lemon tree
HOTELS

September 18, 2019

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

Dear Sir

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, we would like to inform you that the management of Lemon Tree Hotels is scheduled to meet Institutional Investors at Taj Palace, New Delhi on September 19, 2019 at JP Morgan India Investor Summit 2019.

Also find attached herewith the Corporate Presentation, which would be discussed during the Investors meet.

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

Corporate Presentation

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.
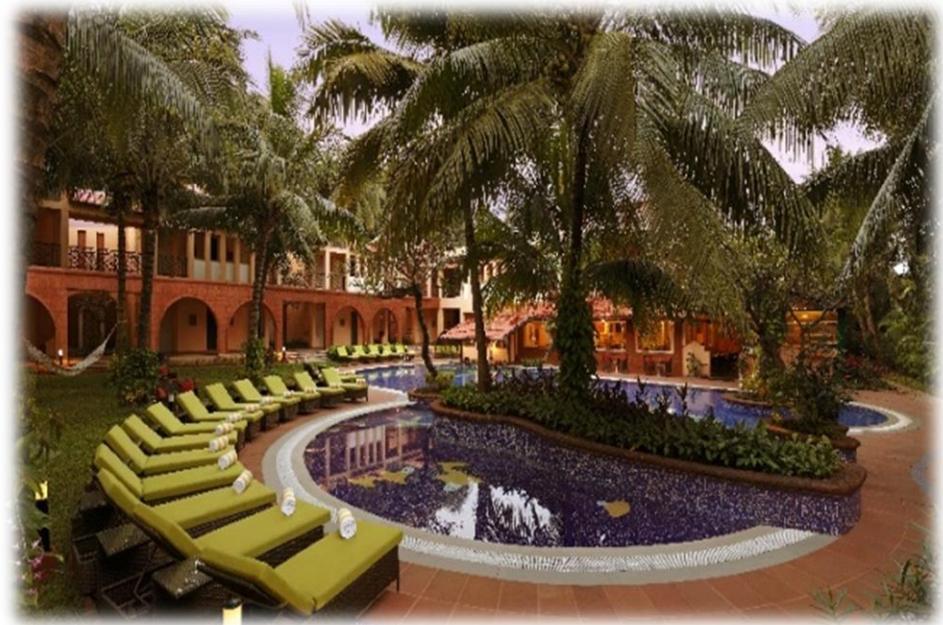
Lemon Tree Premier, Delhi Airport


Lemon Tree Premier, Jaipur


Lemon Tree Premier, City Center, Gurgaon

Attractiveness of Indian Hotel Industry

# 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

2002*

No. of rooms

2018*

No. of rooms

Category	2002*	2018*
Luxury-Upper Upscale	15,052	50,000
Upscale	4,661	28,800
Upper Midscale	4,458	28,700
Midscale & Economy	1,895	34,000

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

The hotel business cycle

Illustrative: 15 Room Hotel with Investment = 300
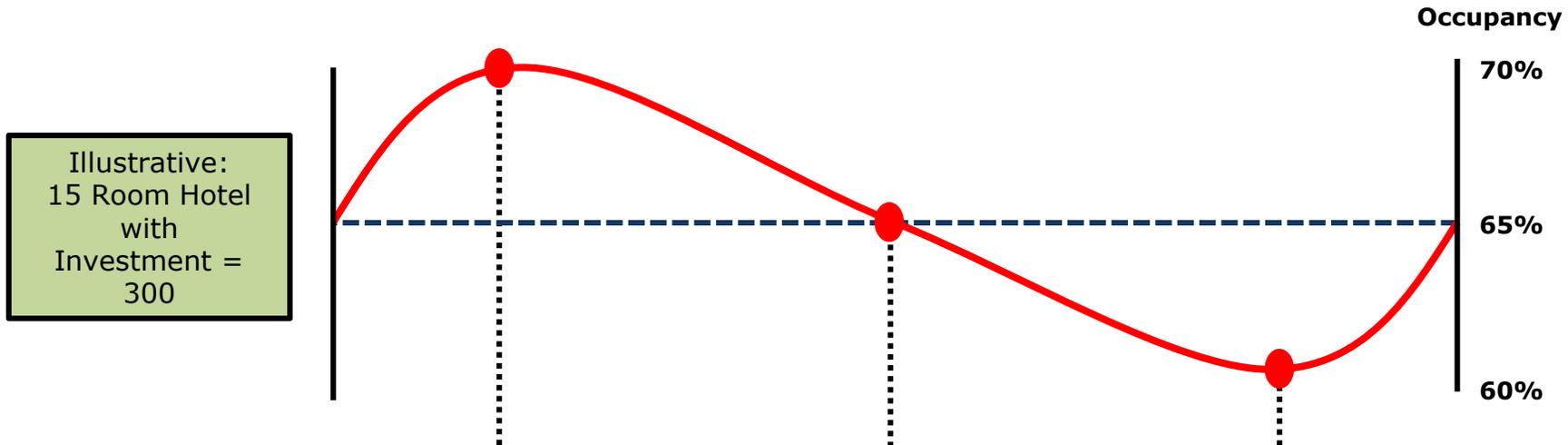
Cycle	Top (2)	Middle (3)	Bottom (2)	
Occupancy	70% or more	63-68%	60% or less	
Rooms Sold	12	10	8	
Average Daily Rate	13	10	7	
Revenue	**156**	**100**	**56**	3:2:1
Expenses	60	50	40	
EBITDA	96	50	16	
Hotel RoCE	32%	17%	5%	6:3:1
Sustainable Debt:Equity Coverage	Full Debt	1:1	No Debt	

Note: Hotel RoCE is calculated as Hotel level EBITDA/Capital deployed for operational hotels.

Indian hotel industry is at an inflection point

Slowing supply and rising demand is expected to increase occupancy

No. of rooms in '000s

Occupancy

Legend: Occupancy (%) | Rooms demand per day ('000) | Rooms supply per day ('000)

Demand ↑ 10.8%
Supply ↑ 14.9%

Demand ↑ 15.1%
Supply ↑ 15.1%

Demand ↑ 14.1%
Supply ↑ 8.3%

Demand ↑ 11.6%
Supply ↑ 8.0%

Rooms supply per day ('000)

Rooms demand per day ('000)

Occupancy values by year:
- FY07: 69%
- FY08: 68%
- FY09: 59%
- FY10: 59%
- FY11: 60%
- FY12: 58%
- FY13: 57%
- FY14: 58%
- FY15: 59%
- FY16: 63%
- FY17: 65%
- FY18: 67%
- FY19: 71%
- FY20: 73%
- FY21: 76%
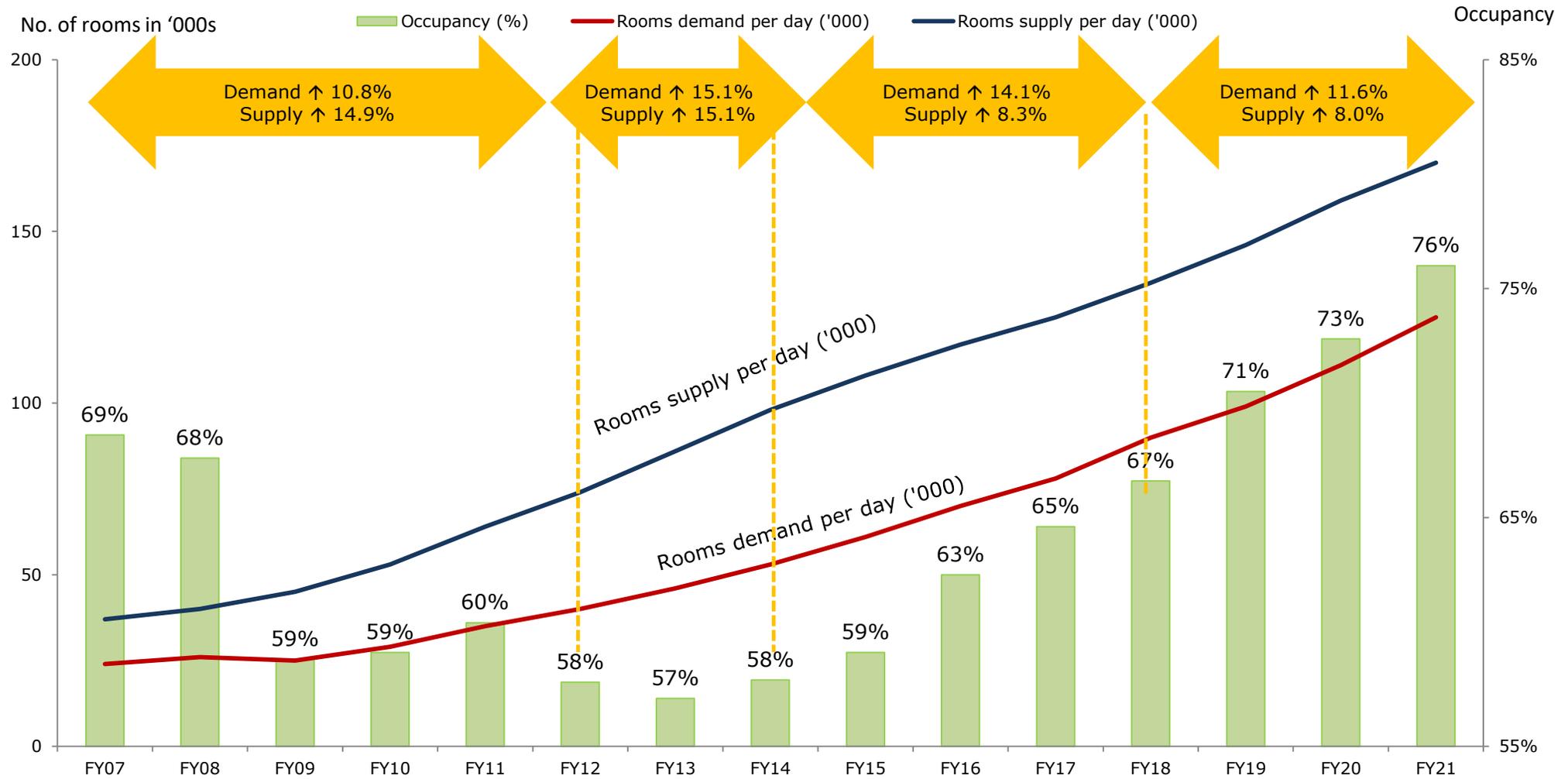
Source : Horwath HTL India Report 2017, Hotelivate Trend and Opportunities Report 2018

