

refreshingly different



June 19, 2021

**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**

**Subject: Analysts/Investor Meet**

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 will be participating online in the following conferences:

S.NO.	Event	Date
1	Ambit Investor Connect: Emerging Giants Video Conference	21-Jun-21
2	Motilal Oswal: Ideation Conference	24-Jun-21

In this regard, the Corporate Presentation is attached herewith.

The above is for your record.

Thanking You

**For Lemon Tree Hotels Limited**

A handwritten signature in black ink, appearing to read "Nikhil Sethi".

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

# Lemon Tree Hotels Limited

Corporate Presentation

15<sup>th</sup> June, 2021



**aurika**  
HOTELS & RESORTS

UPSCALE

  
**lemon tree**  
PREMIER

UPPER MIDSCALE

  
**lemon tree**  
HOTELS

MIDSCALE

  
**red fox**  
BY LEMON TREE HOTELS

ECONOMY

**keys**  
PRIMA HOTELS

UPPER MIDSCALE

**keys**  
SELECT HOTELS

MIDSCALE

**keys**  
LITE HOTELS

ECONOMY

# 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.



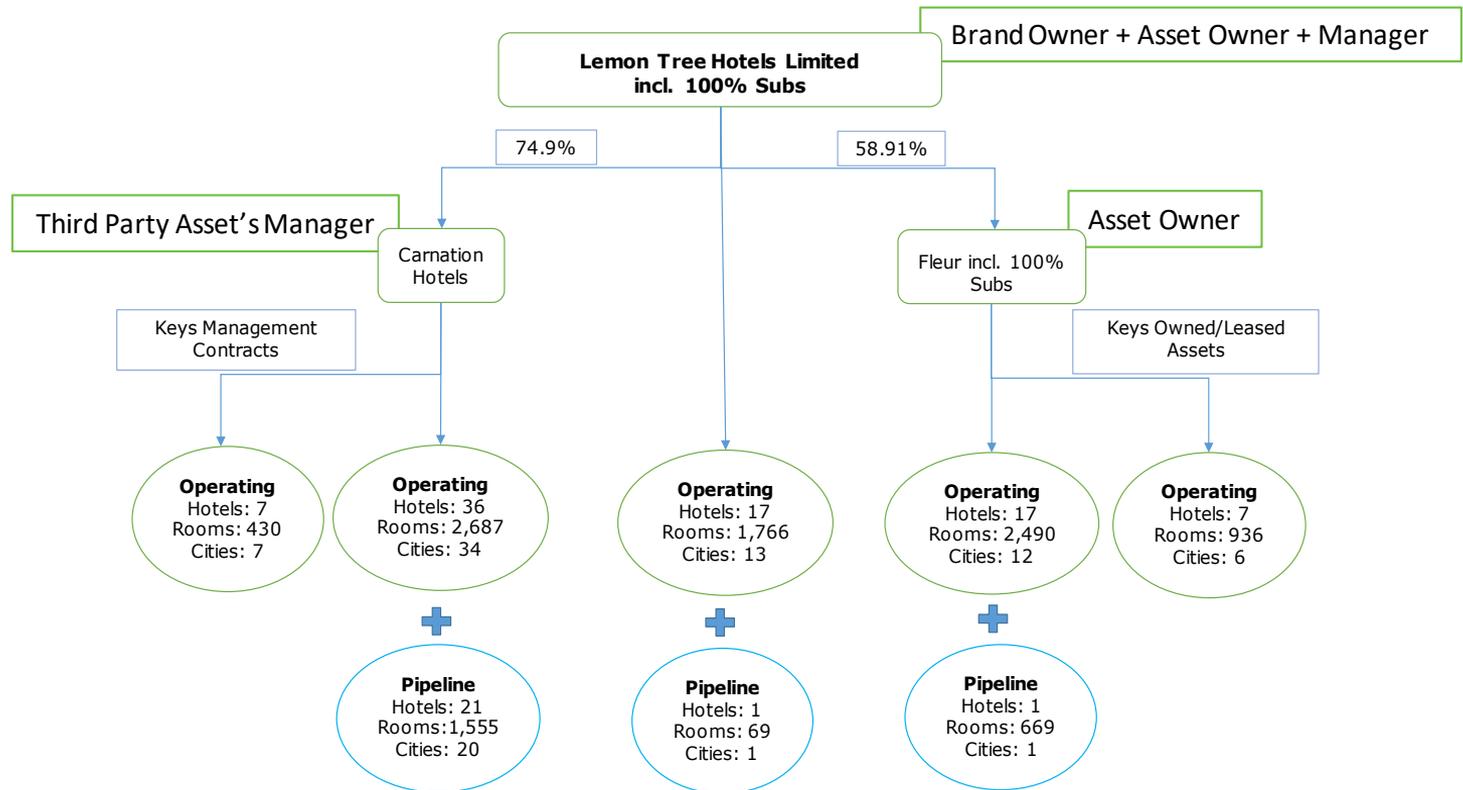


## Company Overview and Growth Plans

# Lemon Tree – Journey so far

		FY05	FY10	FY15	FY20	FY21
	Brands	1	3	3	7	7
	Cities	1	11	15	48	52
	Hotels	1	12	26	80	84
	Rooms	49	1,149	3,062	8,006	8,309
	Revenue (Rs mn)	80	1,196	2,904	6,694	2,650

# Lemon Tree Group Structure



**Notes :-**

1. The Pipeline of hotels is as of 15<sup>th</sup> June 2021
2. Aurika, Mumbai International Airport is now approved to be built with 669 rooms in place of the earlier approval of 577 rooms



# Strategically positioned in key geographies with Lemon Tree share of total branded hotel sector



**Jaipur:** FY20 – 5.2%  
FY24E – 3.5%

**Ahmedabad:** FY20 – 5.4%  
FY24E – 3.3%

**Mumbai:** FY20 – 3.2%  
FY24E – 6.4%

**Pune:** FY20 – 9.4%  
FY24E – 8.4%

**Goa:** FY20 – 4.9%  
FY24E – 4.3%

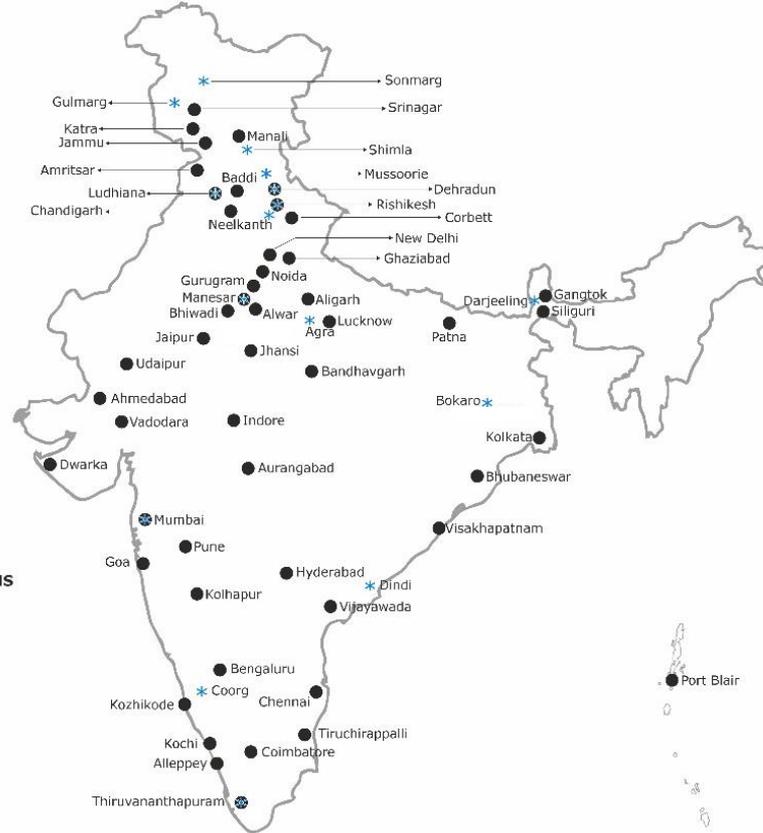
**Bengaluru:** FY20 – 6.1%  
FY24E – 4.6%

**Delhi NCR:** FY20 – 6.8%  
FY24E – 7.1%

**Kolkata:** FY20 – 3.8%  
FY24E – 2.6%

**Hyderabad:** FY20 – 9.5%  
FY24E – 7.5%

**Chennai:** FY20 – 1.9%  
FY24E – 1.9%



**INTERNATIONAL DESTINATIONS**

**United Arab Emirates**

● Dubai

**Bhutan**

● Thimphu

**Nepal**

\* Kathmandu

\* Nagarkot

\* Biratnagar

● **Operating Hotels**

\* **Upcoming Hotels**

**Source :** Hotelivate Trends and Opportunities report 2019

**Note:** The FY24 expected market share has been calculated on the basis of current pipeline on hotels only

**Map updated as of 15<sup>th</sup> June, 2021**



# Lemon Tree – Snapshot as on 15<sup>th</sup> June 2021

**Current (17% of Branded Mid Market Hotels in India\*)**

**Pipeline**

**By CY23 (20% of Branded Mid Market Hotels in India\*)**



Brand	Current	Pipeline	By FY23
<b>Aurika</b>	139 Rooms; 1 Hotel	669 Rooms; 1 Hotel <sup>#</sup>	808 Rooms; 2 Hotels
<b>Lemon Tree Premier</b>	2,514 Rooms; 18 Hotels	113 Rooms; 2 Hotels	2,627 Rooms; 20 Hotels
<b>Lemon Tree Hotel</b>	2,867 Rooms; 39 Hotels	1,207 Rooms; 16 Hotels	4074 Rooms; 55 Hotels
<b>Red Fox Hotel</b>	1,423 Rooms; 12 Hotels	80 Rooms; 1 Hotel	1,503 Rooms; 13 Hotels
<b>Keys</b>	1,366 Rooms; 14 Hotels	40 Rooms; 1 Hotel	1,406 Rooms; 15 Hotels

\*Source : Hotelivate – The Ultimate Indian Travel Hospitality Report 2019, Horwah HTL India Market Review 2018

<sup>#</sup>Aurika, Mumbai International Airport is now approved to be built with 669 rooms in place of the earlier approval of 577 rooms

# Lemon Tree Brand Standards – Linked to Business Model

LT Brand Standards				
	Owned (Built to suit)	Leased (Renovated)	Managed <sup>1</sup> (Renovated)	Most Unbranded <sup>2</sup> Mid-Market Hotels
<b>Product Features</b>	10/10	8/10	6-8/10	2-4/10
<b>Service Features</b>	10/10	10/10	8/10	5/10
<b>Planned Branding</b>	Aurika/LTP/LTH/RFH	Aurika/LTP/LTH/RFH	Aurika/LTP/LTH/RFH	Keys

Notes :-

1. 25% of the Market
2. 75% of the Market



# Hotel Inventory by Segment and Lemon Tree Brand Positioning

Segment	Inventory	Lemon Tree Brand Positioning
Luxury and Upper Upscale	50,000	-
Upscale	28,000	Aurika
Mid Market	45,700	LTP/LTH/RFH
Economy	17,000	-
Unbranded Standalone	250,000	LTP/LTH/RFH
	1,750,000	Keys Prima/Select/Lite

**Our Aim is to Consolidate i.e. Target the unbranded 2mn rooms and bring them into branded space**

Source : Hotelivate – The Ultimate Indian Travel Hospitality Report 2019, Horwah HTL India Market Review 2018



# Expansion Plans – Hotels under Development

Under-development hotels	Type	Rooms	Expected Opening date	Ownership (%)
Lemon Tree Mountain Resort, Shimla	Owned	69	TBD	100.00%
Aurika, Intl. Airport, Mumbai <sup>#</sup>	Owned	669	CY23	58.91%
<b>Total</b>		<b>738</b>		

\* Total estimated project cost<sup>2</sup> is Rs. 10,060 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 31<sup>st</sup> March, 2021 is Rs. 3,700 Million

<sup>#</sup>Aurika, Mumbai International Airport is now approved to be built with 669 rooms in place of the earlier approval of 577 rooms.

