



September 5, 2019

**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 is scheduled to meet Institutional Investors and Analysts at Lemon Tree Premier, Mumbai International Airport, at Andheri Kurla Road, Mumbai on September 6, 2019.

In this regard, the Corporate Presentation is attached herewith.

The above is for your record.

Thanking You

For Lemon Tree Hotels Limited



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

August 2019



Lemon Tree Hotels Limited

Corporate Presentation



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

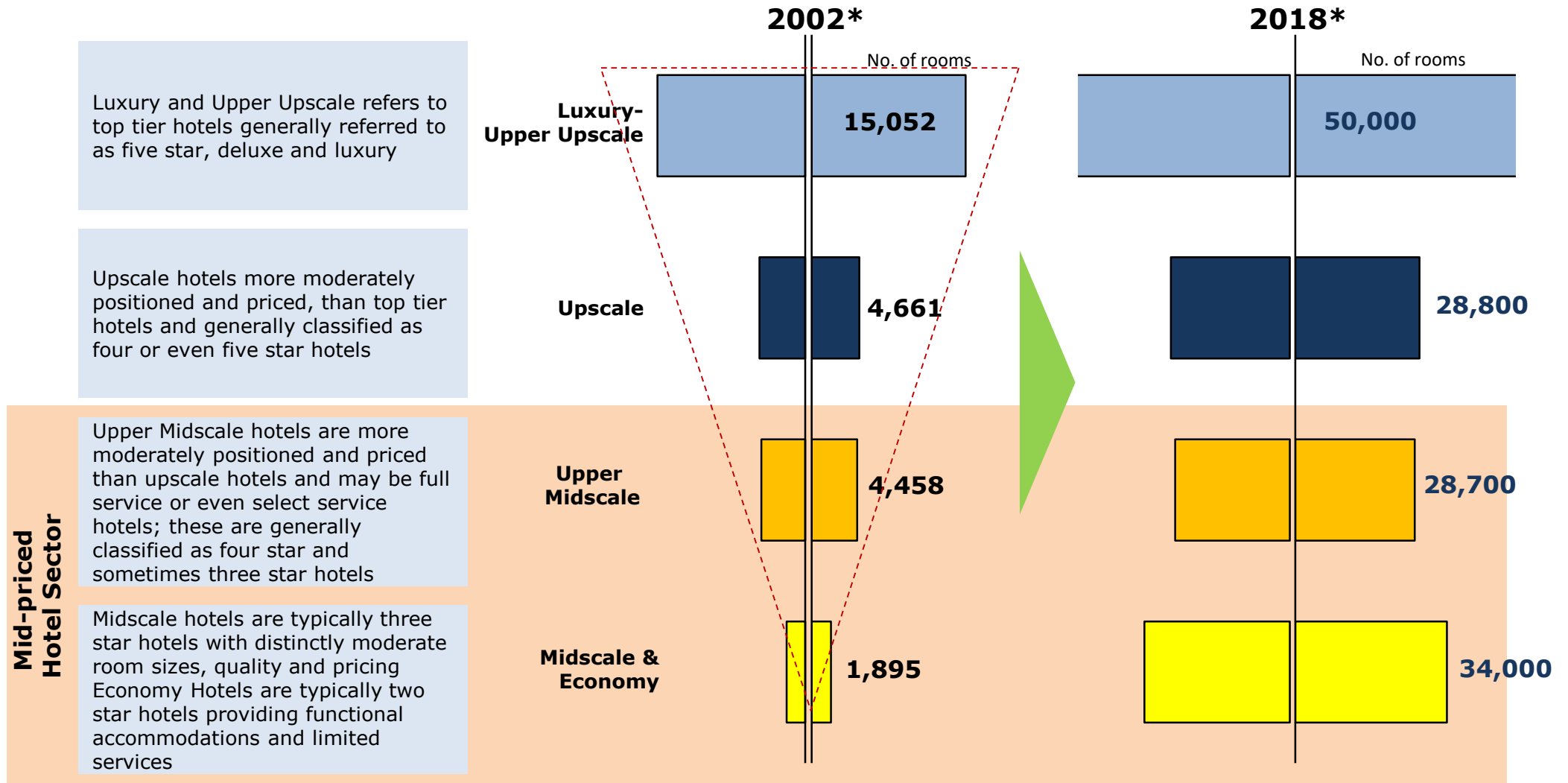


Lemon Tree Premier, City Center,
Gurgaon

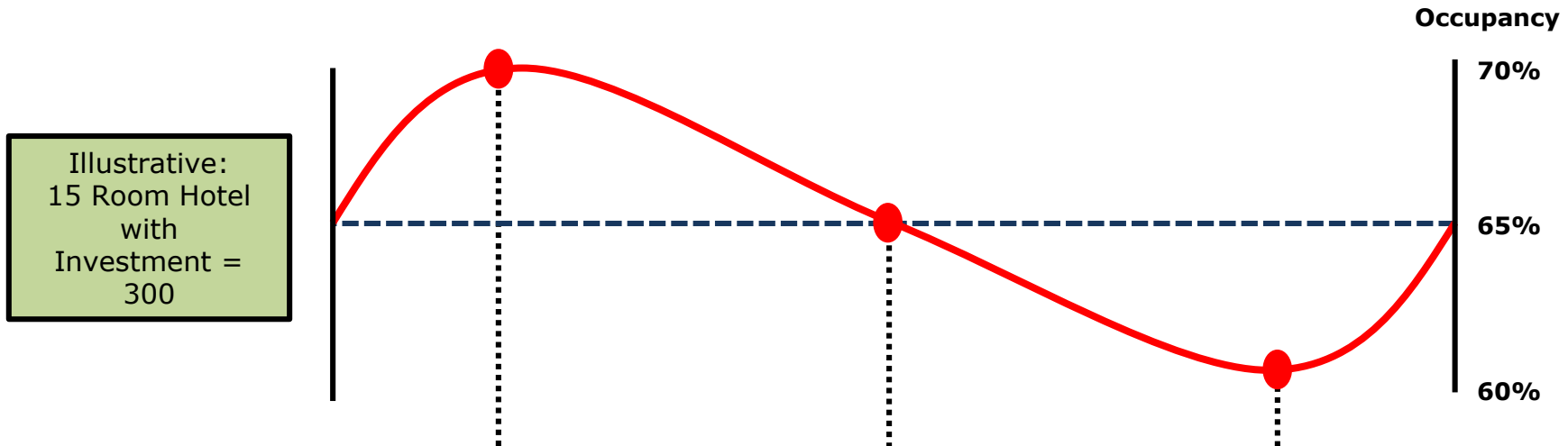
Attractiveness of Indian Hotel Industry

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



The hotel business cycle

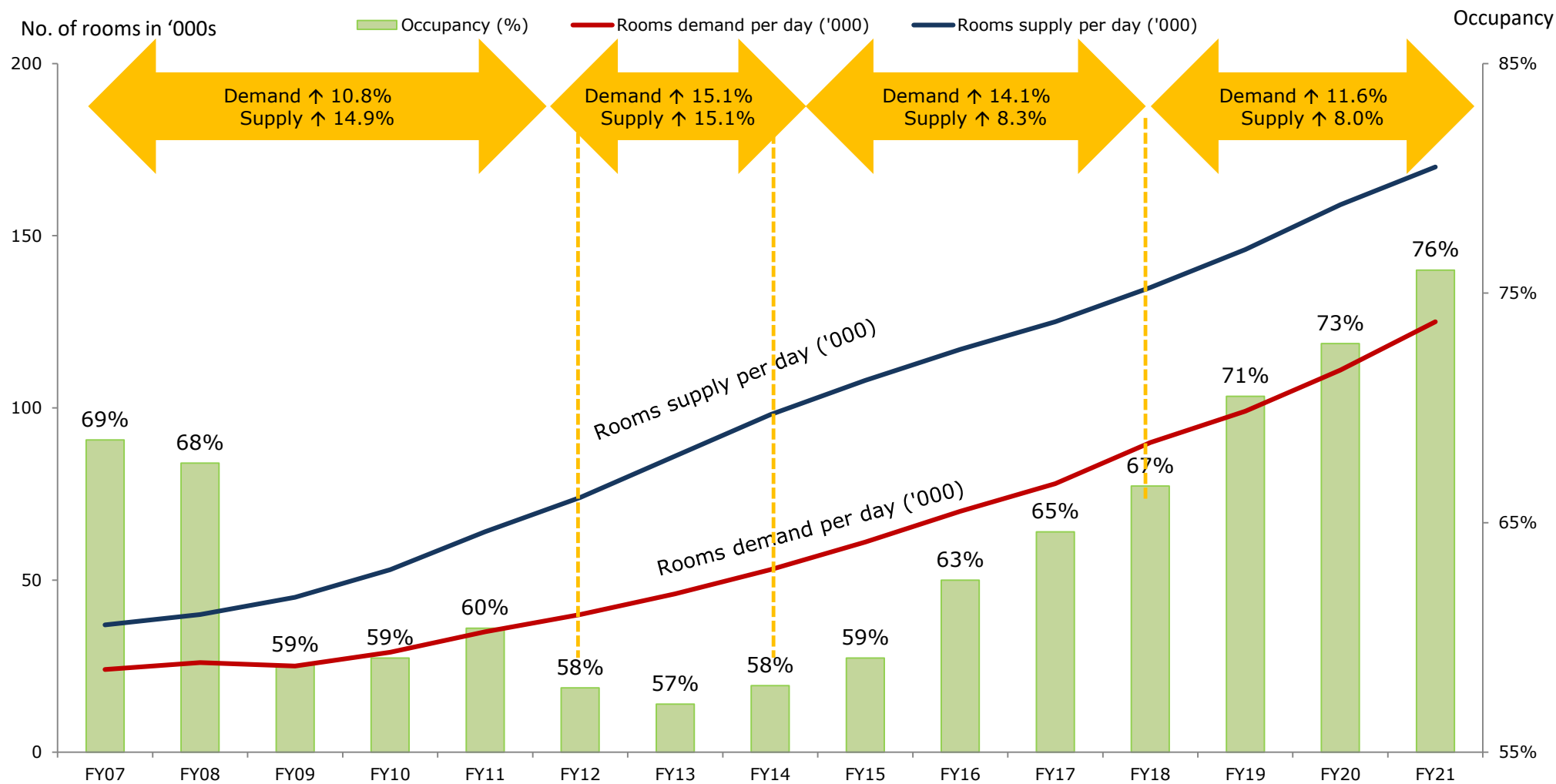


Cycle	Top (2)	Middle (3)	Bottom (2)	
Occupancy	70% or more	63-68%	60% or less	
Rooms Sold	12	10	8	
Average Daily Rate	13	10	7	
Revenue	156	100	56	▶ 3:2:1
Expenses	60	50	40	
EBITDA	96	50	16	
Hotel RoCE	32%	17%	5%	▶ 6:3:1
Sustainable Debt:Equity Coverage	Full Debt	1:1	No Debt	

