

December 06, 2021

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

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

**NSE Scrip Symbol: LEMONTREE**

**BSE Scrip Code: 541233**

**Subject: Disclosure under Regulation 30(6) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

**Ref: Analysts/Investor Meet**

Dear Sir

Pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we wish to inform you that the management of the Company will be participating online in the following conference.

S. No.	Event	Date
1	Ambit's Emerging Giants Virtual Conference	09-12-2021

In this regard, the Corporate Presentation is enclosed herewith.

Thanking You

For **Lemon Tree Hotels Limited**



**Nikhil Sethi**  
Group Company Secretary & GM Legal  
and Compliance Officer

# Lemon Tree Hotels Limited

## Corporate Presentation



**aurika**  
HOTELS & RESORTS

UPSCALE

  
**lemon tree**  
PREMIER

UPPER MIDSCALE

  
**lemon tree**  
HOTELS

MIDSCALE

  
**red fox**  
BY LEMON TREE HOTELS

ECONOMY

  
PRIMA HOTELS

UPPER MIDSCALE

  
SELECT HOTELS

MIDSCALE

  
LITE 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.



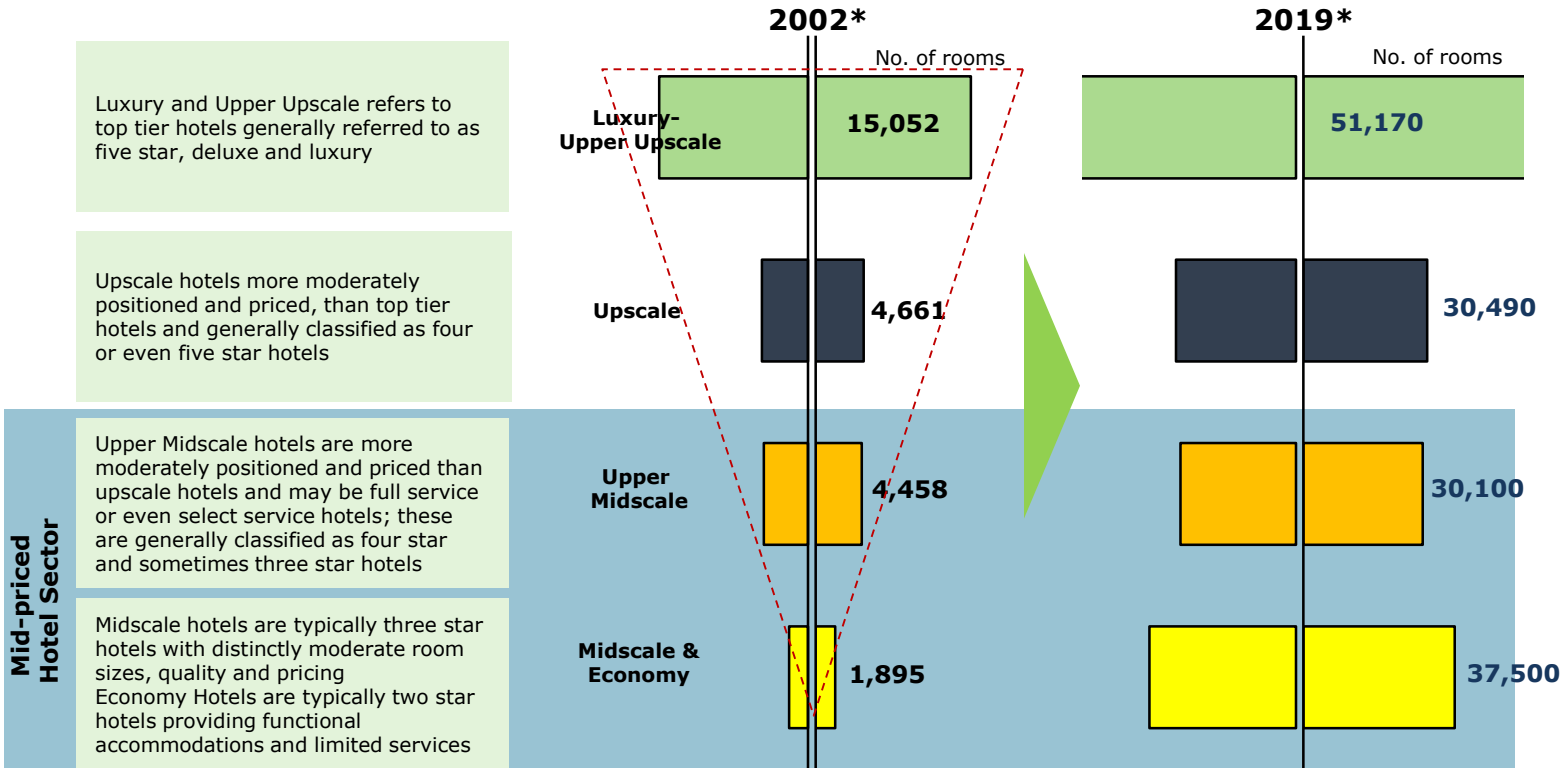


## Company Overview and Growth Plans

# Supply of rooms in India's hotel industry was primarily at the top-end



**When Lemon Tree commenced business in 2002, India's Hotel industry was an inverted pyramid**



Luxury and Upper Upscale refers to top tier hotels generally referred to as five star, deluxe and luxury

Upscale hotels more moderately positioned and priced, than top tier hotels and generally classified as four or even five star hotels

**Mid-priced Hotel Sector**  
Upper Midscale hotels are more moderately positioned and priced than upscale hotels and may be full service or even select service hotels; these are generally classified as four star and sometimes three star hotels

Midscale hotels are typically three star hotels with distinctly moderate room sizes, quality and pricing  
Economy Hotels are typically two star hotels providing functional accommodations and limited services

Source : Horwath HTL India Hotel Market Review, 2018  
Note: \* as of December 31 of that year



UPSCALE



UPPER MIDSCALE



MIDSCALE



ECONOMY



BY LEMON TREE HOTELS

UPPER MIDSCALE



BY LEMON TREE HOTELS

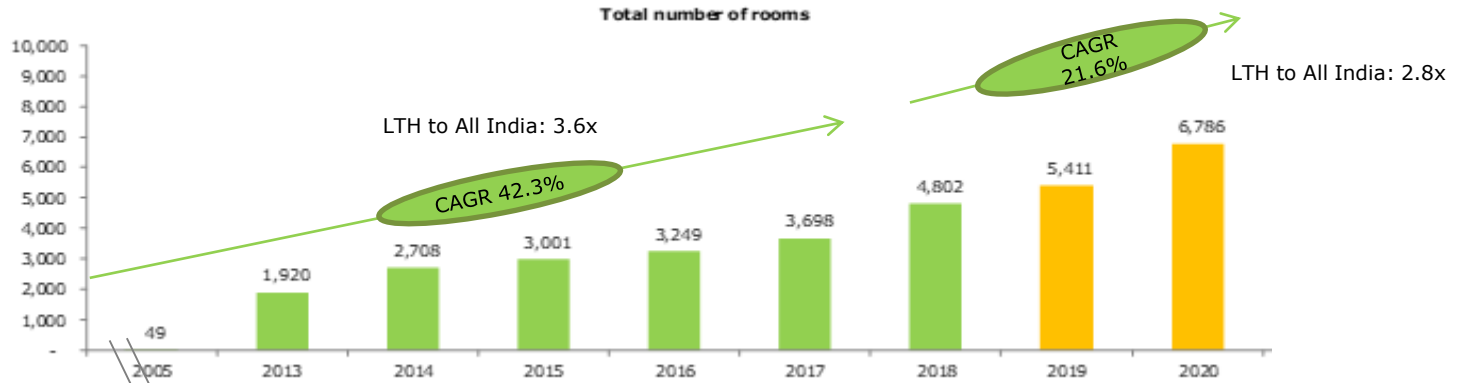
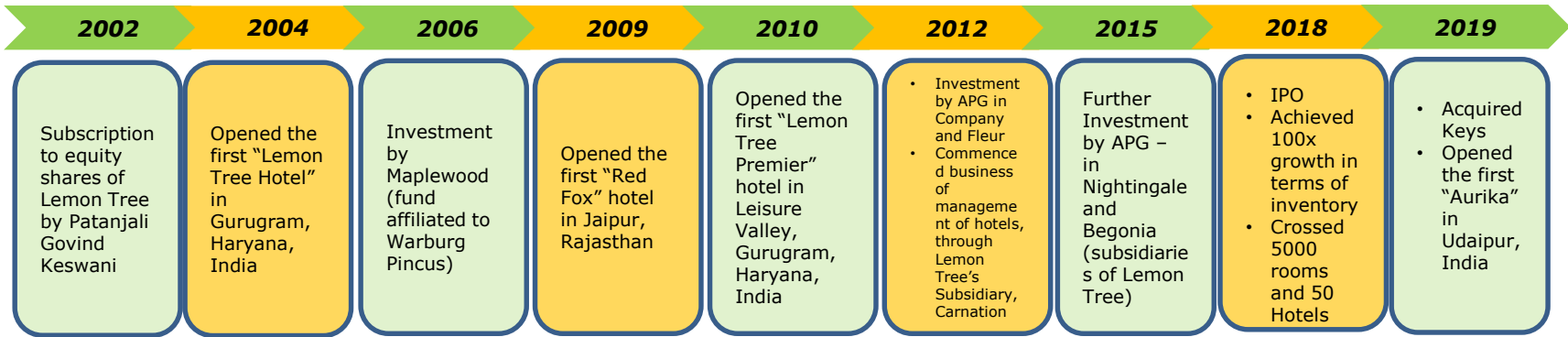
MIDSCALE



