

# Lemon Tree Hotels Limited



## Q3 FY21 Earnings Presentation

9<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

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

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



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# Lemon Tree – Snapshot as on 31st Jan, 2021



**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

#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 FY20	Q3 FY21	YoY Var (%)
	Cities	46	51	11%
	Hotels	78	84	8%
	Rooms	7,914	8,294	5%
	Loyalty Members	1.12 mn	1.26 mn	12%

# Chairman & Managing Director's Message

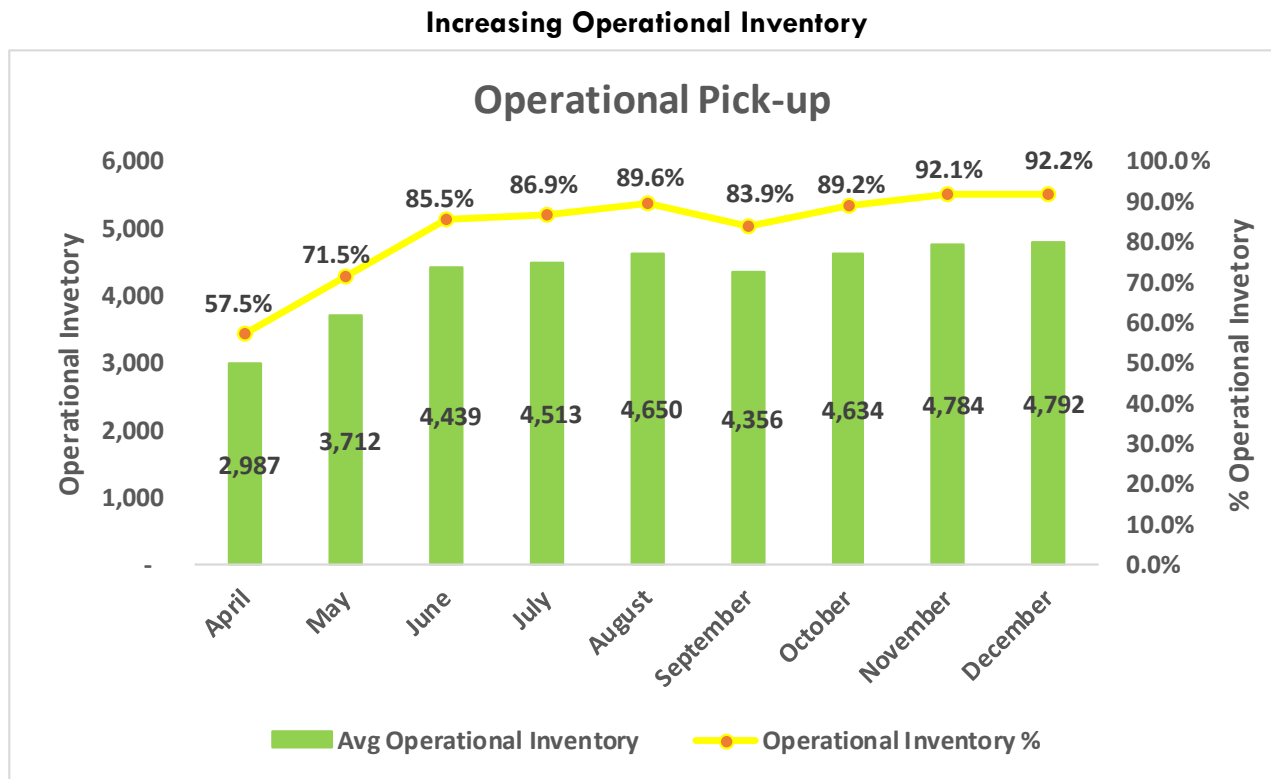


Commenting on the performance for Q3 FY21, Mr. Patanjali Keswani, Chairman & Managing Director – Lemon Tree Hotels Limited said,

*"We are pleased to report a resilient performance during this quarter driven by some improvement in the macro-economic environment and a gradual growth in demand and consumption. Healthy traction from the retail segment continued in this quarter as well. We saw higher demand coming from the leisure segment for staycations, day-use, work-from-hotels among others. Our operational inventory increased from 86.8% of our total inventory in Q2 FY21 to 91.2% in Q3 FY21. Our occupancy on full inventory improved from 32.4% in Q2 FY21 to 42.4% in Q3 FY21. On operational inventory, our occupancy stood at 46.5% in Q3 FY21. The combined effect of higher operational inventory and better occupancy led to a topline increase of 43.7% from Rs 47.6 Cr in Q2 FY21 to Rs 68.4 Cr in Q3 FY21.*

