



February 13, 2020

**National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex  
Bandra (E), Mumbai – 400051**

**BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400001**

**NSE Scrip Symbol: LEMONTREE**

**BSE Scrip Code: 541233**

**Re: Outcome of the Board Meeting**

We wish to inform you that the Board of Directors of Lemon Tree Hotels Limited (the "Company") at its meeting held today at 03.30 p.m and concluded at 06.15 p.m, has, inter-alia, approved the Unaudited (Standalone & Consolidated) Financial Results for the quarter & nine months ended December 31, 2019 and took on record the limited review report thereon.

A copy of:

- A) Unaudited financial results(Standalone & Consolidated) for the quarter & nine months ended December 31, 2019; and
- B) Limited review report issued by the Statutory Auditors thereon

as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, alongwith Investor presentation are enclosed herewith.

This is for your information and record.

Thanking You

For **Lemon Tree Hotels Limited**

A circular stamp of Lemon Tree Hotels Limited, New Delhi, is overlaid on the signature. The signature is in black ink and appears to be "Nikhil Sethi".  
**Nikhil Sethi**  
**Group Company Secretary & GM Legal  
and Compliance Officer**

## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF LEMON TREE HOTELS LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **LEMON TREE HOTELS LIMITED** ("the Parent"), limited liability partnership firm and its subsidiaries (the Parent, firm and its subsidiaries together referred to as "the Group"), and its share of loss of its associates for the quarter and nine months ended December 31, 2019 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

S.No	Name of the entity	Relationship
1.	Lemon Tree Hotels Limited	Parent Company
2.	Fleur Hotels Private Limited	Subsidiary company
3.	Hyacinth Hotels Private Limited	Subsidiary company
4.	PSK Resorts and Hotels Private Limited	Wholly owned subsidiary company
5.	Canary Hotels Private Limited	Wholly owned subsidiary company



6.	Sukhsagar Complexes Private Limited	Wholly owned subsidiary company
7.	Oriole Dr Fresh Hotels Private Limited	Wholly owned subsidiary company
8.	Grey Fox Project Management Company Private Limited	Wholly owned subsidiary company
9.	Dandelion Hotels Private Limited	Wholly owned subsidiary company
10.	Lemon Tree Hotel Company Private Limited	Wholly owned subsidiary company
11.	Red Fox Hotel Company Private Limited	Wholly owned subsidiary company
12.	Poplar Homestead Holdings Private Limited	Wholly owned subsidiary company
13.	Madder Stays Private Limited	Wholly owned subsidiary company
14.	Jessamine Stays Private Limited	Wholly owned subsidiary company
15.	Meringue Hotels Private Limited	Subsidiary company
16.	Nightingale Hotels Private Limited	Subsidiary company
17.	Manakin Resorts Private Limited	Subsidiary company
18.	Begonia Hotels Private Limited	Subsidiary company
19.	Celsia Hotels Private Limited	Subsidiary company
20.	Inovoa Hotels and Resorts Limited	Subsidiary company
21.	Iora Hotels Private Limited	Subsidiary company
22.	Ophrys Hotels Private Limited	Subsidiary company
23.	Bandhav Resorts (P) Limited	Subsidiary company
24.	Valerian Management Services Private Limited	Subsidiary company
25.	Carnation Hotels Private Limited	Subsidiary company
26.	Berggruen Hotels Private Limited	Subsidiary company
27.	Mind Leaders Learning India Private Limited	Associate company
28.	Pelican Facilities Management Private Limited	Associate company
29.	Hamstede Living Private Limited	Associate company
30.	Mezereon Hotels LLP	Limited Liability Partnership Firm
31.	Krizm Hotel Private Limited Employee Welfare Trust	Trust

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial results of Krizm Hotel Private Limited Employee Welfare Trust (the "Trust") included in the standalone interim unaudited financial results of the entity included in the Group, whose interim financial results reflect total revenues



Rs. Nil and Rs. 0.05 lacs for the quarter and nine months ended December 31, 2019 respectively, total net loss of Rs. (0.03) lacs and Rs. (0.01) lacs for the quarter and nine months ended December 31, 2019 respectively and total comprehensive loss of Rs. (0.03) lacs and Rs. (0.01) lacs for the quarter and nine months ended December 31, 2019 respectively, as considered in the respective standalone unaudited interim financial results of the entity included in the Group. The interim financial results of the trust have been reviewed by the other auditor whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this trust, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

We did not review the interim financial results of 23 subsidiaries and 1 limited liability partnership firm included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 7,149.23 lacs and Rs. 15,520.48 lacs for the quarter and nine months ended December 31, 2019 respectively, total net profit after tax of Rs. 425.93 lacs and Rs. 432.66 lacs for the quarter and nine months ended December 31, 2019 respectively and total comprehensive income of Rs. 428.72 lacs and Rs. 438.41 lacs for the quarter and nine months ended December 31, 2019 respectively, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of net profit of Rs. 50.06 lacs and Rs. 183.82 lacs for the quarter and nine months ended December 31, 2019 and Total comprehensive income of Rs. 50.06 lacs and Rs. 183.82 lacs for the quarter and nine months ended December 31, 2019, as considered in the Statement, in respect of 2 associates, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, limited liability partnership firm and associates, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of these matters.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No.117366W/W-100018)



**Vijay Agarwal**  
Partner

(Membership No: 094468)  
UDIN:20094468AAAABF8314

New Delhi, February 13, 2020

**Statement of Unaudited Consolidated Financial Results for the Quarter and Nine months ended December 31, 2019** (₹ In Lakhs, except per share data)

	Quarter ended			Nine months ended		Year Ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Income</b>						
Revenue from operations	19,961.69	15,275.66	14,335.33	49,330.73	39,897.68	54,950.62
Other income	317.81	92.95	179.86	536.86	738.12	993.17
<b>Total income</b>	<b>20,279.50</b>	<b>15,368.61</b>	<b>14,515.19</b>	<b>49,867.59</b>	<b>40,635.80</b>	<b>55,943.79</b>
<b>2 Expenses</b>						
Cost of food and beverages consumed	1,674.14	1,324.20	1,264.64	4,234.73	3,642.25	4,982.31
Employee benefit expenses	4,206.66	3,664.51	2,993.52	11,244.08	8,867.82	12,053.05
Power and fuel	1,598.81	1,604.76	1,292.78	4,680.97	4,007.12	5,269.77
Rent (Refer Note 4)	214.24	209.81	762.99	596.76	2,231.70	2,922.22
Other expenses (Refer Note 4)	4,147.80	3,629.03	3,119.84	11,134.50	9,164.23	12,846.77
<b>Total expenses</b>	<b>11,841.65</b>	<b>10,432.31</b>	<b>9,433.77</b>	<b>31,891.04</b>	<b>27,913.12</b>	<b>38,074.12</b>
<b>3 Profit before depreciation and amortization, finance cost, finance income (1-2)</b>	<b>8,437.85</b>	<b>4,936.30</b>	<b>5,081.42</b>	<b>17,976.55</b>	<b>12,722.68</b>	<b>17,869.67</b>
<b>4 Finance cost (Refer Note 4)</b>	<b>4,587.91</b>	<b>3,527.88</b>	<b>2,142.94</b>	<b>11,207.00</b>	<b>6,089.39</b>	<b>8,469.63</b>
<b>5 Finance income</b>	<b>(67.54)</b>	<b>(280.03)</b>	<b>(87.37)</b>	<b>(434.58)</b>	<b>(312.26)</b>	<b>(458.52)</b>
<b>6 Depreciation and amortization expense (Refer Note 4)</b>	<b>2,269.44</b>	<b>1,956.40</b>	<b>1,347.83</b>	<b>5,942.45</b>	<b>3,979.44</b>	<b>5,411.48</b>
<b>7 Net profit/(loss) before tax before share of associates (3-4-5-6)</b>	<b>1,648.04</b>	<b>(267.95)</b>	<b>1,678.02</b>	<b>1,261.68</b>	<b>2,966.11</b>	<b>4,447.08</b>
<b>8 Add: Share of Profit/(Loss) of associates</b>	<b>(84.37)</b>	<b>(27.53)</b>	<b>57.95</b>	<b>(133.02)</b>	<b>135.43</b>	<b>79.66</b>
<b>9 Profit/(Loss) before tax (7+8)</b>	<b>1,563.67</b>	<b>(295.48)</b>	<b>1,735.97</b>	<b>1,128.66</b>	<b>3,101.54</b>	<b>4,526.74</b>
<b>10 Tax expense</b>						
Current tax under MAT	495.37	135.83	421.39	798.42	877.55	1,384.77
Deferred tax						
- MAT Credit entitlement related to current year	(342.07)	(113.16)	-	(538.74)	-	(999.92)
- MAT Credit entitlement related to earlier year	(2.95)	-	-	15.58	-	(1,301.30)
- Deferred tax expense related to current year	305.17	(35.40)	(77.16)	256.79	(46.40)	1,645.28
- Deferred tax asset not recognized in earlier years	-	18.53	-	-	-	(1,839.97)
<b>11 Net profit/(loss) after tax (9-10)</b>	<b>1,108.15</b>	<b>(301.28)</b>	<b>1,391.74</b>	<b>596.61</b>	<b>2,270.39</b>	<b>5,637.88</b>
<b>12 Other Comprehensive Income/(Expenses)</b>						
Items that will not be reclassified to profit and loss						
Remeasurements of defined benefit plans	(1.94)	(6.17)	(0.60)	(8.92)	(1.50)	(11.91)
Income tax effect	0.47	1.16	0.25	1.86	0.19	3.18
<b>13 Total comprehensive Income/(Loss)</b>	<b>1,106.68</b>	<b>(306.29)</b>	<b>1,391.39</b>	<b>589.55</b>	<b>2,269.08</b>	<b>5,629.15</b>
<b>14 Profit/(Loss)</b>	<b>1,108.15</b>	<b>(301.28)</b>	<b>1,391.74</b>	<b>596.61</b>	<b>2,270.39</b>	<b>5,637.88</b>
Attributable to:						
Equity holders of the parent	1,219.94	(215.13)	1,246.70	837.84	2,042.27	5,287.83
Non-controlling interests	(111.79)	(86.15)	144.04	(241.23)	228.12	350.05
<b>15 Total comprehensive Income/(Loss)</b>	<b>1,106.68</b>	<b>(306.29)</b>	<b>1,391.39</b>	<b>589.55</b>	<b>2,269.08</b>	<b>5,629.15</b>
Attributable to:						
Equity holders of the parent	1,217.54	(219.89)	1,246.64	828.94	2,042.00	5,277.15
Non-controlling interests	(110.86)	(86.40)	144.75	(239.39)	227.08	352.00
<b>16 Total comprehensive Income/(Loss) for the year after non-controlling interest</b>	<b>1,217.54</b>	<b>(219.89)</b>	<b>1,246.64</b>	<b>828.94</b>	<b>2,042.00</b>	<b>5,277.15</b>
<b>17 Paid-up equity share capital</b> (Face value of the share ₹ 10/-)	<b>79,024.81</b>	<b>79,014.86</b>	<b>78,895.45</b>	<b>79,024.81</b>	<b>78,895.45</b>	<b>78,929.55</b>
<b>18 Other Equity (including non-controlling interest)</b>						<b>51,791.27</b>
<b>19 Earnings per share (Face value of the share ₹ 10/-)</b> (EPS for quarter and Nine months ended periods is not annualised)						
Basic	0.15	(0.03)	0.16	0.11	0.26	0.67
Diluted	0.15	(0.03)	0.16	0.11	0.26	0.67



