



Urban Living Festival 2024

September 19th, 2024

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Agenda



Performance YTD across Europe

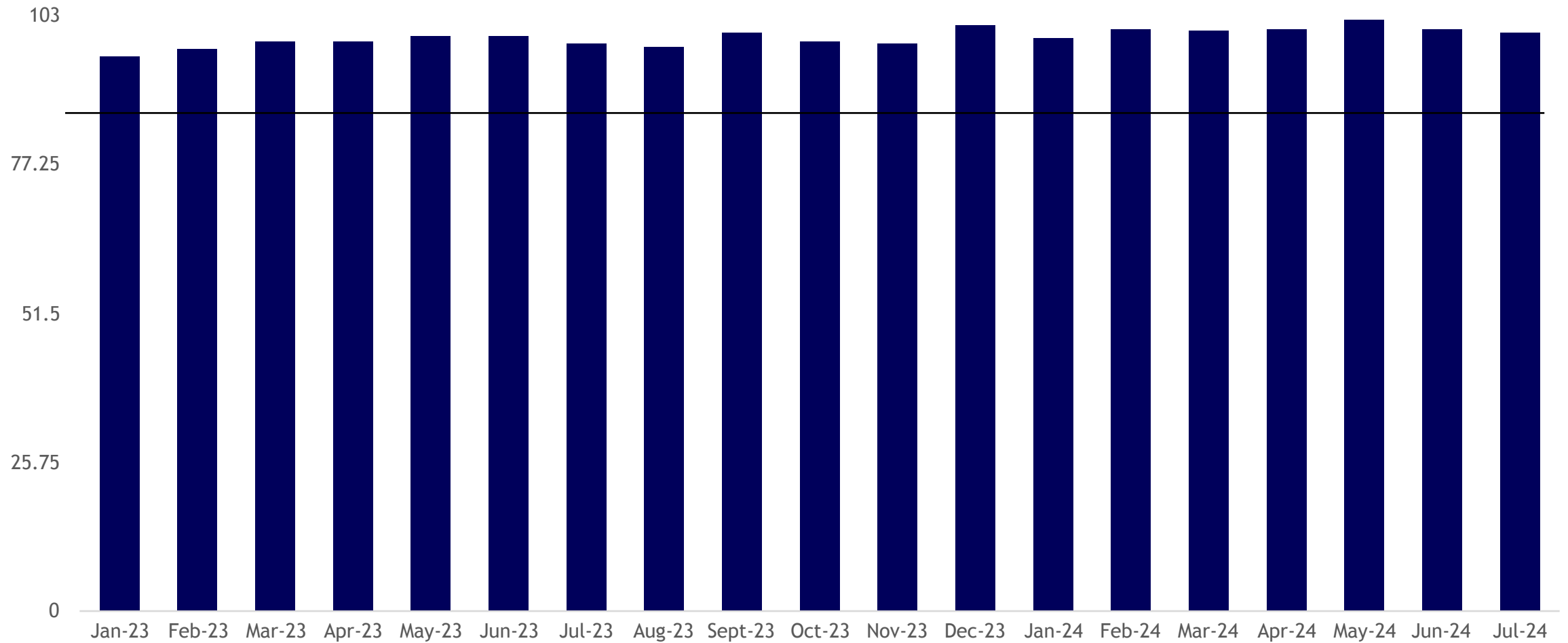
Key drivers of growth so far

Performance YTD across the UK

What to expect

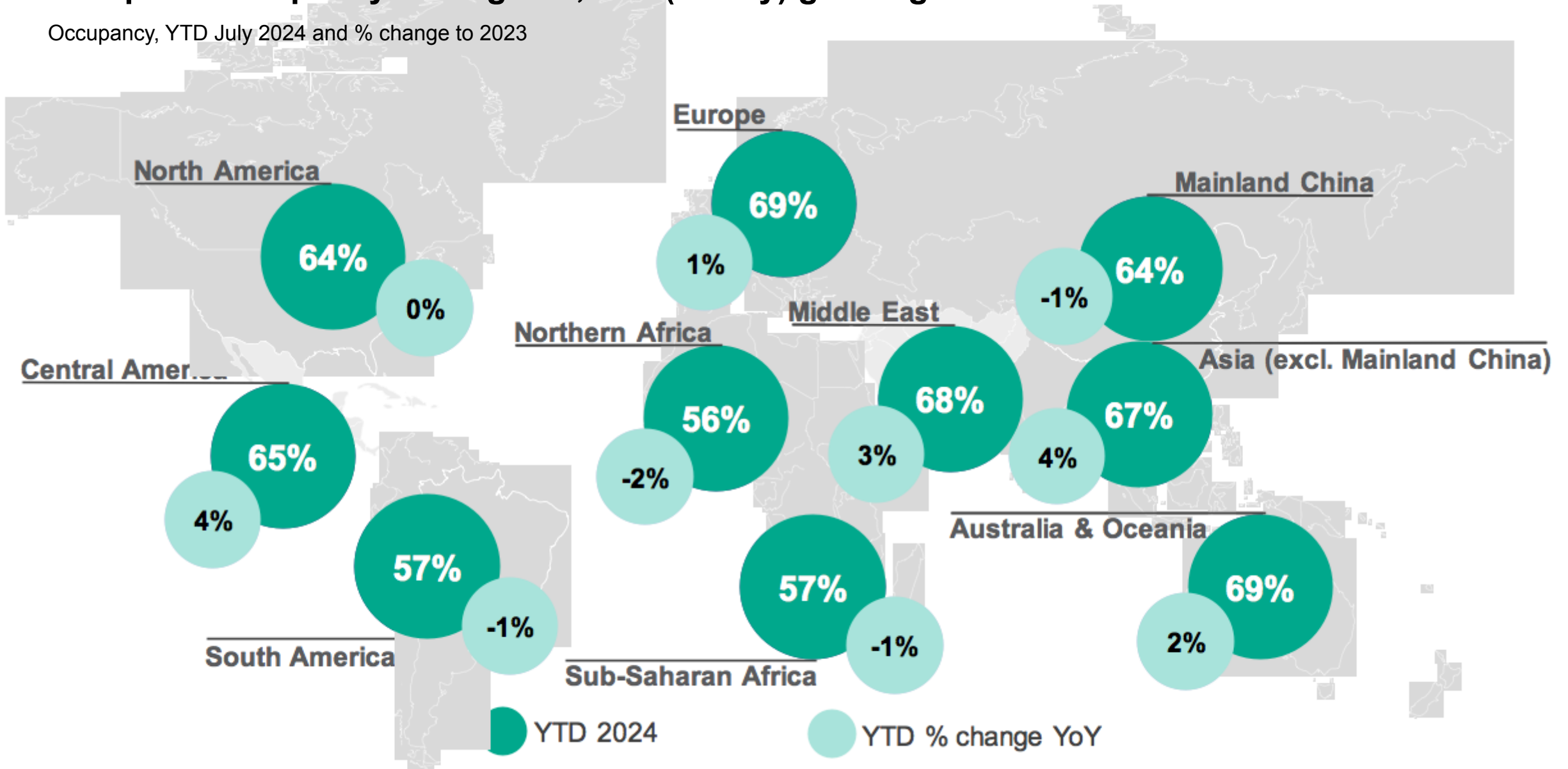
The appetite for travel remains (very) strong.

Europe demand indexed to 2019, Jan 2023 – July 2024



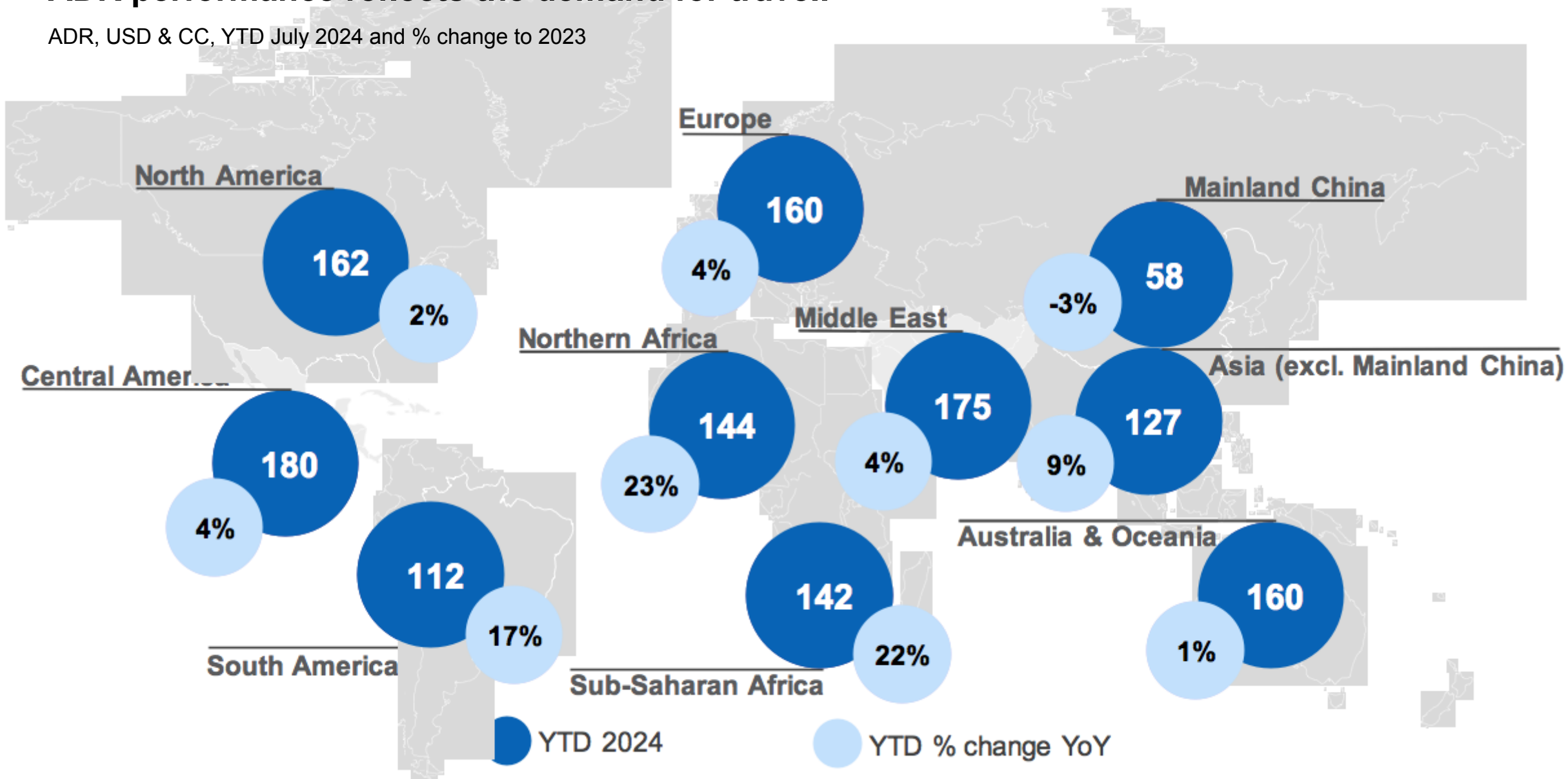
European occupancy the highest, and (slowly) growing.

Occupancy, YTD July 2024 and % change to 2023



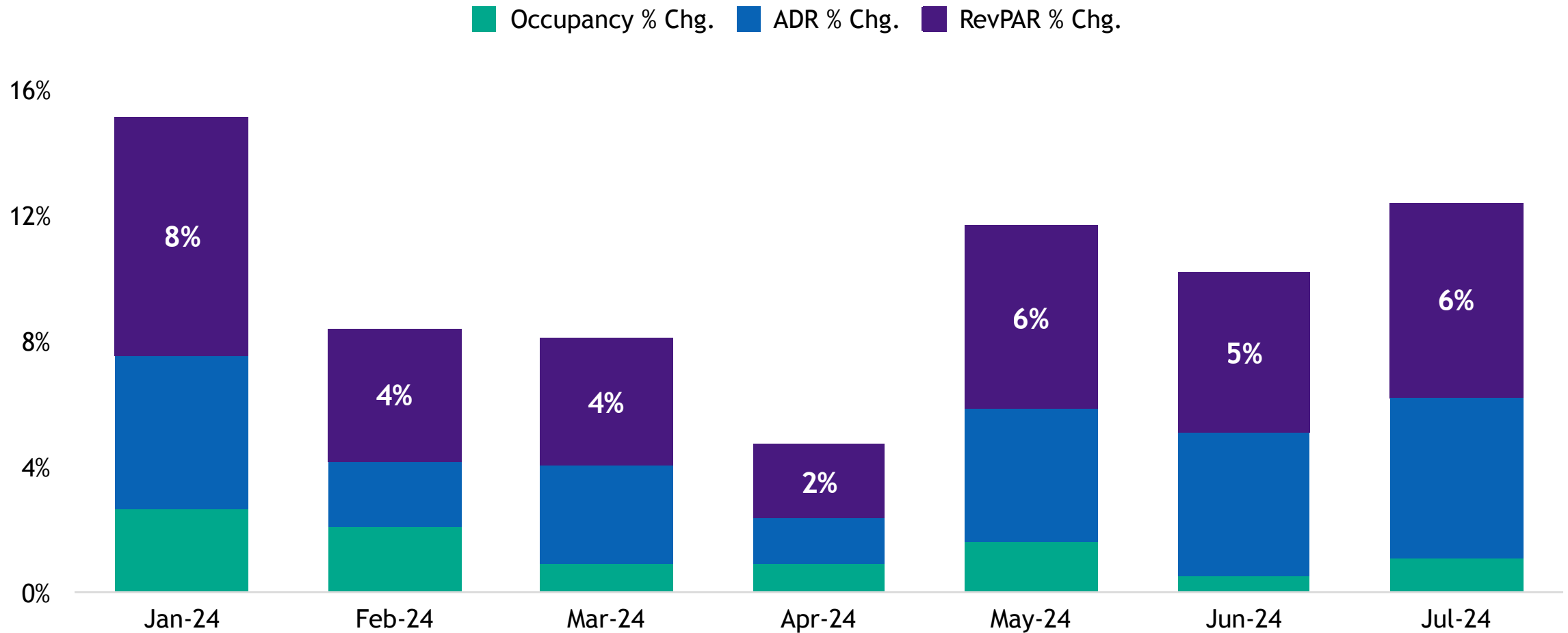
ADR performance reflects the demand for travel.

ADR, USD & CC, YTD July 2024 and % change to 2023



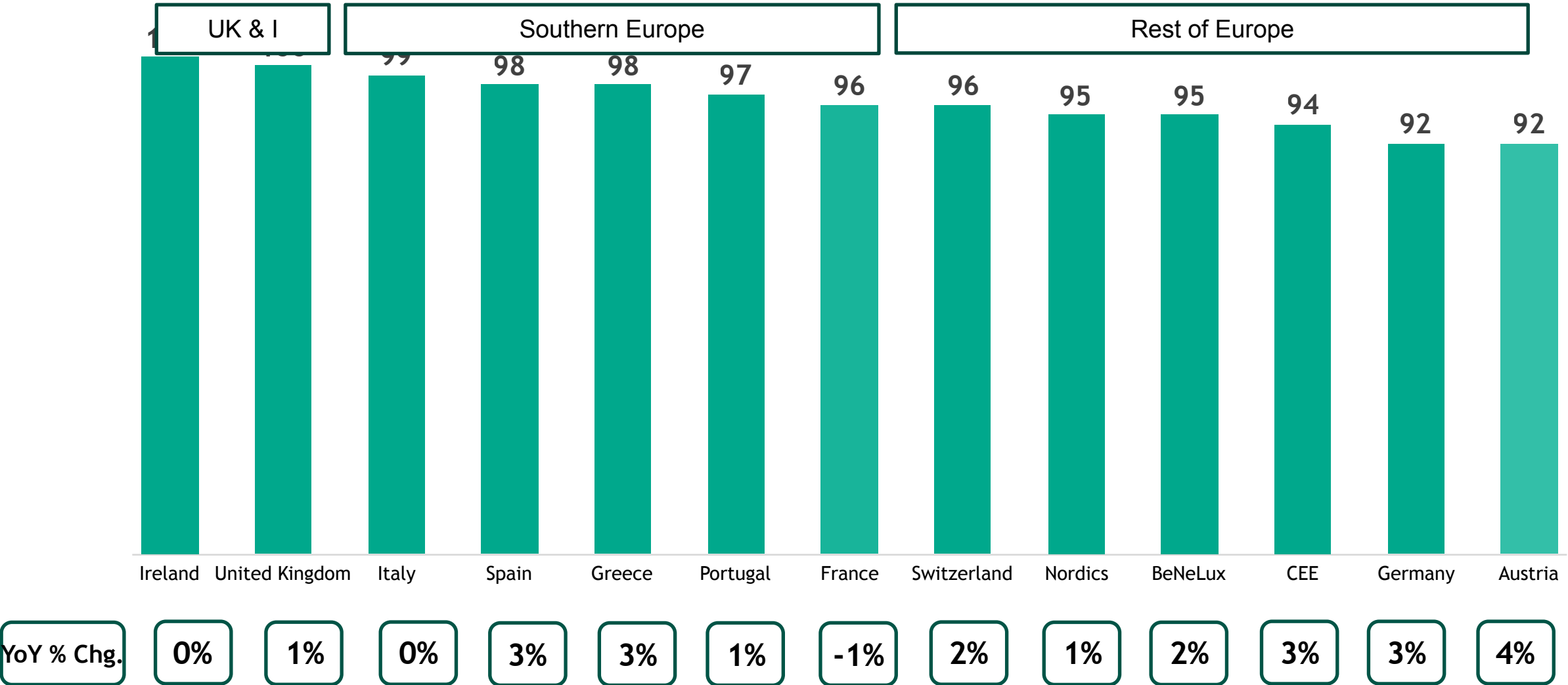
2024 growth largely rate driven, showing a solid and positive year so far

Europe*, EUR & CC, KPI % change YoY, August 2023 – July 2024



Many regions nudging towards 2019 levels, and still growing.

