

IHCL

Capital Market Day

February 19, 2019



SELEQ TIONS

VIVANTA

GINGER

EXPRESSIONS



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

100+

locations

4

continents

12

countries

178

hotels

21,600+

keys

32,000+

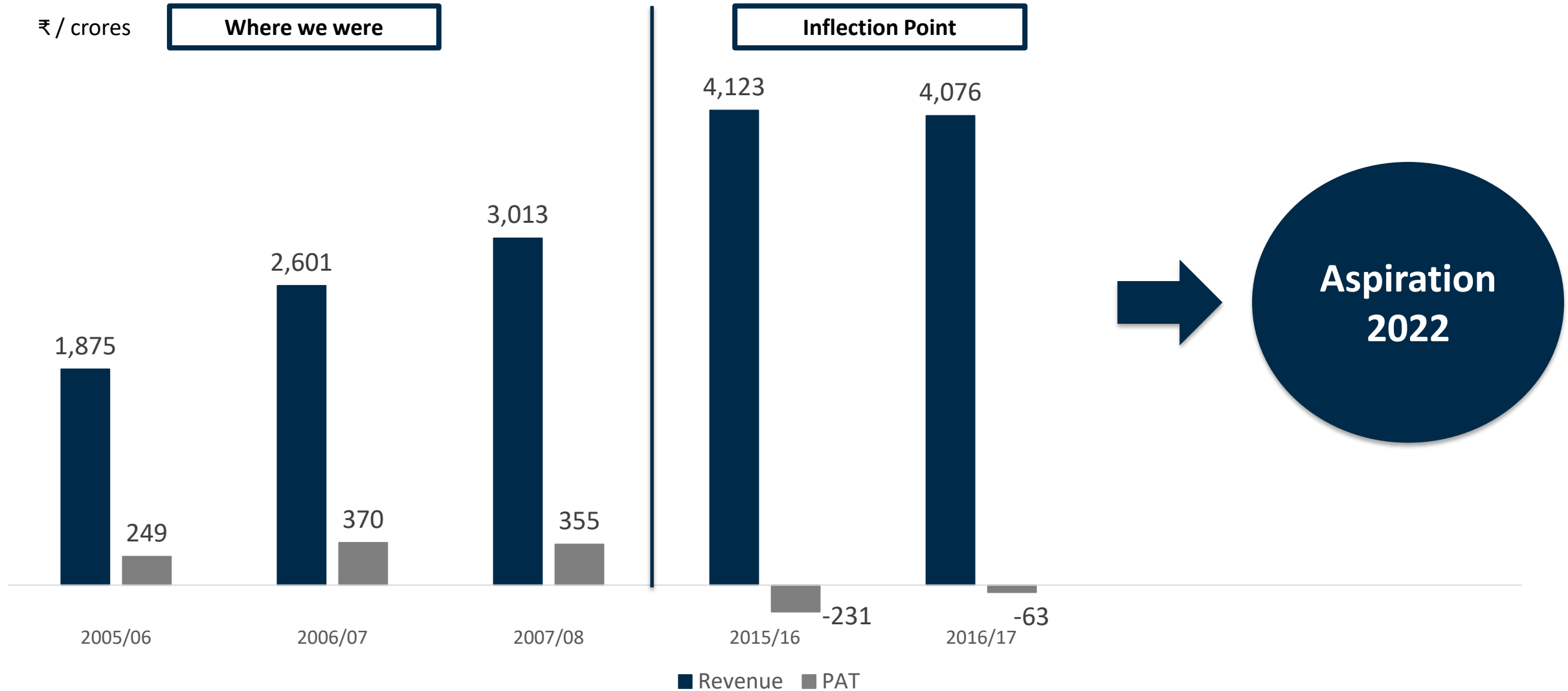
associates

\$1 Billion+

Group revenue



And embarked on a journey of transformational growth

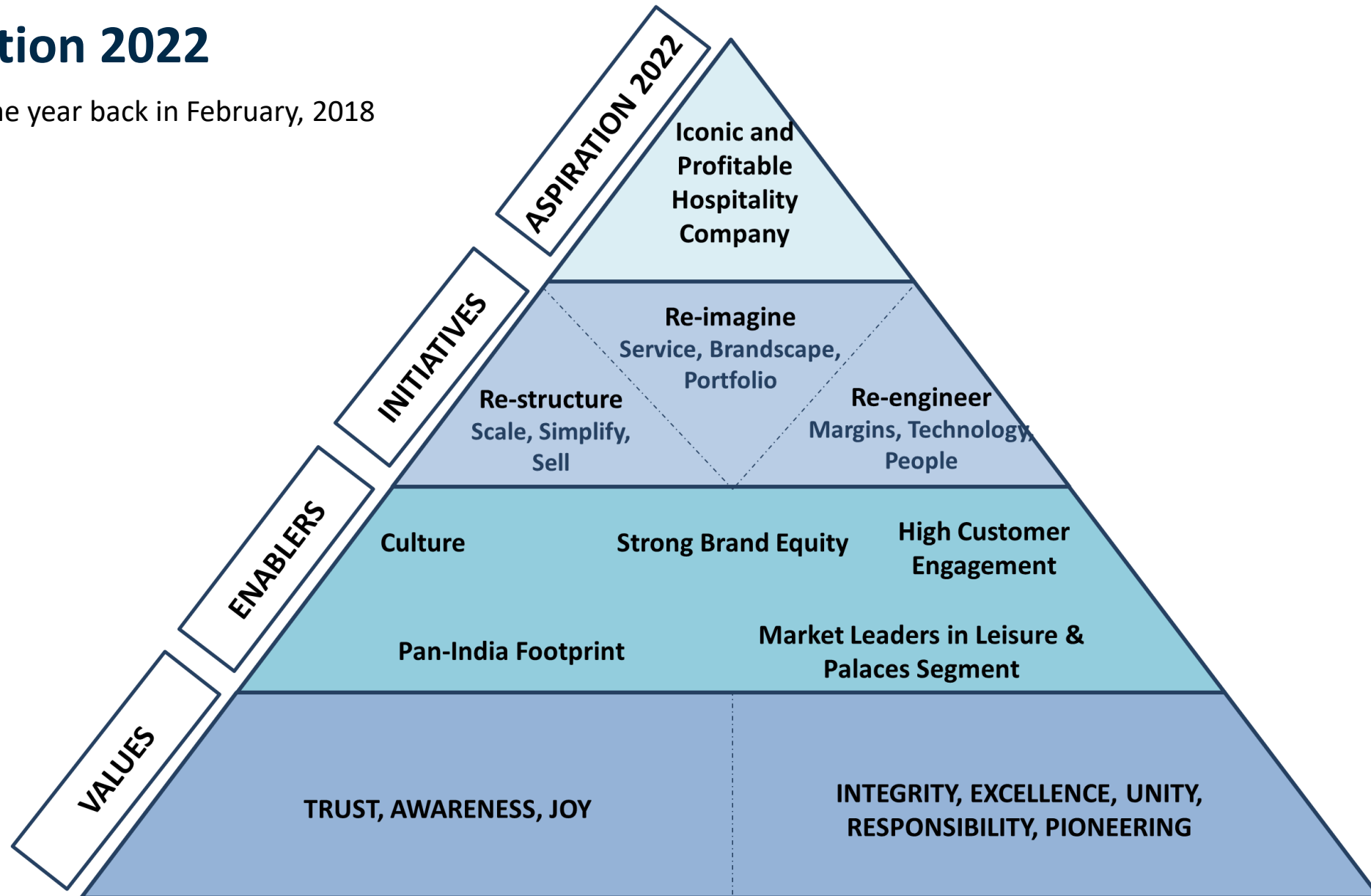


Fundamentals Intact

Staying true to our vision and strategy

Aspiration 2022

Unveiled one year back in February, 2018



Aspiration 2022

Focus on Margin Expansion

Particulars	2017/18 Forecast	2022/23 Aspiration	Increase
<i>EBITDA Margin</i>	<i>17%</i>	<i>25%</i>	<i>8.0% Points</i>

