



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@royalorchidhotels.com

Date: November 03, 2017

**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: Intimation of Outcome of Conference Call :

Please find enclosed herewith the presentation presented to the Analysts in the Analyst Meeting which has been held as per intimation given by our letter dated October 26, 2017.

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 Ltd

Q2FY18

Results Presentation



**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
Q2FY18 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

4

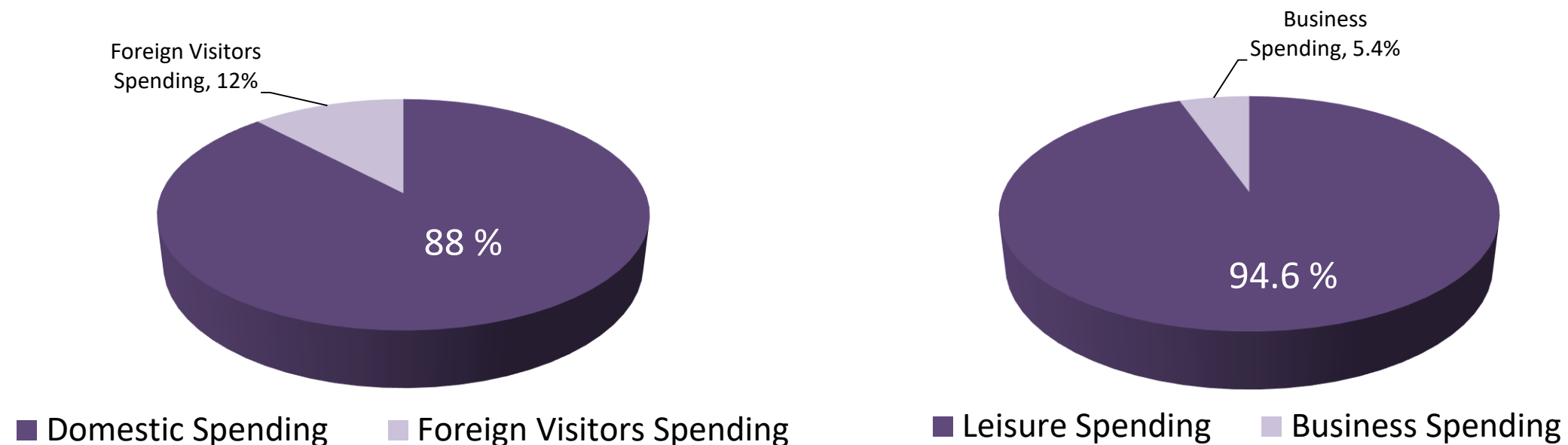
FINANCIAL NUMBERS

- Q2 FY18 Results
- H1FY18 Results
- H1FY18 Balance sheet

Indian Tourism Sector

According to the World Travel & Tourism Council's Economic Impact 2017 – India's direct contribution of Travel & Tourism to GDP was Rs. 4,809.8bn (USD71.7bn), 3.3% of total GDP in 2016 and is forecast to rise by 6.9% in 2017, and to rise by 6.8% pa, from 2017-2027, to Rs. 9,948.5bn (USD148.2bn), 3.5% of total GDP in 2027.

