

refreshingly different

The logo for Lemon Tree Hotels, featuring a stylized tree icon above the text "lemon tree" and "HOTELS" below it, all enclosed in a light grey circle.  
lemon tree  
HOTELS

February 18, 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 Kotak-Chasing Growth 2021 conference with analysts/institutional Investors on Friday, February 19, 2021.

In this regard, the Corporate Presentation is attached herewith.

The above is for your record.

Thanking You

**For Lemon Tree Hotels Limited**



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

# Lemon Tree Hotels Limited

Kotak - Chasing Growth 2021

19<sup>th</sup> February, 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

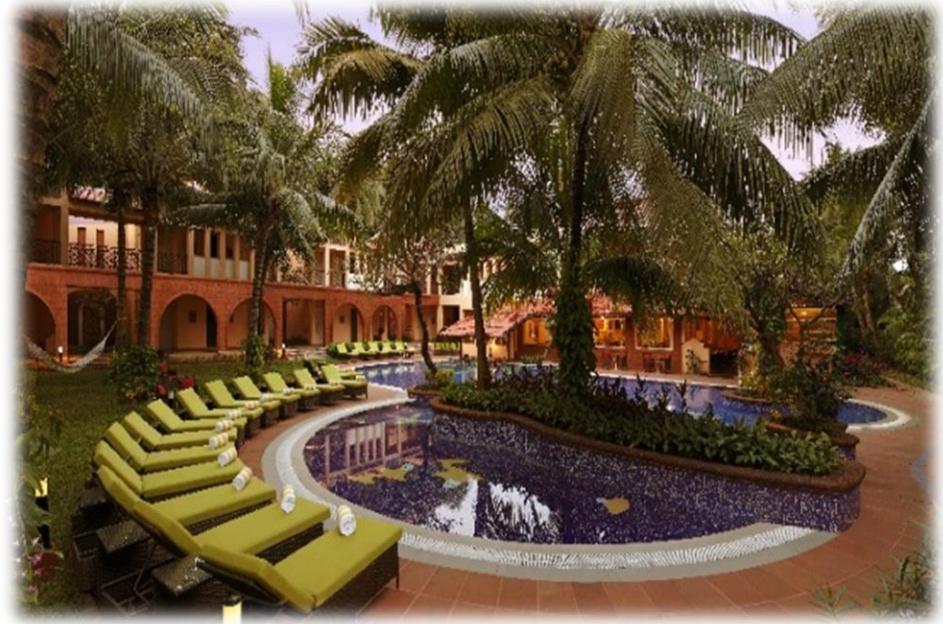
ECONOMY

Connect with us     

# 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.





Aurika, Udaipur



Lemon Tree Premier, Mumbai



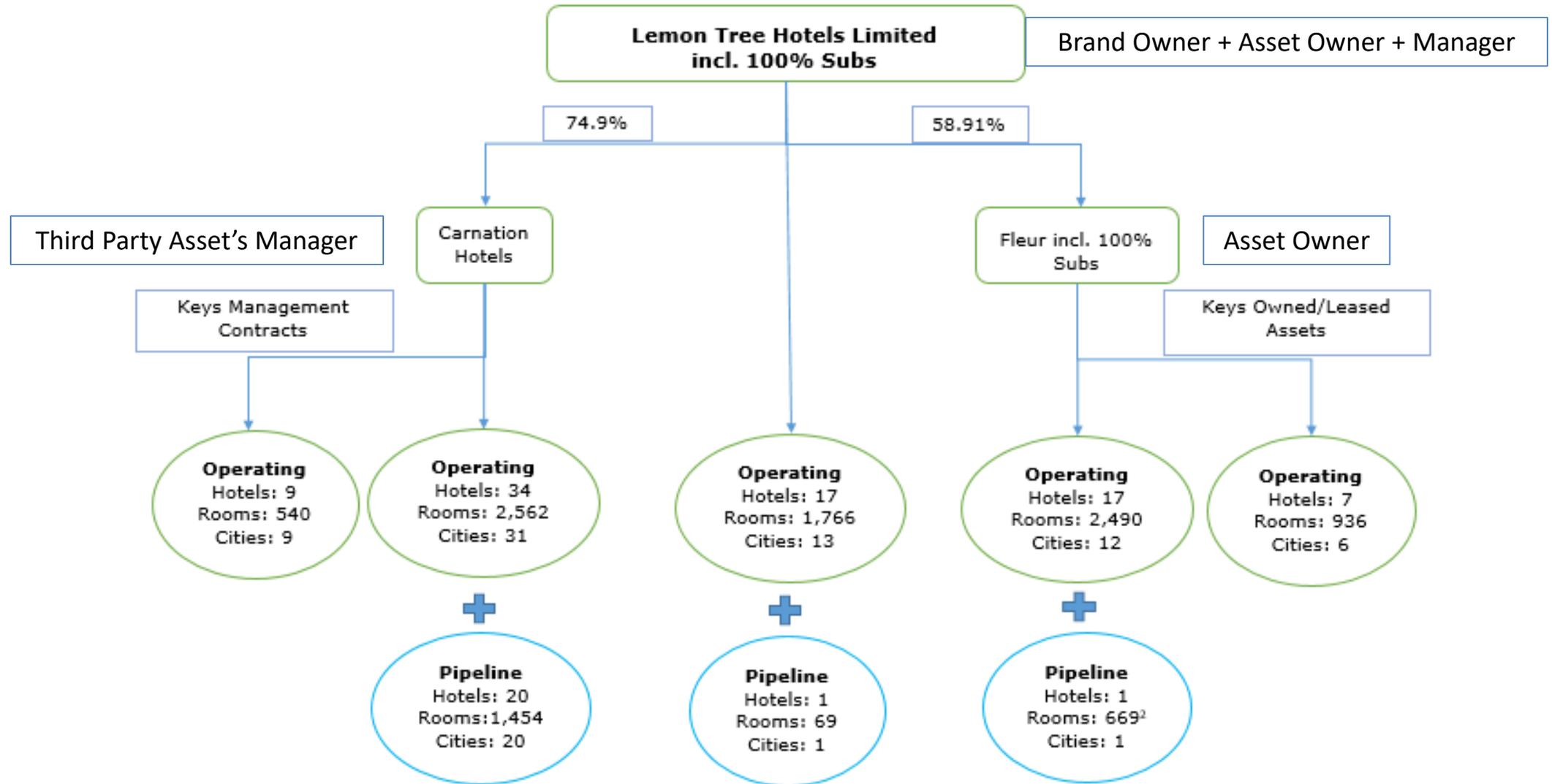
Lemon Tree Vembanad Lake, Alleppey, Kerala

## Company Overview and Growth Plans

# Lemon Tree – Journey so far

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

# Lemon Tree Group Structure



Notes :-

1. The Pipeline of hotels is as of 31<sup>st</sup> January 2021
2. LTH is in the process of applying to convert some commercial spaces in Aurika, MIAL hotel to rooms. This will increase the hotel's inventory by 92 rooms to 669

# 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%



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 31<sup>st</sup> January, 2020

# Lemon Tree – Snapshot



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

**8,294  
rooms;  
84 hotels**



**Pipeline**

**2,202  
rooms;  
22 hotels**



**By CY22 (20% of Branded Mid Market Hotels in India\*)**

**10,406  
rooms;  
106 hotels**

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 Premiere</b>	2,438 Rooms; 17 Hotels	229 Rooms; 4 Hotels	2,667 Rooms; 21 Hotels
<b>Lemon Tree Hotel</b>	2,818 Rooms; 38 Hotels	1,184 Rooms; 15 Hotels	4,002 Rooms; 53 Hotels
<b>Red Fox Hotel</b>	1,423 Rooms; 12 Hotels	80 Rooms; 1 Hotel	1,503 Rooms; 13 Hotels
<b>Keys</b>	1,476 Rooms; 16 Hotels	40 Rooms; 1 Hotel	1,516 Rooms; 17 Hotels

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

<sup>#</sup>Aurika, Mumbai International Airport is in process of getting approval to increase the number of rooms to 669 rooms in place of the existing 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 Prima/Select/Lite

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/Keys Prima/Select/Lite
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**

# Expansion Plans – Hotels under Development

Under-development hotels	Type	Rooms	Expected Opening date	Ownership (%)
Lemon Tree Mountain Resort, Shimla	Owned	69	TBD	100.00%
Lemon Tree Vembanad Lake Resort, Alleppey, Kerela <sup>1</sup>	Owned	10	TBD	100.00%
Aurika, Intl. Airport, Mumbai <sup>2</sup>	Owned	669	End of CY22	57.98%
<b>Total</b>		<b>748</b>		

\* Total estimated project cost is Rs. 9,910 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> December, 2020 is Rs. 3,461 million

**Notes:** 1) Expansion in existing hotel.

2) Aurika, Mumbai International Airport is in process of getting approval to increase the number of rooms to 669 rooms in place of the existing approval of 577 rooms.

# Expansion Plans – Pipeline of Management Contracts (as on 31<sup>st</sup> Jan, 2021)

Management Contracts Pipeline	Rooms	Expected Opening date
Keys Prima, Dehradun	40	Mar-21
Lemon Tree Premier, Coorg	63	Mar-21
<b>Management Rooms to be Commissioned in FY21</b>	<b>103</b>	
Lemon Tree Premier, Bhubaneshwar	76	Apr-21
Red Fox Hotel, Neelkanth	80	Apr-21
Lemon Tree Hotel, BKC, Mumbai	70	May-21
Lemon Tree Hotel, Gulmarg	35	Aug-21
Lemon Tree Resort, Mussoorie	40	Oct-21
Lemon Tree Hotel, Sonamarg	40	Nov-21
Serviced Suites, Manesar	260	Jan-22
Lemon Tree Hotel, Bokaro	70	Jan-22
Lemon Tree Hotel, Rishikesh	102	Jan-22
Lemon Tree Hotel, Agra	62	Feb-22
<b>Management Rooms to be Operational in FY22</b>	<b>835</b>	
Lemon Tree Resort, Thimpu	45	Oct-22
Lemon Tree Hotel, Trivandrum	100	Oct-22
Lemon Tree Hotel, Darjeeling	55	Jan-23
Lemon Tree Hotel, Kathmandu	75	Sep-23
Lemon Tree Resort, Nagarkot, Nepal	51	Sep-23
Lemon Tree Hotel, Ludhiana	60	Uncertain
Lemon Tree Premier, Dindy	50	Uncertain
Lemon Tree Hotel, Durgapur	80	Uncertain
<b>Total Pipeline</b>	<b>1,454</b>	

