



**GreenTree Hospitality Group**



## **Second Half and Fiscal Year 2022 Results**

**April 6, 2023**

格林东方酒店  
CEN HOTEL  
格雅酒店  
格菲酒店  
VX HOTEL  
无限酒店

格丽酒店  
GELI HOTEL  
格林至美酒店  
GREENTREE PM  
格盟酒店  
Vatica  
贝壳酒店  
ShellHotel



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**01**



**2022H2 and Fiscal Year  
Performance Review**

**02**



**2022H2 and Fiscal Year  
Strategic Execution  
&  
2023Q1  
Recent Development**

**03**



**2022H2 and Fiscal Year  
Operating and  
Financial Highlights**

**04**



**Appendix**





格林东方酒店

GreenTree Eastern Hotel  
(Chongqing North Railway  
Station, North Square Hotel)

01

## 2022H2 and Fiscal Year Performance Review

# Second Half 2022 (H2) Highlights



	As % of 2021 H2	
RevPAR	95.8%	to RMB 112
Total Revenues	78.9%	to RMB 487.8 MM
Organic Revenues <sup>(1)</sup>	84.2%	to RMB 466.0 MM
Income from Operations	616.4%	to RMB 20.0 MM with margin 4.1%
Adjusted Income from Operations <sup>(2)</sup>	86.2%	to RMB 85.0 MM with margin 17.4%
Net Income	51.8%	to RMB -48.3 MM with margin -9.9%
Adjusted EBITDA (Non-GAAP) <sup>(4)</sup>	78.8%	to RMB 118.3 MM with margin 24.3%
Cash Provided by Operating Activities	47.5%	to RMB 151.0 MM

**Note:**

1. Organic revenues is defined as revenues excluding revenues of Aygle and Urban.

2. Adjusted income from operations is defined as income from operations excluding other general expenses, which includes one-time impairments and provisions for other assets.

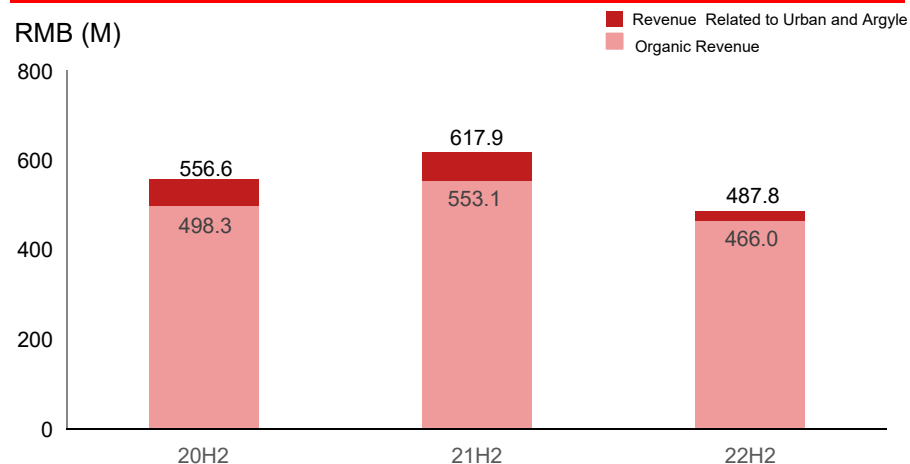
3. Adjusted net income is defined as net income excluding other general expenses, which includes one-time impairments and provisions for other assets.

4. Adjusted EBITDA (non-GAAP) is calculated as net income plus other operating expenses, income tax expense, share of loss in equity investees, net of tax, interest expense, depreciation and amortization, losses from investment in equity securities and provision for bad debt, but excludes other operating income, interest income and other, net, gains from investment in equity securities, share of gains in equity investees (net of tax), and other income, net. The calculation of Adjusted EBITDA (non-GAAP) included in this report has been aligned according to the abovementioned definition.