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

Indian hotel industry is at an inflection point

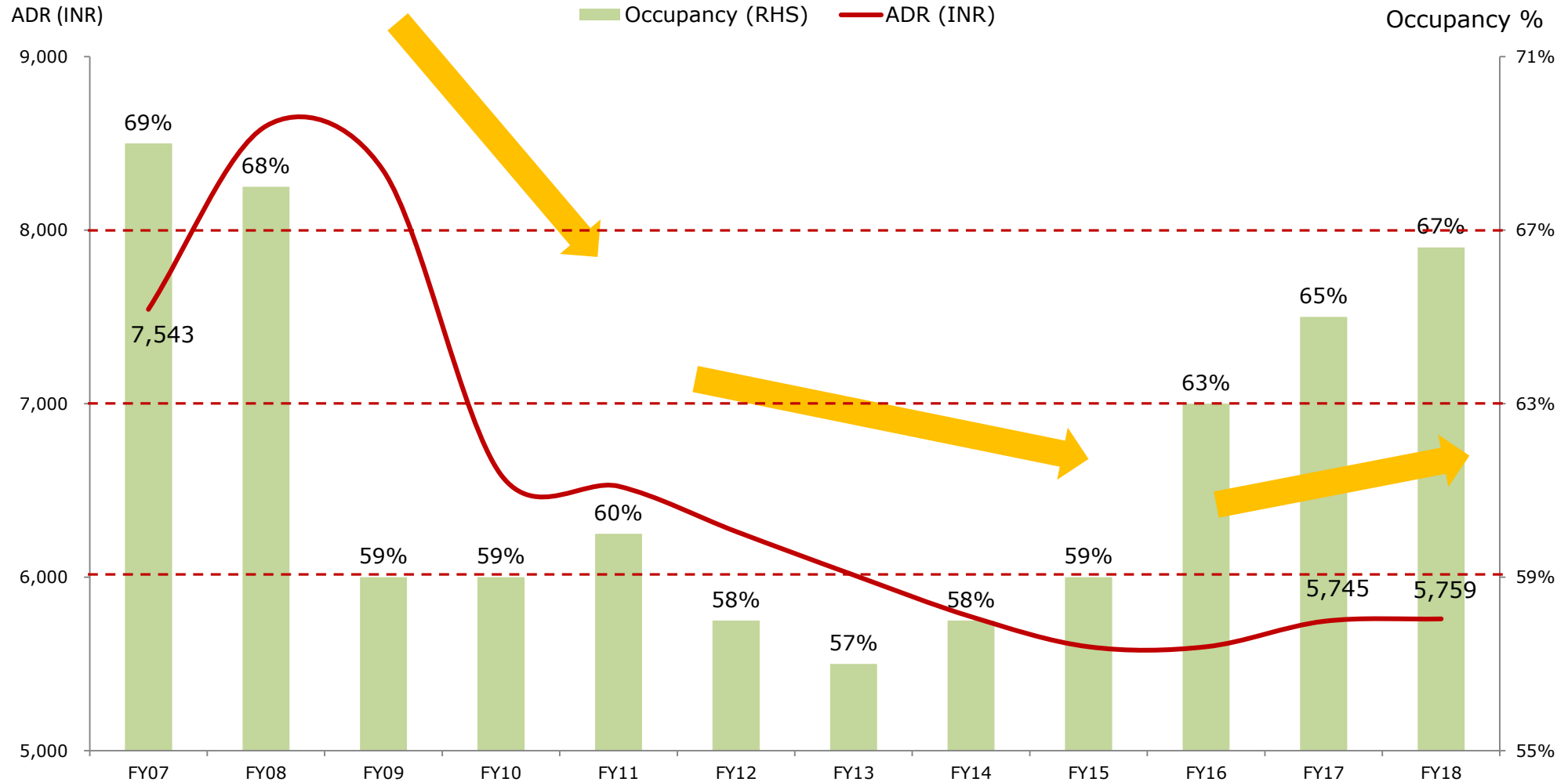
Slowing supply and rising demand is expected to increase occupancy



Source : Horwath HTL India 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





Lemon Tree Hotel, Aurangabad



Lemon Tree Hotel, Gachibowli,
Hyderabad



Lemon Tree Hotel, Vadodara

Differentiated business model of Lemon Tree (LTH)

Process

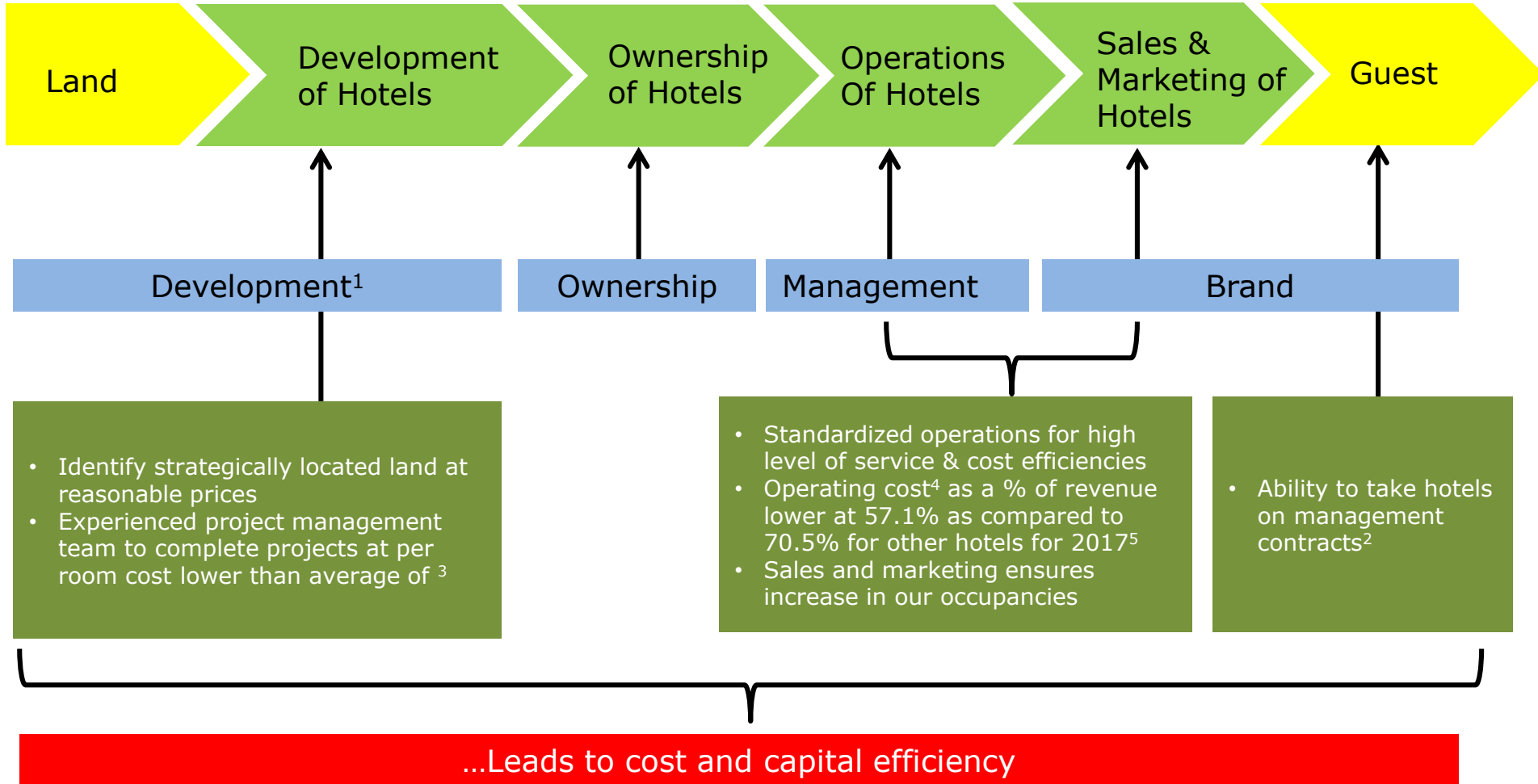
Presence across value chain



Lower than industry average development cost per room



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



Lower than industry average development cost per room



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

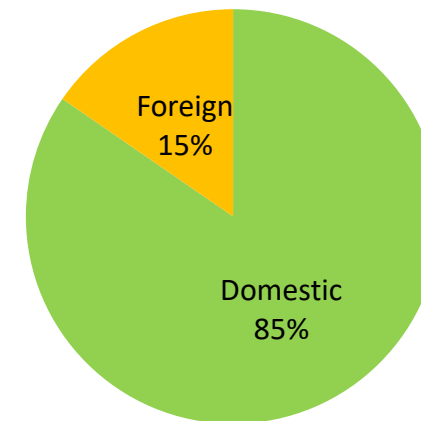
Superior service leads to higher Customer Satisfaction as demonstrated by TripAdvisor recognition

