

**Annual General Meeting
May 3rd 2018**



**2017 FULL YEAR RESULTS
DELIVERING OUR PROMISE**

Key Value Drivers

By focusing on our customers, our people, our brands and our growth strategy:

- We continue to outperform the market. RevPAR growth very strong in Dublin, Regional Ireland and UK during 2017
- We are delivering strong conversion with Segments EBITDAR margin increasing from 41.4% to 42.9%
- We are going to open a very strong pipeline of 980 additional rooms in Ireland and the UK during 2018
- We have secured a further pipeline of 1,100 rooms in the UK, opening from 2019 to 2021

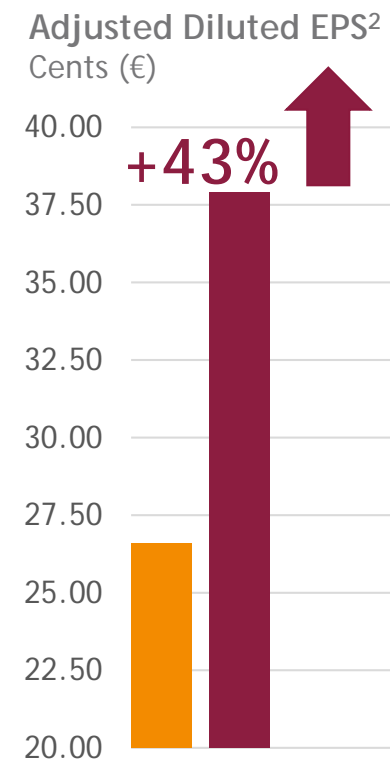
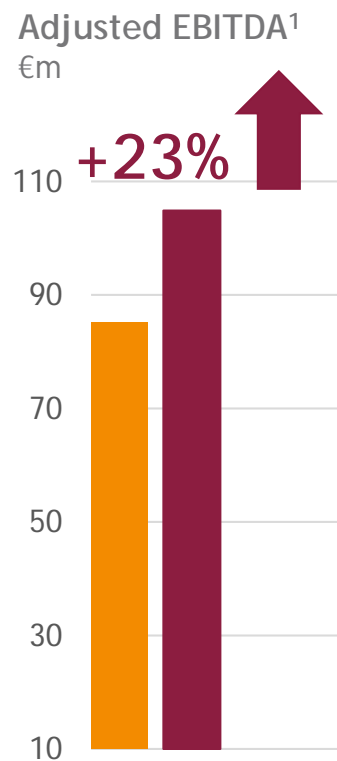
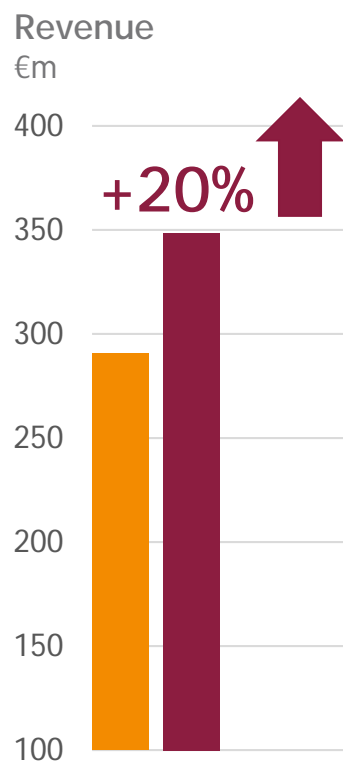
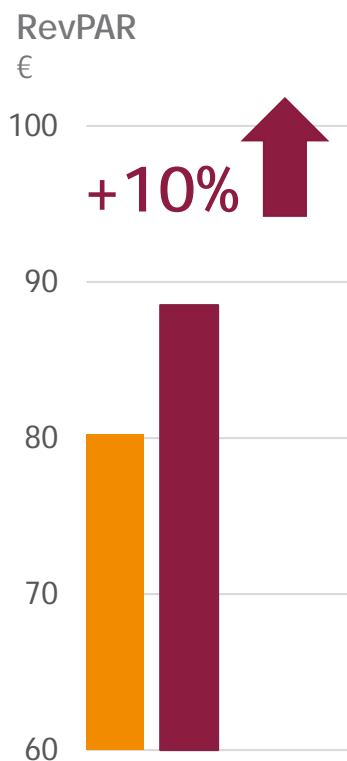
We continue to maintain a very healthy balance sheet to fund this growth



