

AHV Hospitality Newsletter

A Monthly Publication of AHV Associates



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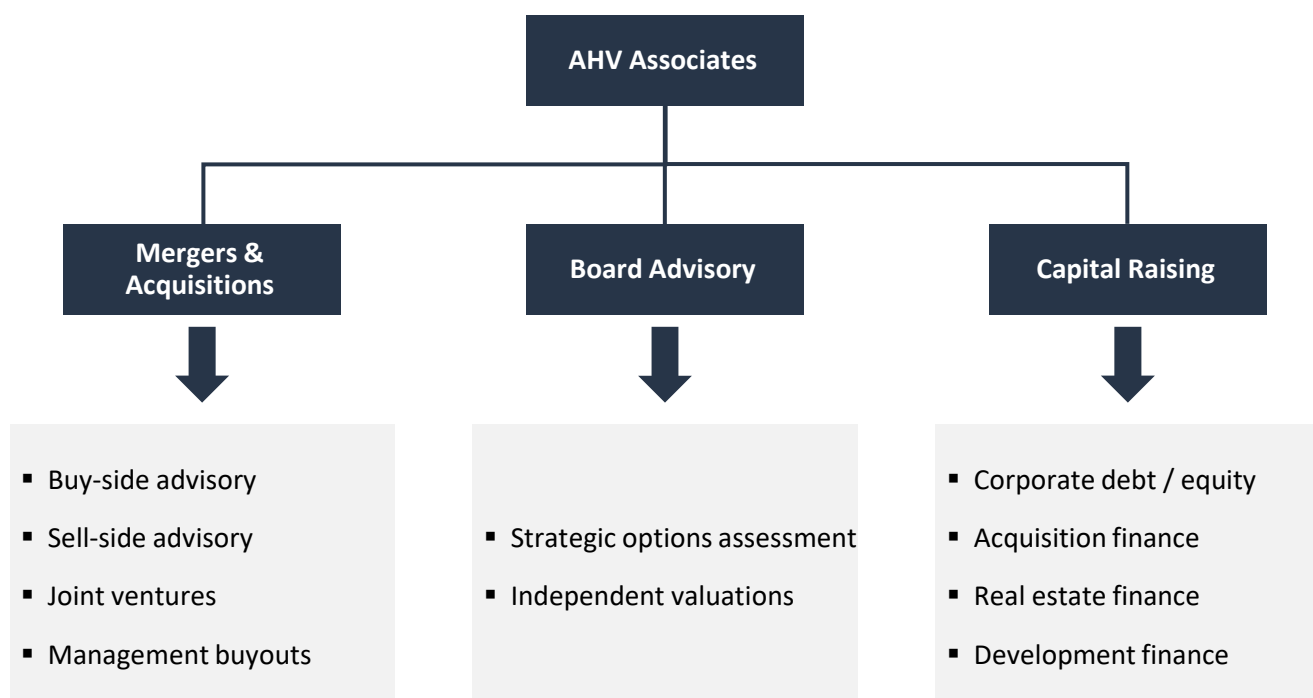
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AHV
ASSOCIATES

ABOUT US

- ❑ Co-founded in 2001 by Andrew Harrington, AHV Associates LLP (AHV) is a London-based boutique investment bank focused on advising private companies across a range of M&A and capital raising assignments.
- ❑ AHV specializes in hospitality and has worked with companies that own and/or operate hotels, apart-hotels, serviced apartments, hostels and mixed-use resorts.

WHAT WE DO



AHV Associates LLP is authorized and regulated by the **Financial Conduct Authority**



Economic Trends

The UK economy beat expectations in Q1 growing by 0.1% driven by lower energy prices, stronger global growth and improving consumer and corporate confidence. However, the BOE has warned it will not hit its 2% inflation target until 2025 after announcing its 12th consecutive rate hike, raising rates to 4.5% their highest level in 15 years. Inflation still remains very high at 7.8%, but is expected to drop to 5% by the end of this year.

France and Germany have seen inflation fall faster than expected hitting their lowest levels for a year, raising hopes that interest rates have peaked in the Eurozone and the ECB might stop raising rates by July. Despite this, Germany entered into recession after contracting 0.3% in Q1 2023 with German industrial production suffering its biggest drop for 12 months.

In the stock market, the AHV Hospitality Index fell by 4.32% MoM, despite Sonder and NH Hotels increasing by 73.1% and 27.1% respectively.

Hotels and Hospitality Performance

European hotel market continued its robust recovery in Q1 2023 underpinned by pent-up demand and return of corporate travel. While occupancy levels remained 5% below 2019, ADR grew by 19% which resulted in RevPAR surpassing 2019 levels by 13%. Most countries recorded double-digit RevPAR growth in Q1 2023 with Lithuania, Turkey, Ireland, Croatia and France leading the way.

