

AHV Hospitality Newsletter

A Monthly Publication of AHV Associates



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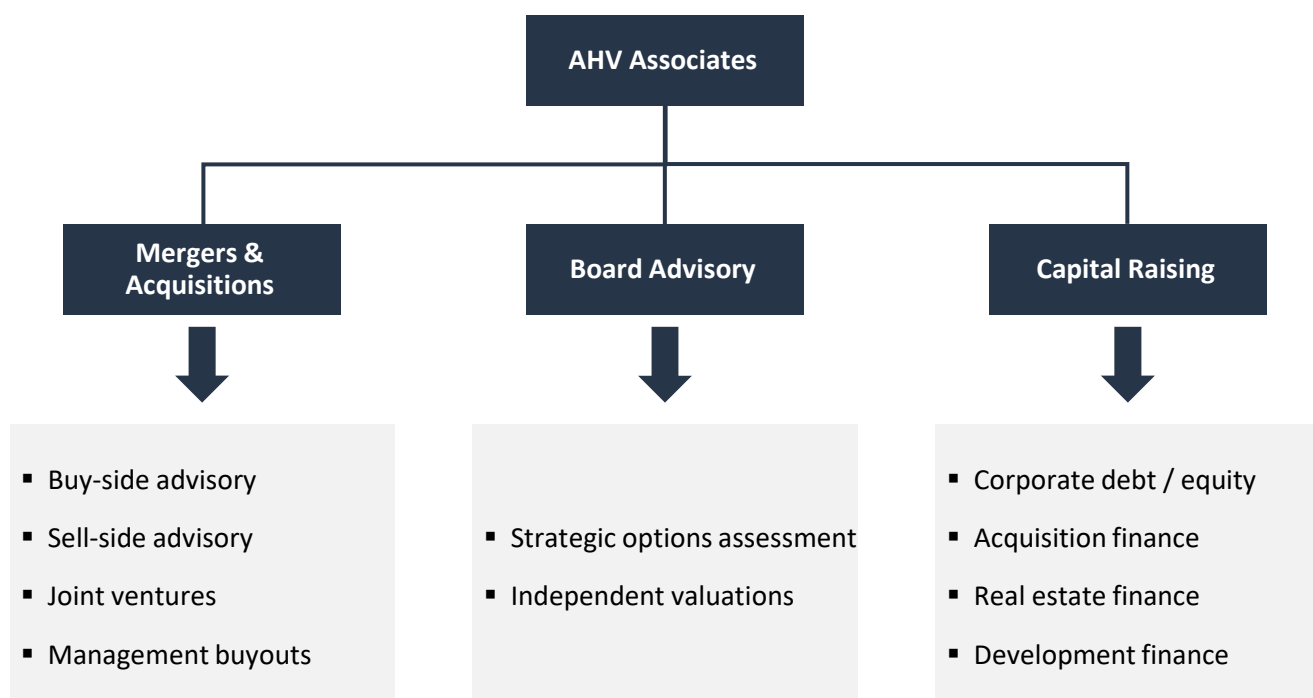
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AHV
ASSOCIATES

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 performed slightly better than expected in the first half of the year and grew by 0.4% in Q2 2023 vs the same quarter last year, with consumer spending remaining resilient, whilst the UK CPI inflation rate cooled to 6.8% in July, down from 7.9% in June. However, positive GDP growth could be short-lived as the effects of higher interest rates has not trickled through to households yet, especially considering that markets expect UK base rate to reach 6% by Feb-23. Expectations are actually centred around a pretty much stagnant or very weak GDP growth for this year and perhaps next. On the positive side, inflation is anticipated to drop to 5% by the end of the year, a faster decline than initially expected.

In the Eurozone, the inflation rate has slowed down to 5.3% this month from 5.5% in July. Despite this, data from major European economies suggest that inflation remains sticky, with Germany and Spain reporting higher than expected inflation figures for August. Germany saw inflation rise by 6.4% in August a smaller than expected dip from 6.5% in July, and Spanish price growth hit a 3-month high. This raises expectations for another ECB rate hike in September.

In the stock market, the AHV Hospitality Index dropped by 5.35% this month, as most hotel groups underperformed in August.

Hotels and Hospitality Performance

The UK hotel market has experienced a post-COVID rebound, with London hotels achieving occupancy rates of 82% in June 2023, a rise of 3.2% vs June 2022. This has been fuelled by robust seasonal demand and a renewed influx of overseas visitors. London Heathrow Airport recorded a 5.2% MoM uplift in overseas arrivals, boosted by a 13.5% rise in passengers from Asia/Pacific.

