



# The Byke Hospitality Limited

CIN No.: L67190MH1990PLC056009

October 17, 2016

To,  
Corporate Services Department,  
National Stock Exchange  
of India Ltd.  
5<sup>th</sup> Floor, Exchange Plaza  
Plot no. C/1, G Block,  
Bandra - Kurla Complex  
Bandra (E), Mumbai - 400 051

To,  
Corporate Services Department,  
The BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001.

To,  
Corporate Services Department,  
Metropolitan Stock Exchange  
of India Limited  
4<sup>th</sup> Floor, Vibgyor Towers,  
Bandra - Kurla Complex,  
Bandra (E), Mumbai - 400 098

**Ref:** Scrip Code/Name: **BYKE** (NSE), **531373** (BSE), **THEBYKE** (MCX-SX)

**Subject:** Investors/ Analysts Presentation {Disclosure of Material Event/Information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

Respected Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Investors/ Analysts Presentation that we propose to make for analyst and investors meet is enclosed and the said Investors/ Analysts Presentation has also been uploaded on Company's Website at [www.thebyke.com](http://www.thebyke.com)

The Investors/ Analysts Meet is Scheduled to be held on October 18<sup>th</sup> & 19<sup>th</sup> ,2016 at Singapore and on October 20<sup>th</sup> ,2016 at Hongkong.

We request you to kindly take the same on record.

Thanking You,

Yours Faithfully,  
For The Byke Hospitality Limited

*Neha Mankame*

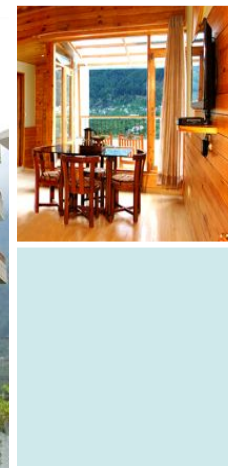
Neha Mankame  
Company Secretary & Compliance Officer







# Investor Presentation OCTOBER 2016



# Agenda



Byke Background and Overview



Key Growth Drivers



Hotel Segment (Owned + Leased)



