

# IHCL

## Investor Presentation

February 2020



SELEQIONS

VIVANTA

GINGER

EXPRESSIONS



# We are South Asia's largest hospitality company with a legacy of 116 years

**100+**

locations

**4**

continents

**12**

countries

**197**

hotels

**23,000+**

keys

**32,000+**

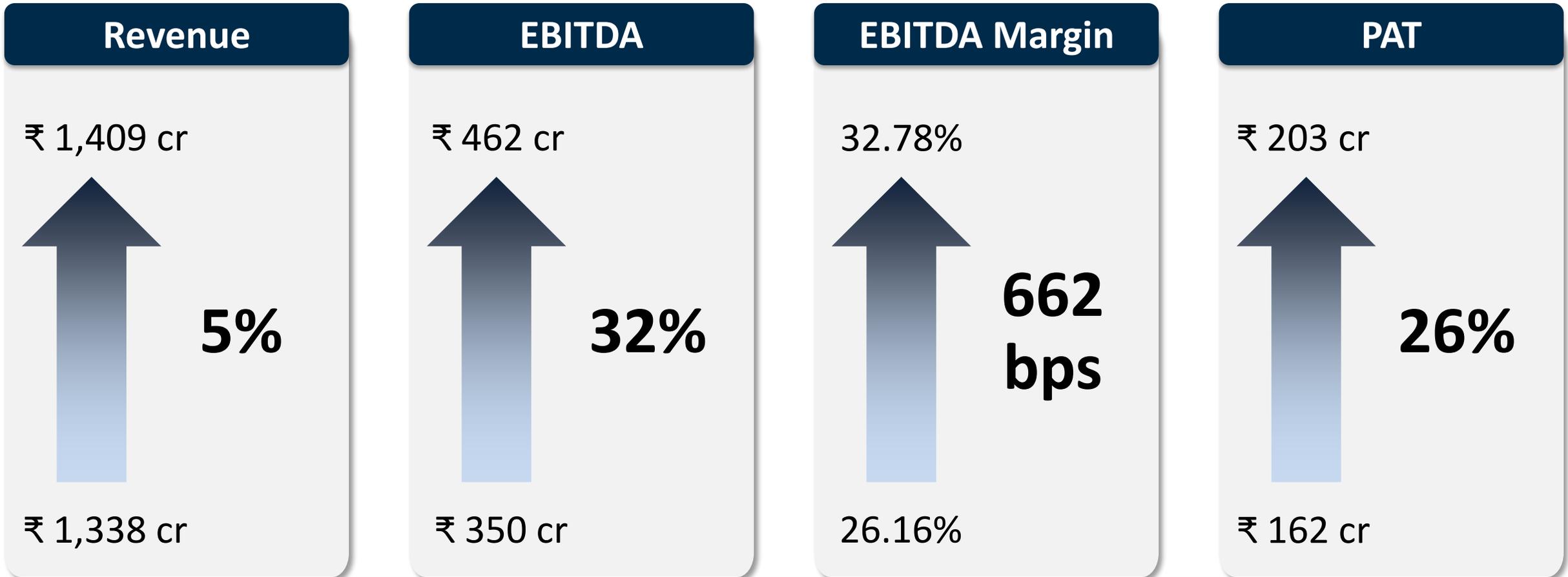
associates

**\$1 Billion+**

Group revenue



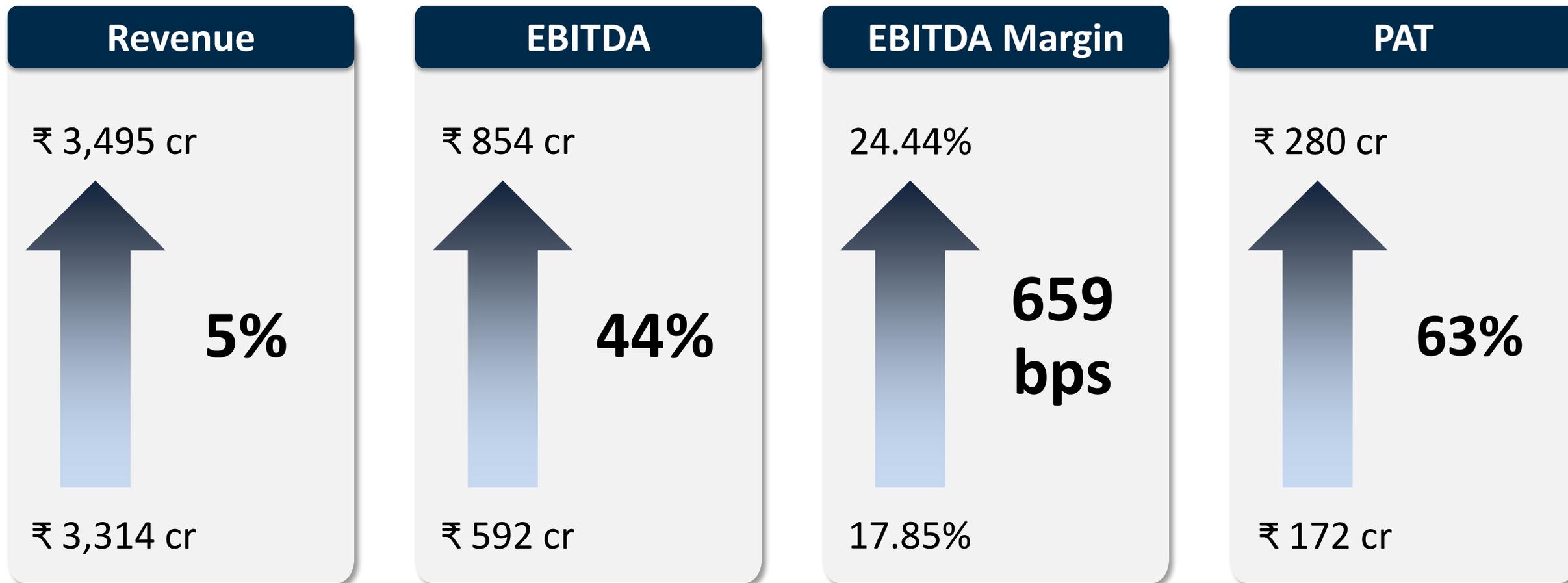
# Consolidated Financial Performance – Q3 FY 2019 / 20



\*Pre-IND AS - EBITDA: ₹ 416 cr (+19%), EBITDA Margin: 29.56% (+339 bps); PAT: ₹ 214 cr

\*Pre-Ind AS - Operating EBITDA: ₹ 380 cr (+13%), Operating EBITDA Margin: 27.70% (+235 bps)

