



# Investor Presentation

May 2015



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**“The Byke” Hotel Portfolio**

# Company Overview



*The Byke Old Anchor - South Goa*

# The Byke : Asset Light Business Model ...

## “The Byke” Portfolio

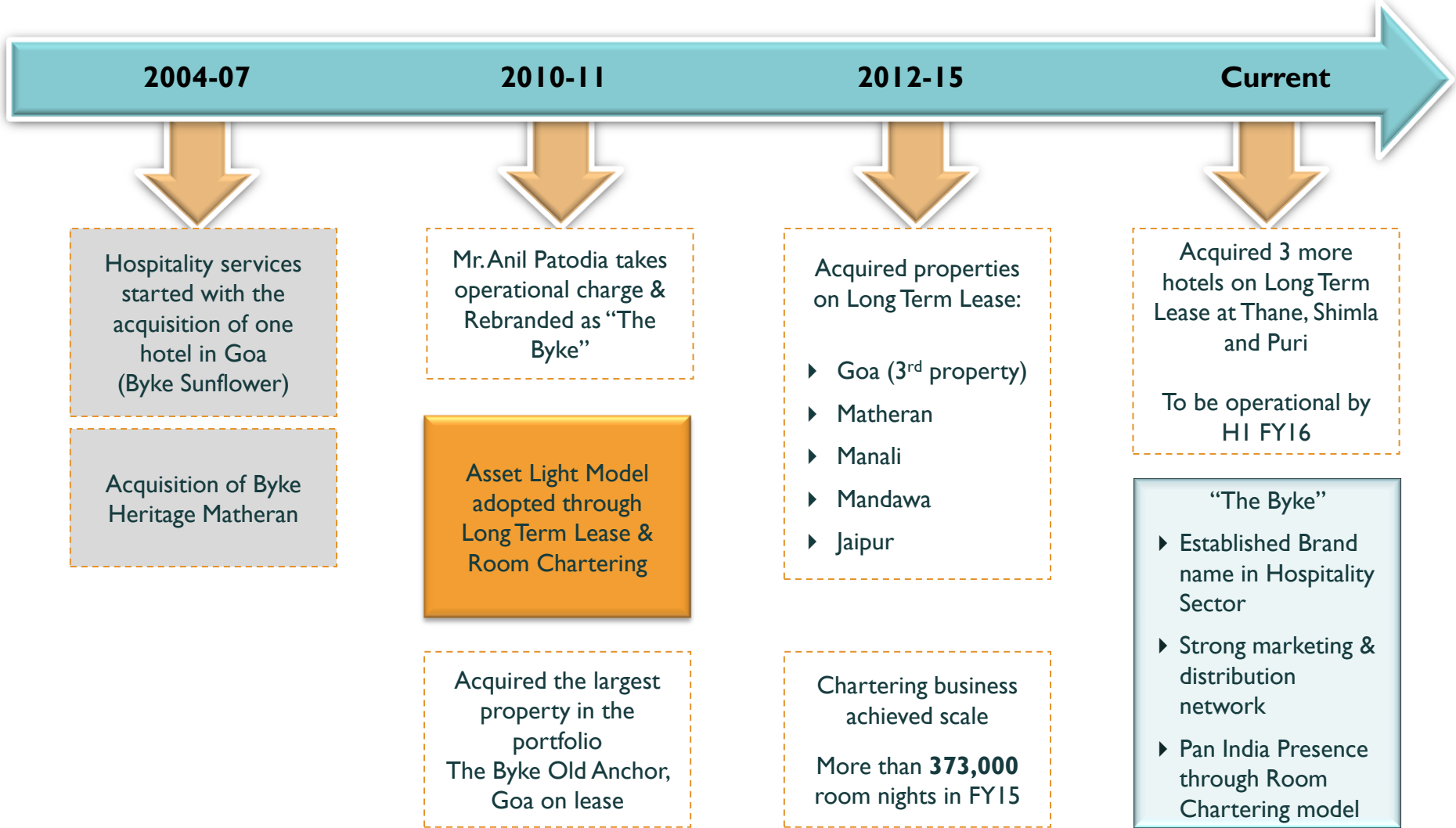
- ▶ Hotel under brand name “The Byke”
- ▶ Focus on Domestic Middle Class Leisure Tourism
- ▶ 8 hotel properties operational at tourist destinations in India (as on Mar’15) of which:
  - 2 ownership; 6 on long term lease
  - 519 rooms
- ▶ 3 new hotel properties to be added in FY16
  - 196 rooms to be added
  - Byke Suraj Plaza, Thane, added in May 2015
- ▶ Niche in Vegetarian segment

## Room Chartering

- ▶ 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 48 cities in India
- ▶ Developed relationship with over 150 Hotels owners
- ▶ Average Room Rent (ARR) of Rs 2,404 for FY15

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

# Evolved from Standalone Hotel Property ...



**...to sizeable Hotel Portfolio & well known Brand in Industry**

# Key Business Strengths



*The Byke Hidden Paradise - North Goa*

# 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

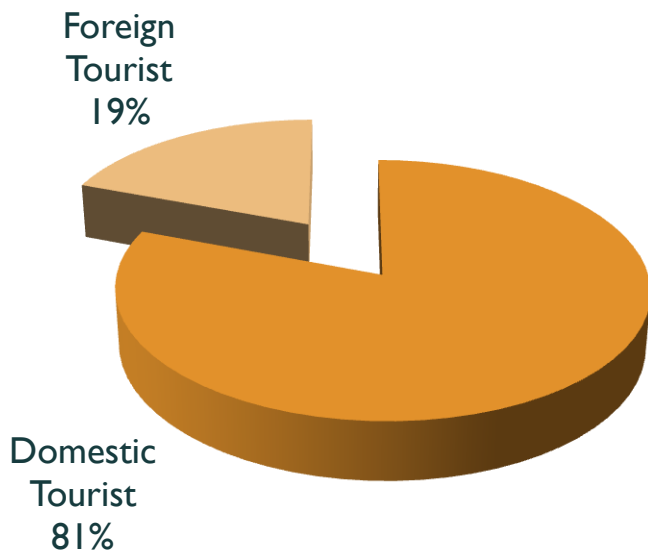
**Strong marketing / distribution network of agents**

5

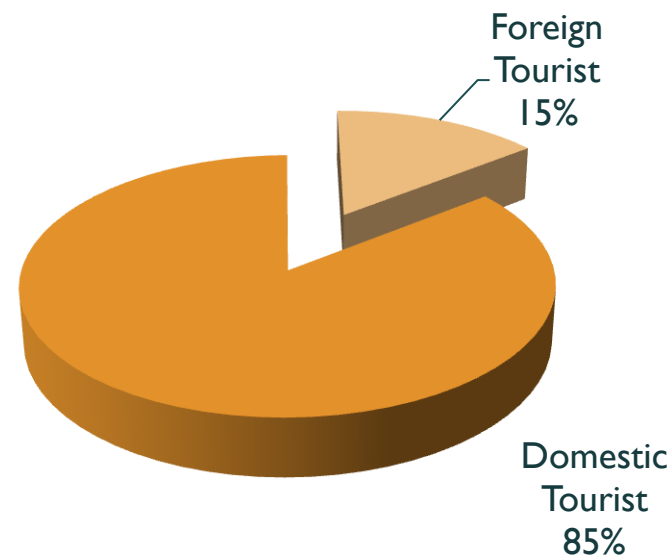
**Experienced management / professional team**



US\$80 bn tourist expenditure (2013)



US\$157 bn tourist expenditure (2024)

