



May 29, 2019

**National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
Bandra Kuria Complex  
Bandra (E), Mumbai - 400051**

**BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400001**

**NSE Scrip Symbol: LEMONTREE**

**BSE Scrip Code: 541233**

**Re: Outcome of the Board Meeting**

We wish to inform you that the Board of Directors of Lemon Tree Hotels Limited (the "Company") at its meeting held today at 04.30 p.m and concluded at 08.45 p.m, has, inter-alia, approved the Audited (Standalone & Consolidated) Financial Results for the quarter & year ended March 31, 2019 and took on record the Auditor's Report thereon.

A copy of:

- A) Audited financial results(Standalone & Consolidated) for the quarter & year ended March 31, 2019; and
- B) Auditor's Report on Financial Results (Standalone & Consolidated)

as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, alongwith Investor presentation are enclosed herewith.

We further inform that Company is launching an upscale brand "Aurika Hotels & Resorts". The first hotel under this brand will open in Udaipur as "Aurika, Udaipur" (which was earlier proposed as Lemon Tree Premier, Udaipur). The Company also intends to use the brand name 'Aurika' for the upcoming Hotel at Mumbai International Airport Limited, Mumbai.

Further, we are pleased to inform that the Company's wholly owned subsidiary Company "Meringue Hotels Private Limited"(Meringue) has received Occupancy Certificate from Municipal Corporation of Greater Mumbai for its hotel located at Andheri East, Mumbai, Maharashtra and the Hotel is expected to open under Company's brand "Lemon Tree Premier" in June, 2019

This is for your information and record.

Thanking You

For **Lemon Tree Hotels Limited**

**Nikhil Sethi**  
**Group Company Secretary & GM Legal**  
**and Compliance Officer**

**INDEPENDENT AUDITORS' REPORT**

**TO THE BOARD OF DIRECTORS OF  
LEMON TREE HOTELS LIMITED**

1. We have audited the accompanying Statement of Consolidated Financial Results of **Lemon Tree Hotels Limited** ("the Parent"), its subsidiaries and Limited Liability Partnership Firm (the Parent, its subsidiaries and Limited Liability Partnership Firm together referred to as "the Group") and its share of the profit of associates for the year ended March 31, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 5 below is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of subsidiaries, limited liability partnership and associates referred to in paragraph 5 below, the Statement:
  - a. includes the results of the following entities:



S.No	Name of the entity	Relationship
1.	Lemon Tree Hotels Limited	Parent Company
2.	Flour Hotels Private Limited	Subsidiary company
3.	Hyacinth Hotels Private Limited	Subsidiary company
4.	PSK Resorts and Hotels Private Limited	Wholly owned subsidiary company
5.	Canary Hotels Private Limited	Wholly owned subsidiary company
6.	Sukhsagar Complexes Private Limited	Wholly owned subsidiary company
7.	Oriole Dr Fresh Hotels Private Limited	Wholly owned subsidiary company
8.	Grey Fox Project Management Company Private Limited	Wholly owned subsidiary company
9.	Dandelion Hotels Private Limited	Wholly owned subsidiary company
10.	Lemon Tree Hotel Company Private Limited	Wholly owned subsidiary company
11.	Red Fox Hotel Company Private Limited	Wholly owned subsidiary company
12.	Poplar Homestead Holdings Private Limited	Wholly owned subsidiary company
13.	Madder Stays Private Limited	Wholly owned subsidiary company
14.	Jessamine Stays Private Limited	Wholly owned subsidiary company
15.	Meringue Hotels Private Limited	Subsidiary company
16.	Nightingale Hotels Private Limited	Subsidiary company
17.	Manakin Resorts Private Limited	Subsidiary company
18.	Begonia Hotels Private Limited	Subsidiary company
19.	Celsia Hotels Private Limited	Subsidiary company
20.	Inovoa Hotels and Resorts Limited	Subsidiary company
21.	Iora Hotels Private Limited	Subsidiary company
22.	Ophrys Hotels Private Limited	Subsidiary company
23.	Bandhav Resorts (P) Limited	Subsidiary company
24.	Valerian Management Services Private Limited	Subsidiary company
25.	Carnation Hotels Private Limited	Subsidiary company
26.	Mindleaders Learning India Private Limited	Associate company
27.	Pelican Facilities Management Private Limited	Associate company
28.	Hamstede Living Private Limited	Associate company
29.	Mezereon Hotels LLP	Limited Liability Partnership Firm

- b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, Total comprehensive income and other financial information of the Group for the year ended March 31, 2019.



5. We did not audit the financial statements of 22 subsidiaries and 1 limited liability partnership included in the consolidated financial results, whose financial statements reflect total assets of Rs. 117,967.42 as at March 31, 2019, total revenues of Rs 15,048.07 lacs, total net profit after tax of Rs. 852.33 lacs and total comprehensive income of Rs. 852.21 lacs for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net profit of Rs. 79.66 lacs and total comprehensive income of Rs. 79.66 lacs for the year ended March 31, 2019, as considered in the consolidated financial results, in respect of 3 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, Limited Liability Partnership Firm and associates, is based solely on the reports of the other auditors.

We did not audit the financial statements of Krizm Hotel Private Limited Employee Welfare Trust (the "Trust") included in the standalone financial results, whose financial statements reflect total revenues of Rs. Nil, total loss after tax of Rs. 2.20 lacs and total comprehensive loss of Rs. 2.20 lacs for the year ended March 31, 2019, respectively, as considered in the standalone financial results. These financial statements have been audited by other auditor whose report have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of such trust, is based solely on the report of other auditor.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

6. The Statement includes the results for the Quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



A handwritten signature in black ink, appearing to read "Vijay Agarwal".

**Vijay Agarwal**  
Partner  
(Membership No. 094468)

New Delhi, May 29, 2019

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**Statement of Audited Ind-AS Consolidated Financial Results for the Quarter and year ended March 31, 2019**  
 (₹ In Lakhs, except per share data)

		Quarter ended			Year Ended	
		March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
		(Audited) (Refer note 3)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income	15,052.91	14,335.33	13,201.07	54,950.62	48,426.15
	Revenue from operations	253.05	179.86	718.25	993.17	780.68
	Other Income	15,307.99	14,515.19	13,919.32	55,943.79	49,206.83
	<b>Total income</b>					
2	Expenses	1,340.06	1,264.64	1,146.50	4,982.31	4,358.52
	Cost of food and beverages consumed	3,183.23	2,993.52	2,959.46	12,053.05	10,957.49
	Employee benefit expenses	1,262.65	1,292.78	1,110.23	5,269.77	4,845.96
	Power and fuel	690.52	762.99	758.16	2,922.22	3,061.90
	Rent	3,682.54	3,119.84	3,404.80	12,846.77	11,582.33
	Other expenses	10,161.00	9,433.77	9,379.15	38,074.12	34,808.70
	<b>Total expenses</b>					
3	Profit before depreciation and amortization, finance cost, finance income (1-2)	5,146.99	5,081.42	4,540.17	17,869.67	14,398.13
4	Finance cost	2,380.24	2,142.94	2,007.74	8,469.63	7,836.90
5	Finance income	(146.26)	(87.37)	(61.16)	(458.52)	(476.19)
6	Depreciation and amortization expense	1,132.04	1,347.83	1,278.86	5,411.38	5,261.74
7	Net profit before tax before share of associates (3-4-5-6)	1,480.97	1,678.02	1,314.73	4,447.08	1,775.68
8	Add: Share of Profit of associates	(55.77)	57.95	(8.89)	79.66	57.51
9	Profit before tax (7+8)	1,425.20	1,735.97	1,305.84	4,526.74	1,833.19
10	Tax expense	507.22	421.39	188.05	1,384.77	627.59
	a) Current tax	691.76	(77.16)	(53.20)	645.36	(249.76)
	b) Deferred tax/MAT Credit entitlement (Refer note 6)	(3,141.22)	-	-	(3,141.27)	-
11	Net profit after tax (9-10)	3,367.49	1,391.74	1,170.99	5,637.88	1,455.36
12	Other Comprehensive Income/expenses					
	Items that will not be reclassified to profit and loss	(10.11)	(0.60)	(7.80)	(11.91)	(1.91)
	Remeasurements of defined benefit plans	2.99	0.25	0.19	3.18	0.10
	Income tax effect	3,360.07	1,391.39	1,163.38	5,629.15	1,453.55
13	<b>Total comprehensive Income</b>					
14	Profit	3,367.49	1,391.74	1,170.99	5,637.88	1,455.36
	Attributable to:					
	Equity holders of the parent	3,245.56	1,246.70	1,128.21	5,287.83	1,419.43
	Non-controlling interests	121.93	145.04	42.78	350.05	35.93
15	<b>Total comprehensive Income</b>	3,360.07	1,391.39	1,163.38	5,629.15	1,453.55
	Attributable to:					
	Equity holders of the parent	3,235.15	1,246.64	1,123.61	5,277.15	1,419.08
	Non-controlling interests	124.92	144.75	39.77	352.00	34.47
16	<b>Total comprehensive Income for the year after non-controlling interest</b>	3,235.15	1,246.64	1,123.61	5,277.15	1,419.08
16	Paid-up equity share capital (Face value of the share ₹ 10/-)	78,929.55	78,895.45	78,639.32	78,929.55	78,639.33
17	Other Equity (including non-controlling interest)				51,791.27	45,709.16
18	Earnings per share (Face value of the share ₹ 10/-) (EPS for quarter ended pertains is not unaudited)					
	Basic	0.41	0.16	0.14	0.67	0.18
	Diluted	0.41	0.16	0.14	0.67	0.18

**Notes:**

- The results for the quarter are not indicative of a full year's working due to the seasonal nature of the Indian Hotel Industry.
- The consolidated results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on May 29, 2019. The statutory auditors have expressed an unqualified audit opinion.
- The figures of last quarter of current and previous year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the 3rd quarter of the financial year.



