

AHV Hospitality Newsletter

A Monthly Publication of AHV Associates



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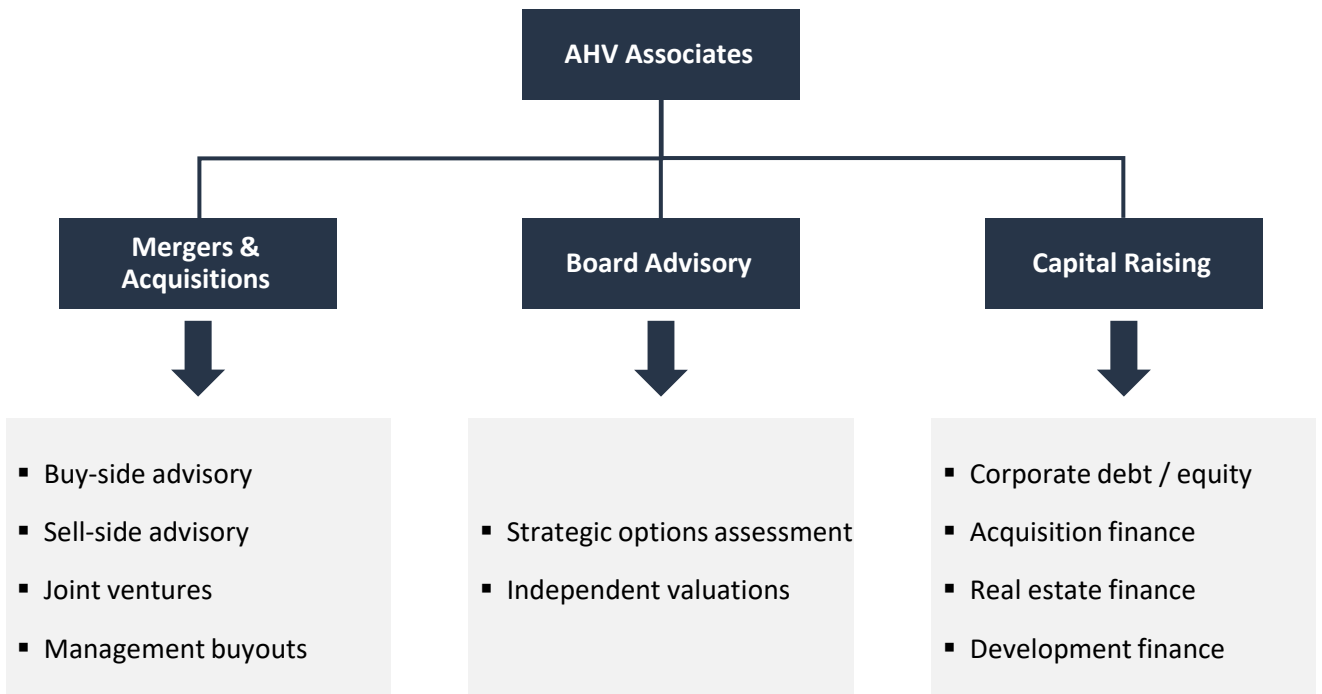
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AHV
ASSOCIATES

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

In the UK, a fall in business activity continues to signal that the UK is in a recession. Going into 2023, UK growth prospects are set to be the worst among G20 countries with households expected to see a 7.1% fall in living standards over the next two years. However, there could be light at the end of the tunnel as the BOE is expected to increase rates by 50bps this month compared to 75bps in November, reflecting a growing view that inflation may have peaked.

In Eurozone, the region's increase in inflation rate hit a 17-month low driven by a recent fall in energy prices along with an easing of supply chain bottlenecks resulting to ECB shifting to smaller interest rate increases, similarly to the BoE.

The improving sentiment relating to inflation pressures has boosted the stock capital markets with AHV Hospitality Index (3.8% up MoM) performing very well again in November.

