



## Investor Presentation



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A large, modern white ship with yellow accents is sailing on the water. The image is overlaid with a semi-transparent red filter. The text "Section 1: Introduction" is centered over the ship.

# Section 1: Introduction

# Delta Corp Limited

*The only listed gaming and hospitality company in India*

## Who are we?

- The leading gaming and hospitality company in India
- Listed on both the National Stock Exchange and Bombay Stock Exchange with a market capitalization of US\$ 0.8 bn
- Led by Chairman, Mr. Jaydev Mody, a first-generation entrepreneur and leading Indian real estate visionary



## Business strategy

- Transforming into a gaming and leisure company of international standards
- Expanding gaming related businesses throughout India with a focus on Goa and the Indian online market



## Key business segments

- Three offshore gaming boats situated in the Mandovi River, Goa
- All-suite hotel and onshore casino in North Goa
- Integrated resort in Daman
- Land-based casino in Sikkim
- Upcoming Land-based casino in Nepal
- Online platform for games of skill

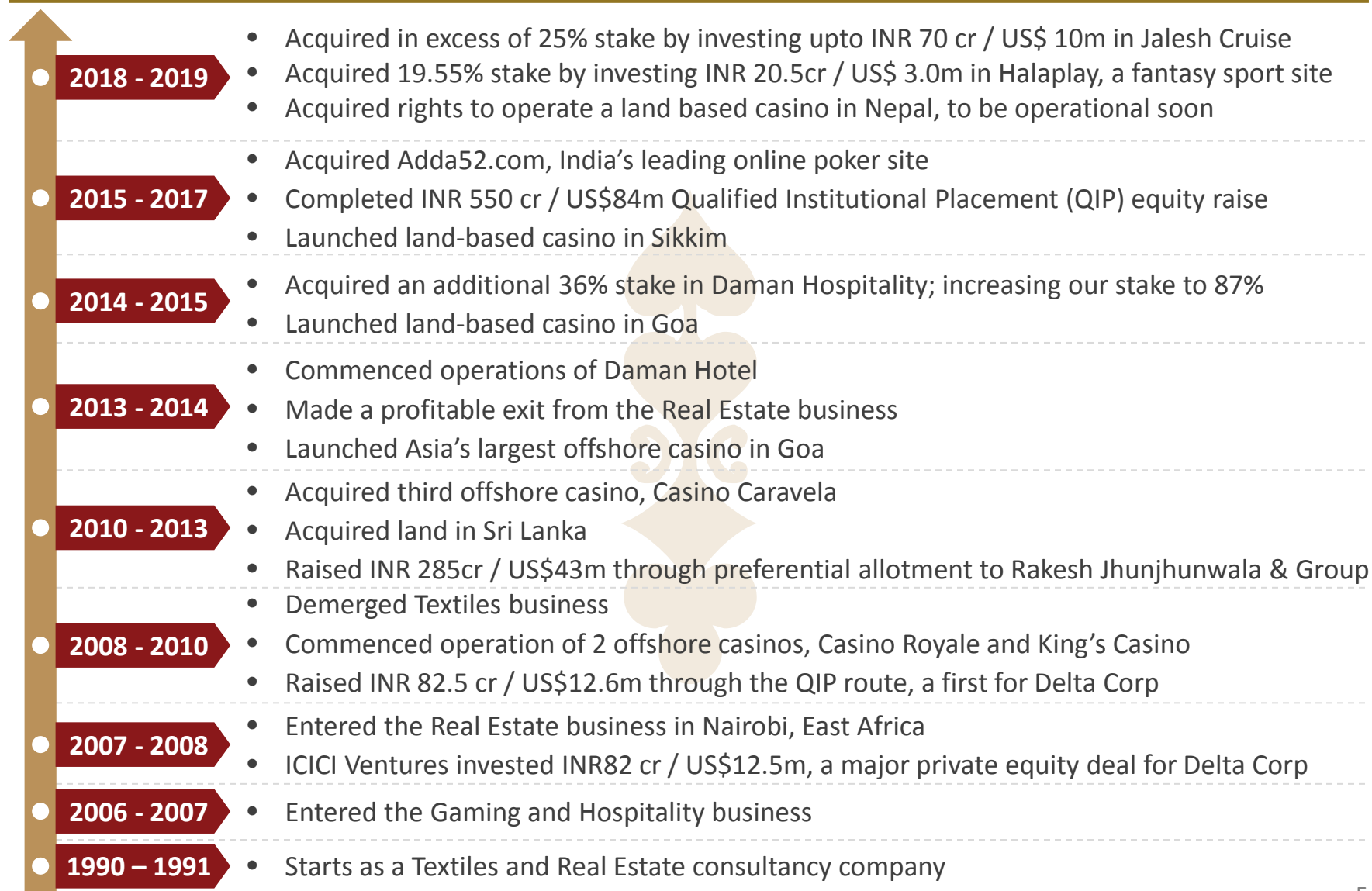


## Key investment highlights

- Exposure to the high growth potential Indian gaming / leisure market
- Largest and only listed operator in the organised gaming market in India
- First-mover advantage across the under-penetrated industry
- High quality management team with significant operating expertise
- Platform to act as the consolidator in the nascent online gaming market

