



November 15, 2021

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

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

NSE Scrip Symbol: LEMONTREE

BSE Scrip Code: 541233

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

Subject: Analysts/Investor Meet

Dear Sir

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, we would like to inform you that the management of Company will be participating online in the following conference:

S.NO.	Event	Date
1	24 th Annual CITIC CLSA India Forum 2021	November 17, 2021

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

Lemon Tree Hotels Limited

(CIN No. L74899DL1992PLC049022)

Registered Office: Asset No. 6, Aerocity Hospitality District, New Delhi-110037

T +91 11 4605 0101 | F +91 11 46050110 | E hi@lemontreehotels.com

Central Reservation: +91 9911 701 701 | www.lemontreehotels.com

Lemon Tree Hotels Limited

Corporate Presentation



aurika
HOTELS & RESORTS

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red fox
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ECONOMY


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PRIMA HOTELS

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SELECT HOTELS

MIDSCALE


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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.



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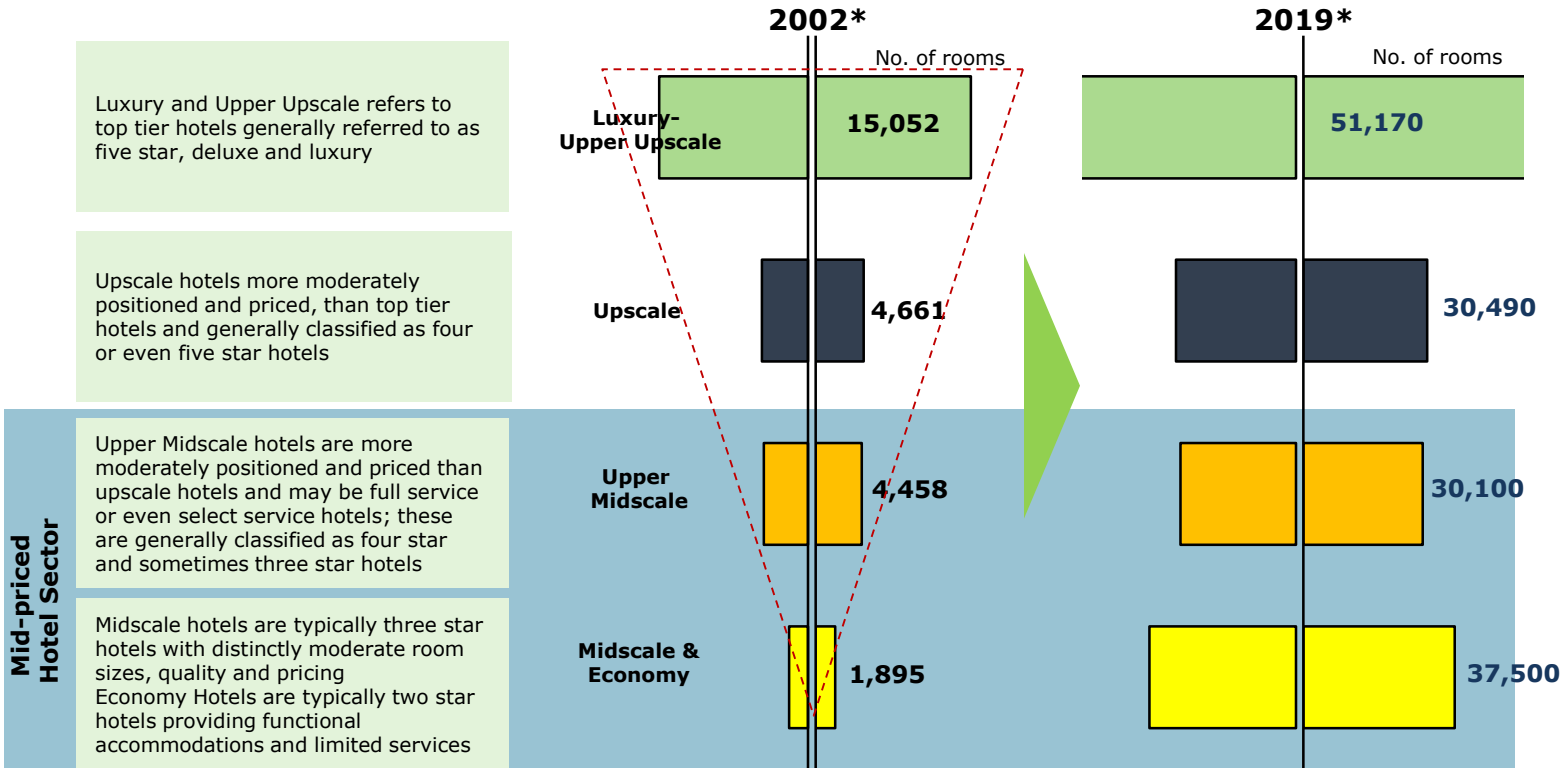


Company Overview and Growth Plans

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



Luxury and Upper Upscale refers to top tier hotels generally referred to as five star, deluxe and luxury

Upscale hotels more moderately positioned and priced, than top tier hotels and generally classified as four or even five star hotels

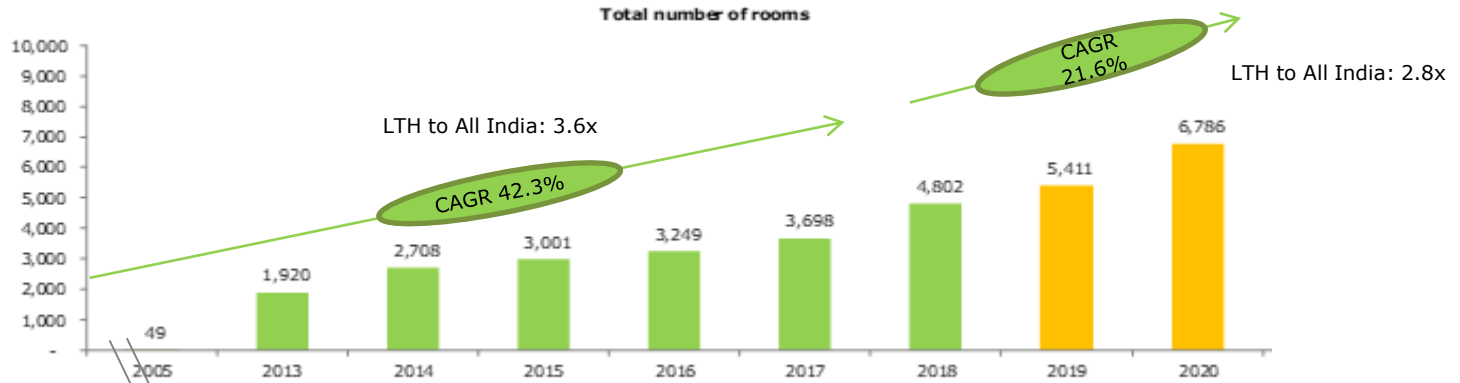
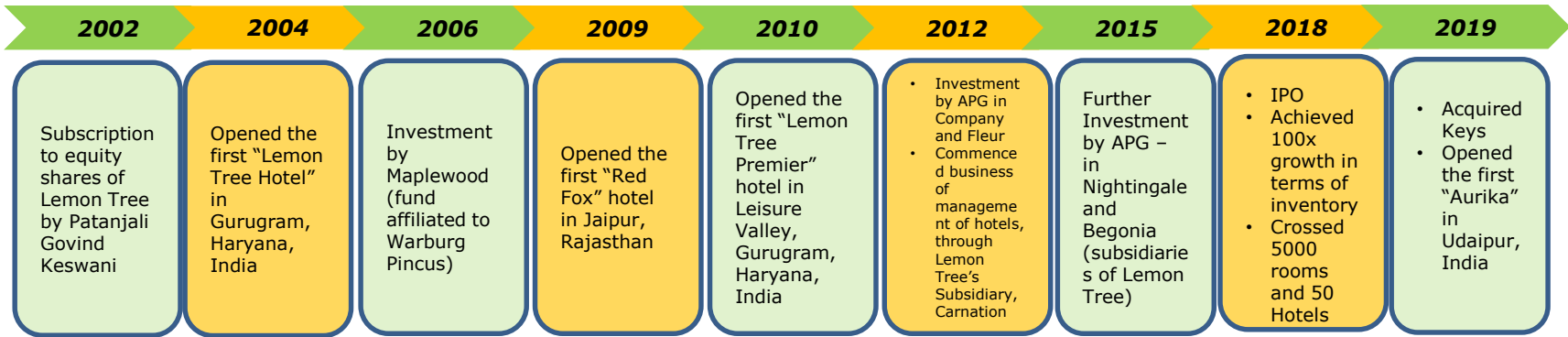
Mid-priced Hotel Sector
Upper Midscale hotels are more moderately positioned and priced than upscale hotels and may be full service or even select service hotels; these are generally classified as four star and sometimes three star hotels

Midscale hotels are typically three star hotels with distinctly moderate room sizes, quality and pricing
Economy Hotels are typically two star hotels providing functional accommodations and limited services

Source : Horwath HTL India Hotel Market Review, 2018
Note: * as of December 31 of that year



Lemon Tree Brand Standards – Linked to Business Model



All India Supply CAGR: 11.8%

All India Supply CAGR: 7.9%

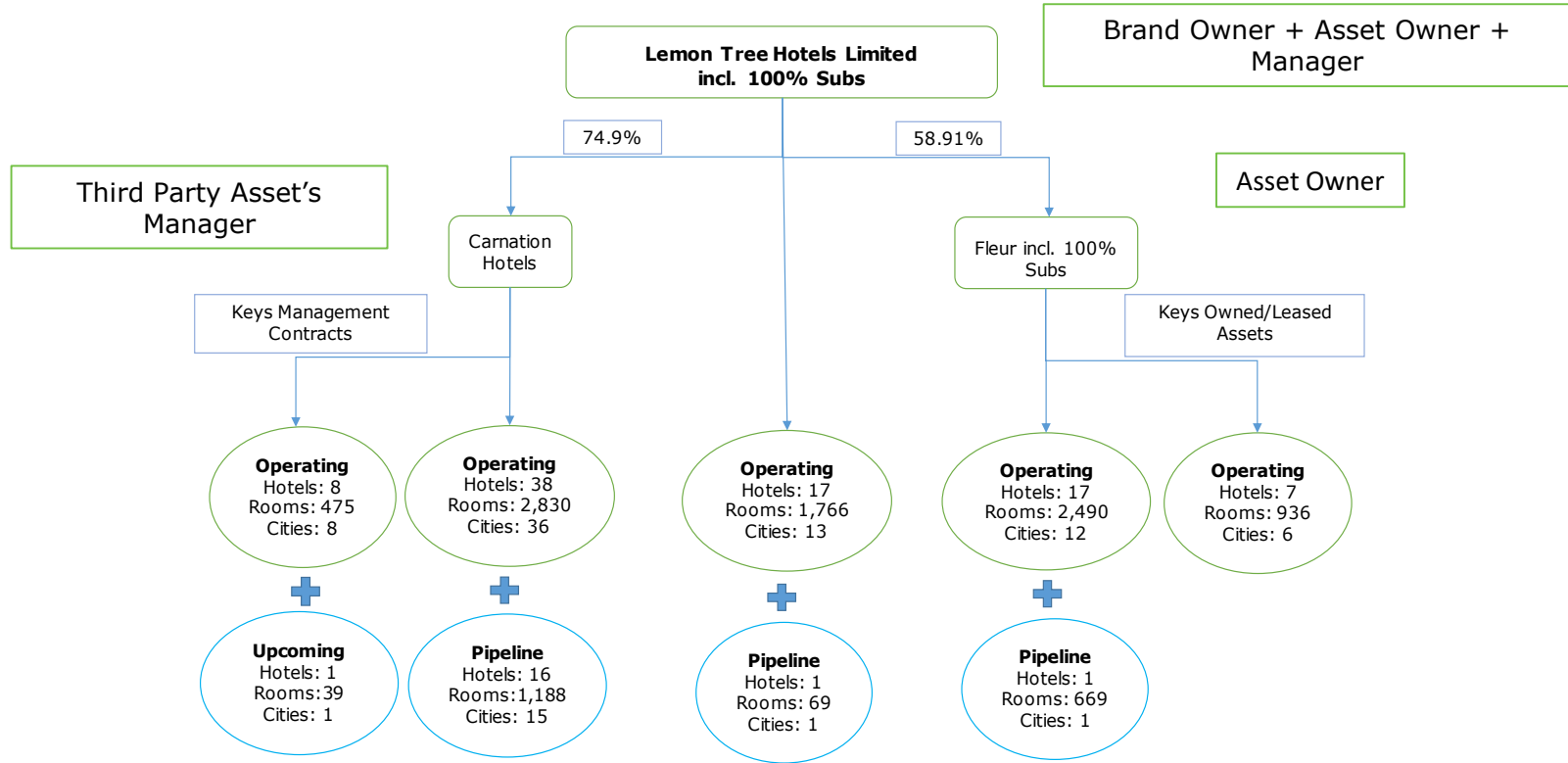


Key Statistics

	Q2 FY22	Q2 FY21	YoY Var (%)
Cities	54	49	10%
Hotels	87	81	7%
Rooms	8,497	8,044	6%



