

Lemon Tree Hotels Limited

Q2 FY22 Earnings Presentation

21st Oct, 2021



aurika
HOTELS & RESORTS

UPSCALE


lemon tree
PREMIER

UPPER MIDSCALE


lemon tree
HOTELS

MIDSCALE


red fox
BY LEMON TREE HOTELS

ECONOMY


PRIMA

BY LEMON TREE HOTELS

UPPER MIDSCALE


SELECT

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MIDSCALE


LITE

BY LEMON TREE HOTELS

ECONOMY

Disclaimer

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

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



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Lemon Tree – Snapshot as on 21st October 2021



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

**8,497
rooms;
87 hotels**



Pipeline

**1,965
rooms;
19 hotels**



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

**10,462
rooms;
106 hotels**

Brand	Current	Pipeline	By FY23
Aurika Hotels & Resorts	202 Rooms; 2 Hotels	669 Rooms; 1 Hotel	871 Rooms; 3 Hotels
Lemon Tree Premier	2,514 Rooms; 18 Hotels	130 Rooms; 2 Hotel	2,644 Rooms; 20 Hotels
Lemon Tree Hotels	2,867 Rooms; 39 Hotels	1,127 Rooms; 15 Hotels	3994 Rooms; 54 Hotels
Red Fox by Lemon Tree Hotels	1,503 Rooms; 13 Hotels	--	1,503 Rooms; 13 Hotels
Keys by Lemon Tree Hotels	1,411 Rooms; 15 Hotels	39 Rooms; 1 Hotel	1,450 Rooms; 16 Hotels

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



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Key Statistics

		Q2 FY22	Q2 FY21	YoY Var (%)
	Cities	54	49	10%
	Hotels	87	81	7%
	Rooms	8,497	8,044	6%

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Chairman & Managing Director's Message



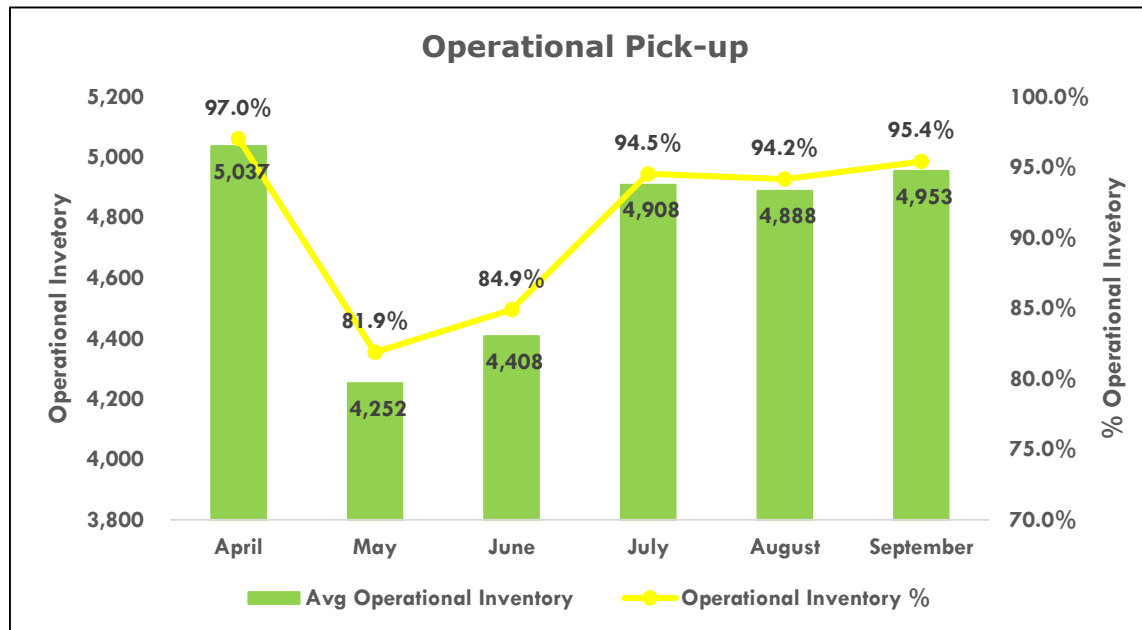
Commenting on the performance for Q2 FY22, Mr. Patanjali Keswani, Chairman & Managing Director – Lemon Tree Hotels Limited said,

We saw a significant improvement in performance against the previous quarter due to a strong recovery in demand. The gradual easing of lockdown restrictions, improved vaccination coverage and a growing sense of normalcy in the domestic market has led to improved confidence and therefore bookings, which has improved week on week since the start of Q2 FY22. Overall our occupancy on full inventory improved from 30% in Q1 FY22 to 51% in Q2 FY22. Our room rates too witnessed growth of 28.2% from Rs. 2,362 in Q1 FY22 to Rs. 3,028 in Q2 FY22. Going forward, with the continued improvement in demand, our focus will be on increasing our room rates over the next two quarters. Overall during this quarter, our Net EBITDA grew by 1647% to Rs. 35.8 Cr in Q2 FY22 from Rs. 2.0 Cr in Q1 FY22. Our EBITDA margin expanded by 3159 bps to 36.2% in Q2 FY22 from 4.6% in Q1 FY22.

Regarding growth, I am pleased to share that we commissioned three new hotels under management contracts during this quarter. These include our entry into Coorg (63 rooms) with our first managed resort under the brand Aurika, our first Manchise property under the Keys Prima flag in Dehradun (40 rooms) and a Red Fox Hotel in Neelkanth (80 rooms). These hotels are in sync with our strategy to go asset-light by expanding the managed hotels vertical and leveraging our strong brand. Since the beginning of the pandemic, we have operationalized 10 hotels which added more than 700 rooms to our portfolio. Our current operational inventory as of 21st Oct 2021 comprises of 87 hotels and 8497 rooms, out of which 4517 are owned, 675 leased and 3305 managed.

Over the last two quarters we have also focused on various ESG related initiatives to build a responsible hotel company with a business model that strikes the right balance between healthy financial outcomes and running our operations in a diverse, inclusive and environmental-friendly manner. We are happy to share that Lemon Tree is working towards quantified goals for 2026 which include targeting 30% opportunity deprived individuals and 15% women in our workforce, 15% reduction in energy consumption intensity (with 50% of our total energy consumption from renewable sources), 40% reduction in GHG emissions, 10% reduction in water consumption intensity and 100% certified green buildings in our owned/leased portfolio. Energy, water and GHG targets are vis-à-vis baseline year 2019. Towards this, we have published our first sustainability report, focusing on environmental, social, economic and governance parameters. This has been prepared in accordance with global reporting standards and is uploaded on our website. Going forward, our endeavor will be to focus on enhancing our ESG systems and disclosures.