Overall, Europe's tourist surge over the summer has defied the cost of living crisis. The region's tourism industry has had its best summer since 2019, helped by the increase in American visitors. Portugal was a top performer, welcoming a record 8.2m visitors in H1 2023 breaking the previous record of 7.4m in 2019. Hotel revenues were up 32% YoY at €2.5bn from 13.6m guest bookings, with the largest source markets being the UK, Spain and the US.

The upbeat trend is also reflected in the trading performance of the publicly listed hotel groups announcing their Q2-23 results (see next page)

Transactions Activity

According to Knight Frank, UK transactional activity totalled c.£900m in H1 2023, which was 60% below H1 2022. 70% of the transactions were carried out by specialist hotel-focused investors, HNWIs and family; these investors are well-capitalised and non-reliant on the debt markets. Spain on the other hand experienced a robust hotel investment activity, reaching €1.4bn in H1 2023 only c.14% lower than H1 2022, with most transactions occurring in the luxury segment.

As expected, transaction activity was relatively calm in August due to the holiday season, but the leisure segment saw some major transactions, including the €30m acquisition of Corfu Palace in Greece by Reggeborgh Investor. KSL Capital's acquired Hotel REIT Hersha Hospitality Trust for \$1.4bn.

Q2 TRADING PERFORMANCE (% CHANGE)



Industry

	RevPAR	ADR	Occupancy (absolute)
YoY Results	Q2 23 vs Q2 22	Q2 23 vs Q2 22	Q2 23 vs Q2 22
Dalata Hotel Group	+14.0%	n/a	n/a
IHG	+17.1%	+5.4%	+7.0%
Melia Hotels International	+38.2%	+14.8%	+12.0%
PPHE Hotel Group	+15.0%	n/a	n/a
Sonder Holdings	(1.8%)	+19.8%	n/a
Average	+16.5%	+13.3%	+9.5%

- More releases of Q2 2023 hotel results continue to show positive performance of hotel groups as Q2-23 RevPAR's are up 16.5% compared to Q2-22 for the group of five hotel companies announcing their results in August, boosted this time not only by ADR increases, but also occupancy rate rises.
- The strong performance has been fuelled by the continuous expansion of tourism as consumers prioritise leisure travelling despite the cost of living crisis, something that was apparent in Melia's stellar trading performance as the hotel group is very leisure-focussed. Whilst lagging in terms of recovery, hoteliers are pleased to also see corporate demand drivers bouncing back recently.
- A significant bounce back of corporate demand drivers have also been by the CEO of IHG, Elie Maalouf, who said "Travel demand is very healthy, with RevPAR improving year-on-year across all our markets and exceeding 2019 pre-pandemic peaks for four consecutive quarters. In the Americas and EMEAA regions, leisure demand has remained buoyant and business and group travel continued to strengthen, while in Greater China, demand has rebounded rapidly."
- Gabriel Escarrer, CEO of Melia mentioned that "The global tourism business continues to grow, driven by the increasing priority that post-pandemic consumers place on travel over other spending on goods and services."
- Boris Ivesha, CEO of PPHE stated that "We are very pleased to report a strong performance for the Group across our main markets, with record revenues following significant increases on last year and the pre-pandemic period. This momentum has continued into the second half, giving us confidence in our full-year outlook and longer-term growth."