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



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**

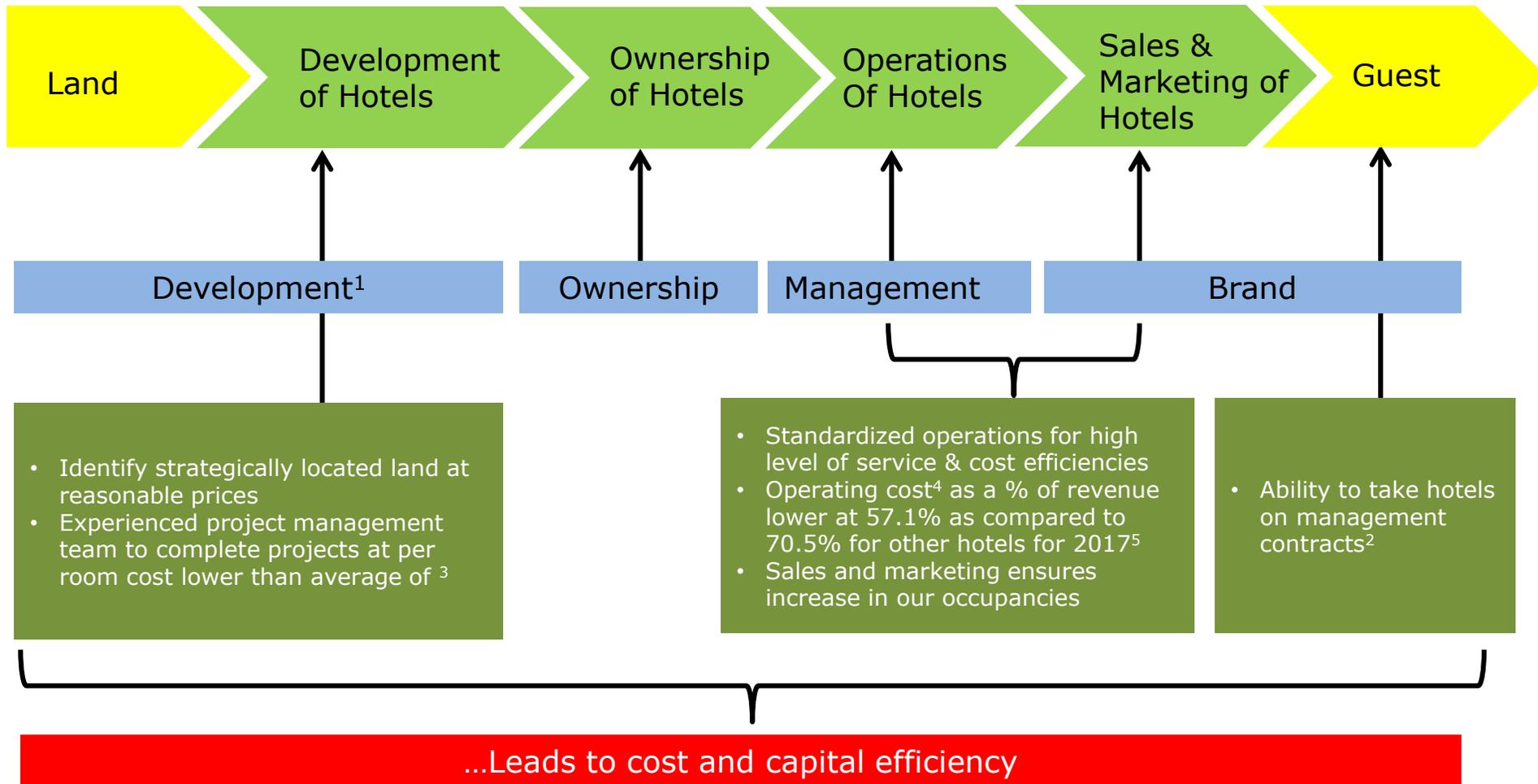
	Typical 5 star		
<b>Cost Per Room (Normalised)</b>	1000	400	~40% of Five Star
<b>Rate (Normalised)</b>	100	50	
<b>Occupancy</b>	x%	1.2x%	
<b>Room Revenue (Normalised)</b>	100	<u>60</u>	~60% of Five Star
<b>Total Revenue (Normalised)</b>	100	<u>50</u>	Lower other income for LTH
<b>Cost (Normalised)</b>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

Process

Presence across value chain



Focus on culture & service differentiation with focus on domestic travellers



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

**Process**

**Presence across value chain**



**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

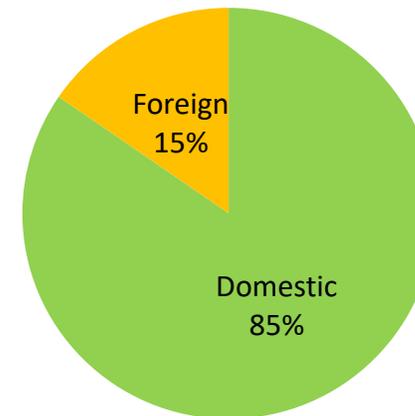
**Superior service leads to higher Customer Satisfaction as demonstrated by TripAdvisor recognition**



62 out of 80 hotels (which were eligible for receiving this recognition) were awarded the TripAdvisor Travelers' Choice Award 2020

**Focus on Domestic Customers**

**FY20**

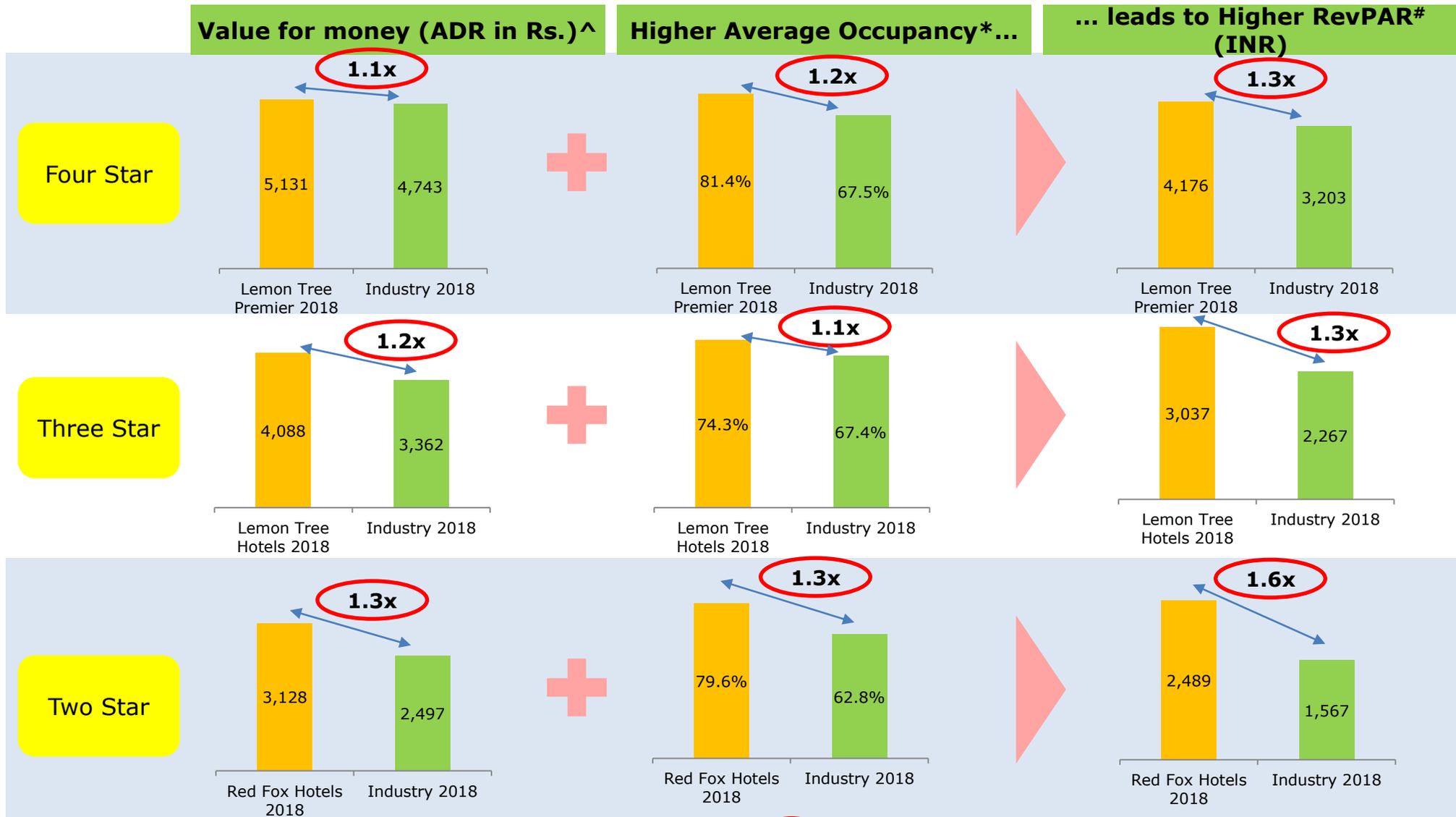


Customers

Value for money pricing

Occupancy (Utilization) Premium

RevPAR (Revenue per room) Premium



○ Lemon Tree/Industry

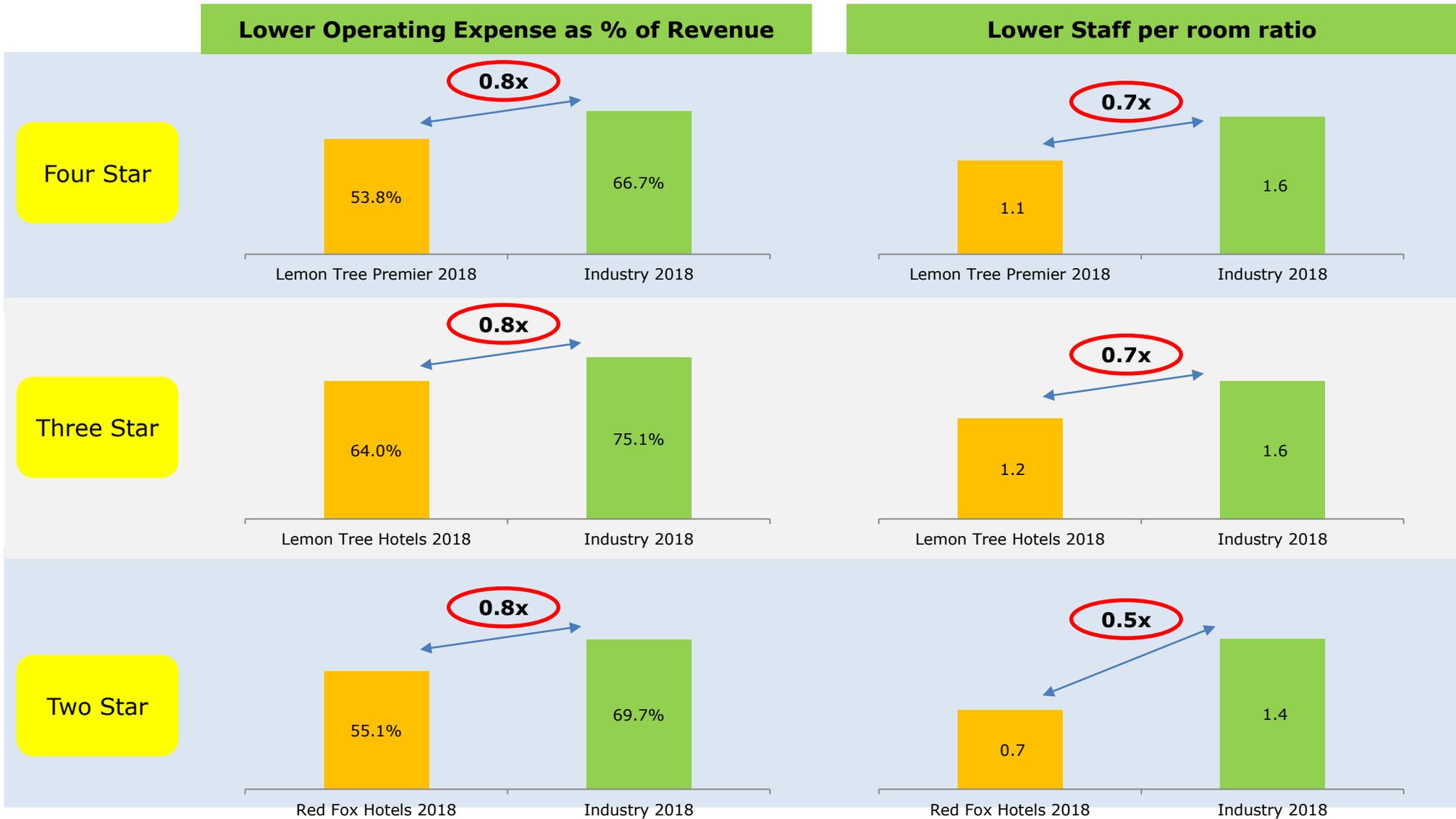
Source : Industry data is sourced from Hotelivate – Trend and Opportunities Report - 2019.

