



29 April 2021

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

**Trading Update**

***Well-positioned to capitalise on the anticipated reopening and return of consumer demand***

PPHE Hotel Group, the international hospitality real estate group which develops, owns and operates hotels and resorts, today announces a trading update for the three months ended 31 March 2021.

**Summary**

- With the vaccination programme well underway in the UK (the Group's key market) and measures subsequently being eased, the Group is getting ready to reopen all its UK properties on 17 May
- Across the UK properties, domestic leisure and meetings and events demand for the second half of the year is encouraging, with the Group expecting to benefit from this due to its appeal to these market segments and its domestic profile, as also demonstrated after the 2020 reopening
- Current focus is on re-engaging and training team members and the continued implementation of contactless services, which include online check-in and check-out and digital key solutions
- First quarter results were, as expected, severely subdued as hotels remained either temporarily closed or at significantly reduced capacity due to COVID-19 related international and domestic travel restrictions
- Strategic progress achieved during the quarter included the continued advancement of planned construction and repositioning projects, including Hotel Brioni in Pula, the 27-storey art'otel london hoxton and the launch of The Residence meeting space at Holmes Hotel London
- Financial position remains strong, with £168.9 million cash available as at 31 March 2021 (31 December 2021: £197.6 million), which consists of a consolidated cash position of £99.9 million at 31 March 2021 (31 December 2020: £114.2 million), and further access to undrawn facilities of £69.0 million (31 December 2020: £83.4 million)
- Approximately half of the quarter's cash move relates to the operational cash burn (including debt service) of the Company, the remainder relates mainly to strategic capital investments, the timing of project loan drawdowns and foreign exchange results
- Demand across the Group's continental markets, where re-opening plans have not yet been announced, is subdued. However, as restrictions are lifted across these markets, the Group anticipates a return of demand for both accommodation and restaurants and bars as seen in 2020 and is ready to capitalise on this.

**Boris Ivesha, President & Chief Executive Officer, PPHE Hotel Group said:**

"As we enter the second quarter, our current focus is on getting ready to reopen all of our UK properties on 17 May and we are encouraged by the early domestic demand from the leisure and meetings and events segments.

We have started re-engaging and training team members and have further enhanced the guest experience through the continued rollout of contactless services such as online check-in, check-out, digital key, messaging and food ordering services. We have also continued to progress against the Group's long-term growth strategy, advancing our planned repositioning programme and further driving our development pipeline projects. I am confident that our portfolio of high quality properties together with our focus on delivering the highest levels of safety and the very best guest experience, positions the Group competitively for the coming months.

The first quarter results of the financial year were in line with the Board's expectations, with performance subdued due to property closures and restricted capacities and against a strong year-on-year comparative.

We look forward to the anticipated reopening of our properties in England from 17 May and cannot wait to welcome back our guests to our hotels.

As restrictions are eased across our other operating markets in Europe, we will capitalise on consumer demand and other potential opportunities, underpinned by our strong track record, well-invested properties, and unique approach to drive long-term success."

## Financial performance for the three months ended 31 March 2021

### Key statistics (unaudited)

	Reported		
	Three months ended 31 March 2021	Three months ended 31 March 2020	% change
Total revenue	£5.3 million	£51.4 million	(89.6)%
Total room revenue	£2.6 million	£34.4 million	(92.5)%
Occupancy	7.1%	58.5%	(5140) bps
Average room rate	£72.9	£115.1	(36.7)%
RevPAR	£5.2	£67.4	(92.3)%

### Trading performance

Trading in Q1 2021 was in line with the Board's expectations as domestic and international travel restrictions remained in place across the Group's operating markets. Activity levels continued to be severely reduced with most of the Group's properties closed or operating at reduced capacity, resulting in Group revenues and occupancy during the period decreasing to £5.3 million and 7.1% respectively compared to a strong performance in the first two and a half months of 2020 prior to the onset of the pandemic. The limited demand during the first quarter was primarily from essential stays and contracted group business.

### Strategic progress

During the period the Group continued to make progress against its strategic objectives to drive growth and create long-term value for all stakeholders.

In Croatia, the repositioning programme of Hotel Brioni in Pula proceeded on schedule, with the Group closely monitoring the market conditions before it commits to an appropriate launch and opening date. Progress with other pipeline projects, including the construction of art'otel london hoxton also remained on track. The Group's portfolio repositioning programme saw the completion and launch of The Residence, a private meeting and events space at Holmes Hotel London.

In readiness for the easing of domestic and international travel restrictions, the Group has continued to evolve its systems, processes and infrastructure to ensure the highest levels of guest safety and the very best customer experience. In the period, this included accelerated maintenance programmes, deep cleaning and training team members.

The safety of customers and colleagues remains the Group's top priority and during the period further initiatives were put in place to support safe and memorable experiences when properties reopen. This steadfast focus on safety was recognised by the Group's subsidiary Arena being awarded the national

'Safe Stay in Croatia' label, and the Group winning the Best Management Preparation Award at the HR in Hospitality Awards 2021.

The Group also developed a commercial action plan to proactively drive customer and business demand in line with the reopening of hotels and throughout the year, including through partnerships with major tourist attractions within London.

Together, these initiatives provide a very strong foundation from which to deliver a market-leading guest experience and as such, capitalise on consumer demand as it increases.

## **Outlook**

Vaccination programmes continue across all the Group's countries of operation, laying the foundation for the easing of government-imposed restrictions.

In the UK, all priority cohorts have now received the first dose of vaccine and the Group anticipates that the reopening of hotels will go ahead on 17 May in England in line with the UK Government's COVID-19 roadmap. The Group is encouraged by the early consumer demand for its outdoor hospitality offerings at some of its hotels and the increased levels of enquiries and bookings generally across both leisure and meeting segments.

When lockdowns were eased in summer 2020, the Group saw strong demand from leisure guests which resulted in market outperformance at its flagship hotels in London and Amsterdam. During 2021, the Group anticipates a similar rapid return of domestic and international demand as travel restrictions are eased and hospitality reopens across its operating markets.

## **Enquiries**

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## **Notes to Editors**

PPHE Hotel Group is an international hospitality real estate company, with a £1.7 billion portfolio, valued as at December 2020 by Savills and Zagreb nekretnine Ltd (ZANE), of primarily prime freehold and long leasehold assets in Europe.

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.

PPHE Hotel Group is a Guernsey registered company with shares listed on the London Stock Exchange. 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](http://www.pphe.com) / [www.arenahospitalitygroup.com](http://www.arenahospitalitygroup.com)