



**ROYAL ORCHID HOTELS LTD.,**

Corporate Office :

1, Golf Avenue, Adjoining KGA Golf Course,  
HAL Airport Road, Kodihalli, Bangalore - 560 008, India.

T +91 80 406 12345, F : +91 80 406 12346

www.royalorchidhotels.com

CIN : L55101KA1986PLC007392

Date: November 08, 2016

To,  
The Manager,  
Listing Department,  
NSE Limited,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051.

To,  
The Manager,  
Department of Corporate Relations,  
BSE Limited,  
PJ Towers, Dalal Street, Fort  
Mumbai – 400001.

Dear Sir/Madam,

SUB: Intimation of Analyst/Institutional Investor Meetings under SEBI (Listing Obligations and Disclosure Requirement), 2015.

Scrip Code: BSE: 532699      NSE: ROHLTD

Pursuant to Regulation 30(6) of SEBI Listing Obligations and Disclosure Requirement 2015, we hereby inform you of Analyst/Institutional Investor meeting held on November 08, 2016 at Mumbai to discuss Q2 financial results for the Financial Year 2016 – 2017 and way forward with BOI-AXA and the Presentation is enclosed herewith.

This is for the information and records of the exchanges.

For **ROYAL ORCHID HOTELS LIMITED**

**RANABIR SANYAL**

**COMPANY SECRETARY & COMPLIANCE OFFICER**



Encl : As above

# **Royal Orchid Hotels Investor Presentation Q2FY17**



**1 in every 11 people worldwide are  
employed by  
TOURISM SECTOR**



**High Employment Potential Sector**

**Rs 10 Lakhs of Investment creates  
90 Jobs**



**HOSPITALITY & TOURISM**  
is the largest contributor to GDP in  
service sector



# *ROYAL ORCHID HOTELS LTD*

*Investor Presentation*  
*Q2 FY17 Results*



# Discussion Outline



1

## THE TOURISM & HOSPITALITY INDUSTRY

- Size, Opportunity,
- Challenges

2

## ROHL BUSINESS CARD

- Background, Management
- Competitive Advantages

3

## BUSINESS MODEL

- Asset Light Model,
- Generate FCF, High Growth

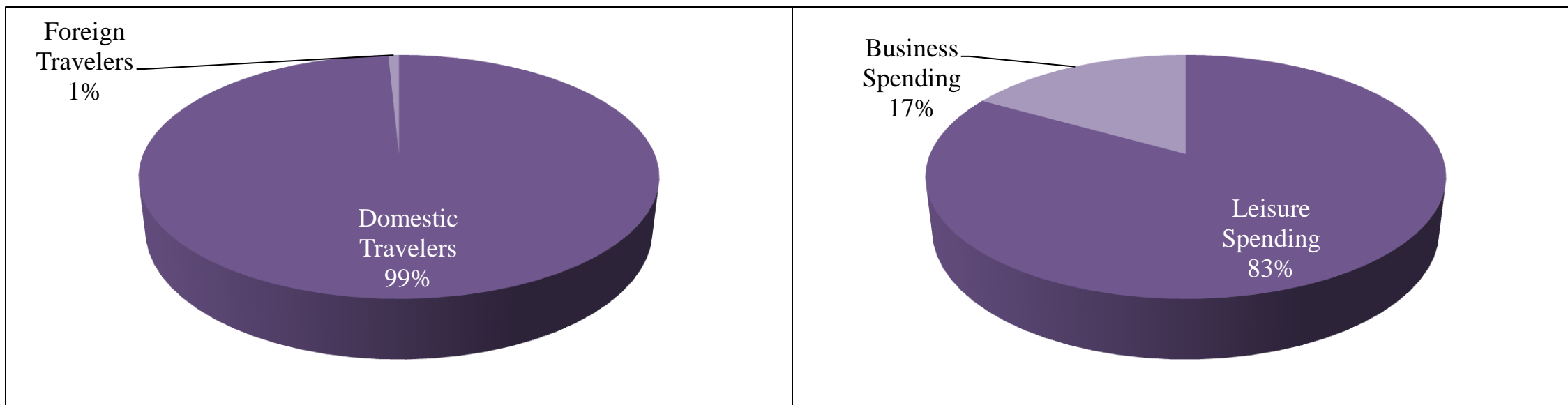
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## FINANCIAL NUMBERS

