

# 2024 AGM CEO Presentation



**Record  
revenue  
performance**

**+18%**

Revenue  
growth vs  
2022

**Margin  
ahead of  
2022, in line  
with 2019**

**42.3%**

LFL Hotel  
EBITDAR  
margin

**Delivered  
strategic  
growth**

(London, Amsterdam and  
Edinburgh)

**€156m**

Capital  
deployed

**Strong cash  
generation  
supporting  
future growth**

**€133m**

Free Cashflow

'Like for like' Hotel EBITDAR outperformed 2022 across all regions

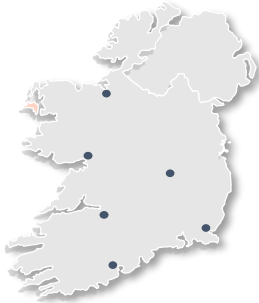
Using innovation to protect or enhance profitability and customer and employee experience



## Dublin

# 48% margin

(+360bps excluding 2022 Covid supports)



## Regional Ireland

# 33% margin

(+590bps excluding 2022 Covid supports)



## United Kingdom

# 39% margin

(+260bps excluding 2022 Covid supports)

## Accommodation efficiency project

### Dalata Signature Range

#### Productivity increase

10% decrease in hours worked in accommodation and F&B departments in H2 2023 vs H2 2022 on a LFL<sup>1</sup> basis despite similar business levels

#### Reducing cost

LFL<sup>1</sup> Hotel payroll cost for H2 2023 in line with H2 2022 despite pay rate increases of 4.0% - 6.5% (2024: 3.5% - 10%)

#### Enhanced employee experience

Increased employee engagement scores amongst room attendants and chefs

#### High quality guest experience

Uplift in food and room cleanliness customer sentiment scores versus 2022

#### Further projects ongoing in 2024

*Retender of food contracts, roll out of new upselling tool, check-in pods, consolidation of social media management, QR codes at F&B outlets*

## Constantly evaluating capital allocation choices

Maintain and enhance  
existing portfolio

**€26m**

Refurbishment capital  
expenditure paid

Continue to invest in new  
hotel opportunities

**€156m**

Capital deployed on  
hotel additions

Pay and grow dividend  
through progressive policy

**€27m**

Total 2023 dividend

## Asset backed balance sheet, low gearing

Well located hotel assets of **€1.7bn** (73% in Dublin and London)

Net Debt to EBITDA after rent **1.3x**

**€0.5bn** property valuation uplift since IPO<sup>1</sup>

Balance Sheet NAV per share of **€6.23**

## High quality, long term leases

Asset backed covenant helps secure leases at attractive terms

Weighted average lease life remaining of **29.5 years**

Rent cover **1.8x** in 2023

**€156m** 2023 Hotel EBITDAR from owned portfolio

**€42m** Hotel EBITDA (after rent) from leased portfolio

## Strengthening portfolio - pipeline of over 1,500 rooms

Two **owned** hotels in London and Edinburgh

(324 rooms)

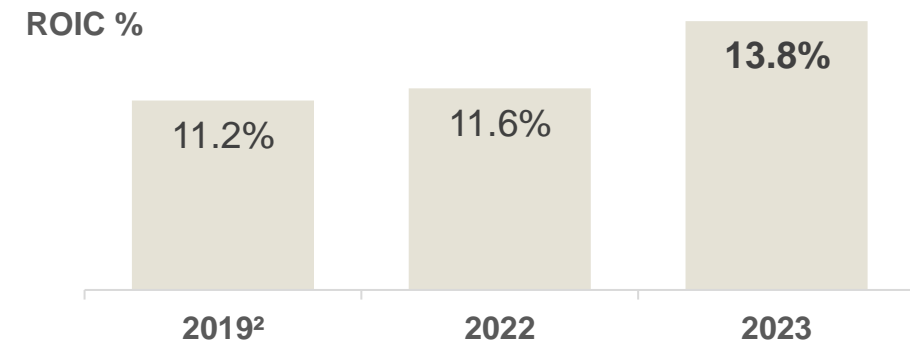
Adding three **leased** hotels in regional UK and one in Dublin

(877 rooms)

