



pphe
HOTEL GROUP

BRINGING
UNIQUE
EXPERIENCES
TOGETHER

COMPANY PROFILE
MAY 2018


Park Plaza
Hotels & Resorts

art'otel


ARENA
HOTELS &
APARTMENTS


ARENA
CAMPSITES

BRIEF INTRODUCTION TO THE PRESENTERS



Daniel Kos
Chief Financial Officer & Executive Director

Skills and experience

- / Appointed Chief Financial Officer in January 2018
- / Previously Vice President Corporate Finance of the Group, which he joined in 2011
- / Held, prior to joining the Group, various senior leadership positions within auditing and finance, including at Mazars LLP
- / Certified Public Accountant (Register Accountant)
- / Bachelor in Business Economics from the Hogeschool van Amsterdam

Contact details: dkos@pphe.com



Robert Henke
Executive Vice President Corporate
Affairs & Customer Experience

Skills and experience

- / Appointed to current role in December 2017, responsible for Investor Relations, Communications, Brand Development, Customer Experience and Technology & Business Solutions
- / Previously Vice President Marketing & Branding of the Group, which he first joined in 2001
- / Developed and led the Group's central Marketing, Branding and ecommerce organisation
- / Primary liaison with strategic partner Radisson Hotel Group
- / Held, prior to joining PPHE Hotel Group, international marketing positions at Golden Tulip Worldwide and Hilton Hotels Corporation
- / Bachelor Degree in Hotel Management Business Administration from Hotelschool The Hague

Contact details: rhenke@pphe.com

TURNING OPPORTUNITIES INTO DESTINATIONS

1

Integrated and entrepreneurial approach

Hotel development, design, construction, ownership and operation

2

Global partnership

Powerful distribution network through Radisson Hotel Group

3

Growth capital

Capital available to fund future pipeline

4

Financial track record

Driving top line growth and delivering industry leading profit margins

5

Management team

Highly experienced and senior management team

WELCOME

From the moment our guests consider a stay with PPHE Hotel Group to their safe return home, we want them to experience the very best and know that we are with them every step of the way. Let us take you on that journey.

01

BEFORE ARRIVAL

- 02 Introduction
- 03 Our main markets
- 04 Brands
- 05 Our business model
- 06 Our business priorities
- 07 Track record

08

DURING YOUR STAY WITH US

- 09 Financial highlights
- 10 2017 Highlights
- 11 Group revenue
- 12 Group statistics
- 13 Analysis of capital employed
- 14 Key factors of the group's financial position
- 15 Growth drivers

16

CUSTOMER EXPERIENCE

- 17 Investment case study: Park Plaza London Waterloo
- 18 Investment case study: Arena hospitality group

19

APPENDIX

- 20 Board of directors
- 21 Vision and investment case
- 22 Radisson Hotel Group
- 23 Key performance indicators
- 24 Normalised profit before tax
- 25 Key performance indicators
- 27 Consolidated statement of financial position
- 29 Consolidated Income Statement
- 30 Largest shareholders
- 31 Our hotels – current portfolio
- 35 United Kingdom reported
- 36 The Netherlands reported
- 37 Germany and Hungary reported
- 38 Croatia reported
- 39 Management and central services
- 40 Q1 2018 – Trading update
- 41 Portfolio investments and Outlook
- 42 Correspondence
- 43 Important notice

BEFORE ARRIVAL

- 02 Introduction
- 03 Our main markets
- 04 Brands
- 05 Our business model
- 06 Our business priorities
- 07 Track record

01

INTRODUCTION

who we are

We are an international hospitality company, with a strong asset base and access to dynamic brands.

5

Countries

39

Hotels in operation

4

Hotel brands

9,000

Rooms in operation

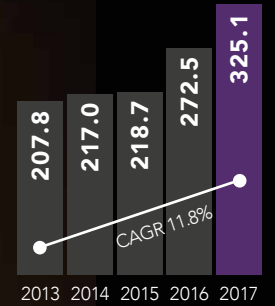
500+

Rooms under development

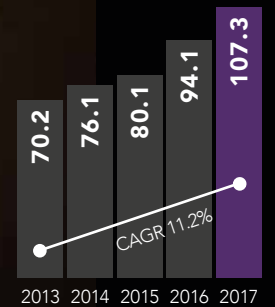
3,400+

Employees

Total revenue (£m)



EBITDA (£)



OUR MAIN MARKETS

LONDON

3,188

rooms in operation

AMSTERDAM

850

rooms in operation

BERLIN

561

rooms in operation

CROATIA

2,778

rooms in operation

3 hotels under management
or franchise agreements

3 hotels under
operating lease

33 hotels with an
ownership interest

Total
39

★ CORE MARKETS



BRANDS



Park Plaza
Hotels & Resorts
parkplaza.com

24
hotels in Europe, the
Middle East and Africa

6,637
rooms in operation

An upscale and upper upscale, contemporary hotel brand featuring individually designed hotels in vibrant city centre locations and select resort destinations.

Park Plaza is renowned for creating memorable moments through its inspiring service, stylish guest rooms and versatile meeting facilities which are perfectly complemented by award-winning restaurants.

Our portfolio of vibrant city-centre hotels and tranquil beachside resorts in Croatia already presents a wide choice of locations and accommodation yet we are committed, with our partner Radisson Hotel Group, to bringing Park Plaza Hotels & Resorts to even more locations.



art'otel
artotels.com

6
hotels

925
rooms in operation

art'otel is a lifestyle collection of hotels that fuse exceptional architectural style with art-inspired interiors, located in cosmopolitan centres across Europe.

At the brand's core is the art itself. Each hotel displays a collection of original works designed or acquired specifically for it, rendering each location a unique art gallery in its own right. art'otel has created a niche for itself in the hotel world, differentiating it from traditional hotels.

Art and culture is ingrained in every aspect of the art'otel brand, with knowledgeable and passionate employees sharing their enthusiasm while simultaneously delivering world-class service.



In Croatia, our subsidiary Arena Hospitality Group also operates:



ARENA HOTELS & APARTMENTS
arenahotels.com

9
hotels and self catering
apartment complexes

1,417
rooms in operation

Arena Hotels & Apartments is a collection of hotels and self-catering apartment complexes offering relaxed and comfortable accommodation within beachfront locations across the historical settings of Pula and Medulin in Istria, Croatia. Each hotel and self-catering apartment complex provides outstanding value and caters for families, couples and friends.

Operating under the Arena Hospitality Group umbrella, of which PPHE Hotel Group is a controlling shareholder, each hotel and self-catering apartment complex provides an authentic base to enjoy all that Istria has to offer, with a selection of restaurants, shops and leisure activities nearby.




ARENA CAMPSITES
arenacampsites.com

8
campsites

5,983
pitches and mobile homes

Arena Campsites are located in eight beachfront sites across the southern coast of Istria, Croatia.

Situated within close proximity of the historic towns of Pula and Medulin, each laidback campsite provides guests with the opportunity to experience Istria's areas of natural beauty and outdoor activities from April–October.

Each campsite provides a different offering, with 2018 expected to see the opening of a luxury 'glamping' campsite.