The last 12 months has seen demand for hotels in Europe bounce back strongly in leisure destinations driven by domestic tourism. International tourist arrivals have also recovered in Western Europe with levels exceeding 2019 levels, however the CEE markets continue to lag due to the war in Ukraine.

Transactions Activity

According to Cushman & Wakefield, Europe saw €4.1bn of investment activity in Q1 2023, which was 18% higher compared to the same period last year. This was driven by several major transactions and deal pipeline suggests an uptick in activity for the second half of 2023. 76% of capital was from European buyers with 50% of volume invested in upscale and upper upscale hotels.

Financing for deals is likely to be a challenge due to rise in the cost of debt, with Interest Cover Ratio being the key focus to lenders. There is a substantial amount of capital available to lend but lenders will become more selective. Companies with short-term floating-rate are vulnerable to both rising debt service and refinance risks, which might force some transactional activity.

With the normalisation of trading performance, some hotel groups have been very active in the transactional market. The most notable transactions have been:

- Fattal Hotel group acquiring the 201-key Grand Brighton Hotel for £60m
- Staycity group purchasing a site in Stratford for 240-unit aparthotel for a total investment for acquisition, design, planning and construction of £40m
- Marriott's acquisition of the City Express brand from Mexico's Hoteles City Express for \$100m
- Hyatt Hotels acquiring soft brand Mr & Mrs Smith for £53m

TRADING PERFORMANCE OF HOTEL COMPANIES

Company Name	Price Change (MoM)	Price Change (YoY)	Market Cap (€ mm)	EV (€ mm)	EV/ Rev (FY+1)	EV/ EBITDA (FY+1)	Net Debt/ EV
Accor	(3.6%)	3.4%	8,230	9,900	2.1x	10.7x	17%
Airbnb	(8.3%)	(6.0%)	71,213	62,348	6.7x	26.3x	NA
Choice Hotels International	(11.0%)	(10.7%)	6,386	7,899	4.6x	13.3x	19%
Covivio Hotels	3.3%	(2.0%)	2,500	5,160	11.2x	15.2	52%
Dalata Hotel Group	(6.4%)	0.4%	1,020	1,770	3.0x	8.8x	NA
Fattal Holdings	4.7%	(19.3%)	1,292	5,868	NA	NA	NA
Hilton Worldwide Holdings	(5.5%)	(1.7%)	41,344	50,649	4.6x	15.6x	18%
IHG	(4.2%)	7.0%	12,472	14,500	6.6x	13.3x	14%
Mandarin Oriental International	(6.6%)	(11.4%)	2,404	2,941	NA	NA	18%
Marriott International	(0.9%)	(1.6%)	57,464	69,400	2.8x	14.4x	17%
Melia Hotels International	1.6%	(20.5%)	1,280	4,180	2.4x	10.2x	69%
NH Hotel Group	27.1%	17.5%	1,780	4,130	2.5x	8.8x	NA
Pandox AB	(8.5%)	(15.5%)	1,924	4,960	8.47x	14.4x	61%
Pierre et Vacances	(0.1%)	(77.4%)	740	3,370	0.99x	13.9x	78%
PPHE Hotel Group	(2.4%)	(34.8%)	543	1,640	3.13x	10.6x	67%
Scandic Hotels Group	7.2%	0.5%	603	4,266	2.37x	8.9x	86%
Sonder Holdings	73.1%	(67.9%)	68	1,406	0.22x	(1.01x)	31%
Whitbread Plc	1.2%	25.0%	7,459	11,843	3.76x	11.4x	37%
Wyndham Hotels & Resorts	0.0%	(13.6%)	6,182	8,254	5.75x	12.2x	25%
Average					4.2x	13.0x	
Median					3.1x	12.2x	