*From a profitability standpoint, we have been able to continue most of the cost-rationalization measures undertaken since March last year. Our Net EBITDA grew by 141.7% to Rs 20.1 Cr in Q3 FY21 from Rs 8.3 Cr in Q2 FY21. Our EBITDA margin expanded by 1,191 BPS to 29.4% in Q3 FY21 from 17.5% in Q2 FY21.*

*In the near term, we are seeing strong demand from the retail & MSMEs and a gradual recovery from the large corporates. Going forward, we expect a sustained revival in the domestic economy which should build in positive momentum for recovery in demand and consumption which is already visible in the current quarter i.e. Q4. We believe that the improving macro indicators, robust liquidity in the market and normalization in day-to-day activities will have a positive cascading effect on the travel and tourism sector. Looking ahead, while we anticipate a gradual revival in corporate travel in the quarters ahead, leisure demand is already strong and this traction will further increase in the months ahead. Overall, we are confident that further stabilization of the macro-economic environment and our revamped operating model will lead to sustained EBITDA growth in the next 4 quarters."*



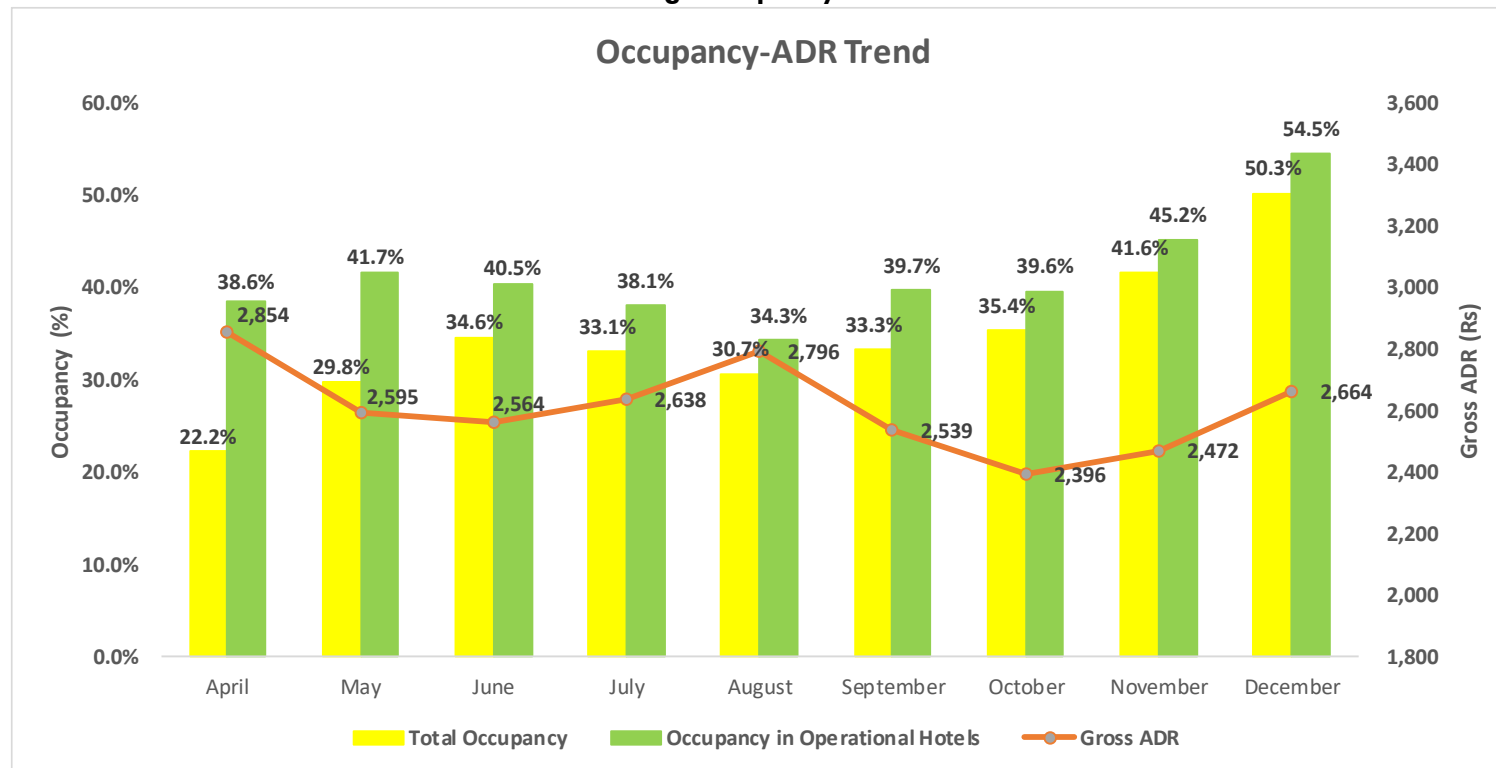
Trends for the 5,192 owned/leased rooms



# 9M FY21 Operating Performance Trends

## Rising Occupancy Levels

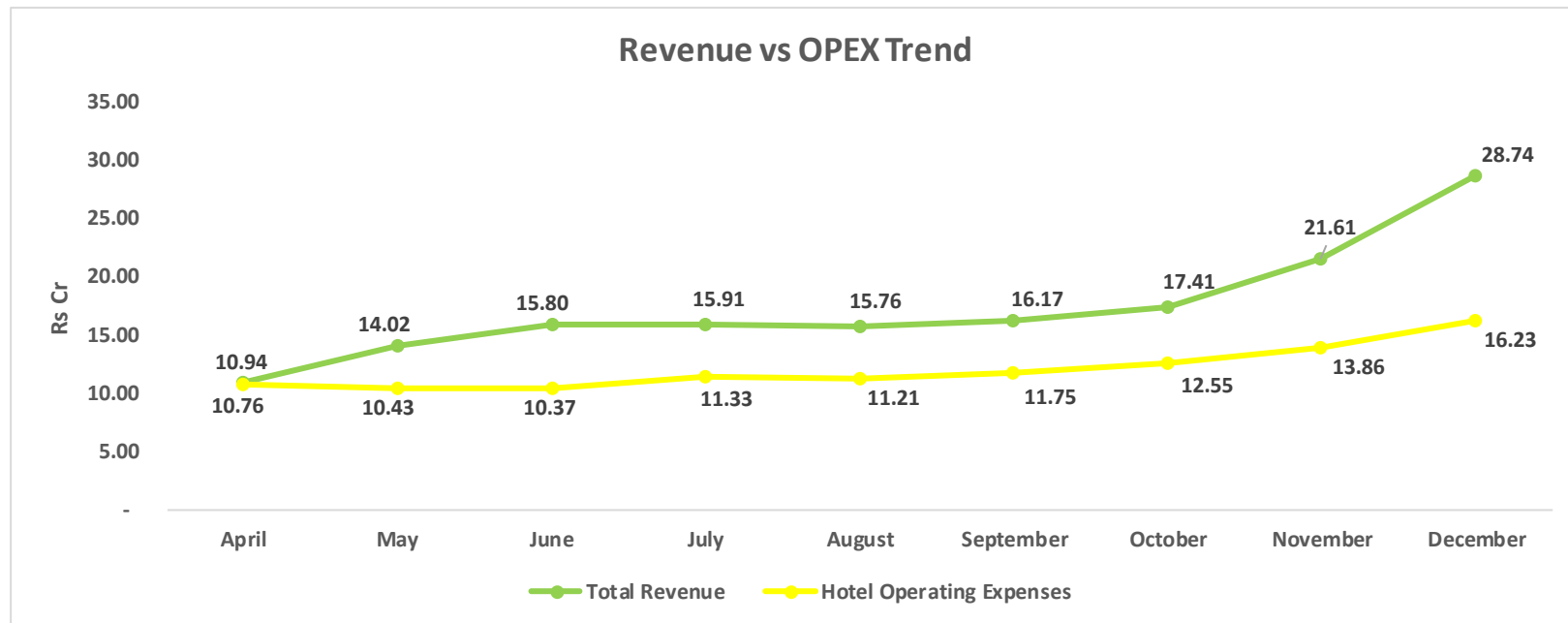
### Occupancy-ADR Trend



Trends for the 5,192 owned/leased rooms



## Constantly Improving Operating Efficiency



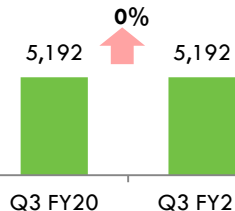
**Notes:**

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)

