

refreshingly different



February 15, 2021

**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

Subject: Analysts/Investor Meet

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 will be participating in the Edelweiss India e-conference 2021 with analysts/institutional Investors on Tuesday, February 16, 2021.

In this regard, the Corporate Presentation is attached herewith.

The above is for your record.

Thanking You

For Lemon Tree Hotels Limited

A handwritten signature in black ink, appearing to read "Nikhil Sethi".

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

Lemon Tree Hotels Limited

Edelweiss India e-Conference 2021

16th February, 2021



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

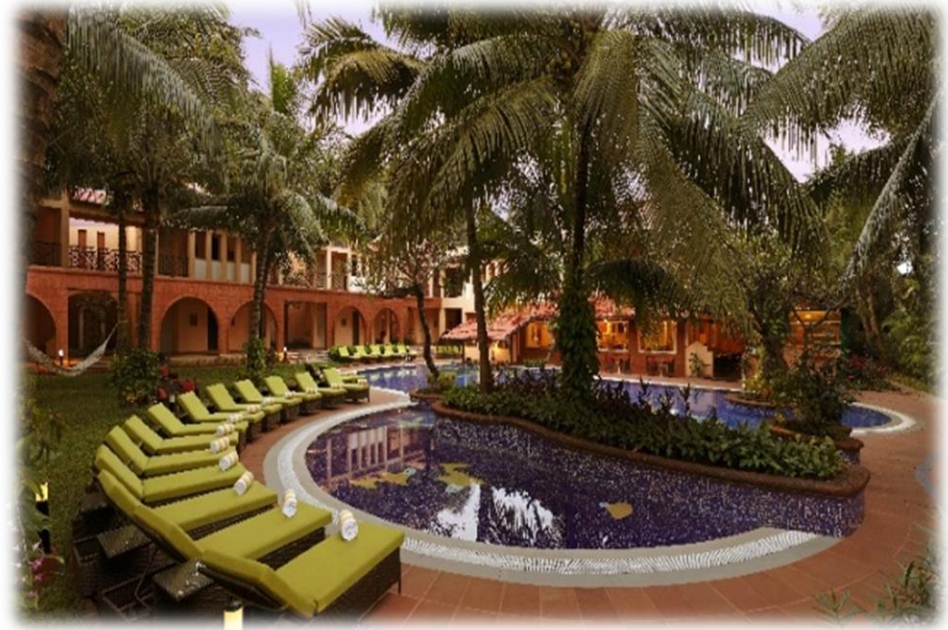
ECONOMY

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.





Aurika, Udaipur








Lemon Tree Premier, Mumbai



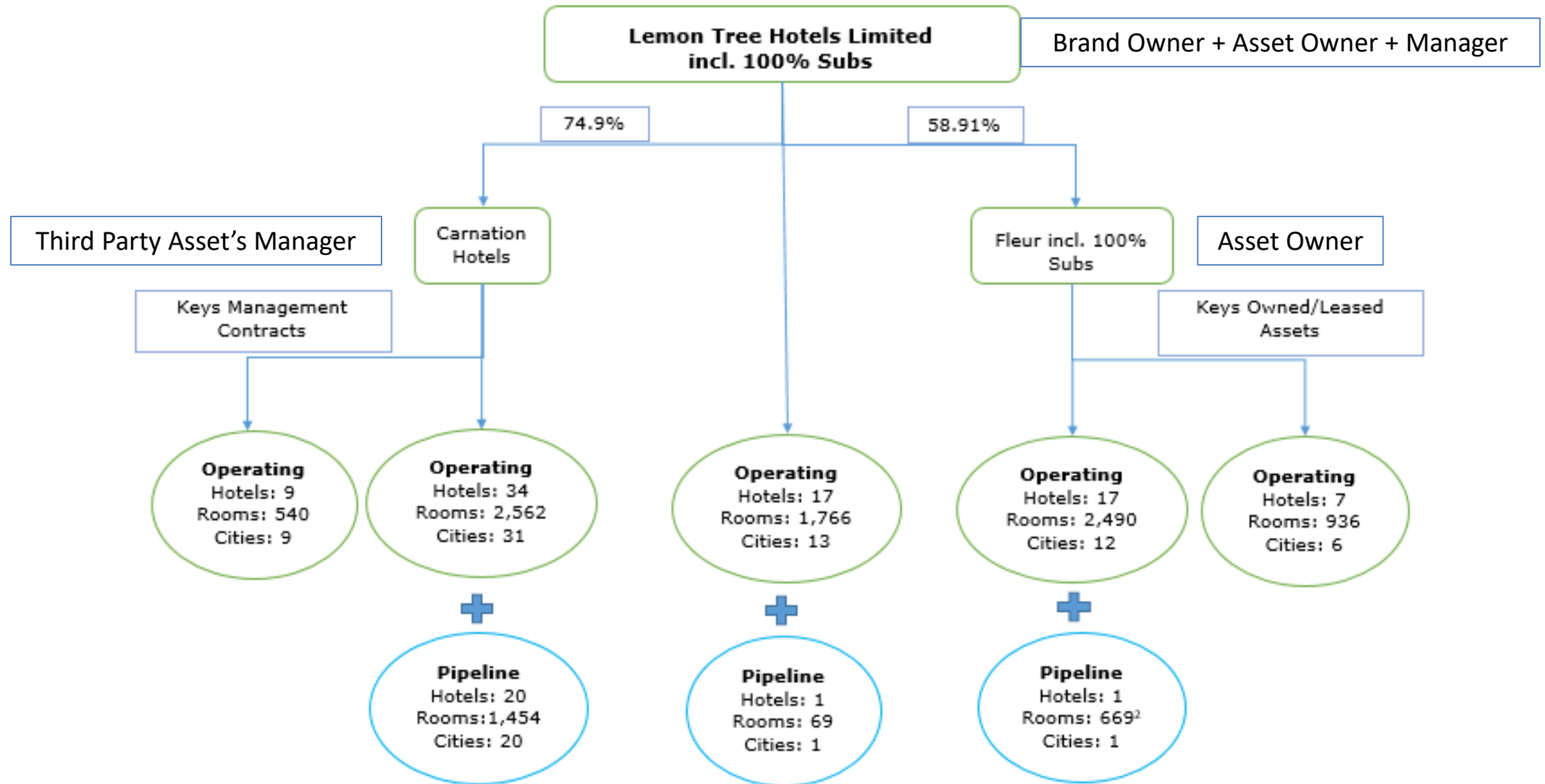
Lemon Tree Vembanad Lake, Alleppey, Kerala

Company Overview and Growth Plans

Lemon Tree – Journey so far

		FY05	FY10	FY15	FY20
	Brands	1	3	3	7
	Cities	1	11	15	48
	Hotels	1	12	26	80
	Rooms	49	1,149	3,062	8,006
	Revenue (Rs mn)	80	1,196	2,904	6,694

Lemon Tree Group Structure



Notes :-

1. The Pipeline of hotels is as of 31st January 2021
2. 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

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

Jaipur: FY20 – 5.2%
FY24E – 3.5%

Ahmedabad: FY20 – 5.4%
FY24E – 3.3%

Mumbai: FY20 – 3.2%
FY24E – 6.4%

Pune: FY20 – 9.4%
FY24E – 8.4%

Goa: FY20 – 4.9%
FY24E – 4.3%

Bengaluru: FY20 – 6.1%
FY24E – 4.6%

Delhi NCR: FY20 – 6.8%
FY24E – 7.1%

Kolkata: FY20 – 3.8%
FY24E – 2.6%

Hyderabad: FY20 – 9.5%
FY24E – 7.5%

Chennai: FY20 – 1.9%
FY24E – 1.9%



Source : Hotelivate Trends and Opportunities report 2019

Note: The FY24 expected market share has been calculated on the basis of current pipeline on hotels only

Map updated as of 31st January, 2020

Lemon Tree – Snapshot



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

**8,294
rooms;
84 hotels**



Pipeline

**2,202
rooms;
22 hotels**



By CY22 (20% of Branded Mid Market Hotels in India*)

**10,406
rooms;
106 hotels**

Brand	Current	Pipeline	by FY23
Aurika	139 Rooms; 1 Hotel	669 Rooms; 1 Hotel [#]	808 Rooms; 2 Hotels
Lemon Tree Premiere	2,438 Rooms; 17 Hotels	229 Rooms; 4 Hotels	2,667 Rooms; 21 Hotels
Lemon Tree Hotel	2,818 Rooms; 38 Hotels	1,184 Rooms; 15 Hotels	4,002 Rooms; 53 Hotels
Red Fox Hotel	1,423 Rooms; 12 Hotels	80 Rooms; 1 Hotel	1,503 Rooms; 13 Hotels
Keys	1,476 Rooms; 16 Hotels	40 Rooms; 1 Hotel	1,516 Rooms; 17 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 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 Prima/Select/Lite

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
Luxury and Upper Upscale	50,000	-
Upscale	28,000	Aurika
Mid Market	45,700	LTP/LTH/RFH/Keys Prima/Select/Lite
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

Expansion Plans – Hotels under Development

Under-development hotels	Type	Rooms	Expected Opening date	Ownership (%)
Lemon Tree Mountain Resort, Shimla	Owned	69	TBD	100.00%
Lemon Tree Vembanad Lake Resort, Alleppey, Kerela ¹	Owned	10	TBD	100.00%
Aurika, Intl. Airport, Mumbai ²	Owned	669	End of CY22	57.98%
Total		748		

* Total estimated project cost is Rs. 9,910 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, 2020 is Rs. 3,461 million

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 on 31st Jan, 2021)

Management Contracts Pipeline	Rooms	Expected Opening date
Keys Prima, Dehradun	40	Mar-21
Lemon Tree Premier, Coorg	63	Mar-21
Management Rooms to be Commissioned in FY21	103	
Lemon Tree Premier, Bhubaneshwar	76	Apr-21
Red Fox Hotel, Neelkanth	80	Apr-21
Lemon Tree Hotel, BKC, Mumbai	70	May-21
Lemon Tree Hotel, Gulmarg	35	Aug-21
Lemon Tree Resort, Mussoorie	40	Oct-21
Lemon Tree Hotel, Sonamarg	40	Nov-21
Serviced Suites, Manesar	260	Jan-22
Lemon Tree Hotel, Bokaro	70	Jan-22
Lemon Tree Hotel, Rishikesh	102	Jan-22
Lemon Tree Hotel, Agra	62	Feb-22
Management Rooms to be Operational in FY22	835	
Lemon Tree Resort, Thimpu	45	Oct-22
Lemon Tree Hotel, Trivandrum	100	Oct-22
Lemon Tree Hotel, Darjeeling	55	Jan-23
Lemon Tree Hotel, Kathmandu	75	Sep-23
Lemon Tree Resort, Nagarkot, Nepal	51	Sep-23
Lemon Tree Hotel, Ludhiana	60	Uncertain
Lemon Tree Premier, Dindy	50	Uncertain
Lemon Tree Hotel, Durgapur	80	Uncertain
Total Pipeline	1,454	

