2019 RESULTS PRESENTATION

25th of February 2020

NH Toulouse Airport

NH | HOTEL GROUP PART OF MINOR HOTELS

Message from the CEO

NH | HOTEL GROUP
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"Dear Shareholders,

2019 has been an **excellent year** in which the Group has **overachieved its financial targets** setting another **record-setting results.**

The positive operating trend and business improvement has continued in 2019 with revenues growing by +6.1% despite the negative currency effect (-€19m in revenues). At **constant exchange rate, revenue grew +7.2%. Strong LFL growth in Europe of +3.9%** with an excellent performance in Spain (+8.3%) and a very solid growth in Benelux (+4.0%) and Italy (+2.5%).

The combination of **sound revenue growth, RevPAR evolution entirely through prices and cost control measures** have allowed the Group to achieve in 2019 an **EBITDA of €294m (+€31m; +12%)** excluding IFRS 16 accounting impacts for comparison purposes, **with a margin improvement of +0.9 p.p. reaching 17.1%.** Including IFRS 16, reported EBITDA reached €551.4m.

Net Recurring income reached €103m increasing by +€34m vs reported 2018, an improvement higher than EBITDA growth, due to lower financial costs and despite IFRS 16 impacting -€10m. **Total Net Income** (including non recurring activity) amounted to €90m, down from €102m posted in 2018 reflecting the lower contribution of non-recurring activity (-€45m vs. 2018).

Strong cash flow generation allows to preserve a low Net Financial Debt (-€179m) with a solid cash position of €289m as of 31st December 2019, despite capex investments (-€170m) and dividend payment (-€59m) in the period.

After Tivoli integration in June, another **milestone in the integration with Minor has been achieved.** In December, NH reached an agreement with Covivio to operate eight luxury hotels with 1,115 rooms, formerly known as Boscolo, with prime locations in Rome, Florence, Venice, Nice, Prague and Budapest. The hotels will be rebranded under the Anantara and NH Collection brands and will be operated under long-term sustainable lease contracts.

Despite the current challenges, our priority will be to drive the business and take the actions needed to continue improving our results.

It will be **proposed to the AGM the approval of a €0.15 dividend per share for the financial year 2019 (c.€59m)**, aligned with the dividend policy announced".

Ramón Aragonés
CEO, NH Hotel Group

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

2019 highlights: financial targets exceeded

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- **Strong Revenue growth of +6.1% reaching €1,718m (+€98m). With constant FX revenue grew +7.2%**
  - Tivoli integration contributed with €24m
  - Revenue Like for Like ("LFL") growth of +4.9% (+3.6% exc. FX)
    - Solid growth in Europe of +3.9% with an outstanding performance in Spain (+8.3%), Benelux (+4.0%) and Italy (+2.5%)
  - RevPAR: +4.9% through ADR which grew (+4.9%; €103) and stable occupancy at 72%
- **Outstanding Recurring EBITDA[1] of €294m (+€31m; +12%) with a margin improvement of +0.9 p.p. to 17.1%**
  - Sound 31% EBITDA conversion rate supported by cost control measures
  - Reported EBITDA of €551m including IFRS 16
- **Significant Reported Net Recurring Income growth of +€34m reaching €103m,** due to the business improvement, lower financial costs and despite IFRS 16 net impact of -€10m. Excluding IFRS 16 reached €113m
- **Reported Total Net Income reached €90m**
  - -€12m down vs. 2018 reported figure reflecting the lower contribution (-€45m) of non-recurring activity
- **Strong Financial metrics:**
  - Net financial debt reached -€179m with a solid cash position (€289m) as of 31 December 2019
  - Long term RCF available undrawn €250m
- **Dividend:**
  - Proposal for AGM approval of a maximum gross dividend of €0.15 per share for 2019 financial year, implying an estimated payment of c.€59m based on outstanding shares (392.2 million shares)

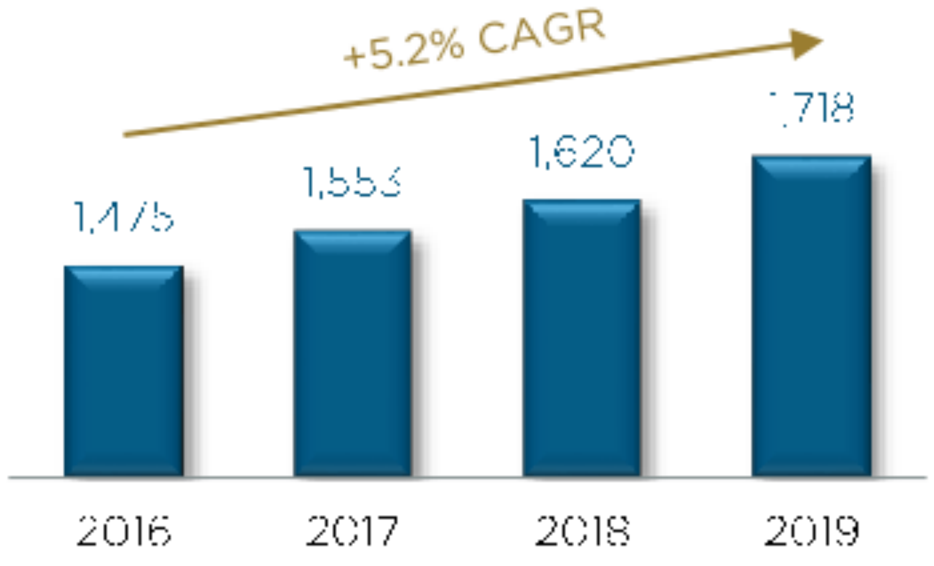
2019 targets exceeded:
- Recurring EBITDA[1] €294m (Tivoli contribution +€5m) > €285m
- Net Rec. Income excl. IFRS 16 €113m > €100m

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

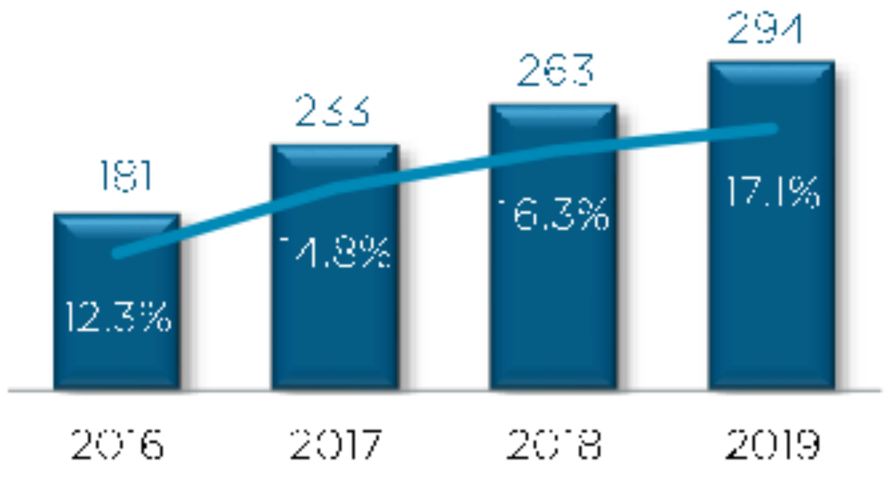
Key Financial Indicators: 2016-2019

Revenues (€m)



