

refreshingly different



June 14, 2020

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

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

NSE Scrip Symbol: LEMONTREE

BSE Scrip Code: 541233

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

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 Virtual Conference organized by UBS India Mid-Cap with analysts/institutional Investors on Monday, June 15, 2020.

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

UBS India Mid-Cap Conference

15th June, 2020



aurika
HOTELS & RESORTS

UPSCALE


lemon tree
PREMIER

UPPER MIDSCALE


lemon tree
HOTELS

MIDSCALE


red fox
BY LEMON TREE HOTELS

ECONOMY

keys
PRIMA HOTELS

UPPER MIDSCALE

keys
SELECT HOTELS

MIDSCALE

keys
LITE HOTELS

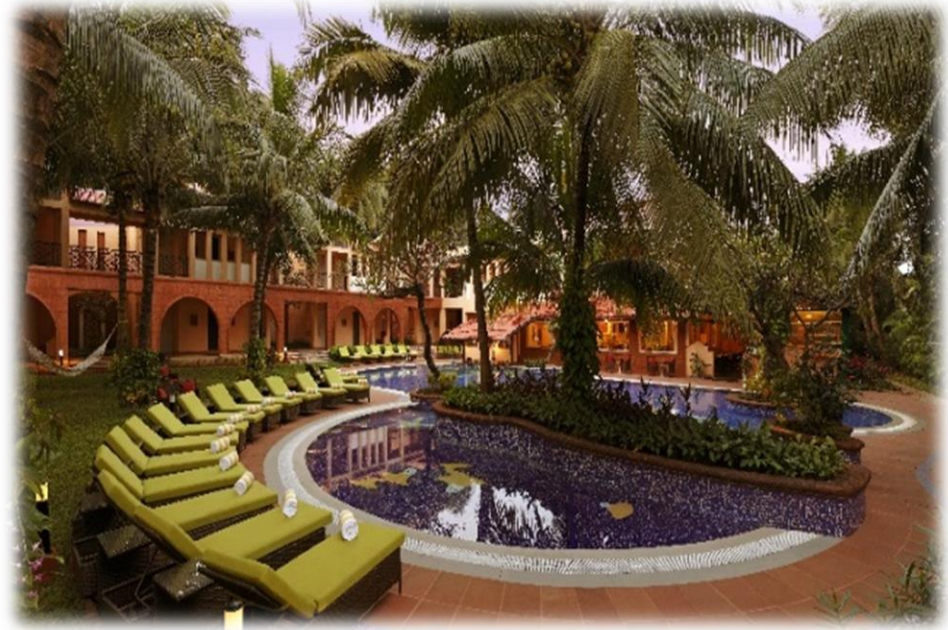
ECONOMY

Connect with us     

Disclaimer

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Lemon Tree Hotels Limited (LTH) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.





Aurika, Udaipur








Lemon Tree Premier, Mumbai



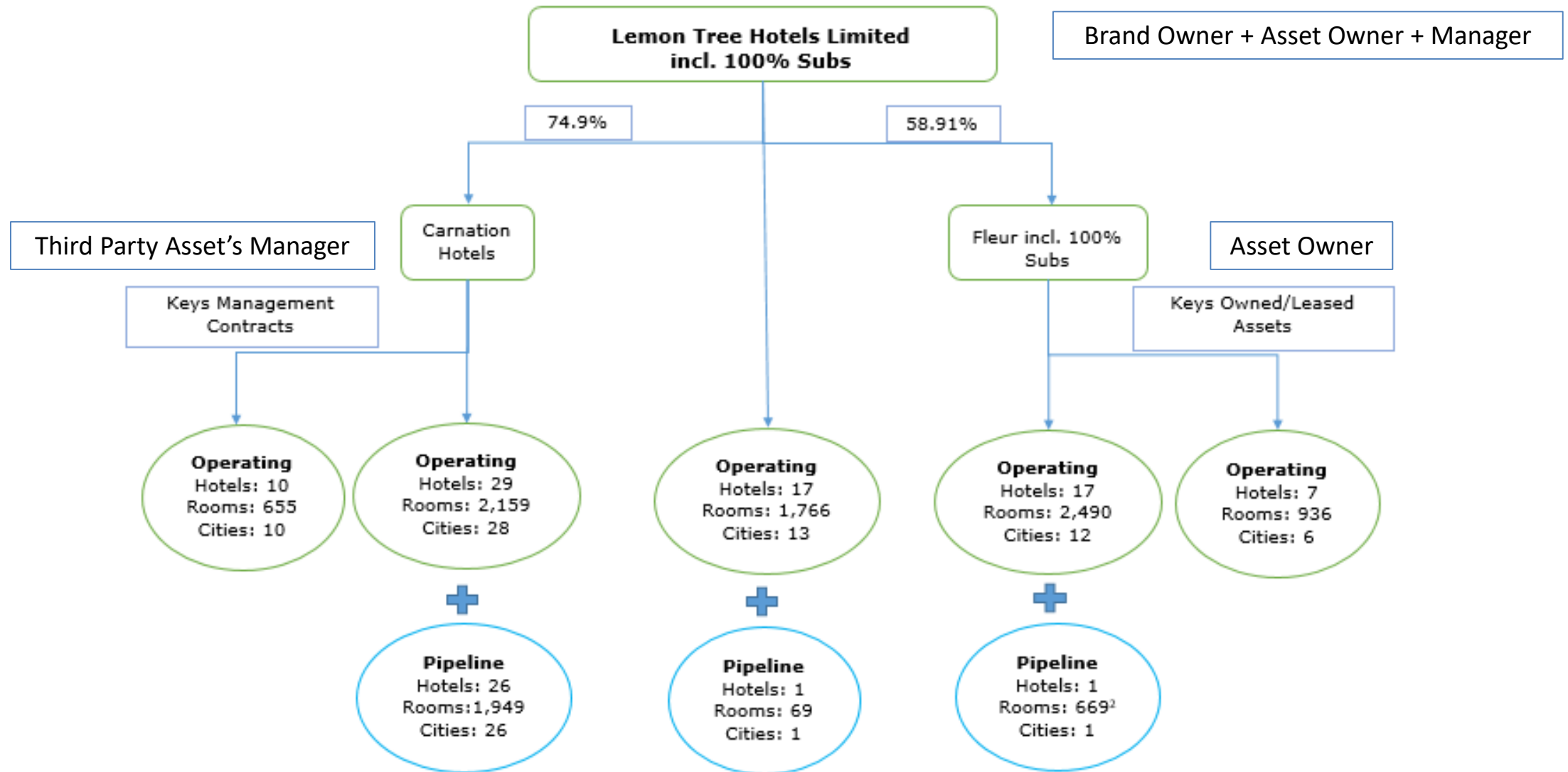
Lemon Tree Vembanad Lake, Alleppey, Kerela

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 15th June 2020
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 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 15th May, 2020

Lemon Tree – Snapshot as on 15th May, 2020



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

**8,006
rooms;
80 hotels**



Pipeline

**2,697
rooms;
28 hotels**



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

**10,703
rooms;
108 hotels**

| Brand | Current | Pipeline | by CY22 |
|----------------------------|------------------------|---------------------------------|------------------------|
| Aurika | 139 Rooms, 1 Hotel | 669 Rooms, 1 Hotel [#] | 808 Rooms, 2 Hotels |
| Lemon Tree Premiere | 2,207 Rooms; 15 Hotels | 417 Rooms; 5 Hotels | 2,624 Rooms; 20 Hotels |
| Lemon Tree Hotel | 2,646 Rooms; 35 Hotels | 1,491 Rooms; 20 Hotels | 4,137 Rooms; 55 Hotels |
| Red Fox Hotel | 1,423 Rooms; 12 Hotels | 80 Rooms; 1 Hotel | 1,503 Rooms; 13 Hotels |
| Keys | 1,591 Rooms; 17 Hotels | 40 Rooms; 1 Hotel | 1,631 Rooms; 18 Hotels |

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

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

Portfolio Breakup as on 15th May 2020 - Operational

| Operational Portfolio | Owned | | Leased | | Managed/Franchised | | Total | |
|-----------------------|-----------|--------------|----------|------------|--------------------|--------------|-----------|--------------|
| 15.05.2020 | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms |
| Aurika | 1 | 139 | 0 | 0 | 0 | 0 | 1 | 139 |
| Lemon Tree Premier | 7 | 1,442 | 2 | 161 | 6 | 604 | 15 | 2,207 |
| Lemon Tree Hotels | 13 | 1,241 | 4 | 321 | 18 | 1,084 | 35 | 2,646 |
| Red Fox Hotels | 5 | 759 | 2 | 193 | 5 | 471 | 12 | 1,423 |
| Keys Prima | 0 | 0 | 0 | 0 | 1 | 115 | 1 | 115 |
| Keys Select | 7 | 936 | 0 | 0 | 7 | 493 | 14 | 1,429 |
| Keys Lite | 0 | 0 | 0 | 0 | 2 | 47 | 2 | 47 |
| Total | 33 | 4,517 | 8 | 675 | 39 | 2,814 | 80 | 8,006 |

