

# IHCL

## Indian Hotels, Re-imagined

From Aspiration to Execution

PUNEET CHHATWAL | 12<sup>th</sup> February, 2020



SELEQTIONS

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EXPRESSIONS



# IHCL

## PIONEER

of Indian hospitality

197  
HOTELS

across 100+ locations  
in 12 countries

## LEGACY

of 116 years

32,000+  
Associates

serving with heart and soul

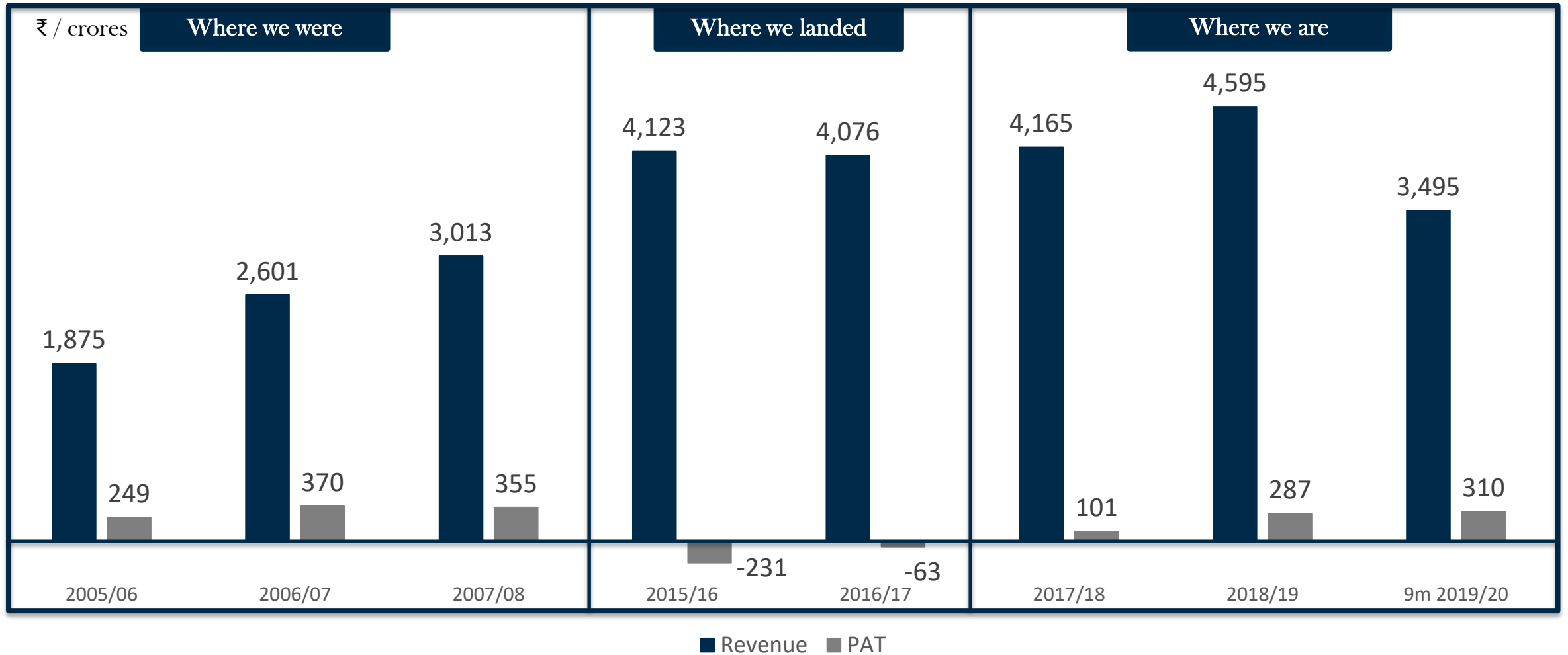
## SOUTH ASIA'S

largest hospitality company

\$1 Billion+  
Revenues

at an enterprise level

# Indian Hotels - A Story of Aspiration, Execution and Turnaround



\*9m 2019/20 PAT is reported basis PRE IND AS (like-for-like for comparison purposes). Reported 9m 2019/20 PAT on POST IND AS basis is ₹ 280 crores