Notes:

1. The Consolidated financial results for the Quarter and Nine months are not indicative of a full year's working due to the seasonal nature of the Indian Hotel Industry.  
2. The Consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 13, 2020. The statutory auditors have carried out a limited review of the above Consolidated financial results.

3. The above Consolidated financial results are extracted from the unaudited consolidated financial statements of the Company which are prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as prescribed under Section 133 of the Companies Act, 2013 read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

4. Ind AS 116 "Leases" has become applicable effective annual reporting period beginning April 01, 2019. The Group has adopted the standard beginning April 01, 2019 using the modified retrospective approach for transition. Accordingly, the group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as at April 01, 2019. This has resulted in recognition of Right-to-Use asset of ₹ 32,021.41 lakhs and Lease Liability of ₹ 42,512.92 lakhs.

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent"/"Other expenses" in previous period to "Depreciation and amortization expenses" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent"/"Other expenses", "Depreciation and amortization expense" and "Finance cost" of the current period is not comparable to the earlier periods.

To the extent the performance of the current period is not comparable with previous period results, the reconciliation of above effect on statement of profit and loss for the quarter and nine months ended December 31, 2019 is as under:

(₹ In Lakhs)

Adjustments to increase/(decrease) in net profit	Quarter ended December 31, 2019 comparable basis	Changes due to Ind AS 116 increase / (decrease)	Quarter ended December 31, 2019 as reported
Rent	966.62	(752.38)	214.24
Other expenses	4,266.06	(118.26)	4,147.80
Depreciation and amortization expense	1,902.38	367.06	2,269.44
Finance cost	3,632.04	955.87	4,587.91
Profit/(Loss) before tax	2,015.96	(452.29)	1,563.67
Less: Tax expense	574.40	(118.88)	455.52
Profit/(Loss) after tax	1,441.56	(333.41)	1,108.15

(₹ In Lakhs)

Adjustments to increase/(decrease) in net profit	Nine months ended December 31, 2019 comparable basis	Changes due to Ind AS 116 increase / (decrease)	Nine months ended December 31, 2019 as reported
Rent	2,667.32	(2,070.56)	596.76
Other expenses	11,489.29	(354.79)	11,134.50
Depreciation and amortization expense	4,915.60	1,026.85	5,942.45
Finance cost	8,517.96	2,689.04	11,207.00
Profit/(Loss) before tax	2,419.20	(1,290.54)	1,128.66
Less: Tax expense	875.49	(343.44)	532.05
Profit/(Loss) after tax	1,543.71	(947.10)	596.61

5. The paid up share capital of the Company excludes 19,98,291 (March 31, 2019: 29,50,893) equity shares held by the ESOP trust which has been consolidated in accordance with the requirement of IND AS 110.

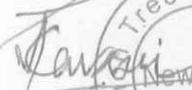
6. The Hon'ble National Company Law Tribunal, New Delhi has approved the merger of Meringue Hotels Private Limited (Transferor Company), owning a hotel "Lemon Tree Premier, Mumbai" with Fleur Hotels Private Limited (Transferee Company) vide its order dated January 21, 2020. The Scheme of Amalgamation has become effective from January 31, 2020 and the appointed date is April 01, 2019.

7. Fleur Hotels Private Limited (Subsidiary Company) has issued and allotted 16,41,200 Compulsorily Convertible Preference Shares ("CCPS") to the Company and 97,04,800 CCPS to APG Strategic Real Estate Pool N.V ("Existing Shareholders") at an issue price of ₹ 370.95 per share (including premium of ₹ 360.95 per share) on October 24, 2019 at an aggregate consideration of ₹ 421 Crores.

8. Fleur Hotels Private Limited, subsidiary of the Company has acquired 100% shareholding (representing 5,45,51,616 shares) of Berggruen Hotels Private Limited ("BHPL") on November 01, 2019 ("Closing date"). The net consideration paid to Berggruen Investments, Mauritius (Seller) by Fleur Hotels Private Limited is ₹ 500 Crores (funded partly through issuance of CCPS and partly from internal accruals) and outstanding term loan in BHPL as on closing date is ₹ 104.53 Crores. The revenue and expenses of Berggruen Hotels Private Limited for the 2 months period ended December 31, 2019 have been consolidated and included in the above consolidated financial results. Resultantly, the figures for the current periods are not comparable with the previous periods.



9. The Company is into Hoteliering business. As the Company operates in a single operating segment, it did not give rise to different operating segments in accordance with Ind AS 108 - Operating Segments.

By order of the Board  
for Lemon Tree Hotels Limited  
  
New Delhi  
Patanjali G. Keswani  
(Chairman & Managing Director)  
★

Place : New Delhi  
Date : February 13, 2020



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM  
STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
LEMON TREE HOTELS LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **LEMON TREE HOTELS LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review reports of other auditors as referred in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of Krizm Hotel Private Limited Employee Welfare Trust (the "Trust") included in the Statement whose interim financial results



**Deloitte  
Haskins & Sells LLP**

reflect total revenues of Rs. Nil and Rs. 0.05 lacs for the quarter and nine months ended December 31, 2019 respectively, total net loss of Rs. (0.03) lacs and Rs. (0.01) lacs for the quarter and nine months ended December 31, 2019 respectively and total comprehensive loss of Rs. (0.03) lacs and Rs. (0.01) lacs for the quarter and nine months ended December 31, 2019 respectively, as considered in this Statement. The interim financial results have been reviewed by other auditor whose report have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this trust, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



A handwritten signature in black ink, appearing to read "Vijay Agarwal".

**Vijay Agarwal**  
Partner

(Membership No. 094468)

UDIN: 20094468AAAABE8953

New Delhi, February 13, 2020

A small, stylized handwritten mark or signature in the bottom left corner of the page.