BY LEMON TREE HOTELS

ECONOMY

# Lemon Tree Brand Standards – Linked to Business Model






All India Supply CAGR: 11.8%

All India Supply CAGR: 7.9%

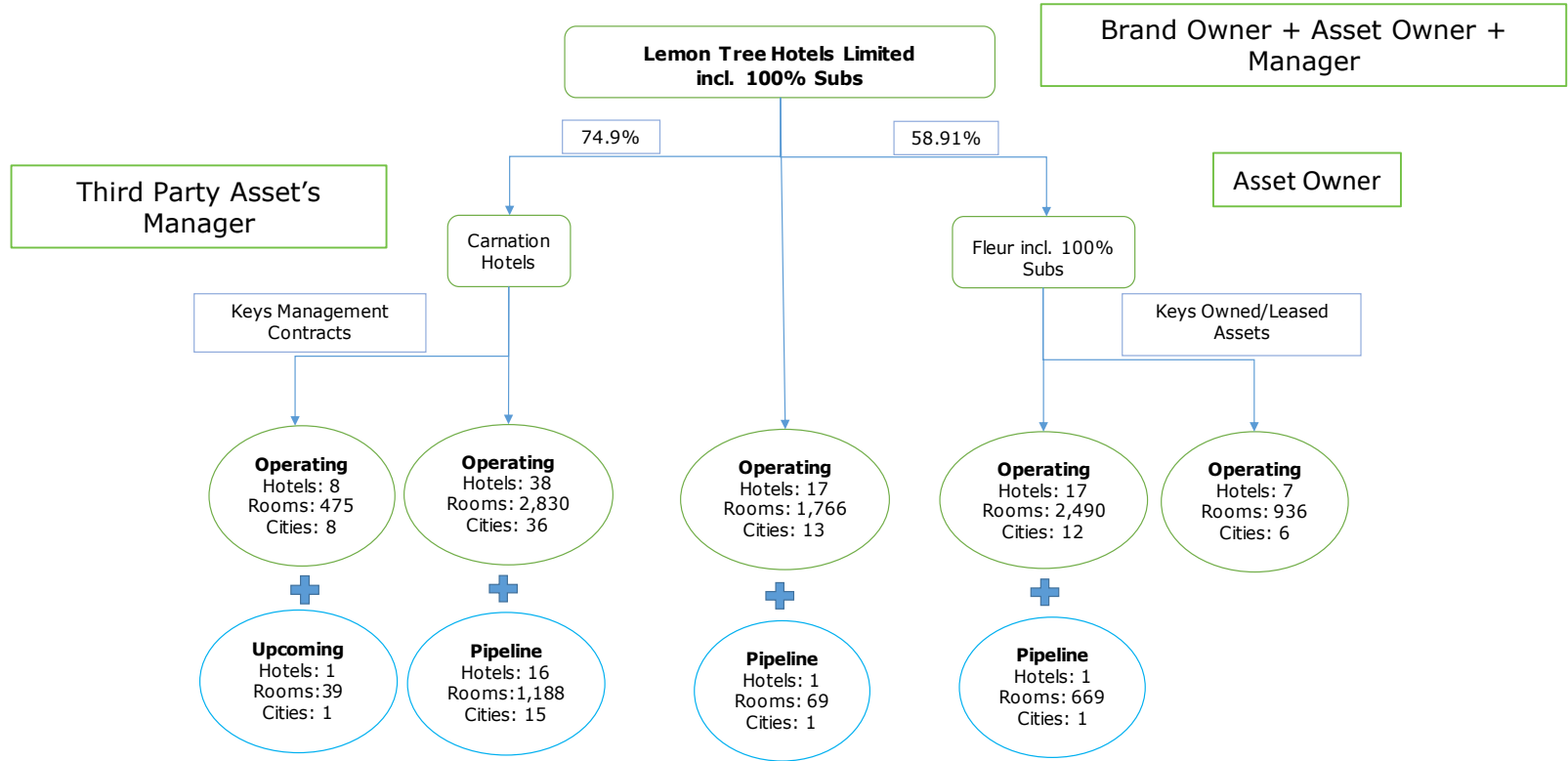


## Key Statistics

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



# Lemon Tree Group Structure



Notes :-  
 1. The Pipeline of hotels is as of 30<sup>th</sup> September 2021



UPSCALE



UPPER MIDSCALE



MIDSCALE



ECONOMY



BY LEMON TREE HOTELS

UPPER MIDSCALE



BY LEMON TREE HOTELS

MIDSCALE



BY LEMON TREE HOTELS

ECONOMY



# 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%

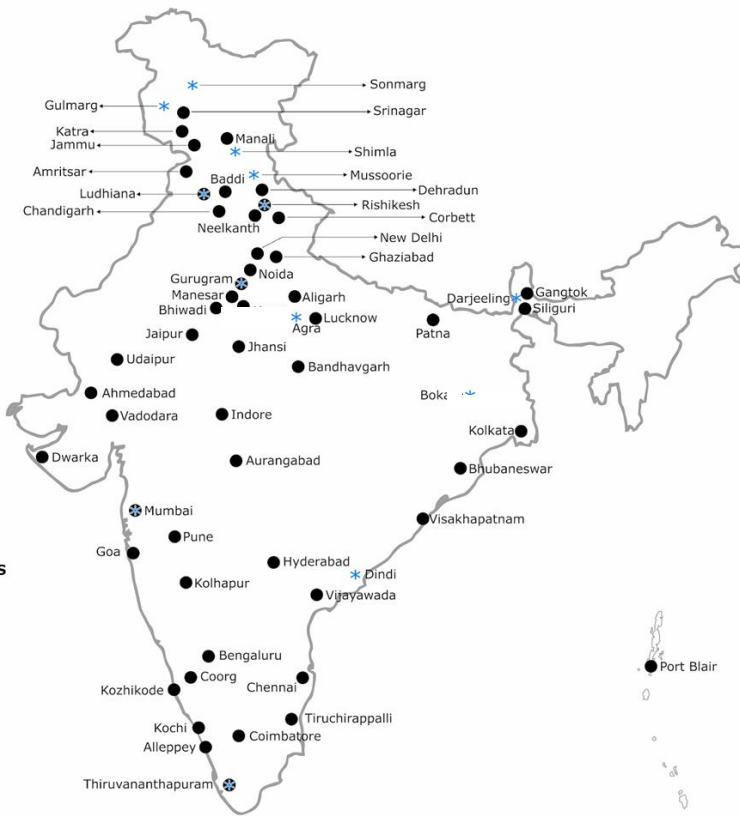
**Bengaluru:** FY20 – 6.3%  
FY26E – 4.9%

**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**



UPSCALE



UPPER MIDSCALE



MIDSCALE



ECONOMY



BY LEMON TREE HOTELS

UPPER MIDSCALE



BY LEMON TREE HOTELS

MIDSCALE



BY LEMON TREE HOTELS

ECONOMY

# Lemon Tree – Snapshot as on 21<sup>st</sup> October 2021

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

**Pipeline**

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



**8,497 rooms;  
87 hotels**



**1,965 rooms;  
19 hotels**



**10,462 rooms;  
106 hotels**

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



# Lemon Tree Brand Standards – Linked to Business Model

LT Brand Standards				
	Owned (Built to suit)	Leased (Renovated)	Managed <sup>1</sup> (Renovated)	Most Unbranded <sup>2</sup> Mid-Market Hotels
<b>Product Features</b>	10/10	8/10	6-8/10	2-4/10
<b>Service Features</b>	10/10	10/10	8/10	5/10
<b>Planned Branding</b>	Aurika/LTP/LTH/RFH	Aurika/LTP/LTH/RFH	Aurika/LTP/LTH/RFH	Keys

Notes :-

1. 25% of the Market
2. 75% of the Market



# Hotel Inventory by Segment and Lemon Tree Brand Positioning

Segment	Inventory	Lemon Tree Brand Positioning
<b>Luxury and Upper Upscale</b>	51,170	-
<b>Upscale</b>	30,490	Aurika
<b>Upper Midscale</b>	30,100	LTP
<b>Midscale and Economy</b>	37,500	LTH/RFH
<b>Unbranded Standalone</b>	250,000	LTP/LTH/RFH
	1,750,000	Keys Prima/Select/Lite

**Our Aim is to Consolidate i.e. Target the unbranded 2mn rooms and bring them into branded space**

Source : Hotelivate – Horwah HTL India Market Review 2019



# 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%
<b>Total</b>		<b>738</b>		

- \* 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 30<sup>th</sup> September, 2021 is Rs. 3,876 Million

# Expansion Plans – Pipeline of Management Contracts (as on 21<sup>st</sup> 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
<b>Total Pipeline</b>	<b>1,227</b>	

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



## Differentiated business model of Lemon Tree (LTH)



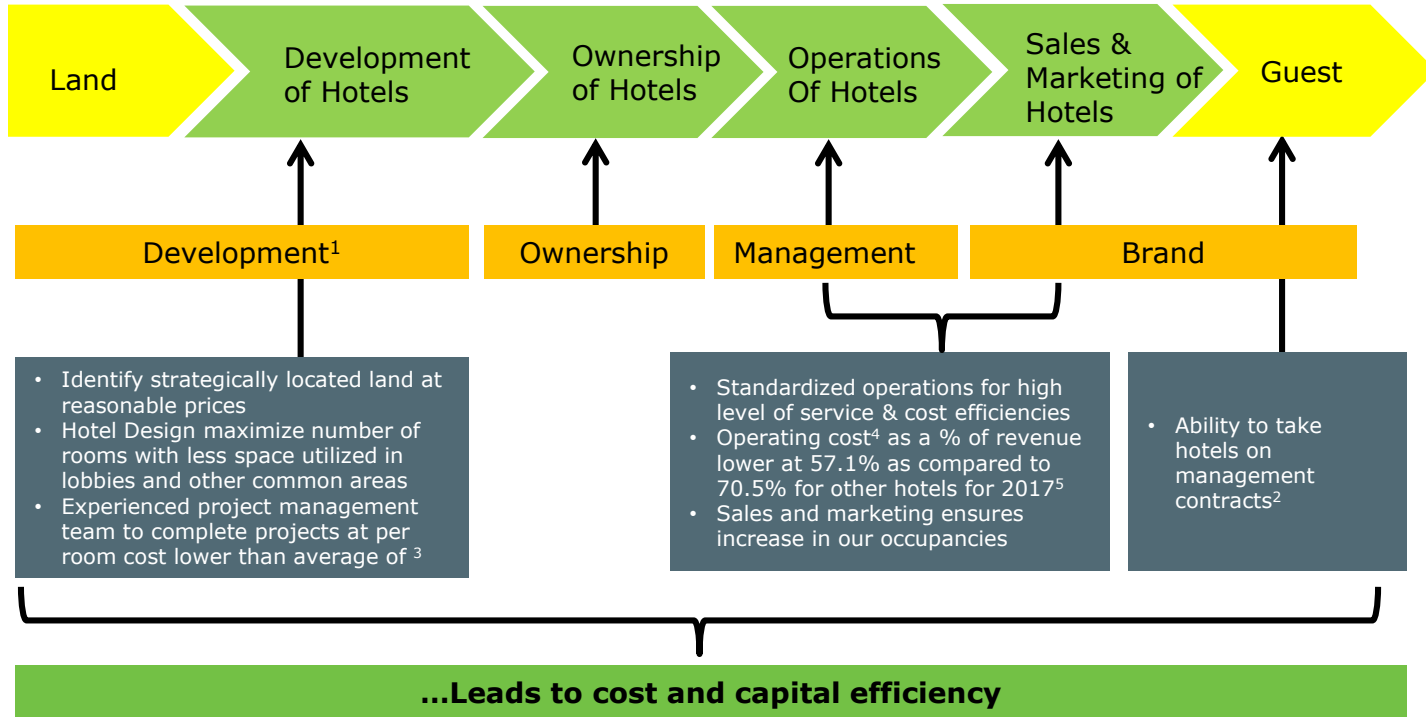
# The Business Model | Mid-cycle

**Lemon Tree's ROCE is > 1.5x of a typical 5 star hotel in India**

	Typical 5 star	lemon tree HOTELS	
<b>Cost Per Room (Normalised)</b>	1000	400	~40% of Five Star
<b>Rate (Normalised)</b>	100	50	
<b>Occupancy</b>	x%	1.2x%	
<b>Room Revenue (Normalised)</b>	100	<u>60</u>	~60% of Five Star
<b>Total Revenue (Normalised)</b>	100	<u>50</u>	Lower other income for LTH
<b>Cost (Normalised)</b>	65	<u>25</u>	~40% of Five Star
<b>EBITDA (Normalised)</b>	35	<u>25</u>	
<b>RoCE</b>	x	<u>1.7x</u>	