## Consolidated Financial Performance – 9M FY 2019 / 20



\*Pre-IND AS - EBITDA: ₹ 719 cr (+21%), EBITDA Margin: 20.56% (+271 bps); PAT: ₹ 310 cr

\*Pre-IND AS - Operating EBITDA: ₹ 624 cr (+14%), Operating EBITDA Margin: 18.36% (+167 bps)

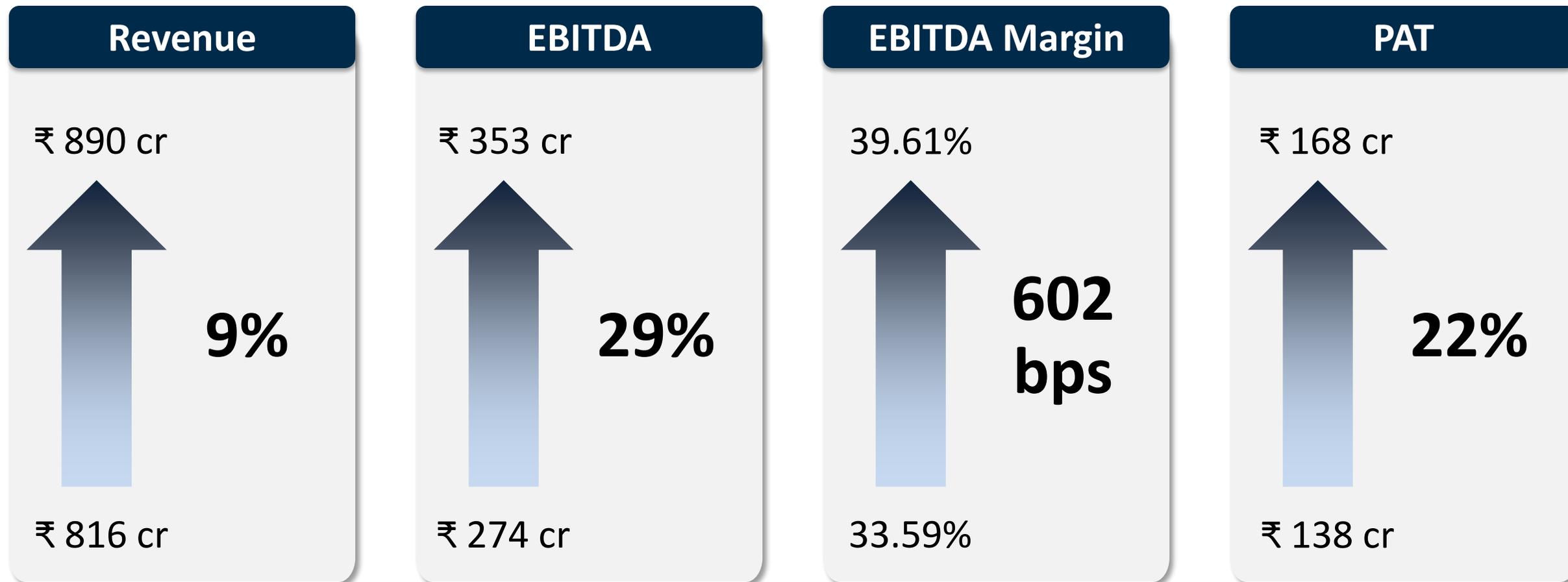
## Best Q3 and 9 Months Financial Performance in a Decade

Particulars – Q3	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Revenue	1,409	1,338	1,217	1,146	1,185	1,235	1,169	1,074	1,027	838
EBITDA	462	350	300	280	274	266	247	223	225	194
EBITDA Margin (%)	32.8%	26.2%	24.7%	24.5%	23.1%	21.5%	21.1%	20.8%	21.9%	23.2%
PBT before Except.	276	218	150	137	104	147	125	108	108	57
PAT	203	162	108	93	13	62	60	50	49	19

Particulars – 9M	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Revenue	3,495	3,314	3,001	3,006	3,035	3,148	3,021	2,775	2,522	2,088
EBITDA	854	592	467	470	480	399	439	398	417	316
EBITDA Margin (%)	24.4%	17.9%	15.6%	15.6%	15.8%	12.7%	14.5%	14.3%	16.5%	15.1%
PBT before Except.	297	206	34	14	-13	45	78	56	60	-47
PAT	280	172	25	-103	-211	-71	-393	-41	-21	-91

*\*Even on a Pre-IND AS basis, IHCL reports highest EBITDA, EBITDA Margins, PBEIT and PAT in a decade*

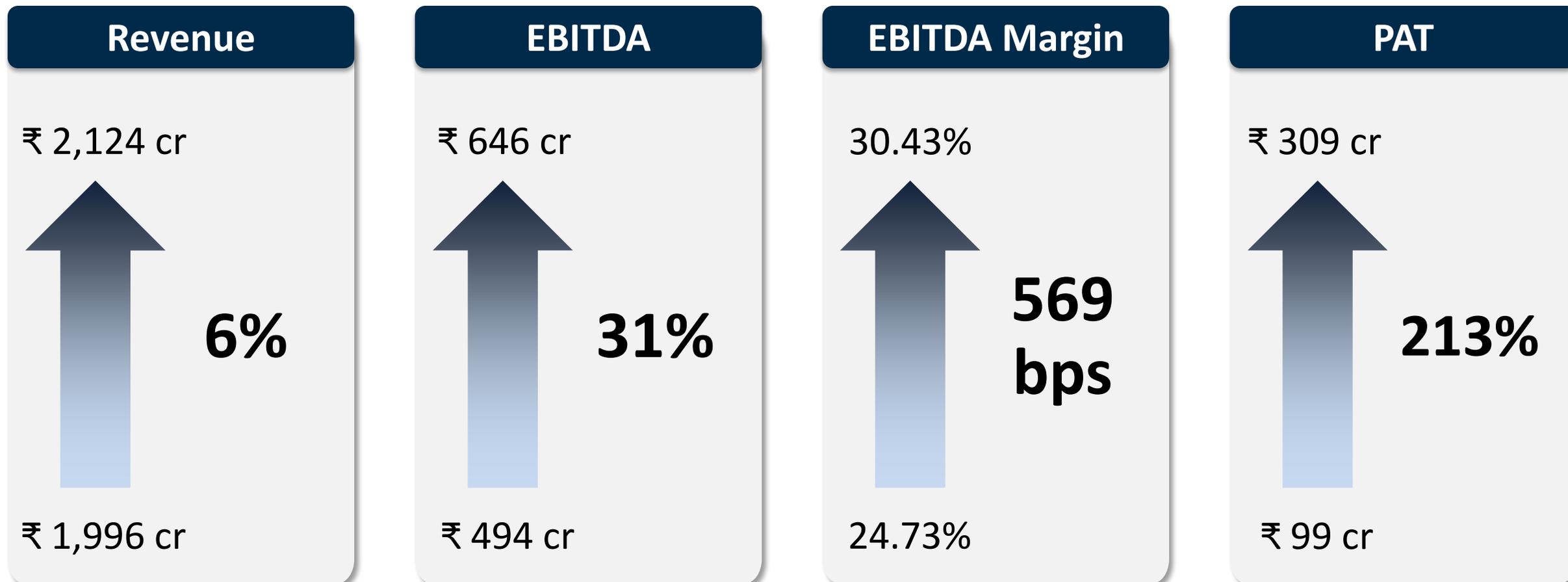
## Standalone Financial Performance – Q3 FY 2019 / 20



