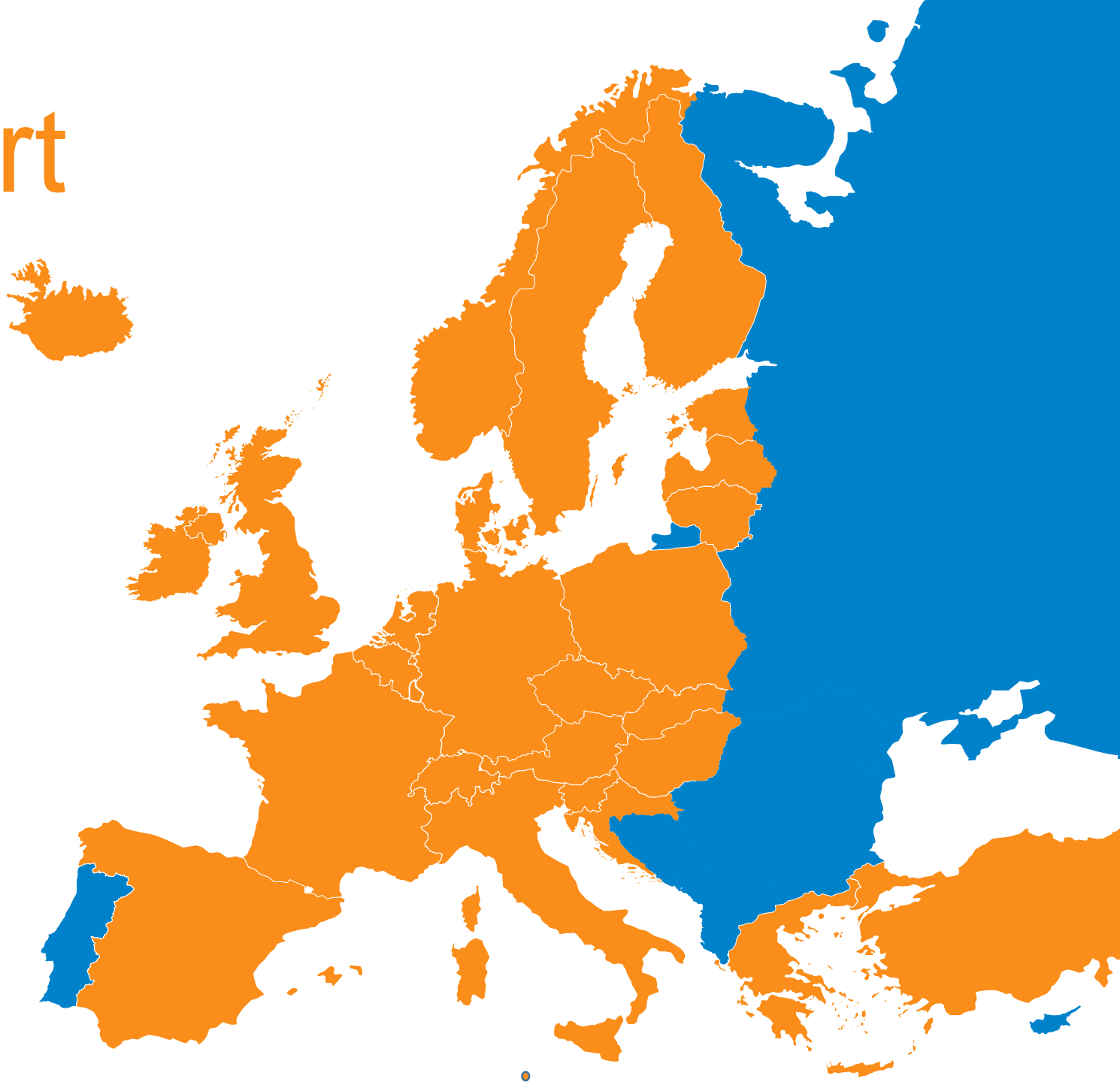


# H EU Report

Europe



FEBRUARY 2018



# ANALYSIS OF HOTEL RESULTS – FEBRUARY 2018

## No shadow on results for Europe's hotel industry

After a satisfactory start to the year, Europe's hotel industry is not stalling midway. It shows progress that remains encouraging albeit disparate from one country to the next on the continent.