- Identify strategically located land at reasonable prices
- Hotel Design maximize number of rooms with less space utilized in lobbies and other common areas
- Experienced project management team to complete projects at per room cost lower than average of <sup>3</sup>

- Standardized operations for high level of service & cost efficiencies
- Operating cost<sup>4</sup> as a % of revenue lower at 57.1% as compared to 70.5% for other hotels for 2017<sup>5</sup>
- Sales and marketing ensures increase in our occupancies

- Ability to take hotels on management contracts<sup>2</sup>

**...Leads to cost and capital efficiency**

Note: 1. Through subsidiary Grey Fox Project Management  
 2. Through subsidiary Carnation  
 3. For Select Hotels for the same period, according to a survey conducted by HVS (India – 2016 Hotel Development Cost Survey)  
 4. For owned and leased hotels  
 5. Source : FHRAI-Indian-Hotel-Survey-2016-17



Process

Presence across value chain



Focus on culture & service differentiation with focus on domestic travellers



- Ranked 4<sup>th</sup> in India and only Hotel chain in top 10 Best Companies to Work for by the Great Place to Work Institute, India in 2017
- Ranked 12th in Asia's Best Large Workplaces in 2018 by Great Place to Work Institute. Only Indian company in top 15
- The highly engaged work force provides superior service to customers

**Superior service leads to higher Customer Satisfaction as demonstrated by TripAdvisor recognition**



68 out of 79 hotels (which were eligible for receiving this recognition) were awarded the TripAdvisor Travelers' Choice Award 2021

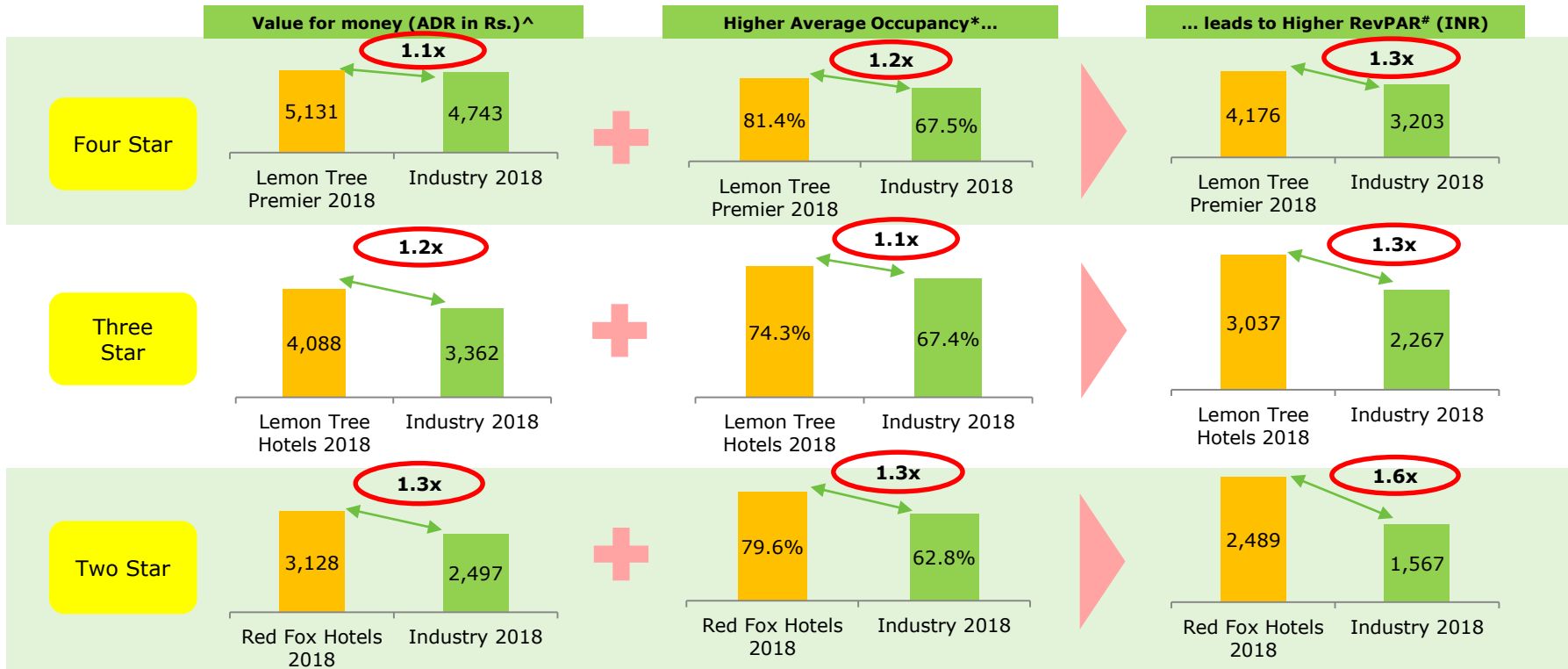


Customers

Value for money pricing

Occupancy (Utilization) Premium

RevPAR (Revenue per room) Premium



Source : Industry data is sourced from Hotelivate – Trend and Opportunities Report - 2019.  
<sup>^</sup> Average Daily room rent; \*Average occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels;  
<sup>#</sup>RevPAR is calculated by multiplying ADR and average occupancy, where ADR represents revenue from room rentals divided by total number of room nights sold at our owned and leased hotels (including rooms that were available for only a certain portion of a period)

Lemon Tree/Industry



Cost

Lower Average Operating Expenses/ Room

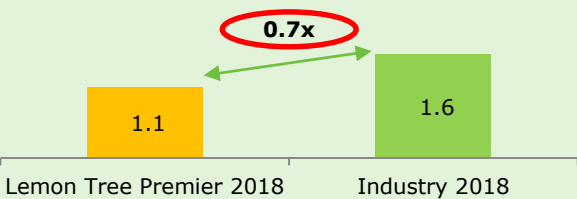
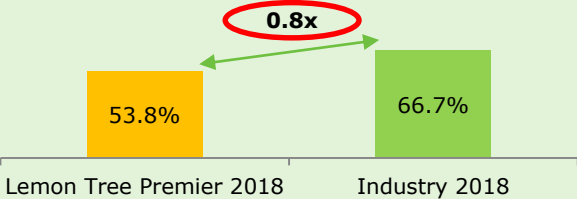
Higher GOP^



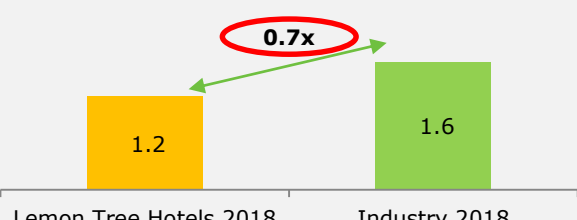
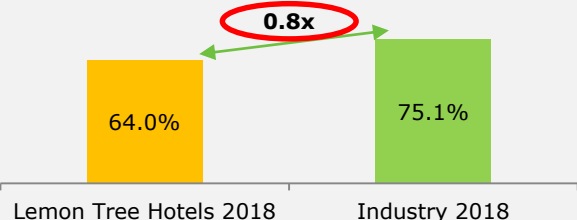
Lower Operating Expense as % of Revenue

Lower Staff per room ratio

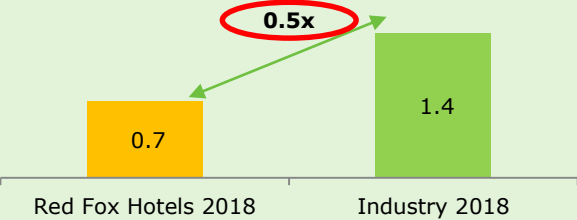
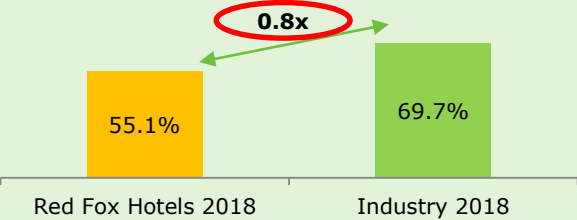
Four Star



Three Star



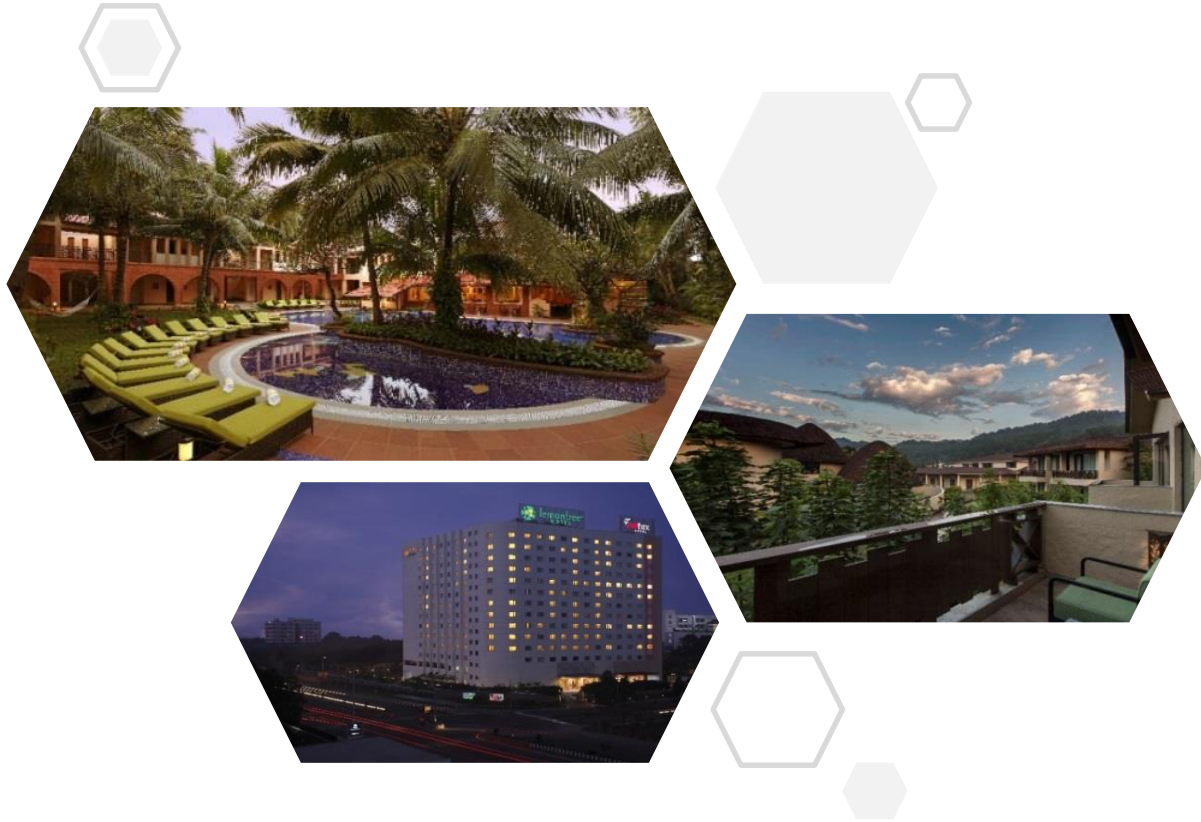
Two Star



Source : Industry data is sourced from FHRAI-Indian-Hotel-Survey-2017-18. Due to operational disruptions, FHRAI has not been able to publish FY19 numbers, hence showing comparison for FY18

