

PPHE HOTEL GROUP LIMITED
("PPHE" or "the Group")

Trading Update

Trading momentum continues with Q1 above pre-pandemic levels

PPHE Hotel Group, the international hospitality real estate group which develops, owns and operates hotels and resorts, is pleased to announce a trading update for the three months ended 31 March 2023.

Q1 financial highlights

- Total revenue of £68.8 million, up 115.0% vs Q1 2022, and up 10.2% on Q1 2019¹ pre-pandemic levels driven by higher rates.
- The UK and the Netherlands showed particularly strong performances, with trading consistently strong across leisure, corporate travel and meetings and events.
- The Group's disciplined rate-led strategy continues to deliver:
 - Average room rate was £143.7, up 15.8% vs Q1 2022 and 24.5% ahead Q1 2019 levels
 - RevPAR was £96.2, up 126.5% vs Q1 2022 and 9.1% vs Q1 2019
- Occupancy levels continue to improve and track closer to 2019 levels in the UK and the Netherlands. Occupancy growth was slower in Germany.

Q1 strategic highlights

- Further strategic progress on delivery of the Group's £200m+ development pipeline, including:
 - Conversion of an office building to Croatia's first art'otel in Zagreb (opening H2 2023)
 - Repositioning of the Group's hotel in Rome (reopening Q1 2024)
 - Construction of art'otel London Hoxton ongoing (opening H1 2024)
 - Re-branded hotel in Budapest from art'otel to Park Plaza in March 2023
- Fully opened art'otel London Battersea Power Station to critical acclaim, which includes the JOIA Restaurant & Bar, a spa & wellness facility, and a rooftop bar with a heated infinity pool. The hotel is operated by the Group's Hospitality Management Platform under a long-term agreement.
- Secured Clal Insurance as the cornerstone investor for the Group's new European Hospitality Real Estate Fund of up to €250m equity, to facilitate strategic acquisitions of hotels across Europe and help scale the Group's Hospitality Management Platform.

Post period end highlights

- Received regulatory approvals for European Hospitality Real Estate Fund.
- The Group announced it will open Radisson RED Belgrade, Serbia later this year, marking its second hotel under its extended partnership with Radisson Hotel Group. Following a repositioning programme, the Group's 88 Rooms Hotel in Belgrade will be relaunched, benefiting from Radisson's brand recognition, strong distribution platforms and marketing programmes.

Current trading & outlook

- Strong trading and booking trends seen in Q1 for leisure stays, corporate business and meetings and events have continued into Q2. The upcoming coronation of King Charles III in the UK has supported this.
- Forward bookings for the summer season, particularly in Croatia, underpins confidence for FY 2023.
- Consequently, the Group is on track to deliver further growth in revenue and EBITDA in line with recently upgraded market consensus².

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

“The Group’s rate-led strategy continues to deliver, with trading in our largest markets - the UK and the Netherlands - delivering performances above pre-pandemic levels in revenue, RevPAR and average room rates.

Pleasingly, the demand and booking momentum we experienced last year has continued into Q1 2023, and momentum remains with the business moving into Q2 2023. This affords us great optimism for the rest of the year, with forward bookings for summer and peak season also very healthy.

Our confidence in the future is stronger than ever in spite of the ongoing macroeconomic uncertainties. The portfolio is well-invested, the development pipeline is fully funded and accretive, and our strong offering and financial position enable us to take advantage of the continued momentum in the travel market. Trading continues to indicate that consumers and our guests are happy to spend on attractive destinations and holidays regardless of the backdrop.”

Key financial statistics for the three months ended 31 March 2023 (unaudited)

		Reported		
	Three months ended 31 March 2023	Three months ended 31 March 2022	Three months ended 31 March 2019	% change 2022 vs 2019
Total revenue	£68.8 million	£32.0 million	£62.5 million	10.2%
Total room revenue	£50.4 million	£22.5 million	£43.5 million	15.9%
Occupancy	66.9%	34.2%	76.4%	(950) bps
Average room rate	£143.7	£124.1	£115.5	24.5%
RevPAR	£96.2	£42.5	£88.2	9.1%

¹Comparative figures are provided for Q1 2019, which remains the most relevant comparative. In Q1 2022 several of the Group’s operating regions were still in lockdown or impacted by government COVID-19 measures, with restrictions substantially lifted in all operating markets by the end of Q2.

² PPHE compiled analyst consensus forecast range for the year ended 31 December 2023 shows total revenue of £368m - £376m and EBITDA of £108m - £111m.

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Notes to Editors

PPHE Hotel Group is an international hospitality real estate company, with a £2.0 billion portfolio, valued as at December 2022 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 portfolio includes 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. The Group's strategy is to grow its portfolio of core upper upscale city centre hotels, leisure and outdoor hospitality and hospitality management platform.

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 | www.arenahospitalitygroup.com

For reservations

www.parkplaza.com | www.artotel.com | www.arenahotels.com | www.arenacampsites.com