Hotels and Hospitality Performance

Whilst the UK hotel recovery has exceeded expectations, a recent survey from PWC highlighted the risk of a slowdown in 2023. They expect London to outperform UK regions with real RevPAR levels reaching between 101-105% of pre-pandemic levels in 2023, driven by the growth in international travellers and a weakening pound, whereas the regional UK market which is driven mainly by UK domestic leisure demand, is expected to exhibit real RevPAR levels between 85-98% of pre-pandemic levels. PWC cited the rise in the cost of living, energy costs, staff shortages and supply chain disruption as the factors likely to prevent a full recovery in the sector. We think that the PWC report is too pessimistic, with many of the factors they highlight now being resolved and we reiterate our view, first expressed in our July 2022 research report ([click here to view](#)), that the strong tailwinds supporting hospitality will outweigh the headwinds outlined in the PWC report.

Five major hotel groups announced their Q3 2022 results in November, that were once again very positive. The most notable announcements were:

- Hyatt reported Q3 2022 fee revenues being 50% more than 2019 Q3
- Melia's Q3 2022 RevPAR exceeded Q3 2019 by 29.1% with the company opening 27 hotels this year

Transactions Activity

Investment activity in the UK hotel market has slowed in Q3 2022 to £577m which was 52% less than Q2 2022 volumes. The rise in interest rates has increased the cost of financing for hotel acquisitions, causing a downward pressure on real estate values and hence widening the bid-ask spread.

Nevertheless, we have observed an increased real estate investment activity in November, mainly relating to institutional assets in well-established markets. Most notable deals have been:

- Abu Dhabi's Investment Authority set to buy 17 hotels in Spain for €600m
- Archer Hotel Capital acquires the Royal St Honore in Paris for €87m
- CPPIB and Hamilton-Pyramid have bought the W Hotel in Rome for €172m
- Schroders Capital acquires Sofitel Legend The Grand Amsterdam for €150m

Improving sentiment has also led to an increased M&A activity involving operating companies with the latest key transactions being Hyatt's acquisition of Dream Hotel Group.

Q3 TRADING PERFORMANCE (% CHANGE)



Industry

	RevPAR	ADR	Occupancy (absolute)
Q3 Results	'22 vs '19	'22 vs '19	'22 vs '19
CHOICE HOTELS*	+7.3%	+18.5%	(5%)
HYATT®	+2%	+13.6%	(7.7%)
Marriott	+1.8%	+10.5%	(6.8%)
MELIÃ HOTELS & RESORTS	+13.7%	+29.1%	N/A
NH HOTELS	N/A	+16.9%	(5%)
Average	+6.2%	+17.7%	(6.1%)

- With further Q3 2022 earning reports being released the results again reveal a very positive Q3 for the hotel industry
- Average nominal RevPAR of the hotel groups that announced their results in November has exceeded Q3 2019 levels by 6.2%. The boost came from a strong ADR increase, as average occupancy rate is still 6.1% below Q3 2019 levels on absolute terms
- The main markets that have driven the recovery have been the USA and Europe, with China's zero Covid policy continuing to be a problem for hotel recovery in the country
- CEO of Marriott, Anthony Capuano stated "While we are carefully monitoring macroeconomic trends, bookings across all our customer segments remain strong, contributing to the ongoing momentum in our business. We expect continued demand growth around the world in the fourth quarter and anticipate that global RevPAR could increase 2% to 4% compared to 2019"
- Mark Hoplamazian, CEO of Hyatt said "Our greater mix of fee based earnings is driving record results and significant free cash flow. We continue to see demand accelerating and our outlook remains optimistic based on our latest booking trends."
- CEO of NH Hotel Group, Ramon Aragones "the gradual recovery in business travel all across Europe since June has further reinforced the Group's revenue structure. Despite the slowdown in the first quarter due to omicron variant, healthy momentum in the average daily rate (ADR) and occupancy metrics since March meant that in the next six months revenue topped total revenue between January and September 2019"