- Q2 FY17 Results
- Performance Highlights
- Balance sheet and P & L statements

# Indian Tourism Sector

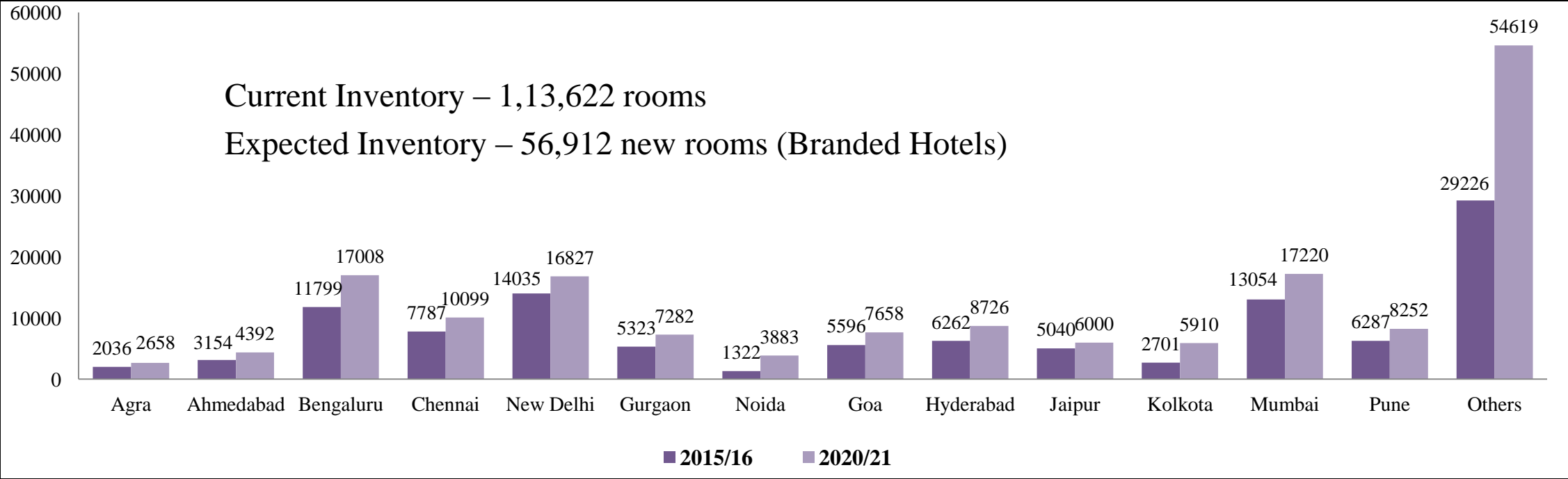
According to the World Travel & Tourism Council's Economic Impact 2016 – India report, the total contribution of Travel and tourism to the GDP was Rs 8,309 billion (6.3% of the GDP) in 2015. This is expected to grow by 7.3% to Rs 8,913.6 billion in 2016 and eventually reach Rs 18,362.2 billion (7.2% of the GDP) by 2026.



Source: Company

**Government to facilitate 36 more countries for E-Tourist Visa in India**

# Huge Opportunity for Branded Hotels



Source: Company

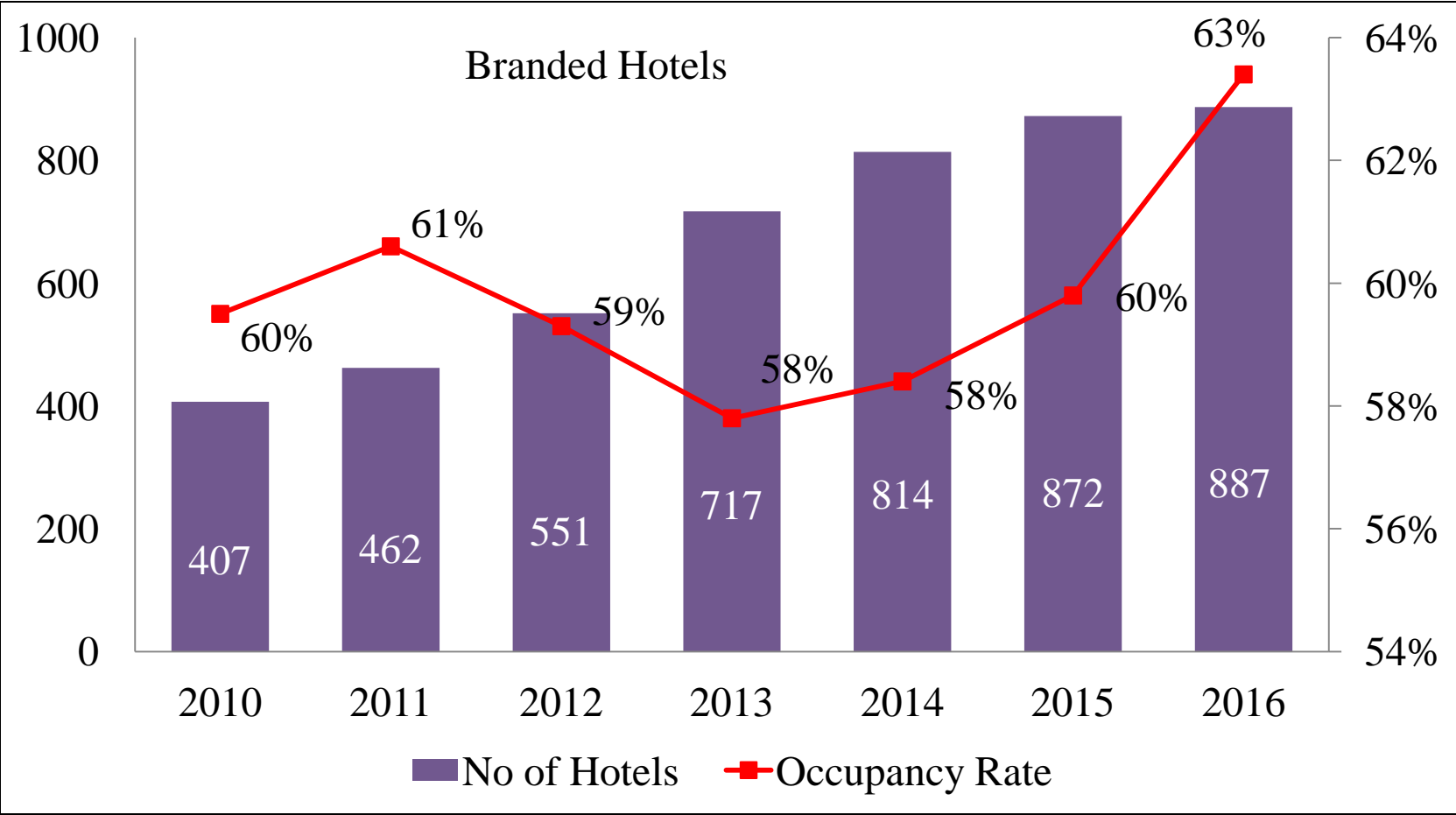
- Government allocation of Rs 159 crs to develop Infrastructure, attracts tourism
- E- Tourist Visa facility for 150 countries
- International Tourist Arrivals (ITA) grew by 4.2% in 2015 with CAGR of 6.2% in last 5 years
- Government cap of Rs 2,500 fare for one hour flights since June 2016