TRADING PERFORMANCE OF HOTEL COMPANIES

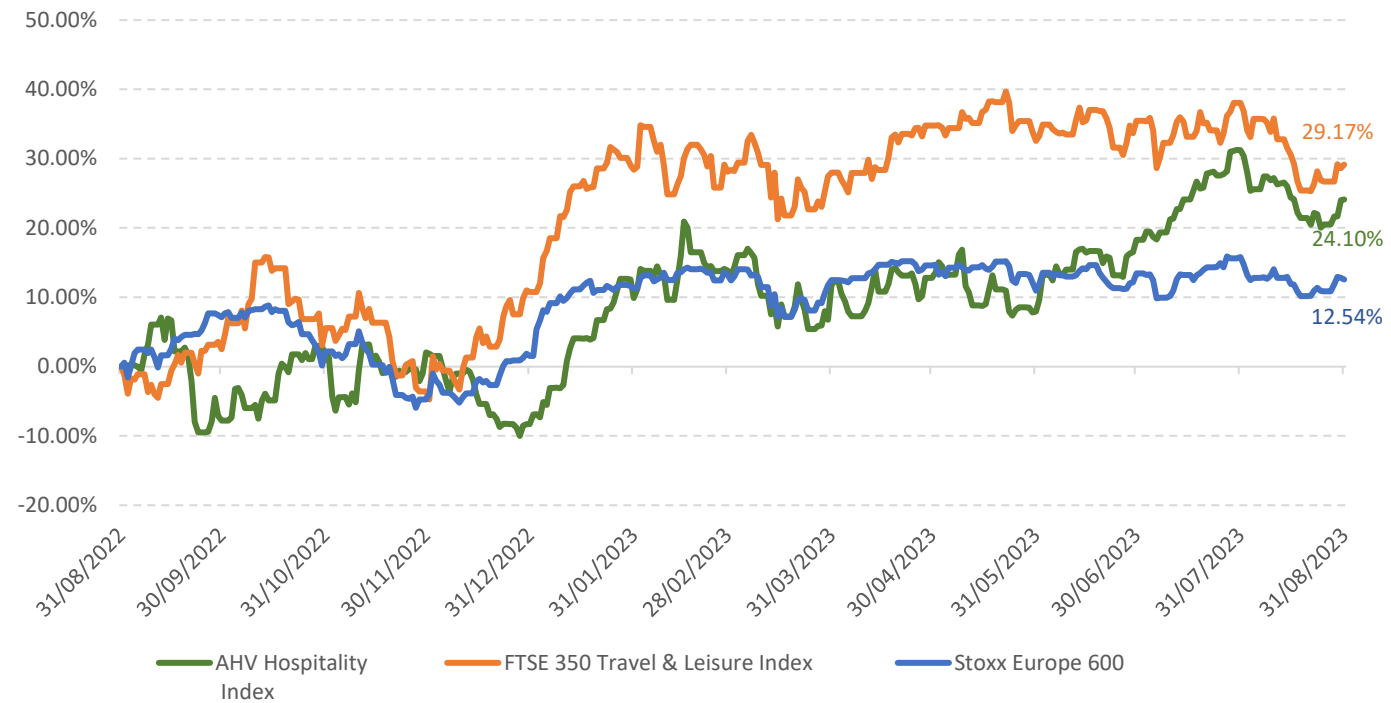
Company Name	Price Change (MoM)	Price Change (YoY)	Market Cap (€ mm)	EV (€ mm)	EV/Rev (FY+1)	EV/EBITDA (FY+1)	Net Debt/EV
Accor	(2.4%)	38.6%	8,895	10,490	2.14x	9.8x	15%
Airbnb	(12.0%)	15.8%	77,224	69,846	8.35x	30.59x	NA
Choice Hotels International	(2.9%)	12.1%	5,878	7,185	5.1x	15.2x	18%
Covivio Hotels	(2.8%)	8.1%	2,560	5,220	11.2x	8.6x	50%
Dalata Hotel Group	(3.0%)	23.0%	961	1,770	2.8x	8.2x	NA
Fattal Holdings	(3.5%)	(9.6%)	1,471	6,285	4.1x	12.9x	NA
Hilton Worldwide Holdings	(2.7%)	18.1%	35,760	43,828	4.9x	19.8x	16%
Hyatt Hotels Corporation	(8.7%)	28.7%	10,837	13,165	2.2x	16.0x	15%
IHG	2.0%	64.1%	11,656	13,708	3.4x	14.3x	12%
Mandarin Oriental International	(2.8%)	(16.1%)	2,029	2,352	4.9x	-112.3x	8%
Marriott International	0.3%	33.6%	55,981	66,804	3.2x	16.7x	16%
Melia Hotels International	(9.0%)	0.4%	1,330	4,060	2.2x	6.9x	66%
NH Hotel Group	(5.3%)	38.3%	1,810	4,010	2.0x	6.3x	NA
Pandox AB	(1.1%)	(7.8%)	1,882	4,981	9.2x	14.9x	60%
Pierre et Vacances	(12.3%)	(30.8%)	614	3,250	2.0x	3.8x	78%
PPHE Hotel Group	4.3%	(14.6%)	537	1,370	4.2x	16.0x	68%
Scandic Hotels Group	(5.1%)	(6.5%)	571	4,531	2.5x	8.5x	86%
Sonder Holdings	(12.9%)	(72.6%)	102	1,438	2.9x	(26.9x)	90%
Whitbread Plc	(1.2%)	37.4%	7,809	12,239	4.0x	11.8x	35%
Wyndham Hotels & Resorts	(2.1%)	16.5%	5,857	7,702	5.9x	14.8x	22%
Average					4.3x	3.4x	
Median					3.7x	12.9x	

Metrics reported in the table include impacts of IFRS 16
 Trading performance of hotel companies included in the AHV Index as of 31/08/2023

