

AHV Hospitality Newsletter

A Monthly Publication of AHV Associates



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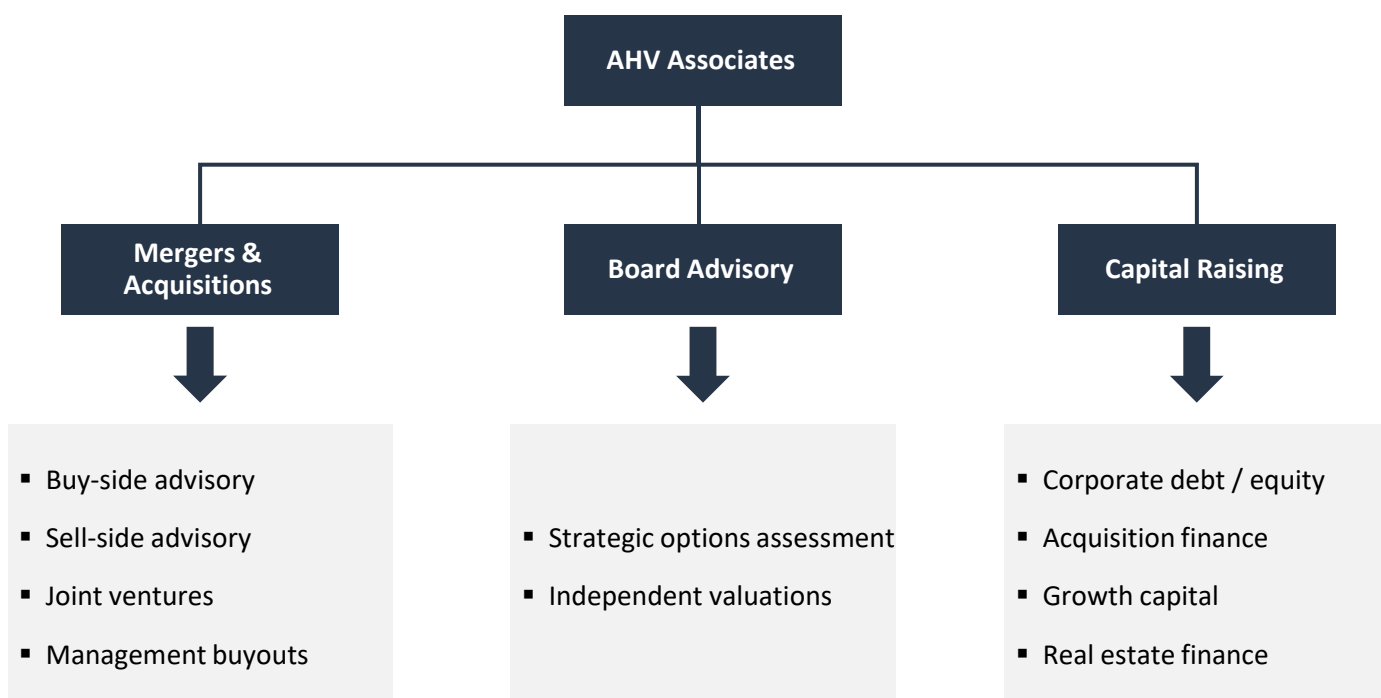
SEPTEMBER 2022 | ISSUE 19

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 threat of the 1970s-style stagflation hangs over the global economy. Rising inflation with weakening economic growth means that central banks need to work hard to finetune their interest rate policy so their actions don't inflict an unnecessary damage to economic growth.

In August, the BoE increased its base rate by 50 bps to 1.75% as UK inflation has now reached 8.8% with the economy expected to fall into recession by Q4 2022. Latest reports predict that inflation could exceed 15% early next year if high energy prices persist. Gas prices have doubled since June with Russia limiting gas supplies to Europe, forcing UK energy regulator to rise energy price cap by 80%.

Whilst stock markets were experiencing a summer bounce-back, this gain has almost been wiped out across most major indexes. At the same time, borrowing base rate SONIA, continued ticking up reaching 1.7% vs 0.1% a year ago. On a positive note, public markets showed corporate borrowing spreads peaking and starting to decrease after their extended rally in the first half of the year.

Hotels and Hospitality Performance

The hospitality sector has performed very well despite the global economic downturn with recovery favouring leisure and resort destinations. US travellers heading to Europe have increased by nearly 250% in H1 2022 due to a stronger dollar and pent up demand following Covid restrictions, with the top two destinations being the UK and Spain.

The latest earnings announcements from leading tour operators and OTAs have been very positive:

- Booking.com saw a 99% increase in revenues in Q2 compared with the similar quarter last year
- TUI experienced positive booking momentum with summer 2022 being at 90% of the 2019 levels
- Airbnb had its most profitable Q2 ever with revenues increasing 73% compared to Q2 2019

Transactions Activity

Global investment activity in the H1 2022 was very strong and surpassed H1 2019 by 0.5%, with the top three cities being New York, Seoul and London. Investment volumes in resorts, small town and suburban hotels reached a seven year high, although urban hotels still accounted for the greatest proportion. The UK exhibited a £1.2bn investment volume in Q2 2022, the strongest since Q2 2018.