OUR BUSINESS MODEL

Our business model

At PPHE Hotel Group we create shareholder value through a variety of business models. We own or co-own the majority of the properties in our portfolio, but also lease, manage and franchise properties.

All properties in our portfolio benefit from being part of a dynamic, full-service international hospitality company led by a highly experienced senior management team.

Our shareholders benefit from our flexible business model, developments and operating skills in the form of progressive dividend payments.

- 1 Investing in and converting real estate
- 2 (Re)developing
- 3 Flexible operating platforms
- 4 Brands



Full ownership



Joint ventures



Management contracts

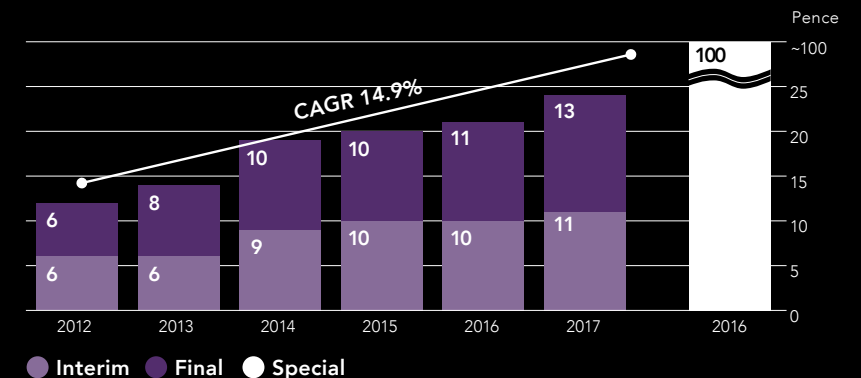


Operating leases



Franchise agreements

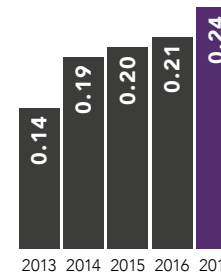
Dividend history pence



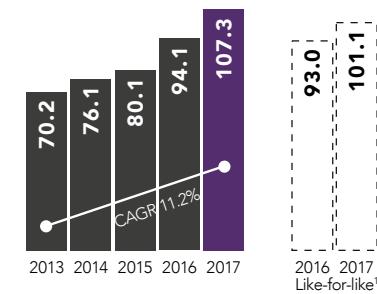
OUR BUSINESS PRIORITIES

- ★ To deliver annual return on shareholder capital
- ★ To improve our guest experience through consistent service delivery and product enhancements
- ★ To leverage our partnership with the Radisson Hotel Group to further grow revenues
- ★ To maintain a high EBITDA margin
- ★ To drive growth by expanding our hotel portfolio through a variety of business models
- ★ To improve our overall performance through innovative revenue generation and marketing initiatives

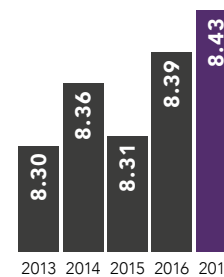
Dividends per share (£)



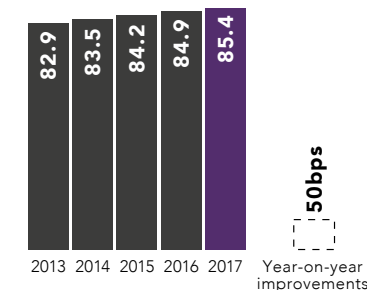
EBITDA



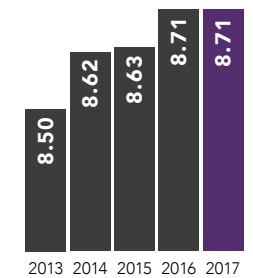
Guest satisfaction/ (scale 1-10)



Employee satisfaction/ engagement (scale 1-100%)



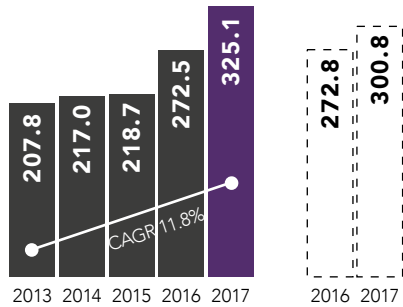
Service performance (scale 1-10)



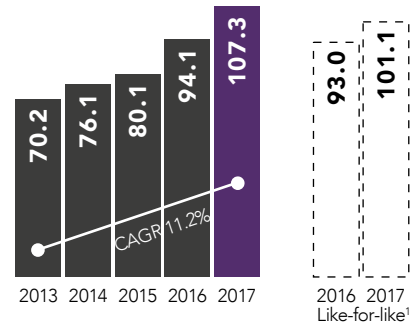
TRACK RECORD

Financial KPIs

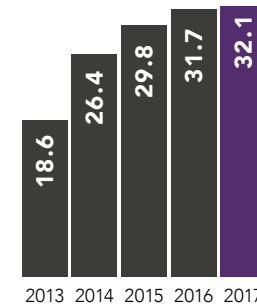
Total revenue (£)



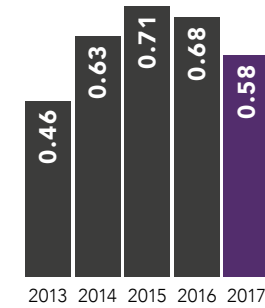
EBITDA



Normalised profit before tax (£m)



Normalised earnings per share (£)



DURING YOUR STAY WITH US

- 09 Financial highlights
- 10 2017 Highlights
- 11 Group revenue
- 12 Group statistics
- 13 Analysis of capital employed
- 14 Key factors of the group's financial position
- 15 Growth drivers

02

FINANCIAL HIGHLIGHTS

	FY 2017	FY 2016	Change
Total revenue	£325.1m	£272.5m	+19.3%
Like-for-like revenue	£300.8m	£272.8m	+10.3%
EBITDA	£107.3m	£94.1m	+14.0%
Like-for-like EBITDA	£101.1m	£93.0m	+8.7%
EBITDA margin	33.0%	34.5%	-150bps
Normalised PBT	£32.1m	£31.7m	+1.1%
Reported PBT	£31.7m	£38.2m	-17.1%
Normalised EPS	58p	68p	-14.2%
Reported EPS	57p	83p	-31.0%
Ordinary dividend	24p	21p	+14.3%
Special dividend	–	£1.00	N/A

REVENUE:

- Improved performance most regions
- Opening Park Plaza London Waterloo and Park Plaza London Park Royal
- Full year contribution Park Plaza Nuremberg
- Opening extra rooms at Park Plaza London Riverbank
- Closure of 50% of the inventory of Park Plaza Victoria Amsterdam for refurbishment

EBITDA:

- Acquisition freeholds Germany that were previously leased
- Increased property taxes in London
- First time consolidation of Q1 of the Croatia operations that are loss making due to seasonality

NORMALISED PROFIT BEFORE TAX:

- Depreciation and interest expenses on new hotel openings that didn't reach full maturity yet affected the profit before tax

NORMALISED EARNINGS PER SHARE:

- Tax charge on profits gradually increasing
- Profits attributable to minority shareholders increased due to the dilution of the Group's share in Arena Hospitality Group after the public share offering

2017 HIGHLIGHTS

Successful public offering of new shares in Croatian Subsidiary, which raised approximately €106 million of new capital for portfolio investment and growth

Capital restructuring – sale and leaseback of Park Plaza London Waterloo – raising approximately £80 million in excess cash for future development and growth

Benefited from the additional room inventory at Park Plaza London Riverbank

Full opening of Park Plaza London Waterloo and Park Plaza London Park Royal, adding 706 rooms to hotel portfolio

Full year of trading at Park Plaza Nuremberg

Refinanced Arena's loans of €64 million against more favourable terms

Continued investment in renovation projects across current portfolio to enhance product offer and guest experience

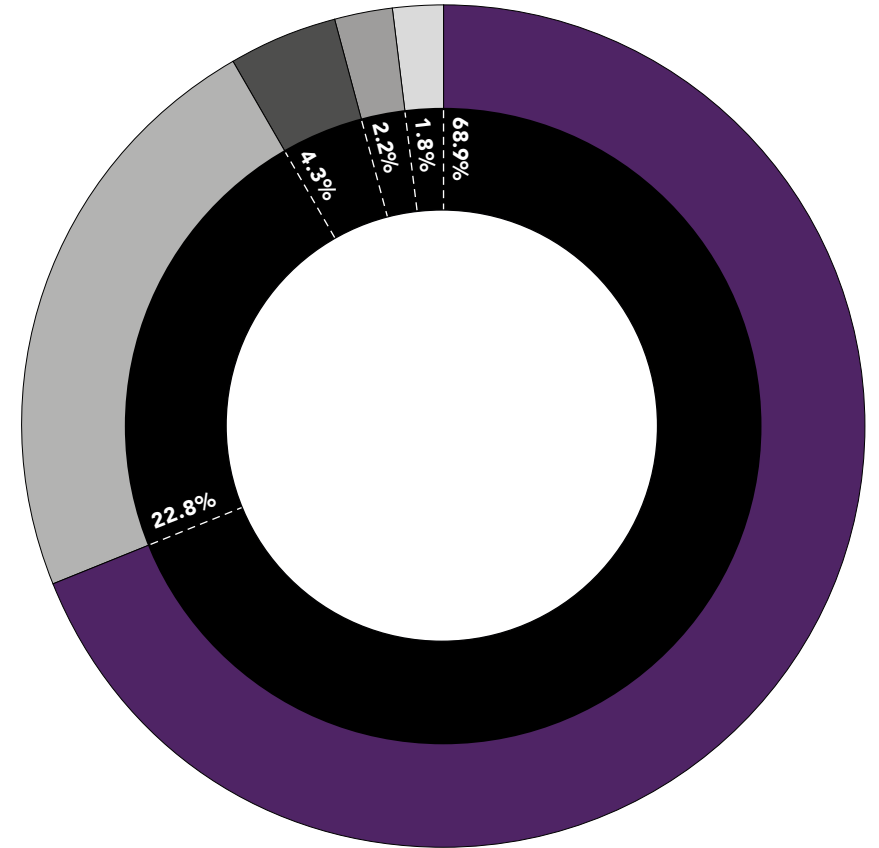
Completed acquisition of the freehold interests in art'otel cologne and art'otel berlin kudamm

2018: Acquired 50% interest from joint structure partner in the development site of art'otel london hoxton

GROUP REVENUE

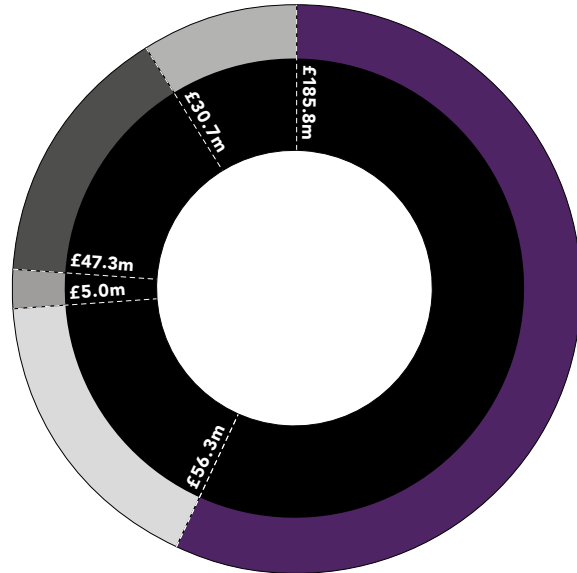
■ Room revenue	£224.0m	68.9%
■ Food & Beverage revenue	£74.2m	22.8%
■ Campsites and mobile homes	£14.0m	4.3%
■ Minor operating	£7.2m	2.2%
■ Fees non consolidated items	£5.7m	1.8%

£325.1m



REVENUE BY SEGMENT

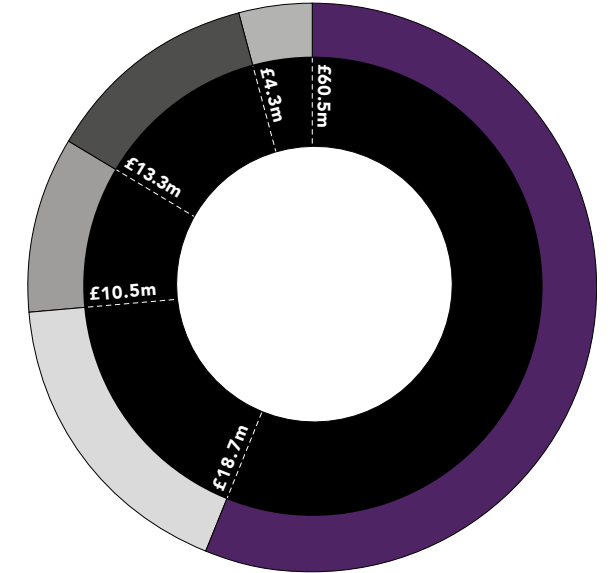
United Kingdom	£185.8m	57%
Croatia	£56.3m	17%
Management and Central Services	£5.0m	2%
The Netherlands	£47.3m	15%
Germany & Hungary	£30.7m	9%



£325.1m

EBITDA BY SEGMENT

United Kingdom	£60.5m	56%
Croatia	£18.7m	17%
Management and Central Services	£10.5m	10%
The Netherlands	£13.3m	13%
Germany & Hungary	£4.3m	4%