Lemon Tree Group Structure



Notes :-
 1. The Pipeline of hotels is as of 30th September 2021



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

Jaipur: FY20 – 5.1%
FY26E – 4.0%

Ahmedabad: FY20 – 4.2%
FY26E – 3.4%

Mumbai: FY20 – 2.1%
FY26E – 6.0%

Pune: FY20 – 6.2%
FY26E – 5.9%

Goa: FY20 – 1.4%
FY26E – 1.1%

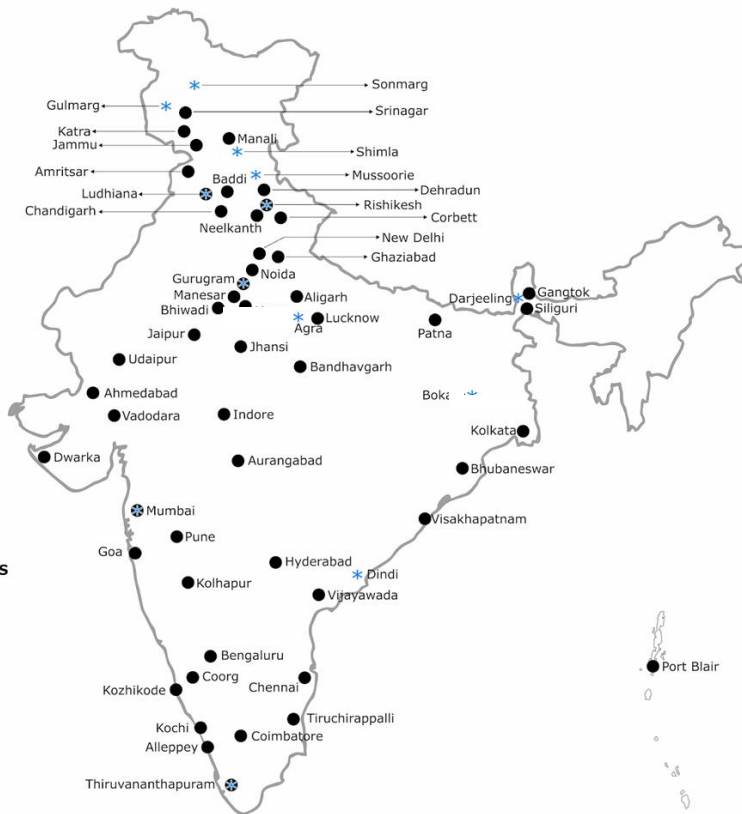
Bengaluru: FY20 – 6.3%
FY26E – 4.9%

Delhi NCR: FY20 – 6.73%
FY26E – 6.74%

Kolkata: FY20 – 2.9%
FY26E – 2.6%

Hyderabad: FY20 – 8.9%
FY26E – 8.5%

Chennai: FY20 – 2.5%
FY26E – 2.5%



INTERNATIONAL DESTINATIONS

United Arab Emirates

● Dubai

Bhutan

● Thimphu

Nepal

* Kathmandu

* Nagarkot

* Biratnagar

● Operating Hotels

* Upcoming Hotels

Source : Indian Hospitality Trends and Opportunities 2021

Note: The FY26 expected market share has been calculated on the basis of current pipeline on hotels only

Map updated as of 21st Oct, 2021



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Lemon Tree – Snapshot as on 21st October 2021

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

Pipeline

By CY23 (20% of Branded Mid Market Hotels in India*)



**8,497 rooms;
87 hotels**



**1,965 rooms;
19 hotels**



**10,462 rooms;
106 hotels**

Brand	Current	Pipeline	By FY23
Aurika Hotels & Resorts	202 Rooms; 2 Hotels	669 Rooms; 1 Hotel	871 Rooms; 3 Hotels
Lemon Tree Premier	2,514 Rooms; 18 Hotels	130 Rooms; 2 Hotel	2,644 Rooms; 20 Hotels
Lemon Tree Hotels	2,867 Rooms; 39 Hotels	1,127 Rooms; 15 Hotels	3994 Rooms; 54 Hotels
Red Fox by Lemon Tree Hotels	1,503 Rooms; 13 Hotels	--	1,503 Rooms; 13 Hotels
Keys by Lemon Tree Hotels	1,411 Rooms; 15 Hotels	39 Rooms; 1 Hotel	1,450 Rooms; 16 Hotels

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



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	51,170	-
Upscale	30,490	Aurika
Upper Midscale	30,100	LTP
Midscale and Economy	37,500	LTH/RFH
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

Source : Hotelivate – Horwah HTL India Market Review 2019



Expansion Plans – Hotels under Development

Under-development hotels	Type	Rooms	Expected Opening date	Ownership (%)
Lemon Tree Mountain Resort, Shimla	Owned	69	TBD	100.00%
Aurika, Mumbai International Airport#	Owned	669	CY23	58.91%
Total		738		

- * Total estimated project cost is Rs. 10,060 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 September, 2021 is Rs. 3,876 Million

Expansion Plans – Pipeline of Management Contracts (as on 21st Oct, 2021)

Management Contracts Pipeline	Rooms	Expected Opening date
Lemon Tree Hotel Kalina/BKC, Mumbai	70	Dec-21
Lemon Tree Hotel, Sonamarg	40	Mar-22
Lemon Tree Hotel, Rishikesh	102	Mar-22
Keys Lite, Rishikesh	39	Mar-22
The Spectrum, Gurgaon (Serviced apartments)	260	Jun-22
Lemon Tree Hotel, Bokaro	70	Aug-22
Lemon Tree Hotel, Gulmarg	35	Aug-22
Lemon Tree Hotel, Agra	62	Sep-22
Lemon Tree Resort, Mussoorie	40	Dec-22
Lemon Tree Hotel, Trivandrum	100	Jan-23
Lemon Tree Resort, Thimpu, Bhutan	38	Jan-23
Lemon Tree Hotel, Darjeeling	55	Jan-23
Lemon Tree Hotel, Biratnagar, Nepal	80	Mar-23
Lemon Tree Hotel, Kathmandu, Nepal	75	Sep-23
Lemon Tree Bhangeri Durbar, Nepal	51	Sep-23
Lemon Tree Premier, Dindi	50	Uncertain
Lemon Tree Hotel, Ludhiana	60	Uncertain
Total Pipeline	1,227	

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



Differentiated business model of Lemon Tree (LTH)

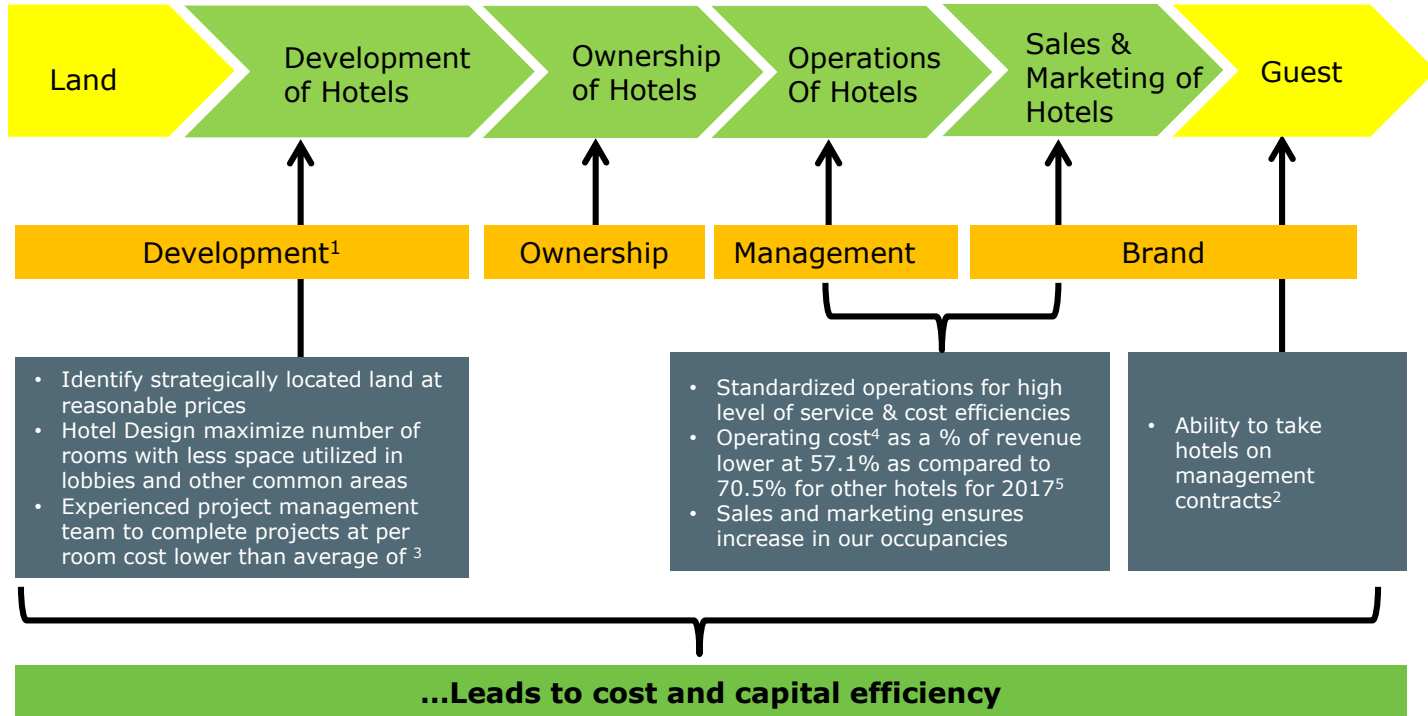


The Business Model | Mid-cycle

Lemon Tree's ROCE is > 1.5x of a typical 5 star hotel in India

	Typical 5 star	lemon tree HOTELS	
Cost Per Room (Normalised)	1000	400	~40% of Five Star
Rate (Normalised)	100	50	
Occupancy	x%	1.2x%	
Room Revenue (Normalised)	100	60	~60% of Five Star
Total Revenue (Normalised)	100	50	Lower other income for LTH
Cost (Normalised)	65	25	~40% of Five Star
EBITDA (Normalised)	35	25	
RoCE	x	1.7x	





- Note: 1. Through subsidiary Grey Fox Project Management
 2. Through subsidiary Carnation
 3. For Select Hotels for the same period, according to a survey conducted by HVS (India – 2016 Hotel Development Cost Survey)
 4. For owned and leased hotels
 5. Source : FHRAI-Indian-Hotel-Survey-2016-17

Process

Presence across value chain



Focus on culture & service differentiation with focus on domestic travellers



- Ranked 4th in India and only Hotel chain in top 10 Best Companies to Work for by the Great Place to Work Institute, India in 2017
- Ranked 12th in Asia's Best Large Workplaces in 2018 by Great Place to Work Institute. Only Indian company in top 15
- The highly engaged work force provides superior service to customers

