

47 Portfolio optimization

Increase overall hotel performances by deploying a repositioning plan to upgrade the properties, introducing a new Hotel Operational Model and a more dynamic Asset Management strategy with a total EBITDA impact of €48-52m

Opportunity	Key Plan Elements	Key results
<ul style="list-style-type: none"> • Reposition CAPEX to deliver 15%-20% ROCE in line with benchmark • Opportunity to exit from loss-making leases with (EBITDAR/ rents <1x) • Increase GOP profitability of hotels • Potential to increase ADR in 30/35 hotels through renovations • Develop a standardized operating model • Boost franchised and managed fees 	<ul style="list-style-type: none"> • Implement a repositioning plan for selected leases • Plan to renegotiate, exit, extend lease contracts • Plan to improve GOP performance in leased hotels • Plan to increase fee business: <ul style="list-style-type: none"> - Trigger incentive fees - Improve hotel performance - Repositioning - Secure high value properties 	<ul style="list-style-type: none"> • Repositioning investments done during 2016 and 2017 will allow us to increase EBITDA by €10m-€11m • Reposition 30-35 hotels with a total Capex of €140-150m <ul style="list-style-type: none"> – Grow revenues +1.7-1.9% CAGR in 2022 to total €90-100m in 2022 – Grow EBITDA by €26-28m • Improvement hotel performance <ul style="list-style-type: none"> – Grow EBITDA by €8m-€9m from GOP improvement (+2-3p.p.) • Rent renegotiation leading to EBITDA improvement of €4m-€5m