£107.3m

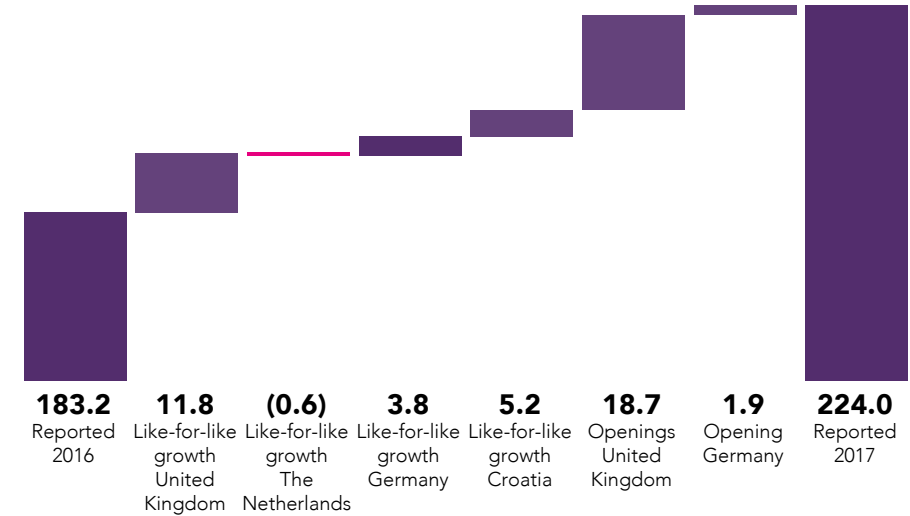
GROUP STATISTICS

	Reported			Like-for-like		
	2017	2016	% change	2017	2016	% change
Room revenue	£224.0m	£183.2m	+22.3%	£203.3m	£183.2m	+11.0%
REVPAR	£92.9	£84.4	+10.0%	£92.4	£82.9	+11.5%
Occupancy	77.3%	76.0%	+130Bps	77.2%	74.6%	+260Bps
ARR	£120.2	£111.1	+8.2%	£119.7	£111.0	+7.8%

KEY DRIVERS

- Strong trading particularly in Germany and Croatia, that showed double digit RevPAR growth
- Opening of Park Plaza London Waterloo and Park Plaza London Park Royal
- Full year contribution of Park Plaza Nuremberg
- Extra rooms at Park Plaza London Riverbank due to rooftop extension, less rooms Park Plaza Victoria Amsterdam due to refurbishment

Year-on-year Room revenue growth



ANALYSIS OF CAPITAL EMPLOYED

	PPHE Hotel Group			Arena Hospitality Group		Total
	Trading properties £m	Excess cash	Non trading projects	Trading properties £m	Excess cash	PPHE Hotel Group Reported £m
Total capital consolidated	92.4	130.0	15.0	125.8	77.7	440.9
Minority shareholders	–	–	–	(60.3)	(37.3)	(97.6)
Total capital employed PPHE Hotel Group shareholders	92.4	130.0	15.0	65.5	40.4	343.3
Normalised profit						
Revenue	240.9	–	–	84.2	–	325.1
EBITDA	82.3	–	–	25.0	–	107.3
EBITDA excluding income attributable to private investors in Park Plaza Westminster bridge London	72.0	–	–	25.0	–	97.0
Normalised profit before tax 31 December 2017¹	17.7	–	0.1	14.3	–	32.1
Reported tax	1.3	–	–	(3.0)	–	(1.7)
Normalised profit after reported tax	19.0	–	0.1	11.3	–	30.4
Profit attributable to minority shareholders	–	–	–	(5.7)	–	(5.7)
Profit after tax attributable to PPHE Hotel Group shareholders	19.0	–	0.1	5.6	–	24.7

¹ A reconciliation of reported profit to normalised profit is provided on page 45 of the Annual Report

KEY FACTORS OF THE GROUP'S FINANCIAL POSITION

Below is a synopsis of the key factors of the groups' financial position

	2017	2016
Interest bearing debt (in £million)	705	766
Average cost of debt	3.1%	3.5%
Average maturity (in years)	8.6	7.7
Cash and liquid investment (in £million)	291	170

Simplified cash flow	2017	2016
EBITDA	107.3	94.1
Interest paid	(43.3)	(38.6)
Regular capex (annualised at 4% of revenues)	(13.0)	(10.9)
Cash flow available after interest and capex	51.0	44.6
Regular instalments on debt	(14.7)	(13.3)
Free cash flow	36.3	31.3

KEY CHARACTERISTICS DEBT

- Limited to no recourse to the Group
- Asset backed
- Borrowing policy 50-65% loan to value
- Portfolio and single asset loans
- Nine facilities with seven different lenders
- Covenants on performance and value (facility level)

KEY MOVEMENTS FINANCIAL POSITION

- Public Share offering Croatia raised HRK 788 million (£91 million)
- Sale and lease back Park Plaza London Waterloo raised £80 million excess cash and repaid £80 million bank debt
- Acquisition freehold properties in Germany funded with £32 million bank debt
- Refinance of EUR 64 million (£56 million) of debt in Croatia @ 2.5% for 10 years

GROWTH DRIVERS

PIPELINE – OPENINGS

Project	Location	Operating structure	No of rooms	Status
art'otel london hoxton	London, United Kingdom	Joint venture management contract ¹	318	Expected to open 2022
art'otel london battersea power station	London, United Kingdom	Management contract	160	Expected to open 2022

PIPELINE – KEY RENOVATION PROJECTS

Project	Location	Operating structure	No of rooms	Status
Park Plaza London Riverbank Reconfiguration	London, United Kingdom	Owned and management contract	646	Expected 2018
Park Plaza Sherlock Holmes London	London, United Kingdom	Owned and management contract	119	Expected 2018
Park Plaza Victoria London	London, United Kingdom	Owned and management contract	299	Expected 2019
Park Plaza Victoria Amsterdam	Amsterdam, The Netherlands	Owned and management contract	299	Expected 2018
Park Plaza Vondelpark, Amsterdam	Amsterdam, The Netherlands	Owned and management contract	102	Expected 2019
Park Plaza Utrecht	Utrecht, The Netherlands	Owned and management contract	120	Expected 2018
art'otel cologne	Cologne, Germany	Owned and managed by Arena	218	Expected 2018
art'otel berlin kudamm	Berlin, Germany	Owned and managed by Arena	152	Expected 2018

¹ On 24 January 2018, the Group announced that it had exchanged contracts to acquire from its joint venture partner its fifty percent interest in Aspirations Limited (the company that owns the site for the development), resulting in the Group holding a one hundred percent interest. This acquisition is expected to complete by the end of March 2018.



CUSTOMER EXPERIENCE

- 17 Investment case study: Park Plaza London Waterloo
- 18 Investment case study: Arena hospitality group



INVESTMENT CASE STUDY: PARK PLAZA LONDON WATERLOO

ACQUISITION

Acquisition date office building	June 2013
Date planning permission	March 2014
Construction completion date	June 2017
Total cost of investment (incl. Site acquisition)	£125.0m
External valuation June 2017 (vacant possessed)	£250.0m

SALE AND LEASEBACK

Sale and leaseback date	July 2017
Price	£161.5m
Lease per annum	£5.6m
Yield	3.5%
Rent cover (stabilised operations)	± 2.0
Duration	199 years

INVESTMENT CASE STUDY: ARENA HOSPITALITY GROUP

PPHE HOTEL GROUP'S INVESTMENT IN ARENA HOSPITALITY GROUP

– Investment in acquisitions and corporate restructuring	£27.7m
– Contribution of German and Hungarian operations	£44.0m
– Subscription for new shares in public offering	£7.1m
Total investment	£78.8m

(Resulting in a 51.97% shareholding)

VALUATION AS AT 31 DECEMBER 2017

Arena Hospitality Group valuation	£272.5m
PPHE Hotel Group's 51.97 shareholding	£141.6m

(Demonstrating significant value creation)

APPENDIX

20	Board of directors
21	Vision and investment case
22	Radisson Hotel Group
23	Key performance indicators
24	Normalised profit before tax
25	Key performance indicators
27	Consolidated statement of financial position
29	Consolidated Income Statement
30	Largest shareholders
31	Our hotels – current portfolio
35	United Kingdom reported
36	The Netherlands reported
37	Germany and Hungary reported
38	Croatia reported
39	Management and central services
40	QI 2018 – Trading update
41	Portfolio investments and Outlook
42	Correspondence
43	Important notice

041

BOARD OF DIRECTORS



Eli Papouchado
Non-Executive Chairman



Boris Ivesha
President &
Chief Executive Officer



Daniel Kos
Chief Financial Officer
(from 1 January 2018)
& Executive Director
(from 27 February 2018)



Kevin McAuliffe
Non-Executive Director &
Senior Independent Director



Chen Moravsky
Non-Executive Director



Dawn Morgan
Non-Executive Director



Nigel Jones
Non-Executive Director

VISION AND INVESTMENT CASE

PPHE Hotel Group's vision is to realise our growth potential and our primary objective is to create and realise shareholder value by becoming one of the leading hospitality companies in the upscale, upper upscale and lifestyle hotel segments in major gateway cities, regional centres and select resort destinations, primarily in Europe

We are committed to sustained growth by investing in our owned estate and by developing strategic relationships with carefully chosen partners.

Growth

We intend to use our international portfolio and network to grow the number of hotels, restaurants, bars, spas and brands in our estate, increase our profitability through revenue growth and cost management while utilising the Radisson Hotel Group partnership to complement our business strategies.

Shareholder value

We aim to create shareholder value by applying a variety of business models. We have an ownership interest in the majority of the hotels in our portfolio, but also lease, manage and franchise hotels. Whatever the arrangement, all hotels in our portfolio benefit from being part of a dynamic, full-service international hospitality group led by a highly experienced Executive Leadership Team.

Our shareholders benefit from our business model, developments and operating skills through progressive dividend payments.

Measuring our success

Our success is measured by key financial and operational performance indicators. We have an excellent track record in hotel construction, development, design, branding and operations. We understand how to build and run profitable hotels, and our business partners benefit from this experience. Our flexible, entrepreneurial philosophy encourages confidence in our product and service-led culture.

RADISSON HOTEL GROUP



PPHE Hotel Group has a territorial licence agreement with Radisson Hotel Group giving it exclusive right to use the Park Plaza brand in **56 countries** in the EMEA region and access to:

HOTELS

1,440

In 115 countries and territories
(in operation and under development)

CORPORATE OFFICES

Brussels

and Minneapolis, Singapore, China



Central reservation and distribution system



Powerful online and mobile platforms



Radisson Rewards programme for guests, planners, travel agents and businesses



Global footprints cross selling and marketing



Global sales network

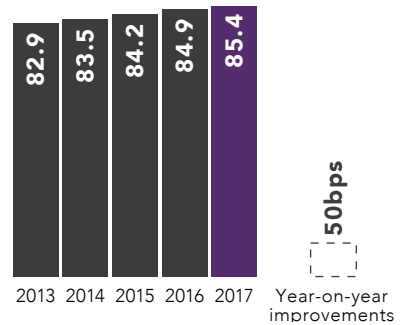


Joint PR & Marketing initiatives and source market support ensuring a wider targeted audience reach

KEY PERFORMANCE INDICATORS

Operating KPIs

Employee satisfaction/ engagement (scale 1-100%)



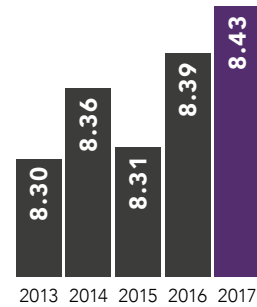
KPI definition

Measured through annual survey. Team members are encouraged to share feedback about the Company, their jobs, their teams and their manager.

Comment

We have increased our overall score by 50 basis point (bps) year-on-year.

Guest satisfaction/ (scale 1-10)



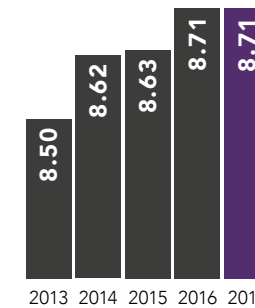
KPI definition

Guest satisfaction is paramount to our long-term success. Guests are approached with electronic surveys and are encouraged to rate various elements of their stay.

Comment

We delivered a record level of guest satisfaction, with further improvements expected post renovations.

Service performance (scale 1-10)



KPI definition

A consistent delivery of exemplary service is a core objective. Service performance is measured through electronic surveys, with guests encouraged to rate various service elements.

Comment

We maintained our strong service performance score, testimony to our strong focus on learning and development.

NORMALISED PROFIT BEFORE TAX

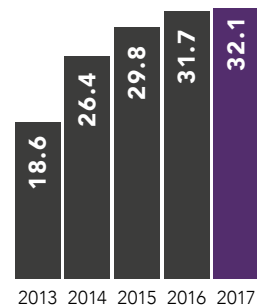
	Reconciliation reported to normalised profit	
	FY 2017 £m	FY 2016 £m
Reported profit before tax	31.7	38.2
Fair value movements on derivatives recognised in the profit and loss	(0.1)	(0.2)
Negative goodwill and capital gains after the acquisition of the remaining interests in Arena Hospitality Group	–	(26.2)
Refinance costs and expenses (including termination of hedge)	0.5	23.4
Park Plaza Westminster Bridge London fair value adjustment on income swaps and buy back of Income Units	1.1	0.6
Forfeited deposits from rescinded sale contracts of Income Units at Park Plaza Westminster Bridge London to private investors	–	(6.5)
Restructuring expenses and pre-opening expenses	0.2	2.4
Gain on sale building of Park Plaza Vondelpark, Amsterdam	(1.3)	–
Normalised profit before tax*	32.1	31.7

* The normalised earnings per share amount to £0.58, calculated with 42,249,000 average outstanding shares.

KEY PERFORMANCE INDICATORS

Financial KPIs

Normalised profit before tax (£m)



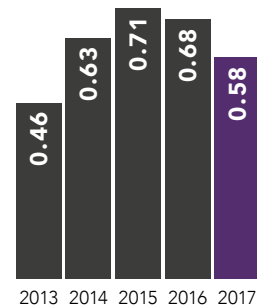
KPI definition

Profit before tax adjusted to remove unusual or one-time influences.

Comment

Normalised profit increased marginally, primarily as the improved performance was offset against a loss-making first year of the new openings, which is common for hotels that have not reached full maturity yet.