**Aspiration
2022/23**

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

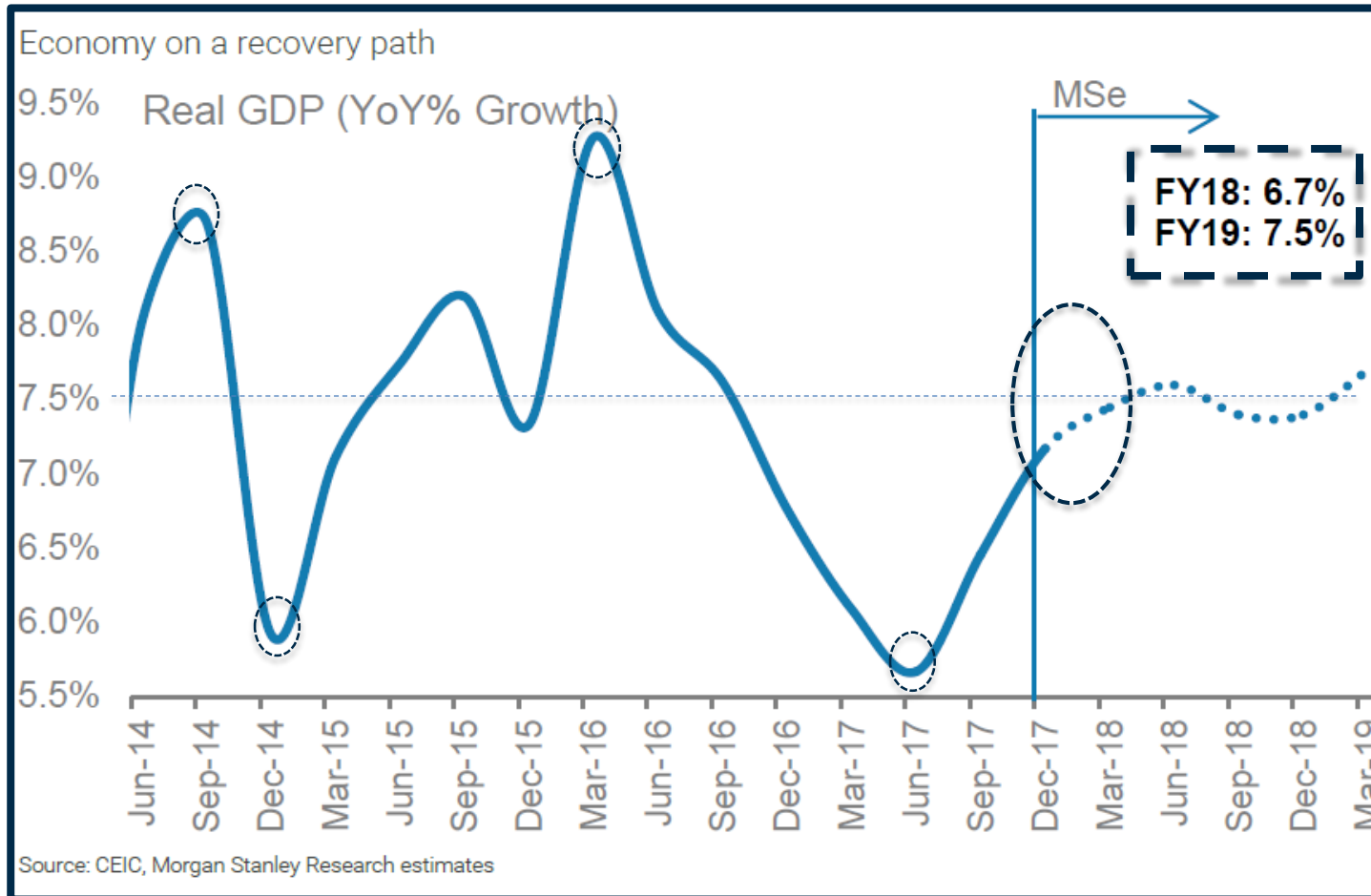
Re-engineer

- Expand Margins
- Embrace Technology
- Engage People

Opportune moment to reimagine

Hospitality market is turning around

The Right Time and The Right Place



Robust growth in consumption and exports

Stronger corporate & banks' balance sheets

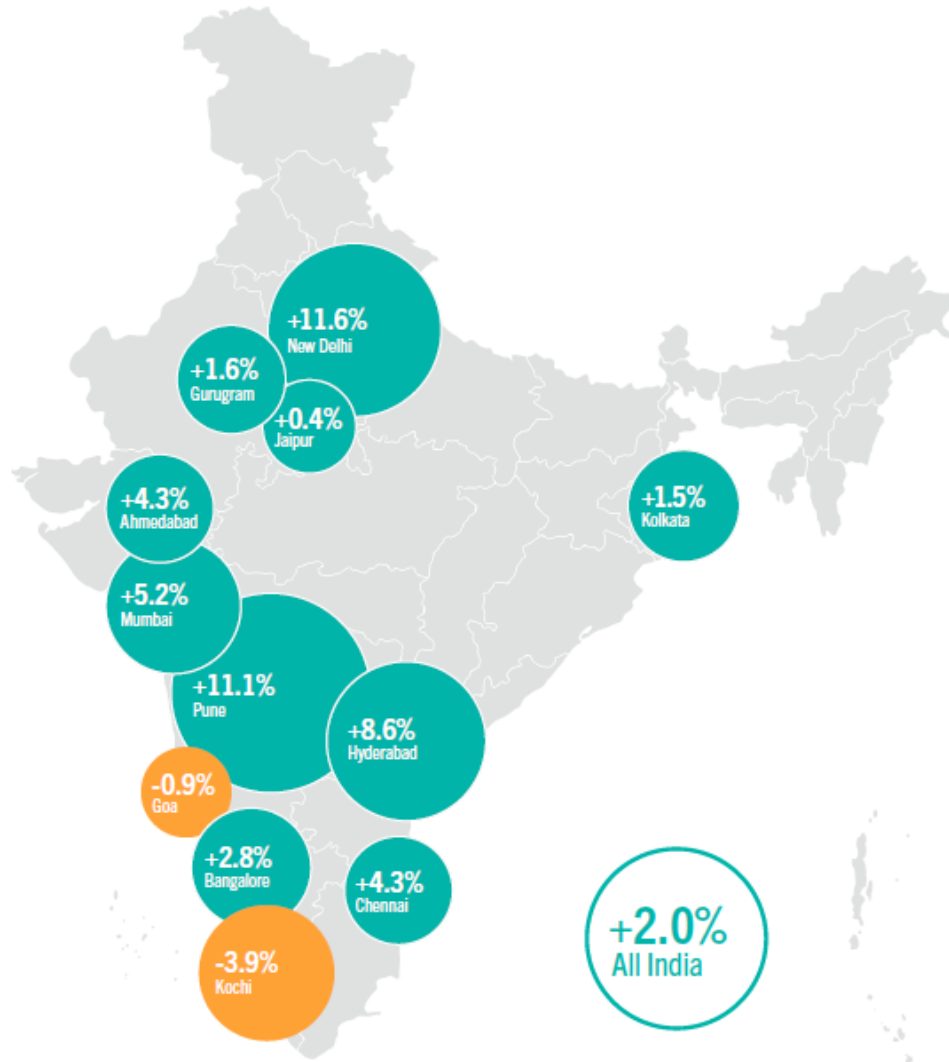
Increasing incomes and affordability

Impact of headwinds settling down

India to be a \$6 Trillion Economy in 10 years | Travel & Tourism's contribution to GDP to grow at 6.9% p.a.

Source: Morgan Stanley Research, October 2017

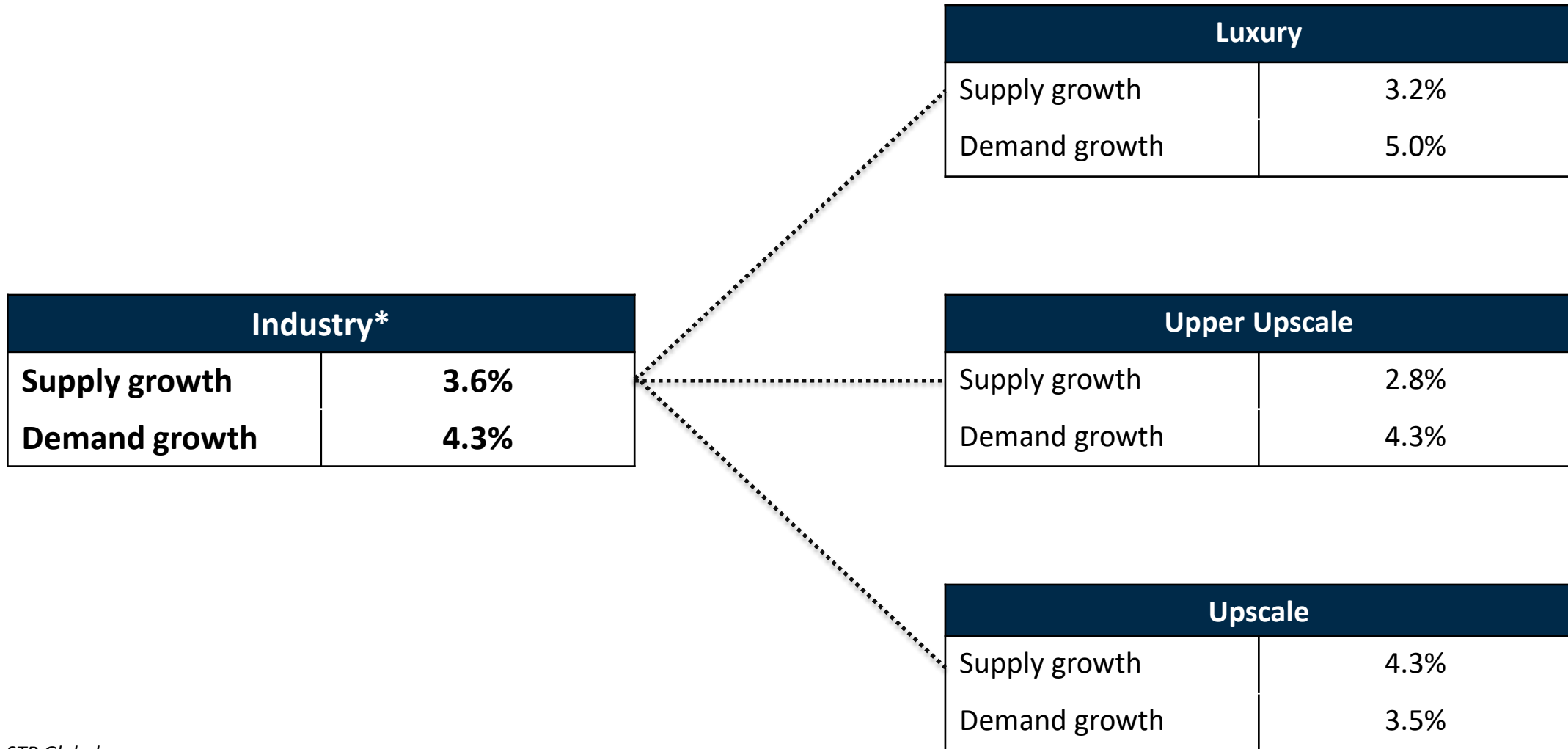
The hospitality market is turning around



	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

Unlocking Brandscape

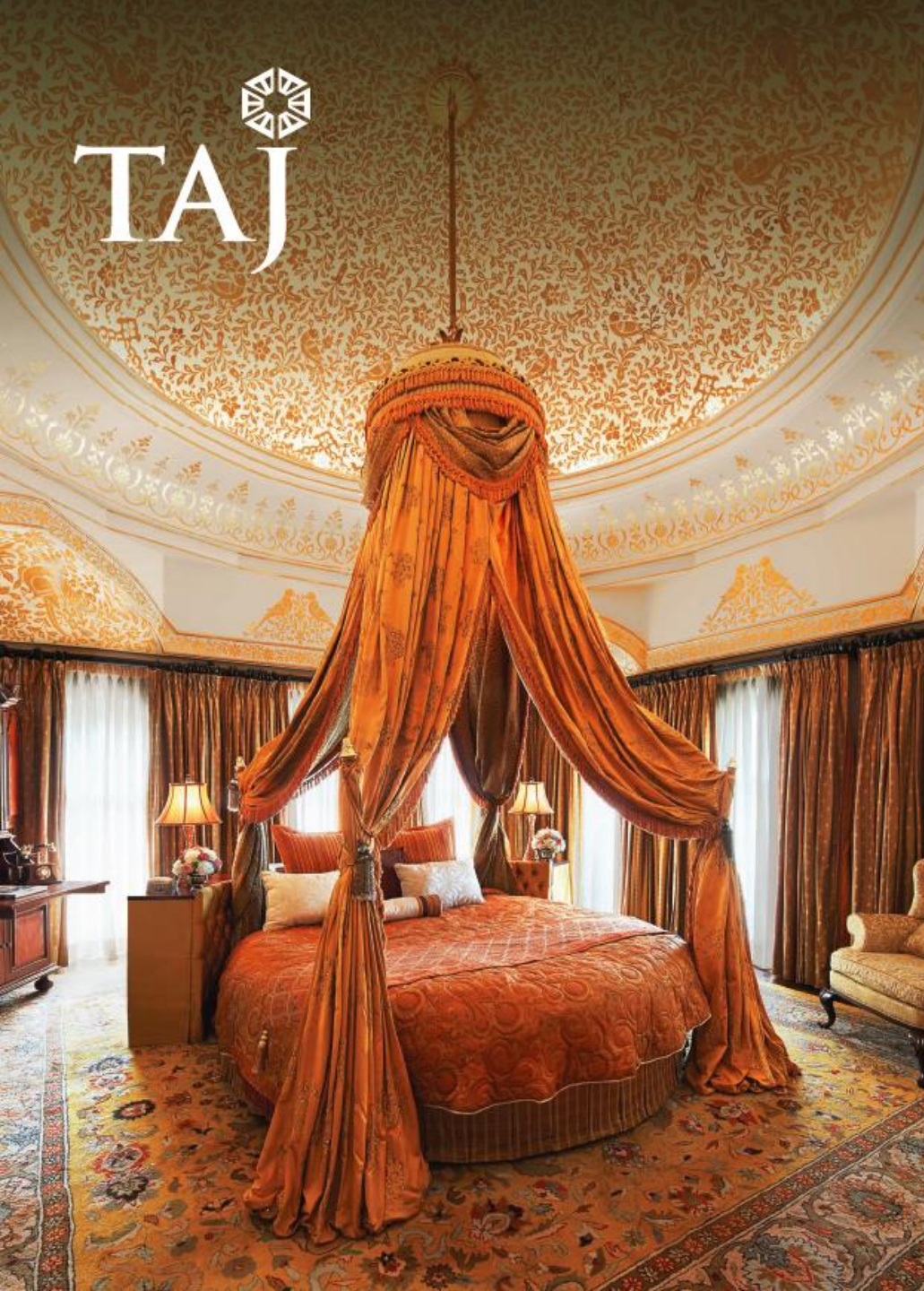
Multi-segment brandscape strategy

Capitalizing on the opportunity across segments

IHCL



TAJ



AUTHENTIC ICONIC

Inspired by its **INDIAN HERITAGE** and **TRADITIONS**,
Taj delivers worldclass hospitality that is
distinctively **NOBLE**