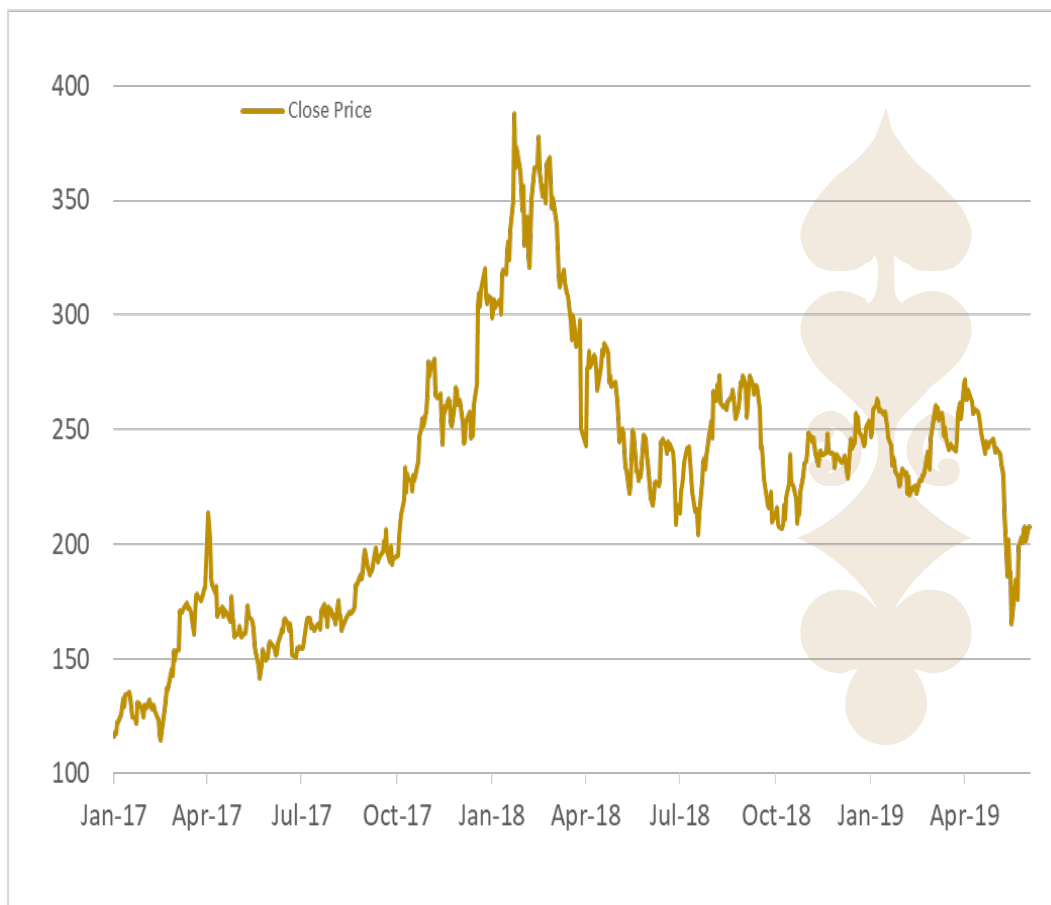


# Historic milestones in the company's development



# Strong recent share price performance

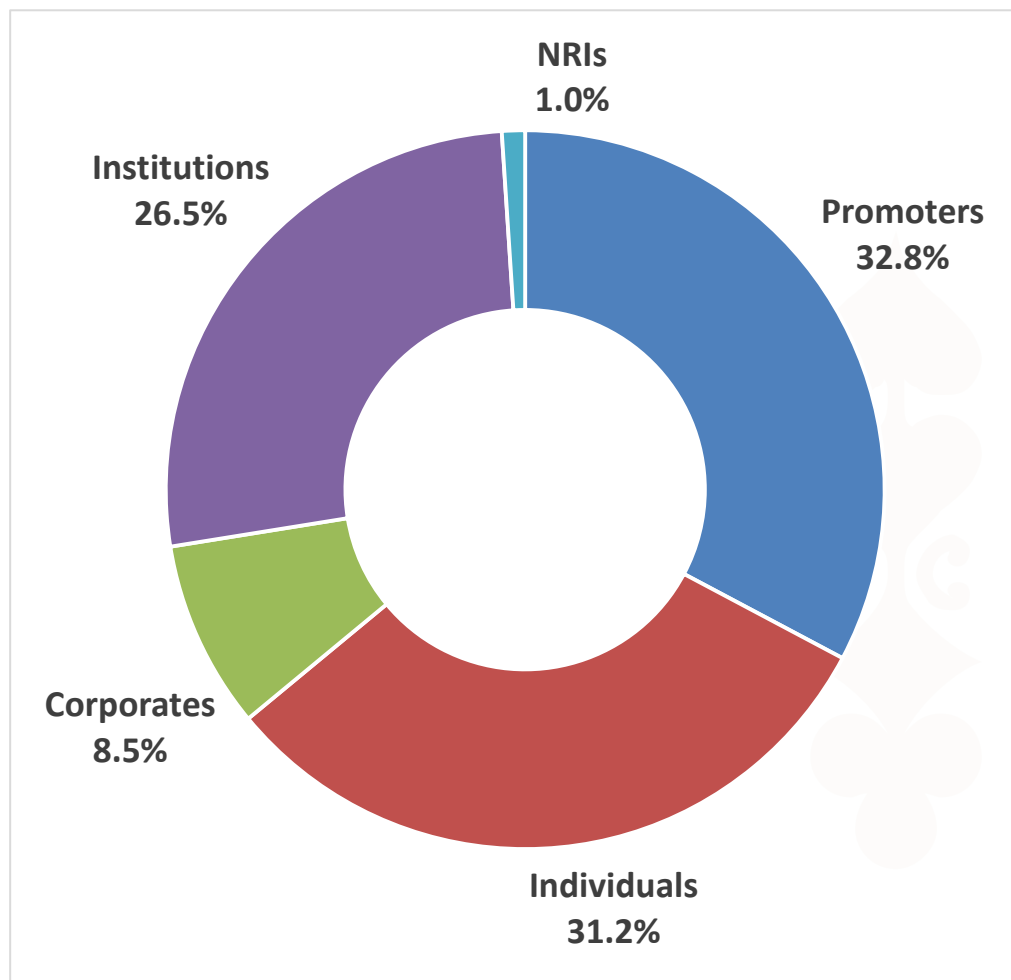
## 1-Jan-2017 to 4-Jun-2019 Share Price Performance