*Sanjay*

4. Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 was insignificant on the financial statements.

5. The paid up share capital of the Company excludes 29,50,893 (March 31, 2018: 19,432) equity shares held by the ESOP trust which has been consolidated in accordance with the requirement of IND AS 110.

6. The Company has earned taxable profits in recent years and based on the future projections, it is reasonably certain that it will be able to generate taxable profit against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, the Company has recognized Deferred tax asset on unabsorbed depreciation and MAT credit entitlement pertaining to previous years amounting to Rs. 1,839.97 lakhs and Rs. 1,301.30 lakhs respectively in the current quarter.

7. Four wholly owned subsidiaries namely Poplar Homestead Holdings Private Limited, Madler Stays Private Limited, Jessamine Stays Private Limited and Hamstede Living Private Limited have been incorporated during the year. Further, the Company has entered into a Joint Venture Agreement with 30% investment in the shareholding of Joint venture Company "Hamstede Living Private Limited (JV Company)". The JV Company will construct, acquire, develop, operate and lease short and long-stay real estate projects, with a primary focus on student housing, co-living for working professionals/adults and multi-family users. The JV Company became an associate company w.e.f 13th March, 2019.

8. During the year, the Company has transferred 234,580 equity shares equivalent to 25.10% held in Carnation Hotels Private Limited, and subsequent to such transfer, Carnation Hotels Private Limited became a Subsidiary Company from Wholly Owned Subsidiary Company.

9. Statement of Consolidated Assets and Liabilities

(₹ In Lakhs)

Particulars	As at March 31 2019 (Audited)	As at March 31, 2018 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	158,942.55	144,889.23
(b) Capital work-in-progress	66,386.54	55,590.95
(c) Investment Property	241.33	245.71
(d) Intangible assets	1,193.52	818.65
(e) Intangible assets under development	-	316.95
(f) Financial assets	625.86	261.20
(i) Investments	171.11	1,615.50
(ii) Loans	5,249.31	4,699.70
(iii) Other non-current financial assets	2,035.21	-
(g) Deferred tax assets (net)	1,863.93	1,873.41
(h) Non-current tax assets (net)	20,818.29	21,660.75
(i) Other non-current assets	257,527.65	232,002.05
<b>Current assets</b>		
(a) Inventories	598.37	538.83
(b) Financial assets		
(i) Trade receivables	8,441.92	5,252.37
(ii) Cash and Cash equivalents	3,139.70	2,102.96
(iii) Investments	2,866.79	1,195.30
(iv) Loans	-	26.55
(v) Other current financial assets	339.09	1,661.52
(c) Other current assets	4,270.48	3,037.72
	19,656.35	13,815.25
<b>Total Assets</b>	<b>277,184.00</b>	<b>245,817.30</b>

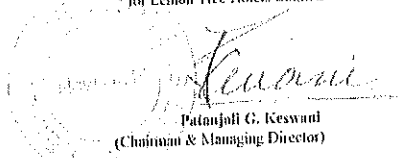


*Tejani*

Particulars	(₹ In Lakhs)	
	As at March 31 2019 (Audited)	As at March 31, 2018 (Audited)
<b>Equity And Liabilities</b>		
<b>Equity</b>	78,929.55	78,639.32
(a) Share capital	8,572.84	2,844.81
(b) Other Equity	87,302.39	81,484.13
Equity attributable to owners of the parent	43,218.43	42,864.35
(c) Non-controlling interests	130,720.82	124,340.48
<b>Total Equity</b>		
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities	113,473.11	93,131.37
(i) Borrowings	275.74	136.55
(ii) Other non-current financial liabilities	173.38	161.62
(b) Long term provisions	-	425.21
(c) Deferred tax liabilities (net)	3,346.79	2,720.53
(d) Other non-current liabilities	117,269.02	96,575.28
<b>Current liabilities</b>		
(a) Financial liabilities	122.06	3,570.04
(i) Borrowings	9,577.14	8,112.65
(ii) Trade payables	16,451.66	11,171.07
(iii) Other current financial liabilities	380.53	266.30
(b) Provisions	2,662.77	1,773.48
(c) Other current liabilities	29,194.16	24,893.54
<b>Total Liabilities</b>	146,463.18	121,468.82
<b>Total Equity and Liabilities</b>	277,184.00	245,817.30

10. The Company is into Hoteliering business. As the Company operates in a single operating segment, it did not give rise to different operating segments in accordance with Ind AS 108 - Operating Segments.

By order of the Board  
for Lemon Tree Hotels Limited

  
Patanjali G. Keswani  
(Chairman & Managing Director)

Place : New Delhi  
Date : May 29, 2019



**INDEPENDENT AUDITOR'S REPORT**

**TO THE BOARD OF DIRECTORS OF LEMON TREE HOTELS LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Results of **Lemon Tree Hotels Limited** ("the Company"), for the year ended March 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
  - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year ended March 31, 2019.





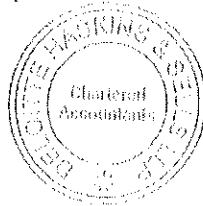
**Deloitte  
Haskins & Sells LLP**

5. We did not audit the financial statements of Krizm Hotel Private Limited Employee Welfare Trust (the "Trust") included in the standalone financial results, whose financial statements reflect total revenues of Rs. Nil, total loss after tax of Rs. 2.20 lacs and Total comprehensive loss of Rs. 2.20 lacs for the year ended March 31, 2019, respectively, as considered in the standalone financial results. These financial statements have been audited by other auditor whose report have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of such trust, is based solely on the report of other auditor.

Our opinion is not modified in respect of this matter.

6. The Statement includes the results for the quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



A handwritten signature in black ink, appearing to read "Vijay Agarwal".

**Vijay Agarwal**  
Partner  
(Membership No. 094468)

New Delhi, May 29, 2019

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**Statement of Audited Ind-AS Standalone Financial Results for the Quarter and year ended March 31, 2019**  
*(₹ In Lakhs, except per share data)*

		Quarter ended			Year Ended	
		March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
		(Audited) Refer note 3	(Unaudited)	(Audited)	(Audited)	(Audited)
1	<b>Income</b>					
	Revenue from operations	7,336.96	7,175.67	5,700.50	27,332.25	23,108.41
	Other Income	240.79	170.00	681.98	932.00	705.03
	<b>Total income</b>	<b>7,577.75</b>	<b>7,345.67</b>	<b>6,382.48</b>	<b>28,264.25</b>	<b>23,813.44</b>
2	<b>Expenses</b>					
	Cost of food and beverages consumed	409.93	453.56	396.64	1,772.58	1,559.03
	Employee benefit expenses	1,465.38	1,404.49	1,387.47	5,764.88	5,093.36
	Power and fuel	518.04	526.66	463.11	2,189.36	1,909.03
	Rent	486.13	551.87	447.51	2,146.91	1,938.28
	Other expenses	1,634.69	1,628.52	1,351.14	6,355.27	5,804.91
	<b>Total expenses</b>	<b>4,514.17</b>	<b>4,565.10</b>	<b>4,045.87</b>	<b>18,229.00</b>	<b>16,304.61</b>
3	<b>Profit before depreciation and amortization, finance cost, finance income (1-2)</b>	<b>3,063.58</b>	<b>2,780.57</b>	<b>2,336.61</b>	<b>10,035.25</b>	<b>7,508.83</b>
4	Finance cost	988.69	847.87	788.84	3,479.99	3,428.85
5	Finance income	(52.80)	(48.53)	(37.78)	(273.39)	(524.28)
6	Depreciation and amortization expense	475.15	472.23	502.86	1,983.75	1,976.68
7	<b>Profit before tax (3-4-5-6)</b>	<b>1,652.51</b>	<b>1,509.00</b>	<b>1,082.69</b>	<b>4,844.90</b>	<b>2,627.58</b>
8	Tax expense					
	Current tax	350.21	313.61	128.00	1,004.79	413.33
	Deferred tax/MAT Credit entitlement (Refer note 6)					
	- For current year	657.08	-	-	657.08	-
	- For earlier years	(3,141.27)	-	-	(3,141.27)	-
9	<b>Net profit after tax (7-8)</b>	<b>3,786.52</b>	<b>1,195.39</b>	<b>954.69</b>	<b>6,324.30</b>	<b>2,214.25</b>
10	<b>Other Comprehensive Income</b>					
	Items that will not be reclassified to profit and loss					
	Re-measurement (loss)/gains on defined benefit plans	(24.34)	0.58	1.93	(22.58)	2.35
	Income tax effect	5.24	(0.13)	(0.41)	4.86	(0.50)
11	<b>Total comprehensive income</b>	<b>3,767.42</b>	<b>1,195.84</b>	<b>956.21</b>	<b>6,306.58</b>	<b>2,216.10</b>
12	Paid-up equity share capital (Face value of the share ₹ 10/-)	78,929.55	78,895.45	78,639.32	78,929.55	78,639.32
13	Other Equity				24,205.35	17,471.85
14	Earnings per share (Face value of the share ₹ 10/-) (EPS for quarter ended periods is not annualised)					
	Basic	0.48	0.15	0.12	0.80	0.28
	Diluted	0.48	0.15	0.12	0.80	0.28

**Notes:**

- The results for the quarters are not indicative of a full year's working due to the seasonal nature of the Indian Hotel Industry.
- The Standalone results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on May 29, 2019. The statutory auditors have expressed an unqualified audit opinion.
- The figures of last quarter of current and previous year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the 3rd quarter of the financial year.