CURATED ONE OF A KIND

Having resounding, **STORYTELLING LEGACIES** with a **UNIQUE CHARACTER** within the structure/location
A theme or an idea that is central to its definition and **LOCAL EXPERIENCE**



VIVANTA

DASH OF UNIQUE

Experience for **SMART** travelers with a dash of **UNIQUENESS**
Celebrating individuality with a unique **STYLE** and distinct **PERSONA**

GINGER

SEAMLESS

Where the boundaries of **WORK** and **PLAY** are blurred.
Where **LOCAL** merges with **GLOBAL**.
WHERE CONTRASTS COME TOGETHER, SEAMLESSLY



GET IN TOUCH WITH

GO
GETTER
amit



Launch of Ginger Goa – December, 2018





TAJ SATS

Air catering

Over **42 years** of catering experience

23 million meals prepared annually

Over **65,000 meals** crafted daily

Over **40** domestic and international airlines handled

42%

Market Share in India

#1

Undisputed market leader in
Indian Air Catering Business

Positioning for Tomorrow

- *Culinary Art in Motion*
- *Inspiring Food Solutions*
- *Leveraging Central Kitchen*

Expressions : Food & Beverage

- 380+ restaurants and bars across the network
- 2 Michelin Star restaurants – Quilon and Campton Place
- 40%+ contribution to total revenue
- **Future Focus:** Leveraging brands, Innovative concepts, Exploring partnerships

Expressions : Chambers



- India's leading business club with close to two thousand members
- 6 locations in India + 1 in Dubai
- **Future Focus** : Enhanced benefits and facilities, Expanded footprint

Expressions: Jiva

- 66 Spas and 37 Salons
- Signature treatments rooted in Indian traditions with a strong sense of place
- **Future Focus:** New Spas, Wellness programs, New Salon designs and Wider retail offerings

Expressions: Khazana



- 13 Khazana boutiques offering a wide range of products
- Promoting Indian Art forms, Handicrafts and heritage
- **Future Focus:** Store expansions, Exclusive curated product lines, Tata Group products

