

November 10, 2020

**National Stock Exchange of India Limited**

Exchange Plaza  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai 400 051.

**Scrip Code: CHALET**

**BSE Limited**

Corporate Relationship Department  
1<sup>st</sup> Floor, New Trading Ring,  
Dalal Street, Fort,  
Mumbai 400 001.

**Scrip Code: 542399**

Dear Sir / Madam,

**Subject: Investor / Analyst Presentation in respect of the Financial Results for the quarter and six months ended September 30, 2020**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we are attaching herewith a copy of the presentation prepared by the Company for the earnings call scheduled with the Investors / Analysts to be held on Wednesday, November 11, 2020 at 11.00 a.m., in relation to the Unaudited Standalone and Consolidated Financial Results for the quarter and six months ended September 30, 2020, which have been approved by the Board of Directors of the Company at its meeting held today, i.e. on November 10, 2020 in accordance with the provisions of Regulation 33 of the Listing Regulations.

We request you to take the above information on record.

Thanking You.

Yours faithfully,

**For Chalet Hotels Limited**



**Christabelle Baptista**  
**Company Secretary & Compliance Officer**



Encl.: As above



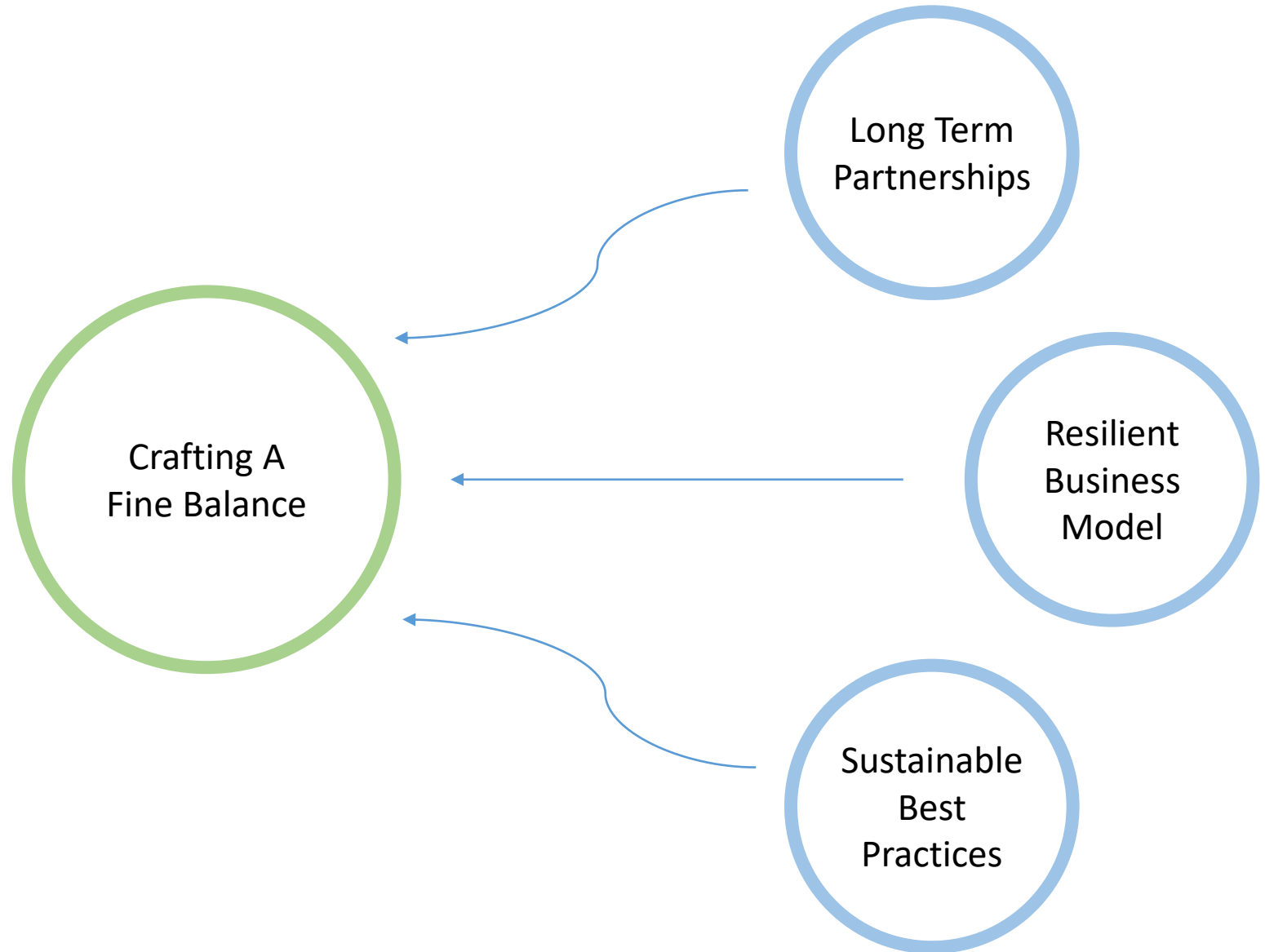


# Presentation

Q2FY21  
November 2020



# What Defines Us



# Update on Navigating COVID-19





## Projects

- All projects, with the exception of lobby renovation work at Renaissance, on hold. Further action plans would be evaluated during the course of the year.

## Lower Costs

- AMCs renegotiated to generate savings.
- Novotel Pune and Four Points Vashi closed during lockdown to save costs.
- Implemented complete hiring freeze across portfolio with effect from February 2020
- Agreements for Contractual staff not renewed upon expiry, resulting in 86% reduction in contractual staff by end of March 2020 itself.

## Extend Support to authorities fighting COVID

- RHI and JWS offered rooms to BMC medical teams engaged in fighting COVID;
- Distributed meals and PPE to local authorities fighting COVID.
- Rooms offered at Renaissance & JW Sahar to asymptomatic guests arriving on Vande Bharat flights.

