

IHCL

Reimagining Brandscape, Restructuring Portfolio, Re-engineering Margins

The Art of Execution

Puneet Chhatwal

MD & CEO, The Indian Hotels Company Limited



SELEQTIONS

VIVANTA

GINGER

EXPRESSIONS



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

100+

locations

4

continents

12

countries

181

hotels

22,000+

keys

32,000+

associates

\$1 Billion+

Group revenue



In February 2018, IHCL embarked on a journey of Reimagination..



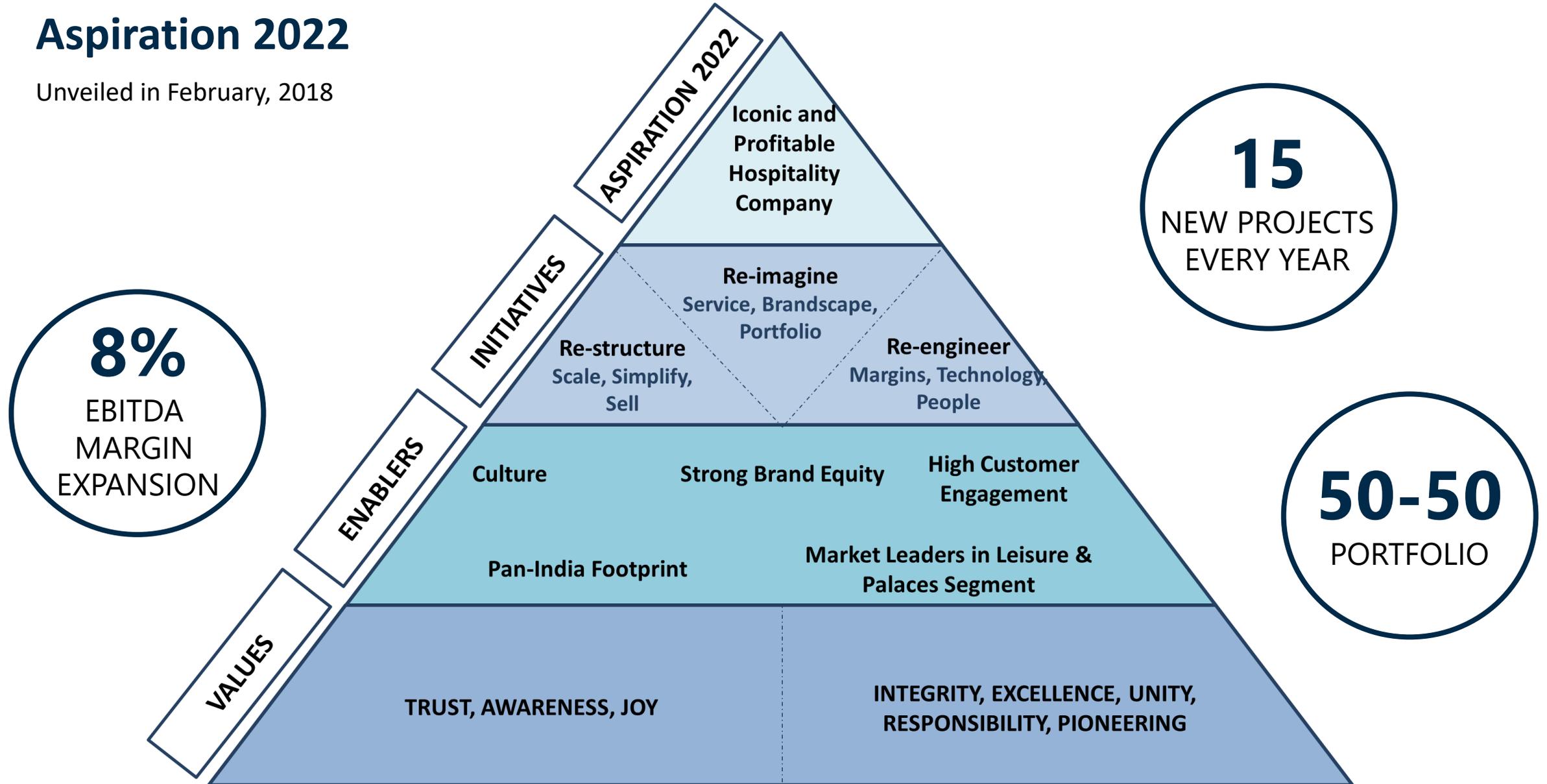
What if the symbol of iconic hospitality took center stage and wrote the next 100 years?



**“Without Strategy, Execution is Aimless,
Without Execution, Strategy is Useless”**

Aspiration 2022

Unveiled in February, 2018



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%

8%
 EBITDA
 MARGIN
 EXPANSION

Strategic Initiatives

Path to Execution

Re-imagine

- **M**anage Brandscape
- **M**ultiply Portfolio
- **M**anoeuvre Excellence

Re-structure

- **S**cale up Inventory
- **S**ell Non Core Assets
- **S**implify Holding Structure

Re-engineer

- **E**xpand Margins
- **E**mbrace Technology
- **E**ngage People



“Without Context, Actions have no Meaning”