Portfolio Breakup as on 15th May 2020 - Pipeline

| In Pipeline | Owned | | Leased | | Managed/Franchised | | Total | |
|--------------------|----------|------------|----------|----------|--------------------|--------------|-----------|--------------|
| 15.05.2020 | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms |
| Aurika | 1 | 669 | 0 | 0 | 0 | 0 | 1 | 669 |
| Lemon Tree Premier | 0 | 0 | 0 | 0 | 5 | 417 | 5 | 417 |
| Lemon Tree Hotels | 1 | 79 | 0 | 0 | 19 | 1,412 | 20 | 1,491 |
| Red Fox Hotels | 0 | 0 | 0 | 0 | 1 | 80 | 1 | 80 |
| Keys Prima | 0 | 0 | 0 | 0 | 1 | 40 | 1 | 40 |
| Keys Select | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Keys Lite | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2 | 748 | 0 | 0 | 26 | 1,949 | 28 | 2,697 |

#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 |

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 |
| 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 | Apr-21 | 100.00% |
| Lemon Tree Vembanad Lake Resort, Alleppey, Kerela ¹ | Owned | 10 | Oct-21 | 100.00% |
| Aurika, Intl. Airport, Mumbai ² | Owned | 669 | Nov-21 | 57.98% |
| Total | | 748 | | |

- * Total estimated project cost is Rs. 8,550 million
- * Total capital deployed/capital expenditure already incurred (i.e. CWIP + Security Deposit for leased assets under-development + Land Capitalised + Capital advances – Capital creditors) as on 31st December, 2019 is Rs. 3,010 million
- * Balance investment of Rs. 5,540 million will be deployed over the next 2 years in a phased manner, the majority of which will be through internal accruals

Notes: 1) Expansion in existing hotel.

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

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

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



Lemon Tree 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

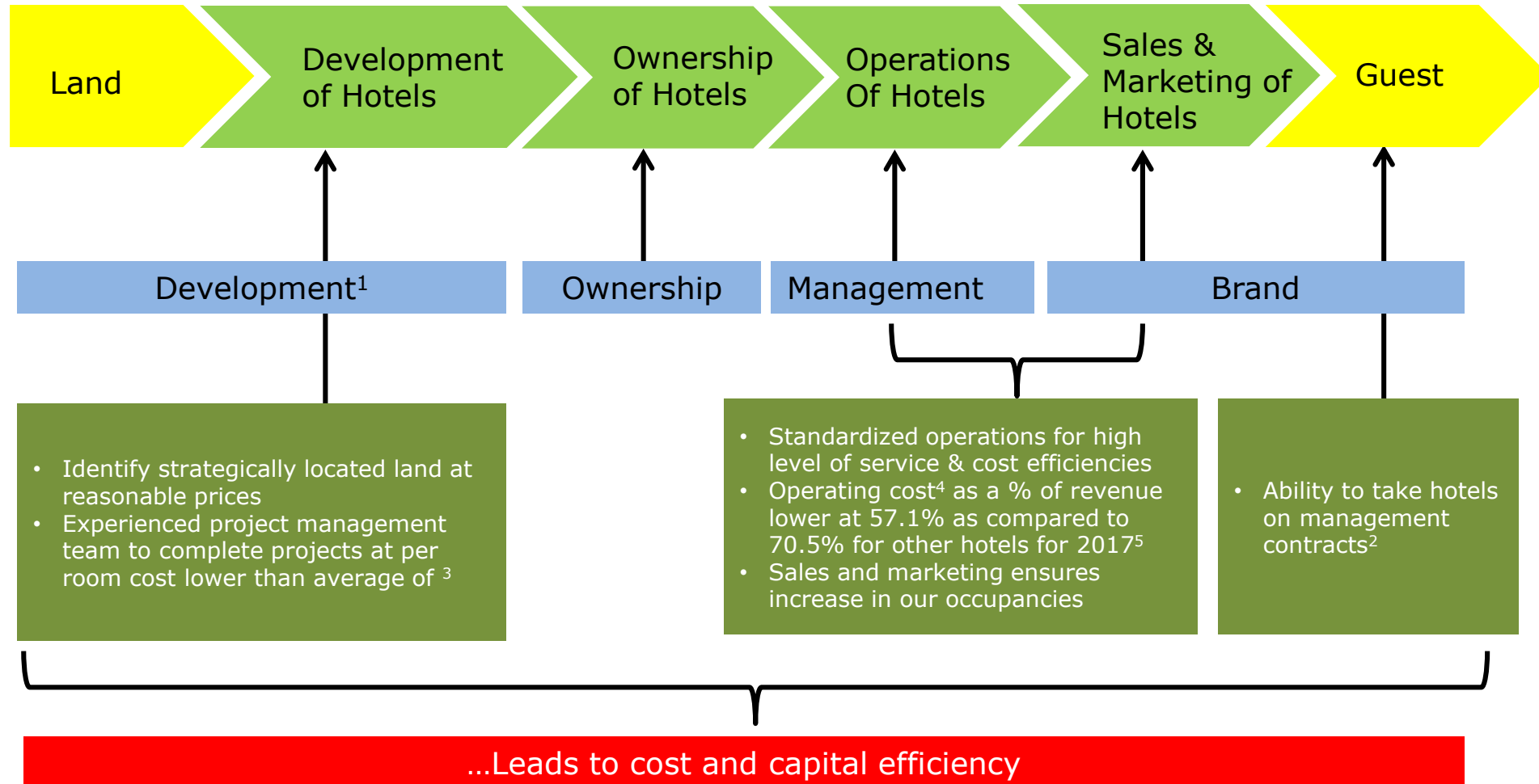
| | Typical 5 star |  | |
|-----------------------------------|----------------|---|----------------------------|
| Cost Per Room (Normalised) | 1000 | 400 | ~40% of Five Star |
| Rate (Normalised) | 100 | 50 | |
| Occupancy | x% | 1.2x% | |
| Room Revenue (Normalised) | 100 | <u>60</u> | ~60% of Five 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