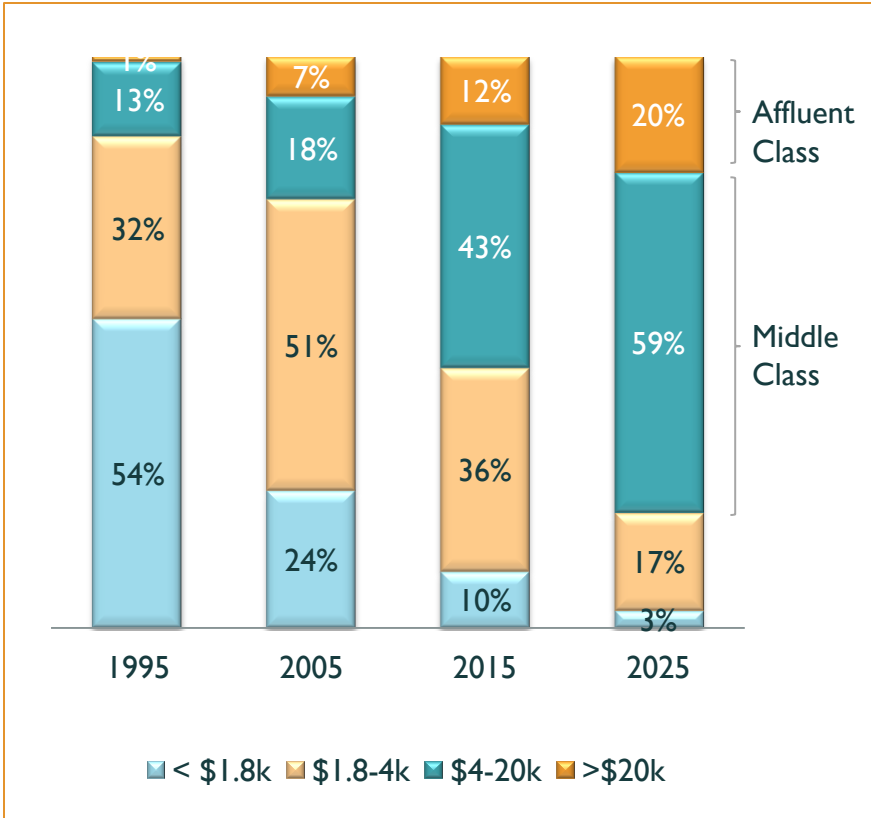
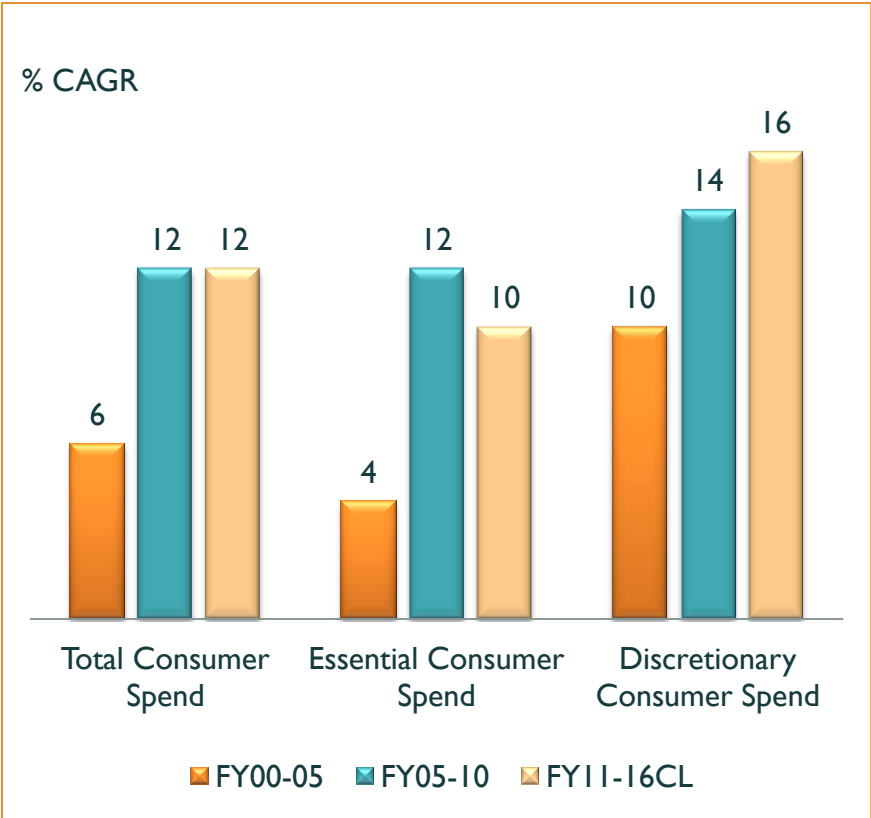


... target market for “The Byke”

# Rising Middle Class and Increasing Discretionary Spend

**Increasing Discretionary spend...**

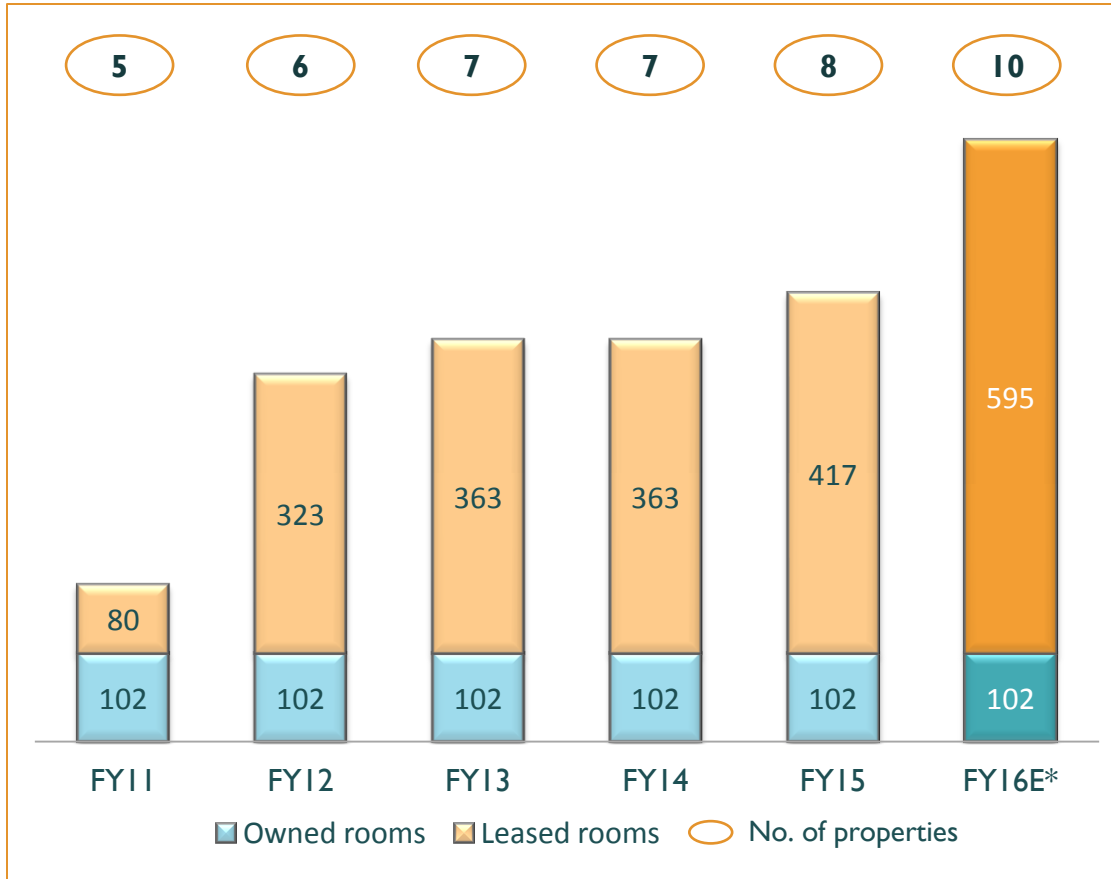
**Along with growing mix of middle class to benefit tourism industry**



**... to benefit tourism segment significantly**

Source: NSSO, CLSA Asia-pacific Markets and Kotak Research

## No. of rooms &amp; properties



- ▶ Currently present in 5 cities
- ▶ Expanded no. of rooms by a CAGR of **31%** over FY11-16
- ▶ Focus to grow the Lease portfolio aggressively by leasing **distressed properties** and turning around quickly
- ▶ Lease business to grow at 20%+ over the next few 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...

