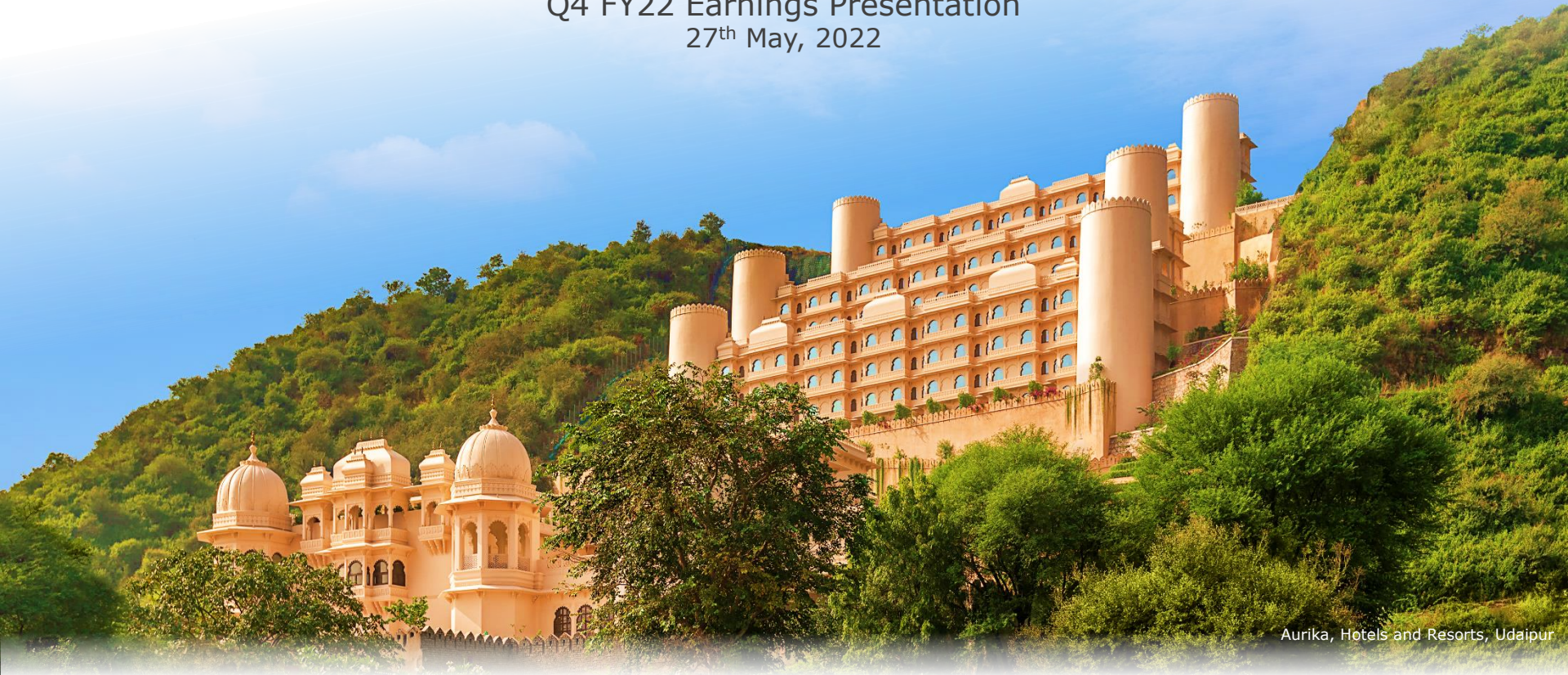


Lemon Tree Hotels Limited

Q4 FY22 Earnings Presentation

27th May, 2022



Aurika, Hotels and Resorts, Udaipur

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.



Lemon Tree Premier, Mumbai



Lemon Tree Hotels
has been included in the
MSCI  **India Small Cap Index**
effective from 1st June 2022

Lemon Tree – Snapshot as on 31st March 2022

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

Pipeline

By CY25



**8,489
rooms;
87 hotels**



**2,179
rooms;
22 hotels**



**10,668
rooms;
109 hotels**

Brand	Current	Pipeline	By FY25
Aurika Hotels & Resorts	194 Rooms; 2 Hotels	801 Rooms; 2 Hotels	995 Rooms; 4 Hotels
Lemon Tree Premier	2,514 Rooms; 18 Hotels	80 Rooms; 1 Hotel	2,594 Rooms; 19 Hotels
Lemon Tree Hotels[#]	2,867 Rooms; 39 Hotels	1,207 Rooms; 17 Hotels	4,074 Rooms; 56 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	91 Rooms; 2 Hotels	1,502 Rooms; 17 Hotels