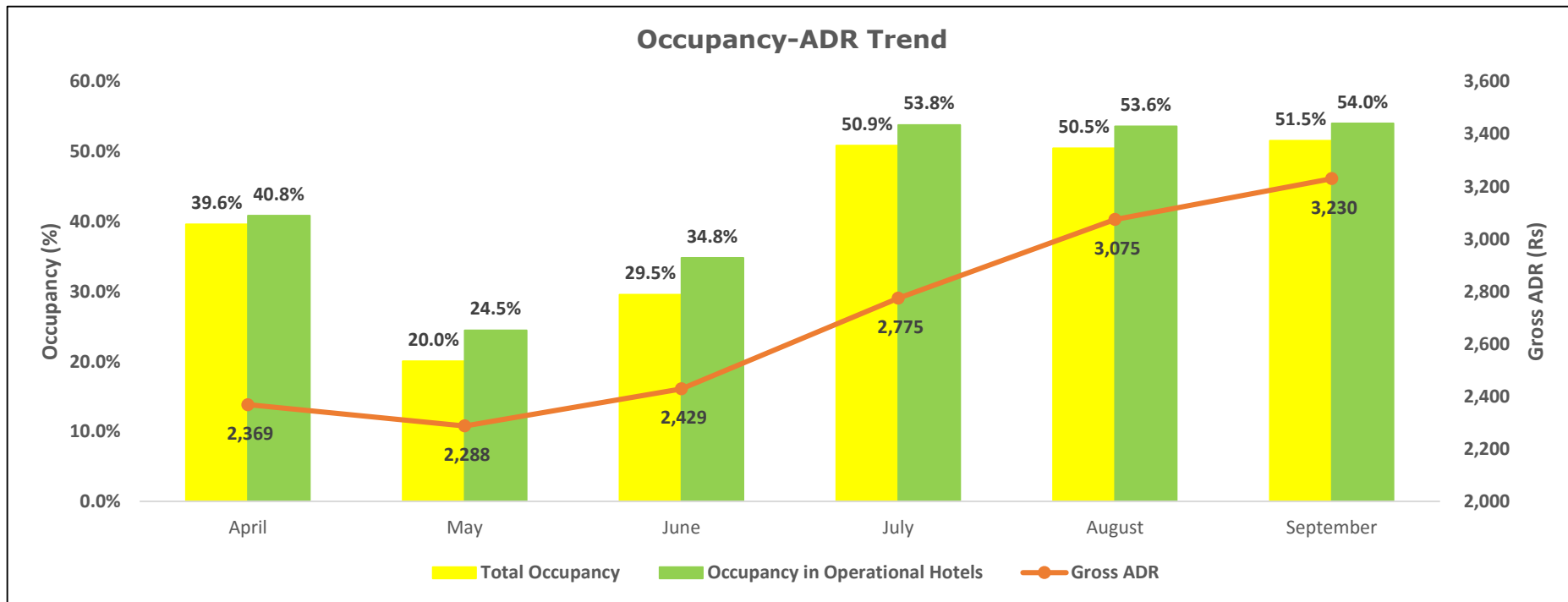
Increasing Operational Inventory



Trends for the 5,192 owned/leased rooms

Q2 FY22 Operating Performance Trends

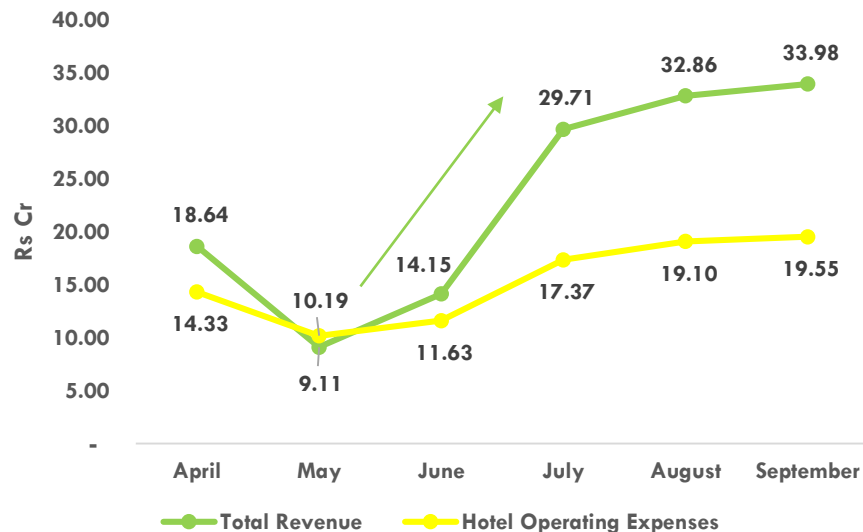
Rising Occupancy Levels



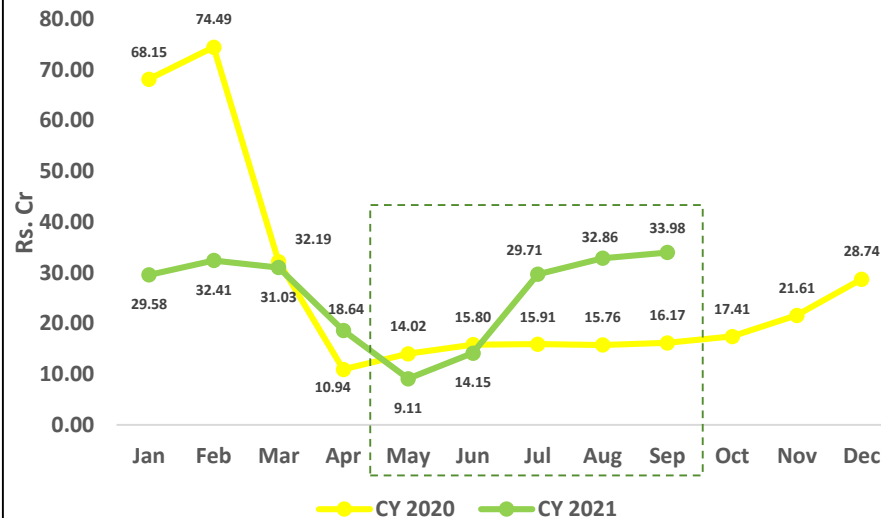
Trends for the 5,192 owned/leased rooms

Improving Operating Efficiency and 'V-Shaped' Recovery

Revenue vs OPEX Trend



Revenue Trend



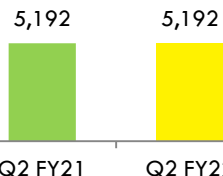
Notes:

