



**ROYAL ORCHID HOTELS LTD.,**

Regd. Office :

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

T +91 80 41783000, F : +91 80 252 03366

www.royalorchidhotels.com

CIN : L55101KA1986PLC007392

email : investors@royalorchidshotels.com

**Date: February 06, 2019**

**To,  
The Manager,  
Listing Compliance,  
Department of Corporate Services,  
BSE Limited,  
Floor 25, P. J. Towers,  
Dalal Street,  
Mumbai – 400 001  
BSE Scrip Code: 532699**

**To,  
The Manager,  
Listing Compliance,  
Department of Corporate Services,  
National Stock Exchange of India Limited,  
Exchange Plaza, Plot no. C/1, G Block  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400 051  
NSE Scrip Symbol: ROHLTD**

Dear Sir/Madam,

***Subject: Investors Presentation***

In continuation to our letter dated February 04, 2019 please find enclosed herewith the presentation for conference call to be held today i.e Wednesday, February 06, 2019 at 3:30 p.m. to discuss Q3/9M-FY19 results

This is for the information and records of the Exchanges.

For **ROYAL ORCHID HOTELS LIMITED**

**RANABIR SANYAL  
COMPANY SECRETARY & COMPLIANCE OFFICER**

Encl: a/a

# Royal Orchid Hotels Ltd

## Q3FY19

## Results Presentation





# Disclaimer

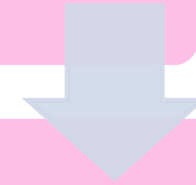


Statements made in this Presentation describing the Company's objectives, projections, estimates, predictions and expectations may be 'forward-looking statements', within the meaning of applicable securities laws and regulations. As 'forward-looking statements' are based on certain assumptions and expectations of future events over which the Company exercises no control, the Company cannot guarantee their accuracy nor can it warrant that the same will be realized by the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments or events or for any loss any investor may incur by investing in the shares of the Company based on the 'forward-looking statements'.