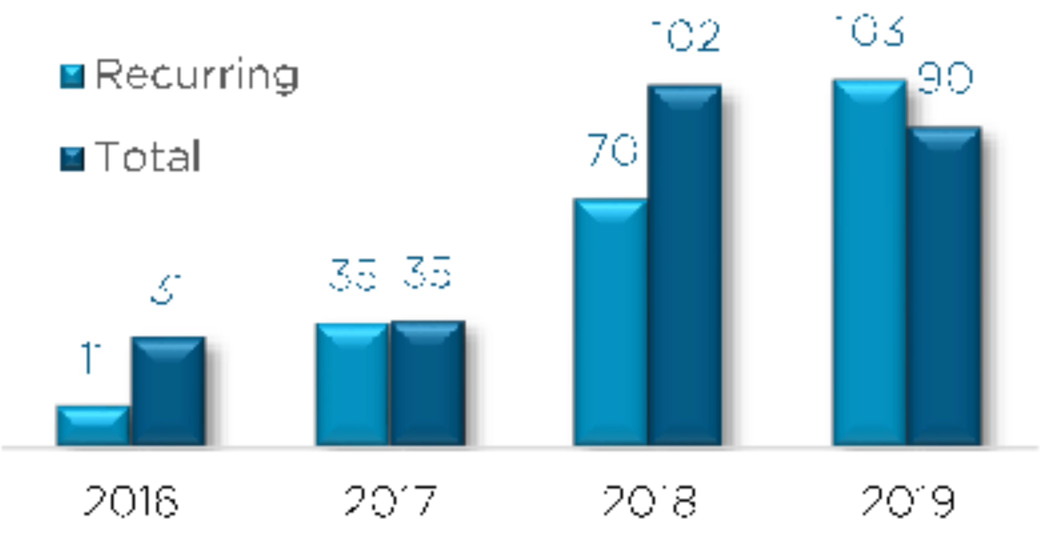
- An increase of more than €244m, a +5.2% CAGR (2016-2019)
- In 2019 revenue grew +6.1% (+€98m) reaching €1,718m

Recurring EBITDA[1] (€m) % margin



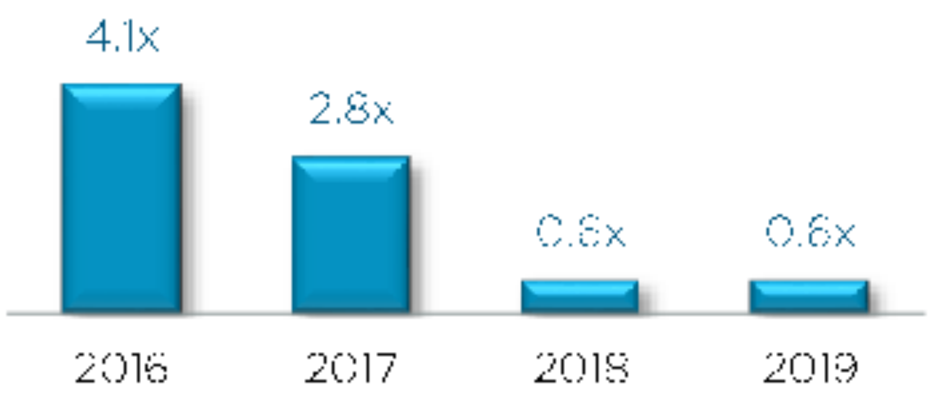
- +18% CAGR, an increase of €113 from 2016
- Margin increased +4.8 p.p. in the period (2016-2019), reaching 17.1% in 2019
- In 2019 Recurring EBITDA grew +€31m (+12%) reaching €294m

Net Income (€m)



- In 2019 Net Recurring Income grew +€33.5m explained by business improvement and lower financial costs
- Total Net Income in 2019 impacted by the lower contribution (-€45m) vs. 2018 of non-recurring activity

Net Financial Debt / Recurring EBITDA[1]



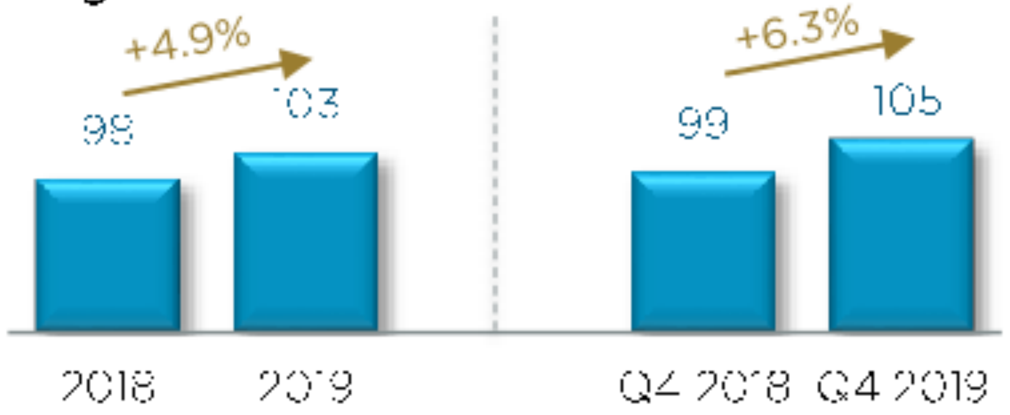
- Deleverage execution completed due to the favorable operating cash flow generation, conversion of the Bond & partial 2023 Bond redemption and asset rotation
- Gross debt of €468m with a cash position of €289m at 31st December 2019

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

Key financial metrics

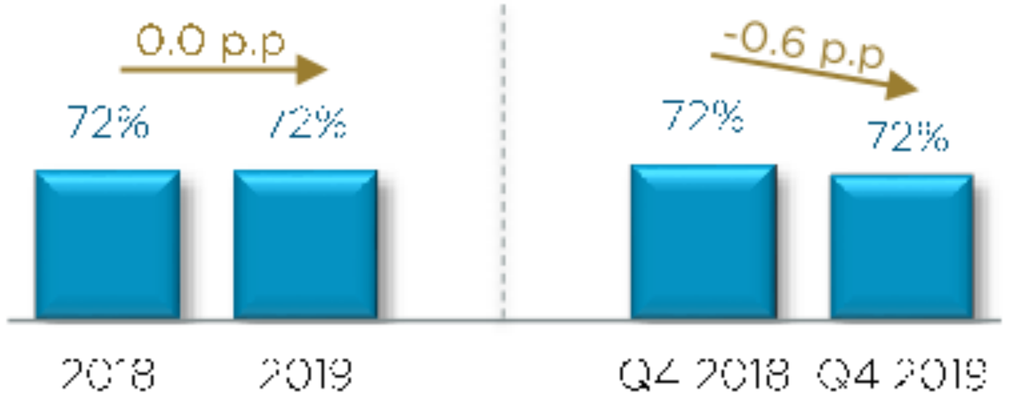
ADR (€)

- 2019: +4.9% price increase (+€4.8) reaching €103 contributing with 100% of RevPAR growth. Remarkable growth in Spain (+10.2%)
- Q4: +6.3% price increase (+€6.2) contributing with 100% of RevPAR growth



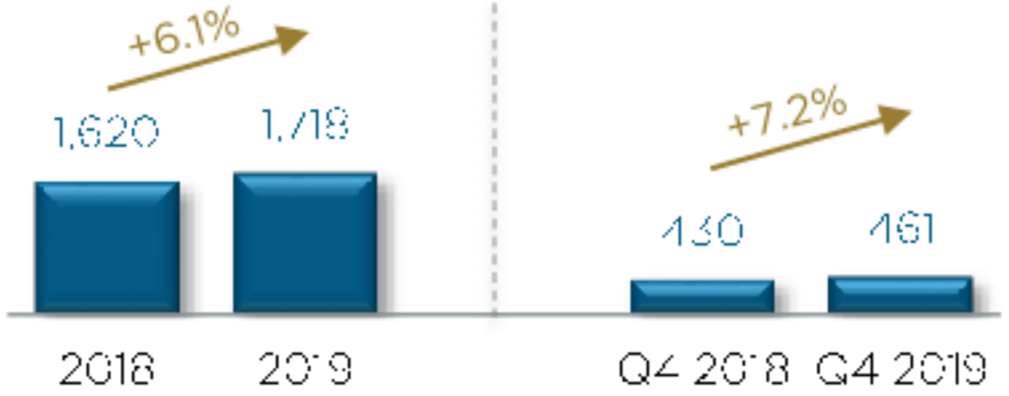
Occupancy (%)

- 2019: stable activity at 72%. Demand growth in Italy (+1.3%) and Spain (+1.3%)
- Q4: activity -0.8% reaching 72% mainly due to calendar of events in Germany and Spain



