ratio**



**Efficient Capital
Deployment**

Maintained an efficient capital structure with a balanced-asset model

- Track record of multiple simultaneous hotel developments – both organically and inorganically
- Present across the hotel value chain including both development and management of hotels

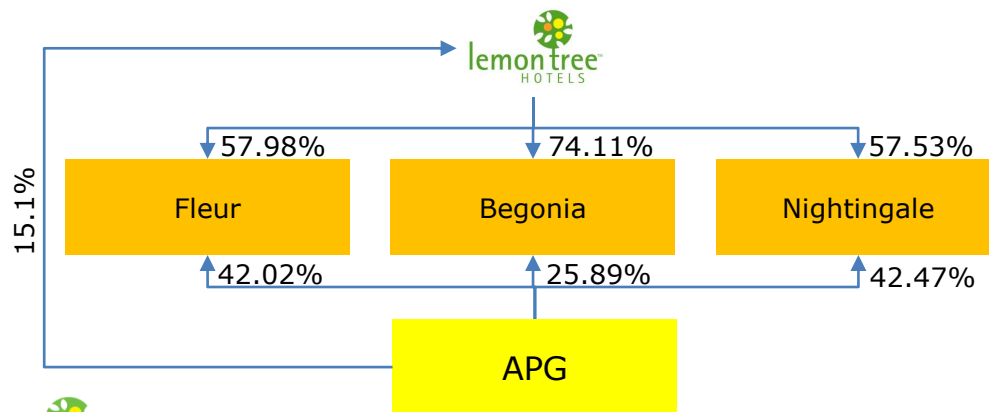
Stabilisation

- Standardized pre-opening and seamless day-to-day operations, at high levels of service and cost efficiencies
- A dynamic pricing policy
- Diversified team working to increase hotel occupancies and achieve operational and financial targets

**Development of
hotels/ Scale
up of portfolio**

**Monetisation
platform**

- Sale of operational assets by divesting equity interest in certain operating hotels
- Capital recycled back into new development
- Retains management and control



- Transferred minority stake in subsidiaries operating certain operational hotels to APG since 2012
- Capital raised from APG was used to purchase land and develop additional hotels
- Lemon Tree continues to have operational control over hotels, while reducing costs - capital and operational
- Lemon Tree earns management fee from these hotels



Lemon Tree Hotel, Coimbatore



Lemon Tree Premier, City Center, Gurgaon



Lemon Tree Vembanad Lake, Alleppey, Kerala

Company Overview and Growth Plans

Leadership in mid-priced hotel sector



#1 mid-priced hotel sector¹ chain by owned rooms^{2,4}
#3 overall hotel sector chain by owned rooms^{2,4}

1,301
rooms;
10 hotels

Lemon Tree Premier



Targeted primarily at the upper-midscale hotel segment typically comparable to 4-star and sometimes 3-star

2,516
rooms;
31 hotels

Lemon Tree Hotels



Targeted primarily at the midscale hotel segment typically comparable to 3-star

1,273
rooms;
10 hotels

Red Fox by Lemon Tree Hotels



Targeted primarily at the economy hotel segment typically comparable to 2-star

Key Statistics³



31

Cities for current operating hotels



25

New cities for under development hotels



56

Cities by end of FY21



51

number of operating hotels*



33

number of hotels under development*



84

Hotels by end of FY21*



5,090

number of rooms*



3,508

number of rooms under development*



8,598

Rooms by end of FY21*



26 of 41

Eligible hotels operating for at least a year awarded TripAdvisor Certificate of Excellence for 2018



835,732

Members in loyalty program

Notes:

1. Includes upper midscale, midscale and economy hotels

2. Source : 'Industry Report – Mid Priced Hotel Sector' prepared by Horwath HTL India ("Horwath Report"); As of June 30, 2017

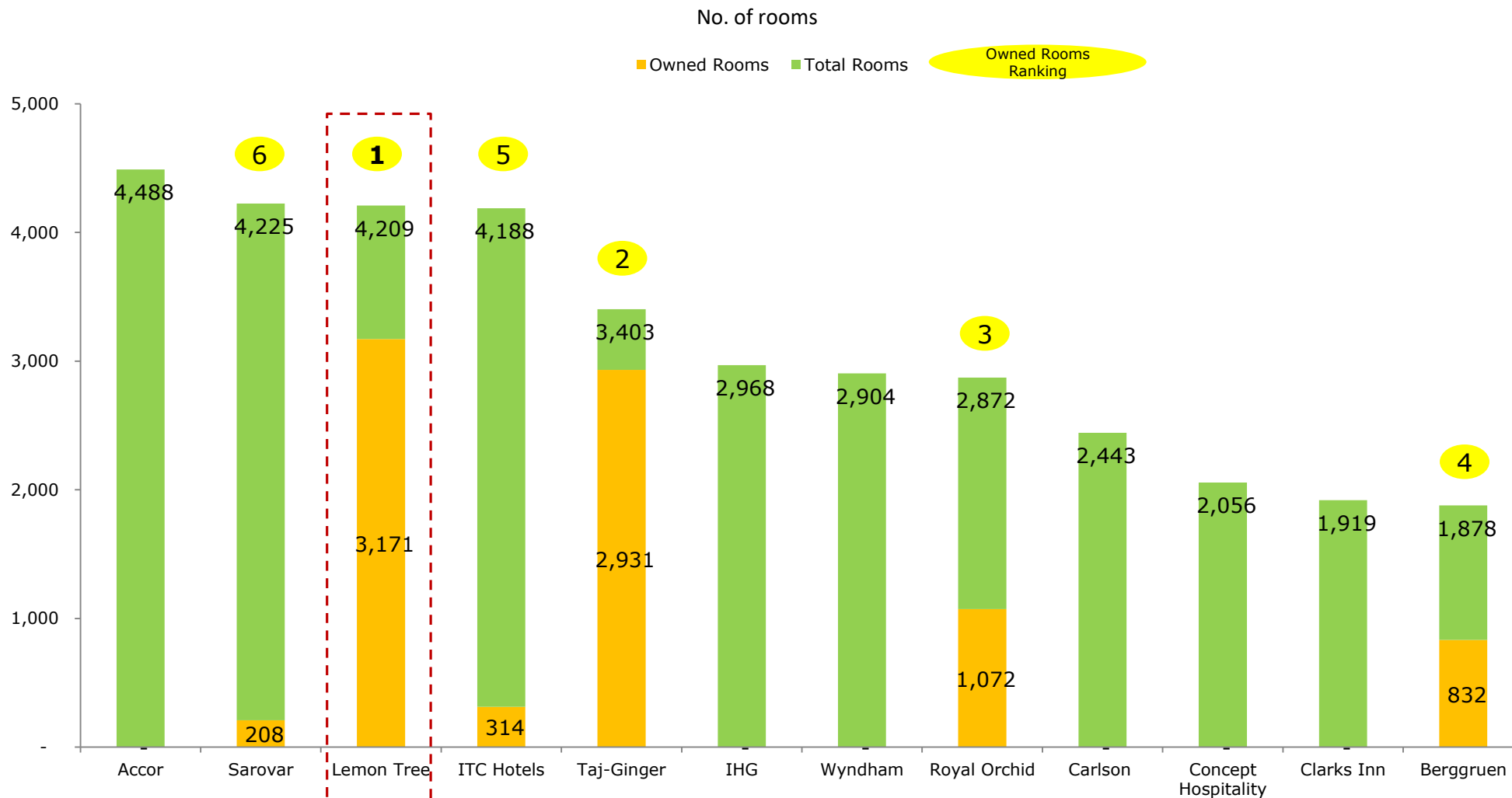
3. As of Nov 5th, 2018

4. On the basis of controlling interest in owned and leased rooms

* Operating rooms include 2,796 owned, 573 leased and 1,721 managed rooms; Pipeline includes of 1,434 owned and 2,074 managed rooms

India's largest hotel chain in Mid-priced Hotel Sector ¹

Lemon Tree is the largest hotel chain in mid-priced hotel sector in India¹ and #3 in terms of total rooms ^{1,2}



Notes:

1. On the basis of controlling interest in owned and leased rooms, as of June 30, 2017, Ranking is based on inventory, unless otherwise indicated

2. Source : Horwath Report

3. Accor has minority investment in hotels with inventory aggregating 4,168 rooms; Accor's proportionate share of room's ownership is 1,642 rooms. Since it is only a minority stake ranking is Accor is not ranked in category of Owned Rooms

4 Top 12 classification is based on inventory as at March 31, 2017, the data for earlier years and as at June 30, 2017 is provided only for comparison purposes

Strategically positioned in key geographies with Lemon Tree share of total mid-priced hotel sector

- * Geographical spread across India and presence in key markets to cater effectively to corporate clients and business travelers
- * Hotel operations in each of the top 10 markets in India (based on hotel inventory)
- * Focus in key micro markets to address demand and optimize pricing
- * Hotels at locations with high barrier-to-entry such as close to major business centers, airports etc.

