



August 7, 2019

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

Re: Unaudited Financial Results (Standalone and Consolidated) for the Quarter ended June 30, 2019 along with Limited Review Report

We wish to inform you that the Board of Directors of Lemon Tree Hotels Limited (the "Company") at its meeting held today at 03.30 p.m and concluded at 05.00 p.m, has, inter-alia, approved the Unaudited (Standalone & Consolidated) Financial Results for the quarter ended June 30, 2019 and took on record the limited review report thereon.

A copy of:

- A) Unaudited financial results(Standalone & Consolidated) for the quarter ended June 30, 2019; and
- B) Limited review report issued by the Statutory Auditors thereon

as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, alongwith Investor presentation are enclosed herewith.

This is for your information and record.

Thanking You

For **Lemon Tree Hotels Limited**



Nikhil Sethi
Group Company Secretary & GM Legal
and Compliance Officer

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF LEMON TREE HOTELS LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **LEMON TREE HOTELS LIMITED** ("the Parent"), limited liability partnership firm and its subsidiaries (the Parent, firm and its subsidiaries together referred to as "the Group"), and its share of loss of its associates for the quarter ended June 30, 2019 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

S.No	Name of the entity	Relationship
1.	Lemon Tree Hotels Limited	Parent Company
2.	Fleur Hotels Private Limited	Subsidiary company
3.	Hyacinth Hotels Private Limited	Subsidiary company
4.	PSK Resorts and Hotels Private Limited	Wholly owned subsidiary company
5.	Canary Hotels Private Limited	Wholly owned subsidiary company



6.	Sukhsagar Complexes Private Limited	Wholly owned subsidiary company
7.	Oriole Dr Fresh Hotels Private Limited	Wholly owned subsidiary company
8.	Grey Fox Project Management Company Private Limited	Wholly owned subsidiary company
9.	Dandelion Hotels Private Limited	Wholly owned subsidiary company
10.	Lemon Tree Hotel Company Private Limited	Wholly owned subsidiary company
11.	Red Fox Hotel Company Private Limited	Wholly owned subsidiary company
12.	Poplar Homestead Holdings Private Limited	Wholly owned subsidiary company
13.	Madder Stays Private Limited	Wholly owned subsidiary company
14.	Jessamine Stays Private Limited	Wholly owned subsidiary company
15.	Meringue Hotels Private Limited	Subsidiary company
16.	Nightingale Hotels Private Limited	Subsidiary company
17.	Manakin Resorts Private Limited	Subsidiary company
18.	Begonia Hotels Private Limited	Subsidiary company
19.	Celsia Hotels Private Limited	Subsidiary company
20.	Inovoa Hotels and Resorts Limited	Subsidiary company
21.	Iora Hotels Private Limited	Subsidiary company
22.	Ophrys Hotels Private Limited	Subsidiary company
23.	Bandhav Resorts (P) Limited	Subsidiary company
24.	Valerian Management Services Private Limited	Subsidiary company
25.	Carnation Hotels Private Limited	Subsidiary company
26.	Mind Leaders Learning India Private Limited	Associate company
27.	Pelican Facilities Management Private Limited	Associate company
28.	Hamstede Living Private Limited	Associate company
29.	Mezereon Hotels LLP	Limited Liability Partnership Firm

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial results of Krizm Hotel Private Limited Employee Welfare Trust (the "Trust") included in the standalone interim unaudited financial results of the entity included in the Group, whose interim financial results reflect total revenues of Rs. 0.05 lacs for the quarter ended June 30, 2019, total net profit after tax of Rs. 0.03 lacs and total comprehensive income of Rs 0.03 lacs for the quarter ended June 30, 2019 as considered in the respective standalone unaudited interim financial results of the entity



**Deloitte
Haskins & Sells LLP**

included in the Group. The interim financial results of the trust have been reviewed by the other auditor whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this trust, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

We did not review the interim financial results of 22 subsidiaries and 1 limited liability partnership firm included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 3,728.11 lacs for the Quarter ended June 30, 2019, total net profit after tax of Rs. 99.17 lacs and total comprehensive income of Rs. 101.07 lacs for the Quarter ended June 30, 2019, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of loss of Rs. 21.12 lacs and Total comprehensive loss of Rs. 21.12 lacs for the Quarter ended June 30, 2019, as considered in the Statement, in respect of 3 associates, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, limited liability partnership firm and associates, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of these matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Vijay Agarwal
Partner

(Membership No. 094468)

UDIN: 19094468AAACT5278

New Delhi, August 07, 2019

Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2019

(₹ In Lakhs, except per share data)

		Quarter ended			Year Ended
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
		(Unaudited)	(Audited) (Refer Note 3)	(Unaudited)	(Audited)
1	Income				
	Revenue from operations	14,093.38	15,052.94	12,693.59	54,950.62
	Other Income	126.10	255.05	20.72	993.17
	Total income	14,219.48	15,307.99	12,714.31	55,943.79
2	Expenses				
	Cost of food and beverages consumed	1,236.39	1,340.06	1,192.53	4,982.31
	Employee benefit expenses	3,372.91	3,185.23	2,916.77	12,053.05
	Power and fuel	1,477.40	1,262.65	1,357.01	5,269.77
	Rent (Refer Note 5)	172.71	690.52	737.79	2,922.22
	Other expenses (Refer Note 5)	3,357.67	3,682.54	3,008.10	12,846.78
	Total expenses	9,617.08	10,161.00	9,212.20	38,074.12
3	Profit before depreciation and amortization, finance cost, finance income (1-2)	4,602.40	5,146.99	3,502.11	17,869.67
4	Finance cost (Refer Note 5)	3,091.21	2,380.24	1,968.98	8,469.63
5	Finance income	(87.01)	(146.26)	(173.51)	(458.52)
6	Depreciation and amortization expense (Refer Note 5)	1,716.61	1,432.04	1,311.40	5,411.48
7	Net profit before tax before share of associates (3-4-5-6)	(118.41)	1,480.97	395.24	4,447.08
8	Add: Share of Profit/(Loss) of associates	(21.12)	(55.77)	32.32	79.66
9	Profit before tax (7+8)	(139.53)	1,425.20	427.56	4,526.74
10	Tax expense				
	a) Current tax	167.22	507.22	188.66	1,384.77
	b) Deferred tax/MAT Credit entitlement				
	- For current year	(96.49)	691.76	14.43	645.36
	- For earlier years	-	(3,141.27)	-	(3,141.27)
11	Net profit/(loss) after tax (9-10)	(210.26)	3,367.49	224.47	5,637.88
12	Other Comprehensive Income/expenses				
	Items that will not be reclassified to profit and loss				
	Remeasurements of defined benefit plans	(0.81)	(10.41)	(0.35)	(11.91)
	Income tax effect	0.23	2.99	(0.02)	3.18
13	Total comprehensive Income/(Loss)	(210.84)	3,360.07	224.10	5,629.15
14	Profit	(210.26)	3,367.49	224.47	5,637.88
	Attributable to:				
	Equity holders of the parent	(166.97)	3,245.56	228.70	5,287.83
	Non-controlling interests	(43.29)	121.93	(4.23)	350.05
15	Total comprehensive Income/(Loss)	(210.84)	3,360.07	224.10	5,629.15
	Attributable to:				
	Equity holders of the parent	(168.71)	3,235.15	228.72	5,277.15
	Non-controlling interests	(42.13)	124.92	(4.62)	352.00
16	Total comprehensive Income for the year after non-controlling interest	(168.71)	3,235.15	228.72	5,277.15
17	Paid-up equity share capital (Face value of the share ₹ 10/-)	78,997.29	78,929.55	78,639.32	78,929.55
18	Other Equity(including non-controlling interest)				51,791.27
19	Earnings per share (Face value of the share ₹ 10/-) (EPS for quarter ended periods is not annualised)				
	Basic	(0.02)	0.41	0.03	0.67
	Diluted	(0.02)	0.41	0.03	0.67



Notes:

1. The results for the 1st quarter are not indicative of a full year's working due to the seasonal nature of the Indian Hotel Industry.
2. The Consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 07, 2019. The statutory auditors have carried out a limited review of the above Financial Results.
3. The figures of last quarter of previous year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the 3rd quarter of the financial year.
4. The above financial results are extracted from the unaudited consolidated financial statements of the Company which are prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as prescribed under Section 133 of the Companies Act, 2013 read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
5. Ind AS 116 "Leases" has become applicable effective annual reporting period beginning April 01, 2019. The Group has adopted the standard beginning April 01, 2019 using the modified retrospective approach for transition. Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as at April 01, 2019. This has resulted in recognition of Right-to-Use asset of ₹ 31,686.76 lakhs and Lease Liability of ₹ 42,443.55 lakhs.

