



# Business Update

QIFY17



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**“The Byke” Hotel Portfolio**

# Key Updates of Q1FY17



*The Byke Old Anchor - South Goa*



# Key Recent Updates

## The Byke Vijaya, Puri commenced operations in Q1FY17

- ▶ Property taken on long term lease of 15 years
- ▶ Has 54 Rooms, 4 Conference Rooms, 1 Multi-Cuisine Restaurant
- ▶ Targets leisure and religious tourists; Puri is an upcoming location for destination weddings and other such events in East India



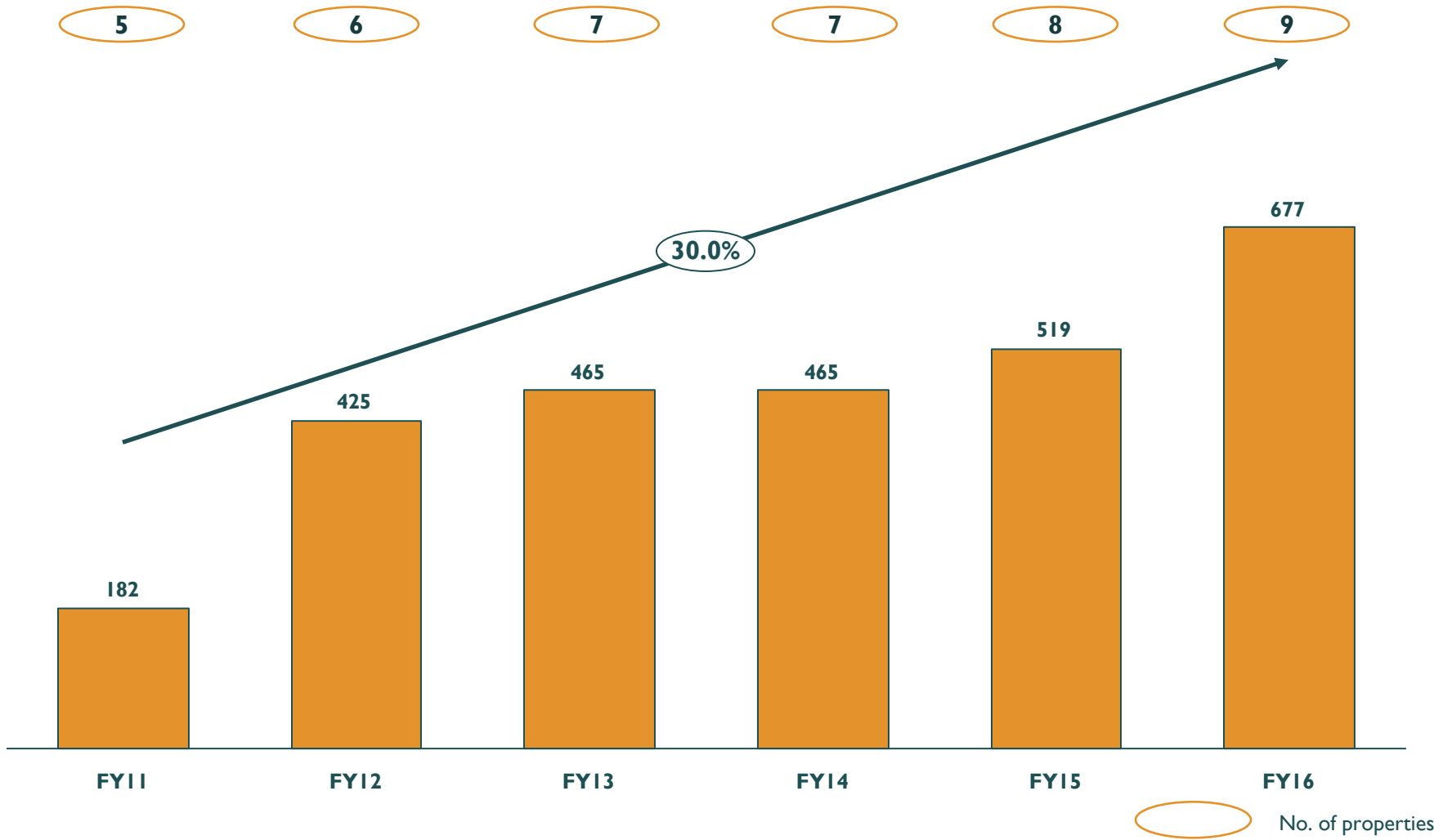
## Added Wedding garden in Byke Suraj Plaza, Thane

- ▶ Acquired 20,000 sq.ft of wedding garden next to The Byke Suraj Plaza, Thane
- ▶ Targets high density residential population of Thane, Navi Mumbai, nearby locations - specifically for events including weddings, birthdays, and corporate events
- ▶ To contribute significantly to increase in all revenue streams (room rent, food & beverage/ other revenues)



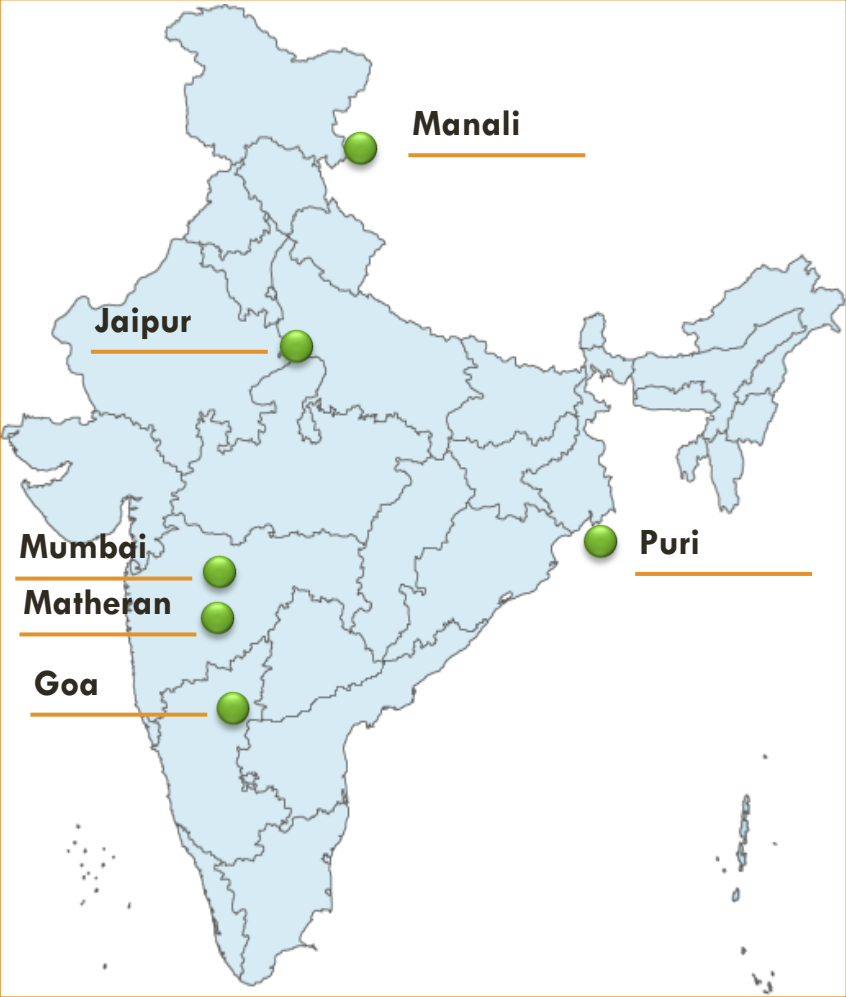
# Total Rooms Portfolio of 677 Across 9 Properties

