



Mahindra Holidays &
Resorts India Ltd.

Analyst Meet
20th August

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Introduction

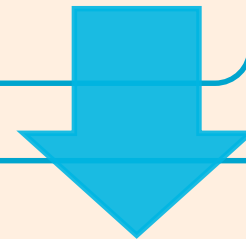


Overview

Established in 1996, Mahindra Holidays is today a leading player in the leisure hospitality industry in India. Our brand assures customers of an unflinching quality and memorable family experiences

Our Credo

- Make Every Moment Magical



Our Mission

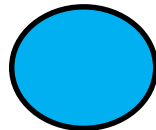
- Good Living, Happy Families.

Club Mahindra

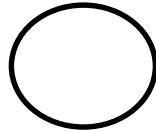
25 year memberships for 7 nights/8 days every year in any of our 45 resorts in India & abroad

Season

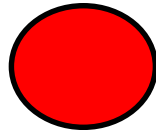
Blue
Off Peak



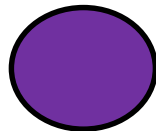
White
Medium



Red
Peak



Purple
Super Peak



Apartment Size

Studio
(2 adults, 1 child)

1 BR
(2 adults, 2 children)

2 BR
(4 adults, 2 children)



Our Target Member Profile



35+ years of age
Married; 1-2 children (Age 3-15 years)
SEC A+ & A
Owns a car

Appreciates quality family time
Takes regular vacation
Seeking variety
Plans in advance



Format suited to Consumer needs

Indian Consumer Needs

Flexibility of choosing time of holiday

Destination Variety : Won't go to the same place every year

Complete family experience
Holidays with entire family



Our Product Design

"Floating Week" – members can choose from a wide range of time intervals in the year (Season Band)

"Diversity of Resort locations" – members can holiday in any resort

Full Service Resorts. Cater to needs of all members in the family

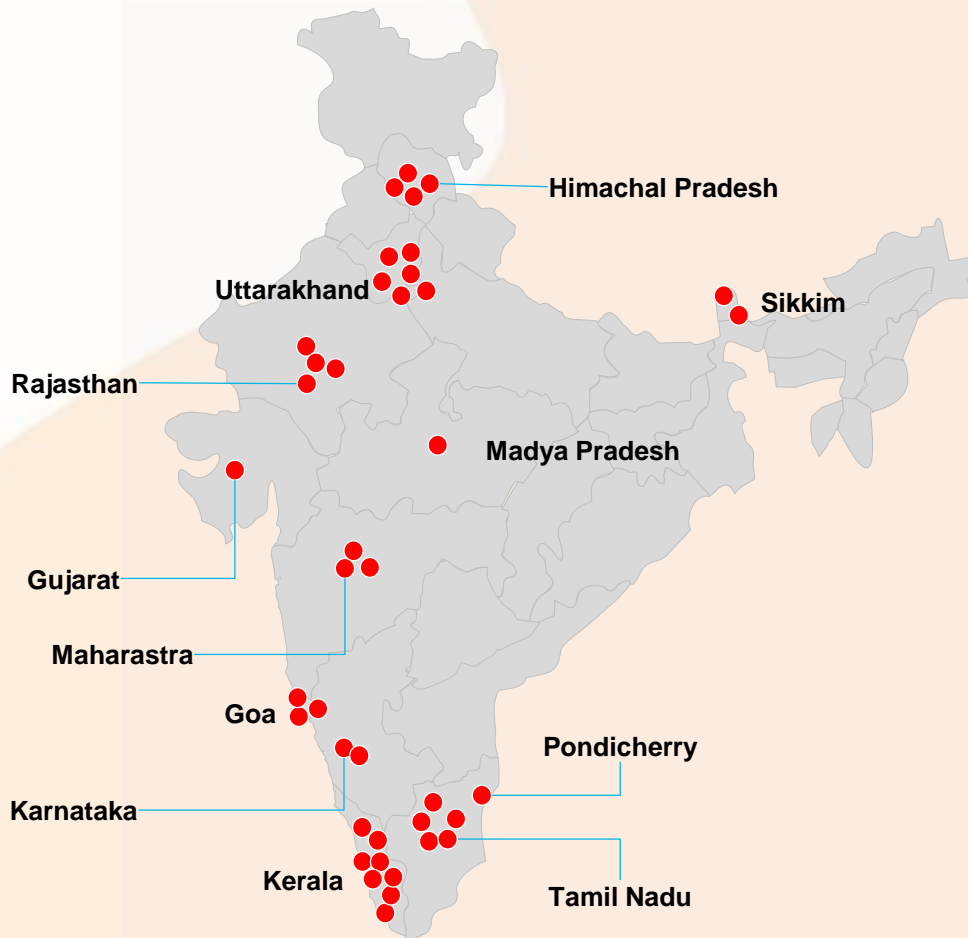
Our Proposition different from conventional VO



Did you Know?

- We serve approx 2.3 million breakfasts in a year.
- We Provide 1 million leisure room nights a year.
- Our Occupancy rate is 83% compared to hospitality industry (average occupancy of 59% in 2014).
- 2.96 million guest experiences (2015) at our resorts makes us one of the largest “Leisure Hospitality Players” in India.
- We have put Munnar, Binsar, Kumbhalgarh, Kandaghat, Ashtamudi and many more destinations on Indian Tourist Map.

Resort footprint



- Network of 45 resorts
 - Hill stations, beaches, backwaters, wildlife, forts and heritage
- International destinations.
 - Bangkok, Innsbruck (Austria), Kuala Lumpur and Dubai
- Affiliation with RCI
 - Enables members to access over 4,500 resorts in more than 100 countries

Resort Diversity

Hill Stations

- Manali, Shimla
- Dharamshala, Kanatal
- Mussorie, Kandaghat,
- Naukuchiatal, Coorg,
- Munnar, Ooty, Kodaikanal
- Gangtok, Baiguney
- Mahabaleshwar

Beaches

- Varca, Goa
- Emerald Palms, Goa
- Acacia Palms, Goa
- Cherai
- Pondicherry
- Ganapatipule

