



INVESTORS PRESENTATION

FY19

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New Addition to the Portfolio



THE BYKE SPICE HERITAGE - COCHIN:

- The structural design of the hotel is contemporary yet traditional drawing inspiration from the local culture, craft and magnificence of South India.
- Has 25 well furnished rooms; 1 Vegetarian Global Cuisine Restaurant and 1 Banquet Hall.
- Hotel has been taken on long term lease for 15 years.



THE BYKE SUNSHINE GRAND- OOTY:

- Guests can experience nature up close at this picturesque 73 room hotel surrounded by lush green mountains.
- With 73 well-appointed rooms, it offers 1 Vegetarian Global Cuisine Restaurant and 2 Banquet Halls with latest modern amenities.
- The property has been taken on long term lease. The Byke Sunshine Grand will serve as a perfect for business travellers as well as holiday-makers.



New Addition to the Portfolio

THE BYKE STUDIO APARTMENTS- THANE:

- Strategically Located at the Busy Godhbunder Road serving as a corporate hub in Thane.
- Has 84 Apartments with latest modern amenities.
- The Apartments have been taken on long term lease.



THE BYKE MAUSAM - BHAVNAGAR:

- 33 Rooms equipped with latest amenities and 1 Vegetarian Global Cuisine Restaurant.
- Advantageously located around 20 minutes away from the Bhavnagar airport and Bhavnagar Terminus Station. The hotel is located close to Takhteshwar Temple and numerous industrial hubs.
- Hotel has been taken on long term lease for 15 years.



Properties to be operational in 2019-20

**THE BYKE SPICE HERITAGE
COCHIN**



No of Rooms: 25
No of Banquets: 1

**THE BYKE SUNSHINE GRAND
OOTY**



No of Rooms: 73
No of Banquets: 2

**THE BYKE MAUSAM-
BHAVNAGAR**



No of Rooms: 33
No. of Banquet : 1

**THE BYKE BRIGHTLAND
MATHERAN**



No of Rooms: 63
No. of Banquets: 1

**THE BYKE STUDIO APARTMENT
THANE**



No of Rooms: 84

**THE BYKE DELOTEL
BORIVALI**




No of Rooms: 40
No of Banquets: 1

**THE BYKE NIRANJANA RESORT
BODHGAYA**



No of Rooms: 28
No. of Banquet: 1

**THE BYKE NASHIK INN
NASHIK**



No of Rooms: 25
No. of Banquets: 1


PROPERTIES UNDER MANAGEMENT CONTRACT

**THE BYKE SURAJ CLUB
JUNAGADH**



No of Rooms: 39
No. of Banquet :1

**THE BYKE GURUPRENA
DWARKA**



No of Rooms: 38
No. of Banquet : 1

Performance FY-19

Profit & Loss Statement

| Particulars | | | | (Rs. Mn) | | |
|----------------------|---------------|--------------|----------------|----------------|----------------|---------------|
| | Q4 FY19 | Q4 FY18 | Y-o-Y Growth | FY19 | FY18 | Y-o-Y Growth |
| Revenue | 461.6 | 558.9 | -17.4% | 1,467.7 | 1,774.1 | -17.3% |
| Cost of services | 100.6 | 91.4 | 10.1% | 316.7 | 282.7 | 12% |
| Employee Expense | 42.3 | 35.3 | 19.8% | 123.1 | 113.5 | 8.5% |
| Other expense | 369.4 | 212.5 | 73.8% | 791.1 | 690.8 | 14.5% |
| Total Cost | 512.3 | 339.2 | 51 % | 1,230.9 | 1,087.1 | 13.2% |
| EBITDA | -50.7 | 219.7 | -123.1% | 236.7 | 687 | -65.5% |
| <i>EBITDA margin</i> | -11% | 39.3% | -- | 16.1% | 38.7% | -- |
| Depreciation | 38.3 | 38.6 | -0.8% | 149.5 | 136.5 | 9.5% |
| Net Interest Cost | 5.5 | 1.7 | 219.3% | 20.4 | 7.5 | 171.6% |
| Other Income | 2.4 | 2.0 | 21.5% | 9.1 | 7.7 | 18.5% |
| PBT | -92 | 181.4 | -150% | 76 | 550.7 | -86.2% |
| Tax | -32.8 | 62.8 | -150% | 25.4 | 190.6 | -86.2% |
| PAT | -59.2 | 118.6 | -150% | 50.6 | 360.1 | -86.2% |
| <i>PAT margin</i> | -12.8% | 21.2% | -- | 3.4% | 20.3% | -- |

