9M 2019 RESULTS PRESENTATION

11th of November 2019

NH Toulouse Airport

NH | HOTEL GROUP PART OF MINOR HOTELS

NH HOTELS · NH COLLECTION · nhow · TIVOLI · ANANTARA · AVANI · elewana · OAKS

Message from the CEO

"Dear Shareholders,

I am delighted to present another ***solid set of results****.* ***The Group's operating trend and business improvement continues in 9M 2019*** *with a combination of sound* ***revenue growth of +5.7%,*** *RevPAR evolution entirely through prices and cost control measures leading to margin improvements.*

At constant exchange rate, revenue grew +6.3%. Strong growth in Europe of +3.5% *with an excellent performance in Spain (+9.2%).*

9M EBITDA, excluding IFRS 16 accounting impacts for comparison purposes, reached €208.7m (+€23.3m; +12.6%). *Including IFRS 16, reported EBITDA reached €400.5m.* ***Sustained business improvement together with lower financial costs has allowed to increased Reported Net Recurring income by +€17m vs reported 9M 2018*** *reaching €62m and despite IFRS 16 impacting -€8m. Total Net Income (including non recurring activity) amounted €66m, down from €93m posted in 9M 2018 reflecting the lower contribution of non-recurring activity (-€45m).*

Strong cash flow generation allows to preserve a low Net Financial Debt (-€190m) with a solid cash position of €268m *as of 30 September 2019, despite capex investments (-€130m) and dividend payment (-€59m) in the period.*

NH has started to operate 3 Tivoli hotels in Lisbon under a long-term sustainable lease agreement. The rest of the Tivoli portfolio is operated under a management contract. This transaction proves the ***alignment of interests and represents the first milestone of the integration with Minor.*** *Additionally, the* ***first Anantara urban hotel will be launched in Dublin*** *with The Marker hotel, being the third Anantara in Europe.*

To conclude, the solid results published together with the fourth quarter visibility allow us to ***confirm our initial guidance[1] for the year."***

Ramón Aragonés
CEO, NH Hotel Group

Note: IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated

[1] Excluding IFRS 16, IAS 29 accounting impacts and Tivoli integration

9M 2019 highlights

- **9M: Revenue growth of +5.7% reaching €1,257m (+€67m)**
  - Revenue Like for Like ("LFL") growth of +4.1% (+4.8% exc. FX)
    - Solid growth in Europe of +3.5% with an outstanding performance in Spain (+9.2%)
  - RevPAR: +4.5% through ADR which grew (+4.5%; €102)

- **Q3: Revenue growth of +7.8% reaching €436m (+€31m)**
  - Integration of Tivoli contributed with €12m
  - Revenue Like for Like growth of +3.4% (+1.6% exc. FX) with strong evolution in Spain (+9.0%) and Benelux (+2.7%)
  - RevPAR: +3.0%, ADR grew (+4.0%; €101) and Occupancy -0.9% due to calendar of events in Germany

- **9M Recurring EBITDA[1] of €209m (+€23m; +13%) with a margin improvement of +1.0 p.p.**
  - Sound 35% EBITDA conversion rate
  - Reported EBITDA of €401m

- **Significant Reported Net Recurring Income growth in 9M reaching €62m (+€17m),** due to the business improvement, lower financial costs and despite IFRS 16 net impact of -€8m

- **Reported Total Net Income reached €66m**
  - -€28m down vs. 9M 2018 reflecting the lower contribution (-€45m) of non-recurring activity

- **Strong Financial metrics:**
  - Net financial debt reached -€190m with a solid cash position (€268m) as of 30 Sept. 2019
  - Long term RCF available undrawn €250m

- **Dividend:**
  - AGM approval in May 2019 of a gross dividend of €0.15 (€59m) per outstanding share for 2018 financial year paid in June 2019

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

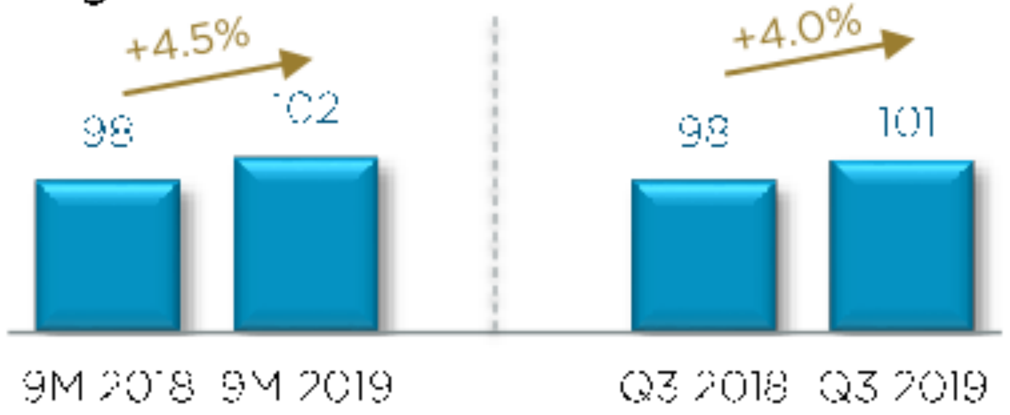
Note: IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated
[1] Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

Key financial metrics

nH | HOTEL GROUP
PART OF MINOR HOTELS

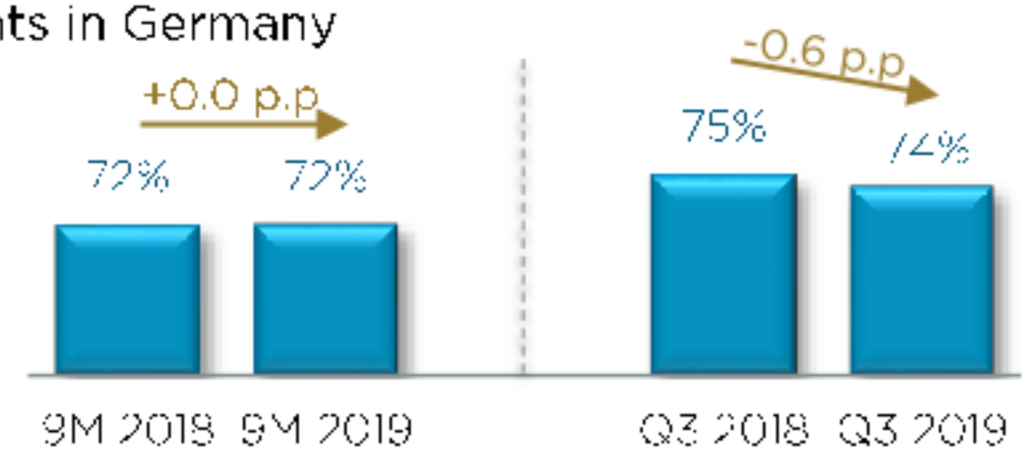
ADR (€)

- 9M: +4.5% price increase (+€4.3) reaching €102 contributing with 100% of RevPAR growth. Remarkable growth in Spain (+10.6%)
- Q3: +4.0% price increase (+€3.9) contributing with 100% of RevPAR growth



