



March 2, 2020

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

NSE Scrip Symbol: LEMONTREE

BSE Scrip Code: 541233

Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, we would like to inform you that the management of Lemon Tree Hotels is scheduled to meet following Institutional Investors in Mumbai on March 3, 2020:

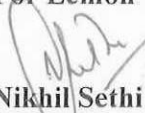
S. No.	Institution	Meeting Type
1	UBS Securities	One-on-One
2	Morgan Stanley	One-on-One
3	Antique Stock Broking	One-on-One

Also find attached herewith the Corporate Presentation, which would be discussed during the Investors meet.

The above is for your record.

Thanking You

For Lemon Tree Hotels Limited


Nikhil Sethi
Group Company Secretary & GM Legal
& Compliance Officer

Lemon Tree Hotels Limited

Corporate Presentation

March, 2020



aurika
HOTELS & RESORTS

UPSCALE


lemon tree
PREMIER

UPPER MIDSCALE


lemon tree
HOTELS

MIDSCALE


red fox
BY LEMON TREE HOTELS

ECONOMY

keys
PRIMA HOTELS

UPPER MIDSCALE

keys
SELECT HOTELS

MIDSCALE

keys
LITE HOTELS

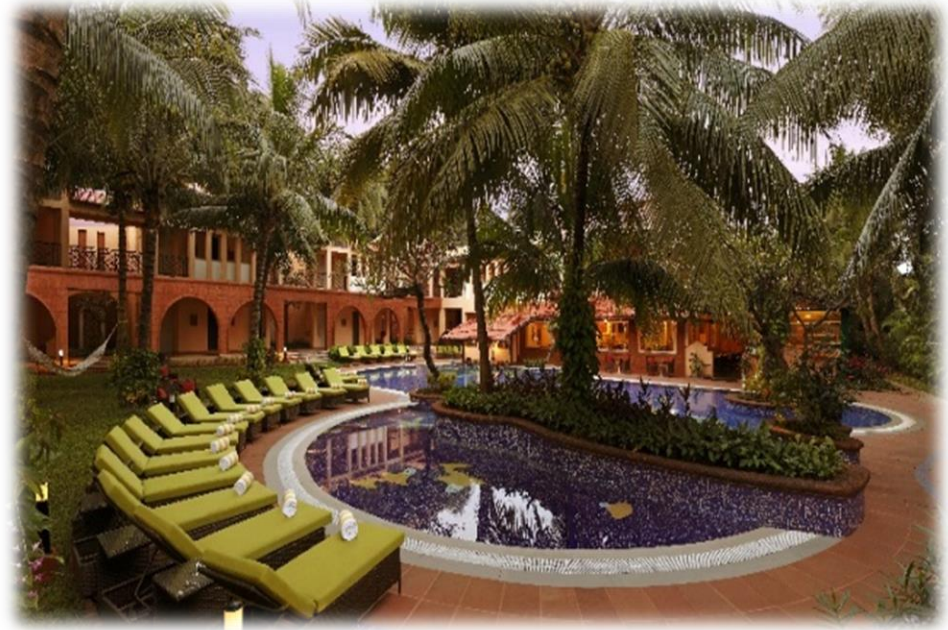
ECONOMY

Connect with us     

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, Delhi Airport



Lemon Tree Premier, Jaipur

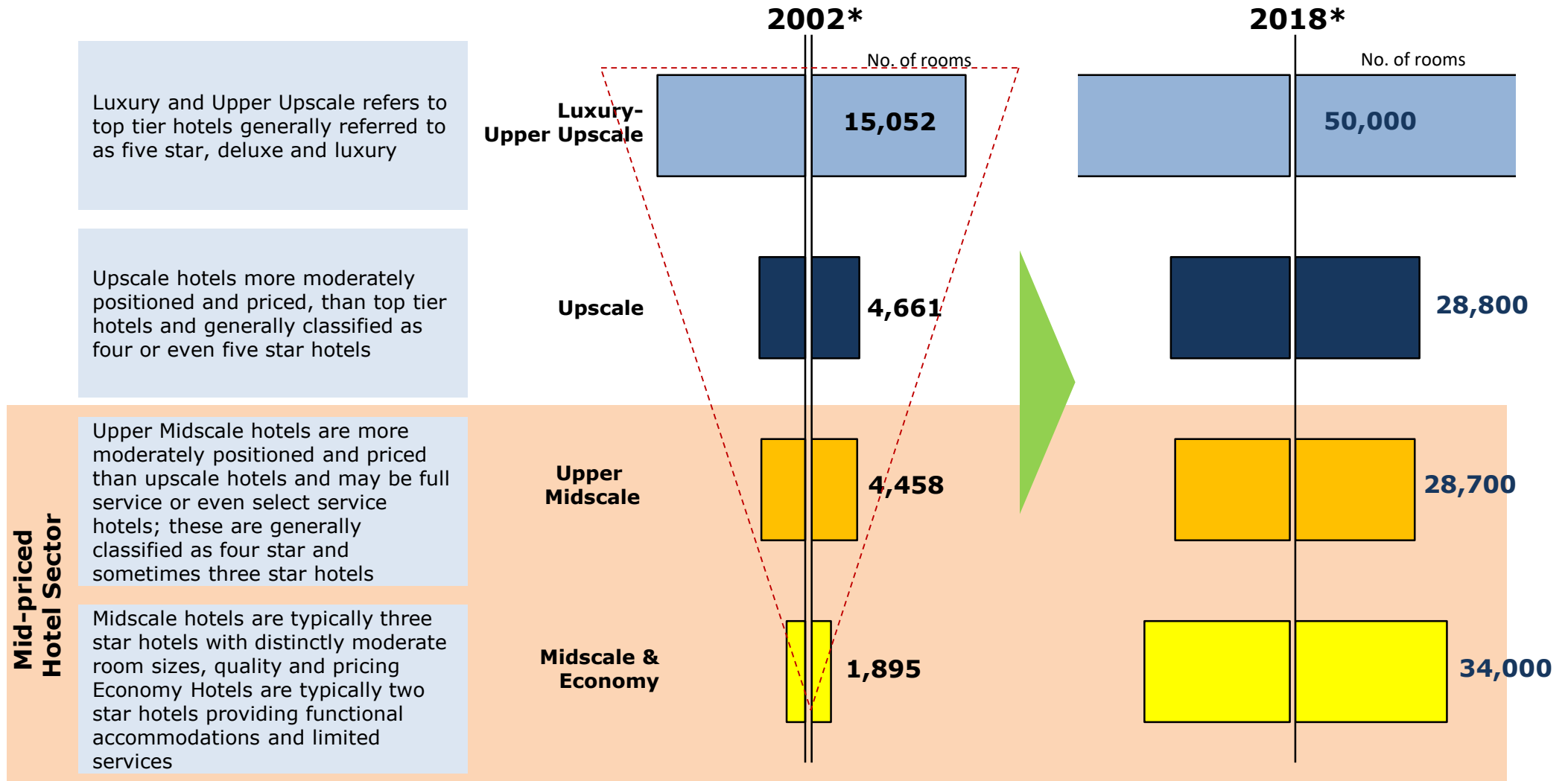


Lemon Tree Premier, City Center,
Gurgaon

Attractiveness of Indian Hotel Industry

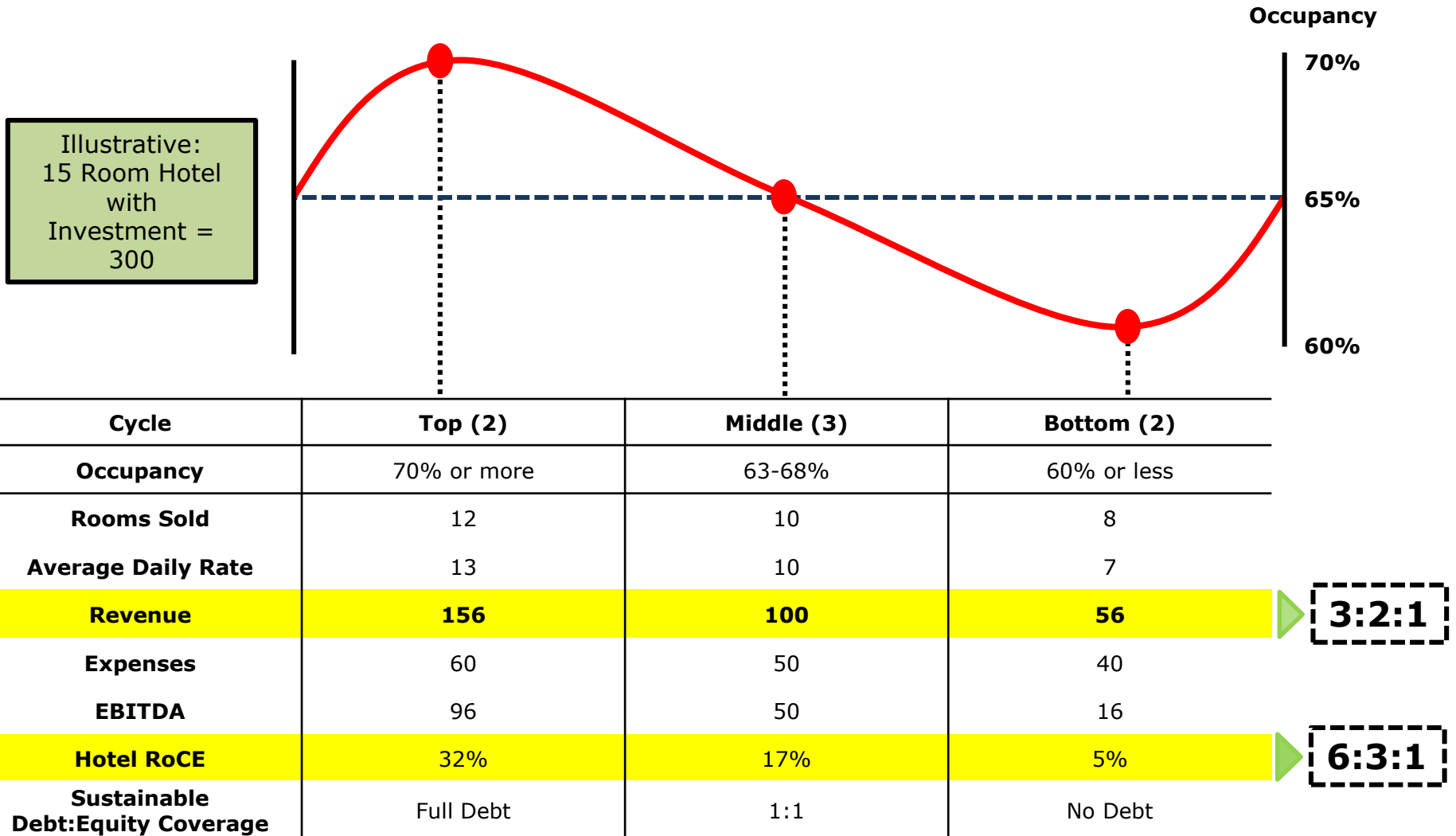
Supply of rooms in India's hotel industry was primarily at the top-end

