



# Corporate Presentation

March 2020



## Pedigree

K Raheja Corp

Leading real estate developer  
in India for over Four Decades



## Proficiency

Right Assets  
Right Location  
Right Partnership  
Right Team



## Performance

Robust Operating  
Performance

# K Raheja Corp – A Group Overview

4

Decades of experience



Pan India presence



9,500+ employees



Office



Developed >25 msf



Hospitality



3,100+ <sup>(1)</sup> operational keys

CHALET  
HOTELS

Malls



2.5 msf area across 6 malls



Residential



Developed residential spaces  
across 6 key cities



Retail



Leading retail platform -  
290 stores across India

SHOPPERS STOP  
START SOMETHING NEW

CROSSWORD

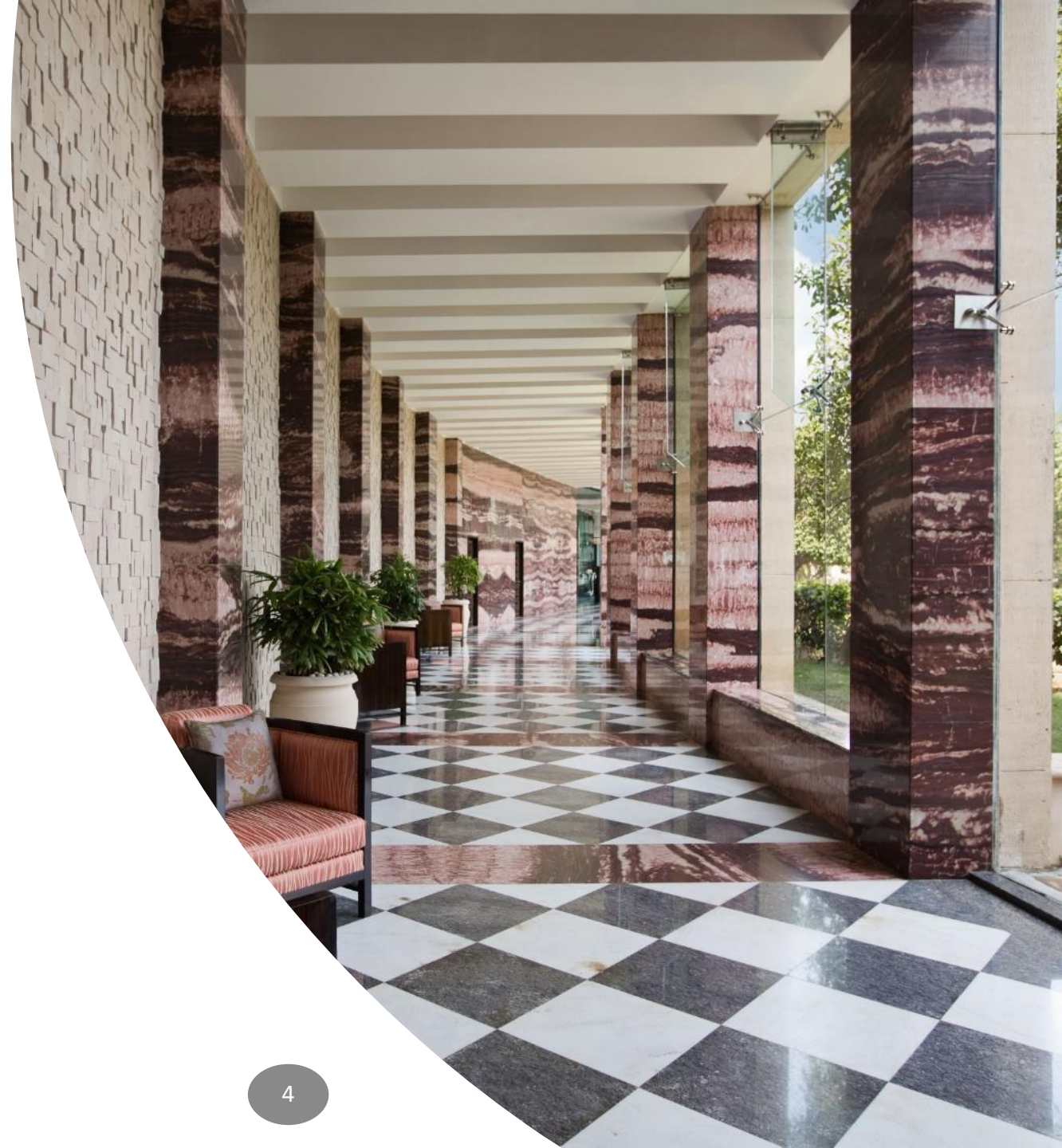
1. Chalet Hotels - 2,554 keys and others Including joint ownership assets



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# About Chalet..

CHALET  
HOTELS



# Well Positioned to Benefit from Industry Trends

## About the Company

**Located in High Density Business Districts**  
Mumbai, Bengaluru, Hyderabad



**INR 10,348 Mn**

Total Income – FY2019



**INR 3,668<sup>1</sup> Mn / 35.5%**

EBITDA and EBITDA Margin – FY2019

## Portfolio of High-End Branded Hotels



**2,554 Operational / ~660 Proposed Pipeline**

Keys as of 10<sup>th</sup> Feb 2020



**INR 9,137 Mn**

Hospitality Revenue – FY2019



**INR 3,566<sup>2</sup> Mn / 39.0%**

Hospitality Segment Profit before Interest Depreciation and Tax / Margin % – FY2019

## Hotel-led Complementary Mixed-Use Real Estate – Countering Cyclical of Hotels



**~483K sq.ft.**

Mixed-Use Commercial & Office



**~384K sq.ft.**

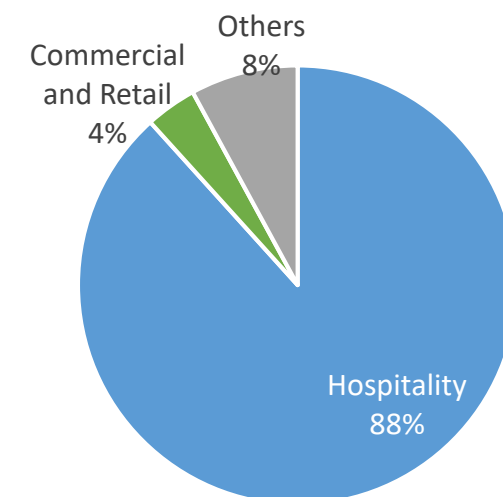
Mixed-Use Retail Space



**1.12 MM sq.ft.**

Pipeline Mixed-Use Commercial Office

Hospitality the leading business driver



<sup>1</sup> Includes Exchange loss of Rs 199 mn

<sup>2</sup> Includes Exchange loss of Rs 154 mn



# Our Hotel Portfolio



Novotel Pune Nagar Road Hotel<sup>1</sup>  
(223 Keys)



JW Marriott Mumbai Sahar  
(588 Keys)



Bengaluru Marriott Hotel Whitefield  
(391 Keys)



The Westin Hyderabad Mindspace  
(427 Keys)

## Strategically Chosen Brands at Key Locations

### Leading to Market Leadership



Four Points by Sheraton Navi  
Mumbai, Vashi (152 Keys)



