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# Analyst Meet

## Results for the Year Ended

### March 31, 2018

May 25, 2018



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# 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, cyclicalities 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.

Please visit our corporate website [www.tajhotels.com](http://www.tajhotels.com) for previous investor communications.

# Agenda

- **Key Highlights– Mr. Puneet Chhatwal, MD & CEO**
- **Industry Trends / Sales & Marketing Initiatives - Chinmai Sharma, Chief Revenue Officer**
- **Summary Financials & Treasury Update - Giridhar Sanjeevi, Chief Financial Officer**
- **Q&A**

# New Openings

## *Taj Exotica Resort & Spa, Andamans*



# New Openings

**Ginger Mumbai (Andheri East)**



**Ginger Gurgaon**



**Ginger Lucknow (Gomti Nagar)**



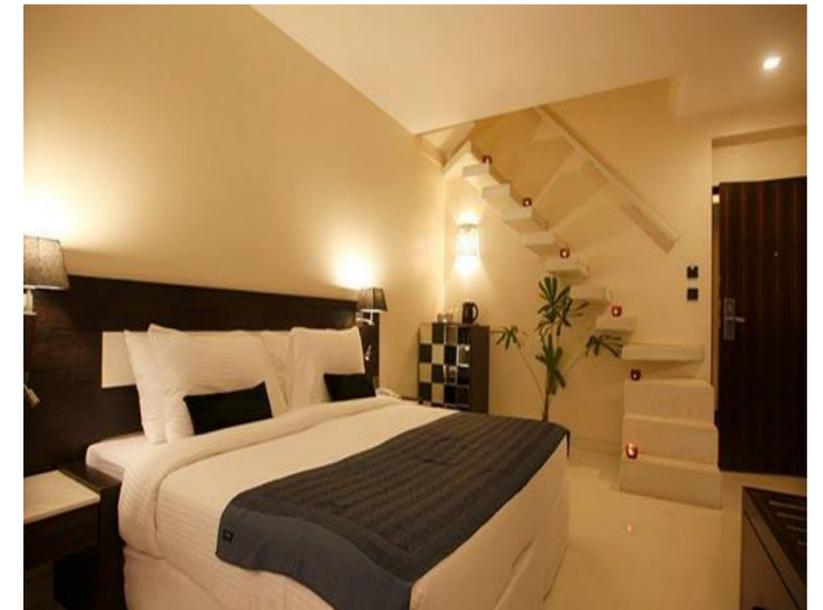
**Ginger Ahmedabad (S G Road)**

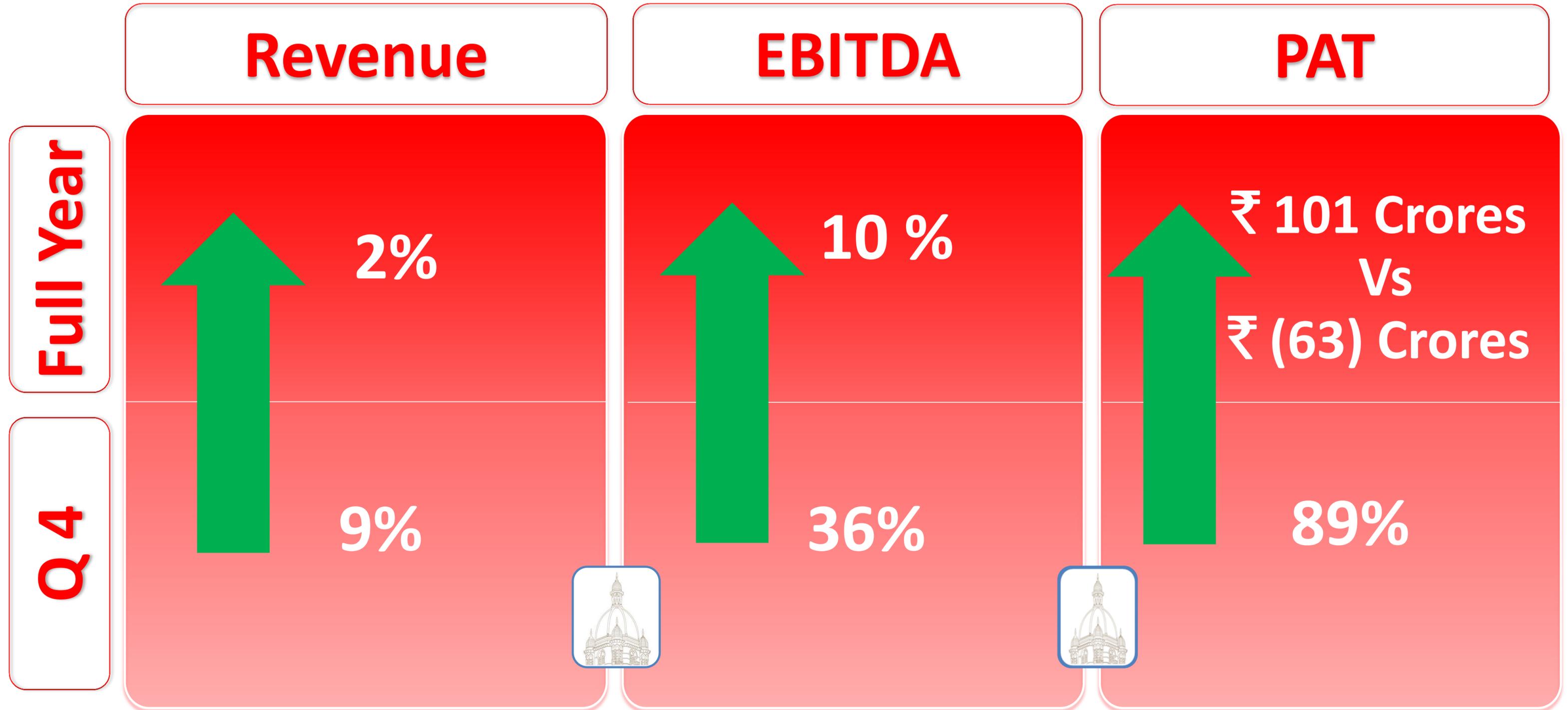


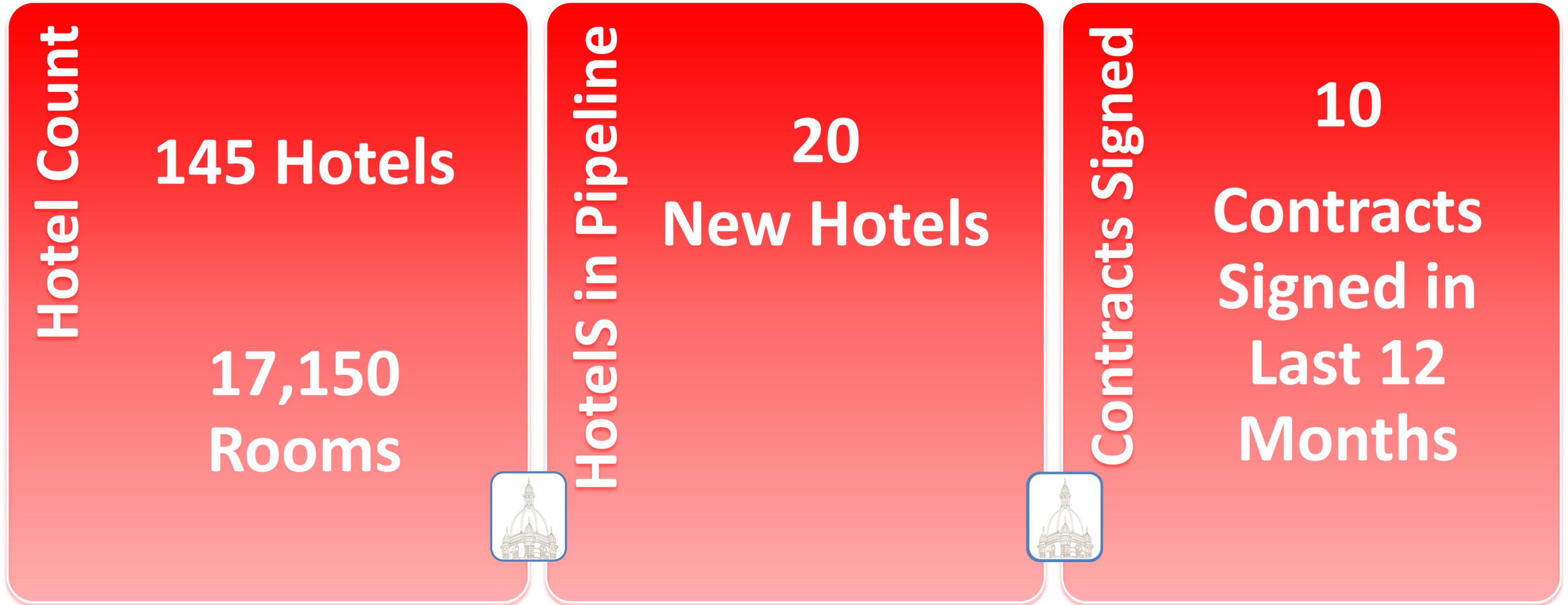
**Ginger Ahmedabad (Satellite)**



**Ginger Goa (Dona Paula)**

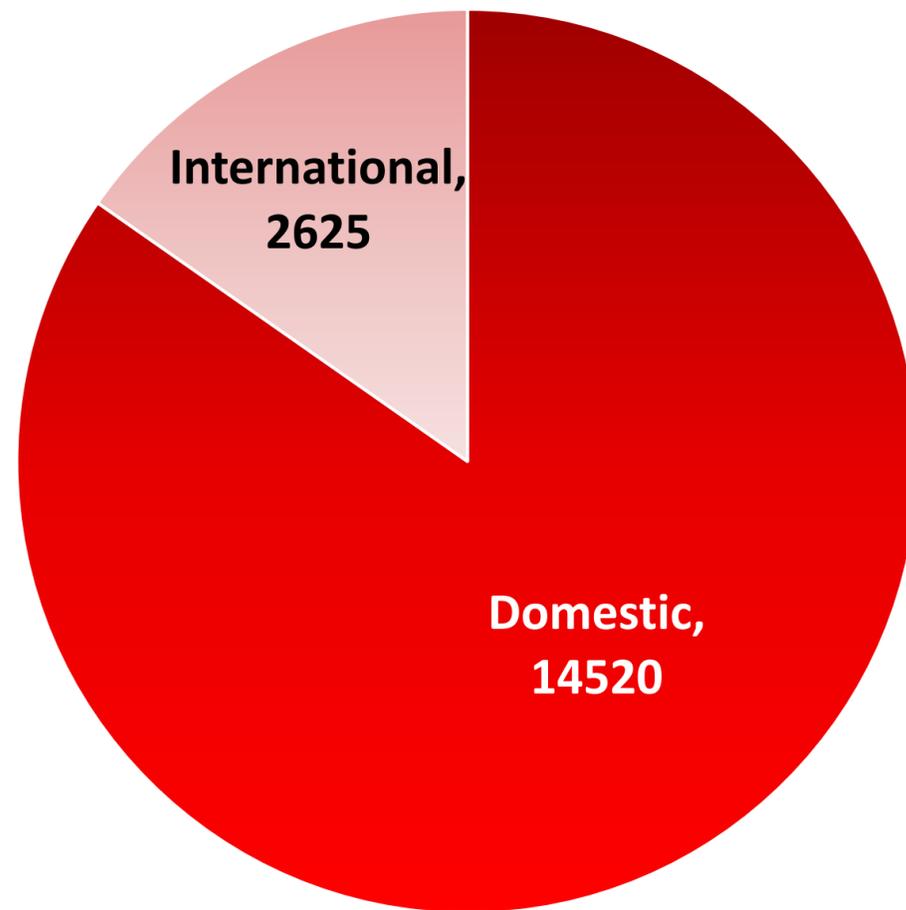