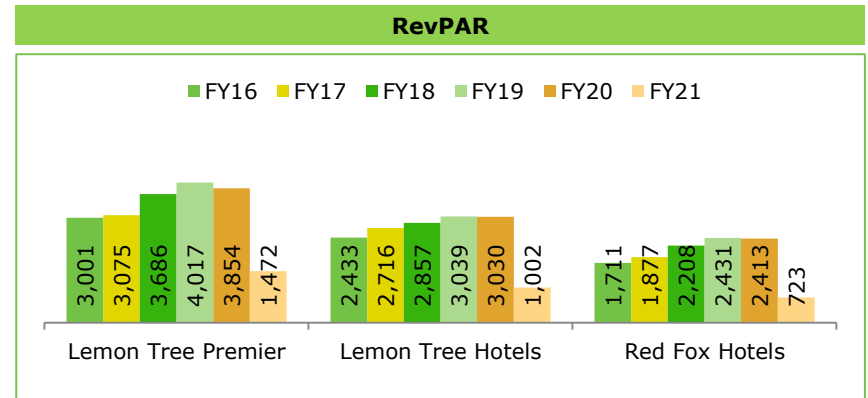
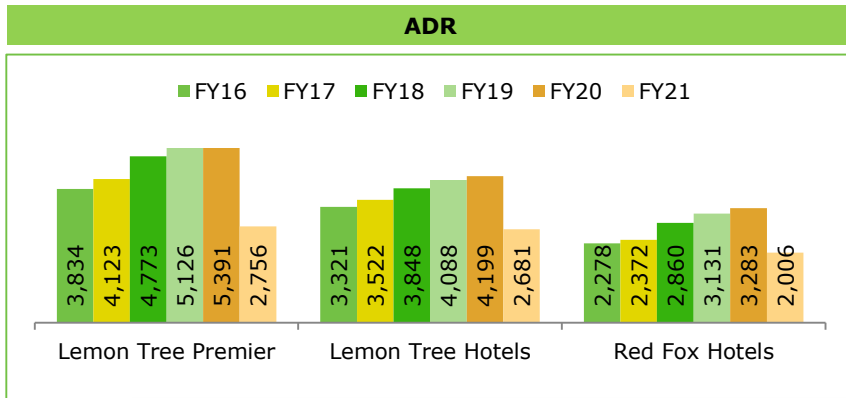
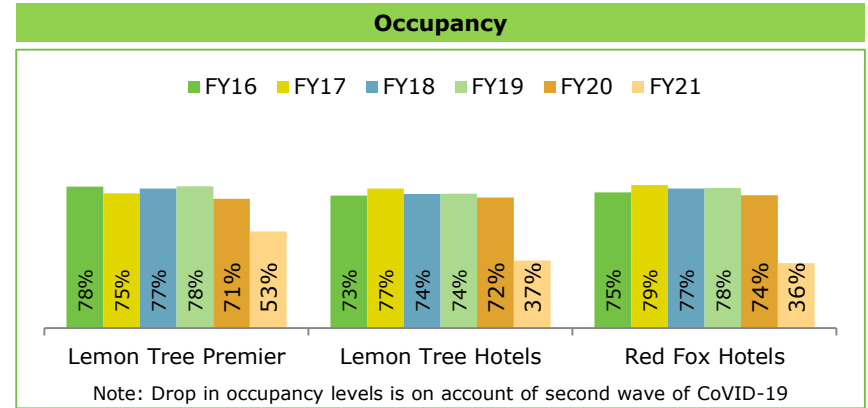
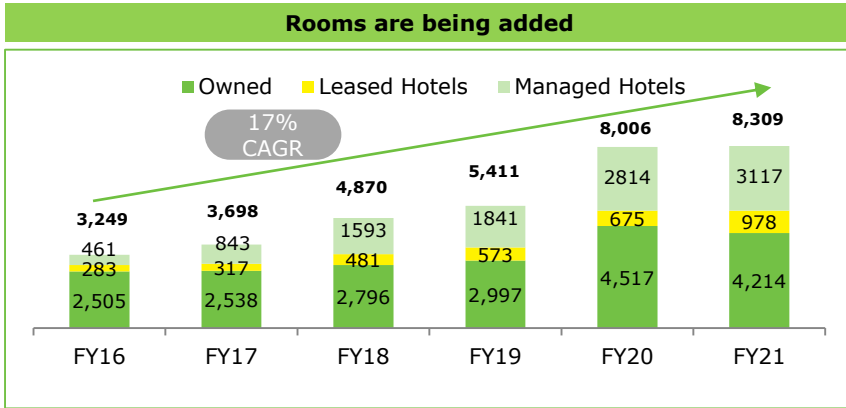
Lemon Tree/Industry





## **Strong Operating and Financial Performance**

# Operating Performance



UPSCALE



UPPER MIDSCALE



MIDSCALE



ECONOMY



UPPER MIDSCALE



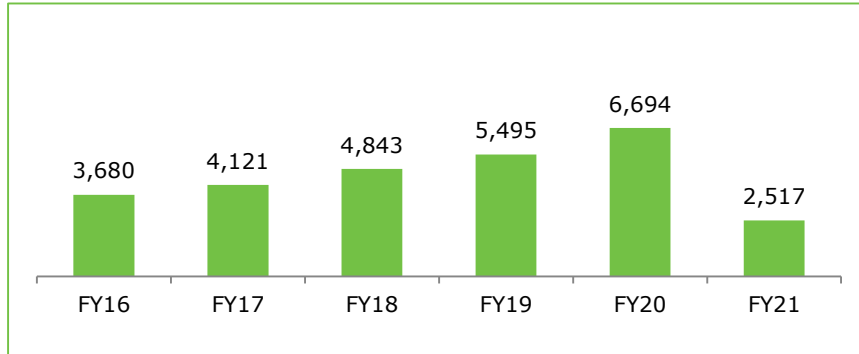
MIDSCALE



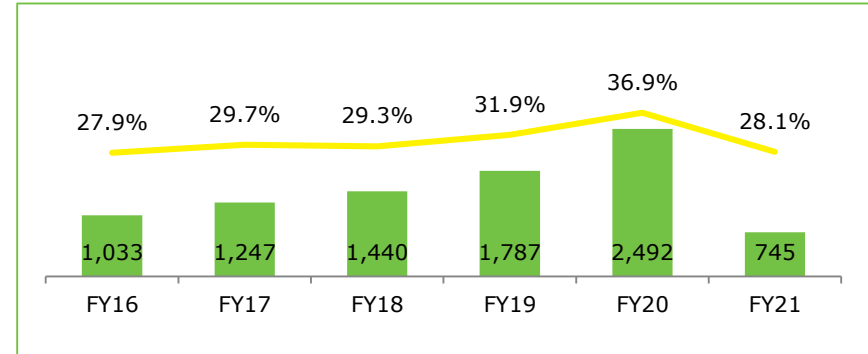
ECONOMY

# Operating Margins

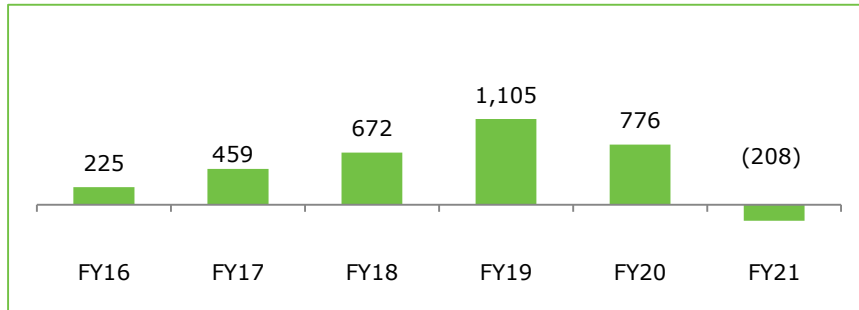
### Revenue from operations (Rs. Million)



### 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



UPSCALE



UPPER MIDSCALE



MIDSCALE



ECONOMY



BY LEMON TREE HOTELS  
UPPER MIDSCALE



BY LEMON TREE HOTELS  
MIDSCALE



BY LEMON TREE HOTELS  
ECONOMY

# 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
Hotels <sup>1</sup>	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 EBITDAR <sup>2</sup> /room (Rs. Lacs)	FY20	6.9	5.5	2.3	High*
	FY21	1.4	1.6	-	
Hotel level EBITDAR <sup>2</sup> Margin (%)	FY20	44%	39%	39%	High*
	FY21	30%	36%	-	
Hotel level ROCE <sup>*3</sup> (%)	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



# Individual Progression of 4 latest Adult Hotels from Infant to Toddler to Adult

	Date of Opening	FY15	FY16	FY17	FY18	FY19	CAGR
<b>LTP Aerocity Delhi</b>	Dec-FY14	Infant	Toddler	Toddler	Adult	Adult	
Inventory		145	280	280	280	280	
Occupancy		84.2%	82.0%	75.7%	82.8%	85.5%	
ARR		3,114	3,612	3,876	4,405	5,626	15.9%
RevPAR		2,622	2,963	2,932	3,647	4,809	16.4%
EBITDA/Room		2.4	6.7	7.6	10.1	11.5	48.6%
EBITDA Margin		13.5%	40.8%	41.8%	47.3%	47.5%	
<b>RFH Aerocity Delhi</b>	Dec-FY14	Infant	Toddler	Toddler	Adult	Adult	
Inventory		197	207	207	207	207	
Occupancy		73.5%	87.4%	81.3%	86.0%	88.9%	
ARR		2,183	2,250	2,418	3,137	4,082	16.9%
RevPAR		1,604	1,966	1,966	2,697	3,629	22.6%
EBITDA/Room		2.4	3.2	3.8	6.1	7.4	32.2%
EBITDA Margin		28.6%	33.0%	37.6%	46.1%	47.3%	