## No. of rooms & properties



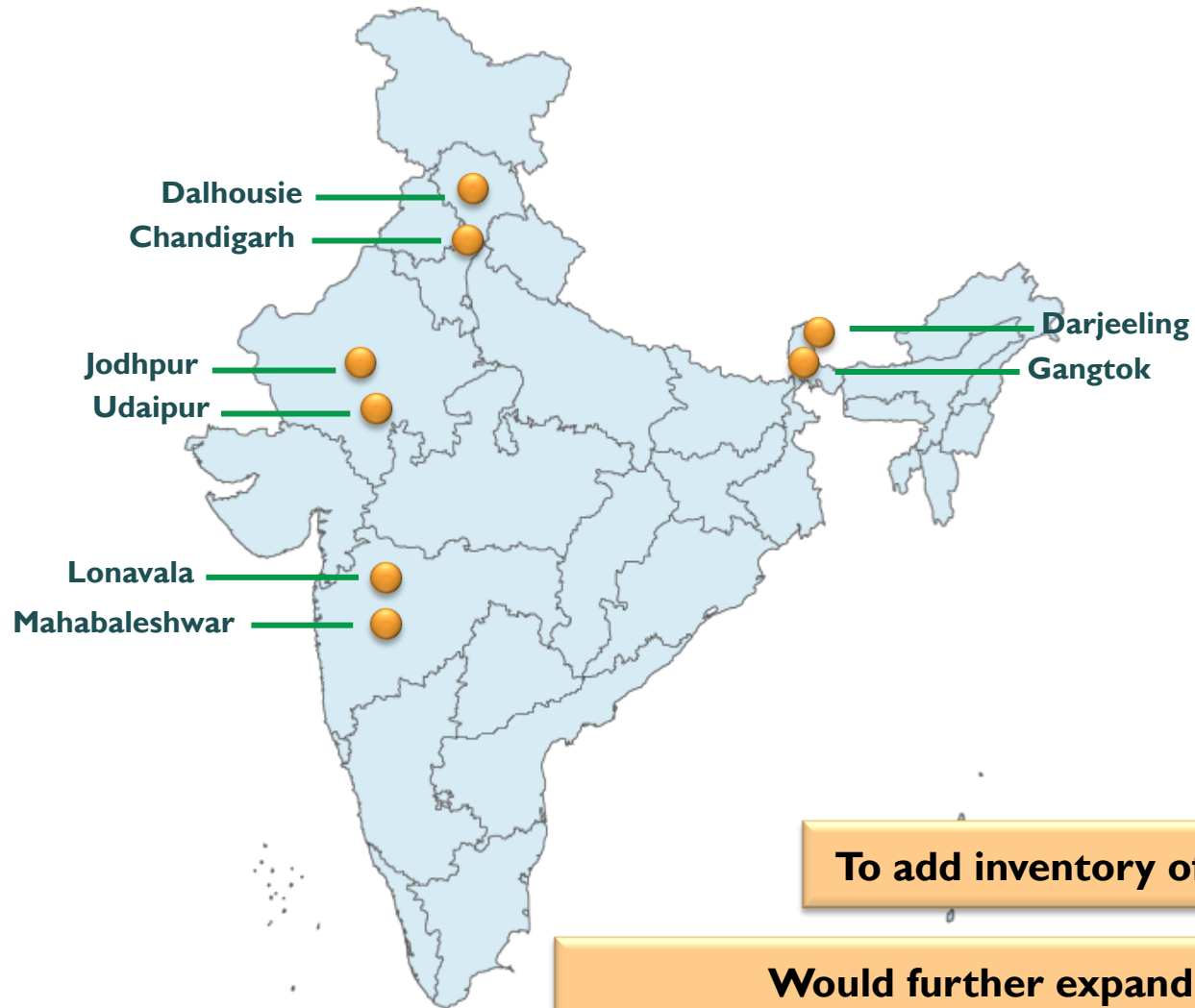
\*18 rooms Mandawa property been discontinued in FY16

# Evolving Pan-India Footprint



| Hotel                | Location | No. of rooms | Type   |
|----------------------|----------|--------------|--------|
| Byke Old Anchor      | Goa      | 240          | Leased |
| Byke Suraj Plaza     | Mumbai   | 122          | Leased |
| Byke Heritage        | Matheran | 80           | Owned  |
| Byke Grassfield      | Jaipur   | 54           | Leased |
| Byke Vijoya          | Puri     | 54           | Leased |
| Byke Hidden Paradise | Goa      | 40           | Leased |
| Byke Neelkanth       | Manali   | 40           | Leased |
| Byke Redwood         | Matheran | 25           | Leased |
| Byke Sunflower       | Goa      | 22           | Owned  |
| <b>Total</b>         |          | <b>677</b>   |        |