Megatrends Shaping the Indian Travel & Tourism Industry



Millennials and Silvers



Rising disposable incomes



Growing middle class



Digital Revolution

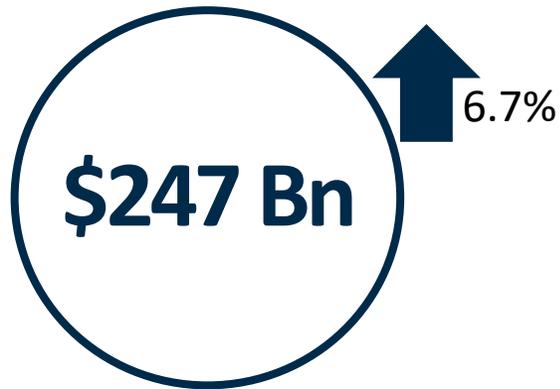


Emerging destinations

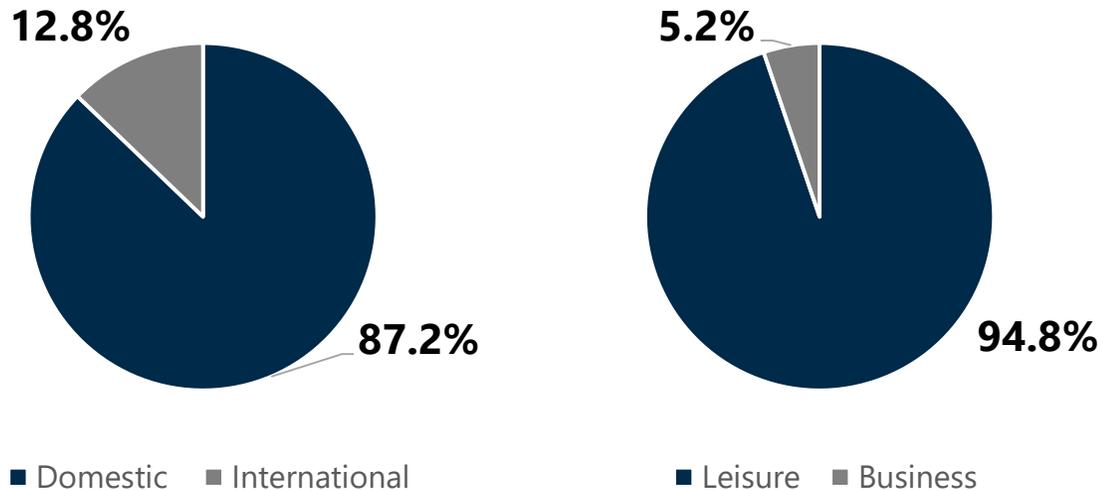


Health & Wellness

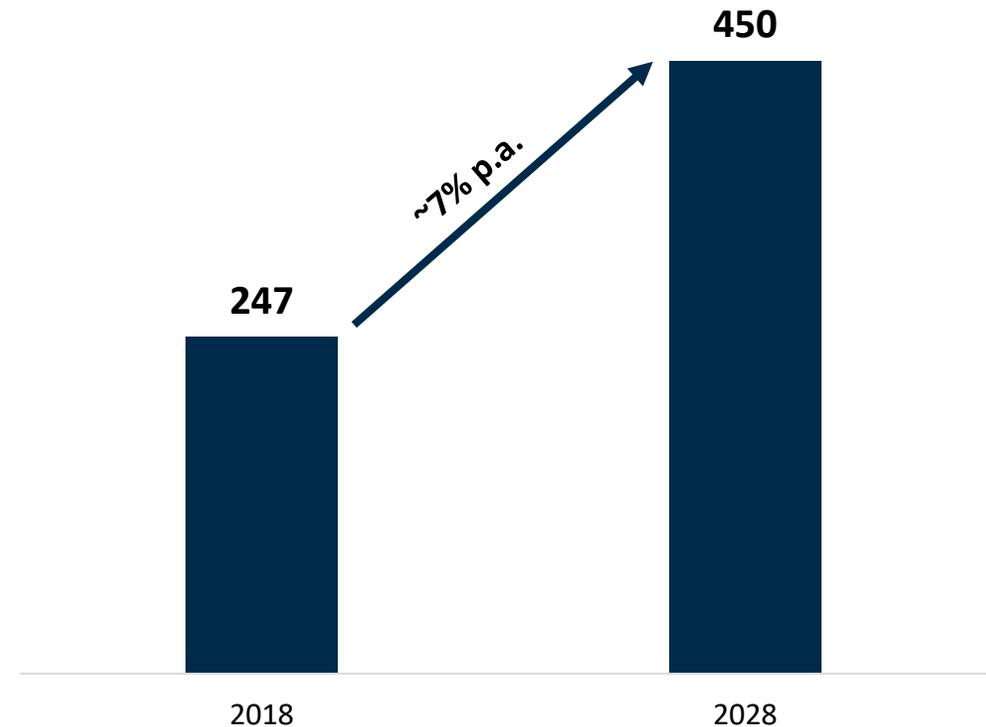
Travel & Tourism in India – The outlook continues to be strong



2018 - T&T Contribution to GDP



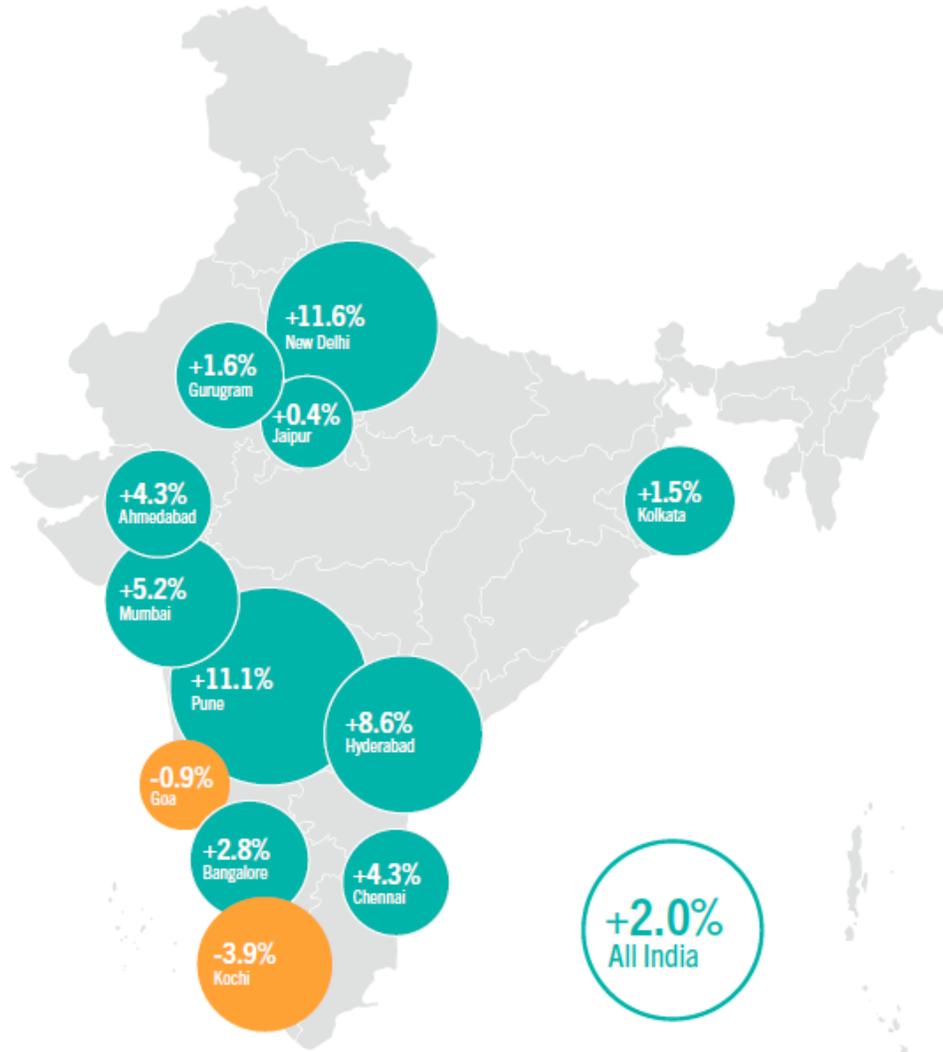
T&T Contribution to GDP
(10 year outlook)