Expanding our brandscape



amã
TRAILS & STAYS

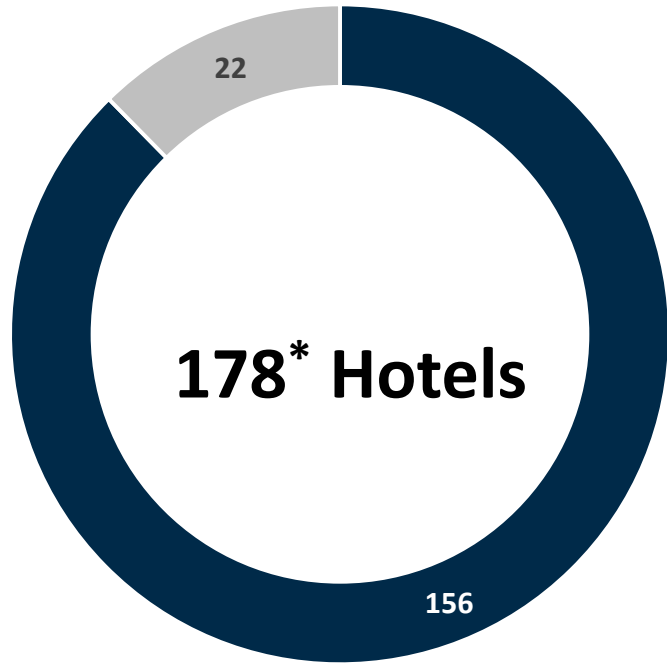
amã
PLANTATION TRAILS

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FINE HOMESTAYS

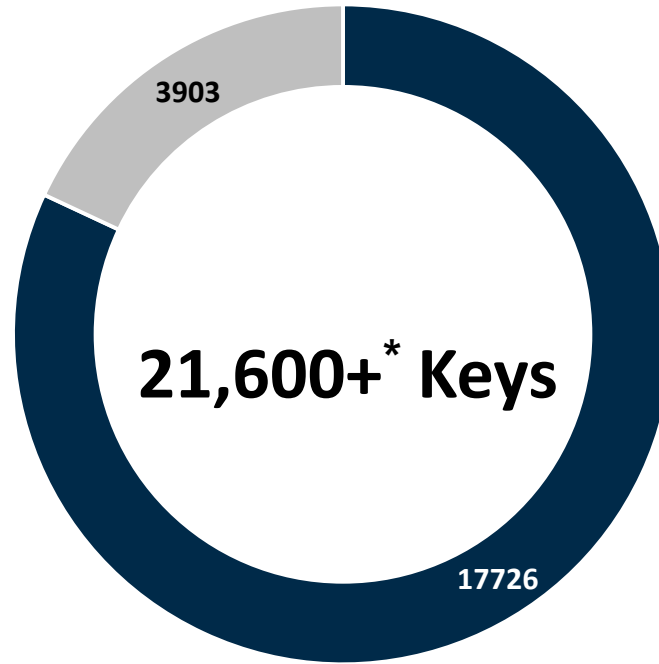
Network Strength

Strong presence in domestic market and select overseas destinations

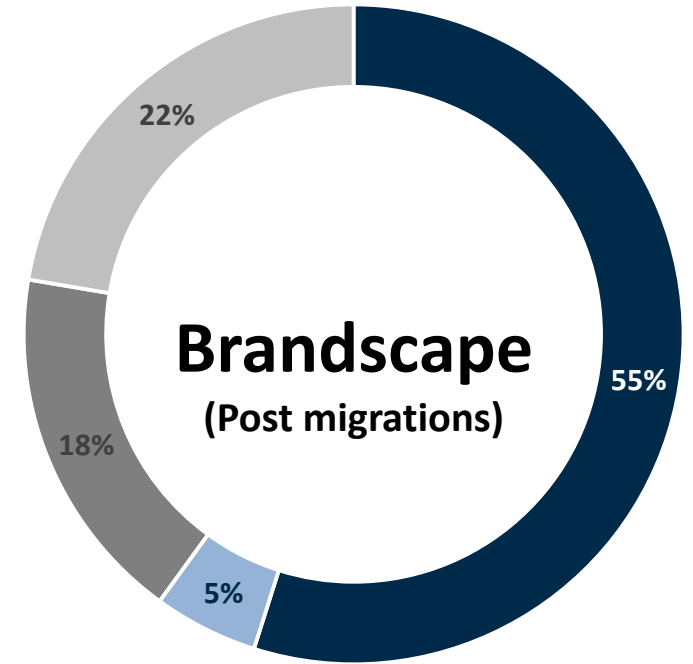
Our Portfolio



■ Domestic ■ International



■ Domestic ■ International

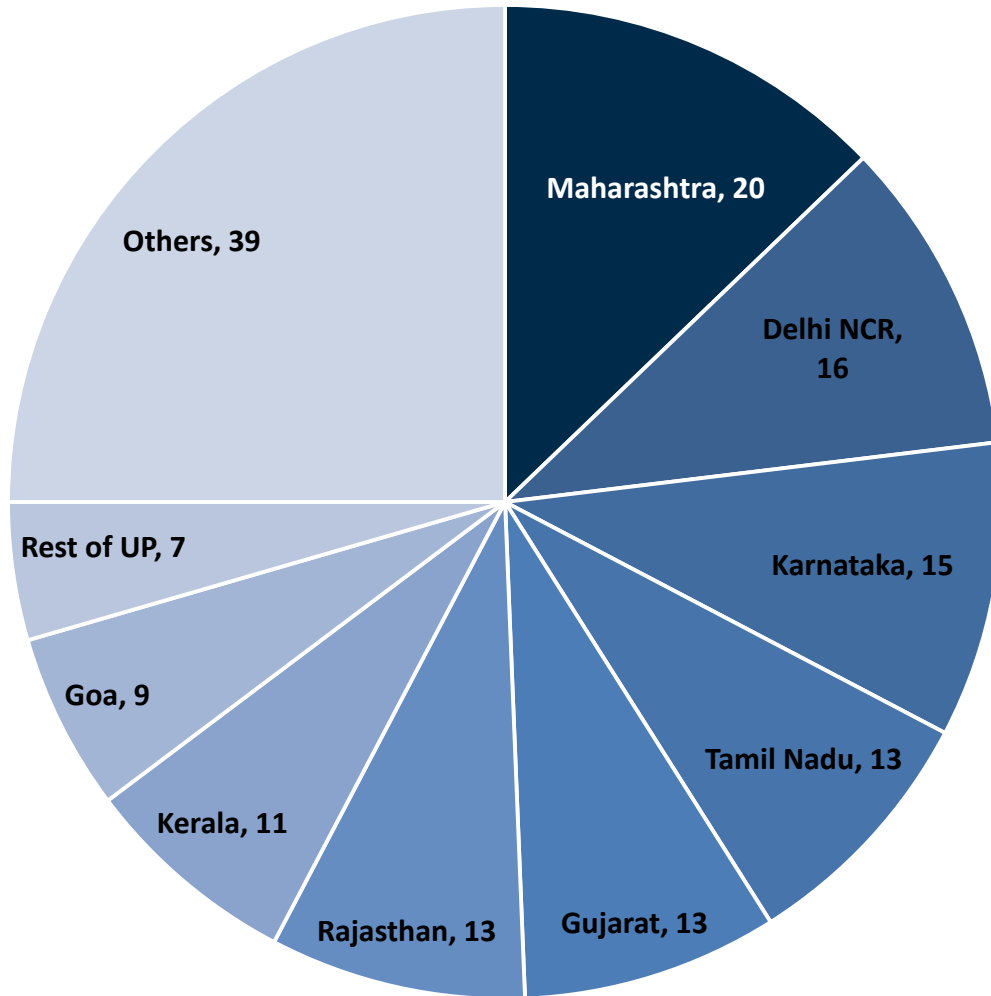


■ Taj ■ SeleQtions ■ Vivanta ■ Ginger

178 hotels with 148 operational and another 30 under development

*including pipeline

Strong domestic presence

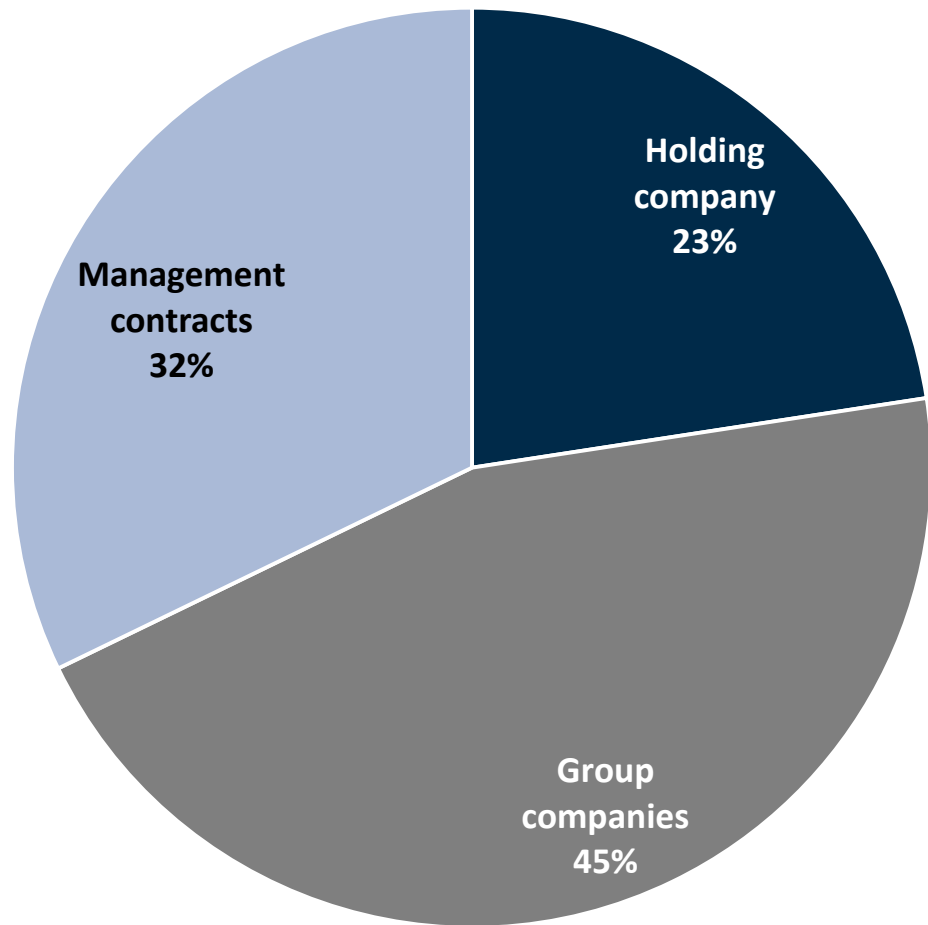


156 Hotels in India across 26 states / UTs

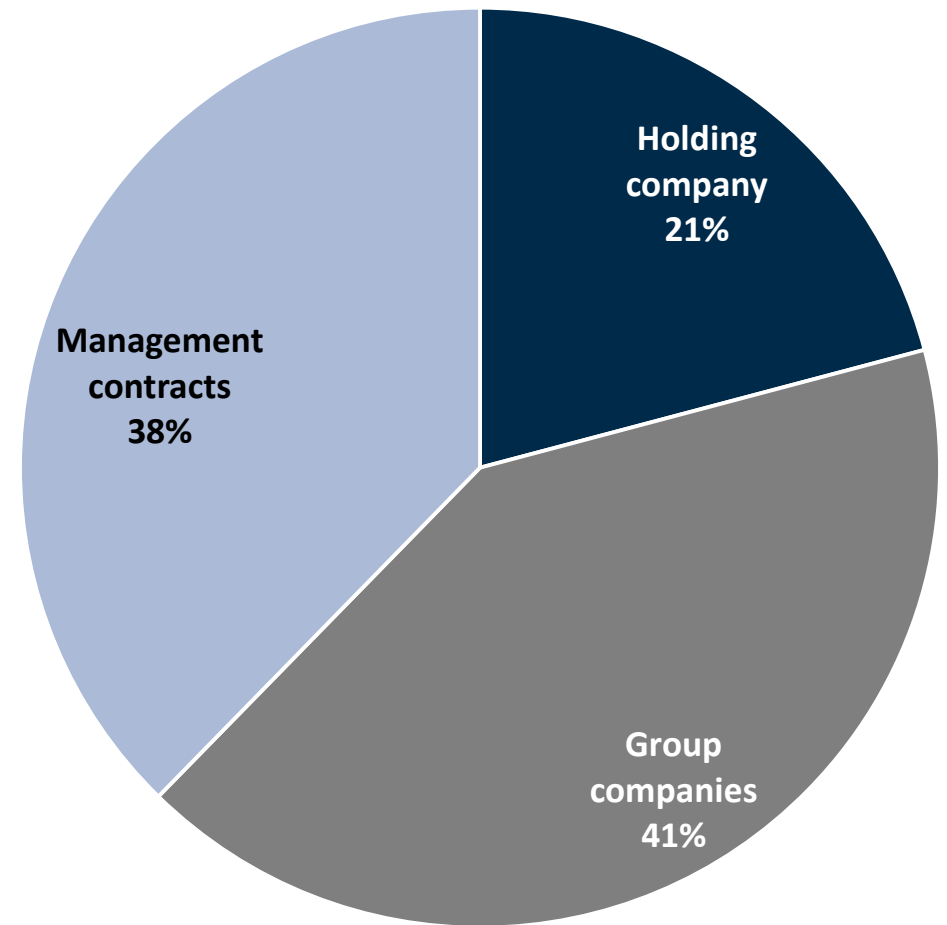
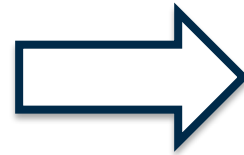
PIONEERING DESTINATIONS



Shift in business model with management contract mix rising from 32% to 38%



Portfolio as on 31st March 2018



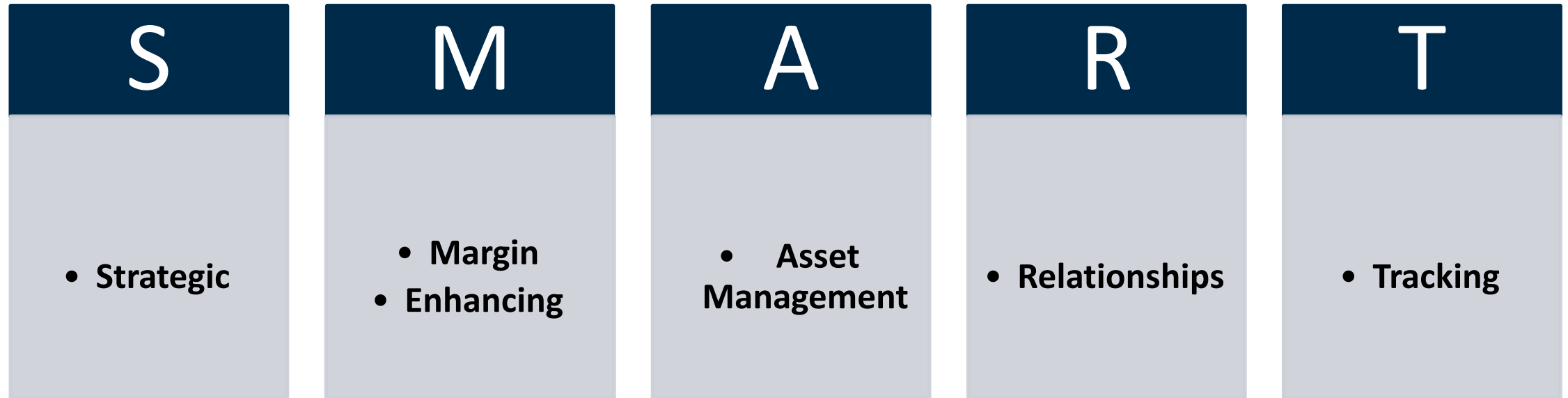
Portfolio as on 19th February 2019

*Portfolio includes operational and pipeline

Development in focus

Strong owner relations, enabling brandscape and positive sentiments driving development

Our approach to development



New Signings



Pawna Dam, Lonavla (145)

Connaught Hotel, New Delhi (85)

Katra (80)

Vizag (56)

Makkah (340)

Cidade de Goa (207)

Vadodara Expansion (60)

Jhansi, (76)

Taj Bangalore Expansion (220)

Heathrow Airport (108)

Noida (119)

Deira Water Front, Dubai (200)

Jhamel, Kathmandu (111)

Bharuch (55)

Udaipur Expansion (80)

Bhubaneswar (137)

Margao (47)

Taj Lucknow (185)

Nashik (56)

Taj Alwar (170)

Srinagar (64)

Taj at Cidade de Goa (299)

**FYTD 2018 / 19
20 New Signings* (2900 keys)**

*Number of Signings excludes Vadodara, Udaipur Expansions

New Openings

Taj Aravali Resort & Spa, Udaipur



Taj Theog Resort & Spa, Shimla



3 Hotels
301 Keys

Vivanta Kathmandu



Always Iconic

Iconic assets, exceptional service and operational excellence

Securing and retaining our crown jewels



Operational Excellence



Focus Areas

1. Safety and Security
2. Guest Experience
3. Revenue management
4. Cost optimization
5. Exploring synergies
6. Procurement
7. Fuel, Power and Light

Exceptional service delivered by truly exceptional people

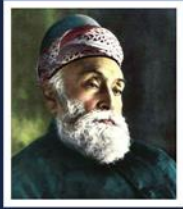


32,000+ employees

7th time
Gallup Great Workplace winner

16.4% Gender Diversity

80% Retention Ratio



“In a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence.”

- Jamshetji Tata (1839-1904)

TATA VALUES

INTEGRITY

Conducting business fairly, with honesty & transparency

EXCELLENCE

Constantly striving to achieve the highest standards in our day-to-day work

PIONEERING

Being bold and agile, courageously taking on challenges, using deep customer insight to develop innovative solutions.

UNITY

Working cohesively with our colleagues, guests & partners, building strong relationships

RESPONSIBILITY

Responsible and sensitive to the countries, communities & environments in which we work

IHCL VALUES

TRUST

AWARENESS

JOY

TAJ SELEQTIONS VIVANTA GINGER EXPRESSIONS TAJSATs

Tajness is the soul of our culture.

