Mahindra Holidays & Resorts India Limited

Q3 FY17
Earnings Presentation
Jan 31, 2017



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Quarter Q3 FY17

Quarter Q3 FY17

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## Q3 FY17 Highlights

- Total income at Rs 274.80 Crores vs. Rs 243.15 Crores in Q3'16
- PAT (after other comprehensive income) at Rs 35.54
   Crores vs. Rs 31.01 Crores in Q3'16
- Added 4,436 members during the quarter
- Cumulative member base at 211K~



# Summary

Key indicators (no.)	Q3 FY 17	Q2 FY 17	Q3 FY 16	YOY
New Members - adde <mark>d</mark>	4,436	4,314	3,879	14.4%
Cumulative Members	~211 K	~207 K	~194 K	8.9%

Key indicators	Q3 FY 17	Q2 FY 17	Q3 FY 16	YOY
Income	27,480	26,146	24,315	<mark>1</mark> 3.0%
Expenses	21,949	21,225	19,726	<mark>11</mark> .3%
PBT	5,531	4,921	4,589	<mark>20</mark> .5%
PAT	3,572	3,287	3,101	<b>1</b> 5.2%
Other Compreshensive Income (net of tax)	(18)	(7)	-	
Total Comprehensive Income (after tax)	3,554	3,280	3,101	14.6%



# Income Break-up

Total Income	Q3 FY 17	Q2 FY 17	Q3 FY 16	YOY
Income from sale of VO	14,392	13,800	13,012	10.6%
ASF	5,192	5,505	4,258	21.9%
Resort Income	5,197	3,957	4,767	9.0%
Others	2,271	2,545	2,004	13.3%
Income from operation	27,052	25,807	24,041	<mark>12</mark> .5%
Non operating income	428	339	274	<mark>56</mark> .2%
Total Income	27,480	26,146	24,315	13.0%



## Resort Details

Resort Details	Q3 FY 17	Q2 FY 17	Q3 FY 16	YOY
No of Resorts	46	46	45	2%
No of Rooms	3004	3004	2879	4%
Occupancy %	85%	80%	81%	5%
ARR (in Rs)	4,811	4,153	4,785	1%

Resort Income	Q3 FY 17	Q2 FY 17	Q3 FY 16	YOY
Room	935	601	903	4%
F&B	3,328	2,596	2,962	12%
Holiday Activity & Others	934	760	902	4%
Total	5,197	3,957	4,767	9%



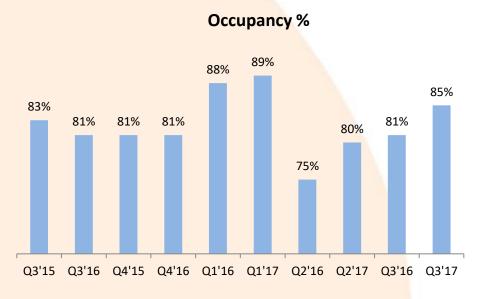
# Profit & Loss Statement (Standalone)

Particulars	Q3 FY 17	Q2 FY 17	Q3 FY 16
Income from operations	27,052	25,807	24,041
Non-operating income	428	339	274
Total income	27,480	26,146	24,315
Employee expenses	5,726	5,435	4,942
Sales & Marketing expenses	5,933	5,564	<b>5</b> ,199
Depreciation	1,541	1,527	1, <mark>700</mark>
Rent	2,128	2,139	1, <mark>9</mark> 02
Other expenses	6,621	6,560	<b>5,9</b> 83
Total expenditure	21,949	21,225	<del>19,</del> 726
PBT	5,531	4,921	4,589
PAT	3,572	3,287	3,101
Other Comprehensive Income (net of tax)	(18)	(7)	-
Total Comprehensive Income (after tax)	3,554	3,280	3,101



## Customer delight at every touch point





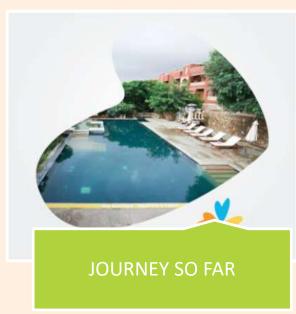


- Web & App penetration at 73% in Q3 FY17.
- For Q3 FY17, a 10% increase was observed in the number of unique members availing a holiday over the same period previous year.
- Steady Customers as Promoters Scores



### Contents







Introduction.