Creation of 10 Mn jobs in the next 10 years

Source: WTTC Report - Travel & Tourism Economic Impact 2019

Indian Hospitality Industry on an Upswing



	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



**“A Good Plan Executed Today is Better than
A Perfect Plan Executed Tomorrow”**

Reimagining Brandscape: Refreshing and Repositioning our Brands

VIVANTA
HOTELS & RESORTS
BY TAJ

GINGER
Hotels
A TATA Enterprise

TAJSATS
AIR CATERING

The Chambers

TAJ
Salon

VIVANTA

GINGER

TAJ sats

The Chambers

niu&nau

Reimagining Brandscape: Launching New Brands

SELEQTIONS

AMBASSADOR
IHCL SELEQTIONS

PRESIDENT
IHCL SELEQTIONS



Blue Diamond
IHCL SELEQTIONS

PRATAP MAHAL
IHCL SELEQTIONS

THE CONNAUGHT
IHCL SELEQTIONS

TAJVIEW
IHCL SELEQTIONS

SAVOY
IHCL SELEQTIONS

DEVI RATN
IHCL SELEQTIONS

GATEWAY COONOOR
IHCL SELEQTIONS

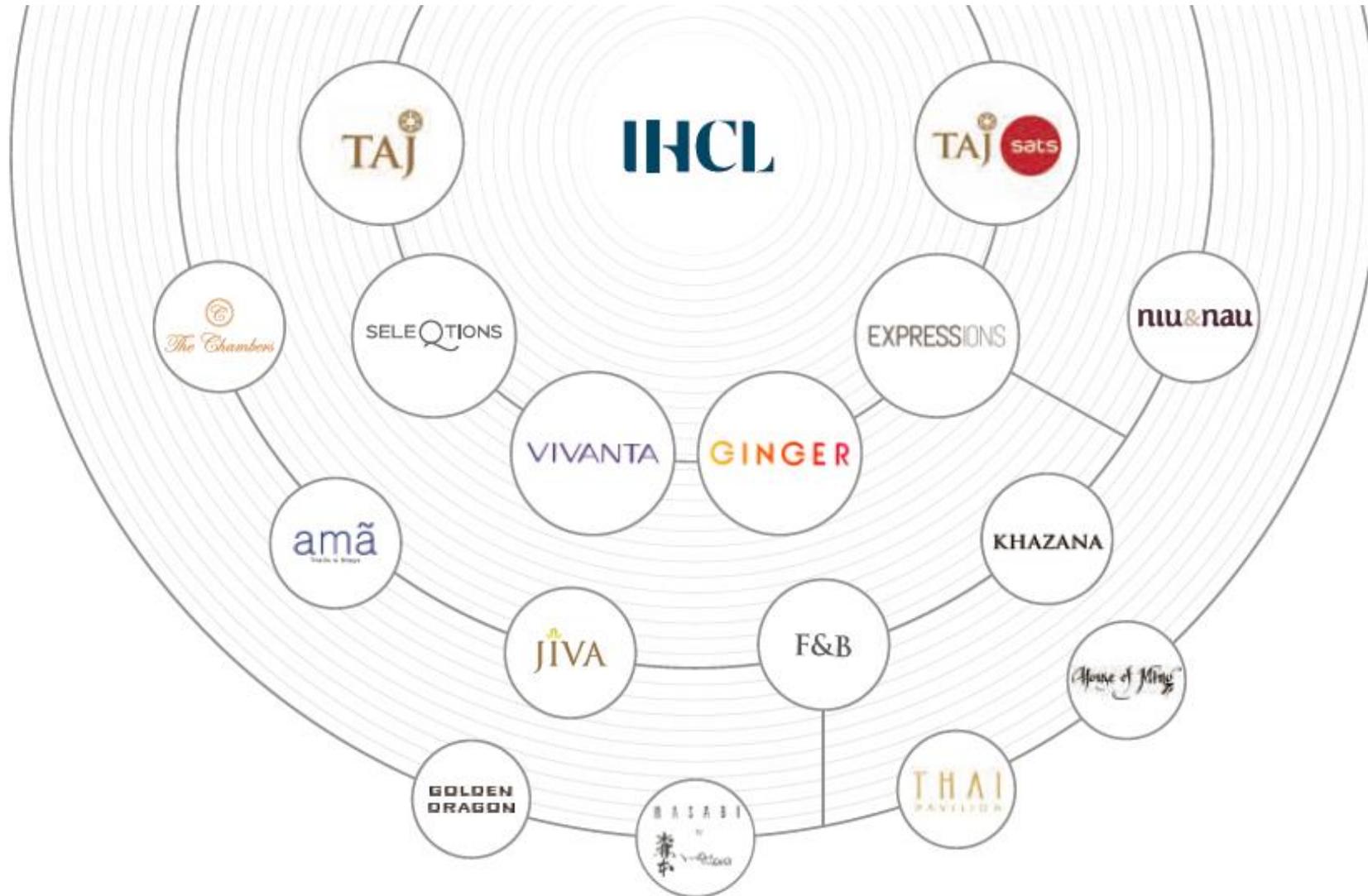
GATEWAY VARKALA
IHCL SELEQTIONS

GATEWAY CHIKMAGALUR
IHCL SELEQTIONS

Reimagining Brandscape: Launching New Brands



Reimagining Brandscape: From a Branded House to a House of Brands



Reimagining Brandscape: To cater to all segments and price points



*Portfolio including pipeline

Restructuring Portfolio: A Monumental Year for New Signings

SMART

Strategic

Margin Enhancing

Asset Management

Relationships

Tracking

22

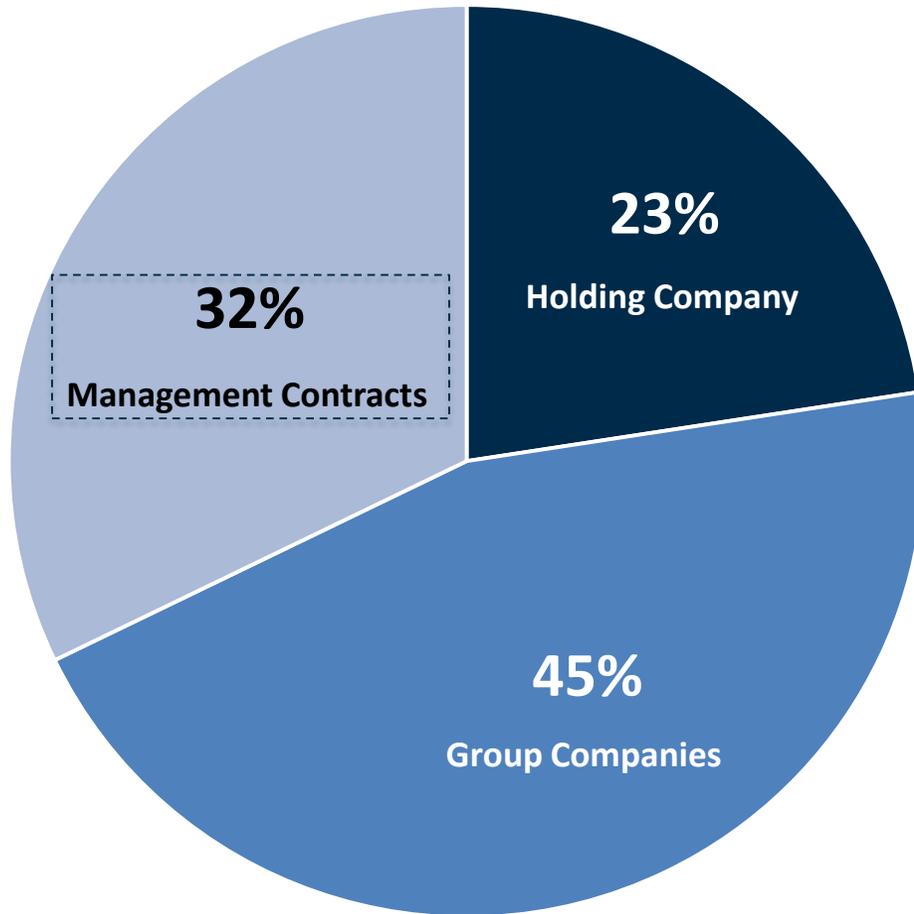
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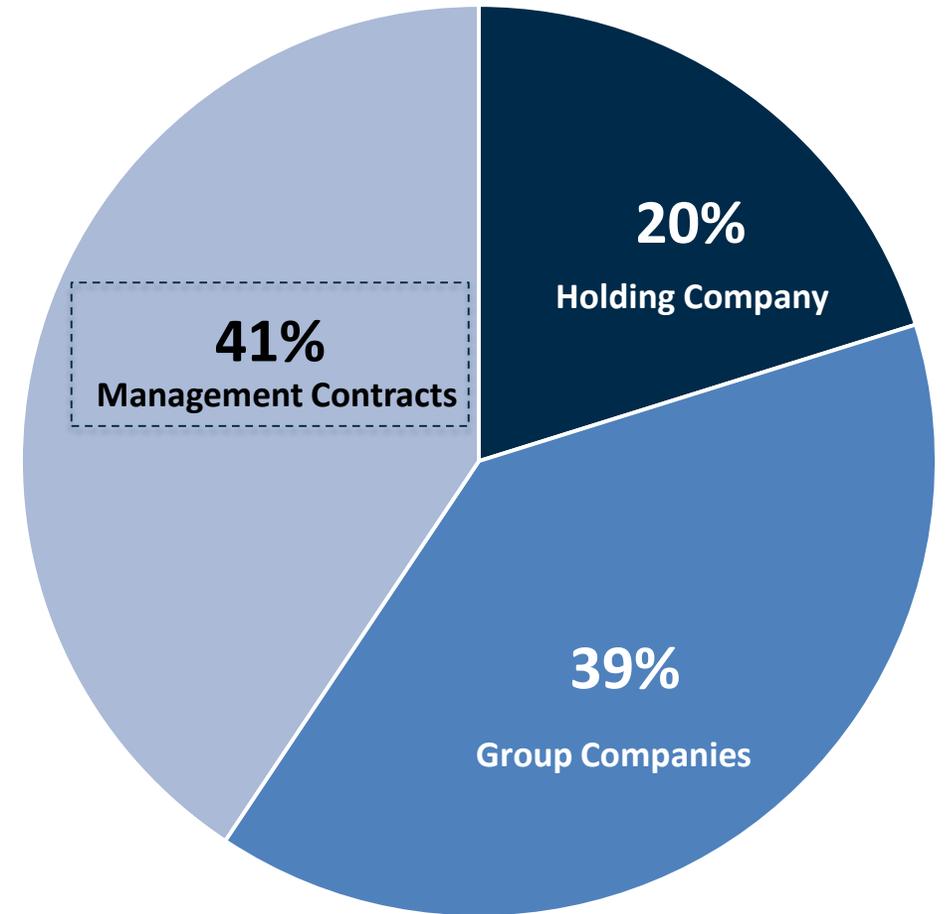
New Contracts Signed in **FY 2018/19**