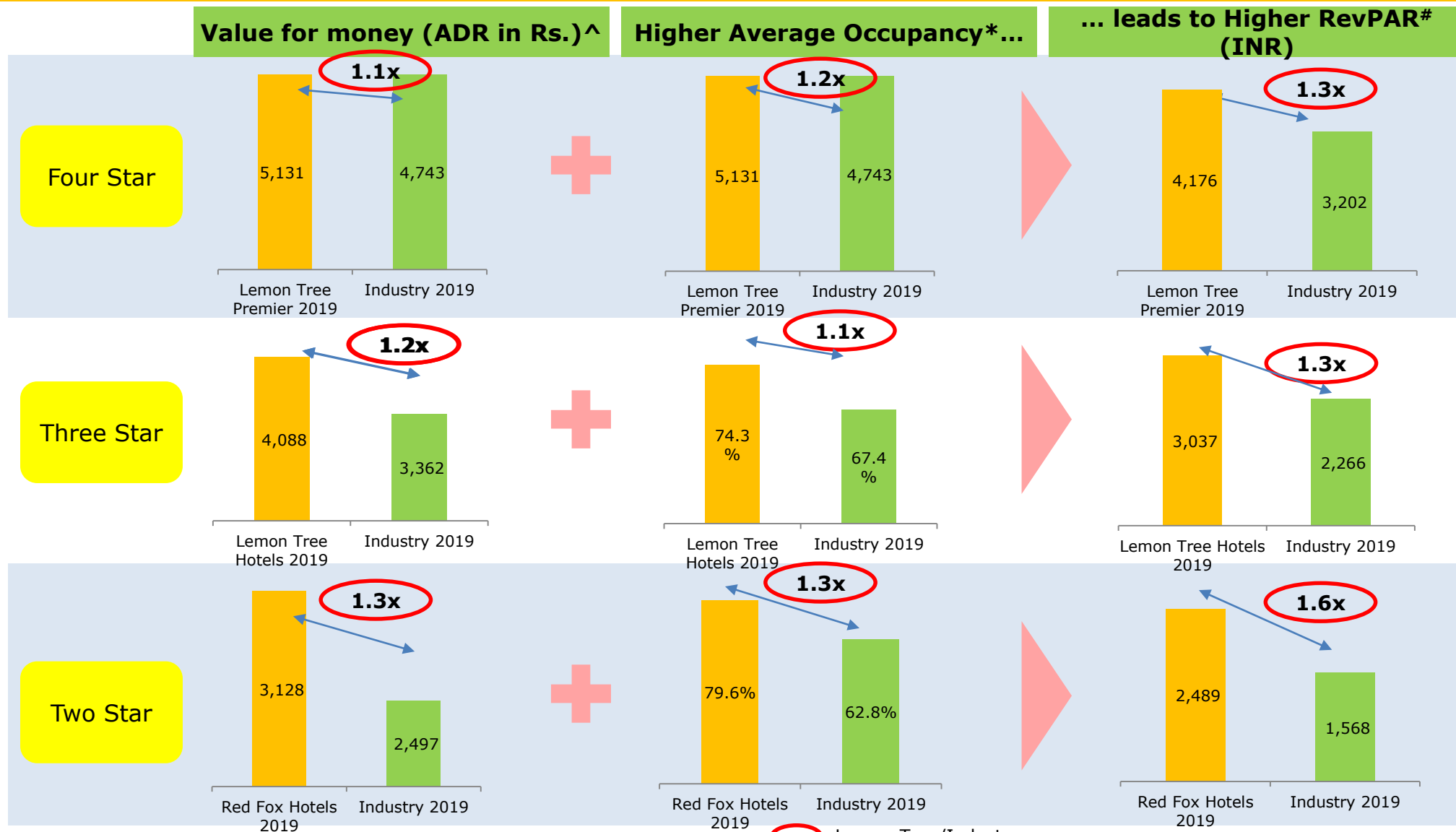
Presence across value chain



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



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

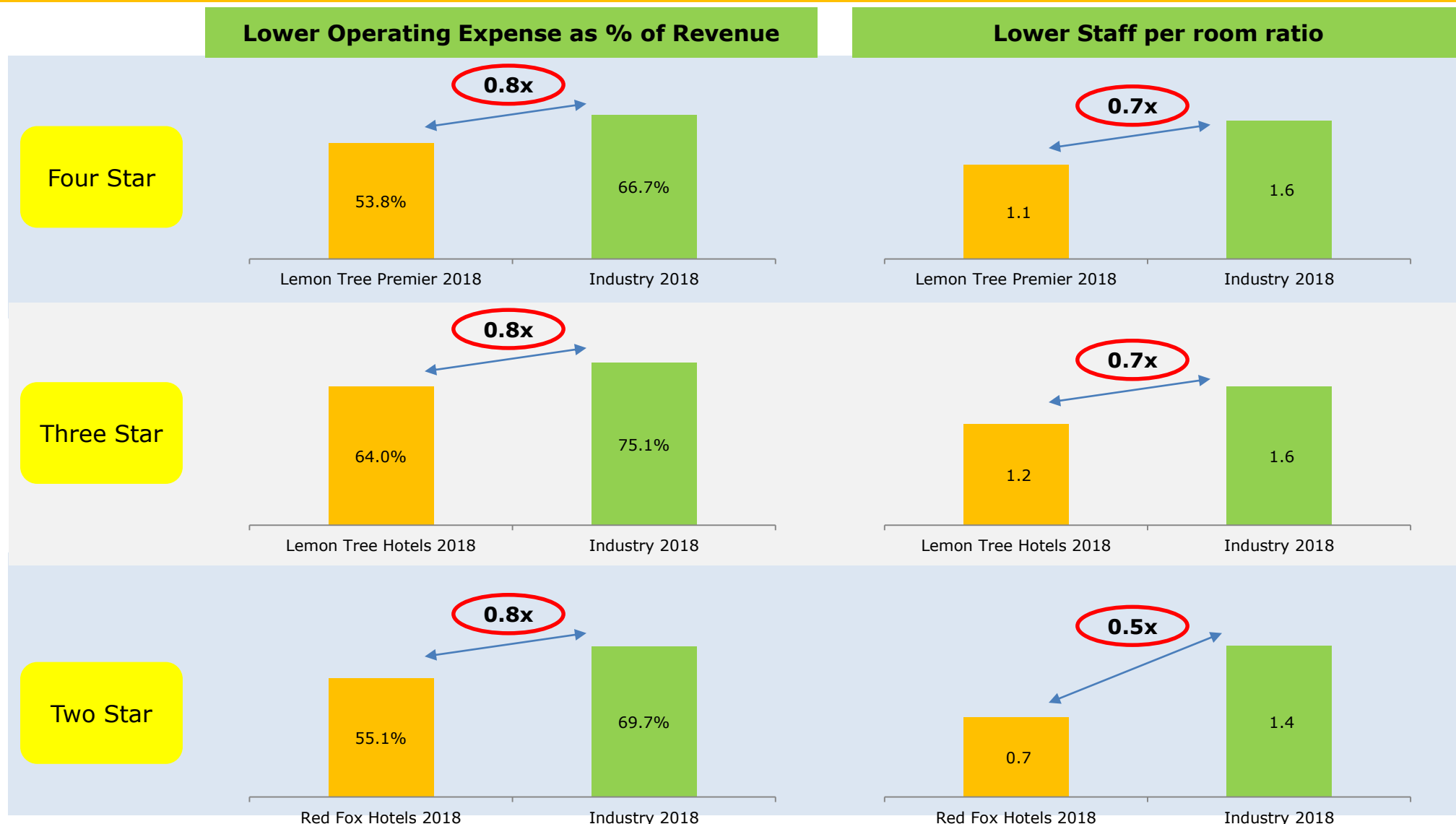
^ Average Daily room rent; *Average occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels; #RevPAR is calculated by multiplying ADR and average occupancy, where ADR represents revenue from room rentals divided by total number of room nights sold at our owned and leased hotels (including rooms that were available for only a certain portion of a period)

○ Lemon Tree/Industry

Cost

Lower Average Operating Expenses/ Room

Higher GOP[^]



Lemon Tree/Industry

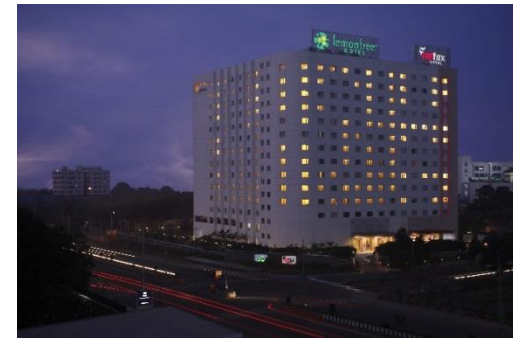
Source : Industry data is sourced from FHRAI-Indian-Hotel-Survey-2017-18. Due to operational disruptions, FHRAI has not been able to publish FY19 numbers, hence showing comparison for FY18



Lemon Tree Amarante Beach, Goa



Lemon Tree Premier, Corbett

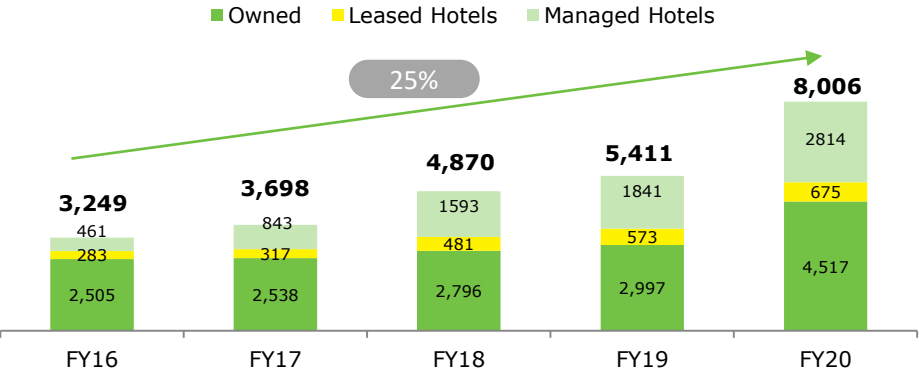


Lemon Tree Premier, Hyderabad

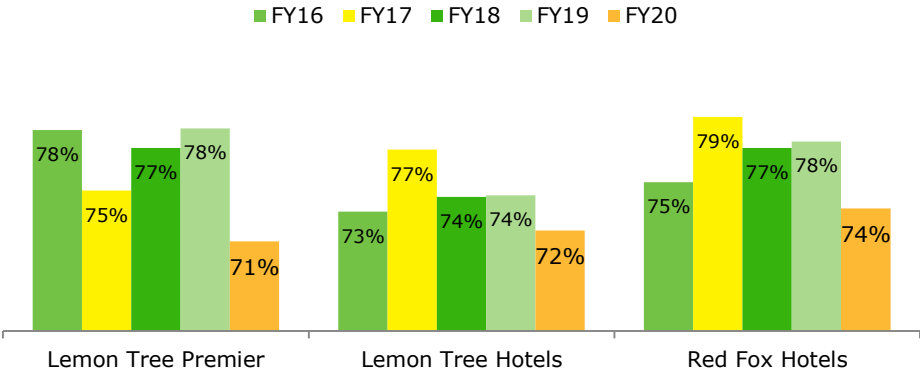
Strong Operating and Financial Performance

Strong operating performance

Rooms are being added...