Room Chartering Segment



Growth Strategy



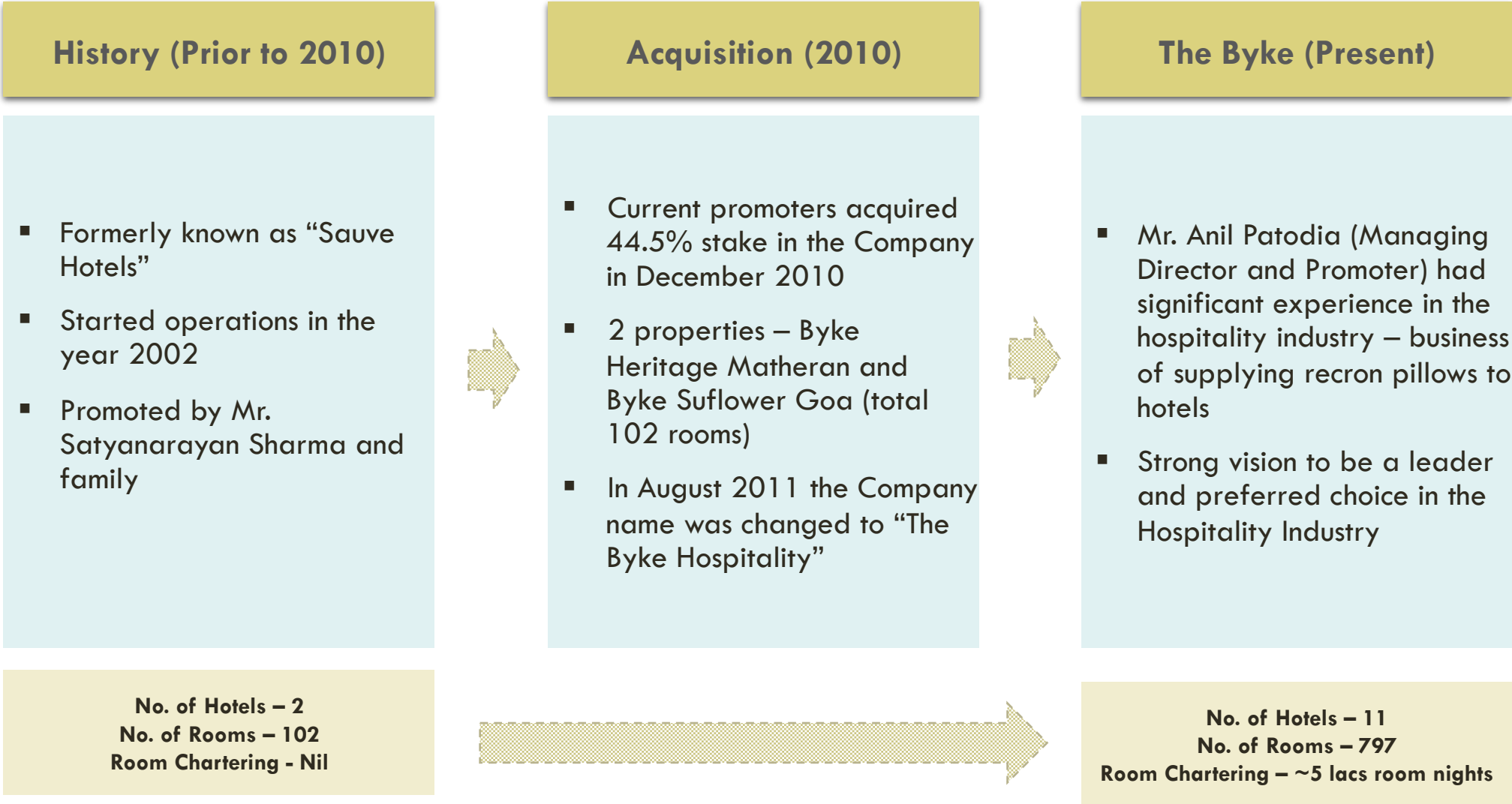
Financial Highlights



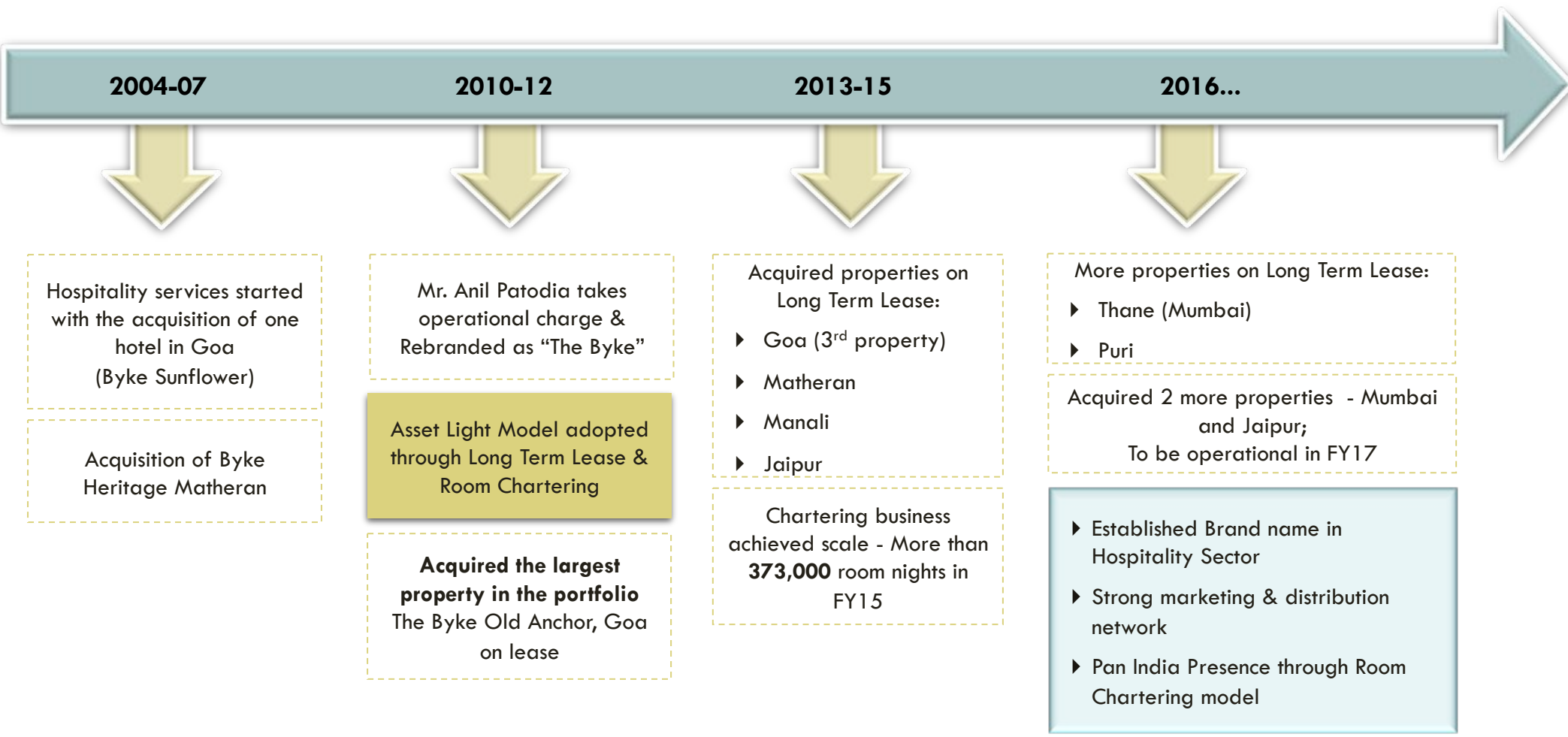
## Byke Background and Overview



# Background and History



# Evolved from Standalone Hotel Property ...



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

# 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 Insititute 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

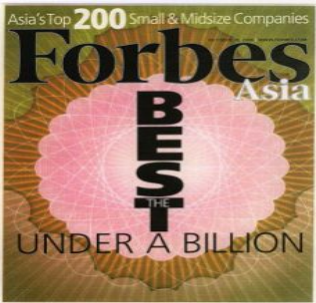


# Awards and Accolades

## 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)

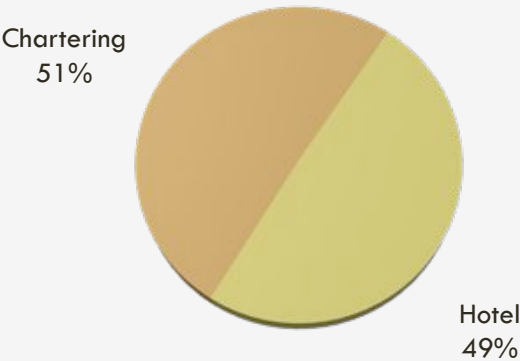
- Hotels under Brand name “The Byke”
- Focus on domestic middle class leisure tourism
- Niche in Vegetarian segment
- Diversified revenue mix – Rooms, F&B, events, etc.
- 11 properties at tourist destinations in India:
  - 2 ownership; 9 on long term lease
  - 797 rooms