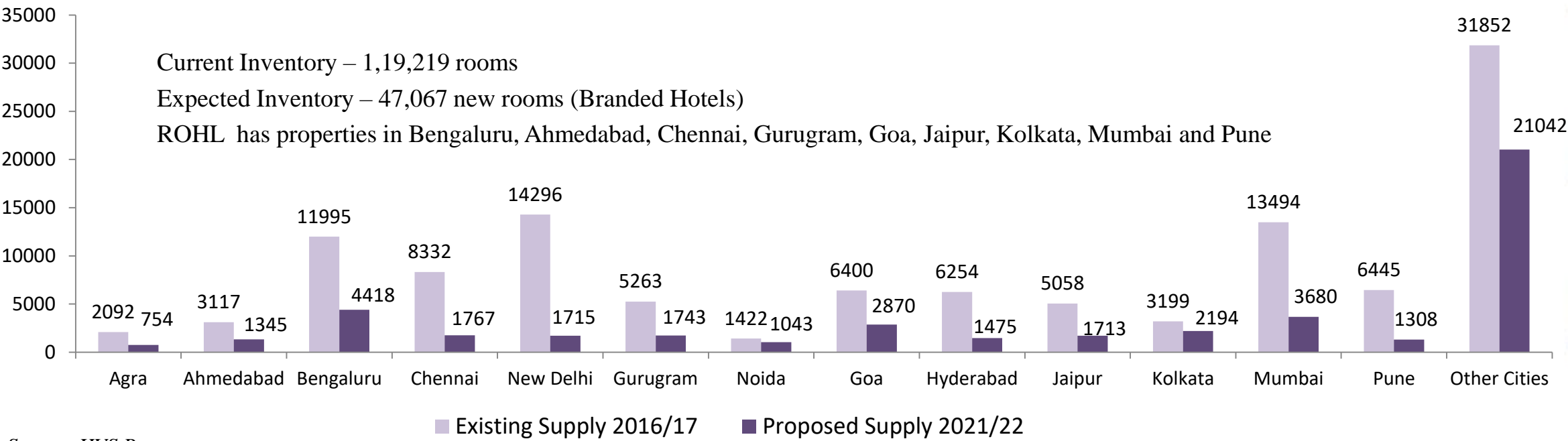
SPENDING PATTERNS – CONTRIBUTION TO INDIA'S DIRECT TRAVEL & TOURISM GDP (2016)



Source: HVS Report

As per travel & Tourism Global Impact & Issues 2017 Report, India's Tour and Travel Industry will be the fourth largest contributor to GDP in the world with US \$ 424.5 billion by 2027.

Huge Opportunity for Branded Hotels



Source: HVS Report

- During Jan-Sept 2017, a total of 10.67 lakh tourist arrived on e-Tourist Visa as compare to 6.75 lakh during the month Jan-Sept 2016, registering a growth of 71.0%.
- As per Ministry of Tourism, foreign tourist arrivals (FTAs) in India increased 15.5 per cent in Jan-Sept 2017 to 71.20 lakhs compare to 61.63 lakh in Jan-Sept 2016
- India India's foreign exchange earnings from tourism increased by 22.3% to US\$ 13230 million during Jan- June 2017 compare to same period previous year.

