



January 30, 2019

MHRIL/SE/18-19/532

Listing Compliance  
National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1, G Block  
Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051  
**Scrip Code: MHRIL**

Department of Corporate Services  
BSE Limited  
Floor 25, PJ Towers,  
Dalal Street  
Mumbai – 400 001  
**Scrip Code: 533088**

Dear Sir,

**Sub: Presentation on the Financial Results for the quarter ended December 31, 2018**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please find enclosed a presentation on the Financial Results of the Company for the quarter ended December 31, 2018 to be made to the Investors / Analysts.

The aforesaid presentation is also being hosted on the website of the Company, [www.clubmahindra.com](http://www.clubmahindra.com) in accordance with the Regulation 46 of the SEBI Listing Regulations.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For **Mahindra Holidays & Resorts India Limited**

Dhanraj Mulki  
General Counsel & Company Secretary



Encl: a/a

Mahindra Holidays & Resorts India Limited

Corporate Office : Mahindra Towers, 1<sup>st</sup> Floor, 'A' Wing, Dr. G. M. Bhosle Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018

t: + 91 22 3368 4722. f: + 91 22 3368 4721

Registered Office: Mahindra Towers, 2<sup>nd</sup> floor, 17/18 Patullas Road, Chennai - 600 002 t +91 44 3988 1000 f : + 91 44 3027 7778

e: memberrelations@clubmahindra.com / w: www.clubmahindra.com / CIN: L5 5101TN1996PLC036595



Mahindra Holidays &  
Resorts India Limited

Q3 FY19  
Investor Presentation  
30<sup>th</sup> January, 2019

- This note has been prepared exclusively for the benefit and internal use of the recipient and does not carry any right of reproduction or disclosure. Neither this note nor any of its contents may be used for any other purpose without the prior written consent of Mahindra Holidays & Resorts India Limited.
- In preparing this note, we have relied upon and assumed, without any independent verification, the accuracy and completeness of all information available from public sources or which was otherwise reviewed by us.
- This note contains certain assumptions, which Mahindra Holidays & Resorts India Limited considers reasonable at this time and our views as of this date and are accordingly subject to change. Computations adopted in this note are indicative and are based on current prevailing market prices and general market sentiment. No representation or warranty is given by Mahindra Holidays & Resorts India Limited as to the achievement or reasonableness or completeness of any idea and/or assumptions.
- This note does not purport to contain all the information that the recipient may require. Recipients should not construe any of the contents herein as advice relating to business, financial, legal, taxation, or investment matters and are advised to consult their own business, financial, legal, taxation and other advisors concerning the company.
- This note does not constitute an offer for sale, or an invitation to subscribe for, or purchase equity shares or other assets or securities of the company and the information contained herein shall not form the basis of any contract. It is also not meant to be or to constitute any offer for any transaction



Unique  
Business Model



Leadership  
Position in  
Vacation  
Ownership

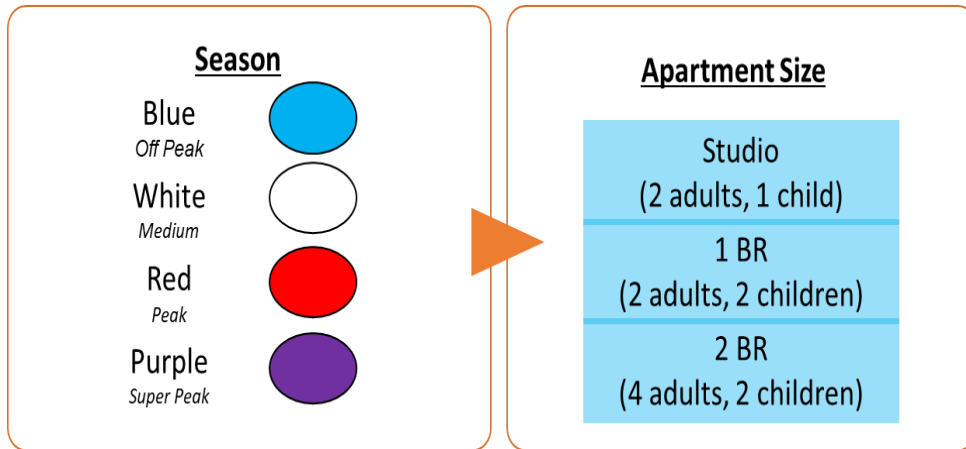


Impact of  
Transition to  
IND AS 115



Q3 FY19  
Results  
Update

## Club Mahindra (CMH 25) Flagship Product Offering



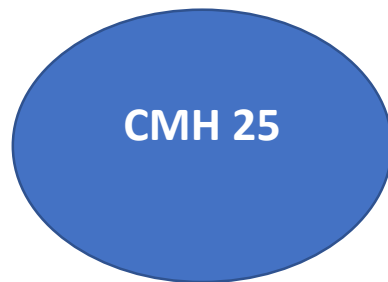
## Target Profile of CMH 25 Member



28+ years of age  
Married; 1-2 children (Age 3-15 years)  
NCCS A+ & A

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

## Product Portfolio



## Strategic Priorities

Grow Member Base

Strengthen & Leverage  
Brand

Create Marquee resorts in  
unexplored destinations

Member Engagement

Drive Operational  
Efficiency

Maximize Lifetime Value  
of members

# Sales Network and Revenue & Cost Model

## Sales Network

- **117 branch offices, sales offices & channel partners**
- **Leads generated through Digital route, Referrals, Alliances, On-ground Events/Activities, Campaigns**
- **Share of pull based Digital & Referral leads stable at the 48-50% levels in FY17-FY18**