	Date of Opening	FY15	FY16	FY17	FY18	FY19	CAGR
<b>LTH Whitefield Bangalore</b>	Jul-FY14	Infant	Toddler	Toddler	Adult	Adult	
Inventory		130	130	130	130	130	
Occupancy		47.5%	70.6%	79.8%	76.9%	82.7%	
ARR		2,681	2,745	3,065	3,393	3,981	10.4%
RevPAR		1,274	1,938	2,445	2,610	3,293	26.8%
EBITDA/Room		1.6	4.3	5.9	5.7	6.9	43.9%
EBITDA Margin		22.2%	41.0%	47.0%	43.9%	46.4%	
<b>LTH Gachibowli Hyderabad</b>	Nov-FY15	Infant	Toddler	Toddler	Adult		
Inventory		190	190	190	190		
Occupancy		61.6%	75.9%	73.9%	82.9%		
ARR		2,864	2,913	3,128	3,828		10.2%
RevPAR		1,764	2,212	2,311	3,175		21.6%
EBITDA/Room		4.4	6.0	6.0	7.6		19.8%
EBITDA Margin		46.2%	50.2%	48.1%	50.3%		

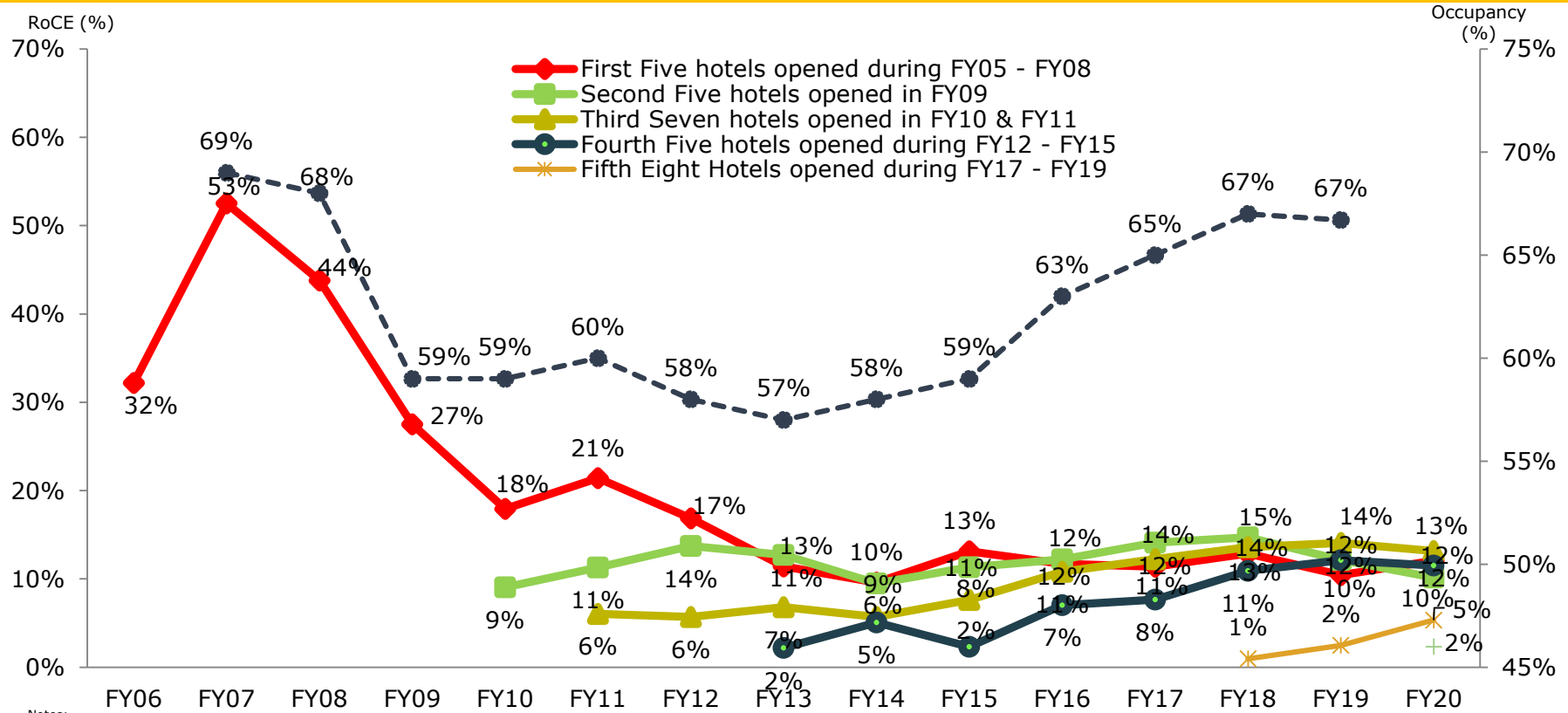
**RevPAR (not ARR or Occupancy) is the Key Metric**

# Aggregate Progression of 4 latest Adult Hotels from Infant to Toddler to Adult

	FY15	FY16	FY17	FY18	FY19	CAGR
<b>Aggregate</b>	Infant	Toddler	Toddler	Adult	Adult	
Inventory	472	807	807	807	807	
Occupancy	69.6%	76.7%	77.8%	80.6%	85.3%	
ARR	2,622	2,945	3,130	3,627	4,545	14.7%
RevPAR	1,826	2,260	2,436	2,922	3,877	20.7%
EBITDA/Room	2.2	4.9	6.0	7.4	8.8	41.8%
EBITDA Margin	20.0%	40.3%	43.5%	46.7%	47.8%	
LTH Focus	Occ.	Occ.	Occ.	ARR	RevPAR	

**Once fully stabilized, RevPAR drives operating leverage**

# Lemon Tree Hotels RoCE : Hotel Buckets by opening 2006-20



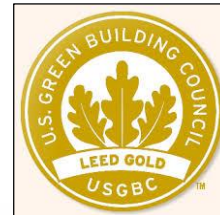
Notes:  
 1. Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels  
 2. Hotel RoCE is based on first full year of operation



# Recognition and awards through the years



- ❖ **Ranked 4th in India and the only hotel chain in the top 10 Best Companies to Work for in India in 2017** by the Great Place to Work institute
- ❖ **Ranked 12th in Asia's Best Large Workplaces and the only Indian company in the top 15 in 2018** by the Great Place to Work institute
- ❖ National Award for Empowerment of Persons with Disabilities – 2011, 2012 and 2016
- ❖ Received the **5th IGBC Green Champion** award under the category **"Organization Leading the Green Building Movement in India (Commercial)"**





## 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](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 1<sup>st</sup> April 2020 to 31<sup>st</sup> 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](#)



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](#)



UPSCALE



UPPER MIDSCALE



MIDSCALE



ECONOMY



BY LEMON TREE HOTELS

UPPER MIDSCALE



BY LEMON TREE HOTELS

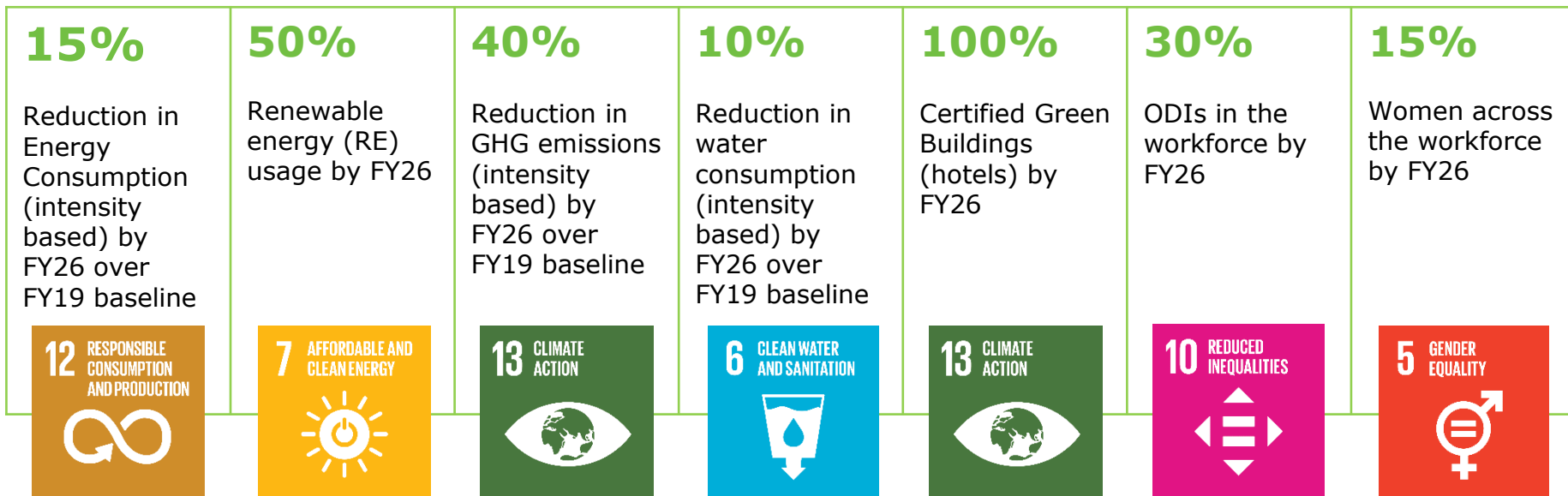
MIDSCALE



BY LEMON TREE HOTELS

ECONOMY

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



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](#)



