



GreenTree Hospitality Group

2021Q1 Results
July 28, 2021

Argyle Grand Hotel 格林东方酒店 格美酒店 格雅酒店 格菲酒店

无限酒店 AUSOTEL 雅阁酒店 格林酒店 格林公寓

Vatica 贝壳酒店 都市118连锁酒店





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This presentation includes certain non-GAAP financial measures, which are different from financial measures calculated in accordance with U.S. GAAP. Such non-GAAP financial measures should be considered in addition to and not as a substitute for or superior to financial measures calculated in accordance with U.S. GAAP. In addition, the definitions of Adjusted EBITDA and Margin and Core Net Income and Margin in this presentation may be different from the definition of such term used by other companies, and therefore comparability may be limited. A quantitative reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures has been included in this presentation.

Except for historical information, all of the statements, expectations, and assumptions contained in this presentation constitute forward-looking statements made under the “safe harbor” provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and the U.S. Private Securities Litigation Reform Act of 1995. These statements include descriptions regarding the intent, belief or current expectations of GreenTree Hospitality Group Ltd. (the “Company”), its officers or its management with respect to the consolidated results of operations and financial condition of the Company. The Company may also make written or oral forward-looking statements in its reports filed with or furnished to the SEC, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. These statements can be recognized by the use of words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to,” “confident,” “future,” words or expressions of similar meaning. Such forward-looking statements are not guarantees of future performance and involve known and unknown factors, risks and uncertainties that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Such factors and risks include, but not limited to the following: the Company’s goals and growth strategies; its future business development, financial condition and results of operations; trends in the hospitality industry in China and globally; competition in our industry; fluctuations in general economic and business conditions in China and other regions where we operate; the regulatory environment in which we and our franchisees operate; and assumptions underlying or related to any of the foregoing. You should not place undue reliance on these forward-looking statements. Further information regarding these and other risks, uncertainties or factors is included in the Company’s filings with the SEC, copies of which are available for free in the Investor Relations section of the Company’s website at <http://ir.998.com> or upon request from the Company’s Investor Relations Department. All information provided, including the forward-looking statements made, in this presentation are current as of the date hereof. Neither the delivery of this presentation nor any further discussions of the Company after the date hereof shall, under any circumstances, imply that there has been no change in the affairs of the Company since such date. Except as required by law, the Company undertakes no obligation to update any such information or forward-looking statements to reflect events or circumstances after the date on which the information is provided or statements are made, or to reflect the occurrence of unanticipated events.



01



**2021Q1 Performance
Review**

02



**2021Q1 Recent
Developments**

03



**Operating and Financial
Highlights**

04



Appendix



01

| 2021Q1 Performance Review



Compared with 2020Q1

As % of 2019Q1

RevPAR:	+35.1%	to RMB 95.5	75.5%
Total Revenues	+53.3%	to RMB 241.2MM	102.5%
Income from Operations	+64.9%	to RMB 61.4MM with margin 25.4%	54.9%
Net Income	+ + +	to RMB 66.0MM with margin 27.4%	49.3%
Adjusted EBITDA ⁽¹⁾ (non-GAAP)	+74.3%	to RMB 64.0MM with margin 26.5%	56.8%
Core Net Income ⁽²⁾ (non-GAAP)	+58.3%	to RMB 43.9MM with margin 18.2%	47.6%
EPS ⁽³⁾	+ + +	to RMB 0.68	51.2%

Notes:

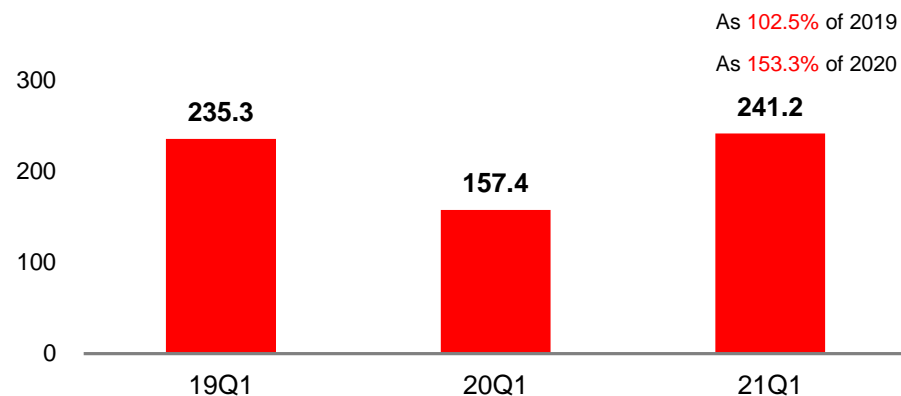
- Adjusted EBITDA (non-GAAP) is calculated as net income plus other operating expenses, income tax expense, interest expense, depreciation and amortization, losses from investment in equity securities, share of loss in equity investees (net of tax), but excludes other operating income, interest income and other, net, gains from investment in equity securities, share of gain in equity investees (net of tax). The calculation of Adjusted EBITDA (non-GAAP) included in this report has been aligned according to the abovementioned definition.
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- EPS, Earnings per ADS (basic and diluted), was calculated as net (loss) income attributable to ordinary shareholders divided by weighted average shares outstanding.

Overview of 2021Q1



Total Revenues

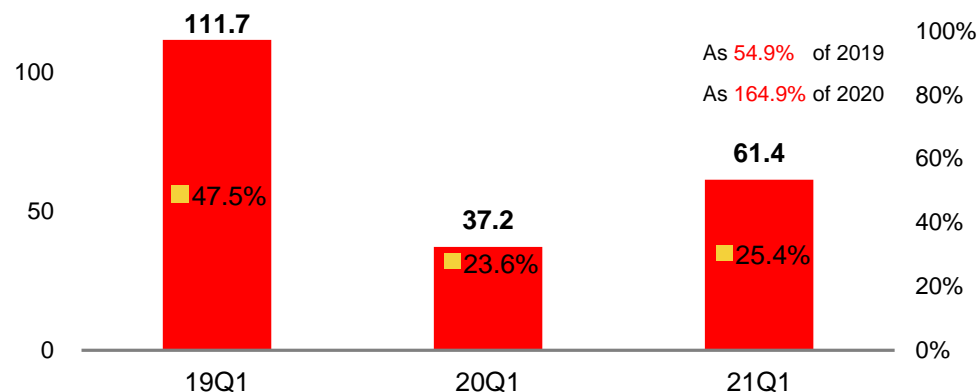
RMB (M)



Income from Operations

RMB (M)

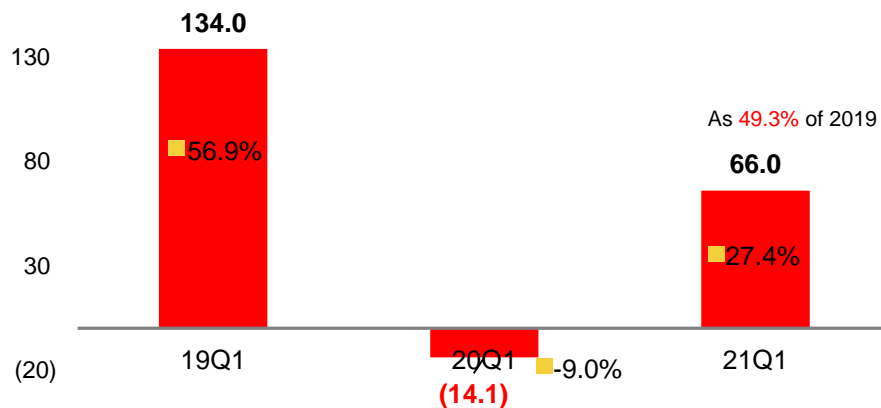
■ % of Revenue



Net Income

RMB (M)

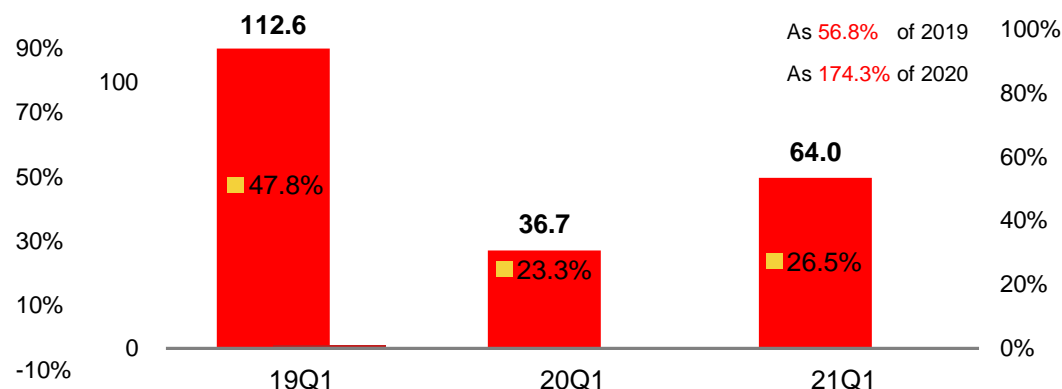
■ % of Revenue



Adjusted EBITDA ⁽¹⁾

RMB (M)

■ % of Revenue



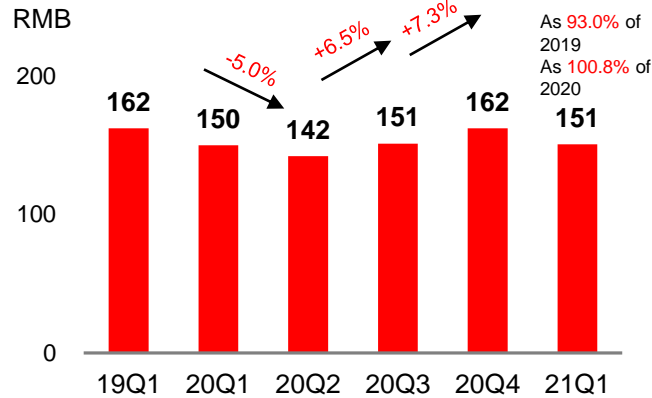
Notes:

