NH Collection Amsterdam Doelen

2018 RESULTS PRESENTATION

25th of February 2019

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Message from the CEO

"Dear Shareholders,

*2018 has been an **excellent year** in which the Group has **overachieved its financial targets**.*

*The positive operating trend and business improvement has continued during 2018 with **revenue up +4.6%** despite 2018 reforms and currency evolution. **At constant exchange rate, revenue grew +6.7%. Remarkable is the performance in Europe, with a LFL growth of +4.1%,** and in particular, strong evolution in Benelux (+6.5%), Italy (+4.2%) and Central Europe (+3.2%). Spain (+2.7%) comparison is affected by the remarkable growth of last year.*

*The combination of sound revenue growth and **constant focus on efficiency** has allowed NH to achieve **€265m of EBITDA (+€32m) and to improve its margin from 15% to 16%.***

***Net Recurring income (€72m) has more than doubled**, an improvement higher than EBITDA growth, due to lower financial costs. **Total Net Income reached €104m**, positively impacted by net capital gains from asset rotation and including IAS 29 reached €118m.*

***The solid operating cash flow generation allowed the Group to reach a cash position of €266m**, bringing down Net Financial Debt to -€171m. The strong deleverage achieved has concluded the debt reduction process initiated in 2015, **reaching net financial debt leverage ratio of 0.6x at the end of 2018 from 5.6x in 2015**, improving 2018 revised guidance (0.8x-1.0x).*

***NH has started to work with Minor International** to define the Strategic Plan of NH to unlock value-accretive benefits across both complementary businesses.*

*Despite changes of perimeter and new repositioning investments identified, **€285m EBITDA guidance for 2019** is reiterated.*

*In light of these, we look forward to continue delivering record-setting results and it will be **proposed to the AGM the approval of a €0.15 dividend per share for the financial year 2018 (c.€59m)**, aligned with the dividend policy announced".*

Ramón Aragonés
CEO, NH Hotel Group

Note: Hyperinflation accounting (IAS 29) not included in business performance figures unless stated. See page 3 for financial impacts

2018 highlights: financial targets exceeded

- **Solid Revenue growth of +4.6% reaching €1,623m (+€71m). With constant FX, revenue grew +6.7%**
  - Sound performance in Europe, with a Revenue Like for Like ("LFL") growth of +4.1%
    - Strong performance in Benelux (+6.5%) and Italy (+4.2%)
  - RevPAR: +3.8%, 61% through ADR which grew (+2.3%; €98)

- **Outstanding Recurring EBITDA[1] of €265m (+€32m; +14%) with a margin improvement of +1.3 p.p. to 16.3%**
  - Remarkable 45% EBITDA conversion rate. Excluding perimeter changes and reforms, LFL conversion rate reached 61%

- **Significant Net Recurring Income growth (+€38m) reaching €72m** due business improvement and lower financial costs. With IAS 29 impact (+€13m) Net Recurring Income reached €86m

- **Total Net Income reached €104m,** boosted by the higher contribution of net capital gains from asset rotation. Including IAS 29 Total Net Income is €118m

- **Deleverage phase accomplished:**
  - Net financial debt reached -€171m decreasing €484m from 31st December 2017 (-€655m) with a solid cash position (€266m)
    - Early redemption Convertible Bond (€250m; June) and voluntary cash redemption 2023 Bond (€40m; December)

- **Dividend:**
  - Proposal for AGM approval of a maximum gross dividend of €0.15 per share for 2018 financial year, implying an estimated payment of c.€59m based on outstanding shares (392,2 million shares)

- **Financial targets 2019** (excluding IFRS 16 and IAS 29 accounting impacts):
  - €285m EBITDA[1]
  - c.€100m Net Recurring Income

- **2018 accounting impacts of IAS 29 (Argentina hyperinflation):**
  - P&L: Revenues -€3.6m; EBITDA -€1.6m; Total Net Income +€13.5m
  - Balance Sheet: +€54m in equity due to the historic revaluation of assets including deferred tax and minorities

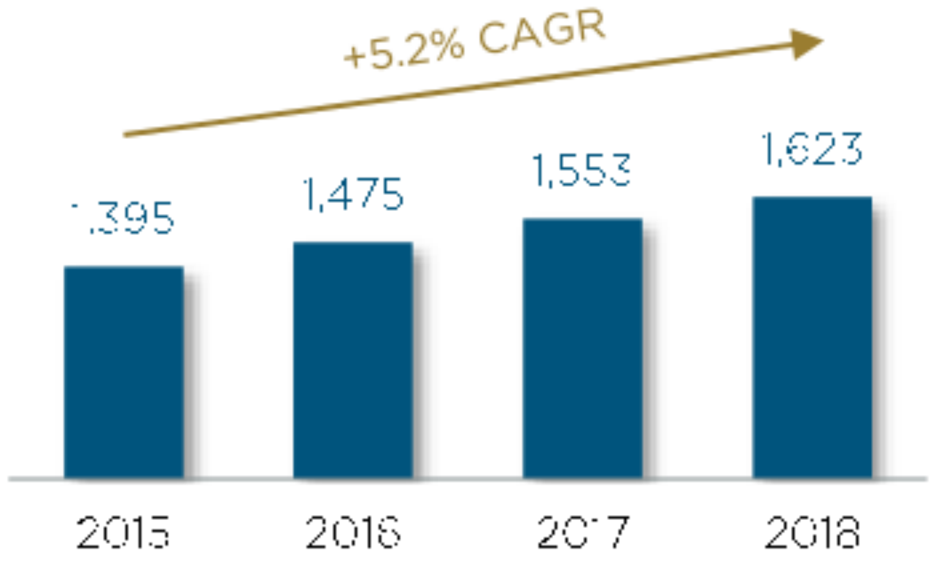
2018 targets exceeded:
- **Recurring EBITDA €265m > €260m**
- **Leverage 0.6x < 0.8-1.0x**

Note: Hyperinflation accounting (IAS 29) not included in business performance figures unless stated

[1] Recurring EBITDA before onerous reversal and capital gains from asset disposals

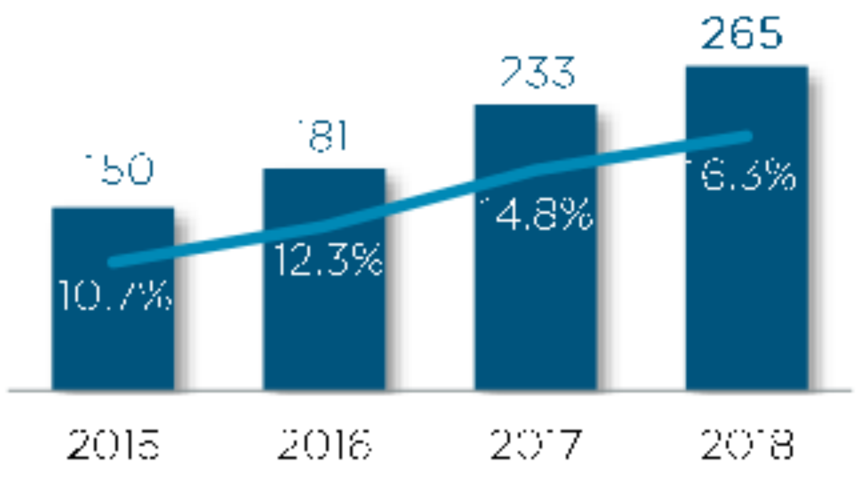
Key Financial Indicators: 2015-2018

Revenues [1] (€m)



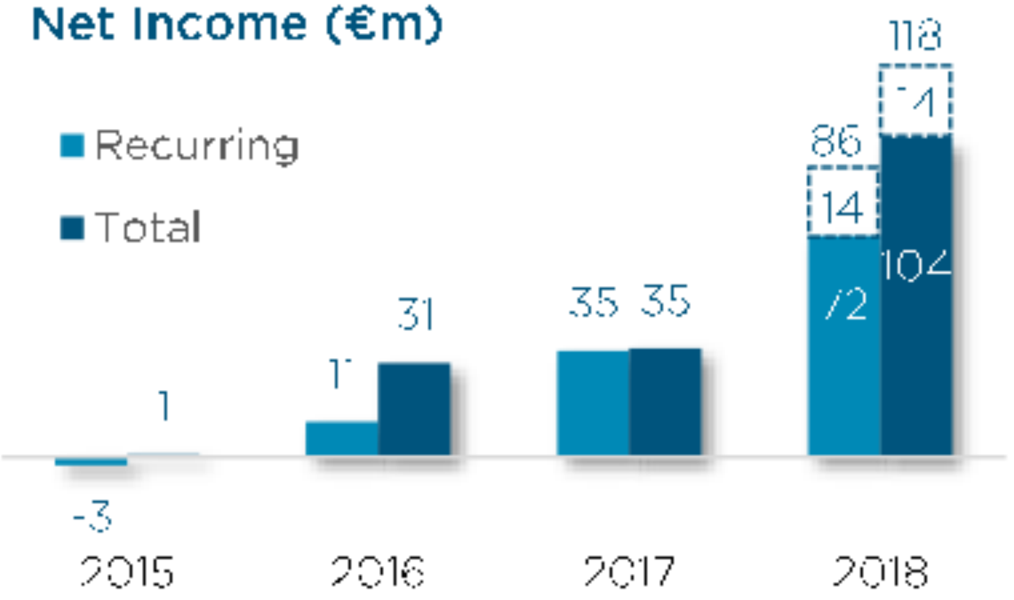
- An increase of more than €228m, a +5.2% CAGR from 2015
- In 2018 revenue grew +4.6% (+€71m) reaching €1,623m

