

August 5, 2019

BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort,
Mumbai - 400 001.
Scrip Code: 500850

National Stock Exchange of India
Limited Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051
Symbol: INDHOTEL

Kind Attn: **Mr. S. Subramanian**
DCS-CRD

Dear Sirs,

Further to our letter of date, intimating the Financial Results of the Company for the quarter year ended June 30, 2019, enclosed is a copy of the investors / analyst presentation on the same for the Global Conference call to be held today at 6.30 p.m. IST.

Kindly acknowledge receipt.

Yours sincerely,


BEE TAL DESAI
Senior Vice President & Company Secretary

Encl: a/a

IHCL

Global Conference Call FY 2019-20 - Q1 Results

5th Aug, 2019



SELEQIONS

VIVANTA

GINGER

EXPRESSIONS

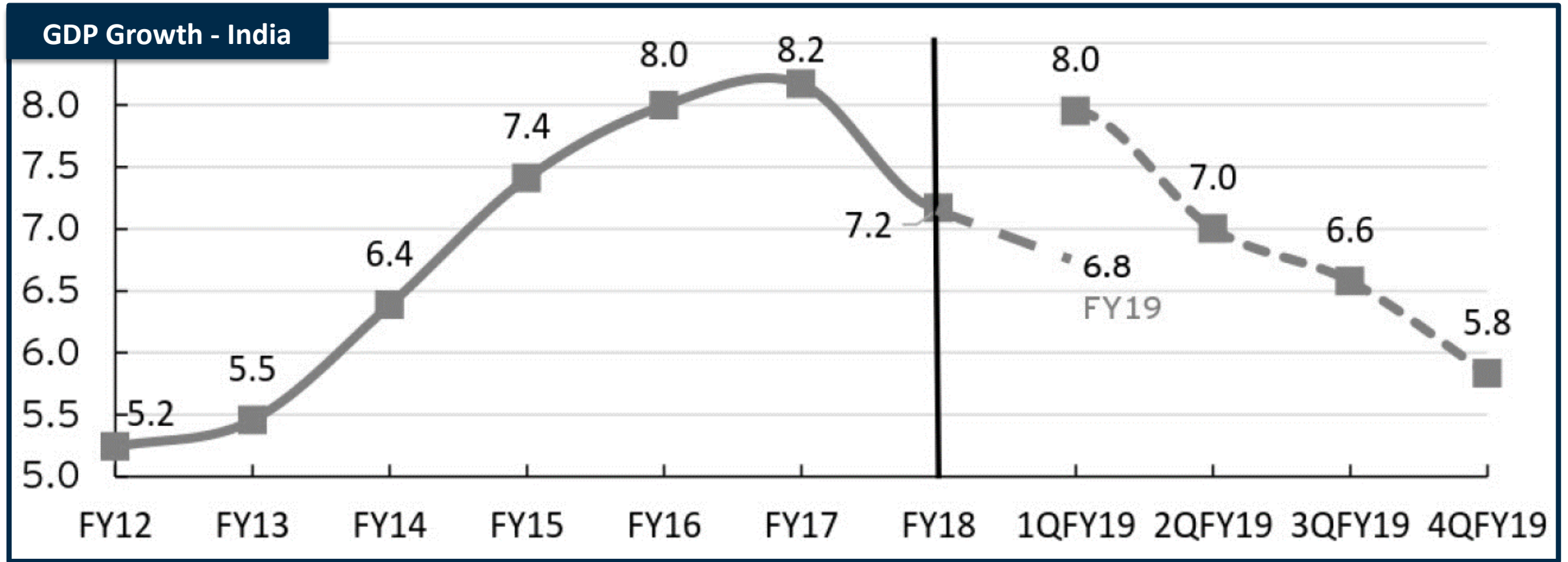


The background image shows a grand, ornate interior space, likely a museum or a historical building. It features a large, multi-level staircase with white marble balustrades and dark wood handrails. The walls are painted a warm, golden-yellow color and are adorned with several framed portraits and a large, ornate painting in a gold frame. The ceiling is high and decorated with intricate carvings and stained glass windows. The floor is made of large, light-colored marble tiles with a geometric pattern. The overall atmosphere is one of elegance and historical significance.

AGENDA

- Industry Trends
- Aspiration to Execution: Key Highlights
- Financial Performance
- Q&A

Indian economy: Real GDP growth at a 20-quarter low in Q4 FY 2018 / 19



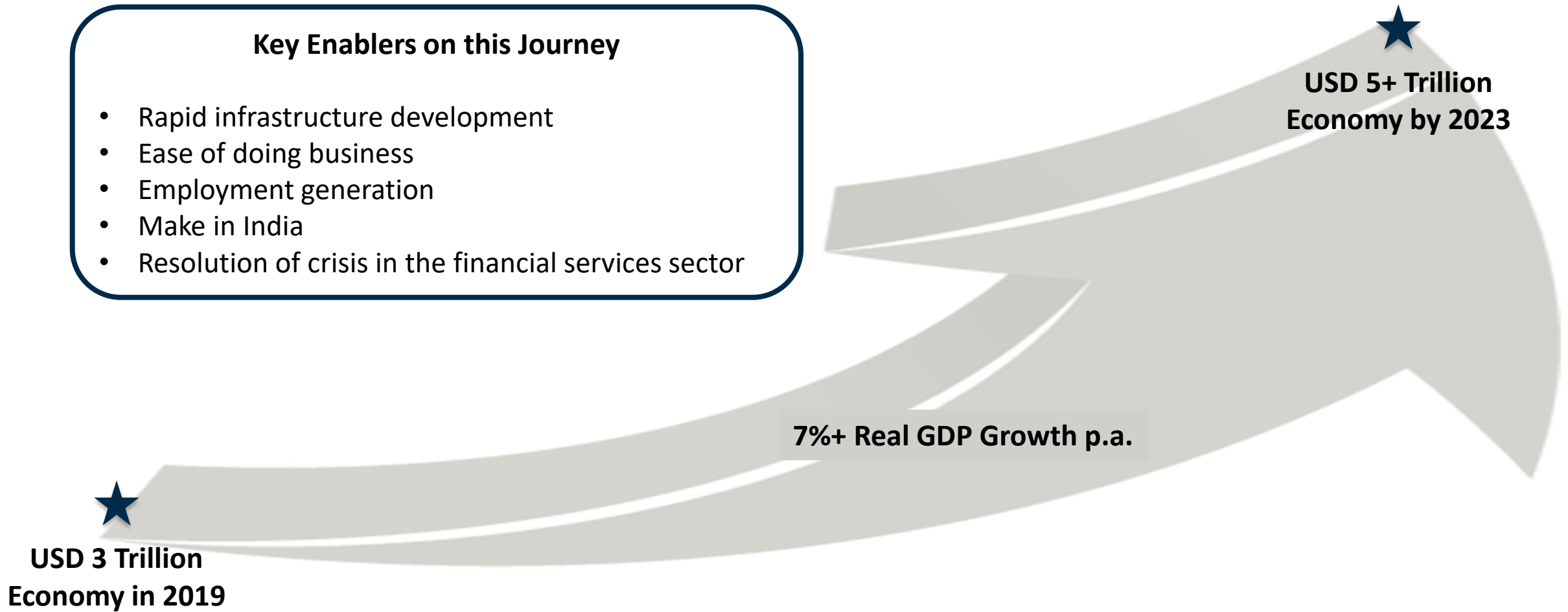
Slowdown in private consumption | Slowdown in investment demand growth | Negative contribution from net exports

Source: Ministry of Statistics and Program Implementation (MOSPI)

Long term outlook remains positive for India

Key Enablers on this Journey

- Rapid infrastructure development
- Ease of doing business
- Employment generation
- Make in India
- Resolution of crisis in the financial services sector



Source: IHS Markit Report, June 2019

Indian hospitality – short-term headwinds but good long-term potential

Headwinds

- Impact of elections on occupancies, MICE
- Hold back of discretionary spends
- Increasing local airfare / turmoil in airline industry
- No direct reliefs (GST / Infra.) in Union Budget 2019
- Demand growth (3.0%) < Supply growth (3.2%) in Q1

