

CHALET HOTELS LIMITED
CORPORATE PRESENTATION
June 2024





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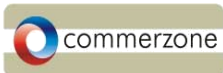
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K Raheja Corp – Group Overview

Office



Leaseable Area
>54 msf⁽¹⁾



Hospitality



3,144⁽²⁾
operational keys

Group Hotels

Partner with Marriott, Accor Group,
Hyatt and IHCL⁽³⁾



Malls



4
operational
malls



Residential



Developed
residential spaces
across 5 cities



Retail



Operates **240+**
retail outlets across
India

SHOPPERS STOP



Over **6 Decades**
of experience



Pan India
presence



US \$ 5.44 Bn⁽⁴⁾
Market Capitalization
of 3 listed entities

Note: All data as on March 31, 2024

1. Includes completed area – 34msf; under construction- 11 msf and future development – 9 msf; includes REIT and sponsor's portfolio

2. Includes 1 additional asset of K Raheja Corp

3. Marriott Hotels India Pvt. Ltd and its affiliates| AAPC India Hotel Management Private Limited and its affiliates

4. Market Capitalization as on May 29, 2024 on BSE (MindSPACE Business Parks REIT, Chalet Hotels Ltd & Shoppers Stop Ltd.) and Exchange rate is considered as \$1 = INR 83.



Chalet Overview



Hotels

10

Operational

2

Pipeline



Keys

3,052

Operational

865*

Pipeline



Brands

11#

In Existing assets

2

In Pipeline assets



Commercial Assets (msf)

2.4

Operational

0.9

Pipeline

Active Asset Management & Operating Model

- Track record of delivering robust financial and operational performance
- Focused on ramping-up in-house capabilities in hotel management
- Responsible growth by leading ESG initiatives and benchmarks for the industry

Growth From Quality Developments & Acquisitions

- New developments and acquisitions done with a focus on generating high return on capital employed
- Focused on maximising returns - Strong emphasis on asset maintenance & refurbishment
- Tangible pipeline of asset additions providing visibility of future growth

High-end Hotels Strategically Located in CBDs[§] of Key Metro Cities & leisure locations

- Combining right hotels in right locations with right brand partnerships
- Strategically maximizing development potential with complementary commercial spaces and creating an additional diversified revenue stream

Poised to Benefit from Industry Trends

- Indian economy on a strong growth path
- Hospitality continues to be on the rise and our assets are located in the key metro cities and drivable leisure locations near metros
- Long term demand growth outpacing the supply growth in all key markets, benefitting the asset owners



Chalet : At the inflection point



Focused on remaining at the forefront of growth

- Addition of 418 keys and 1.2 msf office space in the operating portfolio in last 12 months*
- Building up a pipeline to increase hospitality keys by ~28% and office pipeline by ~37% by FY27



Operating Efficiencies & Margins amongst best[#]

- Improvement in Adjusted EBITDA margins from 41.3% in FY23 to 43.8% in FY24
- Better than Industry headcount metrics : Average staff to room ratio ranges from 1.1 to 2.1 for 4-star to 5-star deluxe** while the ratio in our case is 0.93



Capital efficiency & productivity

- Brownfield assets acquired with capacity addition opportunities leading to incremental returns on investments
- Residential project revived
- Realigned assets based on market conditions
- Efficiencies on greenfield hotel development



Diversified into multiple asset classes

- Diversified revenue streams by building complimentary commercial assets
- Allows us to counter any cyclicity impact on the portfolio

* portfolio data is as of 31 Mar 2024

[#]in terms of EBITDA margins of top 10 listed hospitality peers, by market capitalization

**As per FHRAI data



Milestones achieved during the year – FY24



Business Performance

Best Q4 & Fiscal ever

- ✓ Revenue Rs. **4.2** bn & Rs. **14.4** bn
- ✓ EBITDA Rs. **1.9** bn & Rs. **6.0** bn
- ✓ PAT Rs. **0.8** bn & Rs. **2.8** bn

Koramangala Sales on track



Portfolio Expansion

418 keys added

- **New launch** - 168 keys **All women run**
- **Acquisition** – 158 keys, **Resort, NCR**
- **Capacity addition** – 92 rooms

1.2 msf
commercial space added



ESG Wins

3 msf green footprint

DJSI Score of 57

Placed 8th in the world amongst
category hotels, resorts & cruise lines

Certified **Great Place to work**
for 5th time in a row

22% Women employees
as % of workforce in FY24, up from
17% over last year



High-end Hotels Strategically Located in CBDs of Key Metro Cities & leisure locations





Right Hotels in Right Locations with Right Brand Partnerships

3,052
Operational
Keys

MUMBAI



JW Marriott Mumbai Sahar
588 Keys



The Westin Mumbai Powai Lake
604 Keys



**Lakeside Chalet, Mumbai -
Marriott Executive Apartments**
173 Keys



**Four Points By Sheraton Navi
Mumbai, Vashi**
152 Keys

PUNE



Novotel Pune Nagar Road 311 Keys
(Including 88 rooms added in Oct 23)

LONAVALA



The Dukes Retreat, Lonavala - 80 Keys
(Pipeline - 65 Keys)

NCR



Courtyard by Marriott Aravali Resort, 158 Keys
(~6 acres available for capacity addition)

HYDERABAD



The Westin Hyderabad Mindspace
427 Keys



The Westin Hyderabad HITEC City
168 Keys

BENGALURU



Bengaluru Marriott Hotel Whitefield - 391 Keys
(Pipeline ~ 125 - 130 Keys)



Complementary Commercial Spaces

MUMBAI



The Orb - Retail & Office Tower
0.5 Mn Sq. ft.



CIGNUS Powai® Tower I
0.9 Mn Sq. ft.

Leasing underway

BENGALURU



CIGNUS Whitefield Bangalore® Tower I
0.7 Mn Sq. ft.