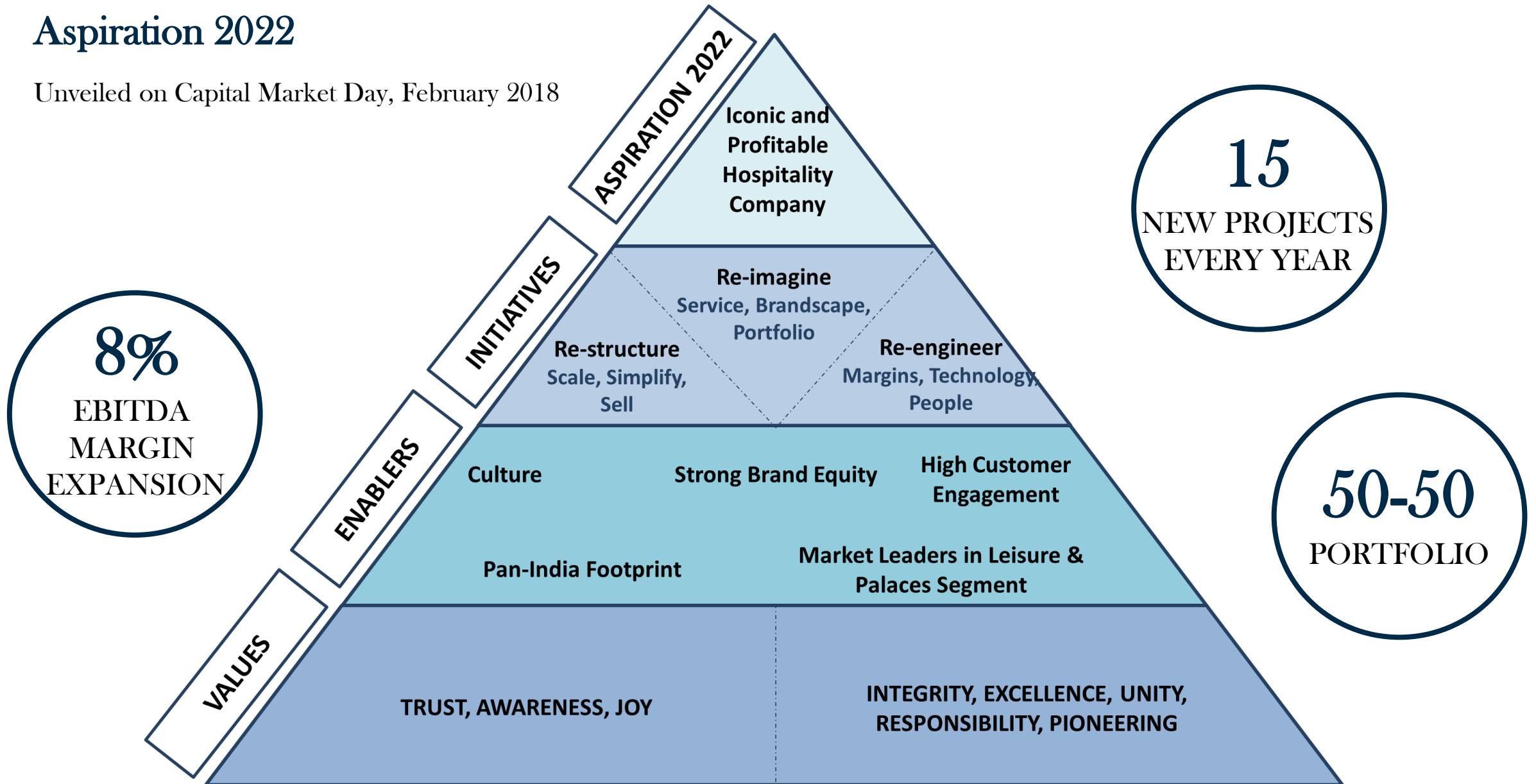
# IHCL - On a Journey of Reimagination since Early 2018



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

# Aspiration 2022

Unveiled on Capital Market Day, February 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	} 3 to 4 %
<b>Costs</b> Operational Payroll Procurements (Raw Materials, Stores & Supplies) Corporate Overheads Admin and General Expenses Fuel, Power & Light Asset Contract Costs	} 3 to 5%
<b>EBITDA Margin Improvement</b>	<b>8%</b>