- Low level of gearing with Net Debt to Adjusted EBITDA of 2.4x
- Well located hotel assets with market value of close to €1 billion

2017 Full Year Results

Delivering Our Promise

Driving Sustained Strong Performance



 2016
 2017

1. Excludes revaluation movements, goodwill impairment and items considered by management to be non-recurring or unusual in nature. Acquisition costs have been excluded given the scale of acquisitions in 2016
2. Excludes the tax adjusted effects of revaluation movements, goodwill impairment and items considered by management to be non-recurring or unusual in nature

2017 Full Year Results

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Three Core Business Segments



Dublin

15 Hotels
3,992 Rooms
FY 2017 RevPAR: €99.00¹ (+11.0%)
RevPAR including Clayton Hotel Burlington Road: €101.21(+9.2%)

Group Revenue

58%

Segment EBITDA

61%

EBITDAR Margin

49%



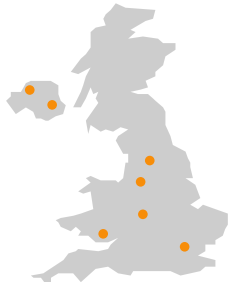
Regional Ireland

12 Hotels
1,643 Rooms
FY 2017 RevPAR: €69.45 (+9.1%)

22%

17%

28%



UK²

8 Hotels
1,731 Rooms
FY 2017 RevPAR: £66.64 (+9.6%)

20%

20%

39%

1. Clayton Hotel Burlington Road is excluded because its performance in the transitional period since its November 2016 acquisition has a disproportionate impact as a result of its size
2. EBITDAR margin excludes Croydon Park Hotel

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Very strong RevPAR performance in all markets but especially in Dublin and the UK



Source: Market data – STR; Trending.ie

* Clayton Hotel Burlington Road is excluded from the 'like for like' analysis because its performance in the transitional period since its November 2016 acquisition has a disproportionate impact as a result of its size. If Clayton Hotel Burlington Road was included, RevPAR increase for Dublin would be 9.2%

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Current Pipeline - Over 2,200 new rooms

Dublin

Property	New	Extension	Rooms	Planning	Construction	Completion
				<i>Granted</i>	<i>Started</i>	
3 New Hotels	x		188	x	x	Nov 2018
	x		138	x	x	June 2018
3 Extensions		x	31	x	x	Aug 2018
		x	106	x	x	May 2018
656 rooms		x	53	x	x	Dec 2018
	x		140	x		Q3 2020

Regional Ireland

Property	New	Extension	Rooms	Planning	Construction	Completion
				<i>Granted</i>	<i>Started</i>	
1 New Hotel	x		164	x	x	Dec 2018
1 Extension		x	63	x	x	June 2018
227 Rooms						

UK

Property	New	Extension	Rooms	Planning	Construction	Completion
				<i>Granted</i>	<i>Started</i>	
1 New Owned Hotel	x		237	x	x	Open 13th March 2018
4 New Leased Hotels	x		264	x	x	Feb 2019
	x		250			Q2 2020
1,351 Rooms	x		300			Q4 2020
	x		300			Q1 2021

**35 year operating lease*

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UK | Fragmented Market offering Structural Opportunity