## Stock Information

Ticker	DELTA IN
Market Capitalization	US\$ 0.81 bn
Shares Outstanding	270.9m
Free Float	67.2%
Average Daily Trading Volume (1M)	US\$8.8m
(3M)	US\$5.8m
Current Share Price (4-Jun-2019)	INR 207.70
52-week high on (31-Aug-2018)	INR 282.00
52-week low on (17-May-2019)	INR 156.00
1-month performance	-14.1%
3-month performance	-16.7%
6-month performance	-12.1%
12-month performance	-5.5%

## A well diversified ownership structure



(As on 31<sup>st</sup> May 2019)

- Delta's promoters, Jaydev Mody and family, hold 32.8% of the company's shares through multiple investment vehicles
- Renowned Indian investor Rakesh Jhunjhunwala, "the pied piper of Indian bourses" - The Economic Times, holds 7.57% of the company through various entities and sits on the board
- Notable institutional holders include<sup>(1)</sup>:



A large Delta ship sailing on the water at sunset, with a warm orange and red color palette. The ship is a multi-deck vessel with a prominent bridge and various antennas. The text "Section 2: Investment Highlights" is overlaid in white.

# Section 2: Investment Highlights

# Key Investment Highlights



**Largest and only listed operator in the organised gaming market in India**

**Exposure to the high growth potential of the Indian gaming/ leisure market**

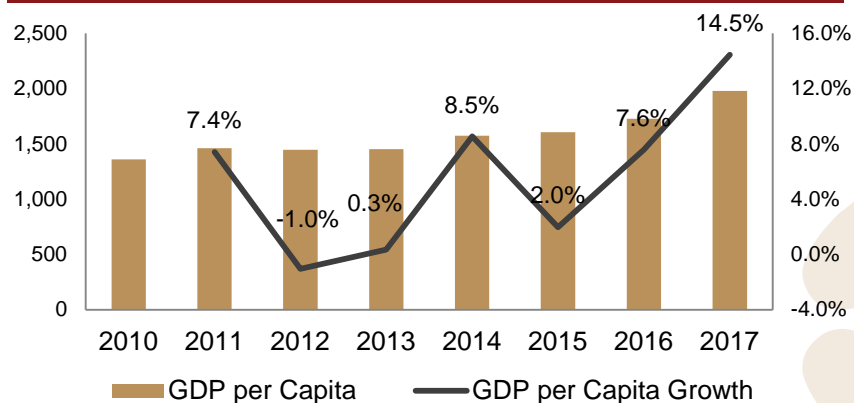
**First-mover advantage across the under-penetrated industry**

**Platform to act as the consolidator in the nascent online gaming market**

**High quality management team with significant operating expertise**

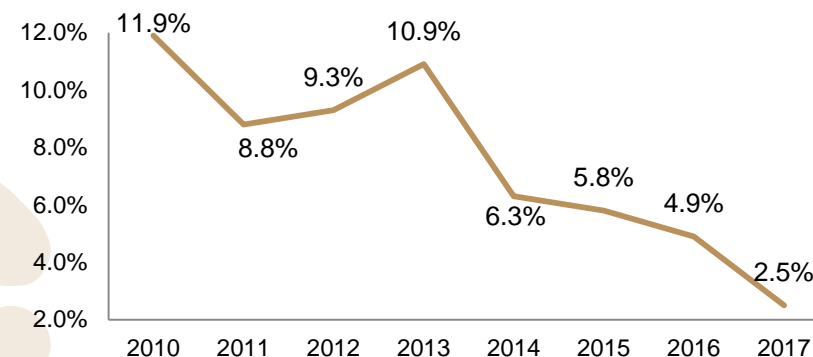
# Strong India macro backdrop ...

## Growing but volatile GDP



Source: World Bank

## Normalizing inflation rate



Source: World Bank

## Stabilizing currency



Source: Bloomberg

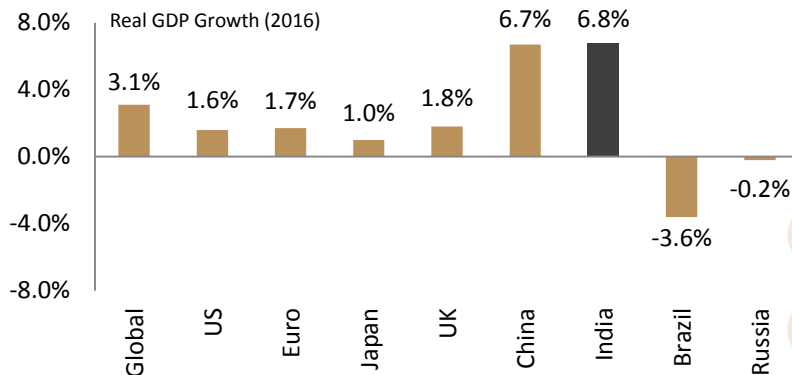
## Thriving equity market



Source: Bloomberg

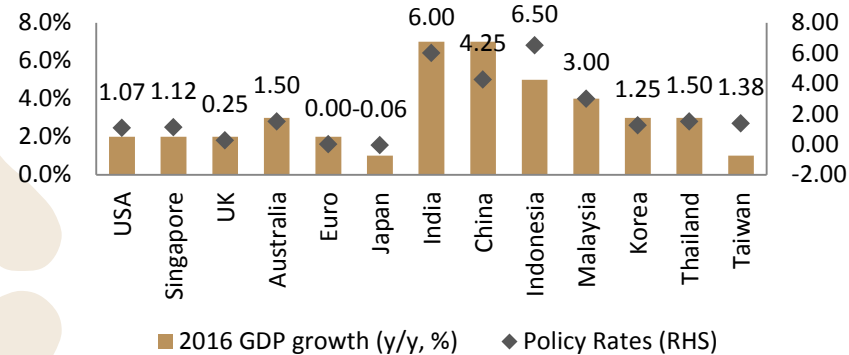
## ... with relative performance also stacking up well

