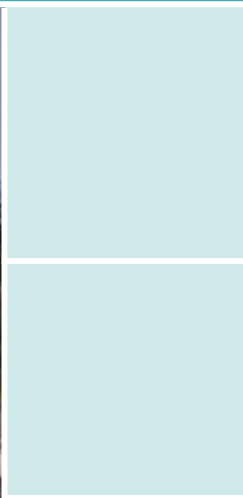




Investor Presentation

Aug 2018



The “BYKE” Brand

Core brand promise:
Quality + Affordability

Mid-market presence

Amongst few organized brand in the segment

Focus on domestic leisure

Large and fast growing segment

Full service hotel

One stop for leisure, social & corporate events

Serving vegetarian food

A key differentiator

Location is the key

Tourist locations, heart of cities

Agenda

01

Financial Highlights & Updates Q1FY19

02

Company Overview

03

Lease Business

04

Chartering Business

05

Annual Financial Highlights

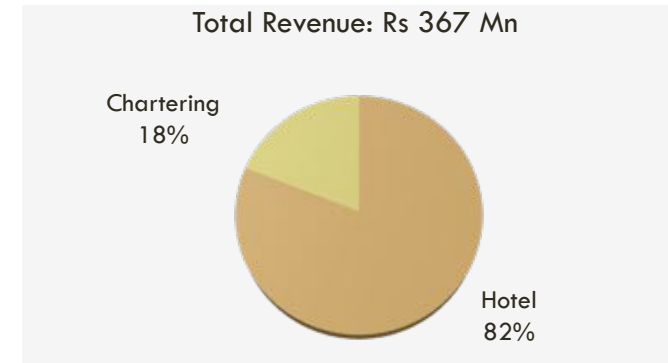


Financial Highlights and Updates Q1 FY19

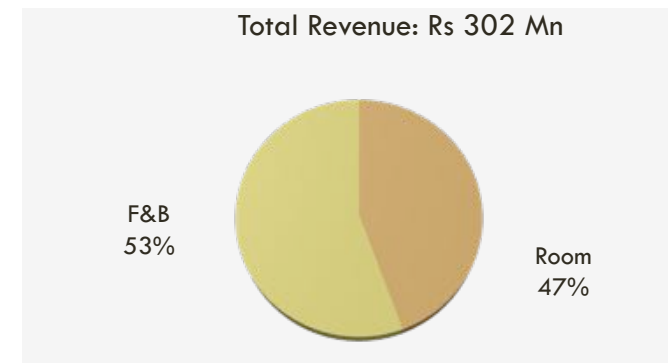
Income Statement – Q1 FY19

Rs. Mn	Q1 FY19	Q1 FY18	Y-o-Y
Hotel Revenue	301.7	292.4	3.2%
Chartering Revenue	65.1	78.4	-16.9%
Revenue	366.8	370.8	-1.05%
Employee Expense	26.9	24.4	10.34%
Operating & Other expense	218.7	214	2.23%
Total Cost	245.6	238.4	3.53%
EBITDA	121.2	132.4	-8.45%
EBITDA margin	33.04%	35.74%	--
Depreciation	35.7	31.8	12.26%
Net Interest Cost	4.5	1.7	174.77%
Other Income	2.2	1.8	21.86%
PBT	83.2	100.7	-17.45%
Tax	28.8	34.9	-17.45%
PAT	54.4	65.8	-17.45%
PAT margin	14.83%	17.78%	--

Segmental Revenue Breakup: Q1FY19

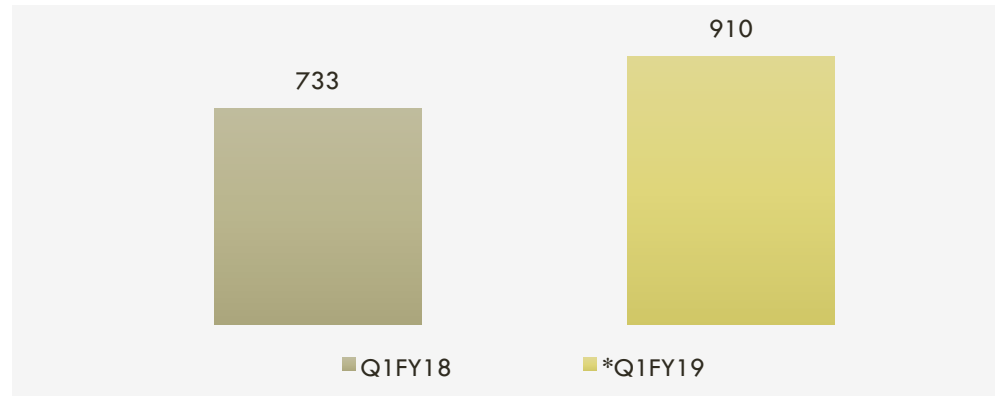


O&L Revenue Breakup: Q1FY19



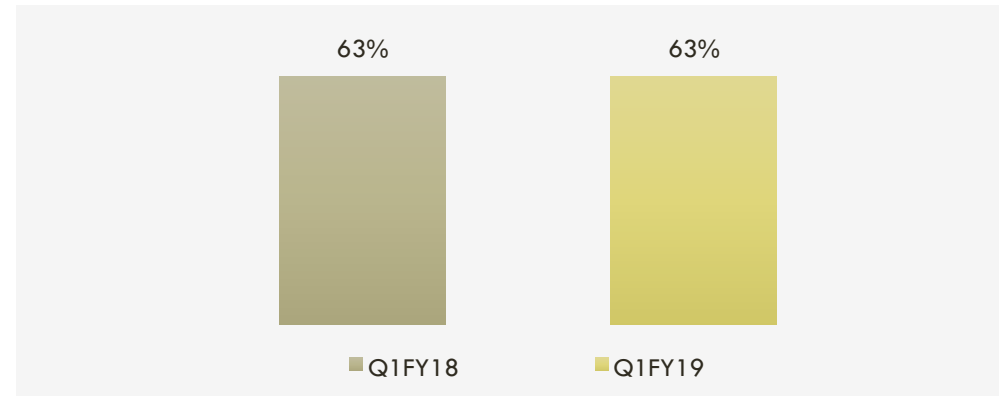
Lease Business – Q1 FY19

Number of rooms

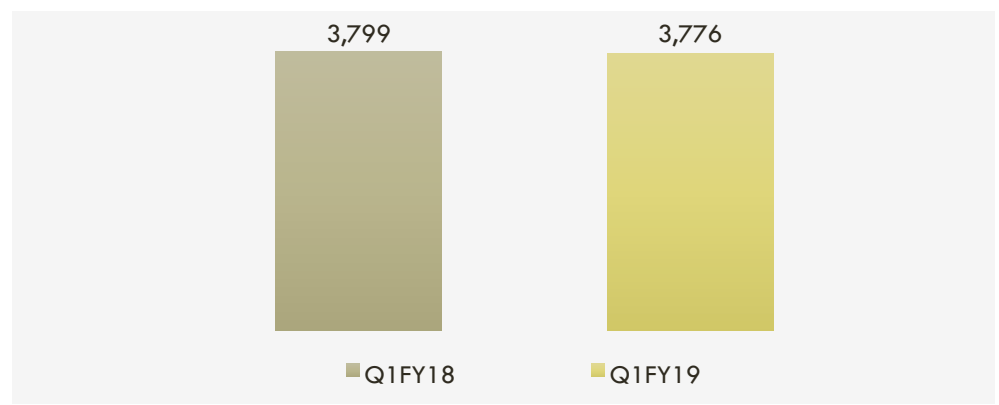


*Note: 139 rooms are yet to be operational

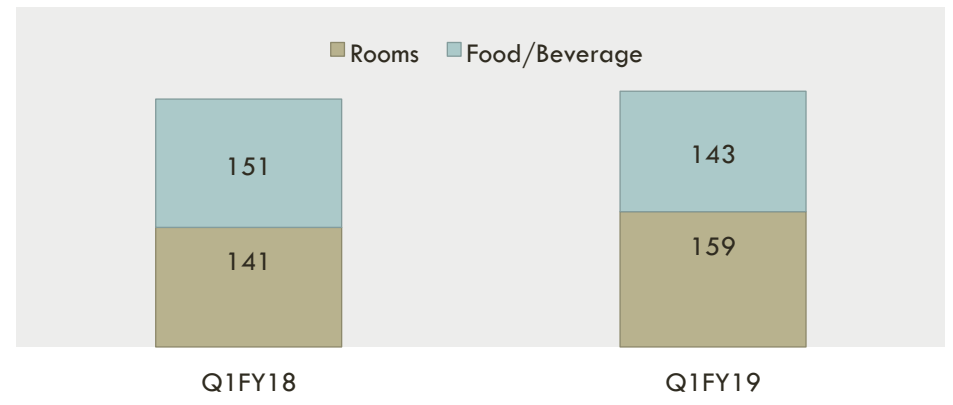
Occupancy (%)