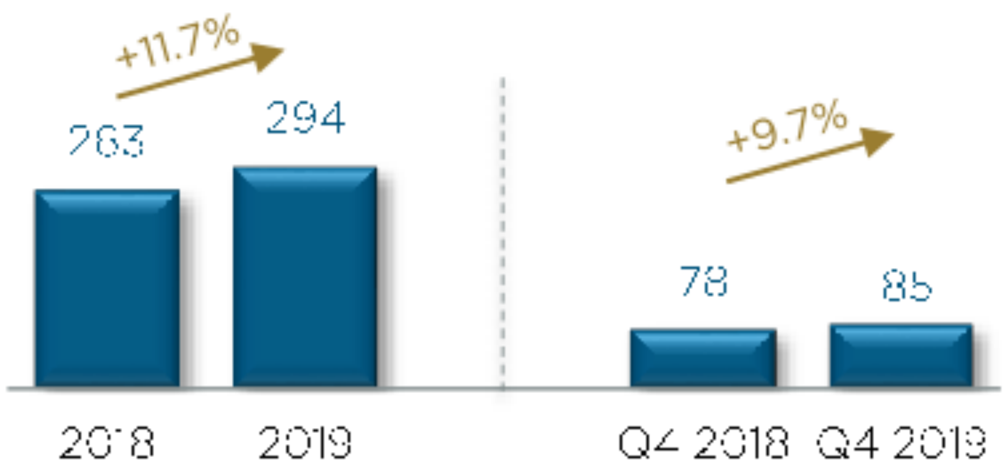
Revenues (€m)

- 2019: +€98m revenue growth (+6.1%) with an outstanding growth in Spain
- Q4: +€31m (+7.2%). Strong performance of Benelux, Italy and Spain. Tivoli integration contributed with +€12m (+4.5% growth excluding Tivoli)



Recurring EBITDA[1] (€m)

- 2019: +€31m (+11.7%) with a 31% revenue conversion rate reaching €294m and a margin of 17.1% (+0.9 p.p.)
- Q4: +€8m (+9.7%) with a 18.5% margin (+0.4 p.p.)



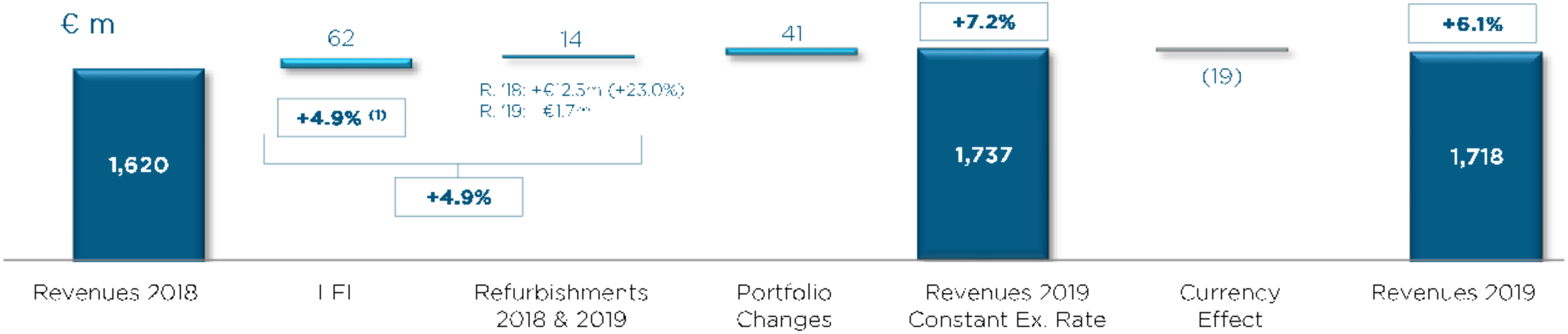
[1] Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

Solid revenue performance continued in 2019

- **Total Revenue growth of +6.1% reaching €1,718m (+€98m) including perimeter changes (+€41m) and despite the negative currency effect (-€19m). +7.2% revenue growth at constant exchange rate**
  - Revenue Like for Like ("LFL"): +4.9% with constant FX (+3.6% reported):
    - Strong growth in Europe of +3.9% with an excellent performance in Spain (+8.3%). Solid growth in Benelux (+4.0%), Italy (+2.5%) and flat evolution in Central Europe (+0.1%)
  - Including the refurbished hotels, LFL&R grew +4.9% with constant FX (+3.7% reported)
    - 2018 refurbished hotels increased revenues by +€12.5m (+23.0%)
    - 2019 refurbished perimeter includes the opportunity cost of renovations (-€9.6m in 2019, mainly from hotels in Naples, Amsterdam, the Hague, Hamburg, Santiago de Chile and Buenos Aires)
  - Perimeter changes contributed with +€41m: mainly from Tivoli portfolio integration (+€24.0m), Anantara Villa Padierna, Toulouse Airport, Madrid Gran Vía, Venice Rio Novo and Mannheim hotels

Revenue Split	Var. 2019
Available Rooms	+1.2%
RevPAR	+4.9%
Room Revenue	+6.3%
Other Revenue	+3.9%
Total Hotel Revenue	**+5.7%**
Non Hotel Revenue*	+€7.6m
Total Revenue	**+6.1%**

* Other + Capex Payroll Capitalization

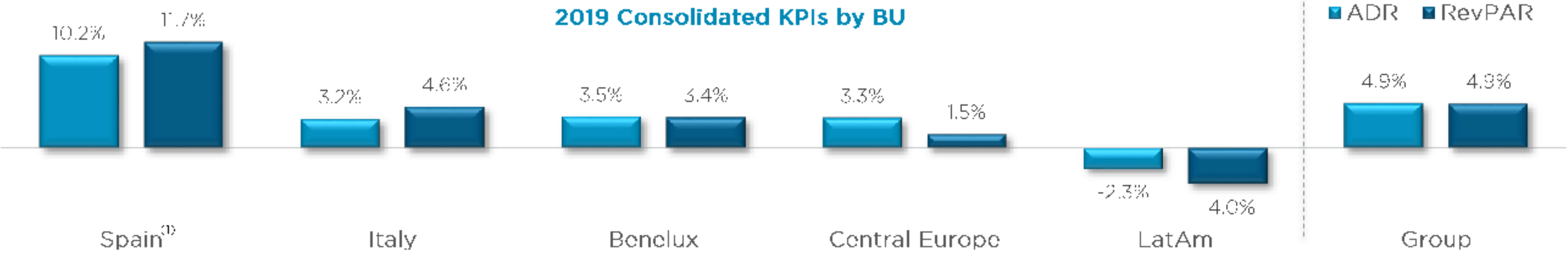


Growth Contribution	+3.8%	+	+0.9%	+	+2.5%	=	+7.2%	+	-1.2%	=	+6.1%

(1) On its 2019 own base. With real exchange rate growth is +3.6%

RevPAR growth fully explained by ADR

- **+4.9% RevPAR increase in 2019 through ADR**
  - All regions reported positive RevPAR and ADR performance except LatAm. Outstanding RevPAR growth in Spain (+11.7%)
  - ADR: +4.9% price increases (+€4.8) reaching €102.9. Remarkable growth in Spain (+10.2%) and solid evolution in Benelux (+3.5%), Central Europe (+3.3%) and Italy (+3.2%)
  - Occupancy: activity remained stable at 71.7%. Higher demand growth in Italy (+1.3%; +0.9 p.p.) and Spain (+1.3%; +1.0 p.p.) boosted by the recovery in Barcelona and strong performance of Madrid
- **LFL (excluding reforms) RevPAR grew +3.1% in 2019**
  - Spain (+9%): Recovery continued in Barcelona (+14%; occupancy +5% and ADR +8%) and excellent performance of Madrid (+11%, 72% through ADR) with a strong calendar of events. Solid performance of secondary cities (+5%)
  - Italy (+2%): Strong performance of Milan (+4%) with an excellent H2 performance and Rome (+1%)
  - Benelux (+3%): Recovery continued in Brussels (+11%; 65% through ADR). Good performance of Amsterdam (+2%) and congress centres hotels (+3%)
  - Central Europe (+1%): Good performance of Hamburg (+3%), German secondary cities (+2%) and Austria (+6%) and negative evolution in Frankfurt (-6%) and Munich (-5%) affected by a negative trade fair calendar and higher supply in Frankfurt
  - LatAm (-6%; real exchange rate): Buenos Aires (-14%), Mexico DF (+1%) and Bogota (-1%)



(1) Includes France and Portugal. Spain ADR +8.1% and RevPAR +10.3%

Focus on market share and quality

- **Relative RevPAR outperformance of +0.1 p.p. in top cities vs. competitors** with higher occupancy (+0.8 p.p.) and a lower relative ADR (-0.8 p.p.)