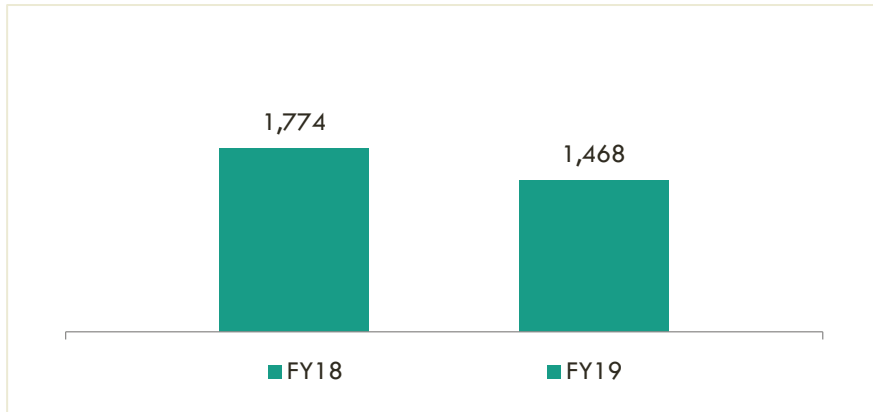
Balance Sheet as on 31st March 2019

| Liabilities | (Rs. Mn) | |
|--------------------------------------|----------------|----------------|
| | Mar'19 | Mar'18 |
| Share Capital | 401.0 | 401.0 |
| Reserves and Surplus | 1,438.6 | 1,436.5 |
| Net Worth | 1,839.6 | 1,837.4 |
| Long Term Borrowings | 0.1 | 2.3 |
| Deferred Tax Net | 82.2 | 77.5 |
| Other non-current liabilities | 5.3 | 5.0 |
| Total Non-current liabilities | 87.7 | 84.8 |
| Short term borrowings | 202.2 | 196.9 |
| Other current liabilities | 93.3 | 234.8 |
| Total Current liabilities | 295.6 | 431.8 |
| TOTAL LIABILITIES | 2,222.8 | 2,354.0 |

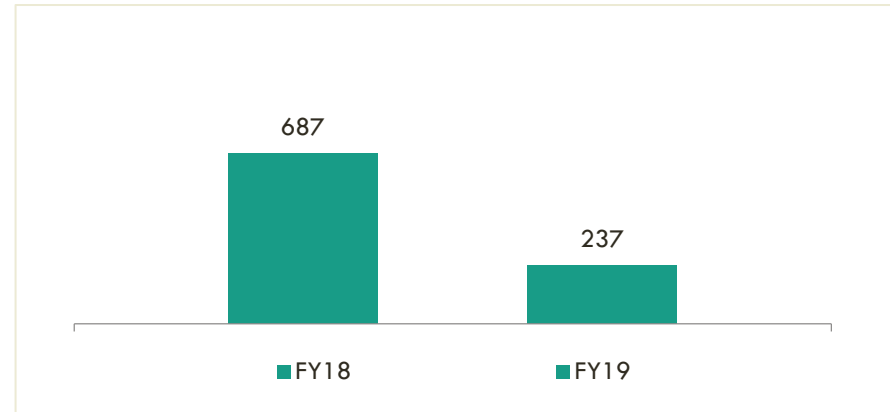
| Assets | (Rs. Mn) | |
|---------------------------------|----------------|----------------|
| | Mar'19 | Mar'18 |
| Net Block + CWIP | 1,226.5 | 1,115.1 |
| Other Non-Current Assets | 81.7 | 82.6 |
| Long Term Loans and Advance | 217.1 | 180.6 |
| Total Non current assets | 1,525.3 | 1,378.3 |
| Inventories | 175.5 | 147.4 |
| Debtors | 285.6 | 297.2 |
| Cash and bank | 61.1 | 110.5 |
| Other Current Assets | 2.7 | 2.0 |
| Short Term Loans and Advance | 172.6 | 418.5 |
| Total Current Assets | 697.5 | 975.7 |
| TOTAL ASSETS | 2,222.8 | 2,354.0 |

Financial Highlights

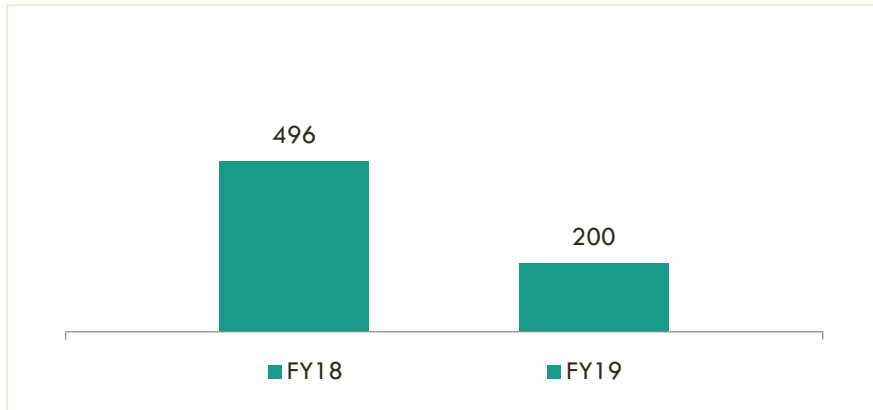
Revenue (Rs Mn)



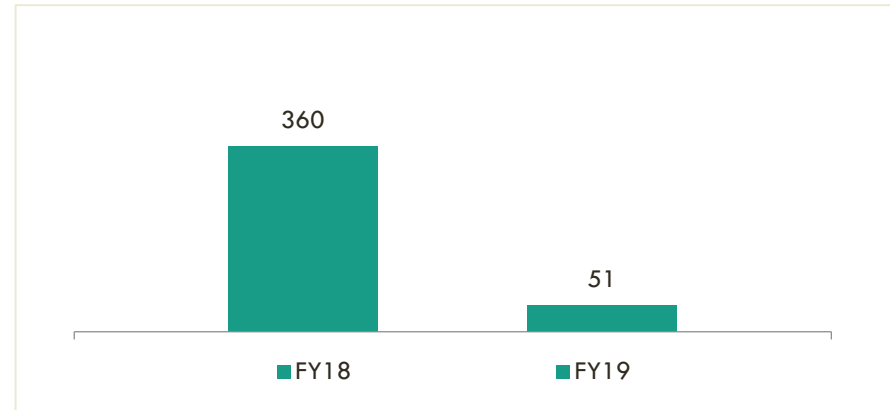
EBITDA (Rs Mn)



Cash Profit (Rs Mn)