<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)

Cost

Lower Average Operating Expenses/ Room

Higher GOP<sup>^</sup>



0.8x Lemon Tree/Industry

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 Amarante Beach, Goa



Lemon Tree Premier, Corbett

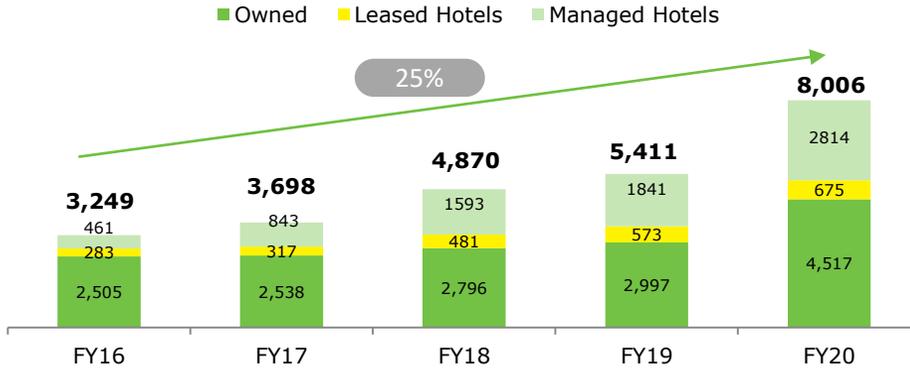


Lemon Tree Premier, Hyderabad

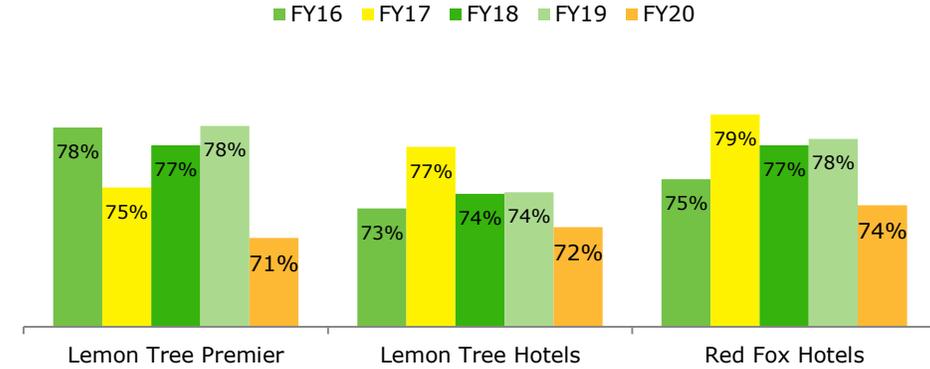
## Strong Operating and Financial Performance

# Strong operating performance

## Rooms are being added...

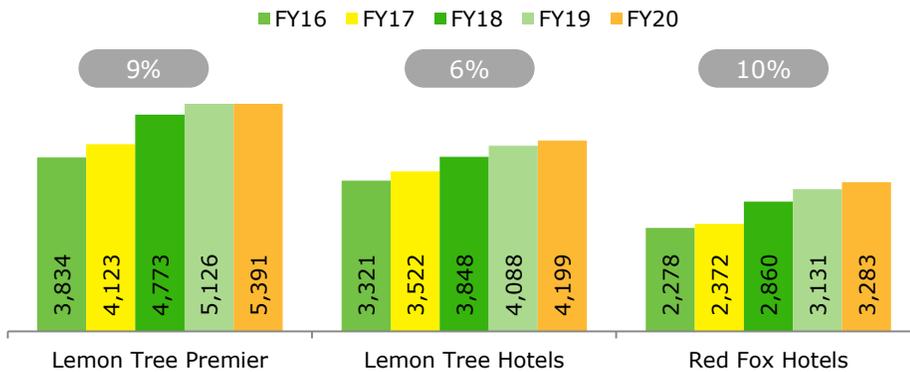


## ...and occupancy levels increasing...

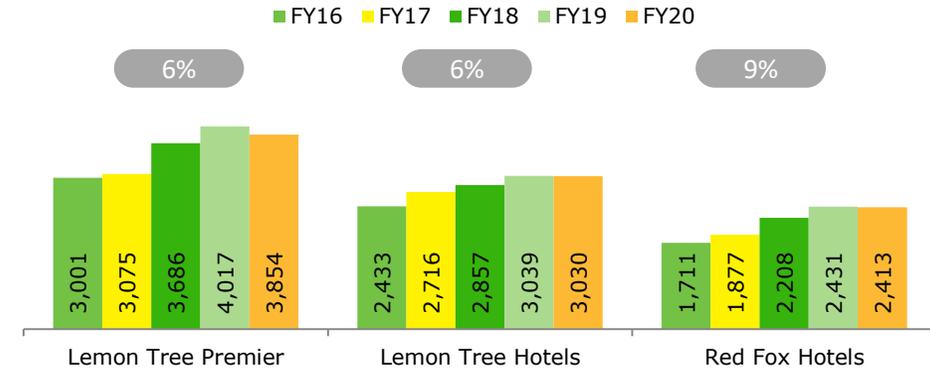


Note: Drop in occupancy levels is on account of new owned/leased supply addition by Lemon Tree in FY20 and COVID-19

## ...coupled with increasing ADR...



## ...leading to a RevPAR growth



# Strong Growth and improving margins

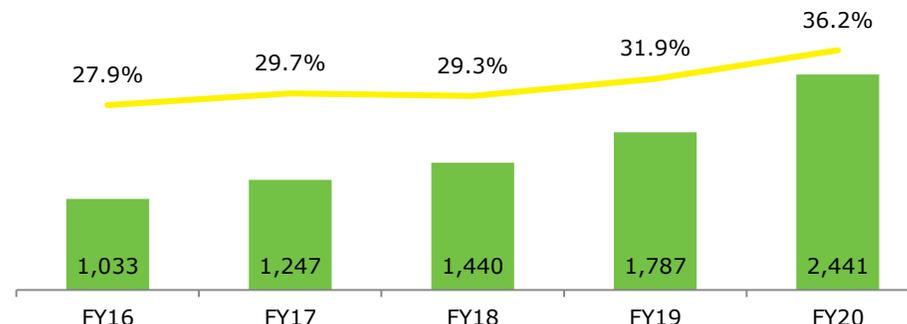
Revenue has increased at 20% over the last 5 years...

Revenue from operations (Rs. million)



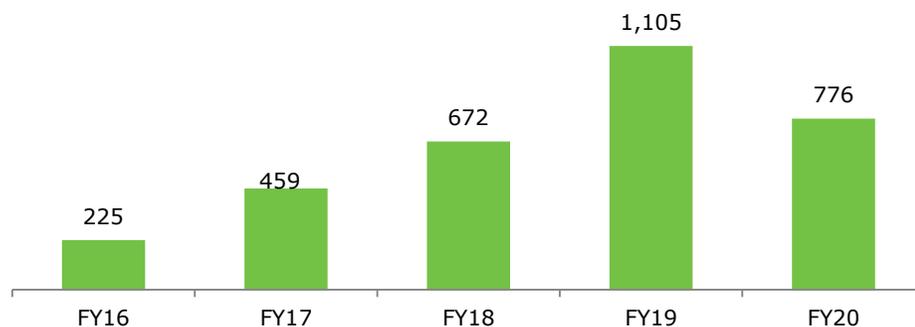
...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



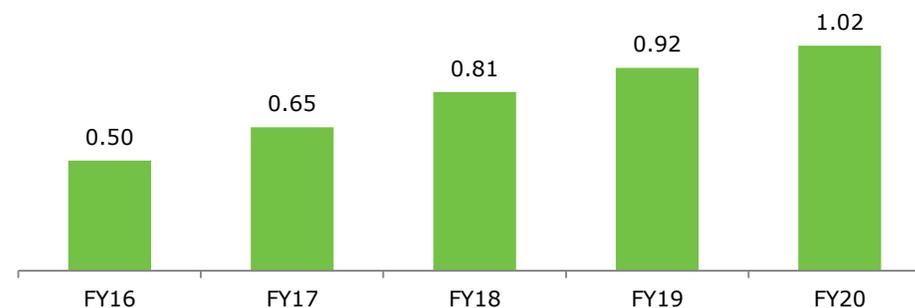
Increasing cash profit\* growth

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



Gearing low

Debt/Equity



Note: FY16 figures are from Lemon Tree Prospectus. FY17, FY18, FY19 and FY20 figures are from audited balance sheet.

# Operational Performance by Ageing – FY20 vs. FY19

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 <sup>1</sup>	FY20	24	6	11	2
	FY19	21	7	2	
Operating Rooms (year-end)	FY20	2,855	715	1,622	748
	FY19	2,727	551	292	
Occupancy Rate (%)	FY20	75.2%	67.1%	56.4%	Deep demand markets (high occupancies)
	FY19	79.2%	69.9%	36.3%	
Average Daily Rate (Rs.)	FY20	4,399	4,027	4,438	2.0x of Adult Hotels in that year*
	FY19	4,197	4,082	4,200	
Hotel level EBITDAR <sup>2</sup> /room (Rs. Lacs)	FY20	6.9	5.5	2.3	High*
	FY19	7.2	4.9	1.1	
Hotel level EBITDAR <sup>2</sup> Margin (%)	FY20	44%	39%	39%	High*
	FY19	44%	33%	40%	
Hotel level ROCE <sup>3</sup> (%)	FY20	12%	5%	2%	1.5x of Adult Hotels in that year*
	FY19	13%	4%	1%	

## Notes:

1) During the year FY20 3 hotels moved from toddler to adult category, 2 hotels moved from infant to toddler category and 11 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

\* Post stabilization.

# 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		<u>145</u>	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		<u>197</u>	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%		

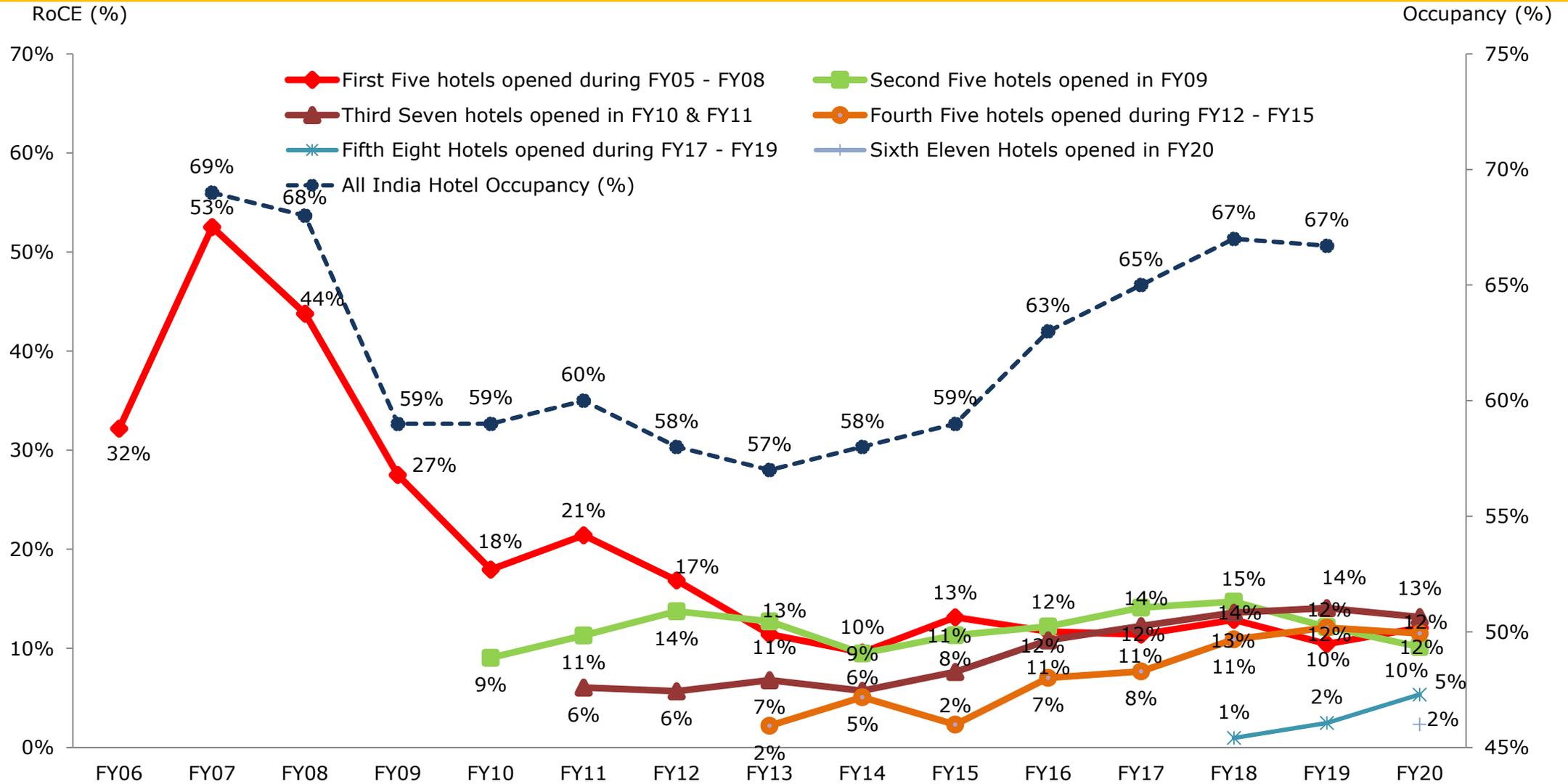
**RevPAR (not ARR or Occupancy) is the Key Metric**