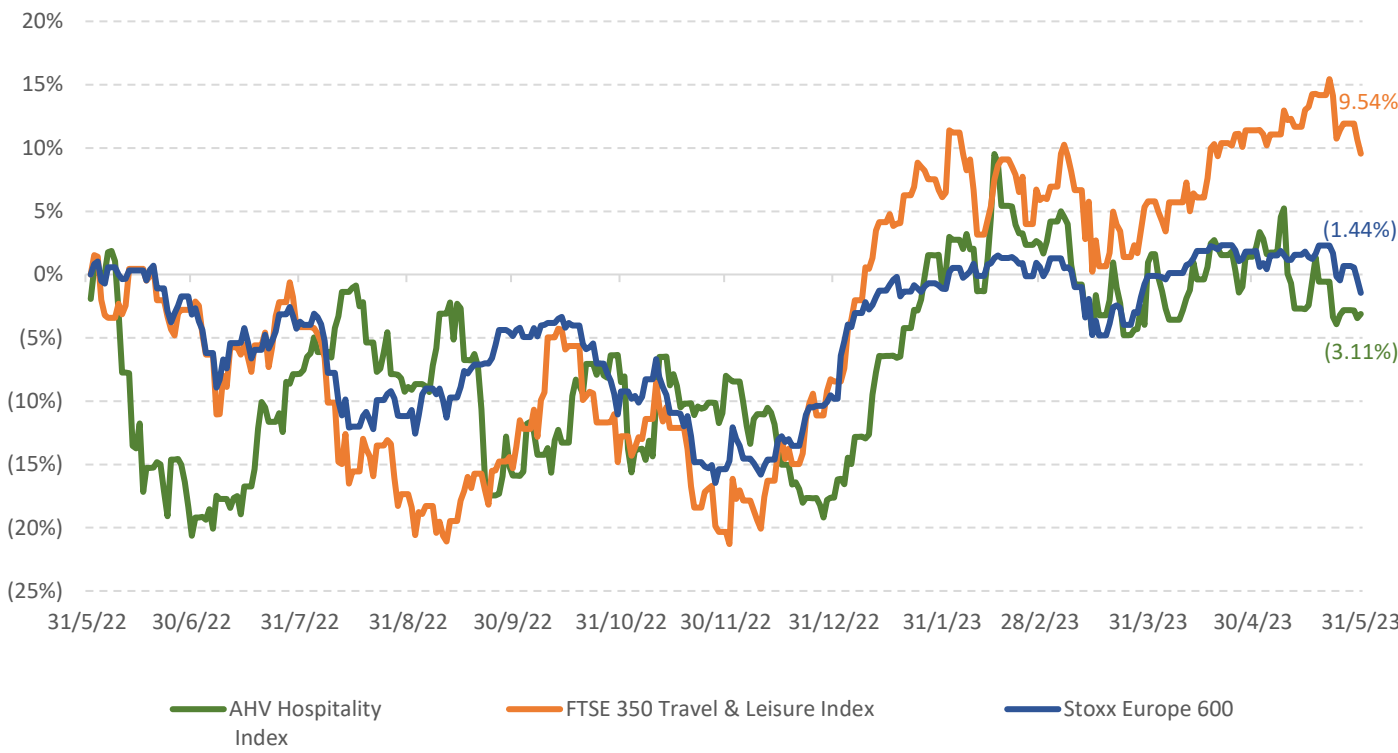
Metrics reported in the table include impacts of IFRS 16

Source: Yahoo Finance, Market Screener

Trading performance of hotel companies included in the AHV Index as of 31/05/2023

AHV INDEX UNDERPERFORMS ON AN ANNUAL BASIS

The AHV Hospitality Index is a market-cap weighted index of the 19 hotel companies with a significant European presence listed above. AHV Hospitality Index performance is compared to the broader hospitality industry index performance (FTSE 350 Travel & Leisure Index) and overall market (Stoxx Europe 600 Index) in Europe.



AHV HOSPITALITY INDEX UNDERPERFORMS MOM



Source: Yahoo Finance, Investing.com



UK: Hyatt to buy London-based hotel booking platform Mr & Mrs Smith

Hyatt Hotels Corporation is acquiring London-based hotel booking platform Mr & Mrs Smith for £53m. The deal will bolster Hyatt's luxury market presence and distribution capabilities, especially in Europe. By integrating Mr & Mrs Smith's properties into Hyatt's booking channels, the company will more than double its global boutique and luxury offerings. The transaction is expected to be completed in Q2 2023, complementing Hyatt's recent acquisitions and franchise agreements

UK: M&G Real Estate sells the Travelodge Gatwick Airport Central in the UK

M&G Real Estate, the investment arm of Prudential plc in the UK and Europe, has sold the 400-room Travelodge Gatwick Airport Central to an unnamed overseas investor for £40m (£100,000 per room). The sale yielded a net initial yield of approximately 7%. The property is leased to Travelodge Hotels until 2049, generating an annual rent of over £3m. The hotel underwent a thorough refurbishment in 2021, upgrading its 400 rooms, common areas, and café space

UK: Fattal Hotel Group acquires Grand Brighton Hotel following £43.7m loan

Fattal hotel group secured a £43.7m loan from Leumi UK for the acquisition and refurbishment of the Grand Brighton hotel. The 159-year-old seafront property was purchased for an estimated £50-£60m. Fattal plans to invest significantly in preserving its iconic status

UK: Newmark Outlines £90.92m Gerald Eve Acquisition

Newmark acquired UK real estate adviser Gerald Eve for \$114.8m (£90.92m). The deal consisted of cash, contingent consideration, and accrued liability. The acquisition contributed \$9.3m to Newmark's revenues for the three months ending March 2023. This acquisition positions Newmark as a major player in the UK commercial real estate advisory market. It follows Newmark's previous acquisitions of BH2, McCall & Almy, and Open Realty