*Sarav*

4. Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 was insignificant on the financial results.

5. The paid up share capital of the Company excludes 29,50,893 (March 31, 2018: 19,432) equity shares held by the ESOP trust which has been consolidated in accordance with the requirement of IND AS 110.

6. The Company has earned taxable profits in recent years and based on the future projections, it is reasonably certain that it will be able to generate taxable profit against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, the Company has recognized Deferred tax asset on unabsorbed depreciation and MAT credit entitlement pertaining to previous years amounting to Rs. 1,839.97 lakhs and Rs. 1,301.30 lakhs respectively in the current quarter.

7. Four wholly owned subsidiaries namely Poplar Homestead Holdings Private Limited, Madder Stays Private Limited, Jessamine Stays Private Limited and Hamstede Living Private Limited have been incorporated during the year. Further, the Company has entered into a Joint Venture Agreement with 30% investment in the shareholding of Joint venture Company "Hamstede Living Private Limited (JV Company)". The JV Company will construct, acquire, develop, operate and lease short and long-stay real estate projects, with a primary focus on student housing, co-living for working professionals/adults and multi-family users. The JV Company became an associate company w.e.f 13th March, 2019.

8. During the year, the Company has transferred 234,580 equity shares equivalent to 25.10% held in Carnation Hotels Private Limited, and subsequent to such transfer, Carnation Hotels Private Limited became a Subsidiary Company from Wholly Owned Subsidiary Company.

#### 9. Statement of Standalone Assets and Liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	43,243.28	44,901.89
(b) Capital work-in-progress	1,170.49	756.92
(c) Investment Property	241.32	245.71
(d) Intangible assets	339.62	54.65
(e) Intangible assets under development	-	280.64
(f) Financial assets		
(i) Investments	72,384.52	71,572.71
(ii) Loans	171.11	1,615.50
(iii) Other non-current financial assets	1,536.29	1,393.24
(g) Deferred tax assets (net)	2,478.78	-
(h) Non-Current tax assets (net)	777.84	970.04
(i) Other non-current assets	5,273.42	5,701.77
	<b>127,616.67</b>	<b>127,493.07</b>
<b>Current assets</b>		
(a) Inventories	202.61	199.52
(b) Financial assets		
(i) Trade receivables	4,966.53	2,063.87
(ii) Cash and Cash equivalents	1,040.60	571.60
(iii) Investments	1,055.85	-
(iii) Loans	4,717.83	1,622.22
(iv) Other current financial assets	300.68	1,640.83
(c) Other current assets	2,038.50	1,092.80
	<b>14,322.60</b>	<b>7,190.84</b>
<b>Total Assets</b>	<b>141,939.27</b>	<b>134,683.91</b>



*Jenani*

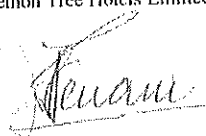


(₹ In Lakhs)

Particulars	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
<b>Equity And Liabilities</b>		
<b>Equity</b>	78,929.55	78,639.32
(a) Share capital	24,205.35	17,471.85
(b) Other Equity	103,134.90	96,111.17
<b>Total Equity</b>		
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities	28,030.89	26,273.41
(i) Borrowings	98.02	98.02
(b) Long term provisions	1,269.09	1,123.32
(c) Other non-current liabilities	29,398.00	27,494.75
<b>Current liabilities</b>		
(a) Financial liabilities	122.06	3,570.04
(i) Borrowings	4,786.89	4,527.35
(ii) Trade payables	2,919.62	2,042.90
(iii) Other current financial liabilities	204.28	118.37
(b) Provisions	1,373.52	819.33
(c) Other current liabilities	9,406.37	11,077.99
<b>Total Liabilities</b>	38,804.37	38,572.74
<b>Total Equity and Liabilities</b>	141,939.27	134,683.91

10. The Company is into Hoteliering business. As the Company operates in a single operating segment, it did not give rise to different operating segments in accordance with Ind AS 108 - Operating Segments.

By order of the Board  
for Lemon Tree Hotels Limited

  
Patanjali G. Keswani  
(Chairman & Managing Director)

Place : New Delhi  
Date : May 29, 2019





# Lemon Tree Hotels Limited

Q4 FY19 Earnings Presentation

May 29, 2019



# 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.



1	Company Overview
2	Chairman & Managing Director's Message
3	Performance Highlights
4	Financial & Operational Metrics
5	Key Developments / Business Updates
6	Growth Outlook
7	Annexures

# Lemon Tree – Snapshot as on 15<sup>th</sup> May, 2019



**5,525  
rooms;  
56 hotels**



**1,697  
rooms;  
12 hotels**







**2,555  
rooms;  
34 hotels**



**1,273  
rooms;  
10 hotels**



## Key Statistics

		31 <sup>st</sup> March FY18	Q3 FY19	Q4 FY19	15 <sup>th</sup> May FY19
	Cities	29	31	32	33
	Hotels	47	52	54	56
	Rooms	4802	5291	5411	5525
	Loyalty Members	719,146	889,080	947,776	978,444

# Portfolio Breakup as on 31<sup>st</sup> March, 2019

Operational Portfolio	Owned		Leased		Managed		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
<b>31.03.2019</b>								
Lemon Tree Premier	5	997	2	161	5	539	12	1,697
Lemon Tree Hotels	13	1241	4	321	15	879	32	2,441
Red Fox Hotels	5	759	1	91	4	423	10	1,273
<b>Total</b>	<b>23</b>	<b>2997</b>	<b>7</b>	<b>573</b>	<b>24</b>	<b>1,841</b>	<b>54</b>	<b>5,411</b>

In Pipeline	Owned		Leased		Managed		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
<b>31.03.2019</b>								
Lemon Tree Premier	4	1161	0	0	7	523	11	1,684
Lemon Tree Hotels	1	79	0	0	19	1456	20	1,535
Red Fox Hotels	0	0	0	0	2	170	2	170
<b>Total</b>	<b>5</b>	<b>1240<sup>#</sup></b>	<b>0</b>	<b>0</b>	<b>28</b>	<b>2,149</b>	<b>33</b>	<b>3,389</b>

# Of these owned 1,240 rooms in pipeline, 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, in which case total owned inventory in pipeline will increase to 1,332.

# Strategically positioned in key geographies with Lemon Tree share of total mid-priced hotel sector

- \* Geographical spread across India and presence in key markets to cater effectively to corporate clients and business travelers
- \* Hotel operations in each of the top 10 markets in India (based on hotel inventory)
- \* Focus in key micro markets to address demand and optimize pricing
- \* Hotels at locations with high barrier-to-entry such as close to major business centers, airports etc.
- \* International Locations- (Hotels/Rooms)
  - Thimphu : 2 / 65
  - Kathmandu : 1 / 75
  - Dubai : 1 / 114

**Jaipur:** FY17 – 11%  
FY21E – 10%

**Ahmedabad:** FY17 – 11%  
FY21E – 9%

**Mumbai:** FY17 – NA  
FY21E – 17%

**Pune:** FY17 – 5%  
FY21E – 9%

**Goa:** FY17 – 4%  
FY21E – 4%

**Bengaluru:** FY17 – 9%  
FY21E – 8%



**Delhi NCR:** FY17 – 14%  
FY21E – 16%

**Kolkata:** FY17 – NA  
FY21E – 8%

**Hyderabad:** FY17 – 24%  
FY21E – 21%

**Chennai:** FY17 – 5%  
FY21E – 4%

Source : Horwath Report

Note: For FY21E, share based on total rooms by end of FY21 and Horwath projection of total mid-priced sector supply in these markets

Map updated as of 15<sup>th</sup> May, 2019



### Commenting on the performance for FY19, Mr. Patanjali Keswani, Chairman & Managing Director – Lemon Tree Hotels Limited said,