# Identified 8 Locations for the Next Phase of Growth



To add inventory of 450-500 rooms

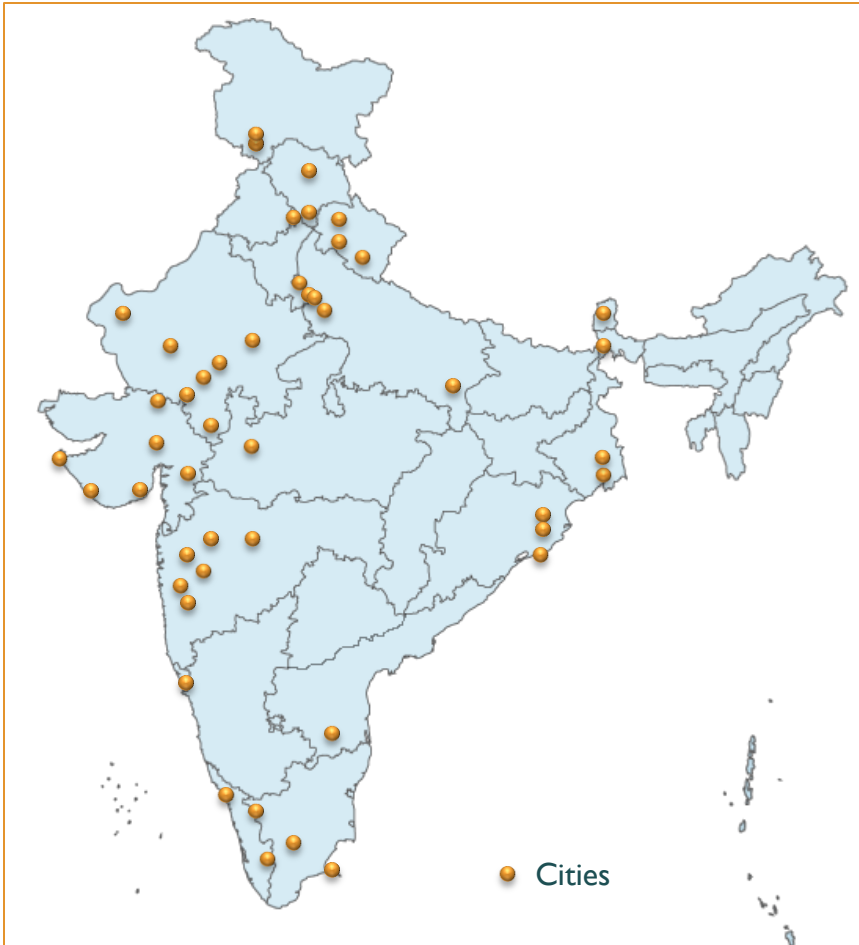
Would further expand pan India reach

Targeting tourist locations across India in line with current presence

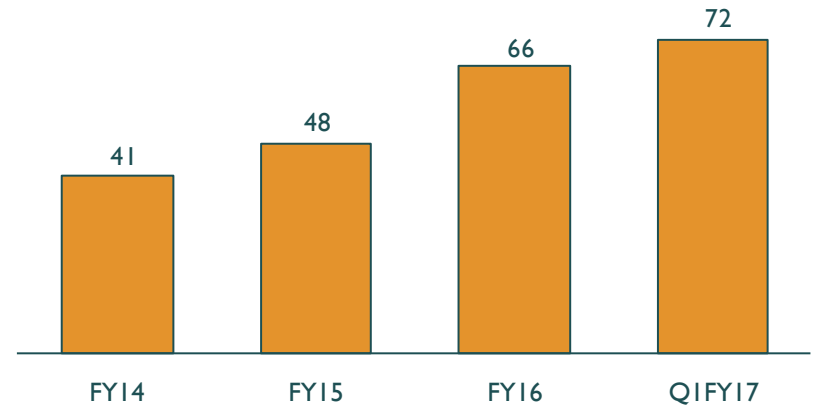


# Chartering : Continued Expansion Of Network

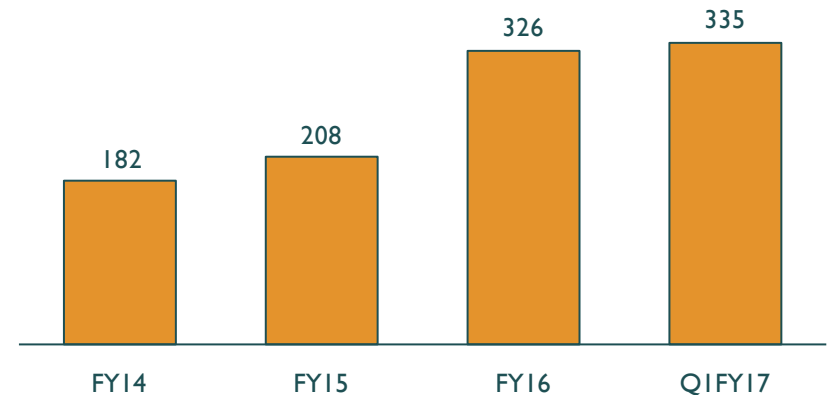
## Room Chartering Locations



## No. of Cities



## No. of Agents



... expands reach to customers to get the booking across India

# Financial Highlights Q1FY17



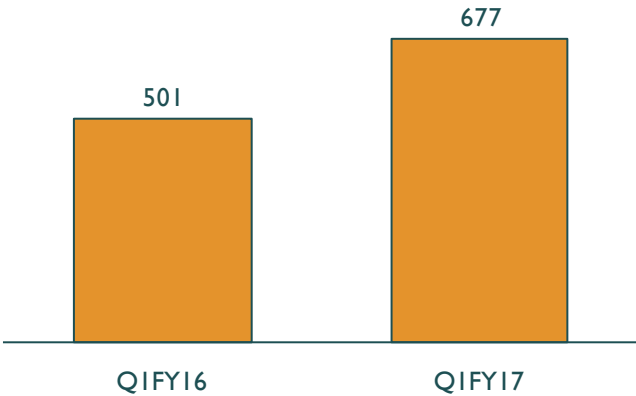
# Income Statement



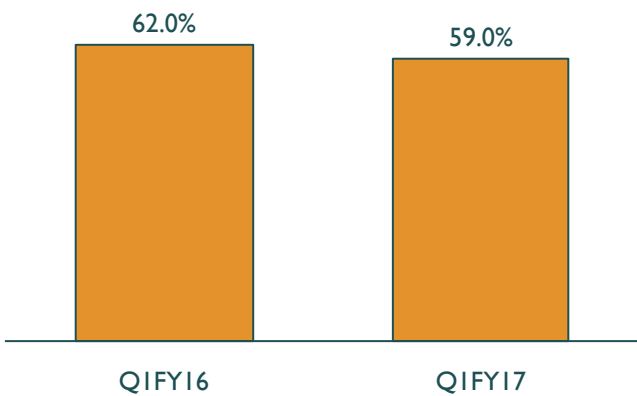
| Rs. Mn                      | Q1 FY17             | Q1 FY16             | Y-o-Y Growth    |
|-----------------------------|---------------------|---------------------|-----------------|
| Hotel Revenue               | 285                 | 235                 | 21.4%           |
| Chartering Revenue          | 333                 | 246                 | 35.4%           |
| <b>Revenue</b>              | <b>619</b>          | <b>481</b>          | <b>28.6%</b>    |
| Lease, Chartering and SG&A  | 355                 | 282                 | 25.9%           |
| Employee Expense            | 22                  | 11                  | 92.8%           |
| Operating and Other expense | 114                 | 90                  | 25.6%           |
| Total Cost                  | 490                 | 384                 | 27.8%           |
| <b>EBITDA</b>               | <b>129</b>          | <b>98</b>           | <b>31.5%</b>    |
| <i><b>EBITDA margin</b></i> | <i><b>20.8%</b></i> | <i><b>20.3%</b></i> | <i><b>-</b></i> |
| Depreciation                | 28                  | 23                  | 24.6%           |
| Net Interest Cost           | 3                   | 4                   | -22.0%          |
| Other Income                | 0.3                 | 0.3                 | -1.8%           |
| <b>PBT</b>                  | <b>98</b>           | <b>72</b>           | <b>36.5%</b>    |
| Tax                         | 34                  | 25                  | 36.6%           |
| <b>PAT</b>                  | <b>64</b>           | <b>47</b>           | <b>36.5%</b>    |
| <i><b>PAT margin</b></i>    | <i><b>10.3%</b></i> | <i><b>9.7%</b></i>  | <i><b>-</b></i> |