UK: Staycity acquires £40m Stratford site

Staycity Group has acquired a site in Stratford, London for a £40m investment in a 240-unit aparthotel. The development will have studios, one-bedroom apartments, and amenities, emphasizing sustainability. Staycity's first unconditional site acquisition will be forward-funded after securing planning consent. The long leasehold was purchased from a private client, with the freehold owned by Unibail-Rodamco-Westfield

DE: Whitbread acquires portfolio of six hotels in Germany and Austria

Whitbread, owner of Premier Inn, has completed the acquisition of a portfolio of six hotels totalling 900 rooms in Germany and Austria for £28.4m (£31,600 per room). The hotels will undergo refurbishment, resulting in an estimated pre-tax loss of £10m for the current financial year



DE: CRIM acquires future Stayery Bochum in Germany from Kreer Development

Catella Residential Investment Management (CRIM) has acquired the future 90-room Stayery Bochum aparthotel in Germany for approximately €10.5m (€117,000 per room). The aparthotel is being purchased from Kreer Development and is set to be completed in early to mid-2025. Stayery already operates aparthotels in several cities across Germany

ES: Stoneweg Spends Nearly \$92 Million on Two Spanish Seaside Resorts

Geneva-based Stoneweg Hospitality has acquired two Be Live Hotels in Spain from Globalia Business Corporation for €83m (\$91.6m), expanding its portfolio to 1,691 rooms across seven properties, of which over 60% are in Spain's two most popular vacation island destinations, the Balearic Islands and Canary Islands

ES: Hotel101 will build a 736-room hotel in Valdebebas

Hotel101, a Philippine company, is in the final stages of acquiring a 6,000 square meter plot of land in Valdebebas, Spain from Metrovacesa. The company plans to build a 736-room hotel on the site, which is strategically located near Ifema, Adolfo Suárez Madrid-Barajas Airport, and Real Madrid's sports complex. This will mark Hotel101's first venture in Europe as part of its ambitious growth plan to open around 100 establishments worldwide in the coming years

ES: Fluxà family acquires the THB Sur Mallorca in Spain from the Rigo family

The Fluxà family, owners of Iberostar Group, has acquired THB Sur Mallorca, a four-star, 198-room hotel in Mallorca, Spain, from the Rigo family. The hotel will undergo significant renovations, including sustainability improvements, and will reopen in May 2025 as an Iberostar hotel. It features a restaurant, outdoor pool, and sports facilities

ES: Meliá and Adia to create €1bn hotel JV

Meliá and Abu Dhabi Investment Authority (Adia) are nearing a deal to establish a new joint venture in Spain, managing assets worth €1b. The joint venture will include the Equity Inmuebles 17-hotel portfolio valued at €700m, along with Meliá's Calviá Beach project comprising seven properties worth around €300m. Adia emerged as the buyer for the Equity Inmuebles portfolio, as reported by CoStar News last year

ES: Mazabi acquires Aragón Hills Hotel in Formigal

Mazabi has acquired the Aragon Hills & Spa hotel, a 4-star property in the Fromigal-Panticosa ski resort. The hotel offers 157 rooms across 10,000 square meters and attracts over 83,000 annual visitors. Mazabi is now seeking an operator to manage the hotel, which features dining facilities, a terrace, a meeting room, a 50-vehicle parking lot, and a spa with an indoor pool. The acquisition aligns with Mazabi's long-term plan to revitalize and unite the four ski resorts in the Tena and Aragon valleys



ES: RSR Singular buys an office building in Madrid to convert into hotel

RSR Singular Assets Europe, owned by Saudi Arabian family office Rashid Saad Al Rashid & Sons, has invested €24.5m to acquire a 6,745 sqm office property in central Madrid. The property will be converted into a premium hotel, featuring a rooftop terrace, ground-floor restaurant, and lush vegetation to create a unique green space

IT: iAM Capital acquires Italian Riviera campsite to transform into beach resort

London-based private equity firm iAM Capital Group, in partnership with Italian billionaire Andrea Della Valle, has acquired the Capo Mimosa campground and holiday park along Italy's Ligurian Riviera coast. The site will be transformed into a luxurious five-star beach resort valued at over €40m. The resort will feature 90 suites and villas, a beach club, a Michelin-starred restaurant, and spa facilities. This acquisition follows iAM Capital's previous purchase of the five-star Palazzo Sanzio hotel in Rome in 2022

FR: Pestana acquires the future Pestana CR7 Austerlitz in Paris from Kaufman & Broad

Portuguese hotel group Pestana has acquired the future Pestana CR7 Austerlitz hotel in Paris from Kaufman & Broad. The 210-room hotel is part of Kaufman & Broad's Evolution development project and will be the sixth location for the Pestana CR7 brand. The hotel, created in partnership with Cristiano Ronaldo, will feature a rooftop swimming pool and bar with panoramic views. With an estimated investment of €60m, it is set to be completed in 2027