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent" / "Other expenses" in previous period to "Depreciation and amortization expenses" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent" / "Other expenses", "Depreciation and amortization expense" and "Finance cost" of the current period is not comparable to the earlier periods.

To the extent the performance of the current period is not comparable with previous period results, the reconciliation of above effect on statement of profit and loss for the quarter ended June 30, 2019 is as under:

(₹ In Lakhs)			
Adjustments to increase (decrease) in net profit	Quarter ended 30th June, 2019 comparable basis	Changes due to Ind AS 116 increase / (decrease)	Quarter ended 30th June, 2019 as reported
Rent	807.53	(634.82)	172.71
Other expenses	3,475.93	(118.26)	3,357.67
Depreciation and amortization expense	1,399.89	316.72	1,716.61
Finance cost	2,259.43	831.78	3,091.21
Profit before tax	255.89	(395.42)	(139.53)
Less: Tax expense	162.26	(91.53)	70.73
Profit after tax	93.63	(303.89)	(210.26)

6. The paid up share capital of the Company excludes 22,73,490 (March 31, 2019: 29,50,893) equity shares held by the ESOP trust which has been consolidated in accordance with the requirement of IND AS 110.

7. The Company's subsidiary Fleur Hotels Private Limited has executed Share Purchase Agreement for acquisition of 100% of voting rights of Berggruen Hotels Private Limited ("Keys Hotels"), a Company owning and operating Hotels under the brands viz. Keys Prima, Keys Select and Keys Lite.

8. The Company is into Hoteliering business. As the Company operates in a single operating segment, it did not give rise to different operating segments in accordance with Ind AS 108 - Operating Segments.

By order of the Board
for Lemon Tree Hotels Limited



Patanjali G. Keswani
Patanjali G. Keswani
(Chairman & Managing Director)

Place : New Delhi
Date : August 07, 2019



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**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
LEMON TREE HOTELS LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **LEMON TREE HOTELS LIMITED** ("the Company"), for the Quarter ended June 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review reports other auditors as referred in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



**Deloitte
Haskins & Sells LLP**

5. We did not review the interim financial results of Krizm Hotel Private Limited Employee Welfare Trust (the "Trust") included in the Statement whose interim financial results reflect total revenues of Rs. 0.05 lacs for the quarter ended June 30, 2019, total net profit after tax of Rs. 0.03 lacs for the quarter ended June 30, 2019 and total comprehensive income of Rs. 0.03 lacs for the quarter ended June 30, 2019, as considered in this Statement. The interim financial results have been reviewed by other auditor whose report have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this trust, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Vijay Agarwal
Partner
(Membership No. 094468)
UDIN: 19094468 AAAA 25 7916

New Delhi, August 07, 2019

Lemon Tree Hotels Limited

Regd Office:- Asset No. 6, Aerocity Hospitality District, New Delhi-110037

Tel.: 011-46050101; Fax.: 011-46050110; E-Mail:sectdept@lemontreehotels.com;Website: www.lemontreehotels.com

CIN: L74899DL1992PLC049022

Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2019

(₹ In Lakhs, except per share data)

		Quarter ended			Year Ended
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
		(Unaudited)	(Audited) Refer Note 3	(Unaudited)	(Audited)
1	Income				
	Revenue from operations	6,477.85	7,336.96	6,363.05	27,332.25
	Other Income	70.24	240.79	3.87	932.00
	Total income	6,548.09	7,577.75	6,366.92	28,264.25
2	Expenses				
	Cost of food and beverages consumed	411.75	409.93	435.63	1,772.58
	Employee benefit expenses	1,529.70	1,465.38	1,452.50	5,764.88
	Power and fuel	576.14	518.04	556.59	2,189.36
	Rent (Refer Note 5)	159.30	486.13	559.36	2,146.91
	Other expenses	1,639.05	1,634.69	1,538.75	6,355.27
	Total expenses	4,315.94	4,514.17	4,542.83	18,229.00
3	Profit before depreciation and amortization, finance cost, finance income (1-2)	2,232.15	3,063.58	1,824.09	10,035.25
4	Finance cost (Refer note 5)	1,218.21	988.69	811.89	3,479.99
5	Finance income	(28.84)	(52.80)	(116.06)	(273.39)
6	Depreciation and amortization expense (Refer note 5)	603.91	475.15	509.73	1,983.75
7	Profit before tax (3-4-5-6)	438.87	1,652.54	618.53	4,844.90
8	Tax expense				
	Current tax	84.68	350.21	122.20	1,004.79
	Deferred tax/MAT Credit entitlement				
	- For current year	42.96	657.08	-	657.08
	- For earlier years	-	(3,141.27)	-	(3,141.27)
9	Net profit after tax (7-8)	311.23	3,786.52	496.33	6,324.30
10	Other Comprehensive Income				
	Items that will not be reclassified to profit and loss				
	Re-measurement (loss)/gains on defined benefit plans	(5.64)	(24.34)	0.59	(22.58)
	Income tax effect	1.22	5.24	(0.13)	4.86
11	Total comprehensive income	306.81	3,767.42	496.79	6,306.58
12	Paid-up equity share capital (Face value of the share ₹ 10/-)	78,997.29	78,929.55	78,639.32	78,929.55
13	Other Equity				24,205.35
14	Earnings per share (Face value of the share ₹ 10/-) (EPS for quarter ended periods is not annualised)				
	Basic	0.04	0.48	0.06	0.80
	Diluted	0.04	0.48	0.06	0.80



Notes:

1. The results for the 1st quarter are not indicative of a full year's working due to the seasonal nature of the Indian Hotel Industry.
2. The Standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 07, 2019. The statutory auditors have carried out a limited review of the above Financial Results.
3. The figures of last quarter of previous year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the 3rd quarter of the financial year.
4. The above financial results are extracted from the unaudited standalone financial statements of the Company which are prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as prescribed under Section 133 of the Companies Act, 2013 read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
5. Ind AS 116 "Leases" has become applicable effective annual reporting period beginning April 01, 2019. The Company has adopted the standard beginning April 01, 2019 using the modified retrospective approach for transition. Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this Standard has been recognised as an adjustment to the opening balance of retained earnings as at 01 April 2019. This has resulted in recognition of Right-to-Use asset of ₹ 12,155.19 lakhs and Lease Liability of ₹ 16,544.43 lakhs.

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent" / "Other expenses" in previous period to "Depreciation and amortization expenses" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent" / "Other expenses", "Depreciation and amortization expense" and "Finance cost" of the current period is not comparable to the earlier periods.

To the extent the performance of the current period is not comparable with previous period results, the reconciliation of above effect on statement of profit and loss for the quarter ended June 30, 2019 is as under:

(₹ In Lakhs)

	Quarter ended 30th June, 2019 comparable basis	Changes due to Ind AS 116 increase / (decrease)	Quarter ended 30th June, 2019 as reported
Adjustments to increase (decrease) in net profit			
Rent	547.08	(387.78)	159.30
Depreciation and amortization expense	470.01	133.90	603.91
Finance cost	830.85	387.36	1,218.21
Profit before tax	572.35	(133.48)	438.87
Less: Tax expense	177.12	(49.48)	127.64
Profit after tax	395.23	(84.00)	311.23

6. The paid up share capital of the Company excludes 22,73,490 (March 31, 2019: 29,50,893) equity shares held by the ESOP trust which has been consolidated in accordance with the requirement of IND AS 110.
7. The Company's subsidiary Fleur Hotels Private Limited has executed Share Purchase Agreement for acquisition of 100% of voting rights of Berggruen Hotels Private Limited ("Keys Hotels"), a Company owning and operating Hotels under the brands viz. Keys Prima, Keys Select and Keys Lite.
8. The Company is into Hoteliering business. As the Company operates in a single operating segment, it did not give rise to different operating segments in accordance with Ind AS 108 - Operating Segments.