Backwaters

- Ashtamudi
- Kumarakom
- Poovar
- Allepey

Wildlife

- Corbett
- Gir
- Kanha
- Masinagudi
- Yercaud,
- Thekkady

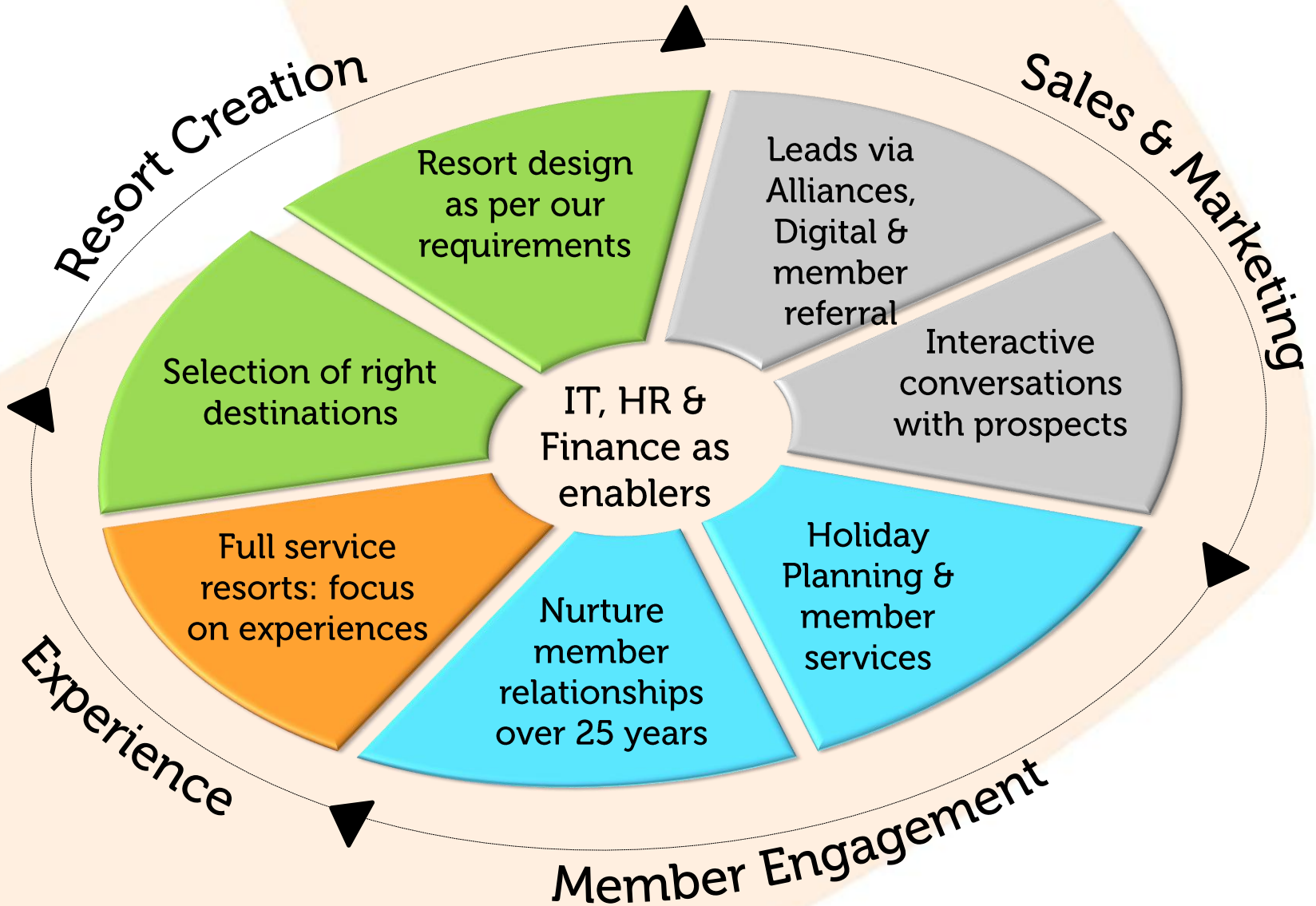
Forts & Heritage

- Kumbhalgarh
- Udaipur
- Jaisalmer
- Nawalgarh

International

- Bangkok
- Innsbruck (Austria)
- Kuala Lumpur
- Dubai

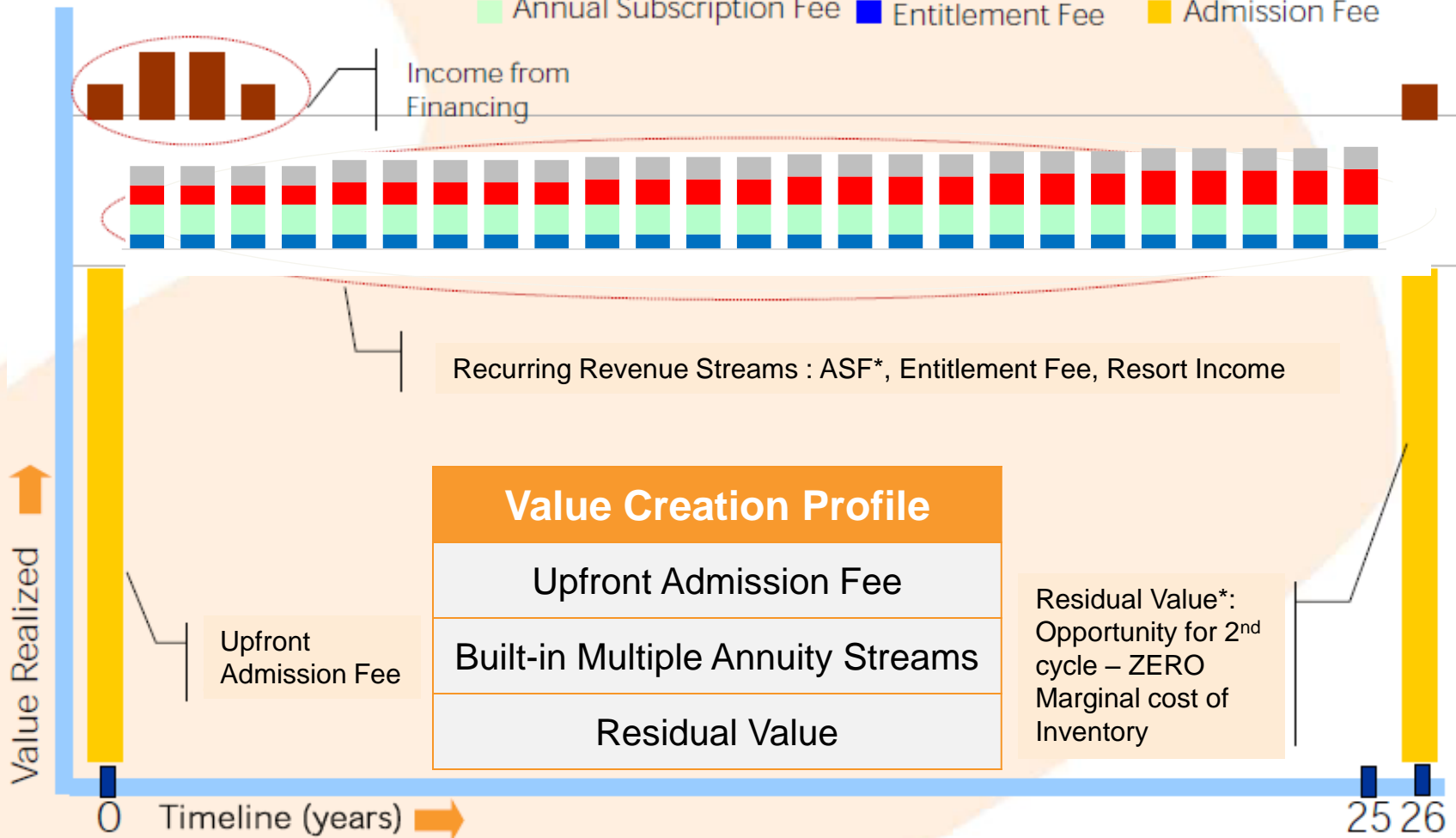
Fully integrated value chain



Revenue Model

Resort room as revenue unit

- Interest
- Resort – FIT
- Resort - Members
- Annual Subscription Fee
- Entitlement Fee
- Admission Fee

