



European Hotel Performance Update Pandex Earnings Call 14th July 2023

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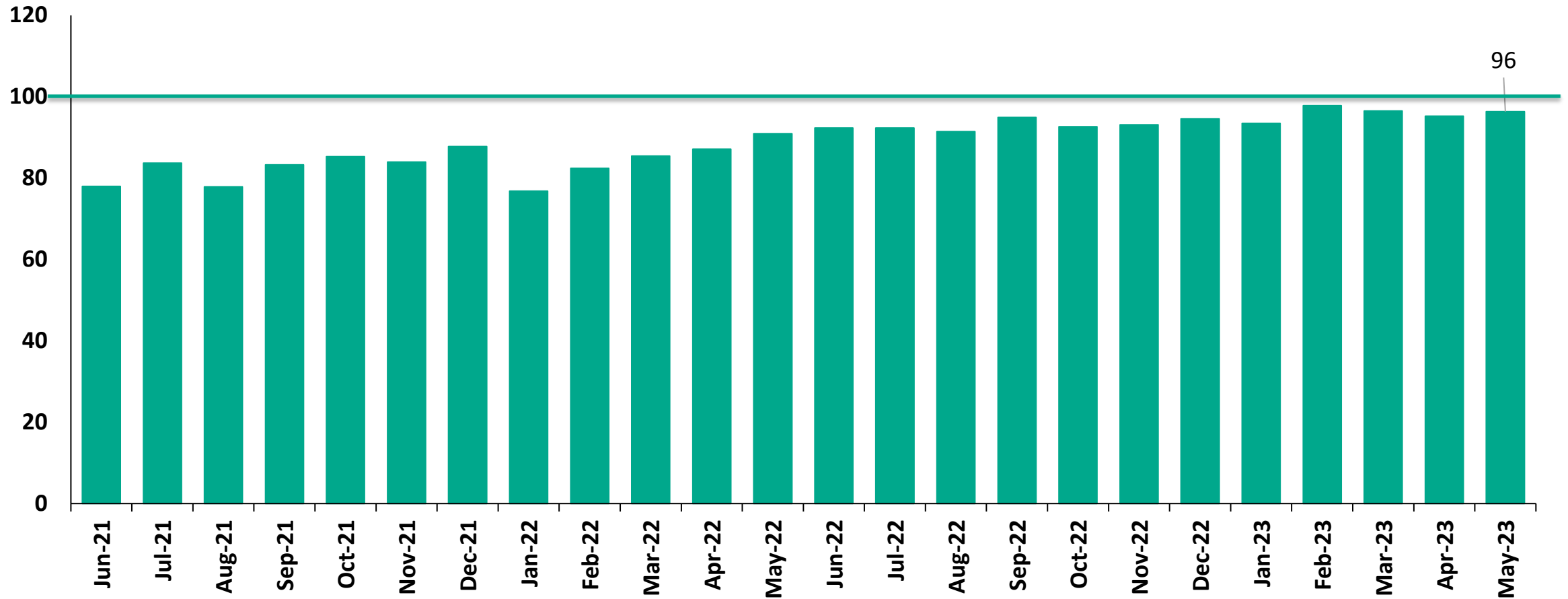
Do we need to worry about a recession?



Hotel
Cost increase
Recruitment

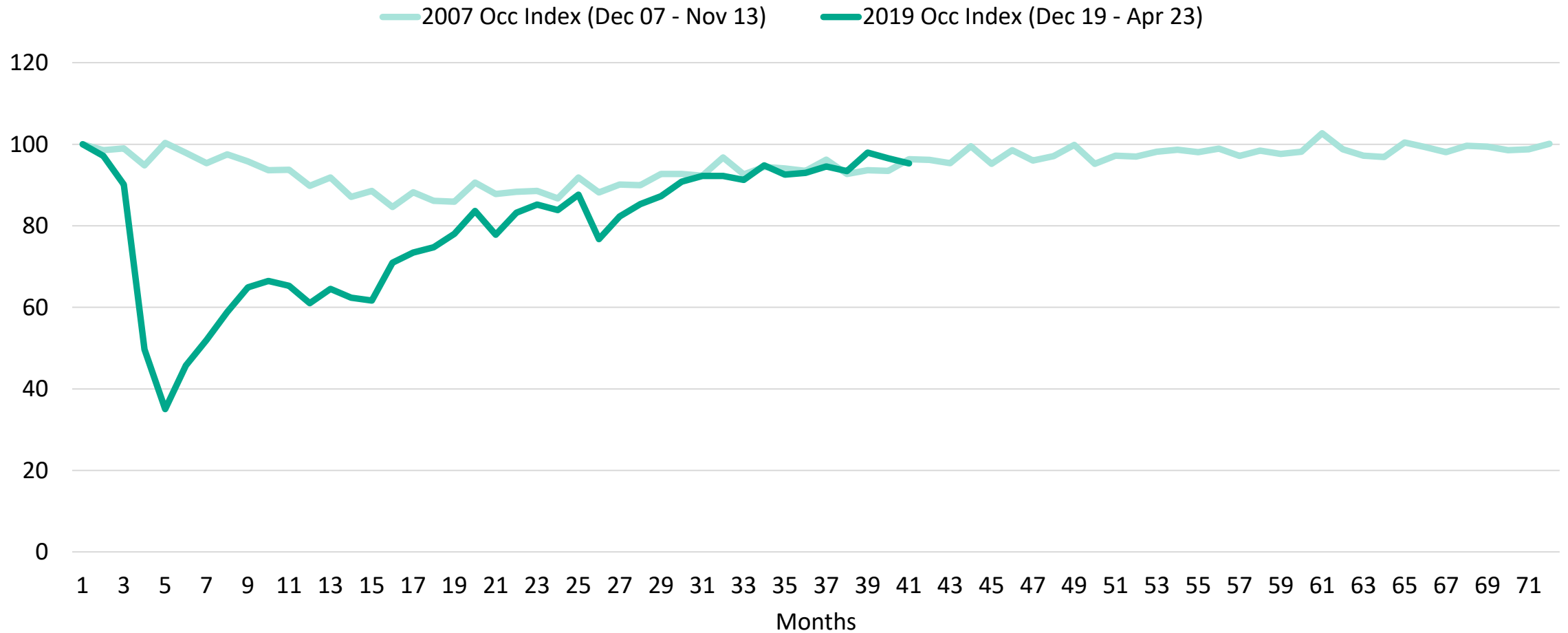
Hotel occupancies have all but returned to pre-covid levels

Global Occupancy indexed to 2019, June 2021 – May 2023



Post-COVID occupancy recovery now in line with GFC

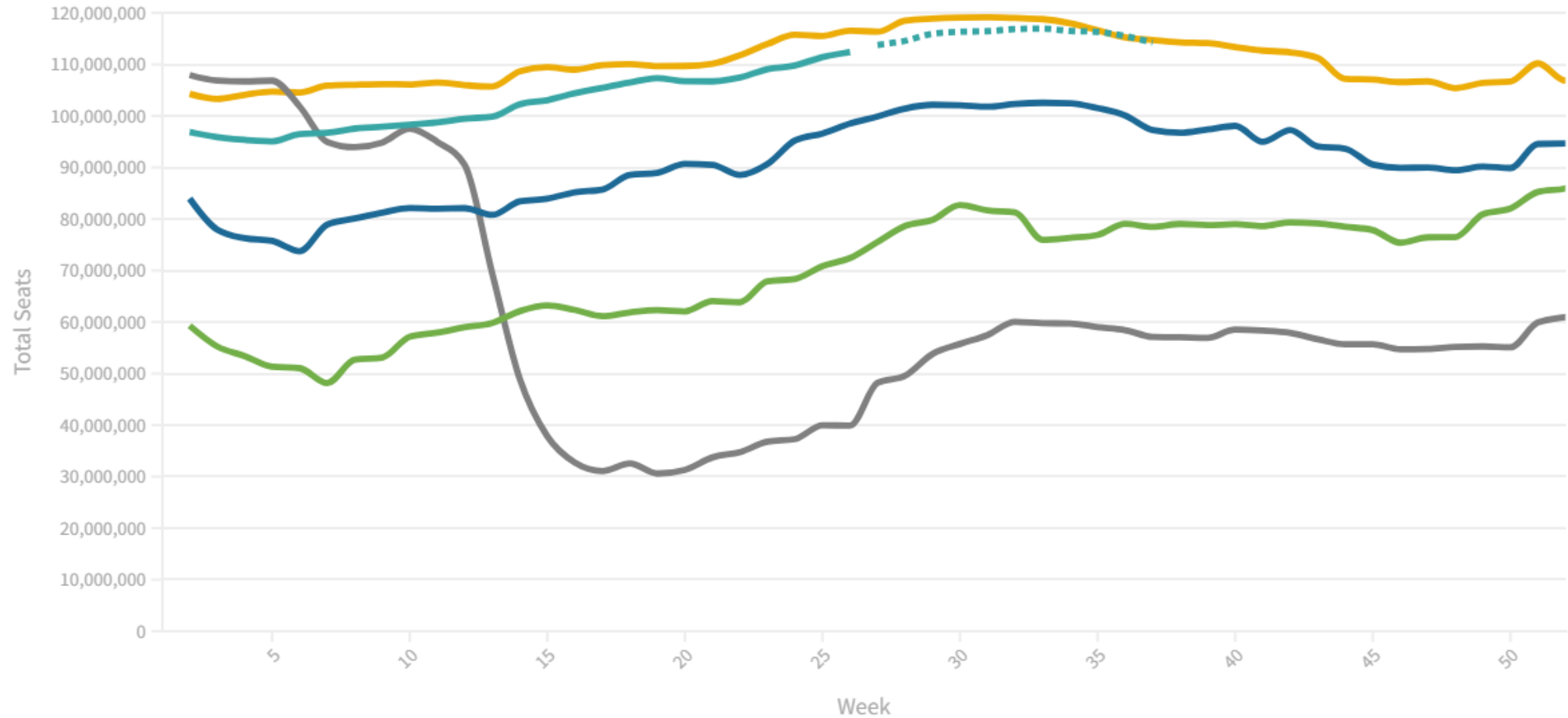
Global* occupancy recovery index, GFC and COVID