CIGNUS Whitefield Bangalore® Tower II
0.3 Mn sq. ft

Leasing underway

Strategically maximizing development potential and creating an additional diversified revenue stream

As of Mar'24	(Msf)	No. of Units	Avg sales price (psf)
Residential (A+B)	0.85	321	
Sold in FY24	0.29	121	18,839
Total sales till date (A)	0.57	204	
Unsold (B)	0.29	117	
Commercial	0.15		



9

Residential Towers close to completion
10 Floors each

2

New Residential Towers
11 Floors each

Rs. 3,196 Mn

Receivables (March 2024)
For existing sales

1

Commercial Tower
For Strata Sale

OC received for 9 towers, Strong sales pick up



Poised to Benefit from Industry Trends



Strong India story

Governments emphasis on **'Make in India' & 'Dekho Apna Desh'***

8.9% CAGR growth expected in per-capita income (FY 23 – FY29)

India GDP
Growth Rate

6.3%

Expected over 2024-28

Strong push on Tourism related **infrastructure development**

Hotel Sector's GDP contribution to grow **25x** to **US\$1 tn by 2047\$**

Positive **policy** environment

5th

largest economy in terms
of nominal GDP

3rd

largest economy in terms of
purchasing power parity



Tourism and Infrastructure growth to boost hospitality demand



Tourism on the rise

Tourism showing a sustained growth

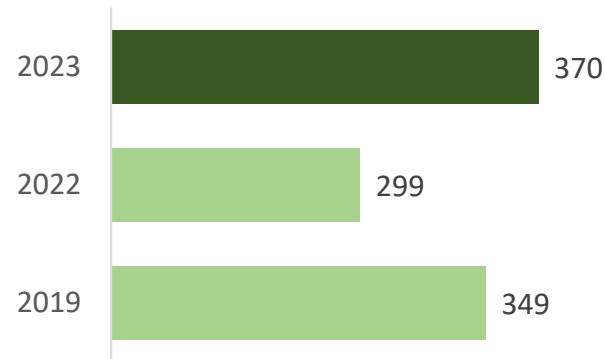


Air Traffic Resurgence – 26% above 2022 levels



With Access Infrastructure Improving

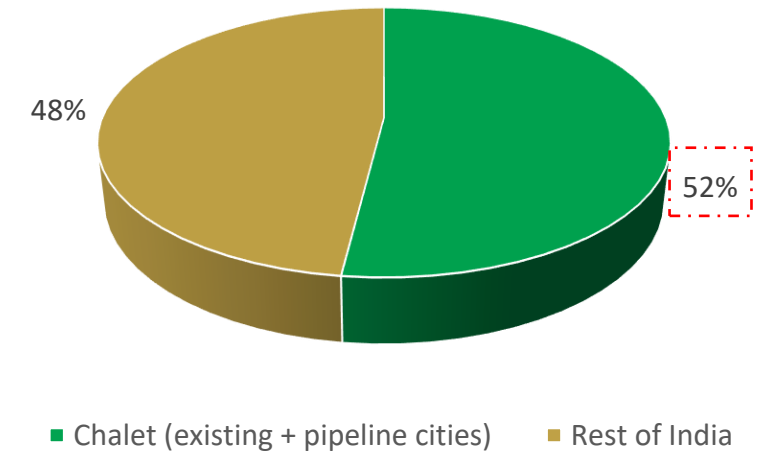
Air Traffic (in Mn)



Through Planned Airports and Expansions Across Our markets

- ✓ Bengaluru
- ✓ Pune
- ✓ Navi Mumbai Airport

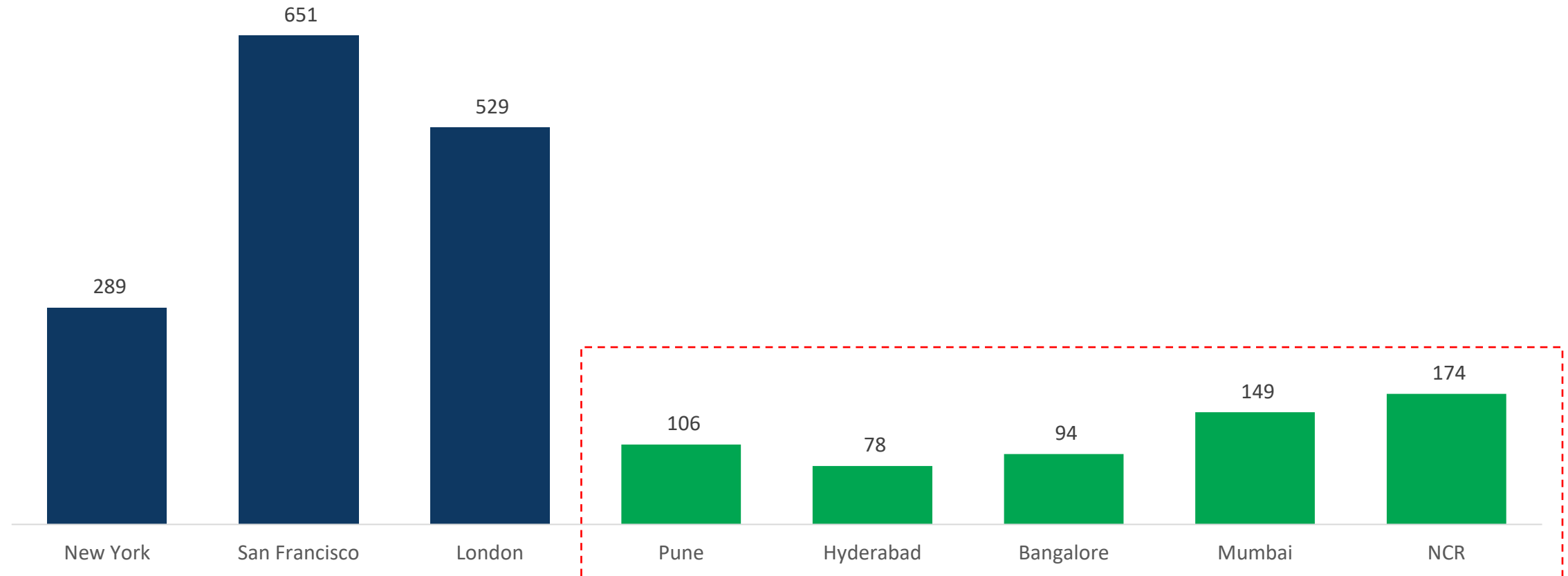
Establishing presence in cities handling 52% of India's Air traffic





Hospitality Sector in India is Significantly underpenetrated...