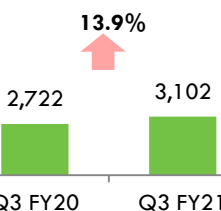
# Q3 FY21 Performance Highlights – Operational Metrics (Consolidated)

## Operational Inventory

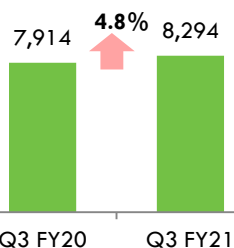
### Owned/Leased rooms



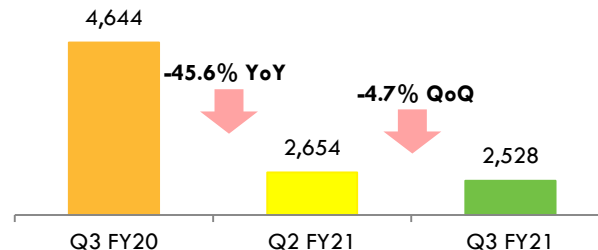
### Managed rooms



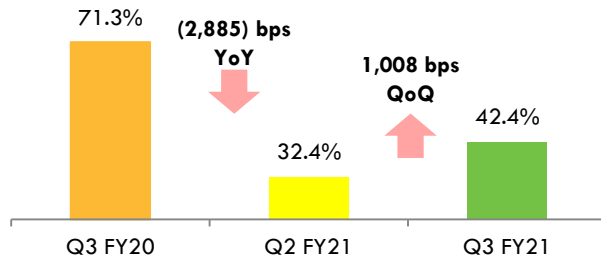
### Total rooms



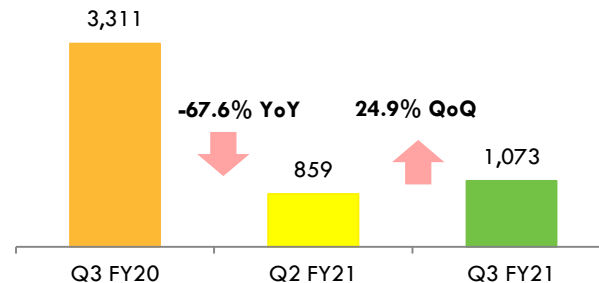
## Average Daily Rate (Rs.)



## Occupancy (%)



## RevPAR (Rs.)

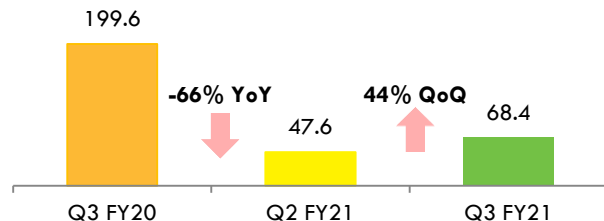


### Notes:

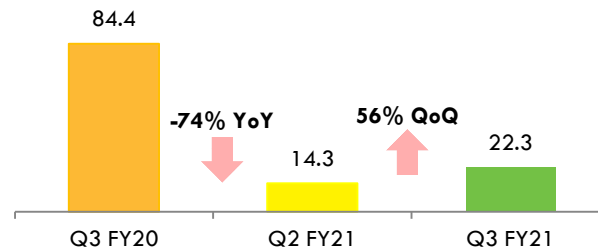
1. ADR, Occupancy and RevPAR are for our owned and leased hotels only.

# Q3 FY21 Performance Highlights – Financial Metrics (Consolidated)

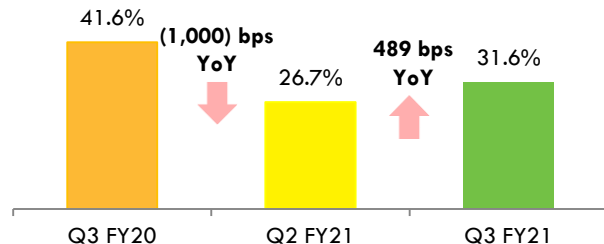
## Revenue from Operation (Rs. Cr)



