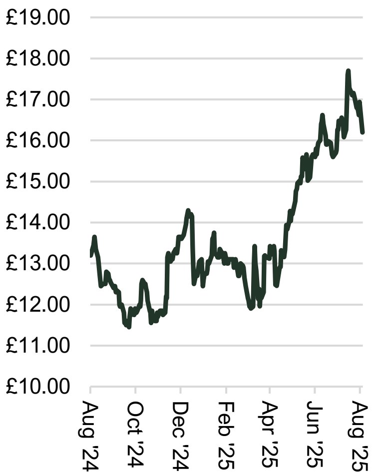
PPHE Hotel Group Limited

PPH | FTSE 250 | Travel & Leisure | 1610p | £678m

H125 results – reducing FY25/6 EBITDA by 8/12%

1 Year Chart



PPHE has released its H1 results (June period-end). Revenue growth was described as "solid", with H1 Like-for-like (LFL) growth of 1.3% (excluding the openings of the new hotels at Hoxton and Rome). LFL EBITDA reduced by 4.9% mainly due to ongoing lower room rates (as the trend of a greater weighting to corporate occupancy continues), and government-led wage and social security cost increases which led to higher salary costs.

The outlook is "that the Board expects the full year EBITDA outcome to be at a similar level to FY 2024". FY24 EBITDA was £136.5m and we have reduced our FY25 forecast of £148.0m by 8% to £136.6m. In addition to the H1 impacts upon EBITDA, there will also be a drag from a slower-ramp up of some new properties, especially Hoxton, as the Group seeks "to maximise the long-term financial potential of the property". On a positive note, trading activity is "modestly improving as the second half progresses. In Croatia, the summer season performance has been good".

- **For FY26**, PPHE also mentions the impact of the "expected industry-wide changes to VAT on hotels in the Netherlands, which may see rates move from 9% to 21% from January 2026, and business rates in the UK". Consequently, we have reduced our EBITDA forecast for FY26 by 12% and for FY27 by 11%. We note that there has been much debate in the Netherlands this year as to whether the increase in VAT on hotels would proceed a situation compounded by June's collapse of the Dutch Government with new elections in December. Hotel rates in the Netherlands are set inclusive of VAT which may make it harder for PPHE to fully pass on the rise. It may be that the Dutch VAT rise does not occur/fully occur and the final outcome of revised UK business rates is also uncertain, but we think it sensible to be prudent on both issues.

- **Valuation**; to reflect our estimate changes, we reduced our illustrative fair value, based on a four-stage Sum of the Parts (SOTP) model, by 12% from £28.32 to £24.79 per share. We set out our SOTP at the end. Our illustrative fair value is 12% below PPHE's EPRA NRV of £28.07 per share, but we think it likely that its EPRA NRV reduces when the annual revaluation occurs in December (to be reported at the FY25 results), given the lowered outlook.

PPHE Hotel Group Limited is a research client of H2 Radnor Ltd.

MiFID II – this research is deemed to be a minor, non-monetary benefit.

28 August 2025

Robert Plant

rplant@h2radnor.com

+44 (0) 203 897 1846

YE Dec, £m	Revenue	EBITDA	EPS (p)[1]	Div (p)	Net Debt	EPRA NRV (£)	PER[1]	Yield %
FY 2023A	414.6	128.2	117.7	36.0	725.3	26.72	13.7	2.2
FY 2024A	442.8	136.5	125.2	38.0	750.0	27.51	12.9	2.4
FY 2025E	461.0	136.6	116.2	38.0	759.4		13.9	2.4
FY 2026E	489.0	147.5	120.8	46.0	715.4		13.3	2.9
FY 2027E	514.1	157.7	136.5	52.0	667.1		11.8	3.2

[1] EPRA Adjusted EPS *Source: h2Radnor*

H125 - key additional points

- **Revenue**, in Q2, increased by 5.9% on a LFL basis. In FY24, LFL revenue growth was 11.0% in Q1, 0.2% in Q2, 1.8% in Q3 and 3.6% in Q4. In Q125, LFL revenue declined by 5.6%. Q1 is always PPHE's quietest quarter. We think LFL growth of 1.3% in H1 overall was good given the challenging macro backdrop. The statement mentions a "volatile macroeconomic and geopolitical environment" and we think that PPHE will have had to face a sluggish consumer environment in its main UK market (56% of FY25E revenue), whilst geopolitical uncertainty may have dissuaded high-yielding US and Gulf customers from travelling to the UK and Continental Europe. We calculate that the loss of the extra leap year day and the rise in Sterling will collectively have taken off around 1% of revenue. We note that recent hotel sector commentary has been fairly cautious, for example Dalata's H1 results on Wednesday showed a UK LFL RevPAR down 3.5%, with an 80bps decrease in occupancy and a 2.5% reduction in average room rate, and its outlook pointed to a July/August RevPAR in the UK which was around 2.3% below last year's performance.