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

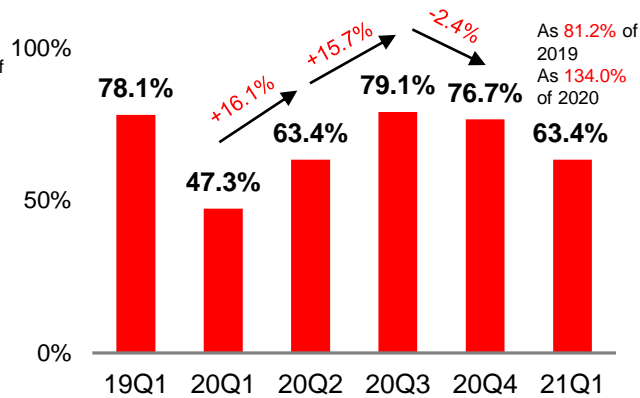
Overview of 2021Q1



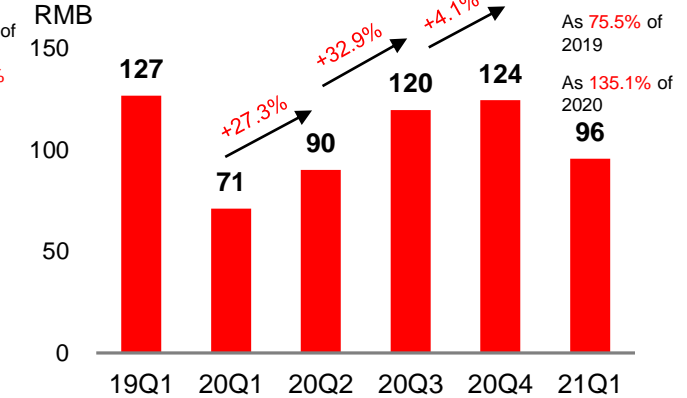
ADR



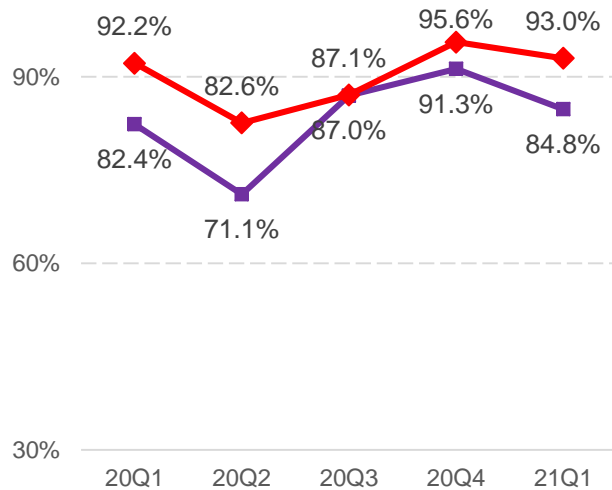
Occupancy



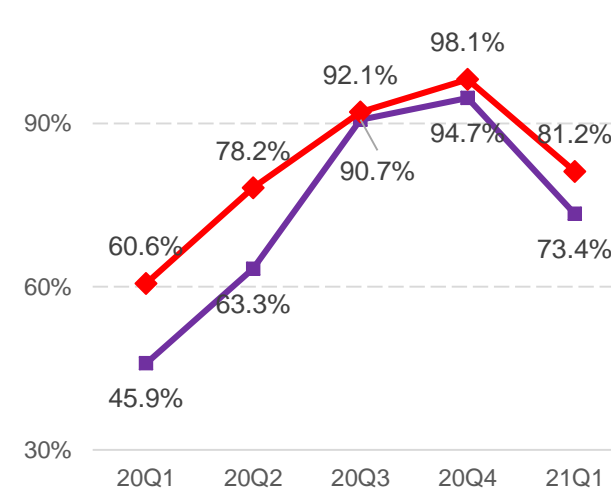
RevPAR



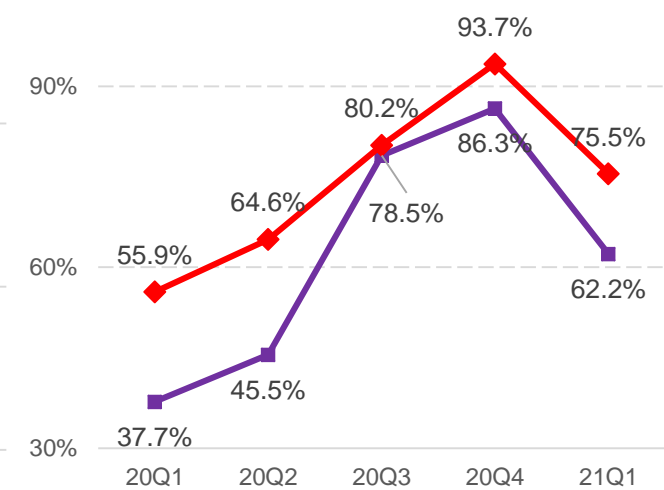
ADR as % of 2019



Occupancy as % of 2019



RevPAR as % of 2019



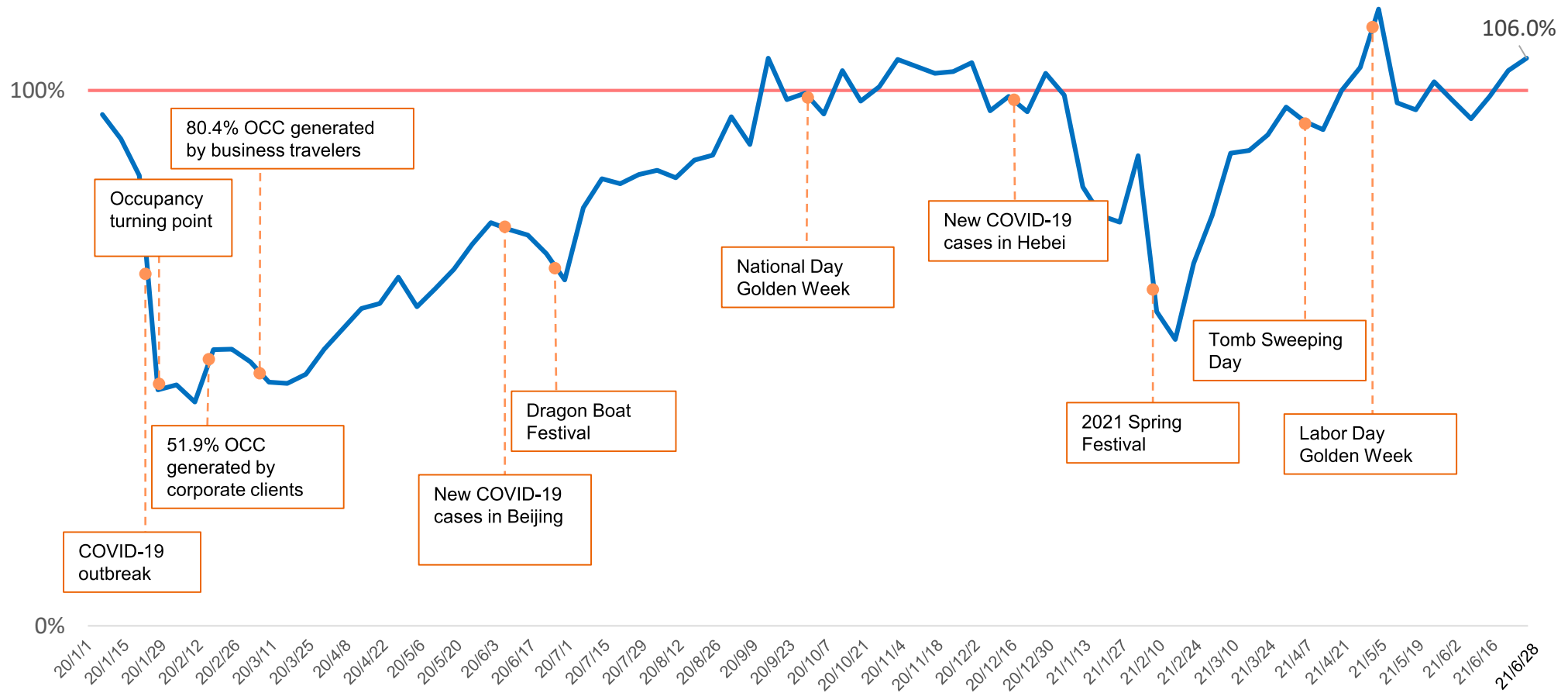
■ Hotels in China ⁽¹⁾ ■ GreenTree

Note:
1. Based on STR monthly data.

Overview of 2021Q1



RevPAR as % of 2019 ⁽¹⁾

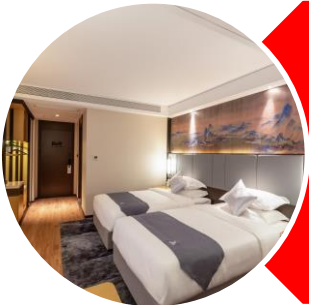


Note:
1. Based upon weekly average RevPAR





Newly L&O Hotels Open Follow-up



Greater Penetration in Tier 3 and Lower Cities



Expansion into Mid-to-Up-Scale Segment

Newly L&O Hotels Open Follow-up



➤ Strategic geographic footprint of new L&O in 2021Q1

- 3 new L&O hotels opened in 2021Q1:
- All mid-to-up-scale hotels in major cities

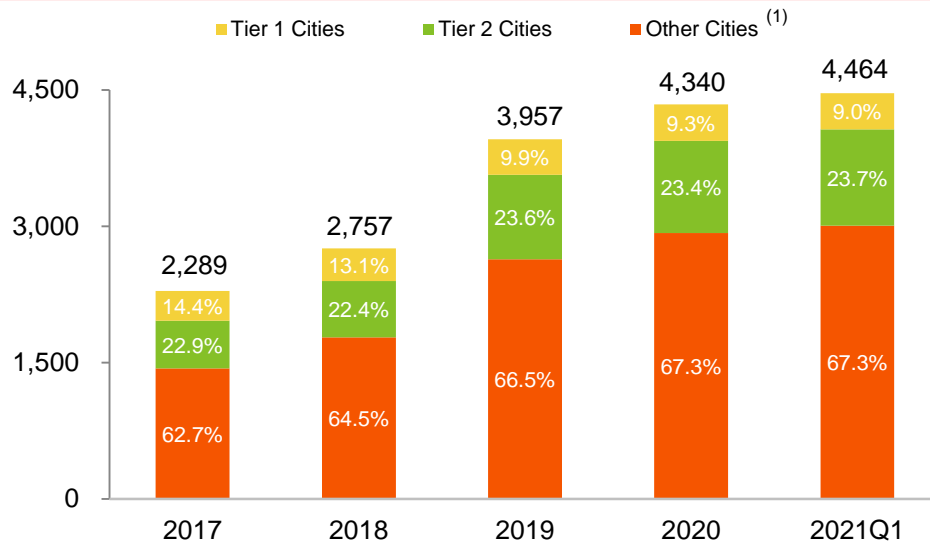


- 20+ L&O hotels in pipeline in strategic locations

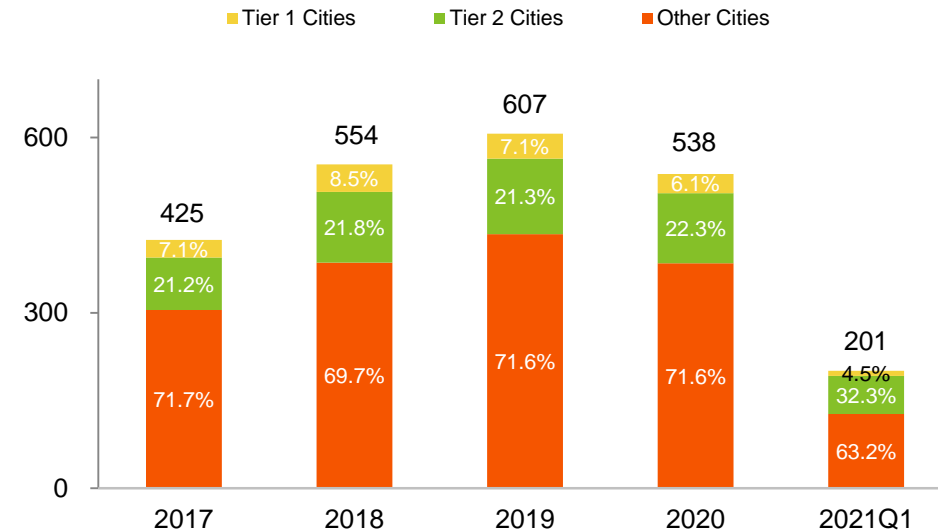
Greater Penetration in Tier 3 and Lower Cities