\*Pre-IND AS - EBITDA: ₹ 331 cr (+21%), EBITDA Margin: 37.2% (+361 bps); PAT: ₹ 172 cr

\*Pre-IND AS - Operating EBITDA: ₹ 296 cr (+13%), Operating EBITDA Margin: 34.58% (+211 bps)

## Standalone Financial Performance – 9M FY 2019 / 20



\*Pre-IND AS - EBITDA: ₹ 582 cr (+18%), EBITDA Margin: 27.39% (+266 bps); PAT: ₹ 321 cr

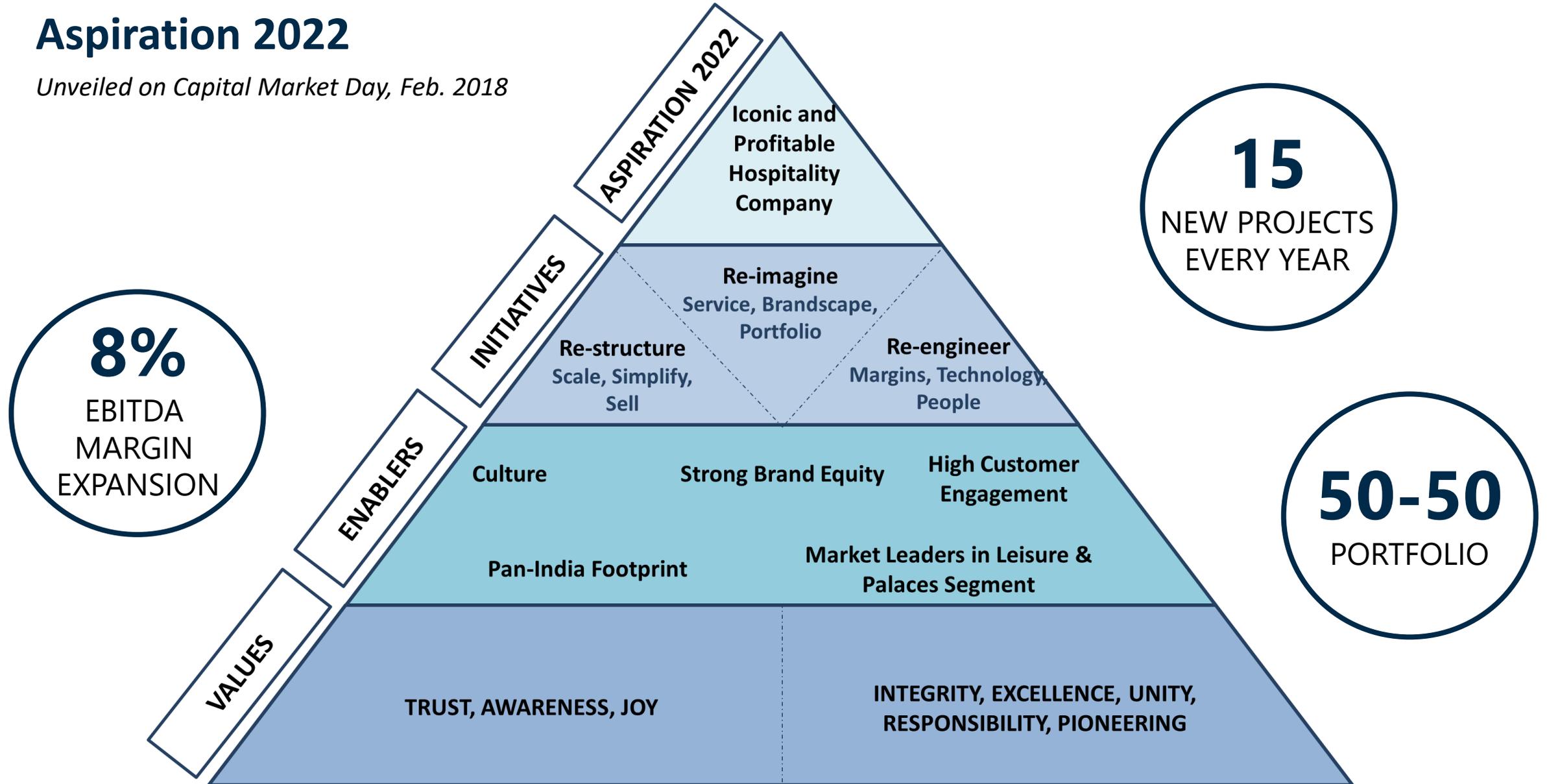
\*Pre-IND AS – Operating EBITDA: ₹ 483 cr (+11%), Operating EBITDA Margin: 23.86% (+141 bps)

The image shows a bright, airy interior space, likely a dining or living area, with large windows and a dining table. The room is filled with natural light, creating a warm and inviting atmosphere. The text "ASPIRATION 2022" is overlaid on the image in a bold, dark blue font. The background features a patterned floor, a wooden coffee table, and a dining table with chairs. The overall aesthetic is clean and modern, with a focus on natural light and outdoor views.

**ASPIRATION 2022**

# Aspiration 2022

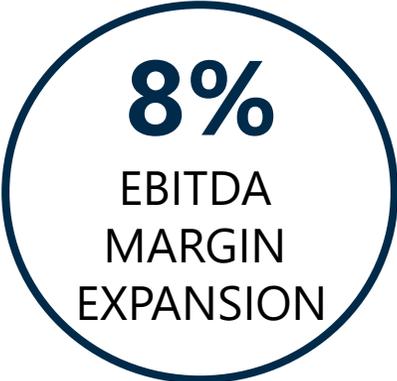
Unveiled on Capital Market Day, Feb. 2018