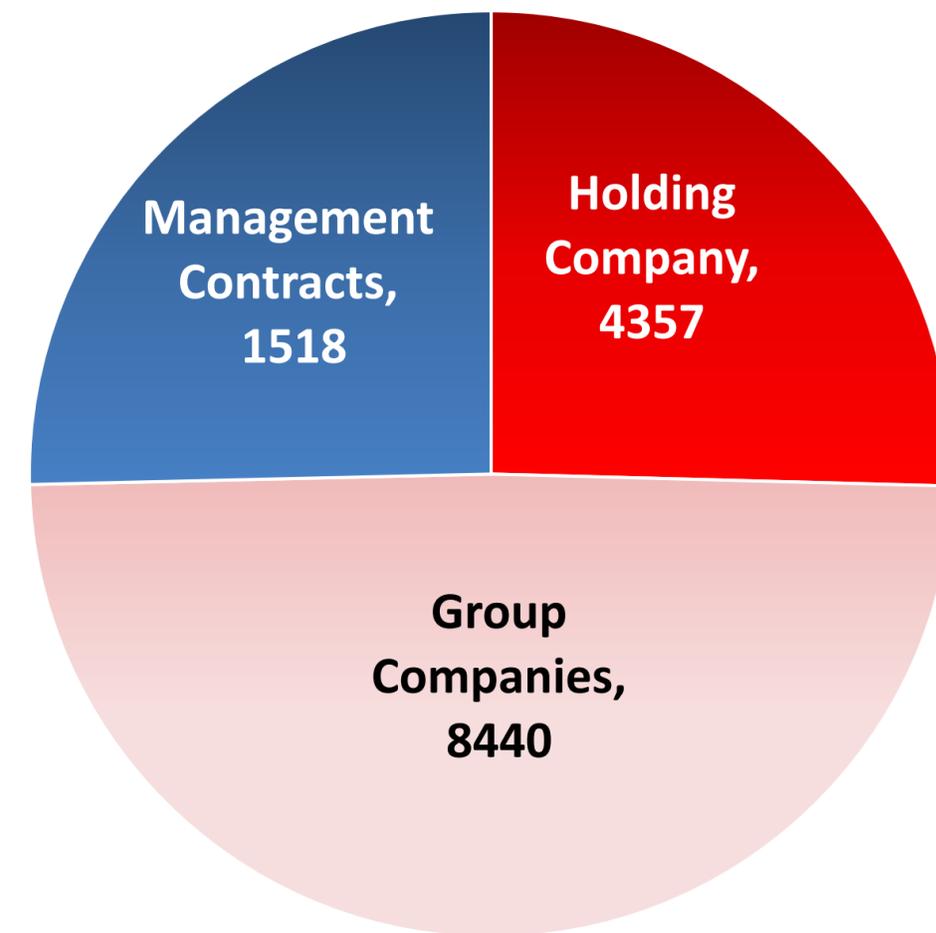
# Our Portfolio

Geography wise



■ Domestic ■ International

Hotel Contract wise



■ Holding Company ■ Group Companies ■ Management Contract

As at April 30, 2018, Taj Group has 145 hotels with 17,145 Rooms



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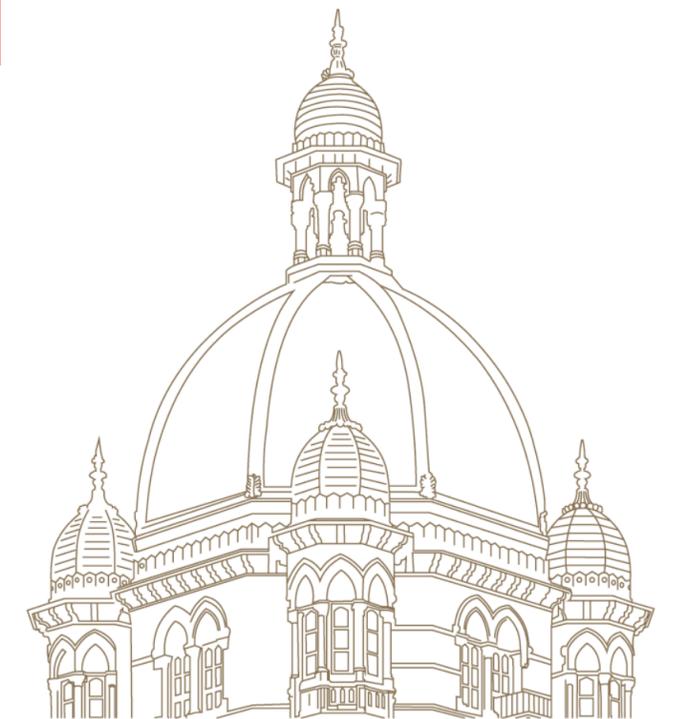
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**The Board of Directors has recommended a  
Final Dividend of **40%** for 2017/18 (2016/17 - 35%)**

# Industry Trends

## Sales & Marketing Initiatives



## International

- International travel and tourism arrivals grew by **about 7% globally in 2017**, the strongest since 2004
- Most of the **geographies witnessed** high growth rates

## Domestic

- India **room demand** growth rates continue to **outpace new supply growth** rate resulting in an all India occupancy level of 65%.
- Most **key cities** saw a **healthy increase** in demand, with the exception of Chennai & Gurgaon

# All India Hospitality Overview

## 2017-18 v/s 2016-17

### Market Dynamics

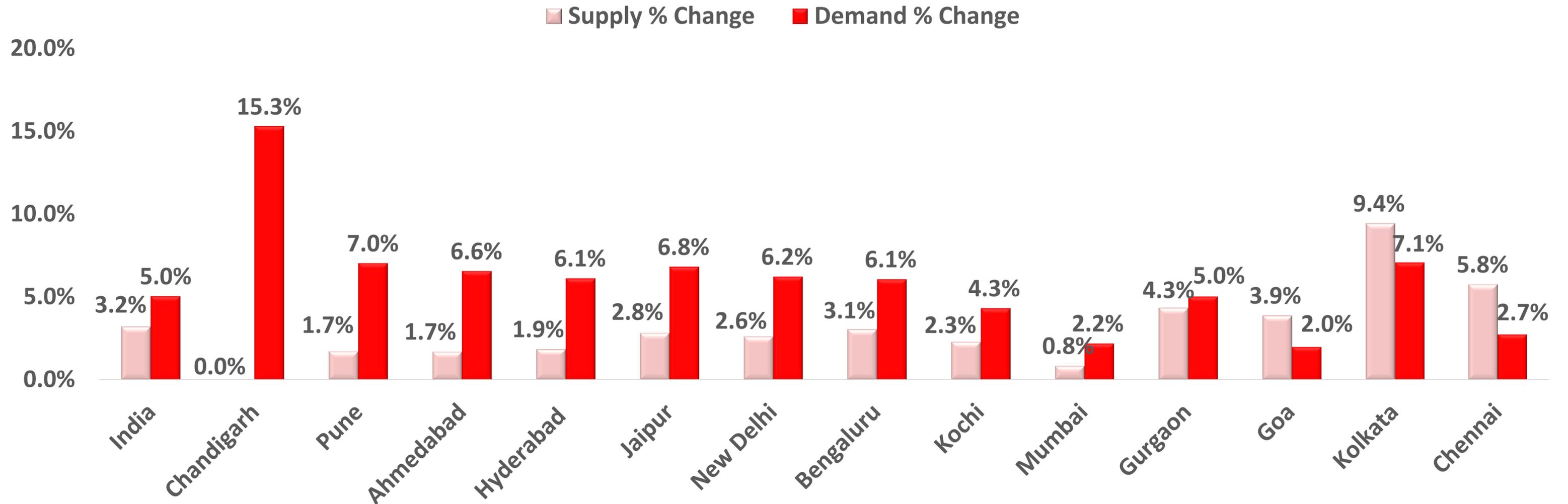
- Supply Growth  
+3.2%
- Demand Growth  
+5.0%

