

AHV Hospitality Newsletter

A Monthly Publication of AHV Associates



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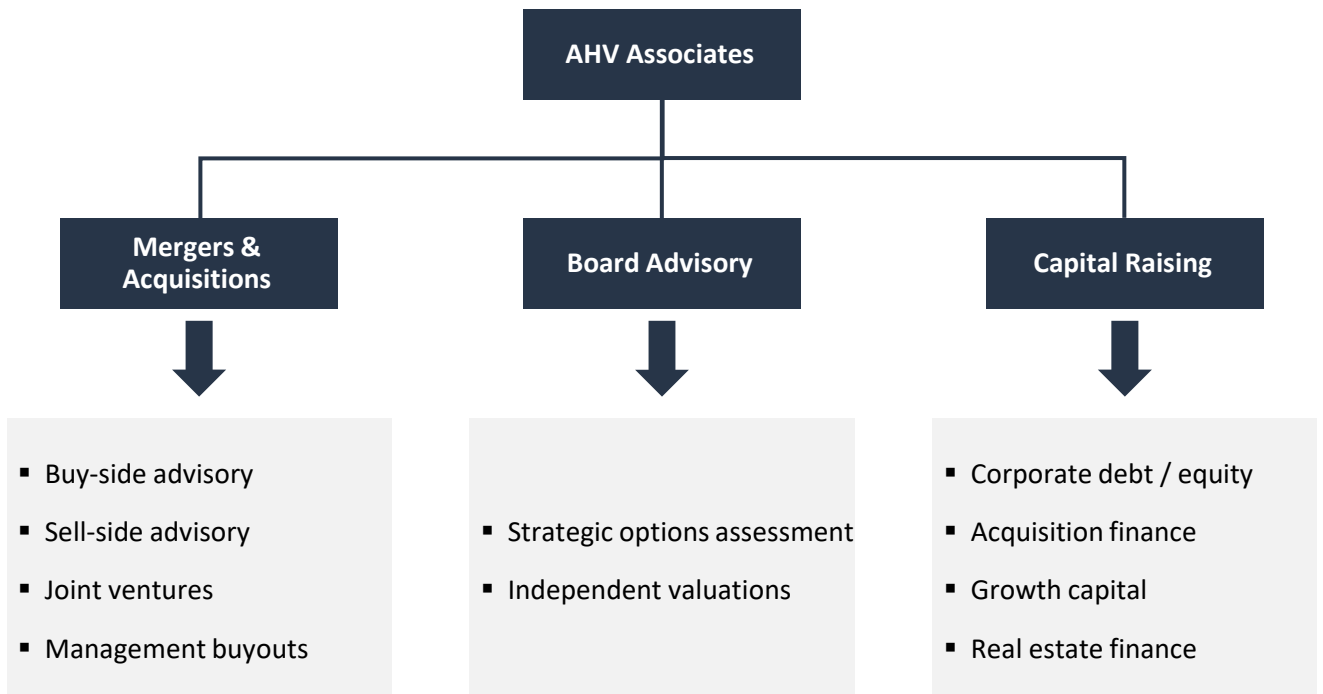
NOVEMBER 2022 | ISSUE 21

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

Economic turmoil continues to plague the global economy with reports suggesting that the UK has fallen into a recession. The UK has been troubled by political uncertainty, currency depreciation as well as rising energy and borrowing costs. The S&P Global/Cips flash UK composite output index, which is a measure of business activity in the private sector has also plunged to a 21 month low. However, the UK gilt market has stabilised following the scrapping of the mini-budget with yields falling substantially – during a very choppy month, the 10 year gilt yield actually ended up 63bps lower MoM – as Rishi Sunak’s election managed to somewhat calm the sovereign bonds investment community

In regards to the EU area, the ECB raised its deposit rate by 75bps, bringing borrowing costs up to levels not seen since 2009. Also, it curbed a key subsidy on over €2 trillion of loans to banks to encourage them to repay early, a move designed to mop up excess cash. As EU inflation stands at 10.7%, the market expects further rate hikes with a likely 50bps rise in December

Despite the foggy economic outlook, the stock markets as well as the AHV Hospitality Index (12.9% up MoM) performed very well in October

Hotels and Hospitality Performance

The UK hotel sector has recovered a lot quicker than anticipated with occupancy levels nearing 2019 levels for most markets. Regional UK markets such as Edinburgh, Birmingham and Liverpool have seen RevPAR exceeding H1 2019 levels by 6.9%, 8.5% and 7.5% respectively. London RevPAR though, is still below 2019 levels due to a slower bounce back of business travel despite ADRs reaching their highest levels on record

Key public hotel players announced their results in October, reporting that pent-up demand has helped recovery in leisure markets across the world, particularly in USA and Europe. Despite Asian markets continuing to lag due to travel restrictions, Q3 2022 earnings were positive with Accor and Wyndham exhibiting the strongest recovery as Q3 2022 RevPAR grew by 12% and 11% respectively vs Q3 2019

