



July 25, 2023

MHRIL/SE/23-24/35

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

Listing Compliance
BSE Limited
Floor 25, PJ Towers,
Dalal Street
Mumbai – 400 001
Scrip Code: 533088

Dear Sir/ Madam,

Sub: Presentation on Financial Results for the quarter ended June 30, 2023

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 Financial Results of the Company for the quarter ended June 30, 2023 to be made to the Investors / Analysts.

The aforesaid presentation is also being hosted on the website of the Company www.clubmahindra.com in accordance with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **Mahindra Holidays & Resorts India Limited**

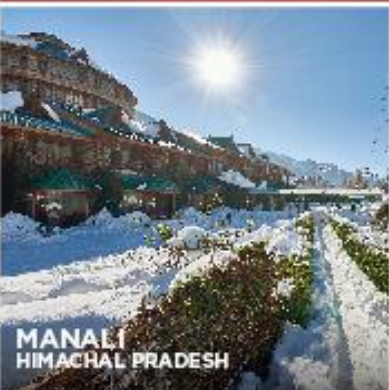
Dhanraj Mulki
General Counsel & Company Secretary

Encl: As above

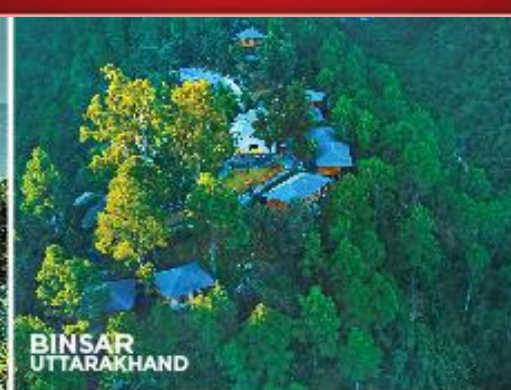
Mahindra Holidays & Resorts India Limited

Registered Office: Mahindra Towers, 1st Floor, "A' Wing, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai - 400 018.

T: +91 22 6918 4722 / E: investors@mahindaholidays.com / W: www.clubmahindra.com / CIN: L55101MH1996PLC405715



MAHINDRA HOLIDAYS & RESORTS INDIA LTD.
Q1 FY24 INVESTOR PRESENTATION
25th JULY 2023



Outline



| | |
|---|----|
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Highlights- Q1 FY24 (Standalone) Performance

CLUB MAHINDRA ASHTAMUDI
KERALA

Q1 FY24 Key Highlights



01



- MHRIL Standalone (excl. one-offs)¹:
 - Highest ever Total Income of Rs. 355 Crs. (+17% YoY)
 - Highest ever EBITDA of Rs. 101 Crs (+19% YoY)
 - Highest ever Q1 PBT of Rs. 55 Crs (+19% YoY)
- Highest ever Quarterly Resort Income of Rs. 92 Crs (+10% YoY) with 90% Occupancy²

02



- Member additions at 4,696 (+23% YoY).
- Membership Sales Value³ at Rs. 177 Crs. up by 21% (YoY)
- Highest ever Q1 Upgrades at Rs. 49 Crs. (16% YoY)

03



- Acquisition of 72 keys Resort in Jaipur completed
- Construction of 236 keys Greenfield Project at Ganpatipule (MAH) started
- Deferred Revenue grew by Rs 66 Crs. to Rs 5392 Crs,

Strong Performance continues in Q1



Member Base

4,696 (+23% YoY)
Member Additions

2,86,039
Cumulative Member Base

Membership Sales Value¹

Rs. 177 Crs (+21% YoY)

Rs. 3.8 lakhs
Average Unit Realization (AUR)

Resort Performance

90%
Occupancy²

Rs. 92 Crs (+10% YoY)
Highest ever

Inventory

236 Keys
Construction Started at Ganpatipule, MH

72 Keys
Resort Acquisition Completed in Jaipur

Income excl. one-offs³

Rs. 355 Crs
Highest ever

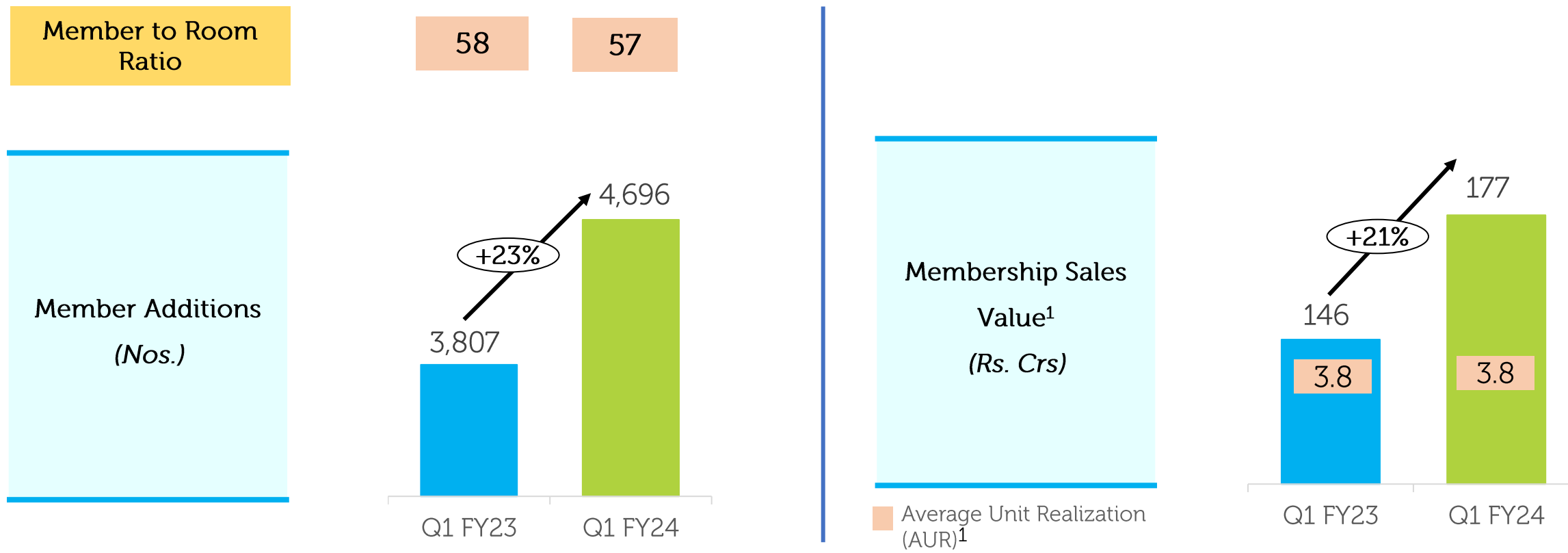
+17% YoY
Growth

PBT excl. one-offs³

Rs. 55 Crs (+19% YoY)
Highest ever in 1st Quarter

15.4%
PBT Margin

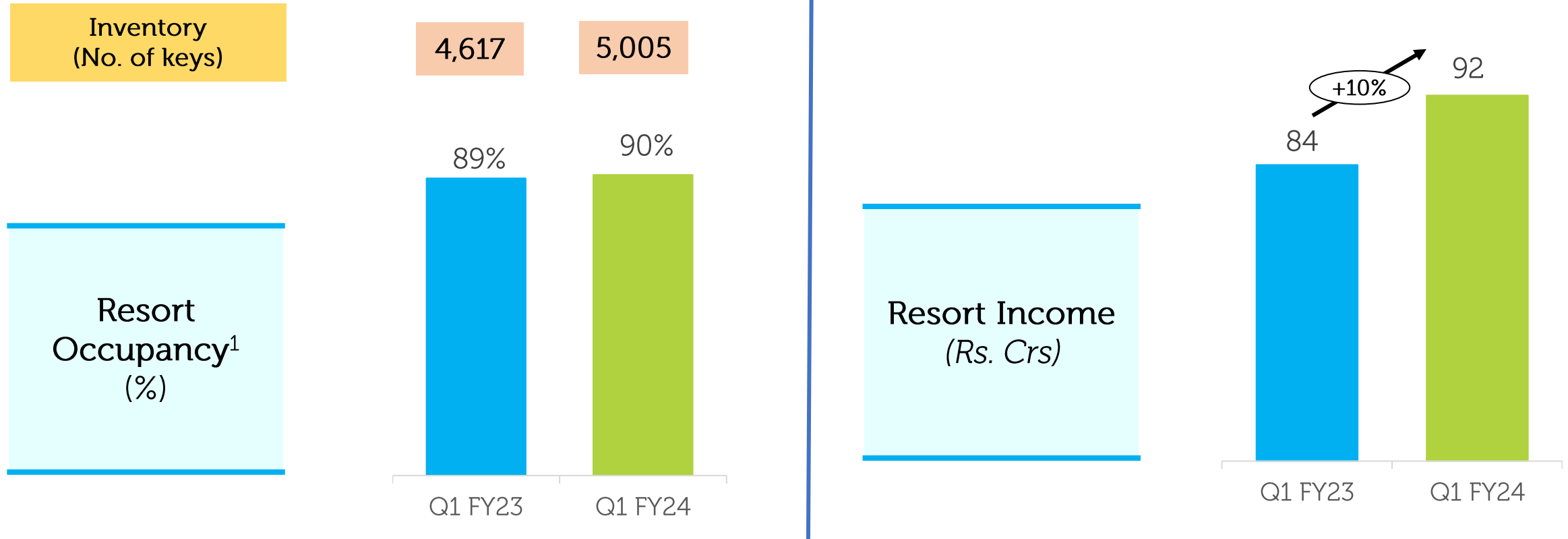
Robust growth in Member Additions & Sales Value



Member acquisitions through referral and digital routes at **55%**
 Cumulative member base at ~2.86 lakhs, including **85%** fully paid members

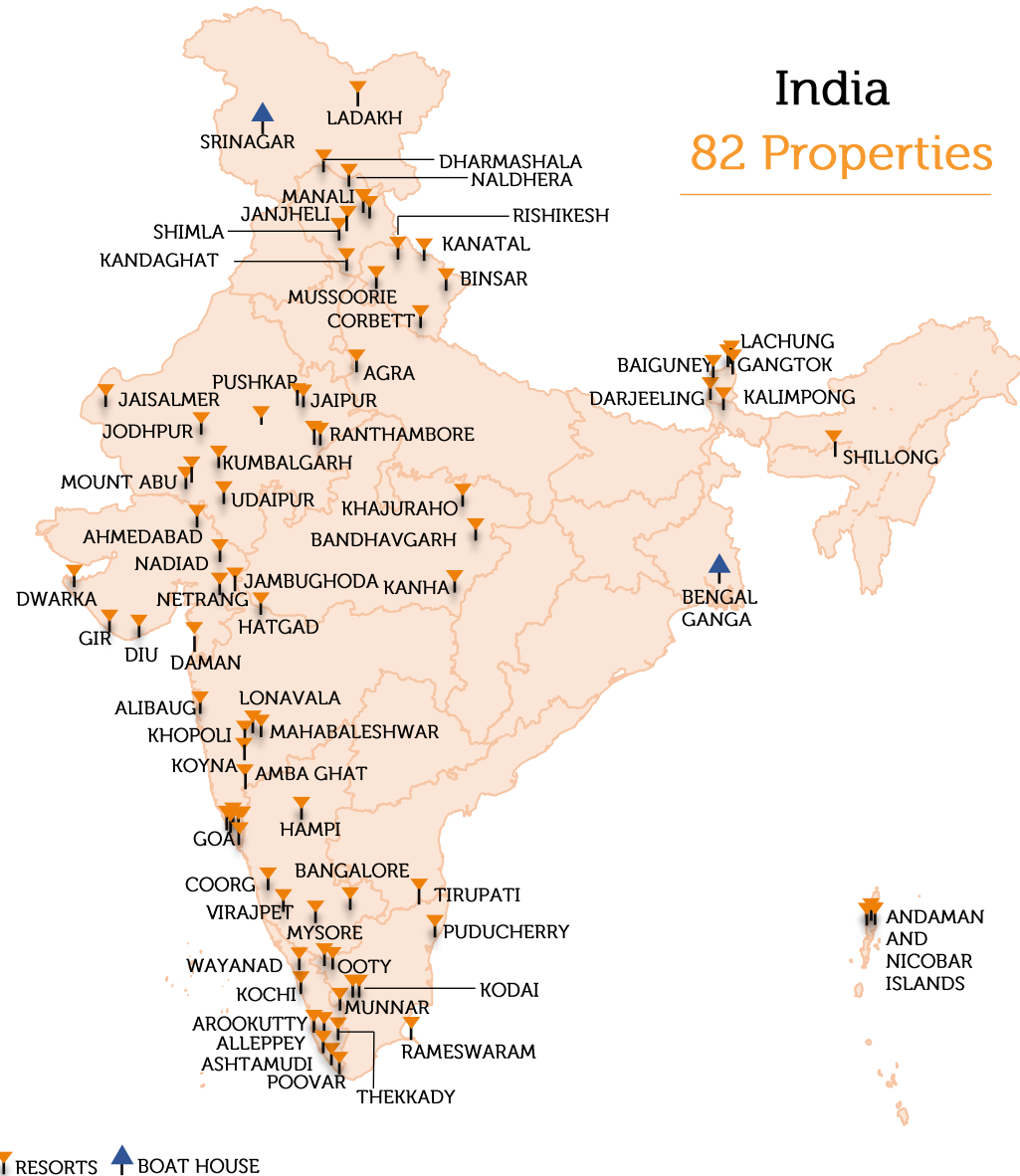
Note: 1. Membership Sales Value & AUR includes Upgrades

Resort Revenues have grown due to increased Occupancies, higher room inventory & Member Spends



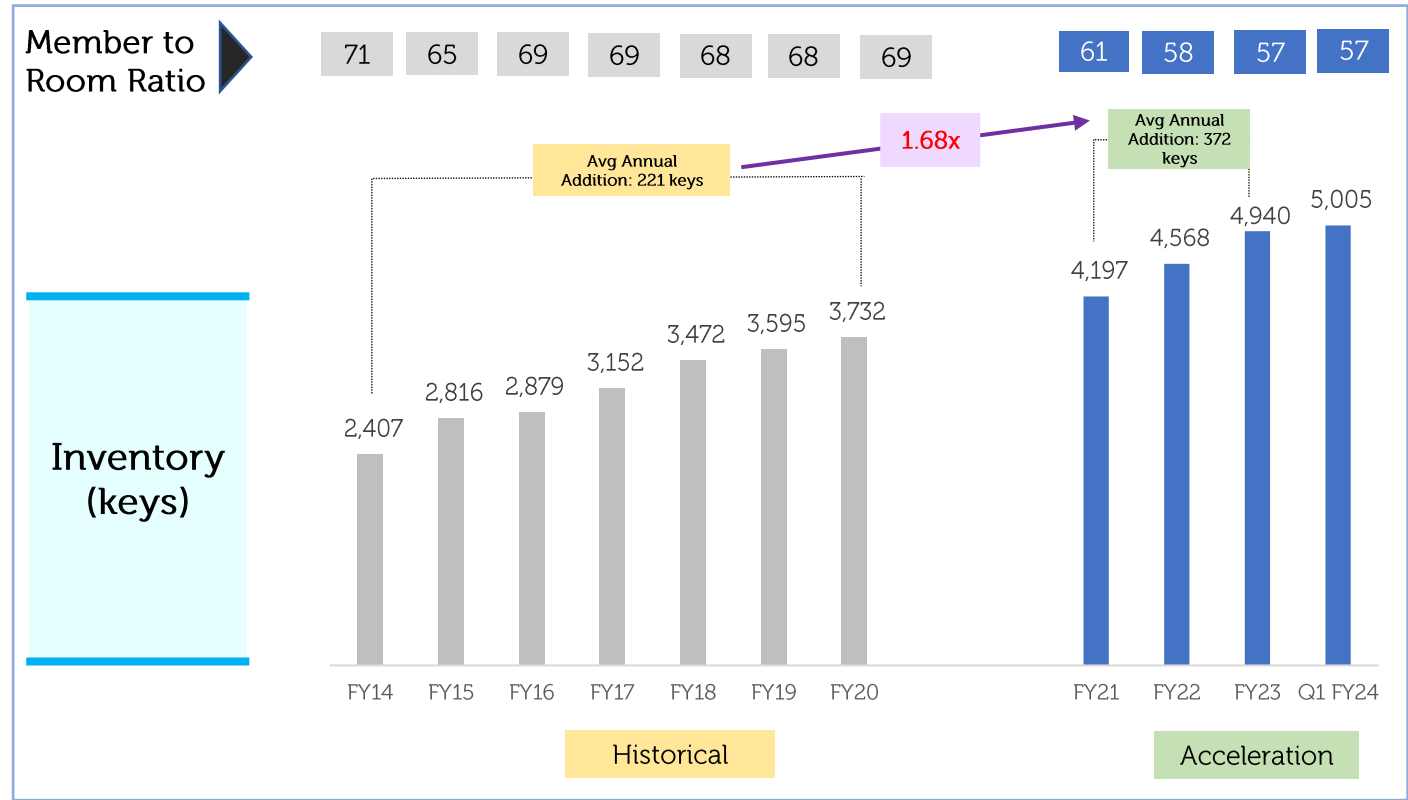
- Overall room count increased to 5,005 keys.
- Resort Revenues driven by high occupancies on higher room inventory, along with increased usage of Resort offerings.

