

IHCL

Investor Presentation

May 2019



SELEQIONS

VIVANTA

GINGER

EXPRESSIONS



We are South Asia's largest hospitality company with a legacy of 115 years

100+

locations

4

continents

12

countries

179

hotels

22,000+

keys

32,000+

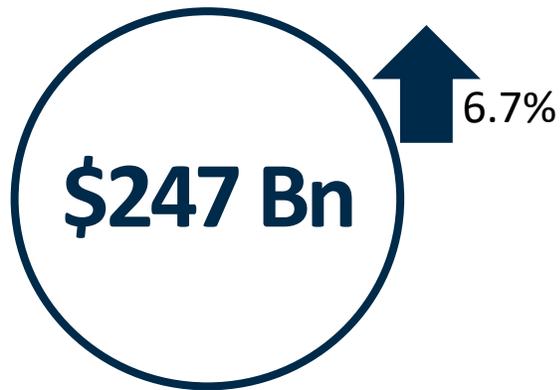
associates

\$1 Billion+

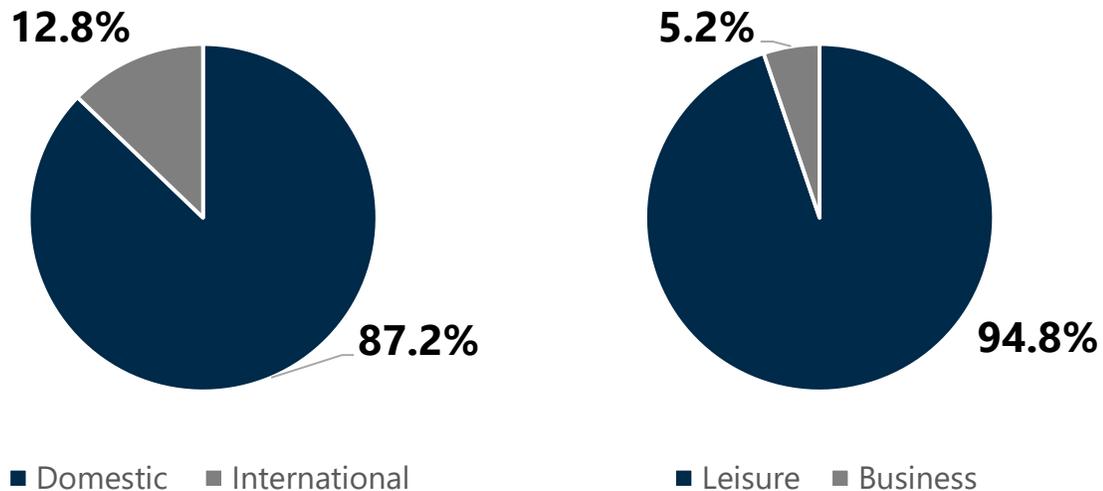
Group revenue



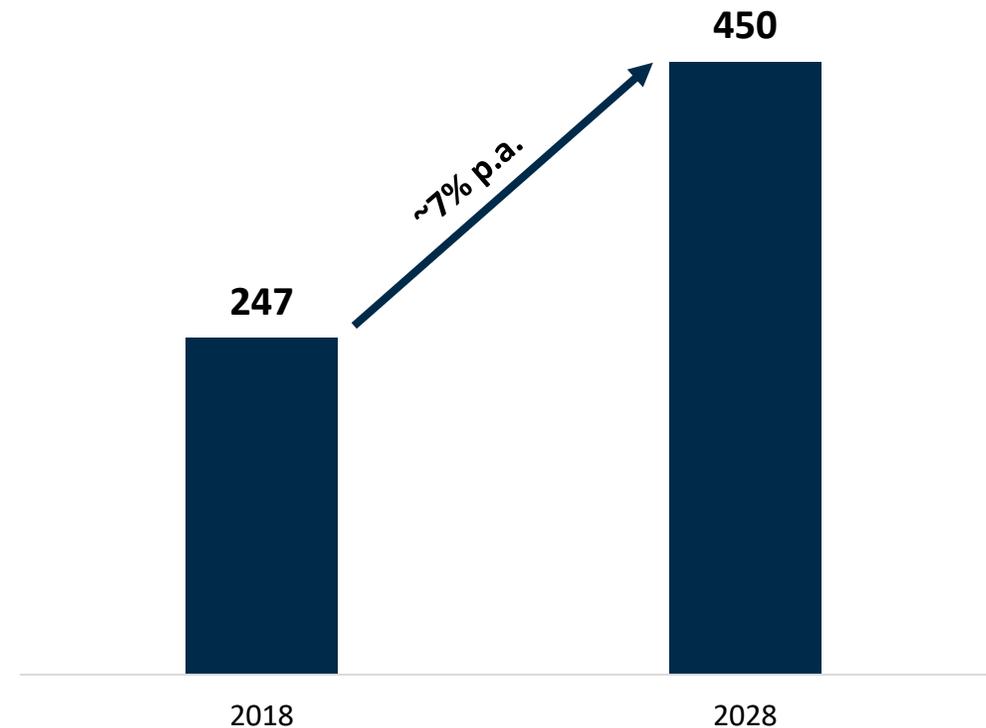
Travel & Tourism in India – The outlook continues to be strong



2018 - T&T Contribution to GDP



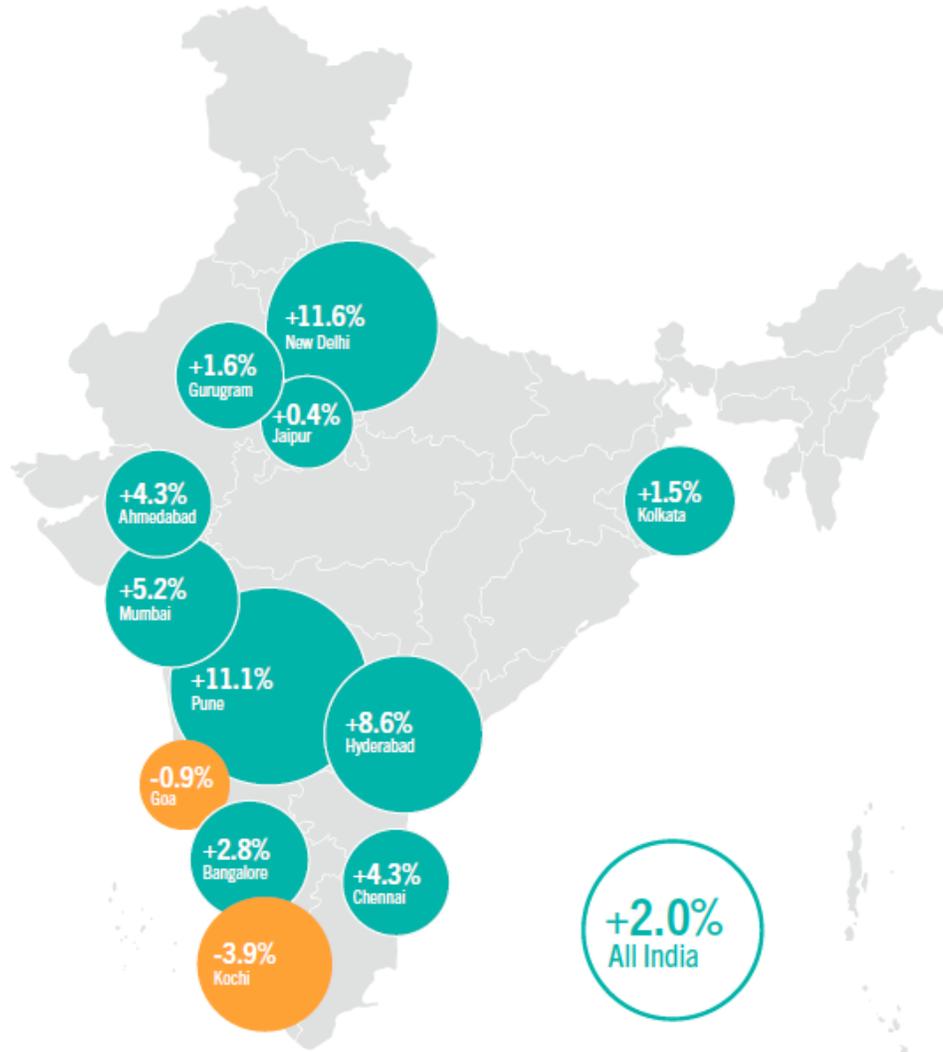
T&T Contribution to GDP
(10 year outlook)