#### Overview

Established in 1996, Mahindra Holidays is today a leading player in the leisure hospitality industry in India. Our brand assures customers of an unfaltering quality and memorable family experiences

#### Our Credo

Make Every Moment Magical

#### **Our Mission**

• Good Living, Happy Families.



# Largest Leisure Hospitality Player, ahead of Taj

**20 years**, and we are the leading player in the Indian leisure hospitality industry

Rapidly growing customer base with over **210,000** members

With **46 beautiful resorts**, We offer an inventory of **3000+ rooms** 

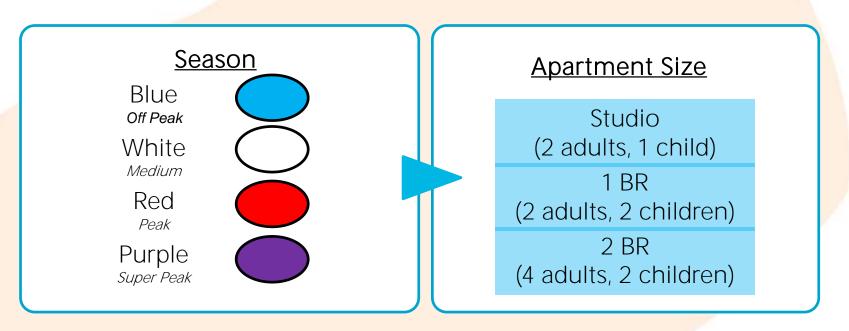
Our offer is evolving from just "Room Nights" to "Immersive Leisure Experiences"





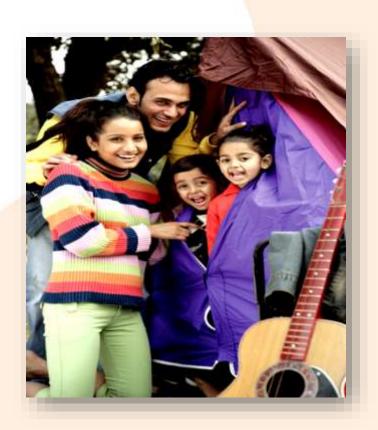
## Our CMH 25 year product

25 year memberships for 7 nights/8 days every year in any of our 46 resorts in India & abroad





## Our Target Member Profile



28+ years of age
Married; 1-2 children (Age 3-15 years)
SEC A+ & A
Owns a car

Appreciates quality family time
Takes regular vacation
Seeking variety
Plans in advance



#### Format Suited to Consumer Needs

#### Indian Consumer Needs

Flexibility of choosing time of holiday

Destination Variety: Won't go to the same place every year

Complete family experience Holidays with entire family

#### Our Product Design

"Floating Week" – members can choose from a wide range of time intervals in the year (Season Band)

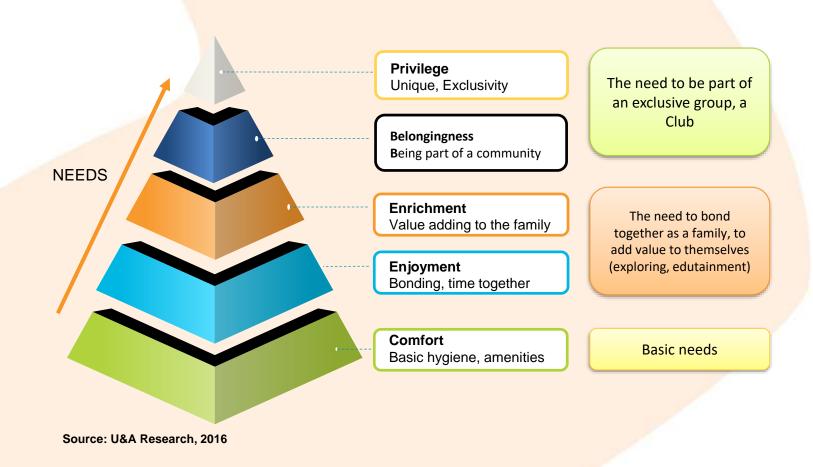
"Diversity of Resort locations" – members can holiday in any resort

Full Service Resorts. Cater to needs of all members in the family

Our Proposition different from conventional VO



# Research clearly establishes 3 levels of needs to be met through vacationing...





## Resort Diversity

#### **Hill Stations**

- Manali, Shimla, Srinagar
- Dharamshala, Kanatal, Binsar
- Mussorie, Kandaghat, Naukuchiatal,
- Munnar, Ooty, Kodaikanal, Coorg, Virajpet
- Gangtok, Baiguney
- Mahabaleshwar, Lonavala, Hatgarh