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



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

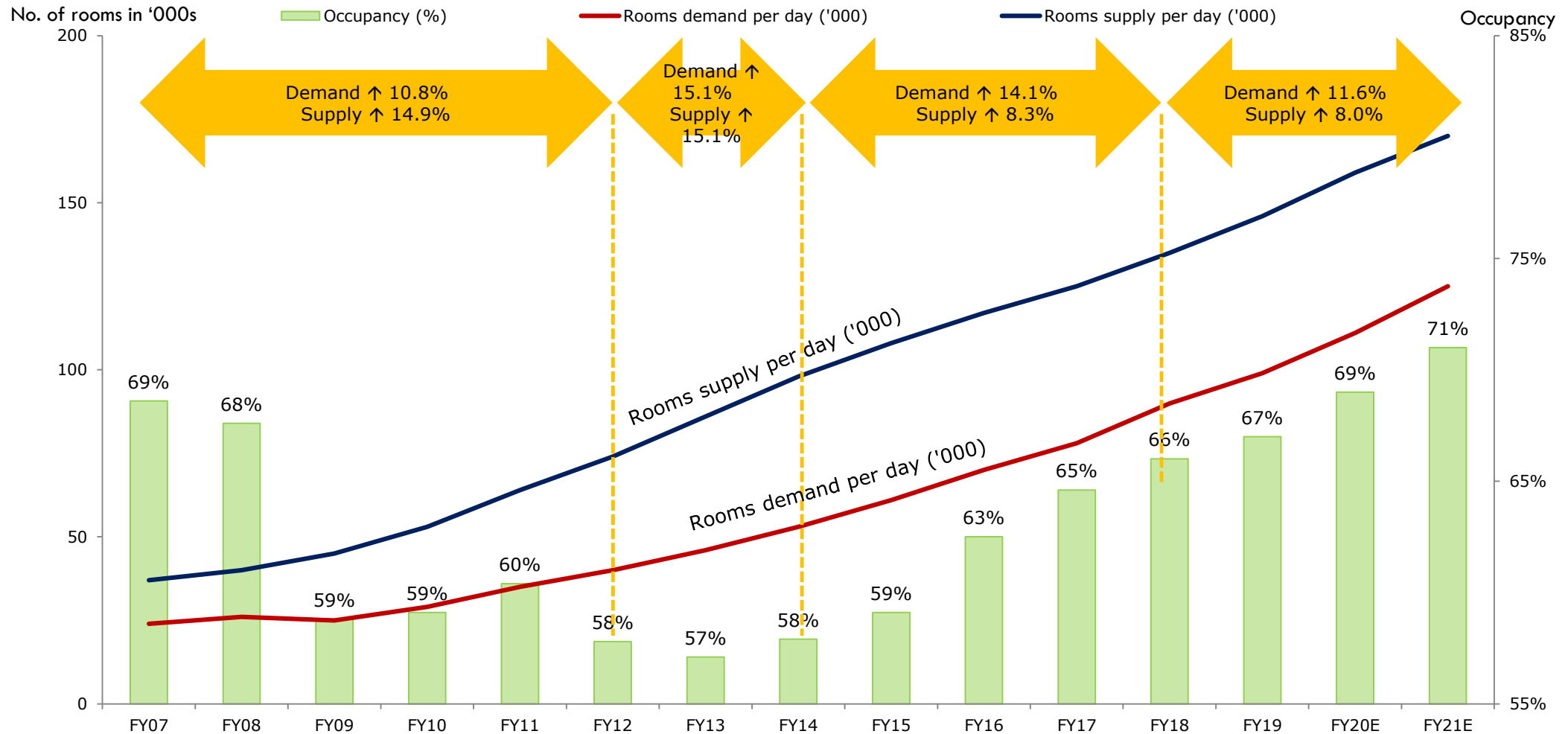
The hotel business cycle



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

Indian hotel industry is at an inflection point

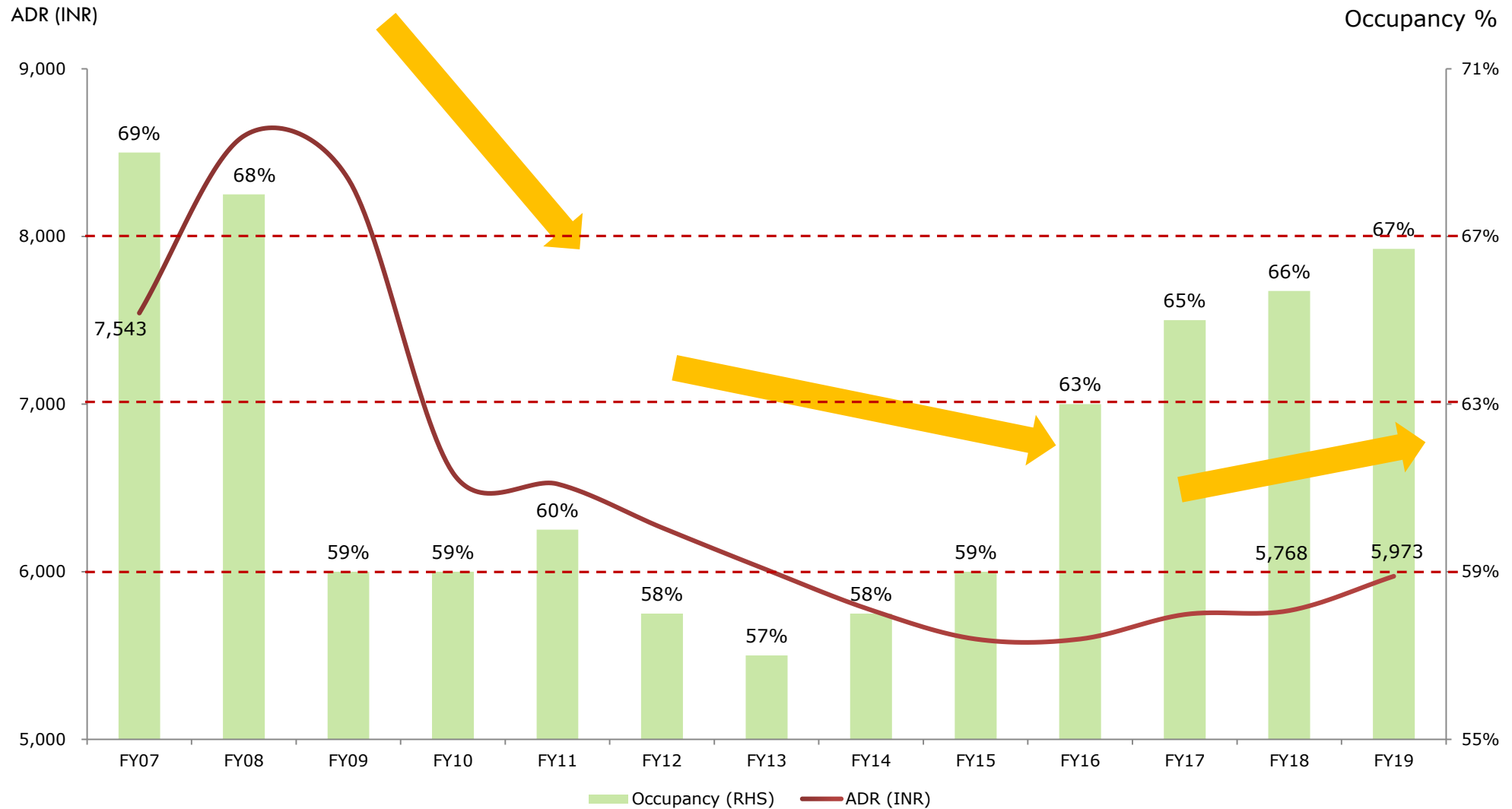
Slowing supply and rising demand is expected to increase occupancy