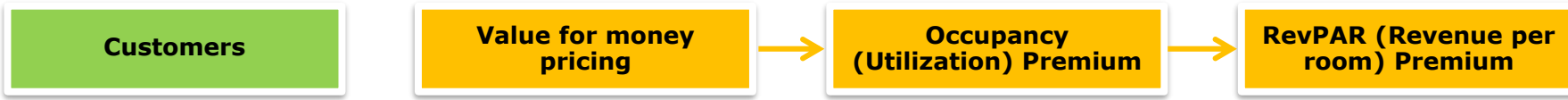


47 out of 50 hotels (which were operational for at least a year and were eligible for receiving this recognition) were awarded the TripAdvisor Certificate of Excellence for 2019

Focus on Domestic Customers

FY19





Lemon Tree/Industry

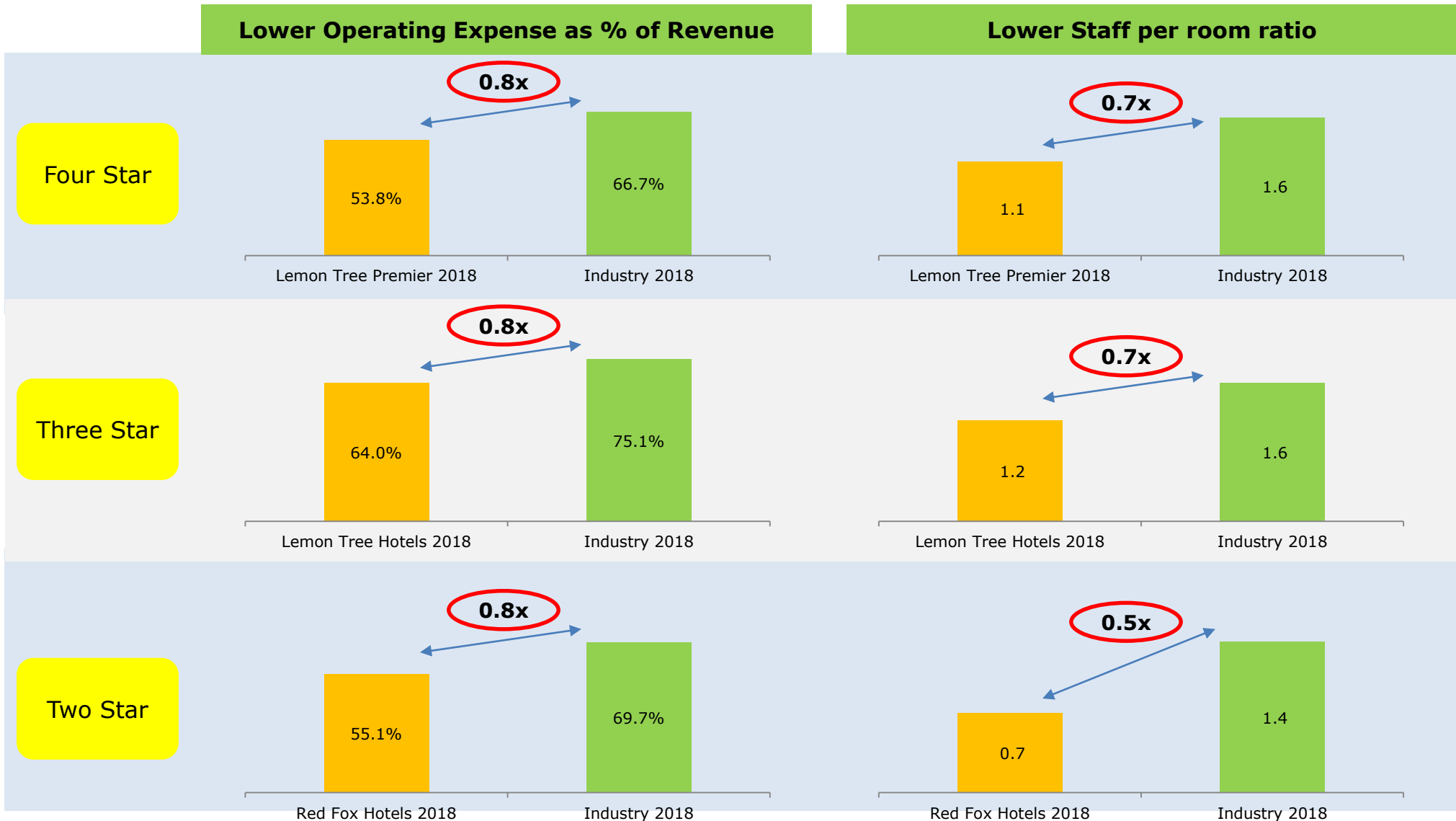
Source : Industry data is sourced from Hotelivate – Trend and Opportunities Report - 2018.

[^] 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

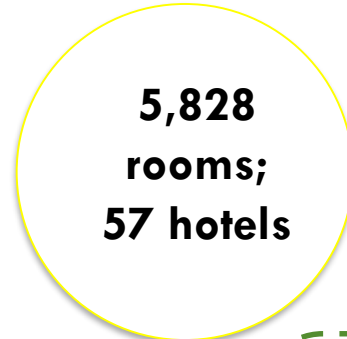


Lemon Tree Vembanad Lake, Alleppey, Kerela

Company Overview and Growth Plans



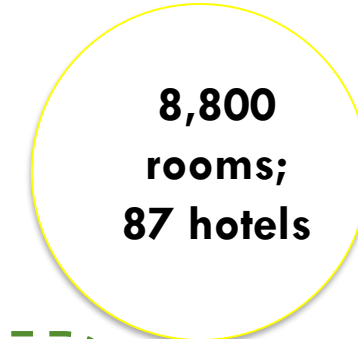
Current (9% of Branded Mid Market Hotels in India*)



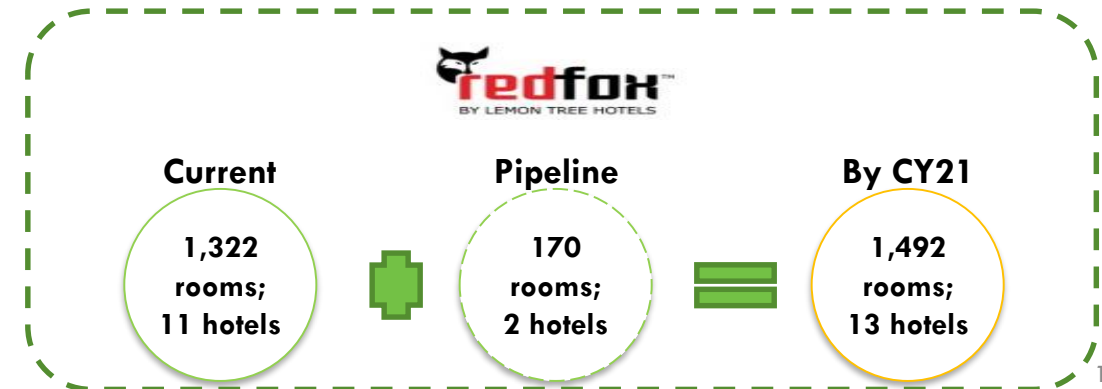
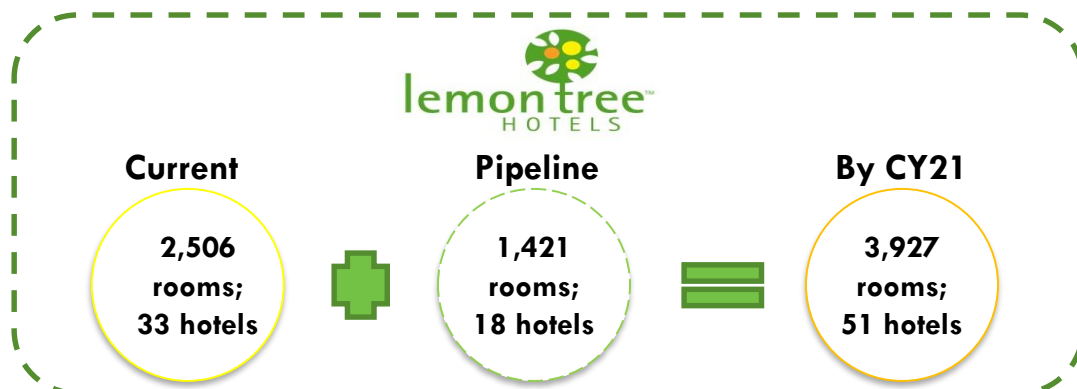
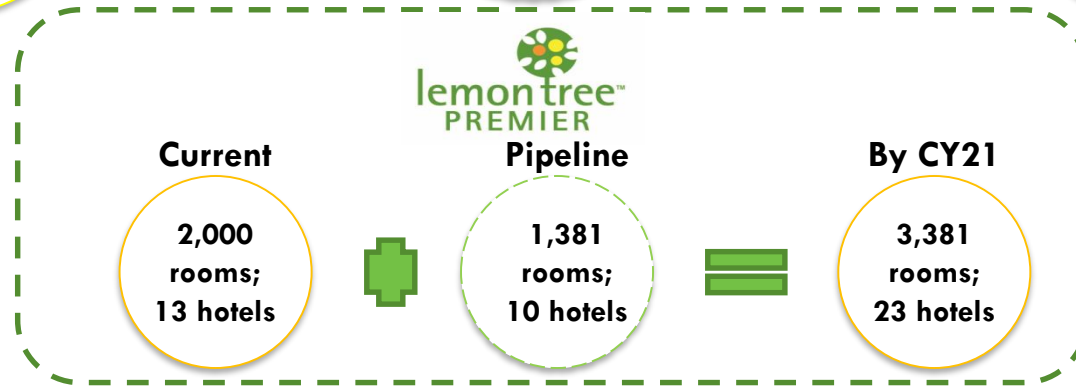
Pipeline