Lemon Tree Hotels Limited

Regd Office:- Asset No. 6, Aerocity Hospitality District, New Delhi-110037

Tel.: 011-46050101; Fax.: 011-46050110; E-Mail:sectdept@lemontreehotels.com;Website: www.lemontreehotels.com

CIN: L74899DL1992PLC049022

Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2019

(₹ In Lakhs, except per share data)

	Quarter ended			Nine months ended		Year Ended	
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	<b>Income</b>						
	Revenue from operations	7,588.94	6,685.45	7,175.67	20,752.24	19,995.29	27,332.25
	Other income	201.83	71.29	170.00	343.36	691.21	932.00
	<b>Total income</b>	<b>7,790.77</b>	<b>6,756.74</b>	<b>7,345.67</b>	<b>21,095.60</b>	<b>20,686.50</b>	<b>28,264.25</b>
2	<b>Expenses</b>						
	Cost of food and beverages consumed	440.71	431.01	453.56	1,283.47	1,362.65	1,772.58
	Employee benefit expenses	1,514.03	1,602.03	1,404.49	4,645.76	4,299.50	5,764.88
	Power and fuel	492.85	558.55	526.66	1,627.54	1,671.32	2,189.36
	Rent (Refer Note 4)	173.80	167.25	551.87	500.35	1,660.78	2,146.91
	Other expenses	1,403.89	1,637.90	1,628.52	4,680.84	4,720.58	6,355.27
	<b>Total expenses</b>	<b>4,025.28</b>	<b>4,396.74</b>	<b>4,565.10</b>	<b>12,737.96</b>	<b>13,714.83</b>	<b>18,229.00</b>
3	<b>Profit before depreciation and amortization, finance cost, finance income (1-2)</b>	<b>3,765.49</b>	<b>2,360.00</b>	<b>2,780.57</b>	<b>8,357.64</b>	<b>6,971.67</b>	<b>10,035.25</b>
4	Finance cost (Refer note 4)	1,207.66	1,191.77	847.87	3,617.64	2,491.30	3,479.99
5	Finance loss/(income)	57.53	(129.07)	(48.53)	(100.38)	(220.59)	(273.39)
6	Depreciation and amortization expense (Refer note 4)	485.73	565.52	472.23	1,655.16	1,508.60	1,983.75
7	<b>Profit before tax (3-4-5-6)</b>	<b>2,014.57</b>	<b>731.78</b>	<b>1,509.00</b>	<b>3,185.22</b>	<b>3,192.36</b>	<b>4,844.90</b>
8	<b>Tax expense</b>						
	Current tax under MAT	348.10	97.74	313.61	530.52	654.58	1,004.79
	Deferred tax						
	- MAT Credit entitlement related to current year	(347.07)	(97.74)	-	(530.52)	-	(999.92)
	- MAT Credit entitlement related to earlier year	-	-	-	-	-	(1,301.30)
	- Deferred tax expense related to current year	491.23	113.19	-	733.10	-	1,657.00
	- Deferred tax asset not recognized in earlier years	-	-	-	-	-	(1,839.97)
9	<b>Net profit after tax (7-8)</b>	<b>1,522.31</b>	<b>618.59</b>	<b>1,195.39</b>	<b>2,452.12</b>	<b>2,537.78</b>	<b>6,324.30</b>
10	<b>Other Comprehensive Income</b>						
	Items that will not be reclassified to profit and loss						
	Re-measurement (loss)/gains on defined benefit plans	(5.64)	(5.65)	0.58	(16.93)	1.76	(22.58)
	Income tax effect	0.99	0.75	(0.13)	2.96	(0.38)	4.86
11	<b>Total comprehensive income</b>	<b>1,517.66</b>	<b>613.69</b>	<b>1,195.84</b>	<b>2,438.15</b>	<b>2,539.16</b>	<b>6,306.58</b>
12	Paid-up equity share capital (Face value of the share ₹ 10/-)	79,024.81	79,014.86	78,895.45	79,024.81	78,895.45	78,929.55
13	Other Equity						24,205.35
14	<b>Earnings per share (Face value of the share ₹ 10/-)</b> <i>(EPS for quarter and nine months ended periods is not annualised)</i>						
	Basic	0.19	0.08	0.15	0.31	0.32	0.80
	Diluted	0.19	0.08	0.15	0.31	0.32	0.80



**Notes:**

1. The results for the Quarter and Nine months are not indicative of a full year's working due to the seasonal nature of the Indian Hotel Industry.
2. The Standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 13, 2020. The statutory auditors have carried out a limited review of the above Financial Results.
3. The above financial results are extracted from the unaudited standalone financial statements of the Company which are prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as prescribed under Section 133 of the Companies Act, 2013 read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
4. Ind AS 116 "Leases" has become applicable effective annual reporting period beginning April 01, 2019. The Company has adopted the standard beginning April 01, 2019 using the modified retrospective approach for transition. Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this Standard has been recognised as an adjustment to the opening balance of retained earnings as at April 01, 2019. This has resulted in recognition of Right-to-Use asset of ₹ 12,289.09 lakhs and Lease Liability of ₹ 16,508.41 lakhs.

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent" in previous period to "Depreciation and amortization expenses" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent", "Depreciation and amortization expense" and "Finance cost" of the current period is not comparable to the earlier periods.

To the extent the performance of the current period is not comparable with previous period results, the reconciliation of above effect on statement of profit and loss for the quarter and nine months ended December 31, 2019 is as under:

(₹ In Lakhs)

Adjustments to increase (decrease) in net profit	Quarter ended December 31, 2019 comparable basis	Changes due to Ind AS 116 increase / (decrease)	Quarter ended December 31, 2019 as reported
Rent	561.59	(387.79)	173.80
Depreciation and amortization expense	351.83	133.90	485.73
Finance cost	820.30	387.36	1,207.66
Profit before tax	2,148.04	(133.47)	2,014.57
Less: Tax expense	541.74	(49.48)	492.26
Profit after tax	1,606.30	(83.99)	1,522.31

(₹ In Lakhs)

Adjustments to increase (decrease) in net profit	Nine months ended December 31, 2019 comparable basis	Changes due to Ind AS 116 increase / (decrease)	Nine months ended December 31, 2019 as reported
Rent	1,663.70	(1,163.35)	500.35
Depreciation and amortization expense	1,253.46	401.70	1,655.16
Finance cost	2,455.56	1,162.08	3,617.64
Profit before tax	3,585.65	(400.43)	3,185.22
Less: Tax expense	881.54	(148.44)	733.10
Profit after tax	2,704.11	(251.99)	2,452.12

5. The paid up share capital of the Company excludes 19,98,291 (March 31, 2019: 29,50,893) equity shares held by the ESOP trust which has been consolidated in accordance with the requirement of IND AS 110.

6. The Hon'ble National Company Law Tribunal, New Delhi has approved the merger of Meringue Hotels Private Limited (Transferor Company), owning a hotel "Lemon Tree Premier, Mumbai" with Fleur Hotels Private Limited (Transferee Company) vide its order dated January 21, 2020. The Scheme of Amalgamation has become effective from January 31, 2020 and the appointed date is April 01, 2019.

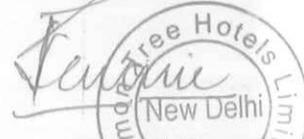
7. Fleur Hotels Private Limited (Subsidiary Company) has issued and allotted 16,41,200 Compulsorily Convertible Preference Shares ("CCPS") to the Company and 97,04,800 CCPS to APG Strategic Real Estate Pool N.V ("Existing Shareholders") at an issue price of ₹ 370.95 per share (including premium of ₹ 360.95 per share) on October 24, 2019 at an aggregate consideration of ₹ 421 Crores.



8. Fleur Hotels Private Limited, subsidiary of the Company has acquired 100% shareholding (representing 5,45,51,616 shares) of Berggruen Hotels Private Limited ('BHPL') on November 01, 2019 ("Closing date"). The net consideration paid to Berggruen Investments, Mauritius (Seller) by Fleur Hotels Private Limited is ₹ 500 Crores (funded partly through issuance of CCPS and partly from internal accruals) and outstanding term loan in BHPL as on closing date is ₹ 104.53 Crores.

9. The Company is into Hoteliering business. As the Company operates in a single operating segment, it did not give rise to different operating segments in accordance with Ind AS 108 - Operating Segments.

By order of the Board  
for Lemon Tree Hotels Limited

  
Patanjali G. Keswani  
(Chairman & Managing Director)

Place : New Delhi  
Date : February 13, 2020



# Lemon Tree Hotels Limited

## Q3 FY20 Earnings Presentation

Feb 13, 2020



**aurika**  
HOTELS & RESORTS

UPSCALE

  
**lemon tree**  
PREMIER

UPPER MIDSCALE

  
**lemon tree**  
HOTELS

MIDSCALE

  
**redfox**  
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.



1	Company Overview
2	Chairman & Managing Director's Message
3	Performance Highlights
4	Financial & Operational Metrics
5	Key Developments / Business Updates
6	Annexures

# Lemon Tree – Snapshot as on 31<sup>st</sup> Jan, 2020



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

**7,979  
rooms;  
79 hotels**



**Pipeline**

**2,673  
rooms;  
28 hotels**



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

**10,652  
rooms;  
107 hotels**

Brand	Current	Pipeline	by CY22
<b>Aurika</b>	139 Rooms, 1 Hotel	669 Rooms, 1 Hotel <sup>#</sup>	808 Rooms, 2 Hotels
<b>Lemon Tree Premiere</b>	2,207 Rooms; 15 Hotels	457 Rooms; 6 Hotels	2,665 Rooms; 21 Hotels
<b>Lemon Tree Hotel</b>	2,619 Rooms; 34 Hotels	1,427 Rooms; 19 Hotels	4,047 Rooms; 53 Hotels
<b>Red Fox Hotel</b>	1,423 Rooms; 12 Hotels	80 Rooms; 1 Hotel	1,492 Rooms; 13 Hotels
<b>Keys</b>	1,591 Rooms; 17 Hotels	40 Rooms; 1 Hotel	1,631 Rooms; 18 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.