Last January, Europe's hotel industry signed strong performance with a change in its RevPAR by +4.7%. This growth continues in February with +5.0%, bringing the RevPAR up to 63.5 euros. It may be explained by a combined increase of +1.8 points for the occupancy rate which rose from 62.8% to 64.6% as well as a +2.0% increase in average daily rates from 96.4 to 98.4 euros.

Growth in the RevPAR is fairly uniform across all segments among chain hotels. The 2\* hotels produced the highest occupancy rate among all categories with 65.4%, representing +1.3 point growth. With average daily rates up +2.3%, the category achieved an increase in its RevPAR by +4.4%. Growth in the RevPAR for the 3\* and 4\* hotels (respectively +7.0% and +3.5%) may also be explained by a combined increase in occupancy rate by +2.6 points and +1.7 points and average daily rates up +2.7% and 0.9%. The strong growth of the 5\* segment (+8.5% for the RevPAR) may be explained above all by the increase in average daily rates by +4.0% rather than by the increase in occupancy rate (+2.6 points) which reached 64.0% in February 2018.

With RevPARs up by +0.2% to +58.9% results in European countries in terms of hospitality are positive but heterogeneous. At the peak, Turkey posts the strongest growth in RevPAR thanks to the rise in occupancy rate, +12.5 points as well as in average daily rates by +28.4%. Greece presents significant change in its RevPAR with +13.0% thanks to the increase in average daily rates by 13.4%. Latvia also posted double-digit growth in its RevPAR (+11.4%), however this growth is due to its occupancy rate that is up by +7.1 while prices dropped -2.7%.

France is among the front-runners with the best RevPAR results showing growth between +6.9% and +8.6%. It is joined by Belgium, Italy, Spain, Hungary, Luxembourg and The Netherlands. In Luxembourg and Spain, the increase in average daily rates prevails at +6.8% and +7.2% respectively. The other countries progressed thanks to combined increases in occupancy and average daily rates.

Portugal, the United Kingdom and the Czech Republic post timid results with growth in the RevPAR that is less than or equal to +1.0%. Portugal and the United Kingdom suffer from a slight drop in occupancy rate by -1.2 points and -0.6 points while the Czech Republic saw its average daily rates lose -3.9%. The results of the front-running countries need explaining, nonetheless. The United Kingdom, for example, while it doesn't show brilliant growth posts the highest occupancy rate at 74.1%.

While Europe's hotels are progressing at their own rates, they are nonetheless all headed in the right direction.

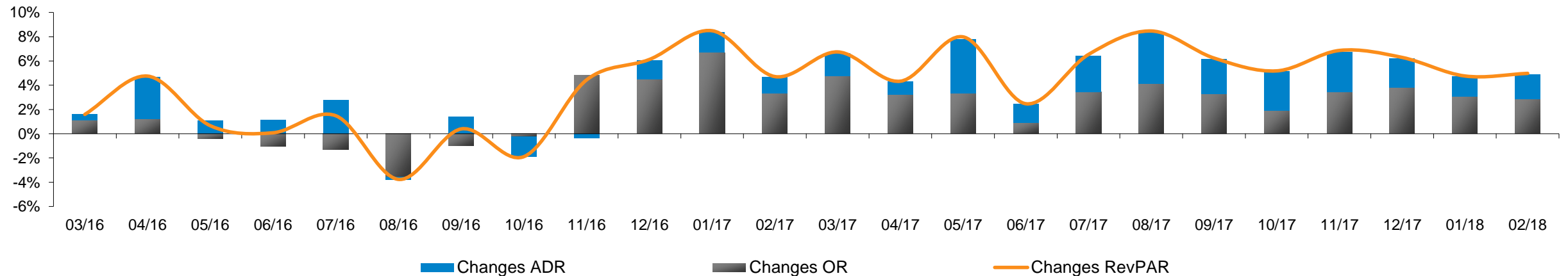
# HOTEL RESULTS BY SEGMENT IN EUROPE – FEBRUARY 2018

MONTHLY RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	1,3	2,3%	4,4%
3*	2,6	2,7%	7,0%
4*	1,7	0,9%	3,5%
5*	2,6	4,0%	8,5%
Global	<b>1,8</b>	<b>2,0%</b>	<b>5,0%</b>

