



## INTERNATIONAL HOTEL INVESTMENTS P.L.C.

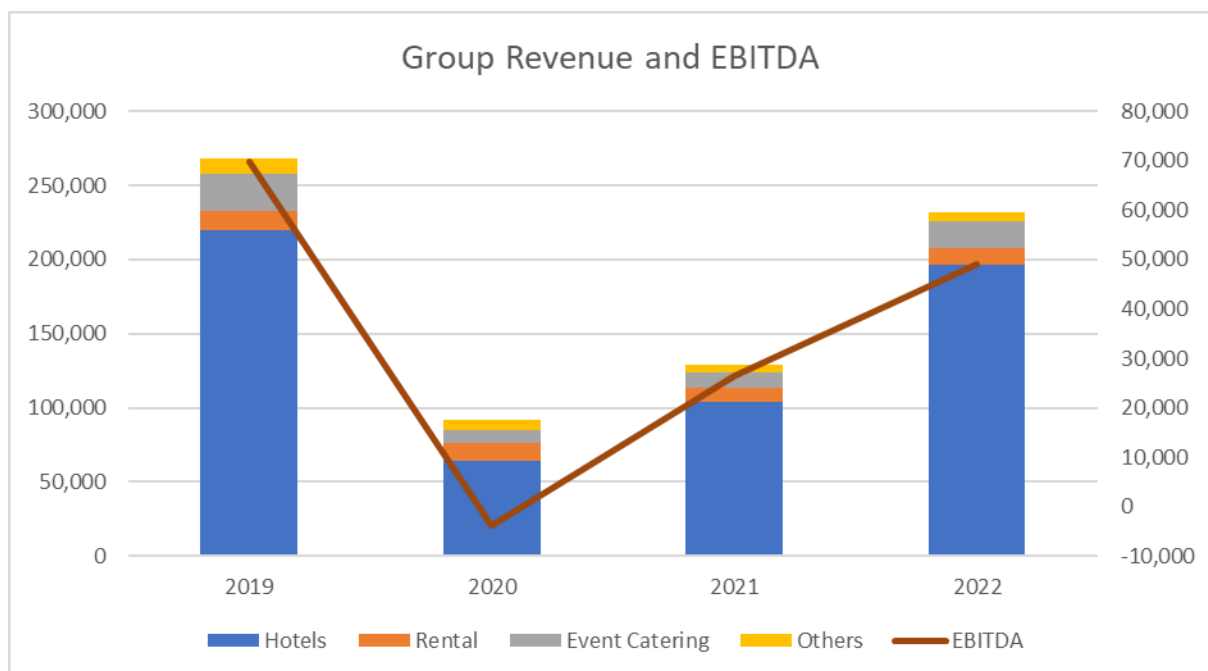
### COMPANY ANNOUNCEMENT

#### Q3 update: Continuation of post-pandemic recovery

The following is a Company Announcement issued by International Hotel Investments p.l.c. pursuant to the Capital Markets Rules as issued by the Malta Financial Services Authority.

#### Revenue and EBITDA

IHI Group's revenue for 2022 for all hotels and other operations is expected to reach **€232 million**, an increase of €8 million on the figure announced in August. Revenue for the year is expected to be 84% of the 2019 level and is being driven by IHI owned hotels as can be noted from the following table.



On the expenditure side, the hospitality industry continues to be impacted by payroll cost pressures. IHI is not immune from these pressures and continues to focus on keeping these under control, including by keeping staff numbers below those of 2019 where wage inflation exists. Cost pressures also exist in the development area, where IHI has investment projects in the pipeline.

Overall, **hotel performance** continues to develop well. Average daily rate improvement has been registered across the group. The Corinthia Hotel London

managed to exceed its 2019 performance on the strength of higher average room rates. However, hotel revenues in St Petersburg have been seriously impacted as a result of the fall-out from the Ukraine crisis and performance at the group's conference-oriented hotels in Prague and Budapest continues to be impacted by the slower return to normality being experienced in this conference market. This market is however expected to show growth in 2023.

The performance of the **non-hotel business segments** is encouraging. QP is on track to register a record performance.

**EBITDA is forecast at €49.1 million for 2022** and is based on volume increases as business returns. Cost focus and disciplines introduced during the Covid period have been retained to maximise the flow through to the bottom line.

During the year, due to the evolving situation in and around the Russian market, the group settled the bank loan on its property in St Petersburg. Whilst naturally impacting on the group's cash flows, this transaction has also had the beneficial effect of removing exchange rate volatility which the group had experienced over these past years due to this facility.

The group is focused on increasing the number of non-owned hotels under management. Management contracts have the benefit of requiring limited investment of group resources, in contrast to projects owned by the group. Importantly, such agreements are proof of the increased recognition of the **Corinthia Brand**, which will be one of the drivers of future growth in revenue and earnings. Furthermore, to maximise the group's ability to increase its hotel management business, a new 4-Star brand will be launched in 2023.

### Project pipeline

#### **Hotels:**

The following are the contracted **Corinthia** brand management agreements:

- In **Doha**, a Yacht Club which is being operated by **Corinthia** is being launched this month. This management agreement is part of a wider agreement for the management of **Corinthia branded** residences and apartments and a 110 key 5 Star luxury **Corinthia** hotel which are currently in development.
- Works on the luxury **Corinthia Hotel Rome** are ongoing with a targeted late-2023 opening. The group expects to see this project generating income for the Group from Q1 2024 onwards.
- Works on the luxury **Corinthia Hotel Bucharest** are ongoing with a targeted late-2023 opening. The group expects to see this project generating income for the Group from Q1 2024 onwards.

- Construction works on the luxury **Corinthia Hotel New York** are proceeding to plan, with its opening targeted for late 2023. The group expects to see this project generating income for the Group from Q1 2024 onwards.

Two major **Corinthia** investment projects are in development:

- Works on the **Corinthia Hotel Brussels** are advanced. The group expects to see this project generating income for the Group from Q2 2024 onwards. IHI owns 50% of this project.
- In Malta, preparatory works on the luxury **Corinthia Oasis** project at Golden Bay are progressing. Planning permits are expected to be in hand in early 2023. This project is fully owned by the group.

**Non-hotel business segments:**

- **QP** continues with its international expansionary drive to grow outside Malta, with a focus on Africa and the Middle East.
- **Corinthia Catering** is exploring new associations to further increase its revenues and improve cost efficiencies.



Jean-Pierre Schembri  
Company Secretary

22 November 2022