By CY21 (11% of Branded Mid Market Hotels in India*)



*Source : Horwath HTL India Report 2017



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%

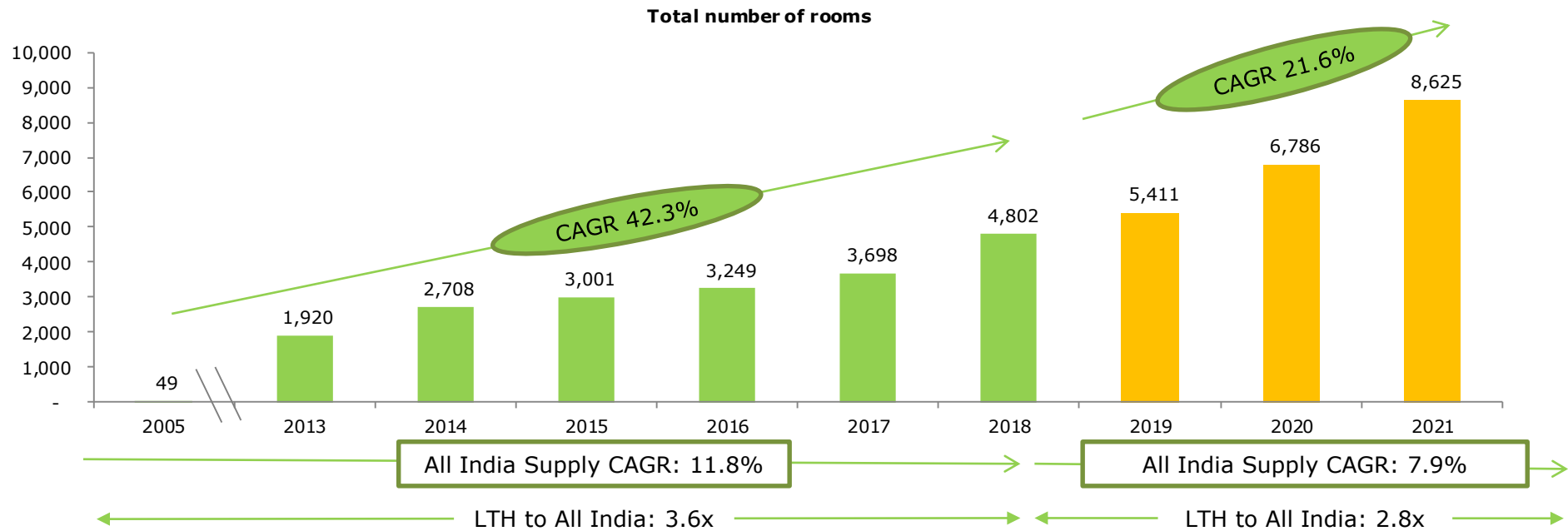
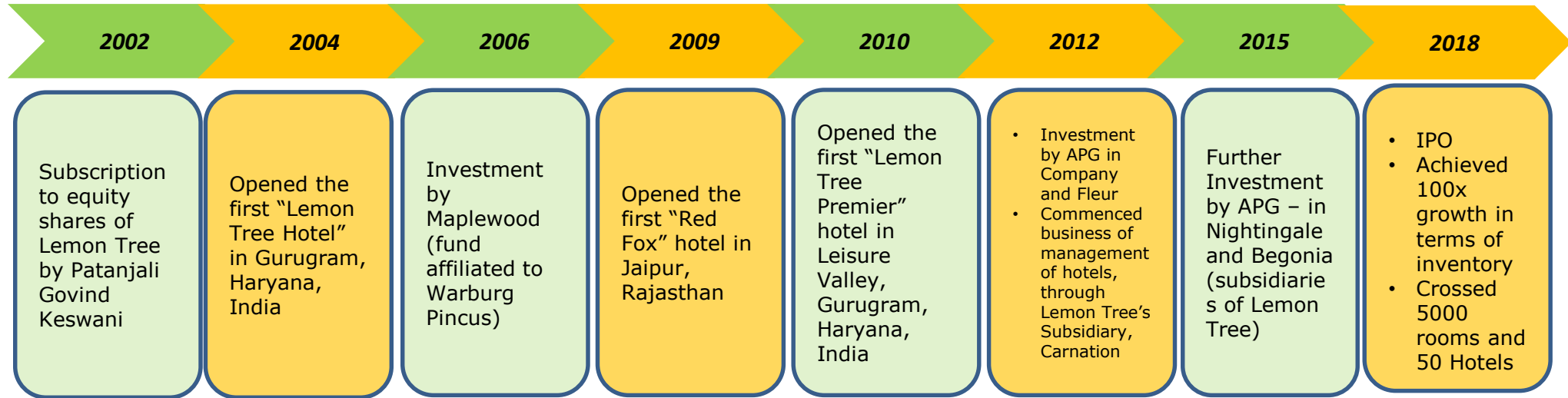
Chennai: FY17 – 5%
FY21E – 4%

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

Milestones

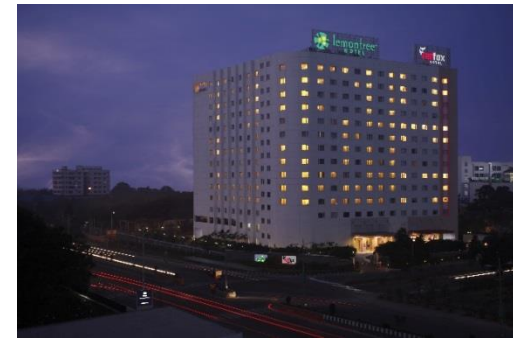




Lemon Tree Amarante Beach, Goa



Lemon Tree Premier, Corbett

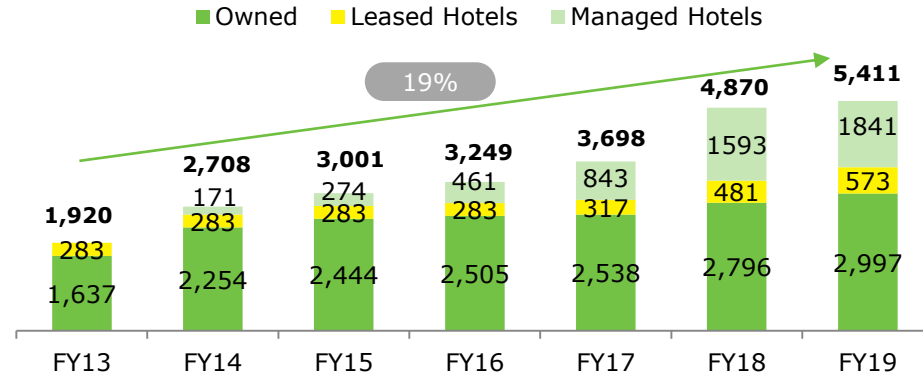


Lemon Tree Premier, Hyderabad

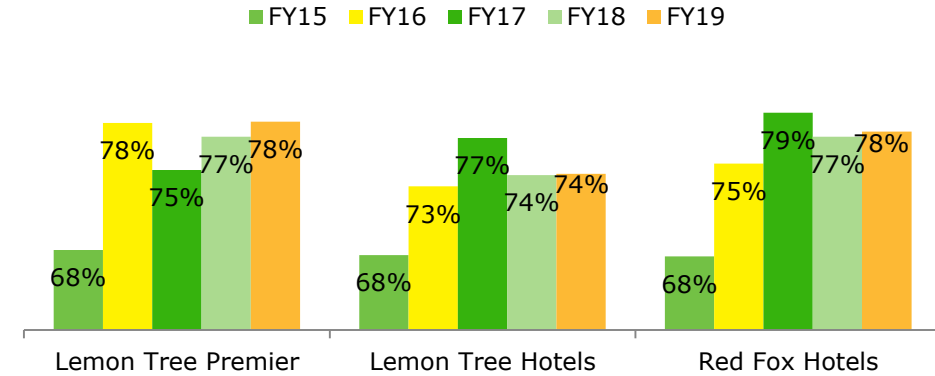
Strong Operating and Financial Performance

Strong operating performance

Rooms are being added...

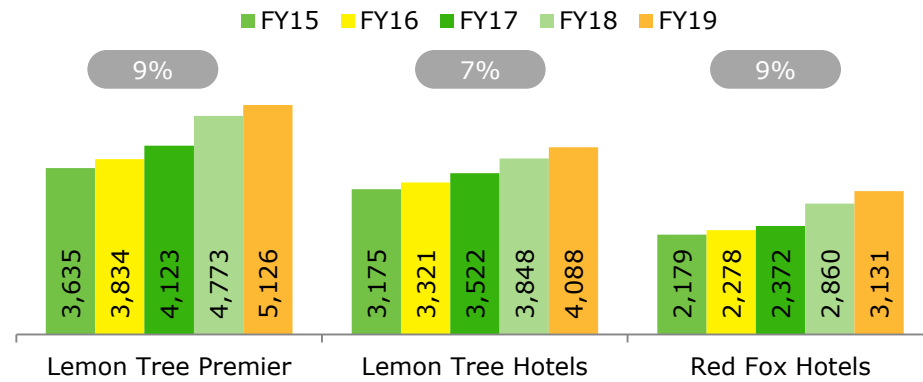


...and occupancy levels increasing...