#### Wildlife

- Corbett
- Gir
- Kanha
- Yercaud,
- Thekkady

#### Beaches

- Varca, Goa
- Emerald Palms, Goa
- Acacia Palms, Goa
- Cherai
- Pondicherry
- Ganapatipule

#### Forts & Heritage

- Kumbhalgarh
- Udaipur
- Jaisalmer
- Jaipur

#### Backwaters

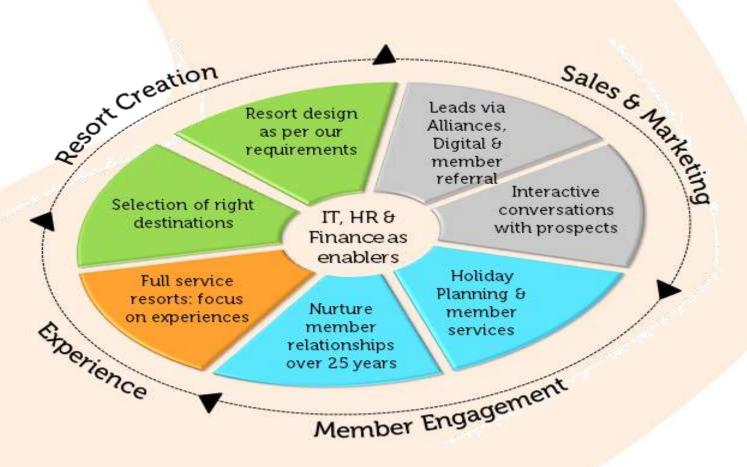
- Ashtamudi
- Kumarakom
- Poovar
- Allepey

#### International

- Bangkok
- Innsbruck (Austria)
- Kuala Lumpur
- Dubai



## Fully Integrated Value Chain





#### A 360 Campaign bringing to life what

#### The family can experience 'ONLY AT' Club Mahindra



Journey so fair



## Club Mahindra by Numbers

- Part of the leisure & hospitality sector of 17 Billion USD Mahindra Group
- Currently in its 20<sup>th</sup> year of operation (Founded in 1996)
- Along with HCR number 1 Vacation Ownership Company outside of the USA
- 46 resorts in India and internationally
- Inventory of 3000+ rooms as of Dec 16
- Over 2,00,000 members
- 4000+ affiliated resorts across the globe through RCI
- 85% resort occupancy in YTD Dec-16
- 6000+ Employees
- Top line growth of 10.7% and bottom line growth of 18.4% in YTD Dec-16 vs YTD Dec 15



#### Consistent Increase in Member Base

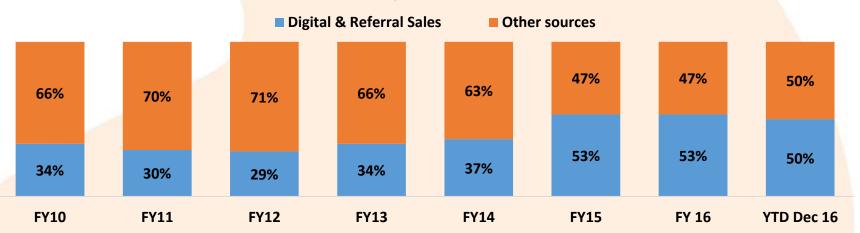


- Geographical expansion and channel partners in tier 2 cities
- Focus on international markets of Middle East (UAE, Oman, Kuwait, Qatar etc.)
- Increasing contribution of resorts as a channel for new sales
- Emphasis on pull based approach towards prospects



## Growth through Digital & Referrals

#### Sales Mix by source of lead



- Segmented approach towards member referral generation
- Sharper digital targeting
- 'Heart to Heart' scale up and enhanced engagement with members
- Innovative and Aspirational offers for the prospects
- Use of 'Above the Line' medium for communication
- These initiatives have helped us in creating & maintaining 'Pull Leads' for our product



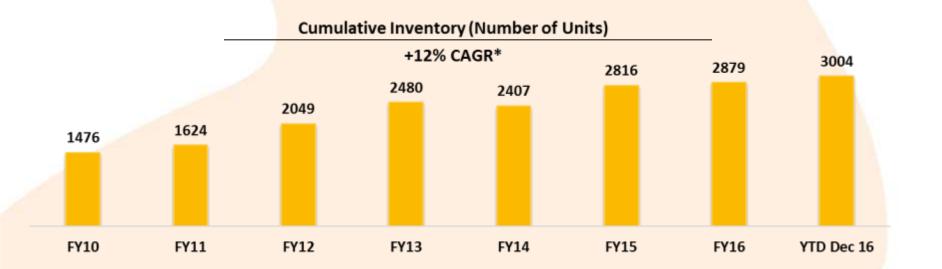
#### Growth in International Markets



- Focus on international markets is beginning to pay-off
- Leveraging right business partnerships
- High engagement alliances leading to better conversions
- Base location as UAE with partners in Bahrain, Qatar, Oman, Saudi Arabia, Australia, New Zealand, Tanzania & Kenya