# 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:**

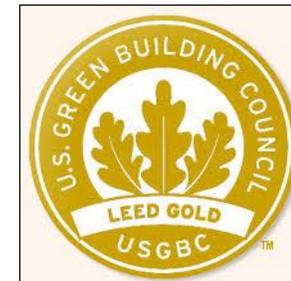
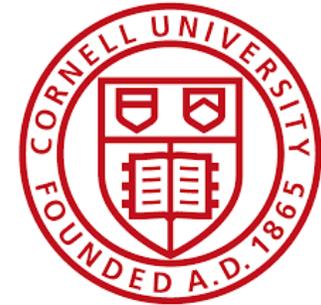
1. Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels
2. Hotel RoCE is based on first full year of operation

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 5<sup>th</sup> IGBC Green Champion award under the category "Organization Leading the Green Building Movement in India (Commercial)"





Lemon Tree Amarante Beach, Goa



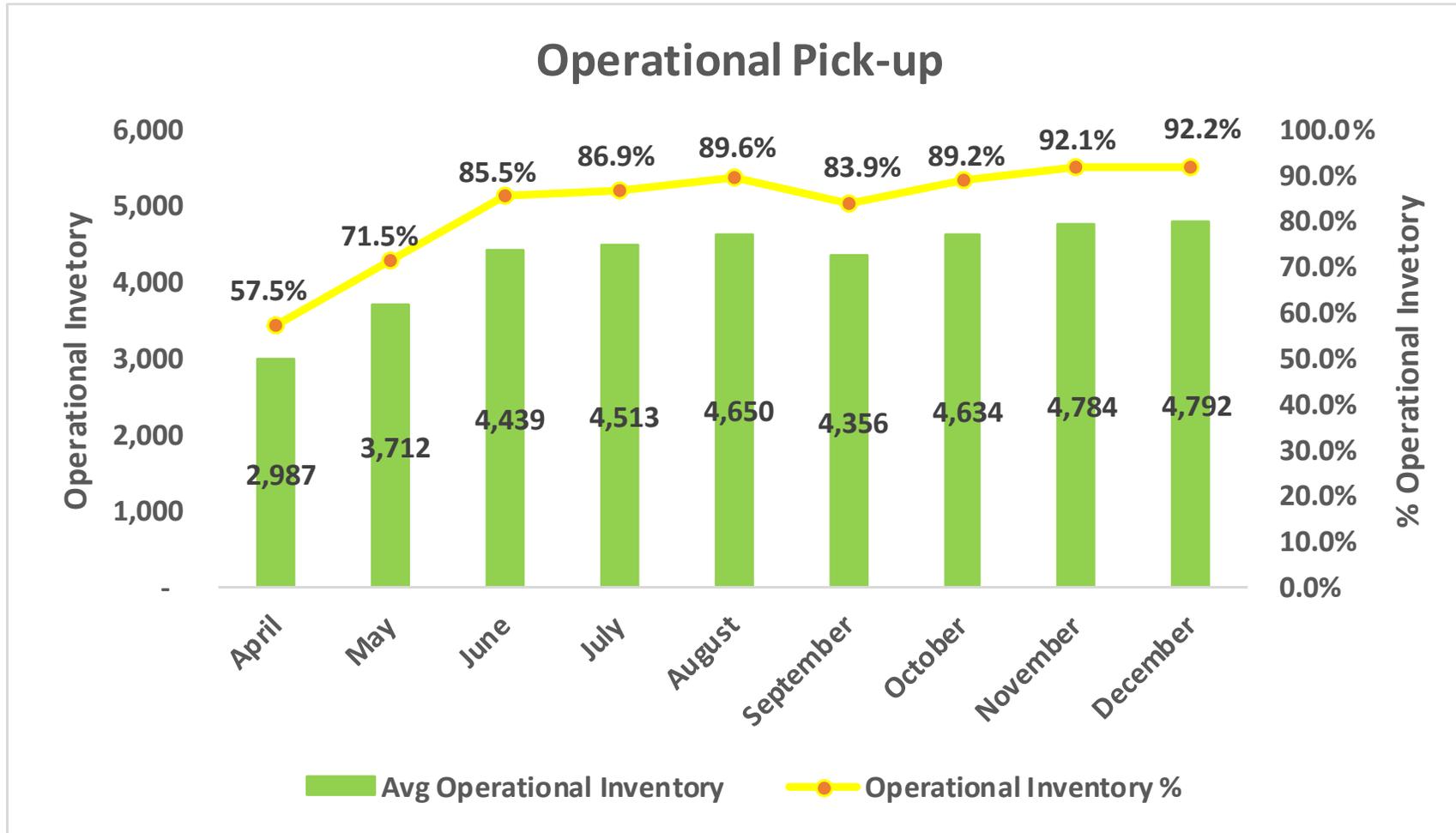
Lemon Tree Premier, Corbett



Lemon Tree Premier, Hyderabad