## Factors Driving Growth

- Government Spending on Infra
- E- VISA facility
- Raising Middle Class Income
- Growth in Business Travelers
- Booking convenience by Aggregators
- Growth in Low cost Airlines



# Supply Exceeded Demand



Supply	↑
Demand	↓
Occupancy	↓
ARR	↓

Supply exceeded demand leading to drop in occupancy and lower room rates

Source: HVS research

# Hotel Industry – Scalability Issues

## BRAND

- Brand drives Loyal customers membership which is key to profits
- Strong brand spends, need scale to justify. Scale needs a strong brand
- Quality of management at the hotel also a brand differentiator



## CAPITAL INTENSIVE

- High Capital intensive business
- A typical 70 rooms hotel requires min cap-ex of Rs 675 mn– Rs 950 mn for refurbishment/interiors
- Op-ex includes establishment, employee and food & beverages, all upfront costs



## ARR & OCCUPANCY

- Given the nature of business, it is still price sensitive
- Pricing and Quality of service a key driver for loyal customers
- All the other hotels give similar look and feel and service quality. This is where brand plays an important role
- Strong brand along with competitive room rates leads to higher occupancy

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# ROHL – Business Card

- Royal Orchid Hotel Ltd was incorporated in 1986 under the name of Universal Resorts Ltd.
- Promoted by Mr. Chander Baljee, Chairman and Managing Director
- Engaged in business of Managing Hotels with turnover of Rs 152 crs as on FY16.
- Operates under flagship brands – Royal Orchid, Royal Orchid Central, Royal orchid Suites, Regenta Hotel & Royal Orchid Inn

As on 25 <sup>th</sup> Oct 2016	Units
CMP (Rs)	74.85
Market Cap (Rs cr)	196.77
MCap Free Float (Rs cr)	39.35
52 week high (Rs)	115.10
52 week low (Rs)	42.10
Face Value (Rs)	10
Promoter Holding	70.79%

5 Star
<b>Hotel Royal Orchid</b>

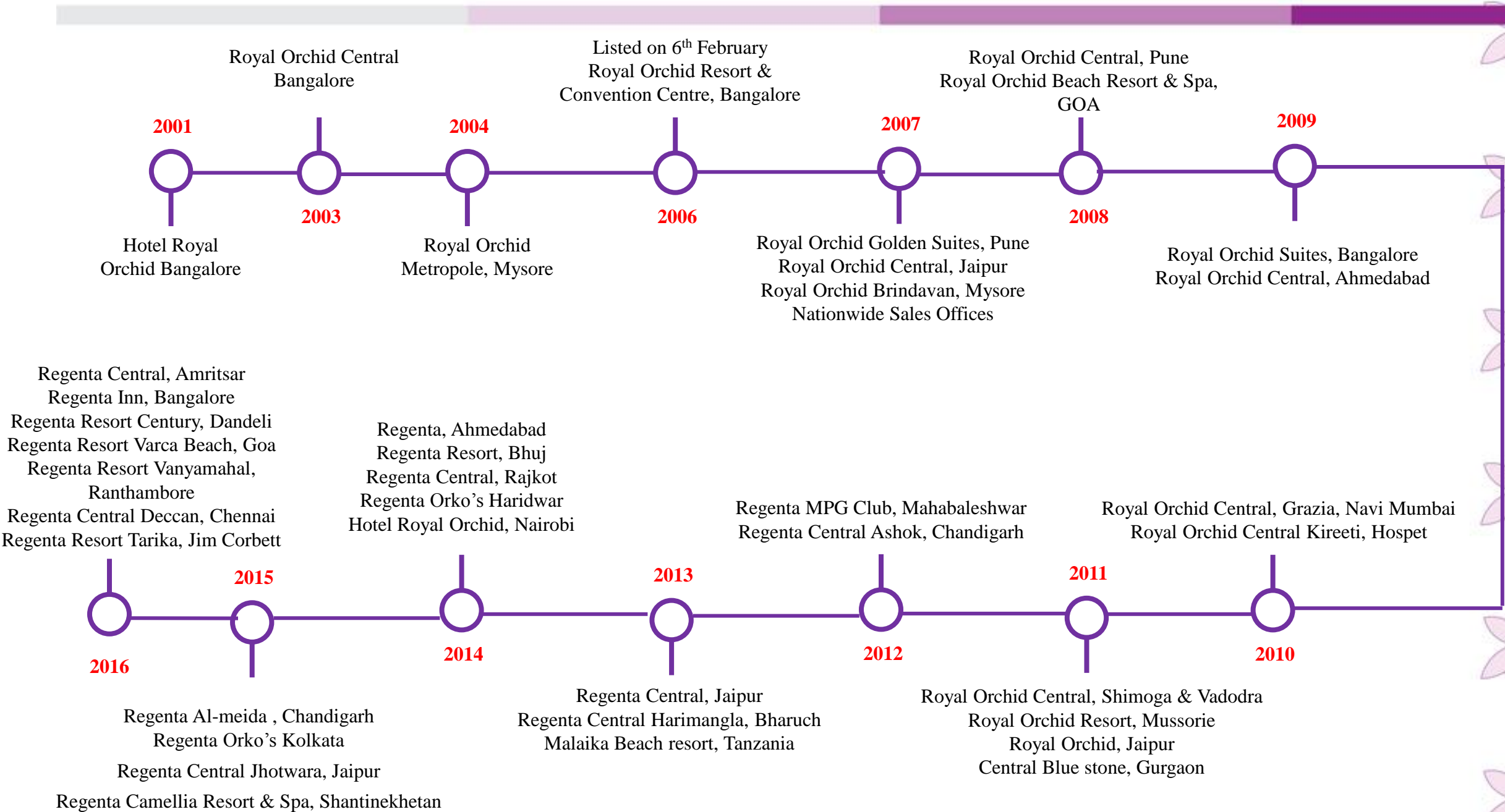
4 Star
<ul style="list-style-type: none"> <li>• <b>Royal Orchid Central</b></li> <li>• <b>Regenta Hotels</b> <ul style="list-style-type: none"> <li>- Regenta Central</li> <li>- Regenta Resorts</li> </ul> </li> </ul>

