

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

**Trading Update**

***Good Q3 trading momentum in the UK and Croatia***

PPHE Hotel Group, the international hospitality real estate group which develops, owns and operates hotels and resorts, announces an update on the Group's trading for the three-month period and nine months ended 30 September 2021.

**Summary**

- Good Q3 trading momentum and revenue performance in the UK and Croatia, with a strong recovery in average room rates to 87% of Q3 2019 levels, reflecting rate focused strategy.
- Continued investment in long-term growth through property repositioning and portfolio expansion.
- Encouraged by improving demand into the fourth quarter, supported by less restrictions on international travel, booking pace momentum, and increased demand for corporate travel and meeting and events.

**Current Trading**

Since the end of September, the Group's positive trading momentum has continued, with increased demand from international as well as domestic guests. Following months of limited travel from the UK to the Netherlands due to restrictions, the UK is once again the largest source market for future bookings to the Netherlands. Corporate travel and meetings and events continue to grow, driving increased demand from these segments week-by-week. Meeting and event enquiries for the UK properties have been increasing for five consecutive months, although are still behind 2019 levels.

While not immune to macroeconomic and industry headwinds, particularly in reference to the well-known labour shortages in the UK (the Group's largest region), the Group has initiatives in place to help mitigate the impact of these external factors on the Group's operations. Notably, in the UK the Group has an in-sourced housekeeping function, and it is an award-winning and industry recognised employer, named '*Top-6 Best Places to Work*' and winner of '*Best Employer*' by The Caterer, a leading UK hospitality industry trade publication, and winner of the '*HR Team of the Year Award*' (HR in Hospitality Awards).

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

"The positive Q3 momentum was driven by a strong recovery in average room rate across the Group's portfolio, outperformance of our hotels in the UK and a strong summer season in Croatia. As we enter the final quarter of the financial year, we are encouraged by the continuation of the positive momentum seen in the third quarter, and signs that booking lead times have increased.

"While the Group is not immune to the pressures affecting the wider hospitality market across our markets, particularly in the UK, over the past few years the business has taken important steps to minimise the impact on our operations, including the in-sourcing of a number of operational functions and a focus on positioning the Group as an employer of choice.

“While cautious about any potential impact from economic uncertainties and the ongoing pandemic, we remain focused on driving forward the strong momentum achieved during the past three months, supported by our flexible model and well-invested portfolio.”

### Q3 Financial Performance

- Total revenue of £75.7 million, up 142.2% vs Q3 2020, and at 62.5% of the levels reported in the comparative period in 2019. This was underpinned by good leisure demand and robust average room rates.
- Strong recovery in average room rate to £116.3, up 20.4% vs Q3 2020, and at 86.7% of Q3 2019 levels, reflecting the Group's rate focused strategy. Gradual improvement in occupancy, with higher weekend levels due to domestic leisure demand. International travel started to regain momentum, particularly towards the end of the quarter. RevPAR was £63.1, up 119.1% vs Q3 2020, and at 54.3% of Q3 2019 levels.
- In Croatia, revenue in Q3 was approximately 90% of 2019 revenue with strong demand from Germany, Austria and other CEE countries, despite the delay in opening for the season, travel restrictions in place for the UK (an important source market) and a reduced number of flights.
- The Group's financial position remains strong, with £262.7 million cash available as at 30 September 2021 (30 June 2021: £237.9 million). This comprised net cash of £185.5 million (30 June 2021: £177.9 million) and access to undrawn facilities of £77.2 million (30 June 2021: £60 million).

### Corporate and strategic progress

- In the UK, Park Plaza Victoria London and Park Plaza London Waterloo operated as UK government Covid-19 quarantine hotels. These agreements cease in early November 2021 after which these hotels will reopen to the general public.
- Strategic investment and repositioning programme continued in line with plans:
  - Construction at art'otel london hoxton remains on track to complete in 2024
  - Entered final stages of the repositioning programme at Croatian flagship property Hotel Brioni in Pula, expected to open H1 2022
  - Commenced construction of a premium hotel in Zagreb, Croatia, expected to open Q4 2022
- Contracted to acquire the 4-star FRANZ Ferdinand Mountain Resort Nassfeld, Austria in September, for an aggregate purchase price of £12.9 million, in line with the Group's strategy to increase its presence in the Central Eastern Europe and DACH regions.

### Key Financial Statistics

*Key financial statistics for the three months ended 30 September 2021 (unaudited)*

	Reported				
	Three months ended 30 September 2021	Three months ended 30 September 2020	% change	Three months ended 30 September 2019	% change
Total revenue	£75.7 million	£31.2 million	142.2%	£121.0 million	(37.5)%
Total room revenue	£44.2 million	£18.6 million	137.7%	£83.6 million	(47.2)%
Occupancy <sup>1</sup>	54.3%	29.8%	2,440 bps	86.7%	(3,250) bps
Average room rate	£116.3	£96.6	20.4%	£134.1	(13.3)%
RevPAR	£63.1	£28.8	119.1%	£116.3	(45.7)%

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

*Key financial statistics for the nine months ended 30 September 2021 (unaudited)*

	Reported				
	Nine months ended 30 September 2021	Nine months ended 30 September 2020	% change	Nine months ended 30 September 2019	% change
Total revenue	£101.4 million	£93.1 million	9.0%	£276.3 million	(63.3)%
Total room revenue	£57.8 million	£58.1 million	(0.5)%	£192.7 million	(70.0)%
Occupancy <sup>1</sup>	28.8%	32.8%	(400) bps	80.6%	(5,180) bps
Average room rate	£110.5	£106.5	3.7%	£126.8	(12.8)%
RevPAR	£31.8	£35.0	(9.0)%	£102.1	(68.8)%

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

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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](http://www.pphe.com) | [www.arenahospitalitygroup.com](http://www.arenahospitalitygroup.com)

## For reservations:

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