Our Focus on Inventory acceleration continues



India
82 Properties

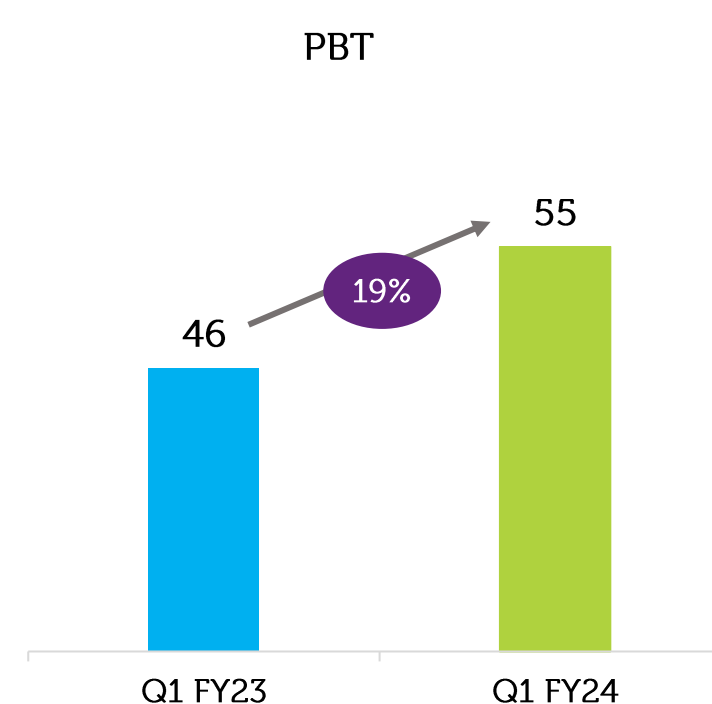
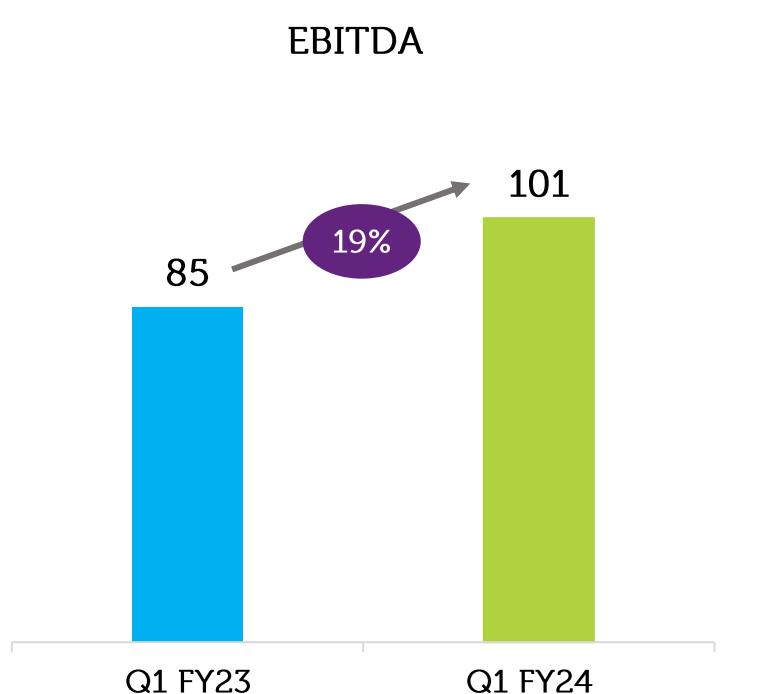
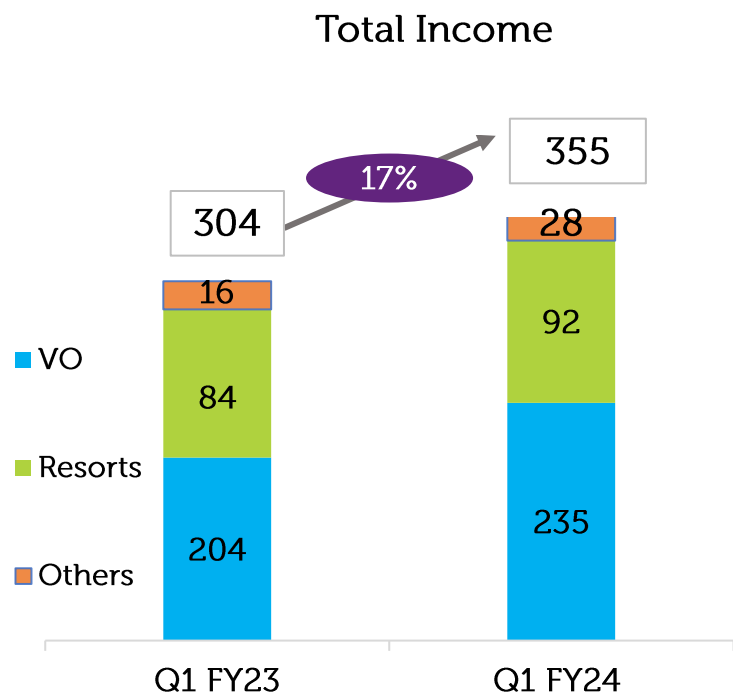
143 properties across the globe including 82 properties in India



Q1 FY24 Total Income grows by 17% YoY and PBT by 19% YoY

Q1 FY24 vs Q1 FY23 (adjusted for one-offs)*

Rs. Crs

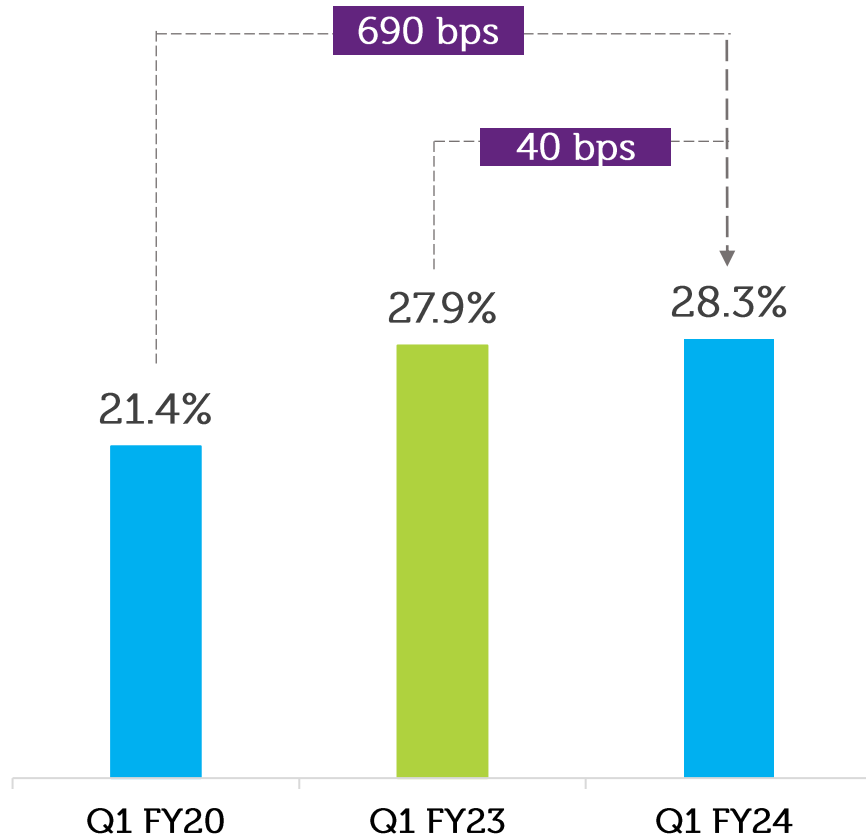


Note: *One-offs: Loss due to exchange fluctuation of Rs 3.8 Crs in Q1FY24 & Rs 0.6 Crs in Q1FY23

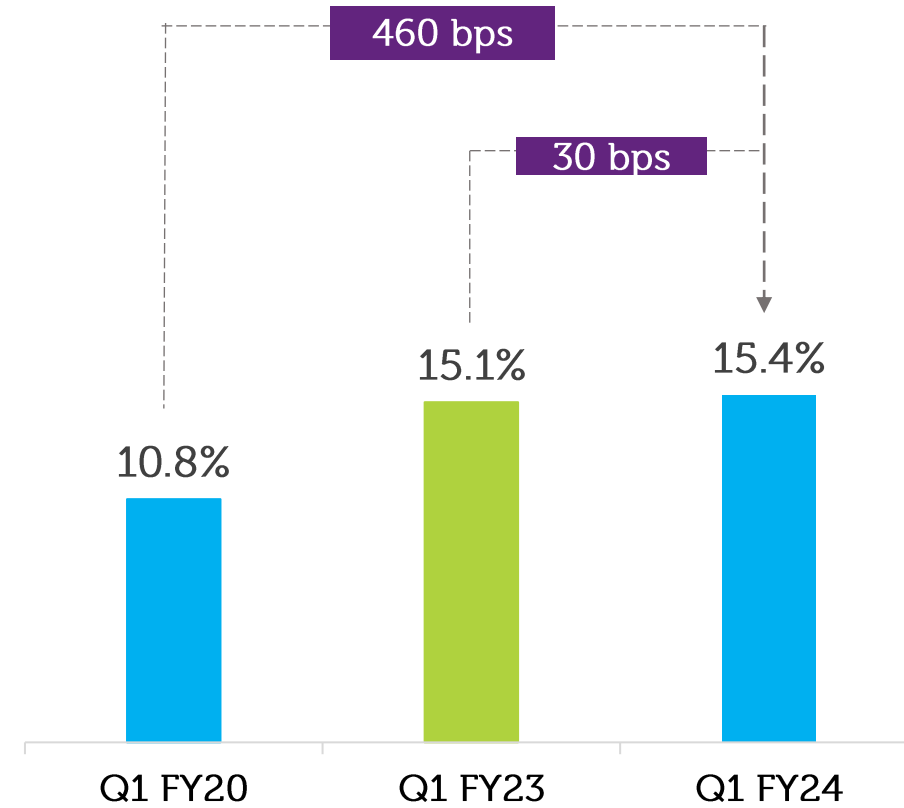
Margin expands (vs pre-pandemic & YoY) driven by Revenue Growth & Cost Optimization



EBITDA* Margin



PBT* Margin



Note: *One-offs: Loss due to exchange fluctuation of Rs 3.8 Crs in Q1FY24 & Rs 0.6 Crs in Q1FY23

Total Income grows by ~17% YoY in Q1 FY24

| Total Income (Rs in Crs) | Quarter ended | | |
|--------------------------------|---------------|--------------|--------------|
| | Q1 FY24 | Q1 FY23 | YoY |
| Income from Vacation Ownership | 122.7 | 108.0 | 13.7% |
| ASF Income | 89.2 | 78.6 | 13.6% |
| Interest & Others | 23.2 | 17.3 | 33.6% |
| Total VO Income | 235.1 | 203.9 | 15.3% |
| Resort Income | 92.5 | 84.0 | 10.1% |
| Revenue from Operations | 327.6 | 287.9 | 13.8% |
| Non-Operating Income | 27.3 | 16.3 | 66.8% |
| Other Income | 27.3 | 16.3 | 66.8% |
| Total Income | 354.9 | 304.2 | 16.6% |

Profit & Loss Statement – Q1 FY24



| Particulars | Quarter ended | | |
|--------------------------------|---------------|--------------|--------------|
| | Rs in Crs | Q1 FY24 | Q1 FY23 |
| Revenue from Operations | 327.6 | 287.9 | 13.8% |
| Non-Operating Income | 27.3 | 16.3 | 66.8% |
| Total Income | 354.9 | 304.2 | 16.6% |
| Employee Benefit Expenses | 86.4 | 73.0 | 18.3% |
| Sales & Marketing Expenses | 54.2 | 46.6 | 16.3% |
| Rent | 22.4 | 15.4 | 46.1% |
| Other Expenses | 95.1 | 85.0 | 11.9% |
| Total Expenditure | 258.1 | 220.0 | 17.4% |
| EBITDA | 96.8 | 84.2 | 14.9% |
| EBITDA Margin % | 27.3% | 27.7% | |
| Finance Cost | 8.5 | 6.4 | 32.8% |
| Depreciation | 37.3 | 32.4 | 15.0% |
| Profit Before Tax (PBT) | 51.0 | 45.4 | 12.4% |
| PBT Margin % | 14.4% | 14.9% | |
| Tax Expenses | 13.1 | 11.8 | 11.3% |
| Profit after Tax (PAT) | 37.9 | 33.6 | 12.7% |
| PAT Margin % | 10.7% | 11.1% | |

Q1 FY24

- Sales and Marketing Expenses increased YoY due to higher spends on Brand Marketing Campaigns leading to increased Sales.
- Rent, Finance Cost and Depreciation increased due to room inventory addition.

| | | | |
|--|--------------|--------------|--------------|
| Total Income (Excluding One-off)* | 354.9 | 304.2 | 16.6% |
| EBITDA (Excluding One-off)* | 100.6 | 84.8 | 18.6% |
| EBITDA Margin %* | 28.3% | 27.9% | |
| PBT (Excluding One-off)* | 54.8 | 46.1 | 19.0% |
| PBT Margin %* | 15.4% | 15.1% | |

MHRIL Standalone One-offs



| <u>MHRIL Standalone - Impact</u> | In Rs. Crs | |
|---|--------------|--------------|
| | Q1 FY24 | Q1 FY23 |
| Income | - | - |
| Expenses (Loss on Exchange Fluctuation) | 3.8 | 0.6 |
| Net PBT Impact | (3.8) | (0.6) |

Strong Balance Sheet



Deferred Revenue

Rs. 5,392 Cr

Net addition
Rs. 66 Cr in Q1
FY24



Strong Cash Position

Rs. 1,136 Cr



Strong Asset Base

Rs. 2,371 Cr

Includes Land
valued at Rs. 1,235
Cr and
excludes Long-
Term Leases
valued at
Rs. 403 Cr



Debt

Zero debt

Snapshot of Balance Sheet



| Description | Rs. in Crs | |
|---|-------------------------|--------------------------|
| | As on 30th June 2023 | As on 31st March 2023 |
| ASSETS | | |
| Property, Plant and Equipment | 2,371.3 | 2,349.5 |
| Right of Use Asset (IND AS 116) | 403.0 | 380.9 |
| Trade receivables | 1,164.0 | 1,160.3 |
| Cash and cash equivalents (regrouped) | 1,135.6 | 1,157.7 |
| Deferred Tax (Net) | 216.2 | 211.0 |
| Deferred Acquisition Cost | 773.9 | 767.3 |
| Other Assets | 900.3 | 783.0 |
| | 6,964.3 | 6,809.7 |
| LIABILITIES | | |
| Shareholders Equity | 200.9 | 200.7 |
| Share Application Money Pending Allotment | | 1.2 |
| Other equity | | |
| Reserves & Surplus | 1,143.6 | 1,102.3 |
| Revaluation Reserve | 846.6 | 845.6 |
| Other Comprehensive Income | (1.7) | (1.3) |
| Transition Difference | (1,402.7) | (1,402.7) |
| | 786.7 | 745.8 |
| Deferred Revenue | | |
| VO | 5,189.1 | 5,149.5 |
| ASF | 203.0 | 176.9 |
| Lease Liability (IND AS 116) | 426.6 | 401.4 |
| Other Liabilities | 358.9 | 336.1 |
| | 6,964.3 | 6,809.7 |