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 non-operational hotels)

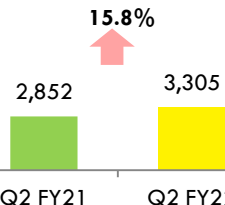
Q2 FY22 Performance Highlights – Operational Metrics (Consolidated)

Inventory

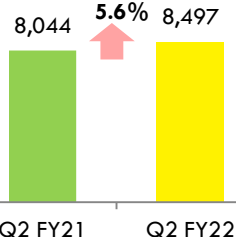
Owned/Leased rooms



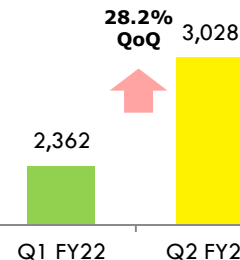
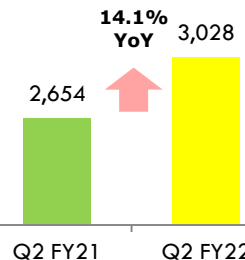
Managed rooms



Total rooms

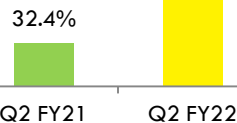


Average Daily Rate (Rs.)

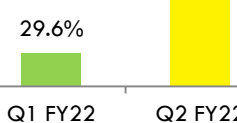


Occupancy (%)

1860 bps YoY

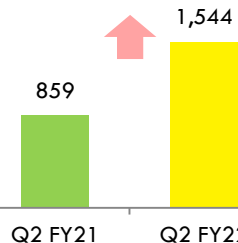


2135 bps QoQ

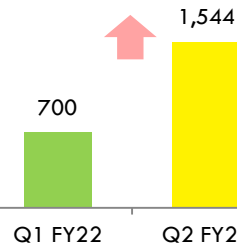


RevPAR (Rs.)

79.7% YoY



120.6% QoQ

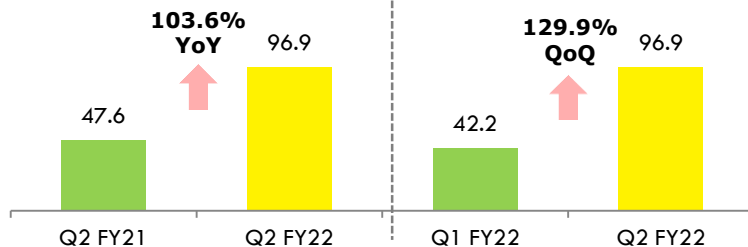


Notes:

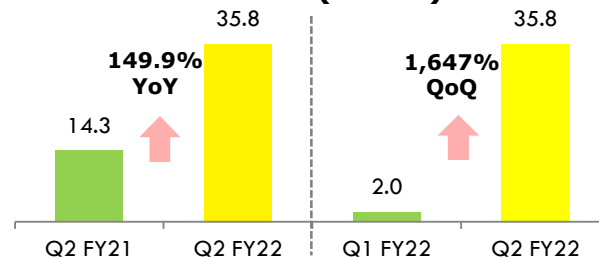
1. ADR, Occupancy and RevPAR are for our owned and leased hotels only

Q2 FY22 Performance Highlights – Financial Metrics (Consolidated)

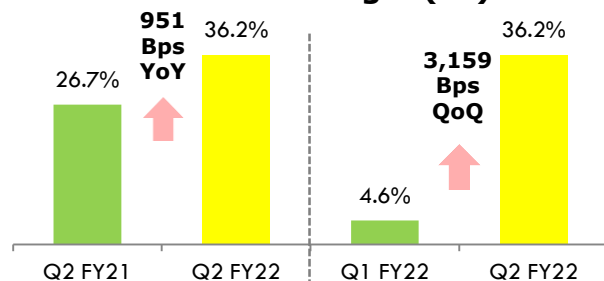
Revenue from Operations (Rs. Cr)



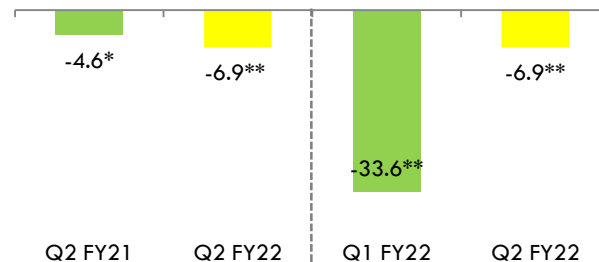
EBITDA (Rs. Cr)



EBITDA Margin (%)



Cash profit (Rs. Cr)



Note:

* For Q2 FY21, Cash Profit is calculated as PAT + Depreciation + Interest converted into loans (ie. Rs. 21.96 Cr)

** For Q2 FY22 and Q1 FY22, Cash Profit is calculated as PAT + Depreciation

Consolidated Profit & Loss Statement – Q2 FY22

Rs. Cr	Q2 FY22	Q1 FY22	Q2 FY21	QoQ Change (%)	YoY Change (%)
Revenue from operations	96.9	42.2	47.6	129.9%	103.6%
Other income	1.9	2.1	6.0	-9.6%	-68.0%
Total expenses	63.0	42.2	39.3	49.2%	60.4%
EBITDA	35.8	2.0	14.3	1647.4%	149.9%
EBITDA margin (%)	36.2%	4.6%	26.7%	951	3,159
EBITDA w/o Other Income	33.9	(0.1)	8.3	NA	307.7%
EBITDA margin before Other Income (%)	35.0%	-0.2%	17.5%	NA	3,514
Finance costs	46.3	45.2	49.7	2.4%	-6.9%
Depreciation & amortization	26.2	26.2	27.0	0.3%	-2.8%
PBT	(34.6)	(67.3)	(59.7)	NA	NA
Tax expense	(1.4)	(7.5)	(6.2)	NA	NA
PAT	(33.2)	(59.8)	(53.5)	NA	NA
Cash Profit	(6.9)**	(33.6)**	(4.6)*	NA	NA

Note:

* For Q2 FY21, Cash Profit is calculated as PAT + Depreciation + Interest converted into loans (ie. Rs. 21.96 Cr)