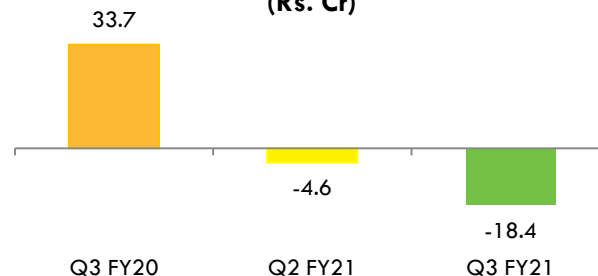
## EBITDA (Rs. Cr)



## EBITDA Margin (%)



## Cash profit (Rs. Cr)



### Notes:

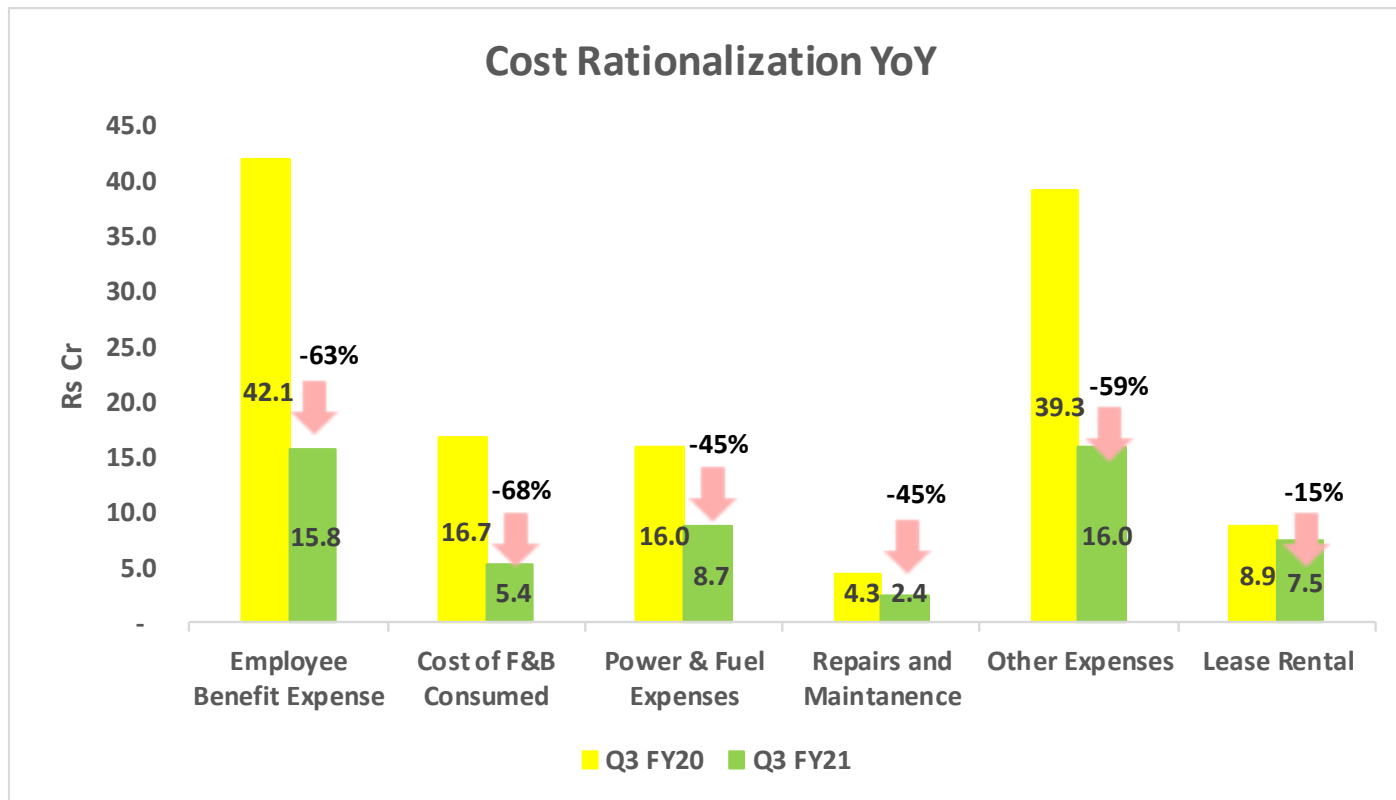
1. Q3 FY21 performance is not indicative of the full year performance
2. Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan

# 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		
By Brand (#Rooms)	Q3 FY20	Q3 FY21	Change (bps)	Q3 FY20	Q3 FY21	Change (%)	Q3 FY20	Q3 FY21	Change (%)	Q3 FY20	Q3 FY21	Change (bps)
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		
By Region (#Rooms)	Q3 FY20	Q3 FY21	Change (bps)	Q3 FY20	Q3 FY21	Change (%)	Q3 FY20	Q3 FY21	Change (%)	Q3 FY20	Q3 FY21	Change (bps)
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>	<b>NA</b>
Tax expense	5.3	(18.0)	NA
<b>PAT</b>	<b>6.0</b>	<b>(159.8)</b>	<b>NA</b>
<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 - H1 FY21

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>Gross Debt to Equity (x)</b>	<b>1.06</b>	<b>1.02</b>	<b>1.04</b>
<i>Net Debt</i>	<i>1,299.1</i>	<i>1,536.7</i>	<i>1,450.0</i>
<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>

## 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, Kerala <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, Dindya	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

## ANNEXURES



# Portfolio Breakup as on 31<sup>st</sup> January 2021 - Operational

Operational Portfolio	Owned		Leased		Managed/Franchised		Total	
31.01.2021	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika	1	139	0	0	0	0	1	139
Lemon Tree Premier	7	1,442	2	161	8	835	17	2,438
Lemon Tree Hotels	13	1,241	4	321	21	1,256	38	2,818
Red Fox Hotels	5	759	2	193	5	471	12	1,423
Keys Prima	0	0	0	0	0	0	0	0
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>43</b>	<b>3,102</b>	<b>84</b>	<b>8,294</b>



# Portfolio Breakup as on 31<sup>st</sup> January 2021 - Pipeline

In Pipeline	Owned		Leased		Managed/Franchised		Total	
31.01.2021	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika	1	669#	0	0	0	0	1	669
Lemon Tree Premier	0	0	0	0	4	229	4	229
Lemon Tree Hotels	1	79	0	0	14	1,105	15	1,184
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>20</b>	<b>1,454</b>	<b>22</b>	<b>2,202</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 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%



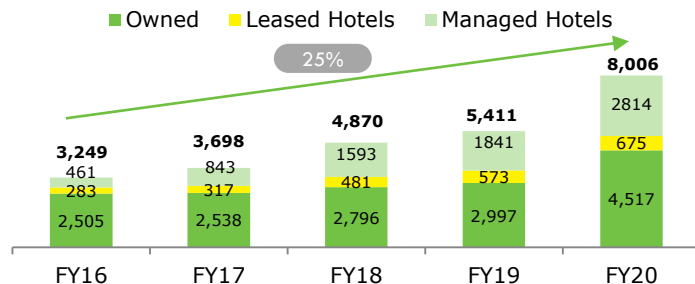
Source : Hotelivate Trends and Opportunities report 2019

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

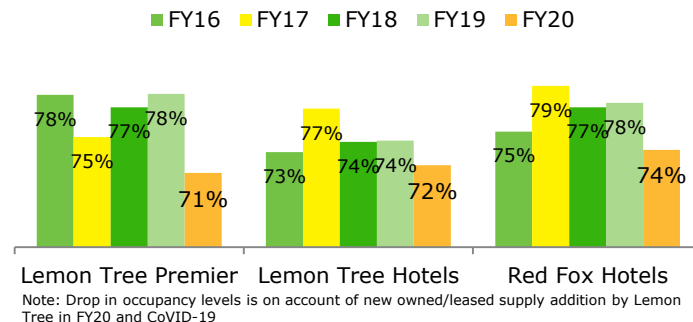
Map updated as of 31<sup>st</sup> January, 2020

# Strong operating performance

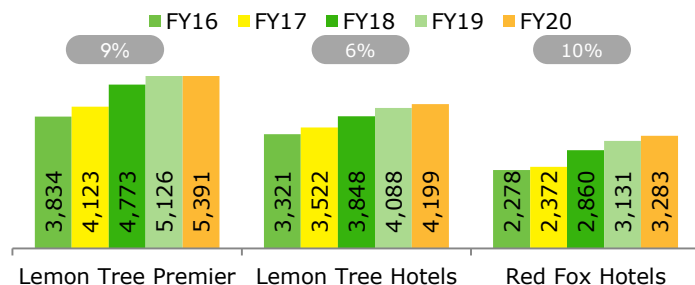
## Rooms are being added...