Note: Balance sheet figures are regrouped for presentation purpose



CLUB MAHINDRA KANHA
MADHYA PRADESH

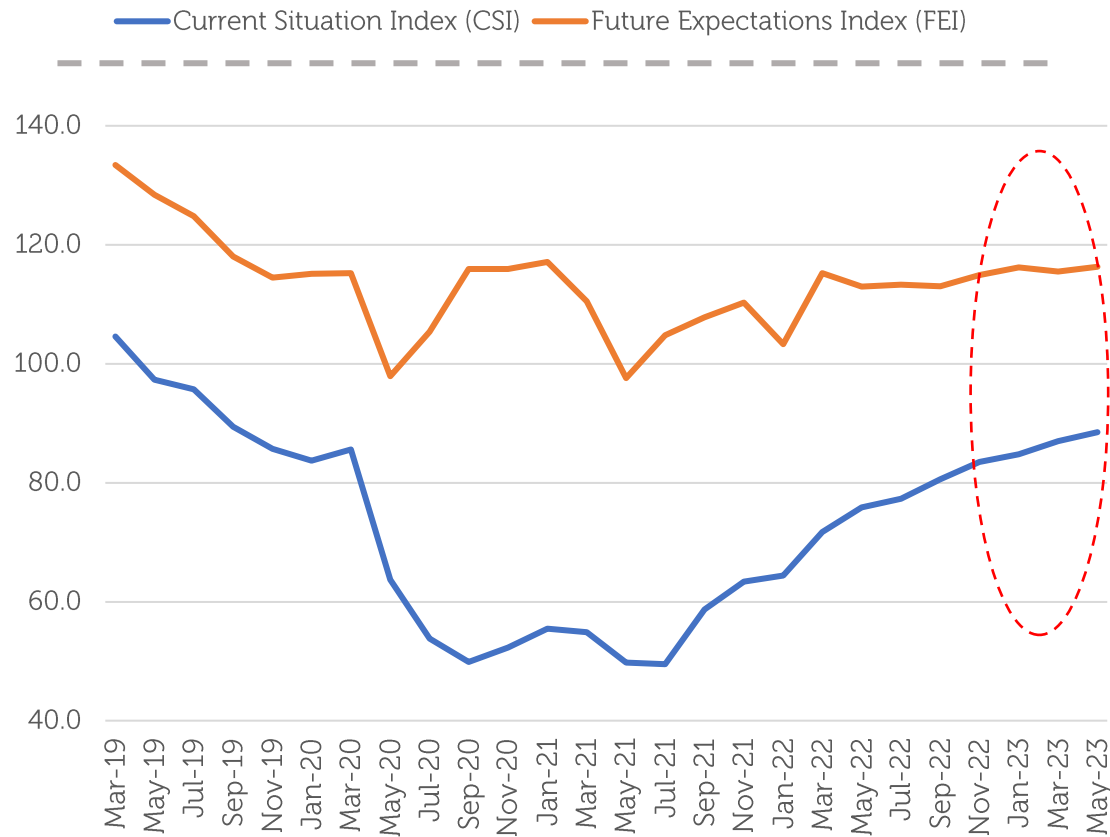
MHRIL

Key Trends & Business Environment

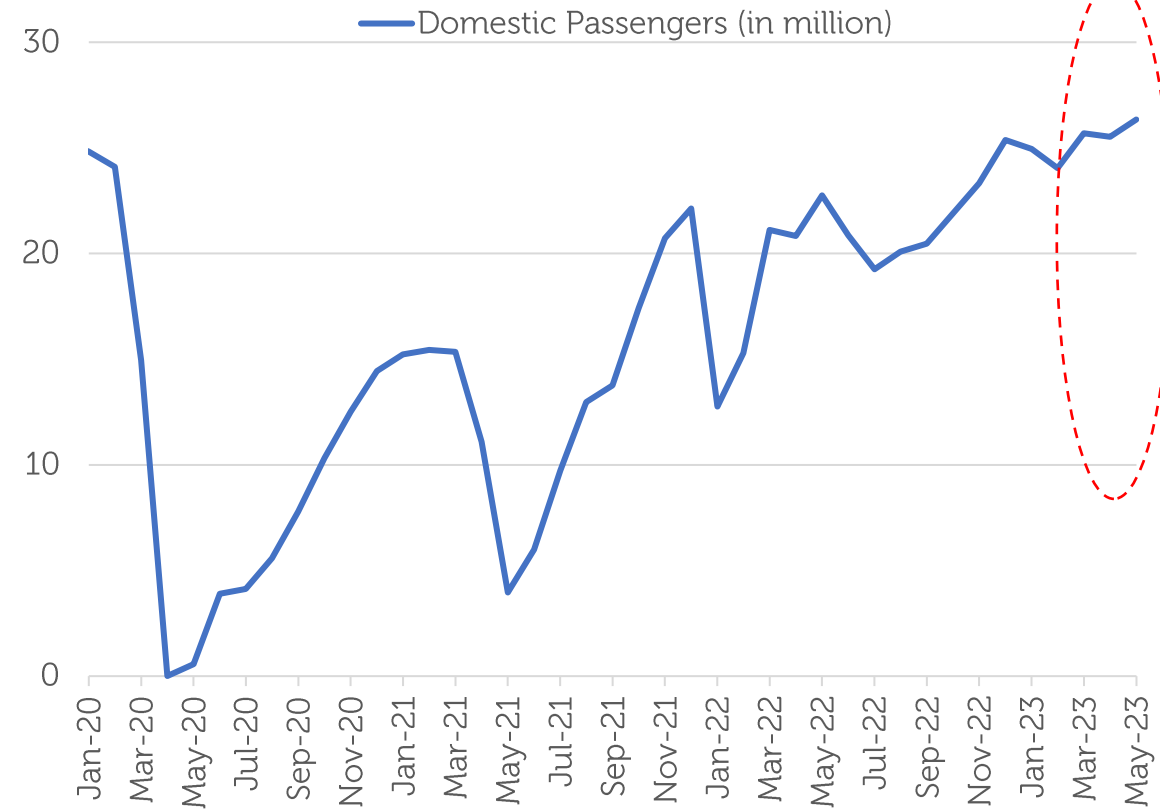
Key Trends



RBI Consumer Confidence reflects steadily improving consumer demand



Domestic Airline Passenger Traffic has seen uptick in Q1



Indian Hospitality Sector's key metrics indicating demand normalization



Highlights



Normalized Occupancy

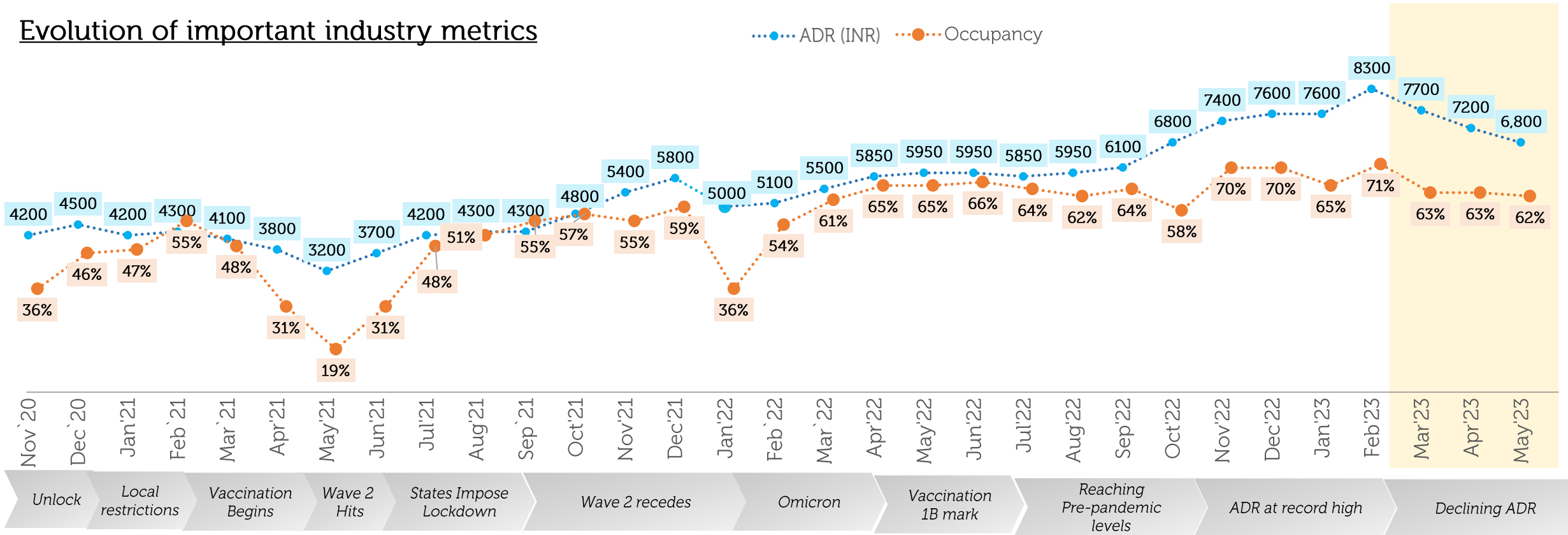
Industry witnessed a minor decline in occupancy rates year-on-year after reaching post-pandemic high in Feb'23



ADRs Higher than Pre-pandemic levels

Average rates remained significantly above pre-pandemic levels. In FY20, ADR was Rs. 6,100

Evolution of important industry metrics



Indian Hospitality Industry Snapshot



Rise in Leisure travel

Hotel demand soaring high in 2023, mainly due to the rise in leisure travel.

Major tourist destinations in North India, & Goa seeing surge in demand.

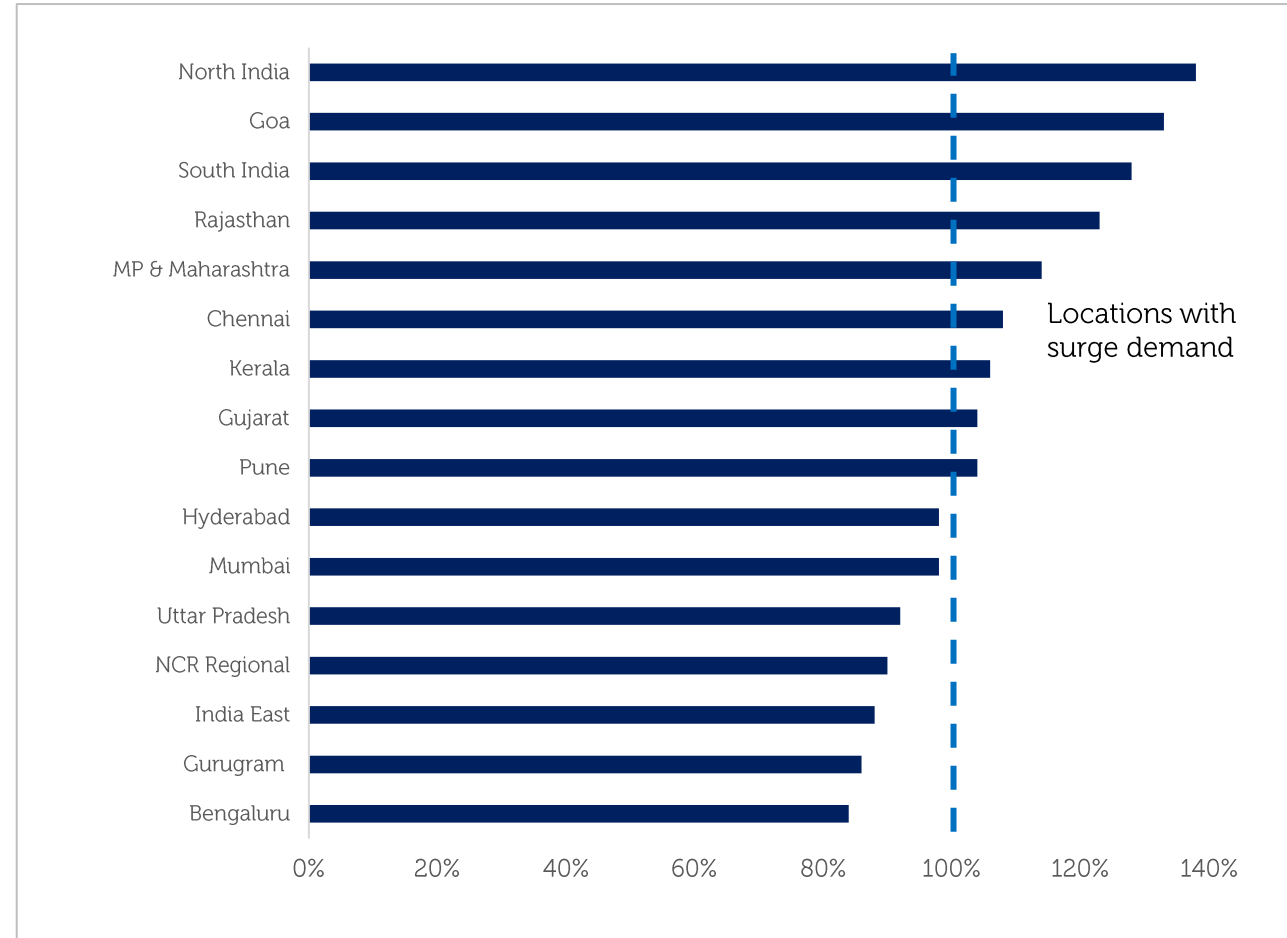
Higher ADR & RevPAR in 2023

2022 performance broke a decade-long trend of occupancy and rates in the country.

Leisure Market remains underserved

As of Dec, 2022, India had a little over 28,000 branded rooms in the leisure segment, miniscule in comparison to Bali (80,000) and Phuket (44,000).

RevPAR indexed to 2019



MHRIL

Unique & Profitable Vacation Ownership Business

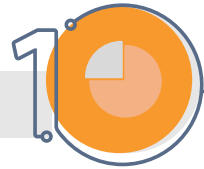
CLUB MAHINDRA VARCA
GOA

A Large & Attractive Market for Vacation Ownership in India



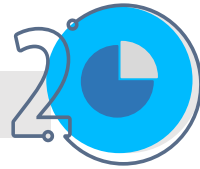
There is a huge potential target market for VO as household income grows...

Vacation Ownership in India



~3 Crs High-income Households

- ▶ with an annual income > Rs. 27.5 lakhs expected by CY30



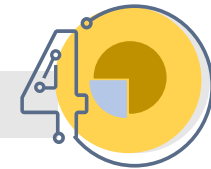
Rs. 55 Lakh Crs Annual Consumption

- ▶ from high-income households by CY30



2x Growth

- ▶ expected in high-income households by CY30



VO penetration in India is low (~2%)

- ▶ vs ~11% in US, indicating considerable scope for growth

An expanding aspirational consumer segment and low penetration levels of VO provide significant headroom for growth of the Vacation Ownership market in India

Over 25 years, MHRIL has created a **unique and sustainable Vacation Ownership business** and is the **#1 Leisure Hospitality player** in the country



MHRIL Vacation Ownership business consists of ..