Increasing occupancy leading to increase in room rates

Average Daily Rate (ADR) is increasing with increase in occupancy rates

ADR (INR)

Occupancy %

Occupancy (RHS) — ADR (INR)

7

Lemon Tree Hotel, Aurangabad

Lemon Tree Hotel, Gachibowli, Hyderabad

Lemon Tree Hotel, Vadodara

Differentiated business model of Lemon Tree (LTH)

The Business Model | Mid-cycle

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

	Typical 5 star	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	

Process | **Presence across value chain** ➕ **Focus on culture & service differentiation with focus on domestic travellers**

Land → Development of Hotels → Ownership of Hotels → Operations Of Hotels → Sales & Marketing of Hotels → Guest

Development[1] | Ownership | Management | Brand

- Identify strategically located land at reasonable prices
- Experienced project management team to complete projects at per room cost lower than average of [3]

- Standardized operations for high level of service & cost efficiencies
- Operating cost[4] as a % of revenue lower at 57.1% as compared to 70.5% for other hotels for 2017[5]
- Sales and marketing ensures increase in our occupancies

- Ability to take hotels on management contracts[2]

…Leads to cost and capital efficiency

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

Focus on Domestic Customers

47 out of 50 hotels (which were operational for at least a year and were eligible for receiving this recognition) were awarded the TripAdvisor Certificate of Excellence for 2019

FY19

Foreign 15%

Domestic 85%

Customers | Value for money pricing → Occupancy (Utilization) Premium → RevPAR (Revenue per room) Premium

Value for money (ADR in Rs.)^ · Higher Average Occupancy*... · ... leads to Higher RevPAR# (INR)

Four Star

Value for money (ADR in Rs.)^ — 1.0x
- Lemon Tree Premier 2018: 4,773
- Industry 2018: 4,641

Higher Average Occupancy* — 1.1x
- Lemon Tree Premier 2018: 77.2%
- Industry 2018: 67.8%

... leads to Higher RevPAR# (INR) — 1.2x
- Lemon Tree Premier 2018: 3,686
- Industry 2018: 3,149

Three Star

Value for money (ADR in Rs.)^ — 1.2x
- Lemon Tree Hotels 2018: 3,848
- Industry 2018: 3,166

Higher Average Occupancy* — 1.1x
- Lemon Tree Hotels 2018: 74.2%
- Industry 2018: 67.2%

... leads to Higher RevPAR# (INR) — 1.2x
- Lemon Tree Hotels 2018: 2,857
- Industry 2018: 2,126

Two Star

Value for money (ADR in Rs.)^ — 1.3x
- Red Fox Hotels 2018: 2,860
- Industry 2018: 2,223

Higher Average Occupancy* — 1.2x
- Red Fox Hotels 2018: 77.2%
- Industry 2018: 61.8%

... leads to Higher RevPAR# (INR) — 1.6x
- Red Fox Hotels 2018: 2,208
- Industry 2018: 1,374

○ Lemon Tree/Industry

Source : Industry data is sourced from Hotelivate – Trend and Opportunities Report - 2018.
^ 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); Industry 2017 data is for all participating hotels in respective hotel segment

Cost — **Lower Average Operating Expenses/ Room** → **Higher GOP^**

Lower Operating Expense as % of Revenue | Lower Staff per room ratio

Four Star

Lower Operating Expense as % of Revenue — 0.8x
- Lemon Tree Premier 2018: 53.8%
- Industry 2018: 66.7%

Lower Staff per room ratio — 0.7x
- Lemon Tree Premier 2018: 1.1
- Industry 2018: 1.6

Three Star

Lower Operating Expense as % of Revenue — 0.8x
- Lemon Tree Hotels 2018: 64.0%
- Industry 2018: 75.1%

Lower Staff per room ratio — 0.7x
- Lemon Tree Hotels 2018: 1.2
- Industry 2018: 1.6

Two Star

Lower Operating Expense as % of Revenue — 0.8x
- Red Fox Hotels 2018: 55.1%
- Industry 2018: 69.7%

Lower Staff per room ratio — 0.5x
- Red Fox Hotels 2018: 0.7
- Industry 2018: 1.4

◯ Lemon Tree/Industry

Source : Industry data is sourced from FHRAI-Indian-Hotel-Survey-2017-18.

13

Lemon Tree Hotel, Coimbatore

Lemon Tree Premier, City Center, Gurgaon

Lemon Tree Vembanad Lake, Alleppey, Kerela

Company Overview and Growth Plans

Lemon Tree Group Structure
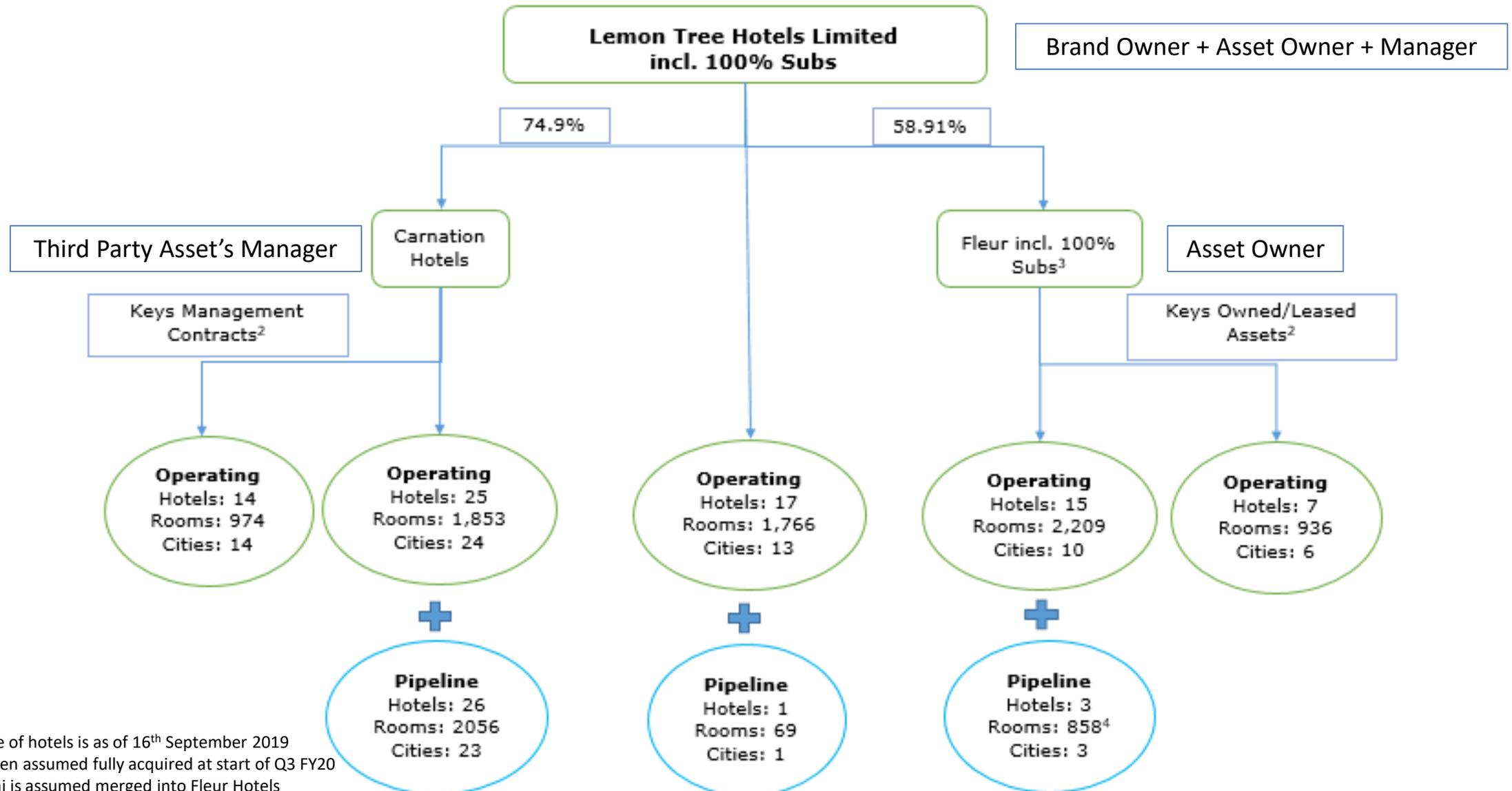
Notes :-
1. The Pipeline of hotels is as of 16th September 2019
2. Keys has been assumed fully acquired at start of Q3 FY20
3. LTP Mumbai is assumed merged into Fleur Hotels
4. LTH is in the process of applying to convert some commercial spaces in Aurika, MIAL hotel to rooms. This will increase the hotel's inventory by 92 rooms to 669

15

Inventory Progression

	Inventory Progression			% Growth	
	End of FY19	**End of FY20**	**End of FY22***	**FY20 vs FY19**	**FY22 vs FY19**
Owned/Leased					
Rooms	3,570	5,133	5,789	44%	62%
Cities	16	23	24		
Managed					
Rooms	1,841	3,504	4,862	90%	164%
Cities	24	41	54		
Total					
Rooms	5,411	8,637	10,651	60%	97%
Cities	32	55	68		
Total Mid-Market	45,700	47,985	52,903		
% of Mid-Market	*11.8%*	*18.0%*	*20.1%*		
***As per existing pipeline only**					

