Year End Trading and Development Update

EBITDA in line with market expectations

ISE: DHG LSE: DAL

Dublin, 18 December 2018 | Dalata Hotel Group plc ("Dalata" or "the Company") is pleased to announce that trading in the final four months of the year has been as expected and EBITDA for the year ending 31 December 2018 will be in line with market expectations.

Market review

The Dublin market remained very strong in the second half of the year. On a 'like for like basis', RevPAR at our hotels grew by 8.8%[1] for the 11 months to the end of November versus the market growth of 7.4%[2]. 'Like for like' growth excludes hotels opened in 2018, the Tara Towers hotel which closed in September 2018 and hotels to which significant extensions were added.

Our regional Ireland portfolio also performed very well achieving a RevPAR increase of 5.3% for the 11 months to the end of November.

RevPAR at our UK hotels grew by 3.2%[1] for the 11 month period. Our UK regional hotels performed particularly well where we have outperformed the market in each city other than Leeds where we are marginally behind.

Development update

The final quarter of 2018 has been a busy time for Dalata with the opening of three new hotels. Clayton Hotel Charlemont in Dublin opened on 23 November, Maldron Hotel Newcastle opened on 4 December and the extension at Maldron Hotel Parnell Square, Dublin has been substantially completed. Maldron Hotel South Mall in Cork will open later this week.

We continue to make good progress on our development pipeline of over 2,100 rooms across the UK and Ireland:

- We are very close to completing the acquisition of Clayton Hotel City of London. This hotel is scheduled to open towards the end of January 2019
- Demolition work at the Clayton Hotel Manchester site is almost complete with construction starting in Q1 2019
- Construction of Maldron Hotel Merrion Road, Dublin and the residential units will commence in Q1 2019
- Planning permission has been received for Clayton Hotel Glasgow with construction expected to start in Q1 2019
- Formal planning applications have been lodged for Maldron Hotel Glasgow, Clayton Hotel Bristol and Maldron Hotel Birmingham
- A formal planning application for Maldron Hotel Manchester is expected to be submitted in Q1 2019

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[1] RevPAR growth is stated on a 'like for like' basis and excludes the new hotels opened during 2018 and the Tara Towers Hotel which closed in September 2018. In Dublin, Clayton Hotel Dublin Airport is also excluded due to the significant extension completed during 2018

[2] Based on provisional figures from STR for the 11 month period ended 30 November 2018

New finance package update

As announced on 5 November, Dalata agreed a new €525 million debt facility, comprising a multi-currency term loan facility of €200 million and a multi-currency revolving credit facility of €325 million, with a five-year term expiring in October 2023. These new facilities will help support the continued growth of the business, reduce financing costs as well as extending the maturity of our debt. The Group's weighted average cost of debt is expected to be in the range of 2.6% to 2.9% for 2019.

Dermot Crowley, Deputy CEO – Business Development & Finance, said:

"*2018 was earmarked as a year in which we would complete a substantial number of rooms, I am delighted that we have delivered these projects on time and within budget. We have opened two new hotels in Dublin and a new hotel in each of Belfast and Newcastle. We will open Maldron Hotel South Mall in Cork later this week. Early trading indications are very positive. As an example, Maldron Hotel Kevin Street in Dublin opened in July and achieved occupancy levels of over 90% in each of September and October. We also completed significant extensions at three of our Dublin hotels and one of our Galway hotels. We look forward to the opening of our new Clayton Hotel City of London in January 2019.*

We note the ongoing uncertainty surrounding the final outcome of Brexit. To date, we have seen no negative impact on trading in any of our hotels in the UK or Ireland. We did deem it prudent to complete our refinancing package earlier than originally planned and are now happy to have debt funding in place until at least late 2023, on improved terms. The positive trading impact of hotels opened during 2018 will be significant on a full year basis in 2019 which in turn will reduce our Net Debt to EBITDA ratio as we go through next year".

ENDS

About Dalata

Dalata Hotel Group plc was founded in August 2007 and listed as a plc in March 2014. Dalata has a strategy of owning or leasing its hotels and also has a small number of management contracts. The Group's portfolio consists of 29 owned hotels, ten leased hotels and three management contracts with a total of 8,834 bedrooms. In addition to this, the Group is currently developing eight new hotels with a total of 2,133 bedrooms and these will open over the next three years. This will bring the total number of bedrooms in Dalata to almost 11,000. The numbers employed in Dalata is now close to 5,000. For the half year 2018, Dalata reported revenue of €180.6 million and a profit after tax of €30.5 million. Dalata is listed on the Main Market of the Euronext Dublin (DHG) and the London Stock Exchange (DAL).

For further information visit: www.dalatahotelgroup.com

Contacts

Dalata Hotel Group plc Tel +353 1 206 9400
Pat McCann, CEO investorrelations@dalatahotelgroup.com
Dermot Crowley, Deputy CEO,
Business Development & Finance
Sean McKeon, Company Secretary and
Head of Risk and Compliance

Joint Company Brokers
Davy: Anthony Farrell Tel +353 1 679 6363
Berenberg: Ben Wright Tel +44 20 3753 3069

Investor Relations and PR | FTI Consulting Tel +353 86 401 5250
Melanie Farrell dalata@fticonsulting.com