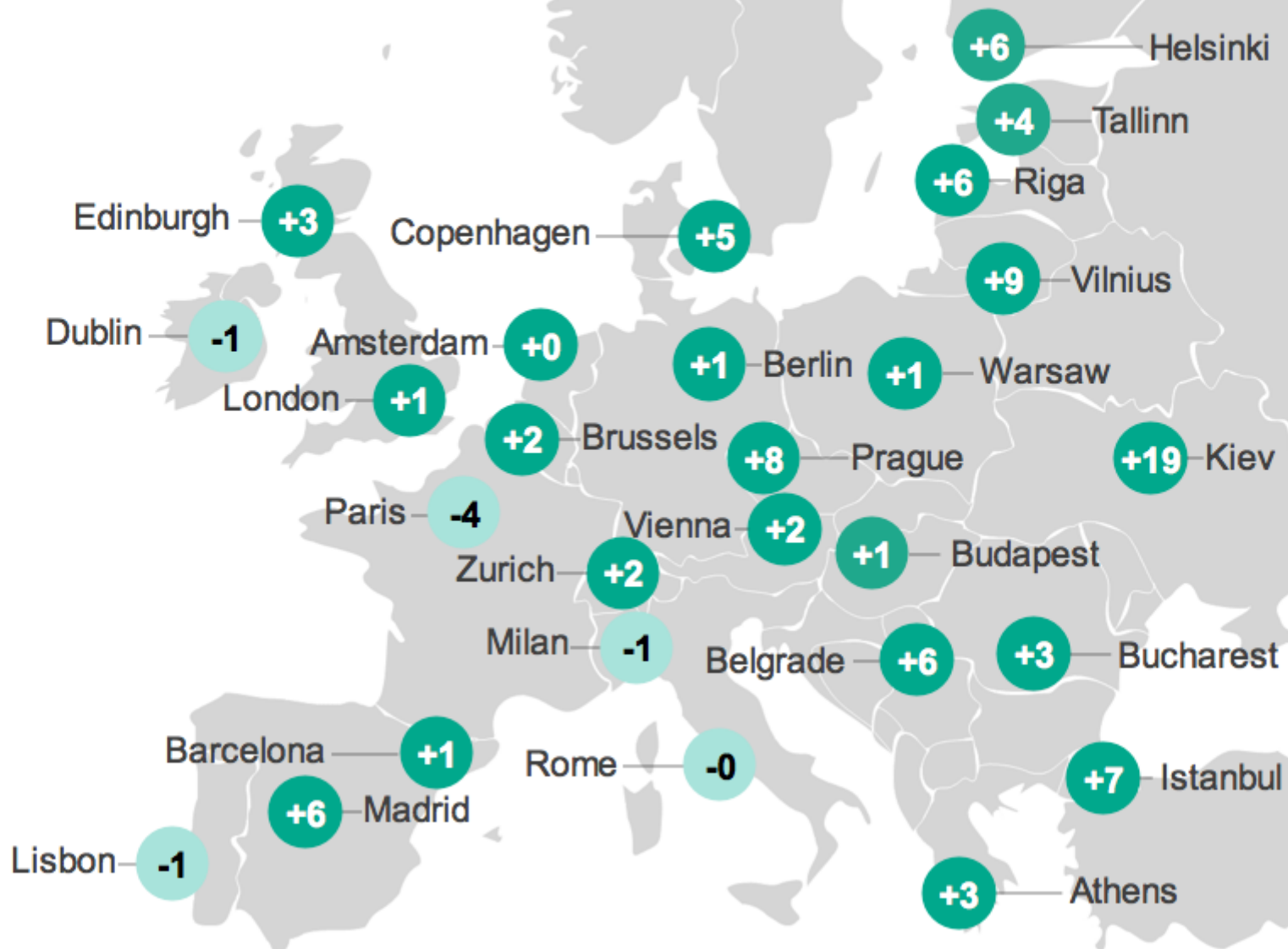
Occupancy, indexed to 2019, R12 July 2024



Nordics = Denmark, Finland, Iceland, Norway, Sweden
 CEE = Bulgaria, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Romania, Slovenia, Slovakia

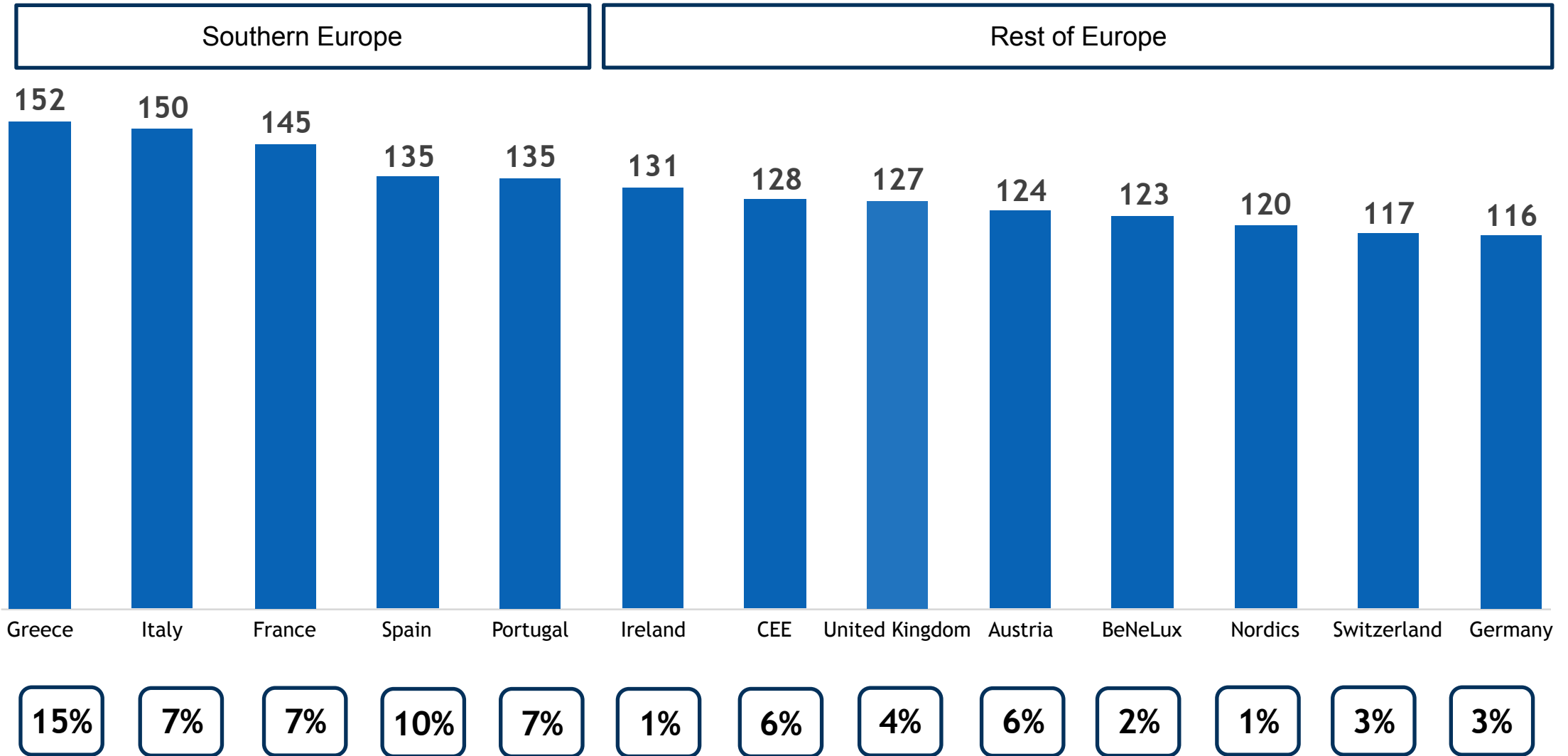
'Early recovery' markets show little change YoY.....

European markets, Occ, YoY % change, July YTD 2024



On the other hand, rate growth showcases a North/South divide.

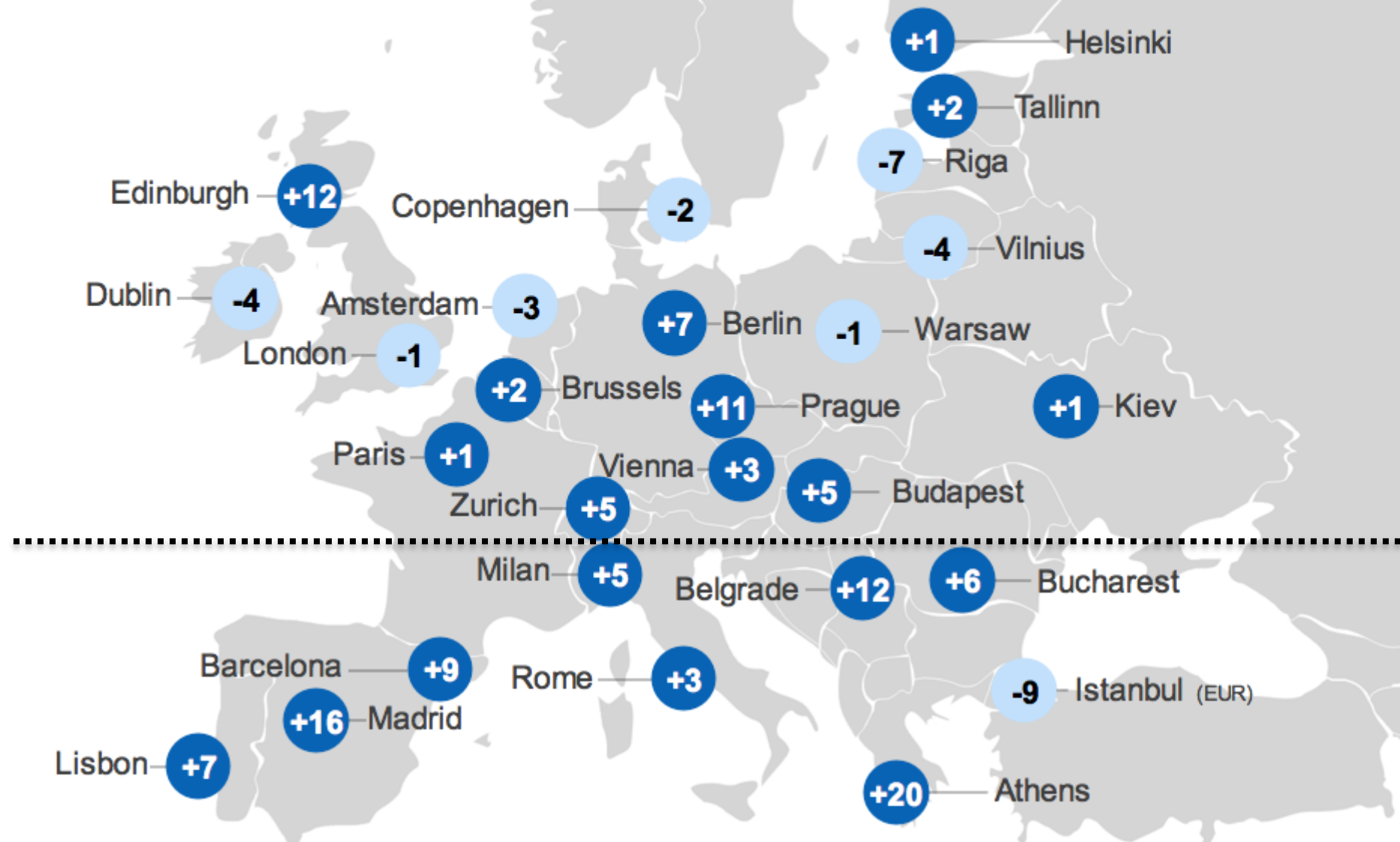
ADR, indexed to 2019, R12 July 2024



Nordics = Denmark, Finland, Iceland, Norway, Sweden
CEE = Bulgaria, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Romania, Slovenia, Slovakia

This divide emerges at a city level

European markets, ADR (LC), YoY % change, July YTD 2024

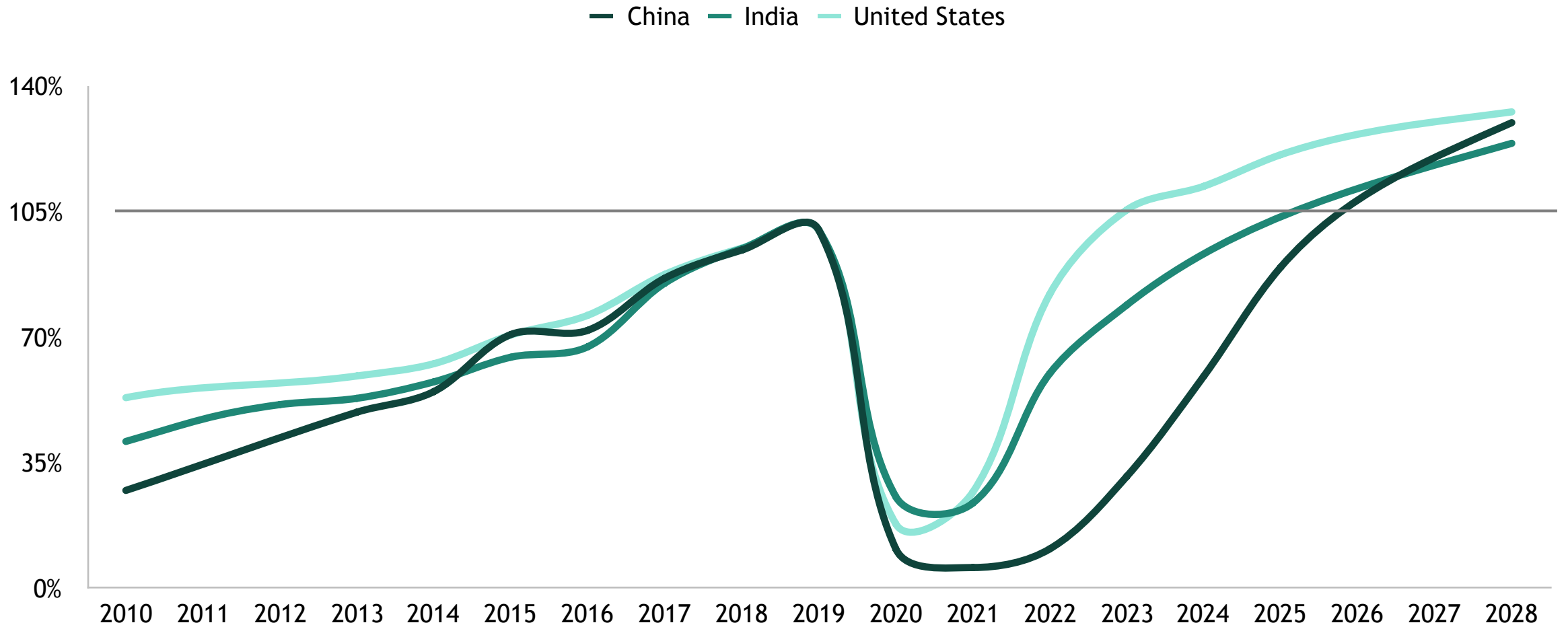




Key RevPAR Drivers

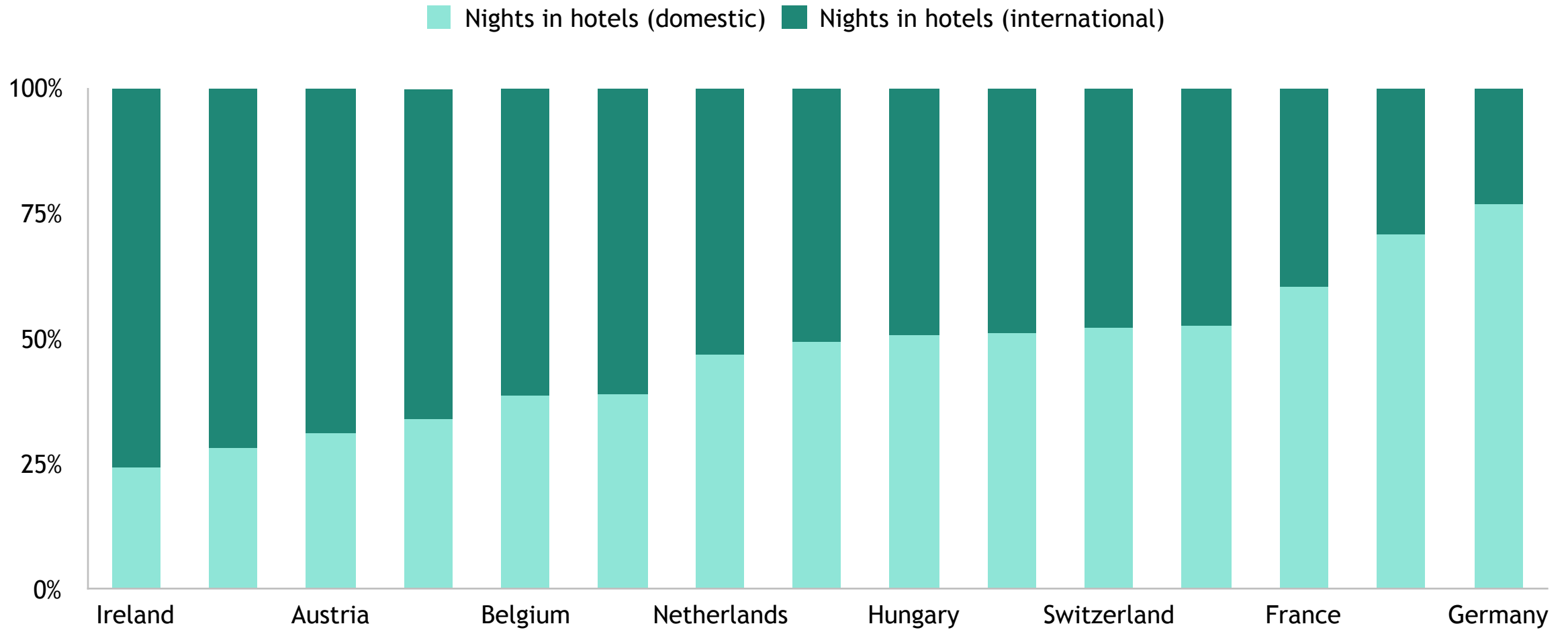
Let's start with the key driver for many markets.