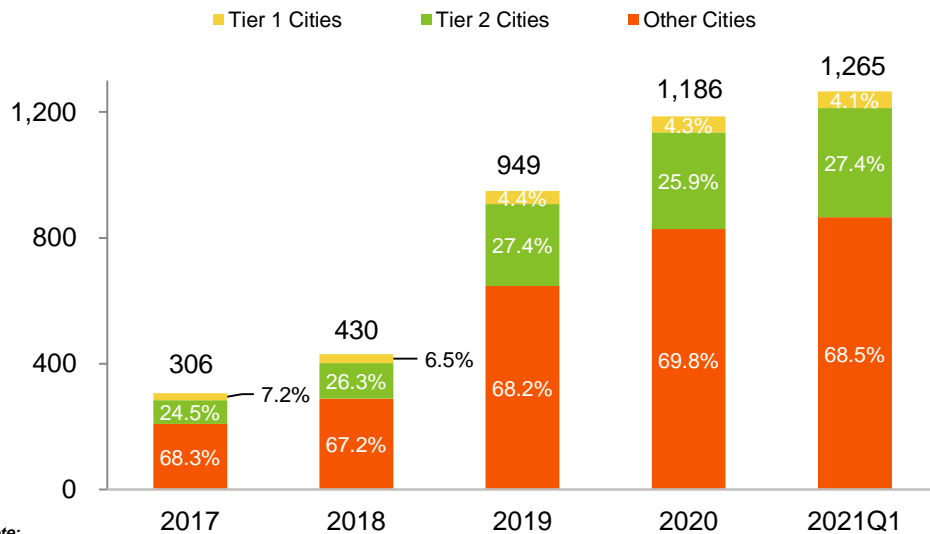
Hotel Breakdown by City Tier



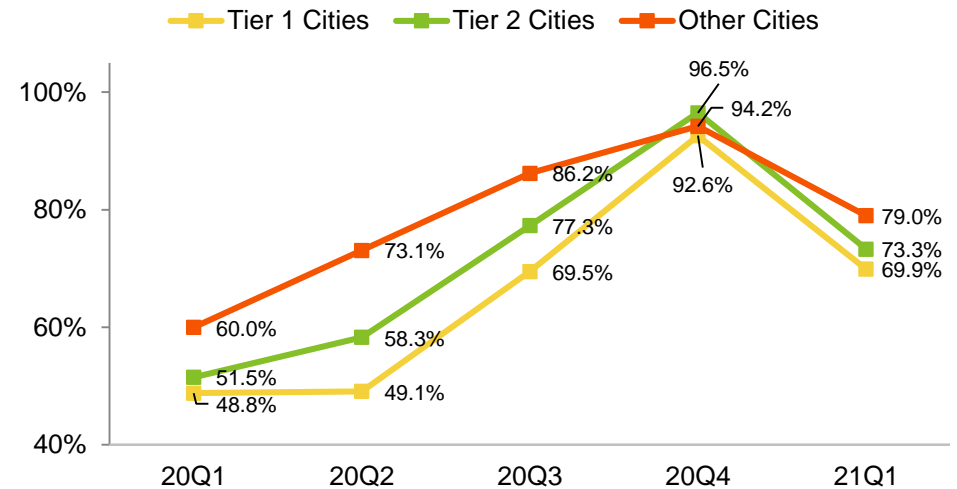
New Openings Breakdown by City Tier



Pipeline Breakdown by City Tier



RevPAR Recovery by City Tier compare with 2019



Note:

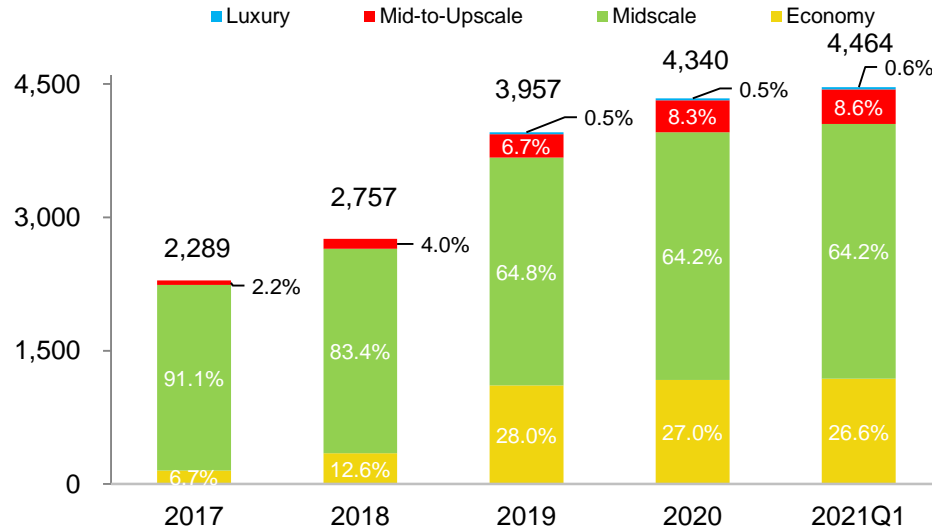
1. Tier 1 Cities refers to Beijing, Shanghai, Shenzhen and Guangzhou; Tier 2 Cities refers to the 32 major cities, other than Tier 1 Cities, including provincial capitals, administrative capitals of autonomous regions, direct-controlled municipalities and other major cities designated as municipalities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