Service Apartment
<b>Royal Orchid Suites</b>

Budget Hotel
<b>Regenta Inn</b>



# Journey so far...



# Management Team

## Mr. Chander Baljee, Chairman & Managing Director

Royal Orchid Hotels is promoted by **Mr. Chander Baljee**, a P.G Graduate from **Indian Institute of Management (Ahmedabad)** with over 4 decades of experience in the hospitality industry.

## Mr. Saurabh Ratan, Chief Operating Officer

**Mr. Saurabh Ratan** is an alumni of IHM, Mumbai with 30+ years experience at Sr. leadership positions with ITC Hotels & Taj Hotels in India & Sri Lanka. His last stint was as V.P Operations at JHM Interstate Hotels and has received many accolades from distinguished forums during his tenure.

## Mr. Shekhar Bhargava, Executive Director

**Mr. Shekhar Bhargava** is an alumni of IHM, Mumbai with over 35 years experience with the Taj Group, Welcome group, Holiday Inn, Choice Hotels and other International Hotels.

## Mr. Pushpinder Kumar, Sr. Vice President

A graduate from IHM, Mumbai and OCLD (Gold medalist) with 28+ years of experience with Marriott Renaissance, Oberoi hotels & Park Plaza Hotels. Previously recognized as the CEO for Fern Hotels and Resorts.

## Mr. Amit Jaiswal, Chief Financial Officer

Mr. Amit Jaiswal is a Bachelor of Commerce Graduate from Calcutta University and an MBA . He has vast experience of 24 years in different industries including Finance, Manufacturing and Hotels.

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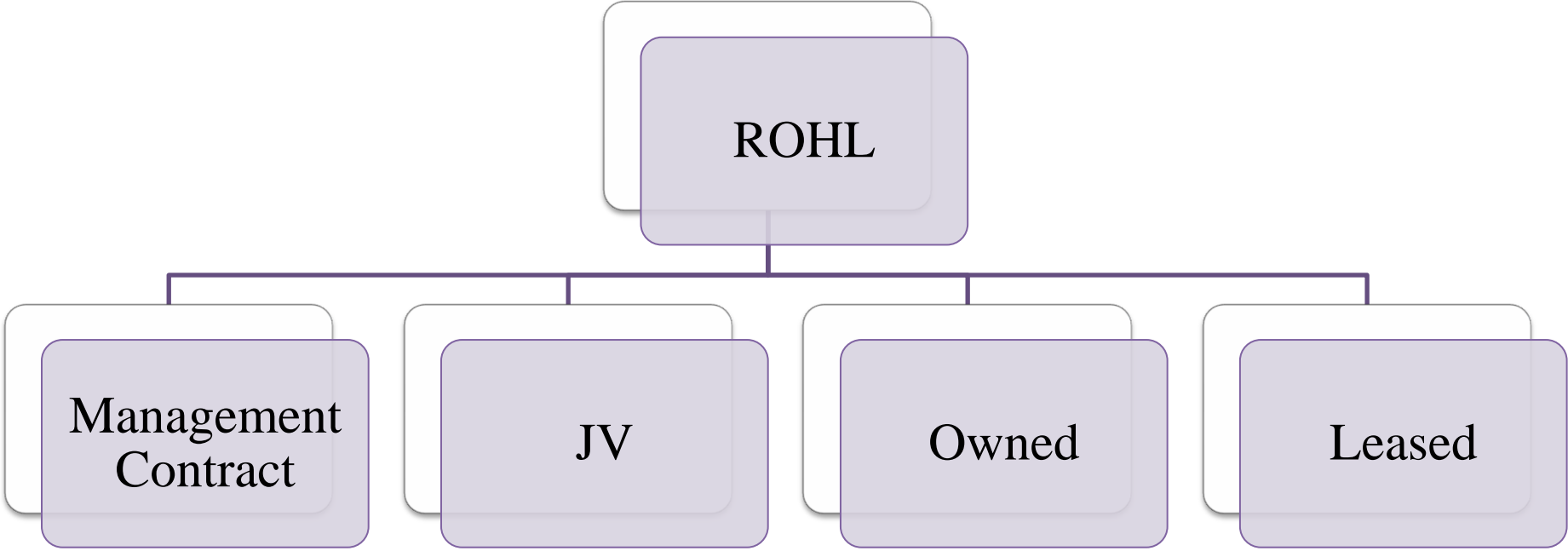
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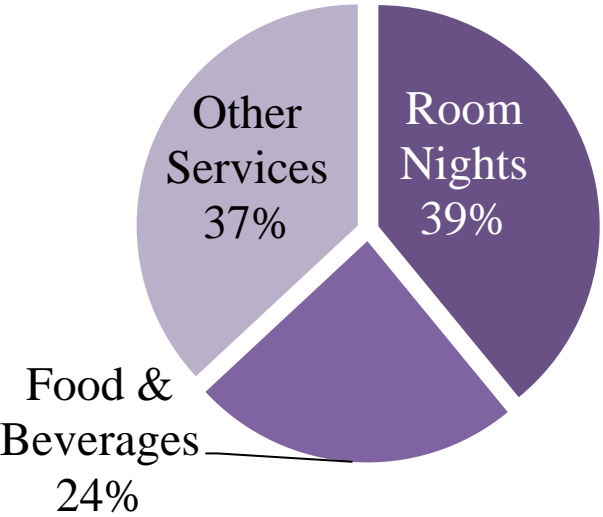
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# Revenue Model