Source : Horwath Report 2017, Hotelivate Trend and Opportunities Report 2019

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 2019



Lemon Tree Hotel, Aurangabad



Lemon Tree Hotel, Gachibowli,
Hyderabad




Lemon Tree Hotel, Vadodara

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

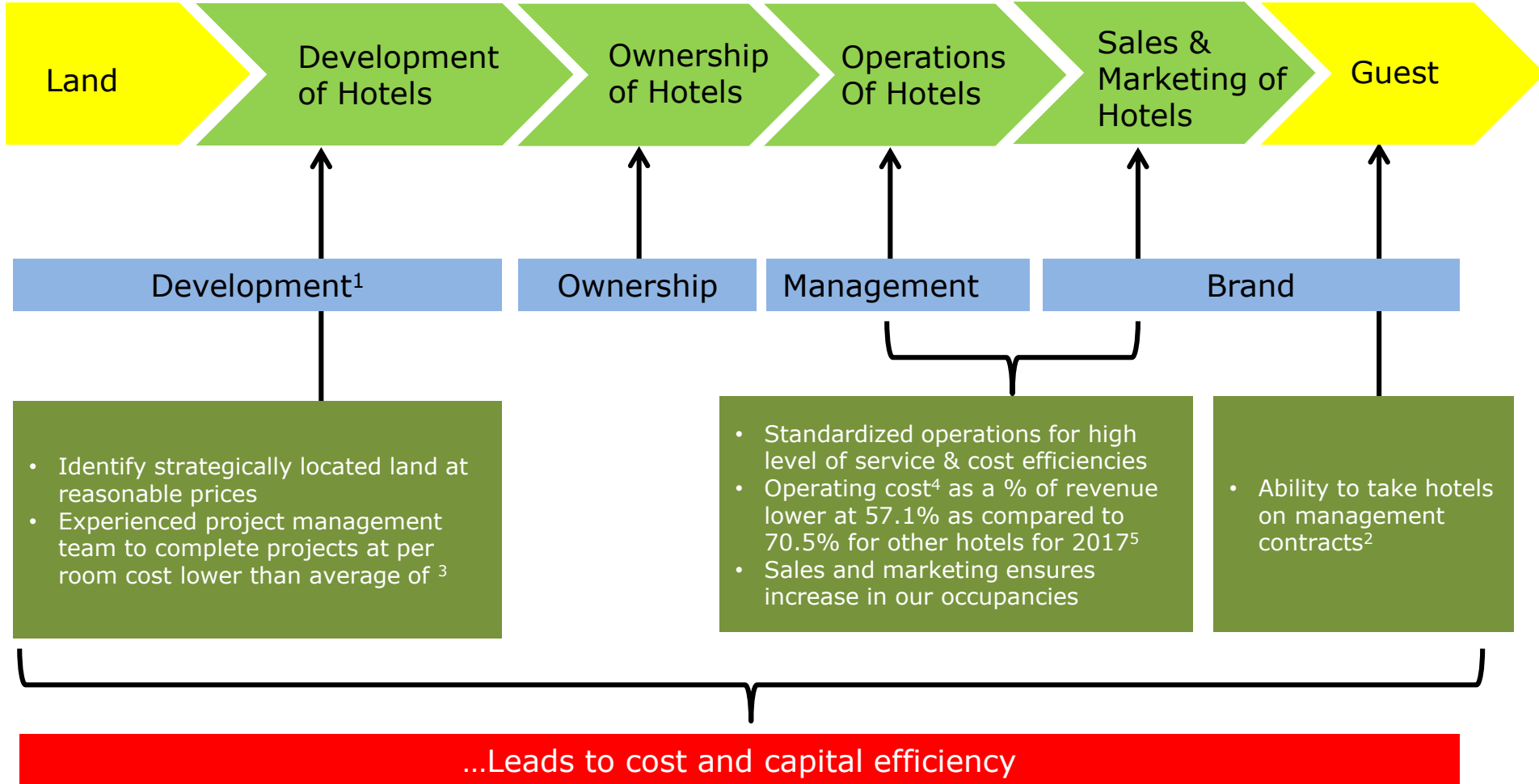
	Typical 5 star	 Lemon Tree HOTELS	
Cost Per Room (Normalised)	1000	400	~40% of Five Star
Rate (Normalised)	100	50	
Occupancy	x%	1.2x%	
Room Revenue (Normalised)	100	<u>60</u>	~60% of Five Star
Total Revenue (Normalised)	100	<u>50</u>	Lower other income for LTH
Cost (Normalised)	65	<u>25</u>	~40% of Five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

Process

Presence across value chain



Focus on culture & service differentiation with focus on domestic travellers



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 4th 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

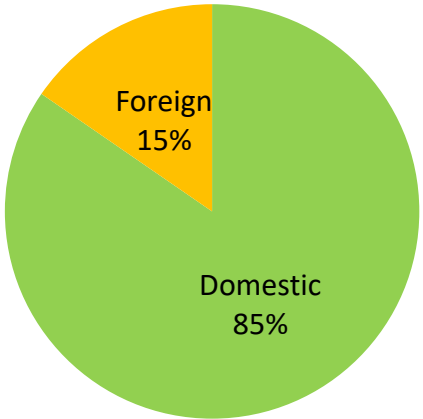
Superior service leads to higher Customer Satisfaction as demonstrated by TripAdvisor recognition



47 out of 50 hotels (which were operational for at least a year and were eligible for receiving this recognition) were awarded the TripAdvisor Certificate of Excellence for 2019

Focus on Domestic Customers

FY19



Customers

Value for money pricing

Occupancy (Utilization) Premium

RevPAR (Revenue per room) Premium



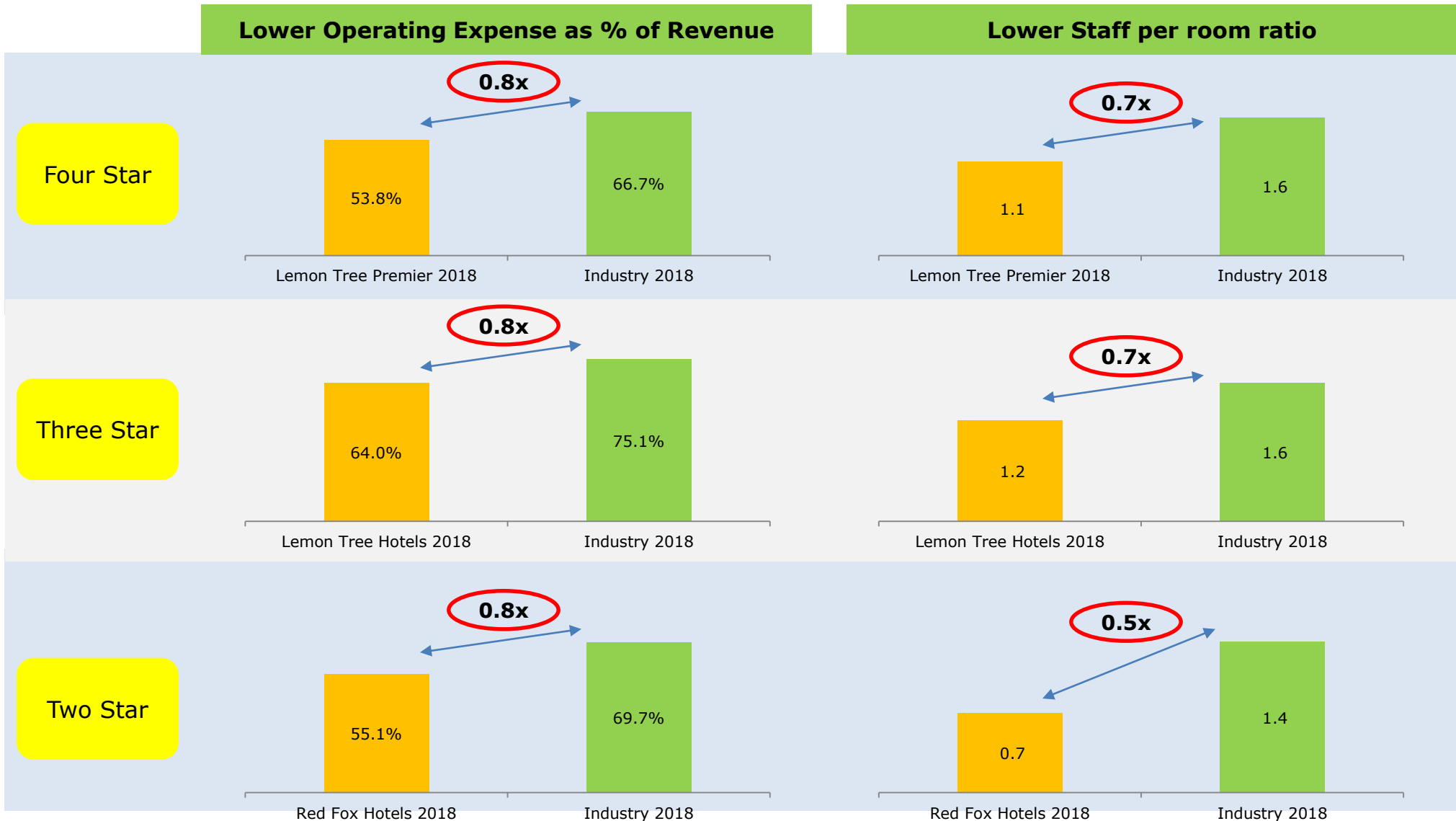
○ Lemon Tree/Industry


Source : Industry data is sourced from Hotelivate – Trend and Opportunities Report - 2018.
[^] 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; #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); Industry 2017 data is for all participating hotels in respective hotel segment

Cost

Lower Average Operating Expenses/ Room

Higher GOP[^]



 Lemon Tree/Industry

Source : Industry data is sourced from FHRAI-Indian-Hotel-Survey-2017-18.



Lemon Tree Hotel, Coimbatore



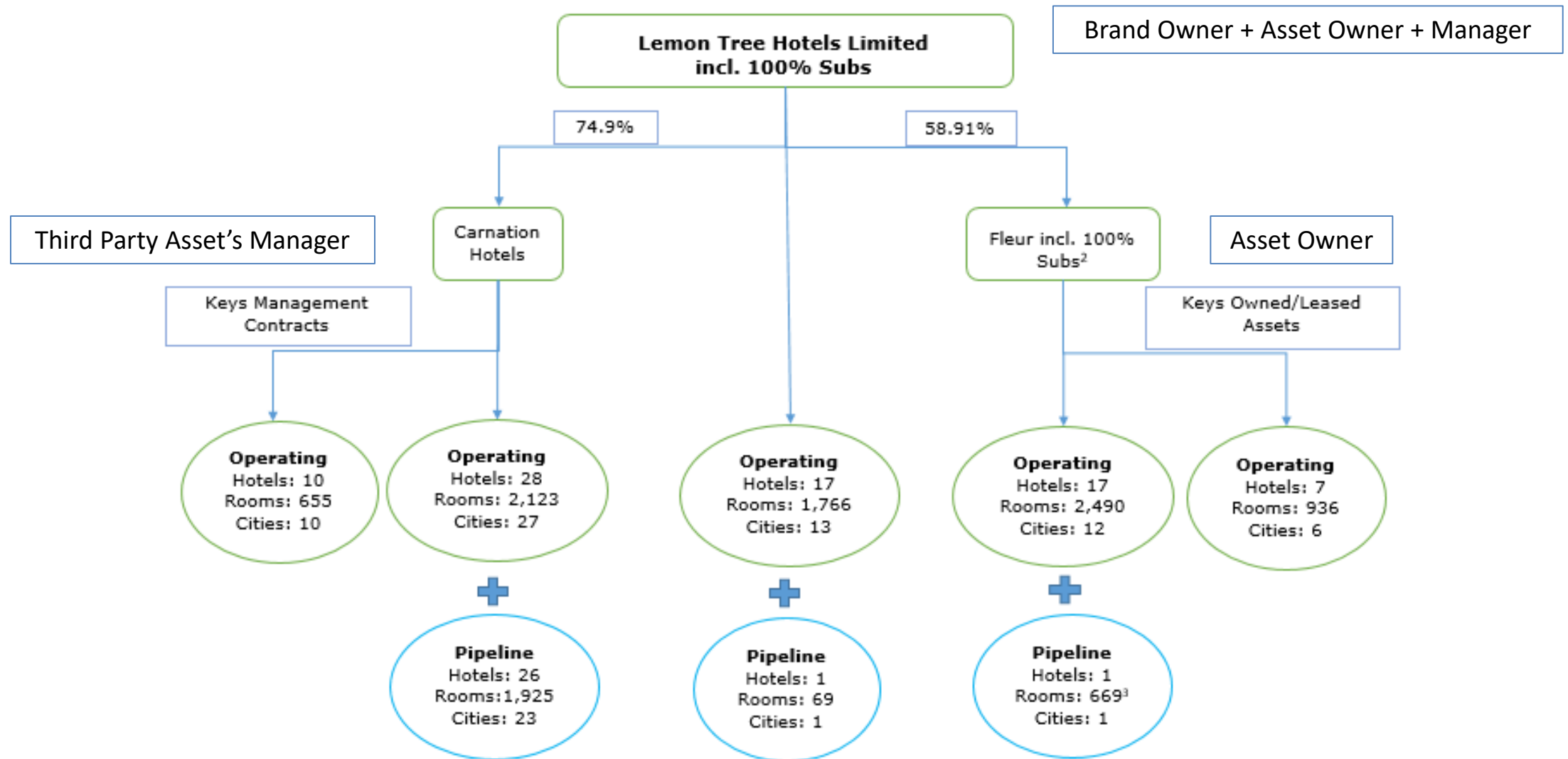
Lemon Tree Premier, City Center, Gurgaon