Arrivals to Europe from select markets, indexed to 2019, 2010-2025F



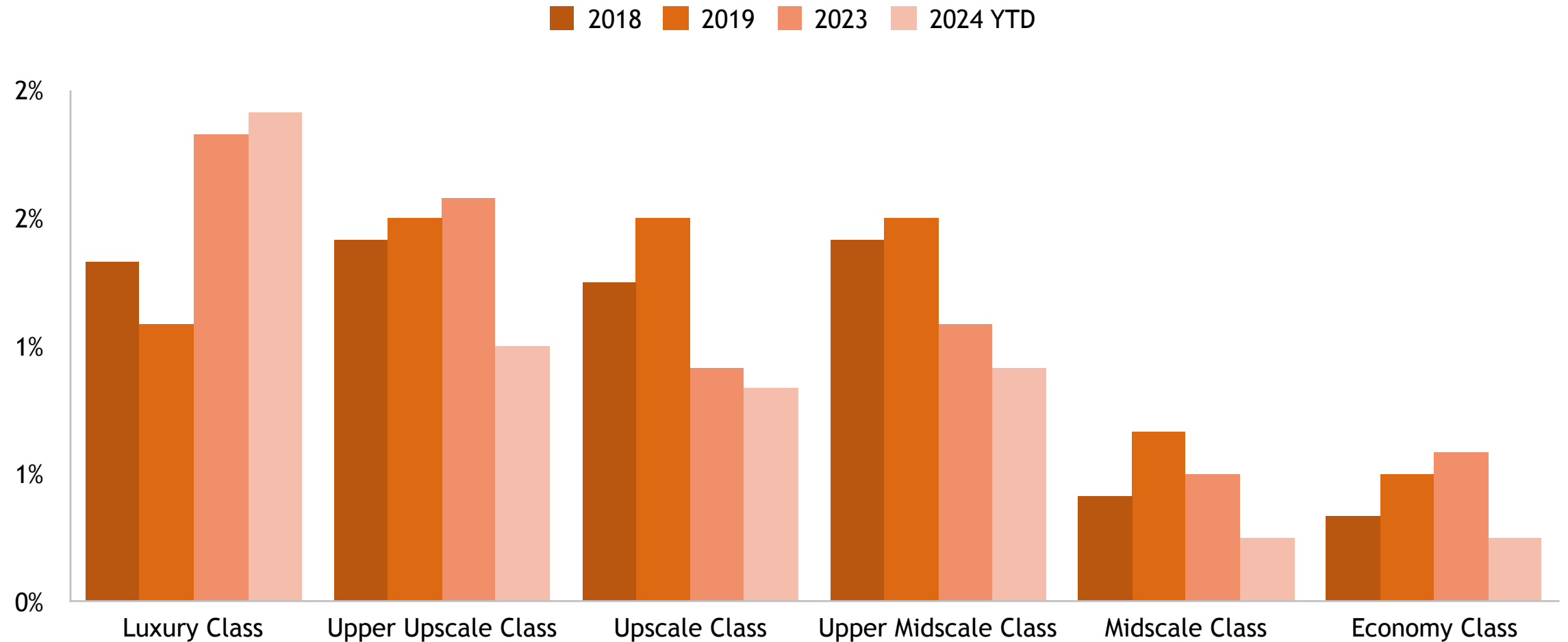
International importance does vary widely across Europe.

Share of nights in hotels by source, 2024F



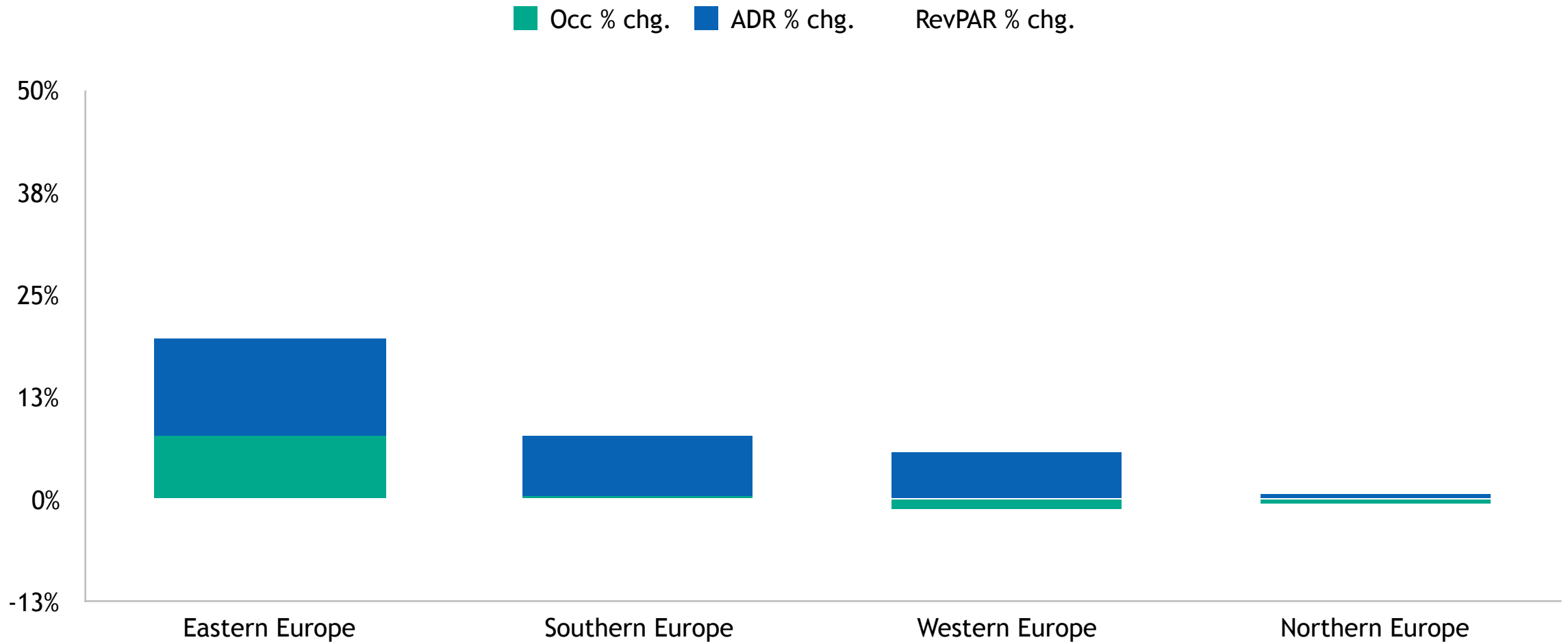
No surprise that occupancy growth is 'sluggish' in comparison to ADR.

Europe, Supply, % change YoY, Full Year 2018 – 2019 & 2023 and July YTD 2024



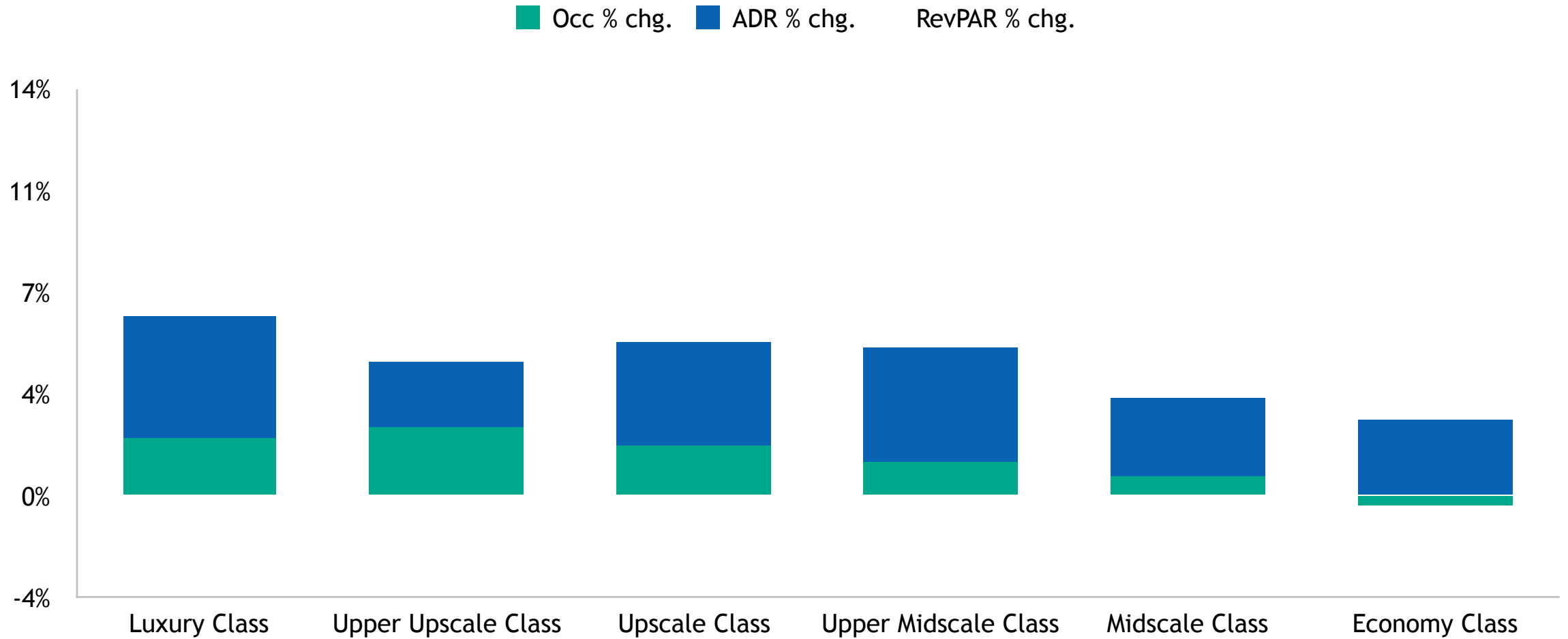
.. And the real growth is in regions late to recover.

Economy class, EUR & CC, KPI % change YoY, July YTD 2024



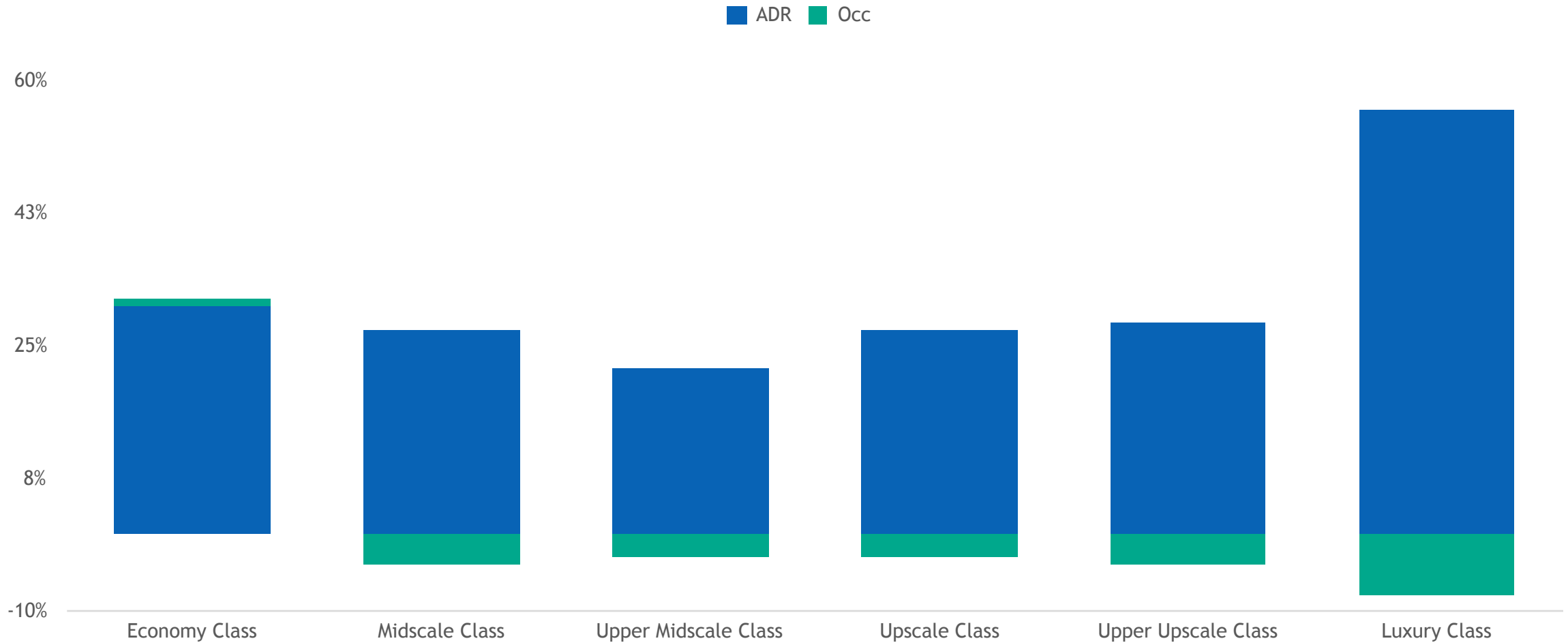
Thanks to ADR, positive RevPAR is achieved across all classes.

Europe*, EUR & CC, KPI % change YoY, July YTD 2024



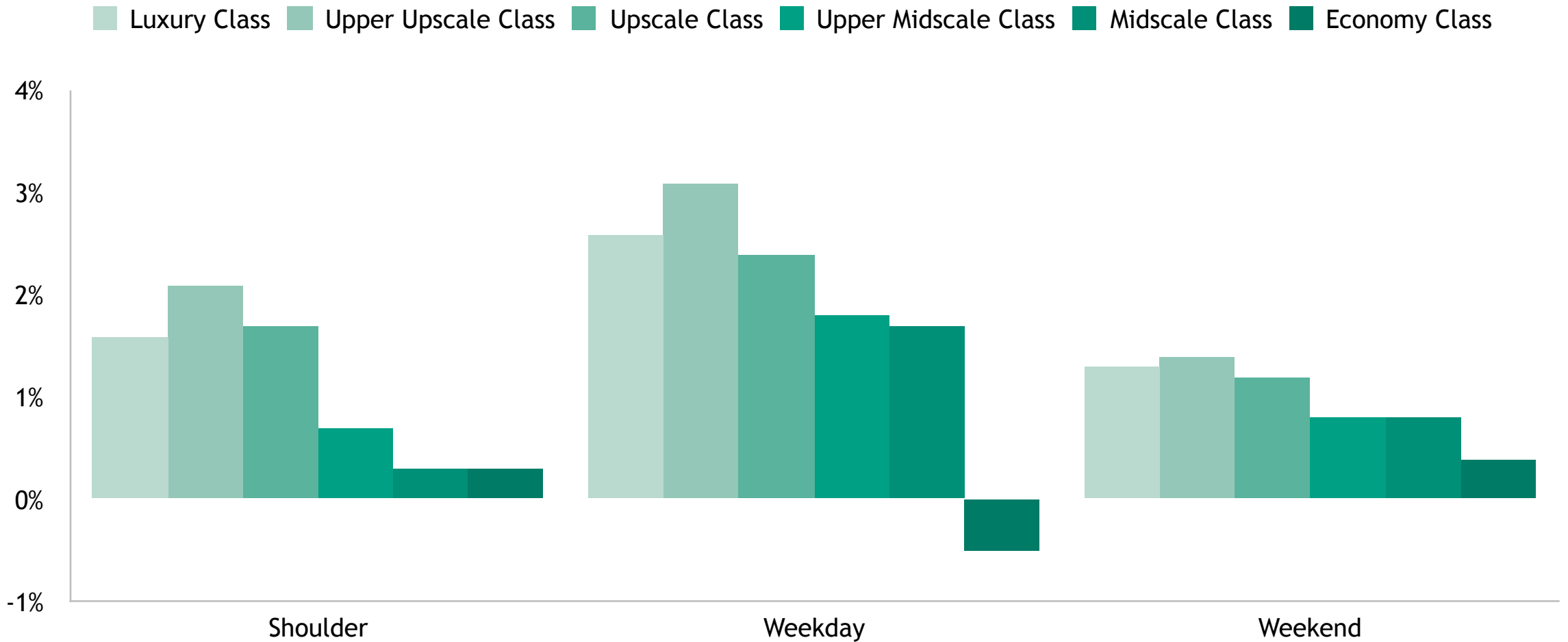
One needs to question whether this rate growth is sustainable.

Europe*, EUR & CC, Occupancy & ADR, % change to 2019, July YTD 2024



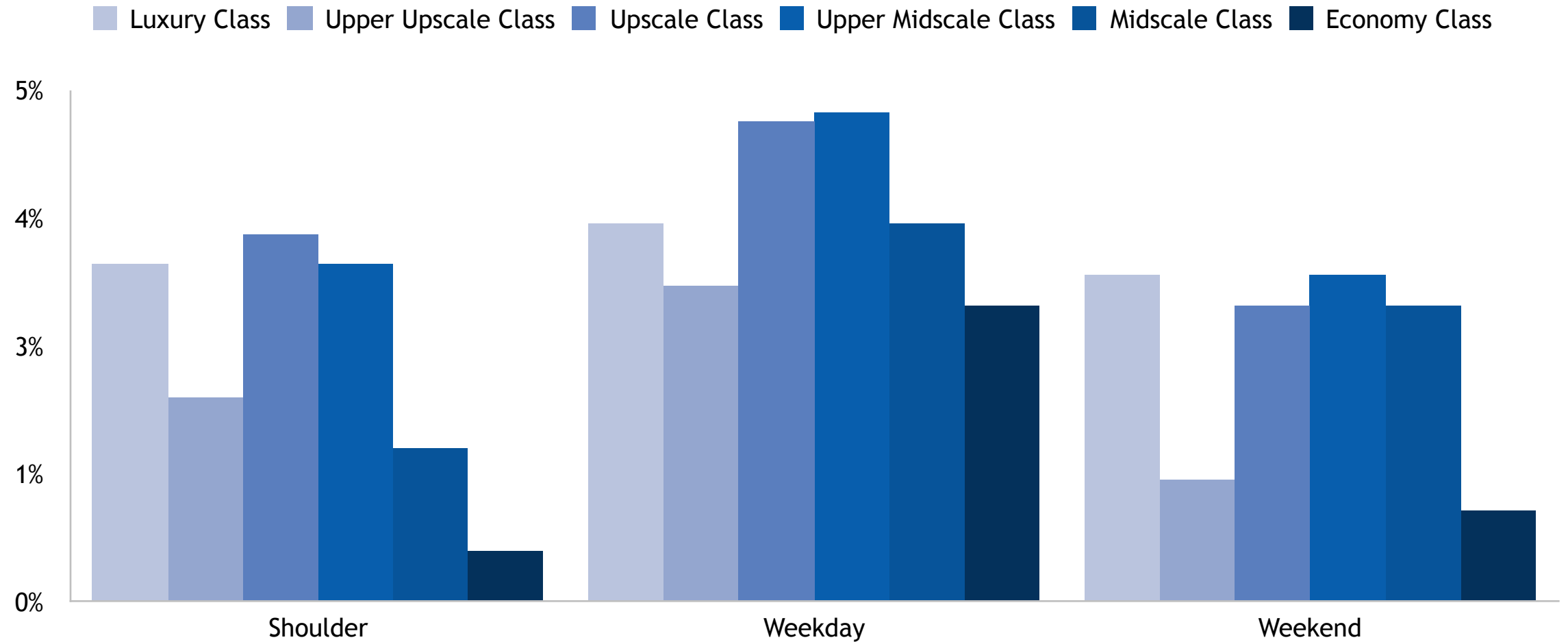
'Corporate' travel on the rise | the price sensitive are staying home.