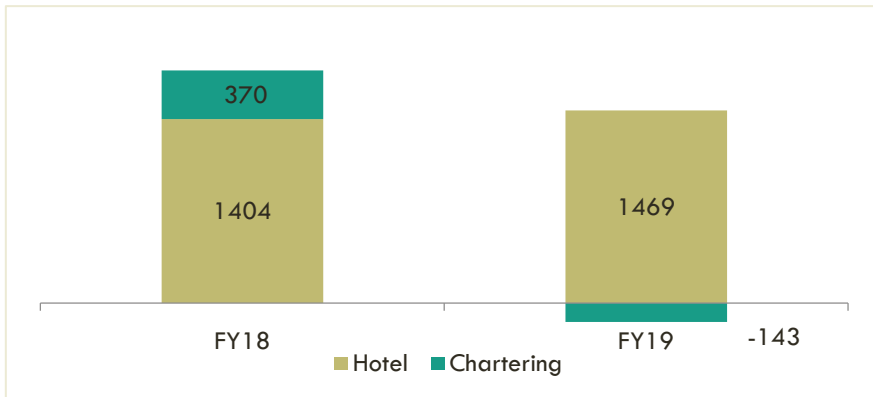


PAT (Rs Mn)

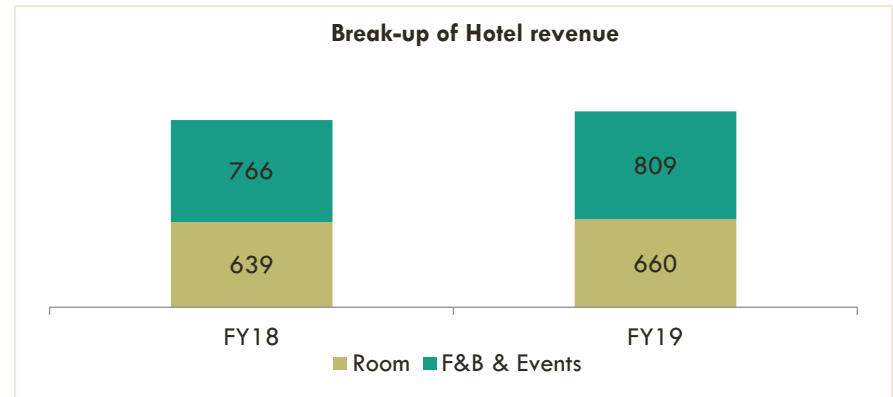


FY19 Segment Performance

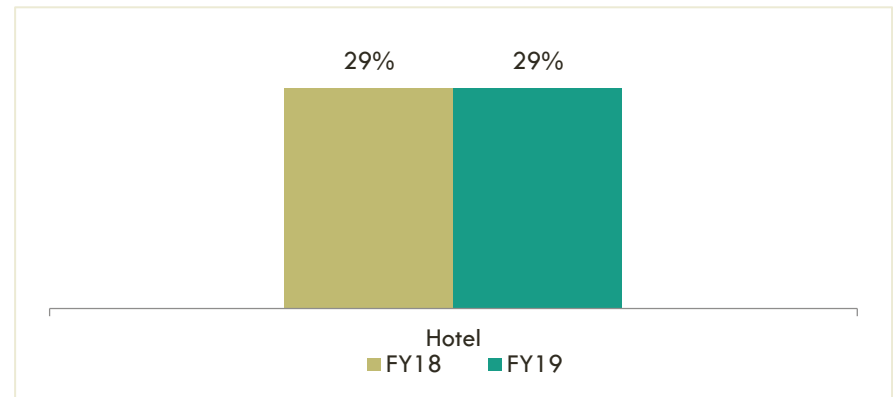
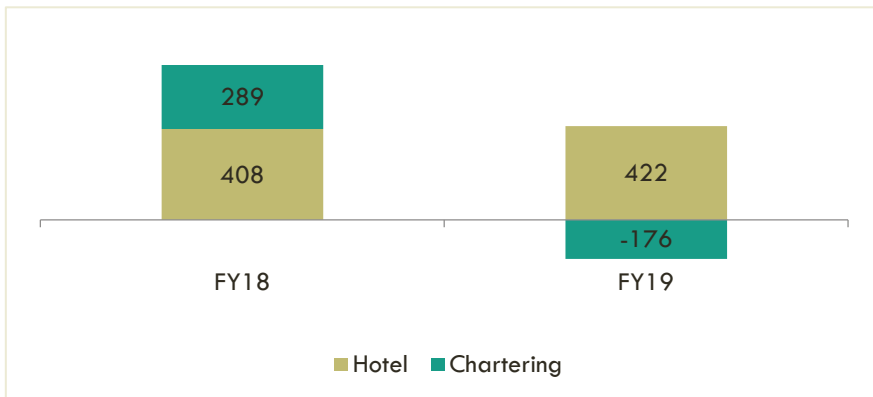
Revenue (Rs Mn)