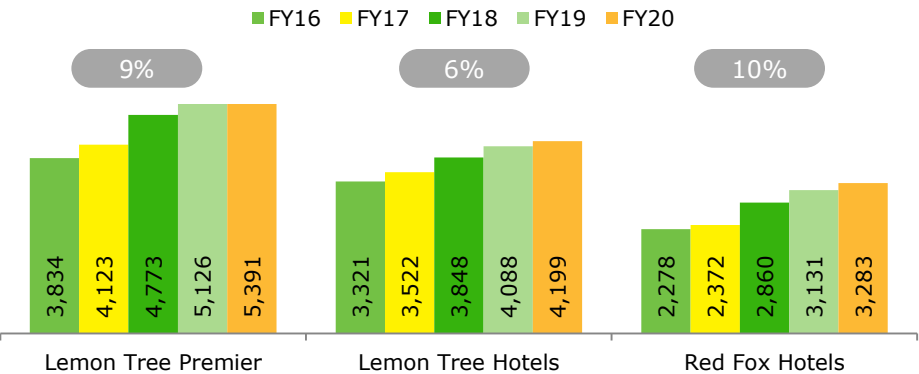


...and occupancy levels increasing...

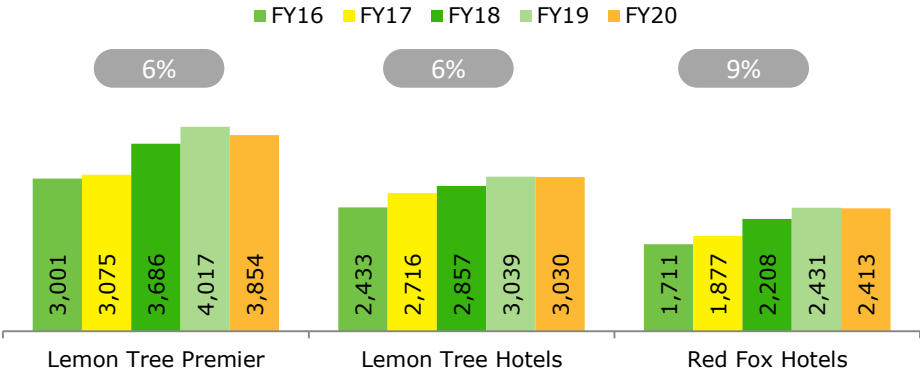


Note: Drop in occupancy levels is on account of new owned/leased supply addition by Lemon Tree in FY20 and COVID-19

...coupled with increasing ADR...



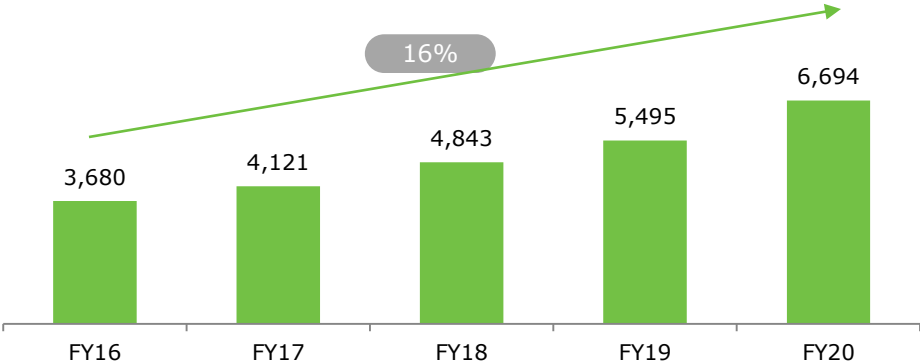
...leading to a RevPAR growth



Strong Growth and improving margins

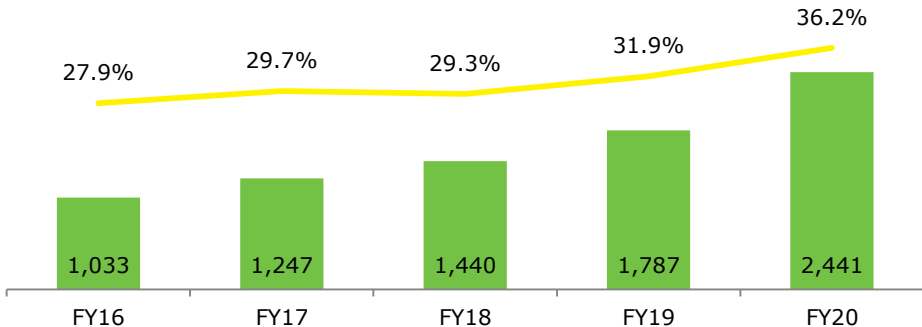
Revenue has increased at 20% over the last 5 years...

Revenue from operations (Rs. million)



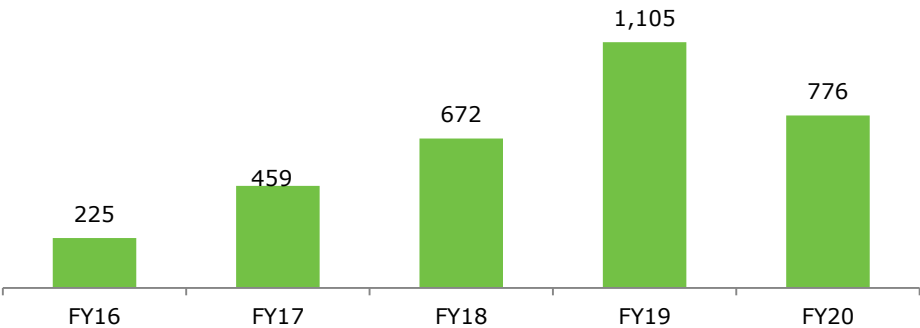
...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



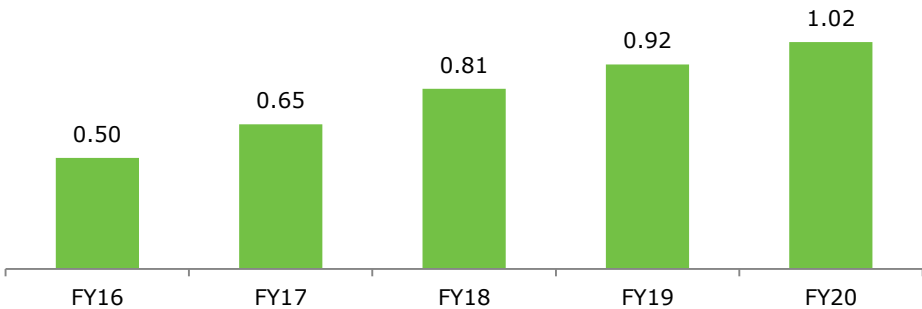
Increasing cash profit* growth

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

4) 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 | FY20 | CAGR |
|---------------------------|-----------------|------------|---------|---------|-------|-------|-------|-------|
| LTP Aerocity Delhi | Dec-FY14 | Infant | Toddler | Toddler | Adult | Adult | Adult | |
| Inventory | | 145 | 280 | 280 | 280 | 280 | 280 | |
| Occupancy | | 84.2% | 82.0% | 75.7% | 82.8% | 85.5% | 83.2% | |
| ARR | | 3,114 | 3,612 | 3,876 | 4,405 | 5,626 | 5,759 | 13.1% |
| RevPAR | | 2,622 | 2,963 | 2,932 | 3,647 | 4,809 | 4,791 | 12.8% |
| EBITDA/Room | | 2.4 | 6.7 | 7.6 | 10.1 | 11.5 | 9.2 | 31.2% |
| EBITDA Margin | | 13.5% | 40.8% | 41.8% | 47.3% | 47.5% | 39.7% | |
| | | | | | | | | |
| RFH Aerocity Delhi | Dec-FY14 | Infant | Toddler | Toddler | Adult | Adult | Adult | |
| Inventory | | 197 | 207 | 207 | 207 | 207 | 207 | |
| Occupancy | | 73.5% | 87.4% | 81.3% | 86.0% | 88.9% | 87.4% | |
| ARR | | 2,183 | 2,250 | 2,418 | 3,137 | 4,082 | 4,352 | 14.8% |
| RevPAR | | 1,604 | 1,966 | 1,966 | 2,697 | 3,629 | 3,804 | 18.9% |
| EBITDA/Room | | 2.4 | 3.2 | 3.8 | 6.1 | 7.4 | 7.6 | 25.7% |
| EBITDA Margin | | 28.6% | 33.0% | 37.6% | 46.1% | 47.3% | 45.7% | |

| | Date of Opening | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | CAGR |
|---------------------------------|-----------------|--------|---------|---------|---------|-------|-------|-------|
| LTH Whitefield Bangalore | Jul-FY14 | Infant | Toddler | Toddler | Adult | Adult | Adult | |
| Inventory | | 130 | 130 | 130 | 130 | 130 | 130 | |
| Occupancy | | 47.5% | 70.6% | 79.8% | 76.9% | 82.7% | 73.5% | |
| ARR | | 2,681 | 2,745 | 3,065 | 3,393 | 3,981 | 4,126 | 9.0% |
| RevPAR | | 1,274 | 1,938 | 2,445 | 2,610 | 3,293 | 3,034 | 18.9% |
| EBITDA/Room | | 1.6 | 4.3 | 5.9 | 5.7 | 6.9 | 5.4 | 27.6% |
| EBITDA Margin | | 22.2% | 41.0% | 47.0% | 43.9% | 46.4% | 39.9% | |
| | | | | | | | | |
| LTH Gachibowli Hyderabad | Nov-FY15 | | Infant | Toddler | Toddler | Adult | Adult | |
| Inventory | | | 190 | 190 | 190 | 190 | 190 | |
| Occupancy | | | 61.6% | 75.9% | 73.9% | 82.9% | 79.4% | |
| ARR | | | 2,864 | 2,913 | 3,128 | 3,828 | 4,518 | 12.1% |
| RevPAR | | | 1,764 | 2,212 | 2,311 | 3,175 | 3,587 | 19.4% |
| EBITDA/Room | | | 4.4 | 6.0 | 6.0 | 7.6 | 9.0 | 19.3% |
| EBITDA Margin | | | 46.2% | 50.2% | 48.1% | 50.3% | 54.0% | |