Creation of 10 Mn jobs in the next 10 years

Source: WTTC Report - Travel & Tourism Economic Impact 2019

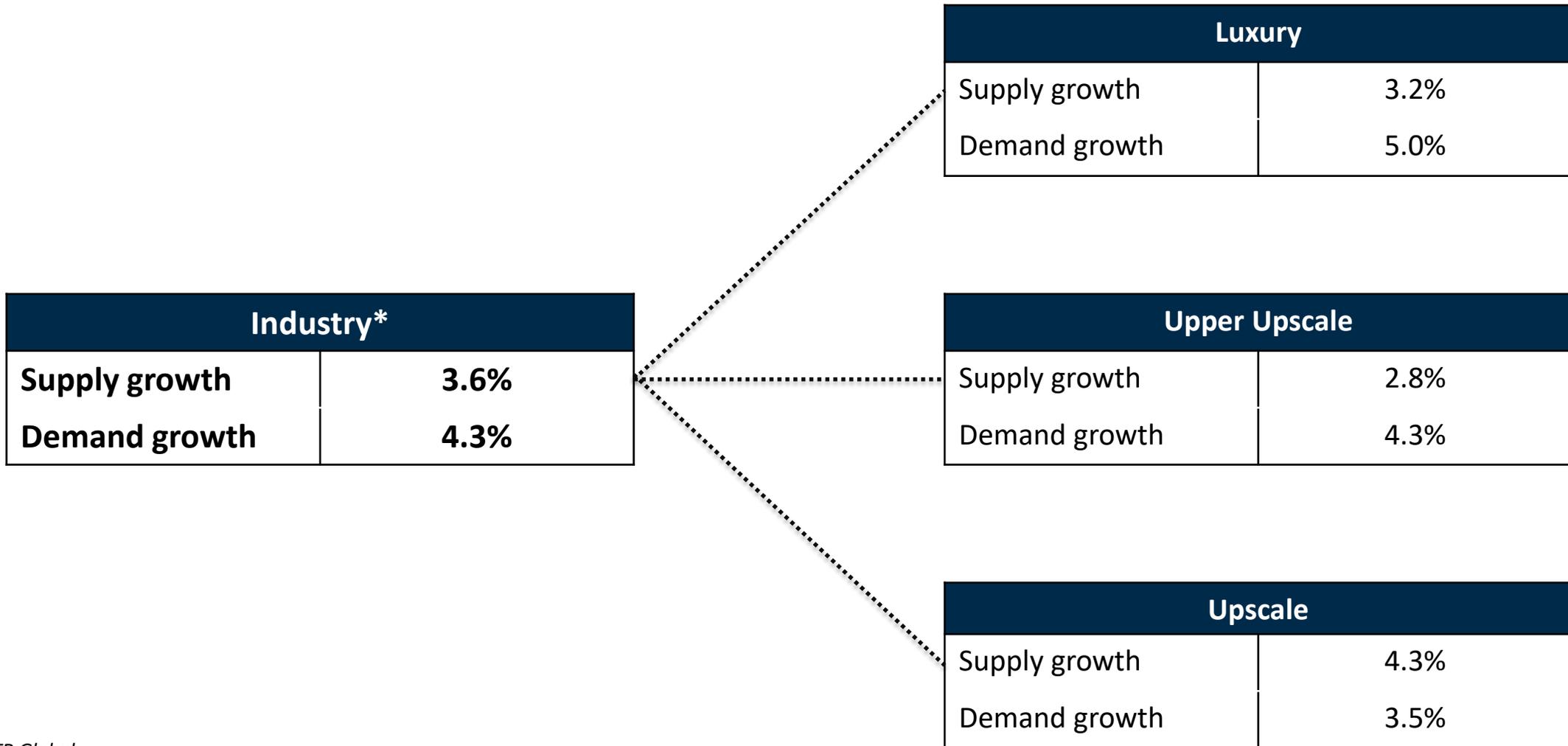
The Indian hospitality market is turning around



	Industry	Same Store
Occupancy	65.3% (0.2 pp)	67.0% (1.7 pp)
ARR	₹ 5,846 (1.8 %)	₹ 5,920
RevPAR	₹ 3,819 (2.0 %)	₹ 3,968