It is an implicit trust in people to forge invaluable relationships by creating an emotional connect with our various stakeholders. It subtly guides all our behaviours.

Tajness is the way we do what we do.

T
A
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Tajness is built on three broad pillars:

01

TRUST

- Fairness with all stakeholders
- Openness and transparency in what we do
- Free flow of information
- Alignment of all stakeholders
- Build and strengthen long-term relationships

02

AWARENESS

- Enhance awareness around our plans, strategies, tactics, processes
- Work together to create greater enterprise value
- Participative in our decision making
- Imbibe a sense of belonging across all stakeholders

03

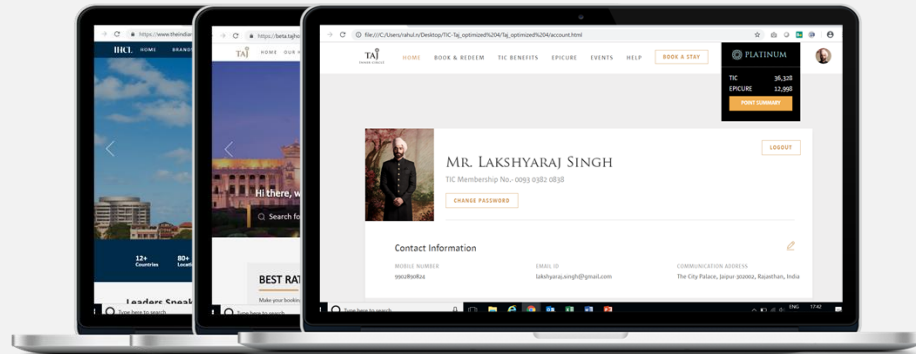
JOY

- Derive joy and happiness from what we do and how we do it
- Serve all stakeholders with joy and utmost dedication
- Create and maintain an environment where there is joy and happiness, where people are respected and diversity is celebrated
- Share our success with all stakeholders

TAJ SELEQTIONS VIVANTA GINGER EXPRESSIONS TAJSATs

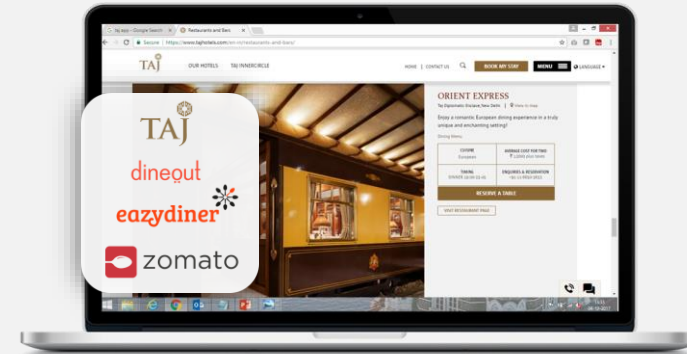
Leveraging technology

WEBSITES



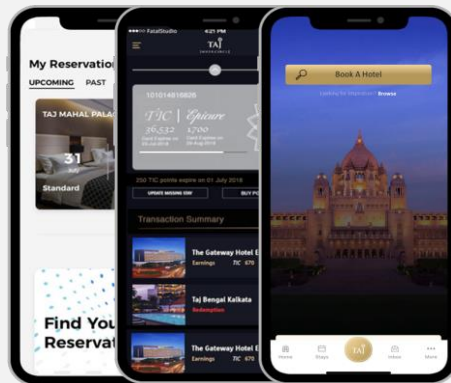
Corporate & B2C Websites | Integrated Booking Engine | Single Sign On

F&B ONLINE



Online F&B Channels | Integrated 3rd Party Channels

MOBILE APP



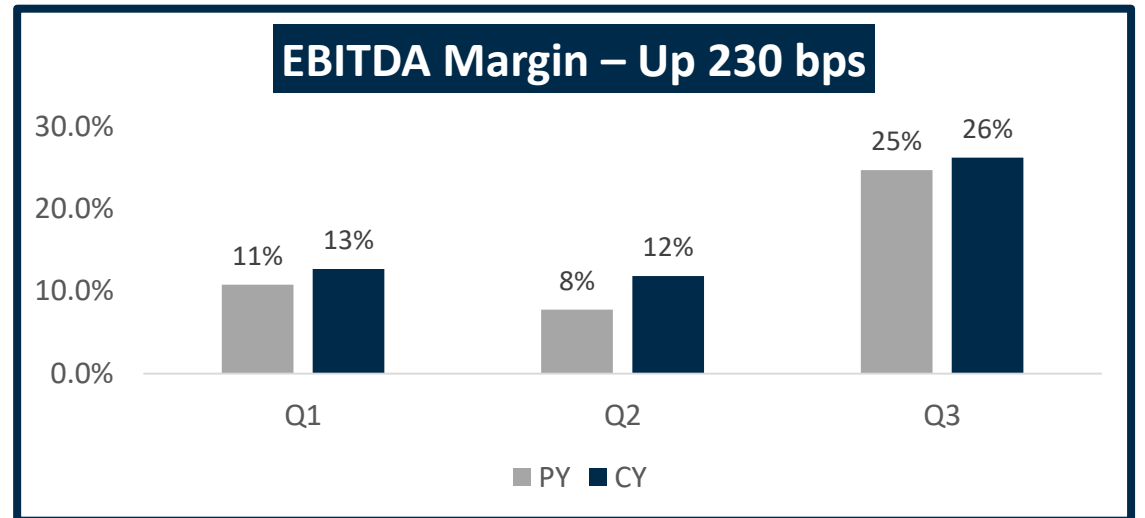
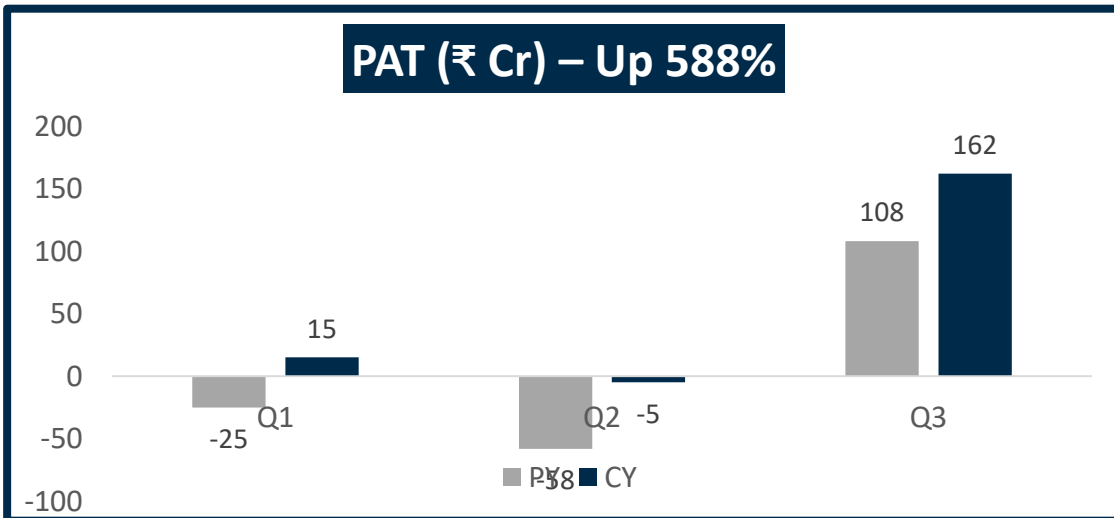
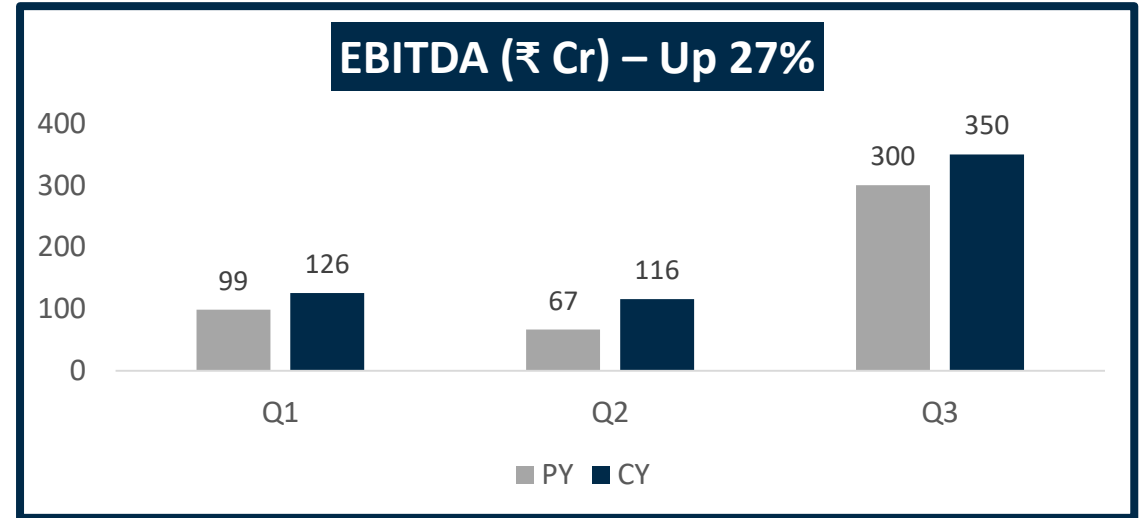
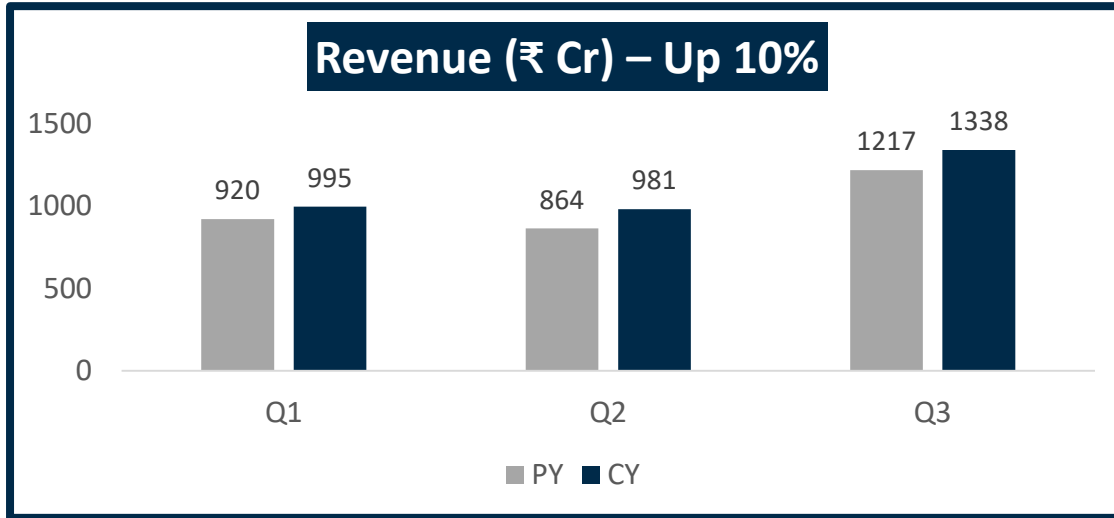
Upgraded Native App | Live Folio | Keyless Entry