# Aspiration 2022 – 8% Margin Expansion

Drivers of margin expansion

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



**8%**  
EBITDA  
MARGIN  
EXPANSION

# Aspiration 2022 – 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

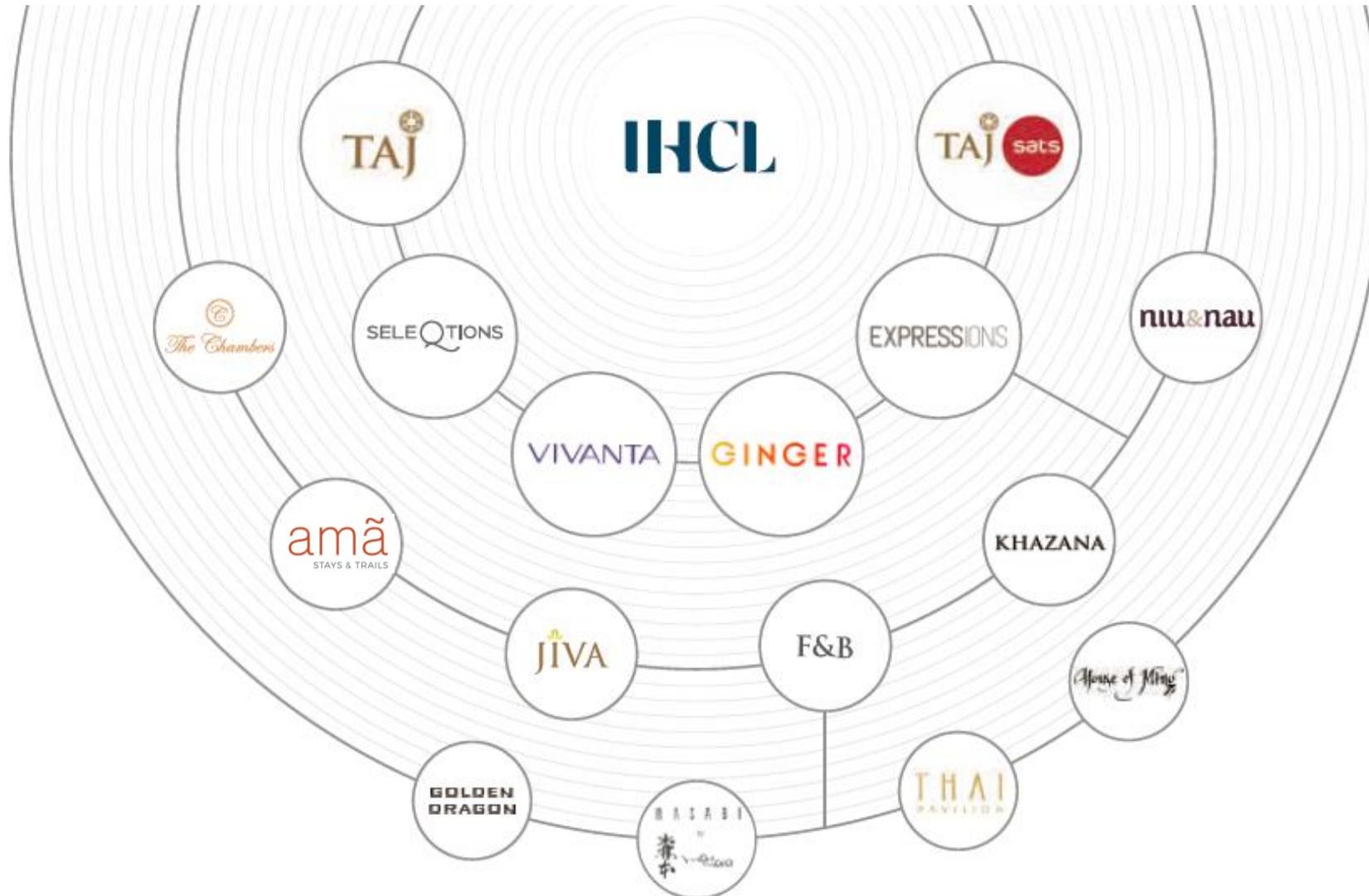
## Re-engineer

- Expand Margins
- Embrace Technology
- Engage People

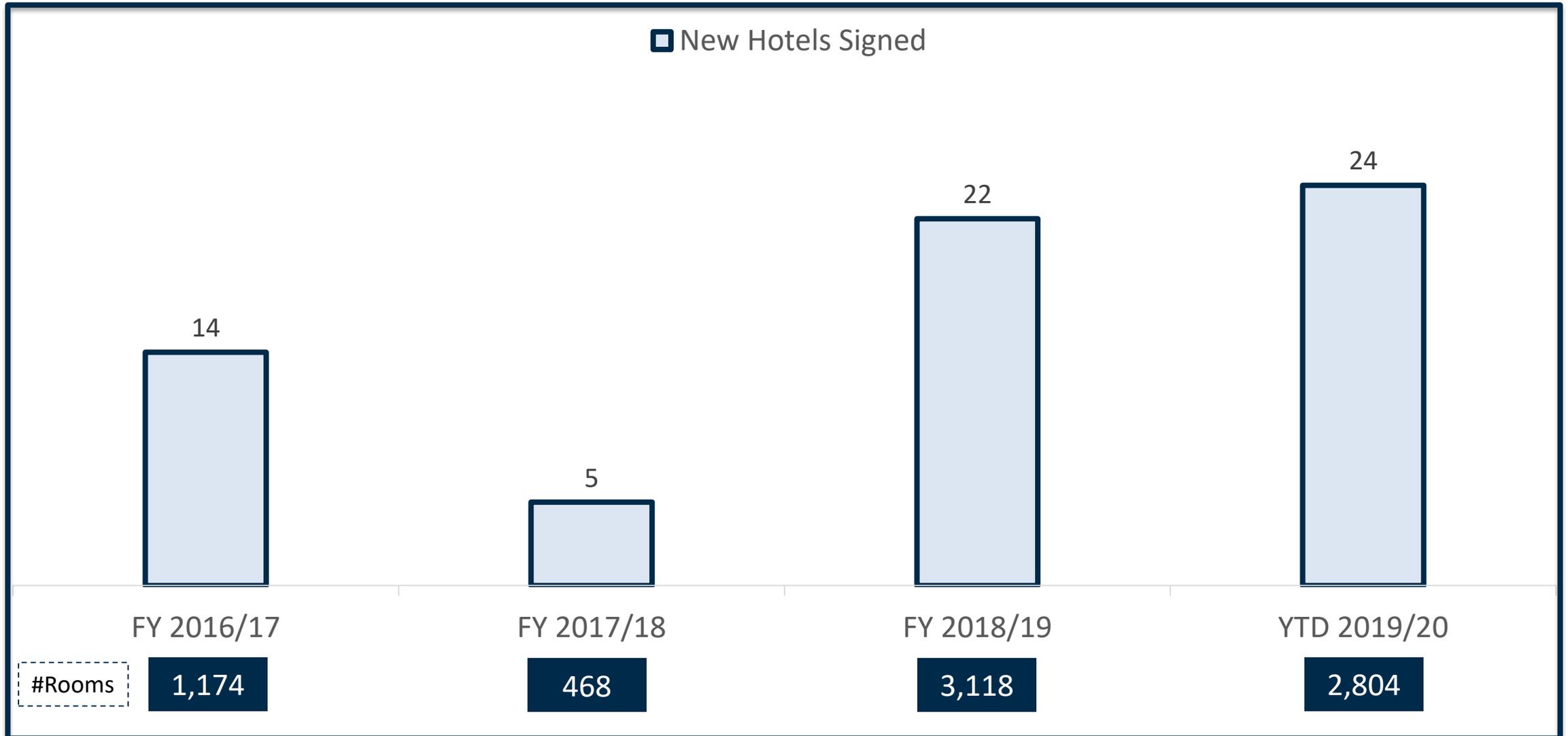


# **Aspiration to Execution: Key Highlights**

# Re-imagined Brandscape



# All-time High Hotel Signings



## Opened One Hotel a Month in 2019, to Open More than One Hotel a Month in 2020

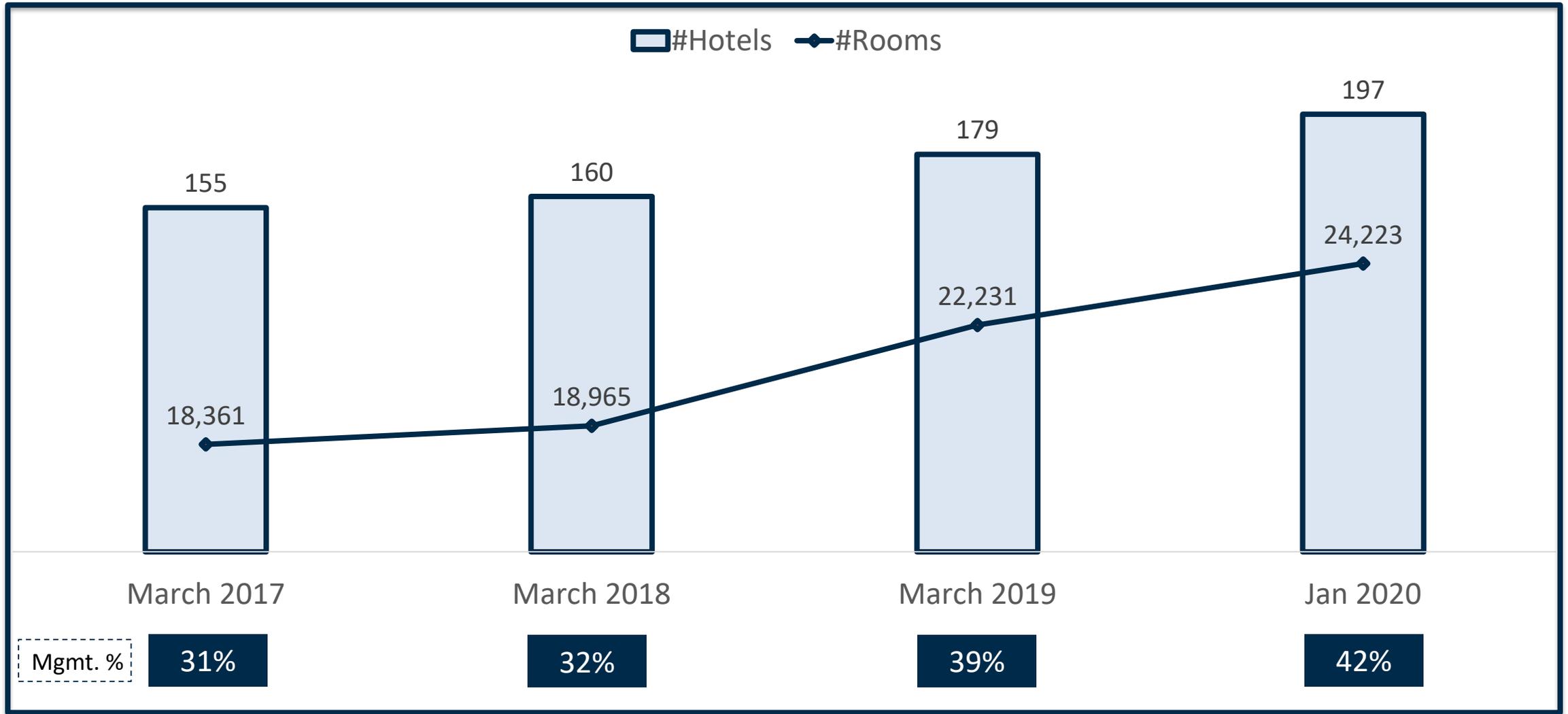
New Hotels Opened in 2019	Hotels	Rooms
Taj	5	662
SeleQtions	1	207
Vivanta	1	110
Ginger	5	428
<b>Total</b>	<b>12</b>	<b>1,407</b>

9 Hotels Opened  
in the First  
9 months of  
FY 2019/20