Source : STR Horwath India Hotel Market Review 2018 report

Demand growth outpacing supply

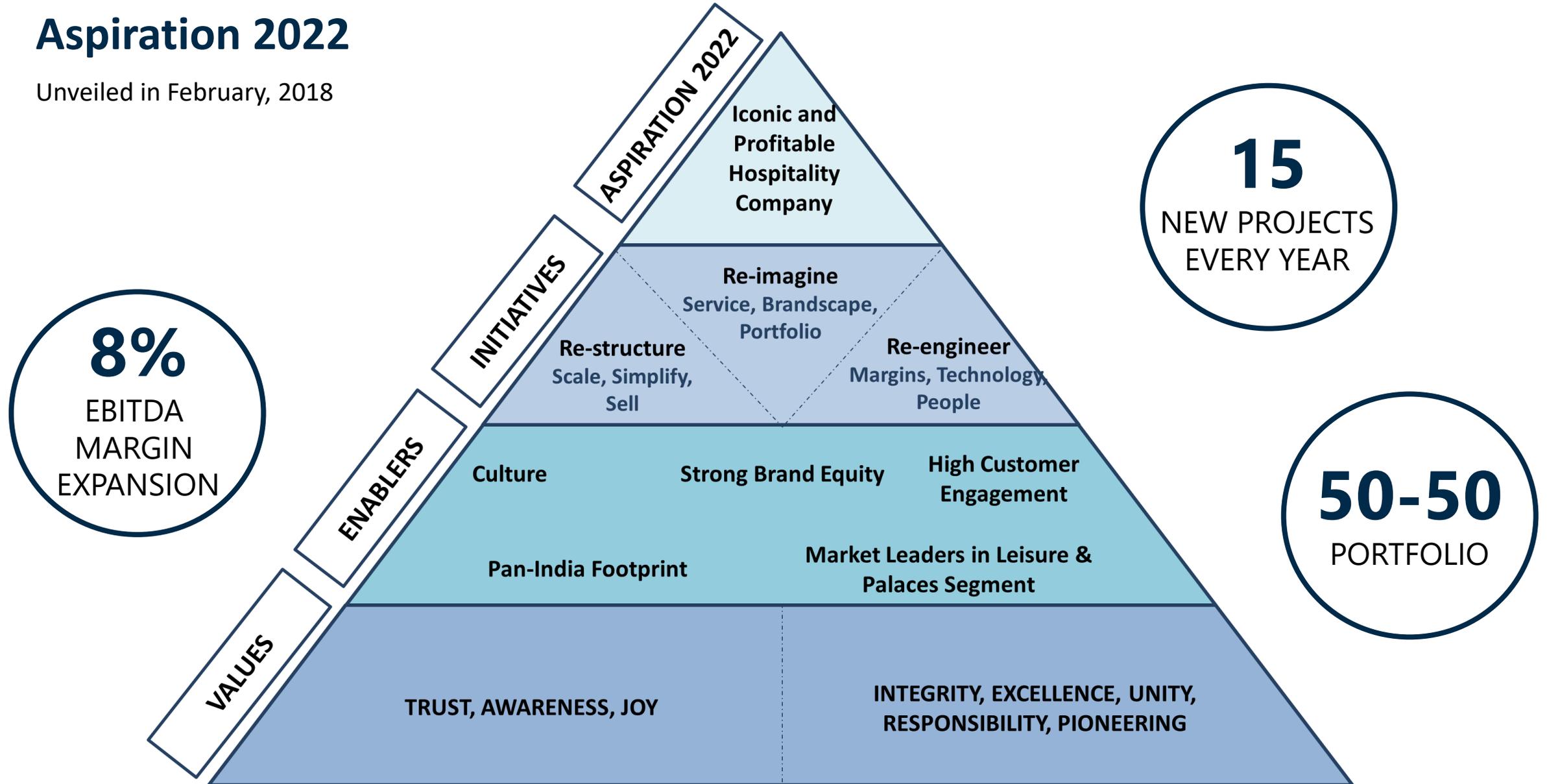


Source : STR Global

*All figures are for calendar year 2018 **Does not include midscale and budget segments

Aspiration 2022

Unveiled in February, 2018



Strategic Initiatives

Path to Execution

Re-structure

- Scale up Inventory
- Sell Non Core Assets
- Simplify Holding Structure

Re-imagine

- Manage Brandscape
- Multiply Portfolio
- Manoeuvre Excellence

Re-engineer

- Expand Margins
- Embrace Technology
- Engage People

Reimagined Brandscape



*Portfolio including pipeline

Pipeline Ramped up

SMART

Strategic

Margin
Enhancing

Asset
Management

Relationships

Tracking

22

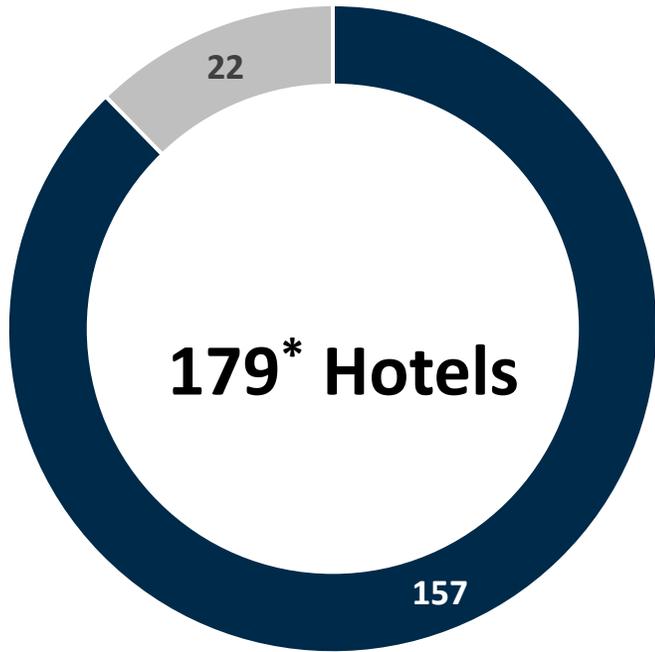
+

4

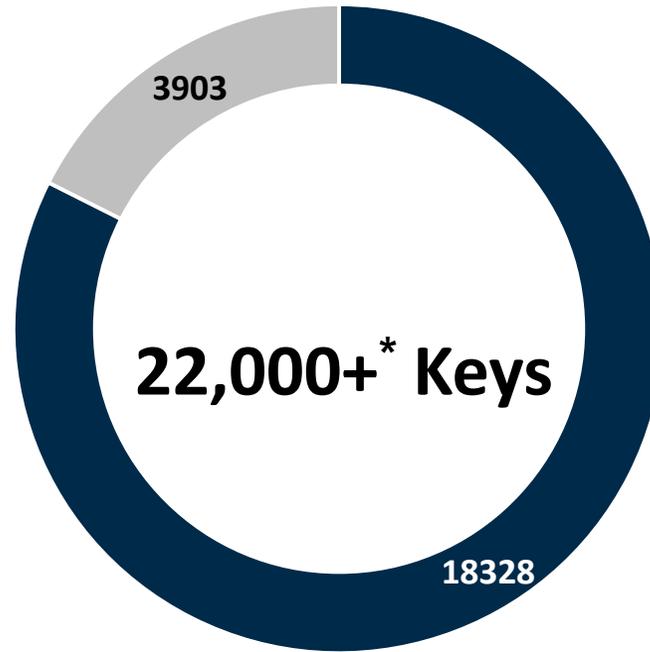
New Contracts Signed in **FY 2018/19**

Signed in **April, 2019**

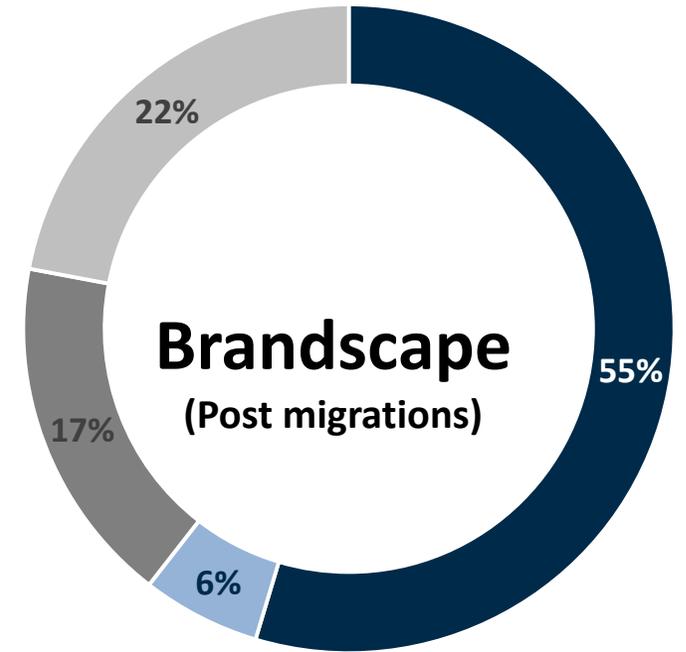
Our Portfolio – India Focus, selective International Expansion