Tailwinds

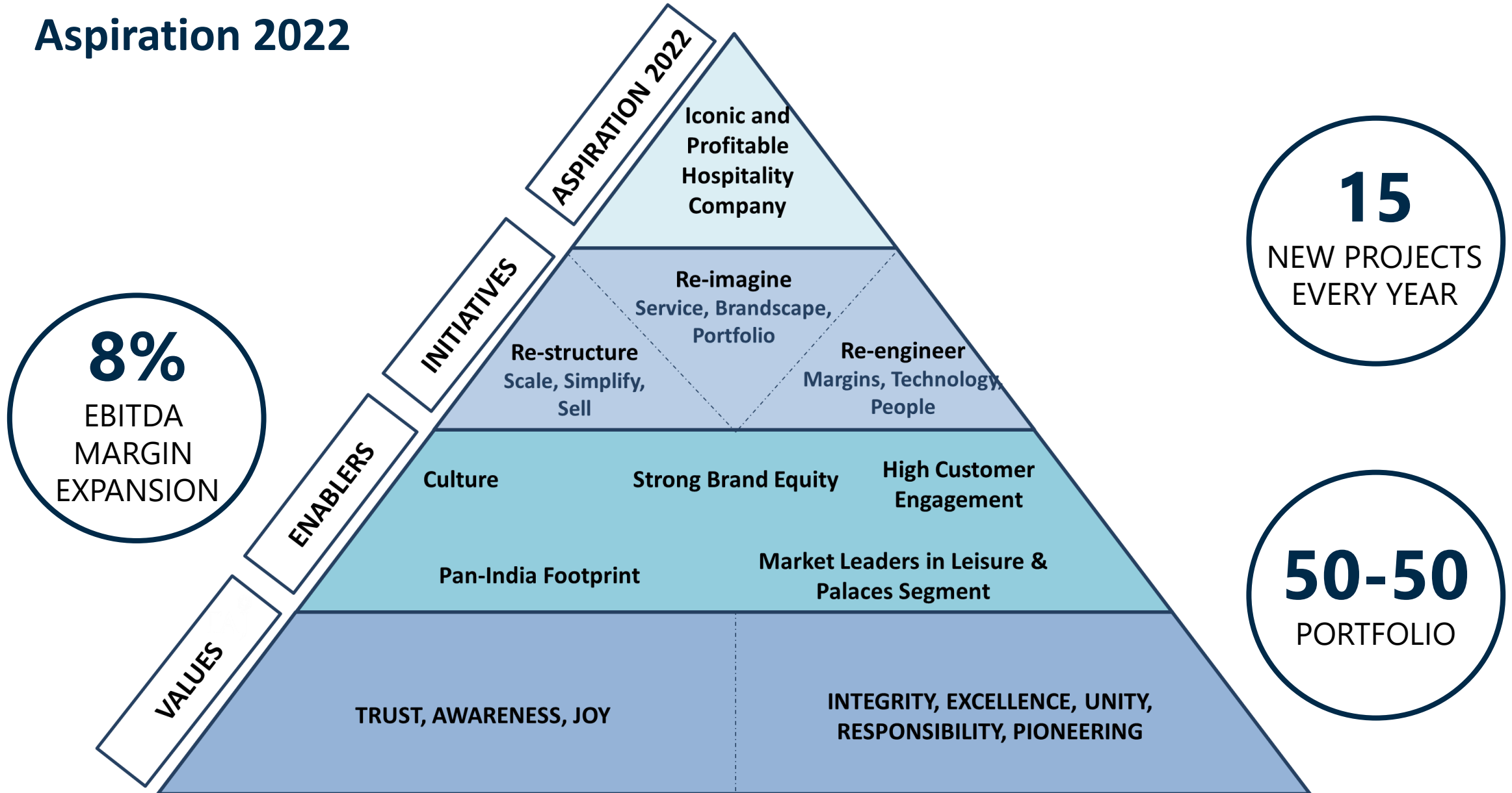
- Increasing foreign tourist arrivals (14% yoy, < 1% global)
- Improving domestic demand
- Rising middle class and strong demographic dividend
- Policy continuity
- Tremendous opportunity for conversions (72% unbranded)

AGENDA

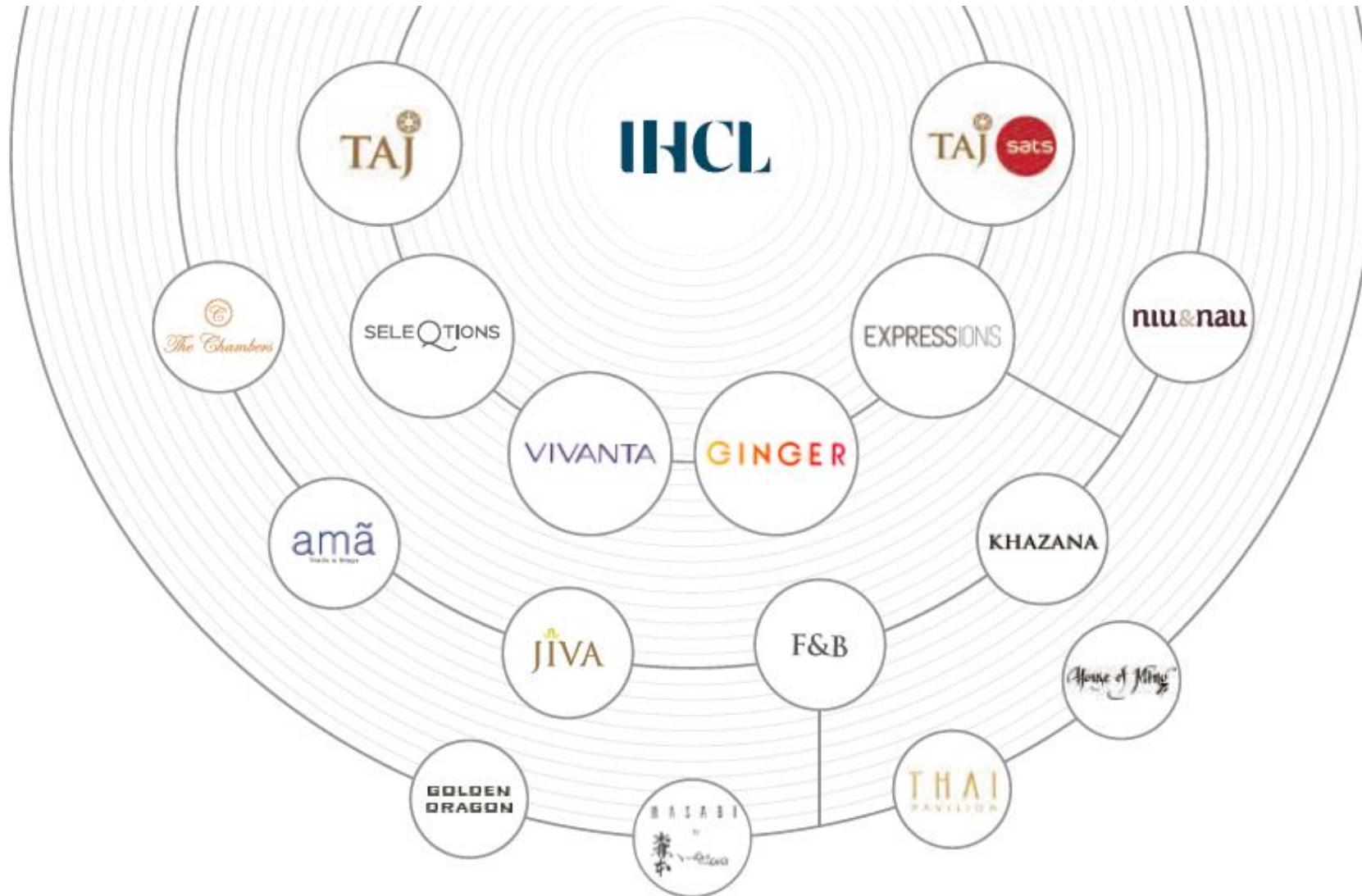
- Industry Trends
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Aspiration 2022