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

Notes :-
1. Keys has been assumed fully acquired at start of Q3 FY20
2. Management Hotel Contracts are subject to owner's meeting project deadlines and LT retaining all Keys Management Contracts
3. LTH is in the process of applying to convert some commercial spaces in Aurika, MIAL hotel to rooms. This will increase the hotel's inventory by 92 rooms to 669

Lemon Tree's Presence Map as of FY23

Sonmarg
Gulmarg
Srinagar
Katra
Jammu
Shimla
Baddi
Amritsar
Mussoorie
Ludhiana
Dehradun
Chandigarh
Rishikesh
Corbett
Neelkanth
New Delhi
Ghaziabad
Thimphu
Kathmandu
Gangtok
Gurugram
Noida
Manesar
Siliguri
Bhiwadi
Aligarh
Jaipur
Alwar
Lucknow
Gwalior
Patna
Jhansi
Udaipur
Ranthambore
Bandhavgarh
Ahmedabad
Durgapur
Dubai
Bokaro
Vadodara
Indore
Kolkata
Dwarka
Aurangabad
Bhubaneswar
Shirdi
Silvassa
Mumbai
Visakhapatnam
Pune
Goa
Dindi
Hyderabad
Mahabaleshwar
Kolhapur
Vijayawada
Port Blair
Bengaluru
Tirupathi
Chennai
Coorg
Kozhikode
Tiruchirappalli
Alleppey
Coimbatore
Kochi
Thiruvananthapuram

● **Operating Hotels**

Lemon Tree – Snapshot as on 16th Sep, 2019

Current (13% of Branded Mid Market Hotels in India*)

5,828 rooms; 57 hotels

Pipeline

4,823 rooms; 50 hotels

By CY21 (20% of Branded Mid Market Hotels in India*)

10,651 rooms; 107 hotels
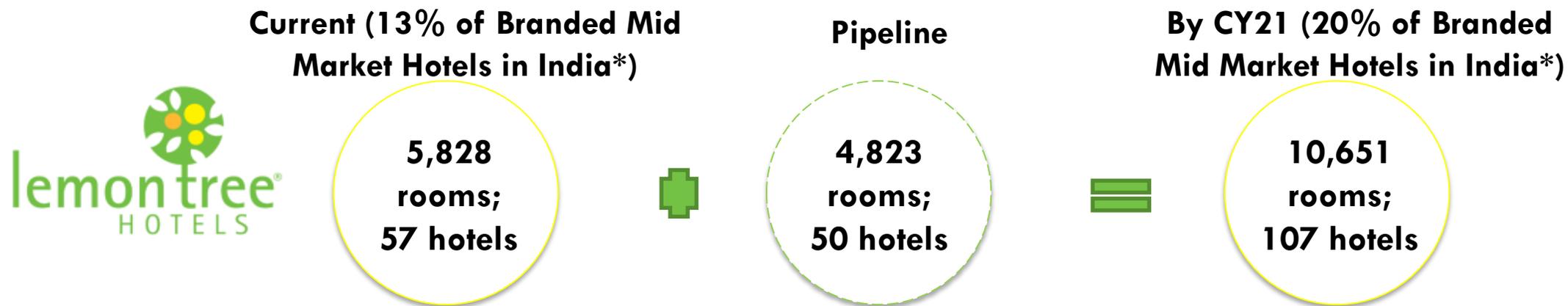
Brand	Current	Pipeline	by CY21
Aurika		716 Rooms, 2 Hotels[#]	716 Rooms, 2 Hotels
Lemon Tree Premiere	2,000 Rooms; 13 Hotels	665 Rooms; 8 Hotels	2,665 Rooms; 21 Hotels
Lemon Tree Hotel	2,506 Rooms; 33 Hotels	1,362 Rooms; 17 Hotels	3,868 Rooms; 50 Hotels
Red Fox Hotel	1,322 Rooms; 11 Hotels	170 Rooms; 2 Hotels	1,492 Rooms; 13 Hotels
Keys		1,910 Rooms; 21 Hotels	1,910 Rooms; 21 Hotels

#LTH is in the process of applying to convert some commercial spaces in Aurika, MIAL hotel to rooms. This will increase the hotel's inventory by 92 rooms to 669

*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	50,000	-
Upscale	28,000	Aurika
Mid Market	45,700	LTP/LTH/RFH
Economy	17,000	-
Unbranded Standalone	250,000	LTP/LTH/RFH
	1,750,000	Keys Prima/Select/Lite

Our Aim is to Consolidate i.e. Target the unbranded 2mn rooms and bring them into branded space

Expansion Plans – Hotels under Development

Under-development hotels	Type	Rooms	Expected Opening date	Ownership (%)
Lemon Tree Premier, Kolkata	Owned	142	Oct-19	57.98%
Aurika, Udaipur	Owned	139	Oct/Nov-19	57.98%
Lemon Tree Mountain Resort, Shimla	Owned	69	Apr-21	100.00%
Lemon Tree Vembanad Lake Resort, Alleppey, Kerela[1]	Owned	10	Oct-21	100.00%
Aurika, Intl. Airport, Mumbai[2]	Owned	577	Nov-21	57.98%
Total		**937**		

∗ Total estimated project cost is Rs. 12,900 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 June, 2019 is Rs. 6,350 million

∗ Balance investment of Rs. 6,550 million will be deployed over the next 2 years in a phased manner, the majority of which will be through internal accruals

Notes: 1) Expansion in existing hotel.
2) LTH is in the process of applying to convert some commercial spaces in this hotel to rooms. This will increase the hotel's inventory by 92 rooms to 669

Expansion Plans – Pipeline of Management Contracts (as of 16th Sep , 2019)

Management Contracts Pipeline	Rooms	Expected Opening date	Tenure (years)
Lemon Tree Premier, Rishikesh	66	Nov-19	12
Lemon Tree Hotel, Dubai	114	Nov-19	10
Red Fox Hotel, Vijaywada	90	Dec-19	10
Lemon Tree Hotel, Thimpu	27	Dec-19	12
Lemon Tree Premier, Dwarka	108	Dec-19	12
Lemon Tree Hotel, BKC, Mumbai	70	Jan-20	15
Lemon Tree Premier, Coorg	63	Jan-20	15
Red Fox Hotel, Neelkanth	80	Mar-20	12
Management Rooms to be Operational in FY 20	**618**		
Lemon Tree Hotel, Gulmarg	35	Apr-20	10
Lemon Tree Hotel, Jhansi	60	Apr-20	12
Lemon Tree Resort, Mussoorie	40	Apr-20	15
Lemon Tree Premier, Bhubaneshwar	76	Apr-20	10
Lemon Tree Hotel, Ranthambore	60	Aug-20	10
Lemon Tree Premier, Dindy	50	Sep-20	10
Lemon Tree Hotel, Aligarh	68	Sep-20	12
Lemon Tree Hotel, Sonamarg	40	Sep-20	10
Serviced Suites, Manesar	260	Sep-20	10
Lemon Tree Hotel, Bokaro	70	Sep-20	10
Lemon Tree Hotel, Gwalior	104	Sep-20	12
Lemon Tree Premier, Vijaywada	120	Sep-20	12
Lemon Tree Resort, Thimpu	38	Oct-20	10
Lemon Tree Hotel, Rishikesh	102	Nov-20	15
Lemon Tree Hotel, Ludhiana	60	Dec-20	10
Management Rooms to be Operational in FY 21	**1183**		
Lemon Tree Hotel, Kathmandu	75	Apr-21	10
Lemon Tree Hotel, Trivandrum	100	Sep-21	10
Lemon Tree Hotel, Durgapur	80	Jan-23	10
Total Pipeline	**2056**		

Lemon Tree Amarante Beach, Goa

Lemon Tree Premier, Corbett

Lemon Tree Premier, Hyderabad

Strong Operating and Financial Performance

Strong operating performance

Rooms are being added...

■ Owned ■ Leased Hotels ■ Managed Hotels

	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total	1,920	2,708	3,001	3,249	3,698	4,870	5,411
Managed		171	274	461	843	1593	1841
Leased	283	283	283	283	317	481	573
Owned	1,637	2,254	2,444	2,505	2,538	2,796	2,997

19%
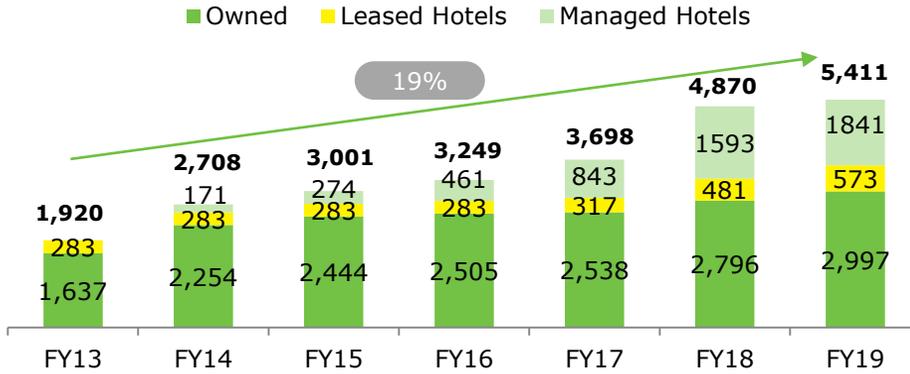
...and occupancy levels increasing...

■ FY15 ■ FY16 ■ FY17 ■ FY18 ■ FY19

Lemon Tree Premier: 68%, 78%, 75%, 77%, 78%
Lemon Tree Hotels: 68%, 73%, 77%, 74%, 74%
Red Fox Hotels: 68%, 75%, 79%, 77%, 78%

Note: Drop in occupancy levels is on account of new owned/leased supply addition by Lemon Tree in FY18

...coupled with increasing ADR...

