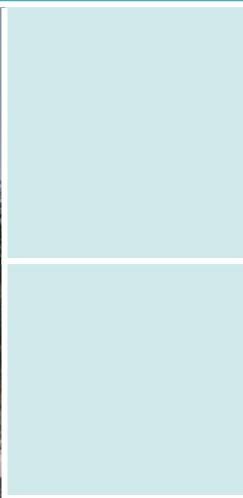
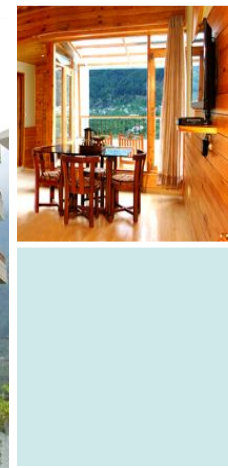




# Investor Presentation Q2FY17



# Agenda



Byke Background and Overview



Key Growth Drivers



Hotel Segment (Owned + Leased)



Room Chartering Segment



Growth Strategy



Q2FY17 Financial Highlights



## Byke Background and Overview



# Background and History

## History (Prior to 2010)

- Formerly known as “Sauve 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”

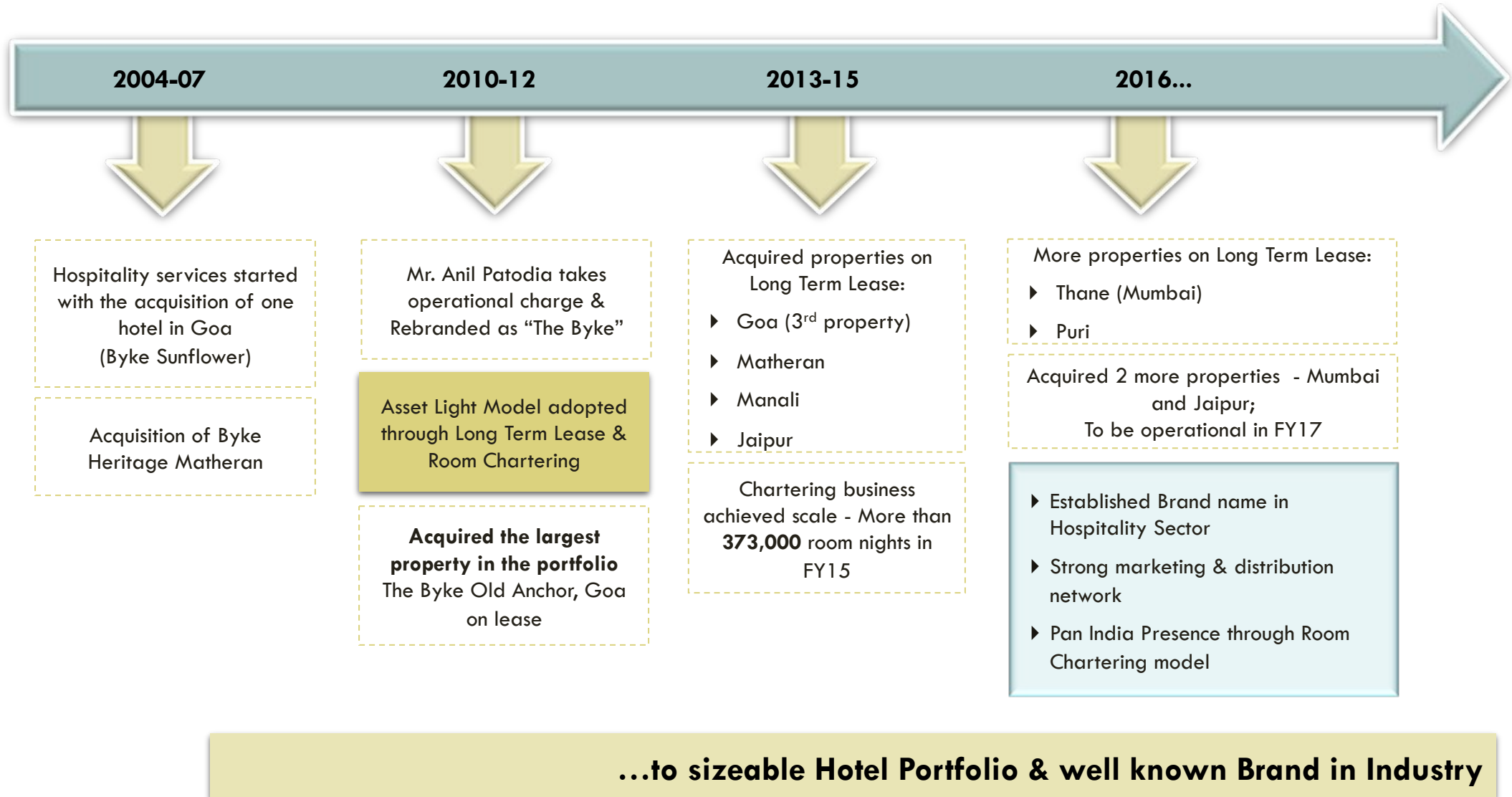
## The Byke (Present)

- 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 – 11**  
**No. of Rooms – 797**  
**Room Chartering – ~5 lacs room nights**



# 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

## Ms. Sudha Gupta

- **A renowned Chartered Accountant & subject matter expert in finance/ taxation**
- Wide experience in Corporate Taxtation, Tax Treaties & Companies Act and vast knowledge in International transactions, FEMA & RBI
- Previously worked in Deloitte and Rodl & Partner, been instrumental in structuring and implementation of various cross border complex transactions
- Has authored book on Foreign Exchange Management Act, Due Diligence under FEMA (CCH Publications) and Practical Aspects of FDI in India (ICSI Publication)

## 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

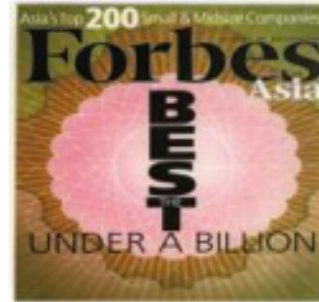
- Successful businessman providing engineering solutions to the oil, gas, exploration, marine and construction companies
- Some of the major clients include ONGC and the Indian Railways
- Member of the Lions Club for over a decade

# 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)

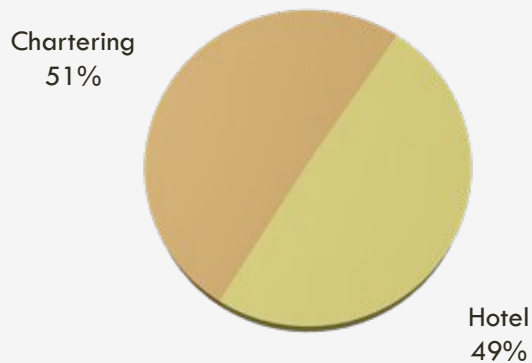
- Hotels under Brand name “The Byke”
- Focus on domestic middle class leisure tourism
- Niche in Vegetarian segment
- Diversified revenue mix – Rooms, F&B, events, etc.
- 11 properties at tourist destinations in India:
  - 2 ownership; 9 on long term lease
  - 797 rooms

## Room Chartering

- Third party hotel rooms chartered at strategically identified locations across India
- Capitalise on the diverse peak seasons across India
  - Maximise occupancy (90%+)
- Presence across 60 plus cities
- Relationships with 500+ hotel owners
- Network of 300+ agents