### All India Hotels' Performance

- Occupancy  
65% (+1.8%)
- Avg. Room Rate  
₹5,649 (+1.4%)
- RevPAR  
₹3,658 (+3.2%)

# India Hotel Performance: 2017-18

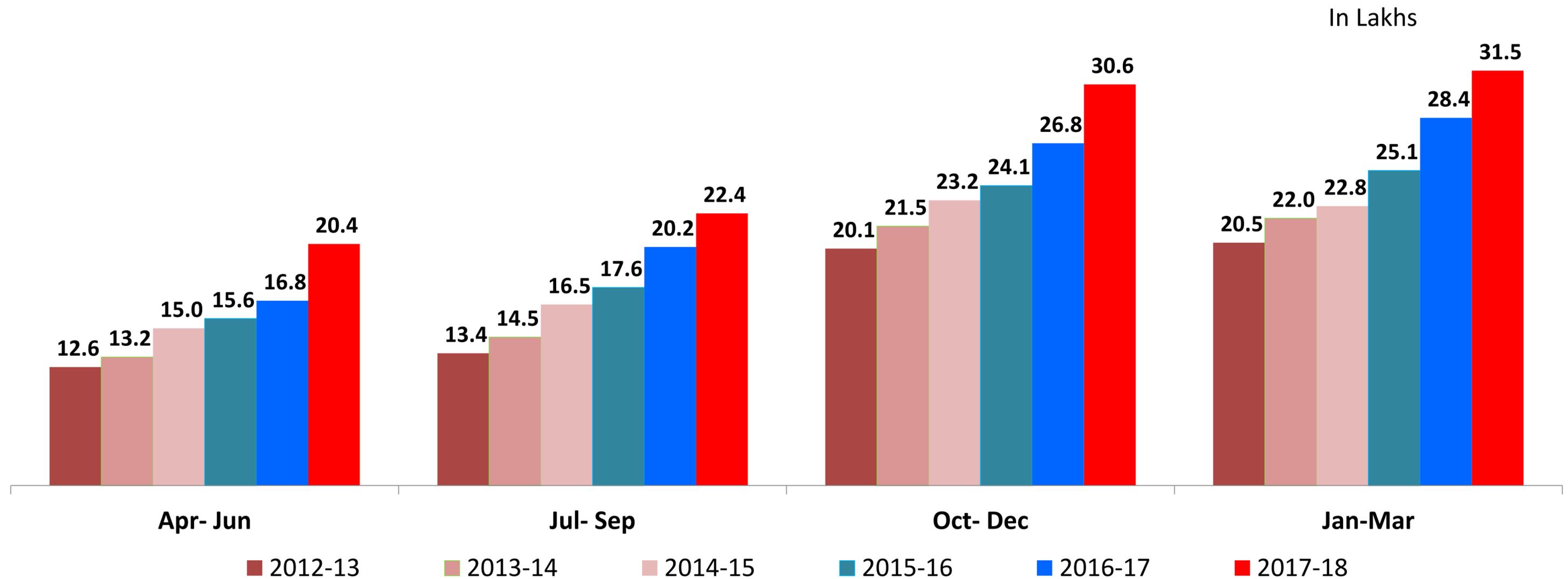
## Key cities



- Overall **3.2% increase in Supply** in 2017-18 vis-à-vis 2016-17.
- Demand has grown 5.0%** in this period. The **supply – demand gap is still significant** in most cities, which positively impacts hotel industry Occupancy and ARR

Source : STR Global

# Foreign Tourist Arrivals in India



- Foreign tourist arrivals in India have shown growth in each quarter for past 6 years .
- Foreign tourist arrivals during the 2017-18 were 104.8 lakhs with a growth of 14%, compared to FTAs of 2016-17 of 92.25 lakhs, which was a growth of 12% compared to FY 2015-16.

Source : Ministry of tourism India

- Brand Equity: Brand Engagement Index for Taj improved over last year, increasing our lead vs. all competing hotel brands in India
- Brand Awareness and Recall: Taj brand was ranked # 1 in India for Top of Mind (unaided recall) amongst all other hotel brands

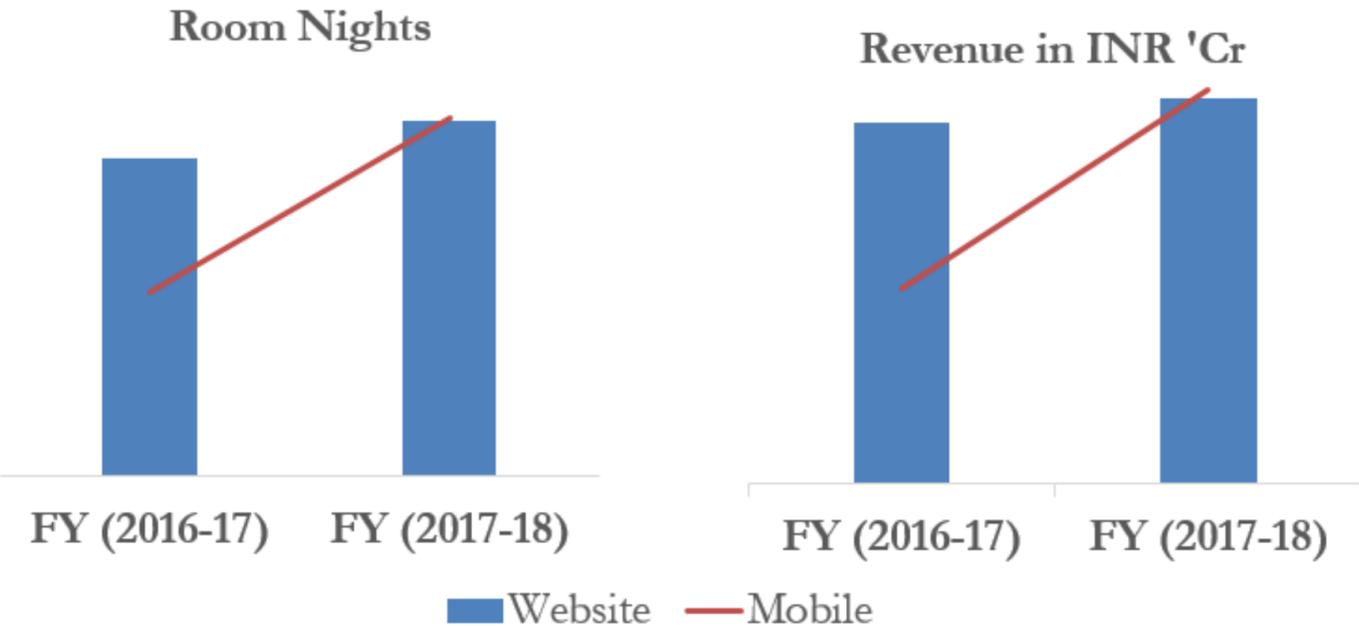
Source: Guest Engagement and Brand Study 2017 by Gallup



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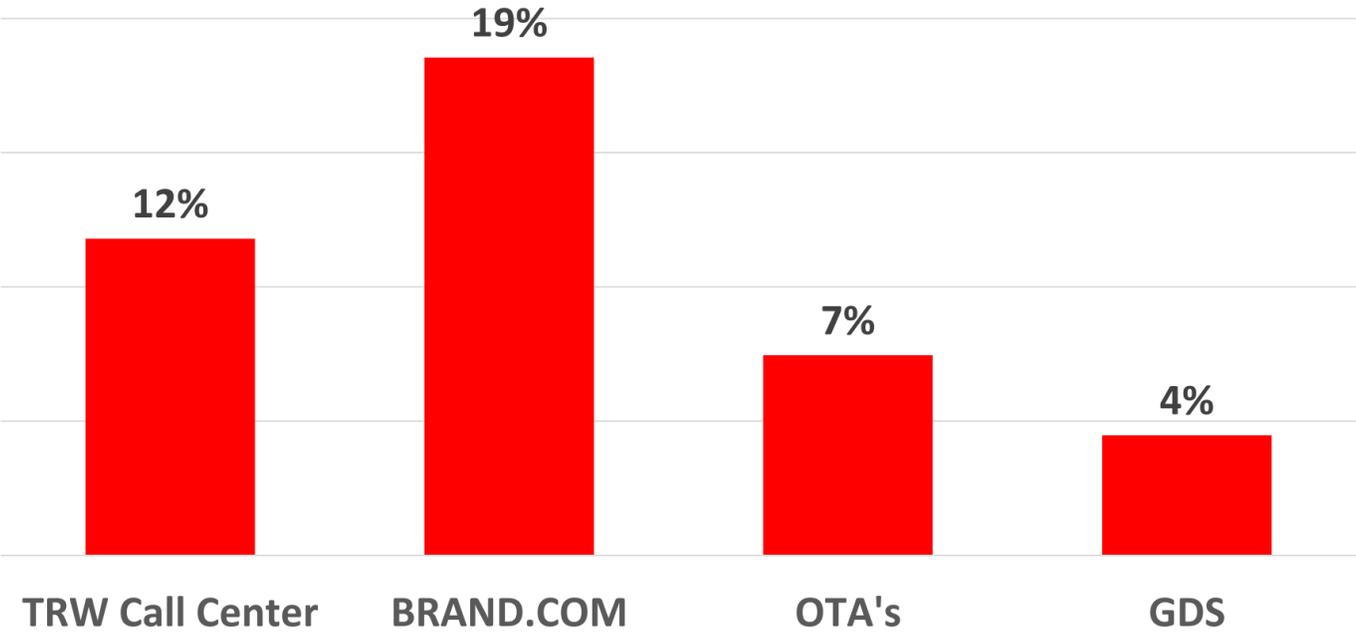