Expansion into Mid-to-Up-Scale Segment

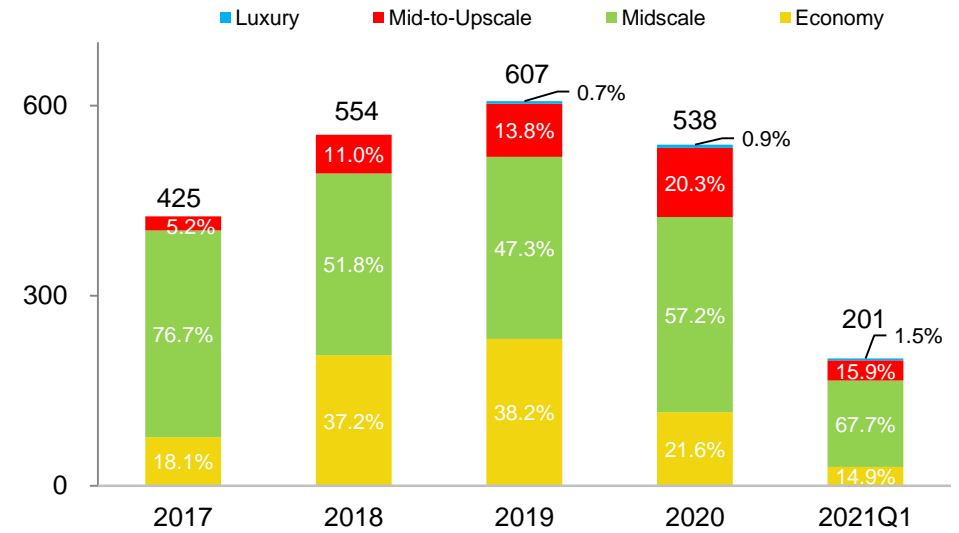


- Increasing number of hotels in the Mid-to-Up-Scale segment

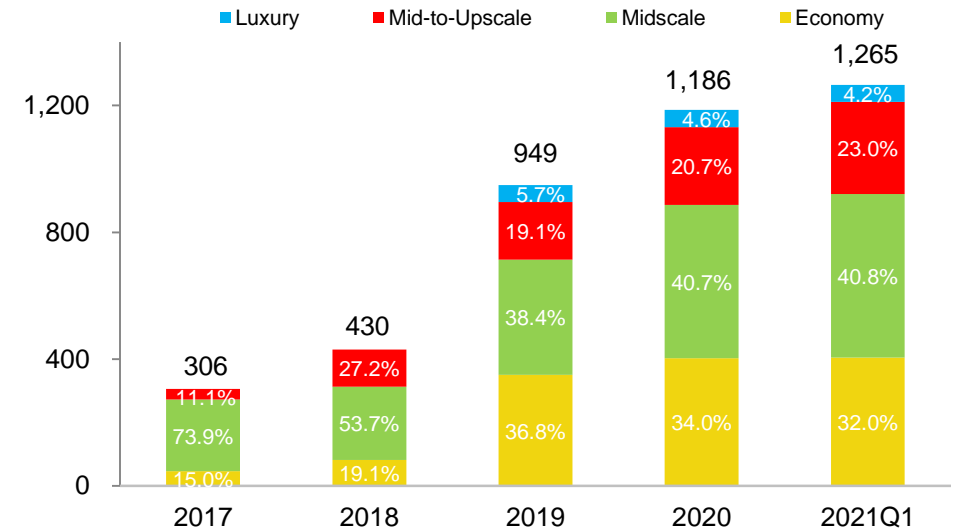
Hotel Breakdown by Segment



New Openings Breakdown by Segment



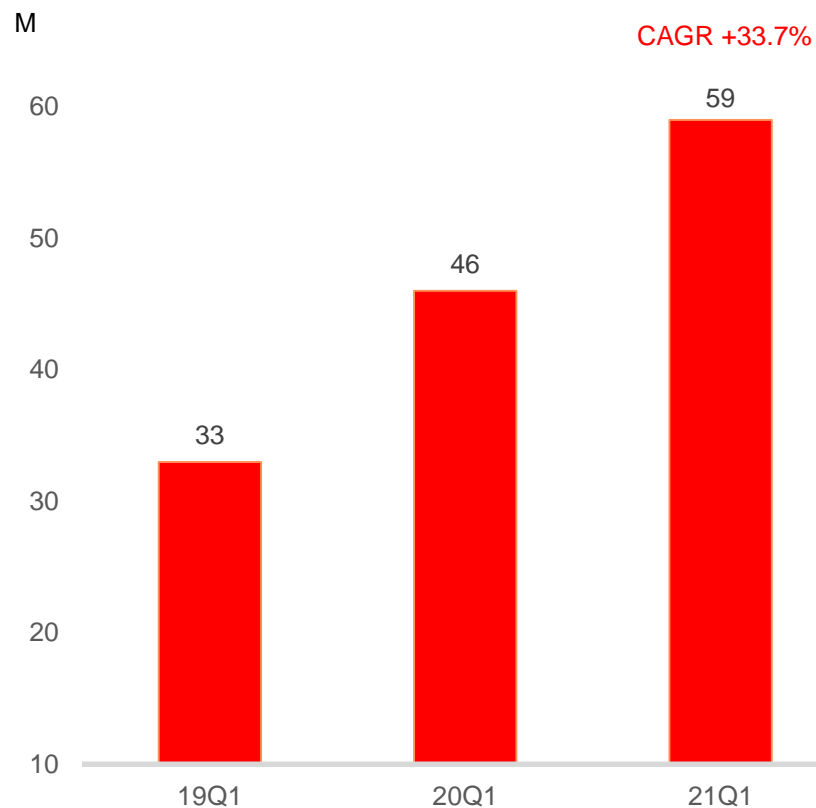
Pipeline Breakdown by Segment



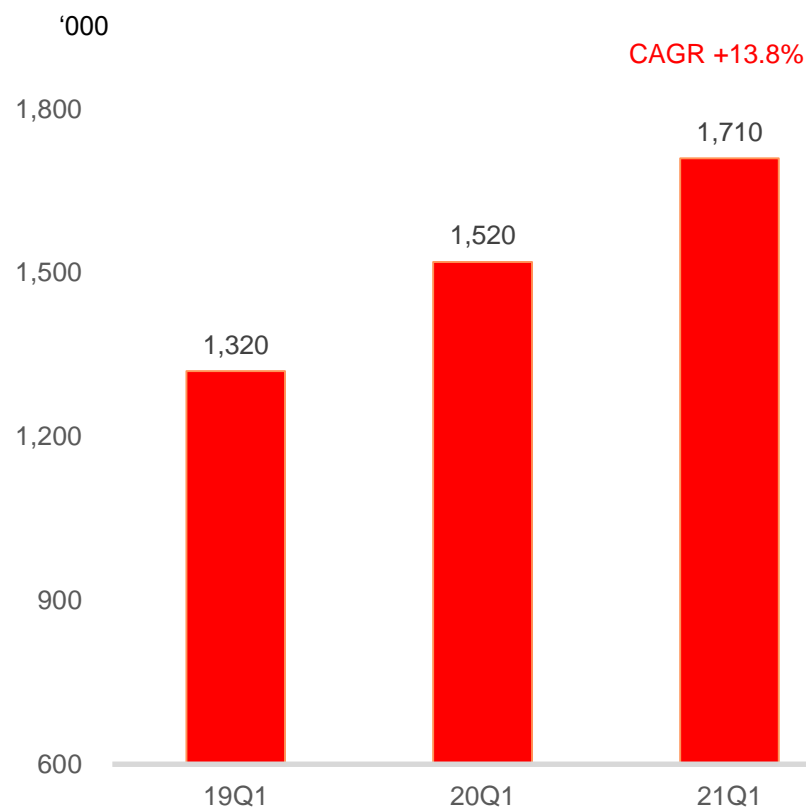


92.2% of room nights sold directly in 2021Q1

Individual Members



Corporate Members





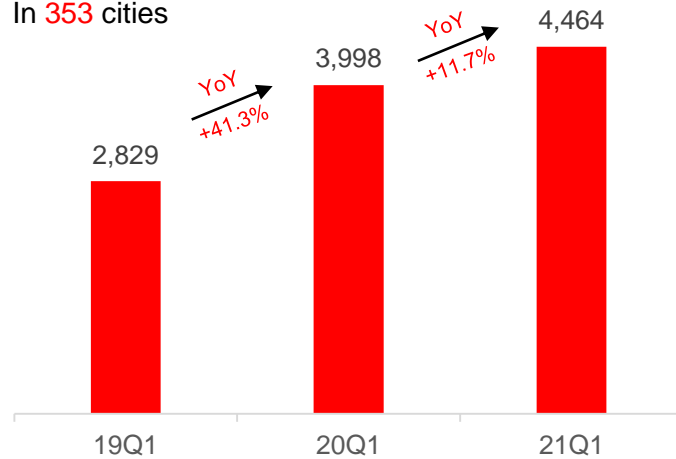
03

Operating and Financial Highlights

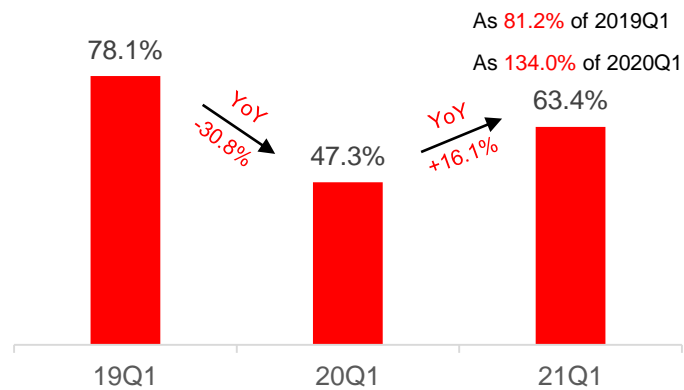


Number of Hotels

In 353 cities

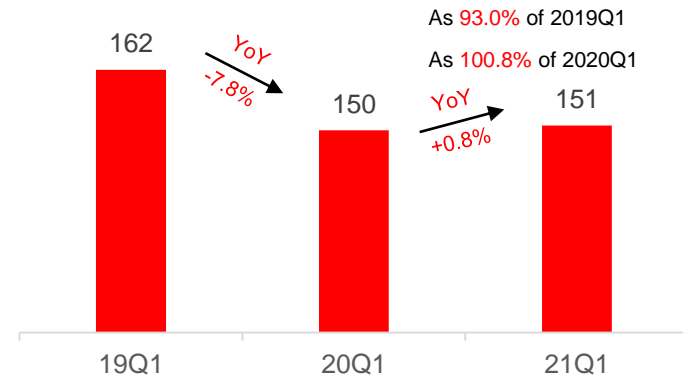


Occupancy



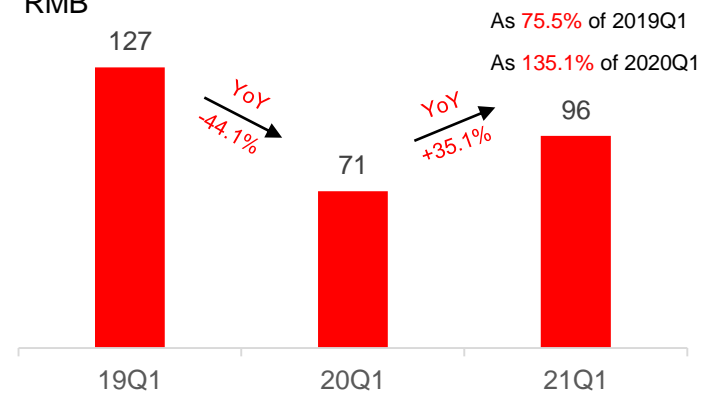
ADR

RMB



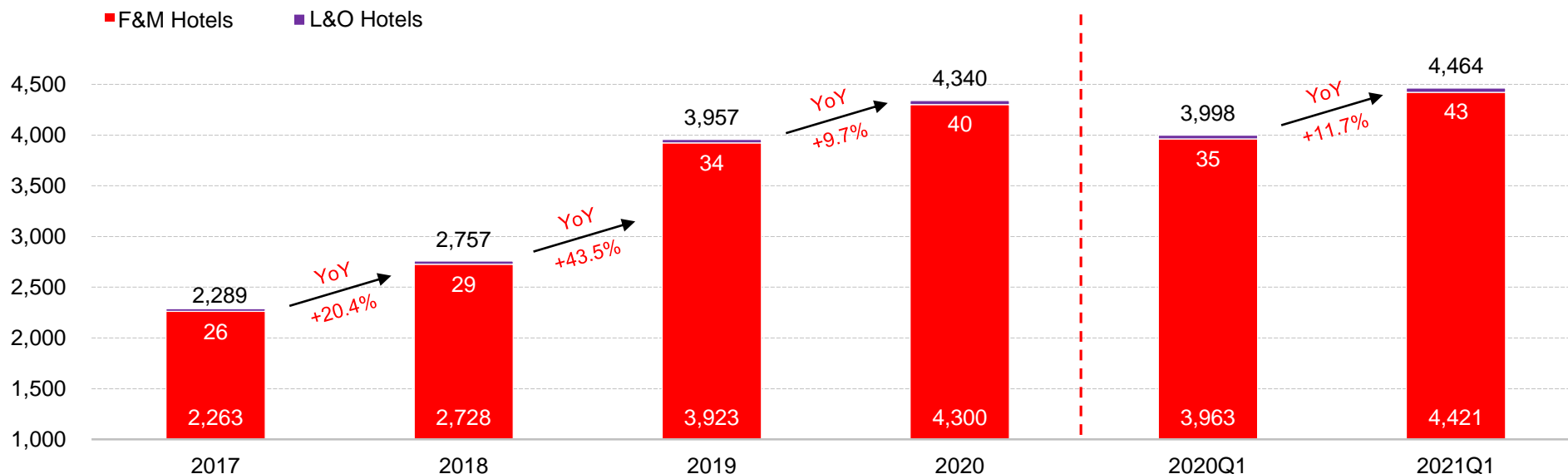
RevPAR

RMB



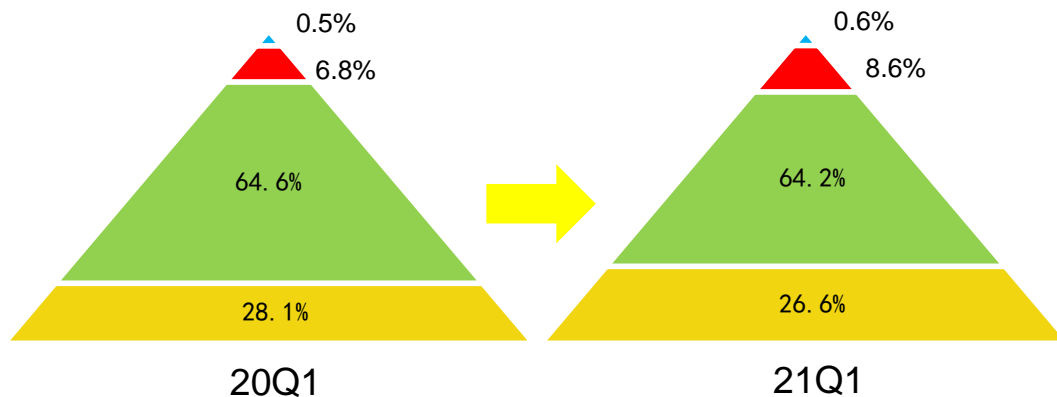


Increasing Number of Hotels in Operation



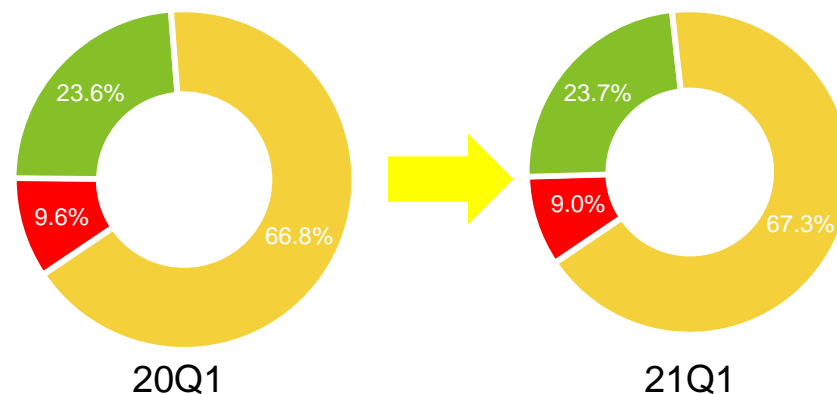
% by Market Segment

■ Luxury ■ Mid-to-Up-Scale ■ Midscale ■ Economy



% by City Tier (1)