Thematic investments partnerships landscape continues to remain active with two more JVs being announced in August:

- CPP Investments and Hamilton – Pyramid Europe teamed up to invest €500m in the European hospitality sector
- Omnam Group and Mohari Hospitality announced a strategic partnership targeted to increase the scale and scope of their developments in the hospitality and leisure space throughout Europe

Notable prime city-hotels transactions over the last month included:

- Whitbread acquiring a London site for £200m for a Hub by Premier Inn development opening 2027
- UK based Crimson Hotels buying the Trafalgar Square Hotel for £130m
- Song Capital purchasing a 340-unit Staycity aparthotel in Dublin city centre for €100m

Notable prime leisure hotels transactions over the last month included:

- L+R Hotels acquiring the 197-room Hotel Excelsior in Venice for €100m
- Azora acquiring the Seraton Rhodes Resort, a 5-star hotel in the island of Rhodes, Greece
- Saudi Arabia's Public Investment Fund and London-based real estate investment firm Cain International investing \$900m in the Swiss Aman Group

Q2 TRADING PERFORMANCE (% CHANGE)

Industry



	RevPaR	ADR	Occupancy (absolute)
Q2 Results	'22 vs '19	'22 vs '19	'22 vs '19
IHG HOTELS & RESORTS	(4.5%)	+7.4%	(8.0%)
LES HÔTELS BAVEREZ	+8.1%	n/a	(6.5%)
HYATT ®	(9.9%)	+6.8%	(12.2%)
CHOICE HOTELS®	+13%	+13.7%	n/a
Average	+1.7%	+9.3%	(8.9%)
DALATA HOTEL GROUP PLC	+0.2% ¹	+15.0% ¹	(10.4%) ¹

- More Q2 2022 results have been released for major hotel chains in August. The results again show that companies recovering strongly from the pandemic. Choice hotels has been very positive with RevPAR exceeding Q2 2019 levels by 13%.
- Leisure driven demand and inflationary pressure has caused ADR to increase, and daily rates for hotel groups now exceed Q2 2019 by 9% on average
- Occupancy rates have improved compared to 2021 levels but still lag behind Q2 2019 levels by 8.9% as an absolute average
- These earnings have exceeded expectations for the hotel groups and forward booking trends continue to rise
- CEO of Hyatt Hotels Corporation stated “Demand broadened both geographically and by segment, with RevPAR in most regions exceeding the same period in 2019. Outlook remains optimistic with strong actualized results and booking trends for future periods continuing in July”
- CEO of IHG Keith Barr stated “the industry performs well in an inflationary environment and we have the ability to price products on a daily basis” this shows that the CEO does not feel there is much concern with inflation in the industry
- CEO of Dalata Hotel Group mentioned “The first half of 2022 was a period of strong recovery after the lifting of Covid related restrictions at the end of January. Despite a challenging start to the year, we delivered revenues of €220.2 million for the period, exceeding the levels achieved in the first half of 2019”

Sources: IHG, Les Hotels Baverez, Hyatt, Choice Hotels, Dalata Hotel Group

¹ Dalata Hotel Group results are H1 2022 and not included in average

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	(5.6%)	(18.1%)	6,139	8,508	2.4x	14.5x	22%
Dalata Hotel Group	(2.8%)	(7.5%)	779	1,534	3.1x	9.0x	27%
Hilton Worldwide Holdings	(0.6%)	2.0%	34,685	42,947	5.0x	17.5x	17%
Fattal Holdings	3.5%	41.5%	1,740	7,017	N/A	N/A	45%
IHG	(3.2%)	1.3%	9,904	11,895	6.4x	12.9x	13%
Les Hôtels Baverez	0.8%	16.0%	146	148	N/A	N/A	1%
Mandarin Oriental International	3.0%	(1.0%)	2,572	3,218	7.7x	60.4x	16%
Marriott International	(3.2%)	13.8%	49,542	58,766	2.9x	15.8x	14%
Meliá Hotels International	(1.4%)	2.3%	1,333	4,258	2.8x	11.7x	53%
NH Hotel Group	(12.5%)	(17.2%)	1,307	3,710	2.5x	9.4x	33%
Pandox AB	(11.0%)	(7.6%)	2,269	5,531	11.3x	18.6x	56%
Pierre et Vacances	60.6%	(16.3%)	19	3,426	2.1x	29.6x	98%
PPHE Hotel Group	(2.1%)	(7.6%)	690	1,906	5.8x	19.4x	45%
Safestay	10.3%	(22.0%)	12	74	3.7x	12.2x	68%
Scandic Hotels Group	(8.3%)	12.5%	679	4,682	2.9x	9.6x	59%
Whitbread	(3.6%)	(21.9%)	5,841	9,956	3.6x	11.3x	0%
Wyndham Hotel & Resorts	(5.9%)	(10.1%)	5,860	7,526	5.2x	12.2x	22%
Average					4.5x	17.6x	
Median					3.6x	12.9x	