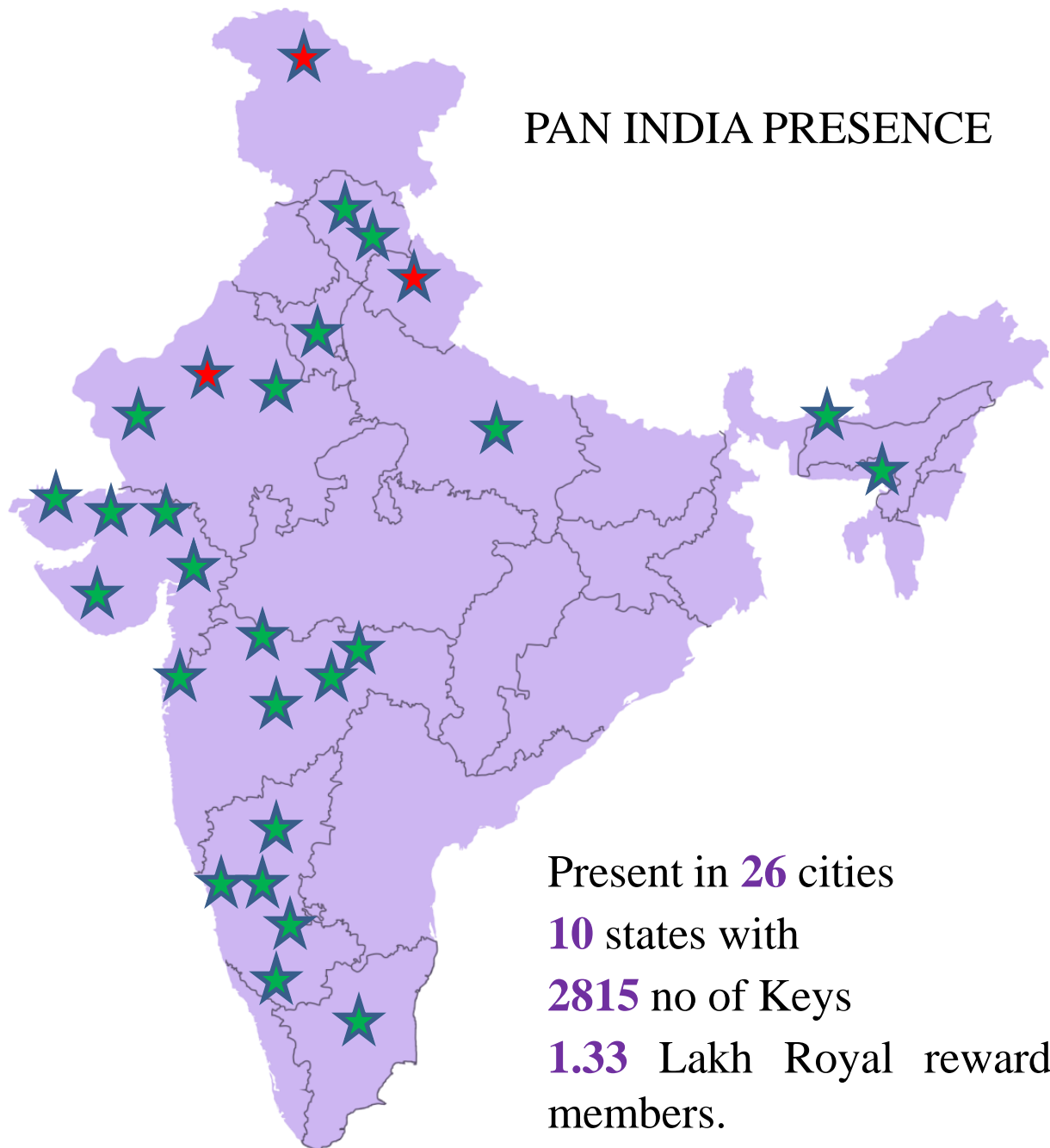


## Revenue Breakup





# Asset Light Model – Generate FCF



ROHL – Business Model	MC	JV	Owned	Leased	Total
5-Star Royal Orchid	129	139	195	-	463
4-Star Central	1106	130	-	268	1504
Resort/ Heritage	374	73	-	188	635
Convention /MICE	-	54	-	-	54
Serviced Apartments	159	-	-	-	159
<b>Total KEYS</b>	<b>1768</b>	<b>396</b>	<b>195</b>	<b>456</b>	<b>2815</b>