By order of the Board
for Lemon Tree Hotels Limited



Patanjali G. Keswani

Patanjali G. Keswani
(Chairman & Managing Director)

Place : New Delhi
Date : August 07, 2019





Lemon Tree Hotels Limited

Q1 FY20 Earnings Presentation

Aug 7, 2019



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.



1	Company Overview
2	Chairman & Managing Director's Message
3	Performance Highlights
4	Financial & Operational Metrics
5	Key Developments / Business Updates
6	Annexures

Lemon Tree – Snapshot as on 31st July, 2019



**5,828
rooms;
57 hotels**



**2,000
rooms;
13 hotels**







**2,506
rooms;
33 hotels**



**1,322
rooms;
11 hotels**

Key Statistics

		Q1 FY19	Q4 FY19	Q1 FY20	31 th Jul FY20
	Cities	31	32	34	34
	Hotels	49	54	57	57
	Rooms	4888	5411	5828	5828
	Loyalty Members	786,159	947,776	1,008,307	1,029,669

Portfolio Breakup as on 30th June, 2019

Operational Portfolio	Owned		Leased		Managed		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
30.06.2019								
Lemon Tree Premier	6	1300	2	161	5	539	13	2,000
Lemon Tree Hotels	13	1241	4	321	16	944	33	2,506
Red Fox Hotels	5	759	2	193	4	370	11	1,322
Total	24	3300	8	675	25	1,853	57	5,828

In Pipeline	Owned		Leased		Managed		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
30.06.2019								
Lemon Tree Premier	1	142	0	0	7	523	8	665
Lemon Tree Hotels	1	79	0	0	17	1342	18	1,421
Red Fox Hotels	0	0	0	0	2	170	2	170
Aurika Hotels & Resorts	2	716	0	0	0	0	2	716
Total	4	937[#]	0	0	26	2,035	30	2,972

Of these owned 937 rooms in pipeline, currently 577 rooms are from Lemon Tree Premier, Mumbai International Airport. LTH is in the process of applying to convert some commercial spaces in this hotel to rooms. This will increase the hotel's inventory by 92 rooms to 669, in which case total owned inventory in pipeline will increase to 1,029.

Strategically positioned in key geographies with Lemon Tree share of total mid-priced hotel sector

- * Geographical spread across India and presence in key markets to cater effectively to corporate clients and business travelers
- * Hotel operations in each of the top 10 markets in India (based on hotel inventory)
- * Focus in key micro markets to address demand and optimize pricing
- * Hotels at locations with high barrier-to-entry such as close to major business centers, airports etc.
- * International Locations- (Hotels/Rooms)
 - Thimphu : 2 / 65
 - Kathmandu : 1 / 75
 - Dubai : 1 / 114

Jaipur: FY17 – 11%
FY21E – 10%

Ahmedabad: FY17 – 11%
FY21E – 9%

Mumbai: FY17 – NA
FY21E – 17%

Pune: FY17 – 5%
FY21E – 9%

Goa: FY17 – 4%
FY21E – 4%

Bengaluru: FY17 – 9%
FY21E – 8%



Delhi NCR: FY17 – 14%
FY21E – 16%

Kolkata: FY17 – NA
FY21E – 8%

Hyderabad: FY17 – 24%
FY21E – 21%

Chennai: FY17 – 5%
FY21E – 4%

Source : Horwath Report

Note: For FY21E, share based on total rooms by end of FY21 and Horwath projection of total mid-priced sector supply in these markets

Map updated as of 31st July, 2019



Commenting on the performance for Q1 FY20, Mr. Patanjali Keswani, Chairman & Managing Director – Lemon Tree Hotels Limited said,

"We have delivered a topline growth of 11.8% YoY in Q1 FY20 driven by a 2.7% YoY increase in ADR and addition of 394 rooms since the year ago period. Our EBITDA has grown by 10% YoY as per old accounting and by 31.4% as per new AS 116 accounting. We have posted a profit after tax of Rs. 0.9 Cr in Q1 FY20 according to old accounting standards as compared to Rs 2.2 Cr in Q1 FY19. As per AS 116, our Q1 FY20 PAT stood at Rs (2.2) Cr. We continued to maintain our occupancy premium showing a 76 bps YoY improvement in Q1 FY20 over Q1 FY19 despite addition of the new supply of 394 owned/leased rooms. On a same hotels basis the occupancies improved by 268 bps.

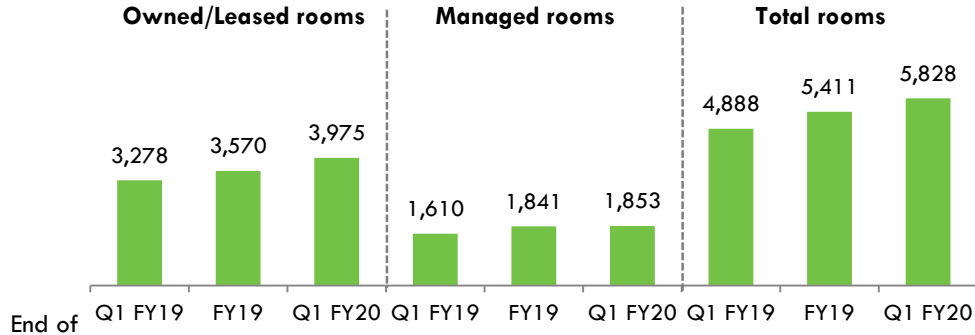
The hospitality industry scenario in the recent past hasn't panned out as expected due to the challenges faced by the airline industry, elections, liquidity crunch owing to the NBFC crisis and overall consumption slowdown. In such times, we have focused on driving more retail business through online and direct sales, to drive strong occupancies and deriving operating leverage.

We have commissioned our 303 room Lemon Tree Premier, Mumbai hotel towards the end of the quarter. This is our first owned hotel in Mumbai, the most demand dense market in the country. We believe this would further increase our brand awareness and result in significant value to our overall business. In the next few months, we will open our 142 room Lemon Tree Premier Kolkata Property and the 139 room Udaipur property under our new upscale brand Aurika. All these owned properties will operate in demand dense and high barrier-to-entry markets and will help boost our ADR's. We will also open close to 700 rooms under management contracts by March 2020.

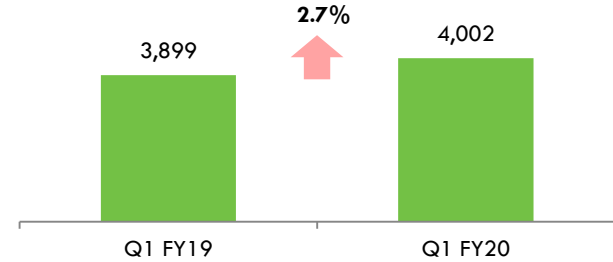
To conclude, this has been a busy and progressive quarter for us as we have successfully created a strong framework for sustainable long term growth. The market, after bearing some months of sluggishness, is showing trends of improvement June onwards. At Lemon Tree, our ability to adapt to market sentiments and cycles has ensured our operating metrics remain steady. Customer centricity and focus on execution remain the core focus of our business and we continue to strive to better ourselves to enhance value for all our shareholders."