YTD RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	1,4	1,9%	4,2%
3*	2,2	2,3%	6,1%
4*	1,7	0,8%	3,7%
5*	2,4	3,2%	7,5%
Global	<b>1,8</b>	<b>1,8%</b>	<b>4,7%</b>

Note : The indicators are compared to the same period of previous year, i.e. FEBRUARY 2018 vs NOVEMBER 2016

## OR, ADR and RevPAR change - Last 24 months

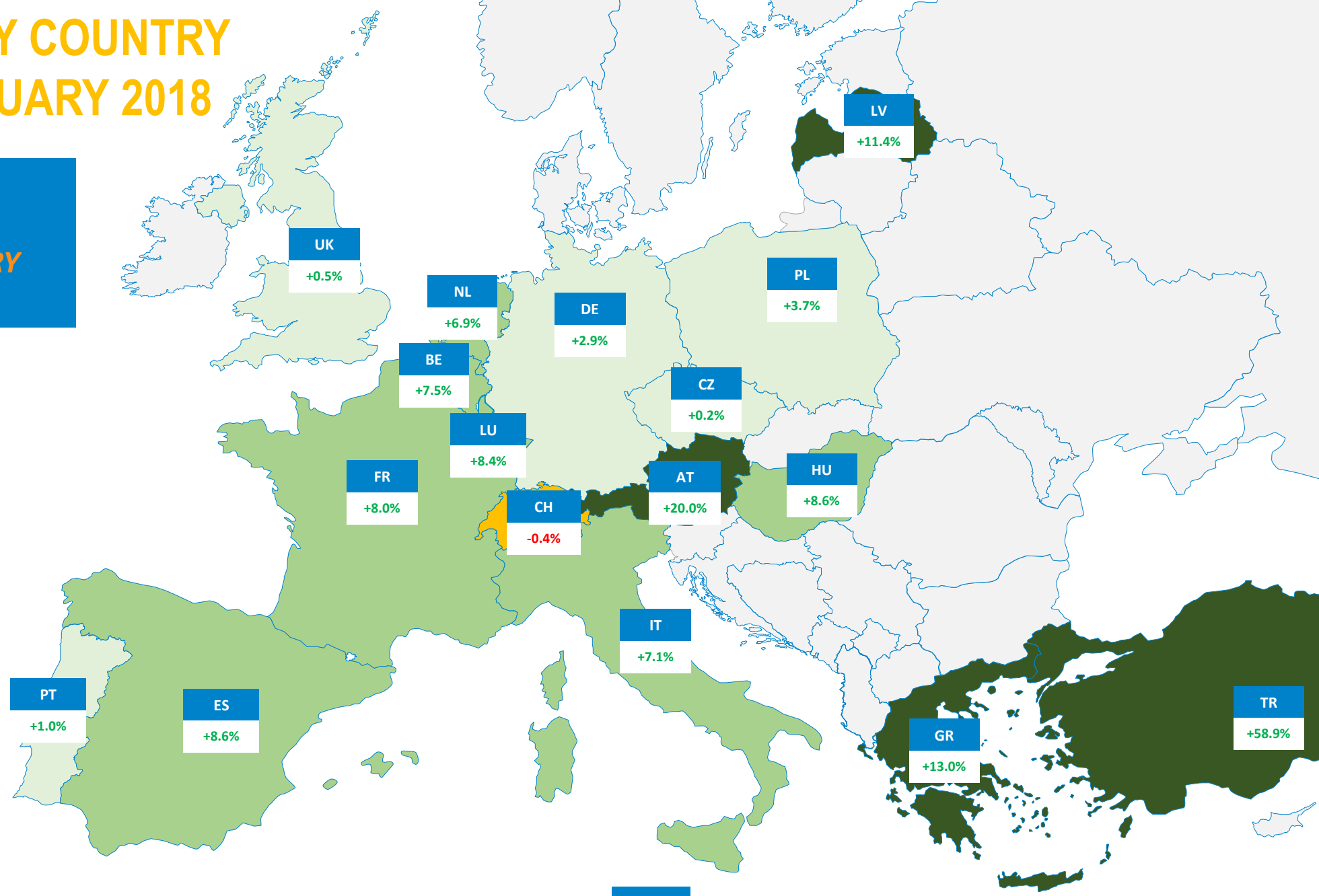


# HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2018

Monthly Results - RevPAR  
change by country  
FEBRUARY 2018 vs FEBRUARY  
2017

European  
average  
**+5.0%**

- Sup. to 10%
- Between 5% and 10%
- Between 0% and 5%
- Inf. to 0%

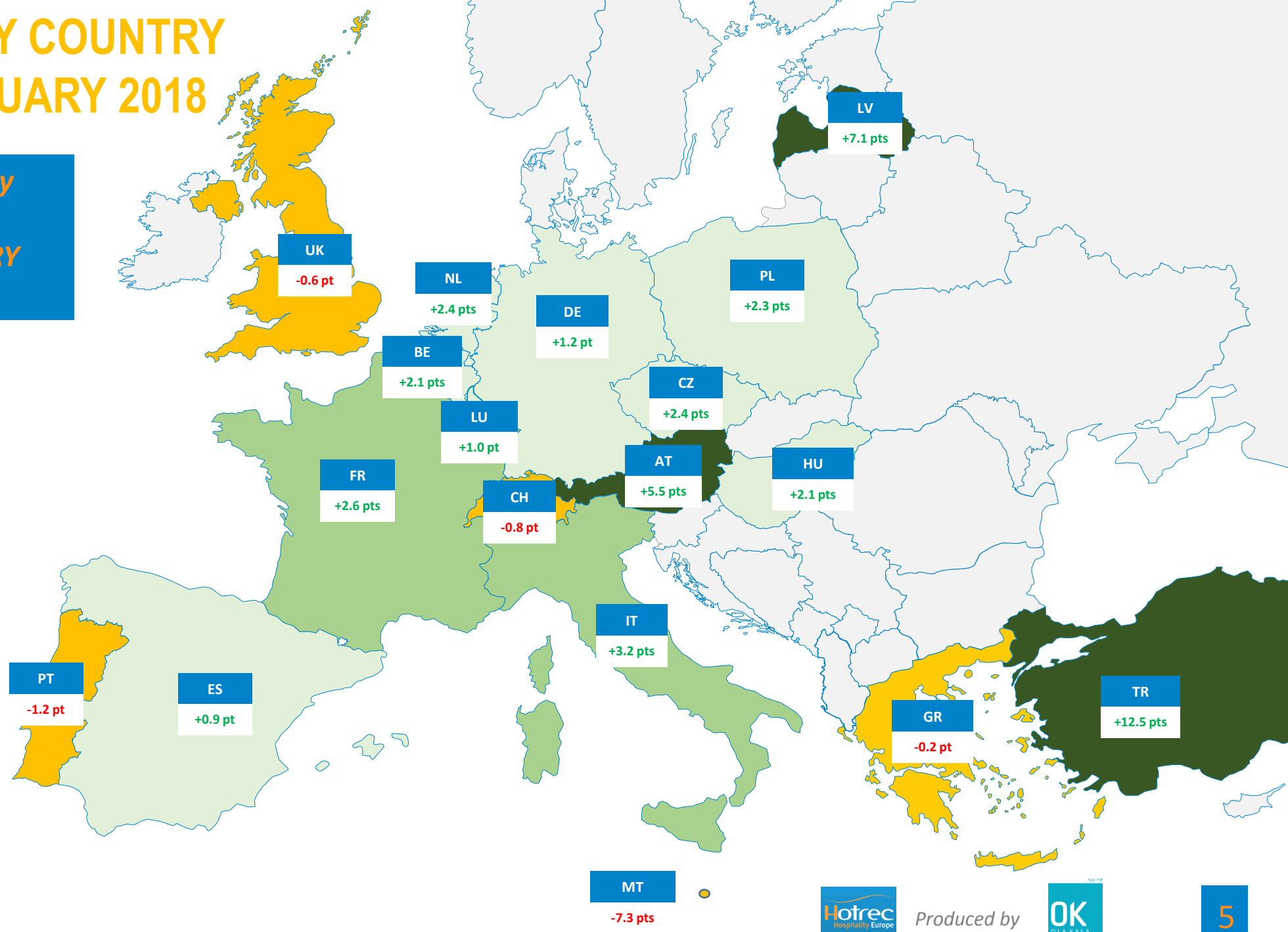


# HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2018

Monthly Results – Occupancy  
Rate change by country  
FEBRUARY 2018 vs FEBRUARY  
2017