From a Branded House to a House of Brands



Momentum of New Signings Continues

SMART

Strategic

Margin
Enhancing

Asset
Management

Relationships

Tracking

22

+

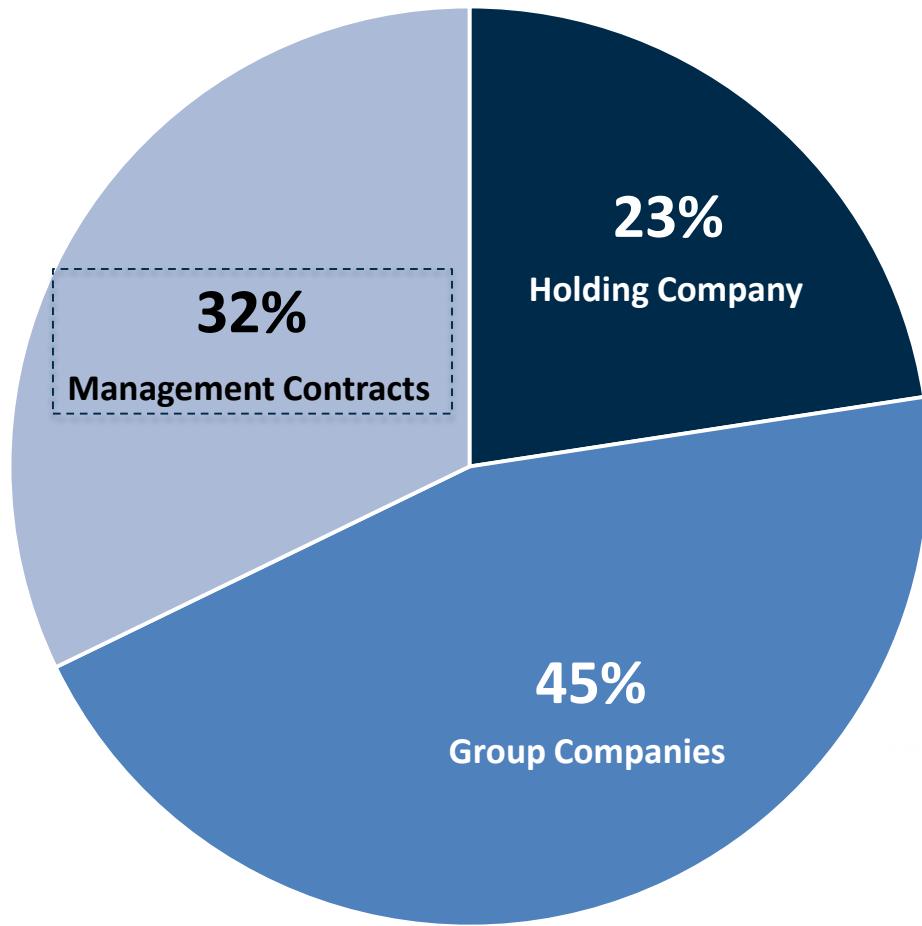
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New Contracts Signed in **FY 2018/19**