Lemon Tree Vembanad Lake, Alleppey, Kerala

Company Overview and Growth Plans

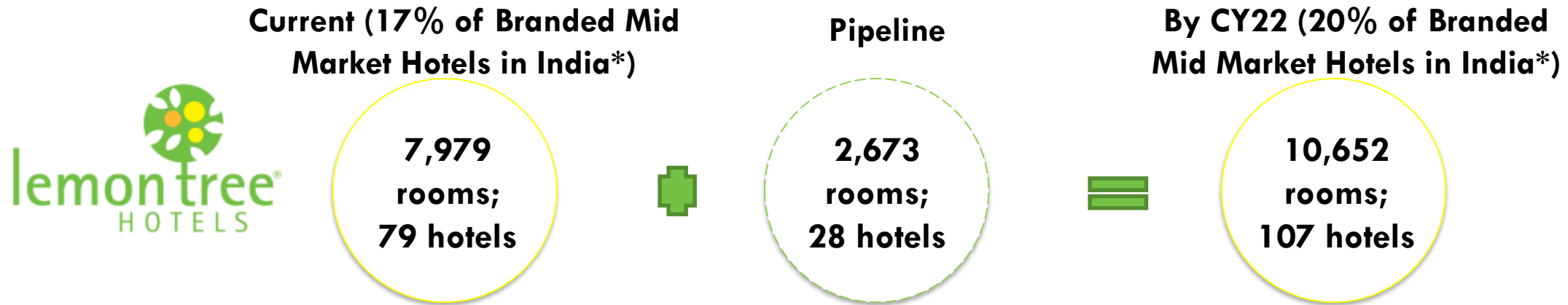
Lemon Tree Group Structure



Notes :-

1. The Pipeline of hotels is as of 31st January 2020
2. LTP Mumbai is assumed merged into Fleur Hotels
3. LTH is in the process of applying to convert some commercial spaces in Aurika, MIAL hotel to rooms. This will increase the hotel's inventory by 92 rooms to 669

Lemon Tree – Snapshot as on 31st Jan, 2020







Brand	Current	Pipeline	by CY22
Aurika	139 Rooms, 1 Hotel	669 Rooms, 1 Hotel [#]	808 Rooms, 2 Hotels
Lemon Tree Premiere	2,207 Rooms; 15 Hotels	457 Rooms; 6 Hotels	2,665 Rooms; 21 Hotels
Lemon Tree Hotel	2,619 Rooms; 34 Hotels	1,427 Rooms; 19 Hotels	4,047 Rooms; 53 Hotels
Red Fox Hotel	1,423 Rooms; 12 Hotels	80 Rooms; 1 Hotel	1,492 Rooms; 13 Hotels
Keys	1,591 Rooms; 17 Hotels	40 Rooms; 1 Hotel	1,631 Rooms; 18 Hotels

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

[#]Aurika, Mumbai International Airport is in process of getting approval to increase the number of rooms to 669 rooms in place of the existing approval of 577 rooms.

Lemon Tree – Portfolio

Key Statistics

		Q3 FY19	Q3 FY20	YoY Var(%)	31 st Jan FY20
	Cities	31	46	48%	47
	Hotels	52	78	50%	79
	Rooms	5,291	7,914	50%	7,979
	Loyalty Members	889,080	1,123,366	26%	1,141,372

Inventory Progression - Update

	Inventory Progression			% Growth	
	End of FY19	End of FY20	End of CY22*	FY20 vs FY19	FY22 vs FY19
Owned/Leased					
Rooms	3,570	5,192	5,940	45%	66%
Cities	16	23	24		
Managed					
Rooms	1,739	2,814	4,712	62%	171%
Cities	23	34	52		
Total					
Rooms	5,309	8,006	10,652	51%	101%
Cities	32	48	67		
Total Mid-Market	45,700	47,985	52,903		
<i>% of Mid-Market</i>	11.6%	16.7%	20.1%		
* As per existing pipeline only					

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

- Notes :-
1. Management Hotel Contracts are subject to owner’s meeting project deadlines and LT retaining all Keys Management Contracts

Lemon Tree's Presence Map as of 31st January 2020



Hotel Inventory by Segment and Lemon Tree Brand Positioning

Segment	Inventory	Lemon Tree Brand Positioning
Luxury and Upper Upscale	50,000	-
Upscale	28,000	Aurika
Mid Market	45,700	LTP/LTH/RFH
Economy	17,000	-
Unbranded Standalone	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

Lemon Tree Brand Standards – Linked to Business Model

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

Notes :-

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

Expansion Plans – Hotels under Development

Under-development hotels	Type	Rooms	Expected Opening date	Ownership (%)
Lemon Tree Mountain Resort, Shimla	Owned	69	Apr-21	100.00%
Lemon Tree Vembanad Lake Resort, Alleppey, Kerela ¹	Owned	10	Oct-21	100.00%
Aurika, Intl. Airport, Mumbai ²	Owned	669	Nov-21	57.98%
Total		748		

- * Total estimated project cost is Rs. 8,550 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 31st December, 2019 is Rs. 3,010 million
- * Balance investment of Rs. 5,540 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) Aurika, Mumbai International Airport is in process of getting approval to increase the number of rooms to 669 rooms in place of the existing approval of 577 rooms.

Expansion Plans – Pipeline of Management Contracts (as of 31st January, 2020)

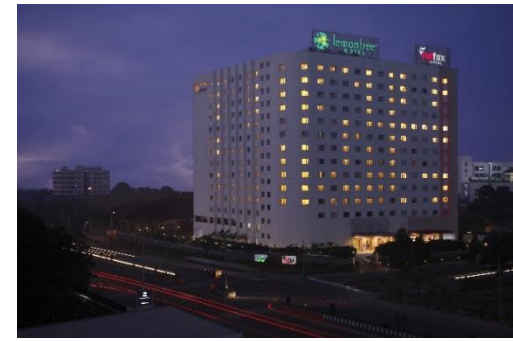
Management Contracts Pipeline	Rooms	Expected Opening date	Tenure (years)
Lemon Tree Hotel, Thimpu	27	Mar-20	12
Management Rooms to be Operational in FY20	27		
Lemon Tree Hotel, Baga, Goa	44	Apr-20	15
Lemon Tree Hotel, BKC, Mumbai	70	May-20	15
Lemon Tree Premier, Dwarka	108	Jun-20	12
Lemon Tree Premier, Coorg	63	Aug-20	15
Lemon Tree Hotel, Jhansi	60	Sep-20	12
Lemon Tree Premier, Bhubaneshwar	76	Sep-20	10
Lemon Tree Resort, Mussoorie	40	Sep-20	15
Keys Prima, Dehradun	40	Sep-20	15
Serviced Suites, Manesar	260	Sep-20	10
Lemon Tree Resort, Thimpu	38	Oct-20	10
Red Fox Hotel, Neelkanth	80	Nov-20	12
Lemon Tree Premier, Vijaywada	120	Dec-20	12
Lemon Tree Hotel, Aligarh	68	Mar-21	12
Lemon Tree Hotel, Rishikesh	102	Mar-21	15
Lemon Tree Hotel, Sonamarg	40	Mar-21	10
Management Rooms to be Operational in FY21	1,209		
Lemon Tree Hotel, Ranthambore	60	Sep-21	10
Lemon Tree Hotel, Bokaro	70	Sep-21	10
Lemon Tree Hotel, Kathmandu	75	Sep-21	10
Lemon Tree Hotel, Trivandrum	100	Sep-21	10
Lemon Tree Hotel, Ludhiana	60	Oct-21	10
Lemon Tree Hotel, Darjeeling	55	Apr-22	15
Lemon Tree Premier, Dindy	50	Uncertain	10
Lemon Tree Hotel, Durgapur	80	Uncertain	10
Lemon Tree Hotel, Gulmarg	35	Uncertain	10
Lemon Tree Hotel, Gwalior	104	Uncertain	10
Total Pipeline	1,925		



Lemon Tree Amarante Beach, Goa



Lemon Tree Premier, Corbett

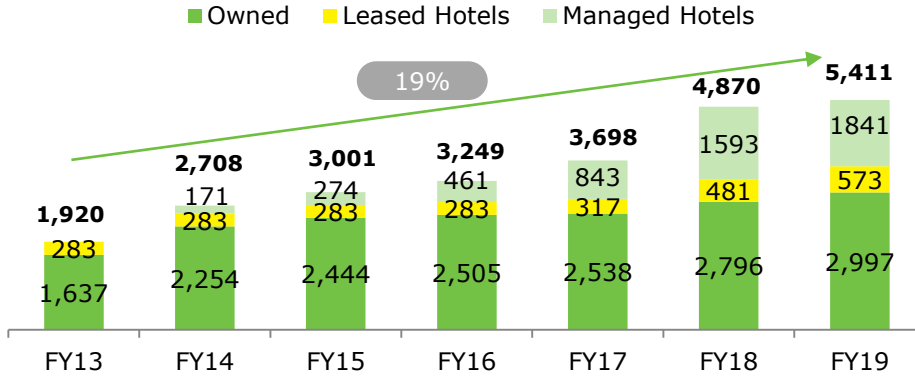


Lemon Tree Premier, Hyderabad

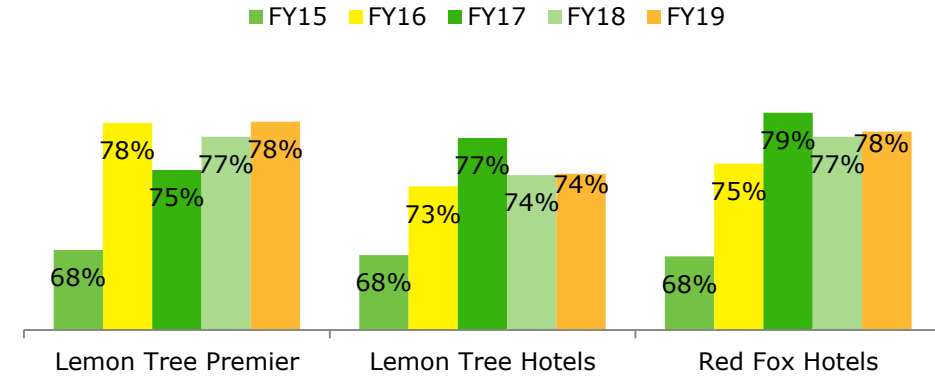
Strong Operating and Financial Performance

Strong operating performance

Rooms are being added...