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



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

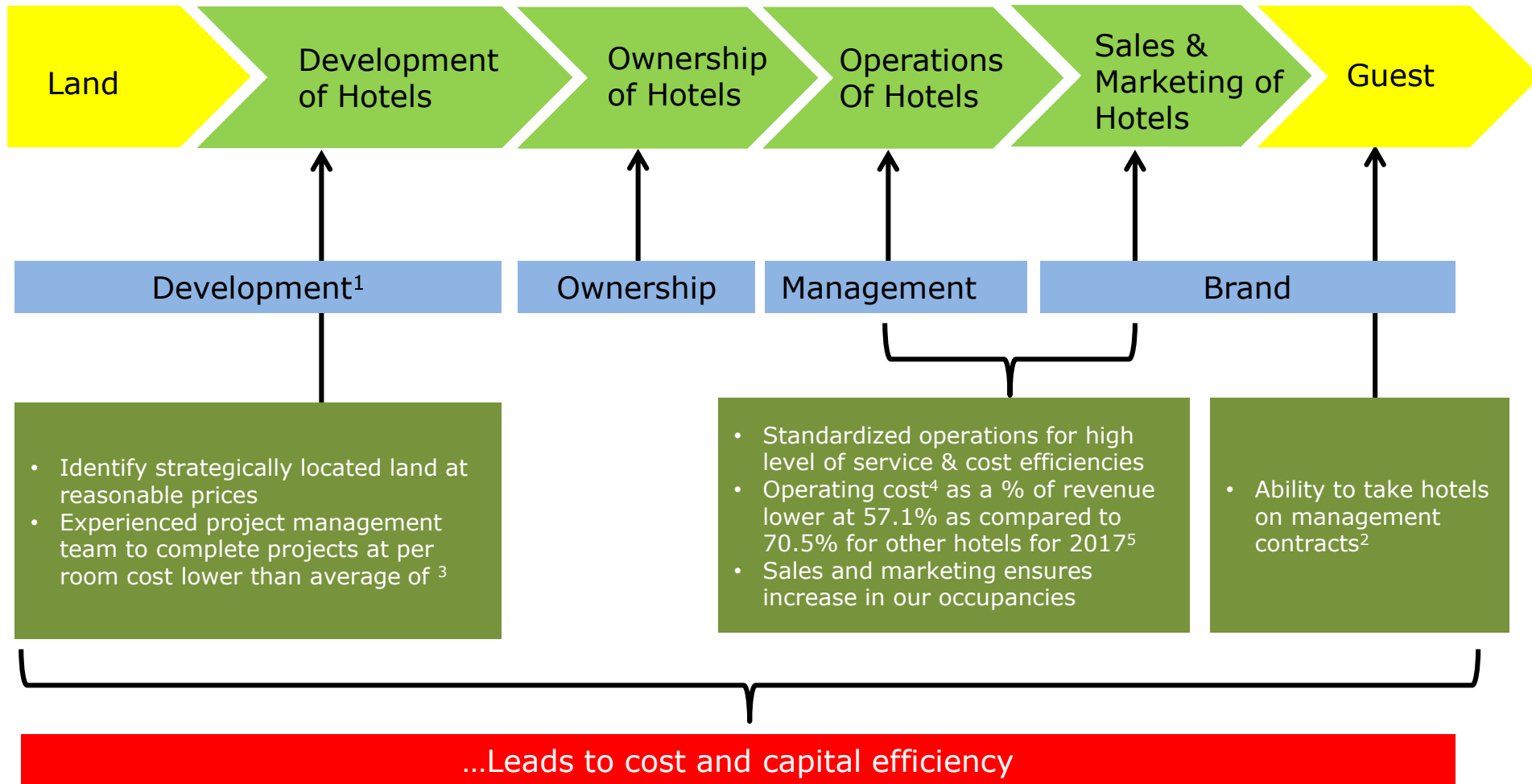
	Typical 5 star		
Cost Per Room (Normalised)	1000	400	~40% of Five Star
Rate (Normalised)	100	50	
Occupancy	x%	1.2x%	
Room Revenue (Normalised)	100	<u>60</u>	~60% of Five Star
Total Revenue (Normalised)	100	<u>50</u>	Lower other income for LTH
Cost (Normalised)	65	<u>25</u>	~40% of Five Star
EBITDA (Normalised)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

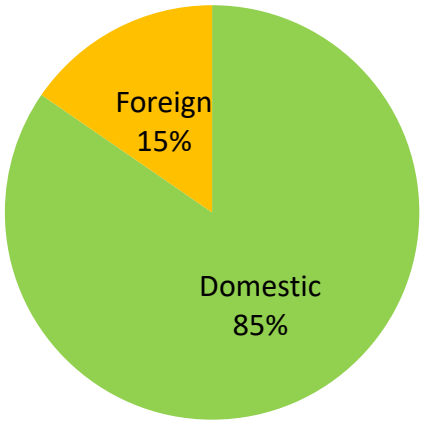
Superior service leads to higher Customer Satisfaction as demonstrated by TripAdvisor recognition



62 out of 80 hotels (which were eligible for receiving this recognition) were awarded the TripAdvisor Travelers' Choice Award 2020

Focus on Domestic Customers

FY20



Customers

Value for money pricing

Occupancy (Utilization) Premium

RevPAR (Revenue per room) Premium



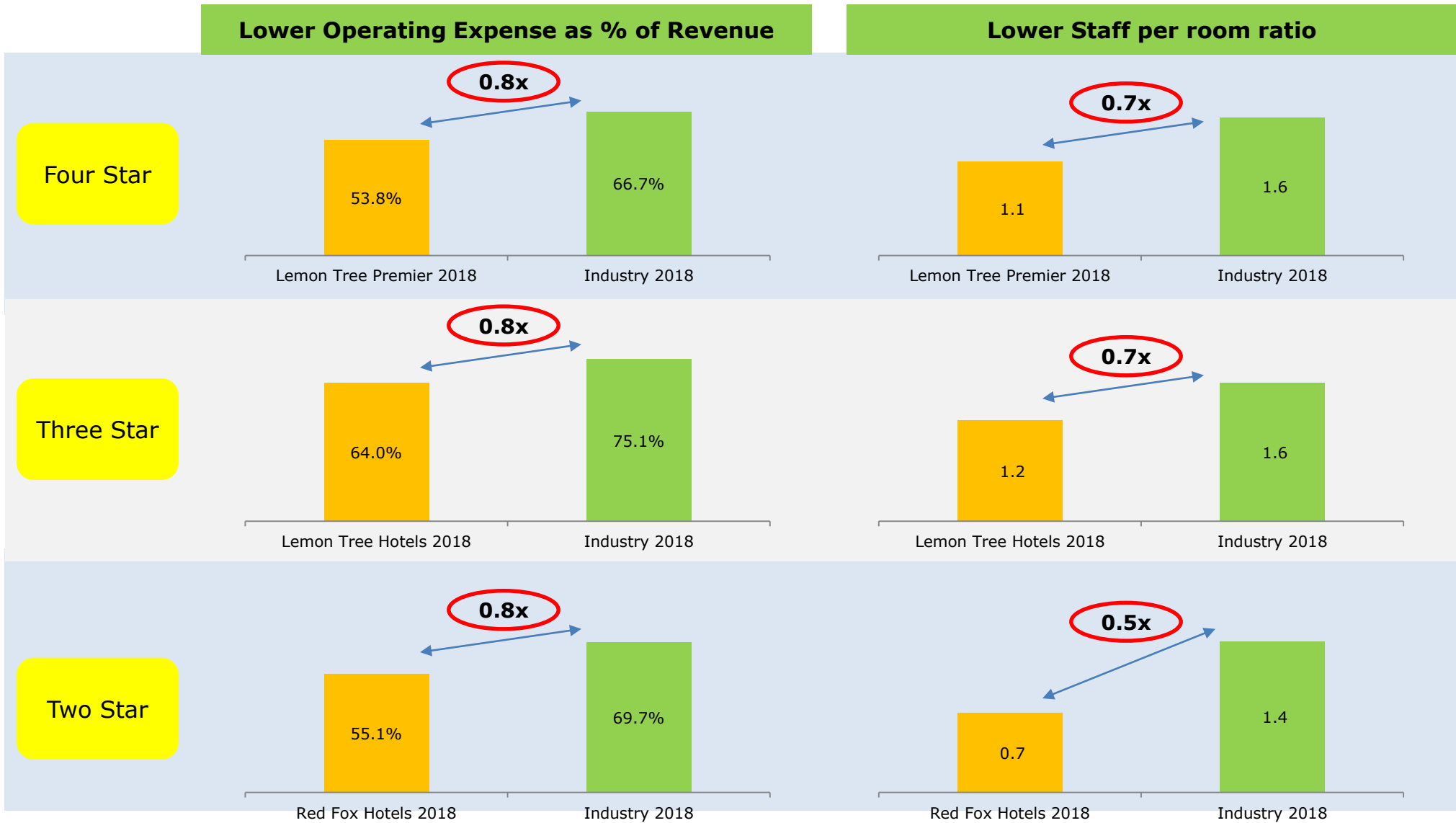
○ Lemon Tree/Industry

Source : Industry data is sourced from Hotelivate – Trend and Opportunities Report - 2019.
[^] 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)

Cost

Lower Average Operating Expenses/ Room

Higher GOP[^]



0.8x Lemon Tree/Industry

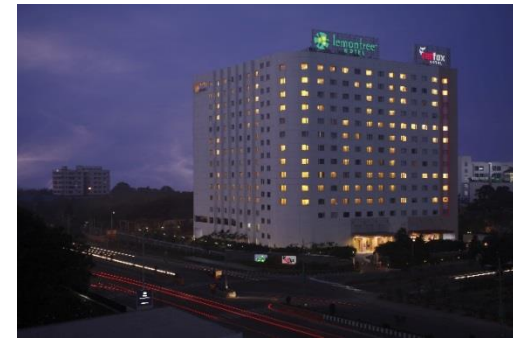
Source : Industry data is sourced from FHRAI-Indian-Hotel-Survey-2017-18. Due to operational disruptions, FHRAI has not been able to publish FY19 numbers, hence showing comparison for FY18



Lemon Tree Amarante Beach, Goa



Lemon Tree Premier, Corbett

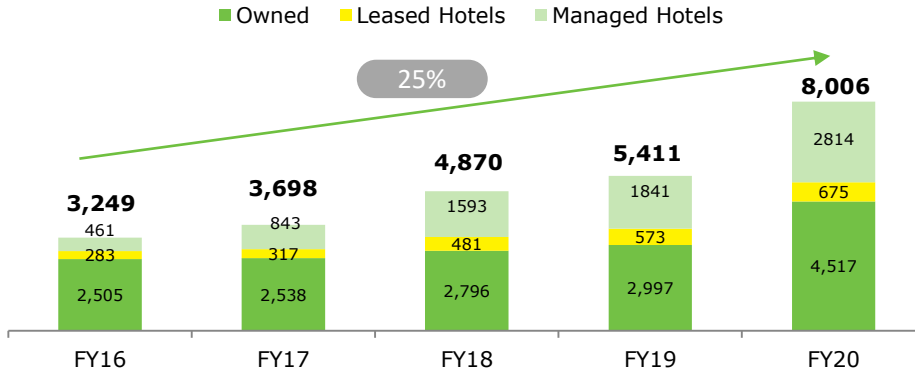


Lemon Tree Premier, Hyderabad

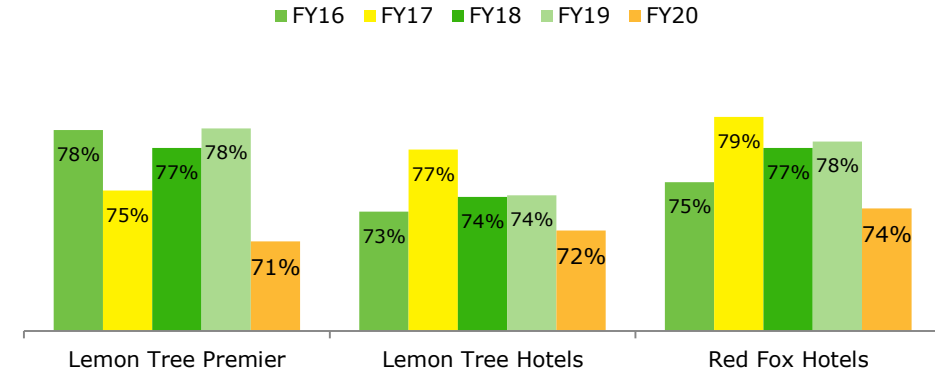
Strong Operating and Financial Performance

Strong operating performance

Rooms are being added...