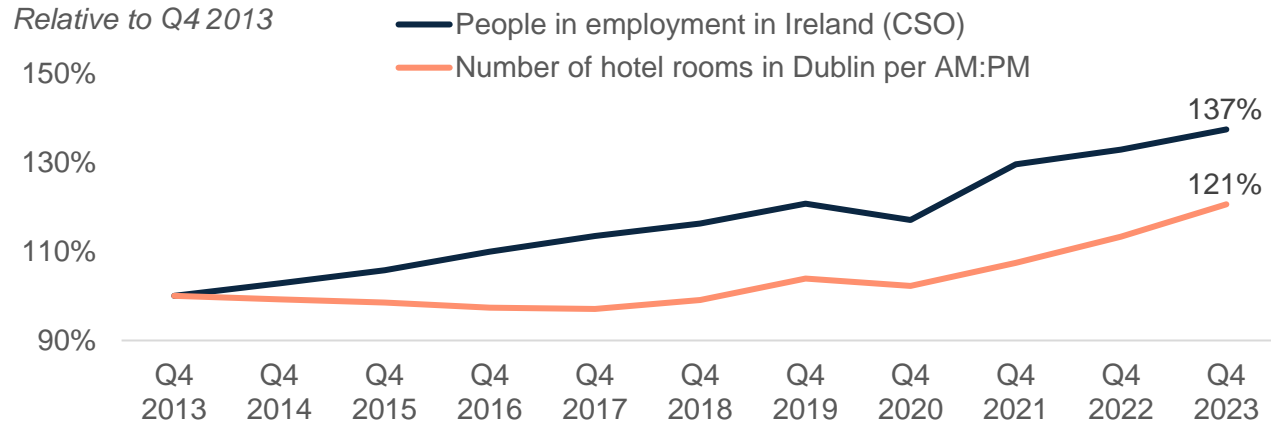
Two large **extensions** to existing hotels (Dublin and Manchester)

(333 rooms)

## 13.8% Normalised Return on Invested Capital in 2023



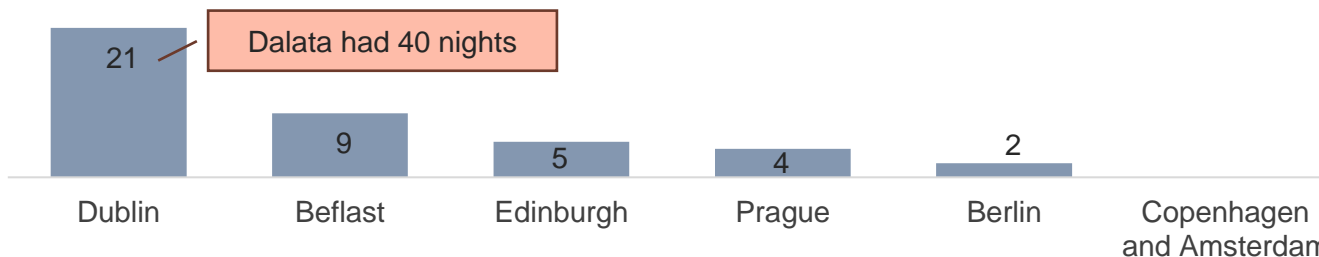
## Additional hotel supply but also growing levels of employment encouraging domestic demand



Failte Ireland reporting domestic tourism at new peak levels with overseas demand on track to return to pre-COVID levels. 2023 air capacity at 103% of 2019 levels

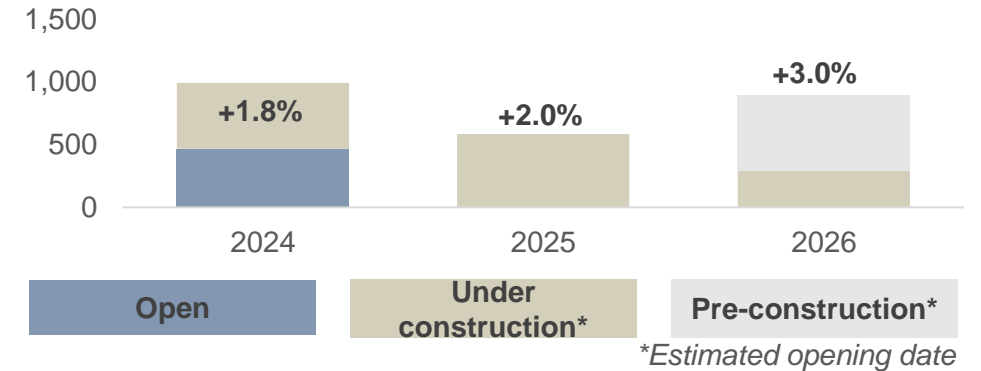
## Dublin had more compression nights (occupancy over 95%) than peer countries in 2023 high season showing very high demand

Compression nights May – August 2023<sup>1</sup>



## Savills forecasting slowdown in new supply in Dublin (approx. 2k rooms)

Current market size of c. 29k rooms (AM:PM April 2024)