## Reboot

- All hotels opened with full room inventory
- F&B including Banquets restarted in all hotels
- Steady growth in demand in all segments

## Reinvent

- Achieved **62%** reduction in total cost base at the entity level for the H1FY21 Vs H1FY20. Initiatives started in early February
- Staff to room ratio at **0.75** (vs 1.17 LY). 15% reduction in payroll costs QoQ. **43%** reduction for H1FY21 Vs H1FY20.
- Improved efficiencies:
  - Centralised finance function for 5 hotels;
  - Outsourcing Services to lower costs - Laundry service and transport fleet outsourced
- Health, Hygiene and Safety protocols '*ALLSafe*' & '*Commitment to Clean*' rolled out by Accor & Marriott respectively
- Lowered fixed HLP costs by revising Contracted Demand. Overall **7%** sequential QoQ reduction in costs & **58%** reduction in H1FY21 Vs H1FY20
- Tech innovations and digital solutions
  - App based '*Mobile Key*' underway to facilitate Touch-less entry into guest rooms
  - QR code-based services introduced facilitating Touchless/Contactless experience

## Race Ahead

- Roll over of RFP rates to the next calendar year by Marriott and Accor
- Significant increase in domestic contracts negotiated
- Strengthen partnerships with leading OTAs for increase in retail business
- Contracts signed with several international airlines for crew stay
- Significant revenue generated from new categories like Special Purpose Groups (SPGs), Seafarer groups, Cargo airline crews, Business Continuity Planning (BCP) rooms etc.
- Encouraging traction on special packages for workcations and staycations
- Food deliveries/Takeaways - Tie-ups with App based food delivery operators like Swiggy, Zomato, MMT & Amazon. 40% growth in months of Sep & Oct Vs July & August 2020 – Marriott on Wheels for Chalet Portfolio
- Working on leasing out unused and alternate use of spaces in hotels
- Leveraging outdoor spaces in hotels to promote alfresco dining and banquet events
- Leveraging brand relationships with Bollywood community for getting business from shooting units

**Some key initiatives driven through engagement with state and central governments through industry associations and/or individually.**

**Key wins in Maharashtra:**

1. Monthly flexibility of contracted demand for power costs in Maharashtra a huge relief for hotels
2. 3 month waiver of property tax in Mumbai for hotels under kindness package
3. Maharashtra government has brought down hotel construction licenses from 70 to 10 with 5 year validity
4. A strong effort to get Industry benefits for hotels bore fruits in Maharashtra with the state government announcing industry benefits and industry tariff application for electricity rates, electricity duty, water and property tax

We plan to push for similar benefits in other states that we operate in.



Strong demand for good quality new Grade A office spaces in the medium term



**The Commercial Tower in Renaissance Complex, Powai is a premium office space of ~0.75 msf.**

Project work that had stopped from March 2020, has been restarted on 1 October 2020.

**The Commercial Tower in Marriott Complex, Whitefield, Bengaluru is a premium office space with leasable area of ~0.45 msf.**

Project work that had stopped from March 2020, will be restarted shortly.



# Business Performance

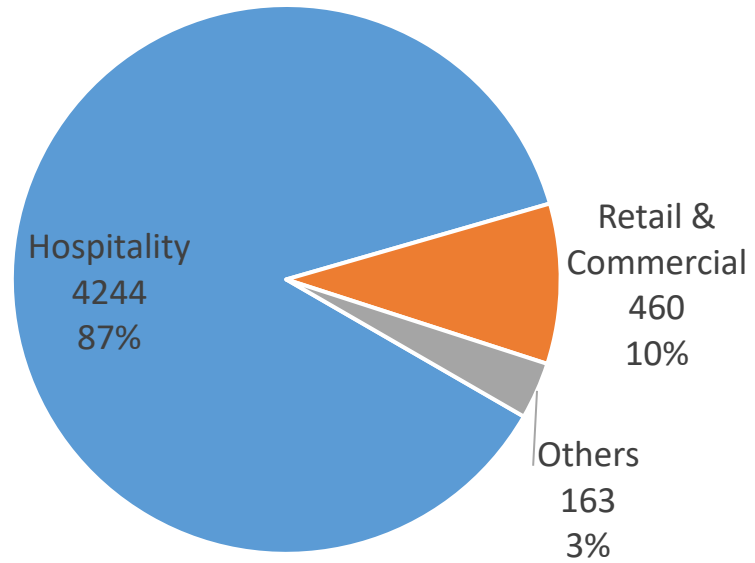


# Revenue Contribution

Steady contribution from Mixed-use development despite market conditions

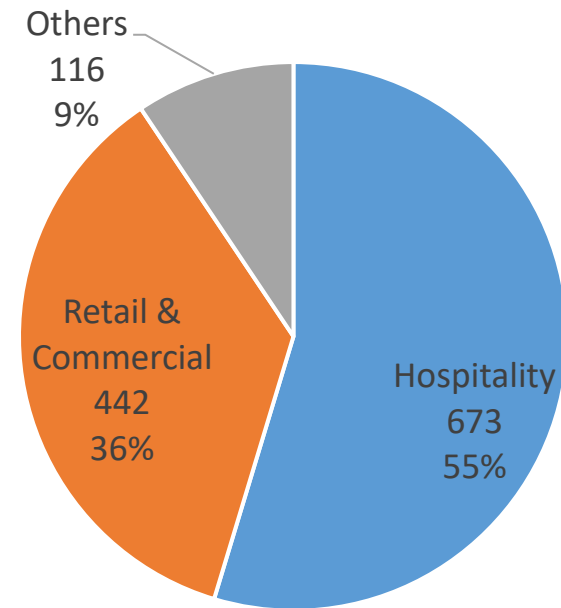
(In Rs. Mn)