*"We have delivered a top-line growth of 13.7% YoY in FY19 driven by 7.3% YoY increase in ADR and addition of 292 owned/leased rooms during the year. Our strong cost control and operating leverage resulted in EBITDA growth 24.1% YoY in FY19 and EBITDA margin expansion by 268 bps in FY19 over the previous year. Our PAT and Cashflow in FY19 increased by 287% YoY and 65% YoY respectively. After adjusting for the impact of deferred taxes our PAT and Cashflow increased by 161% and 32% respectively.*

*We continued to maintain our occupancy premium showing a 48 bps YoY improvement to 76.3% in FY19 from 75.9% in FY18, despite addition of the new supply of 377 owned/leased rooms, out of which 292 rooms were added during the year and 85 rooms were added just at the end of previous year. Excluding the new supply, occupancies increased by 188 bps YoY to 77.8%.*

*ADR hikes during FY19 were impacted by challenges faced by the airline industry, while the overall slowdown in the economy and consumption led to lower sales in our direct sales channel towards the end of FY19 whereas the period leading up to the election outcome resulted in lower corporate travel. We are confident that the formation of a strong government with a majority mandate at the centre, will create a strong growth framework that expands longer-term macro growth opportunities for the country. With acceleration in reforms and decision-making processes, normalcy restored and consumer confidence rising, we expect an uptick in ADR in the coming years. Our Pune property launched at the end of the last quarter should reach steady state over the next few quarters and we also expect our 303 room Mumbai hotel to be launched in June this year. We have a large supply of high value inventory getting operationalized in demand dense regions with high occupancies which will help augment our ADRs.*

*We are optimistic going into FY20 and expect an acceleration in our operational and financial performance. We are favourably placed going ahead in terms of our market positioning, sector tailwinds and brand visibility. We will capitalise on the changing industry dynamics with a large inventory of hotels moving towards steady state that were opened in the last 3 years during the down-cycle, operationalization of high value inventory in the coming quarters and our cost leadership."*

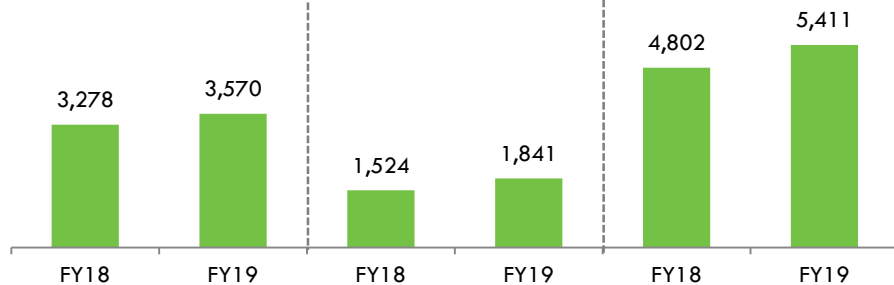
# Performance Highlights – Operational Metrics

## Operational Inventory

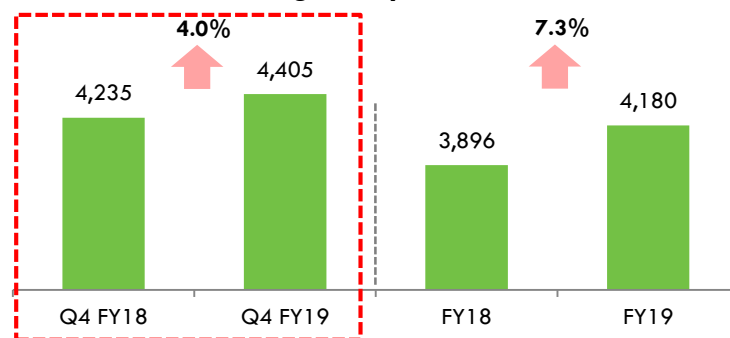
### Owned/Leased rooms

### Managed rooms

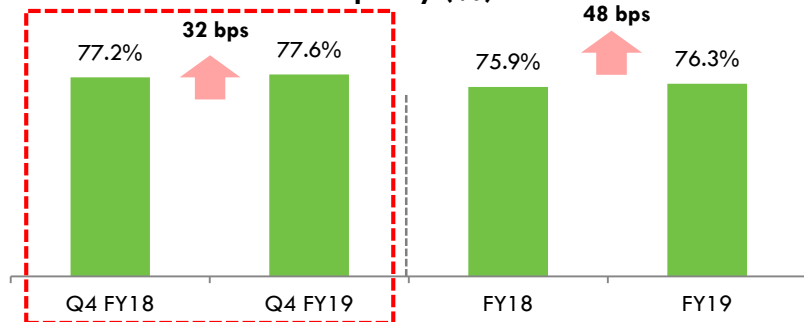
### Total rooms



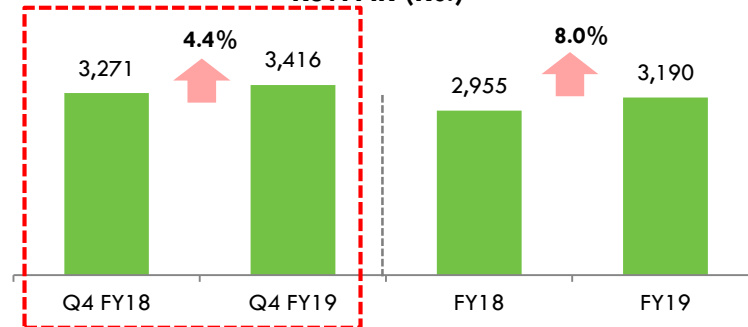
## Average Daily Rate (Rs.)



## Occupancy (%)



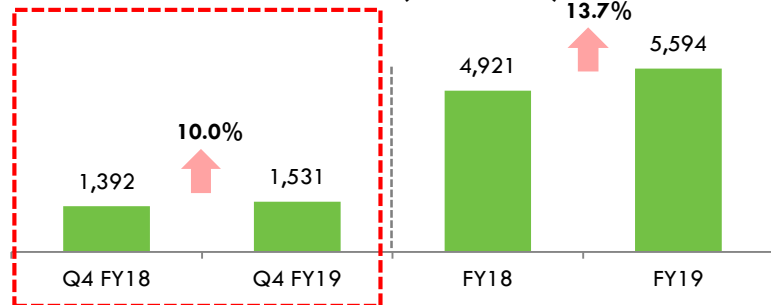
## RevPAR (Rs.)



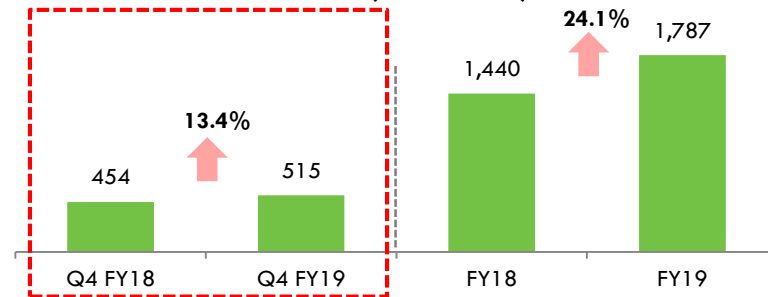
Note: ADR, Occupancy and RevPAR are for our owned and leased hotels only.

# Performance Highlights – Financial Metrics (Consolidated)

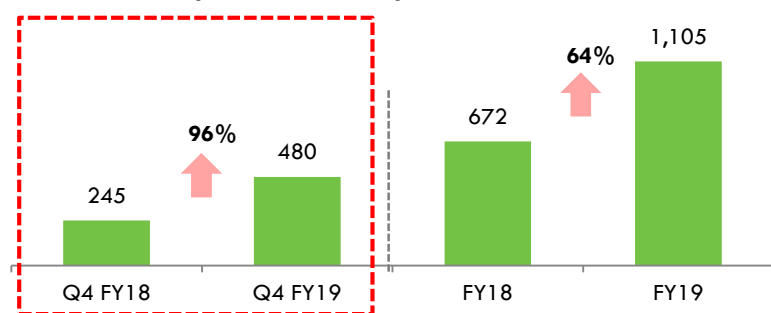
### Total Income (Rs. million)



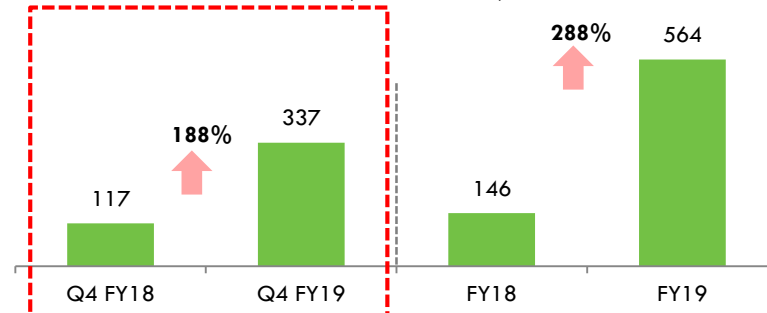
### EBITDA (Rs. million)