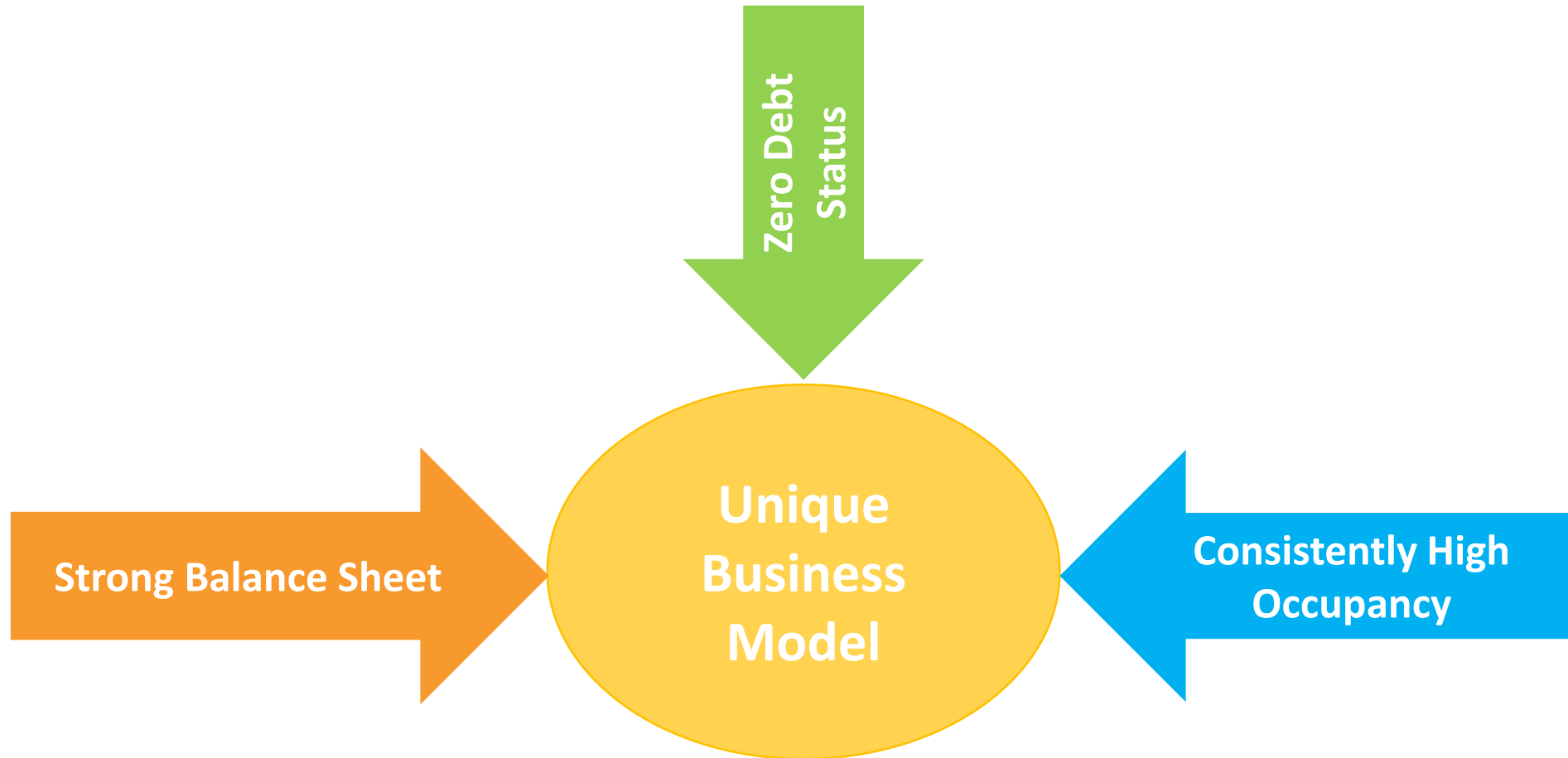
## Cost Model

- **ASF funds maintenance, renovation of resorts & member servicing**

## Revenue Model

- **Vacation Ownership Income**
  - **Admission Fee**
  - **Entitlement Fee**
  - **Income from Upgrades**
- **Annual Subscription Fee**
- **Interest on Instalments**
- **Resort Income**
  - **Room**
  - **F&B**
  - **Holiday Activity**
  - **Spa & Wellness**

# Unique Business Model





# Unique Business Model - Strong Balance Sheet

IND AS 115



**Deferred Revenue**

**Rs. 5,196 Cr**

**Provides Visibility of Revenues**



**Strong Cash Position**

**Rs. 521 Cr**

**Organic Growth can be met without relying on External Debt**



**Receivables**

**Rs. 1,792 Cr**

**Opportunity for Inorganic growth through Securitization**



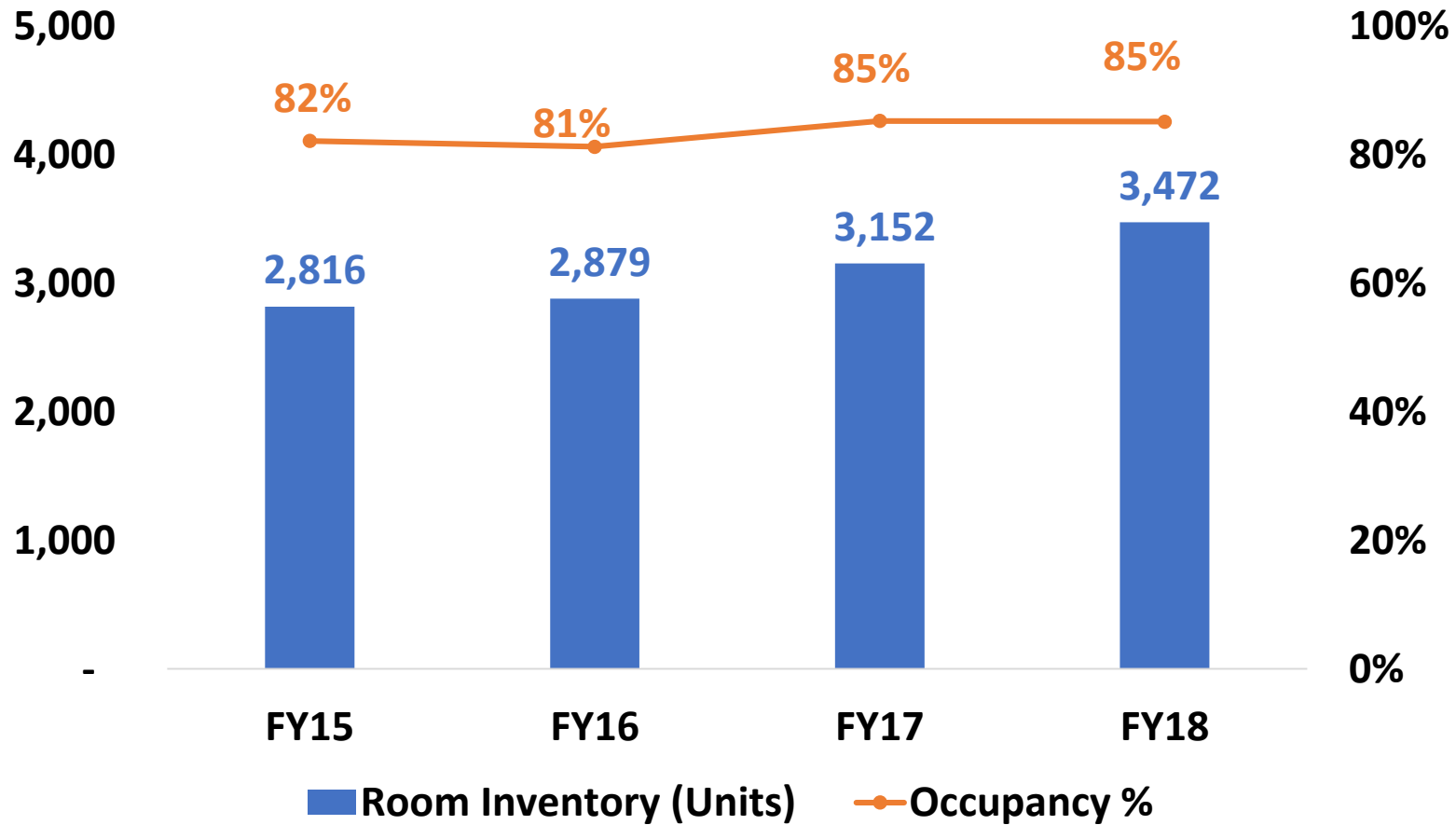
**Strong Asset Base**

**Rs. 1,792 Cr**

**59 Resorts**  
**Includes Land Assets Of Rs. 1,125 Cr**

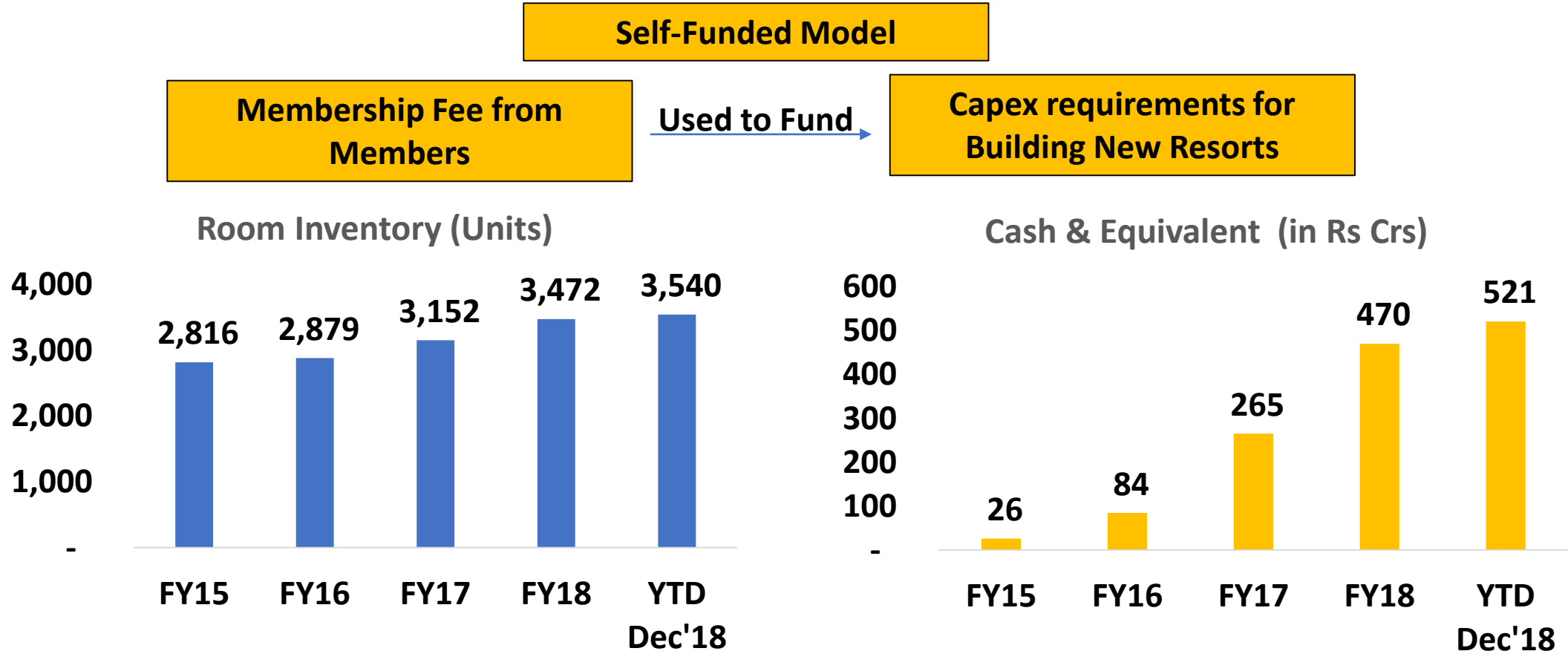
\* Figures as on Dec 31, 2018

# Unique Business Model - Consistently High Occupancy



High occupancy in resorts at 80%+ even with growing Inventory

# Unique Business Model - Zero Debt (Standalone) Status



**Cash Position Strong at Rs. 521 Cr as at 31<sup>st</sup> Dec'18 aided by focus on high-quality memberships with more conservative payment plans, involving higher down payments and fewer EMIs**

