

# Lemon Tree Hotels Limited



## Q2 FY21 Earnings Presentation

6<sup>th</sup> November, 2020



**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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# Disclaimer

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

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



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# Lemon Tree – Snapshot as on 31st October, 2020



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

**8,044  
rooms;  
81 hotels**



**Pipeline**

**2,607  
rooms;  
27 hotels**



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





**10,651  
rooms;  
108 hotels**

Brand	Current	Pipeline	by FY22
<b>Aurika</b>	139 Rooms; 1 Hotel	669 Rooms; 1 Hotel <sup>#</sup>	808 Rooms; 2 Hotels
<b>Lemon Tree Premiere</b>	2,316 Rooms; 16 Hotels	349 Rooms; 5 Hotels	2,665 Rooms; 21 Hotels
<b>Lemon Tree Hotel</b>	2,690 Rooms; 36 Hotels	1,469 Rooms; 19 Hotels	4,159 Rooms; 55 Hotels
<b>Red Fox Hotel</b>	1,423 Rooms; 12 Hotels	80 Rooms; 1 Hotel	1,503 Rooms; 13 Hotels
<b>Keys</b>	1,476 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.

## Key Statistics

		Q2 FY20	Q2 FY21	YoY Var (%)
	Cities	34	49	44%
	Hotels	57	81	42%
	Rooms	5,828	8,044	37%
	Loyalty Members	1.07 mn	1.20 mn	12%

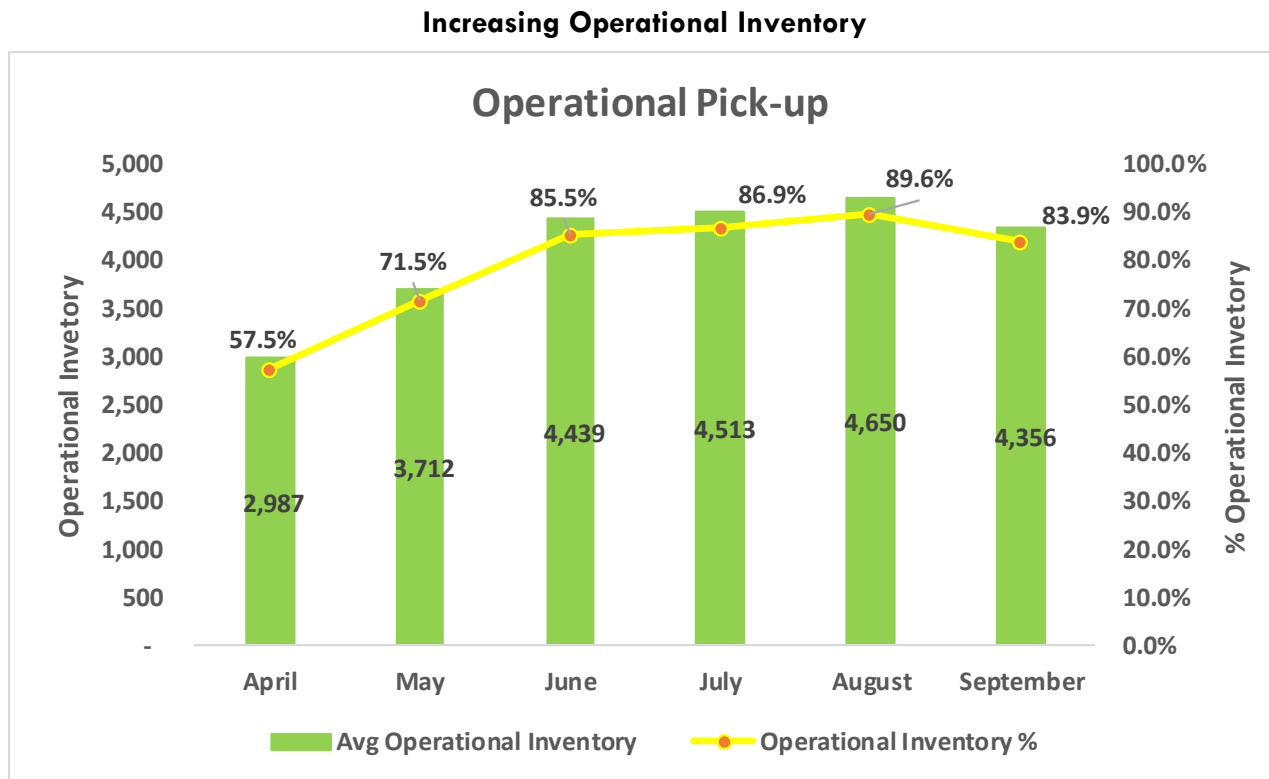


**Commenting on the performance for Q2 FY21, Mr. Patanjali Keswani, Chairman & Managing Director – Lemon Tree Hotels Limited said,**

*"The pandemic has had a severe impact on the travel, hospitality and tourism industry, with these sectors facing an unprecedented and never-seen-before level of disruption, both in the domestic and global markets. However, as lockdown restrictions across domestic markets eased along with the gradual reopening of state borders, we saw initial demand revival coming in particularly from the retail segment. Addressing this uptick, we rejigged our offers and packages for staycations, day-use, work-from-hotels amongst others, which saw a healthy response. This enabled us to witness a recovery on a sequential basis and our operating performance improved significantly over the previous quarter. Our operating inventory increased from 71.5% of our total inventory in Q1 FY21 to 86.8% in Q2 FY21. Our occupancy on full inventory improved from 28.9% in Q1 FY21 to 32.4% in Q2 FY21. Our occupancy across operating hotels stood at 37.3% in Q2 FY21. Consequently, revenues from operations increased 17% from Rs 40.7 Cr in Q1 FY21 to Rs 47.6 Cr in Q2 FY21.*