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



68 out of 79 hotels (which were eligible for receiving this recognition) were awarded the TripAdvisor Travelers' Choice Award 2021

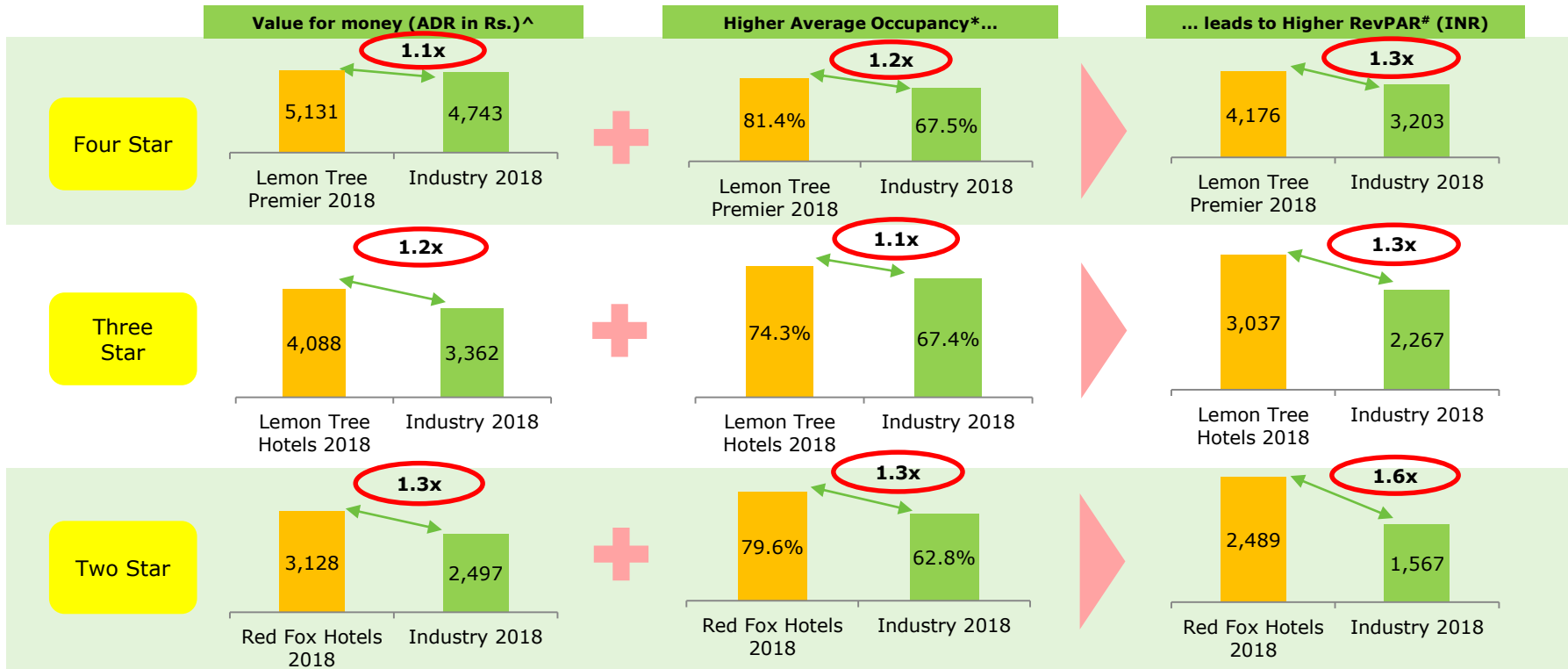


Customers

Value for money pricing

Occupancy (Utilization) Premium

RevPAR (Revenue per room) Premium



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

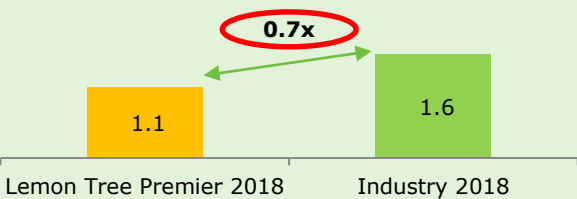
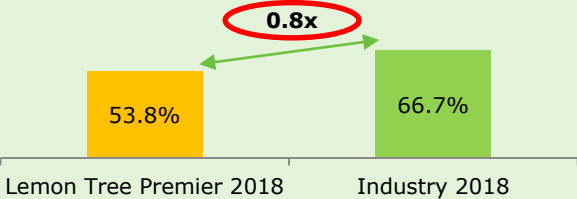
Higher GOP^



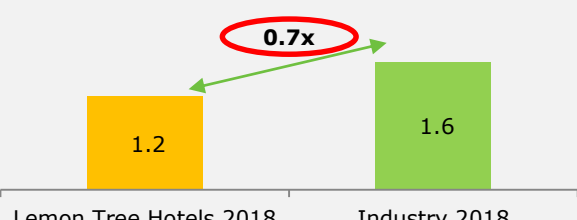
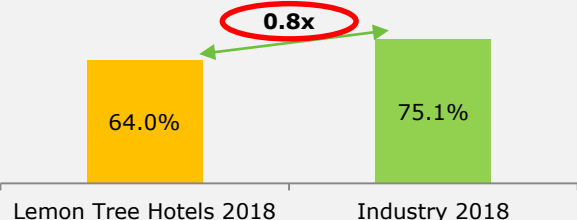
Lower Operating Expense as % of Revenue

Lower Staff per room ratio

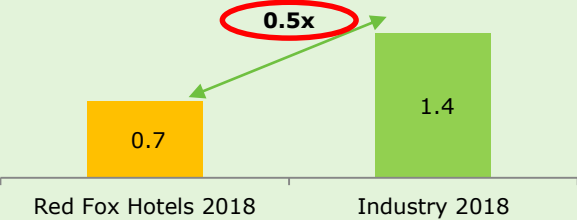
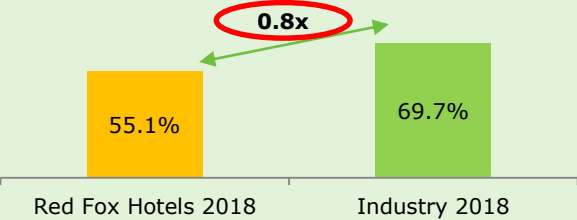
Four Star



Three Star



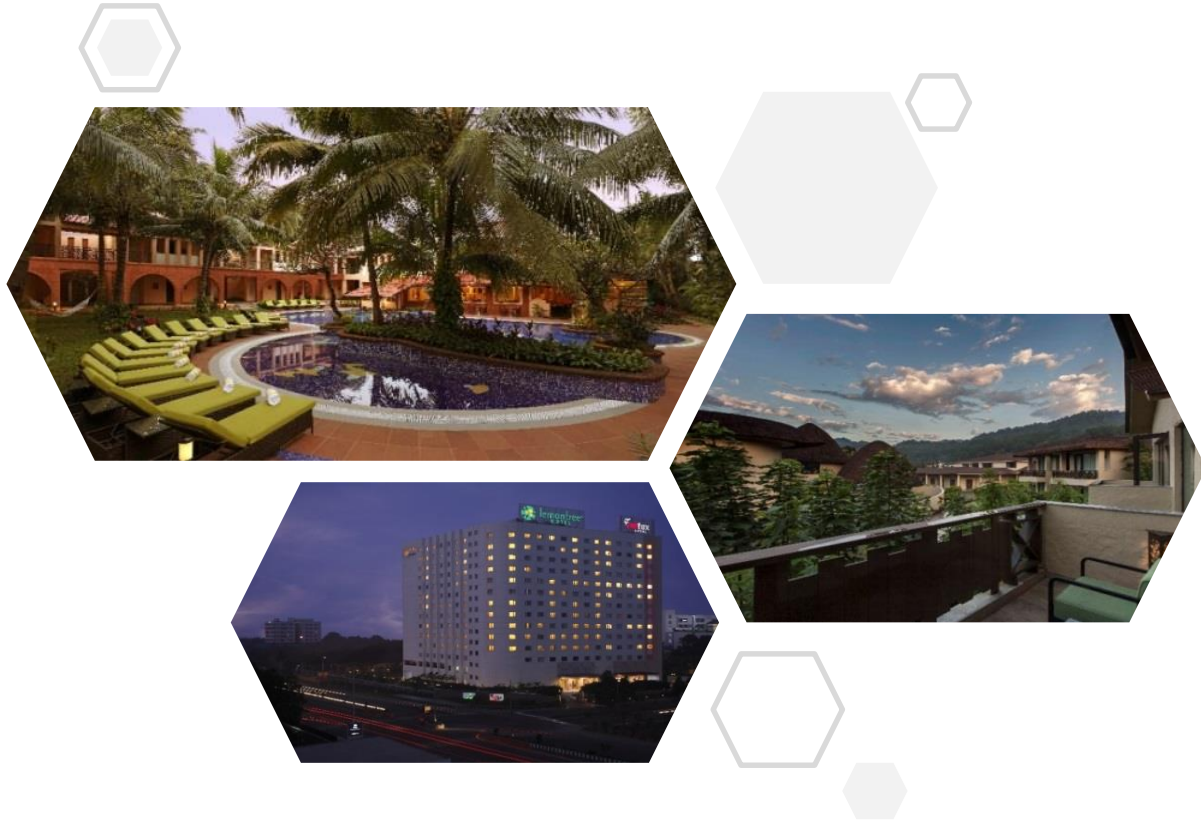
Two Star



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/Industry

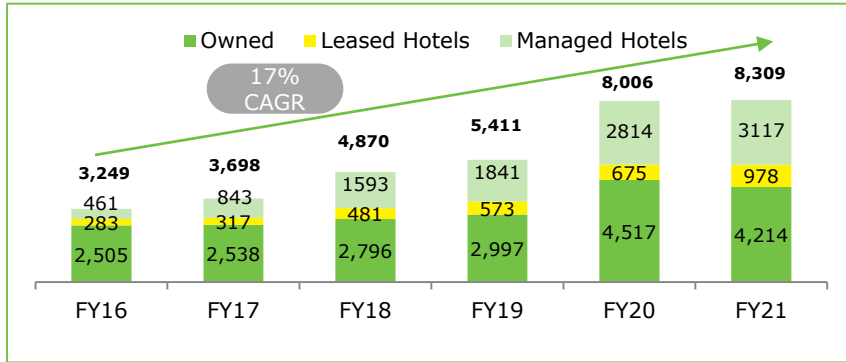




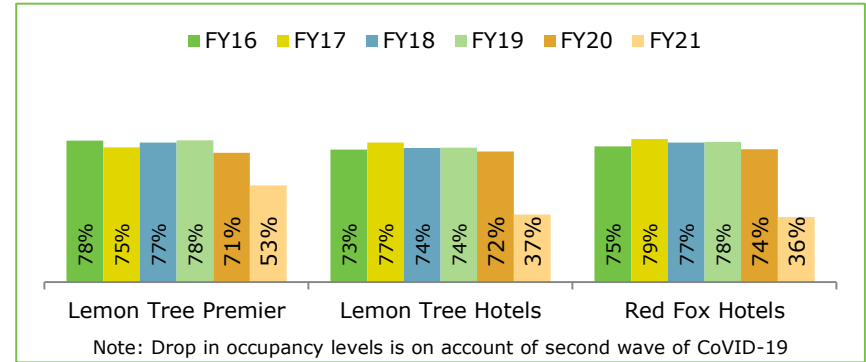
Strong Operating and Financial Performance