Recurring EBITDA [2] (€m)
% margin



- +21% CAGR, an increase of €115 from 2015
- Margin increased +5.6 p.p. in the period, reaching 16.3% in 2018
- In 2018 EBITDA grew +€32m (+14%) reaching €265m

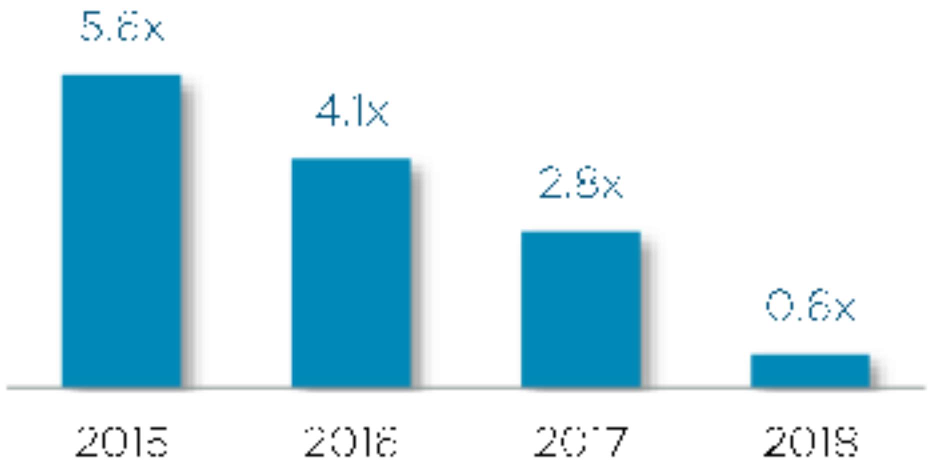
Net Income (€m)



- 2016: first year of positive Recurring Net Income since 2008
- In 2018 Net Recurring Income x 2 (excluding IAS 29) explained by business improvement and lower financial costs

IAS 29 impact

Net Financial Debt / Recurring EBITDA [1]



- Deleverage execution exceeded due to the favorable operating cash flow generation, Convertible Bond & partial 2023 Bond redemption and asset rotation
- Gross debt reduced by €299m in 2018 to -€437m

Note: Hyperinflation accounting (IAS 29) not included in business performance figures unless stated
[1] From Q2 2018, rebates from procurement have been reclassified as less cost instead of an income in the revenue figure (Q1 2018 and 2017 figures also reclassified)
[2] Recurring EBITDA before onerous reversal and capital gains from asset disposals

Key financial metrics: trend improved in Q4

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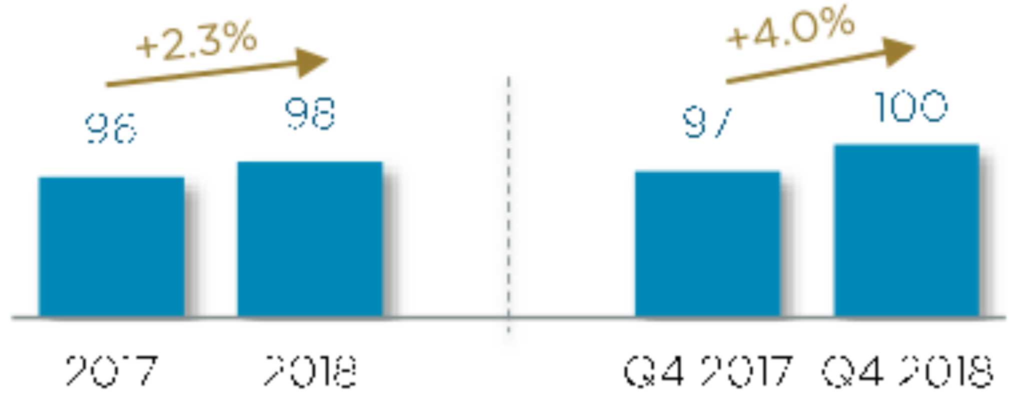
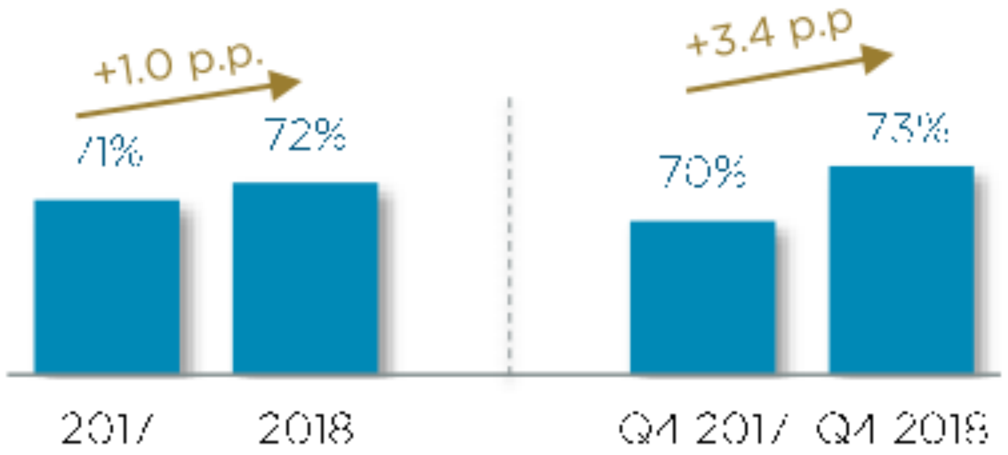
ADR (€)

- 2018: +2.3% price increase (+€2.2) reaching €98 contributing with 61% of RevPAR growth. Remarkable growth in Benelux (+3.8%) and Italy(+3.4%)
- Q4: +4.0% price increase (+€3.9). Notable growth in Spain (+5.1%) and Central Europe (+4.6%)



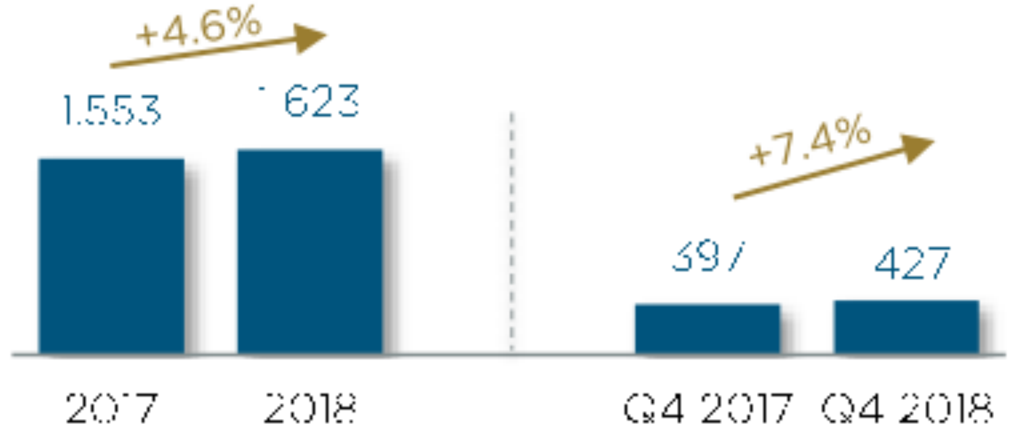
Occupancy (%)

- 2018: +1.5% activity increase (+1.0 p.p.) up to 72%. All regions increasing activity levels highlighting Benelux (+3.1%) boosted by Brussels recovery
- Q4: +4.9% activity increase (+3.4 p.p.) up to 73%