Europe*, Occ % change YoY, July YTD 2024



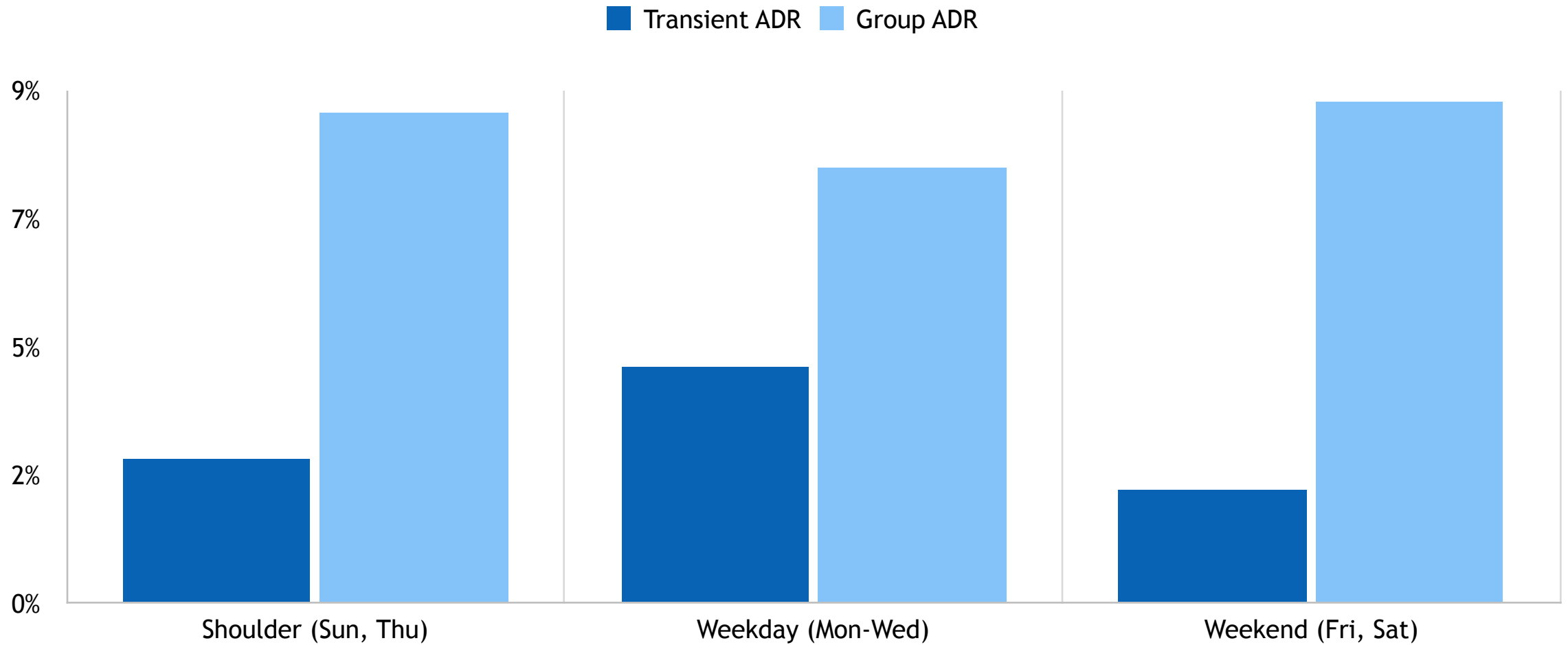
The 'squeezed middle' are enjoying 'catching up' on lost time.

Europe*, ADR % change YoY, July YTD 2024



As the business mix evolves, so too does rate.

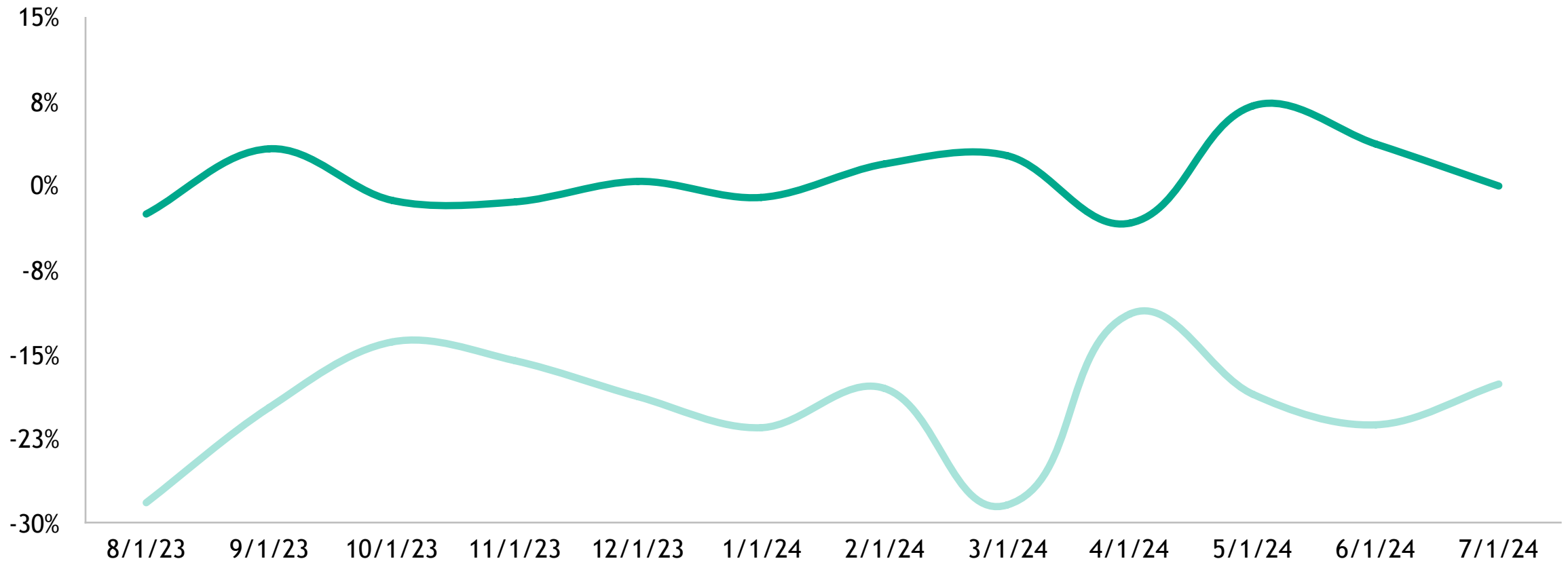
Europe, Luxury & Upper Upscale classes, ADR (EUR, CC) % change YoY, July 2024 YTD



Group helps midweek recovery | Transient trend points to leisure decline.

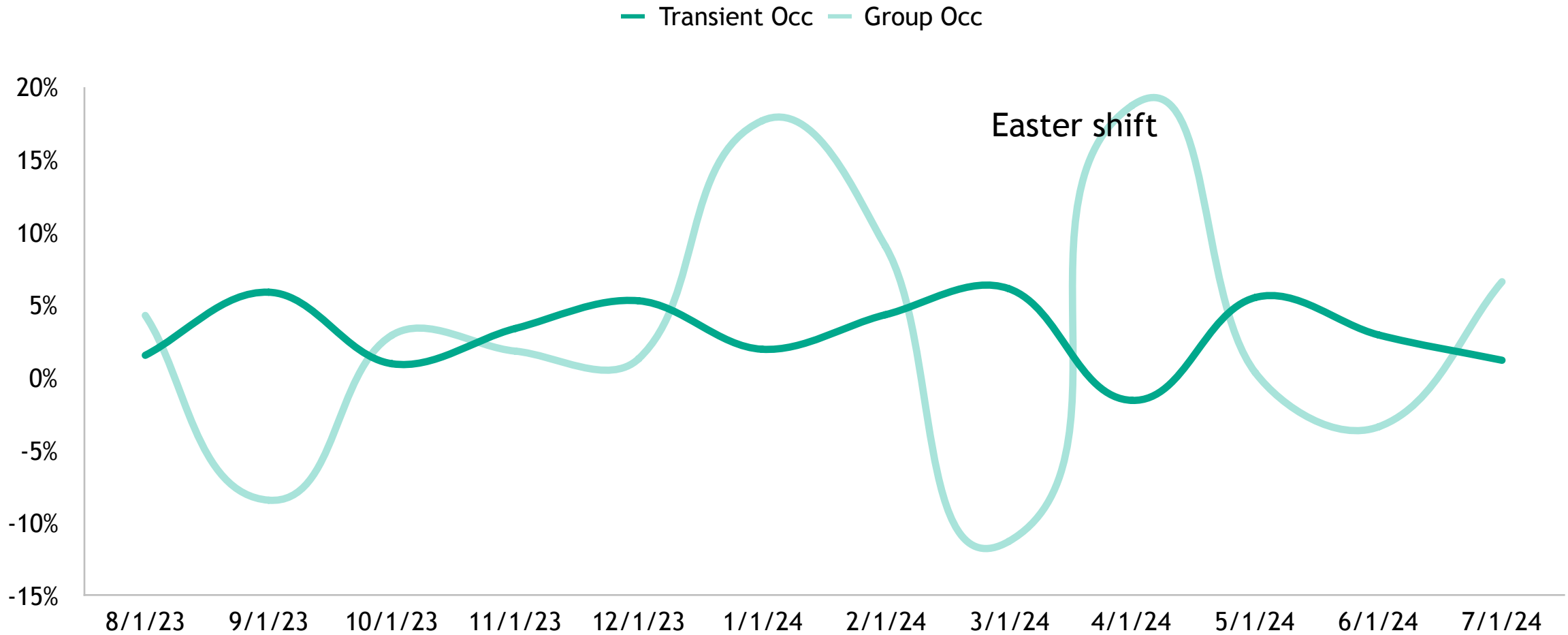
Europe, Luxury & Upper Upscale classes, occupancy % chg. to 2019

— Transient Occ — Group Occ



Group shows signs of durability and fills the space left empty for so long

Europe, Luxury & Upper Upscale classes, occupancy % chg. YoY



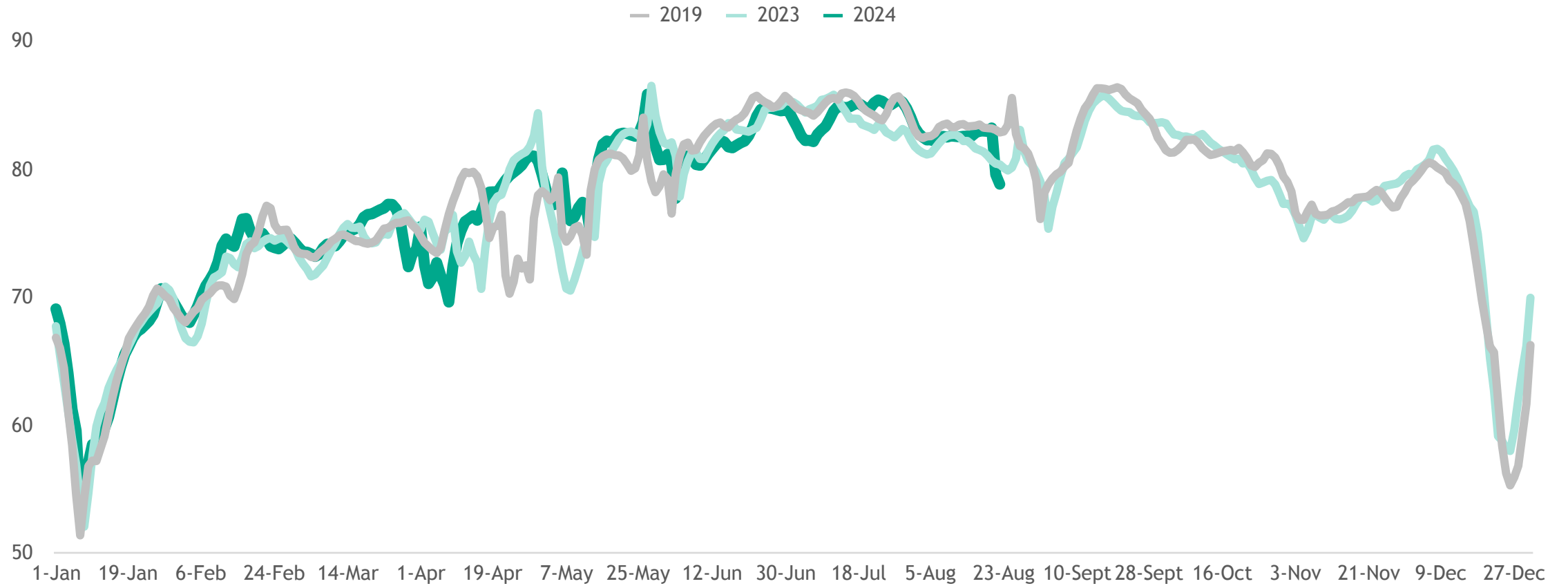


United Kingdom



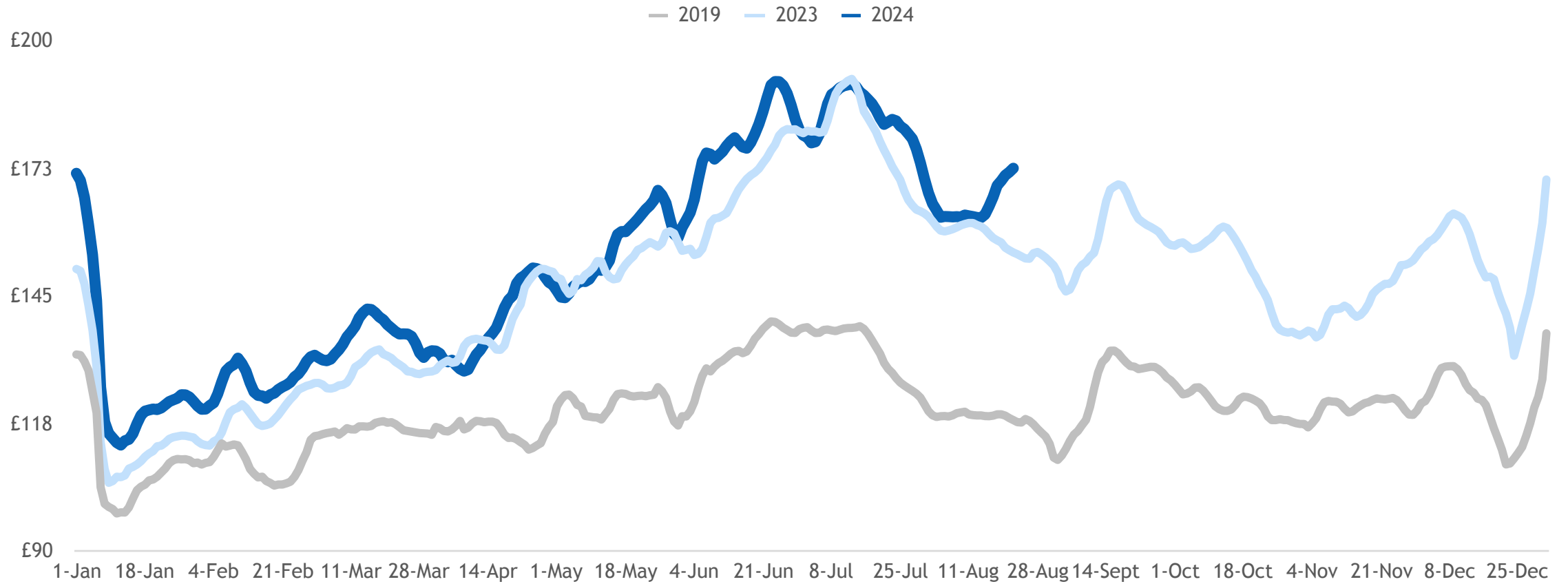
UK occupancy is back at 2019 levels, and has been for over a year.....

UK Occupancy % R7, 2019, 2023 & 2024



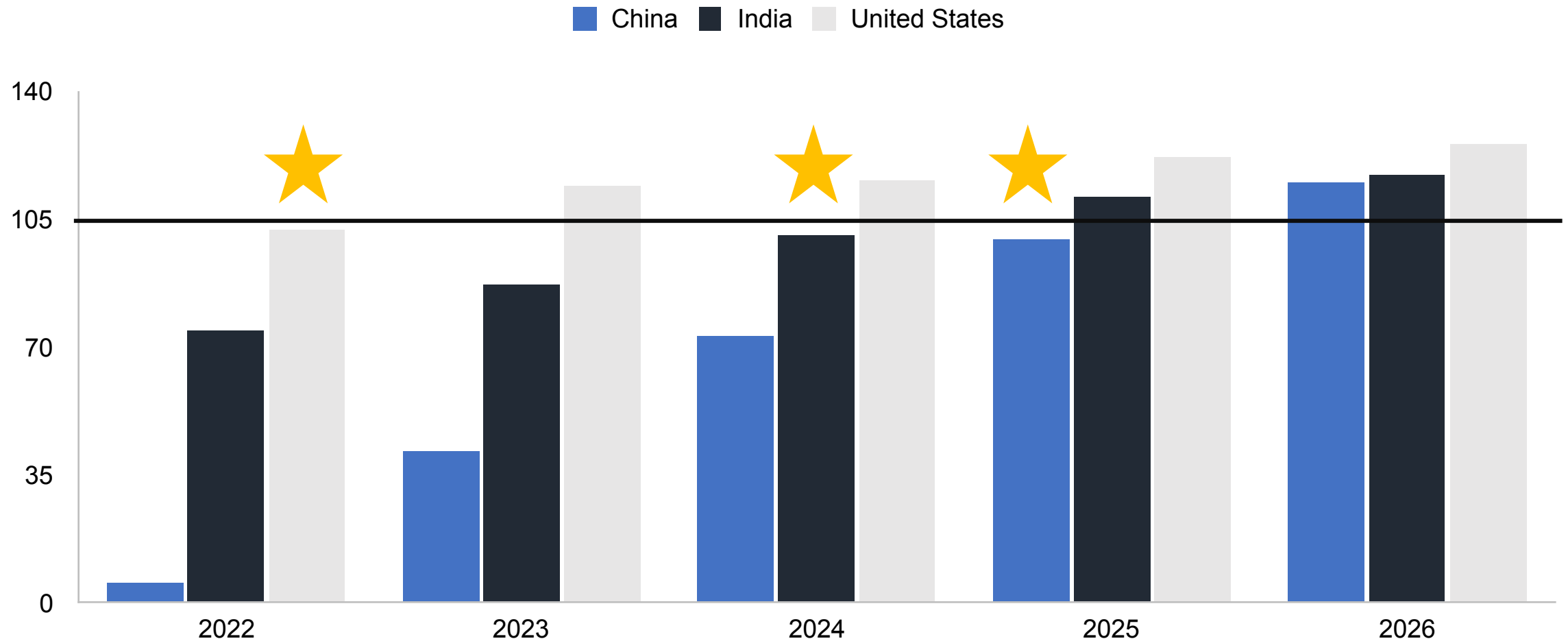
.....whilst ADR continues to increase, especially in the summer months

UK ADR R7, 2019, 2023 & 2024



The return of long-haul international is helping.