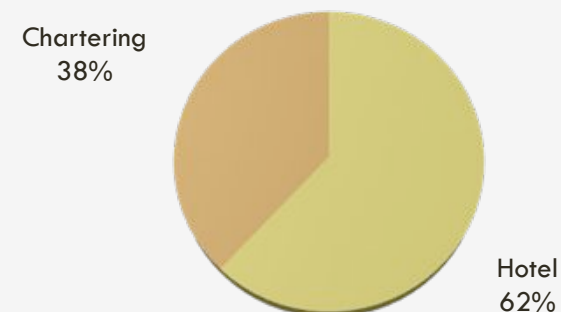
## Revenue Break-up

**FY16 Total: Rs 2,315 mn**



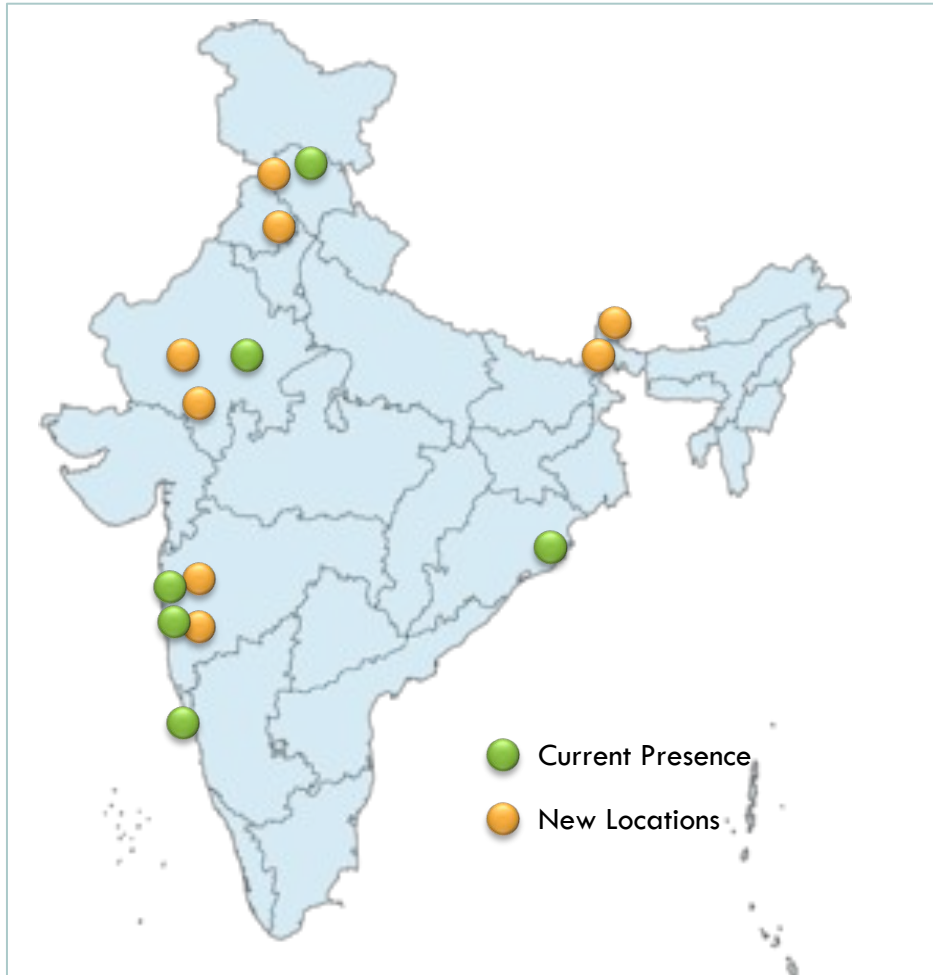
## EBITDA Break-up

**FY16 Total: Rs 526 mn**

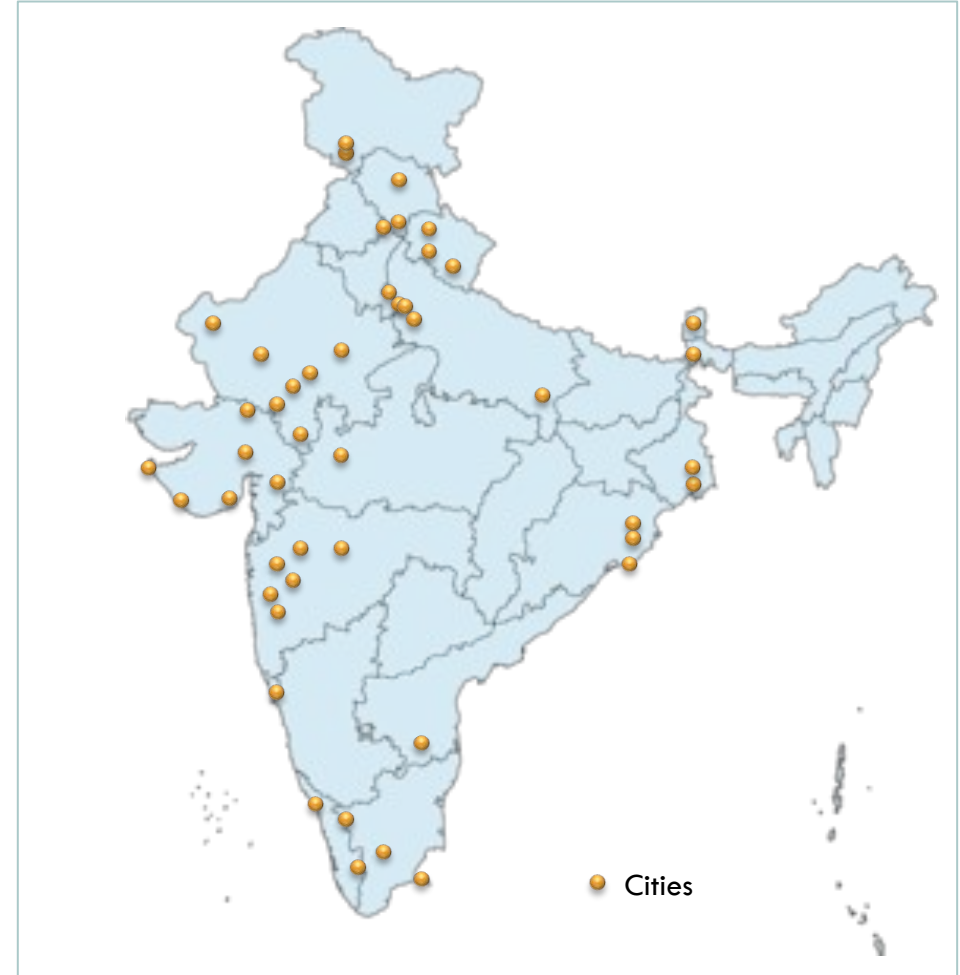


# Pan-India Presence in Both Segments

## Hotel (Owned + Leased) Presence



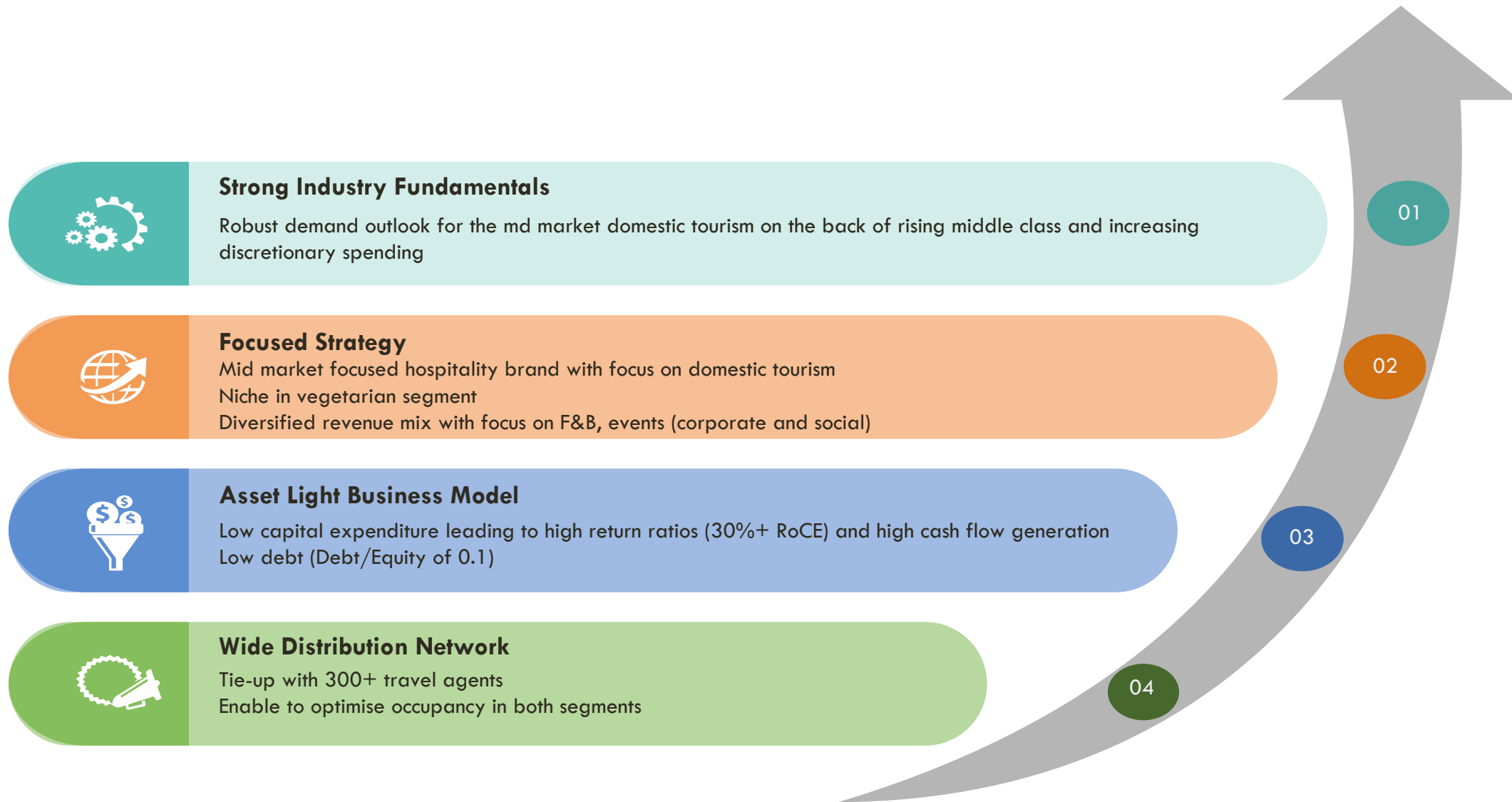

## Room Chartering Presence – 60+ cities




# 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 0.1)



**Wide Distribution Network**  
Tie-up with 300+ travel agents  
Enable to optimise occupancy in both segments

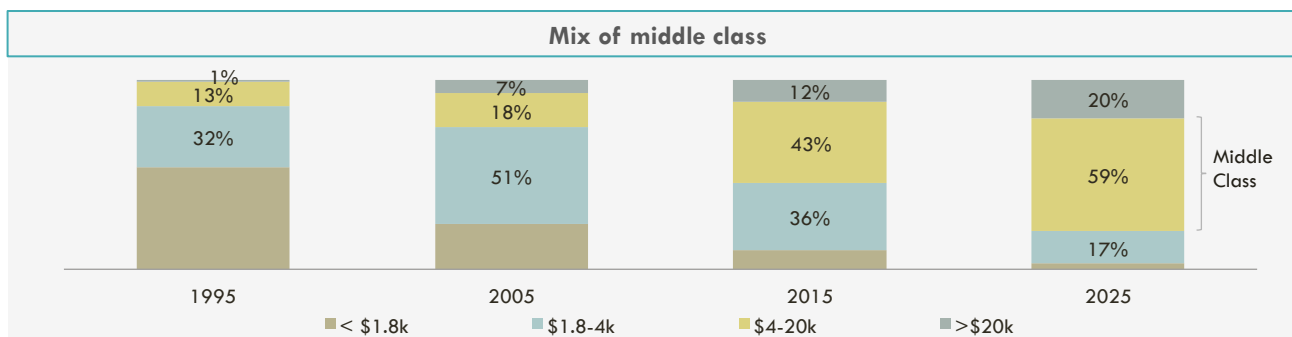


# 1 Strong Industry Fundamentals

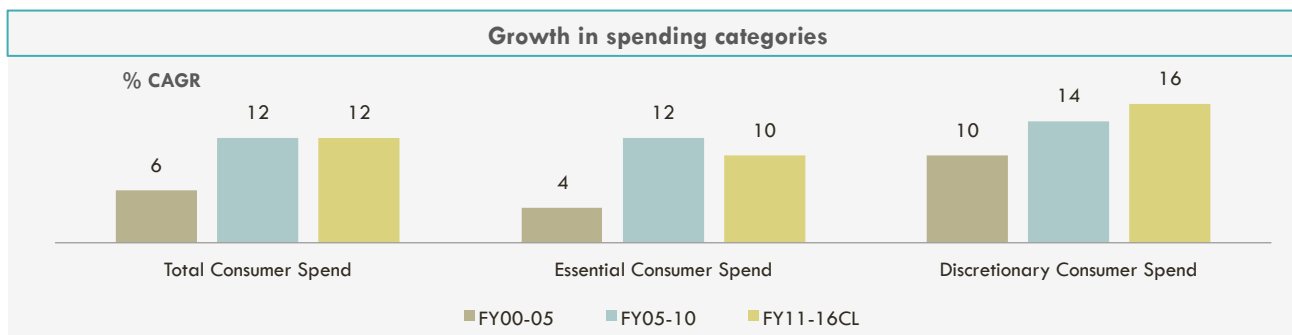
**Huge Potential of Domestic Tourism**



**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

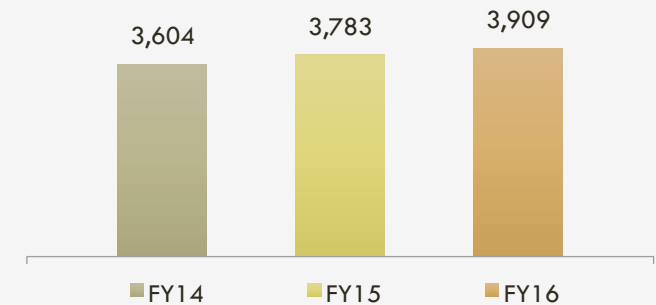
## Niche in vegetarian segment

- 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

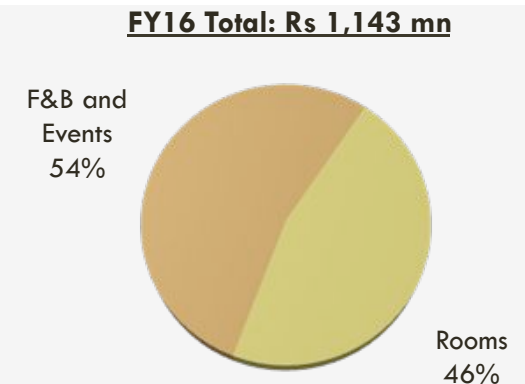
## Diversified revenue mix with focus on F&B and events

- 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



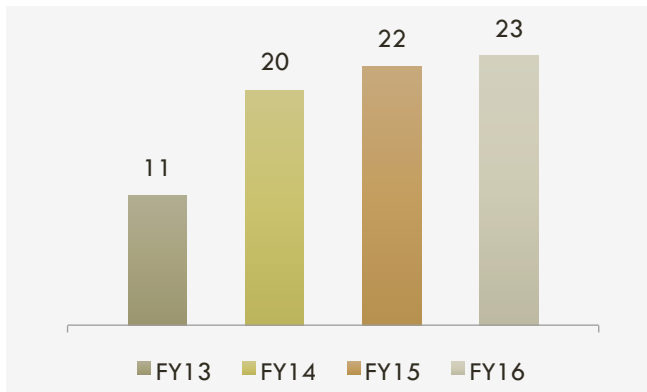