Total Pipeline by Brand	Hotels	Rooms
Taj	12	2,547
SeleQtions	3	345
Vivanta	12	1,599
Ginger	13	1,136
<b>Total</b>	<b>40</b>	<b>5,627</b>

84% of the  
pipeline is  
Managed

## Significant Growth in Portfolio – Asset Light



*\*Including Pipeline*

# Creating Alternate Revenue Streams



*The Chambers*

200+ Additions, ₹ 30 Cr Incr. Revenue

**S. M. A. R. T.**  
Asset SMART Growth Strategy

9M Management fees ₹ 163 Cr (+7%)

SHAMIANA

*House of Ming*

THAI  
PAVILION

GOLDEN DRAGON

Focus on F&B – Scale & Synergy

niu&nau

Launched and Scaling Up



Launching Soon in Bengaluru

amã

STAYS & TRAILS

13 Bungalows operational

# Ginger Achieves a Key Milestone

**50**

Hotels

**~4500**

Keys

**20%**

Lean Luxe Today

**50%**

Lean Luxe by Mar '21

**26%**

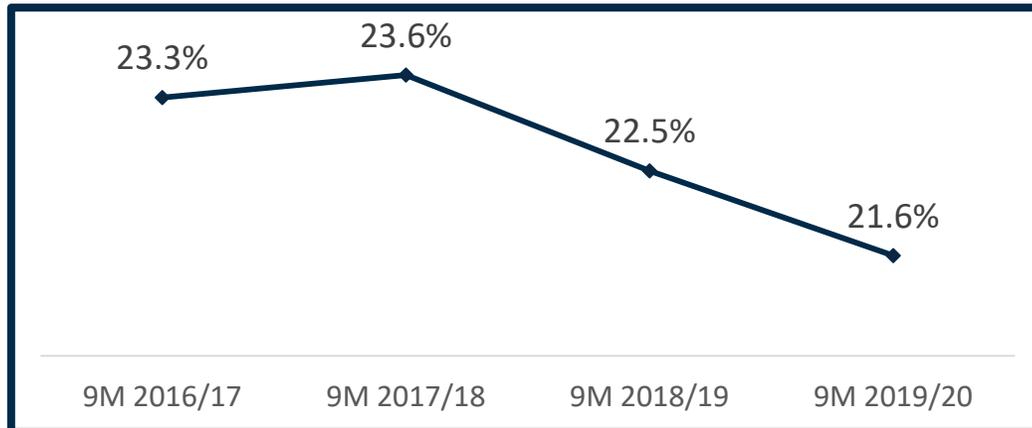
Growth in Q3 ARR for  
Lean Luxe Portfolio