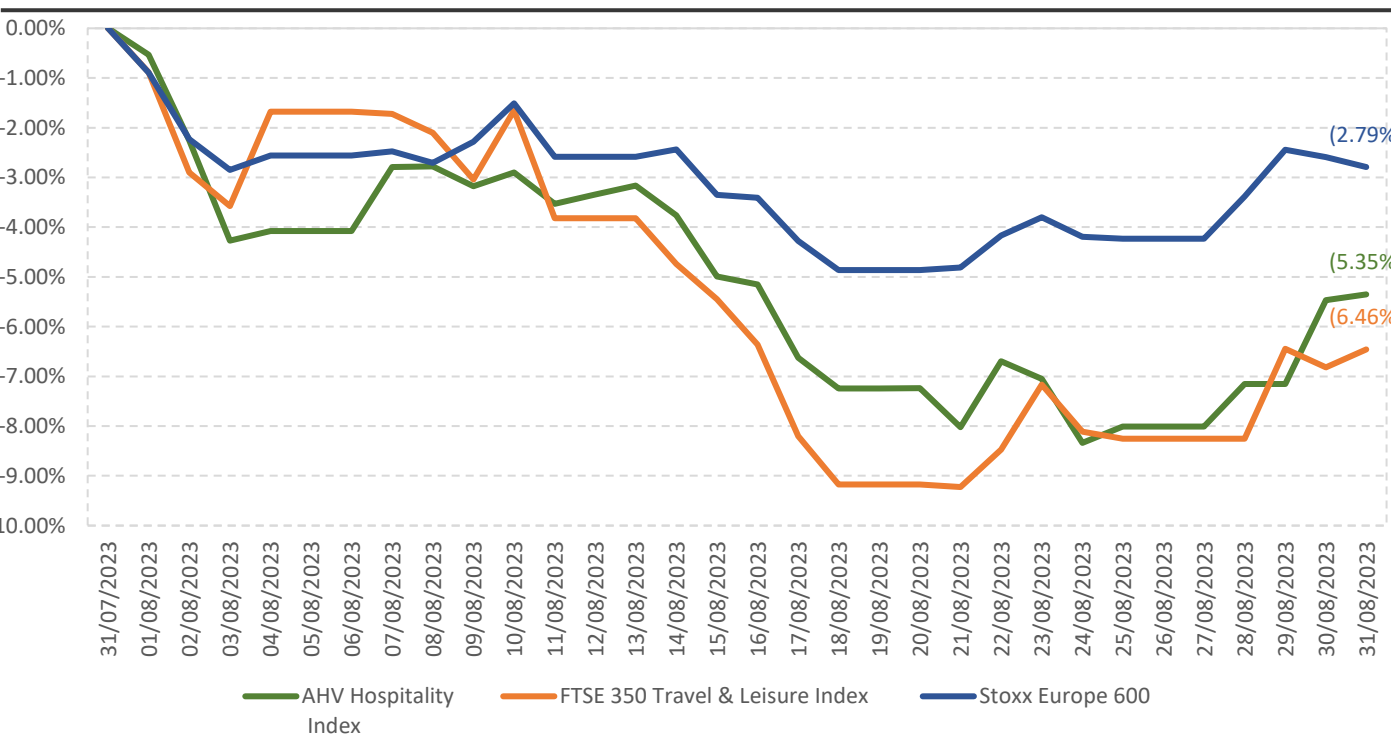
Source: Yahoo Finance, Market Screener

AHV INDEX UNDERPERFORMS ON AN ANNUAL BASIS

The AHV Hospitality Index is a market-cap weighted index of the 20 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 ON A MONTHLY BASIS



Source: Yahoo Finance, Investing.com



UK: Fragrance Weston buy

Singapore's Fragrance Group has acquired the Grand Atlantic hotel in Weston-super-Mare, UK. The hotel, one of the former Coast & Country collection, was sold by Christie & Co.

RBH, which operates 10 other Fragrance hotels in the UK, has been appointed to manage the hotel. Formerly part of Specialist Leisure Group, the hotel went into administration in 2020

UK: UK transaction activity to increase in the next two years

Deal opportunities are forecast to increase over the next 24 months driven by higher interest rates, Christie & Co's Hotels 2023 Mid-Year Review has revealed. The hotel property adviser said that while the UK hotel sector has been able to withstand a challenging trading performance over the first half of 2023 with trading performance expected to maintain its upwards albeit decelerating trajectory, a longer period of high interest rates means many hotels will have to refinance at much higher margins and may have no other option than to sell

UK: Mercure trades

S Hotels & Resorts has acquired the Mercure City in Glasgow, a hotel it already rents, for £7.5m. The 91-room property was sold by Alternative Income Reit. The price was a 7.9% premium to the June 2023 book value of the asset. AIREIT has two other hotel assets, a Travelodge in Swindon and Premier Inn in Camberley

UK: KSL buys hotel Reit

Private equity investor KSL has agreed a \$1.4bn deal to acquire listed hotel Reit Hersha Hospitality Trust. The move gives KSL control over 25 US luxury and lifestyle hotels and resorts.