■ Domestic ■ International



■ Domestic ■ International

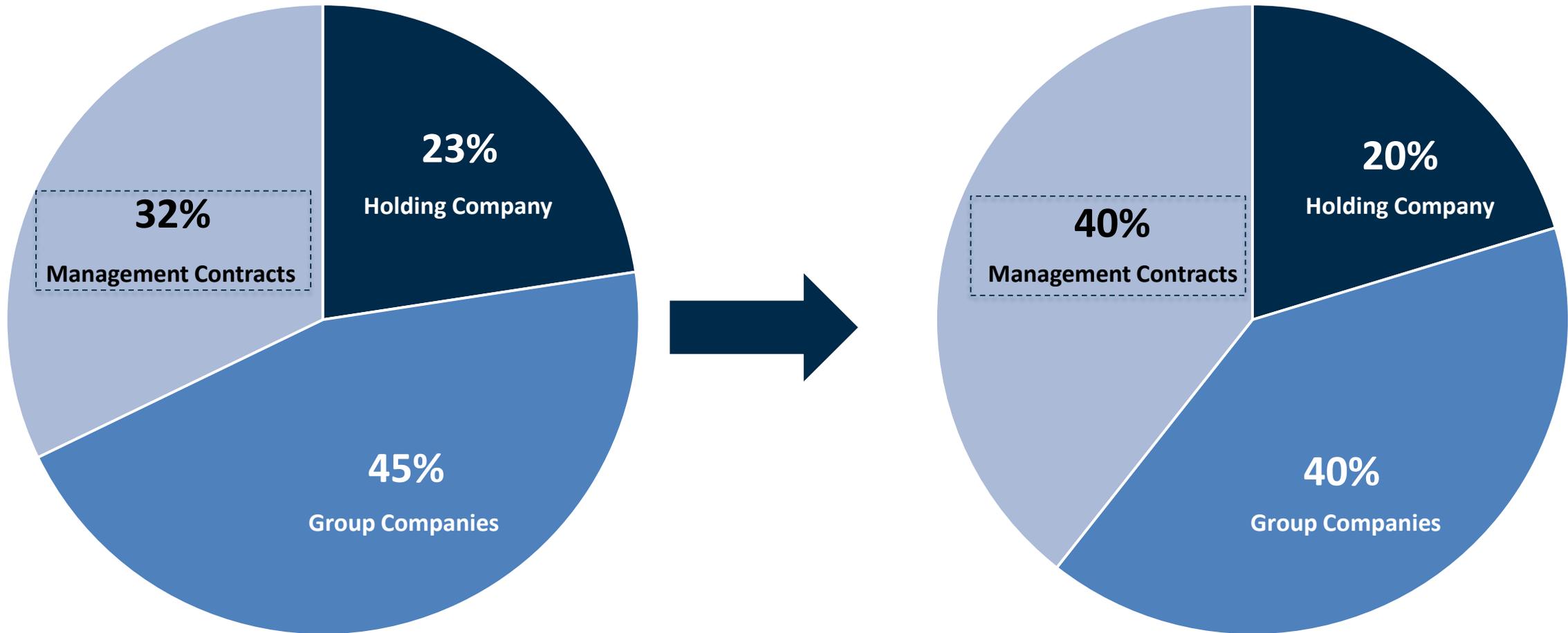


■ Taj ■ SeleQtions ■ Vivanta ■ Ginger

179 hotels with 149 operational and another 30 under development

*including pipeline

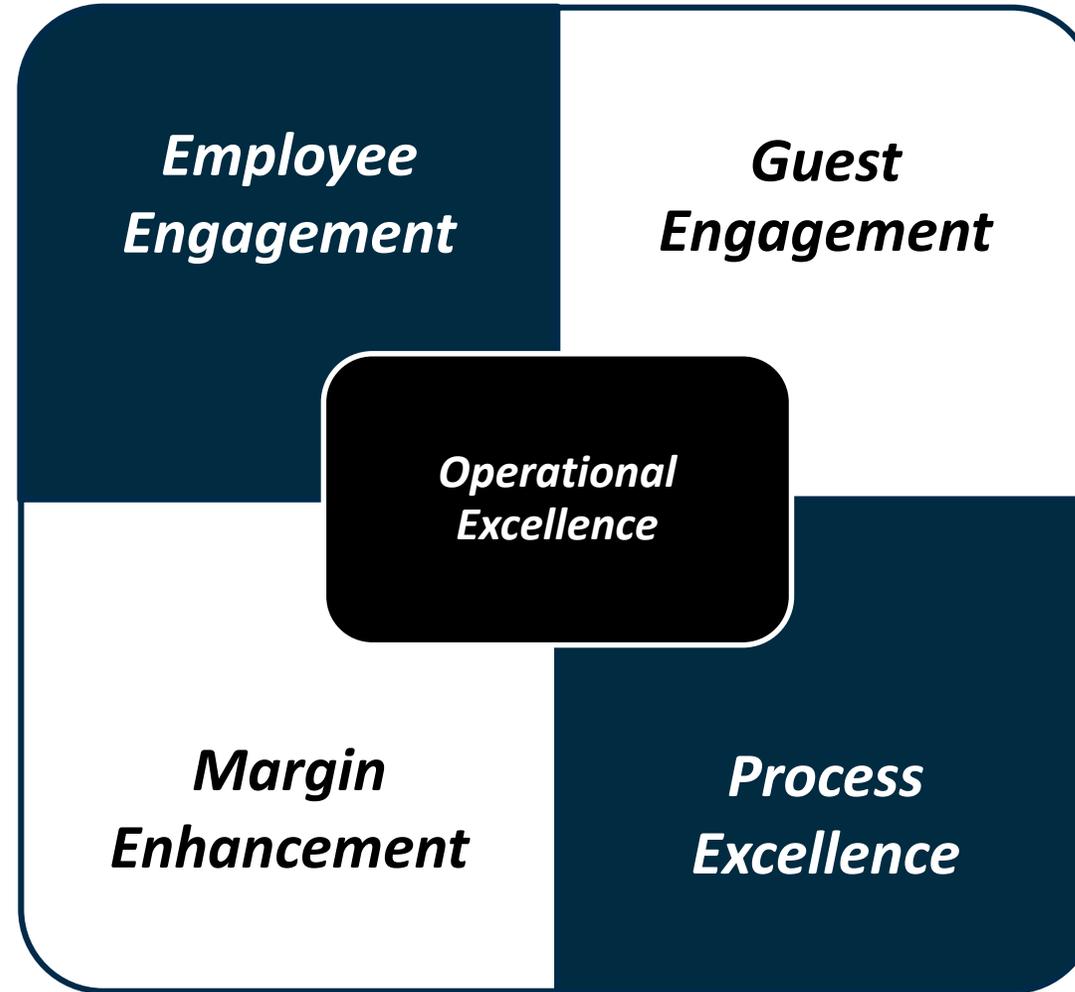
Increasing Salience of Management Contracts underscores Asset Light Approach