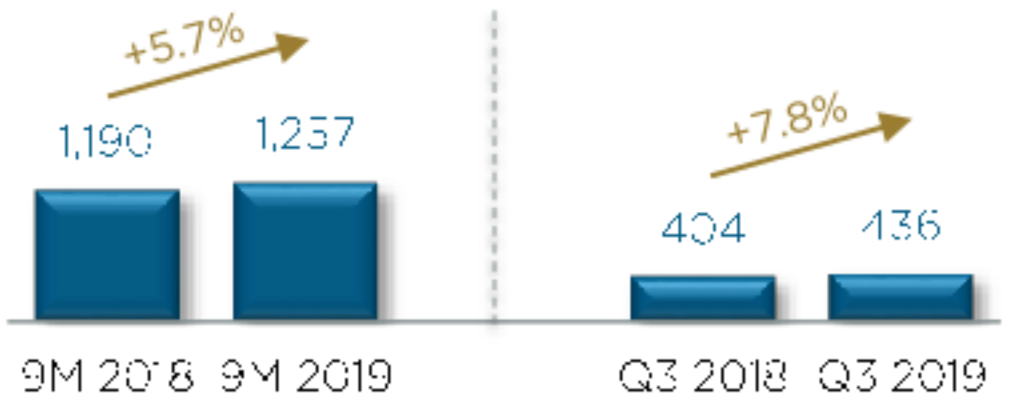
Occupancy (%)

- 9M: stable activity at 72%. Strong demand growth in Spain (+1.3%) boosted by Barcelona recovery and strong evolution in Madrid
- Q3: activity -0.9% reaching 74% mainly due to calendar of events in Germany



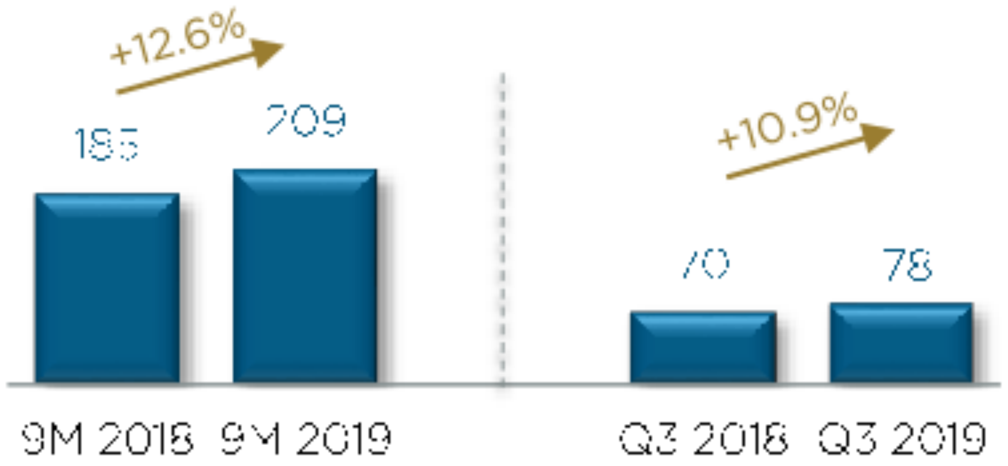
Revenues (€m)

- 9M: +€67m revenue growth (+5.7%) with an outstanding growth in Spain
- Q3: +€31m (+7.8%). Strong performance of Spain and solid growth in Benelux. Tivoli integration contributed with +€12m (+3.8% growth excluding Tivoli)



Recurring EBITDA[1] (€m)

- 9M: +€23m (+12.6%) with a 35% revenue conversion rate reaching €209m and a margin of 16.6% (+1.0 p.p.)
- Q3: +€8m (+10.9%) with a 17.9% margin (+0.5 p.p.). Tivoli integration contributed with +€4.2m



[1] Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

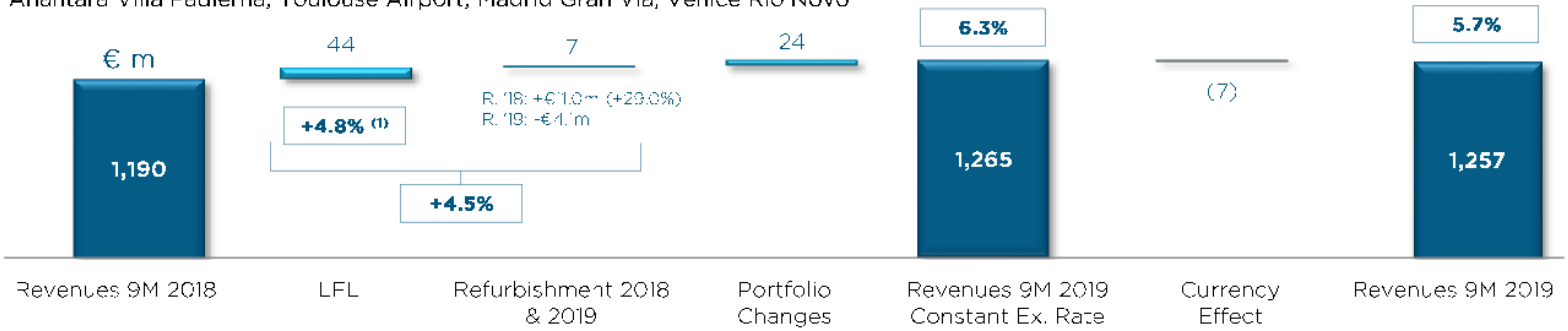
Solid revenue performance continues in 9M 2019

nH | HOTEL GROUP
PART OF MINOR HOTELS

- **Total Revenue growth of +5.7% reaching €1,257m (+€67m) despite 2019 reforms (-€4m opportunity costs) and the negative currency effect (-€7m). +6.3% revenue growth at constant exchange rate**
  - Revenue Like for Like ("LFL"): +4.8% with constant FX (+4.1% reported):
    - Strong growth in Europe of +3.5% with an excellent performance in Spain (+9.2%). Solid growth in Benelux (+2.7%), Italy (+1.6%) while Central Europe is flat (-0.2%)
  - Including the refurbished hotels, LFL&R grew +4.5% with constant FX (+3.8% reported)
    - 2018 refurbished hotels increased revenues by +€11.0m (+29.0%)
    - 2019 opportunity costs for renovations (-€4.1m): mainly from 3 hotels (Naples, Amsterdam and Munich)
  - Perimeter changes contributed with +€24m: mainly from Tivoli portfolio integration (+€12.3m), Anantara Villa Padierna, Toulouse Airport, Madrid Gran Vía, Venice Rio Novo

Revenue Split	Var. 9M 2019
Available Rooms	+0.9%
RevPAR	+4.5%
Room Revenue	+5.8%
Other Revenue	+3.7%
Total Hotel Revenue	**+5.2%**
Non Hotel Revenue*	+€5.5m
Total Revenue	**+5.7%**

* Other + Capex Payroll Capitalization



Growth Contribution	+3.7%	+	+0.6%	+	+2.0%	=	+6.3%	+	-0.6%	=	+5.7%

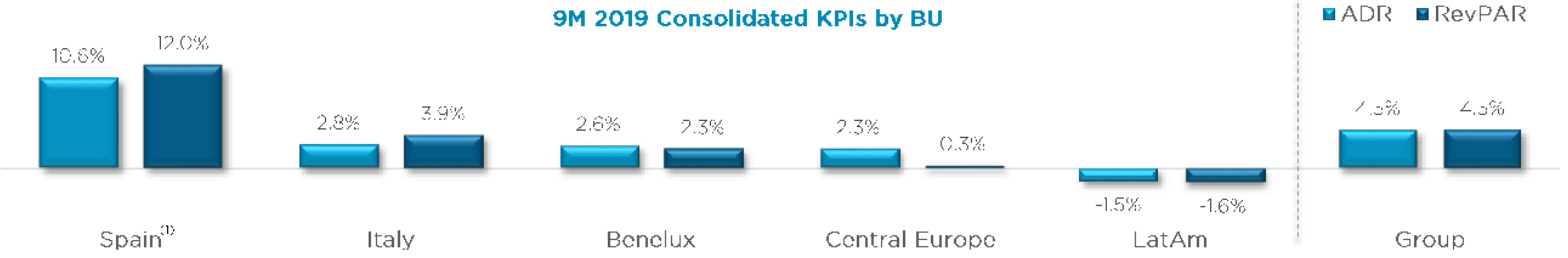
(1) On its 2019 own base. With real exchange rate growth is +4.1%