**7.4%**

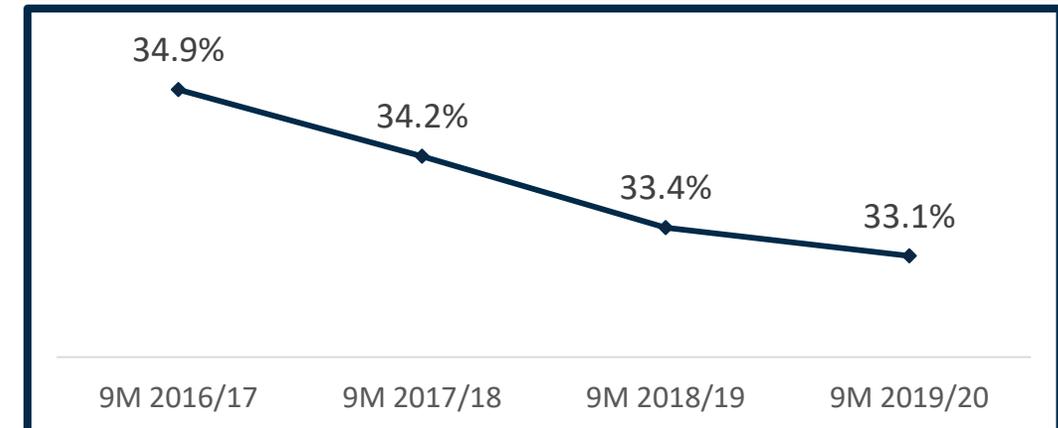
RevPAR Growth  
in 9M FY 19/20

# Continuous Improvement in Operating Cost Base

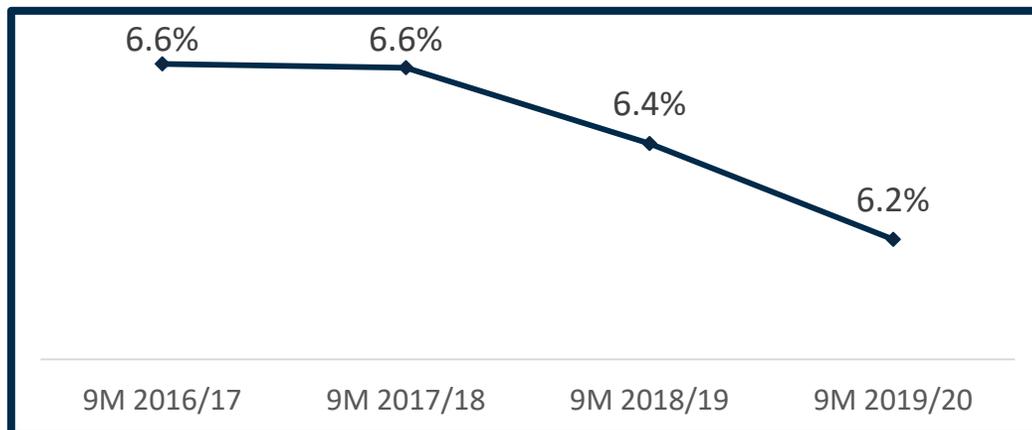
## Raw Material Cost



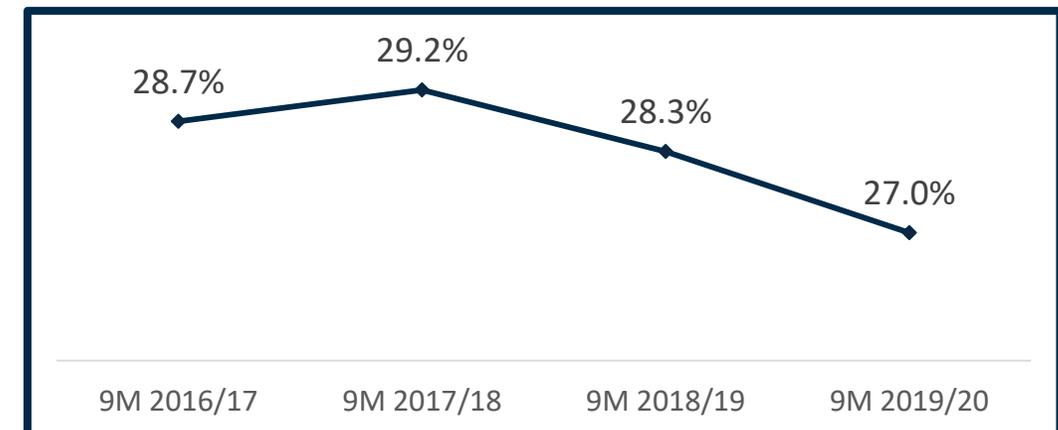
## Payroll Cost



## Fuel, Power and Light



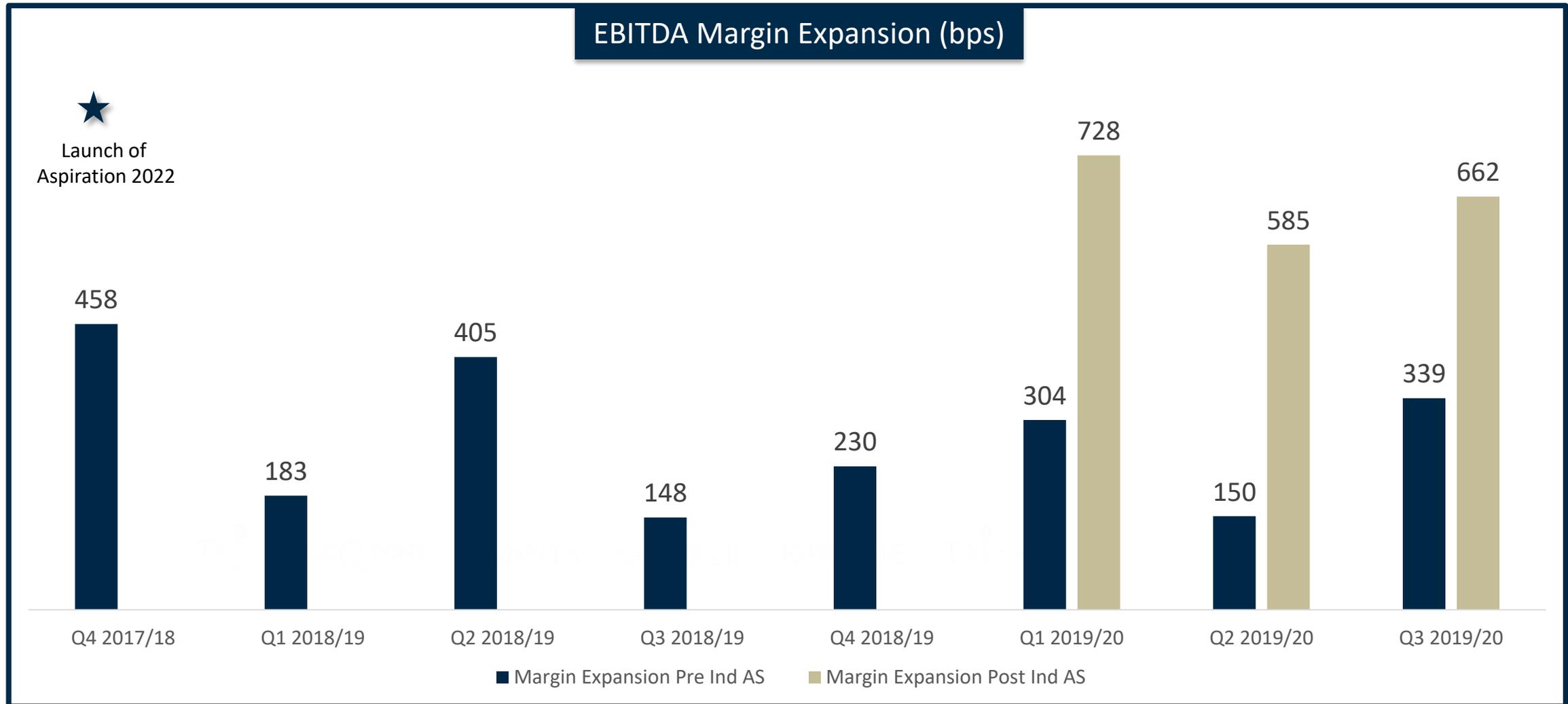
## Other Expenditure



\*All Percentages of Consolidated Revenue

\*Other Expenditure excludes License fees

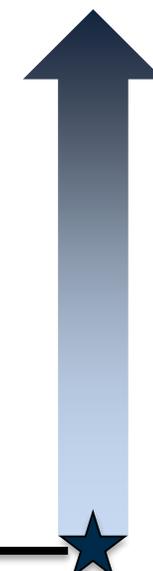
# Continuing our Journey of EBITDA Margin Expansion



\*EBITDA Margin Expansion is calculated Y-o-Y.

## Journey so far..

₹ / crores	Revenue	EBITDA	EBITDA Margin	PAT	Net Debt / EBITDA	Portfolio* (#Hotels)	Managed Portfolio (%)
Aspiration 2022			25%		< 2.00	225	50%
YTD Dec'19	3,495	719	20.6%	310	1.76	197	42%
FY 2018 / 19	4,595	913	19.9%	287	2.11	179	39%
FY 2017 / 18	4,165	732	17.6%	101	2.58	160	32%
FY 2016 / 17	4,076	665	16.3%	(63)	4.74	155	31%
FY 2015 / 16	4,123	652	15.8%	(231)	6.47	141	28%



Aspiration 2022  
\*Feb. 2018

\*YTD Dec'19 EBITDA & EBITDA Margin are PRE IND AS figures | \*\*Portfolio includes operational inventory and pipeline