Increase 2017-18 v/s FY 2016-17		
	Room Nights	Revenue
Website Performance	24%	19%

### Website/Mobile Revenue Details:

- Overall Website Revenue has increased by 19% for FY 2017-18 when compared to FY 2016-17
- Mobile Revenue alone up by over 101%

% Revenue Growth in Channels FY 2017-18



# Loyalty Update



Member base has increased by 40% FY 17-18 v/s FY 16-17



Consumer loyalty revenue has grown by 30% FY 17-18 v/s FY 16-17



**‘Best Loyalty Partnership’**  
at 2018 LOYALTY AWARDS EVENT  
for  
**Warmer Welcomes**



Shangri La-Warmer Welcomes enrolments have increased 6.5X as on March, 2018



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# Awards & Accolades (Organization)

THE INDIAN HOTELS COMPANY LIMITED



- **Best Hotel Company** at the **Dun and Bradstreet Corporate awards 2017**
- **Best Business Hotel Chain in India** by the **Business Traveller UK Awards**
- **TripAdvisor Certificates of Excellence**
- **Best Hotel Group - Runner-Up** by **The Telegraph Travel Awards 2017**



- **Best Hospitality Corporate Governance India 2018** by **Capital Finance International**



- **All India Investor Relations Awards 2017** in the **Large Cap Category** by **Investor Relations Society of India**



- **GALLUP Great Workplace Award 2017**

**People Capital Index**

- **Featured on the list of India's 50 Best Companies for Talent Satisfaction**



- **Best Company to Work for in Hospitality** in the **Business Today Best Companies to Work for Survey**



- **Among Top 100 Best Companies for Working Women in India** by the **Working Mother & AVTAR 100 Survey**



- **Luxury Hotel Chain of the Year** at **Patwa International Awards 2018**

PATWA

**Taj.Live**

- **The Best Social Application of the Year** at **CMO Asia Awards 2017**
- **The Tata Excellence in Communication Award 2017** in the **Digital Platform External Engagement category**



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## Awards & Accolades (Hotels)



- 17 Awards including Top 25 Hotels - #3 Umaid Bhwan Palace, Jodhpur



- 7 awards across various categories
- Taj Lake Palace, Udaipur and The Taj Mahal Palace, Mumbai listed in the Gold List of Conde Nast Traveler Magazine



- Taj Rambagh Palace, Jaipur ranked in the Top 100 Hotels in the World
- Taj Exotica Resort & Spa, Maldives as the Best Luxury Resort in the World
- Taj Falaknuma Palace, Hyderabad as the Best Heritage Hotel in India



- Taj Wellington Mews, Mumbai awarded the Guest Review Award 2017

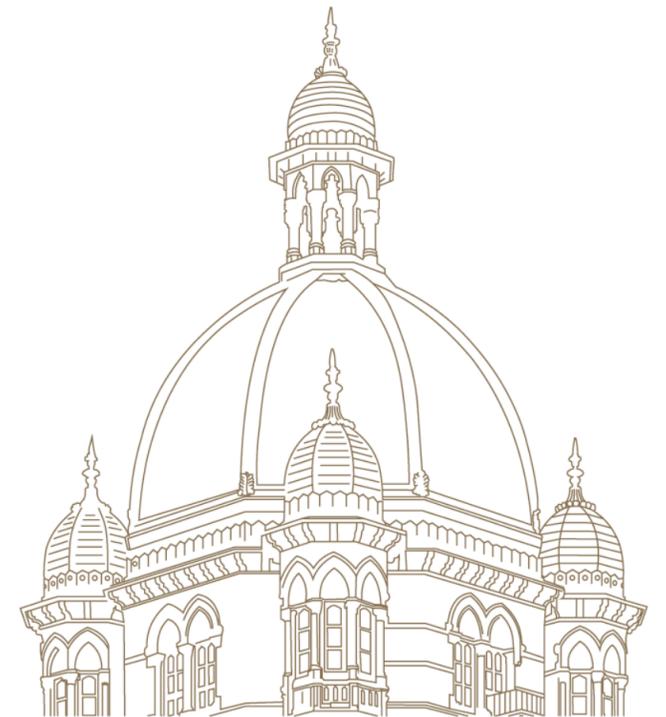


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# Financial Performance for the Year Ended March 31, 2018