Factors Driving Growth

Government Spending on Infra

E- VISA facility

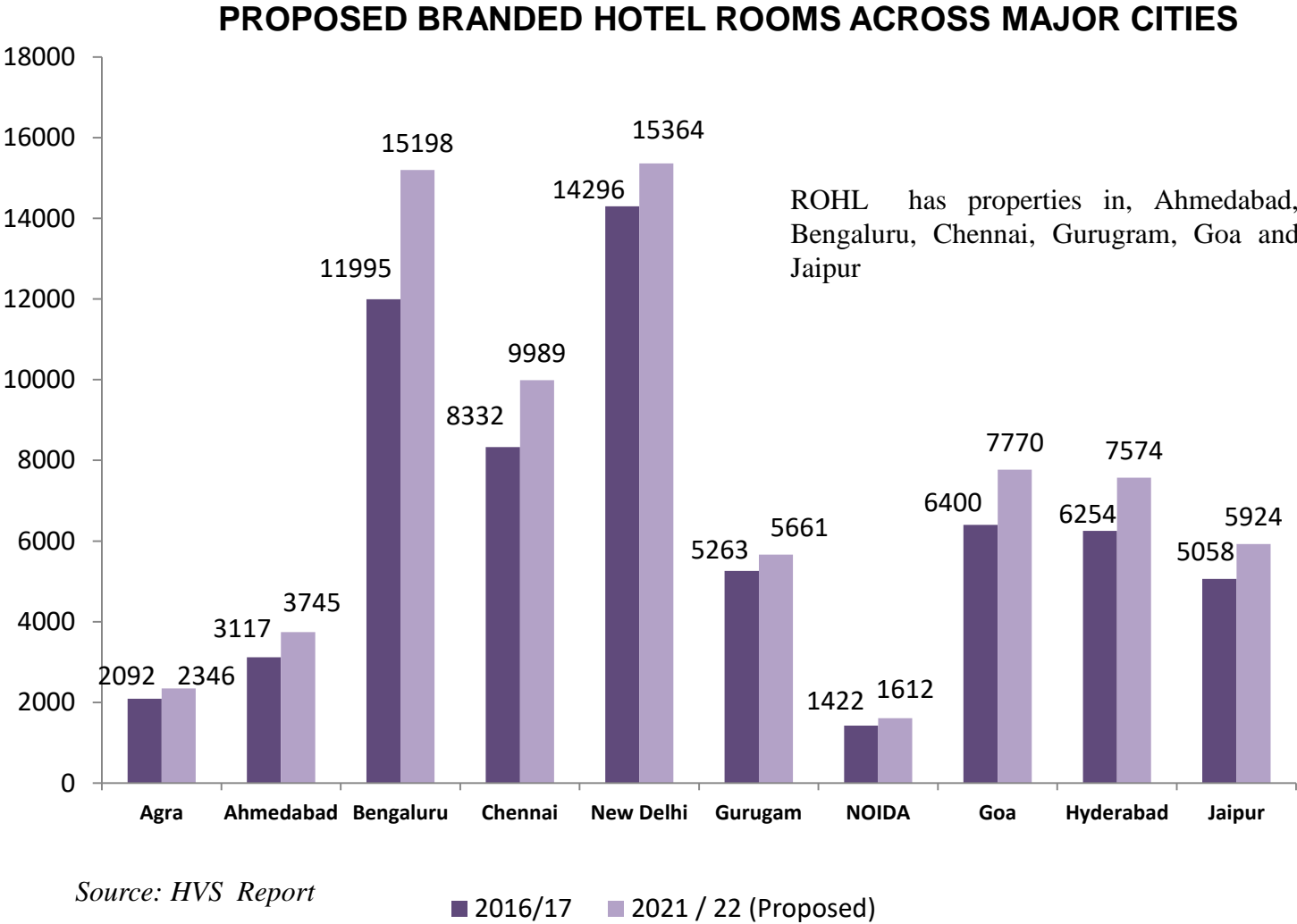
Raising Middle Class Income

Growth in Business Travelers

Booking convenience by Aggregators

Growth in Low cost Airlines

Supply Exceeded Demand



Top 15 Busiest Airports in India by Passenger Traffic (2015/16 -2016/17)			
(Rs in Lakh)	2015/16	2016/17	% Change
Delhi (DIAL)	484.2	577	19.2
Mumbai (MIAL)	416.7	451.5	8.4
Bengaluru (BIAL) ⁽²⁾	189.7	228.8	20.6
Chennai ⁽²⁾	152.2	183.6	20.7
Kolkata ⁽²⁾	127.6	158.2	24.0
Hyderabad (GHIAL)	123.9	151	21.9
Cochin (CIAL)	77.5	86.6	15.6
Ahmedabad ⁽²⁾	64.8	74.1	14.3
Goa ⁽²⁾	53.8	68.6	27.5
Pune ⁽²⁾	54.2	67.7	25.0
Lucknow	32.4	39.7	22.4
Thiruvananthapuram	34.7	38.8	11.8
Guwahati	27.8	37.9	36.1
Jaipur ⁽²⁾	28.9	37.8	31.0
Kozhikode	23.1	26.5	15.0

(1) Source: Airport Authority of India

(2) ROHL properties are located in Bengaluru, Chennai, Kolkata, Ahmedabad, Goa, Pune, Jaipur and Gurugram

Source: HVS Report

Hotel Industry –Overview

Major Policy Initiative impacting the Industry

Average Room Rate (INR)	Pre-GST (%)	Post -GST (%)
Below 1,000		Not Applicable
1,001 – 2,500		12%
2,501 – 7,500	21%	18%
Above 7,500		28%

Industry Occupancy Rate (%)

Source: Company

Overall Average	2012/13	2013/14	2014/15	2015/16	2016/17	12 Months Change (%)	Compounded Growth (%) [5 years]
Overall Average	57.8	58.4	59.8	63.3	65.6	3.5	2.6
Five –Star	55.4	55.7	57.2	61.2	64.6	5.5	3.1
Four –Star	57.9	59.1	61.2	64.2	65.6	2.2	2.5
Three-Star	56.8	57.9	59.8	64.8	66.5	2.6	3.2
Two-Star	59.0	61.0	57.7	60.4	62.7	3.9	1.2