Jaipur: FY17 – 11%
FY21E – 10%

Ahmedabad: FY17 – 11%
FY21E – 9%

Mumbai: FY17 – NA
FY21E – 17%

Pune: FY17 – 5%
FY21E – 9%

Goa: FY17 – 4%
FY21E – 4%

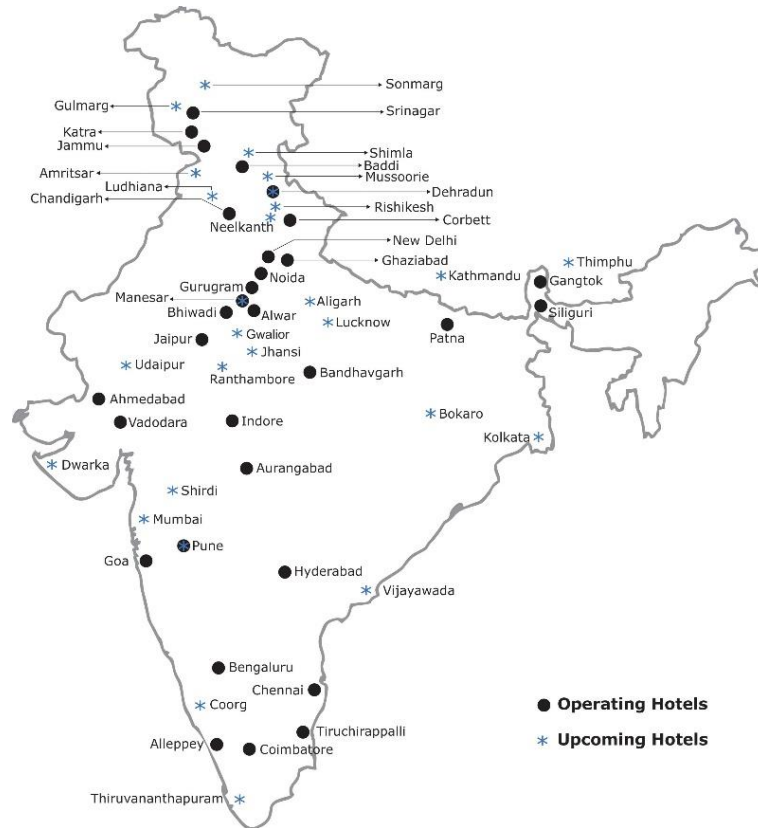
Bengaluru: FY17 – 9%
FY21E – 8%

Delhi NCR: FY17 – 14%
FY21E – 16%

Kolkata: FY17 – NA
FY21E – 8%

Hyderabad: FY17 – 24%
FY21E – 21%

Chennai: FY17 – 5%
FY21E – 4%

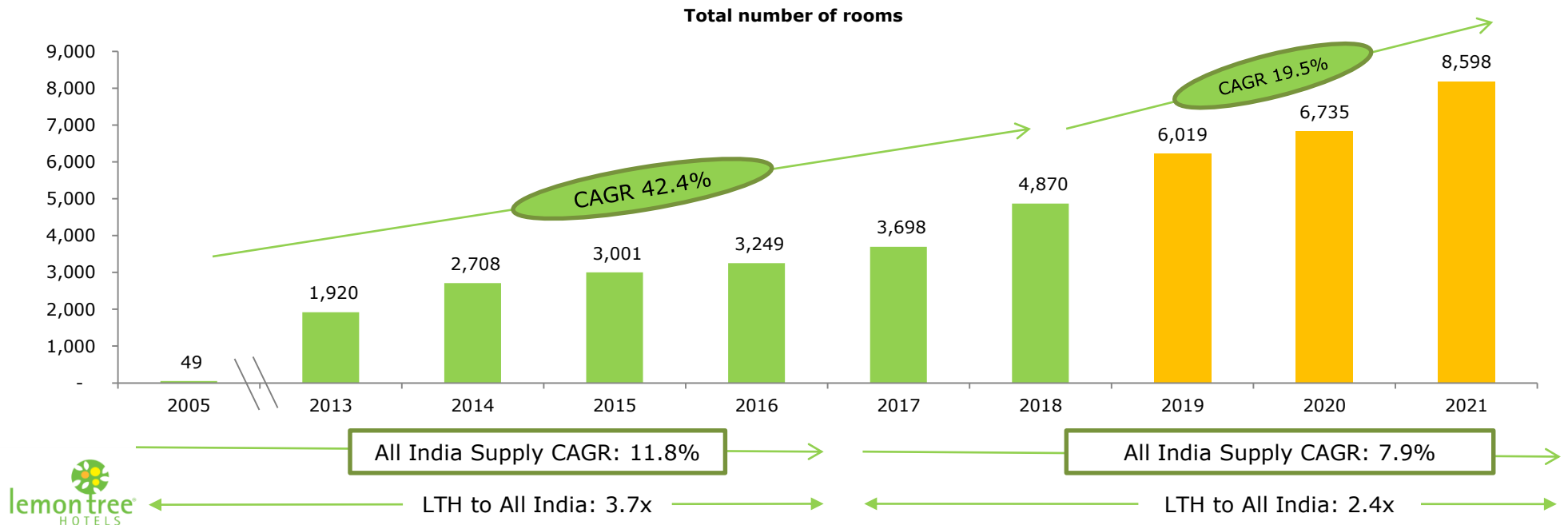
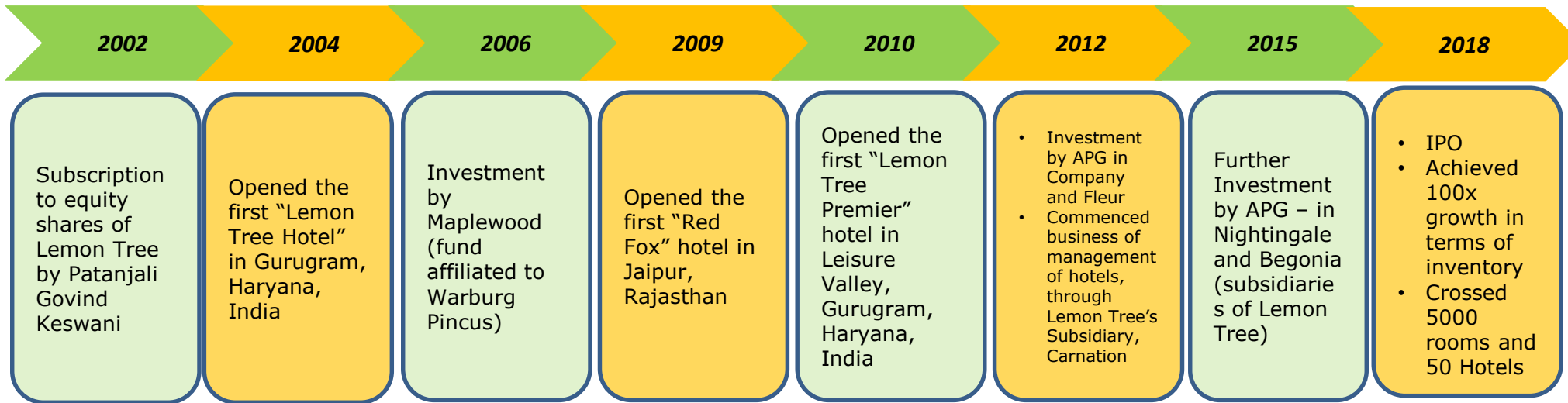


Source : Horwath Report

Note: For FY21E, share based on total rooms by end of FY21 and Horwath projection of total mid-priced sector supply in these markets

Map updated as of November 5th, 2018

Milestones

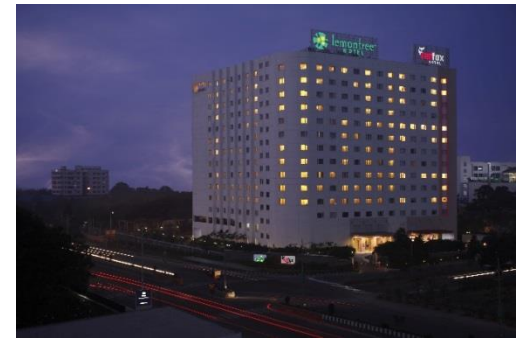




Lemon Tree Amarante Beach, Goa



Lemon Tree Premier, Corbett

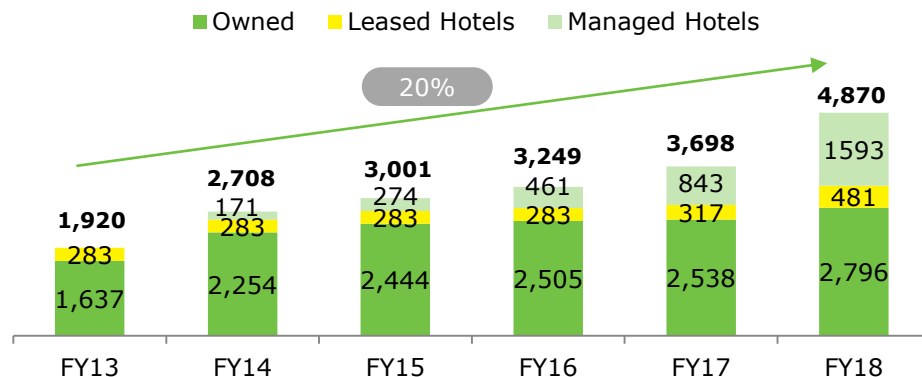


Lemon Tree Premier, Hyderabad

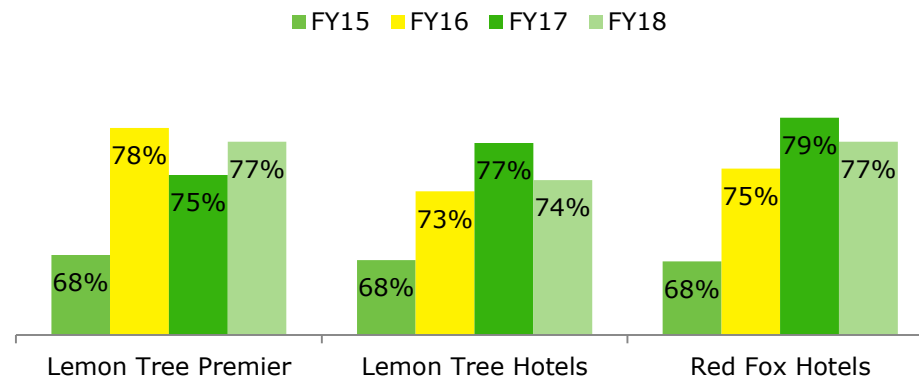
Strong Operating and Financial Performance

Strong operating performance

Rooms are being added...

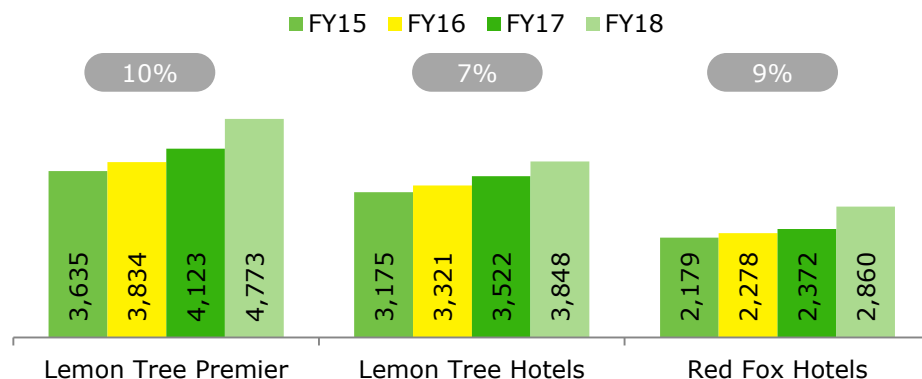


...and occupancy levels increasing...

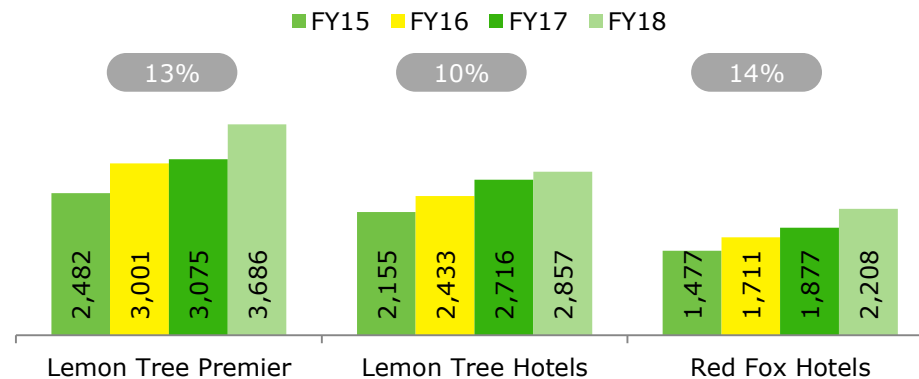


Note: Drop in occupancy levels is on account of new owned/leased supply addition by Lemon Tree in FY18

...coupled with increasing ADR...