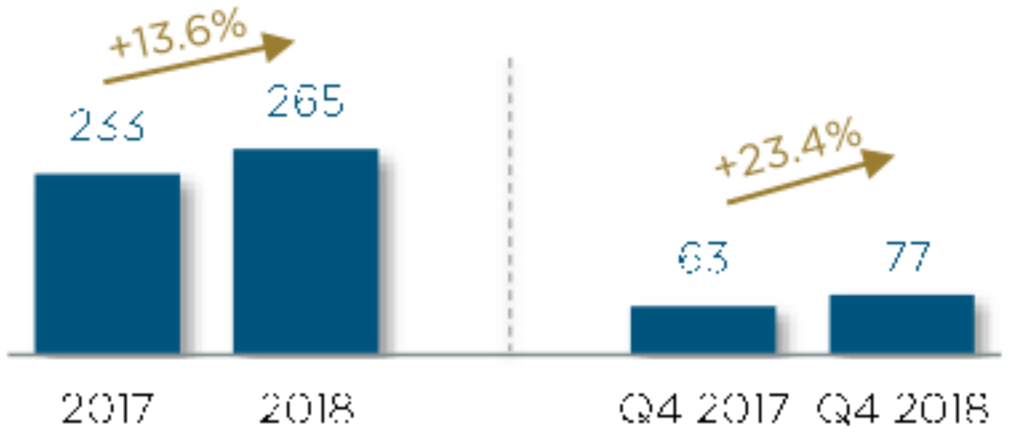
Revenues [1] (€m; without IAS 29)

- 2018: +€71m revenue growth (+4.6%) despite 2018 reforms (-€14m). Strong performance in Benelux and Italy
- Q4: +€30m (+7.4%). Solid growth in Spain and Benelux



Recurring EBITDA [2] (€m; without IAS 29)

- 2018: +€32m (+13.6%) due to a 45% revenue conversion rate reaching €265m and a margin of 16.3% (+1.3 p.p.)
- Q4: +€15m (+23.4%) with a 18.1% margin (+2.4 p.p.)



Note: Hyperinflation accounting (IAS 29) not included in business performance figures unless stated

[1] From Q2 2018, rebates from procurement have been reclassified as less cost instead of an income in the revenue figure (Q1 2018 and 2017 figures also reclassified)

[2] Recurring EBITDA before onerous reversal and capital gains from asset disposals

Solid revenue performance in 2018

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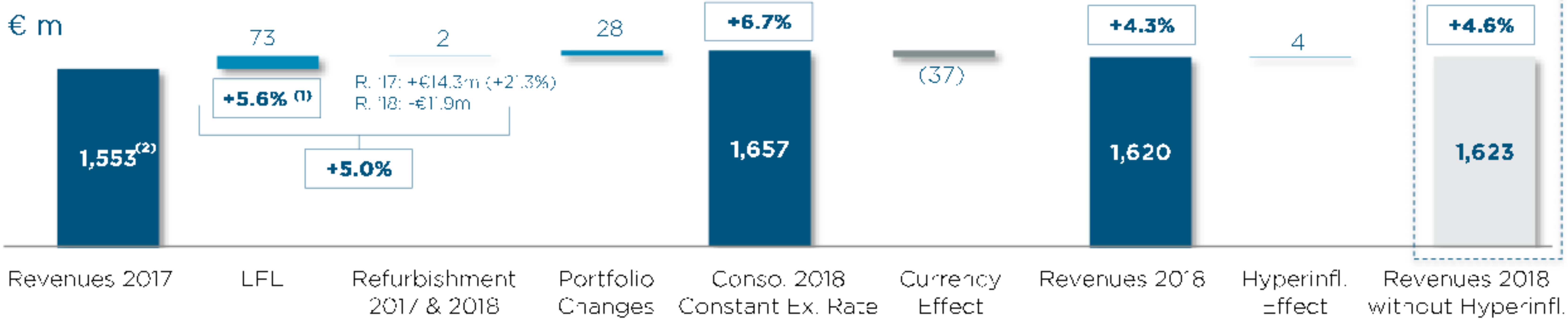
- **Total Revenue growth of +4.6% reaching €1,623m (+€71m), despite 2018 reforms (-€12m) and the negative currency effect (-€37m). +6.7% revenue growth at constant exchange rate**
  - Revenue Like for Like ("LFL"): +5.6% with constant FX (+3.0% reported):
    - Sound performance in Europe with a growth of +4.1%. Strong performance in Benelux (+6.5%), Italy (+4.2%) and Central Europe (+3.2%). Spain (+2.7%) despite the remarkable 2017 LFL growth (+10%) and Barcelona negative evolution up to September
  - Including the refurbished hotels, LFL&R grew +5.0% with constant FX (+2.6% reported)
    - 2017 refurbished hotels increased revenues by +€14.3m (+21.3%)
    - 2018 opportunity costs for renovations (-€11.9m): mainly from New York hotel (included in Spain B.U.) and Central Europe
  - **Including hyperinflation** accounting effect (IAS 29) related to Argentina **revenue growth is +4.3%**

Revenue Split	Var. 2018
Available Rooms	+1.7%
RevPAR	+3.8%
Room Revenue	+5.5%
Other Revenue	+2.3%
Total Hotel Revenue	**+4.6%**
Non Hotel Revenue*	+€0.0m
Total Revenue	**+4.6%**

* Other + Capex Payroll Capitalization



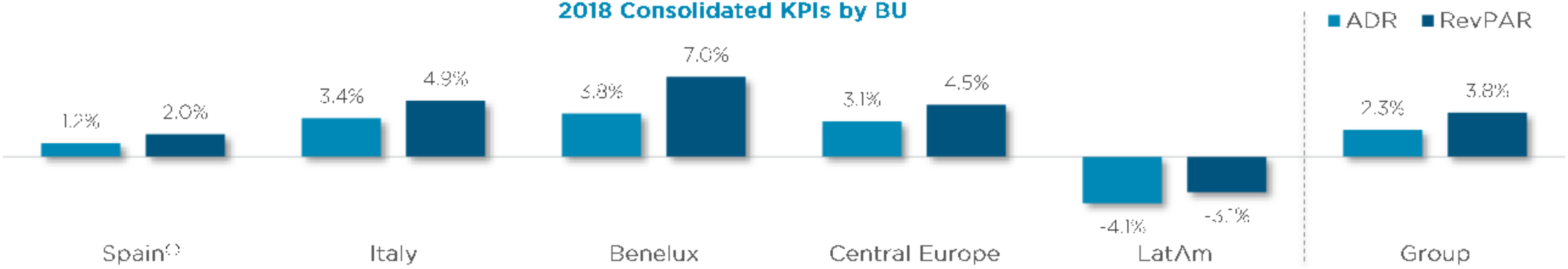
Growth Contribution +4.7% + +0.2% + +1.8% = +6.7% + -2.4% = +4.3% + +0.2% = +4.6%

Note: Hyperinflation accounting (IAS 29) not included in business performance figures unless stated
(1) On its 2017 own base. With real exchange rate growth is +3.0%
(2) From Q2 2018, rebates from procurement have been reclassified as less cost instead of an income in the revenue figure (Q1 2018 and 9M 2017 figures also reclassified)

RevPAR growth supported by ADR (61% contribution)

- **+3.8% RevPAR increase in 2018, 61% through ADR**
  - Outstanding RevPAR growth in Benelux (+7.0%), Italy (+4.9%) and Central Europe (+4.5%). Spain (+2.0%; +2.5% excluding Barcelona)
  - ADR: +2.3% price increases (+€2.2) reaching €97.9. Remarkable growth in Benelux (+3.8%), Italy (+3.4%) and Central Europe (+3.1%). Lower growth in Spain (+1.2%) due to the remarkable 2017 evolution (+10.1%) and Barcelona
  - Occupancy: +1.5% activity increase (+1.0 p.p.) reaching 72.0%. All regions increasing activity levels highlighting the demand growth in Benelux (+3.1%) boosted by Brussels recovery
- **LFL (excluding reforms) RevPAR grew +4.3% in 2018**
  - Spain (+3%): Solid growth in Madrid (+4%) and secondary cities (+4%). Barcelona (-1%) explained by the lower domestic leisure demand due to the political situation
  - Italy (+5%): Excellent evolution of Rome (+10%) and secondary cities (+5%). Milan (+3%) affected by negative trade fair calendar in H2
  - Benelux (+8%): Outstanding growth in Brussels (+14%), Amsterdam (+6%) and Dutch secondary cities (+8%)
  - Central Europe (+4%): positive trade fair calendar in cities like Munich (+19%), Berlin (+13%) and Frankfurt (+6%). Secondary cities (+2%)
  - LatAm (-2%; real exchange rate): Buenos Aires +10%, Mexico DF -5% and Bogota -2%. Evolution explained by the negative currency evolution