PT: Rolear Group acquires Amendoeira Golf Resort in Algarve

Rolear Group has acquired the residential-tourism resort in Alcantarilha, Algarve. After managing the project for five years, Kronos Homes has successfully sold the resort as part of its divestment from the portfolio acquired from the Oceânico Group in 2018. Kronos Homes has repositioned and upgraded the resort's infrastructure, including the addition of two Padel courts, resulting in the successful sale of all 241 properties to national and international buyers

CZ: S IMMO acquires Courtyard by Marriott Prague City as part of Czech portfolio

Vienna-based S IMMO AG has acquired a Czech Republic portfolio from CPI Property Group, including three office buildings and the Courtyard by Marriott Prague City hotel, for €167.7m. The portfolio generates €8.4m in annual income, with the hotel contributing approximately €1.1m. CPI Group holds 88.4% of S IMMO's shares

US: Marriott International acquires City Express hotel brand

Marriott International has entered the affordable midscale segment by acquiring the City Express brand portfolio of hotels from Hoteles City Express. This acquisition solidifies Marriott's position as the largest hotel company in the Caribbean and Latin America, with over 480 properties in the region. It also marks the launch of Marriott's 31st brand, City Express by Marriott



UK: Meliá White House undergoes £40m transformation

Meliá Hotels International has revealed the £40m transformation of its flagship UK hotel and serviced apartments, Meliá White House. The four-star deluxe hotel is alongside Regent's Park, near central London, and Primrose Hill. The architecture and interior project team, ASAH was behind the renovation. The 1930s Grade II listed building, Meliá White House, is now a destination hotel with 581 bedrooms and suites, restaurant, bar, meetings spaces, lobby and members-style The Level service and lounge. The property also includes 111 long-stay apartments, a 24-hour fitness studio and 9 meeting and events spaces

UK: Flying Butler rebrands as Viridian Apartments

Serviced apartment operator Flying Butler Apartments is rebranding and relaunching as Viridian Apartments. With a 25-year legacy, the company aims to provide comfortable and well-connected serviced apartments in London and the south-east. The name "Viridian" reflects the company's ambitious growth plans and commitment to creating empowering living spaces. The new brand will feature a bluish-green colour palette

UK: Inflation Fails to Dent Upswing in Demand for Hotel Rooms

UK hotels maintained their upward trend with a strong 18% growth in revenue per available room compared to 2019 levels in the first quarter

UK: UK Hotel transaction volumes reached almost £0.6b for Q1 of the year

Transactional activity in the UK rebounded in the first quarter of the year, more than doubling compared to the previous quarter. However, the deal volume remained below the five-year quarter average of £1.2bn. The completed deals were predominantly single asset transactions, with limited portfolio activity. Sales were evenly split between regional UK and London properties. UK corporate investors accounted for over 40% of the transactions, followed by UK institutional investors at 23%. Experienced hotel owners, including hotel investment groups and corporate operators, were the most active buyers in the market

UK: King's Coronation Drives London Hotel Rates, Revenue Growth

London hotels experienced a significant boost in ADR and RevPAR during King Charles III's coronation weekend. ADR increased by an average of £60.12 per day, while RevPAR grew by £40.31 per day compared to the same weekend in 2022. However, occupancy saw a slight decline of 1.97% per day

DE: Hilton to open new hotel in Berlin

Hilton and Blackstone are teaming up to open DoubleTree by Hilton Berlin Ku'damm, the brand's first hotel in Berlin. The property, with 420 guest rooms, will open next month after a multi-million euro remodelling. This expands Hilton's presence in the German capital to six properties and strengthens its well-known brand in Germany



DE: Luxury European Resort Hotel Signing For Cycas Hospitality

Cycas Hospitality has been appointed to manage the luxury Grand hotel Bad Pyrmont spa hotel in Germany. The 5-star hotel consists of two properties with a total of 195 rooms, including suites. The hotel will undergo a €20m refurbishment to enhance the guest experience, particularly in its wellness facilities. With dedicated spa space and access to outdoor activities in the surrounding region, the hotel offers a comprehensive wellness retreat for leisure visitors

DE: New hotel brand Lyvlnn launches with first property in Frankfurt, Germany

Lyvlnn, a new European hotel brand founded by Navneet Bali, has opened its first property in Frankfurt. The 164-room hotel offers a unique "hybrid" concept with flexible accommodations, co-working spaces, and social areas. It aims to provide a vibrant atmosphere for young individuals to stay, work, play, and connect. The ultimate goal of Lyvlnn is to establish a presence in major European cities

ES: Grand Hyatt La Manga Club Golf & Spa opens

Hyatt Hotels Corporation has opened its first hotel in Spain and the fourth operating under the luxury brand in Europe, Grand Hyatt La Manga Club Golf & Spa. The luxury hotel, located in Murcia, has undergone extensive refurbishment and offers 192 guestrooms with stunning views of Calblanque natural park and the Mediterranean Sea