# Expansion Plans – Pipeline of Management Contracts (as on 15<sup>th</sup> June, 2021)

Management Contracts Pipeline	Rooms	Expected Opening date
Lemon Tree Premier, Coorg	63	Sept-21
Keys Prima, Dehradun	40	Aug-21
Red Fox Hotel, Neelkanth	80	July-21
Lemon Tree Hotel Kalina/BKC, Mumbai	70	Oct-21
Lemon Tree Hotel, Sonamarg	40	Nov-21
Lemon Tree Hotel, Rishikesh	102	Jan-22
Lemon Tree Resort, Mussoorie	40	Jan-22
<b>Management Rooms to be Operational in FY23</b>	<b>435</b>	
The Spectrum, Gurgaon (Lemon Tree Serviced apartment)	260	June-22
Lemon Tree Hotel, Bokaro	70	Aug-22
Lemon Tree Hotel, Gulmarg	35	Aug-22
Lemon Tree Hotel, Agra	62	Sept-22
Lemon Tree Hotel, Trivandrum	100	Jan-23
Lemon Tree Hotel, Darjeeling	55	Jan-23
Lemon Tree Hotel, Biratnagar, Nepal	80	Mar-23
Lemon Tree Hotel, Kathmandu, Nepal	75	Sep-23
Lemon Tree Bhangeri Durbar, Nepal	51	Sept-23
Lemon Tree Resort, Thimpu, Bhutan	38	Oct-23
Lemon Tree Premiere, Dindi	50	Uncertain
Lemon Tree Hotel, Ludhiana	60	Uncertain
<b>Total Pipeline</b>	<b>936</b>	

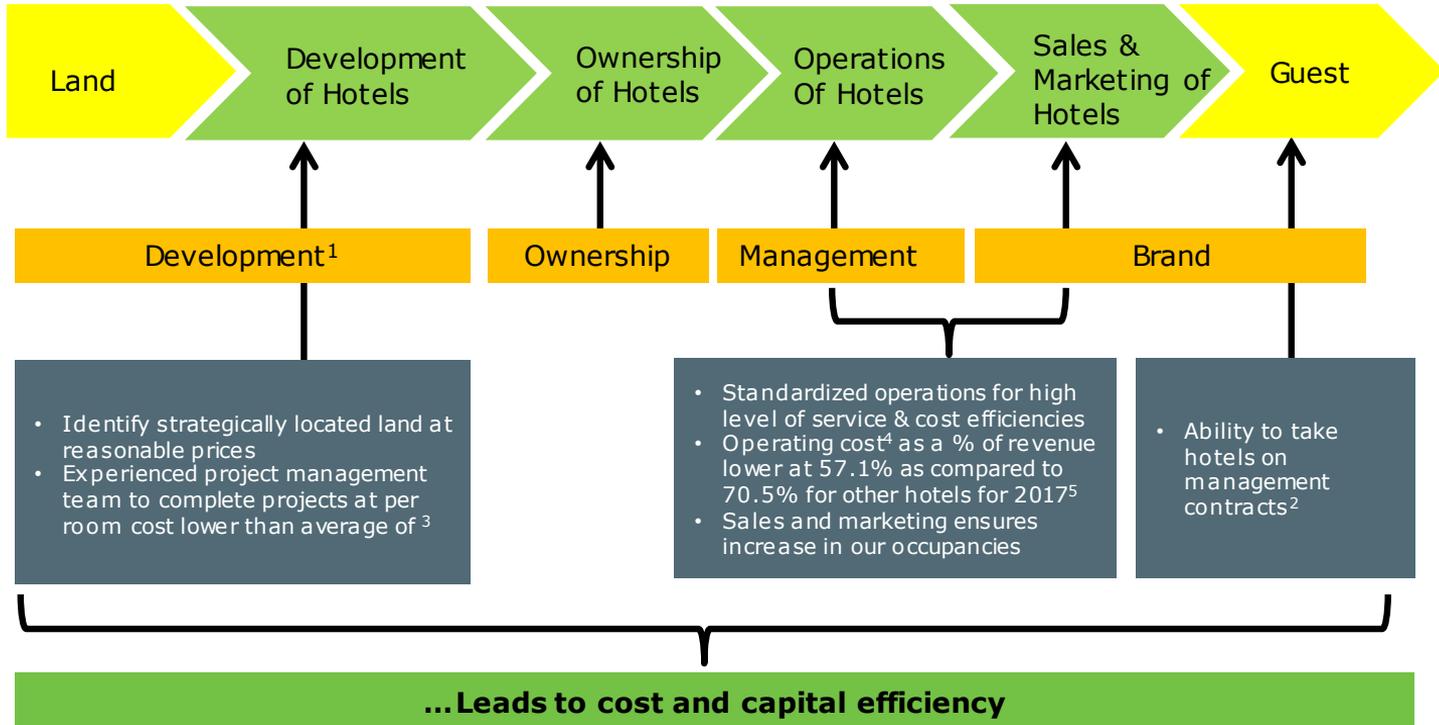
Note: The dates are under the best case scenario and as per latest update from owners based on their lines of credit

## Differentiated business model of Lemon Tree (LTH)



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

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



Note: 1. Through subsidiary Grey Fox Project Management

2. Through subsidiary Carnation

3. For Select Hotels for the same period, according to a survey conducted by HVS (India - 2016 Hotel Development Cost Survey)

4. For owned and leased hotels

5. Source : FHRAI-Indian-Hotel-Survey-2016-17



- Ranked 4<sup>th</sup> 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 12<sup>th</sup> 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

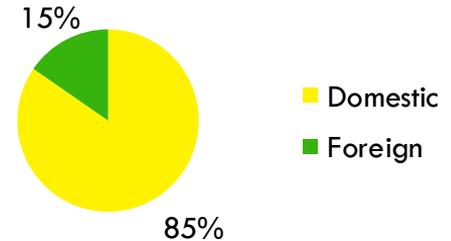


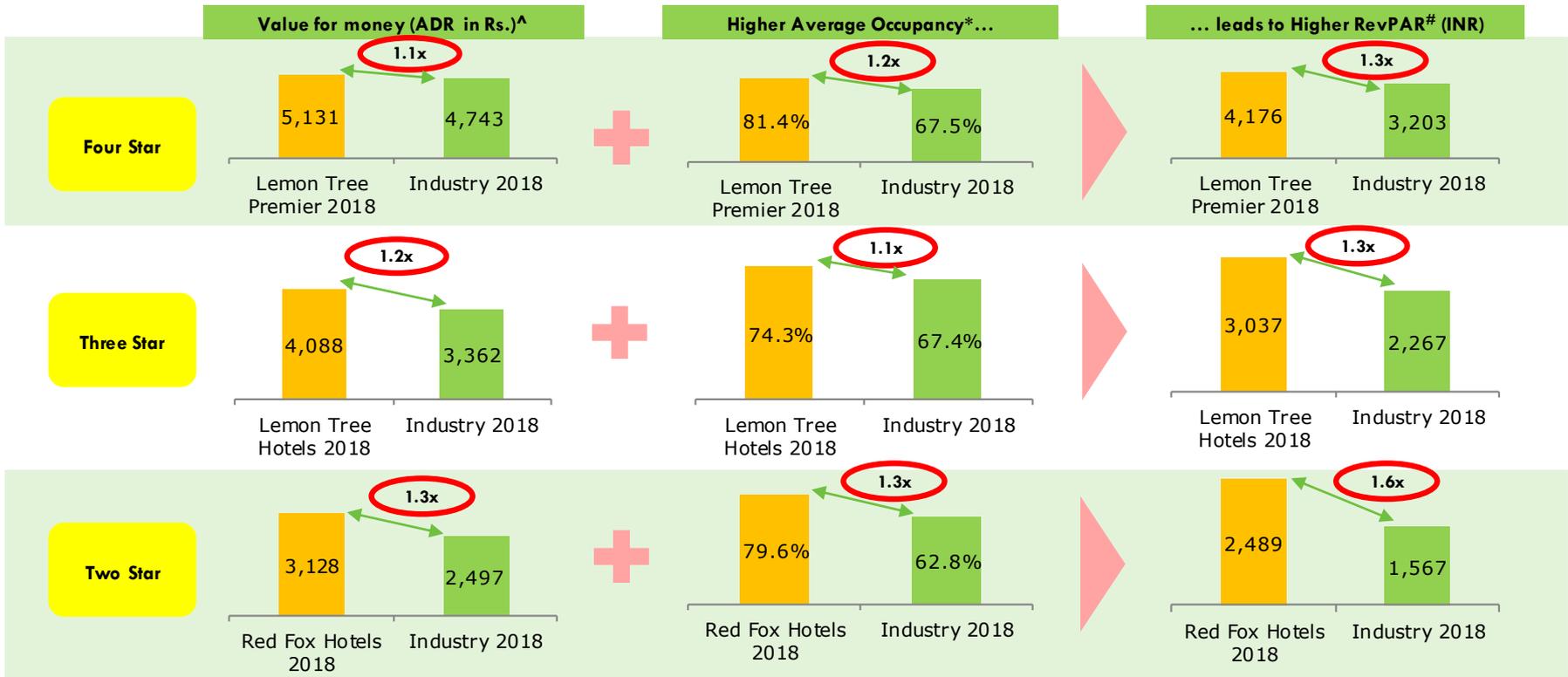
68 out of 79 hotels (which were eligible for receiving this recognition) were awarded the TripAdvisor Travelers' Choice Award 2021



Focus on Domestic Customers

FY20





Source : Industry data is sourced from Hotelivate – Trend and Opportunities Report - 2019.

<sup>^</sup> 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)