- **RevPAR** (revenue per available room), calculated by multiplying average room rate by occupancy rate, in Q2, rose by 3.9% on a LFL basis, from £115.4 to £120.0, due to the increase in occupancy. In FY24, LFL RevPAR rose by 3.3% in Q1, declined by 2.2% in Q2, rose by 2.3% in Q3 and rose by 2.5% in Q4. 3.5%. LFL RevPAR declined by 3.5% in Q125 but rose by 1.1% in H125.

- **Occupancy**, in Q2 continued to increase on a LFL basis, from 70.7% in Q224 to 74.9% in Q225, a 5.9% proportional increase. We note that initially after Covid, the Group prioritised rates over occupancy, partly due to higher costs, but more recently has focussed on increasing occupancy. In FY24, LFL occupancy rose proportionally by 6.6% in Q1, by 2.5% in Q2 and by 5.2% in Q3 and we estimate a 5.1% increase in Q4. LFL occupancy rose proportionally by 0.1% in Q125 and by 3.4% in H125. The stronger increase in Q225 occupancy than Q125 was mainly due to both the timing of Easter, which fell last year in Q1 but this year in Q2 (as bookings usually increase around the Easter holiday) and with Q124 benefitting from a large UK corporate event.

- **Average room rate,** in Q2, declined by 2.0%, on a LFL basis, from £163.3 to £160.1. We note that immediately post Covid, the weighting of bookings was towards leisure but in the last two years it has shifted towards corporate, with the latter being lower rate than the former. In FY24, LFL average room rate declined by 3.0% in Q1, by 4.7% in Q2 and by 2.7% in Q3 and we estimate a 3.3% decline in Q4. LFL average room rate declined by 3.6% in Q125 and by 2.2% in H1125.

- **EBITDA**, on a LFL basis, the margin reduced from 25.3% in H124 to 23.7% in H125, a 150bps decline; whereas both H124 and H224 had seen a 160bps increase. We note that higher occupancy but lower room rates is a particular drag on the margin as PPHE will have faced the extra costs associated with higher occupancy but lower rates drop straight through to profit, albeit that will have also been an issue in FY24 yet the margin rose then on a LFL basis. More harmful we think was the increase in labour costs, and it is impressive that the Group's efficiency initiatives largely countered the wage and social security cost increases, for example, initial expectations for wage cost inflation were for c.7% but, due to these efforts, the final outturn was limited to less than 4%.

- **The newly opened hotels** (art'otel Rome Piazza Sallustio in March and art'otel London Hoxton with a soft opening in April) continue to ramp up and the statement adds that "recently opened and refurbished hotels continue to receive excellent feedback from guests and are steadily building momentum". At Hoxton (which we estimate accounted for around 90% of the recent pipeline's value), the 25th floor restaurant and bar are both due to open in the coming weeks, with a full launch expected in September. The statement says that the "premium office space has the potential to be a material contributor to overall asset performance and the Group is focused on ensuring the best long-term outcome". We think that the opening of the office space is especially important for Hoxton as it will increase footfall into the hotel itself e.g. office users dining in the restaurant. We support management's approach of taking time to ensuring that Hoxton has a good opening as bad reviews at opening can be harmful for a premium hotel, especially one more weighted to the corporate market. PPHE reaffirmed the target to generate at least £25m of incremental EBITDA upon stabilisation of trading from the recently opened hotels, in our SOTP we have changed our assumption that this would occur in FY27 to FY29.