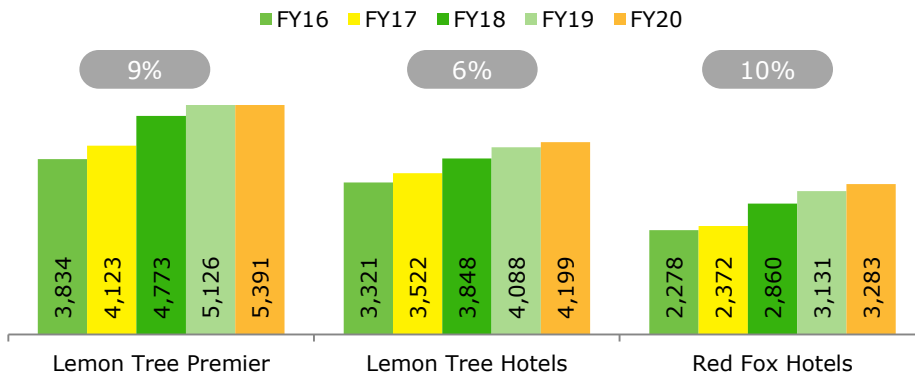


...and occupancy levels increasing...

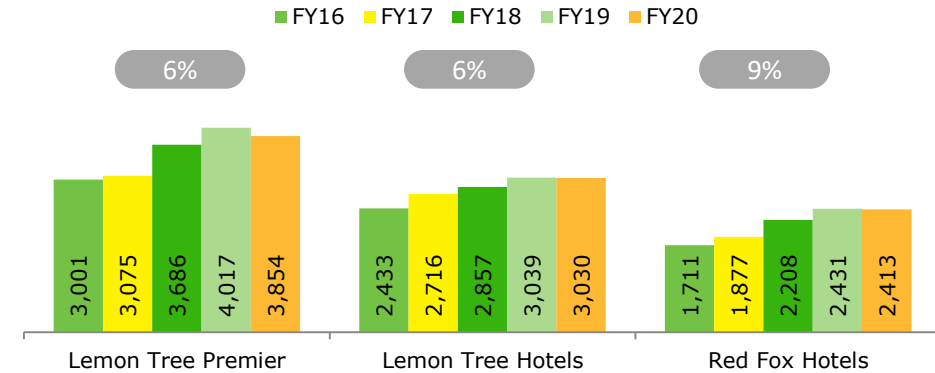


Note: Drop in occupancy levels is on account of new owned/leased supply addition by Lemon Tree in FY20 and COVID-19

...coupled with increasing ADR...



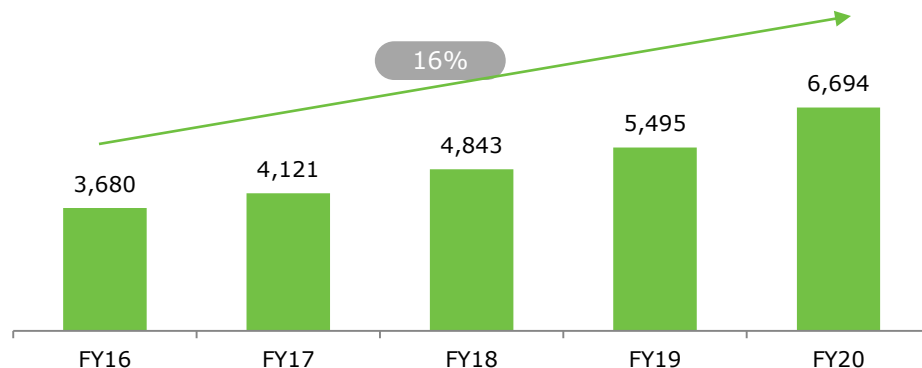
...leading to a RevPAR growth



Strong Growth and improving margins

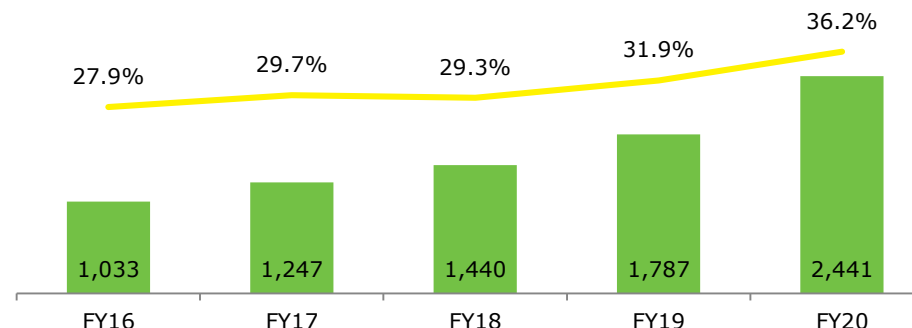
Revenue has increased at 20% over the last 5 years...

Revenue from operations (Rs. million)



...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



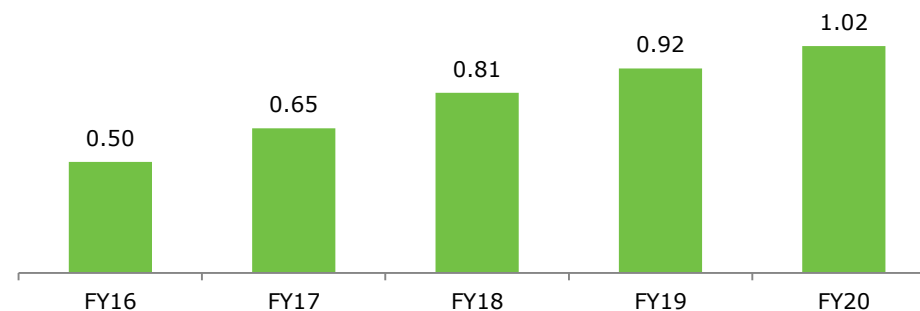
Increasing cash profit* growth

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



Gearing low

Debt/Equity



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

Operational Performance by Ageing – FY20 vs. FY19

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	FY20	24	6	11	2
	FY19	21	7	2	
Operating Rooms (year-end)	FY20	2,855	715	1,622	748
	FY19	2,727	551	292	
Occupancy Rate (%)	FY20	75.2%	67.1%	56.4%	Deep demand markets (high occupancies)
	FY19	79.2%	69.9%	36.3%	
Average Daily Rate (Rs.)	FY20	4,399	4,027	4,438	2.0x of Adult Hotels in that year*
	FY19	4,197	4,082	4,200	
Hotel level EBITDAR ² /room (Rs. Lacs)	FY20	6.9	5.5	2.3	High*
	FY19	7.2	4.9	1.1	
Hotel level EBITDAR ² Margin (%)	FY20	44%	39%	39%	High*
	FY19	44%	33%	40%	
Hotel level ROCE ³ (%)	FY20	12%	5%	2%	1.5x of Adult Hotels in that year*
	FY19	13%	4%	1%	

Notes:

1) During the year FY20 3 hotels moved from toddler to adult category, 2 hotels moved from infant to toddler category and 11 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

* 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%		

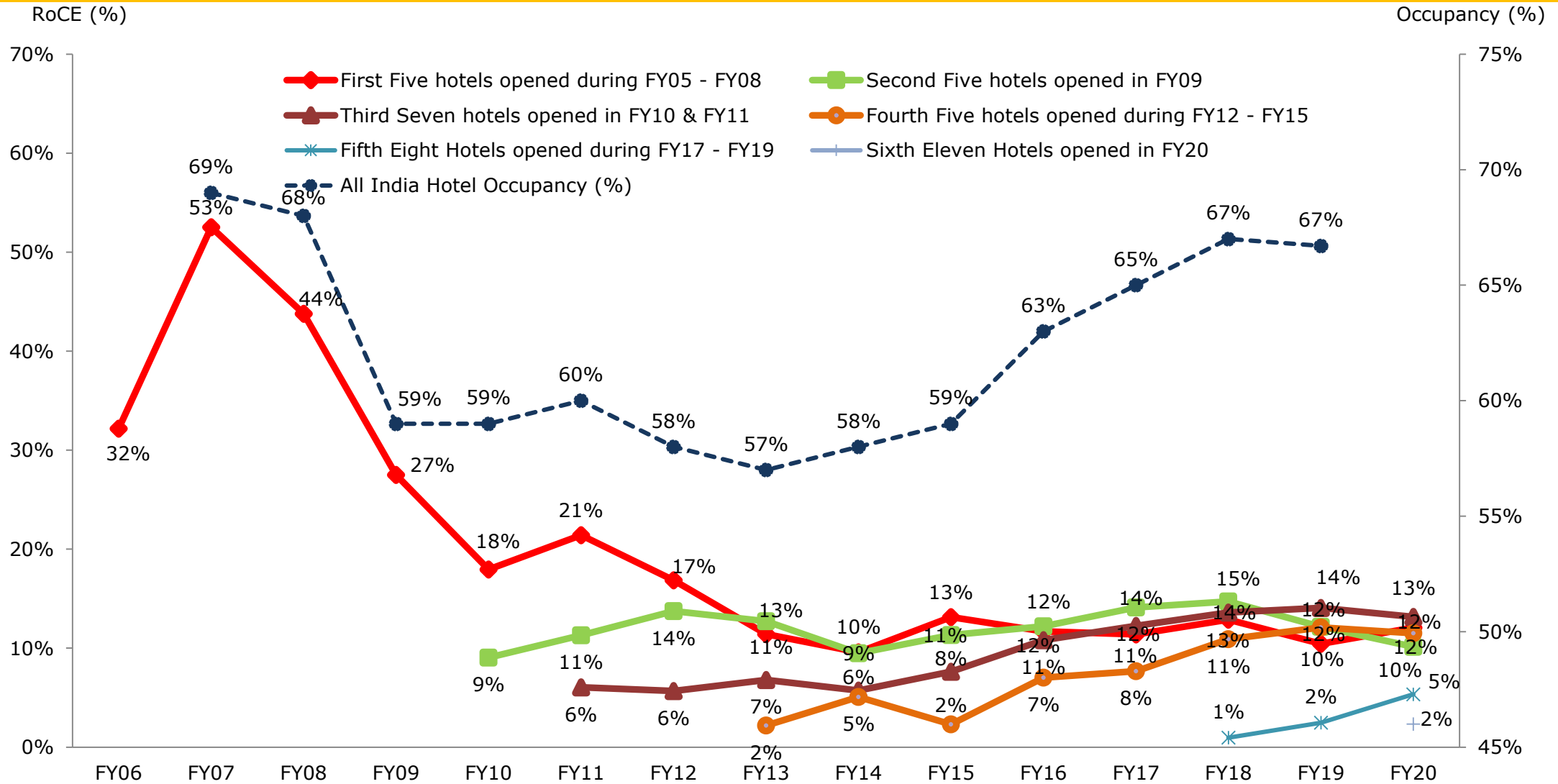
RevPAR (not ARR or Occupancy) is the Key Metric