# Leadership Position in Vacation Ownership

# Leadership Position in Vacation Ownership

**Trusted Brand**

**Choice of 59 Full  
service resorts for  
Members**

**2.47 Lakh+ Member  
base  
Track record of over  
two decades**

**Member Engagement**

**Significant Recurring  
Income  
streams/Revenue  
Visibility**

## Hill Stations

- Manali, Shimla, Naldhera, Kandaghat
- Dharamshala, Kanatal, Binsar, Mashobra
- Mussorie, Naukuchiatal, Srinagar
- Munnar, Ooty, Kodaikanal, Coorg, Yercaud, Wayanad
- Gangtok, Baiguney, Kalimpong, Darjeeling, Namchi
- Mahabaleshwar, Lonavala, Hatgad

## Beaches

- Varca, Emerald Palms, Acacia Palms - Goa
- Cherai
- Pondicherry
- Ganpatipule
- Srilanka

## Backwaters

- Ashtamudi
- Kumarakom
- Poovar
- Allepey

## Wildlife

- Corbett
- Gir
- Kanha
- Thekkady

## Forts & Heritage

- Kumbhalgarh
- Udaipur
- Jaisalmer
- Jaipur
- Jodhpur
- Dwarka

## Cities

- Cochin
- Nadiad
- Dubai
- Kuala Lumpur
- Singapore
- Bangkok

# Member Engagement In Resorts & Cities

## Dreamscapes

- Wide variety of in-city experiences especially curated for members
- 2,400+ experiences available in 50 cities

## Heart-to-Heart

- In-city meets include leisure & edutainment activities for members
- 10,000 members participated in FY18

## Curated Vacations

- Festivals & theme-based vacation experiences for members at attractive prices

## Exchange Program

- Creating choice of destinations for members for a Fee
- Members can exchange room nights for stays in top-rated hotel chains in India & abroad

## Cruise Experiences

- Preferential pricing & room night exchange for cruise experiences
- Available on popular cruising routes in South Asia and South East Asia

## Mobile App

- Mobile app has become preferred platform of engagement for members
- Use of Analytics for personalised recommendations

## Video/Social Media

- Created video content on our resorts, offerings & experiences
- Increasing Social Media presence for engagement, positive online sentiment & faster complaint resolution

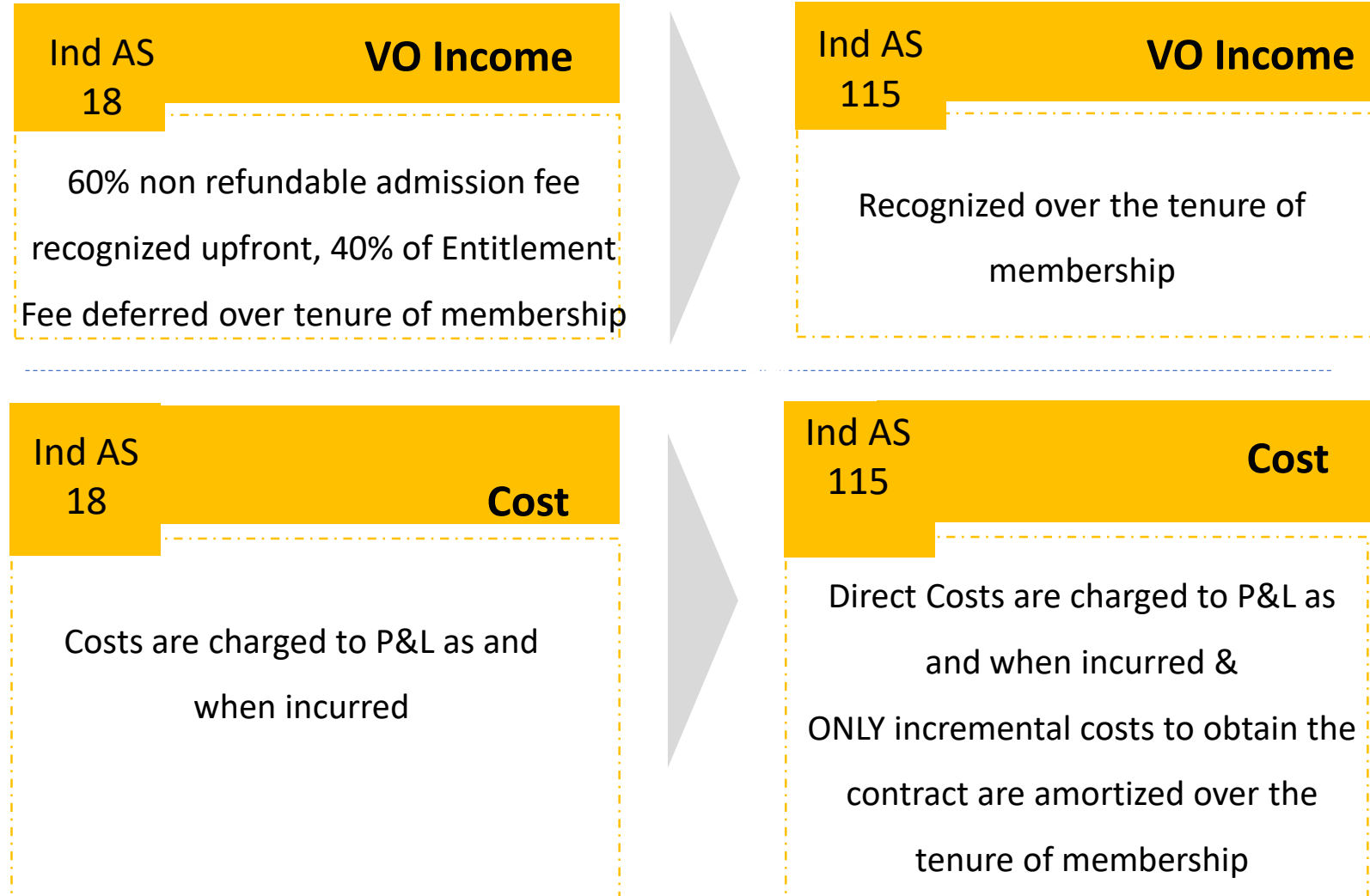
## Resort Campaigns

- Curating special itineraries with activities & events in some resorts e.g. 'White Winters'