# Table of Contents



**Industry Overview**



**Company Overview**



**Business Overview**



**Financial Overview**

# Industry Overview



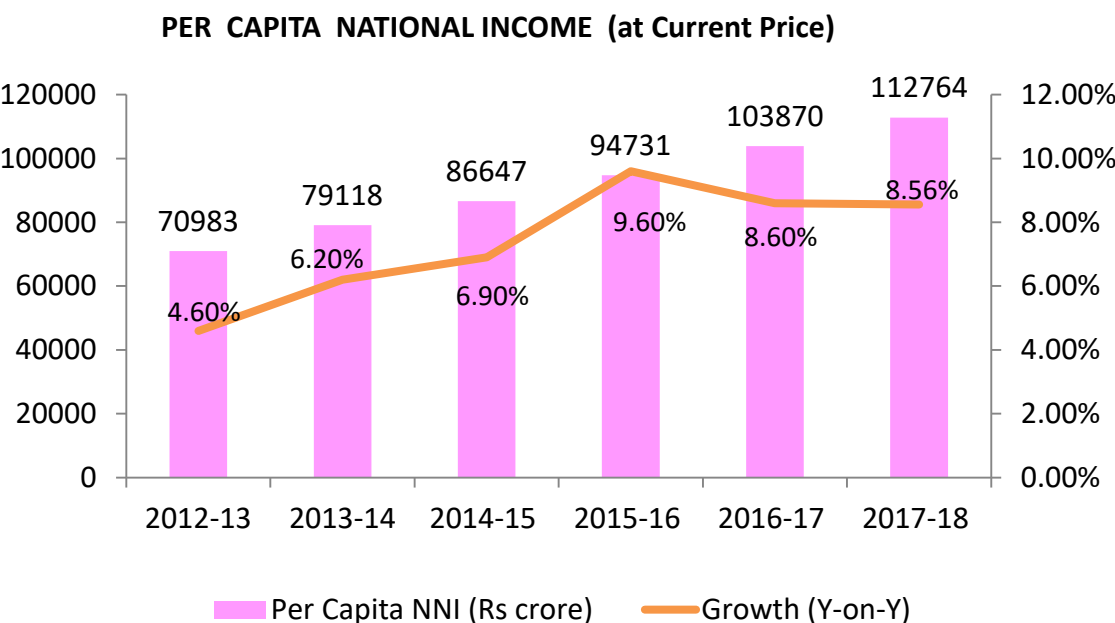
Industry Outlook

Growth Drivers

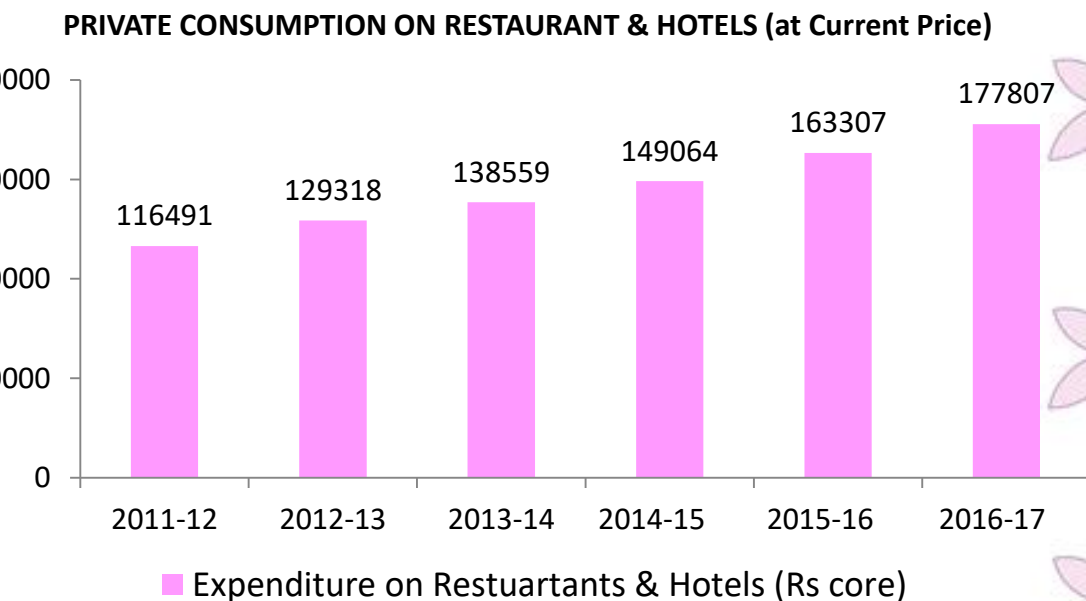
Key Challenges

# Industry Outlook - Current Trend

## 1. Disposable income on the rise



Source: Central Statistics Office



Source: Central Statistics Office

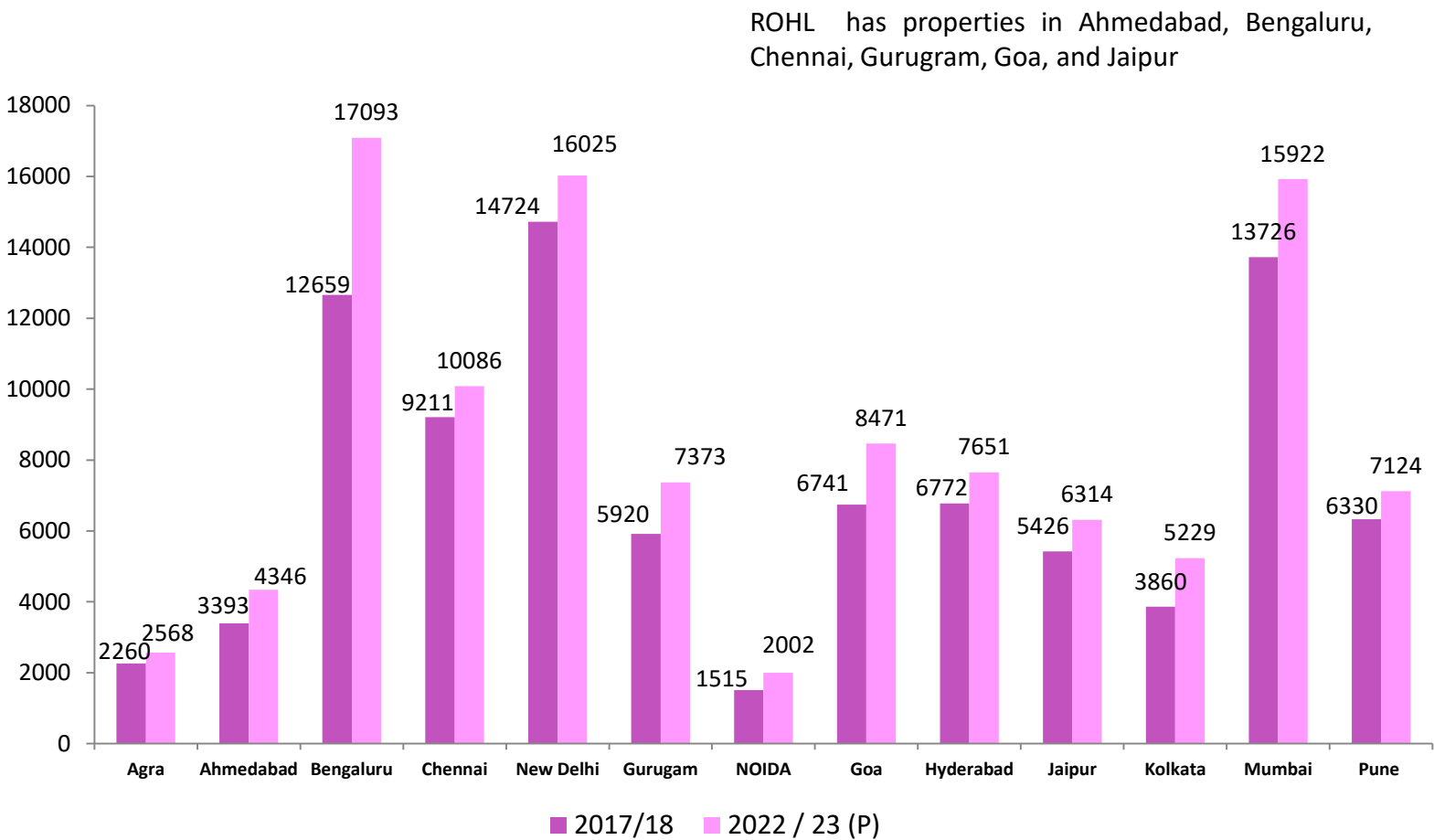
India's Per Capita National Income has increased at a CAGR of 9.26% over the last 5 years from 2013-14 to 2017-18

Private Final Consumption on Restaurants & Hotel has grown at a CAGR of 8.29% over the 5 years period 2012-13 to 2016-17 (2018 data not yet available)



# Industry Outlook

## 2. PROPOSED BRANDED HOTEL ROOMS ACROSS MAJOR CITIES

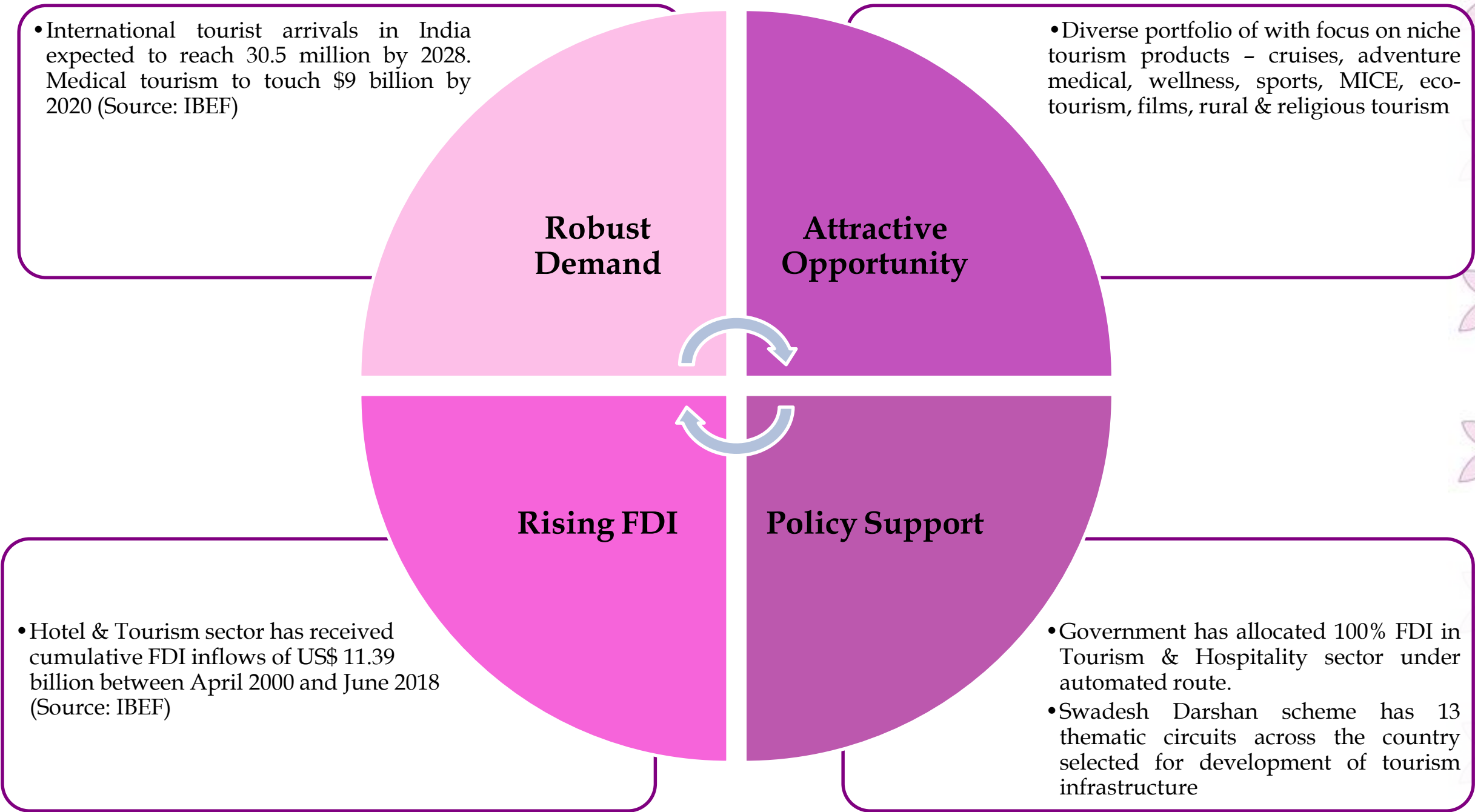


Source: 2018 India Hospitality Trends & Opportunity report by Hotelivate

A report by hospitality consulting firm Hotelivate shows expected rise in branded hotel rooms by 2023 given the increasing trend in the per capita income.

Top 10 Busiest Airports in India by Passenger Traffic (2016/17 -2017/18)			
(Rs in Lakh)	2016/17	2017/18	% Change
Delhi (DIAL)	577.0	656.9	13.8%
Mumbai (MIAL)	451.5	485.0	7.4%
Bengaluru (BIAL)	228.8	269.10	17.6%
Chennai	183.6	203.60	10.9%
Kolkata	158.2	198.90	25.7%
Hyderabad (GHIAL)	151	181.60	20.2%
Cochin (CIAL)	86.6	101.70	13.6%
Ahmedabad	74.1	91.70	23.9%
Goa	68.6	76.10	11.0%
Pune	67.7	81.60	20.6%

# Key Growth Drivers





# Key Industry Challenges

## INFRASTRUCTURE

- Limited land availability at the desired location
- Rising property prices

## FUNDING

- Increasing cost of debt
- Medium to small size hotels, not favorable to PE, VC funding

## REGULATORY

- Delays in getting approvals and licenses leading to increasing project cost

## COMPETITION

- Entry of Travel aggregators intensifies competitive landscape

# Company Overview



Who we are?