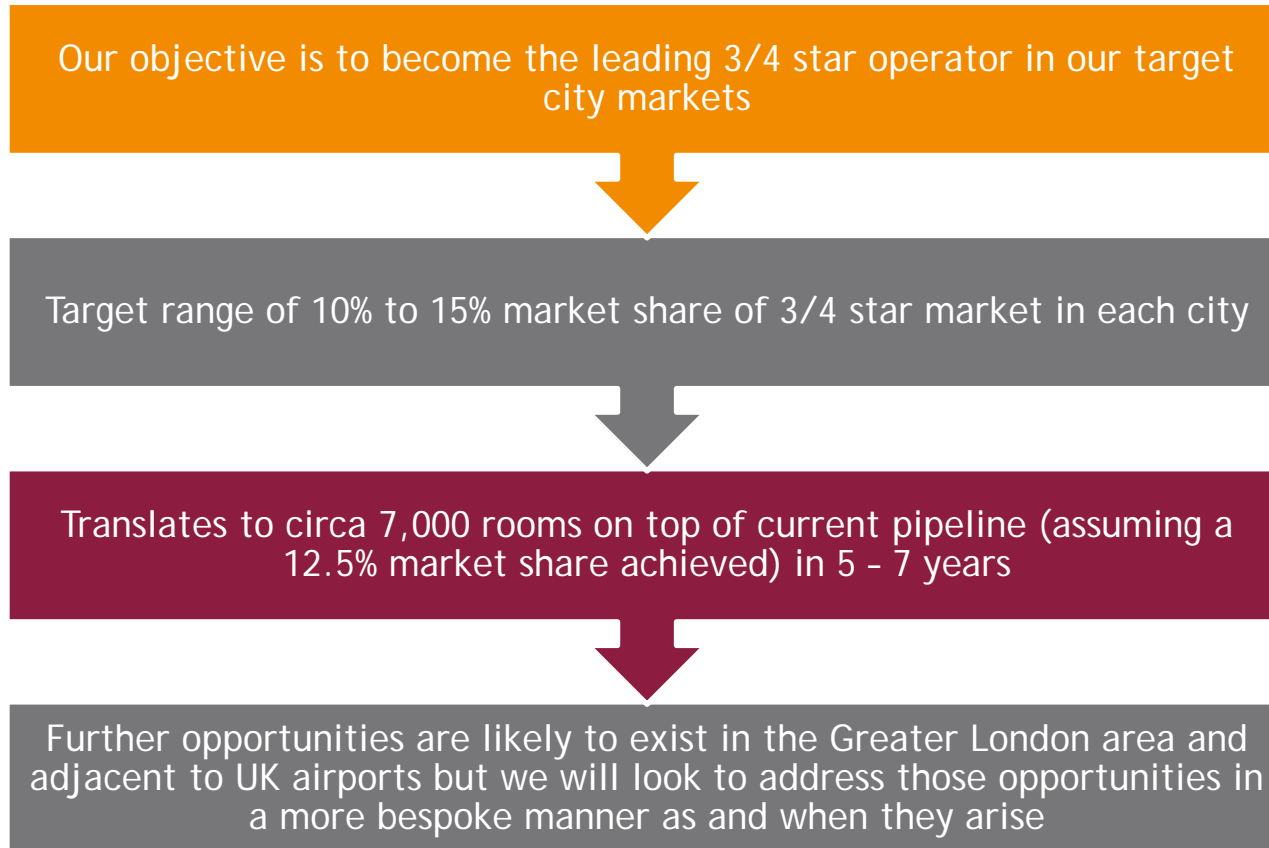
- We have identified 20 target cities in the UK which are suitable for Maldron and Clayton

- Large structural opportunity exists in the 3 & 4 star segments of these markets for a number of reasons:
 - International brands are increasingly evolving to a franchise model leaving a shortage of operators with any scale
 - Fragmented market in terms of:
 - Brands
 - Ownership
 - Operators

- The stock of 3 and 4 star hotels is considerably older than the age profile of the Budget sector with over 40% of the rooms over 40 years old

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2017 Full Year Results

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We want to know what our customers think

- Received and processed over 120,000 customer reviews
- Commissioned market research, getting views of 1,000 consumers on our brands, websites and products