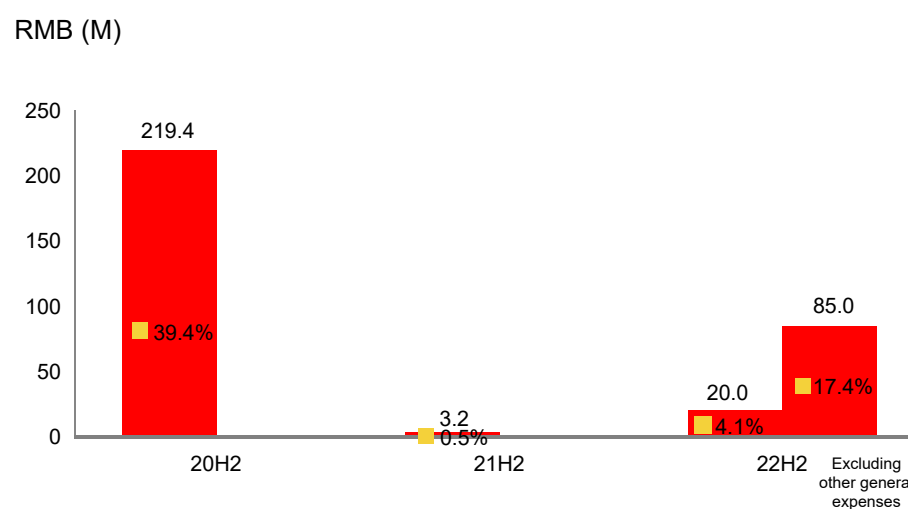
# Overview of 2022 H2



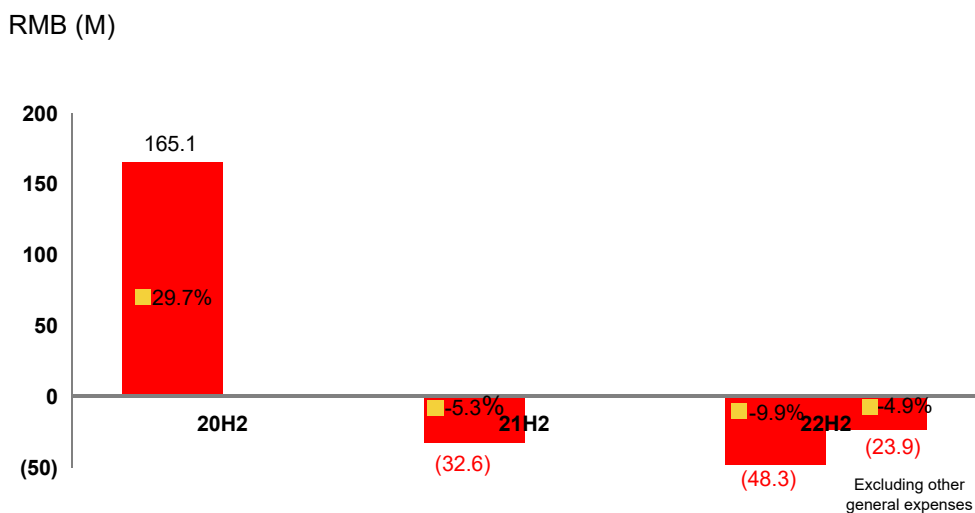
## Total Revenues



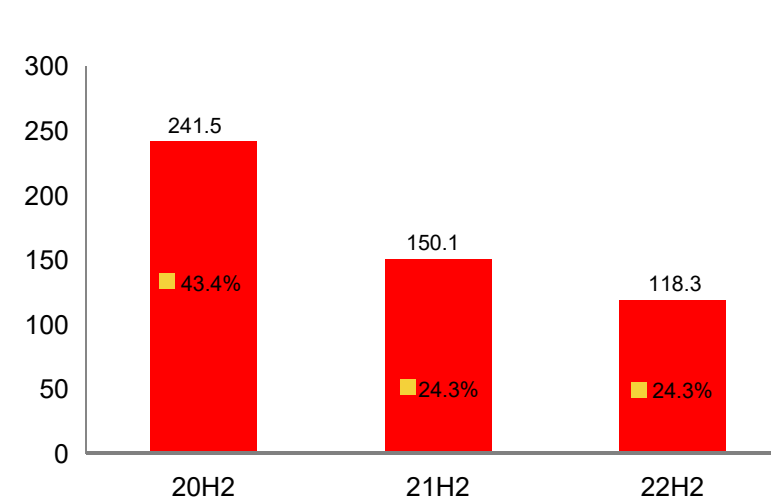
## Income from Operations



## Net Income



## Adjusted EBITDA

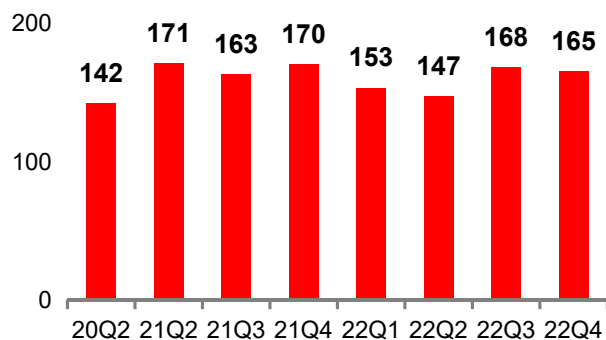


# Overview of 2022H2

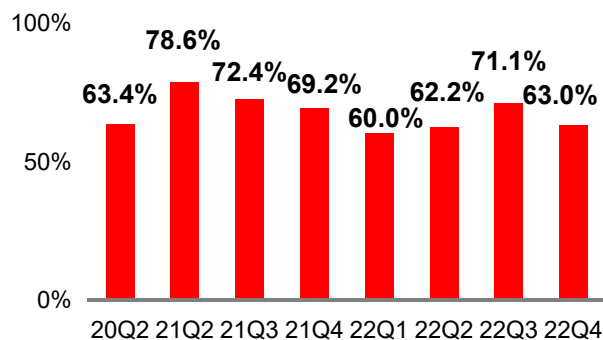


## ADR

RMB

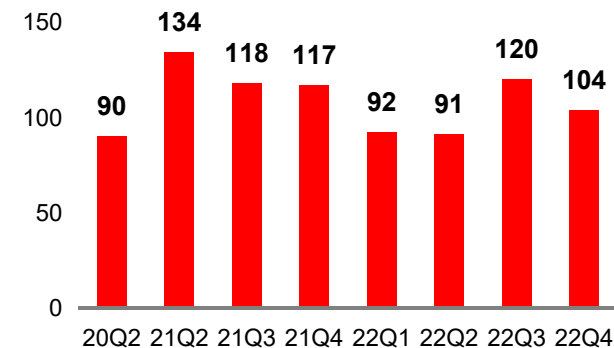


## Occupancy

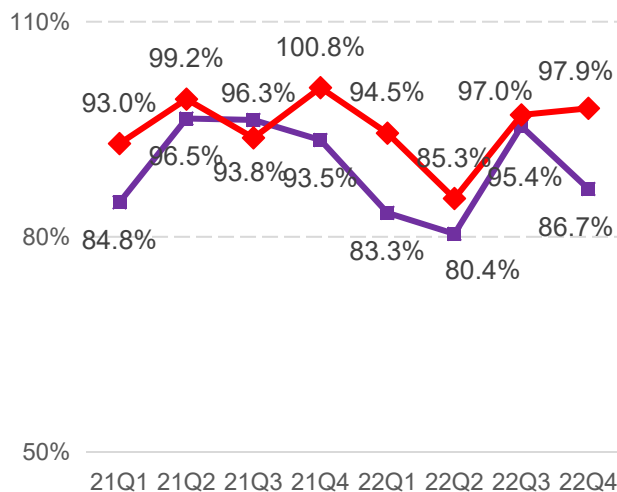


## RevPAR

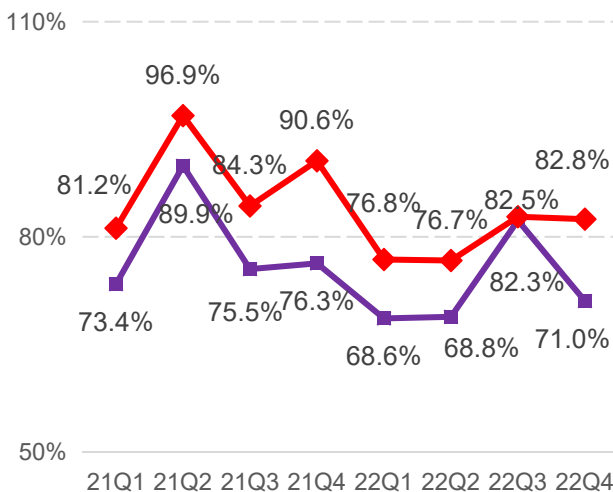
RMB



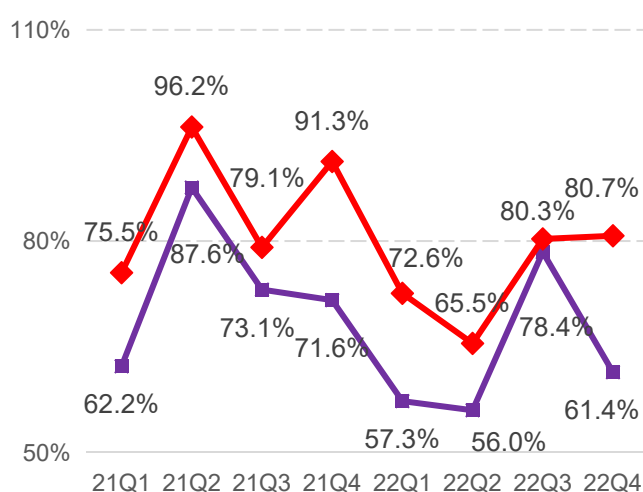
## ADR as % of 2019



## Occupancy as % of 2019



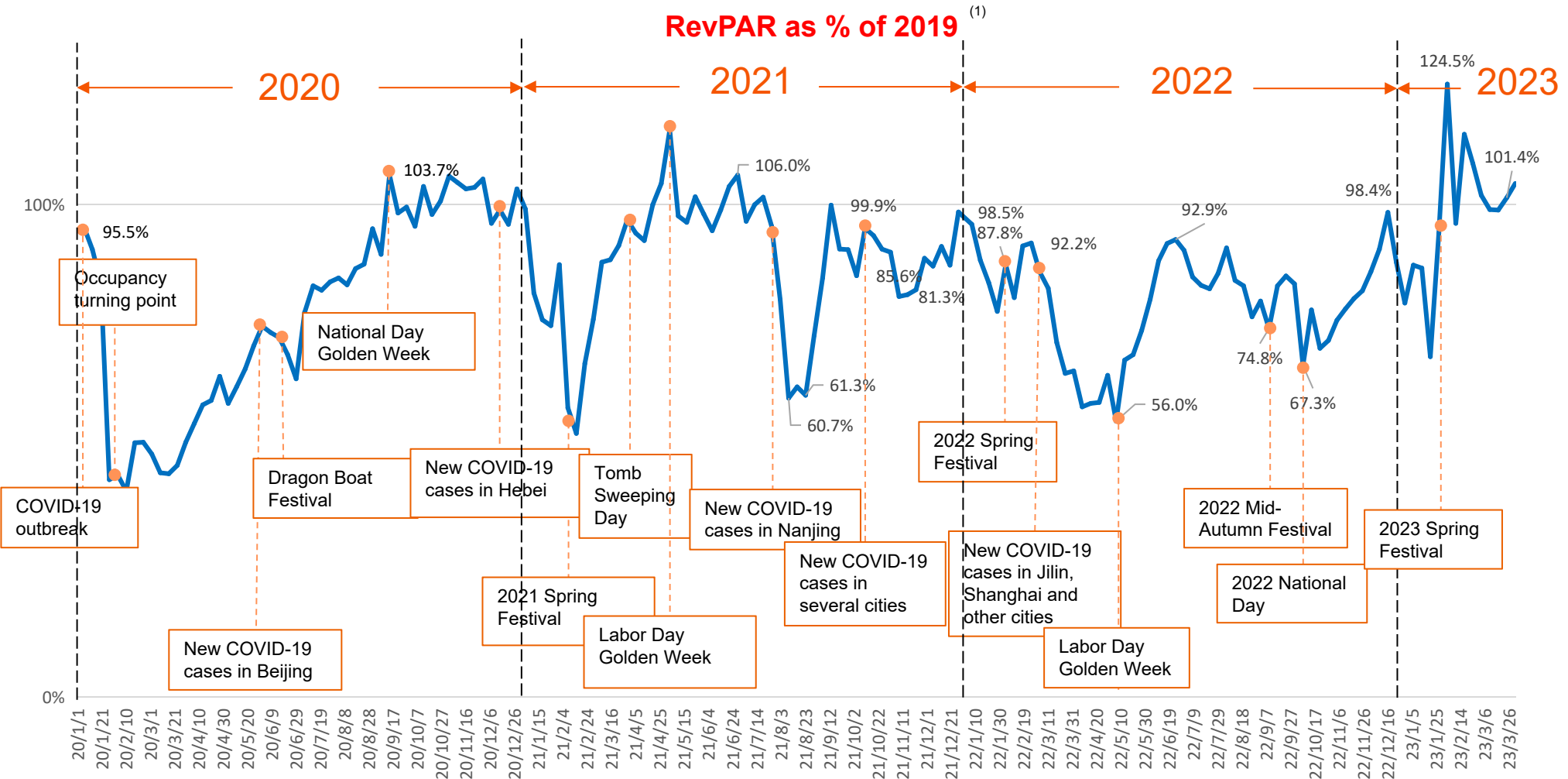
## RevPAR as % of 2019



■ Hotels in China (1) ■ GreenTree

Note:  
1. Based on STR monthly data

# Overview of 2022H2



**Note:**  
1. Based upon weekly average RevPAR





02

2022H2 and Fiscal Year Strategic Execution  
& 2023Q1 Recent Development



**2022H2: Further Expansion into Mid-to-Upscale Segment**



**2022H2: Greater Penetration in Tier 3 and Lower Cities in South China**

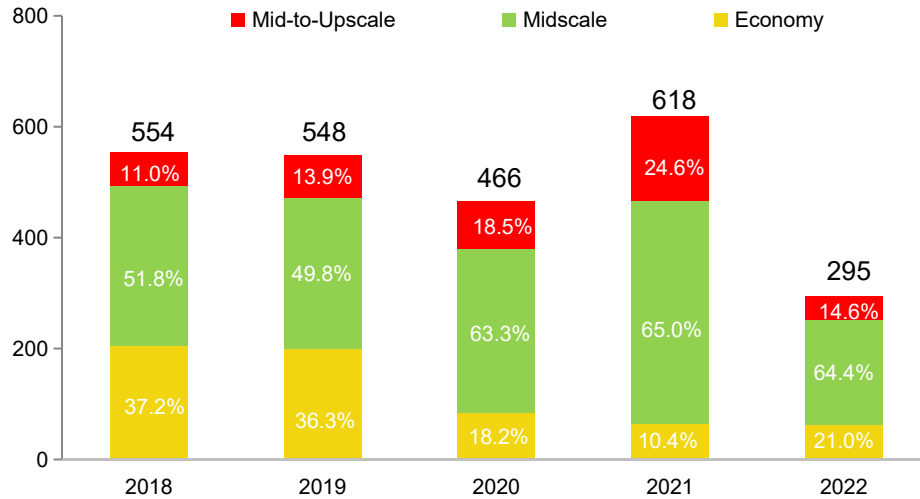


**Completion of Acquisition of Da Niang Dumplings and Bellagio**

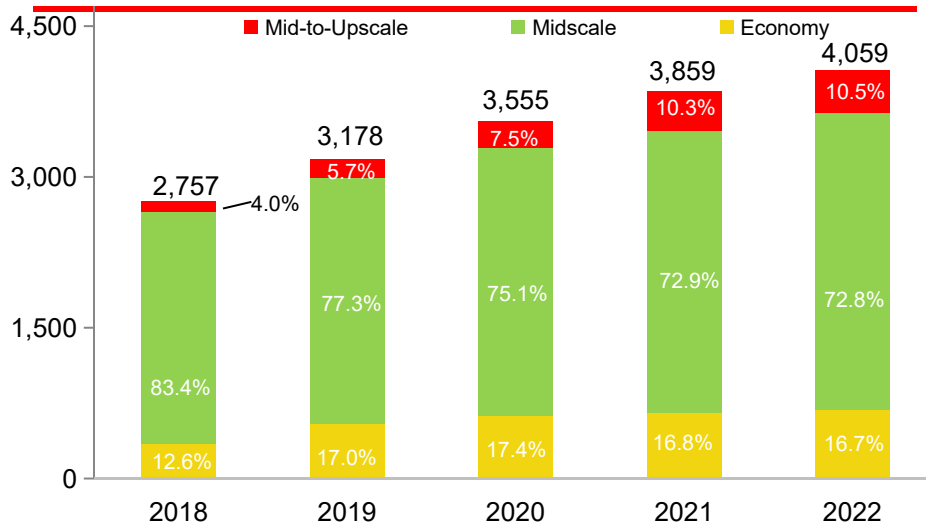