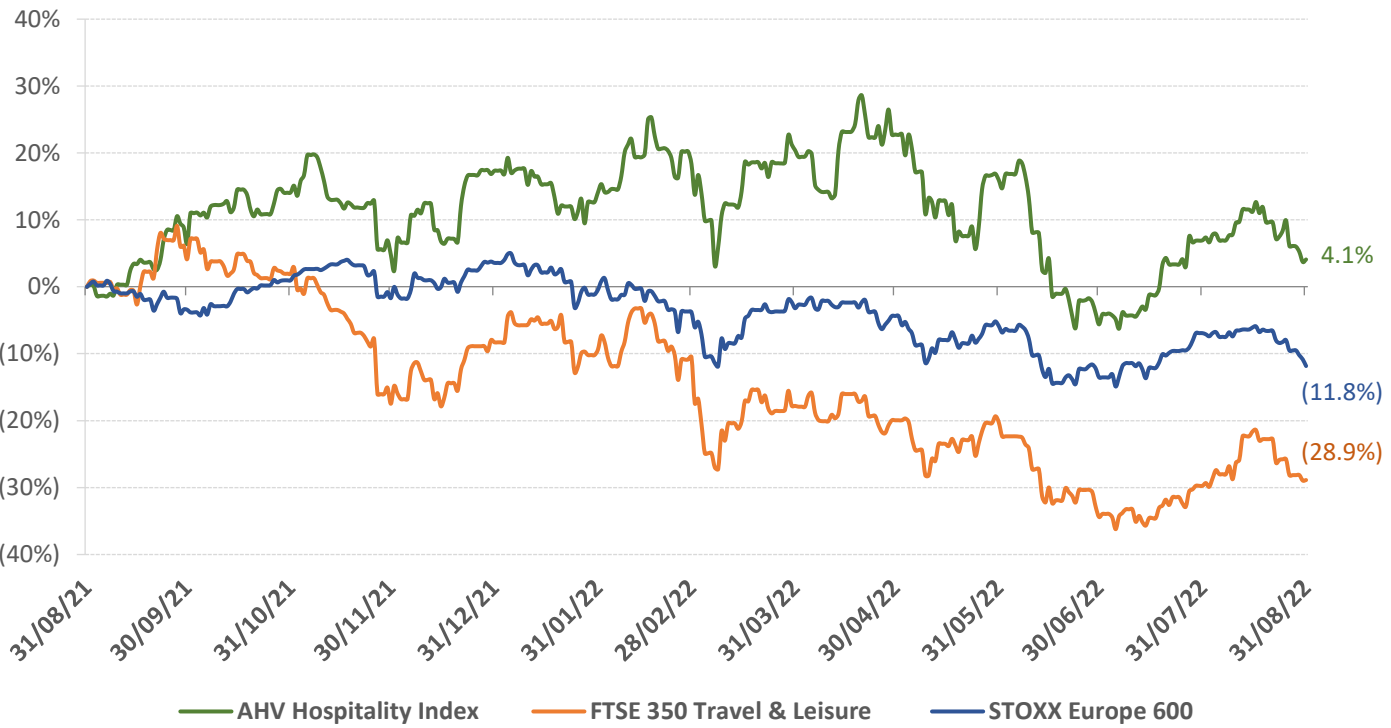
Metrics reported in the table include impacts of IFRS 16

Trading performance of hotel companies included in the AHV Index as of 31/08/2022