## 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

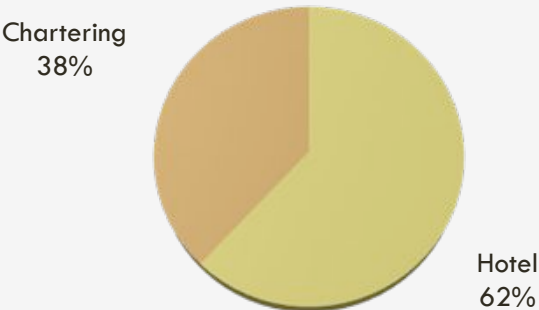
## Revenue Break-up

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



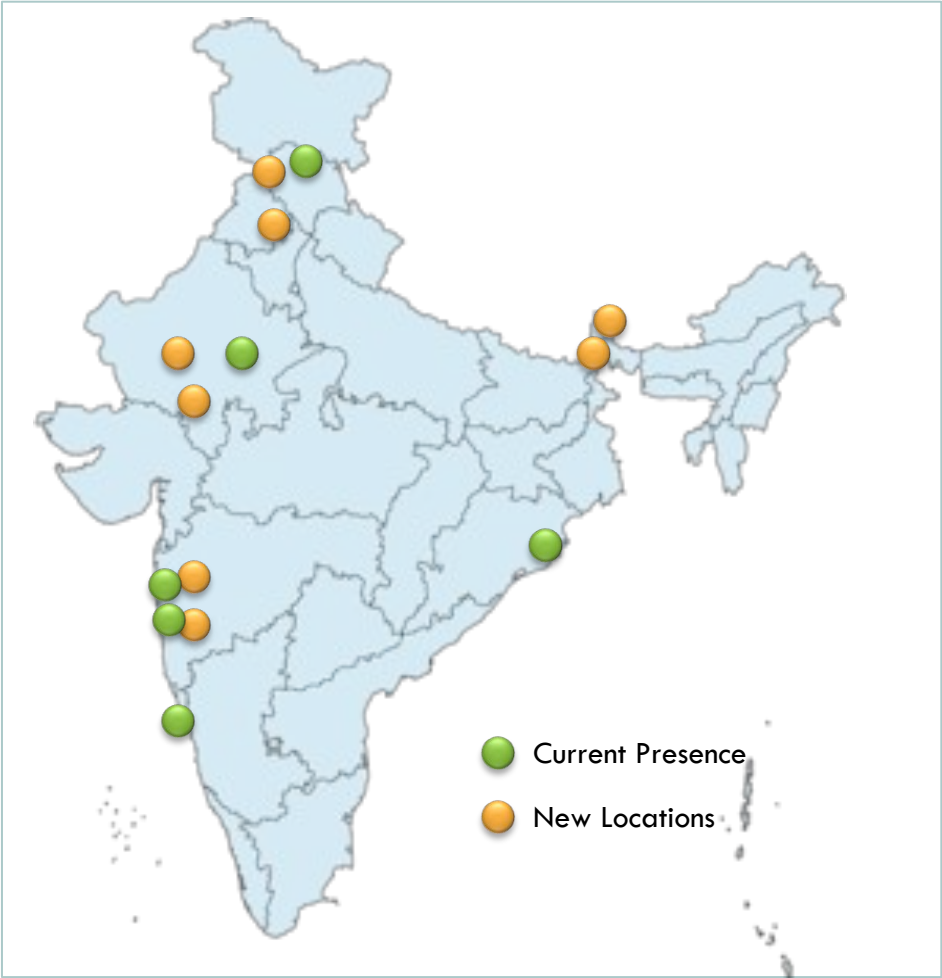
## EBITDA Break-up

**FY16 Total: Rs 526 mn**

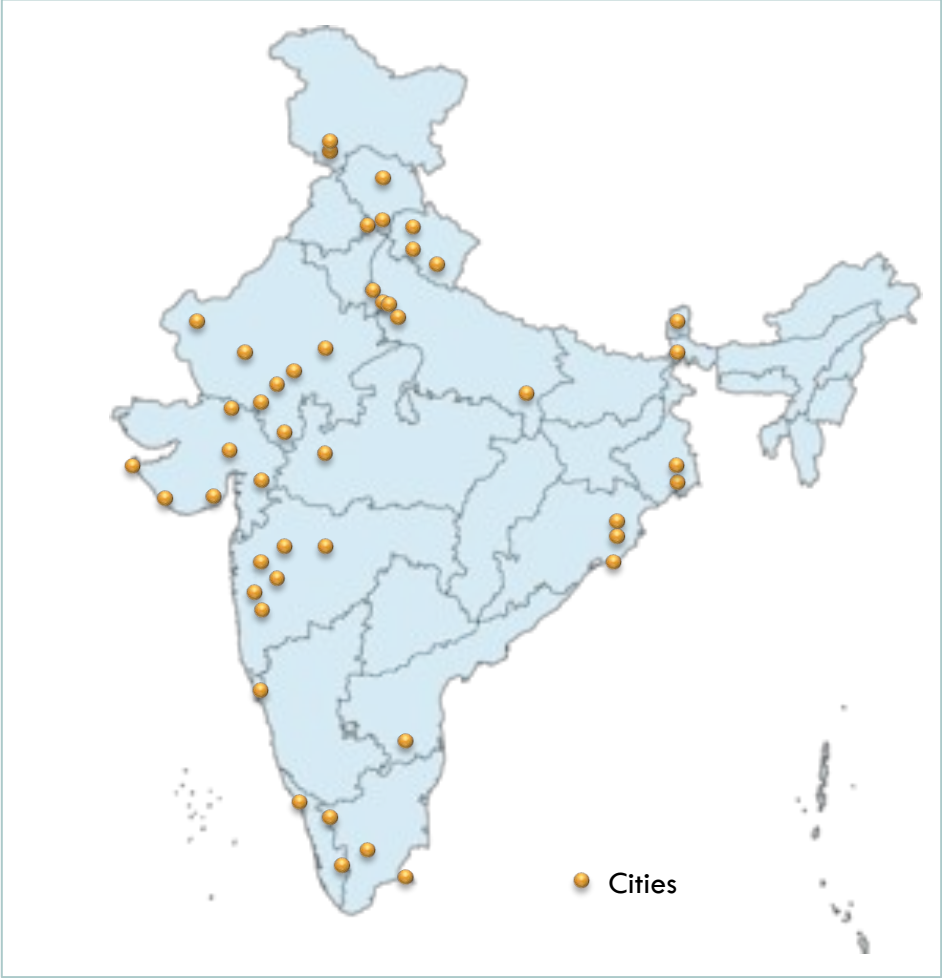


# Pan-India Presence in Both Segments

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

01

02

03

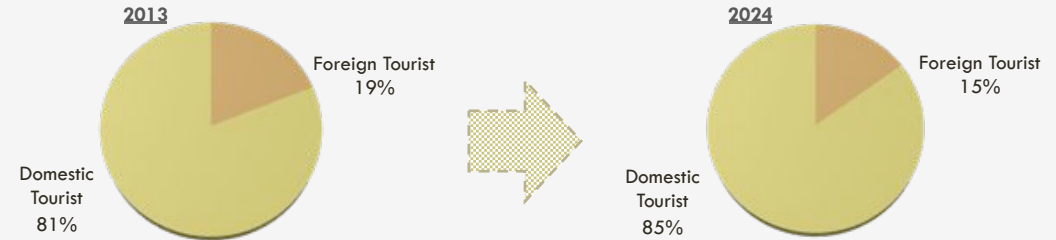
04

**Huge Potential of Domestic Tourism**

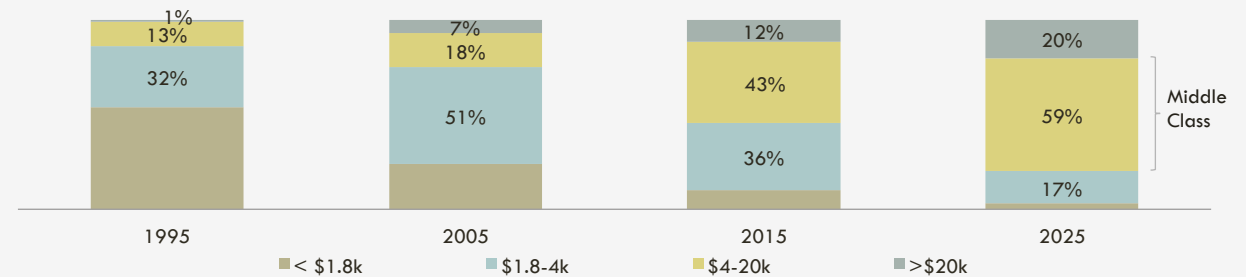
**Expanding Middle Class**

**Increasing Discretionary Spend**

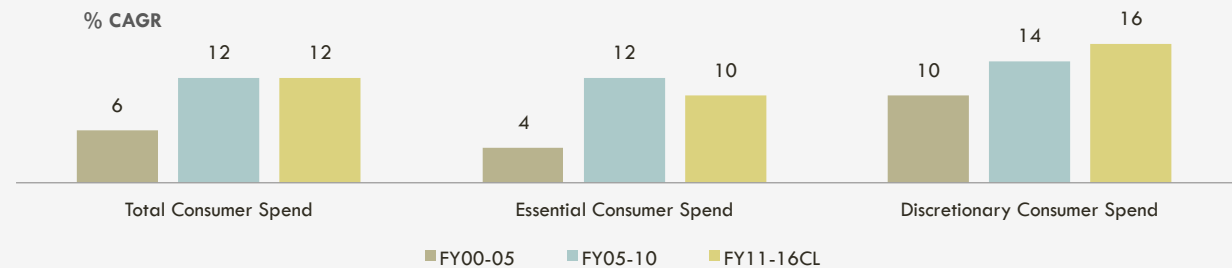
Share of tourists by expenditure



Mix of middle class



Growth in spending categories



## 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

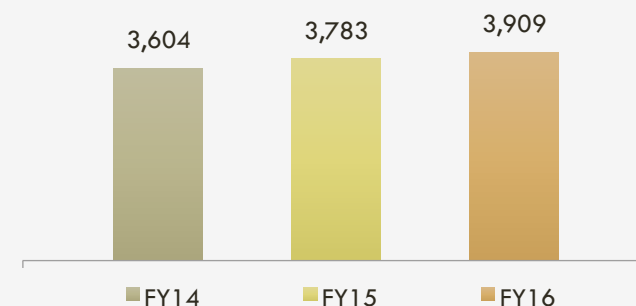
## Niche in vegetarian segment

- 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

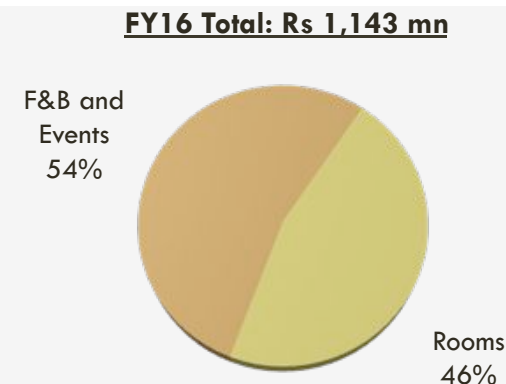
## Diversified revenue mix with focus on F&B and events