Our Journey

Management  
Team

Our Presence

# Who we are?

- Royal Orchid Hotel Ltd (ROHL) was incorporated in 1986 under the name of Universal Resorts Ltd.
- Promoted by Mr. Chander K Baljee
- ROHL is engaged in business of managing hotels under flagship brands – Royal Orchid, Royal Orchid Central, Royal Orchid Suites, Regenta Hotels & Regenta Inn
- The no of hotels managed as of December 2018 is 48
- FY18 turnover at Rs. 199.84 crore.

Present in **34** locations  
**11** states with **3,378** no  
of keys and **2.17+** lakh  
Royal Reward members

## Our Brands

**5 Star**



Hotel Royal Orchid

**4 Star**



- Royal Orchid Central
- Regenta Central

**Service  
Apartment**



Royal Orchid Suites

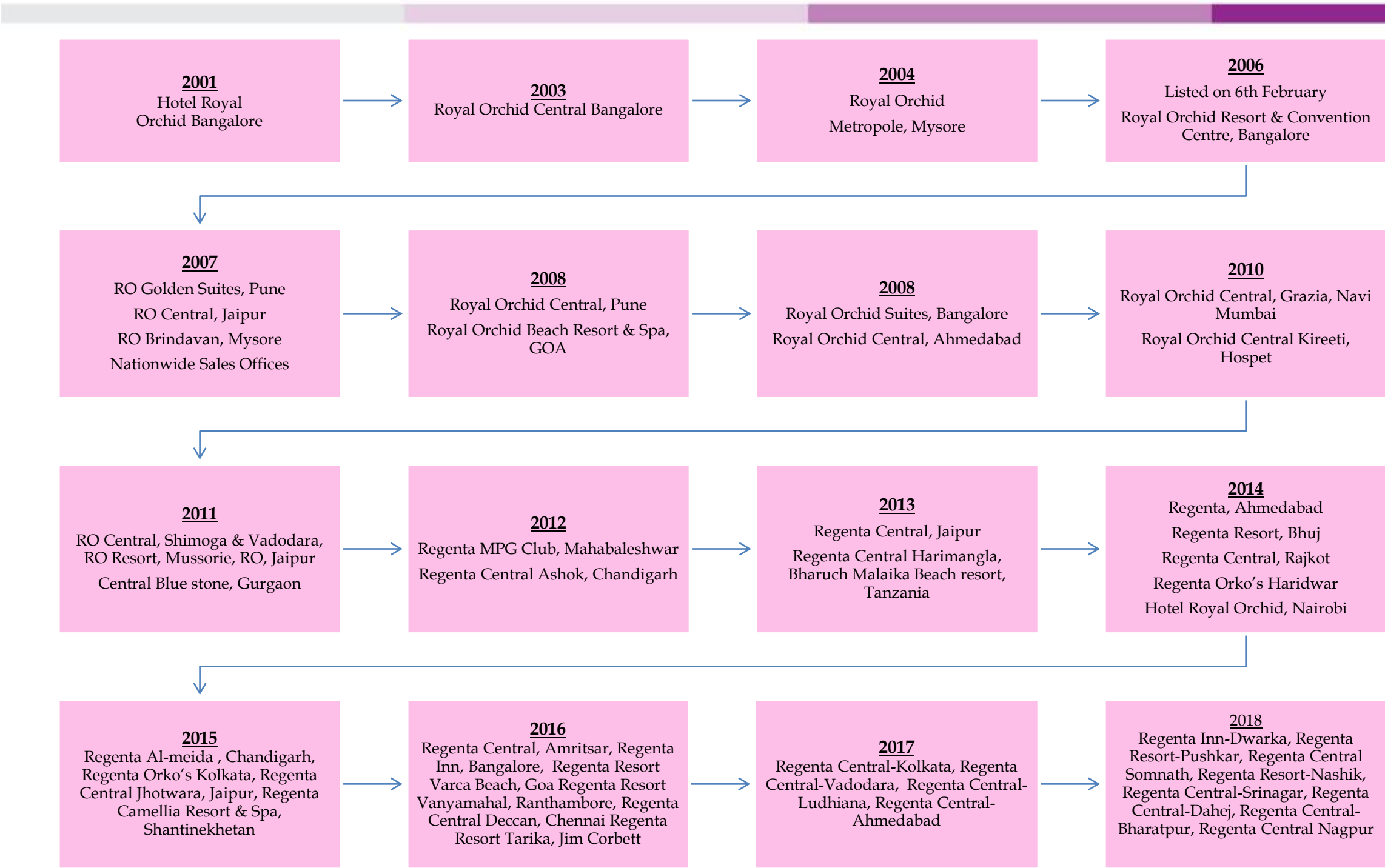
**Resorts/  
Heritage**



- Royal Orchid Resorts
- Regenta Resorts



# Our Journey



# Key Management



## **Mr. Chander Baljee, Managing Director**

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



## **Mr. Amit Jaiswal, Chief Financial Officer**

Mr. Amit Jaiswal is a Commerce graduate from Calcutta University MBA, BA LLB. He has vast experience of 25 years in different industries including Finance, Manufacturing and Hotels.



## **Mr. Pushpinder Kumar, Executive Director**

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. Vikas Passi, Vice President Operations**

A Hotel Management graduate from Mangalore University and MBA in Sales & Marketing from Pune University, having 16+ years of vast experience in hotel operations and sales.



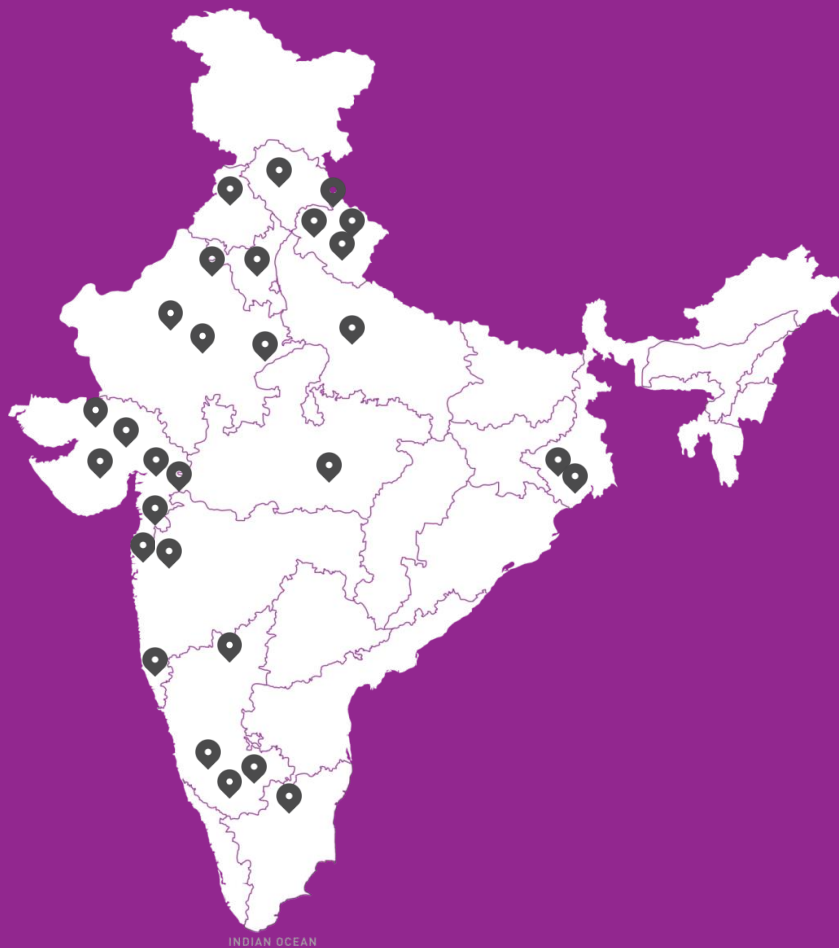
## **Mr. Ranjan Gupta, Vice President Operations (South)**

A Hotel Management graduate from IHM, Mumbai, having 30+ years of vast experience in hotel operations and development.