The all-cash offer is at a 60% premium to the recent share price. Hersha hotels operate under brands including Ritz-Carlton, Hyatt, Hilton Garden Inn, Westin, Marriott, Hampton and Holiday Inn Express

UK: Chestnut Group acquires The Old Bridge Hotel in the UK from the Hoskins Family

Suffolk pub group Chestnut Group has acquired the three-star, 24-room The Old Bridge Hotel from the Hoskins Family, who have owned the hotel for over five decades. The hotel is located in Huntingdon, about 30 kms northwest of Cambridge, in the UK. The 18th century townhouse hotel, which includes the retail wine shop, Old Bridges Wines, was sold off an £8 million guide price. Chestnut Group's portfolio includes 16 properties, totaling 224 rooms, across the UK

DE: Sonar purchased office and hotel property in Stuttgart

Sonar Real Estate GmbH (Sonar), in its capacity as asset manager of the Stuttgarter Immobilien-Spezialfonds (SIS) of the Stuttgarter Versicherungsgruppe, has acquired a mixed-use property in Stuttgart-Vaihingen from a project company of Weisenburger Projekt GmbH. The property is fully let on a long-term basis. The parties have agreed not to disclose the purchase price



DE: Berlin rebrand

Fattal Hotels has acquired the former Pentahotel Berlin Kopenick, after the previous operator's contract ended. The company will convert the hotel to its NYX lifestyle brand, for a relaunch in early 2024. The addition gives Fattal and its Leonardo business six hotels in the Berlin area. Penta Hotels has said it will look for a replacement Berlin hotel to add to its portfolio

DE: Leonardo Hotels acquires the Pentahotel Berlin Köpenick

Leonardo Hotels, part of Israel's Fattal Hotel Group, has acquired the four-star, 190-room Pentahotel Berlin Köpenick for an undisclosed sum. Located on the Dahme river in Berlin, Germany, the conference hotel is approximately 20 kms south-east of the centre of Berlin. The hotel includes a fitness room with a sauna and outdoor terrace and conferencing facilities for up to 300 delegates. The asset is set to undergo extensive renovations to join the group's NYX Hotels lifestyle brand as the NYX Hotel Berlin by early 2024. Leonardo Hotels' portfolio of Berlin hotels expands to six hotels with this acquisition

FR: B&B adds in Paris

Perial Asset Management has acquired L'hotel Saint Ouen in Paris, France, for one of its managed funds. Perial has agreed a 12-year lease on the three-star property with economy brand B&B.

A refresh of the eight-year-old property is planned, adding 16 more bedrooms to take the room count to 145. B&B currently lists 37 hotels in the Paris region

FR: Iroko ZEN acquires Utrecht Holiday Inn Express in The Netherlands from Marathon

French asset manager Iroko ZEN has acquired a mixed-use hotel and office development from New York-based global asset manager Marathon Asset Management, which includes the three-star, 118-room Holiday Inn Express Utrecht - Papendorp as one of its tenants. The property, located in the Papendorp Business Park in Utrecht, The Netherlands, was sold via Marathon's Bryant Park Maxima vehicle. Marathon acquired the site in 2016 and undertook a major upgrade of the mixed-use project to be more sustainable, as well as secured long-term lease agreements with a mix of tenants

FR: 369° Hôtels acquires the Courtyard by Marriott Paris Roissy from Angelo Gordon and EQ

369° Hôtels & Maisons, the hotel subsidiary of French property company Human Performance Capital (HPC), has acquired the four-star, 240-room Courtyard by Marriott Paris Roissy located next to Charles de Gaulle Airport in Paris, France, from subsidiaries of Angelo Gordon and EQ Group

NL: IHCP acquires the Hilton Garden Inn Leiden, The Netherlands, from RECO Development

Dutch hotel group International Hotel Capital Partners (IHCP) has acquired the four-star, 173-room Hilton Garden Inn Leiden located in the Leiden Bio Science Park. Situated in Leiden, The Netherlands, the science park is located between The Hague and Amsterdam. The hotel will continue to be operated by Hilton under its Hilton Garden Inn brand



GR: Corfu buy

Dutch investor Reggeborgh has spent €30m buying the Corfu Palace hotel in Greece. It adds to a portfolio that Reggeborgh chairman Henry Holterman owns on the Ionian island, reports Kathimerini. The move into hotels is a new one for Reggeborgh, which invests in residential, medical and construction across Europe. Holterman previously acquired the €8m Antico Rosso estate on the island

CY: Fattal Cyprus move

Israel's Fattal Hotels is buying the Limassol Grand Resort on the island of Cyprus. After renovation, the asset will reopen under the Leonardo Limited Edition brand, reports Cyprus Mail.