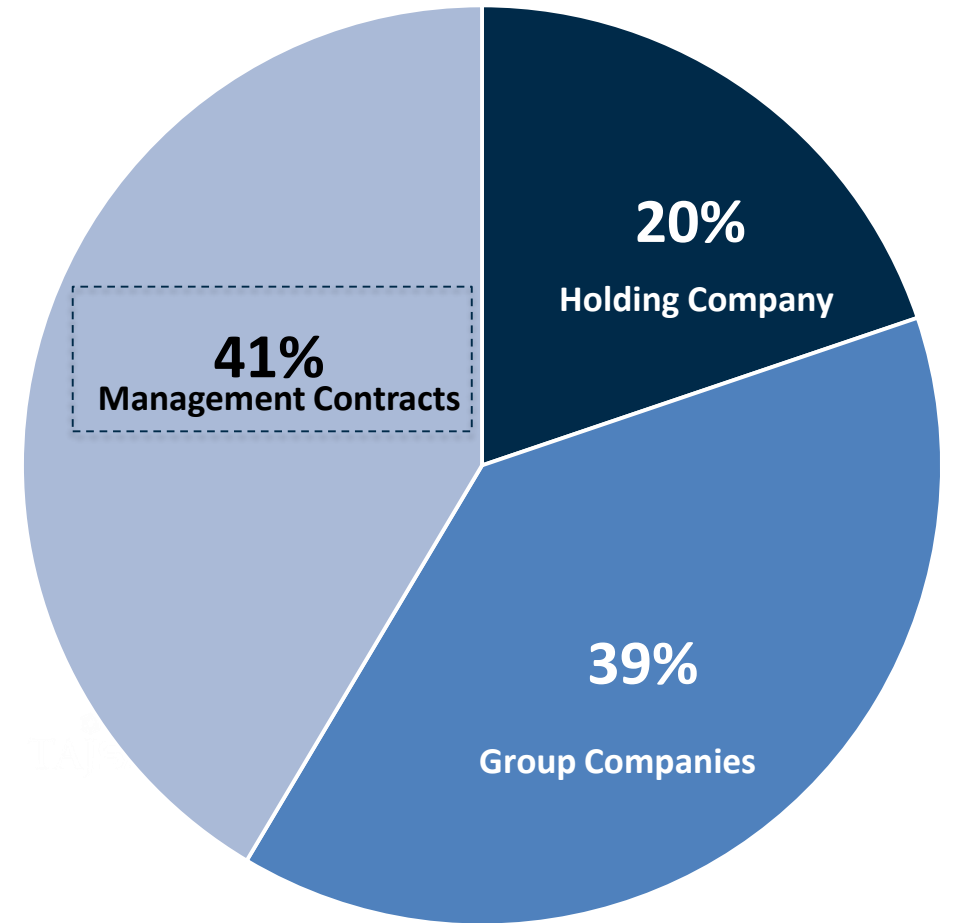
Signed in **Q1 FY 2019 / 20**

9 Signed Till Date

Shift in Business Mix



Portfolio as on 31st March 2018



Portfolio as on 30th June 2019

Scaling up our inventory – Openings in Q1

Cidade de Goa



Taj Hotel & Convention Center, Agra



Ginger Dwarka

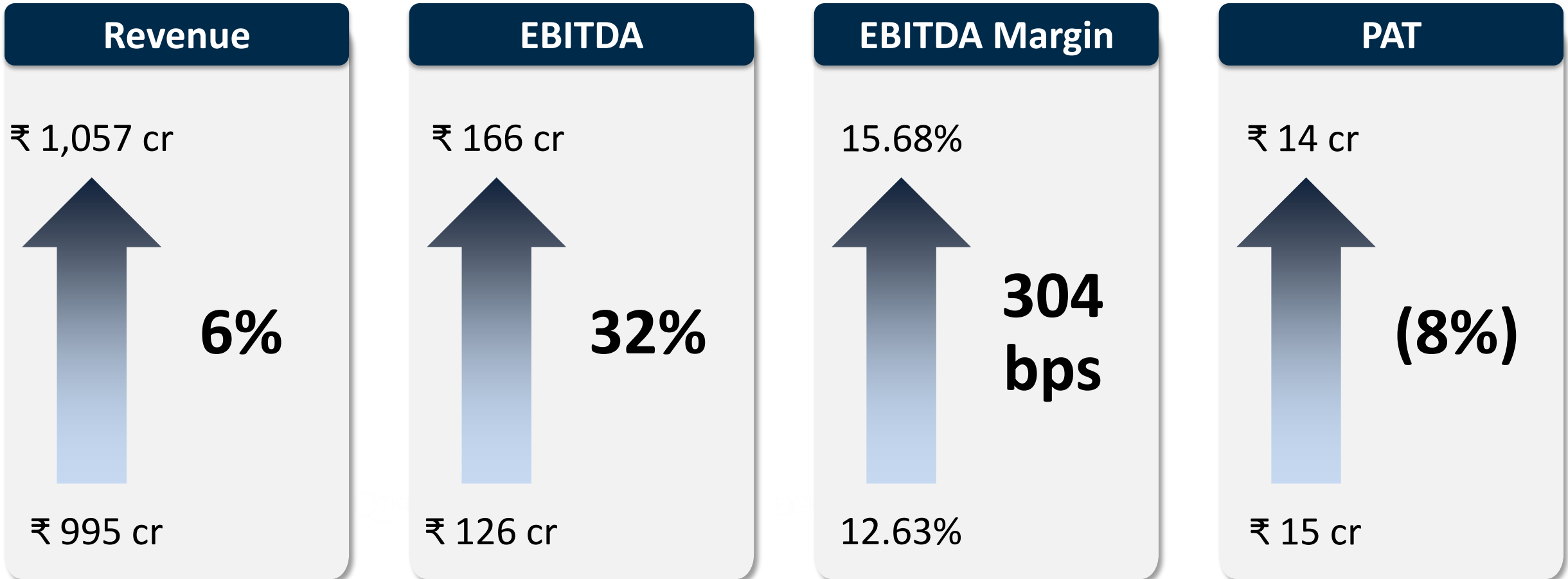


3 Hotels

-

544 Keys

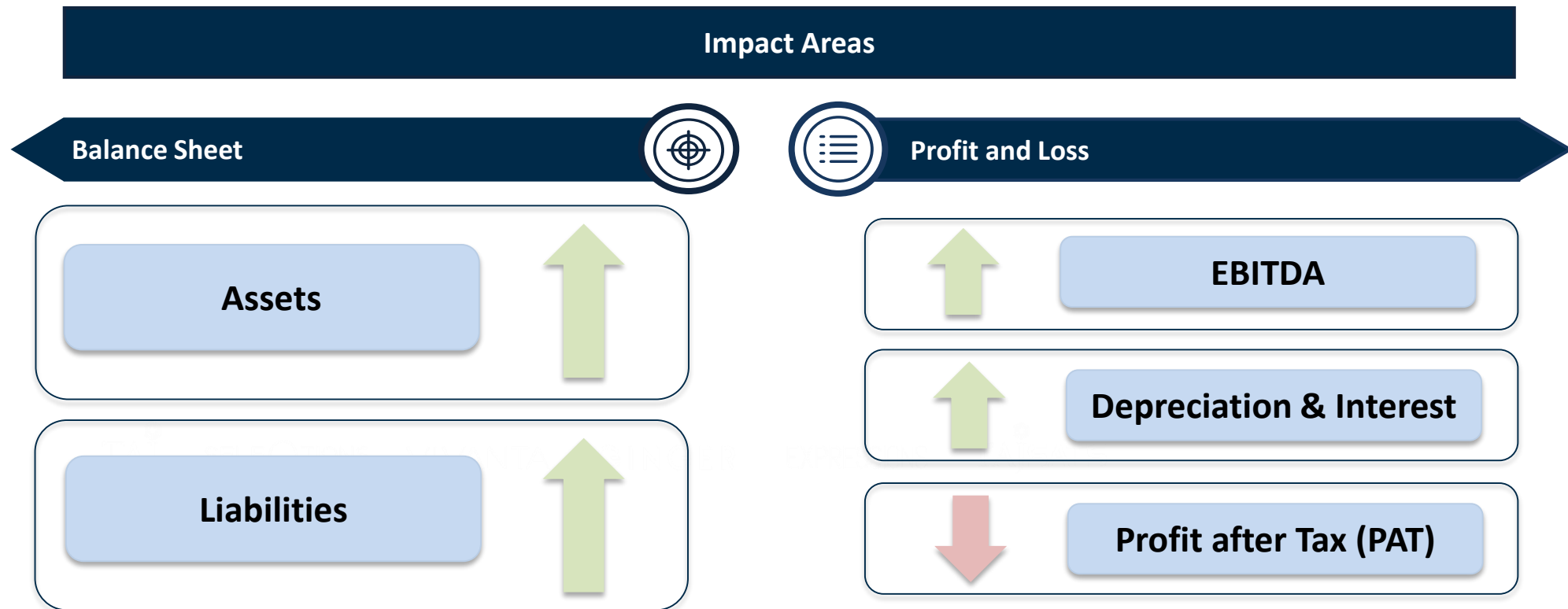
Financial Performance Highlights – Q1 FY 2019 / 20



**Consolidated Performance – Excludes IND AS Lease Standard Impact (like-for-like)*

New Accounting Rules under Ind AS 116 Leases

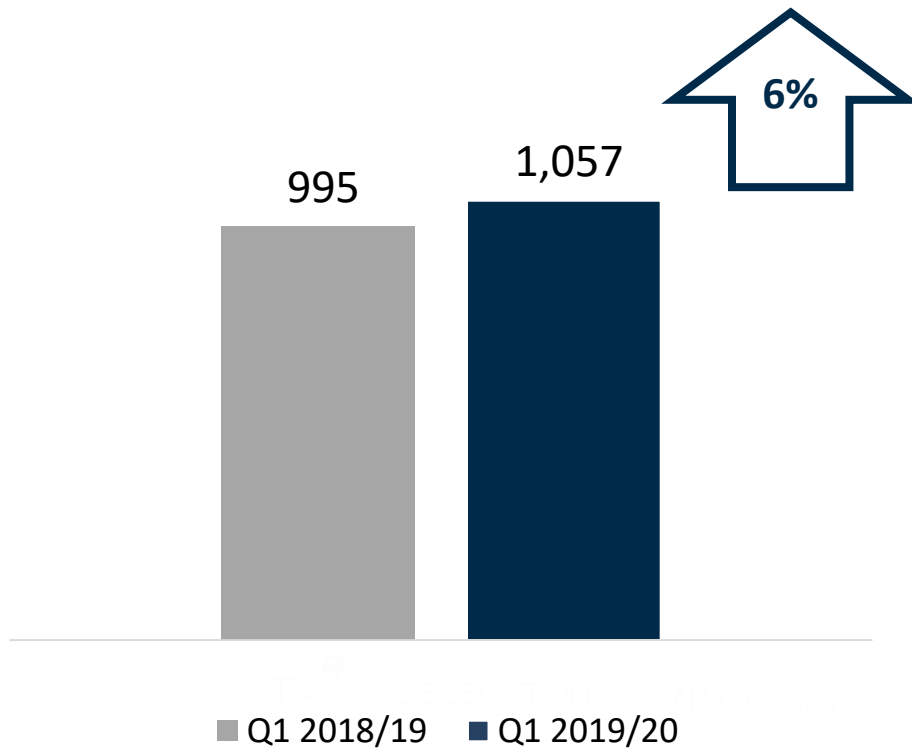
- The erstwhile concept of Operating Lease will cease to exist.
- All the leases will be considered as a Finance Lease irrespective of the arrangements (subject to two exceptions).