# Further Expansion into Mid-to-UpScale Segment



## Organic New Openings <sup>(1)</sup> Breakdown by Segment



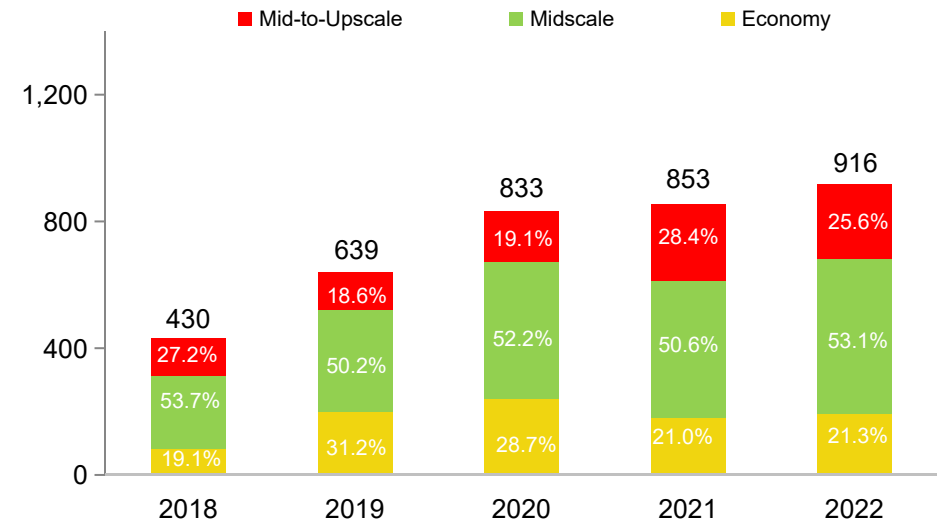
## Organic Hotel <sup>(2)</sup> Breakdown by Segment



### Note:

1. Organic new openings is defined as new openings excluding Argyle's and Urban's new openings.
2. Organic hotel is defined as hotels excluding Argyle's and Urban's hotels.
3. Organic pipeline is defined as pipeline excluding Argyle's and Urban's pipeline.

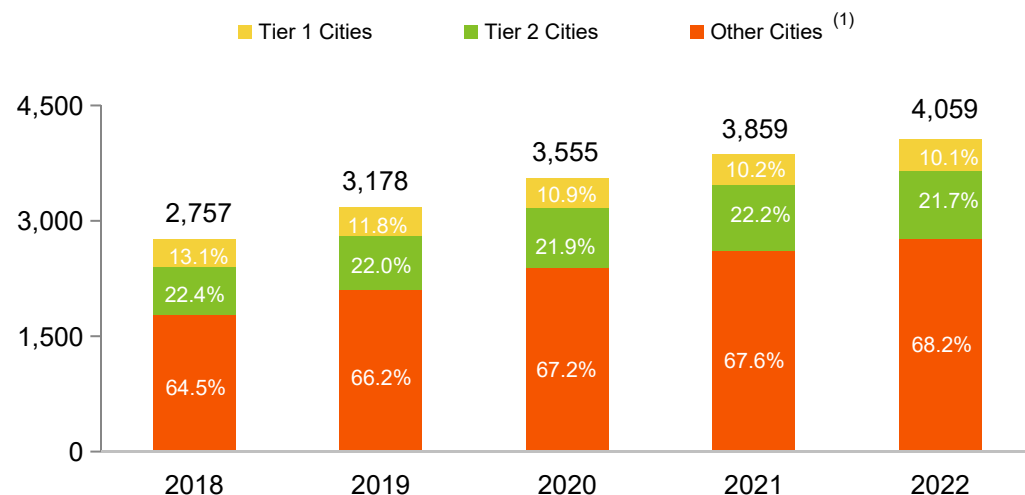
## Organic Pipeline <sup>(3)</sup> Breakdown by Segment



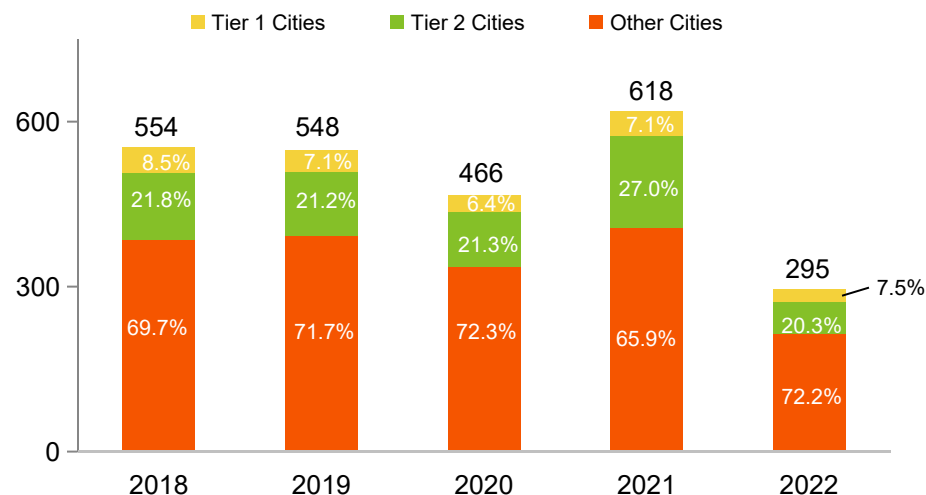
# Greater Penetration in Tier 3 and Lower Cities



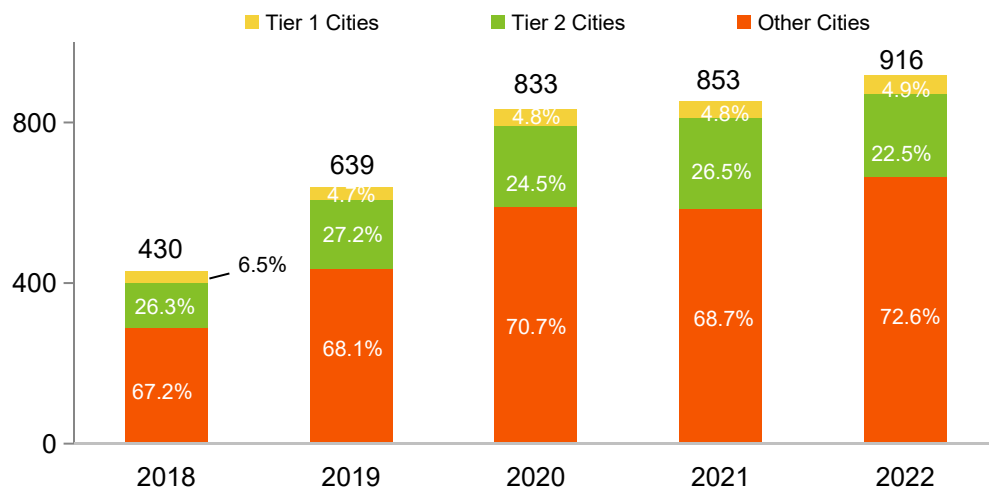
## Organic Hotel Breakdown by City Tier



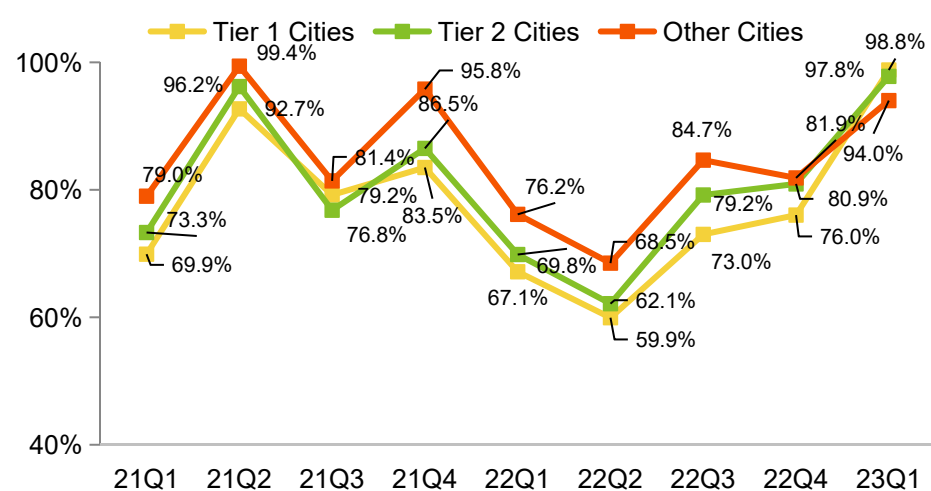
## Organic New Openings Breakdown by City Tier



## Organic Pipeline Breakdown by City Tier



## RevPAR Recovery % by City Tier compared with 2019



Note:

1. Tier 1 Cities refers to Beijing, Shanghai, Shenzhen and Guangzhou; Tier 2 Cities refers to the 32 major cities, other than Tier 1 Cities, including provincial capitals, administrative capitals of autonomous regions, direct-controlled municipalities and other major cities designated as municipalities with independent planning by the State Council.