# Transition to IND AS 115



# Transition to IND AS 115 – Impact on Revenue & Cost



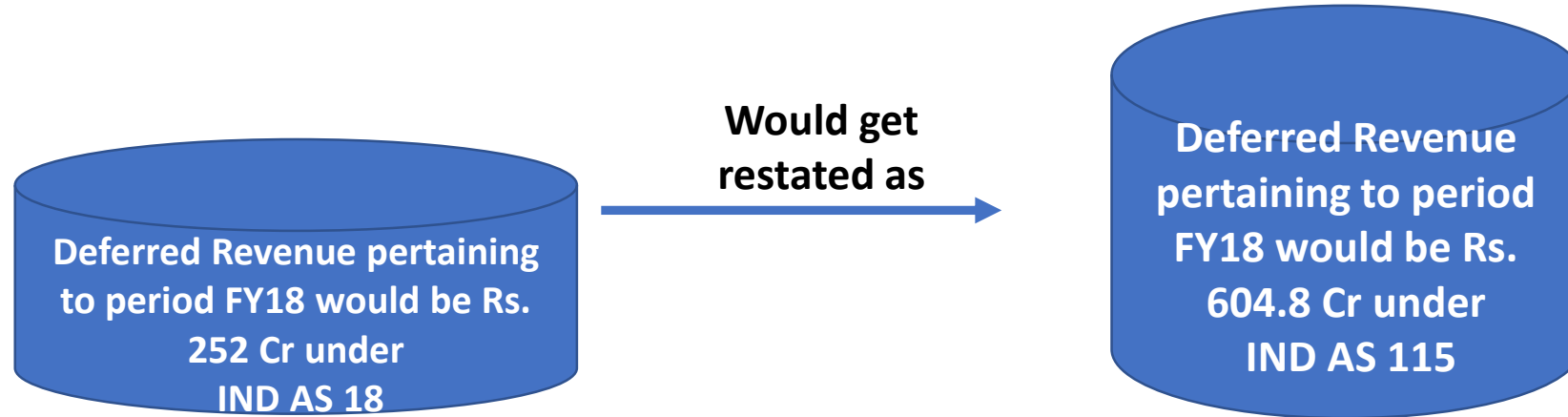
# Transition to IND AS 115 – Illustrative Example

As Per IND AS 18 (60:40)						
Particulars	FY18					
New Members (Units)	~18,000					
Avg. Realization (Rs. Lakh)	~3.5					
60% Revenue Recognized in FY18; 40% over tenure of membership						
Particulars	FY18	FY19	FY20	FY21	.....	FY42
Revenue (Rs. Cr)	378.0	10.5	10.5	10.5	10.5	Cum. 630
Deferred Revenue (Rs. Cr)	252.0	241.5	231.0	220.5	.....	0

As Per IND AS 115 (Spread over 25 years)						
Particulars	FY18					
New Members (Units)	~18,000					
Avg. Realization (Rs. Lakh)	~3.5					
4% Revenue Recognized in FY18; 96% over tenure of membership						
Particulars	FY18	FY19	FY20	FY21	.....	FY42
Revenue (Rs. Cr)	25.2	25.2	25.2	25.2	25.2	Cum. 630
Deferred Revenue (Rs. Cr)	604.8	579.6	554.4	529.2	.....	0

# Transition to IND AS 115 –Illustrative Example

As a result of Transition to IND AS 115, Deferred Revenue will be restated and significantly higher



## Transition to IND AS 115 will result in

- All Active Contracts getting restated resulting in a significantly **Higher Deferred Revenue Balance**
- **Higher Visibility in Revenues** as 4% of Cumulative membership revenue since inception of the Company gets recognized in P&L every year




# Transition to IND AS 115 – Key Takeaways

- **Income recognized equally over the tenure of membership (4% per year for 25 year product) as against 60% upfront & 40% deferred in AS 18**
- **Only incremental costs to obtain the membership are amortized over the tenure of membership**
- **Unit economics remains the same over the tenure of the membership**
- **No impact on Cash Flows**
- **95%+ of the revenues are predictable and recurring thereby significantly increasing the visibility of revenues in the Future**
- **Deferred Revenue will grow faster since 96% of sale value is deferred while the recognition in P&L (out of Deferred Revenue Pool) is 4% of Cumulative membership revenue since inception of the Company**
- **Deferred Revenue Income (in P&L) from the growing Deferred Revenue Pool, without incremental cost, will lead to improvement of profitability in the future**

Operating Performance

IND AS 18



## Membership Base

Member Addition

**3,984**



## Occupancy Levels

Occupancy

**81.9%**



## Margin

PBT Margin

**20.6%**

**200** bps  
YoY growth



## Resort Income

Resort Income

**Rs. 58 Cr**

**4.1%**

YoY growth

IND AS 18



## Membership Base

Member Addition

**12,706**

**6.7%**

YoY growth



## Occupancy Levels

Occupancy

**82.6%**



## Margin

PBT Margin

**19.5%**

**80** bps

YoY growth



## Resort Income

Resort Income

**Rs. 165 cr**

**3.2%**

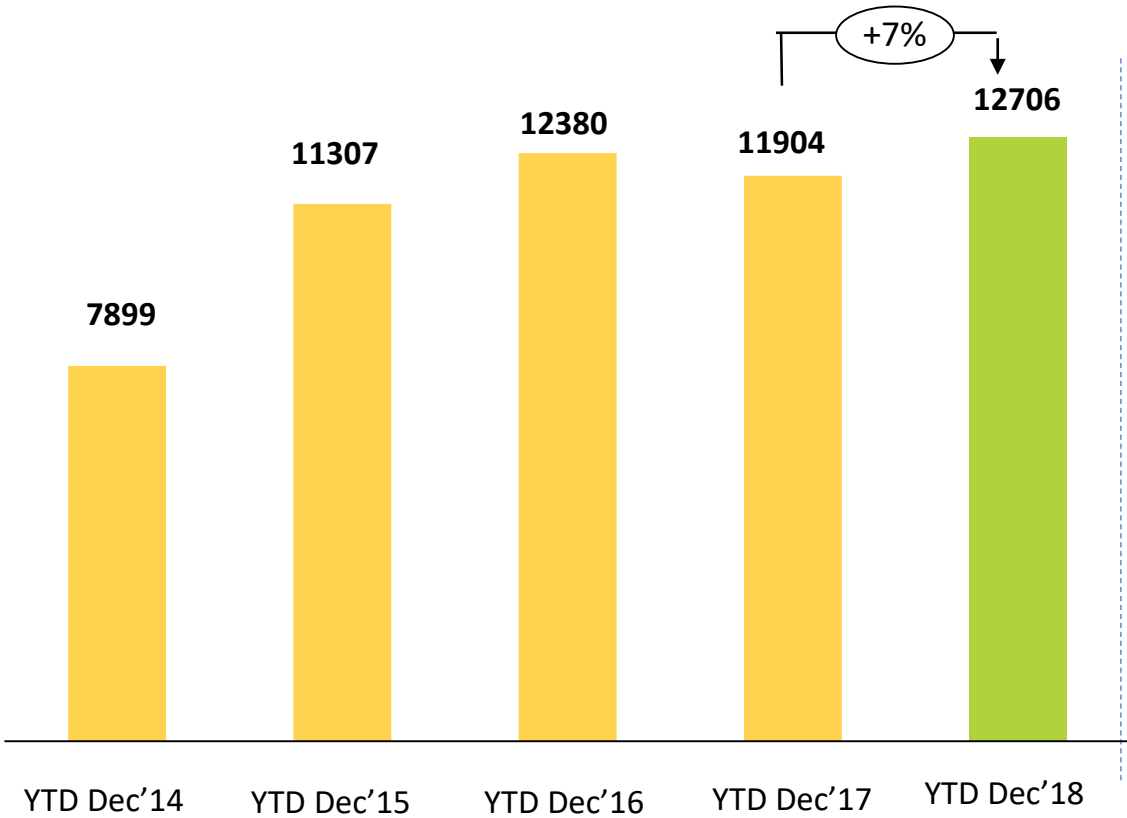
YoY growth

Key indicators (No)	Q3 FY19	Q3 FY18	YoY
<b>Cumulative Member Base</b>	<b>247,716</b>	<b>229,643</b>	<b>7.9%</b>