Break-up of Hotel revenue

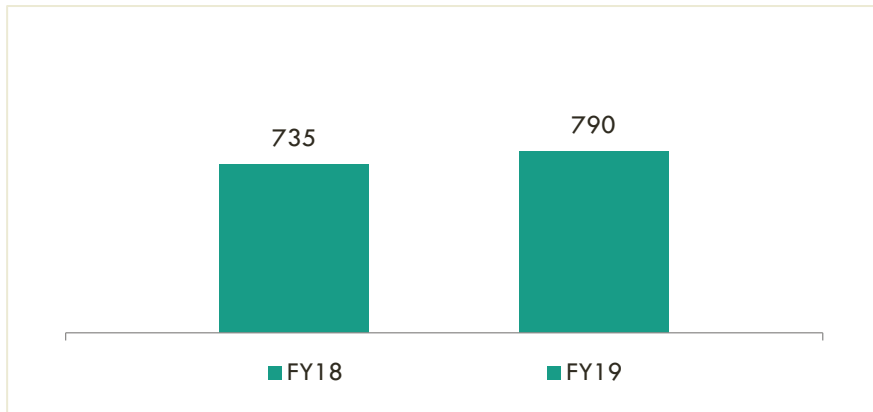


EBITDA(Rs Mn) and EBITDA Margin

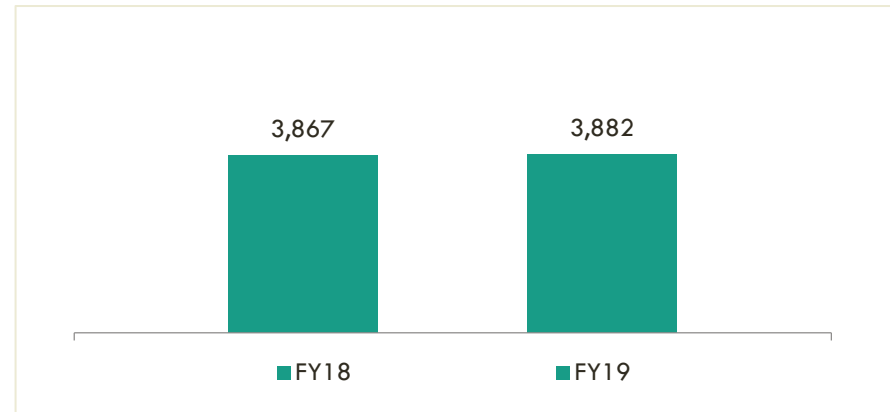


Hotel Business Performance Highlights

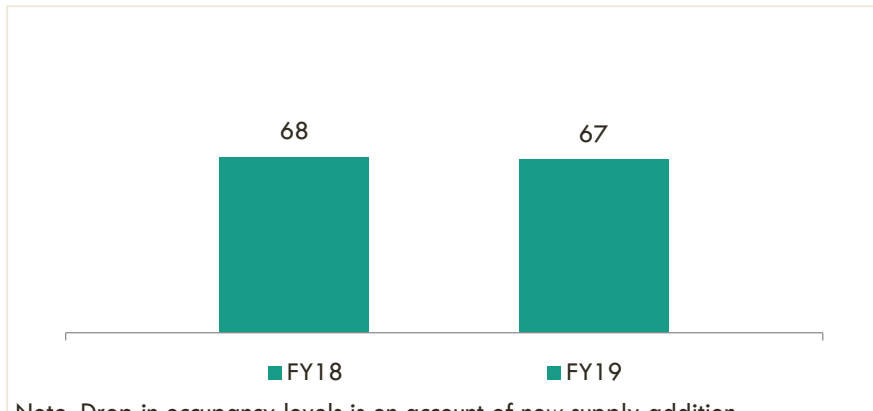
Operational Room Inventory



Average Daily Room Rate (Rs)

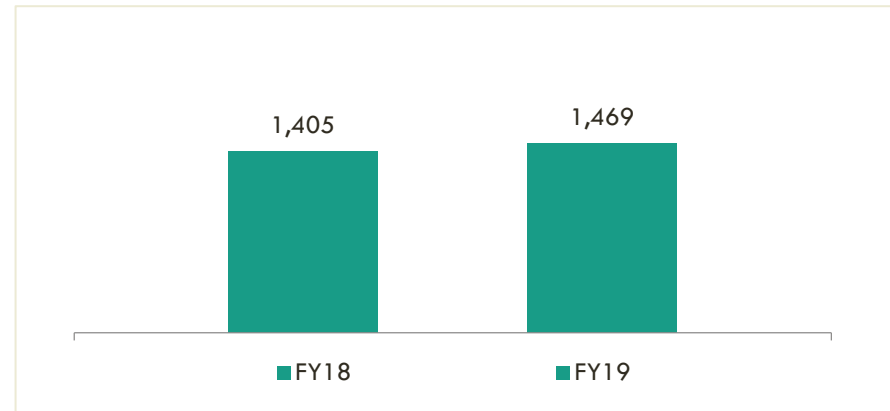


Occupancy (%)



Note: Drop in occupancy levels is on account of new supply addition

RevPAR (Rs)



Hotel Portfolio as on 31st May 2019

| No | Hotel | Location | No. of rooms | Type | |
|--------------------------|-------------------------|-----------|--------------|---------------------|---|
| Operational | | | | | |
| 1 | Byke Old Anchor | Goa | 240 | Leased | |
| 2 | Byke Suraj Plaza | Mumbai | 122 | Leased | |
| 3 | Byke Heritage | Matheran | 80 | Owned | |
| 4 | Byke Grassfield | Jaipur | 54 | Leased | |
| 5 | Byke Neelkanth | Manali | 40 | Leased | |
| 6 | Byke Redwood | Matheran | 25 | Leased | |
| 7 | Byke Grassfield Riviera | Jaipur | 80 | Leased | → Partly operational 40 rooms |
| 8 | Byke Riddhi Inn | Udaipur | 52 | Leased | |
| 9 | Byke Pooja Samudra | Kovalam | 42 | Leased | |
| 10 | Byke Nature Villas | Shimla | 36 | Leased | |
| 11 | Byke Signature | Bangalore | 36 | Leased | |
| 12 | Byke Brightland | Matheran | 63 | Owned | |
| Under Development | | | | | |
| 13 | Byke Delotel | Mumbai | 40 | Leased | → To be operational in Q2 |
| 14 | Byke Niranjana | Bodh Gaya | 28 | Leased | → Partly operational 8 out of 28 rooms; to be completely operational in Q2 |
| 15 | Byke Sunshine Grand | Ooty | 73 | Leased | → To be operational in Q2 |
| 16 | Byke Spice Heritage | Cochin | 25 | Leased | → Started operating in Q1 |
| 17 | Byke Mausam | Bhavnagar | 33 | Leased | → To be operational in Q2 |
| 18 | Byke Studio Apartment | Thane | 84 | Leased | → Partly operational 23 out of 84 Rooms; to be completely operational in Q2 |
| 19 | Byke Nashik Inn | Nashik | 25 | Leased | → To be operational in Q3 |
| 20 | Byke Suraj Club | Junagadh | 39 | Management Contract | → To be operational in Q2 |
| 21 | Byke Gururprena | Dwarka | 38 | Management Contract | → Operational in Q1 |
| Total | | | 1255 | | |