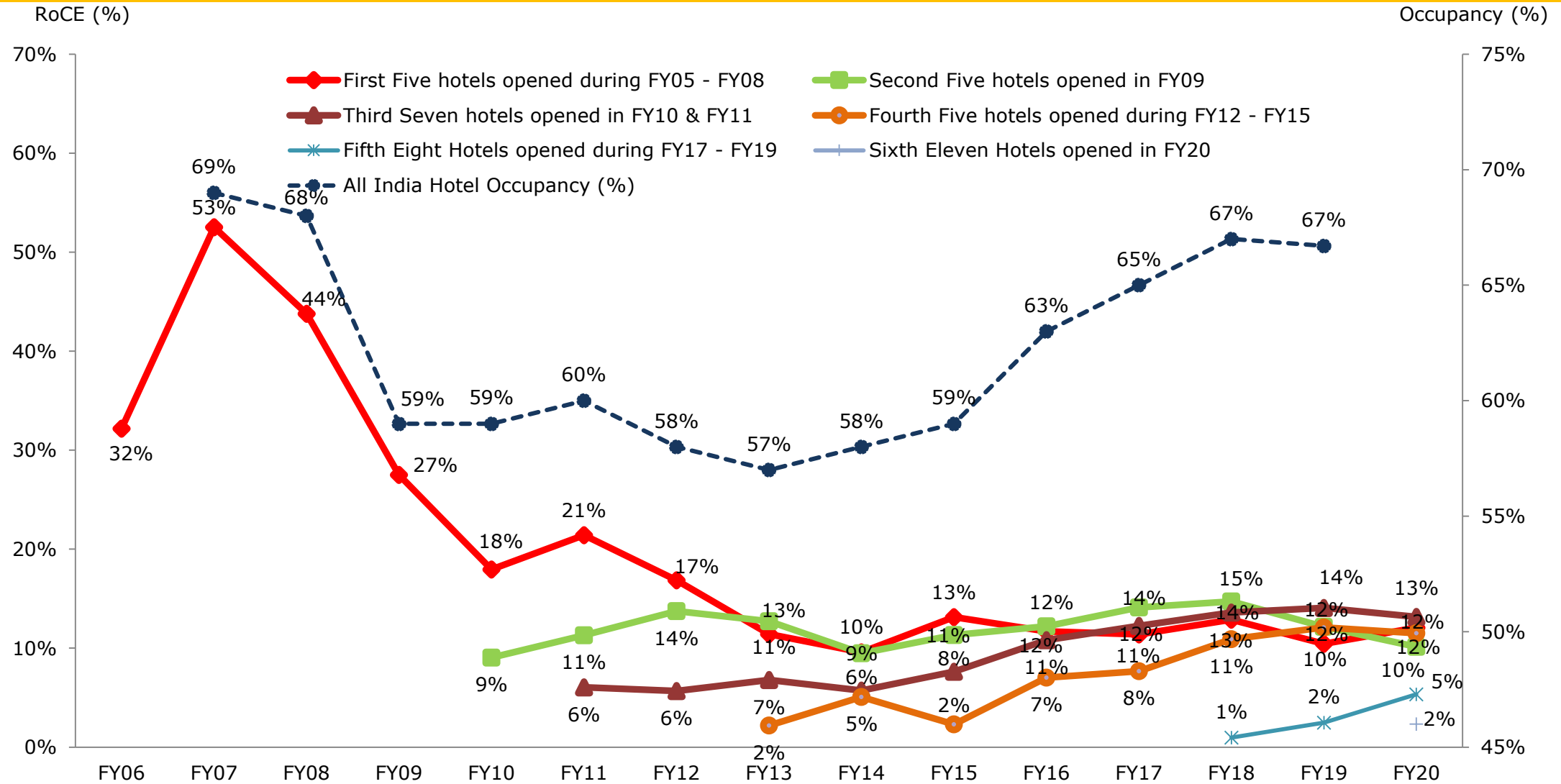
RevPAR (not ARR or Occupancy) is the Key Metric

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

| | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | CAGR |
|------------------|--------|---------|---------|-------|--------|--------|-------|
| Aggregate | Infant | Toddler | Toddler | Adult | Adult | Adult | |
| Inventory | 472 | 807 | 807 | 807 | 807 | 617.4 | |
| Occupancy | 69.6% | 76.7% | 77.8% | 80.6% | 85.3% | 82.6% | |
| ARR | 2,622 | 2,945 | 3,130 | 3,627 | 4,545 | 4,952 | 13.6% |
| RevPAR | 1,826 | 2,260 | 2,436 | 2,922 | 3,877 | 4,089 | 17.5% |
| EBITDA/Room | 2.2 | 4.9 | 6.0 | 7.4 | 8.8 | 10.6 | 37.3% |
| EBITDA Margin | 20.0% | 40.3% | 43.5% | 46.7% | 47.8% | 44.2% | |
| LTH Focus | Occ. | Occ. | Occ. | ARR | RevPAR | RevPAR | |

Once fully stabilized, RevPAR drives operating leverage

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



Notes:

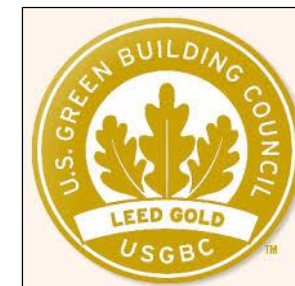
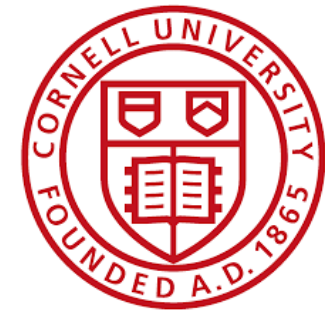
1. Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels
2. Hotel RoCE is based on first full year of operation

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)**"

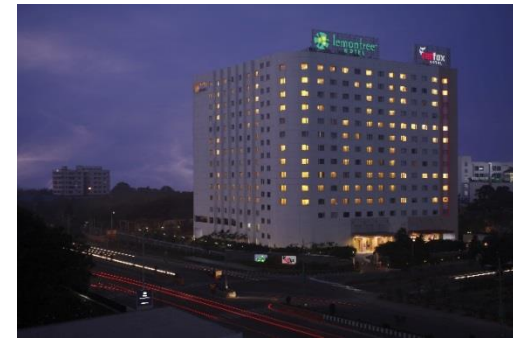




Lemon Tree Amarante Beach, Goa



Lemon Tree Premier, Corbett



Lemon Tree Premier, Hyderabad

CoVID-19 Impact and Risk Mitigation Strategy

Operational Impact

- * Almost 66% of our owned/leased rooms were operational in April following the directives regarding the lockdown released by various state governments.
- * 33.4% occupancy in our operational owned/leased hotels - mostly from quarantine guests, doctors, nurses, healthcare workers and corporate guests for business continuity planning in April 2020
- * Improvement seen in May 2020
- * In May, due to partial lifting of lockdown in some states, 78% of our owned/leased rooms were operational. The occupancy in our operational owned/leased hotels is close to 40%
- * All F&B outlets and Banquets remained shut. However In Room Dining was operational
- * Hotel operations were impacted due to restrictions on movement of employees and supply of raw material & room amenities

Financial Impact

- * Revenue from operations in April 2020 was down by 76% as compared to April 2019. In May 2020, revenue from operations showed an increase of 28% vis-à-vis April 2020 but was 68% down vis-à-vis May 2019
- * Revenue contribution from F&B outlets and Banquets was negligible except for a minor contribution from In Room Dining.
- * Significant impact on EBITDA due to reduced revenue. However due to significant cost control we expect to break even or register a minor operating loss at operating level i.e. Net EBITDA level in Q1 FY21
- * Moratorium allowed by RBI has been availed to preserve cash
- * Cash outflow for construction of Aurika MIAL and LT Resort Shimla got deferred due to restriction on construction which may resume in early to mid H2 FY21