Recovering airline capacity should stimulate further demand

Global airline capacity (seats)

2019 2020 2021 2022 2023 2023 Schedule

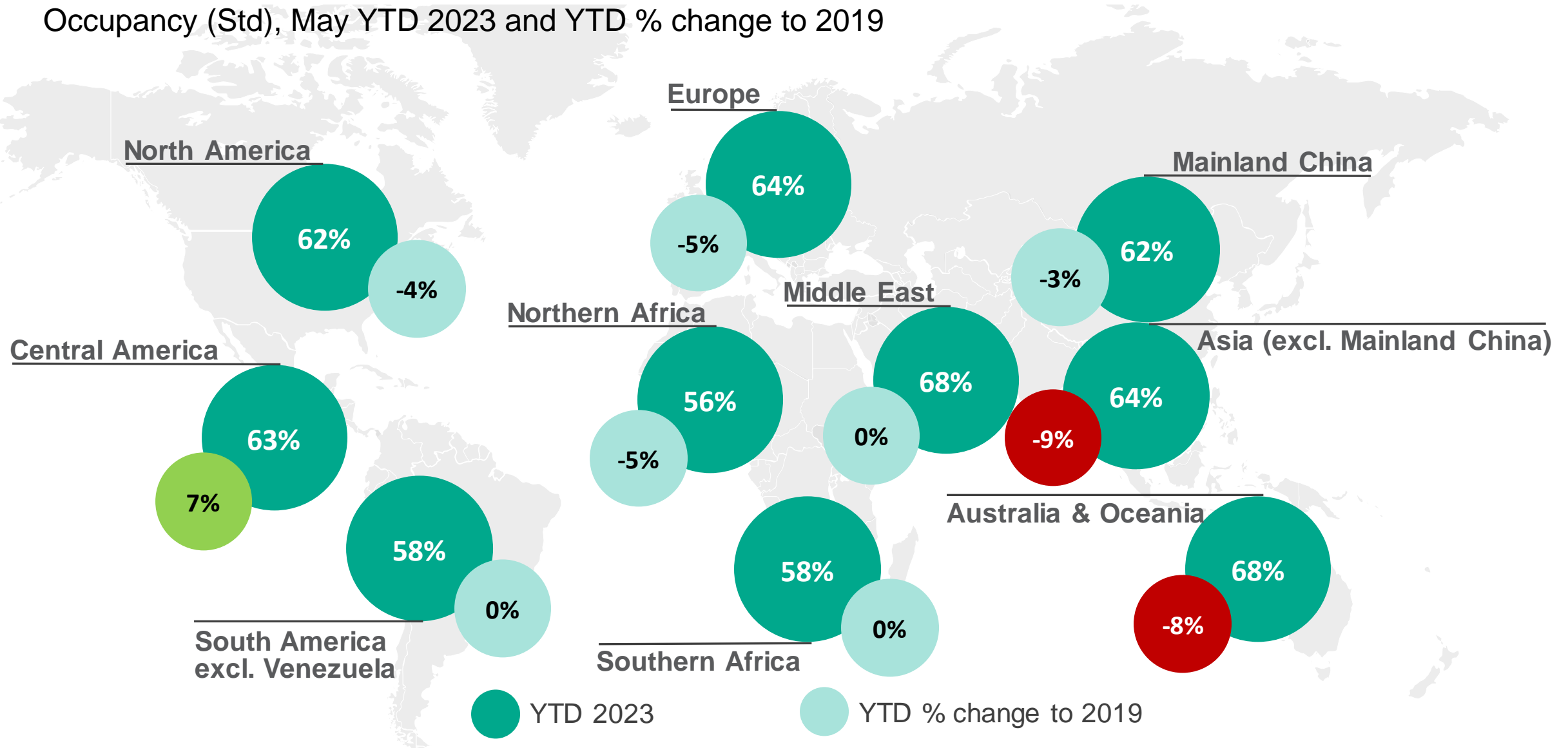


Source: OAG

OAG

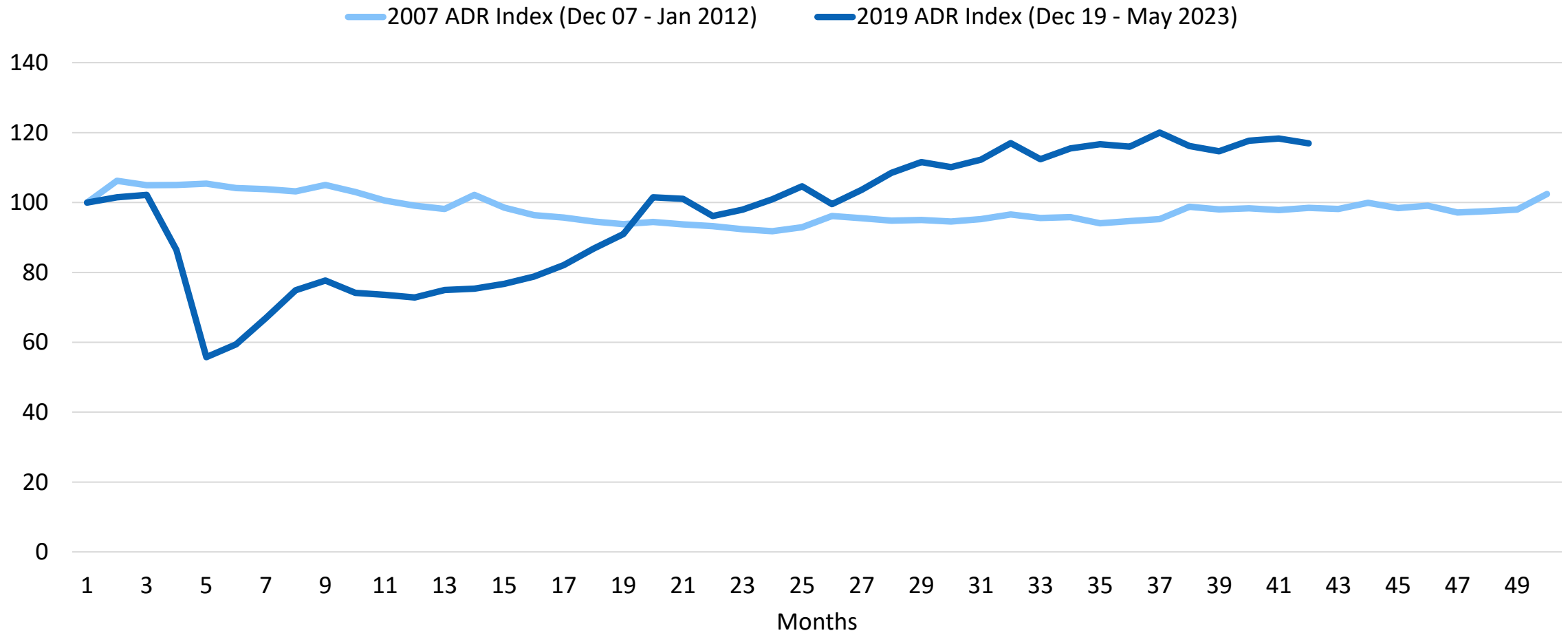
Which clearly translates into occupancy recovery by region