### India is one of the fastest growing economies in the world



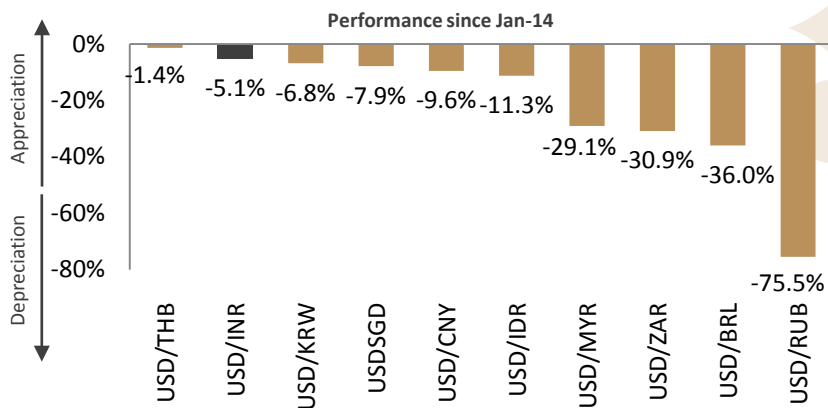
Source: IMF

### India is well placed on growth and interest rate dynamics



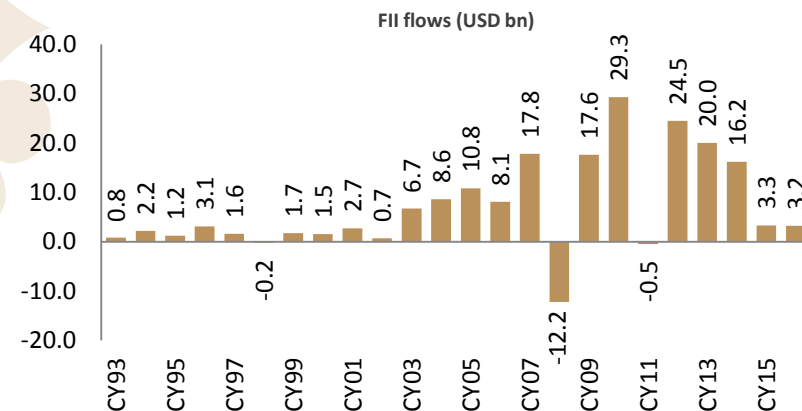
Source: IMF

### INR is one of the best performing EM currencies



Source: Bloomberg

### Just three years of net outflows since 1993



Source: Motilal Oswal

# India gaming market overview

- The gaming industry in India is estimated at US\$60 bn per year<sup>(1)</sup> and is expected to rise with the growth of online gaming
- Though there is strong appetite for gaming in India, restrictive laws have curbed the growth of the industry
  - 12 states offer lottery
  - 6 states allow horse racing
  - 2 states (Goa and Sikkim) and one union territory (Daman) allow casino gaming
- Other gaming avenues in India have been able to garner a huge market while the casino industry has lagged behind
  - Lottery: US\$12-14 bn estimated annual turnover<sup>(2)</sup>
  - Horse racing: US\$250-400m estimated annual turnover<sup>(2)</sup>
  - Casino: US\$200m estimated annual turnover<sup>(2)</sup>
- A commercial casino can take the form of a land-based facility/ on-shore casino, or a riverboat facility/ off-shore casino, or an online casino depending on the jurisdiction
  - Land-based casinos are housed within 5-Star hotels and offer electronic games and slot machines
  - Off-shore casinos are parked in vessels anchored in a river and can offer both live and electronic games
- A change in policy with regards to Casino has been announced and details are expected to be out soon. This envisages moving of off-shore casinos on to land within 4 years from date of announcement of detailed policy.



(1) KPMG

(2) ICRA Report

# India gaming regulatory overview

## Overview

- Under the Indian constitution, state legislatures have been entrusted with the power to frame specific laws
- Vast differences in the regulations of gaming in India with high entry barriers, strict regulations and a cap on the number of licenses
- Casinos are currently allowed in Goa, Sikkim and Daman (for Daman – license yet to be issued by government)
- Certain states have recognized “games of skill” and such games are not regulated by gaming laws

## Casino formats

- Casino can be land based / onshore, riverboat / offshore or online
  - Land-based casinos are permitted in Goa, Daman and Sikkim
  - Offshore casinos are permitted only in Goa
  - Online Casinos and sports betting are permitted in Sikkim
- Land based casinos are housed within hotels and offer electronic games and slot games
- Offshore casinos offer live games (e.g. games manned by dealers) in addition to electronic games

## Goa gaming regulations

- The Goa, Daman and Diu Public Gambling Act, 1976 allows on-shore casinos to be set up only at 5-star hotels or off-shore vessels with prior permission from the government
- The State Government of Goa has the authority under law to issue licenses and rules to regulate casinos
- Casino licenses are typically awarded for a term of 5 years with fees payable annually and there are currently six offshore casinos and 7 onshore casinos
- Gaming tax has been now subsumed under GST and the applicable rate is 28%