Transactions Activity

According to Christie & Co, UK hotel market investment activity has increased by 32% in H1 2022 compared to H1 2021 with a total transaction volume of £1.9 billion. The UK has been the most active hotel investment market in Europe, with 104 properties sold. This has been followed by Spain and Italy who have both seen a 50% increase in hotel investment activity during H1 2022. A key trend underpinning the perky UK transactional activity to date has been the increased lending appetite by challenger banks, taking over a market share from the more cautious mainstream players








The most interesting transactions announced in October has been:

- EasyHotel acquiring 8 hotels in Benelux for €145m from Crossroads Real Estate
- L+R has acquiring a minority stake worth of £165m in Whitbread, Premier Inn’s parent company
- Fattal Group bought the 280-key Dilly Hotel in London for £90m
- Redevco acquired 6 hotels in Spain and Portugal for €80m
- THCP have recently invested €61.5 million of preferred capital in Castellet Hospitality; TCHP had made a similar investment in Borealis Hotel Group in Q1 2020

Q3 TRADING PERFORMANCE (% CHANGE)



Industry

| | RevPAR | ADR | Occupancy (absolute) |
|---|-------------------|-------------------|----------------------|
| Q3 Results | '22 vs '19 | '22 vs '19 | '22 vs '19 |
|  | +12% | +16.4% | (2.6%) |
|  | +5% | +7% | (5.9%) |
|  | +2.7% | +11.3% | (5.7%) |
|  | +6.5% | N/A | N/A |
|  | +8% | 16% | (5.9%) |
|  | +11% | +22% | (9%) |
| Average | +7.8% | +14.6% | (5.6%) |
|  | +24% ¹ | +15% ¹ | +6.50% ¹ |

- Q3 2022 has been a very strong quarter for hotel groups which have been helped by the strong return of leisure travel this summer, both for domestic and international travelling
- Average nominal RevPAR of the 5 hotel groups that announced their results in October has exceeded Q3 2019 levels by 7.8%. The boost came from a strong ADR increase, as average occupancy rate is still 5.6% below Q3 2019 levels on absolute terms
- Asian markets have been a lot slower to recover due to restrictions still being placed in some countries which has prevented leisure travel from returning to normal
- Pipeline of hotels has been steadily increasing across the board compared to the Q3 2021. IHG has a global pipeline of 278k rooms (+2.9% YoY), Hilton stands at 416k rooms (+3% YoY) and Accor's pipeline remained steady at 211k rooms (-0.04% YoY)
- CEO of Accor, Sébastien Bazin, stated "Business momentum remained very strong in the quarter, with the Group's RevPAR and revenue trending well above their 2019 levels. Excluding Asia-Pacific, where activity is still recovering, all regions saw growth compared with 2019"

Sources: Accor, Hilton, IHG, Pandox, Scandic Wyndham, Whitbread

¹ Whitbread performance (6 months to September) refers to Premier Inn UK and has different year end to other hotel groups

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 (Excl. leases) |
|---------------------------------|--------------------|--------------------|-------------------|-----------|----------------|-------------------|------------------------------|
| Accor | 12.2% | (21.6%) | 6,234 | 8,603 | 2.3x | 13.5x | 21% |
| Dalata Hotel Group | 15.1% | (12.3%) | 723 | 723 | 3.1x | 9.2x | NA |
| Hilton Worldwide Holdings | 12.1% | (6.0%) | 36,995 | 45,322 | 5.2x | 17.8x | 16% |
| Fattal Holdings | 3.5% | 2.7% | 1,740 | 6,643 | NA | NA | 50% |
| IHG | 7.5% | (8.2%) | 9,617 | 11,620 | 6.1x | 12.2x | 14% |
| Les Hôtels Baverez | (21.5%) | (8.1%) | 121 | 119 | NA | NA | NA |
| Mandarin Oriental International | (12.2%) | (28.9%) | 2,109 | 2,767 | 6.5x | 50.9x | 19% |
| Marriott International | 15.2% | 0.9% | 52,994 | 62,389 | 3.1x | 16.4x | 13% |
| Meliá Hotels International | (1.3%) | (26.1%) | 1,033 | 3,959 | 2.6x | 10.4x | 59% |
| NH Hotel Group | 12.0% | (13.7%) | 1,176 | 3,579 | 2.4x | 9.0x | 36% |
| Pandox AB | 14.2% | (10.7%) | 2,278 | 5,555 | 10.7x | 17.9x | 56% |
| Pierre et Vacances | 2.6% | (65.5%) | 378 | 3,785 | 2.3x | 29.1x | 70% |
| PPHE Hotel Group | (9.4%) | (9.9%) | 622 | 1,912 | 5.6x | 18.7x | 50% |
| Safestay | (3.1%) | (31.1%) | 12 | 75 | 3.6x | 10.9x | 70% |
| Scandic Hotels Group | 9.5% | (15.4%) | 614 | 4,529 | 2.7x | 12.4x | 60% |
| Whitbread | 11.7% | (21.3%) | 6,035 | 10,181 | 3.8x | 11.2x | 0% |
| Wyndham Hotel & Resorts | 23.8% | (10.1%) | 6,782 | 8,594 | 5.7x | 13.3x | 21% |
| Average | | | | | 4.4x | 16.9x | |
| Median | | | | | 3.6x | 13.3x | |