# Lease Business – Q1FY17 Performance

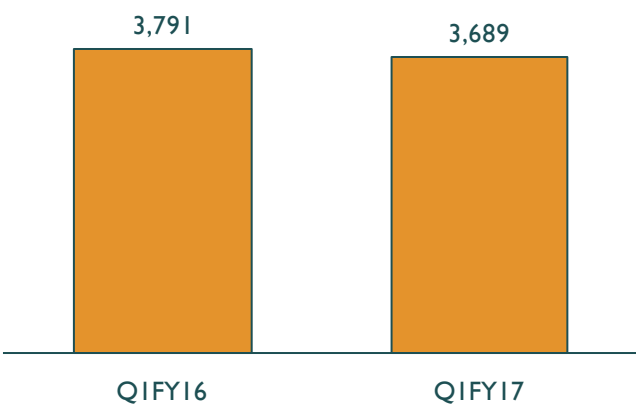
**No. of Rooms**



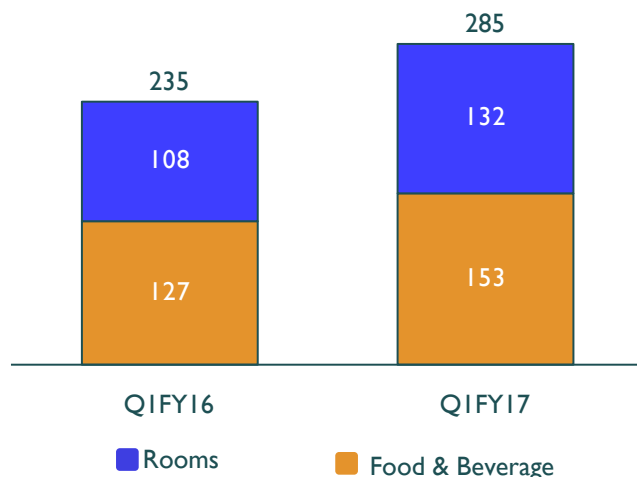
**Occupancy %**



**ARR (Rs)**

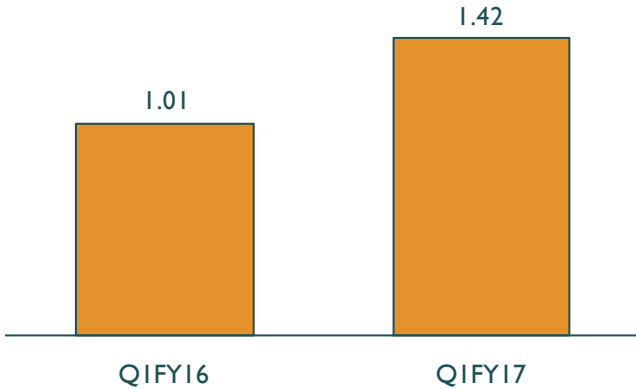


**Revenue (Rs Mn)**

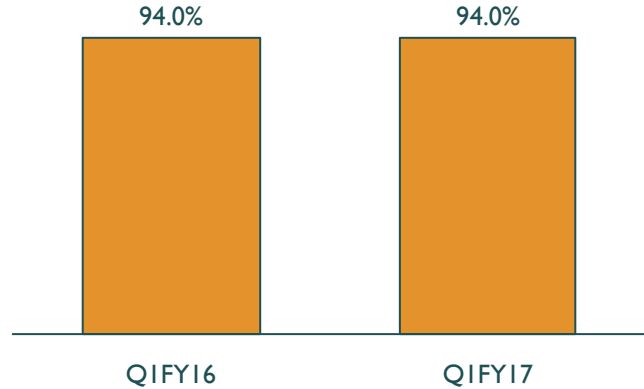


# Chartering Business – Q1FY17 Performance

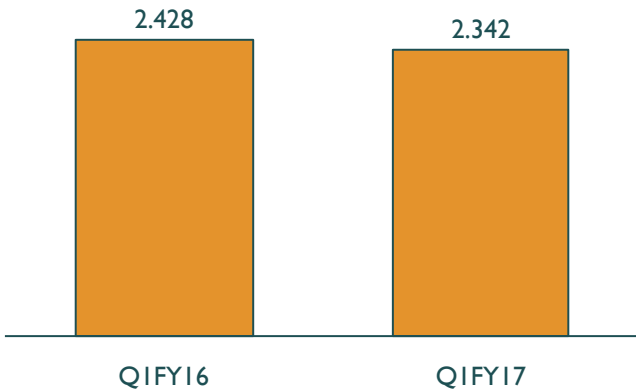
**No. of Room Nights Sold (in lacs)**



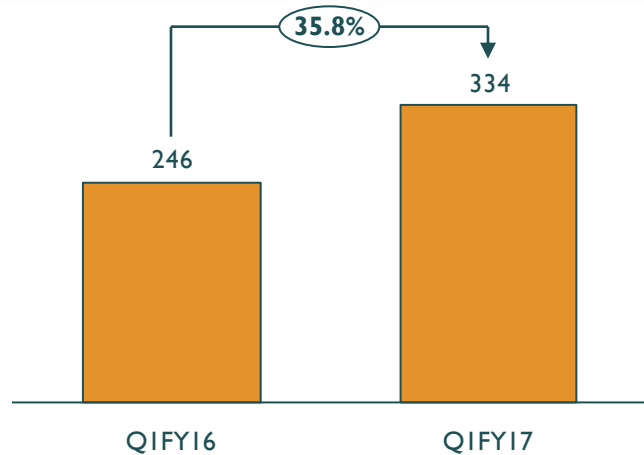
**Occupancy %**



**ARR (Rs)**



**Revenue (Rs Mn)**





# Company Overview



*The Byke Old Anchor - South Goa*

# The Byke : Asset Light Business Model ...

## Lease Business

- ▶ Hotel under brand name “The Byke”
- ▶ Focus on Domestic Middle Class Leisure Tourism
- ▶ 9 hotel properties operational at tourist destinations in India of which:
  - 2 ownership; 7 on long term lease
  - 677 rooms
- ▶ 1 new property in Puri
  - 54 rooms
  - 4 Conference Rooms, 1 Multi-Cuisine Restaurant
- ▶ Niche in Vegetarian segment

## Room Chartering Business

- ▶ Third-party hotel rooms chartered at strategically identified locations across India
- ▶ Asset Light approach to Hospitality Business
- ▶ Capitalise on the diverse peak seasons across India to maximize Revenue
- ▶ Model offers flexibility to quickly expand depending on tourist trend
- ▶ Rooms chartering across 50 plus cities in India
- ▶ Developed relationship with 150 Hotels owners
- ▶ Average Room Rent (ARR) of Rs 2,388 for FY16