**3600+**  
Luxury Rooms

**48+**  
Hotels & Resorts

**34+**  
Cities Across India  
& growing...



INDIAN OCEAN

# Royal Orchid & Regenta Hotels Across India

## AMRITSAR

Regenta Central

## BHARATPUR

Regenta Resort

## CHANDIGARH

Regenta Central

## DEHRADUN

Regenta Central

## GURGAON

Regenta Central

## HARIDWAR

Regenta Central

## JIM CORBETT

Regenta Resort

## JAIPUR

Hotel Royal Orchid  
Royal Orchid Central  
Regenta Central, Jal Mahal  
Regenta Central, Jhotwara

## KANPUR

Regenta Central

## LUDHIANA

Regenta Central

## MUSSOORIE

Royal Orchid Fort Resort

## PUSHKAR

Regenta Resort

## RANTHAMBORE

Regenta Resort

## BANGALORE

Hotel Royal Orchid  
Royal Orchid Central  
Royal Orchid Suites  
Regenta Place  
Royal Orchid Resort  
Regenta Inn

## CHENNAI

Regenta Central

## HOSPET

Royal Orchid Central

## MYSORE

Royal Orchid Brindavan Garden  
Royal Orchid Metropole  
Regenta Central

## SHIMOGA

Royal Orchid Central

## KOLKATA

Regenta Central  
Regenta Inn

## GUJARAT

Regenta Central, Ahmedabad  
Regenta Central, Bharuch  
Regenta Resort, Bhuj  
Regenta Inn, Dwarka  
Regenta Central, Dahej  
Regenta Central, Rajkot  
Regenta Central, Somnath  
Royal Orchid Central, Vadodara  
Regenta Inn, Vadodara

## NASHIK

Regenta Resort

## NAGPUR

Regenta Central

## GOA

Royal Orchid Beach Resort & Spa  
Regenta Resort Varca Beach

## INDORE

Regenta Central

## MAHABALESHWAR

Regenta MPG Club

## NAVI MUMBAI

Royal Orchid Central

## PUNE

Royal Orchid Central  
Royal Orchid Golden Suites

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\*Opening Shortly  
Ajmer, Belgaum, Chennai  
Goa, Mahabaleshwar, Manali  
Morbi, Vapi & Zirakpur



# Business Overview



**Our Business  
Structure**

**Our Business  
Model**

**Our Offerings**

**Competitive  
Advantage**

# Our Business Structure

Royal Orchid Hotels Limited (ROHL)

By Business Portfolio

By Legal Entity

Owned  
hotels

Leased  
Hotels

Managed &  
Franchised  
Hotels

Subsidiaries  
Companies

# Our Business Model -Asset Light Model

**Steadily gaining strong foothold through focus on Management contracts which will lead to high growth**

## **Key factors**

No upfront  
requirement of capex

Maintenance Capex  
required – Rs 1.5 cr  
to 2 cr (approx)

Break even of  
Operating profit in  
just 1 year

Facilitates expansion  
plans and ramping  
up presence

Creates brand  
visibility at a faster  
rate



# Revenue Model

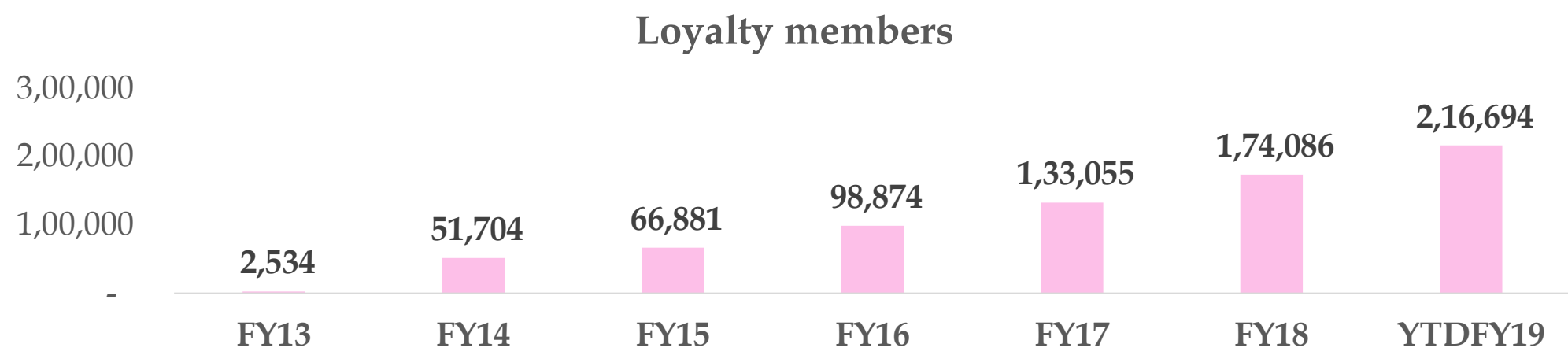
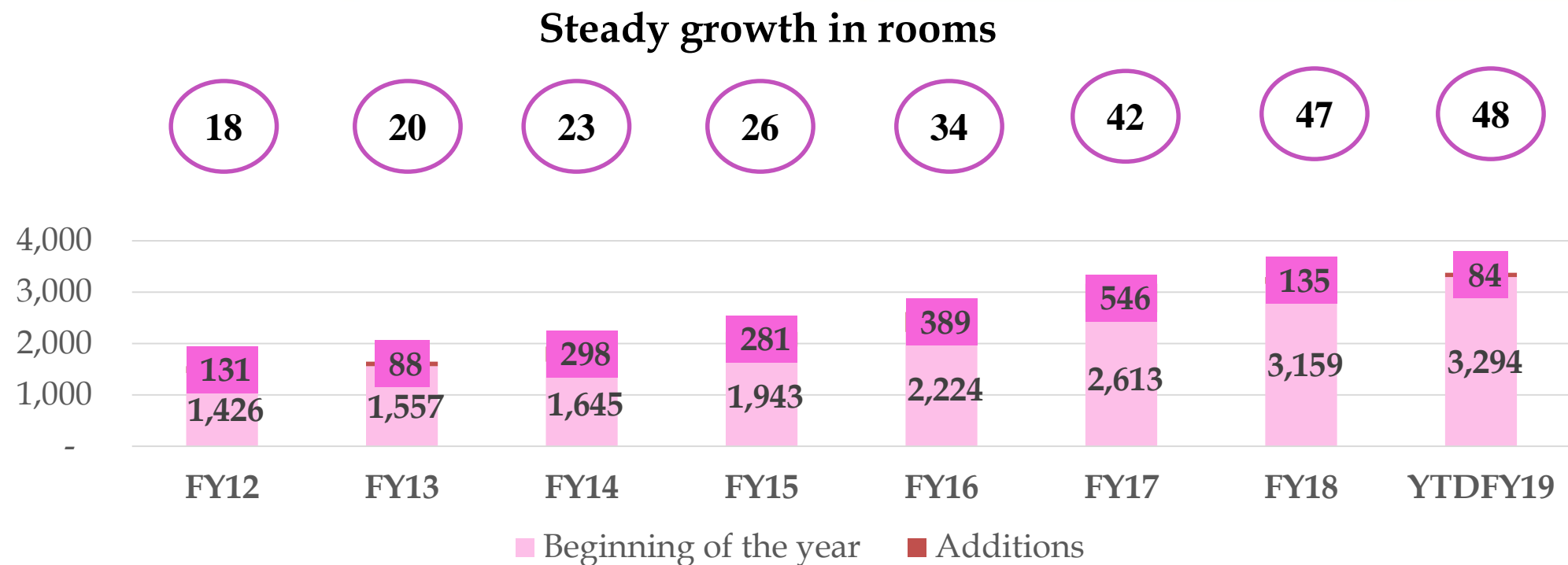
FY 2018				YTD FY2019			
Category	FY 2018	YTD FY2019	(%)	Category	FY 2018	YTD FY2019	(%)
5 Star	334	334	0%	Owned	195	195	0%
4 Star	1,840	1,911	4%	Leased	386	433	12%
Service Apartment	159	159	0%	JV	396	396	0%
Resort/Heritage/MICE	961	974	1%	Managed	2,317	2,354	2%
Total Keys	3,294	3,378	3%	Total Keys	3,294	3,378	3%