Lemon Tree/Industry



Cost

Lower Average Operating Expenses/ Room

Higher GOP<sup>^</sup>

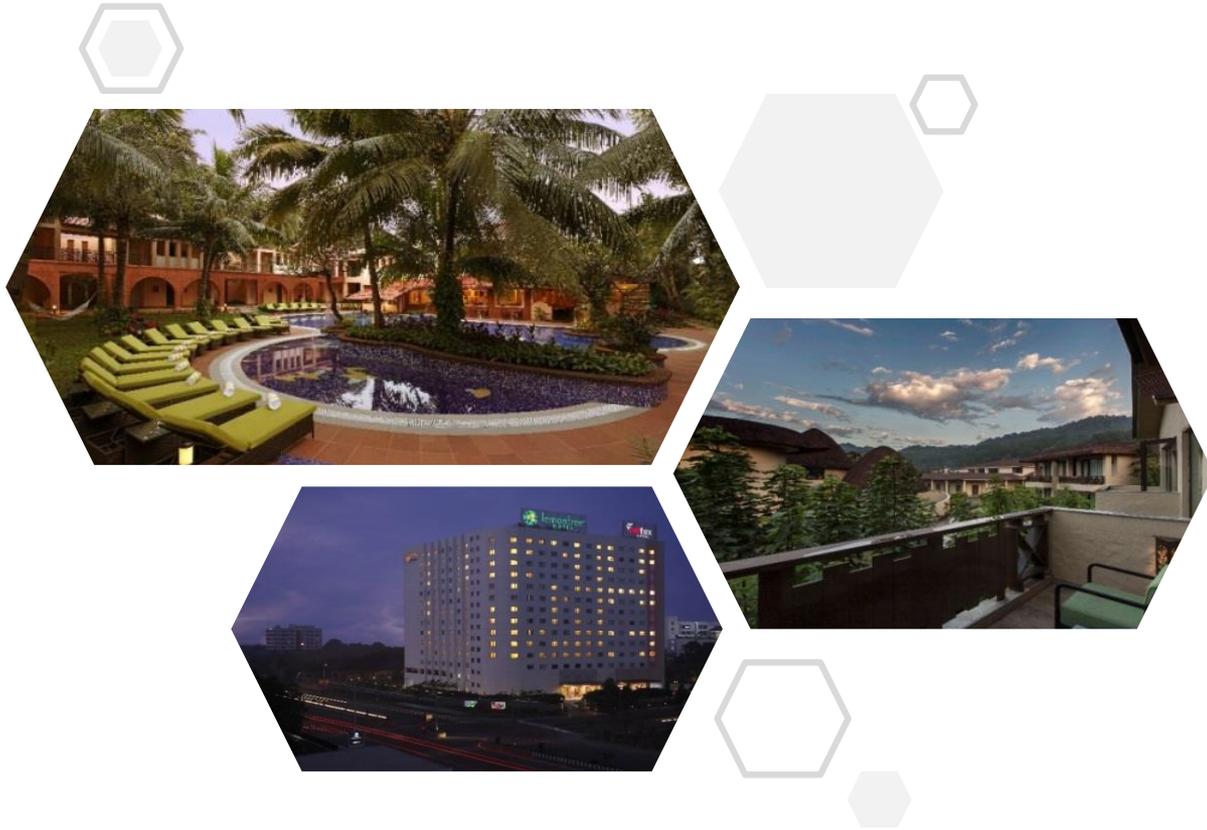
Lower Operating Expense as % of Revenue

Lower Staff per room ratio



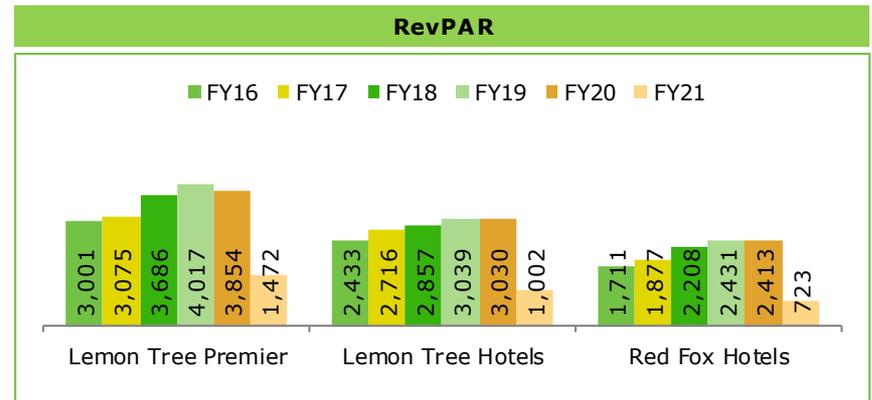
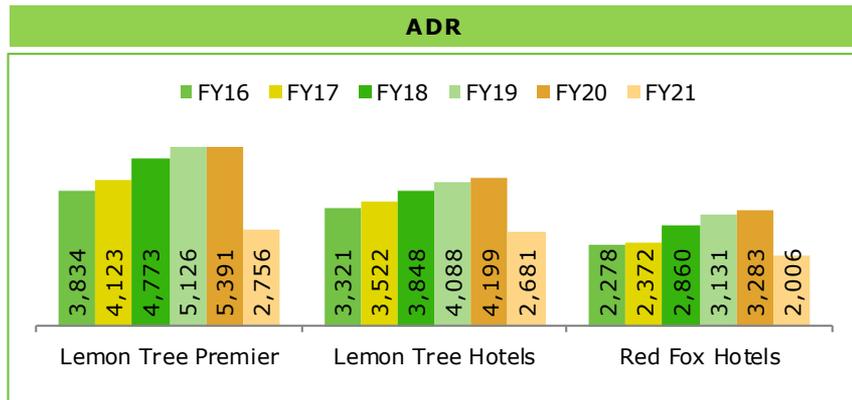
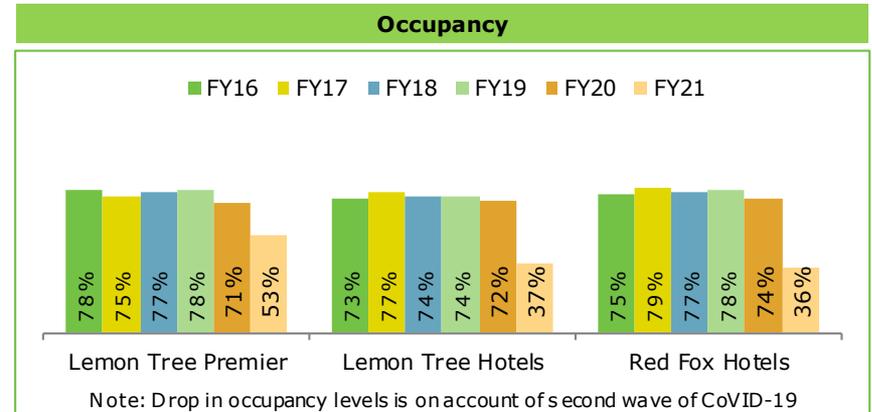
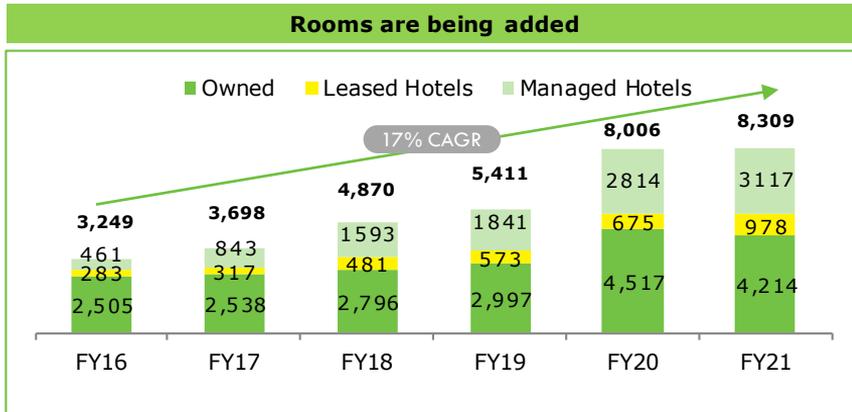
Source : Industry data is sourced from FHRAI-Indian-Hotel-Survey-2017-18. Due to operational disruptions, FHRAI has not been able to publish FY19 numbers, hence showing comparison for FY18

Lemon Tree/Industry



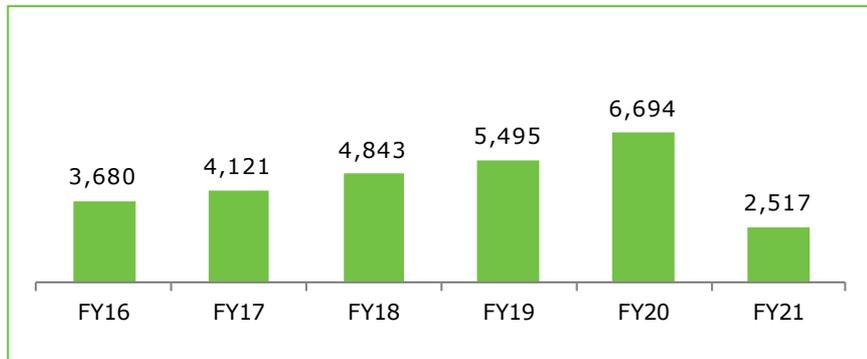
## **Strong Operating and Financial Performance**

# Operating performance

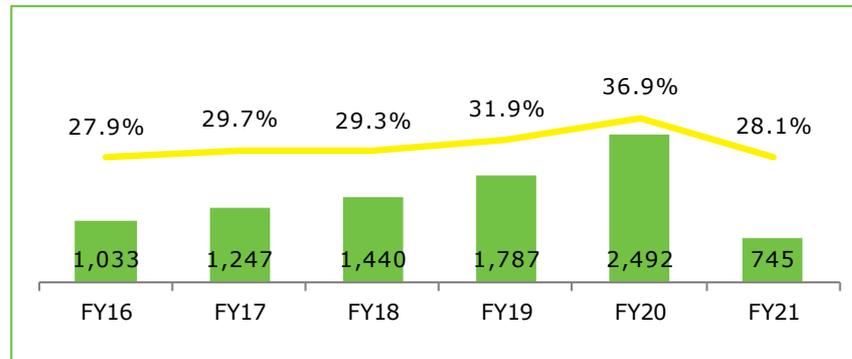


# Operating margins

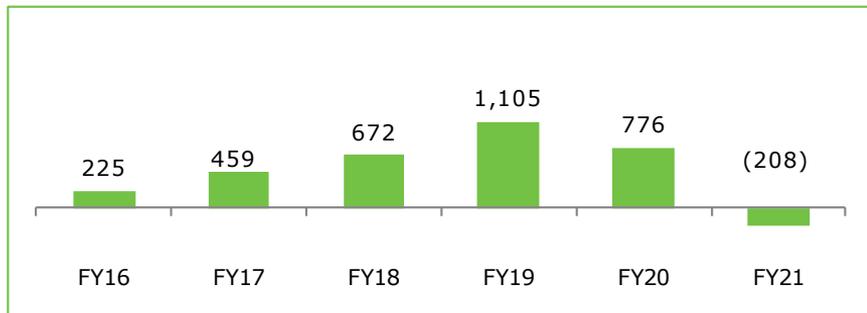
**Revenue from operations (Rs. Million)**



**EBITDA (Rs. Million) & EBITDA margins**



**Cash profit**



**Debt to Equity Ratio**



Note: FY16 figures are from Lemon Tree Prospectus. FY17, FY18, FY19, FY20 and FY21 figures are from audited balance sheet.  
 For FY20 and FY21: Cash Profit = PAT + Depreciation + Interest converted into loans; for all remaining years it is PAT + Depreciation

# Operational Performance by Ageing – FY21 vs. FY20

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
<b>Hotels<sup>1</sup></b>	<b>FY20</b>	24	6	11	2
	<b>FY21</b>	28	13	0	
<b>Operating Rooms (year-end)</b>	<b>FY20</b>	2,855	715	1,622	738
	<b>FY21</b>	3,278	1,914	-	
<b>Occupancy Rate (%)</b>	<b>FY20</b>	75.2%	67.1%	56.4%	Deep demand Markets (high occupancies)
	<b>FY21</b>	42.1%	35.9%	-	
<b>Average Daily Rate (Rs.)</b>	<b>FY20</b>	4,399	4,027	4,438	2.0x of Adult Hotels in that year*
	<b>FY21</b>	2,531	2,785	-	
<b>Hotel level EBITDAR<sup>2</sup>/room (Rs. Lacs)</b>	<b>FY20</b>	6.9	5.5	2.3	High*
	<b>FY21</b>	1.4	1.6	-	
<b>Hotel level EBITDAR<sup>2</sup> Margin (%)</b>	<b>FY20</b>	44%	39%	39%	High*
	<b>FY21</b>	30%	36%	-	
<b>Hotel level ROCE<sup>3</sup> (%)</b>	<b>FY20</b>	12%	5%	2%	1.5x of Adult Hotels in that year*
	<b>FY21</b>	2%	1%	-	

## Notes:

1) During the year FY21 4 hotels moved from toddler to adult category, 11 hotels moved from infant to toddler category and no new hotels entered into the infant category

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

# Individual Progression of 4 latest Adult Hotels from Infant to Toddler to Adult

	Date of Opening	FY15	FY16	FY17	FY18	FY19	CAGR
<b>LTP Aerocity Delhi</b>	Dec-FY14	Infant	Toddler	Toddler	Adult	Adult	
Inventory		<b>145</b>	280	280	280	280	
Occupancy		84.2%	82.0%	75.7%	82.8%	85.5%	
ARR		3,114	3,612	3,876	4,405	5,626	15.9%
RevPAR		2,622	2,963	2,932	3,647	4,809	16.4%
EBITDA/Room		2.4	6.7	7.6	10.1	11.5	48.6%
EBITDA Margin		13.5%	40.8%	41.8%	47.3%	47.5%	
<b>RFH Aerocity Delhi</b>	Dec-FY14	Infant	Toddler	Toddler	Adult	Adult	
Inventory		<b>197</b>	207	207	207	207	
Occupancy		73.5%	87.4%	81.3%	86.0%	88.9%	
ARR		2,183	2,250	2,418	3,137	4,082	16.9%
RevPAR		1,604	1,966	1,966	2,697	3,629	22.6%
EBITDA/Room		2.4	3.2	3.8	6.1	7.4	32.2%
EBITDA Margin		28.6%	33.0%	37.6%	46.1%	47.3%	

	Date of Opening	FY15	FY16	FY17	FY18	FY19	CAGR
<b>LTH Whitefield Bangalore</b>	Jul-FY14	Infant	Toddler	Toddler	Adult	Adult	
Inventory		130	130	130	130	130	
Occupancy		47.5%	70.6%	79.8%	76.9%	82.7%	
ARR		2,681	2,745	3,065	3,393	3,981	10.4%
RevPAR		1,274	1,938	2,445	2,610	3,293	26.8%
EBITDA/Room		1.6	4.3	5.9	5.7	6.9	43.9%
EBITDA Margin		22.2%	41.0%	47.0%	43.9%	46.4%	
<b>LTH Gachibowli Hyderabad</b>	Nov-FY15	Infant	Toddler	Toddler	Adult		
Inventory			190	190	190	190	
Occupancy			61.6%	75.9%	73.9%	82.9%	
ARR			2,864	2,913	3,128	3,828	10.2%
RevPAR			1,764	2,212	2,311	3,175	21.6%
EBITDA/Room			4.4	6.0	6.0	7.6	19.8%
EBITDA Margin			46.2%	50.2%	48.1%	50.3%	