Occupancy (Std), May YTD 2023 and YTD % change to 2019



COVID ADR cycle two years shorter than GFC

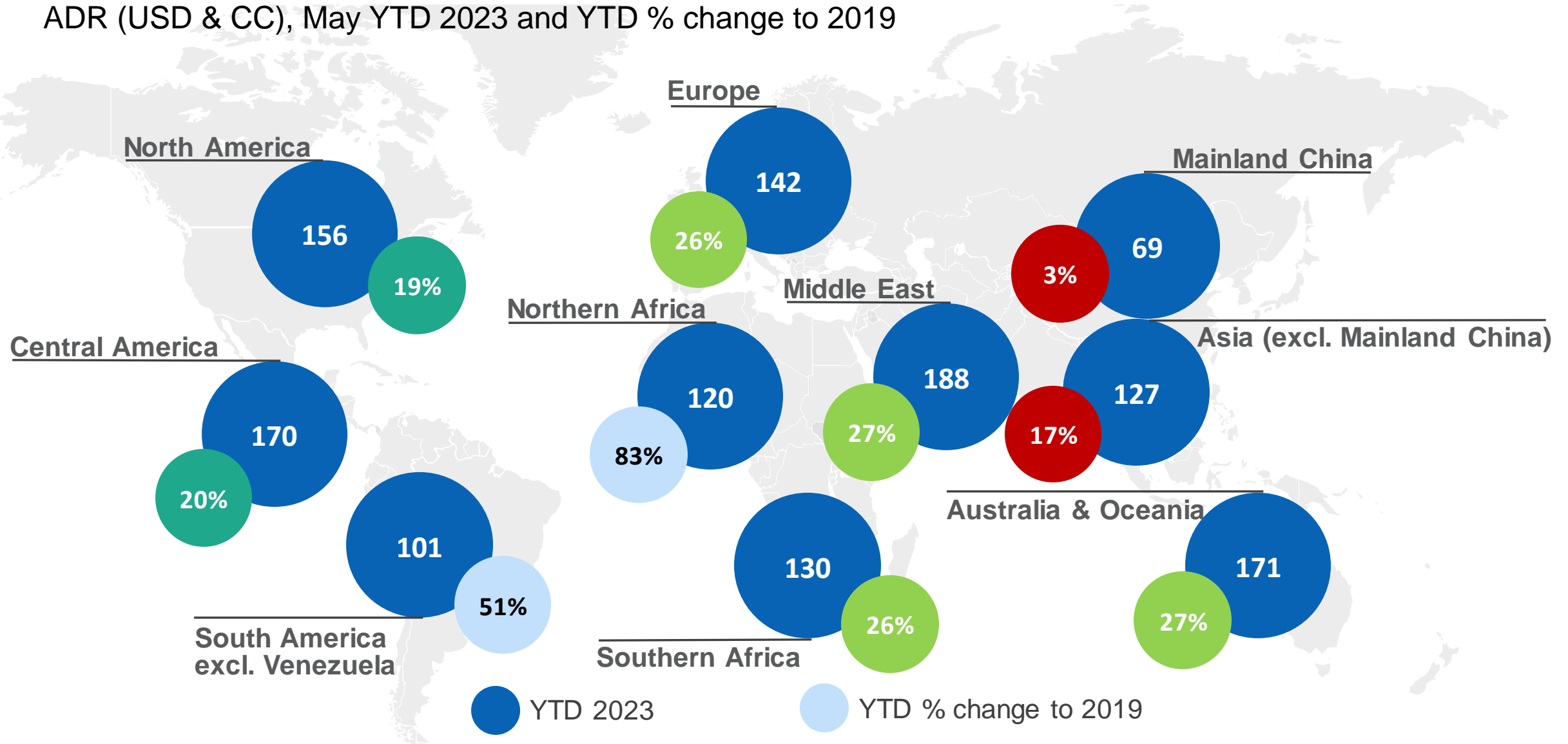
Global* ADR, USD, constant currency, recovery index, GFC and COVID



*Excl. Turkey, Lebanon, Venezuela, and Argentina

ADR growth in most regions except China is ahead of inflation

ADR (USD & CC), May YTD 2023 and YTD % change to 2019

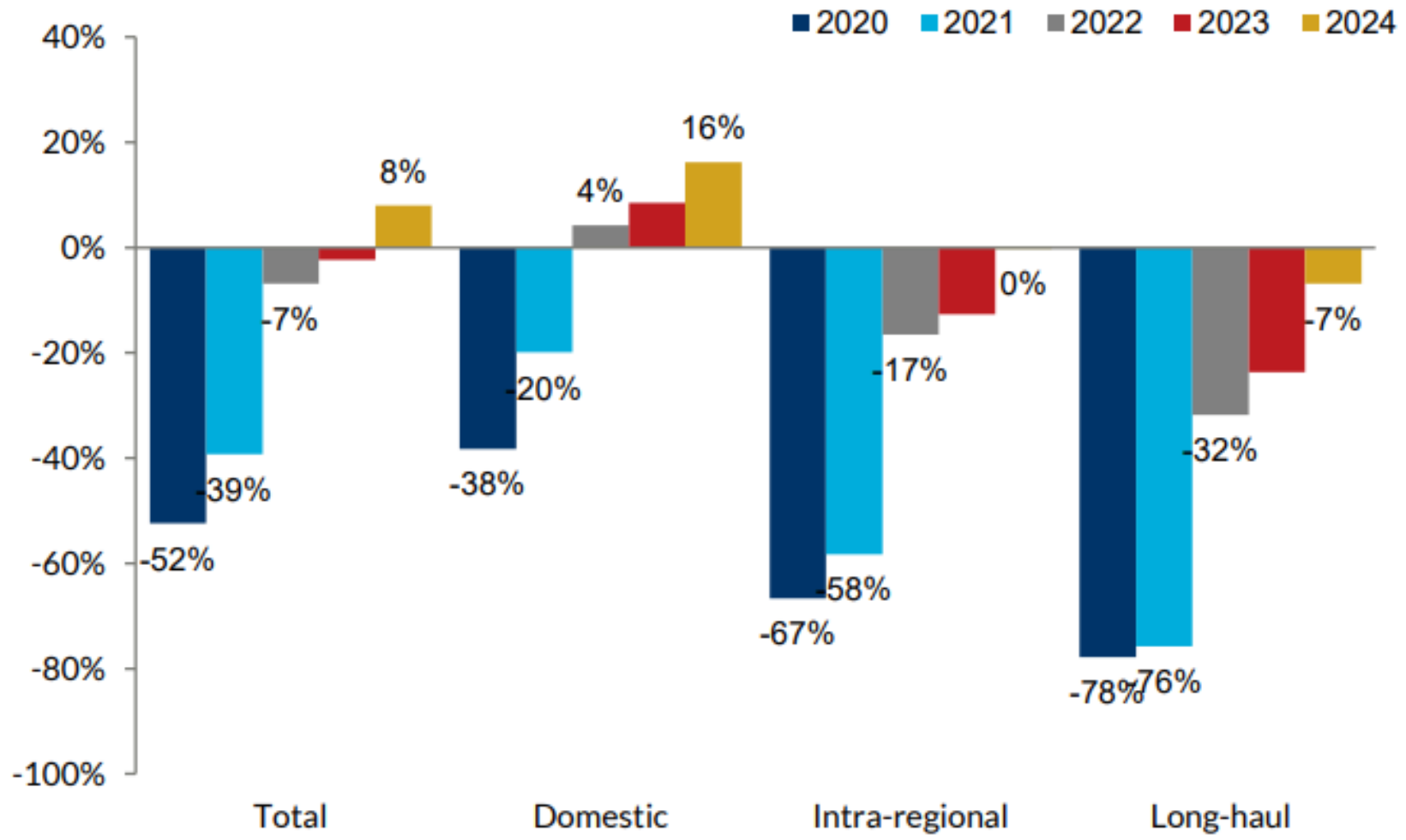


What's driving performance going forward?