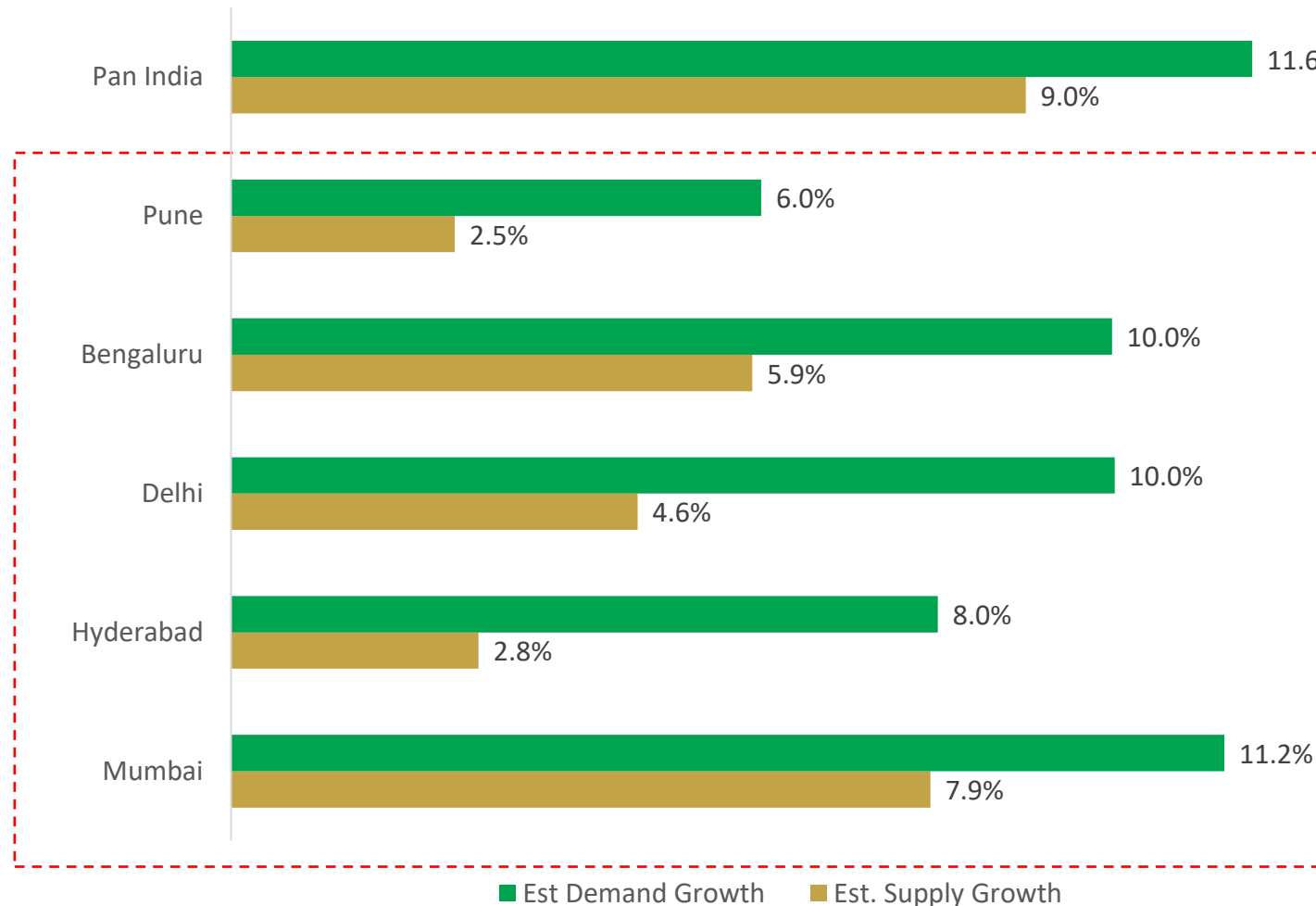
Number of Hotel Keys per Mn Sq Office Space (Dec 2023)



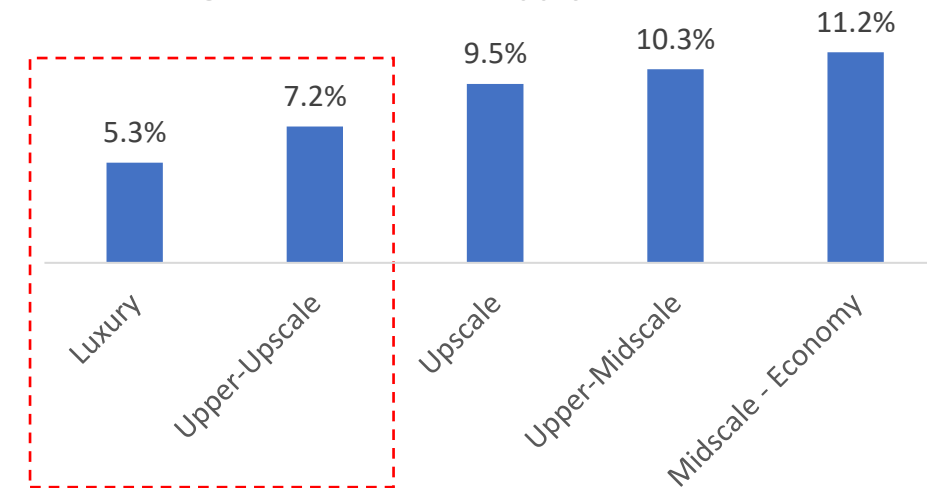


...with Long-term demand growth outpacing supply growth

Demand - Supply Growth (FY 23 – FY 27)



Segmental Share of Supply (FY 23 – FY 27)



80% hotel inventory * of Chalet Hotels

~87% hotel inventory* of Chalet Hotels

* Including pipeline



Leasing Activity Remains Buoyant

Pan India Net Leasing Volume in Q3 2023

8.27 msf (+31.8% QoQ)

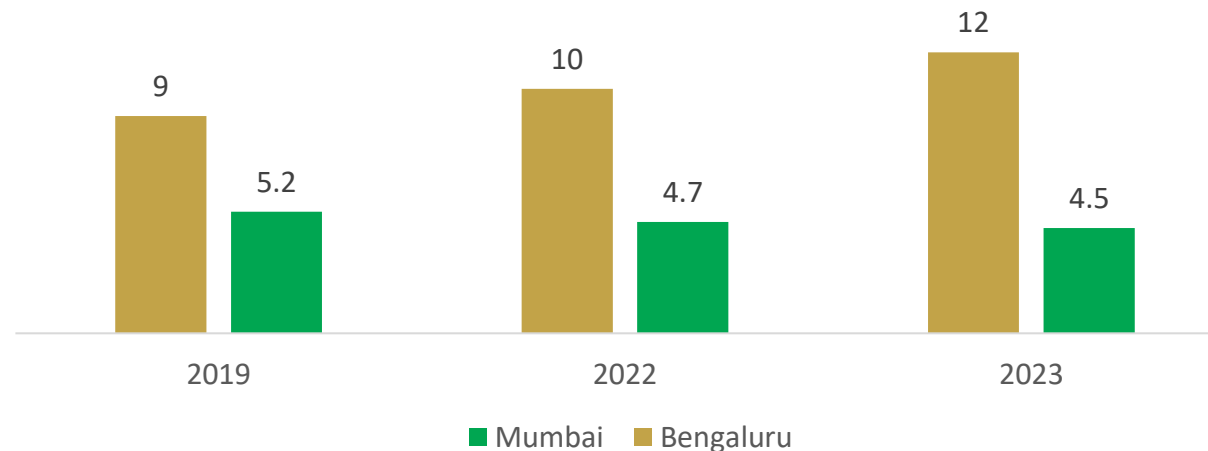
Pan India Development Completions in Q3 2023

10.68 msf (-31.23% QoQ)

Bengaluru, had the second highest in quarterly net leasing with Q3 CY 2023 leasing of **1.79 msf (21.6% of India Office Market)**. Overall leasing has surpassed 2019 levels