# Strategic Initiatives

Path to Execution

## Re-imagine

- **Manage Brandscape**
- **Multiply Portfolio**
- **Manoeuvre Excellence**

## Re-structure

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

## Re-engineer

- **Expand Margins**
- **Embrace Technology**
- **Engage People**

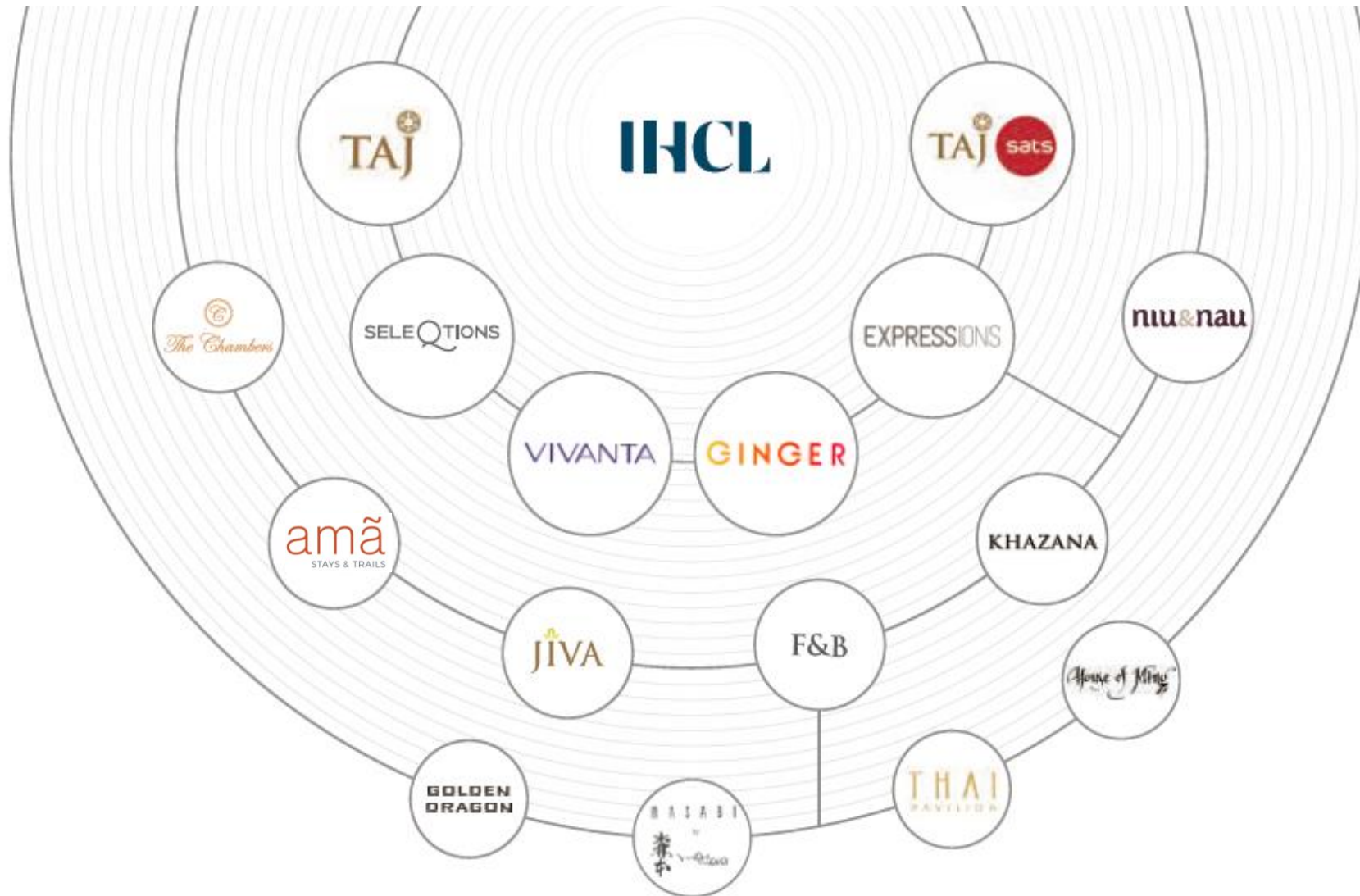


# From Aspiration to Execution

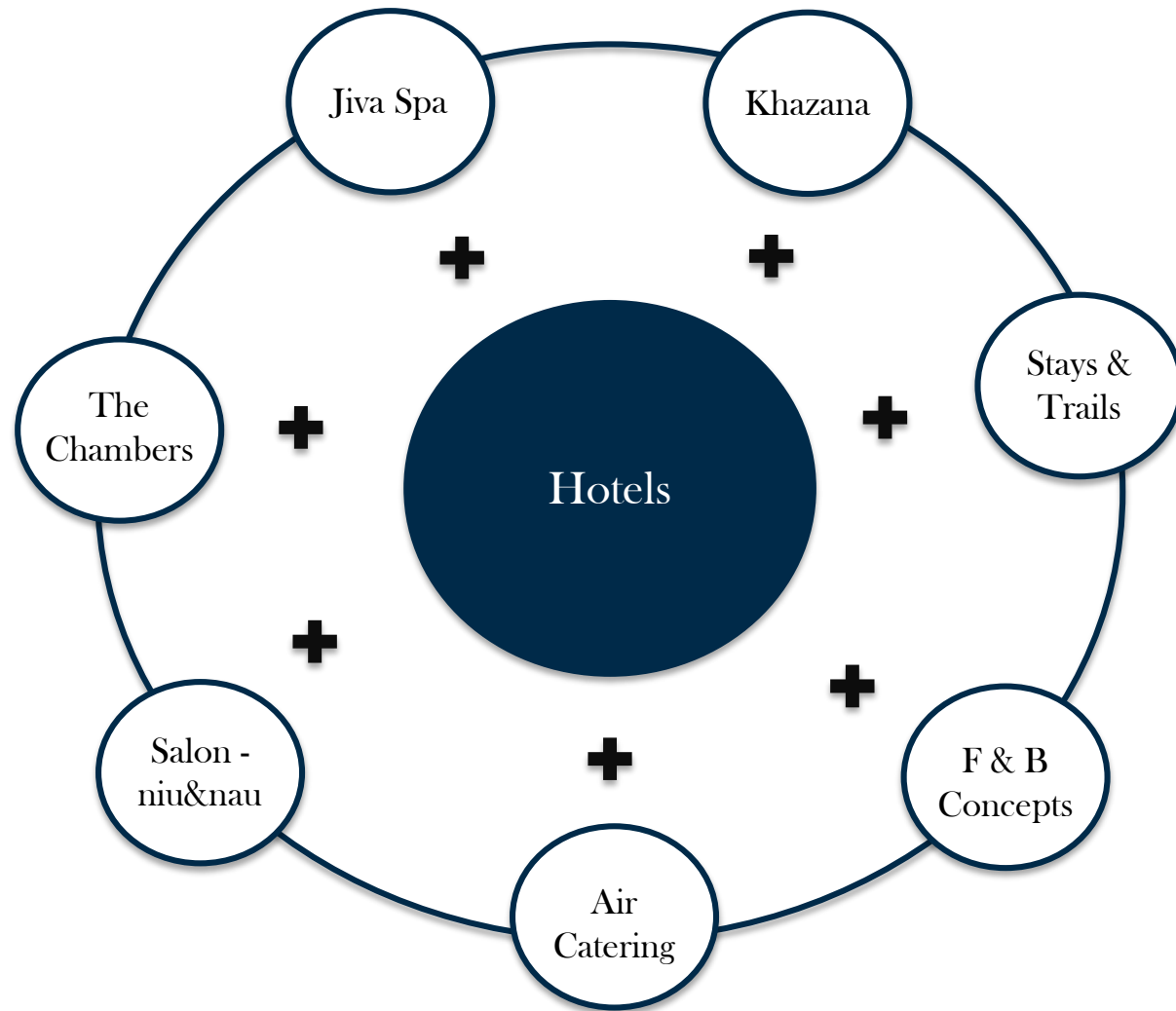
Re-imagined Brandscape | Re-structured Growth | Re-engineered Performance