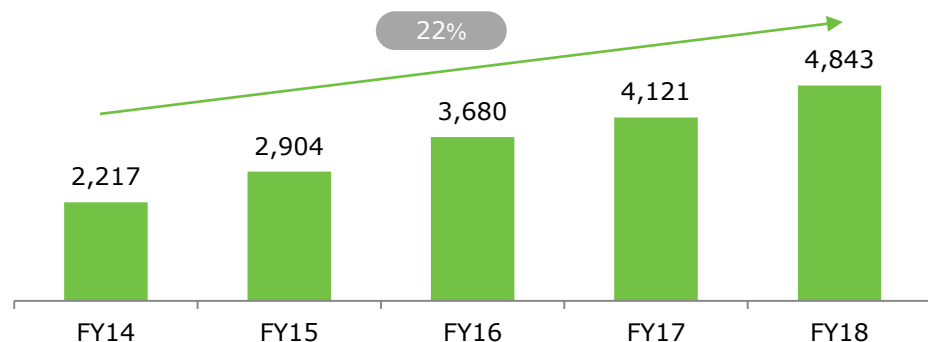
...leading to a RevPAR growth



Strong Growth and improving margins

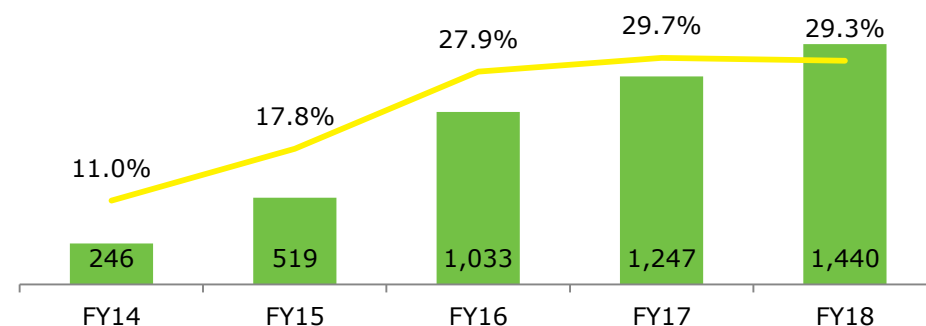
Revenue has increased at 22% over the last 5 years...

Revenue from operations (Rs. million)



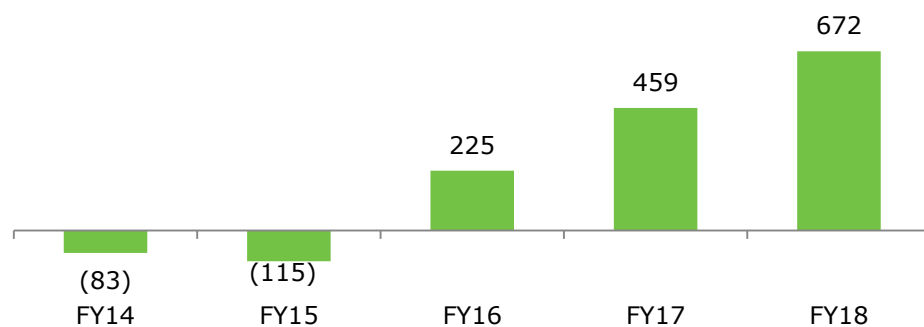
...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



Increasing cash profit* growth

Cash Profit (PAT + Depreciation) (Rs. million)



Gearing low

Debt/Equity



Operational Performance by Ageing – FY18 vs. FY17

| Parameters | Financial year | Adult Hotels (Stable - older than 3 years) | Toddler Hotels (Stabilizing - between 1-3 years old) | Infant Hotels (New - less than 1 year old) | Under-development hotels |
|--|----------------|---|---|---|---|
| Hotels | FY18 | 21 | 3 | 4 | 7 |
| | FY17 | 21 | 3 | - | |
| Operating Rooms (year-end) | FY18 | 2,727 | 128 ¹ | 422 | 1,525 |
| | FY17 | 2,727 | 106 ¹ | - | |
| Occupancy Rate (%) | FY18 | 77.6% | 61.5% | 66.0% | Deep demand markets (high occupancies) |
| | FY17 | 77.5% | 51.6% | - | |
| Average Daily Rate (Rs.) | FY18 | 3,900 | 5,274 | 3,422 | 1.5x of Adult Hotels in that year* |
| | FY17 | 3,411 | 5,302 | - | |
| Hotel level EBITDAR ² /room (Rs. million) | FY18 | 0.67 | 0.49 | 0.15 | High* |
| | FY17 | 0.62 | 0.32 | - | |
| Hotel level EBITDAR ² Margin (%) | FY18 | 44% | 36% | 15% | High* |
| | FY17 | 43% | 32% | - | |
| Hotel level ROCE ^{*3} (%) | FY18 | 12% | 6% | (1%) | 2.0x of Adult Hotels in that year* |
| | FY17 | 11% | 6% | - | |

Notes: * Hotel level ROCE for hotels older than 5 years is 13% for FY18.

1) 22 rooms were added in Lemon Tree Wildlife resort, Bandhavgarh which were operational from November-2017

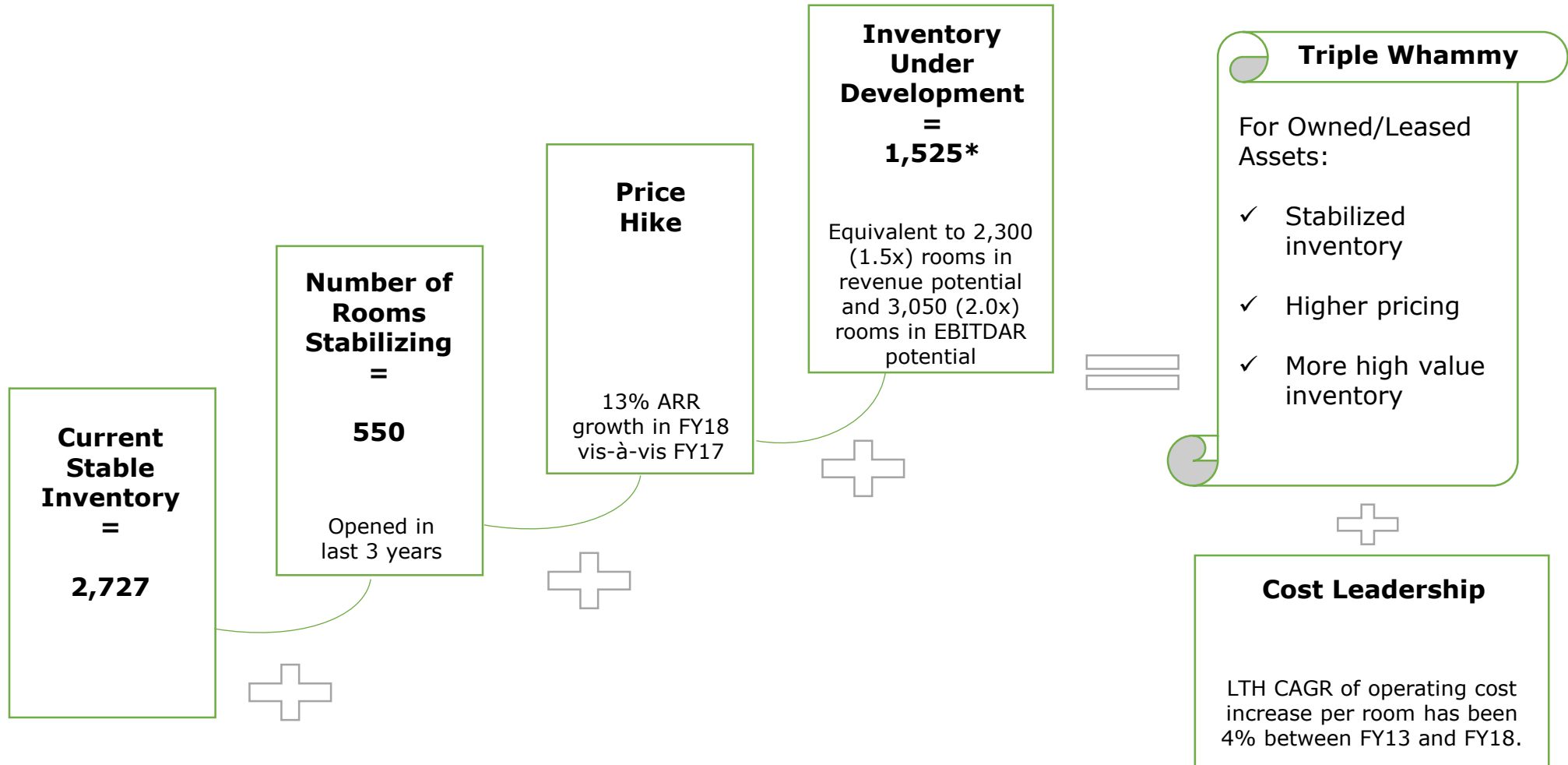
2) Hotel level EBITDAR measures hotel-level results before lease rentals, debt service, depreciation and corporate expenses of the owned/leased hotels, and is a key measure of company's profitability

3) Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels.