Mumbai ranked 3rd by net leasing volume with **~1.15 msf in Q3 CY 2023 (~13.9% of India Office Market)**. Leasing catching up to pre-covid levels

Net Absorption Trend in Bengaluru and Mumbai (in msf)





Active Asset Management & Operating Model



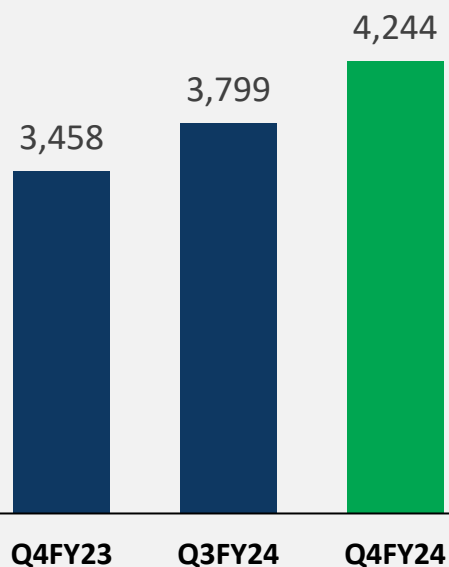


Q4FY24 - Consolidated Performance Highlights

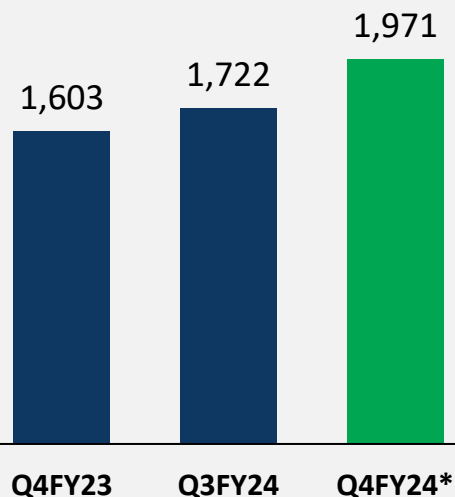
Best quarter ever – Highest Revenue, EBITDA & PAT



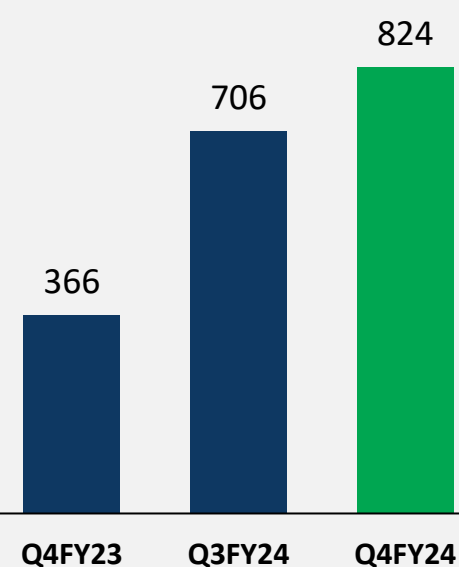
REVENUE



ADJUSTED EBITDA



PAT



In Rs. Mn.

*Q4FY24 EBITDA Adjusted towards one-time expenses of Rs. 81 mn towards Dukes Decapitalisation, Acquisition cost of Aravali Resort, along with unusable stock Bangalore Residential

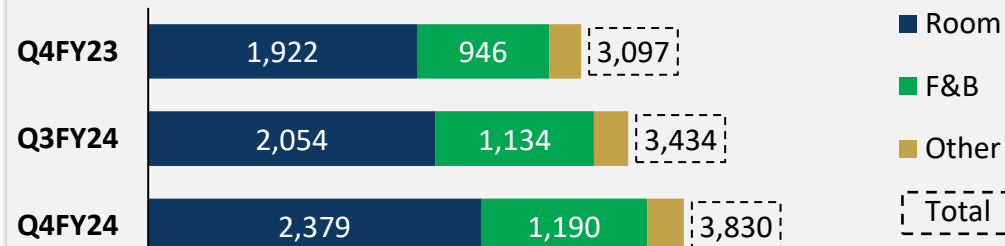
YoY



Hospitality: Best Q4 & Fiscal

In Rs. Mn.

Revenue



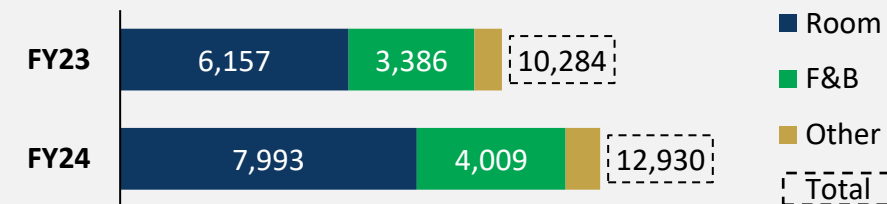
EBITDA



EBITDA %



Revenue



EBITDA



EBITDA %



YoY



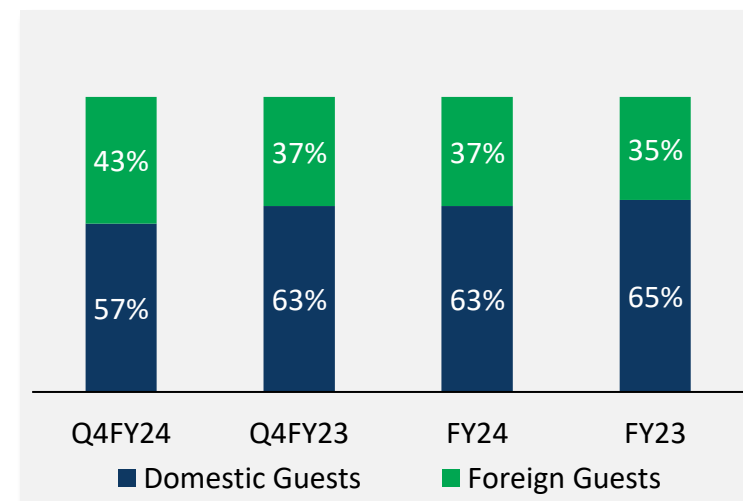
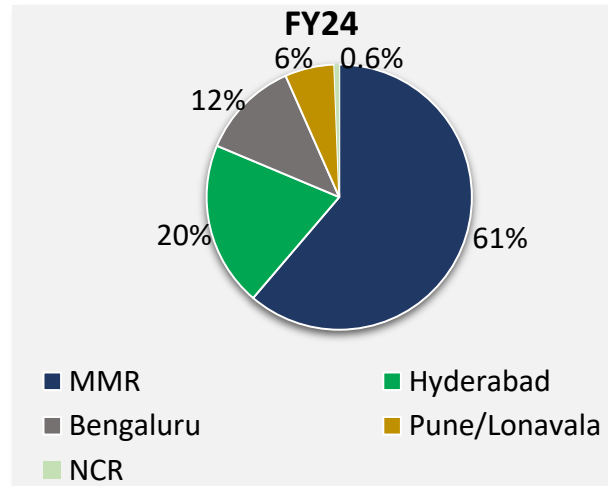
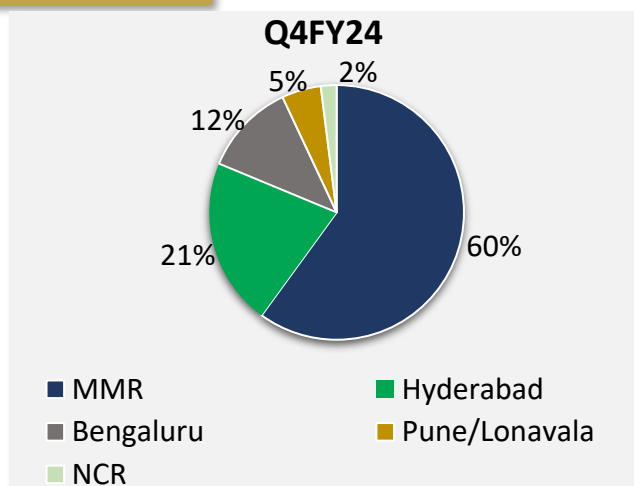
Hospitality: Key Metrics