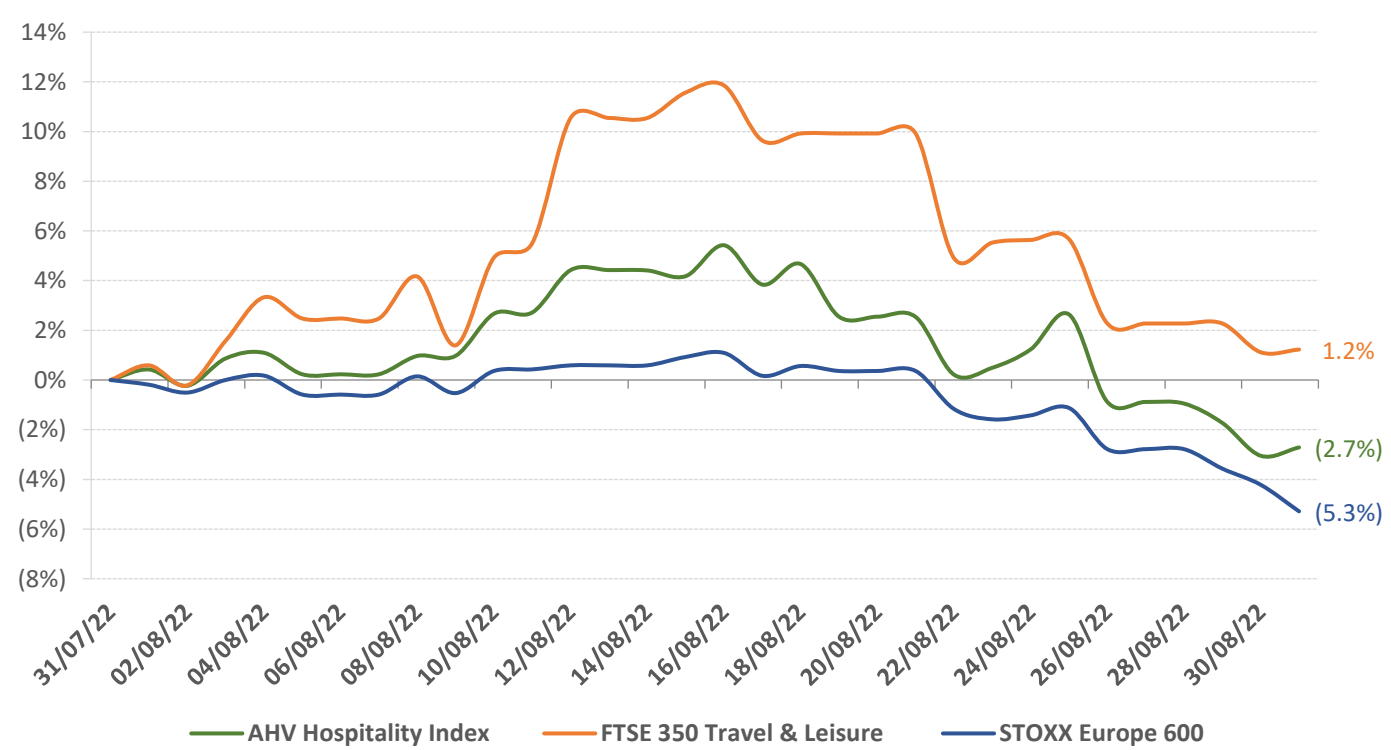
Source: Capital IQ

AHV INDEX OUTPERFORMS ON AN ANNUAL BASIS

The AHV Hospitality Index is a market-cap weighted index of the 18 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





UK: JMK Group to buy freehold of two Seraphine hotels

OakNorth Bank has completed a £15m loan to JMK Group to fund the freehold buyout of its Seraphine hotels in Kensington and Hammersmith. The capital will also support the upgrade of the Seraphine hotel in Kensington, transforming it into a four-star boutique hotel

JMK is a family-run, privately owned hospitality group founded in 2009 by John Kajani. Since the opening of the group's first hotel in Kensington, the portfolio has grown to include additional hotels, properties and coffee houses across London and Ireland

UK: Britannia Hotels buys

Britannia Hotels has acquired the former Premier Inn in Glasgow's Charing Cross. The 278 room high rise was sold by Christie & Co off a £8.5m guide price. The hotel is Britannia's 64th in the UK, taking its portfolio to almost 12,300 rooms. Premier Inn sold the hotel after opening a new 249 room hotel in the city's St Enoch Square

UK: Red Cat grows

Red Cat Pub Company has acquired two hotels via its Coaching Inn subsidiary. It has picked up the Mooreland Hotel in Dartmoor and Swan Hotel in Somerset. The 50 room Swan recently arranged funding for expansion and refurbishment. The group recently paid GBP8m for Jamaica Inn in Cornwall

UK: Stay Original secures £3.5m for acquisition

Cynergy Bank has completed a £3.5m loan to Stay Original Company to fund the acquisition of a sixth site in Somerset. Stay Original Company is the operator of five boutique hotels and pubs throughout the southwest of England. The sixth addition to its portfolio will include At The Chapel, located in Bruton, which comprises eight bedrooms, a restaurant, bakery and wine store

UK: Crimson London buy

Crimson Hotels has acquired the Trafalgar Square hotel for £130m. The 131 room property, sold by L&R, trades under Hilton's Curio flag. The hotel includes several food and beverage outlets including a rooftop bar, and ground floor restaurant that will shortly be rebranded

UK: Whitbread London Addition

Whitbread has acquired a central London site for a Hub by Premier Inn hotel. The £200m development at 5 Strand will open in 2027. The site was previously destined to be a 200 room Park Hyatt hotel. The compact, city centre Hub sub-brand currently has 2,431 rooms operating

UK: Travelodge Trades

Investor Alpha Real Trust has acquired a 55 room Travelodge in Wadebridge, Cornwall. The GBP4.25m price reflects an initial yield of 6.1%. The property is rented under an index-linked lease, with 20 years remaining. Earlier this year, Alpha Real acquired its first Travelodge, in Lowestoft



EU: CPP Investments, Hamilton Pyramid Europe to invest €500m in hotels

Canada Pension Plan Investment Board (CPP Investments) has committed €475m to a European hotels investment venture with Hamilton Pyramid Europe.