**... well placed to capture Tourism Growth in India**

# Key Business Strengths

1

**Domestic Middle Class Leisure tourism set to grow at faster pace**

2

**Leased Model : low cost & faster rollout of hotel properties**

3

**Charter Model : Highly scalable with geography & seasons diversification**

4

**Strong marketing / distribution network of agents**

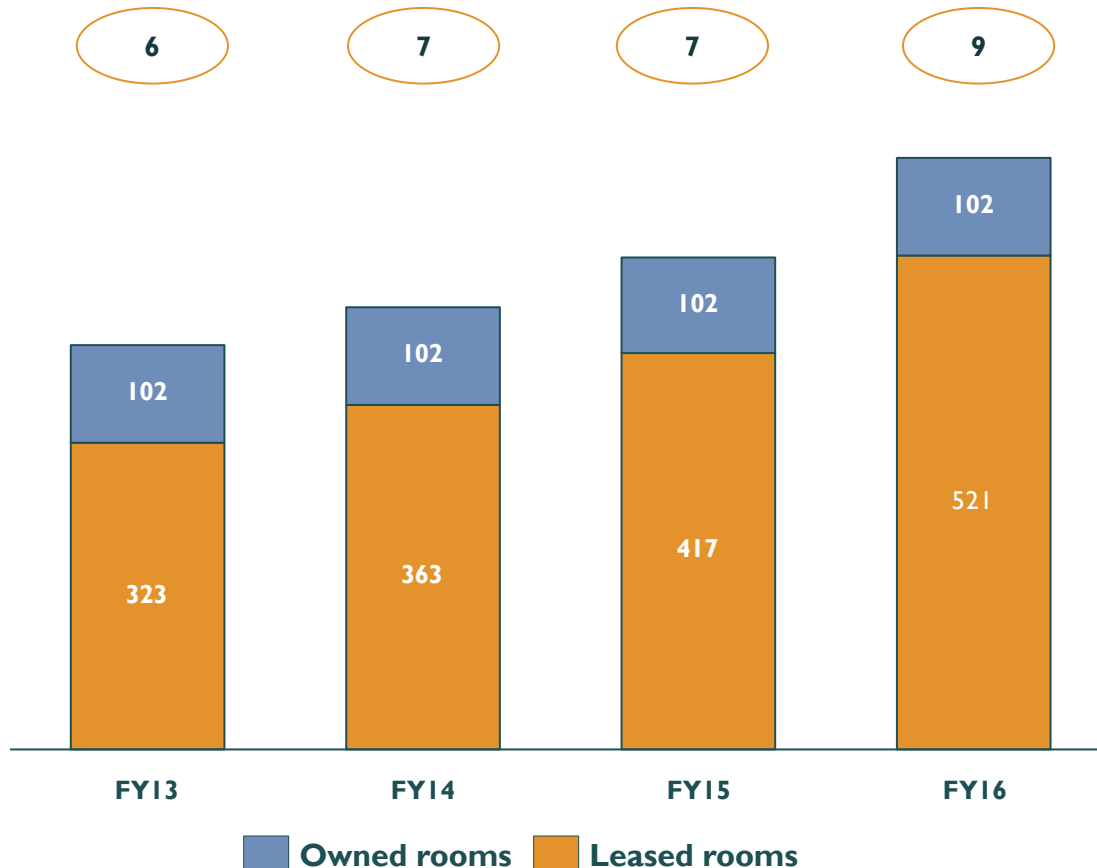
5

**Experienced management / professional team**

# Lease Model...



## No. of rooms & properties



- ▶ Currently present in 6 cities
- ▶ Expanded no. of rooms by a CAGR of **over 30%** over FY11-16
- ▶ Focus to grow the Lease portfolio aggressively by leasing **distressed properties** and turning around quickly
- ▶ Identified 8 locations to expand lease business over next 2 years
- ▶ Chartering Business through pan-India presence helps in gaining insight on tourist trends - key for selection of hotel properties

**...highly scalable, faster turnaround & low capital cost**

# Successfully Turning Around Properties...

- ▶ Lower capital requirement for hotel lease
  - Leasing low-yield for property owner
  - Unlocks resources for modernization of properties
  
- ▶ Renovation of the property, one of the key success factors
  - Renovation, interior decoration, investment in amenities & infrastructure
  - Focus on completing renovation within rent-free period
  
- ▶ Branding of the property as “The Byke”
  - Marketing to create awareness of the property
  - Standardizing system and process in-line with other portfolio properties
  
- ▶ Leveraging agent network of chartering business for ensuring higher occupancy