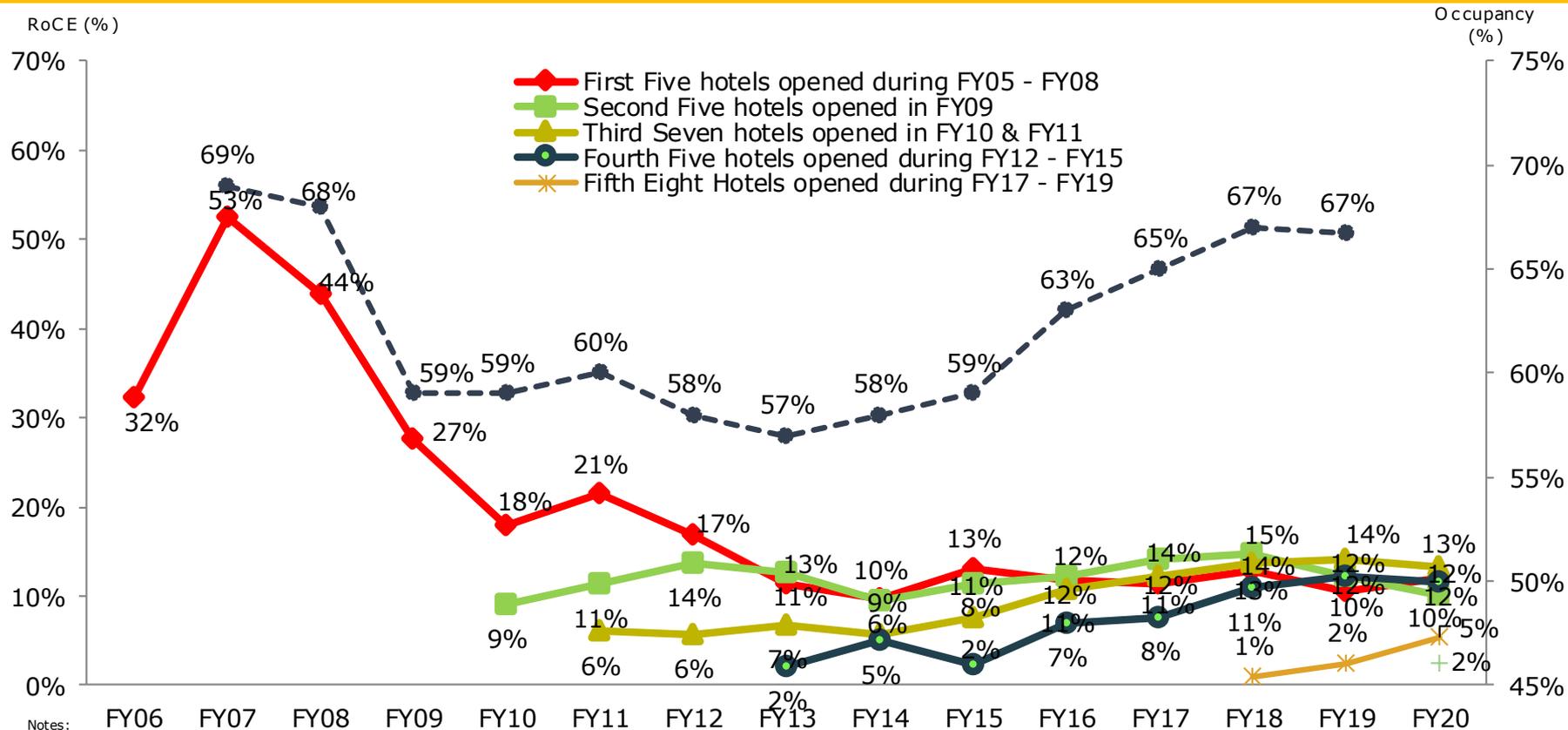
**RevPAR (not ARR or Occupancy) is the Key Metric**

# Aggregate Progression of 4 latest Adult Hotels from Infant to Toddler to Adult

	FY15	FY16	FY17	FY18	FY19	CAGR
<b>Aggregate</b>	Infant	Toddler	Toddler	Adult	Adult	
Inventory	472	807	807	807	807	
Occupancy	69.6%	76.7%	77.8%	80.6%	85.3%	
ARR	2,622	2,945	3,130	3,627	4,545	14.7%
RevPAR	1,826	2,260	2,436	2,922	3,877	20.7%
EBITDA/Room	2.2	4.9	6.0	7.4	8.8	41.8%
EBITDA Margin	20.0%	40.3%	43.5%	46.7%	47.8%	
LTH Focus	Occ.	Occ.	Occ.	ARR	RevPAR	

**Once fully stabilized, RevPAR drives operating leverage**

# Lemon Tree Hotels RoCE : Hotel Buckets by opening 2006-20



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

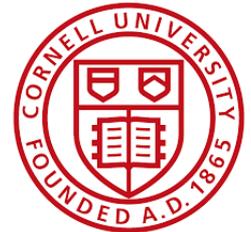


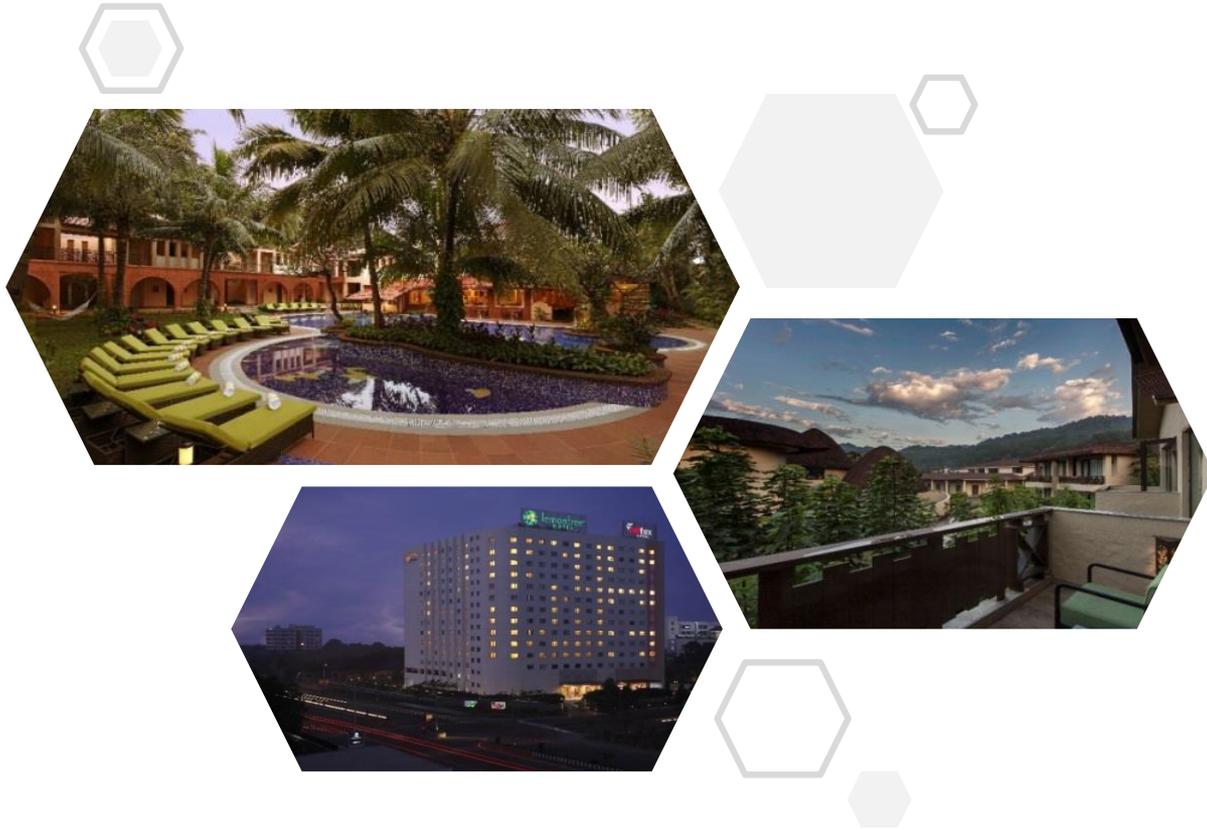
Source : Industry occupancy is taken from Horwath HTL report.