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

#Includes Lemon Tree Resorts





**Sequential
focus:**

Apr'20 – Mar'22

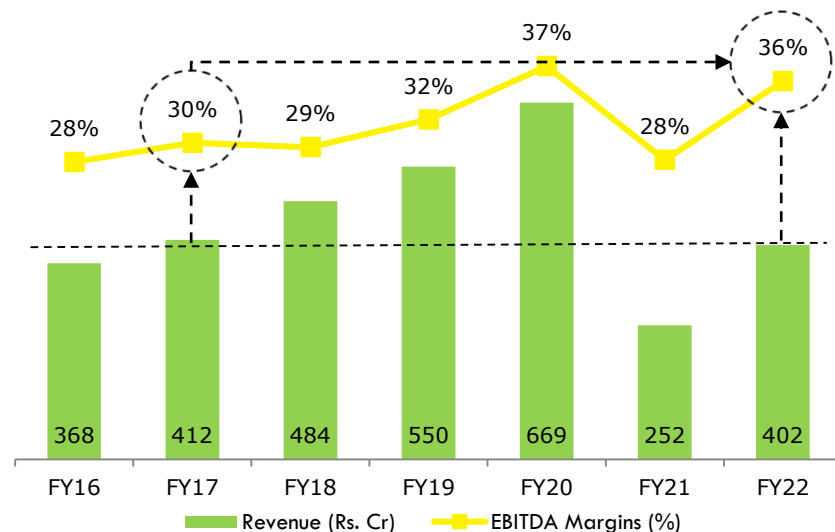
Cost
optimization

ARR Recovery

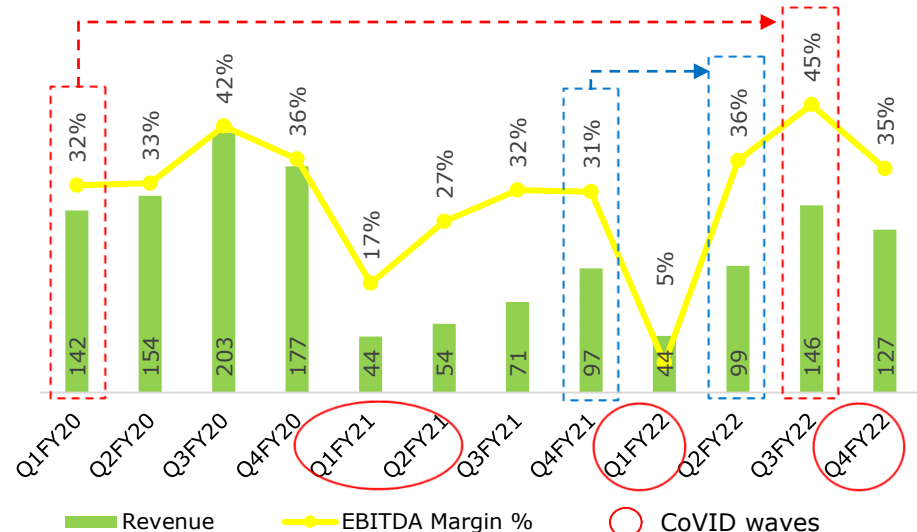
EBITDA Margin
expansion

EBITDA Margin Expansion driven by permanent cost rationalization

Revenue (Rs. Cr) & EBITDA Margins



Revenue (Rs. Cr) & EBITDA Margins

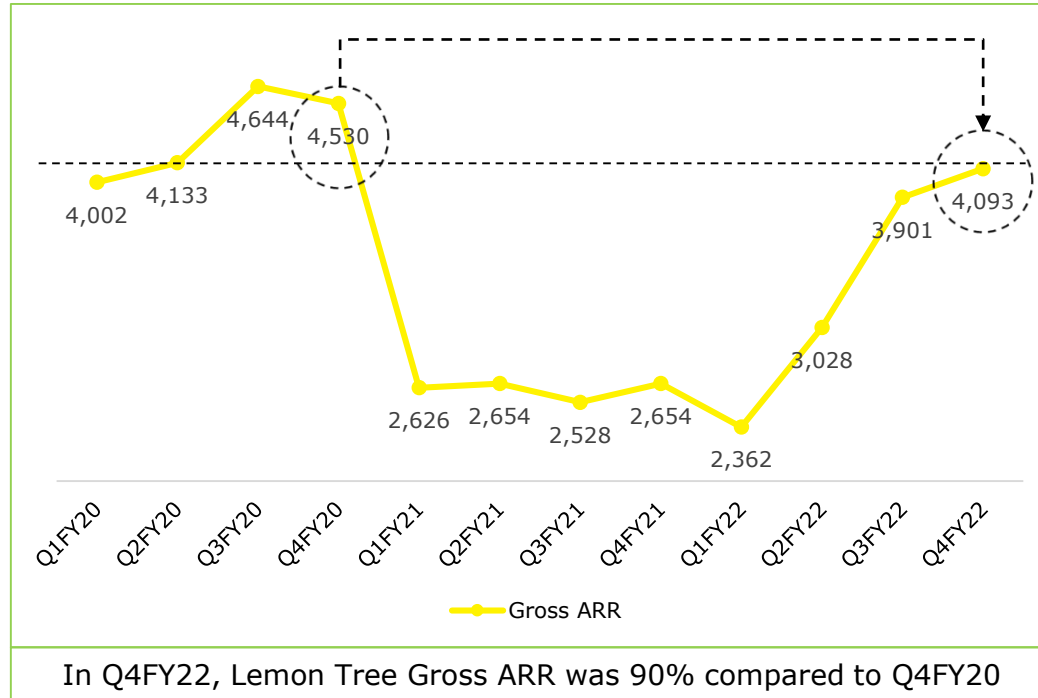


- On like-to-like revenue basis, EBITDA margin % has expanded by approx. 1200 bps (44.9% in Q3FY22 vs 32.4% in Q1FY20)
- Going forward in FY23, Net EBITDA Margins will stabilize at >50%

Notes:

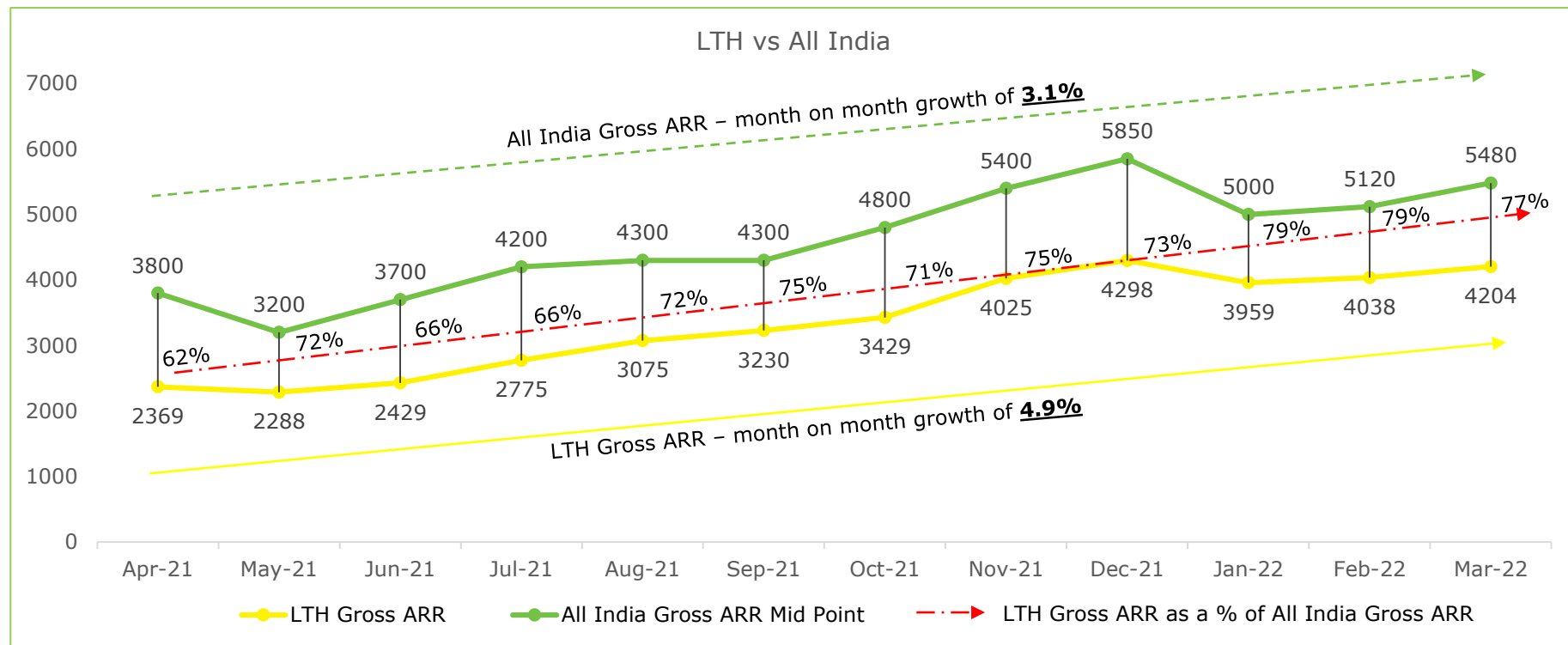
- Trends for LTH owned/leased rooms
- Q4FY22 and FY22 EBITDA Margin% is adjusted for Stamp Duty expense of Rs. 15.3 Cr