## Daman and Sikkim gaming regulations

- Daman: Currently no casinos in operation with one casino waiting for final approval
- Sikkim: Currently there are three land based casinos operating in Sikkim

## Foreign direct investment

- The Consolidated FDI Policy Circular 2016 prohibits FDI in gambling and betting including casinos. Furthermore, technology collaboration in any form including licensing, trademark, brand name, management contract is also prohibited for lottery, gambling and betting activities

# Delta Locations

*Well located to tap into the large population centers*

Delta currently has operations in three distinct Indian locations

Goa

- State in the Southwest of Indian on the Arabian Sea
- Visited by a large number of international and domestic tourists for its beaches, places of worship, and world heritage architecture

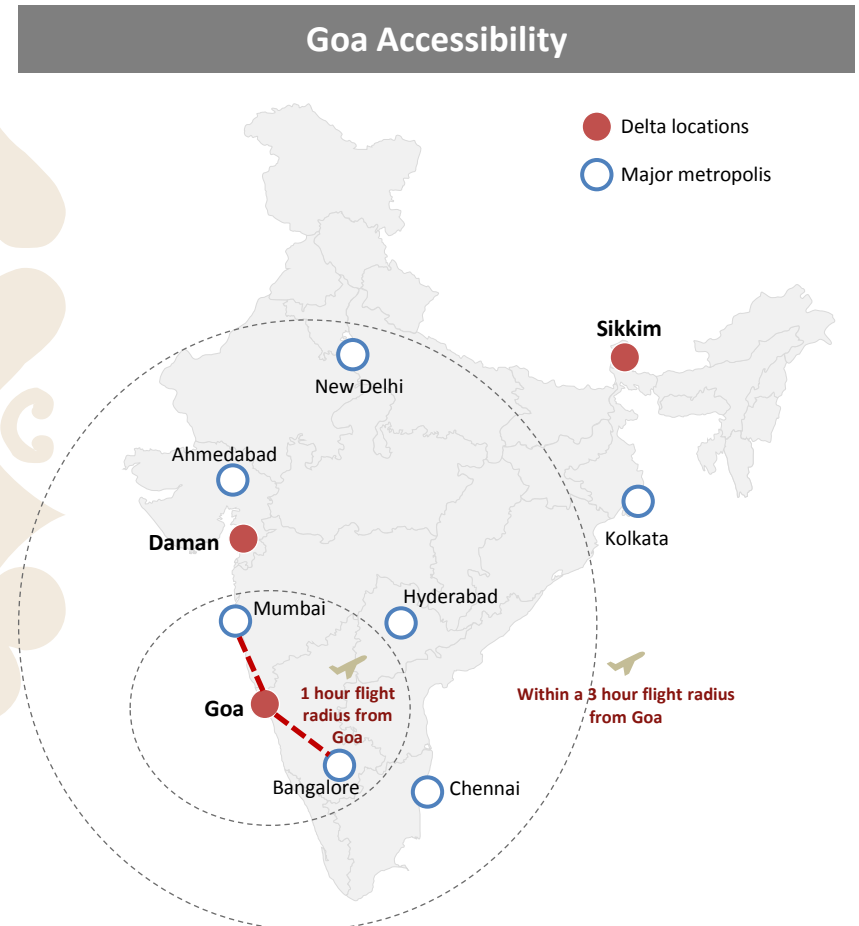
Sikkim

- Picturesque, mountainous state located in the North East of the country

Daman

**Daman Connectivity**

City	Population (m)	Distance from Daman (km)
Mumbai	21.5	180
Surat	4.5	120
Vadodara	1.8	250
Ahmedabad	7.0	350

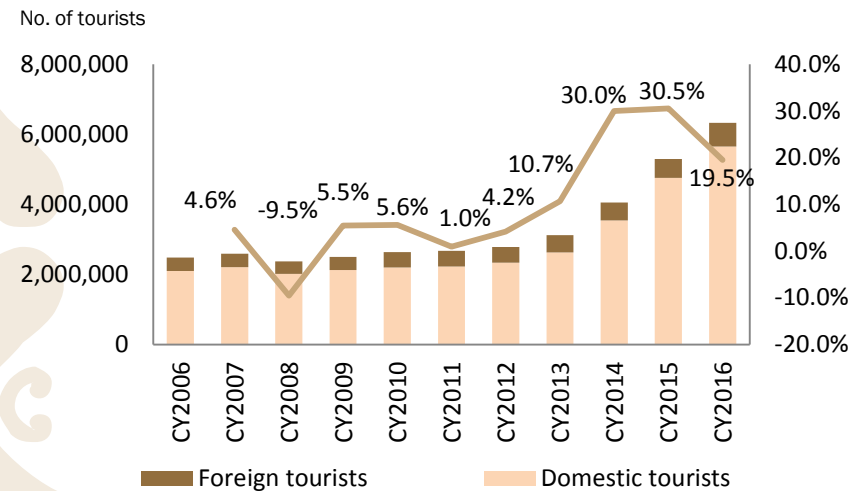


# Goa

## *The heart of gaming in India benefiting from increased tourism*

- Goa is widely touted as the gaming capital of India
- It is a popular tourist destination, famous for its beaches and long stretch of coastline (131 km)
- Goa is located close to major Indian cities
  - Mumbai, Bangalore, Chennai: one hour flight
  - Hyderabad: 1.5 hour flight
  - Delhi: 2.5 hour flight
- Three major demand drivers:
  - Leisure: beaches, heritage sites, temples, and wildlife sanctuaries
  - MICE/ weddings: vast availability of conferencing infrastructure
  - Business: 16 Special Economic zones (SEZs) in Goa
- Delta positioned to benefit from the increased growth of domestic tourists as it caters almost exclusively to the Indian market