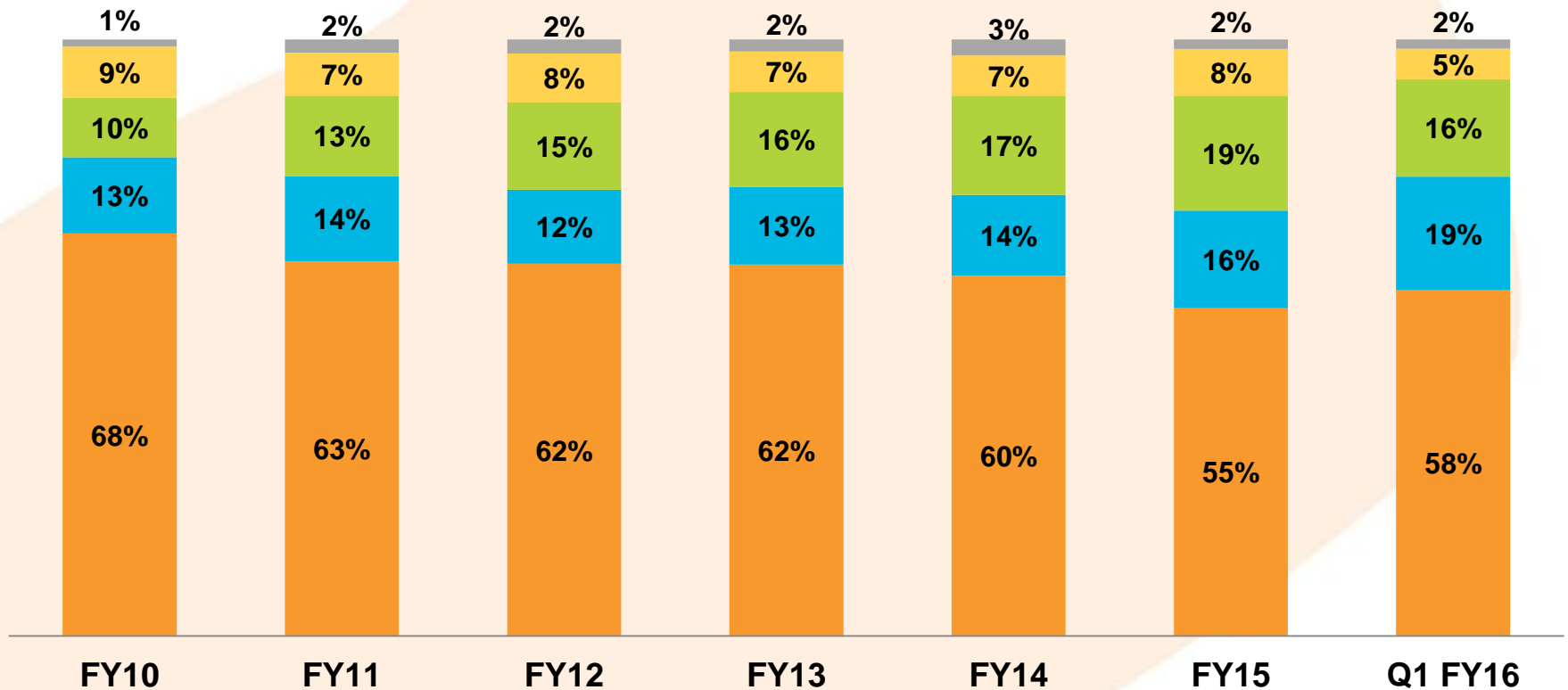


*Inflation not considered



Revenue Split

VO Income Resorts Income ASF Income Interest & Others Others

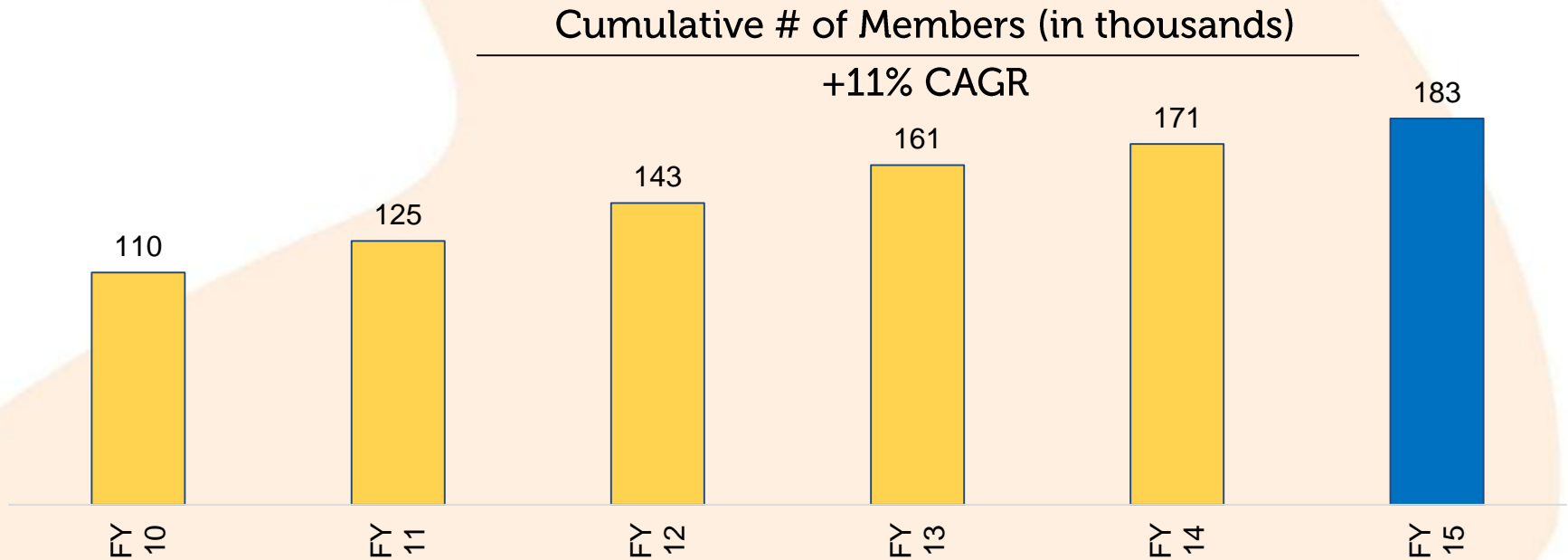




Journey through the years



Consistent increase in member Base..

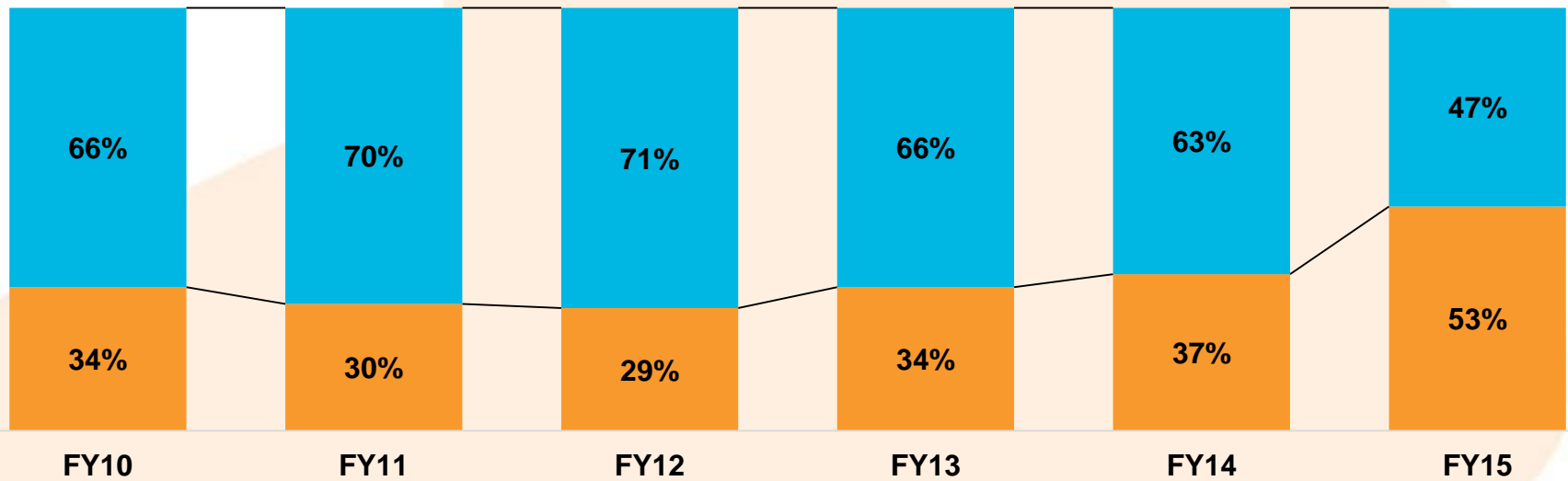


- Geographical expansion and channel partners in tier 2 cities
- Focus on international markets of Middle East (UAE, Oman, Kuwait, Qatar etc.)
- Increasing contribution of resorts as a channel for new sales
- Emphasis on pull based approach towards prospects



Growth through Digital+Referrals..