**H1FY20 Revenue**



■ Hospitality ■ Retail & Commercial ■ Others

**H1FY21 Revenue**



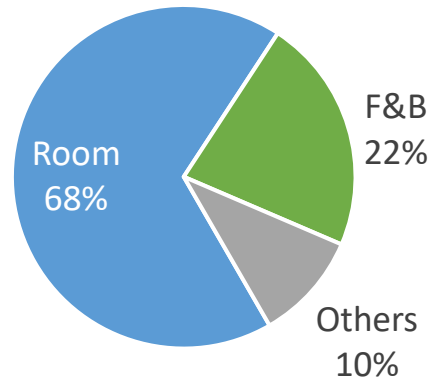
■ Hospitality ■ Retail & Commercial ■ Others



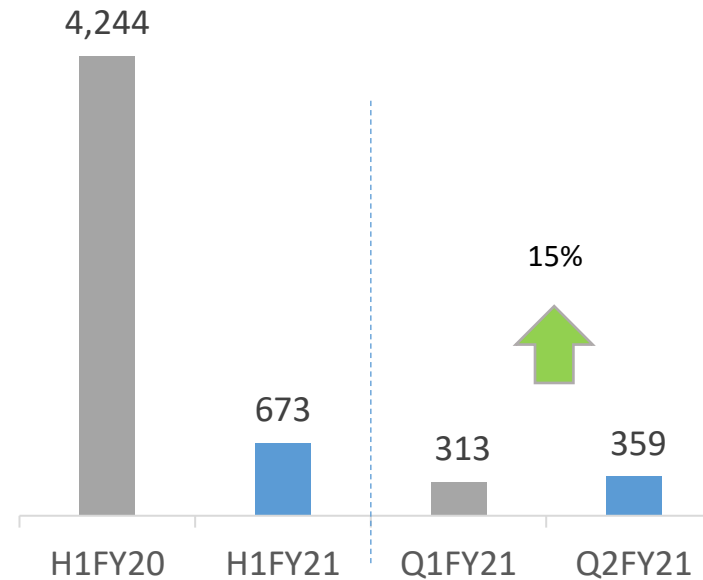
Steady sequential improvement on quarterly performance

(In Rs. Mn)

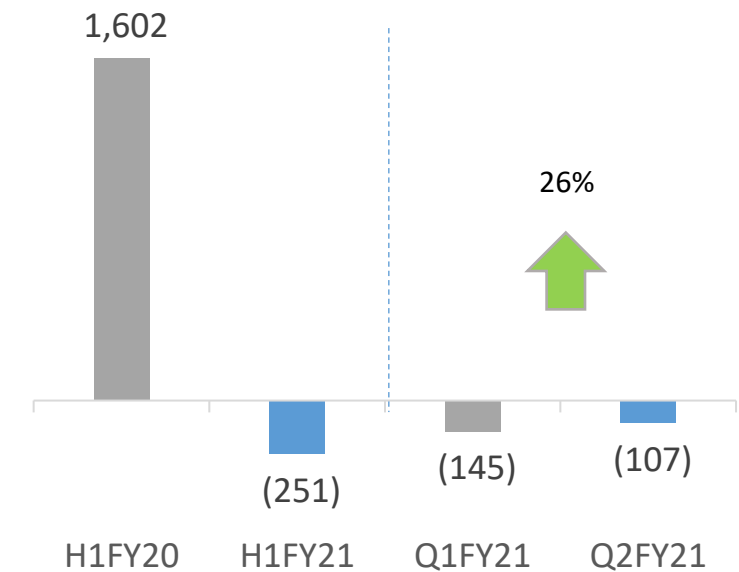
## Revenue Break-up H1FY21



## Revenue



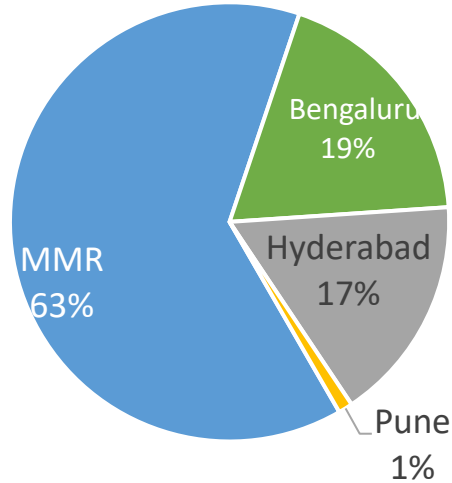
## Segment Profit\*



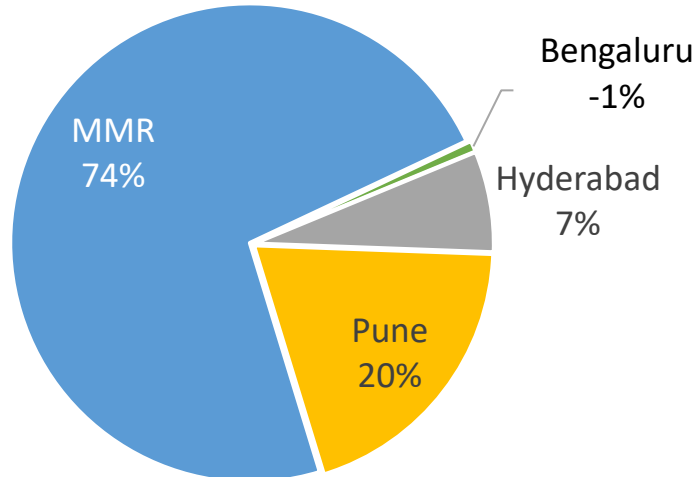
\* Segment Profit has been calculated before Interest Depreciation and Tax. Forex gain/ loss is Nil for both the current period and the previous period.