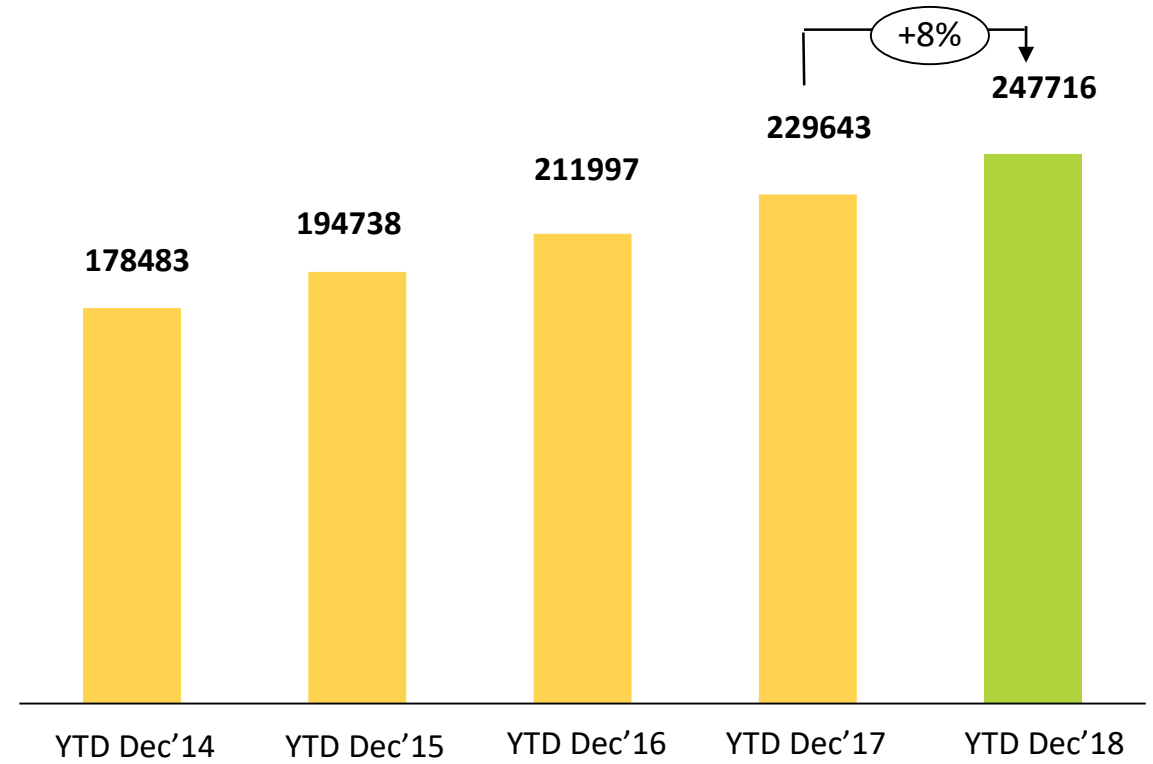
Resort Details	Q3 FY19	Q3 FY18
<b>No of Resorts</b>	<b>59</b>	<b>53</b>
<b>No of Rooms</b>	<b>3,540</b>	<b>3,362</b>
<b>Occupancy %</b>	<b>82%</b>	<b>85%</b>
<b>ARR (Rs)</b>	<b>4,176</b>	<b>4,505</b>