Sales Mix by source of lead



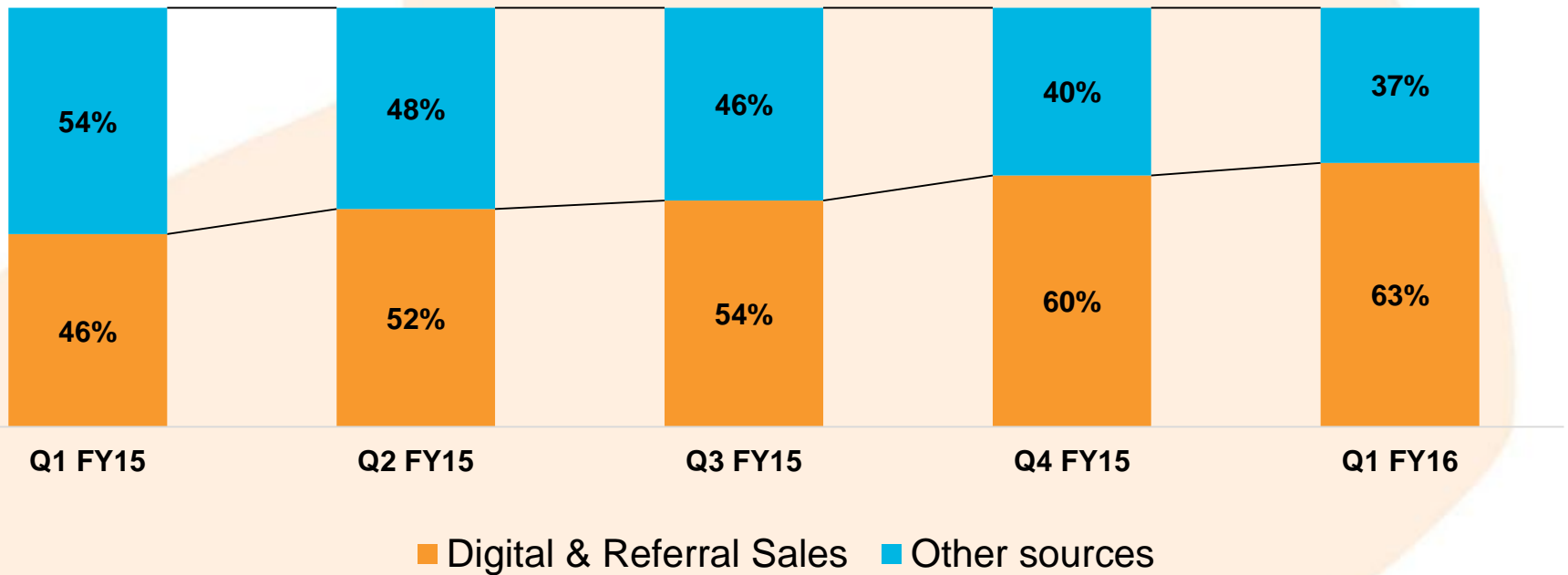
■ Digital & Referral Sales ■ Other sources

- Focus on digital as a platform gave an upsurge in FY15
- Revamped Member Referral program to make it more attractive for members to engage and contribute to company's growth
- Differentiated Alliance approach to reach out to segmented customers who maybe inclined towards our proposition.



Growth through Digital+Referrals..

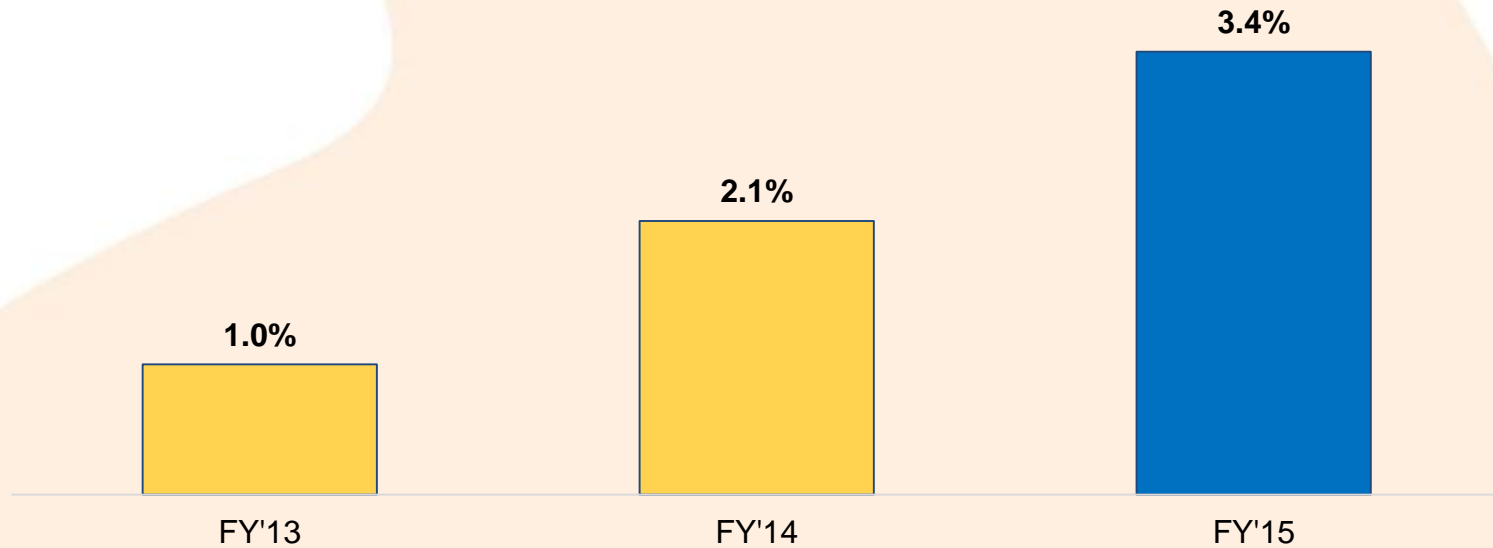
Sales Mix by source of lead





Unlocking potential of International markets

Contribution of international markets to new memberships



- Focus on international markets is beginning to pay-off
- Leveraging right business partnerships
- High engagement alliances leading to better conversions
- Base location as UAE with partners in Bahrain, Qatar, Oman & Saudi Arabia



And creating a new, youthful identity..

Changed to a new, fun, colourful and relevant brand identity that conveys,

*"Blue skies and crystal clear seas,
Yellow sand and summer sun,
Lush, vibrant green nature,
& warming orange sunsets!"*



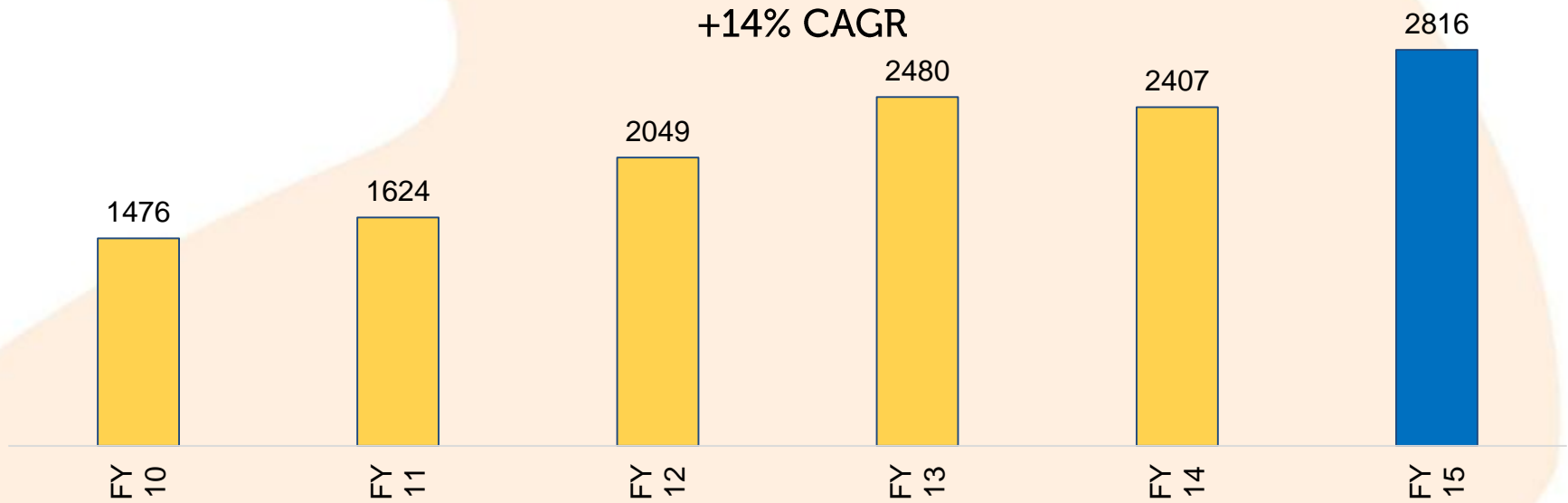
Jiyo life





Ensuring healthy inventory Addition..