# Hospitality City-wise performance

H1FY21 Revenue Rs. 673 Mn



H1FY21 Segment Loss\* Rs. 251 Mn



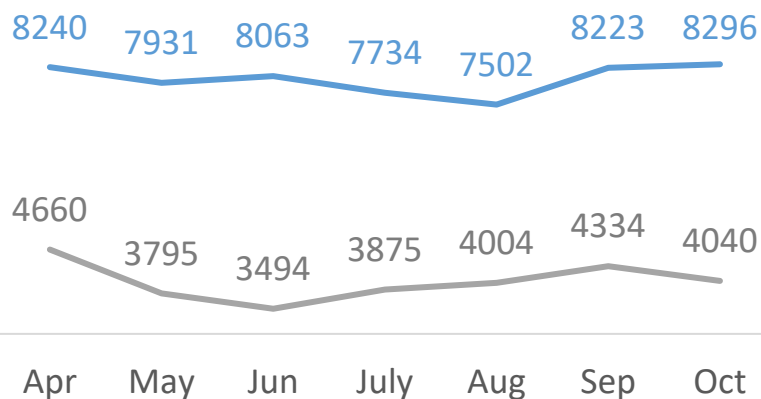
	Q2FY21	Q2FY20	YoY %	H1FY21	H1FY20	YoY %
<b>ADR (Rs.)</b>						
MMR	3,812	7,611	-50%	3,719	7,735	-52%
Bengaluru	5,337	8,543	-38%	5,292	8,686	-39%
Hyderabad	4,726	7,809	-39%	4,223	7,967	-47%
Pune	2,930			2,930		
<b>Combined</b>	<b>4,030</b>	<b>7,815</b>	<b>-48%</b>	<b>3,948</b>	<b>7,947</b>	<b>-50%</b>
<b>Occupancy %</b>						
MMR	33%	73%	-4,000 bps	32%	74%	-4,200 bps
Bengaluru	20%	80%	-6,000 bps	20%	79%	-5,900 bps
Hyderabad	9%	72%	-6,300 bps	14%	75%	-6,100 bps
Pune	7%			4%		
<b>Combined</b>	<b>25%</b>	<b>74%</b>	<b>-4,900 bps</b>	<b>24%</b>	<b>75%</b>	<b>-5,100 bps</b>
<b>RevPAR (Rs.)</b>						
MMR	1,272	5,577	-77%	1,186	5,690	-79%
Bengaluru	1,050	6,848	-85%	1,033	6,865	-85%
Hyderabad	442	5,644	-92%	576	5,952	-90%
Pune	214			108		
<b>Combined</b>	<b>1,007</b>	<b>5,802</b>	<b>-83%</b>	<b>967</b>	<b>5,935</b>	<b>-84%</b>