2019	ADR % var.		"Relative" ADR	"Rel." Occupancy	"Rel." RevPAR
	NH	Comp. Set	Var.	Var.	Var.
Spain	7.8%	8.8%	-1.0 p.p.	0.7 p.p.	-0.3 p.p.
Italy	1.9%	3.9%	-2.0 p.p.	0.7 p.p.	-1.3 p.p.
Benelux	2.8%	2.2%	+0.6 p.p.	0.7 p.p.	1.3 p.p.
Central Europe	1.1%	2.3%	-1.2 p.p.	1.0 p.p.	-0.2 p.p.
Total NH	**3.7%**	**4.5%**	**-0.8 p.p.**	**0.8 p.p.**	**0.1 p.p.**

Source: STR / MKG Competitive Set Average Growth

- **Focus on quality**

- Relative RevPAR of -0.3 p.p. in Spain mainly explained by higher relative occupancy and lower ADR with strong performance of secondary cities. Volume strategy implemented due to lower contribution of business groups
- Italy: -1.3 p.p. relative RevPAR explained by the extraordinary performance in 2018 (+5.4 p.p.) with relevant events in Milan. Positive 2019 evolution in Rome
- Solid result in Benelux with a relative RevPAR of +1.3 p.p. both in Amsterdam and Brussels where NH outperformed competitors in a year with a positive calendar of events
- Central Europe: -0.2 p.p. relative RevPAR variation with higher occupancy and mixed performance among main cities
- **Performance by city:**
  - **Madrid:** Relative RevPAR -0.9 p.p.; Occupancy +1.1 p.p.
  - **Barcelona:** Relative RevPAR -0.3 p.p.; Occupancy +0.7 p.p.
  - **Amsterdam:** Relative RevPAR +1.1 p.p.; ADR +0.9 p.p.
  - **Berlin:** Relative RevPAR +1.4 p.p.; Occupancy +2.4 p.p.
  - **Frankfurt:** Relative RevPAR -0.5 p.p.; ADR -0.9 p.p.
  - **Rome:** Relative RevPAR +1.1 p.p.; ADR -2.1 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

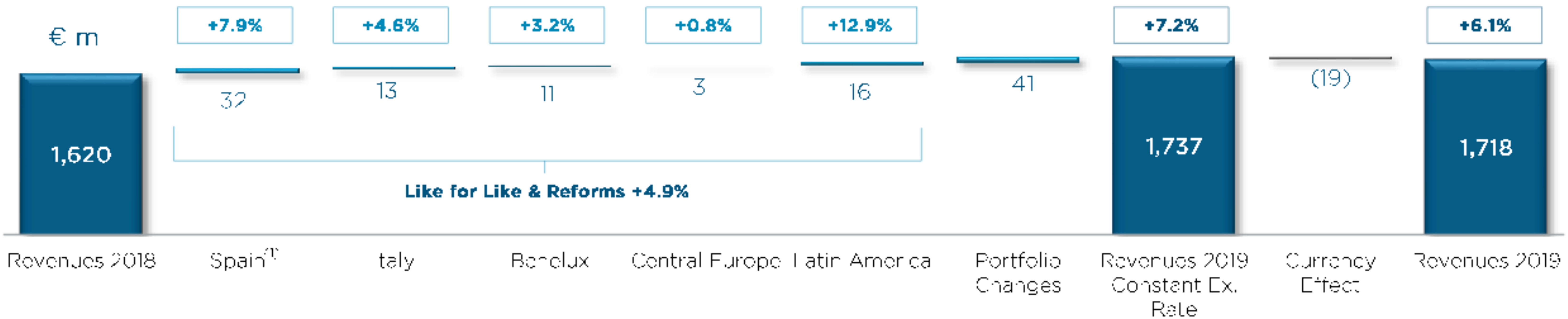
- **Spain:** +8.3% LFL growth explained by the continued recovery in Barcelona (+12.7%) and outstanding evolution of Madrid (+8.3%). Secondary cities grew +4.6%. Total Revenue grew +14.5% with the

- **Italy:** +2.5% growth in LFL with a strong evolution of Milan (+3.5%) with an excellent H2 performance while Rome stood flat. Including refurbished hotels revenue grew +4.6% (mainly from 2 hotels in Rome and Milan). Total revenue +5.7% boosted by the opening of 1 hotel in Venice

- **Benelux:** +4.0% LFL with a sustained recovery in Brussels (+10.0%), congress centres hotels (+4.9%) and Amsterdam (+1.0%). Including refurbished hotels and perimeter changes total revenue grew +4.1%

- **Central Europe:** +0.1% LFL growth despite the negative Q3 fair calendar. German secondary cities (+1.0%), Frankfurt (-7.0%; also affected by higher supply) and Munich (-5%). Including refurbished hotels and perimeter changes (4 hotels opened and 4 closed) total revenue grew +2.3%

- **LatAm:** +12.9% growth in LFL&R with constant exchange rate (-2.5% reported). By regions, Mexico revenues stood flat at constant exchange rate and including the positive currency evolution (+5%) reported revenues increased +6%. Argentina revenues grew +47% in local currency mainly explained by an increase in prices through hyperinflation. Reported figure is -6% including hyperinflation and currency depreciation. Colombia and Chile revenue decreased -6% in local currency explained by the closing of 1 hotel with 336 rooms and including the currency evolution (-6%) reported figure fell -11%



	Spain	Italy	Benelux	Central Europe	Latin America	Ex-Currency	Reported
Revenue LFL	+8.3%	+2.5%	+4.0%	+0.1%	+13.4%	+4.9%	+3.6%
Total Revenue	+14.5%	+5.7%	+4.1%	+2.3%	+10.4%	+7.2%	+6.1%