Sources: Choice Hotels, Hyatt, Marriott, Melia Hotels, NH Hotels

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	4.0%	(3.6%)	6,486	8,855	2.3x	14.3x	21%
Dalata Hotel Group	6.3%	1.5%	769	769	3.2x	9.4x	NA
Hilton Worldwide Holdings	5.4%	5.6%	37,404	45,388	5.4x	18.6x	16%
Fattal Holdings	(0.4%)	(1.1%)	1,740	6,450	NA	NA	51%
IHG	2.2%	7.8%	9,687	11,681	6.3x	12.7x	14%
Les Hôtels Baverez	7.8%	(4.3%)	130	129	NA	NA	NA
Mandarin Oriental International	1.8%	(24.3%)	2,059	2,690	6.6x	51.7x	19%
Marriott International	3.3%	12.1%	50,754	59,850	3.0x	16.3x	13%
Meliá Hotels International	10.7%	(5.6%)	1,144	4,045	2.6x	10.5x	57%
NH Hotel Group	12.8%	6.5%	1,327	3,677	2.2x	7.4x	34%
Pandox AB	(3.5%)	0.2%	2,190	5,455	10.5x	17.7x	57%
Pierre et Vacances	2.4%	(86.3%)	387	3,794	2.3x	29.2x	69%
PPHE Hotel Group	(1.6%)	(10.1%)	609	1,893	5.6x	18.5x	50%
Safestay	0.0%	(26.2%)	12	74	3.6x	10.9x	70%
Scandic Hotels Group	0.8%	0.5%	617	4,517	2.7x	11.3x	60%
Whitbread	0.5%	(7.8%)	6,035	10,162	3.8x	12.5x	0%
Wyndham Hotel & Resorts	(3.4%)	(7.8%)	6,280	8,017	5.6x	12.9x	21%
Average					4.4x	16.9x	
Median					3.6x	12.9x	

Metrics reported in the table include impacts of IFRS 16
 Trading performance of hotel companies included in the AHV Index as of 30/11/2022

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: Travelodge Funded

Investor RTP Global Real Estate Investments has acquired a site in Chiswick, west London for a Travelodge hotel development. The 113 room hotel is expected to open in Q4 of 2023.

Operator Travelodge has signed a 35 year lease on the site. Travelodge has reported strong trading across its UK portfolio, with RevPAR, revenue and EBITDA ahead of 2019 levels

UK: Shiva Sells

Shiva Hotels has sold its Hilton hotel at London's Heathrow airport. Scala Capital Partners has acquired the 350 room asset close to the airport's Terminal 5.

The disposal comes as Shiva focuses on its luxury portfolio in central London. The hotel is in 13 acres of grounds, with conference space for up to 1,400 delegates

UK: Cadogan Addition

Investor Cadogan has acquired the Draycott Hotel in London. The 35 room property will undergo refurbishment before launching as the Chelsea Townhouse.

The asset will be operated by Iconic Luxury Hotels who already manage Cadogan's nearby 11 Cadogan Gardens and Apartments. Cadogan also owns The Cadogan Hotel, which is operated by Belmond

ES: ADI heads for Spain

Abu Dhabi's Investment Authority looks set to acquire a portfolio of 17 Spanish hotels for more than €600m. The Equity Inmuebles hotels are managed by Melia, and total 2,500 rooms.

Leases on the properties expire at the end of 2022, according to Spanish media. The portfolio is owned by the Calero, Briones and Mazin families who founded the Tryp brand

ES: Madrid deal

Investor Sancus Hotels has acquired the Rosewood Villa Magna and the Bless Hotel in Madrid for EUR130m. The pair were sold by Mexican group RLH Properties.

Sancus Hotels is an affiliate of Spanish investor Sancus Capital. RLH acquired the 154 room Rosewood property in 2018, and bought a majority stake in Bless Hotel in 2021

BL: Lone Star buys in Brussels

Investor Lone Star has acquired the Metropole hotel in Brussels, Belgium. The formerly family owned property will reopen in 2025, following refurbishment.

The landmark 251 room hotel has been closed since April 2020. Lone Star has appointed Centaurus Hospitality Management to operate the property



IT: CPP buys in Rome

Canada Pension Plan Investment Board and Hamilton-Pyramid have acquired the W hotel in Rome, Italy. The €172m asset is the purchase for a European joint venture portfolio.

CPP committed €475m to the project in August 2022, seeking hotels in key European gateway cities and resort destinations. The 162 room asset reopened in August 2022 following refurbishment

The W Rome is located in the Ludovisi District in central Rome. It offers amenities including: a rooftop bar, restaurant and lounge area; several food and beverage outlets; a gym; and meeting spaces. The W brand is recognised as one of the world's leading and best performing luxury lifestyle and hospitality brands

IT: Molo Rome buy

Molo Hotel Group has acquired the Hotel Alexandra in Rome, Italy. The company plans a refurbishment and upscale repositioning of the property.