2018 Consolidated KPIs by BU



[1] Includes France and New York. Spain ADR +1.9% and RevPAR +3.2%

Focus on market share and quality

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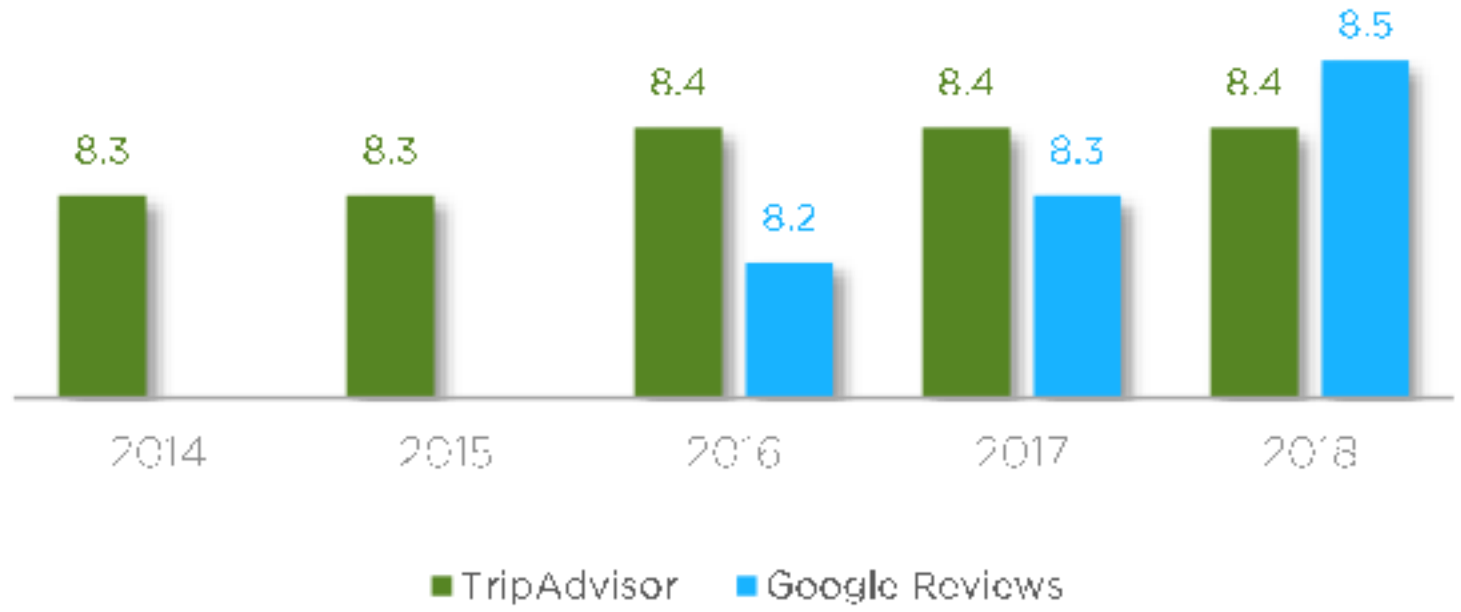
- **Relative RevPAR outperformance of +1.5 p.p. in top cities vs. competitors** through higher ADR (+1.0 p.p.) and relative occupancy (+0.5 p.p.)

2018	ADR % var.		"Relative" ADR	"Rel." Occupancy	"Rel." RevPAR
	NH	Comp. Set	Var.	Var.	Var.
Spain	1.0%	-0.2%	1.1 p.p.	0.3 p.p.	1.4 p.p.
Italy	4.5%	1.0%	3.5 p.p.	1.8 p.p.	5.4 p.p.
Benelux	3.5%	4.6%	-1.2 p.p.	2.4 p.p.	1.3 p.p.
Central Europe	4.7%	2.8%	1.9 p.p.	-1.6 p.p.	0.3 p.p.
Total NH	**3.2%**	**2.2%**	**1.0 p.p.**	**0.5 p.p.**	**1.5 p.p.**

Source: STR / MKG Competitive Set Average Growth

- **Focus on quality**



- Outstanding performance in Italy with a relative RevPAR of +5.4 p.p. explained by higher relative ADR and occupancy boosted by the excellent performance of Rome
- Good result in Benelux with a relative RevPAR of +1.3 p.p. as a result of higher relative occupancy
- Central Europe: +0.3 p.p. relative RevPAR variation due to higher ADR with main cities reporting positive evolution
- Spain: +1.4 p.p. relative RevPAR outperformance explained by higher relative ADR and occupancy
- **Strong performance in:**
  - **Barcelona:** Relative ADR +1.6 p.p.; RevPAR +4.0 p.p.
  - **Amsterdam:** Relative RevPAR +2.6 p.p.; Occupancy +3.7 p.p.
  - **Munich:** Relative RevPAR +7.4 p.p.; Occupancy +4.7 p.p.
  - **Vienna:** Relative ADR +5.4 p.p.; RevPAR +5.4 p.p.
  - **Rome:** Relative ADR +7.5 p.p.; RevPAR +13.5 p.p.
- NH Hotel Group has focused its efforts on measuring quality using new sources of information and surveys with an important increase of both the volume of reviews and evaluations received

Sound revenue performance in all key markets

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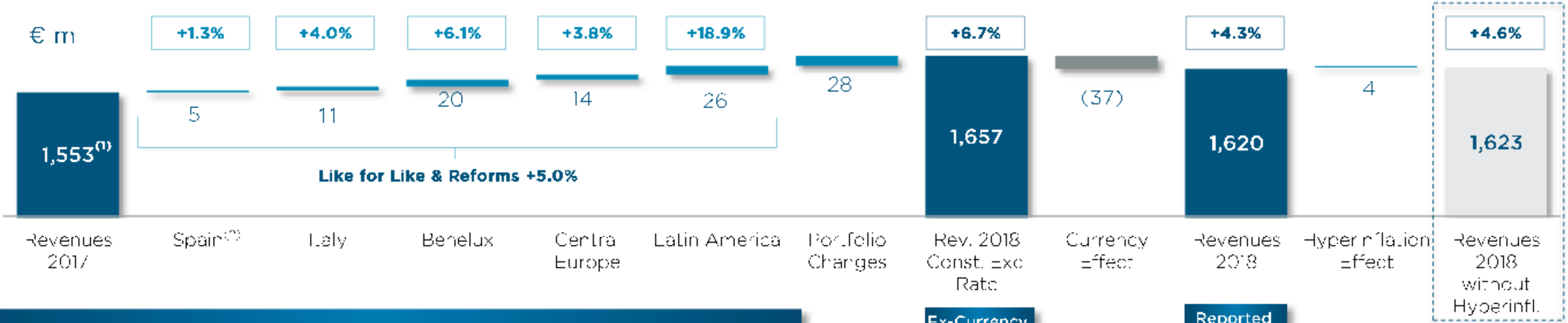
- **Spain:** +2.7% LFL growth (+3.1% excluding Barcelona) despite the remarkable 2017 performance (+10.2% in LFL) and Barcelona (+0.2%) evolution. Madrid grew +3.9% despite the strong congress calendar of 2017. Including reforms total revenue grew +1.3% mainly explained by NY refurbishment (-€8.4m; excluding NY +3.4%)
- **Italy:** remarkable +4.2% growth in LFL with a strong performance of Rome (+10.0%). Sound growth in Milan (+3.7%) despite negative fair calendar in H2. Including 3 hotels under reform with an opportunity cost of -€2.0m, LFL&R grew +4.0%
- **Benelux:** outstanding +6.5% LFL growth partially driven by the recovery in Brussels (+12.4%). Strong performance in Amsterdam (+5.9%) and secondary cities (+5.0%). Total revenue +12.2% benefiting from the opening of 2 leased hotels in Brussels and 1 in Eindhoven
- **Central Europe:** Positive LFL increase (+3.2%) due to a favorable trade fair calendar. Including the refurbished hotels in 2017 and the opportunity cost in 3 hotels under refurbishment in 2018 totaling -€6.4m, revenue increased +3.8% in LFL&R
- **LatAm:** +18.9% growth in LFL&R with constant exchange rate (-7.0% reported). By regions, Mexico increased revenues +6% at constant exchange rate and including the negative currency evolution (-6%) reported revenues were stable. Argentina doubled revenues in local currency and including the -90% currency depreciation, reported figure is +7%. Hoteles Royal revenue decreased -1% in local currency and including the -3% currency evolution, reported figure is -4%



	Spain	Italy	Benelux	Central Europe	Latin America
Revenue LFL	+2.7%	+4.2%	+6.5%	+3.2%	+18.7%
Total Revenue	+1.3%	+5.3%	+12.2%	+3.8%	+21.0%

	Ex-Currency	Reported
Revenue LFL	+5.6%	+3.0%
Total Revenue	+6.7%	+4.3%

(1) From Q2 2018, rebates from procurement have been reclassified as less cost instead of an income in the revenue figure (Q1 2018 and 9M 2017 figures also reclassified)
(2) Includes France and New York