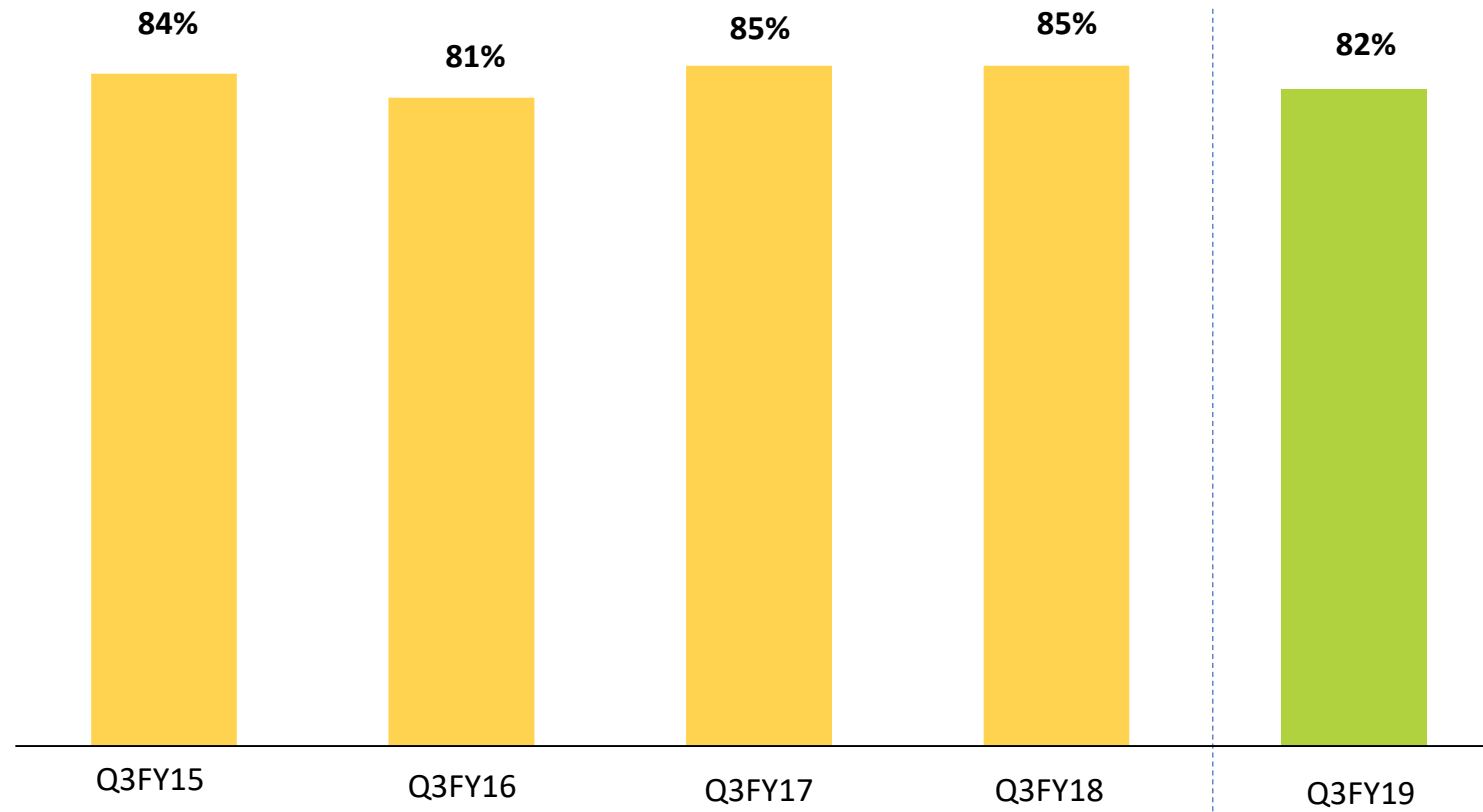
### YTD Member Addition Trend



### YTD Cumulative Member Base



## Q3 Occupancy



# Our growing International presence

*40 destinations & growing...*

## UAE & Asia – 6 destinations

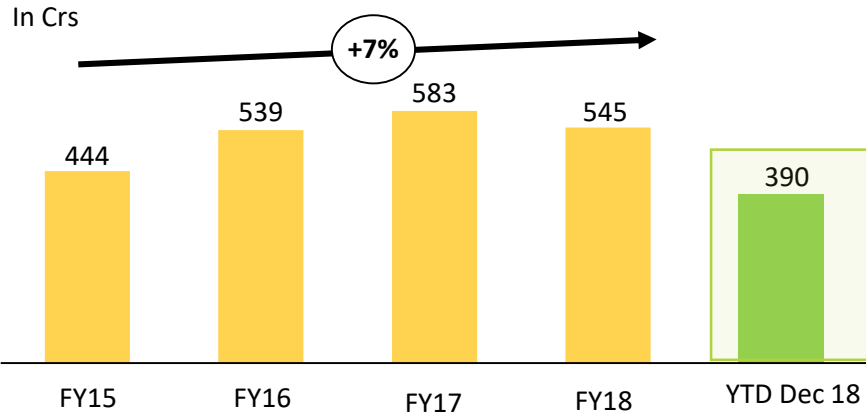


## Europe & US – 34 destinations



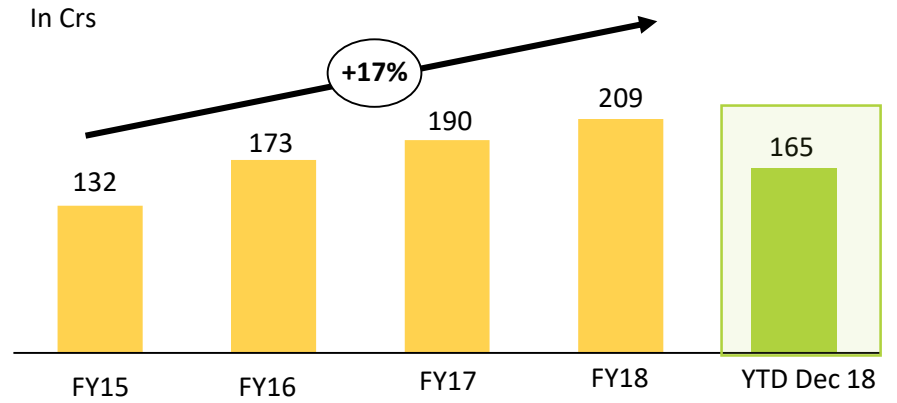
Financial Performance

## VO Income

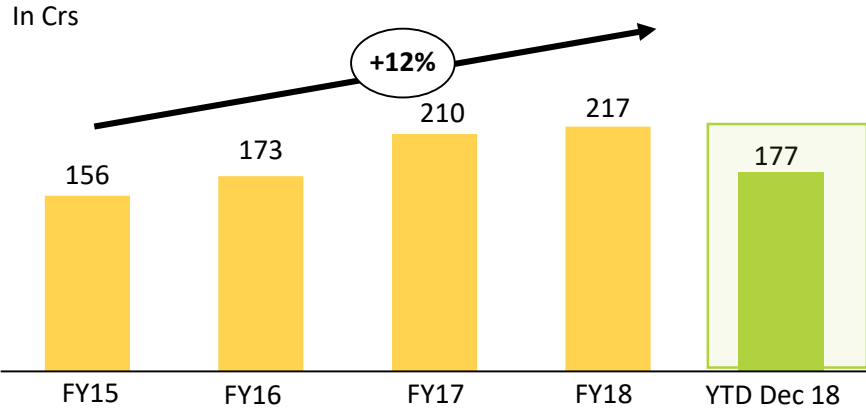


## Resort Income

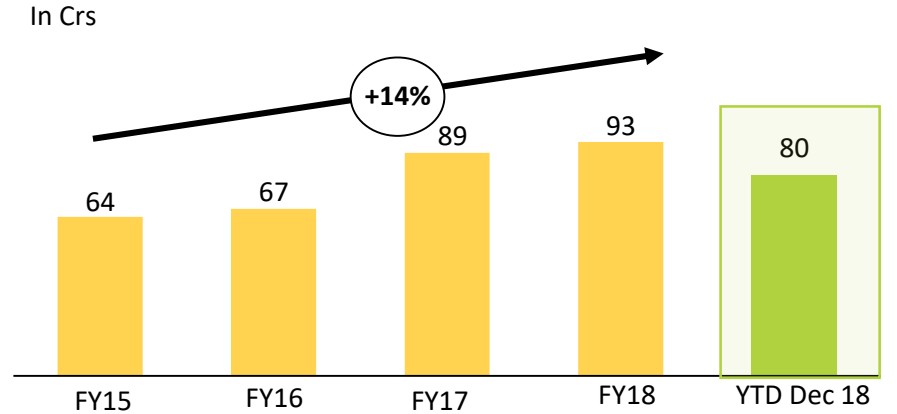
IND AS 18



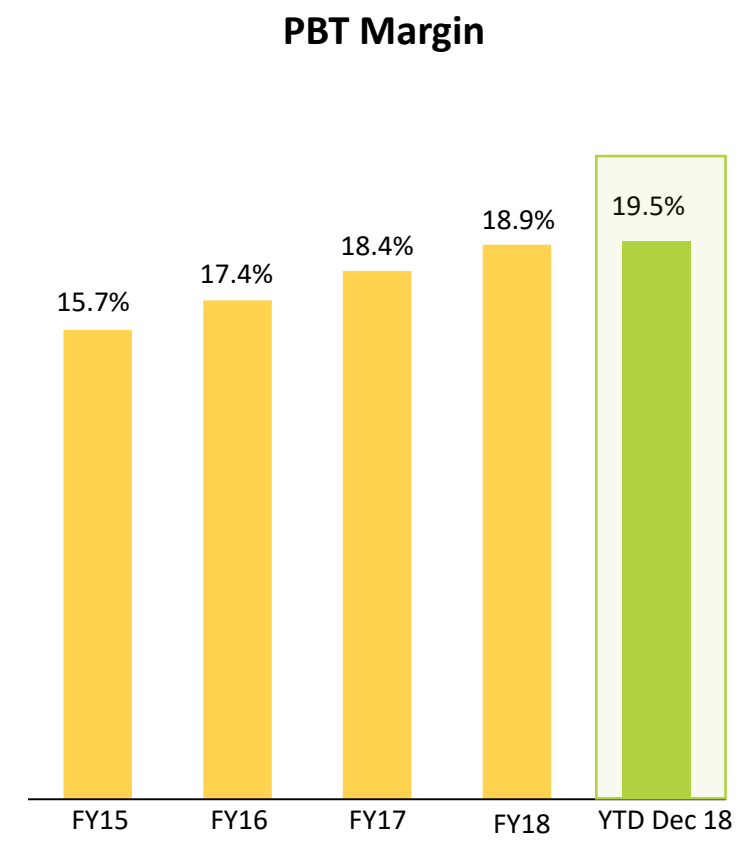
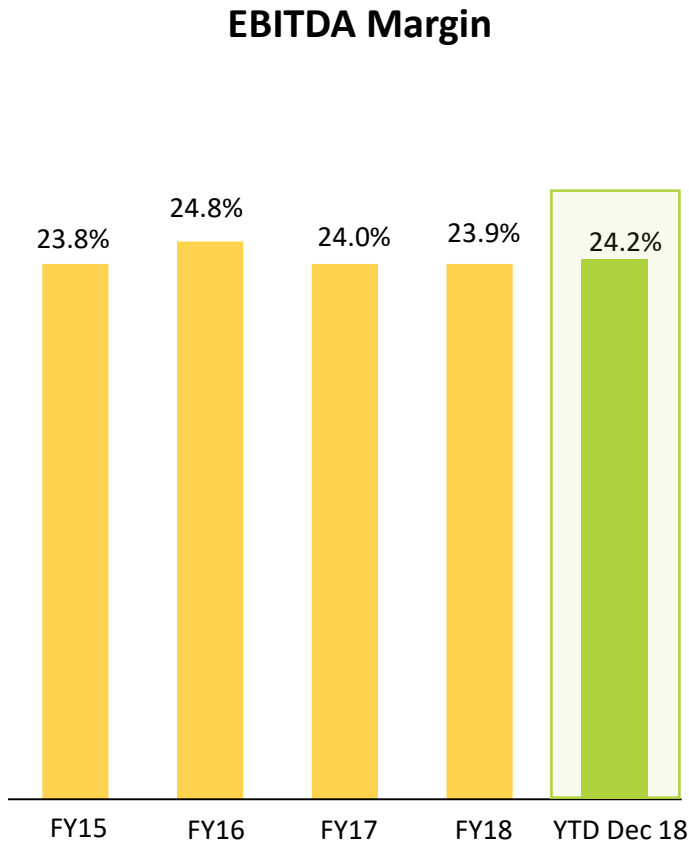
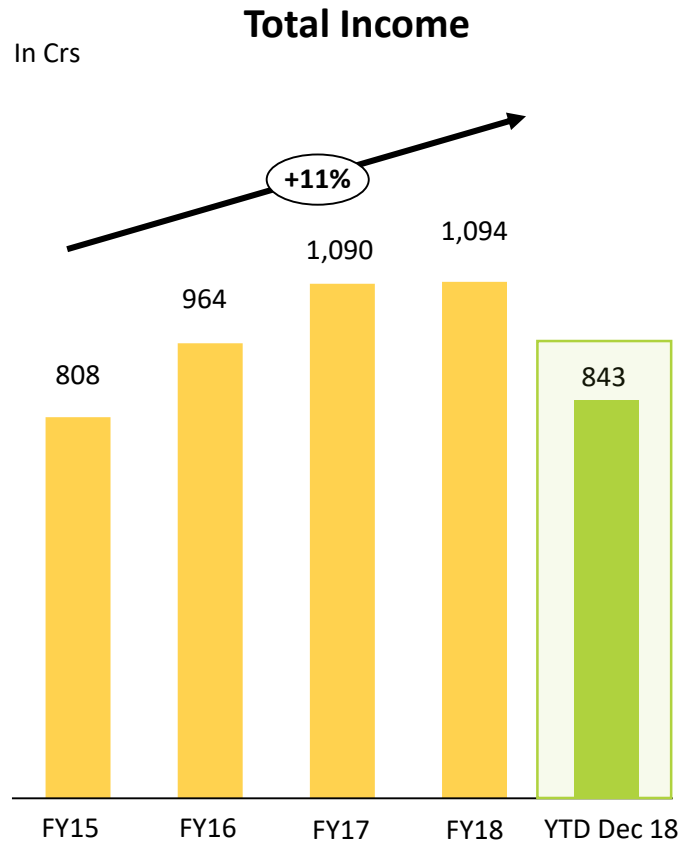
## ASF Income