ARR (Rs)

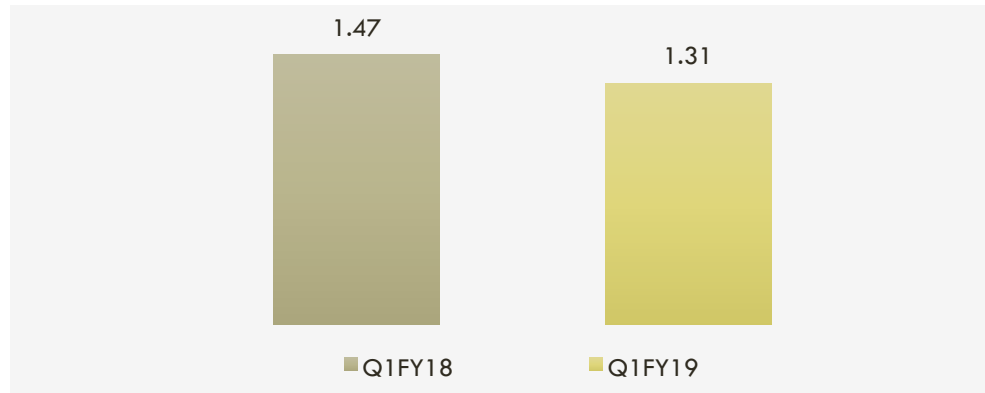


Revenue (Rs Mn)

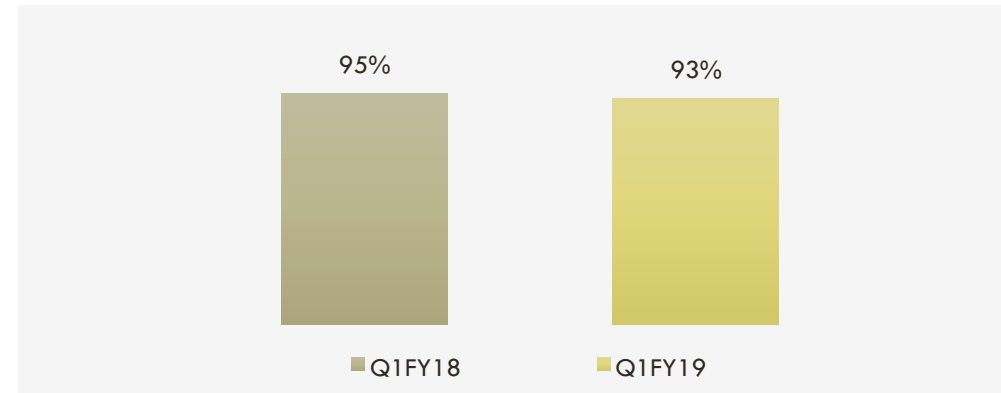


Chartering Business – Q1 FY19

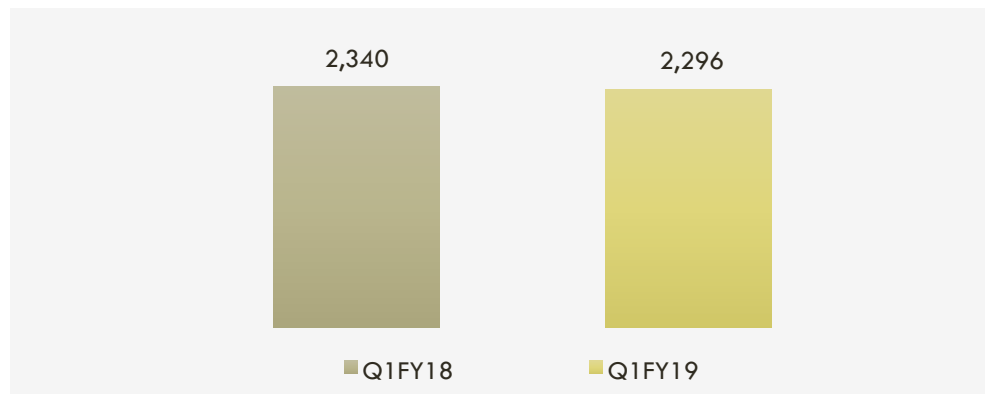
Number of rooms nights sold (In Lacs)



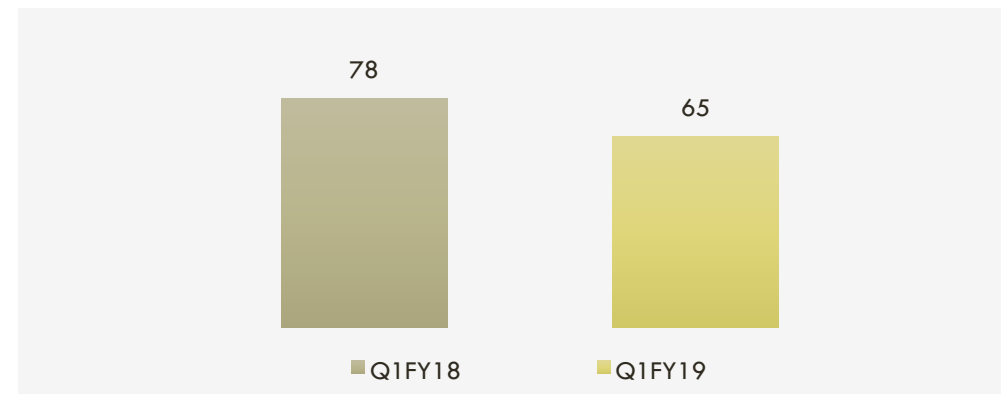
Occupancy (%)



ARR (Rs)