■ Tier 1 Cities ■ Tier 2 Cities ■ Other Cities



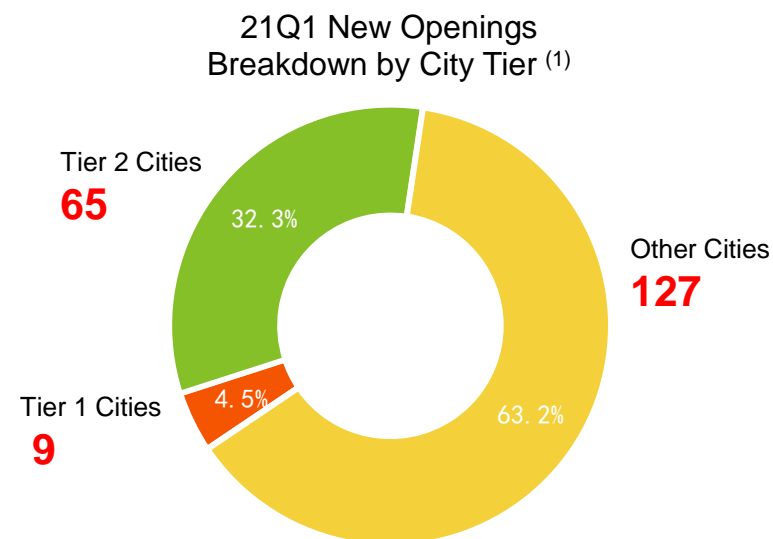
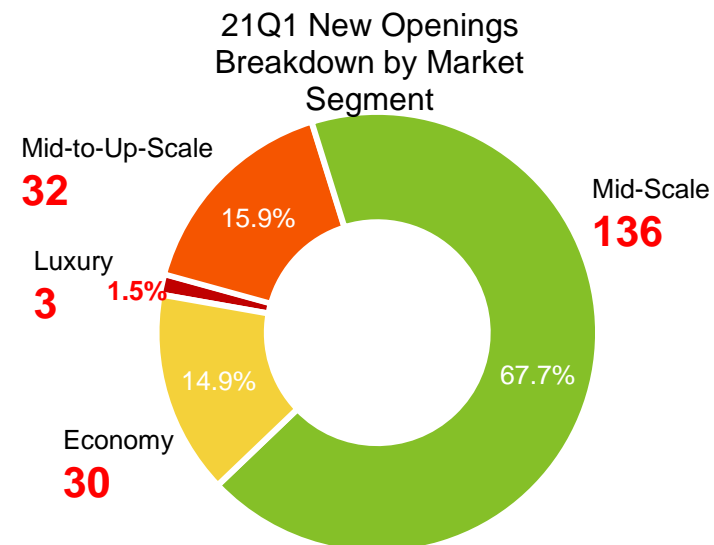
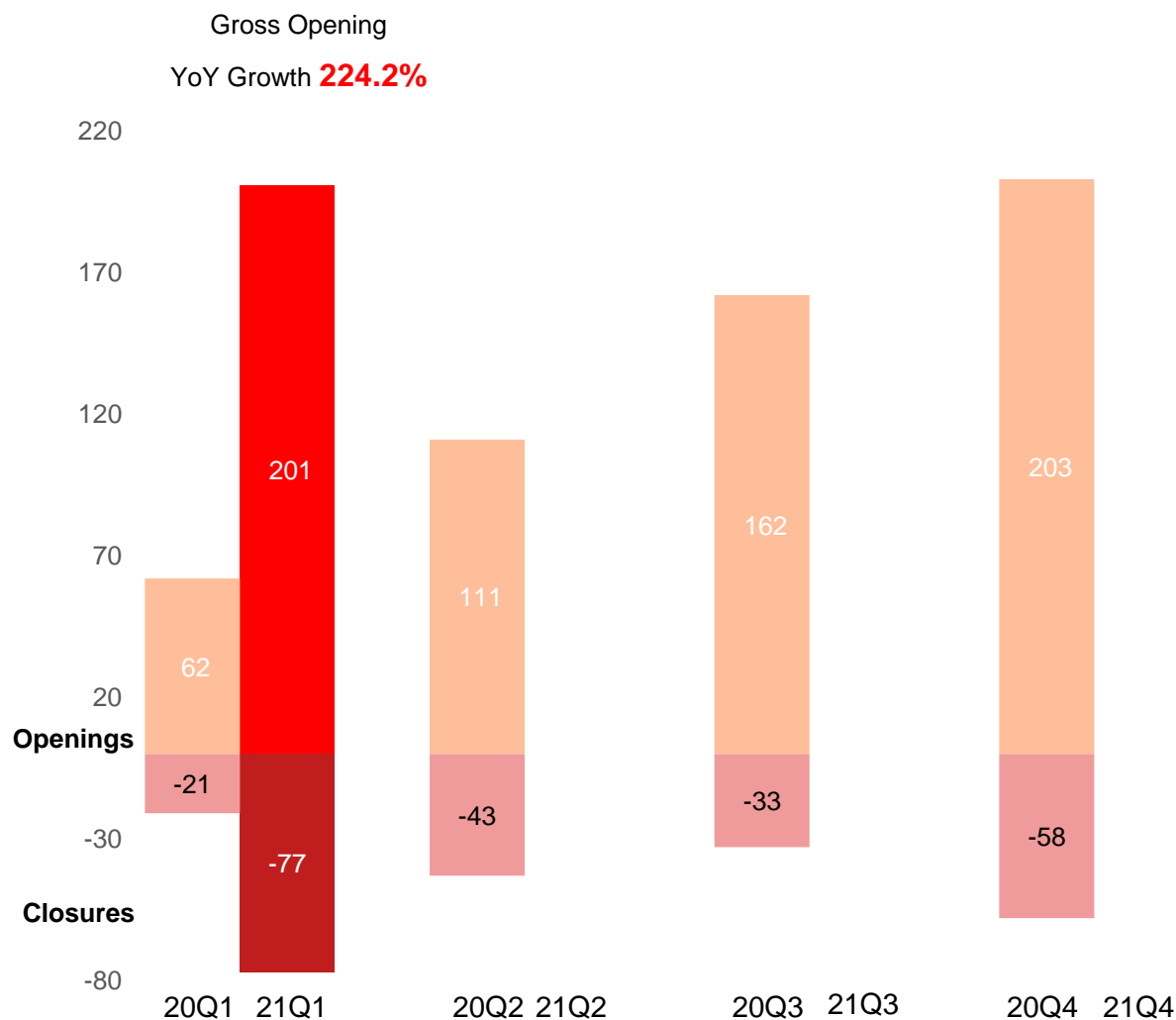
Note:

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New Hotel Openings and Closures



New Hotel Openings and Closures

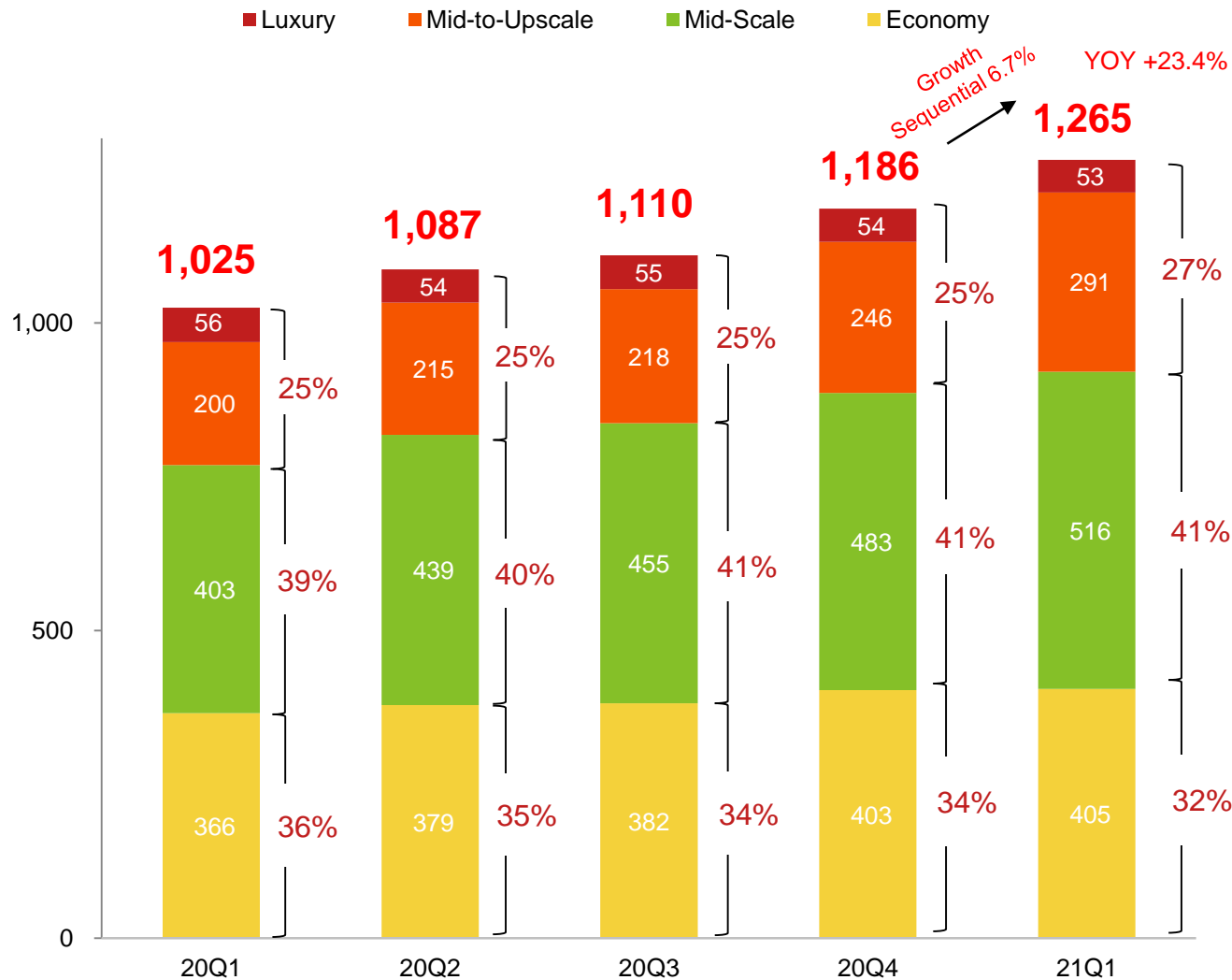


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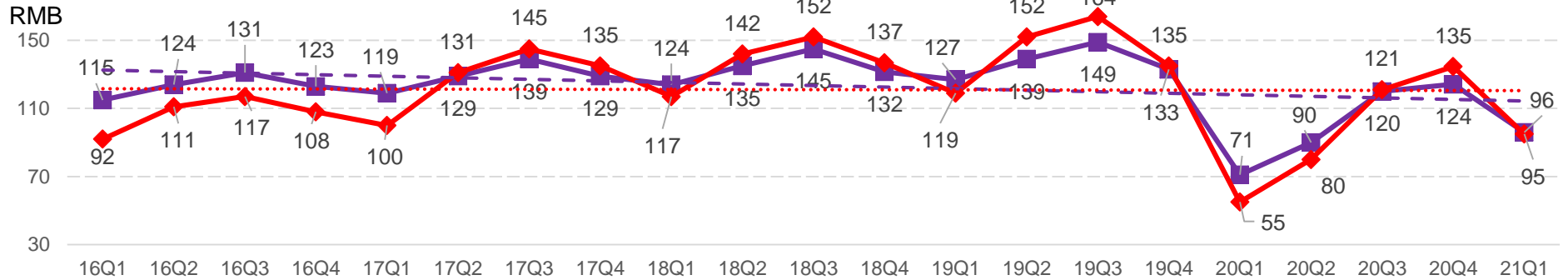
21Q1 Pipeline Growth by Market Segment