Asset  
Portfolio

Category	Owned	Leased	JV	Managed	Total
5 Star	195	-	139	-	334
4 Star	-	245	130	1,536	1,911
Service Apartment	-	-	-	159	159
Resort/Heritage/MICE	-	188	127	659	974
Total Keys	195	433	396	2,354	3,378

# Growth in rooms and loyalty members

No of Properties



# Property breakup with rooms

Adding No of Keys		FY18	YTDFY18	YTDFY19
Management Contracts		2,317	2,292	2,354
JV		396	396	396
Owned (Domestic)		195	195	195
Owned (Overseas)		-	-	-
Leased		386	386	433
Total KEYS		3,294	3,269	3,378
Average Occupancy rate (JLO)		78%	76%	76%
Average Room Rate (JLO) (Rs)		3,853	3,720	4,079
Average Occupancy rate (Managed)		67%	65%	70%
Average Room Rate (Managed) (Rs)		2,886	2,847	2,884



# Business Hotels



## Current Locations

- Bangalore
- Mysore
- Jaipur
- Shimoga
- Pune
- Bharuch
- Gurgaon
- Ahmedabad
- Rajkot
- Chennai
- Chandigarh
- Kolkata
- Kanpur
- Ludhiana
- Vadodara



# Leisure Destinations



## Current Locations

- |               |             |                 |
|---------------|-------------|-----------------|
| • Goa         | • Mussoorie | • Pushkar       |
| • Mysore      | • Bangalore | • Hampi         |
| • Ranthambore | • Jaipur    | • Mahabaleshwar |
| • Jim Corbett | • Bhuj      |                 |



# Wedding Destinations



## Current Locations

- Bangalore
- Mysore
- Goa
- Mussoorie
- Jaipur
- Dehradun
- Amritsar
- Ranthambore
- Bhuj
- Mahabaleshwar
- Ludhiana