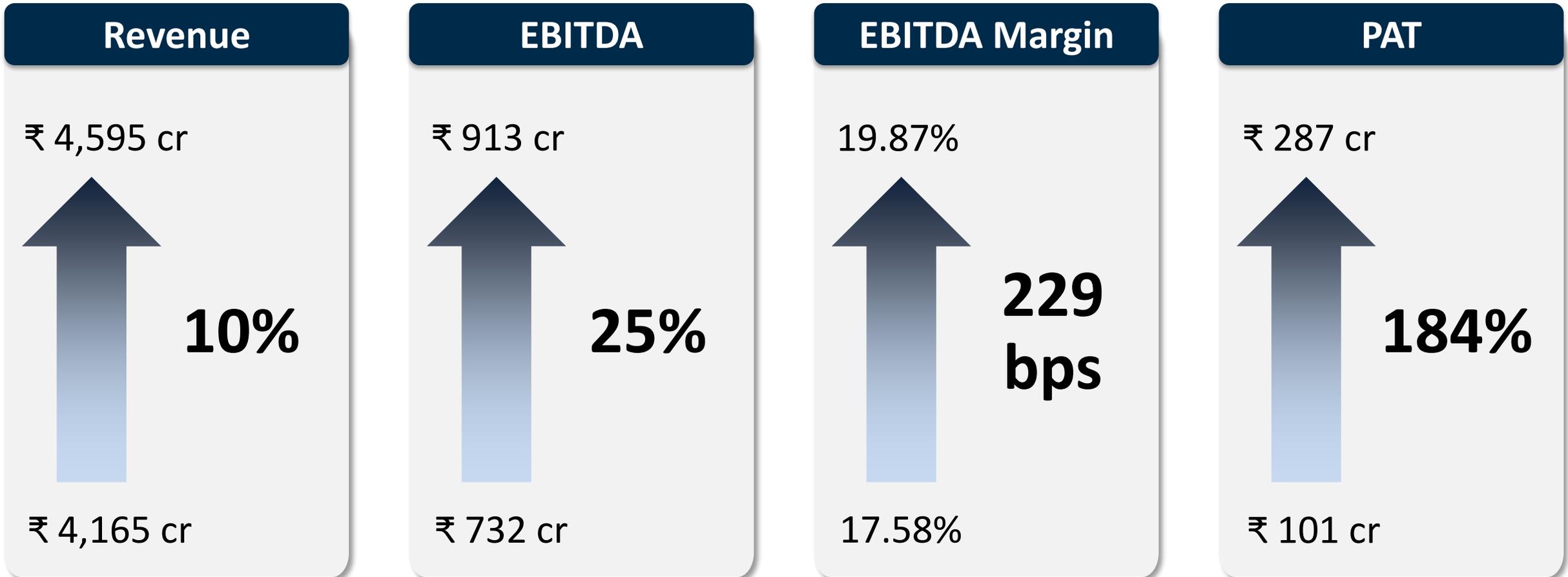
Portfolio as on 31st March 2018

Portfolio as on 31st March 2019

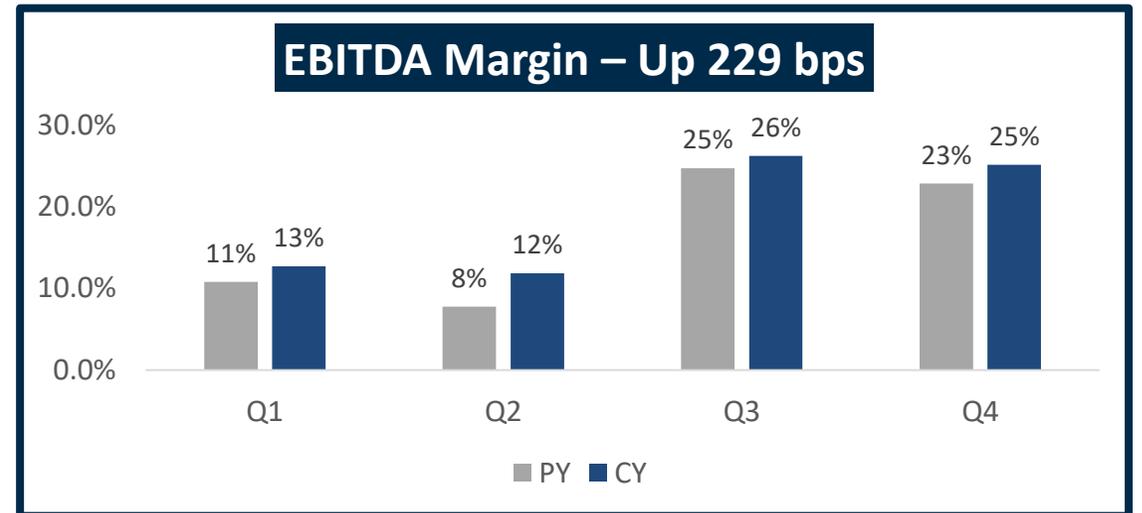
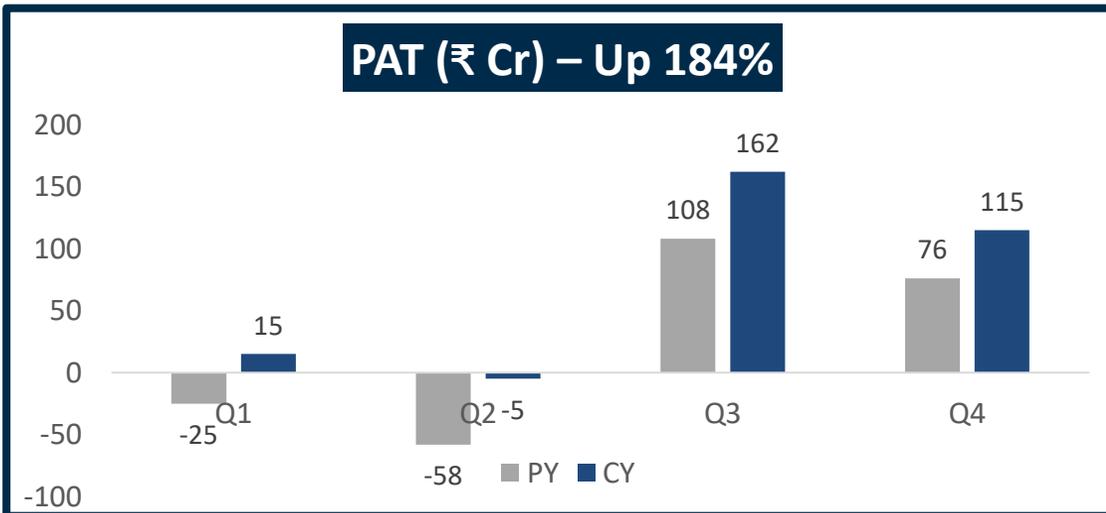
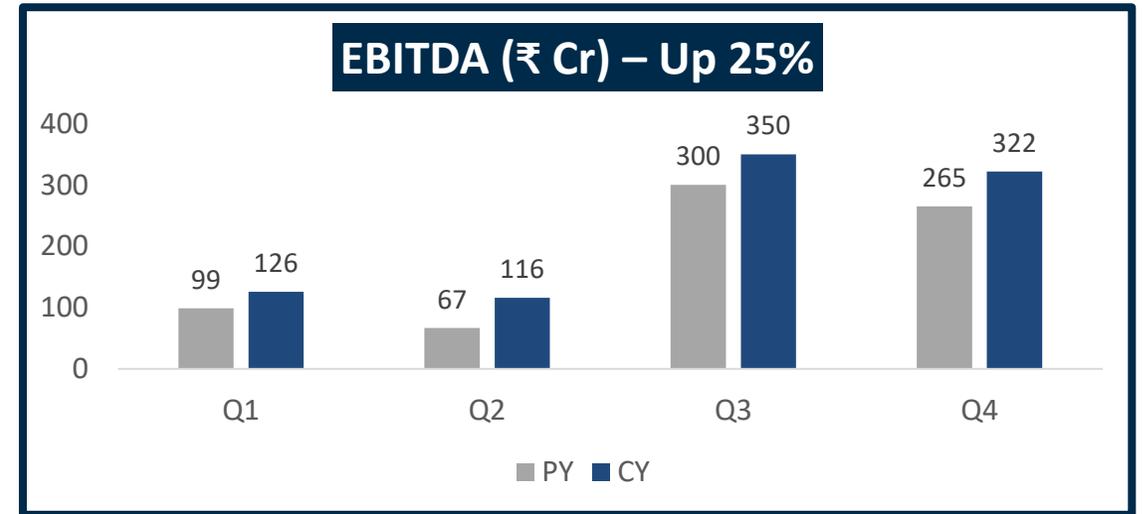
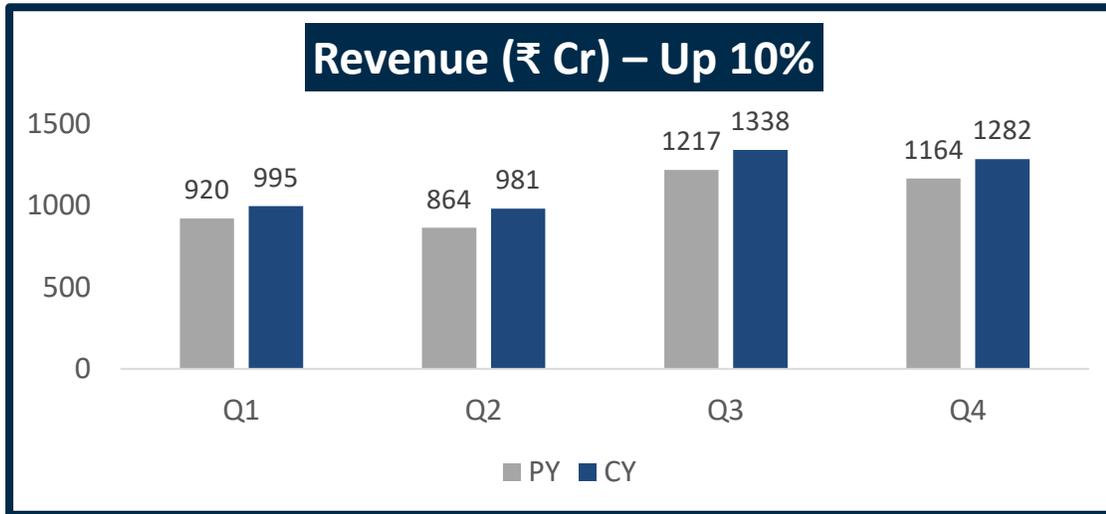
Onground Operational Excellence driving Business Performance



Strong Consolidated Performance – FY 2018 / 19



Achieved Sustainably Quarter on Quarter



An ornate, classical-style lobby with a large, colorful circular rug in the center. In the foreground, a round glass-topped table holds a large, ornate vase filled with greenery and white flowers. Two blue upholstered chairs are positioned around the table. The background features a grand staircase with a white balustrade, a man in a blue jacket standing near a doorway, and walls adorned with classical murals and candelabras. The lighting is warm and ambient.

Financial Turnaround

EXIT

Journey so far

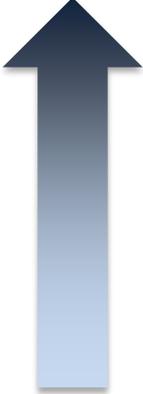
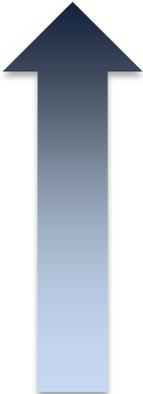
	2015 / 16	2016 / 17	2017 / 18	Now
Industry uptick	✘	✘	✓	✓
Balance Sheet strength	✘	✘	✓	✓
Strategic Clarity	✘	✘	✓	✓
Delivery of Performance	✘	✘	✘	✓
Development Momentum	✘	✘	✘	✓

Consolidated – Reported Profit & Loss Statement

₹ /crores

Particulars	Year Ended 2018/19		
	18/19	17/18	Growth vs PY
Revenue from Operations	4,512	4,104	10%
Non Operating Revenue	83	62	35%
Total Revenue	4,595	4,165	10% ↑
Total Expenditure	3,682	3,433	7%
EBITDA	913	732	25%
Operating EBITDA	830	670	24% ↑
EBITDA Margin	19.87%	17.58%	+2.29pp
Operating EBITDA Margin	18.39%	16.34%	+2.05pp
Depreciation and Amortization Expense	328	301	9%
Finance Costs	190	269	-29%
Profit Before exceptional Items & Tax	395	162	144%
Exceptional items Gain/(Loss)	7	22	-
Profit/ (Loss) before tax	402	184	+
Provision for Taxes	157	121	+
Profit/ (Loss) After Tax	245	63	+
Add: Share of Profit/(Loss) in Associates & JV's	52	40	+
Less : Profit / (Loss) due to Non Controlling interest	(9)	(3)	-
Profit / (Loss) after Non controlling interest, share of associates and JV	287	101	+ ↑

A Year of Turnaround for USA and UK

REVENUE			EBITDA		
	St. James Court, London	10%	St. James Court, London	43%	
	The Pierre, NY	9%	The Pierre, NY	24%	
	Taj Campton Place, SFO	8%	Taj Campton Place, SFO	69%	
EBITDA MARGIN			RevPAR INDEX		
	St. James Court, London	522 bps	St. James Court, London	94 → 102	
	The Pierre, NY	467 bps	The Pierre, NY	83 → 104	
	Taj Campton Place, SFO	488 bps	Taj Campton Place, SFO	101 → 102	