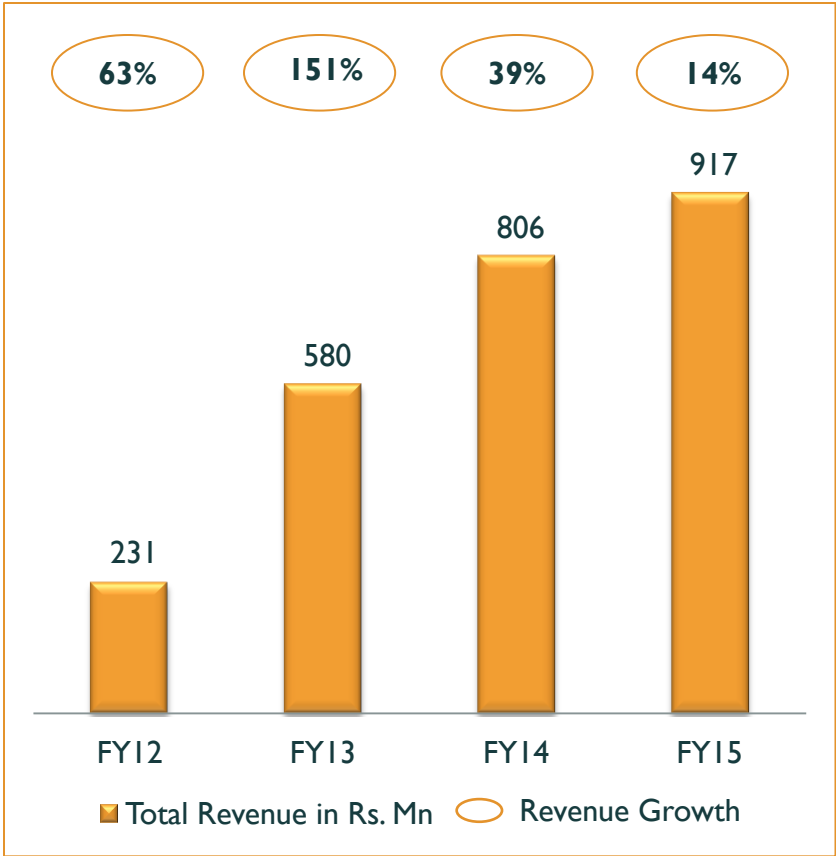
- ▶ Lower capital requirement for hotel lease
  - Leasing low-yield for property owner
  - Unlocks resources for modernization of properties
  
- ▶ Renovation of the property, one of the key success factors
  - Renovation, interior decoration, investment in amenities & infrastructure
  - Focus on completing 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



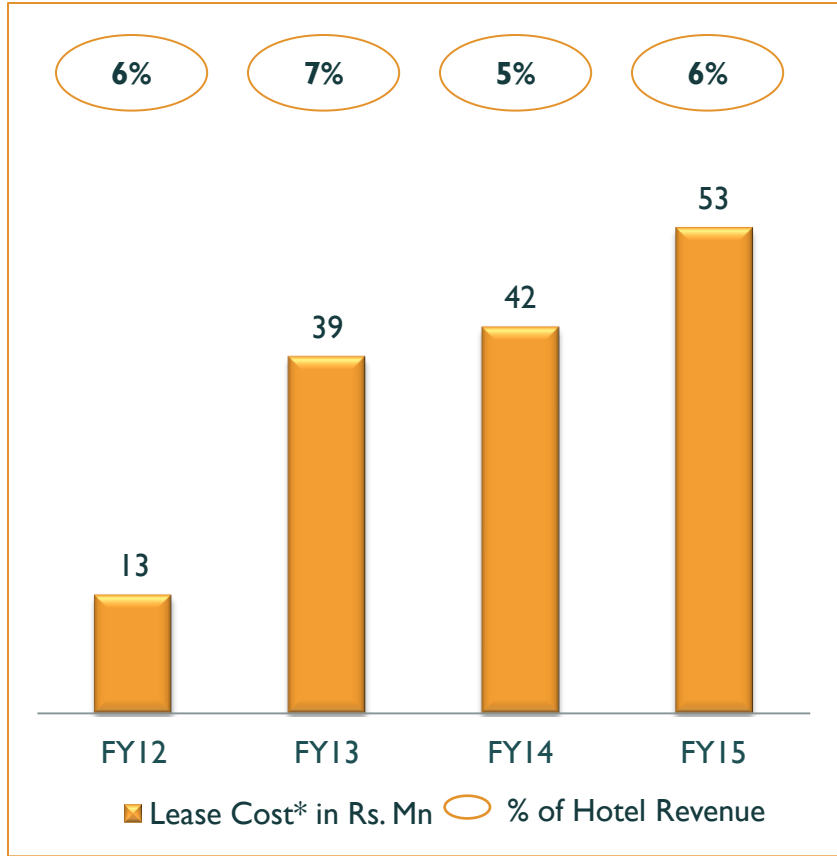
**... leads to improvement in ARR of most of the properties**

# Consistent Revenue Growth...

## Revenue from "The Byke" properties



## Properties Lease Amount (Major cost)



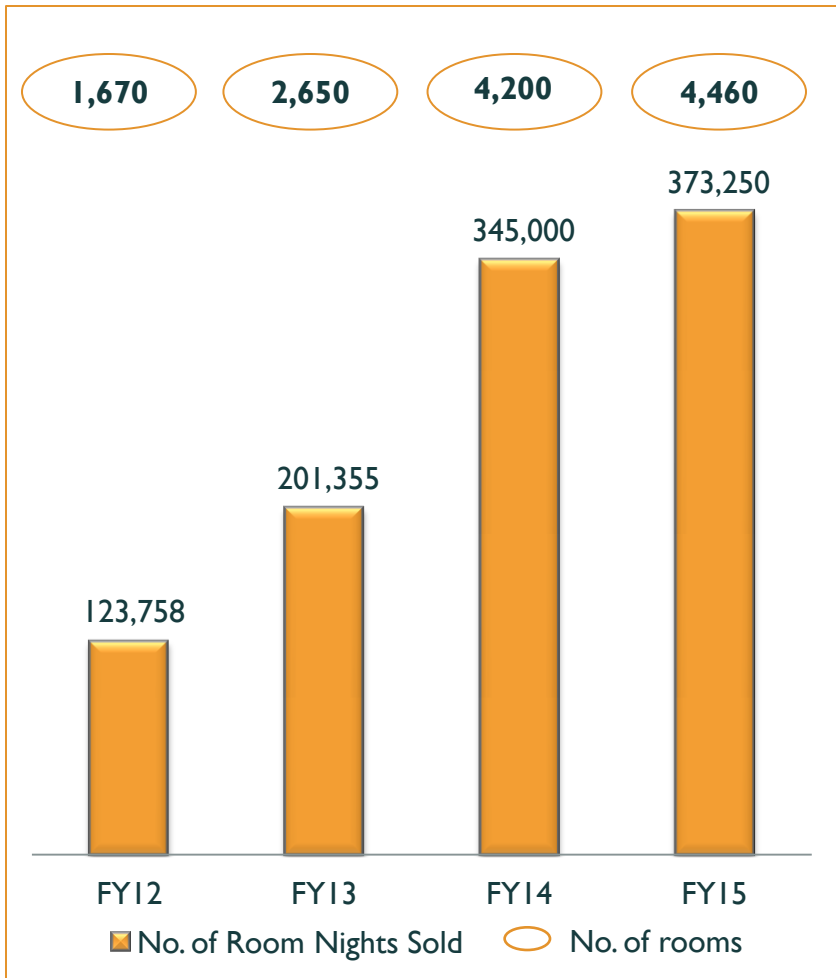
**... and low fixed cost gets break-even at low occupancy rate**

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

## Key strengths of model

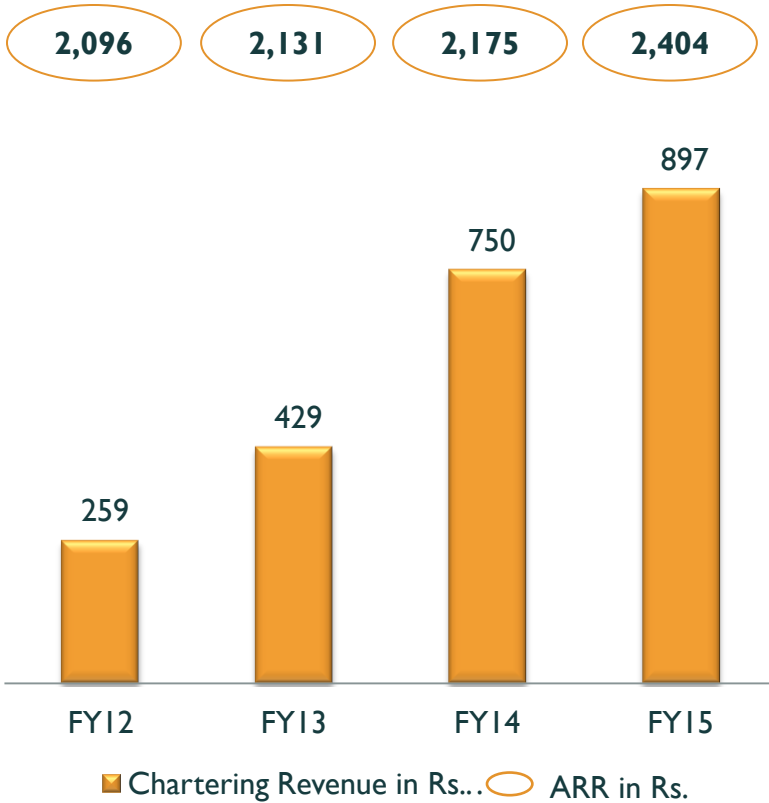
- ▶ Chartering rooms at strategically identified locations with partial / full advance payments
- ▶ Synergistic model increasing occupancy of the leased properties of “The Byke”
- ▶ Strong marketing & agent network
- ▶ Better negotiation given scale leads to low break even point
- ▶ Low Capital Employed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