~2.9 Lakh members



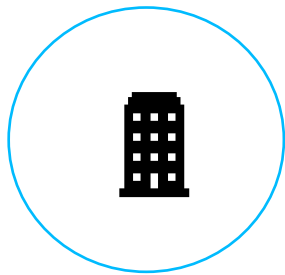
2,000+ curated experiences



Strong free cashflows



100+ resorts globally



400+ Partner Hotels



Debt Free on a Standalone basis

...with unique competitive advantages

Strong economic model and difficult to replicate

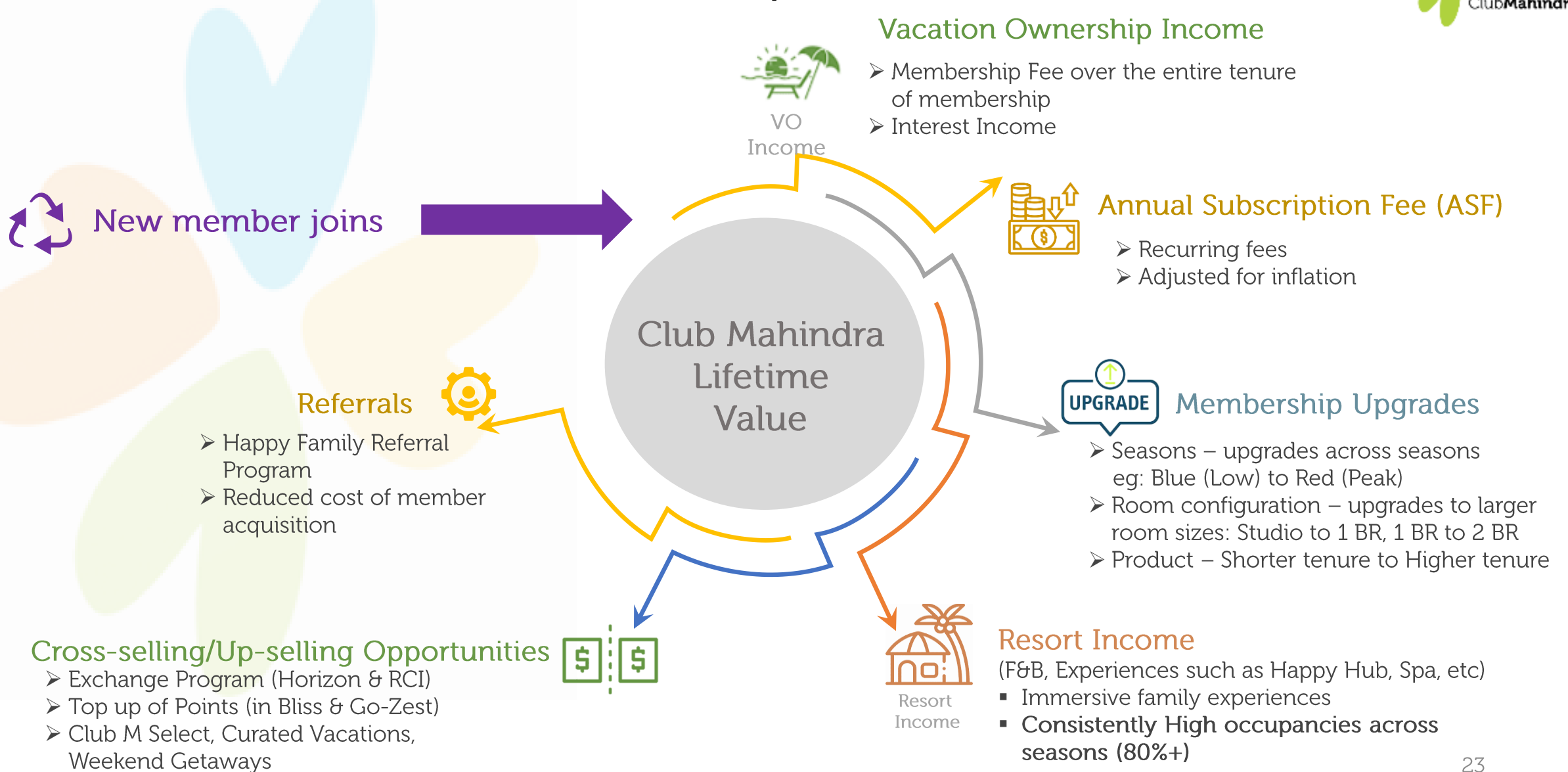
Club Mahindra enjoys strong brand equity and is positioned as provider of quality vacation experiences for families

Creator of new leisure destinations and world-class resorts

Predictable annuity revenue streams & cash generation

Continuous member engagement to enhance lifetime Value

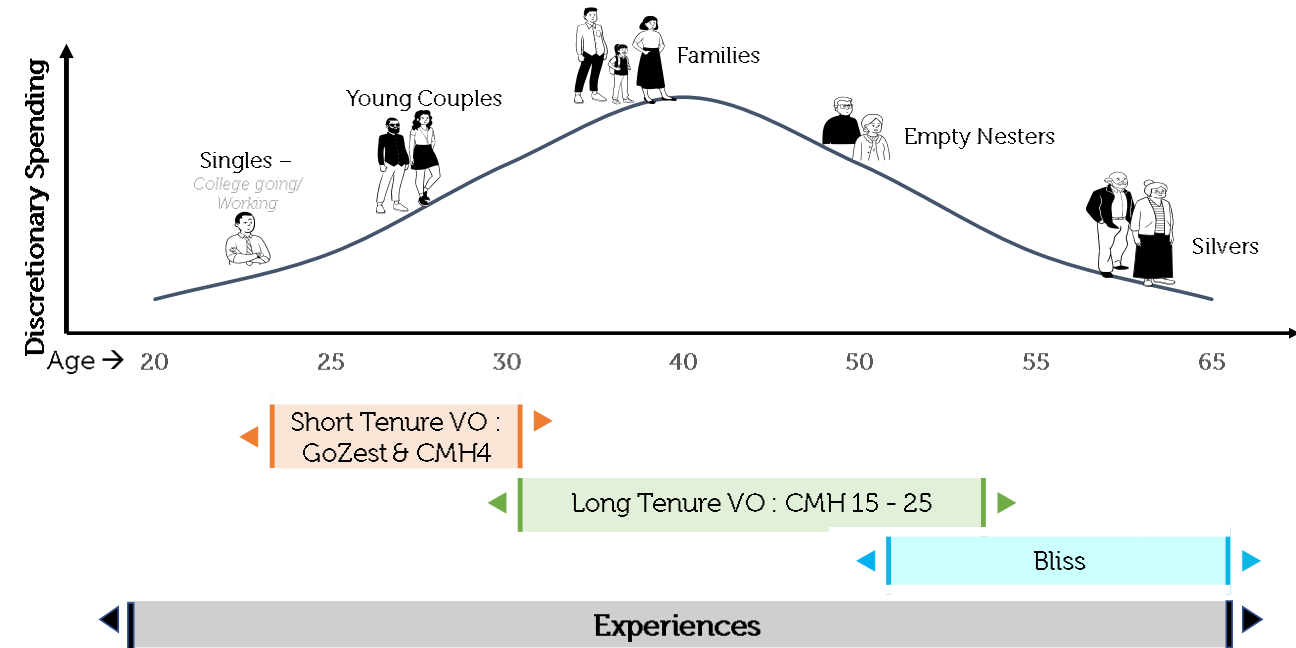
Multi-Year Sources of Value Creation in Vacation Ownership across the Tenure of the Membership



MHRIL's product portfolio has evolved over time to target diverse customer segments



- MHRIL's product portfolio strategy has evolved significantly to include **multiple products of different tenures**, which enables targeting diverse consumer segments.
- **Longer tenure products** include CMH 25 & 15 for 30+ age group, Bliss for 50+ age group
- **Shorter tenure products** have been introduced to target millennials:
 - *New product launched in Q1 FY24: CMH4 (4 yr. product)*
 - *Go-Zest and CMH-4 for young couples < 30 years age group*



MHRIL has received positive response for its multi-product portfolio and shall continue to innovate in this domain

Club Mahindra's Product Portfolio



CMH – 25 years/15 years, 7 nights per year



Couples (Age 30-50 years) with young children

"I have dreams and aspirations and I will achieve them"

Target Consumer: Lifestyle Parameters

- Provider, adaptive to changes & aspirational
- Stability & balance seeker
- Cautious spender

Consumer Holiday Needs

- Plan vacations in advance
- Seek family bonding
- Want to explore new destinations

Bliss - 10 Years, Points Based Membership



Older couples, Age 50-65 years (Empty Nesters)

"You are never too old to follow your dreams"

- Driven by comfort - Family centric & professionally accomplished
- Rational spender & value conscious
- Want to feel pampered

- Financially secure & free time to support their travels
- Seek relaxation & rejuvenation
- Prioritise safety & hygiene

GoZest! - 3 Years, Points Based Membership CMH4 - 4 Years, Night Based Membership



Recently married couples; <30 years of age

"Enjoy your youth, you will never be younger than you are at this moment"

- Independent and ambitious
- Lesser familial responsibility
- Inclined to spend on experiences

- Eager for new and exciting experiences.
- Explore popular & new destinations
- Experiences such as Ziplining, Jungle Safari, Paragliding, etc

Growing Footprint in India & Abroad with access to 143 properties

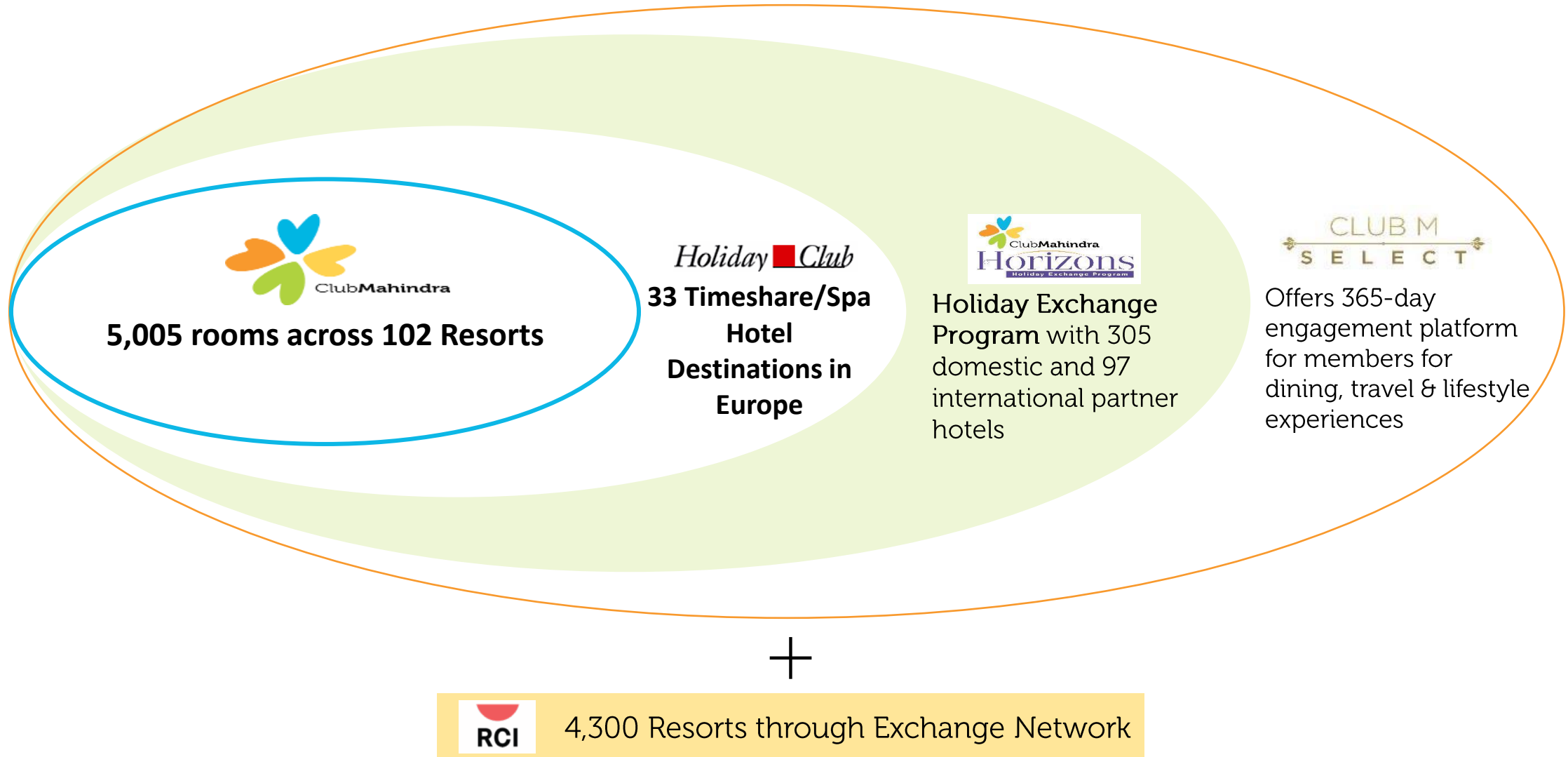


Choice of Destinations for members

| | | | | | | |
|---|---|--|---|--|---|---|
| 5,005 rooms across 102 Resorts | + | 33 Properties (including 9 Spa Hotels) | + | Holiday Exchange Program with 400+ Partner Hotels | + | 4,300 Resorts through Exchange Network |
|---|---|--|---|--|---|---|

| | | | |
|---------------------------------|----------------------------------|--------------------------|-----------------------|
| Holiday Club Resorts | International Resorts | India Resorts | Boat House |
|---------------------------------|----------------------------------|--------------------------|-----------------------|

Expanding Choice of Destinations available to members across MHRIL and Holiday Club Resorts (HCR) along with Horizons Exchange Program



Our Business Model is Differentiated



Focus on Family Vacations

- **Memorable family experiences**
 - New & popular destinations across India & abroad
 - Range of culinary options
 - 'Happy Hub' catering to entire family with indoor & outdoor games and other experiences
 - Wellness & Spa experiences
 - Soft adventure activities

Multi-Product Portfolio serving diverse consumer needs

- Portfolio approach to help **capture demand across the consumer lifecycle**
- Catering to travel & hospitality needs of our varied customers, expanded the product portfolio to include **multiple tenure products**
- Portfolio includes **short tenure memberships, CMH-25, CMH-15 and Bliss**

Spacious Resorts with Larger Apartments

- Members prioritize vacationing at our resorts given our **larger room sizes and spacious resorts**
- Besides apartments (Studio, 1BR, 2BR), we also provide members with **multiple types of accommodation** such as villas, tents, & cottages.
- Several **outdoor activities** at our properties
- Enables **members to holiday together** with extended family & friends

CLUB MAHINDRA MANALI
HIMACHAL PRADESH



MHRIL

Long-Term Value Creation

Strategy to Drive Consistent Growth



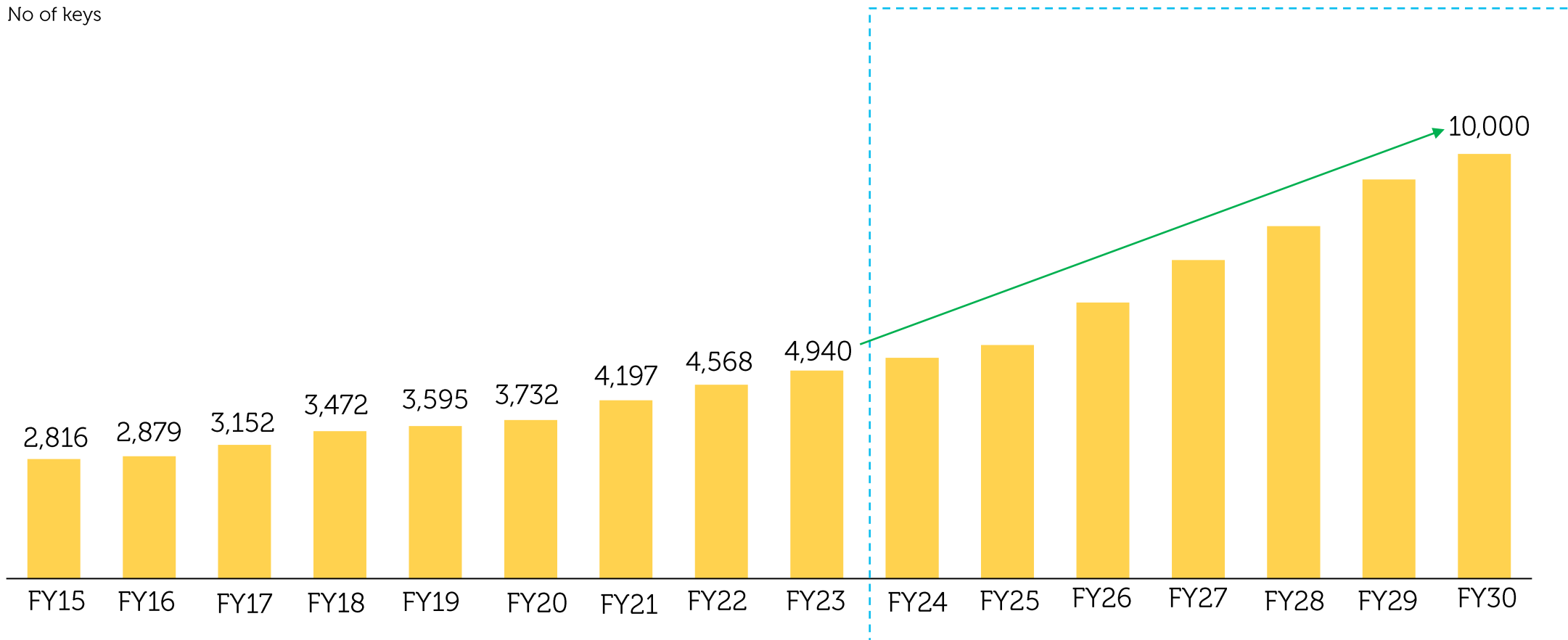
Accelerate Inventory Addition

Double Inventory base from ~5,000 to ~10,000 keys by FY30



Total Inventory

No of keys



Inventory addition through Multi-modal route



MHRIL will use a combination of inventory addition routes:

A

Greenfield Resorts
through existing Land Banks & PPP

Ideal for custom development of large marquee resorts

B

Brownfield Projects

Expand existing resorts

C

Resort Acquisitions

Ideal to expand presence in destinations with unavailability of suitable land and / or development restrictions

D

Built-to-Suit Resorts
with third-party landowners

Landowners to develop a custom-built resort as per MHRIL requirements

E

Resort Leases
Partially constructed / fully operational

Lease resorts which meet MHRIL standards

Greenfield/Brownfield/Acquisition in FY24: 6 Projects/ 750 Keys



Expansion Projects (Brownfield): ~ 290 keys

Kandaghat, HP



Addition of 185 keys to make a 257 keys flagship resort underway - Construction commenced in Feb 2022

Assonora, Goa



3rd Phase of adding 44 keys commenced in Oct'22 to make this a 244 keys resort

Puducherry



Planned expansion of 62 keys to make this a 187 key resort - construction to commence in Q4 FY24

Greenfield (~390 keys)

New



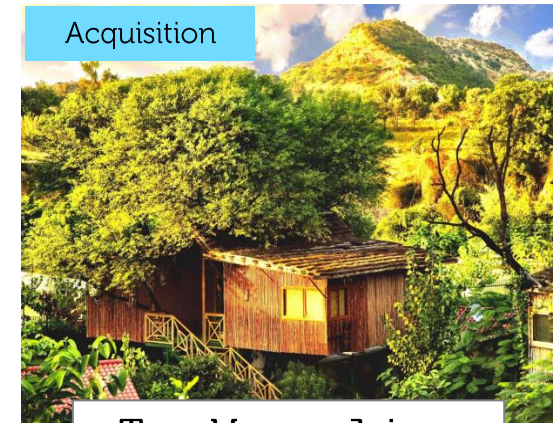
Ganpatipule, MH

236 keys resort construction commenced in Q1 FY24

Construction to commence for 152 Keys Resort at Theog, HP

New

Acquisition



72 Keys Resort Acquired in Q1 FY24.

Tree House, Jaipur

New

Awarded / Approved projects (PPP)

In-principle approval for land parcel at Chilika Lake received from Odisha Govt.

Horizons

One-of-a-kind holiday exchange program for our Club Mahindra members



Program offers our members freedom of choice to book an accommodation in any of the partner hotels around the world in exchange for their VO Room nights



2018

Launch Year



400+

Partner hotels



174

Destinations
(India & International)



68

Hotels added in
Q1FY24

Accelerate Member Additions



- 1 Scale up Member acquisition through Referrals, Digital and Alliances
- 2 Use a multi-product portfolio to acquire members based on life-stage segmentation (Go Zest, CMH-25, CMH-15, CMH-4 and Bliss)
- 3 Scale up resort onsite sales teams to acquire new members and upgrade existing members
- 4 Accelerate member addition by expanding geographical reach

Diverse in-resort Experiences



Scuba Diving at Puducherry



VR Sky diving at Netrang



Aqua Zorbing at Jaisalmer



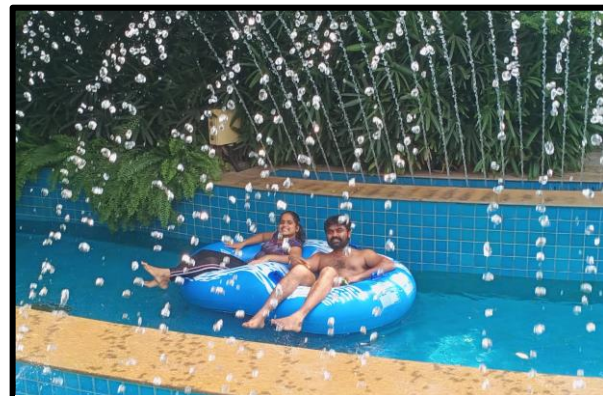
Star gazing at Munnar



Archery at Jhanjeli



Ropewalk at Puducherry



Lazy river at Assonora



Zipline at Dharamshala



Jungle Safari at Kanha

Strengthening Brand Pull through Targeted Marketing Campaigns Q1 FY24

Digital Brand Campaign: *Holidays are Fun, Best Days under the Sun*

To Position 'Club Mahindra' as a Fun Kids & Family Holiday Brand to explore during their Summer Holidays

The film also positions Club Mahindra as an enriching Travel & Holiday experiences Brand that engages, educates, pampers, celebrates & emotionally uplifts a child.



Summer Carnival with Nickelodeon! – RWA Activations

Partner with India's Leading Kids Channel "Nickelodeon" to Position Club Mahindra as a Family Brand with unique experiences for kids.

Brand Engagement for Kids & Families.

Activations across Premium Housing Societies across the three Key metros - Mumbai, Delhi & Bangalore.



Sony Yay Carnival! – India's Biggest Kids & Family Festival

A Family Carnival for Kids & Families organised by Sony Yay! at Phoenix Mall, Kurla, Mumbai

Club Mahindra had partnered with them to create Happy Hub Experiences (Puppet Making, Block Printing etc) at its stall to engage with Kids & parents.

Leading Celebs (Karishma Kapoor, Mahi Vij etc.) had come for this event with their Kids.









Club M Rewards: Loyalty Program exclusive for Club Mahindra members



Features:

- Members can earn referral points whenever their referred friend buys a Club Mahindra membership
- Multi-tiered (4 tier) loyalty program based on referral points
- The points earning potential increases as one moves to the higher tier

Members can redeem referral points against

| | | | | | |
|--|--|---|--|--|--|
|  |  |  |  |  |  |
| Holiday Packages | Unique Experiences & Activities with Resort Credit vouchers | Club M Select Membership | ASF Payment Membership Upgrades | Brand Vouchers | Gadgets |

~1.5 Lacs Members enrolled in Loyalty Program, enabling us to accelerate new member additions through referral route

ASSONORA
GOA



ESG Initiatives

Our Commitments



We are India's first hospitality company to join the Global campaign for RE100 and EP100.

These initiatives are aligned with the core principles of 'RISE' and our mission of 'Good Living, Happy Families'.



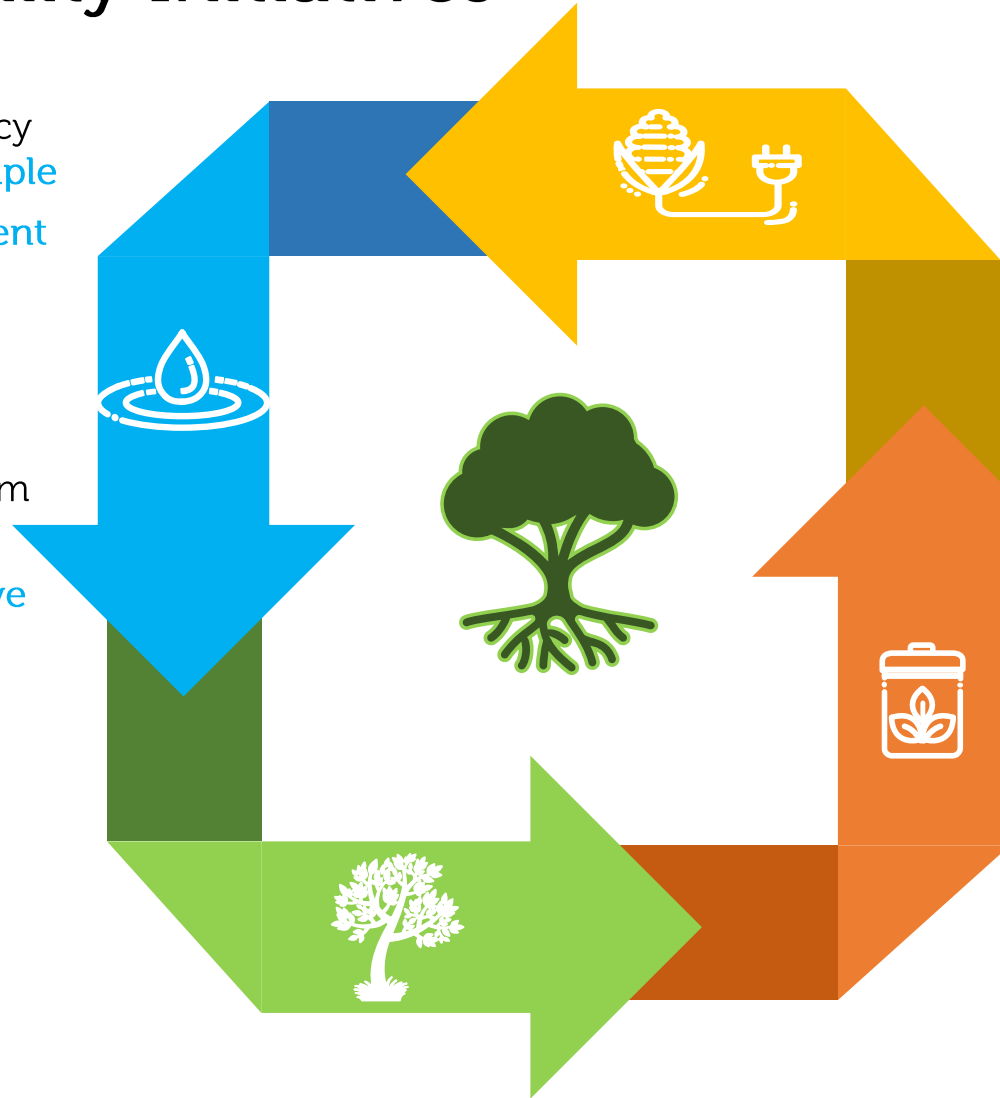
Note: 1. Indian Green Building Council ; 2. Indian Business Biodiversity Initiative

Our Key Sustainability Initiatives



Water Management

- **Jal Jivan Initiative** - improve efficiency of water utilization through **4 R principle**
- **Separate Grey & Black water treatment**
- **Rainwater Harvesting** structures are installed in 20 resorts; 150mn litres or 60% of total water consumed by our resorts was recycled in FY24 Q1
- **IoT based real time** monitoring system for water management
- 2 of our Resorts are **Net Water Positive**



Energy Initiatives

- **SBTi**: Reduce Greenhouse Emissions by 88.3% by 2031
- Solar panels at **22 of our resorts** with a cumulative installed capacity of 5.7 MWP
- Tracking & monitoring through **Energy management systems**

Waste Management

- 10 of our resorts are **Zero waste to landfill** certified
- **Responsible sourcing** of materials; e.g., straws, laundry bags & packaging of bathroom amenities made from corn starch
- **Circular economy** used cooking oil is converted to biofuel, food waste is converted into biogas, E-waste is recycled,
- Introduced **Extended Producer Responsibility** (EPR) across all contracts

Biodiversity

- Under **Project Haryali**, planted 20k+ trees in FY23 (5 lakh+ since FY11) near our resorts
- Biodiversity initiatives at **Madikeri, Virajpet & Assonora** resorts to conserve natural forest areas

Madikeri Resort: India's 1st Triple Net Zero Resort (Net Zero Energy, Water and Waste)

CSR – Key Initiatives



Promoting Education

- **Project Nanhi Kali:** Supporting the education of ~ 2,782 girl children from socially & economically marginalized families
- **Project Gyandeep:** provision of books & stationary and school utility items to over 850 children

Environmental Sustainability

- **Swachh Bharat:** Provided toilet facilities, distribution of garbage bags, cloth bags and rolled out several clean-up drives in the neighboring communities to promote Swachh Bharat.
- **Suryodaya:** donated portable solar emergency lights to students.
- **Mahindra Hariyali:** Under the Hariyali initiative – MHRIL has planted over 7,000 saplings in Q1 across our locations.

Healthcare

- **Project Sehat** - Through this project, we rolled out ESOPs where we provided nutritional support, water purifier to underprivileged individuals. Through our efforts we reached out to over 150 individuals

Women Empowerment

- **Livelihood support to empower women in the community :** Distributed sewing machine motors to 20 local underprivileged women in Assonora Village, Goa.



Holiday Club Resorts (HCR)

We Create Dream Holidays

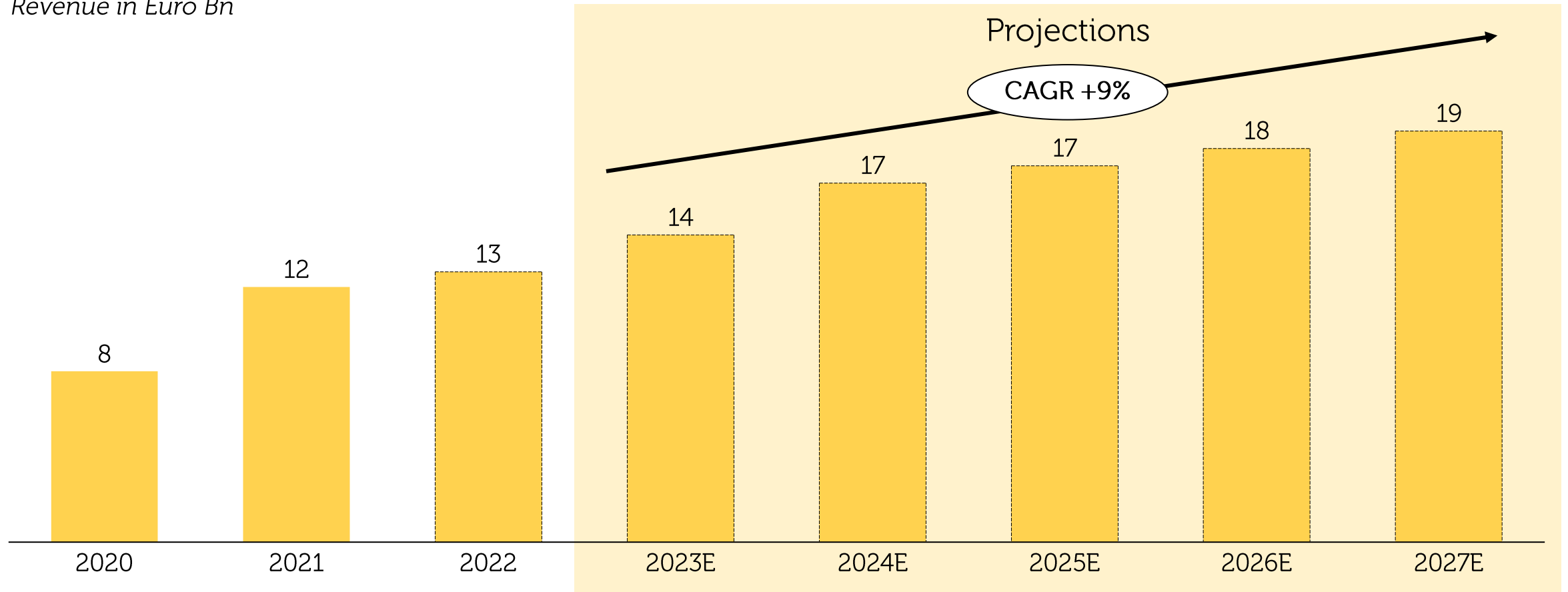


The Accommodation industry in Nordic countries is expected to grow at a CAGR of 9% between 2022-2027



Paid accommodation industry revenue in Nordic countries

Revenue in Euro Bn



Source: Statista –Actual until 2021, Forecast 2022-2027; Nordics = Finland, Sweden, Denmark, Norway;
Data reflects the impact of the Russia-Ukraine war and is shown using current exchange rates.