The Canadian investor said it has teamed up with London-headquartered hotel operator and co-investment partner Hamilton to create a partnership focused on the European hospitality sector.

The venture, which has initial equity commitments of €500m, will focus on acquiring operating hotels in key gateway cities and select resort destinations in Europe.

The partners have the ability to increase allocations in light of market opportunities and to allow the joint venture to grow to scale at pace, CPP Investments said

EU: Omnam and Mohari partner to target EU luxury hotels

Real estate development and investment firm Omnam Group has partnered with investment platform Mohari Hospitality to target lifestyle and luxury hotels throughout Europe.

Omnam's hotel portfolio includes W Rome, Four Seasons Puglia, Baccarat Hotel Florence (in development), as well as additional projects in Lake Como, Rotterdam, Paris and Amsterdam.

Mohari has recently invested in Mint House after it led a \$35 million funding round in the extended-stay start-up

IRE: Song Capital Partners acquires Dublin aparthotel

London-based Song Capital Partners has acquired a 340-unit Staycity aparthotel in Dublin city centre for €100 million

The deal is one of the largest standalone real estate sales in Dublin's hospitality sector since the onset of the pandemic. It is Song Capital's first purchase in the Irish market and will be operated on a 25-year lease by Staycity

DK: Union Scandinavian signing

Union Investment has acquired the 25hours hotel in Copenhagen, Denmark. The 128 room hotel has been prelet for 25 years to KNSA Germany, and will open in 2024. The property is part of THE PAPER ISLAND flagship project, a man-made island situated in a prime city centre location in Copenhagen's port area. A mixed-use neighbourhood is being created on Paper Island that will include the hotel, 253 unique apartments, high-quality retail, gastronomy and event space, as well as the new Water Culture House

GR: Azora buys Sheraton Resort in Rhodes

Azora has completed the acquisition of the Sheraton Rhodes Resort, a 5* hotel in the island of Rhodes, Greece on behalf of the Azora European Hotel & Lodging, F.C.R., from Lampsa Hellenic Hotels.

The Sheraton Rhodes Resort will continue to be operated by Marriott and offers 401 keys, most of which benefit from waterfront views



CH: Aman secures \$900m to fund expansion

Saudi Arabia's Public Investment Fund (PIF) and London-based real estate investment firm Cain International have invested \$900m into Aman Group. The transaction, which values Aman Group at \$3bil., will support the expansion of Aman's luxury hotels and branded residences globally. Locations include the US, Japan, Mexico, South Korea, Saudi Arabia and across Europe. The cash injection will also be used to enhance the existing portfolio.

Currently, the group operates 34 hotels in 20 countries, 12 of which are branded residences

CH: Vail Resorts acquires majority stake in Andermatt-Sedrun Sport

Vail Resorts, Inc has closed on its purchase of a majority stake in Andermatt-Sedrun Sport AG, a renowned destination ski resort in Central Switzerland that controls and operates the resort's mountain and ski-related assets.

The acquisition represents Vail Resorts' first strategic investment in, and opportunity to operate, a ski resort in Europe.

Vail Resorts acquired a 55% ownership of the resort operations from Andermatt Swiss Alps AG ("ASA") which retains a 40% ownership stake, with a group of existing shareholders comprising the remaining 5%. Vail Resorts' final purchase price of CHF149m will be fully reinvested into the resort, with CHF110m allocated for use in capital investments to enhance the guest experience on the mountain and CHF39m paid to ASA and reinvested into the real estate developments in the base area

IT: Prodea buys in Italy

Listed Greek investor Prodea has acquired a hotel in Cortina, Italy for €49m. Hotel Bellevue Cortina d'Ampezzo will be renovated for the 2026 Winter Olympics. The building will be reconfigured into a five star 100 room hotel. Prodea acquired the building in partnership with parent company Invel

IT: L+R Venice buy

Investor L+R Hotels has acquired the Hotel Excelsior in Venice, which it already manages. The asset was sold for around €100m by Coima SGR. The deal promises to allow Coima to restructure the Lido di Venezia II fund, in which the asset was held

BE: Pandox buys in Brussels

Pandox has bought the NH Brussels Louise hotel from NH, for EUR35m. It is currently evaluating the optimal commercial alternative for the 246 room property.

The property joins eight Pandox hotels in the city, including two leased to NH, two Hilton branded and two under IHG flags. The disposal will leave NH with eight hotels in the city

UK: Tristan backs Stratford Tower

Tristan Capital Partners has agreed a £80m refinancing of the Manhattan Loft Garden project in east London. The 42 storey block features the 145 room hotel, The Stratford, and 248 apartments. Owner developer Manhattan Loft Corporation opened the hotel in mid 2019, on a site in Stratford's Olympic Park



UK: BNP Paribas, UK demand drives record rates in Q2

Data from BNP Paribas Real Estate in Q2 2022 shows that ADR and RevPAR have reached record heights as hoteliers increase pricing to reflect occupancy levels and inflation.