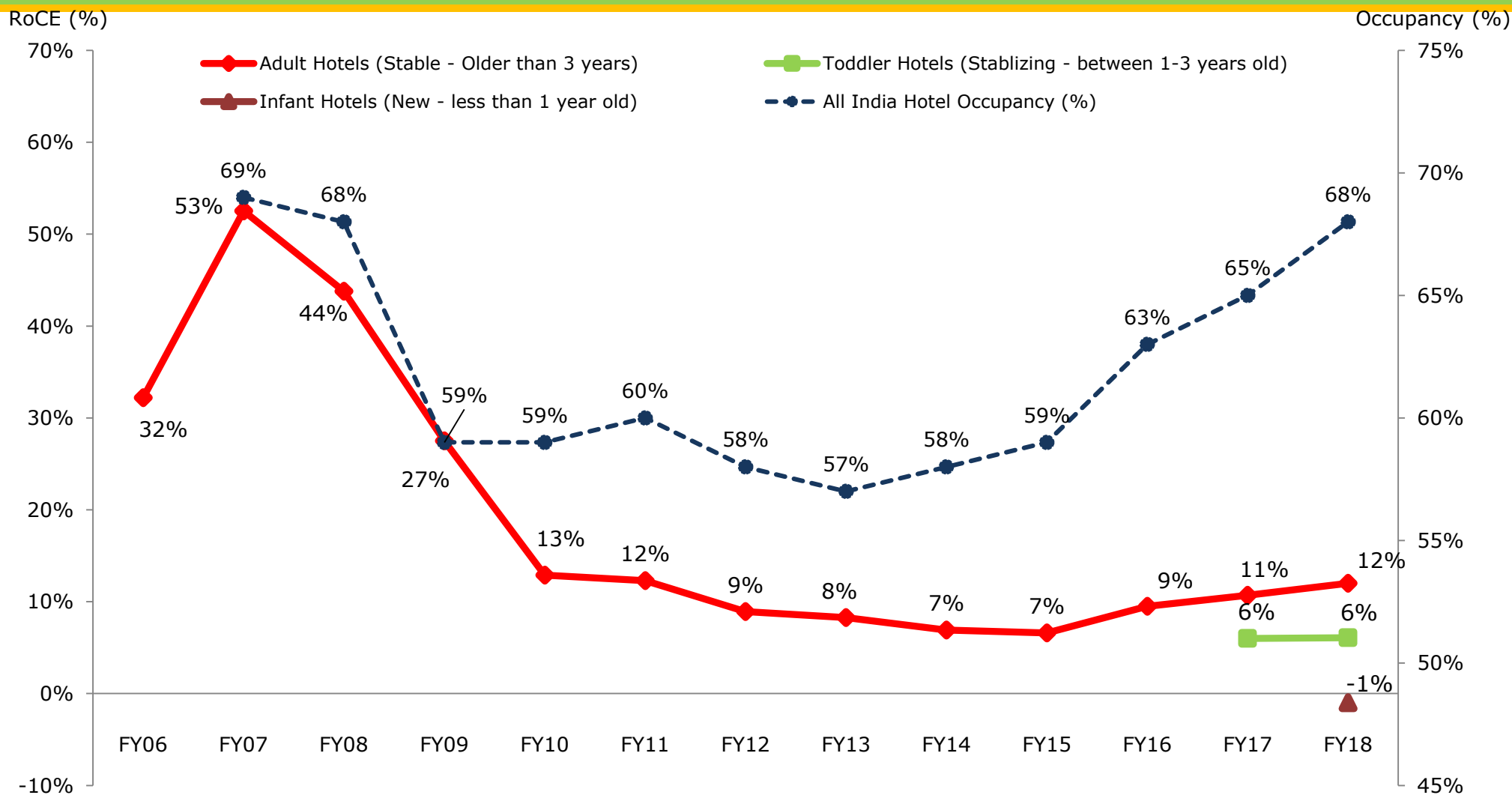
4) Full year numbers will be updated on annual basis.

* Post stabilization.

Key levers to drive better results



Lemon Tree Hotels RoCE : Hotel Buckets by ageing as on 31st March, 2018



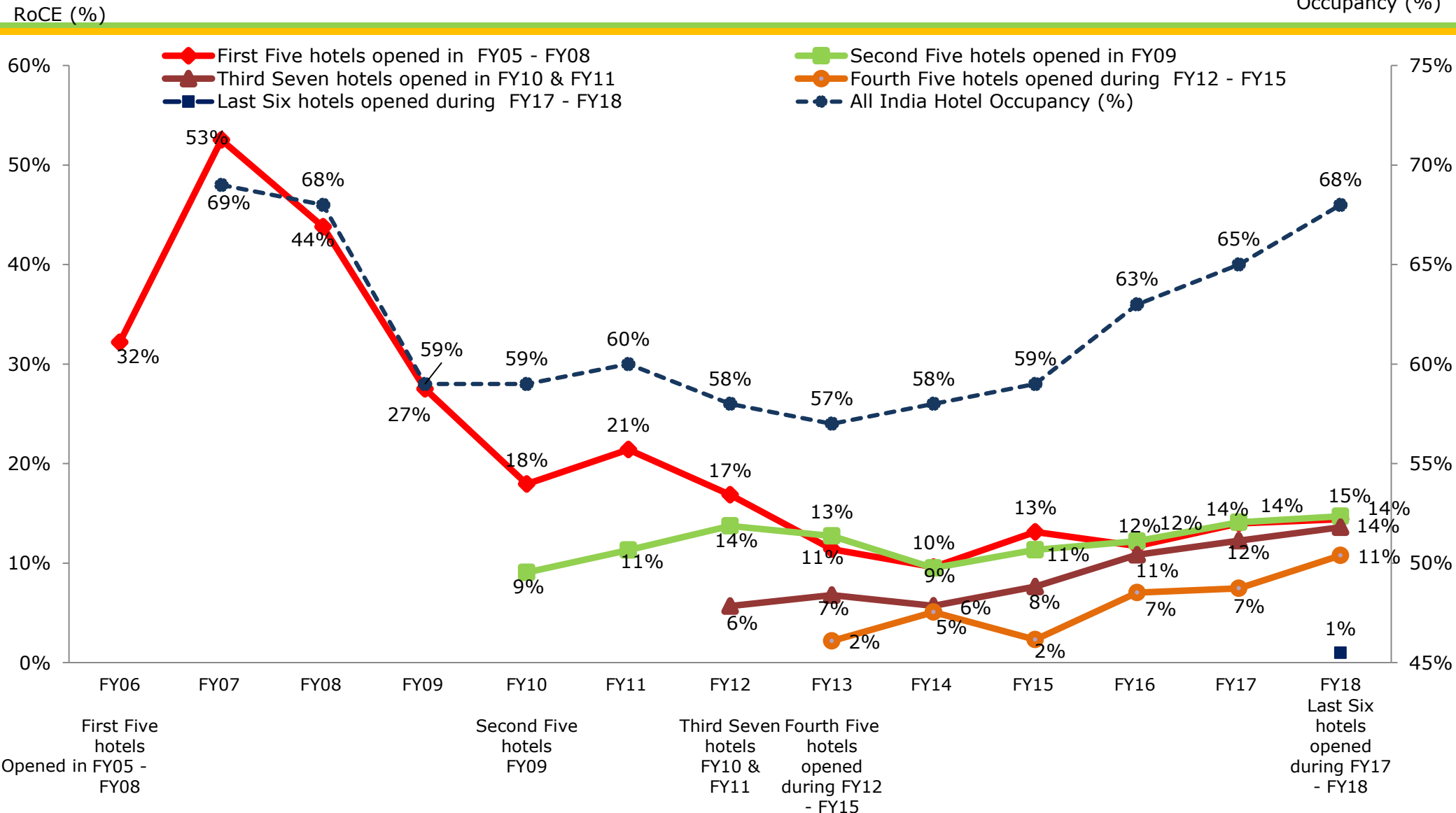
Notes:

1. Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels
2. Hotel RoCE is based on first full year of operation

Source : Industry occupancy is taken from Horwath HTL report.

Lemon Tree Hotels RoCE : Hotel Buckets by opening

Occupancy (%)



Notes:

1. Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels
2. Hotel RoCE is based on first full year of operation

Source : Industry occupancy is taken from Horwath HTL report.



Lemon Tree Hotel, Dehradun



Lemon Tree Premier, Ahmedabad



Lemon Tree Premier, Bengaluru

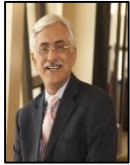
Corporate Governance and Sustainability

Board of Directors



Patanjali Govind Keswani (*Chairman and Managing Director*)

- Bachelor's degree in electrical engineering from the Indian Institute of Technology, New Delhi
- Postgraduate diploma degree in management from the Indian Institute of Management, Calcutta
- Worked in: Tata Administrative Service/Taj Group of Hotels: 17 years; Last role as the Chief Operating Officer of Taj Business Hotels
- Worked in: AT Kearney, New Delhi: 2 years; Director



Rattan Keswani (*Deputy Managing Director*) - **Not related to the Chairman and Managing Director**

- Bachelor's degree in commerce from the DAV College, Panjab University
- Diploma degree in hotel management from the Oberoi School of Hotel Management
- Worked in: The Oberoi Group; Last role as the President of Trident Hotels
- Over 30 years of experience in the hospitality industry and has been with Lemon Tree Hotels for over the last 6 years



Aditya Madhav Keswani (*Non-Executive Director*)

- Bachelor's degree in arts from the New York University



Ravi Kant Jaipuria (*Non-executive Director*)

- Promoter and Director of Varun Beverages Limited and RJ Corp
- A leading entrepreneur and business leader in India
- Over 30 years of experience in the food and beverage industry



Anish Saraf (*Non-executive Director*)

- Bachelor's degree in commerce from St. Xavier's College, Calcutta
- Postgraduate diploma degree in management from the Indian Institute of Management, Ahmedabad
- Serves as the Managing Director of Warburg Pincus, India
- Worked in: KPMG, India; Senior Manager
- Over 15 years of experience across the fields of private equity, management consulting and entrepreneurship



Willem Albertus Hazeleger (*Non-executive Director*)

- Executive master's degree in business administration from the Institut Européen d'Administration des Affaires (INSEAD)
- Executive master's degree in business administration from the Tsinghua University
- Serves as the Chief Executive Officer (CEO) of APG Investments Asia Limited, the Hong Kong subsidiary of the APG Asset Management N.V

Board of Directors (contd.)



Gopal Sitaram Jiwaraajka (*Independent Director*)

- Bachelor's degree in commerce from the University of Bombay
- Serves as the Managing Director and whole-time Director of Salora International Limited
- Serves as a Director of PHD Chamber of Commerce and Industry
- Worked in: Panasonic AVC Networks India Company Limited; Last role as a Director
- Over 30 years of experience across the fields of manufacturing, marketing and consumer goods



Freyan Jamshed Desai (*Independent Director*)

- Bachelor's degree in law from the University of Delhi
- Master's degree in law from King's College, London
- Served as the General Counsel of the Novartis group of companies in India
- Worked in: Amarchand & Mangaldas & Suresh A. Shroff & Co; Last role as a Partner
- Over 30 years of experience across various legal fields



Paramartha Saikia (*Independent Director*)

- Bachelor's degree in economics from the University of Delhi
- Master's degree in arts (economics) from the University of Delhi
- Worked in: J. Walter Thomson Sdn. Bhd., Malaysia; Last role as the Chief Executive Officer (CEO)
- Worked in: Iris Worldwide Integrated Marketing Private Limited; Last role as the Chief Executive Officer (CEO)
- Worked in: Publicis India; Last role as the Chief Executive Officer (CEO)
- Over 30 years of experience across the fields of marketing and brand development



Pradeep Mathur (*Independent Director*)

- Bachelor's degree in commerce from the University of Poona
- Postgraduate diploma degree in management from the Indian Institute of Management, Ahmedabad
- Worked in: Tupperware, Asia Pacific; Last role as the Vice-President Finance and Chief Financial Officer
- Worked in: Tupperware, India; Last role as the as the Managing Director
- Over 30 years of experience across the fields of accounting, finance and leading a multinational company