## Rooms and Room Nights Sold

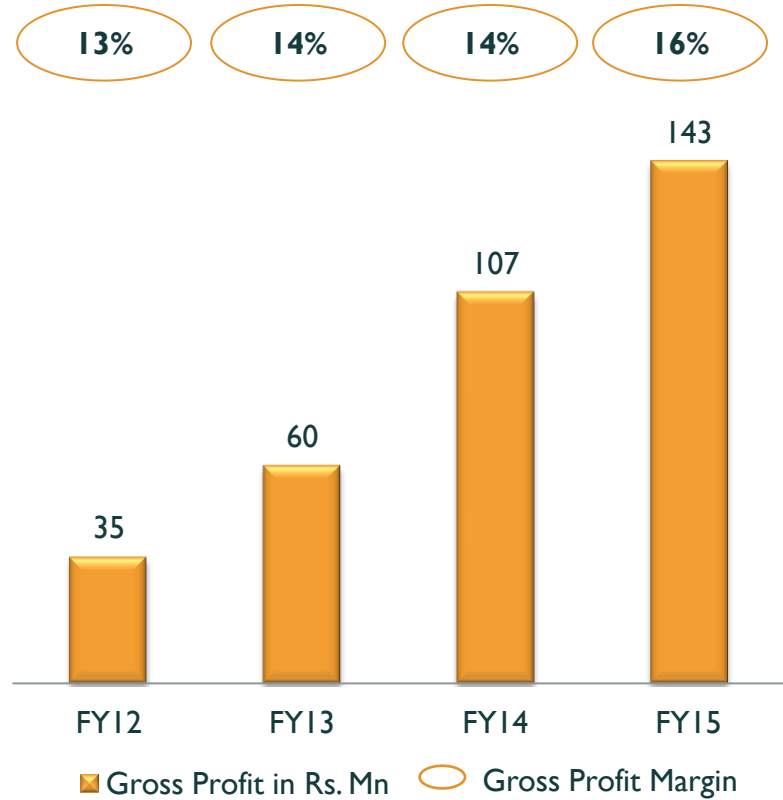


# Highly Scalable....

## Chartering Revenue



## Gross Profit\* & Margin

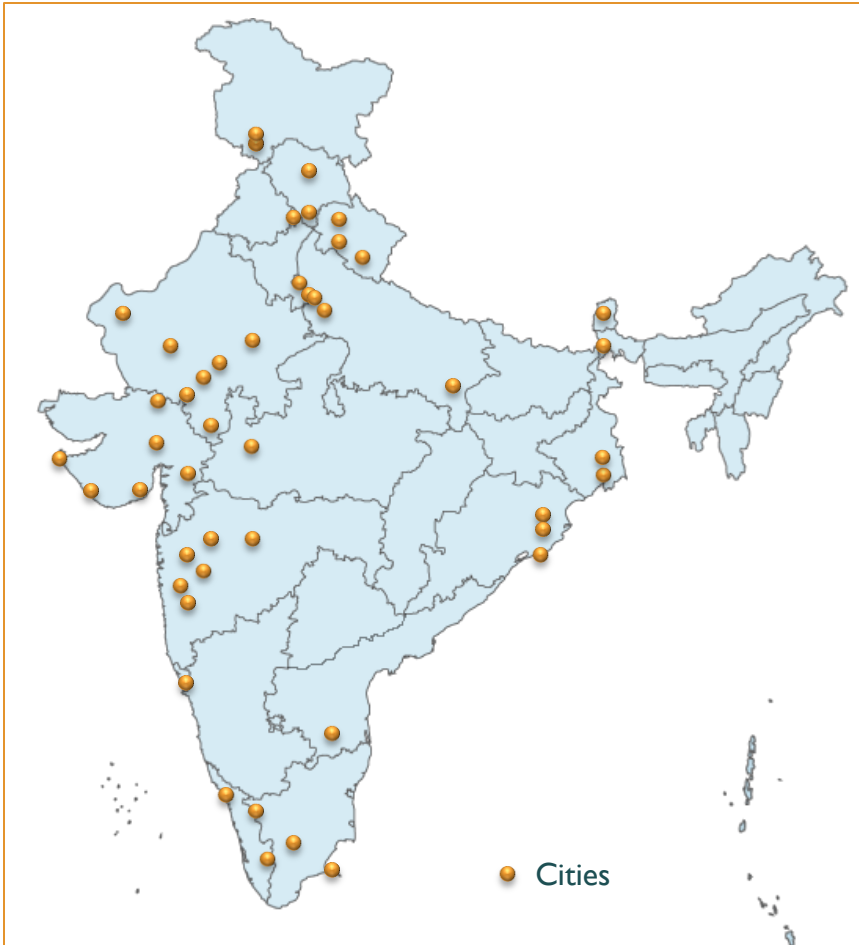


**... and generates strong margins**

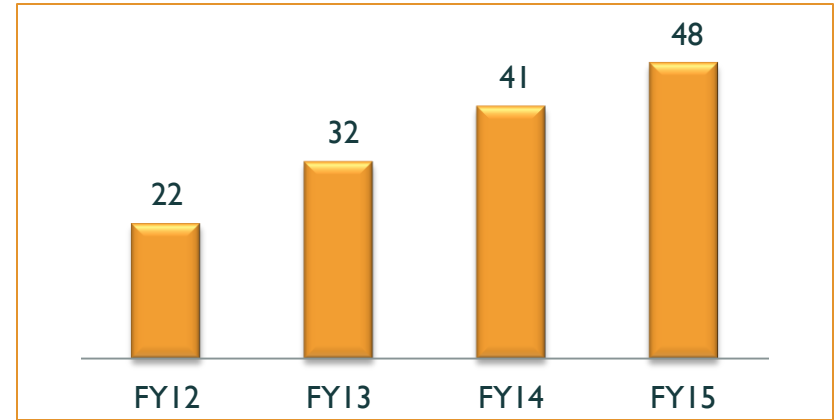
\*Gross Profit calculated: Revenue – (Chartering Cost + Cost of Vacant Rooms + Agent Commission)

# 4 Strong Network of Agents

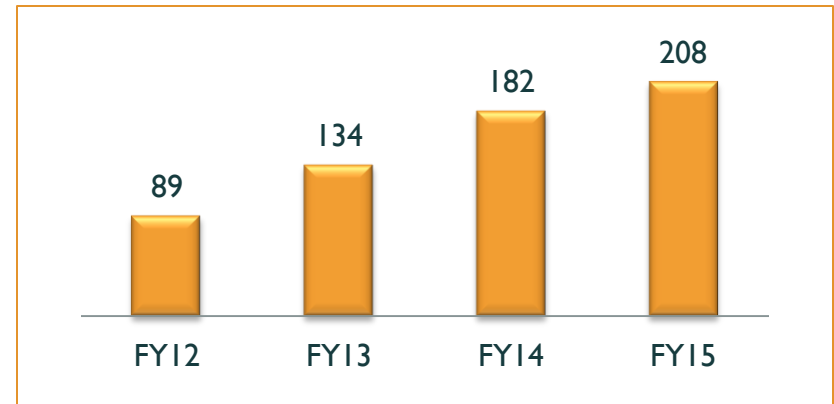
## “The Byke” Presence



## Agent Network: No. of Cities



## Agent Network: No. of Agents



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



### Mr. Anil Patodia

- ▶ Has provided strong and dynamic leadership to “The Byke” since 2011
- ▶ Has sharp analytical acumen with respect to the various avenues of investment in this industry
- ▶ 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
- ▶ He is a Commerce Graduate from the University of Rajasthan