Performance Highlights – Operational Metrics (Consolidated)

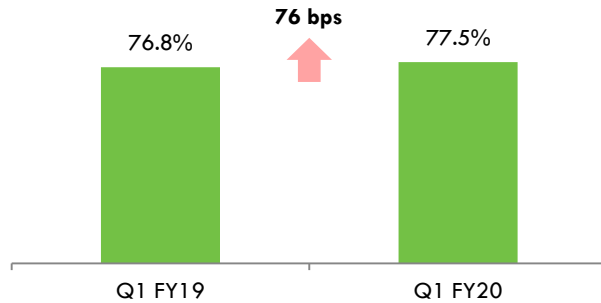
Operational Inventory



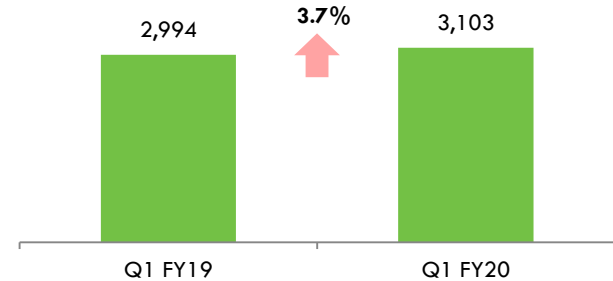
Average Daily Rate (Rs.)



Occupancy (%)



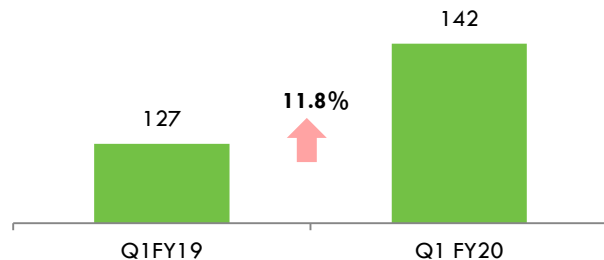
RevPAR (Rs.)



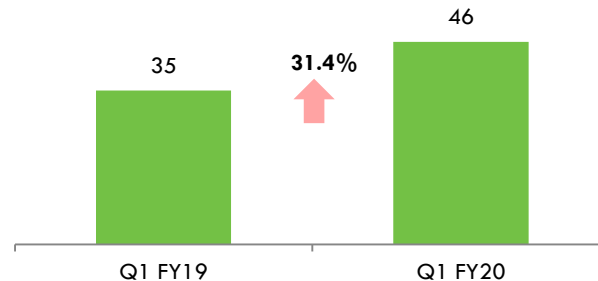
Note:
 1. ADR, Occupancy and RevPAR are for our owned and leased hotels only.
 2. The results of this quarter are not indicative of full year's performance due to seasonal nature of the business.

Performance Highlights – Financial Metrics (Consolidated)

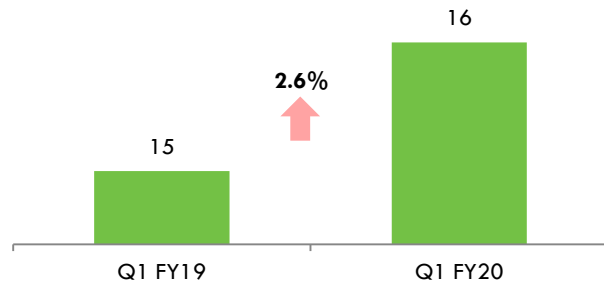
Total Income (Rs. Crores)



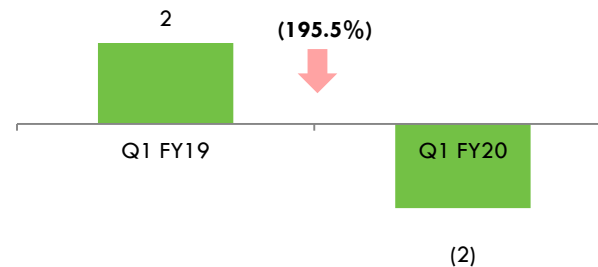
EBITDA (Rs. Crores)



Cash profit (Rs. Crores)



PAT (Rs. Crores)



Note: The results of this quarter are not indicative of full year's performance due to seasonal nature of the business.

Profit & Loss Statement (Consolidated)

(In Rs. Crores)	Q1 FY19	Q1 FY20 After IndAS 116 Adjustment	YoY Change (%)	Q1 FY20 Before IndAS 116 Adjustment	YoY Change (%)	FY19
Revenue from operations	126.9	140.9	11.0%	140.9	11.0%	549.5
Other income	0.2	1.3	508.5%	1.3	508.5%	9.9
Total income	127.1	142.2	11.8%	142.2	11.8%	559.4
Cost of F&B consumed	11.9	12.4	3.7%	12.4	3.7%	49.8
Employee benefit expenses	29.2	33.7	15.6%	33.7	15.6%	120.5
Other expenses	51.0	50.1	-1.9%	57.6	12.9%	210.4
Total expenses	92.1	96.2	4.4%	103.7	12.6%	380.7
EBITDA	35.0	46.0	31.4%	38.5	9.9%	178.7
EBITDA margin (%)	27.5%	32.4%	482 bps	27.1%	(47) bps	31.9%
Finance costs	19.7	30.9	57.0%	22.6	14.8%	84.7
Depreciation & amortization	13.1	17.2	30.9%	14.0	6.7%	54.1
PBT	4.3	(1.4)	-132.7%	2.6	-40.2%	45.3
Tax expense	2.0	0.7	-65.2%	1.6	-20.1%	(111)
PAT	2.2	(2.1)	-193.8%	0.9	-58.3%	56.4
Cash Profit	15.4	15.9	3.2%	14.9	-2.8%	110.5

Discussion on Consolidated Financial & Operational Performance – Q1 FY20

Operational Rooms & Pipeline

- * As of 31st July 2019, operational portfolio comprised of 57 hotels and 5,828 rooms : 3,300 owned, 675 leased and 1,853 managed rooms; Pipeline includes of 937 owned/leased and 2,035 managed rooms
- * Propose to add another 958 rooms to the operational inventory by the end of Q4 FY20 of which 281 rooms are owned and 677 rooms are managed. All owned/leased rooms are opening in high barrier-to-entry and demand dense markets with high occupancies and ADR's. This addition of owned rooms includes 142 rooms in Kolkata and 139 rooms in Udaipur
- * Plan to operate 68 hotels with 6,786 rooms across 44 cities by end of Q4 FY20
- * Plan to operate 87 hotels with 8,800 rooms across 58 cities by CY21

Revenue

- * Total Revenue stood at Rs. 142.2 Cr in Q1 FY20, up 11.8% as compared to Rs. 127.1 Cr in Q1 FY19. Around 7% increase was on account of new inventory addition
- * ADR increased by 2.7% from 3,899 in Q1FY19 to 4,002 in Q1 FY20
- * Occupancy increased by 76 bps from 76.8% in Q1 FY19 to 77.5% in Q1 FY20. On same hotels basis it increased by 268 bps to 79.5%
- * Fees from managed hotels stood at Rs. 4.7 Cr (3.3% of the total revenue) in Q1 FY20 as compared to Rs. 4.2 Cr in Q1 FY19 (3.3% of the total revenue)

Cost

- * Total expenses stood at Rs. 96.2 Cr in Q1 FY20 as per the new AS 116 accounting, up 4.4% as compared to Rs 92.1 Cr in Q1 FY19. As per the old accounting the expenses grew by 12.6% in Q1 FY20. Around 7.4% increase was on account of new inventory addition.