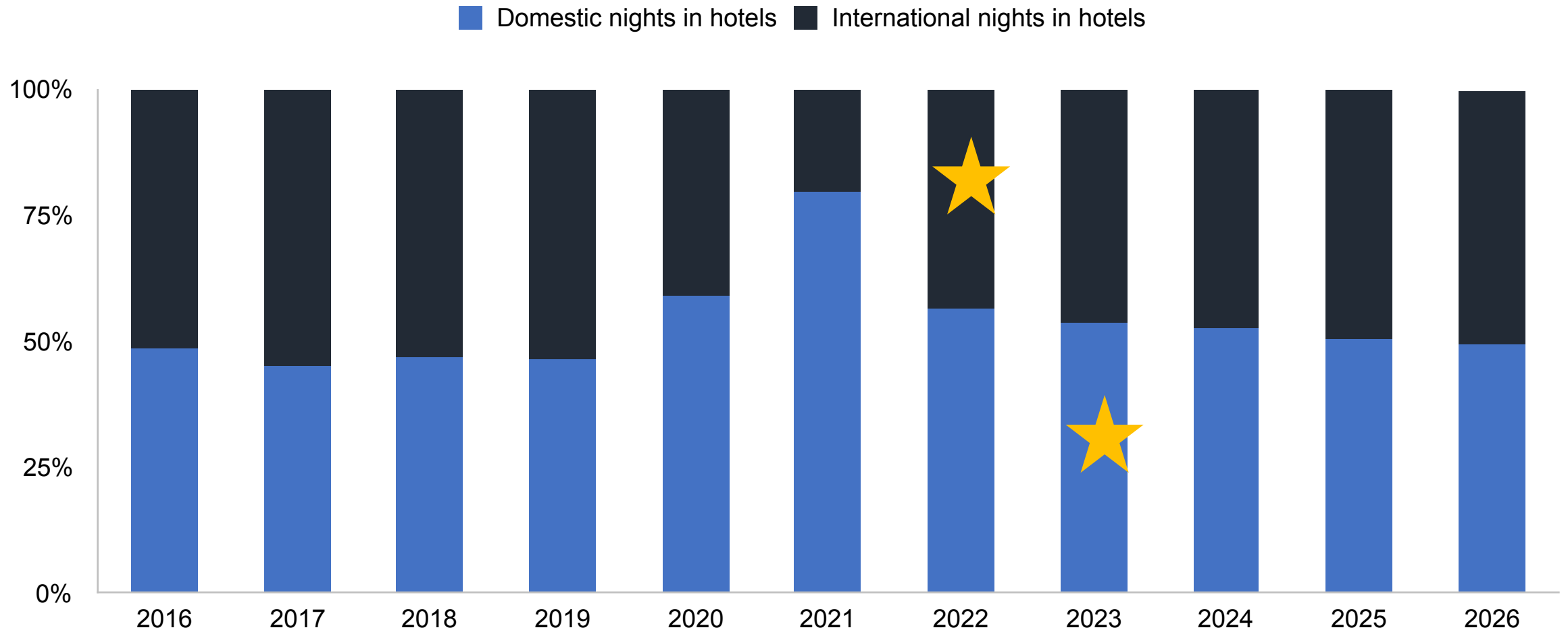
U.K., inbound overnights indexed to 2019, 2022-2026



★ Recovery to 2019 level

With near equal mix of domestic and international travelers

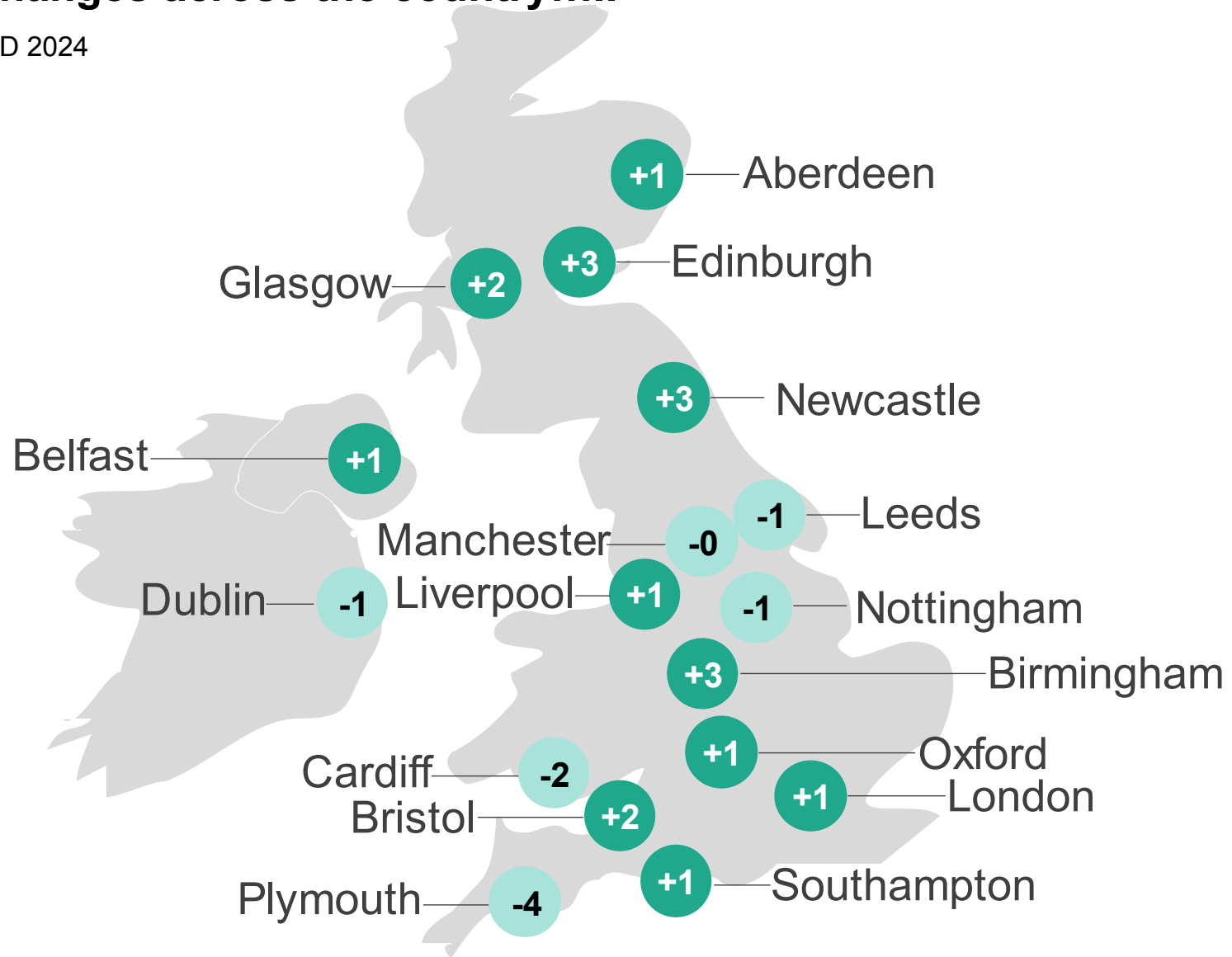
U.K., share of nights in hotels by origin, 2016-2026



★ Recovery to 2019 level

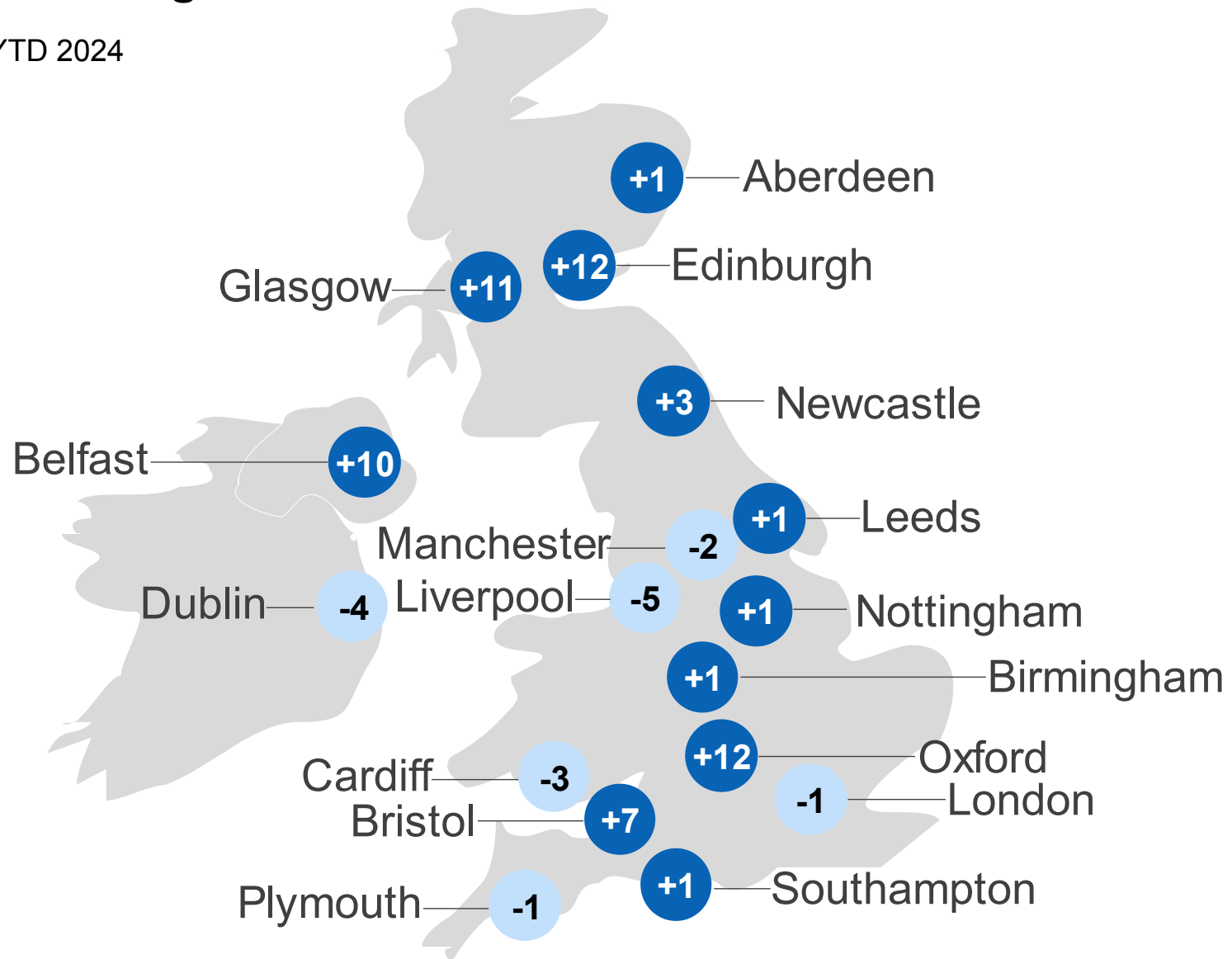
Minimal occupancy changes across the country.....

Occupancy, % change YoY, July YTD 2024



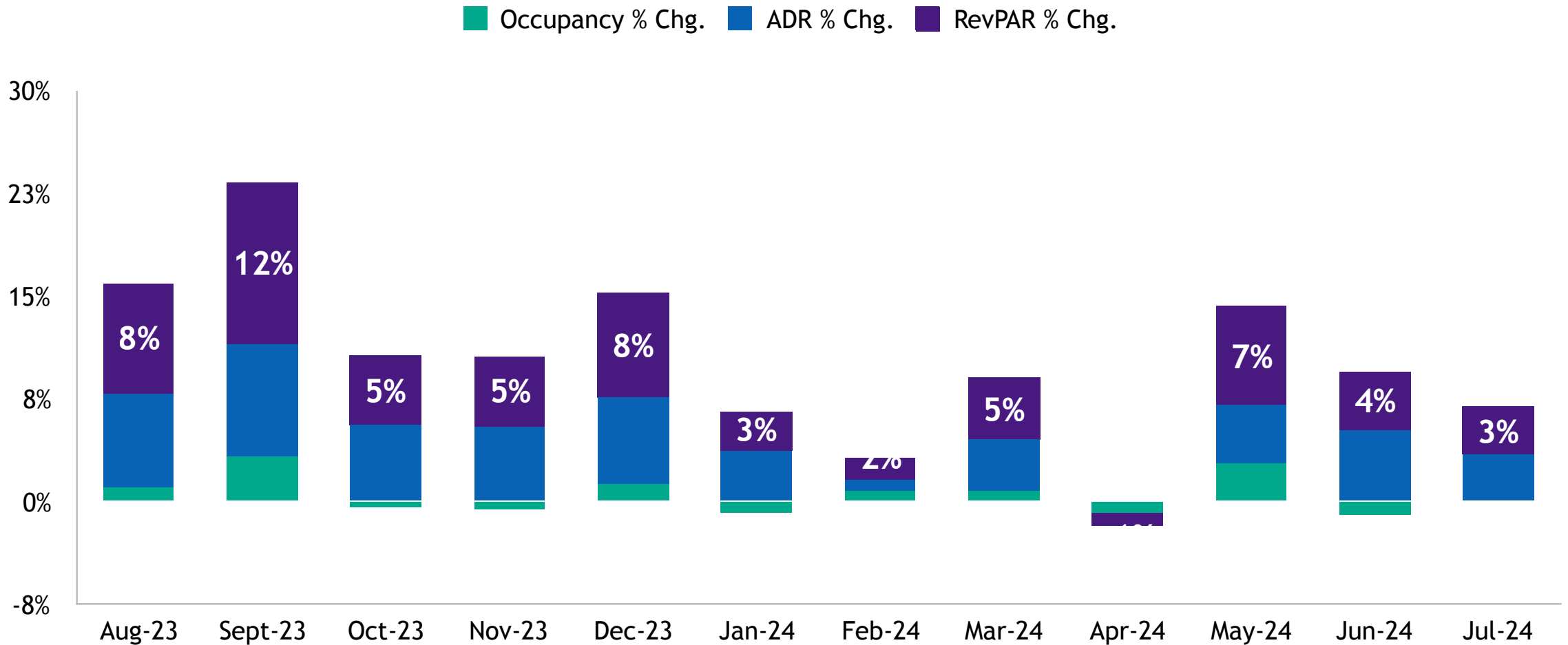
.....with more of a mixed bag for ADR

ADR (LC), YoY % change, July YTD 2024



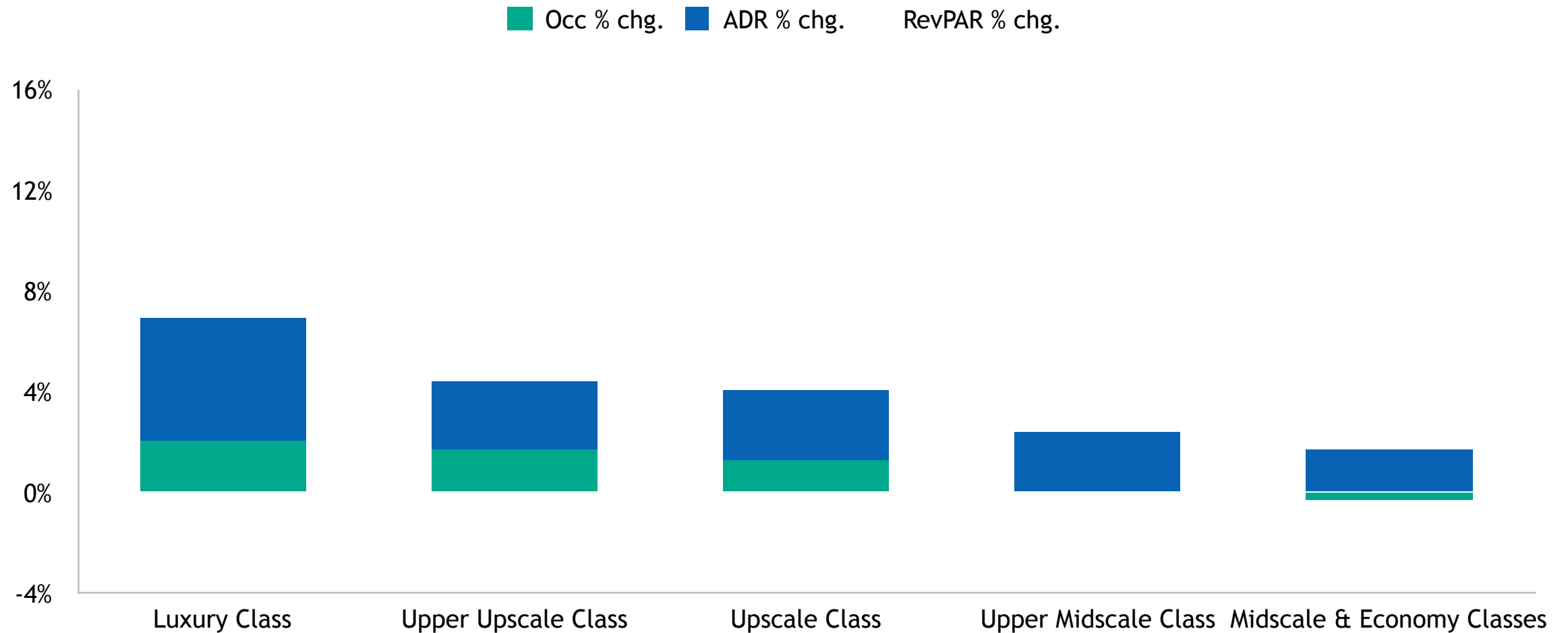
The warmer months are seeing some better numbers.