# Religious Destinations



## Current Locations

- Amritsar
- Ajmer
- Haridwar
- Dwarka





# Wild-life Tourism



## Currently Located:


- Ranthambore
- Jim Corbett
- Haridwar



# Competitive Advantage



Balanced portfolio having presence in  
over 34 locations and 11 states



Strong sales presence across major source  
markets in India



Affordable luxury having plethora of options for  
modern travellers



# Financial Overview



**Quarterly &  
Nine months  
Highlights and  
Financial results**

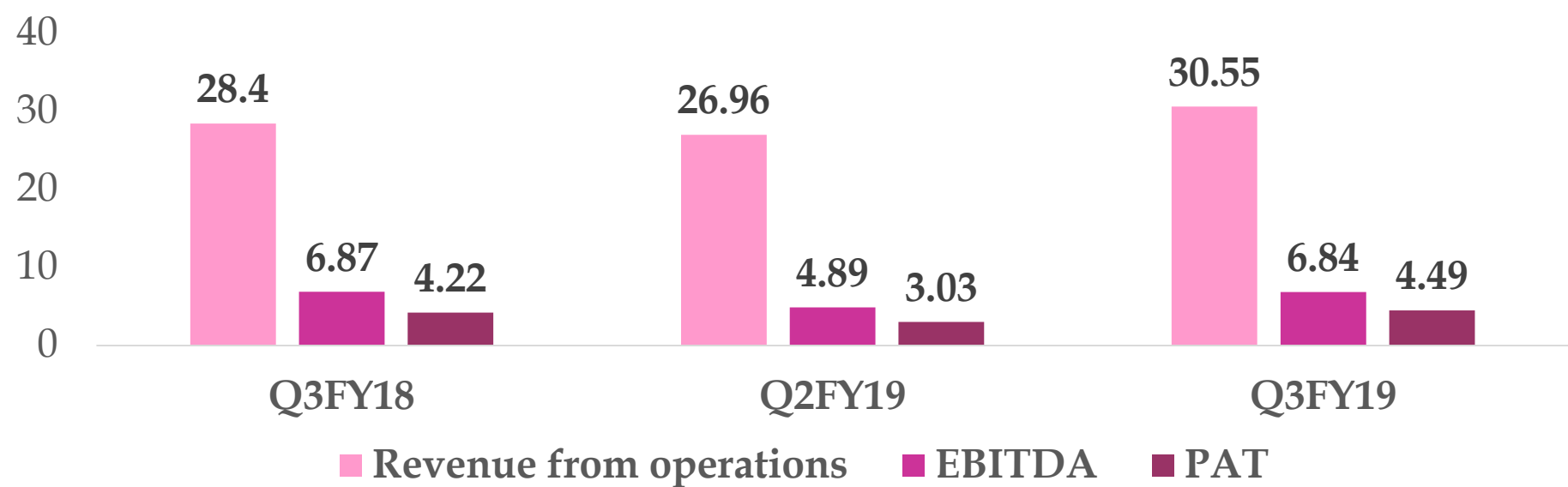
**Margins**

**Consolidated  
Income Statement  
& Balance Sheet  
snapshot**

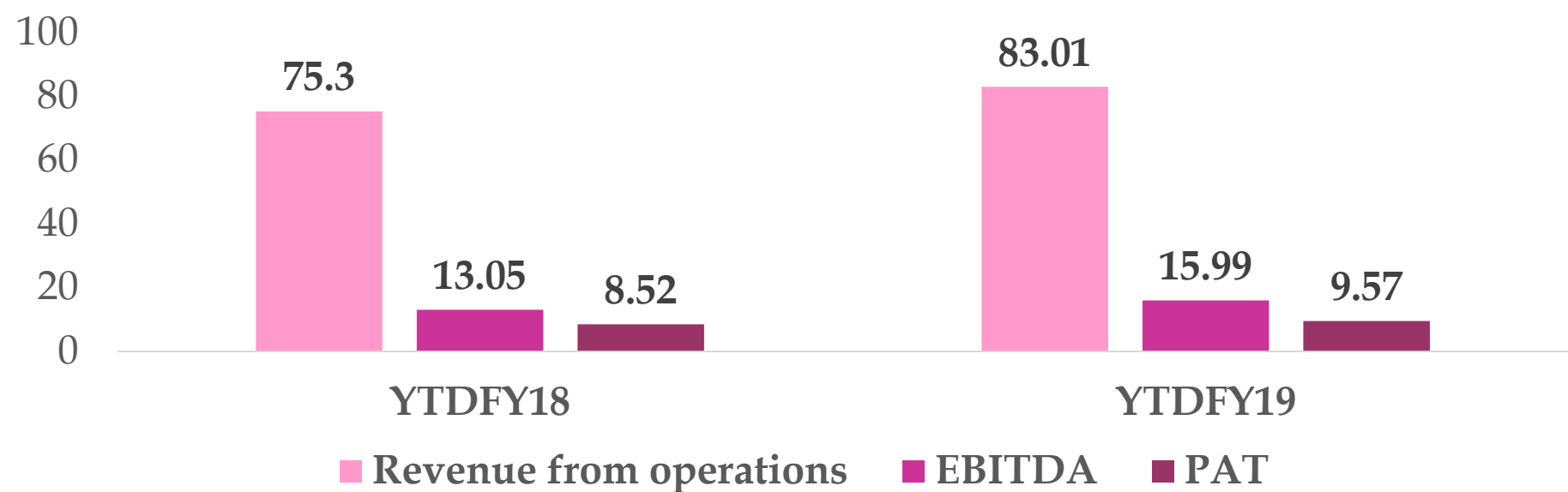
**Shareholding**

# Quarter and Nine months highlights

Quarterly

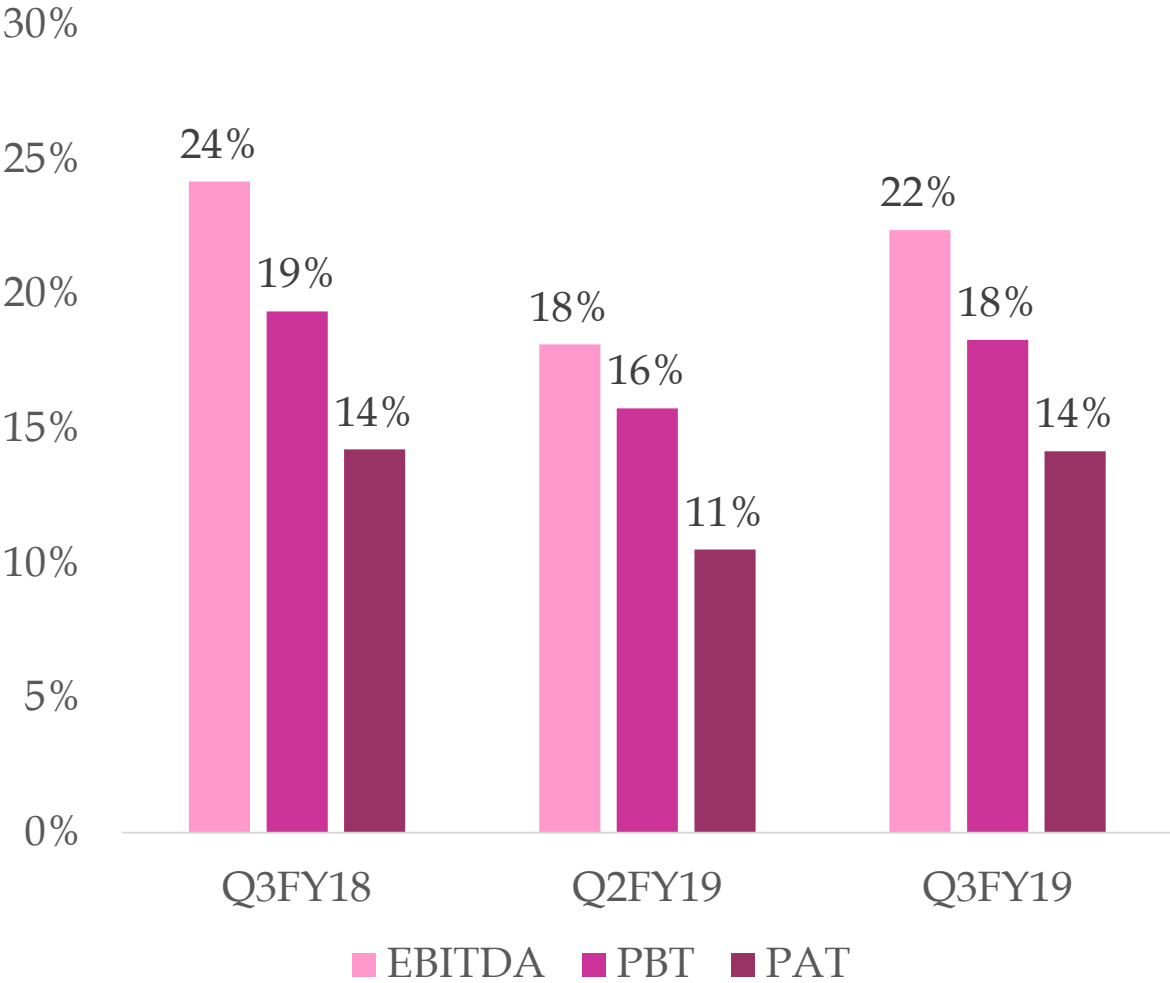


YTD  
Nine  
Months  
ended

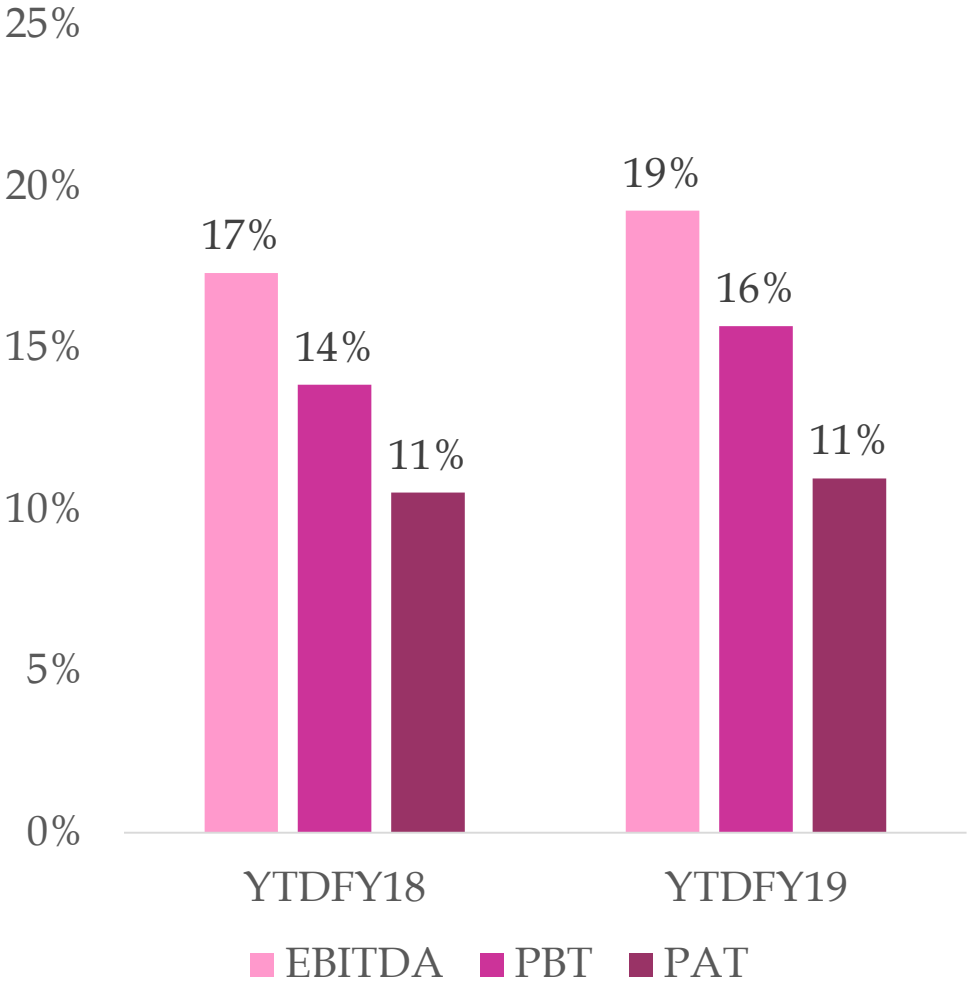


# Margins

## Quarterly Margins



## Year to date Margins





# Quarter ended financial results

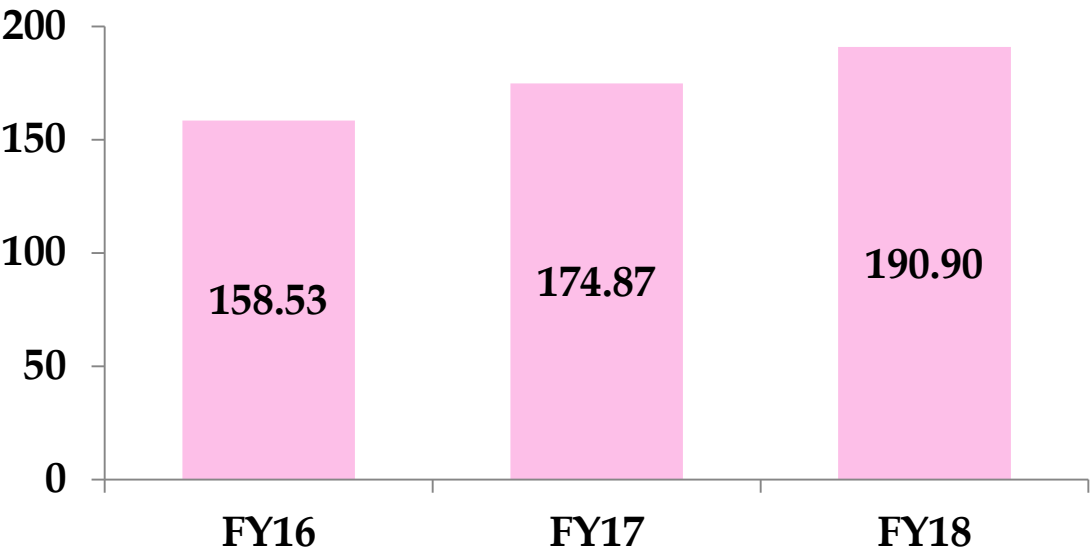
Particulars (Rs in Crs)	Q3FY19	Q2FY19	Q3FY18	Q3FY19 vs Q2FY19	Q3FY19 vs Q3FY18
Income from Operations	30.55	26.96	28.40	13%	8%
<b>Total Income</b>	<b>30.55</b>	<b>26.96</b>	<b>28.40</b>	<b>13%</b>	<b>8%</b>
Cost of Material Consumed	3.40	2.67	2.92	27%	16%
Employee Benefits Expense	5.70	5.54	5.16	3%	11%
Power and fuel Expense	2.89	2.95	2.28	-2%	27%
Rent Expense	3.47	3.11	3.06	12%	13%
Other Expenses	8.25	7.80	8.11	6%	2%
<b>Total Expense</b>	<b>23.71</b>	<b>22.07</b>	<b>21.53</b>	<b>7%</b>	<b>10%</b>
<b>EBITDA</b>	<b>6.84</b>	<b>4.89</b>	<b>6.87</b>	<b>40%</b>	<b>0%</b>
<i>EBITDA Margin (%)</i>	<i>22%</i>	<i>18%</i>	<i>24%</i>	<i>23%</i>	<i>-7%</i>
Other Income	1.13	1.83	1.23	-38%	-8%
Depreciation	1.07	1.04	1.09	3%	-2%
<b>EBIT</b>	<b>6.90</b>	<b>5.69</b>	<b>7.01</b>	<b>21%</b>	<b>-2%</b>