GR: Mandarin Oriental adding a second Property in Greece

Mandarin Oriental is developing a new hotel and residences in Athens, set to open in 2027. Located on the city's shoreline within The Ellinikon, the project will feature 123 rooms, 17 branded residences, dining options, event spaces, and a comprehensive spa. This follows Mandarin Oriental's partnership for another property in Greece, Mandarin Oriental, Costa Navarino

GR: Hyatt Announces Plans for Zoëtry Wellness & Spa Resorts Brand Debut in Greece

Hyatt Hotels Corporation has announced the addition of Zoëtry Halkidiki to its Inclusive Collection. The luxury resort, set to open in mid-2024, will be located in Halkidiki, Greece, offering stunning views of Mount Olympus and the Aegean Sea. With 105 rooms and suites, the resort aims to provide a relaxing experience for discerning travellers

GR: Banyan Tree to enter Europe with resort in Greece

Banyan Tree Group has signed its first European property, Banyan Tree Varko Bay, set to open in 2026. The resort, located on Greece's Varko Peninsula, aims to provide a sustainable luxury hospitality experience. With 116 villas, 45 residences, and a focus on wellbeing, guests can enjoy breath taking views of the Ionian Sea and access luxury facilities for rejuvenation



GR: Hotels in Greece Change Hands Through Million-euro Deals

Dozens of hotels in Greece, with a total value exceeding €300m, have been sold to new owners. Recent transactions have surpassed €320m. Key sales include the AKS Porto Heli and AKS Hinita Bay hotels, sold to Irish businessman Paul Richard Coulson for around €50m. Additionally, the White Coast Pool Suites hotel on Milos has been acquired by Invel Real Estate and Prodea Investments for approximately €14.85m. The hotel will be operated by Domes Resorts and undergo significant expansion

HU: Marriott to open new hotel in Budapest

Marriott International will introduce its Moxy Hotels brand in Budapest through an agreement with Forestay Group. Construction is scheduled to start in autumn, and the hotel is anticipated to open in 2025. Moxy Budapest Downtown will feature 280 guestrooms and vibrant public social spaces with an industrial chic design and engaging programming

SE: Scandic to launch new hotel in Stockholm

Scandic will debut its Scandic Go brand with the opening of its first hotel in Stockholm in early September. Scandic Go offers affordable and smart accommodation solutions in prime city locations. The hotels feature a sustainable design and offer essential amenities for a convenient stay. Instead of full-service facilities, guests can enjoy a curated selection of meals, beverages, breakfast options, and room experiences at an attractive price

EU: Hotel Transactions See 18% Decline in 2022 as Interest Rates Surge

Hotel transactions in Europe fell short of expectations in 2022 as confidence was hit by the Russian invasion of Ukraine, which fuelled huge increase in energy and food costs, a rise in overall inflation and higher interest rates. Hotel transactions in Europe totalled €13.3b, an 18% decline from the previous year. The average price per room rose by 13% to €235,000 due to price increases in portfolio transactions

Global: Airbnb Rooms Makes its Debut Worldwide

Airbnb has introduced Airbnb Rooms, a new product, along with over 50 new features and improvements, signalling a rebound from the pandemic and anticipating over 300 million guest arrivals this year. Airbnb Rooms offers a budget-friendly option, with more than 80% of private rooms available for an average rate of \$67 per night. The category has redesigned filters and enhanced privacy features. Staying with a host provides the opportunity to meet locals and discover the city from an insider's perspective. Host Passport assists guests in getting acquainted with their host before confirming their stay

Global: PPHE and Radisson Hotel Group accelerate global growth of art'otel brand

PPHE Hotel Group has added its premium lifestyle brand, art'otel, to Radisson Hotel Group's portfolio, expanding the portfolio to ten brands. This move aims to accelerate the global growth of art'otel by leveraging PPHE's iconic properties and Radisson's technology and distribution platforms

TRANSACTIONS

May '23 Activity



Corporate Transactions					
Buyer(s)	Country	Target	Country	Deal Size (mm)	Deal Type
Marriott International	US	City Express Brand	MX	\$ 100	Acquisition
Hyatt Hotels Corporation	US	Mr & Mrs Smith	UK	£ 53	Acquisition

Real Estate Transactions					
Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
Fattal Hotel Group	IL	Grand Brighton Hotel	UK	£ 60	201
Undisclosed	N/A	Travelodge Gatwick Airport Central	UK	£ 40	400
Melford Capital Partners	UK	Plot acquisition of 5-9 Great Newport Street for hotel development	UK	£ 40	N/A
Staycity Group	IE	Site acquisition in Stratford for a 240-unit aparthotel	UK	£ 40	240
Whitbread	UK	Five German hotels & Freehold interest in an Austrian Hotel	DE & AT	£ 28.4	900
RSR Singular Assets Europe	ES	Acquisition of office property in the centre of Madrid for premium hotel conversion	ES	€ 24.5	N/A
Catella Residential Investment Management	DE	Stayery Bochum aparthotel	DE	€ 10.5	90