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

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



Notes:

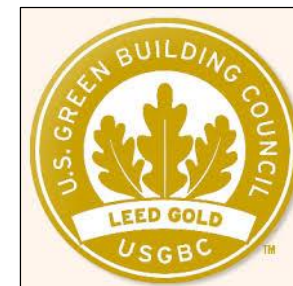
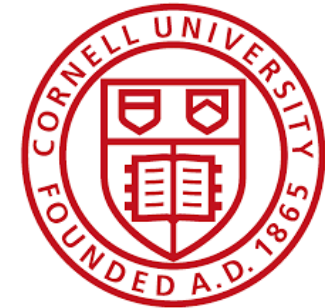
1. Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels
2. Hotel RoCE is based on first full year of operation

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)"

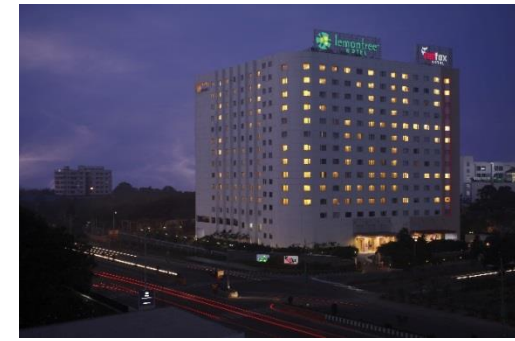




Lemon Tree Amarante Beach, Goa



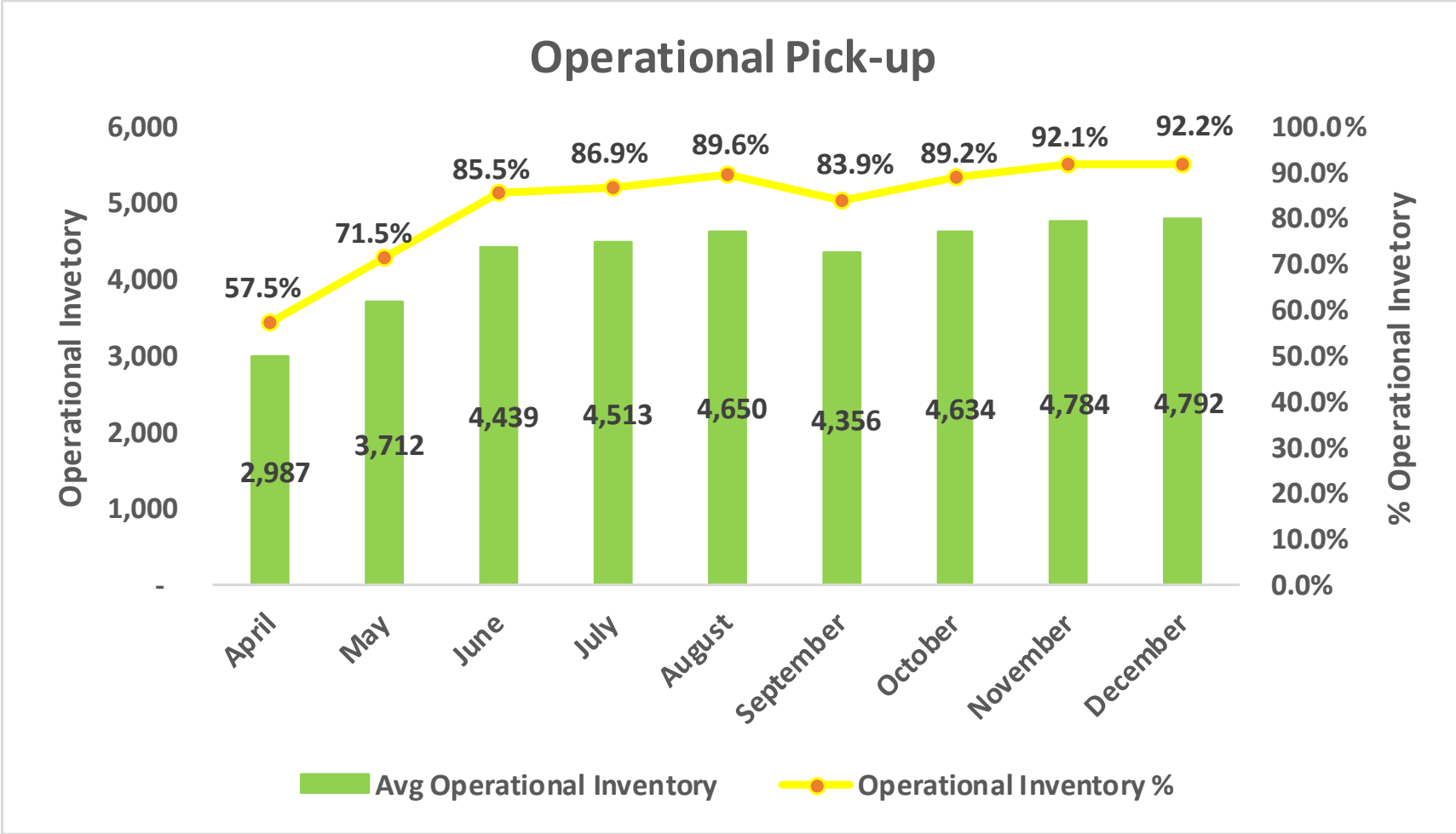
Lemon Tree Premier, Corbett



Lemon Tree Premier, Hyderabad

CoVID-19 : Survive, **Revive** & Thrive

Increasing Operational Inventory

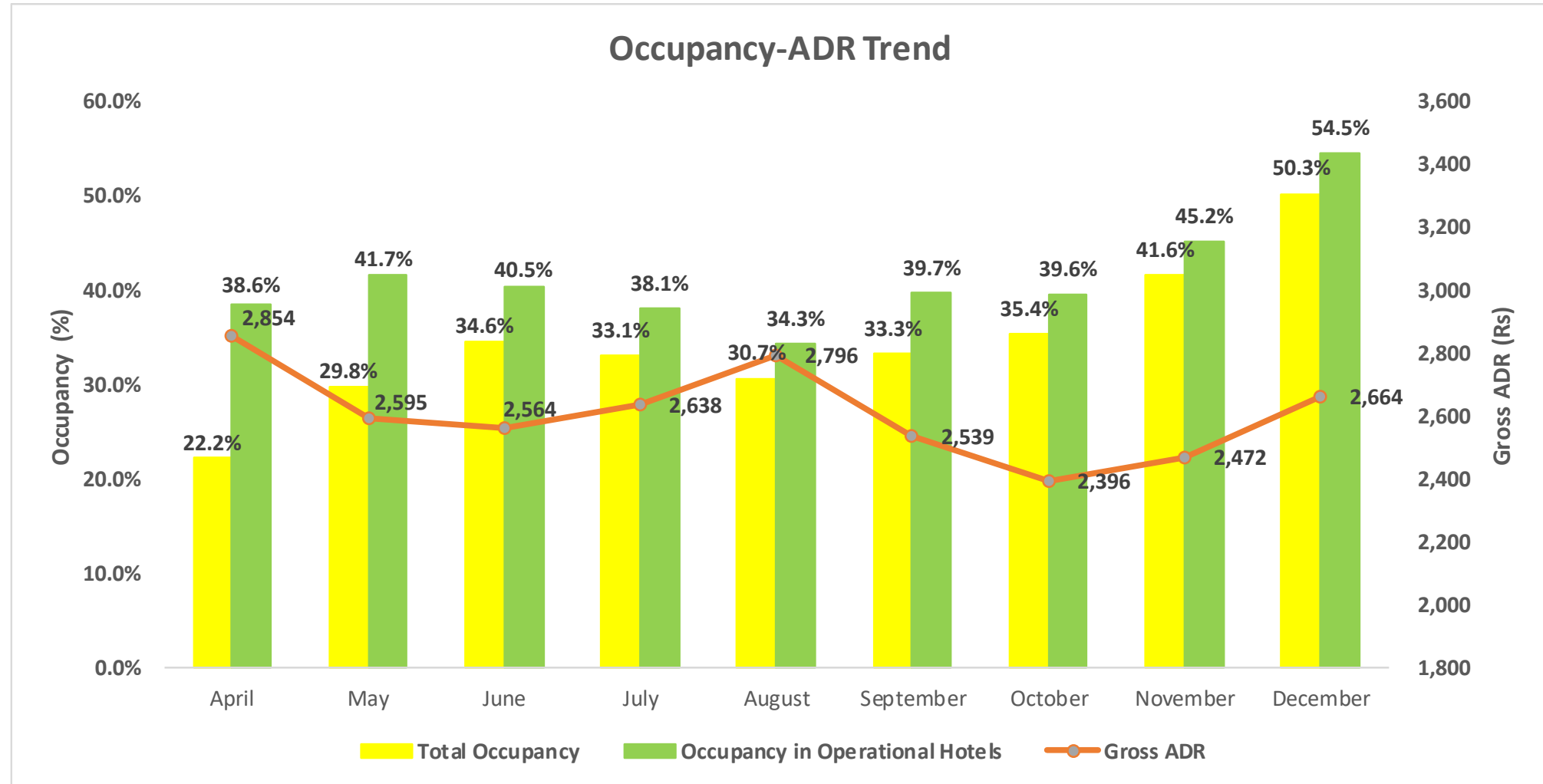


Trends for the 5,192 owned/leased rooms

9M FY21 Operating Performance Trends

Rising Occupancy Levels

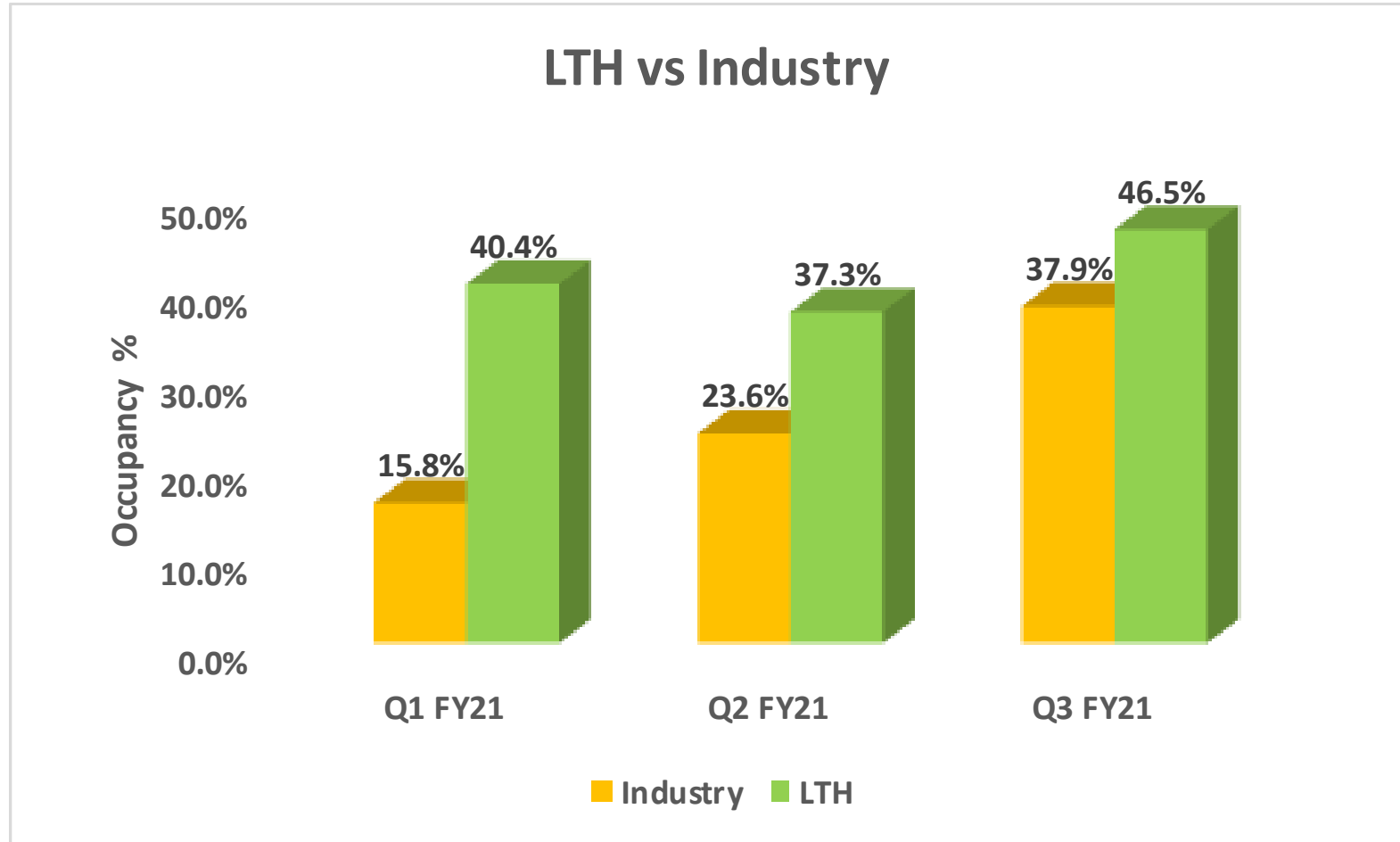
Occupancy-ADR Trend



Trends for the 5,192 owned/leased rooms



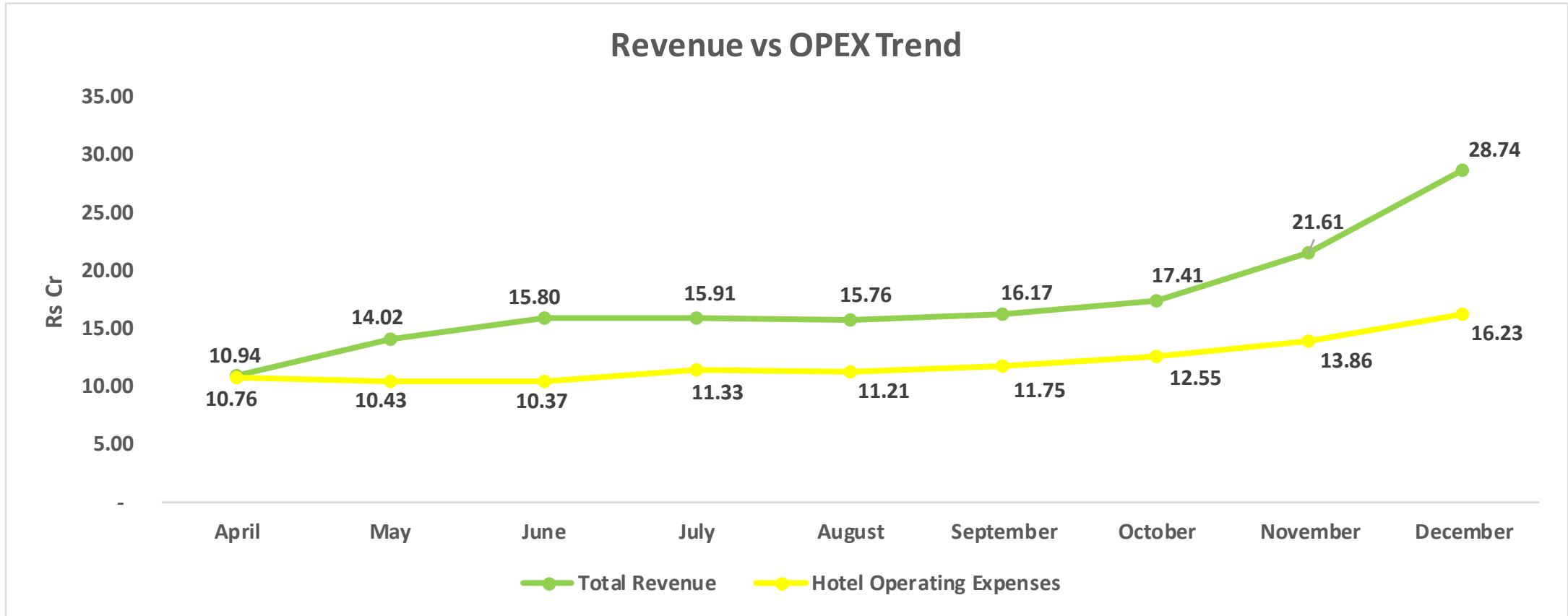