## CoVID-19 : Survive, **Revive** & Thrive

## Increasing Operational Inventory

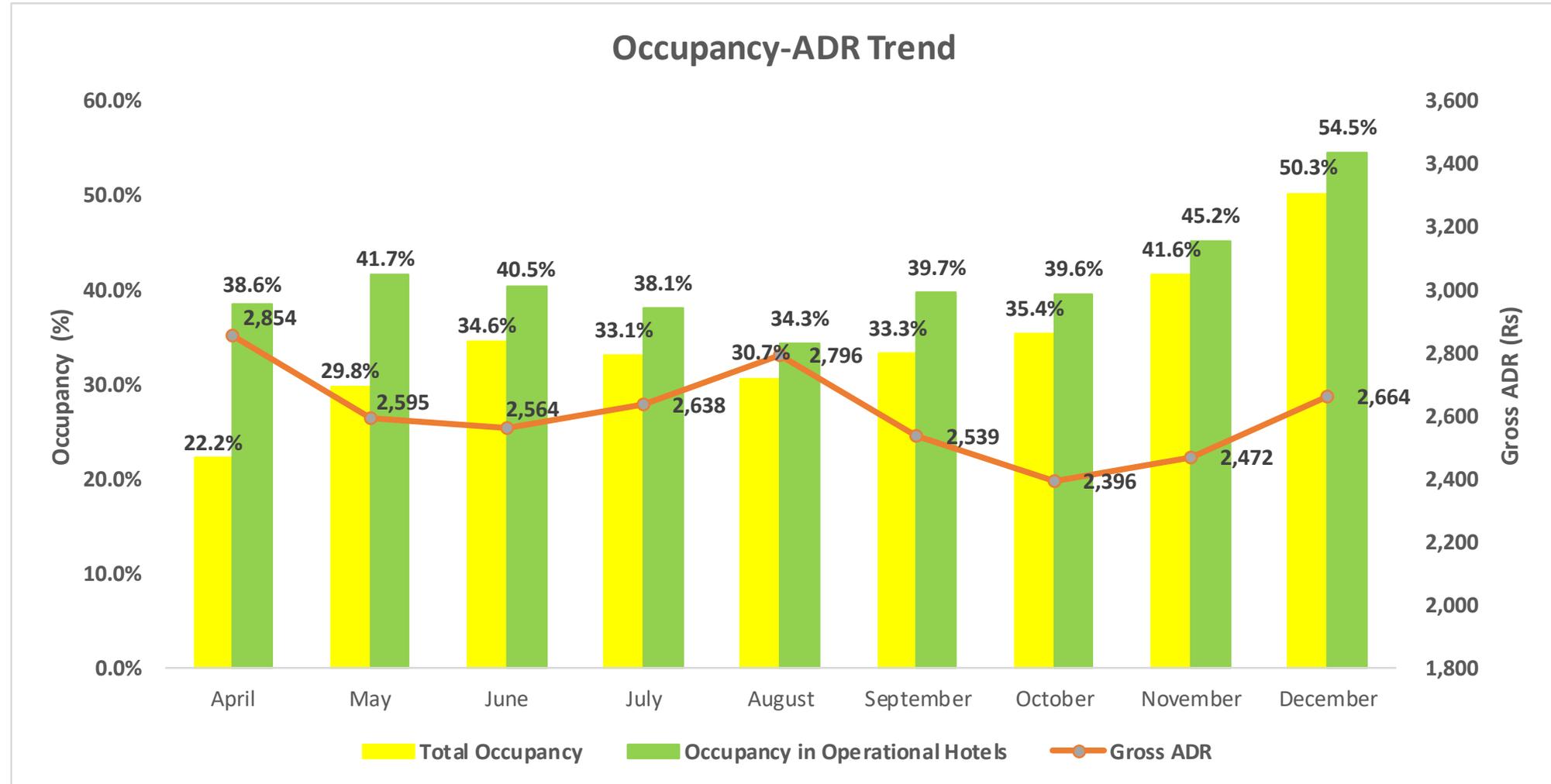


Trends for the 5,192 owned/leased rooms

# 9M FY21 Operating Performance Trends

## Rising Occupancy Levels

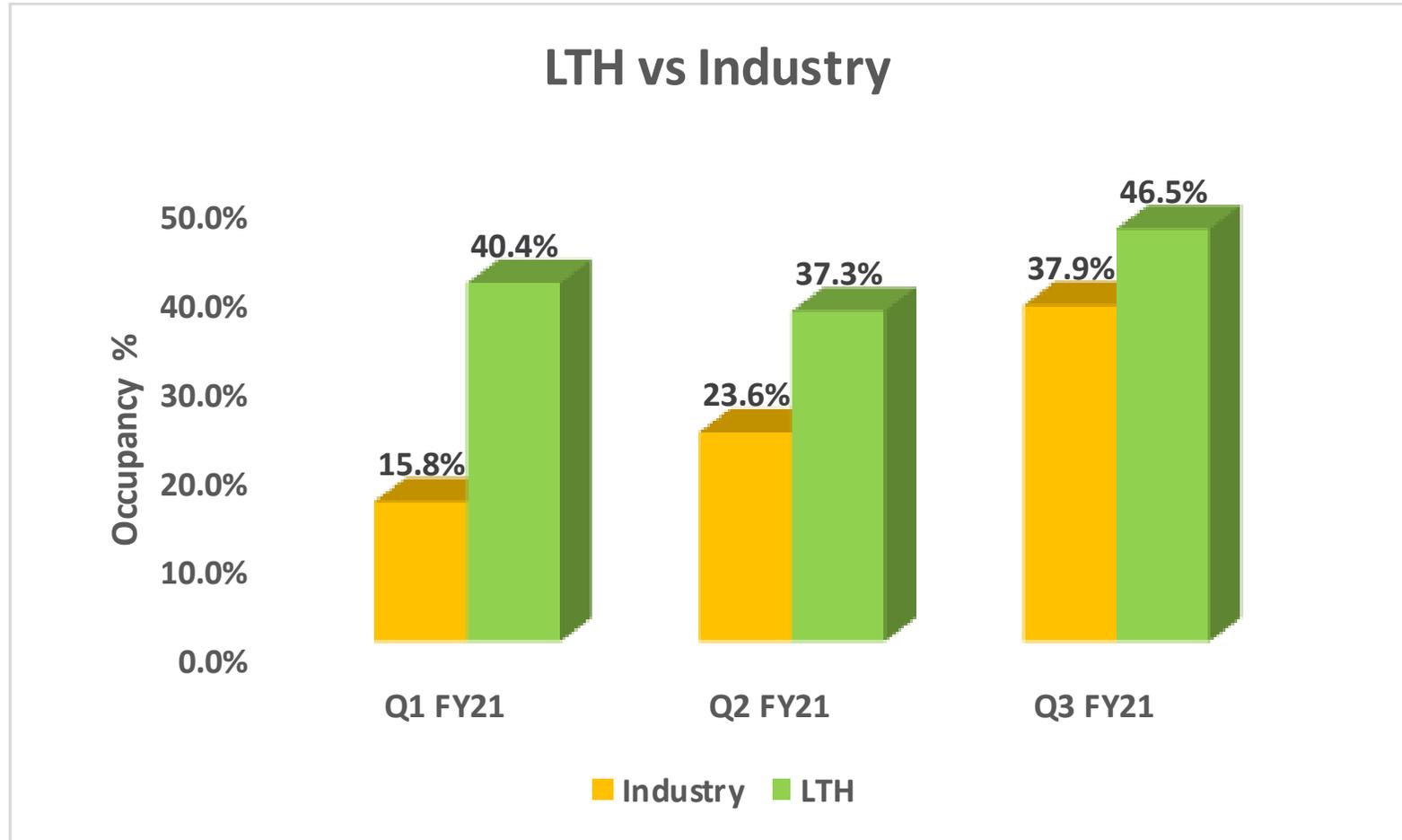
### Occupancy-ADR Trend



Trends for the 5,192 owned/leased rooms



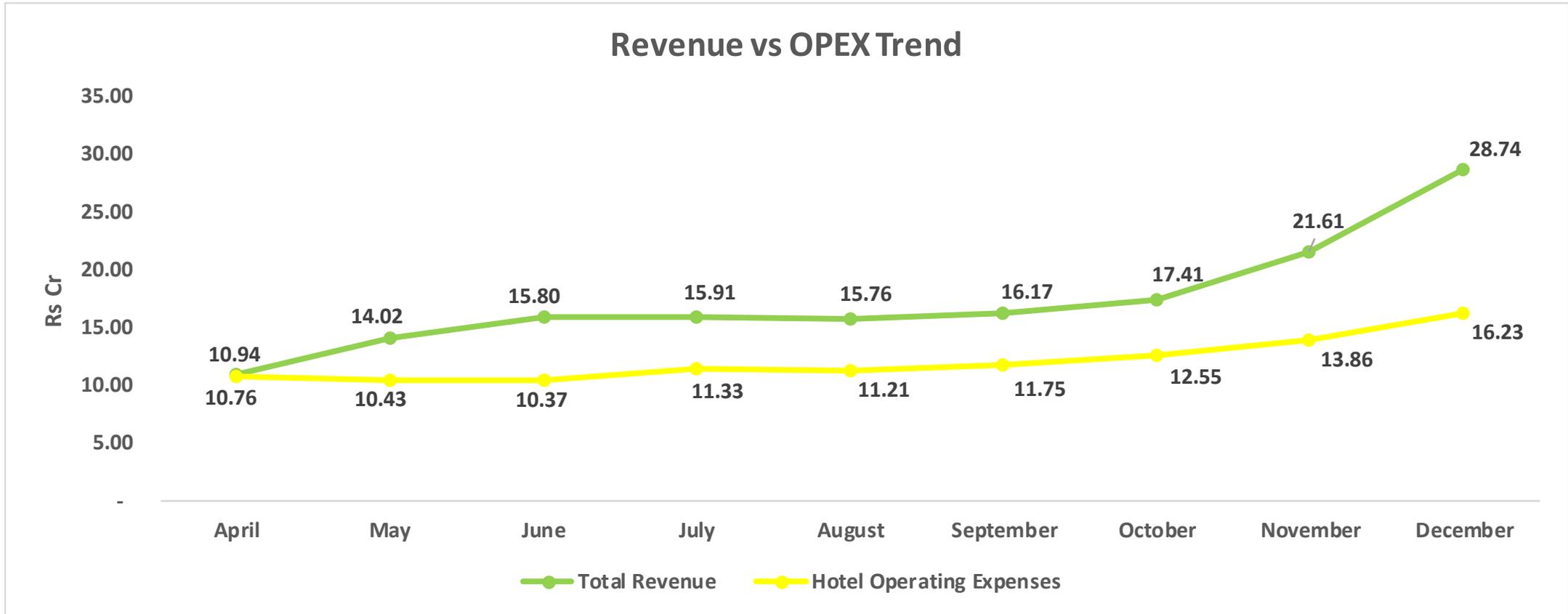
## LTH Relative Performance



**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

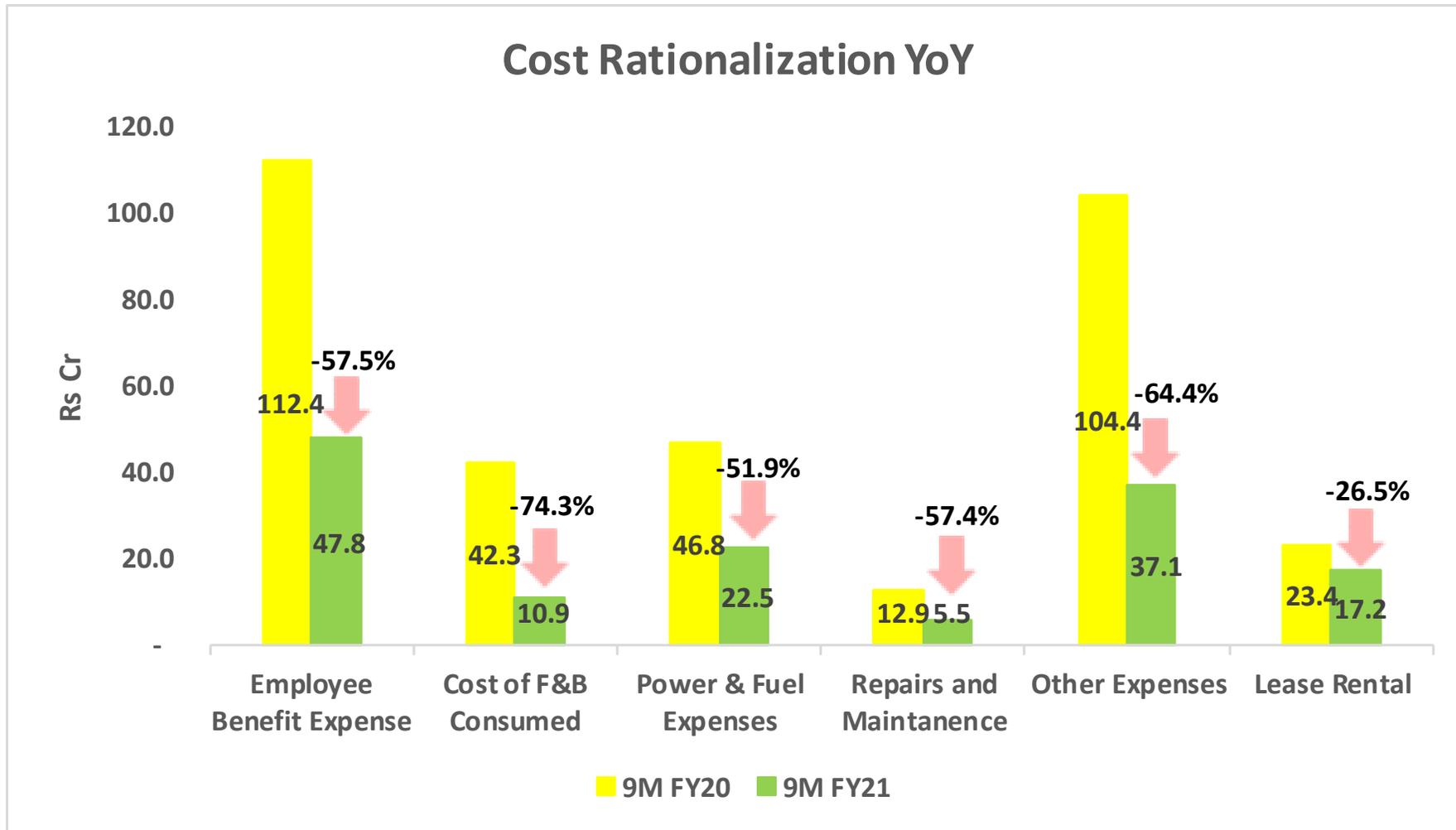
## Constantly Improving Operating Efficiency

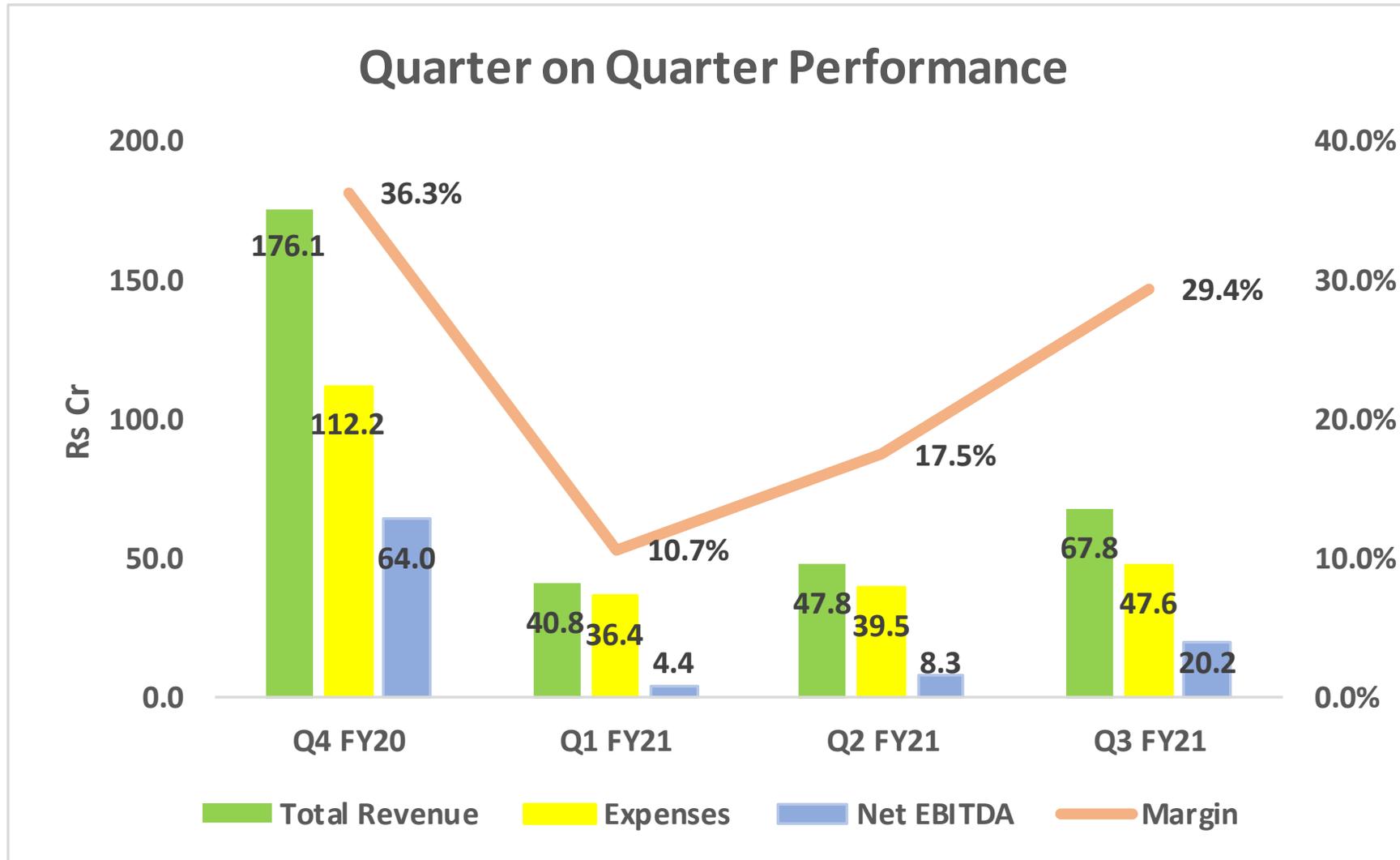


**Notes:**

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)