Operating Margins

- * EBITDA, as per the new AS 116 accounting, increased by 31.4% from Rs. 35.0 Cr in Q1 FY19 to Rs. 46.0 Cr in Q1 FY20
- * EBITDA margins expanded by 482 bps from 27.3% in Q1 FY19 to 32.3% in Q1 FY20

Profit after tax

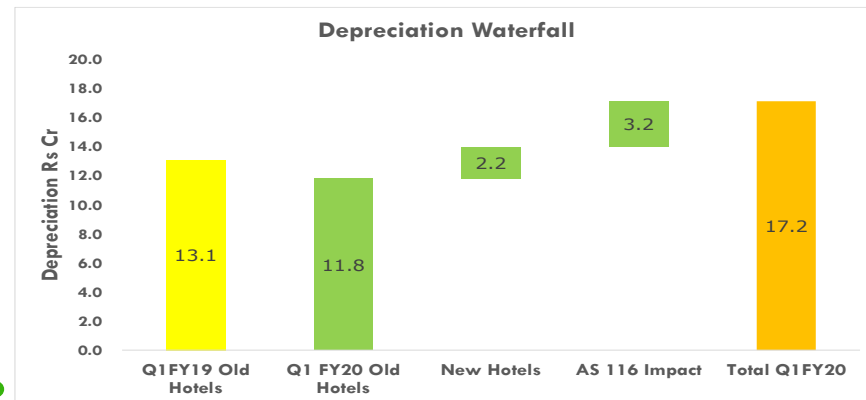
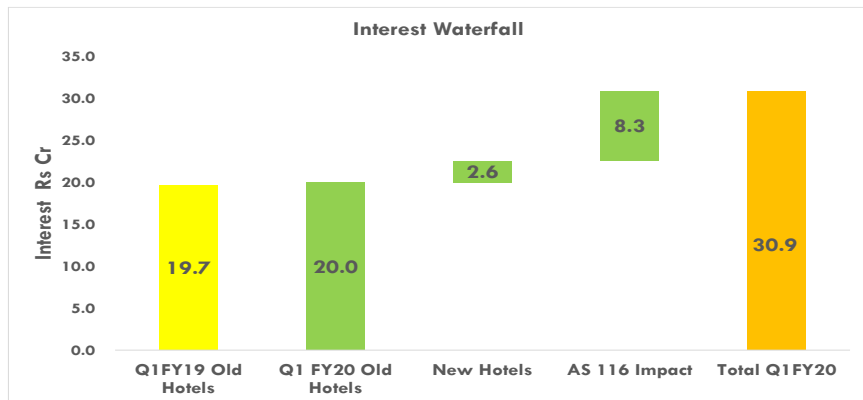
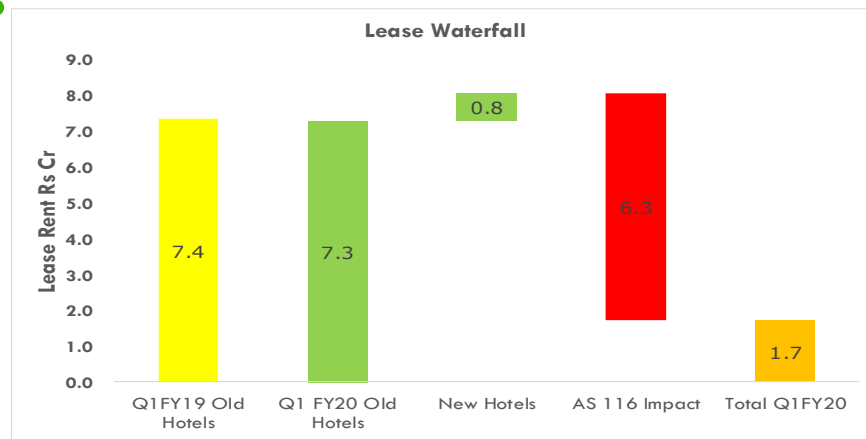
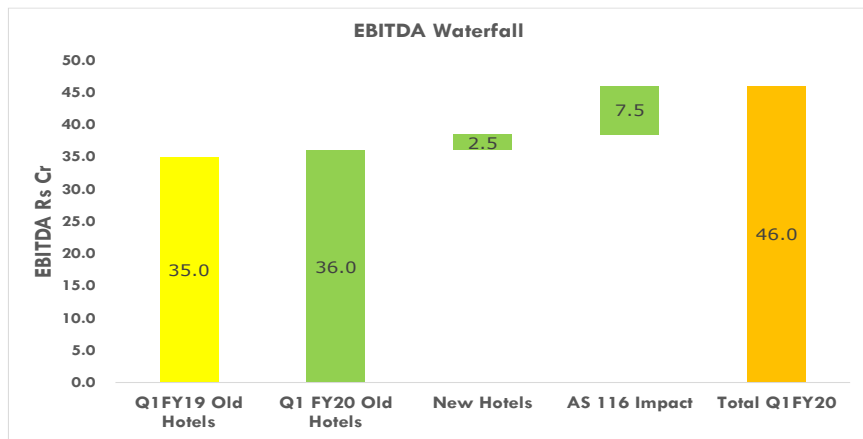
- * Profit after tax, as per the AS 116 accounting, stood at Rs (2.1) Cr in Q1 FY20 as compared to Rs 2.2 Cr in Q1 FY19. As per old accounting the Profit after tax stood at Rs 0.9 Cr.
- * Cash Profit for Q1 FY20 stood at Rs 15.8 Cr, 2.6% higher than Rs 15.4 Cr in Q1 FY19

- Ind AS 116 – “Leases”, the new Accounting Standard came into effect from April 01, 2019
- Impact on Balance Sheet Statement
 - ✓ Lease liability will be recognized for the obligation to make lease payments and a corresponding Right to Use Asset will be created which will be depreciated in accordance with Ind AS 116 requirements
- Impact on Profit and Loss Statement
 - ✓ Lease payment gets replaced by depreciation on Right to Use Asset and Interest Expense on Lease Liability
 - ✓ EBITDA and EBITDA margins will increase
 - ✓ PBT, PAT and EPS will be lower in the initial years because the total value of depreciation and interest expense will be higher than actual lease expense in the initial years. This will get reversed in later years
- Application
 - ✓ The standard has been applied retrospectively with the cumulative effect of initially applying the standard, on the date of initial application (April 01, 2019)
 - ✓ The company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 01 April 2019

Impact of Ind AS 116 on Consolidated Q1FY20 Results

Profit and Loss Statement Impact (In Rs. Crores)	Before Ind AS 116	Ind AS 116 Impact	After Ind AS 116
Lease Rent	8.1	(6.3)	1.7
Other Expenses	34.8	(1.2)	33.6
Net EBITDA	38.5	7.5	46.0
Interest Expense	22.6	8.3	30.9
Depreciation	14.0	3.2	17.2
Profit Before Tax	2.6	(3.9)	(1.4)
Tax	1.6	(0.9)	0.7
Profit After Tax	0.9	(3.0)	(2.1)
Cash Profit	14.9	0.9	15.9

Impact of Ind AS 116 on LHTL Q1FY20 Results as Waterfall



Operational Performance by Brands & Region – Q1FY20 vs. Q1FY19

Q1 FY20 vs. Q1 FY19

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q1 FY20	Q1 FY19	Change (bps)	Q1 FY20	Q1 FY19	Change (%)	Q1 FY20	Q1 FY19	Change (%)	Q1 FY20	Q1 FY19	Change (bps)
By Brand												
Lemon Tree Premier	85.4%	82.1%	327	4,835	4,770	1.4%	2.0	2.3	(0.2%)	44.9%	46.3%	(138)
Lemon Tree Hotels	77.4%	73.9%	350	3,920	3,804	3.0%	1.3	1.1	20.6%	35.0%	31.3%	374
Red Fox Hotels	76.3%	76.1%	20	3,013	2,903	3.8%	0.9	1.0	(9.9%)	39.6%	43.3%	(245)

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q1 FY20	Q1 FY19	Change (bps)	Q1 FY20	Q1 FY19	Change (%)	Q1 FY20	Q1 FY19	Change (%)	Q1 FY20	Q1 FY19	Change (bps)
By Region												
Delhi	80.8%	84.5%	(373)	4,339	4,148	4.6%	1.7	2.1	(16.1%)	40.0%	45.1%	(510)
Gurugram	79.5%	72.1%	743	3,972	3,967	0.1%	1.4	1.1	25.5%	34.4%	29.8%	467
Hyderabad	88.2%	77.2%	1094	4,005	3,762	6.5%	2.1	1.6	34.8%	49.2%	42.7%	644
Bengaluru	83.1%	82.6%	46	4,299	4,196	2.4%	2.0	1.9	5.0%	46.2%	44.8%	139