LTH Relative Performance



Notes:

1. Source for Industry data: Horwath HTL – India Hotel Market Review 2020, Feb 2021
2. Occupancies for Industry and LTH are for operational hotels only

Constantly Improving Operating Efficiency



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 shut hotels)

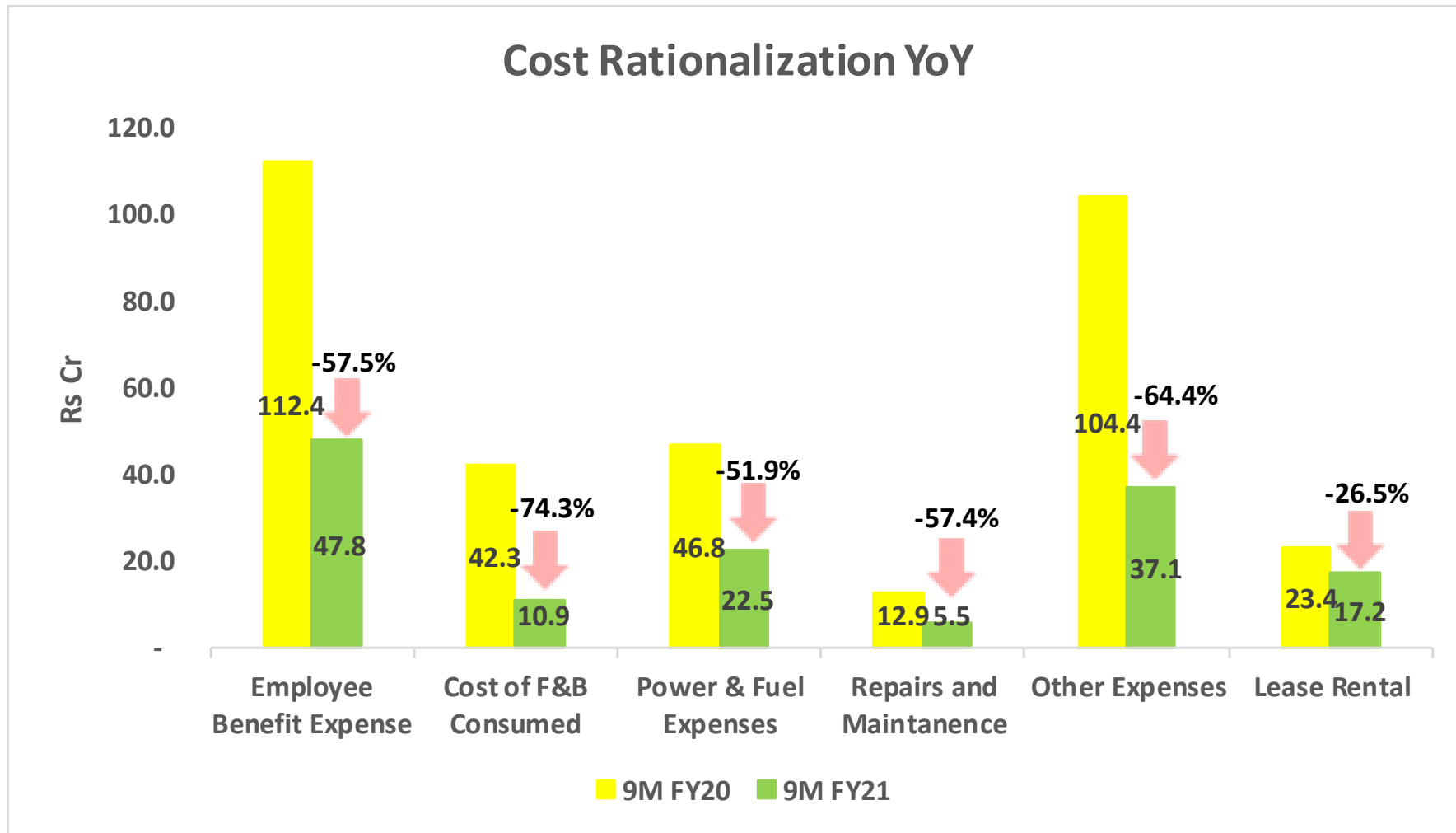


Operational Impact

- * 72% of our owned/leased rooms were operational in Q1 FY21 following the directives regarding the lockdown released by various state governments. This improved to 87% in Q2 and to 91% in Q3 FY21
- * Occupancy in operational hotels increased from 40.4% in Q1 to 46.5% in Q3
- * In Q1, demand was mostly from quarantine guests and healthcare workers. Demand from traditional segments increased from 19% of our total room nights in Q1 to 90% of our total room nights in Q3
- * Demand from retail segment increased to 111% in Q3 FY21 from the pre-Covid period of Q3 FY20