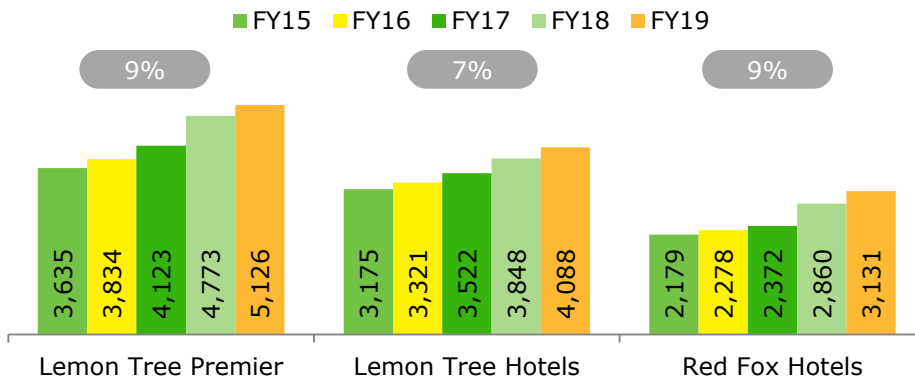


...and occupancy levels increasing...

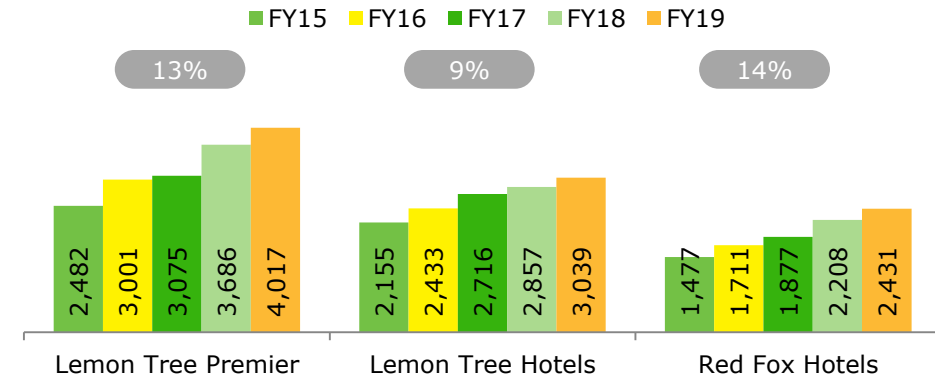


Note: Drop in occupancy levels is on account of new owned/leased supply addition by Lemon Tree in FY18

...coupled with increasing ADR...



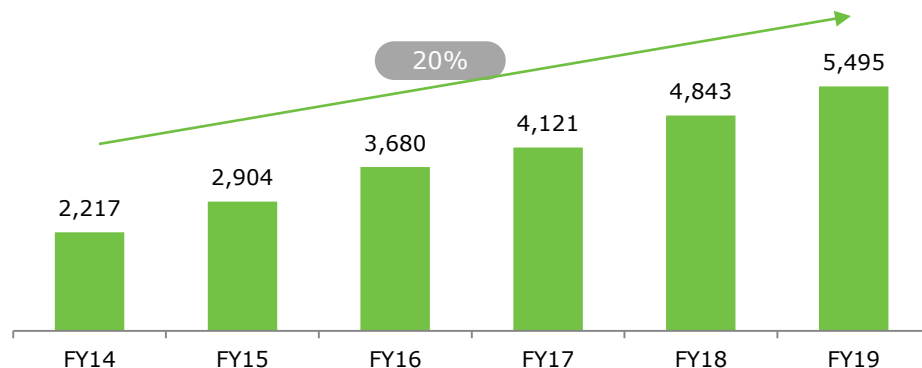
...leading to a RevPAR growth



Strong Growth and improving margins

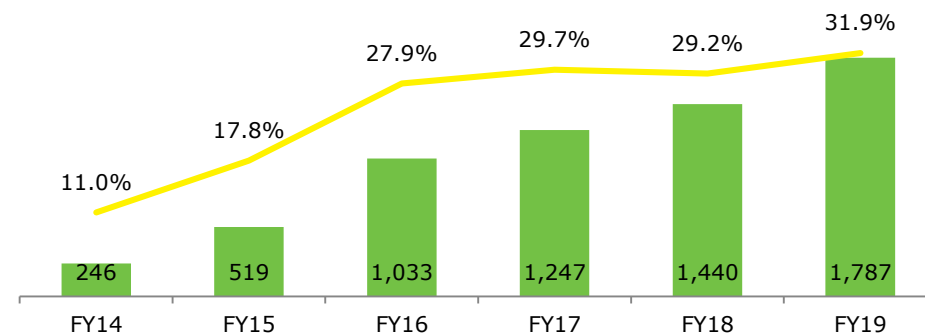
Revenue has increased at CAGR of 20% over the last 5 years...

Revenue from operations (Rs. million)



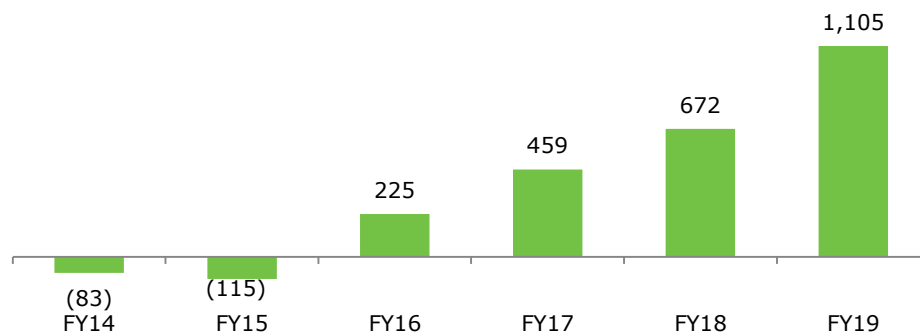
...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



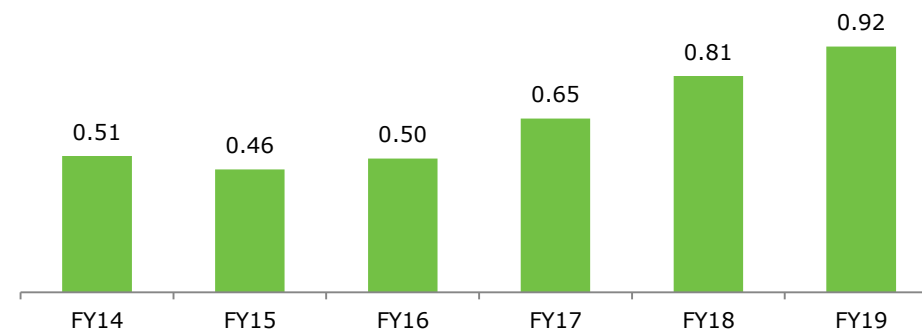
Increasing cash profit growth

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

Operational Performance by Ageing – FY19 vs. FY18

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 ¹	FY19	21	7	2	5
	FY18	21	3	4	
Operating Rooms (year-end)	FY19	2,727	551	292	1,240
	FY18	2,727	128	422	
Occupancy Rate (%)	FY19	79.2%	69.9%	36.3%	Deep demand markets (high occupancies)
	FY18	77.6%	61.5%	66.0%	
Average Daily Rate (Rs.)	FY19	4,197	4,082	4,200	1.5x of Adult Hotels in that year*
	FY18	3,900	5,274	3,422	
Hotel level EBITDAR ² /room (Rs. million)	FY19	0.72	0.49	0.11	High*
	FY18	0.67	0.49	0.15	
Hotel level EBITDAR ² Margin (%)	FY19	44%	33%	40%	High*
	FY18	44%	36%	15%	
Hotel level ROCE* ³ (%)	FY19	13%	4%	1%	1.5x of Adult Hotels in that year*
	FY18	12%	6%	(1%)	

Notes:

1) During the year FY19 4 infant hotels transitioned to toddler category, why 2 new hotels entered into the infant category. No toddler hotel transitioned into Adult 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

* Post stabilization.