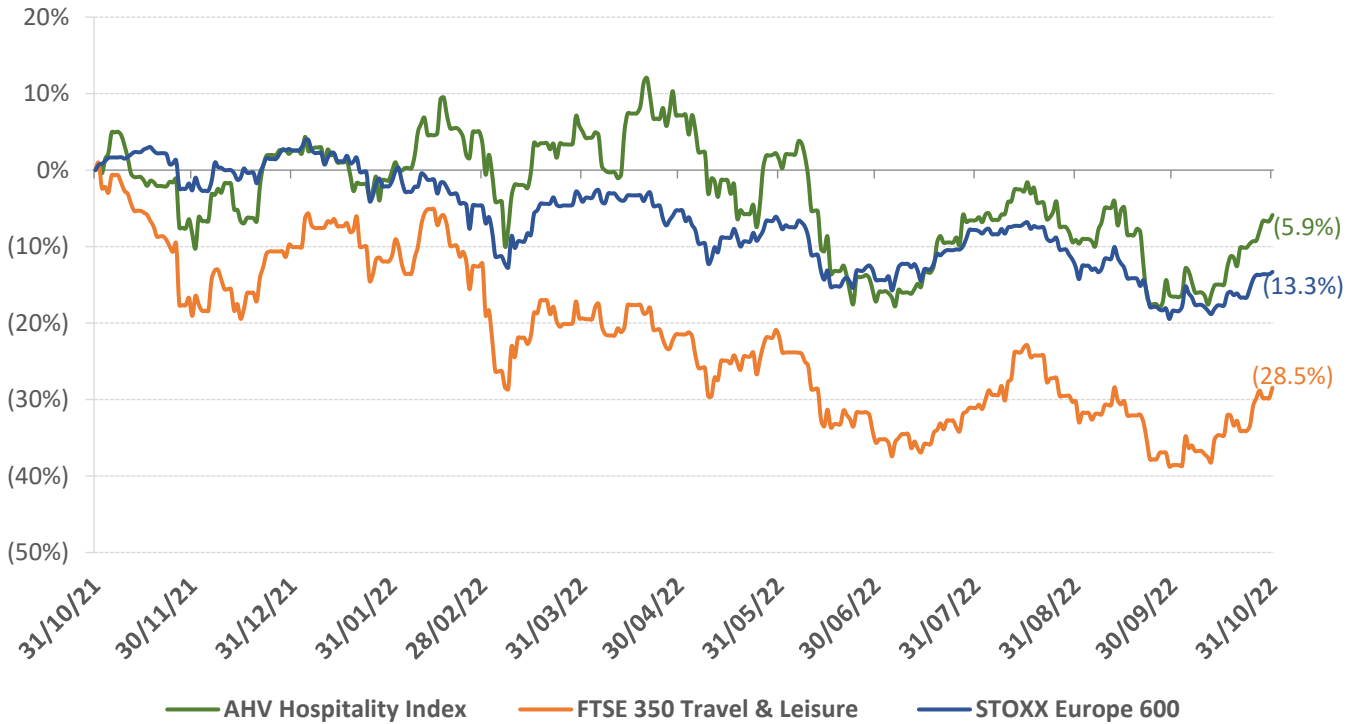
Metrics reported in the table include impacts of IFRS 16

Trading performance of hotel companies included in the AHV Index as of 31/10/2022