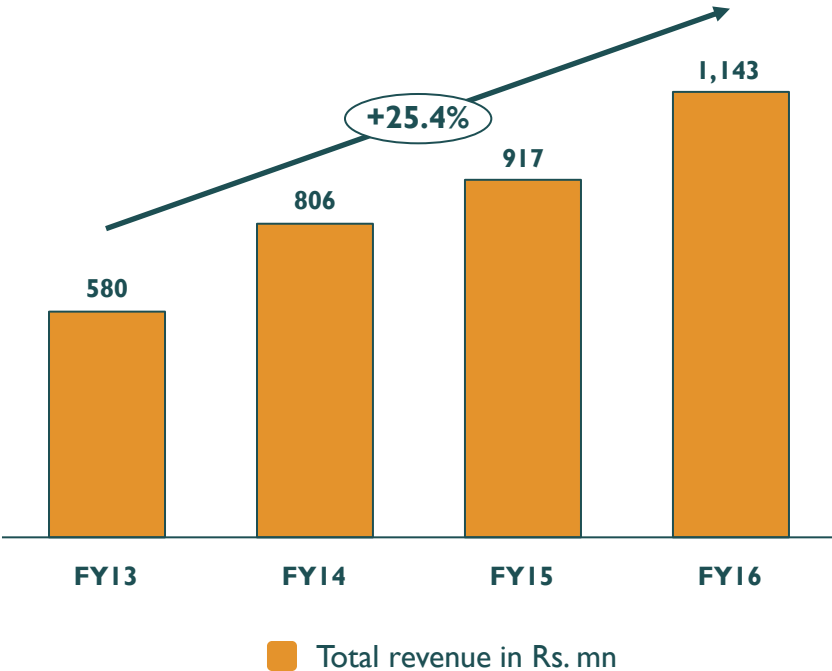


**... leads to improvement in ARR of most of the properties**

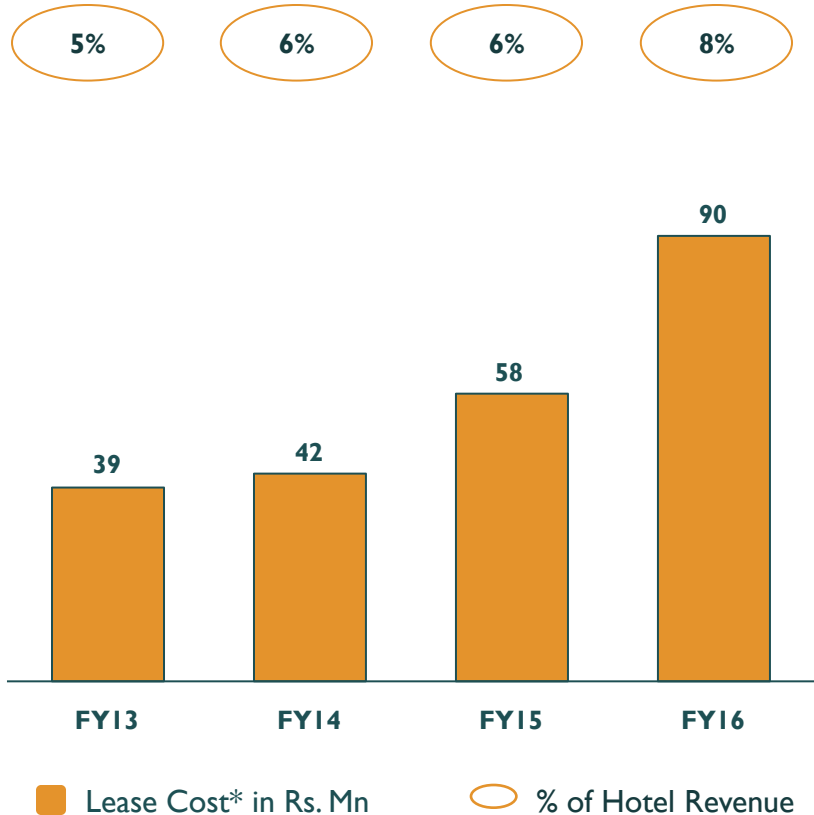


# Consistent Revenue Growth...

## Revenue from "The Byke" properties



## Properties Lease Amount (Major cost)



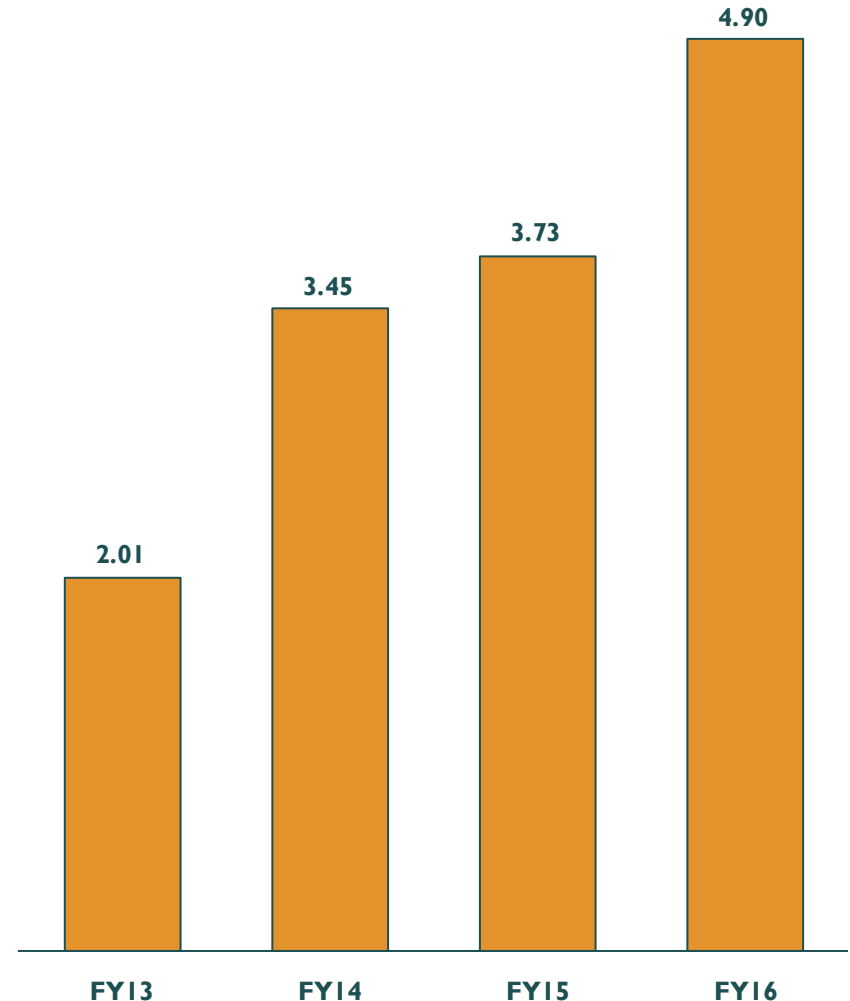
**... and low fixed cost gets break-even at low occupancy rate**

\*Lease Cost calculated hotel wise for the respective operational period during the year

## Key strengths of model

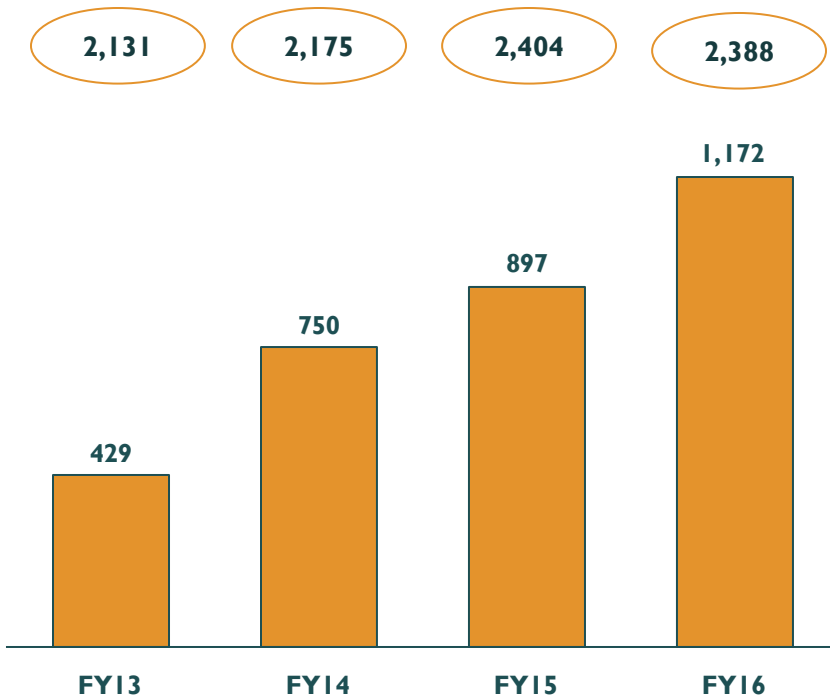
- ▶ Chartering rooms at strategically identified locations with partial / full advance payments
- ▶ Synergistic model increasing occupancy of the leased properties of “The Byke”
- ▶ Strong marketing & agent network
- ▶ Better negotiation given scale leads to low break even point
- ▶ Low Capital Employed
- ▶ Location specific peak season chartering
- ▶ Efficient risk mitigation due to pan-India presence
- ▶ Flexibility to quickly expand depending on tourist trends