HCR – A Leading Timeshare Company



HCR's business consists of ..

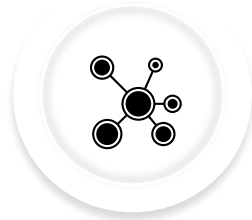
Timeshare



33 Timeshare Destinations in Finland, Sweden & Spain



60,000+ Timeshare owners¹

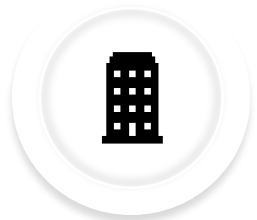


~19,000 weeks of TS & Villas Inventory

Spa Hotels



9 Spa Resorts



1,200+ Hotel Rooms¹



1.3 million visitors per year

...with unique competitive advantages

In Finland, leader in Timeshare owner base

Widespread network of Spa resorts with varied experiences

Complementary business assets in terms of Timeshare and Spa Hotels

Multiple Revenue Streams such as Spa Hotels, Timeshare, Real Estate Management & Renting

Generated ~€45 mn² cash from operations and reduced debt since acquisition despite severe impact of Covid-19 and Russia-Ukraine War

HCR Business Model – Finland



Spa hotels and resorts

~1.3 Mn hotel guests, 800k spa visitors;
Q2 & Q4 are important travel seasons for Finland

Spa hotels and resorts are open for all visitors – timeshare owners are essential and frequent visitors

- Large resort-style destinations with various room types, restaurants, waterparks/spa, & leisure activities generating consistent revenue streams
- Timeshare owners are entitled to several benefits in all HCR resorts
- Resort visitors attending timeshare sales presentations build a significant pipeline for customer acquisition
- Resorts typically operate in leased properties

Timeshare and Villas sales

over 60,000 owners

Timeshare and Villas sales consists of selling perpetuity, granting a specific week and access to HCR benefits

- Timeshare is ownership of a specific apartment unit for a particular week every year while Villas is ownership for 6 weeks or more
- Commitment is for perpetuity, but owners can upgrade or buy additional weeks OR if they wish to exit, they can resell their timeshare through HCR or independently
- Owners can use their own week, rent out the week through HCR or independently – or exchange within the RCI's holiday exchange program.
- TS and Villas owners utilizing the wide range of resort services bring additional revenue to Spa hotels

Renting of holiday apartments

~330k renting overnight guests

Renting of holiday apartments in resorts or other destinations – both HCR's own inventory and customers' weeks

- Rental inventory consists of unsold weeks in HCR's inventory as well as weeks owned by TS owners who are renting their weeks via HCR.
- The revenue stream in rental business is coming from two sources:
 - Rental income from HCR's own inventory
 - Commission collected from TS and Villas owners

Property & Real Estate Mgmt

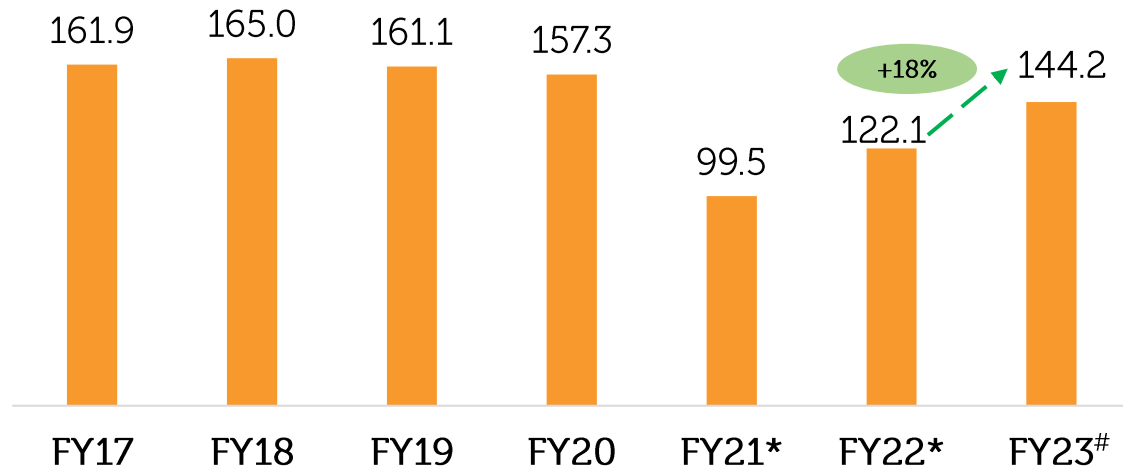
Property and Real Estate Management is an essential enabler for timeshare business model

- Customers become owners in a real estate company to which they pay all maintenance related costs in an annual installment
- Real estate companies purchase reception services, administration and maintenance from HCR
- Having an inhouse Property and Real Estate Management enables securing the quality and development of the network.
- Real estate unit executes new construction of timeshare as well as repairs and renewals of existing properties.

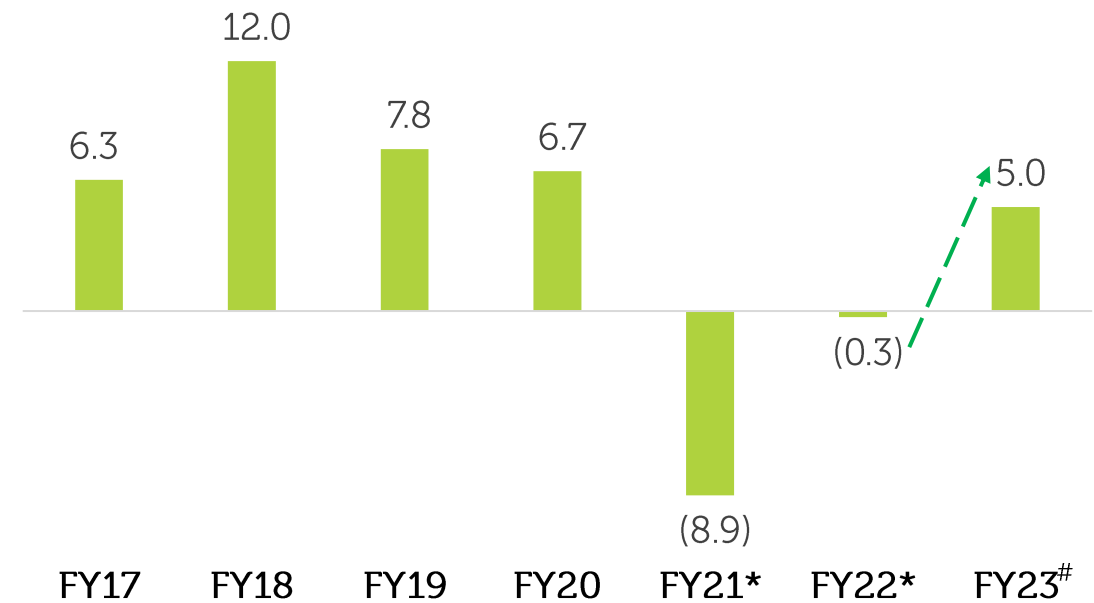
HCR has turned around and delivered € 5 mn Operating Profit in FY23 despite the impact of Russia-Ukraine War



Revenue (€ Mn)



Operating Profit (€ Mn)



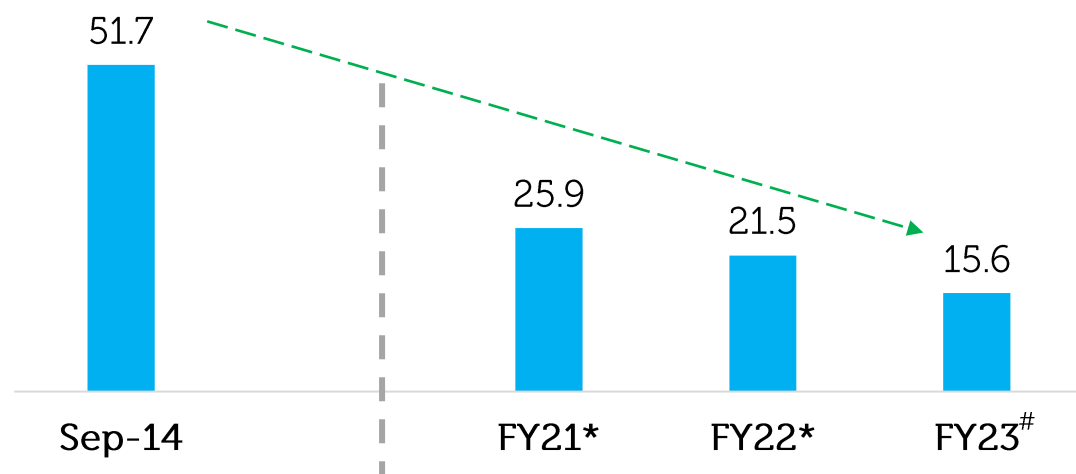
Note: Financials are as per Finnish Accounting Standards (FAS)

* Impacted due to COVID-19; # Impacted by Russia-Ukraine War

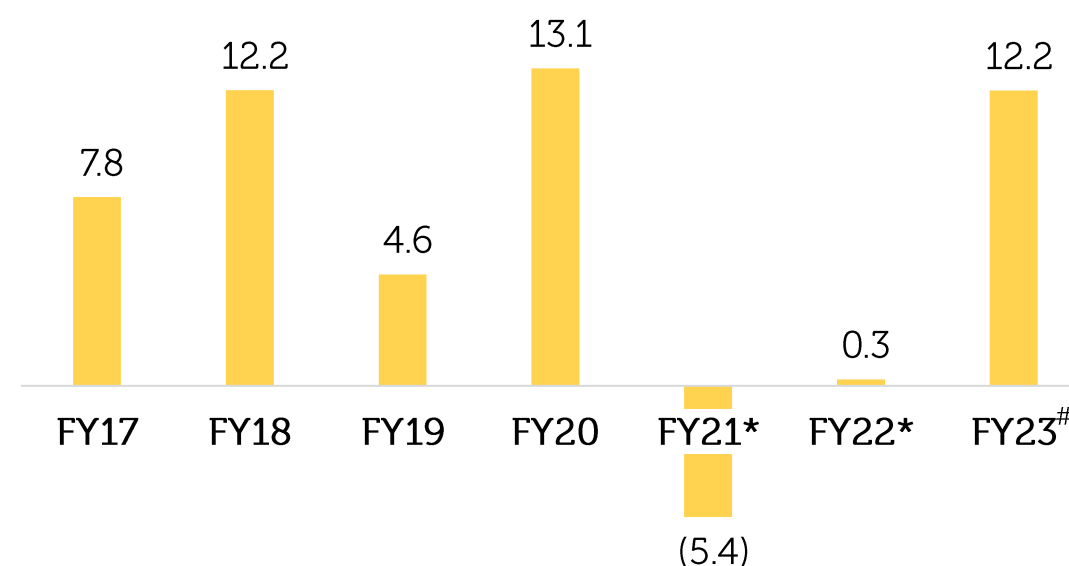
HCR has significantly reduced its debt since acquisition and generated healthy cash flows from operations



Net Debt (€ Mn)



Operating Cash Flow (€ Mn)



Note: Financials are as per Finnish Accounting Standards (FAS)

* Impacted by COVID-19; # Impacted by Russia-Ukraine War

Economy Scan: Finland



- GDP growth in the Finnish economy is expected to be muted in 2023, before returning to modest growth in 2024
- Real income seeing a decline of 6% due to increasing interest rates & food inflation; as a result purchasing power is back to 2010 levels
- Inflation remains elevated at 6.8% in June & EURIBOR12 trending at 4.2% (vs 0.4% in May 22)
- Consumer Confidence Index remains weak at -8.8% in Jun'23
- Domestic tourism peaked in CY 2022, however, International tourism continues to remain affected due to the ongoing Russia-Ukraine war.

Holiday ■ *Club*

Q1 FY24 Performance

HCR Total Revenue

| Particulars (Euro Mn) | Q1 FY24 | Q1 FY23 |
|------------------------|-------------|-------------|
| Timeshare | 8.0 | 9.0 |
| Spa Hotels | 16.4 | 18.5 |
| Renting | 2.5 | 2.5 |
| Real Estate Management | 1.8 | 1.6 |
| Villas | 0.5 | 0.9 |
| Other Income | 1.1 | 1.0 |
| Total | 30.3 | 33.5 |

Financials are as per Finnish Accounting Standards (FAS)

Q1 FY24 Analysis YoY

- In Finland, vacationing in a second home is a significant part of their lifestyle. However, in the current inflationary environment, a mortgage is unaffordable due to high-interest rates. Since timeshare comes at a lower transaction price, it emerges as a strong alternative to a second home.
- Timeshare performance has been good, though lower than last year.
- Spa hotel performance is impacted due to low occupancy in the off-season & lower In-Resort spending due to weak consumer sentiment.

HCR Operating Profit

| Particulars (Euro Mn) | Q1 FY'24 | Q1 FY'23 |
|---|--------------|--------------|
| Turnover | 30.3 | 33.5 |
| Operating Profit/(Loss) | (2.5) | (1.5) |
| Less: Depreciation and Amortisation Expense | (1.0) | (1.1) |
| Less: Finance Cost | (0.4) | (0.2) |
| Profit / (Loss) before Tax | (3.9) | (2.8) |
| Add/ (Less) : Taxes | 0.5 | 0.5 |
| Profit / (Loss) after Tax | (3.4) | (2.3) |

Financials are as per Finnish Accounting Standards (FAS)

Q1 FY24 Analysis YoY

- Q1 is a seasonally weak quarter and profitability was impacted due to low demand in Finland and Sweden.
- Increase in Finance Cost due to rise in EURIBOR rates (trending at 4.2% vs 0.4% in May 22)

HCR Performance & Outlook



- Historically, Q1 and Q3 are the low seasons in Finland and Sweden
- Q2 is a summer holiday season, and domestic travel has picked up from the last week of June and continues until mid-August
- Current geo-political situation is being monitored closely
- Focus on implementing cost-efficiency measures will continue throughout the year



MHRIL Consolidated Q1 FY24 Financials

Consolidated Revenue for Q1 FY24



| <u>Segment Revenue</u> (Rs. In Crs) | Quarter ended | |
|--|---------------|--------------|
| | Q1 FY24 | Q1 FY23 |
| MHRIL Standalone | 354.9 | 304.2 |
| Less : IC Eliminations # | (5.0) | (2.2) |
| Net MHRIL - Standalone | 349.9 | 302.0 |
| HCRO | 290.1 | 320.8 |
| Others | 11.8 | 14.2 |
| Consolidated Revenue | 651.8 | 637.0 |

Note: # Eliminations include Interest on ICDs & Corporate Guarantee commission charged by MHRIL to its subsidiaries.

| <u>Segment Revenue excl. one off*</u> (Rs. In Crs) | Quarter ended | |
|---|---------------|--------------|
| | Q1 FY24 | Q1 FY23 |
| MHRIL Standalone | 354.9 | 304.2 |
| Less : IC Eliminations # | (5.0) | (2.2) |
| Net MHRIL - Standalone | 349.9 | 302.0 |
| HCRO | 290.1 | 320.8 |
| Others | 6.9 | 5.1 |
| Consolidated Revenue | 646.9 | 627.9 |

Consolidated Q1 FY24 PBT



| <u>Segment PBT</u> (Rs. In Crs) | Quarter ended | |
|--|---------------|-------------|
| | Q1 FY24 | Q1 FY23 |
| - MHRIL | 50.7 | 46.2 |
| - HCRO | (36.1) | (11.0) |
| PBT before Ind AS 116 & Consolidation Adjustments | 14.6 | 35.2 |
| - Ind AS 116 Impact | (1.0) | (2.4) |
| Segment Results | 13.6 | 32.8 |
| - Interest expense on Euro Loan in Mauritius | (7.2) | (3.4) |
| - Others | 2.3 | 10.2 |
| Total Segment PBT | 8.7 | 39.6 |

| <u>Segment PBT excl. one off*</u> (Rs. In Crs) | Quarter ended | |
|--|---------------|-------------|
| | Q1 FY24 | Q1 FY23 |
| - MHRIL | 54.5 | 46.8 |
| - HCRO | (36.1) | (11.0) |
| PBT before Ind AS 116 & Consolidation Adjustments | 18.4 | 35.8 |
| - Ind AS 116 Impact | (1.0) | (2.4) |
| Segment Results | 17.4 | 33.4 |
| - Interest expense on Euro Loan in Mauritius | (7.2) | (3.4) |
| - Others | (2.6) | 1.1 |
| Total Segment PBT | 7.6 | 31.1 |