Regional UK, KPI % change YoY, Aug 2023 – Jul 2024



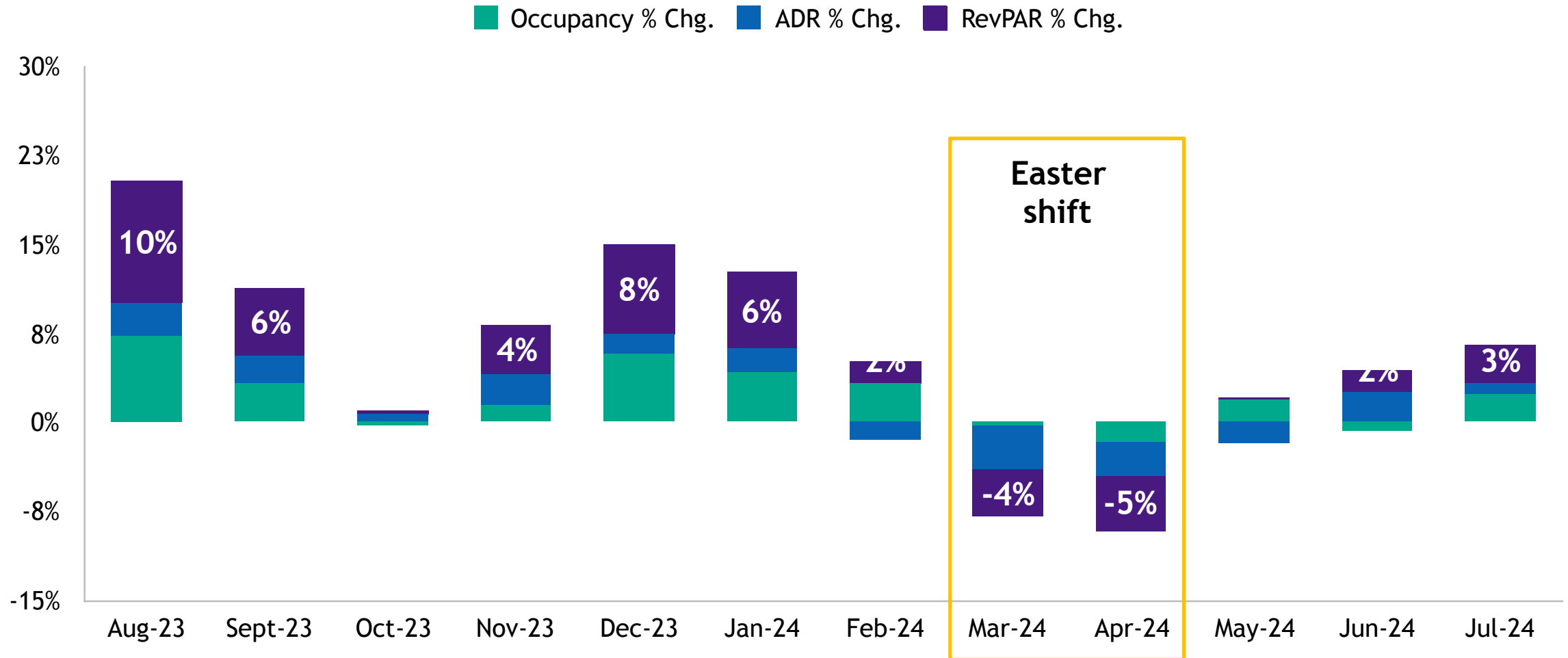
Positive RevPAR growth maintained across classes

Reg UK, KPI % chg. YoY, July YTD 2024



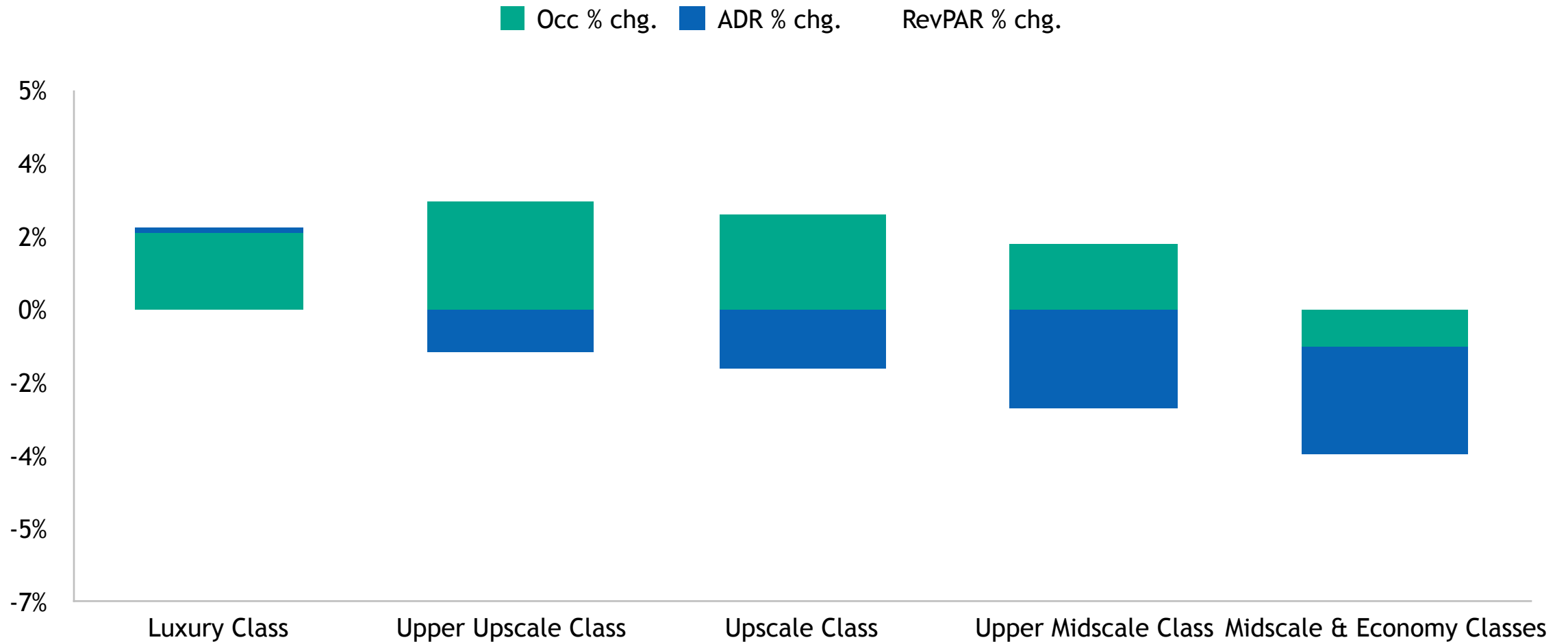
ADR declines at the beginning of the year dragged the city's RevPAR.

London, KPI % change YoY, Aug 2023 – Jul 2024



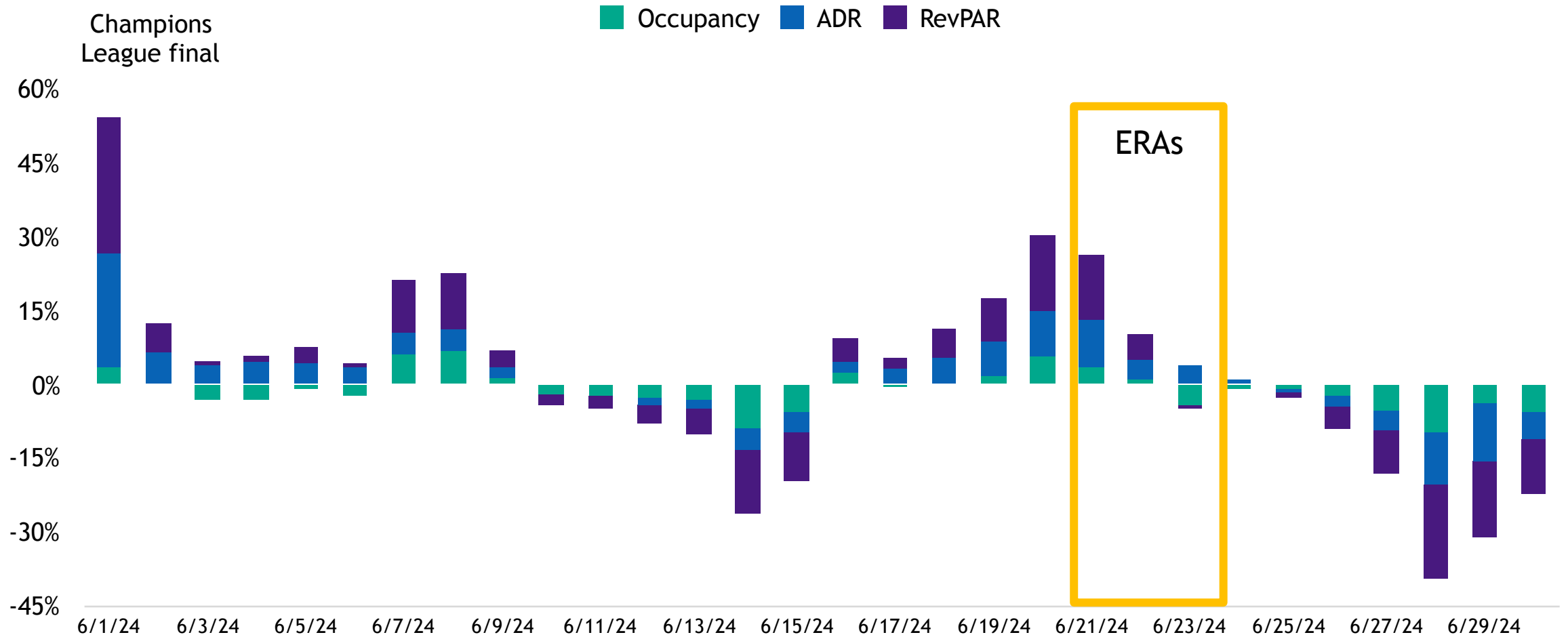
Particularly evident in the Midscale & Economy segments.

London, KPI % chg. YoY, July YTD 2024



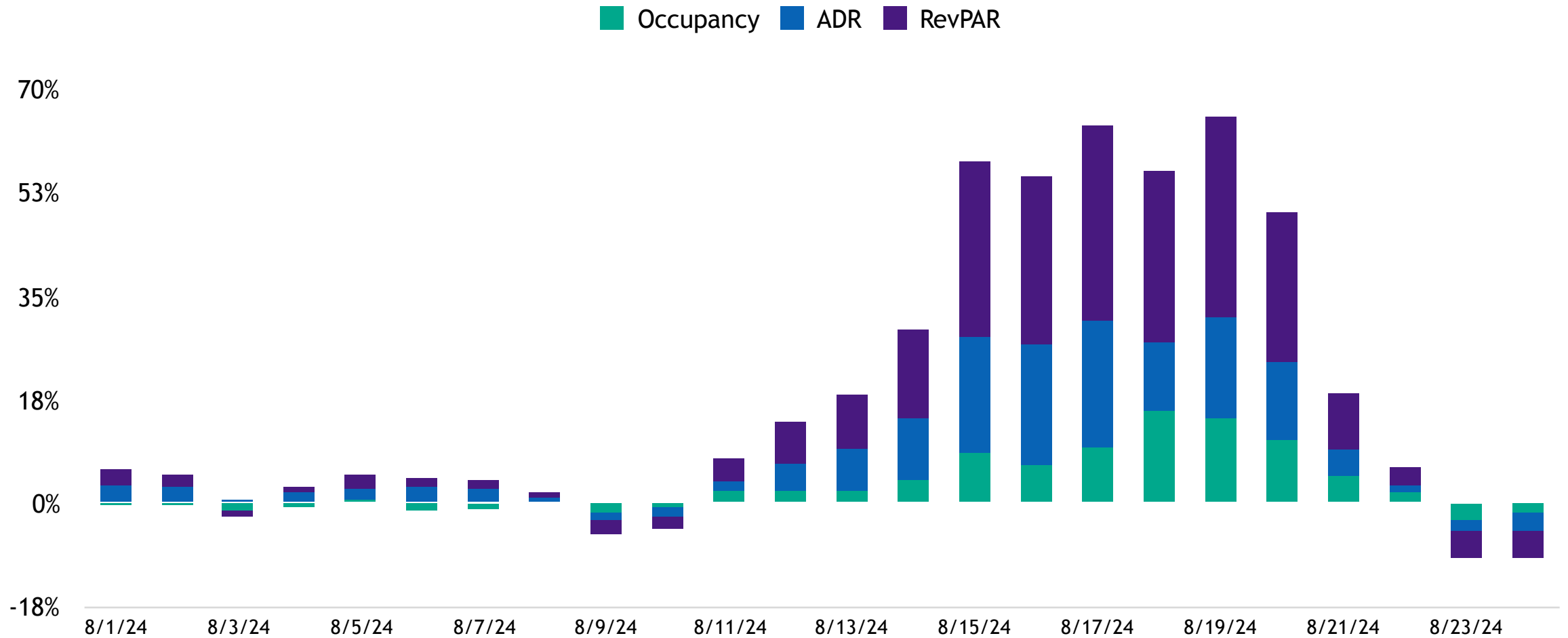
UK hoteliers: 'Events don't impact London'

London, KPI % chg. YoY, Jun 2024



Americans: 'Hold my friendship bracelets'

London, KPI % chg. YoY, Aug MTD 2024





Serviced Apartments



How are Serviced Apartments holding up?

UK Serviced Apartments vs Hotels KPIs Actuals FY2023 & % Change to FY2022



Serviced Apartments

80.8%

Occupancy

-3.3%

£158.23

ADR

+7.7%

£127.88

RevPAR

+11.3%



Overall industry incl. hotels

77.3%

Occupancy

+5.3%

£119.47

ADR

+8.7%

£92.35

RevPAR

+14.5%

Occupancy for Serviced Apartments just outpaced Hotels

London & Regional UK Occupancy Serviced Apartment & Hotels, Jul 2024 YTD



ADR for Serviced Apartments also outpaced Hotels

London & Regional UK ADR (LC) Serviced Apartment & Hotels, Jul 2024 YTD

London
Hotels:
191



Regional UK
Hotels:
91

London
Serviced
Apartments:
203



Regional UK
Serviced
Apartments:
112

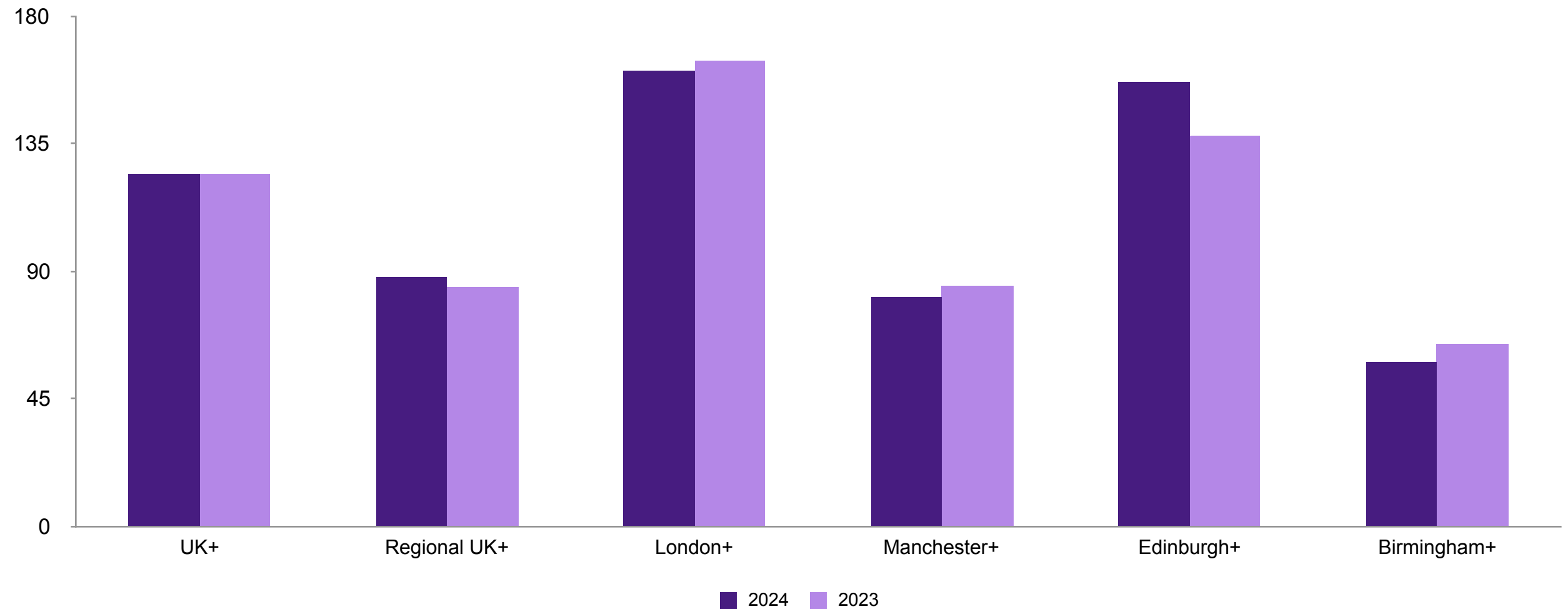
RevPAR for Serviced Apartments is still strong