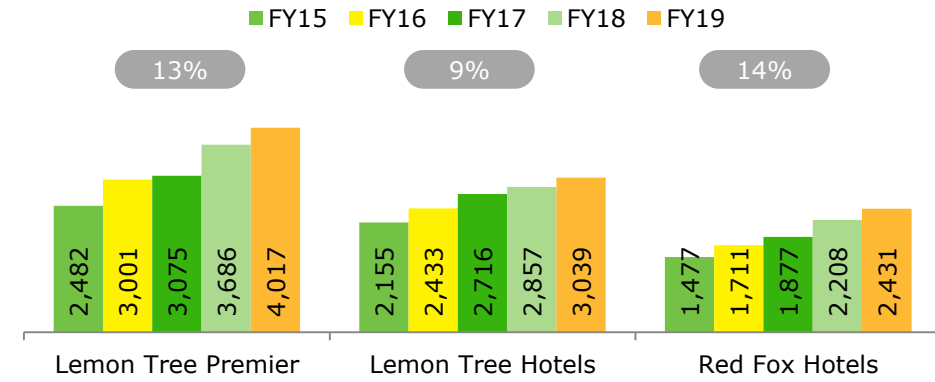


Note: Drop in occupancy levels is on account of new owned/leased supply addition by Lemon Tree in FY18

...coupled with increasing ADR...



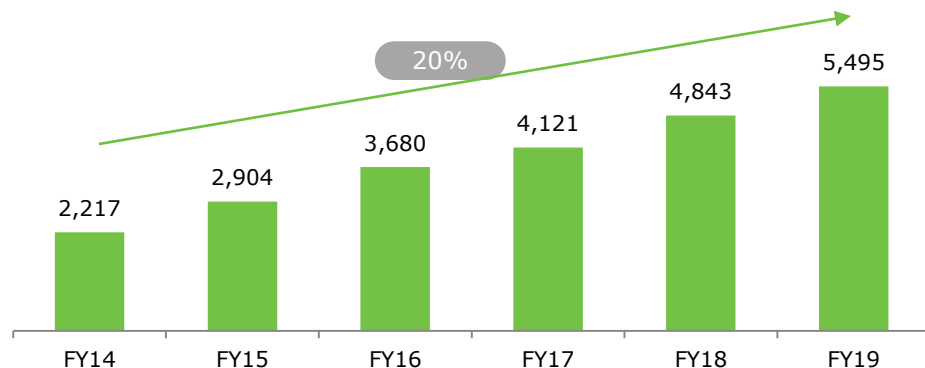
...leading to a RevPAR growth



Strong Growth and improving margins

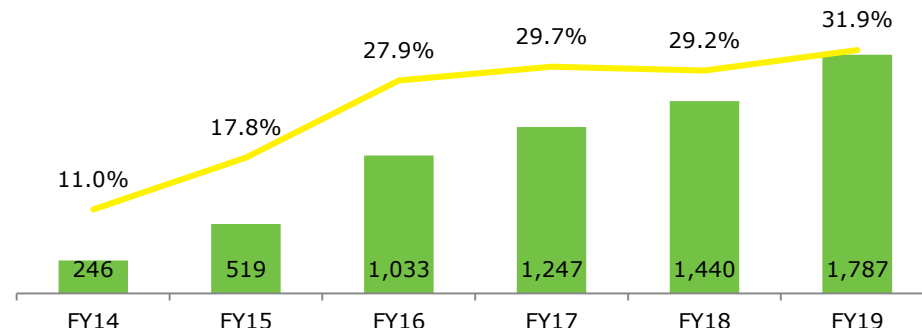
Revenue has increased at CAGR of 20% over the last 5 years...

Revenue from operations (Rs. million)



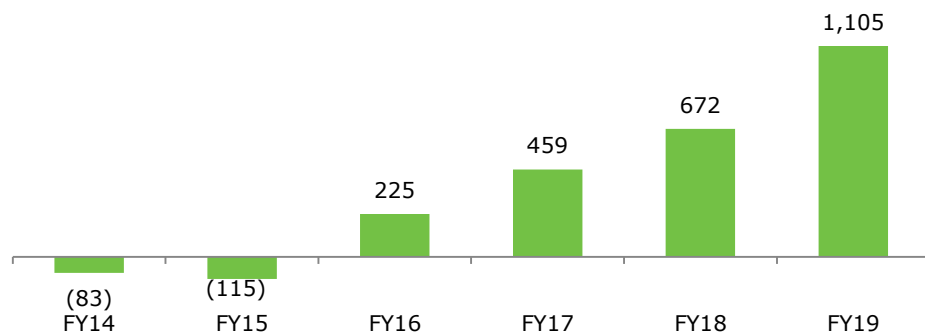
...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



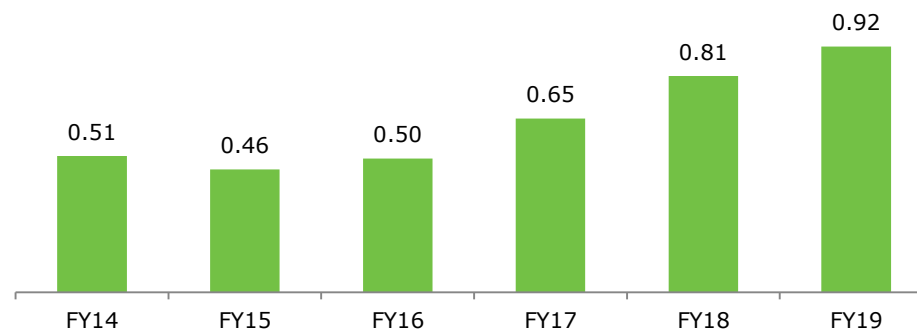
Increasing cash profit growth

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



Gearing low

Debt/Equity



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:

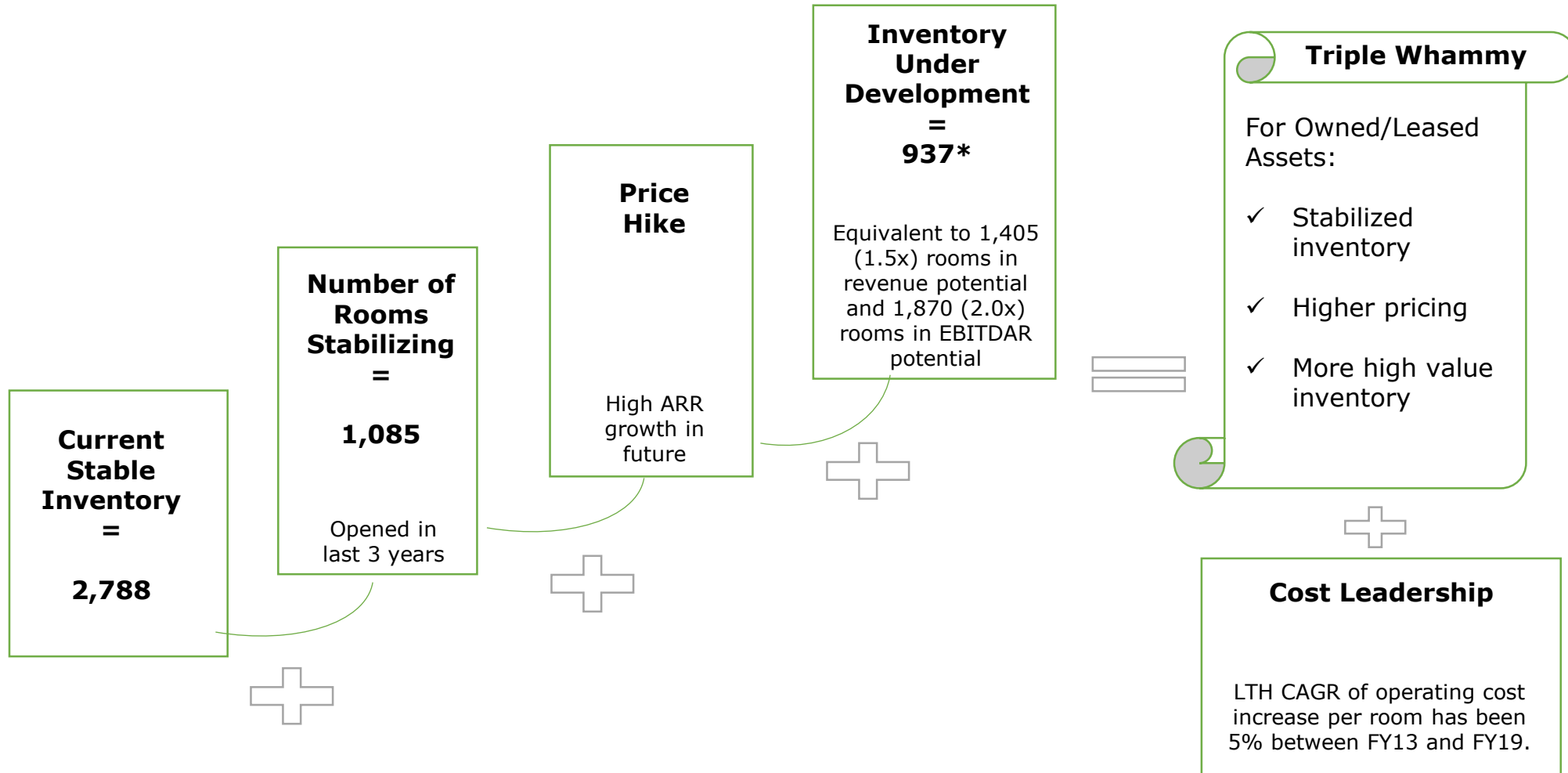
1) During the year FY19 4 infant hotels transitioned to toddler category, why 2 new hotels entered into the infant category. No toddler hotel transitioned into Adult category.