(1) Includes France and Portugal

2019 EBITDA[1] increased +12% and margin reached 17.1%

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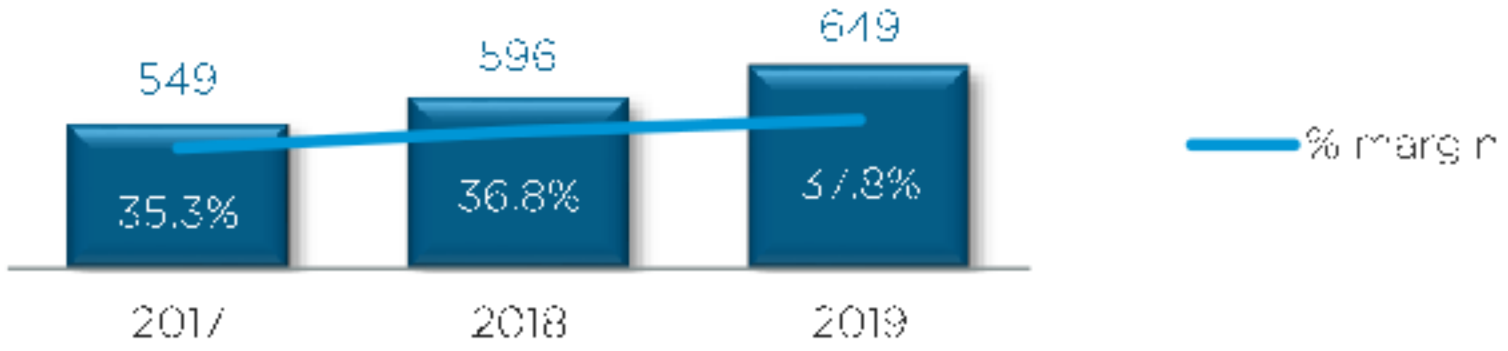
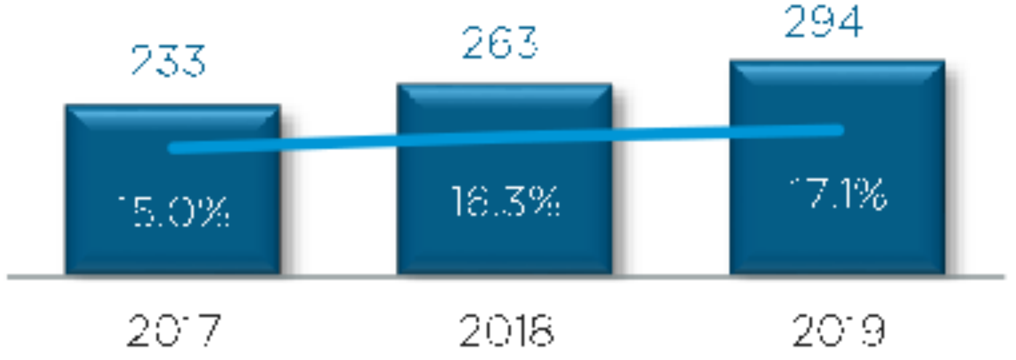
€ million	2019 Reported	IFRS 16 Adj.	2019 ex IFRS 16	2018 Reported	VAR. ex IFRS 16	
	€m.	€m.	€m.	€m.	€m.	%.
TOTAL REVENUES	**1,718.3**	**-**	**1,718.3**	**1,619.8**	**98.4**	**6.1%**
Staff Cost	(574.9)	-	(574.9)	(540.7)	(34.2)	6.3%
Operating expenses	(493.9)		(493.9)	(483.5)	(10.3)	2.1%
GROSS OPERATING PROFIT	**649.5**	**-**	**649.5**	**595.6**	**53.9**	**9.0%**
Lease payments and property taxes	(98.1)	(257.3)	(355.4)	(332.4)	(23.0)	6.9%
EBITDA BEFORE ONEROUS	**551.4**	**(257.3)**	**294.1**	**263.2**	**30.9**	**11.7%**

- **Cost control** in 2019
  - Impact of perimeter changes (openings and closings) and refurbished hotels explain 75% of the increase of total operating costs
  - **Payroll cost** increased +6.3% (41% explained by perimeter changes and the rest mainly from the increase of CLA agreements) and **Operating Expenses** +2.1%
- Improvement in **GOP** of +€53.9m (+9.0%). GOP margin improved by +1.0 p.p. due to a sound conversion rate of 55%
- Adjusted lease payments and property taxes of €355.4m increased -€23.0m (+6.9%). Perimeter changes explain 50% of the increase
- **Excluding IFRS 16, Recurring EBITDA before onerous in 2019 reached €294.1m (+€30.9m; +11.7%)** with a 31% conversion rate from incremental revenue to EBITDA. EBITDA margin reached 17.1% (+0.9 p.p.)

Gross Operating Profit (€m)



Recurring EBITDA (€m)[1]



2019 target exceeded: €294m (Tivoli contribution +€5m) > €285m

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	2019 Reported[1]	IFRS 16 Adj.	2019 ex IFRS 16	2018 Reported[2]	VAR. ex IFRS 16	
	€m.	€m.	€m.	€m.	€m.	%.
EBITDA BEFORE ONEROUS	**551.4**	**(257.3)**	**294.1** [1]	**263.2**	**30.9**	**11.7%**
Margin % of Revenues	32.1%	-	17.1%	16.3%	-	0.9 p.p.
Onerous contract reversal provision	-	1.7	1.7	2.4	(0.7)	-28.9%
EBITDA AFTER ONEROUS	**551.4**	**(255.7)**	**295.7**	**265.6**	**30.2**	**11.4%**
Depreciation	(297.5)	180.9	(116.6)	(112.6)	(4.0) [2]	3.5%
EBIT	**253.9**	**(74.8)**	**179.1**	**152.9**	**26.2**	**17.1%**
Net Interest expense	(114.1)	89.2	(24.9)	(33.5)	8.6 [3]	25.7%
Income from minority equity interest	0.0	-	0.0	(0.5)	0.5	N/A
EBT	**139.8**	**14.4**	**154.2**	**118.9**	**35.3**	**29.7%**
Corporate income tax	(33.7) [4]	(4.4)	(38.1)	(45.7)	7.6	-16.7%
NET INCOME BEFORE MINORITIES	**106.1**	**10.0**	**116.2**	**73.2**	**42.9**	**58.7%**
Minorities interests	(2.9)		(2.9)	(3.5)	0.6	17.2%
NET RECURRING INCOME	**103.2** [5]	**10.0**	**113.2**	**69.7**	**43.6**	**62.5%**
Non Recurring EBITDA[3]	6.2	-	6.2	88.8	(82.5)	-93.0%
Other Non Recurring items[4]	(19.5)	-	(19.5)	(56.9)	37.4 [6]	-65.8%
NET INCOME INCLUDING NON-RECURRING	**90.0** [7]	**10.0**	**100.0**	**101.6**	**(1.6)**	**-1.5%**

[1] First application of IFRS 16 since 1/1/2019

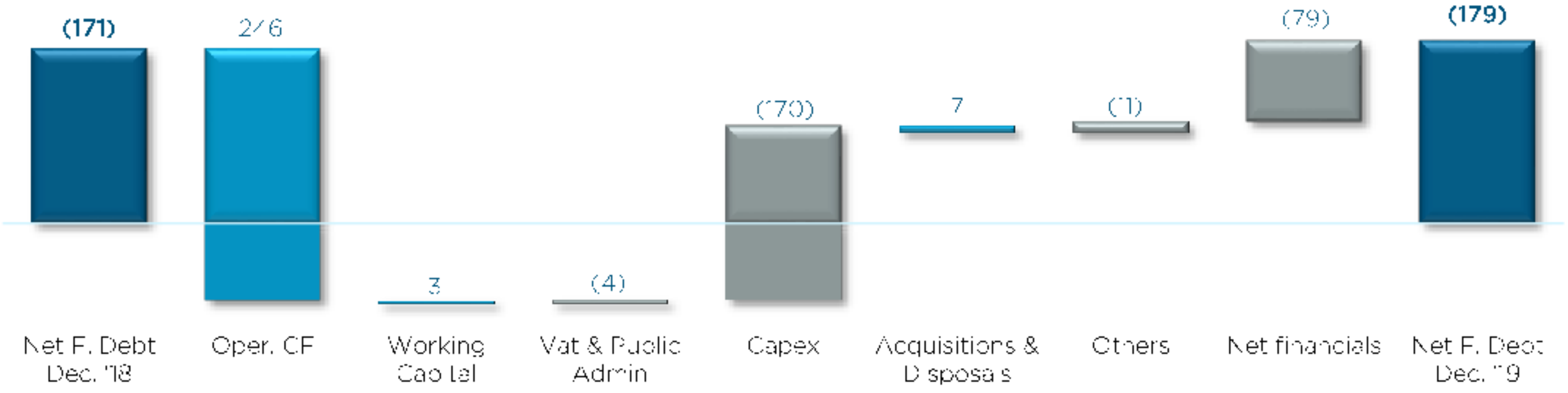
[2] In accordance with the significant event published on 6 May 2019, the Group has restated the figures for 2018 due to IAS 29 reclassification between Financial expenses and Equity by €16.2m at 31 December 2018, including €3.2m of minorities interests