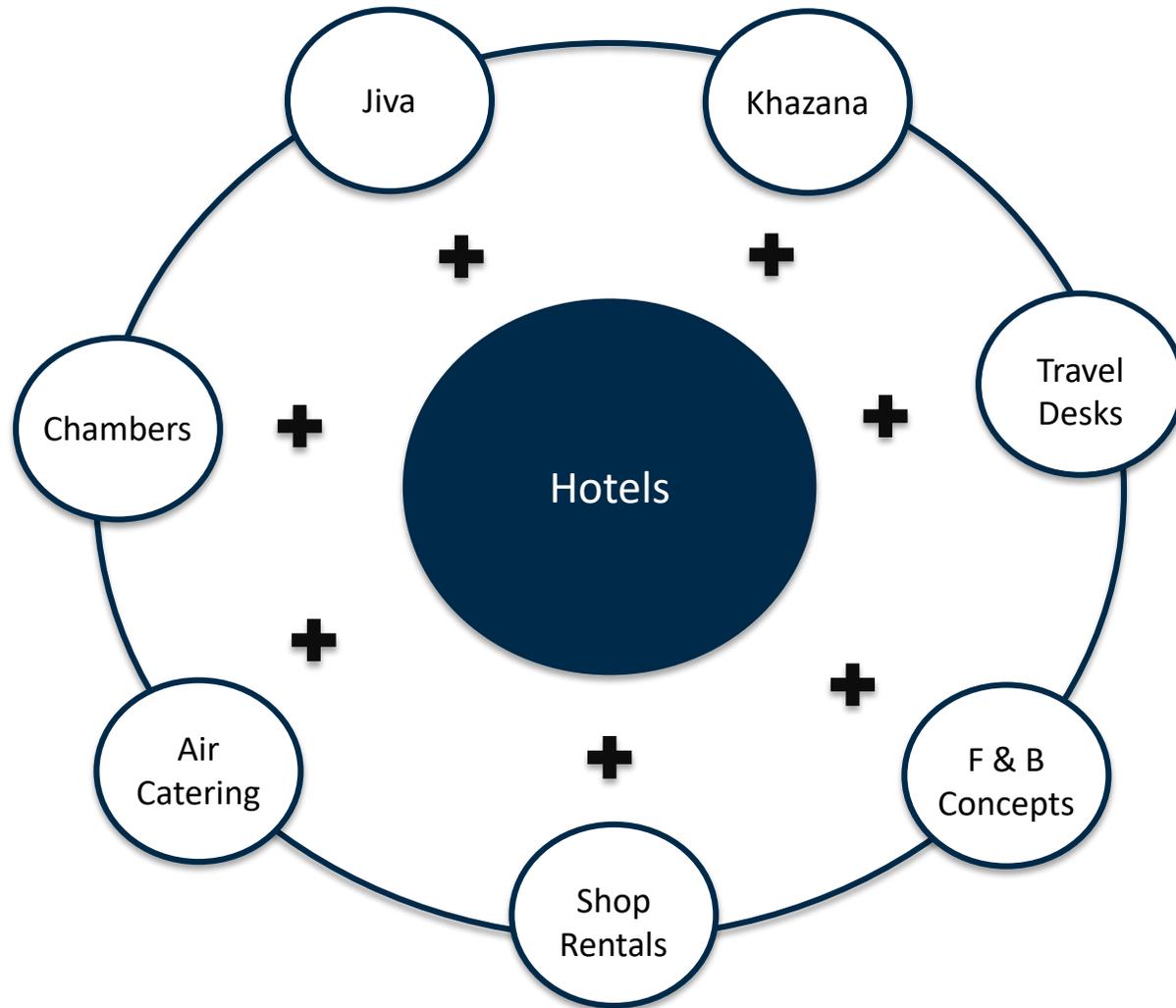
*All figures based on Growth in USD

Aspiration 2022 – 8% Margin Expansion

Drivers of margin expansion

Particulars	Margin Improvement
Revenue RevPAR Growth Other Operating Income Management Fee Income Incremental Income from New Inventory	 3 to 4 %
Costs Operational Payroll Procurements (Raw Materials, Stores & Supplies) Corporate Overheads Admin and General Expenses Fuel, Power & Light Asset Contract Costs	 3 to 5%
EBITDA Margin Improvement	8%

An Ecosystem for Revenue and Margin Growth



Topline Drivers

Margin Drivers

Market Share Drivers

Sustainable Cost Optimization and Re-Engineering

Solution wise contribution to Benefits



**SYNERGISE
(PRICE)**



**RE-ENGINEER
(CONSUMPTION)**



**RE-IMAGINE
(DIGITAL SOLUTIONS)**



**SIMPLIFY
(SPECIFICATION)**

Coverage

₹ 1500 crores of cost at network Level across legal entities

Raw materials

Power & Fuel

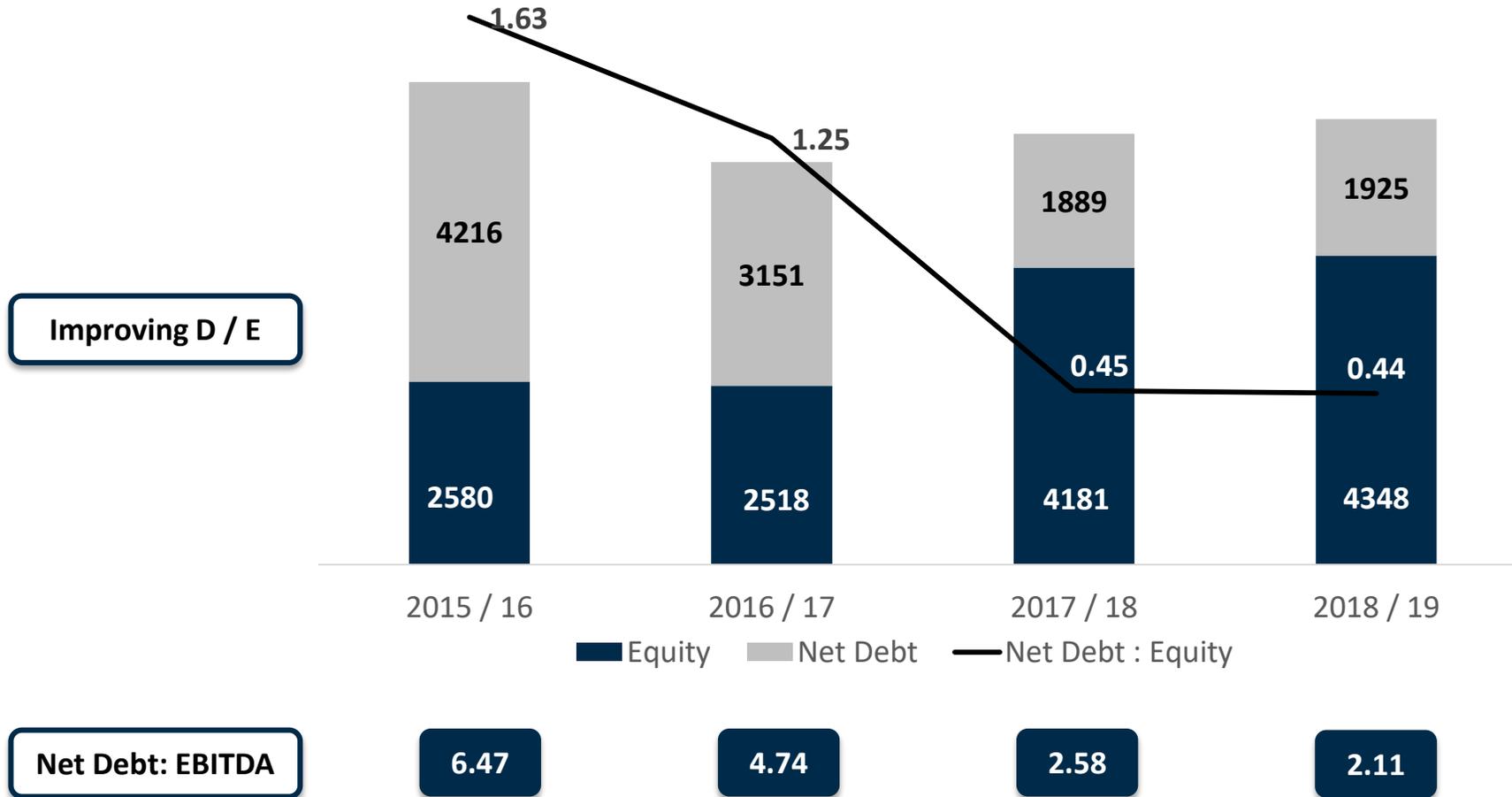
Stores & Supplies

Part of Selling Cost

Separately
Shared services and Synergy across units

Managing Leverage: Preserving Balance Sheet health

₹ /crores



All levers – EBITDA, Monetization, Equity Infusions used effectively

₹ /Crores

Particulars	2015/16	2016/17	2017/18	2018/19
EBITDA	652	665	732	913
Divestments*	151	1,163	-	246
Equity		-	1,500	

* Divestments include – Taj Boston; Holding in Belmond, Tata Projects, Titan Ltd, Vizag & Trivandrum hotel, Residential Apt.

- **Generated cash aggregating to ~ ₹ 2,900 crs** in the last three years.
- Such cash has judiciously been used for **Debt Repayment, Capex & operational requirements**.
- **Gross debt levels** down from peak levels of ~ ₹ 5,100 crs as on March 2015 to ~ ₹ 2,300 crs as on March 2019.