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

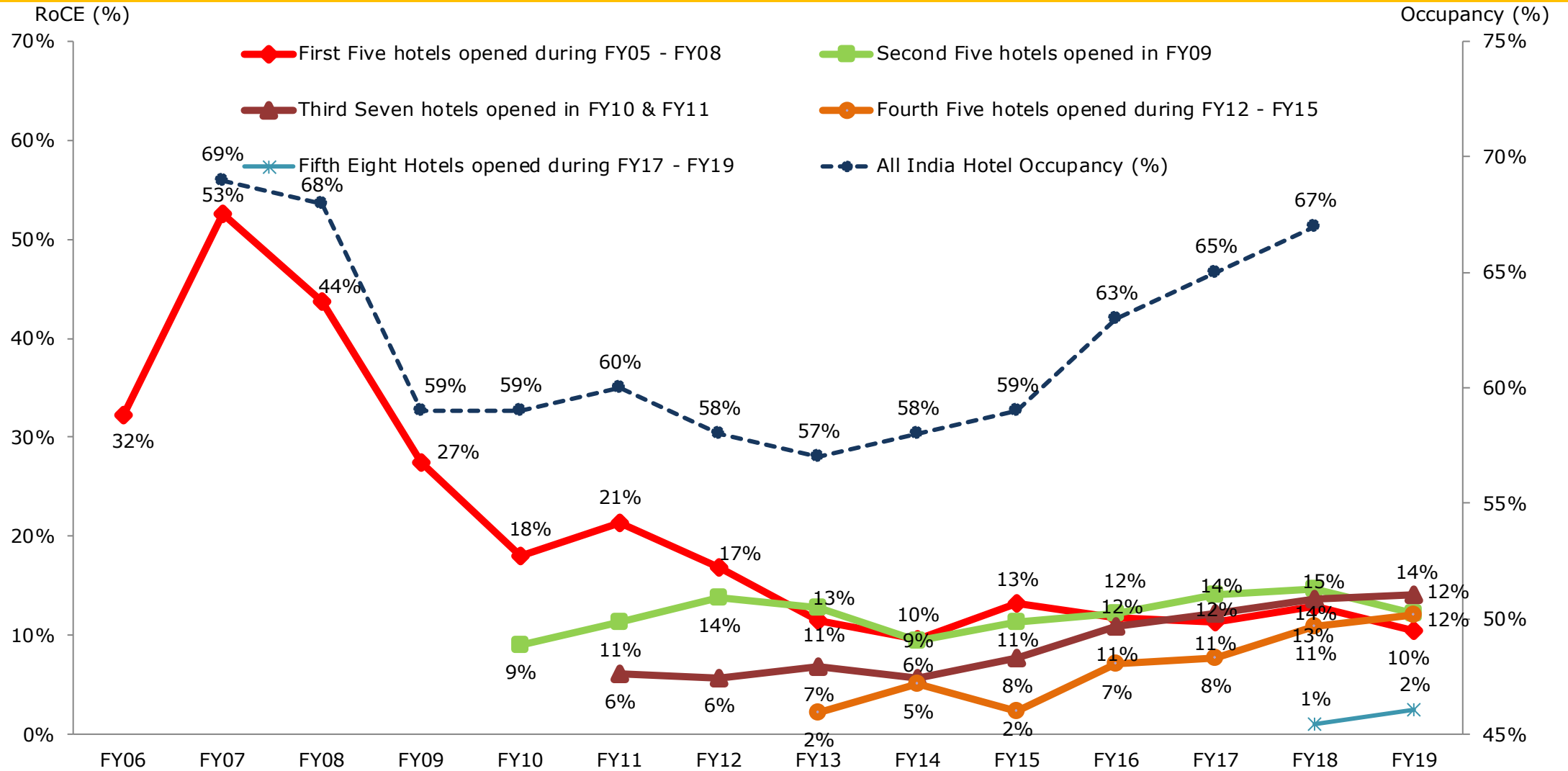
* Post stabilization.

Key levers to drive better results



* Of these 937 rooms, 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.

Lemon Tree Hotels RoCE : Hotel Buckets by opening

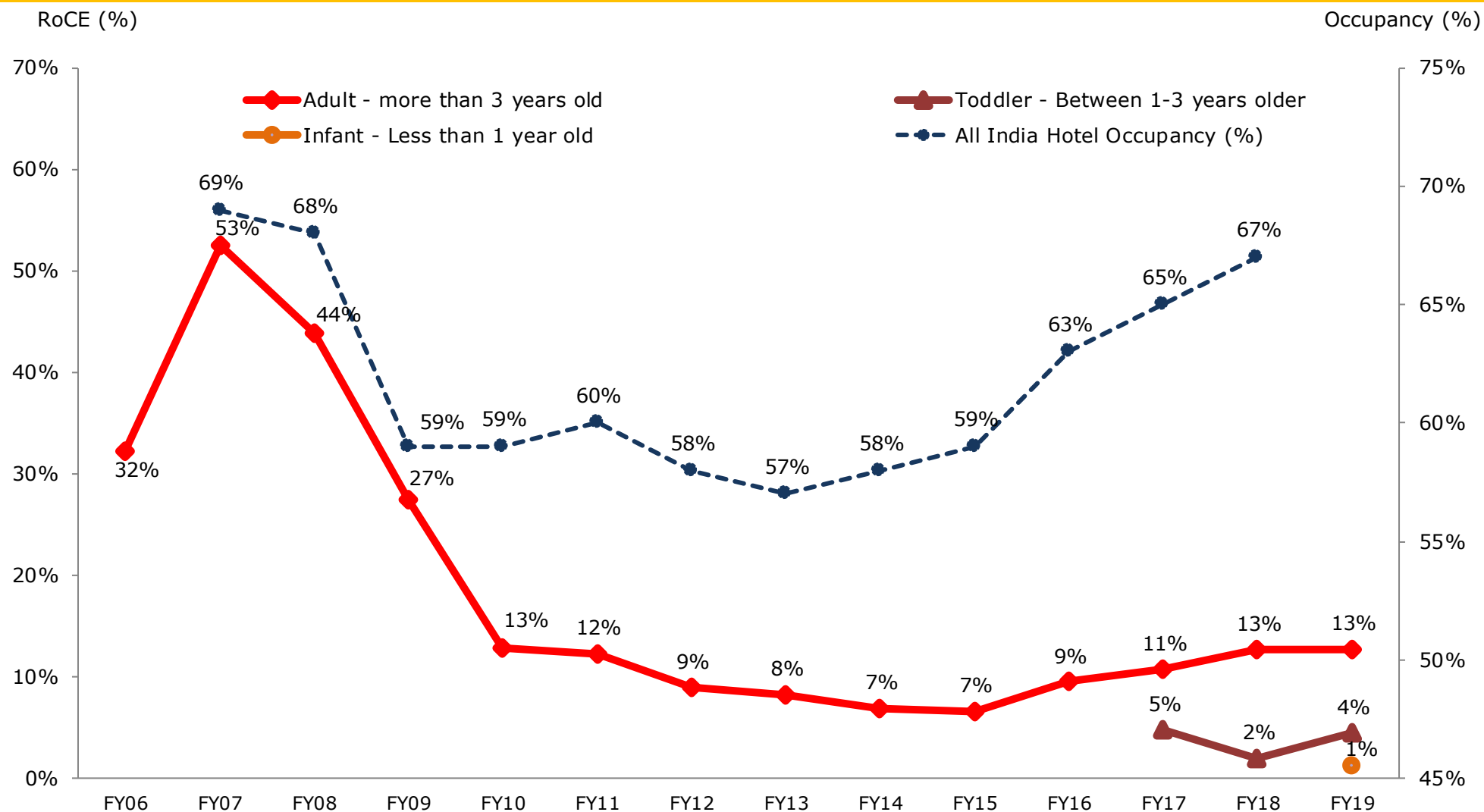


Notes:

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.

Lemon Tree Hotels RoCE : Hotel Buckets by ageing



Notes:

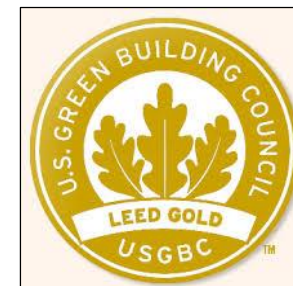
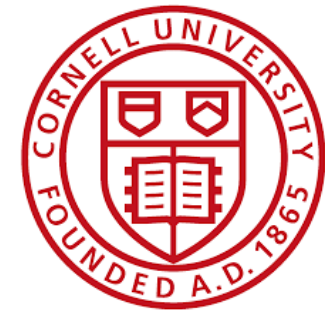
1. Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels
2. Hotel RoCE is based on first full year of operation

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)**”



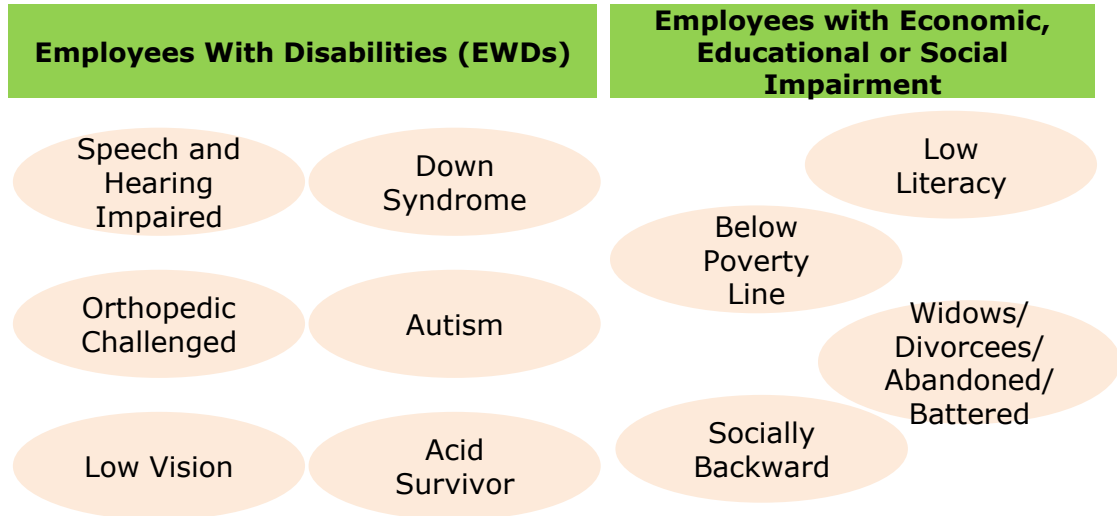
Committed to Employees, Environment and Community with socially inclusive work ethos

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.