Operating Performance

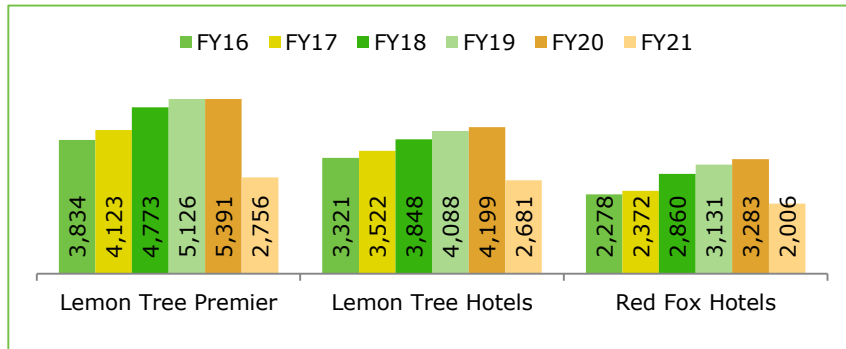
Rooms are being added



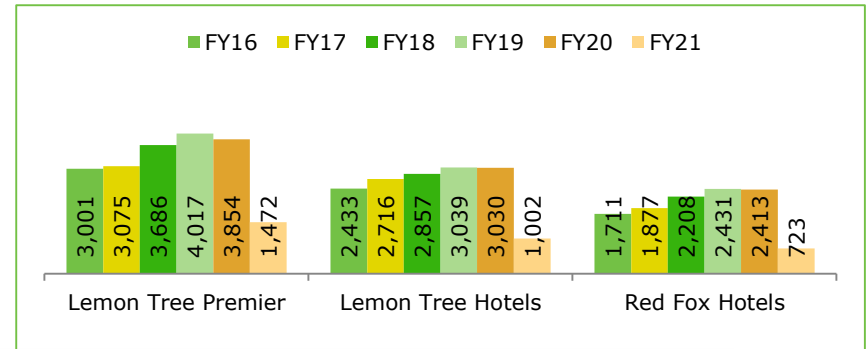
Occupancy



ADR



RevPAR



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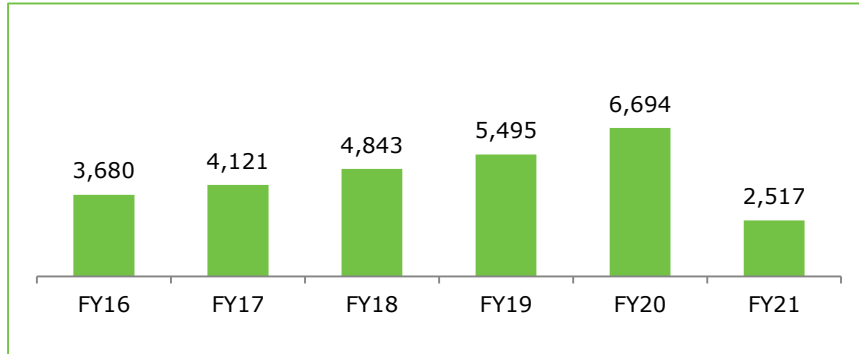
BY LEMON TREE HOTELS



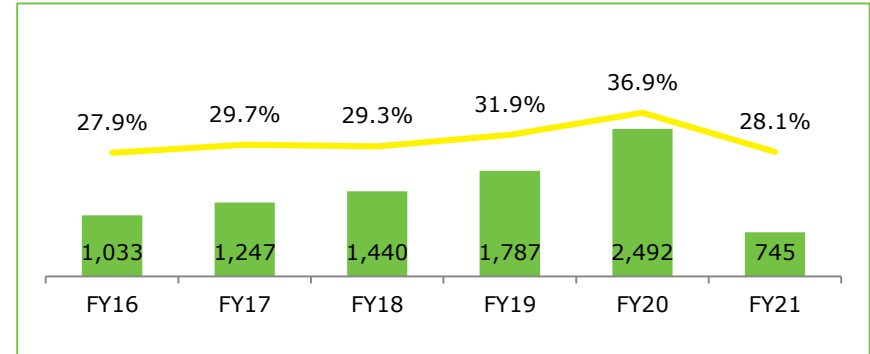
BY LEMON TREE HOTELS

Operating Margins

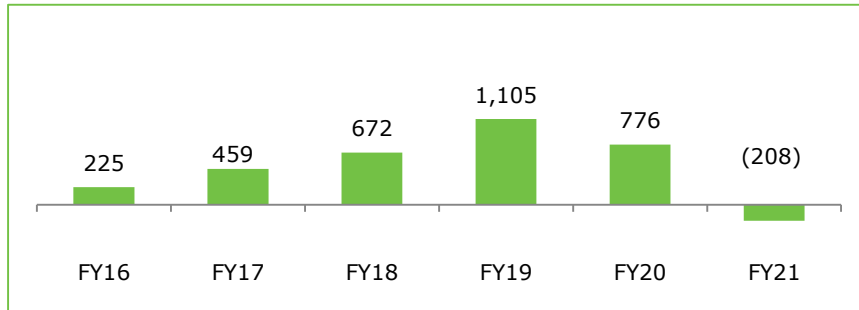
Revenue from operations (Rs. Million)



EBITDA (Rs. Million) & EBITDA margins



Cash profit



Debt to Equity Ratio



Note: FY16 figures are from Lemon Tree Prospectus. FY17, FY18, FY19, FY20 and FY21 figures are from audited balance sheet.
For FY20 and FY21: Cash Profit = PAT + Depreciation + Interest converted into loans; for all remaining years it is PAT + Depreciation



Operational Performance by Ageing – FY21 vs. FY20

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
	FY21	28	13	0	
Operating Rooms (year-end)	FY20	2,855	715	1,622	738
	FY21	3,278	1,914	-	
Occupancy Rate (%)	FY20	75.2%	67.1%	56.4%	Deep demand Markets (high occupancies)
	FY21	42.1%	35.9%	-	
Average Daily Rate (Rs.)	FY20	4,399	4,027	4,438	2.0x of Adult Hotels in that year*
	FY21	2,531	2,785	-	
Hotel level EBITDAR ² /room (Rs. Lacs)	FY20	6.9	5.5	2.3	High*
	FY21	1.4	1.6	-	
Hotel level EBITDAR ² Margin (%)	FY20	44%	39%	39%	High*
	FY21	30%	36%	-	
Hotel level ROCE ^{*3} (%)	FY20	12%	5%	2%	1.5x of Adult Hotels in that year*
	FY21	2%	1%	-	

Notes:

- 1) During the year FY21 4 hotels moved from toddler to adult category, 11 hotels moved from infant to toddler category and no new hotels entered into the infant category
- 2) Hotel level EBITDAR measures hotel-level results before lease rentals, debt service, depreciation and corporate expenses of the owned/leased hotels, and is a key measure of company's profitability
- 3) Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels

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

	Date of Opening	FY15	FY16	FY17	FY18	FY19	CAGR
LTP Aerocity Delhi	Dec-FY14	Infant	Toddler	Toddler	Adult	Adult	
Inventory		145	280	280	280	280	
Occupancy		84.2%	82.0%	75.7%	82.8%	85.5%	
ARR		3,114	3,612	3,876	4,405	5,626	15.9%
RevPAR		2,622	2,963	2,932	3,647	4,809	16.4%
EBITDA/Room		2.4	6.7	7.6	10.1	11.5	48.6%
EBITDA Margin		13.5%	40.8%	41.8%	47.3%	47.5%	
RFH Aerocity Delhi	Dec-FY14	Infant	Toddler	Toddler	Adult	Adult	
Inventory		197	207	207	207	207	
Occupancy		73.5%	87.4%	81.3%	86.0%	88.9%	
ARR		2,183	2,250	2,418	3,137	4,082	16.9%
RevPAR		1,604	1,966	1,966	2,697	3,629	22.6%
EBITDA/Room		2.4	3.2	3.8	6.1	7.4	32.2%
EBITDA Margin		28.6%	33.0%	37.6%	46.1%	47.3%	

	Date of Opening	FY15	FY16	FY17	FY18	FY19	CAGR
LTH Whitefield Bangalore	Jul-FY14	Infant	Toddler	Toddler	Adult	Adult	
Inventory		130	130	130	130	130	
Occupancy		47.5%	70.6%	79.8%	76.9%	82.7%	
ARR		2,681	2,745	3,065	3,393	3,981	10.4%
RevPAR		1,274	1,938	2,445	2,610	3,293	26.8%
EBITDA/Room		1.6	4.3	5.9	5.7	6.9	43.9%
EBITDA Margin		22.2%	41.0%	47.0%	43.9%	46.4%	
LTH Gachibowli Hyderabad	Nov-FY15	Infant	Toddler	Toddler	Adult		
Inventory		190	190	190	190		
Occupancy		61.6%	75.9%	73.9%	82.9%		
ARR		2,864	2,913	3,128	3,828		10.2%
RevPAR		1,764	2,212	2,311	3,175		21.6%
EBITDA/Room		4.4	6.0	6.0	7.6		19.8%
EBITDA Margin		46.2%	50.2%	48.1%	50.3%		

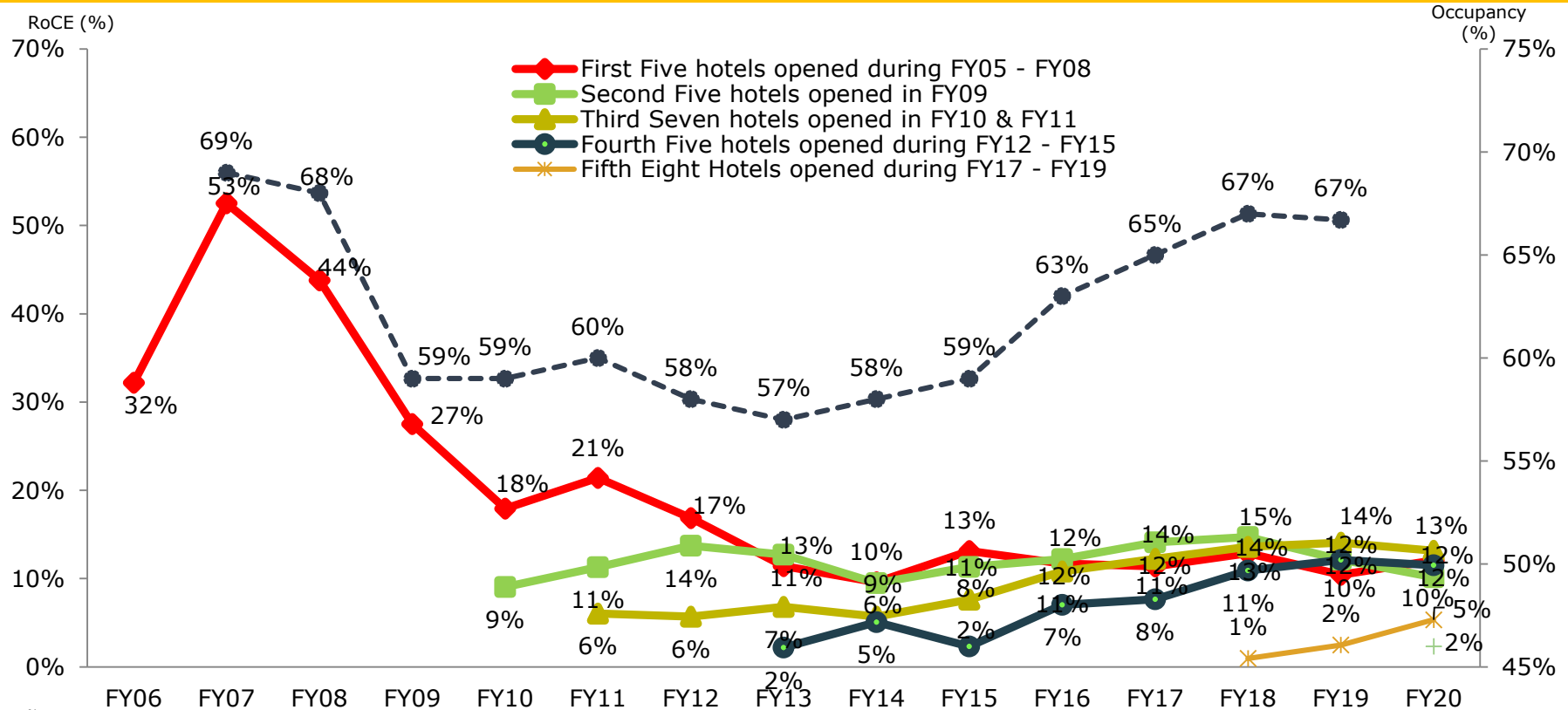
RevPAR (not ARR or Occupancy) is the Key Metric