- 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



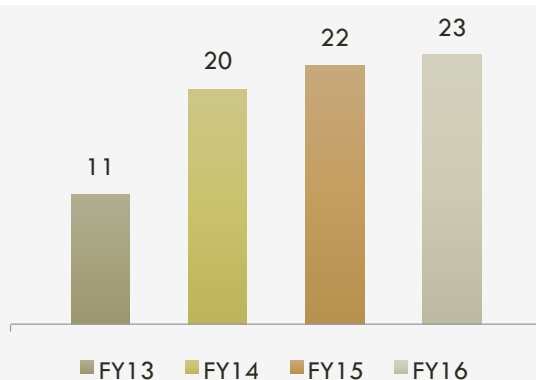
# 3 Asset Light Business Model

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

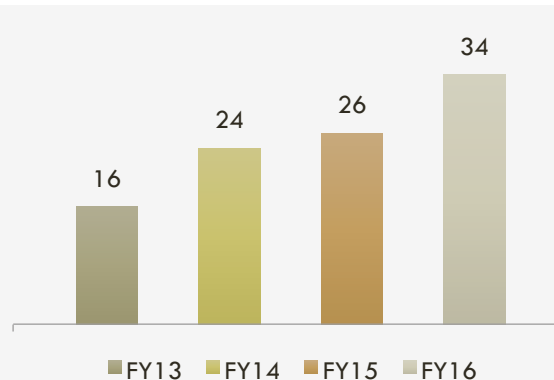
- Incremental room addition requires minimal capital employment; only capex required for refurbishment and rebranding
- Enables the company to leverage high profitability from a low capital base
- Attractive cash flow generation and deleveraging profile

## Impeccable return ratios with minimal level of debt

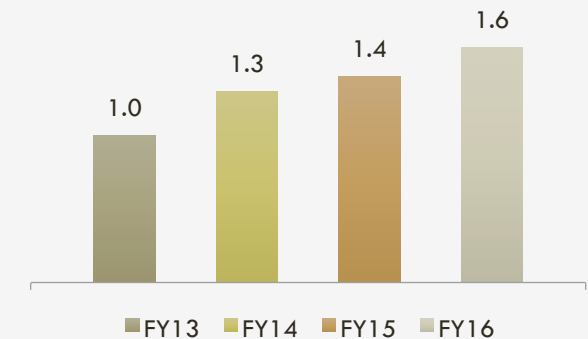
Return on Equity (%)



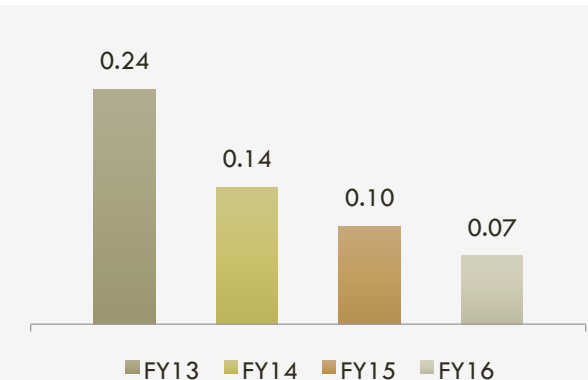
Return on Capital Employed (%)



Asset Turnover



Debt/Equity





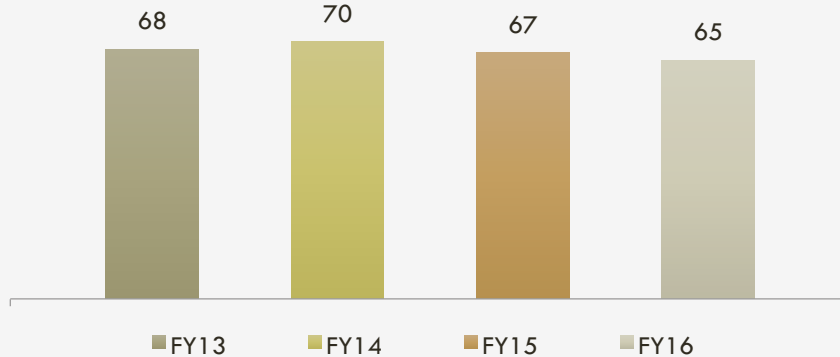
## 4 Wide Distribution Network

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

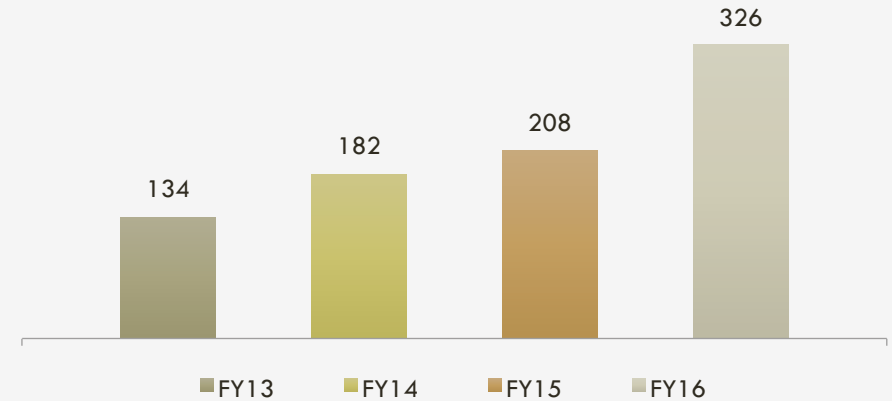
- In hospitality, selling is the major constraint, which is mitigated through tie-up with over 300 agents to sell owned + leased hotel rooms as well as chartered rooms
- Pan-India network of agents

### ➤➤ Enables to optimize occupancy levels

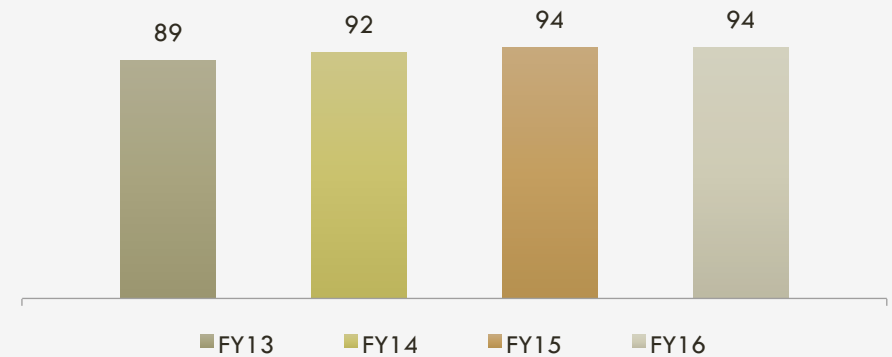
Hotels Segment Occupancy (%)



Number of Agents



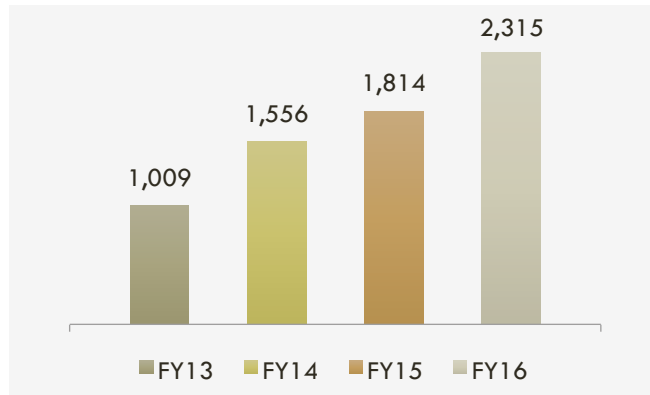
Charter Segment Occupancy (%)