# Re-imagined Brandscape: FROM a Branded House TO a House of Brands



# Re-imagined Brandscape: FROM a Hotels Business TO a Hospitality Ecosystem



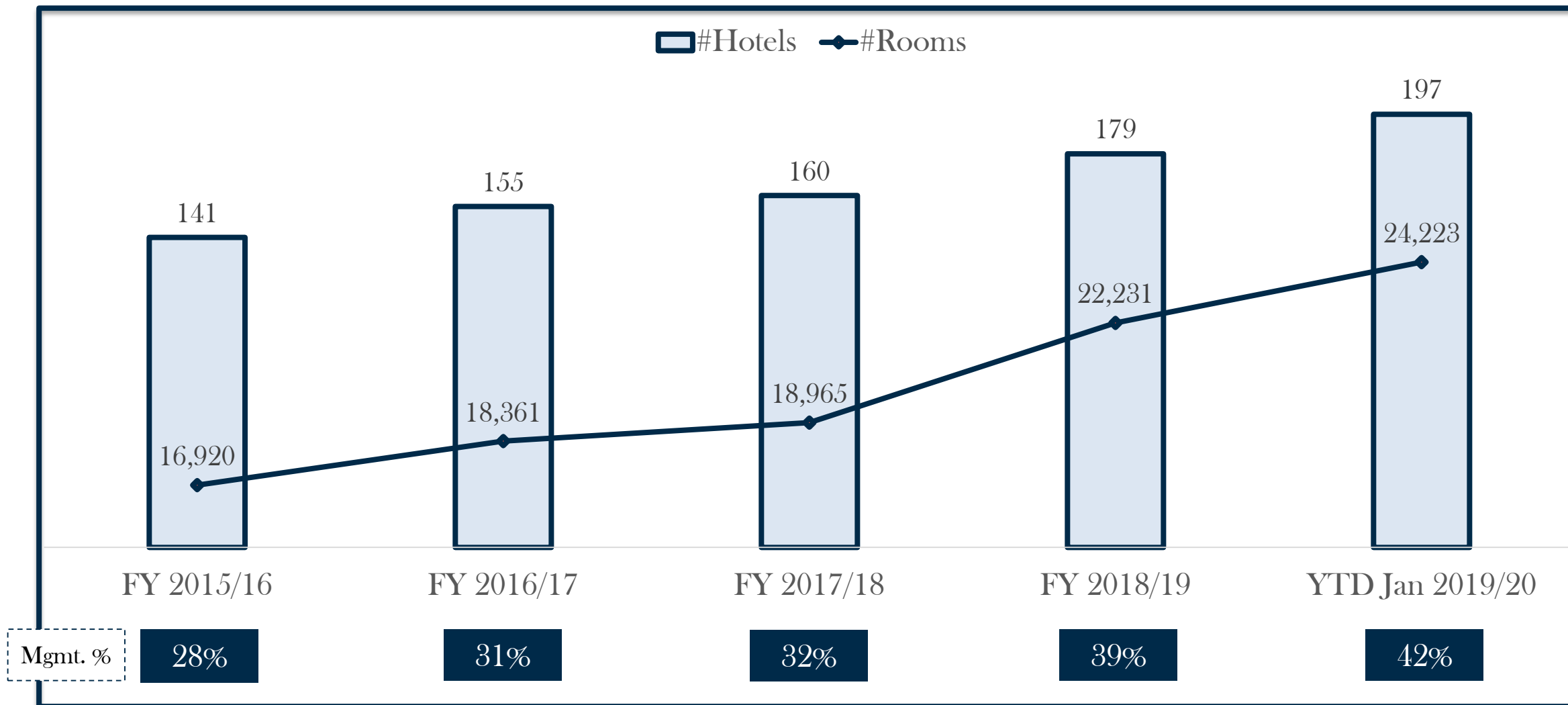