Cumulative Inventory (Number of Units)

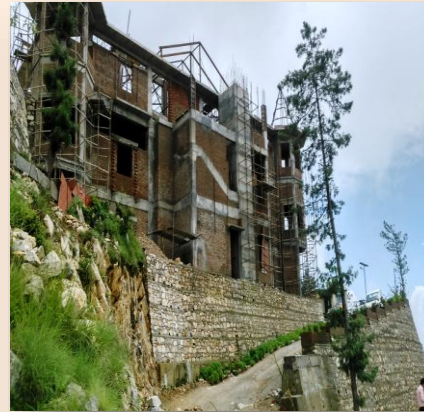


- Planned inventory addition of around 700 units in the next few years.

And are already planning ahead

Greenfield projects under way

- Naldhera (Shimla) – 116 units
 - Under construction
- Assanora (Goa) – 196 units
 - Ready for ground-breaking
- Dharamshala – 250 units
 - In design stage



Naldhera under construction

Expansion Projects

- Ashtamudi (Kerala) – 59 units
- Kandaghat – 116 units



Assanora (Goa)



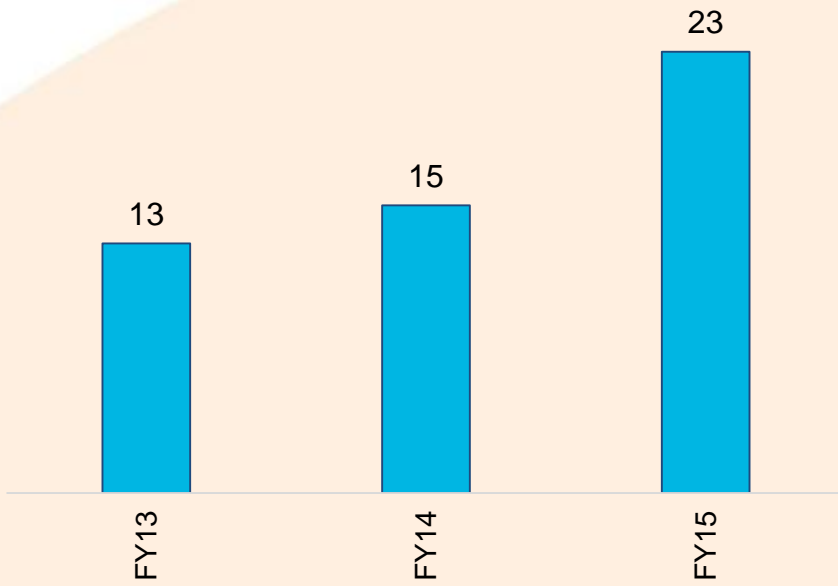
Basis our inventory model..

- Large format resorts owned, rest leased
- Why leasing?
 - Testing destination: Dharamsala, Ganapatiphule
 - Completing circuits: Kerala, Himachal
 - Restriction on fresh regulatory approvals (Mahableshwar, Gir, Masinagudi)
- From a financial perspective:
 - We have leveraged downturn in hotel industry to get good long term leases

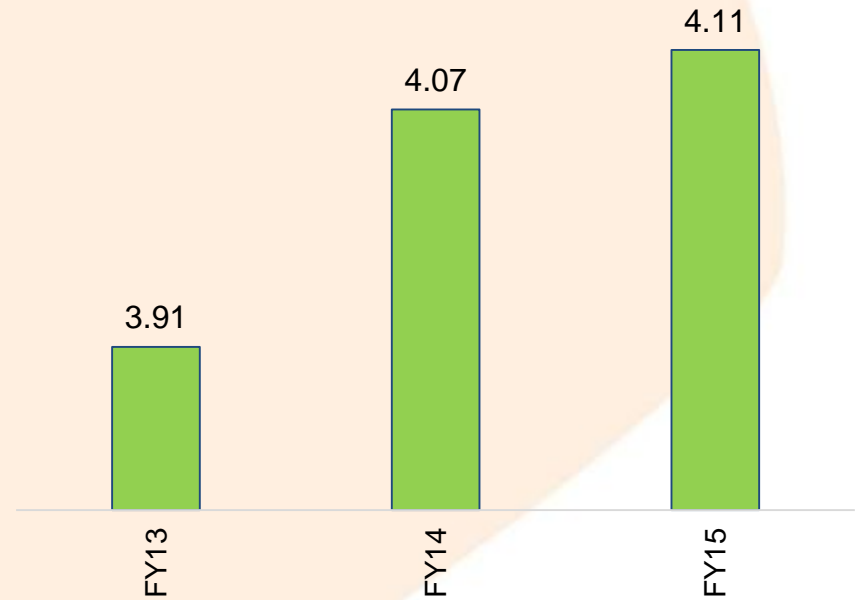


While continuously improving customer experience

Number of RCI Gold Crown Properties



Post Holiday Feedback Score

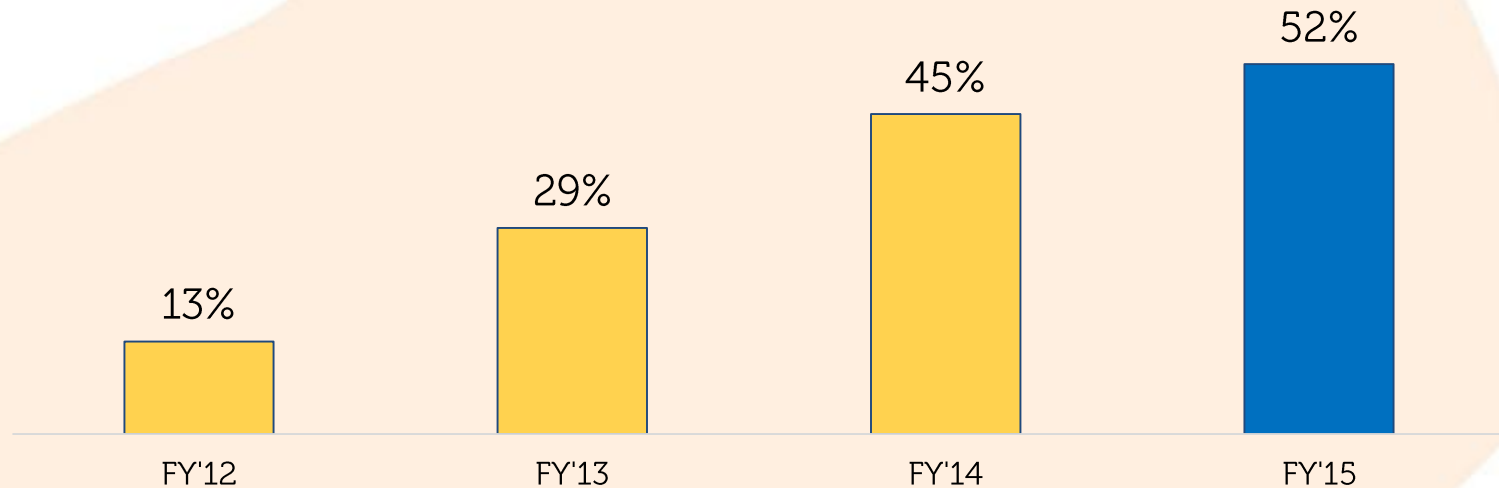




And providing a seamless booking experience..