- **New investments**; the Group's previous £300m+ pipeline is now effectively concluded, post the opening of Hoxton and Rome, underscored by the fact that capex reduced from £51m in H124 to £33m in H125. However, there are still lots of investment opportunities for PPHE across its existing countries and the statement says that "looking further ahead, the Group remains excited about the potential of the newly opened properties and the building development pipeline". In period, PPHE acquired a development site near the City of London for £17.5m, which is earmarked for PPHE's first select service hotel in London, to be operated as a Radisson RED. The Group expects an investment of c.£90m for this project, via the European Hospitality Fund, including the site acquisition price, with an expected running unlevered yield of high single digit at stabilisation. The land acquisition is expected to complete in September 2025. We like the concept of the European Hospitality Fund, as it offers PPHE a more asset-light way to grow, leveraging additional investment from outsiders, with it potentially taking on more of management role than needing to fully own hotels.

- Post period end, the Group also acquired the freehold of the existing leasehold hotel and adjacent development site located at Park Royal in London for £10m, equating to an unlevered yield of 4.8% and an inflation adjusted yield of c.8.3%.

- **Berlin**; through Arena Hospitality Group (AHG), PPHE's subsidiary, it closed Park Plaza Wallstreet Berlin in August at the end of the lease, to focus on its existing portfolio within the city alongside other properties across Europe. The impact on the Group's reported profit is said to be not material. We note that PPHE still has three hotels in Berlin, one of which, Kudamm, was recently refurbished and rebranded.

- **AHG**; PPHE acquired 514,947 shares in AHG from minority shareholders for €18.5m (c. £15.5m), reflecting a yield of approximately 10% on 2024 AHG EBITDA. Following this acquisition, the Group holds 65.5% of the share capital of AHG. We note in the past that PPHE has been very effective as using cash to consolidate parts of its holdings and investments.

- **The Group's EPRA NRV,** as at 30 June 2025, was £28.07 per share, 2% above the £27.51 value as at 31 December. PPHE's annual revaluation occurs in December and the interim value always just reflects currency moves, inter-period investments, profits and losses and dividends.

- **The interim dividend** was maintained at 17p, which we think is understandable given the more volatile outlook.

Below, we include a table of the Group's recent quarterly figures on a reported basis. PPHE provides the quarterly figures for Q1, Q2 and Q3 but only gives the annual figure at year end so we calculate the figures for Q4 which as a result may not be exactly correct (Figure 1).

Figure 1: PPHE quarterly performance (on a reported basis)

December year end	Q123	Q223	H123	Q323	Q423	FY23	Q124	Q224	H124	Q324	Q424	FY24	Q125	Q225	H125
Revenue (£m)	68.8	111.2	180.0	141.0	93.6	414.6	77.0	114.0	191.0	148.2	103.6	442.8	77.6	122.3	199.9
Annual change	*115.0%*	*36.9%*	*59.0%*	*8.8%*	*7.2%*	*25.6%*	*11.9%*	*2.5%*	*6.1%*	*5.1%*	*10.6%*	*6.8%*	*0.7%*	*7.4%*	*4.7%*
Room revenue (£m)	50.4	83.2	133.6	98.6	67.9	300.1	55.2	83.3	138.5	104.0	74.7	317.2	55.6	88.4	144.0
Annual change	*124.0%*	*40.0%*	*62.9%*	*8.6%*	*4.5%*	*26.2%*	*9.6%*	*0.1%*	*3.7%*	*5.5%*	*10.0%*	*5.7%*	*0.7%*	*6.2%*	*4.0%*
RevPAR (£)	96.2	121.0	110.3	136.7	128.9	120.7	98.1	115.4	107.8	136.6	131.1	120.3	95.3	120.4	109.3
Annual change	*126.4%*	*38.2%*	*62.6%*	*10.3%*	*(1.5%)*	*25.5%*	*1.9%*	*(4.6%)*	*(2.2%)*	*(0.1%)*	*1.7%*	*(0.3%)*	*(2.8%)*	*4.3%*	*1.4%*
Average room rate (£)	143.7	171.0	159.6	176.4	176.1	166.8	139.3	163.3	152.8	171.8	171.6	161.5	136.7	161.7	151.00
Annual change	*15.8%*	*14.8%*	*13.1%*	*0.8%*	*(9.0%)*	*4.0%*	*(3.1%)*	*(4.5%)*	*(4.3%)*	*(2.6%)*	*(2.6%)*	*(3.2%)*	*(1.8%)*	*(1.0%)*	*(1.1%)*
Occupancy	66.9%	70.8%	69.1%	77.5%	74.4%	72.4%	70.4%	70.7%	70.6%	79.5%	77.4%	74.5%	69.7%	74.4%	72.4%
Annual change	*95.6%*	*20.4%*	*44.0%*	*9.5%*	*(2.4%)*	*20.7%*	*5.2%*	*(0.1%)*	*2.2%*	*2.6%*	*4.0%*	*2.9%*	*(1.0%)*	*5.2%*	*2.5%*

Source: Company, h2Radnor

Below we set out our estimate revisions.