### Trend in tourist visits to Goa



Source: Department of Tourism (Government of Goa)

- Tourist visits to Goa have taken off starting CY2013, driven by domestic tourists
- In CY2016, Goa hosted 6.33 million tourists (5.65 million domestic and 0.68 million foreign)
- This is a growth of 102.8% in four years
- The duration of stay for domestic tourists is nearly five days

# Goa gaming and competitive landscape

*Delta Corp holds 3 of the 6 offshore gaming licenses in Goa*

## Competitive landscape in Goa

	Casino Pride	Casino Pride 2	Deltin Caravela	Deltin JAQK	Deltin Royale	Maharajah Casino
<b>Ownership</b>	Pride Group	Pride Group	Delta Corp Group	Delta Corp Group	Delta Corp Group	MDLR Group
<b>Started operations in</b>	2008	2008	2000, then decommissioned in May 2013; re-commissioned in 2016	2008; rebranded in 2013	2013	Restarted operations in 2018; license had earlier lapsed in 2012
<b>Gaming Positions</b>	500	NA	150+	430+	950+	NA
<b>Gaming Area</b>	40,000 sq.ft. <sup>(1)</sup>	NA	3,000 sq.ft.	13,000 sq.ft.	40,000 sq.ft.	NA

(1) Total area for Casino Pride, gaming area not disclosed

\*Each of the casinos provides free F&B and in-house brand alcoholic drinks

## Goa land-based casinos

Casino	Hotel	Owner
• Casino Palms	• Pride Hotel La Calypso	• Pride Group
• Casino Paradise	• Hotel neo Majestic	• Pride Group
• Casino Strike	• Hyatt Bambolim	• N/A
• Chances Casino	• The Vainguinim Valley	• N/A
• Deltin Suites Casino	• Deltin Suites	• Delta Corp Group
• Duanes Casino	• The Zuri White Sands	• N/A
• Grand 7 Casino	• O Resort & Spa	• N/A

# Deltin Royale – The flagship destination

- Vessel, formerly known as M.V. Horseshoe Casino, was purchased from Caesar's Entertainment and refurbished in India
- Asia's largest offshore casino vessel
- Positioned as a premium casino to attract the most affluent segment of players in the market
  - Comparable to the premium mass type offerings seen throughout the rest of Asia
- 950+ live gaming positions across 118 live gaming tables, 60+ slot machines, and dedicated rooms for local games such as flush. It is also home to India's largest poker room
- Over 40,000 sq.ft. of gaming area across four levels
- 10,000 sq.ft. solely dedicated to dining and entertainment



# Additional vessels to cater to a broader customer base

**Deltin Jaqk (mass focused)**



- Mass focused asset catering to each segment of the market, particularly the value oriented
- Gaming area spread across 13,000 sq.ft.
- More than 400 live gaming positions across table games and slot machines
- Dedicated dining and entertainment floor

**Deltin Caravela (VIP focused)**



- High-end product focused exclusively on the nascent VIP market
- 150+ live gaming positions
- Luxury suites, as well as spa facilities
- Top-end food and beverage offerings

# Hotels – The Deltin brand to compliment the gaming operations

## Deltin Suites

- 106 all-suite hotel rooms and casino
- 2 bars and 2 restaurants
- Houses Casino with approximately 1,000 sq.ft. gaming area
- Located 5 minutes from Candolim beach and is known for its intimate and stylish ambience.
- Caldin Restaurant, a speciality Goan restaurant offers a wide range of authentic Goan dishes as well as a spectacular view of the hotel's pool