RevPAR growth fully supported by ADR

NH | HOTEL GROUP
PART OF MINOR HOTELS

- **+4.5% RevPAR increase in 9M 2019 through ADR**
  - All regions reported positive RevPAR and ADR performance except LatAm with outstanding RevPAR growth in Spain (+12.0%)
  - ADR: +4.5% price increases (+€4.3) reaching €102.0. Remarkable growth in Spain (+10.6%) and solid evolution in Italy (+2.8%), Benelux (+2.6%) and Central Europe (+2.3%)
  - Occupancy: stable activity at 71.8%. Higher demand growth in Spain (+1.3%; +1.0 p.p.) boosted by the recovery in Barcelona and strong performance of Madrid and Italy (+1.1%; +0.8 p.p.)
- **LFL (excluding reforms) RevPAR grew +3.6% in 9M 2019**
  - Spain (+11%): Recovery continued in Barcelona (+17%; occupancy +7% and ADR +9%) and excellent performance of Madrid (+13%, 67% through ADR) with a strong calendar of events. Solid performance of secondary cities (+5%)
  - Italy (+1%): Good performance of Rome (+2%) and Milan (+1%) recovering the drag from Q1 negative trade fair calendar
  - Benelux (+3%): Recovery continued in Brussels (+11%; 65% through ADR). Good performance of Amsterdam (+2%) and congress centres hotels (+5%)
  - Central Europe (+1%): Good performance of Hamburg (+4%), German secondary cities (+2%) and Austria (+9%) and negative evolution in Frankfurt (-9%) affected mainly by the higher supply and a negative trade fair calendar
  - LatAm (-3%; real exchange rate): Buenos Aires (-9%), Mexico DF (+1%) and Bogota (+2%)

9M 2019 Consolidated KPIs by BU



(1) Includes France and Portugal. Spain ADR +8.9% and RevPAR +11.0%

Focus on market share and quality

- **Relative RevPAR underperformance of -0.3 p.p. in top cities vs. competitors** with higher occupancy (+1.6 p.p.) and a lower relative ADR (-1.9 p.p.)

9M 2019	ADR % var.		"Relative" ADR	"Rel." Occupancy	"Rel." RevPAR
	NH	Comp. Set	Var.	Var.	Var.
Spain	8.3%	9.9%	-1.6 p.p.	2.0 p.p.	0.5 p.p.
Italy	0.6%	3.6%	-3.1 p.p.	0.5 p.p.	-2.5 p.p.
Benelux	1.9%	2.5%	-0.6 p.p.	1.3 p.p.	0.7 p.p.
Central Europe	-0.9%	2.2%	-3.1 p.p.	1.9 p.p.	-1.2 p.p.
Total NH	**2.7%**	**4.6%**	**-1.9 p.p.**	**1.6 p.p.**	**-0.3 p.p.**

Source: STR / MKG Competitive Set Average Growth

- **Focus on quality**

- Good performance in Spain with a relative RevPAR of +0.5 p.p. mainly explained by higher relative occupancy with strong performance of secondary cities. In Madrid, the higher relative occupancy does not compensate the lower ADR growth
- Italy: -2.5 p.p. relative RevPAR explained by the extraordinary performance in 9M 2018 (+7.1 p.p.) with relevant events in Milan and strong evolution of Rome
- Solid result in Benelux with a relative RevPAR of +0.7 p.p. with strong evolution of Amsterdam
- Central Europe: -1.2 p.p. relative RevPAR variation with higher occupancy and mixed performance among main cities
- **Performance by city:**
  - **Madrid:** Relative RevPAR -0.7 p.p.; Occupancy +3.3 p.p.
  - **Barcelona:** Relative RevPAR -0.5 p.p.; Occupancy +0.1 p.p.
  - **Amsterdam:** Relative RevPAR +1.6 p.p.; ADR +0.4 p.p.
  - **Berlin:** Relative RevPAR +0.1 p.p.; Occupancy +2.3 p.p.
  - **Frankfurt:** Relative RevPAR -1.2 p.p.; ADR -3.2 p.p.
  - **Rome:** Relative RevPAR +1.5 p.p.; ADR -3.1 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

Revenue performance by markets

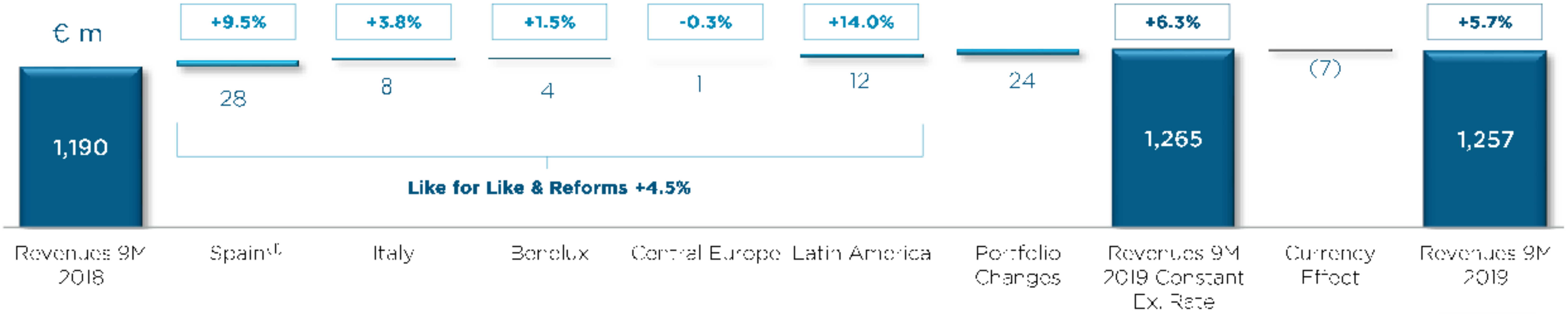
- **Spain:** +9.2% LFL growth explained by the continued recovery in Barcelona (+15.5%) and outstanding evolution of Madrid (+10.3%). Secondary cities grew +4.8%. Total Revenue grew +13.8% with the Tivoli portfolio integration and Anantara Villa Padierna

- **Italy:** +1.6% growth in LFL with a good evolution of Milan (+1.4%) recovering the drag from Q1 negative trade fair calendar while Rome stood flat with lower business groups in Q3. Including refurbished hotels revenue grew +3.8%. Total revenue +5.1% boosted by the opening of 1 hotel in Venice

- **Benelux:** +2.7% LFL with a sustained recovery in Brussels (+9.3%) and congress centres hotels (+7.2%). Amsterdam (+0.7%) evolution affected by lower business groups. Including refurbished hotels (net loss of -€2.9m mainly from a hotel in Amsterdam) and perimeter changes total revenue evolution grew +2.0%