Molo currently owns four hotels, and recently acquired the Manchebo Beach Resort in Aruba. It has a further three properties nearing completion, for opening in spring 2023

FR: Soho House sold

Investor Amundi Immobilier has acquired the Soho House in Paris, France. Seller Compagnie de Phalsbourg converted former offices to create the property, which opened in 2021.

The club has 36 bedrooms, a bar, restaurant and cabaret room. Operator Membership Collective Group now has 38 sites open globally

FR: Archer buys in Paris

Archer Hotel Capital has acquired the Royal St Honore hotel in Paris, France. The investor paid EUR87m for the 68 room property.

The group's operating team, Archer Hotel Management will run the property alongside two other Parisian hotels in the portfolio. Archer recently sold its Dilly hotel in London to Israeli investor Fattal

SE: Swedish upgrade

CapMan Real Estate has acquired a 200 room hotel and offices in Solna, Sweden. It plans a refurbishment and will search for a long term operator partner for the upgraded asset.

The property will be held in the group's third Nordic real estate fund. Set in the Royal National City Park, part of the hotel was completed in 1922 as military accommodation

GER: NREP makes first real estate investment in Germany

NREP, an urban investor with €18 billion of assets under management, announces the continued extension of its impact into Northern European countries following its first real estate investment in Germany and the establishment of a dedicated team of eight initial employees. Two offices have been opened, in Frankfurt and Munich, completing the existing on-the-ground presence consisting of the German real estate credit specialist acquired by NREP last year



EU: Three Hills Capital Partners and Atlantic Park Strategic Capital Acquire Bierwirth & Kluth via Their Borelais Hotel Group Vehicle

Borealis Hotel Group (BHG), a leading hospitality group headquartered in the Netherlands, has announced that Bierwirth & Kluth Hotel Management GmbH (B&K), a hotel operator in the DACH region, has joined the company. Parallel to the acquisition, BHG has announced that Atlantic Park Strategic Capital Fund (AP), a joint venture between General Atlantic and Iron Park Capital Partners, has joined the shareholder structure, alongside existing investor Three Hills Capital Partners (THCP) and the founders

US: Hyatt to acquire Dream Hotel Group

Hyatt is set to acquire Dream Hotel Group and its portfolio of 12 lifestyle hotels, with a further 24 signed in the future

The acquisition will extend Hyatt's footprint in other key markets such as Nashville, Hollywood, South Beach, Durham, and the Catskills.

Hyatt will pay a base purchase price of \$125 million (approximately \$12 million in stabilised management fees) with up to an additional \$175 million over the next six years

US: Flynn Properties acquires 89 extended stay hotels in JV with Värde Partners

Flynn Properties Inc. has announced an 80 per cent joint venture with Värde Partners for 89 select service and extended stay hotels.

JV valued in at \$1.1 billion implied total enterprise value transaction, from affiliates of Highgate and Cerberus Capital Management, L.P

Global: SHR buys Avvio

US group Sceptre Hospitality Resources has acquired Irish hotel support platform Avvio. SHR systems are used by more than 1,500 hotels, while Avvio provides support to more than 500 hotels.

The pair expect both brands to continue for now, as they work together to personalise the consumer purchase journey. The acquisition was backed by private equity investor Serent Capital

Global: Palace Resorts acquires Baglioni Hotels

Palace Resorts has acquired 75% of Cogeta Spa, although the value of the transaction has not been disclosed.

The deal will allow Baglioni to expand its footprint in the Americas and the Caribbean, which represents 70% of Palace Resorts' business. It will also see Palace Resorts gain an operating partner in Europe, setting the scene for future expansion across EMEA

UK: Aareal refinance

Aareal Bank has provided a £239.9m refinancing of the Point A hotels portfolio. Tristan Capital Partners acquired a majority stake in the business earlier this year, through its special opportunities fund.