Figure 2: Revisions to h2Radnor estimates

December year end		Previous		New		Revision	
£m	FY'24A	FY'25E	FY'26E	FY'25E	FY'26E	FY'25E	FY'26E
Revenue	443	473	512	461	489	(3%)	(4%)
EBITDA	136	148	167	137	147	(8%)	(12%)
Adjusted EPRA EPS (p)	125	135	155	116	121	(14%)	(22%)
DPS (p)	38	42	47	38	46	(10%)	(2%)

Source: Company, h2Radnor

PPHE valuation

Sum of the parts valuation

Our illustrative equity fair value of £24.79 per share is based on a four-stage SOTP model, using an EV of £2,183m and an equity value to PPHE shareholders of £1,387m (Figure 3).

Figure 3: SOTP valuation of PPHE

SOTP Valuation		
EV	**Value (£m)**	**Proportion of EV (%)**
DCF of PPHE's core portfolio	1,617	74
DCF of PPHE's development pipeline	378	17
Multiple value of PPHE's management platform	108	5
Other assets	80	4
Total	**2,183**	**100**
Deferred tax on revaluation of properties	(36)	
Net debt (FY25E)	(759)	
Equity value	**1,387**	
Minorities of the core - subtotal	(267)	
Minorities of the development pipeline - subtotal	(84)	
Minority total	**(350)**	
Equity value to PPHE shareholders	**1,037**	
Number of shares (m)	41.8	
Value per share (£)	**24.79**	

Source: Company, h2Radnor

Stage 1 – DCF of the core

The main value, accounting for 74% of the EV within our SOTP, is a DCF of the core existing hotels and resorts portfolio at £1,617m (Figure 4). As a base, we use our P&L forecast of £137m of EBITDA in FY25, removing the £10m profit we forecast for the development pipeline and removing the £12m for the management platform as we model these two separately. Our terminal growth rate is 0.5%.

Figure 4: DCF of PPHE's core portfolio (£m)

December year end	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	TV
Revenue	**391**	**407**	**419**	**431**	**444**	**458**	**471**	**486**	**500**	**515**	**518**
Growth		4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	0.5%
EBITDA	115	123	128	134	140	145	149	154	158	163	157
Margin	29.4%	30.1%	30.6%	31.0%	31.4%	31.6%	31.7%	31.7%	31.7%	31.7%	30.4%
Margin change		2.5%	1.5%	1.4%	1.2%	0.7%	0.2%	0.0%	0.0%	0.0%	(4.0%)
Income unit liability	(13)	(13)	(14)	(14)	(15)	(15)	(16)	(16)	(16)	(17)	(17)
Interest expense on lease liabilities	(10)	(10)	(11)	(11)	(11)	(12)	(12)	(12)	(13)	(13)	(13)
Working capital	0	0	0	0	0	0	0	0	0	0	0
Maintence capex	(16)	(16)	(17)	(17)	(18)	(18)	(19)	(19)	(20)	(21)	(16)
Maintence capex/revenue	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	3.0%
Free cash	**76**	**82**	**87**	**91**	**96**	**100**	**103**	**106**	**109**	**112**	**112**
Present value	72	73	72	71	70	68	66	64	62	60	56
Value											
Total present value of forecast period	679										
Terminal value	938										
Total	**1,617**										

Source: Company, h2Radnor

We use a WACC of 6.5%, based on a cost of equity of 8.4% and a cost of debt of 5.1% (Figures 5 and 6).

Figure 5: WACC for PPHE

WACC	
Cost of equity	8.4%
Cost of debt	5.1%
Total	**6.5%**

Source: Company, h2Radnor

Figure 6: Inputs to WACC for PPHE

Cost of equity	
Risk free rate	4.5%
Equity risk premium	3.5%
Beta	1.1
Total	**8.4%**

Source: Company, h2Radnor

Stage 2 – DCF of the development pipeline

We have a separate DCF value for the development pipeline worth £378m, comprising 17% of the EV within our SOTP (Figure 7). The Group has said that post the opening of the four new hotels trading will stabilise at least £25m of EBITDA. Given that these will be new hotels, we model a higher revenue growth rate and margin progression than for the core portfolio DCF. We use the same WACC and terminal growth rate as for the core portfolio DCF.