■ FY15 ■ FY16 ■ FY17 ■ FY18 ■ FY19

Lemon Tree Premier (9%): 3,635 | 3,834 | 4,123 | 4,773 | 5,126
Lemon Tree Hotels (7%): 3,175 | 3,321 | 3,522 | 3,848 | 4,088
Red Fox Hotels (9%): 2,179 | 2,278 | 2,372 | 2,860 | 3,131
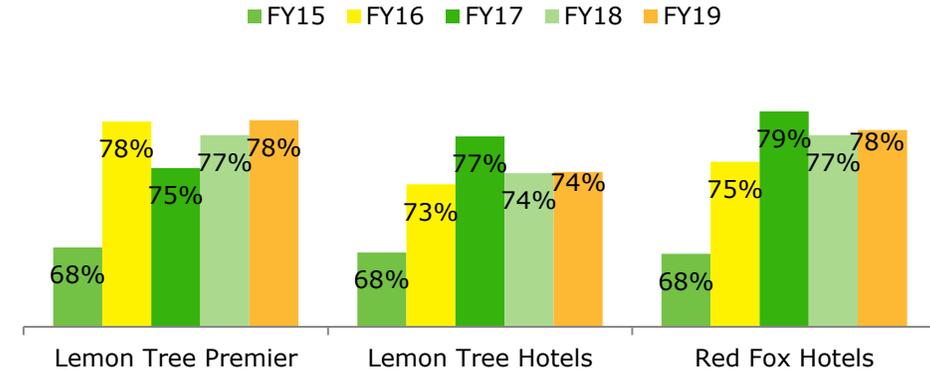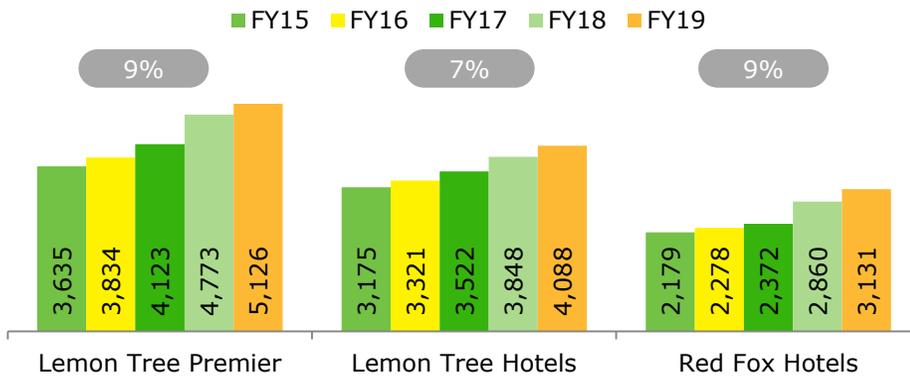
...leading to a RevPAR growth

■ FY15 ■ FY16 ■ FY17 ■ FY18 ■ FY19

Lemon Tree Premier (13%): 2,482 | 3,001 | 3,075 | 3,686 | 4,017
Lemon Tree Hotels (9%): 2,155 | 2,433 | 2,716 | 2,857 | 3,039
Red Fox Hotels (14%): 1,477 | 1,711 | 1,877 | 2,208 | 2,431
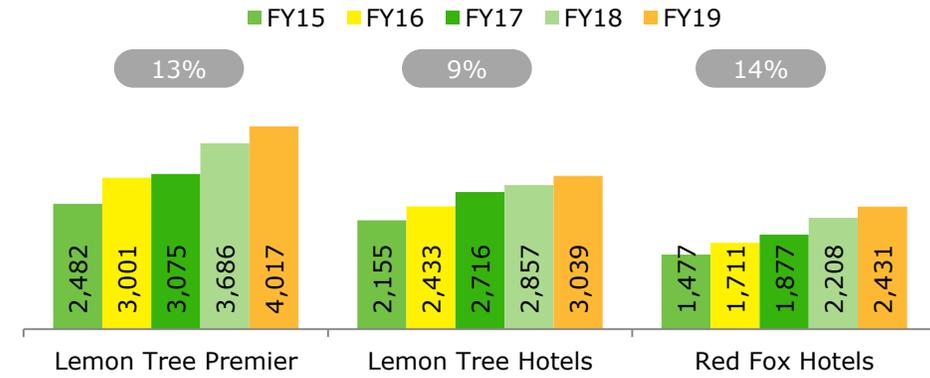
Strong Growth and improving margins

Revenue from operations (Rs. million)

FY14	FY15	FY16	FY17	FY18	FY19
2,217	2,904	3,680	4,121	4,843	5,495

20%

...coupled with increasing EBITDA margins

EBITDA & EBITDA margins

FY14	FY15	FY16	FY17	FY18	FY19
246	519	1,033	1,247	1,440	1,787
11.0%	17.8%	27.9%	29.7%	29.2%	31.9%
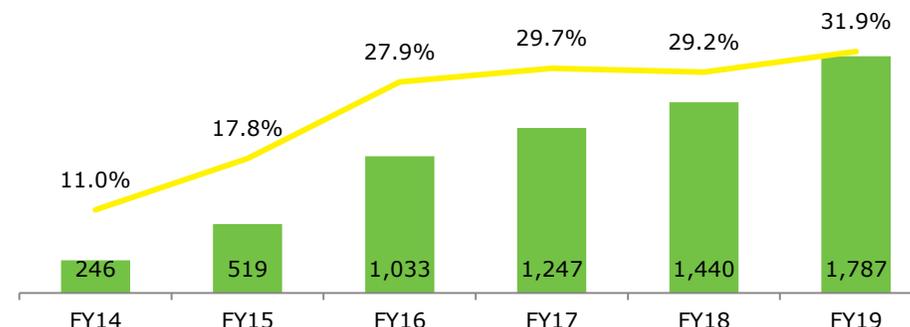
Increasing cash profit growth

Cash Profit (PAT + Depreciation) (Rs. million)

FY14	FY15	FY16	FY17	FY18	FY19
(83)	(115)	225	459	672	1,105

Gearing low

Debt/Equity

FY14	FY15	FY16	FY17	FY18	FY19
0.51	0.46	0.50	0.65	0.81	0.92
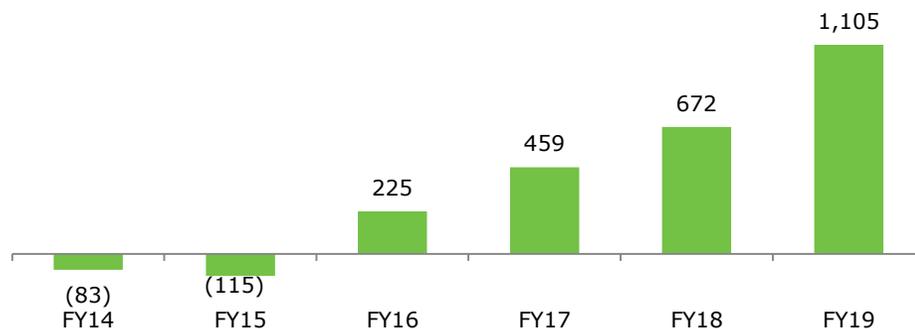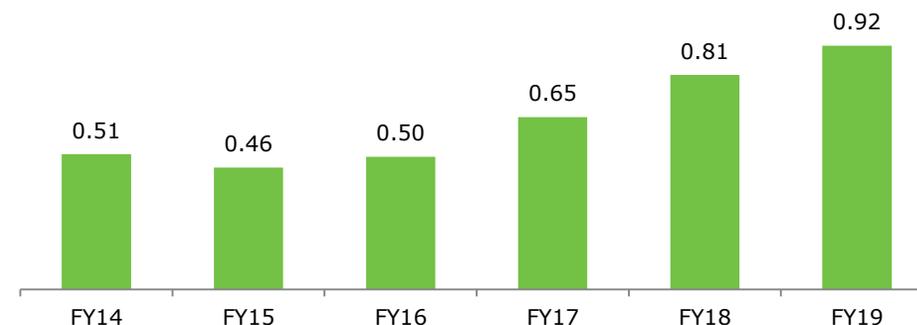
Note: FY14, FY15 and FY16 figures are from Lemon Tree Prospectus. FY17, FY18 and FY19 figures are from audited balance sheet

Operational Performance by Ageing – FY19 vs. FY18

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]	FY19	21	7	2	5
	FY18	21	3	4	
Operating Rooms (year-end)	FY19	2,727	551	292	1,240
	FY18	2,727	128	422	
Occupancy Rate (%)	FY19	79.2%	69.9%	36.3%	Deep demand markets (high occupancies)
	FY18	77.6%	61.5%	66.0%	
Average Daily Rate (Rs.)	FY19	4,197	4,082	4,200	1.5x of Adult Hotels in that year*
	FY18	3,900	5,274	3,422	
Hotel level EBITDAR[2]/room (Rs. million)	FY19	0.72	0.49	0.11	High*
	FY18	0.67	0.49	0.15	
Hotel level EBITDAR[2] Margin (%)	FY19	44%	33%	40%	High*
	FY18	44%	36%	15%	
Hotel level ROCE*[3] (%)	FY19	13%	4%	1%	1.5x of Adult Hotels in that year*
	FY18	12%	6%	(1%)	

Notes:

1) During the year FY19 4 infant hotels transitioned to toddler category, why 2 new hotels entered into the infant category. No toddler hotel transitioned into Adult 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

* Post stabilization.