Consolidated Financials Q1 FY24



| Particulars (Rs. In Crs) | Quarter ended | | YoY Gr |
|--|---------------|--------------|---------------|
| | Q1 FY24 | Q1 FY23 | |
| Income from Operations | 614.3 | 604.9 | 1.6% |
| Non-Operating Revenue | 37.5 | 32.1 | 17.0% |
| Total Income | 651.8 | 637.0 | 2.3% |
| Cost of vacation ownership weeks | 43.1 | 58.7 | -26.5% |
| Employee benefits expense | 186.3 | 161.1 | 15.6% |
| Other expenses | 300.9 | 285.4 | 5.4% |
| EBITDA | 121.5 | 131.8 | -7.7% |
| EBITDA % | 18.6% | 20.7% | |
| Finance costs | 31.6 | 23.4 | 35.0% |
| Depreciation | 81.3 | 68.9 | 18.0% |
| Profit/(Loss) before tax | 8.6 | 39.5 | -78.2% |
| Share of profit / (loss) of JV and associates ¹ | 0.1 | 0.1 | 37.5% |
| Profit/(Loss) before tax | 8.7 | 39.6 | -78.0% |
| PBT % | 1.3% | 6.2% | |
| Tax Expenses ² | 7.8 | 9.8 | -20.4% |
| Profit/(Loss) after tax | 0.9 | 29.8 | -97.0% |

| | | | |
|---|--------------|--------------|--------|
| Total Income (Excluding One-off) ³ | 646.9 | 627.9 | 3.0% |
| EBITDA (Excluding One-off) ³ | 120.4 | 123.3 | -2.4% |
| EBITDA Margin% | 18.6% | 19.6% | |
| PBT (Excluding One-off) ³ | 7.6 | 31.1 | -75.7% |
| PBT Margin% | 1.2% | 5.0% | |

Note: 1. Refers to MHRIL's investment in Great Rocksport Pvt. Ltd., an "Associate" entity of MHRIL wef April 16, 2022. 2. Tax expense is calculated based on standalone profits of respective companies. Hence, they are not comparable on quarterly basis; 3. Refer slide 58 for details on one-offs

MHRIL Consolidated One-offs



In Rs. Crs

| <u>MHRIL Standalone - Impact</u> | Q1 FY24 | Q1 FY23 |
|--|------------|------------|
| Expense | | |
| Translation Forex Loss on ICDs to Subsidiaries | 3.8 | 0.6 |
| Total | 3.8 | 0.6 |

| <u>Other Subsidiaries – Impact</u> | Q1 FY24 | Q1 FY23 |
|---|------------|------------|
| Gain on exchange fluctuation on Euro Loan | 1.7 | 10.0 |
| Translation Forex Gain/(Loss) on ICDs to subsidiaries | 3.2 | (0.9) |
| Total | 4.9 | 9.1 |

| <u>Consolidated - Impact</u> | Q1 FY24 | Q1 FY23 |
|------------------------------|------------|------------|
| Income | 4.9 | 9.1 |
| Expense | (3.8) | (0.6) |
| Net PBT Impact | 1.1 | 8.5 |

CLUB MAHINDRA MASHOBRA
HIMACHAL PRADESH



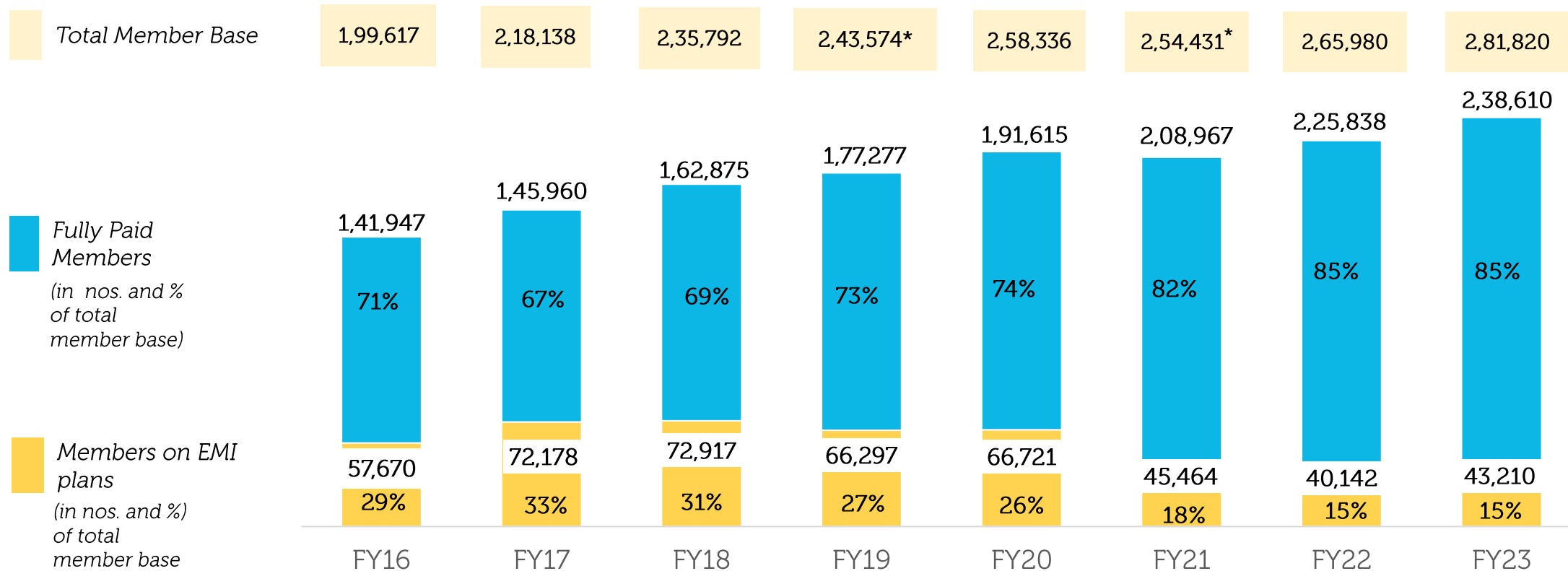
MHRIL

Historical Performance

Large base of committed members continues to grow



In FY23, Cumulative Member Base is ~2.82 Lakhs with 85% Fully Paid Members



*Net of one-off cancellation of 9,556 members in FY19 and 14,782 members in FY21

With an uptick in travel sentiment, Member Acquisition & Holidaying improved in FY23 vs FY22



Customer Acquisition

57%

Customer acquisitions through referral and digital route

26%

New member sales to Millennials (25-35 age group)

37%

New members from Tier 3 & 4 towns or smaller

Member Holidaying Behaviour

57%

Members holiday in a group of 4 or more

7.1

Room nights per holidayed member

83%

Members spend on in-resort experiences

Member Booking Preferences

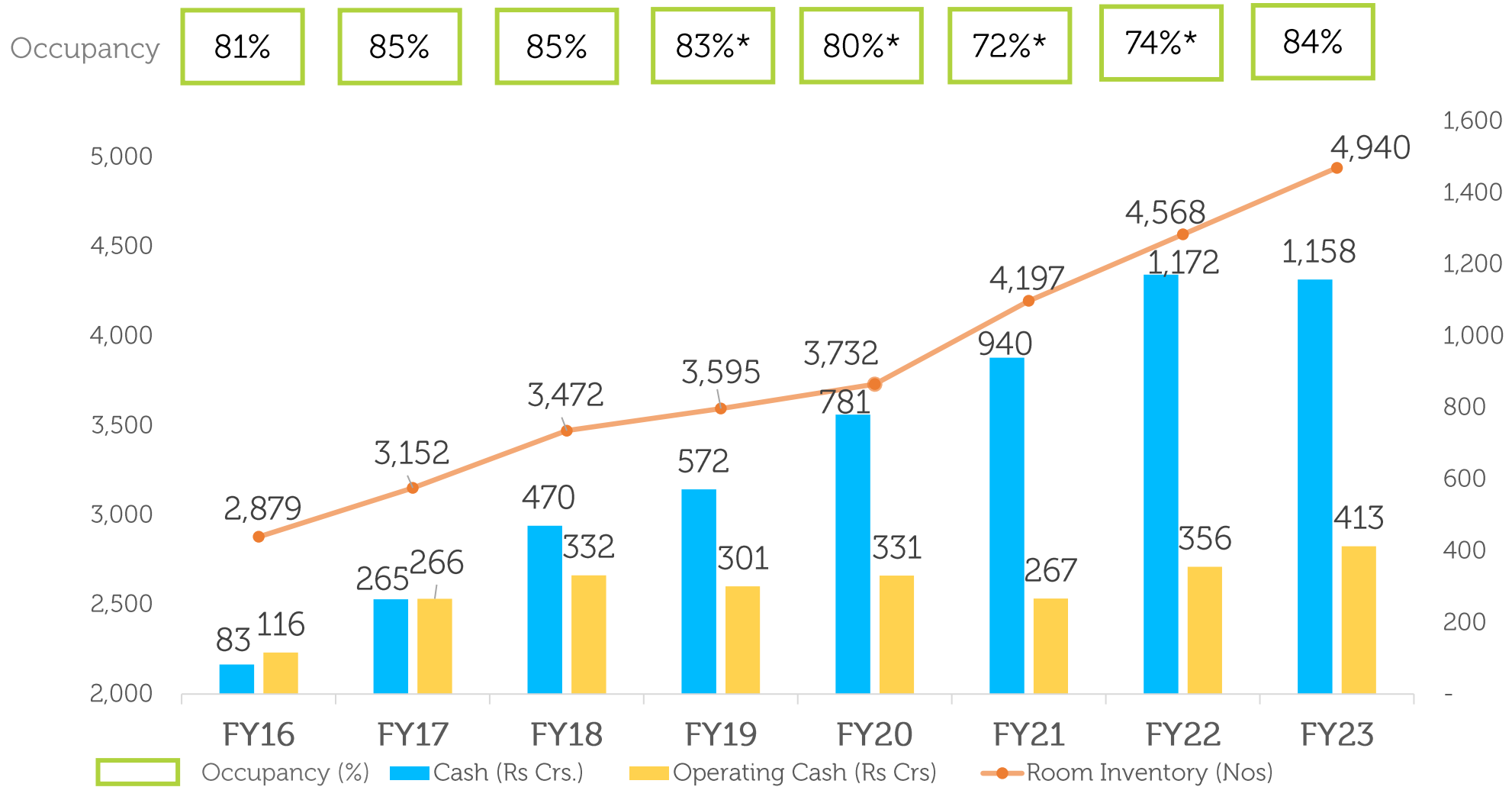
3.1

Room nights per stay

79%

Bookings were done online (with ~71% of the online bookings through our mobile app)

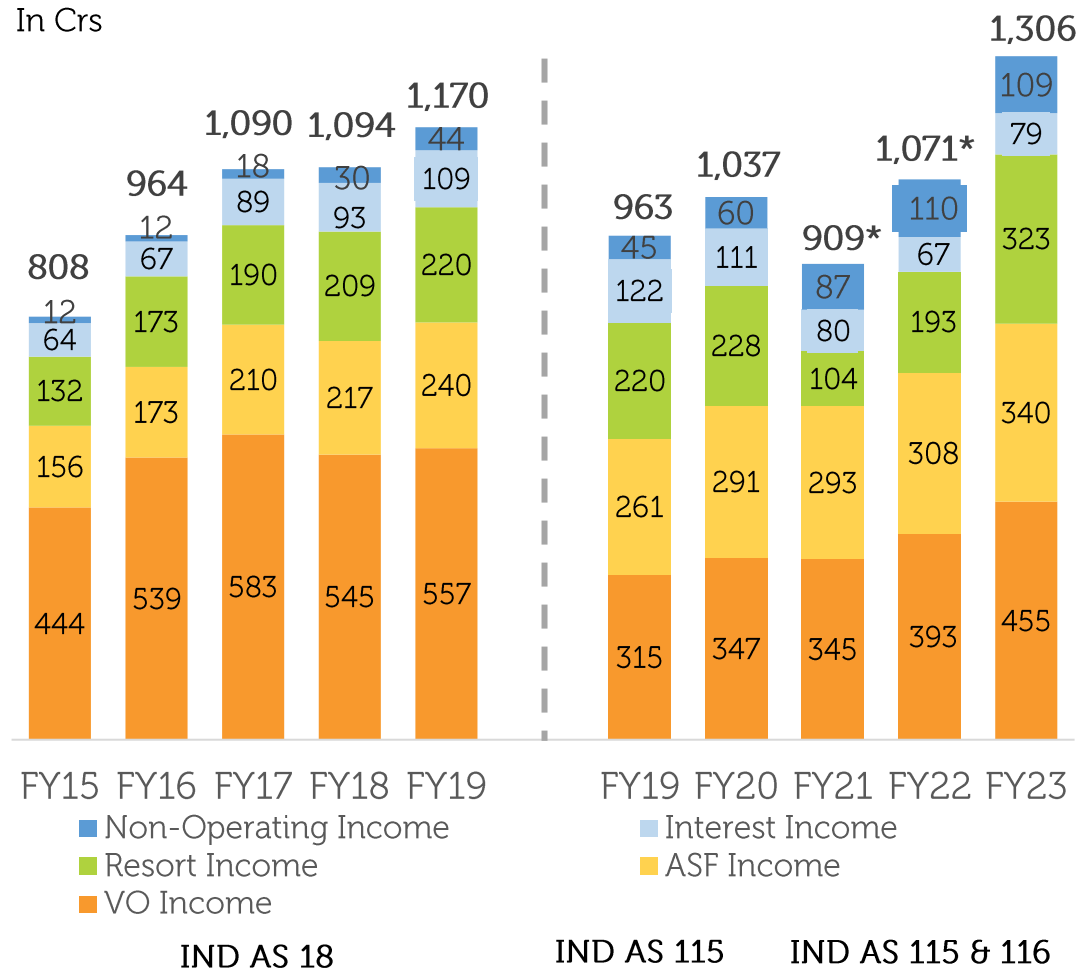
Investment in Room Inventory continues with Higher Occupancy and Operating Cash



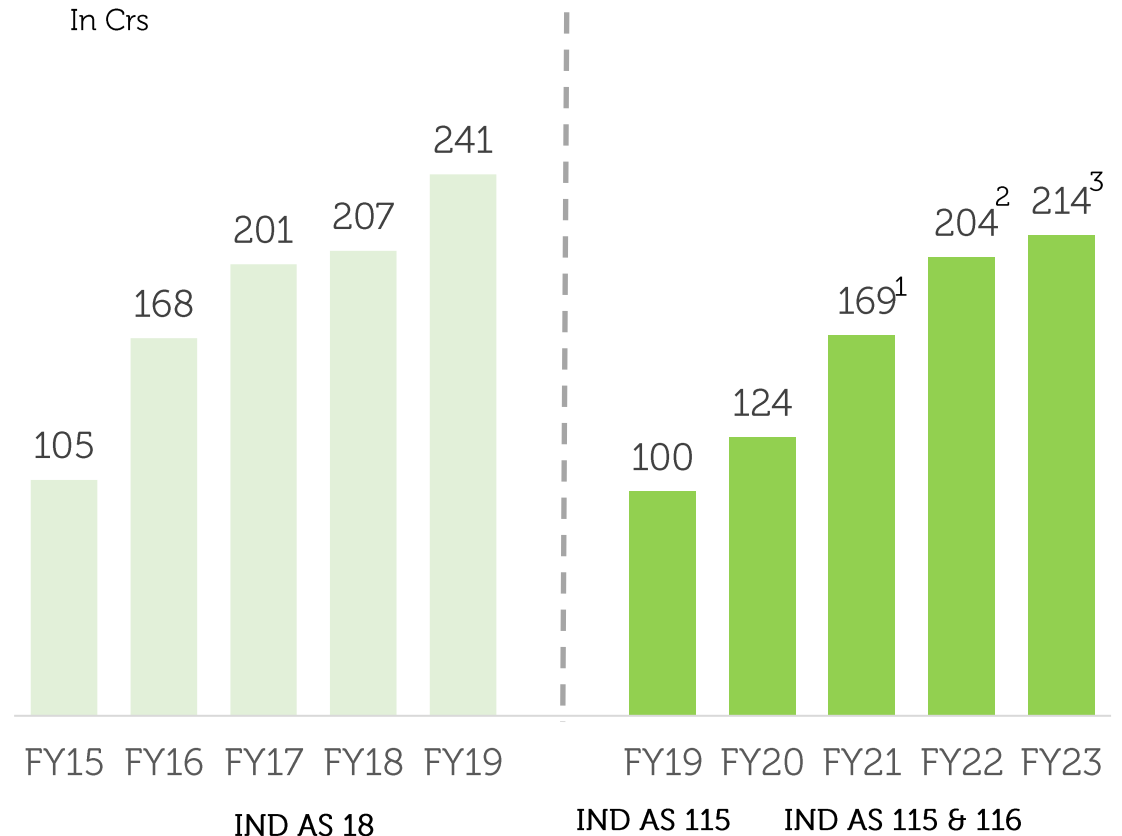
A Strong and Consistent Performance Track Record