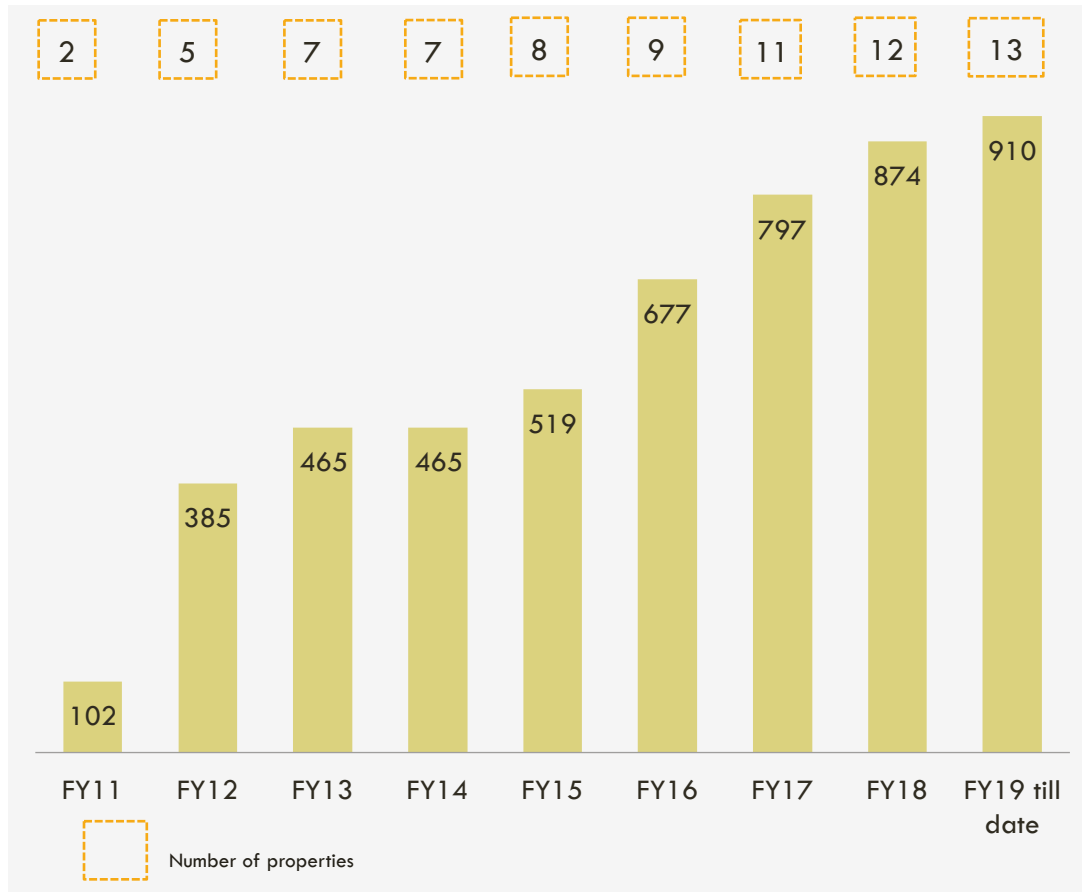


Revenue (Rs Mn)



Portfolio of 910 Rooms Across 13 Properties

Number of Rooms and Properties



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 Neelkanth	Manali	40	Leased
Byke Redwood	Matheran	25	Leased
Byke Grassfield Riviera	Jaipur	80	Leased
Byke Riddhi Inn	Udaipur	52	Leased
Byke Pooja Samudra	Kovalam	42	Leased
Byke Nature Villas	Shimla	36	Leased
Byke Signature	Bangalore	36	Leased
Byke Brightland	Matheran	63	Owned
Byke Delotel	Mumbai	40	Leased
Total		910	

Yet to be operational

Byke Background and Overview



Background and History

History (Prior to 2010)

- Formerly known as “Suave Hotels”
- Started operations in the year 2002
- Promoted by Mr. Satyanarayan Sharma and family

No. of Hotels – 2
No. of Rooms – 102
Room Chartering - Nil

Acquisition (2010)

- Current promoters acquired 44.5% stake in the Company in December 2010
- 2 properties – Byke Heritage Matheran and Byke Suflower Goa (total 102 rooms)
- In August 2011 the Company name was changed to “The Byke Hospitality”

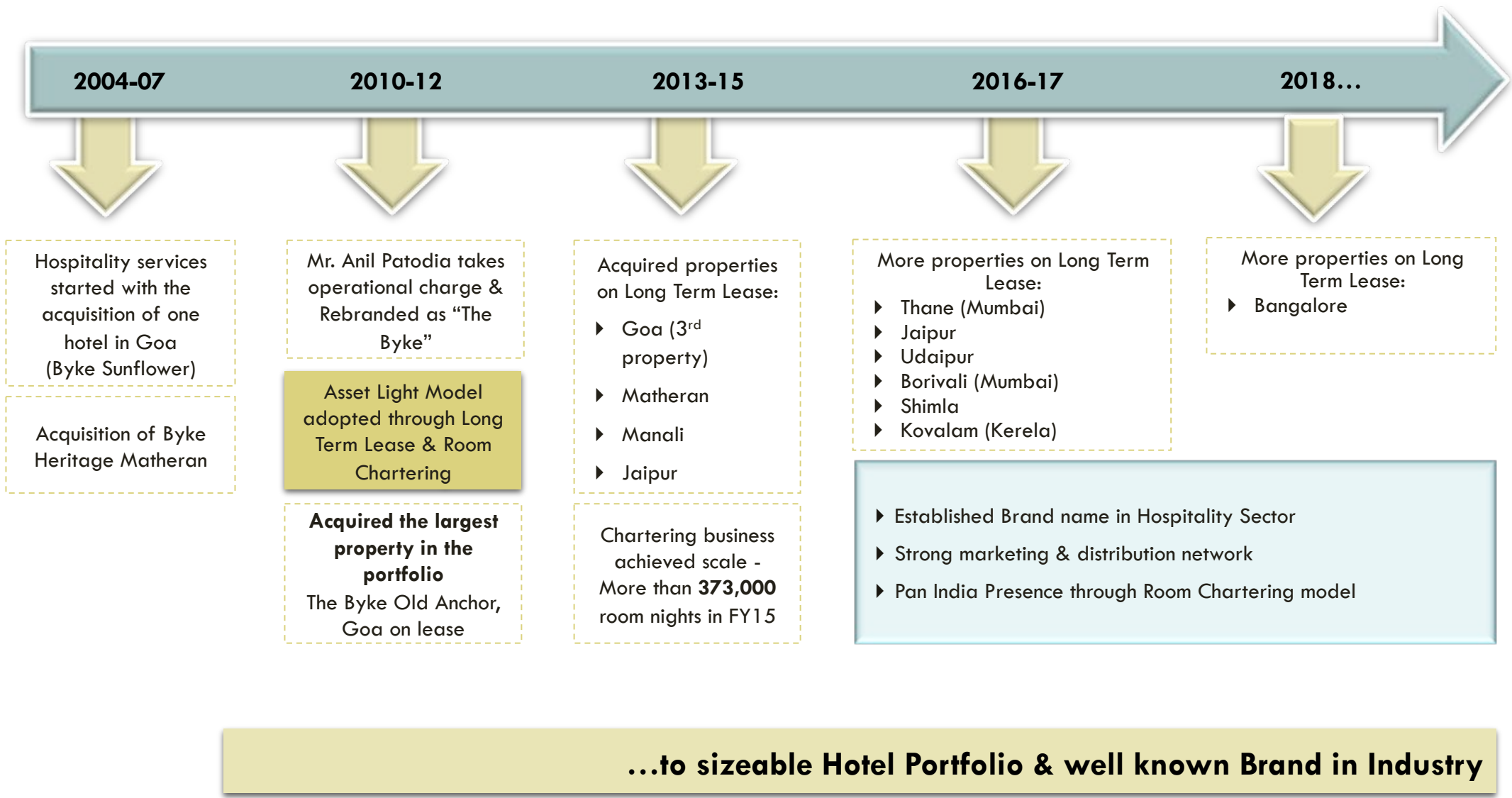
The Byke (Present)

- Mr. Anil Patodia (Managing Director and Promoter) had significant experience in the hospitality industry – business of supplying recon pillows to hotels
- Strong vision to be a leader and preferred choice in the Hospitality Industry

No. of Hotels – 13
No. of Rooms – 910
Room Chartering – 6.38 lacs room nights in FY18



Evolved from Standalone Hotel Property ...



Experienced Management Team

Mr. Anil Patodia Chairman and Managing Director



- Provided strong and dynamic leadership to “The Byke” since 2011
- A career Hotelier with an extensive experience in the Hospitality industry
- His experience in operations and marketing is playing a key role in the global expansion and development of future hotels

Mr. Suraj K Soni

- 20 years of experience as a Hotel Executive
- General Manager with proven brands such as Hilton, Wyndham Hotels, Sayaji Hotel and others
- Specialization in the management of large convention hotels, 4 & 5 Star Resorts & Hotels
- Proven track record of success in opening / re-opening, major renovations and brand re-positioning

Mr. Mihir Sarkar

- 19 years of hands-on experience in the hospitality industry
- Past management roles at Taj, Holiday Inn and ITDC
- Specialties:
 - ✓ Pre-opening Hotel Management
 - ✓ Vendor & Supplier Management
 - ✓ MICE & Convention Management

Mr. Ronald Masse

- Versatile hospitality professional and dynamic manager with more than 20 yrs of experience
- Worked with Group like Tunga & Panaromic group of Hotels
- Specialties:
 - ✓ Hospitality Operations
 - ✓ Client Management & Relationship Building
 - ✓ Business Development