In the UK, the total average hotel occupancy rose to 80 % in Q2 (up from 70% in Q1), marking the highest occupancy levels seen since pre-pandemic times, compared to 81% in Q4 2019.

As such, ADR increased to a new UK record up from £97.9 in Q1 to £122.8 in Q2, with RevPAR rising from £68.4 to £98.6

EU: UK leads Europe in hotel construction pipeline

According to the latest Hotel Construction Pipeline Trend Report from data firm Lodging Econometrics Europe continues to show steady growth in new hotel openings, with 188 new hotels opening totalling 28,350 rooms in the first half of the year.

The region is forecast to open another 259 hotels with 36,548 rooms in the next two quarters, for a 2022 year-end forecast total of 447 new hotels with 64,898 rooms. The LE forecast for new hotel openings for the next couple of years expects a total of 421 new hotels with 62,281 rooms to open by the end of 2023 and 419 new hotels with 64,016 rooms are forecast to open in 2024.

The countries leading Europe's construction pipeline at Q2 are the UK with 309 hotels and 46,296 rooms followed by Germany with 258 hotels and 44,692 rooms respectively

UK: Aprirose announces second Birch location

Selsdon Park Hotel in Croydon will become the second Birch location from real estate investor Aprirose and Birch Hospitality. Set to open in 2023, the hotel is a joint venture between Aprirose and Birch Hospitality Ltd following the success of the first location in Hertfordshire.

The 200 acre site in Croydon currently features 150 rooms set within a 17th century traditional brick mansion, meeting facilities, dining venues, a leisure centre, tennis courts, running trail, and a golf course

UK: iStay announces another aparthotel site in Liverpool

Liverpool-based iStay has announced plans for another aparthotel in the centre of the city. The new development will be based in a five storey, Grade II listed building in the Castle Street Conservation area of Liverpool city centre.

The plans include 33 apartments with an accessible unit on the ground floor. Each apartment features kitchens and separate living and sleeping areas. The aparthotel will have a lobby, lounge, F&B and working area on the ground floor of the building

EU: Europe lifts Minor

A strong contribution from European hotels helped drive Q2 profits at Minor International. Group core profit was THB1.2bn, as hotels returned to profit, while food and lifestyle divisions improved. In Europe, NH performed strongly while Australian hotels saw 83% average occupancy. Hotels in Thailand saw improved occupancy, averaging 43% in Q2



EU: US travellers head to Europe

US travellers are heading to Europe in big numbers, benefitting from a strong dollar. Trip.com reports a 246% rise in inbound US visitors, in the first half of 2022. The UK is the favourite destination for US visitors, with Paris and Madrid not far behind. Average flight booking value continues to rise

Over the past year, the US dollar has gained around 14% in value against the euro and British pound, with the dollar recently hitting parity with the euro for the first time in two decades

GR: Brown Hotels launches 4-star resort brand

Brown Beach Eretria and Brown Beach Chalkida are the first two resorts to launch under a new sub-brand by Brown Hotels

Brown Beach Eretria also marks the debut property by the group to offer all-inclusive packages. It is home to the “Blue Stories” watersports centre by Brown Hotels, which offers a range of activities for adults and children including water skiing, wakeboarding, diving, parasailing, flyboarding, and more

ESP: Spanish recovery

Spanish hotels saw 42.3m overnight stays in July, up 60.7% year on year. Average rate was up 17.5%, according to Spain’s Instituto Nacional de Estadística

Average occupancy for the month was 69.9%, rising to 73.2% at weekends. Domestic travellers accounted for 36.9% of the total, while length of stay increased 11.6% to 3.4 nights

GER: TUI eyes breakeven

Tour group TUI neared breakeven in its third quarter, and expects positive EBIT for the full year. It has achieved 90% of the level of 2019 summer bookings, despite air traffic restrictions. Hotels, cruises and experiences all delivered strongly. Hotels and resorts delivered underlying EBIT of €105m for the quarter, their fourth consecutive positive quarter

US: Airbnb in the black

Airbnb said Q2 was its most profitable ever, with net income of USD379m on revenues of USD2.1bn. The group booked 103.7m nights and experiences in the quarter.

Stays of a month or more are the fastest growing category, up 25% year on year. The company has announced a USD2bn share buyback programme

Global: Hostels bounce back

OTA Hostelworld saw June bookings at 80% of 2019 levels, as travellers returned to hostels. Ebitda was negative for the first half, but turned positive in June, with net revenues above 2019 levels.

Hostelworld notes longer bookings and stronger operator pricing have helped lift average booking value. Trips from the US and Canada to Europe are running ahead of 2019 levels



Global: Booking Holdings sees near-doubling of revenues

Booking Holdings is continuing its recovery from the pandemic, with room nights booked surpassing 2019 levels and revenues nearly doubling YoY in the second quarter of 2022.

For Q2 2022, revenues were \$4.3 billion, a 99% increase from the same period last year. Gross travel bookings were \$34.5 billion, a 57% increase from Q2 2021.