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

	Date of Opening	FY15	FY16	FY17	FY18	FY19	CAGR
LTP Aerocity Delhi	Dec-FY14	Infant	Toddler	Toddler	Adult	Adult	
Inventory		<u>145</u>	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%	
RFH Aerocity Delhi	Dec-FY14	Infant	Toddler	Toddler	Adult	Adult	
Inventory		<u>197</u>	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
LTH Whitefield Bangalore	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%	
LTH Gachibowli Hyderabad	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

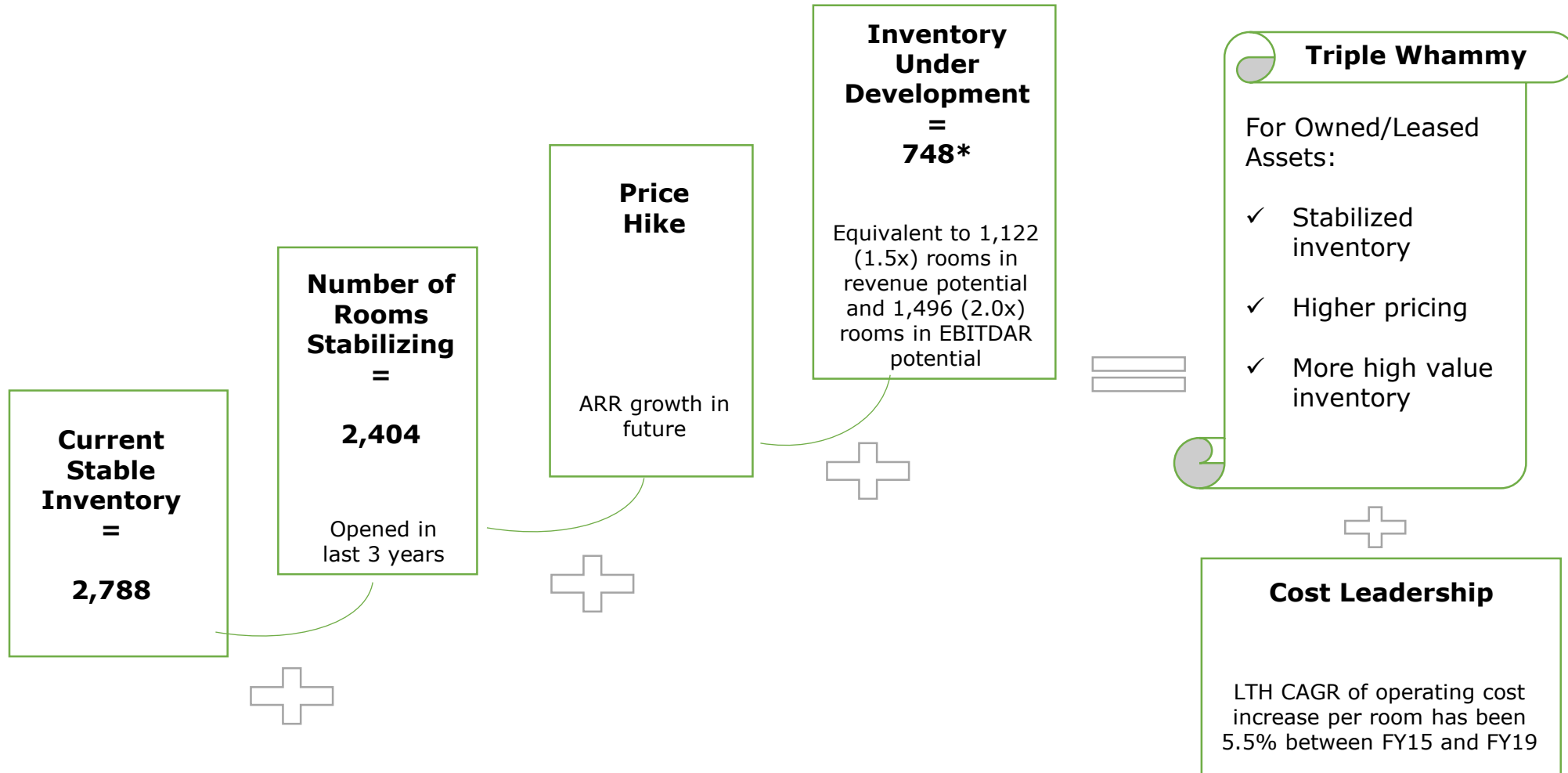
	FY15	FY16	FY17	FY18	FY19	CAGR
Aggregate	Infant	Toddler	Toddler	Adult	Adult	
Inventory	472	807	807	807	807	
Occupancy	69.6%	76.7%	77.8%	80.6%	85.3%	
ARR	2,622	2,945	3,130	3,627	4,545	14.7%
RevPAR	1,826	2,260	2,436	2,922	3,877	20.7%
EBITDA/Room	2.2	4.9	6.0	7.4	8.8	41.8%
EBITDA Margin	20.0%	40.3%	43.5%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

Once fully stabilized, RevPAR drives operating leverage

Operating Expenses per Room per day for Adult Hotels

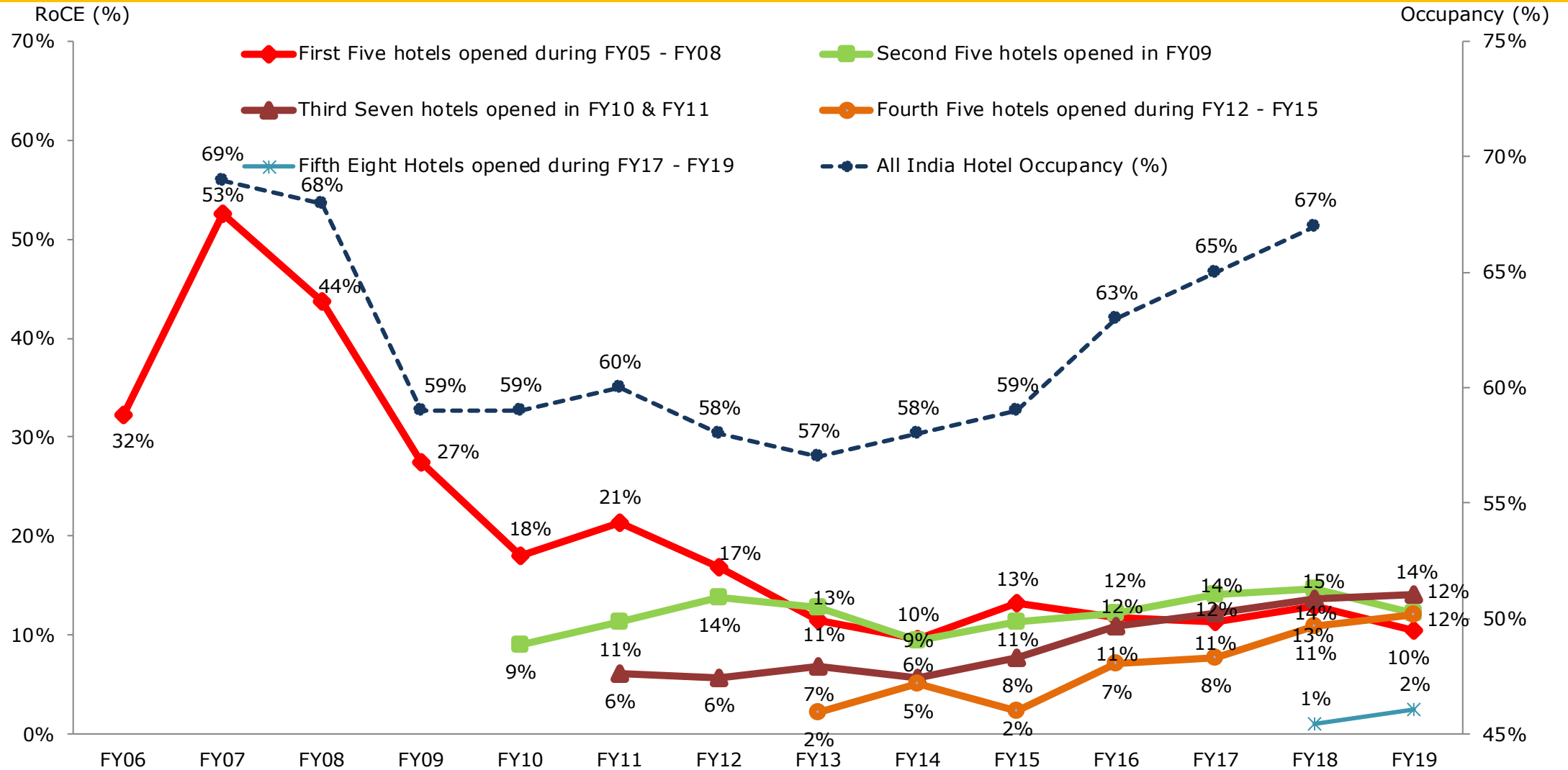
Brands/Hotels	Rooms	FY 15	FY 16	FY 17	FY 18	FY 19	CAGR (%)
Lemon Tree Hotel Group	2,727	1,827	1,955	1,981	2,096	2,266	5.5%
Lemon Tree Premier	816	2,026	2,352	2,327	2,460	2,690	7.3%
Lemon Tree Hotel	1,306	2,080	2,012	2,098	2,196	2,338	3.0%
Red Fox Hotels	605	1,184	1,299	1,260	1,386	1,538	6.8%

Key levers to drive better results



* LTH is in the process of applying to convert some commercial spaces in Aurika Mumbai International Airport hotel to rooms. This will increase the hotel's inventory by 92 rooms to 669.

Lemon Tree Hotels RoCE : Hotel Buckets by opening



Notes:

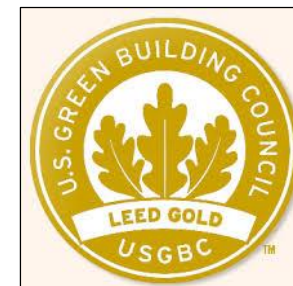
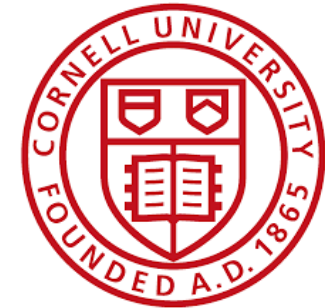
1. Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels
2. Hotel RoCE is based on first full year of operation

Source : Industry occupancy is taken from Horwath HTL report.

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)"



Committed to Employees, Environment and Community with socially inclusive work ethos

A. We provide employment and livelihood with dignity to 'Opportunity Deprived Indians' (ODI)

This initiative was started in 2007 and as of Sep 30, 2018, Lemon Tree has employed a total of around 860* Opportunity Deprived Indians, or about one fifth of its workforce.

Lemon Tree believes that the brand should stand for more than 'just profit'. The company has focused its efforts on creating a socially inclusive work environment which seeks to bring in people of different backgrounds, abilities and ethnicities and offer them work as a unified team with a common goal.

The company's guiding principle has been that Opportunity Deprived Indians (including physical, intellectual, social or economic disabilities) must be provided the same opportunities as others to realize their full potential and live with dignity.

Employees With Disabilities (EWDs)

Speech and Hearing Impaired

Down Syndrome

Orthopedic Challenged

Autism

Low Vision

Acid Survivor

Employees with Economic, Educational or Social Impairment

Low Literacy

Below Poverty Line

Widows/ Divorcees/ Abandoned/ Battered

Socially Backward



* Includes all hotels: owned, leased and managed.

Video Links:

- 1) CNBC TV18 digital story: <https://www.youtube.com/watch?v=mAB0yazRFxU&t=67s>
- 2) Lemon Tree Initiative: <https://www.youtube.com/watch?v=f4Z3qcm8EgY&t=19s>

Committed to Employees, Environment and Community with socially inclusive work ethos (contd.)