Signed in **April-May, 2019**

Restructuring Portfolio: Shift in Business Mix



Portfolio as on 31st March 2018



Portfolio as on 30th April 2019

Restructuring Portfolio: New Platform for Growth

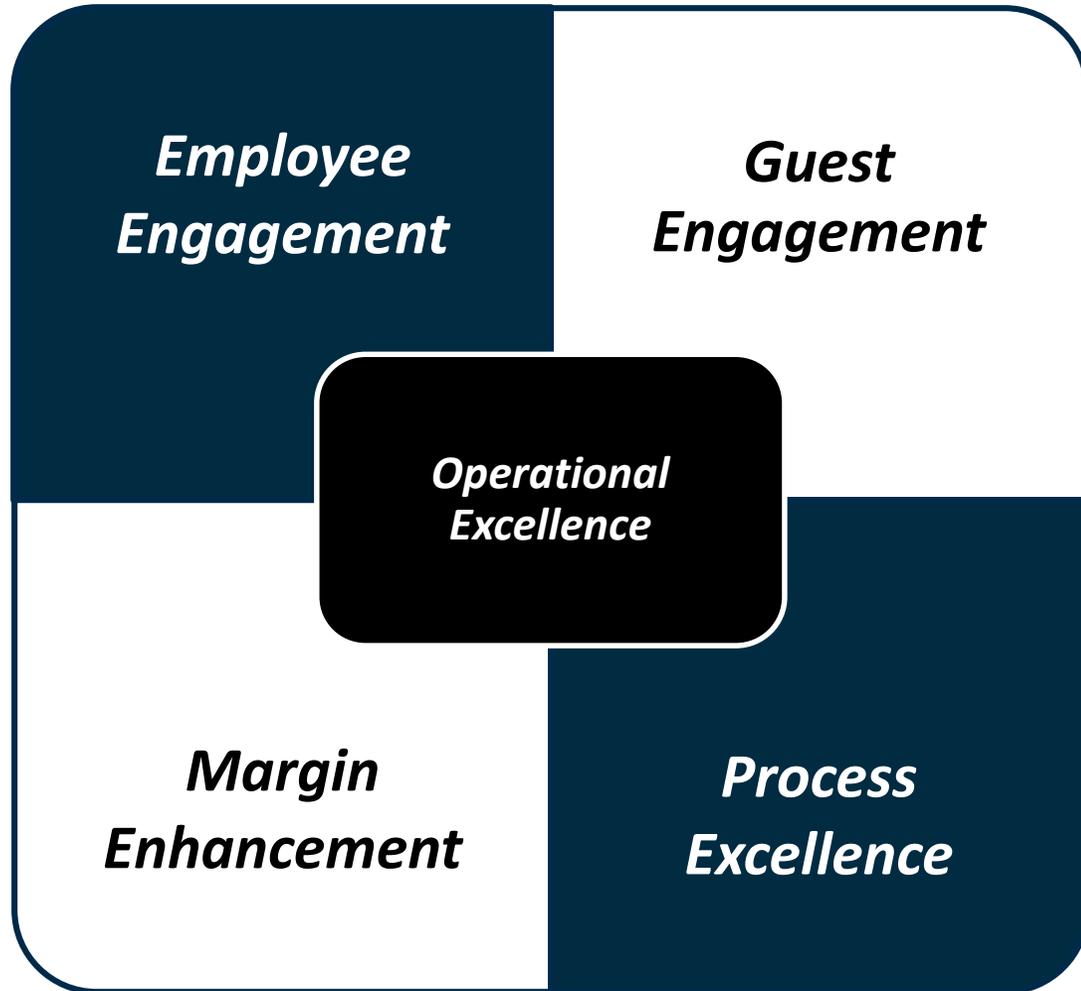


₹ 4,000 crore (USD 600 Mn) Investment Platform

Re-engineering Margins: Cross-Functional Projects with Leadership Focus



Re-engineering Margins: Operational Excellence



- High Quality & Smart Renovations
- Successful Brand Migrations
- Refresh of Brand Standards
- Successful Openings
- Margin Expansion

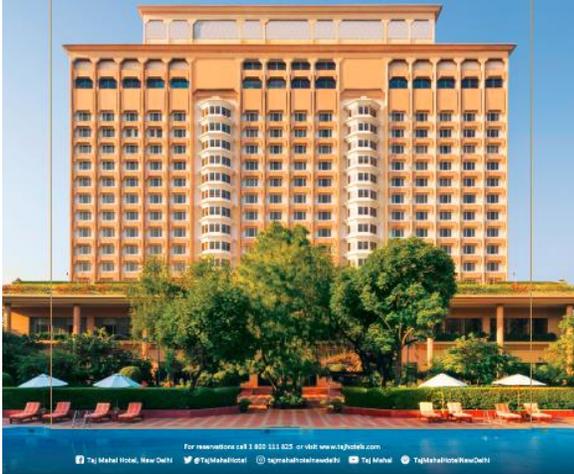
Re-engineering Margins: Do More with Less