Launched Complete online booking solution for members in Dec 2011

% Members booking online



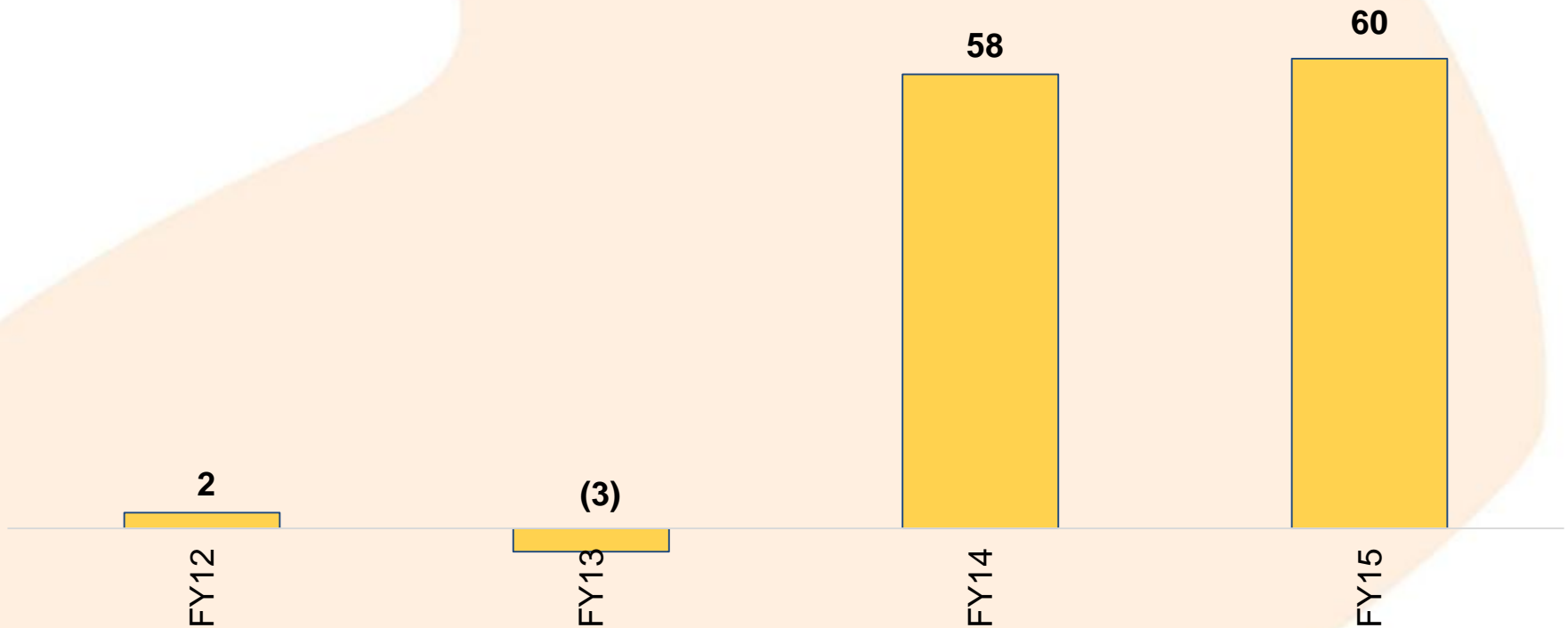
Online Booking features:

1. Instant booking in 4 simple steps
2. Customized Offers based on member holidaying habits



Ensuring that members are happier with our brand..

Customer as Promoter Score (CAPS) of members



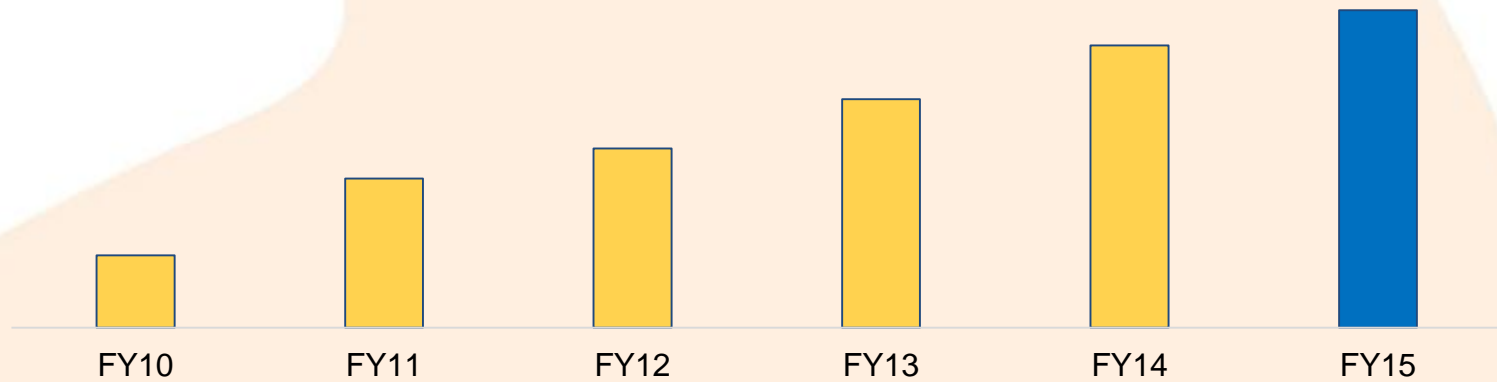
*CAPS score is determined by IMRB



In turn, leading to member upgrades & higher spends.

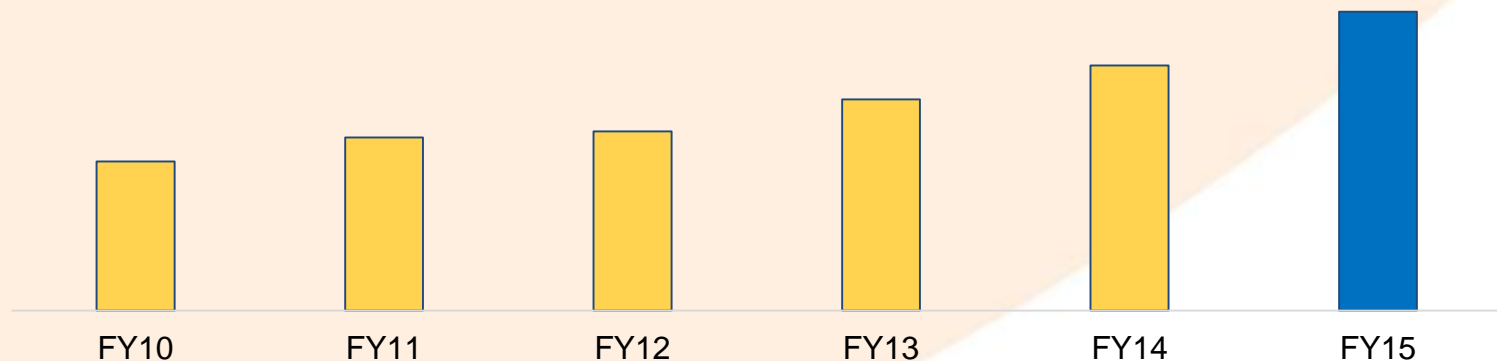
Revenue from upgrades

+34% CAGR



Income from Resorts

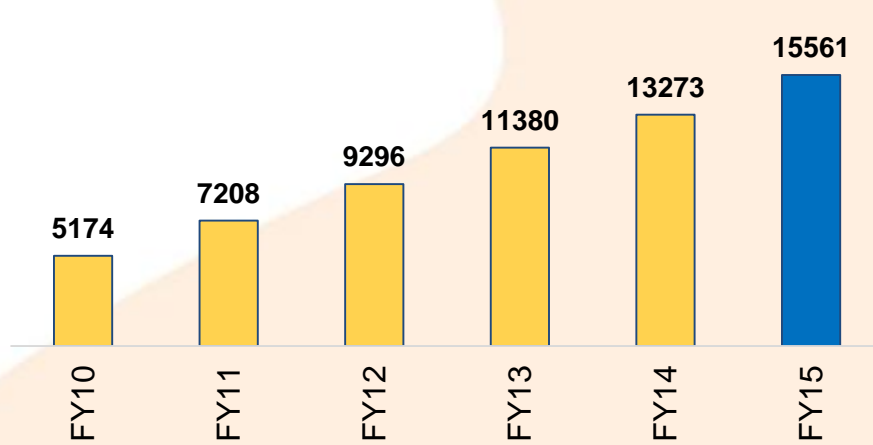
+15% CAGR



Consistent financial performance

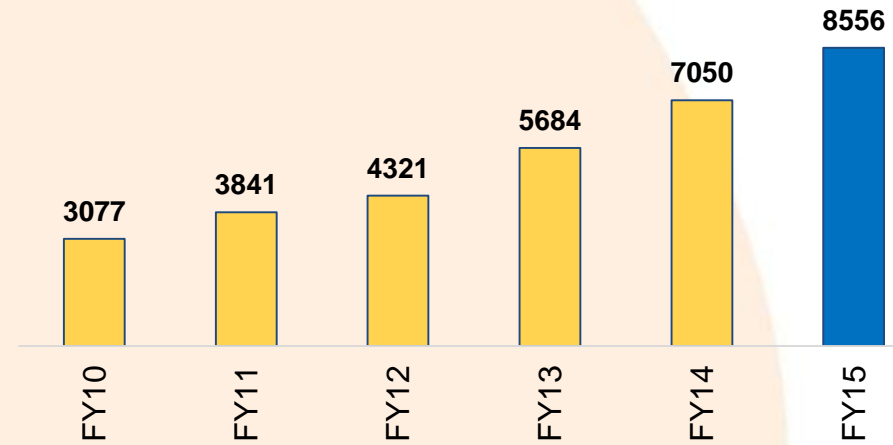
Income from ASF (in lacs)