Financial Impact

- * Revenue from operations in 9M FY21 dropped by 68.2% YoY. However, the monthly revenue increased from about Rs 10.9 Cr in April to Rs 28.7 Cr in Dec
- * EBITDA in 9M FY21 dropped by 81.2%. However due to significant cost control we managed avoid cash burn at the operating level and recorded positive EBITDA in all three Quarters. Our EBITDA improved sequentially from Rs 4.4 Cr in Q1 to Rs 20.2 Cr in Q3
- * EBITDA margin also showed continuous improvement from 10.6% in Q1 to 29.4% in Q3
- * Cash outflow for construction of Aurika MIAL and LT Resort Shimla, which was paused due to restriction on construction, resumed after relaxation in lockdown
- * Moratorium on debt repayments announced by RBI reduced the cash outflow against the principal repayments from about Rs 100 Cr to Rs 57 Cr for the year



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

Availed

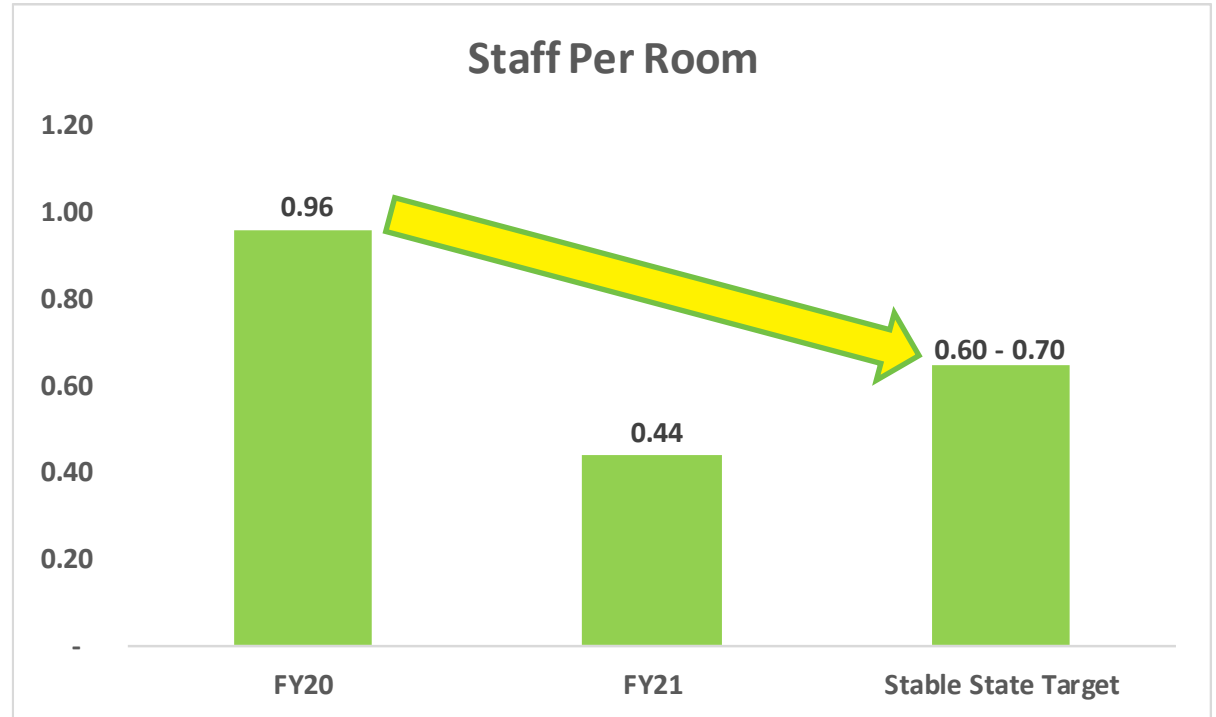
- * APG Strategic Real Estate Pool N.V. infused first tranche of Rs 175 Cr in June '20
- * Lemon Tree will inject additional 100% owned assets at the end of 30 months in order to retain current majority ownership. This is aligned to Lemon Tree's asset monetization plan/asset light strategy

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

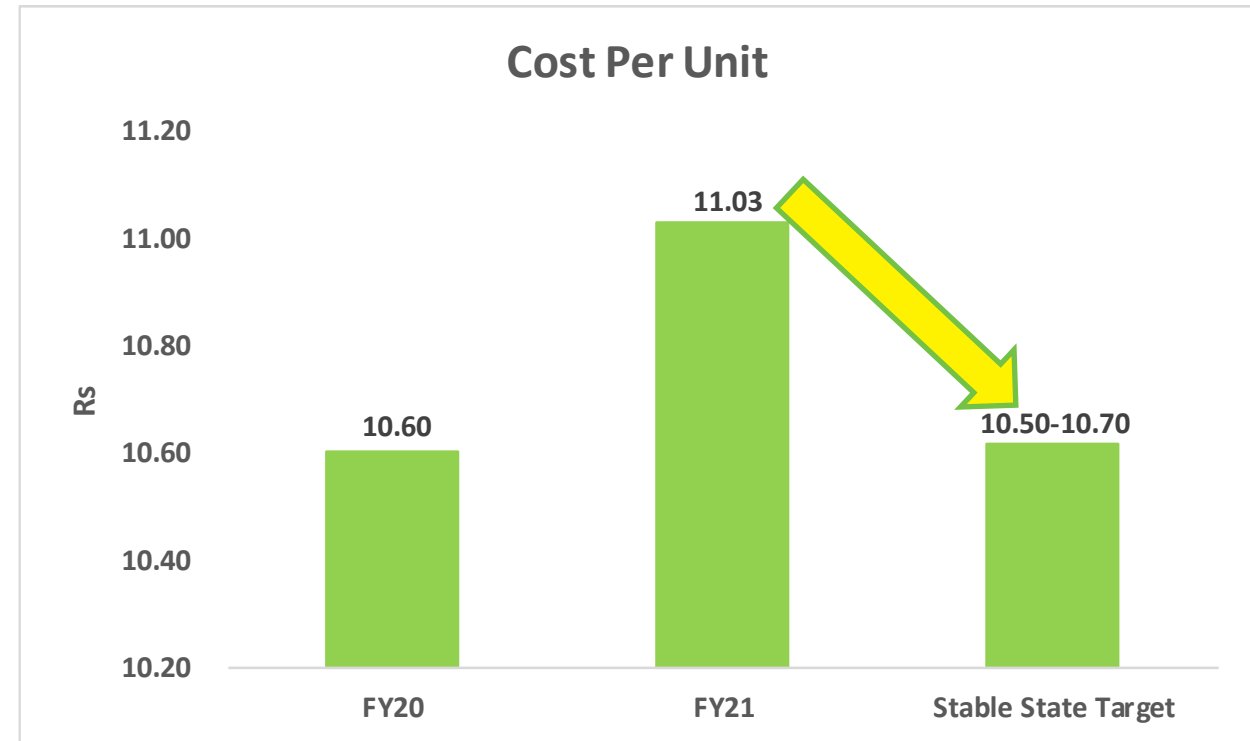
Manpower

- One of our biggest leanings has been that our hotels can operate with much 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



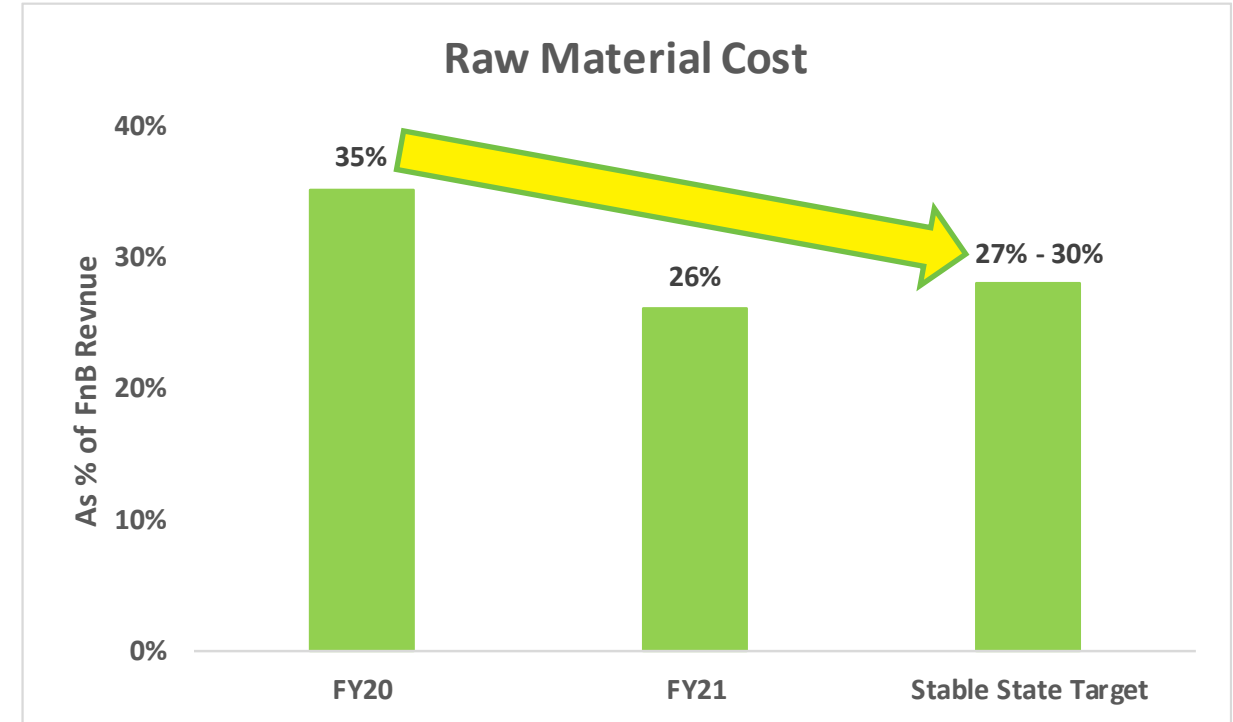
Electricity Cost

- 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
- Currently, only 5% of our electricity is 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



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



- * Various other fixed and variable expenses can also be reduced significantly on a permanent basis
- * These steps should lead to a permanent improvement in Net EBITDA of adult hotels by 500-700 bps as a percentage of revenue once the situation normalizes

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)



Aurika, Mumbai Airport (MIAL)