Europe: Recovery to continue despite economic challenges

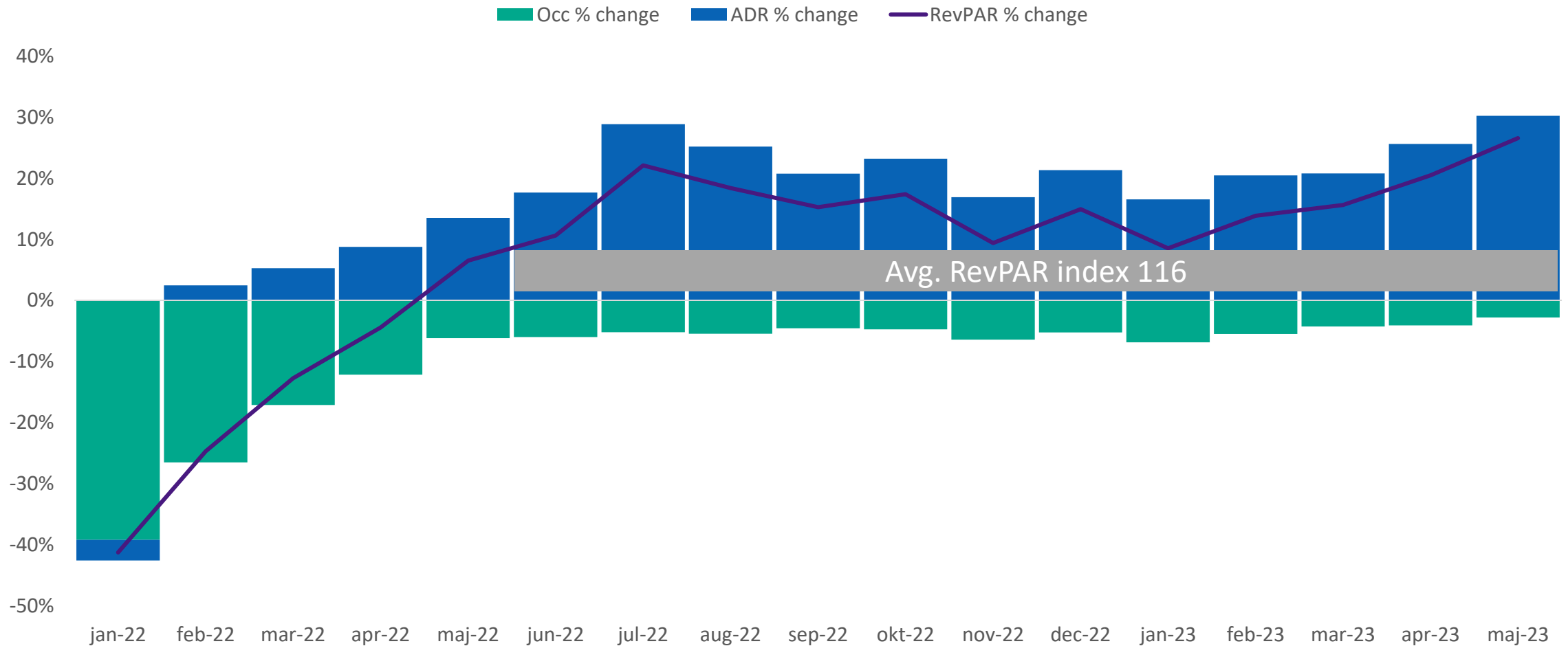
% relative to 2019 levels



Source: Oxford Economics

What about Europe? RevPAR growth rebounded last spring

Europe, % change to 2019, January 2022 – May 2023

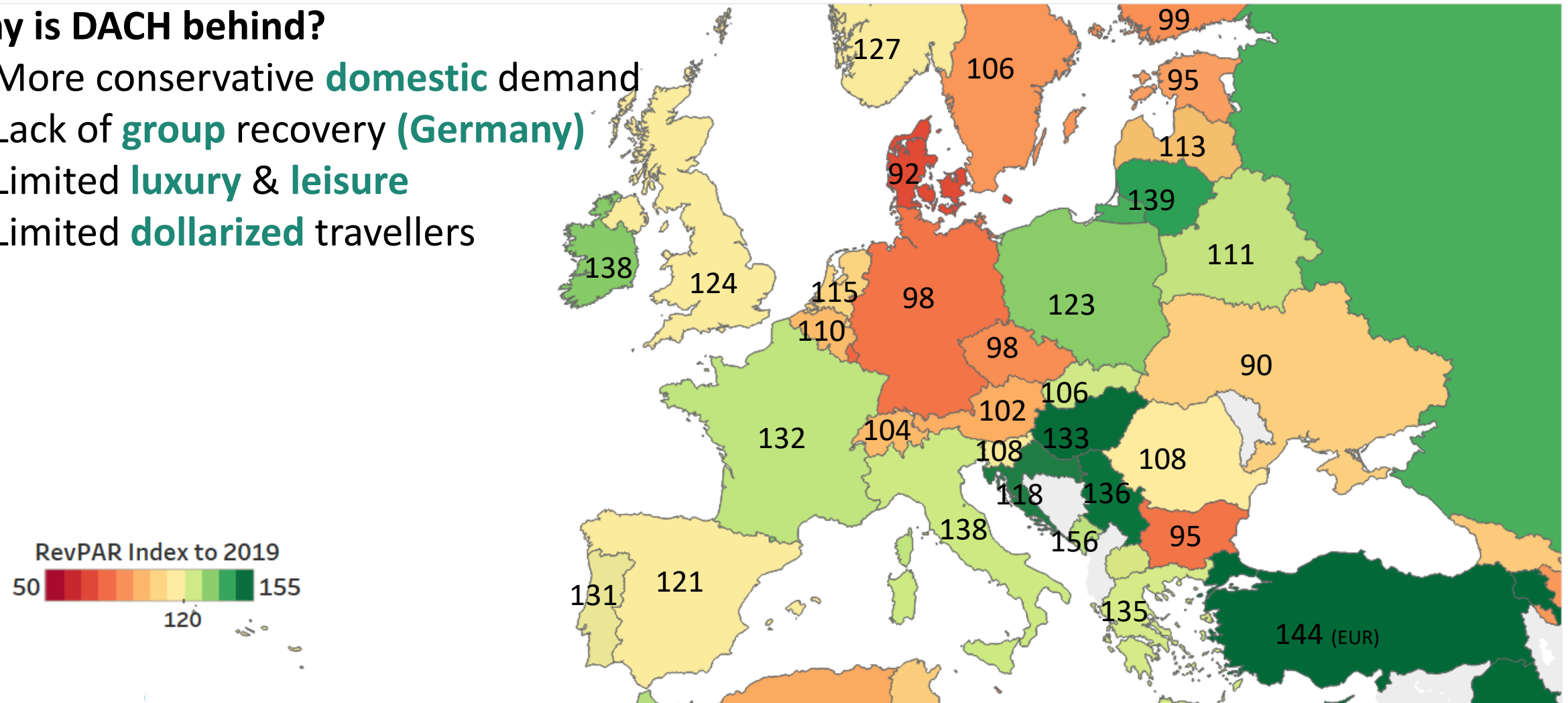


Lead by Italy, Ireland, France & UK

European Countries, RevPAR (STD &LC), indexed to 2019, May YTD 2023

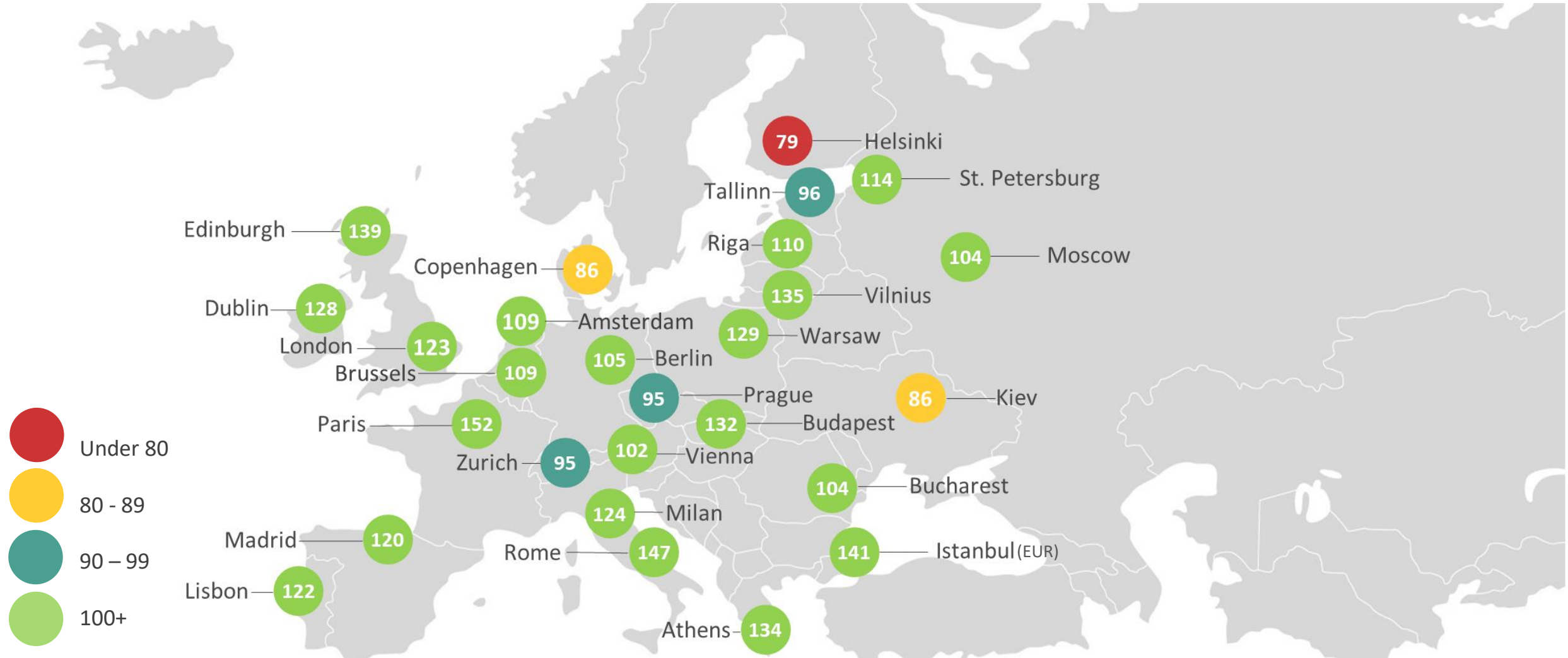
Why is DACH behind?

- More conservative **domestic** demand
- Lack of **group** recovery (**Germany**)
- Limited **luxury & leisure**
- Limited **dollarized** travellers