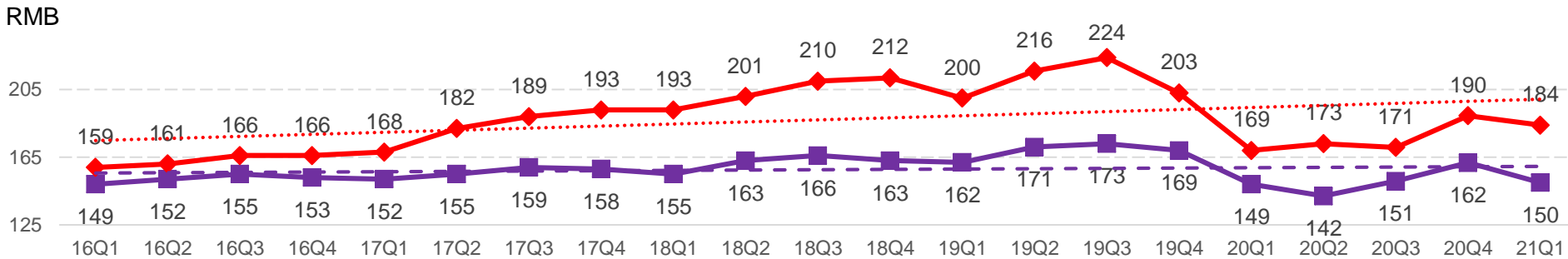
Hotel Performance



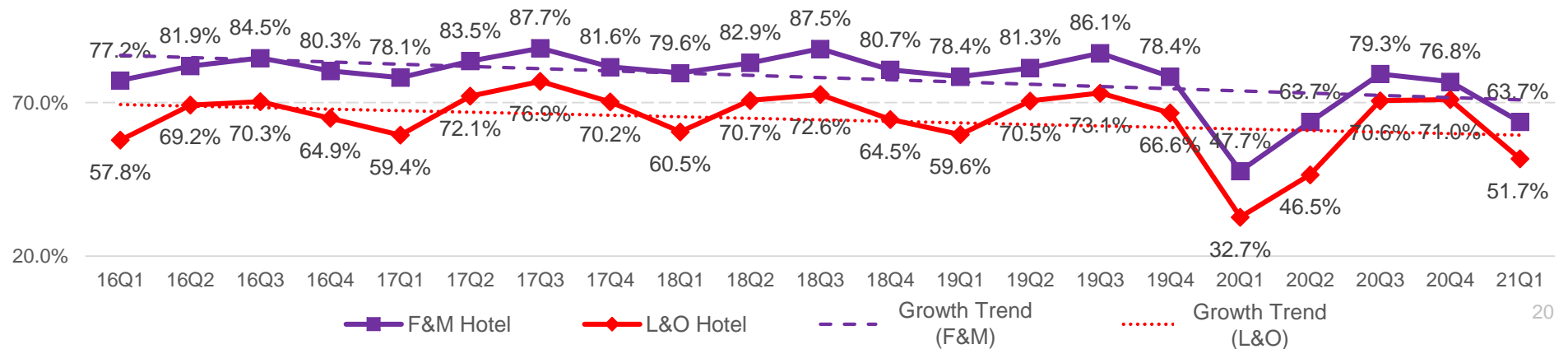
RevPAR



ADR



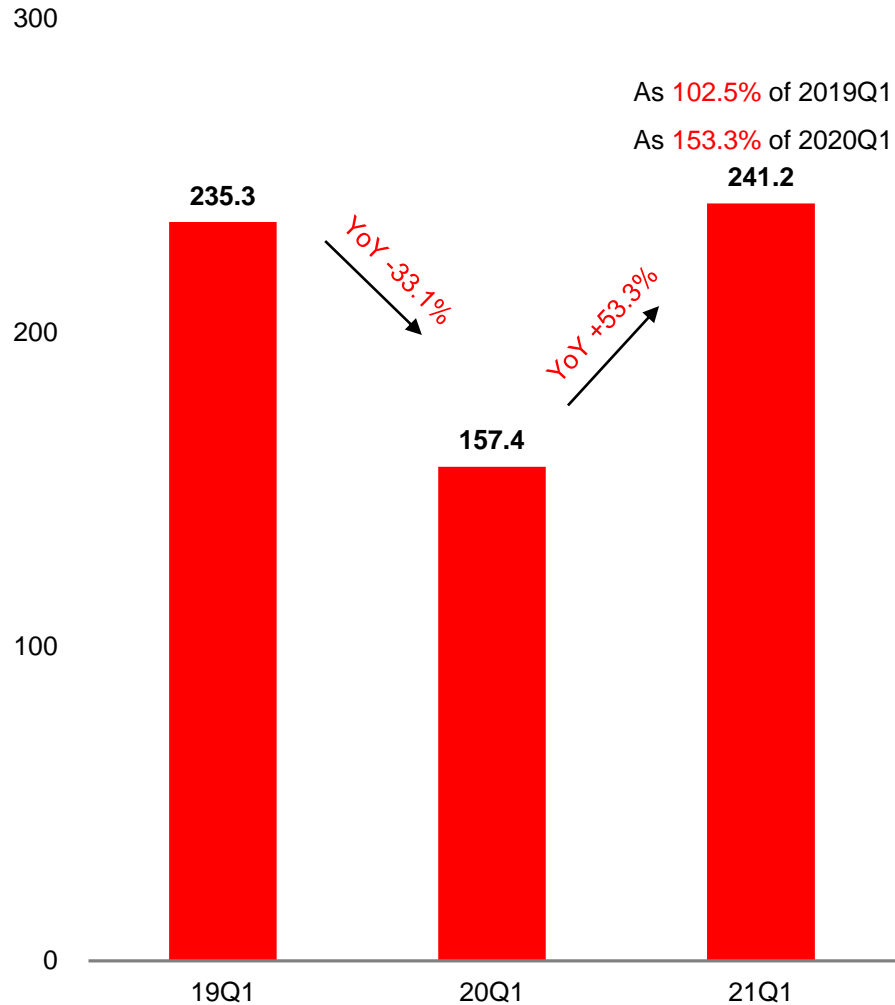
Occupancy





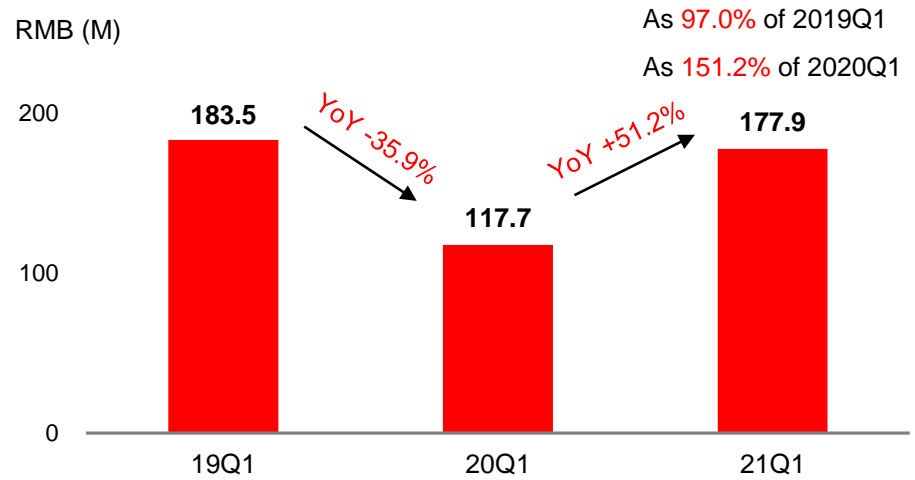
Total Revenue

RMB (M)



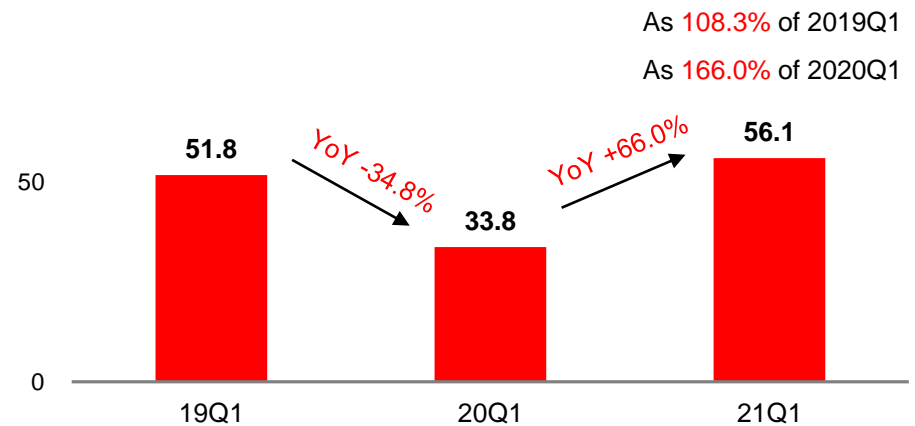
Revenue from F&M Hotels

RMB (M)



Revenue from L&O Hotels

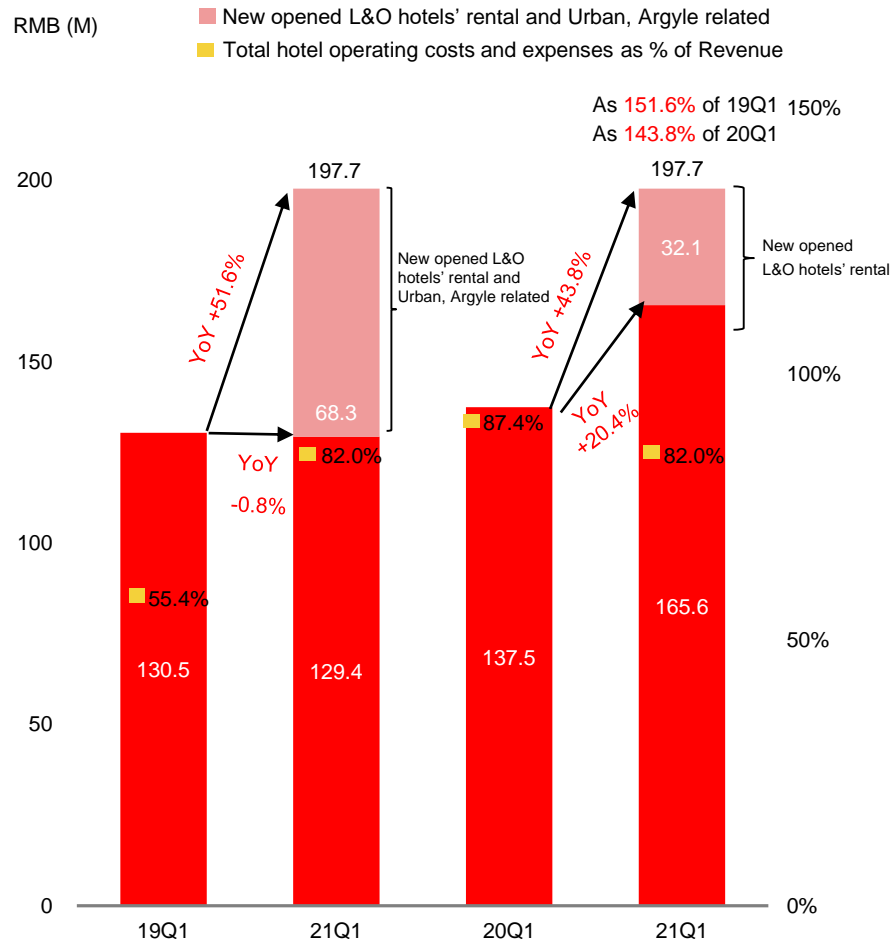
RMB (M)