Source: HVS Report

Industry Room Rate (Rs)

Overall Average	2012/13	2013/14	2014/15	2015/16	2016/17	12 Months Change (%)	Compounded Growth (%) [5 years]
Overall Average	5,779	5,611	5,532	5,527	5,658	2.4	-0.4
Five –Star	5,881	5,720	5,559	5,484	5,638	2.8	-0.8
Four –Star	4,691	4,474	4,361	4,424	4,639	4.9	-0.2
Three-Star	3,252	3,083	3,039	3,155	3,265	3.5	0.1
Two-Star	1,849	2,063	2,063	2,122	2,194	3.4	3.5

Source: HVS Report

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

- Pressure on ARR because on heavy discounting offered by Online aggregators.
- 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

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

4

FINANCIAL NUMBERS

- Q2 FY18 Results
- H1FY18 Results
- H1FY18 Balance sheet

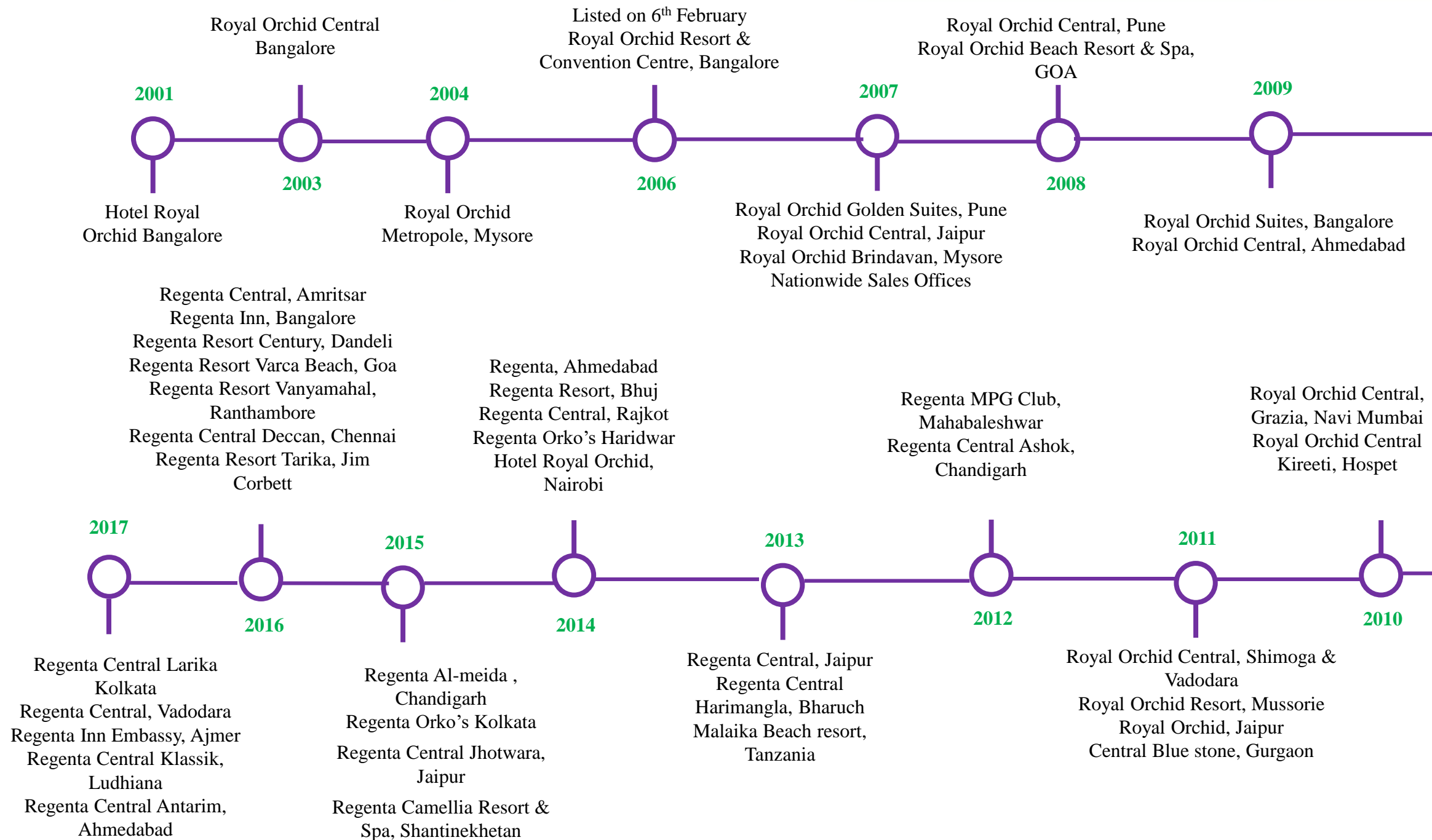
ROHL – Business Card

- Royal Orchid Hotel Ltd was incorporated in 1986 under the name of Universal Resorts Ltd.
- Promoted by Mr. Chander Baljee, Managing Director
- Engaged in business of Managing Hotels with turnover of Rs 41.98 crs in Q2FY18. The no of hotels managed by the management in Q2FY18 is 47.
- Operates under flagship brands – Royal Orchid, Royal Orchid Central, Royal orchid Suites, Regenta Hotel & Royal Orchid Inn

As on 31 st Oct 2017	Units
CMP (Rs)	137.70
Market Cap (Rs cr)	375.01
MCap Free Float (Rs cr)	108.75
52 week high (Rs)	150.50
52 week low (Rs)	67.10
Face Value (Rs)	10
Promoter Holding	70.53%

5 Star	4 Star	Service Apartment	Budget Hotel
Hotel Royal Orchid	<ul style="list-style-type: none"> • Royal Orchid Central • Regenta Hotels <ul style="list-style-type: none"> - Regenta Central - Regenta Resorts 	Royal Orchid Suites	Regenta Inn

Journey so far...



Management Team

Mr. Chander Baljee, 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. 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.

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.