Note:

1) These performance results do not include LTP Mumbai, LTP Pune, RFH Dehradun and RFH Chandigarh

Expansion Plans – Hotels under Development

Under-development hotels	Type	Rooms	Expected Opening date	Ownership (%)
Lemon Tree Premier, Kolkata	Owned	142	Oct-19	57.98%
Lemon Tree Premier, Udaipur	Owned	139	Oct-19	57.98%
Lemon Tree Mountain Resort, Shimla	Owned	69	Apr-21	100.00%
Lemon Tree Vembanad Lake Resort, Alleppey, Kerala ¹	Owned	10	Oct-21	100.00%
Lemon Tree Premier, Intl. Airport, Mumbai ²	Owned	577	Nov-21	57.98%
Total		937		

- * Total estimated project cost is Rs. 12,900 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 June, 2019 is Rs. 6,350 million
- * Balance investment of Rs. 6,550 million will be deployed over the next 2 years in a phased manner, the majority of which will be through internal accruals

Notes: 1) Expansion in existing hotel.

2) LTH is in the process of applying to convert some commercial spaces in this hotel to rooms. This will increase the hotel's inventory by 92 rooms to 669

Expansion Plans – Pipeline of Management Contracts (as of 31st July , 2019)

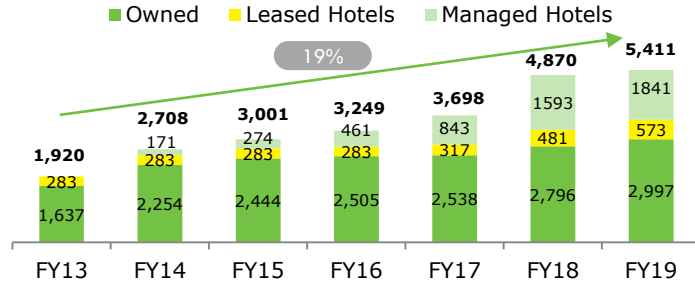
Management Contracts Pipeline	Rooms	Expected Opening date	Tenure (years)
Lemon Tree Premier, Rishikesh	66	Nov-19	12
Lemon Tree Hotel, Dubai	114	Nov-19	10
Red Fox Hotel, Vijaywada	90	Dec-19	10
Lemon Tree Hotel, Thimpu	27	Dec-19	12
Lemon Tree Premier, Dwarka	108	Dec-19	12
Lemon Tree Hotel, Shirdi	59	Jan-20	12
Lemon Tree Hotel, BKC, Mumbai	70	Jan-20	15
Lemon Tree Premier, Coorg	63	Jan-20	15
Red Fox Hotel, Neelkanth	80	Mar-20	12
Management Rooms to be Operational in FY 20	677		
Lemon Tree Hotel, Gulmarg	35	Apr-20	10
Lemon Tree Hotel, Jhansi	60	Apr-20	12
Lemon Tree Resort, Mussoorie	40	Apr-20	15
Lemon Tree Premier, Bhubaneshwar	76	Apr-20	10
Lemon Tree Hotel, Ranthambore	60	Aug-20	10
Lemon Tree Premier, Dindy	50	Sep-20	10
Lemon Tree Hotel, Aligarh	68	Sep-20	12
Lemon Tree Hotel, Sonamarg	40	Sep-20	10
Serviced Suites, Manesar	260	Sep-20	10
Lemon Tree Hotel, Bokaro	70	Sep-20	10
Lemon Tree Hotel, Gwalior	104	Sep-20	12
Lemon Tree Premier, Vijaywada	120	Sep-20	12
Lemon Tree Resort, Thimpu	38	Oct-20	10
Lemon Tree Hotel, Rishikesh	102	Nov-20	15
Lemon Tree Hotel, Ludhiana	60	Dec-20	10
Management Rooms to be Operational in FY 21	1183		
Lemon Tree Hotel, Kathmandu	75	Apr-21	10
Lemon Tree Hotel, Trivandrum	100	Sep-21	10
Total Pipeline	2035		



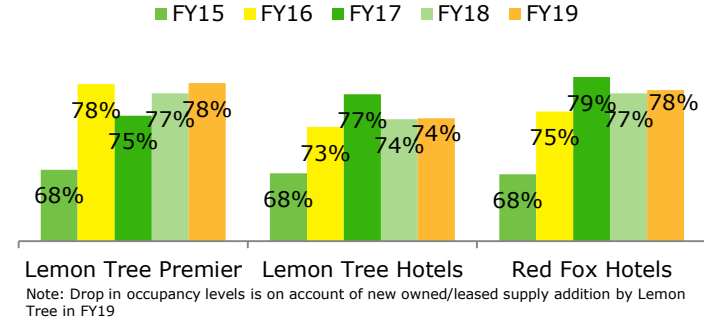
ANNEXURES

Strong operating performance

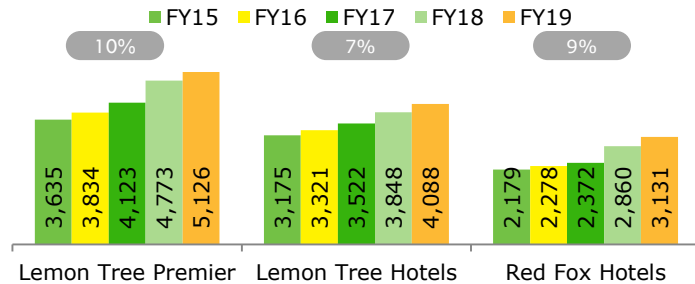
Rooms are being added...



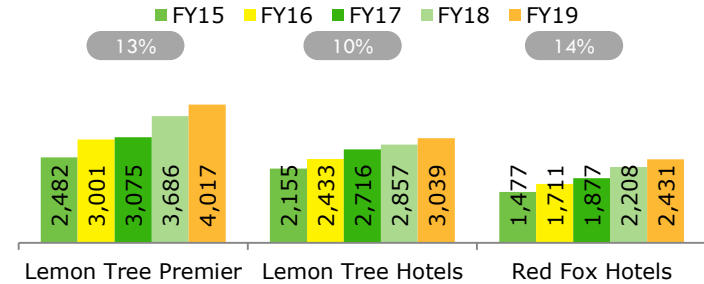
...and occupancy levels increasing...



...coupled with increasing ADR...



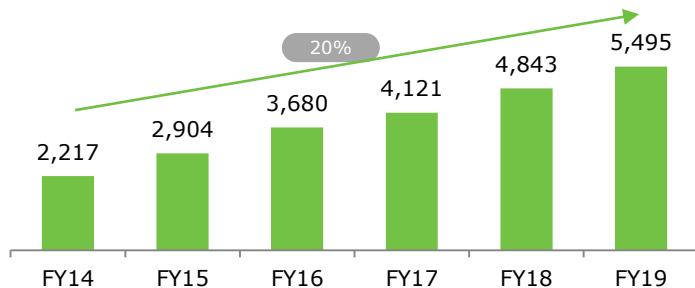
...leading to a RevPAR growth



Strong Growth and improving margins

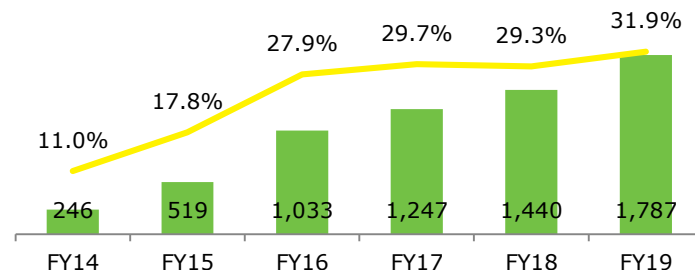
Revenue has increased at 20% over the last 5 years...