Same store
Q4FY24 ADR
at Rs. 12,159
up by 8%

	Q4FY24	Q4FY23	YoY%		FY24	FY23	YoY%
ADR (Rs.)							
MMR	12,173	11,976	2%		11,121	9,741	14%
Others*	11,474	10,228	12%		10,188	8,277	23%
Combined	11,862	11,304	5%		10,718	9,169	17%
Occupancy (%)							
MMR	81%	77%	4 pp		77%	74%	3 pp
Others*	70%	70%	1 pp		68%	69%	-1 pp
Combined	76%	74%	2 pp		73%	72%	1 bp
RevPAR (Rs.)							
MMR	9,815	9,208	7%		8,513	7,211	18%
Others*	8,079	7,136	13%		6,915	5,724	21%
Combined	8,984	8,363	7%		7,776	6,605	18%

MMR: Mumbai Metropolitan Region; NCR: National Capital Region

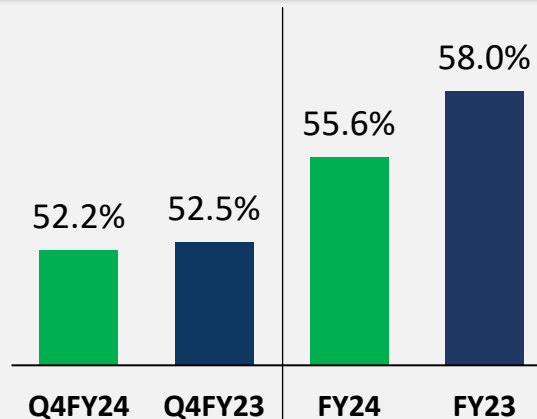
Revenue Mix



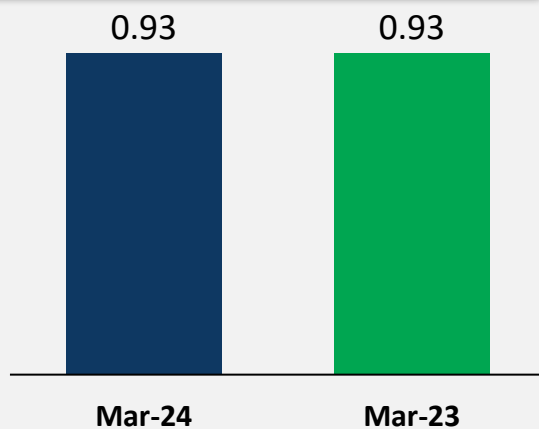


Hospitality: Enhanced Efficiencies

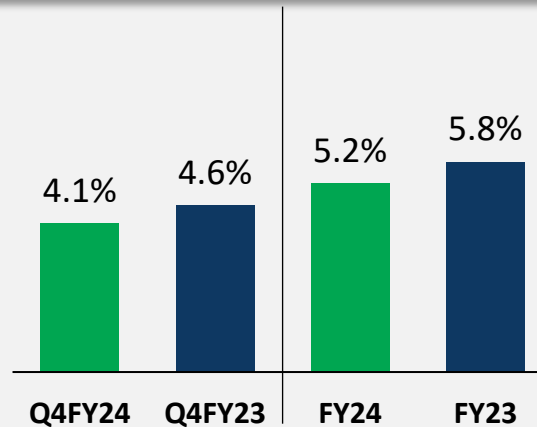
Total expenses % of Revenue



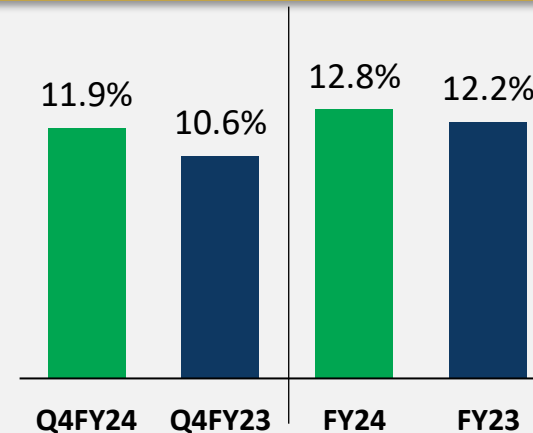
Staff to room ratio*



Utilities % of Revenue



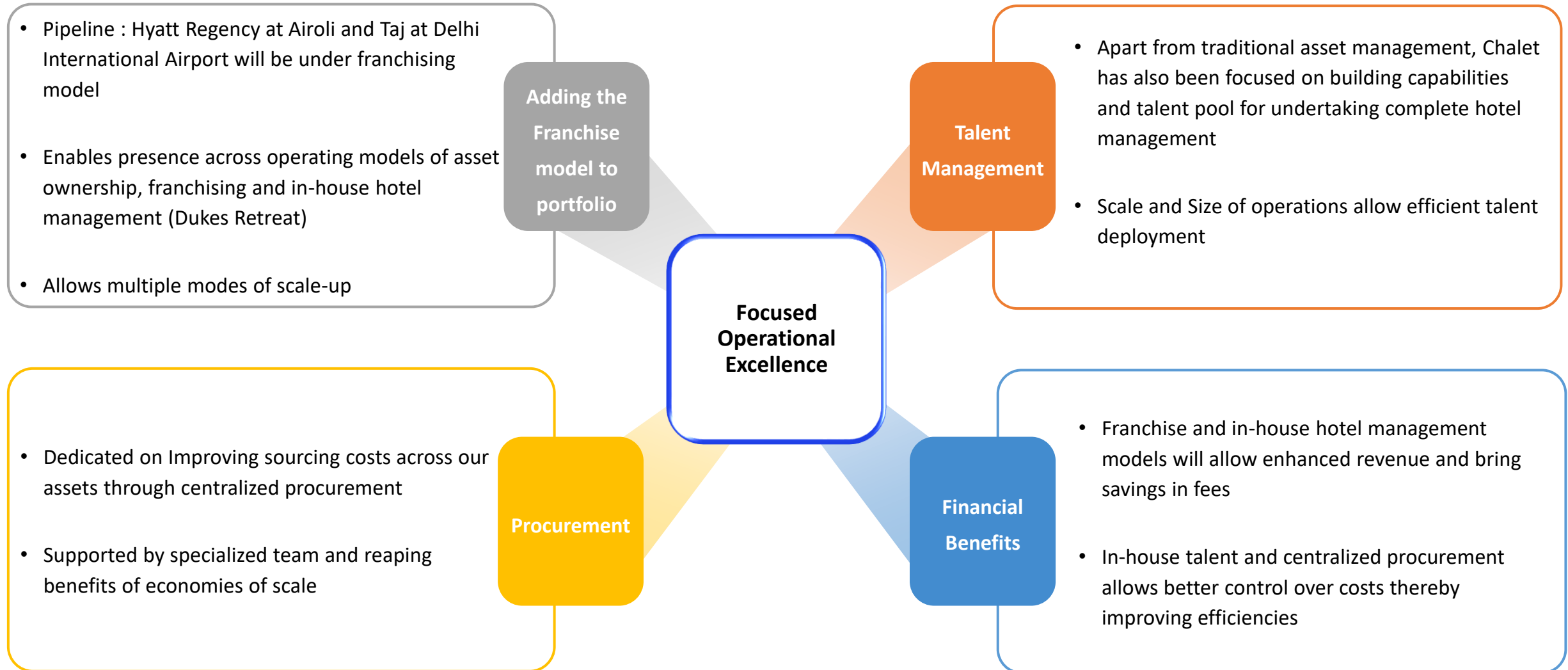
Payroll Costs % of Revenue



*Includes full time and contractual employee



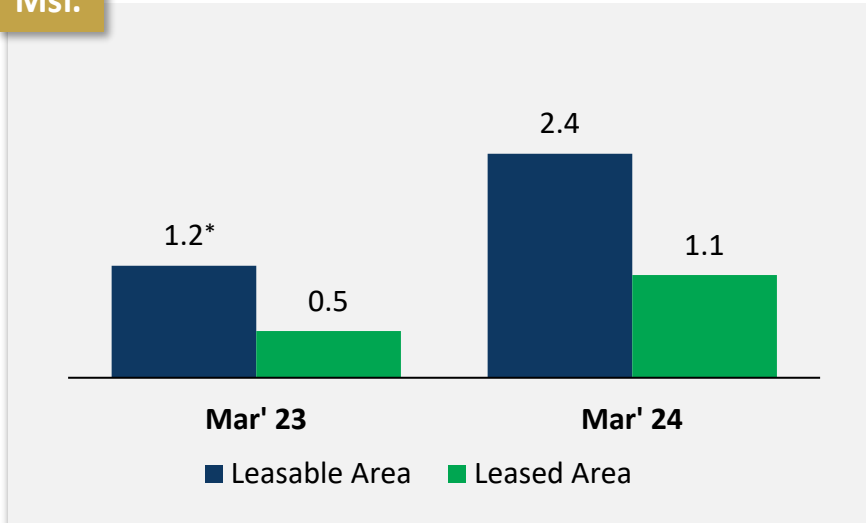
Focused on ramping-up in-house capabilities in hotel management





Rental/Annuity: Performance Highlights

Msf.



* Leasing for 0.7 mn CIGNUS Whitefield Bengaluru started in Q4FY23

(Rs. Mn.)	Q4FY24	FY24	FY23
Total Revenue	354	1,241	1,000
EBITDA	272	988	838
EBITDA%	77%	80%	84%

New towers under leasing



CIGNUS Powai® Tower I
0.9 Mn Sq. ft.



CIGNUS Whitefield Bengaluru®
Tower I – 0.7 Mn Sq. ft.
Tower II – 0.3 Mn Sq. ft.



Led by an Experienced Board



Mr. Hetal Gandhi
Chairman & Independent Director
Co-Founder & MD Tano India Advisors Pvt. Ltd.



Mr. Arthur De Haast
Independent Director
Chairman of JLLs Global Capital Markets Advisory Council



Mr. Joseph Conrad D'Souza
