

Trading update (unaudited) for the three months and nine months ended 30 September 2019

Solid Group performance with total revenue up 6.0% led by strong growth in the United Kingdom

Revenue growth was aided by a strong RevPAR performance in the United Kingdom, driven by good increases in average room rate across a number of properties, and maturing trading and recent openings across several hotels in London and Amsterdam.

For the three months to 30 September 2019, like-for-like¹ revenue increased by 5.6% to £120.2 million (Q3 2018: £113.9 million). Reported total revenue increased by 6.0% to £121.0 million (Q3 2018: £114.2 million). In the same period, like-for-like¹ RevPAR increased by 3.9% to £116.3 (Q3 2018: £112.0). Reported RevPAR increased by 4.3% to £116.3 (Q3 2018: £111.5). RevPAR growth was largely a result of strong increases in average room rate, particularly in the United Kingdom.

1 The like-for-like numbers for three months ended 30 September 2019 exclude August and September figures for Park Plaza Vondelpark Amsterdam (which was closed for repositioning during this period in 2018). Furthermore, the like-for-like numbers for three months ended 30 September 2018 exclude July figures for art'otel Dresden (the lease of which was terminated on 31 July 2018).

Commenting on the results, Boris Ivesha, President & Chief Executive Officer, PPHE Hotel Group said:

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We are pleased to report a solid performance during the quarter, with continued revenue growth and an increase in Group RevPAR of 4.3%, as we benefited from the recent completion of several major repositioning projects and maturing properties across our portfolio and strong trading in the United Kingdom.

Following several years of investment and disruption to operations, all hotels across our UK and NL portfolio are now open and contributing to the Group's performance. Strong trading at Park Plaza Victoria Amsterdam in the Netherlands and Holmes Hotel London demonstrate our investment programme continuing to bear fruit, and we look forward to trading continuing to mature across other recently repositioned hotels in the coming months.

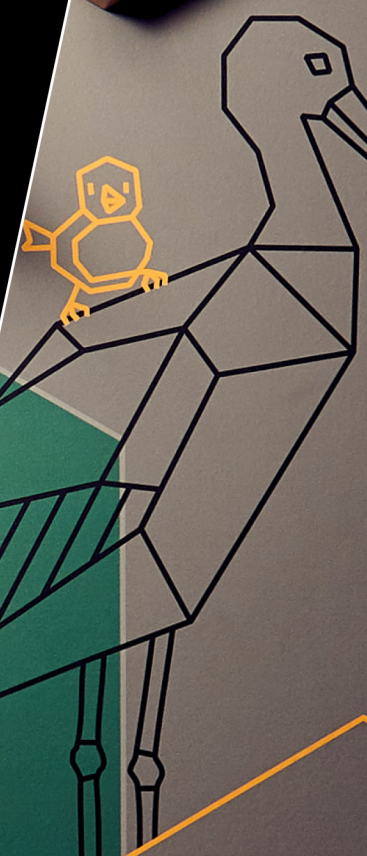
We expect to invest approximately £300 million on our development pipeline, which includes exciting projects such as art'otel london hoxton and an art'otel at Hudson Yards in New York City.

Based on our results to September and our outlook for the remainder of the financial year, the Board anticipates the full-year results will be in line with its previous expectations.

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PPHE Hotel Group Limited
("PPHE Hotel Group" or the "Company")

PPHE Hotel Group, the international hospitality real estate group which owns, co-owns and develops hotels, resorts and campsites, is pleased to announce its results for the three months and nine months ended 30 September 2019.



Unaudited Key Financial Statistics for the three months ended 30 September 2019

	Reported			Like-for-like ¹		
	Three months ended 30 September 2019	Three months ended 30 September 2018	% change ²	Three months ended 30 September 2019	Three months ended 30 September 2018	% change ²
Total revenue	£121.0 million	£114.2 million	6.0%	£120.2 million	£113.9 million	5.6%
Occupancy	86.7%	86.6%	10 bps	86.8%	86.6%	20 bps
Average room rate	£134.1	£128.7	4.2%	£134.1	£129.3	3.6%
RevPAR	£116.3	£111.5	4.3%	£116.3	£112.0	3.9%

- 1 The like-for-like numbers for three months ended 30 September 2019 exclude August and September figures for Park Plaza Vondelpark Amsterdam (which was closed for repositioning during this period in 2018). Furthermore, the like-for-like numbers for three months ended 30 September 2018 exclude July figures for art'otel dresden (the lease of which was terminated on 31 July 2018).
- 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 30 September 2019 with three months ended 30 September 2018.

Unaudited Key Financial Statistics for the nine months ended 30 September 2019

	Reported			Like-for-like ¹		
	Nine months ended 30 September 2019	Nine months ended 30 September 2018	% change ²	Nine months ended 30 September 2019	Nine months ended 30 September 2018	% change ²
Total revenue	£276.3 million	£263.0 million	5.0%	£275.4 million	£259.9 million	6.0%
Occupancy	80.6%	79.3%	130 bps	80.6%	79.3%	130 bps
Average room rate	£126.8	£120.2	5.4%	£126.7	£121.6	4.2%
RevPAR	£102.1	£95.3	7.2%	£102.1	£96.4	5.9%

- 1 The like-for-like numbers for nine months 30 September 2019 exclude August and September figures for Park Plaza Vondelpark Amsterdam (which was closed for repositioning during this period in 2018). Furthermore, the like-for-like numbers for 30 September 2018 exclude the first three months of operation of Park Plaza Vondelpark Amsterdam (which was closed for repositioning during this period in 2019) and the operations from art'otel dresden in the period (the lease of which was terminated on 31 July 2018).
- 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 nine months ended 30 September 2019 with nine months ended 30 September 2018.

A translation of the Group's subsidiary Arena Hospitality Group d.d.'s (Arena) unaudited results for the nine months ended 30 September 2019 is available from Arena's website arenahospitalitygroup.com

Key geographical trading trends

Group revenue growth was aided by a strong RevPAR performance in the United Kingdom, driven by good increases in average room rate across a number of properties, and maturing trading and recent openings following repositioning across several hotels in London.

Performance in the Netherlands was solid, with revenue growth driven largely by maturing trading across recently repositioned hotels and led by a strong performance at Park Plaza Victoria Amsterdam.

Trading in Croatia remained stable, despite supply increases and a stronger demand growth in other Mediterranean destinations. The revenue growth attributable to the performance of Arena One 99 Glamping and Arena Kažela Campsite following a period of significant investment was partly offset by the weaker performance of self-catering apartment complexes. Trading in Germany and Hungary remains in line with previous expectations with revenue growth primarily driven by art'otel berlin kudamm and Park Plaza Nuremberg.

Key operational highlights

- On 24 September 2019, Park Plaza Hotels in the UK won the highly coveted AA Large Hotel Group of the Year 2019/2020 award. The award recognises the completion of an extensive multi-year investment programme across the UK property portfolio and acknowledged the exceptional guest service and experience alongside team member training and development programmes.
- Launch of Park Plaza Vondelpark, Amsterdam on 8 October, following a £9 million transformation to reflect a new premium look and feel.

- Following the completion of a £5.5 million repositioning programme and a soft launch in the previous quarter, Park Plaza Utrecht launched fully on 30 October.
- The Group is also making progress at the art'otel london hoxton development, with the demolition of the existing structure on the site having commenced.

Real estate investment programme update

The Group expects to spend approximately £300 million on exciting developments such as art'otel london hoxton and an art'otel at Hudson Yards in New York City. Furthermore, its Croatian subsidiary expects to complete the acquisition of the 88 Rooms Hotel in Belgrade in the coming months.

Several repositioning projects have been identified in the Group's Croatian portfolio and the Group continues to focus on acquisition opportunities for further expansion. This pipeline, the repositioning programmes and future expansion are all expected to add further value to the Group, including an increase of the Group's EPRA NAV per share, which at 30 June 2019 was £25.52.

Post period events

- The interim dividend of 17 pence per share was paid on 15 October 2019.

Outlook

Based on our results to September and our visibility for the remainder of the financial year, the Board anticipates the full year results will be in line with its previous expectations.

Enquiries:

PPHE Hotel Group Limited

Daniel Kos
Chief Financial Officer & Executive Director

Robert Henke
Executive Vice President of Commercial & Corporate Affairs
Tel: +31 (0)20 717 8600
Tulchan
David Allchurch / Jessica Reid
Tel: +44 (0)20 7353 4200
Email: pphe@tulchangroup.com

Notes to editors

PPHE Hotel Group is an international hospitality real estate company, with a £1.7 billion portfolio (valued as at summer of 2019) of primarily prime freehold and long leasehold assets in Europe.

PPHE Hotel Group's guiding principle is to generate attractive returns from operations and long-term capital appreciation.

Through its subsidiaries, jointly controlled entities and associates it owns, co-owns, develops, leases, operates and franchises hospitality real estate. Its primary focus is full-service upscale, upper upscale and lifestyle hotels in major gateway cities and regional centres, as well as hotel, resort and campsite properties in select resort destinations.

PPHE Hotel Group benefits from having an exclusive and perpetual licence from the Radisson Hotel Group, one of the world's largest hotel groups, to develop and operate Park Plaza® branded hotels and resorts in Europe, the Middle East and Africa. In addition, PPHE Hotel Group wholly owns, and operates under, the art'otel® brand and its Croatian subsidiary owns, and operates under, the Arena Hotels & Apartments® and Arena Campsites® brands. This multi-brand approach enables PPHE Hotel Group to develop and operate properties across several segments of the hospitality market.

PPHE Hotel Group is one of the largest owner/operators of hotels in central London and its property portfolio comprises of 38 hotels and resorts in operation, offering a total of approximately 8,800 rooms and 8 campsites, offering approximately 6,000 units. PPHE Hotel Group's development pipeline includes two new hotels in London and one in New York City which are expected to add an additional 600 rooms by the end of 2022/2023.

PPHE Hotel Group is a Guernsey registered company with shares listed on the London Stock Exchange and a constituent of the FTSE 250. PPHE Hotel Group also holds a controlling ownership interest in Arena Hospitality Group, whose shares are listed on the Prime market of the Zagreb Stock Exchange.

Company websites

www.pphe.com
www.arenahospitalitygroup.com

For reservations

www.parkplaza.com
www.artotels.com
www.arenahotels.com
www.arenacampsites.com

For images and logos visit
www.vfmii.com/parkplaza