*From an operating standpoint, we have continued to explore measures that focus on tightening fixed costs, enhancing efficiencies and improving business processes further to the measures which we implemented in Q1 FY21. This has positively impacted our profitability performance, with our EBITDA growing by 92% to Rs 14.3 Cr in Q2 FY21 from Rs 7.5 Cr in Q1 FY21. Our EBITDA margin expanded by 964bps to 26.7% in Q2 FY21 from 17.1% in Q1 FY21.*

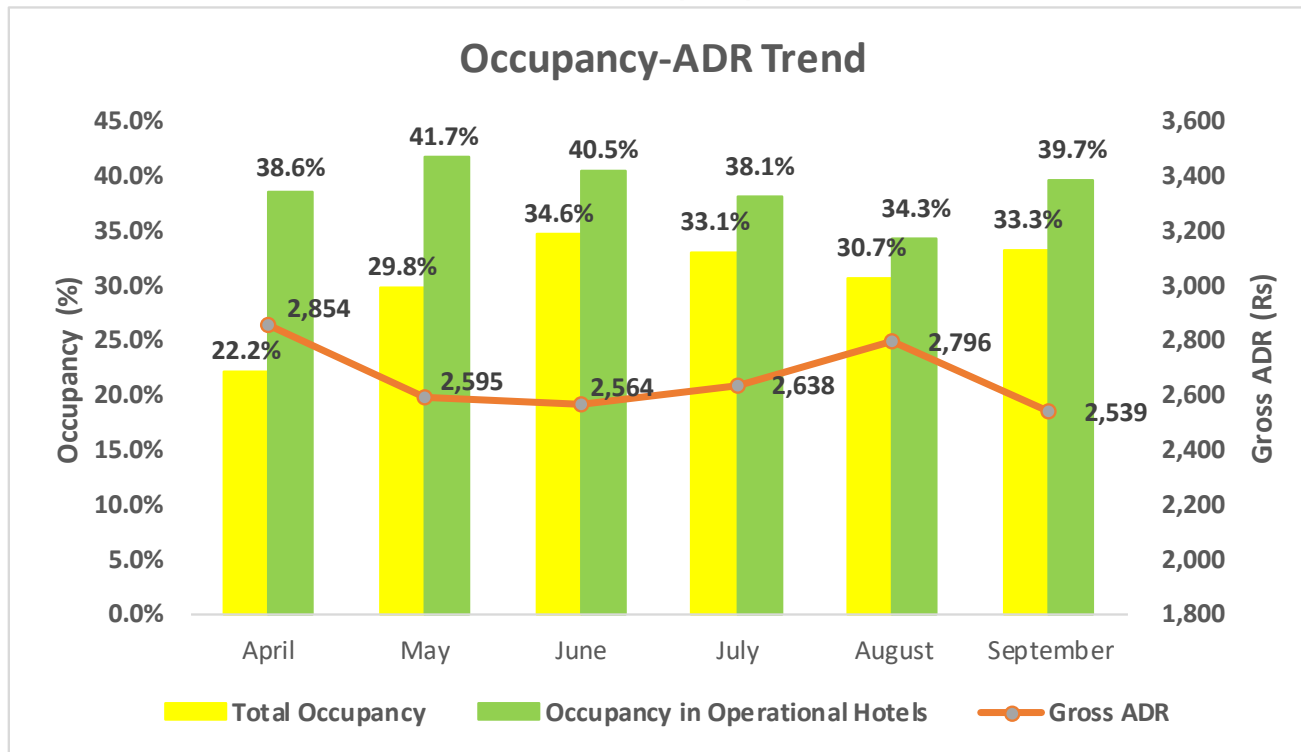
*Looking ahead, although the overall demand is far from pre-crisis levels, we are hopeful that the momentum which we gained in Q2 will increase in the months ahead. As the hospitality industry prepares for this new-normal environment, the safety of our guests and employees remains of utmost important to us. With the launch of our unique 'Rest Assured' initiative, we are ensuring the best safety and hygiene protocols across all of our properties. On the whole, while the industry will take some more time to recover, we remain confident of our business model and we are sure to bounce back strongly in the normal business environment."*