Arvind Singhania (*Independent Director*)

- Promoter and Director of Ester Industries Limited
- Serves as the Chairman and Chief Executive Officer of Ester Industries Limited
- Over 30 years of experience across the fields of production, supply chain and people management



Ashish Kumar Guha (*Independent Director*)

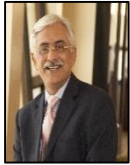
- Bachelor's degree in economics from the Jadavpur University in Kolkata
- Serves as a Director and Advisor to the Chairman of Ambit Private Limited
- Worked in: Lazard India Limited; Last role as the Chief Executive Officer (CEO)
- Worked in: Heidelberg Cement; Last role as the Chief Executive Officer (CEO)
- Over 30 years of experience across the fields of investment banking, advisory and industrial goods

Key Management Team



Patanjali Govind Keswani (Promoter, Chairman and Managing Director)

- Bachelor's degree in electrical engineering from the Indian Institute of Technology, New Delhi
- Postgraduate diploma degree in management from the Indian Institute of Management, Calcutta
- Worked in: Tata Administrative Service/Taj Group of Hotels: 17 years; Last role as the Chief Operating Officer of Taj Business Hotels
- Worked in: AT Kearney, New Delhi: 2 years; Director



Rattan Keswani (Deputy Managing Director) - **Not related to the Chairman and Managing Director**

- Bachelor's degree in commerce from the DAV College, Panjab University
- Postgraduate diploma degree in hotel management from the Oberoi School of Hotel Management
- Worked in: Oberoi Group; Last role as the President of Trident Hotels
- Over 30 years of experience in the hospitality industry
- Been with Lemon Tree Hotels for over the last 6 years



Davander Tomar (Executive Vice-President, Corporate Affairs)

- Bachelor's degree in commerce and law from the University of Delhi
- Master's degree in arts from the University of Delhi
- Worked in: Taj Group of Hotels: 18 years; Last role as the Security Manager for Taj Palace Hotel, New Delhi
- Over 30 years of experience in the hospitality industry
- Been with Lemon Tree Hotels for over the last 15 years



Vikramjit Singh (President)

- Bachelor's degree in commerce from the University of Delhi
- Postgraduate diploma degree in hotel management and administration from the Taj Group of Hotels
- Over 21 years of experience in the hospitality industry
- Been with Lemon Tree Hotels for over 13 years



Jagdish Kumar Chawla (Executive Vice President - Projects and Engineering Services)

- Diploma degree in electrical engineering from Pusa Polytechnic, Pusa, New Delhi
- Worked in: Taj Group of Hotels: 20 years
- Worked in: National Thermal Power Corporation, Bharti Electric Steel Company Limited and Mother Dairy
- Over 40 years of experience across the fields of engineering, constructions and operations
- Been with Lemon Tree Hotels for over the last 15 years



Kapil Sharma (Chief Financial Officer)

- Bachelor's degree in commerce from the University of Delhi
- Qualified chartered accountant
- Worked in: Leroy Somer & Controls India Private Limited; Last role as the Head of finance and accounts
- Over 22 years of experience across the fields of accounting, financing and investing
- Been with Lemon Tree Hotels for over the last 13 years

Key Management Team (contd.)



Sumant Jaidka (*Senior Vice President - Operations*)

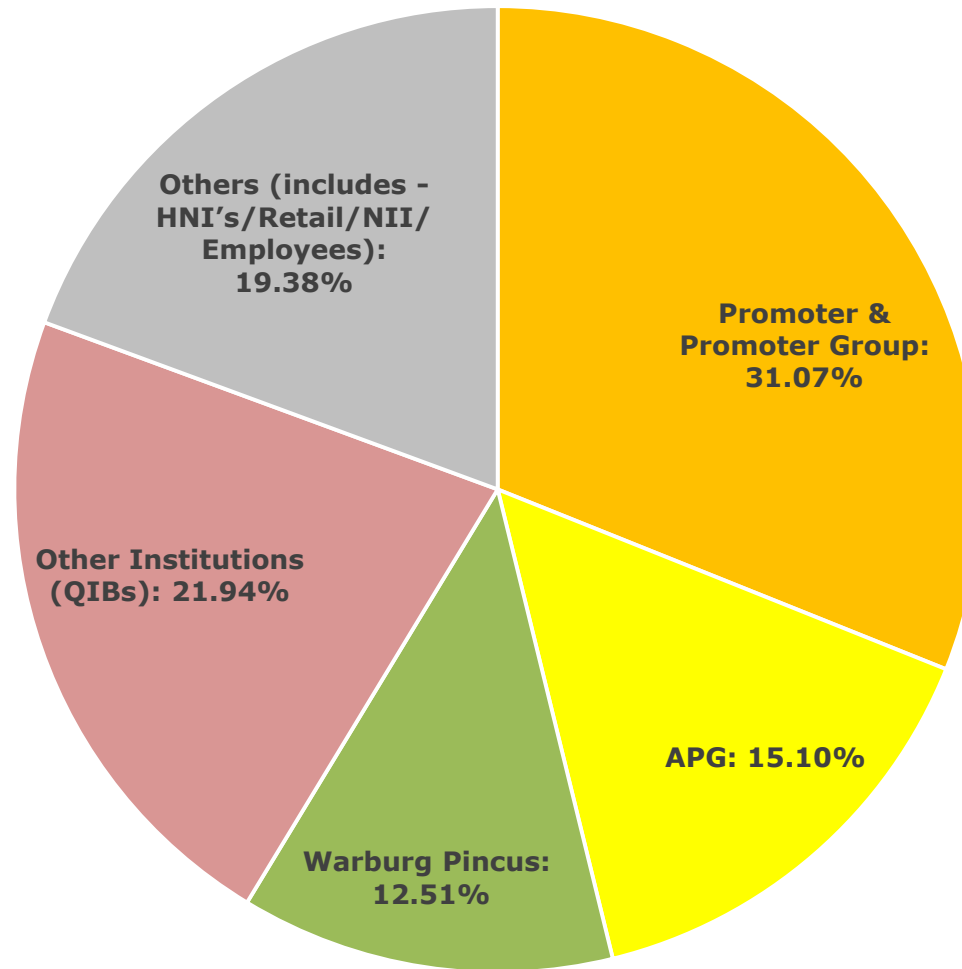
- Graduate degree in hotel Management from the Salzburg School of Austria
- Worked in: Taj Group of Hotels, Hilton, Maurya Sheraton, Crowne Plaza and Hyatt Regency across key managerial posts
- Over 30 years of experience in the hospitality industry
- Been with Lemon Tree Hotels for over the last 11 years



Prashant Mehrotra (*Chief Revenue Officer*)

- Graduate degree in hotel management from the Institute of Hotel Management, Gwalior
- Worked in: The Oberoi Group & Radisson Hotels across key managerial posts
- Over 17 years of experience in the hospitality industry
- Been with Lemon Tree Hotels for over the last 12 years

Shareholding structure

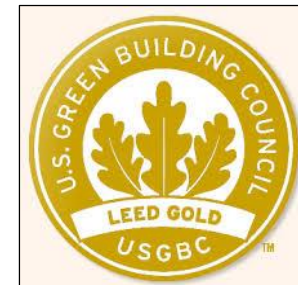
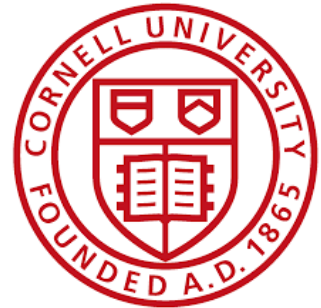


Recognition and awards through the years

GREAT
PLACE
TO
WORK®



- ❖ **Ranked 4th in India and the only hotel chain in the top 10 Best Companies to Work for in India in 2017** by the Great Place to Work institute
- ❖ **Ranked 12th in Asia's Best Large Workplaces and the only Indian company in the top 15 in 2018** by the Great Place to Work institute
- ❖ National Award for Empowerment of Persons with Disabilities – 2011, 2012 and 2016
- ❖ Received the **5th IGBC Green Champion** award under the category "**Organization Leading the Green Building Movement in India (Commercial)**"



Committed to Employees, Environment and Community with socially inclusive work ethos

A. We provide employment and livelihood with dignity to 'Opportunity Deprived Indians' (ODI)

This initiative was started in 2007 and as of Sep 30, 2018, Lemon Tree has employed a total of around 860* Opportunity Deprived Indians, or about one fifth of its workforce.

Lemon Tree believes that the brand should stand for more than 'just profit'. The company has focused its efforts on creating a socially inclusive work environment which seeks to bring in people of different backgrounds, abilities and ethnicities and offer them work as a unified team with a common goal.

The company's guiding principle has been that Opportunity Deprived Indians (including physical, intellectual, social or economic disabilities) must be provided the same opportunities as others to realize their full potential and live with dignity.

Employees With Disabilities (EWDs)

Speech and
Hearing
Impaired

Down
Syndrome

Orthopedic
Challenged

Autism

Low Vision

Acid
Survivor

Employees with Economic, Educational or Social Impairment

Low
Literacy

Below
Poverty
Line

Widows/
Divorcees/
Abandoned/
Battered

Socially
Backward



Committed to Employees, Environment and Community with socially inclusive work ethos (contd.)

B. Tribal Art

Lemon Tree Hotel is among the largest buyers, nationally, of tribal art from Bastar, Madhya Pradesh. This comprises primarily of bronze age bell metal sculptures and enables the company to financially support tribal craftsmen from this region by showcasing their art extensively across all of its hotels.

C. Giving Back To Society

Lemon Tree Hotel supports and partners with the following NGOs and societies:

Goonj: provides clothes and utensils to the impoverished.

Suniye: runs a school for Speech and Hearing Impaired children from economically weaker sections of society. provides extensive life skills support to these children.

Akshaya Patra: focus is to eliminate hunger in the city. It regularly provides a free meal to approximately 2000 destitute people in Delhi, across the city.

Muskaan: provides comprehensive education, vocational training and work opportunities to young people who are intellectually challenged.

Ramanujan Society: donates gifts to students for successfully clearing the IIT entrance exam.

D. Art Objects Through People For Animals

Lemon Tree supports People For Animals (PFA) by buying art sourced by PFA, which in turn is showcased across the company's hotels. The money paid to PFA goes to support the welfare and care of animals across India.

E. K9 Policy/Pooch Policy

Lemon Tree Hotel adopts a stray dog at each of its hotels across India. We name the dog, inoculate it and feed it well. Based on the personality of the dog, he/she is assigned a 'fun' role in the hotel and this brings joy to employees and guests alike.