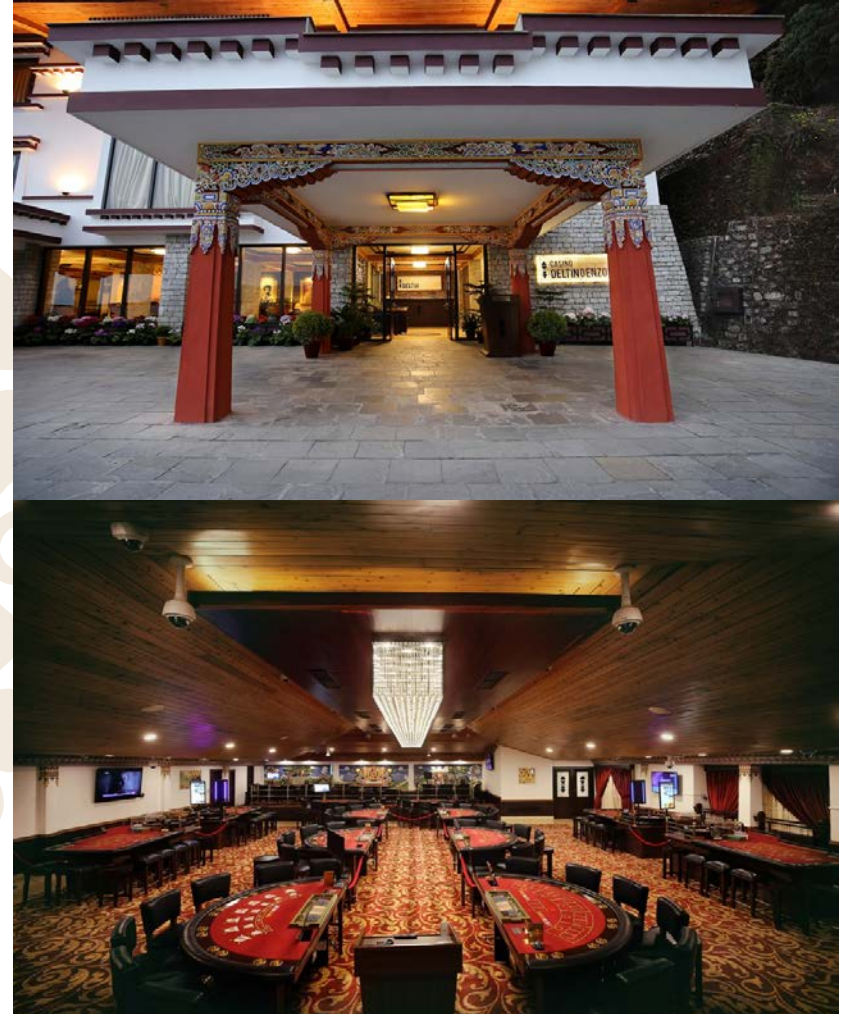
# Daman – The Deltin: The next frontier

- Daman is a Union Territory situated between Gujarat and Maharashtra
  - 2.5 hours drive from Mumbai; 1.5 - 4 hours drive from major cities of Gujarat
  - Drive-in destination for a large catchment of over 35 million people
  - Large visitation numbers from Gujarat due to its status as a dry state
- The Deltin is the first and the only 5-star hotel in Daman
  - 176 all-suite hotel rooms
  - 3 bars and 4 restaurants
  - 27,000 sq.ft. of MICE space
  - 8,000 sq.ft. of high-end retail
- First proposed land-based casino in Daman with approximately 60,000 sq.ft. of gaming space



## Sikkim – The only approved casino gaming outside Goa

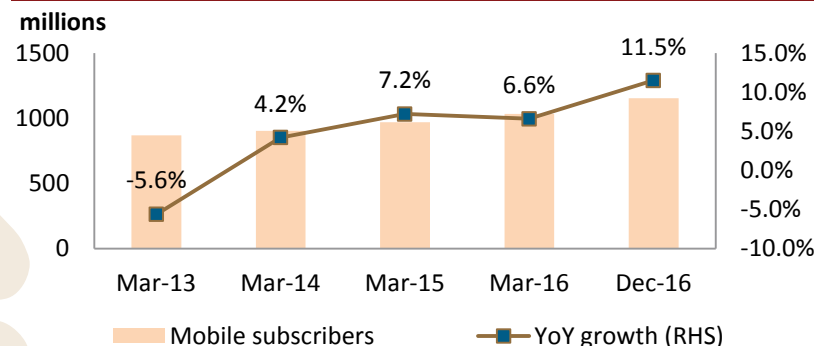
- Sikkim is a picturesque, mountainous state in Northeastern India bordering China, Nepal, and Bhutan
- It is the only Indian state, in addition to Goa, to permit casino gaming
- In 2016 Delta partnered with Hotel Welcome Heritage Denzong Regency for a casino in Sikkim
- Delta leases the casino space from the hotel and is responsible for its day-to-day operations and management
- The casino opened in January 2017 and comprises 200+ gaming positions



# Online Platform – Key growth driver

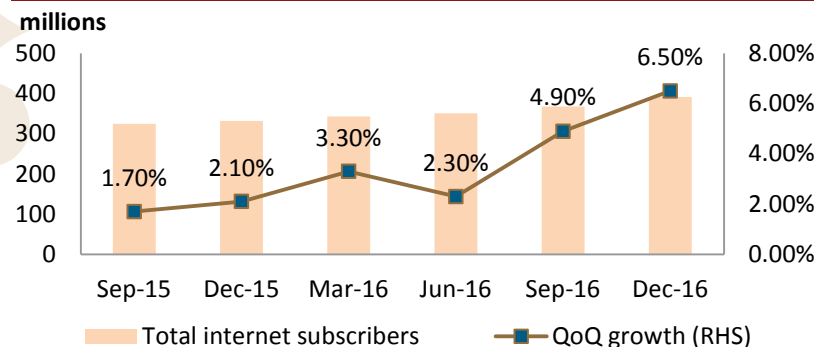
- Online gaming in India is at a nascent stage, with the size of the industry estimated at US\$200m<sup>(1)</sup>
- India's online gaming market growth is driven primarily by the growth of its middle class as well as increasing internet penetration, both of which remain relatively small as compared to the standards of developed nations, but are growing rapidly
- In India, there are three games, which are considered “games of skill”, and can be played legally even with money and profits involved
  - Poker, rummy and fantasy sports
  - Supreme Court and high court judgments to this effect
- In September 2016 Delta acquired through merger Gauss Network Private Limited, which owns the online portal “Adda52.com”
  - Revenue of INR 1,253m in FY 2018, INR 871m in FY 2017 and INR 537m in FY 2016
  - Over 95% of revenue from poker, remainder from rummy

## Trend in total Indian wireless subscribers



Source: Telecom Regulatory Authority of India

## Quarterly trend in Indian internet subscribers



Source: Telecom Regulatory Authority of India

(1) Source: ICRA report

# Strong and experienced management team



**Jaydev Mody**  
Chairman

- Mr. Mody is an entrepreneur with interests in multiple business sectors, including gaming and hospitality
- He has been creating, developing and managing businesses for 40 years
- He is accredited for building Crossroads, India's first global mall and has also played a leading role in the development of several large residential, commercial, and retail projects in Mumbai



**Ashish Kapadia**  
Managing Director

- Mr. Kapadia has been a member of Delta Corp's Board since 2008
- An entrepreneur, he has experience in various industries including paints, textiles, financial services, and civil aviation
- Mr. Kapadia holds a bachelor's degree in commerce



**Hardik Dhebar**  
Chief Financial Officer

- Mr. Dhebar has a post graduate diploma in finance from Welingkar Institute of Management, and has over 24 years of experience in finance and treasury operations
- Prior to Delta Corp, Mr. Dhebar has worked with the Piramal group of companies, including holding positions of responsibility in Nicholas Piramal Limited, Morarjee Textiles Limited, and Peninsula Land Ltd



**Anil Malani**  
President Operations

- Mr. Malani serves as President of Operations at Delta Corp
- With a bachelor's degree from Mumbai University, he has over 30 years of experience in a range of businesses including hospitality, entertainment, IT, electronics and office automation
- Mr. Malani has previously worked with Esquire group of companies, Aims International Ltd., Amazon Food & Beverages Pvt. Ltd., and Clover Solar Pvt. Ltd.