# 3 Asset Light Business Model

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

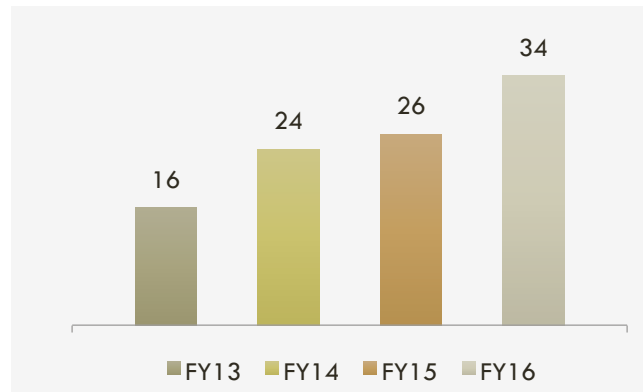
- Incremental room addition requires minimal capital employment; only capex required for refurbishment and rebranding
- Enables the company to leverage high profitability from a low capital base
- Attractive cash flow generation and deleveraging profile

## Impeccable return ratios with minimal level of debt

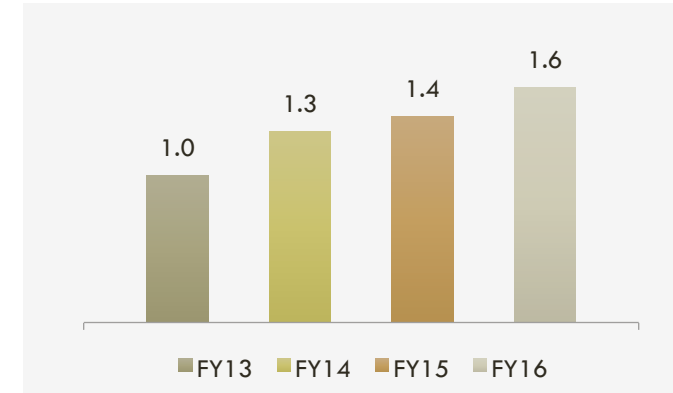
### Return on Equity (%)



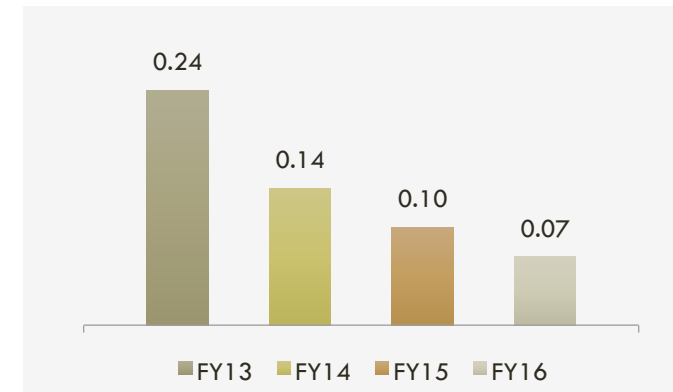
### Return on Capital Employed (%)



### Asset Turnover



### Debt/Equity



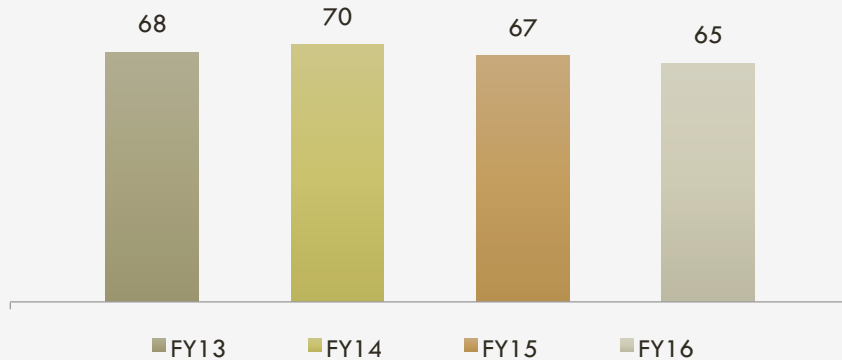
# 4 Wide Distribution Network

## ➤➤ Pan-India presence through strong agent network

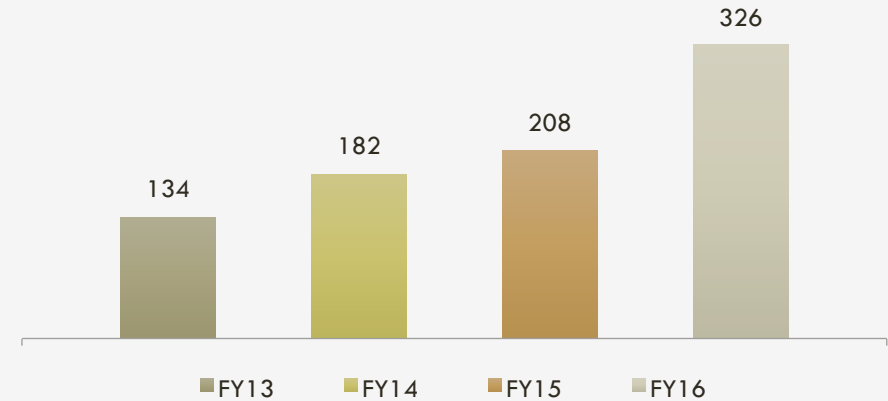
- In hospitality, selling is the major constraint, which is mitigated through tie-up with over 300 agents to sell owned + leased hotel rooms as well as chartered rooms
- Pan-India network of agents

## ➤➤ Enables to optimize occupancy levels

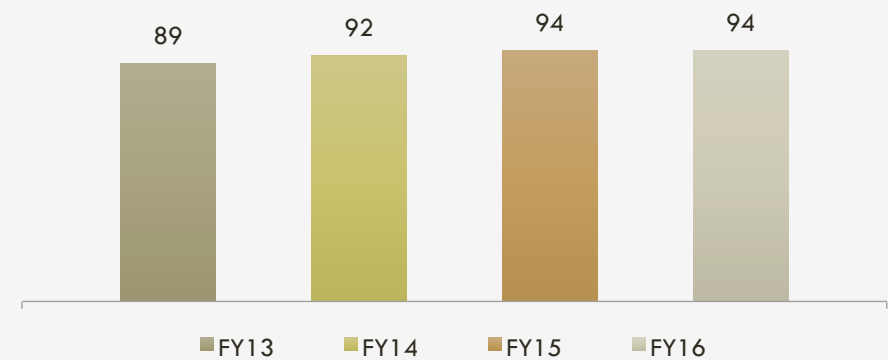
Hotels Segment Occupancy (%)