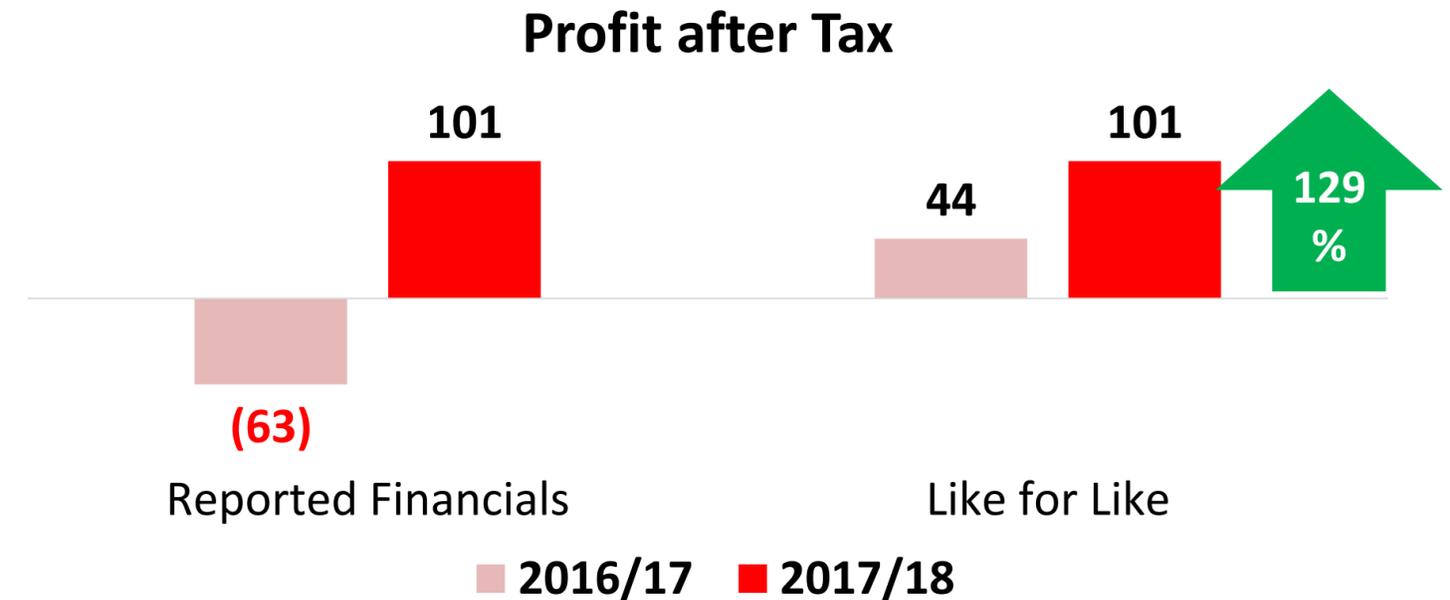
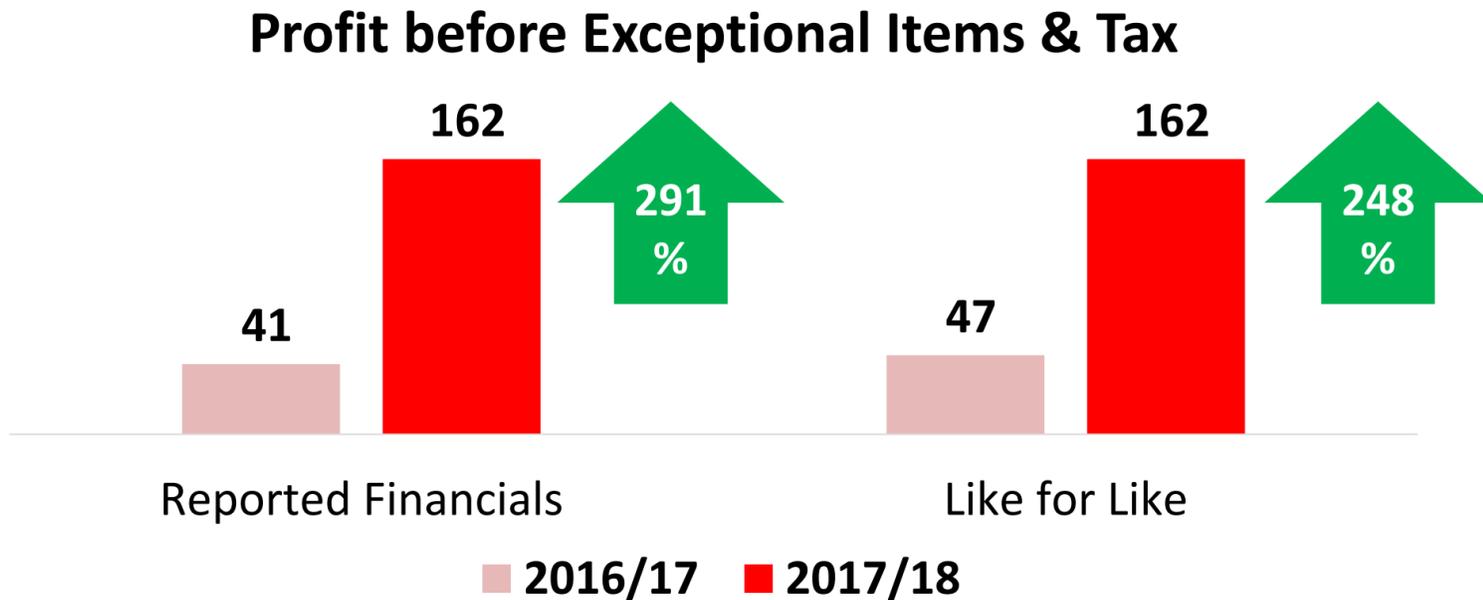
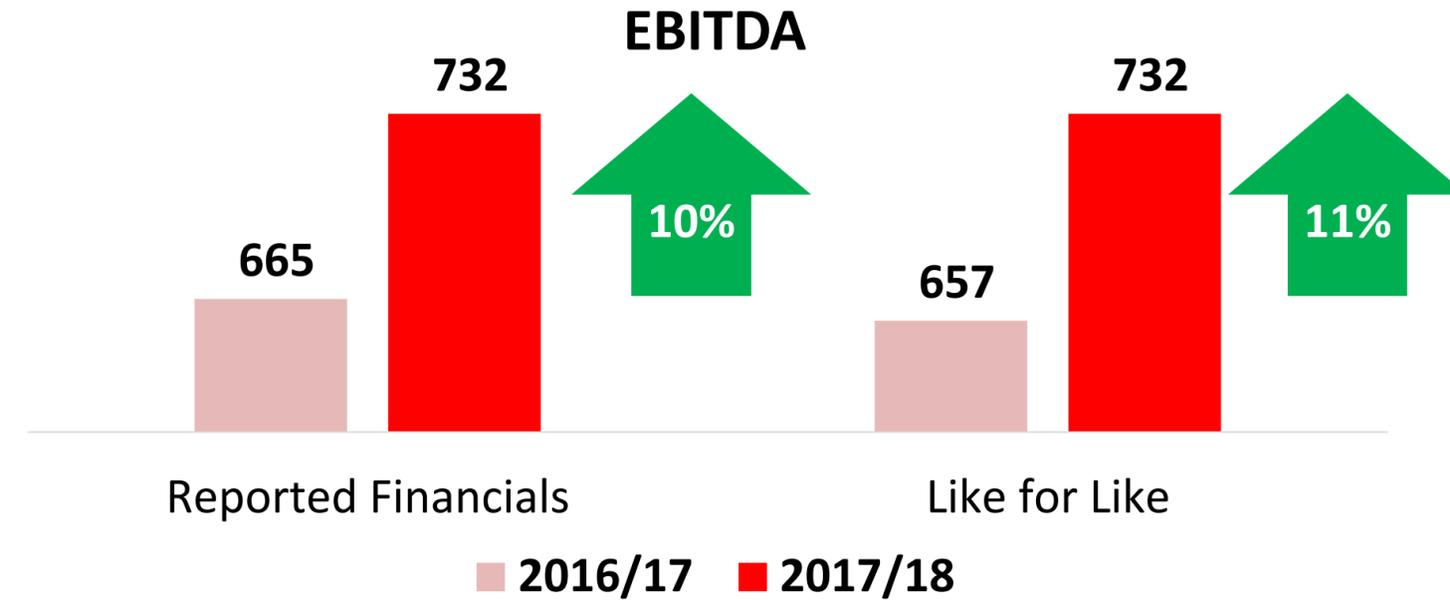
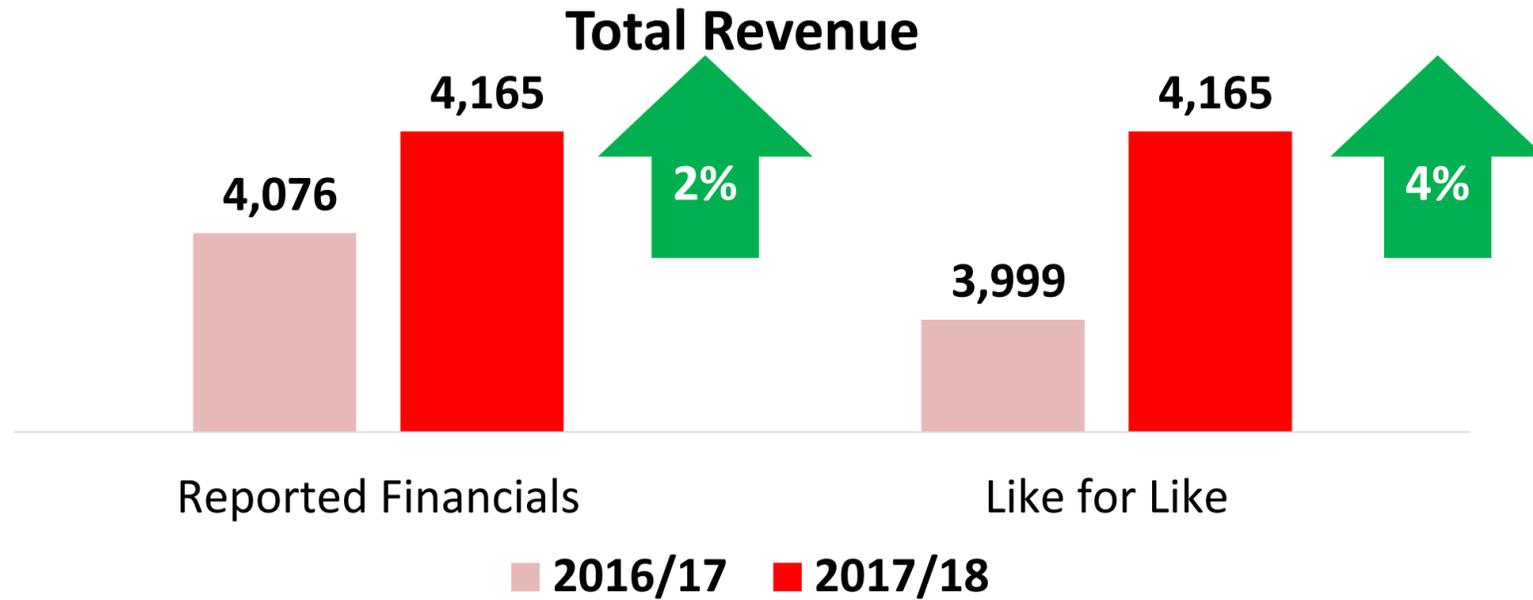


# Consolidated Key Indicators

## Full Year 2017-18

THE INDIAN HOTELS COMPANY LIMITED

₹ /crores



2016/17 Reported PAT includes ₹ 103 crores of Loss on Boston sale. Like for Like - excludes Taj Boston (sold during the previous year)