A large, modern white ship with yellow accents is sailing on the water. The ship has multiple decks and a prominent funnel. The background is a solid dark red color.

# Section 3: Financial Summary

# Capitalization Structure

Particulars**	As at March 31, 2019 (INR crores/ US\$ MN)
<b>Short term borrowings (A):</b>	INR 0.19 crores / US\$0.03 MN
<b>Long term borrowings (B):</b>	- Nil -
<b>Current maturities of long term borrowings (C):</b>	- Nil -
Total Long Term Debt (D = B + C)	INR 0.19 crores / US\$0.03 MN
<b>Total borrowings (E = A + B + C)</b>	INR 0.19 crores / US\$0.03 MN
<b>Shareholders' funds:</b>	
Share capital	INR 27.09 crores / US\$3.91 MN
Securities premium	INR 1,166.09 crores / US\$168.27 MN
Reserves and surplus	INR 749.09 crores / US\$108.09 MN
<b>Total Shareholders Funds (excluding loan funds) (F)</b>	INR 1,942.27 crores / US\$280.27 MN
<b>Total Capitalization (G = E + F)</b>	INR 1,942.46 crores / US\$280.30 MN

\*\*All numbers are at a consolidated level

#FX rate fixed at INR/ USD 69.30 for purposes of showing amounts in USD

# Financial Performance Summary

Particulars** (INR crores / US\$ MN)	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016
Total income (including other income)	INR 829.10 crores / US\$119.64 MN	INR 636.28 crores / US\$91.82 MN	INR 459.60 crores / US\$66.32 MN	INR 383.66 crores / US\$55.36 MN
EBITDA	INR 350.00 crores / US\$50.51 MN	INR 275.64 crores / US\$39.77 MN	INR 168.91 crores / US\$24.37 MN	INR 128.72 crores / US\$18.57 MN
EBITDA Margin	42.21%	43.32%	36.75%	33.55%
PAT	INR 196.76 crores / US\$28.39 MN	INR 155.55 crores / US\$22.45 MN	INR 73.75 crores / US\$10.64 MN	INR 42.58 crores / US\$6.14 MN
PAT Margin	23.73%	24.45%	16.05%	11.10%

\*\*On a consolidated basis

#FX rate fixed at INR/ USD 69.30 for purposes of showing amounts in USD

A large, modern cruise ship, the Delta Royale, is shown sailing on the water. The ship is white with yellow accents and has the name "DELTA ROYALE" visible on its side. The image is overlaid with a semi-transparent red filter. The word "Appendix" is written in large white letters across the center of the ship.

# Appendix

# Goa gaming regulations









## Gaming regulations in Goa

	Frequency	FY2015	FY2016	FY2017	FY2018	FY2019
<b>Application/ renewal fee</b>	Once in 5 years	Nil	Rs. 20 lakh/ US\$29,100	Rs. 20 lakh/ US\$29,100	Rs. 30 lakh/ US\$43,600	Rs. 1 Crore/ US\$1,45,500
<b>Security Deposit</b>	One time	Nil	Rs. 20 lakh/ US\$30,500 during application; Rs. 10 lakh/ US\$15,200 during renewal			
<b>Entertainment tax / GST</b>	Monthly	15% of Revenues			28% of Revenues	
<b>Entry tax</b>	-	Rs. 700/ US\$11	Rs. 700/ US\$11	Rs. 1,000/ US\$15	-	-

- Prior to GST, Entertainment tax plus Entry tax aggregated to 26.5-27.0%
- Both are now embedded under GST at an applicable rate of 28%

Source: Goa Annual Budgets

# India industry dynamics relative to the rest of Asia

								
Country	India	Vietnam	Cambodia	South Korea	Philippines	Malaysia	Singapore	Macau
Estimated 2018 gross gaming revenue <sup>(a)</sup>	US\$200m <sup>(b)</sup>	~ US\$300m	US\$1.5bn	US\$2.6bn	US\$2.8bn	US\$1.5bn	US\$4.1bn	US\$28.0bn
Locals gaming allowed	Yes, but restrictions to Goa residents being considered	Provisional pilot licenses for locals gaming under consideration	No	Only at one designated location	Yes	Only at one designated location	Yes (with an entry fee)	Yes
Gaming tax rate / GST	28%	35%	5-7%	20%	15-25%	25%	12-22%	39%

Developing

Developed

Source: DICJ, broker reports

(a) Cambodia, Malaysia, South Korea and Vietnam GGR figures are estimated based on broker reports

(b) Source: ICRA research

THANK  
YOU

 **DELTINROYALE**  
CASINO • PANJIM • GOA

 **DELTINJAQK**  
CASINO • PANJIM • GOA

 **DELTINCARAVELA**  
CASINO • FLOTEL • GOA

 **CASINO  
DELTINDENZONG**  
GANGTOK • SIKKIM

 **THE DELTIN**  
HOTEL • DAMAN

 **DELTINSUITES**  
CASINO • HOTEL • GOA

**adda52**.com  
India's largest Poker site