## Interest & Others



**IND AS 18**



# Income Break Up – Q3FY19

In Lakhs	Ind AS 115	Ind AS 18	Ind AS 18	Growth
Total Income	Q3 FY19	Q3 FY19	Q3 FY18	YoY
Income from Vacation Ownership	7,680	12,364	12,732	-2.9%
ASF	6,703	6,214	5,431	14.4%
Resort Income	5,838	5,838	5,608	4.1%
<i>Room</i>	1,220	1,220	1,117	9.2%
<i>F&amp;B</i>	3,583	3,583	3,445	4.0%
<i>Holiday Activity &amp; Others</i>	1,035	1,035	1,046	-1.1%
Interest & Others	3,385	2,795	2,309	21.0%
Non-Operating Income	1,081	1,081	503	114.9%
<b>Total Income</b>	<b>24,687</b>	<b>28,292</b>	<b>26,583</b>	<b>6.4%</b>

# Income Break Up – YTD Dec'18

In Lakhs	Ind AS 115	Ind AS 18	Ind AS 18	Growth
Total Income	YTD Dec'18	YTD Dec'18	YTD Dec'17	YoY
Income from Vacation Ownership	23,038	38,982	38,078	2.4%
ASF	19,231	17,665	15,864	11.4%
Resort Income	16,489	16,489	15,971	3.2%
<i>Room</i>	3,407	3,407	3,070	11.0%
<i>F&amp;B</i>	10,138	10,138	9,936	2.0%
<i>Holiday Activity &amp; Others</i>	2,944	2,944	2,965	-0.7%
Interest & Others	9,242	8,001	6,891	16.1%
Non-Operating Income	3,131	3131	2016	55.3%
<b>Total Income</b>	<b>71,131</b>	<b>84,268</b>	<b>78,820</b>	<b>6.9%</b>



# Profit & Loss Statement – Q3FY19

In Lakhs	Ind AS 115	Ind AS 18	Ind AS 18	Growth
Rs.	Q3 FY19	Q3 FY19	Q3 FY18	YoY
Revenue from Operations	23,606	27,211	26,080	4.3%
Non-Operating Income	1,081	1081	503	114.9%
<b>Total Income</b>	<b>24,687</b>	<b>28,292</b>	<b>26,583</b>	<b>6.4%</b>
Employee Benefit Expenses	6,253	6,415	6,095	
Finance Cost	1	1	1	
Depreciation	1,290	1,290	1,348	
Sales & Marketing Expenses	3,817	4,570	4,856	
Rent	3,336	3,336	2,743	
Other Expenses	6,674	6,850	6,603	
<b>Total Expenditure</b>	<b>21,371</b>	<b>22,462</b>	<b>21,646</b>	<b>3.8%</b>
Profit Before Tax (PBT)	3,316	5,830	4,937	18.1%
<b>Profit after Tax (PAT)</b>	<b>2,125</b>	<b>3,763</b>	<b>3,176</b>	<b>18.5%</b>

# Profit & Loss Statement – YTD Dec'18

In Lakhs	Ind AS 115	Ind AS 18	Ind AS 18	Growth
Rs.	YTD Dec'18	YTD Dec'18	YTD Dec'17	YoY
Revenue from Operations	68,000	81,137	76,804	5.6%
Non-Operating Income	3,131	3131	2016	55.3%
<b>Total Income</b>	<b>71,131</b>	<b>84,268</b>	<b>78,820</b>	<b>6.9%</b>
Employee Benefit Expenses	18,342	19,673	17,852	
Finance Cost	2	2	3	
Depreciation	3,924	3,924	4,187	
Sales & Marketing Expenses	11,348	13,884	14,392	
Rent	9,786	9,786	7,841	
Other Expenses	19,993	20,532	19,773	
<b>Total Expenditure</b>	<b>63,395</b>	<b>67,801</b>	<b>64,048</b>	<b>5.9%</b>
Profit Before Tax (PBT)	7,736	16,467	14,772	11.5%
<b>Profit after Tax (PAT)</b>	<b>4,944</b>	<b>10,633</b>	<b>9,580</b>	<b>11.0%</b>

# Ind AS 115 – Reconciliation for Q3FY19

## In Lakhs

Sl. No	Particulars	Quarter ended December 31, 2018 (Unaudited)			Quarter ended Dec 31, 2017 (Unaudited)
		As reported under IND AS 115	Impact of Ind AS 115	Amount without adoption of Ind AS 115	Amount without adoption of Ind AS 115
1.	Revenue from Operations	23,606.41	3,605.00	27,211.41	26,079.81
2.	Other Income	1,080.99	-	1,080.99	503.25
3.	Total Income (1+2)	<b>24,687.40</b>	<b>3,605.00</b>	<b>28,292.40</b>	<b>26,583.06</b>
4.	Expenses				
	a. Employee benefits expense	6,253.13	161.49	6,414.62	6,095.36
	b. Finance costs	1.17	-	1.17	0.79
	c. Depreciation and amortisation expense	1,290.16	-	1,290.16	1,348.11
	d. Other expenses	13,826.50	930.35	14,756.85	14,201.36
5.	Total Expenditure	<b>21,370.96</b>	<b>1,091.84</b>	<b>22,462.80</b>	<b>21,645.62</b>
6.	Profit before tax (3-5)	3,316.44	2,513.16	5,829.60	4,937.44
7.	Tax expense				
	- Current tax	1,732.99	-	1,732.99	1,366.57
	- Deferred tax	(541.18)	874.97	333.79	394.95
	Total tax expense on 6 above	1,191.81	874.97	2,066.78	1,761.52

# Ind AS 115 – Reconciliation for Q3FY19

In Lakhs

Contd..

Sl. No	Particulars	Quarter ended December 31, 2018 (Unaudited)			Quarter ended Dec 31, 2017 (Unaudited)
		As reported under IND AS 115	Impact of Ind AS 115	Amount without adoption of Ind AS 115	Amount without adoption of Ind AS 115
8.	<b>Profit after tax for the period (6-7)</b>	<b>2,124.63</b>	<b>1,638.19</b>	<b>3,762.82</b>	<b>3,175.92</b>
9.	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	Remeasurements of the defined benefit liabilities / (asset)	11.46	-	11.46	(39.20)
	Freehold land revaluation	-	-	-	-
	Income taxes related to items that will not be reclassified to profit or loss	30.79	-	30.79	13.57
	<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>	<b>42.25</b>	<b>-</b>	<b>42.25</b>	<b>(25.63)</b>
10.	<b>Total Comprehensive Income for the period (8+9)</b>	<b>2,166.88</b>	<b>1,638.19</b>	<b>3,805.07</b>	<b>3,150.29</b>
11.	<b>Earnings Per Share on Net Profit for the period (sl no 8) in Rupees (not annualized)</b>				
	(a) Basic (in Rs)	1.60	1.23	2.83	2.40
	(b) Diluted (in Rs)	1.60	1.23	2.83	2.39

# Ind AS 115 – Reconciliation for YTD Dec'18

In Lakhs

Sl. No	Particulars	Nine Months ended December 31, 2018 (Unaudited)			Nine Months ended December 31, 2017 (Unaudited)
		As reported	Impact of Ind AS 115	Amount without adoption of Ind AS 115	Amount without adoption of Ind AS 115
1.	Revenue from Operations	67,999.83	13,137.14	81,136.97	76,803.79
2.	Other Income	3,130.99	-	3,130.99	2,016.04
3.	Total Income (1+2)	<b>71,130.82</b>	<b>13,137.14</b>	<b>84,267.96</b>	<b>78,819.83</b>
4.	Expenses				
	a. Employee benefits expense	18,342.15	1,330.57	19,672.72	17,852.34
	b. Finance costs	2.17	-	2.17	3.00
	c. Depreciation and amortisation expense	3,924.41	-	3,924.41	4,187.32
	d. Other expenses	41,126.54	3,075.33	44,201.87	42,004.97
5.	Total Expenditure	<b>63,395.27</b>	<b>4,405.90</b>	<b>67,801.17</b>	<b>64,047.63</b>
6.	Profit before tax (3-5)	7,735.55	8,731.24	16,466.79	14,772.20
7.	Tax expense				
	- Current tax	4,934.52	-	4,934.52	4,635.60
	- Deferred tax	(2,142.99)	3,041.83	898.84	556.38
	Total tax expense on 6 above	2,791.53	3,041.83	5,833.36	5,191.98