** For Q2 FY22 and Q1 FY22, Cash Profit is calculated as PAT + Depreciation

Consolidated Profit & Loss Statement Breakup – Q2 FY22 vs Q2 FY21

Rs. Cr	Total without Keys Hotels			Keys Hotels			Total		
	Q2 FY22	Q2 FY21	YoY Change (%)	Q2 FY22	Q2 FY21	YoY Change (%)	Q2 FY22	Q2 FY21	YoY Change (%)
Inventory	4,256	4,256	0%	936	936	0%	5,192	5,192	0%
ARR	2,445	2,796	-13%	2,053	2,122	-3%	3,028	2,654	14%
Occupancy	55.6%	34.6%	2108	29.8%	22.4%	736	51.0%	32.4%	1860
RevPAR	780	847	-8%	611	475	29%	1,544	859	80%
Revenue from Operations	89.8	42.2	112.7%	7.1	5.4	32.0%	96.9	47.6	103.6%
Other Income	1.4	5.2	-73.8%	0.6	0.8	-29.9%	1.9	6.0	-68.0%
Total expenses	56.8	34.2	66.2%	6.2	5.1	21.6%	63.0	39.3	60.4%
EBITDA	34.4	13.3	159.0%	1.4	1.1	35.9%	35.8	14.3	149.9%
EBITDA Margin (%)	37.7%	28.0%	972	18.7%	17.1%	164	36.2%	26.7%	951
EBITDA w/o Other Income	33.0	8.0	310.2%	0.9	0.3	231.7%	33.9	8.3	307.7%
<i>EBITDA margin before Other Income (%)</i>	36.7%	19.0%	1,769	12.4%	4.9%	746	35.0%	17.5%	1,750
PBT	(29.1)	(52.2)	NA	(5.5)	(7.5)	NA	(34.6)	(59.7)	NA

Operational Performance by Brands & Region (On full inventory basis)

Parameters	RevPAR (Rs.)			Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q2 FY22	Q2 FY21	Change (bps)	Q2 FY22	Q2 FY21	Change (bps)	Q2 FY22	Q2 FY21	Change (%)	Q2 FY22	Q2 FY21	Change (%)	Q2 FY22	Q2 FY21	Change (bps)
By Brand (#Rooms)															
Aurika Hotels & Resorts (139)	5601	1481	278%	54%	19%	3467	10,430	7,780	34%	3.91	0.56	601%	61%	34%	2,659
Lemon Tree Premier (1,603)	2086	1320	58%	65%	46%	1,856	3,212	2,846	13%	1.04	0.53	94%	43%	39%	386
Lemon Tree Hotels (1562)	1467	665	121%	50%	27%	2,379	2,910	2,498	17%	0.65	0.10	532%	36%	14%	2263
Red Fox by Lemon Tree Hotels (952)	1080	687	57%	49%	30%	1,889	2,213	2,296	-4%	0.40	0.06	601%	34%	9%	2,529
Keys by Lemon Tree Hotels (936)	611	475	29%	30%	22%	736	2,053	2,122	-3%	0.17	0.08	108%	23%	14%	865

Parameters	RevPAR (Rs.)			Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q2 FY22	Q2 FY21	Change (bps)	Q2 FY22	Q2 FY21	Change (bps)	Q2 FY22	Q2 FY21	Change (%)	Q2 FY22	Q2 FY21	Change (%)	Q2 FY22	Q2 FY21	Change (bps)
By Region (#Rooms)															
Delhi (636)	1964	1708	15%	64%	58%	515	3,087	2,921	6%	0.87	0.61	43%	37%	36%	174
Gurugram (529)	1231	739	67%	40%	25%	1,569	3,044	2,987	2%	0.38	0.12	219%	24%	14%	969
Hyderabad (663)	1549	729	113%	61%	34%	2,773	2,530	2,175	16%	0.88	0.19	351%	48%	25%	2300
Bengaluru (874)	839	476	76%	33%	24%	906	2,558	2,006	28%	0.24	0.04	569%	24%	7%	1797
Mumbai (303)	2435	1841	32%	78%	49%	2982	3,105	3,789	-18%	1.12	0.86	30%	45%	48%	-262

Discussion on Consolidated Financial & Operational Performance – Q2 FY22

Revenue	<ul style="list-style-type: none"> * Revenue from operations stood at Rs. 96.9 Cr in Q2 FY22, up 104% as compared to Rs. 47.6 Cr in Q2 FY21. On a sequential basis, revenue from operations increased 129.9% from Rs. 42.2 Cr in Q1 FY22 * ADR increased by 14.1% from 2,654 in Q2 FY21 to 3,028 in Q2 FY22. On a sequential basis, ADR increased by 28.2% from Rs. 2,362 in Q1 FY22 * Occupancy on full inventory increased by 1,860 bps from 32.4% in Q2 FY21 to 51.0% in Q2 FY22. On a sequential basis, the occupancy on full inventory increased by 2,135 bps from 29.6% in Q1 FY22
Cost	<ul style="list-style-type: none"> * Total expenses stood at Rs. 63.0 Cr in Q2 FY22 up by 60.4% as compared to Rs. 39.3 Cr in Q2 FY21. On a sequential basis, expenses increased by 49.2% from Rs. 42.2 Cr in Q1 FY22
Operating Margins	<ul style="list-style-type: none"> * EBITDA increased by 150% from Rs. 14.3 Cr in Q2 FY21 to Rs. 35.8 Cr in Q2 FY22. EBITDA without other income increased by 308% from Rs. 8.3 Cr in Q2 FY21 to Rs. 33.9 Cr in Q2 FY22. On a sequential basis, EBITDA increased 1647% from Rs 2.0 Cr in Q1 FY22. EBITDA without other income increased from Rs. -0.1 Cr in Q1 FY22 to Rs. 33.9 Cr in Q2 FY22 * EBITDA margin increased by 951 bps from 26.7% in Q2 FY21 to 36.2% in Q2 FY22. EBITDA margin without other income increased by 1,750 bps to 35.0% in Q2 FY22 from 17.5% in Q2 FY21. On a sequential basis, the EBITDA margin increased by 3159 bps from 4.6% in Q1 FY22. EBITDA margin without other income increased by 3514 bps to 35.0% in Q2 FY22 from -0.2% in Q2 FY21
Profit after tax	<ul style="list-style-type: none"> * Profit after tax improved from Rs. -53.5 Cr in Q2 FY21 to Rs. -33.2 Cr in Q2 FY22. The PAT in Q1 FY22 was Rs. -59.8 Cr * Cash Profit for Q2 FY22 stood at Rs. -6.9** Cr vs Rs. -4.6* Cr in Q2 FY21. The Cash Profit in Q1 FY22 was Rs. -33.6** Cr