Independent Director
Former Executive management & CIRO HDFC Limited*



Ms. Radhika Piramal
Independent Director
Executive Vice Chairperson of VIP Industries Ltd



Mr. Ravi C. Raheja
Promoter & Non- Executive Director



Mr. Neel C. Raheja
Promoter & Non- Executive Director



Mr. Sanjay Sethi
Managing Director and Chief Executive Officer

*CIRO – Chief investor relations officer



Our Sustainability story



DJSI SCORE

Corporate Sustainability Assessment

57

Placed 8th in the world
among category hotels,
resorts and cruise line



ENERGY MANAGEMENT

65%

Renewable energy
FY24



WATER & WASTE MANAGEMENT

Wet waste treated through
Organic Waste Composters

Recycling of wastewater
Rainwater harvesting system



E Mobility

100%

Operational assets have EV charging
stations[^]

2 properties have **100%** fleet as EVs
[^]The Dukes Retreat is under renovation



DIVERSITY AND INCLUSION

22%

Women in workforce as on

31 March 2024

From 17% in March 2023



CSR

75 PWDs & 55 Youth trained under 'Skill
Development Initiative' with Pankh
Women trained under 'TRRAINHer Ascent'

Supported 'School Upgradation'
at NV Chinmaya Vidyalaya, Maharashtra



STRONG GOVERNANCE

57%

Independent directors



GREEN BUILDINGS

5 USGBC LEED Gold certified
properties

The Westin Hyderabad HITEC City
& CIGNUS Bangalore now
certified



Climate Change Actions

Company has signed up for all the three initiatives of The Climate Group



The Company sourced 65% of its electricity from renewable sources till December 2023 to facilitate the commitment of moving to 100% renewable energy by FY 2030-31.



The Company is strategically investing in technology and IoT-enabled solutions.