### Cash profit (PAT + Depreciation, Rs. million)



### PAT (Rs. million)



# Profit & Loss Statement (Consolidated)

Rs. millions	Q4 FY18	Q4 FY19	Change (%)	FY18	FY19	Change (%)
Revenue from operations	1,320	1,505	14.0%	4,843	5,495	13.5%
Other income	72	26	-64.5%	78	99	27.2%
<b>Total income</b>	<b>1,392</b>	<b>1,531</b>	<b>10.0%</b>	<b>4,921</b>	<b>5,594</b>	<b>13.7%</b>
Cost of F&B consumed	115	134	16.9%	436	498	14.3%
Employee benefit expenses	296	319	7.6%	1,096	1,205	10.0%
Other expenses	527	564	6.9%	1,949	2,104	7.9%
<b>Total expenses</b>	<b>938</b>	<b>1,016</b>	<b>8.3%</b>	<b>3,481</b>	<b>3,807</b>	<b>9.4%</b>
<b>EBITDA</b>	<b>454</b>	<b>515</b>	<b>13.4%</b>	<b>1,440</b>	<b>1,787</b>	<b>24.1%</b>
<b>EBITDA margin (%)</b>	<b>32.6%</b>	<b>33.6%</b>	<b>100 bps</b>	<b>29.2%</b>	<b>31.9%</b>	<b>268 bps</b>
Finance costs	201	238	18.6%	784	847	8.1%
Depreciation & amortization	128	143	12.0%	526	541	2.8%
<b>PBT</b>	<b>131</b>	<b>143</b>	<b>9.1%</b>	<b>183</b>	<b>453</b>	<b>146.9%</b>
Tax expense	13	(194)	-	38	(111)	-
<b>PAT</b>	<b>117</b>	<b>337</b>	<b>188.0%</b>	<b>146</b>	<b>564</b>	<b>287.4%</b>
<b>Cash Profit</b>	<b>245</b>	<b>480</b>	<b>95.9%</b>	<b>672</b>	<b>1,105</b>	<b>64.5%</b>

## Balance Sheet Snapshot (Consolidated)

Rs. million	FY18	FY19
Shareholder's Funds	8,148	8,750
Non-controlling interests	4,286	4,322
<b>Total Shareholder's equity</b>	<b>12,435</b>	<b>13,072</b>
Total Debt	10,110	12,042
Other Non-current liabilities	344	380
Other Current liabilities	1,693	2,224
<b>Total Equity &amp; Liabilities</b>	<b>24,582</b>	<b>27,718</b>
Non-current assets	23,200	25,752
Current assets	1,382	1,966
<b>Total Assets</b>	<b>24,582</b>	<b>27,718</b>
<b>Debt to Equity (x)</b>	<b>0.81</b>	<b>0.92</b>
<b>Average cost of borrowing (%)</b>	<b>9.53%</b>	<b>9.40%</b>



# Discussion on Consolidated Financial & Operational Performance – Q4 FY19

## Operational Rooms & Pipeline

- \* As of 15<sup>th</sup> May 2019, operational portfolio comprised of 56 hotels and 5,525 rooms : 2,997 owned, 573 leased and 1,955 managed rooms; Pipeline includes of 1,240 owned/leased and 2,149 managed rooms.
- \* Propose to add another 1,261 rooms to the operational inventory by the end of Q4 FY20 of which 584 rooms are owned and 677 rooms are managed. All owned/leased rooms are opening in high barrier-to-entry and demand dense markets with high occupancies and ADR's. This addition of owned rooms includes 303 rooms in Mumbai, 142 rooms in Kolkata and 139 rooms in Udaipur
- \* Plan to operate 66 hotels with 6,672 rooms across 44 cities by end of Q4 FY20
- \* Plan to operate 87 hotels with 8,800 rooms across 59 cities by CY21

## Revenue

- \* Total Revenue stood at Rs. 1,531 million in Q4 FY19, up 10.0% as compared to Rs. 1,392 million in Q4 FY18. Around 7% increase was on account of new inventory addition
- \* ADR increased by 4% from 4,235 in Q4FY18 to 4,405 in Q4 FY19
- \* Occupancy increased by 32 bps from 77.2% in Q4 FY18 to 77.6% in Q4 FY19. On same hotels basis it increased by 330 bps to 80.7%
- \* Fees from managed hotels stood at Rs. 52 million (3.4% of the total revenue) in Q4 FY19 as compared to Rs. 34 million (2.4% of the total revenue) in Q4 FY18

## Cost

- \* Total expenses increased by 8.3% in Q4 FY19 as compared to expenses in Q4 FY18. Around 8% increase was on account of new inventory. On same hotels basis it increased marginally by 0.3%

## Operating Margins

- \* EBITDA increased by 13.4% from Rs. 454 million in Q4 FY18 to Rs. 515 million in Q4 FY19
- \* EBITDA margins expanded by 100 bps from 32.6% in Q4 FY18 to 33.6% in Q4 FY19

## Profit after tax

- \* Profit after tax increased by 188% from Rs. 117 million in Q4 FY18 to Rs. 337 million in Q4 FY19. Rs. 240 million was on account of increase in deferred taxes. We also registered Rs 26 million loss in RFH Dehradun & LTP Pune which were opened during the year and are stabilizing right now. Excluding these two factors, the PAT increased by 6% from 112 million in Q4 FY18 to 118 million in Q4 FY19
- \* Cash Profit increased by 96% from Rs. 245 million in Q4 FY18 to Rs. 480 million in Q4 FY19.

# Discussion on Consolidated Financial & Operational Performance – FY19

## Revenue

- \* Total Revenue stood at Rs. 5,594 million in FY19, up 13.7% as compared to Rs. 4,921 million in FY18. Around 4.0% increase was on account of new inventory addition
- \* ADR increased by 7.3% from 3,896 in FY18 to 4,180 in Q4 FY19
- \* Occupancy increased by 48 bps from 75.9% in FY18 to 76.3% in FY19. On a same store basis it increased by 188 bps to 77.8%
- \* Fees from managed hotels stood at Rs. 169 million (3.0% of the total revenue) in FY19 as compared to Rs. 104 million (2.1% of the total revenue) in FY18

## Cost

- \* Total expenses increased by 9.4% in FY19 as compared to expenses in FY18. Around 4.7% increase was on account of new inventory. On same hotels basis it increased by 4.7%

## Operating Margins

- \* EBITDA increased by 24.1% from Rs. 1,440 million in FY18 to Rs. 1,787 million in FY19
- \* EBITDA margins expanded by 268 bps from 29.2% in FY18 to 31.9% in FY19

## Profit after tax

- \* Profit after tax increased by 288% from Rs. 146 million in FY18 to Rs. 564 million in FY19. Rs. 225 million was on account of increase in deferred taxes while a loss of Rs 36 million was registered in RFH Dehradun & LTP Pune. Excluding these two factors, the PAT increased by 190% from 121 million in FY18 to 350 million in FY19
- \* Cash Profit increased by 64% from Rs. 672 million in FY18 to Rs. 1,105 million in FY19.

# Operational Performance by Brands – FY19 vs. FY18

## Q4 FY19 vs. Q4 FY18

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR <sup>2</sup> /room (Rs. million)			Hotel level EBITDAR <sup>2</sup> Margin		
	Q4 FY19	Q4 FY18	Change (bps)	Q4 FY19	Q4 FY18	Change (%)	Q4 FY19	Q4 FY18	Change (%)	Q4 FY19	Q4 FY18	Change (bps)
By Brand												
Lemon Tree Premier	84.2%	78.1%	614	5,383	5,178	4.0%	0.26	0.22	19.6%	47.4%	43.3%	412
Lemon Tree Hotels	77.3%	74.2%	305	4,364	4,246	2.3%	0.17	0.13	34.1%	41.0%	34.0%	696
Red Fox Hotels	83.3%	82.1%	118	3,269	3,086	5.9%	0.14	0.11	27.1%	47.8%	40.5%	731

## FY19 vs. FY18

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR <sup>2</sup> /room (Rs. million)			Hotel level EBITDAR <sup>2</sup> Margin		
	FY19	FY18	Change (bps)	FY19	FY18	Change (%)	FY19	FY18	Change (%)	FY19	FY18	Change (bps)
By Brand												
Lemon Tree Premier	81.4%	77.2%	414	5,131	4,773	7.5%	1.00	0.88	13.2%	47.4%	46.2%	120
Lemon Tree Hotels	74.3%	74.2%	8	4,088	3,848	6.2%	0.58	0.51	13.4%	37.3%	36.0%	126
Red Fox Hotels	79.6%	77.2%	239	3,128	2,860	9.4%	0.51	0.43	20.2%	47.1%	44.9%	224

Note:

1) These performance results do not include LTP Pune and RFH Dehradun

# Operational Performance by Region – FY19 vs. FY18

## Q4 FY19 vs. Q4 FY18

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR <sup>2</sup> /room (Rs. million)			Hotel level EBITDAR <sup>2</sup> Margin		
	Q4 FY19	Q4 FY18	Change (bps)	Q4 FY19	Q4 FY18	Change (%)	Q4 FY19	Q4 FY18	Change (%)	Q4 FY19	Q4 FY18	Change (bps)
By Brand												
Delhi	86.8%	86.8%	2	4,901	4,567	7.3%	0.24	0.21	18.0%	46.5%	42.3%	425
Gurugram	79.2%	73.9%	534	4,272	4,134	3.3%	0.18	0.09	92.2%	39.3%	24.9%	1,446
Hyderabad	83.1%	74.6%	849	4,178	3,924	6.5%	0.20	0.14	41.4%	47.8%	40.4%	741
Bengaluru	79.2%	75.3%	389	4,770	4,403	8.3%	0.22	0.18	21.1%	48.7%	43.4%	530