Supported by Independent Board of Directors

Mr. Sandeep Singh

- A renowned media professional, author and management strategist
- Post-Graduation in Rural Development from Xaviers Institute of Social Science (XISS)
- Specialised in Media Planning from Mudra Insitute of Communications & General Management from IIM, Bangalore
- Author of various books. Some of his books are 'Business of Freedom', 'Indian Ocean Strategy & 'Simhavolokan'
- On the Advisory Board of The National Institute of Mass Communication & Journalism

Mr. Dinesh Kumar Goyal

- He belonged to 1981 batch of the Indian Administrative Services. prior to IAS, he was a scientist for six years in the Department of Atomic Energy, govt. of India
- Has administrative experience of 32 years as a District Magistrate and Collector and heads of various departments like Agriculture commodities procurement, Computers, Election, Energy, Employment, Labors, etc
- He retired as Additional Chief Secretary , Horticulture Department, government of Rajasthan and Chairman of International Horticulture Innovation and Training Center, Jaipur

CA Ram Ratan Bajaj

- Fellow member of the Institute of Chartered Accountants of India
- Over 35 years of post- qualification experience
- Expertise in handling finance, taxation, corporate law, accounts, project implementation

Mr. Bharat Thakkar

- Post graduate in Commerce and has cleared ICWA Intermediate
- He is an acknowledged expert in financial planning as well as insurance sector
- Was earlier with New India Assurance and United India Insurance

Mr. Ramesh Vohra

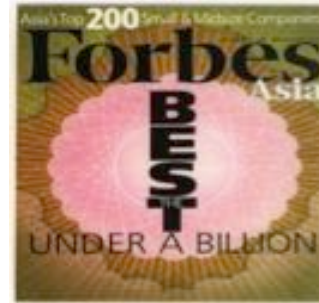
- Successful businessman providing engineering solutions to the oil, gas, exploration, marine and construction companies
- Some of the major clients include ONGC and the Indian Railways
- Member of the Lions Club for over a decade

Awards and Accolades

Featured in Forbes Asia's "Best Under a Billion" for 2 consecutive years

Achieved the distinction of being among the 11 companies from India that have made it to the top 200 Asia Pacific corporations in Forbes Asia's 'Best Under a Billion' list in 2015

Featured again in 'Best Under a Billion' list in 2016; among the 7 companies from India that have made it to the list



Award to promote vegetarian hotels in India

Received an award for "BEST PURE VEGETARIAN HOTEL CHAIN IN INDIA" at 11th Hospitality India & Explore the World Annual International Travel Awards, 2015, New Delhi



CMD featured in Forbes June 2016 issue

Forbes Asia June 2016 issue featured Chairman & Managing Director, Mr. Anil Patodia's thoughts and future plans for the Company



Business Overview

Hotel (Owned + Leased)

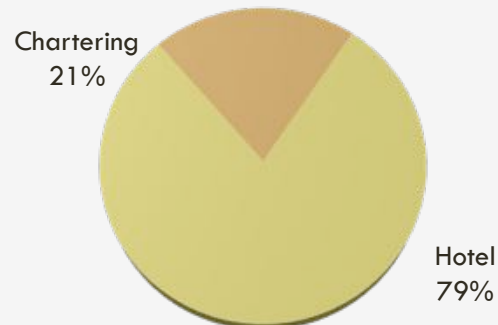
- Hotels under Brand name “The Byke”
- Focus on domestic middle class leisure tourism
- Niche in Vegetarian segment
- Diversified revenue mix – Rooms, F&B, events, etc.
- 13 properties at tourist destinations in India:
 - 2 ownership; 11 on long term lease
 - 910 rooms

Room Chartering

- Third party hotel rooms chartered at strategically identified locations across India
- Capitalise on the diverse peak seasons across India
 - Maximise occupancy (95%+)
- Presence across 60 plus cities
- Relationships with 500+ hotel owners
- Network of 290+ agents

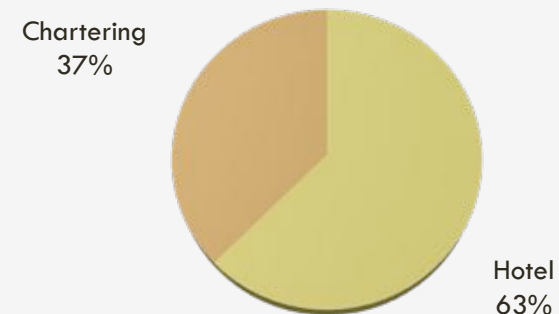
Revenue Break-up

FY18 Total: Rs 1,774 mn



EBITDA Break-up

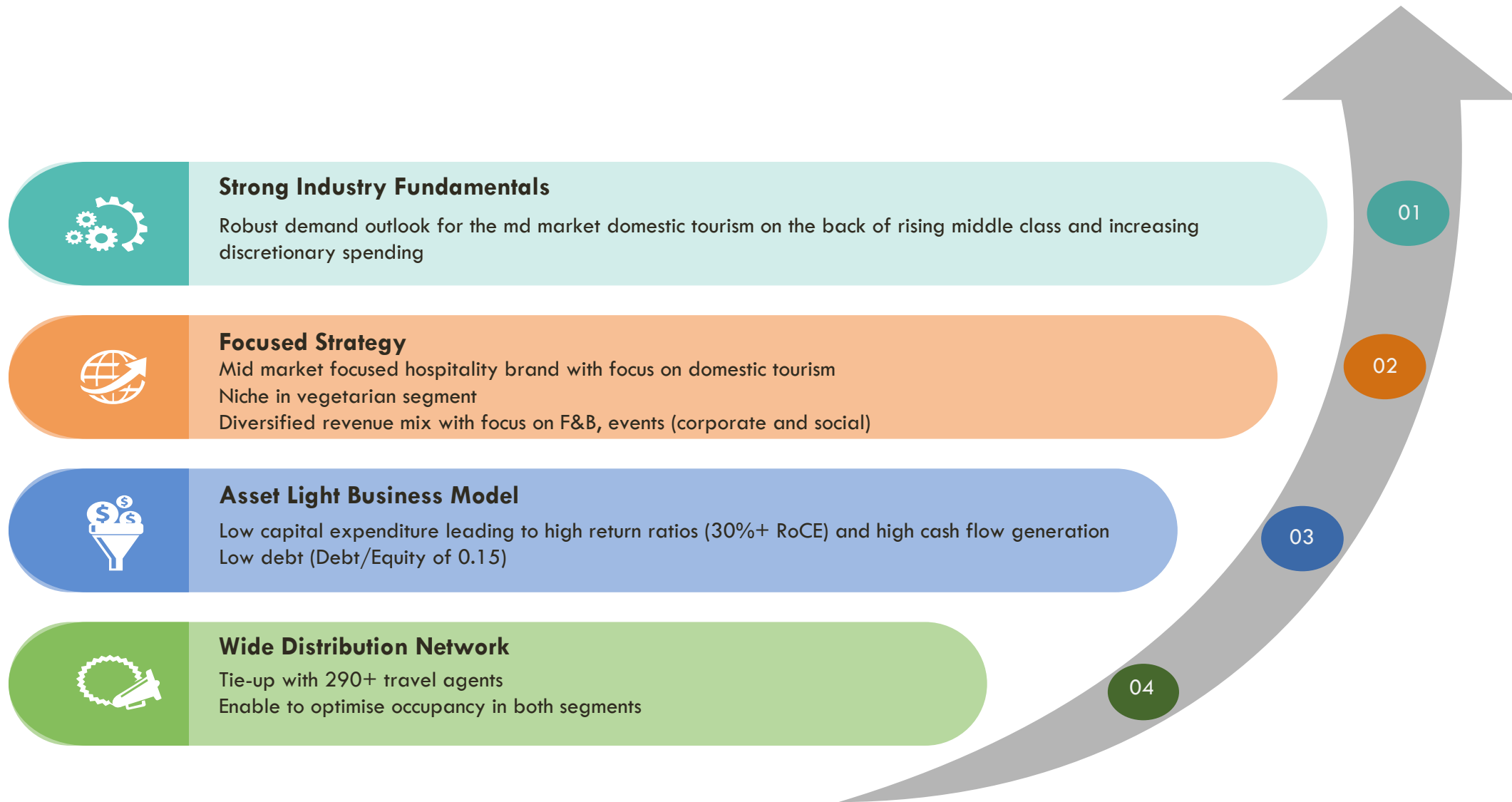

FY18 Total: Rs 687 mn




Key Growth Drivers




Key Growth Drivers


Strong Industry Fundamentals
Robust demand outlook for the md market domestic tourism on the back of rising middle class and increasing discretionary spending



