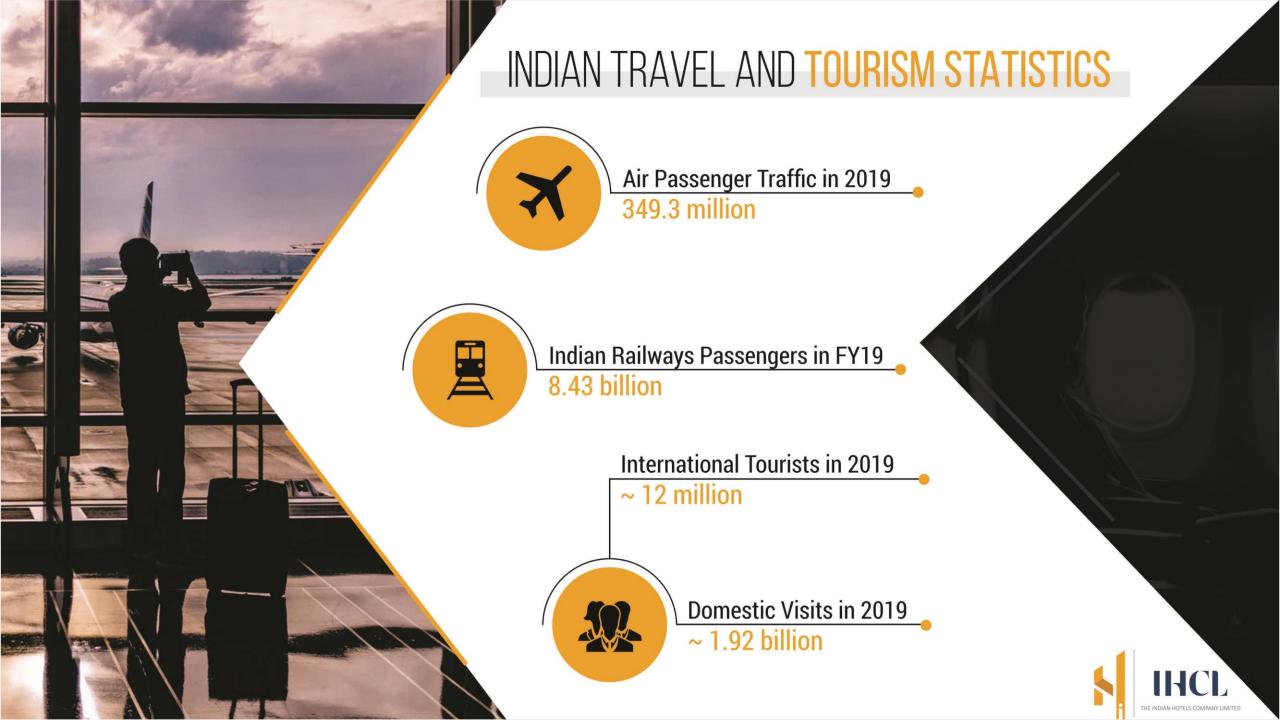
NATIONWIDE OVERVIEW: THE INDIAN HOTEL INDUSTRY

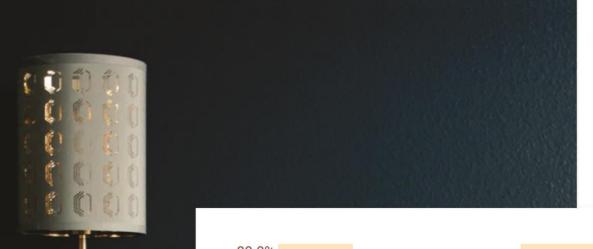
IHCL'S CAPITAL MARKET DAY 2020

24th February 2020







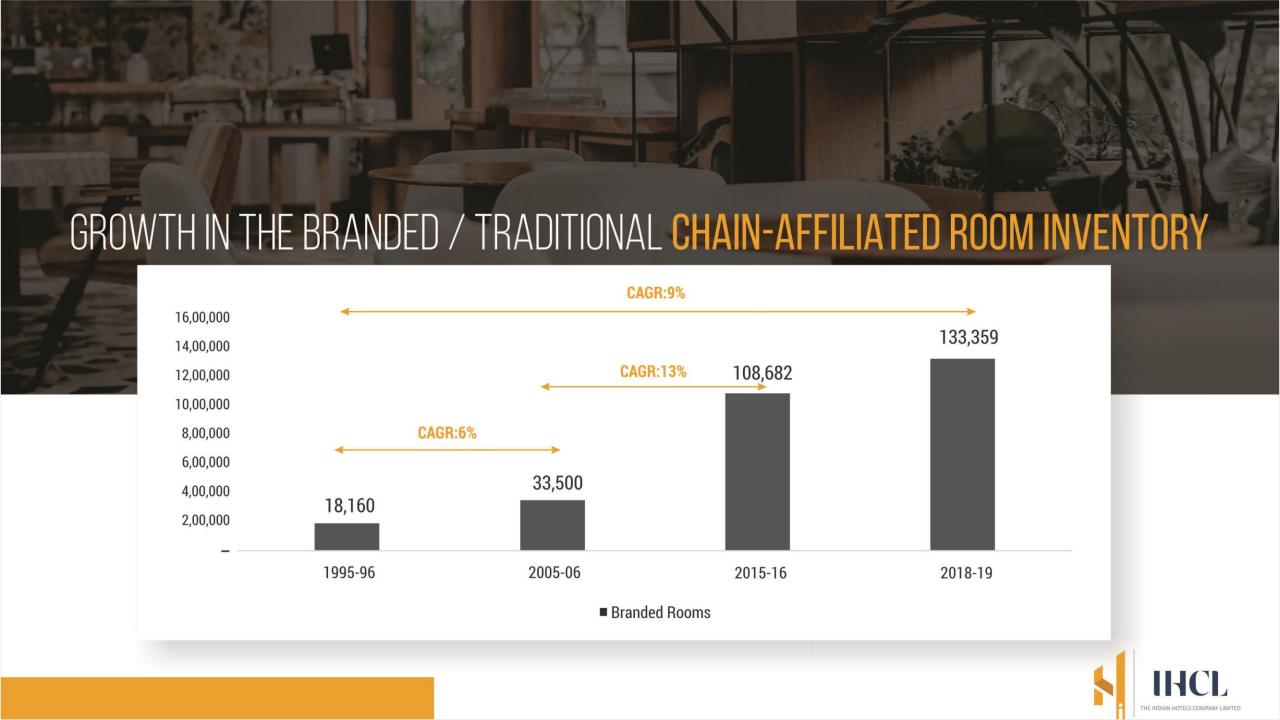


HOTEL INDUSTRY CYCLES IN INDIA

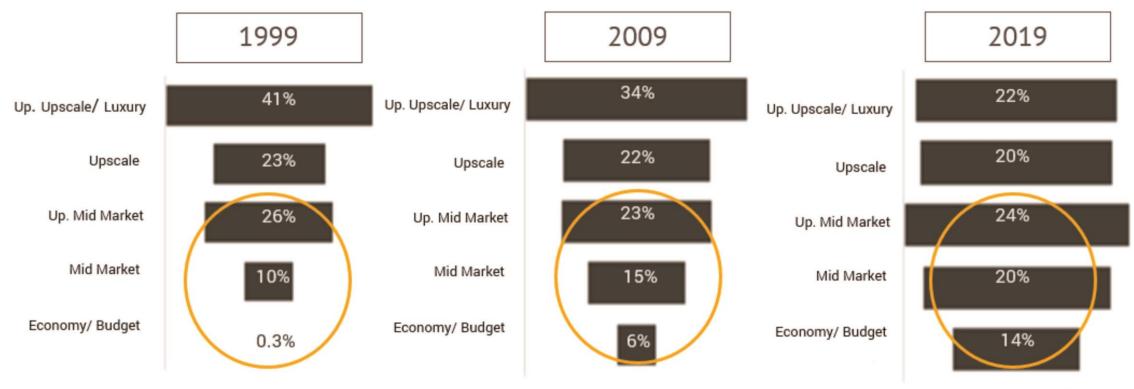


Nationwide ADR — Nationwide Occupancy

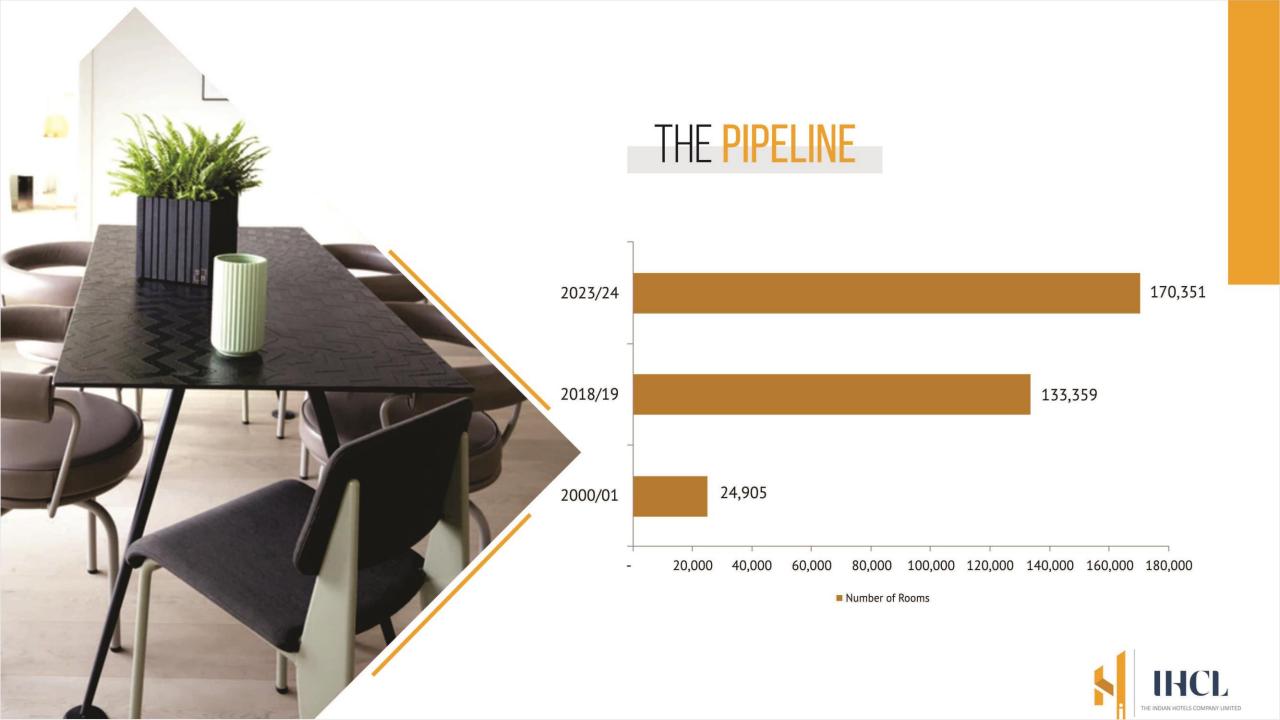


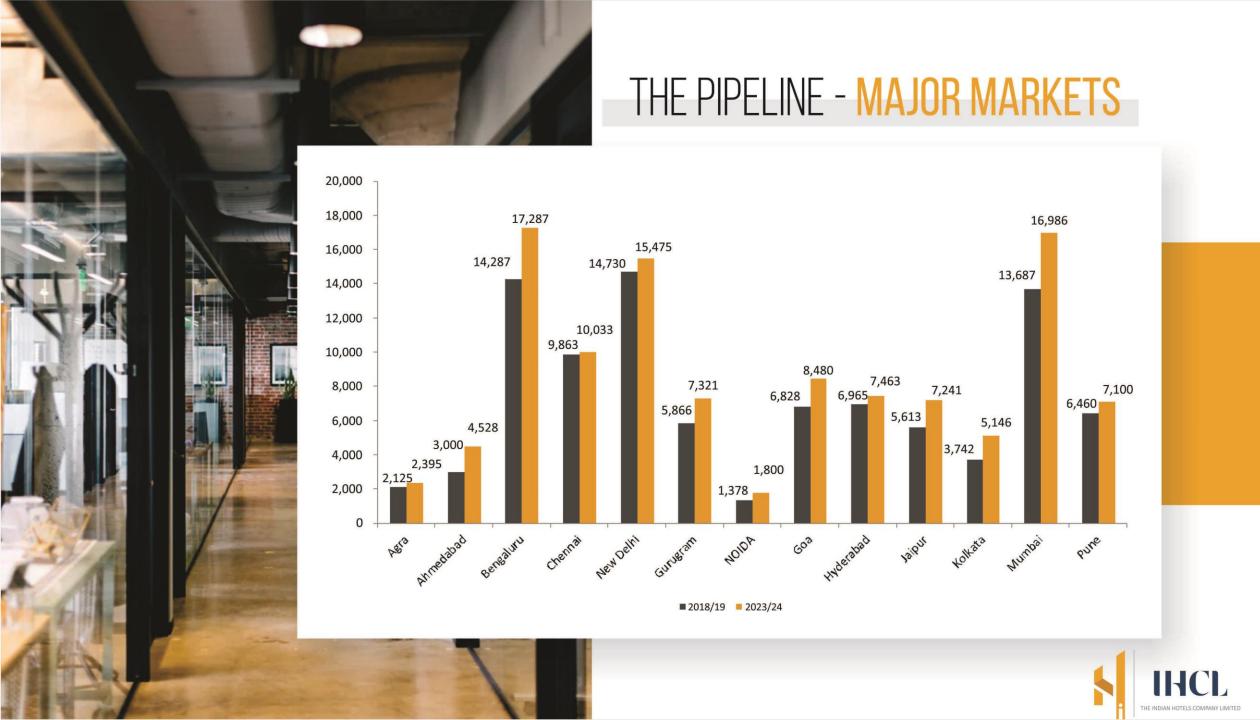


BRANDED/ TRADITIONAL CHAIN-AFFILIATED ROOM INVENTORY BY POSITIONING









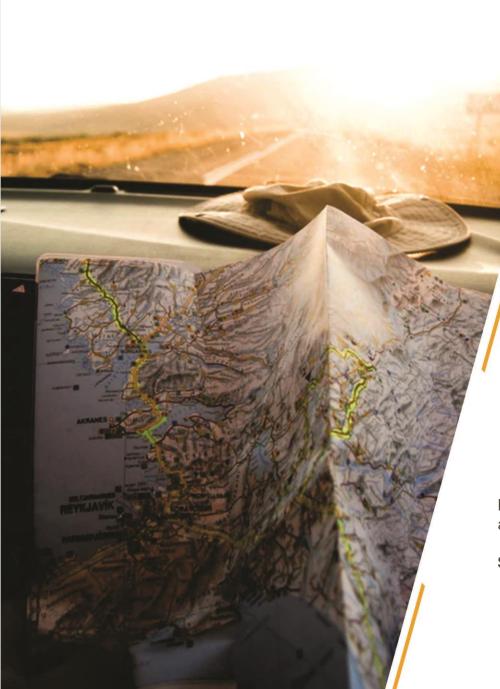
THE SUPPLY-DEMAND GAP 2,25,000 RPD Republic 2,05,000 1,85,000 1,65,000 1,45,000 1,25,000 1,05,000 85,000 65,000 45,000 25,000 2013/14 2014/15 2015/16 2016/17 2017/18 2018/19 * 2019/20 * 2020/21 * 2021/22 * 2022/23 *



THE FOCUS SERVICE SPACE WHAT'S FUELING GROWTH?

- Increasing domestic travel and tourism:
 - ✓ The billions we spoke about earlier
 - ✓ The swelling of a young, educated middle class