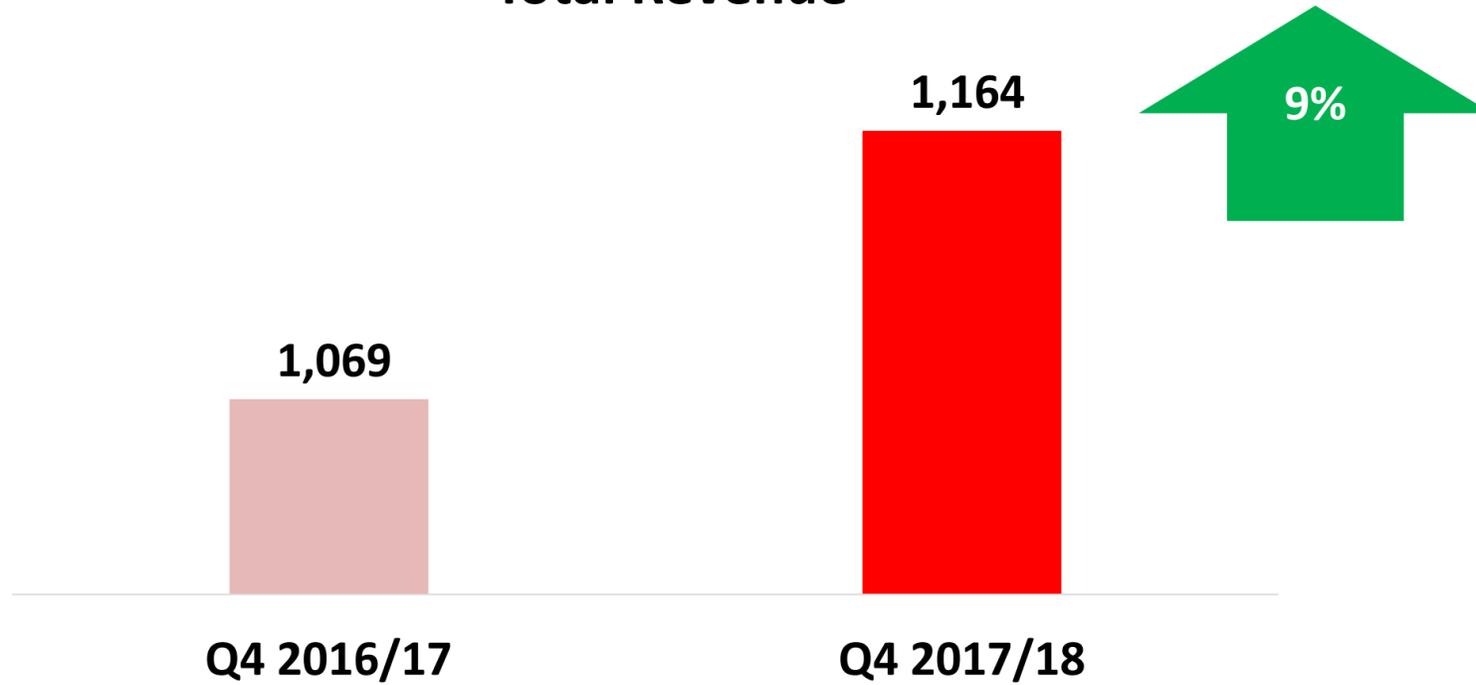
# Consolidated Key Indicators

## Q4 2017-18

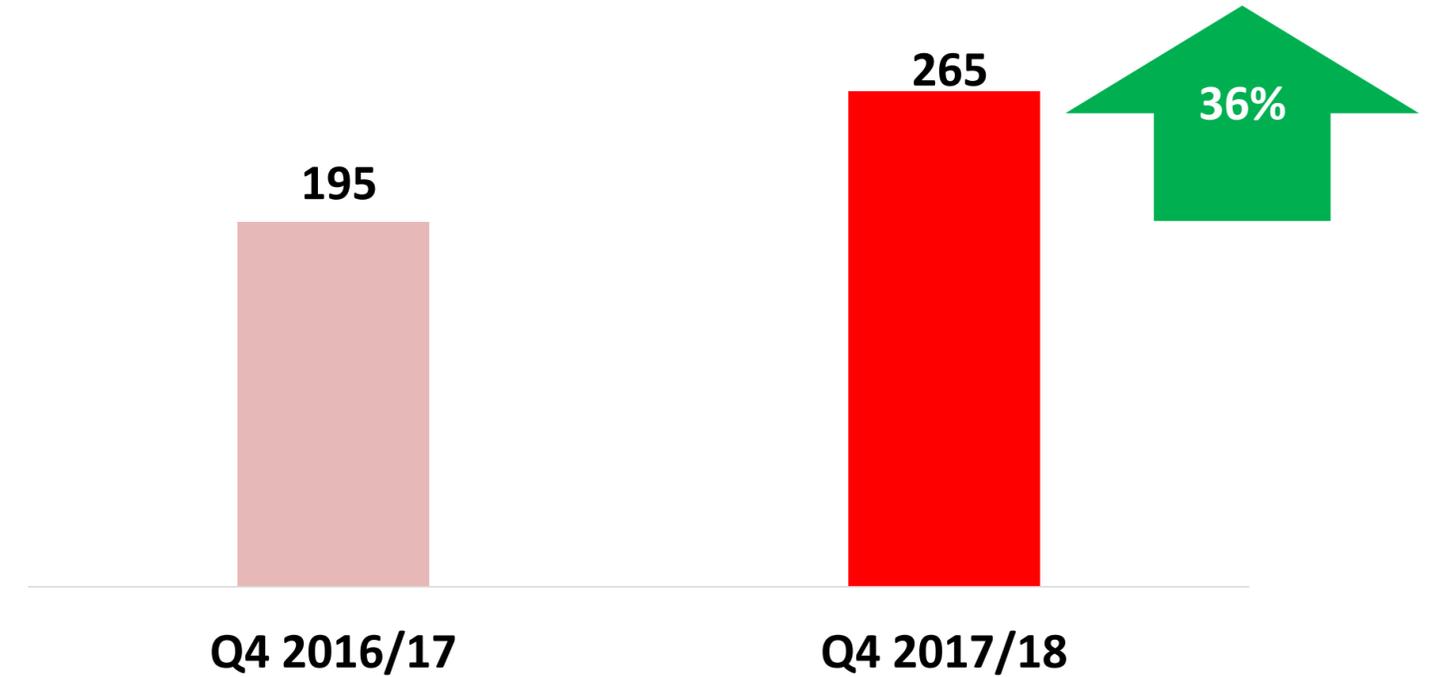
THE INDIAN HOTELS COMPANY LIMITED

₹ /crores

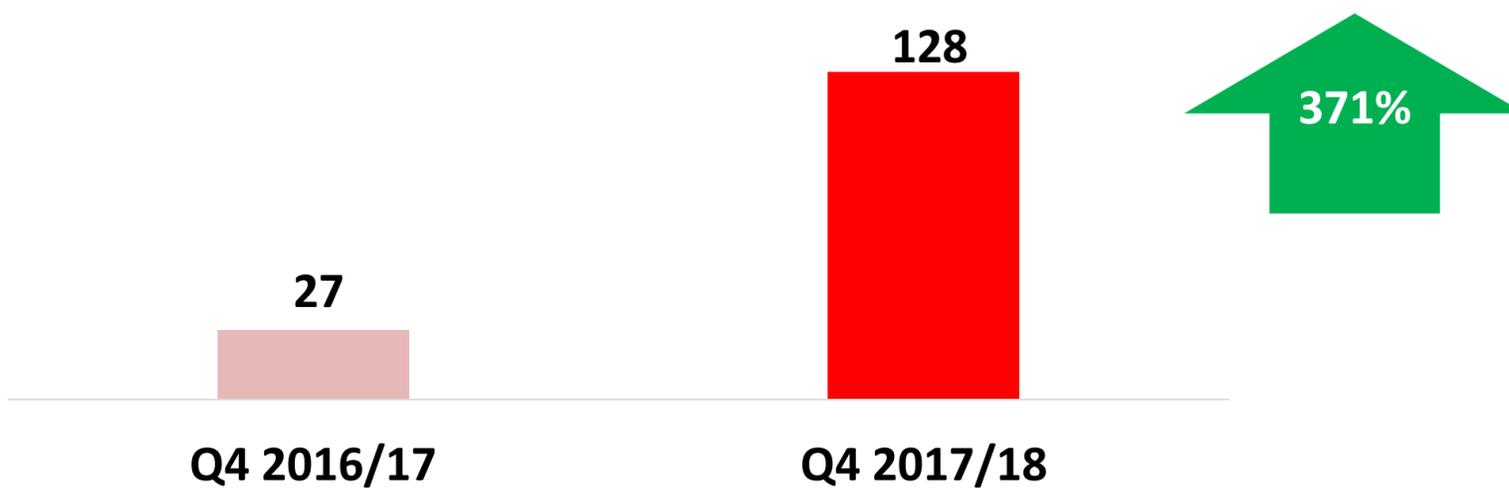
### Total Revenue



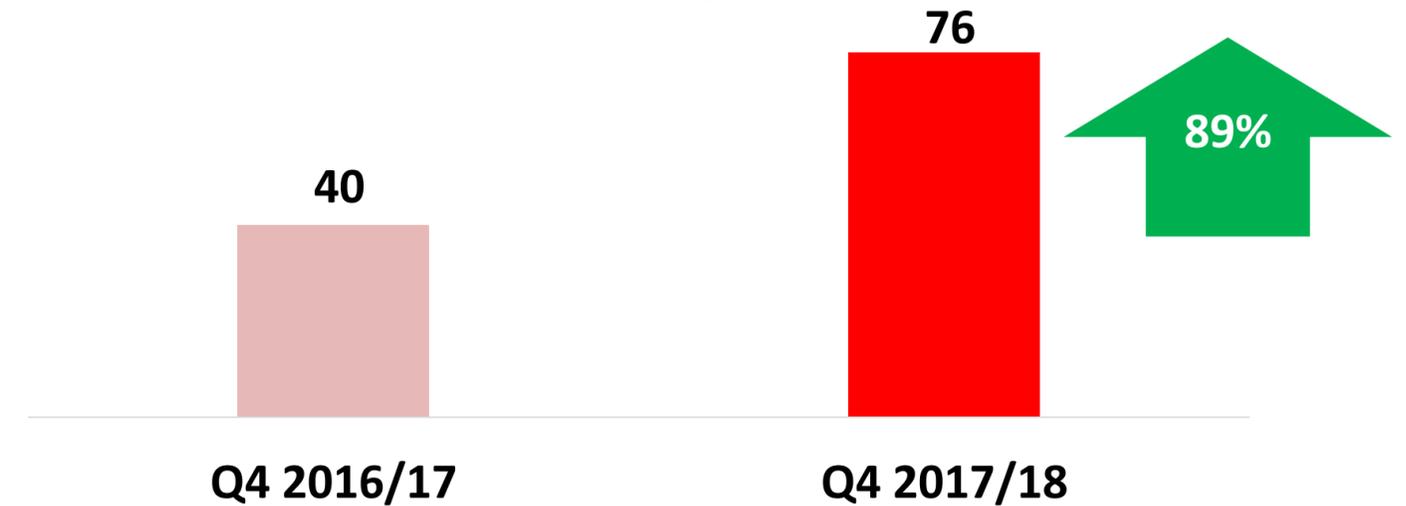
### EBITDA



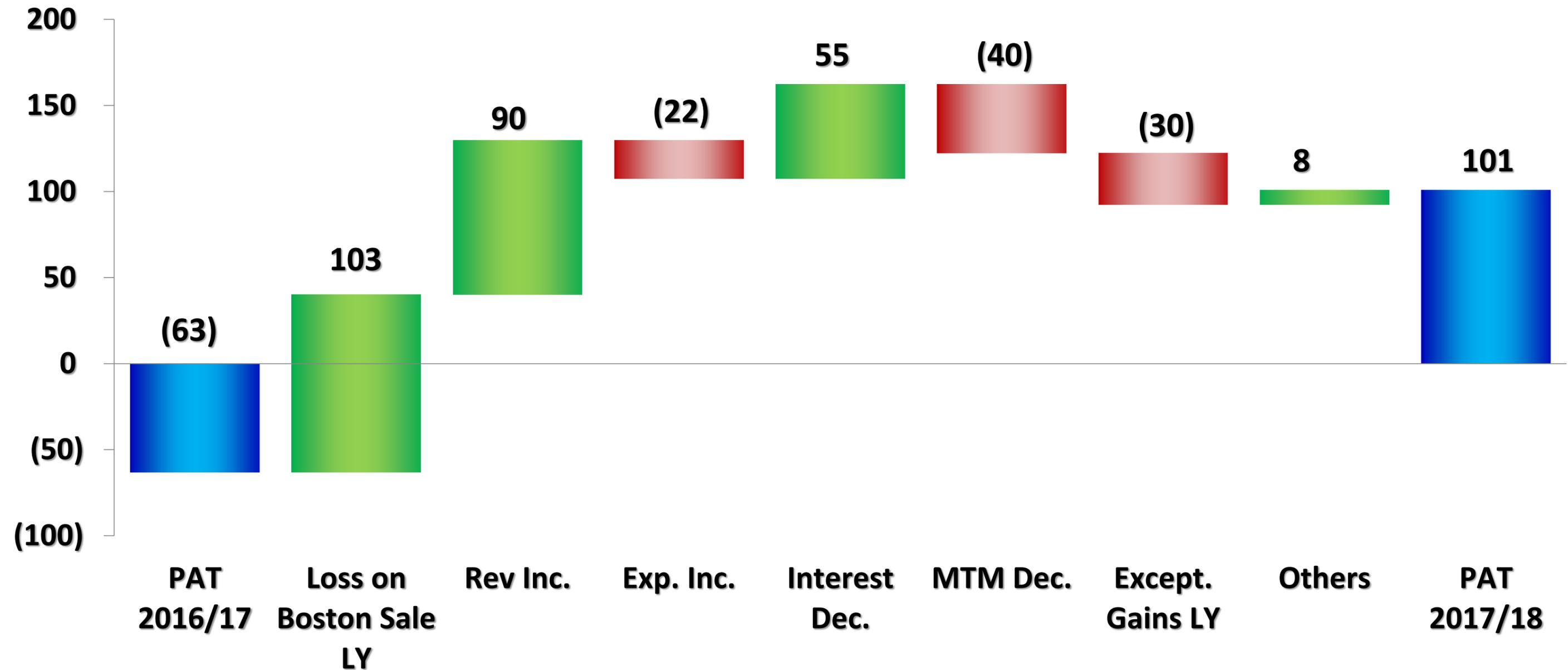
### Profit Before Exceptional Items & Tax



### Profit After Tax



## Increase in PAT



▪ Increase in PAT from Loss of ₹ (63) crores in FY 2016/17 to profit of ₹ 101 crores in 2017/18

## Healthy Balance Sheet & Ratios

### Rights Issue

- Raised ₹ 1,500 crores
- Primarily utilised to reduce debt

### Tifco Holdings Ltd Amalgamation

- Boost Standalone Reserves & Liquidity
- Simplify Structure

### Healthy Ratios

- Net Debt to Equity - 0.45
- Net Debt to EBITDA - 2.58
- Consolidated Liquidity- ₹ 500 crores

## Borrowings as on March 31, 2018

₹ /crores

Particulars	March 31, 2018	March 31, 2017	Increase / (Decrease)
<b>Non Current Liabilities</b>			
Borrowings	2,329	2,790	(461)
<b>Current Liabilities</b>			
Borrowings	98	593	(495)
<b>Total Borrowings</b>	<b>2,427</b>	<b>3,383</b>	<b>(956)</b>