Focused Strategy
Mid market focused hospitality brand with focus on domestic tourism
Niche in vegetarian segment
Diversified revenue mix with focus on F&B, events (corporate and social)



Asset Light Business Model
Low capital expenditure leading to high return ratios (30%+ RoCE) and high cash flow generation
Low debt (Debt/Equity of 0.15)



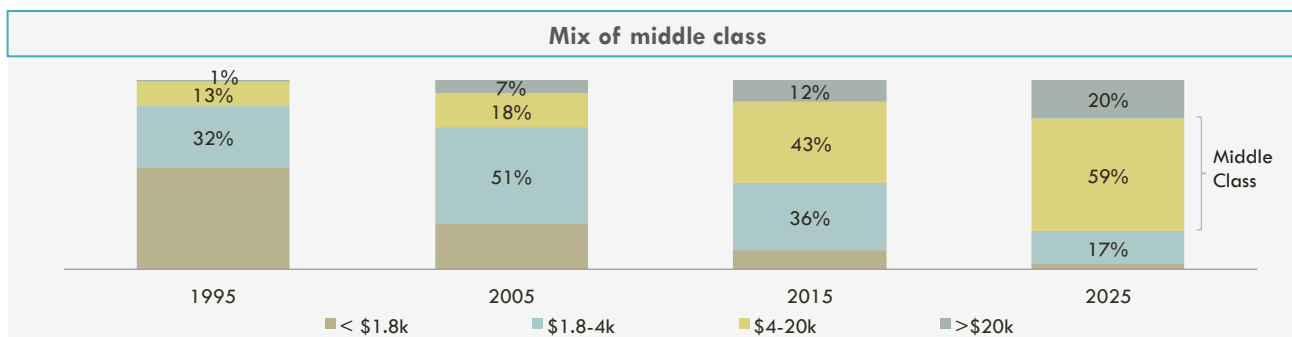
Wide Distribution Network
Tie-up with 290+ travel agents
Enable to optimise occupancy in both segments

1 Strong Industry Fundamentals

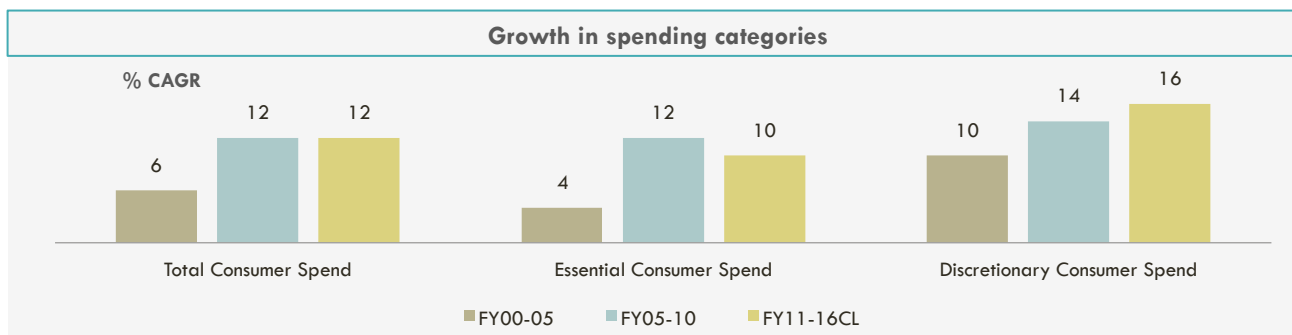
Huge Potential of Domestic Tourism



Expanding Middle Class



Increasing Discretionary Spend



Mid market focused hospitality brand with focus on domestic tourism

- Domestic travellers have been the bedrock of demand for the Indian hotel industry – Domestic tourism continues to be over 80% of the total tourist expenditure in India
- A growing middle class has created demand for branded budget hotels for the domestic travellers
- Byke has created a distinct brand in the budget hotels category

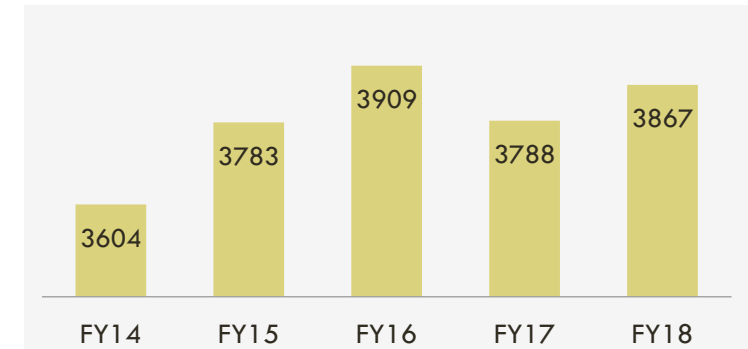
Niche in vegetarian segment

- Restaurants/ Banquets in all hotels serve pure vegetarian food
- Awarded for contribution to promote vegetarian hotels in India at 11th Hospitality India & Explore the World Annual International Travel Awards

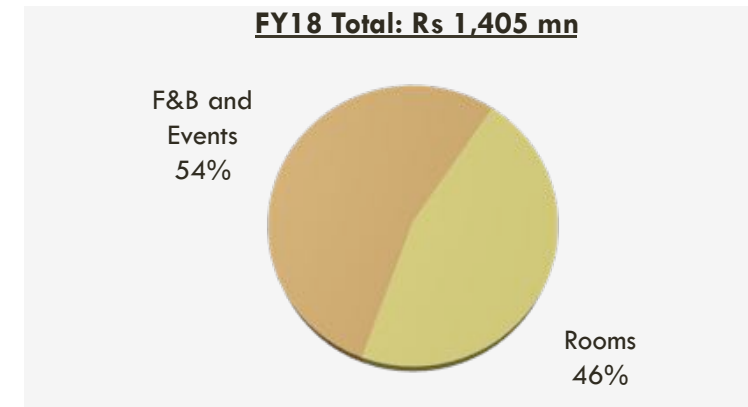
Diversified revenue mix with focus on F&B and events

- Increasing focus on diversified revenue streams including corporate events (meetings, offsites) and social events (weddings, parties) to optimize occupancy and margins
- Restaurants/ conference rooms/ banquet halls & lawns across properties for social and corporate events

Average Room Rent in Rs (Hotels segment)



Hotel Segment Revenue Break-up



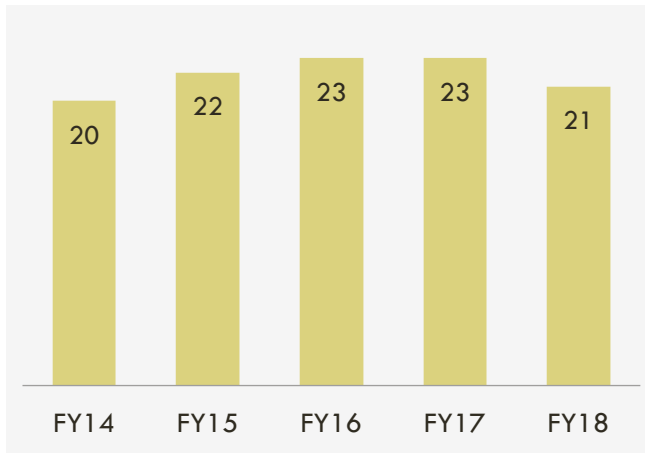
3 Asset Light Business Model

Low capital requirement as properties are taken on a long term lease

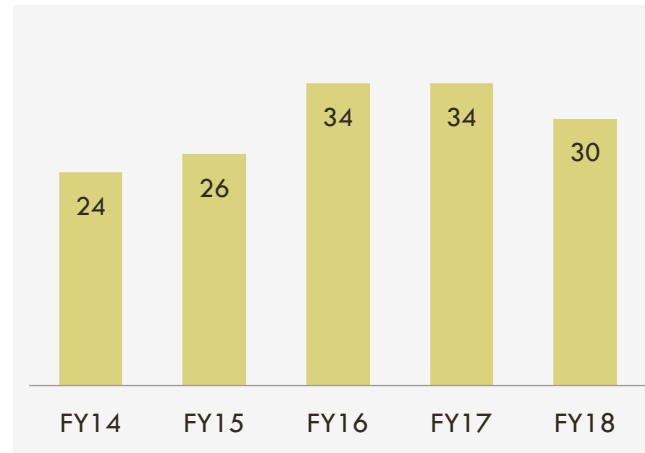
- Incremental room addition requires minimal capital employment; only capex required for refurbishment and rebranding
- Enables the company to leverage high profitability from a low capital base
- Attractive cash flow generation and deleveraging profile