# Completion of Acquisition of Da Niang and Bellagio



Da Niang

- A quick service restaurant chain in China covering 236 locations in 35 cities.
- comprises of **99** self-operated restaurants and **137** franchised restaurants.

Bellagio

- A leading casual dining restaurant chain focusing on the Chinese market covering 36 locations in more than 14 cities.
- comprises of **27** self-operated restaurants and **9** franchised restaurants.

Combined:

- Generated a combined unaudited revenue of about RMB509,000,000 in 2022,





格菲酒店  
VX HOTEL

Vx Hotel (High-speed Railway  
Station, Dongfang City, Hainan  
Province)

03

## 2022H2 and Fiscal Year Operating and Financial Highlights



# Overview of 2022H2

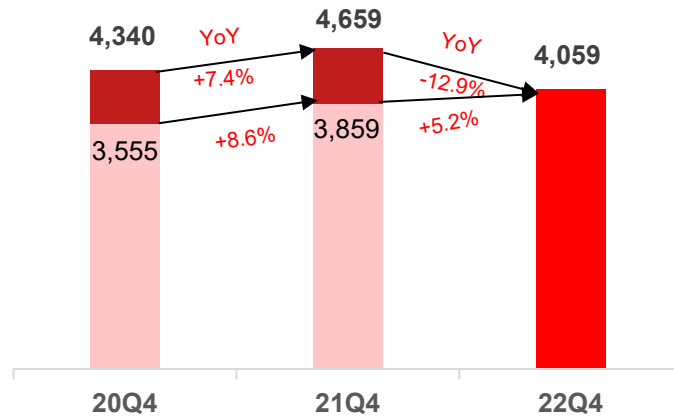


Considering the impact of deconsolidation of Argyle and disposal of Urban's interest, the number of hotel as of December 31, 2022 didn't include of Argyle and Urban hotels.