## 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 and to 91% in Q3 FY21
- \* Occupancy in operational hotels increased from 40.4% in Q1 to 46.5% in Q3
- \* 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 90% of our total room nights in Q3
- \* Demand from retail segment increased to 111% in Q3 FY21 from the pre-Covid period of Q3 FY20

## Financial Impact

- \* Revenue from operations in 9M FY21 dropped by 68.2% YoY. However, the monthly revenue increased from about Rs 10.9 Cr in April to Rs 28.7 Cr in Dec
- \* EBITDA in 9M FY21 dropped by 81.2%. However due to significant cost control we managed avoid cash burn at the operating level and recorded positive EBITDA in all three Quarters. Our EBITDA improved sequentially from Rs 4.4 Cr in Q1 to Rs 20.2 Cr in Q3
- \* EBITDA margin also showed continuous improvement from 10.6% in Q1 to 29.4% in Q3
- \* Cash outflow for construction of Aurika MIAL and LT Resort Shimla, which was paused due to restriction on construction, resumed after relaxation in lockdown
- \* Moratorium on debt repayments announced by RBI reduced the cash outflow against the principal repayments from about Rs 100 Cr to Rs 57 Cr for the year

# CoVID-19 : Survive & Revive – Solved for Liquidity

## Planned

- \* APG Strategic Real Estate Pool N.V. approved investment of upto 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

## Availed

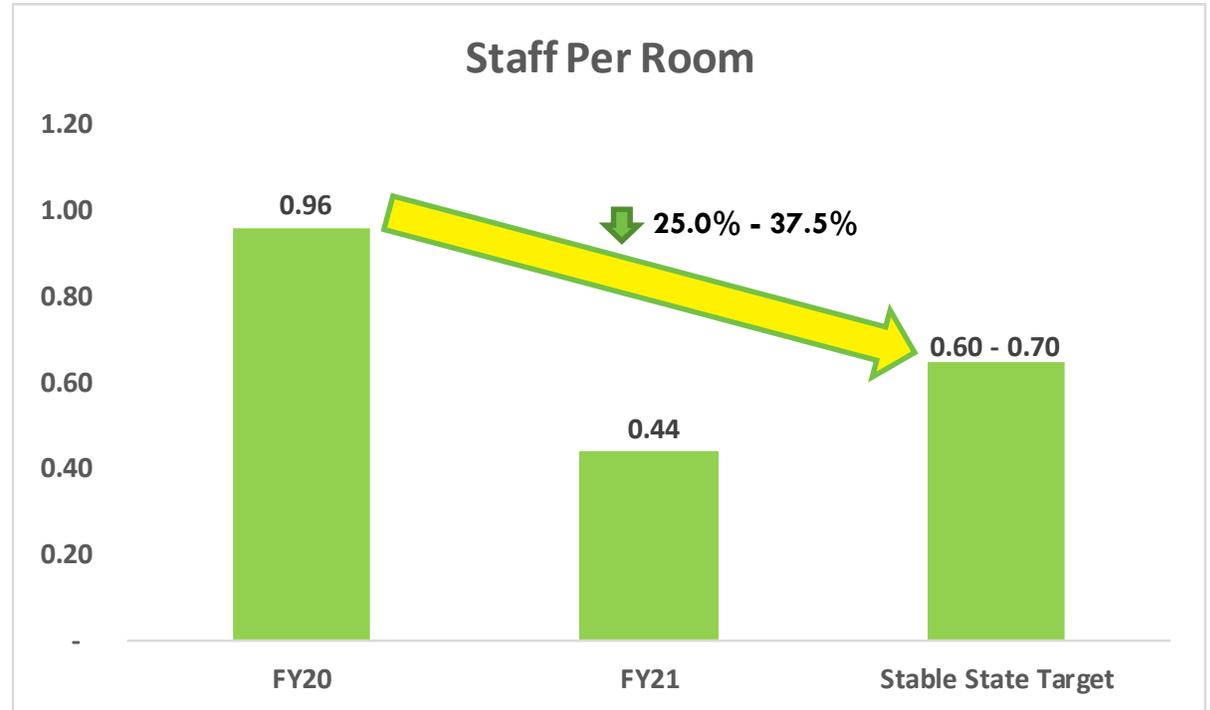
- \* APG Strategic Real Estate Pool N.V. infused first tranche of Rs 175 Cr in June '20
- \* Lemon Tree will inject additional 100% owned assets at the end of 30 months in order to retain current majority ownership. This is aligned to Lemon Tree's asset monetization plan/asset light strategy

## 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

## Manpower

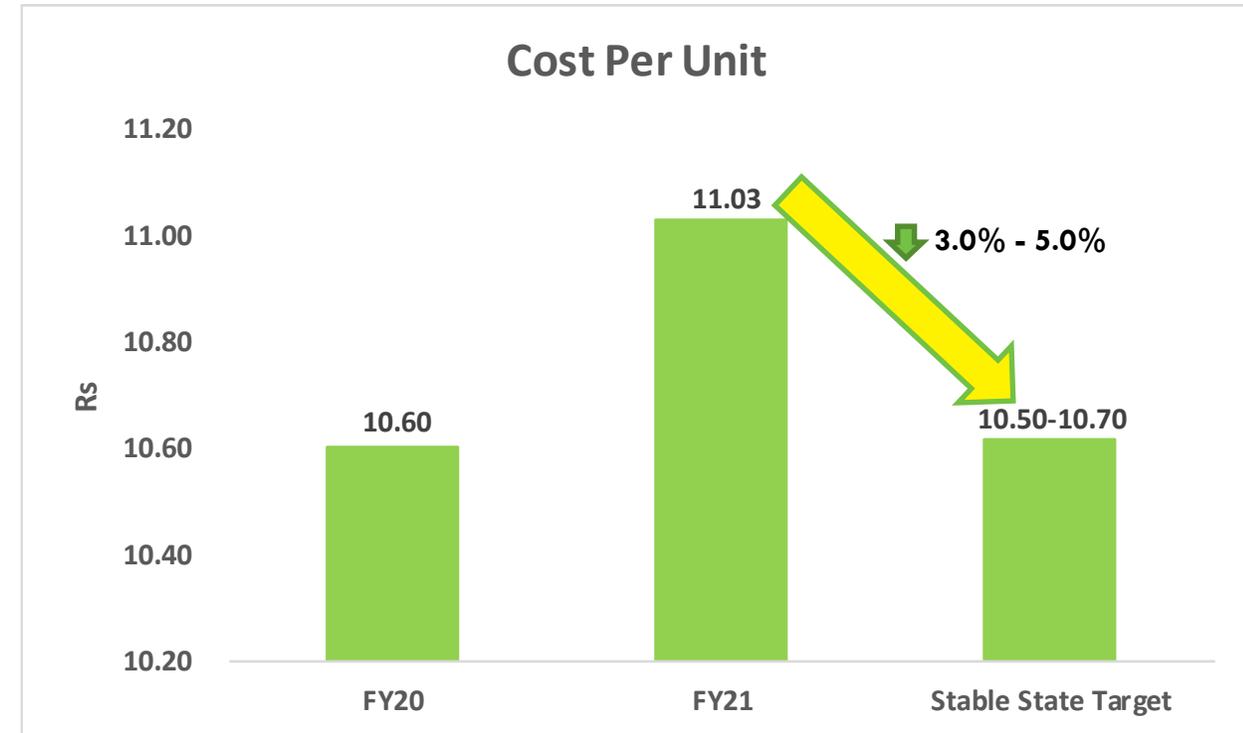
- One of our biggest leanings has been that our hotels can operate with lesser manpower without compromising on service quality
- During Covid-19 induced lockdowns and partial curfews, we utilized the opportunity to multi-skill our staff by imparting cross trainings across departments



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

## Electricity Cost

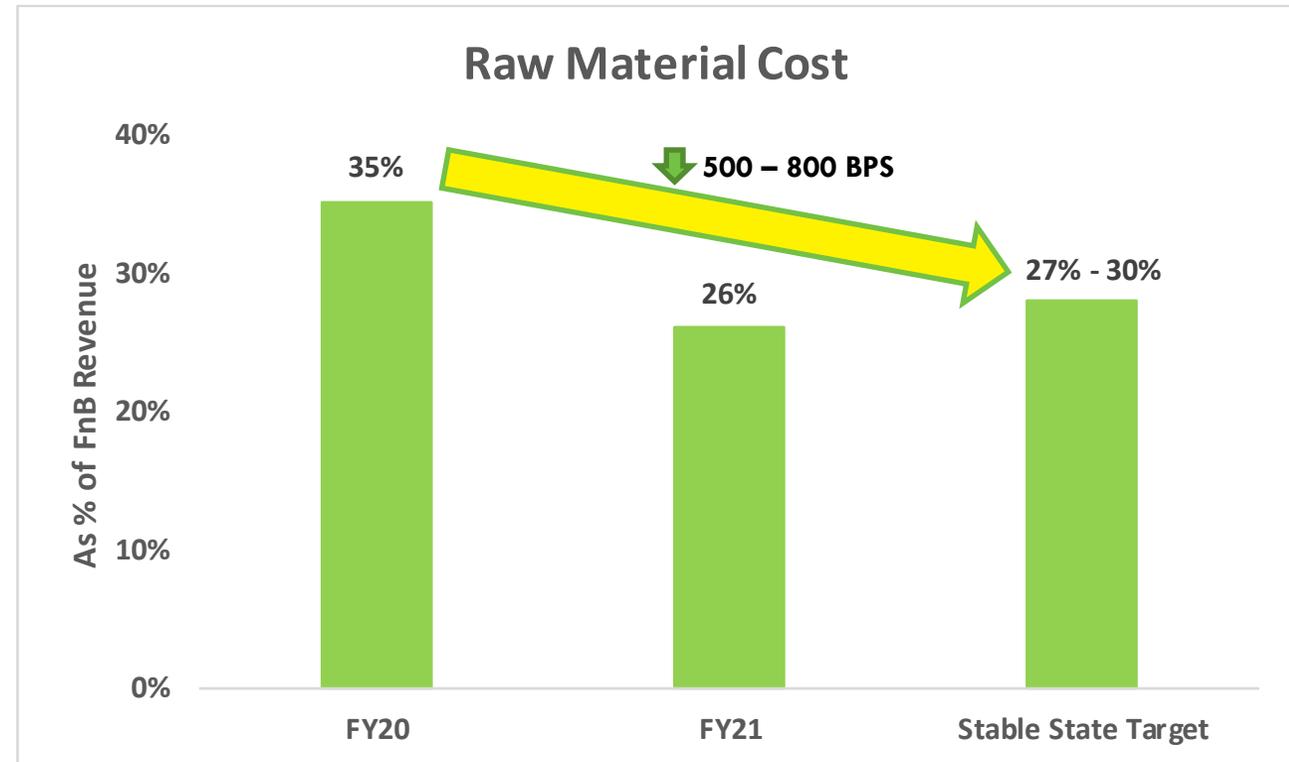
- We have been aggressively expanding the share of our electricity sourced from renewable sources, which come at a lower cost as compared to thermal power
- In FY20, only 5% of our electricity was sourced from renewable sources. We target to increase this share to 30% by Q1 FY22
- The increase in share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

- \* Various other fixed and variable expenses can also be reduced significantly on a permanent basis
- \* 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)

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# Under Development Hotels

# Lemon Tree Mountain Resort – Shimla | Image Representation



Note: Hotel is expected to have 69 rooms and expected month of opening is April-2021