Lemon Tree Amarante Beach, Goa



Lemon Tree Premier, Corbett



Lemon Tree Premier, Hyderabad

Appendix



Lemon Tree Hotel, Coimbatore



Lemon Tree Premier, City Center, Gurgaon



Lemon Tree Vembanad Lake, Alleppey, Kerala

Latest Performance – Q2 FY19 & FY18

Performance Highlights – Operational Metrics

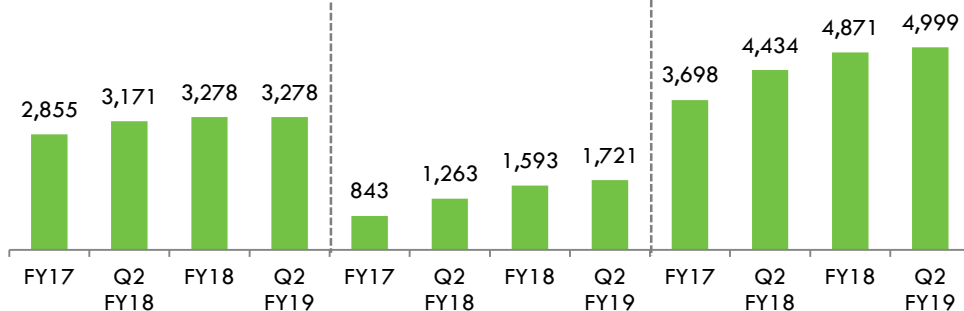
Operational Inventory

Owned/Leased rooms

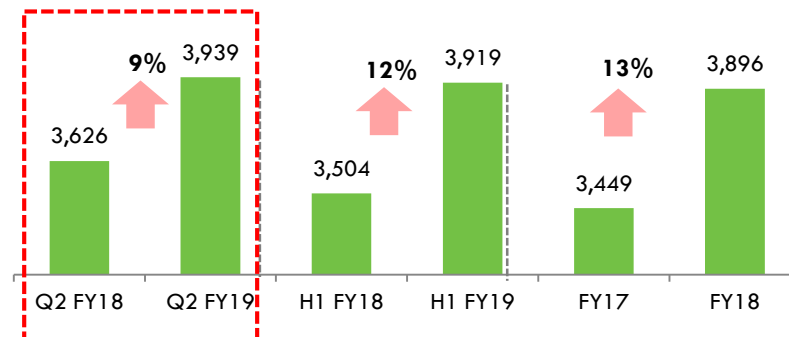
Managed rooms

Total rooms

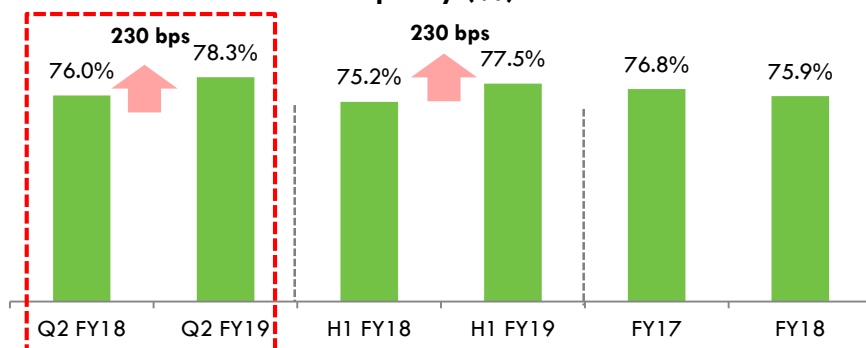
End of



Average Daily Rate (Rs.)

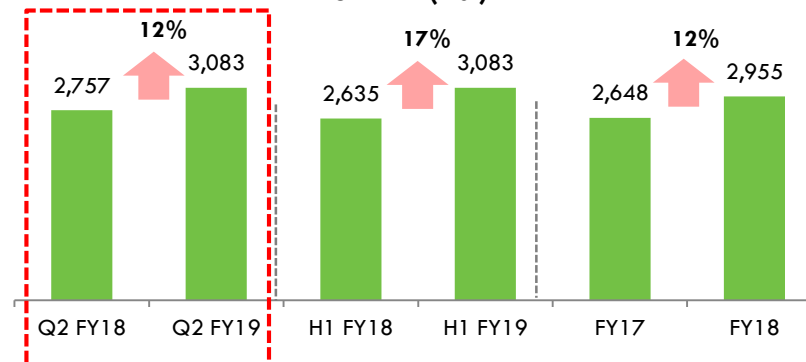


Occupancy (%)



Note: Drop in occupancy levels is on account of new owned/leased supply addition by Lemon Tree in FY18

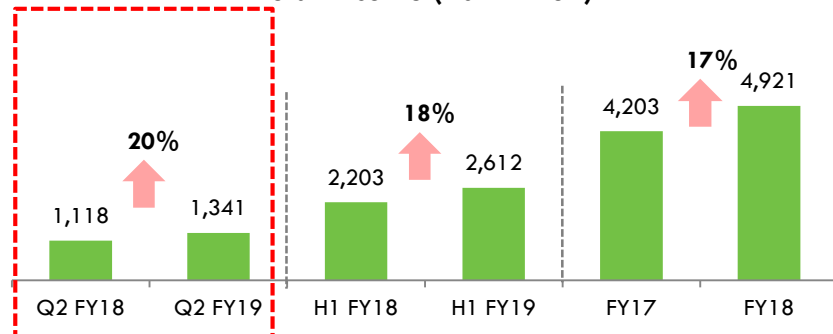
RevPAR (Rs.)



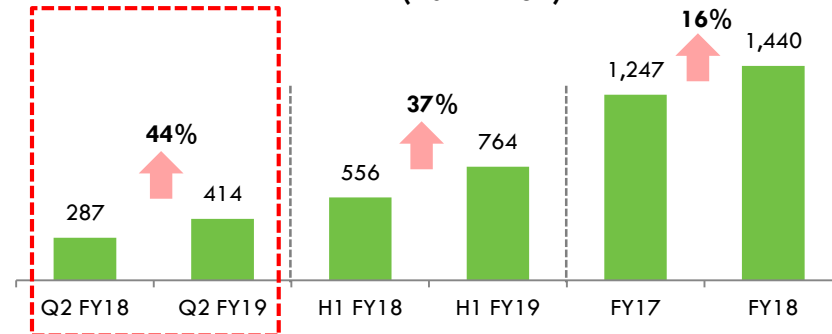
Note: ADR, Occupancy and RevPAR are for our owned and leased hotels only.

Performance Highlights – Financial Metrics (Consolidated)

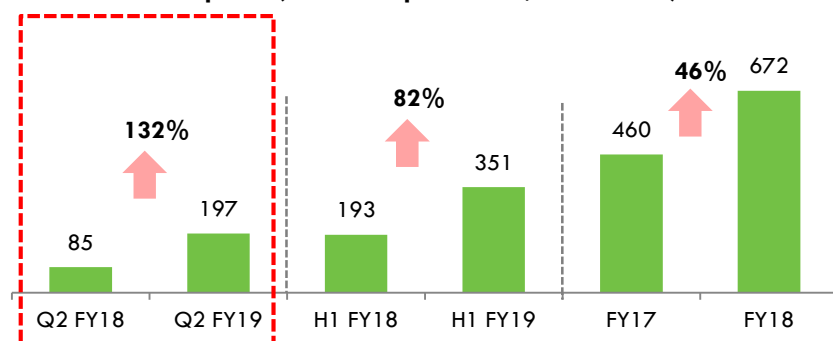
Total Income (Rs. million)



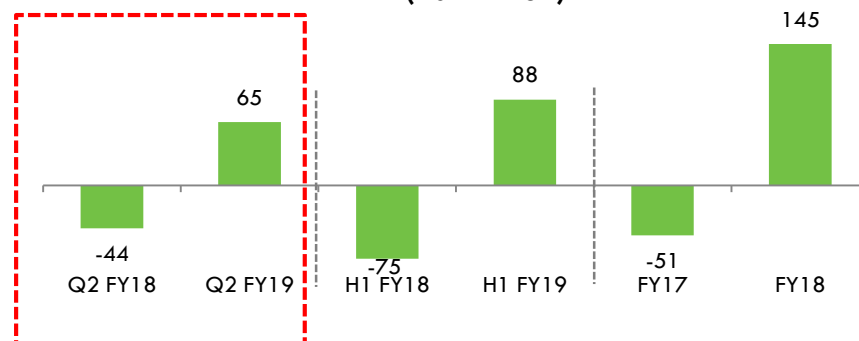
EBITDA (Rs. million)



Cash profit (PAT + Depreciation, Rs. million)



PAT (Rs. million)



Note: The results of this quarter and H1 are not indicative of full year's performance due to seasonal nature of the business.

Discussion on Consolidated Financial & Operational Performance – Q2 FY19

| | |
|---|---|
| Operational Rooms & Pipeline | <ul style="list-style-type: none"> * As of 30th September, 2018, operational portfolio comprised of 50 hotels and 4,999 rooms : 2,796 owned, 482 leased and 1,721 managed rooms; Pipeline includes of 1,525 owned/leased and 2,074 managed rooms. * Propose to add another 1,796 rooms to the operational inventory by the end of Q2 FY20 of which 730 rooms are owned and 1066 rooms are managed. All owned/leased rooms are opening in high barrier-to-entry and demand dense markets with high occupancies and ADR's. This addition of owned rooms includes 298 rooms in Mumbai, 199 rooms in Pune-city centre and 142 rooms in Kolkata * Plan to operate 70 hotels with 6,735 rooms across 47 cities by end of Q2 FY20 * Plan to operate 84 hotels with 8,598 rooms across 56 cities by FY21 |
| Revenue | <ul style="list-style-type: none"> * Total Revenue stood at Rs. 1,341 million in Q2 FY19, up 20% as compared to Rs. 1,118 million in Q2 FY18. Around 2.8% increase was on account of new inventory addition * Price hike achieved in H2 FY18 had a positive impact on ADR in Q2 FY19, ADR increase was 9% as compared to ADR in Q2 FY18 * Occupancy increased by 230 bps from 76.0% in Q2 FY18 to 78.3% in Q2 FY19 * Fees from managed hotels stood at Rs. 72.4 million (5.4% of the total revenue) in H1 FY19 as compared to Rs. 56.3 million (5.0% of the total revenue) in H1 FY18 |
| Cost | <ul style="list-style-type: none"> * Total expenses increased by 11% in Q2 FY19 as compared to expenses in Q2 FY18. Around 2.3% increase was on account of new inventory and around 3.5% increase is due to change in business mix (more OTA bookings) |
| Operating Margins | <ul style="list-style-type: none"> * EBITDA increased by 44% from Rs. 287 million in Q2 FY18 to Rs. 414 million in Q2 FY19 and it increased by 37% from Rs. 556 million in H1 FY18 to Rs. 764 million in H1 FY 19 * EBITDA margins expanded by 514 bps from 25.7% in Q2 FY18 to 30.8% in Q2 FY19 and by 400 bps from 25.2% in H1 FY18 to 29.3% in H1 FY19 |
| Profit after tax | <ul style="list-style-type: none"> * Profit after tax of Rs. 65 million in Q2 FY19 as compared to loss of Rs. 44 million in Q2 FY18 and of Rs. 88 million in H1 FY19 as compared to a loss of Rs. 75 million in H1 FY18 * Cash profit increased by 132% to Rs. 197 million in Q2 FY19 as compared to Rs. 85 million in Q2 FY18 and it rose by 83% from Rs. 194 million in H1 FY18 to Rs. 351 million in H1 FY19 |

Note: The results of this quarter and H1 are not indicative of full year's performance due to seasonal nature of the business.