# Recognition and awards through the years



- ❖ **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)"**

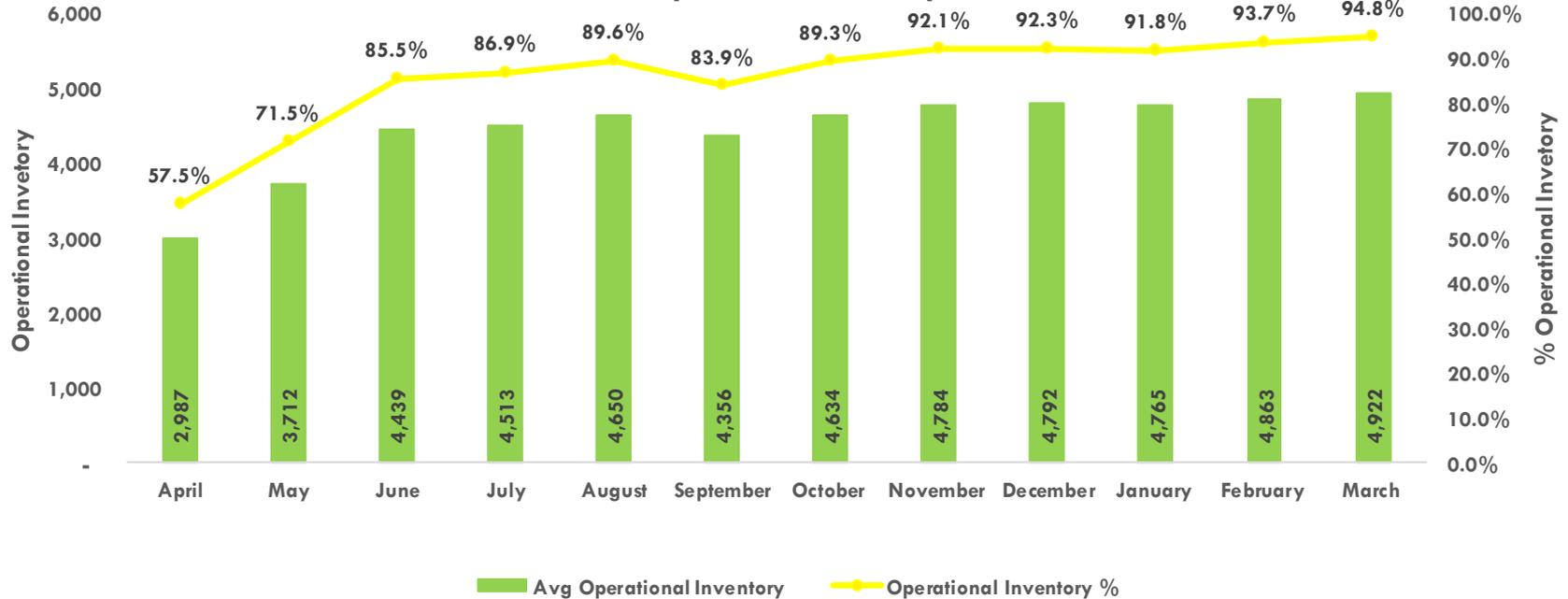




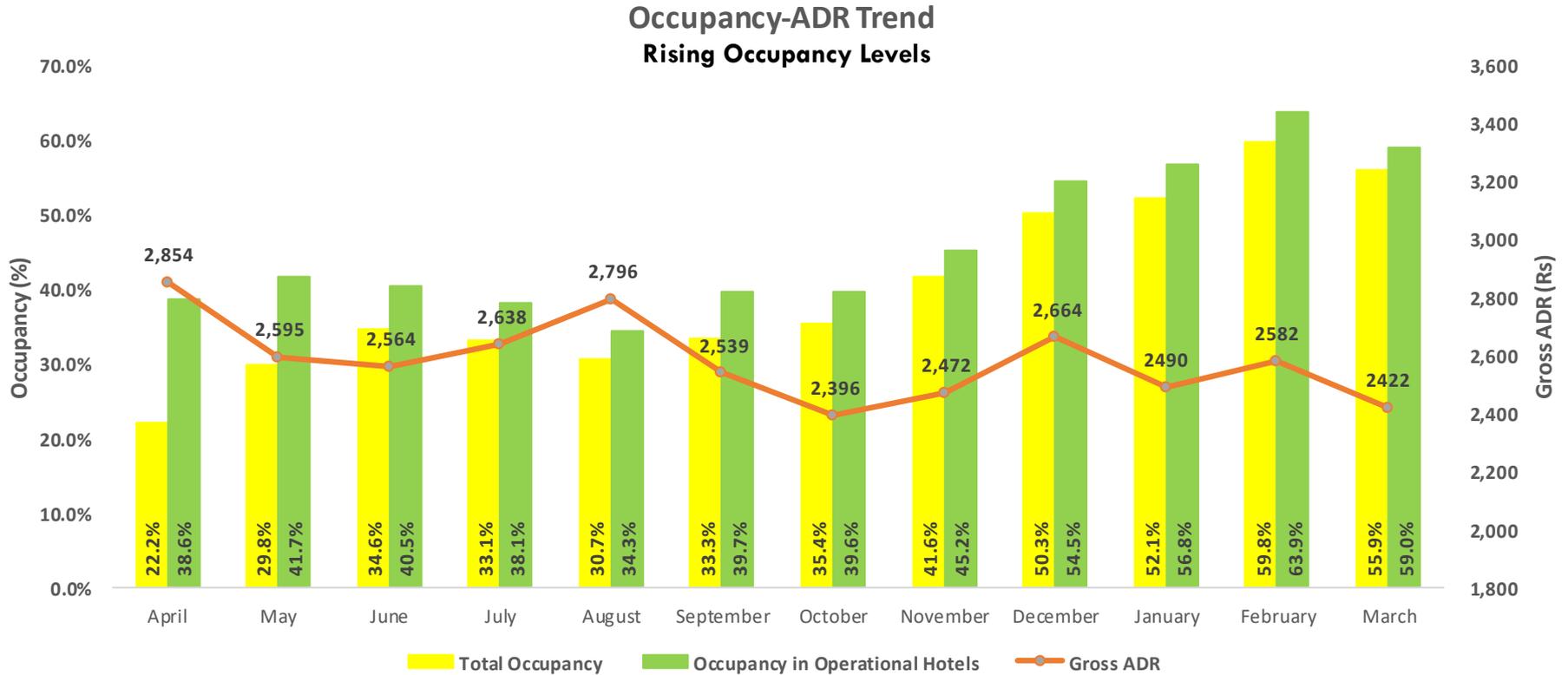
## CoVID-19 : Survive, Revive & Thrive

## Increasing Operational Inventory

### Operational Pick-up



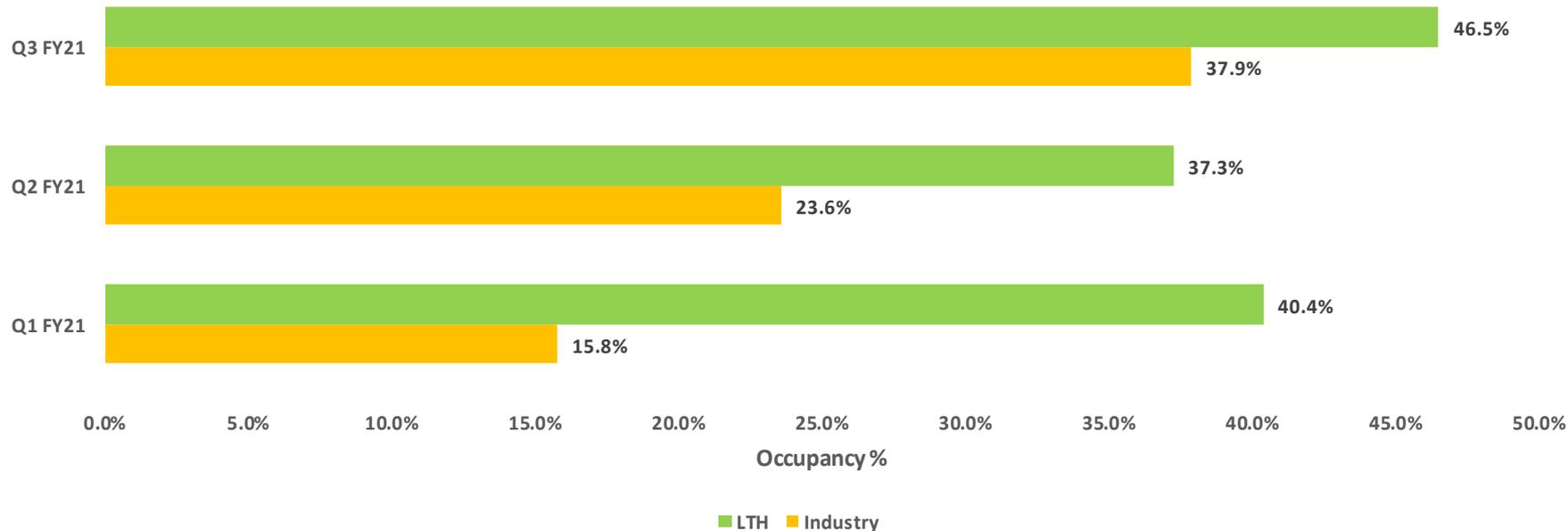
Trends for the 5,192 owned/leased rooms



Trends for the 5,192 owned/leased rooms



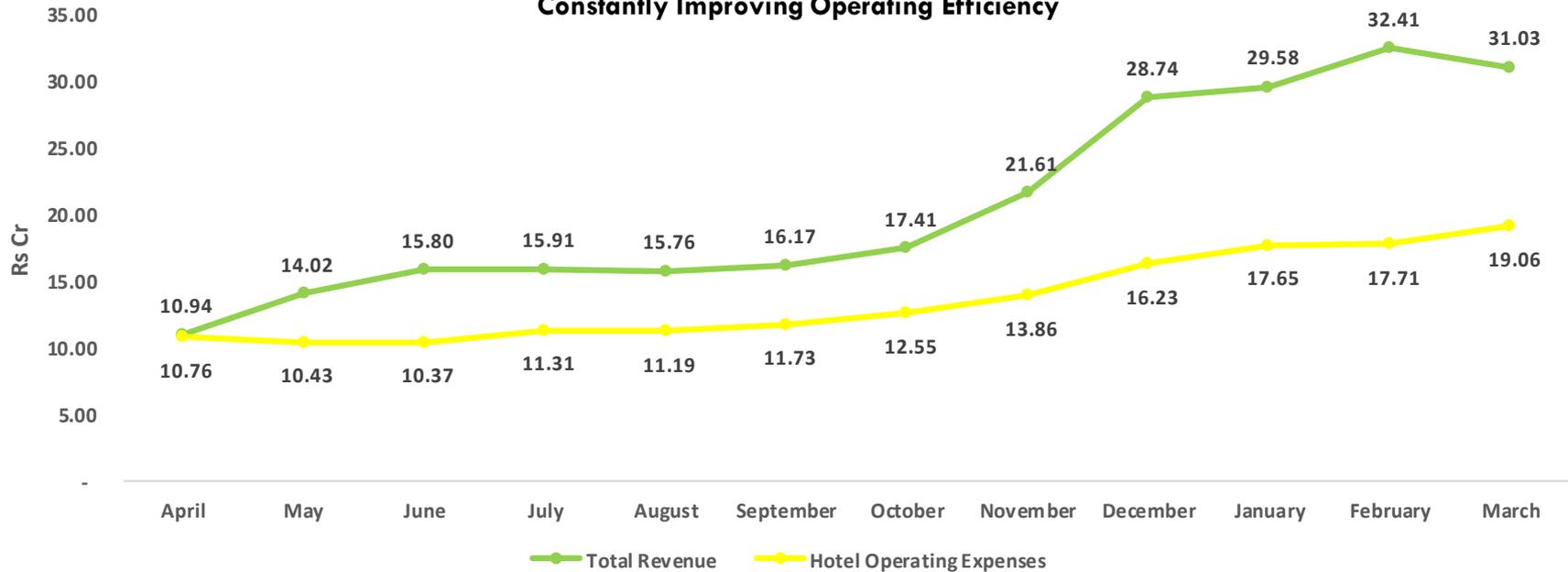
## LTH vs Industry LTH Relative Performance



**Notes:**

1. Source for Industry data: Horwath HTL – India Hotel Market Review 2020, Feb 2021
2. Occupancies for Industry and LTH are for operational hotels only

**Revenue vs OPEX Trend**  
**Constantly Improving Operating Efficiency**



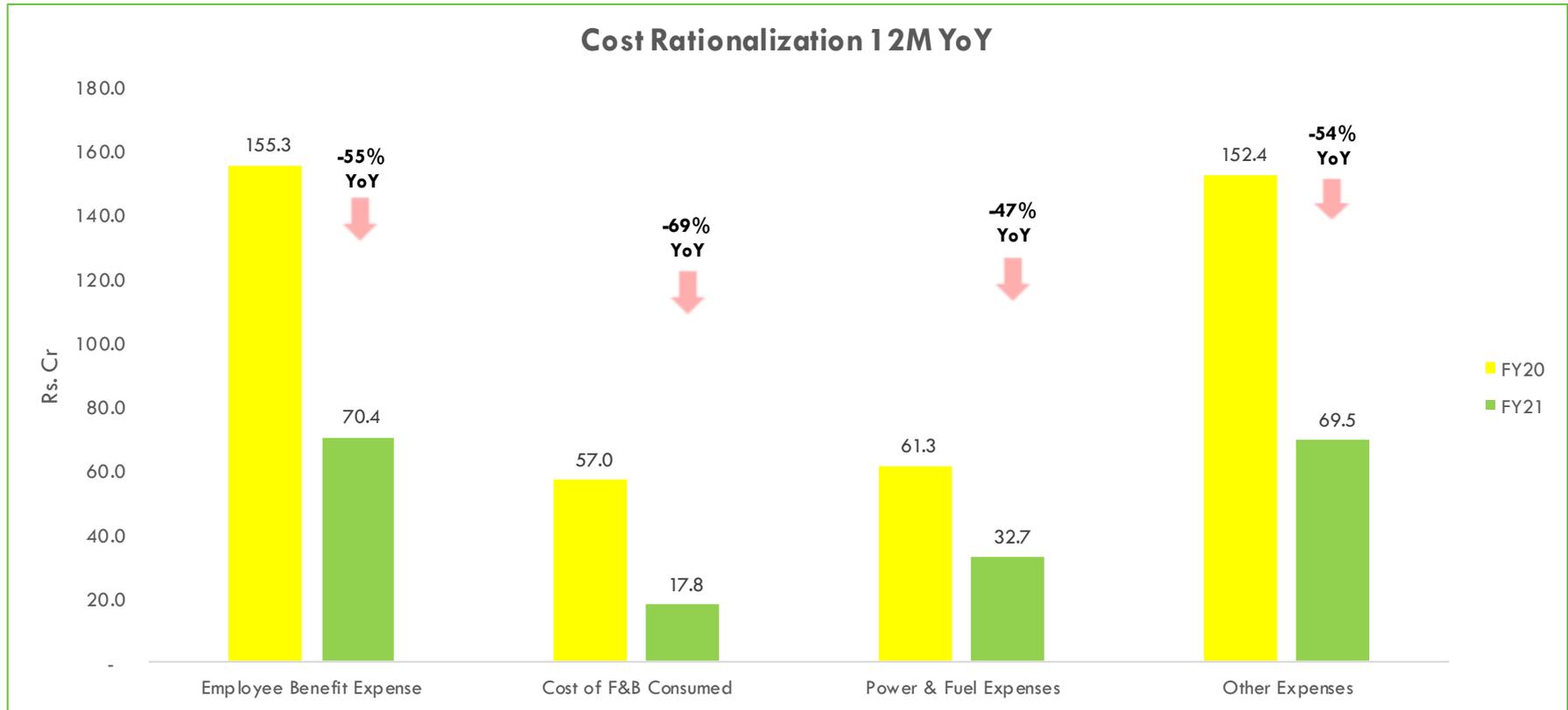
**Notes:**

1. Total Revenue includes Revenue from Owned and Leased hotels and Fees from Managed hotels
2. Operating Expenses include Hotel operating expenses for Owned and Leased hotels (including shut hotels)

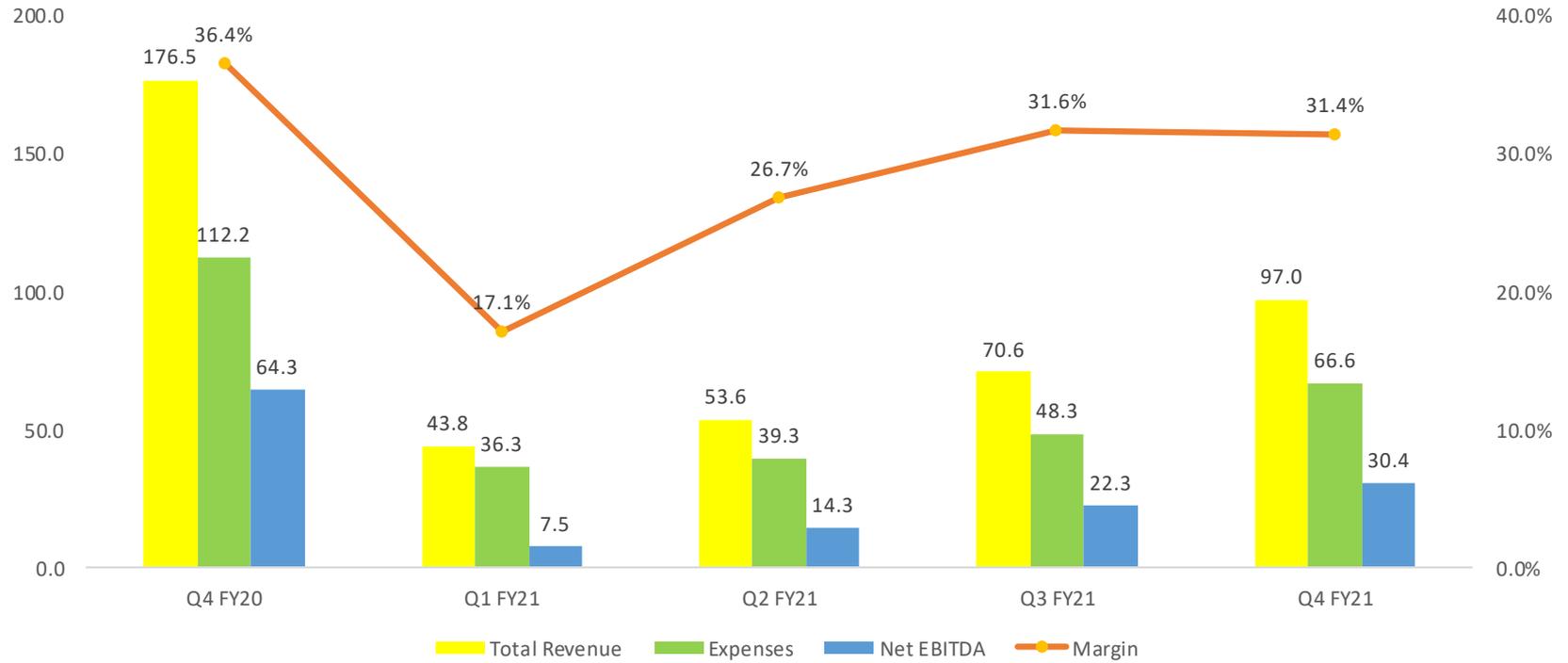


# Consolidated Expenses – FY20 vs FY21

## Cost Rationalization 12M YoY



## Quarter on Quarter Performance



## Operational Impact

- \* 72% of our owned/leased rooms were operational in Q1 FY21 following the directives regarding the lockdown released by various state governments. This improved to 87% in Q2, to 91% in Q3 FY21 and to 93% in Q4 FY21
- \* Occupancy in operational hotels increased from 40.4% in Q1 to 59.9% in Q4
- \* In Q1, demand was mostly from quarantine guests and healthcare workers. Demand from traditional segments increased from 19% of our total room nights in Q1 to 95% of our total room nights in Q4