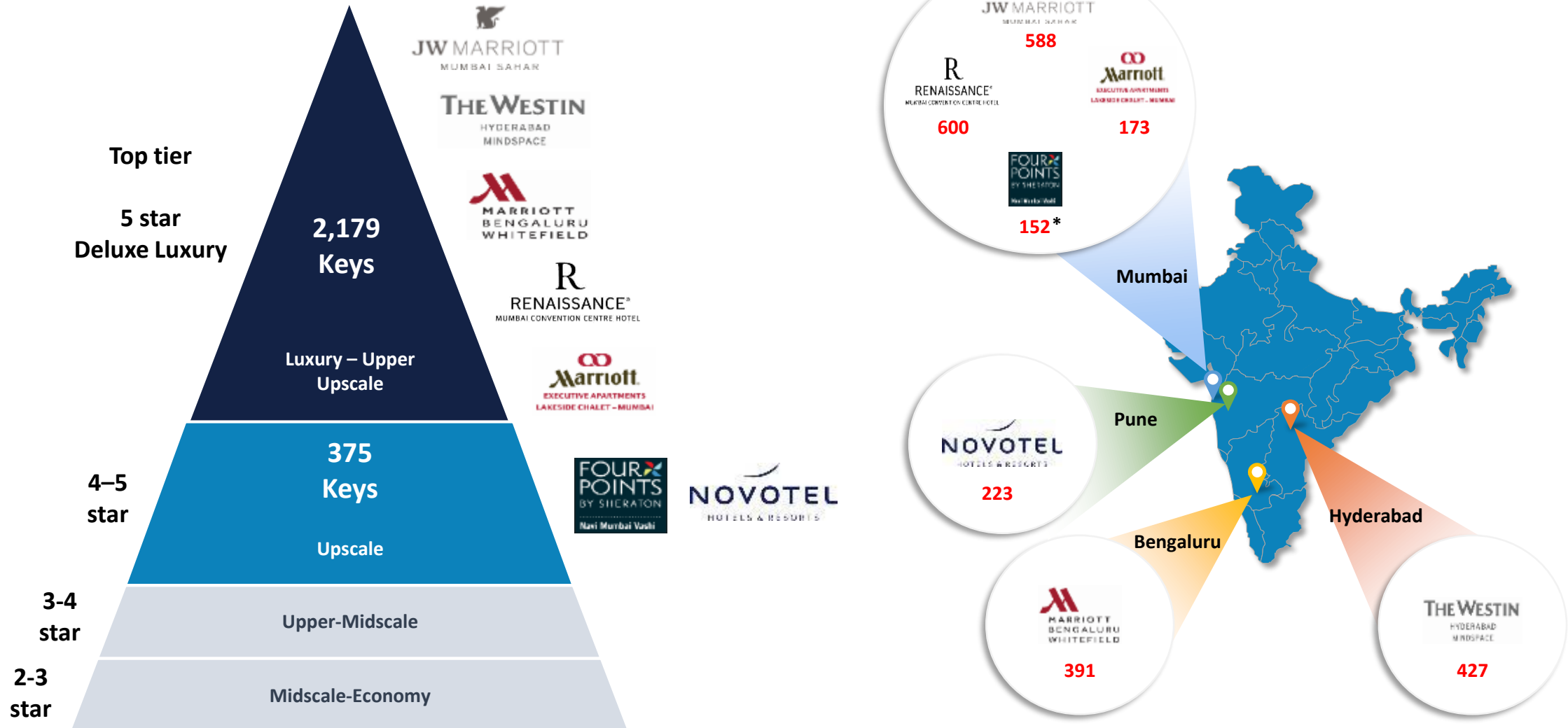
Renaissance Mumbai Convention Centre Hotel (600 Keys)  
Proposed to be rebranded as 'Westin' in 2020



Lakeside Chalet, Mumbai-Marriott Executive  
Apartments (173 Keys)

<sup>1</sup> Acquired on Feb 2020

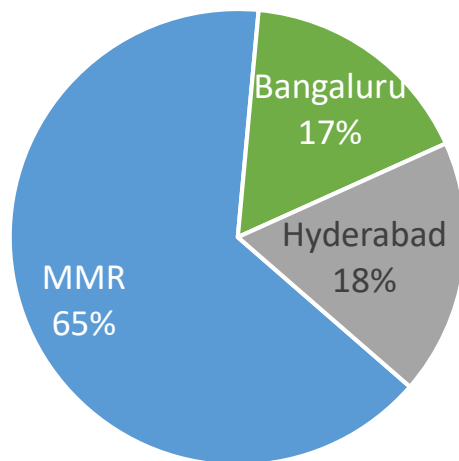
# Portfolio of High-End, Globally Recognized, Branded Hotels



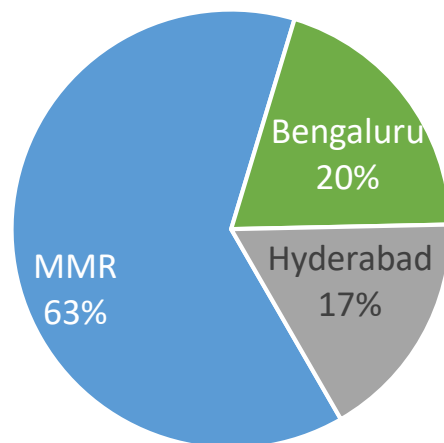
\* Under Franchise Agreement, Leasehold Land

# Hospitality City-wise performance

FY19 Segment Revenue Rs 9,137 Mn



FY19 Segment Profit\* Rs 3,566 Mn



\*Segment Profit before Interest Depreciation and Tax

	FY19	FY18	FY17	CAGR
Total Keys	2,331	2,328	2,259	1.6%
<b>ADR (Rs.)</b>				
MMR	8,086	7,629	7,700	2.5%
Bengaluru	8,756	8,620	8,968 <sup>1</sup>	-1.2%
Hyderabad	8,205	7,896	7,792	2.6%
<b>Combined</b>	<b>8,218</b>	<b>7,840</b>	<b>7,822</b>	<b>2.5%</b> ↑
<b>Occupancy %</b>				
MMR	76%	73%	67%	900 bps
Bengaluru	77%	75%	74% <sup>1</sup>	300 bps
Hyderabad	76%	72%	69%	700 bps
<b>Combined</b>	<b>76%</b>	<b>73%</b>	<b>67%</b>	<b>900 bps</b>
<b>RevPAR (Rs.)</b>				
MMR	6,178	5,543	5,126	9.8%
Bengaluru	6,757	6,447	6,665 <sup>1</sup>	0.7%
Hyderabad	6,234	5,694	5,349	8.0%
<b>Combined</b>	<b>6,283</b>	<b>5,716</b>	<b>5,276</b>	<b>9.1%</b> ↑

MMR: Mumbai Metropolitan Region

<sup>1</sup> FY17 performance includes full year of Bengaluru Hotel, though statutory financials include Bengaluru Hotel revenues and expenses only from November 1, 2016 (effective date of merger)



- ✓ Actively engage with hotel management team at each hotel to set operational and financial targets
- ✓ Drive performance through structured monthly review of reports generated by each hotel
- ✓ Discuss and optimize pricing strategies to maximize room yield
- ✓ Conduct periodic meetings with hotel operator's leadership teams
- ✓ Review competitor set performance and penetration
- ✓ Review and execute renovation plans