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

LTPDL1	Date of Opening	FY15	FY16	FY17	FY18	FY19	CAGR
LTPDL1	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%	
RFHDL	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%	

LTHWF	Date of Opening	FY15	FY16	FY17	FY18	FY19	CAGR
LTHWF	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%	
LTHGB	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

FY19 Actuals EBITDAR/Room

FY19 Actuals	Inventory	EBITDAR/Room in INR L
Lemon Tree Premier (Adult)	957	10.2
Lemon Tree Hotels (Adult)	1,340	6.1
Red Fox Hotels (Adult)	605	5.8
New Owned Hotels	668	2.3
Managed Hotels (Fees)	1,739	0.7

Operating Expenses per Room per day for Adult Hotels

Brands/Hotels	Rooms	FY 15	FY 16	FY 17	FY 18	FY 19	CAGR (%)
Lemon Tree Hotel Group	2,727	1,827	1,955	1,981	2,096	2,266	5.5%
Lemon Tree Premier	816	2,026	2,352	2,327	2,460	2,690	7.3%
Lemon Tree Hotel	1,306	2,080	2,012	2,098	2,196	2,338	3.0%
Red Fox Hotels	605	1,184	1,299	1,260	1,386	1,538	6.8%

Debt Profile

Typical Debt Terms		
Tenure	**Interest**	**Approximate Principal Repayment**
First 3 Years	✓	0%
4-7 Years	✓	10-15%
8-11 Years	✓	25-30%
Final 4 Years	✓	55-65%

Moratorium

Ballooned Repayment

Debt Profile End of Q1 FY20					
In INR Crs	**Adult Hotels**	**Toddler Hotels**	**Infant Hotels**	**Under Construction**	**Total**
Rooms	2727	653	292	1332	5004
% of Total	54.5%	13.0%	5.8%	26.6%	
Debt	750	112	120	284	1266
% of Total	59.3%	8.8%	9.5%	22.4%	

Mumbai is included in 'Under Construction' as it was operational for just 3 days in Q1

Key levers to drive better results

Current Stable Inventory = 2,788

Number of Rooms Stabilizing = 1,085

Opened in last 3 years

Price Hike

ARR growth in future

Inventory Under Development = 937*

Equivalent to 1,405 (1.5x) rooms in revenue potential and 1,870 (2.0x) rooms in EBITDAR potential

Triple Whammy

For Owned/Leased Assets:

✓ Stabilized inventory

✓ Higher pricing

✓ More high value inventory

Cost Leadership

LTH CAGR of operating cost increase per room has been 5.5% between FY15 and FY19

* Of these 937 rooms, currently 577 rooms are from Lemon Tree Premier, Mumbai International Airport. LTH is in the process of applying to convert some commercial spaces in this hotel' to rooms. This will increase the hotel's inventory by 92 rooms to 669.

Lemon Tree Hotels RoCE : Hotel Buckets by opening

RoCE (%)

Occupancy (%)

Legend:
- First Five hotels opened during FY05 - FY08
- Second Five hotels opened in FY09
- Third Seven hotels opened in FY10 & FY11
- Fourth Five hotels opened during FY12 - FY15
- Fifth Eight Hotels opened during FY17 - FY19
- All India Hotel Occupancy (%)
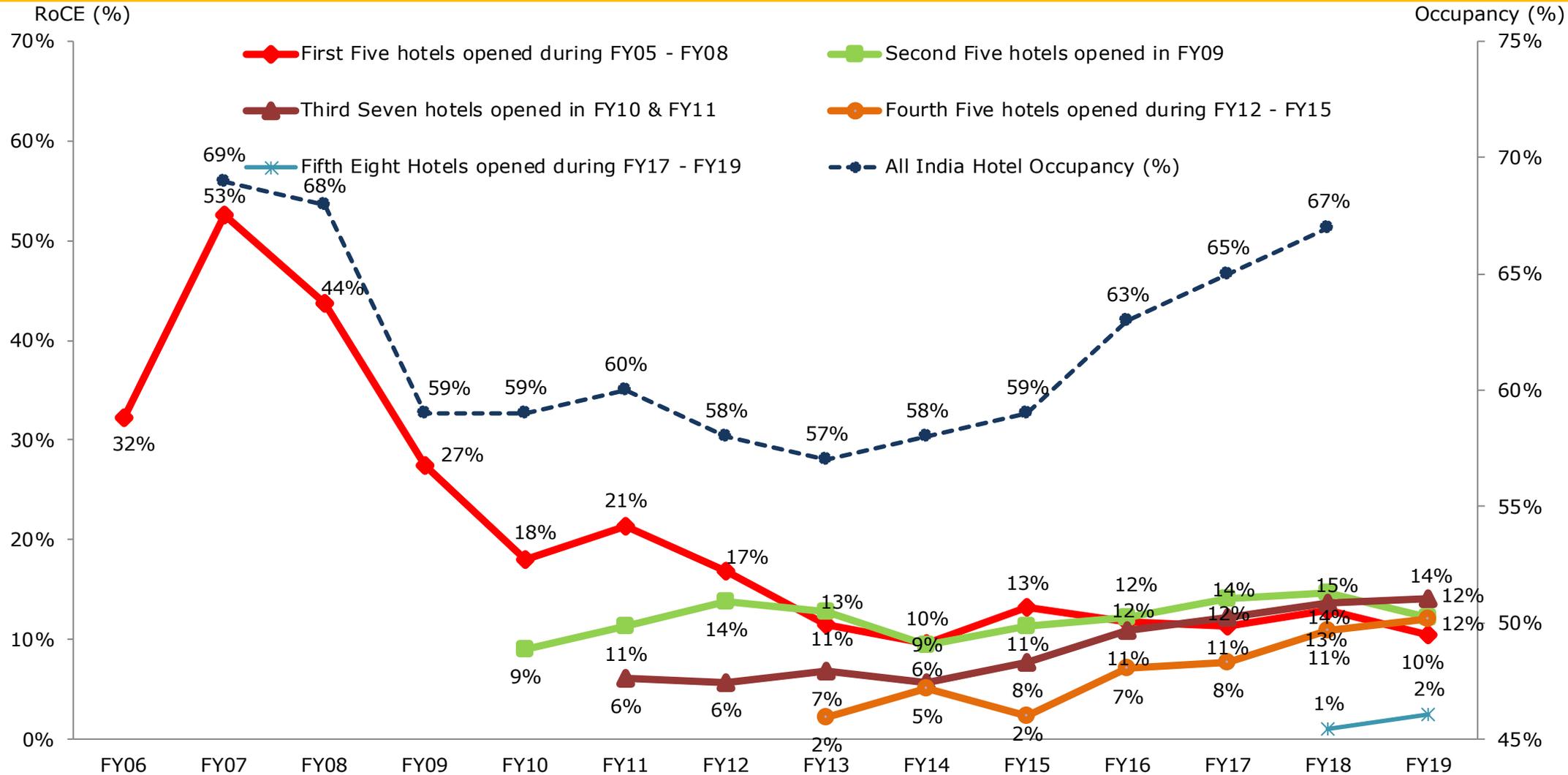
Notes:
1. Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels
2. Hotel RoCE is based on first full year of operation

Source : Industry occupancy is taken from Horwath HTL report.

33

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)**"
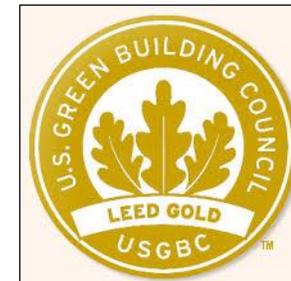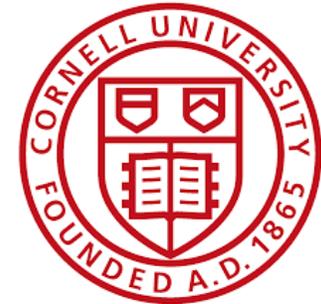
Committed to Employees, Environment and Community with socially inclusive work ethos

A. We provide employment and livelihood with dignity to 'Opportunity Deprived Indians' (ODI)

This initiative was started in 2007 and as of Sep 30, 2018, Lemon Tree has employed a total of around 860* Opportunity Deprived Indians, or about one fifth of it workforce.

Lemon Tree believes that the brand should stand for more than 'just profit'. The company has focused its efforts on creating a socially inclusive work environment which seeks to bring in people of different backgrounds, abilities and ethnicities and offer them work as a unified team with a common goal.

The company's guiding principle has been that Opportunity Deprived Indians (including physical, intellectual, social or economic disabilities) must be provided the same opportunities as others to realize their full potential and live with dignity.

Employees With Disabilities (EWDs)		Employees with Economic, Educational or Social Impairment	
Speech and Hearing Impaired	Down Syndrome		Low Literacy
Orthopedic Challenged	Autism	Below Poverty Line	Widows/ Divorcees/ Abandoned/ Battered
Low Vision	Acid Survivor	Socially Backward	

* Includes all hotels: owned, leased and managed.

B. Tribal Art

Lemon Tree Hotel is among the largest buyers, nationally, of tribal art from Bastar, Madhya Pradesh. This comprises primarily of bronze age bell metal sculptures and enables the company to financially support tribal craftsmen from this region by showcasing their art extensively across all of its hotels.

C. Giving Back To Society

Lemon Tree Hotel supports and partners with the following NGOs and societies:

Goonj: provides clothes and utensils to the impoverished.

Suniye: runs a school for Speech and Hearing Impaired children from economically weaker sections of society. provides extensive life skills support to these children.

Akshaya Patra: focus is to eliminate hunger in the city. It regularly provides a free meal to approximately 2000 destitute people in Delhi, across the city.

Muskaan: provides comprehensive education, vocational training and work opportunities to young people who are intellectually challenged.

Ramanujan Society: donates gifts to students for successfully clearing the IIT entrance exam.

D. Art Objects Through People For Animals

Lemon Tree supports People For Animals (PFA) by buying art sourced by PFA, which in turn is showcased across the company's hotels. The money paid to PFA goes to support the welfare and care of animals across India.

E. K9 Policy/Pooch Policy

Lemon Tree Hotel adopts a stray dog at each of its hotels across India. We name the dog, inoculate it and feed it well. Based on the personality of the dog, he/she is assigned a 'fun' role in the hotel and this brings joy to employees and guests alike.