## Key Statistics

		Q3 FY19	Q3 FY20	YoY Var(%)	31 <sup>st</sup> Jan FY20
	Cities	31	46	48%	47
	Hotels	52	78	50%	79
	Rooms	5,291	7,914	50%	7,979
	Loyalty Members	889,080	1,123,366	26%	1,141,372

# Portfolio Breakup as on 31<sup>st</sup> Jan 2020 - Operational

Operational Portfolio	Owned		Leased		Managed/Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
<b>31.01.2020</b>								
Aurika	1	139	0	0	0	0	1	139
Lemon Tree Premier	7	1,442	2	161	6	604	15	2,207
Lemon Tree Hotels	13	1,241	4	321	17	1,057	34	2,619
Red Fox Hotels	5	759	2	193	5	471	12	1,423
Keys Prima	0	0	0	0	1	115	1	115
Keys Select	7	936	0	0	7	493	14	1,429
Keys Lite	0	0	0	0	2	47	2	47
<b>Total</b>	<b>33</b>	<b>4,517</b>	<b>8</b>	<b>675</b>	<b>38</b>	<b>2,787</b>	<b>79</b>	<b>7,979</b>

# Portfolio Breakup as on 31<sup>st</sup> Jan 2020 - Pipeline

In Pipeline	Owned		Leased		Managed/Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
<b>31.01.2020</b>								
Aurika	1	669 <sup>#</sup>	0	0	0	0	1	669
Lemon Tree Premier	0	0	0	0	6	457	6	457
Lemon Tree Hotels	1	79	0	0	18	1,348	19	1,427
Red Fox Hotels	0	0	0	0	1	80	1	80
Keys Prima	0	0	0	0	1	40	1	40
Keys Select	0	0	0	0	0	0	0	0
Keys Lite	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>748</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>1,925</b>	<b>28</b>	<b>2,673</b>

#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.

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

**Jaipur:** FY17 – 11%  
FY21E – 10%

**Ahmedabad:** FY17 – 11%  
FY21E – 9%

**Mumbai:** FY17 – NA  
FY21E – 19%

**Pune:** FY17 – 5%  
FY21E – 14%

**Goa:** FY17 – 4%  
FY21E – 6%

**Bengaluru:** FY17 – 9%  
FY21E – 14%



**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 31st Jan, 2020



Commenting on the performance for Q3 FY20, Mr. Patanjali Keswani, Chairman & Managing Director – Lemon Tree Hotels Limited said,

*"I am pleased to share that we have delivered strong performance during the quarter despite subdued market sentiments and external challenges in certain micro markets. In Q3 FY20, our revenue from operations grew by 39.3% YoY primarily driven by the addition of 978 rooms over the last one year and acquisition of Keys Hotels. For same hotels, revenue from operations grew by 5.8% YoY driven by 148 bps increase in occupancy and 5.4% increase in ARR. On the profitability front, our cost-optimization strategies and operating leverage registered in stabilized hotels translated into a healthy EBITDA growth of 47.9% YoY, with EBITDA margins expanding by 213 bps to 36.3%. For same hotels, EBITDA grew by 19.0% YoY with EBITDA margins expanding by 425 bps to 38.4%. Profit before Tax showed a muted growth of 16.1% YoY as ~ 1,000 rooms opened in the last one year are in stabilizing phase. **For same hotels, Profit before Tax grew by 67.0%.***

*This quarter also includes the impact of the Keys Hotels acquisition, which got consolidated into our financials from 1<sup>st</sup> November 2019 onwards. On the operational front, our team is doing a remarkable task of seamlessly consolidating operations. As there are significant opportunities to derive multiple synergies from this acquisition, we are confident of delivering strong operational and financial performance from Keys Hotels in the upcoming quarters.*

*During the year, we have operationalized 3 large owned Hotels at Mumbai, Udaipur and Kolkata. While our recently launched Udaipur property under brand 'Aurika' is in the process of stabilizing, we are extremely happy with the performance reported by Lemon Tree Premier, Mumbai and Kolkata.*

*In another key development, we made our International debut with the opening of Lemon Tree Hotel in Dubai during the quarter. We are close to opening our second international hotel which will be a Lemon Tree Hotel in Thimphu. This is in sync with our strategy to go asset-light by expanding the managed hotels vertical by leveraging our strong brand in the industry.*

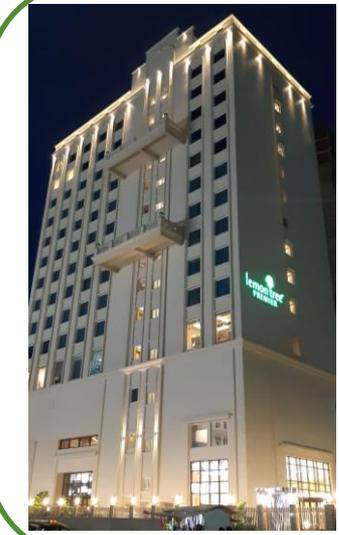
*Going forward, even as we anticipate the industry cycle to positively turn in the near-term, we continue to build on our cost leadership and strengthen our leading position in the mid-priced hotel segment in India. We believe, we are well-poised to capitalize on the upcoming opportunities led by the stabilization of a large inventory commissioned in the down-cycle, successful integration of Keys Hotels, and aggressive ramp-up of our asset-light model through managed hotels."*

# Key Developments of Q3 FY20

Entered into the Upscale hotel segment with the launch of our first hotel under the brand 'Aurika' in Udaipur



Acquired India's 4th largest Mid-market hotel chain, Keys Hotels, operating 17 hotels with ~1600 rooms in 14 Cities



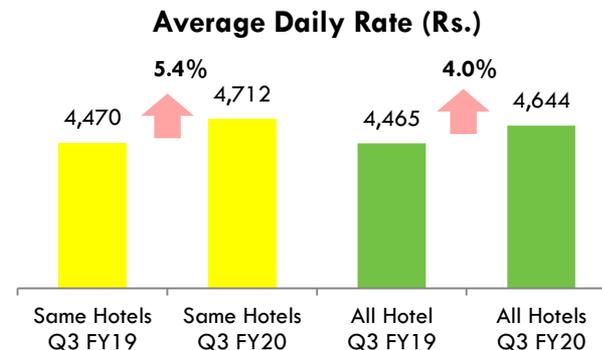
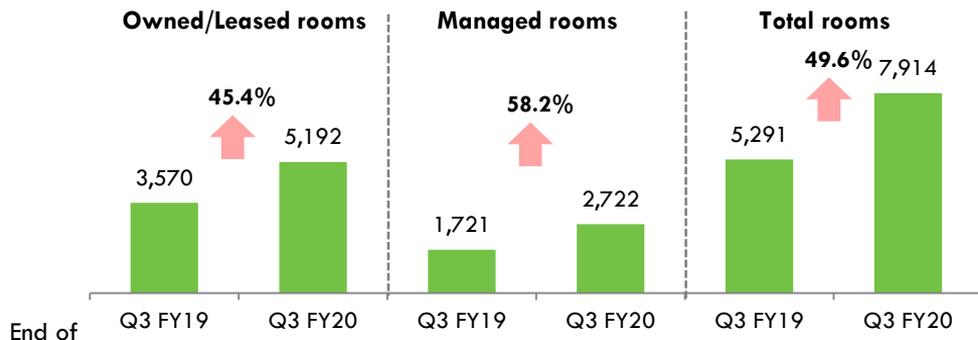
Opened our first hotel in Kolkata under the Lemon Tree Premier brand completing our presence in all 4 major metro cities



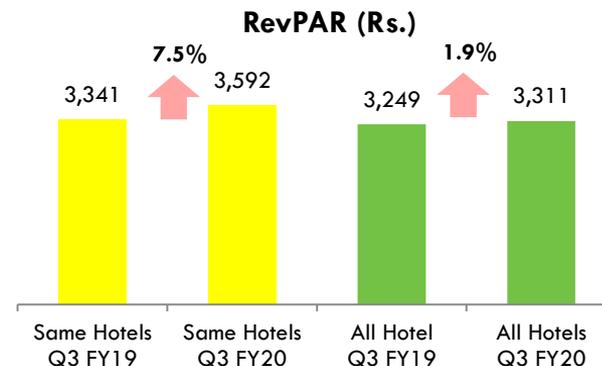
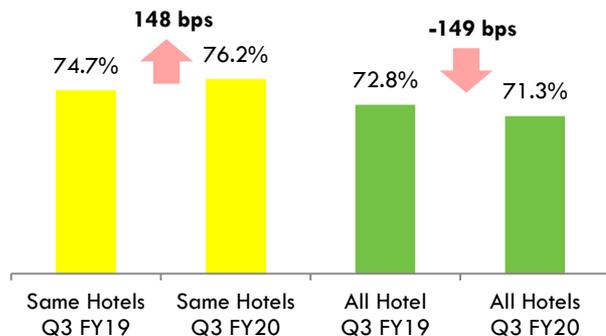
Registered our international footprint with opening of our first overseas hotel in Jumeirah, Dubai

