

Q&A WITH BORIS IVESHA

Q – What is next for the Group, now that you have achieved one of your key goals for 2019 of FTSE 250 membership?

Joining the FTSE 250 index of leading companies was a proud moment for me personally and for the entire team, whose dedication and commitment in recent years has made it possible. We have come a long way in the 12 years since listing on AIM. But looking ahead it is now imperative that we raise our game even further to reap the rewards of inclusion and meet our responsibilities in terms of implementing further enhancements to our corporate governance. Inclusion brings us access to a wider investor community and we will continue to take the opportunity to proactively engage with them in order to build a long-term, high quality and supportive share register. The increased transparency and disclosure in this year's Annual Report should be seen as testament to our ongoing efforts to step-up our governance and communications.

From a strategic perspective we have a proven and winning formula of development, ownership and operations which we plan to continue with. While PPHE has come a long way in the past 30 year's the future looks equally as exciting, with a strong development pipeline of over £300 million, which includes the development of our first hotel in the US.

Q – What are the main opportunities and challenges you see in 2020?

Our primary near-term growth opportunity stems from the recent completion of our £100 million plus multi-year investment programme. These well-invested hotels have shown good growth since launching/reopening and we see the scope for further top-line growth and margin accretion in 2020. Our teams will be focused on ensuring that these hotels continue to build towards their return targets.



Considerable effort will be focused on our £300 million plus hotel development pipeline with major projects including the art'otel london hoxton and our first hotel in the USA, in New York City. The pace of work is planned to step up in 2020 in line with our plans to open these hotels in 2023. In addition to these projects, our in-house team will continue to seek out and evaluate further development opportunities that meet our returns criteria and are in line with our strategic goals.

The challenge for all hoteliers is the hotel cycle and fears of a downturn. As demonstrated in our financial results we achieved good growth throughout 2019 from leisure and corporate customers. While not immune, we are resilient given our well invested estate and the strategic position of our major assets in London and the Netherlands. Notwithstanding the ongoing macro economic and geopolitical uncertainty trading in the current year has started well and is in line with the Board's expectations.

As an owner/developer we are also able to seize commercial opportunities that may arise from any cyclical downturn as well as control the timing of further investment projects in our hotel estate.

Q – This remains a founder-led and listed business. What are you doing to ensure long-term success?

The foundations of our past and future success are solid; they are our people. We employ over 4,700 team members, including an Executive Leadership Team of eight. Supporting and encouraging all team members to develop and grow their careers within the business is a priority for us.

We have a robust process in place to ensure that the leadership teams are actively engaged with identifying our talented team members and developing them through our award-winning training and learning programmes, including you:iversity.

A prime example of our training and development culture in action was our 2019 leadership summit 'We Are Creators' held in London, which brought together more than 150 senior team members from each of our four European operating regions. We introduced our renewed strategy and our new blueprint, which aims to positively impact the guest experience. Our blueprint is 'the way we do things' and enables our Leadership Team to develop a high-performing culture where our teams feel engaged and empowered to create valuable memories for our guests and value for our assets, people and local communities. This blueprint and a supporting dedicated programme of activities have been cascaded through most of our regions during 2019 to embed this approach within our business culture.

Reporting to the Board is our eight-strong Executive Leadership Team, all of whom have progressed through the business. We have recently strengthened the leadership team, with Greg Hegarty appointed to the new position of Deputy Chief Executive Officer as well as retaining his position as Chief Operating Officer and Inbar Zilberman promoted to the role of Chief Corporate & Legal Officer.

In short, we have a strong track record of training and developing talent throughout all levels of the business and this gives me confidence that we can maintain our track record through the next 30 years.