Note:

* For Q2 FY21, Cash Profit is calculated as PAT + Depreciation + Interest converted into loans (ie. Rs. 21.96 Cr)

** For Q2 FY22 and Q1 FY22, Cash Profit is calculated as PAT + Depreciation

Consolidated Profit & Loss Statement – H1 FY22 vs H1 FY21

Rs. Cr	H1 FY22	H1 FY21	YoY Change (%)	FY21
Revenue from operations	139.0	88.3	57.5%	251.7
Other income	4.0	9.1	-55.6%	13.3
Total Income	143.1	97.4	46.9%	265.0
Total expenses	105.3	75.6	39.2%	190.5
EBITDA	37.8	21.8	73.6%	74.5
EBITDA w/o Other Income	33.8	12.7	166.8%	61.3
EBITDA margin (%)	26.4%	22.4%	406.3	28.1%
Finance costs	91.5	98.4	-7.0%	190.5
Depreciation & amortization	52.4	54.1	-3.1%	107.6
PBT	(102.0)	(127.4)	NA	(218.7)
Tax expense	(9.0)	(13.3)	NA	(32.2)
PAT	(93.0)	(114.1)	NA	(186.5)
Cash Profit	(40.6)**	(1.8)*	NA	(20.8)

Note:

* For H1 FY21, Cash Profit is calculated as PAT + Depreciation + Interest converted into loans (ie. Rs. 58.2 Cr)

** For H1 FY22, Cash Profit is calculated as PAT + Depreciation

Consolidated Balance Sheet – H1 FY22 vs H1 FY21

Rs. Cr	H1 FY22	H1 FY21	YoY Change (%)
Shareholder's Funds	857.0	744.0	15%
Non-controlling interests	585.4	861.4	-32%
Total Shareholder's equity	1,442.3	1,605.4	-10%
Total Debt	1,697.2	1,661.7	2.1%
Other Non-current liabilities	472.6	467.4	1%
Other Current liabilities	112.4	137.5	-18%
Total Equity & Liabilities	3,724.4	3,872.0	-4%
Non-current assets	3,560.3	3,579.6	-1%
Current assets	164.1	292.4	-44%
Total Assets	3,724.4	3,872.0	-4%
Debt to Equity (x)	1.18	1.04	14%
Average cost of borrowing (%)	8.10%	9.17%	(107)

Expansion Plans – Hotels under Development

Under-development hotels	Type	Rooms	Expected Opening date	Ownership (%)
Lemon Tree Mountain Resort, Shimla	Owned	69	TBD	100.00%
Aurika, Mumbai International Airport [#]	Owned	669	CY23	58.91%
Total		738		

- * Total estimated project cost is Rs. 10,060 Million
- * Total capital deployed/capital expenditure already incurred (i.e. CWIP + Security Deposit for leased assets under-development + Land Capitalised + Capital advances – Capital creditors) as on 30th September, 2021 is Rs. 3,876 Million

Expansion Plans – Pipeline of Management Contracts (as on 21st Oct, 2021)

Management Contracts Pipeline	Rooms	Expected Opening date
Lemon Tree Hotel Kalina/BKC, Mumbai	70	Dec-21
Lemon Tree Hotel, Sonamarg	40	Mar-22
Lemon Tree Hotel, Rishikesh	102	Mar-22
Keys Lite, Rishikesh	39	Mar-22
The Spectrum, Gurgaon (Serviced apartments)	260	Jun-22
Lemon Tree Hotel, Bokaro	70	Aug-22
Lemon Tree Hotel, Gulmarg	35	Aug-22
Lemon Tree Hotel, Agra	62	Sep-22
Lemon Tree Resort, Mussoorie	40	Dec-22
Lemon Tree Hotel, Trivandrum	100	Jan-23
Lemon Tree Resort, Thimpu, Bhutan	38	Jan-23
Lemon Tree Hotel, Darjeeling	55	Jan-23
Lemon Tree Hotel, Biratnagar, Nepal	80	Mar-23
Lemon Tree Hotel, Kathmandu, Nepal	75	Sep-23
Lemon Tree Bhangeri Durbar, Nepal	51	Sep-23
Lemon Tree Premier, Dindi	50	Uncertain
Lemon Tree Hotel, Ludhiana	60	Uncertain
Total Pipeline	1,227	

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



Extracts from first ESG Report of Lemon Tree Hotels for FY21

To read the full report please visit:

https://www.lemontreehotels.com/factsheet/Policies/LTH_ESG_Report_2021.pdf

This report covers all 41 owned/leased hotels across 23 cities for the reporting period from 1st April 2020 to 31st March 2021

Impact of our Environment, Social and Governance initiatives:



10%

Renewable energy in the electricity mix in FY21



98%

Operations audited (internally) for cases of corruption and bribery



14.30%

Opportunity Deprived Indians (ODIs) employed in FY21



52%

Reduction in normalized water withdrawal intensity per total floor area since FY18



67%

Reduction in normalized emissions intensity per occupied room since FY18

Click here to read the report: [ESG Report](#)

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In the area of Environment, we are focused on becoming more energy efficient, adopting renewable energy, mitigating and adapting to climate change, conserving water and reducing waste

At the center of our ESG approach is our commitment to **creating sustained value**. This is across all stakeholders - shareholders and investors, employees, customers, suppliers and the society at large.



In the area of Social, our emphasis is on the development of people, especially creating an inclusive and equal opportunity workplace and empowering local communities








Vision FY26 reflects our belief that our business operations are inherently integrated with delivering social and environmental impact.



In the area of Governance, our commitment is towards building an ethical and transparent organization

Click here to read the report: [ESG Report](#)

Our ambitions for FY26 are based on the following goals and aspirations:

15% Reduction in Energy Consumption (intensity based) by FY26 over FY19 baseline 	50% Renewable energy (RE) usage by FY26 	40% Reduction in GHG emissions (intensity based) by FY26 over FY19 baseline 	10% Reduction in water consumption (intensity based) by FY26 over FY19 baseline 	100% Certified Green Buildings (hotels) by FY26 	30% ODIs in the workforce by FY26 	15% Women across the workforce by FY26 
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Click here to read the report: [ESG Report](#)

In a rapidly evolving business environment addressing ESG issues is crucial to ensure the longevity of an organization. Through our well-defined policy frameworks and initiatives, we are on the path to achieving business growth along with creating a positive environmental and social impact.