### Mr. Mihir Sarkar

- ▶ Has over 19 years of hands-on experience in the hospitality industry
- ▶ Past management roles at Taj, Holiday Inn and ITDC
- ▶ Specialties:
  - Multiple Unit Business Operations
  - Pre-opening Hotel Management
  - Vendor & Supplier Management
  - MICE & Convention Management
  - Strategy Planning and Management

### Mr. Suraj K. Soni

- ▶ Has 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 and 4 and 5 Star Resorts & Hotels
- ▶ Proven track record of success in opening / re-opening, major renovations and brand re-positioning

### Mr. Ronald Masse

- ▶ Versatile hospitality professional and dynamic manager with more than 20 yrs of experience
- ▶ Has worked with Group like Baba Group of Hotels, Tunga Group of Hotels, Panaromic Group of Hotels
- ▶ Specialties:
  - Hospitality Operations
  - Client Management & Relationship Building
  - Business Development

**... improves customer experience & strengthen brand value**

## Key Updates of FY15



# Key Updates

- ▶ Byke Grassfield, Jaipur became operational in FY15
  - The property has been taken on a long term lease
  - The property has:
    - 54 rooms
    - 3 Restaurants
    - 3 Lawns/Banquets
    - 3 Conference Rooms
  - Though the property saw low occupancy in current year, FY16 is expected to see higher occupancy and revenues from this hotel
  
- ▶ Byke Suraj Plaza, Thane added to the O&L portfolio in May '15
  - The property has been taken on a long term lease
  - The property has 122 rooms
  - The property is set to be in operational in HIFY16