+25% CAGR



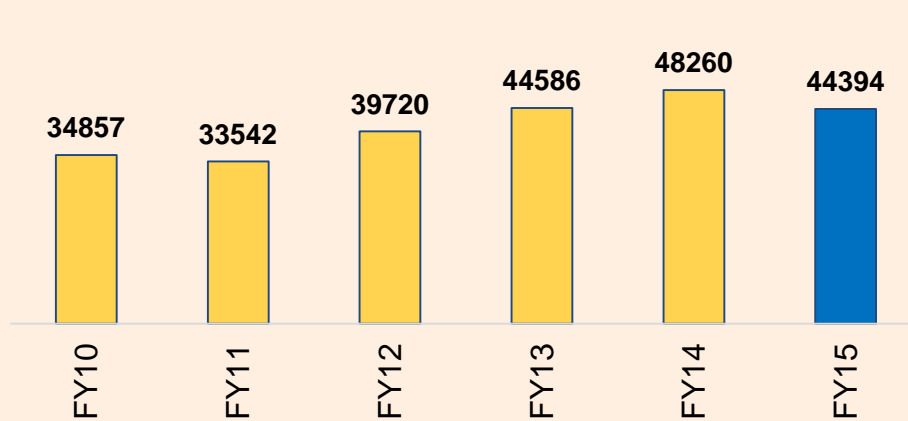
F&B Revenue (in lacs)

+23% CAGR



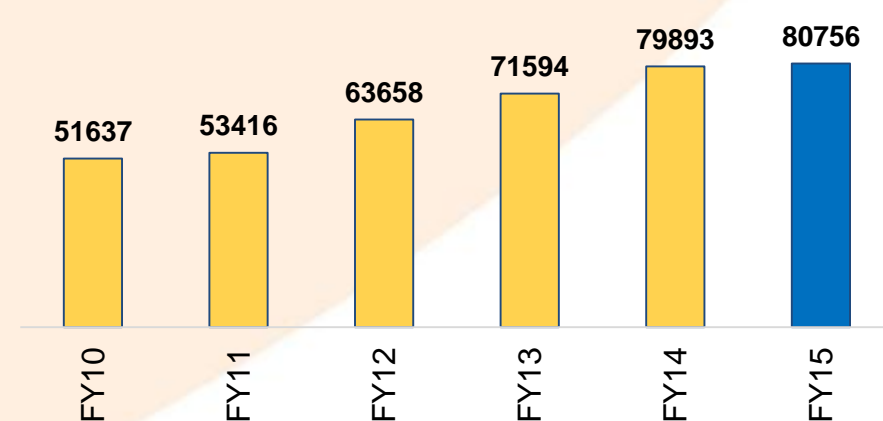
Income from VO (in lacs)

+5% CAGR



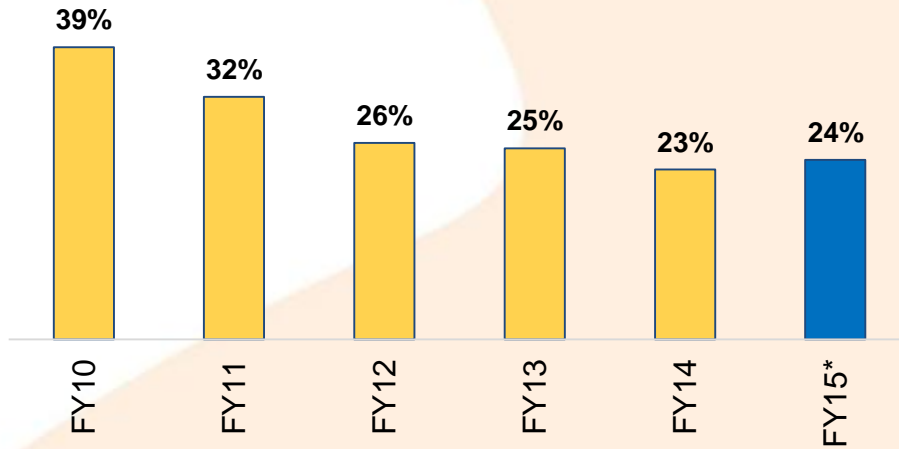
Total Income (in lacs)

+9% CAGR

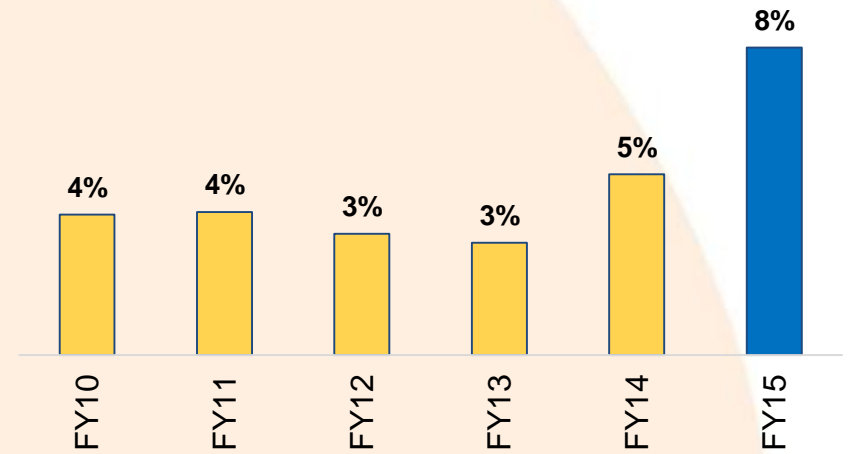


Consistent financial Performance

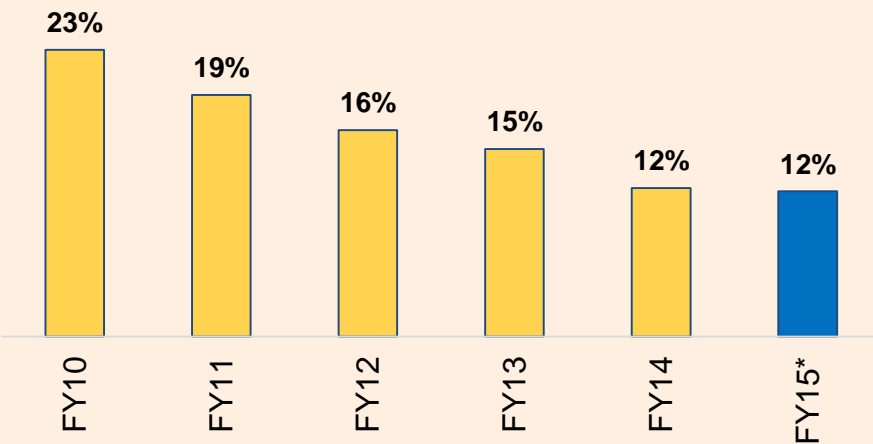
EBITDA (% of total income)



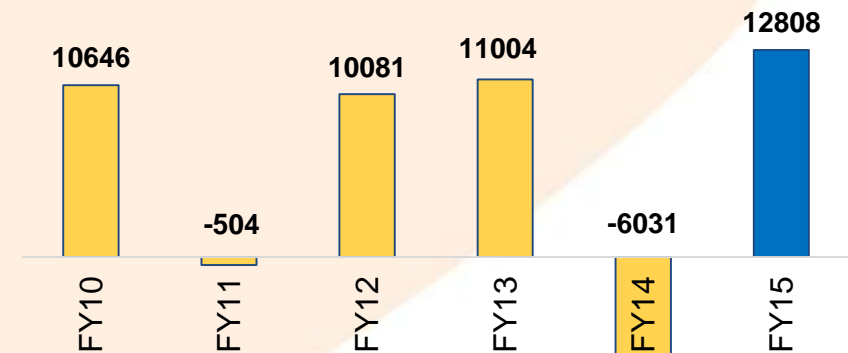
Depreciation (% of total income)



PAT (% of total income)



Free Cash flow



* Before exceptional item



Performance – Q1 (yoy)

Metric	Q1 FY15	Q1 FY16	YoY Trend
Memberships Addition	2059	3087	+49%
VO Income	104 cr	133 cr	+28%
EBIDTA	45 cr	56 cr	+24%
PAT	20 cr	25 cr	+25%

And, here are our Awards along the way!