Gross ARR Recovery



Trends for the 5,192 owned/leased rooms

FY22 Gross ARR – LTH vs All India



Trends for the 5,192 owned/leased rooms

Source: HVS Anarock, H2O Apr'21 to Mar'22

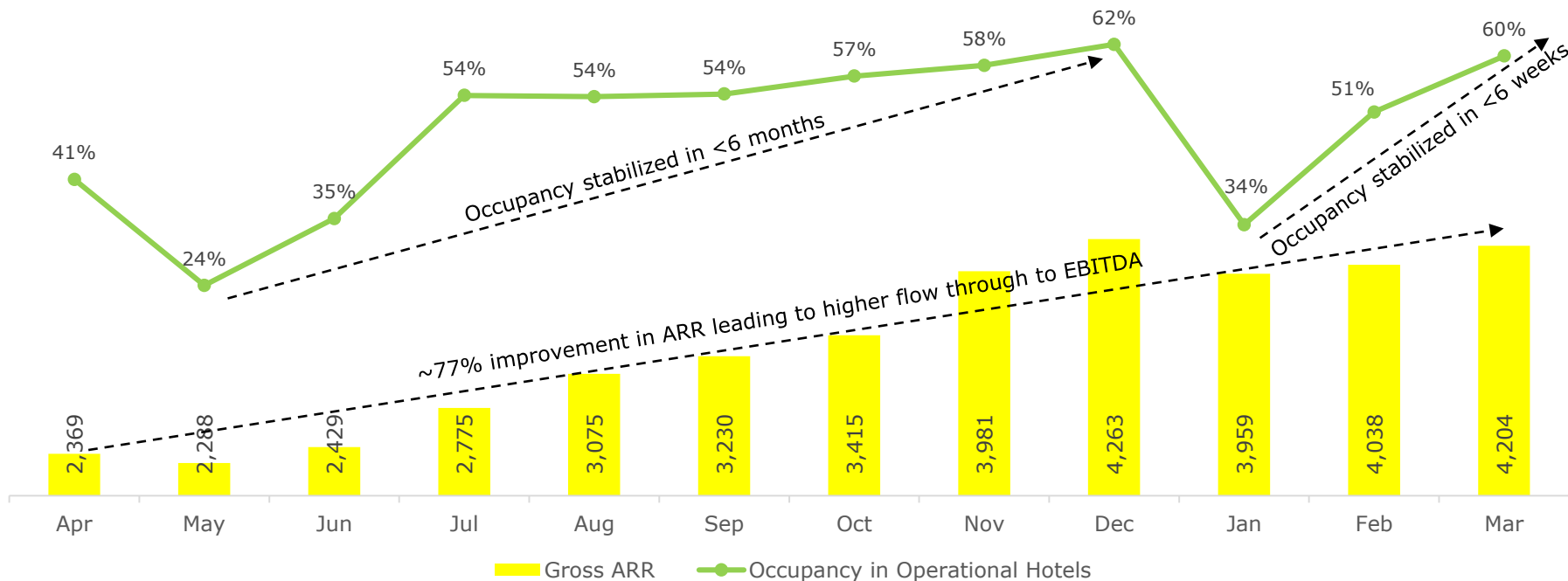




Lemon Tree 'RESET' Resilience in FY22

FY22 Month on Month Occupancy-ARR Trend

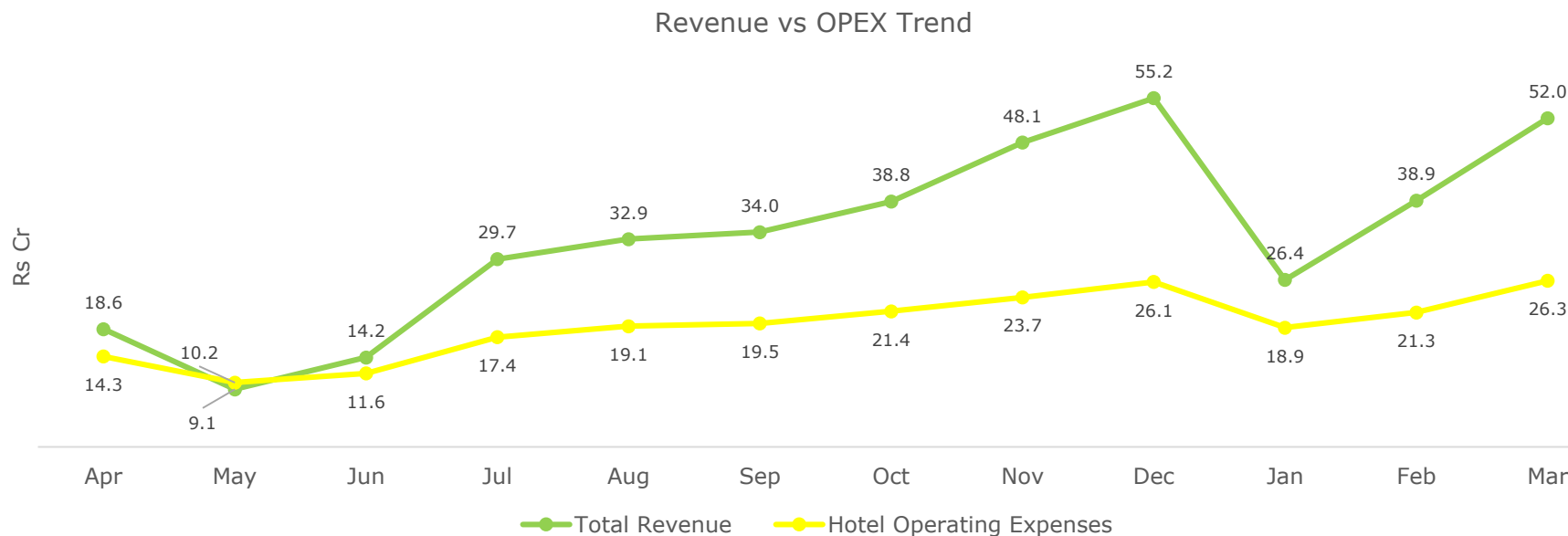
Post an expected steep drop in Jan'22 due to reports of new infections, Feb'22 and Mar'22 showed recovery with Mar'22 equivalent ~60% Occupancy



Trends for the 5,192 owned/leased rooms

FY22 Revenue and Expense Trend

Improving Operating Efficiency and Superior Recovery



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)