[3] Includes gross capital gains from asset rotation

[4] Includes taxes from asset rotation

1. **Excluding IFRS 16, Recurring EBITDA before onerous reached €294.1m (+€30.9m; +11.7%).** Reported EBITDA amounted €551.4m with IFRS 16
2. **Depreciation:** increase of -€4.0m due to the impact of repositioning capex. Applying IFRS 16, reported figure reached -€297.5m
3. **Financial Expenses:** decrease of +€8.6m mainly explained by the early redemption of the Convertible Bond in June 2018 (€250m) and the partial early redemption of 2023 Bond (€43m) in Q4 2018. With IFRS 16, reported figure is -€114.1m
4. **Taxes:** Corporate Income Tax of -€33.7m, +€12.0m lower than 2018 on higher use of deductible financial expenses due to the improvement of the base from subsidiaries dividend (+€20.8m) and deferred taxes arisen from IFRS 16 (+€4.4m) that compensate the better EBT performance (-€8.4m) and the lower application of tax credits
5. **Reported Net Recurring Income:** improvement of +€33.5m vs. 2018 reported figure reaching €103.2m due to the business improvement, lower financial costs and despite IFRS 16 net impact of -€10.0m
6. **Non Recurring Items:** reached -€13.2m mainly due to a provision related to a non-hotel asset in LatAm
7. **Reported Total Net Income reached €90.0m,** -€11.6m lower than in 2018 reported due to the lower contribution (-€45m) of non-recurring activity vs. 2018

Cash Flow Evolution



Financial Position: 31st December 2019
Gross Financial Debt: (€468m)
Cash: €289m
Net Financial Debt: (€179m)[1]
Operating Lease Liability (under IFRS16): (€2,067m)
Total Net Debt with Operating Leases: (€2,246m)

- **(+) Operating Cash Flow:** +€246.0m, including -€19.3m of credit card expenses and corporate income tax paid of -€56.0m
- **(+) Working Capital:** mainly explained by stabilized average collection period after optimization achieved in previous years and regularization on supply chain processes during 2019 reducing average payment terms
- **(-) Capex payments:** -€170.0m paid during 2019 out of which -€70m correspond to maintenance capex and the rest to repositioning and new openings
- **(+) Acquisitions & Disposals:** +€7.2m mainly from NH Málaga II disposal in Q1 +€16.0m, JV China +€1.9m, Tivoli and The Marker transactions contributions -€11.4m
- **(-) Other:** mainly severance payments and legal provisions
- **(-) Net Financials & Dividends:** -€79.3m, including -€18.7m net interest expense, -€58.8m gross ordinary dividend paid in June 2019 and -€1.8m minority dividend

(1) NFD excluding accounting adjustments for arrangement expenses €10.6m, accrued interest -€3.9m and IFRS 9 adjustment €5.6m. Including these accounting adjustments, the Adj. NFD would be (-€166m) at 31st Dec. 2019 and (-€153m) at 31st Dec. 2018

Strong deleverage achieved

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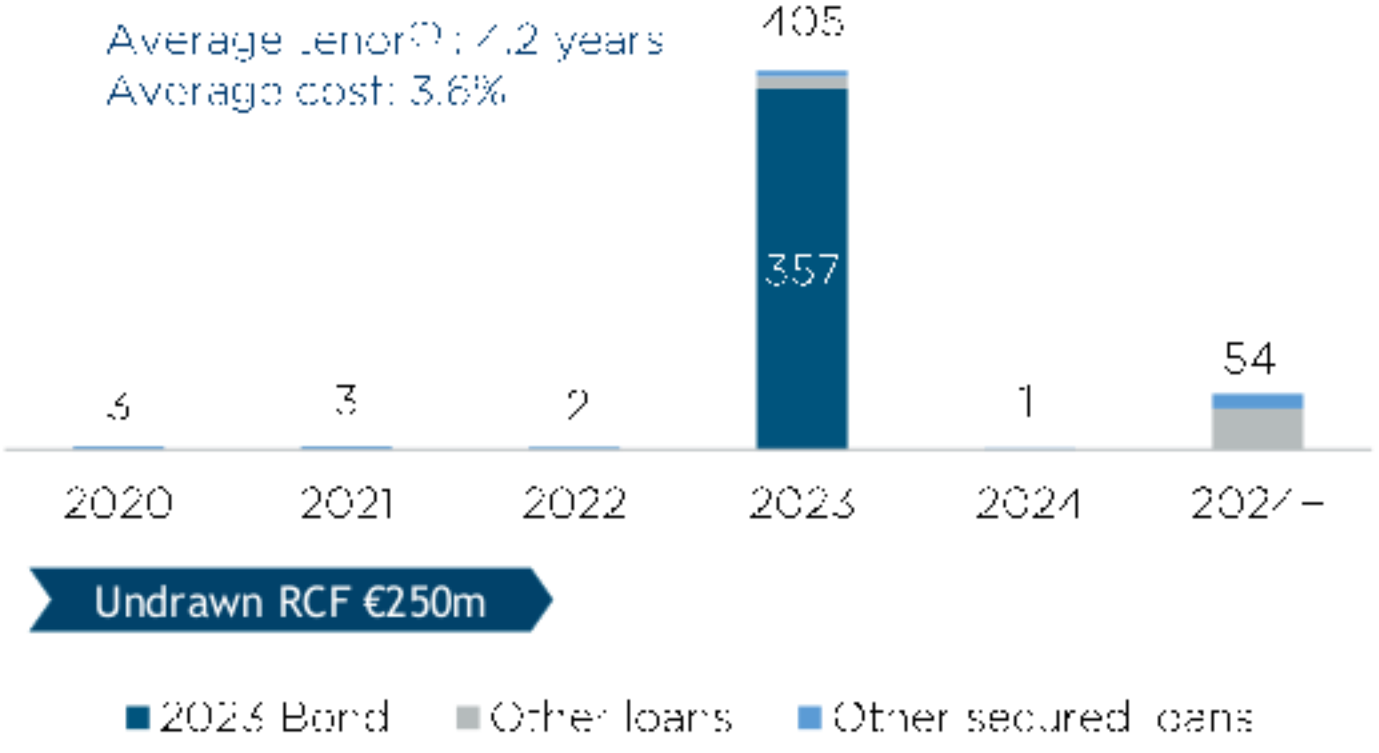
Debt Maturity Profile
31 December 2019: Gross debt (€468m)



Liquidity:

- Cash at bank: **€289m**
- Available credit lines: **€304m**, of which €250m is a Medium Term RCF (maturity in September 2021)

NFD / Recurring EBITDA(2) 0.6x

Rating

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

FitchRatings

- On 5th December 2019 Fitch revised NH Hotel Group's Long-Term Issuer Default Rating (IDR) to **'B' from 'B+'**. The rating action is in line with the application of Fitch's Parent Subsidiary Linkage criteria and reflects a change in the agency's overall linkage strength assessment. Outlook remained stable
- Bond rating downgraded to 'BB-' from '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 t)
(2) Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

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

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- 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):

Impact on Balance Sheet 31/12/2019 (€ million)	
Right of Use	**1,701.5**
Deferred tax	**95.8**
Other assets	(49.1)
TOTAL ASSETS	**1,748.2**
Total Equity	**(266.0)**
Operational leases liability	**2,067.4**
Other liabilities	(53.1)
TOTAL LIABILITIES	**1,748.2**

Impact in P&L in 2019 (€ million)	2019 ex IFRS 16	IFRS 16 Adj.	2019 Reported
Lease payments and property taxes	(355.4)	257.3	(98.1)
EBITDA BEFORE ONEROUS	**294.1**	**257.3**	**551.4**
Onerous contract reversal provision	1.7	(1.7)	-
Depreciation	(116.6)	(180.9)	(297.5)
EBIT	**179.1**	**74.8**	**253.9**
Interest expense	(24.9)	(89.2)	(114.1)
Corporate income tax	(38.1)	4.4	(33.7)
NET RECURRING INCOME	**113.2**	**(10.0)**	**103.2**

- No cash impact, leverage capacity or debt financial covenant

2019: a record year beating Guidance

Comparison vs. 2018

Revenue
€1,718m
+6.1%

Rec. EBITDA[1]
€294m
+12%
+0.9 p.p. margin

Rec. Net Income
€103m
€113m ex-IFRS 16
+€44m

Leverage
(NFD / EBITDA[1])
0.6x

Dividend Proposal per Share
€0.15

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

Minor Integration

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Opportunities

- Drive demand between Asia & Europe through cross-selling distribution & Loyalty interface
- Economies of Scale: improve pricing scheme with partners and suppliers
- Rebranding opportunities / Cross-brand global expansion from upscale to luxury
- Talent & Learning development & Workforce mobility