Discussion Outline

1

ROHL BUSINESS CARD

- Background, Management
- Competitive Advantages

2

THE TOURISM & HOSPITALITY INDUSTRY

- Size, Opportunity,
- Challenges

3

BUSINESS MODEL

- Asset Light Model,
- Generate FCF, High Growth

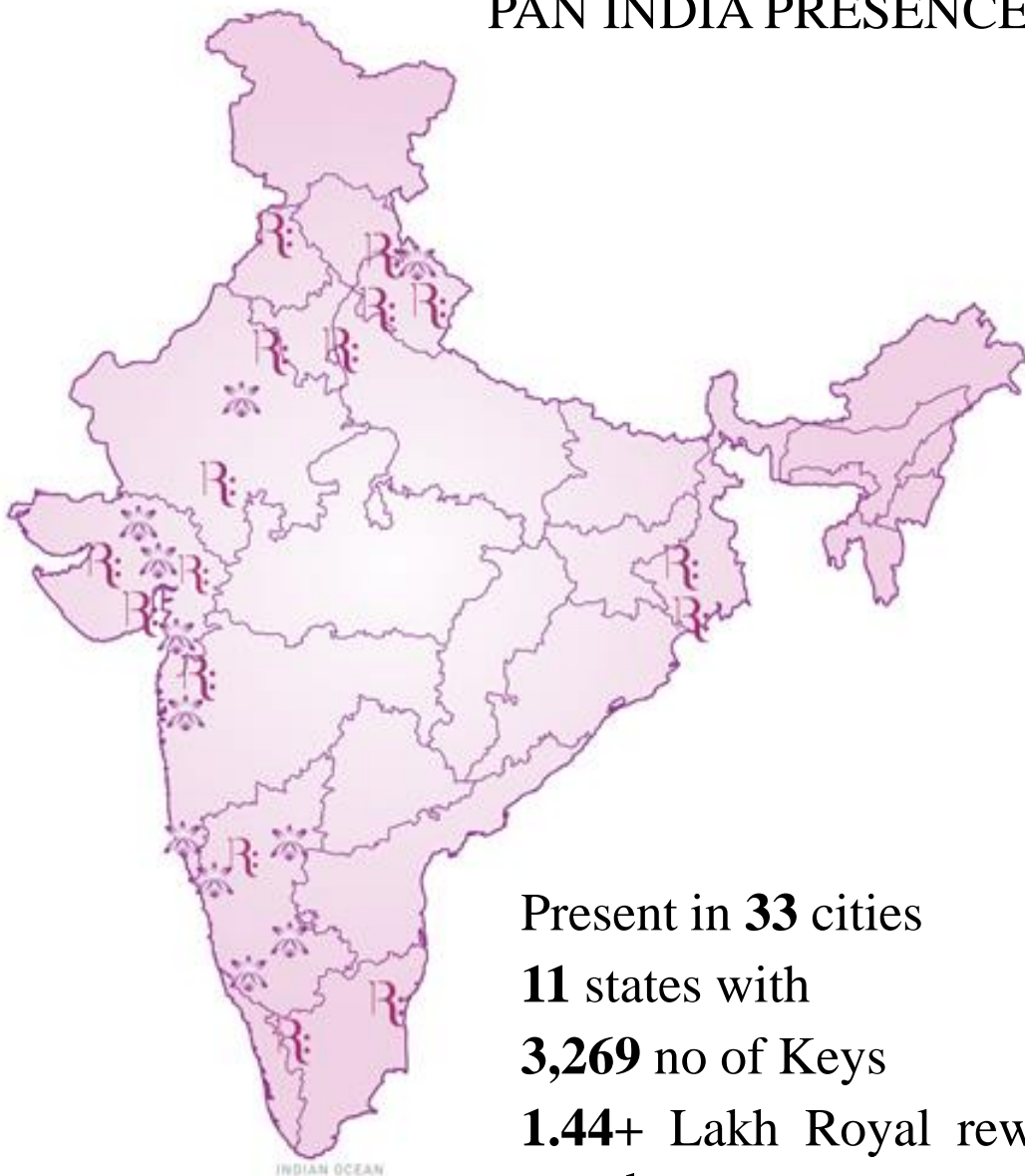
4

FINANCIAL NUMBERS

- Q2 FY18 Results
- H1FY18 Results
- H1FY18 Balance sheet

Asset Light Model – Generate FCF

PAN INDIA PRESENCE



Present in **33** cities
11 states with
3,269 no of Keys
1.44+ Lakh Royal reward members.

Business Model	MC	JV	Owned	Leased	Total
5-Star Royal Orchid	-	139	195	-	334
4-Star Central	1,562	130	-	198	1,890
Resort/ Heritage	571	73	-	188	832
Convention /MICE	-	54	-	-	54
Serviced Apartments	159	-	-	-	159
Total Keys	2,292	396	195	386	3,269

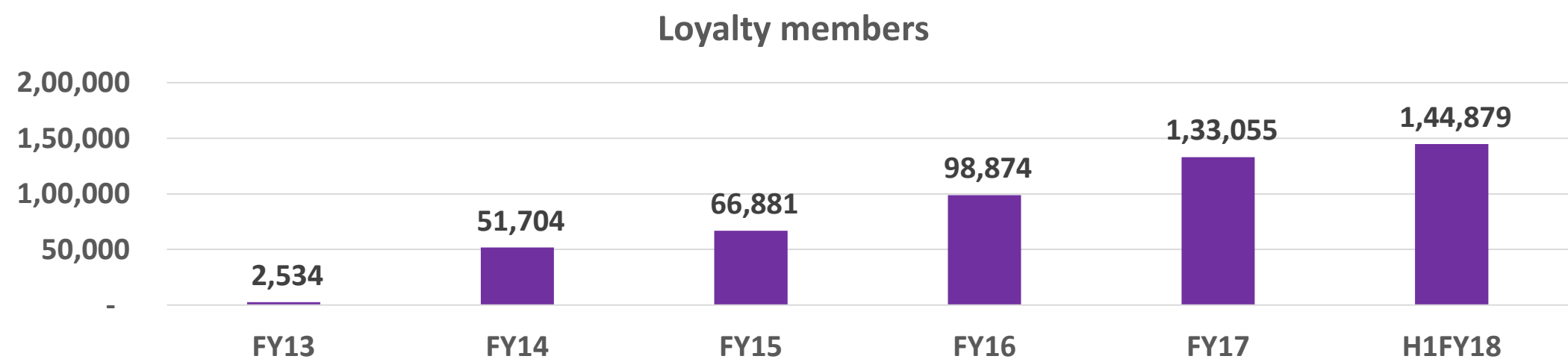
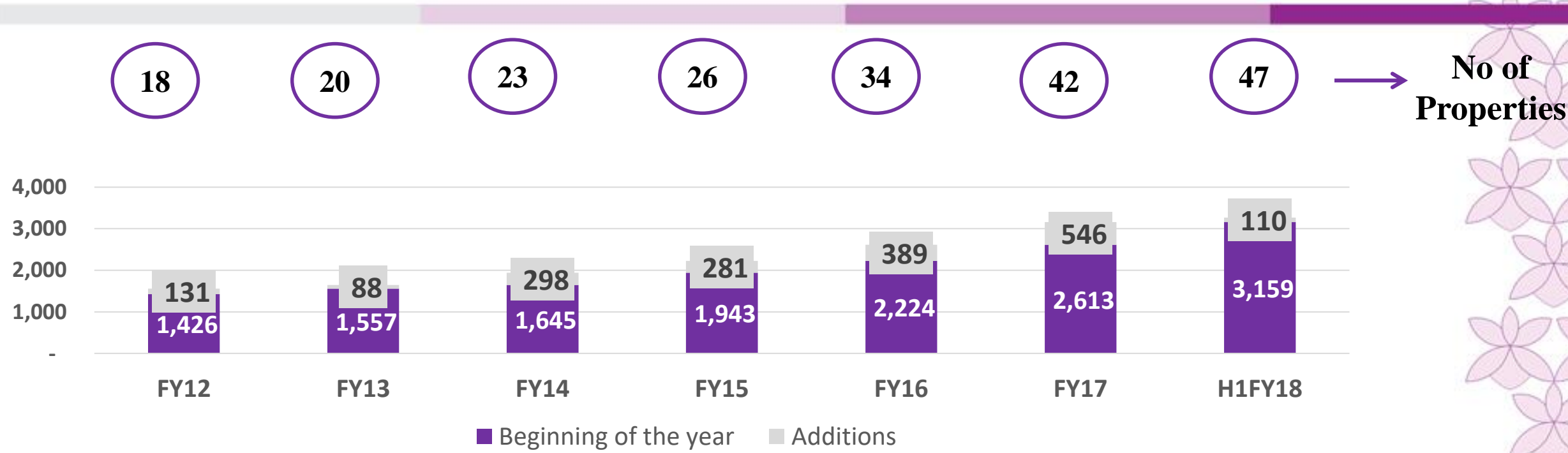
ROYAL ORCHID BUSINESS MODEL VALIDATION

- 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					334
4-Star Royal Orchid Central Regenta Central			Bangalore (51%)	130	Pune	115	Vashi	67	1,890
					Bangalore	83	Shimoga	108	
							Vadodara	81	
							Gurgaon	50	
							Chandigarh	75	
							Jaipur	57	
							Bharuch	104	
							Rajkot	60	
							Haridwar	56	
							Kolkata	69	
							Amritsar	38	
							Chennai	93	
							Bangalore	40	
							Kolkata	45	
							Vadodara	94	
							Srinagar	45	
							Indore	52	
							Kanpur	47	
							Belgaum	50	
							Ludhiana	75	
							Ahmedabad	72	
Resort/ Heritage			Goa (50%)	73	Mysore	30	Mahabaleshwar	32	832
					B.Garden	24	Dandeli	17	
					Hospet	134	Mussoorie	58	
							Jim Corbett	45	
							Varca Beach, Goa	48	
							Ranthambore	70	
							Dwarka	53	
							Ajmer	38	
							Dehradun	75	
							Pushkar	70	
							Bhuj	65	
Convention MICE Hotel			Bangalore (65%)	54					54
Serviced Apartment							Pune	71	159
							Bangalore	88	
Total Keys	1	195	4	396	6	386	36	2,292	3,269

Growth – Rooms & Members



High Growth – Focusing on Management Contracts

Adding No of Keys	Q2FY17	Q2FY18
Management Contracts	1,768	2,292
JV	396	396
Owned (Domestic)	195	195
Owned (Overseas)	-	-
Leased	456	386
Total KEYS	2,815	3,269
Average Occupancy rate (JLO)	69%	76%
Average Room Rate (JLO) (Rs)	3,493	3,543
Average Occupancy rate (Managed)	66%	62%
Average Room Rate (Managed) (Rs)	2,931	2,682

- **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**

Discussion Outline

1

ROHL BUSINESS CARD

- Background, Management
- Competitive Advantages

2

THE TOURISM & HOSPITALITY INDUSTRY

- Size, Opportunity,
- Challenges

3

BUSINESS MODEL

- Asset Light Model,
- Generate FCF, High Growth

4

FINANCIAL NUMBERS

- Q2 FY18 Results
- H1 FY 18 Results
- H1 FY18 Balance Sheet

Standalone Results – Q2 FY18

Particulars (Rs in Crs)	Q2 FY18	Q1FY18	Q-o-Q %	Q2 FY17	Y-o-Y %
Income from Operations	24.72	22.17	12	19.41	27
Other Income	2.31	2.06	12	2.83	(18)
Total Income	27.03	24.23	12	22.24	22
Cost of Material Consumed	2.50	2.44	2	2.44	2
Employee Benefits Expense	5.27	5.13	3	4.37	21
Rent Expense	2.74	2.69	2	2.28	20
Power & Fuel	2.60	2.88	(10)	1.95	33
Other Expenses	7.54	6.91	9	6.05	25
Total Expense	20.65	20.05	3	17.09	21
EBITDA	6.38	4.18	53	5.15	24
<i>EBITDA Margin (%)</i>	<i>24%</i>	<i>17%</i>	<i>37</i>	<i>23%</i>	<i>2</i>
Depreciation	1.13	1.06	7	1.07	6
EBIT	5.25	3.12	68	4.08	29
Finance Cost	1.35	1.54	(12)	1.51	(11)
PBT	3.90	1.58	147	2.57	52
Tax	0.75	0.43	74	0.68	10
Net Profit	3.15	1.15	174	1.89	67

Standalone Results – H1FY18

Particulars (Rs in Crs)	H1FY18	H1FY17	% Change
Income from Operations	46.89	39.14	20
Other Income	4.37	3.92	11
Total Income	51.26	43.06	19
Cost of Material Consumed	4.94	5.11	(3)
Employee Benefits Expense	10.39	8.54	22
Rent Expense	5.44	4.63	17
Power & Fuel	5.49	4.18	31
Other Expenses	14.45	13.39	8
Total Expense	40.71	35.85	14
EBITDA	10.55	7.21	46
<i>EBITDA Margin (%)</i>	<i>21%</i>	<i>17%</i>	<i>243</i>
Depreciation	2.19	2.25	(3)
EBIT	8.36	4.96	69
Finance Cost	2.88	2.93	(2)
PBT	5.48	2.03	170
Tax	1.18	0.68	74
Net Profit	4.30	1.35	219

Standalone Balance Sheet

Particulars (Rs in Crs)	H1FY18
Sources of Funds	
Share Capital	27.23
Reserves & Surplus	179.92
Total Networth	207.15
Secured Loan and other non current liabilities	43.38
Total Non-current liabilities	43.38
Current Liabilities	33.91
Total Sources of Funds	284.44
Application of Funds	
Property, plant and equipment	36.09
Capital work-in-progress	0.09
Loans & advances	50.22
Non Current Investments	166.94
Total Non-current assets	253.34
Current Assets	31.10
Total Application of Funds	284.44

Thank You



For further information, please contact:

Company:

Royal Orchid Hotels Ltd

Mr. Amit Jaiswal

cfo@royalorchidhotels.com

Investor Relations Advisors:

Adfactors PR

Mr. Sanjay Punjabi

Sanjay.punjabi@adfactorspr.com

+91 9821080048