Trends for the 5,192 owned/leased rooms



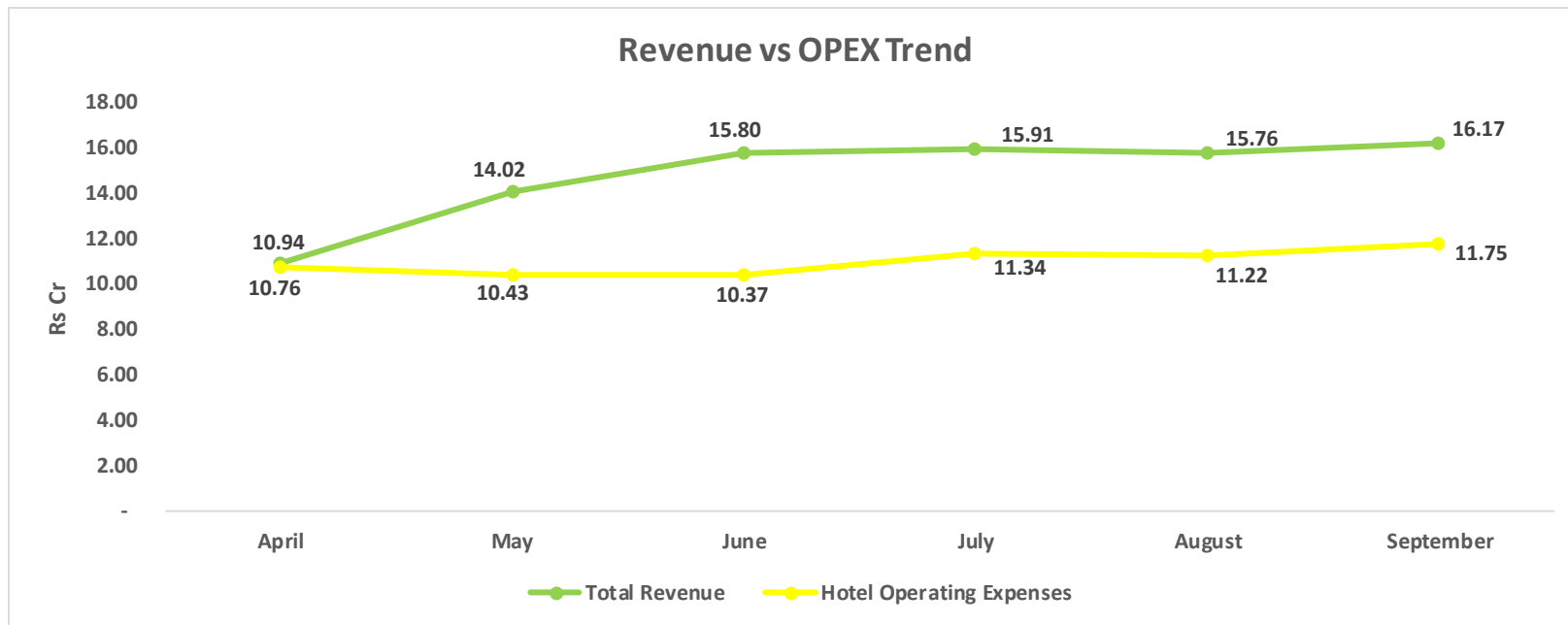
## Rising Occupancy Levels



Trends for the 5,192 owned/leased rooms



## Constantly Improving Operating Efficiency



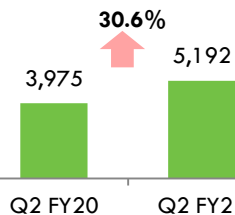
**Notes:**

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)

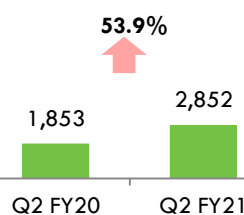
# Q2 FY21 Performance Highlights – Operational Metrics (Consolidated)

## Operational Inventory

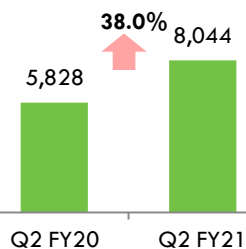
### Owned/Leased rooms



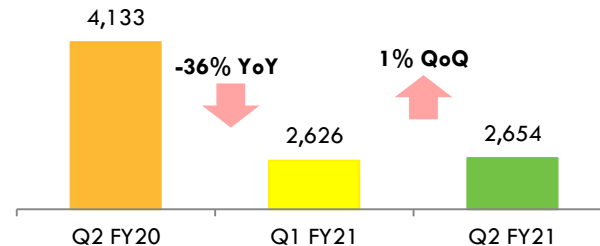
### Managed rooms



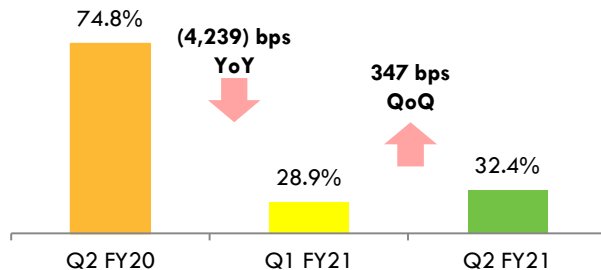
### Total rooms



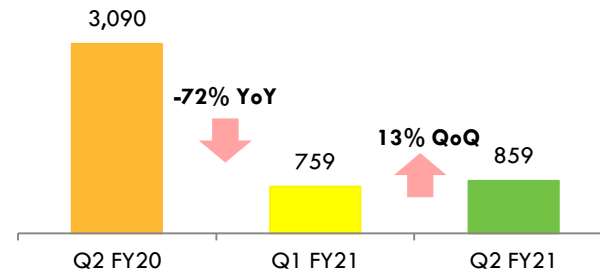
## Average Daily Rate (Rs.)



## Occupancy (%)



## RevPAR (Rs.)

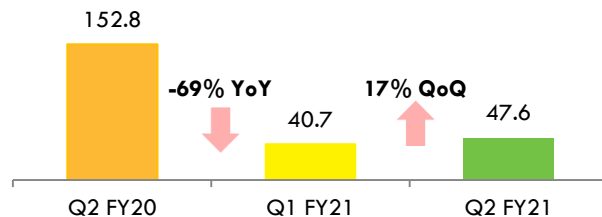


Notes:

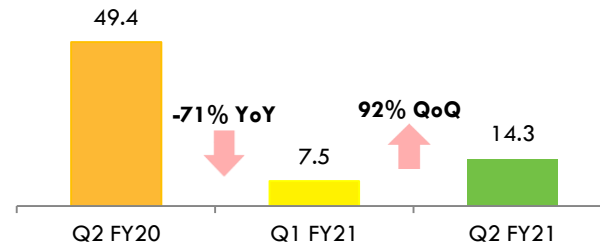
1. ADR, Occupancy and RevPAR are for our owned and leased hotels only.