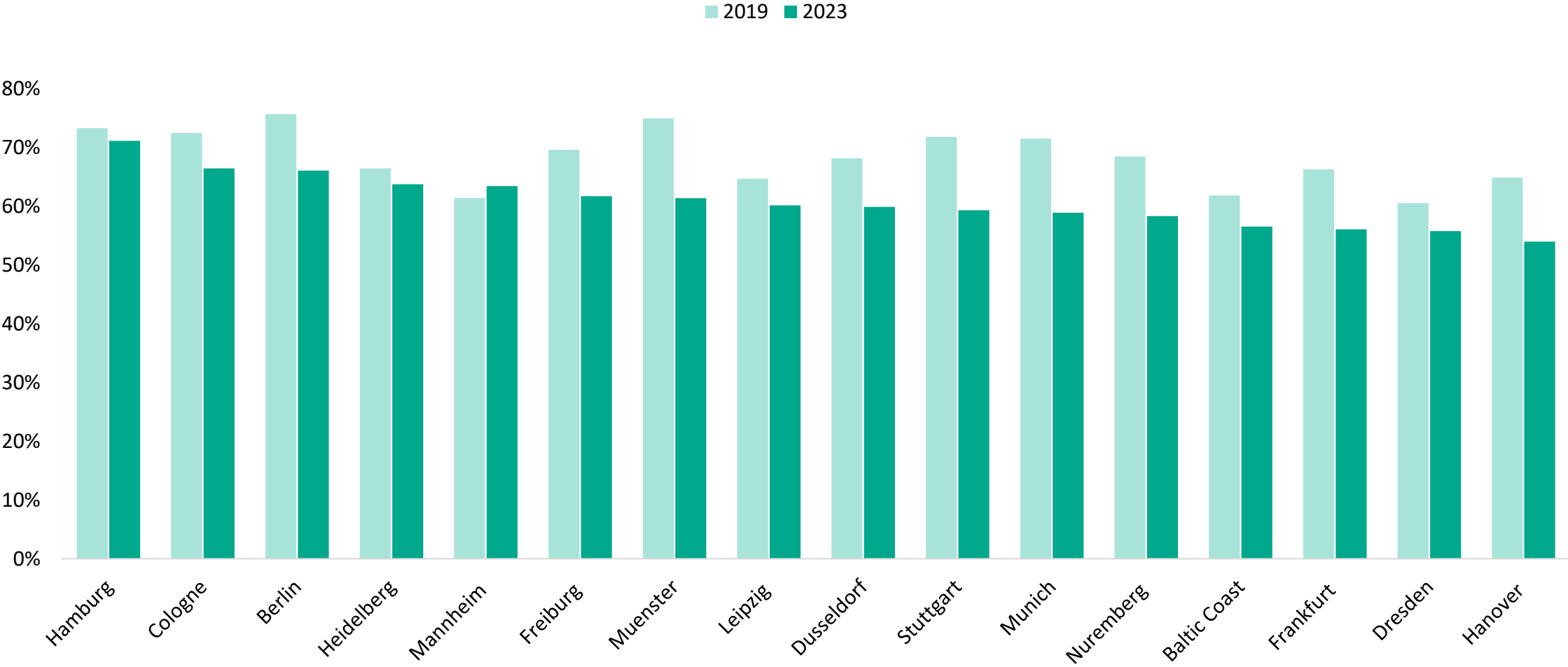
Gateway cities no longer lag country level performance

European markets, RevPAR (Std & LC), indexed to 2019, May YTD 2023



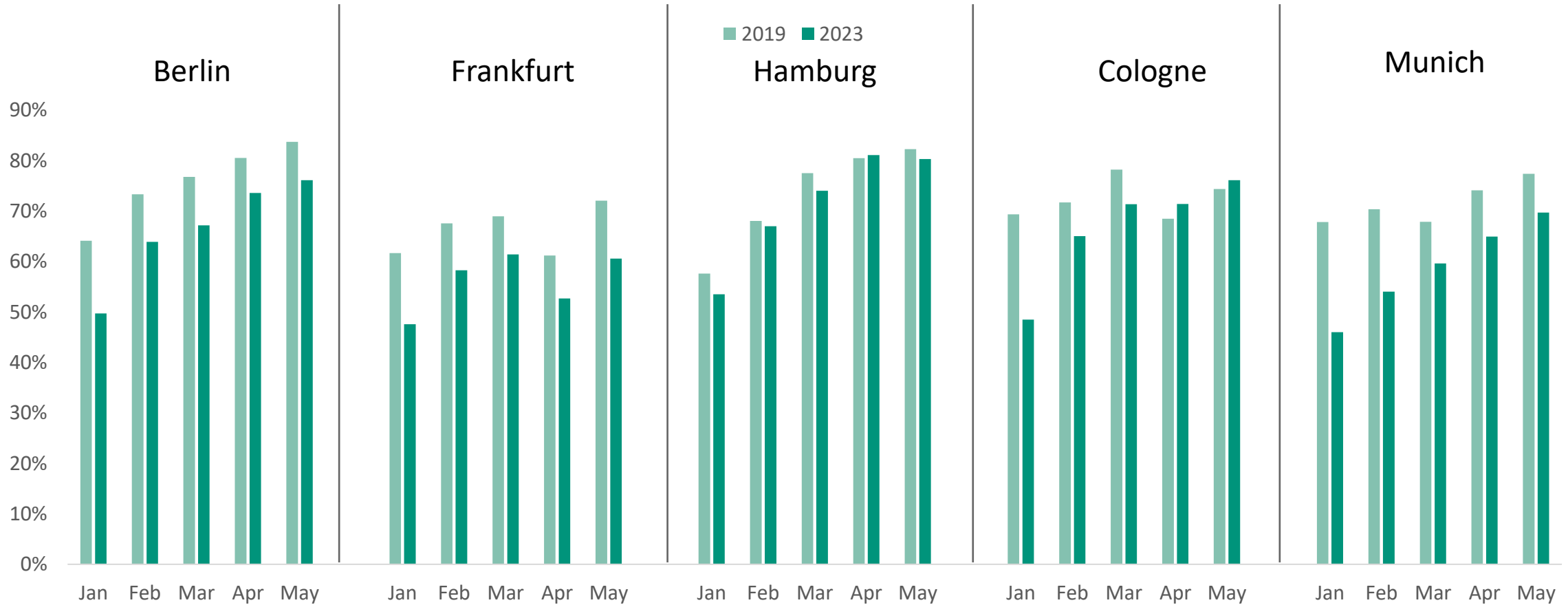
Hamburg has highest occupancy YTD, and Mannheim is in demand

Occupancy (Std), May YTD, 2019 & 2023



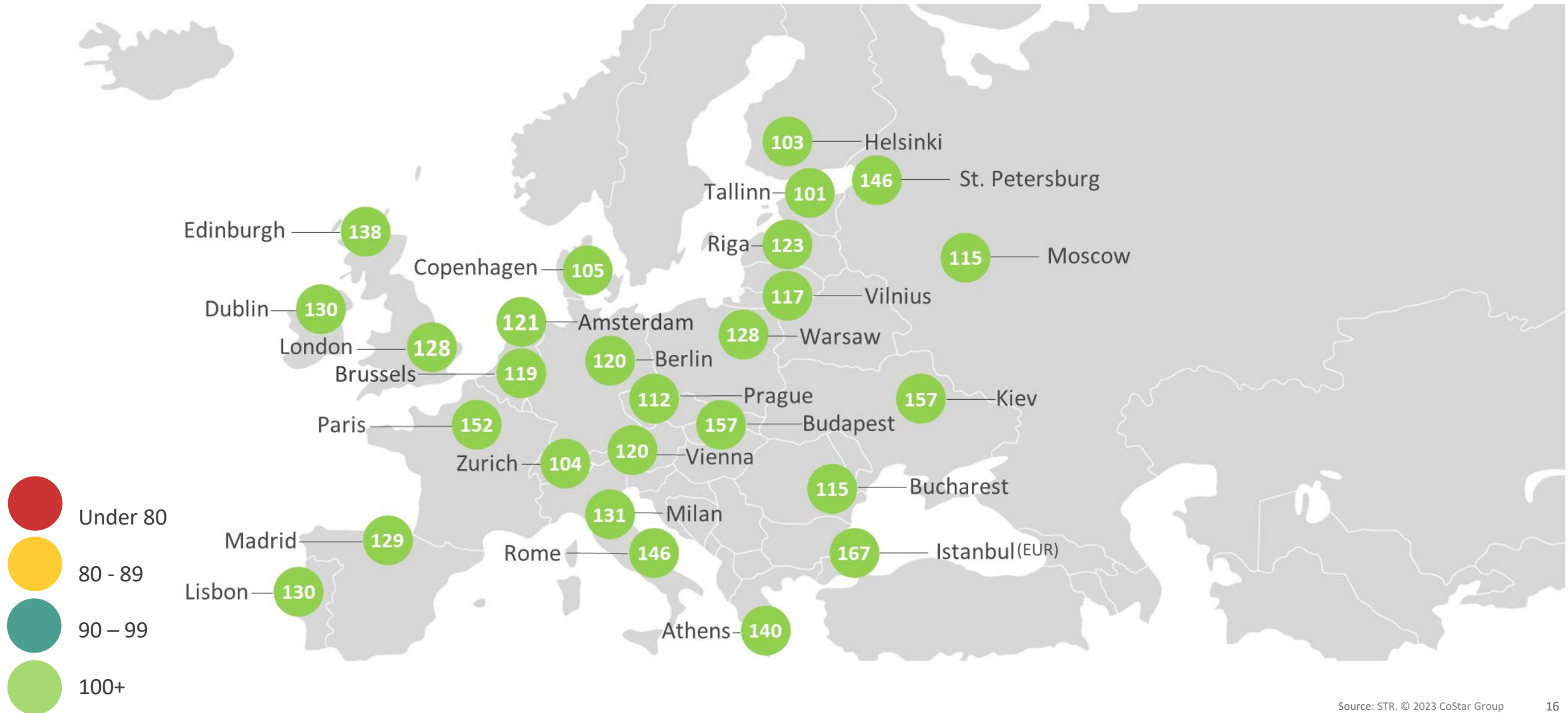
Situation improving, Hamburg & Cologne exceeding 2019 occupancies