Under Development Hotels

Aurika, Udaipur | Image Representation

Note: Hotel is expected to have 139 rooms and expected month of opening is Oct/Nov-2019.

Aurika, Udaipur – 200 Mtrs

Aurika, Udaipur - Entrance

Aurika, Udaipur - Entrance

Aurika, Udaipur – Lobby

Aurika, Udaipur – Lobby

Aurika, Udaipur – Coffee Shop

Aurika, Udaipur – Alfresco

Aurika, Udaipur – Pool

# Aurika, Udaipur – Banquet Pre function Area

Aurika, Udaipur – Banquet Pre function Area

Aurika, Udaipur – Blocks

Aurika, Udaipur – Blocks

Aurika, Udaipur – Blocks

Aurika, Udaipur – Banquet Hall from the First Block

Aurika, Udaipur – Corridors

Aurika, Udaipur - Suite

Aurika, Udaipur - Suite

Aurika, Udaipur - Bathrooms

Aurika, Udaipur – Night View

Aurika, Udaipur – Night View

Lemon Tree Premier – Kolkata | Image Representation

Note: Hotel is expected to have 142 rooms and expected month of opening is Oct-2019.

Lemon Tree Premier – Kolkata
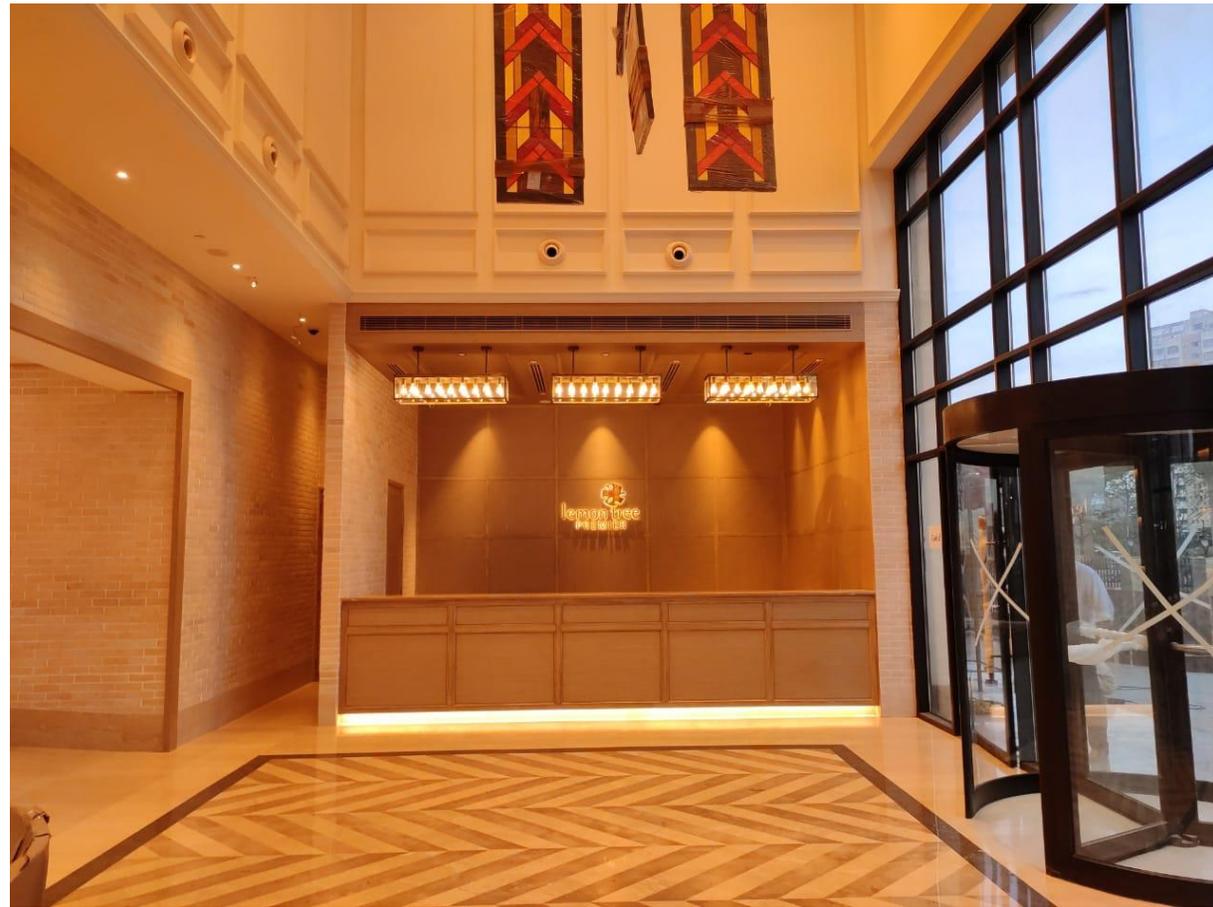
Lemon Tree Premier – Kolkata

Lemon Tree Premier – Kolkata

Lemon Tree Premier – Kolkata

Lemon Tree Premier – Kolkata

Lemon Tree Premier – Kolkata

Lemon Tree Mountain Resort – Shimla | Image Representation

Note: Hotel is expected to have 69 rooms and expected month of opening is April-2021

Lemon Tree Mountain Resort – Shimla

Lemon Tree Mountain Resort – Shimla

Aurika, Mumbai Airport (MIAL) | Image Representation

Aurika, Mumbai Airport (MIAL)

Note: Currently, hotel is expected to have 577 rooms. LTH is in the process of applying to convert some commercial spaces in this hotel to rooms. This will increase the hotel's inventory by 94 rooms to 671. Expected month of opening is Nov-2021.

Aurika, Mumbai Airport (MIAL)

Note: Currently, hotel is expected to have 577 rooms. LTH is in the process of applying to convert some commercial spaces in this hotel to rooms. This will increase the hotel's inventory by 94 rooms to 671. Expected month of opening is Nov-2021.

Lemon Tree Amarante Beach, Goa

Lemon Tree Premier, Corbett

Lemon Tree Premier, Hyderabad

Appendix

Lemon Tree Hotel, Coimbatore

Lemon Tree Premier, City Center, Gurgaon

Lemon Tree Vembanad Lake, Alleppey, Kerela

Latest Performance – Q1 FY20

Performance Highlights – Operational Metrics (Consolidated)

Operational Inventory

Owned/Leased rooms

3,278	3,570	3,975
Q1 FY19	FY19	Q1 FY20

Managed rooms

1,610	1,841	1,853
Q1 FY19	FY19	Q1 FY20

Total rooms

4,888	5,411	5,828
Q1 FY19	FY19	Q1 FY20

End of

Average Daily Rate (Rs.)

2.7% ↑

3,899	4,002
Q1 FY19	Q1 FY20

Occupancy (%)

76 bps ↑

76.8%	77.5%
Q1 FY19	Q1 FY20

RevPAR (Rs.)

3.7% ↑

2,994	3,103
Q1 FY19	Q1 FY20
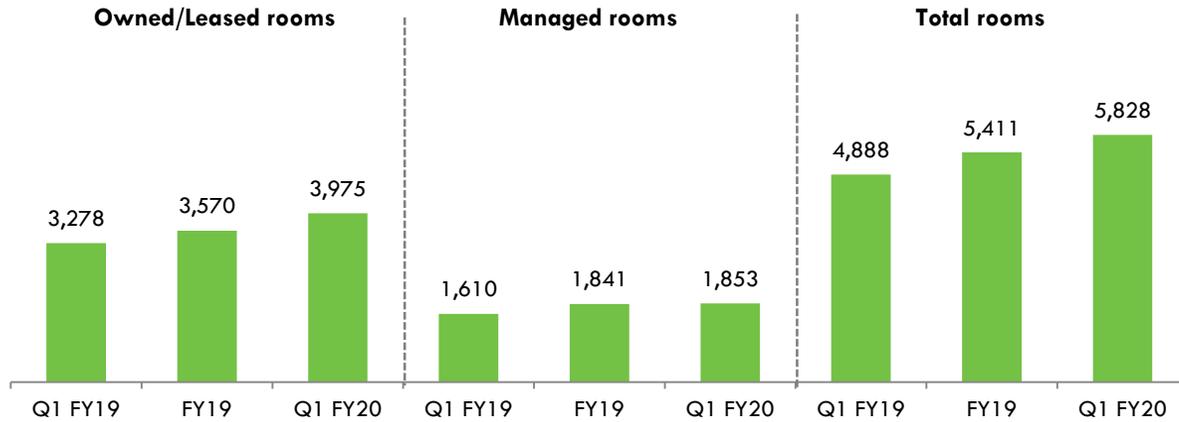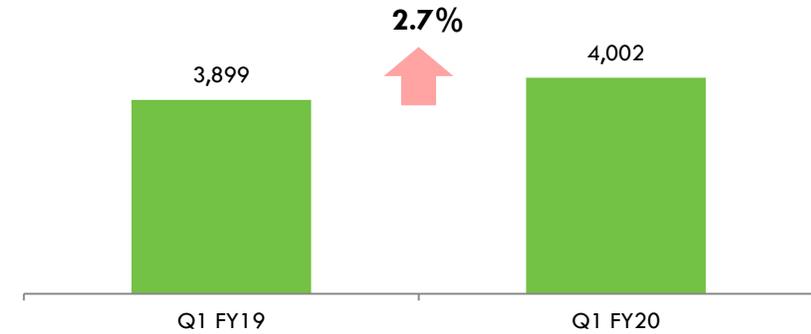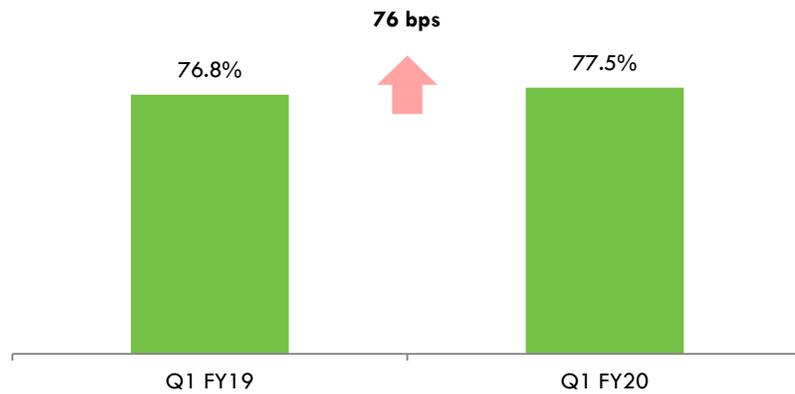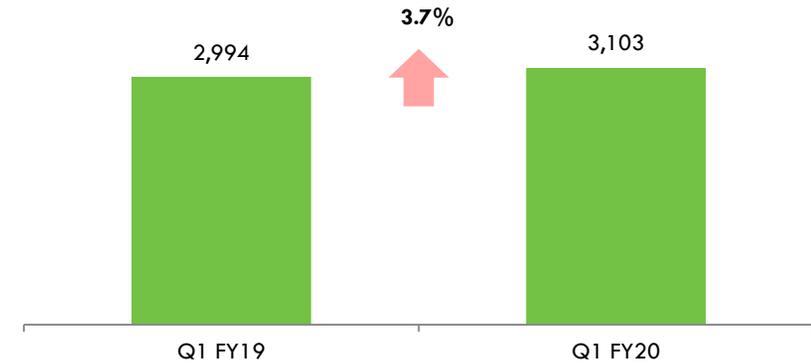
Note:
1. ADR, Occupancy and RevPAR are for our owned and leased hotels only.
*2. The results of this quarter are not indicative of full year's performance due to seasonal nature of the business.*