# Q2 FY21 Performance Highlights – Financial Metrics (Consolidated)

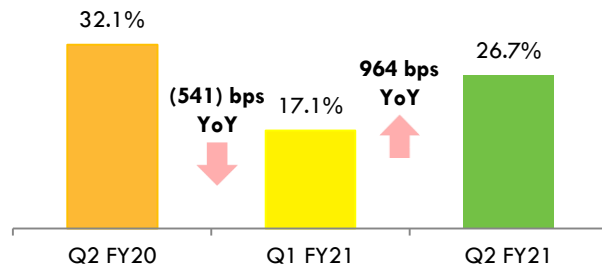
## Revenue from Operation (Rs. Cr)



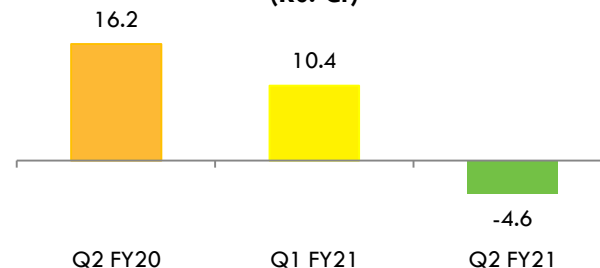
## EBITDA (Rs. Cr)



## EBITDA Margin (%)



## Cash profit (Rs. Cr)



### Notes:

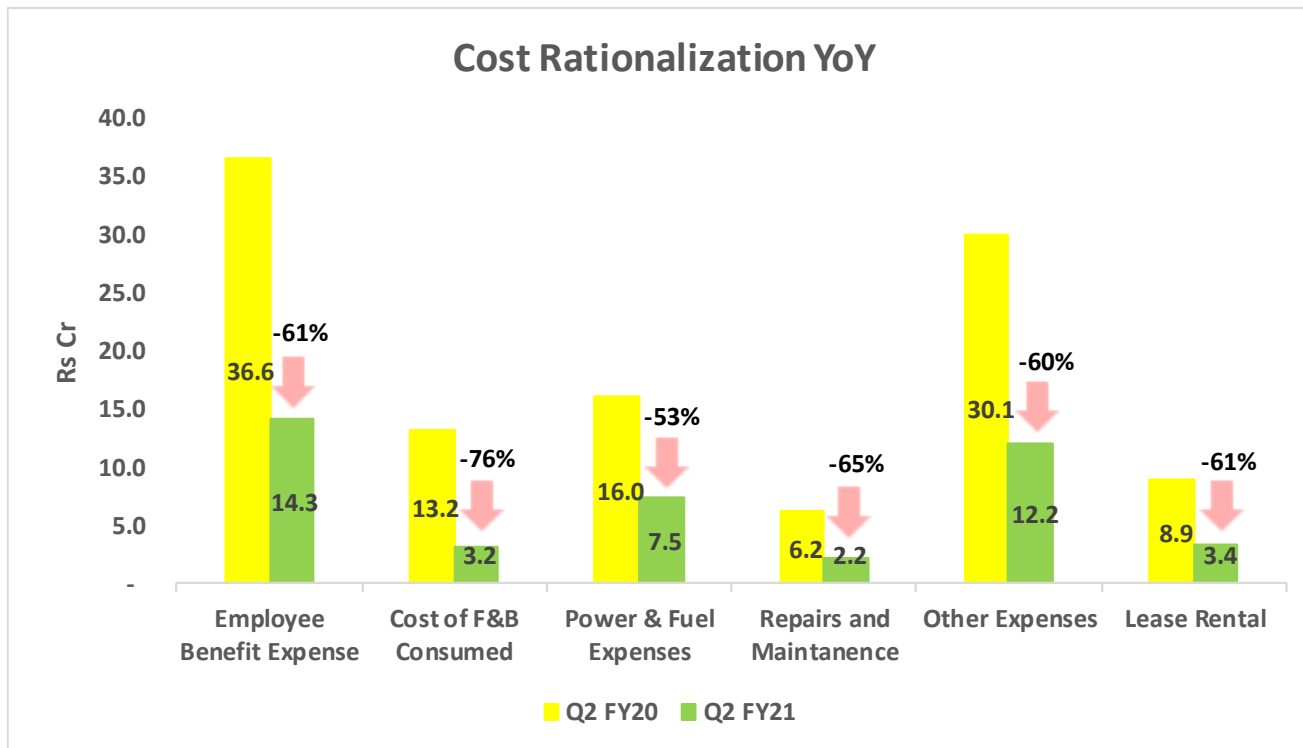
1. Q2 FY21 performance is not indicative of the full year performance
2. Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan

# Consolidated Profit & Loss Statement – Q2 FY21

Rs. Cr	Q2 FY20	Q1 FY21	Q2 FY21	QoQ Change (%)	YoY Change (%)
<b>Revenue from operations</b>	<b>152.8</b>	<b>40.7</b>	<b>47.6</b>	<b>17.0%</b>	<b>-68.8%</b>
Other income	0.9	3.1	6.0	92.9%	546.9%
<b>Total expenses</b>	<b>104.3</b>	<b>36.3</b>	<b>39.3</b>	<b>8.2%</b>	<b>-62.3%</b>
<b>EBITDA</b>	<b>49.4</b>	<b>7.5</b>	<b>14.3</b>	<b>91.6%</b>	<b>-71.0%</b>
<b>EBITDA margin (%)</b>	<b>32.1%</b>	<b>17.1%</b>	<b>26.7%</b>	<b>964</b>	<b>(541)</b>
Finance costs	35.3	48.7	49.7	2.1%	40.9%
Depreciation & amortization	19.6	27.1	27.0	-0.3%	38.1%
<b>PBT</b>	<b>(3.0)</b>	<b>(67.7)</b>	<b>(59.7)</b>	<b>-11.8%</b>	<b>NA</b>
Tax expense	0.1	(7.1)	(6.2)	-13.6%	NA
<b>PAT</b>	<b>(3.0)</b>	<b>(60.6)</b>	<b>(53.5)</b>	<b>-11.6%</b>	<b>NA</b>
<b>Cash Profit</b>	<b>16.2</b>	<b>10.4</b>	<b>(4.6)</b>	<b>NA</b>	<b>NA</b>

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

# Consolidated Expenses – Q2 FY21 vs Q2 FY20



# Consolidated Profit & Loss Statement Breakup – Q2 FY21

Rs. Cr	Same Hotels			New Hotels <sup>1</sup>	Total without Keys Hotels			Keys Hotels	Total		
	Q2FY20	Q2FY21	YoY Change	Q2FY21	Q2FY20	Q2FY21	YoY Change	Q2FY21	Q2FY20	Q2FY21	YoY Change
Inventory	3,975	3,975	0.0%	281	3,975	4,256	7.1%	936	3,975	5,192	30.6%
ARR	4,133	2,634	-36.3%	4,962	4,133	2,730	-34.0%	2,122	4,133	2,654	-35.8%
Occupancy	74.8%	35.5%	(3,928)	21.5%	74.8%	34.6%	(4,020)	22.4%	74.8%	32.4%	(4,239)
RevPAR	3,090	934	-69.8%	1,069	3,090	943	-69.5%	475	3,090	859	-72.2%
<b>Revenue from Operations</b>	<b>152.8</b>	<b>39.0</b>	<b>-74.5%</b>	<b>3.3</b>	<b>152.8</b>	<b>42.2</b>	<b>-72.4%</b>	<b>5.4</b>	<b>152.8</b>	<b>47.6</b>	<b>-68.8%</b>
Other Income	0.9	5.2	461.7%	0.0	0.9	5.2	462.3%	0.8	0.9	6.0	546.9%
Total expenses	104.3	31.9	-69.4%	2.3	104.3	34.2	-67.2%	5.1	104.3	39.3	-62.3%
<b>EBITDA</b>	<b>49.4</b>	<b>12.3</b>	<b>-75.1%</b>	<b>1.0</b>	<b>49.4</b>	<b>13.3</b>	<b>-73.1%</b>	<b>1.1</b>	<b>49.4</b>	<b>14.3</b>	<b>-71.0%</b>
EBITDA margin (%)	32.1%	27.9%	(426)	29.3%	32.1%	28.0%	(416)	17.1%	32.1%	26.7%	(541)
<b>PBT</b>	<b>(3.0)</b>	<b>(39.9)</b>	<b>NA</b>	<b>(12.3)</b>	<b>(3.0)</b>	<b>(52.2)</b>	<b>NA</b>	<b>(7.5)</b>	<b>(3.0)</b>	<b>(59.7)</b>	<b>NA</b>

Note : New Hotels include: Lemon Tree Premier Kolkata & Aurika Udaipur

# Operational Performance by Brands & Region – Q2 FY20 vs. Q2 FY21

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
By Brand (#Rooms)	Q2 FY20	Q2 FY21	Change (bps)	Q2 FY20	Q2 FY21	Change (%)	Q2 FY20	Q2 FY21	Change (%)	Q2 FY20	Q2 FY21	Change (bps)
Lemon Tree Premier (1,461)	75.4%	48.6%	(2,687)	5,069	2,850	-43.8%	2.0	0.6	-70.7%	42.5%	39.4%	(196)
Lemon Tree Hotels (1562)	72.7%	26.6%	(4,611)	3,948	2,498	-36.7%	1.2	0.1	-91.7%	34.5%	13.7%	(2,086)
Red Fox Hotels (850)	77.0%	29.9%	(4,710)	3,014	2,296	-23.8%	1.0	0.1	-94.5%	41.6%	8.7%	(3,291)

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
By Region (#Rooms)	Q2 FY20	Q2 FY21	Change (bps)	Q2 FY20	Q2 FY21	Change (%)	Q2 FY20	Q2 FY21	Change (%)	Q2 FY20	Q2 FY21	Change (bps)
Delhi (636)	86.0%	58.5%	(2,751)	4,312	2,921	-32.3%	1.7	0.6	-64.8%	38.6%	35.5%	(306)
Gurugram (529)	77.9%	24.7%	(5,314)	4,078	2,987	-26.7%	1.2	0.1	-90.1%	30.9%	13.8%	(1,712)
Hyderabad (663)	83.7%	33.5%	(5,018)	4,239	2,175	-49.3%	2.2	0.2	-91.3%	51.0%	24.9%	(2,609)
Bengaluru (493)	80.1%	23.7%	(5,631)	4,370	1,643	-62.4%	2.0	0.1	-96.3%	47.5%	17.7%	(2,986)
Mumbai (303)	50.3%	48.6%	(173)	6,219	3,789	-39.1%	1.3	0.9	-31.8%	36.5%	48.1%	1,153

Note:

1) These performance results do not include Lemon Tree Premier Kolkata, Aurika Udaipur and Keys.