Embracing Environmental Stewardship

- Sustainability Policy
- Waste Management Pilot- Policy redefinition



Redefining Social Engagement

- Diversity and Inclusion Initiative
- Growth of Employee Strength
- Career Path and Employee Growth
- Management of Labor Relations
- Policy and Workers' Right
- CSR Policy



Providing Effective Governance

- Nomination and Remuneration Policy
- Code of Conduct
- Data Privacy Policy
- Risk Management Policy
- Whistleblower Policy
- Prevention of Sexual Harassment Policy

Click here to read the report: [ESG Report](#)

AURIKA
HOTELS & RESORTS

UPSCALE

lemon tree
PREMIER

UPPER MIDSCALE

lemon tree
HOTELS

MIDSCALE

red fox
BY LEMON TREE HOTELS

ECONOMY

keys
PRIMA
BY LEMON TREE HOTELS

UPPER MIDSCALE

keys
SELECT
BY LEMON TREE HOTELS

MIDSCALE

keys
LITE
BY LEMON TREE HOTELS

ECONOMY

Our efforts to integrate ESG across our business operations is effectively supported by a dynamic governance structure



Click here to read the report: [ESG Report](#)

ANNEXURES



Portfolio Breakup as on 21st Oct 2021 - Operational

Operational Portfolio	Owned (incl. on leased land)		Leased		Managed/ Franchised		Total	
21.10.2021	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika Hotels & Resorts	1	139	0	0	1	63	2	202
Lemon Tree Premier	7	1442	2	161	9	911	18	2514
Lemon Tree Hotels	13	1241	4	321	22	1305	39	2867
Red Fox by Lemon Tree Hotels	5	759	2	193	6	551	13	1503
Keys Prima by Lemon Tree Hotels	0	0	0	0	1	40	1	40
Keys Select by Lemon Tree Hotels	7	936	0	0	5	388	12	1324
Keys Lite by Lemon Tree Hotels	0	0	0	0	2	47	2	47
Total	33	4517	8	675	46	3305	87	8497

Portfolio Breakup as on 21st Oct 2021 - Pipeline

Pipeline Portfolio	Owned (incl. on leased land)		Leased		Managed/ Franchised		Total	
21.10.2021	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika Hotels & Resorts	1	669	0	0	0	0	1	669
Lemon Tree Premier	0	0	0	0	2	130	2	130
Lemon Tree Hotels	1	69	0	0	14	1058	15	1127
Red Fox by Lemon Tree Hotels	0	0	0	0	0	0	0	0
Keys Prima by Lemon Tree Hotels	0	0	0	0	0	0	0	0
Keys Select by Lemon Tree Hotels	0	0	0	0	0	0	0	0
Keys Lite by Lemon Tree Hotels	0	0	0	0	1	39	1	39
Total	2	738	0	0	17	1227	19	1965

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

Jaipur: FY20 – 5.1%
FY26E – 4.0%

Ahmedabad: FY20 – 4.2%
FY26E – 3.4%

Mumbai: FY20 – 2.1%
FY26E – 6.0%

Pune: FY20 – 6.2%
FY26E – 5.9%

Goa: FY20 – 1.4%
FY26E – 1.1%

Bengaluru: FY20 – 6.3%
FY26E – 4.9%

Delhi NCR: FY20 – 6.73%
FY26E – 6.74%

Kolkata: FY20 – 2.9%
FY26E – 2.6%

Hyderabad: FY20 – 8.9%
FY26E – 8.5%

Chennai: FY20 – 2.5%
FY26E – 2.5%

INTERNATIONAL DESTINATIONS

United Arab Emirates

● Dubai

Bhutan

● Thimphu

Nepal

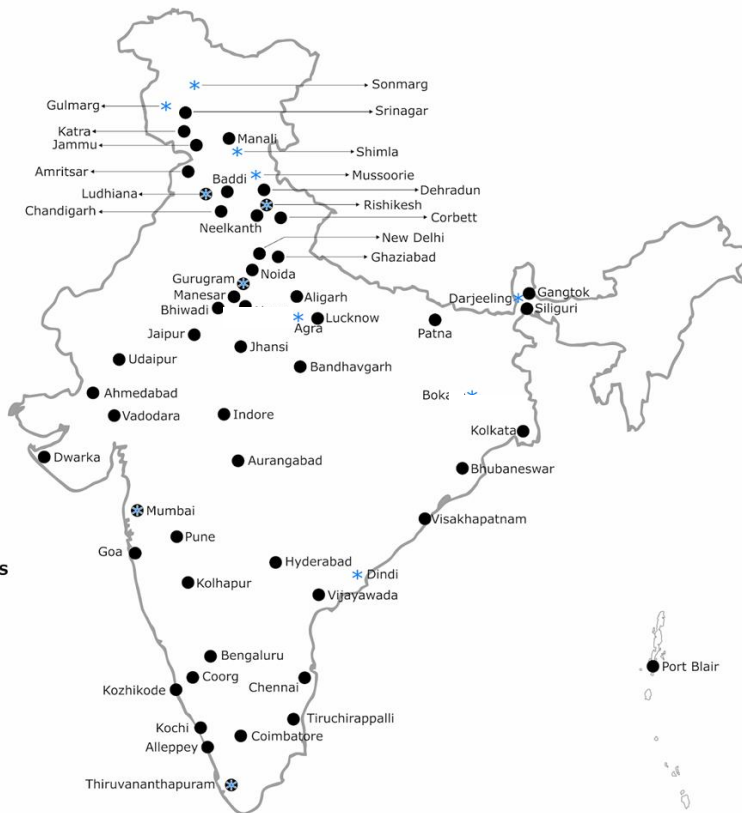
* Kathmandu

* Nagarkot

* Biratnagar

● Operating Hotels

* Upcoming Hotels



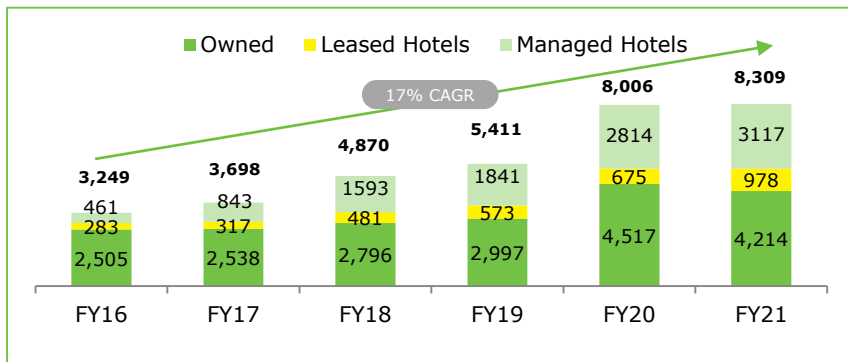
Source : Indian Hospitality Trends and Opportunities 2021