B. Tribal Art

Lemon Tree Hotel is among the largest buyers, nationally, of tribal art from Bastar, Madhya Pradesh. This comprises primarily of bronze age bell metal sculptures and enables the company to financially support tribal craftsmen from this region by showcasing their art extensively across all of its hotels.

C. Giving Back To Society

Lemon Tree Hotel supports and partners with the following NGOs and societies:

Goonj: provides clothes and utensils to the impoverished.

Suniye: runs a school for Speech and Hearing Impaired children from economically weaker sections of society. provides extensive life skills support to these children.

Akshaya Patra: focus is to eliminate hunger in the city. It regularly provides a free meal to approximately 2000 destitute people in Delhi, across the city.

Muskaan: provides comprehensive education, vocational training and work opportunities to young people who are intellectually challenged.

Ramanujan Society: donates gifts to students for successfully clearing the IIT entrance exam.

D. Art Objects Through People For Animals

Lemon Tree supports People For Animals (PFA) by buying art sourced by PFA, which in turn is showcased across the company's hotels. The money paid to PFA goes to support the welfare and care of animals across India.

E. K9 Policy/Pooch Policy

Lemon Tree Hotel adopts a stray dog at each of its hotels across India. We name the dog, inoculate it and feed it well. Based on the personality of the dog, he/she is assigned a 'fun' role in the hotel and this brings joy to employees and guests alike.

New Hotels

RFH - Dehradun



RFH - Chandigarh



LTP – Mumbai



LTP – Mumbai



LTP - Kolkata



LTP - Kolkata



Aurika – Udaipur



Aurika – Udaipur



Aurika – Udaipur



Aurika – Udaipur



Aurika – Udaipur



Under Development Hotels

Lemon Tree Mountain Resort – Shimla | Image Representation



Note: Hotel is expected to have 69 rooms and expected month of opening is April-2021

Lemon Tree Mountain Resort – Shimla



Lemon Tree Mountain Resort – Shimla



Aurika, Mumbai Airport (MIAL) | Image Representation



Aurika, Mumbai Airport (MIAL)



Note: Currently, hotel is expected to have 577 rooms. 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. Expected month of opening is Nov-2021.

Aurika, Mumbai Airport (MIAL)



Note: Currently, hotel is expected to have 577 rooms. 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. Expected month of opening is Nov-2021.



Lemon Tree Amarante Beach, Goa



Lemon Tree Premier, Corbett



Lemon Tree Premier, Hyderabad

Appendix



Lemon Tree Hotel, Coimbatore



Lemon Tree Premier, City Center, Gurgaon

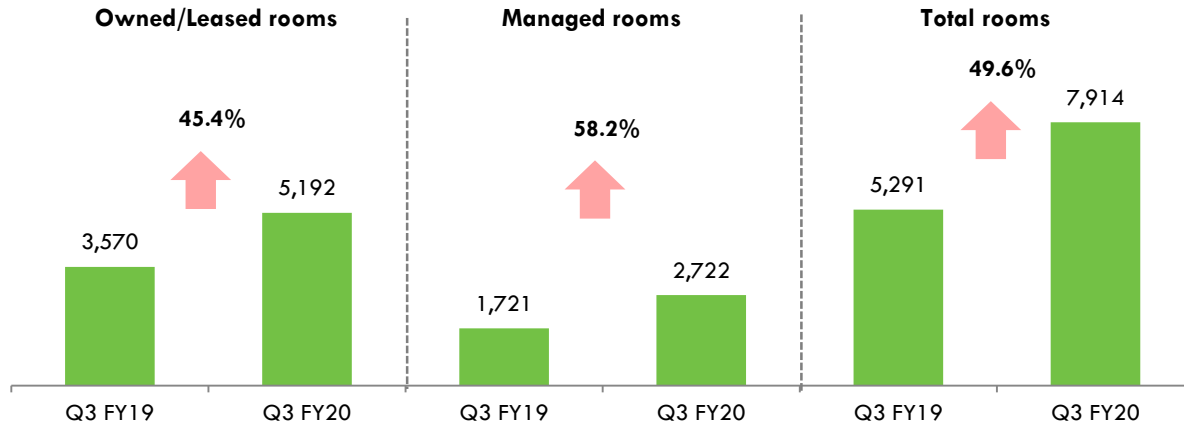


Lemon Tree Vembanad Lake, Alleppey, Kerela

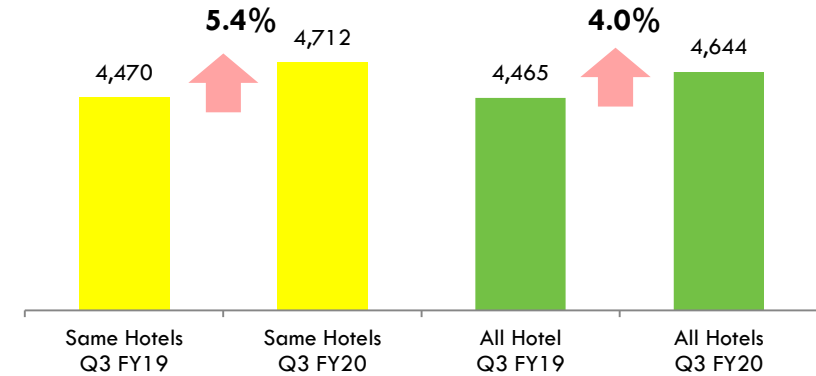
Latest Performance – Q3 FY20

Q3 FY20 Performance Highlights – Operational Metrics (Consolidated)

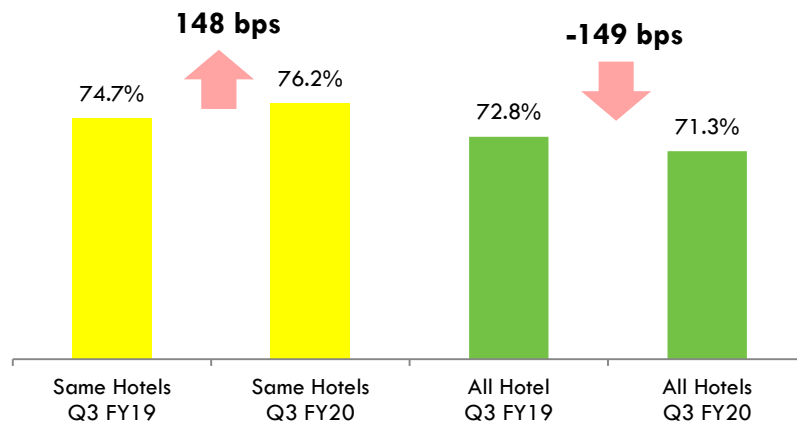
Operational Inventory



Average Daily Rate (Rs.)



Occupancy (%)



RevPAR (Rs.)

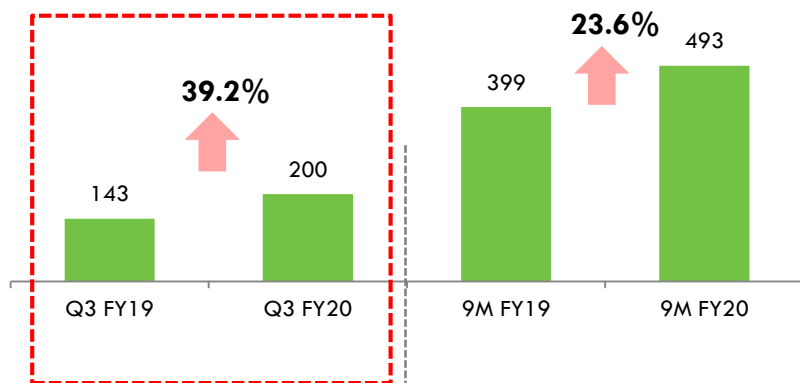


Note:

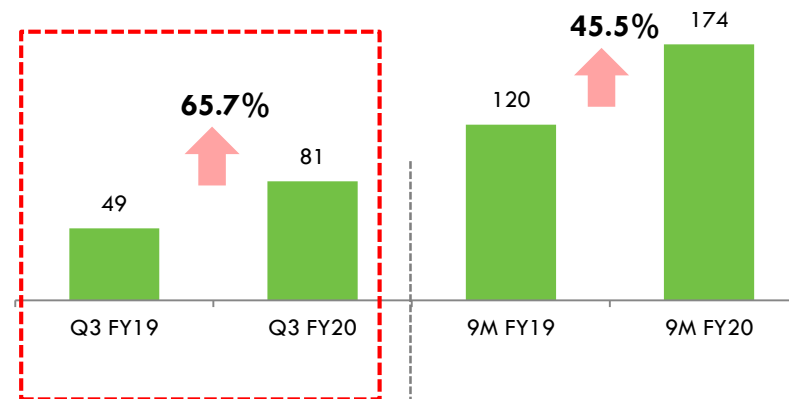
1. ADR, Occupancy and RevPAR are for our owned and leased hotels only.
2. The results of this quarter and 9M are not indicative of full year's performance due to seasonal nature of the business.

Q3 Performance Highlights – Financial Metrics (Consolidated)

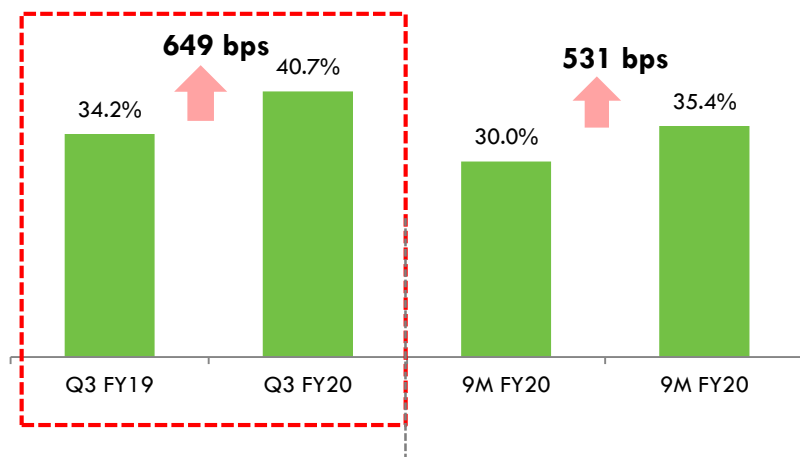
Revenue from Operation (Rs. Cr)



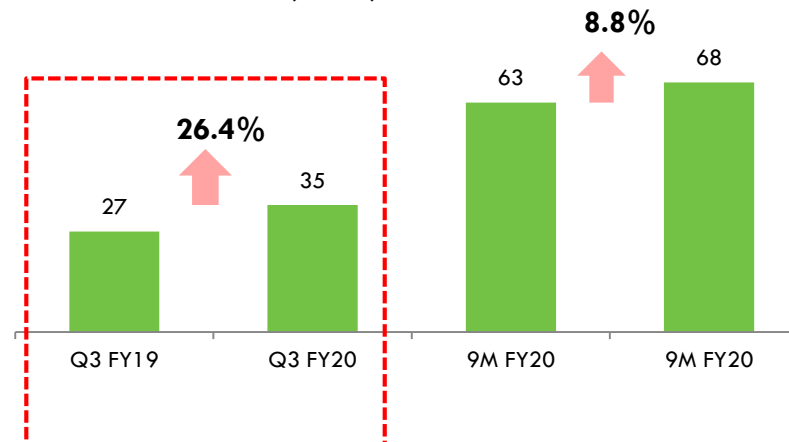
EBITDA (Rs. Cr)



EBITDA Margin (%)



Cash profit (PAT + Depreciation) (Rs. Cr)



Note: The results of this quarter and 9M are not indicative of full year's performance due to seasonal nature of the business.