# Discussion on Consolidated Financial & Operational Performance – Q2 FY21

## Revenue

- \* Revenue from operations stood at Rs. 47.6 Cr in Q2 FY21, down 68.8% as compared to Rs. 152.8 Cr in Q2 FY20. On a sequential basis, revenue from operations increased 17.0% from Rs 40.7 Cr in Q1 FY21
- \* ADR decreased by 35.8% from 4,133 in Q2 FY20 to 2,654 in Q2 FY21. However the ADR in Q2 FY21 was 1.1% higher than Rs 2,626 in Q1 FY21
- \* Occupancy on full inventory decreased by 4,240bps from 74.8% in Q2 FY20 to 32.4% in Q2 FY21. On a sequential basis, the occupancy on full inventory increased by 347bps from 28.9% in Q1 FY21. Occupancy on operational inventory stood at 37.3%
- \* Fees from managed hotels stood at Rs. 0.4 Cr in Q2 FY21 (0.8% of Revenue from operations)

## Cost

- \* Total expenses stood at Rs. 39.3 Cr in Q2 FY21 down 62.2% as compared to Rs 104.3 Cr in Q2 FY20. On a sequential basis, expenses increased by 8.2% Rs 36.3 Cr in Q1 FY21 due to higher operational inventory

## Operating Margins

- \* EBITDA decreased by 71.0% from Rs 49.4 Cr in Q2 FY20 to Rs 14.3 Cr in Q2 FY21. On a sequential basis, EBITDA increased 91.6% from Rs 7.5 Cr in Q1 FY21
- \* EBITDA margin contracted by 541 bps from 32.1% in Q2 FY20 to 26.7% in Q2 FY21. On a sequential basis, the EBITDA margin has expanded by 964bps from 17.1% in Q1 FY21

## Profit after tax

- \* Profit after tax decreased from Rs (3.0) Cr in Q2 FY20 to Rs (53.5) Cr in Q2 FY21. The PAT in Q1 FY21 was Rs (60.6) Cr
- \* Cash Profit for Q2 FY21 stood at Rs -4.6 Cr vs Rs 16.2 Cr in Q2 FY20. The Cash Profit in Q1 FY21 was 10.4 Cr

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

# Consolidated Profit & Loss Statement – H1 FY21

Rs. Cr	H1 FY20	H1 FY21	YoY Change (%)
<b>Revenue from operations</b>	<b>293.7</b>	<b>88.3</b>	<b>-69.9%</b>
Other income	2.2	9.1	316.8%
<b>Total expenses</b>	<b>200.5</b>	<b>75.6</b>	<b>-62.3%</b>
<b>EBITDA</b>	<b>95.4</b>	<b>21.8</b>	<b>-77.2%</b>
<b>EBITDA margin (%)</b>	<b>32.2%</b>	<b>22.4%</b>	<b>(986)</b>
Finance costs	66.2	98.4	48.7%
Depreciation & amortization	36.7	54.1	47.3%
<b>PBT</b>	<b>(4.4)</b>	<b>(127.4)</b>	NA
Tax expense	0.8	(13.3)	NA
<b>PAT</b>	<b>(5.1)</b>	<b>(114.1)</b>	NA
<b>Cash Profit</b>	<b>31.2</b>	<b>5.8</b>	<b>-81.2%</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>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 30<sup>st</sup> September, 2020 is Rs. 3,359 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> October, 2020)

Management Contracts Pipeline	Rooms	Expected Opening date
Lemon Tree Hotel, Jhansi	60	Nov-20
Lemon Tree Premier, Vijaywada	120	Jan-21
Lemon Tree Hotel, Aligarh	68	Jan-21
Lemon Tree Premier, Bhubaneshwar	76	Feb-21
Lemon Tree Hotel, BKC, Mumbai	70	Mar-21
Red Fox Hotel, Neelkanth	80	Mar-21
Keys Prima, Dehradun	40	Mar-21
<b>Management Rooms to be Operational in FY21</b>	<b>514</b>	
Lemon Tree Premier, Coorg	63	Apr-21
Lemon Tree Resort, Mussoorie	40	May-21
Serviced Suites, Manesar	260	Oct-21
Lemon Tree Hotel, Bokaro	70	Oct-21
Lemon Tree Hotel, Kathmandu	75	Dec-21
Lemon Tree Resort, Nagarkot, Nepal	51	Dec-21
Lemon Tree Resort, Thimpu	38	Dec-21
Lemon Tree Hotel, Rishikesh	102	Dec-21
Lemon Tree Hotel, Trivandrum	100	Mar-22
Lemon Tree Hotel, Agra	62	Mar-22
Lemon Tree Hotel, Darjeeling	55	Apr-22
Lemon Tree Hotel, Ludhiana	60	TBD
Lemon Tree Hotel, Gulmarg	35	TBD
Lemon Tree Hotel, Sonamarg	40	TBD
Lemon Tree Hotel, Ranthambore	60	TBD
Lemon Tree Premier, Dindy	50	TBD
Lemon Tree Hotel, Durgapur	80	TBD
Lemon Tree Hotel, Gwalior	104	TBD
<b>Total Pipeline</b>	<b>1,859</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> October 2020 - Operational