Topline Drivers

Margin Drivers

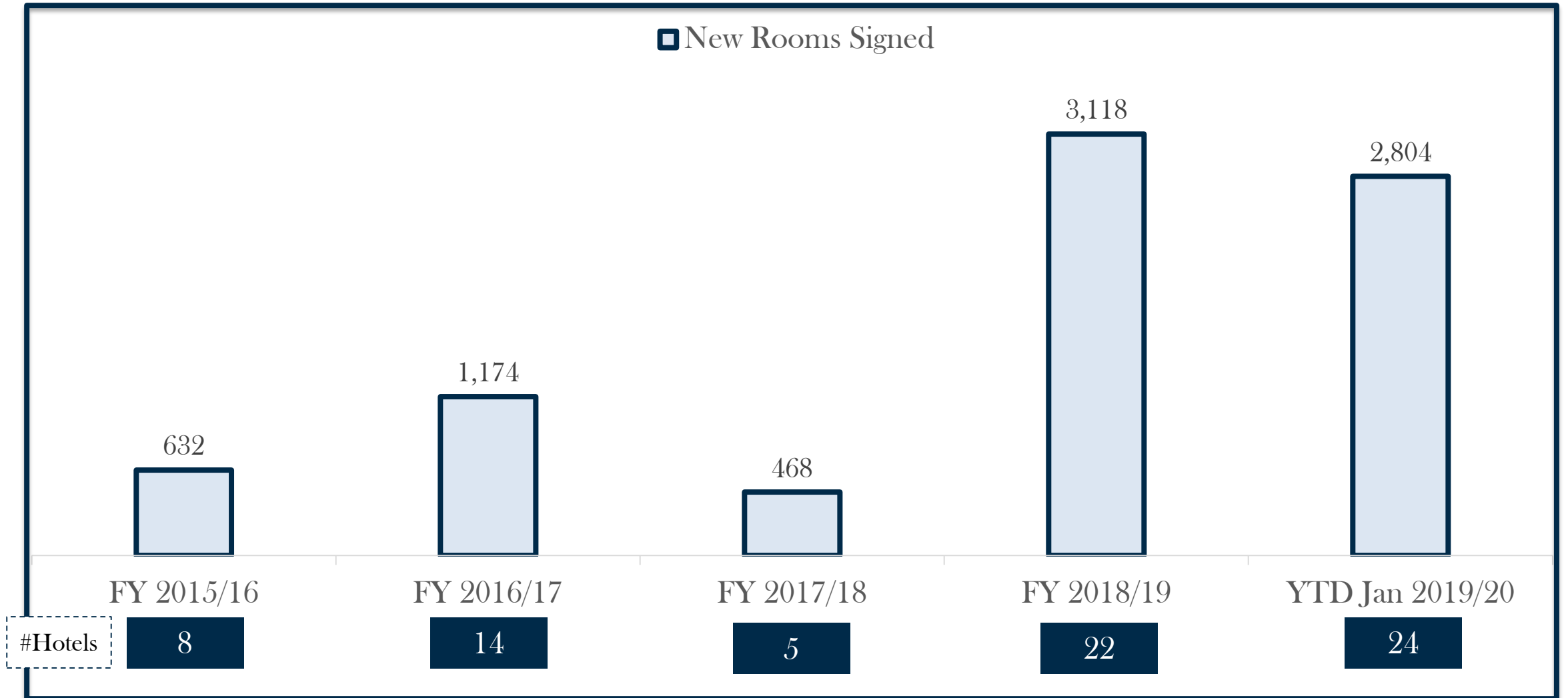
Market Share Drivers

**A SHORT FILM**

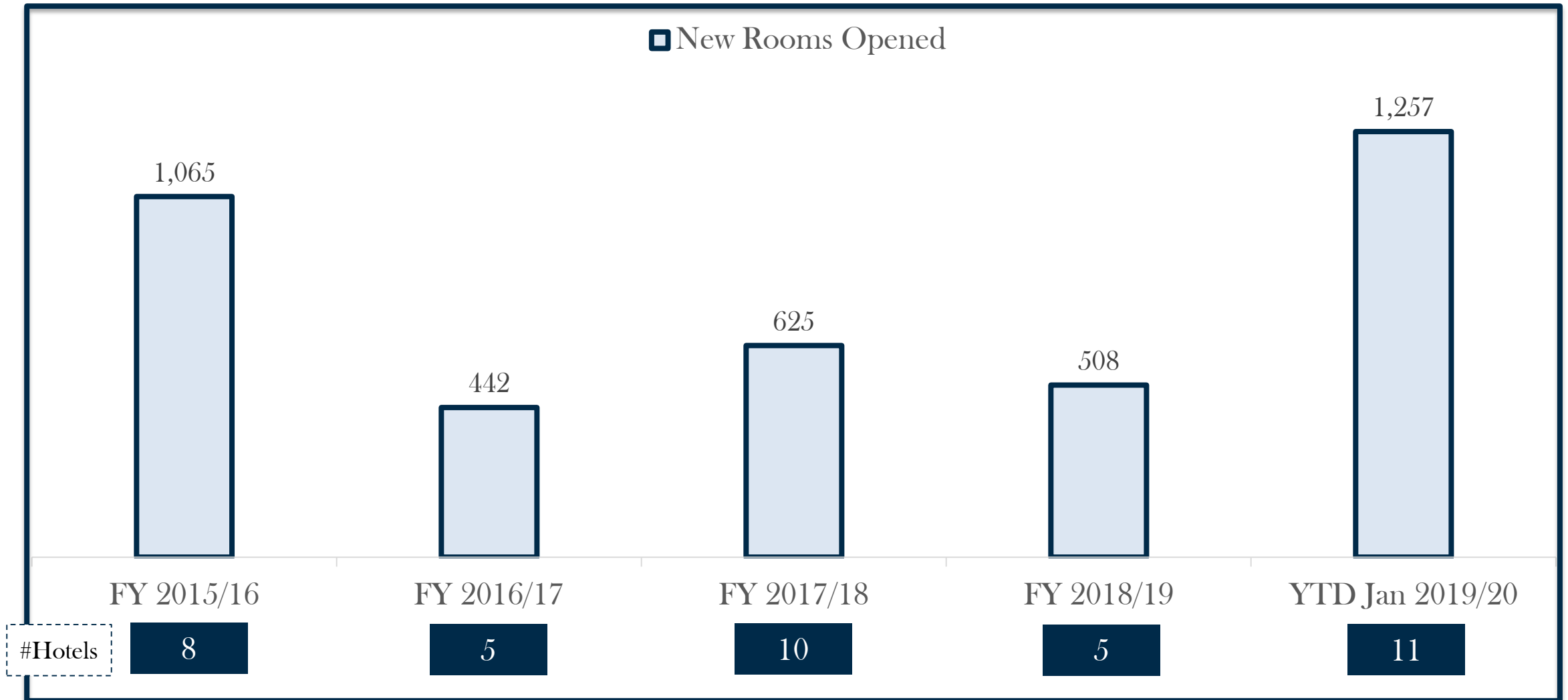