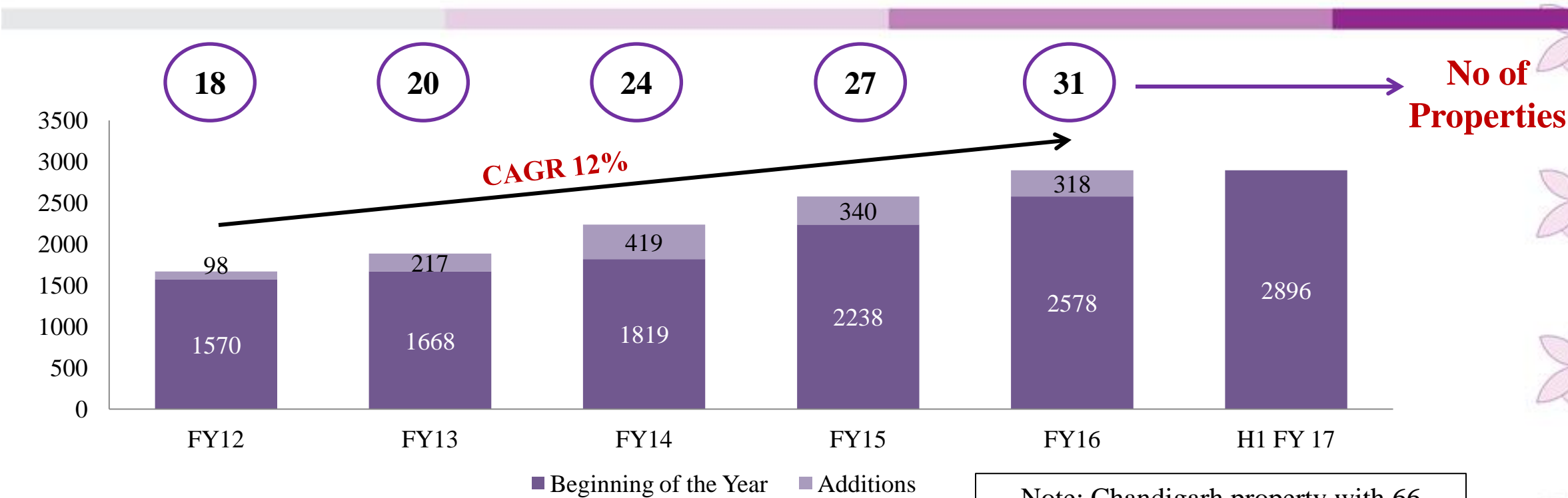
## ROYAL ORCHID BUSINESS MODEL VALIDATION

- Most of the other hotels are present in Metro cities.
- ROHL has demonstrated the scalability of keys by establishing its presence in Tier I & Tier II cities.
- ROHL will continue to bring Luxury rooms at lower rates across country.

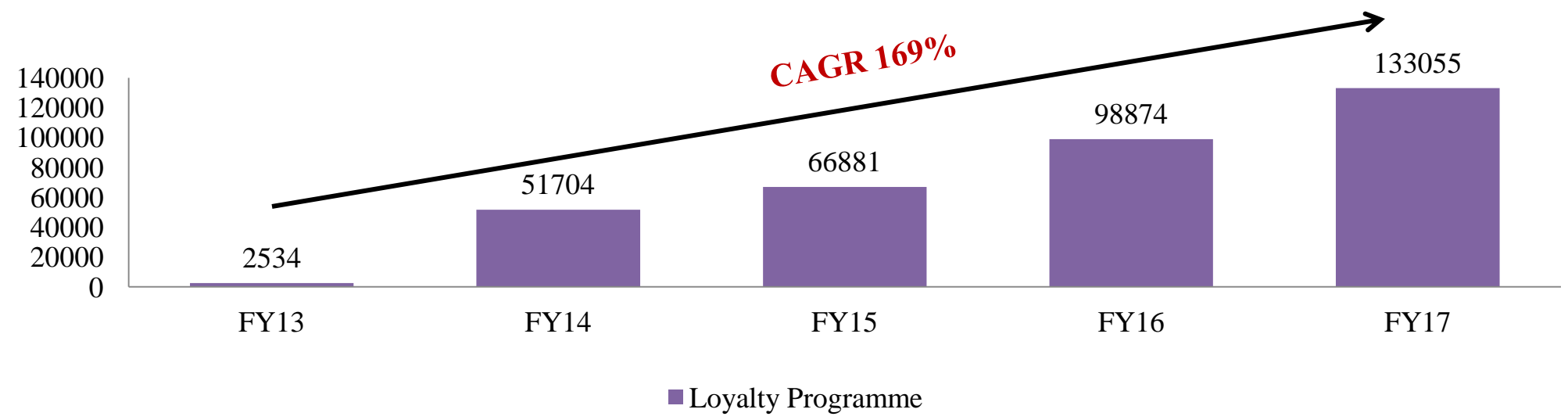
# Details of Properties

Category	Owned		JV		Leased		Managed Properties		Total Keys
	Location	Keys	Location	Keys	Location	Keys	Location	Keys	
5-Star Hotel Royal Orchid	Bangalore	195	Jaipur (50%)	139			Ahmedabad	129	463
4-Star Hotel Royal Central			Bangalore (51%)	130	Jaipur	70	Vashi	67	1504
					Pune	115	Shimoga	108	
					Bangalore	83	Vadodara	81	
							Gurgaon	50	
							Chandigarh	75	
							Jaipur	56	
							Bharuch	104	
							Rajkot	60	
							Haridwar	56	
							Nairobi	165	
							Kolkata	69	
							Amritsar	38	
							Chennai	93	
							Bangalore	40	
							Jaipur	44	
Resort/ Heritage			Goa (50%)	73	Mysore	30	Mahabaleshwar	32	635
					B.Garden	24	Mussoorie	58	
							Jim Corbett	50	
							Varca Beach, Goa	48	
							Ranthambore	70	
							Santiniketan	57	
					Hospet	134	Bhuj	59	
Convention MICE Hotel			Bangalore (65%)	54					54
Serviced Apartment							Pune	71	159
							Bangalore	88	
Total Keys		195		396		456		1768	2815