Cost Control

- * Hiring freeze. Significant salary cuts taken at leadership levels (min 50%) to ensure no permanent hotel staff were laid off
- * Power & Fuel expenses drastically reduced due to tight control on units consumed and waiver on fixed charges provided by some state electricity boards
- * Renegotiated lease rentals, annual maintenance contracts, IT contracts etc. to get waiver for the Q1/H1 FY21
- * Repairs and Maintenance capital expenditure frozen with only minimal expense for operations
- * All discretionary spends like advertising, leased cars, etc. paused
- * Careful monitoring of all costs undertaken to achieve breakeven at Net EBITDA level in Q1 FY21

Enhanced Hygiene and Safety

- * Regular sanitization of all our hotels
- * Temperature checks done using non contact thermometers for employees, visitors and guests at the time of entering hotel premises
- * Mandating employees to wash/sanitize hands very frequently
- * Over 100 SOPs implemented including on how to attend asymptomatic guests availing quarantine in our hotels and PPE kits made available for hotel staff attending such guests
- * Appropriate measures taken at hotels to ensure social distancing between hotel staff, visitors and guests
- * Protocols related to air-conditioning implemented to prevent any air-flow from one room to another

CoVID-19 – Performance Summary (Owned/Leased Rooms)

| In Rs (Cr) | April 2020 | YoY Change % | May 2020 | YoY Change % | MoM Change % |
|--------------------------------------|------------|--------------|----------|--------------|--------------|
| Total Inventory# | 5,183 | 41.1% | 5,183 | 41.1% | 0.0% |
| Operational Inventory | 3,397 | -4.8% | 4,048 | 13.7% | 19.2% |
| Occupancy (on operational Inventory) | 33.4% | (4,385)bps | 39.6% | (3,813)bps | 611bps |
| ARR | 2,881 | -27.7% | 2,625 | -33.5% | -8.9% |
| Revenue | 10.8 | -76.3% | 13.8 | -70.0% | 28.2% |
| Expenses | 10.7 | -58.1% | 10.4 | -60.7% | -2.7% |
| Hotel Level GOP | 0.1 | -99.5% | 3.4 | -82.6% | 3,169.8% |
| Operating Cash Flow | (2.9) | | 0.5 | | |

- * A cure should be found within 6-9 months and a vaccine in 18-24 months and it should take another 6-12 months for the entire population to be vaccinated
- * Currently (during lockdown) business is at ~25% - 30% of normal levels (y-o-y)
- * Once a cure is found, business will return to ~50 - 60% of normal levels (this will be all domestic)
- * Once a vaccine is widely distributed i.e. in the next 2-2.5 years, business will return to normal (domestic, international & MICE)
- * We have prepared several scenarios of forecasts, but in the worst case the results may be as given below:
 - Revenues stay at May 2020 levels till September 2020, improve marginally in Q3 and then gradually improve post cure and should get back to normal post distribution of vaccine
 - On this basis i.e. worst case, we need an additional Rs 200 Cr of cash infusion as follows:
 - Rs 5-10 Cr for operational cash flows (upto September 2020)
 - Rs 200-220 Cr interest and loan repayments (September 2020 onwards)
 - Rs 30-40 Cr capital expenditure (Mumbai completion by October 2022)
 - In worst case, total consolidated cash requirement is between 235-270Cr. After adjusting current available liquidity (Rs 65 Cr) net requirement is ~ Rs 170 - 205 Cr

Lemon Tree

- * Board of Directors has given approval to raise upto Rs 150 Cr as an abundant precaution to provide an additional liquidity cushion, if required.
- * The mode of issuance can be Rights Issue, Preferential Placement or Qualified Institutional Placement
- * Management to evaluate and give recommendations to the board on timing/quantum/mode of capital raise

Fleur

- * APG Strategic Real Estate Pool N.V. to infuse upto Rs 300 Cr in two tranches by CCPS which will be convertible into equity in 30 months : Rs 175Cr immediately and Rs 125Cr if required
- * 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

Rationale for the fund raise

- * Provides financial strength – ability to manage cash flows and mitigate the risk of cash flow mismatch
- * Strengthens the balance sheet and financial position

- * We feel we can significantly improve our operational efficiencies in future
- * Staff per room ratio can go down further from current levels of 0.95-1.0 to 0.7-0.75 without sacrificing our service standards, leading to permanent and significant savings in wage bill (wage bill typically accounts for about 18% of total revenue)
- * Similarly, electricity consumption can be reduced significantly (Power and Fuel expenses typically account for 10% of total revenue, with more than 70% being electricity consumption)
- * 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

Appendix



Lemon Tree Hotel, Coimbatore



Lemon Tree Premier, City Center, Gurgaon

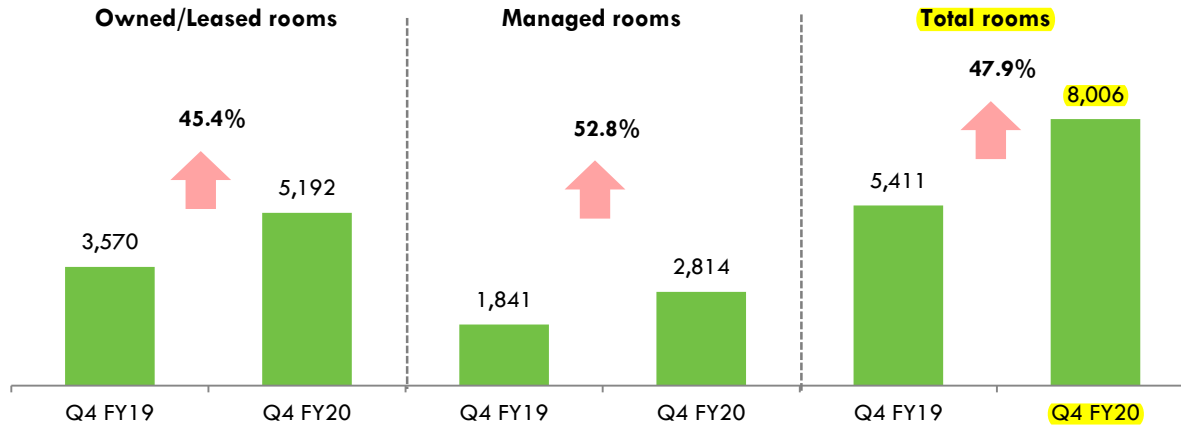


Lemon Tree Vembanad Lake, Alleppey, Kerela

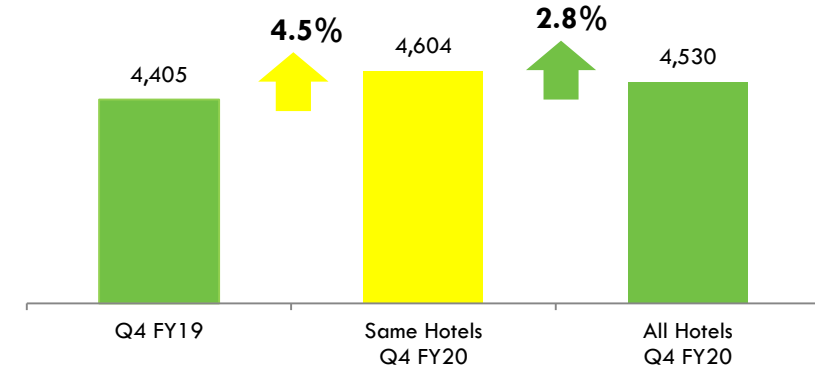
Latest Performance – Q4 FY20

Q4 FY20 Performance Highlights – Operational Metrics (Consolidated)

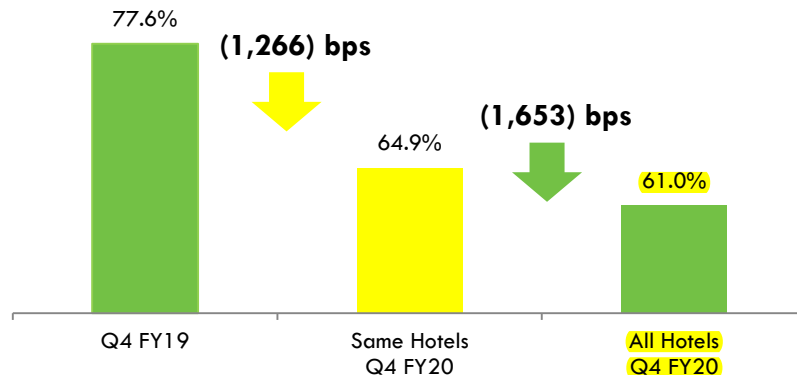
Operational Inventory



Average Daily Rate (Rs.)