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

	FY15	FY16	FY17	FY18	FY19	CAGR
Aggregate	Infant	Toddler	Toddler	Adult	Adult	
Inventory	472	807	807	807	807	
Occupancy	69.6%	76.7%	77.8%	80.6%	85.3%	
ARR	2,622	2,945	3,130	3,627	4,545	14.7%
RevPAR	1,826	2,260	2,436	2,922	3,877	20.7%
EBITDA/Room	2.2	4.9	6.0	7.4	8.8	41.8%
EBITDA Margin	20.0%	40.3%	43.5%	46.7%	47.8%	
LTH Focus	Occ.	Occ.	Occ.	ARR	RevPAR	

Once fully stabilized, RevPAR drives operating leverage

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



Notes:

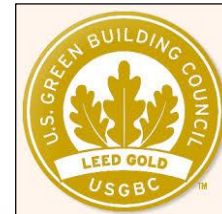
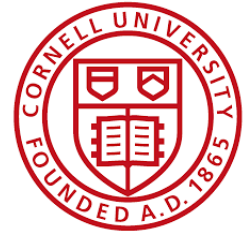
1. Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels
 2. Hotel RoCE is based on first full year of operation



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)"**





Extracts from first ESG Report of Lemon Tree Hotels for FY21

To read the full report please visit:

https://www.lemontreehotels.com/factsheet/Policies/LTH_ESG_Report_2021.pdf

This report covers all 41 owned/leased hotels across 23 cities for the reporting period from 1st April 2020 to 31st March 2021

Impact of our Environment, Social and Governance initiatives:



10%

Renewable energy in the electricity mix in FY21



98%

Operations audited (internally) for cases of corruption and bribery



14.30%

Opportunity Deprived Indians (ODIs) employed in FY21



52%

Reduction in normalized water withdrawal intensity per total floor area since FY18



67%

Reduction in normalized emissions intensity per occupied room since FY18

Click here to read the report: [ESG Report](#)



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In the area of Environment, we are focused on becoming more energy efficient, adopting renewable energy, mitigating and adapting to climate change, conserving water and reducing waste

At the center of our ESG approach is our commitment to **creating sustained value**. This is across all stakeholders - shareholders and investors, employees, customers, suppliers and the society at large.



In the area of Social, our emphasis is on the development of people, especially creating an inclusive and equal opportunity workplace and empowering local communities

Vision FY26 reflects our belief that our business operations are inherently integrated with delivering social and environmental impact.



In the area of Governance, our commitment is towards building an ethical and transparent organization

[Click here to read the report: ESG Report](#)



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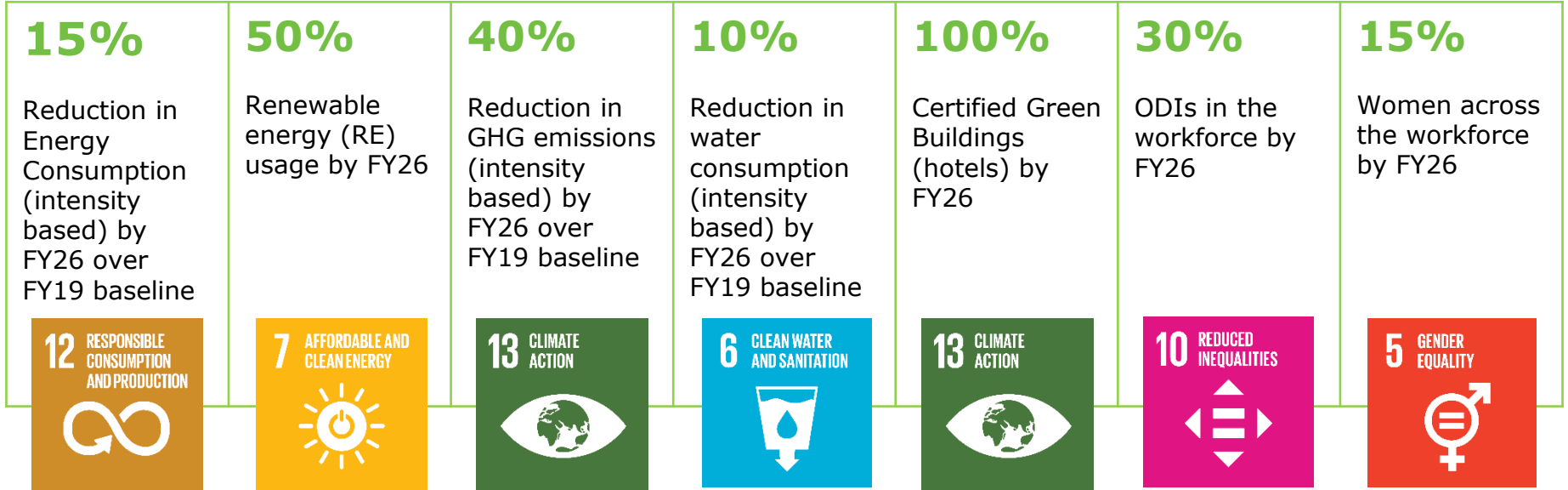


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Our ambitions for FY26 are based on the following goals and aspirations:



Click here to read the report: [ESG Report](#)

In a rapidly evolving business environment addressing ESG issues is crucial to ensure the longevity of an organization. Through our well-defined policy frameworks and initiatives, we are on the path to achieving business growth along with creating a positive environmental and social impact.



Embracing Environmental Stewardship

- Sustainability Policy
- Waste Management Pilot- Policy redefinition



Redefining Social Engagement

- Diversity and Inclusion Initiative
- Growth of Employee Strength
- Career Path and Employee Growth
- Management of Labor Relations
- Policy and Workers' Right
- CSR Policy



Providing Effective Governance

- Nomination and Remuneration Policy
- Code of Conduct
- Data Privacy Policy
- Risk Management Policy
- Whistleblower Policy
- Prevention of Sexual Harassment Policy

Click here to read the report: [ESG Report](#)



Our efforts to integrate ESG across our business operations is effectively supported by a dynamic governance structure



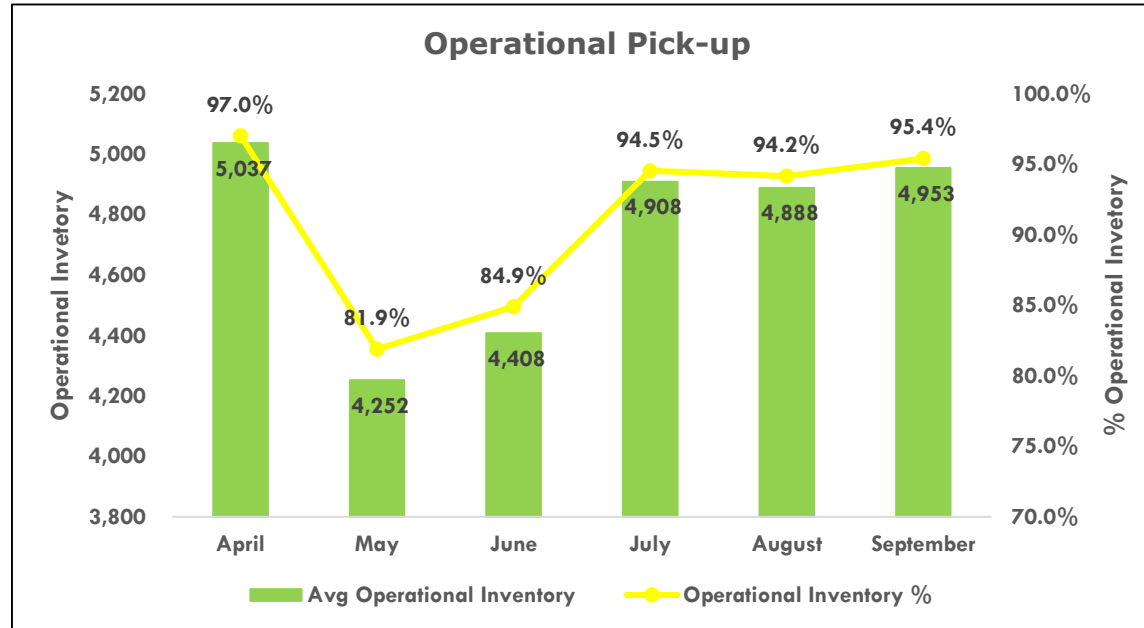
Click here to read the report: [ESG Report](#)