# Growth – Rooms & Members



Note: Chandigarh property with 66 rooms was removed in FY14



# High Growth – Focusing on Management Contracts

Adding No of Keys	FY16	H1 FY17
Management Contracts	1,738	2,896
JV	396	396
Owned (Domestic)	195	195
Owned (Overseas)	-	-
Leased	457	457
<b>Total KEYS</b>	<b>2,786</b>	<b>3,944</b>
<b>Average Occupancy rate</b>	<b>65%</b>	<b>65%</b>
<b>Average Room Rate (Rs)</b>	<b>3200</b>	

- **No up front Capex required for Management Contracts model**
- **Maintenance Capex required – Rs 1.5 to 2 crores**
- **Break even of Operating profit in just 1 year**



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# Standalone Results – Q2 FY17

Particulars (Rs in crs)	Q2 FY17	Q1 FY17	Q-o-Q %	Q2 FY16	Y-o-Y %
Income from Operations	19.19	19.43	-1%	21.02	-9%
Other Income	2.65	0.92	188%	2.19	21%
<b>Total Income</b>	<b>21.84</b>	<b>20.35</b>	<b>7%</b>	<b>23.21</b>	<b>-6%</b>
Cost of Material Consumed	2.44	2.67	-9%	2.88	-15%
Employee Benefits Expense	4.28	4.14	3%	4.49	-5%
Rent Expense	2.13	2.20	-3%	2.43	-12%
Power & Fuel	1.95	2.23	-13%	2.24	-13%
Other Expenses	5.83	7.04	-17%	6.75	-14%
<b>Total Expense</b>	<b>16.63</b>	<b>18.28</b>	<b>-9%</b>	<b>18.79</b>	<b>-11%</b>
<b>EBITDA</b>	<b>5.21</b>	<b>2.07</b>	<b>152%</b>	<b>4.42</b>	<b>18%</b>
<i>EBITDA Margin (%)</i>	<i>24%</i>	<i>10%</i>	<i>135%</i>	<i>19%</i>	<i>25%</i>
Depreciation	0.97	1.18	-18%	0.82	18%
<b>EBIT</b>	<b>4.24</b>	<b>0.89</b>	<b>376%</b>	<b>3.60</b>	<b>18%</b>
Finance Cost	1.50	1.39	8%	1.55	-3%
<b>PBT</b>	<b>2.74</b>	<b>(0.50)</b>	<b>648%</b>	<b>2.05</b>	<b>34%</b>
Tax	-	-	0%	-	0%
<b>Net Profit/(Loss )</b>	<b>2.74</b>	<b>(0.50)</b>	<b>648%</b>	<b>2.05</b>	<b>34%</b>
<i>NPM (%)</i>	<i>13%</i>	<i>-</i>	<i>-</i>	<i>9%</i>	<i>-</i>

# P & L Statement - Standalone

Particulars (Rs in crs)	FY16	FY15	FY14
Income from Operations	87.85	84.63	83.65
Other Income	6.93	10.65	8.73
<b>Total Income</b>	<b>94.78</b>	<b>95.28</b>	<b>92.38</b>
Cost of Material Consumed	12.04	11.53	10.74
Employee Benefits Expense	18.35	19.67	17.78
Rent Expense	10.31	10.01	9.55
Power & Fuel	9.59	9.22	9.00
Other Expenses	26.90	25.15	27.33
<b>Total Expense</b>	<b>77.19</b>	<b>75.58</b>	<b>74.40</b>
<b>EBITDA</b>	<b>17.59</b>	<b>19.70</b>	<b>17.98</b>
<i>EBITDA Margin (%)</i>	<i>19%</i>	<i>21%</i>	<i>19%</i>
Depreciation	4.00	4.40	4.12
<b>EBIT</b>	<b>13.59</b>	<b>15.30</b>	<b>13.86</b>
Finance Cost	6.11	6.32	7.34
<b>PBT</b>	<b>7.48</b>	<b>8.98</b>	<b>6.52</b>
Tax	-	-	(4.41)
<b>Net Profit/Loss before discontinuing operations</b>	<b>7.48</b>	<b>8.98</b>	<b>10.93</b>
Loss on Discontinuing Operation	-	-	24.57
Loss on Sale of Property	-	-	13.29
<b>Net Profit/Loss</b>	<b>7.48</b>	<b>8.98</b>	<b>(26.93)</b>
<i>NPM (%)</i>	<i>8%</i>	<i>9%</i>	-



# Balance Sheet - Standalone

Particulars (Rs in crs)	FY16	FY15	FY14
<b>Sources of Funds</b>			
Share Capital	27.23	27.23	27.23
Reserves & Surplus	167.14	159.65	152.38
<b>Total Networth</b>	<b>194.37</b>	<b>186.88</b>	<b>179.61</b>
Secured Loan	37.19	37.80	45.94
<b>Total Debt</b>	<b>37.19</b>	<b>37.80</b>	<b>45.94</b>
Current Liabilities	36.63	34.54	38.26
<b>Total Sources of Funds</b>	<b>268.19</b>	<b>259.22</b>	<b>263.81</b>
<b>Application of Funds</b>			
<b>Fixed Assets</b>			
Tangible Assets	33.77	32.90	37.38
CWIP	1.69	1.81	0.23
Loans & Advances	48.55	44.33	72.66
Non Current Investments	162.92	154.70	104.81
Total Current Assets	21.26	25.48	48.73
<b>Total Application of Funds</b>	<b>268.19</b>	<b>259.22</b>	<b>263.81</b>



# Performance highlights (Consolidated)

Particulars (Rs in crs)	FY16	FY15	FY14
Total Revenue	164.21	153.05	149.16
PAT	(1.30)	(3.87)	(37.49)
ROCE	5%	4%	5%
RONW	-1%	-2%	-22%
DE Ratio	0.66	0.67	0.80