The hotel joins recent acquisition the Latsi Holiday Village Resort, taking Fattal's Cyprus portfolio to nine properties. It will open a NYX branded property shortly in Nicosia, joining a NYX open in Limassol

PT: Property investment in Portugal closes the half year at €765M

The hotel and retail segments accounted for 39% and 38% respectively of the investment volume invested up to June.

According to the consultancy, 37 transactions were closed, in line with the first half of 2022, with the performance of the tourism sector (Hospitality) standing out, which totaled €273 million invested (39% of the total). Retail also stood out, with €263 million and 38 per cent of the total

UK: Apex refinances

Scottish group Apex Hotels has agreed a £60m refinancing with Barclays. The move will support plans to grow a more diverse portfolio of regional hotels, reports The Herald. The Barclays package will support the recent purchase of the Pine Trees Hotel in Pitlochry. Apex recently sold one of its London hotels to Dalata for £53.4m

IRE: iNua refinances

Investor iNua Hospitality has refinanced debt against part of its eight strong Irish portfolio. The group, understood to have debt of €66m, agreed a deal brokered by CBRE, with a group of lenders. Included in the syndicate were AllianceBernstein and Earlsfort Capital Partners, who funded the original portfolio in 2018. iNua reported first half 2023 occupancy of 82%, with revenues up 23% year on year



UK: Record numbers for Dalata

First half revenues were up 29% at Dalata Hotel Group, reaching €284.8m. Reported RevPAR was up 23% at €109.41. The group recently opened two London properties, Clayton London Wall and Maldron Hotel Finsbury Park. It expects summer RevPAR to be 5% ahead in the UK and Dublin, and up 8% in regional Ireland

UK: New London hotel the BoTree announces September opening

Independent luxury hotel group the BoTree has announced it will welcome its first guests from 15 September. The BoTree, part of the Place III Hotels group, is set in Marylebone, London. Reservations are now open for guests to book the hotel's 199 guestrooms, including 30 suites. The guest rooms include 21 accessible rooms and 56 connecting rooms, while the 30 suites will include entertaining space with a lounge, balcony, personal bar and integrated cocktail station. With Bond Street Underground Station including the Elizabeth Line on its doorstep, The BoTree will serve as the perfect base to discover London

UK: Valor restructure

Third party manager Valor Hospitality has restructured its UK and Europe operations. The company has set a target of doubling in size within five years. Brian McCarthy becomes president, with Jon Colley as chief strategic growth officer. Valor currently manages more than 90 hotels globally

UK: Providence Hospitality rebrands as Providence Hotels

Hotel management company Providence Hospitality has rebranded as Providence Hotels as it aims to grow its independent hotel portfolio

The Providence Hotels portfolio comprises 13 properties of varying sizes in the UK, including regional mid-market, luxury, and full-service resorts. Locations include Devon, Cornwall, Somerset, Lake District, and Scotland. Providence Hotels is the chosen management company for Fairtree which has more than £450 million hotel investments across the UK and South Africa

UK: RIU opens its first UK hotel

RIU Hotels & Resorts continues to expand its line of city hotels with the opening of its first establishment in the United Kingdom: the Riu Plaza London Victoria. The new four-star establishment with 435 rooms is located in central London in the heart of Westminster. The new Riu Plaza hotel is located at 1 Neathouse Place, just a few metres from Victoria Station and is just 30 minutes from Gatwick Airport

UK: Premier opens its first hotel in Camden

Premier opened its first hotel in Camden. The new 80-bedroom Premier Inn London Camden Hotel which is operated by Whitbread occupies a prominent position at the junction of Camden High Street and Delancey Street directly opposite the famous Blues Kitchen pub



DACH: Hotel Operator Beat H1 2023 - DACH REGION

Most hotel operators in the DACH region are "optimistic" to "very optimistic" about revenue per available room (RevPAR) over the next twelve months, reports our recent survey among more than 20 international and regional hotel operators operating over 1,490 hotels. Expectations are very optimistic, especially in the luxury sector, where 40 percent of operators expect a "very good" performance. For budget hotels, even 42 percent expect a very good performance in the next twelve months

GR: Mandarin Oriental announces new luxury resort in Greece

Mandarin Oriental has announced its first Greek venture, Mandarin Oriental, Costa Navarino, located at Costa Navarino in Messenia, southwest Peloponnese. TEMES is the developer for the project. Mandarin Oriental, Costa Navarino will also feature five distinct restaurant and bar concepts and will also celebrate global flavours under the culinary direction of Chef Bertrand Valegeas

GR: Second Greek site for Six Senses

IHG has signed a second Greek site for Six Senses. The 60-room resort, with 10 branded villas, will launch in Porto Heli, in the Greek Peloponnese in 2026. London-based CBE Capital has led a club deal to back the development. The addition follows a May deal with Grivalia Hospitality to open a Six Senses

PT: Portugal peaks

Portugal welcomed close to 8.2m visitors in the first half of 2023, a record for the country. The previous peak in 2019 hit 7.4m, reports Reuters.