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



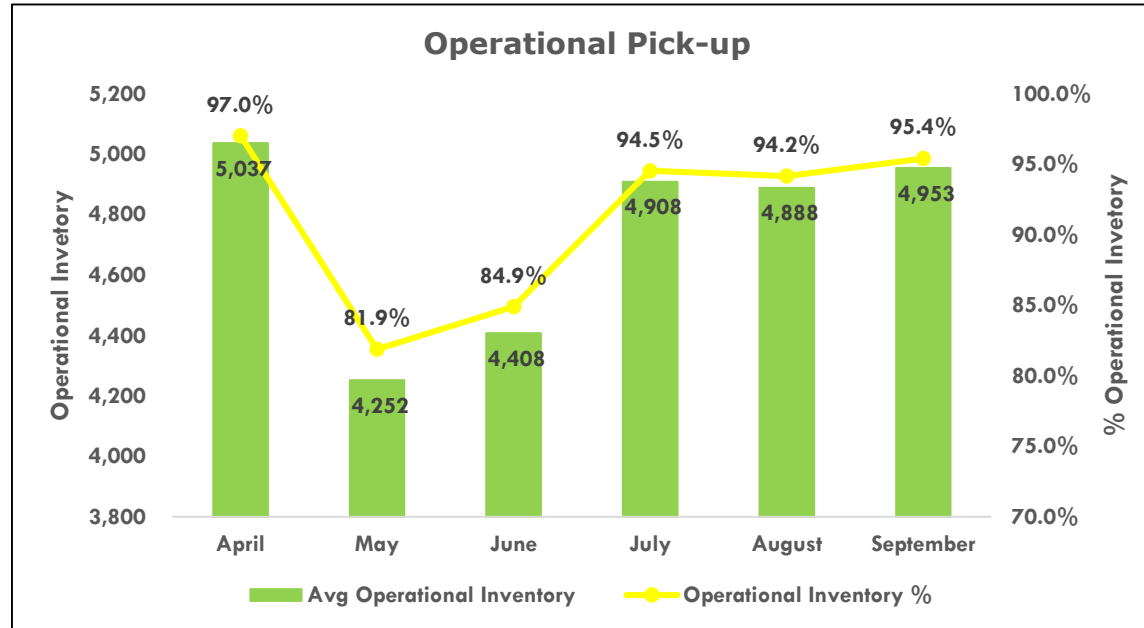
Click here to read the report: [ESG Report](#)



## CoVID-19 : Survive, Revive & Thrive



## Increasing Operational Inventory



Trends for the 5,192 owned/leased rooms



UPSCALE



UPPER MIDSCALE



MIDSCALE



ECONOMY



UPPER MIDSCALE



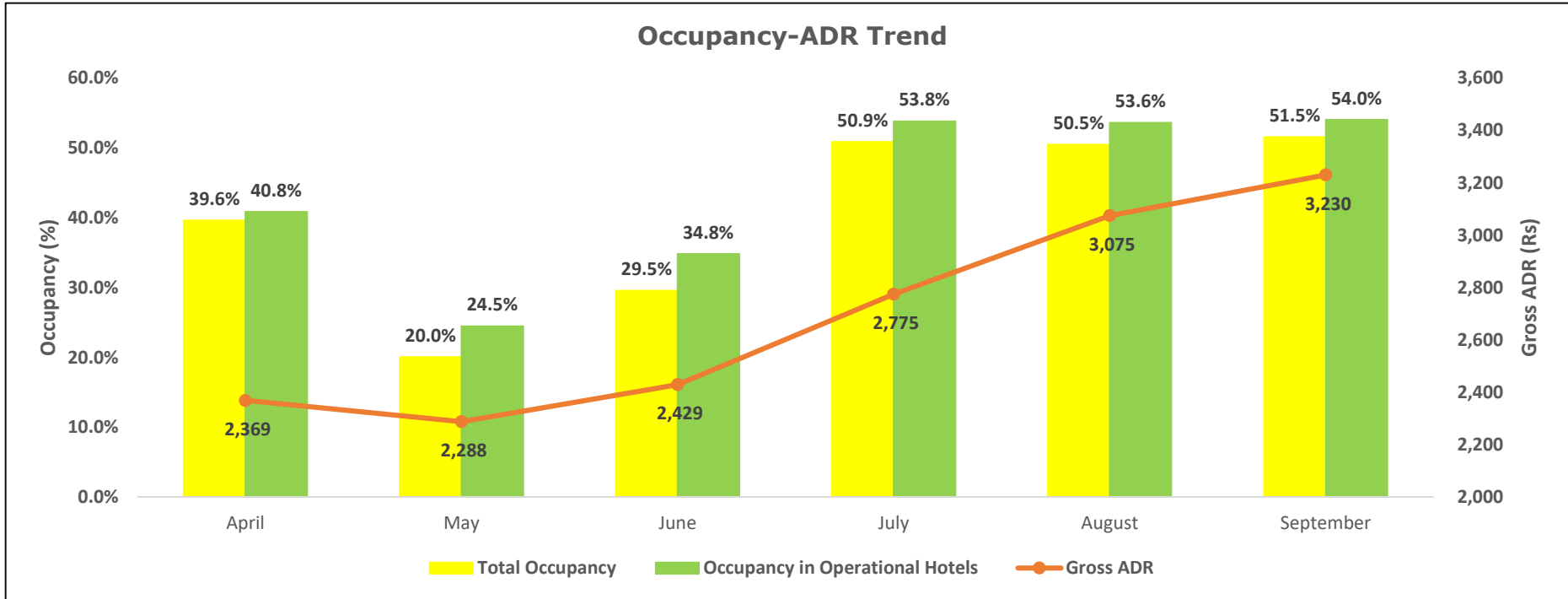
MIDSCALE



ECONOMY

# Q2 FY22 Operating Performance Trends

## Rising Occupancy Levels

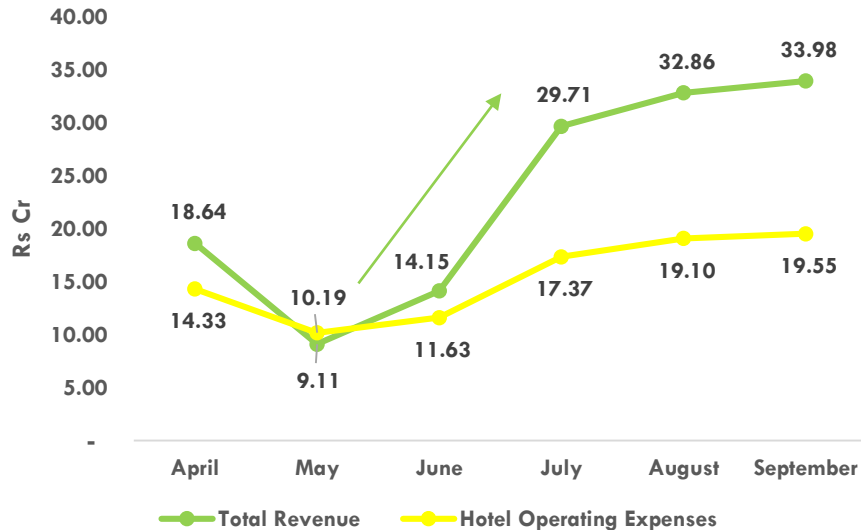


Trends for the 5,192 owned/leased rooms

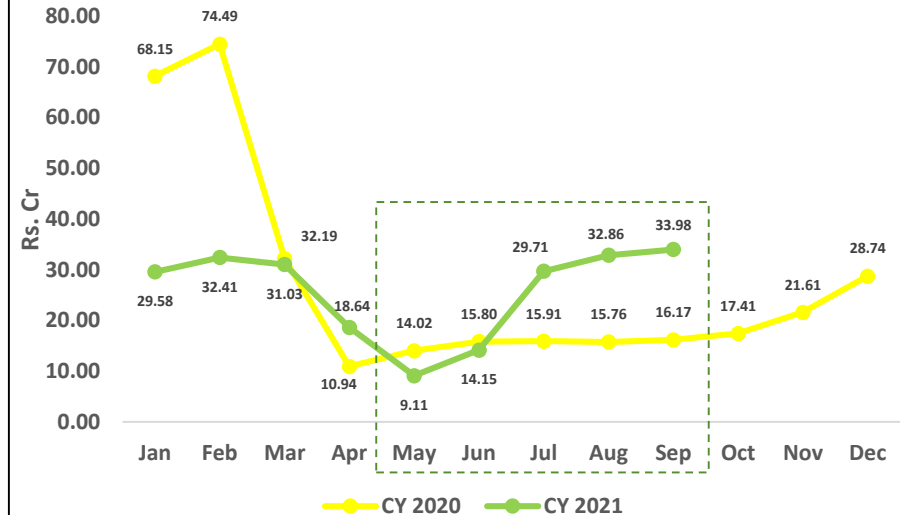


## Improving Operating Efficiency and 'V-Shaped' Recovery

### Revenue vs OPEX Trend



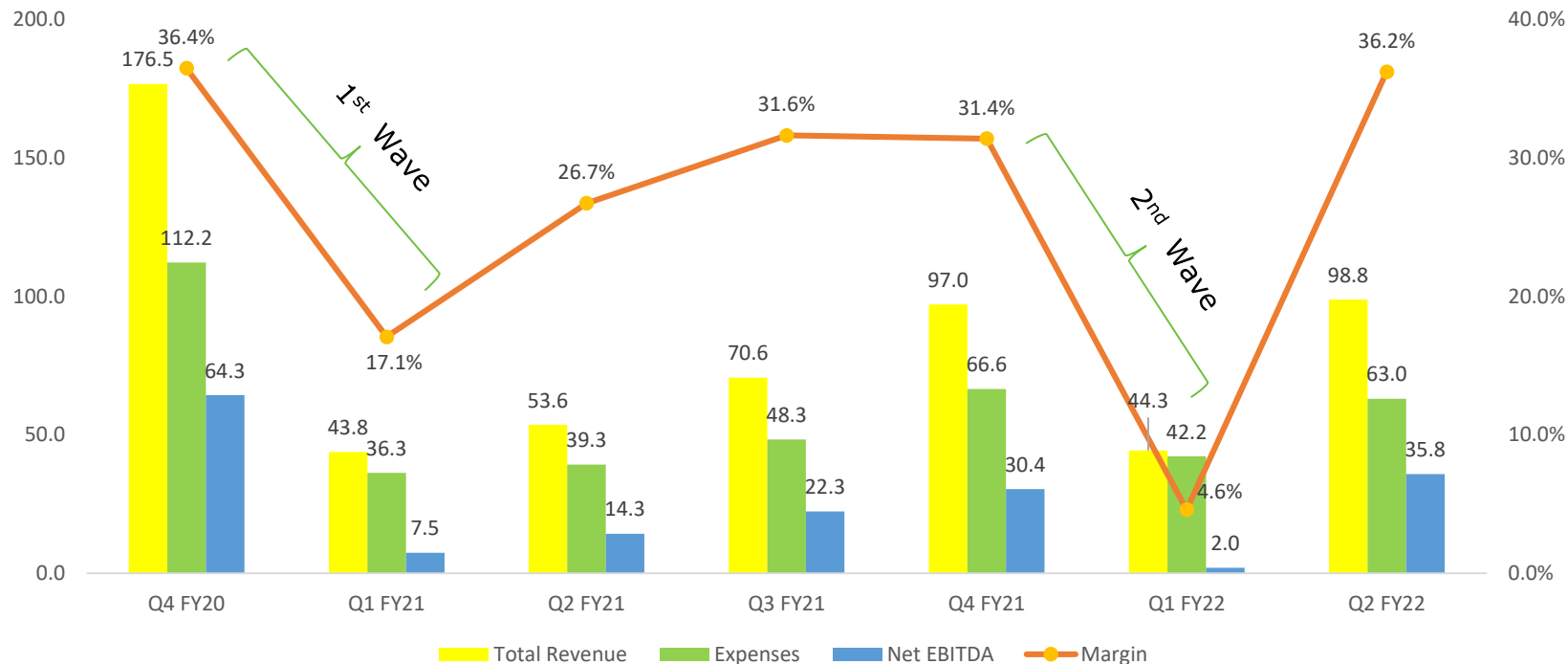
### Revenue Trend



#### 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)

## Quarter on Quarter Performance



UPSCALE



UPPER MIDSCALE



MIDSCALE



ECONOMY



UPPER MIDSCALE



MIDSCALE



ECONOMY

## Operational Performance

- \* Our operating inventory in Q2 FY22 stood at 94.7% of our total inventory against 86.8% in Q2 FY21.
- \* Month on month operational inventory trajectory for Q2 FY22 was 4908 (94.5%), 4888 (94.2%) and 4953 (95.4%) rooms for July, August and September respectively.
- \* Occupancy on full inventory increased by 1,860 bps from 32.4% in Q2 FY21 to 51% in Q2 FY22. On a sequential basis, the occupancy on full inventory increased by 2,135 bps from 29.6% in Q1 FY22
- \* Some of the major demand segments in Q2 FY22 were FIT/CRC/Walk-In, OTA's and Small Medium Enterprises (SME).