Occupancy (Std), January – May, 2019 & 2023



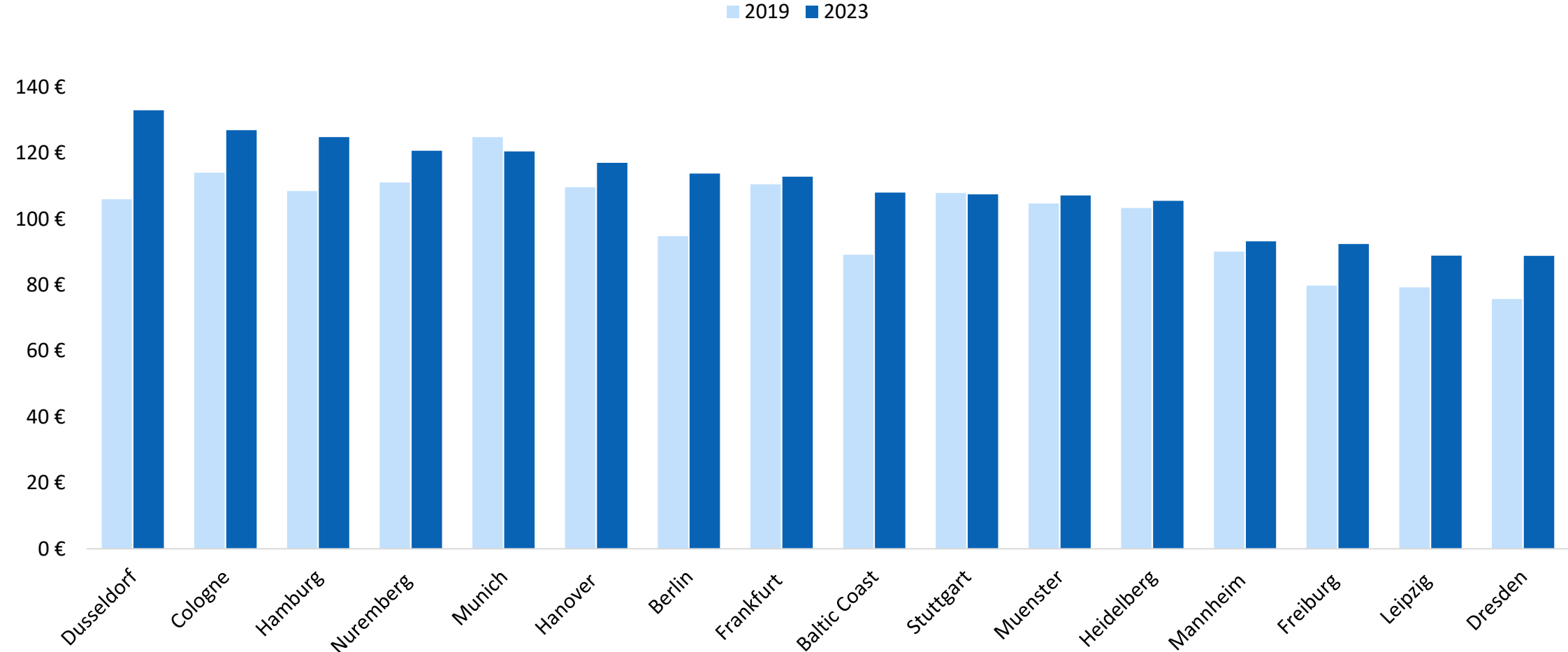
ADR shows a sea of green

European markets, ADR (LC), indexed to 2019, May YTD 2023



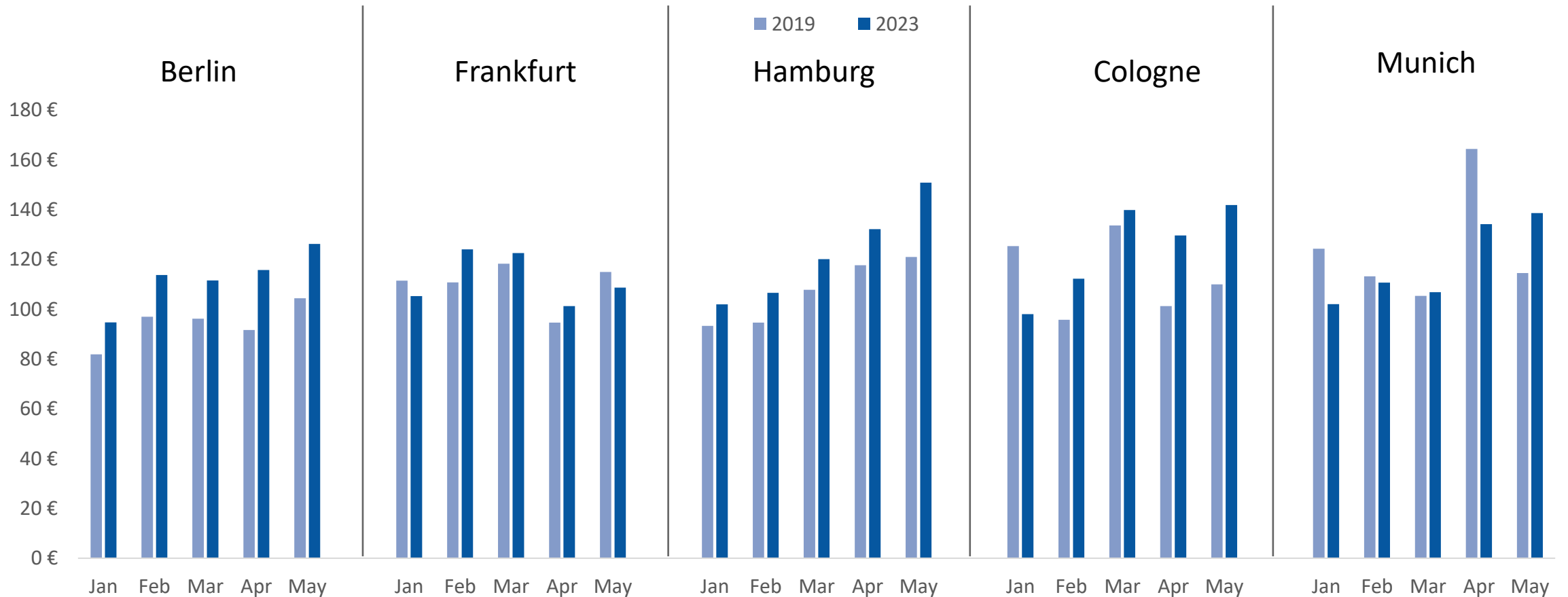
ADR consistently ahead wherever you go across Germany

ADR (EUR), May YTD, 2019 & 2023



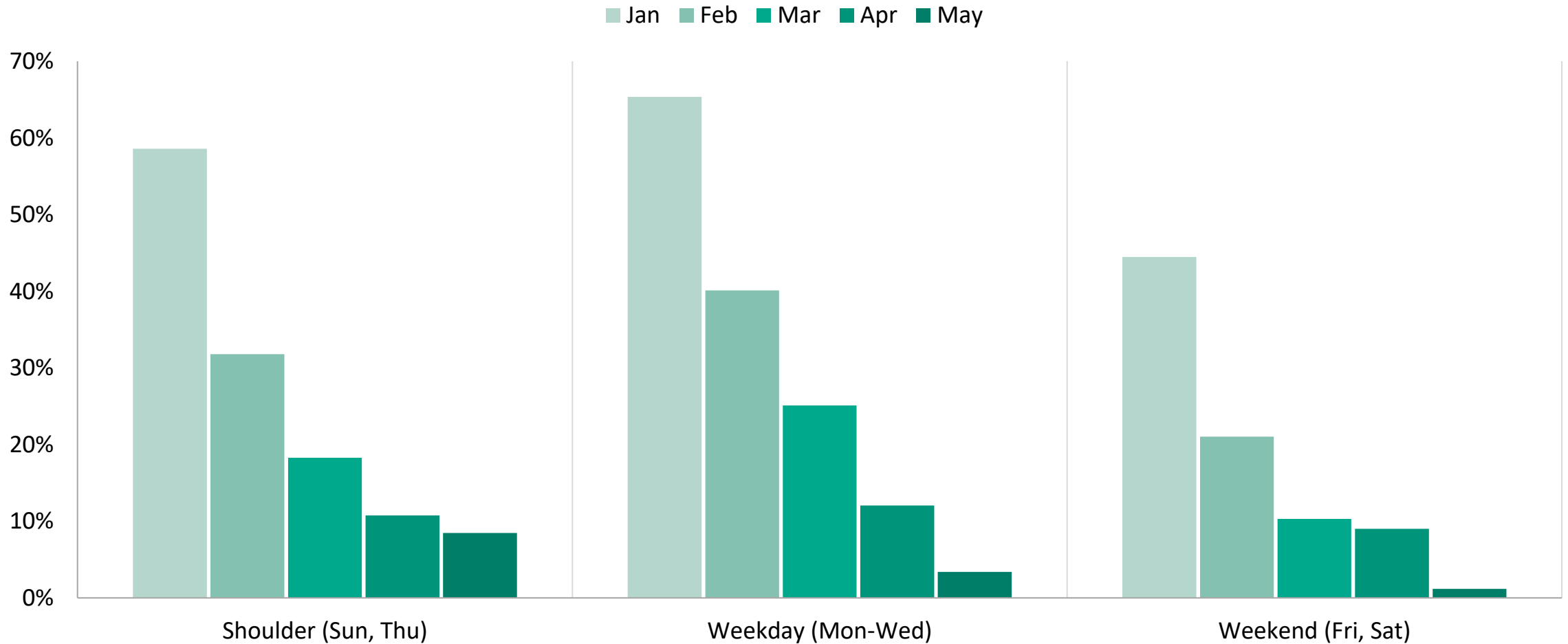
Berlin & Hamburg showcasing consistent rate increases