Consolidated Profit & Loss Statement – Q3 FY20

Rs. Cr	Q3 FY19	Q3 FY20 Before IndAS 116 Impact	YoY Change (%)	IndAS 116 Impact	Q3 FY20 After IndAS 116 Impact	YoY Change (%)
Revenue from operations	143.4	199.6	39.2%		199.6	39.2%
Total expenses	94.3	127.1	34.8%	-8.7	118.4	25.5%
EBITDA	49.0	72.5	47.9%	8.7	81.2	65.7%
EBITDA margin (%)	34.2%	36.3%	212		40.7%	649
Other income	1.8	3.2	76.7%		3.2	76.7%
Finance costs	21.4	36.3	69.5%	9.6	45.9	114.1%
Depreciation & amortization	13.5	19.0	41.1%	3.7	22.7	68.4%
PBT	17.4	20.2	16.1%	-4.5	15.6	-9.9%
Tax expense	3.4	5.7	66.9%	-1.2	4.6	32.3%
PAT	13.9	14.4	3.6%	-3.3	11.1	-20.4%
Cash Profit	27.4	33.4	22.1%	1.2	34.6	26.4%

Consolidated Profit & Loss Statement – 9M FY20

Rs. Cr	9M FY19	9M FY20 Before IndAS 116 Impact	YoY Change (%)	IndAS 116 Impact	9M FY20 After IndAS 116 Impact	YoY Change (%)
Revenue from operations	399.0	493.3	23.6%		493.3	23.6%
Total expenses	279.1	343.2	22.9%	-24.3	318.9	14.3%
EBITDA	119.8	150.1	25.3%	24.3	174.4	45.5%
EBITDA margin (%)	30.0%	30.4%	40		35.4%	531
Other income	7.4	5.4	-27.3%		5.4	-27.3%
Finance costs	60.9	85.2	39.9%	26.9	112.1	84.0%
Depreciation & amortization	39.8	49.2	23.5%	10.3	59.4	49.3%
PBT	31.0	24.2	-22.0%	-12.9	11.3	-63.6%
Tax expense	8.3	8.8	5.3%	-3.4	5.3	-36.0%
PAT	22.7	15.4	-32.0%	-9.5	6.0	-73.7%
Cash Profit	62.5	64.6	3.4%	3.4	68.0	8.8%

Discussion on Consolidated Financial & Operational Performance – Q3 FY20

Operational Rooms & Pipeline	<ul style="list-style-type: none"> * As of 31st January 2020, operational portfolio comprised of 79 hotels and 7,979 rooms : 4,214 owned, 978 leased and 2,787 managed rooms; Pipeline includes of 748 owned/leased and 1,925 managed rooms * Propose to add another 27 rooms to the operational inventory by the end of Q4 FY20 * Plan to operate 80 hotels with 8,006 rooms across 48 cities by end of Q4 FY20 * Plan to operate 107 hotels with 10,652 rooms across 66 cities by CY22
Revenue	<ul style="list-style-type: none"> * Revenue from operations stood at Rs. 199.6 Cr in Q3 FY20, up 39.3% as compared to Rs. 143.3 Cr in Q3 FY19. On same hotels basis, revenue from operations was up 5.8% * ADR increased by 4.0% from 4,465 in Q3 FY19 to 4,644 in Q3 FY20. On same hotels basis, ARR increased by 5.4% to 4,712 in Q3 FY20. For new hotels, ARR was 5,620 (19.3% higher than same hotels). For Keys hotels, ARR was 2,985 (36.7% lower than same hotels) * Occupancy decreased by 149 bps from 72.8% in Q3 FY19 to 71.3% in Q3 FY20. On same hotels basis it increased by 148 bps from 74.7% in Q3 FY19 to 76.2% in Q3 FY20. For new hotels, occupancy was 57.1% (19.2% lower than same hotels). For Keys hotels, occupancy was 66.3% (10.0% lower than same hotels) * Fees from managed hotels stood at Rs. 6.4 Cr in Q3 FY20 (3.2% of Revenue from operations)
Cost	<ul style="list-style-type: none"> * Total expenses stood at Rs. 118.4 Cr in Q3 FY20 as per the new AS 116 accounting, up 25.5% as compared to Rs 94.3 Cr in Q3 FY19. As per old accounting the expenses grew by 34.8% in Q3 FY20. On same hotels basis, expenses decreased by 1.0% to Rs 92.4 Cr in Q3 FY20 from Rs 93.3 Cr in Q3 FY19
Operating Margins	<ul style="list-style-type: none"> * EBITDA without other Income, as per the new AS 116 accounting, increased by 65.7% from Rs. 49.0 Cr in Q3 FY19 to Rs. 81.2 Cr in Q3 FY20 * EBITDA margins without other Income as per new AS 116 accounting, expanded by 649 bps from 34.2% in Q3 FY19 to 40.7% in Q3 FY20
Profit after tax	<ul style="list-style-type: none"> * Profit after tax, as per the AS 116 accounting, decreased by 20.4% from Rs 13.9 Cr in Q3 FY19 to 11.1 Cr in Q3 FY20. As per old accounting the Profit after tax increased 3.6% to Rs 14.4 Cr. * Cash Profit for Q3 FY20 stood at Rs 34.6 Cr, 26.4% higher than Rs 27.4 Cr in Q3 FY19

Consolidated Profit & Loss Statement Breakup – Q3 FY20

Rs. Cr	Same Hotels			New Hotels ¹			Total without Keys Hotels			Keys Hotels ²	Total		
	Q3FY19	Q3FY20	YoY Change	Q3FY19	Q3FY20	YoY Change	Q3FY19	Q3FY20	YoY Change	Q3FY20	Q3FY19	Q3FY20	YoY Change
Inventory	3,278	3,278	0.0%	292	978	234.9%	3,570	4,256	19.2%	936	3,570	5,192	45.4%
ARR	4,470	4,712	5.4%	4,012	5,620	40.1%	4,465	4,869	9.1%	2,985	4,465	4,644	4.0%
Occupancy	74.7%	76.2%	148	23.0%	57.1%	3,411	72.8%	72.0%	(74)	66.3%	72.8%	71.3%	(149)
RevPAR	3,341	3,592	7.5%	921	3,207	248.2%	3,249	3,508	8.0%	1,978	3,249	3,311	1.9%
Revenue from Operations	141.7	150.0	5.8%	1.6	33.9	1992.7%	143.3	183.9	28.3%	15.8	143.3	199.6	39.3%
Total expenses	93.3	92.4	-1.0%	1.0	22.4	2109.8%	94.3	114.8	21.7%	12.3	94.3	127.1	34.8%
EBITDA	48.4	57.6	19.0%	0.6	11.4	1795.8%	49.0	69.1	40.9%	3.4	49.0	72.5	47.9%
EBITDA margin (%)	34.2%	38.4%	425	37.3%	33.8%	(351)	34.2%	37.6%	337	21.8%	34.2%	36.3%	213
PBT	18.3	30.6	67.0%	(0.9)	(9.2)	876.3%	17.4	21.3	22.8%	(1.2)	17.4	20.2	16.1%

Notes

- 1) New Hotels include: Red Fox Hotel Dehradun, Lemon Tree Premier Pune, Red Fox Hotel Chandigarh, Lemon Tree Premier Mumbai, Lemon Tree Premier Kolkata & Aurika Udaipur
- 2) Keys Hotels was acquired w.e.f. 1st November 2019, hence performance is included only for November and December

Operational Performance by Brands & Region – Q3FY20 vs. Q3FY19

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q3 FY19	Q3 FY20	Change (bps)	Q3 FY19	Q3 FY20	Change (%)	Q3 FY19	Q3 FY20	Change (%)	Q3 FY19	Q3 FY20	Change (bps)
By Brand (#Rooms)												
Lemon Tree Premier (957)	74.4%	79.1%	463	5,587	5,839	4.5%	2.6	2.8	11.9%	49.2%	49.7%	58
Lemon Tree Hotels (1462)	73.0%	72.9%	(18)	4,341	4,514	4.0%	1.8	2.0	12.4%	43.7%	46.9%	317
Red Fox Hotels (759)	78.7%	79.6%	90	3,384	3,676	8.6%	1.5	1.7	13.8%	52.8%	55.2%	243

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q3 FY19	Q3 FY20	Change (bps)	Q3 FY19	Q3 FY20	Change (%)	Q3 FY19	Q3 FY20	Change (%)	Q3 FY19	Q3 FY20	Change (bps)
By Region (#Rooms)												
Delhi (636)	81.2%	85.0%	386	5,030	5,418	7.7%	2.4	2.9	18.1%	50.0%	51.2%	118
Gurugram (529)	73.0%	75.3%	228	4,482	4,387	-2.1%	1.6	2.0	22.9%	38.6%	45.1%	649
Hyderabad (663)	76.8%	77.3%	58	4,252	4,990	17.7%	2.2	2.5	14.5%	56.1%	56.0%	(0)
Bengaluru (493)	71.1%	67.5%	(363)	4,484	4,828	7.7%	2.0	1.9	-2.2%	48.3%	47.1%	(126)

Note:

- 1) These performance results do not include Red Fox Hotel Dehradun, Lemon Tree Premier Pune, Red Fox Hotel Chandigarh, Lemon Tree Premier Mumbai, Lemon Tree Premier Kolkata, Aurika Udaipur and Keys
- 2) The results of this quarter and 9M are not indicative of full year's performance due to seasonal nature of the business.

Thank You