- **Central Europe:** -0.2% LFL growth affected by the negative fair calendar in Q3 being German secondary cities (+1.0%). Frankfurt (-10.6%) also affected by higher supply. Including refurbished hotels (net loss of -€0.8m mainly from a hotel in Munich) and perimeter changes (4 hotels opened and 3 closed) total revenue grew +1.3%

- **LatAm:** +14.0% growth in LFL&R with constant exchange rate (+5.0% reported). By regions, Mexico revenues stood flat at constant exchange rate and including the positive currency evolution (+5%) reported revenues increased +5%. Argentina revenues grew +56% in local currency mainly explained by an increase in prices through hyperinflation. Reported figure is +17% including hyperinflation and currency depreciation. Hoteles Royal revenue decreased -3% in local currency and including the currency evolution (-5%) reported figure fell -8%



	Spain	Italy	Benelux	Central Europe	Latin America	Ex-Currency	Reported
Revenue LFL	+9.2%	+1.6%	+2.7%	-0.2%	+16.5%	+4.8%	+4.1%
Total Revenue	+13.8%	+5.1%	+2.0%	+1.3%	+11.4%	+6.3%	+5.7%

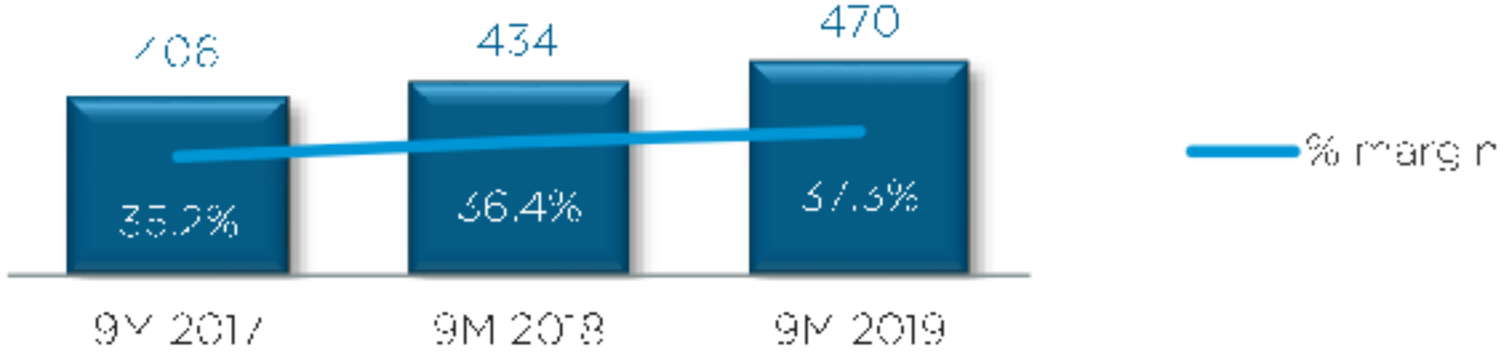
(1) Includes France and Portugal

9M EBITDA[(1)] increased +13% and margin reached 16.6%

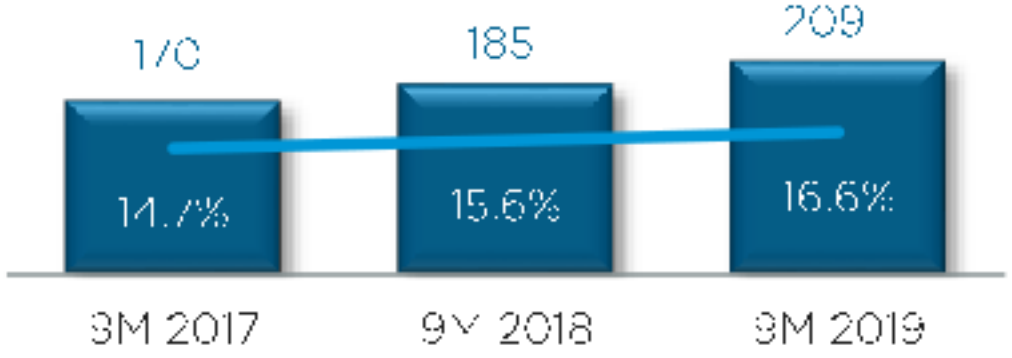
€ million	9M 2019 Reported	IFRS 16 Adj.	9M 2019 ex IFRS 16	9M 2018 Reported	VAR. ex IFRS 16	
	€m.	€m.	€m.	€m.	€m.	%.
TOTAL REVENUES	**1,257.4**	**-**	**1,257.4**	**1,190.0**	**67.4**	**5.7%**
Staff Cost	(422.7)	-	(422.7)	(400.1)	(22.6)	5.7%
Operating expenses	(365.2)		(365.2)	(356.1)	(9.0)	2.5%
GROSS OPERATING PROFIT	**469.5**	**-**	**469.5**	**433.7**	**35.8**	**8.3%**
Lease payments and property taxes	(69.0)	(191.8)	(260.9)	(248.4)	(12.5)	5.0%
EBITDA BEFORE ONEROUS	**400.5**	**(191.8)**	**208.7**	**185.3**	**23.3**	**12.6%**

- **Cost control** in 9M 2019
  - **Payroll cost** increased +5.7% (56% explained by the increase of CLA agreements and the rest by perimeter changes) and **Operating Expenses** +2.5%. Impact of perimeter changes (openings and closings) and refurbished hotels explain 59% of the increase of total operating costs
- Improvement in **GOP** of +€35.8m (+8.3%). GOP margin improved by +0.9 p.p. due to a sound conversion rate of 53%
- Adjusted lease payments and property taxes of €260.9m increased -€12.5m (+5.0%). Perimeter changes explain 41% of the increase
- **Excluding IFRS 16, Recurring EBITDA before onerous in 9M 2019 reached €208.7m (+€23.3m; +12.6%)** with a 35% conversion rate from incremental revenue to EBITDA. EBITDA margin reached 16.6% (+1.0 p.p.)

Gross Operating Profit (€m)



Recurring EBITDA (€m)[(1)]



Note: IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated

(1) Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

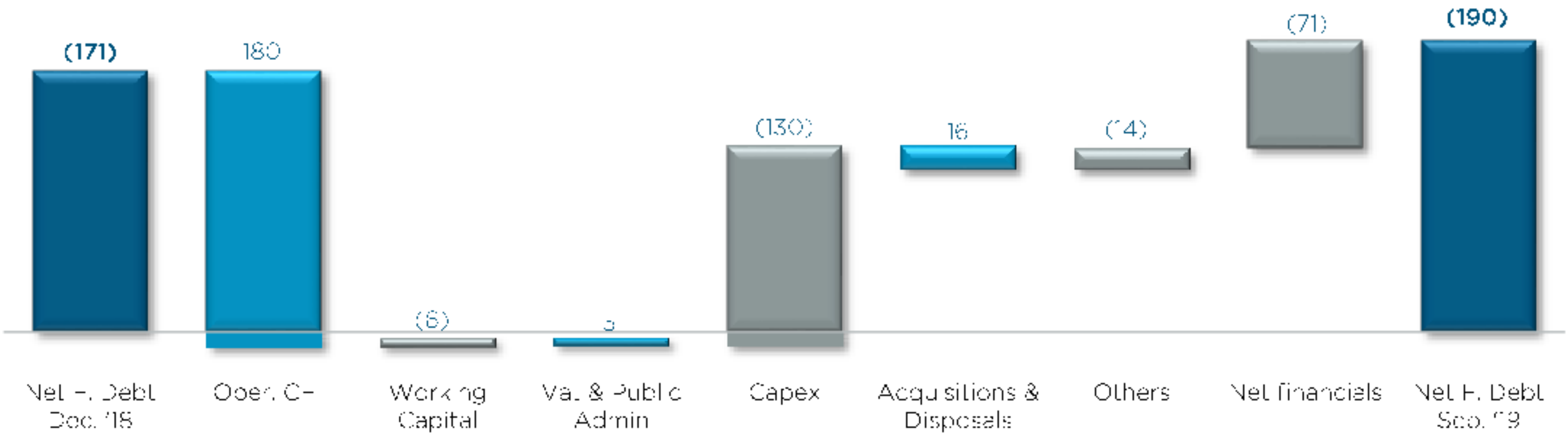
Significant improvement in Net Recurring Income