2018 EBITDA increased +13% due to a 45% conversion rate

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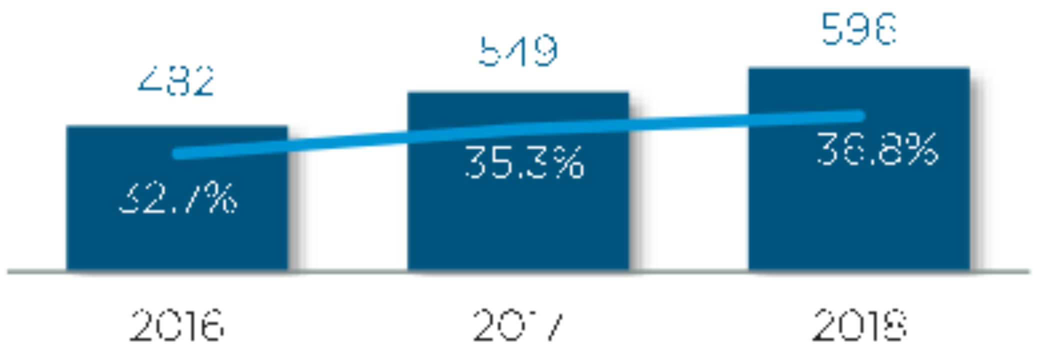
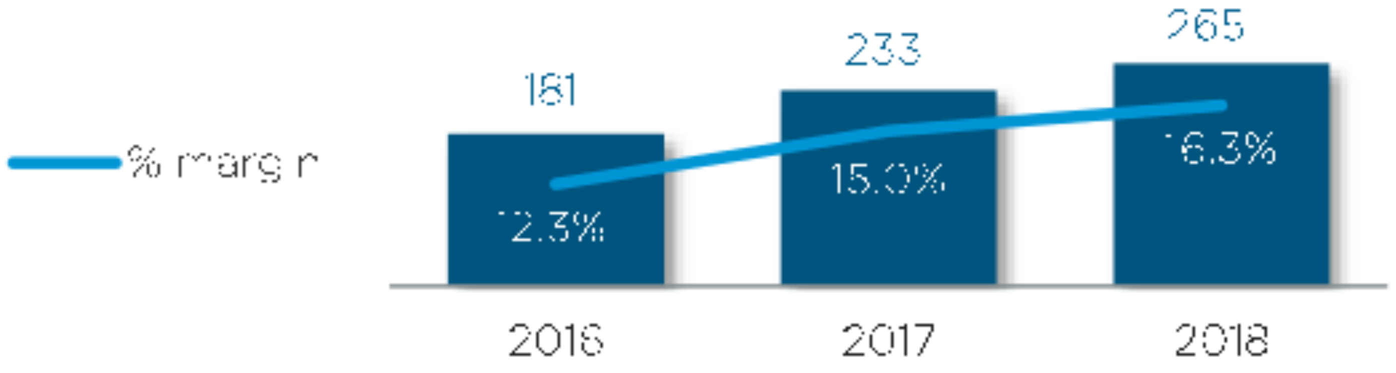
€ million / Recurring Activity	2018 (1)	2017	VAR.		2018 without IAS 29	
	€m.	€m.	€m.	%.	€m.	%.
TOTAL REVENUES	**1,619.8**	**1,552.7**	**67.1**	**4.3%**	1,623.5	4.6%
Staff Cost	(540.7)	(531.4)	(9.3)	1.7%		
Operating expenses	(483.5)	(472.5)	(11.0)	2.3%		
GROSS OPERATING PROFIT	**595.6**	**548.8**	**46.8**	**8.5%**		
Lease payments and property taxes	(332.4)	(315.7)	(16.7)	5.3%		
EBITDA BEFORE ONEROUS	**263.2**	**233.1**	**30.1**	**12.9%**	264.8	13.6%

- **Cost control** in 2018 **despite the occupancy growth (+1.5%)**
  - +1.7% increase in **Payroll cost** and +2.3% in **Operating Expenses**. Impact of perimeter changes (openings and closings) fully explains the increase of staff costs and 75% of the increase in Operating expenses
- Improvement in **GOP** of +€46.8m (+8.5%). GOP margin improved by +1.4 p.p. reaching 36.8% due to an excellent conversion rate of 70%
- Lease payments and property taxes increased -€16.7m (+5.3%). Perimeter changes (openings and closings) and reforms (2017 and 2018) explain 50% of the increase. Variable lease components explain 36% of the total increase
- **Recurring EBITDA before onerous in 2018 reached €264.8m (+€31.7m; +13.6%)** with a 45% conversion rate from incremental revenue to EBITDA affected by new openings. Excluding perimeter changes and reforms, LFL conversion rate reached 61%. EBITDA margin improved by +1.3 p.p. to 16.3%.
  - **Including hyperinflation** accounting standard effect (IAS 29) **recurring EBITDA reached €263.2m** (+€30.1m; +12.9%)

Gross Operating Profit (€m)(1)



Recurring EBITDA (€m)



(1) Including hyperinflation accounting effect (IAS 29)

Significant improvement in Net Recurring Income

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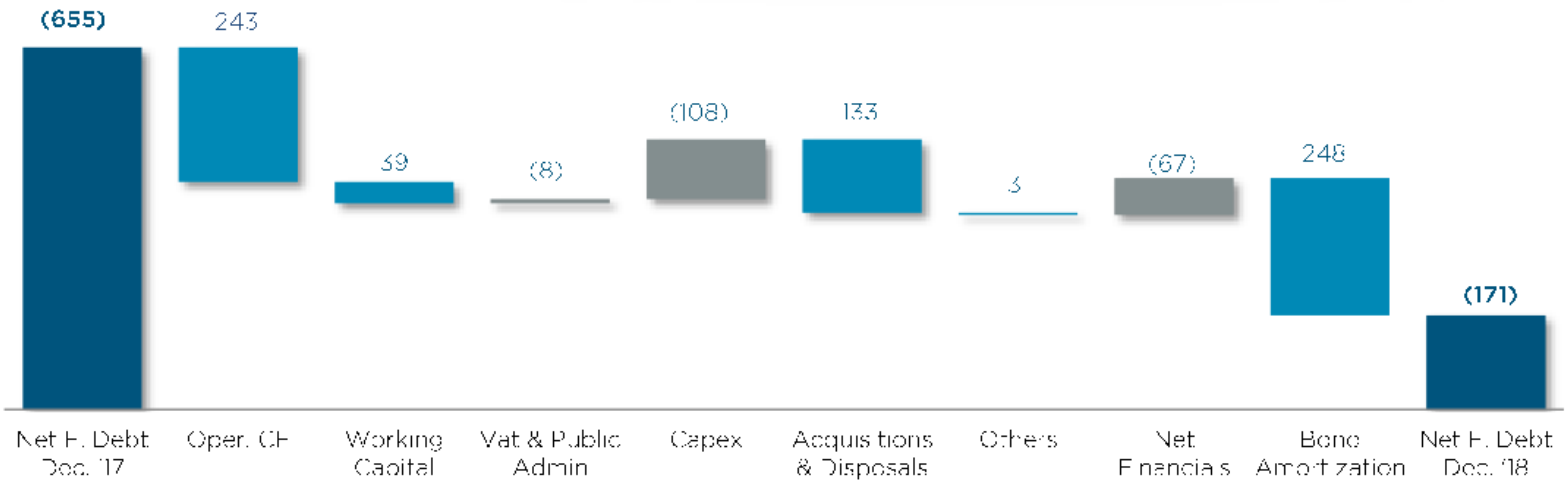
€ million	2018 [1] €m.	2017 €m.	VAR. €m.	VAR. %.
EBITDA BEFORE ONEROUS W/O IAS 29	264.8	233.1	31.7 [1]	13.6%
EBITDA WITH IAS 29	**263.2**	**233.1**	**30.1**	**12.9%**
Margin % of Revenues	16.3%	15.0%		1.2 p.p.
Onerous contract reversal provision	2.3	4.2	(1.9)	-44.8%
EBITDA AFTER ONEROUS	**265.6**	**237.3**	**28.2**	**11.9%**
Depreciation	(112.6)	(111.4)	(1.2) [2]	1.1%
EBIT	**152.9**	**125.9**	**27.0**	**21.5%**
Interest expense	(34.2)	(58.0)	23.8 [3]	-41.1%
IAS 29	25.7 [4]	0.0	25.7	N/A
Income from minority equity interest	(0.5)	(0.3)	(0.2)	43.3%
EBT	**143.9**	**67.5**	**76.4**	**113.2%**
Corporate income tax	(51.3)	(29.0)	(22.3) [5]	76.8%
NET INCOME BEFORE MINORITIES	**92.6**	**38.5**	**54.1**	**140.6%**
Minorities interests	(6.7)	(3.7)	(3.0)	80.8%
NET RECURRING INCOME W/O IAS 29	72.4	34.8	37.6 [6]	108.2%
NET RECURRING INCOME	**85.9**	**34.8**	**51.1**	**147.0%**
Non Recurring EBITDA [2]	88.8	18.8	70.0	N/A
Other Non Recurring items [3]	(56.9) [7]	(18.1)	(38.8)	N/A
TOTAL NET INCOME W/O IAS 29	104.3 [8]	35.5	68.8	N/A
TOTAL NET INCOME INCLUDING NON-RECURRING	**117.8** [9]	**35.5**	**82.3**	**N/A**