# Acquisitions and Monetization YTD 2019/20

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



Commercial Closure Achieved  
for 1 Transaction

**Sale of Non – core Assets**



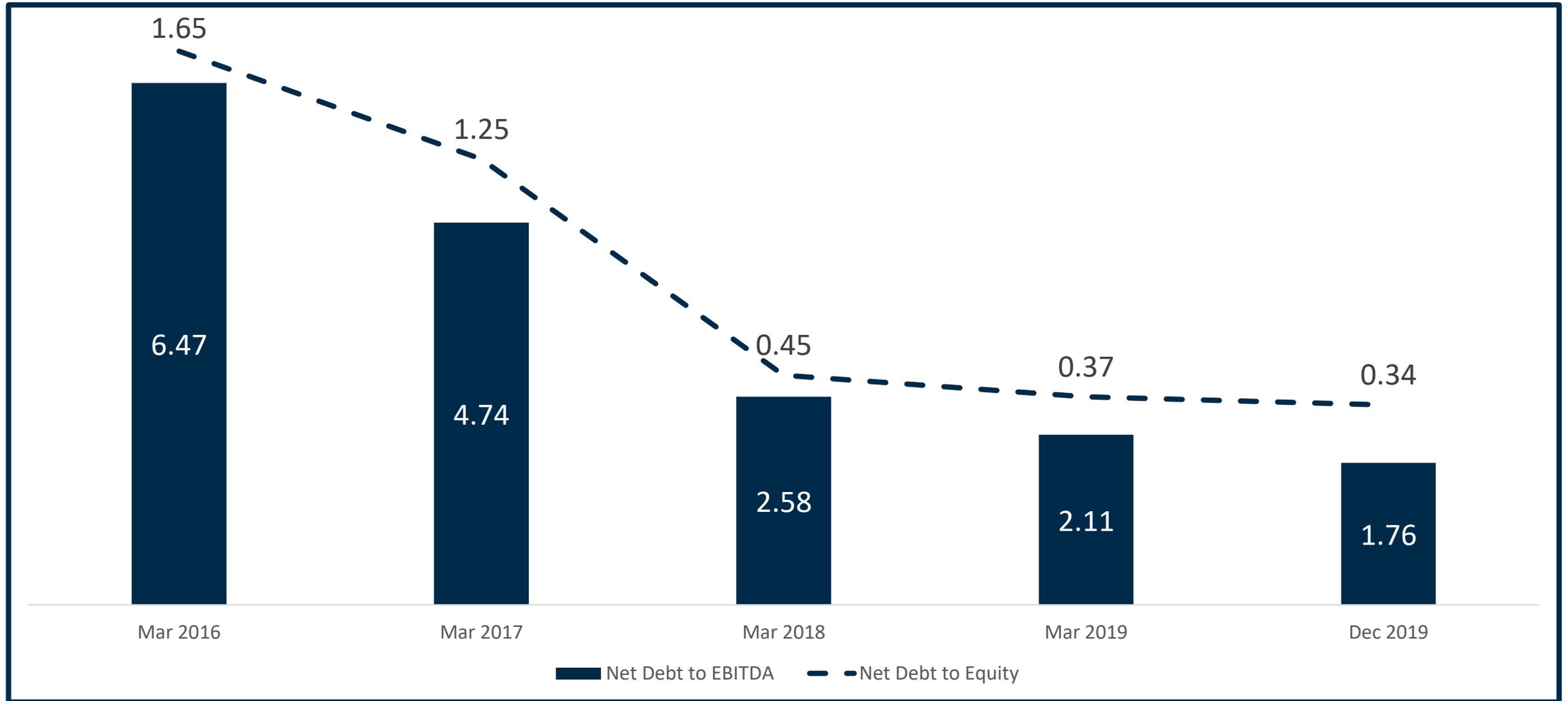
Residential Apartments, Land

**Simplification & Monetization**



100% Completed

# Continuous Improvement in Net Debt / EBITDA and Net Debt / Equity



\*Trailing Twelve Months Basis

\*\*Net Debt, EBITDA on Pre IND AS basis

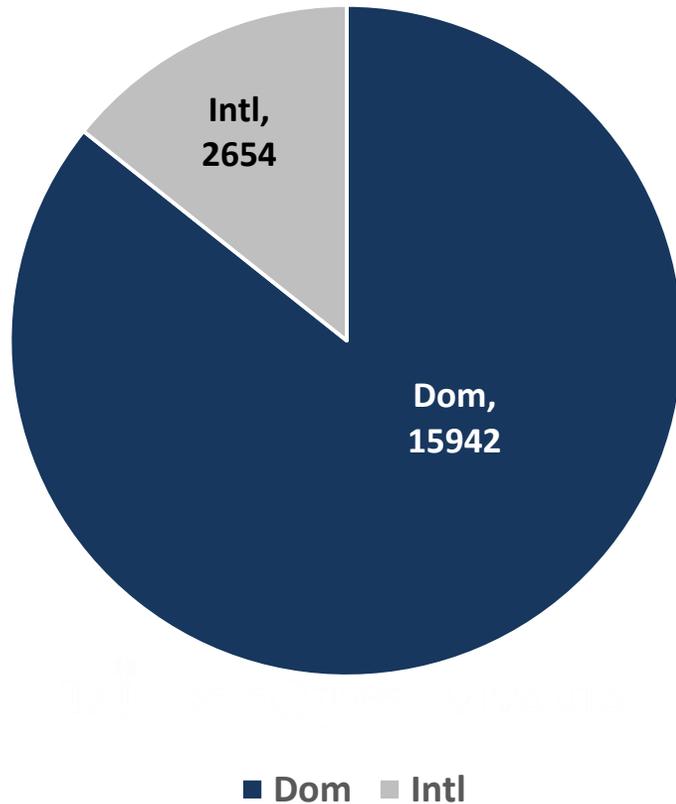
\*\*\*Net Debt as at Dec'19 was ₹ 1,836 cr (Mar'19 - ₹ 1,925 cr)



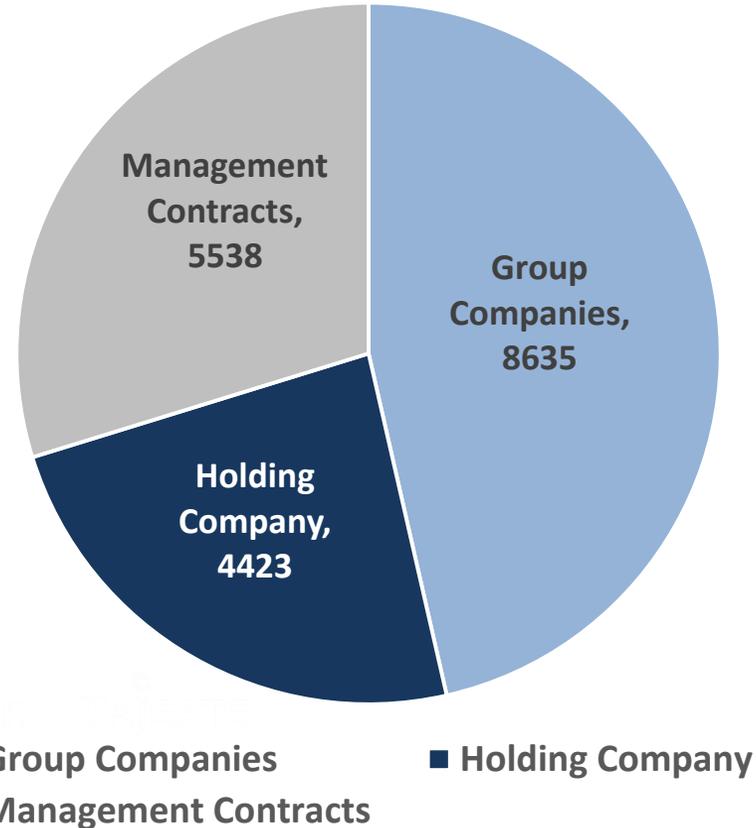
Taj Fateh Prakash Palace, Udaipur

# Our Operational Portfolio

## Inventory by Geography



## Inventory by Contract Type



As of 31<sup>st</sup> January 2020, IHCL has **157 hotels** with **18,596 Rooms**

# Group Major Companies

Company Name	Effective Holding %	Company Name	Effective Holding %
<b><u>Subsidiaries</u></b>		<b><u>Joint Ventures</u></b>	
Piem Hotels Ltd	51.57	Taj SATS Air Catering Ltd	51.00
Benares Hotels Ltd	51.68	Taj GVK Hotels & Resorts Ltd	25.52
United Hotels Ltd	55.00	Taj Kerala Hotels & Resorts Ltd	28.30
Roots Corporation Ltd	63.74	Taj Karnataka Hotels & Resorts Ltd	44.27
Skydeck Properties Pvt Ltd	100.00	Taj Safaris Ltd	40.98
IHOCO BV [ <i>Investment Company</i> ]	100.00	Kaveri Retreat & Resorts Ltd	50.00
United Overseas Holdings, Inc.	100.00	IHMS (SA) Pty Ltd	50.00
St James Court Hotel Ltd	72.25	TAL Hotels & Resorts Ltd	27.49
		<b><u>Associates</u></b>	
		Oriental Hotels Ltd	35.67
		Lanka Island Resorts Ltd	24.66
		TAL Lanka Hotel PLC	24.62

# Awards and Accolades continue to reinforce our direction



**TRAVEL+**  
**LEISURE**



**TRUSTYOU**



# 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, cyclical 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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