Finance Cost	1.10	1.15	1.28	-4%	-14%
<b>PBT</b>	<b>5.80</b>	<b>4.54</b>	<b>5.74</b>	<b>28%</b>	<b>1%</b>
Tax					
Current Tax	1.23	1.47	1.56	-17%	-21%
Deferred Tax	0.09	0.04	-0.04	124%	-311%
<b>Total Tax</b>	<b>1.31</b>	<b>1.51</b>	<b>1.52</b>	<b>-13%</b>	<b>-14%</b>
Exceptional Items	-	-	-	0%	0%
<b>Net Profit</b>	<b>4.49</b>	<b>3.03</b>	<b>4.22</b>	<b>48%</b>	<b>6%</b>
Other Comprehensive Income/(Loss)	-	-	-	0%	0%
<b>Total Comprehensive Income</b>	<b>4.49</b>	<b>3.03</b>	<b>4.22</b>	<b>48%</b>	<b>6%</b>
Net Profit Margin (%)	14%	11%	14%	35%	0%
<b>EPS (In Rs)</b>	<b>1.64</b>	<b>1.11</b>	<b>1.55</b>	<b>48%</b>	<b>6%</b>

# Nine months ended financial results

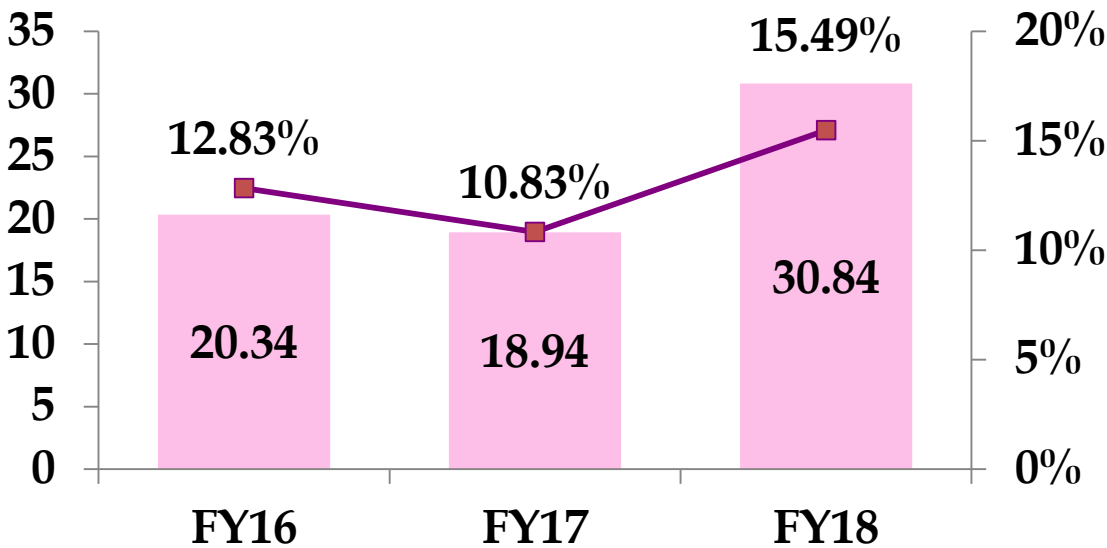
Particulars (Rs in Crs)	YTDFY19	YTDFY18	YTDFY19 vs YTDFY18
Income from Operations	83.01	75.30	10%
<b>Total Income</b>	<b>83.01</b>	<b>75.30</b>	<b>10%</b>
Cost of Material Consumed	8.57	7.87	9%
Employee Benefits Expense	16.57	15.55	7%
Power and fuel Expense	8.60	7.77	11%
Rent Expense	9.59	8.50	13%
Other Expenses	23.69	22.56	5%
<b>Total Expense</b>	<b>67.02</b>	<b>62.25</b>	<b>8%</b>
<b>EBITDA</b>	<b>15.99</b>	<b>13.05</b>	<b>23%</b>
<i>EBITDA Margin (%)</i>	<i>19%</i>	<i>17%</i>	<i>11%</i>
Other Income	4.22	5.60	-25%
Depreciation	3.15	3.28	-4%
<b>EBIT</b>	<b>17.06</b>	<b>15.38</b>	<b>11%</b>
Finance Cost	3.38	4.16	-19%
<b>PBT</b>	<b>13.68</b>	<b>11.22</b>	<b>22%</b>
Tax			
Current Tax	3.60	2.98	21%
Deferred Tax	0.51	-0.28	-280%
<b>Total Tax</b>	<b>4.11</b>	<b>2.70</b>	<b>52%</b>
Exceptional Items	-	-	0%
<b>Net Profit</b>	<b>9.57</b>	<b>8.52</b>	<b>12%</b>
Other Comprehensive Income/(Loss)	-	-	0%
<b>Total Comprehensive Income</b>	<b>9.57</b>	<b>8.52</b>	<b>12%</b>
Net Profit Margin (%)	11%	11%	4%
<b>EPS (In Rs)</b>	<b>3.50</b>	<b>3.12</b>	<b>12%</b>