Note: The FY26 expected market share has been calculated on the basis of current pipeline on hotels only

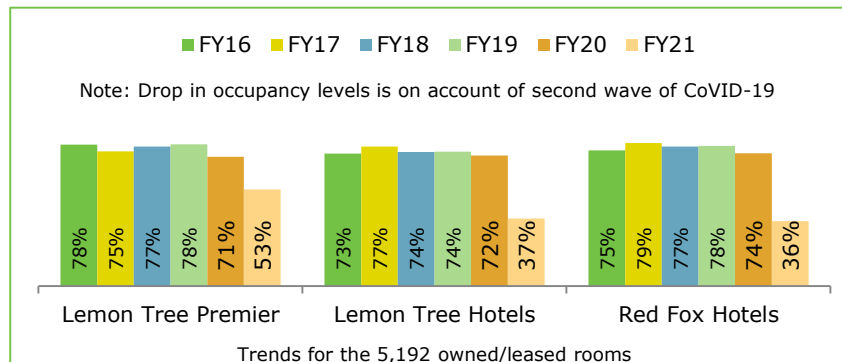
Map updated as of 21st Oct, 2021

Operating performance

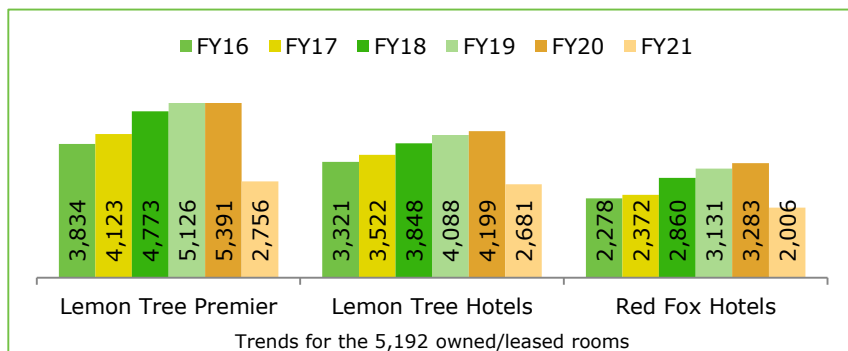
Rooms are being added



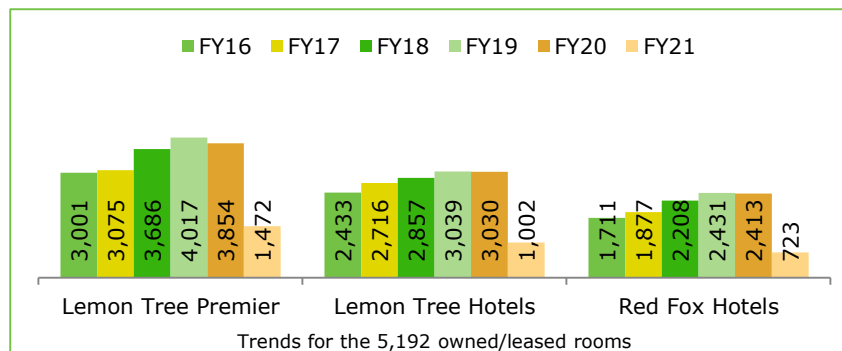
Occupancy



ADR

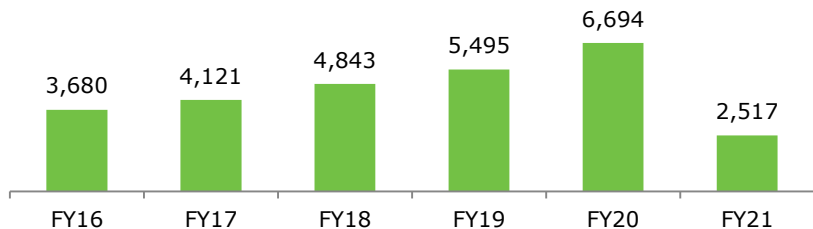


RevPAR

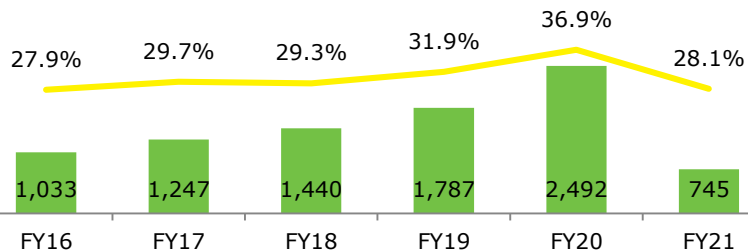


Operating margins

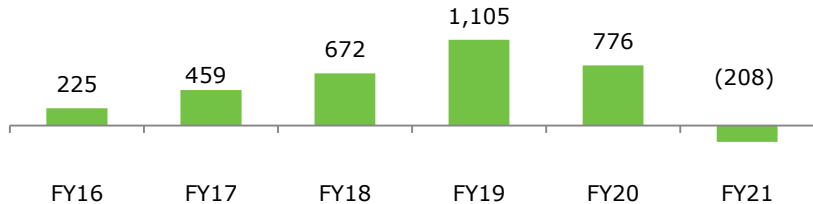
Revenue from operations (Rs. Million)



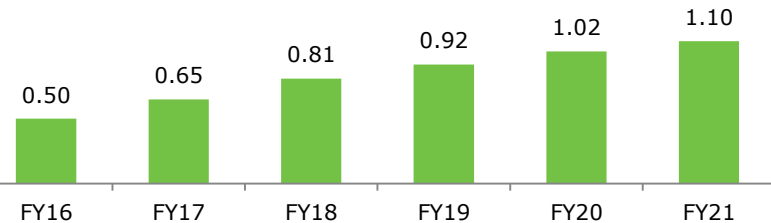
EBITDA (Rs. Million) & EBITDA margins



Cash profit



Debt to Equity Ratio



Note: FY16 figures are from Lemon Tree Prospectus. FY17, FY18, FY19, FY20 and FY21 figures are from audited balance sheet.