## Ensuring Healthy Inventory Addition

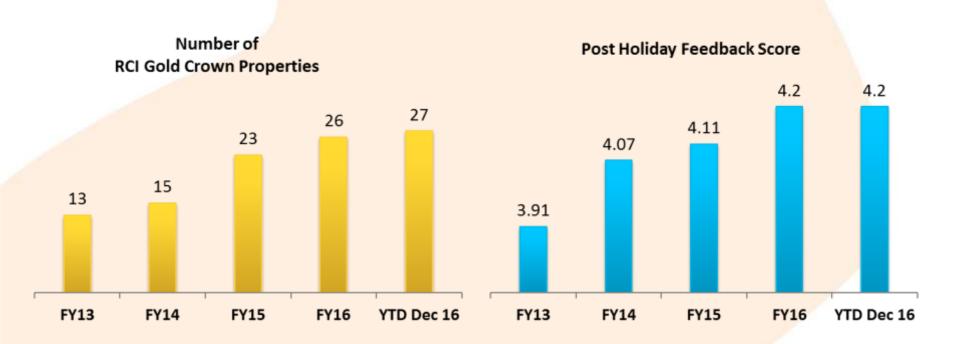


 Planned inventory addition (own construction) of around 600 units in the next few years.

<sup>\*</sup> CAGR from FY10 to FY16



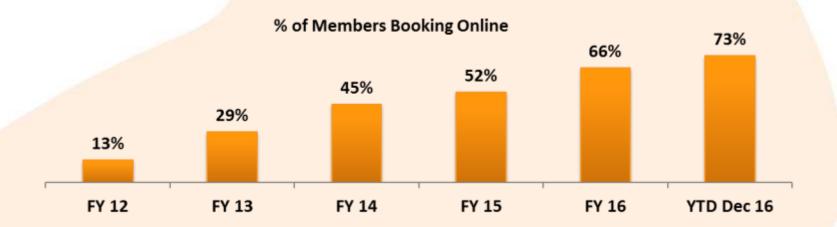
## Continuously Enhancing Customer Experience





## Seamless Online Booking Experience

Launched Complete online booking solution for members in Dec 2011



#### Online Booking features

- 1. Instant booking in 4 simple steps
- 2. Customized Offers based on member holidaying habits



## Improving Customer Satisfaction



\*CAPS score is determined by IMRB



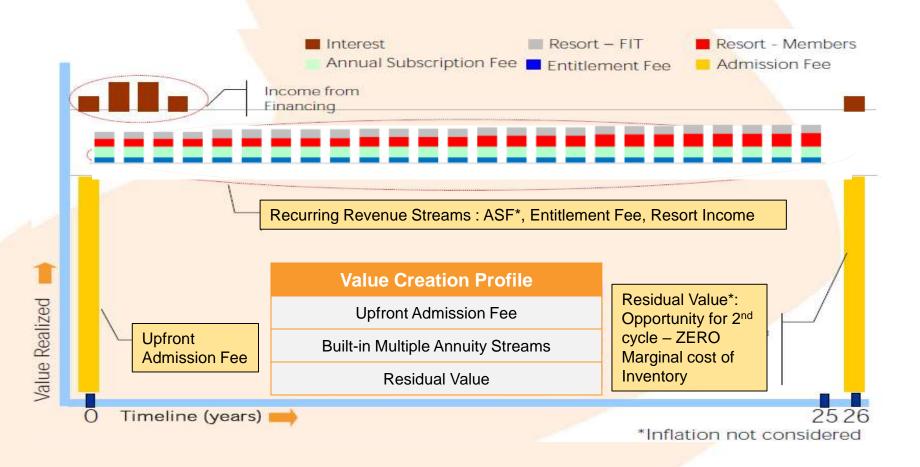
## Basis of our Inventory Model

- Large format resorts owned, rest leased
- Why leasing?
  - Testing destination: Ganapatipule, Srinagar
  - Completing circuits: Kerala, Himachal
  - Restriction on fresh regulatory approvals (Mahabaleshwar, Gir)
- From a financial perspective
  - Attractive rentals locked-in for long-term.