1. **Recurring EBITDA before onerous reached €264.8m (+€31.7m; +13.6%). Including hyperinflation** (IAS 29) reached **€263.2m (+€30.1m; +12.9%)**
2. **Depreciation:** increase of -€1.2m due to 2017-2018 repositioning capex
3. **Financial Expenses:** decrease of +€23.8m mainly due to:
   - Debt interest savings of +€20.3m mainly explained by: +€16.9m from the refinancing and early redemption of 2019 Bond, +€6.4m from early redemption convertible bond and -€2.8m repurchase premium and arranging expenses write off due to partial early redemption 2023 Bond
   - Net interest income (+€1.0m)
   - Exchange results from dollarization of cash balances in Argentina (+€1.8m)
4. **IAS 29** creates a financial income from the revaluation of Argentina assets +€25.7m
5. **Taxes:** The higher Corporate Income Tax (-€22.3m) is explained by a better EBT performance (50% of the increase) and tax holding provision related to IAS 29 (50%)
6. **Net Recurring Income:** significant growth of +€37.6m reaching €72.4m due to business progress and lower financials (higher than EBITDA growth). Including (IAS 29) Net Recurring Income reached €85.9m
7. **Non Recurring Items:** reached €32m due to net capital gains from asset rotation (+€74m), partially offset by provisions and redundancy payments of the efficiency plan (-€22m) and accelerated depreciation (-€18m) due to repositioning capex
8. **Total Net Income reached €104.3m,** +€68.8m higher than in 2017. affected by the higher contribution of net capital gains from asset rotation
9. **Including** IAS 29 impact (+€13.5m due to the revaluation of fixed assets in Argentina) reported **Total Net Income is €117.8m**

(1) Includes hyperinflation accounting effect (IAS 29) unless stated
(2) Includes gross capital gains from asset rotation
(3) Includes taxes from asset rotation

Cash Flow Evolution



Financial Position: 31st December 2018
Gross Financial Debt: (€437m)
Cash: €266m
Net Financial Debt: (€171m)(1)
Treasury Stock: 0.6m shares (not included in cash position)

- **(+) Operating Cash Flow:** +€243.2m, including -€17.4m of credit card expenses and taxes paid of -€29.2m (excluding -€32.4m CIT Barbizon)
- **(+) Working Capital:** strong working capital management with focus on overdue recovery and DSR
- **(-) Capex payments:** -€107.8m deployed in 2018. Lower figure vs. 2018 guidance of c.€125m due to some calendar payments overflow to the beginning 2019 (c. -€25m)
- **(+) Other:** payment of severance and legal provisions
- **(+) Acquisitions & Disposals:** mainly +€121.8m from Barbizon S&LB in Q1 (net of €32.4m taxes paid in 2018). The rest corresponds to other asset rotation transactions, 2 leased contracts restructuring (1 cancellation and 1 acquisition) and Hesperia net inflow after compensation
- **(-) Net Financials & Dividends:** -€66.6m, including -€26.8m net interest expense and -€39.8m dividend payment (-€0.6m minority dividend)
- **(+) Early Redemption Convertible Bond (€250m)** in June 2018. €1.7m paid in cash

(1) NFD excluding accounting adjustments arrangement expenses €13.5m, accrued interest -€4.1m and (2) IFRS 9 adjustment €8.2m. Including these accounting adjustments, the Adj. NFD would be (€153m) at 31st Dec. 2018 and (€637m) at 31st Dec. 2017

(2) IFRS 9: The new IFRS 9 regulation about Accounting Treatment of Financial Assets and Liabilities has become enforceable on the 1st of Jan. 2018. The application of this accounting rule as a result of the better refinancing conditions achieved in 2017, compared with the previous conditions, has involved an impact in NH Hotel Group of €3.6m as of the 1st of Jan. 2018 (€8.2m as of 31st Dec. 2018 as per the financial expense)

Strong deleverage achieved & Rating improvement

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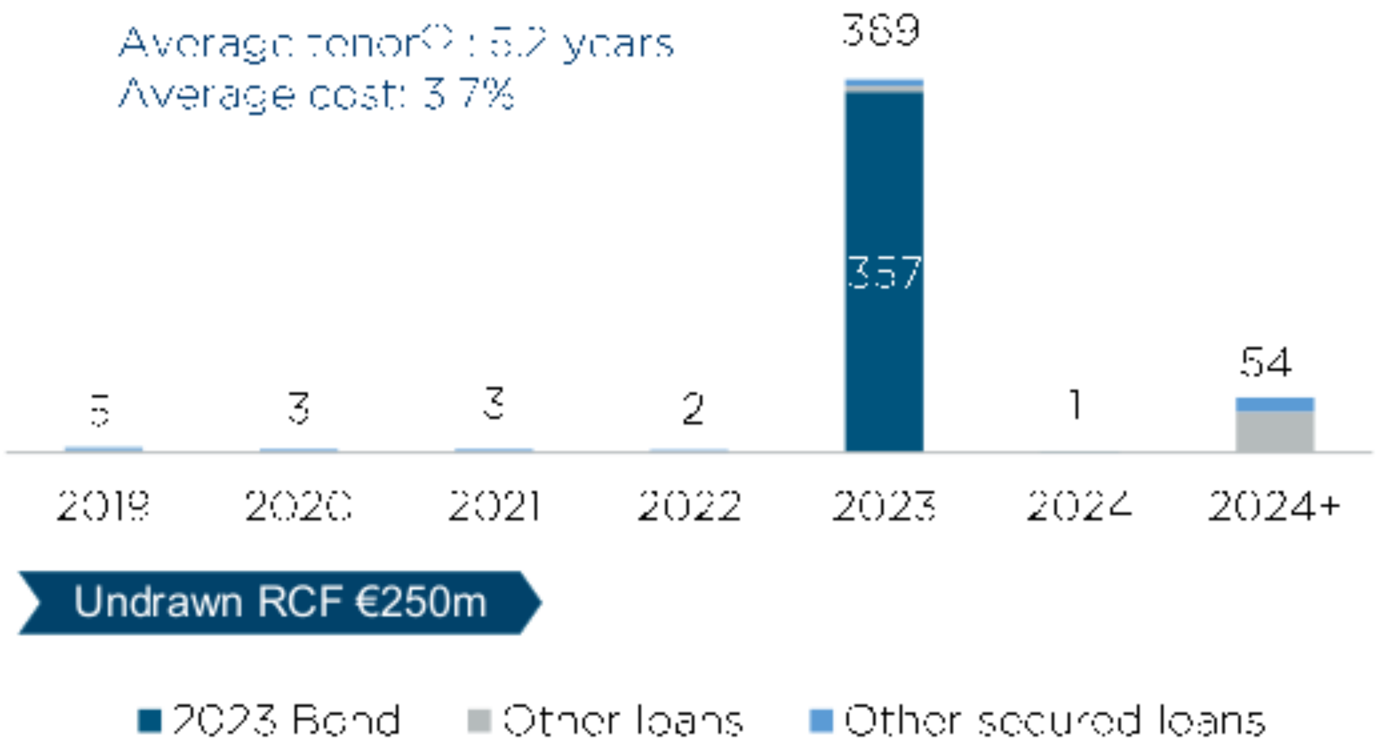
Debt Maturity Profile
31st December 2018: Gross debt (€437m)



- **Strong deleverage achieved in 2018:**
  - €250m redemption of the Convertible Bond (€5m of coupon paid in 2018)
  - €43.2m redemption of the Bond 2023 (€1.6m annual coupon savings from 2019 onwards):
    - €3.2m tendered in change of control offer at 101% (Nov.)
    - €40m voluntary redemption at 103% (Dec.)

Rating Improvement

Rating	NH	2023 Bond
S&P	B	BB-
Fitch	B+ ⬆	BB
Moody's	B1	Ba3

⬆ Positive Outlook

S&P Global

- On February 12th, 2019, S&P **revised the outlook on NH Hotel Group to stable from positive** "reflecting the application of our group rating methodology despite strong operating performance and significant improvement in credit metrics"

FitchRatings

- On March 28th, Fitch **upgraded the Corporate rating to 'B+' from 'B', and maintained the Positive Outlook.** Secured debt rating also upgraded from 'BB-' to 'BB'

Moody's

- On May 11th, Moody's **upgraded the corporate family rating of NH Hotel Group to 'B1' from 'B2'** and changed the outlook from positive to stable

(1) Excluding subordinated debt (2024+)

IFRS 16: Impact of new accounting standard from 2019

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- The application of IFRS 16 begins on January 1st, 2019 and establishes the principles for the recognition of operating leases:
  - A financial liability equal to the present value of the fixed installments of the leased contracts
  - An asset for the right of use the underlying asset
  - The interest expense of the lease liability is recorded separately from the amortization expense of the asset
- NH will adopt the Modified Retrospective method:
  - Liability: at transition date
  - Asset: right of use from the start date of the contract
  - Discount rate: incremental interest rate for each contract at transition date
  - Difference between Asset & Liability to be recorded in the equity reserves
- Balance Sheet and P&L impact based on portfolio at the transition date, without considering additions, cancellations or modifications of contracts that may occur after that date:

1st January 2019	
Asset: Right of Use	c. €1.7bn
Liability: Operating Lease	c. -€2.1bn
Equity: Reserves	c. -€0.4bn
P&L (before taxes)	c. -€5m

- **Leverage:**
  - Liability impact is in-line with 2017 annual accounts disclosure of operating leases and with the average calculation published by rating agencies
  - No cash impact, leverage capacity or debt financial covenants
- **P&L:**
  - The negative impact on P&L from the current lease portfolio will be reduced progressively in the coming periods

2018: a record year

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Comparison vs. 2017

Revenue €1,623m +4.6%	**Rec. EBITDA[1]** €265m +14% +1.3 p.p. margin	**Rec. Net Income** €72m x 2
FFO[2] €250m +21%	**Leverage (NFD / EBITDA[1])** 0.6x vs. 2.8x	**Dividend Proposal per Share** €0.15 x 1.5

Note: Hyperinflation accounting (IAS 29) not included in business performance figures unless stated
(1) Recurring EBITDA before onerous reversal and capital gains from asset disposals
(2) Funds From Operations

Update on NHH Integration with Minor Hotels

- NHH has already started to work with MINT to identify, formulate and quantify the potential synergistic benefits. The process is expected to take 6 months. Task force from both Minor Hotels & NHH have already been assigned to collaborate across various functions and below are the key initial findings that have been identified and pursued

TIVOLI INTEGRATION

- Transfer of Portugal & Brazil Tivoli operations is in process
- NH is in the process of identifying synergies through efficiencies across sales & marketing, procurement & back office

BRAND STREAMLINE

- Joint brand positioning has been agreed
- Over 5 hotels identified as potential accretive rebrand so far, o/w 3 to Anantara
- Strong interests for new expansion have been identified for both MINT and NH brands across geographies

NEGOTIATION WITH TRADE PARTNERS

- Both Minor & NHH in talks with partners for improved and win-win pricing scheme based on enlarged portfolio
- Partners include OTAs, travel agents and procurement suppliers
- Proposals are being discussed with suppliers to include the combined portfolio

COMBINATION OF GLOBAL SALES

- NH hotel portfolio has been incorporated in MINT websites
- Vision has been defined for websites at both group and brand levels
- Cross-selling has started; China office for Spanish hotels, Thailand office for German hotels, Madrid office for Oaks
- Joint-salesforce roadmap has been agreed

LEVERAGE ON HUMAN CAPITAL

- Initial movements are planned:
  - GM from Minor Hotels to NHH
  - Operations & revenue management from NHH to Minor Hotels
- Further employee mobility policy is in process

LOYALTY INTERFACE

- Completed respective database analysis
- Both parties are analyzing terms and benefits
- Global loyalty vision and roadmap to be defined by 3Q19, including assessment on merger, cross redemption and cross accumulation.

* Note that transactions and agreements are conducted in arms-length manner under MINT and NHH approved protocols (Governance Framework signed 7th February 2019)

Annex

- Q4 Revenue:
  - Per Perimeter
  - Per B.U.
- Q4 RevPAR
- Q4 P&L

NH Collection Madrid Gran Vía

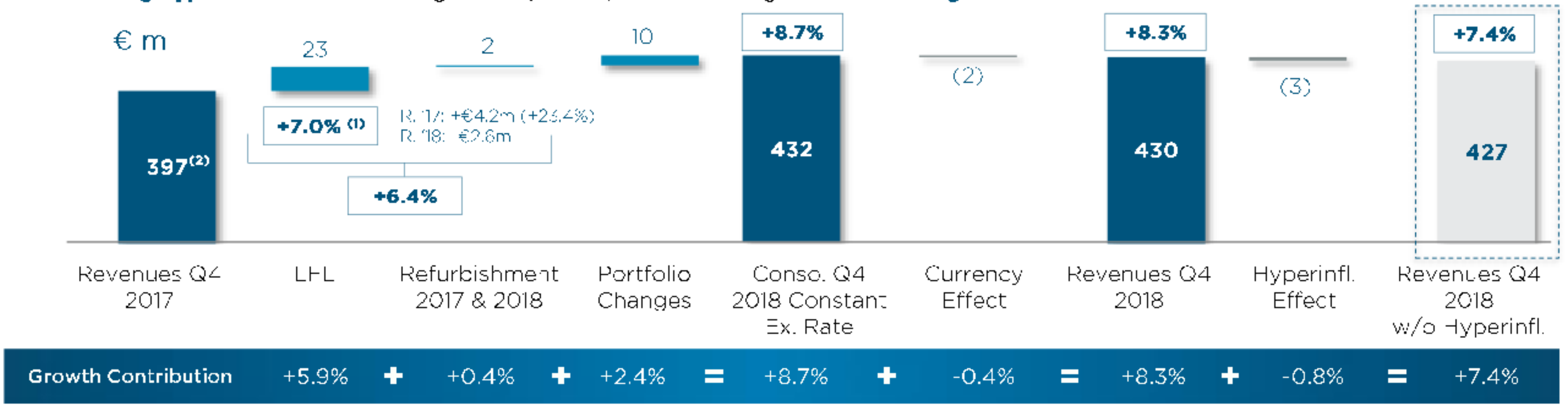
Note: Hyperinflation accounting (IAS 29) excluded in business performance figures. See page 3 for financial impacts

Strong revenue performance in Q4 2018

- **Total Revenue growth of +7.4% reaching €427m (+€30m), despite 2018 reforms (-€3m) and the negative currency effect (-€2m). +8.7% revenue growth at constant exchange rate**
  - Revenue Like for Like ("LFL"): +7.0% with constant FX (+6.6% reported):
    - Sound performance in Europe with a growth of +5.6%. Strong performance in Spain (+8.9%) explained by easier comps in Barcelona and a relevant congress in Madrid and Benelux (+5.0%). Italy grew +3.8% and Central Europe +3.6%
  - Including the refurbished hotels, LFL&R grew +6.4% with constant FX (+6.0% reported)
    - 2017 refurbished hotels increased revenues by +€4.2m (+23.4%)
    - 2018 opportunity costs for renovations (-€2.6m): mainly from New York hotel (included in Spain B.U.), a hotel in Amsterdam, Munich and Vienna
  - **Including hyperinflation** accounting effect (IAS 29) related to Argentina revenue **growth is +8.3%**

Revenue Split	Var. Q4 2018
Available Rooms	+1.5%
RevPAR	9.1%
Room Revenue	+9.8%
Other Revenue	-3.7%
Total Hotel Revenue	**+8.0%**
Non Hotel Revenue*	-€1.7m
Total Revenue	**+7.4%**

* Other: Capex Payroll Capitalization

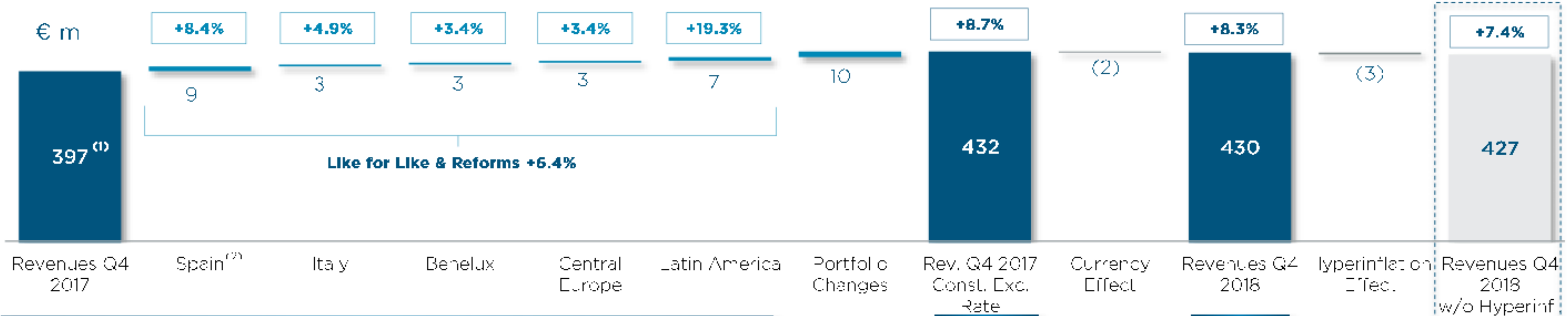


(1) On its 2017 own base. With real exchange rate growth is +6.6%

(2) From Q2 2018, rebates from procurement have been reclassified as less cost instead of an income in the revenue figure (Q1 2018 and 9M 2017 figures also reclassified)