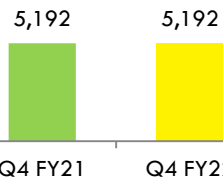


Q4 and FY22 Operating Performance

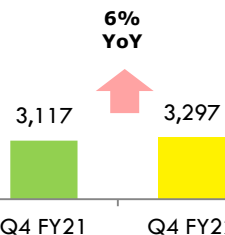
Q4 FY22 Performance Highlights – Operational Metrics (Consolidated)

Inventory

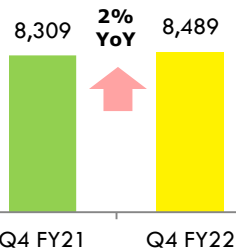
Owned/Leased rooms



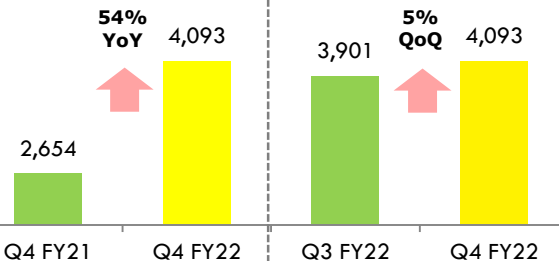
Managed rooms



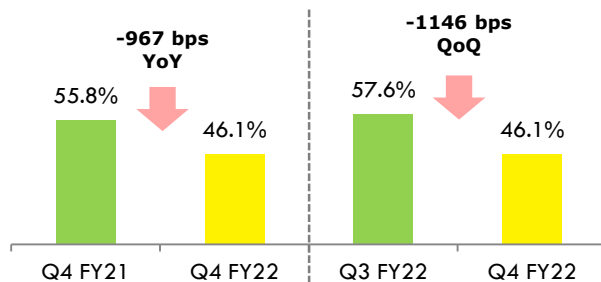
Total rooms



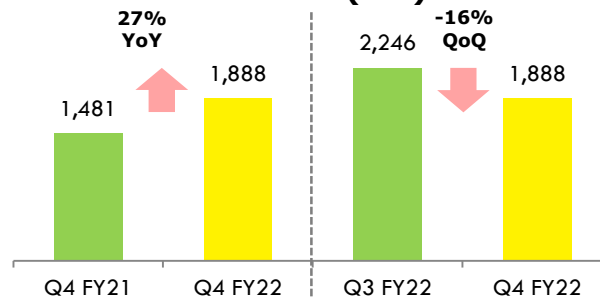
Average Room Rate (Rs.)



Occupancy (%)



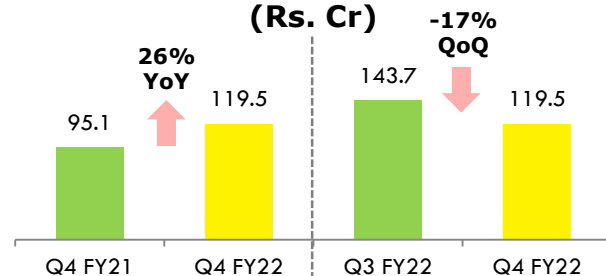
RevPAR (Rs.)



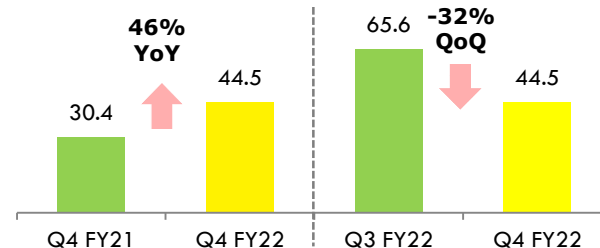
Notes: ARR, Occupancy and RevPAR are for our owned and leased hotels only

Q4 FY22 Performance Highlights – Financial Metrics (Consolidated)

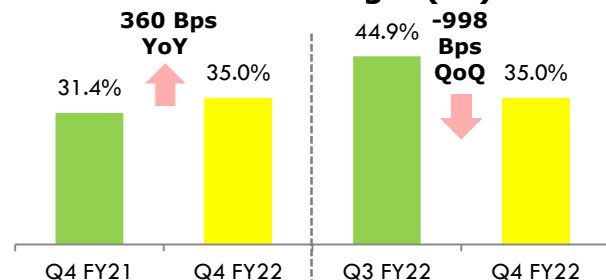
Revenue from Operations (Rs. Cr)



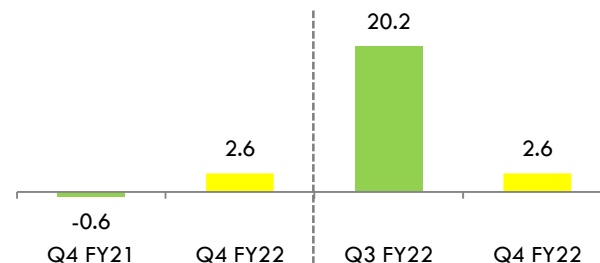
EBITDA (Rs. Cr)



EBITDA Margin (%)



Cash profit (Rs. Cr)



Note:

For Q3FY22 and Q4FY21 Cash Profit is calculated as PAT + Depreciation

For Q4FY22 Cash Profit is calculated as PAT + Depreciation + Stamp Duty Expense

Q4FY22 EBITDA and EBITDA Margin% is adjusted for Stamp Duty expense of Rs. 15.3 Cr

Consolidated Profit & Loss Statement – Q4 FY22

Rs. Cr	Q4 FY22	Q4 FY21	Q3 FY22	QoQ Change (%)	YoY Change (%)
Revenue from operations	119.5	95.1	143.7	-16.8%	25.7%
Other income	7.6	1.9	2.4	223.9%	303.1%
Total expenses	82.7	66.6	80.4	2.9%	24.3%
EBITDA	44.5	30.4	65.6	-32.2%	46.2%
EBITDA margin (%)	35.0%	31.4%	44.9%	(998)	360
Finance costs	44.1	44.5	45.4	-2.9%	-1.0%
Depreciation & amortization	26.5	26.1	25.4	4.3%	1.6%
PBT	(39.4)	(40.9)	(3.2)	NA	NA
Tax expense	(0.3)	(14.2)	2.0	NA	NA
PAT	(39.2)	(26.7)	(5.2)	NA	NA
Cash Profit	2.6	(0.6)	20.2	-87.1%	NA

Note:

For Q3FY22 and Q4FY21 Cash Profit is calculated as PAT + Depreciation

For Q4FY22 Cash Profit is calculated as PAT + Depreciation + Stamp Duty Expense

Q4FY22 EBITDA and EBITDA Margin% is adjusted for Stamp Duty expense of Rs. 15.3 Cr