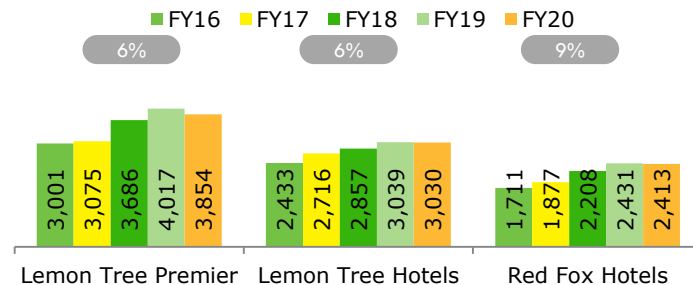
## ...and occupancy levels increasing...



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



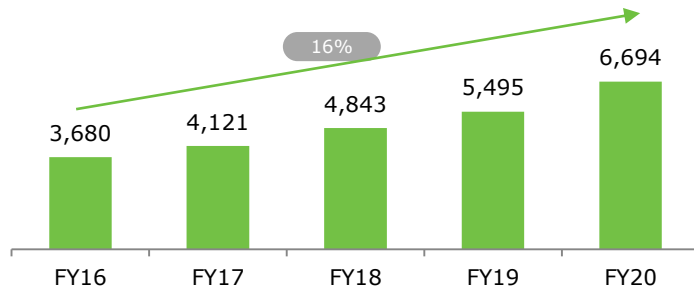
## ...leading to a RevPAR growth



# Strong Growth and improving margins

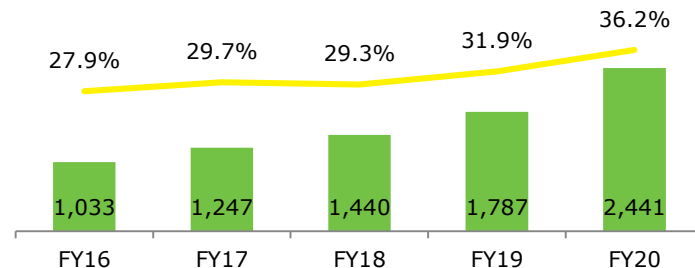
Revenue has increased at 20% over the last 5 years...

Revenue from operations (Rs. million)



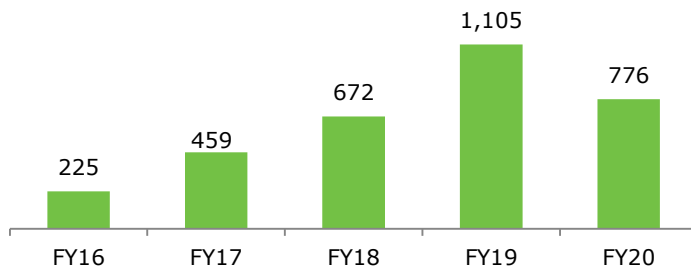
...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