## Financial Performance

- \* Revenue from operations stood at Rs. 96.9 Cr in Q2 FY22, up 103.6% 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 FY21
- \* Month on month revenue from operations trajectory for Q2 FY22 was 29.71 Cr., 32.86 Cr., and 33.98 Cr. for July, August and September respectively.
- \* Net EBITDA increased by 149.9% from Rs. 14.3 Cr in Q2 FY21 to Rs. 35.8 Cr in Q2 FY22. On a sequential basis, EBITDA increased 1647.4% from Rs. 2 Cr in Q1 FY22.
- \* EBITDA margin increased by 3159 bps from 26.7% in Q2 FY21 to 36.2% in Q2 FY22.. On a sequential basis, the EBITDA margin has expanded by 951 bps from 4.6% in Q1 FY22.
- \* 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
- \* During the 3-month period, ie. end Q1 FY22 to end Q2 FY22, average cost of borrowings lowered by 5 bps from 8.15% to 8.10%



# CoVID-19 : Survive & Revive – Solved for Liquidity

## Planned

- \* APG Strategic Real Estate Pool N.V. approved investment of upto Rs 300 Cr in two tranches by CCPS which will be convertible into equity in 30 months
- \* Board of Directors gave approval to raise upto Rs 150 Cr as an abundant precaution to provide an additional liquidity cushion, if required
- \* Lemon Tree has the option to avail up to Rs. 548 Cr under government's ECLGS facility

## Availed

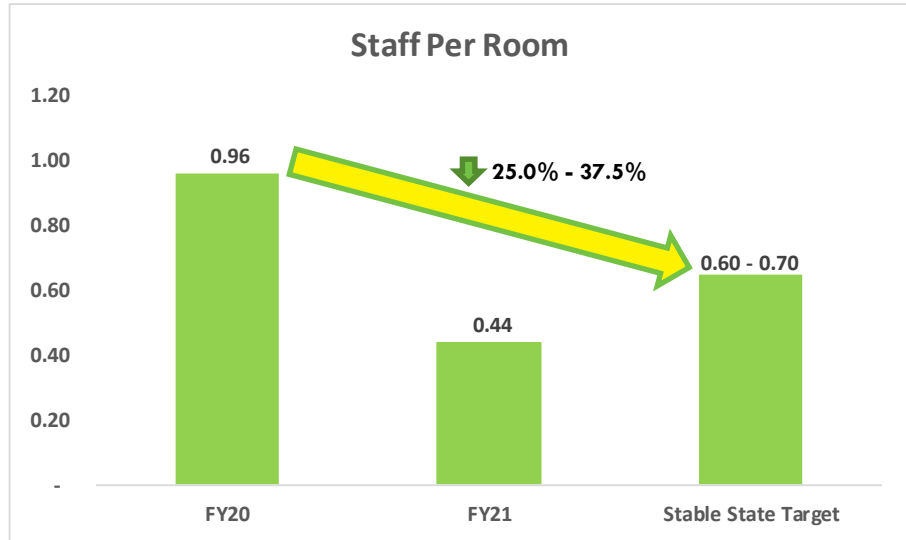
- \* APG Strategic Real Estate Pool N.V. infused first tranche of Rs 175 Cr in June '20
- \* Lemon Tree will inject additional 100% owned assets at the end of 30 months in order to retain current majority ownership. This is aligned to Lemon Tree's asset monetization plan/asset light strategy

## Current Status

- \* The current cash in the company and monthly free cash flow give comfort to the company to avoid availing the two pre-approved fund raising options i.e. second tranche of Rs 125 Cr from APG and rights issue of Rs 150 Cr in LTH
- \* Currently, the company has availed only ~44% out of a total Rs. 548 Cr of ECLGS facility as of 30<sup>th</sup> Sep 2021

## Manpower

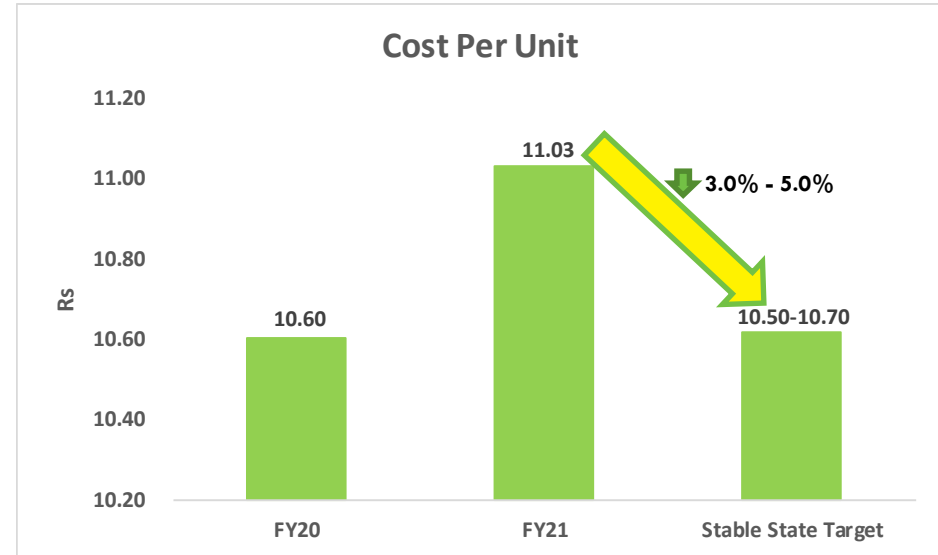
- One of our biggest leanings has been that our hotels can operate with lesser manpower without compromising on service quality
- During Covid-19 induced lockdowns and partial curfews, we utilized the opportunity to multi-skill our staff by imparting cross trainings across departments



*Hotel Payroll expenses were ~21% of our Total Revenue in FY20*

## Electricity Cost

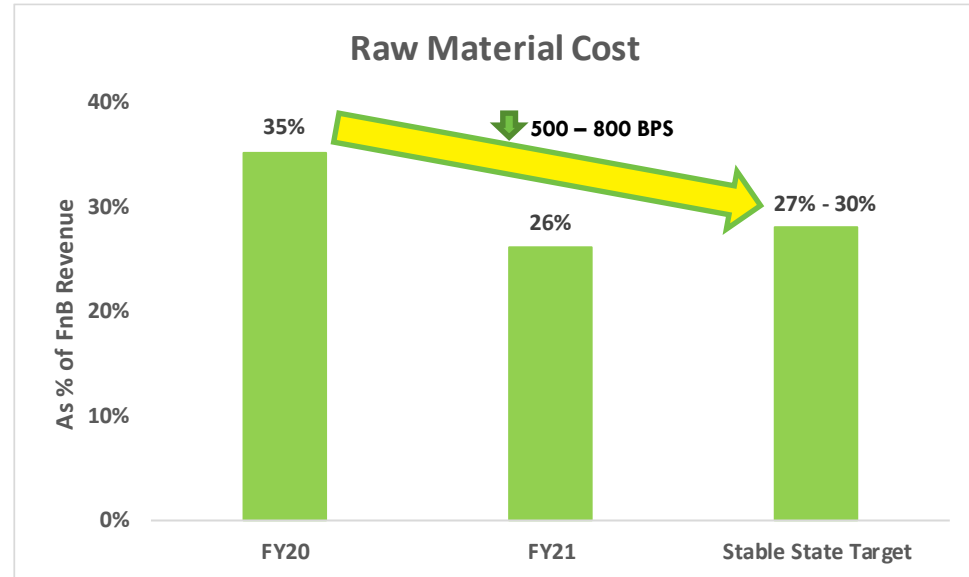
- We have been aggressively expanding the share of our electricity sourced from renewable sources, which come at a lower cost as compared to thermal power
- In FY20, only 5% of our electricity was sourced from renewable sources. We target to increase this share to 30% by Q1 FY22
- The increase in share of renewable energy will also lead to reduction in our carbon footprint




*Electricity cost was ~7.4% of our Total Revenue in FY20*

## Raw Material Cost

- With our continuously expanding geographical footprint we are strengthening our position to negotiate contracts with our suppliers favorably
- Over the past 9 months, we have reinvented our menus to save spoilage without impacting the guest experience



*F&B Revenue was ~15% of our Total Revenue in FY20*



These steps should lead to a **permanent improvement in our Net EBITDA** by 500-700 bps as a percentage of revenue once we reach the stable state (expected CY22)

Various other fixed and variable expenses can also be reduced significantly on a permanent basis