Consolidated Profit & Loss Statement Breakup – Q4 FY22 vs Q4 FY21

Rs. Cr	Total without Keys Hotels			Keys Hotels			Total		
	Q4 FY22	Q4 FY21	YoY Change (%)	Q4 FY22	Q4 FY21	YoY Change (%)	Q4 FY22	Q4 FY21	YoY Change (%)
Inventory	4,256	4,256	0%	936	936	0%	5,192	5,192	0%
ARR	4,338	2,737	59%	2,374	1,954	22%	4,093	2,654	54%
Occupancy	49.3%	60.9%	(1163)	32.0%	32.8%	(81)	46.1%	55.8%	(968)
RevPAR	2,137	1,666	28%	759	640	19%	1,888	1,481	27%
Revenue from Operations	111.5	86.8	28.5%	8.0	8.3	-3.1%	119.5	95.1	25.7%
Other Income	4.9	2.1	138.0%	2.7	(0.2)	NA	7.6	1.9	303.1%
Total expenses	73.0	59.1	23.6%	9.7	7.5	29.2%	82.7	66.6	24.3%
EBITDA	43.4	29.8	45.7%	1.1	0.6	69.6%	44.5	30.4	46.2%
EBITDA Margin (%)	37.3%	33.5%	375	10.2%	7.9%	223	35.0%	31.4%	360
PBT	(36.3)	(36.5)	NA	(3.2)	(4.4)	NA	(39.4)	(40.9)	NA

Note: Q4FY22 EBITDA and EBITDA Margin% is adjusted for Stamp Duty expense of Rs. 15.3 Cr

Q4 FY22 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		
By Brand (#Rooms)	Q4 FY22	Q4 FY21	Change (%)	Q4 FY22	Q4 FY21	Change (bps)	Q4 FY22	Q4 FY21	Change (%)	Q4 FY22	Q4 FY21	Change (%)	Q4 FY22	Q4 FY21	Change (bps)
Aurika Hotels & Resorts (139)	5748	4599	25%	36%	45%	-942	16,108	10,195	58%	4.64	3.76	24%	64%	62%	264
Lemon Tree Premier (1,603)	2619	1882	39%	59%	72%	-1,288	4,452	2,624	70%	1.17	0.61	92%	40%	28%	1,151
Lemon Tree Hotels (1562)	1921	1585	21%	48%	57%	-836	3,965	2,791	42%	0.59	0.64	-8%	27%	34%	-682
Red Fox by Lemon Tree Hotels (952)	1152	1007	14%	36%	52%	-1,518	3,159	1,951	62%	0.22	0.57	-61%	20%	52%	-3,219
Keys by Lemon Tree Hotels (936)	759	640	19%	32%	33%	-81	2,374	1,954	22%	0.10	0.18	-44%	10%	23%	-1,247

Parameters	RevPAR (Rs.)			Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
By Region (#Rooms)	Q4 FY22	Q4 FY21	Change (%)	Q4 FY22	Q4 FY21	Change (bps)	Q4 FY22	Q4 FY21	Change (%)	Q4 FY22	Q4 FY21	Change (%)	Q4 FY22	Q4 FY21	Change (bps)
Delhi (636)	2501	1773	41%	64%	74%	-1,053	3,912	2,382	64%	1.07	0.64	68%	38%	30%	773
Gurugram (529)	1510	1073	41%	36%	51%	-1,526	4,186	2,091	100%	0.35	0.30	15%	18%	20%	-232
Hyderabad (663)	1874	1269	48%	45%	57%	-1,150	4,125	2,228	85%	0.86	0.53	62%	41%	36%	500
Bengaluru (874)	1323	771	72%	39%	33%	605	3,399	2,345	45%	0.37	0.12	204%	26%	14%	1244
Mumbai (303)	3306	2338	41%	69%	81%	-1140	4,762	2,892	65%	1.18	1.00	18%	33%	42%	-854

Consolidated Profit & Loss Statement – FY22 vs FY21

Rs. Cr	FY22	FY21	FY22 vs FY21 YoY Change (%)
Revenue from operations	402.2	251.7	60%
Other income	14.0	13.3	6%
Total Income	416.3	265.0	57%
Total expenses	268.3	190.5	41%
EBITDA	147.9	74.5	99%
EBITDA margin (%)	35.5%	28.1%	741
Finance costs	180.9	190.5	-5%
Depreciation & amortization	104.3	107.6	-3%
PBT	(144.6)	(218.7)	NA
Tax expense	(7.2)	(32.2)	NA
PAT	(137.4)	(186.5)	NA
Cash Profit	(17.8)**	(20.8)*	NA

Note:

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

** For FY22, Cash Profit is calculated as PAT + Depreciation + Stamp Duty expense (ie. Rs. 15.3 cr)

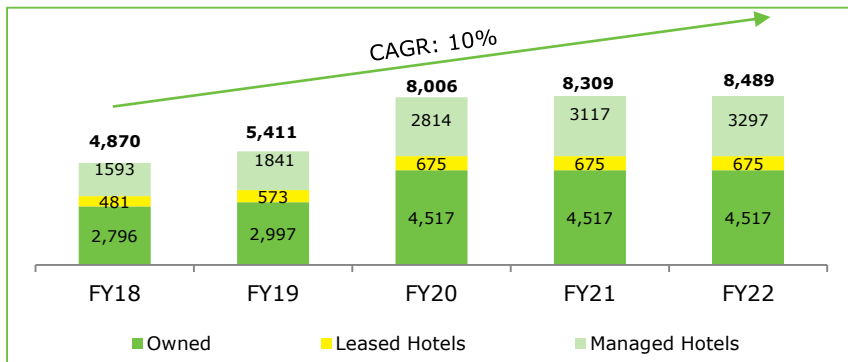
FY22 EBITDA and EBITDA Margin% is adjusted for Stamp Duty expense of Rs. 15.3 Cr

Consolidated Balance Sheet – FY22 vs FY21

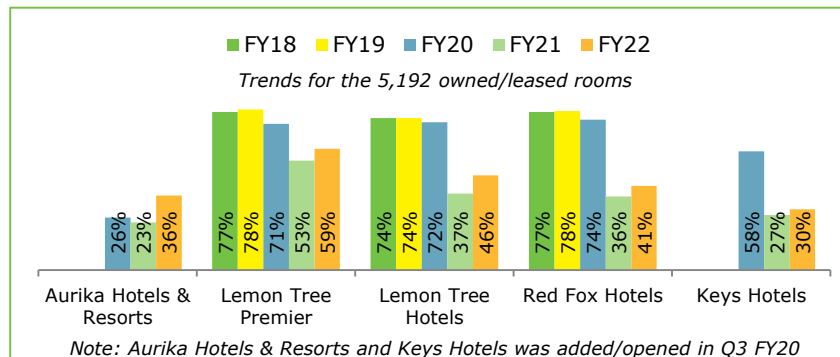
Rs. Cr	FY22	FY21	FY22 vs FY21 YoY Change (%)
Shareholder's Funds	831.1	917.6	-9%
Non-controlling interests	567.7	617.4	-8%
Total Shareholder's equity	1,398.9	1,535.0	-9%
Total Debt	1,698.6	1,685.3	0.8%
Other Non-current liabilities	433.0	473.7	-9%
Other Current liabilities	104.5	124.6	-16%
Total Equity & Liabilities	3,635.0	3,818.5	-5%
Non-current assets	3,504.1	3,588.3	-2%
Current assets	131.0	230.2	-43%
Total Assets	3,635.0	3,818.5	-5%
Debt to Equity (x)	1.21	1.10	11%
Average cost of borrowing (%)	8.00%	8.28%	(28)