\*Segment Loss before Interest Depreciation and Tax

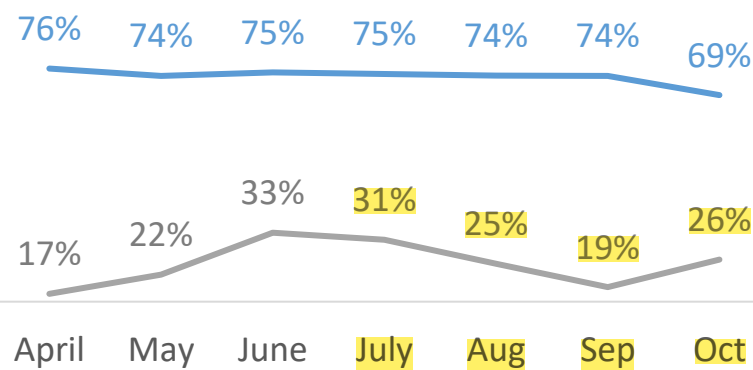
MMR: Mumbai Metropolitan Region

# Hospitality Performance: Monthly Apr – Oct 2020

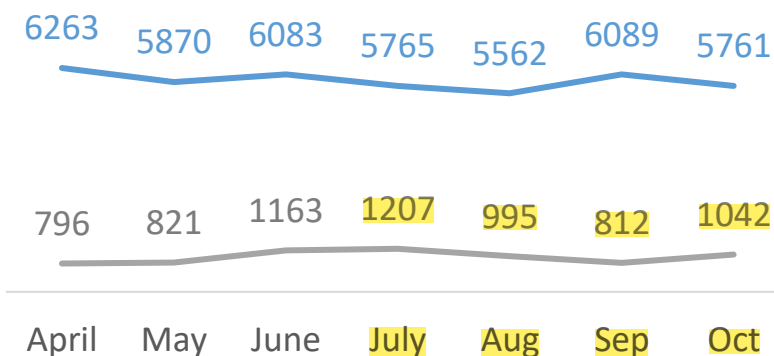
ADR\*



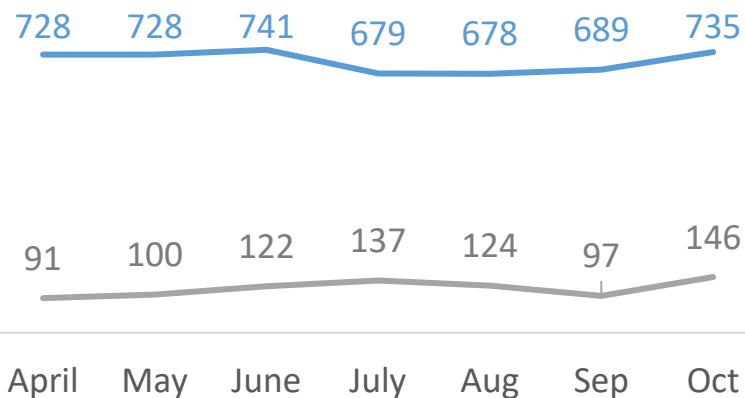
Occupancy %\*



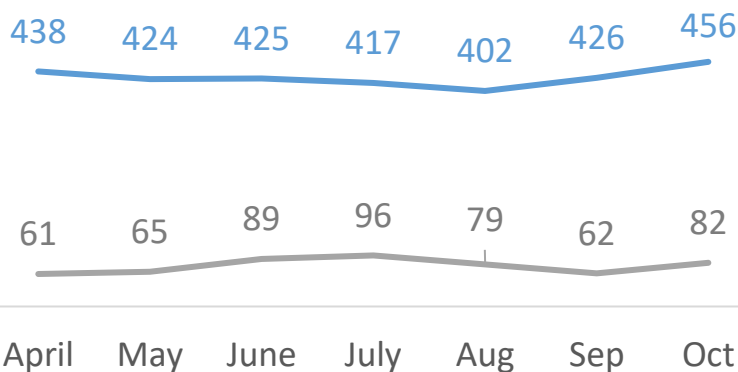
RevPAR\*



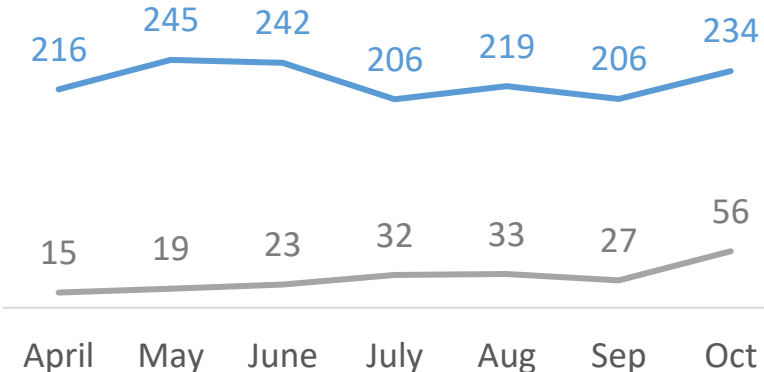
Total Revenue



Room Revenue



F&B Revenue (In Rs. Mn)



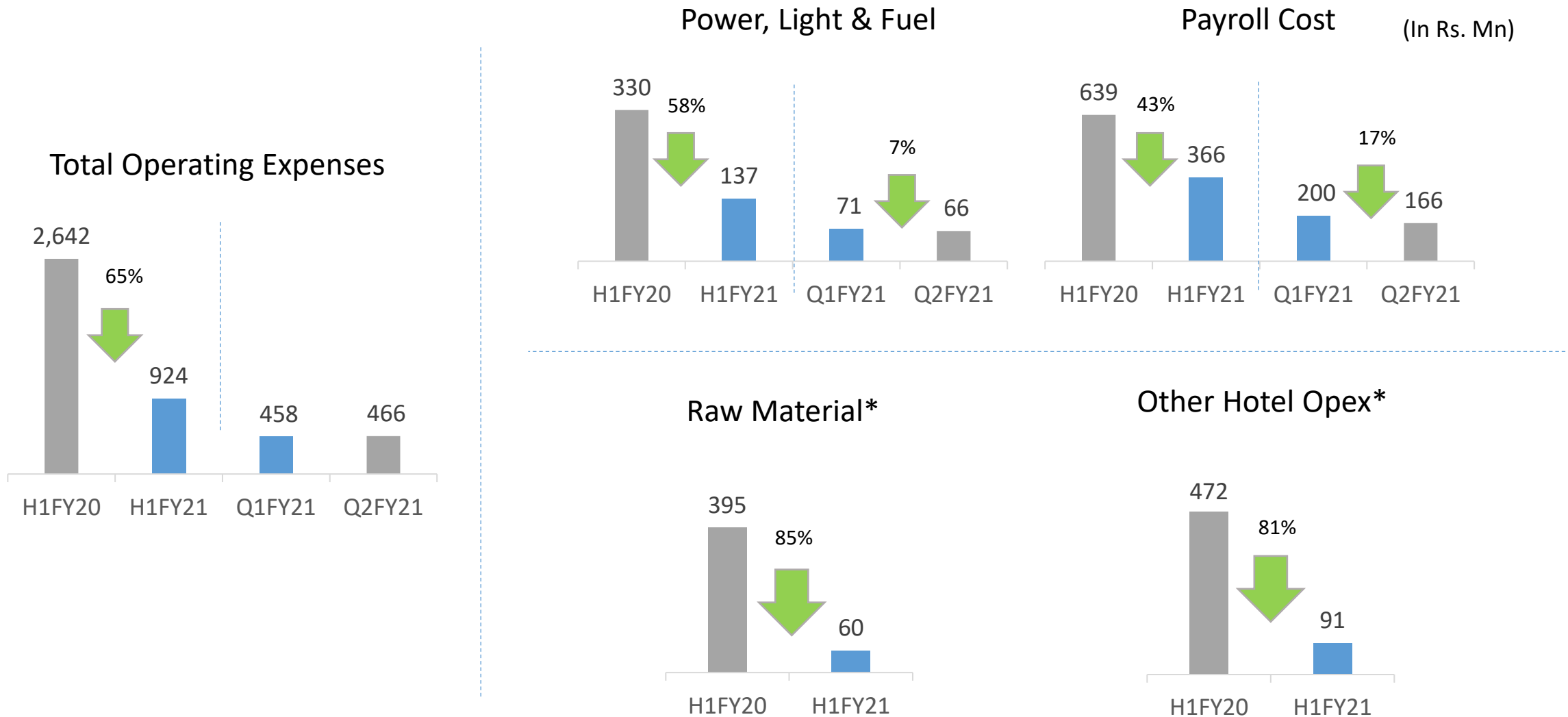
— H1FY20 — H1FY21

\* ADR, Occupancy % and RevPAR has been calculated on total inventory



# Hospitality cost savings

Efficiency in cost base maintained sequentially across Fixed & Variable Costs



\* Linked to hotel operating levels

Other Opex includes buyout labour & manpower costs, commissions, operating supplies and other hotel opex

## Steady rental from Commercial portfolio

(In Rs. Mn)

	H1FY21	Q2FY21	Q1FY21
Lease Rent	368	192	176
SLM	74	37	37
Total Revenue	442	229	213
EBITDA	342	169	173
<i>Margin %</i>	77%	74%	81%

### Updates as of September 2020:

- **Sahar Office Tower**
  - Fully Leased
  - Rentals received as per terms
- **The Orb: Sahar Retail**
  - 15 stores + 1 Kiosk operational
- **Inorbit Mall, Bengaluru**
  - 60 out of 77 stores are open
  - Gradual pick up in footfalls