# Lemon Tree Mountain Resort – Shimla



# Lemon Tree Mountain Resort – Shimla



# Aurika, Mumbai Airport (MIAL) | Image Representation



# Aurika, Mumbai Airport (MIAL)



# Aurika, Mumbai Airport (MIAL)





Lemon Tree Amarante Beach, Goa



Lemon Tree Premier, Corbett



Lemon Tree Premier, Hyderabad

## Annexures



Lemon Tree Hotel, Coimbatore



Lemon Tree Premier, City Center, Gurgaon

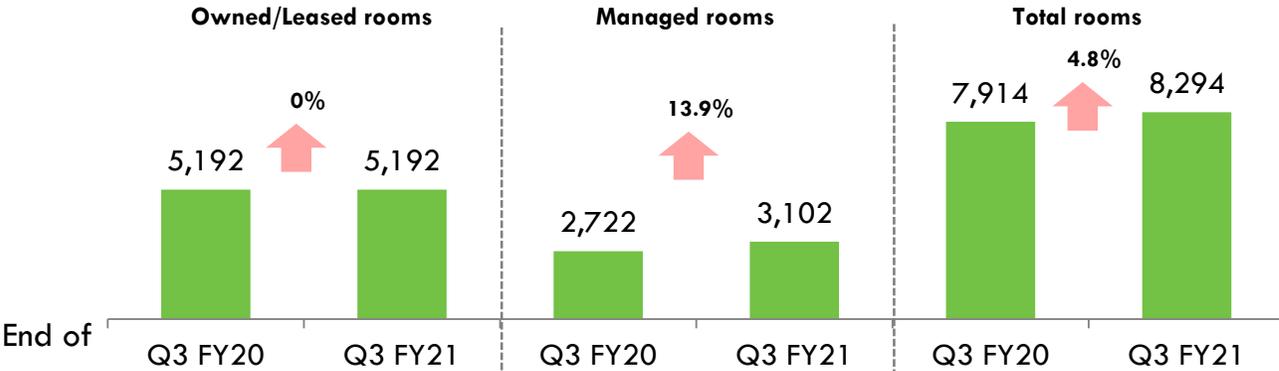


Lemon Tree Vembanad Lake, Alleppey, Kerala

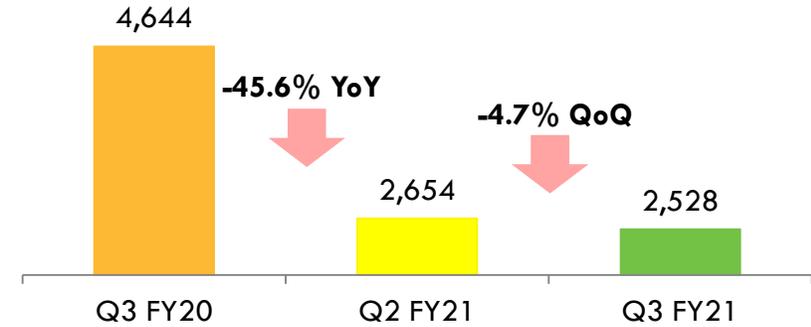
## Latest Performance – Q3 FY21

# Q3 FY21 Performance Highlights – Operational Metrics (Consolidated)

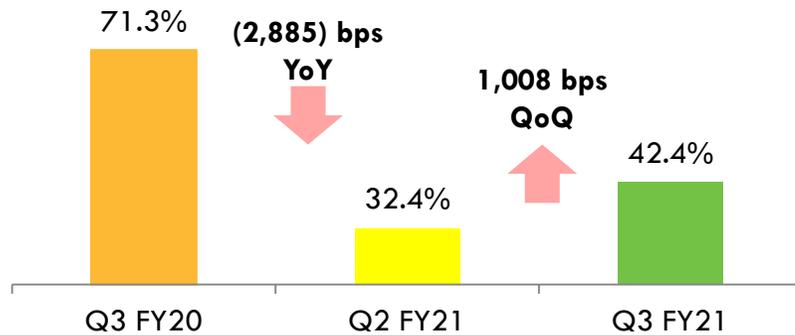
## Operational Inventory



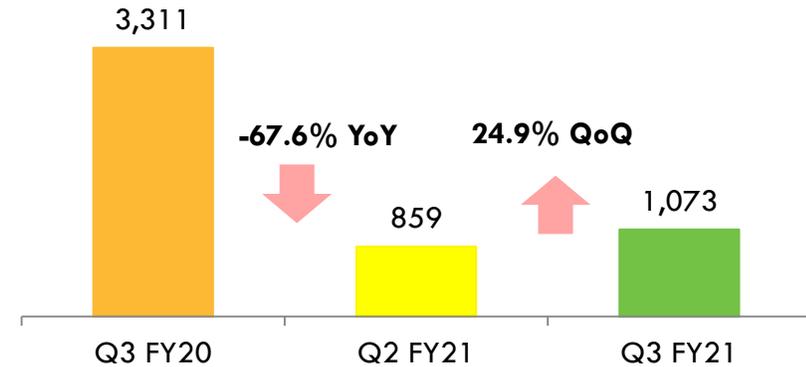
## Average Daily Rate (Rs.)



## Occupancy (%)



## RevPAR (Rs.)

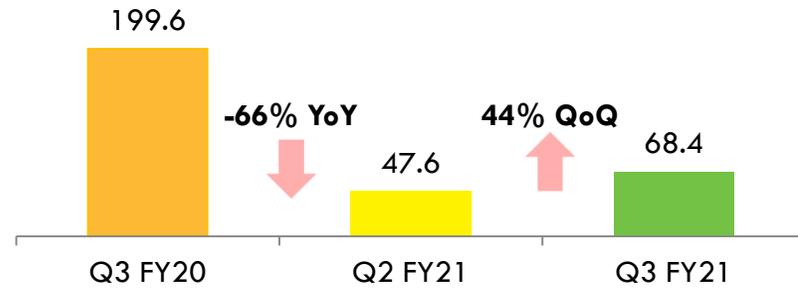


Notes:

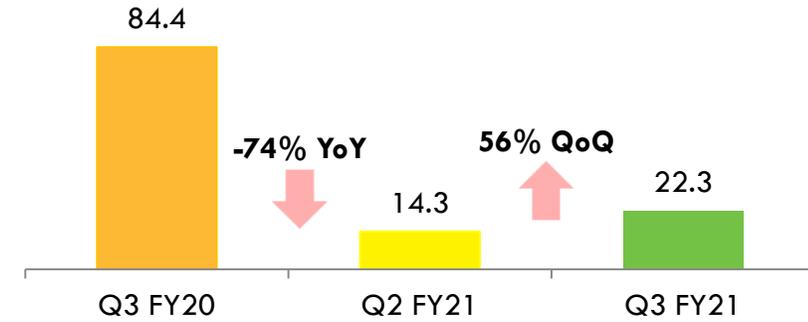
1. ADR, Occupancy and RevPAR are for our owned and leased hotels only.

# Q3 FY21 Performance Highlights – Financial Metrics (Consolidated)

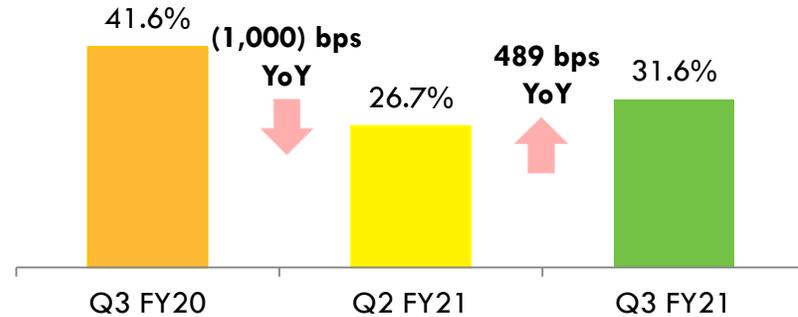
### Revenue from Operation (Rs. Cr)



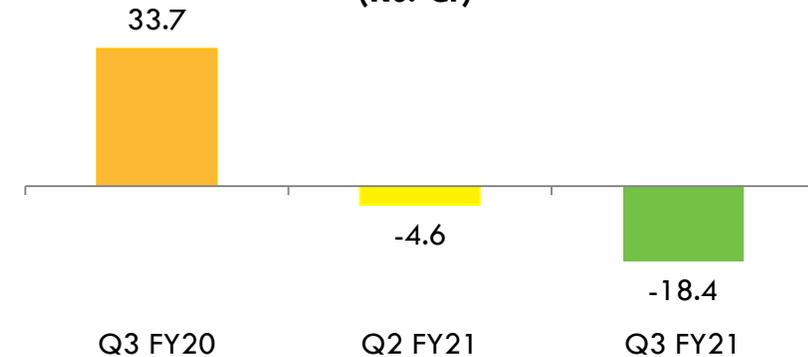
### EBITDA (Rs. Cr)



### EBITDA Margin (%)



### Cash profit (Rs. Cr)



**Notes:**

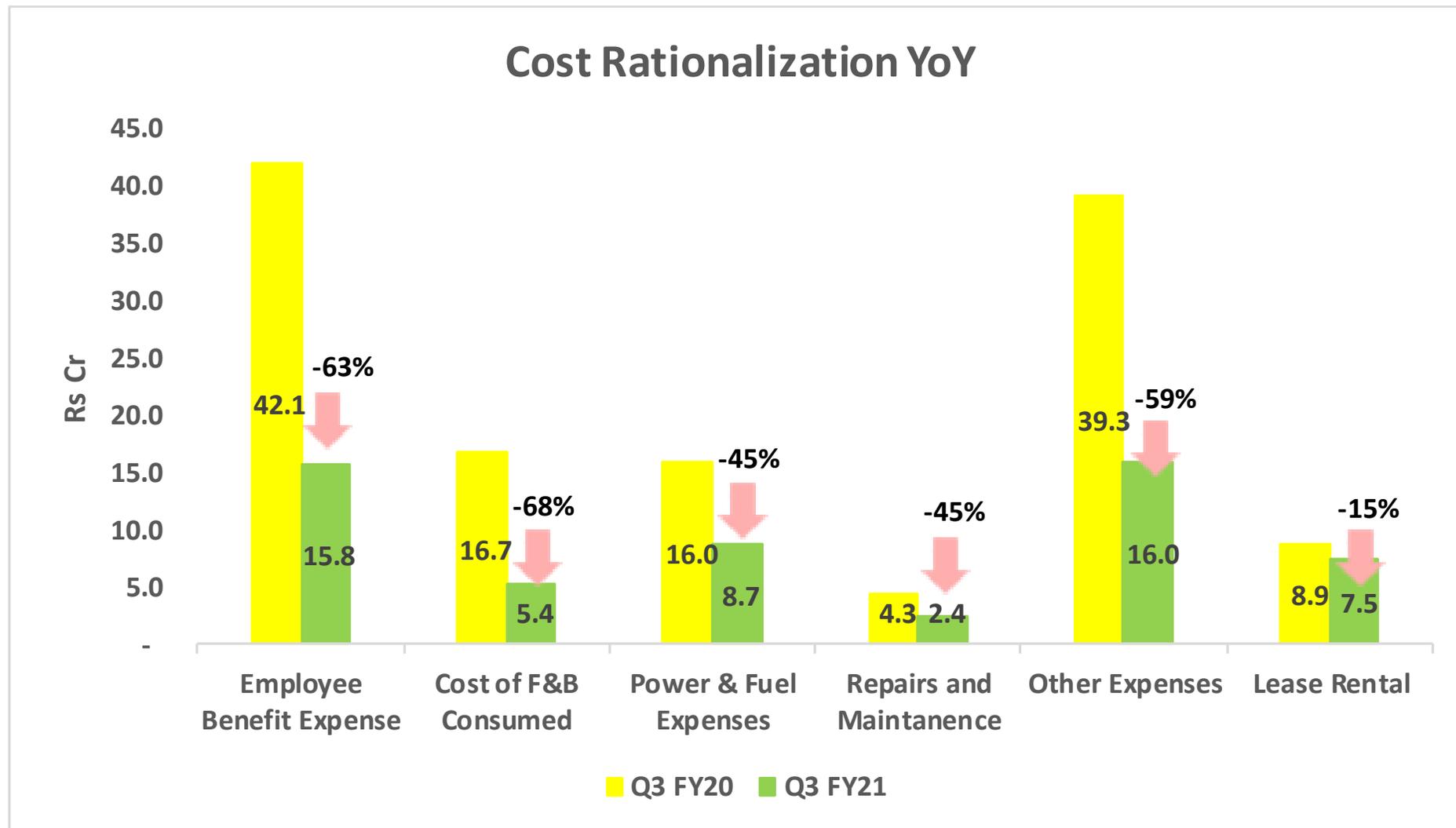
1. Q3 FY21 performance is not indicative of the full year performance
2. Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan

# Consolidated Profit & Loss Statement – Q3 FY21

Rs. Cr	Q3 FY20	Q2 FY21	Q3 FY21	QoQ Change (%)	YoY Change (%)
<b>Revenue from operations</b>	<b>199.6</b>	<b>47.6</b>	<b>68.4</b>	<b>43.7%</b>	<b>-65.7%</b>
Other income	3.2	6.0	2.2	-62.8%	-29.6%
<b>Total expenses</b>	<b>118.4</b>	<b>39.3</b>	<b>48.3</b>	<b>22.9%</b>	<b>-59.2%</b>
<b>EBITDA</b>	<b>84.4</b>	<b>14.3</b>	<b>22.3</b>	<b>55.8%</b>	<b>-73.5%</b>
<b>EBITDA w/o Other Income</b>	<b>81.2</b>	<b>8.3</b>	<b>20.1</b>	<b>141.7%</b>	<b>-75.3%</b>
<b>EBITDA margin (%)</b>	<b>40.7%</b>	<b>17.5%</b>	<b>29.4%</b>	<b>1,191</b>	<b>(1,131)</b>
Finance costs	45.9	49.7	47.5	-4.4%	3.5%
Depreciation & amortization	22.7	27.0	27.3	1.2%	20.4%
<b>PBT</b>	<b>15.6</b>	<b>(59.7)</b>	<b>(50.5)</b>	<b>NA</b>	<b>NA</b>
Tax expense	4.6	(6.2)	(4.8)	-22.5%	NA
<b>PAT</b>	<b>11.0</b>	<b>(53.5)</b>	<b>(45.7)</b>	<b>NA</b>	<b>NA</b>
<b>Cash Profit</b>	<b>33.7</b>	<b>(4.6)</b>	<b>(18.4)</b>	<b>NA</b>	<b>NA</b>

Note: Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan

# Consolidated Expenses – Q3 FY20 vs Q3 FY21



# Consolidated Profit & Loss Statement Breakup – Q3 FY21

Rs. Cr	Total without Keys Hotels			Keys Hotels			Total		
	Q3FY20	Q3FY21	YoY Change	Q3FY20	Q3FY21	YoY Change	Q3FY20	Q3FY21	YoY Change
Inventory	4,256	4,256	0.0%	936	936	0.0%	5,192	5,192	0.0%
ARR	4,869	2,627	-46.1%	2,985	1,854	-37.9%	4,644	2,528	-45.6%
Occupancy	72.0%	45.2%	(2,686)	66.3%	30.0%	(3,625)	71.3%	42.4%	(2,885)
RevPAR	3,508	1,187	-66.2%	1,978	556	-71.9%	3,311	1,073	-67.6%
<b>Revenue from Operations</b>	<b>183.8</b>	<b>62.0</b>	<b>-66.3%</b>	<b>15.8</b>	<b>6.4</b>	<b>-59.3%</b>	<b>199.6</b>	<b>68.4</b>	<b>-65.7%</b>
Other Income	3.1	1.8	-42.8%	0.0	0.4	1378.1%	3.2	2.2	-29.6%
Total expenses	106.5	42.6	-60.0%	11.9	5.7	-51.8%	118.4	48.3	-59.2%
<b>EBITDA</b>	<b>80.5</b>	<b>21.2</b>	<b>-73.6%</b>	<b>3.9</b>	<b>1.1</b>	<b>-71.6%</b>	<b>84.4</b>	<b>22.3</b>	<b>-73.5%</b>
<b>EBITDA w/o Other Income</b>	<b>77.3</b>	<b>19.4</b>	<b>-74.9%</b>	<b>3.9</b>	<b>0.7</b>	<b>-82.7%</b>	<b>81.2</b>	<b>20.1</b>	<b>-75.3%</b>
EBITDA margin (%)	42.1%	31.3%	(1,074)	24.5%	10.4%	(1,406)	40.7%	29.4%	(1,131)
<b>PBT</b>	<b>18.1</b>	<b>(43.9)</b>	<b>NA</b>	<b>(2.5)</b>	<b>(6.6)</b>	<b>NA</b>	<b>15.6</b>	<b>(50.5)</b>	<b>NA</b>

# Operational Performance by Brands & Region – Q3 FY20 vs. Q3 FY21 (On Full inventory basis)



Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q3 FY20	Q3 FY21	Change (bps)	Q3 FY20	Q3 FY21	Change (%)	Q3 FY20	Q3 FY21	Change (%)	Q3 FY20	Q3 FY21	Change (bps)
By Brand (#Rooms)												
Aurika (139)	20.2%	29.2%	897	14,883	10,652	-28.4%	1.1	2.2	107.6%	39.2%	56.4%	1,712
Lemon Tree Premier (1,603)	70.6%	55.9%	(1,475)	5,908	2,492	-57.8%	2.2	0.6	-74.6%	46.4%	35.2%	(1,119)
Lemon Tree Hotels (1562)	72.9%	38.9%	(3,394)	4,514	2,799	-38.0%	1.9	0.5	-74.0%	45.2%	37.0%	(819)
Red Fox Hotels (952)	78.3%	39.7%	(4,710)	3,591	1,808	-49.6%	1.6	0.3	-79.6%	53.4%	41.8%	(1,159)
Keys Hotels (936)	66.3%	30.0%	(3,625)	2,985	1,854	-37.9%	0.7	0.1	-79.4%	39.3%	19.6%	(1,967)

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q3 FY20	Q3 FY21	Change (bps)	Q3 FY20	Q3 FY21	Change (%)	Q3 FY20	Q3 FY21	Change (%)	Q3 FY20	Q3 FY21	Change (bps)
By Region (#Rooms)												
Delhi (636)	85.0%	55.3%	(2,968)	5,418	2,314	-57.3%	2.8	0.7	-75.9%	49.5%	42.1%	(740)
Gurugram (529)	75.3%	29.7%	(4,557)	4,387	2,290	-47.8%	1.9	0.2	-88.1%	43.4%	22.6%	(2,079)
Hyderabad (663)	77.3%	45.2%	(3,214)	4,990	2,128	-57.4%	2.5	0.4	-83.1%	54.3%	36.7%	(1,765)
Bengaluru (874)	65.2%	24.2%	(4,102)	4,351	2,202	-49.4%	1.4	0.1	-91.2%	44.5%	17.9%	(2,655)
Mumbai (303)	62.0%	59.2%	(280)	6,691	2,908	-56.5%	2.0	0.6	-68.1%	43.9%	35.9%	(802)

# Discussion on Consolidated Financial & Operational Performance – Q3 FY21

## Revenue

- \* Revenue from operations stood at Rs. 68.4 Cr in Q3 FY21, down 65.7% as compared to Rs. 199.6.8 Cr in Q3 FY20. On a sequential basis, revenue from operations increased 43.7% from Rs 47.6 Cr in Q2 FY21
- \* ADR decreased by 45.6% from 4,644 in Q3 FY20 to 2,528 in Q3 FY21. On a sequential basis, ADR decreased by 4.7% from Rs 2,654 in Q2 FY21
- \* Occupancy on full inventory decreased by 2,885 bps from 71.3% in Q3 FY20 to 42.4% in Q3 FY21. On a sequential basis, the occupancy on full inventory increased by 1,008 bps from 32.4% in Q2 FY21. Occupancy on operational inventory stood at 46.5%
- \* Fees from managed hotels stood at Rs. 1.6 Cr in Q2 FY21 (2.3% of Revenue from operations)

## Cost

- \* Total expenses stood at Rs. 48.3 Cr in Q3 FY21 down 59.2% as compared to Rs 118.4 Cr in Q3 FY20. On a sequential basis, expenses increased by 22.9% Rs 39.3 Cr in Q1 FY21 due to higher operational inventory & better occupancy

## Operating Margins

- \* EBITDA decreased by 73.5% from Rs 84.4 Cr in Q3 FY20 to Rs 22.3 Cr in Q3 FY21. On a sequential basis, EBITDA increased 55.8% from Rs 14.3 Cr in Q2 FY21. EBITDA without other income increased 141.7% from Rs 8.3 Cr in Q2 FY21 to Rs 20.1 in Q3 FY21
- \* EBITDA margin contracted by 1,000 bps from 41.6% in Q3 FY20 to 31.6% in Q3 FY21. On a sequential basis, the EBITDA margin expanded by 489 BPS from 26.7% in Q2 FY21. EBITDA margin without other income expanded by 1,191 BPS in Q3 FY21 from Q2 FY21

## Profit after tax

- \* Profit after tax decreased from Rs 11.0 Cr in Q3 FY20 to Rs (45.7) Cr in Q3 FY21. The PAT in Q2 FY21 was Rs (53.5) Cr
- \* Cash Profit for Q3 FY21 stood at Rs -18.4 Cr vs Rs 33.7 Cr in Q3 FY20. The Cash Profit in Q2 FY21 was -4.6 Cr

Note: Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan

# Consolidated Profit & Loss Statement – 9M FY21

Rs. Cr	9M FY20	9M FY21	YoY Change (%)
<b>Revenue from operations</b>	<b>493.3</b>	<b>156.6</b>	<b>-68.2%</b>
Other income	5.4	11.4	111.9%
<b>Total expenses</b>	<b>318.9</b>	<b>123.9</b>	<b>-61.2%</b>
<b>EBITDA</b>	<b>179.7</b>	<b>44.1</b>	<b>-75.5%</b>
<b>EBITDA w/o Other Income</b>	<b>174.4</b>	<b>32.7</b>	<b>-81.2%</b>
<b>EBITDA margin (%)</b>	<b>35.4%</b>	<b>20.9%</b>	<b>(1,445)</b>
Finance costs	112.1	145.9	30.2%
Depreciation & amortization	59.4	81.4	37.1%
<b>PBT</b>	<b>11.3</b>	<b>(177.9)</b>	NA
Tax expense	5.3	(18.0)	NA
<b>PAT</b>	<b>6.0</b>	<b>(159.8)</b>	NA
<b>Cash Profit</b>	<b>68.0</b>	<b>(12.6)</b>	<b>NA</b>

Note: Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan

# Consolidated Balance Sheet Snapshot

Rs. Cr	Sep '19	Mar '20	Sep '20
Shareholder's Funds	824.7	823.0	744.0
Non-controlling interests	430.9	721.8	861.4
<b>Total Shareholder's equity</b>	<b>1,255.6</b>	<b>1,544.8</b>	<b>1,605.4</b>
Gross Debt	1,334.9	1,577.5	1,661.7
Other Non-current liabilities	381.4	464.2	467.4
Other Current liabilities	258.5	176.3	137.5
<b>Total Equity &amp; Liabilities</b>	<b>3,230.4</b>	<b>3,762.8</b>	<b>3,872.0</b>
Non-current assets	2,979.4	3,615.4	3,579.6
Current assets	251.0	147.3	292.4
<b>Total Assets</b>	<b>3,230.4</b>	<b>3,762.8</b>	<b>3,872.0</b>
<b>Net Debt</b>	<b>1,299.1</b>	<b>1,536.7</b>	<b>1,450.0</b>
<b>Gross Debt to Equity (x)</b>	<b>1.06</b>	<b>1.02</b>	<b>1.04</b>
<b>Net Debt to Equity (x)</b>	<b>1.03</b>	<b>0.99</b>	<b>0.90</b>
<b>Average cost of borrowing (%)</b>	<b>9.62%</b>	<b>9.60%</b>	<b>9.17%</b>

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.

LTH opened its first hotel with 49 rooms in May 2004 and currently operates (including Keys hotels) ~8,300 rooms in 84 hotels across 51 cities. As the current pipeline (as of 31<sup>st</sup> January 2021) becomes operational, LTH will be operating 106 hotels with ~10,500 rooms, across 65 cities in India and abroad.

Lemon Tree Hotels including keys hotels are located across India, in metro regions, including the Delhi NCR, Mumbai, Kolkata, Bengaluru, Hyderabad and Chennai, as well as tier I and tier II cities such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore, Aurangabad, Udaipur, Vishakhapatnam, Kochi, Ludhiana and Thiruvananthapuram.

*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)



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Thank You