## The Byke Grassfield, Jaipur



## The Byke Suraj Plaza, Thane

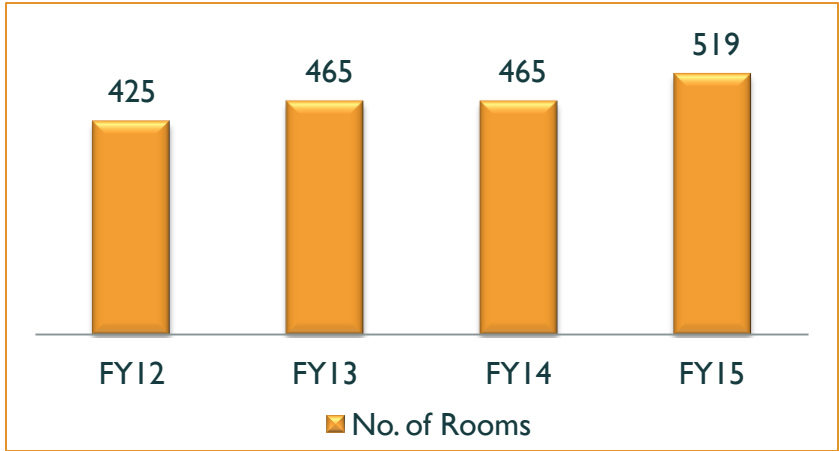


## Financial Highlights

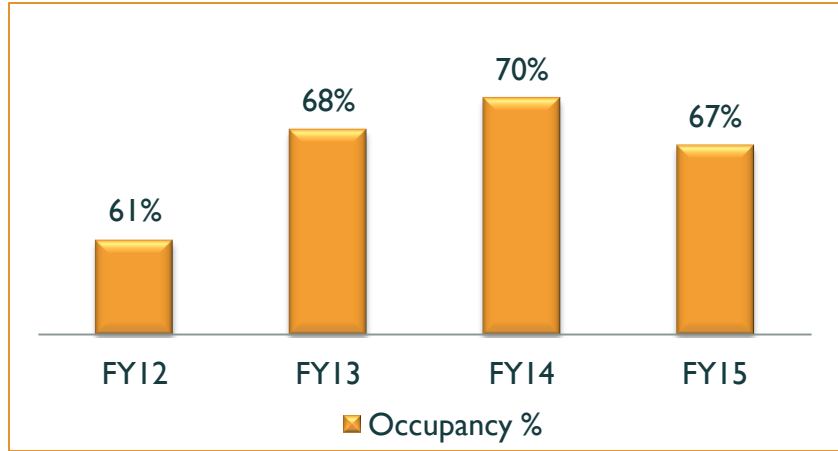


# Lease Business

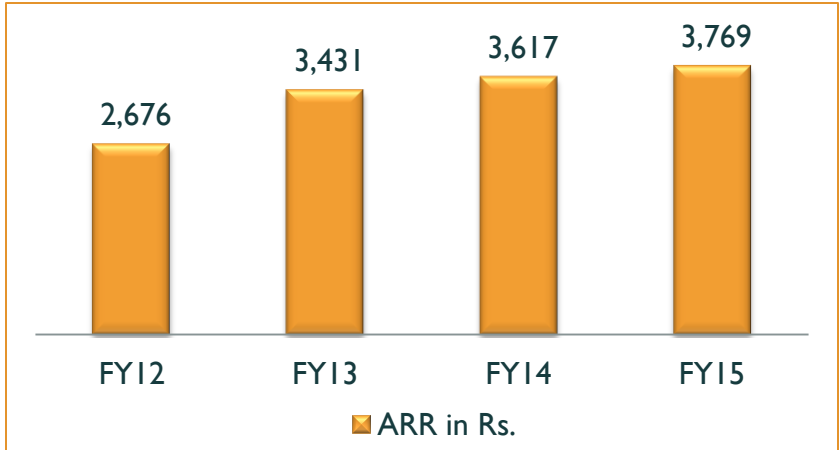
## No. of Rooms



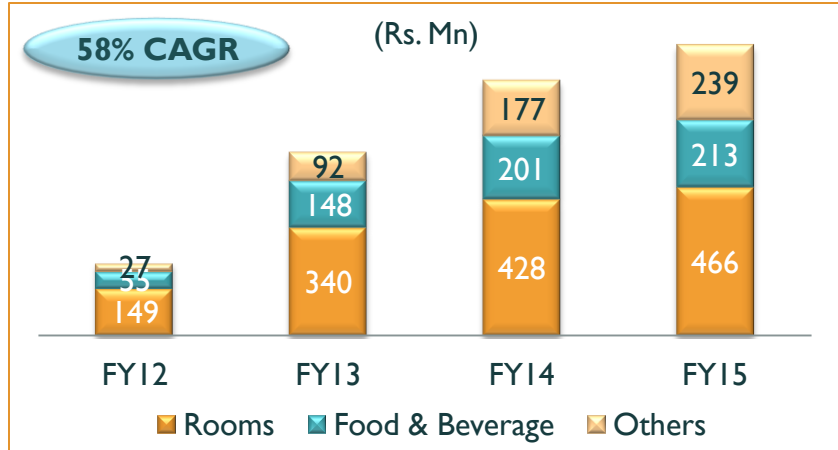
## Occupancy



## ARR

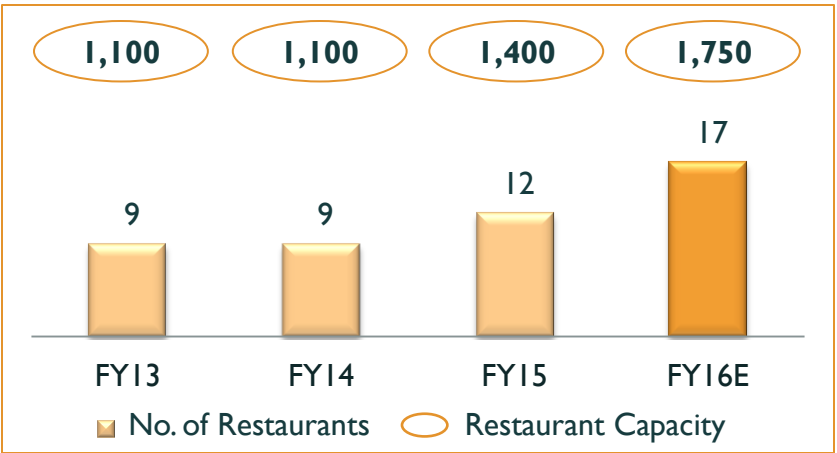


## Revenue

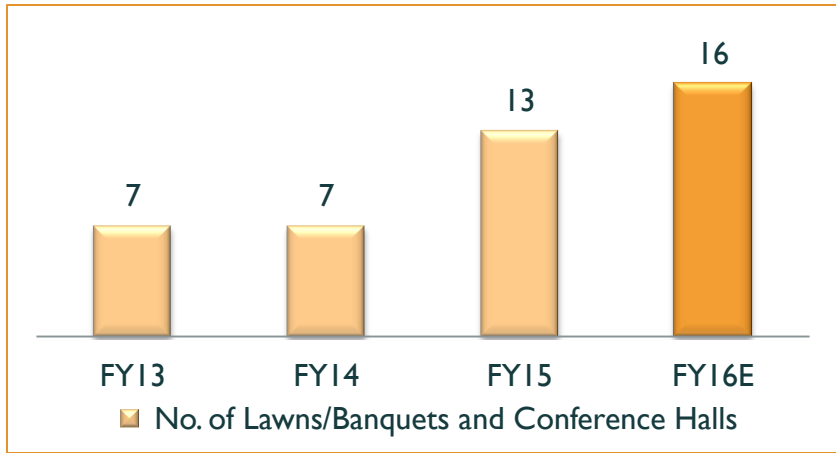


# Non-rooms Revenue Segment to Grow Significantly

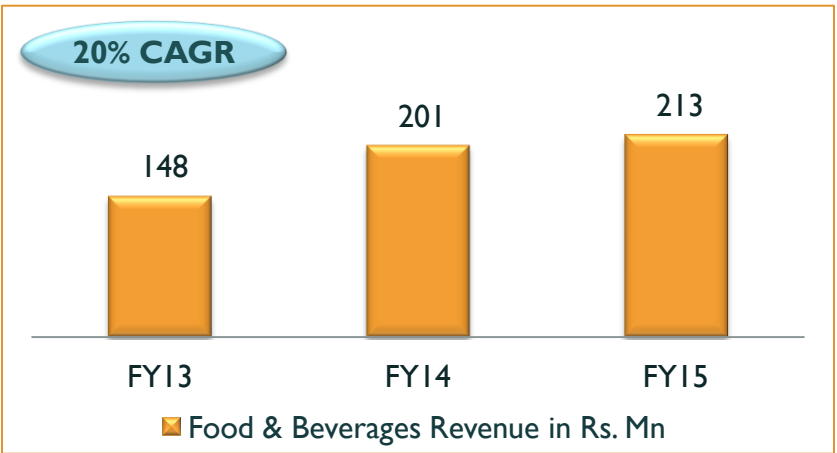
## No. of Restaurants



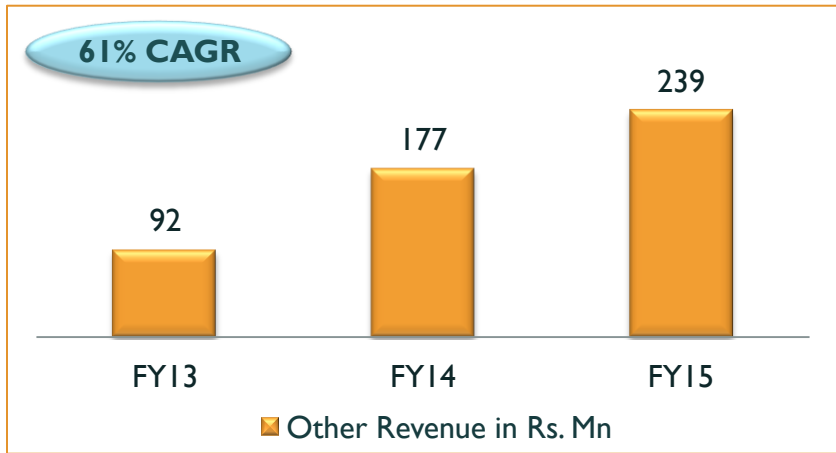
## No. of Lawns/Banquets and Conference Halls



## Food & Beverages Revenue



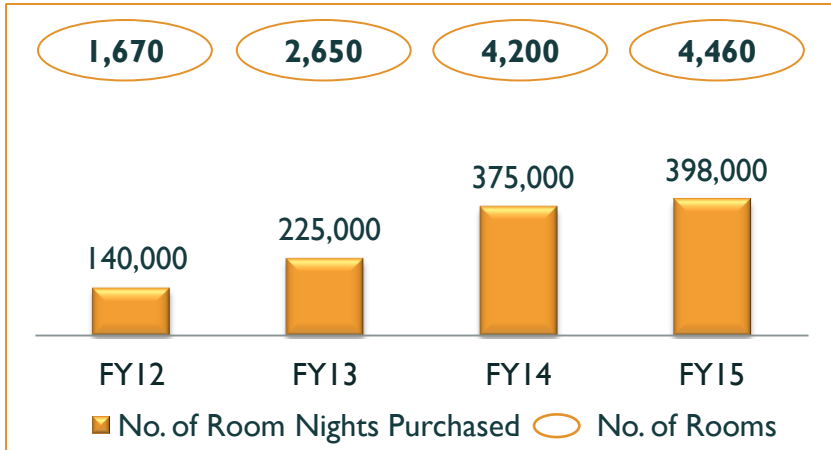
## Other Revenue\*



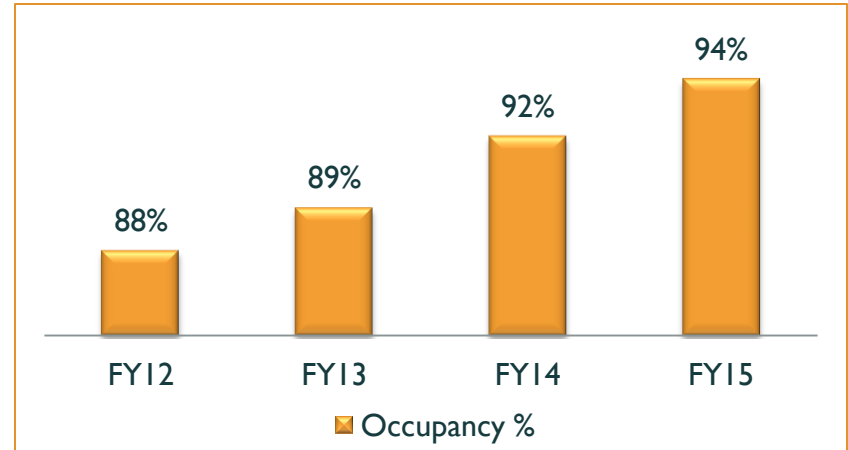
\*Other Revenue includes revenues from events, conferences, etc.