Revenue from operations (Rs. million)



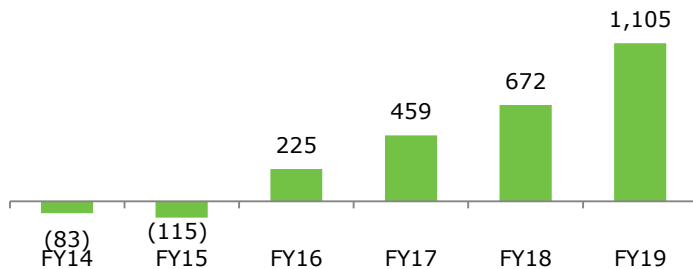
...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



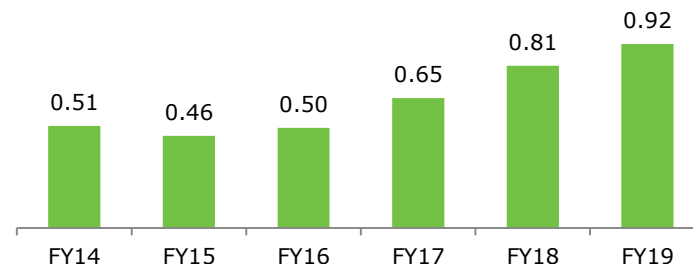
Increasing cash profit* growth

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



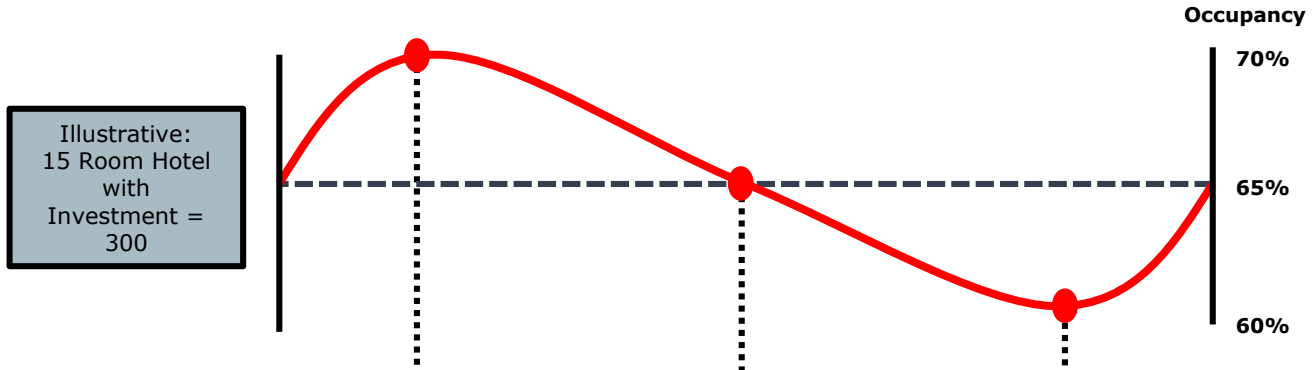
Gearing low

Debt/Equity



Note: FY14, FY15 and FY16 figures are from Lemon Tree Prospectus. FY17, FY18 and FY19 figures are from audited balance sheet.

The hotel business cycle

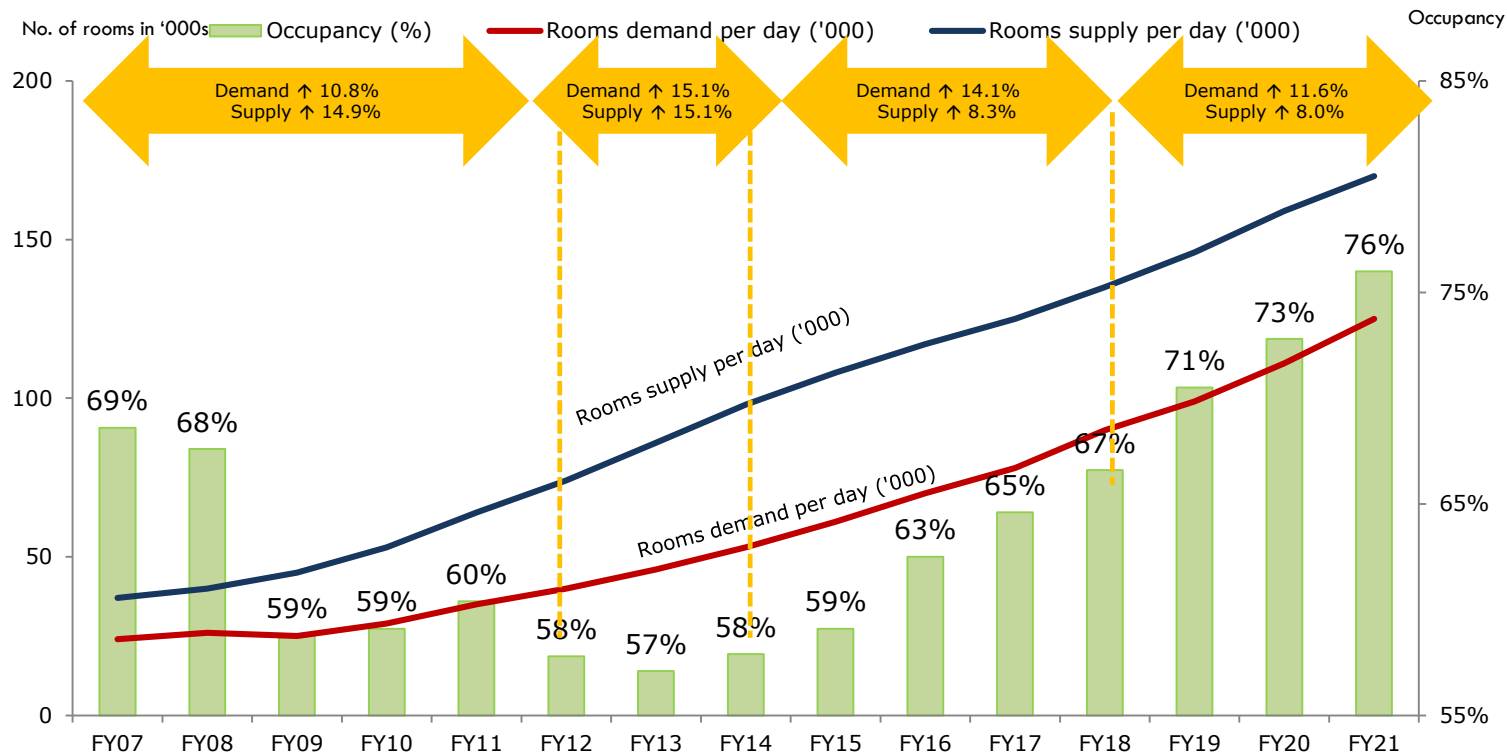


Cycle	Top (2)	Middle (3)	Bottom (2)	
Occupancy	70% or more	63-68%	60% or less	
Rooms Sold	12	10	8	
Average Daily Rate	13	10	7	
Revenue	156	100	56	3:2:1
Expenses	60	50	40	
EBITDA	96	50	16	
Hotel RoCE	32%	17%	5%	6:3:1
Sustainable Debt:Equity Coverage	Full Debt	1:1	No Debt	