The Point A portfolio with 1,387 rooms includes nine hotels in London, plus properties in Edinburgh and Glasgow. Aareal says the deal demonstrates its continued confidence in the hotel sector, notably in the UK where business has rebounded strongly



UK: Tougher Outlook

UK hotels should expect the 2022 recovery to stall into 2023. A new sector outlook from PwC warns cost pressures will continue, as consumers reign back spending

In London, PwC expects 2023 RevPAR to get to 101-105% of pre-pandemic levels. After a strong start to 2023, regional hotels are expected to see demand and rate slip, with performance hit by new supply in key markets

UK: London bounces back

London hotels saw occupancy improve to 76.3% in October. The figure moved ahead of occupancy for regional UK, for the first time since the pandemic, reports RSM's Hotels Tracker. Room rates softened both in London and the regions, reflecting a seasonal trend. ADR of £188.54 in London remained well ahead of pre-pandemic comparables

UK: easyHotel back strong

Superbudget brand easyHotel achieved total sales of more than £62m in the last year. RevPAR was up 37% like for like, with hotels in Glasgow and Barcelona performing strongest

New hotels were opened in Oxford and Paris Charles de Gaulle airport, with the latter hitting 93% occupancy in September. The group recently acquired its eight franchised hotels in Benelux, from Crossroads Real Estate

Spain: NH bounces back

The gradual recovery in business travel and sustained momentum in the leisure segment drove NH Hotel Group's revenue to €516m in Q3 2022, which is 18.3% above the Q3 2019 equivalent. In the first nine months of 2022, the hotel group's revenue amounted to €1.26bn, slightly above 9M19 levels. The ADR maximisation strategy coupled with stringent cost control unlocked another consecutive quarter of record earnings, partially mitigating the impact of inflation, and reaching a Recurring Net Profit of €31m in 9M22

Spain: Sofitel returns to Spain with €40m Barcelona hotel redevelopment

Sofitel, the luxury brand of France's Accor Hotels Group, has re-entered the Spanish market following Swiss boutique real estate investor Propreal Capital Partners completion of the €40 million redevelopment of the five-star hotel in Barcelona's Vila Olímpica. Sofitel Barcelona Skipper has 225 guest rooms over 19,000m² and was officially opened by Propreal CEO Yves Miorcec de Kerdanet and Maud Bailly, CEO of Accor Southern Europe

Spain: Melia excels

Spanish group Melia reported a strong Q3, with RevPAR 29.1% ahead of 2019. Revenues excluding capital gains were 3% ahead at €532m.

Improved digitisation and operational efficiency meant ebitda margin improved to 31%. So far this year, the company has opened 27 hotels and signed a further 26



NL: edyn expands to France with Locke aparthotel

Staycity has signed to open in Amsterdam, its first Dutch property. It will lease 120 units in Union Investment's YVIE project in the city, opening in 2024. The property will be co-located in a block of rental apartments, which Union will market directly. Staycity has more than 6,000 units operating in 33 properties across Europe

EU: Hotel conversions in European pipeline reach "all-time high"

According to a Lodging Econometrics report, hotel conversions across Europe stand at an all-time high of 324 hotels comprising 46,977 rooms

There are 790 projects currently under construction, and in the next 12 months a further 408 are planning to get underway while 462 projects have been recorded early planning stage.

EU: Despite Looming Clouds, Optimism Reigns in European Hotel Industry

War on one side of the continent and a historic recession looming on the other aren't enough to dampen optimism for the European hotel industry. Hoteliers in the region say travel demand is likely to remain broadly resilient. The midscale segment in particular is poised for success

According to Willemijn Geels, VP of development for IHG in Europe, "There is big demand for midscale hotels with families, such as for Holiday Inn, Voco and extended stay. These brands are very resilient, and they have proven again that it is an interesting model both from operational and investment viewpoints

THA: Minor eyes uplift

Minor International reported Q3 profits of THB4.6bn, with a core profit of THB1.5bn from its hotels. The company says growing airlift capacity should help lift performance at its Thai properties. Hotels in Europe and Latin America saw revpar 21% ahead of 2019 levels, while Australian and Maldives properties were also ahead. RevPAR in the Thailand portfolio recovered to 75% of pre-pandemic levels

US: Airbnb profit growth

Airbnb saw net income of \$1.2bn in Q3 2022, its most profitable quarter yet. Gross booking volume grew to \$15.6bn, up 31% YoY

ADR was up 5% year on year, or 12% excluding forex impacts. During the quarter, the company purchased \$1bn of class A common stock, half of a \$2bn authorisation

US: Hyatt hails "tremendous" Q3

Hyatt reported fee revenues 50% ahead of 2019 for the third quarter. The company has raised full year guidance to an expected 6.5% net rooms growth, with a pipeline of 114,000 rooms.