CoVID-19 : Survive, Revive & Thrive



Increasing Operational Inventory



Trends for the 5,192 owned/leased rooms



UPSCALE



UPPER MIDSCALE



MIDSCALE



ECONOMY



BY LEMON TREE HOTELS

UPPER MIDSCALE



BY LEMON TREE HOTELS

MIDSCALE

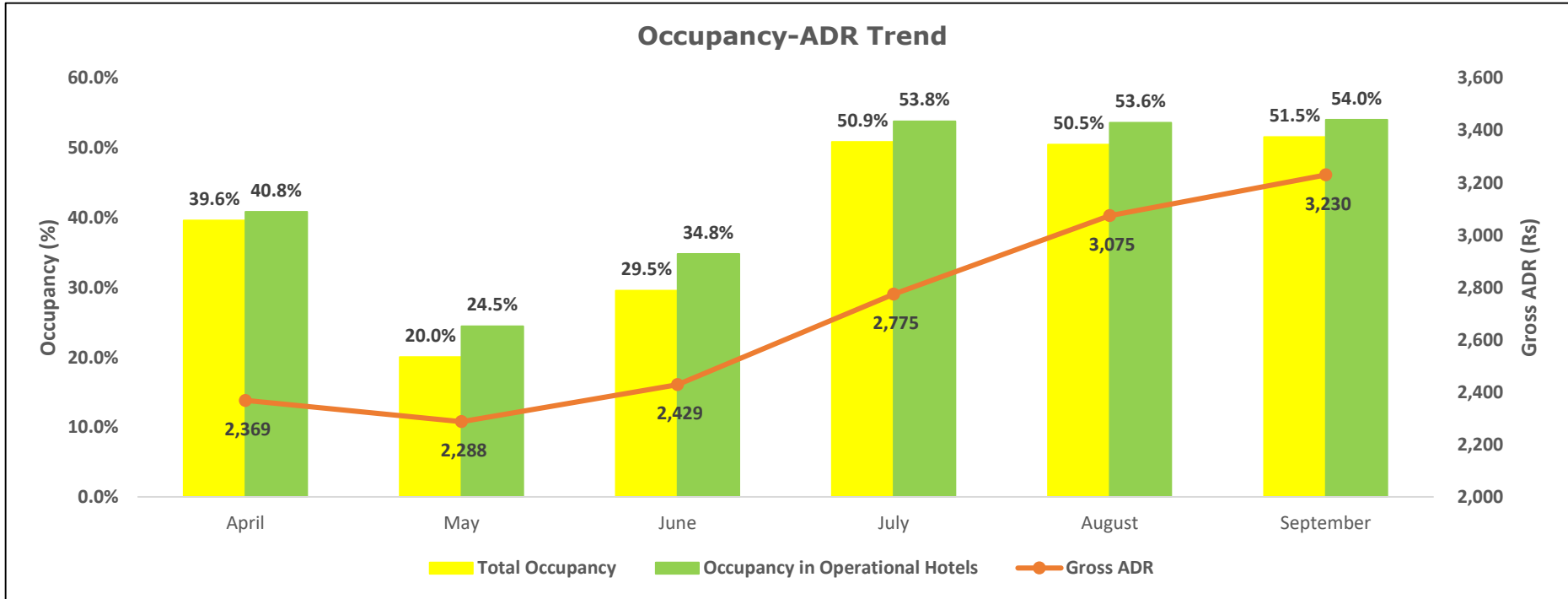


BY LEMON TREE HOTELS

ECONOMY

Q2 FY22 Operating Performance Trends

Rising Occupancy Levels

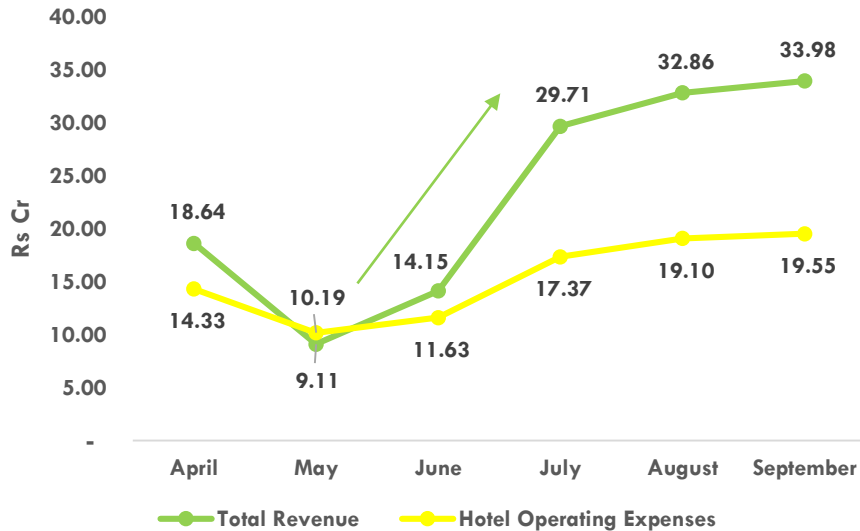


Trends for the 5,192 owned/leased rooms

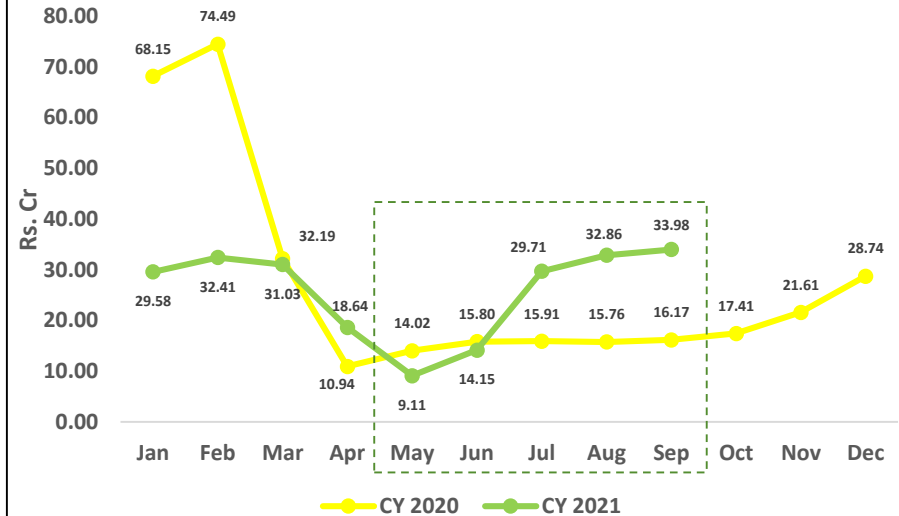


Improving Operating Efficiency and 'V-Shaped' Recovery

Revenue vs OPEX Trend



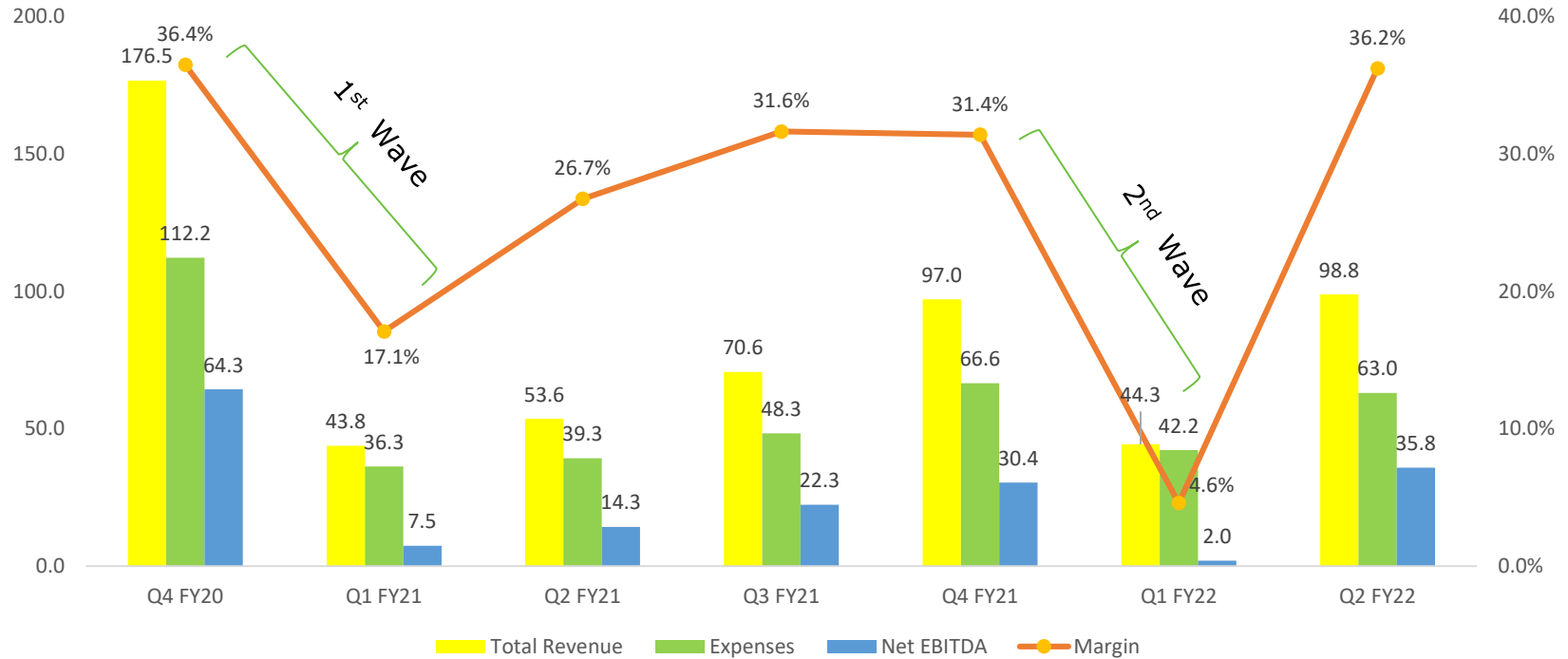
Revenue Trend



Notes:

1. Total Revenue includes Revenue from Owned and Leased hotels and Fees from Managed hotels
2. Operating Expenses include Hotel operating expenses for Owned and Leased hotels (including non-operational hotels)

Quarter on Quarter Performance



UPSCALE



UPPER MIDSCALE



MIDSCALE



ECONOMY



UPPER MIDSCALE



MIDSCALE



ECONOMY

Operational Performance

- * Our operating inventory in Q2 FY22 stood at 94.7% of our total inventory against 86.8% in Q2 FY21.
- * Month on month operational inventory trajectory for Q2 FY22 was 4908 (94.5%), 4888 (94.2%) and 4953 (95.4%) rooms for July, August and September respectively.
- * Occupancy on full inventory increased by 1,860 bps from 32.4% in Q2 FY21 to 51% in Q2 FY22. On a sequential basis, the occupancy on full inventory increased by 2,135 bps from 29.6% in Q1 FY22
- * Some of the major demand segments in Q2 FY22 were FIT/CRC/Walk-In, OTA's and Small Medium Enterprises (SME).

Financial Performance

- * Revenue from operations stood at Rs. 96.9 Cr in Q2 FY22, up 103.6% as compared to Rs. 47.6 Cr in Q2 FY21. On a sequential basis, revenue from operations increased 129.9% from Rs. 42.2 Cr in Q1 FY21
- * Month on month revenue from operations trajectory for Q2 FY22 was 29.71 Cr., 32.86 Cr., and 33.98 Cr. for July, August and September respectively.
- * Net EBITDA increased by 149.9% from Rs. 14.3 Cr in Q2 FY21 to Rs. 35.8 Cr in Q2 FY22. On a sequential basis, EBITDA increased 1647.4% from Rs. 2 Cr in Q1 FY22.
- * EBITDA margin increased by 3159 bps from 26.7% in Q2 FY21 to 36.2% in Q2 FY22.. On a sequential basis, the EBITDA margin has expanded by 951 bps from 4.6% in Q1 FY22.
- * Cash Profit for Q2 FY22 stood at Rs. -6.9 Cr vs Rs. -4.6 Cr in Q2 FY21. The Cash Profit in Q1 FY22 was Rs. -33.6 Cr
- * During the 3-month period, ie. end Q1 FY22 to end Q2 FY22, average cost of borrowings lowered by 5 bps from 8.15% to 8.10%

CoVID-19 : Survive & Revive – Solved for Liquidity

Planned

- * APG Strategic Real Estate Pool N.V. approved investment of upto Rs 300 Cr in two tranches by CCPS which will be convertible into equity in 30 months
- * Board of Directors gave approval to raise upto Rs 150 Cr as an abundant precaution to provide an additional liquidity cushion, if required
- * Lemon Tree has the option to avail up to Rs. 548 Cr under government's ECLGS facility

Availed

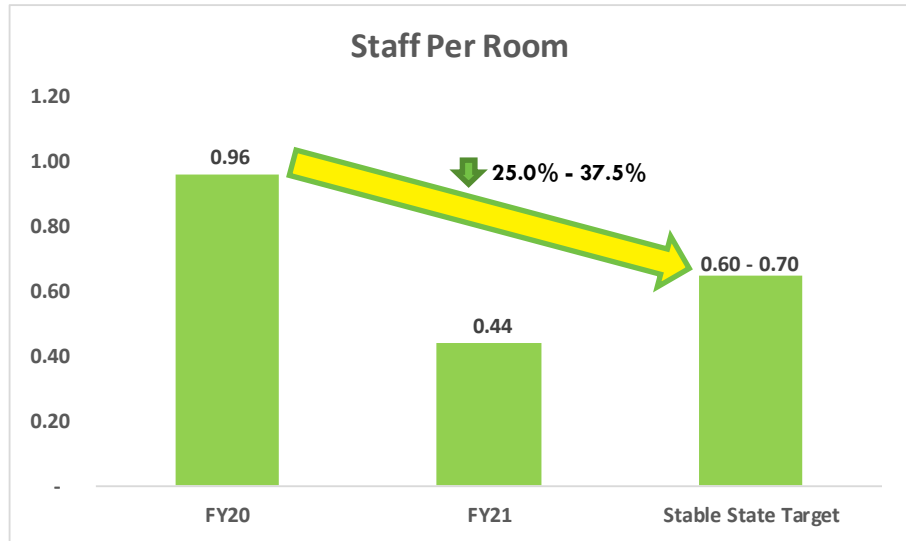
- * APG Strategic Real Estate Pool N.V. infused first tranche of Rs 175 Cr in June '20
- * Lemon Tree will inject additional 100% owned assets at the end of 30 months in order to retain current majority ownership. This is aligned to Lemon Tree's asset monetization plan/asset light strategy

Current Status

- * The current cash in the company and monthly free cash flow give comfort to the company to avoid availing the two pre-approved fund raising options i.e. second tranche of Rs 125 Cr from APG and rights issue of Rs 150 Cr in LTH
- * Currently, the company has availed only ~44% out of a total Rs. 548 Cr of ECLGS facility as of 30th Sep 2021