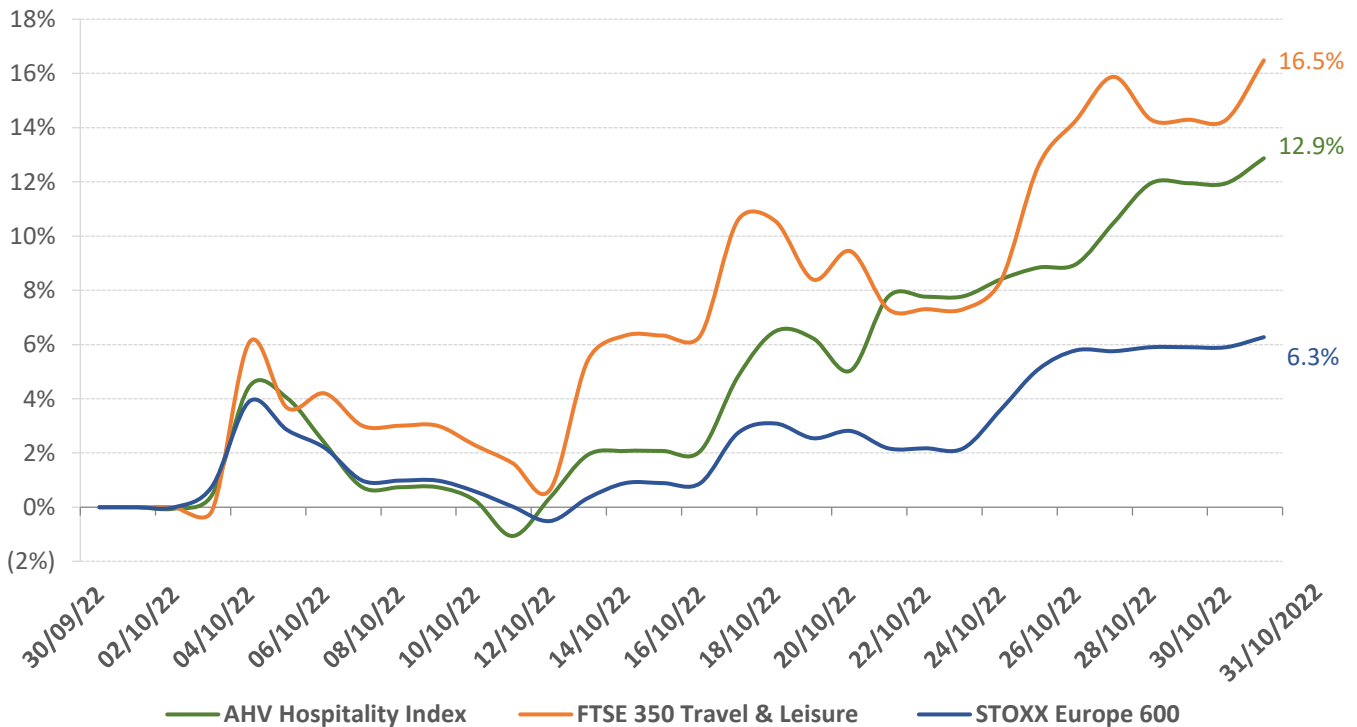
Source: Capital IQ

AHV INDEX OUTPERFORMS ON AN ANNUAL BASIS

The AHV Hospitality Index is a market-cap weighted index of the 17 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: Capital IQ



UK: London & Regional takes £165m stake in Whitbread

Private investment company London & Regional Properties (L&R) has acquired a £165m stake in Premier Inn owner Whitbread.

L&R, which was founded by brothers Ian and Richard Livingstone, owns more than 100 hotels worldwide, including Cliveden House, Chewton Glen and 11 Cadogan Gardens in the UK

UK: Fattal London buy

Israeli group Fattal has acquired the Dilly hotel in London from Archer Capital. Fattal plans a GBP90m upgrade of the 280 room hotel.

The acquisition has been made via Fattal's €400m fund, recently assembled with institutional backers. The group also recently acquired nine Austrian hotels in Vienna, Salzburg and Linz.

UK: The Address Collective acquires hotel in Glasgow

Brian & Ciara McGettigan's The Address Collective has completed the acquisition of the former Pocotel in Glasgow City Centre. The hotel will be re-launched as The Address Hotel Glasgow.

The hotel is prominently positioned on a corner site at 139-141 West George Street and is an impressive six-storey, listed building with 91 bedrooms, restaurant, bar, meeting rooms and fitness room

UK: London & Regional adds The Mole Resort in Devon to portfolio

The Mole Resort, which first opened this year, is set to receive £15m investment from L+R, adding 43 lodges.

In addition to growing the number of lodges to 58 in total, L+R will also refurbish Highbullen Hotel and the estate cottages. The resort will relaunch in April 2023.

The lodges come with a balcony deck, hot tub, fully equipped kitchens, and can sleep up to eight people

UK: Premier Inn, Belfast sold

A private local investor has acquired the Premier Inn in Belfast's Cathedral Quarter for GBP12.2m. The 171 room property was sold by CBRE IM.

Originally developed by Corner Blok, the hotel was held in administration from 2011 to 2013 before CBRE acquired it. The hotel which had not been listed for sale, was acquired in July by a private local investor

FR: THCP French investment

Three Hills Capital Partners announced a new investment in Castellet Hospitality, a rapidly growing, resilient, budget hotel group headquartered in Marseille, France. THCP has invested a total of €61.5m of preferred capital to support Castellet's buy-and-build strategy.

Founded in 2017 and operating across the South-East of France, Castellet is a portfolio of 22 budget and midscale hotels operating under the Accor, Louvre Hotel Group, Marriott and B&B Hotel franchise brands



UK: Abrdn sells the former Apex Hotel in Edinburgh

Edinburgh-headquartered insurer abrdn has sold the long leasehold of the 66-room former Apex Hotel in Edinburgh's Haymarket to an undisclosed buyer off-market.

The property, which was sold with vacant possession, includes a bar, restaurant and three meeting rooms.

FR: Paris buy

Investors Eternam and EQ have bought the Marriott Courtyard in d'Arceuil, Paris. The pair, who aim to make further acquisitions together, plan to refurbish the 170 room asset.

EQ will operate the property, which will be one of seven it manages in the Paris area. It is Eternam's 13th hotel acquisition this year, and used a club format enabling smaller investors to buy a stake

FR: PRIAMS acquires the Bellecote Tourist Residence in France from SARPB

The over 3,000 shareholders of SA Résidence Plagne Bellecôte (SARPB) have sold the Bellecôte Tourist Residence in eastern France, near the Italian border, to PRIAMS Group. The asset was operated under a timeshare model

Located right on the snow front at an elevation of 1,930 metres, this 406-apartment ski resort covers a total area of over 14,000 sqm. PRIAMS is set to invest €100m towards the refurbishment of the asset, with work to begin in May 2023

ES: Millenium Hospitality buys in Madrid

Spanish REIT Millenium Hospitality has acquired the 109-keys Iberostar Las Letras Gran Vía hotel in Madrid for €70m. The purchase has been made through its own funds.