Impeccable return ratios with minimal level of debt

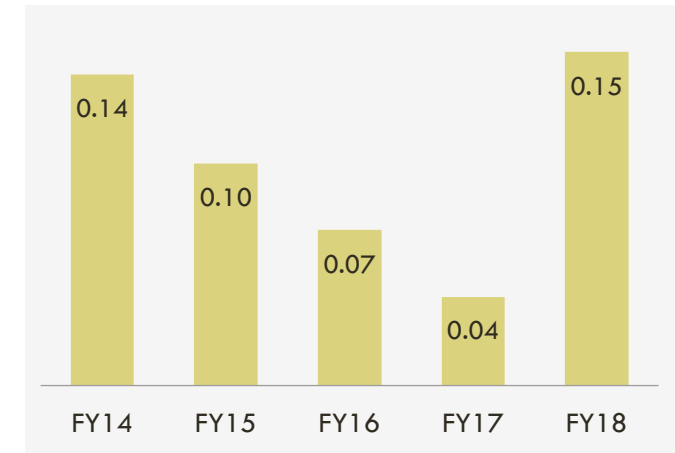
Return on Equity (%)



Return on Capital Employed (%)



Debt/Equity



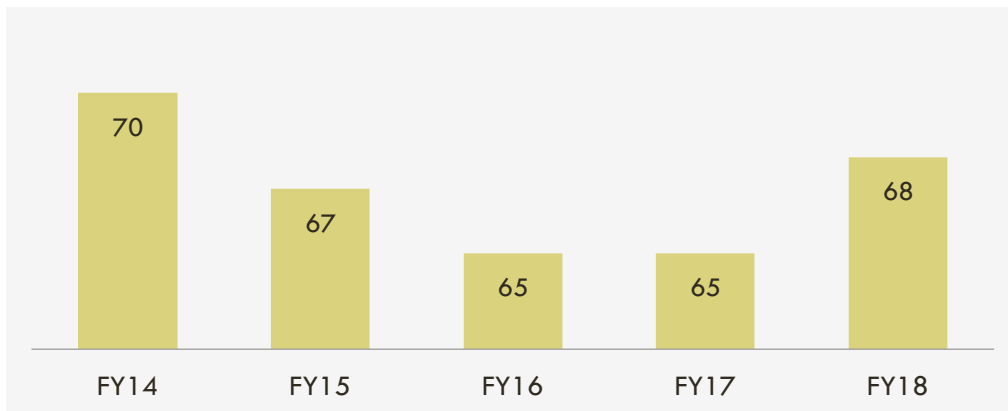
4 Wide Distribution Network

➤➤ Pan-India presence through strong agent network

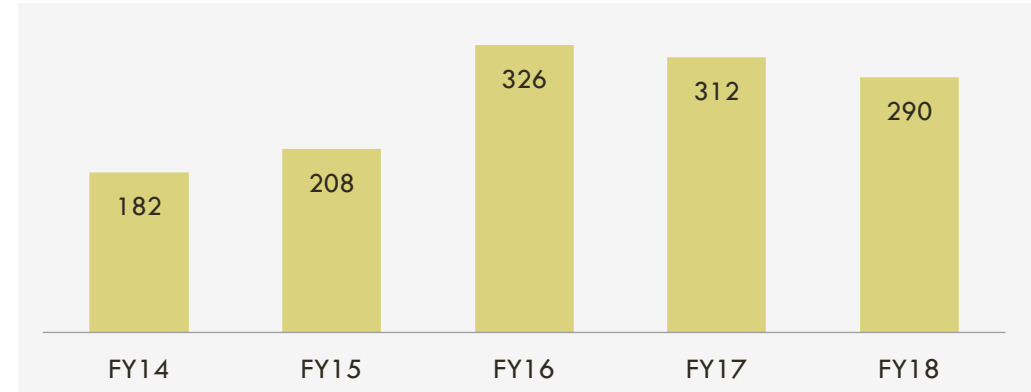
- In hospitality, selling is the major constraint, which is mitigated through tie-up with over 290 agents to sell owned + leased hotel rooms as well as chartered rooms
- Pan-India network of agents

➤➤ Enables to optimize occupancy levels

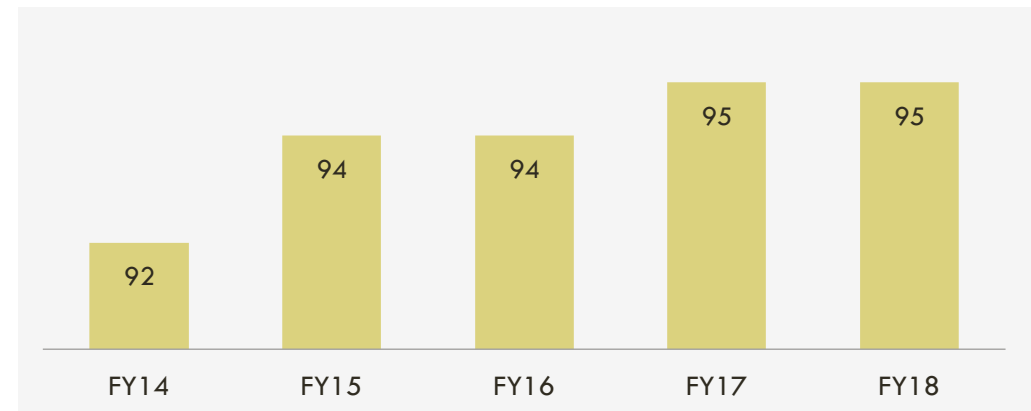
Hotels Segment Occupancy (%)



Number of Agents



Charter Segment Occupancy (%)



Hotel Segment (Owned + Leased)



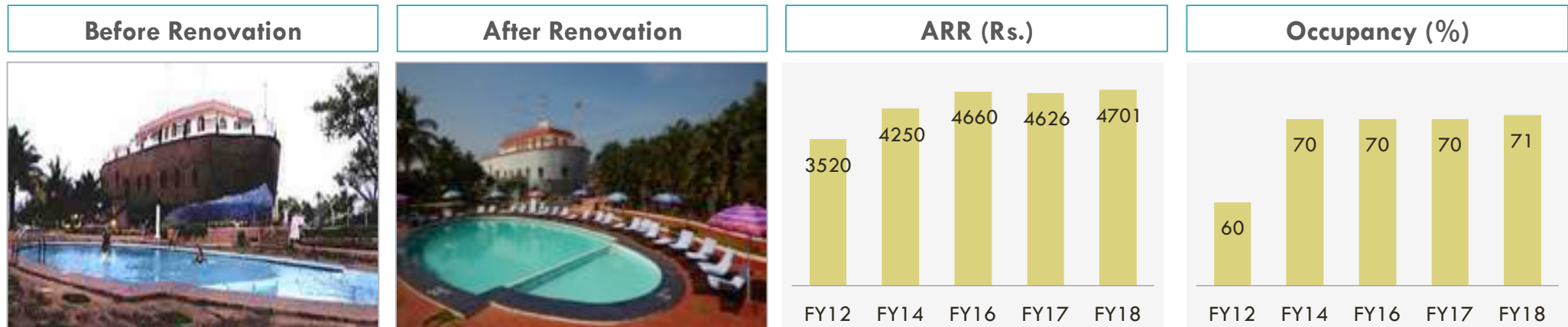
Leasing = Asset Light = Low Capex & Faster Rollout

Renovation and re-branding of hotel properties...