Total Revenue CAGR: 10% for FY15-19; 8% for FY19-23



PBT CAGR: 23% for FY15-19; 21% for FY19-23



1. Includes one-offs such as Lease Rent Waivers; 2. Includes one-offs such as Profit from Sale of Investment (Nreach), Lease Rent Waivers & Interest on IT Refund; 3. Includes one-offs such as Translation Forex Gain on ICDs to Subsidiaries, Fair Valuation of Investment in Unlisted Company and Interest Income on IT Refund

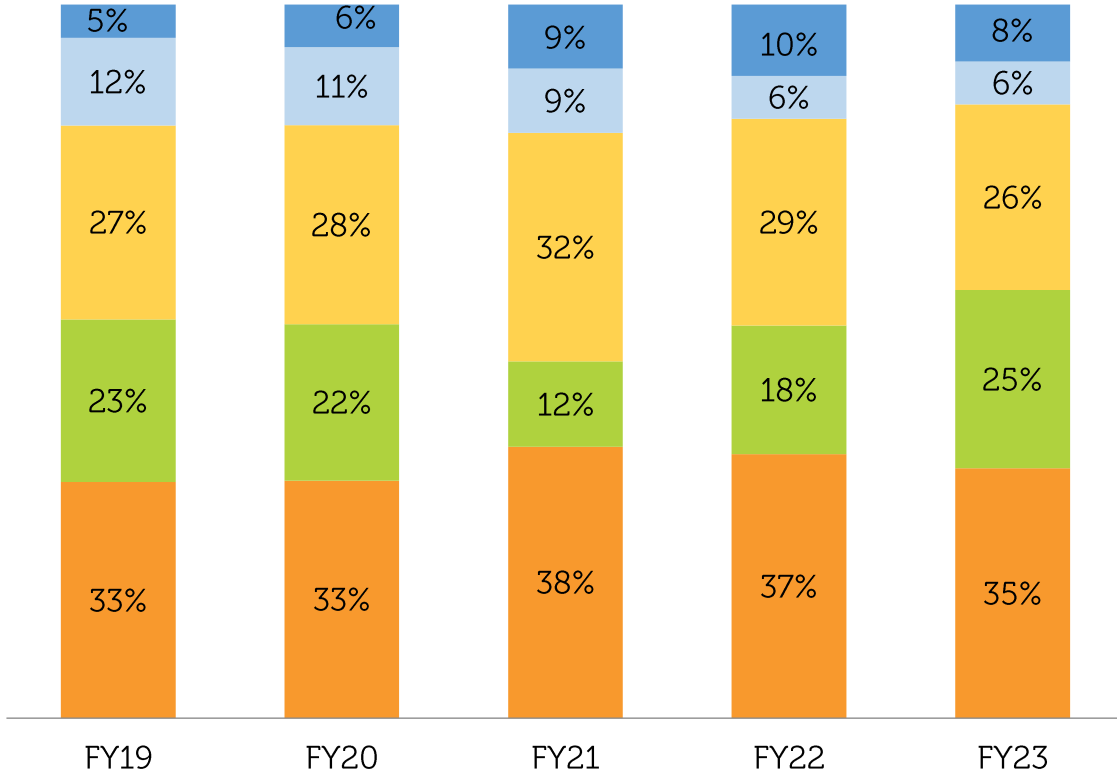
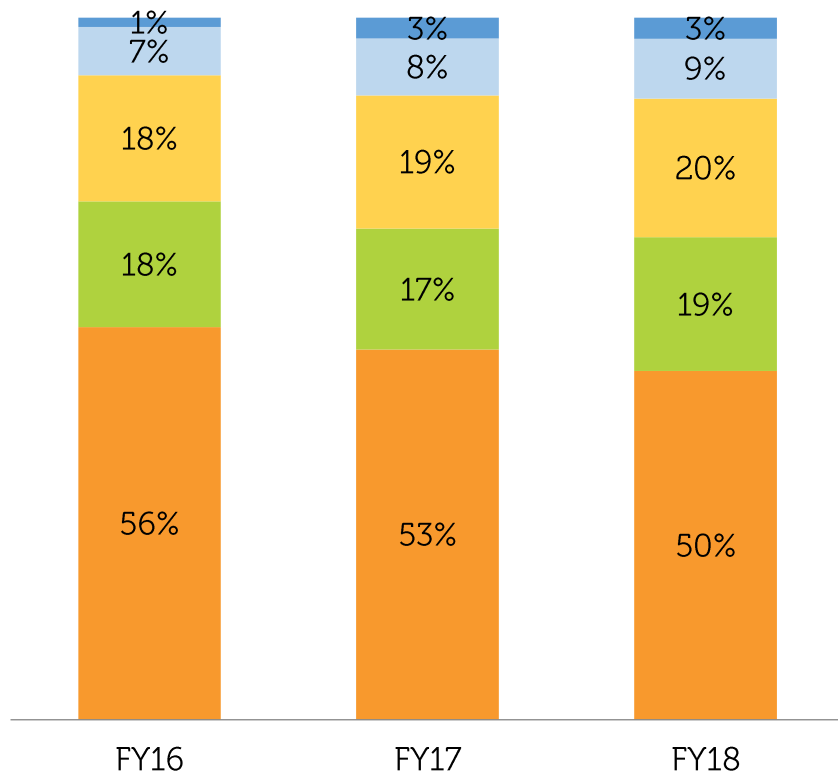
*Total Revenue was impacted by lower Resort Revenue due to Covid-19 lockdown restrictions

Revenue contributions from various streams



IND AS 18

IND AS 115

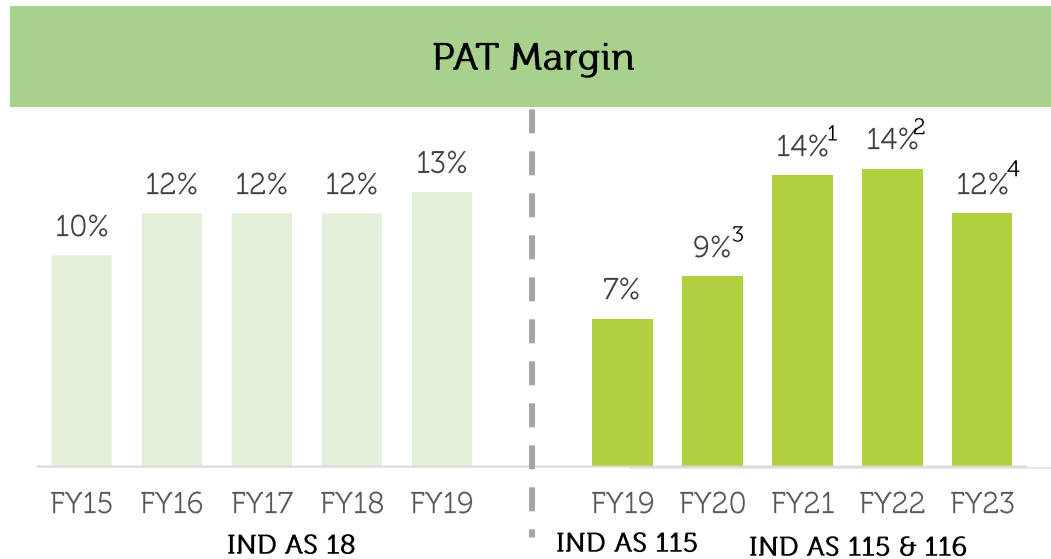
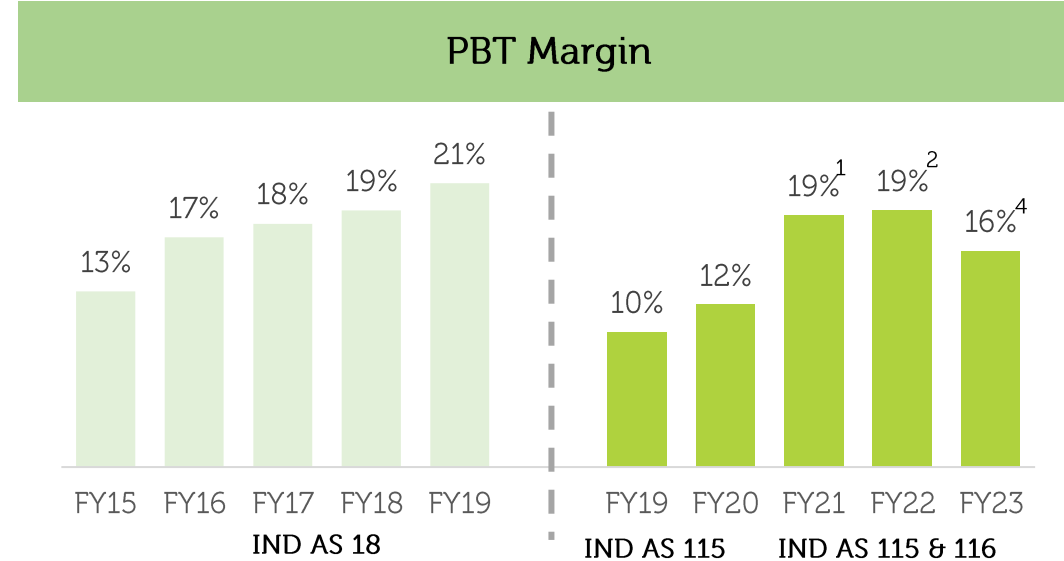
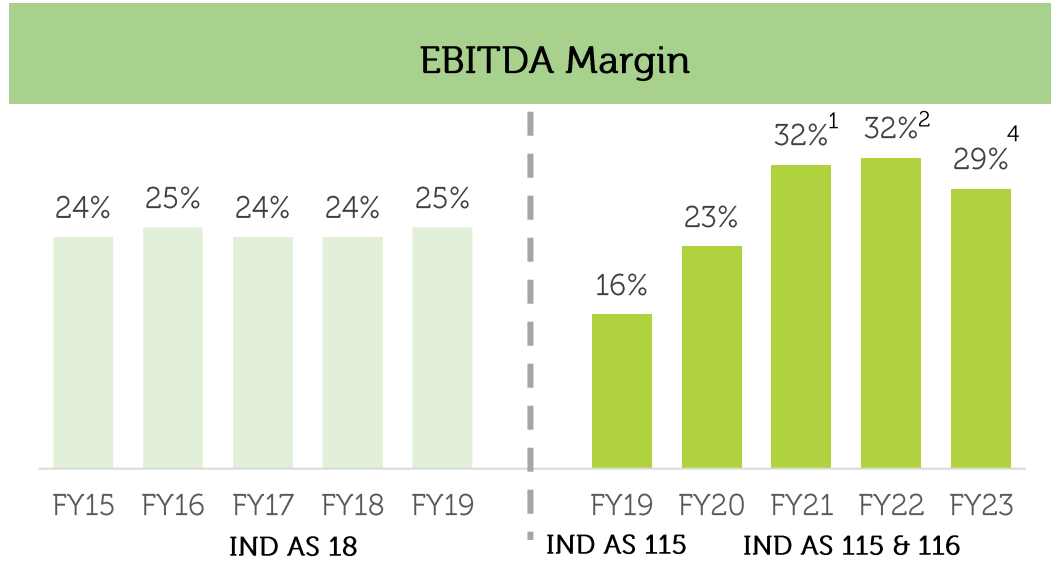


Our cumulative member base provides us with multiple annuity revenue streams which are predictable, such as VO Income (including Upgrades), ASF Income, Resort Income, and Interest Income



*Covid-19 impact in March 2020, FY21 and FY22.

Healthy Profit Margins



1. FY21 margins includes one-offs such as Lease Rent Waivers.
2. FY22 margins includes one-offs such as Profit from Sale of Investment (Nreach), IT Refund & Lease Rent Waivers
3. Before one-time transition impact of Rs. 199.7 Crs due to adoption of lower corporate tax rate in Q4FY20
4. FY23 margins includes one-offs such as Translation Forex Gain on ICDs to Subsidiaries, Fair Valuation of Investment in Unlisted Company and Interest Income on IT Refund

Disclaimer



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TOP 50 INDIA'S BEST WORKPLACES BUILDING A CULTURE OF INNOVATION BY ALL - LARGE, 2023

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ClubMahindra

26 YEARS OF



CHERAI KERALA



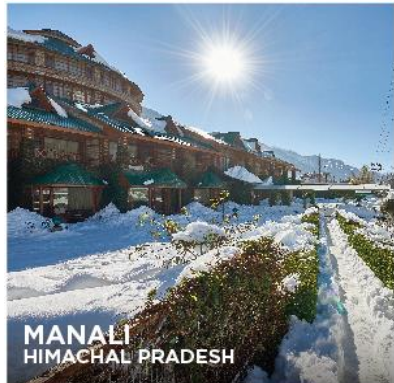
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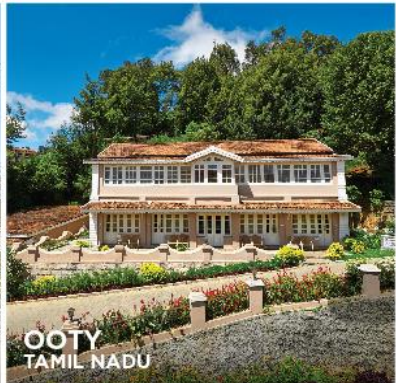
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ASHTAMUDI KERALA



MANALI HIMACHAL PRADESH



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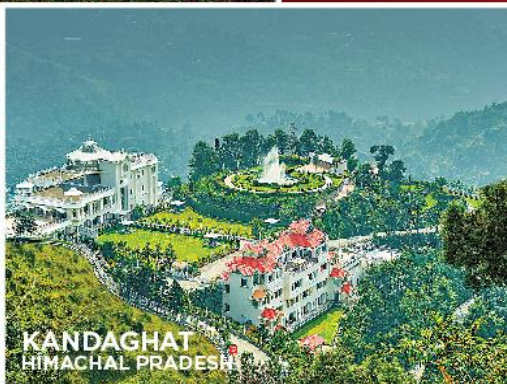
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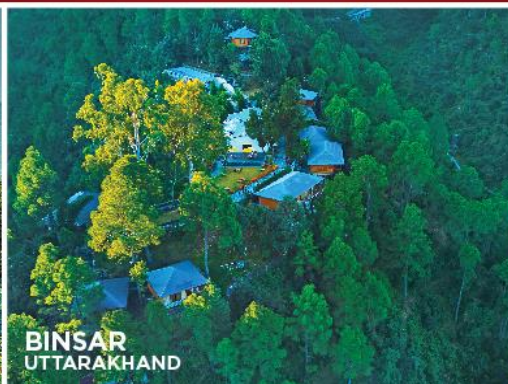
VARCA GOA



NALDEHRA HIMACHAL PRADESH



KANDAGHAT HIMACHAL PRADESH



BINSAR UTTARAKHAND



ASSONORA GOA



POOVAR KERALA