Occupancy (%)



RevPAR (Rs.)

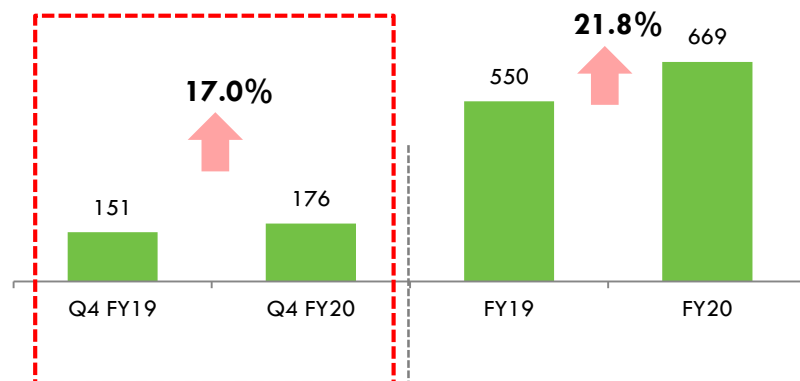


Note:

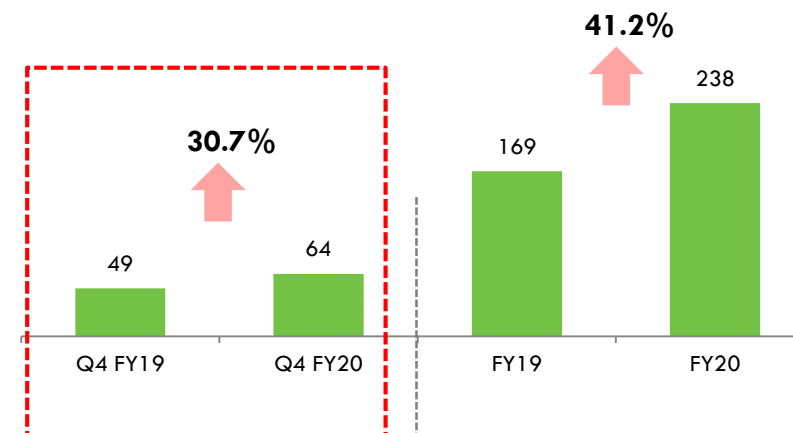
1. ADR, Occupancy and RevPAR are for our owned and leased hotels only.
2. Same hotels exclude hotels which were commissioned during the past 12 months i.e. Lemon Tree Premier Mumbai, Red Fox Chandigarh, Lemon Tree Premier Kolkata, Aurika Udaipur and Keys hotels.

Q4 FY20 Performance Highlights – Financial Metrics (Consolidated)

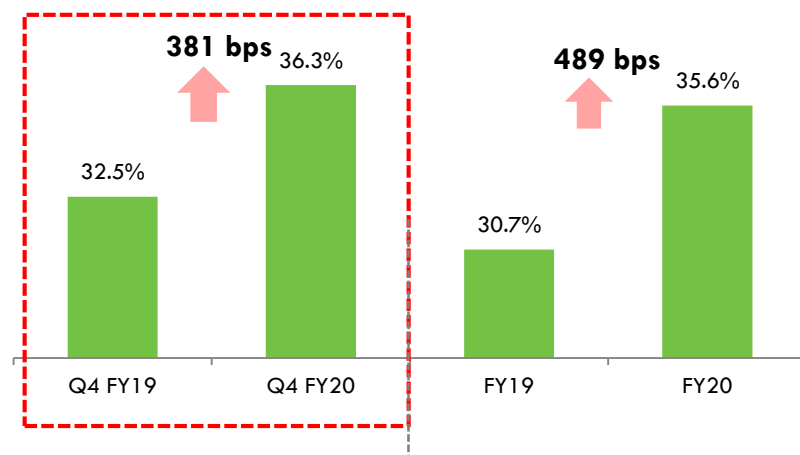
Revenue from Operation (Rs. Cr)



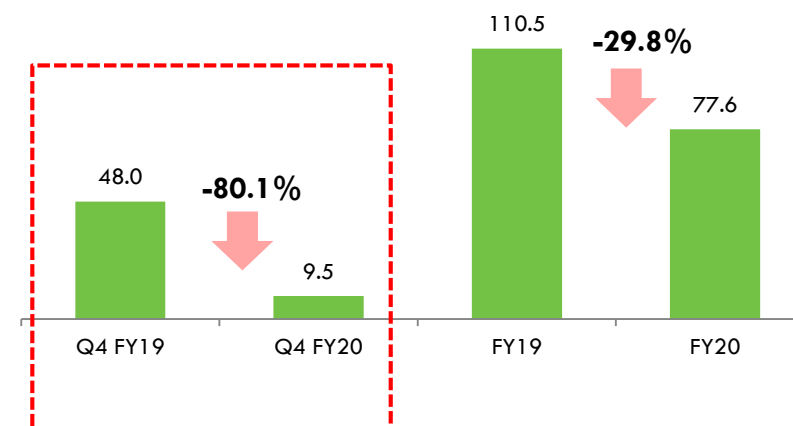
EBITDA (Rs. Cr)



EBITDA Margin (%)



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



Consolidated Profit & Loss Statement – Q4 FY20

| Rs. Cr | Q4 FY19 | Q4 FY20 Before IndAS 116 Impact | YoY Change (%) | IndAS 116 Impact | Q4 FY20 After IndAS 116 Impact | YoY Change (%) |
|--------------------------------|--------------|---------------------------------------|-------------------|---------------------|--------------------------------------|-------------------|
| Revenue from operations | 150.5 | 176.1 | 17.0% | | 176.1 | 17.0% |
| Total expenses | 101.6 | 121.1 | 19.2% | -8.9 | 112.2 | 10.4% |
| EBITDA | 48.9 | 55.0 | 12.4% | 8.9 | 63.9 | 30.7% |
| EBITDA margin (%) | 32.5% | 31.2% | (127) | | 36.3% | 381 |
| Other income | 2.6 | 0.4 | -83.8% | | 0.4 | -83.8% |
| Finance costs | 23.8 | 39.7 | 66.9% | 9.7 | 49.5 | 107.9% |
| Depreciation & amortization | 14.3 | 24.0 | 67.7% | 3.7 | 27.7 | 93.7% |
| PBT | 14.3 | (8.9) | -162.7% | -4.5 | (13.5) | -194.5% |
| Tax expense | (19.4) | 6.7 | -134.6% | -1.2 | 5.5 | -128.5% |
| PAT | 33.7 | (15.7) | -146.5% | -3.3 | (19.0) | -156.4% |
| Cash Profit | 48.0 | 8.4 | -82.6% | 1.2 | 9.5 | -80.1% |

Consolidated Profit & Loss Statement Breakup – Q4 FY20

| Rs. Cr | Same Hotels | | | New Hotels ¹ | Total without Keys Hotels | | | Keys Hotels | Total | | |
|--------------------------------|--------------|--------------|----------------|-------------------------|---------------------------|--------------|----------------|--------------|--------------|--------------|----------------|
| | Q4FY19 | Q4FY20 | YoY Change | Q4FY20 | Q4FY19 | Q4FY20 | YoY Change | Q4FY20 | Q4FY19 | Q4FY20 | YoY Change |
| Inventory | 3,570 | 3,570 | 0.0% | 686 | 3,570 | 4,256 | 19.2% | 936 | 3,570 | 5,192 | 45.4% |
| ARR | 4,405 | 4,604 | 4.5% | 6,467 | 4,405 | 4,856 | 10.2% | 2,751 | 4,405 | 4,530 | 2.8% |
| Occupancy | 77.6% | 64.9% | (1,266) | 52.6% | 77.6% | 62.9% | (1,464) | 52.4% | 77.6% | 61.0% | (1,653) |
| RevPAR | 3,416 | 2,988 | -12.5% | 3,404 | 3,416 | 3,055 | -10.6% | 1,441 | 3,416 | 2,764 | -19.1% |
| Revenue from Operations | 150.5 | 132.0 | -12.3% | 26.7 | 150.5 | 158.7 | 5.4% | 17.5 | 150.5 | 176.1 | 17.0% |
| Total expenses | 101.6 | 94.0 | -7.5% | 14.2 | 101.6 | 108.2 | 6.5% | 12.9 | 101.6 | 121.1 | 19.2% |
| EBITDA | 48.9 | 38.0 | -22.4% | 12.4 | 48.9 | 50.4 | 3.0% | 4.6 | 48.9 | 55.0 | 12.4% |
| EBITDA margin (%) | 32.5% | 28.8% | (372) | 46.6% | 32.5% | 31.8% | (72) | 26.3% | 32.5% | 31.2% | (127) |
| PBT | 14.3 | (0.0) | -100.2% | (6.1) | 14.3 | (6.1) | -143.0% | (2.8) | 14.3 | (8.9) | -162.7% |