€ million	9M 2019 Reported	IFRS 16 Adj.	9M 2019 ex IFRS 16	9M 2018 Reported	VAR. ex IFRS 16	
	€m.	€m.	€m.	€m.	€m.	%.
EBITDA BEFORE ONEROUS	**400.5**	**(191.8)**	**208.7**	**185.3**	**23.3**	**12.6%**
Margin % of Revenues	31.9%	-	18.6%	15.6%	-	1.0p.p.
Onerous contract reversal provision	-	1.2	1.2	1.9	(0.6)	-33.1%
EBITDA AFTER ONEROUS	**400.5**	**(190.6)**	**209.9**	**187.2**	**22.7**	**12.1%**
Depreciation	(222.0)	134.5	(87.5)	(83.1)	(4.4)	5.3%
EBIT	**178.5**	**(56.1)**	**122.4**	**104.1**	**18.3**	**17.5%**
Net Interest expense	(84.6)	67.3	(17.3)	(25.4)	8.1	31.8%
Income from minority equity interest	0.0	-	0.0	(0.3)	0.3	N/A
EBT	**93.9**	**11.2**	**105.1**	**78.4**	**26.6**	**33.9%**
Corporate income tax	(29.5)	(3.2)	(32.7)	(30.8)	(1.8)	6.0%
NET INCOME BEFORE MINORITIES	**64.4**	**8.0**	**72.4**	**47.6**	**24.8**	**52.0%**
Minorities interests	(2.4)		(2.4)	(3.1)	0.7	21.9%
NET RECURRING INCOME	**61.9**	**8.0**	**70.0**	**44.5**	**25.5**	**57.2%**
Non Recurring EBITDA[1]	6.6	-	6.6	101.5	(94.9)	-93.5%
Other Non Recurring items[2]	(2.6)	-	(2.6)	(52.5)	49.9	95.0%
NET INCOME INCLUDING NON-RECURRING	**65.9**	**8.0**	**74.0**	**93.5**	**(19.5)**	**-20.9%**

[1] Includes gross capital gains from asset rotation
[2] Includes taxes from asset rotation

1. **Excluding IFRS 16, Recurring EBITDA before onerous reached €208.7m (+€23.3m; +12.6%).** Reported EBITDA amounted €400.5m with IFRS 16
2. **Depreciation:** increase of -€4.4m due to the impact of repositioning capex. Applying IFRS 16, reported figure reached €222.0m
3. **Financial Expenses:** decrease of +€8.1m mainly explained by the early redemption of the Convertible Bond in June 2018 and the partial early redemption of 2023 Bond of €43.2m in Q4 2018. With IFRS 16, reported figure is -€84.6m
4. **Taxes:** Corporate Income Tax of -€29.5m, +€1.3m lower than 9M 2018 due to the lower adjustment for non-deductible financial expenses and deferred taxes arisen from IFRS 16 (+€3.2m) that compensate the better EBT performance
5. **Reported Net Recurring Income:** improvement of +€17.4m vs. 9M 2018 reported figure reaching €61.9m due to the business improvement, lower financial costs and despite IFRS 16 net impact of -€8.0m and IAS 29 -€1.9m
6. **Non Recurring Items:** reached €4.0m mainly due to net capital gains from asset rotation but significantly lower than in 9M 2018
7. **Reported Total Net Income reached €65.9m,** -€27.6m lower than in 9M 2018 reported due to the lower contribution (-€45m) of non-recurring activity

Cash Flow Evolution



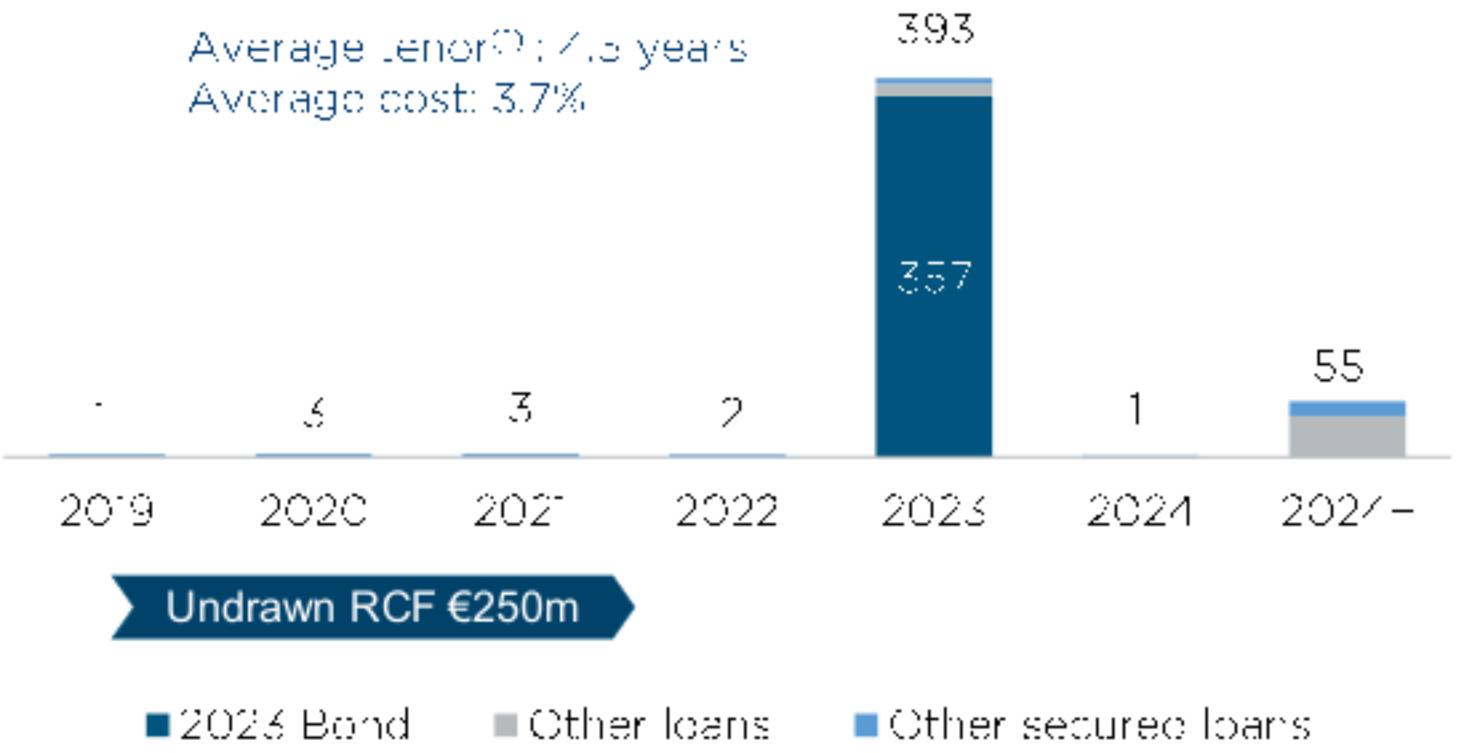
Financial Position: 30th September 2019
Gross Financial Debt: (€458m)
Cash: €268m
Net Financial Debt: (€190m)[(1)]
Operating Lease Liability (under IFRS16): (€2,112m)
Total Net Debt with Operating Leases: (€2,302m)