ANALYTICS, INSIGHTS & OTHERS



Enterprise Analytics | 360 Degree View of the Customer

Leading to sustained performance



Turnaround to Profitability

Consistent performance with strong fundamentals

Consolidated Results – 9 months FY 2018 / 19

Revenue

EBITDA

EBITDA Margin

PAT

₹ 3,314 cr



10%

₹ 3,001 cr

₹ 592 cr



27%

₹ 467 cr

17.85%



230
bps

15.56%

₹ 172 cr



588%

₹ 25 cr

Standalone Results – 9 months FY 2018 / 19

Revenue

₹ 1,996 cr



9%

₹ 1,835 cr

EBITDA

₹ 494 cr



20%

₹ 411 cr

EBITDA Margin

24.73%



235
bps

22.39%

PAT

₹ 99 cr



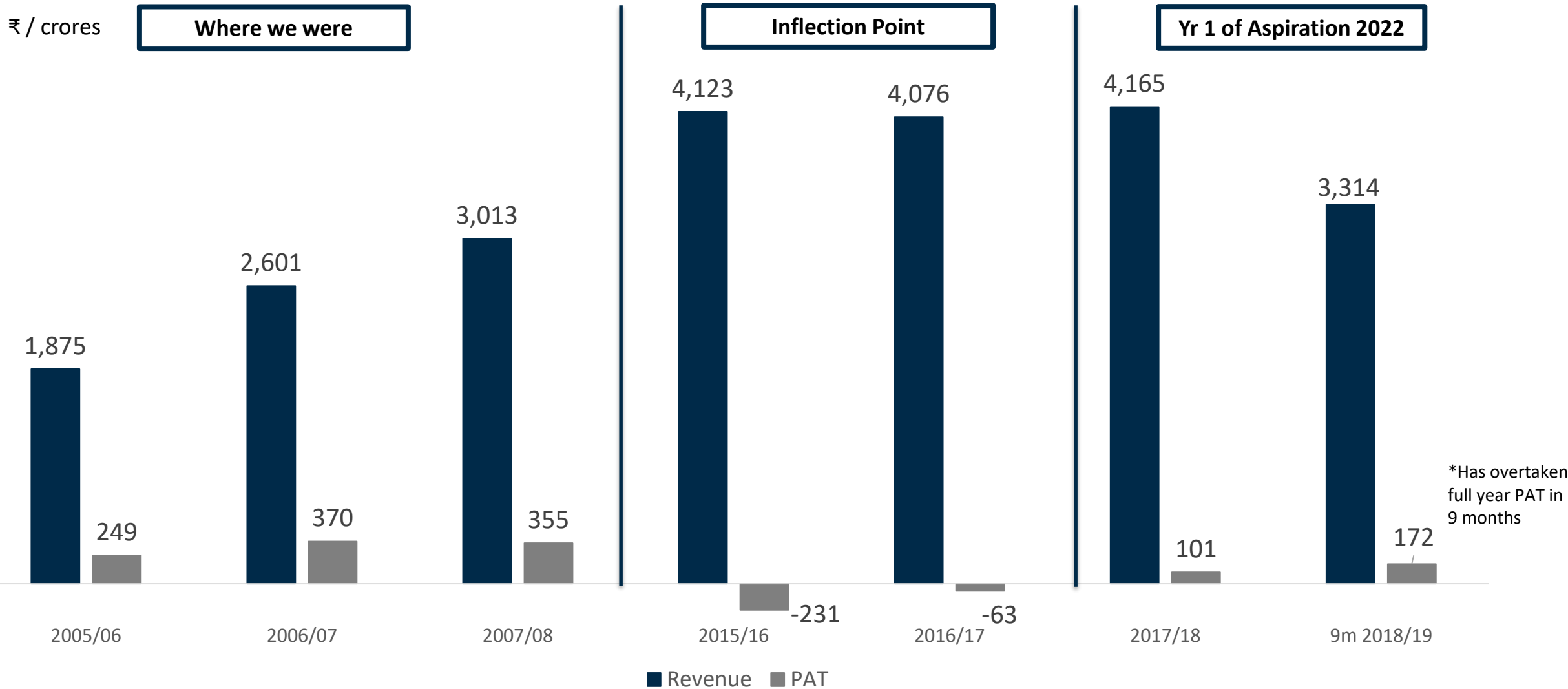
21%

₹ 82 cr

Journey so far



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

Where we are in the journey of transformational growth



Aspiration 2022

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	8.0%

Room Revenue and F&B Growth has strong momentum

₹ /crores

Particulars	Domestic			International		
	CY	PY	Growth over PY %	CY	PY	Growth over PY %
Room Revenue	1,570	1,476	6.4%	960	868	10.7%
RevPAR	5,407	5,086	6.3%	13,331	12,013	11.0%
F & B Revenue	1,534	1,406	9.1%	624	557	12.0%

*All figures are for YTD December FY 2018/19

*Excluding Ginger brand

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

Improving returns

Driving higher returns through focused initiatives for margin expansion and asset management

Driving Return on Equity (Net Profit to Equity)

(Net Profit / Income)

Profit Margin

- Drive Top line Growth
- Drive Margins
- Manage Costs to Serve
 - Corporate Overheads
- Headcount to Inventory and Sales

(Income / Assets)

Asset Sweating

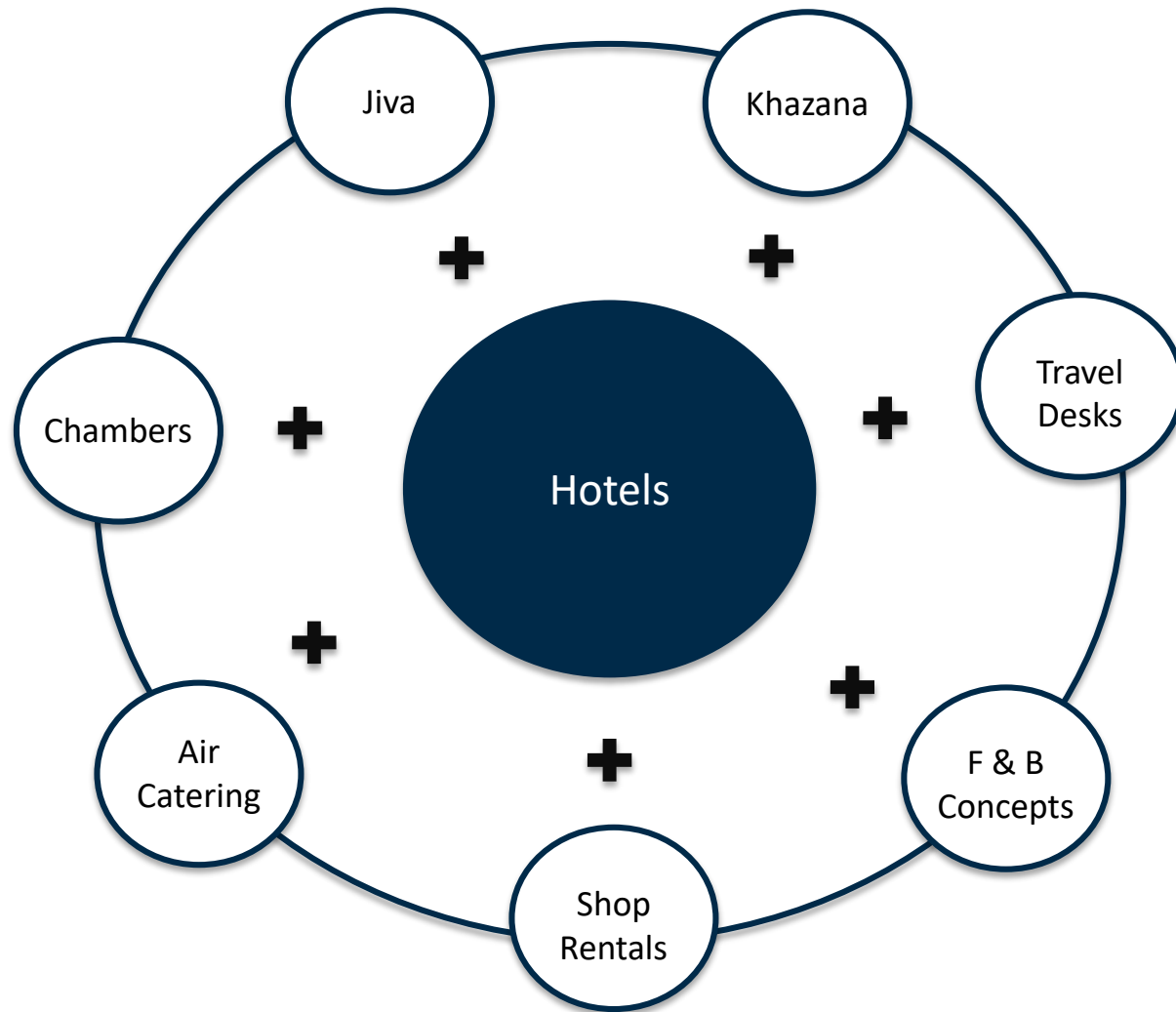
- Drive new development pipeline
 - Asset Smart approach
- Focus on Core Assets, ROCE approach
- Optimise renovations

(Assets / Equity)

Capital Mix

- Manage Leverage
- Simplify IHCL structure
- Optimise Partnerships
- Monetisation
 - Investments
 - Land Bank
 - Residential Apartments

An Ecosystem for Revenue and Margin Growth



Topline Drivers

Margin Drivers

Market Share Drivers

Asset Management – Portfolio Health

Capital Allocation

- Maintain market leadership with quality products
- Prioritization of investments
- Return maximization

Contract Management

- Periodic review and study of contracts
- Exit hotels with sustained losses and low potential

Build Synergies

- Optimize overheads across multiple legal entities
- Capitalize on enterprise scale