## Market Leading Operating Parameters

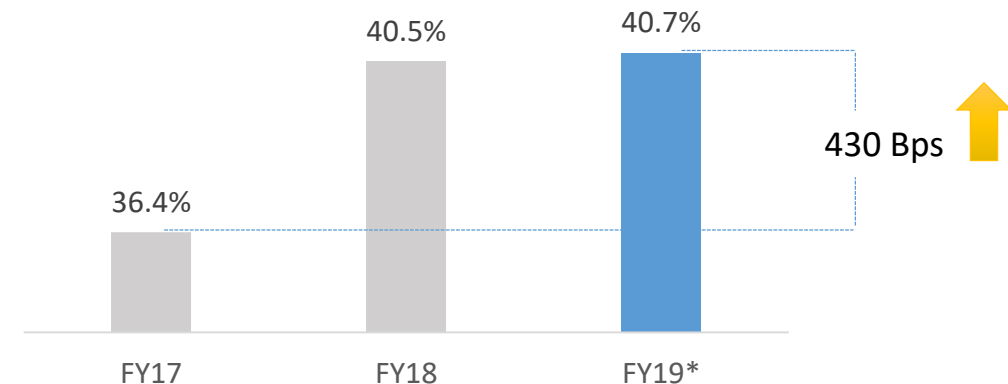
14%

Employee Cost as a % of Revenue (FY19)  
Staff per room ratio at 1.2

7%

Power & Fuel Cost as a % of Revenue (FY19)

## Consistent improvement in Operating Performance Hospitality Margins%\*\*



\* Excludes impact of Forex Movement Rs 154 Mn

\*\* Segment Profit before Interest Depreciation and Tax

## Identification of Location, Land Acquisition

- Comprehensive market selection process
- Management's expertise and know-how plays a vital role in location selection

## Project Planning

- In-house teams that cater to various facets of project planning
- Robust use of technologies and products to drive efficiencies

## Execution and Construction

- Standardized designs and defined process → streamline cost and time
- Obtain the requisite approvals and clearances
- Monitor development process, costs and quality

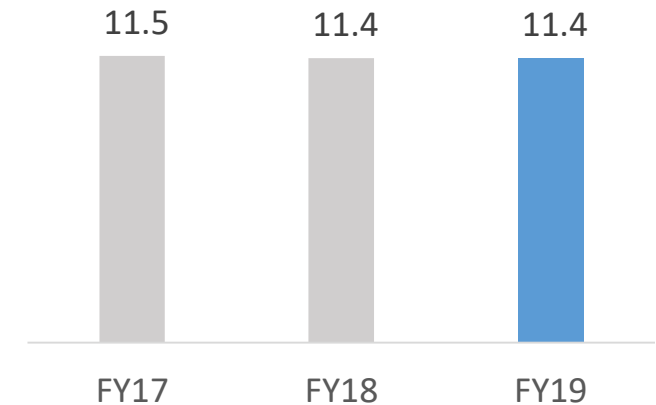


### Group Expertise

- Knowledge of Infrastructure Development
- Benefit of Scale
- High competence on land acquisitions

(In Rs. Mn)

### Gross Block per Key



\*Excluding Revaluations



Strategy of **co-locating projects** augur well for **Business Demand**  
coupled with optimal utilization of **available land**

## Office and Retail (0.9 Mn sqft)



**Office Tower**  
**Whitefield, Bengaluru**

109K sq ft



**Inorbit Mall**  
**Whitefield, Bengaluru**

260K sq ft of Retail area

(Multiplex under construction)

**Office Tower**  
**Sahar, Mumbai**

374K sq ft in Prime Location



**The Orb**  
**Sahar, Mumbai**

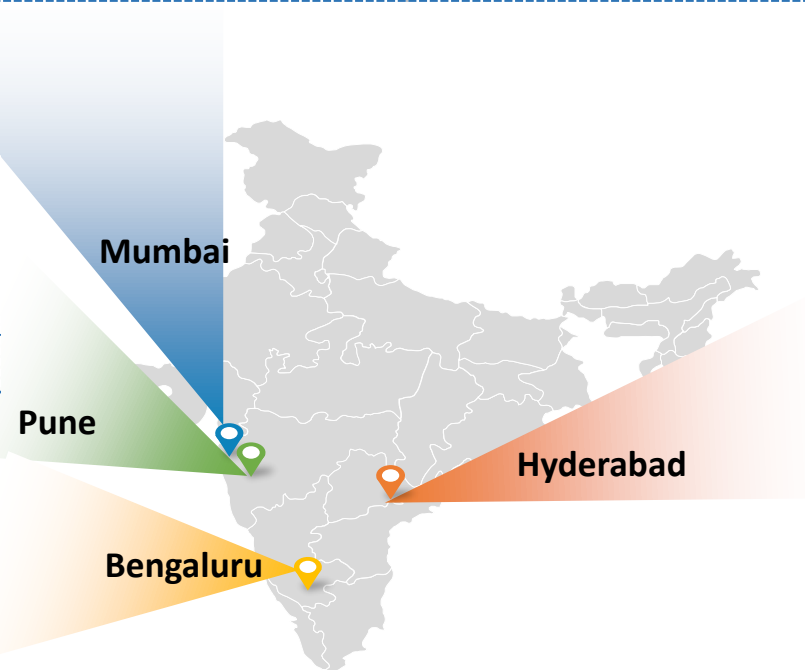
123K sq ft Food & Beverage  
Hub in Prime Location



# Proposed Development Pipeline in Key Business Districts

	Hotel and Convention Center	Hotel	Commercial
<b>Location</b>	Renaissance Complex, Powai	Airoli, Navi Mumbai	Renaissance Complex, Powai
<b>Proposed Brand</b>	'W'	Hyatt Regency	-
<b>Est. opening</b>	2022 <sup>1</sup>	2022 <sup>1</sup>	2021 <sup>1</sup>
<b>Keys / Total Build Up Area</b>	~150 Keys & ~40k Sqft Convention Center	~260	~750k Sqft

<b>Hotel</b>
<b>Location:</b> Novotel Complex, Viman Nagar
<b>Est. opening:</b> 2020 <sup>1</sup>
<b>Keys:</b> 84-88 Keys
<b>Commercial</b>
<b>Location:</b> Marriott Complex, Whitefield
<b>Est. opening:</b> 2021 <sup>1</sup>
<b>Total Build Up Area:</b> ~400k Sqft.
<b>Residential</b>
<b>Location:</b> Koramangala



<b>Hotel</b>
<b>Location:</b> Mindspace, Hyderabad
<b>Proposed Brand:</b> Westin
<b>Est. opening:</b> 2020 <sup>1</sup>
<b>Keys:</b> ~170

## Note

1. Dates are based on management estimates, subject to approvals





## Energy Initiatives

- ✓ 42% of electricity sourced from renewable energy sources (FY19)
- ✓ Power consumption down 9% per key (FY16 to FY19)



## Water Management

- ✓ Rain-water harvesting
- ✓ Aerators for water taps & Showers



## Waste Management

- ✓ Sewage Treatment Plants
- ✓ Organic Waste Composter
- ✓ Responsible disposal of e-waste
- ✓ Recycle used cooking oil



## Minimizing Plastic Usage

- ✓ Shifting to Bio-degradable plastic wherever possible
- ✓ Single-use plastic usage being phased out

## On going key Initiatives

- ✓ Installation of Water bottling plants at the Hotels – replacing plastic bottled water with glass bottles



## Partnering with **TRRAIN**

Creating Livelihood and skilling  
Differently Abled People through an  
initiative called **Pankh** by TRRAIN

- Chalet Hotels Limited training 40 young people
- Targeting to train ~100 individuals by the end of FY20



TRRAIN is a public charitable trust formed in 2011, with the vision of empowering people in India through skills development.