- **(+) Operating Cash Flow:** +€180.3m, including -€14.2m of credit card expenses and corporate income tax paid of -€35.2m
- **(-) Working Capital:** mainly explained by a lower overdue recovery from previous year due to optimized overdue levels, and some one-off effects related to certain projects on supply chain processes
- **(-) Capex payments:** -€130.3m paid during 9M 2019
- **(+) Acquisitions & Disposals:** +€15.6m from NH Málaga II disposal in Q1 +€16.0m, JV China +€1.9m, Tivoli net contributions -€4.7m and +€2.4m from deferred payments of operations of previous years
- **(-) Other:** mainly severance payments and legal provisions
- **(-) Net Financials & Dividends:** -€70.7m, including -€11.4m net interest expense, -€58.2m net ordinary dividend paid in June 14th and -€1.2m minority dividend

(1) NFD excluding accounting adjustments for arrangement expenses €11.7m, accrued interest -€7.2m and IFRS 9 adjustment €7.3m. Including these accounting adjustments, the Adj. NFD would be (-€179m) at 30th Sep. 2019 and (-€153m) at 31st Dec. 2018

Strong deleverage achieved

Debt Maturity Profile
30 September 2019: Gross debt (€458m)



Liquidity:

- Cash at bank: **€268m**
- Available credit lines: **€304m**, of which €250m is a Long Term RCF (maturity in September 2021)

Rating

Rating	NH	2023 Bond	Outlook
Fitch	B+	BB	Stable
Moody's	B1	Ba3	Stable

FitchRatings

- On 26th March 2019 Fitch revised the Outlook on NH Hotel Group's Long-Term Issuer Default Rating (IDR) to Stable from Positive and **affirmed the IDR at 'B+'** following the acquisition by Minor International of a 94.1% stake in NH Hotel Group
- Bond rating affirmed at BB

MOODY'S

- On May 11th 2018, Moody´s **upgraded the corporate family rating of NH Hotel Group to 'B1' from 'B2'** and changed the outlook from positive to stable
- Moody´s confirmed the ratings and outlook on May 31st 2019

(1) Excluding subordinated debt (2024–)

IFRS 16: Impact of new accounting standard from 01/01/2019

NH | HOTEL GROUP
PART OF MINOR HOTELS

- The application of IFRS 16 started on January 1st, 2019 and establishes the recognition of operating leases as an asset for the right of use and a financial liability. An amortization expense of the asset is recorded separately from the interest expense of the lease liability
- NH has adopted the Modified Retrospective method, recording in the equity reserves the difference between Asset & Liability
- Impacts on Balance Sheet and P&L (without considering additions, cancellations or modifications of contracts that may occur after that date):

Impact on Balance Sheet 30/09/2019 (€ million)	
Right of Use	**1,741.3**
Deferred tax	**96.7**
Other assets [1]	(19.1)
TOTAL ASSETS	**1,818.9**
Total Equity	**(266.7)**
Operational leases liability	**2,112.4**
Other liabilities [2]	(26.8)
TOTAL LIABILITIES	**1,818.9**

[1] Elimination of linearization accounts
[2] Elimination of onerous provision (€6m) and linearization accounts

Impact in P&L in 9M 2019 (€ million)	9M 2019 ex IFRS 16	IFRS 16 Adj.	9M 2019 Reported
Lease payments and property taxes	(260.9)	191.8	(69.0)
EBITDA BEFORE ONEROUS	**208.7**	**191.8**	**400.5**
Onerous contract reversal provision	1.2	(1.2)	
Depreciation	(87.5)	(134.5)	(222.0)
EBIT	**122.4**	**56.1**	**178.5**
Interest expense	(17.3)	(67.3)	(84.6)
Corporate income tax	(32.7)	3.2	(29.5)
NET RECURRING INCOME	**70.0**	**(8.0)**	**61.9**

- No cash impact, leverage capacity or debt financial covenant

Tivoli Integration

NH | HOTEL GROUP
PART OF MINOR HOTELS

Lease contract in Lisbon 3 hotels	

Lease contract in Lisbon
3 hotels

- Minor has signed an agreement with Invesco Real Estate to sell 3 hotels and simultaneously NH will sign a long term sustainable lease contract with Invesco Real Estate starting end of July
- Counterpart: Invesco Real Estate
- Tenure: 20 years with rights of extension for NH totaling 40 additional years
- Variable lease with minimum guaranteed
- Sustainable long term contract:
  - Fixed rent coverage 1.9x [1]
  - Basket of Losses to limit downside
- NH is responsible for property tax and ordinary maintenance capex

Management contract in Portugal
9 hotels

- Counterpart: Minor
- Tenure: Initial period of 2 years
- Base Fee on Revenues + Incentive Fee on Operating Profit

EBITDA Contribution YTD Sept. 2019: €4.8m

(1) EBITDAR / Fixed Rent + Property Tax

Annex

- Q3 Revenue:
  - Per Perimeter
  - Per B.U.
- Q3 RevPAR
- Q3 P&L

NH Collection Milano Porta Nuova

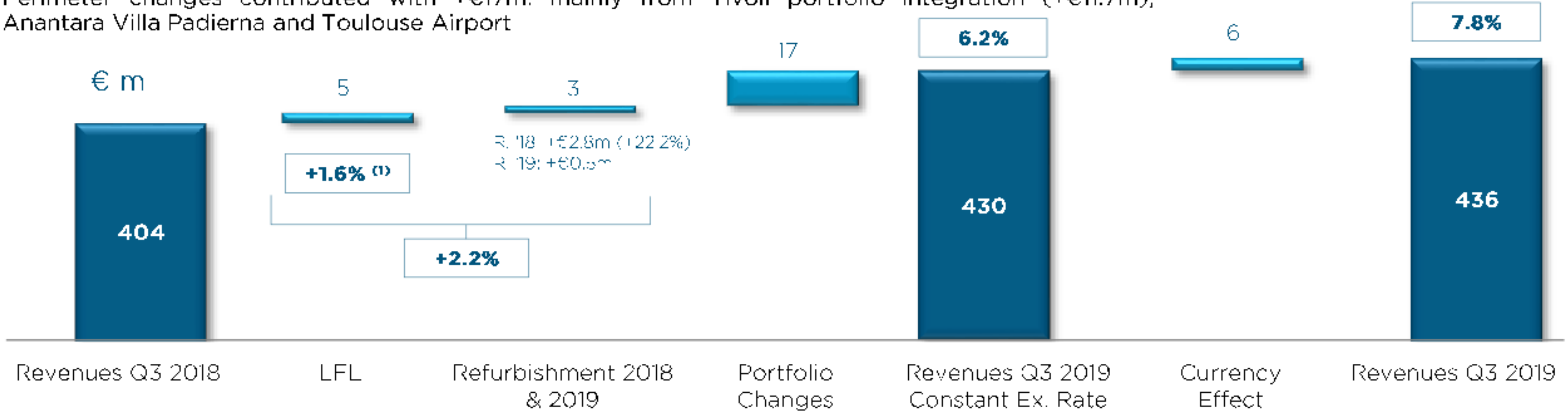
Solid revenue performance continues in Q3 2019