Number of Agents



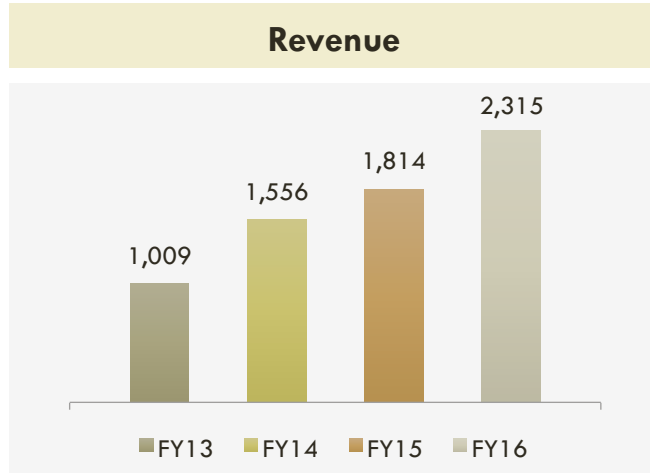
Charter Segment Occupancy (%)



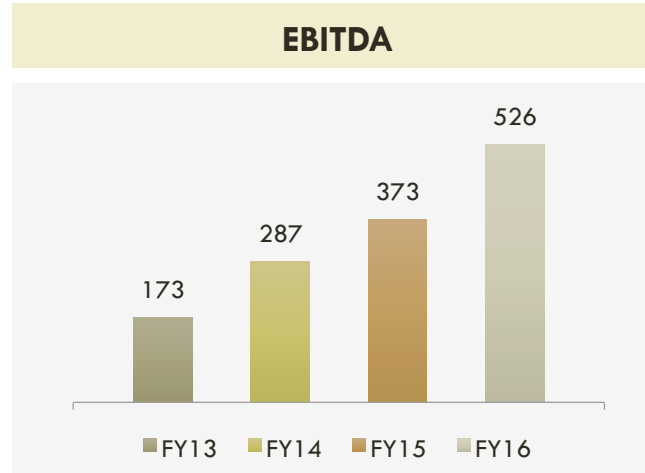


# ... Driving Robust Growth

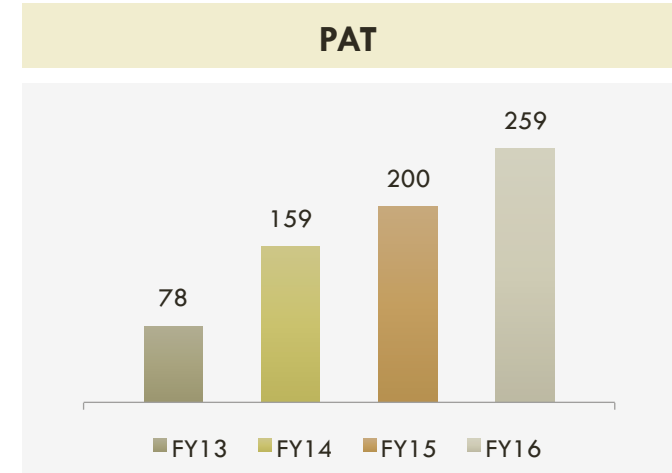
Rs Million



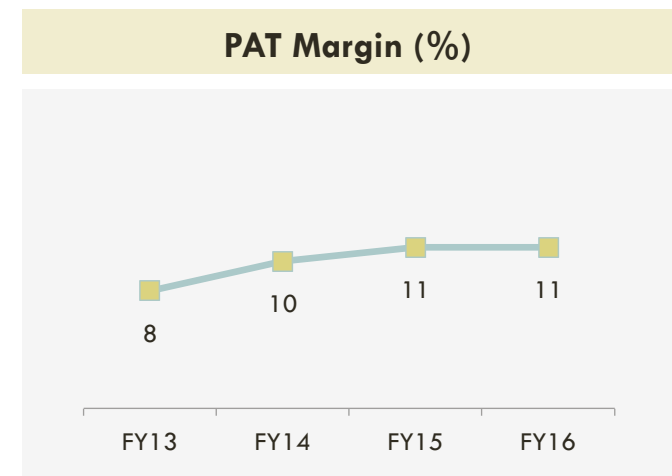
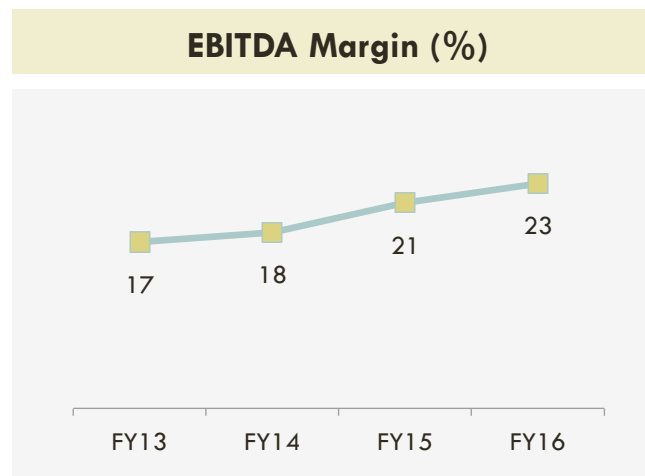
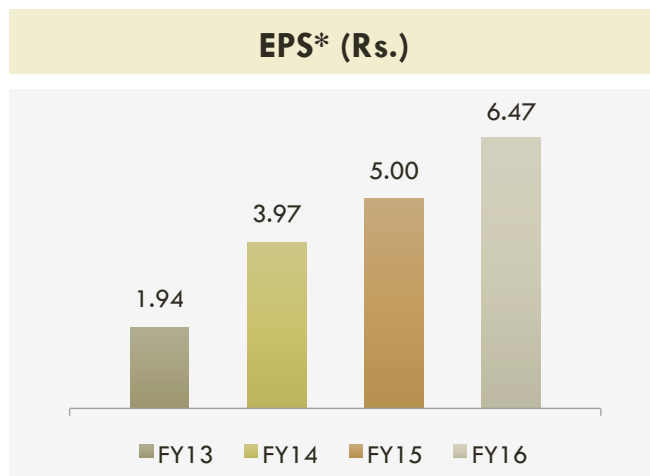
**32%** 3 year CAGR



**45%** 3 year CAGR



**49%** 3 year CAGR

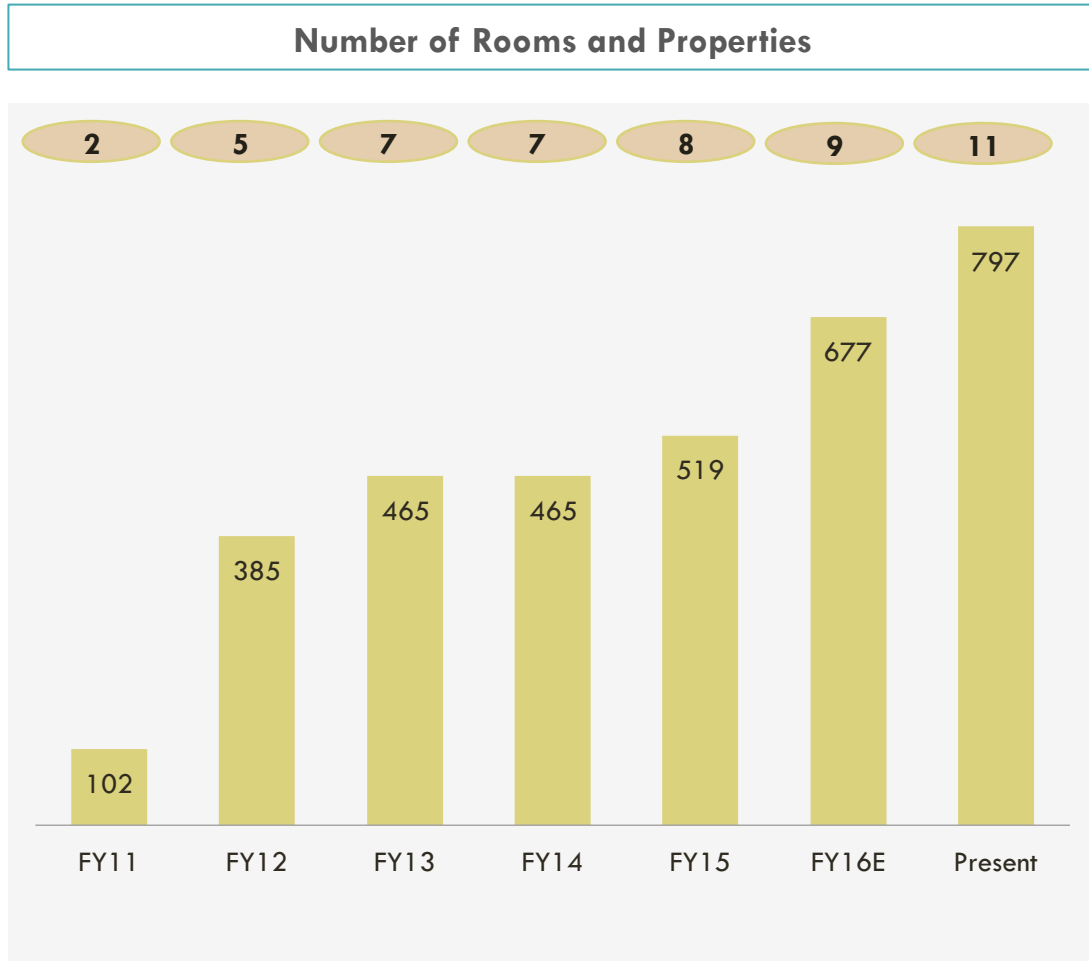


\*In FY15, Company has issued bonus shares in ratio 1:1; prior period EPS has been adjusted for the same