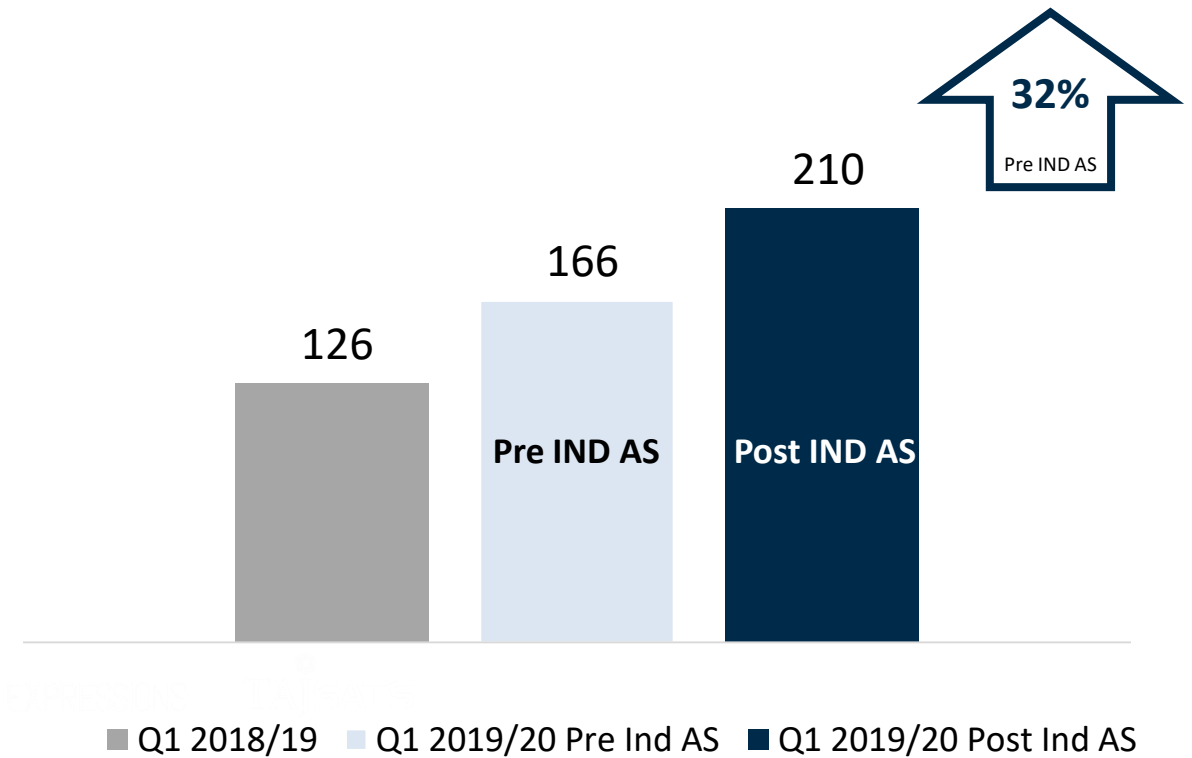
Consolidated Key Indicators – Q1 2019/20

₹ /crores

Total Revenue



EBITDA

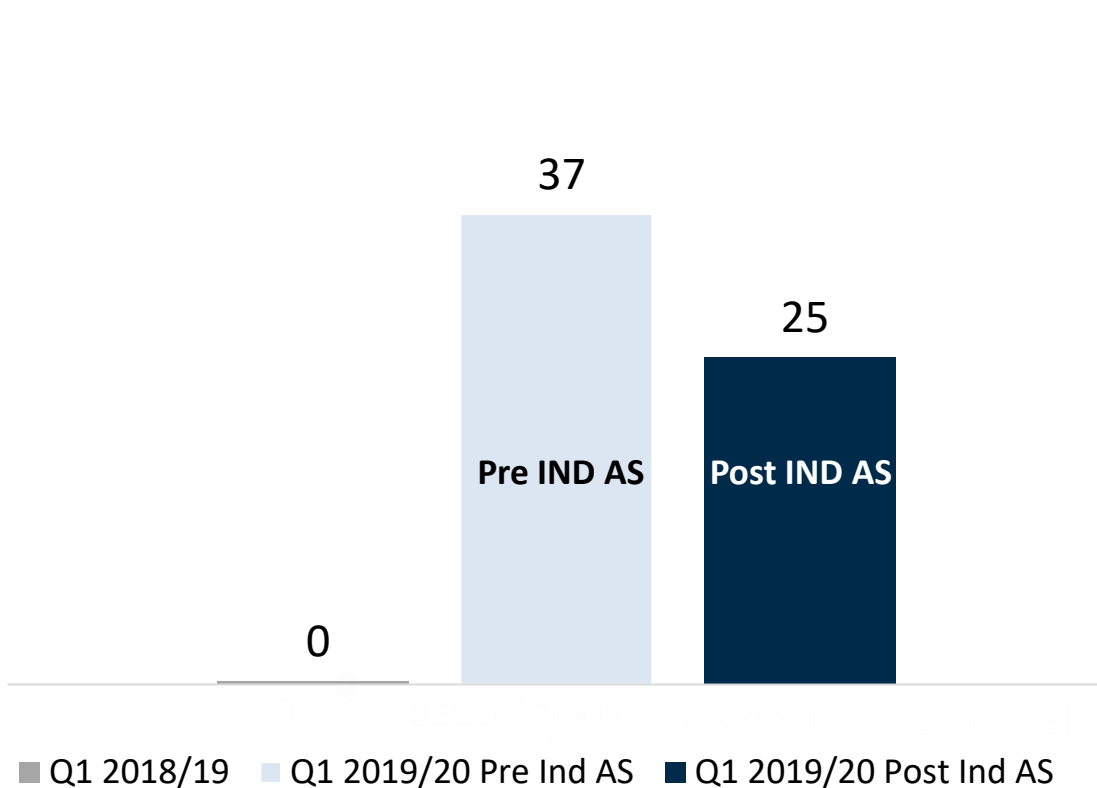


- Pre Ind AS 116 EBITDA Margin Expansion 3.04 pp
- Pre Ind AS 116 Operating EBITDA Margin Expansion 1.32 pp

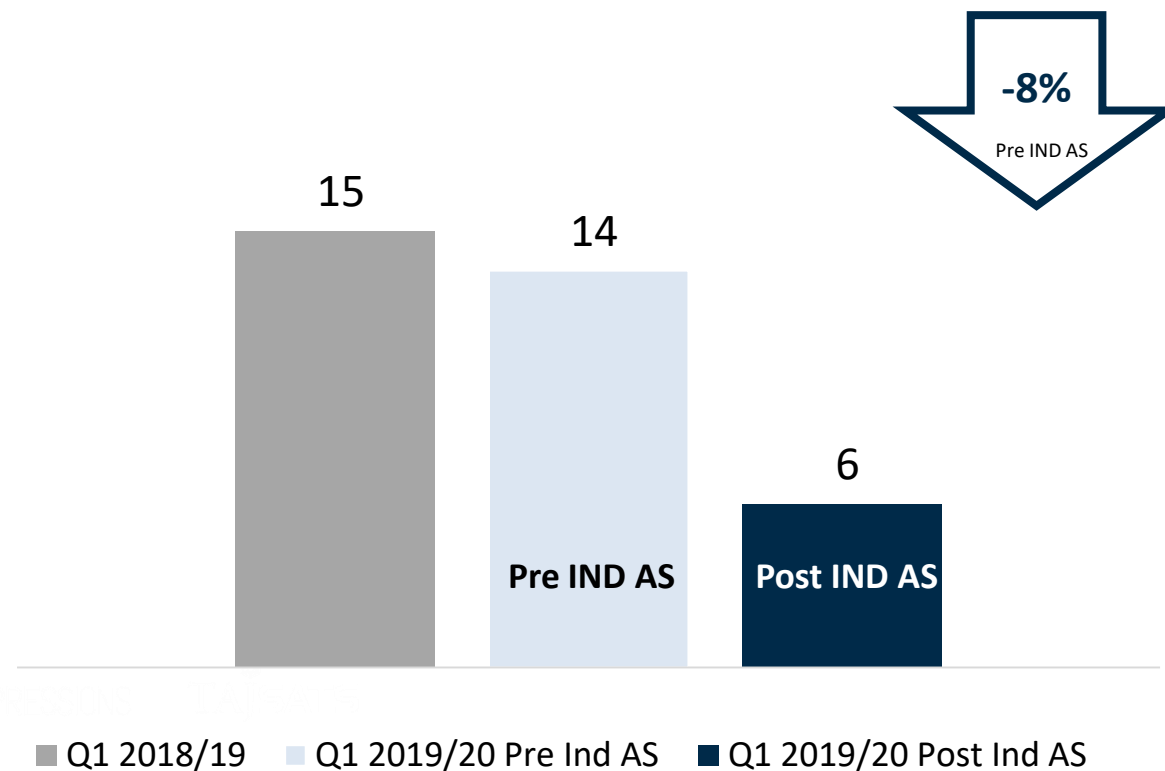
Consolidated Key Indicators – Q1 2019/20