For FY20 and FY21: Cash Profit = PAT + Depreciation + Interest converted into loans; for all remaining years it is PAT + Depreciation

Consolidated Profit & Loss Statement – FY21

Rs. Cr	FY21	FY20	FY19
Revenue from operations	251.7	669.4	549.5
Other income	13.3	5.8	9.9
Total Income	265.0	675.2	559.4
Total expenses	190.5	426.0	380.7
EBITDA	74.5	249.2	178.7
EBITDA w/o Other Income	61.3	243.4	168.8
EBITDA margin (%)	28.1%	36.9%	31.9%
Finance costs	190.5	161.6	84.7
Depreciation & amortization	107.6	92.2	54.1
PBT	(218.7)	(2.2)	45.3
Tax expense	(32.2)	10.9	(11.1)
PAT	(186.5)	(13.1)	56.4
Cash Profit	(20.8)	77.6	110.5

Note:

- 1) For FY19 and FY20, Cash Profit is calculated as PAT + Depreciation
- 2) For FY21, Cash Profit is calculated as PAT + Depreciation + Interest converted into loans

Consolidated Balance Sheet Snapshot – FY21

Rs. Cr	FY21	FY20	FY19
Shareholder's Funds	917.6	988.9	875.0
Non-controlling interests	617.4	555.9	432.2
Total Shareholder's equity	1,535.0	1,544.8	1,307.2
Total Debt	1,685.0	1,577.5	1,204.2
Other Non-current liabilities	470.0	464.3	38.0
Other Current liabilities	132.2	176.2	222.4
Total Equity & Liabilities	3,822.1	3,762.8	2,771.8
Non-current assets	3,581.1	3,615.5	2,575.3
Current assets	241.0	147.3	196.6
Total Assets	3,822.1	3,762.8	2,771.8
Debt to Equity (x)	1.10	1.02	0.92
Average cost of borrowing as of 31st March (%)	8.28%	9.60%	9.40%

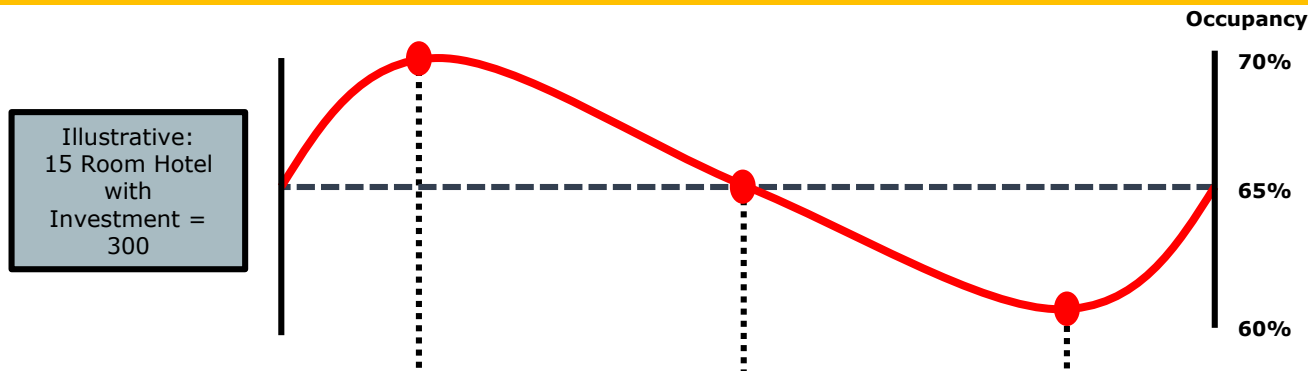
Operational Performance by Ageing – FY21 vs. FY20

Parameters	Financial year	Adult Hotels (Stable - older than 3 years)	Toddler Hotels (Stabilizing - between 1-3 years old)	Infant Hotels (New - less than 1 year old)	Under-development hotels
Hotels¹	FY20	24	6	11	2
	FY21	28	13	0	
Operating Rooms (year-end)	FY20	2,855	715	1,622	738
	FY21	3,278	1,914	-	
Occupancy Rate (%)	FY20	75.2%	67.1%	56.4%	Deep demand Markets (high occupancies)
	FY21	42.1%	35.9%	-	
Average Daily Rate (Rs.)	FY20	4,399	4,027	4,438	2.0x of Adult Hotels in that year*
	FY21	2,531	2,785	-	
Hotel level EBITDAR²/room (Rs. Lacs)	FY20	6.9	5.5	2.3	High*
	FY21	1.4	1.6	-	
Hotel level EBITDAR² Margin (%)	FY20	44%	39%	39%	High*
	FY21	30%	36%	-	
Hotel level ROCE*³ (%)	FY20	12%	5%	2%	1.5x of Adult Hotels in that year*
	FY21	2%	1%	-	

Notes:

- 1) During the year FY21 4 hotels moved from toddler to adult category, 11 hotels moved from infant to toddler category and no new hotels entered into the infant category
- 2) Hotel level EBITDAR measures hotel-level results before lease rentals, debt service, depreciation and corporate expenses of the owned/leased hotels, and is a key measure of company's profitability
- 3) Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels

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

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

Lemon Tree Hotels Limited (LTH) Q2 FY22 Earnings Conference Call

Time • 3:00 PM IST on Thursday, October 25, 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

Pre-registration

To enable participants to connect to the conference call without having to wait for an operator, please register at the below mentioned link:



Click here to
Express/Join the Call

About Lemon Tree Hotels



Lemon Tree Hotels Limited is India's largest hotel chain in the mid-priced hotel sector, 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. We operate in the upscale segment and in the mid-market sector, consisting of the upper-midscale, midscale and economy segments. We deliver differentiated yet superior service offerings, with a value-for-money proposition.

LTHL opened its first hotel with 49 rooms in May 2004 and currently operates ~8,500 rooms in 87 hotels across 54 destinations, in India and abroad, under its various brands viz. Aurika Hotels & Resorts, Lemon Tree Premier, Lemon Tree Hotels, Red Fox Hotels, Keys Prima, Keys Select and Keys Lite. As the current pipeline becomes operational, LTHL will be operating ~10,450 rooms in 106 hotels across 64 destinations, in India and abroad.

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

For more information about us, please visit www.lemontreehotels.com or contact:

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