# ... Driving Robust Growth

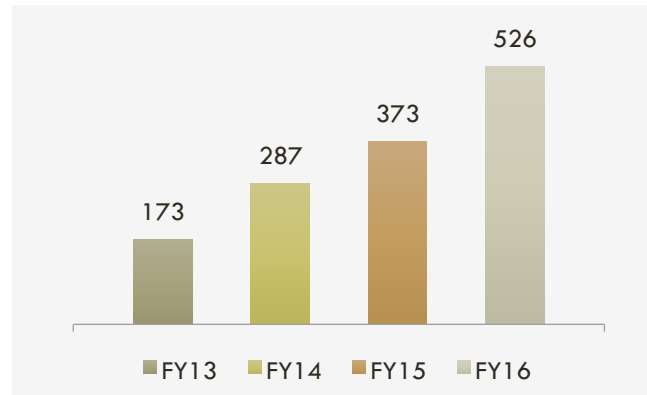
Rs Million

## Revenue



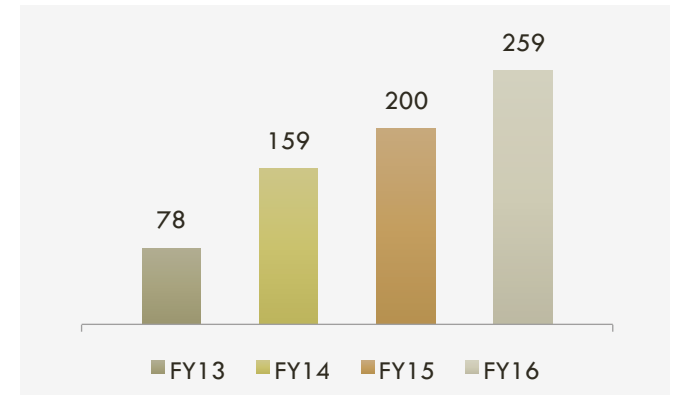
**32%** 3 year CAGR

## EBITDA



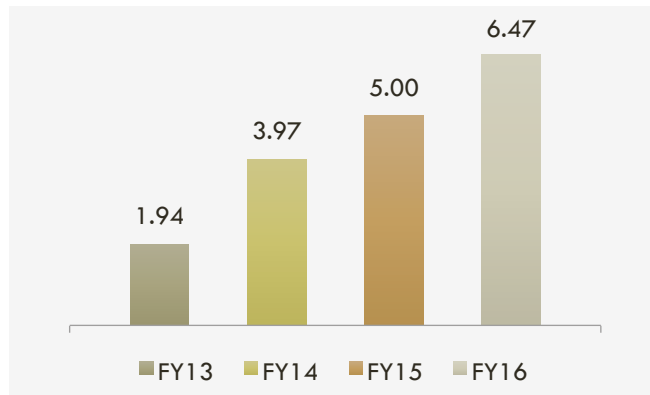
**45%** 3 year CAGR

## PAT

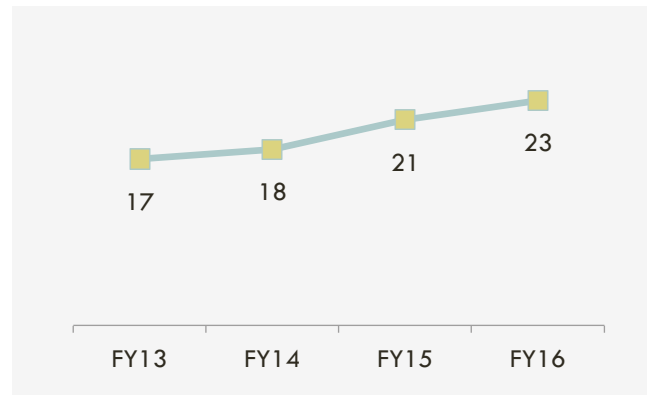


**49%** 3 year CAGR

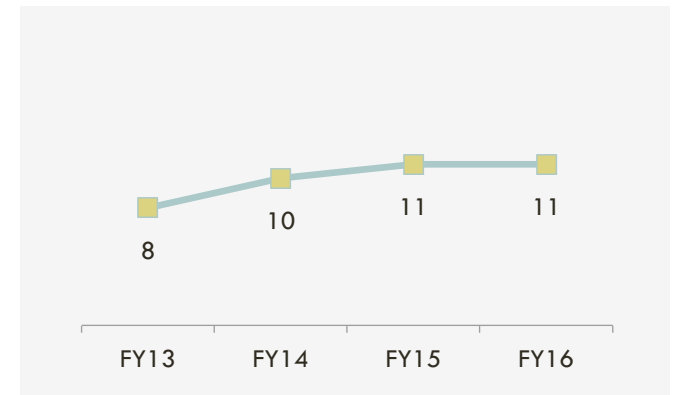
## EPS\* (Rs.)



## EBITDA Margin (%)



## PAT Margin (%)

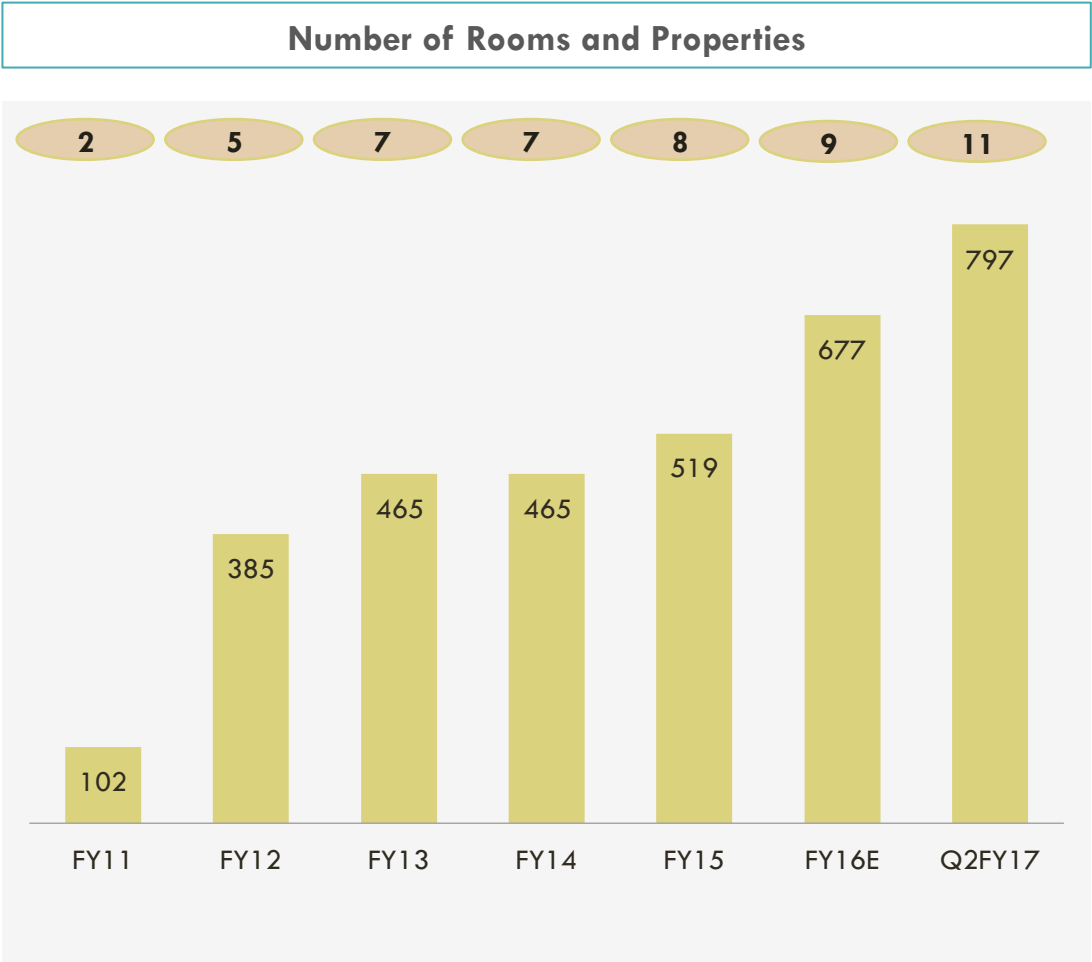


\*In FY15, Company has issued bonus shares in ratio 1:1; prior period EPS has been adjusted for the same