... leading to improvement in ARR and Occupancy

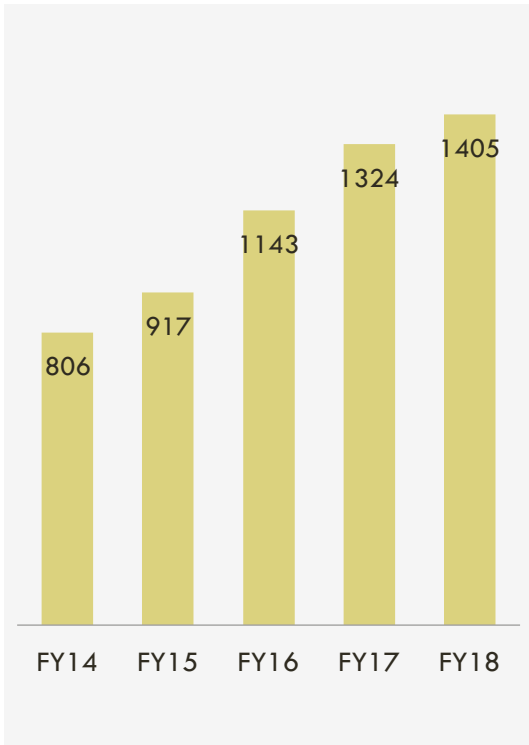
The Byke Old Anchor, Goa



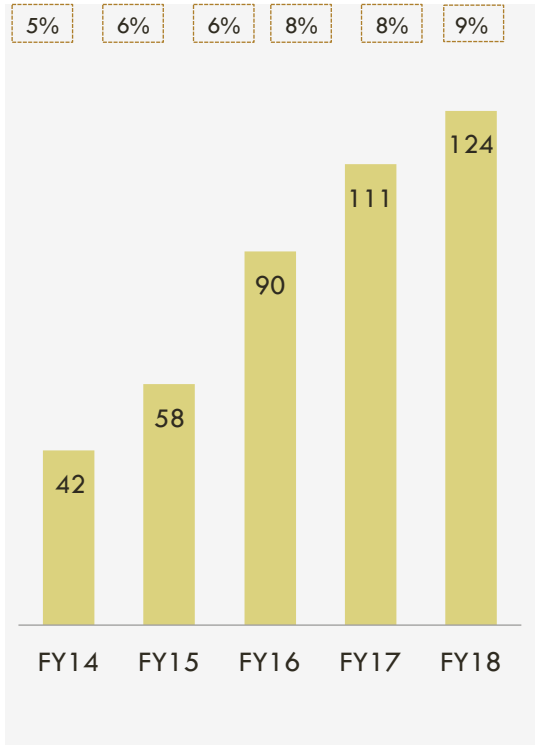
Robust Growth – 15% CAGR

Rs Million

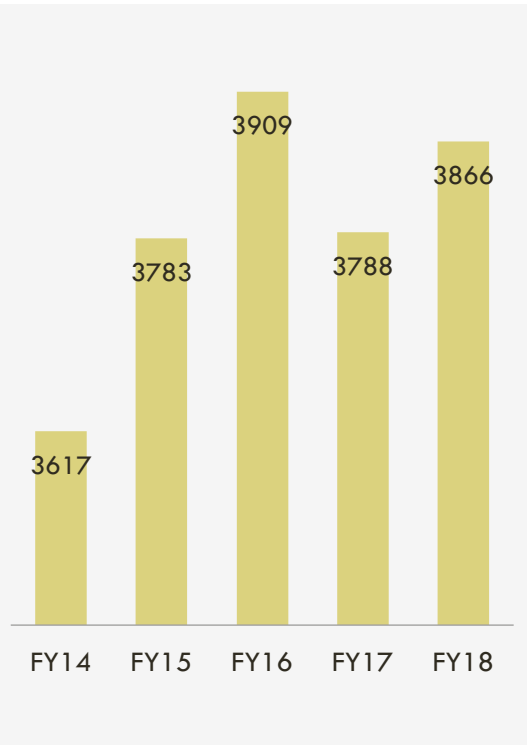
Hotel Revenue



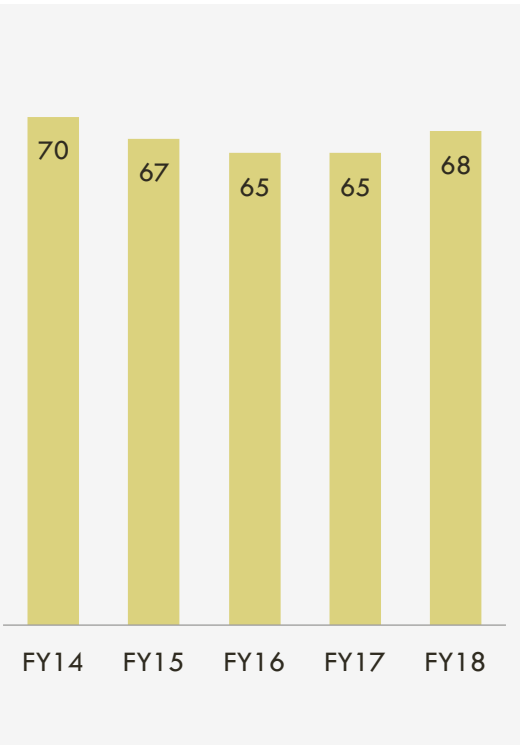
Lease Cost




ARR (Rs.)



Occupancy (%)



 As % of Hotel Revenue

Decline in Average occupancy in FY15 and FY16 due to addition of new properties

15% 4 year CAGR

Low lease cost as 9% of Rev

Improving ARR

Optimizing Occupancy

Room Chartering Segment



Unique Value Proposition

What is Room Chartering

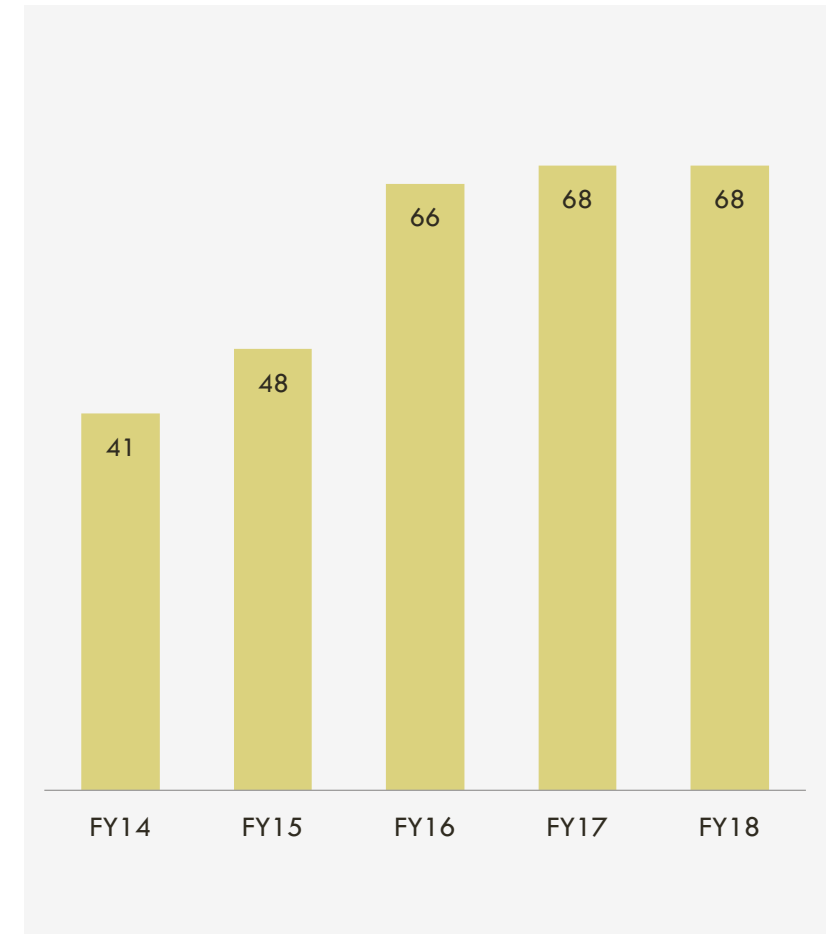
Involves **aggregation of hotel rooms through prior booking** of inventory with partial / full **advance payments**