Normalised earnings per share (£)



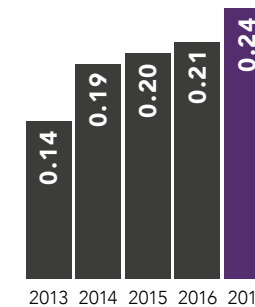
KPI definition

Earnings for the year, adjusted to remove any unusual or one-time influences, divided by the weighted average number of ordinary shares outstanding during the year.

Comment

Normalised earnings per share decreased by 14.4%, as a result of an increase in the number of minority shareholders of Arena after the public offering. This public offering raised approximately £93 million of growth capital.

Dividends per share (£)



KPI definition

The total dividends paid out over an entire year divided by the number of outstanding ordinary shares issued.

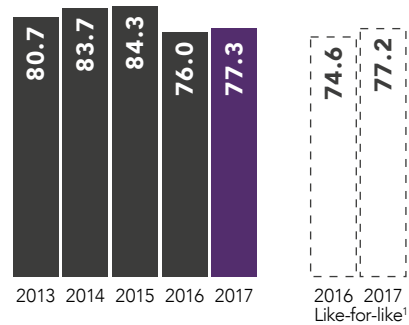
Comment

Ordinary dividend increased 14% year-on-year, with a final dividend of 13 pence per share proposed.

KEY PERFORMANCE INDICATORS

Operating KPIs

Occupancy (%)



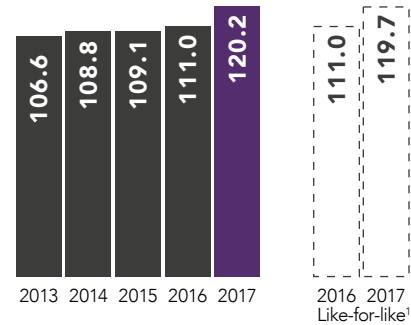
KPI definition

Total rooms occupied divided by the available rooms.

Comment

Like-for-like occupancy improved by 260 bps with reported occupancy increasing by 130 bps year-on-year, particularly through increased occupancy in Germany and Croatia.

Average room rate (£)



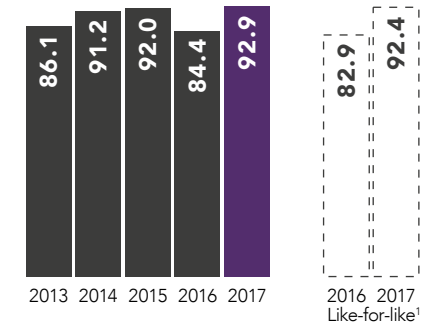
KPI definition

Total room revenue divided by the number of rooms sold.

Comment

Like-for-like average room rate increased by 7.8%, with reported average room rate increasing by 8.2%, due to higher rates in all regions and a decrease in Sterling.

RevPAR (£)



KPI definition

Revenue per available room; total room revenue divided by the number of available rooms.

Comment

Like-for-like RevPAR increased by 11.5%, with reported RevPAR increasing by 10.0%, due to a rate led increase in room revenue.

¹ The 2016 like-for-like comparison figures exclude Park Plaza London Waterloo and Park Plaza Nuremberg from the dates they opened in 2016.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December	
		2017 £'000	2016 £'000
Assets			
Non-current assets:			
Intangible assets	4	23,570	25,158
Property, plant and equipment	5	1,158,442	1,069,702
Investment in joint ventures	6	18,727	18,409
Other non-current assets	7	18,828	3,090
Restricted deposits and cash	14(b)	500	5,235
Deferred income tax asset	26	147	713
		1,220,214	1,122,307
Current assets:			
Restricted deposits and cash	14(b)	25,561	25,513
Inventories		2,701	2,412
Trade receivables	8	13,392	12,576
Other receivables and prepayments	9	12,446	10,370
Other current financial assets	10	24,711	–
Cash and cash equivalents	11	241,021	144,732
		319,832	195,603
Total assets		1,540,046	1,317,910

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December	
		2017 £'000	2016 £'000
Equity and liabilities			
Equity:	12		
Issued capital		–	–
Share premium		129,878	129,527
Treasury shares		(3,636)	(3,208)
Foreign currency translation reserve		18,816	14,450
Hedging reserve		(302)	(895)
Accumulated earnings		198,589	159,755
Attributable to equity holders of the parent		343,345	299,629
Non-controlling interests		97,593	30,573
Total equity		440,938	330,202
Non-current liabilities:			
Borrowings	15	666,936	642,120
Provision for litigation	16(a)	3,659	3,392
Provision for concession fee on land	16(b)	3,591	2,885
Financial liability in respect of Income Units sold to private investors	17	131,632	133,983
Other financial liabilities	18	192,792	22,979
Deferred income taxes	26	7,394	9,345
		1,006,004	814,704
Current liabilities:			
Trade payables		12,843	10,754
Other payables and accruals	19	47,314	43,959
Borrowings	15	32,947	118,291
		93,104	173,004
Total liabilities		1,099,108	987,708
Total equity and liabilities		1,540,046	1,317,910

CONSOLIDATED INCOME STATEMENT

	Note	As at 31 December	
		2017 £'000	2016 £'000
Revenues	20	325,118	272,470
Operating expenses	21	(209,092)	(169,491)
EBITDAR		116,026	102,979
Rental expenses		(8,722)	(8,844)
EBITDA		107,304	94,135
Depreciation and amortisation	4, 5, 7	(34,288)	(25,330)
EBIT		73,016	68,805
Financial expenses	22	(31,966)	(27,220)
Financial income	23	1,815	2,559
Other expenses	24	(1,503)	(27,195)
Other income	24	1,351	33,700
Net expenses for financial liability in respect of Income Units sold to private investors	25	(10,666)	(10,680)
Share in result of associate and joint ventures	6	(350)	(1,750)
Profit before tax		31,697	38,219
Income tax expense	26	(1,748)	(62)
Profit for the year		29,949	38,157
Profit attributable to:			
Equity holders of the parent		24,271	35,117
Non-controlling interests		5,678	3,040
		29,949	38,157
Basic and diluted earnings per share (in Pound Sterling)	27	0.57	0.83

LARGEST SHAREHOLDERS

NUMBER OF ISSUED SHARES

44,225,706

HELD IN TREASURY BY PPHE HOTEL GROUP

1,888,070

NUMBER OF ISSUED SHARES (EXCLUDING TREASURY)

42,337,637

Largest shareholders	Number of shares	Percentage of issued share capital (excluding treasury)
Red Sea Group	19,852,714	46.89%
Molteno Limited	6,690,027	15.80%
Aroundtown Property Holdings Ltd	3,760,000	8.88%
Hargreave Hale*	2,082,250	4.92%

* Comprising of Marlborough Special Situations, Marlborough Multi income and private client holdings

OUR HOTELS – CURRENT PORTFOLIO



HOTELS INCLUDED IN THE GROUP

	Location	Ownership interest	No of rooms	Since
Park Plaza London Riverbank	London	100%	544	2005
Plaza on the River London	London	100%	102	2005
Park Plaza Sherlock Holmes London	London	100%	119	2001
Park Plaza Victoria London	London	100%	299	2001
Park Plaza Westminster Bridge London	London	100% ¹	1,019	2010
Park Plaza London Waterloo	London	100%	494	2017
Park Plaza London Park Royal	London	100%	212	2017
Park Plaza County Hall London	London	11%	399	2008
Park Plaza Leeds	Leeds	100%	187	2003
Park Plaza Nottingham	Nottingham	100%	178	2002

¹ Such percentage reflects 100% of the voting rights in the Company.

OUR HOTELS – CURRENT PORTFOLIO



HOTELS INCLUDED IN THE GROUP

	Location	Ownership interest	No of rooms	Since
Park Plaza Amsterdam Airport	Amsterdam	100%	342	2005
Park Plaza Victoria Amsterdam	Amsterdam	100%	299	2005
Park Plaza Vondelpark, Amsterdam	Amsterdam	100%	102	2001
art'otel amsterdam	Amsterdam	100%	107	2001
Park Plaza Eindhoven	Eindhoven	100%	104	2010
Park Plaza Utrecht	Utrecht	100%	120	2017
Arena Hospitality Group	Croatia	51.97%	2,778	2017
Park Plaza Nuremberg	Nuremberg	100% held by Arena	177	2008
art'otel cologne	Cologne	100% held by Arena	218	2003
art'otel berlin kudamm	Berlin	100% held by Arena	152	2002
Park Plaza Berlin Kudamm	Berlin	100% held by Arena	133	2002
art'otel berlin mitte	Berlin	100% held by Arena	109	
Sub-Totals			8,194	

OUR HOTELS – CURRENT PORTFOLIO



HOTELS UNDER OPERATING LEASES

	Location	Ownership interest	No of rooms	Since
Park Plaza Wallstreet Berlin Mitte	Berlin	—	167	2006
art’otel budapest	Budapest	—	165	2000
art’otel dresden	Dresden	—	174	2000
Sub-Totals			506	

OUR HOTELS – CURRENT PORTFOLIO



HOTELS UNDER MANAGEMENT OR FRANCHISE AGREEMENTS

	Location	Ownership interest	No of rooms	Since
Park Plaza Cardiff	Cardiff	—	129	2005
Park Plaza Trier	Trier	—	150	2003
Sub-Totals			279	

Total (all hotels)

8,979

UNITED KINGDOM REPORTED

+18.2%	+25.0%	+0.2%	+1.4%	-100bps
EBITDA £60.5m	TOTAL REVENUE £185.8m	RevPAR £121.3	ARR £145.8	OCCUPANCY 83.2%
LIKE-FOR-LIKE ¹ £54.4m	LIKE-FOR-LIKE ¹ £163.8m	LIKE-FOR-LIKE ¹ £125.4	LIKE-FOR-LIKE ¹ £150.3	LIKE-FOR-LIKE ¹ 83.4%

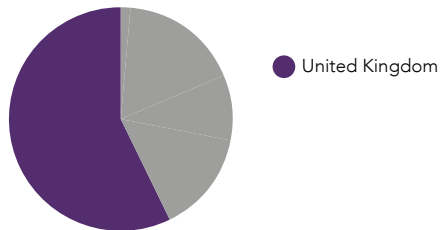
Strong performance because of strong trading in the first half of the year, the increased new room inventory at Park Plaza London Riverbank, along with the two newly opened London hotels (Park Plaza London Waterloo and Park Plaza London Park Royal).

EBITDA was affected by a significant increase in property taxes, primarily in the London market.

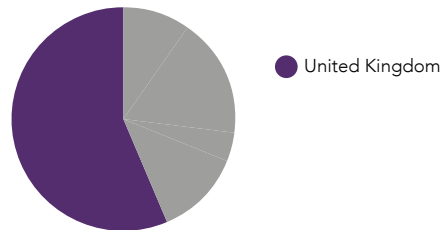
Renovation projects continued during the year.

¹ Like-for-like comparison for 2017 excludes the first 10 months Park Plaza London Waterloo and the full year of Park Plaza London Park Royal numbers.

Total revenue (£m)



EBITDA (£)



THE NETHERLANDS REPORTED

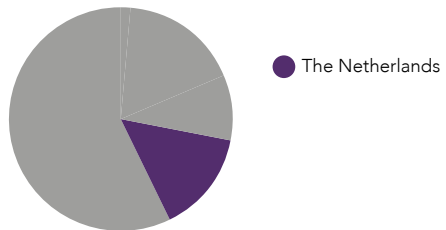
-9.2%	-2.1%	+10.4%	+7.4%	+230bps
EBITDA £13.3m	TOTAL REVENUE £47.3m	RevPAR £96.0	ARR £112.2	OCCUPANCY 85.6%
LOCAL CURRENCY ¹ €15.2m	LOCAL CURRENCY ¹ €54.1m	LOCAL CURRENCY ¹ €109.7	LOCAL CURRENCY ¹ €128.2	

Performance was impacted due to the disruption in the period associated with the extensive renovation programme which limited the number of rooms, meeting rooms and food and beverage outlets in operation.

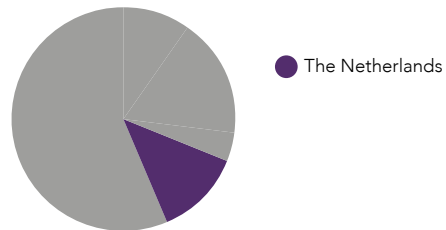
At Park Plaza Vondelpark, Amsterdam one of the three buildings which comprised the hotel was sold, which reduced the room count by 36 rooms.

¹ Average exchange rate from Euro to Pound sterling for the year to December 2017 was 1.14 and for the year to December 2016 was 1.22, representing a 6.4% decrease.

Total revenue (£m)



EBITDA (£)



GERMANY AND HUNGARY REPORTED

+378.6% **+23.0%** **+26.0%** **+18.3%** **+460bps**

EBITDA £4.3m	TOTAL REVENUE £30.7m	RevPAR £62.2	ARR £82.5	OCCUPANCY 75.4%
LIKE-FOR-LIKE ¹ £4.2m	LIKE-FOR-LIKE ¹ £28.4m	LIKE-FOR-LIKE ¹ £61.5	LIKE-FOR-LIKE ¹ £79.6	LIKE-FOR-LIKE ¹ 77.3%

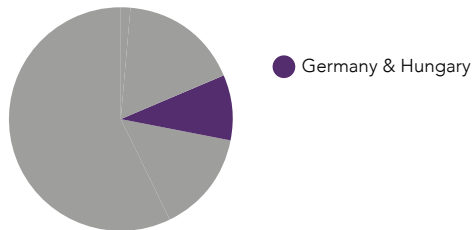
Reported growth in revenue because of the improved performance of operations in Germany and Hungary.

The main driver for the growth in RevPAR was the first full year contribution from Park Plaza Nuremberg, an improvement in the trading environment. Furthermore, in 2016 several hotels were undergoing renovation projects providing a softer year-on-year comparative.