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.

Under Development Hotels

Aurika, Udaipur | Image Representation



Note: Hotel is expected to have 142 rooms and expected month of opening is Oct-2019.

Aurika, Udaipur



Note: Hotel is expected to have 139 rooms and expected month of opening is Oct-2019.

Aurika, Udaipur



Note: Hotel is expected to have 139 rooms and expected month of opening is Oct-2019.

Aurika, Udaipur



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Aurika, Udaipur



Note: Hotel is expected to have 139 rooms and expected month of opening is Oct-2019.

Lemon Tree Premier – Kolkata | Image Representation



Lemon Tree Premier – Kolkata



Lemon Tree Premier – Kolkata



Lemon Tree Premier – Kolkata



Lemon Tree Premier – Kolkata



Lemon Tree Mountain Resort – Shimla | Image Representation



Lemon Tree Mountain Resort – Shimla



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

Lemon Tree Mountain Resort – Shimla



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

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 94 rooms to 671. 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 94 rooms to 671. 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

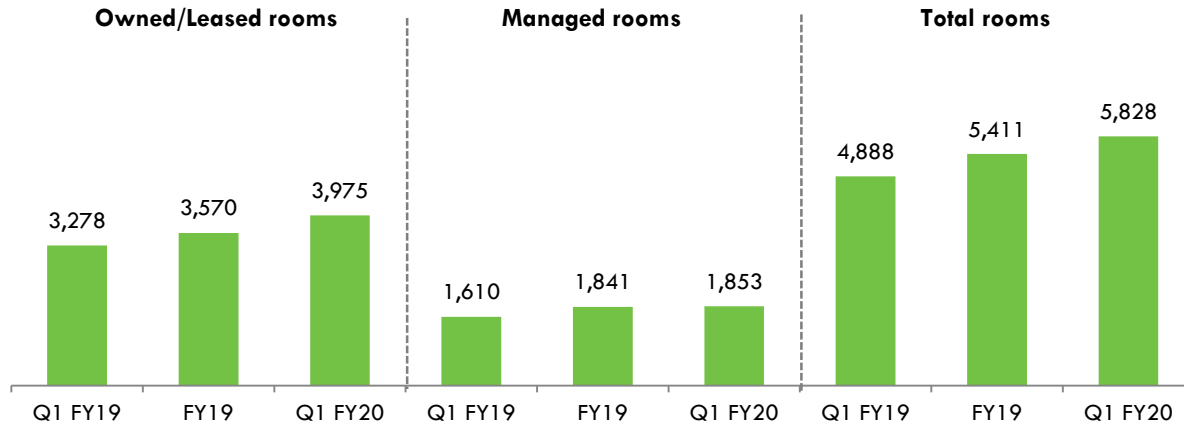


Lemon Tree Vembanad Lake, Alleppey, Kerala

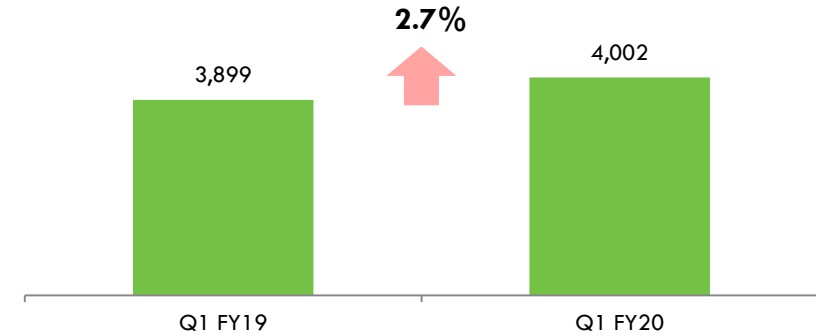
Latest Performance – Q1 FY20

Performance Highlights – Operational Metrics (Consolidated)

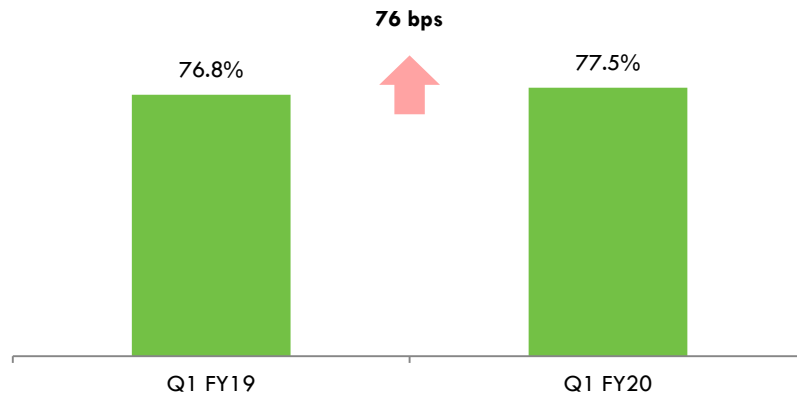
Operational Inventory



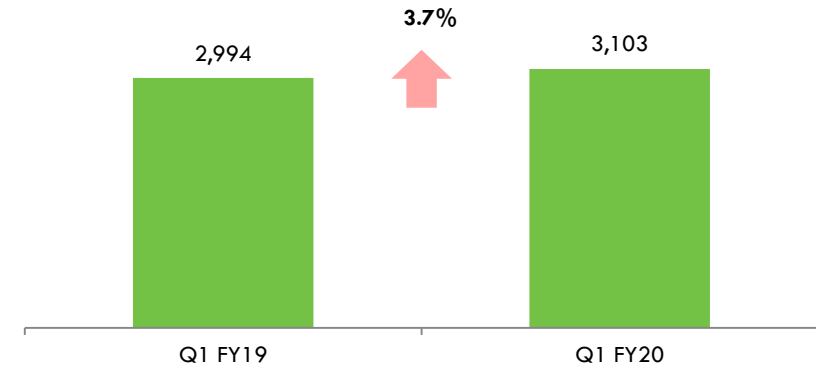
Average Daily Rate (Rs.)



Occupancy (%)

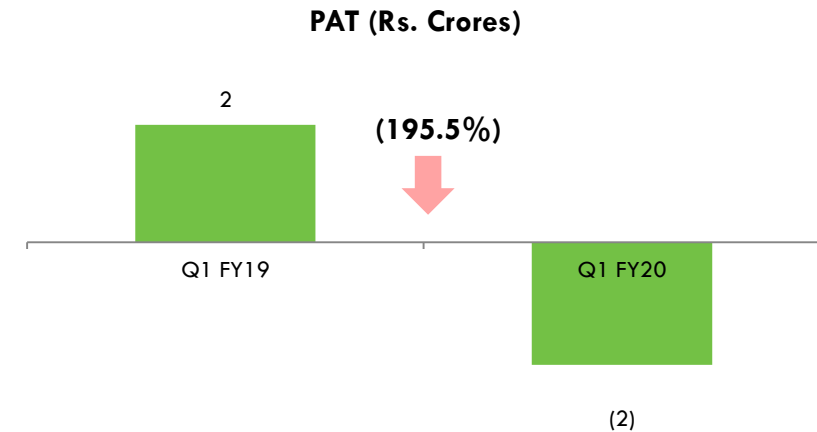
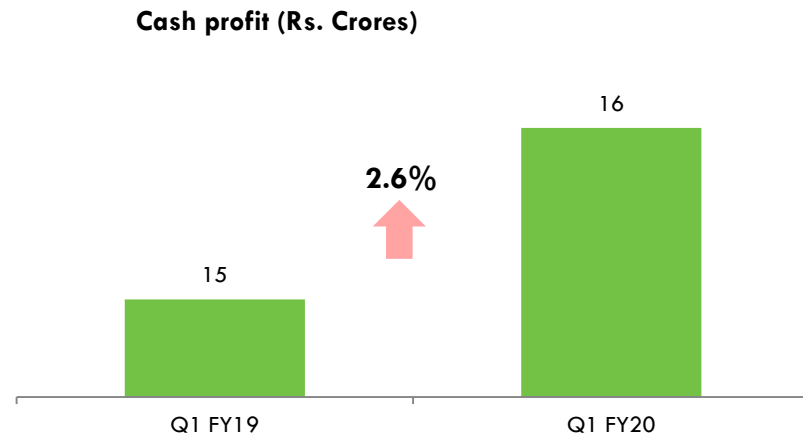
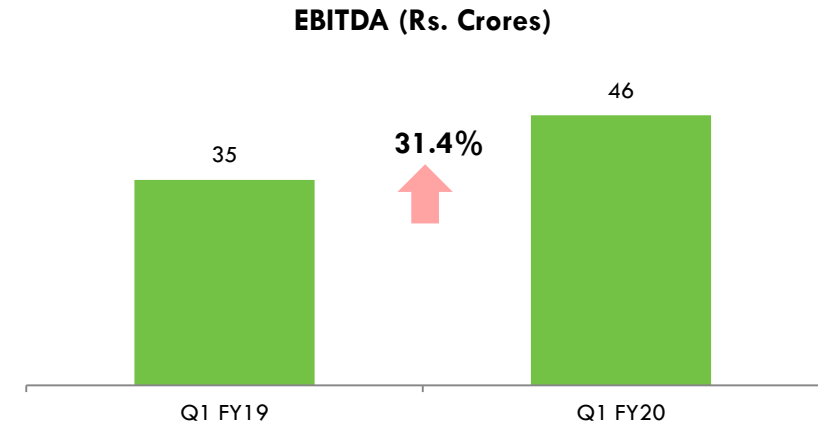
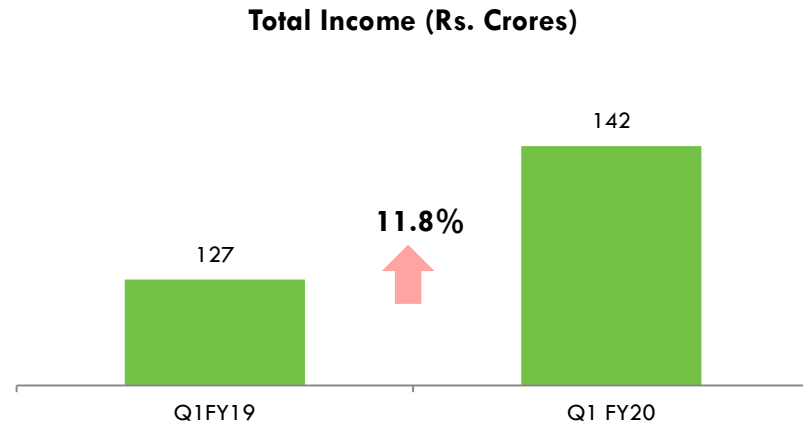


RevPAR (Rs.)