Asset Management: Focus on building a smarter Balance Sheet

Monetization

Structured Transactions – Sale and Manage Back

Unlocking Value of Land Banks – Sale / New Build

Exploring Sale & Lease Back Opportunities

Sale of Non-Core Assets

Alliances with Funds and development Partners

**Management
Contracts**

**Greenfield
Projects**

Low

Investment

High

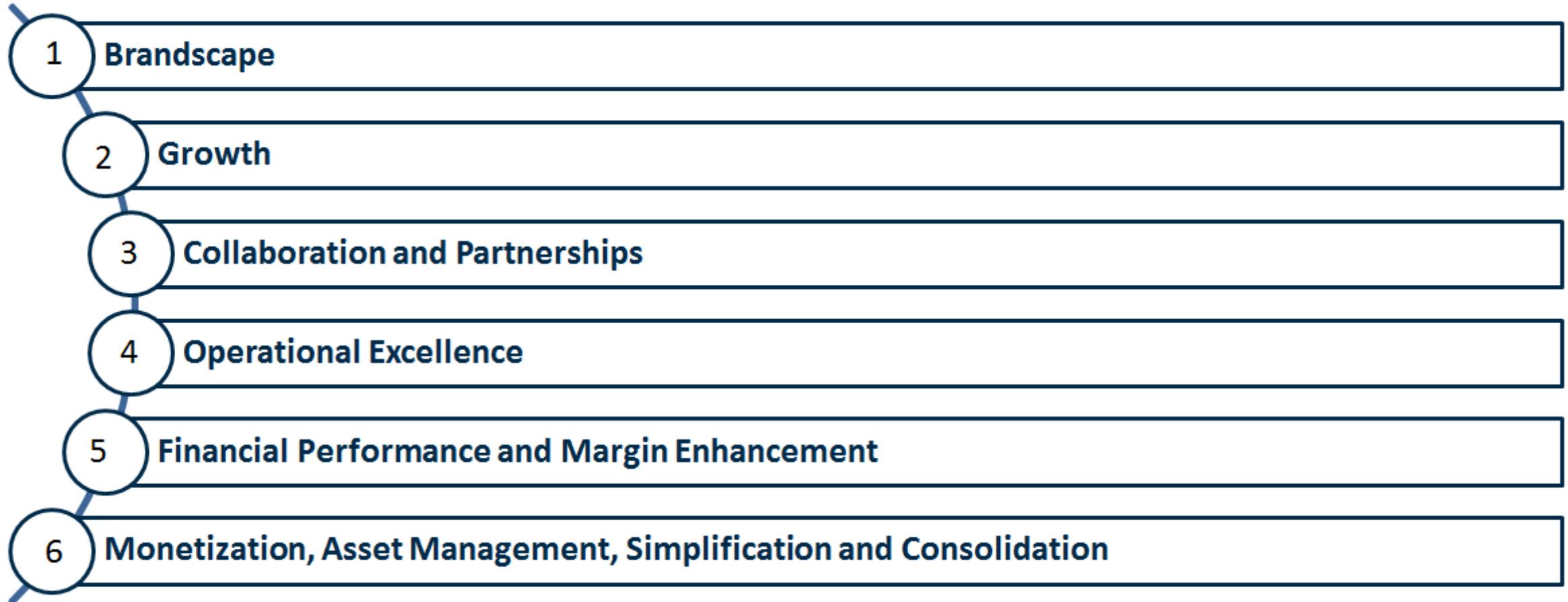
New Platform furthers our SMART approach to Acquisitions



₹ 4,000 crore (USD 600 Mn) Investment Platform

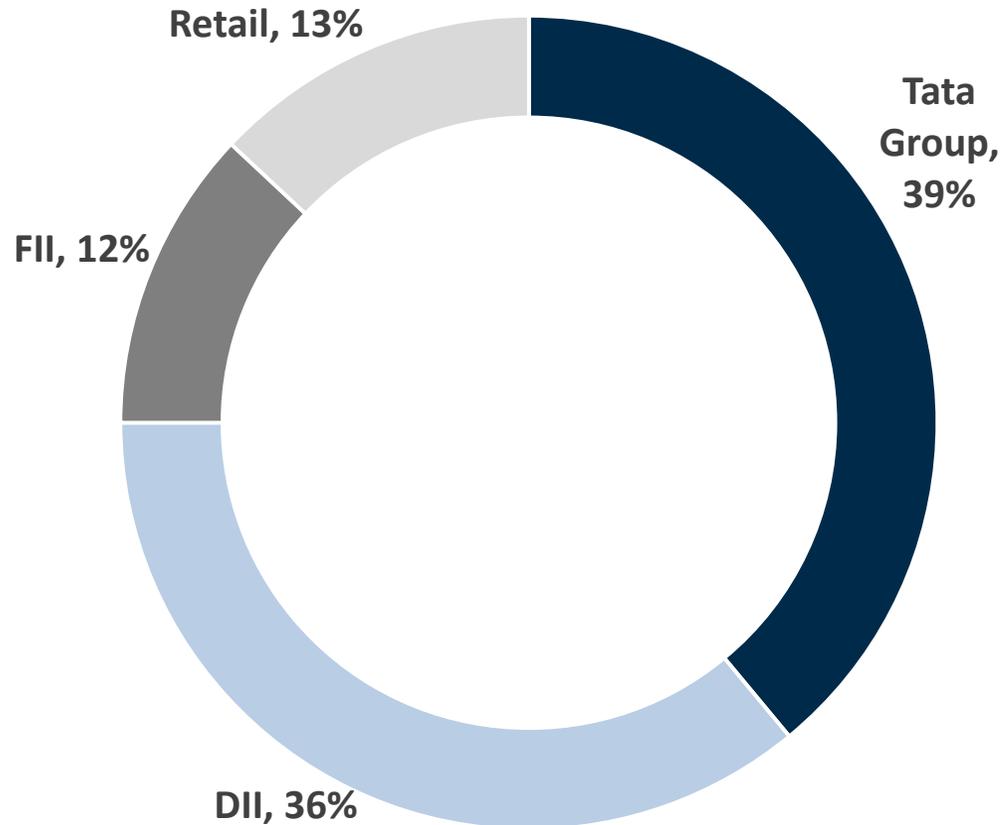
Summary: Key Imperatives for Aspiration to Execution

ASPIRATION: TO BE THE MOST ICONIC AND PROFITABLE HOSPITALITY COMPANY



Strong institutional shareholding

Shareholding Pattern*



Top institutional investors*

Investors	% stake in IHCL
Reliance Mutual Fund	7.79
HDFC Mutual Fund	5.66
Franklin Templeton Mutual Fund	3.07
Government Pension Fund Global	2.74
ICICI Prudential Life Insurance Company Ltd.	2.60
ICICI Prudential Mutual Fund	2.40
Life Insurance Corporation of India	2.24
SBI Mutual Fund	2.13
Franklin Templeton Investment Fund	1.45
HDFC Life Insurance Company Ltd.	1.43
Vanguard	1.40
L&T Mutual Fund	1.08

* As on 31st March, 2019

Disclaimer

These presentations may contain forward-looking statements within the meaning of applicable securities laws. Similarly, statements that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements.

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties and other factors that may cause actual results to differ materially from those anticipated at the time the forward-looking statements are made. Future results, performance and achievements may be affected by general economic conditions, regulatory environment, business and financing conditions, foreign exchange fluctuations, cyclicity and operating risks associated with the hospitality industry and other circumstances and uncertainties.

Although we believe the expectations reflected in such forward looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained or that results will not materially differ. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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