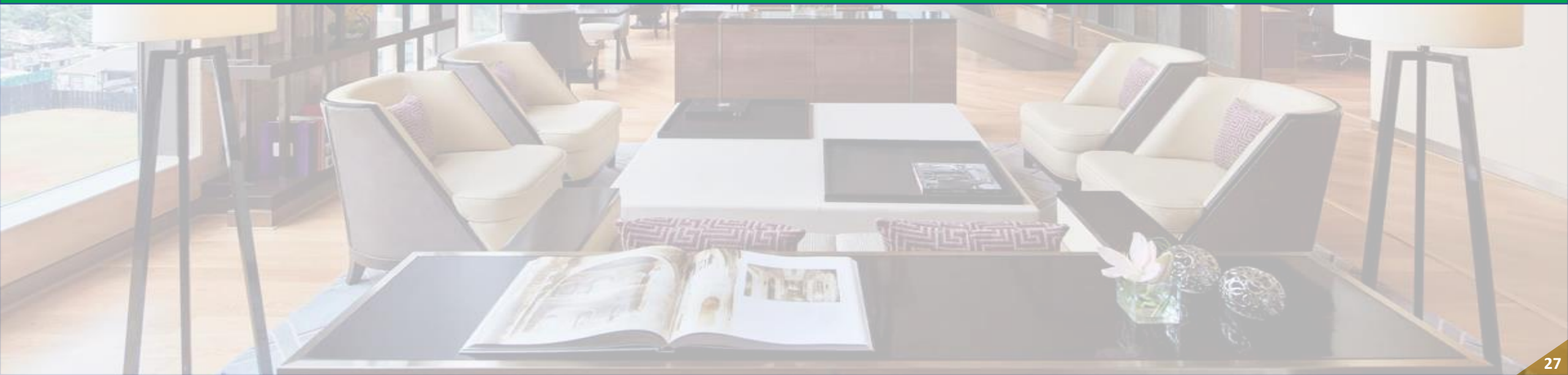
All our operational assets are equipped with EV charging points accessible to both employees and visitors. Properties have 100% fleet as EVs

Chalet Hotels is a signatory to the 'G20 Business Letter' urging G20 governments to commit to clear, 1.5°C-aligned roadmaps.

Chalet Hotels is a member of CII-IBBI that develops and provides inputs on the interface of industry with biodiversity conservation and sustainable management of ecosystem services.

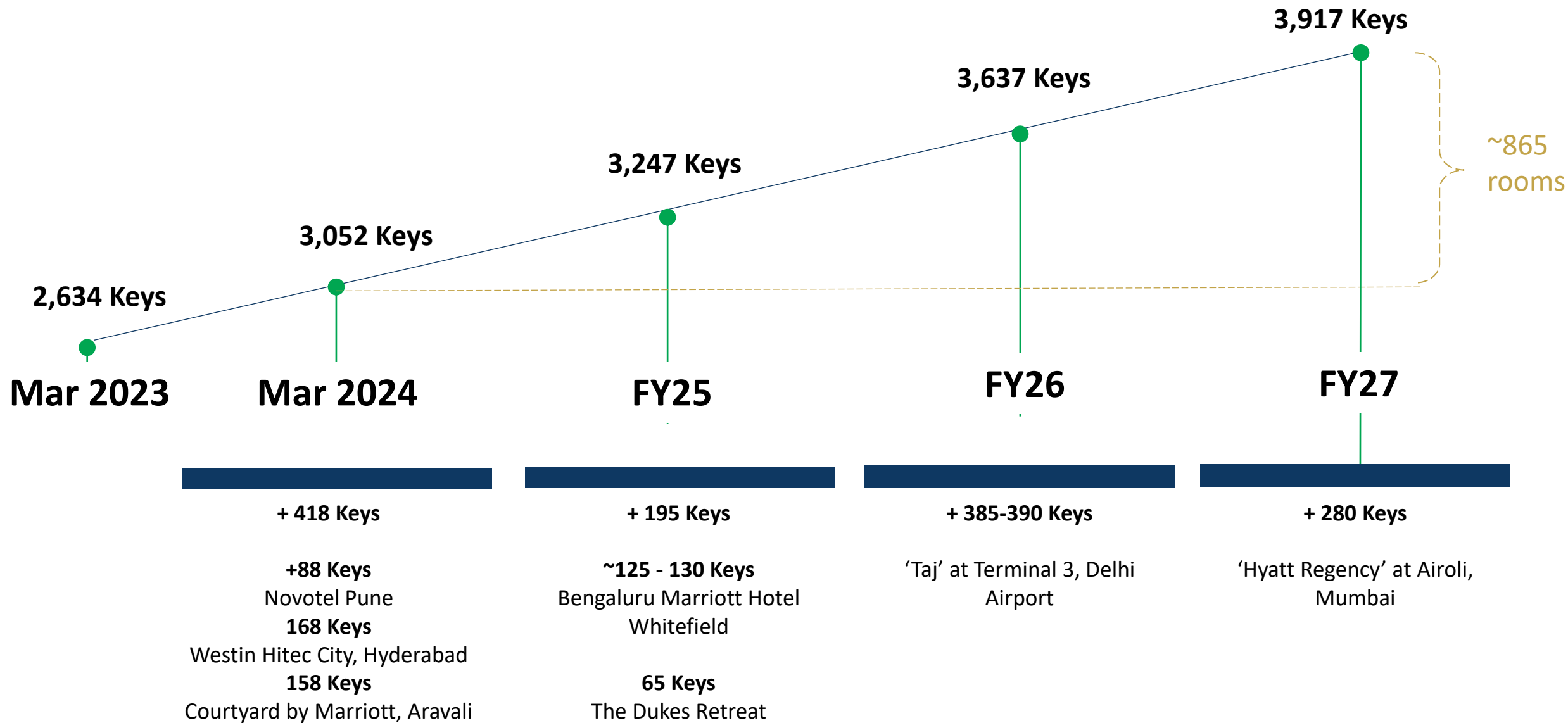


Chalet's Pipeline : Growth From Quality Development & Acquisitions leading to Value Creation