Superbrand
2014-15



The President's
Club Award
2012



Product of the
Year 2012



Gold award at
DMAI 2014



Mumbai's Hot 50
brands by HT



CSI 2011 Awards
for Excellence



Silver & Bronze
Abby at Goafest
2014 & 2015

and many more..



Strategic direction

Indian Market Opportunity



Hotel industry

US\$ 138 bn

US\$ 6.9* bn
5.0%

Vacation
Ownership



Hotel industry


US\$ 18.0* bn

US\$ 0.9 bn
5.0%

Vacation
Ownership Potential

- Current estimate is 10% penetration (of INR 2mln+ annual income-Indian households)
- Three factors will drive the business
 - Favorable Indian demographics
 - Changing vacation habits
 - Increase in disposable incomes
- 5X Market opportunity

Customer Segmentation- Lifestages

			
<p>Just Married/ about to be married</p>	<p>Family with kids</p>	<p>Empty Nesters</p>	<p>Special Interest Groups</p>

Lifestage Segments

Just married

Stronger focus on enjoying the present

Family with Kids

- All the decisions are taken keeping the kid(s) in mind
- Need to spend quality time with each other & also with young kid(s) is high priority

Empty Nesters

- Want to catch up on 'missed holidays' due to hectic schedules`



Some Insights forming key tenets of our strategy

- Consumers are becoming more aware and demanding
- “One shirt fits all” concept not acceptable any more

Customer Centricity

- Build internal preparedness to be able to serve the ever-changing and increasing demands of both members and new customers

Organization Capability

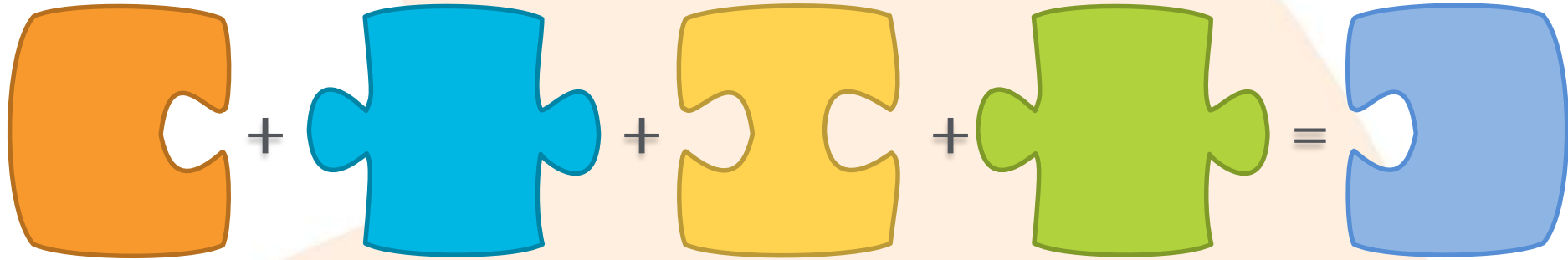
- The Product is more than just a 7 day holiday – “it’s an Experience”
- Engage with members beyond one week of holiday - opportunity

Member Engagement

- Consumers are holidaying more frequently and looking for flexibility & variety
- Shifting towards digital for search and transactions

Innovation

Strategic priorities kickstarted



CUSTOMER CENTRICITY

- Customer Segmentation
- Increase strategic alliances for acquisition

ORGANIZATION CAPABILITY

- Staff L&D
- Inventory additions every year
- Continued Technology Capability build up.

MEMBER ENGAGEMENT

- At Prospecting, member servicing and resort stage
- Heart to Heart program

INNOVATION

- New Products catering to newer segments
- Member loyalty programs

BUSINESS GROWTH

All the above to be deployed to achieve sizeable business growth



- Launched Club Mahindra “Heart to Heart” – our member engagement initiative in Q1 FY’16
- Drive member engagement, create member delight through fun filled activities and experiences, in their cities of residence.
- Enable members to bond with other like-minded members.

“Heart to Heart” Meet in Ahmedabad

180+ families



Foot Spa



Tarot card reading



Face painting



Member Servicing

"Heart to Heart" Meet in Jaipur

140+ families



Zumba



Photo Booth



Feedback Wall



Puppet Show

Cricket World Cup Campaign on Twitter



There's only one thing on everyone's mind. Even at our resorts! #INDvAUS #CWC15 #IndiaJeetega
Engagement Rate - 5.64%

- Club Mahindra's Sponsored Trend #IndiaJeetega was trending at 3rd position worldwide. (44500 mentions)
- 4.48 million Twitter Impressions



VICTORY! And it tastes as sweet as the deserts at our resorts!
#WeWontGiveItBack
Engagement Rate - 6.86%

International Family Day

Club Mahindra
@clubmahindra

Everyone has a unique wali family. What's yours? Share your #ApniWaliFamily moments with us to win prizes.



RETWEETS: 83
FAVORITES: 40



11:04 AM - 15 May 2015

Club Mahindra
@clubmahindra

Share your #ApniWaliFamily moment pictures with us to stand a chance to #win a 3D/2N holiday voucher at our resort



RETWEETS: 78
FAVORITES: 33



11:52 AM - 15 May 2015



8.7%
engagement

International Family Day

 **Club Mahindra** with Rana Alok Singh and 6 others
Posted by Anand Nawalkar [?] · May 15 at 11:15am · 🌐

We are born into one family. We become a part of many others. This World Family Day, Club Mahindra celebrates these unique wall families and invites you to share pictures of them with quirky captions. So share your pics and get a chance to win a 3D/2N holiday voucher at our resort. #ApniWaliFamily



145,152 people reached

Boost Post

 **Club Mahindra** with Rajinder Kumar
Posted by Anand Nawalkar [?] · May 15 at 3:40pm · 🌐

A unique set of people come to become an inseparable part of your life at every point in time. Who are those people that complete your unique wali family? Share those pictures and captions with us using #ApniWaliFamily in the comments section here to win a 3D/2N holiday voucher at our resort.



207,168 people reached

Boost Post



6.3%
engagement



World Friendship Day



Participate in Club Mahindra's [#ThatMagicalFriend](#) Contest and win a fabulous prize. Check out the rules below:



Tag [#ThatMagicalFriend](#) and tell us why they're the best to win an exciting prize. Don't forget to tag [@clubmahindra](#).



**6.9%
Engagement
& 3635
mentions**

World Environment Day



**4.5%
Engagement
& 5508
mentions**

What Next



Holiday *Club*



- About HCR
 - Holiday Club Resorts (HCR) is a leading European Vacation Ownership company and owns 30 resorts in Finland, Sweden & Spain
 - HCR has membership base of ~50,000 families and over ~1100 companies
- Acquisition Tranches
 - Initial acquisition upto ~23% stake for Euro 17 mn (August 2014)
 - Option exercised to increase stake upto 88%, entailing an additional investment of Euro 28 mn (July 2015)
- Company to infuse additional Euro 10 mn into HCR



Rationale

- Towards Company vision to be a global VO player
 - Acquisition of a respected brand at attractive valuations
- 'Springboard' for our expansion in Europe
- Opportunity for our members to holiday in Finland and vice-versa
- Access to newer product propositions and technology:
 - Fractional product
 - Points system
 - Efficient design & faster resort construction



What Next

- Launch new products basis life-stage segmentation
- Expand geographical distribution and create new channels
- Harness the potential of digital/mobile for end-to-end customer experience
- Create “club” exclusivity by engaging with members beyond holidays
 - Expand ‘Heart-to-Heart’ and drive member referrals
- Deploy technology and use the power of analytics for smarter member servicing and prospect targeting
- Inventory creation ahead of demand

Open for questions.