- Improved air connectivity to Tier II and Tier III cities:
 - ✓ Almost a third of the airlines traffic
 - ✓ More airports & airplanes being added monthly
- A strong value proposition for the investor:
 - ✓ Costs lesser money
 - ✓ Takes lesser time
 - Uses smaller land
 - Needs lower staffing
 - ✓ Enables higher yields
 - ✓ Covers larger geographies
 - ✓ Interests smarter investors





AN INTERESTING SIX YEARS HAVE JUST PASSED BY...

Six-year Story

~ 60%

Room nights available in 2012 Room nights sold in 2012 ~ 4.5 Million ~ 2.7 Million

2012 Focus Service Occupancy

Room nights available in 2018 Room nights sold in 2018 ~ 11.2 Million ~ 7.3 Million

2018 Focus Service Occupancy ~ 65%

Not only were the branded, focus service rooms available almost <u>**2.5 times more**</u> than just six years ago, the rooms sold were <u>**2.7 times higher...**</u>

Supply grew by leaps, and demand outpaced it!





M.I.C.E – as a % of Total Business:

•	Top 10 Cities	14%
	Tier II & III	19%

- Leisure Destinations 17%
- Global Congresses
- Industry Conferences
- Company Meetings
- Fam Trips
- Incentives
- Weddings & related functions
- Corporate Off-sites
- Social / Cultural Events
- Sporting Events

- The size of the global wedding industry is estimated to be upwards of US\$300 billion
- India witnesses about 10-12 million weddings annually
- Median Age of the Indian citizen is 28 Years
- Thailand, Indonesia, the Maldives, Malaysia, Turkey host thousands of Indian weddings
- Both, hosting Indian weddings AND making India an attractive inbound wedding destination are HUGE opportunities
- The Taj Group deserves tremendous credit & appreciation for pioneering the growth of this lucrative business segment across India



OPPORTUNITY 2020 & BEYOND THE CLOUDS & THEIR SILVER LININGS

- The Supply-Demand Gap widens
- Jet Airways Closure
- The OYO rollercoaster
- COVID-19 & its implications on Domestic Travel
- Liquidity crunch pushes developers to build sensibly
- The GST slash welcomed by the sector





TAJ - LIKE ALWAYS, LIKE NEVER BEFORE!

A holistic, well-rounded growth & profitability strategy is being implemented

Deliberate & persistent focus on growing the managed portfolio

Time to capitalize on the fast-growing scale of the renewed Ginger brand

Proliferation of the Chambers Global Membership Program

Strategy to enhance shared-services:

- Procurement
- Common laundries
- Combining Taj & Ginger sales efforts

Cost Focus:

- Energy efficiency (Siemens)
- Strategic JVs (Tata Power)
- Rationalized buffet offering
- Intent to sharpen rooms: manpower ratios

Unique ability to invoke emotional connect from stakeholders:

- Guests
- Companies / Organizations
- Builders / Developers / Investors
- Even the consultants...



THANK YOU

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