## Hotel Segment (Owned + Leased)



# Portfolio of 797 Rooms Across 11 Properties



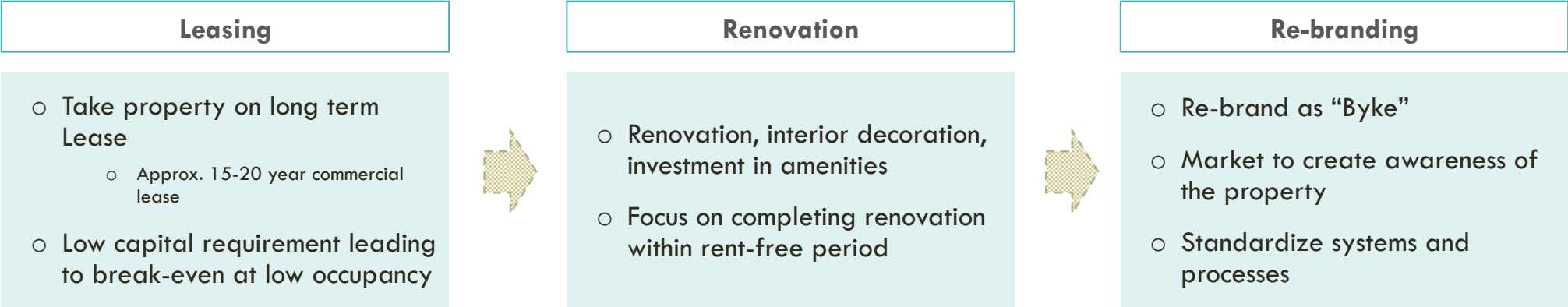
 Number of properties

| 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>   |        |

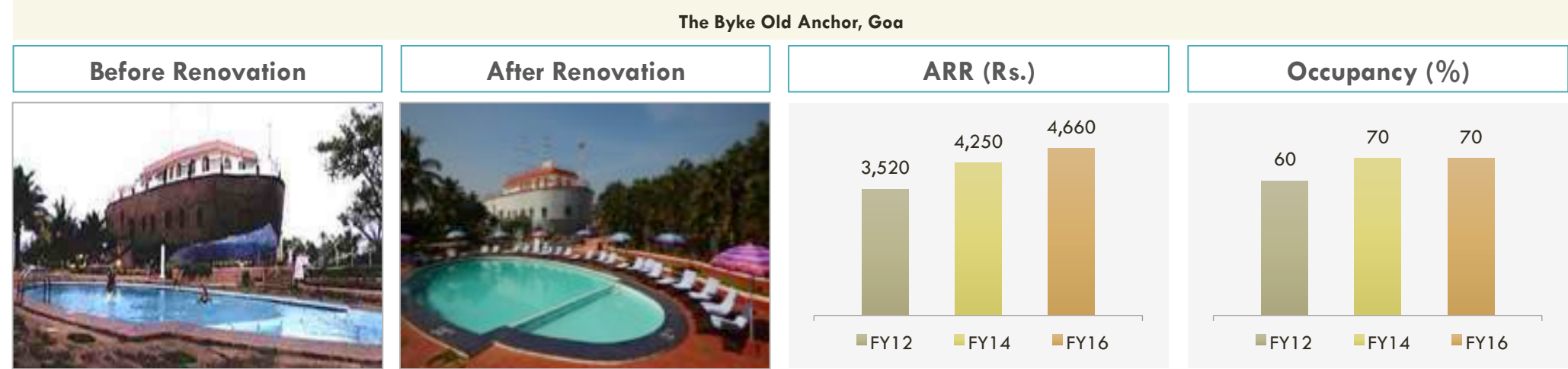
Yet to be operational

# Leasing = Asset Light = Low Capex & Faster Rollout

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



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

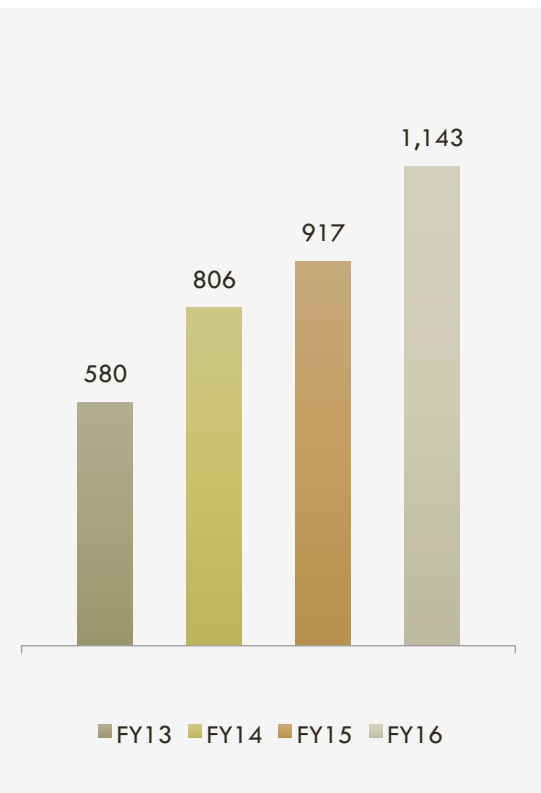




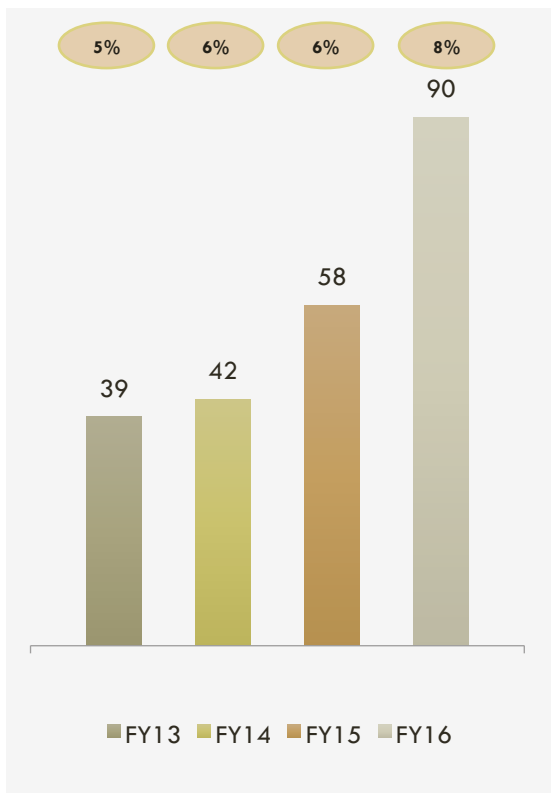
# Robust Growth – 25% CAGR

Rs Million

Hotel Revenue