Manpower

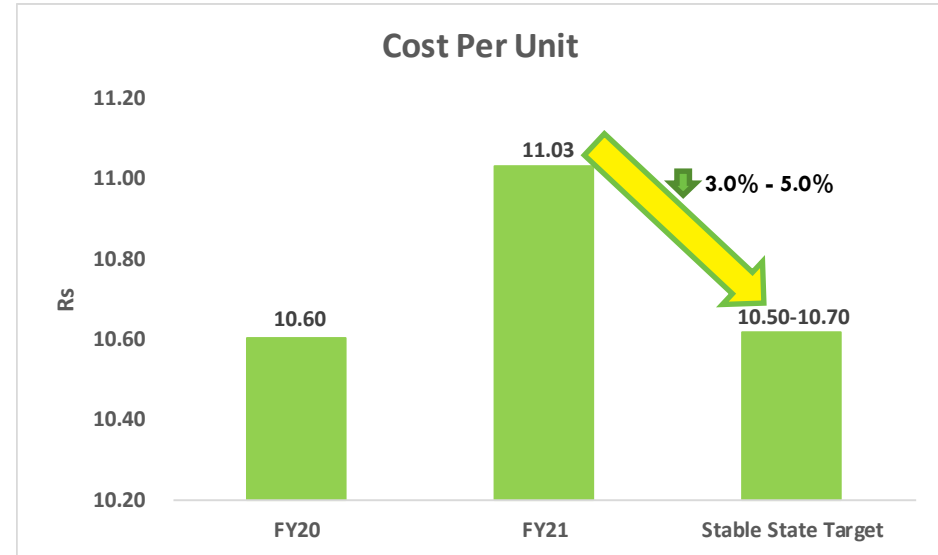
- One of our biggest leanings has been that our hotels can operate with lesser manpower without compromising on service quality
- During Covid-19 induced lockdowns and partial curfews, we utilized the opportunity to multi-skill our staff by imparting cross trainings across departments



Hotel Payroll expenses were ~21% of our Total Revenue in FY20

Electricity Cost

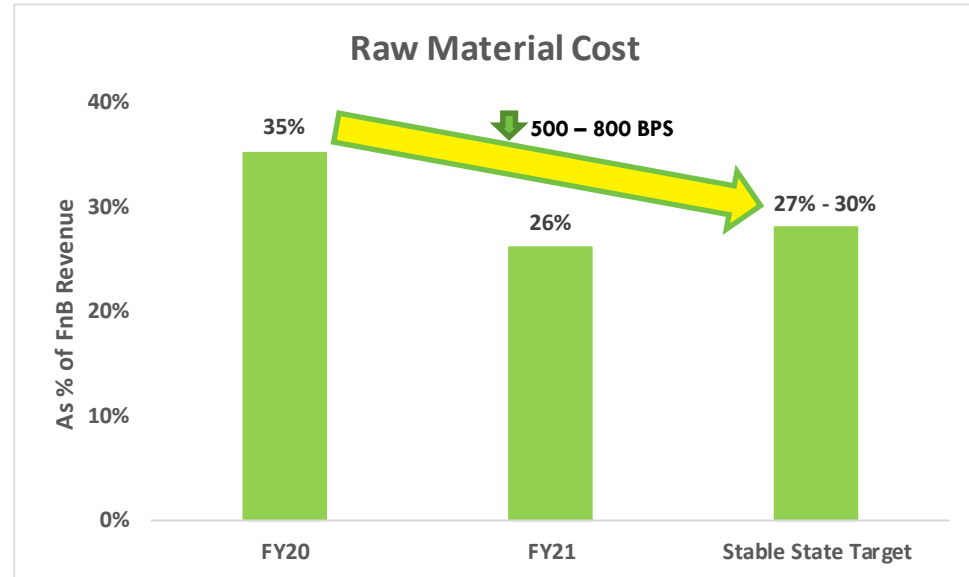
- We have been aggressively expanding the share of our electricity sourced from renewable sources, which come at a lower cost as compared to thermal power
- In FY20, only 5% of our electricity was sourced from renewable sources. We target to increase this share to 30% by Q1 FY22
- The increase in share of renewable energy will also lead to reduction in our carbon footprint



Electricity cost was ~7.4% of our Total Revenue in FY20


Raw Material Cost

- With our continuously expanding geographical footprint we are strengthening our position to negotiate contracts with our suppliers favorably
- Over the past 9 months, we have reinvented our menus to save spoilage without impacting the guest experience



F&B Revenue was ~15% of our Total Revenue in FY20

CoVID-19 : Thrive – By Building Operational Efficiencies



These steps should lead to a **permanent improvement in our Net EBITDA** by 500-700 bps as a percentage of revenue once we reach the stable state (expected CY22)

Various other fixed and variable expenses can also be reduced significantly on a permanent basis

Under Development Hotels



Aurika, Mumbai Airport (MIAL) | Image Representation



AURIKA
HOTELS & RESORTS

UPSCALE


lemon tree
PREMIER

UPPER MIDSCALE


lemon tree
HOTELS

MIDSCALE


red fox
BY LEMON TREE HOTELS

ECONOMY

keys
PRIMA
BY LEMON TREE HOTELS

UPPER MIDSCALE

keys
SELECT
BY LEMON TREE HOTELS

MIDSCALE

keys
LITE
BY LEMON TREE HOTELS

ECONOMY

Aurika, Mumbai Airport (MIAL) | Image Representation



AURIKA
HOTELS & RESORTS

UPSCALE


lemon tree
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ECONOMY

Aurika, Mumbai Airport (MIAL) | Image Representation



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BY LEMON TREE HOTELS

ECONOMY

Lemon Tree Mountain Resort – Shimla | Image Representation



AURIKA
HOTELS & RESORTS

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lemon tree
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MIDSCALE

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ECONOMY

Lemon Tree Mountain Resort – Shimla



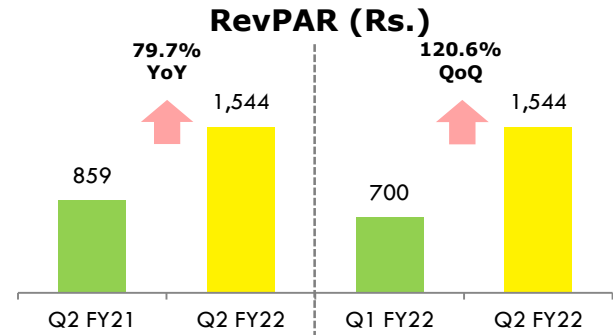
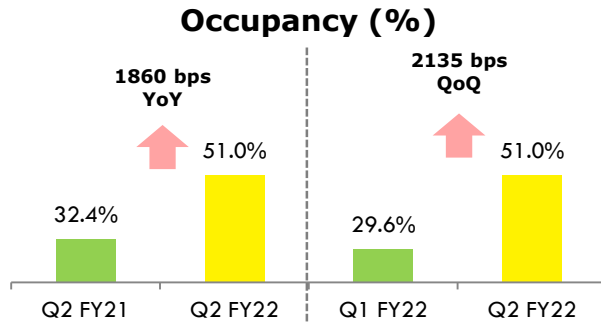
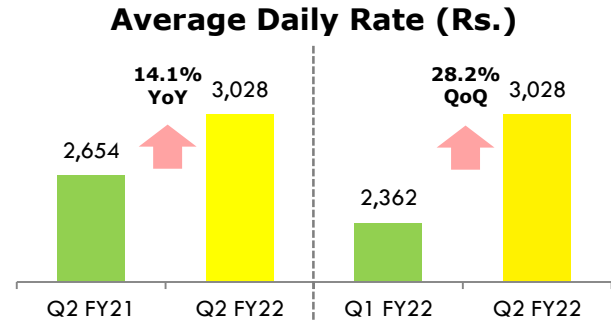
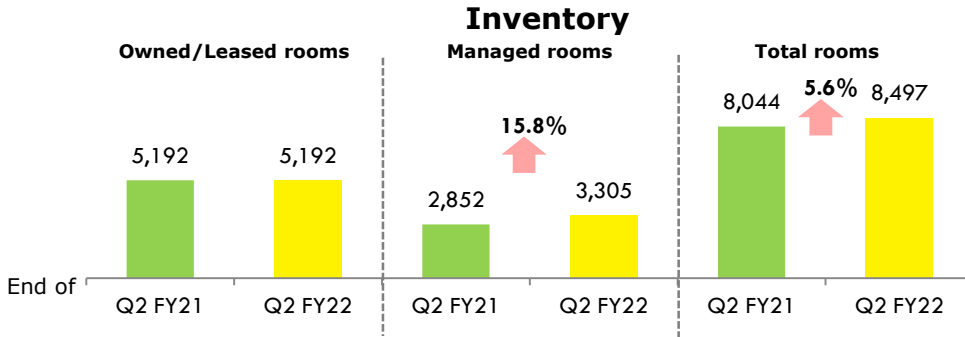


ANNEXURES

Latest Performance – Q2 FY22



Q2 FY22 Performance Highlights – Operational Metrics (Consolidated)



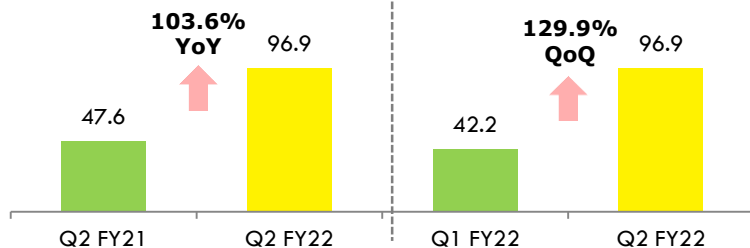
Notes:

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

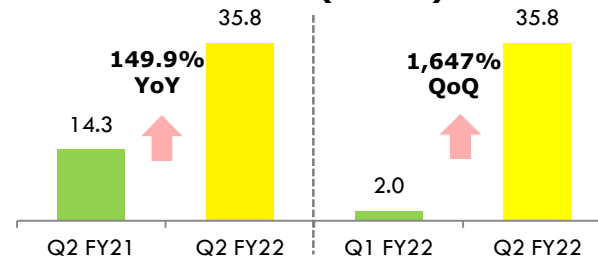


Q2 FY22 Performance Highlights – Financial Metrics (Consolidated)

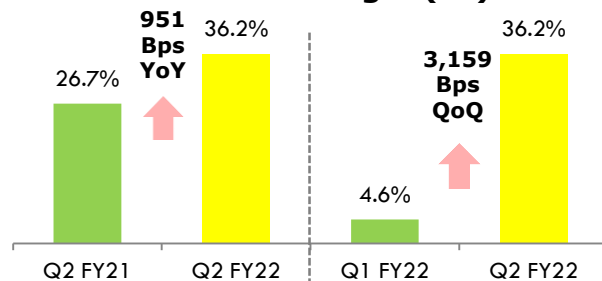
Revenue from Operations (Rs. Cr)



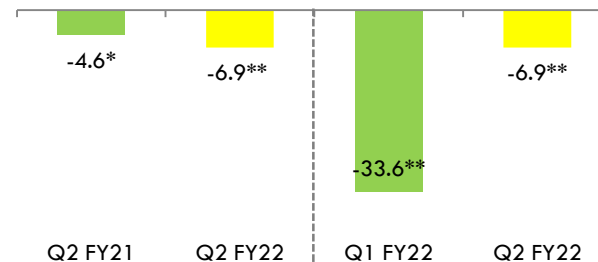
EBITDA (Rs. Cr)



EBITDA Margin (%)



Cash profit (Rs. Cr)



Note:

* For Q2 FY21, Cash Profit is calculated as PAT + Depreciation + Interest converted into loans (ie. Rs. 21.96 Cr)

** For Q2 FY22 and Q1 FY22, Cash Profit is calculated as PAT + Depreciation

Consolidated Profit & Loss Statement – Q2 FY22

Rs. Cr	Q2 FY22	Q1 FY22	Q2 FY21	QoQ Change (%)	YoY Change (%)
Revenue from operations	96.9	42.2	47.6	129.9%	103.6%
Other income	1.9	2.1	6.0	-9.6%	-68.0%
Total expenses	63.0	42.2	39.3	49.2%	60.4%
EBITDA	35.8	2.0	14.3	1647.4%	149.9%
EBITDA margin (%)	36.2%	4.6%	26.7%	951	3,159
EBITDA w/o Other Income	33.9	(0.1)	8.3	NA	307.7%
EBITDA margin before Other Income (%)	35.0%	-0.2%	17.5%	NA	3,514
Finance costs	46.3	45.2	49.7	2.4%	-6.9%
Depreciation & amortization	26.2	26.2	27.0	0.3%	-2.8%
PBT	(34.6)	(67.3)	(59.7)	NA	NA
Tax expense	(1.4)	(7.5)	(6.2)	NA	NA
PAT	(33.2)	(59.8)	(53.5)	NA	NA
Cash Profit	(6.9)**	(33.6)**	(4.6)*	NA	NA

