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SOLID START TO THE YEAR AT NH HOTEL GROUP WITH GROWTH OF 3.7% IN REVENUE AND 33% IN EBITDA(1)

The recurring net loss narrowed by 37% in the quarter of the year with less contribution

-First-quarter 2019 results-

- **Total revenue increased by 3.7% to €353 million, despite adverse currency effects and the temporary closure of three important hotels in Amsterdam, Munich and Naples for refurbishment**
- **Revenue per available room (RevPAR) increased across all markets for overall growth of 3.6% and remained stronger than that of its competitors across the Company's main destinations**
- **EBITDA^[1] was €5.2 million higher at €20.9 million (€83.5 million including the impact of IFRS 16) thanks to business momentum and cost control**

The Group narrowed its recurring net loss by €6 million to -€17.3 million in what is historically the weakest quarter due to seasonality

- **Factoring in non-recurring items, the reported net loss was €14.7 million (including IFRS 16-related adjustments); the year-on-year comparison is affected by the impact of assets sold during the first quarter of 2018**

- **The cash flow generated by the business during the quarter has allowed a €40 million capex investment and boosted the cash position to €274 million as of end of March**

- NH Hotel Group's Annual General Meeting -

- **At yesterday's Annual General Meeting in Madrid, the Company's shareholders ratified the motion to pay a gross dividend from 2018 profits of €0.15 per outstanding share, in line with the announced dividend policy**

- Strategic initiatives with Minor International -

- **NH Hotel Group continues to work with Minor Hotels on identifying and quantifying potential synergies from the two complementary businesses**

Hoofddorp, 14 May 2019 – In conjunction with yesterday's Annual General Meeting, NH Hotel Group has announced its results for the first quarter of 2019. The Company reported revenue growth of 3.7% to €353 million and EBITDA(1) growth of 33% to €21 million (€83.5 million including the impact of first-time application of IFRS 16). The strong start to the year puts the Company in a position to reiterate its guidance for 2019, which calls for EBITDA(1)(2) of €285 million and recurring net profit(2) of around €100 million.

Ramón Aragonés, CEO of NH Hotel Group, highlighted the "*Company's positive performance in the first quarter of 2019, extending the favourable momentum observed last year. In the first three months of the year we combined revenue expansion and efficient cost management, underpinning continued strong growth and pointing to delivery of our guidance for this year. In parallel, we continued to enhance the positioning and quality of our portfolio thanks to our robust financial situation, which paved the way for funding €40 million of capital expenditure this quarter without increasing financial net debt from year-end 2018 levels.*" Lastly, Aragonés stressed the "*excellent progress being made on the plans for leveraging competitive advantages alongside Minor Hotels to create shared value*".



-First-quarter 2019 results-

NH Hotel Group posted first-quarter revenue growth of 3.7% to €353 million, despite adverse currency effects (€6 million in 1Q19) and revenue foregone (€4 million) due to the refurbishment of 16 hotels.

Like-for-like revenue growth averaged 2.6% in Europe in 1Q19, marked by above-average growth in Spain (+5.4%) and Central Europe (+2.7%), offset by narrower growth of 0.8% and 0.6% in Benelux and Italy, markets affected this quarter by fewer corporate events at the conference-oriented hotels and a less advantageous trade fair line-up in Milan compared to last year.

(1)Recurring EBITDA before the reversal of provisions for onerous contracts and gains from asset sales, excluding the impact of IFRS 16(2) Excluding the impact of application of IFRS 16 and IAS 29

All the markets made a positive contribution to the growth in consolidated RevPAR, up 3.6% year-on-year. The growth in this metric was once again better than that of its competitors across the Company's universe of main destinations (relative RevPAR: 0.8 percentage points above its competitors). Growth in like-for-like RevPAR was particularly strong in Barcelona (+15%) and Madrid (+9%), compared to average growth in Spain of 7.3% and in Central Europe of 4.7%. Two-thirds of the growth in RevPAR is attributable to growth in the average daily rate (ADR) and the rest to higher occupancy. Specifically, the consolidated ADR registered growth of 2.4% to €92.90 and occupancy averaged 65.9%, up 1.2% from 1Q18.

EBITDA(1) registered growth of 33.1%, or €5 million, to €21 million (€83.5 million including the impact of first-time application of IFRS 16), thanks to both topline expansion and cost control during the quarter. The EBITDA(1) margin widened by 1.3 percentage points to 16.3% and the ratio of incremental revenue-to-EBITDA(1) was 42%.