ADR (Euros), January – May, 2019 & 2023



Unlike the US, Europe is still seeing growth across the week

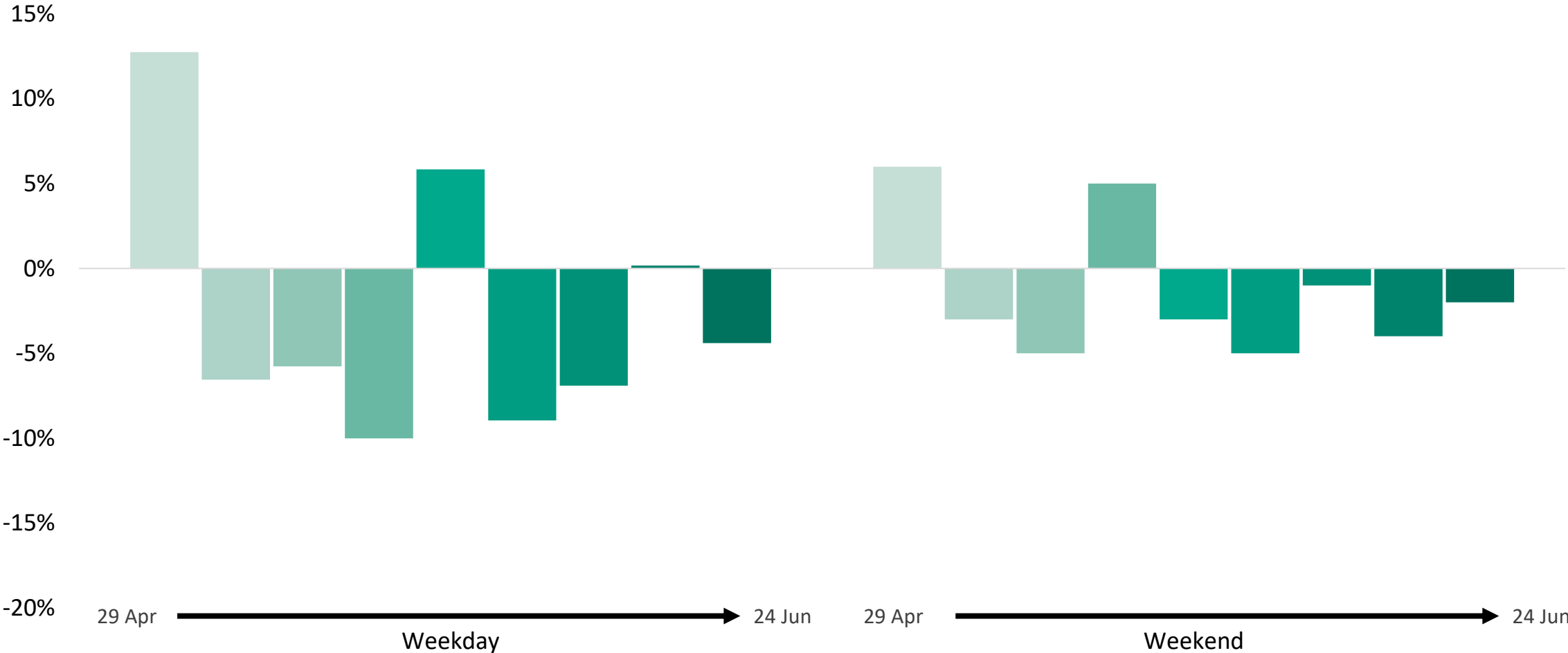
Europe*, Occ % change YOY, Jan 2023 – May 2023



*Excluding Turkey

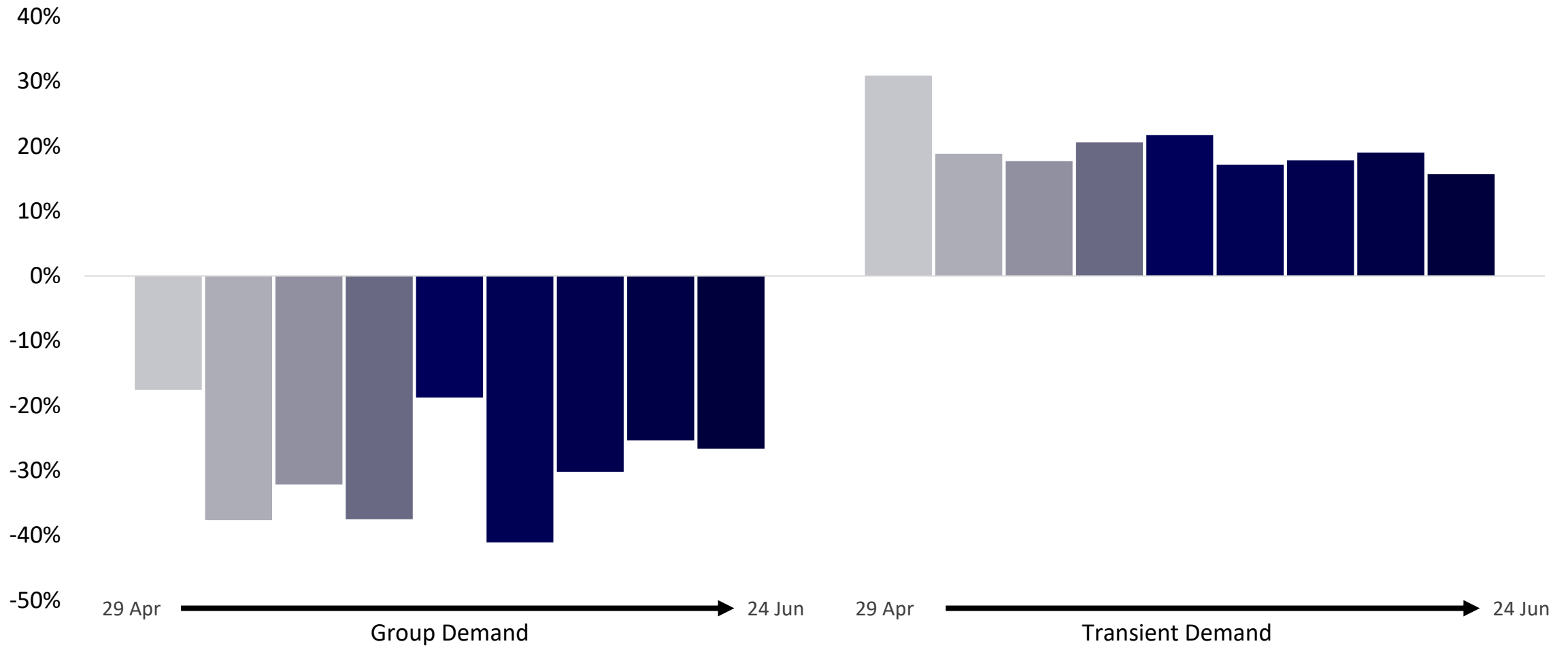
Weekday / corporate demand is driving recovery now

Europe, occupancy % change to 2019, weeks ending 29 Apr – 24 Jun 2023



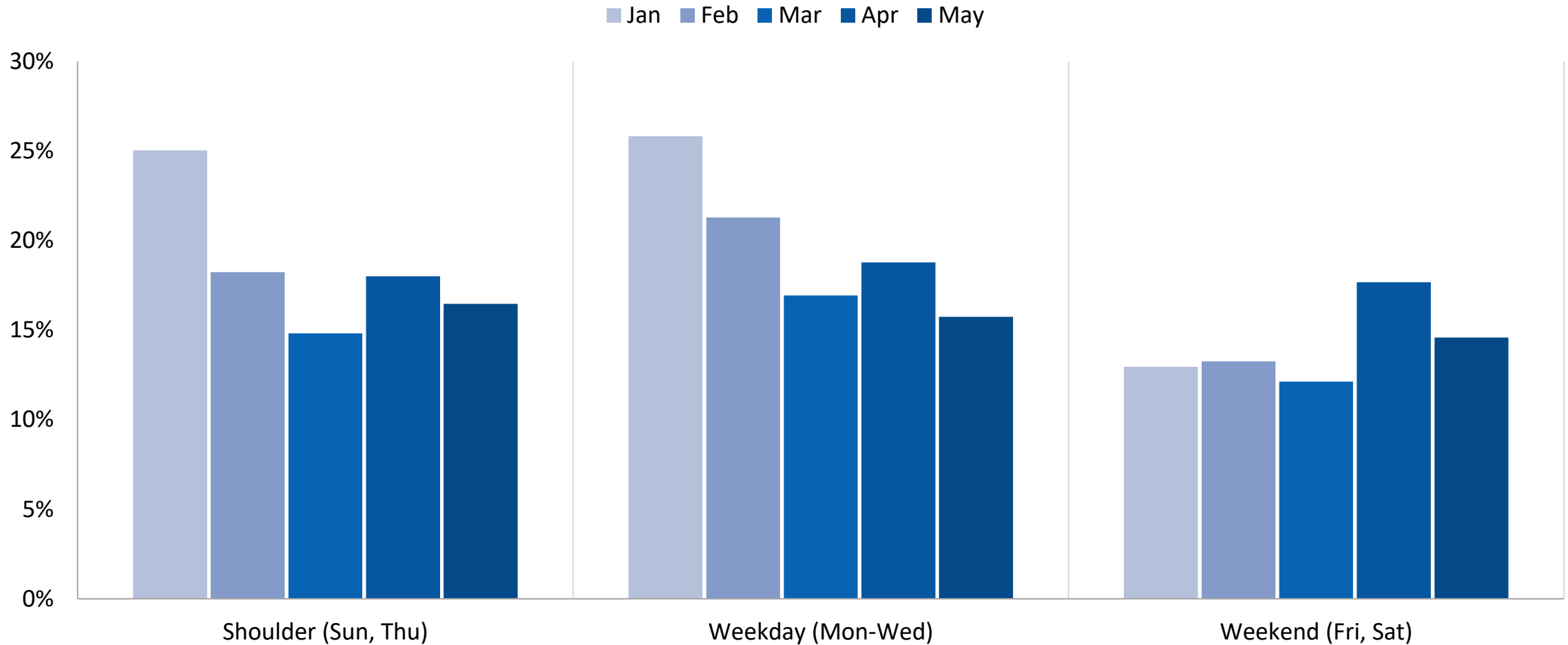
... and group demand appears to follow suit