Notes

1) New Hotels include: Red Fox Hotel Chandigarh, Lemon Tree Premier Mumbai, Lemon Tree Premier Kolkata & Aurika Udaipur

Operational Performance by Brands & Region – Q4 FY19 vs. Q4 FY20

| Parameters | Occupancy Rate (%) | | | Average Daily Rate (Rs.) | | | Hotel level EBITDAR/room (Rs. Lacs) | | | Hotel level EBITDAR Margin | | |
|----------------------------|--------------------|---------|--------------|--------------------------|---------|------------|-------------------------------------|---------|------------|----------------------------|---------|--------------|
| By Brand (#Rooms) | Q4 FY19 | Q4 FY20 | Change (bps) | Q4 FY19 | Q4 FY20 | Change (%) | Q4 FY19 | Q4 FY20 | Change (%) | Q4 FY19 | Q4 FY20 | Change (bps) |
| Lemon Tree Premier (1,158) | 76.3% | 66.0% | (1,031) | 5,337 | 5,501 | 3.1% | 2.5 | 2.0 | -17.0% | 48.1% | 46.4% | (169) |
| Lemon Tree Hotels (1562) | 77.3% | 65.6% | (1,166) | 4,364 | 4,455 | 2.1% | 1.7 | 1.5 | -14.9% | 41.0% | 41.4% | 44 |
| Red Fox Hotels (850) | 79.8% | 62.1% | (1,770) | 3,265 | 3,596 | 10.1% | 1.3 | 1.0 | -22.1% | 47.3% | 42.8% | (444) |

| Parameters | Occupancy Rate (%) | | | Average Daily Rate (Rs.) | | | Hotel level EBITDAR/room (Rs. Lacs) | | | Hotel level EBITDAR Margin | | |
|--------------------|--------------------|---------|--------------|--------------------------|---------|------------|-------------------------------------|---------|------------|----------------------------|---------|--------------|
| By Region (#Rooms) | Q4 FY19 | Q4 FY20 | Change (bps) | Q4 FY19 | Q4 FY20 | Change (%) | Q4 FY19 | Q4 FY20 | Change (%) | Q4 FY19 | Q4 FY20 | Change (bps) |
| Delhi (636) | 86.8% | 72.1% | (1,468) | 4,901 | 5,169 | 5.4% | 2.4 | 2.0 | -18.5% | 46.5% | 44.2% | (230) |
| Gurugram (529) | 79.2% | 64.6% | (1,461) | 4,272 | 4,537 | 6.2% | 1.8 | 1.5 | -14.3% | 39.3% | 40.5% | 117 |
| Hyderabad (663) | 83.1% | 64.3% | (1,884) | 4,178 | 4,780 | 14.4% | 2.0 | 1.9 | -1.9% | 47.8% | 52.6% | 474 |
| Bengaluru (493) | 79.2% | 63.4% | (1,582) | 4,770 | 4,504 | -5.5% | 2.2 | 1.3 | -42.8% | 48.7% | 37.0% | (1,169) |

Note:

- These performance results do not include Red Fox Hotel Chandigarh, Lemon Tree Premier Mumbai, Lemon Tree Premier Kolkata, Aurika Udaipur and Keys.
- Please note that in the Q4 FY19 presentation Lemon Tree Premier Pune and Red Fox Dehradun were also excluded from this analysis. Hence the Q4 FY19 numbers presented above will carry some difference w.r.t numbers in Q4 FY19 presentation.

Discussion on Consolidated Financial & Operational Performance – Q4 FY20

| | |
|---|--|
| Operational Rooms & Pipeline | <ul style="list-style-type: none"> * As of 15th May 2020, operational portfolio comprised of 80 hotels and 8,006 rooms : 4,214 owned, 978 leased and 2,814 managed rooms; Pipeline includes of 748 owned/leased and 1,949 managed rooms * Plan to operate 108 hotels with 10,703 rooms across 66 cities by CY22 |
| Revenue | <ul style="list-style-type: none"> * Revenue from operations stood at Rs. 176.1 Cr in Q4 FY20, up 17.0% as compared to Rs. 150.5 Cr in Q4 FY19. On same hotels basis, revenue from operations was down by 12.3% * ADR increased by 2.8% from 4,405 in Q4 FY19 to 4,530 in Q4 FY20. On same hotels basis, ARR increased by 4.5% to 4,604 in Q4 FY20. For new hotels, ARR was 6,467 (40.4% higher than same hotels). For Keys hotels, ARR was 2,751 (40.3% lower than same hotels) * Occupancy decreased by 16.5% from 77.6% in Q4 FY19 to 61.0% in Q4 FY20. On same hotels basis it decreased by 12.7% from 77.6% in Q4 FY19 to 64.9% in Q4 FY20. For new hotels, occupancy was 52.6% (12.2% lower than same hotels). For Keys hotels, occupancy was 52.4% (12.5% lower than same hotels) * Fees from managed hotels stood at Rs. 4.7 Cr in Q4 FY20 (2.7% of Revenue from operations) |
| Cost | <ul style="list-style-type: none"> * Total expenses stood at Rs. 112.2 Cr in Q4 FY20 as per the new AS 116 accounting, up 10.4% as compared to Rs 101.6 Cr in Q4 FY19. As per old accounting the expenses grew by 19.2% in Q4 FY20. On same hotels basis, expenses decreased by 7.5% to Rs 94.0 Cr in Q4 FY20 from Rs 101.6 Cr in Q4 FY19 |
| Operating Margins | <ul style="list-style-type: none"> * EBITDA without other Income, as per old accounting, increased by 12.4% from Rs 48.9 Cr in Q4 FY19 to Rs 55 Cr in Q4 FY20 * EBITDA margin without other Income, as per old accounting, contracted by 127bps from 32.5% in Q4 FY19 to 31.2% in Q4 FY20 |
| Profit after tax | <ul style="list-style-type: none"> * Profit after tax, as per the AS 116 accounting, decreased from Rs 33.7 Cr in Q4 FY19 to Rs (19.0) Cr in Q4 FY20. As per old accounting the Profit after tax decreased to Rs (15.7) Cr. * Cash Profit for Q4 FY20 stood at Rs 9.5 Cr, 80.1% lower than Rs 48.0 Cr in Q4 FY19 |

Consolidated Profit & Loss Statement – FY20

| Rs. Cr | FY19 | FY20 Before IndAS 116 Impact | YoY Change (%) | IndAS 116 Impact | FY20 After IndAS 116 Impact | YoY Change (%) |
|--------------------------------|--------------|------------------------------------|-------------------|---------------------|-----------------------------------|-------------------|
| Revenue from operations | 549.5 | 669.4 | 21.8% | | 669.4 | 21.8% |
| Total expenses | 380.7 | 464.3 | 21.9% | -33.2 | 431.1 | 13.2% |
| EBITDA | 168.8 | 205.1 | 21.6% | 33.2 | 238.3 | 41.2% |
| EBITDA margin (%) | 30.7% | 30.6% | (7) | | 35.6% | 489 |
| Other income | 9.9 | 5.8 | -41.8% | | 5.8 | -41.8% |
| Finance costs | 84.7 | 124.9 | 47.5% | 36.6 | 161.6 | 90.7% |
| Depreciation & amortization | 54.1 | 73.2 | 35.2% | 14.0 | 87.2 | 61.1% |
| PBT | 45.3 | 15.3 | -66.3% | -17.4 | (2.2) | -104.8% |
| Tax expense | (11.1) | 15.5 | -239.4% | -4.6 | 10.9 | -197.7% |
| PAT | 56.4 | (0.2) | -100.4% | -12.8 | (13.0) | -123.1% |
| Cash Profit | 110.5 | 72.9 | -34.0% | 4.6 | 77.6 | -29.8% |

Consolidated Balance Sheet Snapshot – FY20

| Rs. Cr | FY19 | H1 FY20 | FY20 |
|---------------------------------------|----------------|----------------|----------------|
| Shareholder's Funds | 875.0 | 824.7 | 823.0 |
| Non-controlling interests | 432.2 | 430.9 | 721.8 |
| Total Shareholder's equity | 1,307.2 | 1,255.6 | 1,544.8 |
| Total Debt | 1,204.2 | 1,334.9 | 1,577.5 |
| Other Non-current liabilities | 38.0 | 381.4 | 464.2 |
| Other Current liabilities | 222.4 | 258.5 | 176.3 |
| Total Equity & Liabilities | 2,771.8 | 3,230.4 | 3,762.8 |
| Non-current assets | 2,575.3 | 2,979.4 | 3,603.6 |
| Current assets | 196.6 | 251.0 | 159.2 |
| Total Assets | 2,771.8 | 3,230.4 | 3,762.8 |
| Debt to Equity (x) | 0.92 | 1.06 | 1.02 |
| Average cost of borrowing (%) | 9.40% | 9.62% | 9.60% |

Thank You