Operating performance over 5 years

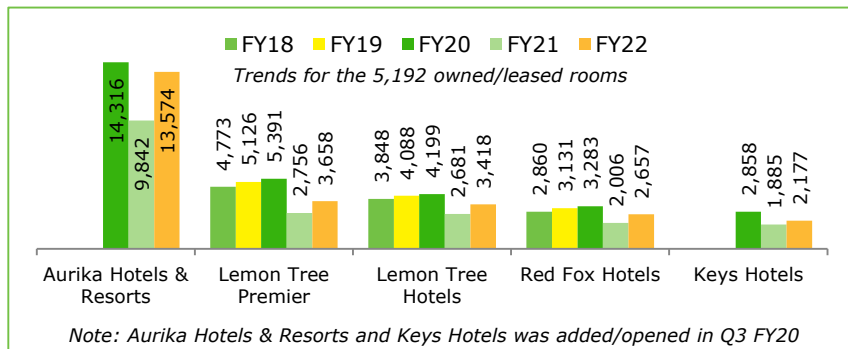
Rooms are being added



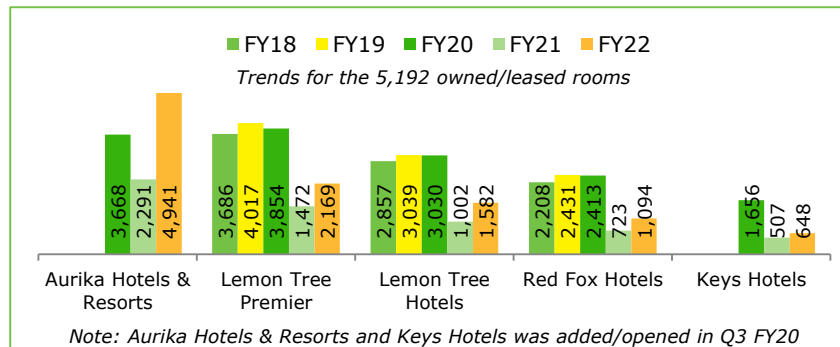
Occupancy (%)



ARR (in Rs.)

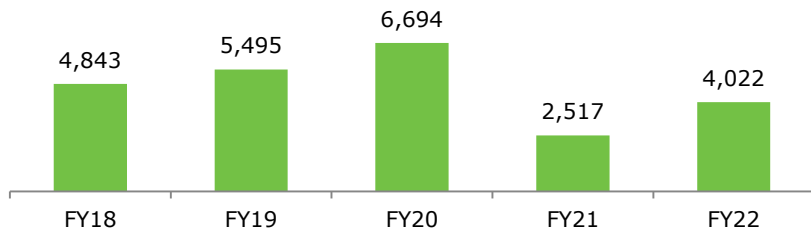


RevPAR (in Rs.)

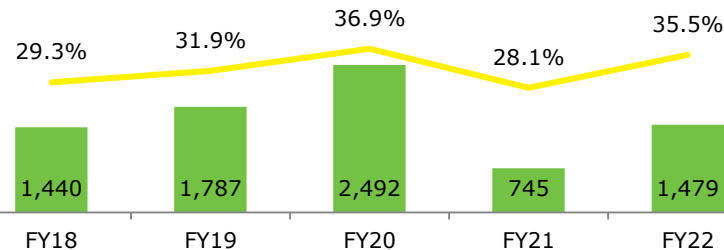


Operating Performance over 5 years

Revenue from operations (Rs. Million)