Operational Portfolio	Owned		Leased		Managed/Franchised		Total	
31.10.2020	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	7	713	16	2,316
Lemon Tree Hotels	13	1,241	4	321	19	1,128	36	2,690
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>40</b>	<b>2,852</b>	<b>81</b>	<b>8,044</b>



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

In Pipeline	Owned		Leased		Managed/Franchised		Total	
31.10.2020	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika	1	669#	0	0	0	0	1	669
Lemon Tree Premier	0	0	0	0	5	349	5	349
Lemon Tree Hotels	1	79	0	0	18	1,390	19	1,469
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>25</b>	<b>1,859</b>	<b>27</b>	<b>2,607</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%

## INTERNATIONAL DESTINATIONS

### United Arab Emirates

● Dubai

### Bhutan

● Thimphu

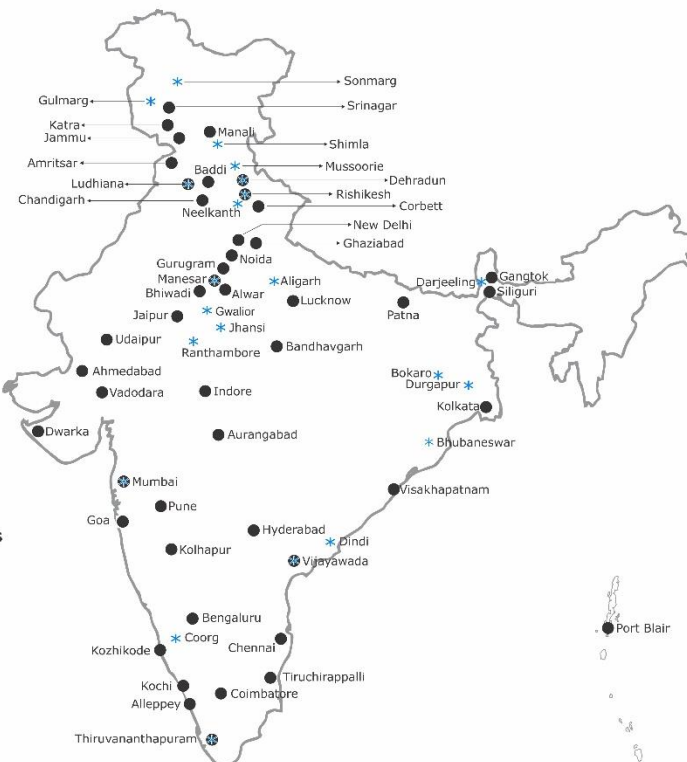
### Nepal

\* Kathmandu

\* Nagarkot

● Operating Hotels

\* Upcoming Hotels



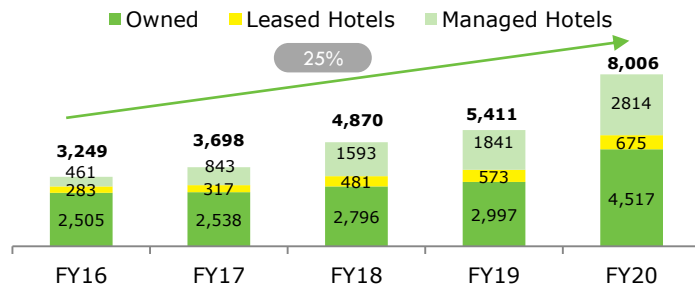
Source : Hotelivate Trends and Opportunities report 2019

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

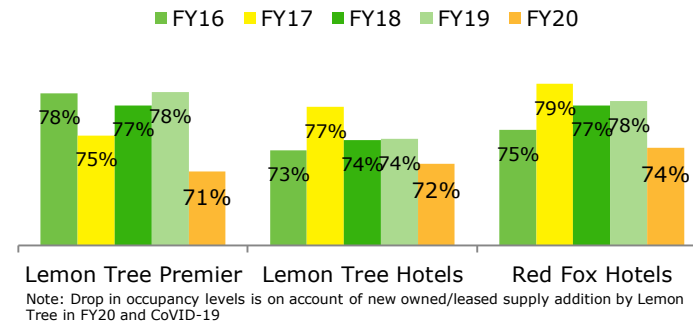
Map updated as of 15<sup>th</sup> May, 2020

# Strong operating performance

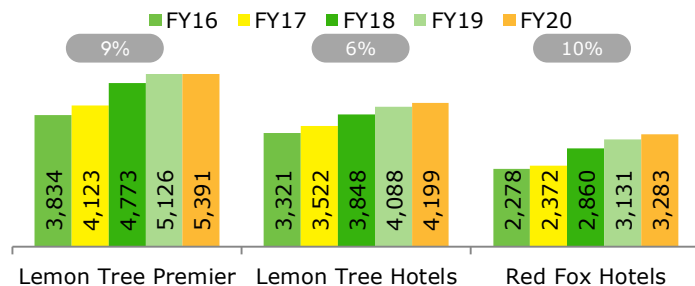
## Rooms are being added...