As a result, the Group narrowed its recurring net loss by €6 million in what is historically its weakest quarter due to seasonality. The Company reported a net loss of €17.3 million in 1Q19, compared to a net loss of €22.9 million in 1Q18.

Factoring in non-recurring items and the adjustments recognised to apply IFRS 16, the reported first-quarter net loss was €14.7 million. The year-on-year comparison is significantly affected by the recognition of €55 million of gains on asset sales in the first quarter of 2018.

(1)Recurring EBITDA before the reversal of provisions for onerous contracts and gains from asset sales, excluding the impact of IFRS 16(2) Excluding the impact of application of IFRS 16 and IAS 29

The cash flow generated by the business during the quarter funded €40 million of capex and boosted the cash position to €274 million, while financial net debt remained steady (€167 million) compared to year-end.

During the quarter, the Company worked on the refurbishment and repositioning of 16 hotels in Europe (Germany, Austria, Spain, Netherlands and Italy) and Latin America (Argentina and Mexico). At the March close, NH Hotel Group operated 54,430 room across 352 hotels, 22% of which under the NH Collection brand (77 hotels with 12,000 rooms), whose ADR is 37% higher than the NH Hotels brand's average. Perceived quality continued to improve according to the main sector watchers. Between January and March, the Company's quality rating on TripAdvisor improved by 0.1 percentage points to 8.5 out of 10, and on Google Reviews by a similar 0.1 percentage points to 8.6 out of 10.

- NH Hotel Group's Annual General Meeting -

The Company held its Annual General Meeting today at the Casino de Madrid. Its shareholders ratified the motion to pay a dividend from 2018 profits of €0.15 per outstanding share (before withholdings), in line with the announced dividend policy.

- Strategic initiatives with Minor International -

NH Hotel Group continues to work with Minor Hotels on identifying and quantifying the synergies to be unlocked from the two complementary businesses.

Key initiatives identified to date include: the involvement of NH in the operation of Minor Hotels' establishments in Portugal and Brazil; the leveraging of economies of scale in volume-driven negotiations with trade partners (travel agencies and suppliers); reinforcement of the customer base; and acceleration of the expansion of the two groups' brands in the various geographies.

Framed by this joint business development thrust, the two groups agreed in early March to introduce the luxury brand Anantara Hotels, Resorts & Spas in Spain with an agreement to operate the Villa Padierna Palace Hotel in Marbella; that establishment will be relaunched soon under Minor Hotels' luxury brand and renamed Anantara Villa Padierna Palace Benahavís Marbella Resort.

APPENDIX

Hotel business performance in 1Q19 by market

Ratios: like-for-like hotel data + hotels under refurbishment

EBITDA figures: Recurring EBITDA before the reversal of provisions for onerous contracts and gains from asset sales, excluding the impact of IFRS 16

Spain reported recurring revenue of €93.5 million, up 7.3% from 1Q18. RevPAR in this market increased by 6.4%, driven by the recovery in Barcelona (+14.9%) and the strong momentum in Madrid (+9.2%). The ADR and occupancy rate increased by 3.5% and 2.8%, respectively. Recurring EBITDA amounted to €4.5 million, year-on-year growth of 21.3%.

Italy registered slight growth in RevPAR (+0.6%), driven by growth of 0.4% in occupancy and 0.2% in the ADR. The moderate growth in this market is attributable to a less advantageous trade fair line-up in Milan. Like-for-like revenue totalled €58.1 million (+0.3%), boosted by a strong performance in Rome (+3.0%). EBITDA at this country was €5.3 million, up 12.9% from 1Q18.

In **Central Europe** RevPAR increased by 5.3%, underpinned by growth of 2.8% in the ADR and 2.4% in occupancy. Like-for-like revenue increased by 2.5% to €85.7 million, while EBITDA improved by 34.9% (-€1.2 million). A stronger trade fair schedule in Munich offset a decline in the volume of this type of events in Berlin and Frankfurt during the quarter.

In **Benelux**, the drop in the number of corporate events in the conference-oriented hotels limited RevPAR growth to 0.4%. This metric is expected to recover in this market in the coming months. Brussels continued to contribute above average growth (+11%) and Amsterdam performed well (+3%). Revenue amounted to €70.4 million and EBITDA came to €3.7 million.