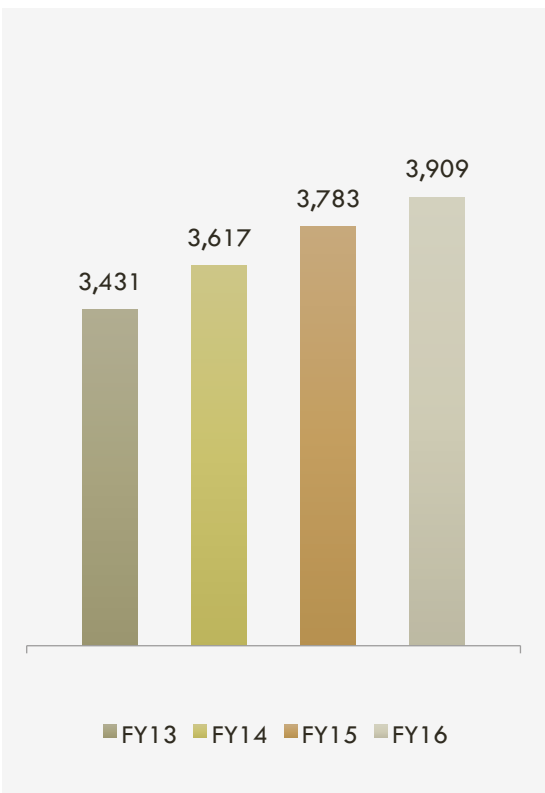


Lease Cost

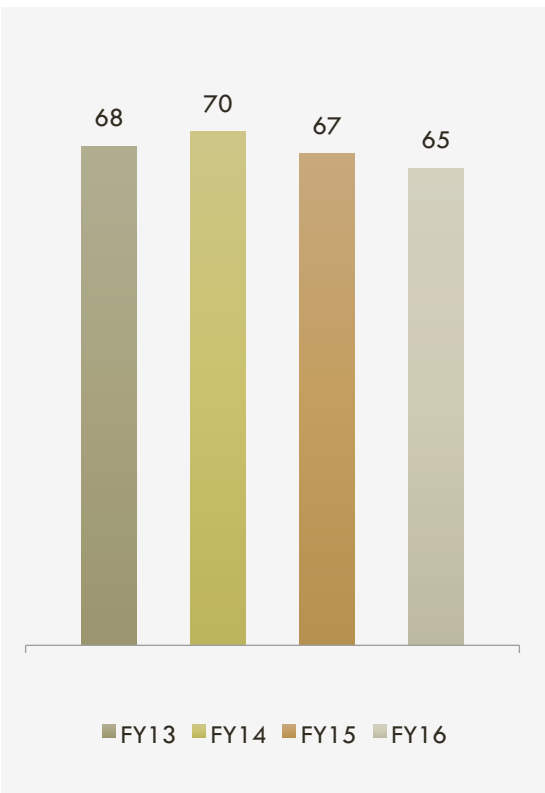


As % of Hotel Revenue

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

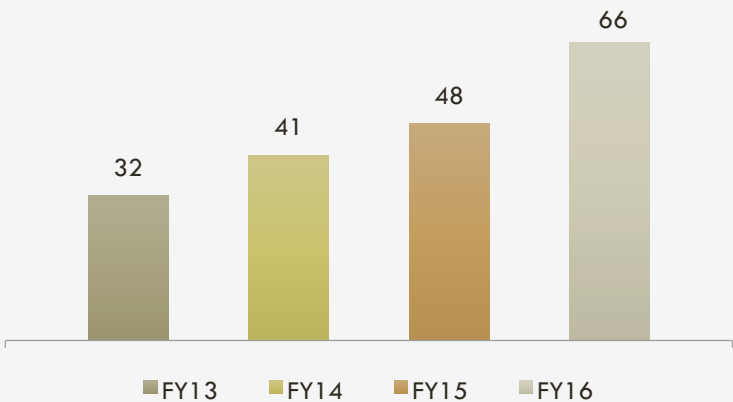
Involves **aggregation of hotel rooms through prior booking** of inventory with partial / full **advance payments**

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

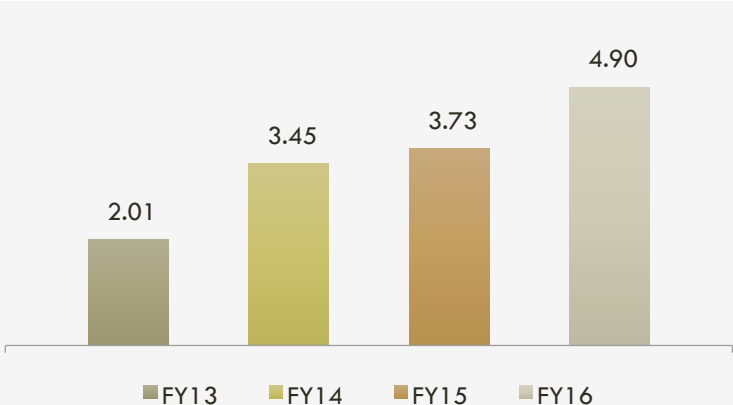
## Why Room Chartering

- 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



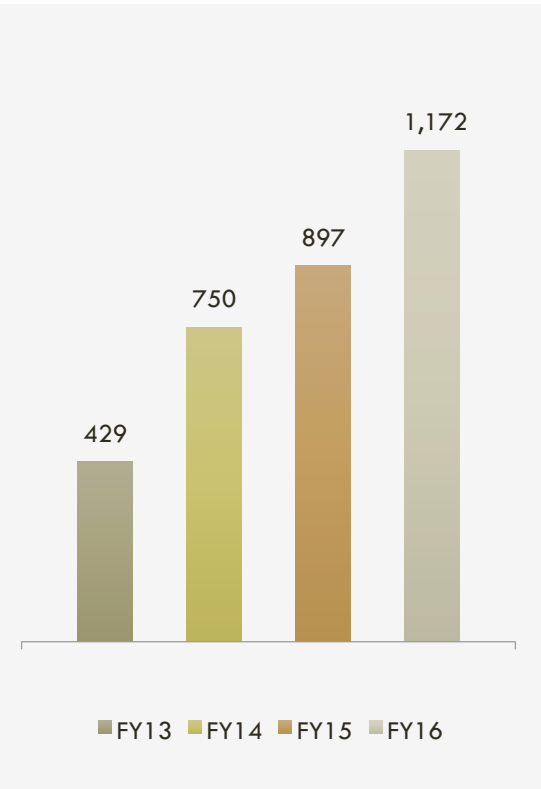
## Room Nights Sold (lacs)