Company wise Borrowings	March 31, 2018	March 31, 2017	Increase / (Decrease)
<b>The Indian Hotels Company Limited</b>	1,784	2,049	(265)
<b>Domestic Subsidiaries</b>			
Roots Corporation	148	118	30
Skydeck Properties Ltd	-	750	(750)
<b>International Subsidiaries</b>			
United Overseas Holdings, Inc.	134	143	(9)
St James Court Hotel Limited	382	351	31
<b>Less: Elimination (Inter- Company Debt)</b>	<b>(21)</b>	<b>(28)</b>	<b>7</b>
<b>Total Borrowings</b>	<b>2,427</b>	<b>3,383</b>	<b>(956)</b>

# Debt Position

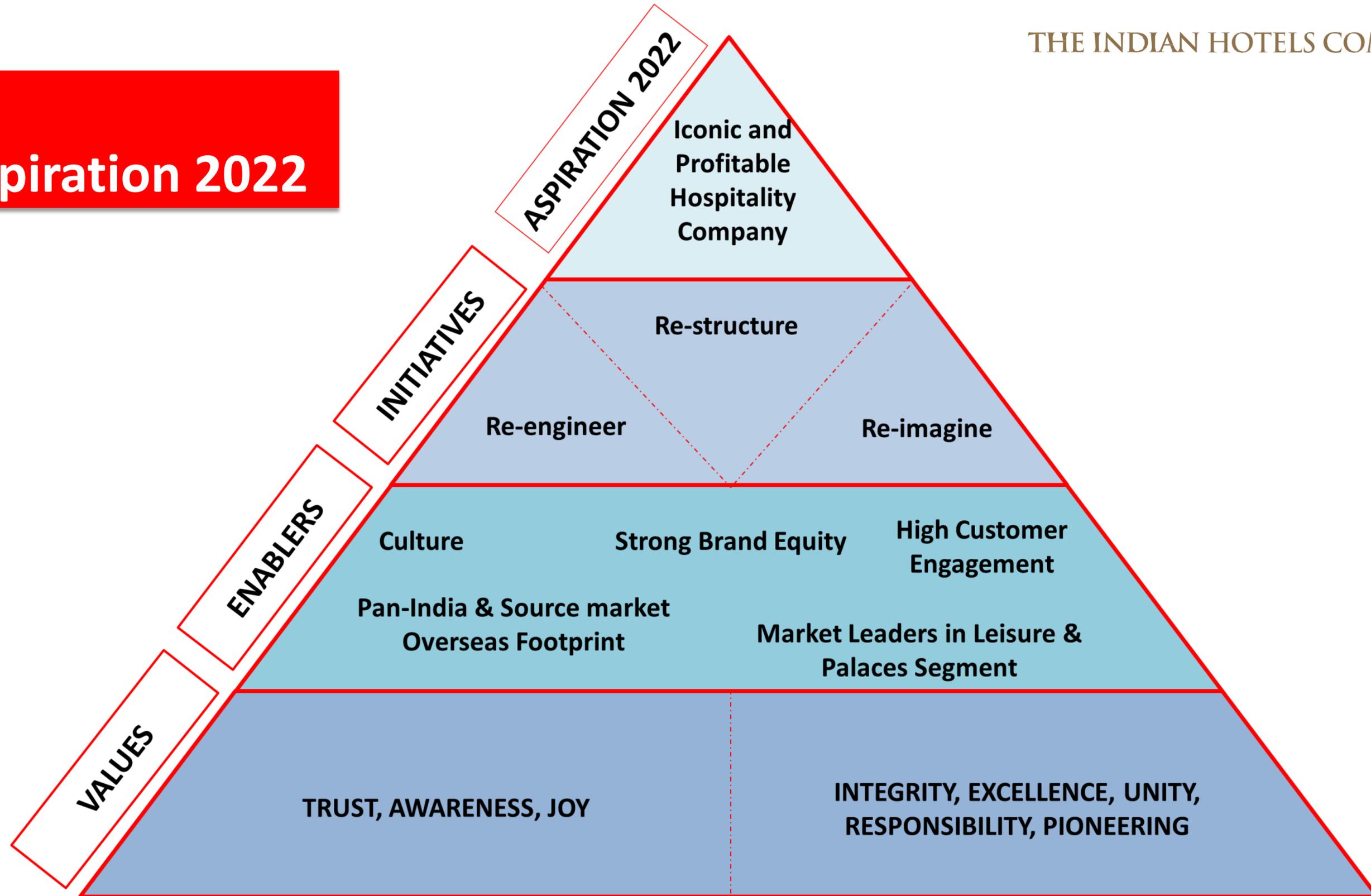
₹ /crores

Particulars	Standalone		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Gross Debt	1,784	2,049	2,427	3,383
Liquidity	(423)	(80)	(539)	(232)
<b>Net Debt</b>	<b>1,361</b>	<b>1,969</b>	<b>1,889</b>	<b>3,151</b>
Net Debt/ Equity #	0.31	0.71	0.45	1.25
Weighted cost of Debt	7.9%	7.7%	7.0%	7.7%
Net Debt/EBITDA	1.99	3.41	2.58	4.74

- Reduction in debt is primarily on account of repayment of borrowings out of the proceeds of Rights Issue
- Balance Rights Issue proceeds, pending utilisation, are currently invested in Fixed Deposits with Bank (this is included in liquidity in table above).