## Under Development Hotels



# Aurika, Mumbai Airport (MIAL) | Image Representation



**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

# Aurika, Mumbai Airport (MIAL) | Image Representation



**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



# Aurika, Mumbai Airport (MIAL) | Image Representation



**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

# Lemon Tree Mountain Resort – Shimla | Image Representation



**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

# Lemon Tree Mountain Resort – Shimla



**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

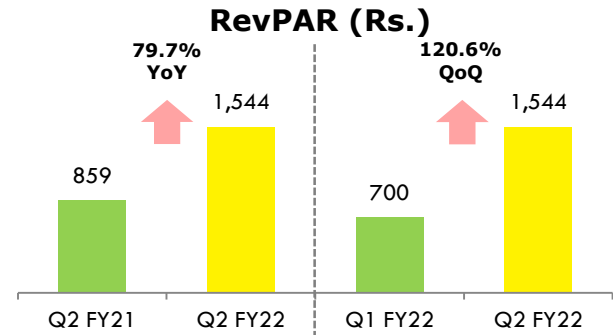
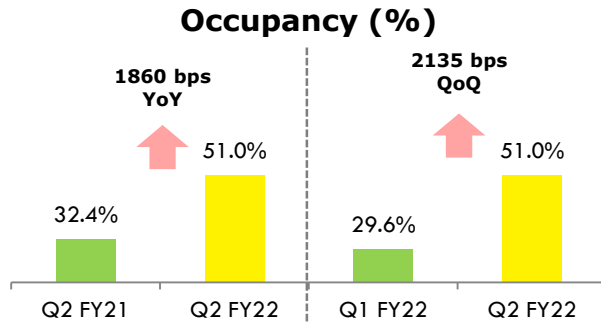
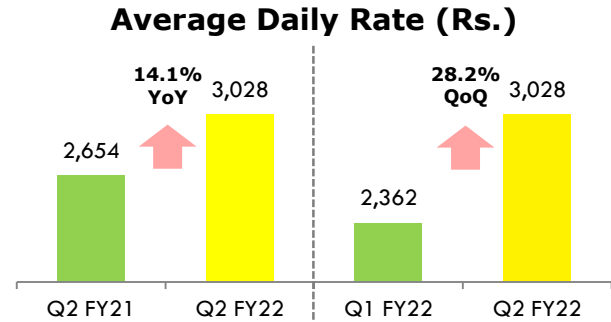
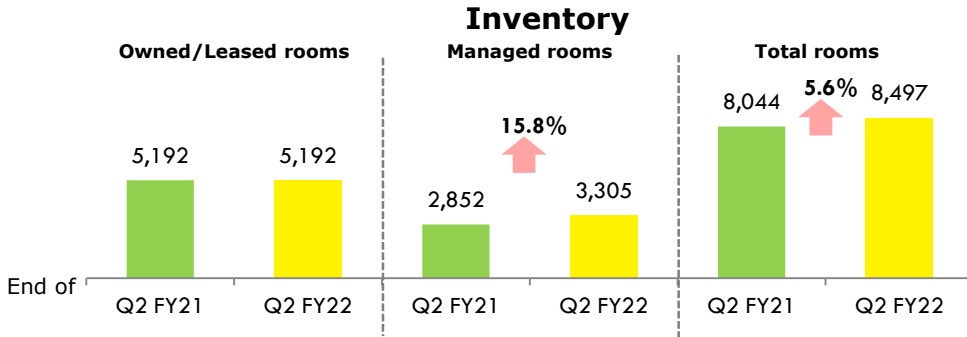


## ANNEXURES



## Latest Performance – Q2 FY22

# Q2 FY22 Performance Highlights – Operational Metrics (Consolidated)



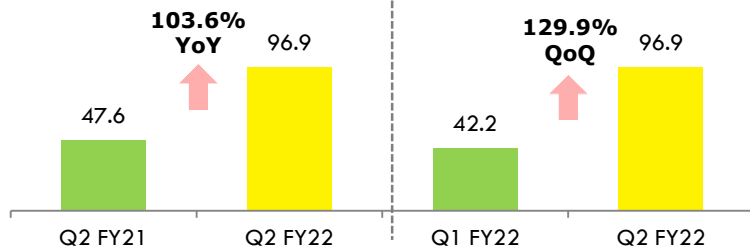
Notes:

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

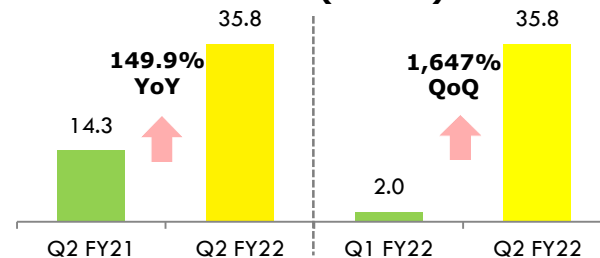


# Q2 FY22 Performance Highlights – Financial Metrics (Consolidated)

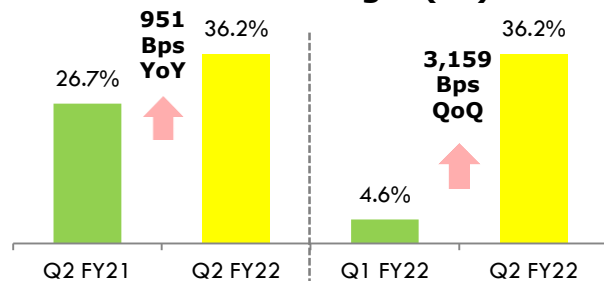
## Revenue from Operations (Rs. Cr)



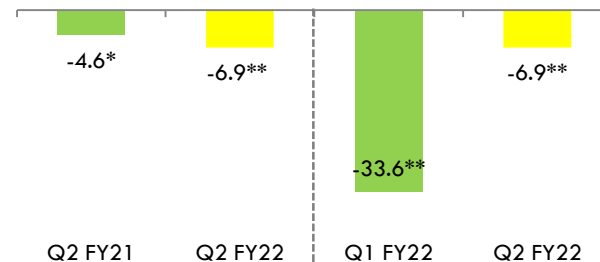
## EBITDA (Rs. Cr)



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

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	3,143	2,730	15%	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	1,749	943	85%	611	475	29%	1,544	859	80%
<b>Revenue from Operations</b>	<b>89.8</b>	<b>42.2</b>	<b>112.7%</b>	<b>7.1</b>	<b>5.4</b>	<b>32.0%</b>	<b>96.9</b>	<b>47.6</b>	<b>103.6%</b>
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%
<b>EBITDA</b>	<b>34.4</b>	<b>13.3</b>	<b>159.0%</b>	<b>1.4</b>	<b>1.1</b>	<b>35.9%</b>	<b>35.8</b>	<b>14.3</b>	<b>149.9%</b>
<b>EBITDA Margin (%)</b>	<b>37.7%</b>	<b>28.0%</b>	<b>972</b>	<b>18.7%</b>	<b>17.1%</b>	<b>164</b>	<b>36.2%</b>	<b>26.7%</b>	<b>951</b>
<b>EBITDA w/o Other Income</b>	<b>33.0</b>	<b>8.0</b>	<b>310.2%</b>	<b>0.9</b>	<b>0.3</b>	<b>231.7%</b>	<b>33.9</b>	<b>8.3</b>	<b>307.7%</b>
<i>EBITDA margin before Other Income (%)</i>	36.7%	19.0%	1,769	12.4%	4.9%	746	35.0%	17.5%	1,750
<b>PBT</b>	<b>(29.1)</b>	<b>(52.2)</b>	<b>NA</b>	<b>(5.5)</b>	<b>(7.5)</b>	<b>NA</b>	<b>(34.6)</b>	<b>(59.7)</b>	<b>NA</b>

# 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

- \* 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

- \* 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

- \* 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

- \* 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 – FY21

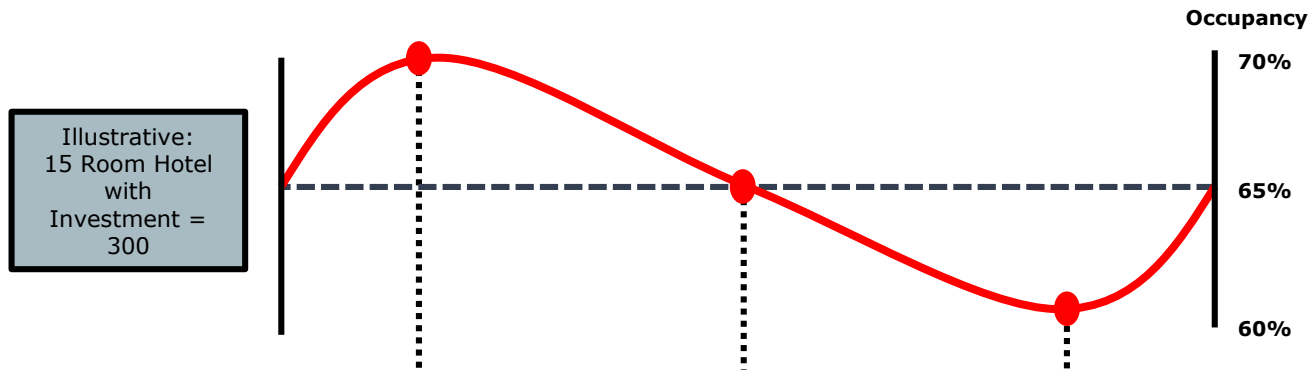
Rs. Cr	FY21	FY20	FY19
<b>Revenue from operations</b>	<b>251.7</b>	<b>669.4</b>	<b>549.5</b>
Other income	13.3	5.8	9.9
<b>Total Income</b>	<b>265.0</b>	<b>675.2</b>	<b>559.4</b>
<b>Total expenses</b>	<b>190.5</b>	<b>426.0</b>	<b>380.7</b>
<b>EBITDA</b>	<b>74.5</b>	<b>249.2</b>	<b>178.7</b>
<b>EBITDA w/o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

Note: 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
<b>Total Shareholder's equity</b>	<b>1,535.0</b>	<b>1,544.8</b>	<b>1,307.2</b>
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
<b>Total Equity &amp; Liabilities</b>	<b>3,822.1</b>	<b>3,762.8</b>	<b>2,771.8</b>
Non-current assets	3,581.1	3,615.5	2,575.3
Current assets	241.0	147.3	196.6
<b>Total Assets</b>	<b>3,822.1</b>	<b>3,762.8</b>	<b>2,771.8</b>
<b>Debt to Equity (x)</b>	<b>1.10</b>	<b>1.02</b>	<b>0.92</b>
<b>Average cost of borrowing as of 31<sup>st</sup> March (%)</b>	<b>8.28%</b>	<b>9.60%</b>	<b>9.40%</b>

# The hotel business cycle



Cycle	Top (2)	Middle (3)	Bottom (2)	
<b>Occupancy</b>	70% or more	63-68%	60% or less	
<b>Rooms Sold</b>	12	10	8	
<b>Average Daily Rate</b>	13	10	7	
<b>Revenue</b>	<b>156</b>	<b>100</b>	<b>56</b>	<b>3:2:1</b>
<b>Expenses</b>	60	50	40	
<b>EBITDA</b>	96	50	16	
<b>Hotel RoCE</b>	<b>32%</b>	<b>17%</b>	<b>5%</b>	<b>6:3:1</b>
<b>Sustainable Debt:Equity Coverage</b>	Full Debt	1:1	No Debt	

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

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](http://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](mailto:cfo@lemontreehotels.com)

Anoop Poojari

**CDR India**

**Tel:** 98330 90434

**E-mail:** [anoop@cdr-india.com](mailto:anoop@cdr-india.com)



UPSCALE



UPPER MIDSCALE



MIDSCALE



ECONOMY



BY LEMON TREE HOTELS  
UPPER MIDSCALE



BY LEMON TREE HOTELS  
MIDSCALE



BY LEMON TREE HOTELS  
ECONOMY