## Number of Hotels

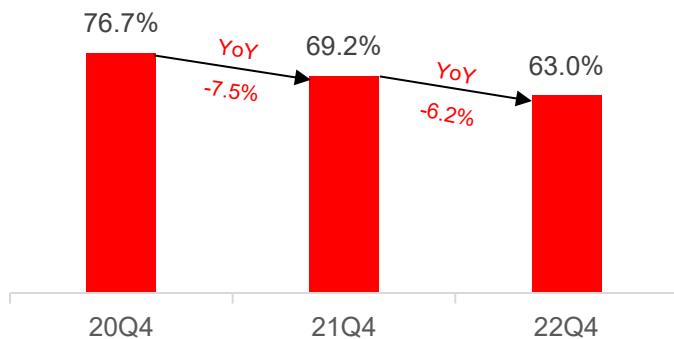
In 355 cities

■ Number of organic hotels <sup>(1)</sup>



## Occupancy

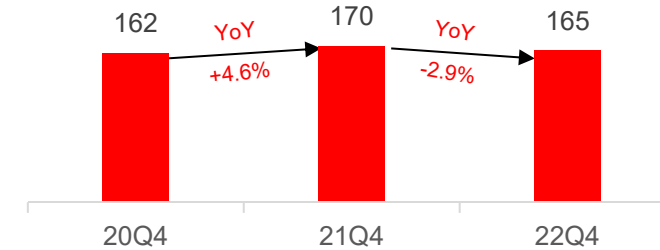
91.0% of 2021Q4



## ADR

RMB

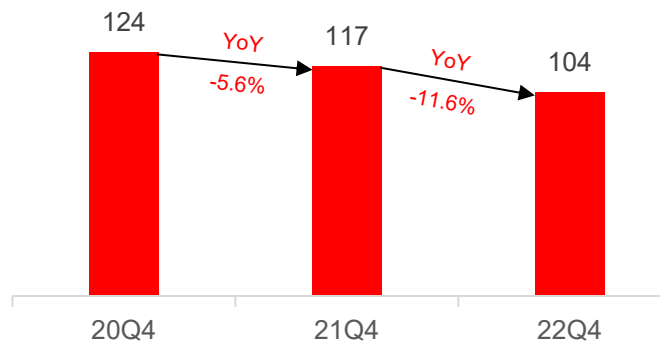
97.1% of 2021Q4



## RevPAR

RMB

88.4% of 2021Q4



As of December 31, 2022

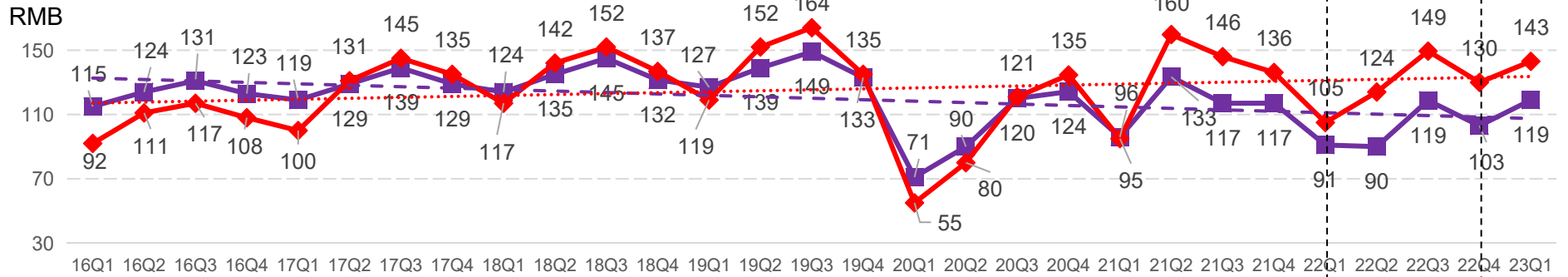
**Note:**

1. Number of organic hotels is defined as hotels exclude Argyle's and Urban's hotels.

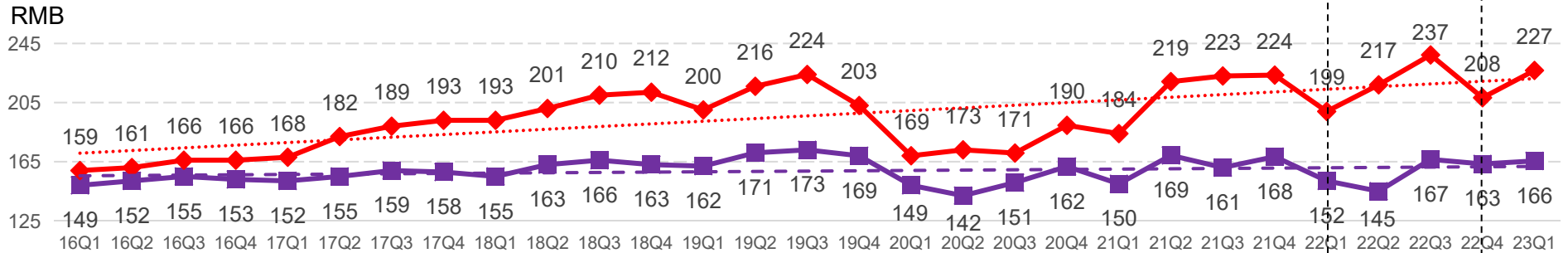
# Hotel Performance



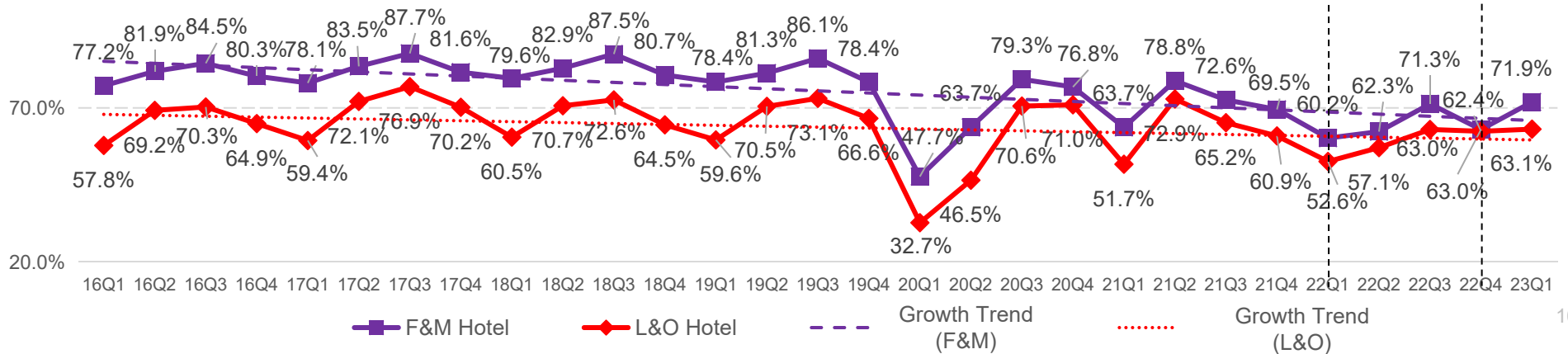
## RevPAR



## ADR

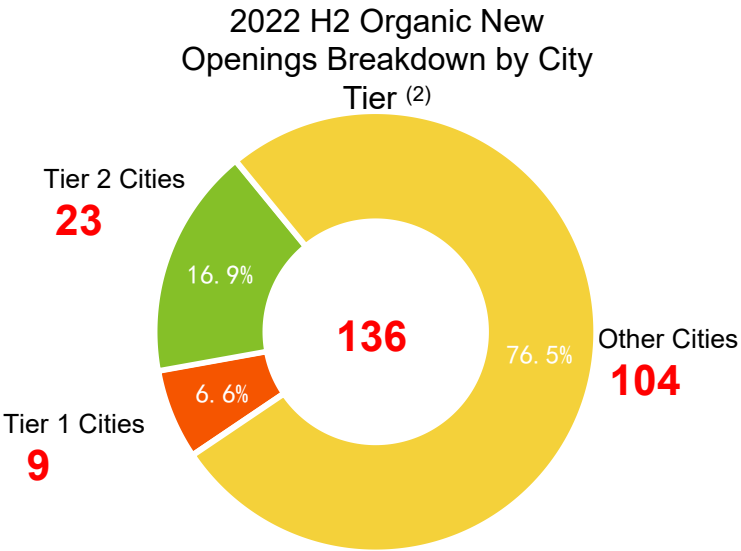
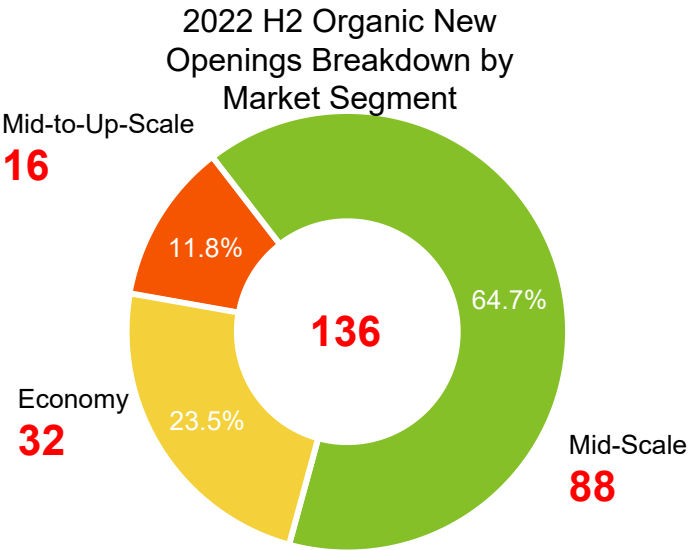