## Re-structured Growth: FROM a Portfolio of 141 Hotels TO 197 Hotels



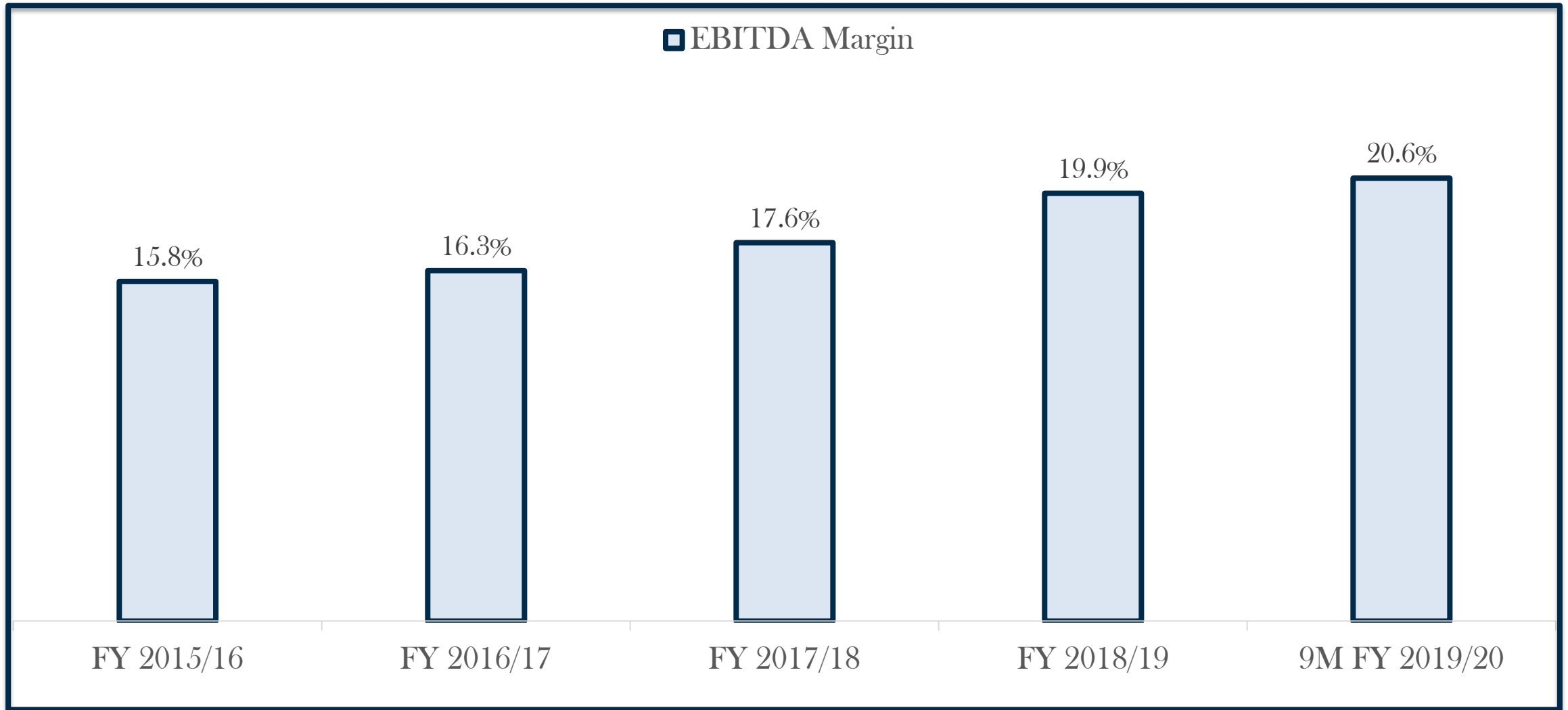
## Re-structured Growth: FROM Signing 1000 Rooms TO Over 3000 Rooms a Year