Revenue performance by markets

- **Spain:** +8.9% LFL evolution explained by the remarkable performance of Madrid (+12.5%) and stabilization of Barcelona (+18.5%; easier comps since Q4 2017). Including reforms, revenue grew +8.4% mainly explained by NY refurbishment (-€1.7m; excluding NY +10.2%)
- **Italy:** +3.8% LFL growth with a strong evolution in Rome (+11.7%) and secondary cities (+4.4%). Milan (+1.6%) being negatively affected by the trade fair calendar in Q4. Including reforms revenue grew +4.9% and with the opening of a hotel in Venice total revenue grew +6.5%
- **Benelux:** +5.0% LFL growth driven by Brussels (+10.7%) and secondary cities (+5.2%). Amsterdam grew +2.7%. Including the business loss from a hotel being refurbished in Amsterdam (-€1.0m) revenue grew +3.4%. Total revenue +9.9% benefiting from the opening of 2 leased hotels in Brussels and 1 in Eindhoven
- **Central Europe:** solid +3.6% LFL revenue growth due to a slightly favorable trade fair calendar. Including the refurbished hotels in 2017 and the opportunity cost in 1 hotel under refurbishment in Munich totaling -€1.9m, revenue increased +3.4% in LFL&R. Total revenue grew +5.1% positively impacted by the 2 hotel openings (Essen and Graz)
- **LatAm:** +19.3% growth in LFL&R with constant exchange rate (+14.6% reported). By regions, Mexico increased revenues +10% at constant exchange rate and including the negative currency evolution (-2%) reported revenues increased +8%. Argentina grew +259% in local currency and including the -12% currency depreciation, reported figure is +221%. Hoteles Royal revenue grew +1% and including the currency evolution (+4%) reported revenues increased +5%



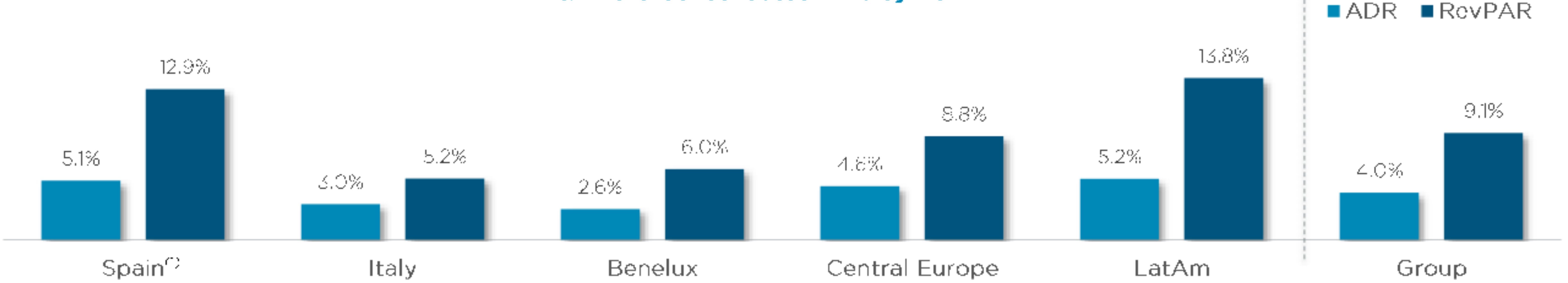
	Spain	Italy	Benelux	Central Europe	Latin America	Ex-Currency	Reported
Revenue LFL	+8.9%	+3.8%	+5.0%	+3.6%	+19.5%	+7.0%	+6.6%
Total Revenue	+8.3%	+6.5%	+9.9%	+5.1%	+20.6%	+8.7%	+8.3%

(1) From Q2 2018, rebates from procurement have been reclassified as less cost instead of an income in the revenue figure (Q1 2018 and 9M 2017 figures also reclassified)
(2) Includes France and New York.

Combined ADR & Occupancy growth

- **+9.1% RevPAR increase in Q4 2018, combined growth strategy of ADR and Occupancy**
  - Outstanding RevPAR growth in Spain (+12.9%) and Central Europe (+8.8%). Benelux (+6.0%) and Italy (+5.2%)
  - ADR: +4.0% price increases (+€3.9) reaching €100. Remarkable growth in Spain (+5.1%) and Central Europe (+4.6%)
  - Occupancy: +4.9% activity increase (+3.4 p.p.) with strong demand growth across all regions highlighting LatAm (+8.2%) and Spain (+7.4%)
- **LFL (excluding reforms) RevPAR grew +8.9% in Q4 2018**
  - Spain (+12%): explained by the remarkable growth in Madrid (+16%) impacted by a relevant congress in October 2018, Barcelona (+20%) affected by better comps since Q4 2018 and secondary cities (+4%)
  - Italy (+4%): Good performance of Rome (+11%) and secondary cities (+5%). Milan (0%) negatively affected by the trade fair calendar
  - Benelux (+8%): Outstanding performance in Brussels (+14%) and Dutch secondary cities (+8%). Amsterdam (+4%)
  - Central Europe (+7%): Munich +30%, Berlin +13% and secondary cities +4% due to the favorable trade fair calendar
  - LatAm (+18%; real exchange rate): Buenos Aires +34%, Mexico DF +7% and Bogota +29% including currency evolution

Q4 2018 Consolidated KPIs by BU



(1) Includes France and New York. Spain ADR +10.0% and RevPAR +15.3%

Significant improvement in Net Recurring Income

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€ million	Q4 2018 (1) €m.	Q4 2017 €m.	VAR. €m.	VAR. %.
TOTAL REVENUES W/O IAS 29	426.5	397.0	29.5	7.4%
TOTAL REVENUES	**429.9**	**397.0**	**32.9**	**8.3%**
Staff Cost	(140.6)	(135.2)	(5.3)	3.9%
Operating expenses	(27.4)	(19.4)	(8.0)	6.7%
GROSS OPERATING PROFIT	**161.9**	**142.4**	**19.5**	**13.7%**
Lease payments and property taxes	(84.0)	(79.7)	(4.4)	5.5%
EBITDA BEFORE ONEROUS W/O IAS 29	77.4	62.7	14.7	23.4%
EBITDA BEFORE ONEROUS WITH IAS 29	**77.9**	**62.7**	**15.2**	**24.2%**
Margin % of Revenues	18.1%	15.8%		2.3 p.p.
Onerous contract reversal provision	0.5	1.2	(0.7)	-59.5%
EBITDA AFTER ONEROUS	**78.3**	**63.9**	**14.5**	**22.7%**
Depreciation	(29.5)	(30.5)	0.9	-3.0%
EBIT	**48.8**	**33.4**	**15.4**	**46.0%**
Interest expense	(8.2)	(16.5)	8.3	-50.5%
IAS 29	9.2	0.0	9.2	N/A
Income from minority equity interest	(0.2)	(0.4)	0.1	-33.3%
EBT	**49.6**	**16.5**	**33.1**	**N/A**
Corporate income tax	(18.6)	(7.8)	(10.9)	139.3%
NET INCOME BEFORE MINORITIES	**31.0**	**8.7**	**22.2**	**N/A**
Minorities interests	(2.8)	(1.0)	(1.7)	166.7%
NET RECURRING INCOME W/O IAS 29	23.0	7.7	15.2	197.3%
NET RECURRING INCOME	**28.2**	**7.7**	**20.5**	**N/A**
Non Recurring EBITDA(2)	(12.7)	10.0	(22.7)	N/A
Other Non Recurring items(3)	(4.3)	(6.7)	2.3	N/A
TOTAL NET INCOME W/O IAS 29	4.5	11.0	(6.5)	-59.0%
TOTAL NET INCOME inc. non-recurring	**11.1**	**11.0**	**0.1**	**1.0%**

1. **Revenue** grew +7.4% reaching €426.5m (+€29.5m). Including IAS 29 revenue reached €429.9m (+€32.9m)
2. **GOP:** cost control allows to report a growth of +€19.5m in the fourth quarter reaching a margin of 38%
3. **EBITDA:** recurring EBITDA growth of +23.4% reaching €77.4m, which represents an increase of +€14.7m compared to Q4 2017. EBITDA margin improved +2.4 p.p. reaching 18.1%. Including hyperinflation (IAS 29) reached €77.9m (+€15.2m; +24.2%)
4. **Financial Expenses:** decrease of +€8.3m mainly due to early redemption convertible bond and partial early redemption 2023 Bond
5. **IAS 29** creates a financial income from the revaluation of Argentina assets +€9.2m
6. **Taxes:** The higher Corporate Income Tax (-€10.9m) is explained by a better EBT performance and tax holding provision related to IAS 29
7. **Net Recurring Income:** significant growth of +€15.2m reaching €23.0m. Including (IAS 29) Net Recurring Income reached €28.2m from revaluation of fixed assets in Argentina (IAS 29)
8. **Total Net Income** reached €11.1m, negatively impacted by business provisions, redundancy payments and accelerated depreciation

(1) Includes hyperinflation accounting effect (IAS 29) unless stated
(2) Includes gross capital gains from asset rotation
(3) Includes taxes from asset rotation

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