# Q3 FY20 Performance Highlights – Operational Metrics (Consolidated)

## Operational Inventory



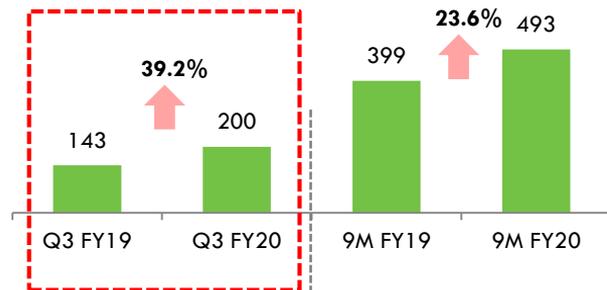
## Occupancy (%)



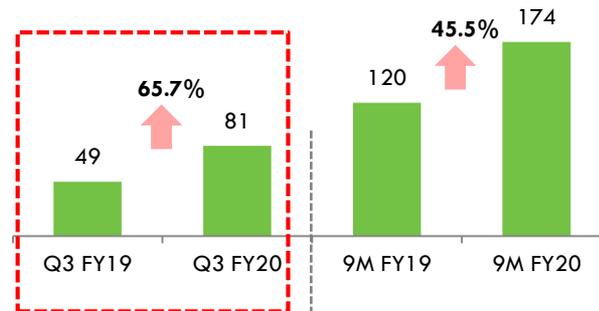
Note:  
 1. ADR, Occupancy and RevPAR are for our owned and leased hotels only.  
 2. The results of this quarter and 9M are not indicative of full year's performance due to seasonal nature of the business.

# Q3 Performance Highlights – Financial Metrics (Consolidated)

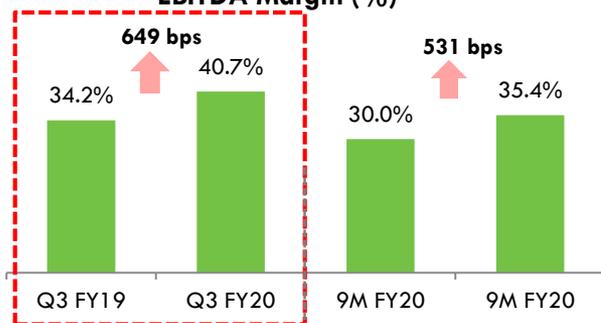
### Revenue from Operation (Rs. Cr)



### EBITDA (Rs. Cr)



### EBITDA Margin (%)



### Cash profit (PAT + Depreciation) (Rs. Cr)



Note: The results of this quarter and 9M are not indicative of full year's performance due to seasonal nature of the business.

# Consolidated Profit & Loss Statement – Q3 FY20

Rs. Cr	Q3 FY19	Q3 FY20 Before IndAS 116 Impact	YoY Change (%)	IndAS 116 Impact	Q3 FY20 After IndAS 116 Impact	YoY Change (%)
<b>Revenue from operations</b>	<b>143.4</b>	<b>199.6</b>	<b>39.2%</b>		<b>199.6</b>	<b>39.2%</b>
<b>Total expenses</b>	<b>94.3</b>	<b>127.1</b>	<b>34.8%</b>	<b>-8.7</b>	<b>118.4</b>	<b>25.5%</b>
<b>EBITDA</b>	<b>49.0</b>	<b>72.5</b>	<b>47.9%</b>	<b>8.7</b>	<b>81.2</b>	<b>65.7%</b>
<b>EBITDA margin (%)</b>	<b>34.2%</b>	<b>36.3%</b>	<b>212</b>		<b>40.7%</b>	<b>649</b>
Other income	1.8	3.2	76.7%		3.2	76.7%
Finance costs	21.4	36.3	69.5%	9.6	45.9	114.1%
Depreciation & amortization	13.5	19.0	41.1%	3.7	22.7	68.4%
<b>PBT</b>	<b>17.4</b>	<b>20.2</b>	<b>16.1%</b>	<b>-4.5</b>	<b>15.6</b>	<b>-9.9%</b>
Tax expense	3.4	5.7	66.9%	-1.2	4.6	32.3%
<b>PAT</b>	<b>13.9</b>	<b>14.4</b>	<b>3.6%</b>	<b>-3.3</b>	<b>11.1</b>	<b>-20.4%</b>
<b>Cash Profit</b>	<b>27.4</b>	<b>33.4</b>	<b>22.1%</b>	<b>1.2</b>	<b>34.6</b>	<b>26.4%</b>

# Consolidated Profit & Loss Statement – 9M FY20

Rs. Cr	9M FY19	9M FY20 Before IndAS 116 Impact	YoY Change (%)	IndAS 116 Impact	9M FY20 After IndAS 116 Impact	YoY Change (%)
<b>Revenue from operations</b>	<b>399.0</b>	<b>493.3</b>	<b>23.6%</b>		<b>493.3</b>	<b>23.6%</b>
<b>Total expenses</b>	<b>279.1</b>	<b>343.2</b>	<b>22.9%</b>	<b>-24.3</b>	<b>318.9</b>	<b>14.3%</b>
<b>EBITDA</b>	<b>119.8</b>	<b>150.1</b>	<b>25.3%</b>	<b>24.3</b>	<b>174.4</b>	<b>45.5%</b>
<b>EBITDA margin (%)</b>	<b>30.0%</b>	<b>30.4%</b>	<b>40</b>		<b>35.4%</b>	<b>531</b>
Other income	7.4	5.4	-27.3%		5.4	-27.3%
Finance costs	60.9	85.2	39.9%	26.9	112.1	84.0%
Depreciation & amortization	39.8	49.2	23.5%	10.3	59.4	49.3%
<b>PBT</b>	<b>31.0</b>	<b>24.2</b>	<b>-22.0%</b>	<b>-12.9</b>	<b>11.3</b>	<b>-63.6%</b>
Tax expense	8.3	8.8	5.3%	-3.4	5.3	-36.0%
<b>PAT</b>	<b>22.7</b>	<b>15.4</b>	<b>-32.0%</b>	<b>-9.5</b>	<b>6.0</b>	<b>-73.7%</b>
<b>Cash Profit</b>	<b>62.5</b>	<b>64.6</b>	<b>3.4%</b>	<b>3.4</b>	<b>68.0</b>	<b>8.8%</b>

# Discussion on Consolidated Financial & Operational Performance – Q3 FY20

## Operational Rooms & Pipeline

- \* As of 31<sup>st</sup> January 2020, operational portfolio comprised of 79 hotels and 7,979 rooms : 4,214 owned, 978 leased and 2,787 managed rooms; Pipeline includes of 748 owned/leased and 1,925 managed rooms
- \* Propose to add another 27 rooms to the operational inventory by the end of Q4 FY20
- \* Plan to operate 80 hotels with 8,006 rooms across 48 cities by end of Q4 FY20
- \* Plan to operate 107 hotels with 10,652 rooms across 66 cities by CY22

## Revenue

- \* Revenue from operations stood at Rs. 199.6 Cr in Q3 FY20, up 39.3% as compared to Rs. 143.3 Cr in Q3 FY19. On same hotels basis, revenue from operations was up 5.8%
- \* ADR increased by 4.0% from 4,465 in Q3 FY19 to 4,644 in Q3 FY20. On same hotels basis, ARR increased by 5.4% to 4,712 in Q3 FY20. For new hotels, ARR was 5,620 (19.3% higher than same hotels). For Keys hotels, ARR was 2,985 (36.7% lower than same hotels)
- \* Occupancy decreased by 149 bps from 72.8% in Q3 FY19 to 71.3% in Q3 FY20. On same hotels basis it increased by 148 bps from 74.7% in Q3 FY19 to 76.2% in Q3 FY20. For new hotels, occupancy was 57.1% (19.2% lower than same hotels). For Keys hotels, occupancy was 66.3% (10.0% lower than same hotels)
- \* Fees from managed hotels stood at Rs. 6.4 Cr in Q3 FY20 (3.2% of Revenue from operations)

## Cost

- \* Total expenses stood at Rs. 118.4 Cr in Q3 FY20 as per the new AS 116 accounting, up 25.5% as compared to Rs 94.3 Cr in Q3 FY19. As per old accounting the expenses grew by 34.8% in Q3 FY20. On same hotels basis, expenses decreased by 1.0% to Rs 92.4 Cr in Q3 FY20 from Rs 93.3 Cr in Q3 FY19

## Operating Margins

- \* EBITDA without other Income, as per the new AS 116 accounting, increased by 65.7% from Rs. 49.0 Cr in Q3 FY19 to Rs. 81.2 Cr in Q3 FY20
- \* EBITDA margins without other Income as per new AS 116 accounting, expanded by 649 bps from 34.2% in Q3 FY19 to 40.7% in Q3 FY20

## Profit after tax

- \* Profit after tax, as per the AS 116 accounting, decreased by 20.4% from Rs 13.9 Cr in Q3 FY19 to 11.1 Cr in Q3 FY20. As per old accounting the Profit after tax increased 3.6% to Rs 14.4 Cr.
- \* Cash Profit for Q3 FY20 stood at Rs 34.6 Cr, 26.4% higher than Rs 27.4 Cr in Q3 FY19