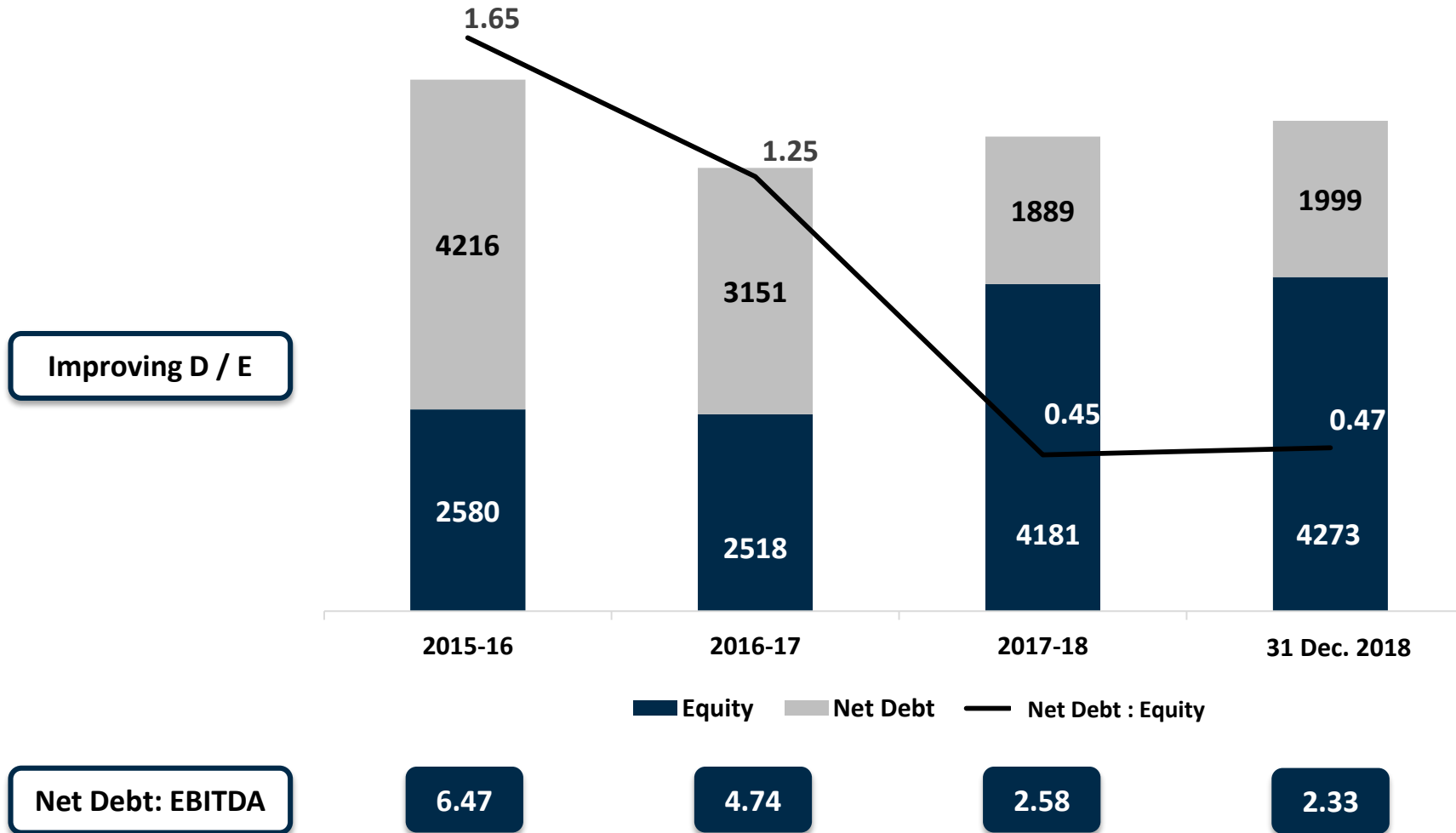
Unlock Capital

- Evaluate unlocking of capital
- Explore sale and lease back models and / or lease assets to special purpose vehicles

Optimizing the Balance Sheet

Focus on building a smarter balance sheet

Preserving Balance Sheet health



All levers – EBITDA, Monetization, Equity Infusions used effectively

₹ /Crores

Particulars	2015/16	2016/17	2017/18	9 Months - 2018/19
EBITDA	652	665	732	592
Divestments*	151	1,163	-	120
Equity		-	1,500	

* Divestments include – Taj Boston; Holding in Belmond, Tata Projects & Titan Ltd

- **Generated cash aggregating to ~ ₹ 2,800 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 Mar. 31, 2015 to ~ ₹ 2,300 crs as on Dec. 31, 2018.

Monetization

Management
Contracts



Greenfield
Projects

Low

Investment

High

Monetization

Management
Contracts

Greenfield
Projects

Total Acres: 74.58
Freehold : 63.76
License hold: 10.82

North India

Total Acres: 680.83
Freehold : 467.7
License hold: 213.13

West India

Total Acres: 3.94
Freehold : 3.28
License hold: 0.66

South India

Unlocking Value of Land Banks – Sale / New Build

Low

Investment

High

Monetization

**Management
Contracts**

**Greenfield
Projects**

**SALE
LEASEBACK**

Exploring Sale & Lease Back Opportunities

Low

Investment

High

Monetization

Management
Contracts

Greenfield
Projects

EXIT

Sale of Non-Core Assets

Low

Investment

High

Strategic Partnerships

Management Contracts

Greenfield Projects

Exploring alliances with funds and development partners

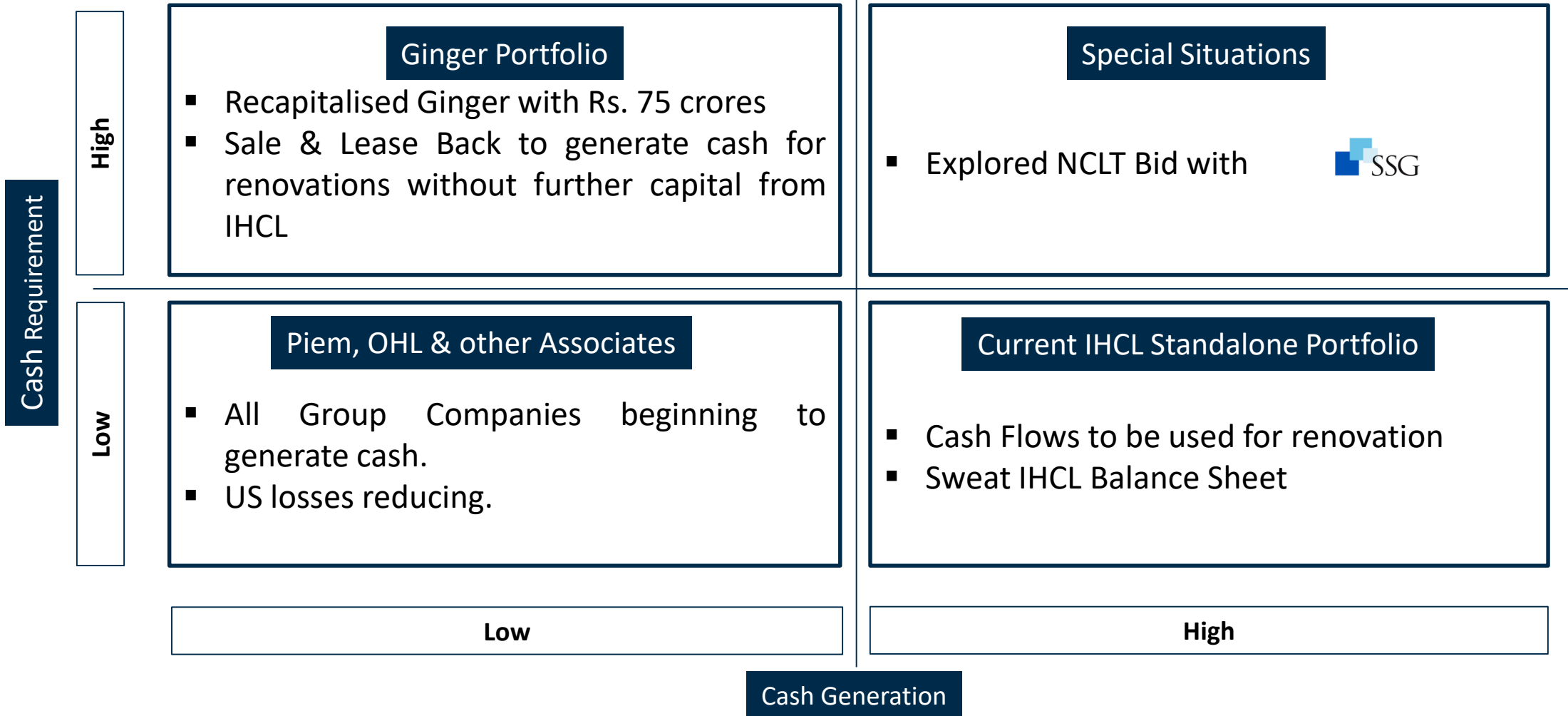
Low

Investment

High



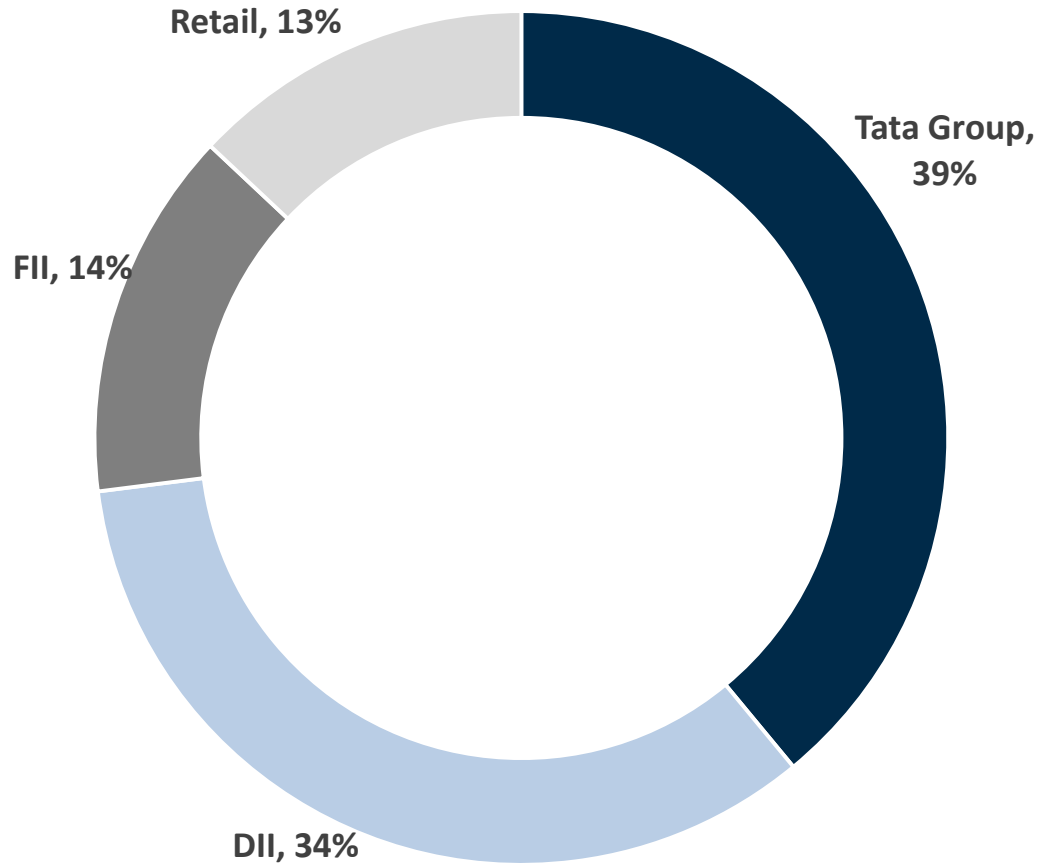
Approach to Funding



Growth envisaged via combination of Equity Raising, Divestment, Partnerships and SPV / REITs