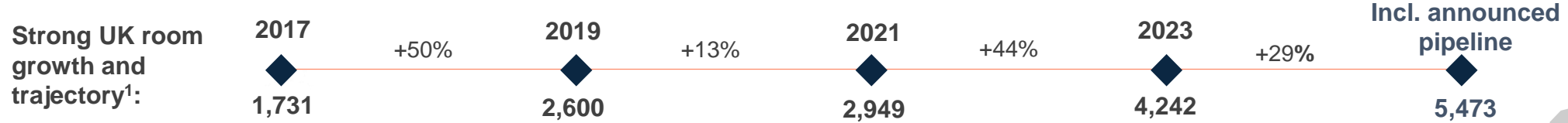
### Barriers to entry for new supply

- Higher construction costs and interest rates hindering hotel developments
- Challenging to secure planning permission

### Airbnb in Dublin

- Short-term letting restrictions expected to be introduced summer 2024
- Failte Ireland estimate c. 2,500 short-term let properties will no longer be available for use by tourists

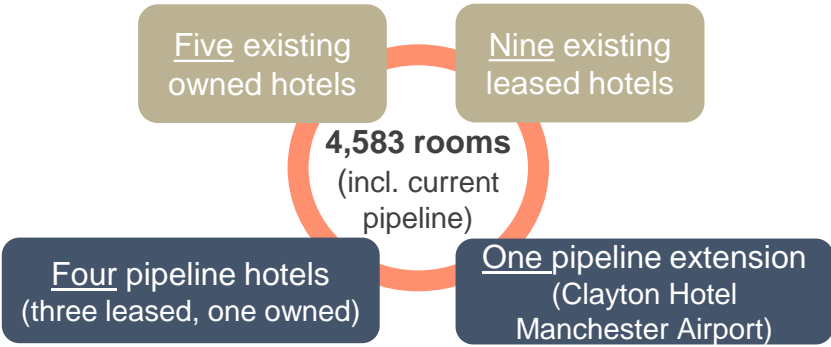
# EXCITING PLANS FOR FURTHER UK GROWTH



## Regional UK

**Strategy:** Key four-star market player across targeted cities which have a strong RevPAR and mix of corporate and leisure demand

### Portfolio:

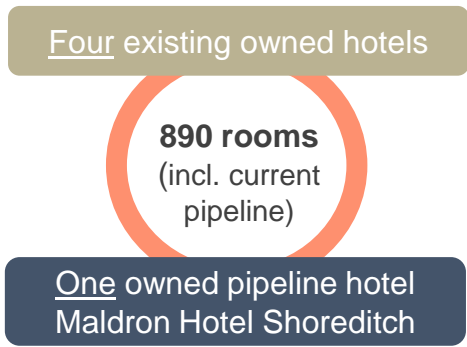


**Ambition:** Potential to add a further 5k rooms (approx.) in Regional UK over time, growing portfolio to over 9.5k rooms

## London

**Strategy:** Continue to source opportunities in a very commercially attractive city

### Portfolio:



**Ambition:** Strong appetite for London. Market size highlights significant opportunity, however, patience and discipline required



Progress to date



Clayton Hotel Düsseldorf staff celebrate the Clayton rebrand

## How we succeed operationally

- Prime locations in attractive cities – where we operate best
- Decentralised model with full management team on the ground
- Install onboarding teams with support from existing central office structures
- Leveraging strong international B2B relationships from existing brands – e.g. GDS booking agents, OTAs and airlines

## Strategy

- Targeting locations in large European cities with attractive market dynamics and strong corporate and leisure mix
- Primarily leased focus with consideration given to opportunistic acquisitions
- Leveraging strong counterparty relationships which provide opportunities
- Continued disciplined approach



## Strong sustainability ambition for new hotel developments

Building conversion opportunity acquired at St. Andrew Square Edinburgh in Oct 2023



- Planning granted to convert existing office space to 167-bedroom hotel
- Will be one of our first hotels to be designed with **zero on-site carbon emissions**
- Conversion scheme designed with approx. **70% lower embodied carbon**<sup>1</sup> compared with a hypothetical new build structure<sup>3</sup>
- **Designed with 200% biodiversity gain** through creating a network of environmental roofs, with additional planting and bird boxes<sup>3</sup>

## Continued advancements to existing portfolio

27% reduction in Scope 1 and Scope 2 carbon emissions per room sold in 2023 versus 2019

Moving forward with **onsite electricity generation** across portfolio and examining opportunities for **offsite green energy procurement**

MSCI  
ESG RATINGS



CCC B BB BBB A AA AAA

RATING ACTION DATE: August 18, 2023  
LAST REPORT UPDATE: February 21, 2024

Green  
Tourism



SUSTAINALYTICS

a Morningstar company

Feb-24

Aug-23

Feb-23

Rank<sup>2</sup>

11/130

12/127

20/125

Percentile<sup>2</sup>

9th

10<sup>th</sup>

16th



DISCLOSURE INSIGHT ACTION

2023: 'B' score

CSRD

Mandatory compliance to EU's Corporate Sustainability Reporting Directive to commence from Jan 2024