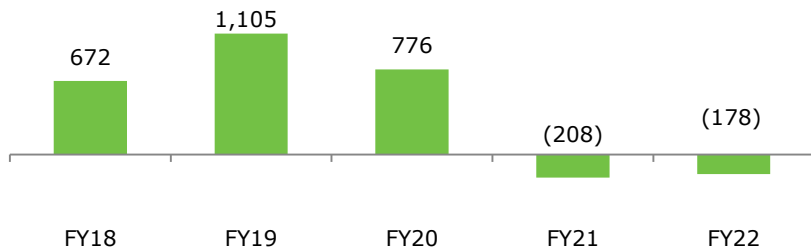


EBITDA (Rs. Million) & EBITDA margins

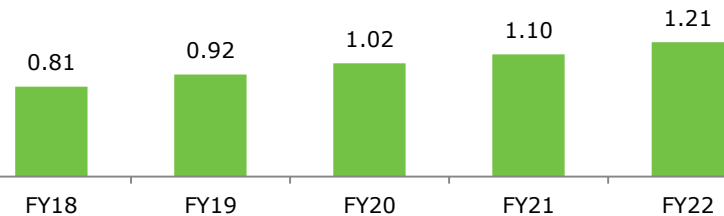


FY22 EBITDA Margin% is without Stamp Duty expense of Rs. 15.3 Cr

Cash profit



Debt to Equity Ratio

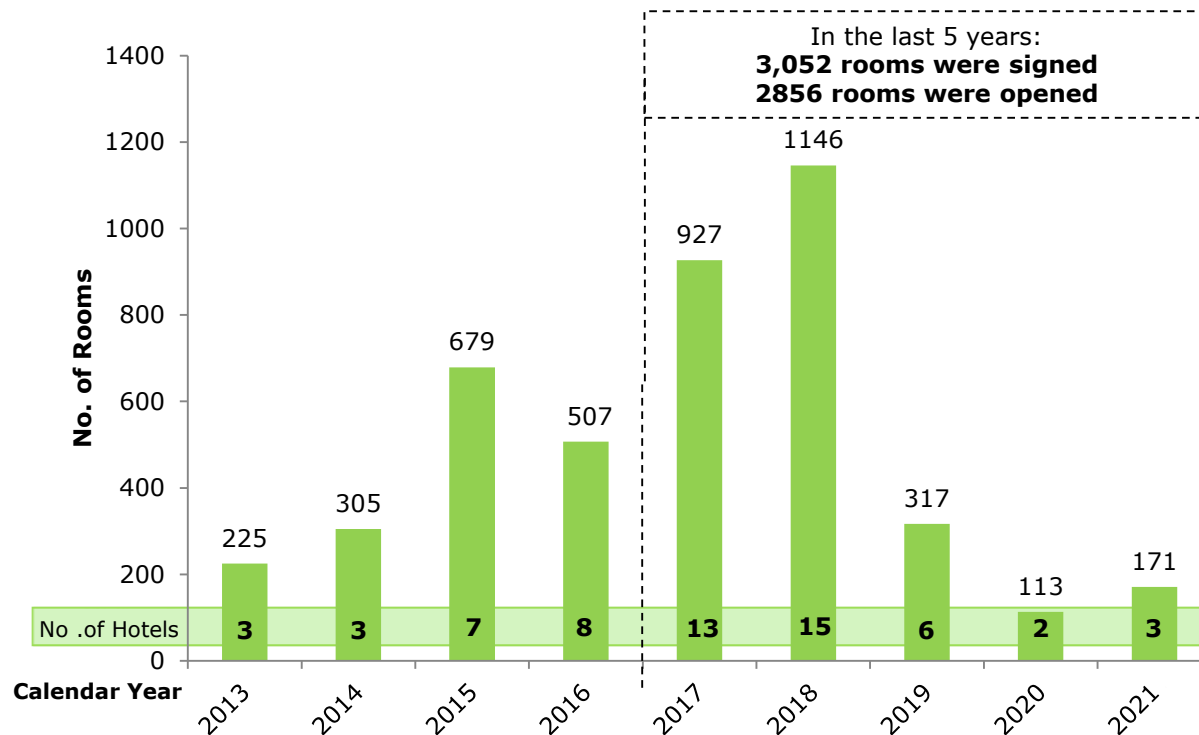


Notes: FY18, FY19, FY20, FY21 and FY22 figures are from audited balance sheet. For FY20 and FY21: Cash Profit = PAT + Depreciation + Interest converted into loans, for FY22: Cash Profit = PAT + Depreciation + Stamp Duty Expense; for all remaining years it is PAT + Depreciation. FY22 EBITDA and EBITDA Margin% is adjusted for Stamp Duty expense of Rs. 15.3 Cr



Expansion Plans

Management contracts – Signings/Opening over the years



Deal Pipeline

For Q4 FY22



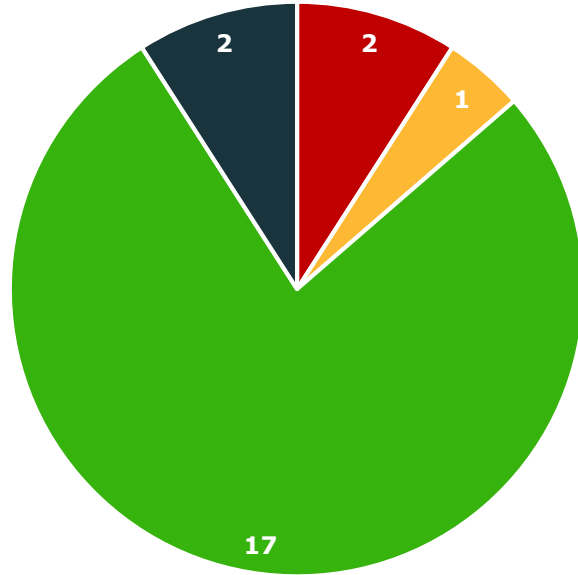
Term Sheets signed
for 8 hotels – 777
rooms



Active Discussions
ongoing for 81 hotels
– 5,947 rooms

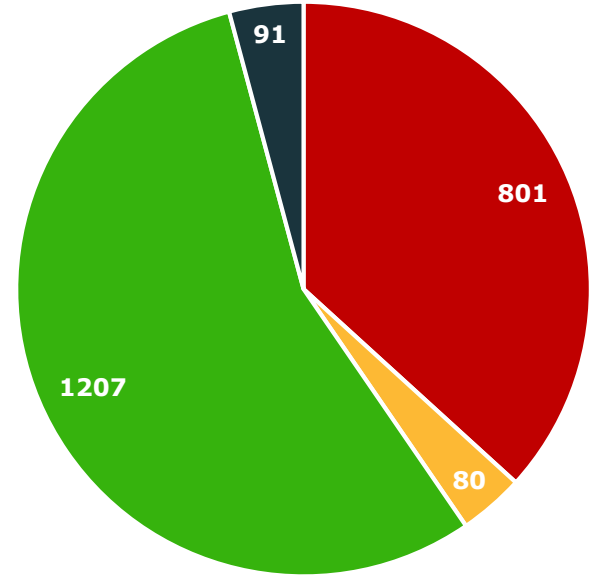
Portfolio Breakup as on 31st March 2022 – Pipeline (Owned + Managed)

Hotels (Total: 22)



- Aurika Hotels & Resorts
- Lemon Tree Premier
- Lemon Tree Hotels
- Keys by Lemon Tree Hotels

Rooms (Total: 2179)



- Aurika Hotels & Resorts
- Lemon Tree Premier
- Lemon Tree Hotels
- Keys by Lemon Tree Hotels

Expansion Plans – Pipeline of Management Contracts (as on 31st March 2022)

#	Management Contracts Pipeline	City	Rooms	Expected Opening date
1	Keys Lite, Tapovan, Rishikesh	Rishikesh	39	Apr-22
2	Keys Select by Lemon Tree Hotels, Gandhi Ashram, Ahmedabad	Ahmedabad	52	Jul-22
3	Lemon Tree Hotel Kalina, Mumbai	Mumbai	70	Aug-22
4	Lemon Tree Hotel, McLeodganj	Dharamshala	39	Oct-22
5	Lemon Tree Hotel, Mukteshwar	Uttarakhand	41	Oct-22
6	Lemon Tree Hotel, Gulmarg	Gulmarg	35	Nov-22
7	Lemon Tree Premier, Biratnagar, Nepal	Biratnagar, Nepal	80	Dec-22
8	The Spectrum, operated by Lemon Tree Hotels, Gurugram	Gurugram	260	Dec-22
9	Lemon Tree Resort, Mussoorie	Mussoorie	40	Dec-22
10	Lemon Tree Hotel, Tapovan, Rishikesh	Rishikesh	102	Dec-22
11	Lemon Tree Hotel, Bokaro	Bokaro	70	Jan-23
12	Lemon Tree Hotel, Sonmarg	Sonmarg	40	Jan-23
13	Lemon Tree Hotel, Agra	Agra	62	Jan-23
14	Lemon Tree Hotel, Trivandrum	Trivandrum	100	Jun-23
15	Lemon Tree Hotel, Kathmandu	Kathmandu, Nepal	75	Sep-23
16	Lemon Tree Hotel, Darjeeling	Darjeeling	55	Oct-23
17	Lemon Tree Resort Thimphu, Bhutan	Thimphu, Bhutan	38	Oct-23
18	Aurika Hotels and Resorts, Rishikesh	Rishikesh	132	Mar-25
19	Bhangeri Durbar Resort, operated by Lemon Tree Hotels, Nepal	Nagarkot, Nepal	51	TBD
20	Lemon Tree Hotel, Ludhiana	Ludhiana	60	TBD
			1,441	