Financial Performance



#### Revenue Model





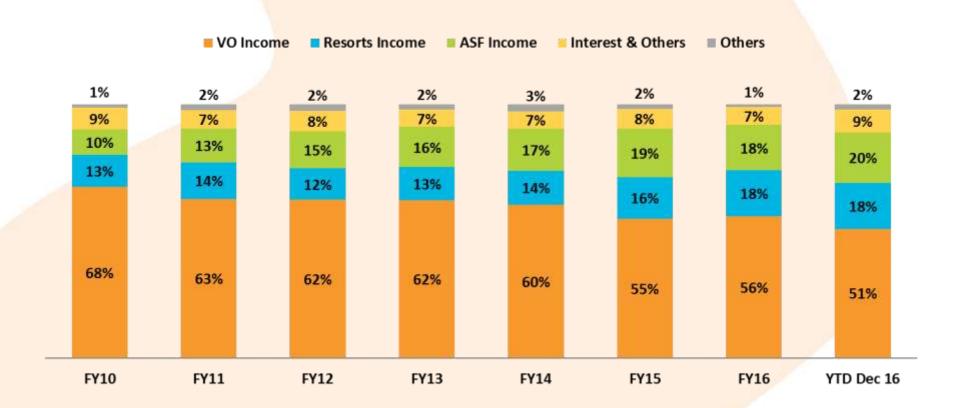
### Total Income

#### Total Income (in Lacs) +11% CAGR



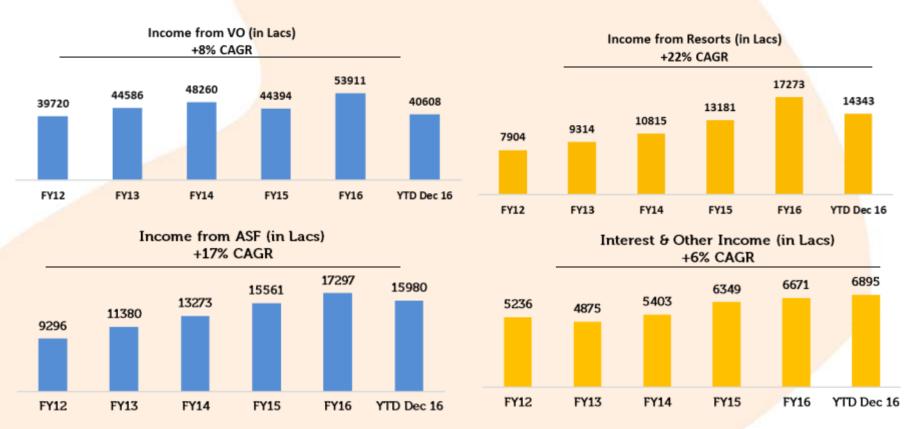


#### Revenue Mix





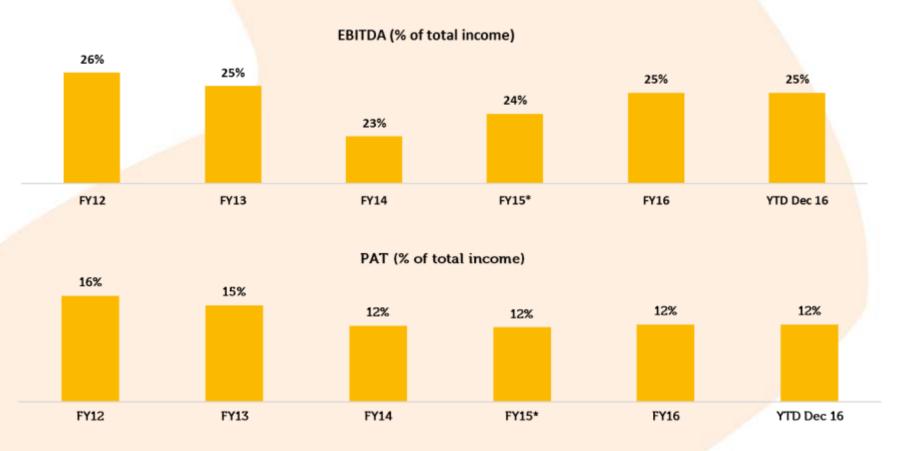
#### Consistent Financial Performance



<sup>\*</sup> CAGR from FY12 to FY16



#### Consistent Financial Performance



<sup>\*</sup> Before exceptional item

## Thank you

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