₹ /crores

Profit before Exceptional Items & Tax



Profit After Tax



- Previous year includes ₹ 46 cr. Boston Lease Modification Income
- PAT includes ₹ 16 cr. (Post Tax Impact) gain on Sale of Flats in CY

AGENDA

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- **Financial Performance**
- Q&A



Summary of IndAS 116 impact on Consol P&L – Q1 2019/20

₹ /crores

Particulars	Q1 2019/20			Q1 2018/19
	Pre Ind AS 116	Ind AS 116 Impact	Post Ind AS 116	
Revenue	1,057	-	1,057	995
Operating Expenses	891	-45	846	869
EBITDA	166	45	210	126
Depreciation	83	17	100	78
Interest	46	39	85	47
Profit Before exceptional Items & Tax	37	-11	25	0
Exceptional Items	2	-	2	-4
Profit before Tax	39	-11	28	-4
Profit after Tax	14	-8	6	15

Consolidated – Reported Profit & Loss Statement – Q1 2019/20

₹ /crores

Particulars	Q1				
	2019/20 Actual Post Ind AS	Ind AS 116 Impact	2019/20 Actual Pre Ind AS	2018/19 Actual	Actual Pre Ind AS Vs PY
Revenue from Operations	1,020	0	1,020	980	4%
Non-Operating Revenue	37	0	37	15	147%
Total Revenue	1,057	0	1,057	995	6% ↑
Total Expenditure	847	(45)	891	869	3%
EBITDA	210	45	166	126	32% ↑
Operating EBITDA	173	45	129	111	16%
EBITDA Margin	19.91%		15.68%	12.63%	3.04 pp
Operating EBITDA Margin	17.00%		12.61%	11.30%	1.32 pp
Depreciation and Amortization Expense	100	17	83	78	6%
Finance Costs	85	39	46	47	-3%
Profit Before exceptional Items & Tax	25	(11)	37	0	+ ↑
Exceptional items Gain/(Loss)	2		2	(4)	+
Profit/ (Loss) before tax	28	(11)	39	(4)	+ ↑
Provision for Taxes	18	(2)	20	(10)	+
Profit/ (Loss) After Tax	10	(9)	19	6	+ ↑
Add: Share of Profit/(Loss) in Associates & JV's	(5)	(1)	(4)	3	-
Less : Profit / (Loss) due to Non-Controlling interest	1	2	(1)	6	-
Profit / (Loss) after Non controlling interest, share of associates and JV	6	(8)	14	15	-8% ↓

IHCL- Consolidated Exceptional Items For Q1 2019/20

₹ /crores

Particulars	Q1		Var.
	2019/20	2018/19	
Change in fair value of derivative contracts	2	(50)	52
Boston lease modification income	0	46	(46)
Total	2	(4)	6
Gain on Sale of Flats included in Non Operating Revenue	25	-	25

IHCL Network Revenue – Q1 2019/20

₹ /crores

Particulars	Domestic			International		
	CY	PY	Growth over PY %	CY	PY	Growth over PY %
Room Revenue	483	464	4.2%	256	237	8.2%
RevPAR	4,726	4,848	-2.5%	11,501	11,121	3.4%
F & B Revenue	464	456	1.6%	186	182	2.3%