# Consolidated Profit / Loss Statement

(In Rs. Mn)

Particulars	Q2FY21	Q1FY21	QoQ%		Q2FY20	YoY%	H1FY21	H1FY20	YoY%
<b>Total Income</b>	<b>641</b>	<b>589</b>	9%	↑	<b>2,405</b>	-73%	<b>1,231</b>	<b>4,867</b>	-75%
Total Expenditure	611	586	4%		1,538	-60%	1,198	3,146	-62%
<b>EBITDA</b>	<b>30</b>	<b>3</b>	901%	↑	<b>867</b>	-97%	<b>33</b>	<b>1,721</b>	-98%
<i>Margin %</i>	<i>4.64%</i>	<i>0.50%</i>			<i>36.04%</i>		<i>2.66%</i>	<i>35.36%</i>	
Depreciation and Amortisation	297	296			284		593	565	
Finance costs	393	401	-2%		369	7%	794	726	9%
Exceptional items <sup>1</sup>	(11)	(10)			(14)		(21)	(25)	
<b>(Loss)/Profit before income tax</b>	<b>(671)</b>	<b>(704)</b>			<b>200</b>		<b>(1,375)</b>	<b>405</b>	
Tax Expense <sup>2</sup>	(244)	(311)			97		(554)	163	
<b>(Loss)/Profit for the year</b>	<b>(427)</b>	<b>(394)</b>			<b>103</b>		<b>(821)</b>	<b>242</b>	
Other comprehensive (expense)/income	3	(3)			(2)		1	(4)	
<b>Total Comprehensive Income</b>	<b>(424)</b>	<b>(397)</b>			<b>101</b>		<b>(821)</b>	<b>238</b>	
<b>EPS (Rs.)</b>	<b>*(2.08)</b>	<b>*(1.92)</b>			<b>*0.50</b>		<b>*(4.00)</b>	<b>*1.18</b>	

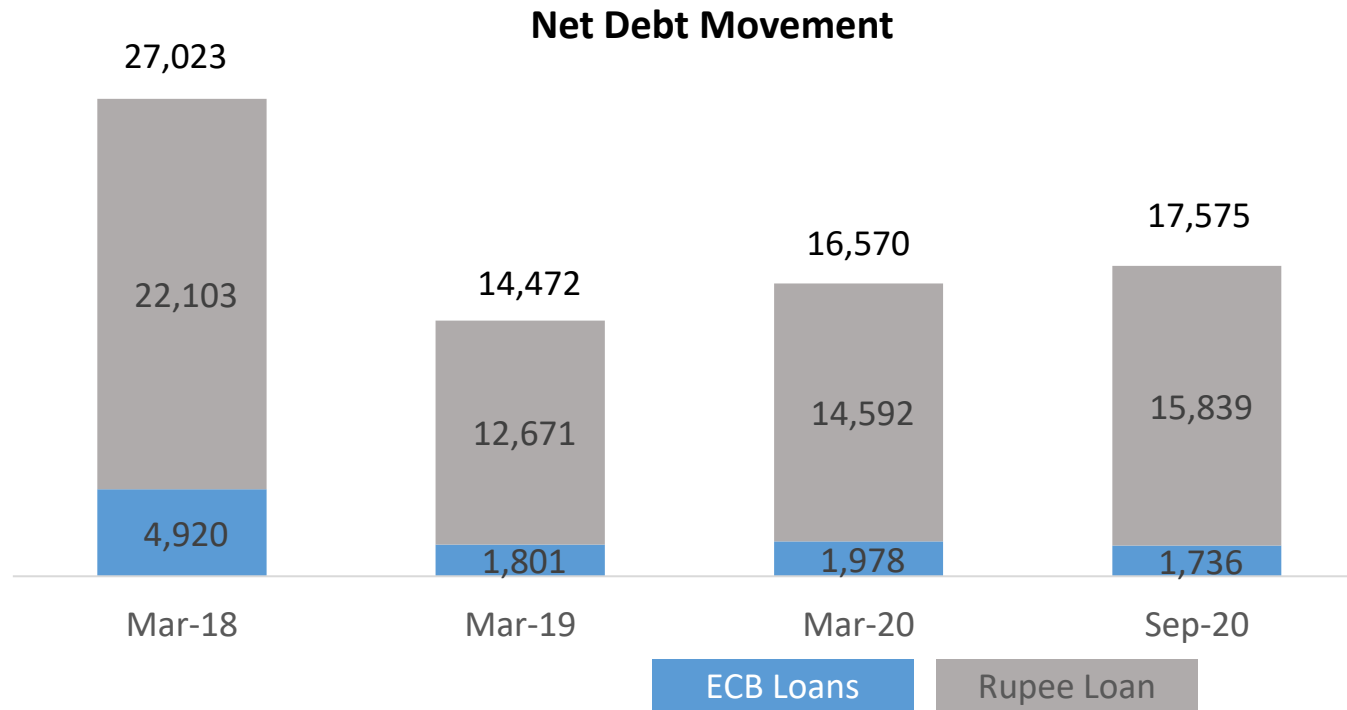
\*not annualized

<sup>1</sup> Exceptional Item on account of accounting adjustments for Residential Property at Koramangala Bangalore

<sup>2</sup> on account of deferred tax credit of Rs. 244 million on the business losses incurred during the quarter ended 30 September 2020. The cumulative deferred tax credit recognized on business losses for the half year ended 30 September 2020 is Rs. 490 million and also accounted for the reversal of the provision for tax for the earlier year aggregating to Rs. 65 million



# Net Debt Position



	Mar-20	Sep-20
<b>Gross Debt</b>	<b>17,907</b>	<b>18,023</b>
Liquidity	1,337	448
<b>Net Debt</b>	<b>16,570</b>	<b>17,575</b>