# Awards & Certifications



## **Swachhata Survekshan 2020 – MCGM**

– Renaissance Mumbai Convention Centre Hotel & Lakeside  
Chalet – Mumbai, Marriott Executive Apartments



## **Best Business Hotel in Maharashtra Business Leaders Award 2019**

– Four Points by Sheraton, Vashi



## **Highest Reduction in Energy Intensity - Marriott International at the APEC Awards**

– Renaissance Mumbai Convention Centre Hotel & Lakeside  
Chalet – Mumbai, Marriott Executive Apartments



## **Best Business Hotel South Region 2<sup>nd</sup> Quarter 2019 Awards**

– The Westin Hyderabad Mindspace



## **Hotel Manager of the Year National Award 2019**

– J W Marriott Mumbai Sahar

## **Executive Chef of the Year (West Zone) PR Manager of the Year (West Zone)**

– Renaissance, Mumbai

## **USGB Gold Leed Certification**

– JW Marriot Mumbai Sahar  
– Marriott Whitefield Bengaluru



# The Board of Directors

Independent Chairman

#1

#5

#2

Promoter  
Directors

#6

Independent  
Directors

#3

#7

Executive  
Directors

#4

#8



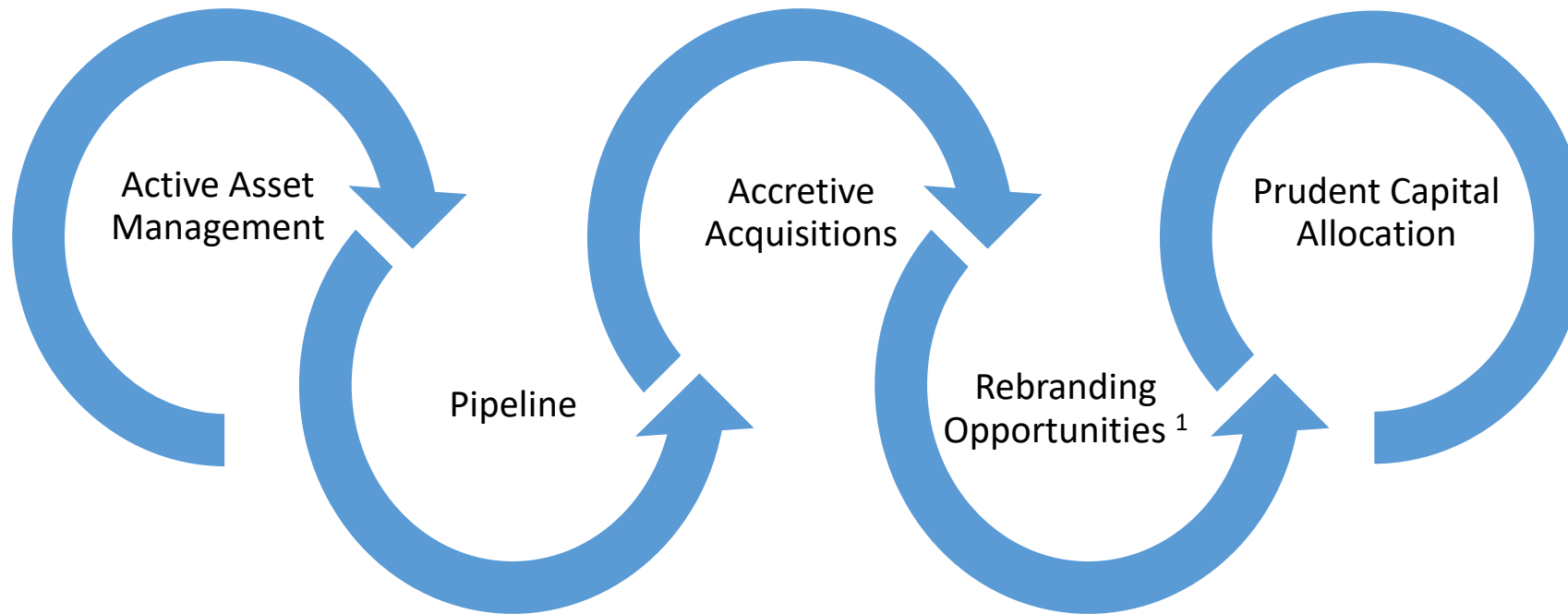
***In the order of Standing (Left to Right)***

Rajeev Newar	Neel Raheja	Hetal Gandhi	Ravi Raheja	Joseph Conrad D'Souza
<i>Executive Director &amp; CFO</i>	<i>Non-Executive Director</i>	<i>Chairman</i>	<i>Non-Executive Director</i>	<i>Independent Director</i>

***In the order of Seating (Left to Right)***

Arthur William De Haast	Radhika Piramal	Sanjay Sethi
<i>Independent Director</i>	<i>Independent Director</i>	<i>Managing Director &amp; CEO</i>

# Clear Strategy to Drive Future Growth



<sup>1</sup> The Westin Hyderabad Mindspace: Dec 31 2021; Renaissance Mumbai Convention Centre Hotel and Lakeside Chalet, Mumbai-Marriott Executive Apartments Powai: Mar 31 2020, Four Points by Sheraton Navi Mumbai, Vashi Franchise Agreement: Dec 31, 2021



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# Business Performance

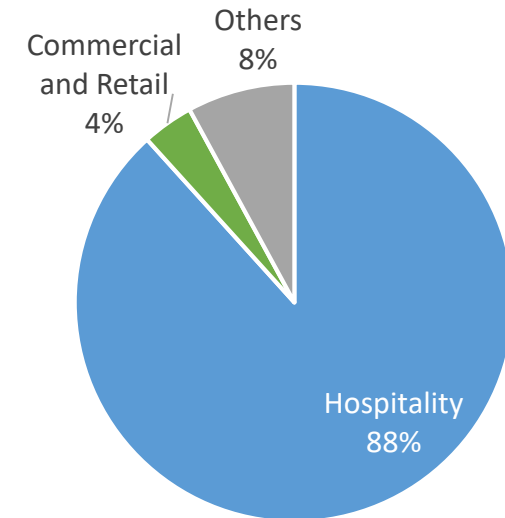


# Consolidated Profit / Loss Statement

(In Rs. Mn)