Comparable RevPAR was 2% ahead of 2019, with rate 13.6% ahead. From recent acquisition ALG, hotels in the Americas saw RevPAR 29% ahead of 2019 performance levels



US: Marriott moves ahead

Marriott declared reported net income of \$630m for the third quarter. While RevPAR in US and Canada markets was ahead of 2019 comparables, international properties were 2.4% behind

The group continues to grow its loyalty programme, Bonvoy, which hit 173m members. Marriott also acquired City Express, growing its presence in affordable midscale in central America

US: Booking revenue growth

Room nights booked by Booking Holdings in Q3 were up 31% year on year. The group recorded its highest ever quarterly total revenues of \$6.1bn, up 29% on 2022

Total room nights sold, at 240m, were down from the previous quarter's peak of 246m. The group has reported an upturn in bookings in October, and stronger business already booked for 2023

US: Expedia room boost

Expedia recorded record quarterly revenue of \$3,619m for Q3. Lodging revenues were up 25%, as room nights booked grew 20% and ADR improved by 4%

While lodging currently accounts for 80% of revenues, the group grew air revenue 69% year on year, as ticket prices improved. The group retired \$500m of debt, and bought in \$200m of shares

US: Choice Execs Highlight Growth Potential as Radisson Integration Begins

Choice Hotels International completed its acquisition of Radisson Hotels Americas in the third quarter and executives at the brand believe the deal is a "significant leap forward" for the company. The addition of the Radisson brands will drive an incremental \$80 million in recurring EBITDA upon its full integration in 2024, Pacious said. Choice's adjusted earnings before interest, taxes, depreciation and amortization was \$139.4 million for third quarter 2022, representing a 4.4% increase from the same time period in 2021

Global: IHG and Iberostar form strategic alliance

Through this strategic alliance, Iberostar will retain 100% ownership, preserving its autonomy and values. Up to 70 hotels (24.3k rooms) will be added to IHG's system under the Iberostar Beachfront Resorts brand, which will become the 18th brand for IHG. This will boost IHG's global system size by up to 3%. The portfolio of Iberostar properties will gain access to IHG's enterprise platform, including its distribution channels and the IHG One Rewards loyalty programme with more than 100 million members

Global: Hotel companies wrestle with impact of rising interest rates

Central banks have carried out multiple rate hikes this year. In the hospitality investment space, this has increased deal costs, prompting concerns of a slowdown in the market. The ripple effects also touch the big brands that rely almost exclusively on third parties to develop and own the properties themselves.



Corporate Transactions

Buyer(s)	Country	Target	Country	Deal Size (mm)	Deal Type
Hyatt Hotels	US	Dream Hotel Group	US	\$ 300	Acquisition
Borealis Hotel Group (BHG)	NL	Bierwirth & Kluth (B&K) Hotel Mgmt	DE	Undisclosed	Acquisition
Palace Resorts	MX	Baglioni Hotels & Resorts	IT	Undisclosed	Majority Stake

Real Estate Transactions

Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
Abu Dhabi's Investment Authority (ADIA)	UAE	17 Hotels in Spain	ES	€ 600	2,500
CPPIB and Hamilton-Pyramid	UK	W Hotel Rome	IT	€ 172	162
Schroders Capital	UK	Sofitel Legend The Grand Amsterdam	NL	€ 150	177
Sancus Hotels	ES	Rosewod Villa Magna and Bless Hotel Madrid	ES	€ 130	154
Archer Hotel Capital	NL	Royal St Honore Paris	FR	€ 87	68
Hova Hospitality	FR	Staycity Dublin	IRE	€ 38	340
CapMan Real Estate	FI	Hotel and Offices in Solana	SE	Undisclosed	200
Union Investment	DE	Marriot-Bonvoy Autograph Collection Tegernsee	DE	Undisclosed	125
Scala Capital Partners	US	Hilton Hotel Heathrow Terminal 5	UK	Undisclosed	350
Crest Hotels	UK	Metropole Hotel Wales	UK	Undisclosed	109