## Re-structured Growth: FROM Slowdown TO Accelerated Openings (1+ Hotel a Month)

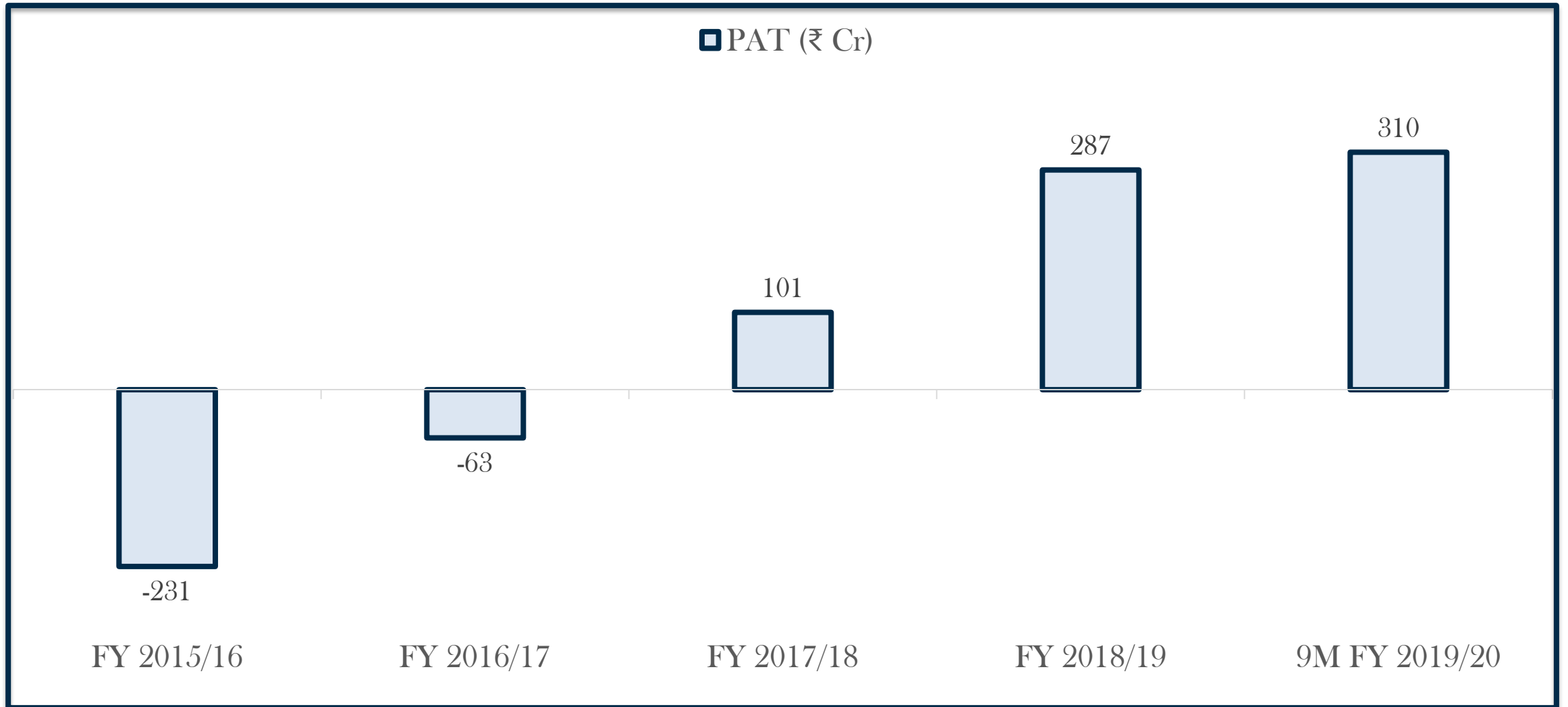


## Re-engineered Performance: FROM EBITDA Margin of 16% TO 21%



\*9m 2019/20 EBITDA Margin is reported basis PRE IND AS (like-for-like for comparison purposes). Reported 9m 2019/20 EBITDA Margin on POST IND AS basis is 24.4%

