

PPHE Hotel Group Limited

("PPHE" or the "Group")

Year-end Trading Update

FY23 revenue and EBITDA above previously upgraded expectations

PPHE Hotel Group, the international hospitality real estate group which develops, owns and operates hotels and resorts, announces a trading update for the year ended 31 December 2023.

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

"2023 was a year of strong financial and operational progress at PPHE, and a year in which we fully recovered to pre-pandemic levels. Significant progress has been made on our extensive development pipeline with benefits from these developments expected to begin to come through in 2024. Furthermore, building on the performance throughout the year, trading momentum towards the end of the year and into 2024 has remained positive and we expect to continue to rebuild occupancy as room rate growth normalises. As a result, we now expect to deliver full year results above our previously upgraded expectations and we enter 2024 optimistic for a further strong year for the Group."

Financial highlights

- FY 2023 results are expected to be above expectations with revenue of at least £413.0 million (previously £400.0 million) and EBITDA of at least £127.0 million (previously £120.0 million).
- Reported Group room revenue for the year was £300.1 million, up 26.2% vs 2022 (2022: £237.8 million). Reported RevPAR was £120.7, up 25.5% vs 2022 (2022: £96.2), reflecting a sustained increase in occupancy throughout the year of 72.4% (2022: 60.0%) and an average room rate increase of 4.0% to £166.8 (2022: £160.4).
- The UK and The Netherlands remained consistently buoyant across both leisure and corporate travel, as well as meetings and events activity, driving in particular occupancy growth and also average rate in both regions. Croatia saw solid demand despite greater competition from other leisure destinations over the summer period, and the recovery in Germany continued to build throughout 2023.
- External property valuations received in December 2023 were marginally above 2022 levels. These valuations will be disclosed and incorporated in the Group's EPRA NRV, which will be reported in the full year results due on 29 February 2024.
- Overall forward booking levels are consistent with those at this point in 2023 with the mix of corporate and leisure bookings beginning to normalise towards pre-pandemic levels in 2019. On account of this mix and the rapid growth in average room rate throughout the past three years, average room rate is now showing signs of stabilisation with occupancy gaining momentum.

Strategic highlights

- On track with £300+ million pipeline which is nearing completion in H1 2024, including recent and upcoming openings:
 - **art'otel Zagreb**, the Group's first art'otel in Croatia's capital, soft opened in October 2023. The hotel has been generating excellent customer feedback and is expected to be fully open by the end of Q1;
 - **Radisson RED, Belgrade**, Serbia, work is nearing completion and the hotel is scheduled to open in early February 2024, following an extensive repositioning. This is our second hotel to open under the extended partnership with Radisson Hotel Group;
 - **art'otel London Hoxton**, UK will launch in H1 2024. Early customer interest has been very encouraging; and
 - **art'otel Rome Piazza Sallustio**, Italy will open in H1 2024 following an extensive repositioning.
- As announced previously, once stabilised, it is anticipated that these assets will deliver at least £25 million of incremental EBITDA to the Group.
- As announced on 23 January 2024, our existing Park Plaza Berlin Kudamm hotel will be re-opening in late Spring 2024 as the Radisson RED Berlin Kudamm. This is our second Radisson RED property to open and the third under the Group's expanded partnership with Radisson Hotel Group.
- On 27 November 2023, we announced that we had received planning consent to develop a 179-room hotel in a predominantly subterranean space of our Park Plaza Victoria London property. This new hotel will have its own brand concept with a dedicated entrance and facilities and services. Detailed planning for this value accretive development is currently underway.

The Company intends to report its audited 2023 Annual Results on 29 February 2024.

- Ends -

Enquiries:

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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