# Consolidated Profit & Loss Statement Breakup – Q3 FY20

Rs. Cr	Same Hotels			New Hotels <sup>1</sup>			Total without Keys Hotels			Keys Hotels <sup>2</sup>	Total		
	Q3FY19	Q3FY20	YoY Change	Q3FY19	Q3FY20	YoY Change	Q3FY19	Q3FY20	YoY Change	Q3FY20	Q3FY19	Q3FY20	YoY Change
Inventory	3,278	3,278	0.0%	292	978	234.9%	3,570	4,256	19.2%	936	3,570	5,192	45.4%
ARR	4,470	4,712	5.4%	4,012	5,620	40.1%	4,465	4,869	9.1%	2,985	4,465	4,644	4.0%
Occupancy	74.7%	76.2%	148	23.0%	57.1%	3,411	72.8%	72.0%	(74)	66.3%	72.8%	71.3%	(149)
RevPAR	3,341	3,592	7.5%	921	3,207	248.2%	3,249	3,508	8.0%	1,978	3,249	3,311	1.9%
<b>Revenue from Operations</b>	<b>141.7</b>	<b>150.0</b>	<b>5.8%</b>	<b>1.6</b>	<b>33.9</b>	<b>1992.7%</b>	<b>143.3</b>	<b>183.9</b>	<b>28.3%</b>	<b>15.8</b>	<b>143.3</b>	<b>199.6</b>	<b>39.3%</b>
Total expenses	93.3	92.4	-1.0%	1.0	22.4	2109.8%	94.3	114.8	21.7%	12.3	94.3	127.1	34.8%
<b>EBITDA</b>	<b>48.4</b>	<b>57.6</b>	<b>19.0%</b>	<b>0.6</b>	<b>11.4</b>	<b>1795.8%</b>	<b>49.0</b>	<b>69.1</b>	<b>40.9%</b>	<b>3.4</b>	<b>49.0</b>	<b>72.5</b>	<b>47.9%</b>
EBITDA margin (%)	34.2%	38.4%	425	37.3%	33.8%	(351)	34.2%	37.6%	337	21.8%	34.2%	36.3%	213
<b>PBT</b>	<b>18.3</b>	<b>30.6</b>	<b>67.0%</b>	<b>(0.9)</b>	<b>(9.2)</b>	<b>876.3%</b>	<b>17.4</b>	<b>21.3</b>	<b>22.8%</b>	<b>(1.2)</b>	<b>17.4</b>	<b>20.2</b>	<b>16.1%</b>

## Notes

- 1) New Hotels include: Red Fox Hotel Dehradun, Lemon Tree Premier Pune, Red Fox Hotel Chandigarh, Lemon Tree Premier Mumbai, Lemon Tree Premier Kolkata & Aurika Udaipur
- 2) Keys Hotels was acquired w.e.f. 1<sup>st</sup> November 2019, hence performance is included only for November and December

# Operational Performance by Brands & Region – Q3FY20 vs. Q3FY19

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q3 FY19	Q3 FY20	Change (bps)	Q3 FY19	Q3 FY20	Change (%)	Q3 FY19	Q3 FY20	Change (%)	Q3 FY19	Q3 FY20	Change (bps)
By Brand (#Rooms)												
Lemon Tree Premier (957)	74.4%	79.1%	463	5,587	5,839	4.5%	2.6	2.8	11.9%	49.2%	49.7%	58
Lemon Tree Hotels (1462)	73.0%	72.9%	(18)	4,341	4,514	4.0%	1.8	2.0	12.4%	43.7%	46.9%	317
Red Fox Hotels (759)	78.7%	79.6%	90	3,384	3,676	8.6%	1.5	1.7	13.8%	52.8%	55.2%	243

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q3 FY19	Q3 FY20	Change (bps)	Q3 FY19	Q3 FY20	Change (%)	Q3 FY19	Q3 FY20	Change (%)	Q3 FY19	Q3 FY20	Change (bps)
By Region (#Rooms)												
Delhi (636)	81.2%	85.0%	386	5,030	5,418	7.7%	2.4	2.9	18.1%	50.0%	51.2%	118
Gurugram (529)	73.0%	75.3%	228	4,482	4,387	-2.1%	1.6	2.0	22.9%	38.6%	45.1%	649
Hyderabad (663)	76.8%	77.3%	58	4,252	4,990	17.7%	2.2	2.5	14.5%	56.1%	56.0%	(0)
Bengaluru (493)	71.1%	67.5%	(363)	4,484	4,828	7.7%	2.0	1.9	-2.2%	48.3%	47.1%	(126)

Note:

- These performance results do not include Red Fox Hotel Dehradun, Lemon Tree Premier Pune, Red Fox Hotel Chandigarh, Lemon Tree Premier Mumbai, Lemon Tree Premier Kolkata, Aurika Udaipur and Keys
- The results of this quarter and 9M 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 Mountain Resort, Shimla	Owned	69	Apr-21	100.00%
Lemon Tree Vembanad Lake Resort, Alleppey, Kerela <sup>1</sup>	Owned	10	Oct-21	100.00%
Aurika, Intl. Airport, Mumbai <sup>2</sup>	Owned	669	Nov-21	57.98%
<b>Total</b>		<b>748</b>		

- \* Total estimated project cost is Rs. 8,550 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, 2019 is Rs. 3,010 million
- \* Balance investment of Rs. 5,540 million will be deployed over the next 2 years in a phased manner, the majority of which will be through internal accruals

**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 of 31<sup>st</sup> January, 2020)

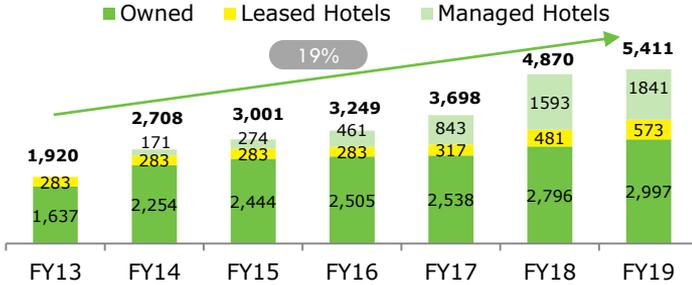
Management Contracts Pipeline	Rooms	Expected Opening date	Tenure (years)
Lemon Tree Hotel, Thimpu	27	Mar-20	12
<b>Management Rooms to be Operational in FY20</b>	<b>27</b>		
Lemon Tree Hotel, Baga, Goa	44	Apr-20	15
Lemon Tree Hotel, BKC, Mumbai	70	May-20	15
Lemon Tree Premier, Dwarka	108	Jun-20	12
Lemon Tree Premier, Coorg	63	Aug-20	15
Lemon Tree Hotel, Jhansi	60	Sep-20	12
Lemon Tree Premier, Bhubaneshwar	76	Sep-20	10
Lemon Tree Resort, Mussoorie	40	Sep-20	15
Keys Prima, Dehradun	40	Sep-20	15
Serviced Suites, Manesar	260	Sep-20	10
Lemon Tree Resort, Thimpu	38	Oct-20	10
Red Fox Hotel, Neelkanth	80	Nov-20	12
Lemon Tree Premier, Vijaywada	120	Dec-20	12
Lemon Tree Hotel, Aligarh	68	Mar-21	12
Lemon Tree Hotel, Rishikesh	102	Mar-21	15
Lemon Tree Hotel, Sonamarg	40	Mar-21	10
<b>Management Rooms to be Operational in FY21</b>	<b>1,209</b>		
Lemon Tree Hotel, Ranthambore	60	Sep-21	10
Lemon Tree Hotel, Bokaro	70	Sep-21	10
Lemon Tree Hotel, Kathmandu	75	Sep-21	10
Lemon Tree Hotel, Trivandrum	100	Sep-21	10
Lemon Tree Hotel, Ludhiana	60	Oct-21	10
Lemon Tree Hotel, Darjeeling	55	Apr-22	15
Lemon Tree Premier, Dindy	50	Uncertain	10
Lemon Tree Hotel, Durgapur	80	Uncertain	10
Lemon Tree Hotel, Gulmarg	35	Uncertain	10
Lemon Tree Hotel, Gwalior	104	Uncertain	10
<b>Total Pipeline</b>	<b>1,925</b>		



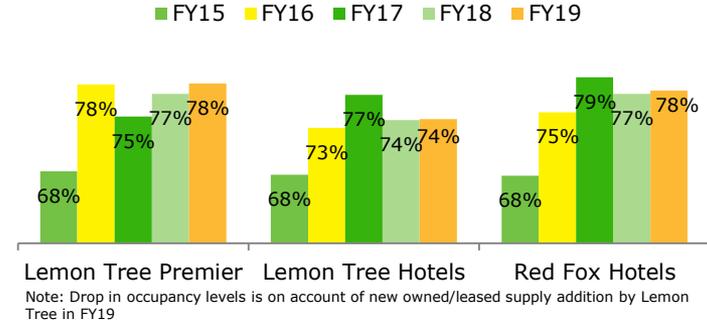
## ANNEXURES

# Strong operating performance

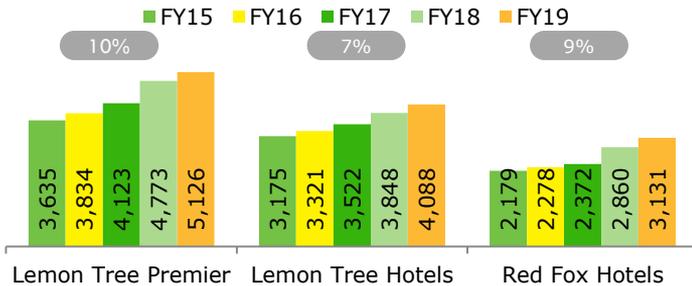
## Rooms are being added...