## Financial Impact

- \* Revenue from operations in Q4 FY21 increased by 39.1% QoQ, however due to impact of CoVID-19 it decreased by 46.0% YoY
- \* Net EBITDA in Q4 FY21 dropped by 52.7% YoY. However due to significant cost control we reduced our cash burn at the operating level and recorded positive EBITDA in all the Quarters of FY21. Our Net EBITDA improved sequentially from Rs 7.5 Cr in Q1 to Rs 30.4 Cr in Q4.
- \* Net EBITDA margin also showed continuous improvement from 17.1% in Q1 to 31.4% in Q4
- \* Net cash profit/loss (PAT + Depreciation) was Rs -0.60 Cr in spite of a reduction of 46% in revenue vis-à-vis Q4FY20
- \* Gross debt at the end of FY21 stood at Rs. 1,685 Cr and after adjusting for about Rs 141 Cr cash, net debt was Rs 1544 Cr or about 0.50% more than the net debt at the end of FY20
- \* During the 12-month period, ie. end FY20 to end FY21, average cost of borrowings successfully lowered by 130bps from 9.6% to 8.3%

## Planned

- \* APG Strategic Real Estate Pool N.V. approved investment of up to Rs 300 Cr in two tranches by CCPS which will be convertible into equity in 30 months
- \* Board of Directors gave approval to raise upto Rs 150 Cr as an abundant precaution to provide an additional liquidity cushion, if required
- \* Lemon Tree has the option to avail up to Rs 490 Cr under ECLGS facility

## Availed

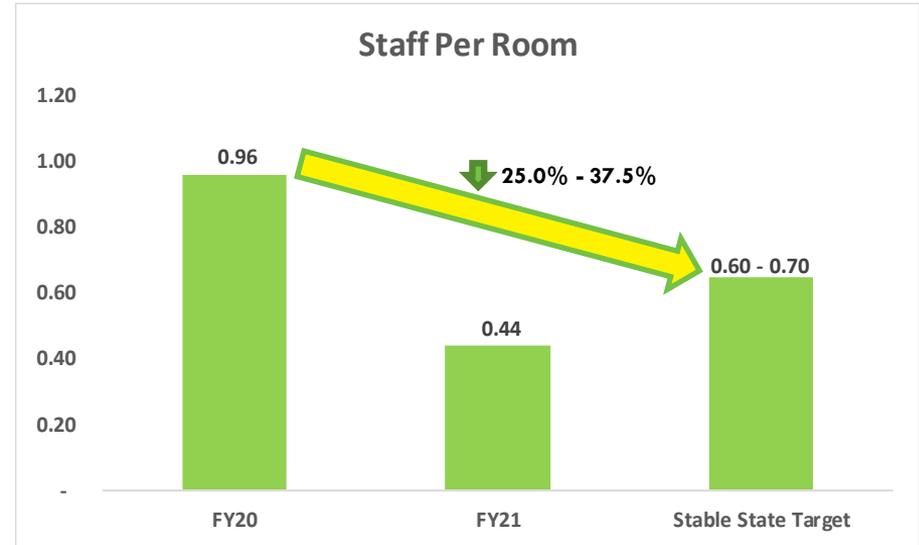
- \* APG Strategic Real Estate Pool N.V. infused first tranche of Rs 175 Cr in June '20
- \* Lemon Tree will inject additional 100% owned assets at the end of 30 months in order to retain current majority ownership. This is aligned to Lemon Tree's asset monetization plan/asset light strategy

## Current Status

- \* The current cash in the company and monthly free cash flow give comfort to the company to avoid availing the two pre-approved fund raising options i.e. second tranche of Rs 125 Cr from APG and rights issue of Rs 150 Cr in LTH
- \* Currently, the company has availed only ~25% out of a total Rs. 490 Cr of ECLGS facility as of 31<sup>st</sup> March 2021

## Manpower

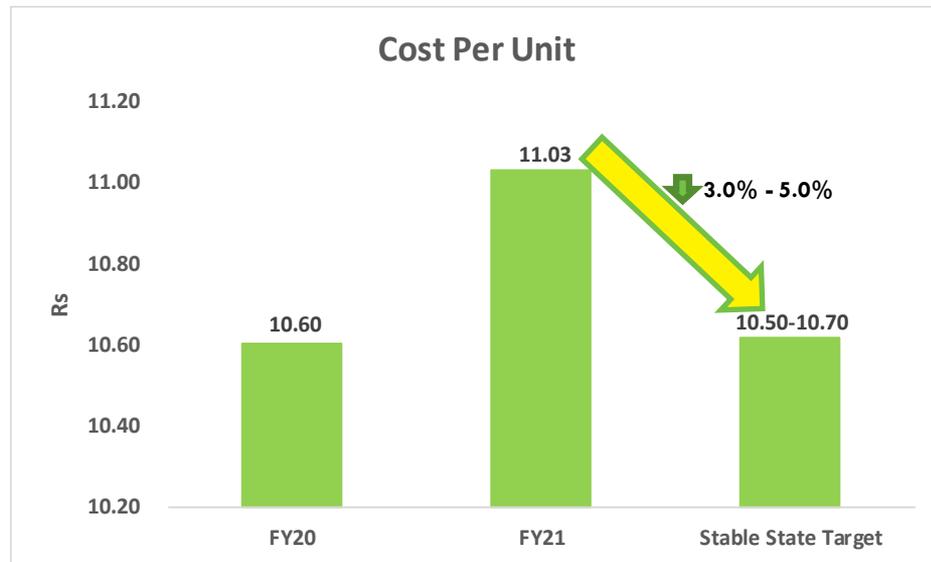
- One of our biggest leanings has been that our hotels can operate with lesser manpower without compromising on service quality
- During Covid-19 induced lockdowns and partial curfews, we utilized the opportunity to multi-skill our staff by imparting cross trainings across departments



*Hotel Payroll expenses were ~21% of our Total Revenue in FY20*

## Electricity Cost

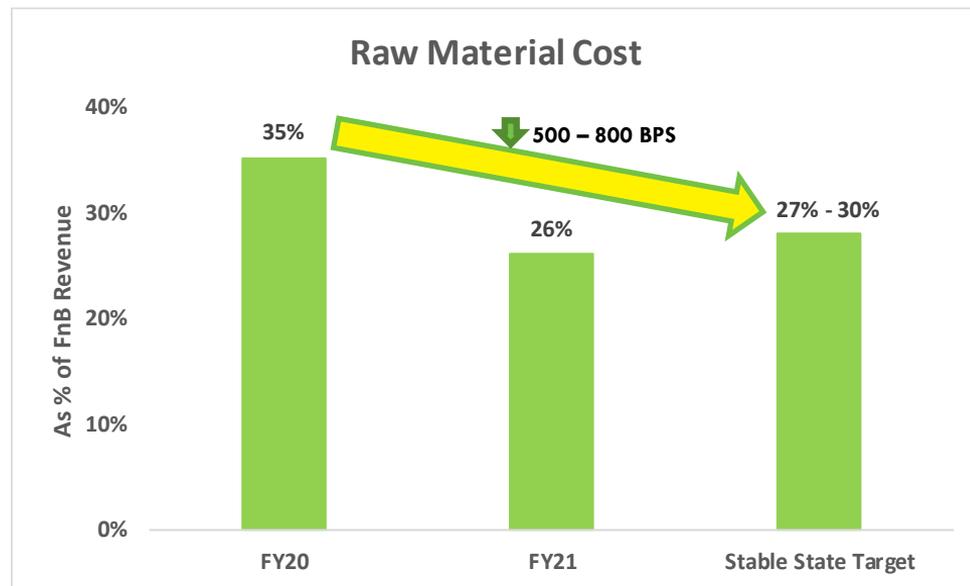
- We have been aggressively expanding the share of our electricity sourced from renewable sources, which come at a lower cost as compared to thermal power
- In FY20, only 5% of our electricity was sourced from renewable sources. We target to increase this share to 30% by Q1 FY22
- The increase in share of renewable energy will also lead to reduction in our carbon footprint



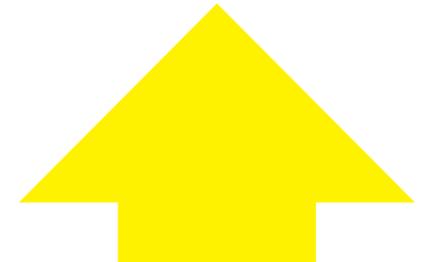
Electricity cost was ~7.4% of our Total Revenue in FY20

## Raw Material Cost

- With our continuously expanding geographical footprint we are strengthening our position to negotiate contracts with our suppliers favorably
- Over the past 9 months, we have reinvented our menus to save spoilage without impacting the guest experience



*F&B Revenue was ~15% of our Total Revenue in FY20*



These steps should lead to a **permanent improvement in our Net EBITDA** by 500-700 bps as a percentage of revenue once we reach the stable state (expected CY22)

Various other fixed and variable expenses can also be reduced significantly on a permanent basis



## Under Development Hotels



# Aurika, Mumbai Airport (MIAL) | Image Representation





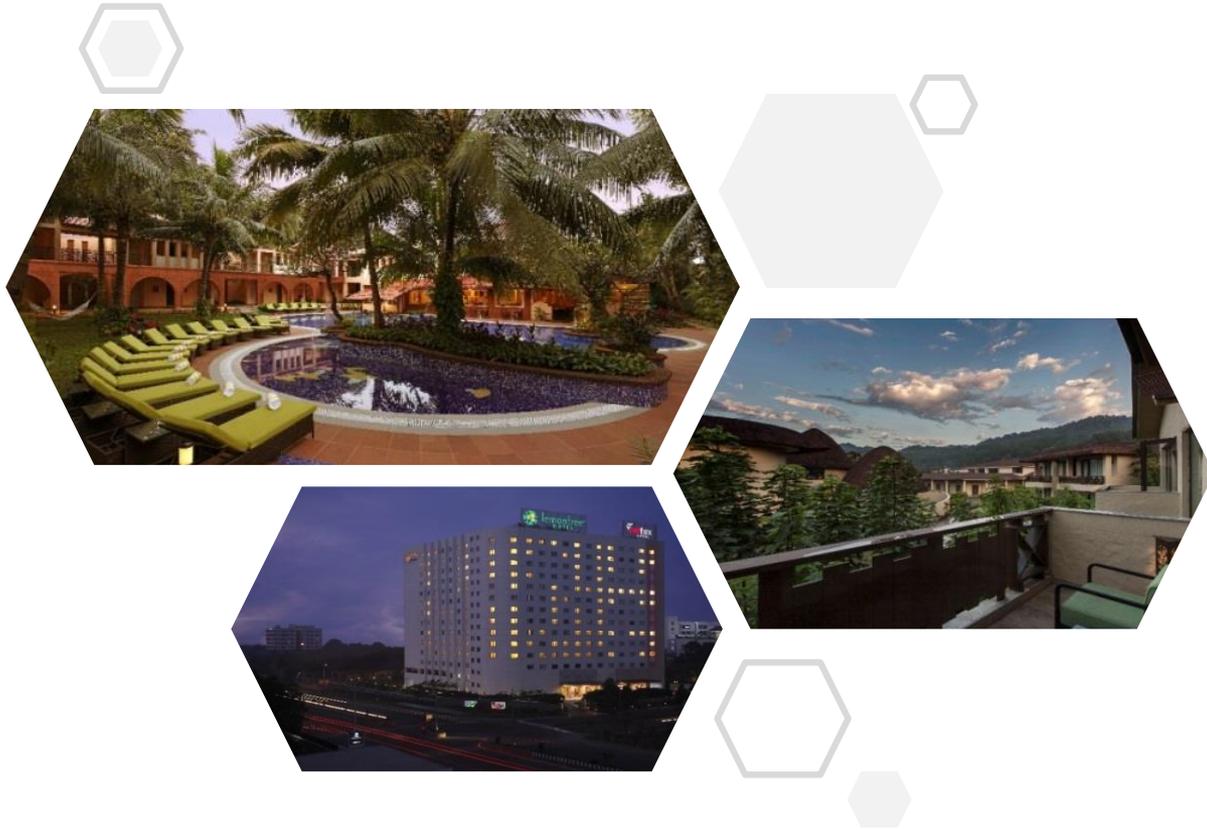
# Aurika, Mumbai Airport (MIAL) | Image Representation