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

Performance Highlights – Financial Metrics (Consolidated)



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

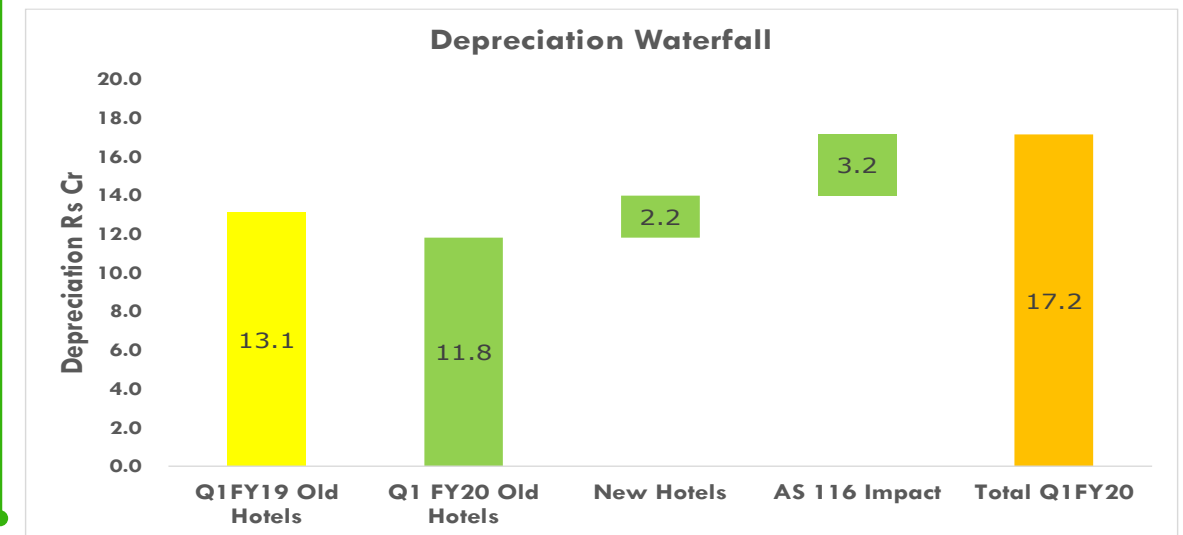
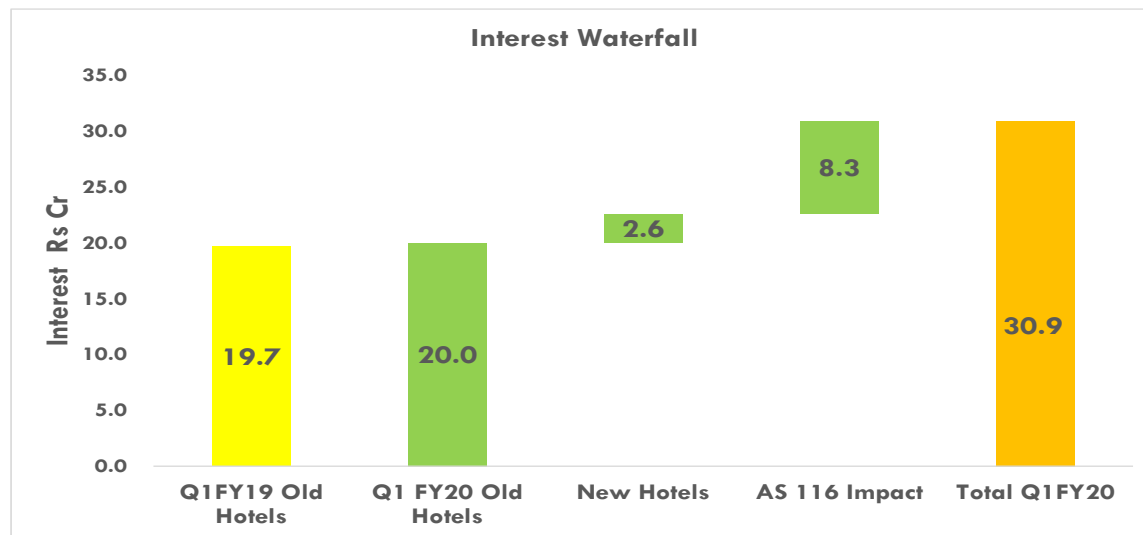
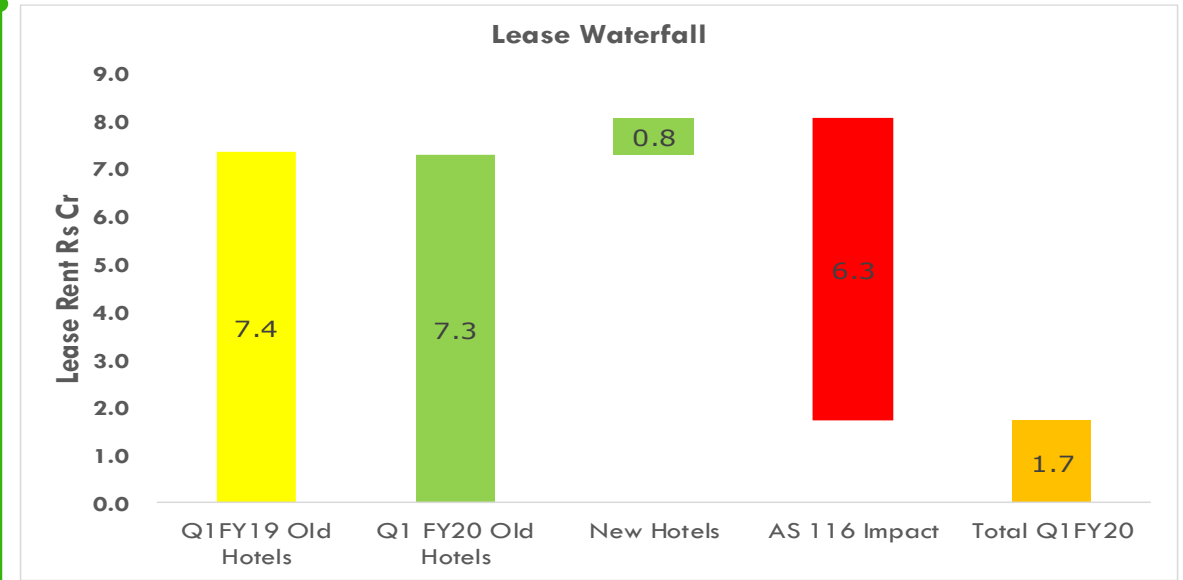
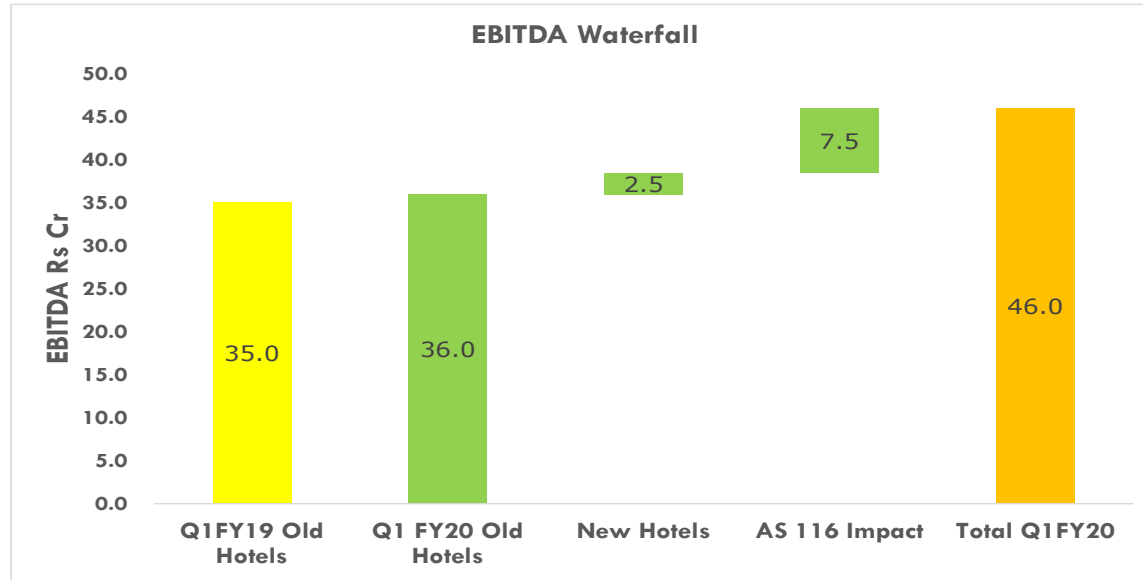
Profit & Loss Statement (Consolidated)

(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

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, Kerela 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		

Thank You