# Sustainable Growth – Consolidated numbers

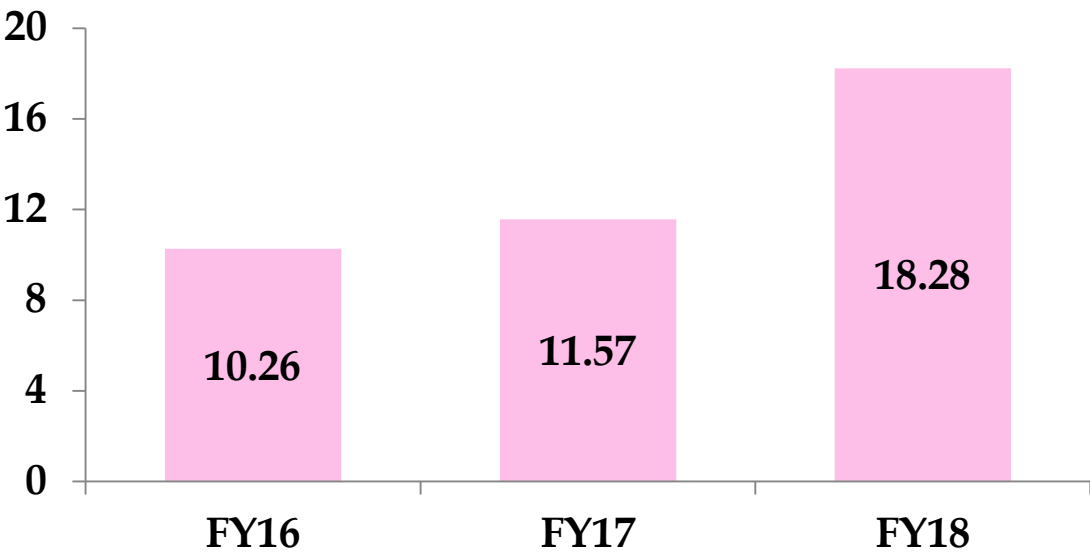
Revenue from Operations



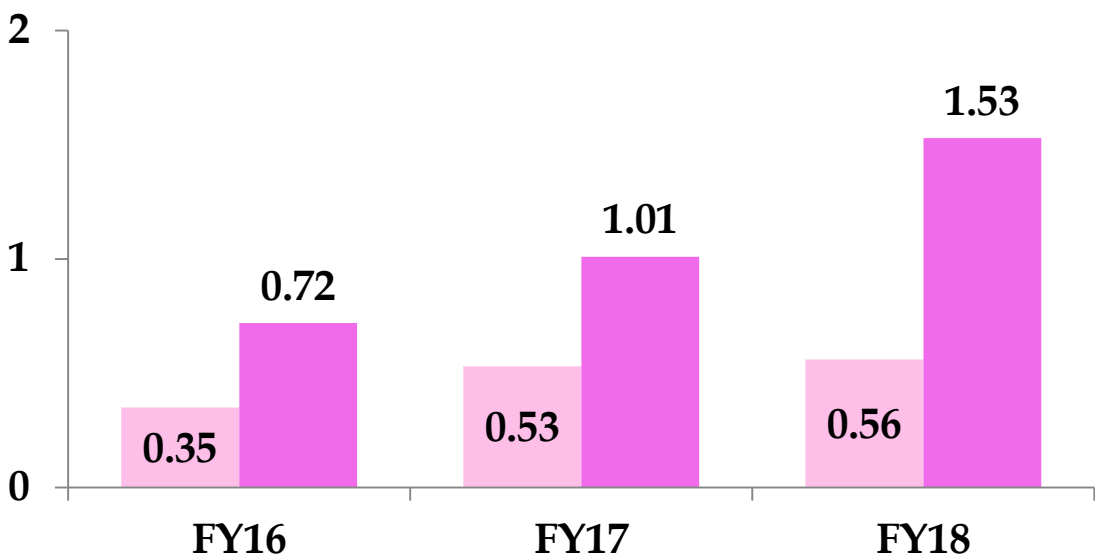
EBITDA EBITDA Margins



Cash Profit



Net Debt to Equity Interest Coverage



Rs. In crore



# Consolidated Income Statement - Snapshot

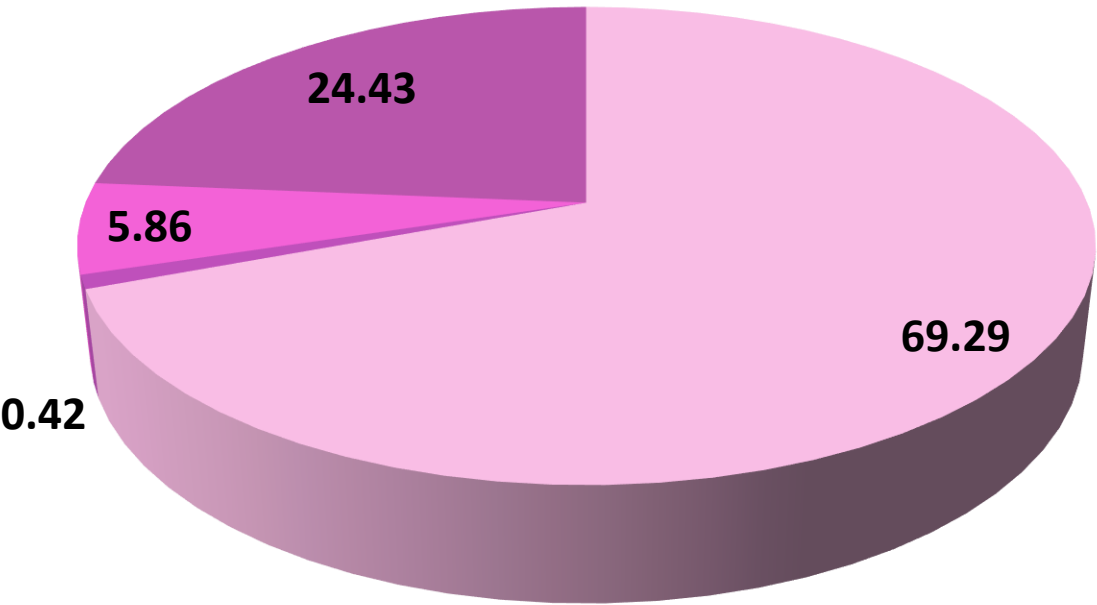
Particulars (Rs in Crs)	FY17	FY18
Income from Operations	174.87	190.90
Total operating expenses	155.93	160.10
<b>EBITDA</b>	<b>18.94</b>	<b>30.80</b>
<b>EBITDA Margin (%)</b>	<b>10.83%</b>	<b>16.13%</b>
Other Income	12.76	8.93
Finance Cost	15.47	14.69
<b>PBT</b>	<b>0.11</b>	<b>9.22</b>
<b>PBT Margins (%)</b>	<b>0.06%</b>	<b>4.61%</b>
Tax	4.67	6.81
<b>PAT</b>	<b>-4.54</b>	<b>2.46</b>
<b>PAT Margins (%)</b>	<b>-2.42%</b>	<b>1.23%</b>

# Consolidated Balance Sheet - Snapshot

Particulars (Rs in Crs)	FY 2018	FY 2017
<b>Assets</b>		
Property, plant and equipment	254.69	268.49
Capital work-in-progress	21.49	21.69
Goodwill	17.74	17.74
Other non-current assets	45.88	47.16
<b>Total Non-current assets</b>	<b>339.80</b>	<b>355.08</b>
Current Assets	62.30	52.76
<b>Total assets</b>	<b>402.10</b>	<b>407.84</b>
<b>Equity and liabilities</b>		
(a) Equity share capital	27.30	27.23
(b) Other equity	141.84	139.12
<b>Total Networth</b>	<b>169.14</b>	<b>166.35</b>
Non-Controlling Interests	44.78	48.04
Secured Loan and other non current liabilities	104.58	110.97
<b>Total Non-current liabilities</b>	<b>104.58</b>	<b>110.97</b>
Current Liabilities	83.60	82.48
<b>Total equity and liabilities</b>	<b>402.10</b>	<b>407.84</b>

# Shareholding

- Promoters
- Mutual Funds
- Foreign Portfolio Investors
- Others



Key Investors	Holding (%)
National Westminster Bank PLC as trustees of the Jupiter India Fund	4.07%
Jupiter South Asia Investment Company Limited - South Asia Access Fund	1.08%
Edelweiss Trusteeship Co Ltd AC- Edelweiss MF AC- Edelweiss Mid Cap Fund	0.42%