Figure 7: DCF of PPHE's development pipeline (£m)

December year end	**FY25E**	**FY26E**	**FY27E**	**FY28E**	**FY29E**	**FY30E**	**FY31E**	**FY32E**	**FY33E**	**FY34E**	**TV**
Revenue	40	50	60	64	67	70	74	77	81	85	86
Growth	25.0%	26.0%	20.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	0.5%
EBITDA	10	12	15	20	25	26	28	29	31	32	31
Margin	24.0%	23.3%	25.6%	32.3%	37.1%	37.4%	37.7%	37.9%	38.0%	38.2%	36.6%
Margin change	n/a	(3.0%)	10.0%	26.0%	15.0%	0.8%	0.8%	0.4%	0.4%	0.4%	(4.0%)
Working capital	0	0	0	0	0	0	0	0	0	0	0
Working capital/revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Maintence capex	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Maintence capex/revenue	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	3.0%
Free cash	**8**	**10**	**13**	**18**	**22**	**23**	**25**	**26**	**28**	**29**	**29**
Present value	8	9	11	14	16	16	16	16	16	16	14
Value											
Total present value of the forecast period	136										
Terminal value	242										
Total	**378**										

Source: Company, h2Radnor

Stage 3 – multiple of the management platform

The third stage of our SOTP, is to value PPHE's management platform and this accounts for 5% of our EV (Figure 8). In an extreme example, if the Group sold all of its portfolio under existing management agreements it would still have a management platform, managing all hotels and resorts without owning them. The EPRA NRV does not account for the management platform as it only values the owned assets and the development pipeline.

We assume that the management platform will generate £12m of EBITDA in FY25, which we remove from our core DCF. We use 9.0x EV/EBITDA, which is the median valuation of the hotel peer group we have chosen for PPHE, which generates a value of £108m.

Figure 8: Multiple valuation of PPHE's management platform

Operating company	**FY25E**
Revenue (£m)	30.0
EBITDA (£m)	12.0
Margin (%)	40.0
EV/EBITDA (x)	9.0
EV (£m)	**108**

Source: Company, Radnor

Stage 4 – Other assets

The fourth stage of our SOTP, is to value four other assets; two assets which contribute below EBITDA and two land sites, which we add in at a collective £80m and this accounts for 3% of our EV (Figure 9).

The EPRA NRV does include the Income Units and two German JVs but not the New York or Waterloo sites.

1) the Income Units in Park Plaza County Hall London which PPHE owns, valued at £16m.

2) the fair value of PPHE's part of the two German JVs, which had an EPRA NRV of £18m.

3) the New York site, bought at $42m (£34m).

4) the Waterloo site, where planning permission has been given, bought at £12m.

Our 'other assets' does not include any value for three other potential developments set out below. Projects are included in the balance sheet at cost and will be valued once developed, and currently these three potential projects are all at nil albeit they could have value once developed.

1) the Group has planning permission to develop a 465-key hotel on the site adjacent to its Park Plaza London Park Royal property for which it is designing plans.

2) the Group has planning permission for a new 179-room hotel, converting 6.5k sqm of subterranean space within the Park Plaza Victoria property.

3) the Group could develop the land in Croatia currently occupied by campsites into more valuable hotels and resorts.

Figure 9: Value of PPHE's other assets

Other assets	£m
The Income Units in Park Plaza County Hall	16
The fair value of PPHE's part of the two German JVs	18
The New York site	34
The Waterloo site	12
Total	**80**

Source: Company, Radnor

For the net debt of the core, we use our forecast net debt of £759m for FY25. For the minorities of the core, we use £267m as the EPRA NRV of the minorities was £317m and we reduce this by £50m which was the minority value ascribed to Hoxton when this development was announced in 2021.

The four hotels in the Group's development pipeline all include minorities, with Belgrade at 48%, Hoxton at 49%, Rome at 49% and Zagreb at 48% and we use 49% overall. We take our DCF value for the development pipeline of £378m, then assume debt of £207m, which gives an equity value of £171m and we take 49% of this to generate a minority value of £84m (Figure 10).