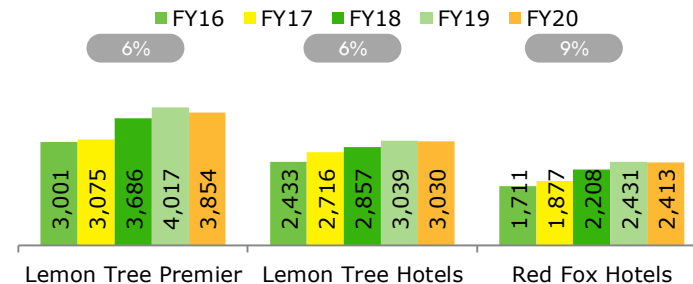
## ...and occupancy levels increasing...



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



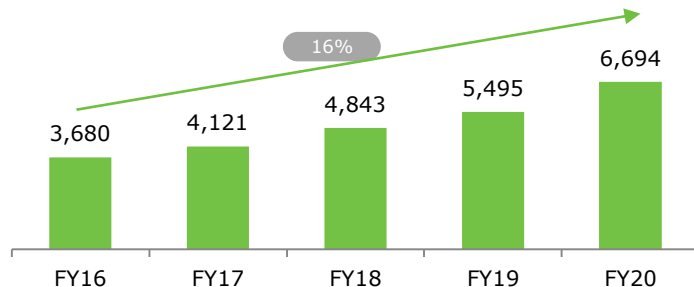
## ...leading to a RevPAR growth



# Strong Growth and improving margins

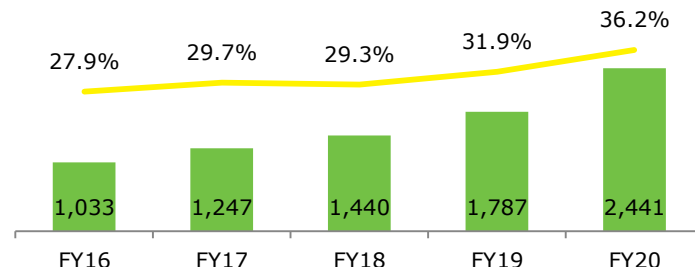
Revenue has increased at 20% over the last 5 years...

Revenue from operations (Rs. million)



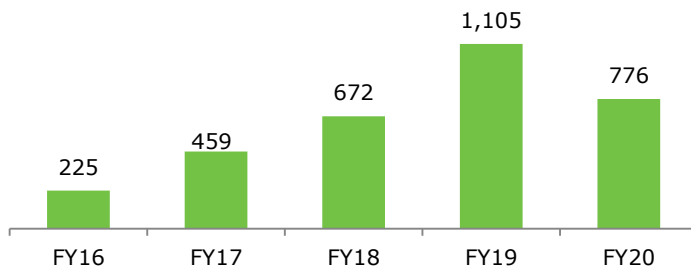
...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



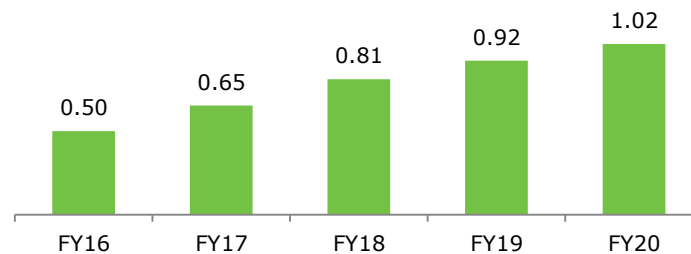
Increasing cash profit\* growth

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

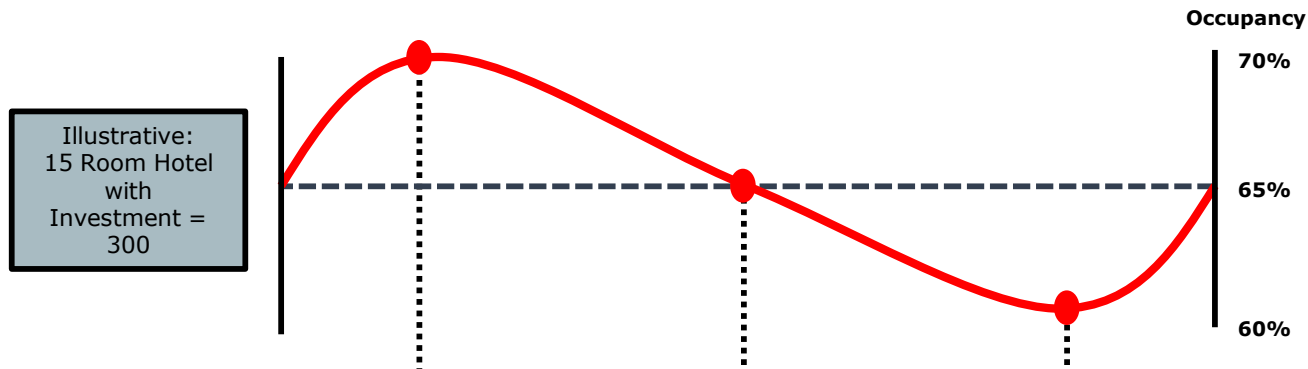
2) Hotel level EBITDAR measures hotel-level results before lease rentals, debt service, depreciation and corporate expenses of the owned/leased hotels, and is a key measure of company's profitability

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) Q2 FY21 Earnings Conference Call

**Time** • 3:00 PM IST on Monday, November 9<sup>th</sup>, 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 81 hotels across 49 cities. As the current pipeline (as of 31<sup>st</sup> October 2020) becomes operational, LTH will be operating 108 hotels with ~10,650 rooms, across 69 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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