Strong institutional shareholding

Shareholding Pattern*



Top institutional investors*

Investors	% stake in IHCL
Reliance Capital Trustee Company Ltd.	6.68
HDFC Trustee Company Ltd.	5.26
Life Insurance Corporation of India	3.66
Government Pension Fund Global	3.57
ICICI Prudential Balanced Advantage Fund	2.42
Franklin Templeton Investment Funds	1.90
SBI Magnum Multicap Fund	1.89
Franklin Templeton Mutual Fund	1.54
ICICI Prudential Life Insurance Company Ltd.	1.47
HDFC Standard Life Insurance Company Ltd.	1.33
General Insurance Corporation Of India	1.04

* As on 31st December, 2018

Nurturing a culture of responsibility and governance

Responsible corporate adhering to the highest standards of governance

Strengthening our Community Connect

Vision: Give Back to Target Communities & Geographies through CSR & Volunteering

Livelihoods

- Taj Tata Strive, Golden Threshold and Career Awareness programs
- Support to Social Impact Enterprises
- Indirect Employment of Artisans

Neighbourhoods

- Heritage sites support
- Periphery cleaning and maintenance
- 4000+ volunteers clocking in over 10,000 volunteering hours

Welfare

- ₹ 1 Cr + contributed for Kerala and Kodagu relief
- ₹ 3 Cr + raised for Taj Public Service Welfare Trust
- Dil Se Deejiye

Upping the Sustainability Quotient

33%

Water reused
and Recycled



22%

Renewable
energy use

10%

Reduction in
specific GHG
emissions since
2016-17

81

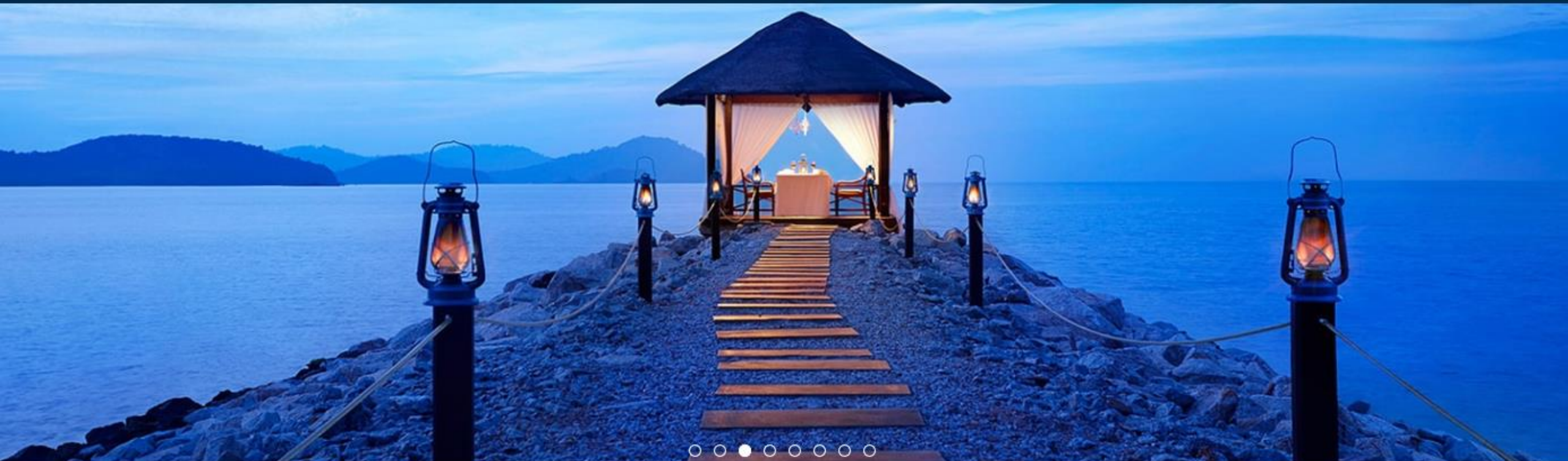
Earth Check
certified Hotels

67

Gold Certified
Hotels

Corporate Governance





Company Information

- [Corporate Profile](#)
- [Board of Directors](#)
- [Corporate Governance](#)
- [Shareholding](#)
- [Listed Instruments](#)
- [Public Market Issuances](#)
- [Contact Details](#)

What's New



IHCL wins the Prestigious Best Hospitality Corporate Governance India – 2018 Award from eminent journal Capital Finance International, London

[View More](#)


NSE STOCK QUOTE

125.00

1.85 ▼ 1.46%

NIFTY

10192.70

58.40 ▼ 0.57%

[Equity](#)

Corporate Announcements

Latest Corporate Announcement

Financial Results

- Q1 FY 2018-19 Results

Reports

- Annual Report

[WEEKLY](#)
[MONTHLY](#)
[QUARTERLY](#)

Board of Directors



N. CHANDRASEKARAN
Chairman



PUNEET CHHATWAL
Managing Director &
Chief Executive Officer



NADIR GODREJ
Non-executive
Independent Director



DEEPAK PAREKH
Non-executive
Independent Director



IREENA VITTAL
Non-executive
Independent Director



MEHERNOSH S. KAPADIA
Non-executive Director



VIBHA PAUL RISHI
Non-executive
Independent Director



GAUTAM BANERJEE
Non-executive
Independent Director



VENU SRINIVASAN
Non-executive
Independent Director

Executive Leadership Team



PUNEET CHHATWAL
Managing Director &
Chief Executive Officer



DR. P.V. RAMANA MURTHY
Executive Vice President &
Global Head –
Human Resources



GIRIDHAR SANJEEVI
Executive Vice President &
Chief Financial Officer



ROHIT KHOSLA
Executive Vice President –
Operations, North India &
West India



PRABHAT VERMA
Executive Vice President –
Operations, South India,
International & Ancillary
Businesses



SUMA VENKATESH
Executive Vice President –
Real Estate & Development



RAJENDRA MISRA
Executive Vice President &
General Counsel



BEEJAL DESAI
Senior Vice President –
Legal & Company Secretary



RENU BASU
Senior Vice President –
Global Sales and Marketing



S.Y. RAMAN
Vice President –
Group Internal Audit

R
E
C
A
P

- 1 F undamentals intact
- 2 O pportune moment to reimagine
- 3 U nlocking brandscape
- 4 N etwork strength
- 5 D evelopment in focus
- 6 A lways iconic
- 7 T urnaround to profitability
- 8 I mproving returns
- 9 O ptimizing balance sheet
- 10 N urturing a culture of responsibility and governance

**“A strong FOUNDATION
for Aspiration 2022”**

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.

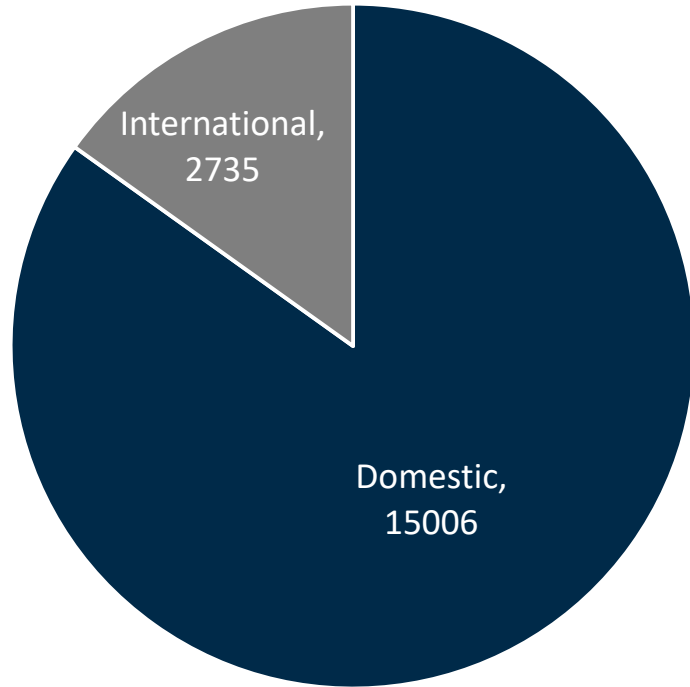
Forward-looking statements are not guarantees of future performance and involve risks and uncertainties and other factors that may cause actual results to differ materially from those anticipated at the time the forward-looking statements are made. Future results, performance and achievements may be 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.

Please visit our corporate website www.theindianhotels.com for previous investor communications.

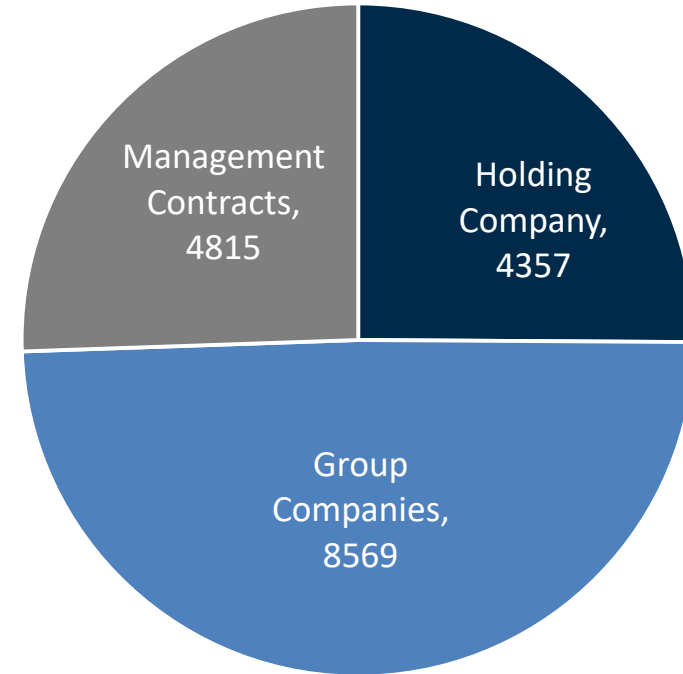
Our Operational Portfolio

Inventory by Geography



■ Domestic ■ International

Inventory by Contract Type



■ Holding Company ■ Group Companies
■ Management Contracts

As of February 2019, IHCL has 148 hotels with 17,741 rooms

A Recap of Network Performance for FY 2017 / 18

(₹/Crores)

The Indian Hotels Company Limited

Particulars	Domestic Hotels		+	International Hotels		+	Ginger		+	Air Catering	=	Group		
	Owned	Managed		Owned	Managed		Owned	Managed		Owned		Owned	Managed	Total
Revenue	3,535	915		1,366	615		183	18		428		5,512	1,548	7,060
EBITDA	818	266		72	91		16	5		52		957	362	1,319