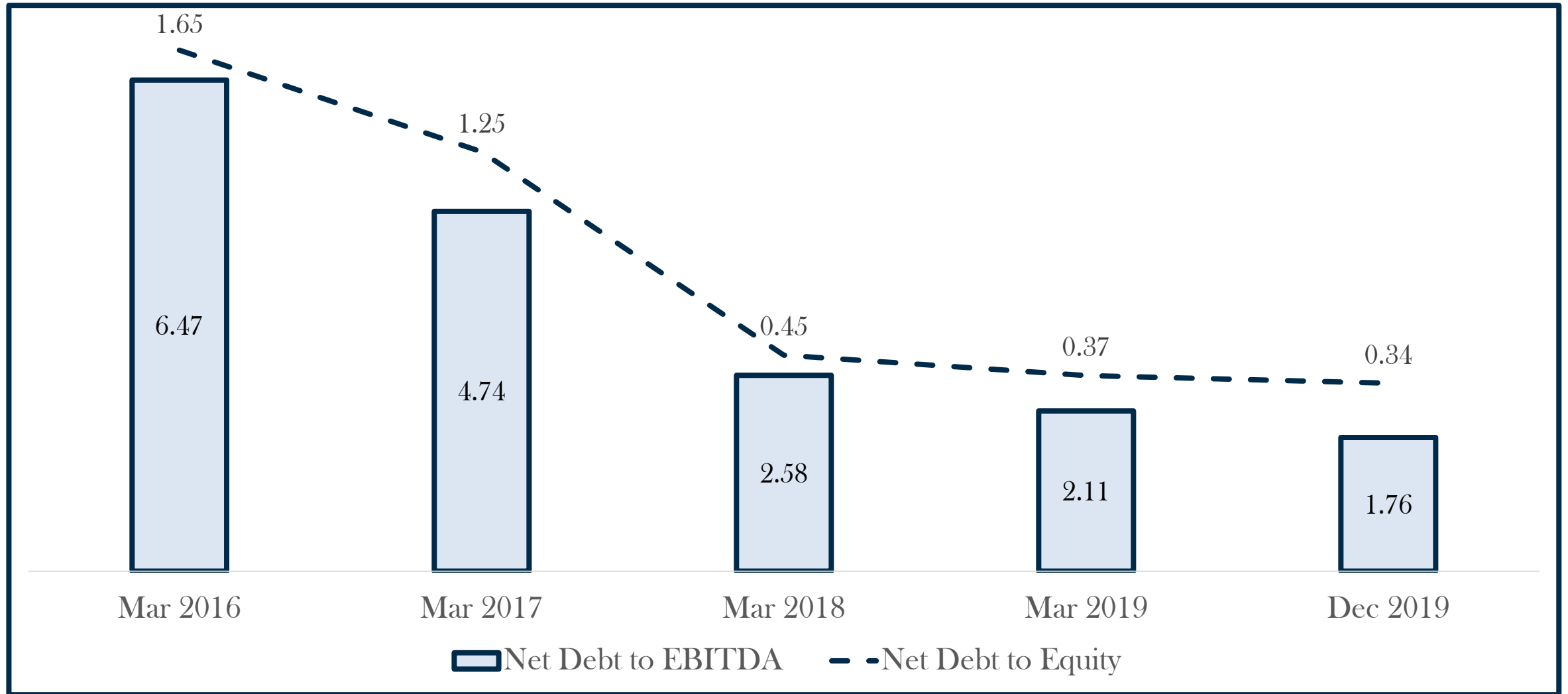
## Re-engineered Performance: FROM Losses TO Profitability



\*9m 2019/20 PAT is reported basis PRE IND AS (like-for-like for comparison purposes). Reported 9m 2019/20 PAT on POST IND AS basis is ₹ 280 crores



## Re-engineered Performance: FROM a Net Debt / EBITDA of 6.47 TO 1.76



\*Trailing Twelve Months Basis | \*\*Net Debt, EBITDA on Pre IND AS basis

# Re-engineered Performance: FROM Asset Ownership TO Asset Management

SCALE



Scale by Unlocking Value  
of Latent Assets

SELL



Sale of Non Core Assets  
(Land / Residential Apartments)

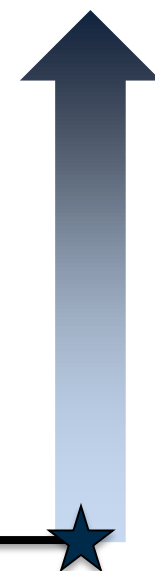
SIMPLIFY



Simplifying  
Holding Structure

## Indian Hotels, Re-imagined: On Course to Reach Aspiration 2022

₹ / 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

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