Figure 10: Minority value of PPHE's development pipeline

Value	Amount (£m)
DCF of PPHE's development pipeline	378
Debt of the development pipeline	(207)
Equity value of pipeline	**171**
Minority	49%
Value of minorities	**84**

Source: Company, Radnor

Historically, PPHE has had low/no tax, partly reflecting its substantial capital allowances. Instead of deducting tax in our DCF, we deduct £36m in our SOTP, which is the deferred tax on revaluation of properties in the EPRA Net Disposal Value (NDV), which is effectively the tax that PPHE would pay upon portfolio sale.

PPHE Hotel Group

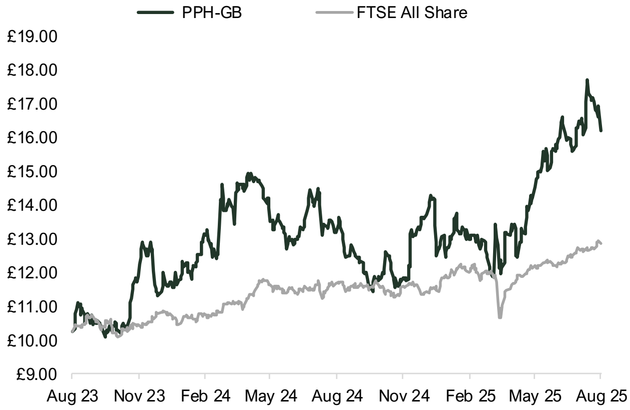
Robert Plant
+44 203 897 1846
rplant@h2radnor.com

Price (p):	**1610 p**
Market Cap:	678 m
EV:	1428 m

PROFIT & LOSS

Year to 31 December, £m	2023	2024	2025E	2026E	2027E
UK	*234.9*	*248.6*	*257.6*	*269.3*	*285.2*
Netherlands	*63.3*	*66.2*	*64.8*	*65.9*	*98.6*
Croatia	*78.1*	*84.1*	*87.5*	*94.3*	*24.3*
Germany	*22.8*	*24.4*	*22.9*	*23.4*	*66.7*
Other Markets	*7.9*	*10.7*	*19.0*	*26.4*	*29.0*
Mgmt / Central	*7.6*	*8.8*	*9.2*	*9.8*	*10.3*
Group Revenue	**414.6**	**442.8**	**461.0**	**489.0**	**514.1**
Op. Exp.	(286.4)	(306.3)	(324.4)	(341.6)	(356.3)
EBITDA	**128.2**	**136.5**	**136.6**	**147.5**	**157.7**
EBITDA margin %	*30.9%*	*30.8%*	*29.6%*	*30.2%*	*30.7%*
Depr & Amortisation	(45.1)	(47.1)	(50.7)	(53.8)	(56.5)
EBITA - Adjusted	**83.1**	**89.4**	**85.9**	**93.7**	**101.2**
Associates & JV's	(0.1)	(0.3)	(0.3)	(0.3)	(0.3)
Income unit liability	(14.2)	(12.9)	(12.9)	(13.5)	(13.5)
Net Bank Interest	(31.4)	(37.4)	(42.1)	(40.9)	(39.4)
Other operating items	0.0	(0.0)	8.8	1.7	-
PBT - Adjusted	**37.5**	**38.8**	**39.4**	**40.7**	**48.0**
Non Operating Items	(8.7)	(8.2)	(8.8)	(1.7)	-
PBT - IFRS	**28.8**	**30.6**	**30.6**	**39.0**	**48.0**
Tax - Adjusted	(2.2)	(3.7)	(5.9)	(6.1)	(7.2)
Tax rate - Adjusted	*5.8%*	*9.4%*	*15.0%*	*15.0%*	*15.0%*
Minority interests	(4.7)	0.5	(6.0)	(6.4)	(6.7)
No. shares m, diluted	42.5	42.5	41.8	41.8	41.8
Adj EPS (p), diluted	71.9	83.9	65.7	67.5	81.5
EPRA adjusted EPS (p)	**117.7**	**125.2**	**116.2**	**120.8**	**136.5**
Total DPS (p)	36.0	38.0	38.0	46.0	52.0

