



29 June 2023

PPHE HOTEL GROUP LIMITED
(“PPHE” or “the Group”)

Pre-Close H1 Trading Update

***Positive trading momentum maintained with FY 2023 financial performance
now expected to be materially ahead of market consensus¹***

PPHE Hotel Group, the international hospitality real estate group which develops, owns and operates hotels and resorts, is pleased to announce a pre-close trading update for the three months ended 30 June 2023.

Trading update

The strong trading conditions and forward booking momentum announced in the Q1 trading update, published on 27 April 2023, have been maintained through Q2 and into Q3 across all main market segments of leisure, corporate travel and meetings and events.

As we approach the end of June, it is now anticipated that H1 2023 revenue will be in excess of £177 million (vs £155 million pre-Covid H1 2019) and REVPAR is anticipated to be around £109 (vs £93 pre-Covid H1 2019).

The UK and The Netherlands have remained the strongest performing regions within the Group, driven by a combination of continuing rate growth and broad occupancy recovery. As previously announced, the German region had a slower start to the year but has seen an improving trend in bookings through Q2.

FY 2023 outlook

The Group is now entering its strongest trading period with the onset of the summer leisure season, in particular for its Croatian hotel and camping assets. Forward booking momentum remains encouraging, and the revenue contribution from the recently refurbished and relaunched properties, including Grand Hotel Brioni in Pula, are expected to be significant. The PPHE management team recently hosted an analyst site visit to the Group's Croatian assets, which highlighted the breadth of the portfolio and the extensive programme of investment (€200 million in total since 2008 and €50 million in the last two years) that the Group has undertaken.

As previously announced, the Group's EBITDA margins have been impacted by both broader operating cost inflation and, particularly, energy cost inflation over the last six months. Although FY 2023 will also see a margin impact from elevated energy costs, it is anticipated that this effect will diminish through FY 2024 and beyond, as forward energy cost hedges flow through at substantially lower levels than those fixed for FY 2023. Consequently, the Board expects EBITDA margins to normalise following FY 2023, notwithstanding the broader cost inflation that has been successfully absorbed over the last 12 months.

Taking all of these factors into account, the Group now expects to deliver FY 2023 revenue of at least £400 million and EBITDA of at least £120 million.

¹ As at 28 June 2023, PPHE compiled analyst consensus forecast range for the FY 2023 showed total revenue range of £352.0 million to £370.0 million and EBITDA range of £106.3 million to £111.0 million.

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

“We are delighted with the strong momentum in the business during the first half which has enabled us to upgrade our outlook for the remainder of the year. Our teams have continued to focus on driving performance and delivering exemplary service to our guests, and our strategic property investments prior to – and during – the pandemic have put us in an excellent position to deliver further growth across all our markets in the future.

“As we enter the second half of the year, we are preparing to launch four new property concepts, scheduled to open between September 2023 and the first half of 2024. These will be exciting new propositions for our customers, including our first Radisson RED property in Belgrade, Serbia as well as three new art’otels stretching from Zagreb to Rome and London. We remain committed to delivering significant value for shareholders, and we look forward to sharing more detail at the H1 2023 results in August.”

The Group will report its interim results for the six months ended 30 June 2023 on 31 August 2023.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014, as it forms part of domestic law by virtue of The European Union (Withdrawal) Act 2018. On publication of this information such information shall be considered to be in the public domain.

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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