Business Overview

Byke – At a Glance

Overview



Mid Market Segment

Presence in fast growing mid market segment; ARR (FY19): ~Rs 3,880



Niche Pure Vegetarian

Only pure vegetarian hotel chain in India



Asset light Model

More than 90% of the properties are on long term lease; 30%+ ROCE



Full service hotel

One-stop for leisure, social & corporate events



Strategic locations

Presence in key tourists and leisure destinations

Statistics

17

Leased properties

2

Owned properties

1178

Number of rooms

2

New Venture Management contract Properties

77

No of Rooms under MC

300+

Network of agents



'Best pure vegetarian hotel chain in India' award

at the 11th hospitality India & explore the world annual international travel awards



Selected twice in **top 200 Asia Pacific corporations** in **Forbes Asia's 'Best Under a Billion'** list in **2015 & 2016**

Business Segments

Hotel (Owned & Leased)

Mid market focused hospitality brand with focus on domestic tourism

19 properties with 1178 rooms at tourist destinations in India: 2 ownership and 17 on long term lease

Low capital requirement as properties are taken on a long term lease of 15-20 years; only capex required for refurbishment and rebranding

Diversified revenue mix with focus on F&B and events; Restaurants/ conference rooms/ banquet halls & lawns across properties

Pan-India presence through strong agent network. In hospitality, selling is the major constraint, which is mitigated through tie-up with over 300 agents to sell owned + leased hotel rooms as well as Management contract rooms

From the current year, Company is departing from its chartering business completely, not carrying any room chartering inventory to coming quarters; currently focusing on enhancing its own brand awareness and creating value for its stakeholders.

Management Contract

Venture into national/international business opportunities without taking a huge risk of putting own capital at stake.

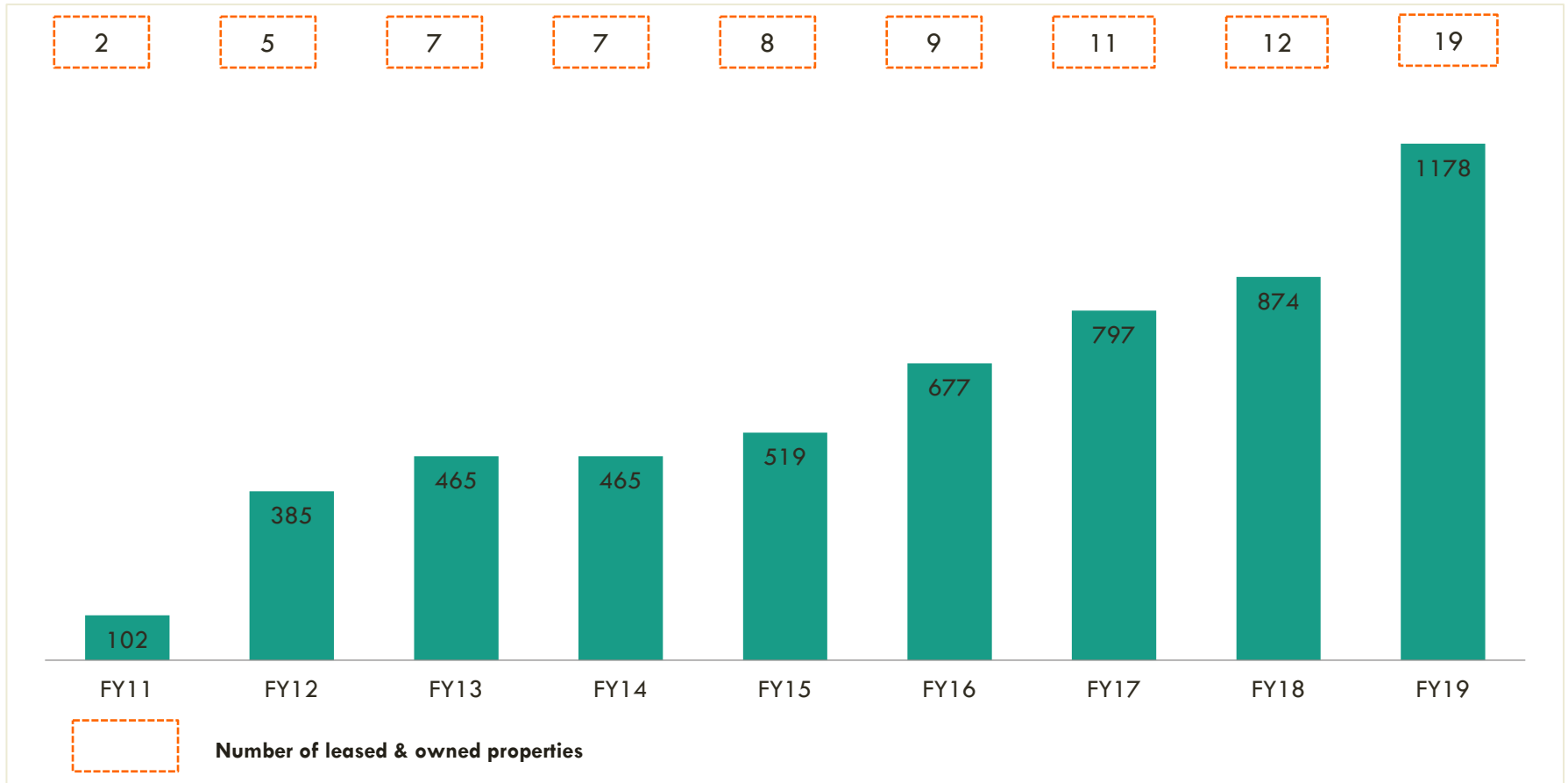
Capitalise experience management team vision & leadership to optimize returns.