## Hotel Segment (Owned + Leased)



# Portfolio of 797 Rooms Across 11 Properties



 Number of 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 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
Byke Grassfield Riviera	Jaipur	80	Leased
Byke Delotel	Mumbai	40	Leased
<b>Total</b>		<b>797</b>	

Yet to be operational

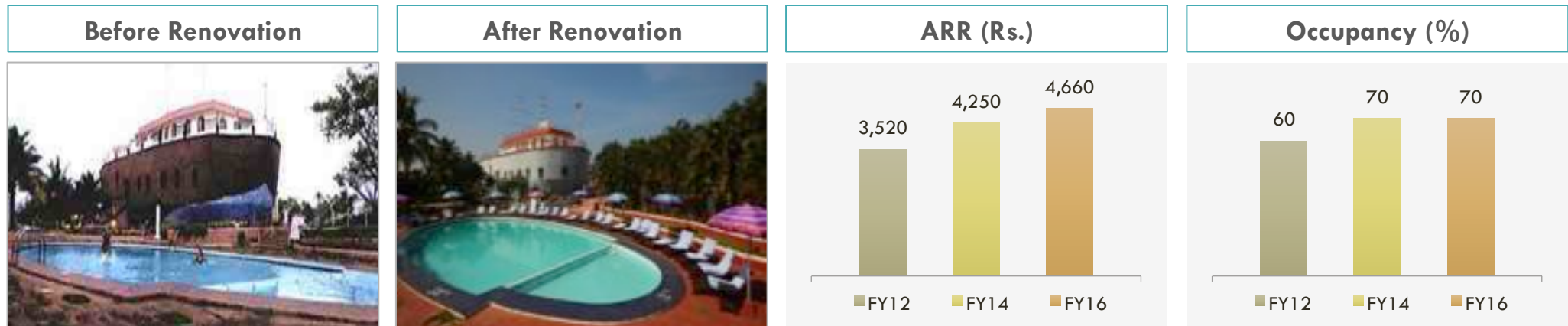
# Leasing = Asset Light = Low Capex & Faster Rollout

## Renovation and re-branding of hotel properties...



## ... leading to improvement in ARR and Occupancy

The Byke Old Anchor, Goa

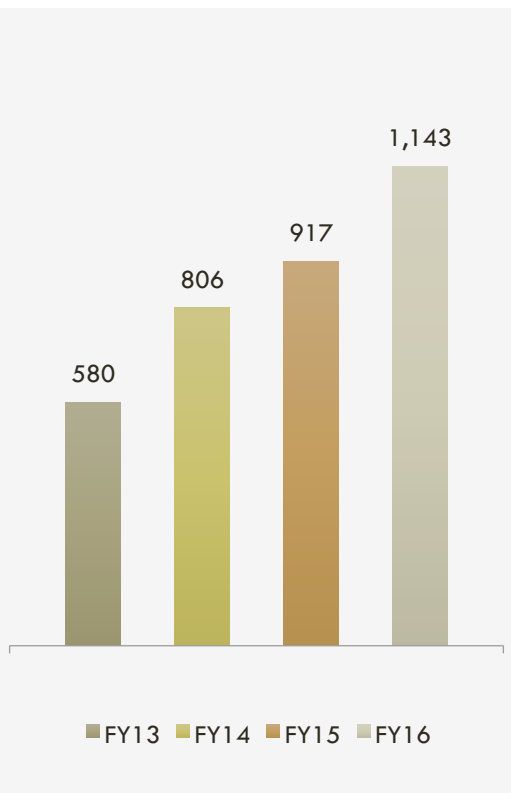




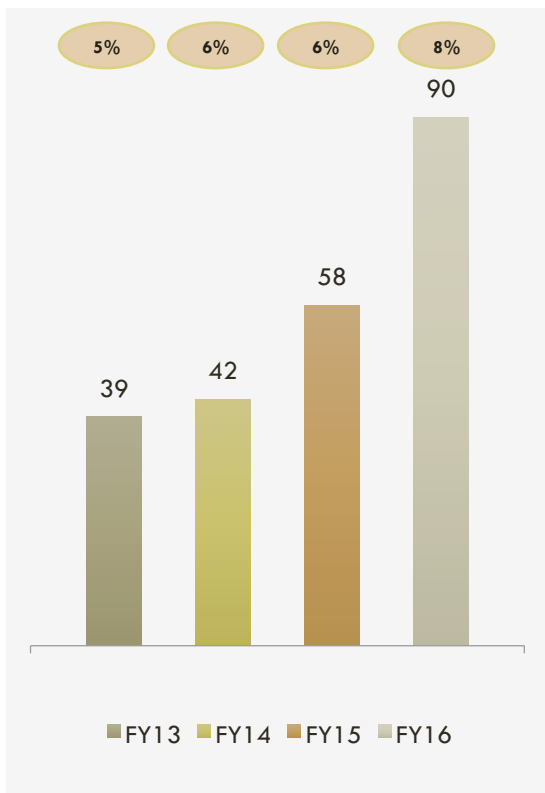
# Robust Growth – 25% CAGR

Rs Million

## Hotel Revenue

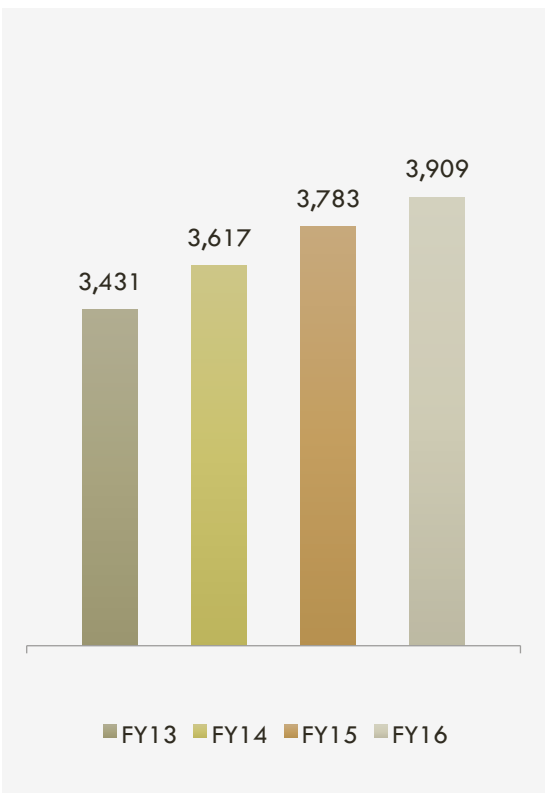


## Lease Cost

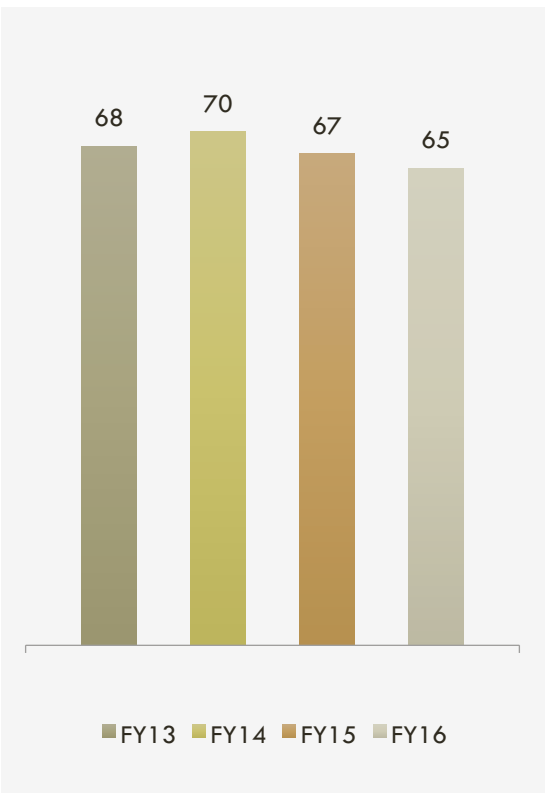


As % of Hotel Revenue

## ARR (Rs.)



## Occupancy (%)



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

**25%** 3 year CAGR

**Low** lease cost as % of Rev

**Improving** ARR

**Optimizing** Occupancy

# Room Chartering Segment



# Unique Value Proposition

## What is Room Chartering

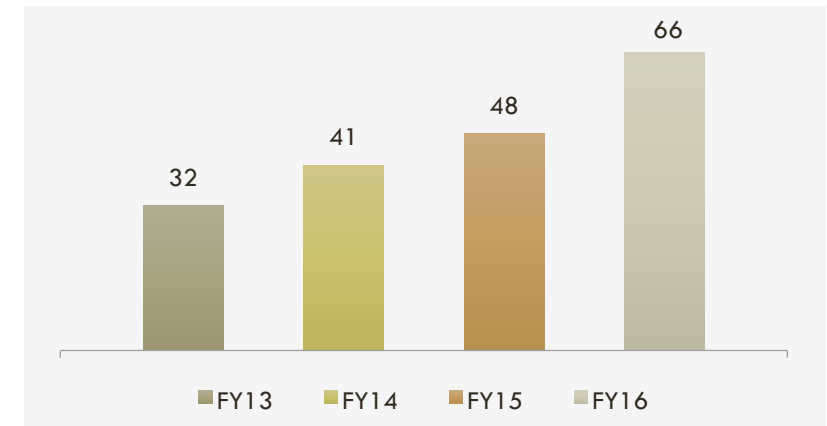
Involves **aggregation of hotel rooms through prior booking** of inventory with partial / full **advance payments**