# P & L Statement - Consolidated

Particulars (Rs in crs)	FY16	FY15	FY14
Income from Operations	158.53	147.75	142.04
Other Income	5.68	5.30	7.11
<b>Total Income</b>	<b>164.21</b>	<b>153.05</b>	<b>149.15</b>
Cost of Material Consumed	20.75	19.09	17.77
Employee Benefits Expense	36.77	35.25	31.33
Rent Expense	15.15	14.47	13.79
Power & Fuel	15.38	14.84	14.22
Other Expenses	50.14	44.23	44.15
<b>Total Expense</b>	<b>138.19</b>	<b>127.88</b>	<b>121.26</b>
<b>EBITDA</b>	<b>26.02</b>	<b>25.17</b>	<b>27.89</b>
<i>EBITDA Margin (%)</i>	<i>16%</i>	<i>16%</i>	<i>19%</i>
Depreciation	13.90	14.62	13.85
<b>EBIT</b>	<b>12.12</b>	<b>10.55</b>	<b>14.04</b>
Finance Cost	14.92	16.35	20.49
<b>PBT</b>	<b>(2.80)</b>	<b>(5.80)</b>	<b>(6.45)</b>
Tax	0.84	1.00	(3.84)
<b>Net Profit/Loss</b>	<b>(3.64)</b>	<b>(6.80)</b>	<b>(2.61)</b>
Gain/(Loss) from discontinuing operations	-	-	(37.86)
Minority Interest	(2.34)	(2.92)	(2.98)
<b>Net Profit/Loss After Minority Interest</b>	<b>(1.30)</b>	<b>(3.88)</b>	<b>(37.49)</b>

# Balance Sheet - Consolidated

Particulars (Rs in crs)	FY16	FY15	FY14
<b>Sources of Funds</b>			
Share Capital	27.23	27.23	27.23
Reserves & Surplus	132.59	135.44	144.19
<b>Total Networth</b>	<b>159.82</b>	<b>162.67</b>	<b>171.42</b>
Minority Interest	36.55	34.43	35.31
Secured Loan	69.73	74.48	101.21
Unsecured Loan	-	-	-
<b>Total Debt</b>	<b>106.28</b>	<b>108.91</b>	<b>136.52</b>
Current Liabilities	76.27	74.19	87.32
<b>Total Sources of Funds</b>	<b>342.37</b>	<b>345.77</b>	<b>395.26</b>
<b>Application of Funds</b>			
<b>Fixed Assets</b>			
Tangible Assets	220.33	230.41	251.43
Intangible Assets	0.05	0.09	0.13
CWIP	21.98	19.68	16.67
Goodwill (on consolidation)	17.75	17.75	17.75
Loans & Advances	45.47	38.68	46.25
Non Current Investments	0.02	0.02	0.02
<b>Total Current Assets</b>	<b>36.77</b>	<b>39.14</b>	<b>63.01</b>
<b>Total Application of Funds</b>	<b>342.37</b>	<b>345.77</b>	<b>395.26</b>



**ADDED 6 NEW HOTELS  
HI FY17**





# Regenta Resort Varca Beach, Goa

Regenta Resort Varca Beach is located at varca beach with premium cottages, seafood grill house, multi-cuisine coffeeshop, a swimming pool fitness centre , abundant lawns and banquet spaces for upto 500 guests.



**ROYAL ORCHID**  
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# Regenta Inn Bangalore

Regenta Inn is the latest brand to be part of the following offering budget friendly accommodations, all day dining options and shuttle services to the airport for complete convenience and traffic free commute.



**ROYAL ORCHID**  
HOTELS











# Regenta Resort Century, Dandeli

Regenta Resort Dandeli is a haven amidst the jungles in the outbacks of Karnataka. The resort is equipped with adventure thrill activities, open lawns for outdoor events with a capacity of upto 100 guests and an indoor hall with a capacity of 70 guests.

The restaurant is open all day for all meals along with in-room dining offerings.



**ROYAL ORCHID**  
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# Regenta Central Amritsar

Regenta Central is a 5 Star property in the holy city of Amritsar. It is strategically located and is just 5 minutes drive from the Golden Temple.

Restaurants: Limelight & Mixx

Banquet Space : 10,000 sq. - combined space



ROYAL ORCHID  
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# Regenta Resort Vanyamahar, Ranthambore

Regenta Resort, is an ideal destination for special occasion like Weddings, Conferences & Events and it's architecture complements the beauty of the event. The resort has abundant lawns to accommodate 3000 guests. The resort also offers continental, mughlai and Rajasthani cuisine.



**ROYAL ORCHID**  
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# Regenta Resort, Tarika Jim Corbett

The resort offers a panoramic overview of the sanctuary with wild life tours and guided packages for groups and couples.

An haven placed within the jungles along with 5 star facilities, dining options like Pinxx, coffee shop, Mixx bar and a Twilight Sky lounge bar.

Banquet: Lawns capacity is for 1000 guests along with indoor halls for upto 75 guests



**ROYAL ORCHID**  
HOTELS







# Regenta Central Deccan, Chennai

Hotel is a unique, excellently appointed hotel situated in perhaps the most central part of the sprawling city of Chennai. The hotel offers an excellent vantage point for holiday, business or professional stay.

Restaurants ( Veg Only)

Olive restaurant – all day coffee shop.

Downtown bar

L9Mylai : Specialty south Indian restaurant.

Banquet Halls – 4 halls with a capacity from 50 -150 guests



**ROYAL ORCHID**  
HOTELS









# Thank You



**For further information, please contact:**

**Company:**

Royal Orchid Hotels Ltd

Mr. Amit Jaiswal

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