Real Estate Transactions					
Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
BNP Paribas REIM	FR	Hotel in Hamburg-Altona	DE	Undisclosed	264
RTP Global Real Estate	UK	Travelodge site in Chaswick	UK	Undisclosed	113
Molo Hotel Group	UK	Hotel Alexandra Rome	IT	Undisclosed	N/A
Citybox and Pandox	NO	NH Brussels	BE	Undisclosed	246
Flynn Properties and VardePartners	US	89 Extended Stay Hotels	US	Undisclosed	N/A
Inn Collection	UK	Wordsworth Hotel Grasmere	UK	Undisclosed	38
Lone Star	US	Metropole Hotel Brussels	BE	Undisclosed	251
Arbireo Capital	DE	B&B Cuxhaven	DE	Undisclosed	101
Extendam	FR	Novotel Rouen Sud	FR	Undisclosed	134
Horn Grundbesitz KG	DE	Hotel Savoyen Vienna	AT	Undisclosed	309
Anders Bodin	SE	Hotel Diplomat Stockholm	SE	Undisclosed	130
Onyaria Group	PT	Martinhal Lisbon Cascais Family Hotel	PT	Undisclosed	72

MARKET SNAPSHOT (EUROPE)

Macroeconomic Metrics

	Real GDP Growth (vs same quarter last year)	Inflation	Unemployment Rate
United Kingdom	0.2% (Q2 2022)	9.6%	3.6%
European Union	2.4% (Q3 2022)	10.6%	6%

FX Rate	Current	MoM ($\Delta\%$)	YoY ($\Delta\%$)
GBP/EUR	1.157	(0.46%)	(1.77%)
USD/EUR	0.970	(4.11%)	9.30%
GBP/USD	1.193	3.81%	(9.87%)

Fixed Income and Equity Markets

Central Banks Interest Rates	Bank of England	European Central Bank	
	3%	1.5%	

Sovereign Bond Yield	Current	MoM (Δ bps)	YoY (Δ bps)
UK 10-Year GILT	3.10%	(41.00)	228.00
German 10-Year BUND	1.95%	(20.70)	229.10
Italy 10-Year BTP	3.88%	(41.40)	291.30
France 10-Year Bond	2.41%	(27.70)	239.90

Swap Rates	Current	MoM (Δ bps)	YoY (Δ bps)
3M SONIA – GBP – 5 Year	3.75%	(44.30)	281.40
3M EURIBOR – EUR – 4 Year	2.62%	(20.39)	282.63

Interbank Interest Rates	Current	MoM (Δ bps)	YoY (Δ bps)
SONIA*	2.93%	74.44	288.27
3M EURIBOR	1.98%	28.00	255.70

OAS** Corporate Spread Index	Current	MoM (Δ bps)	YoY (Δ bps)
S&P Eurozone Investment Grade	1.65%	(43.00)	66.00
BofA € High Yield	5.03%	(77.00)	132.00


European Stock Indexes	Current	MoM ($\Delta\%$)	YoY ($\Delta\%$)
STOXX Europe 600	440	6.75%	(4.95%)
FTSE 100	7,573	6.74%	7.28%
DAX 30	14,397	8.63%	(4.66%)
FTSE MIB	24,610	8.64%	(4.66%)
CAC 40	6,739	7.53%	0.26%

Market Snapshot (Europe) as of 30/11/2022

*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 – Nov 2022

- **PWC:** ‘UK Hotels Forecast 2022-2023’ | Nov 2022
- **HVS:** ‘Valuing Hotels Amid Rising Capital Market Costs’: A Case Study’ | Nov 2022
- **JLL:** ‘Global Hotels Asset Management Report’ | Nov 2022

Hospitality Conferences & Events

- **Hospitality Leadership & Design Conference – Dubai, UAE | 7 December 2022**

The Hospitality Leadership & Design Conference will once again gather the industry’s foremost leaders and creatives to discuss the wealth of activity and opportunity within the hospitality sector

- **International Conference on Venue Management, Hospitality and Tourism Industry | 9 December 2022**

International Conference on Venue Management, Hospitality and Tourism Industry aims to bring together leading academic scientists, researchers and research scholars to exchange and share their experiences and research results on all aspects of Venue Management, Hospitality and Tourism Industry

APPENDIX I

Corporate Transactions – Recent Notable Activity



Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	Deal Type
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
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



Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
Nov '22	CPPIB and Hamilton-Pyramid	UK	W Hotel Rome	IT	€ 172.00	162
Nov '22	Hova Hospitality	FR	Staycity Dublin	IRE	€ 38.00	340
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	Pandex	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



Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
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
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

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