Profit & Loss Statement (Consolidated)

| Rs. million | Q2 FY19 | Q2 FY18 | Change (%) | H1 FY19 | H1 FY18 | Change (%) | FY18 | FY17 | Change (%) |
|-----------------------------|--------------|--------------|----------------|--------------|--------------|---------------|--------------|--------------|----------------|
| Revenue from operations | 1,287 | 1,116 | 15% | 2,552 | 2,198 | 16% | 4,843 | 4,121 | 18% |
| Other income | 54 | 2 | 2700% | 56 | 5 | 1099% | 78 | 82 | (5%) |
| Total income | 1,341 | 1,118 | 20% | 2,612 | 2,203 | 18% | 4,921 | 4,203 | 17% |
| Cost of F&B consumed | 118 | 102 | 16% | 238 | 202 | 17% | 436 | 353 | 23% |
| Employee benefit expenses | 296 | 262 | 12% | 587 | 513 | 14% | 1,096 | 969 | 13% |
| Other expenses | 513 | 467 | 10% | 1,023 | 931 | 10% | 1,949 | 1,634 | 19% |
| Total expenses | 927 | 831 | 11% | 1,848 | 1,647 | 12% | 3,481 | 2,956 | 18% |
| EBITDA | 414 | 287 | 44% | 764 | 556 | 37% | 1,440 | 1,247 | 16% |
| EBITDA margin (%) | 30.8% | 25.7% | 514 bps | 29.3% | 25.2% | 400bps | 29.2% | 25.2% | 400 bps |
| Finance costs | 198 | 197 | 0% | 395 | 387 | 2% | 784 | 776 | 1% |
| Depreciation & amortization | 132 | 129 | 2% | 263 | 269 | (2%) | 526 | 510 | 3% |
| PBT | 94 | (22) | - | 137 | (66) | - | 183 | (3) | - |
| Tax expense | 28 | 22 | 8% | 48 | 9 | 389% | 38 | 48 | (21%) |
| PAT | 65 | (44) | - | 88 | (75) | - | 145 | (51) | - |
| Cash Profit | 197 | 85 | 137% | 351 | 194 | 83% | 672 | 459 | 46% |

Note: The results of this quarter and H1 are not indicative of full year's performance due to seasonal nature of the business.

Balance Sheet Snapshot (Consolidated)

| Rs. million | H1 FY19 | H1 FY18 | FY18 | FY17 |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Shareholder's Funds | 8,271 | 7,946 | 8,148 | 8,086 |
| Non-controlling interests | 4,294 | 4,268 | 4,286 | 4,284 |
| Total Shareholder's equity | 12,565 | 12,214 | 12,435 | 12,370 |
| Total Debt | 11,073 | 9,217 | 10,110 | 7,987 |
| Other Non-current liabilities | 385 | 325 | 344 | 294 |
| Other Current liabilities | 1,583 | 1,323 | 1,693 | 1,467 |
| Total Equity & Liabilities | 25,606 | 23,079 | 24,582 | 22,117 |
| Non-current assets | 24,129 | 22,057 | 23,200 | 21,281 |
| Current assets | 1,477 | 1,022 | 1,382 | 836 |
| Total Assets | 25,606 | 23,079 | 24,582 | 22,117 |
| Debt to Equity (x) | 0.88 | 0.75 | 0.81 | 0.65 |
| Average cost of borrowing (%) | 9.20% | 9.77% | 9.53% | 11.61% |

Note: Full year numbers will be updated on annual basis.

Portfolio as on 30th September, 2018

| Operational Portfolio | Owned | | Leased | | Managed | | Total | |
|-----------------------|-----------|--------------|----------|------------|-----------|--------------|-----------|--------------|
| 30.09.2018 | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms |
| Lemon Tree Premier | 4 | 796 | 2 | 161 | 4 | 344 | 10 | 1,301 |
| Lemon Tree Hotels | 13 | 1,241 | 4 | 321 | 14 | 954 | 31 | 2,515 |
| Red Fox Hotels | 5 | 759 | - | - | 4 | 423 | 9 | 1,182 |
| Total | 22 | 2,796 | 6 | 482 | 22 | 1,721 | 50 | 4,999 |

| Pipeline | Owned | | Leased | | Managed | | Total | |
|--------------------|----------|--------------------------|----------|-----------|-----------|--------------|-----------|--------------|
| 30.09.2018 | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms |
| Lemon Tree Premier | 5 | 1,355 | - | - | 4 | 357 | 9 | 1,712 |
| Lemon Tree Hotels | 1 | 79 | - | - | 17 | 1,287 | 18 | 1,366 |
| Red Fox Hotels | - | - | 1 | 91 | 3 | 219 | 4 | 310 |
| Total | 6 | 1,434[#] | 1 | 91 | 24 | 1,863 | 31 | 3,388 |

- * Between October 1, 2018 and Nov 5, 2018, 1 hotel with 91 rooms has been operationalized from the pipeline, taking the total for operational hotels to 51 and operational rooms to 5,090
- * Between October 1, 2018 and Nov 5, 2018, 3 hotels with a total of 211 rooms have been added to the pipeline, taking the total of pipeline to 3,508 rooms
- * 730 owned/leased rooms and 1066 additional managed rooms will be operational by the end of Q2 FY20
- * Balance rooms will be operationalized by FY21

Of these owned 1,434 rooms in pipeline, currently 577 rooms are from Lemon Tree Premier, Mumbai International Airport. LTH is in the process of applying to convert some commercial spaces in this hotel to rooms. This will increase the hotel's inventory by 94 rooms to 671, in which case total owned inventory in pipeline will increase to 1,528.

Operational Performance by Brands – FY19 vs. FY18

| Parameters | Occupancy Rate (%) | | | Average Daily Rate (Rs.) | | | Q2 Hotel level EBITDAR ² /room (Rs. million) | | | Hotel level EBITDAR ² Margin | | |
|--------------------|--------------------|---------|--------------|--------------------------|---------|------------|---|---------|------------|---|---------|--------------|
| By Brand | Q2 FY19 | Q2 FY18 | Change (bps) | Q2 FY19 | Q2 FY18 | Change (%) | Q2 FY19 | Q2 FY18 | Change (%) | Q2 FY19 | Q2 FY18 | Change (bps) |
| Lemon Tree Premier | 84.8% | 74.6% | 1020 | 4,833 | 4604 | 5% | 0.21 | 0.15 | 40% | 39.6% | 31.5% | 810 |
| Lemon Tree Hotels | 73.2% | 76.6% | (340) | 3,835 | 3475 | 10% | 0.11 | 0.08 | 38% | 30.0% | 24.6% | 540 |
| Red Fox Hotels | 80.4% | 76.7% | 370 | 2,946 | 2719 | 8% | 0.11 | 0.08 | 38% | 44.0% | 34.9% | 910 |

| Parameters | Occupancy Rate (%) | | | Average Daily Rate (Rs.) | | | H1 Hotel level EBITDAR ² /room (Rs. million) | | | Hotel level EBITDAR ² Margin | | |
|--------------------|--------------------|---------|--------------|--------------------------|---------|------------|---|---------|------------|---|---------|--------------|
| By Brand | H1 FY19 | H1 FY18 | Change (bps) | H1 FY19 | H1 FY18 | Change (%) | H1 FY19 | H1 FY18 | Change (%) | H1 FY19 | H1 FY18 | Change (bps) |
| Lemon Tree Premier | 83.5% | 76.1% | 740 | 4,802 | 4306 | 12% | 0.45 | 0.34 | 32% | 42.8% | 38.0% | 480 |
| Lemon Tree Hotels | 73.5% | 75.8% | (230) | 3,819 | 3420 | 12% | 0.22 | 0.19 | 16% | 30.6% | 29.1% | 150 |
| Red Fox Hotels | 78.3% | 72.8% | 550 | 2,925 | 2585 | 13% | 0.22 | 0.15 | 47% | 43.7% | 37.2% | 650 |

Note: The results of this quarter and H1 are not indicative of full year's performance due to seasonal nature of the business.

Expansion Plans – Hotels under Development

| Under-development hotels | Type | Rooms | Expected Opening date | Ownership (%) |
|--|-------|--------------|-----------------------|---------------|
| Lemon Tree Premier, City Centre, Pune | Owned | 199 | Dec-18 | 57.98% |
| Lemon Tree Premier, Andheri (East), Mumbai | Owned | 298 | Jan-19 | 100.00% |
| Lemon Tree Premier, Kolkata | Owned | 142 | Apr-19 | 57.98% |
| Lemon Tree Premier, Udaipur | Owned | 139 | Oct-19 | 57.98% |
| Lemon Tree Vembanad Lake Resort, Alleppey, Kerala ¹ | Owned | 10 | Oct-20 | 100.00% |
| Lemon Tree Mountain Resort, Shimla | Owned | 69 | Dec-20 | 100.00% |
| Lemon Tree Premier, Intl. Airport, Mumbai ² | Owned | 577 | Mar-21 | 57.98% |
| Total | | 1,434 | | |

- * Total estimated project cost is Rs. 17,250 million
- * Total capital deployed/capital expenditure already incurred (i.e. CWIP + Security Deposit for leased assets under-development + Land Capitalised + Capital advances – Capital creditors) as on 30th September, 2018 is Rs. 9,922 million
- * Balance investment of Rs. 7,328 million will be deployed over the next 3 years in a phased manner, the majority of which will be through internal accruals

Notes: 1) Expansion in existing hotel.