Consolidated	Mar-2018	Mar-2019	Mar-2020	Sept-2020
<b>Cost of Debt</b>	<b>8.2%</b>	<b>9.72%</b>	<b>9.38%</b>	<b>8.74%</b>
<b>USD:INR</b>	<b>65.04</b>	<b>69.17</b>	<b>75.39</b>	<b>73.80</b>

# Consolidated Balance Sheet Statement

(In Rs. Mn)

Particulars	Sept 30, 2020	March 31, 2020
<b>Fixed Assets</b>	<b>22,330</b>	<b>22,825</b>
Capital Work in-progress	1,095	875
<b>Investment Property</b>	<b>7,177</b>	<b>7,138</b>
Goodwill	226	226
Other Non-Current assets *	2,879	2,428
Cash and Cash Equivalents	448	1,337
Current Assets	5,065	5,299
<b>TOTAL ASSETS</b>	<b>39,220</b>	<b>40,128</b>
<b>Total Equity</b>	<b>14,728</b>	<b>15,543</b>
<b>Total Gross Debt</b>	<b>18,023</b>	<b>17,907</b>
Preference Capital	1,150	1,108
Other Non-Current Liabilities	568	629
Current Liabilities	4,751	4,941
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>39,220</b>	<b>40,128</b>

\* Includes deferred tax assets of Rs. 1,294 mn and Income Tax (net of provisions) Rs. 699 mn

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# About Chalet..



# Well Positioned to Benefit from Industry Trends

## About the Company



### Located in High Density Business Districts

Mumbai, Bengaluru, Hyderabad, Pune



**INR 10,090 Mn**

Total Income – FY2020



**INR 3,645<sup>1</sup> Mn / 36.1%**

EBITDA and EBITDA Margin – FY2020

## Portfolio of High-End Branded Hotels



**2,554 Operational**

Keys as of June July 31, 2020\*

\*223 keys of Novotel Pune not operational as on July 31, 2020



**INR 8,755 Mn**

Hospitality Revenue – FY2020



**INR 3,375<sup>2</sup> Mn / 39.0%**

Hospitality Segment Profit before Interest Depreciation and Tax / Margin % – FY2020

## Hotel-led Complementary Mixed-Use Real Estate – Countering Cyclicalities of Hotels



**~483K sq.ft.**

Mixed-Use Commercial & Office



**~384K sq.ft.**

Mixed-Use Retail Space



**1.2 MM sq.ft.**

Pipeline Mixed-Use Commercial Office- The work is currently on hold and would be evaluated during the year

<sup>1</sup> Includes Exchange loss of Rs 18 mn

<sup>2</sup> Includes Exchange loss of Rs 17 mn



# Our Hotel Portfolio



Novotel Pune Nagar Road Hotel  
(223 Keys)



JW Marriott Mumbai Sahar  
(588 Keys)



Bengaluru Marriott Hotel Whitefield  
(391 Keys)



The Westin Hyderabad Mindspace (427  
Keys)

## Strategically Chosen Brands at Key Locations

### Leading to Market Leadership



Four Points by Sheraton Navi  
Mumbai, Vashi (152 Keys)



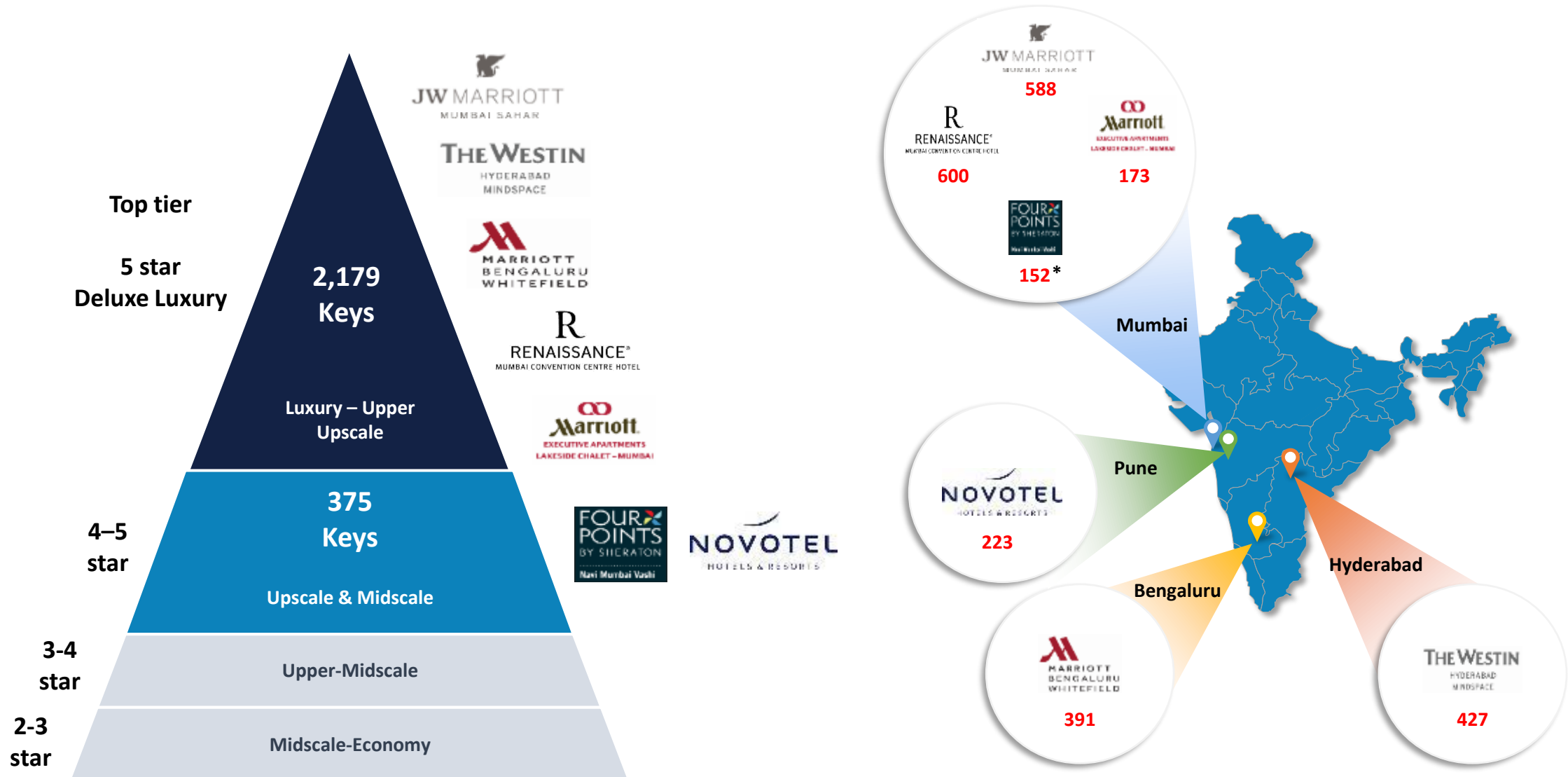
Renaissance Mumbai Convention Centre Hotel (600 Keys)