Europe, segmentation Demand % change to 2019, weeks ending 29 Apr – 24 Jun 2023



.....this is enabling resilient ADR growth.....although it may taper from July

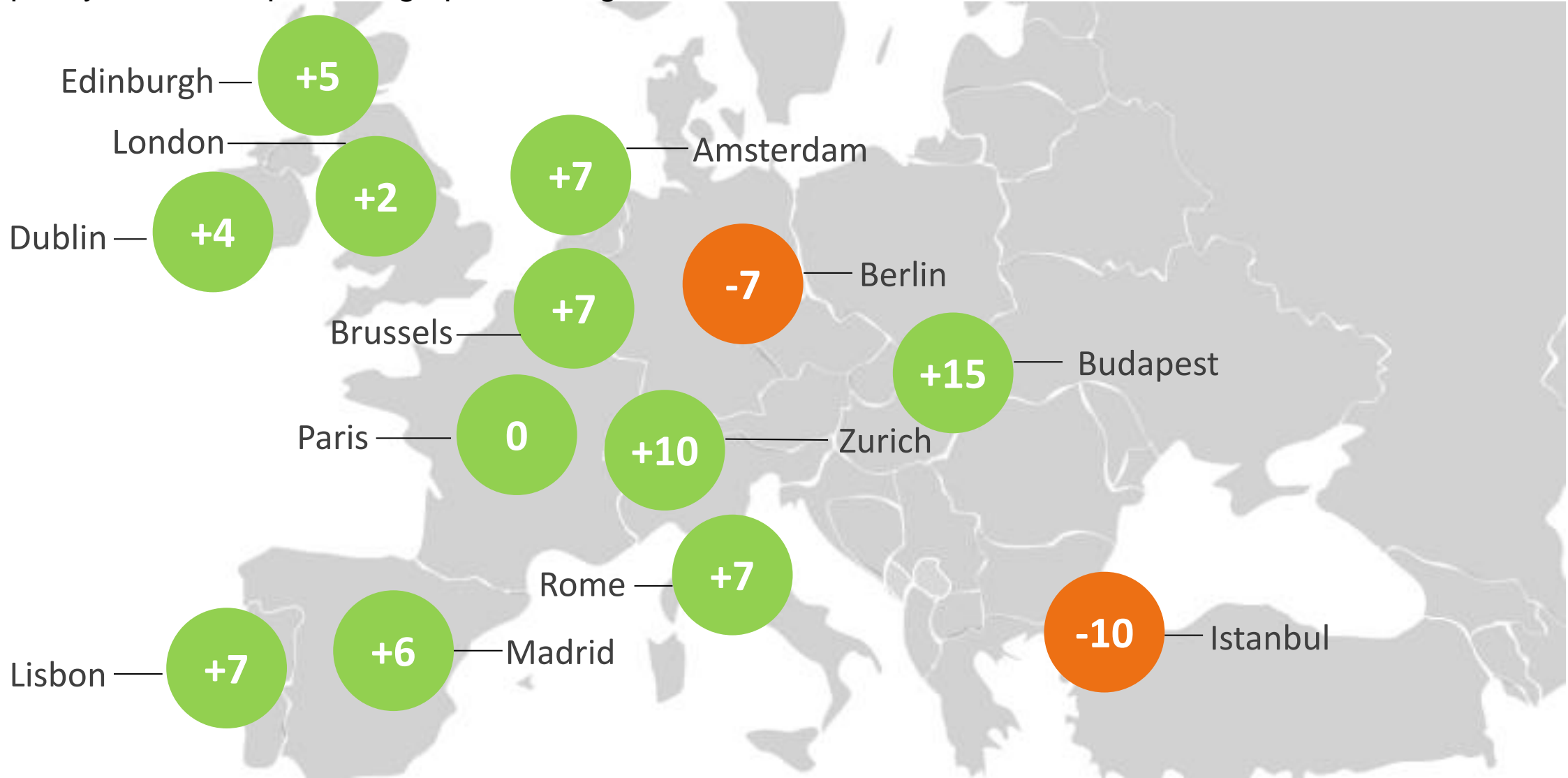
Europe*, ADR % change YOY, Jan 2023 – May 2023



*Excluding Turkey

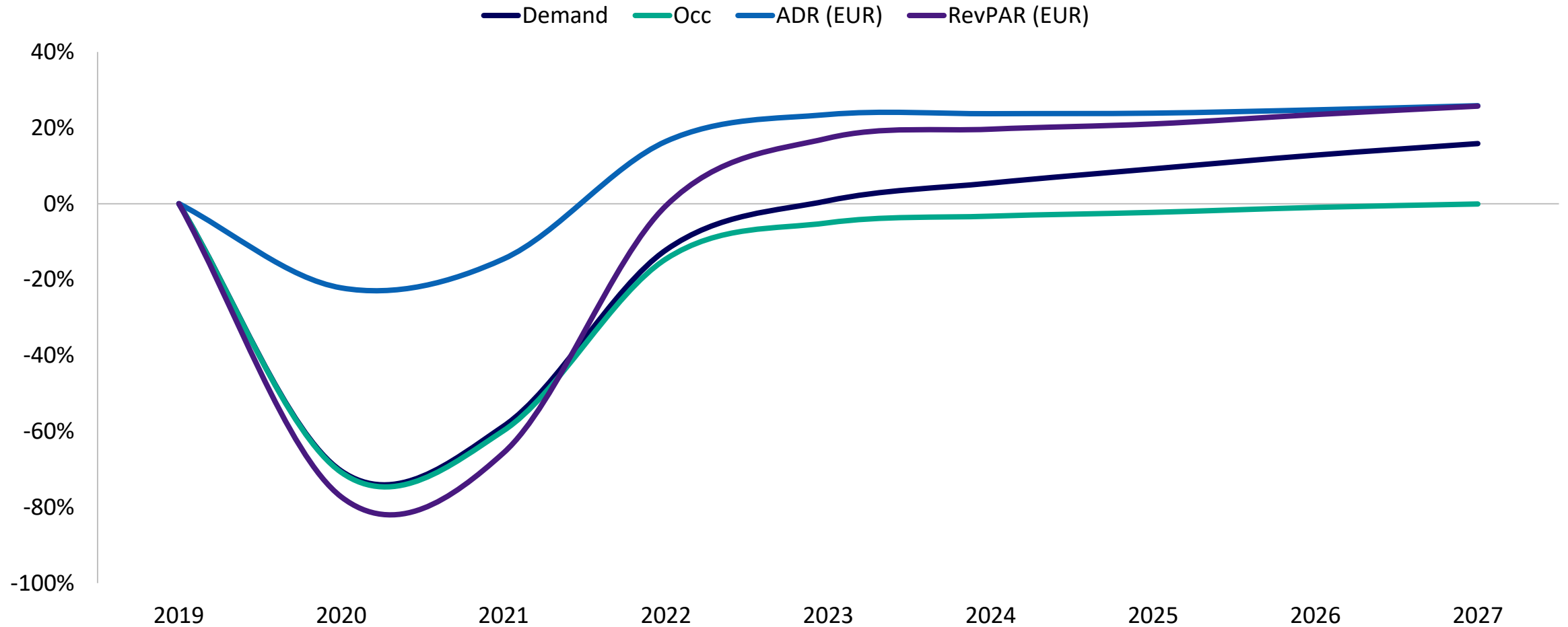
However, business on the Books is still looking strong

Occupancy on Books, percentage point change vs STLY at 26th June 2023



Long-term outlook remains robust

European cities*, KPIs indexed to 2019, Historical 2019 – 2022, Forecast 2023 – 2027



*Aggregated performance of Amsterdam, Athens, Amsterdam, Athens, Barcelona, Belfast, Berlin, Birmingham, Brussels, Budapest, Cologne, Dublin, Dusseldorf, Edinburgh, Frankfurt, Glasgow, Hamburg, Leeds, London, Madrid, Manchester, Milan, Moscow, Munich, Paris, Prague, Rome, Stuttgart, Vienna, Warsaw, Zurich

Conclusions

Area	Takeaway
1. Hotel demand	Globally, very close to fully recovered
2. Room rates	Recovered in real terms, growth in 23 harder
3. Business travel	Back and with potential for further recovery
4. Leisure	Loosing last year's lustre
5. Outlook	Industry is resilient to recession risks to date