# Lemon Tree Mountain Resort – Shimla





## ANNEXURES

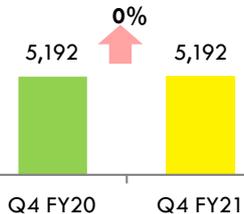


## Latest Performance – Q4 FY21

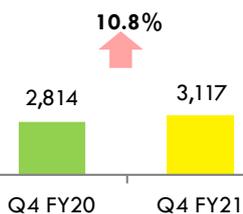
# Q4 FY21 Performance Highlights – Operational Metrics (Consolidated)

## Inventory

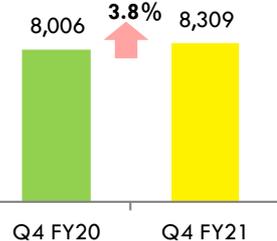
### Owned/Leased rooms



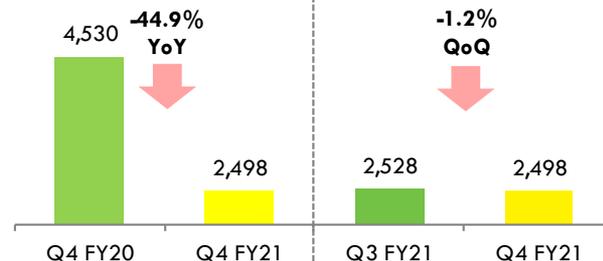
### Managed rooms



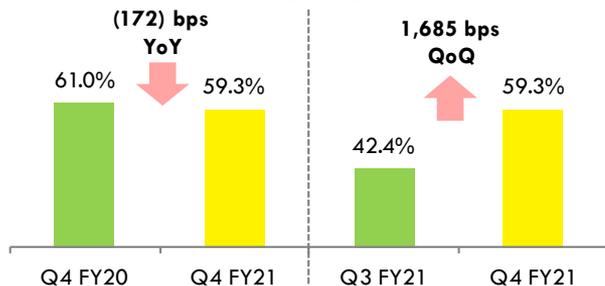
### Total rooms



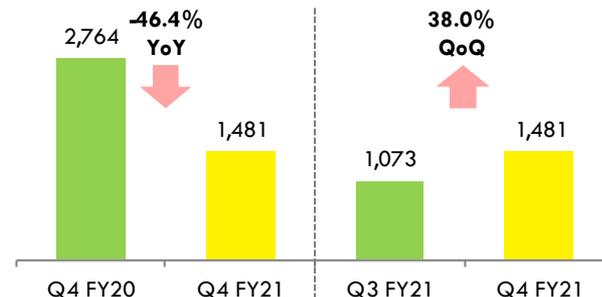
## Average Daily Rate (Rs.)



## Occupancy (%)



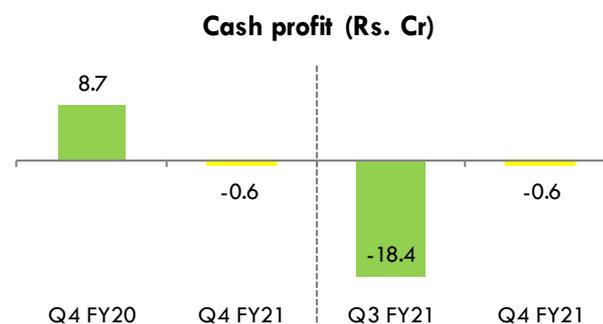
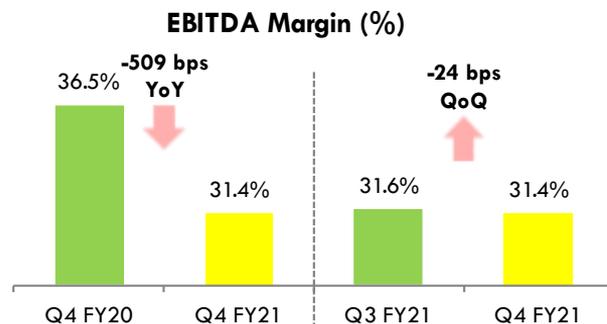
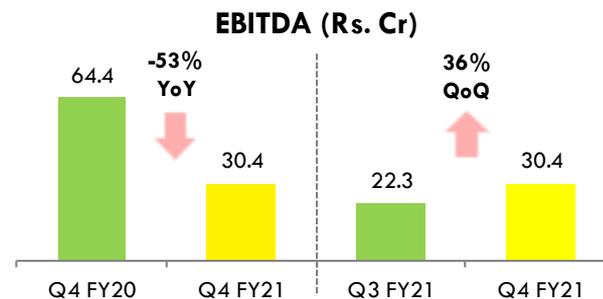
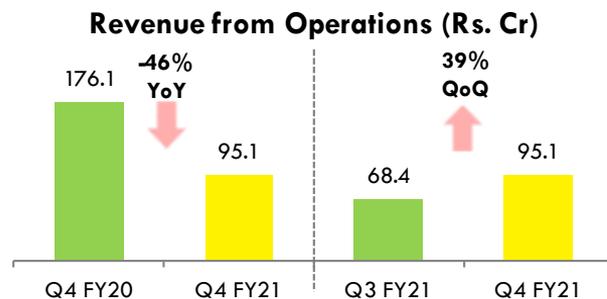
## RevPAR (Rs.)



Notes:

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

# Q4 FY21 Performance Highlights – Financial Metrics (Consolidated)



Notes: Cash Profit is calculated as PAT + Depreciation



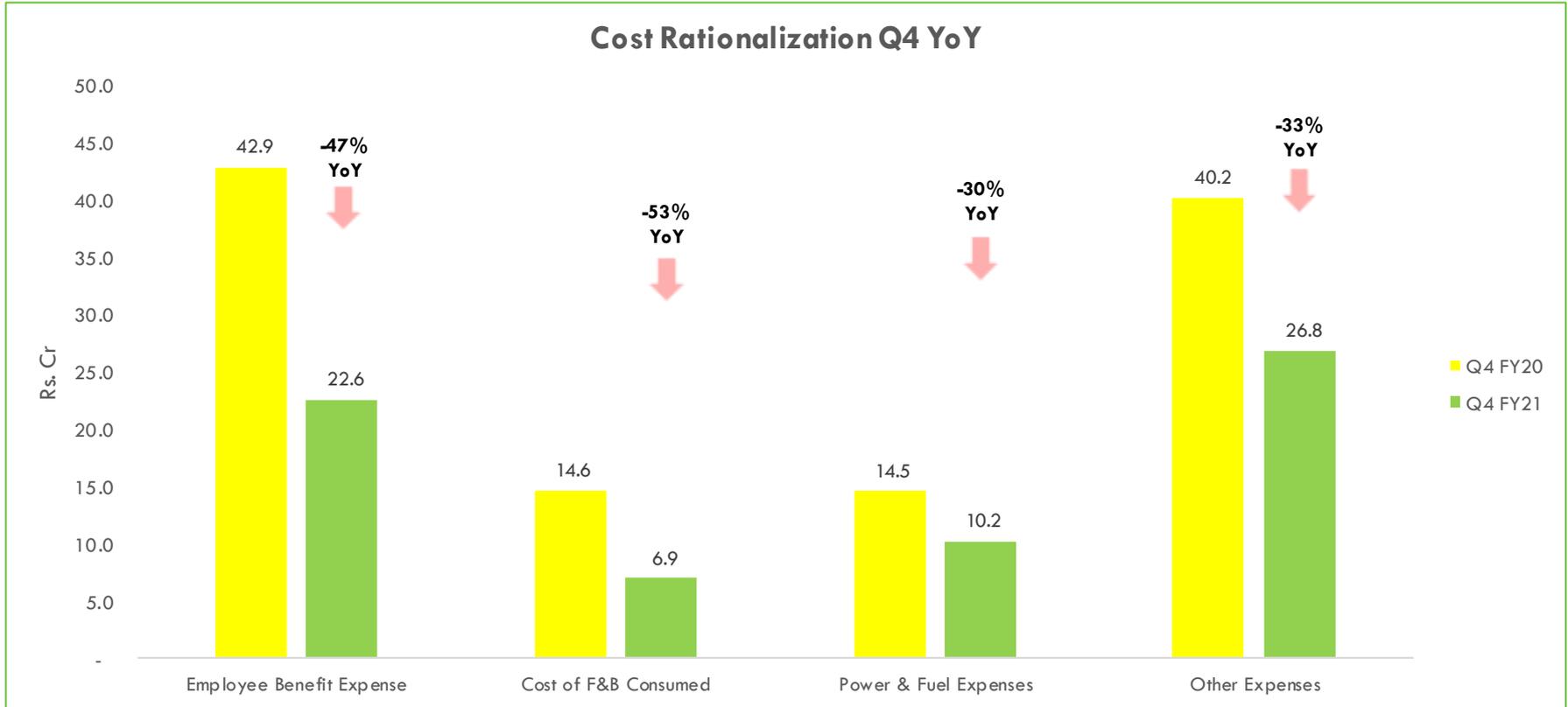
# Consolidated Profit & Loss Statement – Q4 FY21

Rs. Cr	Q4 FY20	Q3 FY21	Q4 FY21	QoQ Change (%)	YoY Change (%)
<b>Revenue from operations</b>	<b>176.1</b>	<b>68.4</b>	<b>95.1</b>	<b>39.1%</b>	<b>-46.0%</b>
Other income	0.4	2.2	1.9	-15.4%	356.8%
<b>Total expenses</b>	<b>112.2</b>	<b>48.3</b>	<b>66.6</b>	<b>37.8%</b>	<b>-40.7%</b>
<b>EBITDA</b>	<b>64.4</b>	<b>22.3</b>	<b>30.4</b>	<b>36.3%</b>	<b>-52.7%</b>
<b>EBITDA margin (%)</b>	<b>36.5%</b>	<b>31.6%</b>	<b>31.4%</b>	<b>(24)</b>	<b>(509)</b>
<b>EBITDA w/o Other Income</b>	<b>63.9</b>	<b>20.1</b>	<b>28.5</b>	<b>42.1%</b>	<b>-55.4%</b>
<b>EBITDA margin before Other Income (%)</b>	<b>36.3%</b>	<b>29.4%</b>	<b>30.0%</b>	<b>63</b>	<b>(630)</b>
Finance costs	49.5	47.5	44.5	-6.3%	-10.0%
Depreciation & amortization	27.7	27.3	26.1	-4.5%	-5.9%
<b>PBT</b>	<b>(13.5)</b>	<b>(50.5)</b>	<b>(40.9)</b>	<b>NA</b>	<b>NA</b>
Tax expense	5.6	(4.8)	(14.2)	NA	NA
<b>PAT</b>	<b>(19.0)</b>	<b>(45.7)</b>	<b>(26.7)</b>	<b>NA</b>	<b>NA</b>
<b>Cash Profit</b>	<b>8.7</b>	<b>(18.4)</b>	<b>(0.6)</b>	<b>NA</b>	<b>NA</b>