nH | HOTEL GROUP
PART OF MINOR HOTELS

- **Total Revenue growth of +7.8% reaching €436m (+€31m) including changes of perimeter (+€17m) and the positive currency effect (+€6m, mainly explained by IAS 29 from Q3 2018). Excluding IAS 29 and Tivoli integration, revenue would have grown +€15m or +3.8%**
  - Revenue Like for Like ("LFL"): +1.6% with constant FX (+3.4% reported):
    - +2.0% growth in Europe with a strong performance in Spain (+9.0%). Good evolution in Benelux (+2.7%) and Italy (+1.5%). Central Europe (-5.2%) negatively affected by fair calendar
  - Including the refurbished hotels, LFL&R grew +2.2% with constant FX (+3.7% reported)
    - 2018 refurbished hotels increased revenues by +€2.8m (+22.2%)
    - 2019 refurbished perimeter includes the opportunity cost of renovations of the quarter (-€2.6m)
  - Perimeter changes contributed with +€17m: mainly from Tivoli portfolio integration (+€11.7m), Anantara Villa Padierna and Toulouse Airport

Revenue Split	Var. Q3 2019
Available Rooms	2.4%
RevPAR	+3.0%
Room Revenue	+7.1%
Other Revenue	+8.9%
Total Hotel Revenue	**+7.6%**
Non Hotel Revenue*	+€0.9m
Total Revenue	**+7.8%**

* Other + Capex Payroll Capitalization



Growth Contribution	+1.2%	+	+0.8%	+	+4.2%	=	+6.2%	+	+1.5%	=	+7.8%

(1) On its 2019 own base. With real exchange rate growth is +3.4%

Revenue performance by markets

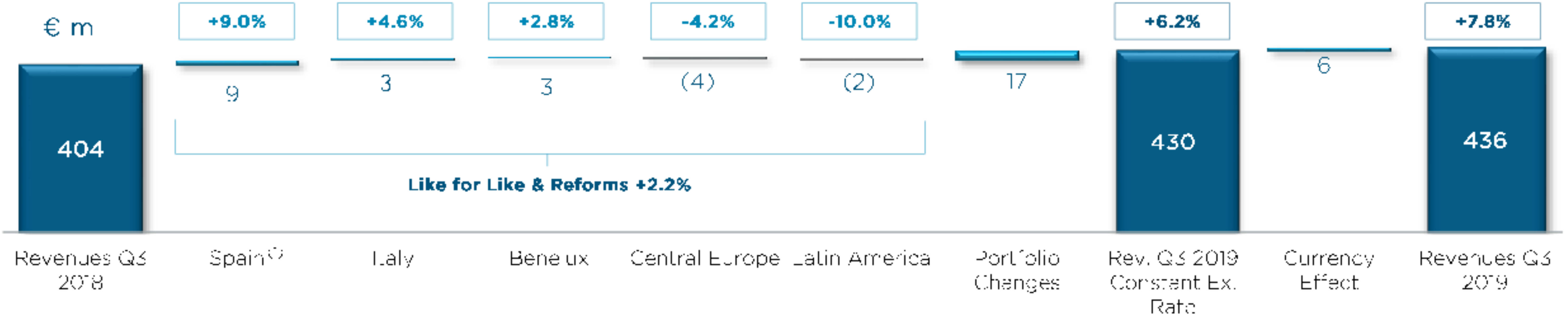
- **Spain:** +9.0% LFL growth with the continued recovery in Barcelona (+16.6%) and strong performance of Madrid (+11.9%). Secondary cities grew +3.3%. Total Revenue grew +22.7% boosted by new openings (Tivoli integration, Toulouse, La Coruña and Marbella)

- **Italy:** +1.5% growth in LFL with a better fair calendar in Milan (+2.9%) while Rome fell (-2.8%) due to lower groups demand and impacting non-room revenues. Including the refurbished perimeter (Rome and Palermo), LFL&R grew +4.6%. Total revenue +5.4% with the opening of 1 hotel in Venice and 1 in Rome

- **Benelux:** +2.7% LFL with outstanding performance in Brussels (+11.5%) and congress centers hotels (+13.1%) with higher number of corporate events while Amsterdam (-2.8%) with lower group events affecting other hotel revenues. Including changes of perimeter total revenue grew +3.5%

- **Central Europe:** -5.2% LFL decrease due to the negative trade fair calendar in Munich (-23.5%) and Frankfurt (-18.5%) also affected by an increase of supply. Secondary cities fell -0.7%. Including refurbished hotels and perimeter changes total revenue decreased -3.3%

- **LatAm:** -10.0% growth in LFL&R with constant exchange rate (+15.3% reported), being distorted by the application of IAS 29 in Q3 18. By regions, Mexico revenues grew +5% at constant exchange rate and including the positive currency evolution (+2%) reported revenues increased +8%. In Argentina the revenue evolution in Q3 is heavily impacted by the hyperinflation IAS 29 accounting rule since Q3 18. In Q3 19, the currency devaluation has been higher than the accumulated hyperinflation of the year. Hoteles Royal revenue decreased -1% in local currency and including the currency evolution (-10%) reported figure fell -10%



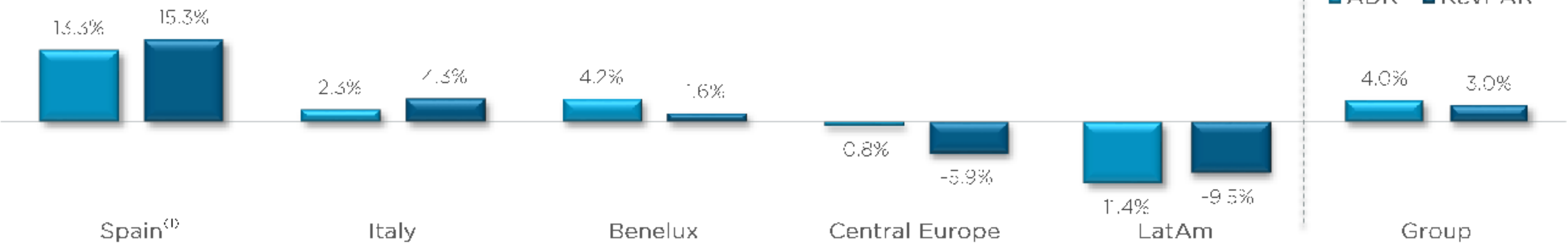
	Spain	Italy	Benelux	Central Europe	Latin America	Ex-Currency	Reported
Revenue LFL	+9.0%	+1.5%	+2.7%	-5.2%	-5.9%	+1.6%	+3.4%
Total Revenue	+22.7%	+5.4%	+3.5%	-3.3%	-11.4%	+6.2%	+7.8%