PRICE CHART - 2 YEAR ABSOLUTE vs FTSE ALL SHARE



Source: FactSet

SHAREHOLDERS

	% of ord. Share capital
Eli Papouchado	32.9%
Boris Ivesha	11.1%
Harel Insurance	9.1%
Clal Insurance	8.4%
	61.5%

Source; Company webiste

CASH FLOW

Year to 31 December, £m	2023	2024	2025E	2026E	2027E
Gross Op Cashflow	127.5	131.5	139.3	145.2	155.5
Net Op Cashflow	78.4	68.0	79.7	85.0	95.4
Free Cashflow	**57.7**	**46.1**	**56.9**	**60.9**	**95.4**
Net Cashflow	(44.6)	(39.9)	(4.7)	44.1	48.3

Previous announcements

Date	Event
April 2025	Q1 trading update
February 2025	FY results
January 2025	Year end trading update
October 2024	Q3 trading update
August 2024	H1 results
April 2024	Q1 trading update
February 2024	FY results
January 2024	Year end trading update
January 2024	First Radisson RED in Berlin
November 2023	London planning permission
November 2023	London art'otel opening March 2024
October 2023	Q3 trading update

BALANCE SHEET

Year to 31 December, £m	2023	2024	2025E	2026E	2027E
Intangibles	10.7	7.6	5.1	2.4	-
P,P+E	1,412.8	1,421.4	1,425.9	1,397.0	1,366.7
Right of Use Asset	229.2	225.3	224.4	221.7	218.9
Tax Asset & Other	58.9	68.1	63.1	63.1	63.1
Total Fixed Assets	**1,711.6**	**1,722.4**	**1,718.5**	**1,684.2**	**1,648.7**
Current Assets	44.4	39.1	39.6	41.0	42.6
Current Liabilities	(94.0)	(86.8)	(100.7)	(102.2)	(103.7)
Net Current Assets	**(49.5)**	**(47.7)**	**(61.1)**	**(61.1)**	**(61.1)**
Long Term Liabilities	(405.6)	(398.6)	(396.1)	(394.5)	(392.7)
Net Cash (Debt)	(725.3)	(750.0)	(759.4)	(715.4)	(667.1)
Net Assets	**531.1**	**526.1**	**501.8**	**513.2**	**527.7**

RATIOS

	2023	2024	2025E	2026E	2027E
RoE	7.5%	6.6%	7.9%	8.0%	9.0%
RoCE*	8.9%	9.3%	9.4%	10.4%	11.5%
Asset Turnover (x)	4.1x	3.9x	3.7x	3.4x	3.2x
NWC % Revenue	-11.9%	-10.8%	-13.3%	-12.5%	-11.9%
Op Cash % EBITA	153.4%	147.1%	162.2%	155.0%	153.7%
EBITDA / interest x	4.1x	3.6x	3.2x	3.6x	4.0x

GROWTH

YoY growth	2023	2024	2025E	2026E	2027E
Revenue	26%	7%	4%	6%	5%
EBITDA	35%	6%	0%	8%	7%
EPRA EPS	136%	6%	-7%	4%	13%
Dividend	140%	6%	0%	21%	13%

VALUATION

Fiscal	2023	2024	2025E	2026E	2027E
P/E	13.7x	12.9x	13.9x	13.3x	11.8x
EV/EBITDA	11.1x	10.5x	10.5x	9.7x	9.1x
Div Yield	2.2%	2.4%	2.4%	2.9%	3.2%
FCF Yield	4.0%	3.2%	4.0%	4.3%	6.7%

** RoCE defined as EBITDA minus 4% of revenue as a real world depreciation equivalent*

REGULATORY DISCLOSURES

H2 Radnor Ltd is authorised and regulated by the Financial Conduct Authority.

H2 Radnor Ltd
68 King William Street
London
EC4N 7HR

www.h2radnor.com

DISCLAIMER

This report is not intended as a solicitation or inducement to buy, sell, subscribe or underwrite any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. However, H2 Radnor Ltd does have strict rules relating to personal dealings by individuals employed or instructed to help prepare investment research. A copy of these rules is available upon request. H2 Radnor Ltd does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contracted persons or entities may have a position in any or related securities mentioned in this report. H2 Radnor Ltd, or its affiliates, may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and can be subject to volatility. In addition, it may be difficult to or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. To the maximum extent permitted by law, H2 Radnor Ltd, or its affiliates and their respective directors, officers and employees will not be held liable for any loss or damage as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication.