

PPHE Hotel Group Limited
(“PPHE” or the “Group”)

Year-end trading update

PPHE Hotel Group, the international hospitality real estate group which develops, owns and operates hotels and resorts, today announces a trading update for the year ended 31 December 2020.

Strategic progress

- Despite the disruption caused by the pandemic, the Group continued to make strategic progress through 2020.
- Development pipeline reviewed and prioritised with most projects progressed as planned, albeit with some minor delays due to government restrictions.
- Construction of art’otel london hoxton continued, for which the Group secured a £180m loan in April.
- Development pipeline and presence in Central Eastern Europe extended, with the acquisition of properties in Pula (Croatia) and Belgrade (Serbia), and a 45-year lease agreement in Zagreb (Croatia). These three properties offer significant future development opportunities.
- Planning granted for development of a hotel in London, on the site adjacent to Park Plaza London Park Royal.

2020 financial performance

- The Group's financial position remains strong, with £197.6m cash available as at 31 December 2020 (30 September 2020: £195.4m), which consists of a cash position of £114.2m at 31 December 2020 (30 September 2020: £132.4m), and further access to undrawn facilities of £83.4m (30 September 2020: £63.0m).
- The financial performance was severely impacted by the COVID-19 pandemic and ever-changing government lockdowns and travel restrictions across its markets.
- Reported Group room revenue for the year was £63.6m, despite property closures and reduced capacity from March 2020 onwards (2019: £250.6m). Reported RevPAR was £29.4, reflecting occupancy of 28.0% (2019: 80.6%) and decreased average room rate of £105.1 (2019: £128.5).

Looking ahead

- Vaccine rollouts now underway across Europe, including in all the Groups’ countries of operation.
- The Group’s hotels are excellently positioned to benefit from a phased recovery. The majority of its hotels are located in desirable city hubs, additionally the portfolio has benefited from completion of an extensive multi-year investment and repositioning programme in 2019.

- As lockdowns and travel restrictions are gradually eased, the Group anticipates strong domestic demand will return in the first instance, as seen in July and August 2020, followed by international leisure and business travel. Domestic business in July and August last year accounted for almost 90% of Group room revenue in the UK and 76% in Germany, and in the Netherlands 84% of room revenue was either domestic or from bordering countries. This demonstrates the appeal of the Group's hotels in their domestic markets.

The Group is scheduled to release its audited full year results on 2 March 2021.

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

"Following a good start to the financial year, our performance was significantly impacted following the onset of the COVID-19 pandemic, nevertheless we continued to extend and make good progress with our development pipeline. The resulting prolonged periods of both international and domestic travel restrictions across our markets led to a significant reduction in both Group room revenue and occupancy. We took decisive action to mitigate the impact of the pandemic, rapidly adapting our operations and demonstrating the Group's resilience.

Whilst the near-term trading environment remains challenging, mired by further government-imposed lockdowns to stem the spread of the virus, we are encouraged that vaccine programmes are being rolled out in all the markets in which we operate. As restrictions are eased, we anticipate a phased recovery driven by strong consumer demand for leisure travel, which we experienced in the summer of 2020. Our unique owner-operator model, well-invested estate and strong brands provide a strong foundation from which to benefit and capitalise on this demand."

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 summer of 2019 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

www.arenahospitalitygroup.com

For reservations

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