TRANSACTIONS

May '23 Activity



Real Estate Transactions

Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
Hotel101	PH	Land Plot in Valdebebas	ES	Undisclosed	736
Rolear Group	PT	Amendoeira Golf Resort	PT	Undisclosed	241
Pestana	PT	Pestana CR7 Austerlitz hotel	FR	Undisclosed	210
The Fluxà family	ES	THB Sur Mallorca	ES	Undisclosed	198
S IMMO AG	AT	Courtyard by Marriott Prague City	CZ	Undisclosed	161
Mazabi	ES	Aragon Hills & Spa hotel	ES	Undisclosed	157
iAM Capital Group & Andrea Della Valle	UK	Capo Mimosa campground and holiday park	IT	Undisclosed	90
The Sea Hotel, South Shields	UK	Resource Medical (UK) Limited	UK	Undisclosed	34
Chris Musgrave OBE	UK	Judges Country House Hotel	UK	Undisclosed	21
Ravenwood Hall Hotel	UK	Cameron Ventures Group	UK	Undisclosed	14

MARKET SNAPSHOT (EUROPE)

Macroeconomic Metrics

	Real GDP Growth (vs same quarter last year)	Inflation	Unemployment Rate
United Kingdom	0.1% (Q1 2023)	7.8%	3.9%
European Union	1.2% (Q1 2023)	7.0%	6.5%

FX Rate	Current	MoM (Δ%)	YoY (Δ%)
GBP/EUR	1.164	2.04%	(0.88%)
EUR/USD	1.069	(2.99%)	(0.43%)
GBP/USD	1.244	(0.97%)	(1.27%)

Fixed Income and Equity Markets

Central Banks Interest Rates	Bank of England	European Central Bank	
	4.5%	3.25%	

Sovereign Bond Yield	Current	MoM (Δbps)	YoY (Δbps)
UK 10-Year GILT	4.18%	46.40	207.90
German 10-Year BUND	2.28%	(2.90)	116.10
Italy 10-Year BTP	4.08%	(10.10)	95.00
France 10-Year Bond	2.84%	(5.00)	119.50

Swap Rates	Current	MoM (Δbps)	YoY (Δbps)
3M SONIA – GBP – 5 Year	4.40%	51.90	163.20
3M EURIBOR – EUR – 5 Year	2.89%	3.30	141.40

Interbank Interest Rates	Current	MoM (Δbps)	YoY (Δbps)
SONIA*	4.43%	24.86	348.94
3M EURIBOR	3.46%	18.90	379.80

OAS** Corporate Spread Index	Current	MoM (Δbps)	YoY (Δbps)
S&P Eurozone Investment Grade	1.56%	7.00	8.00
BofA € High Yield	4.64%	(8.00)	(15.00)

European Stock Indexes	Current	MoM (Δ%)	YoY (Δ%)
STOXX Europe 600	452	(3.2%)	3.0%
FTSE 100	7,446	(5.4%)	(1.2%)
DAX 30	15,664	(1.6%)	9.2%
FTSE MIB	26,051	(3.8%)	7.3%
CAC 40	7,099	(5.2%)	10.6%

Market Snapshot (Europe) as of 31/05/2023

*SONIA is the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions

**OAS is Option-Adjusted Spread and the index is constructed using each constituent bond's OAS, weighted by market cap

Source: ECB, FED, S&P Market Intelligence, IMF, ONS, Chatham Financial



Key Industry Publications – May 2023

- **Colliers:** ‘UK Hotel Market Index’ | May 2023
- **Cushman & Wakefield:** ‘EUROPE HOSPITALITY MARKETBEAT Q1 2023’ | May 2023
- **Cushman & Wakefield:** ‘SPAIN HOTELS & BUSINESS’ | May 2023

Hospitality Conferences & Events

- **UKH Summer Conference | 7 June 2023 | London, United Kingdom**

The UKH Summer Conference brings together more than 300 business leaders from across the sector, alongside policy influencers and wider stakeholders, they will discuss the opportunities, reflect on the current outlook and explore the potential for collaboration with government. This year's focus is on how the hospitality sector can be a catalyst for nationwide economic growth. The event will be hosted at Hilton London Bankside.

45th Annual NYU International Hospitality Industry Investment Conference | 4-6 June 2023 | New York, United States

Hosted by the Jonathan M. Tisch Center of Hospitality, the Conference features general sessions, and networking events that provide data, analysis, perspectives, insights, and opportunities. Meet, mingle, and network with the professionals who drive this stimulating, evolving, and fascinating industry. The conference will be held at the New York Marriott Marquis.