"We reached another milestone in our company's recovery from the impact of the pandemic with room nights for the second quarter surpassing 2019 levels for the first time. We continued to see very strong accommodation ADR growth, which helped drive a 38% increase in gross bookings, or a 48% increase on a constant currency basis, in the second quarter versus the second quarter of 2019," says Booking Holdings CEO Glenn Fogel.

Global: Demand For Short-Term Rentals Largely Driven in Locations With Limited Hotel Supply

Demand recovery for both the hotel and short-term home rental sectors appears to be happening quickly, but there's clear differences between the two. Speaking during a session at the Hotel Data Conference titled "Hotels, home rentals and how performance trends continue to evolve," AirDNA's Max Bernstein said as of June 2022, demand for short-term rentals is up 21% indexed to 2019, while hotel demand is down 3.4%.

The rental demand is largely coming from small city/rural markets, Bernstein said.

Global: Business travel cutback

Corporate travel bookers expect business trips to be permanently reduced in number, but to be more purposeful in future. Those surveyed by Accor expect 2022 business trips to be 20% down on 2019 figures.

The research suggested face to face meetings generate 25% more revenue than virtual meetings. With carbon reduction a key corporate goal, bookers are increasing pressure on hotels to demonstrate green actions

Global: Travel recovery

International tourism continues to follow a strong, steady recovery path. The UNWTO recorded almost 250m international arrivals in the first five months of 2022

In Europe, arrivals were up 350% year on year, and more than doubled in the Americas. International expenditure has rebounded strongly, with spending from India, Saudi Arabia and Qatar already above 2019 levels

Europe welcomed more than four times as many international arrivals as in the first five months of 2021 (+350%), boosted by strong intra-regional demand and the removal of all travel restrictions in a growing number of countries. The region saw particularly robust performance in April (+458%), reflecting a busy Easter period. In the Americas, arrivals more than doubled (+112%). However, the strong rebound is measured against weak results in 2021 and arrivals remain overall 36% and 40% below 2019 levels in both regions, respectively



Corporate Transactions

Buyer(s)	Country	Target	Country	Deal Size (mm)	Deal Type
The Central House (TCH)	ES	Rodamon Hostels	ES	Undisclosed	Acquisition
Vail Resorts	CO	Andermatt-Sedrun Sport AG	CH	€152.6	Acquisition

Real Estate Transactions

Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
Whitbread	UK	London Development Site	UK	£200	200
Crimson Hotels	UK	Trafalgar Square Hotel	UK	£130m	131
L+R Hotels	UK	Hotel Excelsior Venice	IT	€100	197
Song Capital	UK	Staycity Aparthotel Dublin	IE	€100	340
Prodea	UK	Hotel Bellevue Cortina d'Ampezzo Cortina	IT	£49	100
Azora Hotels	ES	Sheraton Resort Rhodes	GR	€43.80	401
Pandox	SE	NH Louise Hotel Brussels	BE	€35	246
JMK Group	UK	Seraphine Hotels Kensington and Hammersmith	UK	£15	40
Britannia Hotels	UK	Premier Inn Glasgow's Charing Cross	UK	£8.5	278
Coaching Inn Group	UK	Jamaica Inn Cornwall	UK	£8	36



Real Estate Transactions

Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
Alpha Real Trust	UK	Travelodge Wadebridge	UK	£4.25	55
Stay Original	UK	At The Chapel Hotel Bruton	UK	£3.50	8
MDJM Limited	CN	Fernie Castle Hotel Scotland	UK	€1.50	20
Union Investments	DE	25hours Hotel Copenhagen	DK	Undisclosed	128
RedCat Pub Company	UK	Mooreland Hotel in Dartmoor & Swan Hotel Somerset	UK	Undisclosed	50
Lalique Group	UK	Hotel Florhof Zuirch	CH	Undisclosed	15
PERIAL	FR	Almar Jesolo Resort & Spa Venice	IT	Undisclosed	197
Soravia and Eckhard Brockhoff	AT & GR	Hotel Bredeney Essen	GR	Undisclosed	293

MARKET SNAPSHOT (EUROPE)

Macroeconomic Metrics

Real GDP Growth	YoY	Inflation	Current	Unemployment Rate	Current
United Kingdom	2.9%	United Kingdom	8.8%	United Kingdom	3.8%
European Union	4%	European Union	9.1%	European Union	6%

FX Rate	Current	MoM (Δ%)	YoY (Δ%)
GBP/EUR	1.156	(3.12%)	(0.87%)
EUR/USD	1.007	(1.26%)	(14.67%)
GBP/USD	1.164	(4.34%)	(15.41%)

Fixed Income and Equity Markets

Central Banks Interest Rates	Bank of England	European Central Bank
	1.75%	0.00%

Sovereign Bond Yield	Current	MoM (Δbps)	YoY (Δbps)
UK 10-Year GILT	2.80%	94.00	223.30
German 10-Year BUND	1.53%	70.80	191.40
Italy 10-Year BTP	3.88%	81.80	317.00
France 10-Year Bond	2.15%	76.00	217.50