Earlier this year Millenium raised an additional €245.7 million through a capital increase, which it said at the time it would use to buy assets to turn into luxury hotels in key destinations.

GER: Hamburg Sale

BNP Paribas REIM has acquired the Moxy and Residence Inn in Hamburg, Germany. The twin hotel was developed by Benchmark and opened in summer 2021.

The property includes a 220 room Moxy and Residence Inn with 44 units. Operator Odyssey signed a 25 year lease on the hotel

FI: Bob W makes second acquisition in six months

Helsinki-based tech-driven hospitality provider Bob W acquired Finnish serviced apartment operator KOTI Hotel.

Bob W currently operates 16 assets with 500 apartments in Finland, Estonia, Spain, the UK and Norway, and has a pipeline of an 22 assets with 1,300 apartments secured across Europe.

The company is actively expanding across Europe and is looking to grow in partnership with real estate investors and developers across selected markets. KOTI Hotel marks Bob W's second acquisition. It provides furnished apartment properties in Helsinki with 100 keys over 2 properties



EU: easyHotel Benelux move

easyHotel, the low-carbon affordable hotel chain, today announces it has acquired eight franchised Benelux hotels from real estate private equity fund manager Crossroads Real Estate, for approximately €145m. The deal is fully supported by easyHotel's majority shareholders, ICAMAP and Ivanhoé Cambridge.

This acquisition marks the latest step in the European growth strategy which the Group had announced in December 2021, with notably a €50m capital increase. The eight hotels acquired total 793 rooms, with three hotels in Amsterdam, two in The Hague, one in Rotterdam, one in Maastricht, and one in Brussels. The group says trading at the hotels is 24% ahead of 2019 levels

EU: Redevco buys into hotels

Dutch investor Redevco has acquired six hotels in Spain and Portugal for €80m. It will work with a Spanish operating partner to upgrade the assets in Lisbon, Bilbao, Seville, Porto, and Malaga.

Under the banner Next Gen Stays, Redevco aims to build a €250m Iberian portfolio. It will also be looking more broadly across Europe, seeking redundant urban buildings for hotel conversion

FR: Grape refinancing

Grape Hospitality has agreed a €400m refinancing. Funds are backed by 86 of the group's hotels in France and six other European countries.

The 3-year arrangement with Crédit Agricole CIB, Natixis CIB and Société Générale has an optional fourth year. It includes a capex element, giving Grape the opportunity to invest in further growth

UK: HSBC backs Sandman

The owners of a prime Newcastle hotel have secured a new 8-figure refinance package to help fuel the group's ongoing growth from HSBC.

Sandman Hotel Group has made a series of recent acquisitions to add to its core sites in Newcastle, Gatwick and Aberdeen, with further growth planned. The UK and Ireland business – based at the Gallowgate hotel in the shadow of St James's Park – forms part of a family-owned business based in Vancouver, Canada, which is one of the largest privately owned hotel chains in North America with more than 50 sites in Canada alone.

The UK arm of the group has recently added to its portfolio the Portmarnock Hotel and Golf Links in Ireland, as well as a newly acquired site in Sheffield

UK: HSH signs £675m 3-year term green loan facility for refinancing

The Hongkong and Shanghai Hotels announced that has signed a new £675m 3-year term green loan facility with a group of nine banks, with The Hongkong and Shanghai Banking Corporation Limited (HSBC) as the Green Loan advisor, to refinance its existing GBP 650m club loan.

The facility, which matures in 2025, will continue to fund the construction and operating cost of The Peninsula London project



UK: B&B targets UK

B&B has announced plans for a major expansion into the UK. The European brand has set a target of 100 UK hotels by 2035

B&B plans to grow by leasing both new build and conversion properties. The group, which has more than 650 hotels across 14 European countries, is backed by Goldman Sachs

UK: Storied Collection launches in the UK and Ireland

Storied Collection, a group of exclusive heritage hotels, has officially launched as it looks to bring guests closer to history

Designed to provide guests with a memorable stay at the intersection of history, ancestry and experiential travel, Storied Collection launches with 28 estates, castles and other historic residences-turned-accommodation, representing its forward-thinking approach to historical pursuits.

GER: IHG signs agreement at Expo Real with Solutions4Hotels GmbH to develop 10 new hotels in Germany

IHG® Hotels & Resorts, one of the world's leading hospitality companies, today announces the signing of a Multi-Development-Agreement (MDA) with Solutions4Hotels GmbH (S4H), a commitment to develop 10 hotels of the Holiday Inn brand family with approximately 800 rooms in Germany. IHG and S4H have also signed Holiday Inn Express Leipzig South as part of the MDA.

GER: YAYS looking to expand to Germany amid positive results

YAYS Group, a leading serviced apartment operator in Europe is to expand amid strong results.