Relationship with over 500 hotel owners; presence in over 60 cities can provide an edge to expand this portfolio.

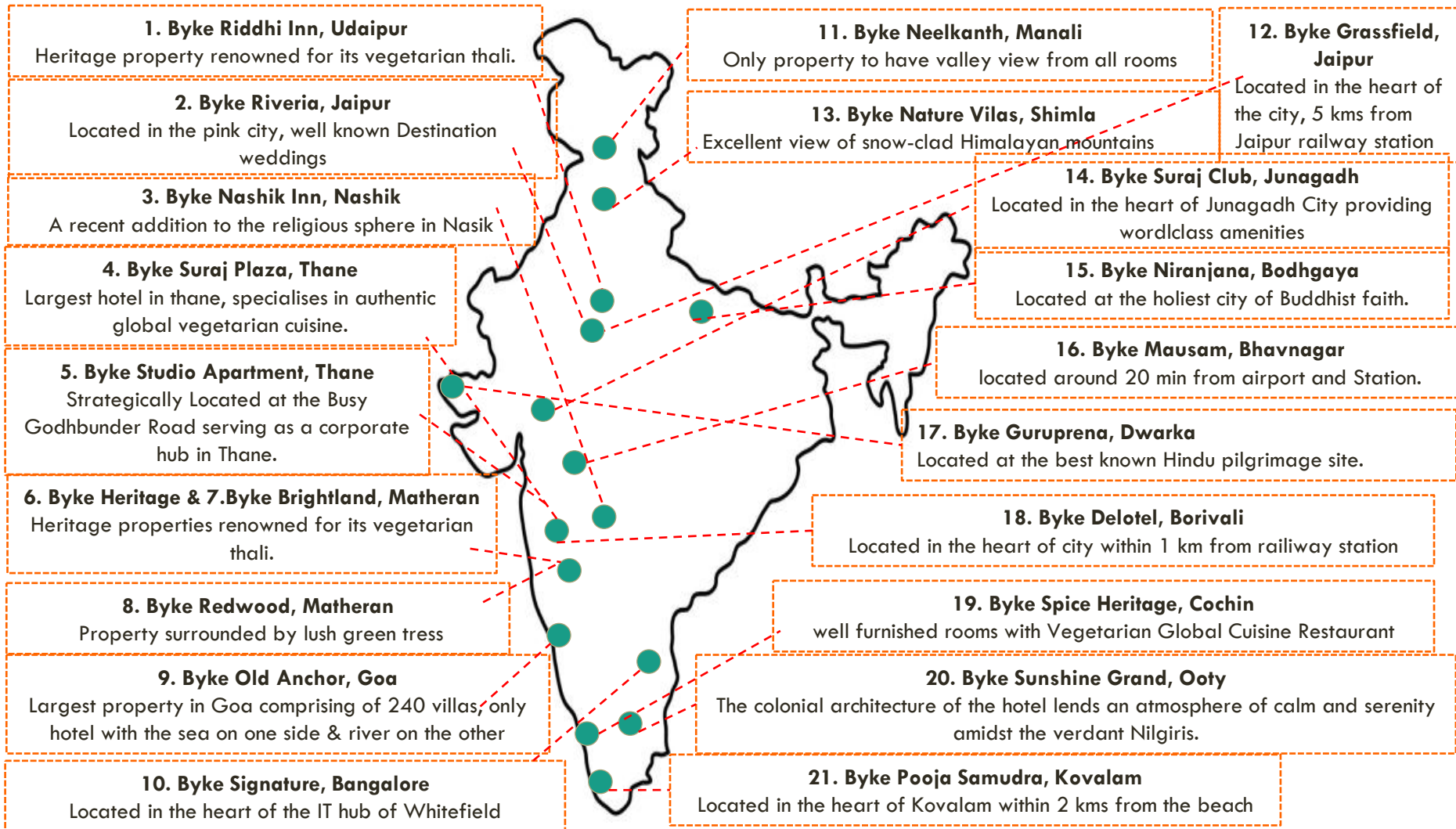
Synergy with leasing business - gives insight on where to expand in hotel segment; agent network helps maximizing occupancy for hotel segment

Hotel Portfolio as on 31stMay 2019

Number of Rooms and Properties



Properties with Unique Selling Propostions



Key Strengths and Drivers

Well placed to tap the increasing domestic discretionary spending

- Domestic tourism continues to be over 80% of the total tourist expenditure in India
 - The rising purchasing power has aided the exponential growth of domestic tourism which is expected to continue to increase with increasing urbanisation, higher disposable incomes and changing aspirations of the expanding middle class
 - A growing middle class has created demand for branded budget hotels for the domestic travellers
-

Indian hotel industry is at an inflection point

- Slowing supply and rising demand is expected to increase occupancy and ADR
 - Robust demand with occupancies at ~64-66% in FY16-18 vs. 59% over FY09-15 which is expected to drive healthy ARR growth over the next 2-3 years
 - Increasing ARR would lead to massive operating leverage
-

Byke has created a distinct brand in the budget hotels category

- Targets middle class segment of the society, which forms the principal part of the Indian population.
 - Most of Byke's hotels and resorts are located in tier-2 and mini metros namely; Matheran, Goa, Jaipur, Manali, etc.
 - Niche in vegetarian segment - Restaurants/ Banquets in all hotels serve pure vegetarian food
-