<sup>1</sup> A1-A5 and tCO2e

<sup>2</sup> Within the Travel, Lodging and Amusement subindustry

<sup>3</sup> As estimated by external consultants

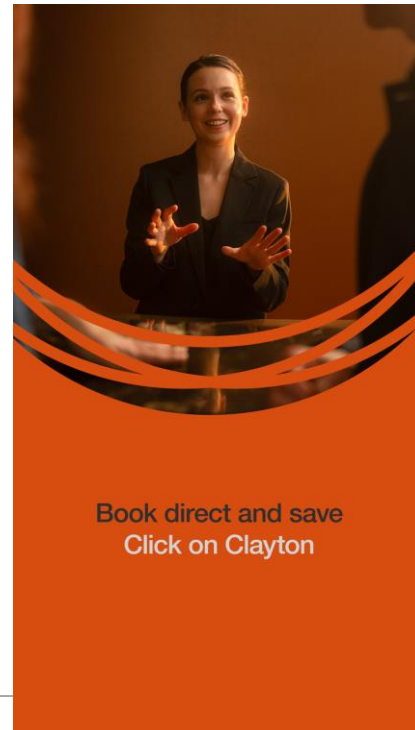
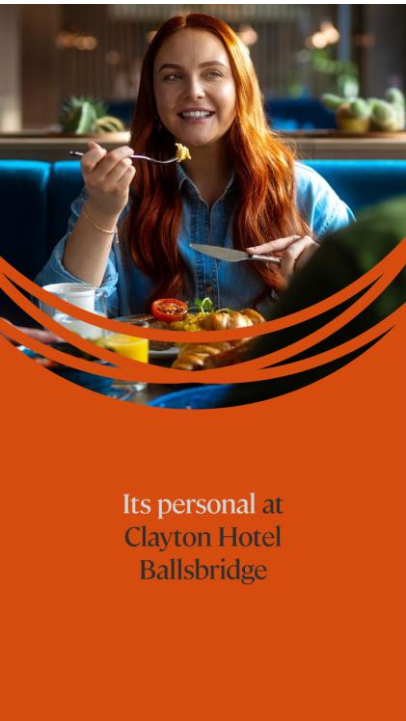
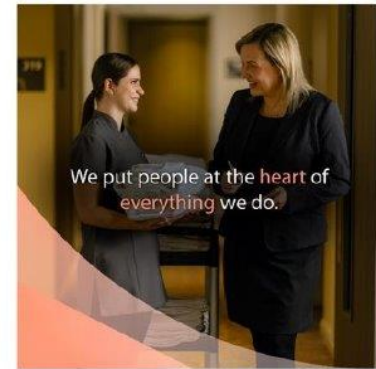


Individuality and charm lifts everyone's day so we know "**Dalata is the heart of hospitality**". Dalata is a Different Way, A Better Way. At Dalata we instinctively understand that hospitality is all about people and we deliver our signature brand of hospitality with heart on a daily basis.

At Clayton Hotels "**it's personal**" because our unique blend of personable hospitality shines through.

At Maldron Hotels "**it starts here**" because we're the base camp for life's epic experiences.

# REFRESH IN ACTION



## 2024 has commenced with good performance for UK portfolio despite lower levels of trade in Ireland

- UK portfolio expected to achieve modest RevPAR growth on January – April 2023
- Continue to see healthy levels of corporate demand across all regions
- Dublin market continues to digest the impact of the new supply but trade improved during March compared to January and February
- Irish performance impacted by timing and nature of events compared to 2023 (such as US President visit in April 2023) and increased VAT rate from September 2023
- LFL Group RevPAR expected to be 4% behind January – April 2023

## Remain optimistic in outlook for remainder of the year

- Strong flight schedules, calendar of events and forward bookings for May/June
- Supported by maturity benefit from 2022/2023 openings, impact from 2024 openings and brand refreshes

## Strongly positioned to respond to challenges and take advantage of opportunities

- Continue to monitor macro-economic and geopolitical backdrop – encouraged by prospects for both Ireland and the UK
- Proactively addressing wage inflationary pressures through ability to innovate and drive efficiencies
- Proven business model with strong Free Cashflow generation and robust financial position

## Delivering shareholder value

- Disciplined execution of ambitious growth strategy with over 1,500 pipeline rooms – Four UK hotels (834 rooms) scheduled to open in the summer months
- Actively seeking further opportunities, with considerable firepower potential for further growth