The Group reported a strong bounce back, with growth larger than pre-pandemic levels. RevPAR was up 20 % between June and August, compared to the same period in 2019 (before the pandemic).

The Group seeks to expand the large existing YAYS portfolio in Benelux and France to other countries in Europe

GER: Hyatt to add Lindner Hotels to EU portfolio

Hyatt has entered into an exclusive collaboration with German hospitality business Lindner Hotels AG to bring more than 30 properties into the Hyatt brand portfolio

Lindner Hotels AG, a family-owned hotel development, management and investment business operates properties under the Lindner Hotels & Resorts and the *me and all* hotels brands across Germany, central and eastern Europe.

The agreement will add an estimated 5,500 rooms to Hyatt's European supply, and will expand Hyatt's footprint to 15 new markets. The majority of the properties are slated to transition to the JdV by Hyatt brand.



FR: edyn expands to France with Locke aparthotel

edyn has announced its first foray into France with aparthotel Locke to open in Paris in 2024

The hybrid extended stay pioneer, owned by one of Brookfield's private real estate funds, has today announced the expansion of its lifestyle aparthotel brand Locke in Paris in a historic property in the city's fifth arrondissement aiming to convert it in a 145 key aparthotel set to open in 2024

SE: Pandox enjoys strong markets

Pandox reported EBITDA of SEK1,037m for Q3, up 89% year on year. RevPAR has returned to 2019 levels, driven by higher pricing.

The group has reduced its loan to value ratio to 47.1%, but warned that interest costs will rise next year. It acquired the NH Brussels Louise and DoubleTree in Bath, and sold the InterContinental in Montreal

EU: The Hoxton announces seven EU openings

From December 2022 to early 2024, The Hoxton will open seven hotels located in some of Europe's key cities.

Over the courses of 2022/23, The Hoxton's expansion will create over 800 jobs across Europe. The brand has also partnered with Saira Hospitality, a non-profit organisation which sources and trains talent through pop-up schools, ahead of the upcoming Shepherd's Bush opening

UK: IHG gains ground

Strong trading in the third quarter helped group's-wide RevPAR exceed pre-pandemic levels. Leisure stays saw rooms revenue increase 12% on 2019, while the ongoing return of business and group travel has been building each quarter through the year.

RevPAR performance in the Americas was well ahead compared to three years ago and the EMEAA region was back to broadly flat on 2019 levels. Improvements in Greater China reflected the lifting of some of the Covid-related travel restrictions and, while the potential for further lockdowns there continues, we are pleased with overall group momentum

UK: Whitbread shows strength

First half revenues at Whitbread grew by 104% to £1,350, delivering a statutory pre-tax profit of £307.4m. Premier Inn outperformed peers in the UK, while occupancy at German hotels bounced back.

Premier Inn will add 1,500-2,000 rooms this year in the UK, and 2,000-2,500 in Germany. The group says the trading outlook in both the UK and Germany continues to look promising

FR: Optimistic for Accor

Third quarter revenues hit €1,149m at Accor, with all regions except Asia Pacific performing strongly. CEO Sebastien Bazin now expects full year ebitda at the top of its €610-640m estimate.

In September, Accor saw an upturn in business bookings, and events demand. The group opened 93 hotels in the quarter, and expects network growth of 3.5% for the full year.



SE: Record for Scandic

Scandic Hotels reported its best quarter ever, with net sales of SEK5,994m higher 15% compared with the same period in 2019. Occupancy increased to 70.5% and RevPAR hit SEK875.

Profits also reached a record level and adjusted EBITDA totalled SEK1,213m, an increase of almost 50% compared with the same period in 2019, giving a historically strong adjusted operating margin of 20.2%.

Demand for meetings and events was ahead of 2019 during the quarter. A new hotel opened in Finland, and after the quarter end, Scandic launched its fifth German hotel, in Munich

US: Hilton shines

Hilton beat expectations with net income of \$346m in the third quarter on \$2.37bil revenues. Global RevPAR was 5% ahead of Q3 2019, with hotels in Europe showing the highest regional occupancy.

The rest of the year is also expected to be strong as the company runs the highest margins in its history. "While we're not naive to what's going on with the Fed here and with central banks in other parts of the world in trying to tame inflation by slowing economies, we do think we have a reasonably unique setup that is maybe different than some other industries for a period of time that is going to benefit us, not just in the fourth quarter, but into next year," said Christopher Nassetta, president and CEO.

UK: Serviced apartment sector recovers to pre-Pandemic levels

The serviced apartment demand has largely recovered to pre-Covid levels, with 91% of operator respondents stating occupancy is currently exceeding 2019 levels, according to the latest Savills/ASAP sentiment survey.

In turn, confidence remains in line with confidence reported in the February 2022 survey at 77%, however it added that "mounting economic headwinds' since the close of the survey is likely to have had a bearing.

Over three quarters (77%) of operators listed rising energy costs as a challenge, representing the most significant headwind currently facing operators

EU: Eurostat: 2022 platform tourism levels surpass 2019 figures

The statistical agency of the European Union, has revealed that guests spent around 199m nights in short-term rental accommodation booked via Airbnb, Booking.com, Expedia or TripAdvisor in the EU in the first half of 2022.