FOCUS ON IMPACT



DELHI'S ICONIC LANDMARK.
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LEVERAGING PARTNERSHIPS



paper moon



SYNERGIZE

One
IHCL

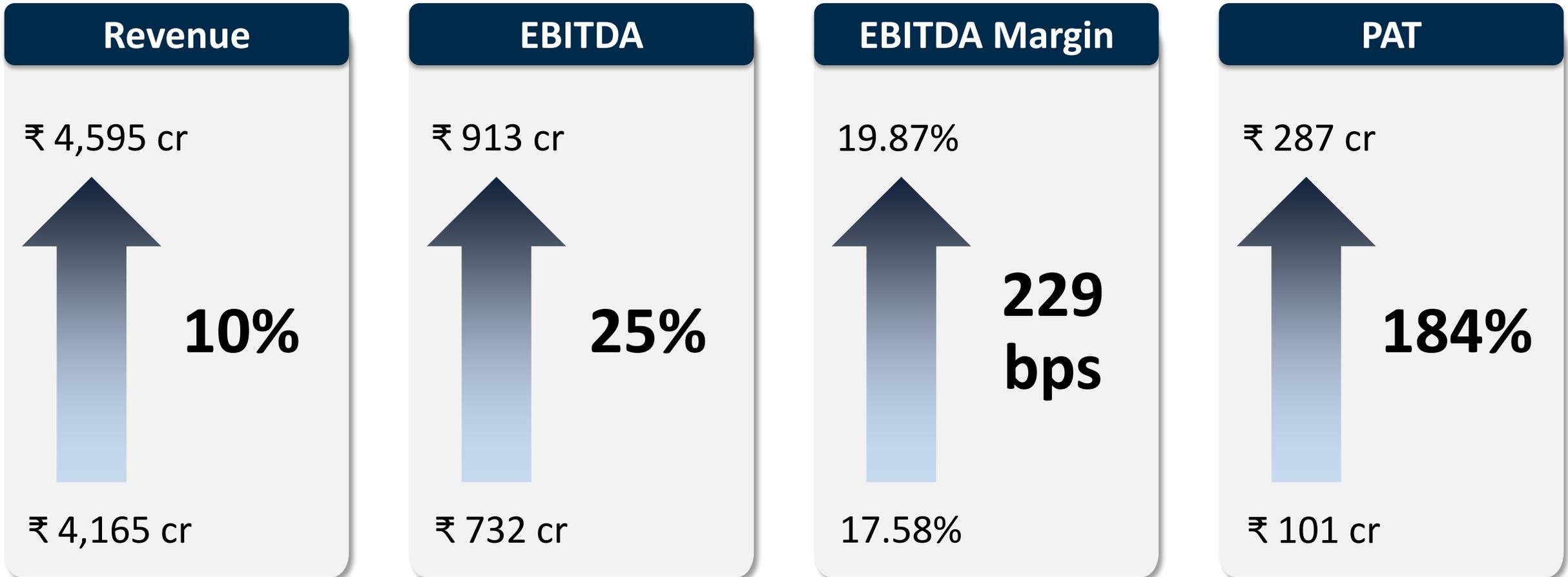