Lemon Tree Amarante Beach, Goa



Lemon Tree Premier, Corbett



Lemon Tree Premier, Hyderabad

Annexures



Lemon Tree Hotel, Coimbatore



Lemon Tree Premier, City Center, Gurgaon

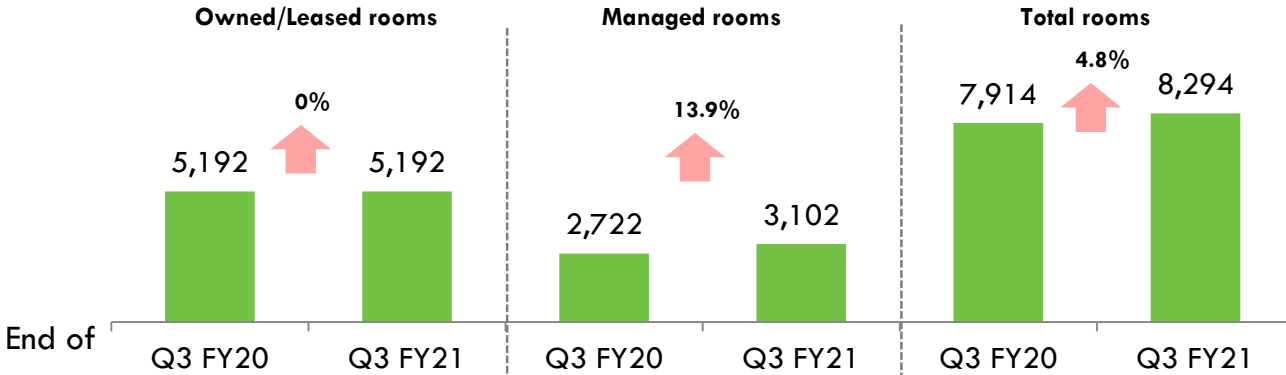


Lemon Tree Vembanad Lake, Alleppey, Kerela

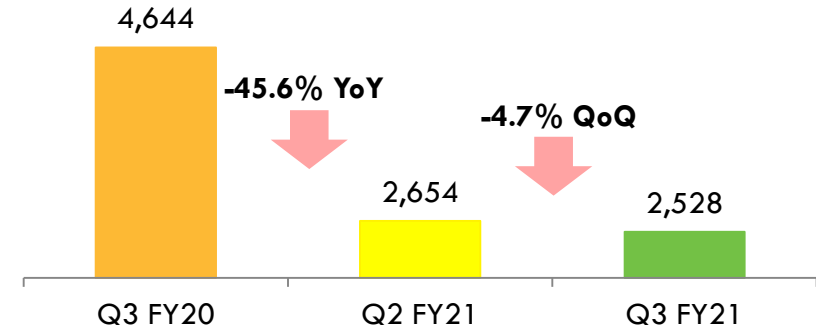
Latest Performance – Q3 FY21

Q3 FY21 Performance Highlights – Operational Metrics (Consolidated)

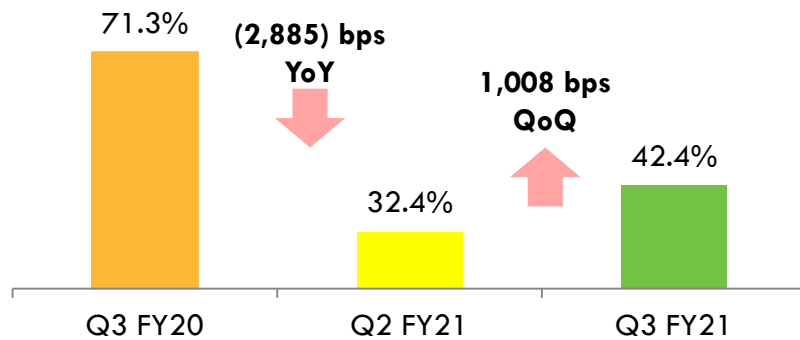
Operational Inventory



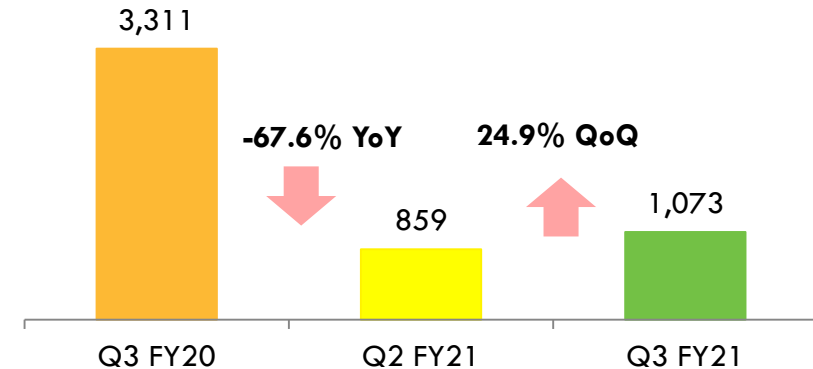
Average Daily Rate (Rs.)



Occupancy (%)



RevPAR (Rs.)

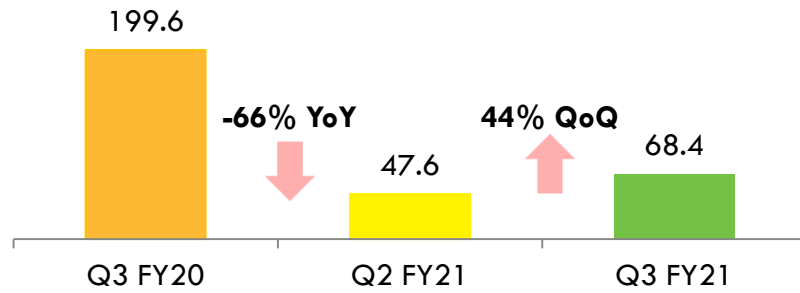


Notes:

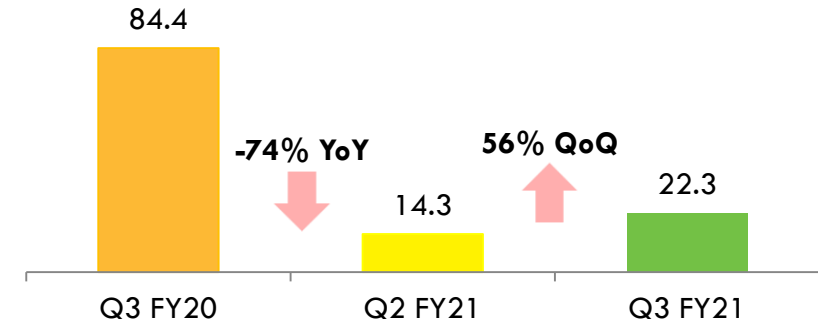
1. ADR, Occupancy and RevPAR are for our owned and leased hotels only.

Q3 FY21 Performance Highlights – Financial Metrics (Consolidated)

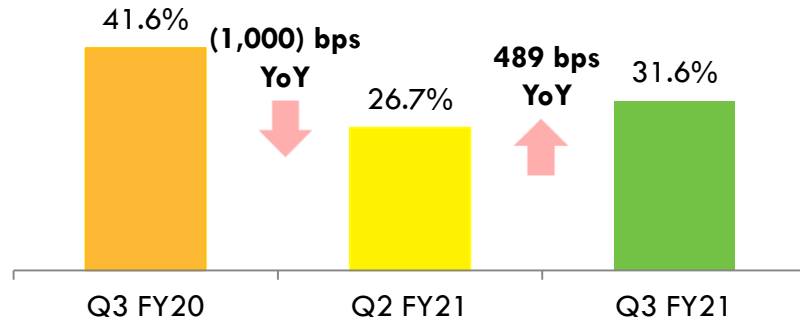
Revenue from Operation (Rs. Cr)



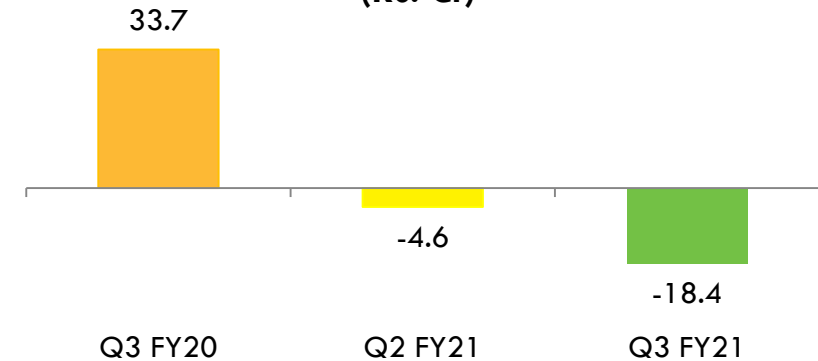
EBITDA (Rs. Cr)



EBITDA Margin (%)



Cash profit (Rs. Cr)



Notes:

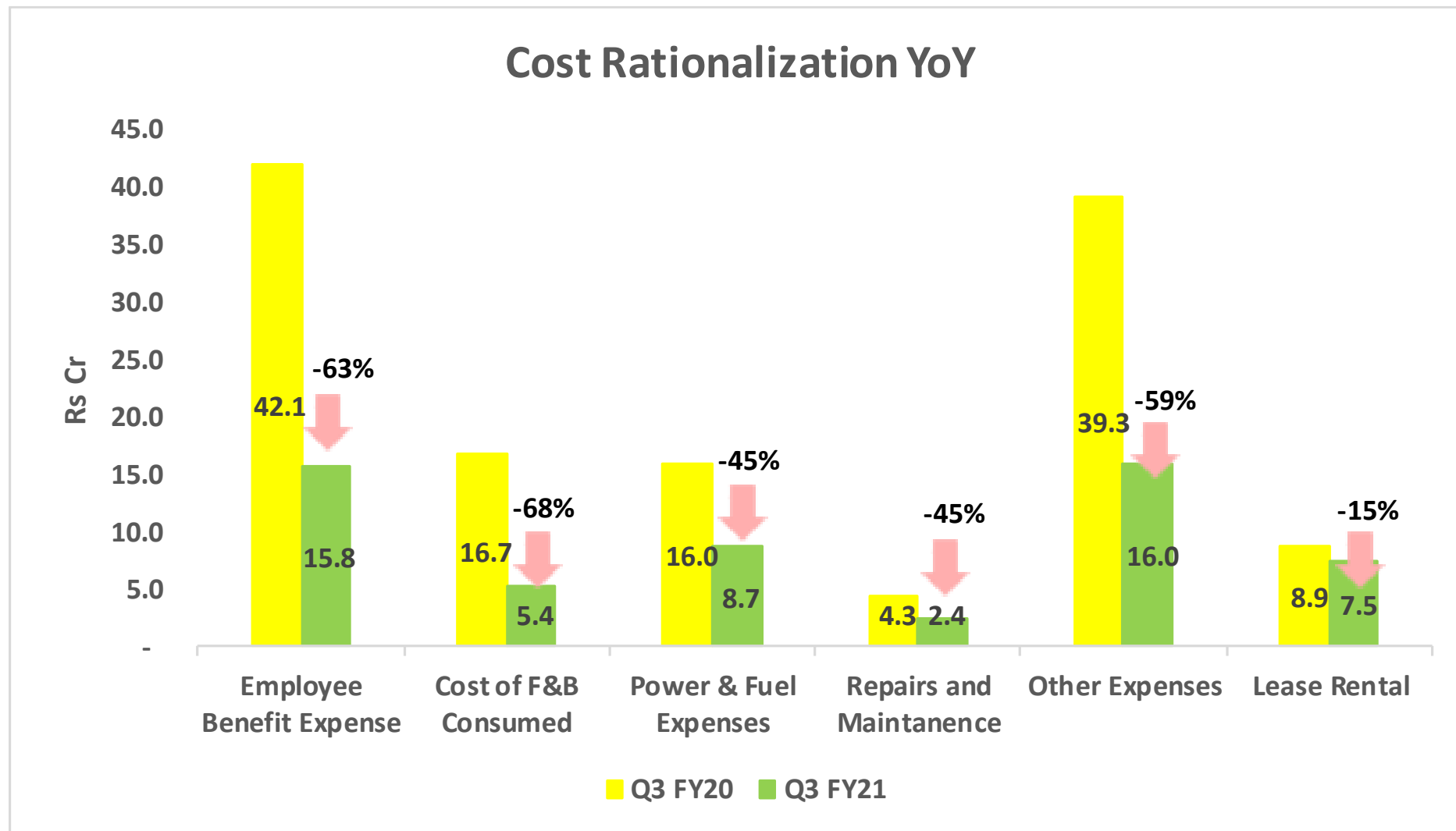
1. Q3 FY21 performance is not indicative of the full year performance
2. Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan

Consolidated Profit & Loss Statement – Q3 FY21

Rs. Cr	Q3 FY20	Q2 FY21	Q3 FY21	QoQ Change (%)	YoY Change (%)
Revenue from operations	199.6	47.6	68.4	43.7%	-65.7%
Other income	3.2	6.0	2.2	-62.8%	-29.6%
Total expenses	118.4	39.3	48.3	22.9%	-59.2%
EBITDA	84.4	14.3	22.3	55.8%	-73.5%
EBITDA w/o Other Income	81.2	8.3	20.1	141.7%	-75.3%
EBITDA margin (%)	40.7%	17.5%	29.4%	1,191	(1,131)
Finance costs	45.9	49.7	47.5	-4.4%	3.5%
Depreciation & amortization	22.7	27.0	27.3	1.2%	20.4%
PBT	15.6	(59.7)	(50.5)	NA	NA
Tax expense	4.6	(6.2)	(4.8)	-22.5%	NA
PAT	11.0	(53.5)	(45.7)	NA	NA
Cash Profit	33.7	(4.6)	(18.4)	NA	NA

Note: Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan

Consolidated Expenses – Q3 FY20 vs Q3 FY21



Consolidated Profit & Loss Statement Breakup – Q3 FY21

Rs. Cr	Total without Keys Hotels			Keys Hotels			Total		
	Q3FY20	Q3FY21	YoY Change	Q3FY20	Q3FY21	YoY Change	Q3FY20	Q3FY21	YoY Change
Inventory	4,256	4,256	0.0%	936	936	0.0%	5,192	5,192	0.0%
ARR	4,869	2,627	-46.1%	2,985	1,854	-37.9%	4,644	2,528	-45.6%
Occupancy	72.0%	45.2%	(2,686)	66.3%	30.0%	(3,625)	71.3%	42.4%	(2,885)
RevPAR	3,508	1,187	-66.2%	1,978	556	-71.9%	3,311	1,073	-67.6%
Revenue from Operations	183.8	62.0	-66.3%	15.8	6.4	-59.3%	199.6	68.4	-65.7%
Other Income	3.1	1.8	-42.8%	0.0	0.4	1378.1%	3.2	2.2	-29.6%
Total expenses	106.5	42.6	-60.0%	11.9	5.7	-51.8%	118.4	48.3	-59.2%
EBITDA	80.5	21.2	-73.6%	3.9	1.1	-71.6%	84.4	22.3	-73.5%
EBITDA w/o Other Income	77.3	19.4	-74.9%	3.9	0.7	-82.7%	81.2	20.1	-75.3%
EBITDA margin (%)	42.1%	31.3%	(1,074)	24.5%	10.4%	(1,406)	40.7%	29.4%	(1,131)
PBT	18.1	(43.9)	NA	(2.5)	(6.6)	NA	15.6	(50.5)	NA

Operational Performance by Brands & Region – Q3 FY20 vs. Q3 FY21 (On Full inventory basis)



Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q3 FY20	Q3 FY21	Change (bps)	Q3 FY20	Q3 FY21	Change (%)	Q3 FY20	Q3 FY21	Change (%)	Q3 FY20	Q3 FY21	Change (bps)
By Brand (#Rooms)												
Aurika (139)	20.2%	29.2%	897	14,883	10,652	-28.4%	1.1	2.2	107.6%	39.2%	56.4%	1,712
Lemon Tree Premier (1,603)	70.6%	55.9%	(1,475)	5,908	2,492	-57.8%	2.2	0.6	-74.6%	46.4%	35.2%	(1,119)
Lemon Tree Hotels (1562)	72.9%	38.9%	(3,394)	4,514	2,799	-38.0%	1.9	0.5	-74.0%	45.2%	37.0%	(819)
Red Fox Hotels (952)	78.3%	39.7%	(4,710)	3,591	1,808	-49.6%	1.6	0.3	-79.6%	53.4%	41.8%	(1,159)
Keys Hotels (936)	66.3%	30.0%	(3,625)	2,985	1,854	-37.9%	0.7	0.1	-79.4%	39.3%	19.6%	(1,967)

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q3 FY20	Q3 FY21	Change (bps)	Q3 FY20	Q3 FY21	Change (%)	Q3 FY20	Q3 FY21	Change (%)	Q3 FY20	Q3 FY21	Change (bps)
By Region (#Rooms)												
Delhi (636)	85.0%	55.3%	(2,968)	5,418	2,314	-57.3%	2.8	0.7	-75.9%	49.5%	42.1%	(740)
Gurugram (529)	75.3%	29.7%	(4,557)	4,387	2,290	-47.8%	1.9	0.2	-88.1%	43.4%	22.6%	(2,079)
Hyderabad (663)	77.3%	45.2%	(3,214)	4,990	2,128	-57.4%	2.5	0.4	-83.1%	54.3%	36.7%	(1,765)
Bengaluru (874)	65.2%	24.2%	(4,102)	4,351	2,202	-49.4%	1.4	0.1	-91.2%	44.5%	17.9%	(2,655)
Mumbai (303)	62.0%	59.2%	(280)	6,691	2,908	-56.5%	2.0	0.6	-68.1%	43.9%	35.9%	(802)

Discussion on Consolidated Financial & Operational Performance – Q3 FY21

Revenue

- * Revenue from operations stood at Rs. 68.4 Cr in Q3 FY21, down 65.7% as compared to Rs. 199.6.8 Cr in Q3 FY20. On a sequential basis, revenue from operations increased 43.7% from Rs 47.6 Cr in Q2 FY21
- * ADR decreased by 45.6% from 4,644 in Q3 FY20 to 2,528 in Q3 FY21. On a sequential basis, ADR decreased by 4.7% from Rs 2,654 in Q2 FY21
- * Occupancy on full inventory decreased by 2,885 bps from 71.3% in Q3 FY20 to 42.4% in Q3 FY21. On a sequential basis, the occupancy on full inventory increased by 1,008 bps from 32.4% in Q2 FY21. Occupancy on operational inventory stood at 46.5%
- * Fees from managed hotels stood at Rs. 1.6 Cr in Q2 FY21 (2.3% of Revenue from operations)

Cost

- * Total expenses stood at Rs. 48.3 Cr in Q3 FY21 down 59.2% as compared to Rs 118.4 Cr in Q3 FY20. On a sequential basis, expenses increased by 22.9% Rs 39.3 Cr in Q1 FY21 due to higher operational inventory & better occupancy

Operating Margins

- * EBITDA decreased by 73.5% from Rs 84.4 Cr in Q3 FY20 to Rs 22.3 Cr in Q3 FY21. On a sequential basis, EBITDA increased 55.8% from Rs 14.3 Cr in Q2 FY21. EBITDA without other income increased 141.7% from Rs 8.3 Cr in Q2 FY21 to Rs 20.1 in Q3 FY21
- * EBITDA margin contracted by 1,000 bps from 41.6% in Q3 FY20 to 31.6% in Q3 FY21. On a sequential basis, the EBITDA margin expanded by 489 BPS from 26.7% in Q2 FY21. EBITDA margin without other income expanded by 1,191 BPS in Q3 FY21 from Q2 FY21

Profit after tax

- * Profit after tax decreased from Rs 11.0 Cr in Q3 FY20 to Rs (45.7) Cr in Q3 FY21. The PAT in Q2 FY21 was Rs (53.5) Cr
- * Cash Profit for Q3 FY21 stood at Rs -18.4 Cr vs Rs 33.7 Cr in Q3 FY20. The Cash Profit in Q2 FY21 was -4.6 Cr

Note: Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan

Consolidated Profit & Loss Statement – 9M FY21

Rs. Cr	9M FY20	9M FY21	YoY Change (%)
Revenue from operations	493.3	156.6	-68.2%
Other income	5.4	11.4	111.9%
Total expenses	318.9	123.9	-61.2%
EBITDA	179.7	44.1	-75.5%
EBITDA w/o Other Income	174.4	32.7	-81.2%
EBITDA margin (%)	35.4%	20.9%	(1,445)
Finance costs	112.1	145.9	30.2%
Depreciation & amortization	59.4	81.4	37.1%
PBT	11.3	(177.9)	NA
Tax expense	5.3	(18.0)	NA
PAT	6.0	(159.8)	NA
Cash Profit	68.0	(12.6)	NA

Note: Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan

Consolidated Balance Sheet Snapshot

Rs. Cr	Sep '19	Mar '20	Sep '20
Shareholder's Funds	824.7	823.0	744.0
Non-controlling interests	430.9	721.8	861.4
Total Shareholder's equity	1,255.6	1,544.8	1,605.4
Gross Debt	1,334.9	1,577.5	1,661.7
Other Non-current liabilities	381.4	464.2	467.4
Other Current liabilities	258.5	176.3	137.5
Total Equity & Liabilities	3,230.4	3,762.8	3,872.0
Non-current assets	2,979.4	3,615.4	3,579.6
Current assets	251.0	147.3	292.4
Total Assets	3,230.4	3,762.8	3,872.0
Net Debt	1,299.1	1,536.7	1,450.0
Gross Debt to Equity (x)	1.06	1.02	1.04
Net Debt to Equity (x)	1.03	0.99	0.90
Average cost of borrowing (%)	9.62%	9.60%	9.17%

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 market sector, consisting of the upscale, 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 currently operates (including Keys hotels) ~8,300 rooms in 84 hotels across 51 cities. As the current pipeline (as of 31st January 2021) becomes operational, LTH will be operating 106 hotels with ~10,500 rooms, across 65 cities in India and abroad.

Lemon Tree Hotels including keys hotels are located across India, in metro regions, including the Delhi NCR, Mumbai, Kolkata, Bengaluru, Hyderabad and Chennai, as well as tier I and tier II cities such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore, Aurangabad, Udaipur, Vishakhapatnam, Kochi, Ludhiana and Thiruvananthapuram.

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

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Thank You