The number of nights booked represented an increase of around 138% compared with the same period a year ago.

As such, platform tourism surpassed the levels recorded in the first half of 2019, the year before the onset of the global Covid-19 pandemic, when platforms reported close to 193m guest nights.

Following a gradual recovery of booking numbers during the second half of 2021, in the first half of 2022, bookings reached and exceeded pre-pandemic levels for the first time



Corporate Transactions

| Buyer(s) | Country | Target | Country | Deal Size (mm) | Deal Type |
|----------|---------|-----------------------|---------|----------------|----------------|
| L+R | UK | Whitbread | UK | £ 165 | Minority Stake |
| THCP | UK | Castellet Hospitality | FR | € 61.5 | Investment |
| Bob W | FI | KOTI Hotel | FI | Undisclosed | Acquisition |

Real Estate Transactions

| Buyer(s) | Country | Target | Country | Deal Size (mm) | No. Of Rooms |
|------------------------|---------|--------------------------------------|---------|----------------|--------------|
| easyHotel | UK | 8 Hotels in Benelux | BE | € 145.00 | n/a |
| Fattal Group | IL | Dilly Hotel London | UK | £ 90.00 | 280 |
| Redevco | NL | 6 hotels in Spain & Portugal | ES, PT | € 80.00 | n/a |
| Millennium Hospitality | ES | Iberostar Las Letras Gran Via Madrid | ES | € 70.00 | 109 |
| PRIAMS | FR | Bellecote Tourist Residence France | FR | Undisclosed | 406 |
| Eternam & EQ | UK | Marriott Courtyard Paris | FR | Undisclosed | 170 |
| Wirtgen Invest Holding | DE | A-ROSA Wellness Resort | DE | Undisclosed | 177 |
| The Address Collective | UK | Pocotel Glasgow | UK | Undisclosed | 91 |
| Inn Collection Group | UK | The Bull Beaumaris + Townhouse | UK | Undisclosed | 25 |
| Inn Collection Group | UK | St Kilda Hotel in Llandudno | UK | Undisclosed | 60 |



Real Estate Transactions

| Buyer(s) | Country | Target | Country | Deal Size (mm) | No. Of Rooms |
|------------------|---------|----------------------------------|---------|----------------|--------------|
| edyn | UK | 18th Century Mansion in Paris | FR | Undisclosed | 145 |
| Extendam | FR | Forsters Posthotel in Donaustauf | DE | Undisclosed | 71 |
| Revitalis | DE | Hanseatischer Hof Lübeck | DE | Undisclosed | 191 |
| BNP Paribas Reim | FR | Moxy and residence Inn Hamburg | DE | Undisclosed | 264 |
| Undisclosed | N/A | Apex Hotel in Edinburgh | UK | Undisclosed | 66 |

MARKET SNAPSHOT (EUROPE)

Macroeconomic Metrics

| | Real GDP Growth (vs same quarter last year) | Inflation | Unemployment Rate |
|----------------|--|-----------|-------------------|
| United Kingdom | 0.2% (Q2 2022) | 8.6% | 3.5% |
| European Union | 2.1% (Q3 2022) | 10.7% | 6.6% |

| FX Rate | Current | MoM ($\Delta\%$) | YoY ($\Delta\%$) |
|---------|---------|--------------------|--------------------|
| GBP/EUR | 1.163 | 2.30% | (1.77%) |
| USD/EUR | 1.011 | (0.83%) | 16.94% |
| GBP/USD | 1.150 | 3.16% | (16.00%) |

Fixed Income and Equity Markets

| Central Banks Interest Rates | Bank of England | European Central Bank | |
|------------------------------|-----------------|-----------------------|--|
| | 2.25% | 1.5% | |

| Sovereign Bond Yield | Current | MoM (Δ bps) | YoY (Δ bps) |
|----------------------|---------|---------------------|---------------------|
| UK 10-Year GILT | 3.51% | (63.00) | 266.00 |
| German 10-Year BUND | 2.15% | 4.70 | 224.80 |
| Italy 10-Year BTP | 4.29% | (21.30) | 311.30 |
| France 10-Year Bond | 2.69% | (2.50) | 241.20 |

| Swap Rates | Current | MoM (Δ bps) | YoY (Δ bps) |
|---------------------------|---------|---------------------|---------------------|
| 3M SONIA – GBP – 5 Year | 4.09% | (63.3) | 304 |
| 3M EURIBOR – EUR – 4 Year | 2.82% | (0.82) | 286.50 |

| Interbank Interest Rates | Current | MoM (Δ bps) | YoY (Δ bps) |
|--------------------------|---------|---------------------|---------------------|
| SONIA* | 2.19% | (0.48) | 213.50 |
| 3M EURIBOR | 1.70% | 53.10 | 225.70 |

| OAS** Corporate Spread Index | Current | MoM (Δ bps) | YoY (Δ bps) |
|-------------------------------|---------|---------------------|---------------------|
| S&P Eurozone Investment Grade | 2.08% | (3.00) | 127.00 |
| BofA € High Yield | 5.88% | (37.00) | 276.00 |

| European Stock Indexes | Current | MoM ($\Delta\%$) | YoY ($\Delta\%$) |
|------------------------|---------|--------------------|--------------------|
| STOXX Europe 600 | 412 | 6.28% | (13.31%) |
| FTSE 100 | 7,095 | 2.91% | (1.98%) |
| DAX 30 | 13,254 | 9.41% | (15.52%) |
| FTSE MIB | 22,652 | 9.70% | (15.72%) |
| CAC 40 | 6,267 | 8.75% | (8.25%) |