# Chartering Business

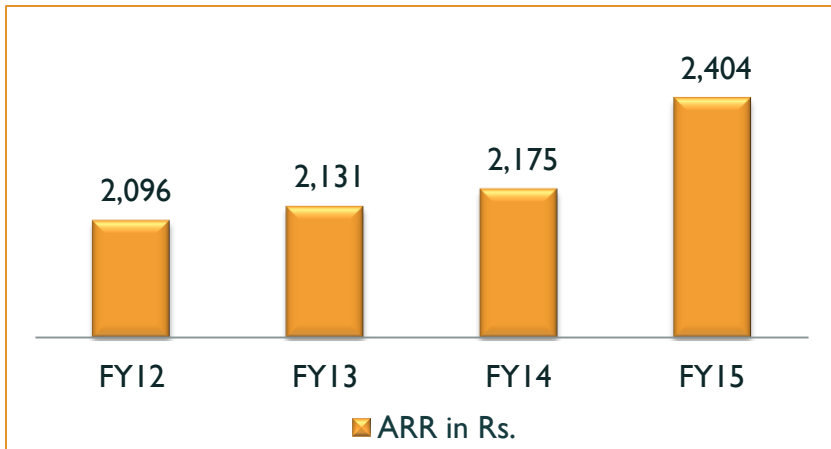
## No. of Room Nights Purchased



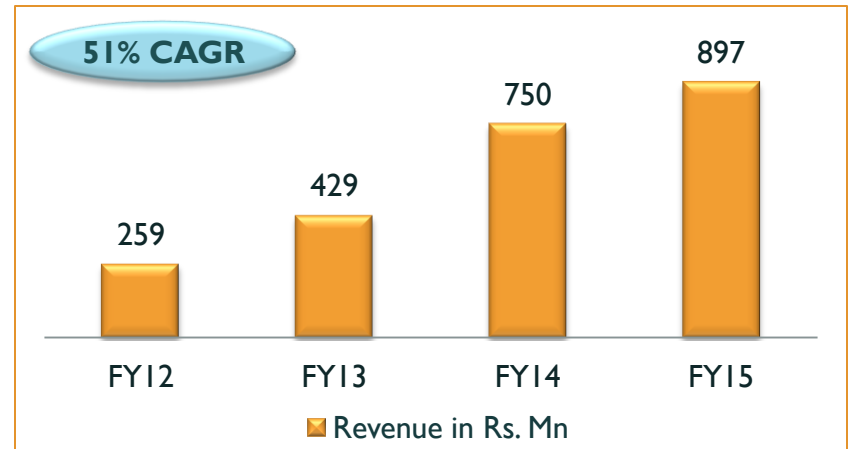
## Occupancy



## ARR

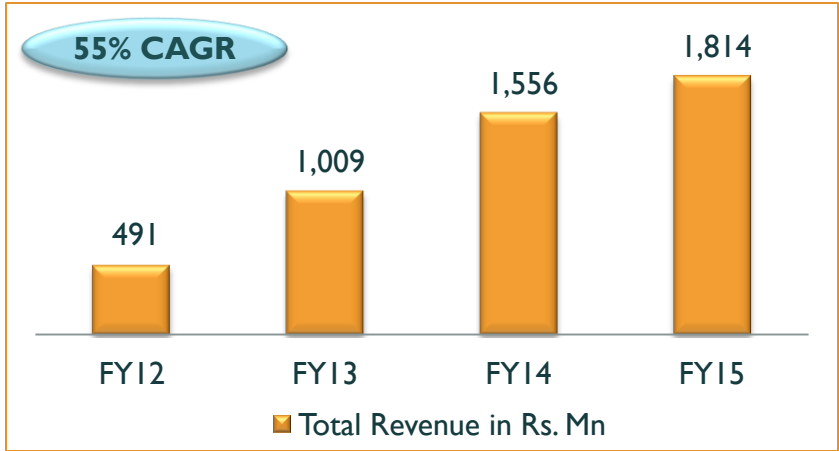


## Revenue

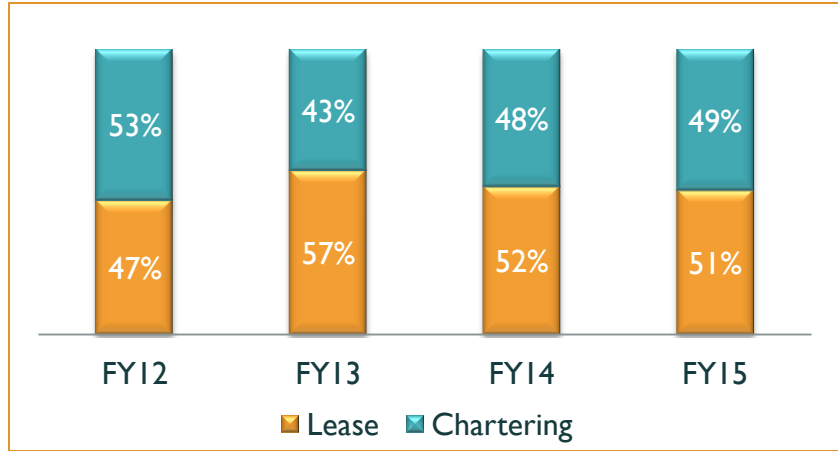


# Overall Financials

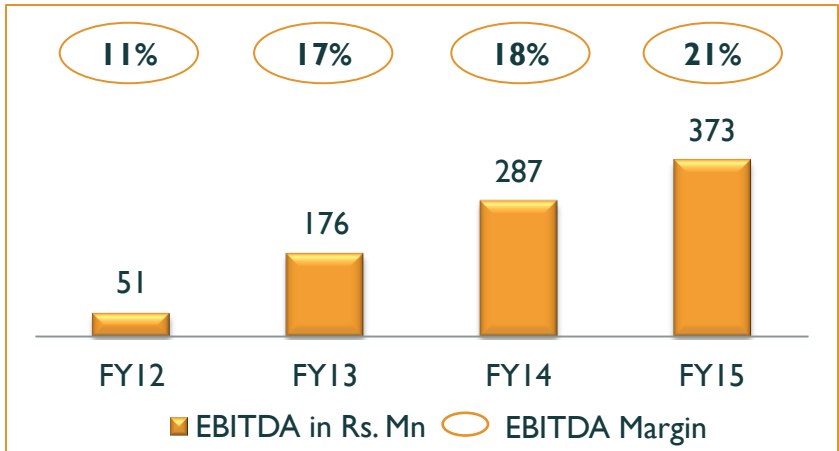
## Revenue



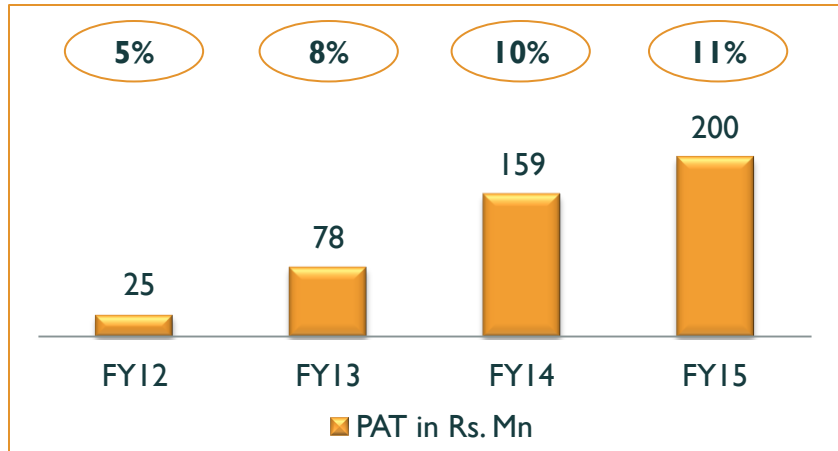
## Lease and Charter Revenue Mix



## EBITDA & EBITDA Margin



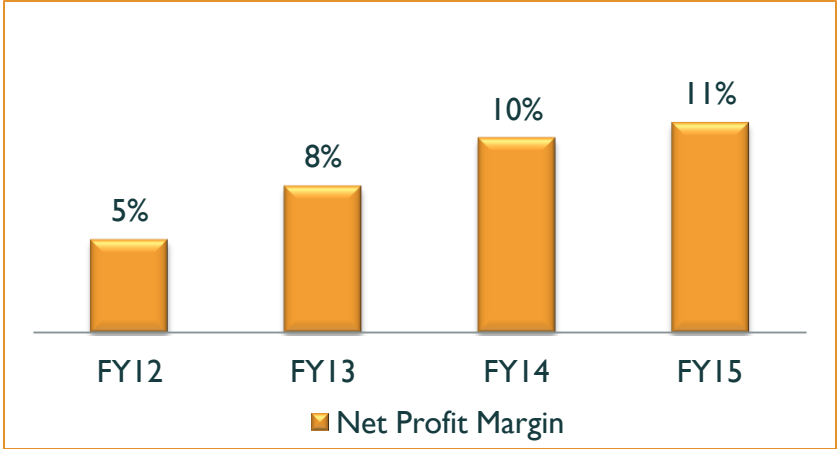
## PAT & PAT Margin



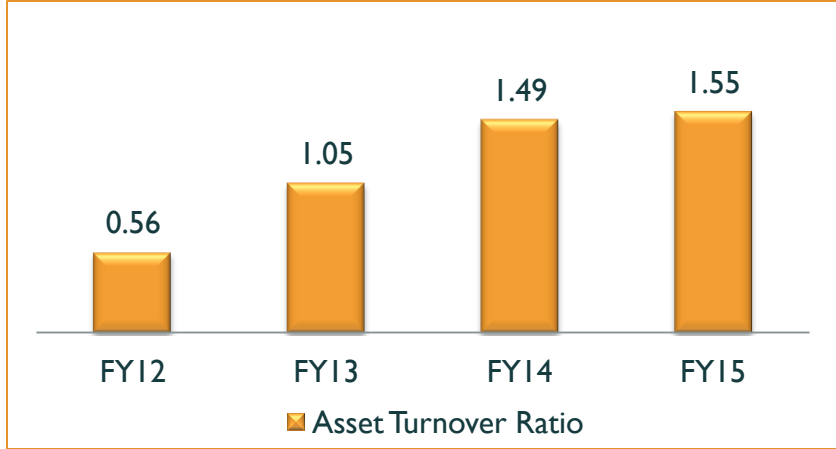


# Improving Return Ratio Given Asset Light Model

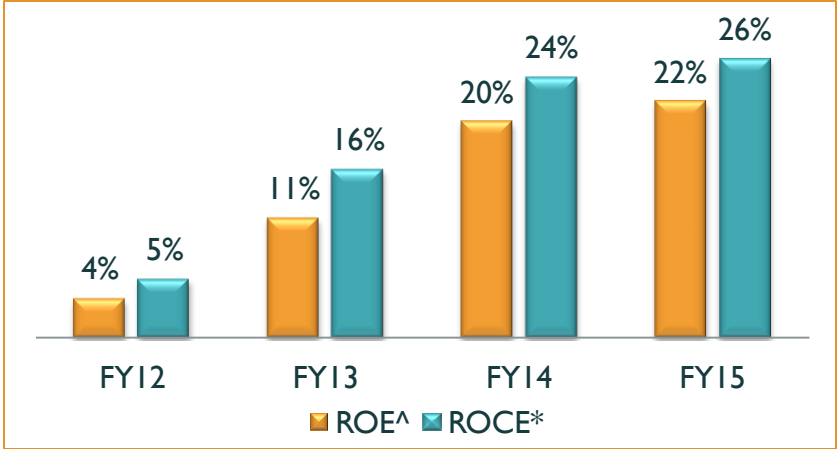
## Margin Improvement with growth in business...



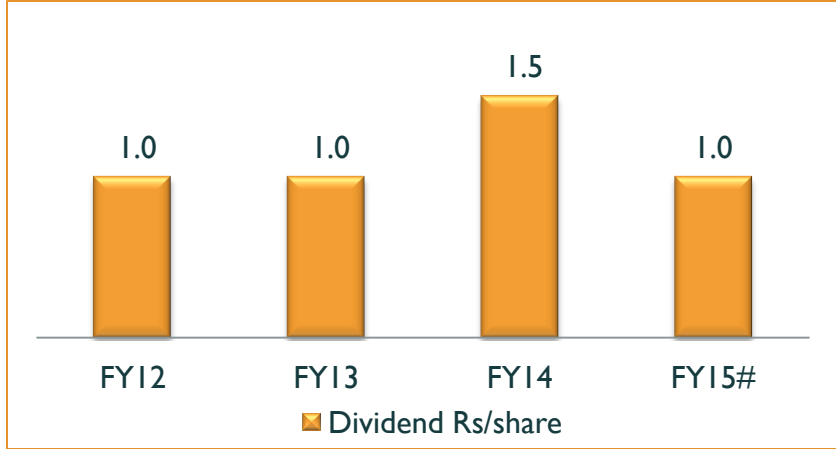
## ...better capital utilization given asset light model



## Led to improvement in return ratio



## Consistent Dividend History



^ROE = PAT / Average Net Worth    \*ROCE = EBIT / Average Capital Employed  
 # The Board has recommended a Dividend of Rs. 1.0 per share for FY15

# Quarterly Income Statement



Rs. Mn	Q4 FY15	Q4FY14	Y-o-Y %	Q3 FY15	Q-o-Q %
Hotel Revenue	279	232	20.2%	293	-4.8%
Chartering Revenue	290	218	32.9%	278	4.3%
Other Income	1.0	0.8	15.7%	0.0	99.5%
<b>Revenue</b>	<b>570</b>	<b>452</b>	<b>26.3%</b>	<b>570</b>	
Lease, Chartering and SG&A	329	263	25.2%	313	4.8%
Employee Expense	9	9	0.8%	13	-48.6%
Operating and Other expense	107	103	3.9%	129	-21.3%
Total Cost	445	374	18.8%	456	-2.6%
<b>EBITDA</b>	<b>126</b>	<b>77</b>	<b>62.8%</b>	<b>114</b>	<b>10.2%</b>
<b>EBITDA margin</b>	<b>22.1%</b>	<b>17.1%</b>		<b>17.1%</b>	
Depreciation	30	13	125.0%	25	18.8%
Net Interest Cost	4	5	-9.1%	4	1.2%
<b>PBT</b>	<b>91</b>	<b>59</b>		<b>85</b>	
Tax	19	12	58.5%	18	7.9%
<b>PAT</b>	<b>72</b>	<b>47</b>	<b>53.5%</b>	<b>67</b>	<b>6.7%</b>
<b>PAT margin</b>	<b>12.6%</b>	<b>10.4%</b>		<b>10.4%</b>	

# Annual Income Statement

Rs. Mn	FY15	FY14	Y-o-Y %
Hotel Revenue	917	806	13.8%
Chartering Revenue	897	751	19.4%
Other Income	1.1	1.5	-26.5%
<b>Revenue</b>	<b>1,815</b>	<b>1,559</b>	<b>16.5%</b>