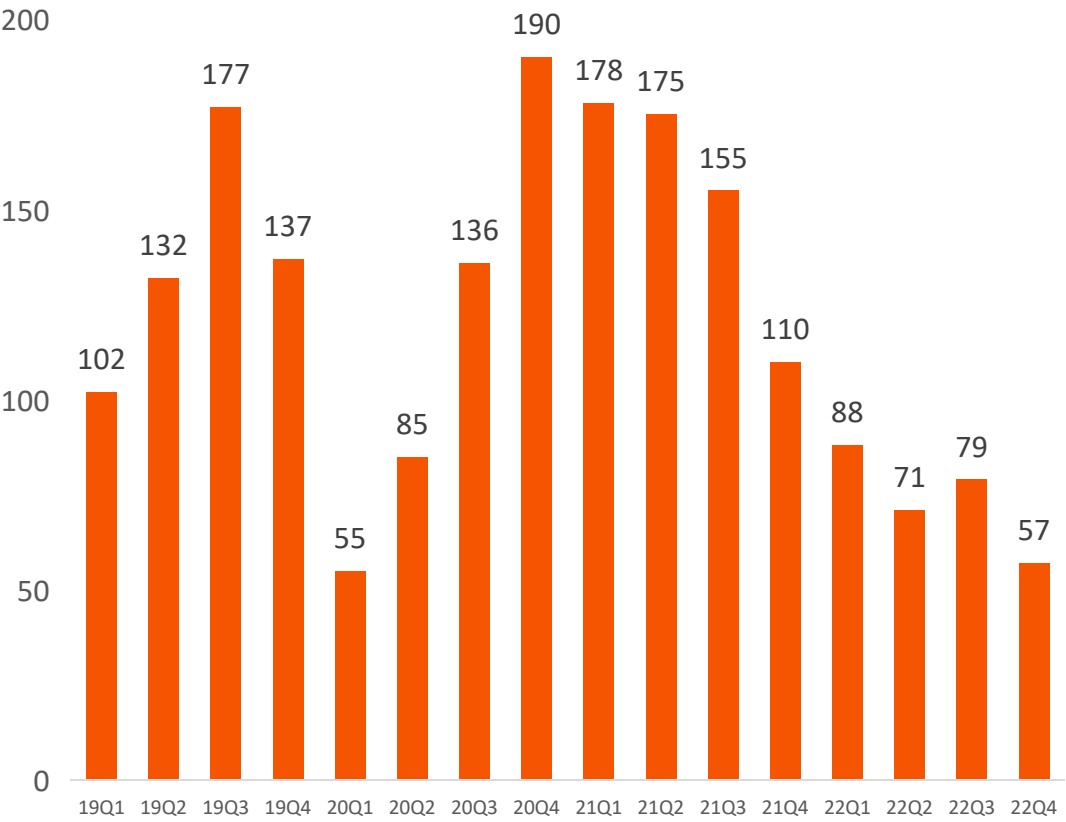


## Occupancy





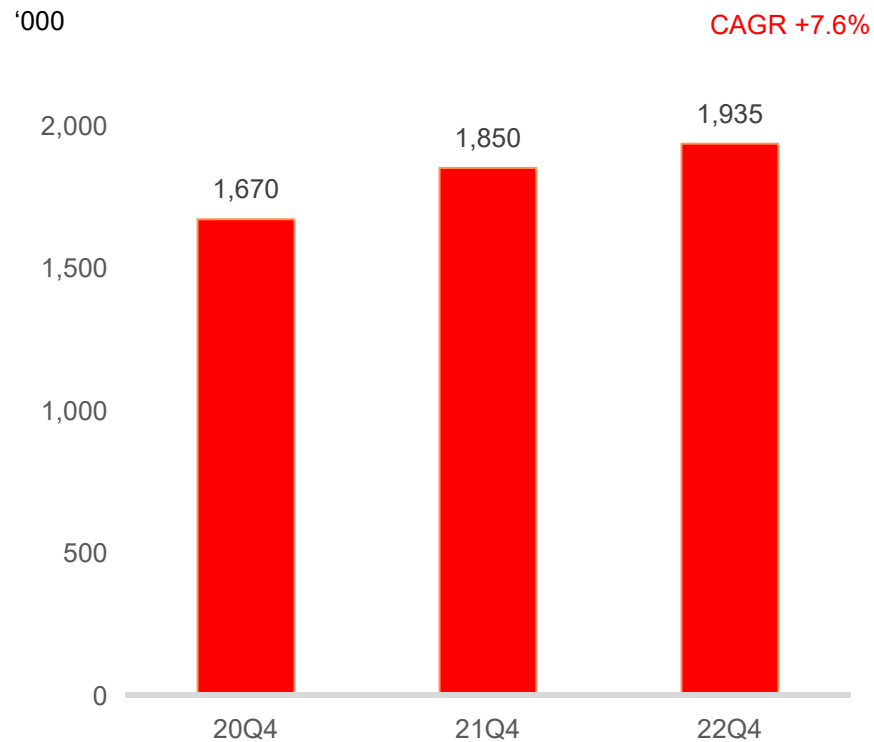
## Organic New Hotel Openings <sup>(1)</sup>



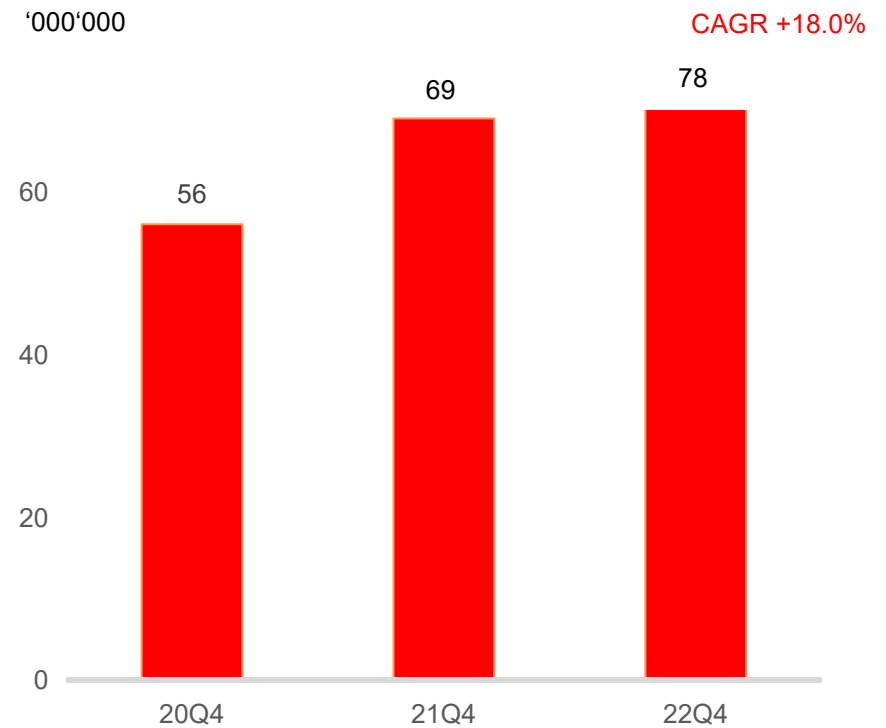
**Note:**  
1. Organic new hotel openings is defined as hotel openings excluding Argyle's and Urban's new hotel openings.  
2. Tier 1 Cities refers to Beijing, Shanghai, Shenzhen and Guangzhou; Tier 2 Cities refers to the 32 major cities, other than Tier 1 Cities, including provincial capitals, administrative capitals of autonomous regions, direct-controlled municipalities and other major cities designated as municipalities with independent planning by the State Council.