London & Regional UK RevPAR (LC) Serviced Apartment & Hotels, Jul 2024 YTD



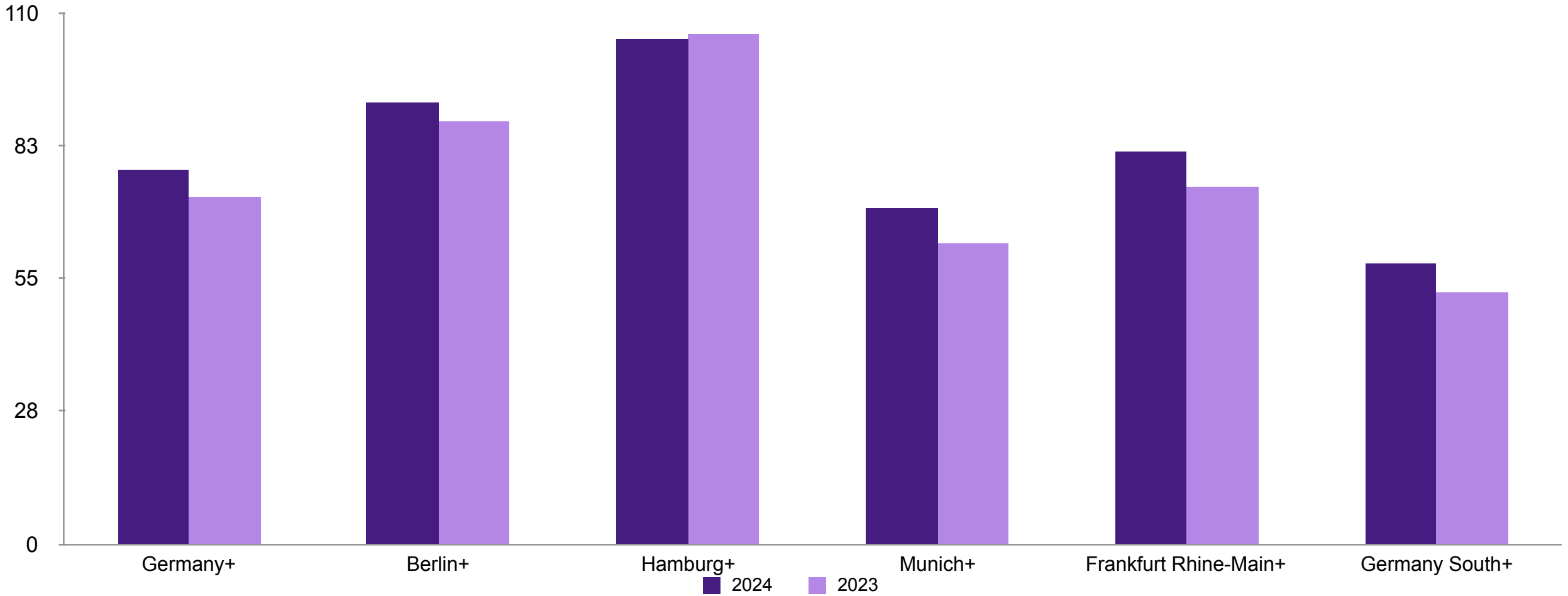
RevPAR growth in Serviced Apartments being driven by Regional UK

Selected UK Cities RevPAR (LC) July YTD 2024 vs July YTD 2023



RevPAR growth in Serviced Apartments being driven by Regional UK

Selected German Cities RevPAR (LC) July YTD 2024 vs July YTD 2023



What are the drivers for rate premium?

Geography
City Centre, Tier 1&2,
London centric



Class
Upscale and above



Size
Higher rate for extra
space
Hotel



Studio Apartment



1 Bedroom Apartment



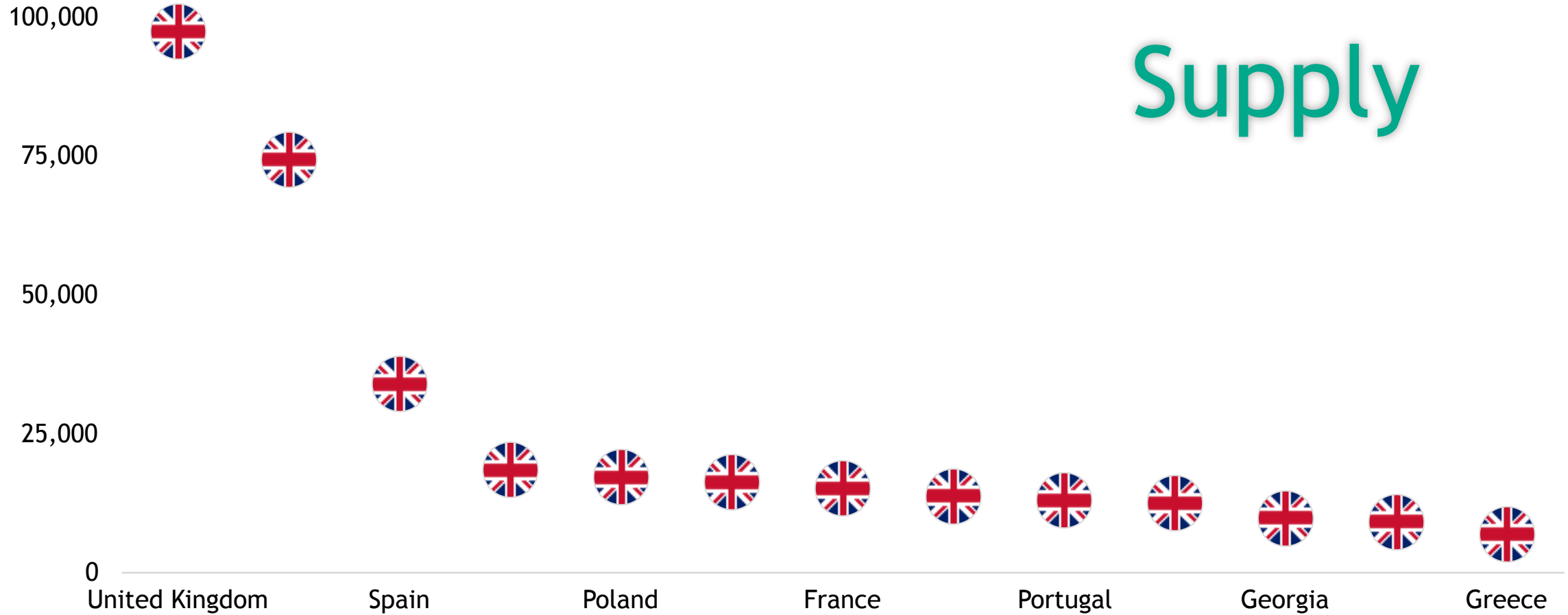


What to expect



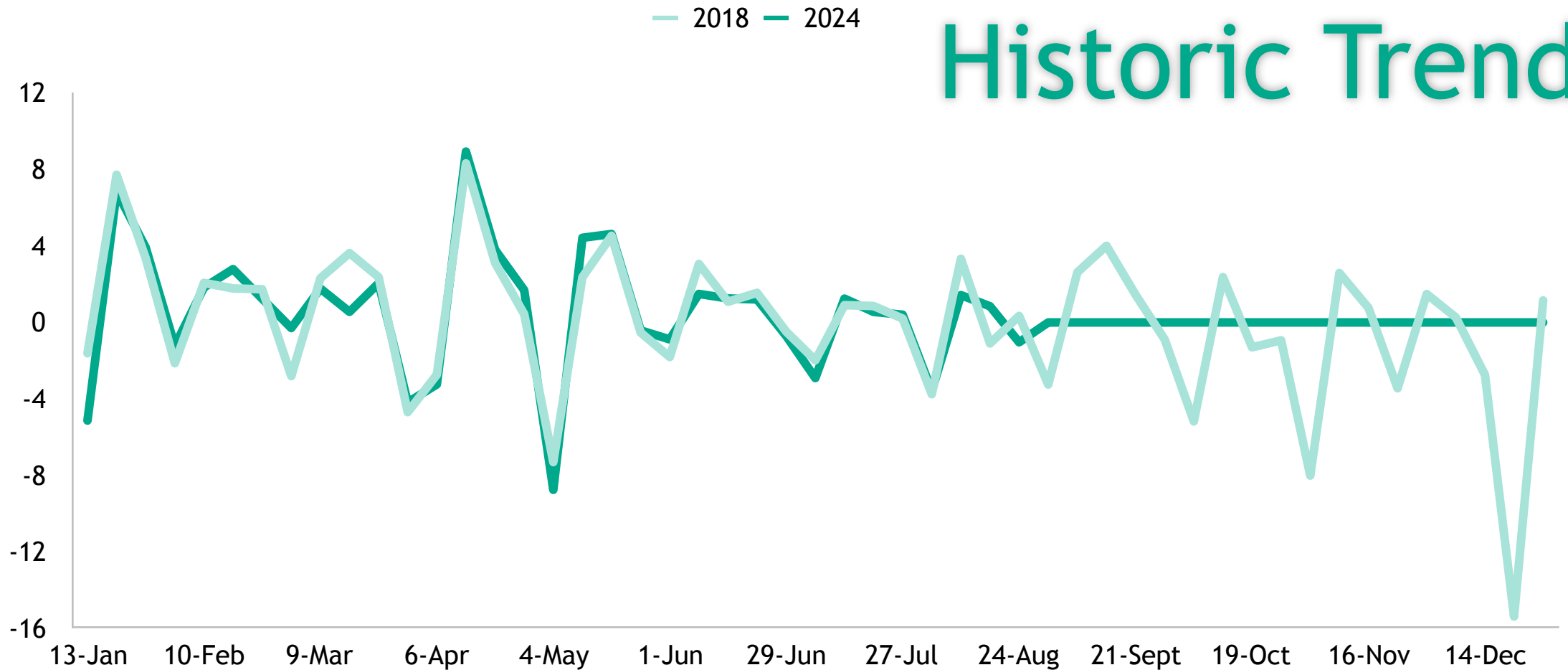
We know that supply will always be a factor to consider.

European countries, Rooms in the pipeline, July 2024



..and we know that occupancy patterns repeat themselves.

Europe, Occupancy week over week percentage point difference, 2018 and 2024

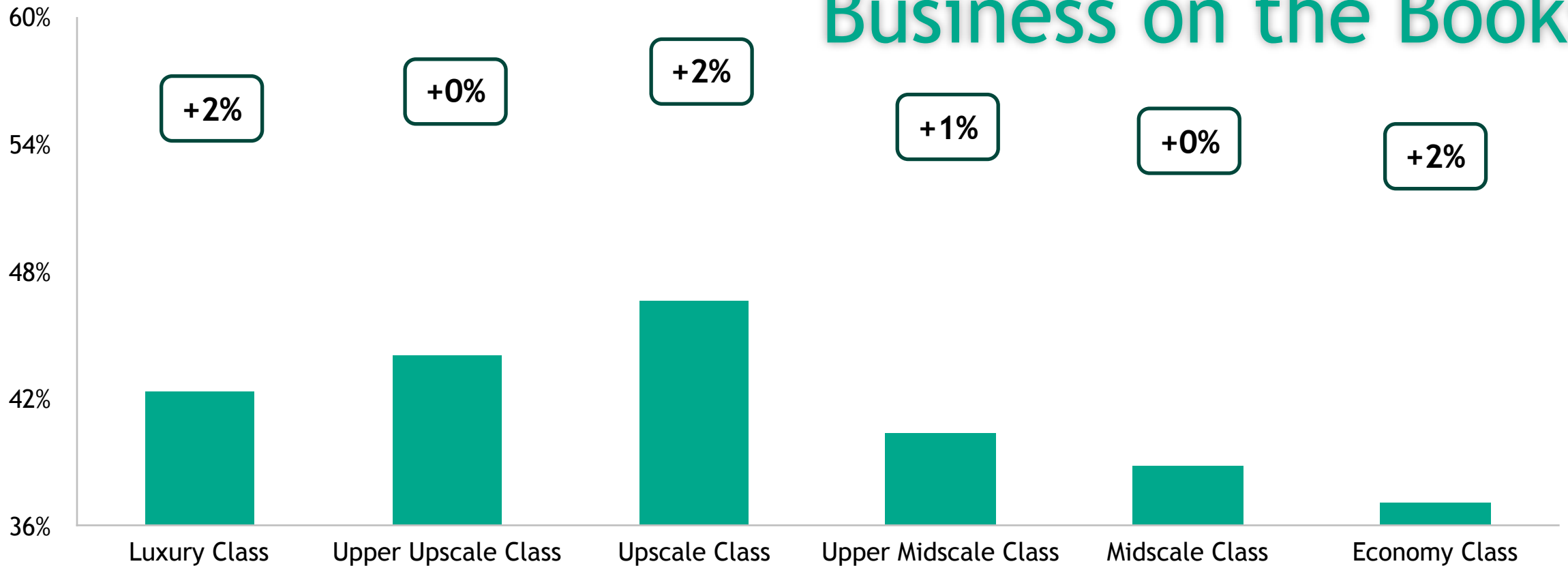


Future demand indicates what to expect.

Europe, Consistent sample, occupancy on the books next 90 days, as of 19 August 2024

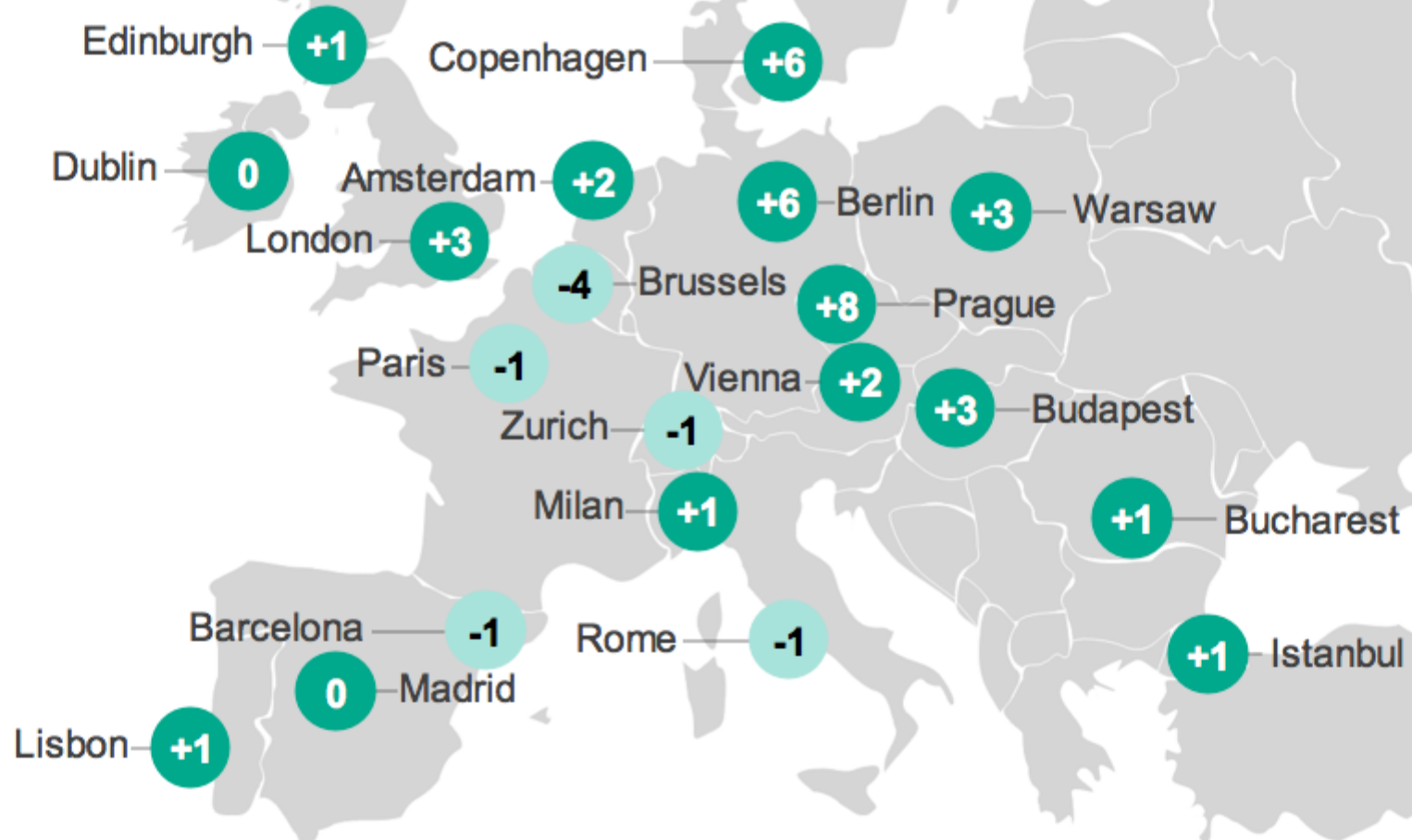
■ Occupancy on the books □ Ppts difference to 2023

Business on the Books



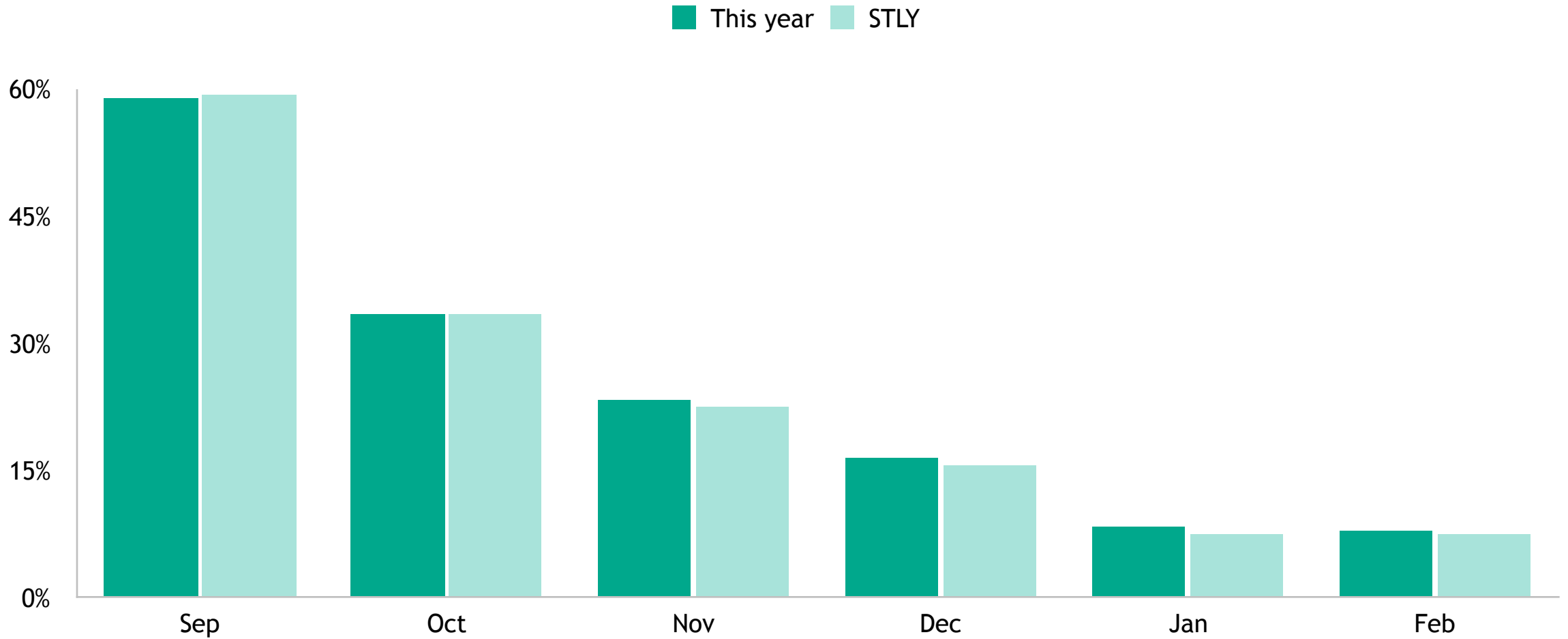
Occupancy on the books indicates continued growth patterns.