# Equity for consolidated ratios considers Net worth attributable to the owner

**Recap:  
HCL Aspiration 2022**



# Q & A

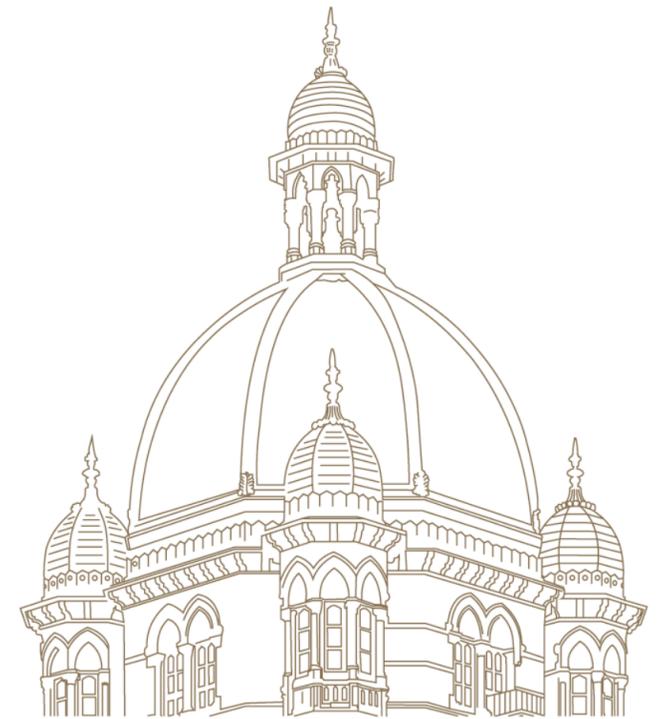


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# Annexure



# 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 Madras Flight Kitchen Pvt Ltd	50.00
Roots Corporation Ltd	63.25	Taj Kerala Hotels & Resorts Ltd	28.30
Skydeck Properties Pvt Ltd	100.00	Taj Karnataka Hotels & Resorts Ltd	44.27
IHOCO BV [ <i>Investment Company</i> ]	100.00	Taj Safaris Ltd	38.15
United Overseas Holdings, Inc.	100.00	Kaveri Retreat & Resorts Ltd	50.00
St James Court Hotel Ltd	72.25	IHMS (SA) Pty Ltd	50.00
		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

## Balance Sheet as on March 31, 2018

₹ /crores

Particulars	March 31, 2018	March 31, 2017
<b>Non Current Assets</b>		
Fixed Assets	5,792	5,483
Goodwill	566	556
Other Non Current Assets	1,799	1,670
<b>Current Assets</b>	1,219	926
<b>Total Assets</b>	<b>9,378</b>	<b>8,634</b>
<b>Equity</b>		
Equity Share Capital	119	99
Other Equity	4,062	2,419
Non-controlling interests	777	738
<b>Non Current Liabilities</b>		
Borrowings	2,329	2,790
Other Non Current Liabilities	696	750
<b>Current Liabilities</b>		
Borrowings	98	593
Other Current Liabilities	1,296	1,245
<b>Total Equity &amp; Liabilities</b>	<b>9,378</b>	<b>8,634</b>

## Profit & Loss Statement

₹ /crores

Particulars	Quarter IV			Full Year			
	2017/18	2016/17	% Change	2017/18	2016/17	% Change	Like to Like % Changes
Revenue from Operations	1143	1052	9%	4104	4021	2%	4%
Other Income	20	17	20%	62	55	12%	12%
<b>Total Income</b>	<b>1164</b>	<b>1069</b>	<b>9%</b>	<b>4165</b>	<b>4076</b>	<b>2%</b>	<b>4%</b>
Food and Beverages Consumed	98	94	4%	376	364	3%	5%
Employee Benefits Expense & Payment to Contractors	334	328	2%	1347	1365	-1%	2%
Other Operating & General Expenses	466	452	3%	1710	1682	2%	2%
Total Expenditure	899	875	3%	3433	3411	1%	3%
<b>EBITDA</b>	<b>265</b>	<b>195</b>	<b>36%</b>	<b>732</b>	<b>665</b>	<b>10%</b>	<b>12%</b>
Depreciation and Amortisation Expense	85	90	-5%	301	299	1%	3%
Finance Costs	52	78	-33%	269	324	-17%	-15%
<b>Profit Before exceptional Items &amp; Tax</b>	<b>128</b>	<b>27</b>	<b>371%</b>	<b>162</b>	<b>41</b>	<b>291%</b>	<b>248%</b>
Exceptional items	(14)	39		22	(11)		
<b>Profit/ (Loss) before tax</b>	<b>114</b>	<b>66</b>		<b>184</b>	<b>31</b>		
Tax Expense	57	34		121	114		
<b>Profit/ (Loss) after tax before share of associates/ JVs</b>	<b>57</b>	<b>32</b>		<b>63</b>	<b>(83)</b>		
Add: Share of Profit/(Loss) in Associates & JV	22	15		40	38		
Less : Non-controlling interest	(4)	(6)		(3)	(18)		
<b>Profit/ (Loss) After Tax</b>	<b>76</b>	<b>40</b>		<b>101</b>	<b>(63)</b>		
<b>EBITDA%</b>	<b>23%</b>	<b>18%</b>		<b>18%</b>	<b>16%</b>		

\* like to like is without Taj Boston



# Consolidated Financials

THE INDIAN HOTELS COMPANY LIMITED

## Exceptional Items - 2017/18

Particulars	₹ /crores	
	2017/18	2016/17
Change in fair value of derivative contracts	26	66
Provision of financial exposure in an associate	(1)	(5)
Recovery of costs along with interest on a surrendered project		24
Refund of municipal tax		6
Project written off for commercial reasons	(3)	1
Loss on disposal of a subsidiary		(103)
<b>Total</b>	<b>22</b>	<b>(11)</b>

## Balance Sheet as on March 31, 2018

₹ / Crores

Particulars	March 31, 2018	March 31, 2017
<b>Non Current Assets</b>		
Fixed Assets	2,464	2,296
Other Non Current Assets	4,313	3,382
<b>Current Assets</b>	930	559
<b>Total Assets</b>	<b>7,707</b>	<b>6,237</b>
<b>Equity</b>		
Equity Share Capital	119	99
Other Equity	4,275	2,668
<b>Non Current Liabilities</b>		
Borrowings	1,734	1,495
Other Non Current Liabilities	661	603
<b>Current Liabilities</b>		
Borrowings	-	7
Other Current Liabilities	918	1,365
<b>Total Equity &amp; Liabilities</b>	<b>7,707</b>	<b>6,237</b>

- Increase in Non - Current Assets primarily on account of investment in Skydeck properties private limited, a wholly owned subsidiary.

## Profit & Loss Statement

₹ / Crores

Particulars	Quarter IV			Full Year		
	2017/18	2016/17	% Change	2017/18	2016/17	% Change
Revenue from Operations	786	710	11%	2,584	2,402	8%
Other Income	18	23		55	58	
<b>Total Income</b>	<b>804</b>	<b>733</b>	<b>10%</b>	<b>2,639</b>	<b>2,460</b>	<b>7%</b>
Food and Beverages consumed	63	62		233	220	
Employee Benefits Expense & Payment to Contractors	166	159		650	633	
Other Operating & General Expenses	302	292		1,073	1,029	
Total Expenditure	531	513	3%	1,955	1,882	4%
<b>EBITDA</b>	<b>273</b>	<b>220</b>	<b>24%</b>	<b>684</b>	<b>578</b>	<b>18%</b>
<b>Operating EBITDA</b>	<b>255</b>	<b>197</b>	<b>30%</b>	<b>629</b>	<b>520</b>	<b>21%</b>
Depreciation and Amortisation Expense	40	46	-13%	151	151	0%
Finance Costs	42	53	-21%	193	198	-2%
<b>Profit Before exceptional Items &amp; Tax</b>	<b>191</b>	<b>121</b>	<b>58%</b>	<b>339</b>	<b>229</b>	<b>49%</b>
Exceptional items	-54	-27		-55	34	
<b>Profit/ (Loss) before tax</b>	<b>137</b>	<b>94</b>		<b>284</b>	<b>262</b>	
Provision for Taxes	72	59		136	119	
<b>Profit/ (Loss) After Tax</b>	<b>65</b>	<b>35</b>		<b>148</b>	<b>143</b>	
<b>EBITDA %</b>	<b>34%</b>	<b>30%</b>		<b>26%</b>	<b>23%</b>	



# IHCL Standalone Financials

## Income Details

₹ / Crores

Particulars	2017/18	2016/17	% Change
Room Income	1,092	1,048	4
Food , Restaurants & Banquet Income	1,031	952	8
Management & Operating fees	210	159	33
Other Operating Income	251	242	4
<b>Income from Operations</b>	<b>2,584</b>	<b>2,402</b>	<b>8</b>
Non Operating Income	55	58	(5)
<b>Total Income</b>	<b>2,639</b>	<b>2,460</b>	<b>7</b>

# IHCL Standalone Financials

## Exceptional Items - 2017/18

Particulars	₹ / Crores	
	2017/18	2016/17
Exchange Gain/ (Loss) on ECB	-	(2)
Exchange Gain/ (Loss) on Shareholders Deposit Revaluation	-	4
Change in fair value of derivative contracts	26	65
Recovery of costs along with interest on a surrendered project	-	24
Refund of municipal tax		6
Provision for impairment of investment in a subsidiary that incurred losses	(81)	(64)
<b>Total</b>	<b>(55)</b>	<b>34</b>

**Thank You**