(1) Includes France and Portugal

RevPAR growth fully supported by ADR

- **+3.0% RevPAR increase in Q3 2019 through ADR**
  - All regions reported positive RevPAR and ADR trend except Central Europe (negative trade fair calendar) and LatAm. Outstanding RevPAR growth in Spain (+15.3%) and Italy (+4.3%)
  - ADR: +4.0% price increases (+€3.9) reaching €101.5. Remarkable growth in Spain (+13.3%) and Benelux (+4.2%)
  - Occupancy: -0.9% reaching 74.1% due to calendar of events in Germany. Higher demand growth in LatAm (+2.1%; +1.3 p.p.), Italy (+2.0%; +1.5 p.p.) and Spain (+1.7%; +1.3 p.p.),
- **LFL (excluding reforms) RevPAR grew +0.6% in Q3 2019**
  - Spain (+11%): Recovery continued in Barcelona (+18%, 66% through ADR) with a relevant congress in the quarter and strong performance of Madrid (+15%, both occupancy and ADR) with a favourable fair calendar
  - Italy (flat): Good evolution of Milan (+4%) with positive trade fair calendar in Q3 and Rome (-2%) due to lower business groups demand
  - Benelux (+1%): Recovery continued in Brussels (+15%, 100% through ADR) joined with relevant events. Congress centres hotels (+4%) while Amsterdam fell (-2%) due to lower business groups events
  - Central Europe (-6%): Negative trade fair calendar in the quarter. Frankfurt (-16%) also affected by an increase of supply
  - LatAm (-12%; real exchange rate): Buenos Aires (-39%), Mexico DF (+7%, higher occupancy and ADR) and Bogota (-6%)

Q3 2019 Consolidated KPIs by BU



(1) Includes France and Portugal. Spain ADR +8.7% and RevPAR +11.1%

Significant improvement in Net Recurring Income

€ million	Q3 2019 Reported €m.	IFRS 16 Adj. €m.	Q3 2019 ex IFRS 16 €m.	Q3 2018 Reported €m.	VAR. ex IFRS 16 €m.	VAR. ex IFRS 16 %.
TOTAL REVENUES	**435.9**	**-**	**435.9**	**404.5**	**31.4**	**7.8%**
Staff Cost	(143.8)	-	(143.8)	(132.8)	(11.0)	8.3%
Operating expenses	(124.2)		(124.2)	(118.4)	(5.8)	4.9%
GROSS OPERATING PROFIT	**167.9**	**-**	**167.9**	**153.2**	**14.7**	**9.6%**
Lease payments and property taxes	(24.2)	(65.6)	(89.8)	(82.9)	(7.0)	8.4%
EBITDA BEFORE ONEROUS	**143.6**	**(65.6)**	**78.1**	**70.4**	**7.7**	**10.9%**
Margin % of Revenues	33.0%		17.9%	17.4%		0.5 p.p.
Onerous contract reversal provision	-	0.4	0.4	0.6	(0.2)	-27.2%
EBITDA AFTER ONEROUS	**143.6**	**(65.2)**	**78.5**	**70.9**	**7.5**	**10.6%**
Depreciation	(77.2)	46.1	(31.1)	(28.5)	(2.5)	8.9%
EBIT	**66.4**	**(19.0)**	**47.4**	**42.4**	**5.0**	**11.7%**
Net Interest expense	(27.8)	22.0	(5.9)	(5.1)	(0.7)	14.5%
Income from minority equity interest	0.0		0.0	(0.2)	0.2	N/A
EBT	**38.6**	**2.9**	**41.6**	**37.1**	**4.5**	**12.0%**
Corporate income tax	(12.2)	(0.7)	(12.9)	(13.9)	1.0	7.2%
NET INCOME BEFORE MINORITIES	**26.4**	**2.2**	**28.7**	**23.2**	**5.5**	**23.6%**
Minorities interests	(0.6)	-	(0.6)	(1.6)	1.0	-61.9%
NET RECURRING INCOME	**25.8**	**2.2**	**28.0**	**21.6**	**6.5**	**30.0%**
Non Recurring EBITDA[1]	0.3		0.3	15.1	(14.8)	98.3%
Other Non Recurring items[2]	(0.1)	-	(0.1)	(7.5)	7.5	99.3%
NET INCOME INCLUDING NON-RECURRING	**26.0**	**2.2**	**28.3**	**29.2**	**(0.9)**	**-3.1%**

1. **Revenue** grew +7.8% reaching €435.9m (+€31.4m). Excluding Tivoli integration (+€11.7m) and IAS 29 revenue would have grown +€15m or +3.8%
2. **GOP:** growth of +€14.7m due to the integration of Tivoli (+€6.2m). Payroll cost increased +8.3% (40% explained by the increase of CLA agreements and the rest by perimeter changes) and Operating Expenses +4.9%.
3. **Adjusted lease payments and property taxes** of €89.8m increased -€7.0m (+8.4%) mainly explained by Tivoli and perimeter changes (63% of the increase)
4. **Excluding IFRS 16, Recurring EBITDA before onerous reached €78.1m (+€7.7m; +10.9%).** Excluding Tivoli (+€4.2m) and IAS 29 accounting impact, EBITDA would have grown +€2.4m. Reported EBITDA €143.6m with IFRS 16
5. **Depreciation:** increase of -€2.5m due to repositioning capex. Applying IFRS 16, reported figure reached €77.2m
6. **Net Financial Expenses:** rise of -€0.7m due to FX variations (-€1.1m) higher than the savings from the partial early redemption of 2023 Bond of €43.2m in Q4 2018 (+€0.6m). With IFRS 16, reported figure is €27.8m
7. **Reported Net Recurring Income:** improvement of +€4.3m vs. Q3 2018 reported figure reaching €25.8m due to the business improvement, Tivoli integration, lower impact of IAS 29 and despite IFRS 16 (-€2.2m)
8. **Reported Total Net Income reached €26.0m,** -€3.1m lower than in Q3 2018 due to the lower contribution (-€7m) of non-recurring activity

Disclaimer

This presentation has been produced by NH Hotel Group S.A ("NH Hotel Group"), and it is provided exclusively for information purposes. By receiving or by reading the presentation slides. you agree to be bound by the following limitations.

This presentation does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of NH Hotel Group in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. Historical results of NH Hotel Group do not necessarily indicated or guarantee future results.

This presentation does not purport to be all-inclusive or to contain all of the information that a person considering an investment in the securities of NH Hotel Group may require to make a full analysis of the matters referred to herein. Each recipient of this presentation must make its own independent investigation and analysis of the securities and its own determination of the suitability of any investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment.

The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein.

This presentation includes ""forward-looking statements." These statements contain the words "anticipate," "believe," "intend," "estimate," "expect", "aspire" and words of similar meaning. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding NH Hotel Group's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to NH Hotel Group's projects and services) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of NH Hotel Group to be materially different from results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding NH Hotel Group's present and future business strategies and the environment in which NH Hotel Group will operate in the future. These forward-looking statements speak only as at the date of this presentation. Each of NH Hotel Group, other relevant group entities and their respective agents, employees and advisers, expressly disclaims any obligation or undertaking to update any forward-looking statements contained herein.

Any assumptions, views or opinions (including statements, projections, forecasts or other forward-looking statements) contained in this presentation represent the assumptions, views or opinions of NH Hotel Group as at the date indicated and are subject to change without notice. All information not separately sourced is from internal Issuer data and estimates.

The statements and forecasts included in this document do not constitute testimony or guarantees, express or implied. on behalf of NH Hotel Group, its board members or directors. Neither NH Hotel Group, nor its board members and directors, assume responsibility for any damage or loss, direct or indirect that may arise from the use of the information contained in this document.