One

TATA

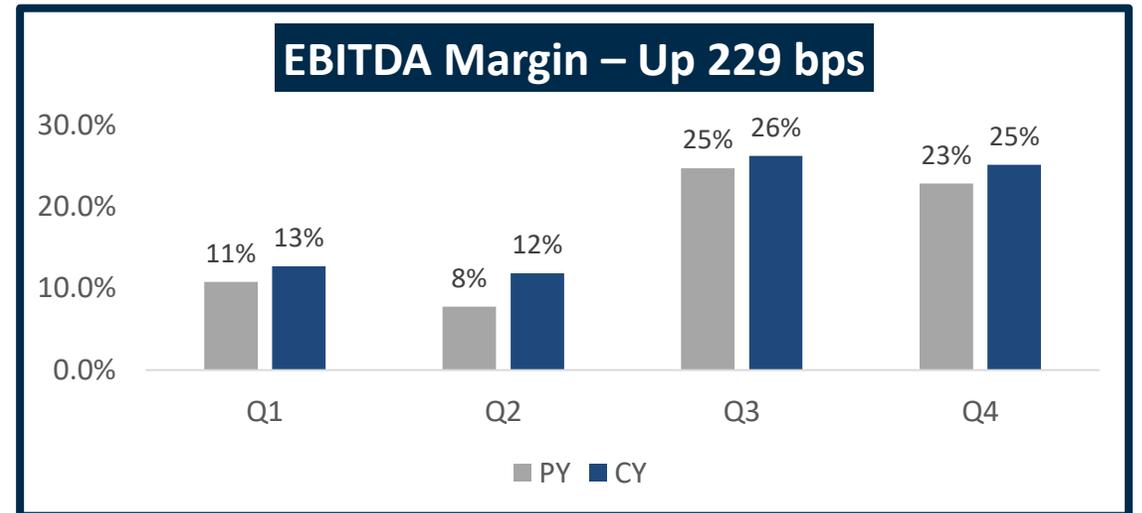
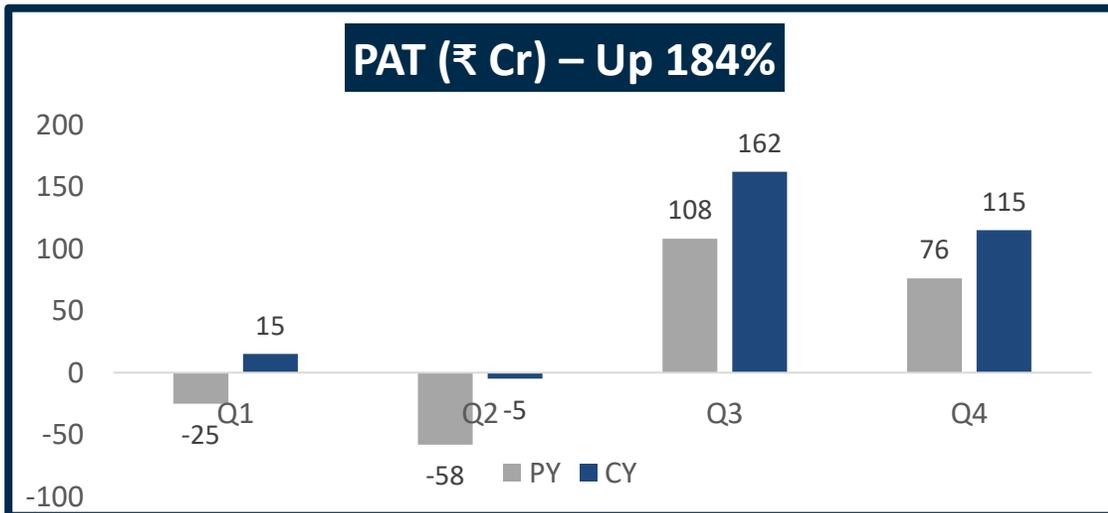
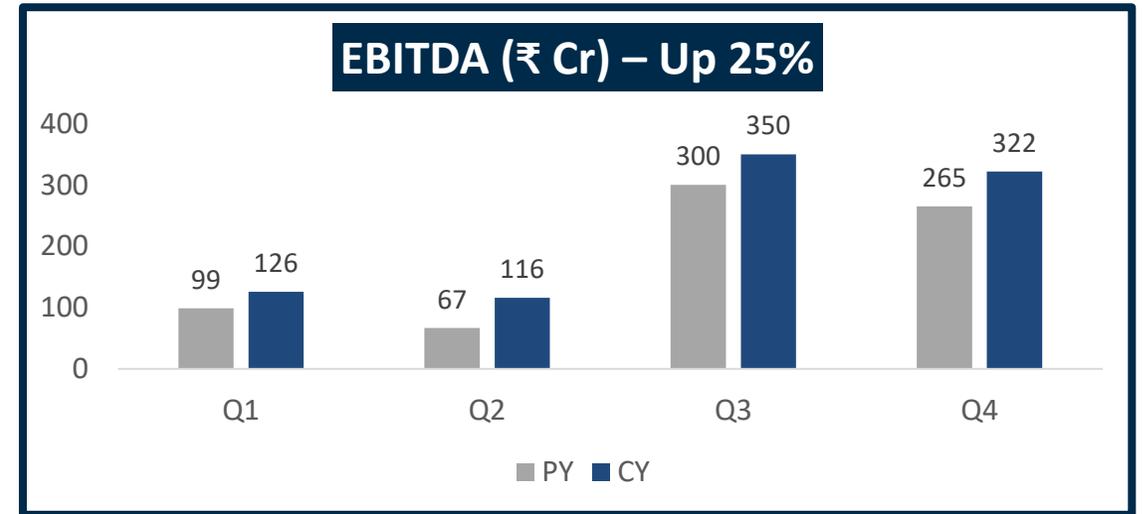
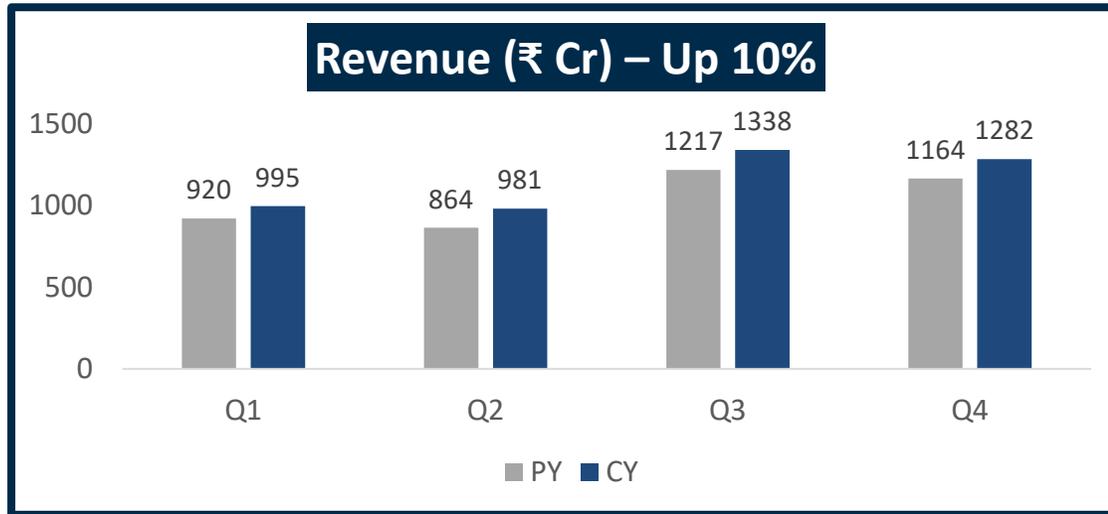