Particulars	9MFY20	FY19	FY18	FY17	CAGR FY17-FY19
Revenue from Operations	7,538	9,872	7,955	6,803	20.5% ↑
Other income	176	476	557	2,187	
<b>Total Income</b>	<b>7,714</b>	<b>10,348</b>	<b>8,513</b>	<b>8,990</b>	7.3%
Total Expenditure	4,804	6,679^	5,508	4,907	16.7%
<b>EBITDA</b>	<b>2,910</b>	<b>3,668</b>	<b>3,005</b>	<b>4,083</b>	-5.2%
Margin %	37.7%	35.5%	35.3%	45.4%	
Operating EBITDA	2,734	3,192	2,447	1,896	29.8% ↑
Margin %	36.3%	32.3%	30.8%	27.9%	
Depreciation and Amortisation	848	1,154	1,116	1,270	
Finance costs	1065	2,657	2,119	2,180	
Exceptional items <sup>1</sup>	(37)	-41	-1,218	0	
<b>Profit/(Loss) before income tax</b>	<b>960</b>	<b>-183</b>	<b>-1,448</b>	<b>633</b>	
Tax Expense	385	-107	-520	-758	
<b>Profit/(Loss) for the period</b>	<b>574</b>	<b>-76</b>	<b>-929</b>	<b>1,391</b>	
Other comprehensive (expense)/income	(6)	-8	15	0	
<b>Total Comprehensive Income for the period</b>	<b>569</b>	<b>-84</b>	<b>-914</b>	<b>1,391</b>	
<b>EPS (In Rs.)</b>	<b>*2.92</b>	<b>-0.4</b>	<b>-5.9</b>	<b>8.7</b>	

Hospitality the leading  
business driver  
(Total Income FY19)



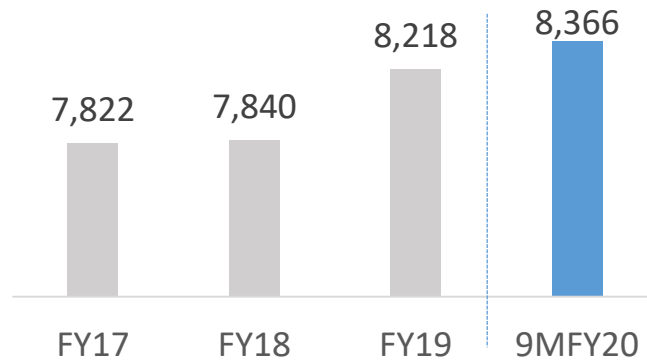
<sup>1</sup> Exceptional Item on account of accounting adjustments for Residential Property at Koramangala Bangalore

\*not annualized ^Includes Exchange loss of Rs 199 mn

Operating EBITDA is excluding other income

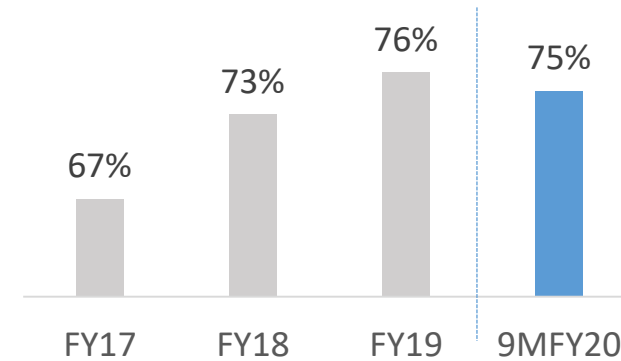
# Hospitality Portfolio Performance

**ADR (Rs.)**

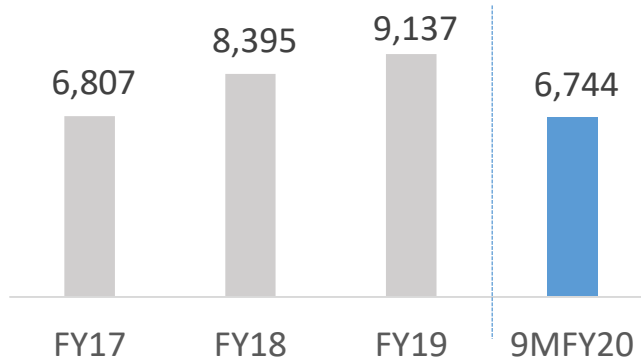


**Occupancy %**

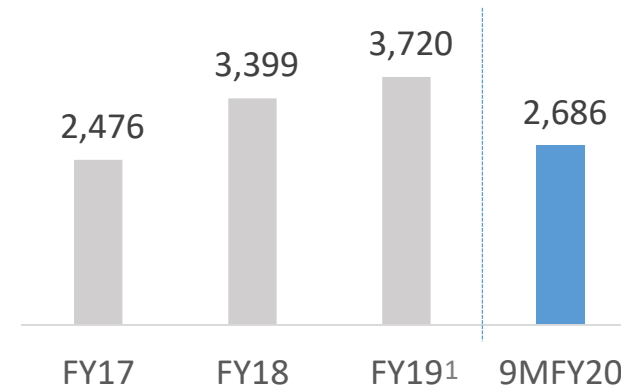
(In Rs. Mn)