# Robust Growth – 40% CAGR

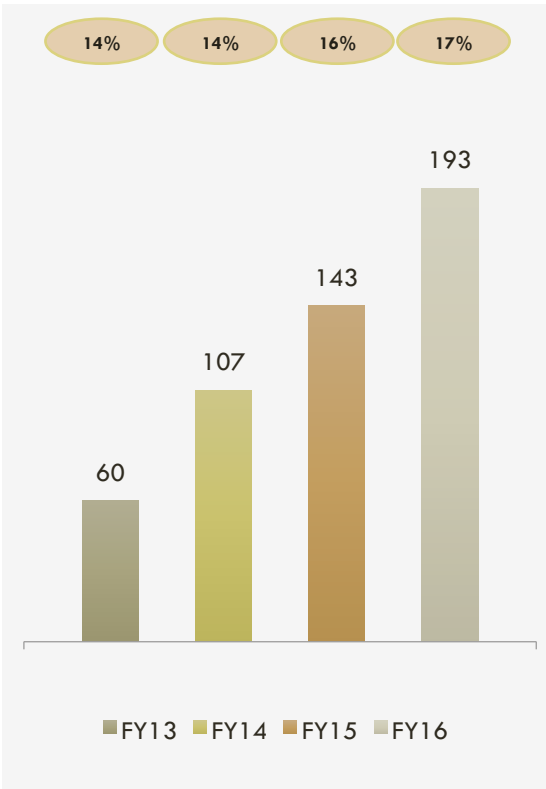
Rs Million

Room Chartering Revenue



40% 3 year CAGR

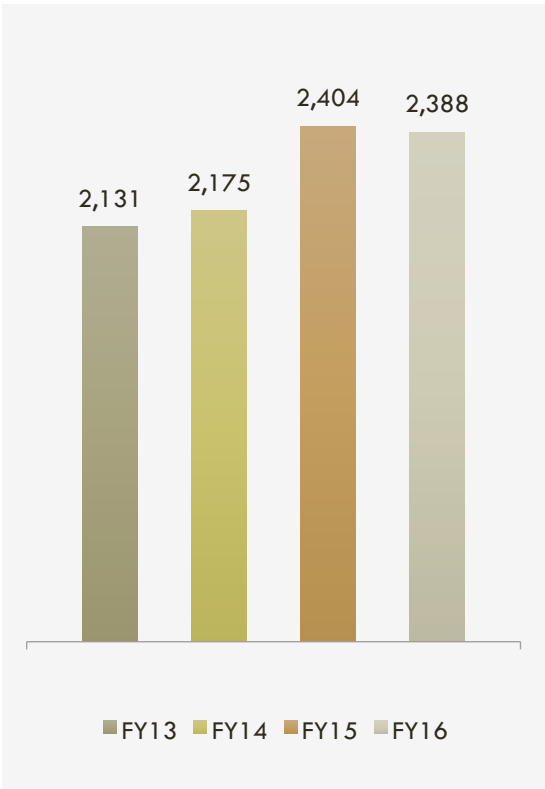
Gross Profit and Margin



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

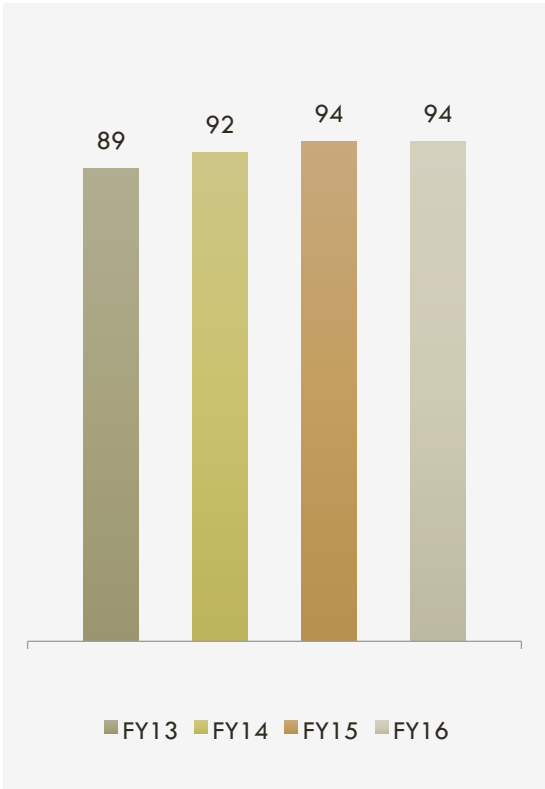
Improving Margins

ARR (Rs.)



Optimizing ARR

Occupancy (%)



Maximizing Occupancy



A photograph of a resort building with a fountain in the foreground. The building is a two-story structure with a white upper section and a reddish-brown lower section. It has several windows, some with air conditioning units. A covered entrance area with a green roof is visible, where a dark car is parked. In the foreground, there is a large, active fountain with multiple jets of water. A wooden bridge with a decorative railing is in the lower right. The area is surrounded by green grass, a brick-paved walkway, and a row of small potted plants. A large tree trunk is on the left side of the frame.

# Growth Strategy



# Growth Strategy

01

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

Expand current portfolio from 9 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               |

A photograph of a resort building with a fountain in the foreground. The building is a two-story structure with a white upper floor and a reddish-brown lower floor. It has several windows, some with air conditioning units. A car is parked under a covered area of the building. In the foreground, there is a large, ornate fountain with multiple jets of water. The fountain is surrounded by a low wall and a wooden railing. The background is filled with lush green trees and foliage.

## Financial Highlights

# Annual Income Statement

| Rs. Mn                      | FY16         | FY15         | Y-o-Y Growth |
|-----------------------------|--------------|--------------|--------------|
| Hotel Revenue               | 1,143        | 917          | 24.6%        |
| Chartering Revenue          | 1,172        | 897          | 30.7%        |
| <b>Revenue</b>              | <b>2,315</b> | <b>1,814</b> | <b>27.6%</b> |
| Lease, Chartering and SG&A  | 1,175        | 1,025        | 14.6%        |
| Employee Expense            | 58           | 38           | 51.1%        |
| Operating and Other expense | 556          | 378          | 47.0%        |
| Total Cost                  | 1,789        | 1,442        | 24.1%        |
| <b>EBITDA</b>               | <b>526</b>   | <b>372</b>   | <b>41.3%</b> |
| <i>EBITDA margin</i>        | <i>22.7%</i> | <i>20.5%</i> | <i>10.7%</i> |
| Depreciation                | 116          | 102          | 14.0%        |
| Net Interest Cost           | 15           | 18           | -16.9%       |
| Other Income                | 1            | 1            | 24.5%        |
| <b>PBT</b>                  | <b>397</b>   | <b>254</b>   | <b>56.4%</b> |
| Tax                         | 137          | 53.3         | 157.4%       |
| <b>PAT</b>                  | <b>259</b>   | <b>200</b>   | <b>29.5%</b> |
| <i>PAT margin</i>           | <i>11.2%</i> | <i>11.0%</i> |              |



# Income Statement – Q1FY17

| 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>EBITDA margin</i>        | <b>20.8%</b> | <b>20.3%</b> | -            |
| 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>PAT margin</i>           | <b>10.3%</b> | <b>9.7%</b>  | -            |

# Balance Sheet

| Rs. Mn                               | March'16    | March'15    |
|--------------------------------------|-------------|-------------|
| Share Capital                        | 401         | 401         |
| Reserve and Surplus                  | 811         | 600         |
| <b>Net Worth</b>                     | <b>1212</b> | <b>1001</b> |
| Long Term Borrowings                 | 22          | 38          |
| Deferred Tax Net                     | 66          | 50          |
| Other non-current liabilities        | 3           | 2           |
| <b>Total Non-current liabilities</b> | <b>91</b>   | <b>89</b>   |
| Short term borrowings                | 61          | 60          |
| Other current liabilities            | 232         | 211         |
| <b>Total Current liabilities</b>     | <b>293</b>  | <b>271</b>  |
| <b>TOTAL LIABILITIES</b>             | <b>1596</b> | <b>1361</b> |

| Rs. Mn                          | March'16    | March'15    |
|---------------------------------|-------------|-------------|
| Net Block + CWIP                | 874         | 806         |
| Other Non-Current Assets        | 16          | 16          |
| Long Term Loans and Advance     | 86          | 55          |
| <b>Total Non current assets</b> | <b>976</b>  | <b>877</b>  |
| Inventories                     | 62          | 60          |
| Debtors                         | 177         | 140         |
| Cash and bank                   | 29          | 22          |
| Other Current Assets            | 0           | 1           |
| Short Term Loans and Advance    | 352         | 260         |
| <b>Total Current Assets</b>     | <b>620</b>  | <b>484</b>  |
| <b>TOTAL ASSETS</b>             | <b>1596</b> | <b>1361</b> |

# “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, Jaipur



|              |        |
|--------------|--------|
| No. of Rooms | 54     |
| Type         | Leased |

## The Byke Vijoya, Puri (Odisha)



|              |        |
|--------------|--------|
| No. of Rooms | 54     |
| Type         | Leased |

## The Byke Hidden Paradise, Goa



|              |        |
|--------------|--------|
| No. of Rooms | 40     |
| Type         | Leased |

## The Byke Neelkanth, Manali



|              |        |
|--------------|--------|
| 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 |

The 2 new properties in Jaipur and Mumbai are not included here

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