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

Indian hotel industry is at an inflection point

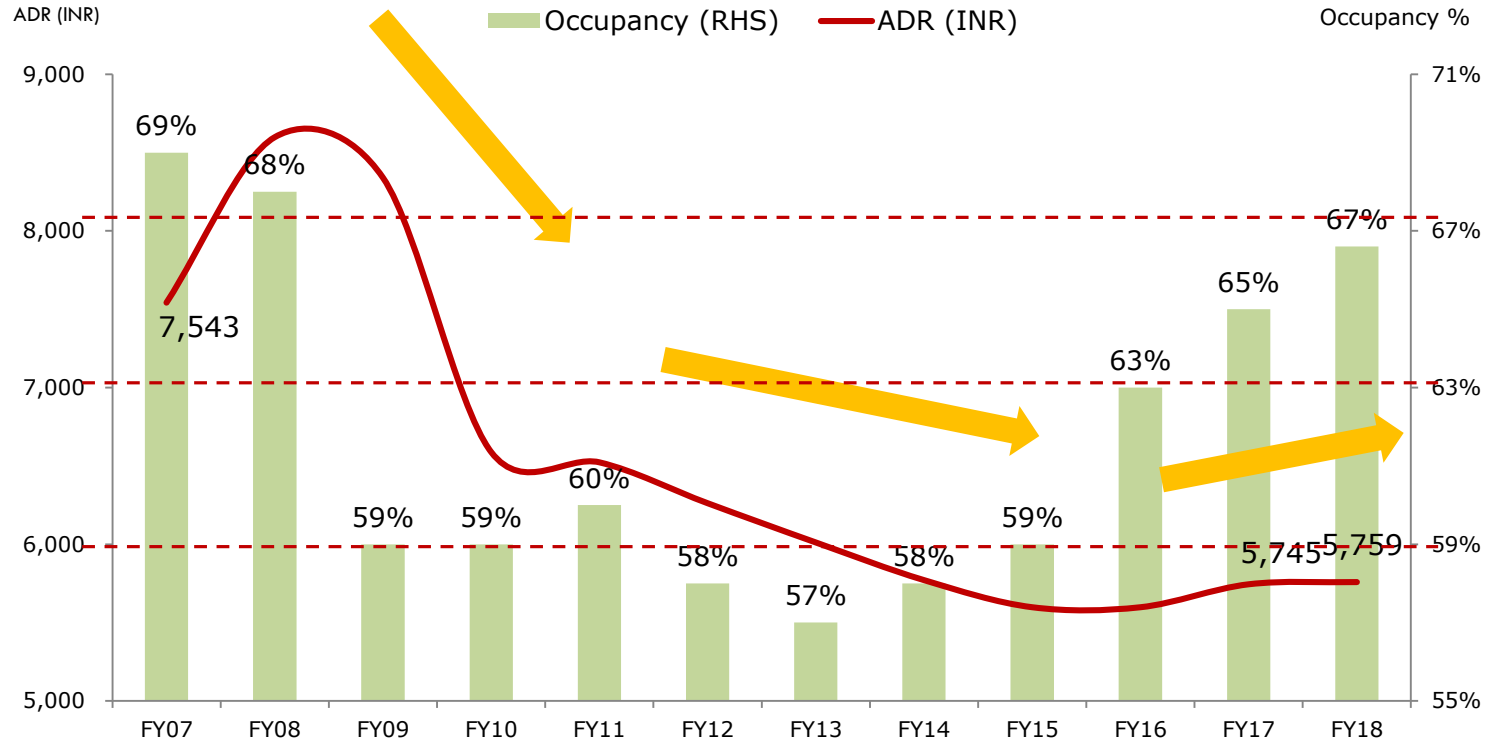
Slowing supply and rising demand is expected to increase occupancy



Source : Horwath Report 2017, Hotelivate Trend and Opportunities Report 2018

Increasing occupancy leading to increase in room rates

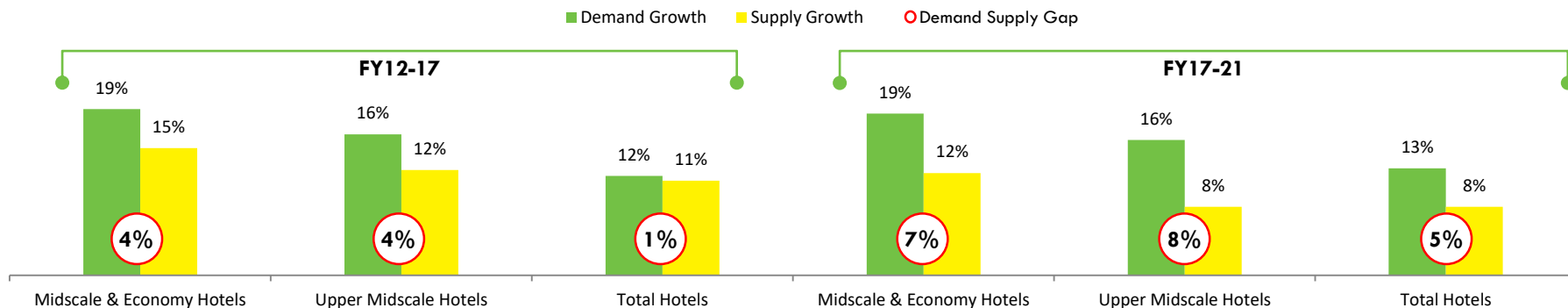
Average Daily Rate (ADR) is increasing with increase in occupancy rates



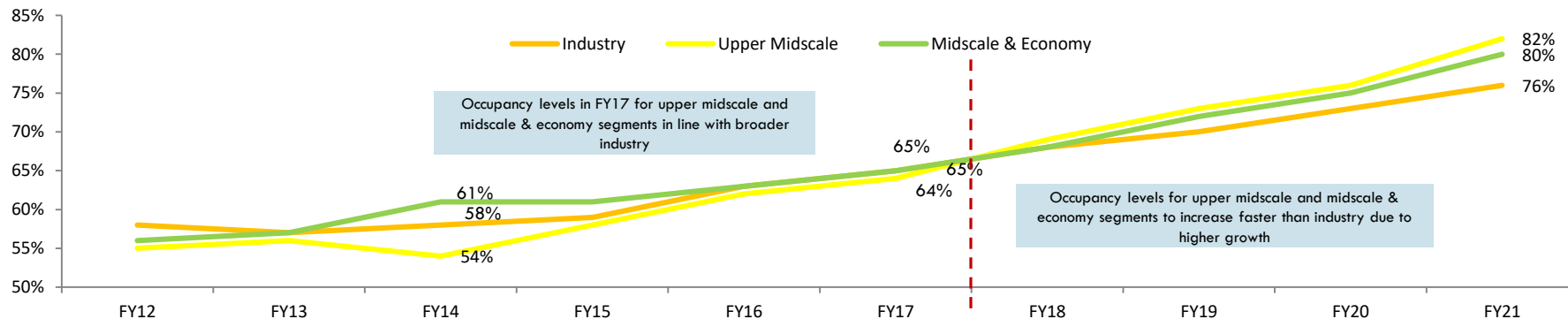
Source : Horwath Report 2017, Hotelivate Trends and Opportunities Report 2018

Mid-priced hotel sector expected to have higher demand supply gap resulting in higher growth in occupancy

Mid-priced hotel sector expected to continue having higher demand-supply gap leading to...



...faster growth in expected occupancy



Lemon Tree Hotels Limited (LTH) Q1 FY20 Earnings Conference Call

Time

- 6:30 PM IST on Wednesday, August 7, 2019

Conference dial-in Primary number

- Primary number: +91 22 6280 1141 / +91 22 7115 8042

Local access number

- +91 70456 71221 (Available all over India)

International Toll Free Number

- Hong Kong: 800 964 448
- Singapore: 800 101 2045
- UK: 0 808 101 1573
- USA: 1 866 746 2133

Lemon Tree Hotels (LTH) is the largest mid-priced hotel sector chain, and the third largest overall, on the basis of controlling interest in owned and leased rooms, as of June 30, 2017, according to the Horwath Report. LTH operates in the mid-priced hotel sector, consisting of the upper midscale, midscale and economy hotel segments and seeks to cater to Indian middle class guests and deliver differentiated yet superior service offerings, with a value-for-money proposition.

LTH opened its first hotel with 49 rooms in May 2004 and plans to operate 87 hotels with 8,800 rooms, across 58 cities by CY 2021 in India and abroad.

Lemon Tree hotels are located across India, in metro regions, including the NCR, Bengaluru, Hyderabad and Chennai, as well as tier I and tier II cities such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore and Aurangabad. New hotels will open shortly in Mumbai, Pune, Kolkata and Udaipur.

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

Kapil Sharma (Chief Financial Officer)

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