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

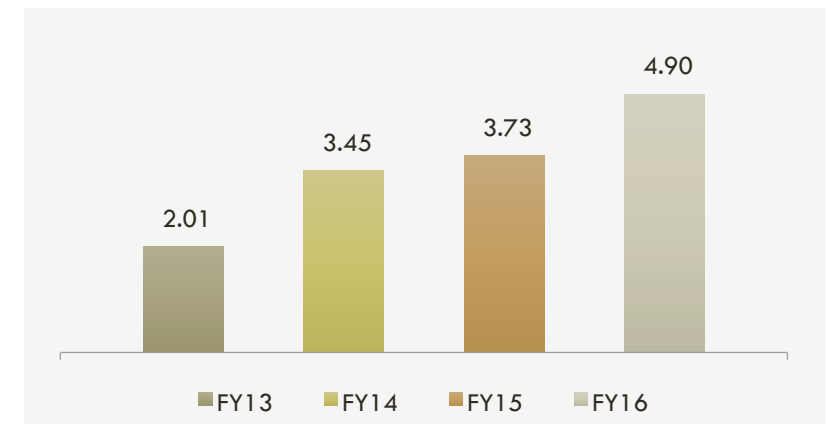
## Why Room Chartering

- 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



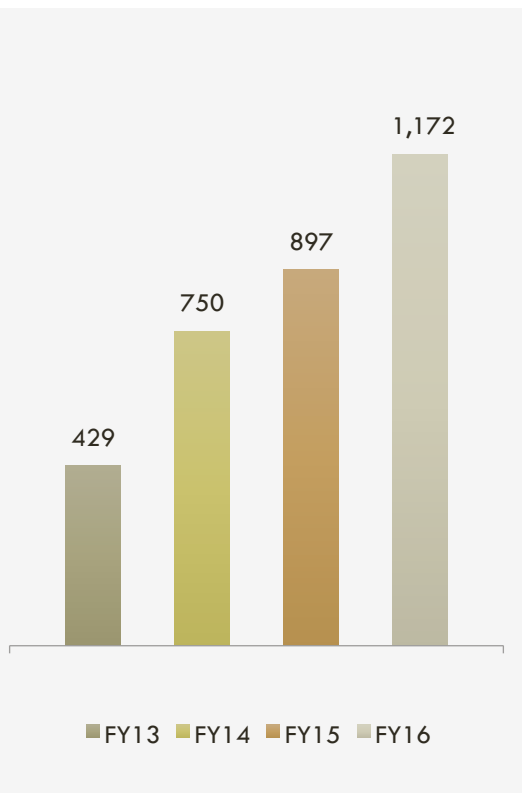
## Room Nights Sold (lacs)



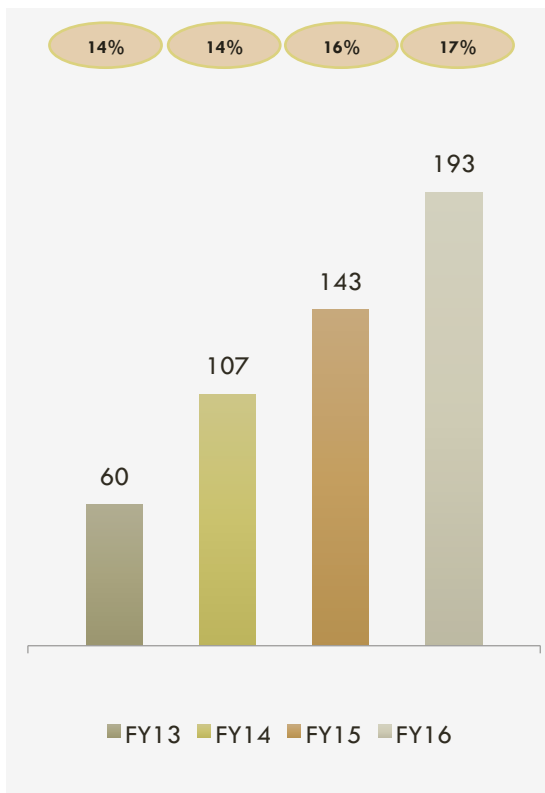
# Robust Growth – 40% CAGR

Rs Million

## Room Chartering Revenue

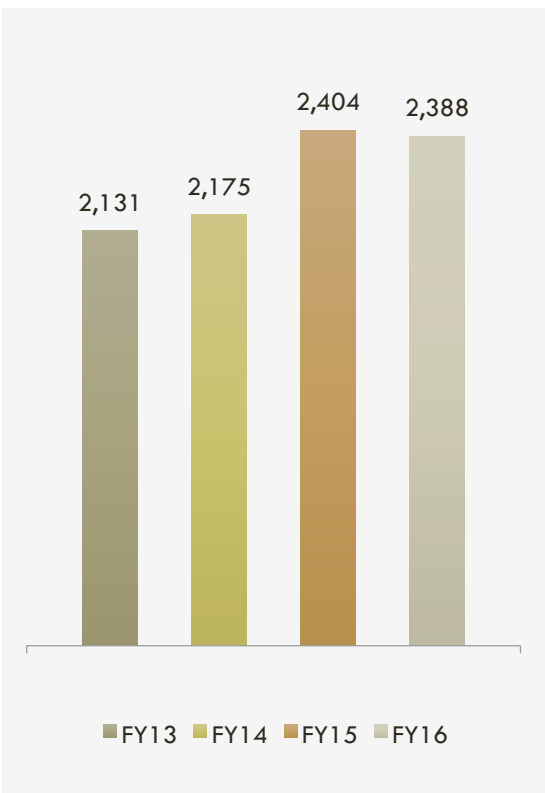


## Gross Profit and Margin

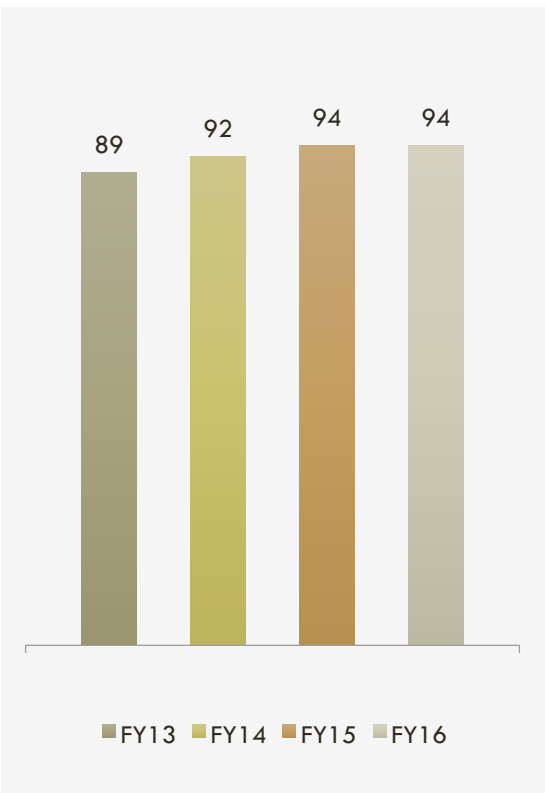


Gross Profit: Revenue – (Chartering Cost + Occupancy Loss + Agent Commission)

## ARR (Rs.)



## Occupancy (%)




**40%** 3 year CAGR

**Improving Margins**

**Optimizing ARR**

**Maximizing Occupancy**



A photograph of a modern building with a fountain in the foreground and a semi-transparent teal box containing the text 'Growth Strategy'. The building has a mix of white and reddish-brown siding and large windows. A black car is parked under a covered entrance. The fountain is a multi-tiered water feature in a circular basin. The scene is set in a well-maintained garden with green grass and various plants.

# Growth Strategy

# Growth Strategy

01

## **Pan India Presence with 25 properties by 2020...**

Expand current portfolio from 11 properties to 25 by FY20; 8 properties to be added over FY17-18

02

## **Opportunistic room chartering...**

Grow this segment in equal proportion by capitalizing on diverse seasons across India

03

## **Continue focus on being asset light...**

New properties to be taken on long term lease thus minimizing capital requirement and yielding better returns

04

## **...To drive growth and profitability going forward**

Grow revenue at over 20% CAGR to reach Rs 5,000 million by FY20





# Added 2 New Properties in Q2FY17

- Added properties in the existing locations of Mumbai and Jaipur...
- ... highlights strong demand potential in these cities...
- ... and increasing acceptability of the “Byke” brand