Hotel revenues were up 32% year on year, at €2.5bn from 13.6m guest bookings. The UK was the largest source market, followed by Spain and the US

PT: New Hard Rock Hotel to open in Portugal's Algarve

Hard Rock International and Mercan Properties are partnering on the development of Hard Rock Hotel Algarve near Praia do Vau in Portimão.

The exciting new property is expected to open in 2026 with 275 rooms and suites along with 150 branded serviced apartments and a wealth of lifestyle amenities

ES: Melia warms to summer

Spanish group Melia enjoyed revenues of €513.7m in the second quarter, earning €49m. RevPAR was 25.5% ahead of 2019, and up 15.4% on 2022 figures.

All regions performed strongly, except for Cuba, which is still recovering. The group has opened eight hotels so far in 2023 and signed 16 to the pipeline. The Group's performance in the first half of the year continued to benefit from the recovery dynamics that began 15 months ago now, with the second quarter recording a very positive level of revenue, and so far, we have not seen any signs of a slowdown despite macroeconomic uncertainty



NL: Booking beats estimates

Gross travel bookings were up 15% year on year at Booking Holdings. Room nights booked were up 8.8% on the previous quarter, at 268m. With robust leisure demand, the company expects to enjoy a record summer. Car rental volume was up 24% year on year, and flight ticket sales volume up 58.3%

CR: AC Hotels opens first hotel in Croatia

AC Hotels by Marriott announced its brand debut in Croatia with the opening of AC Hotel by Marriott Split. Housed on the high floors of the 135-metre-high Westgate Tower with spectacular views of the Adriatic Sea and Split's unique cityscape. The hotel consisting of 214 guestrooms was designed by Otto Baric and Atellior Studio. The hotel includes Laureto Restaurant, with Croatian Chef Goran Sikic at the helm, as well as Cumano Bar, 178 SPA featuring an indoor pool, sauna and steam room, a 325m2 meeting space comfortably accommodating up to 240 people and a gym with state-of-the-art Matrix equipment and views of the Adriatic Sea

US: Airbnb disappoints

Airbnb saw Q2 revenues up 18% year on year, at \$2.5bn. But the 11% growth in nights and experiences booked, up to 115.1m, disappointed the market and shares fell 6%. The company says long weekends are the fastest growing trip type, while cross border nights were up 16% YoY. Supply was up 19%, with most growth in Asia Pacific and Latin America

US: IHG to launch new midscale brand; reports H1 results

During Intercontinental Hotels Group's (IHG) first-half results presentation, Elie Maalouf, CEO, IHG Hotels & Resorts, revealed that the company will soon launch a new brand targeted at midscale conversion opportunities. For the first half of the year, ended June 30, IHG reported a 24% year-over-year RevPAR increase. Q2 RevPAR was up 9.9% compared to the same period of 2019. The group signed 34,200 rooms taking the pipeline to 286,000 rooms

US: Marriott pushes ahead

Marriott reported second quarter RevPAR up 13.5% worldwide, and net income of \$726m. Business was boosted by a fast snap back of business in China as restrictions eased. The group added 33,100 rooms in the period, boosted by the City Express acquisition. Its pipeline is now close to 547,000 rooms, with more than 240,000 under construction

Global: Hotels and OTAs First-Half Report: Growth Shifts to Europe and Asia

The major hotels and OTA companies reported strong earnings this month, signaling robust travel demand despite economic uncertainties. The companies most skewed to Asia now offer the greatest potential for growth and share price gains



Corporate Transactions

Buyer(s)	Country	Target	Country	Deal Size (mm)	Deal Type
KSL Capital	US	Hotel REIT Hersha Hospitality Trust	US	\$ 1,400	Majority Stake

Real Estate Transactions

Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
Reggeborgh Investor	NL	Corfu Palace	GR	€ 30m	106
S Hotels & Resorts	TH	Mercure Hotel, Glasgow	UK	£ 7.5m	91
Fragrance Group	SG	Grand Atlantic Hotel, Weston-super-Mare	UK	Undisclosed	120
Perial Asset Management	FR	L'Hotel Saint Quen	FR	Undisclosed	129
Sonar Real Estate	DE	Mixed-Use Property, Stuttgart	DE	Undisclosed	n/a
Fattal Hotels	IL	Limassol Grand Resort	CY	Undisclosed	255
IHCP	NL	Hilton Garden Inn, Leiden	NL	Undisclosed	173
Iroko ZEN	FR	Mixed-Use Hotel and Office Development (Marathon)	US	Undisclosed	118
Chestnut Group	UK	Thel Old Bridge Hotel (Hoskins Family)	UK	Undisclosed	24
Leonardo Hotels (Fattal Group)	IL	Pentahotel, Berlin Kopenick	DE	Undisclosed	190
369° Hôtels & Maisons (HPC)	FR	Courtyard by Marriot, Paris	FR	Undisclosed	240