Lease, Chartering and SG&A	1,025	911	12.6%
Employee Expense	38	32	19.7%
Operating and Other expense	378	329	15.1%
Total Cost	1,442	1,271	13.4%
<b>EBITDA</b>	<b>373</b>	<b>287</b>	<b>30.0%</b>
<i><b>EBITDA margin</b></i>	<i><b>20.6%</b></i>	<i><b>18.4%</b></i>	
Depreciation	102	54	89.0%
Net Interest Cost	18	21	-13.4%
<b>PBT</b>	<b>254</b>	<b>213</b>	
Tax	53	54	-0.5%
<b>PAT</b>	<b>200</b>	<b>159</b>	<b>26.1%</b>
<i><b>PAT margin</b></i>	<i><b>11.0%</b></i>	<i><b>10.2%</b></i>	

# Balance Sheet

Rs. Mn	FY15	FY14
Share Capital	401	200
Reserve and Surplus	596	648
<b>Net Worth</b>	<b>997</b>	<b>848</b>
Total Debt	124	145
Deferred tax net	50	49
<b>Source of Fund</b>	<b>1,174</b>	<b>1,043</b>
Net Block + CWIP	806	820
Non-Current Assets	16	16
Inventories	60	60
Debtors	140	107
Cash and bank	20	20
Other Current Assets	1	2
Loans and Advance	315	228
<b>Total Current Assets</b>	<b>536</b>	<b>418</b>
Less: Current Liabilities	109	137
Less: Provisions	74	73
<b>Net Current Assets</b>	<b>352</b>	<b>207</b>
<b>Total Application</b>	<b>1,174</b>	<b>1,043</b>



# “The Byke” Hotel Portfolio



*The Byke Old Anchor - South Goa*

# “The Byke” Hotel Portfolio

## The Byke Old Anchor, Goa



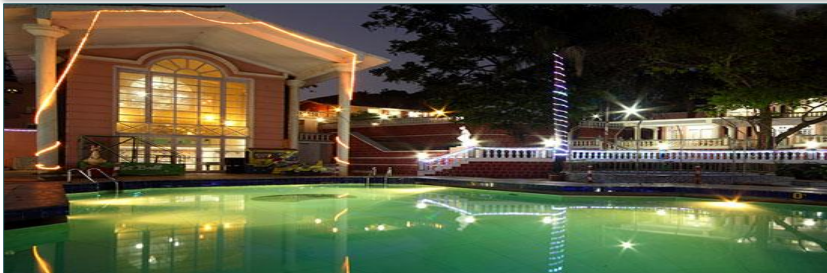
No. of Rooms	240
Type	Leased
Facilities	2 Restaurants, 2 Lawns/Banquets, 3 Conference Halls

## The Byke Grassfield, Jaipur



No. of Rooms	54
Type	Leased
Facilities	3 Restaurants, 3 Lawns/Banquets, 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

# “The Byke” Hotel Portfolio

## The Byke Neelkanth, Manali



No. of Rooms	40
Type	Leased
Facilities	1 Restaurant

## The Byke Hidden Paradise, Goa



No. of Rooms	40
Type	Leased
Facilities	1 Restaurant

## The Byke Redwood, Matheran



No. of Rooms	25
Type	Leased
Facilities	1 Restaurant

## The Byke Sunflower, Goa



No. of Rooms	22
Type	Owned
Facilities	1 Restaurant

## For further information, please contact:

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### Company :

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