## Corporate Members

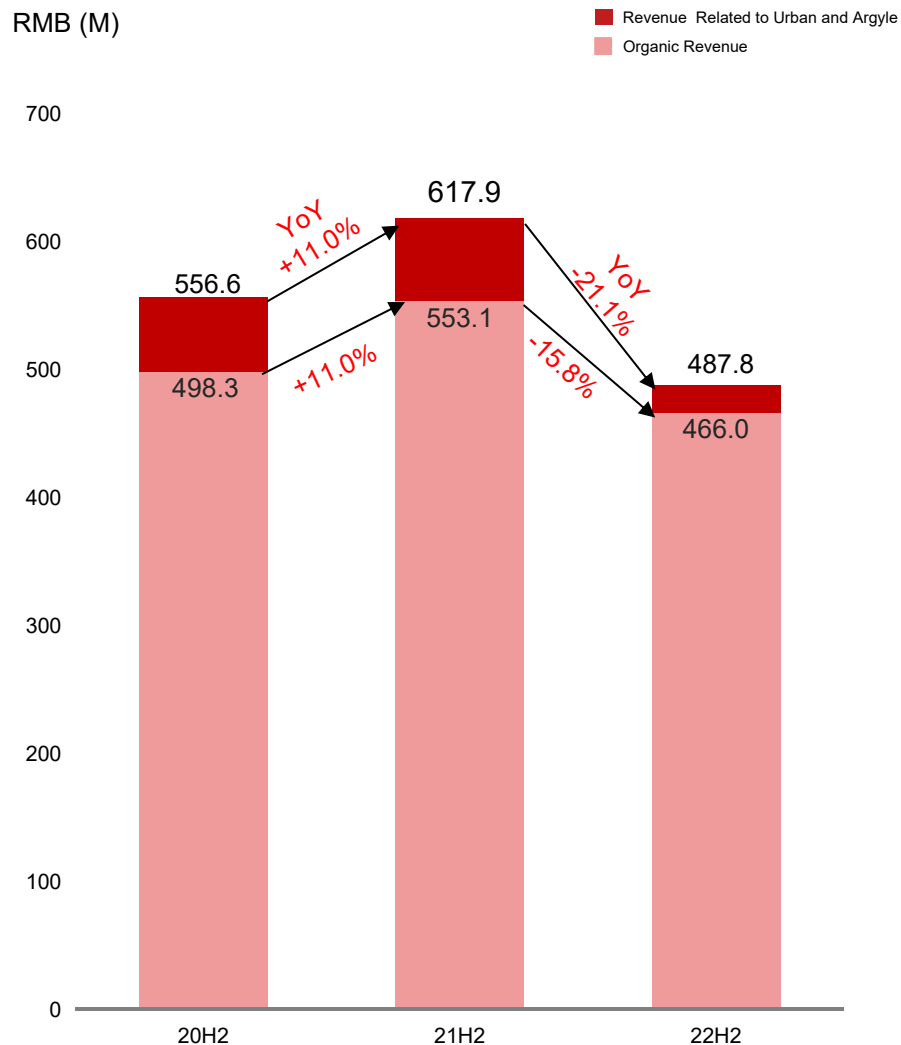


## Individual Members

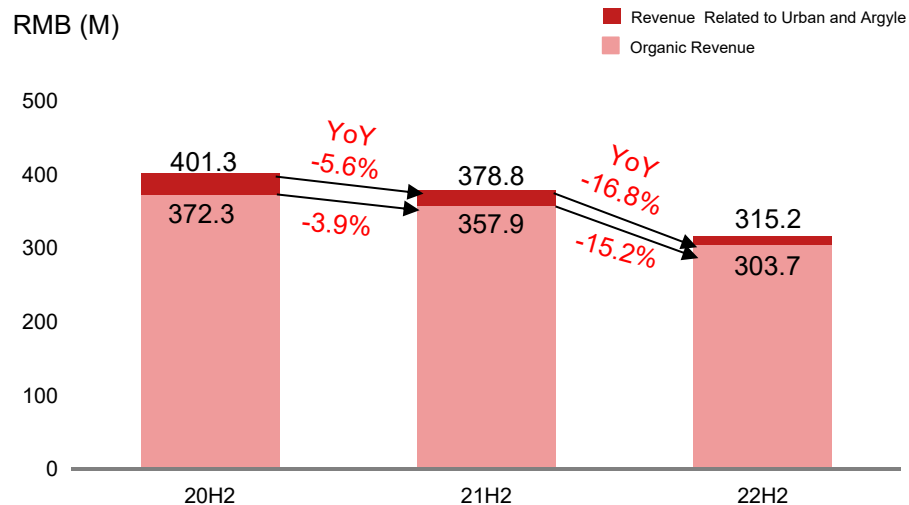




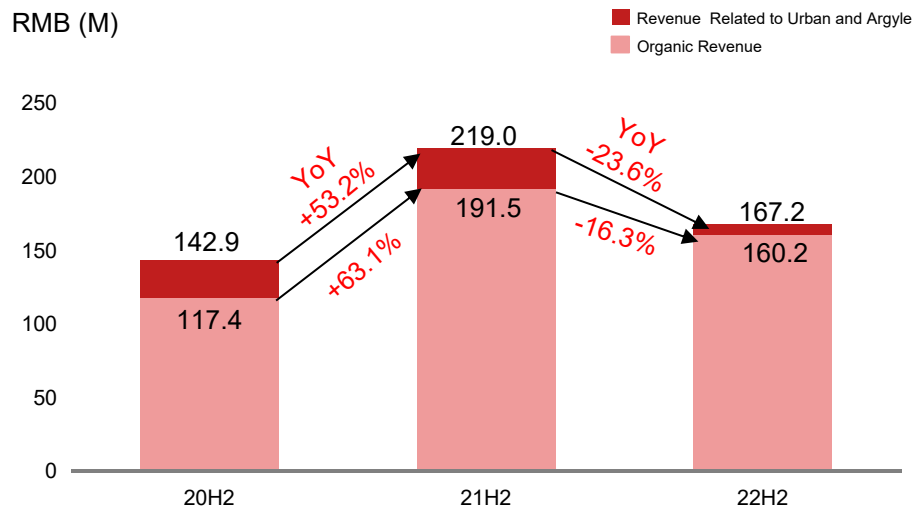
## Total Revenue



## Revenue from F&M Hotels



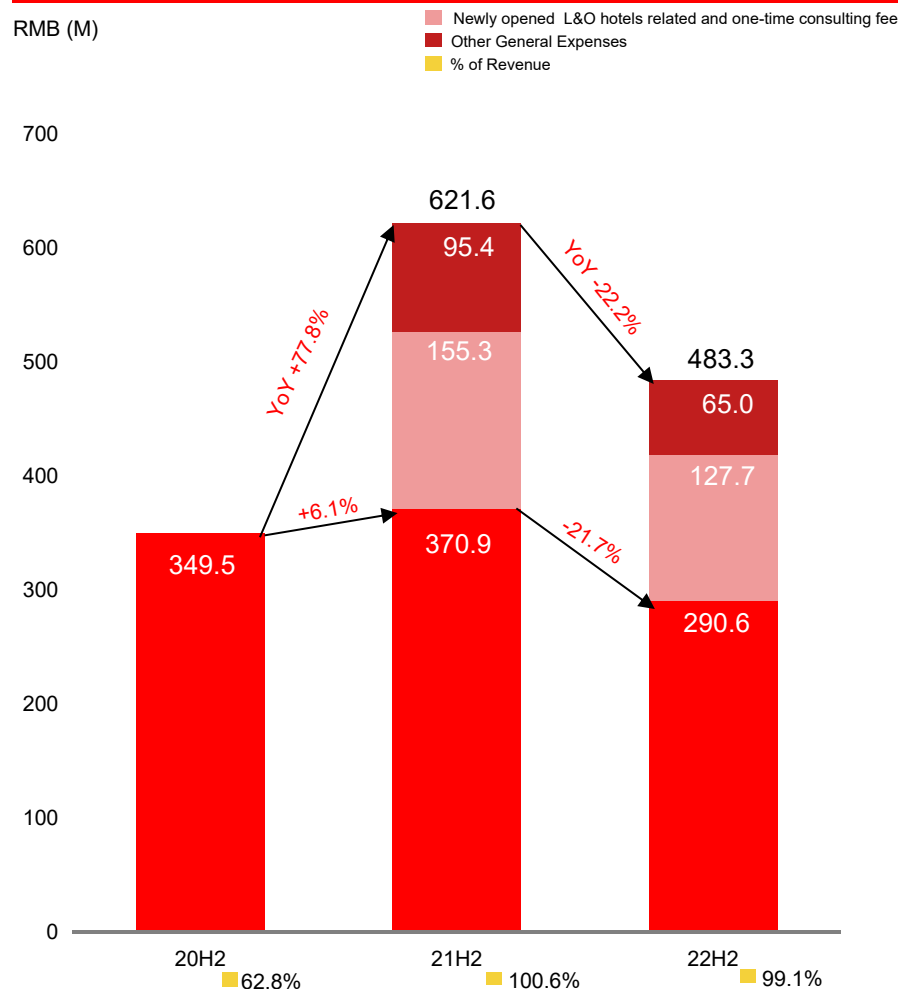
## Revenue from L&O Hotels



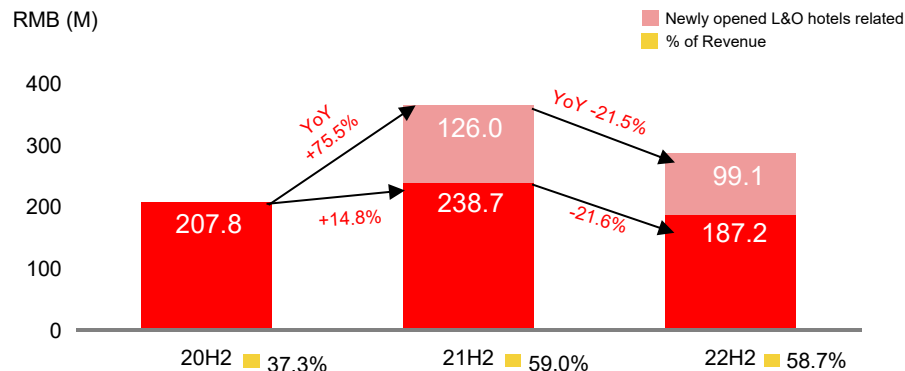
# Hotel Operating Costs and Expenses



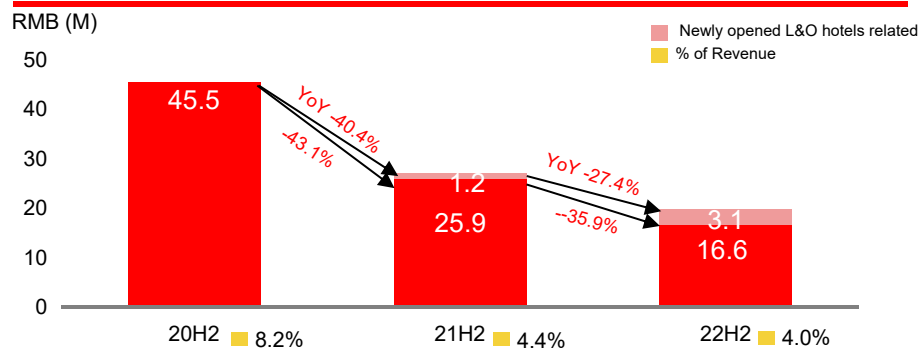
## Total Hotel Operating Costs and Expenses (1)



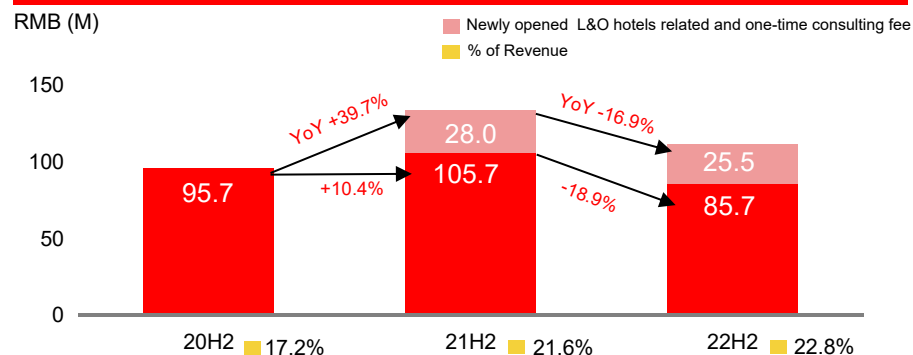
## Hotel Operating Costs (2)



## Selling and Marketing Expenses



## General and Administrative Expenses



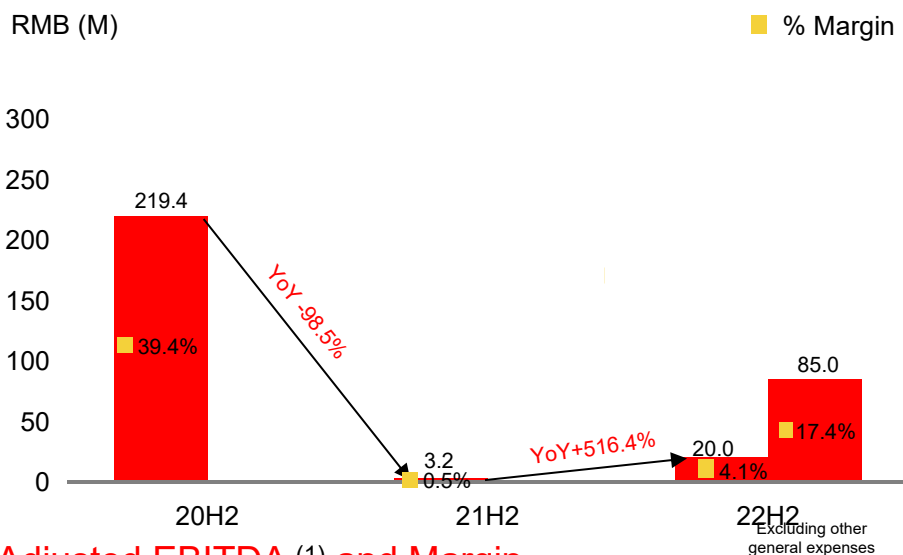
### Notes:

1. Total operating costs and expenses consist of hotel operating costs, selling and marketing expenses, general and administrative expenses, other operating expenses and other general expenses.
2. Apart from LO hotel operating costs, hotel operating costs include FM hotel related costs and other costs.