MARKET SNAPSHOT (EUROPE)

Macroeconomic Metrics

	Real GDP Growth (vs same quarter last year)	Inflation	Unemployment Rate
United Kingdom	0.4% (Q2 2023)	6.8%	4.2%
European Union	0.5% (Q2 2023)	5.3%	5.9%

FX Rate	Current	MoM (Δ%)	YoY (Δ%)
GBP/EURO	1.170	0.8%	(1.8%)
EURO/USD	1.094	(0.9%)	7.5%
GBP/USD	1.270	(0.8%)	9.1%

Fixed Income and Equity Markets

Central Banks Interest Rates	Bank of England	European Central Bank	
	5.25%	3.75%	

Sovereign Bond Yield	Current	MoM (Δbps)	YoY (Δbps)
UK 10-Year GILT	4.43%	4.10	222.90
German 10-Year BUND	2.54%	(2.90)	101.70
Italy 10-Year BTP	4.22%	0.70	83.10
France 10-Year Bond	3.07%	6.20	91.90

Swap Rates	Current	MoM (Δbps)	YoY (Δbps)
3M SONIA – GBP – 5 Year	4.70%	(4.30)	141.80
3M EURIBOR – € – 5 Year	2.99%	(5.60)	87.80

Interbank Interest Rates	Current	MoM (Δbps)	YoY (Δbps)
SONIA*	5.19%	25.64	399.63
3M EURIBOR	3.80%	7.20	308.30

OAS** Corporate Spread Index	Current	MoM (Δbps)	YoY (Δbps)
S&P Eurozone Investment Grade	1.41%	11.00	(47.00)
BofA € High Yield	4.50%	18.00	(103.00)

European Stock Indexes	Current	MoM (Δ%)	YoY (Δ%)
STOXX Europe 600	458	(1.93%)	10.36%
FTSE 100	7,467	2.55%	(1.28%)
DAX 30	15,847	(0.65%)	(2.42%)
FTSE MIB	28,660	0.26%	33.43%
CAC 40	7,296	(0.26%)	18.31%

Market Snapshot (Europe) as of 31/08/2023

*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 – August 2023

- **Colliers:** ‘Hospitality Insights Q2 2023’ | August 2023
- **Knight Frank:** ‘UK CRE Quarterly Review Q2 2023’

Hospitality Conferences & Events

- **Annual Hotel Conference | 11-12 September 2023 | Manchester, UK**

The Annual Hotel Conference is where the leading minds of the UK hospitality come together to share their visions for the future and strategies for success. And it's also a golden opportunity to network with the UK investor community as we connect you to the capital and the capital to you

- **Operational Real Estate Festival (OpRE) | 26 September 2023 | London, UK**

Operational Real Estate Festival (OpRE), is a real estate and hospitality conference re-imagined. OpRE is an evolution of the Hotel Alternatives Event (HAE) founded by Hotel Analyst in 2015. OpRE, like HAE, breaks down the silos between different bits of operational real estate, enabling the pooling of ideas and the creation of co-investment opportunities. If you are involved in investing in the following alternative real estate sectors you should attend Hotels; Student Accommodation; Senior Living and Healthcare; Leisure; Pubs and Restaurants; Other emerging segments

APPENDIX I

Corporate Transactions – Recent Notable Activity



Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	Deal Type
Aug '23	KSL Capital	US	Hotel Reit Hersha Hospitality Trust	US	\$ 1,400	Majority Stake
Jul '23	KSL Capital	US	Sereno Hotels	IT	Undisclosed	Majority Stake
Jun '23	Goldman Sachs Asset Management	US	FTC Hotels	GR	Undisclosed	Acquisition
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



Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
Aug '23	Reggeborgh Investor	NL	Corfu Palace	GR	€ 30m	106
Jul '23	Olayan Group	ES	Mandarin Oriental Barcelona	ES	€ 220	120
Jun '23	Dalata Hotel Group	IE	Apex Hotel London Wall	UK	£ 53.4	89
Jun '23	ADIA	SA	17-hotel portfolio in Spain	ES	€ 600	2,500
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



Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
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
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	£ 130	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	1,119
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

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