## Room Nights Sold (in lacs)



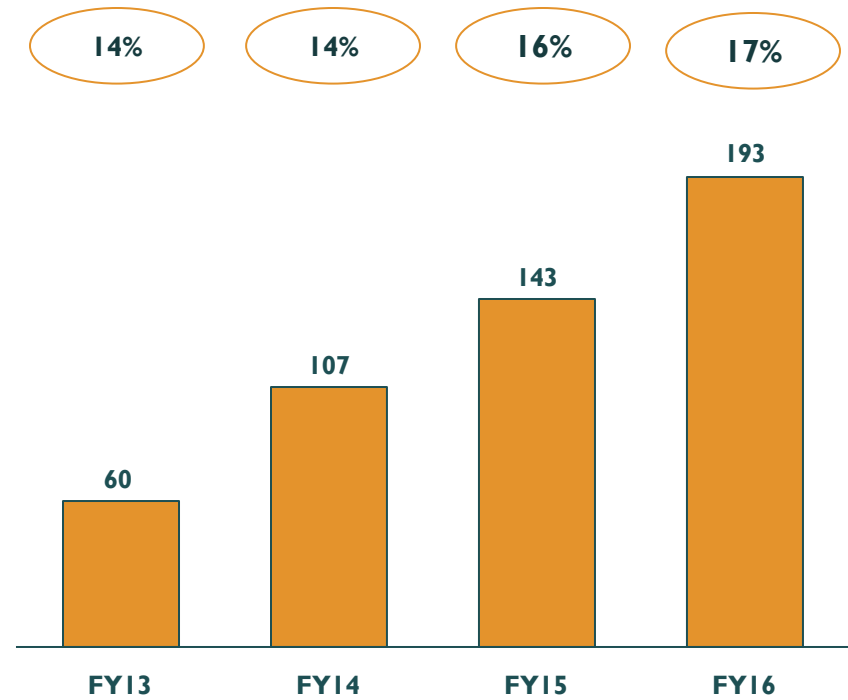
# Highly Scalable....

## Chartering Revenue



■ Chartering Revenue in Rs mn ○ ARR in Rs.

## Gross Profit\* & Margin



■ Gross Profit in Rs. mn ○ Gross Profit Margin

**... and generates strong margins**

\*Gross Profit calculated: Revenue – (Chartering Cost + Cost of Vacant Rooms + Agent Commission)

# Annual Consolidated Financial Highlights

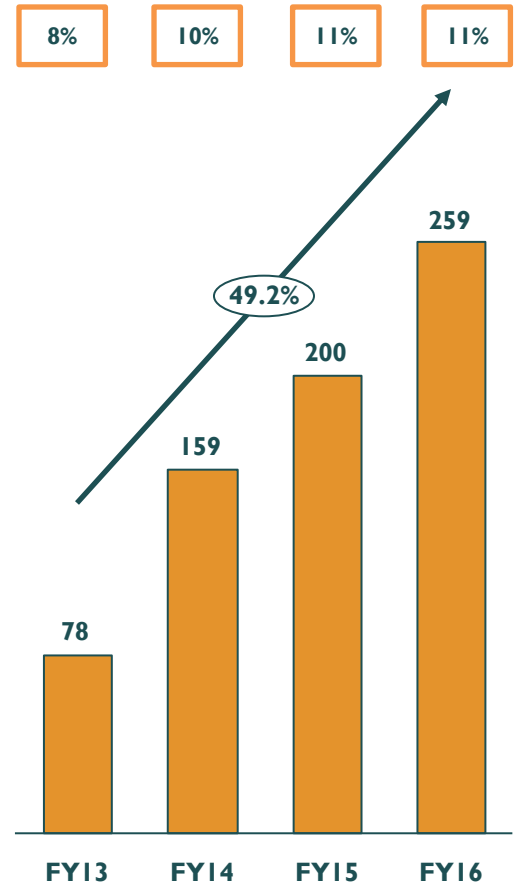
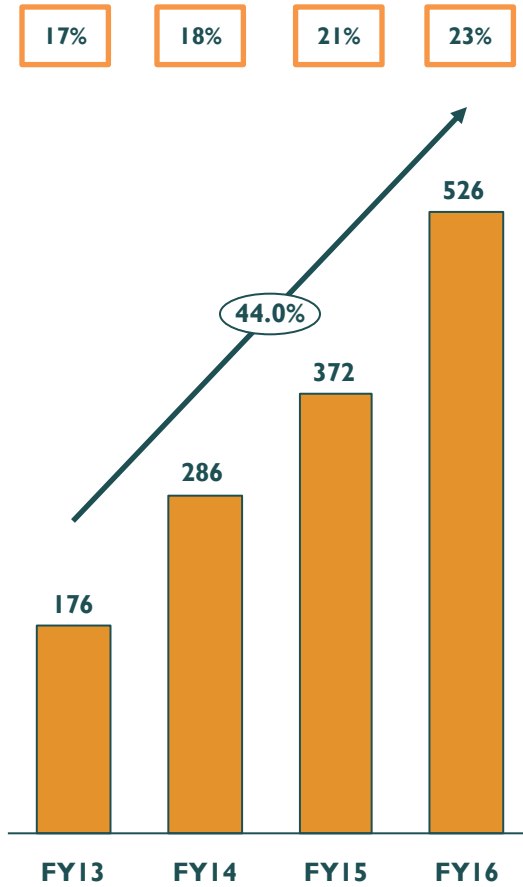
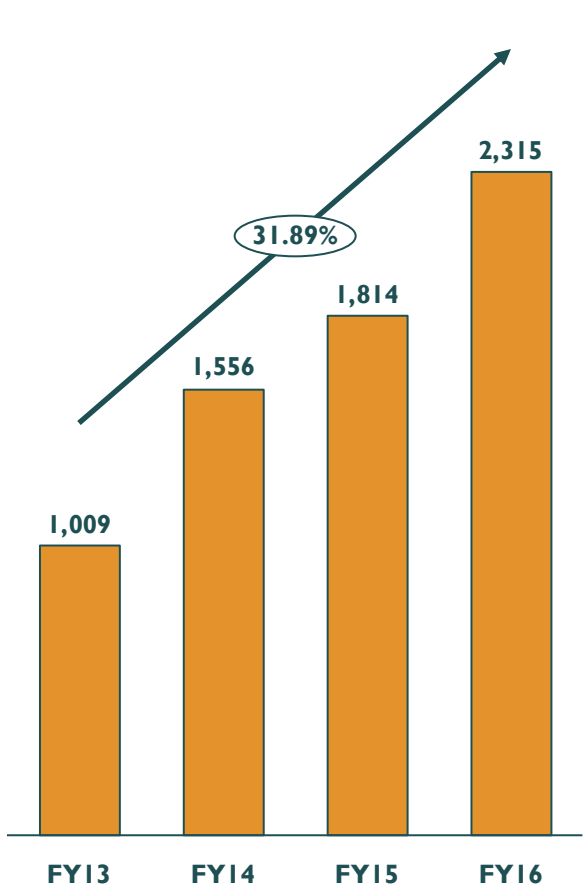