Note: Cash Profit is calculated as PAT + Depreciation

# Consolidated Expenses – FY20 vs FY21

## Cost Rationalization Q4 YoY



# Consolidated Profit & Loss Statement Breakup – Q4 FY21

Rs. Cr	Total without Keys Hotels			Keys Hotels			Total		
	Q4FY20	Q4FY21	YoY Change (%)	Q4FY20	Q4FY21	YoY Change (%)	Q4FY20	Q4FY21	YoY Change (%)
Inventory	4,256	4,256	0%	936	936	0%	5,192	5,192	0%
ADR	4,856	2,745	-43%	2,751	1,209	-56%	4,530	2,498	-45%
Occupancy	62.9%	60.7%	(222)	52.4%	53.0%	58	61.0%	59.3%	(172)
RevPAR	3,055	1,666	-45%	1,441	640	-56%	2,764	1,481	-46%
<b>Revenue from Operations</b>	<b>158.7</b>	<b>86.8</b>	<b>-45.3%</b>	<b>17.5</b>	<b>8.3</b>	<b>-52.6%</b>	<b>176.1</b>	<b>95.1</b>	<b>-46.0%</b>
Other Income	0.4	2.1	397.2%	0.0	(0.2)	NA	0.4	1.9	356.8%
Total expenses	96.7	59.1	-38.9%	15.5	7.5	-51.8%	112.2	66.6	-40.7%
<b>EBITDA</b>	<b>62.4</b>	<b>29.8</b>	<b>-52.3%</b>	<b>2.0</b>	<b>0.6</b>	<b>-67.1%</b>	<b>64.4</b>	<b>30.4</b>	<b>-52.7%</b>
<b>EBITDA Margin (%)</b>	<b>39.2%</b>	<b>33.5%</b>	<b>(572)</b>	<b>11.2%</b>	<b>7.9%</b>	<b>(327)</b>	<b>36.5%</b>	<b>31.4%</b>	<b>(509)</b>
<b>EBITDA w/o Other Income</b>	<b>62.0</b>	<b>27.7</b>	<b>-55.3%</b>	<b>2.0</b>	<b>0.8</b>	<b>-58.5%</b>	<b>63.9</b>	<b>28.5</b>	<b>-55.4%</b>
<i>EBITDA margin before Other Income (%)</i>	39.1%	31.9%	(714)	11.2%	9.8%	(141)	36.3%	30.0%	(630)
<b>PBT</b>	<b>(7.9)</b>	<b>(36.5)</b>	<b>NA</b>	<b>(5.6)</b>	<b>(4.4)</b>	<b>NA</b>	<b>(13.5)</b>	<b>(40.9)</b>	<b>NA</b>

# Operational Performance by Brands & Region – Q4 FY20 vs. Q4 FY21 (On Full inventory basis)

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q4 FY20	Q4 FY21	Change (bps)	Q4 FY20	Q4 FY21	Change (%)	Q4 FY20	Q4 FY21	Change (%)	Q4 FY20	Q4 FY21	Change (bps)
<b>By Brand (#Rooms)</b>												
Aurika (139)	29.41%	45.11%	1,570	14,041	10,195	-27.40%	2.2	3.8	72.74%	40.47%	61.70%	2,123
Lemon Tree Premier (1,603)	63.36%	71.71%	834	5,683	2,624	-53.83%	2.0	0.6	-70.16%	48.08%	28.26%	-1,993
Lemon Tree Hotels (1562)	65.61%	56.81%	-881	4,455	2,791	-37.37%	1.5	0.6	-56.82%	41.40%	34.31%	-708
Red Fox Hotels (952)	62.62%	50.78%	-1,184	3,504	1,984	-43.38%	1.0	0.6	-43.81%	43.38%	51.97%	858
Keys Hotels (936)	52.39%	52.97%	58	2,751	1,209	-56.05%	0.3	0.2	-30.25%	14.08%	22.74%	866

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q4 FY20	Q4 FY21	Change (bps)	Q4 FY20	Q4 FY21	Change (%)	Q4 FY20	Q4 FY21	Change (%)	Q4 FY20	Q4 FY21	Change (bps)
<b>By City (#Rooms)</b>												
Delhi (636)	72.13%	74.45%	231	5,169	2,382	-53.91%	2.0	0.6	-67.69%	44.22%	29.86%	-1,465
Gurugram (529)	64.61%	51.33%	-1,328	4,537	2,091	-53.92%	1.5	0.3	-80.35%	40.49%	20.29%	-2,020
Hyderabad (663)	64.28%	56.95%	-734	4,780	2,228	-53.40%	1.9	0.5	-72.67%	52.56%	35.76%	-1,681
Bengaluru (874)	57.08%	49.21%	-787	3,941	1,567	-60.23%	0.8	0.1	-85.30%	30.74%	13.68%	-1,706
Mumbai (303)	59.43%	80.82%	2,139	6,800	2,892	-57.47%	2.5	1.0	-59.55%	56.90%	41.87%	-1,503

# Discussion on Consolidated Financial & Operational Performance – Q4 FY21

## Revenue

- \* Revenue from operations stood at Rs. 95.1 Cr in Q4 FY21, down 46.0% as compared to Rs. 176.1 Cr in Q4 FY20. On a sequential basis, revenue from operations increased 39.1% from Rs 68.4 Cr in Q3 FY21
- \* ADR decreased by 44.9% from 4,530 in Q4 FY20 to 2,498 in Q4 FY21. On a sequential basis, ADR decreased by 1.2% from Rs 2,528 in Q3 FY21
- \* Occupancy on full inventory decreased by 172 bps from 61.0% in Q4 FY20 to 59.3% in Q4 FY21. On a sequential basis, the occupancy on full inventory increased by 1,685 bps from 42.4% in Q3 FY21.

## Cost

- \* Total expenses stood at Rs. 66.5 Cr in Q4 FY21 down 40.7% as compared to Rs 112.2 Cr in Q4 FY20. On a sequential basis, expenses increased by 37.8% from Rs 48.3 Cr in Q3 FY21 due to higher operational inventory & better occupancy

## Operating Margins

- \* EBITDA decreased by 52.7% from Rs 64.4 Cr in Q4 FY20 to Rs 30.4 Cr in Q4 FY21. On a sequential basis, EBITDA increased 36.4% from Rs 22.3 Cr in Q3 FY21. EBITDA without other income increased 42.1% from Rs 20.1 Cr in Q3 FY21 to Rs 28.5 in Q4 FY21
- \* EBITDA margin contracted by 509 bps from 36.5% in Q4 FY20 to 31.4% in Q4 FY21. On a sequential basis, the EBITDA margin has contracted by 24 bps from 31.6% in Q3 FY21. EBITDA margin without other income expanded by 63 bps to 30.0% in Q4 FY21 from 29.4% in Q3 FY21

## Profit after tax

- \* Profit after tax decreased from Rs (19.0) Cr in Q4 FY20 to Rs (26.7) Cr in Q4 FY21. The PAT in Q3 FY21 was Rs (45.7) Cr
- \* Cash Profit for Q4 FY21 stood at Rs (0.6) Cr vs Rs 8.7 Cr in Q4 FY20. The Cash Profit in Q3 FY21 was Rs (18.4) Cr

Note: Cash Profit is calculated as PAT + Depreciation

# Consolidated Profit & Loss Statement – FY21

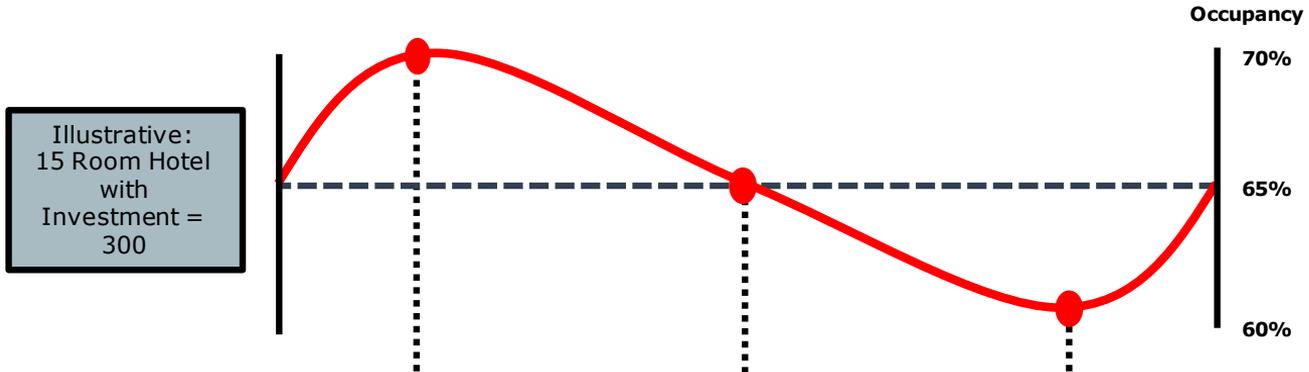
Rs. Cr	FY20	FY21	YoY Change (%)
<b>Revenue from operations</b>	<b>669.4</b>	<b>251.7</b>	<b>-62%</b>
Other income	5.8	13.3	129%
<b>Total Income</b>	<b>675.2</b>	<b>265.0</b>	<b>-61%</b>
<b>Total expenses</b>	<b>426.0</b>	<b>190.5</b>	<b>-55%</b>
<b>EBITDA</b>	<b>249.2</b>	<b>74.5</b>	<b>-70%</b>
<b>EBITDA w/o Other Income</b>	<b>243.4</b>	<b>61.3</b>	<b>-75%</b>
<b>EBITDA margin (%)</b>	<b>36.9%</b>	<b>28.1%</b>	<b>(878)</b>
Finance costs	161.6	190.5	18%
Depreciation & amortization	92.2	107.6	17%
<b>PBT</b>	<b>(2.2)</b>	<b>(218.7)</b>	<b>NA</b>
Tax expense	10.9	(32.2)	NA
<b>PAT</b>	<b>(13.1)</b>	<b>(186.5)</b>	<b>NA</b>
<b>Cash Profit</b>	<b>77.6</b>	<b>(20.8)</b>	<b>NA</b>

Note: Cash Profit is calculated as PAT + Depreciation + Interest converted into loans

# Consolidated Balance Sheet Snapshot – FY21

Rs. Cr	FY20	FY21	YoY Change (%)
Shareholder's Funds	988.9	917.6	-7%
Non-controlling interests	555.9	617.4	11%
<b>Total Shareholder's equity</b>	<b>1,544.8</b>	<b>1,535.0</b>	<b>-1%</b>
Total Debt	1,577.5	1,685.0	6.8%
Other Non-current liabilities	464.3	470.0	1%
Other Current liabilities	176.2	132.2	-25%
<b>Total Equity &amp; Liabilities</b>	<b>3,762.8</b>	<b>3,822.1</b>	<b>2%</b>
Non-current assets	3,615.5	3,581.1	-1%
Current assets	147.3	241.0	64%
<b>Total Assets</b>	<b>3,762.8</b>	<b>3,822.1</b>	<b>2%</b>
<b>Debt to Equity (x)</b>	<b>1.02</b>	<b>1.10</b>	<b>7%</b>
<b>Average cost of borrowing as of 31<sup>st</sup> March (%)</b>	<b>9.60%</b>	<b>8.28%</b>	<b>(132)</b>

# The hotel business cycle



Cycle	Top (2)	Middle (3)	Bottom (2)	
<b>Occupancy</b>	70% or more	63-68%	60% or less	
<b>Rooms Sold</b>	12	10	8	
<b>Average Daily Rate</b>	13	10	7	
<b>Revenue</b>	<b>156</b>	<b>100</b>	<b>56</b>	▶ <b>3:2:1</b>
<b>Expenses</b>	60	50	40	
<b>EBITDA</b>	96	50	16	
<b>Hotel RoCE</b>	<b>32%</b>	<b>17%</b>	<b>5%</b>	▶ <b>6:3:1</b>
<b>Sustainable Debt:Equity Coverage</b>	Full Debt	1:1	No Debt	

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

Lemon Tree Hotels (LTH) is the largest mid-priced hotel sector chain, and the third largest overall, on the basis of controlling interest in owned and leased rooms, as of June 30, 2017, according to the Horwath Report. LTH operates in the mid-market sector, consisting of the upscale, upper midscale, midscale and economy hotel segments and seeks to cater to Indian middle-class guests and deliver differentiated yet superior service offerings, with a value-for-money proposition.

LTHL opened its first hotel with 49 rooms in May 2004 and currently operates ~8,300 rooms in 84 hotels across 52 destinations, in India and abroad, under its various brands viz. Aurika Hotels & Resorts, Lemon Tree Premier, Lemon Tree Hotels, Red Fox Hotels, Keys Prima, Keys Select and Keys Lite. As the current pipeline becomes operational, LTHL will be operating ~10,400 rooms in 105 hotels across 64 destinations, in India and abroad.

Lemon Tree Hotels, including Keys Hotels, are located across India, in metro regions including the NCR, Mumbai, Kolkata, Bengaluru, Hyderabad and Chennai, as well as numerous other tier I and II cities such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore, Aurangabad, Udaipur, Vishakhapatnam, Kochi, Ludhiana, Thiruvananthapuram and Vijayawada. The company expanded internationally with hotels opening in Dubai in December 2019 and in Bhutan in February 2020. New hotels are also set to open internationally in Bhutan and Nepal.

*For more information about us, please visit [www.lemontreehotels.com](http://www.lemontreehotels.com) or contact:*

Kapil Sharma (Chief Financial Officer)

**Lemon Tree Hotels Ltd**

**Tel:** +91 11 4605 0174 / +91 11 4605 0153

**E-mail:** [cfo@lemontreehotels.com](mailto:cfo@lemontreehotels.com)

Anoop Poojari

**CDR India**

**Tel:** +91 22 6645 1211 / 97637 02204

**E-mail:** [anoop@cdr-india.com](mailto:anoop@cdr-india.com)