APPENDIX I

Corporate Transactions – Recent Notable Activity



Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	Deal Type
May '23	Marriott International	US	City Express	UK	\$ 100	Acquisition
May '23	Hyatt Hotels Corporation	US	Mr & Mrs Smith	UK	£ 53	Acquisition
Apr '23	Bob W	FI	Charly Hospitality	DE	Undisclosed	Acquisition
Mar '23	Blantyre & Fairtree	UK	Crerar Hotel Group	UK	Undisclosed	Acquisition
Feb '23	Fondo Italiano & Eulero Capital	IT	HNH Hospitality	IT	Undisclosed	Acquisition
Jan '23	Sortis Holdings	US	Ace Group International	US	\$ 85	Acquisition
Dec '22	Highgate Hotels	US	Viceory Hotels & Resorts	US	Undisclosed	Acquisition
Nov '22	Palace Resorts	MX	Baglioni Hotels & Resorts	IT	Undisclosed	Majority Stake
Oct '22	L+R	UK	Whitbread	UK	£ 165	Minority Stake
Sept '22	Wyndham Hotels	US	Vienna House	DE	€ 44	Acquisition
Sept '22	GIC	SG	Sani/Ikos Group	GR	Undisclosed	Majority Stake
Aug '22	The Central House (TCH)	ES	Rodamon Hostels	ES	Undisclosed	Acquisition
Jul '22	Angelo Gordon & Westmont Hospitality Group	US & CA	Room Mate	ES	Undisclosed	Acquisition
Jul '22	The Ascott	SG	Oakwood Worldwide	UK	Undisclosed	Acquisition



Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
May '23	Fattal Hotel Group	IL	Grand Brighton Hotel	UK	£ 50-60	201
Apr '23	Ares Management	US	Landsec - 21 properties	UK	£ 400	3,766
Apr '23	Stoneweg Hospitality	CH	La Niña & Palace de Muro	ES	€ 83	410
Mar '23	Pandox	SE	Best Western Stockholm	SE	SEK 400	221
Mar '23	Perial	FR	Dolce Sitge Hotel Barcelona	ES	€ 63	263
Mar '23	Firmdale Hotels	UK	Covent Garden Hotel	UK	£ 55	58
Feb '23	Sistema	RU	Ten Hotels in Russia from Wenaas Hotel	RU	€ 203	n/a
Feb '23	Fattal Group	ISR	Grand Hotel Brighton	UK	£ 60	201
Jan '23	Arp-Hasen	DK	The Square Copenhagen	DK	€ 73.8	268
Jan '23	Davidson Kempner	US	Portfolio of Portuguese Hotels	PT	€ 850	n/a
Jan '23	Blasson	ES	Sofia Hotel Barcelona	ES	€ 230	465
Dec '22	Schroders	UK	Ennismore Amsterdam & Paris	NL & FR	€ 260	283
Nov '22	CPPIB and Hamilton-Pyramid	UK	W Hotel Rome	IT	€ 172	162
Nov '22	Hova Hospitality	FR	Staycity Dublin	IRE	€ 38	340
Oct '22	Fattal Group	IL	Dilly Hotel London	UK	£ 90	280



Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
Sept '22	Patrizia	DE	Two Student Hotels Barcelona	ES	£ 110	635
Sept '22	Pandox	SE	DoubleTree by Hilton Bath	UK	£ 40	176
Aug '22	Crimson Hotels	UK	Trafalgar Square Hotel	UK	£ 130m	131
Aug '22	L+R Hotels	UK	Hotel Excelsior Venice	IT	€ 100	197
Aug '22	Davidson Kempner Capital Management LP	US	Project Crow	PT	€ 850	2,662
Jul '22	Fattal Hotels	ISR	6 Alua Hotels	ES	€ 165	1119
Jul '22	Select Group	UAE	The Mere Golf Resort Knutsford	UK	Undisclosed	81
Jul '22	Universities Superannuation Scheme (USS)	UK	Butlin's Assets	UK	£ 300m	n/a
June '22	Vertiq Capital	IT	Bankside Hotel London	UK	Undisclosed	161
June '22	Brookfield Asset Management	CA	Hotel Princesa Plaza	ES	€ 175	423
June '22	Experimental Group	FR	The Regina Le Garage	FR	Undisclosed	99
May '22	Tristan Capital Partners	UK	QO Hotel (Amsterdam)	NE	€ 92.1	288
May '22	Azora European Hotel and Leisure Fund	ES	Pestana Blue Alvor Hotel	PT	Undisclosed	500
Apr '22	Frogmore and C1 Capital Partners	UK	Hilton Olympia, Park Inn Northampton, Stifford Hall	UK	£ 152	648
Apr '22	Tristan Capital Partners & Queensway Group	UK	Raag Hotels	UK	£ 420	1520

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