No of Hotels: 105

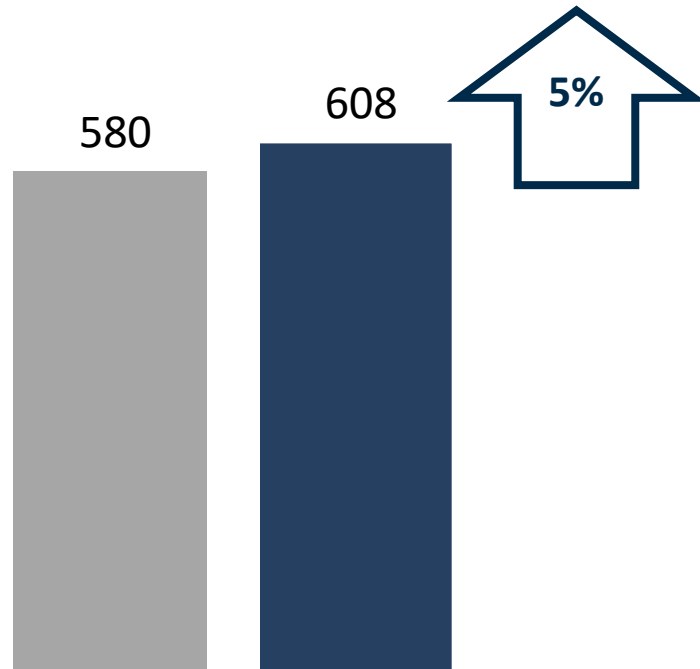
Domestic hotels: 88

International Hotels: 17

Standalone Key Indicators – Q1 2019/20

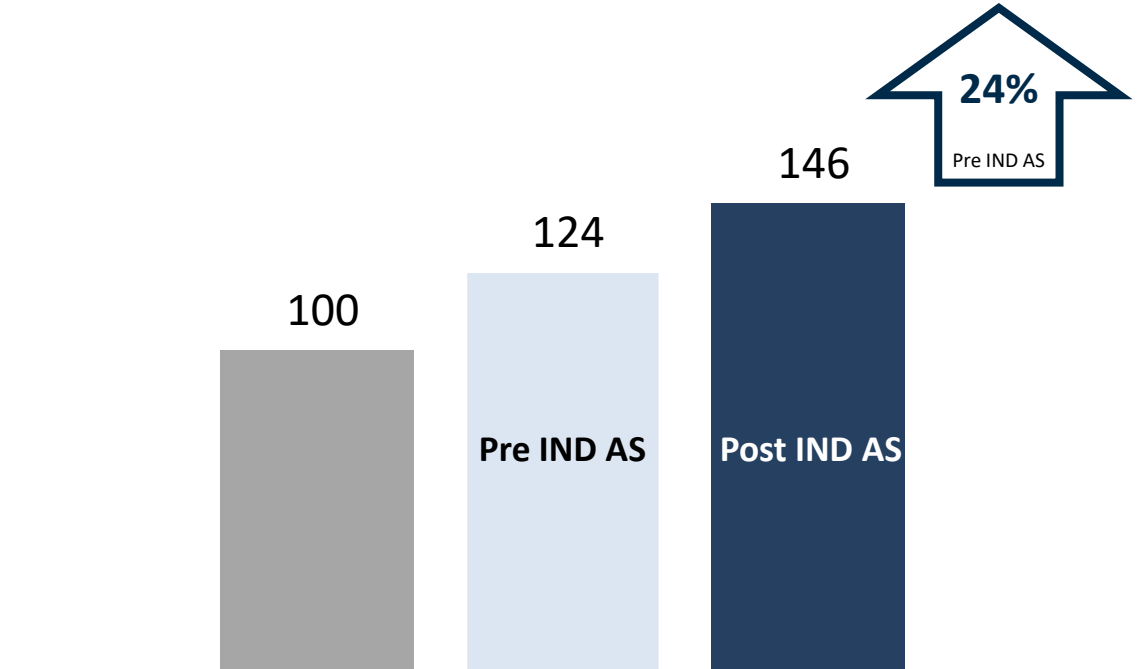
₹ /crores

Total Revenue



■ Q1 2018/19 ■ Q1 2019/20

EBITDA



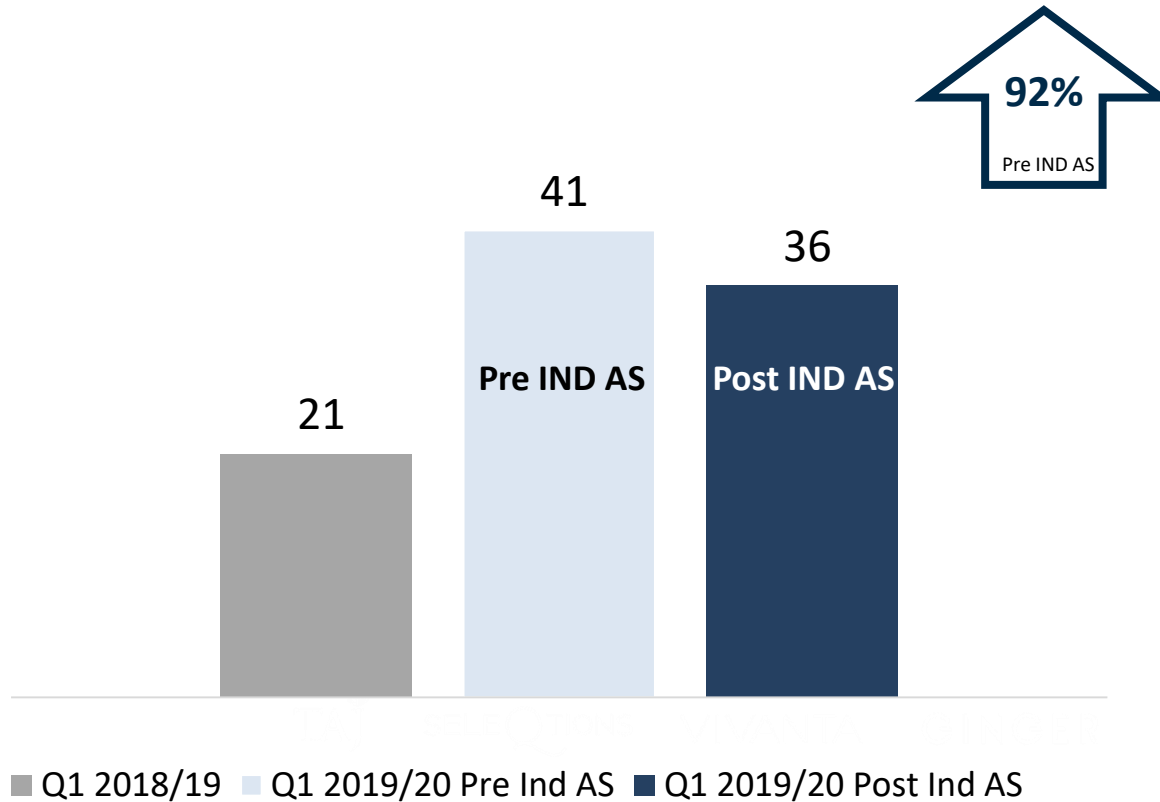
■ Q1 2018/19 ■ Q1 2019/20 Pre Ind AS ■ Q1 2019/20 Post Ind AS

- Pre Ind AS EBITDA Margin Expansion 3.16 pp
- Pre Ind AS Operating EBITDA Margin Expansion 0.34 pp
- EBITDA includes ₹ 25 crores gain on Sale of Flats

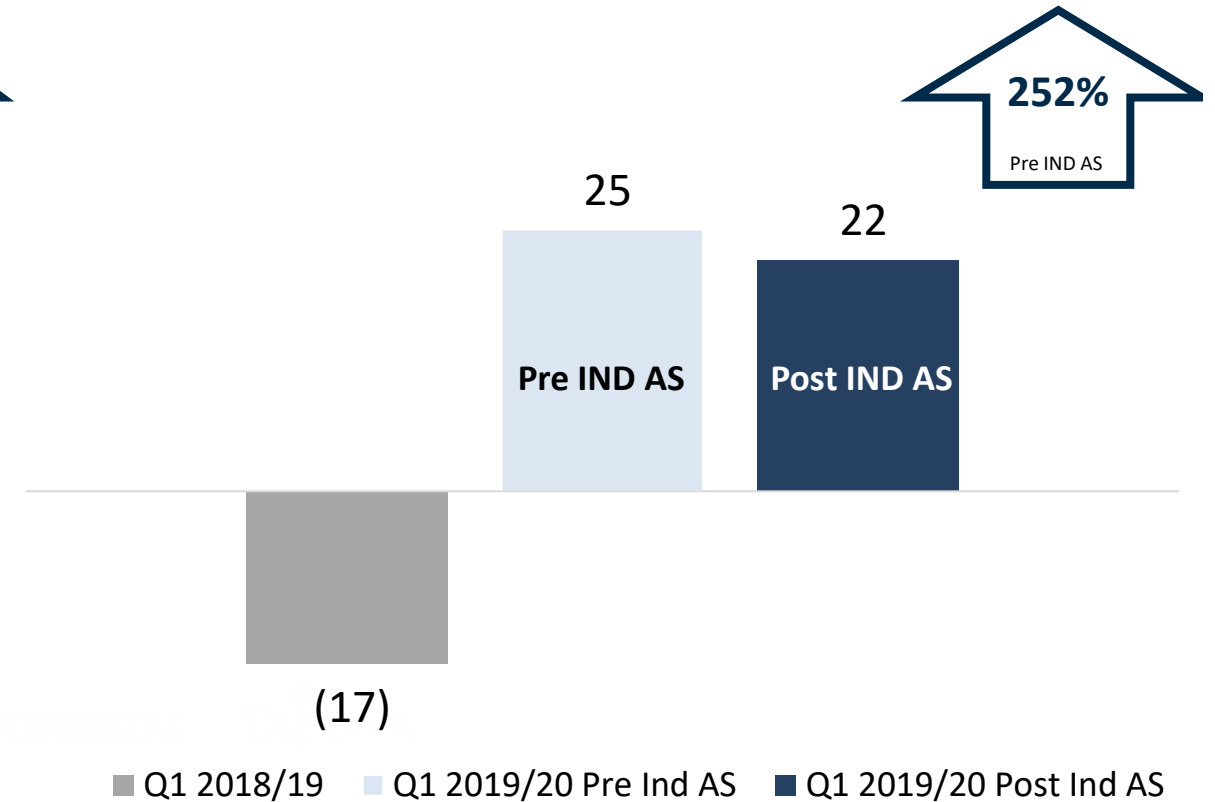
Standalone Key Indicators – Q1 2019/20

₹ /crores

Profit before Exceptional Items & Tax



Profit After Tax



- PAT includes ₹ 16 crores (Post Tax Impact) gain on Sale of Flats in CY

Summary of IndAS 116 impact on Standalone P&L – Q1 2019/20

₹ /crores

Particulars	Q1 2019/20			Q1 2018/19
	Pre Ind AS 116	Ind AS 116 Impact	Post Ind AS 116	
Revenue	608	-	608	580
Operating Expenses	484	-21	462	480
EBITDA	124	21	146	100
Depreciation	43	7	51	40
Interest	40	19	59	39
Profit Before exceptional Items & Tax	41	-5	36	21
Exceptional Items	2	-	2	-51
Profit Before Tax	43	-5	38	-30
Profit After Tax	25	-3	22	-17

Standalone – Reported Profit & Loss Statement – Q1 2019/20

₹ /crores

Particulars	Q1				
	2019/20 Actual Post Ind AS	Ind AS 116 Impact	2019/20 Actual Pre Ind AS	2018/19 Actual	Actual Pre Ind AS Vs PY
Revenue from Operations	572		572	565	1%
Non Operating Revenue	36		36	15	141%
Total Revenue	608	0	608	580	5% ↑
Total Operating Expenditure	462	(21)	484	480	1%
EBITDA	146	21	124	100	24%
Operating EBITDA	110	21	88	85	4% ↑
EBITDA Margin	23.97%		20.44%	17.28%	3.16 pp
Operating EBITDA Margin	19.16%		15.41%	15.08%	0.34 pp
Depreciation and Amortization Expense	51	7	43	40	9%
Finance Costs	59	19	40	39	3%
Profit Before exceptional Items & Tax	36	(5)	41	21	92% ↑
Exceptional items	2		2	(51)	+
Profit/ (Loss) before tax	38	(5)	43	(30)	244%
Provision for Taxes	16	(2)	18	(13)	+
Profit/ (Loss) After Tax	22	(3)	25	(17)	252% ↑