We react to feedback

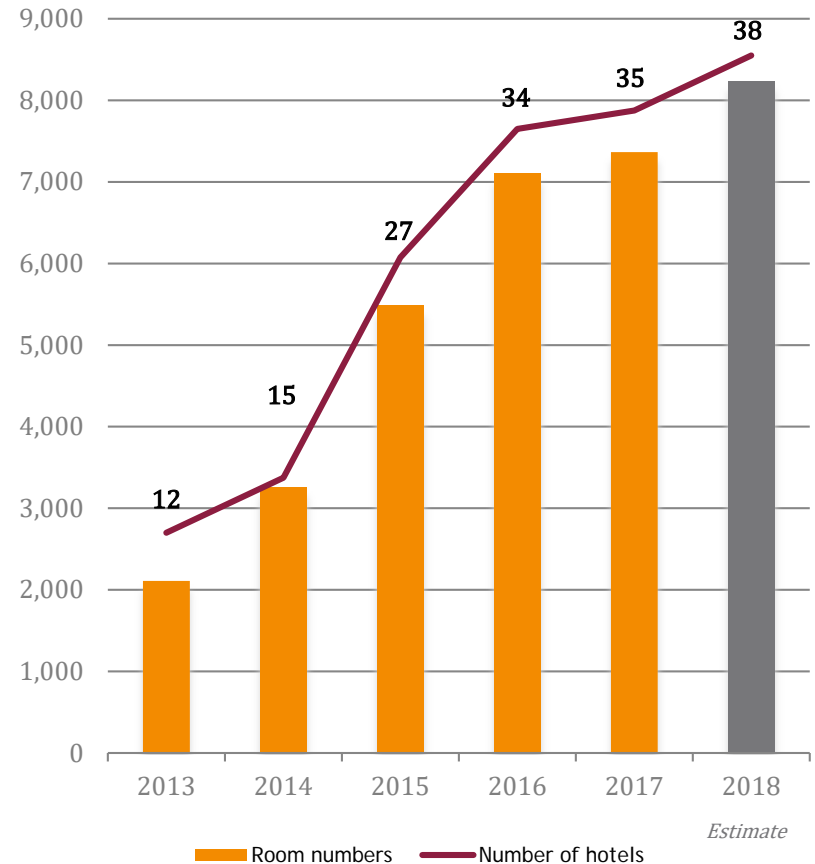
- Over €14.6 million invested in product refurbishment during 2017
- Over 2,200 rooms refurbished since 2015
- Brand websites redesigned to make booking journey easier
- Launch of '*Click on Clayton*' and '*Make it Maldron*'
- Training courses developed to address service weaknesses
- Technology introduced to aid us better serve our customer

Further progress achieved in 2017

- Purchased effective freehold interest of Maldron Hotel Portlaoise and 232 rooms at Clayton Hotel Cardiff Lane (both previously leased)
- Purchased 257 rooms in three separate transactions at Clayton Hotel Liffey Valley
- Secured lease to operate now rebranded Clayton Hotel Birmingham (174 rooms)
- Entered into agreements for lease for 3 new hotels (850 rooms) in Glasgow and Manchester
- Identified 20 target cities in the UK for Clayton and Maldron