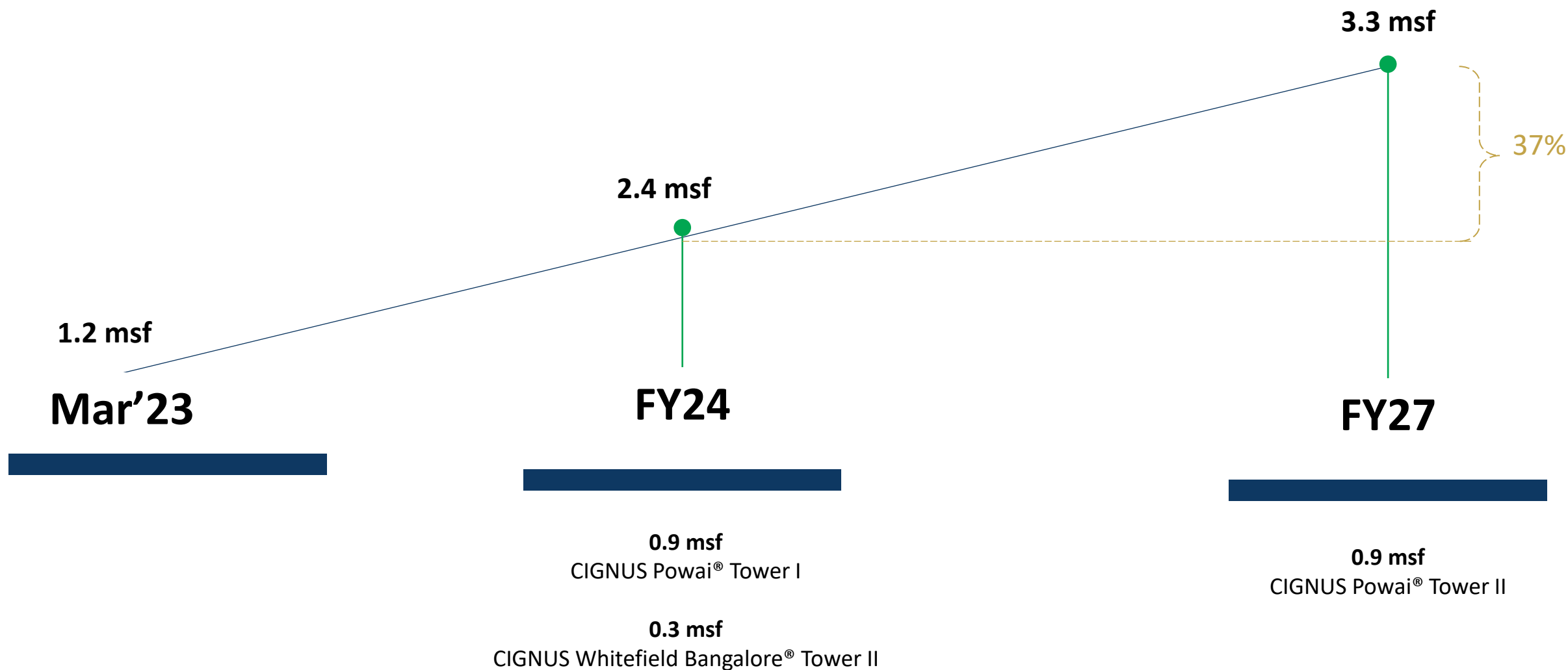


Hospitality Pipeline





Rental/Annuity: Growth and Announced pipeline



Focus on maximizing development potential and creating an additional diversified revenue stream



Profit & Loss Statement

Particulars (Consolidated) (in Rs. Mn)	FY21	FY22	FY23	FY24
ADR	4,039.52	4,576.35	9,168.61	10,718.44
Occupancy	30.05%	51.45%	72.04%	72.55%
RevPAR	1,213.61	2,354.53	6,604.71	7,776.23
Total Income	3,075.20	5,297.39	11,779.79	14,370.41
Total Expenditure	2,785.16	4,093.30	6,756.50	8,326.25
EBITDA from continued operations	290.04	1,204.09	5,023.04	6,044.17
Margin%	9.43%	22.73%	42.64%	42.06%
Adjusted EBITDA from continued operations	290.04	1,099.00	4,760.19²	6,294.36¹
Adjusted Margin%	9.43%	20.75%	41.3%	43.80%
Profit/ (Loss) before income tax	-2,482.83	-1,534.22	2,728.29	2,693.70
Tax Expense	-1,091.55	-719.53	895.39	-88.28
Profit/(Loss) for the year	-1,391.28	-814.69	1,832.90	2,781.81
Other comprehensive (expense)/income	0.28	1.50	-4.64	-8.4
Total comprehensive Income	-1,391.00	-813.19	1,828.26	2,773.26
EPS (Rs.)	-6.78	-3.98	8.94	13.54

¹ FY24 Adjusted for Rs. 250 Mn towards GST Payments, Westin Hitec pre-operating expenses, Dukes Decapitalisation , Acquisition cost of Aravali Resort, along with unusable stock of Bangalore Residential

² FY23 Adjusted gain in the estimated cash outflows for redemption of 0% NCRPS : Koramangala Project.

Notes on earlier years are part of respective year's presentations

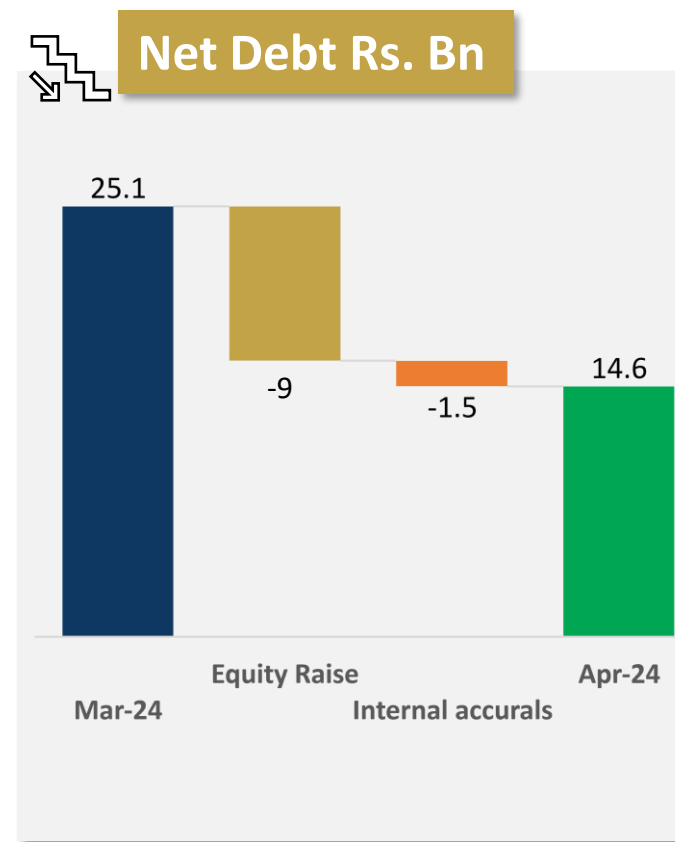


Strong Balance Sheet

Successfully raised Rs. 10 Bn

QIP concluded on April 03rd 2024

- Funds utilized for paring down debt – Rs. 9 Bn
- General corporate purposes & issue expenses – Rs. 1 Bn





Capex / Debt Position

in Rs. Mn	Mar-22	Mar-23	Mar-24
Net Debt	22,338	24,368	25,086
Investment Outflow YTD #	3,489	5,985	6,596
Interest Rate (%)	7.52	8.75	8.9
Capital Employed	35,821	38,531	38,368
Net worth	13,410	15,415	18,509
Net Debt to Equity Ratio	1.67	1.58	1.45
Cash Flow from Operations	622	4,769	6,894

Total investments in excess of INR 15 Bn while the corresponding increase in debt is less than INR 2.8 Bn

Note: Net debt does not include preference shares and intercorporate deposits

#Investments includes capex and acquisitions made during the year



Thank You



Chalet Hotels Limited

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