## FY19 vs. FY18

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR <sup>2</sup> /room (Rs. million)			Hotel level EBITDAR <sup>2</sup> Margin		
	FY19	FY18	Change (bps)	FY19	FY18	Change (%)	FY19	FY18	Change (%)	FY19	FY18	Change (bps)
By Brand												
Delhi	84.2%	83.7%	54	4,591	4,091	12.2%	0.90	0.76	18.0%	46.4%	44.0%	238
Gurugram	74.8%	70.2%	462	4,182	3,940	6.1%	0.57	0.35	60.0%	34.6%	26.2%	841
Hyderabad	81.0%	75.4%	557	4,000	3,695	8.3%	0.79	0.64	22.2%	49.3%	48.1%	118
Bengaluru	79.1%	77.2%	197	4,414	4,020	9.8%	0.81	0.75	8.1%	46.8%	46.6%	20

# 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 <sup>1</sup>	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 <sup>2</sup> /room (Rs. million)	FY19	0.72	0.49	0.11	High*
	FY18	0.67	0.49	0.15	
Hotel level EBITDAR <sup>2</sup> Margin (%)	FY19	44%	33%	40%	High*
	FY18	44%	36%	15%	
Hotel level ROCE <sup>*3</sup> (%)	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.

## Expansion Plans – Hotels under Development

Under-development hotels	Type	Rooms	Expected Opening date	Ownership (%)
Lemon Tree Premier, Andheri (East), Mumbai	Owned	303	June-19	100.00%
Lemon Tree Premier, Kolkata	Owned	142	Oct-19	57.98%
Lemon Tree Premier, Udaipur	Owned	139	Oct-19	57.98%
Lemon Tree Mountain Resort, Shimla	Owned	69	Apr-21	100.00%
Lemon Tree Vembanad Lake Resort, Alleppey, Kerala <sup>1</sup>	Owned	10	Oct-21	100.00%
Lemon Tree Premier, Intl. Airport, Mumbai <sup>2</sup>	Owned	577	Nov-21	57.98%
<b>Total</b>		<b>1,240</b>		

- \* Total estimated project cost is Rs. 16,150 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 31<sup>st</sup> March, 2019 is Rs. 8,874 million
- \* Balance investment of Rs. 7,276 million will be deployed over the next 3 years in a phased manner, the majority of which will be through internal accruals

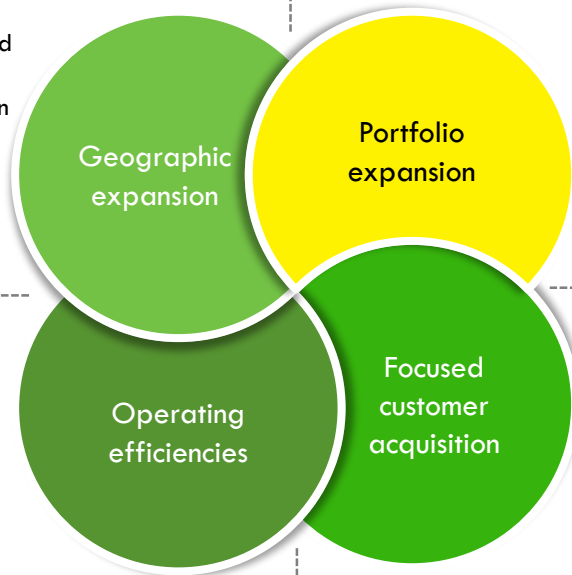
**Notes:** 1) Expansion in existing hotel.

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 May 15<sup>th</sup> , 2019)

Management Contracts Pipeline	Rooms	Expected Opening date	Tenure (years)
Lemon Tree Premier, Rishikesh	66	Aug-19	12
Red Fox Hotel, Vijaywada	90	Sep-19	10
Lemon Tree Hotel, Dubai	114	Sep-19	10
Lemon Tree Hotel, Shirdi	59	Sep-19	12
Lemon Tree Hotel, BKC, Mumbai	70	Dec-19	15
Lemon Tree Hotel, Thimpu	27	Dec-19	12
Lemon Tree Premier, Dwarka	108	Dec-19	15
Red Fox Hotel, Neelkanth	80	Dec-19	12
Lemon Tree Premier, Coorg	63	Jan-20	15
<b>Management Rooms to be Operational in FY 20</b>	<b>677</b>		
Lemon Tree Hotel, Gulmarg	35	Apr-20	10
Lemon Tree Hotel, Jhansi	60	Apr-20	12
Lemon Tree Premier, Dindy	50	Apr-20	10
Lemon Tree Resort, Mussoorie	40	Apr-20	15
Lemon Tree Premier, Bhubaneshwar	76	Apr-20	10
Lemon Tree Hotel, Rishikesh	102	Jun-20	15
Lemon Tree Hotel, Ranthambore	60	Aug-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 Hotel, Thimpu	38	Oct-20	10
Lemon Tree Hotel, Ludhiana	60	Dec-20	10
Lemon Tree Premier, Vijaywada	120	Mar-21	12
<b>Management Rooms to be Operational in FY 21</b>	<b>1183</b>		
Lemon Tree Hotel, Kathmandu	75	Apr-21	10
Lemon Tree Hotel, Trivandrum	100	Sep-21	10
<b>Total Pipeline</b>	<b>2035</b>		

- Geographical diversification to reduce exposure to local, seasonal and cyclical fluctuations as well as provide greater choice to an expanding loyal (repeat) guest base
- Expand into new markets like Mumbai, Kolkata and Patna and India's tier II and tier III cities offering potential for market share gains, brand recognition and economies of scale
- Penetrate demand dense micro-markets in existing geographies, with higher ROCE's



- Significant operating leverage from incremental revenue gains in existing hotels and low, stable cost structures
- Blended ADR's to improve over the next few years with highest demand-supply mismatch seen in mid-scale segment and with operationalization of additional room inventory in premium markets like Mumbai, Udaipur, etc.
- Sustained occupancy premium to lead to strong cash flow generation

- Strong competitive position in mid-priced hotel sector to drive market share gains
  - Strong pipeline of owned, leased and managed hotels under active development – 65% of current operational portfolio
  - To record 22% CAGR in room inventory growth over FY19-21E driven by 40% CAGR in managed rooms
  - Plan to operate 87 hotels with 8,800 rooms, across 59 cities by CY21 (over 11% of estimated mid-priced sector share), as per Horwath report)
- Increased focus on leisure and vacation travel needs of the Indian travellers
- Increased market share of high-yield online hotel bookings (dynamic day-to-day pricing) from 19% in FY17 to 23% in FY19.

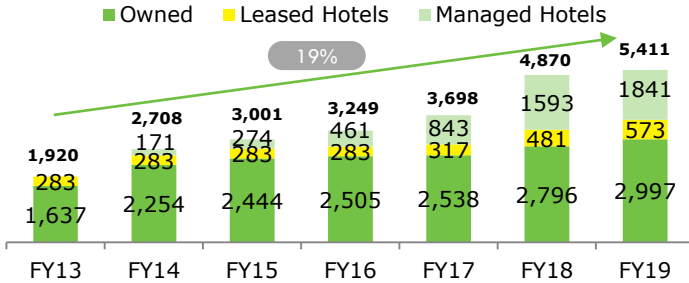




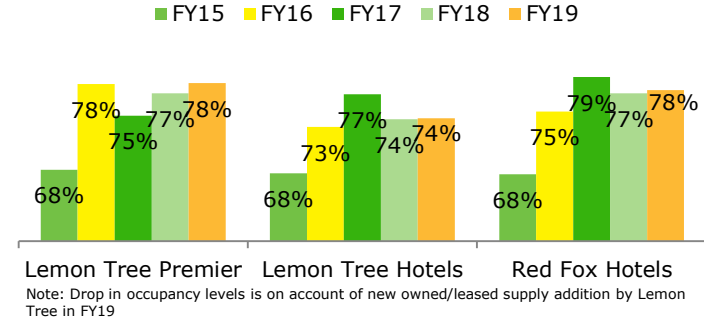
## ANNEXURES

# Strong operating performance

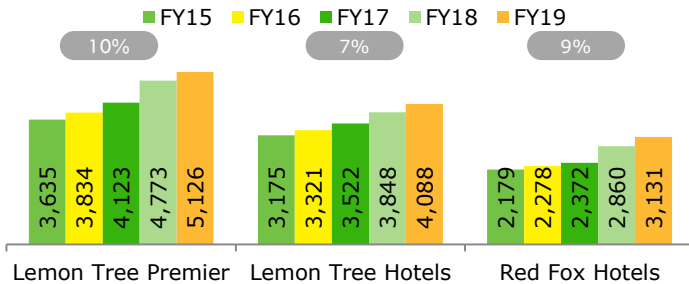
## Rooms are being added...