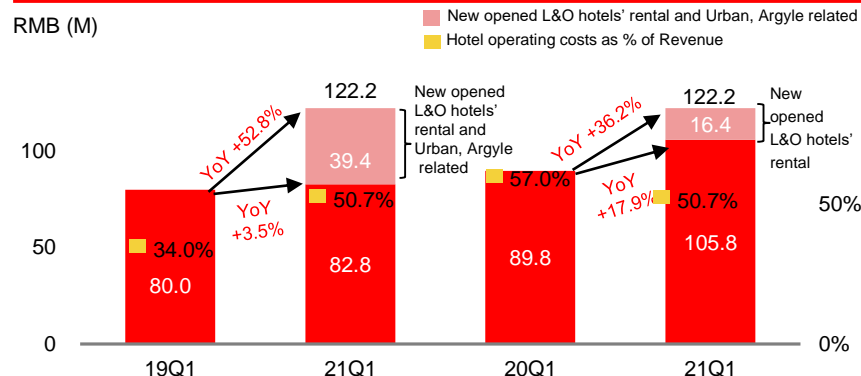
Hotel Operating Costs and Expenses——21Q1 VS 20Q1



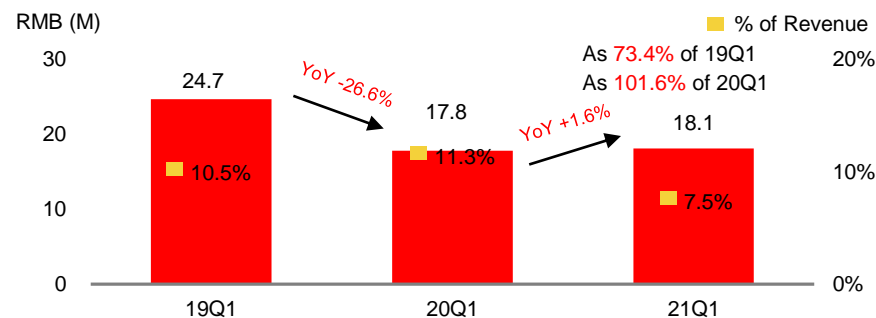
Total Hotel Operating Costs and Expenses (1)



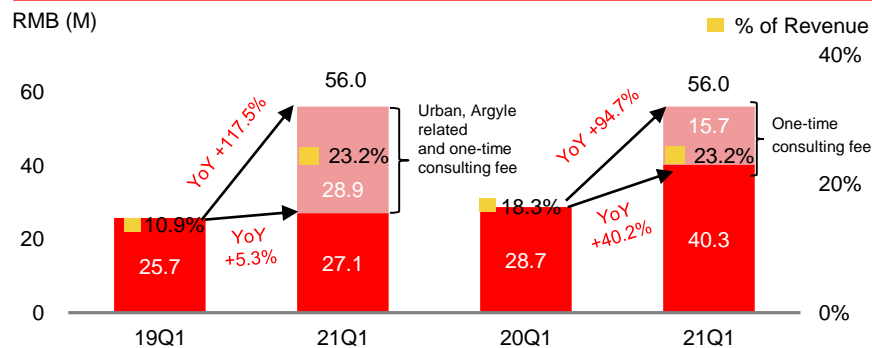
Hotel Operating Costs (2)



Selling and Marketing Expenses



General and Administrative Expenses

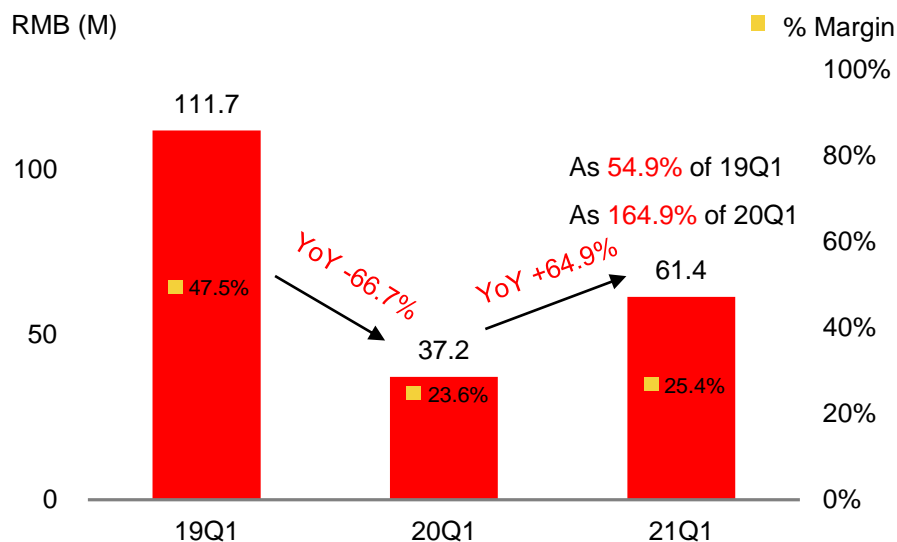


Note:

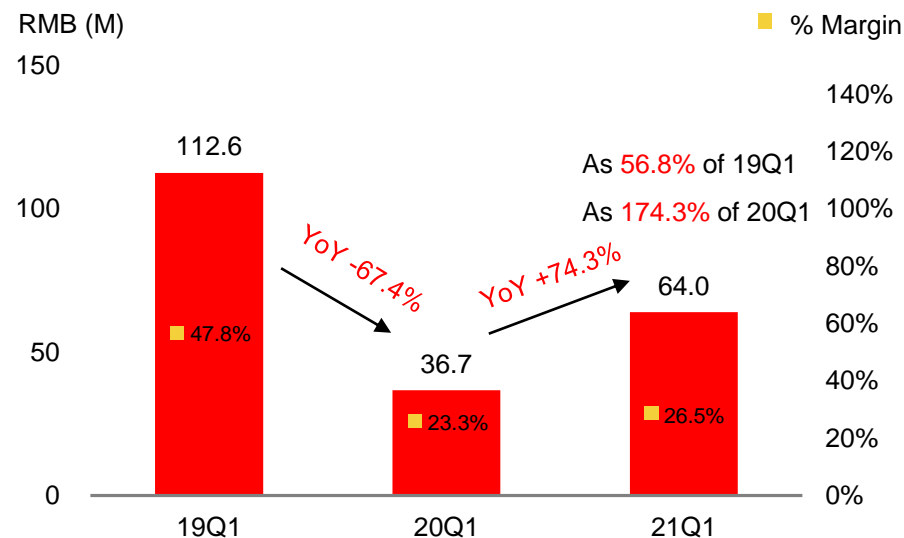
1. Total operating costs and expenses consist of hotel operating costs, selling and marketing expenses, general and administrative expenses and other operating expenses.
2. Apart from LO hotel operating costs, hotel operating costs includes FM hotel related costs and other costs.