Key Strengths and Drivers

Asset light business model

- Properties are taken on a long term lease of 15-20 years
 - Low capital requirement (only capex for rebranding and refurbishing) leading to break-even at low occupancy
 - Robust balance sheet with negligible debt, healthy return ratios (AROC>25%) and stable working capital cycle
 - Healthy cash flow generation in the last five years due to better operational management and robust growth
-

Diversifies revenue mix with focus on high margin F&B and events business

- Most of the properties have multiple banquets/ conference halls/ garden to host corporate as well as social events
 - F&B and events contribution to hotel revenue steadily increasing; now over 50% share
 - Helps to maximise revenue potential of the property even during non-peak travel season
-

Present across sales channels

- Owned plus leased hotel portfolio can be booked across channels: own portal, third-party portal, agents
 - Wide distribution network tie-up with over 300 agents which enables to maximise occupancy
-

Experienced Management Team

- Leadership team with decades of experience in the hotel industry
- Have successfully turned around properties leading to higher occupancy and ARR

Growth Strategy

- Identified new states and cities for expansion
- Cluster based approach – target multiple tourist locations near to each other

- India hotel sector at cusp of recovery with increase in occupancy levels across segments, which would further increase ARR in coming years

Geographical Expansion

Increase in Event/F&B Revenues

Increase in ARR

Management Contracts

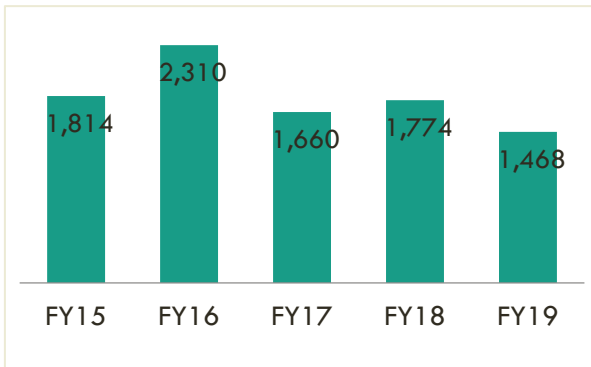
- Target properties with multiple sources of revenue – places to host corporate and social events
- Focus on marketing properties around events

- Foray into management contracts by leveraging Byke as a brand in exchange for management income

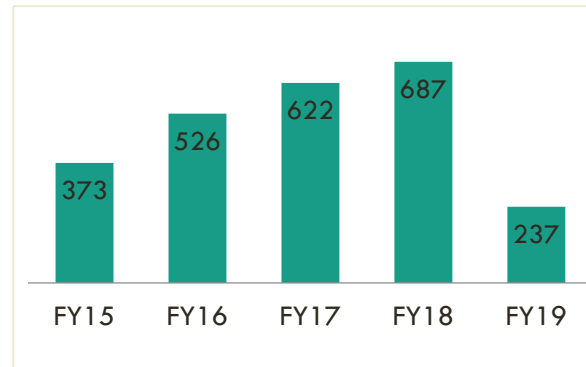
Financial Highlights

5-year Consolidated Financial Highlights

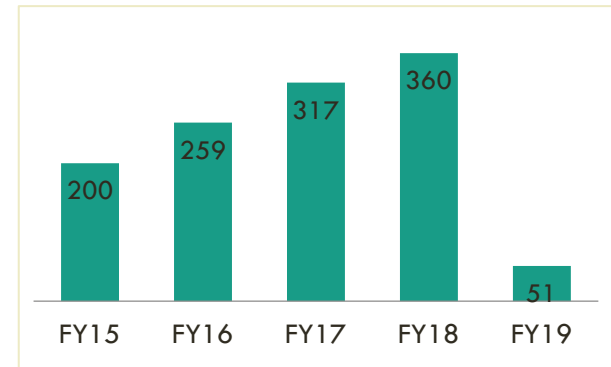
Revenue



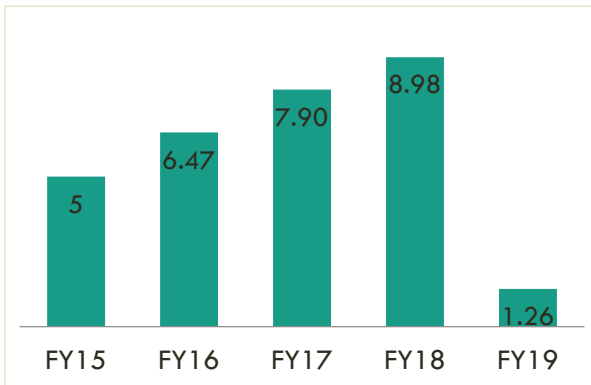
EBITDA



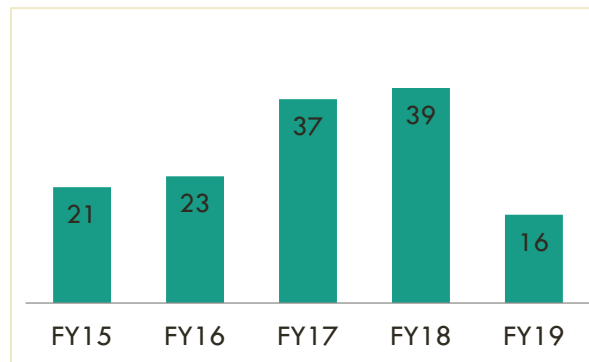
PAT



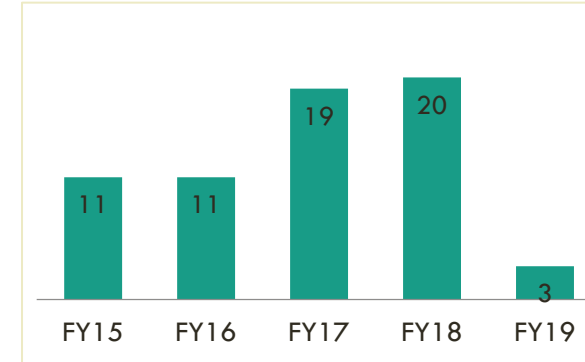
EPS* (Rs.)