# Robust Growth with Improving Margins

## Revenue

## EBITDA & EBITDA Margin

## PAT & PAT Margin



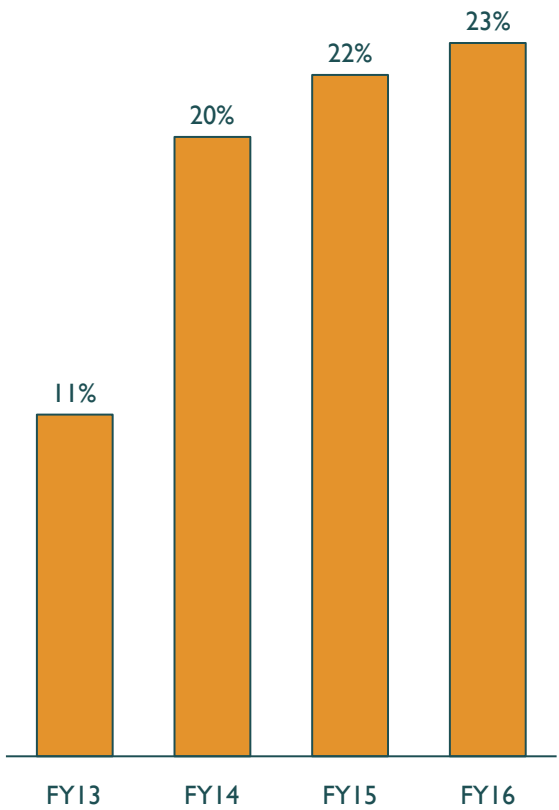
■ EBITDA in Rs Mn

■ PAT in Rs Mn

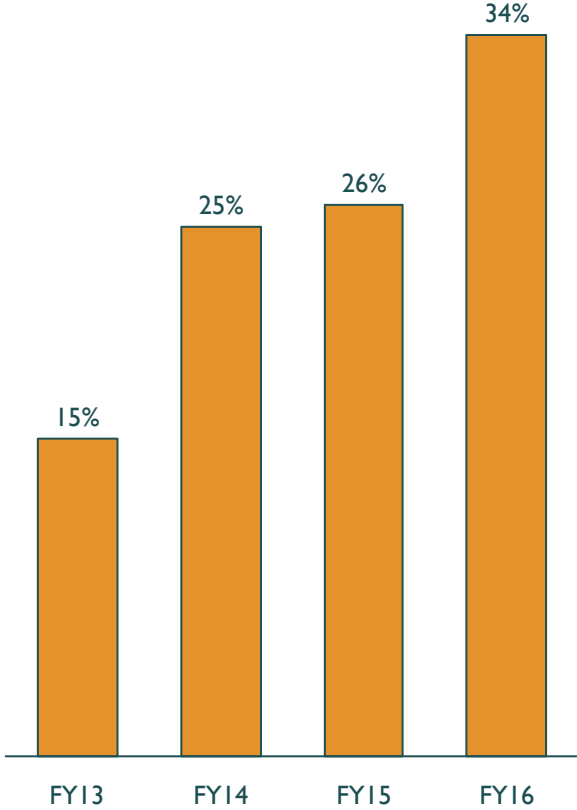


# Improving Return Ratio Given Asset Light Model

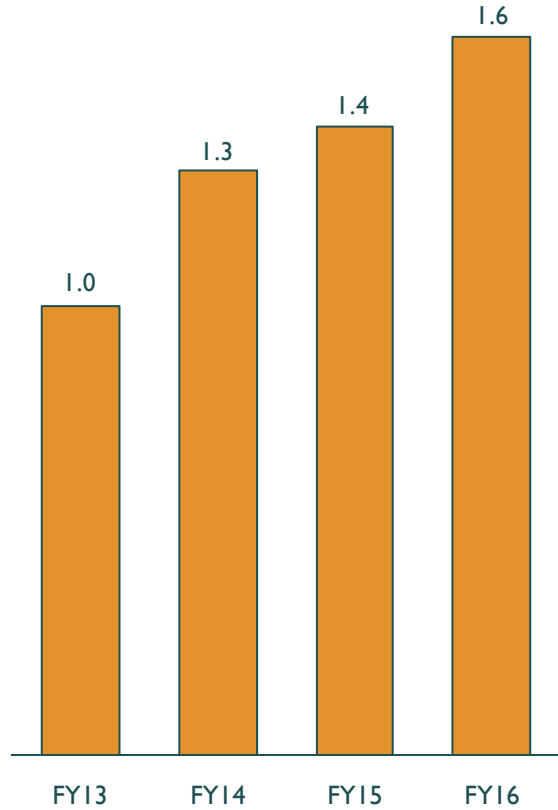
Return on Equity



Return on Capital Employed



Asset Turnover Ratio



$\wedge$ ROE = PAT / Average Net Worth  
 \*ROCE = EBIT / Average Capital Employed  
 \*Asset Turnover Ratio = Revenue/Average Total Assets



# “The Byke” Hotel Portfolio



*The Byke Old Anchor - South Goa*

# “The Byke” Hotel Portfolio

## The Byke Old Anchor, Goa



|              |  |
|--------------|--|
| No. of Rooms | 240  |
| Type         | Leased   |
| Facilities   | 2 Restaurants, 2 Lawns/Banquets,<br>3 Conference Halls |

## The Byke Grassfield, Jaipur



|              |  |
|--------------|--|
| No. of Rooms | 54   |
| Type         | Leased   |
| Facilities   | 3 Restaurants, 3 Lawns/Banquets,<br>3 Conference Halls |

## The Byke Heritage, Matheran



|              |                                   |
|--------------|-----------------------------------|
| No. of Rooms | 80                                |
| Type         | Owned                             |
| Facilities   | 2 Restaurants, 2 Conference Halls |

## The Byke Suraj Plaza, Thane



|              |  |
|--------------|--|
| No. of Rooms | 122  |
| Type         | Leased                                       |
| Facilities   | 3 Restaurants, 3 Conference Halls, 1<br>Lawn |



# “The Byke” Hotel Portfolio

## The Byke Neelkanth, Manali



|              |              |
|--------------|--------------|
| No. of Rooms | 40           |
| Type         | Leased       |
| Facilities   | 1 Restaurant |

## The Byke Redwood, Matheran



|              |              |
|--------------|--------------|
| No. of Rooms | 25           |
| Type         | Leased       |
| Facilities   | 1 Restaurant |

## The Byke Hidden Paradise, Goa



|              |              |
|--------------|--------------|
| No. of Rooms | 40           |
| Type         | Leased       |
| Facilities   | 1 Restaurant |

## The Byke Sunflower, Goa



|              |              |
|--------------|--------------|
| No. of Rooms | 22           |
| Type         | Owned        |
| Facilities   | 1 Restaurant |

# “The Byke” Hotel Portfolio

## The Byke Vijaya, Puri (Odisha)



No. of Rooms

54

Type

Leased

Facilities

1 Restaurant, 4 conference halls

## For further information, please contact:

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