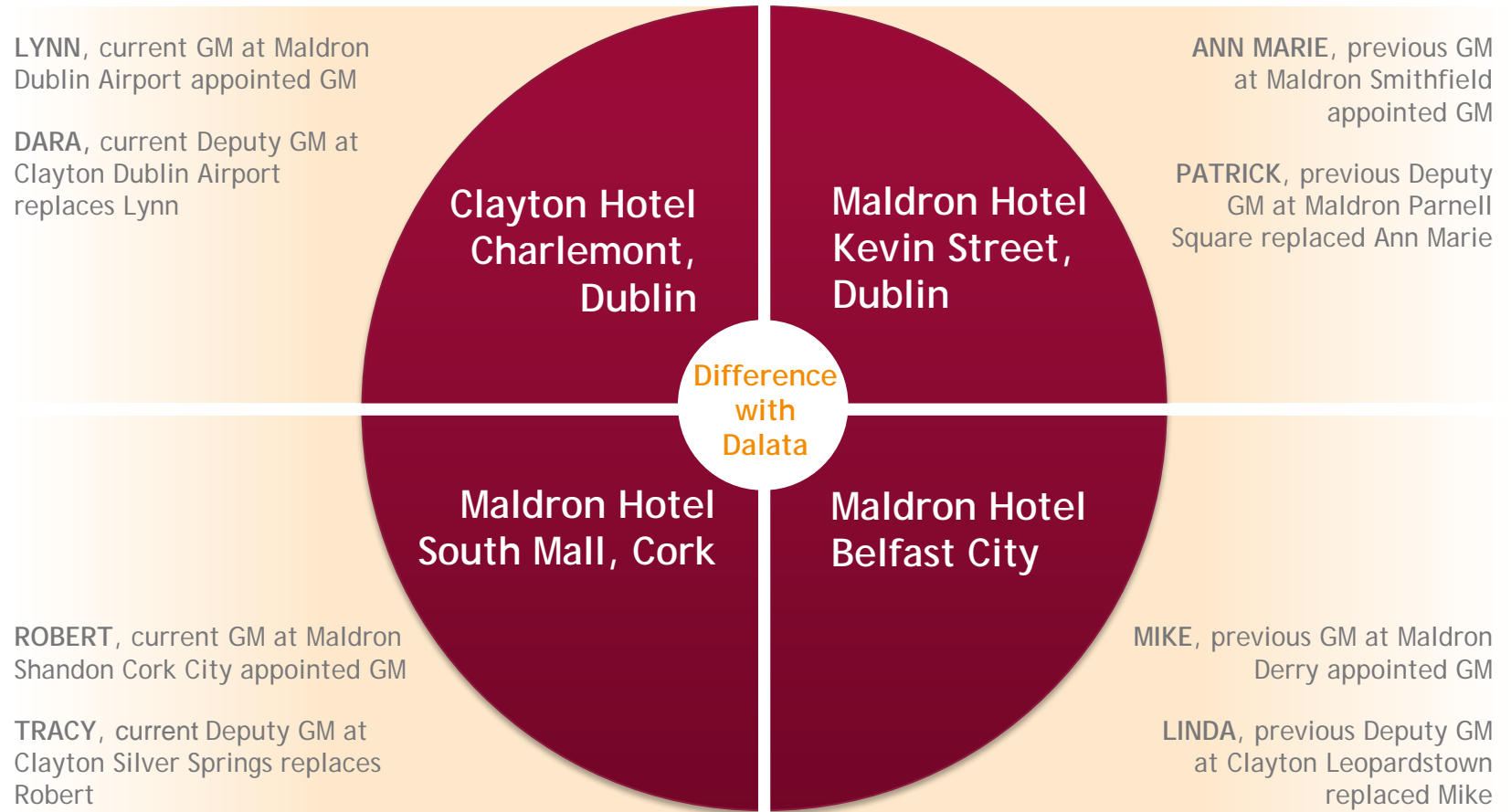
Targeting to announce 1,200 new rooms per annum

Owned and leased portfolio



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Our Brands



We own all our brands and are the sole operators to ensure consistency and control of standards



- Clayton and Maldron are Ireland's two largest hotel brands with a growing presence in the larger cities in the UK
- Club Vitae is the largest leisure centre brand in Ireland
- Red Bean Roastery Coffee brand has been rolled out to 16 hotels across the portfolio with another 18 hotels planned for 2018
- The first standalone Red Bean Roastery coffee shop was opened adjacent to Clayton Hotel Leopardstown in 2017 with another three planned at Clayton Hotel Cardiff Lane, Clayton Hotel Charlemont and Maldron Hotel South Mall
- Grain & Grill restaurant brand has now been rolled out at all our Maldron hotels

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Investing in Technology to deliver on our strategy

Background

- Dalata comprises primarily a portfolio of hotels acquired in multiple separate transactions since mid 2014
- There were multiple different systems platforms at the various hotels
- Alkimii human resources management system rolled out across the group in 2016

Project Evolve 2017/2018

- Objectives of project are to (i) streamline and consolidate processes, (ii) increase controls, (iii) deliver efficiencies and (iv) improve further management reporting
- There are three key components:
 - A single accounting platform Sage 200 was introduced across all units in July 2017
 - Procure Wizard, a new procurement system currently being implemented
 - Shared Service Centre has been established in Cork to manage routine administration work in a highly efficient manner supported by the new technology

Property Management Systems & Revenue Management

- Roll out of Opera Cloud PMS to non Opera PMS Hotels by end of Q1 2018, Opera Cloud to replace Opera at other hotels within the next 3 years
- Web based group database housed in Oracle's data centre
- Real time rates and inventory integration to all main distribution channels
- Implementation of IDEAS Revenue Management System to aid the Revenue manager in decision making by providing powerful analytics in selected hotels

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Thank You!