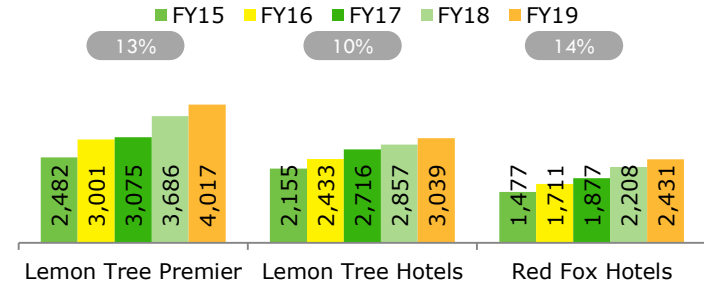
## ...and occupancy levels increasing...



## ...coupled with increasing ADR...



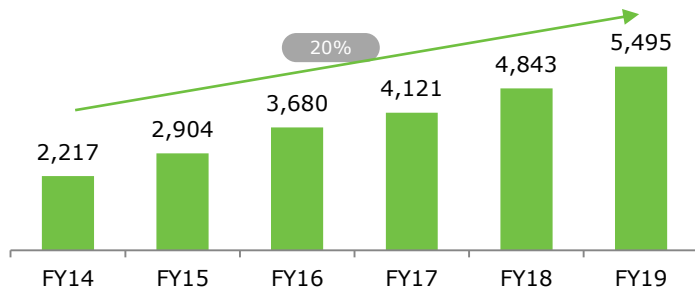
## ...leading to a RevPAR growth



# Strong Growth and improving margins

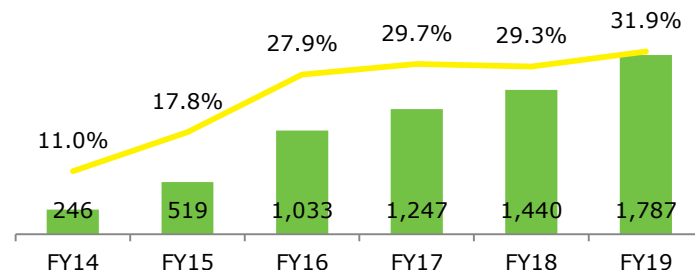
## Revenue has increased at 20% over the last 5 years...

Revenue from operations (Rs. million)



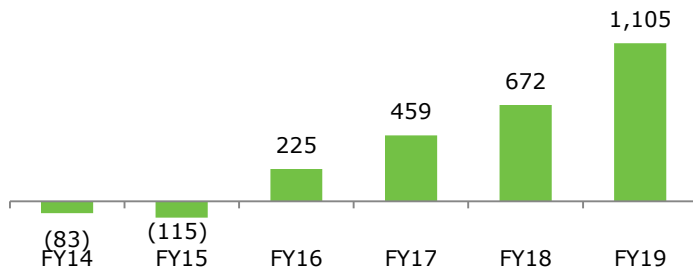
## ...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



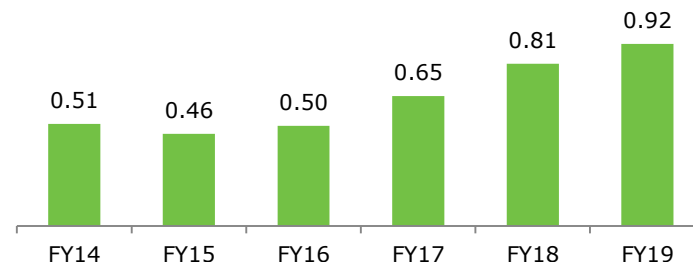
## Increasing cash profit\* growth

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



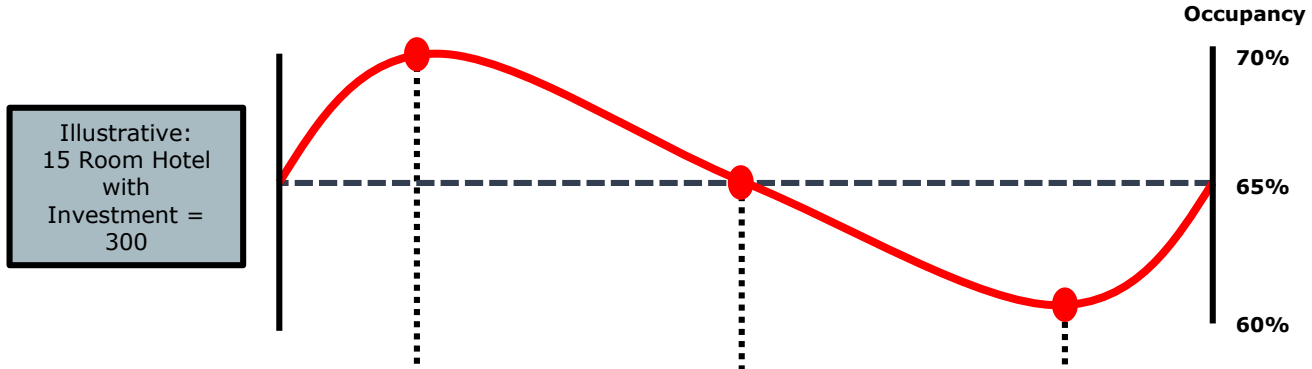
## Gearing low

Debt/Equity



Note: FY14, FY15 and FY16 figures are from Lemon Tree Prospectus. FY17, FY18 and FY19 figures are from audited balance sheet.