Swap Rates	Current	MoM (Δbps)	YoY (Δbps)
3M LIBOR – GBP – 5 Year	3.52%	117.19	293.96
3M EURIBOR – EUR – 4 Year	2.14%	93.15	256.25

Interbank Interest Rates	Current	MoM (Δbps)	YoY (Δbps)
3M LIBOR (GBP)	2.53%	59.85	246.58
SONIA*	1.69%	0.35	164.02
3M EURIBOR	0.62%	42.70	116.80

OAS** Corporate Spread Index	Current	MoM (Δbps)	YoY (Δbps)
S&P Eurozone Investment Grade	1.88%	17.00	112.00
BofA € High Yield	5.41%	(50.00)	238.00

European Stock Indexes	Current	MoM (Δ%)	YoY (Δ%)
STOXX Europe 600	415	(5.29%)	(11.84%)
FTSE 100	7,284	(1.88%)	2.31%
DAX 30	12,835	(4.81%)	(18.95%)
FTSE MIB	21,559	(3.78%)	(17.11%)
CAC 40	6,125	(5.02%)	(8.31%)

Market Snapshot (Europe) as of 31/08/2022

*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



Key Industry Publications – August 2022

- **JLL:** ‘Global Hotel Investment Trends’ | August 2022
- **BNP Paribas:** ‘UK Hotels Market Update Q2 2022’ | August 2022
- **Amadeus:** ‘Hospitality Market Insights Report’ | August 2022

Hospitality Conferences & Events

- **The Hotel Show Saudi Arabia | 6-8 September 2022**

The Hotel Show Saudi Arabia is the Kingdom's largest and most influential trade event for the hotel and hospitality sector. Leading experts from across hospitality attend the show to network. It is held at the Riyadh International Convention & Exhibition Center

- **HVS – Managing and Financing hotels through ultra-high inflation | 14 September 2022**

EP Business in Hospitality together with Bird & Bird, AlixPartners and HVS are delighted to present our next seminar – live and in-person – which will be held in central London on Wednesday 14 September at 9.30am

- **The Lodging Conference | 19-22 September 2022**

The Lodging Conference is one of the leading hotel industry events in the world. Over the past 27 years, tens of thousands of high-powered hotel owners and executives from around the globe have participated. It will be hosted at the JW Marriott Phoenix Desert Ridge

APPENDIX I

Corporate Transactions – Recent Notable Activity



Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	Deal Type
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
Feb '22	Harris Family Trusts & Kings Park Capital	UK	The Inn Collection Group	UK	> £ 300	Acquisition
Feb '22	Cove Communities	US	Argyll Holidays	UK	Undisclosed	Acquisition
Jan '22	Henderson Park	UK	Amaris	UK	Undisclosed	Acquisition



Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
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	Azora Hotels	ES	Sheraton Resort Rhodes	GR	€43.80	401
Jul '22	Fattal Hotels	ISR	6 Alua Hotels	ES	€165	1119
Jul '22	Select Group	UAE	The Mere Golf Resort Knutsford	UK	Undisclosed	81
Jul '22	Universities Superannuation Scheme (USS)	UK	Butlin's Assets	UK	£300m	n/a
June '22	Vertiq Capital	IT	Bankside Hotel London	UK	Undisclosed	161
June '22	Brookfield Asset Management	CA	Hotel Princesa Plaza	ES	€175	423
June '22	Experimental Group	FR	The Regina Le Garage	FR	Undisclosed	99
May '22	Tristan Capital Partners	UK	QO Hotel (Amsterdam)	NE	€92.1	288
May '22	Azora European Hotel and Leisure Fund	ES	Pestana Blue Alvor Hotel	PT	Undisclosed	500
Apr '22	Frogmore and C1 Capital Partners	UK	Hilton Olympia, Park Inn Northampton, Stifford Hall	UK	£152	648
Apr '22	Tristan Capital Partners & Queensway Group	UK	Raag Hotels	UK	£420	1520
Mar '22	The Arora Group	UK	Luton Hoo Hotel	UK	£60m	228
Mar '22	DFI and Cells Group	DE	Sheraton Berlin Grand Hotel Esplanade	DE	€116	394



Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. Of Rooms
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
Nov '21	Zetland Capital	UK	Macdonald Hotels & Resorts	UK	Undisclosed	494
Nov '21	Blasson Property	ES	Punta Negra, Mallorca	ES	€ 90	137
Nov '21	Bain and Omnam	UK	Hotel Britannia, Excelsior	IT	Undisclosed	285
Oct '21	Henderson Park Capital	UK	12 Hilton	UK & IE	£ 580	2,242
Oct '21	Goldman Sachs	US	The Belfry	UK	£ 140	324
Sep '21	Conker Dawn Limited	UK	Hampton Waterloo and Doubletree	UK	£ 95	440

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