In **the Americas** the growth was undermined by adverse movements in exchange rates, which drove a 0.6% contraction in RevPAR. Revenue in this business unit increased by 1.2% to €29.7 million. By region, Argentina reported local-currency revenue growth of 82%, fuelled by hyperinflation; factoring in the effects of the sharp currency devaluation, however, revenue declined by 9.6%. In Mexico, revenue dipped by 2.2% in local-currency terms but in this case increased by 3.4% when factoring in exchange rate trends. In the other Latin American markets (Colombia, Chile and Ecuador), revenue growth was 4.7% in local currencies, which were stable against the euro. Overall, EBITDA in this business unit was €5.7 million, growth of 18.7% from 1Q18.

About NH Hotel Group

NH Hotel Group (www.nhhotelgroup.com) is a consolidated multinational player and a leading urban hotel operator in Europe and America, where it operates over 350 hotels. Since 2019, the Company works with Minor Hotels in the integration of their hotel brands under a single corporate umbrella with presence in over 50 countries worldwide. Together, both Groups have a portfolio of over 500 hotels articulated around eight brands: NH Hotels, NH Collection, nhow, Tivoli, Anantara, Avani, Elewana and Oaks - that comprise a broad and diverse range of hotel propositions connected to the needs and desires of today's global travelers.

ABOUT NH HOTEL GROUP NORTHERN EUROPE

About NH Hotel Group

NH Hotel Group is a consolidated trusted operator and one of the leading urban hotel companies in Europe's business segment with a wide presence in America. Forty years of experience position it as a reference in excellent service and customer care.

The Company operates over 350 hotels with almost 55,000 rooms in 28 countries, hosting more than 16 million guests a year across Europe, America and Africa in top destinations such as Berlin, Madrid, Amsterdam, Buenos Aires, Rome, Mexico City, Bogota, Barcelona, and New York.

NH Hotel Group's hotel portfolio is structured under three brands, each with its own value proposition: **NH Collection**, premium upper-upscale hotels with iconic buildings located in the major capitals; **NH Hotels**, trustworthy upscale urban hotels offering the best value for money at the best locations; and **nhow**, unconventional and cosmopolitan design hotels with unique personalities inspired by the city vibe.

NH Hotel Group is a company deeply committed to corporate and social responsibility, actively promoting a responsible tourism model in all the communities where it is present through what it does best and loves most: host and serve, always with a smile. Responding to what the Company's stakeholders expect from it is of key importance for NH Hotel Group. Its innovative business approach sets it as a benchmark in the hospitality industry and allows it to offer services of the highest quality, designed to exceed customers' expectations, while

providing sustainable solutions to the challenges of today and the future.

NH Hotel Group is listed in the Madrid Stock Exchange.

For more information, visit www.nh-hotels.com and www.nh-collection.com.

Over NH Hotel Group

NH Hotel Group is beursgenoteerd in Spanje met bijna 350 hotels in 28 landen in Europa, Afrika en Noord- en Zuid-Amerika. Onder de NH Hotel Group vallen de 3- en 4-sterren urban NH Hotels, de NH Collection flagship hotels, en de nhow designhotels. Wereldwijd staan meer dan 20.000 medewerkers dag en nacht klaar om de beste service tegen de beste prijs te leveren voor de jaarlijks ruim 16 miljoen gasten. De hotels van NH Hotel Group zijn bekroond met de Zoover Award voor Beste Hotelketen in 2014, 2015 en 2016. Kijk voor meer informatie op www.nh-hotels.com en www.nh-collection.com.

Über die NH Hotel Group

Die NH Hotel Group (<https://www.nh-hotels.de/corporate/de>) ist ein multinationales Unternehmen und zählt mit rund 350 Hotels und 55.000 Zimmern zu den weltweit führenden Hotelgruppen im urbanen Raum. Hotels der NH Hotel Group gibt es in 28 Ländern in Europa, Amerika und Afrika und– und das in den Top-Destinationen wie Amsterdam, Barcelona, Berlin, Bogota, Brüssel, Buenos Aires, Düsseldorf, Frankfurt, London, Madrid, Mexico City, Mailand, München, New York, Rom und Wien.

Weitere Informationen finden Sie unter <https://www.nh-collection.com/de> und <https://www.nh-hotels.de/>



NH Hotel Group Northern Europe