Market Snapshot (Europe) as of 31/10/2022

*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 – Oct 2022

- **Christie & Co:** ‘The UK Hotel Market’ | Oct 2022
- **Cushman & Wakefield:** ‘United Kingdom Hospitality H1 2022’ | Oct 2022
- **Avison Young:** ‘UK Hotel Market Overview’ | Oct 2022

Hospitality Conferences & Events

- **European Hospitality Industry Conference – London, UK | 1-2 November 2022**

The 34th Deloitte European Hospitality Industry Conference (EHIC) gives you a chance to meet your peers, find out what’s trending in the sector and to hear from a panel of leading speakers

- **Tourism Innovation Summit – Seville, Spain | 2-4 November 2022**

The Tourism Innovation Summit showcases a wide range of technology to help the tourism industry become more competitive and provide new ways to service travellers

- **New England Inns & Resorts Association Annual Conference– Bretton Woods, USA UK | 2-4 November 2022**

The New England Inns & Resorts Association (NEIRA) is a collection of more than 300 independently owned and operated lodging properties throughout the six New England States

APPENDIX I

Corporate Transactions – Recent Notable Activity



| Date | Buyer(s) | Country | Target | Country | Deal Size (mm) | Deal Type |
|----------|--|---------|-------------------------|---------|----------------|---------------------------------|
| 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 |
| June '22 | Choice Hotels | US | Radisson America | US | \$ 675 | Acquisition |
| June '22 | GIC & APG | US/NL | The Student Hotel | NL | Undisclosed | Equity Investment |
| May '22 | Brookfield | CA | Watermark Lodging Trust | US | \$3,800 | Acquisition |
| May '22 | Lxi REIT | UK | Secure Income REIT | UK | £ 3,900 | Merger |
| May '22 | Resident Hotels | UK | Sleeperz Hotels | UK | Undisclosed | Acquisition |
| Apr '22 | Sykes Holiday Cottages | UK | Forest Holidays | UK | £ 300 | Acquisition (Controlling Stake) |
| Mar '22 | Sun Communities | US | Park Holidays | UK | £ 950 | Acquisition |
| Feb '22 | L + R Hotels | UK | Chardon Group | UK | £ 200 | Acquisition |



| Date | Buyer(s) | Country | Target | Country | Deal Size (mm) | No. Of Rooms |
|----------|--|---------|--------------------------------|---------|----------------|--------------|
| Oct '22 | easyHotel | UK | 8 Hotels in Benelux | BE | € 145.00 | n/a |
| Oct '22 | Fattal Group | IL | Dilly Hotel London | UK | £ 90.00 | 280 |
| Sept '22 | Harris Family | UK | Butlins Holiday Parks | UK | £ 300 | n/a |
| Sept '22 | Padox | 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 | Carlos Camurdine | MZ | Fontecruz Lisboa Hotel | PT | € 42 | 72 |
| Aug '22 | Azora Hotels | ES | Sheraton Resort Rhodes | GR | € 43.80 | 401 |
| 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 |



| Date | Buyer(s) | Country | Target | Country | Deal Size (mm) | No. Of Rooms |
|---------|--|---------|---|---------|----------------|--------------|
| 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 |
| Mar '22 | The Arora Group | UK | Luton Hoo Hotel | UK | £ 60 | 228 |
| Mar '22 | DFI and Cells Group | DE | Sheraton Berlin Grand Hotel Esplanade | DE | € 116 | 394 |
| Mar '22 | Brookfield Asset Management | CA | Palladium Costa Del Sol in Benalmadena | ES | € 55 | 336 |
| Feb '22 | Engel & Völkers Asset Management | DE | 7Pines Resort Ibiza | ES | € 130 | 185 |
| Feb '22 | Bourne Leisure | UK | Runnymede Hotel, Egham | UK | Undisclosed | 180 |
| Feb '22 | Host Hotels | UK | Hotel Van Zandt | US | \$ 246 | 319 |
| Jan '22 | Nuova Asiago Immobiliare | IT | Best Western Plus Tower Hotel, Bologna | IT | Undisclosed | 149 |
| Jan '22 | Sixth Street | US | Le Palme Hotel & Resort, Porto Cervo | IT | Undisclosed | 92 |
| Jan '22 | Dohle Family | DE | Hotel zur Tenne, Kitzbühel | AT | Undisclosed | 51 |
| Dec '21 | Starwood Capital Group | US | Iberostar Las Dalias, Costa Adeje | ES | € 100 | 420 |
| Dec '21 | Arora Group | UK | Luton Hoo, Golf & Spa | UK | Undisclosed | 228 |

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