**Revenue**



**Segment Profit\***



\* Segment Profit before Interest Depreciation and Tax

<sup>1</sup> Excludes impact of Forex Movement Rs 154 Mn



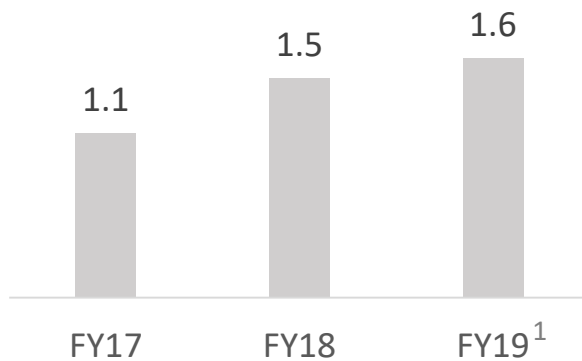
Improving Profitability

Combined with efficient  
development cost

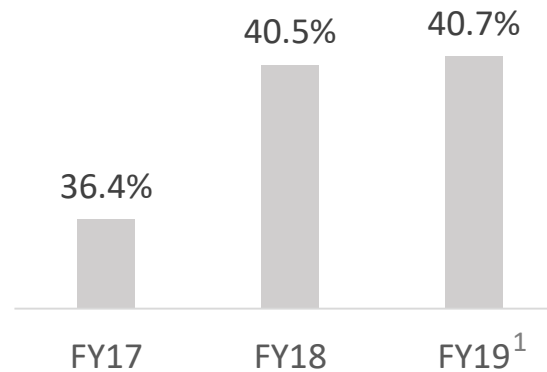


Delivering Robust  
Return Ratios

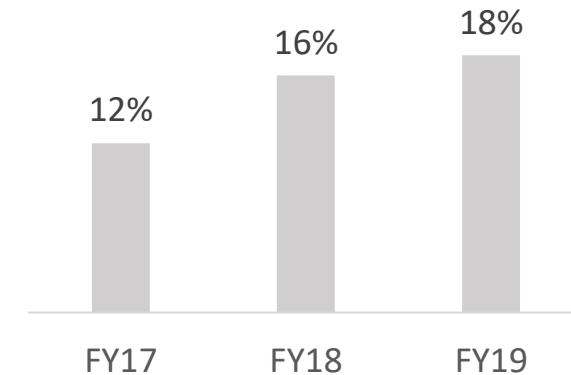
Segment Profit\* Per Key



Segment Profit\* Margin



ROCE <sup>2</sup>



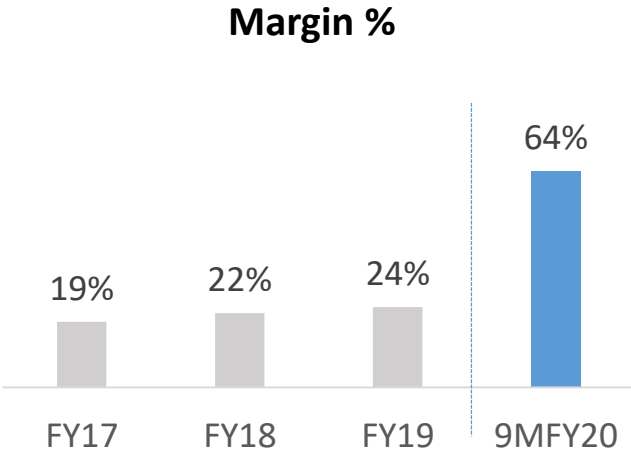
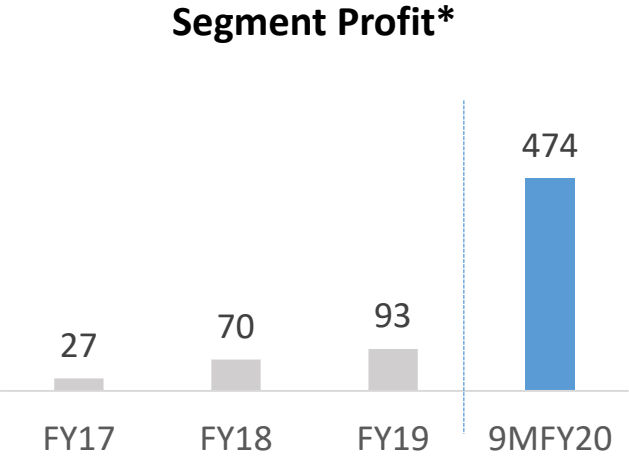
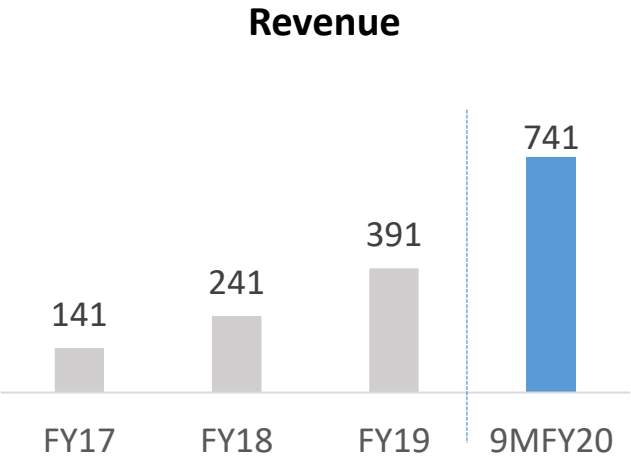
(In Rs. Mn)

\* Segment Profit before Interest Depreciation and Tax

<sup>1</sup> Excludes impact of Forex Movement Rs 154 Mn

<sup>2</sup> ROCE= Segment Profit/Capital Employed

(In Rs. Mn)



**The Orb at Sahar**



\* Segment Profit before Interest Depreciation and Tax  
Includes Straight Line Impact on lease rentals of Rs. 329 mn in 9MFY20, Rs.96 Mn FY19, Rs. 6 Mn FY18, Rs. 6 Mn FY17

# Consolidated Balance Sheet Statement

(In Rs. Mn)

Particulars	Sep 30, 2019	March 31, 2019	March 31, 2018
<b>Fixed Assets</b>	<b>20,131</b>	<b>20,492</b>	<b>21,211</b>
Capital Work in-progress	498	342	218
<b>Investment Property</b>	<b>6,951</b>	<b>6,810</b>	<b>6,737</b>
Goodwill	226	226	226
Other Non-Current assets	1,828	1,735	1,711
Current Assets <sup>1</sup>	5,923	5,994	7,057
<b>TOTAL ASSETS</b>	<b>35,558</b>	<b>35,599</b>	<b>37,160</b>
<b>Total Equity</b>	<b>14,646</b>	<b>14,255</b>	<b>4,955</b>
<b>Total Gross Debt</b>	<b>14,494</b>	<b>14,942</b>	<b>27,093</b>
Preference Capital	892	518	160
Other Non-Current Liabilities	652	701	854
Current Liabilities <sup>1</sup>	4,874	5,183	4,098
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35,558</b>	<b>35,599</b>	<b>37,160</b>

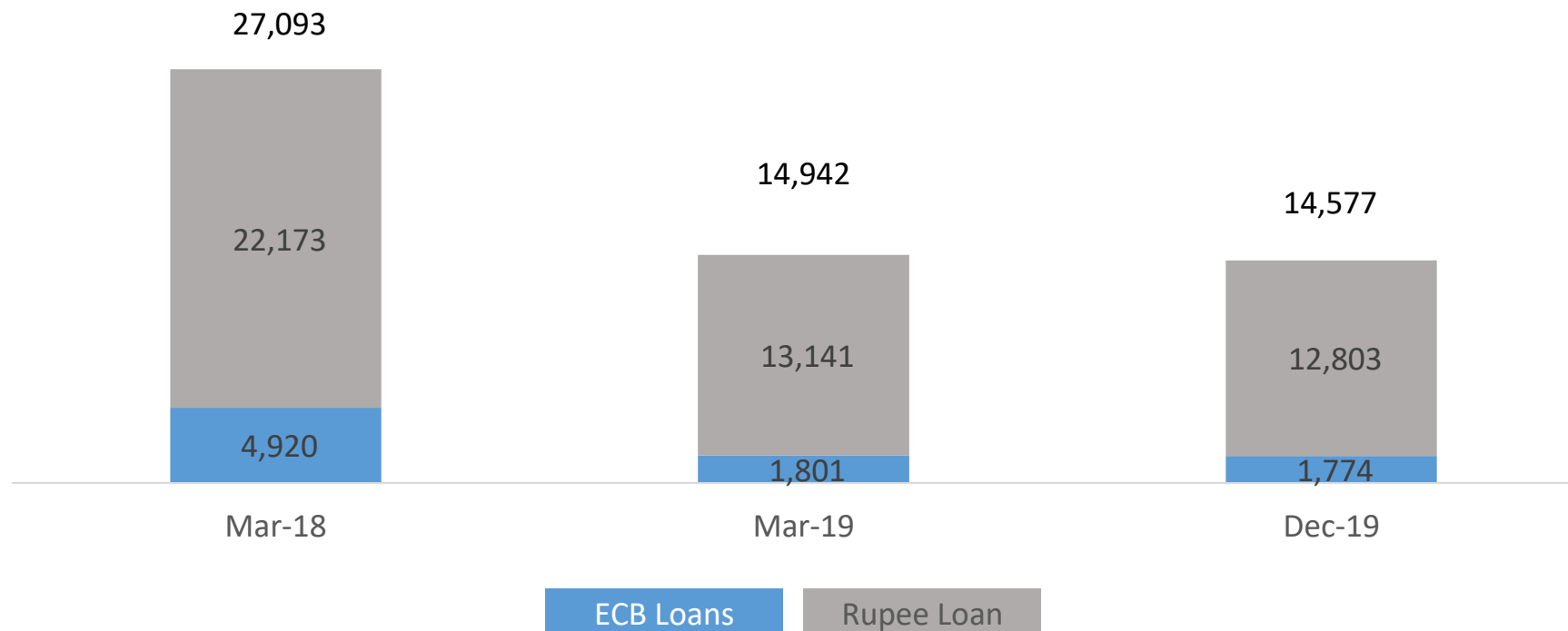
<sup>1</sup> Bengaluru Residential Project:

- Inventory of Rs. 3,822 Mn (Sep 19), Rs. 3,814 Mn (March 19) and Rs. 2,756 Mn (March 18)
- Advances and Provisions of Rs. 2,822 Mn (Sep 19), Rs. 3,040 Mn (March 19) and Rs. 2,051 Mn (March 18)



## Debt Movement

(In Rs. Mn)



Consolidated	March 31, 2018	March 31, 2019	Dec 31, 2019
Total Debt / Equity	5.5	1.0	1.0
Total Debt / EBITDA	9.0	4.1	
USD:INR	65.04	69.17	71.27

Excluding Preference Share Capital

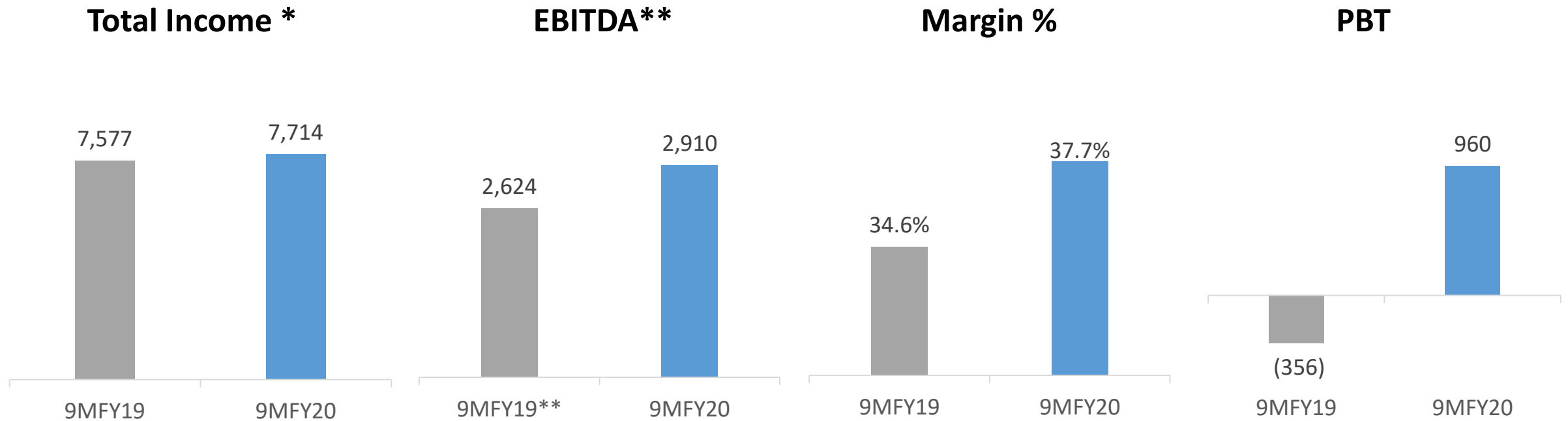
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# 9MFY20 Performance



# Consolidated 9MFY19 Performance

(In Rs. Mn)



\* Treasury income lower by Rs 143 mn

\*\*Includes Exchange loss of Rs 148 Mn (CY NIL)



# Highlights of the Quarter



## Industry

- Positive demand supply arbitrage

## Chalet Hotels Limited

- ADR driven RevPAR growth
- Occupancy at 75%
- Effective cost management
- Improved Capital Structure



## Industry

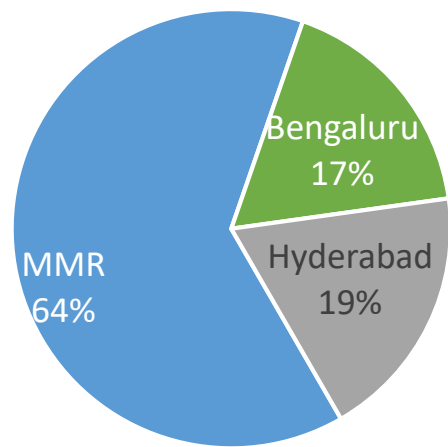
- Sluggish Consumer spends
- General economic slowdown

## Chalet Hotels Limited

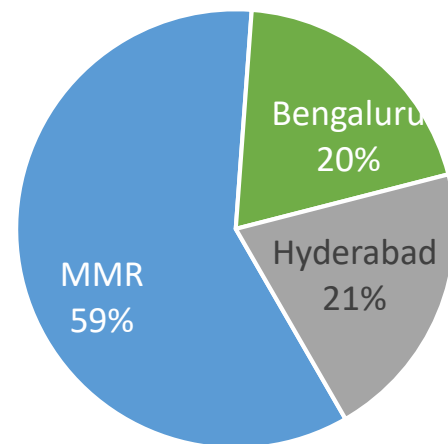
- Lower Banquet and MICE revenue

# Hospitality City-wise performance

9MFY20 Revenue Rs 6,744 Mn



9MFY20 Segment Profit\* Rs 2,686 Mn



	9MFY20	9MFY19	YoY%	FY19
<b>ADR (Rs.)</b>				
MMR	8,149	7,858	4%	8,086
Bengaluru	8,995	8,511	6%	8,756
Hyderabad	8,547	7,906	8%	8,205
<b>Combined</b>	<b>8,366</b>	<b>7,977</b>	<b>↑ 5%</b>	<b>8,218</b>
<b>Occupancy %</b>				
MMR	74.5%	74.4%	15 bps	76%
Bengaluru	76.1%	75.3%	80 bps	77%
Hyderabad	73.7%	74.7%	-100 bps	76%
<b>Combined</b>	<b>74.7%</b>	<b>74.6%</b>	<b>10 bps</b>	<b>76%</b>
<b>RevPAR (Rs.)</b>				
MMR	6,075	5,846	4%	6,178
Bengaluru	6,846	6,411	7%	6,757
Hyderabad	6,301	5,904	7%	6,234
<b>Combined</b>	<b>6,245</b>	<b>5,951</b>	<b>↑ 5%</b>	<b>6,283</b>

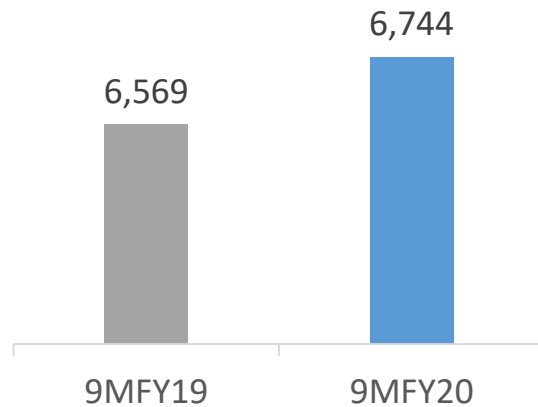
\*Segment Profit before Interest Depreciation and Tax