**“Vision without Execution is just a Delusion,
the Joy is in the RESULTS”**

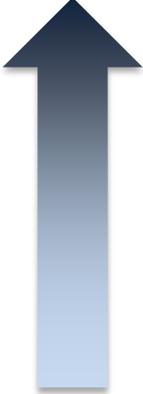
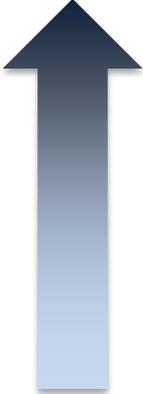
Strong Consolidated Performance – FY 2018 / 19



Achieved Sustainably Quarter on Quarter



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

Building a smarter Balance Sheet through Asset Management

Monetization

Management
Contracts

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

Greenfield
Projects

Low

Investment

High

All levers – EBITDA, Monetization, Equity Infusions used effectively

₹ /Crores

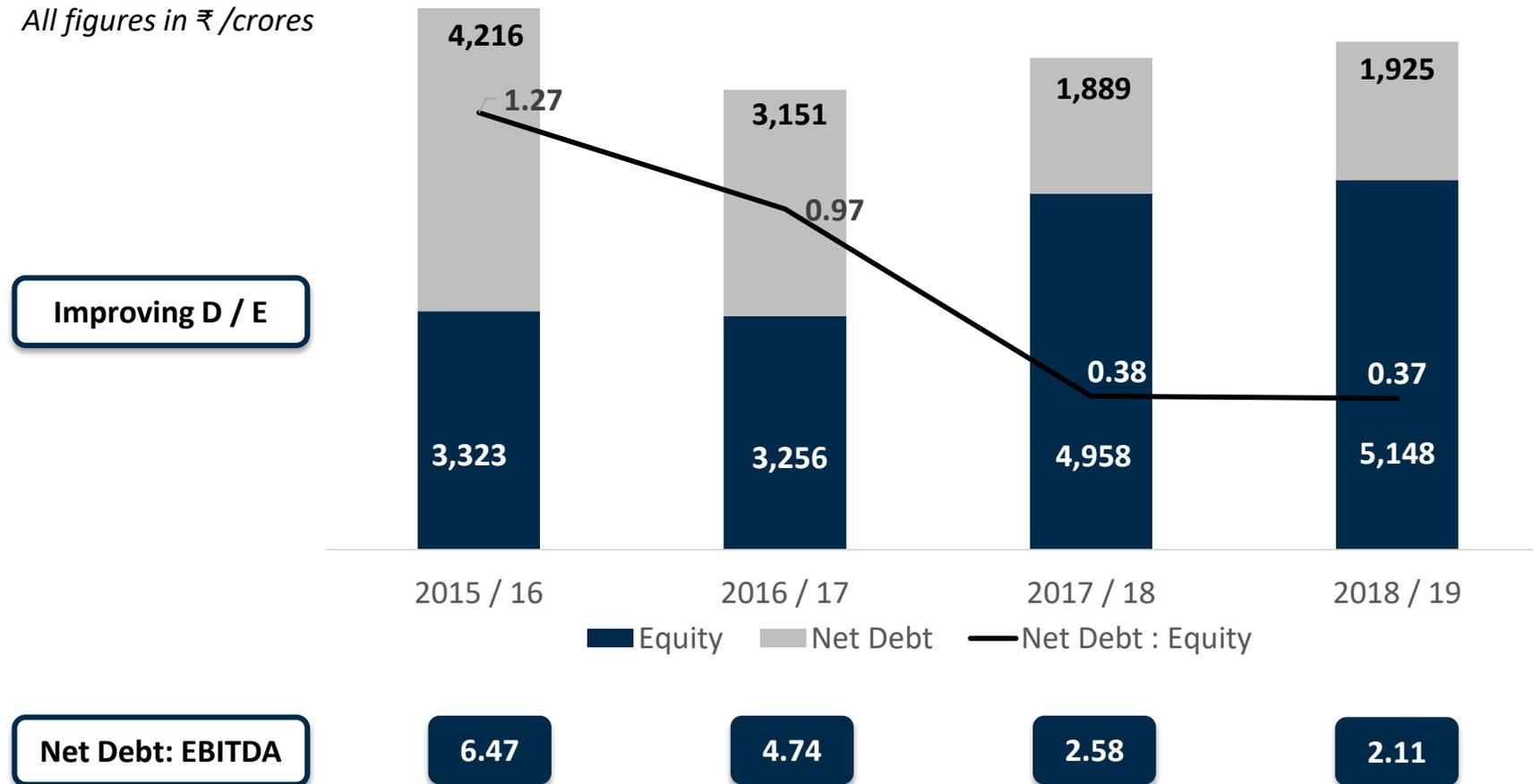
Particulars	2015/16	2016/17	2017/18	2018/19
EBITDA	652	665	732	913
Divestments*	151	1,163	-	246
Equity		-	1,500	

* 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.

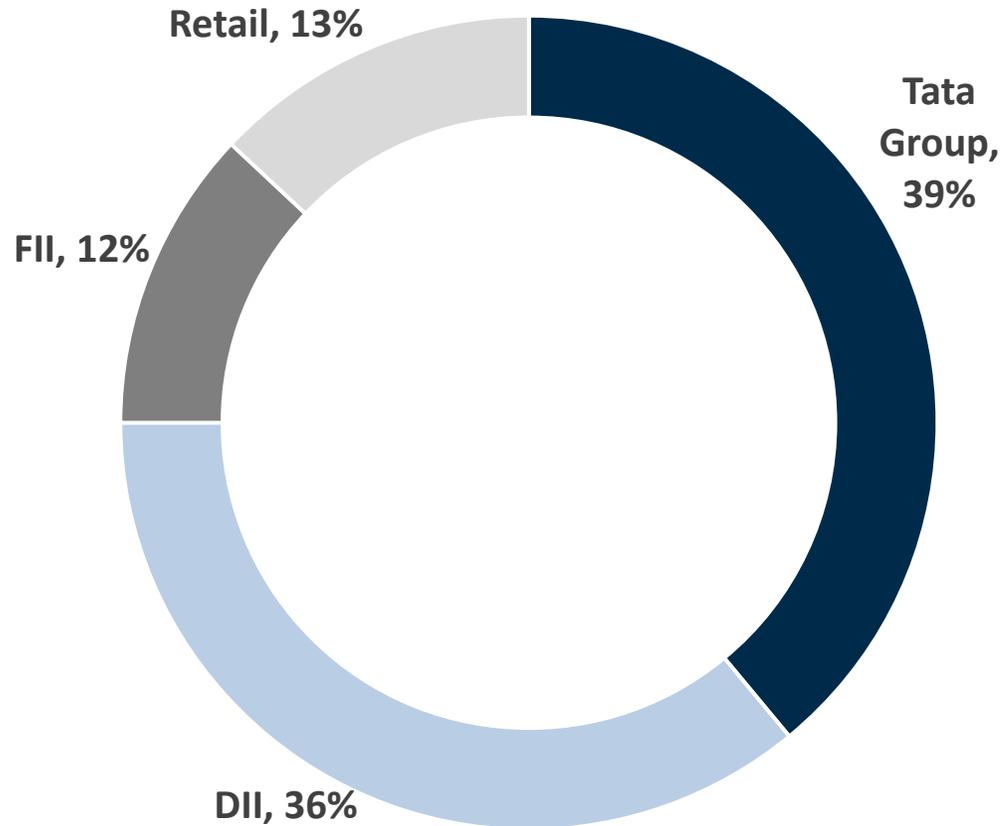
Managing Leverage: Preserving Balance Sheet health

All figures in ₹ /crores



Strong institutional shareholding

Shareholding Pattern*



Top institutional investors*

Investors	% stake in IHCL
Reliance Capital Trustee Company Ltd.	8.07
HDFC Trustee Company Ltd.	5.75
ICICI Prudential Life Insurance Company Ltd	2.88
Government Pension Fund Global	2.68
ICICI Prudential Balanced Advantage Fund	2.47
SBI Magnum Multicap Fund	2.13
Life Insurance Corporation of India	1.78
Franklin Templeton Mutual Fund	1.62
HDFC Standard Life Insurance Company Ltd	1.52
Franklin Templeton Investment Funds	1.29
L And T Mutual Fund Trustee Ltd	1.10

* As on 31st May, 2019

Today, IHCL has a strong foundation in place to reach our Aspiration 2022

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

Summary: The Power of Execution



A Strong Beginning

But Miles to Go

Before We Reach our Destination

Focus on Execution

Reimagine | Restructure | Re-engineer

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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