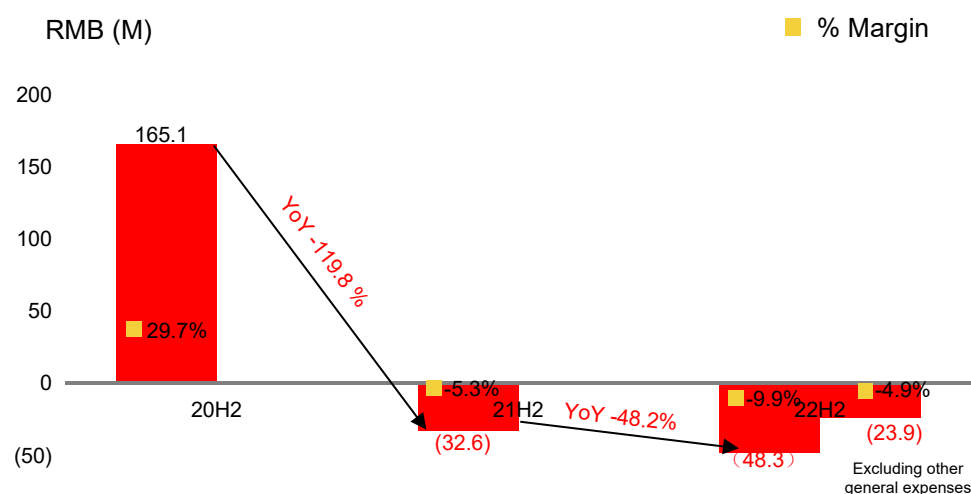




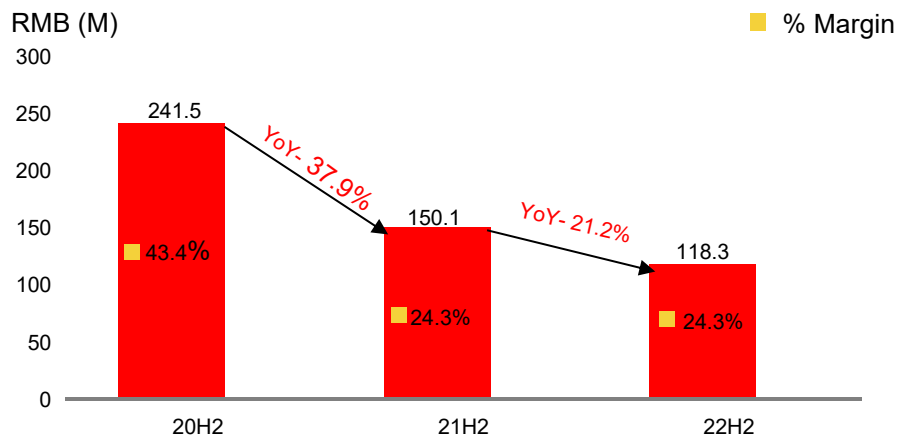
## Income from Operations and Margin



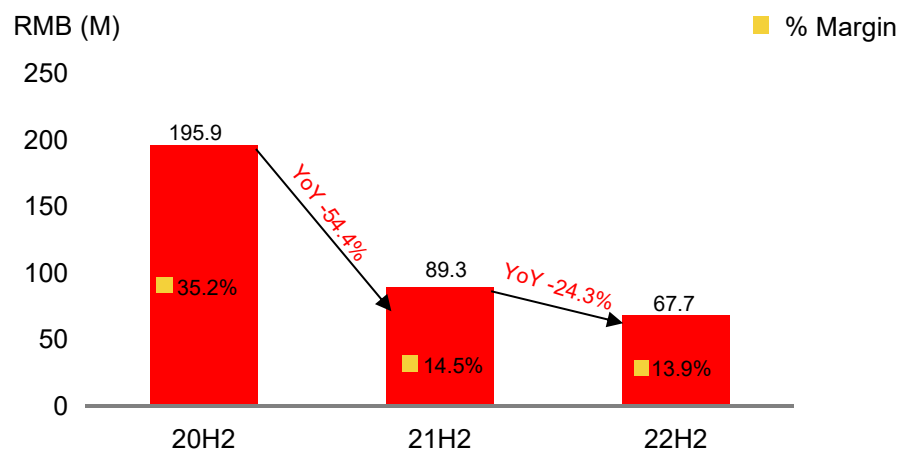
## Net Income and Margin



## Adjusted EBITDA (1) and Margin



## Core Net Income (2) and Margin

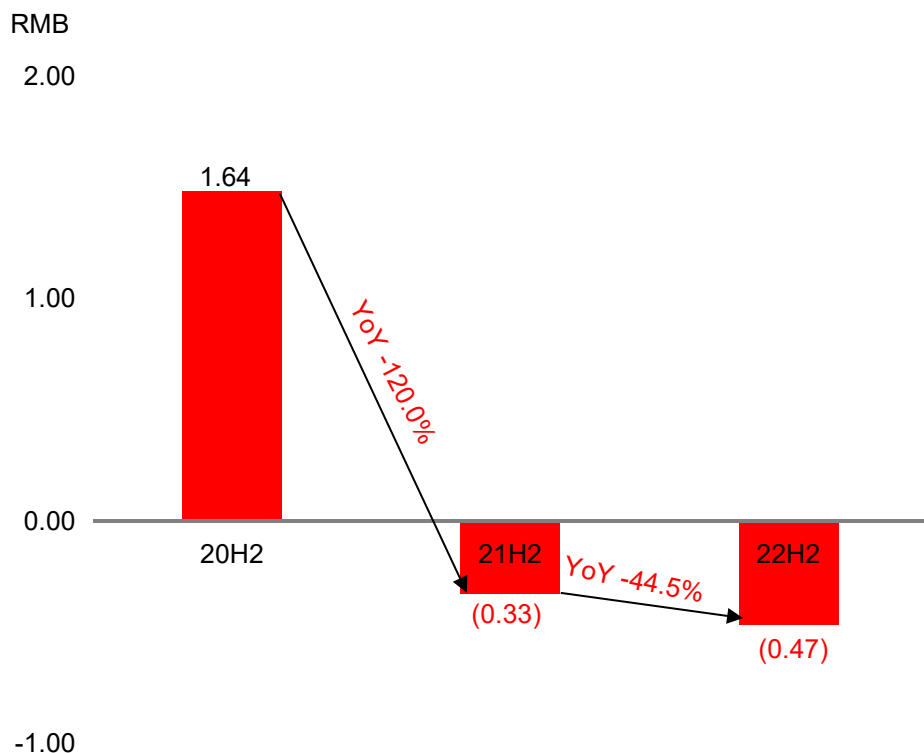


### Notes:

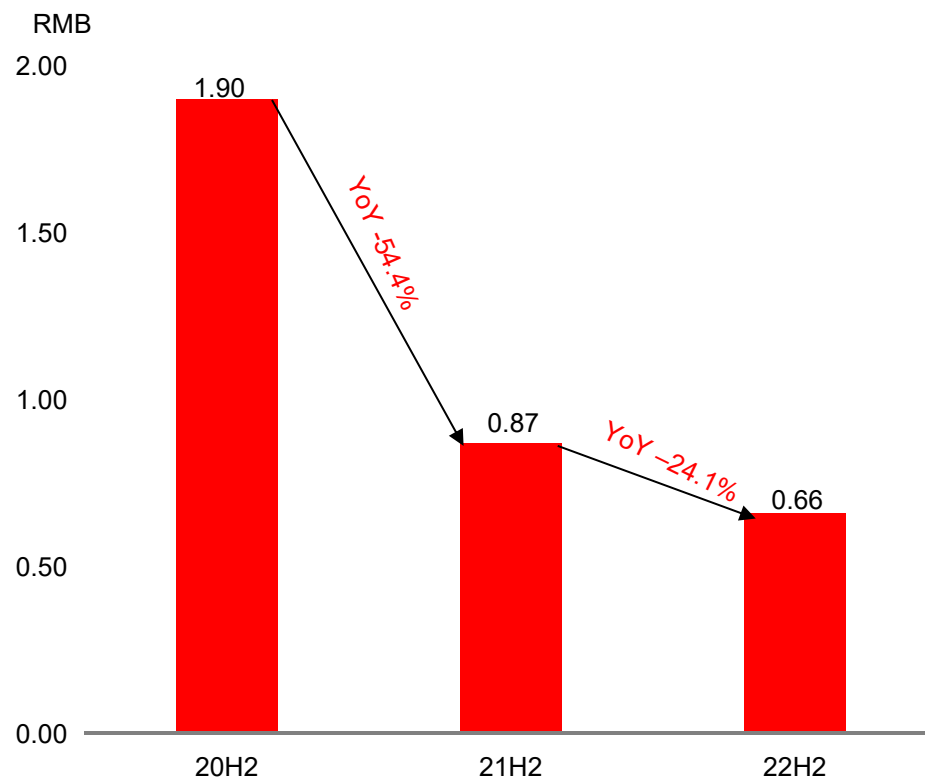
- Adjusted EBITDA (non-GAAP) is calculated as net income plus other operating expenses, income tax expense, share of loss in equity investees, net of tax, interest expense, depreciation and amortization, losses from investment in equity securities and provision for bad debt, but excludes other operating income, interest income and other, net, gains from investment in equity securities, share of gains in equity investees (net of tax), and other income, net. The calculation of Adjusted EBITDA (non-GAAP) included in this report has been aligned according to the abovementioned definition.
- Core net income is calculated as net income plus share-based compensation, losses from investments in equity securities (net of 25% tax), one-time fees and expense and impairment charges and provisions for other assets but excludes government subsidies (net of 25% tax), gains from investment in equity securities (net of 25% tax), and other income (net of 25% tax).



## Net Income per ADS (Basic and Diluted) <sup>(1)</sup>



## Core Net Income per ADS (Basic and Diluted) (Non-GAAP) <sup>(2)</sup>



### Notes:

1. EPS, Earnings per ADS (basic and diluted) was calculated as net (loss) income attributable to ordinary shareholders divided by weighted average shares outstanding.
2. Core net income is calculated as net income plus share-based compensation, losses from investments in equity securities (net of 25% tax), one-time fees and expense and impairment charges and provisions for other assets but excludes government subsidies (net of 25% tax), gains from investment in equity securities (net of 25% tax), and other income (net of 25% tax).

# Cash and Cash Equivalents



Total cash and cash equivalents, restricted cash, short-term investments, investments in equity securities and time deposits of **RMB 1,055.2 Million** as of December 31, 2022



**Note:**

1. Other mainly include Capital contribution from non-controlling interest holders, effect of exchange rate changes on cash and cash equivalents, etc.



- *Total revenues of the hotel business for the full year of 2023 are expected to grow **30%-35%** of the 2022 levels.*
- *Total revenues, taking the merged restaurant business as a whole, for the full year of 2023 are expected to grow **90%-95%** of the 2022 levels.*

***Thank you!***

***Q&A***



格雅酒店

Geya Hotel (Shanxi Grand  
Hospital, Jinyang Street,  
Taiyuan)

04

| Appendix



As of December 31, 2022

## Mid-to-Up-Scale

- Hotels in operation: 426
- Hotel rooms in operation: 41,255
- Room rates: RMB 200 - 600

## Mid-Scale

- Hotels in operation: 2,953
- Hotel rooms in operation: 231,835
- Room rates: RMB 150 - 400

## Economy

- Hotels in operation: 680
- Hotel rooms in operation: 29,407
- Room rates: RMB 90 - 300





# Hotel Breakdown



By Market Segment and Brand	Number of Hotels in Operation		Number of Hotel Rooms in Operation	
	2021Q4	2022Q4	2021Q4	2022Q4
<b>Luxury</b>	<b>33</b>	<b>-</b>	<b>6,265</b>	<b>-</b>
Argyle	33	-	6,265	-
<b>Mid-to-up-scale</b>	<b>519</b>	<b>426</b>	<b>47,666</b>	<b>41,255</b>
GreenTree Eastern	204	205	22,246	22,492
Deep Sleep Hotel	6	7	417	534
Gem	46	53	4,173	4,753
Gya	62	68	5,302	5,811
Vx	79	85	7,021	7,403
Ausotel	18	-	2,237	-
Urban Garden and others	104	8	6,270	262
<b>Mid-scale</b>	<b>2,932</b>	<b>2,953</b>	<b>230,750</b>	<b>231,835</b>
GreenTree Inn	2,169	2,226	178,849	183,116
GT Alliance	515	538	36,802	38,031
GreenTree Apartment	16	19	1,098	1,262
Vatica	112	111	8,115	8,009
City 118 Selected and others	120	59	5,886	1,417
<b>Economy</b>	<b>1,175</b>	<b>680</b>	<b>52,472</b>	<b>29,407</b>
Shell	650	680	28,196	29,407
City 118 and others	525	-	24,276	-
<b>Total</b>	<b>4,659</b>	<b>4,059</b>	<b>337,153</b>	<b>302,497</b>

# Operating Data



	2021Q4	2022Q4
<b>Total hotels in operation</b>	<b>4,659</b>	<b>4,059</b>
Leased-and-owned hotels	66	61
Franchised hotels	4,593	3,998
<b>Total hotel rooms in operation</b>	<b>337,153</b>	<b>302,497</b>
Leased-and-owned hotels	7,064	6,565
Franchised hotels	330,089	295,932
<b>Number of cities</b>	<b>367</b>	<b>355</b>

	2021Q4	2022Q4
<b>Occupancy rate</b>		
Leased-and-owned hotels	60.9%	62.4%
Franchised hotels	69.5%	63.0%
Blended	<b>69.2%</b>	<b>63.0%</b>
<b>Average daily rate (in RMB)</b>		
Leased-and-owned hotels	224	208
Franchised hotels	168	163
Blended	<b>170</b>	<b>165</b>
<b>RevPAR (in RMB)</b>		
Leased-and-owned hotels	136	130
Franchised hotels	117	103
Blended	<b>117</b>	<b>104</b>