Occupancy on the books, percentage point change for next 90 days vs. STLY as of 19 Aug 2024



Looking forward demand is in line with last year...

Regional UK, occupancy on the books as of 2 Sep 2024



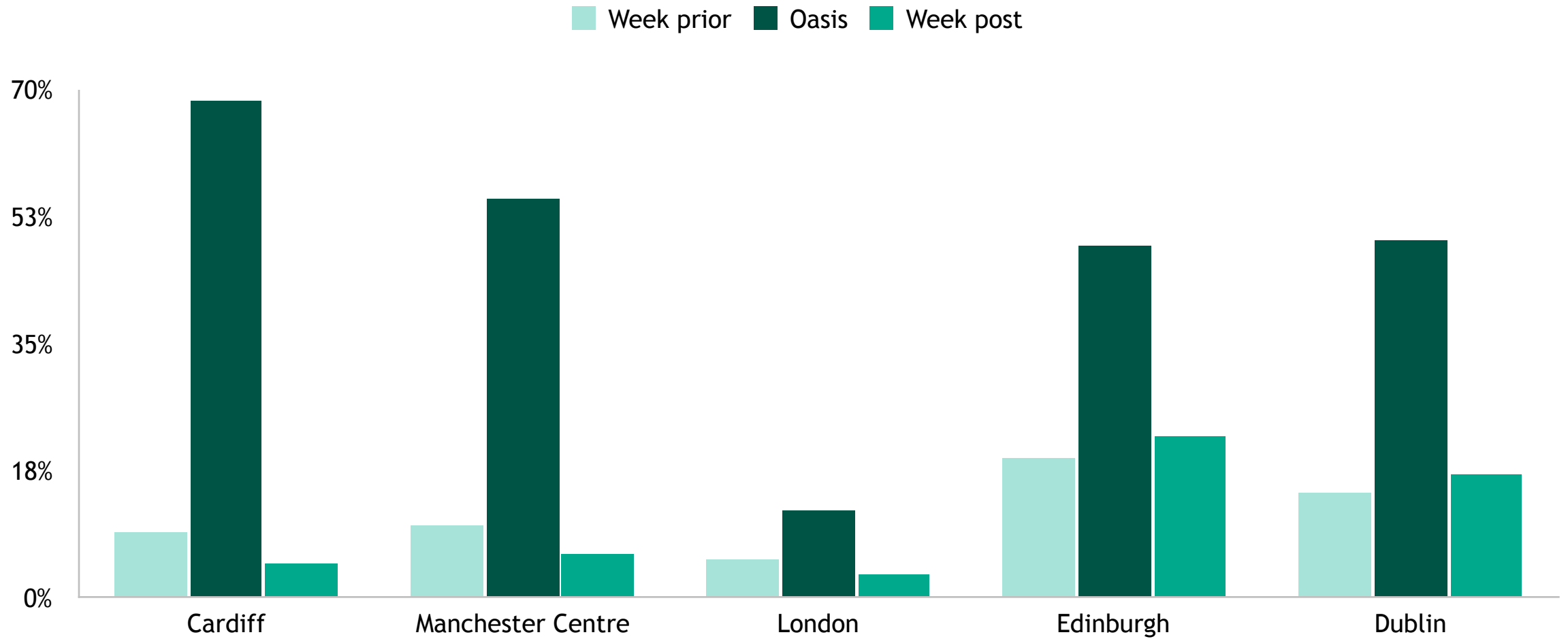
...And high occupancies will continue

Occupancy on the books, percentage point change for next 90 days vs. STLY as of 26 August 2024



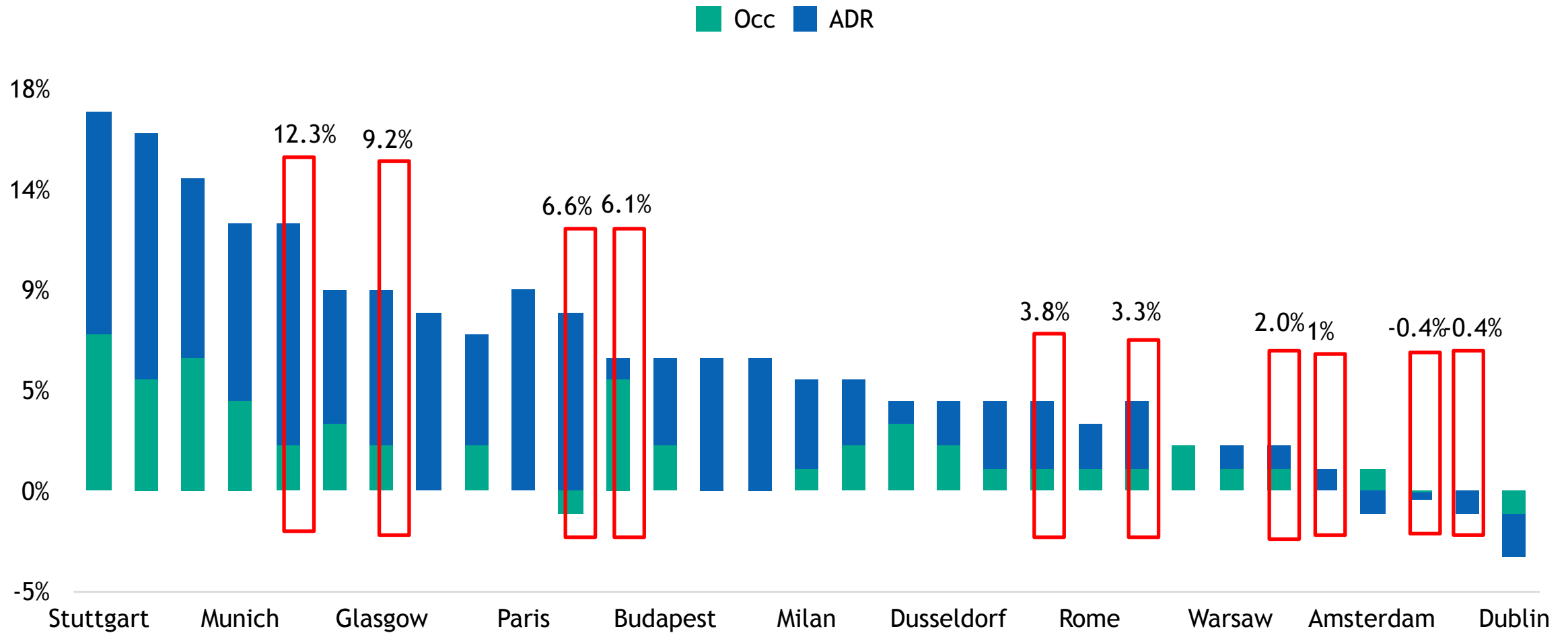
Supersonic summer '25

UK+I, occupancy on the books, Jul-Aug 2025



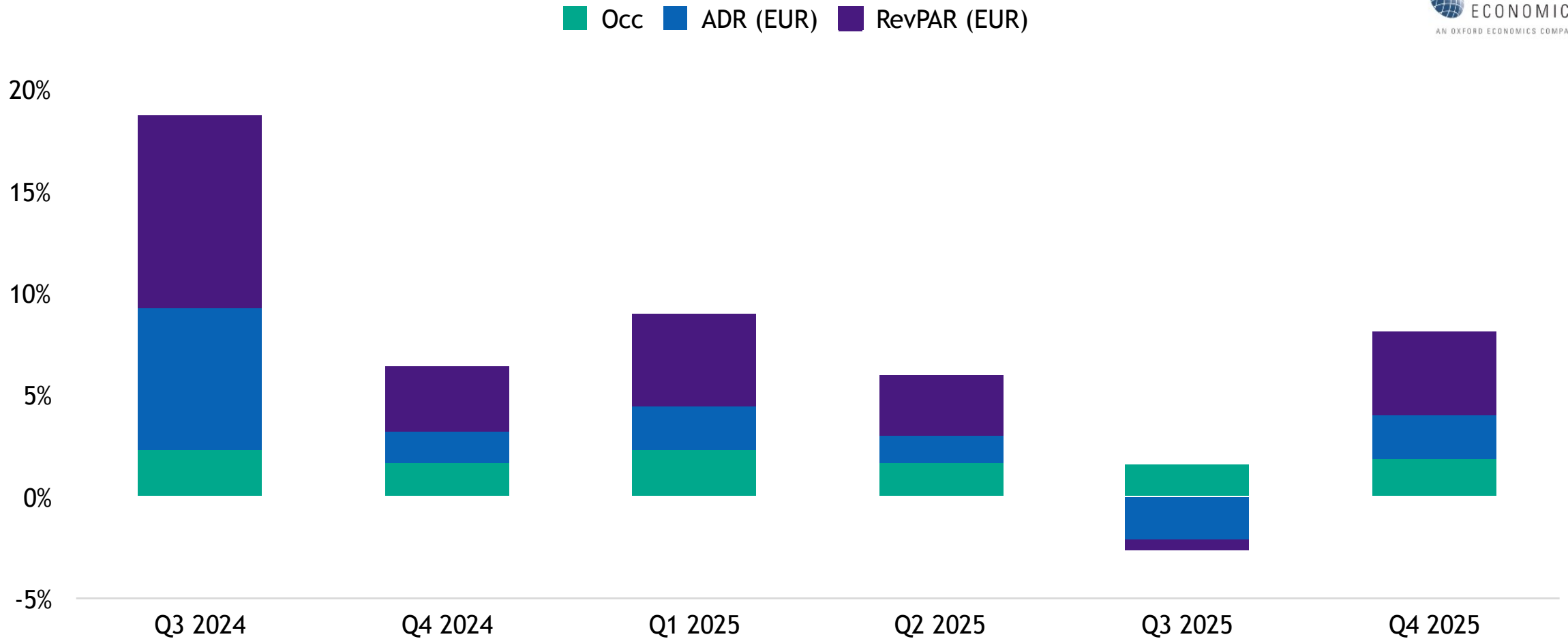
Forecasted markets largely driven by rate growth.

Forecast Markets, Occupancy and ADR % Chg., 2024 Forecast



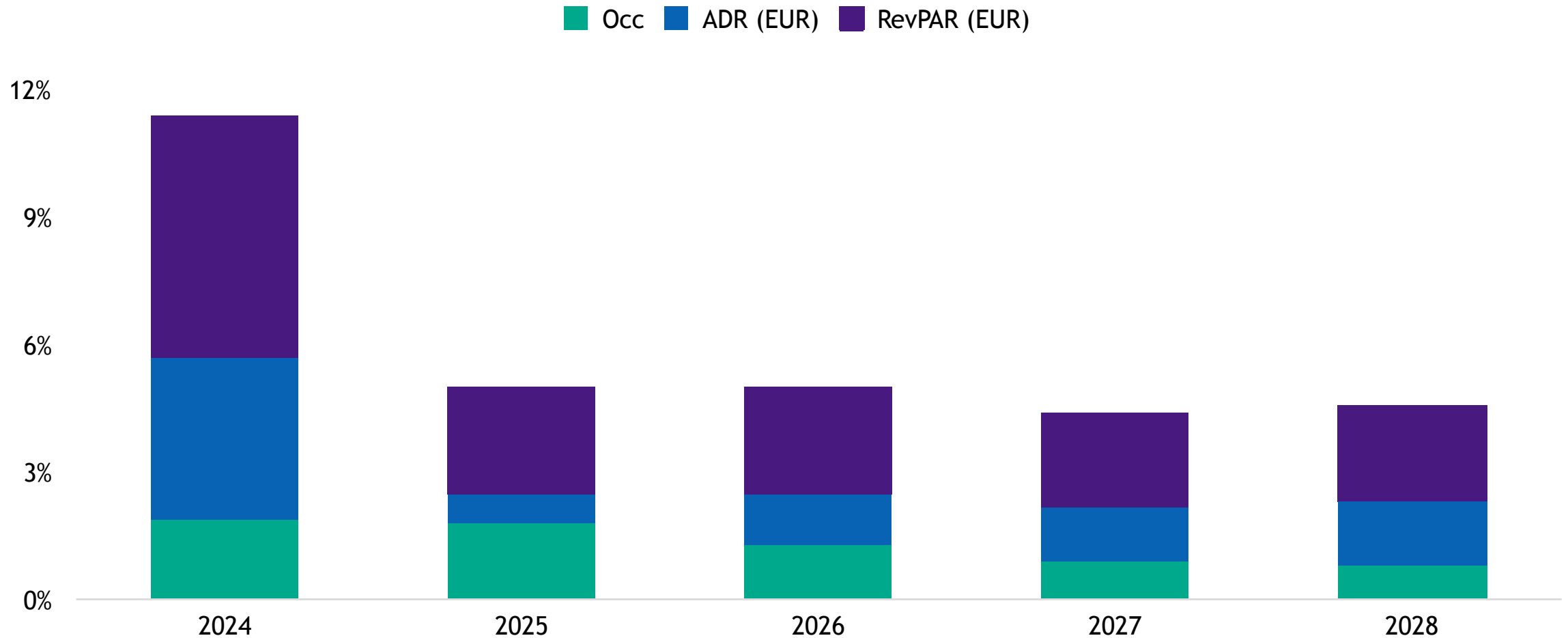
'Price sensitive' travel turns RevPAR composition on its head from Q4

European markets*, KPI YoY % change, Q3 2024 – Q4 2025 (August 2024 Release)



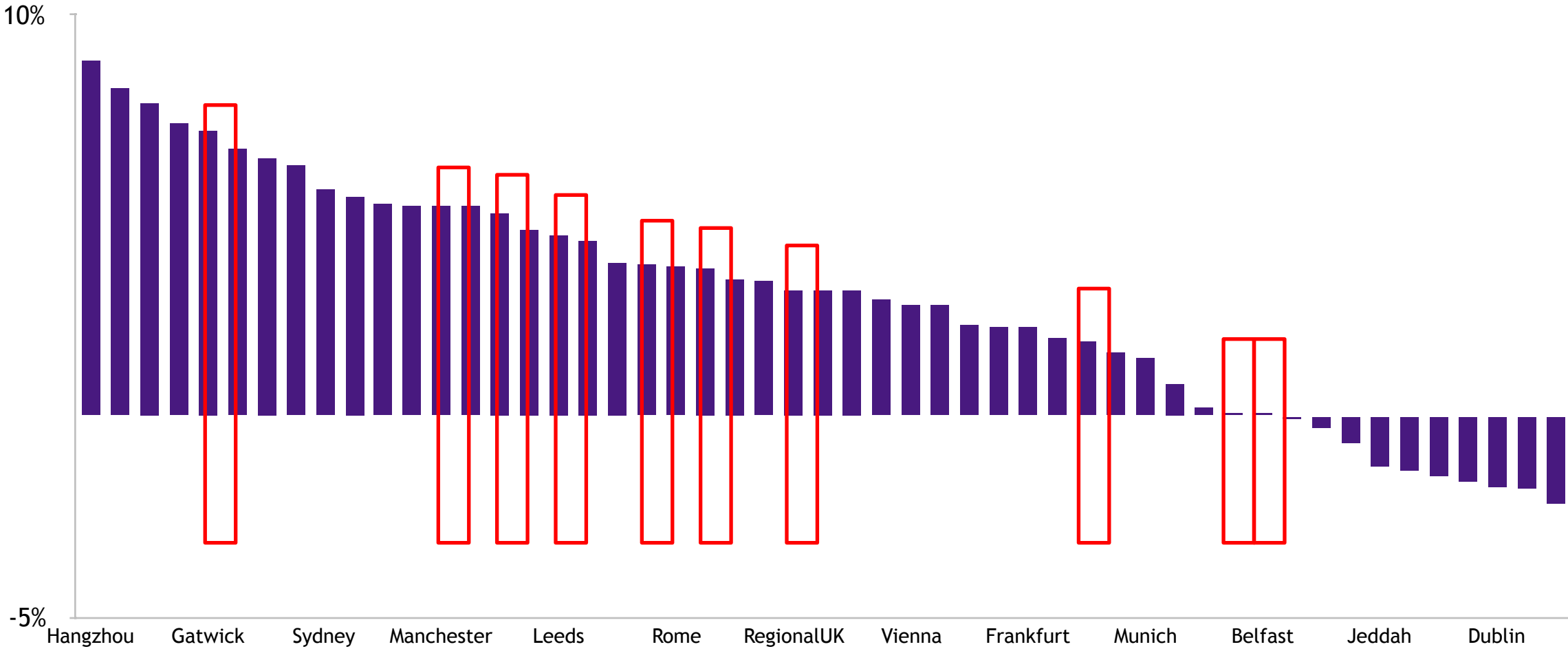
For the medium term, European RevPAR growth will be driven by Occupancy.

European markets*, KPI YoY % change, 2024-2028 (August 2024 Release)



Supply and event offsets causing declines in some markets.

2025 Forecast RevPAR (local currency), % change YoY



*Paris market is Luxury and Upper Upscale only

Key Takeaways.

Europe on track to surpass pre-pandemic levels in 2024, RevPAR up 5.7% on

Core inflation stable and ECB cut imminent, supports spending dynamics.

UK CPI at 2.2% YoY in July, but expectations for bank rate to remain at

Strong demand offers up an opportunity for ADR growth.

Events will drive demand and so too, will business travel (group and transient)



Thank you

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