EBITDA Margin (%)



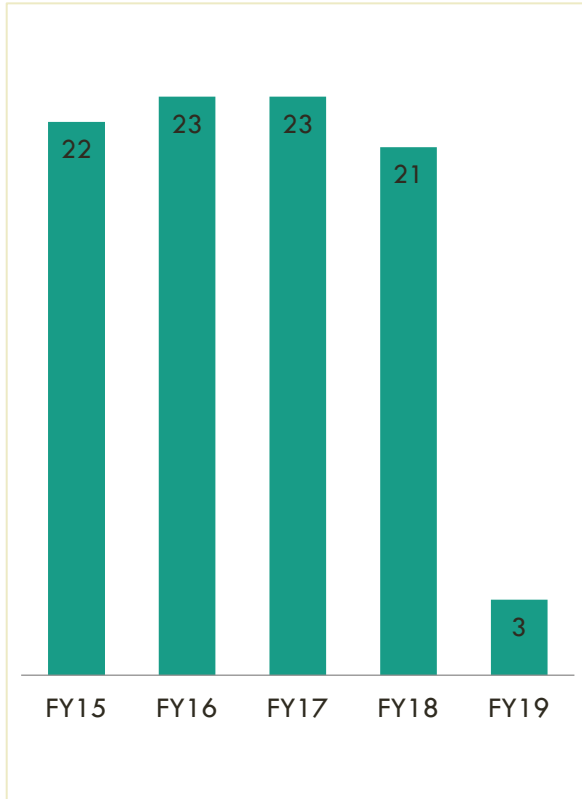
PAT Margin (%)



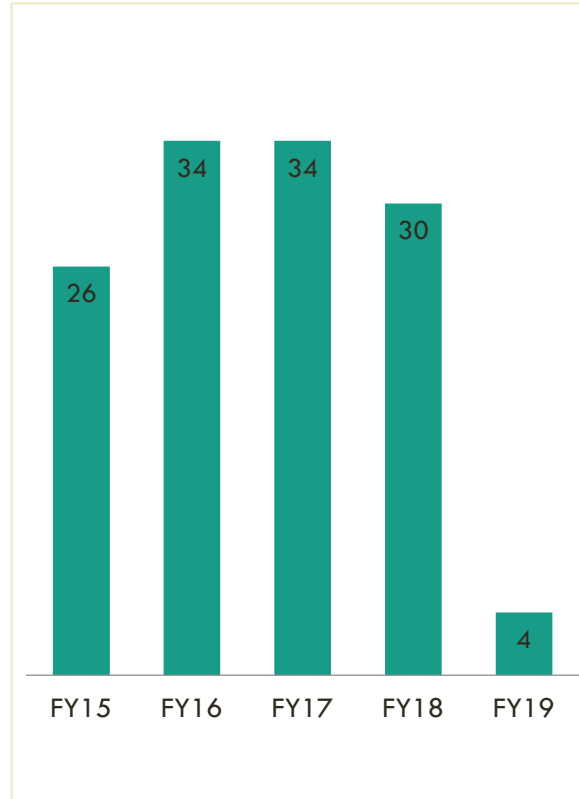
*In FY15, Company has issued bonus shares in ratio 1:1; prior period EPS has been adjusted for the same

5-year Consolidated Financial Highlights

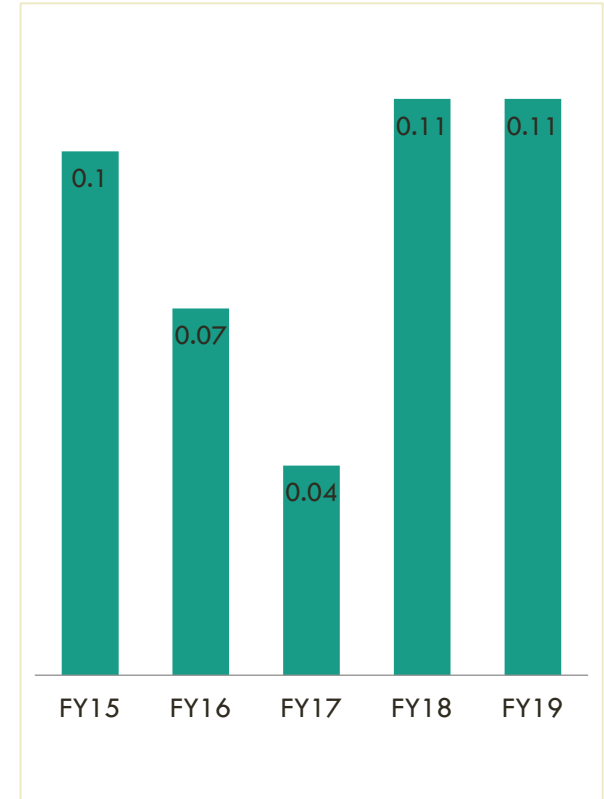
Return on Equity (%)



Return on Capital Employed (%)



Debt/Equity



Return on Equity = PAT / Average Net Worth;

Return on Capital Employed = EBIT / Average Capital Employed;

Debt Equity = Debt / Equity

Contact Us



The Byke Hospitality Limited
Ankita Sharma
Investors.care@thebyke.com
022-67079666