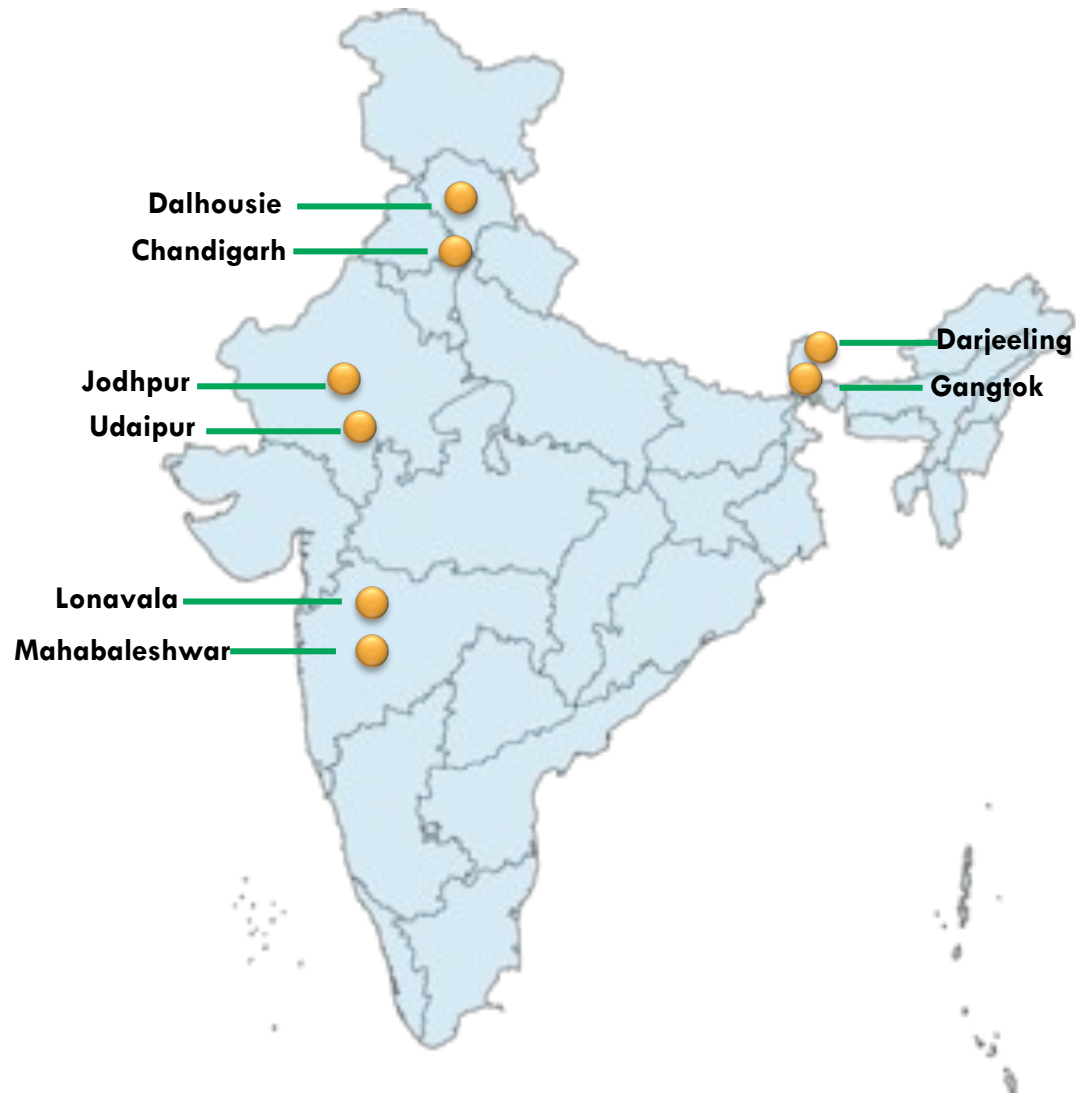
## The Byke Grassfield Riviera, Jaipur

- Hotel taken under long-term lease
- Has 80 rooms
- Has banquet halls, conference rooms and a party lawn
- Targets religious & leisure tourists; Jaipur is a prominent location for destination weddings & other such events

## The Byke Hotel Delotel, Mumbai

- Hotel taken under long-term lease
- Has 40 rooms
- Has banquet halls and conference rooms
- Targets high density residential population of Borivali – specifically for events including social events (birthdays, weddings, parties) & corporate events

# Identified 8 Locations for the Next Phase of Growth



<b>Lonavala</b>	Coveted location for a quick weekend getaway for the Mumbai
<b>Mahabaleshwar</b>	Blend of old-world charm, natural beauty and modernity
<b>Chandigarh</b>	Best-planned city in India, epitome of modernization and natural beauty
<b>Dalhousie</b>	Situated in the western Himachal Pradesh, prominent hill station
<b>Jodhpur</b>	Traditional city with beautiful palaces and forts
<b>Udaipur</b>	'The Venice of the East' is one of the most beautiful places of Rajasthan
<b>Darjeeling</b>	Hill station in East India surrounded by tall Himalayan mountains
<b>Gangtok</b>	Ambience of tradition and modernity; stupas and monasteries



## Financial Highlights Q2FY17

# Income Statement – Q2FY17

Rs. Mn	Q2 FY17	Q2 FY16	Y-o-Y Growth	HI FY17	HI FY16	Y-o-Y Growth
Hotel Revenue	227.4	177.0	28%	512.9	412.1	24%
Chartering Revenue	308.5	277.3	11%	642.0	523.4	23%
<b>Revenue</b>	<b>535.9</b>	<b>454.3</b>	<b>18%</b>	<b>1,154.90</b>	<b>935.5</b>	<b>23%</b>
Operating and Other expense	392.4	339.2	16%	860.9	711.4	21%
Employee Expense	21.9	13.8	58%	43.7	25.1	74%
Total Cost	414.3	353.0	17%	904.6	736.5	23%
<b>EBITDA</b>	<b>121.6</b>	<b>101.0</b>	<b>20%</b>	<b>250.3</b>	<b>198.9</b>	<b>26%</b>
<b>EBITDA margin</b>	<b>22.7%</b>	<b>22.2%</b>		<b>21.7%</b>	<b>21.3%</b>	
Depreciation	30.1	22.9	31%	58.3	45.6	28%
Net Interest Cost	3.1	4.0	-22%	6.3	8.1	-22%
Other Income	0.3	0.4	-12%	0.7	0.7	-7%
<b>PBT</b>	<b>88.7</b>	<b>74.4</b>	<b>19%</b>	<b>186.4</b>	<b>146.0</b>	<b>28%</b>
Tax	30.7	25.8	19%	64.5	50.5	28%
<b>PAT</b>	<b>58.0</b>	<b>48.7</b>	<b>19%</b>	<b>121.9</b>	<b>95.4</b>	<b>28%</b>
<b>PAT margin</b>	<b>10.8%</b>	<b>10.7%</b>		<b>10.6%</b>	<b>10.2%</b>	

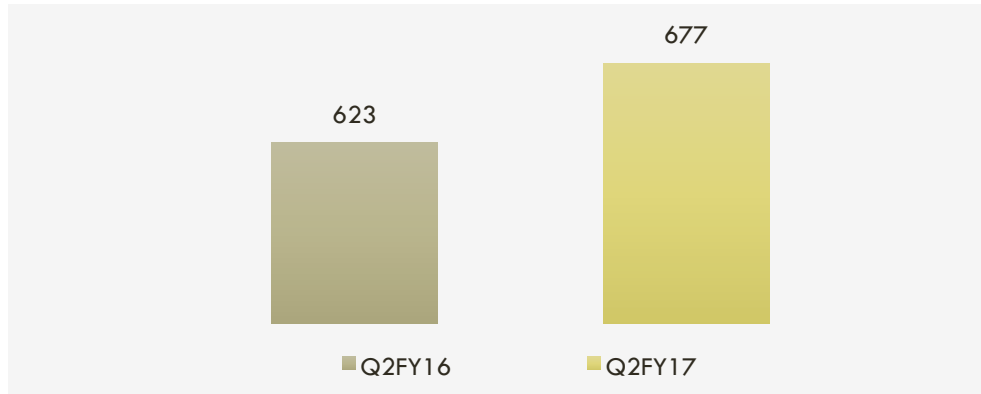
# Balance Sheet

Rs. Mn	Sept'16	Mar'15
Share Capital	400.9	400.9
Reserve and Surplus	932.6	810.6
<b>Net Worth</b>	<b>1,333.5</b>	<b>1,211.6</b>
Long Term Borrowings	12	21.7
Deferred Tax Net	78.2	66.2
Other non-current liabilities	3.9	3.3
<b>Total Non-current liabilities</b>	<b>94.1</b>	<b>91.3</b>
Short term borrowings	59.9	60.7
Other current liabilities	219.3	232.1
<b>Total Current liabilities</b>	<b>279.2</b>	<b>292.8</b>
<b>TOTAL LIABILITIES</b>	<b>1,706.8</b>	<b>1,595.7</b>

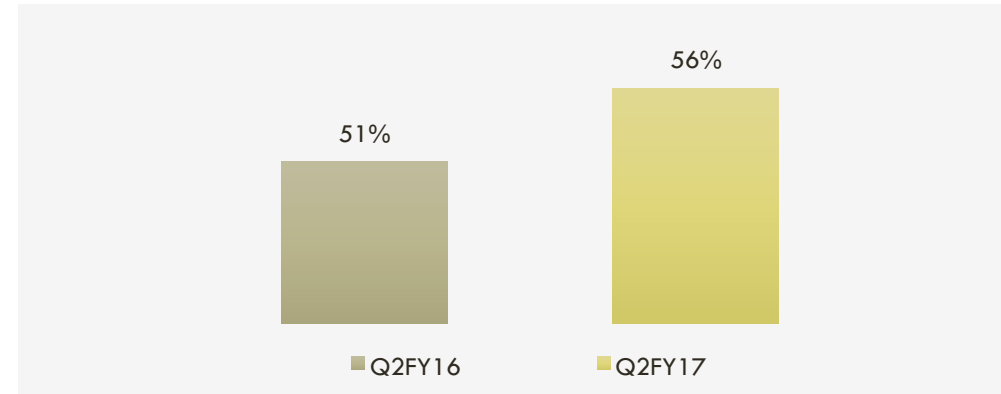
Rs. Mn	Sept'16	Mar'15
Net Block + CWIP	893.9	873.6
Other Non-Current Assets	16.1	16.1
Long Term Loans and Advance	110.3	85.9
<b>Total Non current assets</b>	<b>1,020.4</b>	<b>975.6</b>
Inventories	74	62.3
Debtors	196.4	176.8
Cash and bank	41.8	28.7
Other Current Assets	1.1	0.4
Short Term Loans and Advance	373.1	351.8
<b>Total Current Assets</b>	<b>686.4</b>	<b>620.1</b>
<b>TOTAL ASSETS</b>	<b>1,706.8</b>	<b>1,595.7</b>