Performance Highlights – Financial Metrics (Consolidated)

Total Income (Rs. Crores)

142

127

11.8%

Q1FY19   Q1 FY20

EBITDA (Rs. Crores)

46

35

31.4%

Q1 FY19   Q1 FY20

Cash profit (Rs. Crores)

16

15

2.6%

Q1 FY19   Q1 FY20

PAT (Rs. Crores)

2

(195.5%)

Q1 FY19   Q1 FY20

(2)
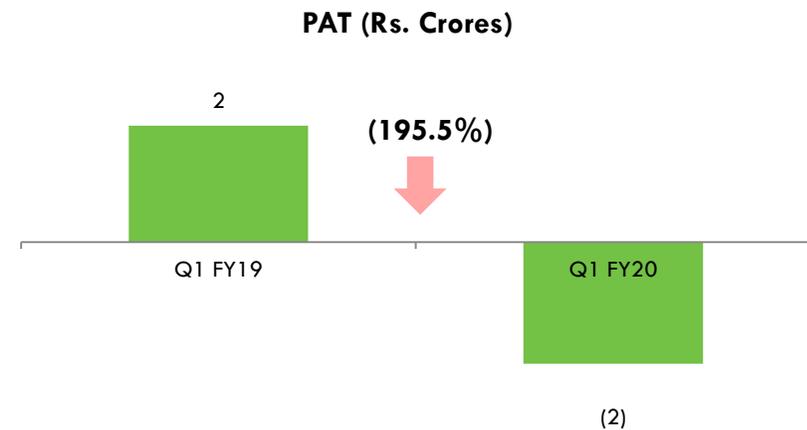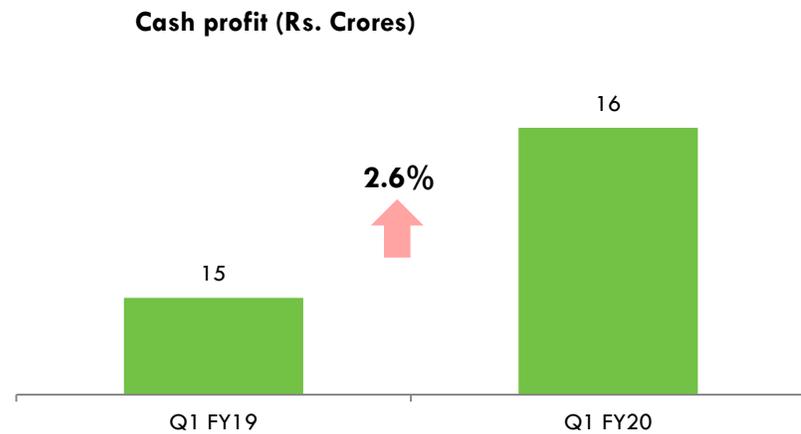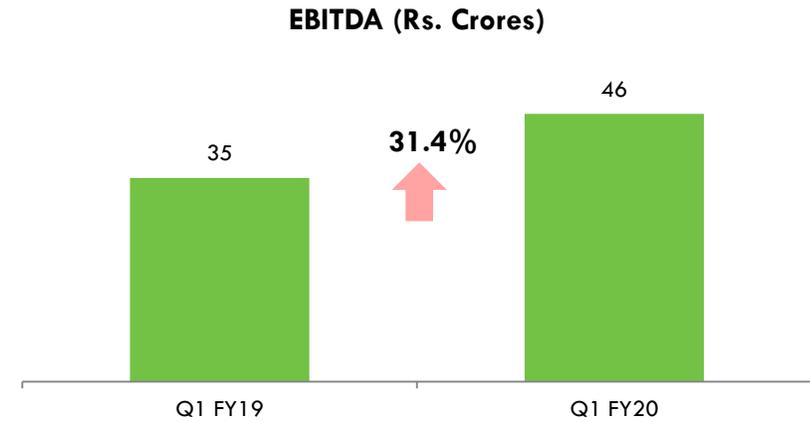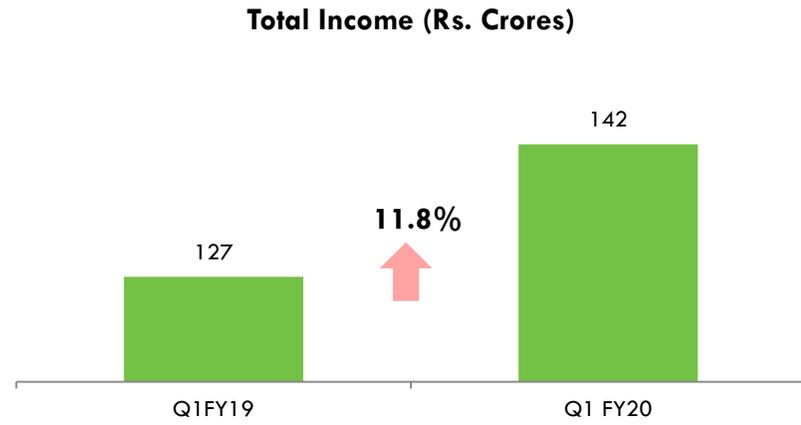
Note: The results of this quarter are not indicative of full year's performance due to seasonal nature of the business.

Profit & Loss Statement (Consolidated)

| (In Rs. Crores)	Q1 FY19	Q1 FY20 After IndAS 116 Adjustment	YoY Change (%)	Q1 FY20 Before IndAS 116 Adjustment	YoY Change (%)	FY19
Revenue from operations	126.9	140.9	11.0%	140.9	11.0%	549.5
Other income	0.2	1.3	508.5%	1.3	508.5%	9.9
Total income	**127.1**	**142.2**	**11.8%**	**142.2**	**11.8%**	**559.4**
Cost of F&B consumed	11.9	12.4	3.7%	12.4	3.7%	49.8
Employee benefit expenses	29.2	33.7	15.6%	33.7	15.6%	120.5
Other expenses	51.0	50.1	-1.9%	57.6	12.9%	210.4
Total expenses	**92.1**	**96.2**	**4.4%**	**103.7**	**12.6%**	**380.7**
EBITDA	**35.0**	**46.0**	**31.4%**	**38.5**	**9.9%**	**178.7**
EBITDA margin (%)	**27.5%**	**32.4%**	**482 bps**	**27.1%**	**(47) bps**	**31.9%**
Finance costs	19.7	30.9	57.0%	22.6	14.8%	84.7
Depreciation & amortization	13.1	17.2	30.9%	14.0	6.7%	54.1
PBT	**4.3**	**(1.4)**	-132.7%	**2.6**	-40.2%	**45.3**
Tax expense	2.0	0.7	-65.2%	1.6	-20.1%	(111)
PAT	**2.2**	**(2.1)**	-193.8%	**0.9**	-58.3%	**56.4**
Cash Profit	**15.4**	**15.9**	**3.2%**	**14.9**	**-2.8%**	**110.5**

Impact of Ind AS 116 on Consolidated Q1FY20 Results

| Profit and Loss Statement Impact (In Rs. Crores)	Before Ind AS 116	Ind AS 116 Impact	After Ind AS 116
Lease Rent	8.1	(6.3)	1.7
Other Expenses	34.8	(1.2)	33.6
Net EBITDA	**38.5**	**7.5**	**46.0**
Interest Expense	22.6	8.3	30.9
Depreciation	14.0	3.2	17.2
Profit Before Tax	**2.6**	**(3.9)**	**(1.4)**
Tax	1.6	(0.9)	0.7
Profit After Tax	**0.9**	**(3.0)**	**(2.1)**
Cash Profit	14.9	0.9	15.9