2) LTH is in the process of applying to convert some commercial spaces in this hotel to rooms. This will increase the hotel's inventory by 94 rooms to 671, in which case total owned and leased inventory under development will increase to 1,619

Expansion Plans – Pipeline of Management Contracts (as of November 5th , 2018)

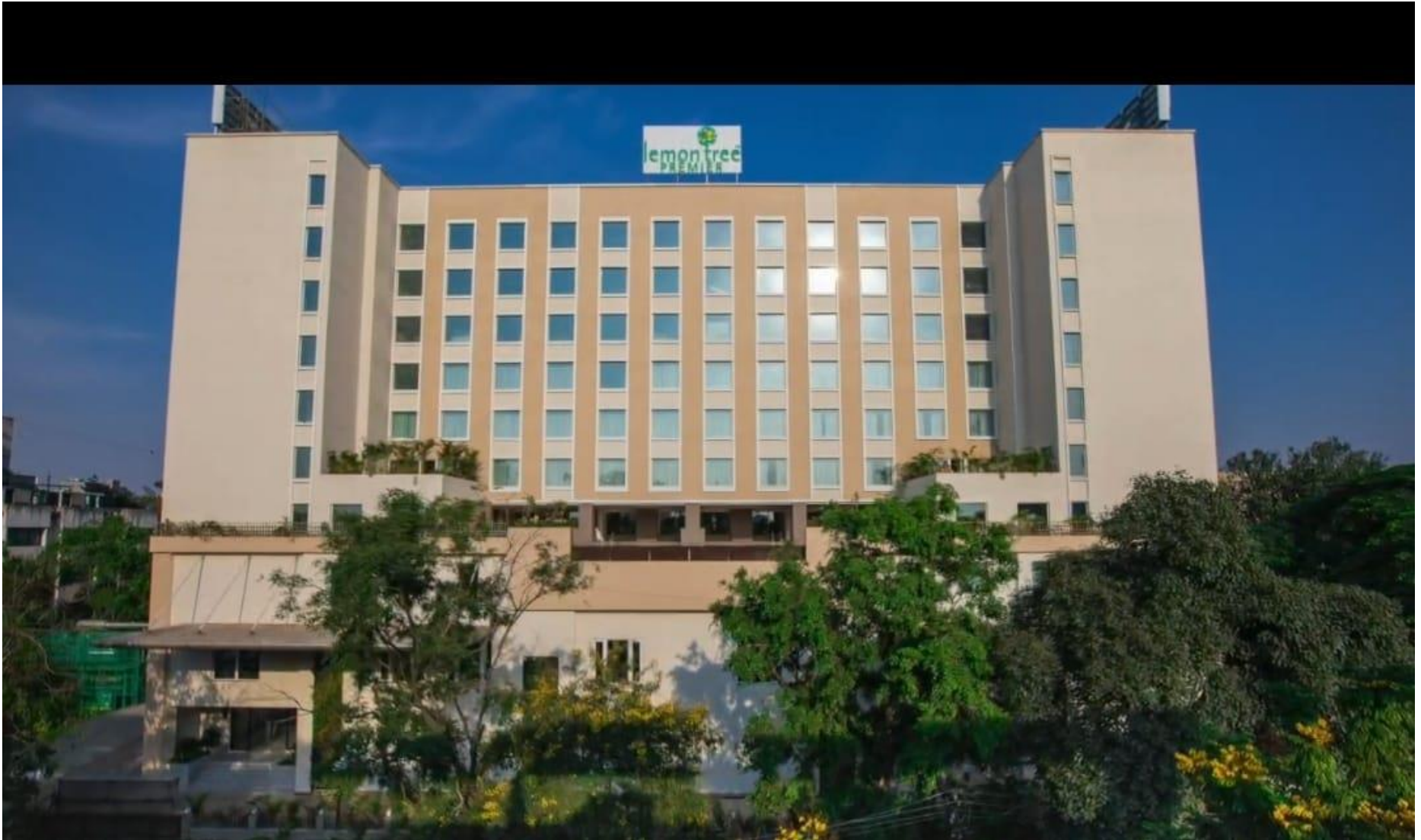
| Management Contracts Pipeline | Rooms | Expected Opening date | Tenure (years) |
|--|--------------|-----------------------|----------------|
| Lemon Tree Hotel, Lucknow | 51 | Dec-18 | 11 |
| Red Fox Hotel, Alwar | 49 | Dec-18 | 12 |
| Lemon Tree Hotel, Amritsar | 65 | Feb-19 | 10 |
| Red Fox Hotel, Neelkanth | 80 | Mar-19 | 12 |
| Lemon Tree Premier, Rishikesh | 66 | Mar-19 | 12 |
| Lemon Tree Hotel, Thimpu | 27 | Mar-19 | 10 |
| Managed rooms to be operational in FY19 | 338 | | |
| Lemon Tree Hotel, Gulmarg | 35 | Apr-19 | 10 |
| Lemon Tree Premier, Dwarka | 108 | Apr-19 | 15 |
| Lemon Tree Hotel, BKC, Mumbai | 70 | Jun-19 | 10 |
| Lemon Tree Hotel, Dubai | 114 | Jun-19 | 10 |
| Lemon Tree Hotel, Jhansi | 60 | Jul-19 | 12 |
| Lemon Tree Hotel, Shirdi | 59 | Oct-19 | 12 |
| Lemon Tree Hotel, Bokaro | 70 | Oct-19 | 10 |
| Lemon Tree Resort, Mussoorie | 40 | Oct-19 | 12 |
| Lemon Tree Hotel, Rishikesh | 102 | Oct-19 | 12 |
| Lemon Tree Premier, Coorg | 63 | Oct-19 | 15 |
| Lemon Tree Hotel, Aligarh | 68 | Nov-19 | 12 |
| Lemon Tree Hotel, Ludhiana | 60 | Dec-19 | 10 |
| Lemon Tree Hotel, Gwalior | 104 | Jan-20 | 15 |
| Managed rooms to be operational in FY20 | 953 | | |
| Serviced Suites, Manesar | 260 | Apr-20 | 10 |
| Lemon Tree Hotel, Sonamarg | 40 | Apr-20 | 10 |
| Lemon Tree Hotel, Ranthambore | 60 | Apr-20 | 12 |
| Lemon Tree Hotel, Kathmandu | 75 | Apr-20 | 12 |
| Red Fox Hotel, Vijaywada | 90 | June-20 | 15 |
| Lemon Tree Hotel, Thimpu | 38 | Oct-20 | 10 |
| Lemon Tree Hotel, Trivandrum | 100 | Jan-21 | 10 |
| Lemon Tree Premier, Vijaywada | 120 | Mar-21 | 15 |
| Managed rooms to be operational in FY21 | 783 | | |
| Total managed rooms in pipeline | 2,074 | | |

Under Development Hotels

Lemon Tree Premier – Pune | Image Representation



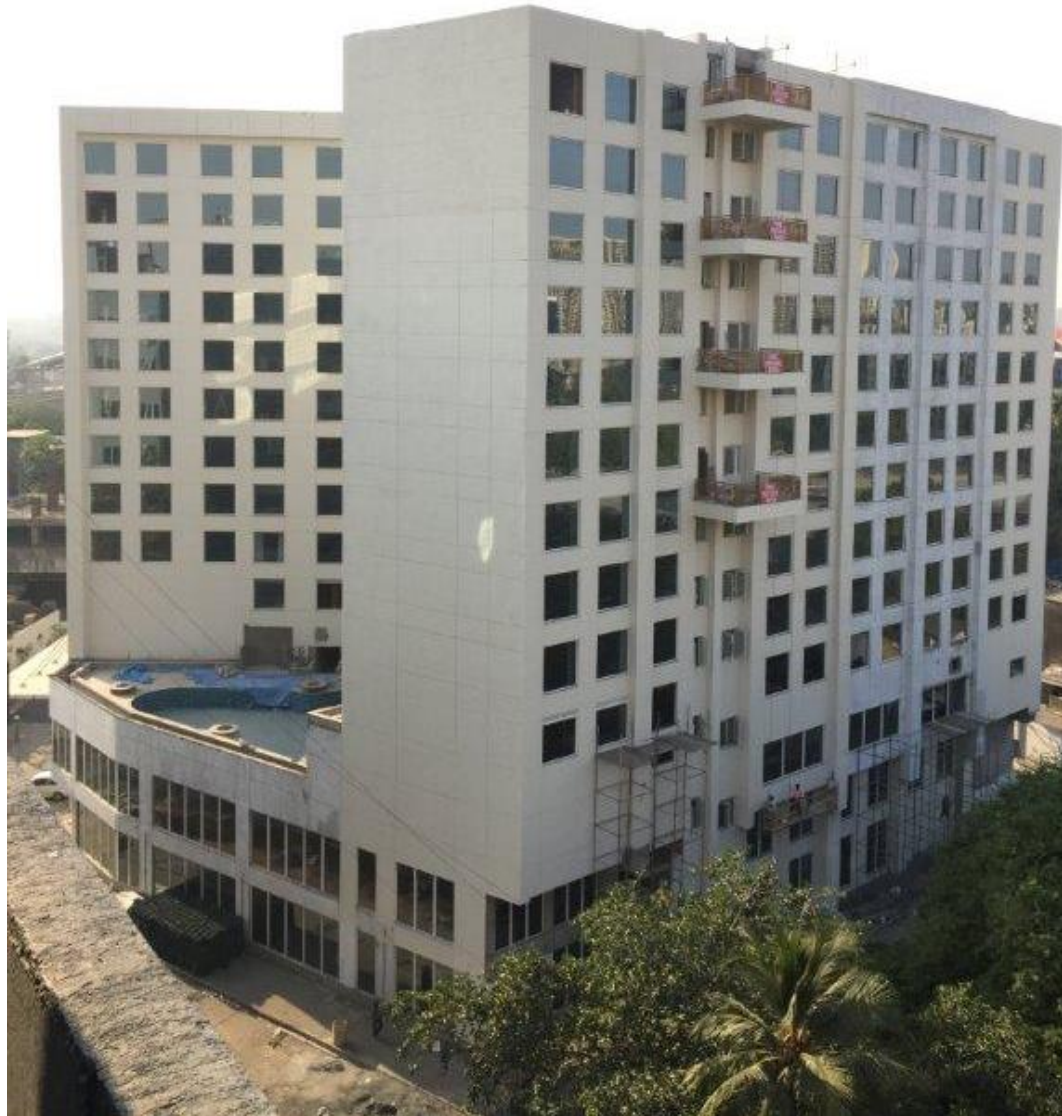
Lemon Tree Premier – Pune



Lemon Tree Premier – Mumbai (Andheri) | Image Representation



Lemon Tree Premier – Mumbai (Andheri)



Note: Hotel is expected to have 298 rooms and expected month of opening is January-2019.

Lemon Tree Premier – Kolkata | Image Representation



Lemon Tree Premier – Kolkata



Note: Hotel is expected to have 142 rooms and expected month of opening is April-2019.

Lemon Tree Premier – Udaipur | Image Representation



Lemon Tree Premier – Udaipur



Lemon Tree Mountain Resort – Shimla | Image Representation



Lemon Tree Mountain Resort – Shimla



Note: Hotel is expected to have 69 rooms and expected month of opening is December-2020.

Lemon Tree Premier – Mumbai Airport | Image Representation



Lemon Tree Premier – Mumbai Airport



Note: Currently, hotel is expected to have 577 rooms. LTH is in the process of applying to convert some commercial spaces in this hotel to rooms. This will increase the hotel's inventory by 94 rooms to 671. Expected month of opening is March-2021.

Thank You

Thank You