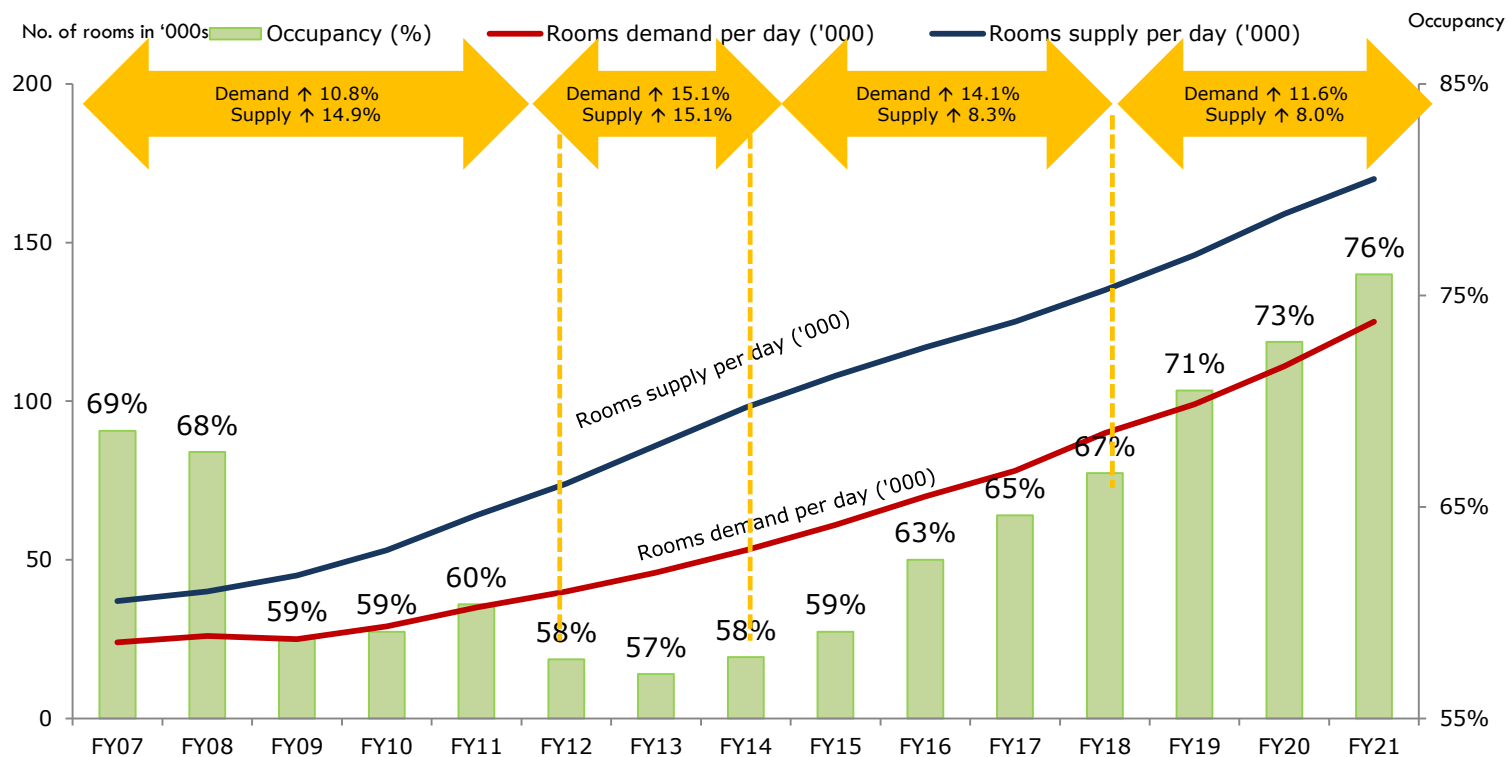
# The hotel business cycle



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

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

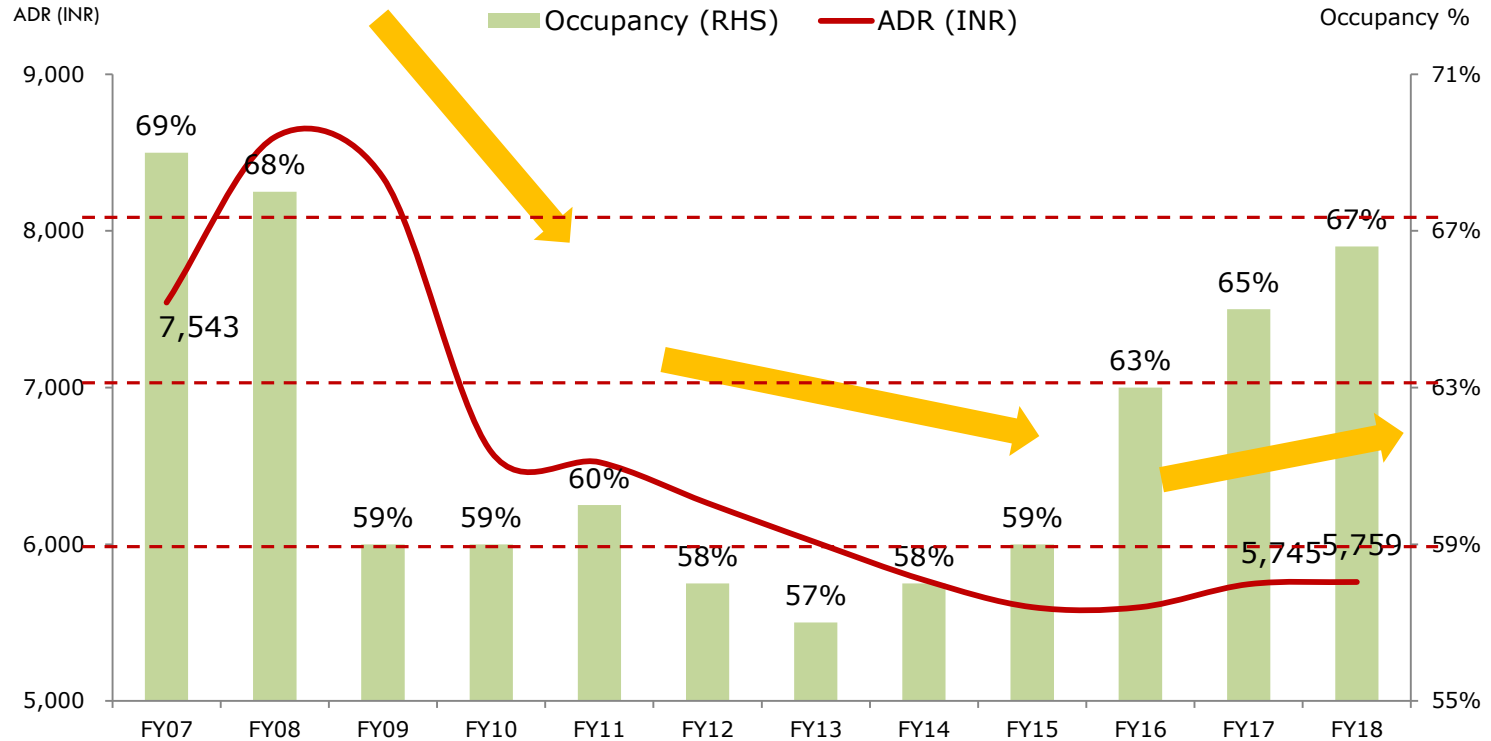
## Slowing supply and rising demand is expected to increase occupancy



Source : Horwath Report 2017, Hotelivate Trend and Opportunities Report 2018

# Increasing occupancy leading to increase in room rates

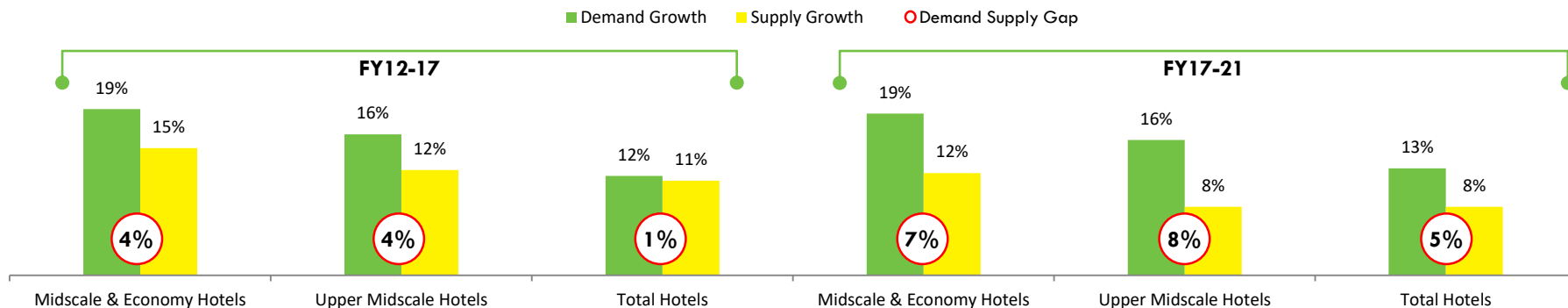
**Average Daily Rate (ADR) is increasing with increase in occupancy rates**



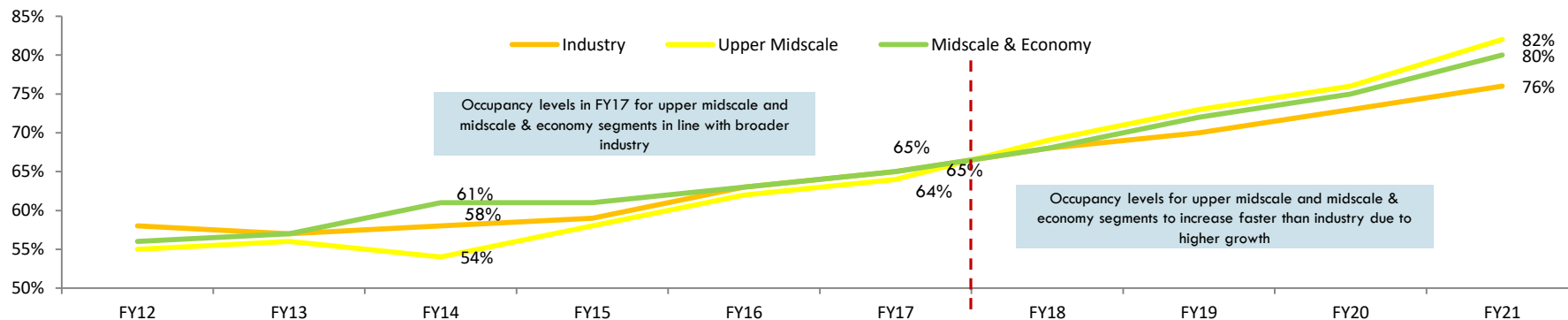
Source : Horwath Report 2017, Hotelivate Trends and Opportunities Report 2018

# Mid-priced hotel sector expected to have higher demand supply gap resulting in higher growth in occupancy

## Mid-priced hotel sector expected to continue having higher demand-supply gap leading to...



## ...faster growth in expected occupancy



## Lemon Tree Hotels Limited (LTH) Q4 FY19 Earnings Conference Call

### Time

- 2:00 PM IST on Friday, May 31, 2019

### Conference dial-in Primary number

- Primary number: +91 22 6280 1141 / +91 22 7115 8042

### Local access number

- +91 70456 71221 (Available all over India)

### International Toll Free Number

- Hong Kong: 800 964 448
- Singapore: 800 101 2045
- UK: 0 808 101 1573
- USA: 1 866 746 2133



Lemon Tree Hotels (LTH) is the largest mid-priced hotel sector chain, and the third largest overall, on the basis of controlling interest in owned and leased rooms, as of June 30, 2017, according to the Horwath Report. LTH operates in the mid-priced hotel sector, consisting of the upper midscale, midscale and economy hotel segments and seeks to cater to Indian middle class guests and deliver differentiated yet superior service offerings, with a value-for-money proposition.

LTH opened its first hotel with 49 rooms in May 2004 and plans to operate 87 hotels with 8,800 rooms, across 58 cities by FY 2021 in India and abroad.

Lemon Tree hotels are located across India, in metro regions, including the NCR, Bengaluru, Hyderabad and Chennai, as well as tier I and tier II cities such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore and Aurangabad. New hotels will open shortly in Mumbai, Pune, Kolkata and Udaipur.

*For more information about us, please visit [www.lemontreehotels.com](http://www.lemontreehotels.com) or contact:*

Kapil Sharma (Chief Financial Officer)

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