IHCL- Standalone Exceptional Items For Q1 2019/20

₹ /crores

Particulars	Q1		Var.
	2019/20	2018/19	
Change in fair value of derivative contracts	2	(50)	52
Provision for impairment of investment in Pierre that incurred cash losses	-	(1)	1
Total	2	(51)	53
Gain on Sale of Flats included in Non Operating Revenue	25	-	25

Debt Position

₹ /crores

Particulars	Standalone			Consolidated		
	June 30, 2019 (Post Ind AS)	June 30, 2019 (Pre Ind AS)	March 31, 2019	June 30, 2019 (Post Ind AS)	June 30, 2019 (Pre Ind AS)	March 31, 2019
Gross Debt	1,791	1,791	1,784	2,319	2,319	2,326
Lease Liability	909			1,937		
Liquidity	(234)	(234)	(282)	(344)	(344)	(401)
Net Debt	2,466	1,557	1,502	3,912	1,975	1,925
Weighted cost of Debt	8.2	8.2	8.2	7.3	7.3	7.2
Net Debt / Equity	0.70	0.35	0.33	0.82	0.39	0.37
Net Debt / EBITDA	2.85	1.88	1.83	3.92	2.07	2.11

AGENDA

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- Financial Performance
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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, cyclical and operating risks associated with the hospitality industry and other circumstances and uncertainties.

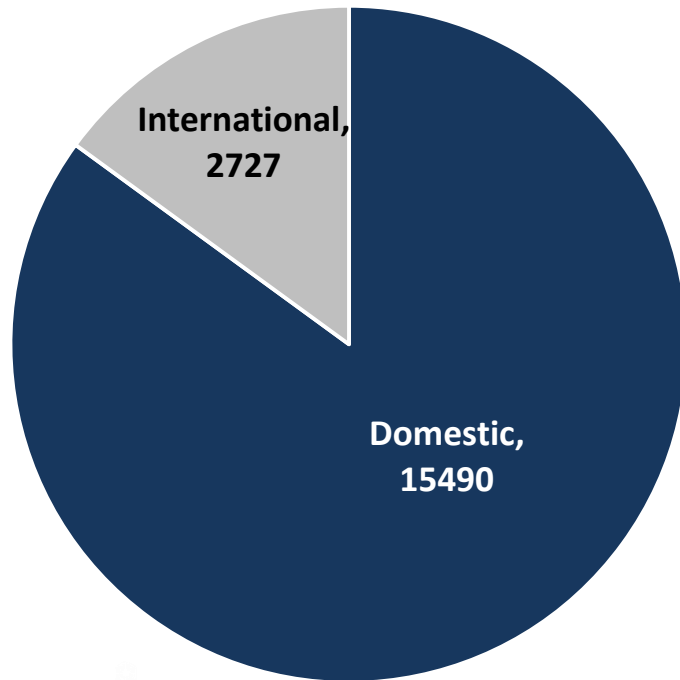
Although we believe the expectations reflected in such forward looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained or that results will not materially differ. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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

Annexure

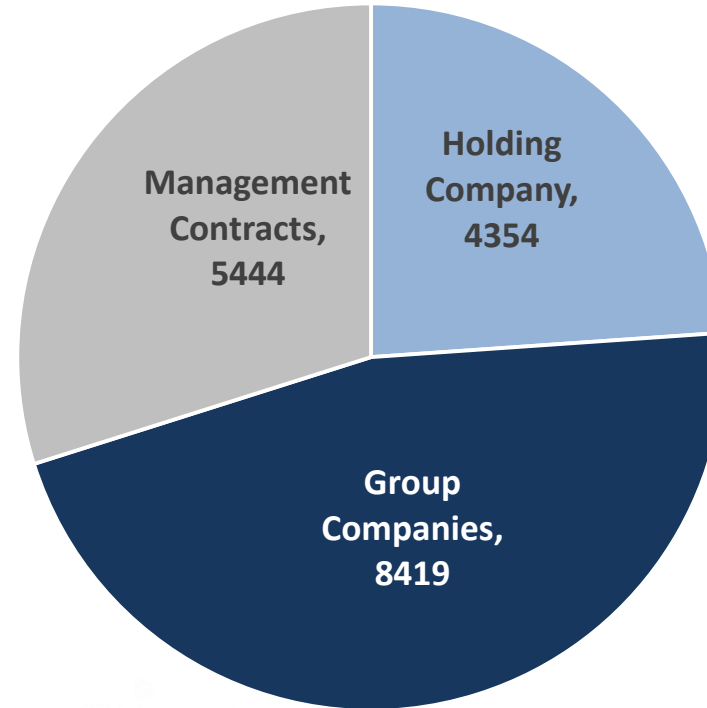
Our Operational Portfolio

Inventory by Geography



■ Domestic ■ International

Inventory by Contract Type



■ Holding Company ■ Management Contracts ■ Group Companies

As of June 2019, IHCL has **151 hotels** with **18,217 Rooms**

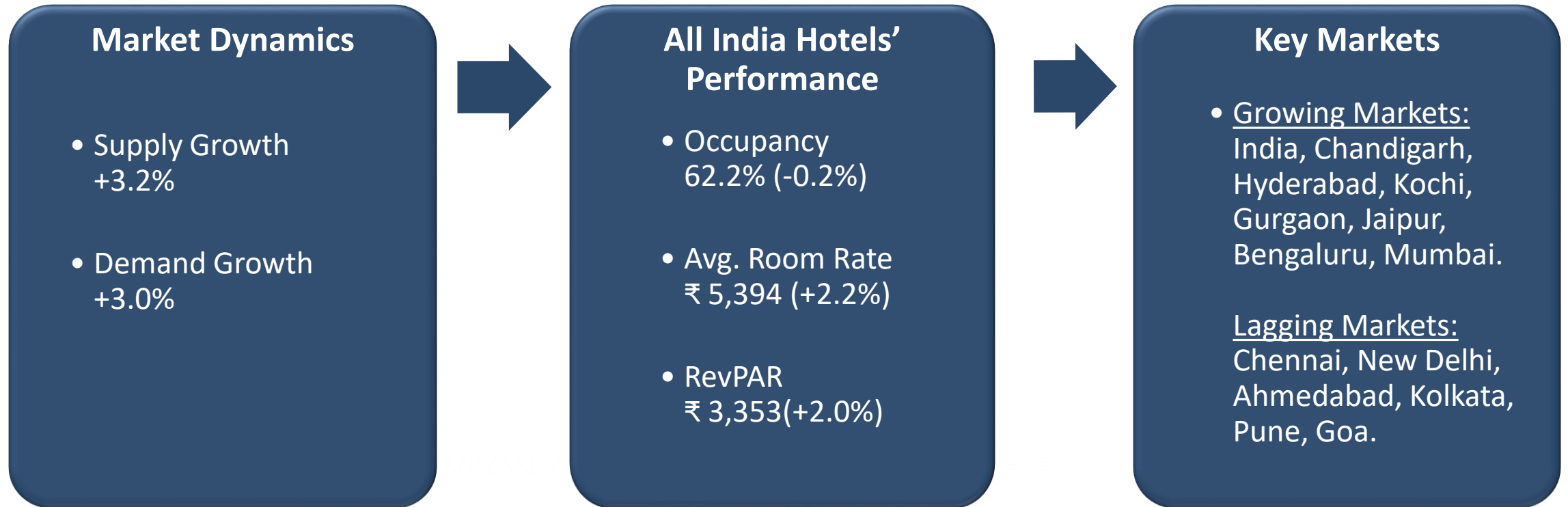
Awards – 2019 / 20



Group Major Companies

Company Name	Effective Holding %	Company Name	Effective Holding %
<u>Subsidiaries</u>		<u>Joint Ventures</u>	
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	63.74	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	40.67
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
		<u>Associates</u>	
		Oriental Hotels Ltd	35.67
		Lanka Island Resorts Ltd	24.66
		TAL Lanka Hotel PLC	24.62

All India Hospitality Overview – Q1 2019-20 v/s 2018-19



Source : STR Global (YTD Jun 2019)