Lakeside Chalet, Mumbai-Marriott Executive  
Apartments (173 Keys)



# Portfolio of High-End, Globally Recognized, Branded Hotels

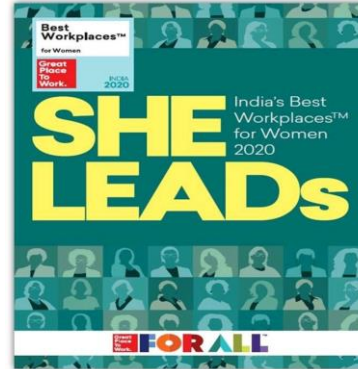


\* Under Franchise Agreement, Leasehold Land

# Key Awards



Chalet has been ranked 16<sup>th</sup> in 'India's Great Mid-size Workplaces' by Great Place to Work® Institute India



Chalet has been recognized amongst 'India's 100 Best Workplaces for Women – 2020' by Great Place to Work® Institute India



Asian Kitchen

Congrats, you're a 2020

Travellers' Choice Winner



Congratulations Asian Kitchen on being a Travellers' Choice Winner. Each year, we comb through reviews, ratings, and saves from Travellers everywhere, and use that info to award the very best. You're part of an exclusive group, and we want to help you celebrate (and promote) this major accomplishment.

Asian Kitchen, Four Points by Sheraton, Vashi was awarded Travellers' Choice Winner 2020 by Tripadvisor



J W Marriott Mumbai, Sahar winner of Travellers' Choice 2020 by Tripadvisor



Marriott Bangalore Whitefield voted "Best of the Best" 2020 by Tripadvisor



Best Buffet Restaurant - Premium Dining - Lake View Café (Suburbs Mumbai) by Times Food & Nightlife Awards 2020 Renaissance Mumbai Convention Centre Hotel

Strategy of **co-locating projects** augur well for **Business Demand**  
coupled with optimal utilization of **available land**

## Office and Retail (0.9 Mn sqft)



**Office Tower**  
**Whitefield, Bengaluru**

109K sq ft



**Inorbit Mall**  
**Whitefield, Bengaluru**

260K sq ft of Retail area

+  
Multiplex under construction

**Office Tower**  
**Sahar, Mumbai**

374K sq ft in Prime Location



**The Orb**  
**Sahar, Mumbai**

123K sq ft Food & Beverage  
Hub in Prime Location





## Energy Initiatives

- ✓ Increase contribution of electricity sourced from renewable energy sources
- ✓ All properties to be LEED certified
- ✓ Lower energy consumption; install heat pumps, replace Air Handling motors and fans with EC fans and introduce technological innovations to bring down energy consumption



## Minimizing Plastic Usage

- ✓ Minimize single use plastic
- ✓ Responsible plastic sourcing and plastic shredding machines installed in all units
- ✓ Disposal of shredded plastic only to authorized recyclers



## Water Management

- ✓ Reduce water consumption/per room
- ✓ Rainwater harvesting
- ✓ Sewage Treatment Plant at every hotel; water is further purified by ultra filtration process to get better quality water which is used for air conditioning, gardening etc.



## Waste Management

- ✓ Effective waste management
- ✓ Organic Waste Composter
- ✓ Responsible disposal of e-waste
- ✓ Recycle used cooking oil to generate bio fuel



## Social

- Employ differently abled people
- Improve gender diversity
- CSR spends directed towards
  - Skill training / Digital Education for the underprivileged
  - Current social issues
  - Promoting healthcare



## Governance

- Board Structure and Board Diversity
- Improvements beyond the regulatory framework
- Transparent communication



This release has been prepared by Chalet Hotels Ltd (CHL) and the information on which it has been based has been derived from sources that we believe to be reliable. Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither CHL, nor any director or employee of CHL shall in any way be responsible for the contents.

Certain statements in this release concerning our future growth prospects are forward-looking statements within the meaning of applicable securities laws and regulations, and which involve a number of risks and uncertainties, beyond the control of the Company, that could cause actual results to differ materially from those in such forward-looking statements.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry.

Chalet Hotels Limited may, from time to time, make additional written and oral forward looking statements, including our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company. The Company also expects the media to have access to all or parts of this release and the management's commentaries and opinions thereon, based on which the media may wish to comment and/or report on the same. Such comments and/or reporting maybe made only after taking due clearance and approval from the Company's authorized personnel. The Company does not take any responsibility for any interpretations/ views/commentaries/reports which may be published or expressed by any media agency, without the prior authorization of the Company's authorized personnel.

This release does not constitute a sale offer, or any invitation to subscribe for, or purchase of equity shares.

# Thankyou

**Investor Relations Contact:**

Ruchi Rudra

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[investorrelations@chalethotels.com](mailto:investorrelations@chalethotels.com)

Chalet Hotels Limited

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