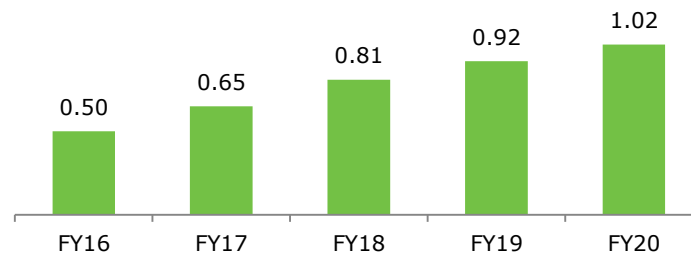
Increasing cash profit\* growth

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



Gearing low

Debt/Equity



# Consolidated Profit & Loss Statement – FY20

Rs. Cr	FY19	FY20 Before IndAS 116 Impact	YoY Change (%)	IndAS 116 Impact	FY20 After IndAS 116 Impact	YoY Change (%)
<b>Revenue from operations</b>	<b>549.5</b>	<b>669.4</b>	<b>21.8%</b>		<b>669.4</b>	<b>21.8%</b>
<b>Total expenses</b>	<b>380.7</b>	<b>464.3</b>	<b>21.9%</b>	<b>-33.2</b>	<b>431.1</b>	<b>13.2%</b>
<b>EBITDA</b>	<b>168.8</b>	<b>205.1</b>	<b>21.6%</b>	<b>33.2</b>	<b>238.3</b>	<b>41.2%</b>
<b>EBITDA margin (%)</b>	<b>30.7%</b>	<b>30.6%</b>	<b>(7)</b>		<b>35.6%</b>	<b>489</b>
Other income	9.9	5.8	-41.8%		5.8	-41.8%
Finance costs	84.7	124.9	47.5%	36.6	161.6	90.7%
Depreciation & amortization	54.1	73.2	35.2%	14.0	87.2	61.1%
<b>PBT</b>	<b>45.3</b>	<b>15.3</b>	<b>-66.3%</b>	<b>-17.4</b>	<b>(2.2)</b>	<b>-104.8%</b>
Tax expense	(11.1)	15.5	-239.4%	-4.6	10.9	-197.7%
<b>PAT</b>	<b>56.4</b>	<b>(0.2)</b>	<b>-100.4%</b>	<b>-12.8</b>	<b>(13.0)</b>	<b>-123.1%</b>
<b>Cash Profit</b>	<b>110.5</b>	<b>72.9</b>	<b>-34.0%</b>	<b>4.6</b>	<b>77.6</b>	<b>-29.8%</b>

# Consolidated Balance Sheet Snapshot – FY20

Rs. Cr	FY19	FY20
Shareholder's Funds	875.0	823.0
Non-controlling interests	432.2	721.8
<b>Total Shareholder's equity</b>	<b>1,307.2</b>	<b>1,544.8</b>
Total Debt	1,204.2	1,577.5
Other Non-current liabilities	38.0	464.2
Other Current liabilities	222.4	176.3
<b>Total Equity &amp; Liabilities</b>	<b>2,771.8</b>	<b>3,762.8</b>
Non-current assets	2,575.3	3,615.4
Current assets	196.6	147.3
<b>Total Assets</b>	<b>2,771.8</b>	<b>3,762.8</b>
Debt to Equity (x)	0.92	1.02
Average cost of borrowing (%)	9.40%	9.60%

# Operational Performance by Ageing – FY19 vs. FY20

Parameters	Financial year	Adult Hotels (Stable - older than 3 years)	Toddler Hotels (Stabilizing - between 1-3 years old)	Infant Hotels (New - less than 1 year old)	Under-development hotels
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

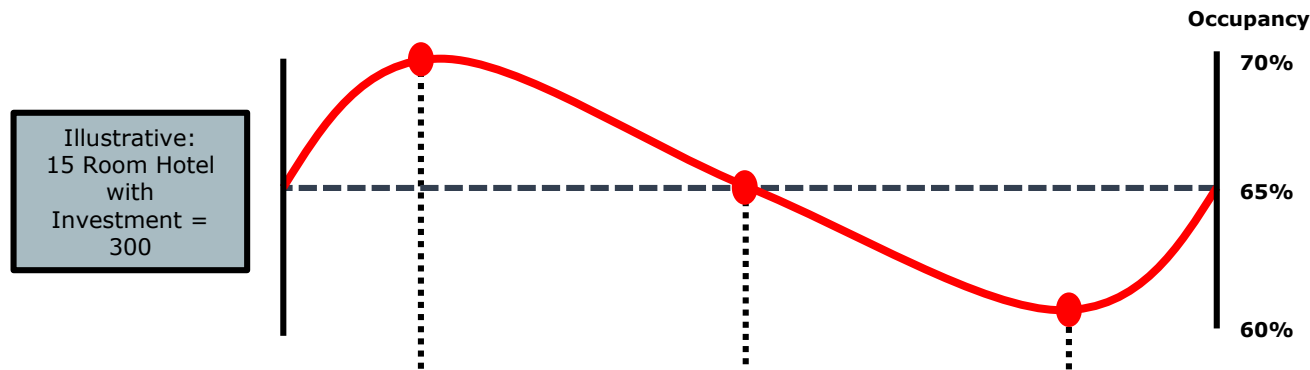
2) Hotel level EBITDAR measures hotel-level results before lease rentals, debt service, depreciation and corporate expenses of the owned/leased hotels, and is a key measure of company's profitability

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

\* Post stabilization.



# The hotel business cycle



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

## Lemon Tree Hotels Limited (LTH) Q3 FY21 Earnings Conference Call

**Time** • 2:00 PM IST on Thursday, February 11<sup>th</sup>, 2021

**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) ~8,300 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)

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