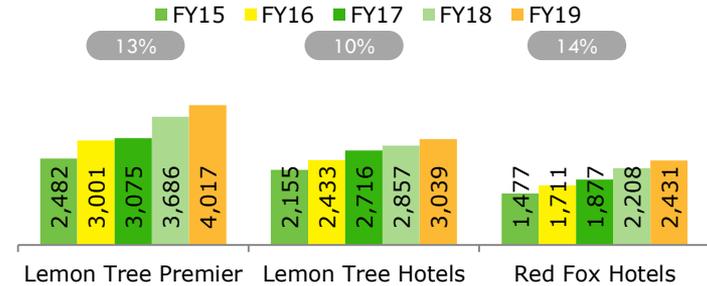
## ...and occupancy levels increasing...



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



## ...leading to a RevPAR growth



# Strong Growth and improving margins

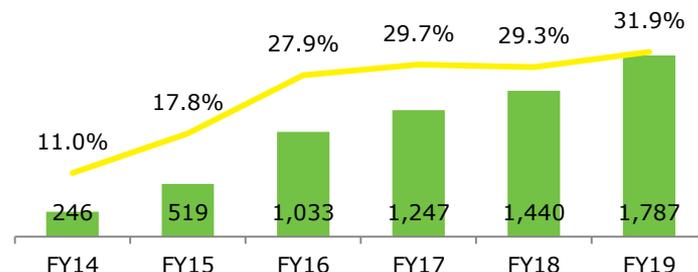
## Revenue has increased at 20% over the last 5 years...

Revenue from operations (Rs. million)



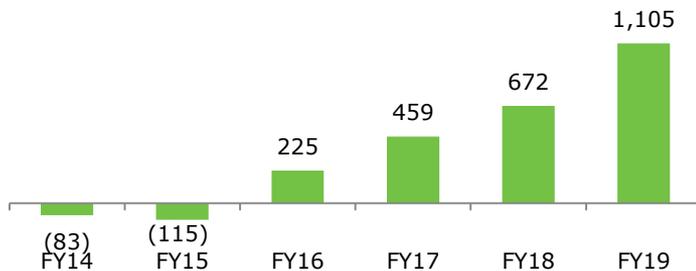
## ...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



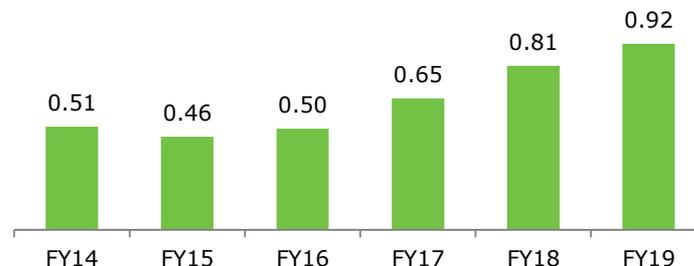
## Increasing cash profit\* growth

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



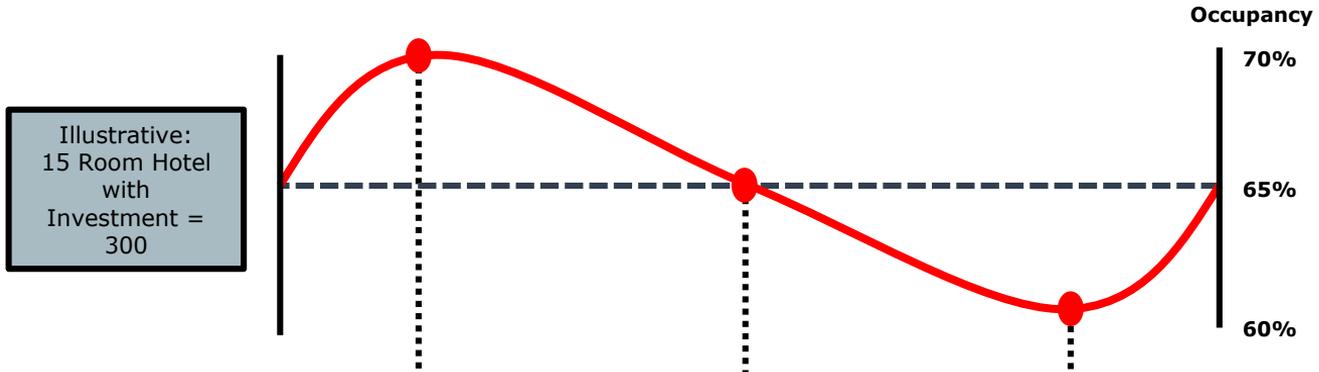
## Gearing low

Debt/Equity



Note: FY14, FY15 and FY16 figures are from Lemon Tree Prospectus. FY17, FY18 and FY19 figures are from audited balance sheet.

# The hotel business cycle

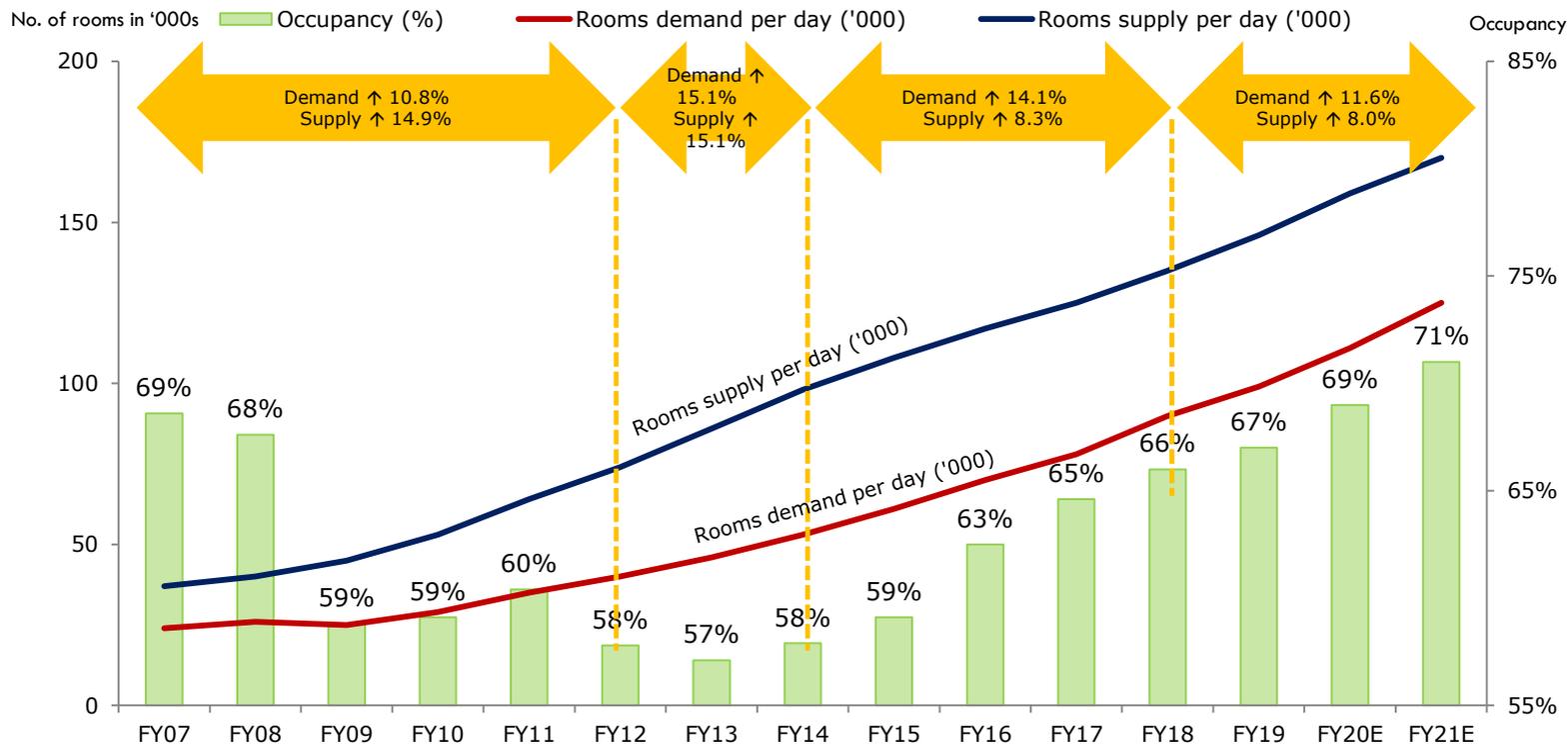


Cycle	Top (2)	Middle (3)	Bottom (2)	
<b>Occupancy</b>	70% or more	63-68%	60% or less	
<b>Rooms Sold</b>	12	10	8	
<b>Average Daily Rate</b>	13	10	7	
<b>Revenue</b>	<b>156</b>	<b>100</b>	<b>56</b>	<b>3:2:1</b>
<b>Expenses</b>	60	50	40	
<b>EBITDA</b>	96	50	16	
<b>Hotel RoCE</b>	32%	17%	5%	<b>6:3:1</b>
<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.