Tivoli (2,452 rooms)

- 3 Lease contracts in Lisbon (counterpart Invesco Real Estate):
  - Tenure: 20 years with rights of extension for NH totaling 40 additional years
  - Sustainable variable lease with minimum guaranteed and basket of losses
- 10 Management contracts in Portugal (counterpart Minor):
  - Base Fee on Revenues + Incentive Fee on Operating Profit

Boscolo (1,115 rooms)

- 8 Lease contracts in Europe (counterpart Covivio):
  - Luxury hotels with prime locations in Rome, Florence, Venice, Nice, Prague and Budapest, that will be rebranded under the Anantara and NH Collection brands, following an extensive repositioning program funded by Covivio
  - Tenure: 15 years, extendable at NH option to a period of not less than 15 additional years
  - Sustainable variable lease with minimum guaranteed and basket of losses
  - The closing of the transaction is expected by Q2 2020

Annex

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

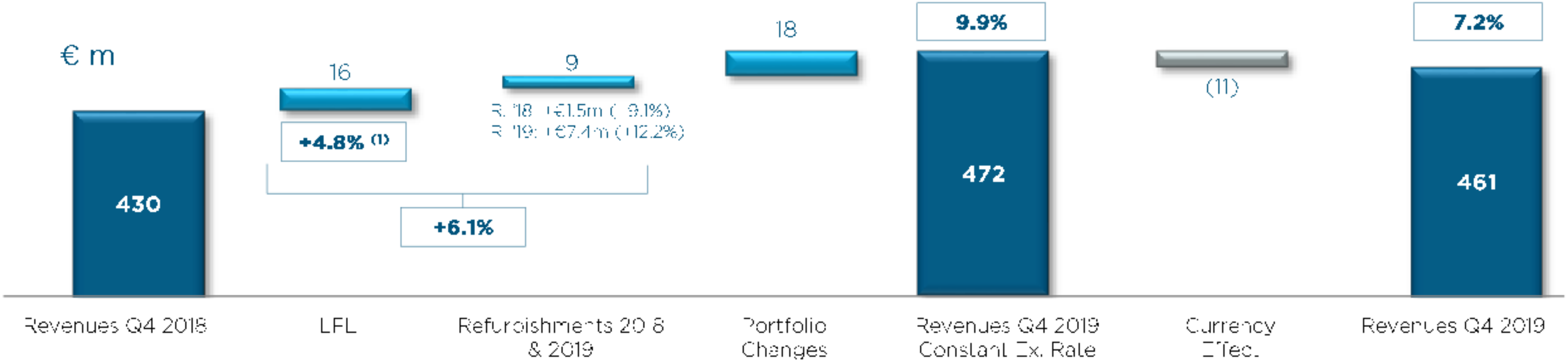
NH Collection Milano Porta Nuova

Solid revenue performance continues in Q4 2019

- **Total Revenue growth of +7.2% reaching €461m (+€31m) including changes of perimeter (+€18m) and despite the significant negative currency effect (-€11m). +9.9% revenue growth at constant exchange rate. Excluding Tivoli integration (+€12m), revenue would have grown +€19m or +4.5%**
  - Revenue Like for Like ("LFL"): +4.8% with constant FX (+1.8% reported):
    - Strong growth in Europe of +4.3% with a solid performance in Benelux (+7.6%), Italy (+5.2%) and Spain (+4.1%). Central Europe (+0.8%)
  - Including the refurbished hotels, LFL&R grew +6.1% with constant FX (+3.3% reported)
    - 2018 refurbished hotels increased revenues by +€1.5m (+9.1%)
    - 2019 refurbished perimeter grew revenues by +7.4m (+12.2%) despite includes the opportunity cost of renovations (-€1.1m in Q4, mainly from hotels in the Hague and Santiago de Chile)
  - Perimeter changes contributed with +€18m: mainly from Tivoli portfolio integration (+€11.7m), Anantara Villa Padierna, Toulouse Airport, La Coruña, Rome, Antwerp and Mannheim

Revenue Split	Var. Q4 2019
Available Rooms	+3.1%
RevPAR	+5.4%
Room Revenue	+7.8%
Other Revenue	+4.4%
Total Hotel Revenue	**+6.8%**
Non Hotel Revenue*	-€2.0m
Total Revenue	**+7.2%**

* Other + Capex Payroll Capitalization

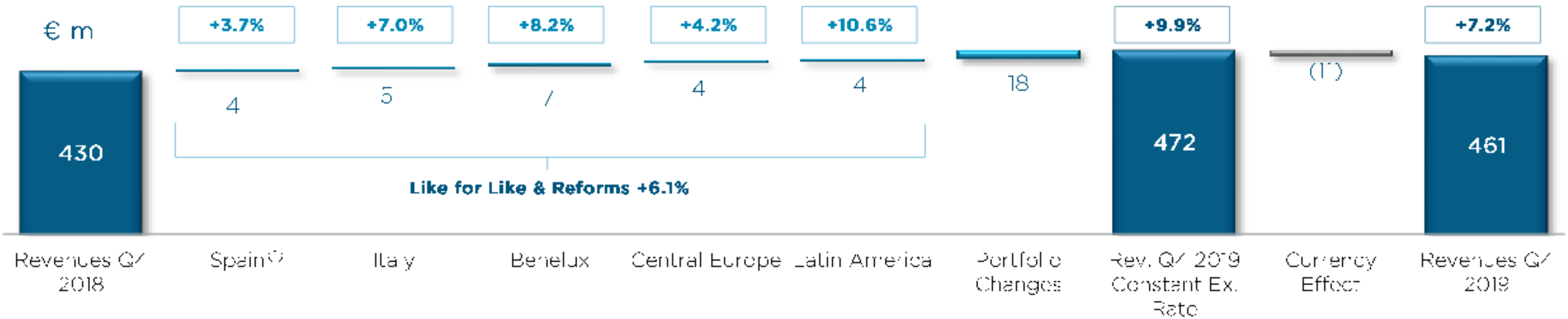


Growth Contribution	+3.7%	+	+2.1%	+	+4.1%	=	+9.9%	+	-2.7%	=	+7.2%

(1) On its 2019 own base. With real exchange rate growth is +1.8%

Revenue performance by markets

- **Spain:** +4.1% LFL growth with strong performance in Barcelona (+3.7%), Madrid (+3.0%) and secondary cities (+4.2%). Total Revenue grew +16.3% boosted by new openings (Tivoli integration, Toulouse, La Coruña and Marbella)
- **Italy:** +5.2% growth in LFL with a better fair calendar in Milan (+9.3%) while Rome stood flat due to lower groups demand impacting non-room revenues. Including the refurbished perimeter, LFL&R grew +7.0%. Total revenue +7.3% with the opening of 1 hotel in Rome
- **Benelux:** +7.6% LFL growth with outstanding performance in Brussels (+11.7%). Amsterdam (+1.6%) and congress centers hotels (-0.5%) in absence of relevant events. Including 1 hotel refurbished in Amsterdam and changes of perimeter total revenue grew +9.8%
- **Central Europe:** +0.8% LFL growth with Frankfurt (+4.6%) due to a relevant event in October and despite the higher supply while Munich (-18.1%) fell due to a negative trade fair calendar. Secondary cities grew +1.7%. Including refurbished hotels (mainly 1 hotel in Munich) and perimeter changes total revenue increased +5.0%
- **LatAm:** +10.6% growth in LFL&R with constant exchange rate (-18.0% reported). By regions, Mexico revenues grew +1% at constant exchange rate and including the positive currency evolution (+6%) reported revenues increased +7%. Argentina reported revenues grew +20% including hyperinflation and currency depreciation. Colombia and Chilel revenue decreased -13% in local currency partially explained by the closing of 1 hotel with 336 rooms and including the currency evolution (-7%) reported figure fell -19%



