

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

**Trading Update**

***Rate-led strategy delivering, with Q3 2022 room rate up 30.5% vs Q3 2019***

PPHE Hotel Group, the international hospitality real estate group which develops, owns and operates hotels and resorts, announces a trading update for the Group's Q3 period (30 June 2022 to 30 September 2022).

**Q3 Financial Performance**

- Total revenue of £129.6 million, up 71.1% vs Q3 2021, and up 7.1% on Q3 2019 levels.
- Performance driven by strong trading throughout the quarter, particularly the London and Croatian summer season, and maintaining focus on room rates.
  - The Group's London assets delivered a very strong quarter, with July and September benefiting from unusually elevated demand. Even after adjusting for this effect, the underlying average room rate progression against Q3 2019 was notable. On a headline basis, average room rates in London for Q3 2022 were up 33.3% vs Q3 2019.
  - The Group's Croatian assets (comprising both hotel and premium campsites) performed ahead of initial expectations over the important summer holiday period. Revenue for Q3 2022 was 17% ahead of the Q3 2019 comparative, with average room rates ahead by 30.8%.
- For the Group as a whole, the average room rate increased to £175.0, up 50.5% vs Q3 2021, and up 30.5% on pre-pandemic Q3 2019 levels. The Group's rate-led strategy means that it can continue to better navigate inflationary pressures.

**Continued strategic progress**

- Grand Hotel Brioni Pula, Croatia, has performed well since it was relaunched as a Radisson Collection Hotel, the first PPHE hotel to operate and be marketed under the Group's extended partnership with Radisson Hotel Group.
- Good progress on the +£200 million development pipeline, with all development works progressing in line with plans, including London Hoxton (opening H1 2024), Zagreb (opening Q2 2023), Rome (opening H2 2023).
- Works on art'otel London Battersea Power Station, which will be operated by the Group under a management agreement through its hospitality platform, are nearing completion.

**Current trading & outlook**

- The strong demand and forward booking momentum seen in Q3 has continued into Q4 2022.
- The leisure segment remains robust across all regions, and the Group is seeing increasing numbers of bookings from corporate travel and the meetings and events segment.
- As a consequence of the unusually elevated demand for the Group's London properties in July and September, coupled with continued strong demand and booking momentum into Q4 2022, the Group is on track to exceed market expectations\* for reported total revenue and EBITDA for the financial year ending December 2022.

- Whilst macroeconomic challenges and inflationary pressures remain, particularly around the elevated cost of energy, the investments made in technology, automation and energy efficiency, alongside the rate-led strategy, remain key to mitigating industry-wide cost pressures.

*\* PPHE compiled analyst consensus forecast range for the year ended 31 December 2022 shows a total revenue of £255.8m - £301.0m and EBITDA of £79.2m - £85.6m*

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

“We are extremely pleased with our continued strong trading performance despite well-documented macroeconomic challenges, perfectly reflecting our successful rates-led growth strategy. Our Q3 performance is now at levels above those pre-pandemic. Occupancy continues to rebuild as travel returns, but our steadfast focus on rates means we are not wholly reliant on high occupancy to generate attractive returns.

We have also continued to progress our development pipeline and remain excited about the prospects for our upcoming new hotel openings.

While macroeconomic pressures continue to impact our industry, we remain confident about the Group’s ability to grow revenues and EBITDA through its rate-led strategy.”

**Reported key financial statistics**

*For the three months ended 30 September 2022 (unaudited)*

|                        | Three months ended<br>30 September<br>2022 | Three months ended<br>30 September<br>2021 | % change  | Three months ended<br>30 September<br>2019 | % change    |
|------------------------|--|--|-----------|--|-------------|
| Total revenue          | £129.6 million                             | £75.7 million                              | 71.1%     | £121.0 million                             | 7.1%        |
| Total room revenue     | £90.8 million                              | £44.2 million                              | 105.5%    | £83.6 million                              | 8.6%        |
| Occupancy <sup>1</sup> | 70.8%                                      | 54.3%                                      | 1.650 bps | 86.7%                                      | (1.590) bps |
| Average room rate      | £175.0                                     | £116.3                                     | 50.5%     | £134.1                                     | 30.5%       |
| RevPAR                 | £123.9                                     | £63.1                                      | 96.4%     | £116.3                                     | 6.6%        |

*For the nine months ended 30 September 2022 (unaudited)*

|                        | Nine months ended<br>30 September<br>2022 | Nine months ended<br>30 September<br>2021 | % change  | Nine months ended<br>30 September<br>2019 | % change    |
|------------------------|---|---|-----------|---|-------------|
| Total revenue          | £242.7 million                            | £101.4 million                            | 139.3%    | £276.3 million                            | (12.1)%     |
| Total room revenue     | £172.7 million                            | £57.8 million                             | 198.7%    | £192.7 million                            | (10.4)%     |
| Occupancy <sup>1</sup> | 56.6%                                     | 28.8%                                     | 2.780 bps | 80.6%                                     | (2.390) bps |
| Average room rate      | £157.1                                    | £110.5                                    | 42.2%     | £126.8                                    | 24.0%       |
| RevPAR                 | £89.0                                     | £31.8                                     | 179.8%    | £102.1                                    | (12.9)%     |

<sup>1</sup> Occupancy is calculated based on the full available room inventory for the period (including the days when the hotels were closed due to Covid-19) except for Croatia where, consistent with previous years, the available room inventory includes only the days when the hotels were open during the summer season.

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## **Notes to Editors**

PPHE Hotel Group is an international hospitality real estate company, with a £1.8 billion portfolio, valued as at December 2021 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)

## **For reservations**

[www.parkplaza.com](http://www.parkplaza.com) | [www.artotel.com](http://www.artotel.com) | [www.arenahotels.com](http://www.arenahotels.com) | [www.arenacampsites.com](http://www.arenacampsites.com)