Impact of Ind AS 116 on LHTL Q1FY20 Results as Waterfall
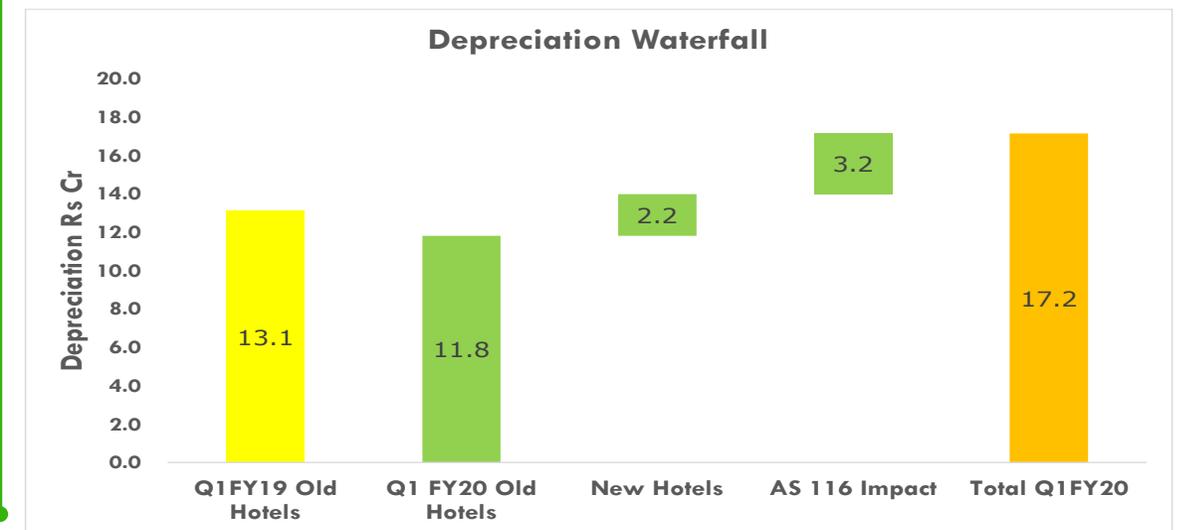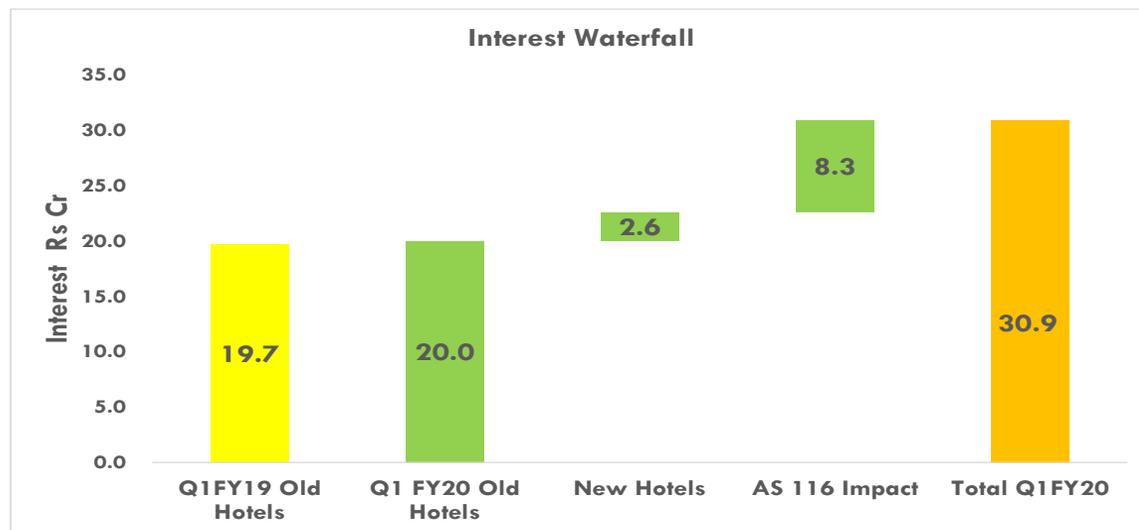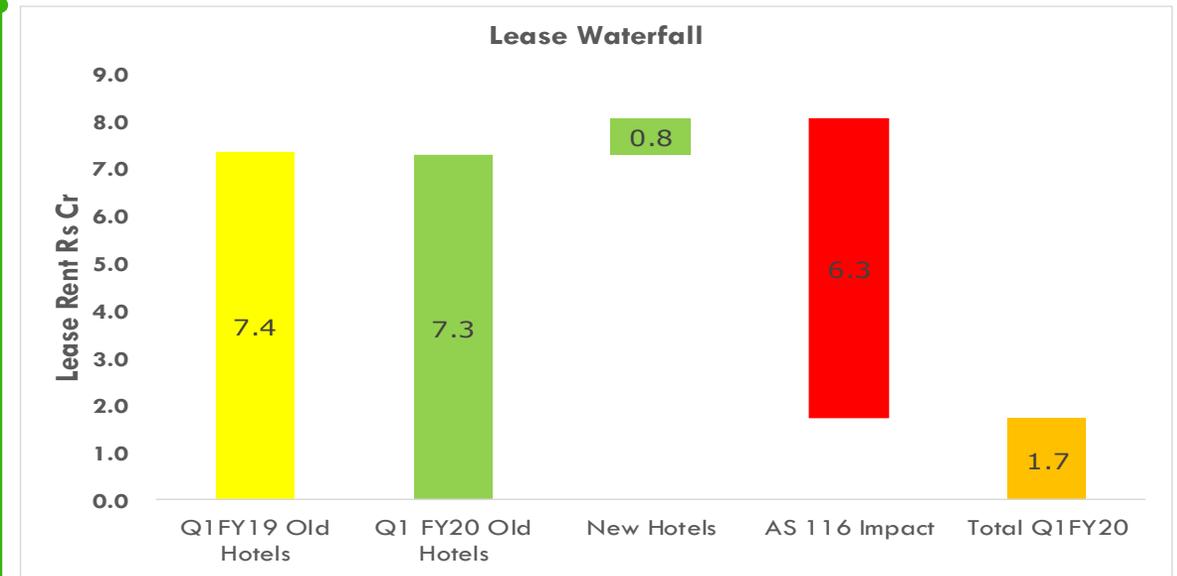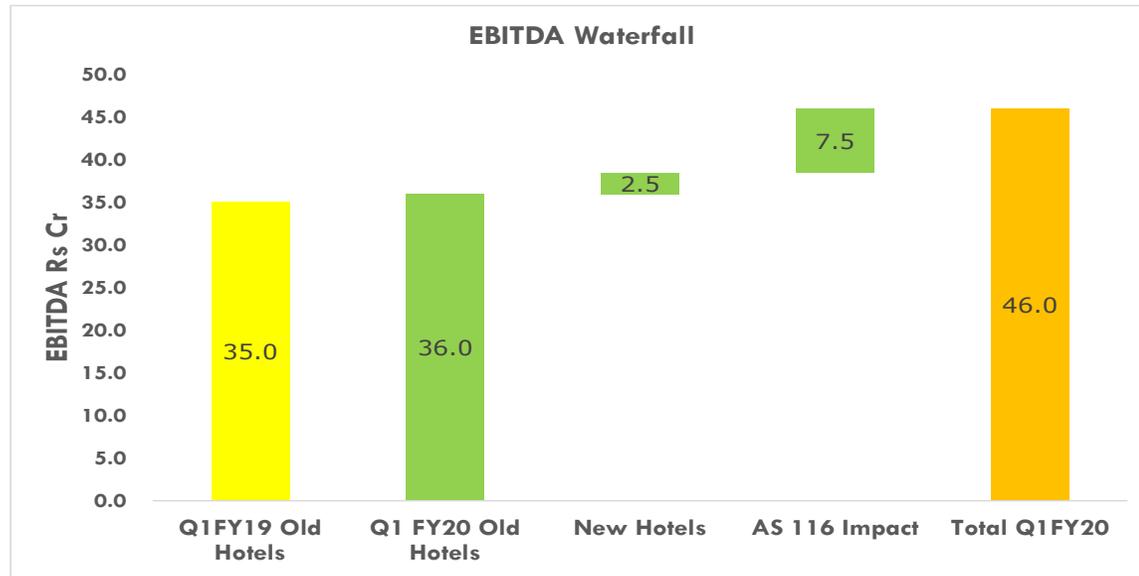
Operational Performance by Brands & Region – Q1FY20 vs. Q1FY19

Q1 FY20 vs. Q1 FY19

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
By Brand	Q1 FY20	Q1 FY19	Change (bps)	Q1 FY20	Q1 FY19	Change (%)	Q1 FY20	Q1 FY19	Change (%)	Q1 FY20	Q1 FY19	Change (bps)
Lemon Tree Premier	85.4%	82.1%	327	4,835	4,770	1.4%	2.0	2.3	(0.2%)	44.9%	46.3%	(138)
Lemon Tree Hotels	77.4%	73.9%	350	3,920	3,804	3.0%	1.3	1.1	20.6%	35.0%	31.3%	374
Red Fox Hotels	76.3%	76.1%	20	3,013	2,903	3.8%	0.9	1.0	(9.9%)	39.6%	43.3%	(245)

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
By Region	Q1 FY20	Q1 FY19	Change (bps)	Q1 FY20	Q1 FY19	Change (%)	Q1 FY20	Q1 FY19	Change (%)	Q1 FY20	Q1 FY19	Change (bps)
Delhi	80.8%	84.5%	(373)	4,339	4,148	4.6%	1.7	2.1	(16.1%)	40.0%	45.1%	(510)
Gurugram	79.5%	72.1%	743	3,972	3,967	0.1%	1.4	1.1	25.5%	34.4%	29.8%	467
Hyderabad	88.2%	77.2%	1094	4,005	3,762	6.5%	2.1	1.6	34.8%	49.2%	42.7%	644
Bengaluru	83.1%	82.6%	46	4,299	4,196	2.4%	2.0	1.9	5.0%	46.2%	44.8%	139

Note:
1) These performance results do not include LTP Mumbai, LTP Pune, RFH Dehradun and RFH Chandigarh

Thank You