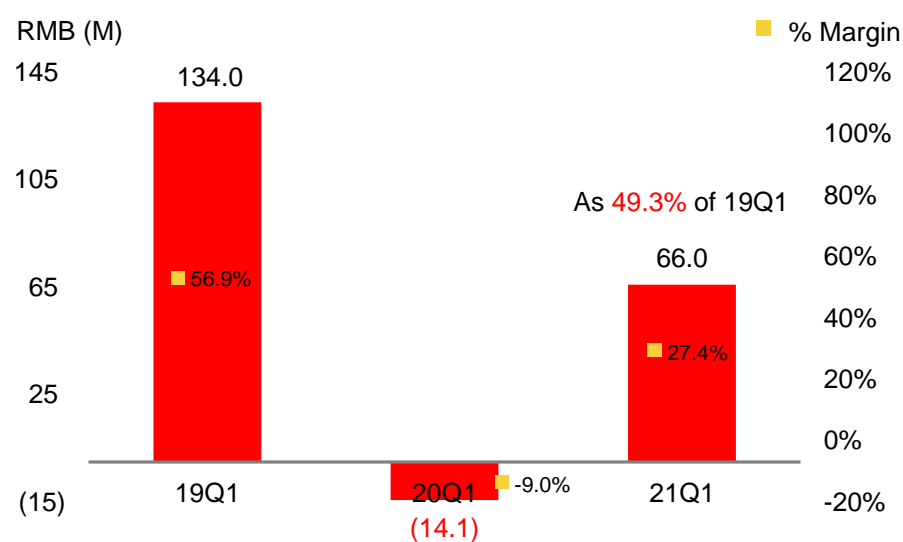
Income from Operations and Margin



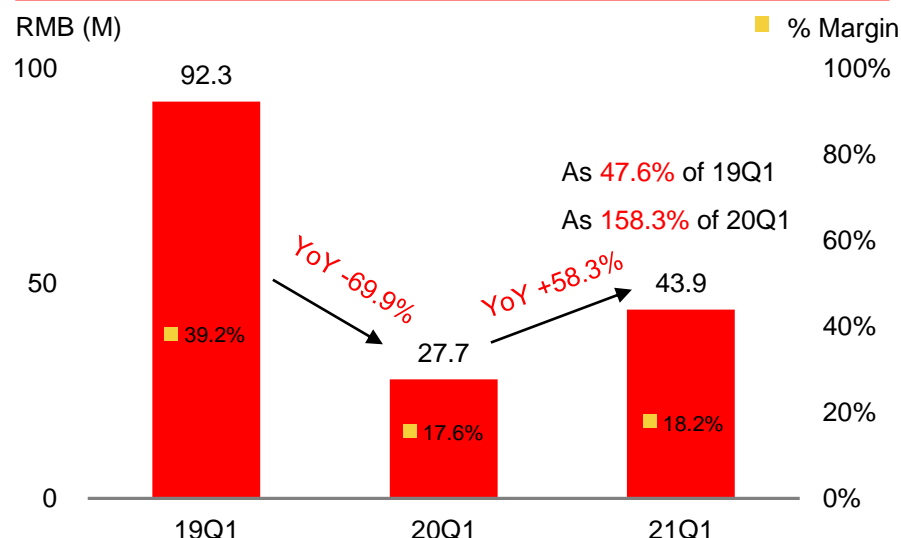
Adjusted EBITDA ⁽¹⁾ and Margin



Net Income and Margin



Core Net Income ⁽²⁾ and Margin



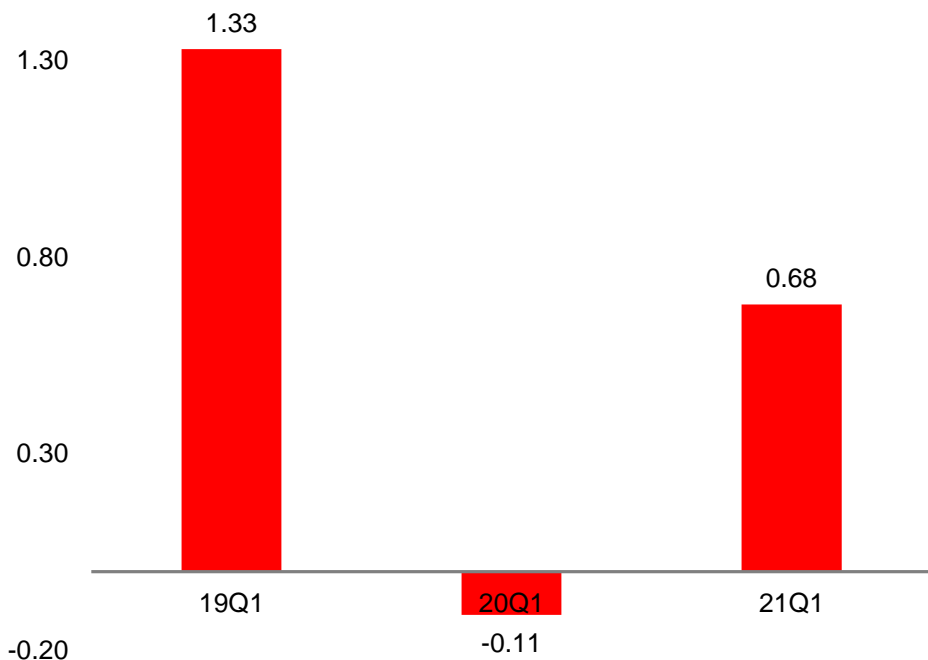
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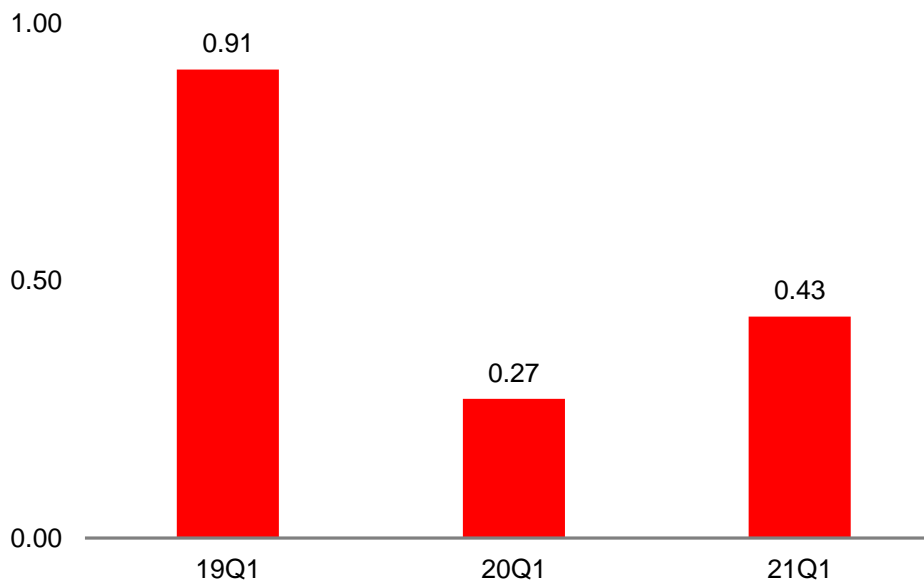
Net Income per ADS (Basic and Diluted) ⁽¹⁾

RMB



Core Net Income per ADS (Basic and Diluted) (Non-GAAP) ⁽²⁾

RMB



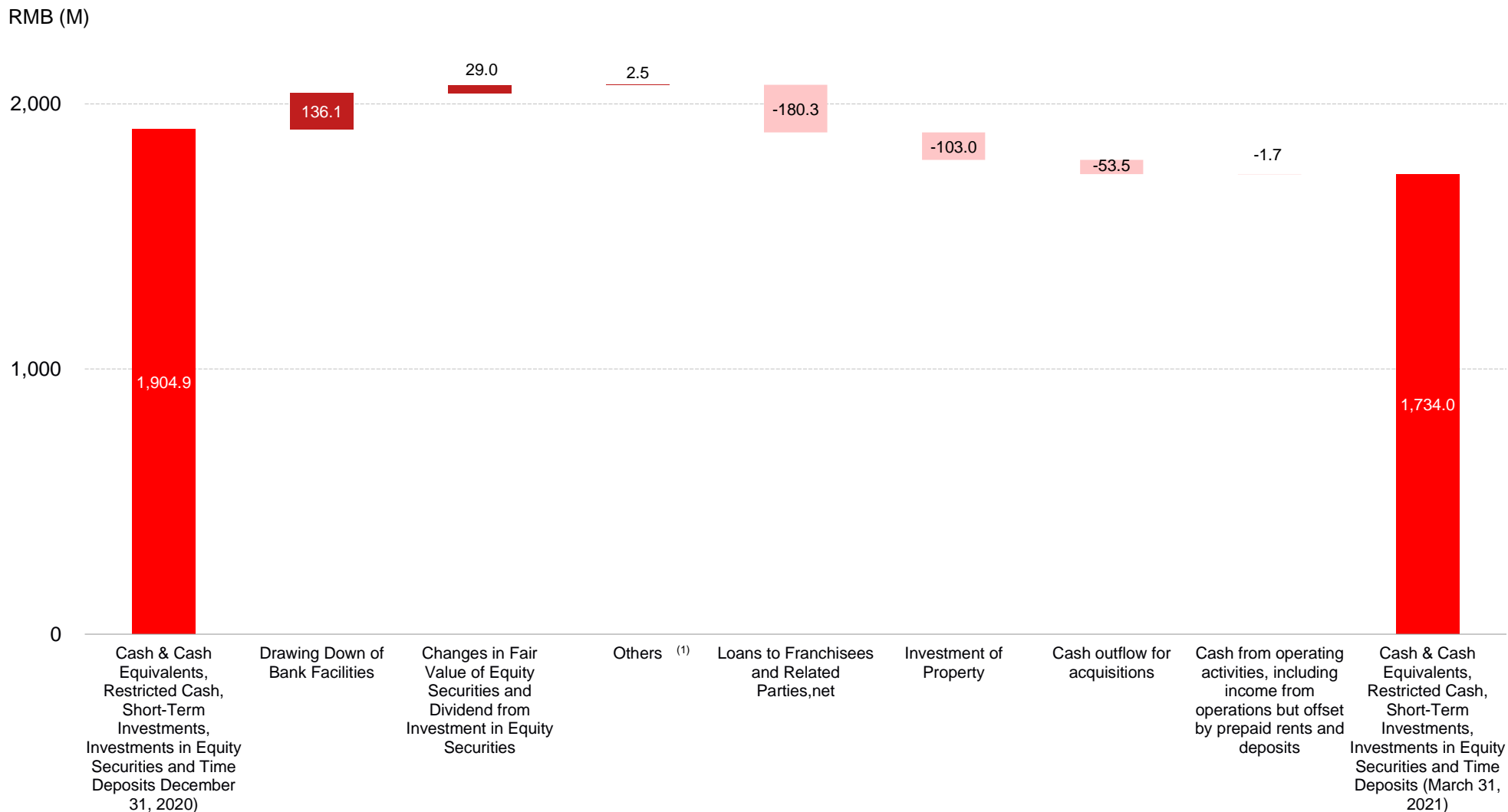
Notes:

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Cash and Cash Equivalents



Total cash and cash equivalents, restricted cash, short-term investments, investments in equity securities and time deposits of **RMB1,734.0 Million** as of March 31, 2021.



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 for the full year of 2021 are expected to grow
48%~53% from 2020.
25%~30% from 2019.

Thank you!

Q&A



格林豪泰酒店
GreenTree Inn

GreenTree Inn Changsha Yuelu District
Lianfeng Road University of Chinese
Medicine Business Hotel



Our Portfolio



As of March 31, 2021

Luxury

- Hotels in operation: 26
- Hotel rooms in operation: 5,337
- Room rates: RMB 400 - 1,000

Mid-to-Up-Scale

- Hotels in operation: 387
- Hotel rooms in operation: 35,203
- Room rates: RMB 200 - 600

Mid-Scale

- Hotels in operation: 2,864
- Hotel rooms in operation: 229,314
- Room rates: RMB 150 - 400

Economy

- Hotels in operation: 1,187
- Hotel rooms in operation: 53,794
- Room rates: RMB 90 - 300



Hotel Breakdown



By Market Segment and Brand	Number of Hotels in Operation		Number of Hotel Rooms in Operation	
	2020Q1	2021Q1	2020Q1	2021Q1
Luxury	20	26	4,607	5,337
Argyle	20	26	4,607	5,337
Mid-to-up-scale	272	387	24,595	35,203
GreenTree Eastern	109	162	11,649	17,136
Deep Sleep Hotel	2	4	161	286
Gem	28	38	2,517	3,499
Gya	26	45	2,165	3,847
Vx	22	40	1,766	3,309
Ausotel	10	12	1,287	1,589
Urban Garden and others ⁽¹⁾	75	86	5,050	5,537
Mid-scale	2,582	2,864	211,155	229,314
GreenTree Inn	2,027	2,177	172,385	181,964
GT Alliance	315	430	24,231	31,617
GreenTree Apartment	10	15	438	1,031
Vatica	122	122	8,937	8,859
City 118 Selected and others ⁽¹⁾	108	120	5,164	5,843
Economy	1,124	1,187	52,359	53,794
Shell	555	634	24,215	27,512
City 118 and others ⁽¹⁾	569	553	28,144	26,282
Total	3,998	4,464	292,716	323,648

Note:

1. Others include other brands in each segment of Urban.

Operating Data



	2020Q1	2021Q1
Total hotels in operation	3,998	4,464
Leased-and-owned hotels	35	43
Franchised hotels	3,963	4,421
Total hotel rooms in operation	292,716	323,648
Leased-and-owned hotels	4,349	5,350
Franchised hotels	288,367	318,298
Number of cities	342	353

	2020Q1	2021Q1
Occupancy rate		
Leased-and-owned hotels	32.7%	51.7%
Franchised hotels	47.7%	63.7%
Blended	47.3%	63.4%
Average daily rate (in RMB)		
Leased-and-owned hotels	169	184
Franchised hotels	149	150
Blended	150	151
RevPAR (in RMB)		
Leased-and-owned hotels	55	95
Franchised hotels	71	96
Blended	71	96