# Indian hotel industry is at an inflection point

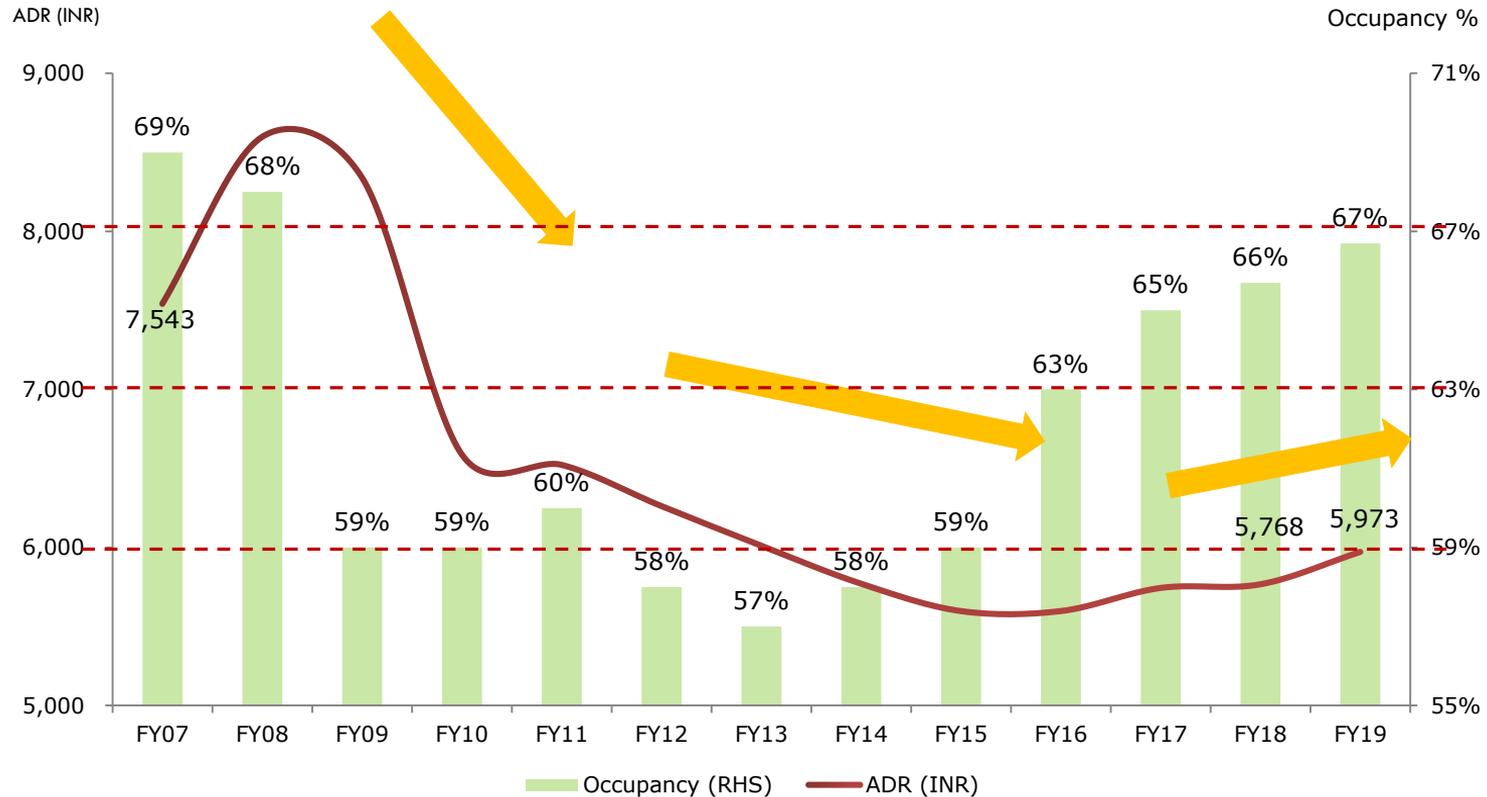
## Slowing supply and rising demand is expected to increase occupancy



Source : Horwath Report 2017, Hotelivate Trend and Opportunities Report 2019

# Increasing occupancy leading to increase in room rates

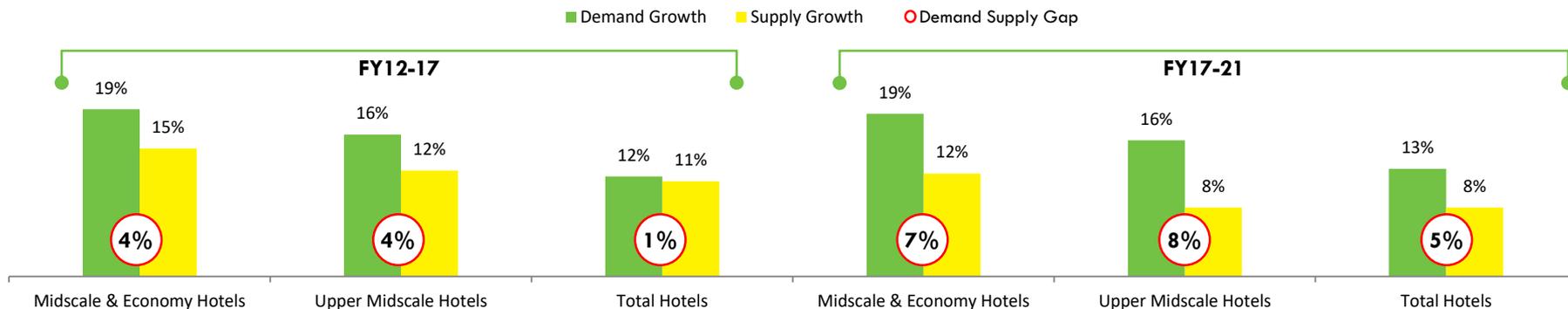
## Average Daily Rate (ADR) is increasing with increase in occupancy rates



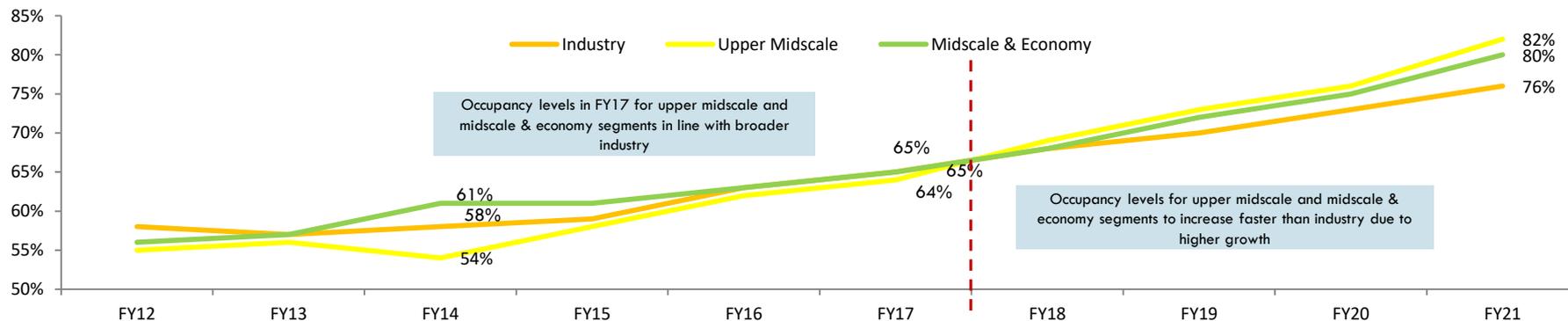
Source : Horwath Report 2017, Hotelivate Trends and Opportunities Report 2019

# 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 Hotels Limited (LTH) Q3 FY20 Earnings Conference Call

### Time

- 2:00 PM IST on Monday, February 17, 2020

### Conference dial-in Primary number

- Primary number: +91 22 6280 1141 / +91 22 7115 8042

### Local access number

- +91 70456 71221 (Available all over India)

### International Toll Free Number

- Hong Kong: 800 964 448
- Singapore: 800 101 2045
- UK: 0 808 101 1573
- USA: 1 866 746 2133

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) ~8,000 rooms in 79 hotels across 47 cities. As the current pipeline (as of 31<sup>st</sup> January 2020) becomes operational, LTH will be operating 108 hotels with ~10,600 rooms, across 68 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)

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