# Lease Business – Q2FY17

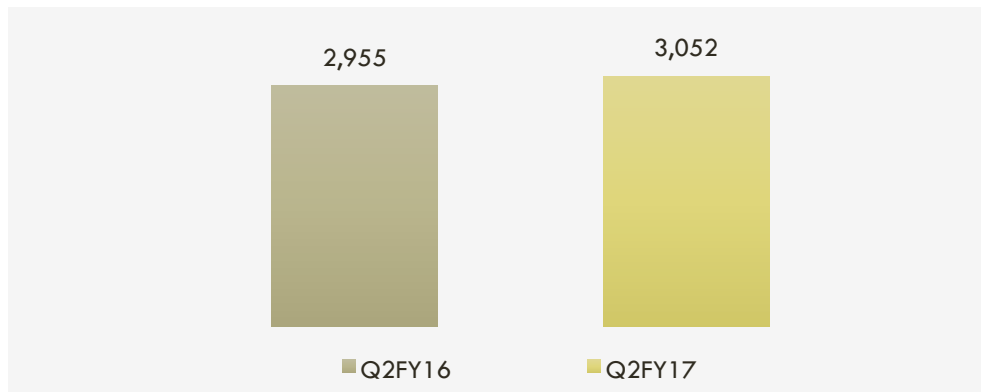
Number of rooms\*



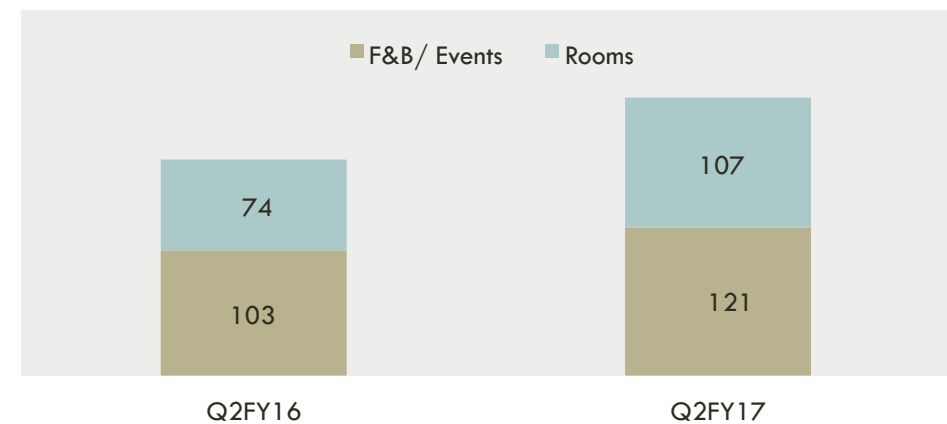
Occupancy (%)



ARR (Rs)



Revenue (Rs Mn)

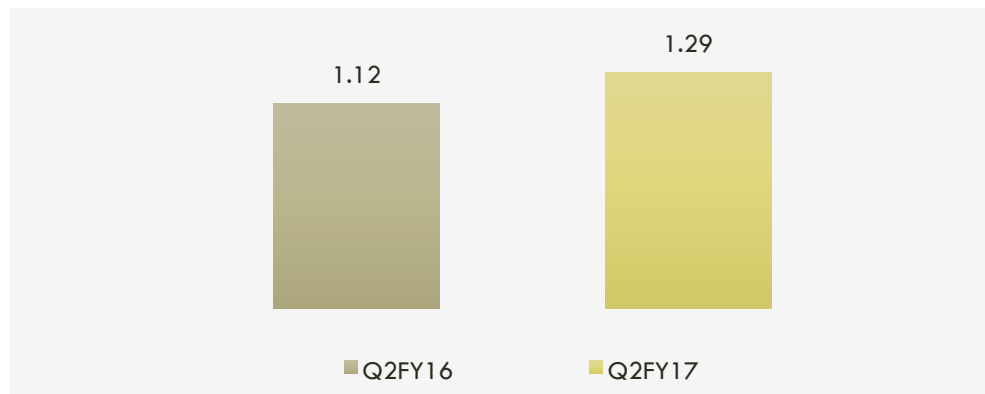


\* Added 2 properties post Q2FY17; Currently 11 properties with 797 rooms

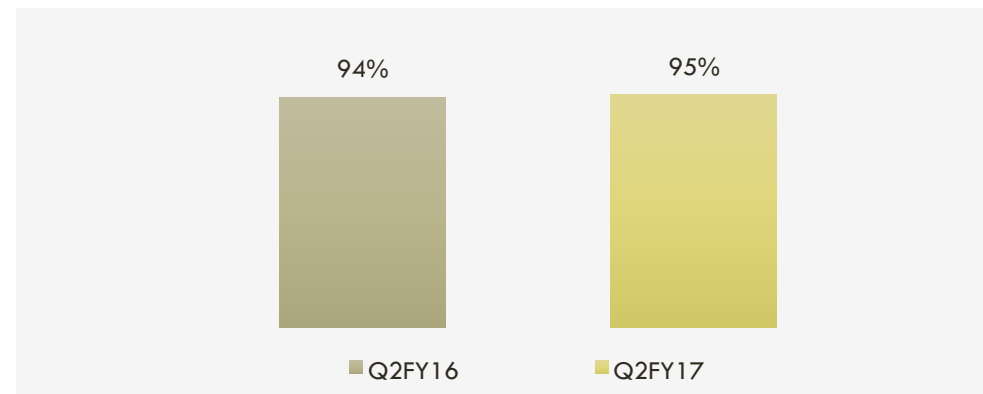


# Chartering Business – Q2FY17

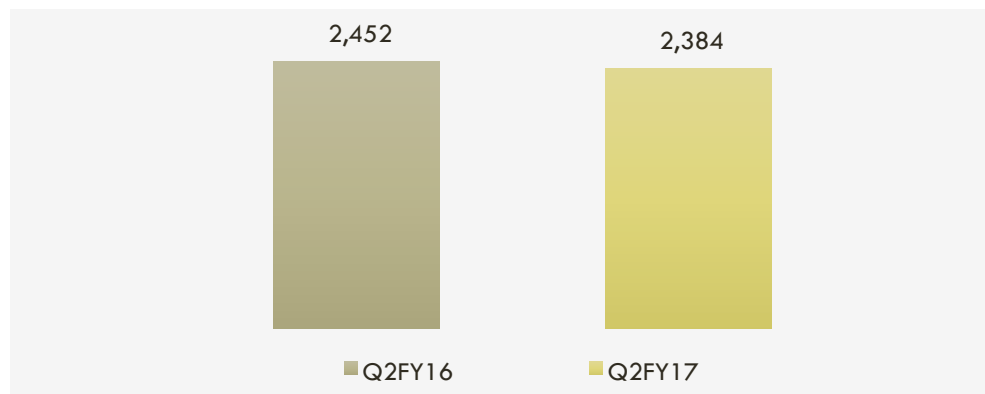
### Number of room night (In Lacs)



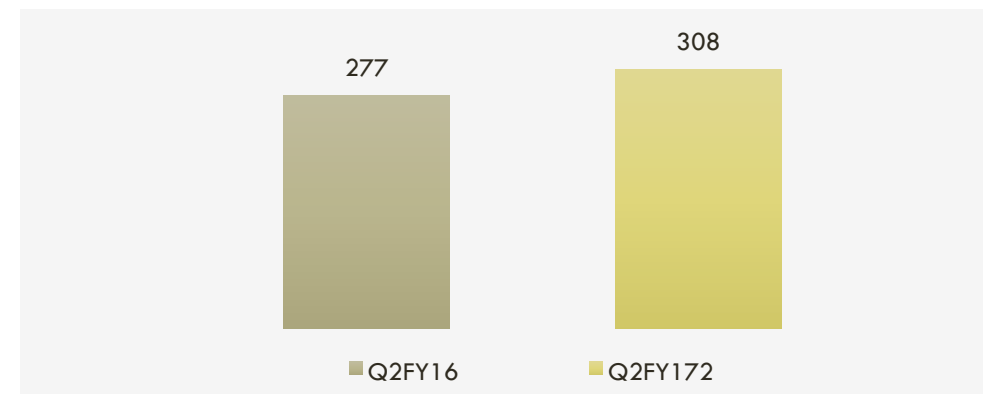
### Occupancy (%)



### ARR (Rs)



### Revenue (Rs Mn)



# “The BYKE” Hotel Portfolio

## The Byke Old Anchor, Goa



No. of Rooms	240
Type	Leased

## The Byke Suraj Plaza, Thane



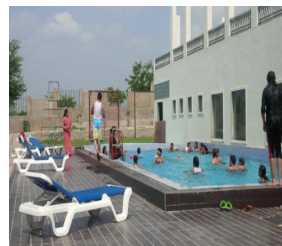
No. of Rooms	122
Type	Leased

## The Byke Heritage, Matheran



No. of Rooms	80
Type	Owned

## The Byke Grassfield Riviera, Jaipur



No. of Rooms	80
Type	Leased

## The Byke Grassfield, Jaipur



No. of Rooms	54
Type	Leased

## The Byke Vijaya, Puri (Odisha)



No. of Rooms	54
Type	Leased

Property in Mumbai is not included here as it is yet to be operational

# “The BYKE” Hotel Portfolio

## The Byke Neelkanth, Manali



No. of Rooms	40
Type	Leased

## The Byke Hidden Paradise, Goa



No. of Rooms	40
Type	Leased

## The Byke Redwood, Matheran



No. of Rooms	25
Type	Leased

## The Byke Sunflower, Goa



No. of Rooms	22
Type	Owned

## Safe Harbor

This presentation and the accompanying slides (the "Presentation"), which have been prepared by The Byke Hospitality Limited (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

## For more information, please contact:

### Company :

The Byke Hospitality Ltd.  
CIN: L67190MH1990PLC056009

Neha Mankame  
[cs@thebyke.com](mailto:cs@thebyke.com)

[www.thebyke.com](http://www.thebyke.com)

### Investor Relations Advisors :

Stellar IR Advisors Pvt. Ltd.  
CIN: U74900MH2014PTC259212

Pooja Dokania  
[dpooja@stellar-ir.com](mailto:dpooja@stellar-ir.com)

[www.stellar-ir.com](http://www.stellar-ir.com)