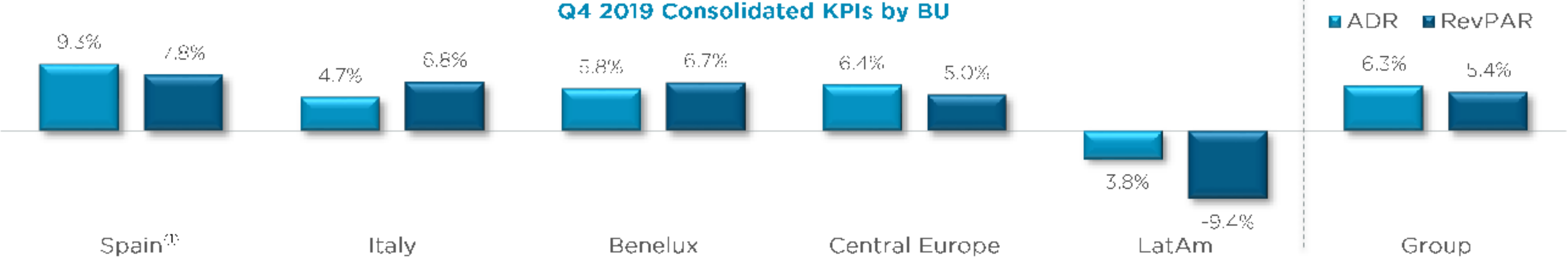
	Spain	Italy	Benelux	Central Europe	Latin America	Ex-Currency	Reported
Revenue LFL	+4.1%	+5.2%	+7.6%	+0.8%	+7.1%	+4.8%	+1.8%
Total Revenue	+16.3%	+7.3%	+9.8%	+5.0%	+8.2%	+9.9%	+7.2%

(1) Includes France and Portugal

RevPAR growth fully explained by ADR

- **+5.4% RevPAR increase in Q4 2019 through ADR**
  - All regions reported positive RevPAR and ADR trend except LatAm. Strong RevPAR growth in Europe, being Spain (+7.8%), Italy (+6.8%), Benelux (+6.7%) and Central Europe (+5.0%)
  - ADR: +6.3% price increases (+€6.2) reaching €105.5. Remarkable growth in Spain (+9.3%), Central Europe (+6.4%), Benelux (+5.8%) and Italy (+4.7%)
  - Occupancy: -0.8% reaching 71.5%. Higher demand growth in Italy (+2.0%; +1.4 p.p.) and Benelux (+0.8%; +0.6 p.p.). Spain (-1.4%) and Central Europe (-1.3%) fell due to calendar of events
- **LFL (excluding reforms) RevPAR grew +1.9% in Q4 2019**
  - Spain (+4%): lower growth in Barcelona (+3%; as recovery started in Q4 2018) and in Madrid (+4%; despite strong event calendar in Q4 2018 offset by the Climate Summit)
  - Italy (+5%): Outstanding evolution of Milan (+13%) with positive trade fair calendar in Q4 and Rome (+1%)
  - Benelux (+3%): Recovery continued in Brussels (+12%, 67% through ADR) joined with relevant events. Solid performance of Amsterdam (+3%) while congress centres hotels fell (-4%) in absence of relevant fairs in the quarter
  - Central Europe (+2%): Frankfurt (+3%) due to a relevant event in the quarter despite being affected by an increase of supply
  - LatAm (-11%; real exchange rate): Mexico DF (+1%), Buenos Aires (-21%) and Bogota (-10%) significantly impacted by negative currency effect

Q4 2019 Consolidated KPIs by BU



(1) Includes France and Portugal. Spain ADR +5.8% and RevPAR +5.0%

Significant improvement in Net Recurring Income

€ million	Q4 2019 Reported €m.	IFRS 16 Adj. €m.	Q4 2019 ex IFRS 16 €m.	Q4 2018 Reported €m.	VAR. ex IFRS 16 €m.	VAR. ex IFRS 16 %.
TOTAL REVENUES	**460.9**	**-**	**460.9**	**429.9**	**31.0**	**7.2%** [1]
Staff Cost	(152.2)	-	(152.2)	(140.6)	(11.6)	8.3%
Operating expenses	(128.7)		(128.7)	(127.4)	(1.3)	1.0%
GROSS OPERATING PROFIT	**180.0**	**-**	**180.0**	**161.9**	**18.1** [2]	**11.1%**
Lease payments and property taxes	(29.1)	(65.5)	(94.5) [3]	(84.0)	(10.5)	12.5%
EBITDA BEFORE ONEROUS	**150.9**	**(65.5)**	**85.4**	**77.9**	**7.5** [4]	**9.7%**
Margin % of Revenues	32.7%		18.5%	18.1%		0.4 p.p.
Onerous contract reversal provision	-	0.4	0.4	0.5	(0.1)	-12.2%
EBITDA AFTER ONEROUS	**150.9**	**(65.1)**	**85.8**	**78.3**	**7.5**	**9.5%**
Depreciation	(75.5)	46.4	(29.1)	(29.5)	0.5 [5]	-1.5%
EBIT	**75.4**	**(18.7)**	**56.7**	**48.8**	**7.9**	**16.3%**
Net Interest expense	(29.4)	21.9	(7.6)	(8.1)	0.5 [6]	6.4%
Income from minority equity interest	0.0		0.0	(0.2)	0.2	N/A
EBT	**46.0**	**3.2**	**49.2**	**40.5**	**8.7**	**21.5%**
Corporate income tax	(4.2) [7]	(1.2)	(5.4)	(16.4)	11.0	67.0%
NET INCOME BEFORE MINORITIES	**41.8**	**2.0**	**43.8**	**24.1**	**19.7**	**81.7%**
Minorities interests	(0.5)	-	(0.5)	(2.0)	1.5	-74.2%
NET RECURRING INCOME	**41.2** [8]	**2.0**	**43.2**	**22.1**	**21.2**	**96.0%**
Non Recurring EBITDA	(0.4)		(0.4)	(12.7)	12.4	97.2%
Other Non Recurring items	(16.8)	-	(16.8)	(4.3)	(12.5)	N/A
NET INCOME INCLUDING NON-RECURRING	**24.1** [9]	**2.0**	**26.1**	**5.0**	**21.0**	**N/A**

1. **Revenue** grew +7.2% reaching €460.9m (+€31.0m). Excluding Tivoli integration (+€11.7m) revenue would have grown **+€19m or +4.5%**
2. **GOP:** growth of +€18.1m boosted by the integration of Tivoli. Payroll cost increased +8.3% (56% explained by perimeter changes, 15% by the refurbished perimeter and the rest from the increase of CLA agreements) and Operating Expenses +1.0%.
3. **Adjusted lease payments and property taxes** of €94.5m increased -€10.5m (+12.5%) explained by perimeter changes (60% of the increase)
4. **Excluding IFRS 16, Recurring EBITDA before onerous reached €85.4m (+€7.5m; +9.7%).** Reported EBITDA €150.9m with IFRS 16
5. **Depreciation:** applying IFRS 16, reported figure reached €75.5m
6. **Net Financial Expenses:** +€0.5m decrease mainly due to the savings from the partial early redemption of 2023 Bond (€43m in Q4 2018; +€3.1m) partially offset by a write-off related to a repricing mortgage in Chile (-€1.8m). With IFRS 16, reported figure is €29.4m
7. **Taxes:** -€4.2m, +€12.2m vs. Q4 2018 on higher use of deductible financial expenses due to the improvement of the base from subsidiaries dividend (+€8m), the reversal of tax holding provision of Argentina (+€2.9m) in Spain and deferred taxes arisen from IFRS 16 (+€1.2m)
8. **Reported Net Recurring Income reached €41.2m**, +€19.2m vs. Q4 2018 due to business improvement, lower taxes and despite IFRS 16 (-€2.0m)
9. **Reported Total Net Income reached €24.1m,** due to a provision related to a non-hotel asset in LatAm

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