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

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. 1,006 Cr
- * 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 31st March 2022 is Rs. 422 Cr

Aurika, Mumbai Airport (MIAL) | Image Representation



Lemon Tree Mountain Resort, Shimla | Image Representation



Lemon Tree Mountain Resort, Shimla | Image Representation





Aurika, Hotels and Resorts, Udaipur

ANNEXURES

Environment Social Governance (ESG) – **Vision FY26**



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](#)

ESG – **Vision FY26** linked to Sustainable Development Goals

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 
--	--	--	---	--	--	---

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

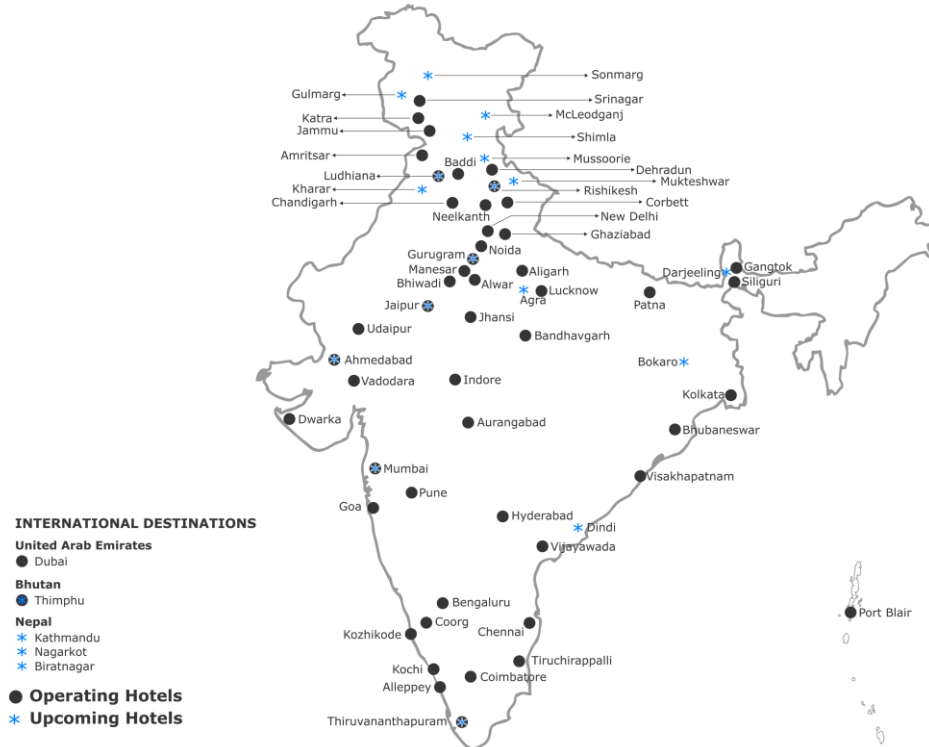
Portfolio Breakup as on 31st March 2022 - Operational

Operational Portfolio	Owned (incl. on leased land)		Leased		Managed/ Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika Hotels & Resorts	1	139	0	0	1	55	2	194
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	3297	87	8489

Portfolio Breakup as on 31st March 2022 - Pipeline

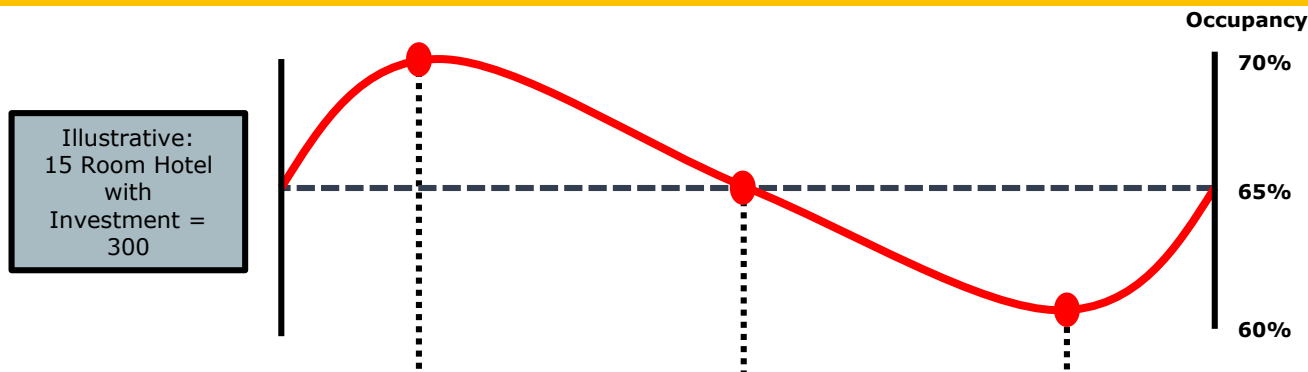
Pipeline Portfolio	Owned (incl. on leased land)		Leased		Managed/ Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika Hotels & Resorts	1	669	0	0	1	132	2	801
Lemon Tree Premier	0	0	0	0	1	80	1	80
Lemon Tree Hotels	1	69	0	0	16	1138	17	1207
Red Fox by Lemon Tree Hotels	0	0	0	0	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	2	91	2	91
Total	2	738	0	0	20	1441	22	2179

Strategically positioned in key geographies



Map is updated as of 15th May 2022

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.

Conference Call Details

Lemon Tree Hotels Limited (LTH) Q4 & FY22 Earnings Conference Call

Time • 2:00 PM IST on Monday, May 30, 2022

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
ExpressJoin the Call

About Lemon Tree Hotels

Lemon Tree Hotels Limited is India's largest mid market hotel chain and the third largest overall, on the basis of controlling interest in owned and leased rooms. We operate across the upper upscale, upscale, upper-midscale, midscale and economy segments. We deliver differentiated yet superior service offerings, with a compelling value 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 South Asia, under its various brands viz. Aurika Hotels & Resorts, Lemon Tree Premier, Lemon Tree Hotels, Red Fox Hotels, Keys Prima, Keys Select and Keys Lite. When the current pipeline becomes operational by 2025, LTHL will be operating ~10,700 rooms in 109 hotels across 65 destinations.

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:

Kapil Sharma (Chief Financial Officer)

Lemon Tree Hotels Ltd

Tel: +91 11 4605 0174 / +91 11 4605 0153

E-mail: cfo@lemontreehotels.com

Anoop Poojari

CDR India

Tel: 98330 90434

E-mail: anoop@cdr-india.com



UPSCALE



UPPER MIDSCALE



MIDSCALE



ECONOMY

BY LEMON TREE HOTELS
UPPER MIDSCALEBY LEMON TREE HOTELS
MIDSCALEBY LEMON TREE HOTELS
ECONOMY