Note:

* For Q2 FY21, Cash Profit is calculated as PAT + Depreciation + Interest converted into loans (ie. Rs. 21.96 Cr)

** For Q2 FY22 and Q1 FY22, Cash Profit is calculated as PAT + Depreciation

Consolidated Profit & Loss Statement Breakup – Q2 FY22 vs Q2 FY21

Rs. Cr	Total without Keys Hotels			Keys Hotels			Total		
	Q2 FY22	Q2 FY21	YoY Change (%)	Q2 FY22	Q2 FY21	YoY Change (%)	Q2 FY22	Q2 FY21	YoY Change (%)
Inventory	4,256	4,256	0%	936	936	0%	5,192	5,192	0%
ARR	3,143	2,730	15%	2,053	2,122	-3%	3,028	2,654	14%
Occupancy	55.6%	34.6%	2108	29.8%	22.4%	736	51.0%	32.4%	1860
RevPAR	1,749	943	85%	611	475	29%	1,544	859	80%
Revenue from Operations	89.8	42.2	112.7%	7.1	5.4	32.0%	96.9	47.6	103.6%
Other Income	1.4	5.2	-73.8%	0.6	0.8	-29.9%	1.9	6.0	-68.0%
Total expenses	56.8	34.2	66.2%	6.2	5.1	21.6%	63.0	39.3	60.4%
EBITDA	34.4	13.3	159.0%	1.4	1.1	35.9%	35.8	14.3	149.9%
EBITDA Margin (%)	37.7%	28.0%	972	18.7%	17.1%	164	36.2%	26.7%	951
EBITDA w/o Other Income	33.0	8.0	310.2%	0.9	0.3	231.7%	33.9	8.3	307.7%
<i>EBITDA margin before Other Income (%)</i>	36.7%	19.0%	1,769	12.4%	4.9%	746	35.0%	17.5%	1,750
PBT	(29.1)	(52.2)	NA	(5.5)	(7.5)	NA	(34.6)	(59.7)	NA

Operational Performance by Brands & Region (On full inventory basis)

Parameters	RevPAR (Rs.)			Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q2 FY22	Q2 FY21	Change (bps)	Q2 FY22	Q2 FY21	Change (bps)	Q2 FY22	Q2 FY21	Change (%)	Q2 FY22	Q2 FY21	Change (%)	Q2 FY22	Q2 FY21	Change (bps)
By Brand (#Rooms)															
Aurika Hotels & Resorts (139)	5601	1481	278%	54%	19%	3467	10,430	7,780	34%	3.91	0.56	601%	61%	34%	2,659
Lemon Tree Premier (1,603)	2086	1320	58%	65%	46%	1,856	3,212	2,846	13%	1.04	0.53	94%	43%	39%	386
Lemon Tree Hotels (1562)	1467	665	121%	50%	27%	2,379	2,910	2,498	17%	0.65	0.10	532%	36%	14%	2263
Red Fox by Lemon Tree Hotels (952)	1080	687	57%	49%	30%	1,889	2,213	2,296	-4%	0.40	0.06	601%	34%	9%	2,529
Keys by Lemon Tree Hotels (936)	611	475	29%	30%	22%	736	2,053	2,122	-3%	0.17	0.08	108%	23%	14%	865

Parameters	RevPAR (Rs.)			Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q2 FY22	Q2 FY21	Change (bps)	Q2 FY22	Q2 FY21	Change (bps)	Q2 FY22	Q2 FY21	Change (%)	Q2 FY22	Q2 FY21	Change (%)	Q2 FY22	Q2 FY21	Change (bps)
By Region (#Rooms)															
Delhi (636)	1964	1708	15%	64%	58%	515	3,087	2,921	6%	0.87	0.61	43%	37%	36%	174
Gurugram (529)	1231	739	67%	40%	25%	1,569	3,044	2,987	2%	0.38	0.12	219%	24%	14%	969
Hyderabad (663)	1549	729	113%	61%	34%	2,773	2,530	2,175	16%	0.88	0.19	351%	48%	25%	2300
Bengaluru (874)	839	476	76%	33%	24%	906	2,558	2,006	28%	0.24	0.04	569%	24%	7%	1797
Mumbai (303)	2435	1841	32%	78%	49%	2982	3,105	3,789	-18%	1.12	0.86	30%	45%	48%	-262

Discussion on Consolidated Financial & Operational Performance – Q2 FY22

Revenue

- * Revenue from operations stood at Rs. 96.9 Cr in Q2 FY22, up 104% as compared to Rs. 47.6 Cr in Q2 FY21. On a sequential basis, revenue from operations increased 129.9% from Rs. 42.2 Cr in Q1 FY22
- * ADR increased by 14.1% from 2,654 in Q2 FY21 to 3,028 in Q2 FY22. On a sequential basis, ADR increased by 28.2% from Rs. 2,362 in Q1 FY22
- * Occupancy on full inventory increased by 1,860 bps from 32.4% in Q2 FY21 to 51.0% in Q2 FY22. On a sequential basis, the occupancy on full inventory increased by 2,135 bps from 29.6% in Q1 FY22

Cost

- * Total expenses stood at Rs. 63.0 Cr in Q2 FY22 up by 60.4% as compared to Rs. 39.3 Cr in Q2 FY21. On a sequential basis, expenses increased by 49.2% from Rs. 42.2 Cr in Q1 FY22

Operating Margins

- * EBITDA increased by 150% from Rs. 14.3 Cr in Q2 FY21 to Rs. 35.8 Cr in Q2 FY22. EBITDA without other income increased by 308% from Rs. 8.3 Cr in Q2 FY21 to Rs. 33.9 Cr in Q2 FY22. On a sequential basis, EBITDA increased 1647% from Rs 2.0 Cr in Q1 FY22. EBITDA without other income increased from Rs. -0.1 Cr in Q1 FY22 to Rs. 33.9 Cr in Q2 FY22
- * EBITDA margin increased by 951 bps from 26.7% in Q2 FY21 to 36.2% in Q2 FY22. EBITDA margin without other income increased by 1,750 bps to 35.0% in Q2 FY22 from 17.5% in Q2 FY21. On a sequential basis, the EBITDA margin increased by 3159 bps from 4.6% in Q1 FY22. EBITDA margin without other income increased by 3514 bps to 35.0% in Q2 FY22 from -0.2% in Q2 FY21

Profit after tax

- * Profit after tax improved from Rs. -53.5 Cr in Q2 FY21 to Rs. -33.2 Cr in Q2 FY22. The PAT in Q1 FY22 was Rs. -59.8 Cr
- * Cash Profit for Q2 FY22 stood at Rs. -6.9** Cr vs Rs. -4.6* Cr in Q2 FY21. The Cash Profit in Q1 FY22 was Rs. -33.6** Cr

Note:

* For Q2 FY21, Cash Profit is calculated as PAT + Depreciation + Interest converted into loans (ie. Rs. 21.96 Cr)

** For Q2 FY22 and Q1 FY22, Cash Profit is calculated as PAT + Depreciation

Consolidated Profit & Loss Statement – FY21

Rs. Cr	FY21	FY20	FY19
Revenue from operations	251.7	669.4	549.5
Other income	13.3	5.8	9.9
Total Income	265.0	675.2	559.4
Total expenses	190.5	426.0	380.7
EBITDA	74.5	249.2	178.7
EBITDA w/o Other Income	61.3	243.4	168.8
EBITDA margin (%)	28.1%	36.9%	31.9%
Finance costs	190.5	161.6	84.7
Depreciation & amortization	107.6	92.2	54.1
PBT	(218.7)	(2.2)	45.3
Tax expense	(32.2)	10.9	(11.1)
PAT	(186.5)	(13.1)	56.4
Cash Profit	(20.8)	77.6	110.5

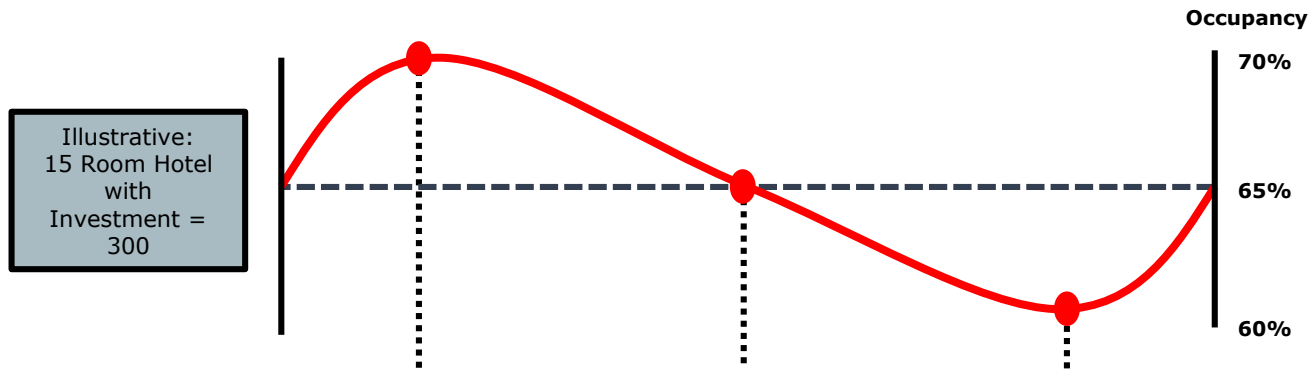
Note: Cash Profit is calculated as PAT + Depreciation + Interest converted into loans



Consolidated Balance Sheet Snapshot – FY21

Rs. Cr	FY21	FY20	FY19
Shareholder's Funds	917.6	988.9	875.0
Non-controlling interests	617.4	555.9	432.2
Total Shareholder's equity	1,535.0	1,544.8	1,307.2
Total Debt	1,685.0	1,577.5	1,204.2
Other Non-current liabilities	470.0	464.3	38.0
Other Current liabilities	132.2	176.2	222.4
Total Equity & Liabilities	3,822.1	3,762.8	2,771.8
Non-current assets	3,581.1	3,615.5	2,575.3
Current assets	241.0	147.3	196.6
Total Assets	3,822.1	3,762.8	2,771.8
Debt to Equity (x)	1.10	1.02	0.92
Average cost of borrowing as of 31st March (%)	8.28%	9.60%	9.40%

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.

Lemon Tree Hotels Limited is India's largest hotel chain in the mid-priced hotel sector, and the third largest overall, on the basis of controlling interest in owned and leased rooms, as of June 30, 2017, according to the Horwath Report. We operate in the upscale segment and in the mid-market sector, consisting of the upper-midscale, midscale and economy segments. We deliver differentiated yet superior service offerings, with a value-for-money proposition.

LTHL opened its first hotel with 49 rooms in May 2004 and currently operates ~8,500 rooms in 87 hotels across 54 destinations, in India and abroad, under its various brands viz. Aurika Hotels & Resorts, Lemon Tree Premier, Lemon Tree Hotels, Red Fox Hotels, Keys Prima, Keys Select and Keys Lite. As the current pipeline becomes operational, LTHL will be operating ~10,450 rooms in 106 hotels across 64 destinations, in India and abroad.

Lemon Tree Hotels, including Keys Hotels, are located across India, in metro regions including the NCR, Mumbai, Kolkata, Bengaluru, Hyderabad and Chennai, as well as numerous other tier I and II cities such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore, Aurangabad, Udaipur, Vishakhapatnam, Kochi, Ludhiana, Thiruvananthapuram and Vijayawada. The company expanded internationally with hotels opening in Dubai in December 2019 and in Bhutan in February 2020. New hotels are also set to open internationally in Bhutan and Nepal.

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

Kapil Sharma (Chief Financial Officer)

Lemon Tree Hotels Ltd

Tel: +91 11 4605 0174 / +91 11 4605 0153

E-mail: cfo@lemontreehotels.com

Anoop Poojari

CDR India

Tel: 98330 90434

E-mail: anoop@cdr-india.com