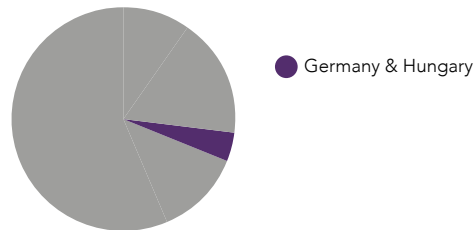
Renovation projects at several hotels have been identified and are under review.

¹ The like-for-like figures for the 12 months ended 31 December 2017 exclude Park Plaza Nuremberg for the first five months of 2017. Furthermore, the like-for-like comparison figures for the 12 months ended 31 December 2016 have been adjusted to exclude Park Plaza Prenzlauer Berg Berlin (the lease of which was terminated on 30 June 2016). The like for like comparisons for 2017 and 2016 exclude rent expenses for art'otel berlin kudamm and art'otel cologne (two months of rent expense in 2017 vs 12 months in 2016).

Total revenue (£m)



EBITDA (£)



CROATIA REPORTED

-1.3%	+21.4%	+14.5%	+13.4%	+60bps
EBITDA £18.7m	TOTAL REVENUE £56.3m	RevPAR £57.0	ARR £92.2	OCCUPANCY 61.8%
LOCAL CURRENCY ¹ HRK 159.1 million	LOCAL CURRENCY ¹ HRK 479.8 million	LOCAL CURRENCY ¹ HRK 485.8	LOCAL CURRENCY ¹ HRK 785.6	

Operations in Croatia are highly seasonal with the majority of guest visits occurring from June to September.

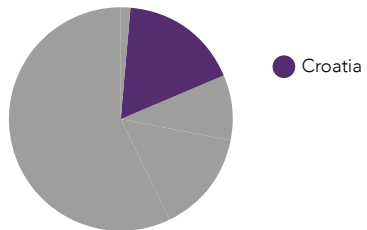
Higher revenue with tourism in Croatia continuing to increase year-on-year. Further aided by the devaluation of Pound Sterling against the Croatian Kuna.

The Group invested in a number of renovation projects, including the total refurbishment of the rooms and public areas at Hotel Holiday in Medulin.

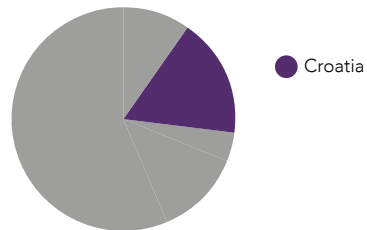
Planning and designs for the major renovation of Hotel Brioni, a hotel located within the Punta Verudela area of Pula, are being finalised.

¹ Average exchange rate from Croatian Kuna to Pound Sterling for the year ending December 2017 was 0.12 and for the year ending 30 December 2016 was 0.11, representing a 7.0% increase.

Total revenue (£m)



EBITDA (£)



MANAGEMENT AND CENTRAL SERVICES

The revenues in this segment are mainly fee related (management, sales, marketing, reservation and franchise) and cost reimbursement charges to hotels within the Group.

The segment generally makes a profit on its' management fees charged out to the Group (consolidated) and external (non consolidated) hotels. These management fees are calculated as a percentage of revenues (base fee) and a percentage of gross operating profit (incentive fee).

Below overview gives an overview of those fees charged¹

Total management fees ¹ charged to:	2017	2016
Hotels consolidated in the Group:		
United Kingdom	11,638	9,261
The Netherlands	2,656	2,797
Germany and Hungary	1,754	1,446
Croatia	1,991	1,767
Hotels non consolidated in the Group:	18,039	15,271
External management fees	2,295	2,226
Total management fee revenue	20,334	17,497
Elimination of management fees charged within the Group	(18,039)	(15,271)
Other external revenues (such as rent, sales, marketing and franchise fees)	2,697	2,143
Total reported external revenues	4,992	4,369
EBITDA (total internal and external revenues, less operating and rental expenses)	10,540	8,531

¹ For the purpose of this overview these revenues represent only management fees. The segment has other fee related revenues, such as sales, marketing, reservation, franchise and rent. Further more the segment has revenues from recharging central services.



Q1 2018 – TRADING UPDATE

Unaudited Key Financial Statistics for the three months ended 31 March 2018

	Reported			Like-for-like ¹		
	Three months ended 31 March 2018	Three months ended 31 March 2017	% change ²	Three months ended 31 March 2018	Three months ended 31 March 2017	% change ²
Total revenue	£59.4 million	£57.7 million	2.9%	£58.5 million	£57.7 million	1.5%
Occupancy	73.5%	71.1%	240 bps	73.5%	71.1%	240 bps
Average room rate	£108.9	£112.0	(2.8%)	£109.8	£112.0	(2.0%)
RevPAR	£80.1	£79.6	0.6%	£80.7	£79.6	1.4%

¹ The like-for-like numbers for 31 March 2018 exclude the first two months of operation from Park Plaza London Park Royal.

² Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table. Unless otherwise indicated, all figures in this report compare three months ended 31 March 2018 with three months ended 31 March 2017.

Performance during the quarter ended 31 March 2018

- Reported total revenue increased by 2.9% to £59.4 million (three months ended 31 March 2017: £57.7 million). On a like-for-like basis¹, revenue increased by 1.5% to £58.5 million (three months ended 31 March 2017: £57.7 million). The revenue growth achieved in the United Kingdom, Croatia and Germany was partly offset by a year-on-year decline in revenue in the Netherlands due to renovation works in the region.
- On a reported basis, average room rate decreased by 2.8% to £108.9 (three months ended 31 March 2017: £112.0), reflecting a slightly softer London market than the prior year which benefited from an uplift in visitors due to devaluation of sterling. Like-for-like¹ average room rate decreased by 2.0% to £109.8 (three months ended 31 March 2017: £112.0).
- Reported occupancy increased by 240 bps to 73.5% (three months ended 31 March 2017: 71.1%). This increase was the result of growth across all regions, except for the Netherlands which saw a decline in occupancy. On a like-for-like¹ basis, occupancy increased by 240 bps to 73.5% (three months ended 31 March 2017: 71.1%).
- Reported RevPAR increased by 0.6% to £80.1 (three months ended 31 March 2017: £79.6). Like-for-like¹ RevPAR increased by 1.4% to £80.7 (three months ended 31 March 2017: £79.6).

¹ The like-for-like numbers for 31 March 2018 exclude the first two months of operation from Park Plaza London Park Royal.

PORTFOLIO INVESTMENTS AND OUTLOOK



The renovation projects across several of the group's hotels are progressing well with works at Park Plaza Victoria Amsterdam expected to be completed in the first half.

The programme at Park Plaza Sherlock Holmes London is well under way and is expected to be completed in phases with final completion planned for early 2019. In Croatia, Arena is nearing completion of the works at its first glamping offering. Several additional renovations across the group are being planned or considered, with a view of upgrading the portfolio and adding further value.

Trading since 31 March 2018 is in line with the Board's expectations.

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All enquiries relating to this presentation should be directed to Robert Henke, Executive Vice President Corporate Affairs & Customer Experience, PPHE Hotel Group Limited at rhenke@pphe.com.