MMR: Mumbai Metropolitan Region

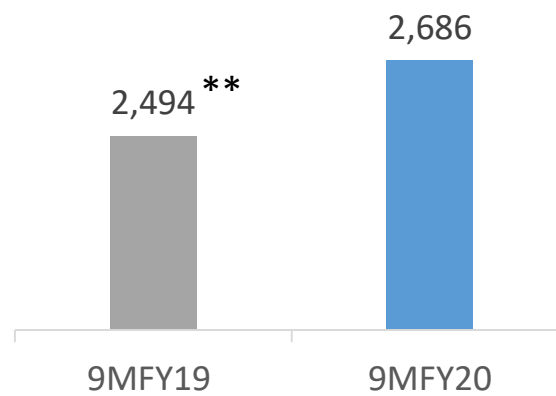
# Hospitality Segment 9MFY20

(In Rs. Mn)

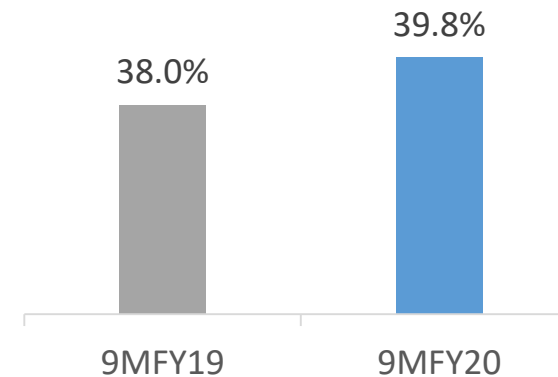
Revenue



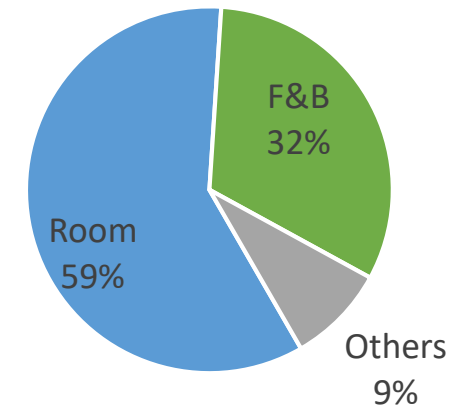
Segment Profit\*



Margin %



Revenue Break-up 9MFY20



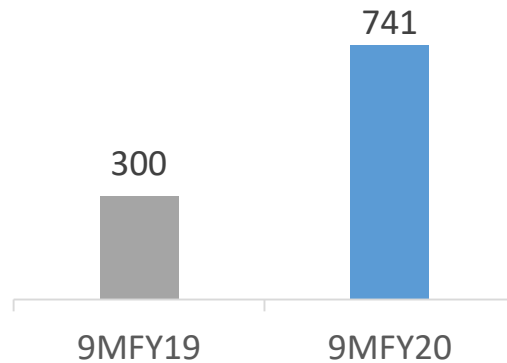
\* Segment Profit before Interest Depreciation and Tax

\*\* Includes Exchange loss of Rs 139 Mn (CY NIL)

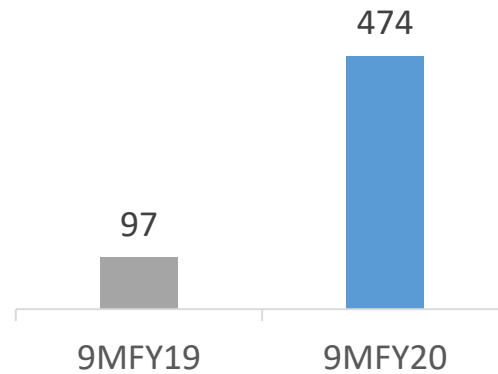
# Retail & Office Space

(In Rs. Mn)

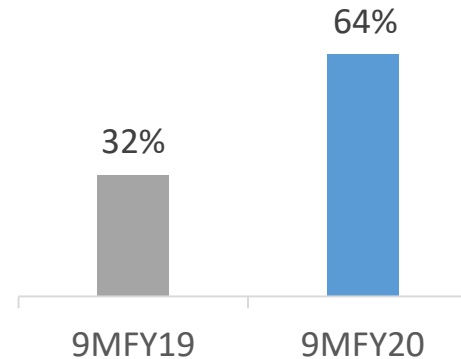
## Revenue



## Segment Profit\*



## Margin %



## Updates:






- **Straight Line Impact on lease rental**
  - 9M: Rs.329 mn (PY: Rs.72 mn)
- **Sahar Office Tower**
  - All fit-outs completed
  - ~90% occupancy
- **The Orb - Sahar Retail**
  - 17 Outlets opened
- **Inorbit Mall Bengaluru**
  - Improved rentals

\* Segment Profit before Interest Depreciation and Tax



# Consolidated Profit / Loss Statement

(In Rs. Mn)

Particulars	9MFY20	9MFY19	YoY%	FY19
<b>Total Income</b>	<b>7,714</b>	<b>7,577</b>	 2%	<b>10,348</b>
Total Expenditure	4,804	4,805	0%	6,519
<b>EBITDA Before Exchange Loss</b>	<b>2,910</b>	<b>2,772</b>	 5%	<b>3,829</b>
Exchange Loss/(Gain)	-	148		161
<b>EBITDA</b>	<b>2,910</b>	<b>2,624</b>	11%	<b>3,668</b>
<i>Margin %</i>	<i>37.7%</i>	<i>34.6%</i>		<i>35.5%</i>
Depreciation and Amortisation	848	859		1,154
Finance costs	1065	2096	-49%	2,657
Exceptional items <sup>1</sup>	(37)	(25)		(41)
<b>(Loss)/Profit before income tax</b>	<b>960</b>	<b>(356)</b>		<b>(183)</b>
Tax Expense	385	(147)		(107)
<b>(Loss)/Profit for the year</b>	<b>574</b>	<b>(209)</b>		<b>(76)</b>
Other comprehensive (expense)/income	(6)	(5)		(8)
<b>Total Comprehensive Income for the period / year</b>	<b>569</b>	<b>(214)</b>		<b>(84)</b>
<b>EPS (Rs.)</b>	<b>*2.92</b>	<b>*(1.22)</b>		<b>(0.43)</b>

<sup>1</sup> Exceptional Item on account of accounting adjustments for Residential Property at Koramangala Bangalore

\*not annualized

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Certain statements in this release concerning our future growth prospects are forward-looking statements within the meaning of applicable securities laws and regulations, and which involve a number of risks and uncertainties, beyond the control of the Company, that could cause actual results to differ materially from those in such forward-looking statements.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry.

Chalet Hotels Limited may, from time to time, make additional written and oral forward looking statements, including our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company. The Company also expects the media to have access to all or parts of this release and the management's commentaries and opinions thereon, based on which the media may wish to comment and/or report on the same. Such comments and/or reporting maybe made only after taking due clearance and approval from the Company's authorized personnel. The Company does not take any responsibility for any interpretations/ views/commentaries/reports which may be published or expressed by any media agency, without the prior authorization of the Company's authorized personnel.

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# Thankyou

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