

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 2021.

Summary

- Demand remains strong and, based on our experience in Q3 in the UK and Croatia, the Group expects a rapid uplift when current restrictions are eased driven by the attractive locations of the Group's hotels and a strong recovery in room rates across the portfolio.
- Trading in Q4 was impacted by certain regional restrictions, which led to reduced occupancy levels, albeit to a lesser extent than experienced during previous waves of the pandemic.
- The Group is well-placed to take advantage of a rebound in demand across customers' leisure and business segments alike due to our strategic locations, operational efficiency, continued investment in property repositioning, wellbeing and training of our team members and success of newly introduced guest experience initiatives such as online check-in, digital key and guest services apps.

Strategic progress amid the second year of the pandemic

Notwithstanding the continued disruption on a macroeconomic level, the Group continued to make strategic progress including:

- Raising £113.7 million of cash to pursue new growth opportunities by entering into a joint venture partnership with Clal Insurance on two of the Groups' London properties; and
- Progressing its development and repositioning programmes in line with plans, including:
 - Construction of art'otel london hoxton (UK) (343 rooms and 51,505 sq ft of lettable office space); expected to complete in H1 2024
 - Repositioning of Hotel Brioni in Pula (Croatia) (227 rooms); expected to open in H1 2022
 - Construction of a premium lifestyle hotel in Zagreb (Croatia) (115 rooms); expected to open H1 2023
- Two acquisitions in Q4, one in the Group's leisure and outdoor segment and the other in a key capital city centre location. These two acquisitions expand the Group's presence into two new markets, Austria (FRANZ Ferdinand Mountain Resort in Nassfeld (144 rooms)) and Italy (Londra & Cargill Hotel, a 4-star property in Rome city centre (101 rooms)). The hotel in Rome is planned to undergo a significant repositioning programme starting in H1 2022 and it is anticipated that this property will relaunch in H1 2023.
- art'otel london battersea power station (164 rooms) expected to open H2 2022 and will be operated by the Group under a management agreement.

2021 financial performance

- Reported Group room revenue for the year was £84.4m, up 32.7% vs 2020 (2020: £63.6m) and at 33.7% of the levels reported in the comparative period in 2019. Reported RevPAR was £35.9, up 22.1% vs 2020 and at 34.6% of the levels reported in 2019, reflecting occupancy of 30.7% (2020: 28.0%) and increased average room rate of £117.0 (2020: £105.1).
- The Group's financial position remains strong, with £213.5m cash available as at 31 December 2021 (30 September 2021: £262.7m), comprising a cash position of £136.7m at 31 December 2021 (30 September 2021: £185.5m), and further access to undrawn facilities of £76.8m (30 September 2021: £77.2m).

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

“Despite ongoing difficult trading conditions, we are very pleased to have outperformed the market where restrictions have eased and maintained our strategic progress. We are confident that trading in the year ahead will improve, with countries taking less restrictive strategies on managing the pandemic. Our recovery is supported by a strong financial position and our well-invested estate.

“Whilst uncertainties around the continuation of the pandemic remain, and the momentum reported in Q3 was impacted by concerns and complications arising from the emergence of the Omicron variant, we know that demand for our hotels continues to be strong, as consumers look forward to travelling where possible. Our market-leading offer positions us favourably to welcome back an increasing number of customers across our operating markets during 2022 and beyond.”

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 December 2020 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