# Ind AS 115 – Reconciliation for YTD Dec'18

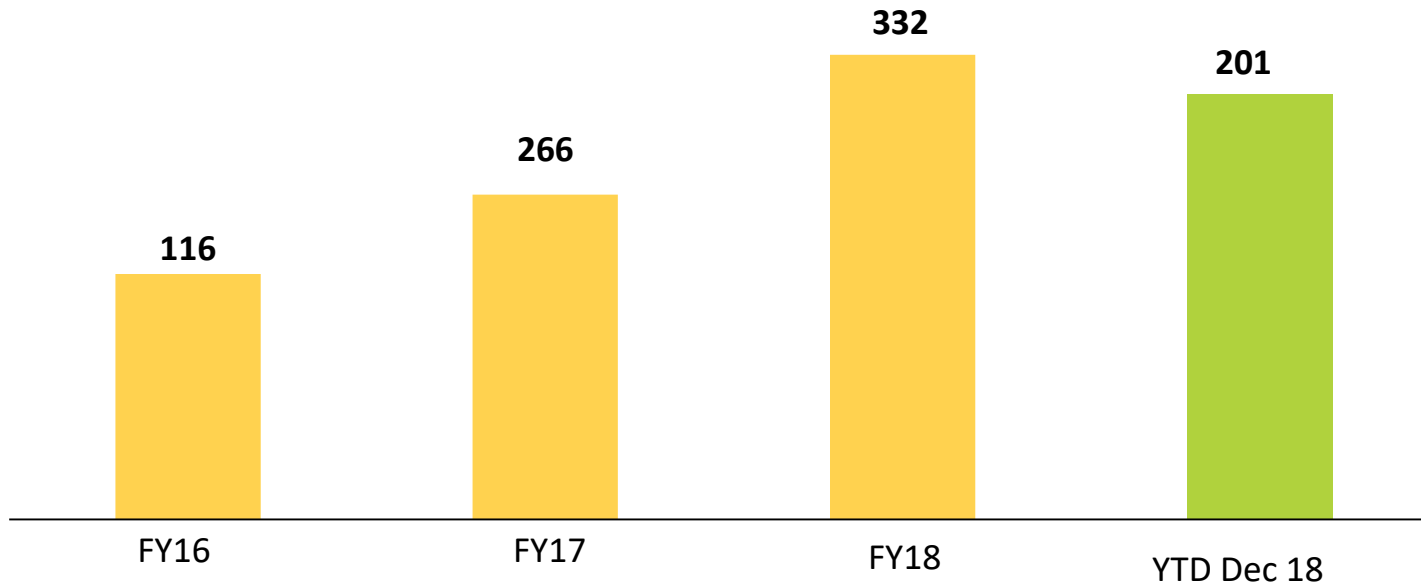
In Lakhs

Contd..

Sl. No	Particulars	Nine months ended December 31, 2018 (Unaudited)			Nine months ended Dec 31, 2017 (Unaudited)
		As reported under IND AS 115	Impact of Ind AS 115	Amount without adoption of Ind AS 115	Amount without adoption of Ind AS 115
8.	<b>Profit after tax for the period (6-7)</b>	<b>4,944.02</b>	<b>5,689.41</b>	<b>10,633.43</b>	<b>9,580.22</b>
9.	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	Remeasurements of the defined benefit liabilities / (asset)	21.41	-	21.41	(94.19)
	Freehold land revaluation	96,339.40	-	96,339.40	-
	Income taxes related to items that will not be reclassified to profit or loss	(22,989.02)	-	(22,989.02)	32.60
	<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>	<b>73,371.79</b>	<b>-</b>	<b>73,371.79</b>	<b>(61.59)</b>
10.	<b>Total Comprehensive Income for the period (8+9)</b>	<b>78,315.81</b>	<b>5,689.41</b>	<b>84,005.22</b>	<b>9,518.63</b>
11.	<b>Earnings Per Share on Net Profit for the period (sl no 8) in Rupees (not annualized)</b>				
	(a) Basic (in Rs)	3.72	4.28	8.00	7.23
	(b) Diluted (in Rs)	3.72	4.27	7.99	7.22

# Operating Cash continues to grow

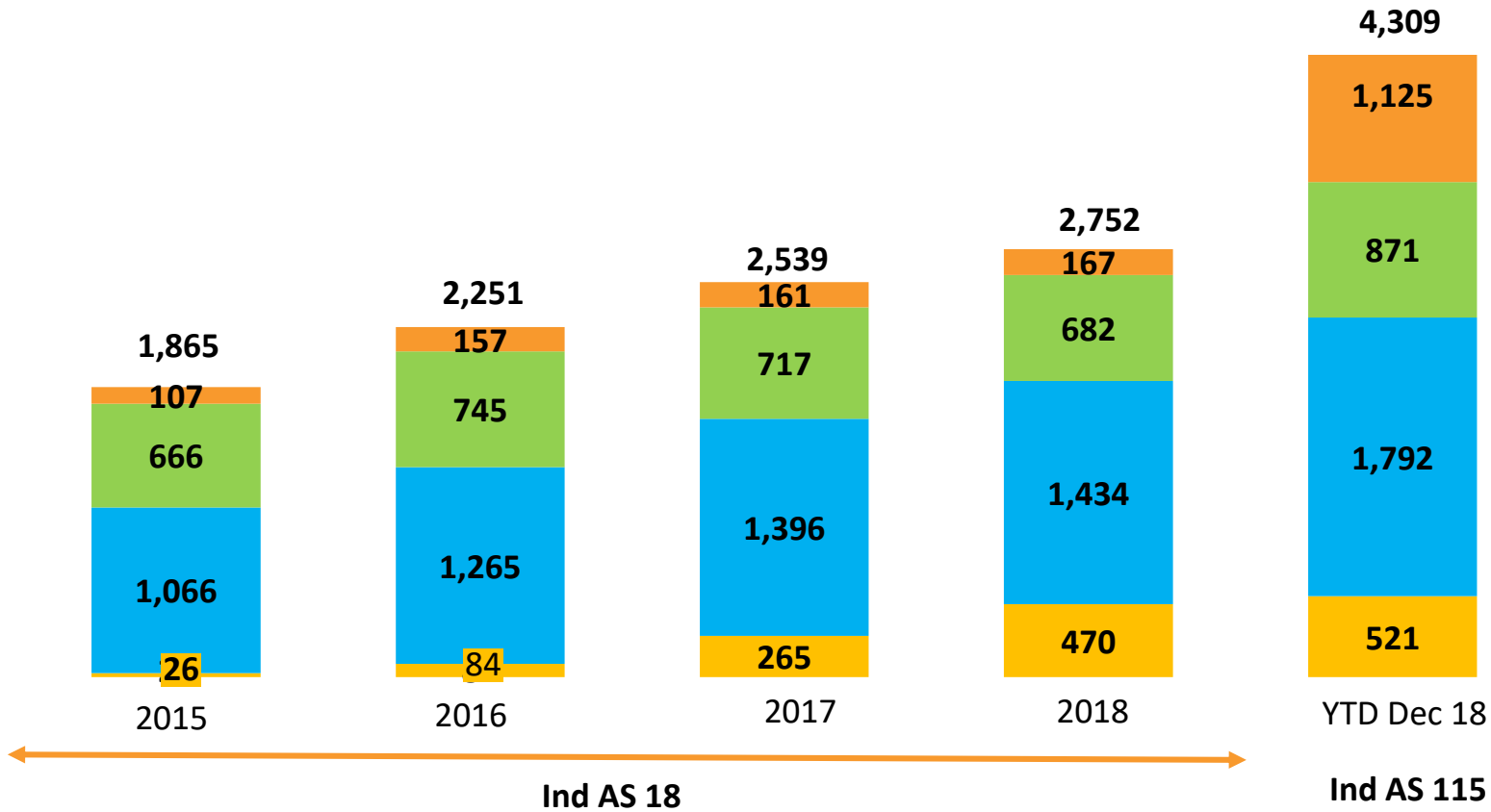
In Crs



**Rs. 915** Crs  
Cumulative operating  
Cash since FY16

# Strong Balance Sheet Position

In Crs



Land Assets Revalued during Sep'18 & stands at Rs. 1,125 Cr

Cash growing at a healthy rate

Land Assets | Other Fixed Assets (WDV) | Receivables | Cash & Cash Equivalents





Thank You