This is **done 3-4 months before the tourist season for the entire duration of the tourist season** in a particular location

Why Room Chartering

- 1 **Scalable:** Flexibility to quickly expand depending on tourist trends
- 2 **Risk mitigation:** Pan India chartering depending on peak season; Strict quality checks while purchasing inventory
- 3 **Network effect:** Sold onward to wide network of travel agents who sell to customers
- 4 **Synergistic:** Gives insight on where to expand in hotel segment; agent network helps maximizing occupancy for hotel segment
- 5 **High returns:** Discount leads to low break-even point; low capital employed yielding high returns

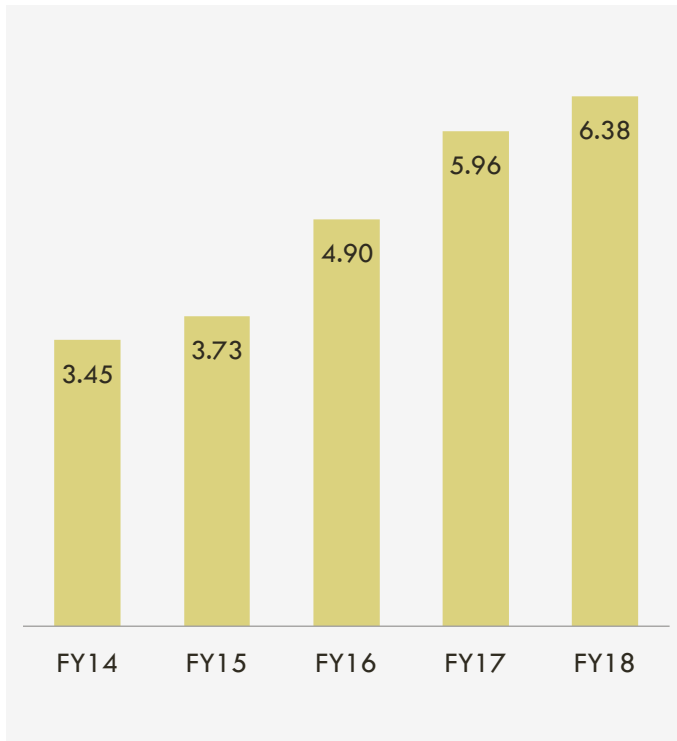
Number of Cities = Expanding Presence



Strong Performance Indicators

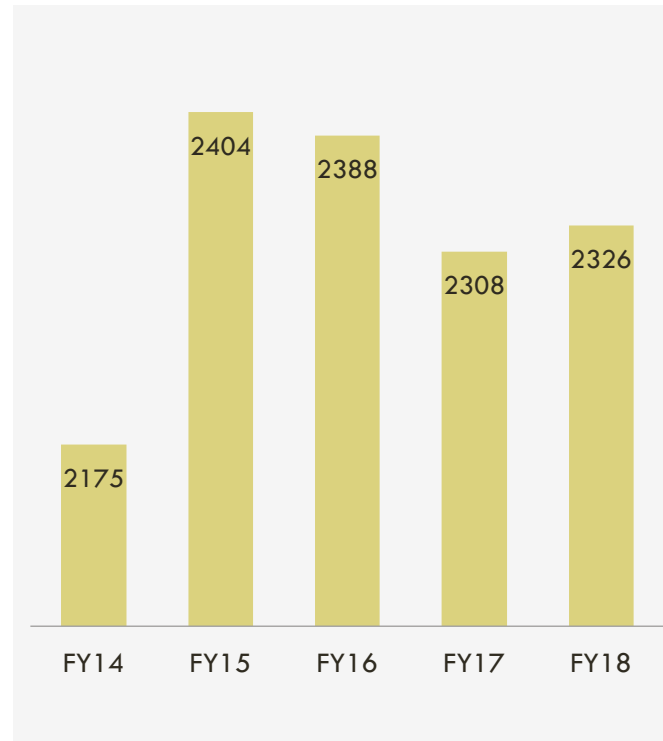
Rs Million

Room Nights Sold (lacs)



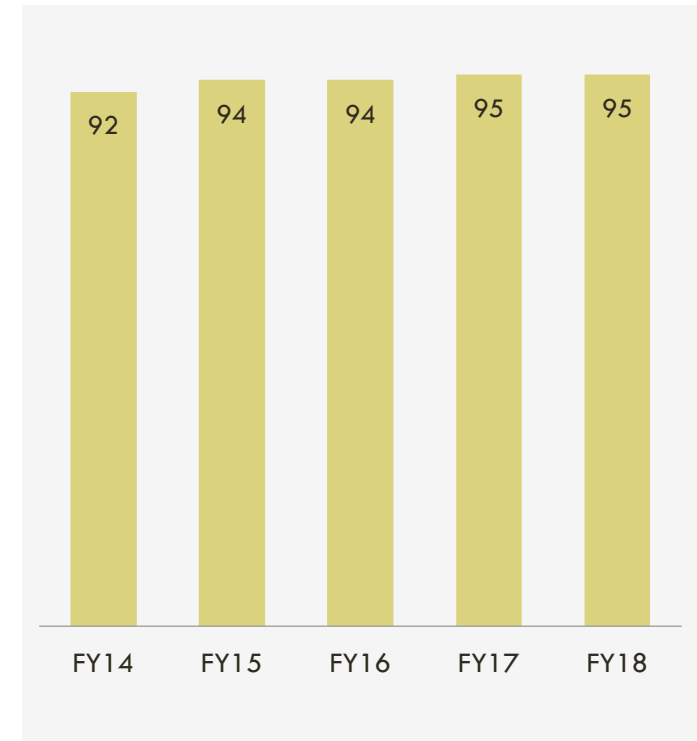
Increasing Scale

ARR (Rs.)



Optimizing ARR

Occupancy (%)



Maximizing Occupancy

Annual Financial Highlights



Profit & Loss Statement

Rs. Mn	FY17	FY18
Hotel Revenue	1323.6	1405.3
Chartering Revenue	340.0	368.8
Revenue	1663.5	1774.1
Employee Expense	91.3	113.5
Operating & Other expense	950.5	973.5
Total Cost	1041.8	1087.1
EBITDA	621.8	687.0
<i>EBITDA margin</i>	37.4%	38.7%
Depreciation	127.7	136.5
Net Interest Cost	10.9	7.5
Other Income	6.5	7.7
PBT	489.6	550.7
Tax	169.4	190.6
PAT	320.2	360.1
<i>PAT margin</i>	19.3%	20.3%

* The Company has changed its accounting method of revenue from gross basis to net basis for room chartering segment from April 1, 2017. Numbers for FY17 and FY18 have been adjusted for the same for a like-on-like comparison

Balance Sheet

Rs. Mn	Mar'18	Mar'17
Share Capital	401	401
Reserve and Surplus	1,436.4	1,126.7
Net Worth	1,837.4	1,527.7
Long Term Borrowings	2.3	4.7
Deferred Tax Net	77.5	69.6
Other non-current liabilities	4.9	4.2
Total Non-current liabilities	84.7	78.5
Short term borrowings	196.9	59.4
Other current liabilities	234.7	200
Total Current liabilities	431.6	259.4
TOTAL LIABILITIES	2,353.7	1,865.6

Rs. Mn	Mar'18	Mar'17
Net Block + CWIP	1114.8	942.6
Other Non-Current Assets	82.6	51.1
Long Term Loans and Advance	180.6	82.8
Total Non current assets	1,378.0	1,076.5
Inventories	147.4	108.1
Debtors	297.2	222.3
Cash and bank	110.0	35.8
Other Current Assets	2.55	2
Short Term Loans and Advance	418.5	420.9
Total Current Assets	975.7	789.1
TOTAL ASSETS	2,353.7	1,865.6

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