European  
average  
**+1.8 pt**

- Sup. to 5 pts
- Between 2,5 and 5 pts
- Between 0 and 2,5 pts
- Inf. to 0 pt

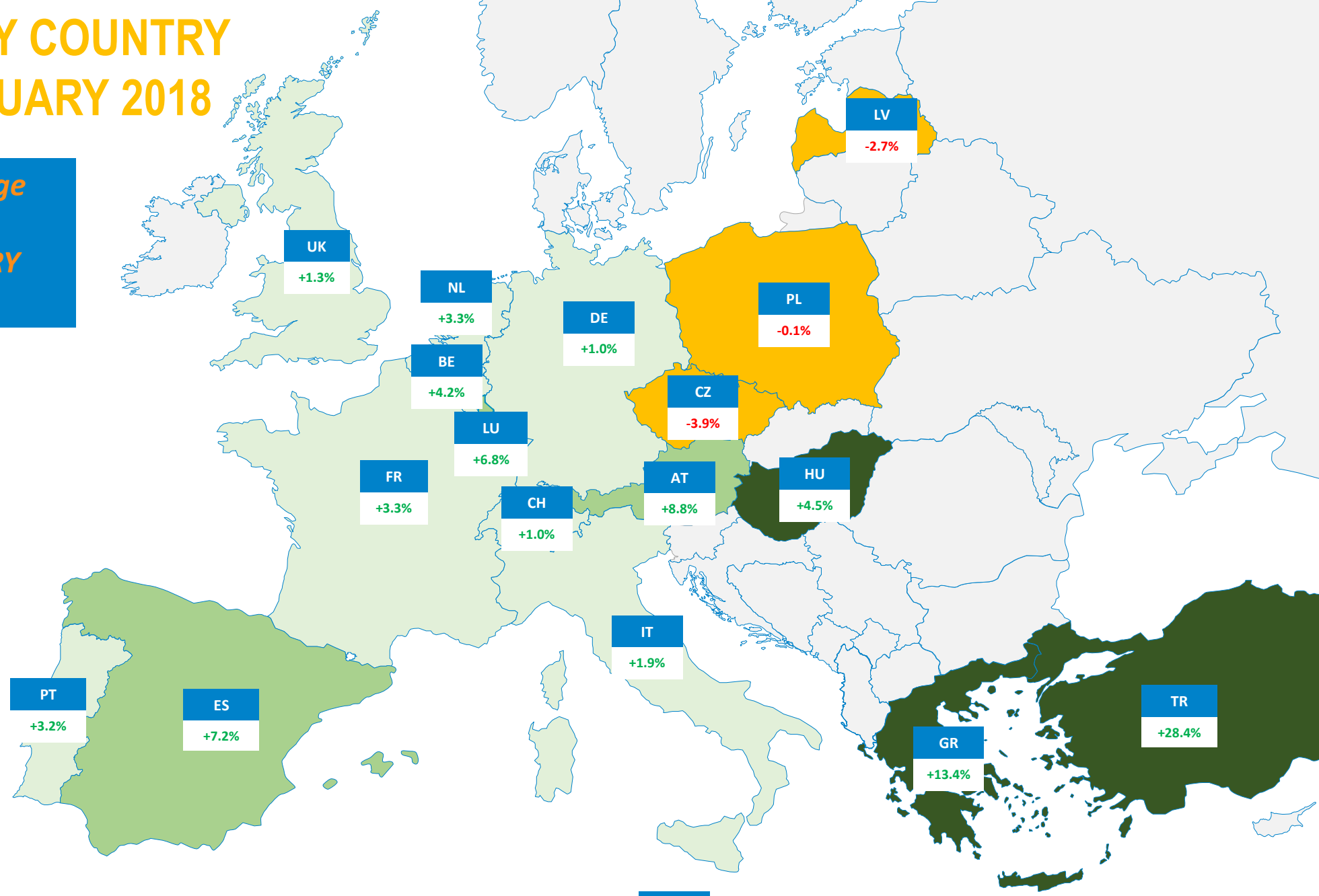


# HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2018

Monthly Results - ADR change  
by country  
FEBRUARY 2018 vs FEBRUARY  
2017

European  
average  
**+2.0%**

- Sup. to 10%
- Between 5% and 10%
- Between 0% and 5%
- Inf. to 0%

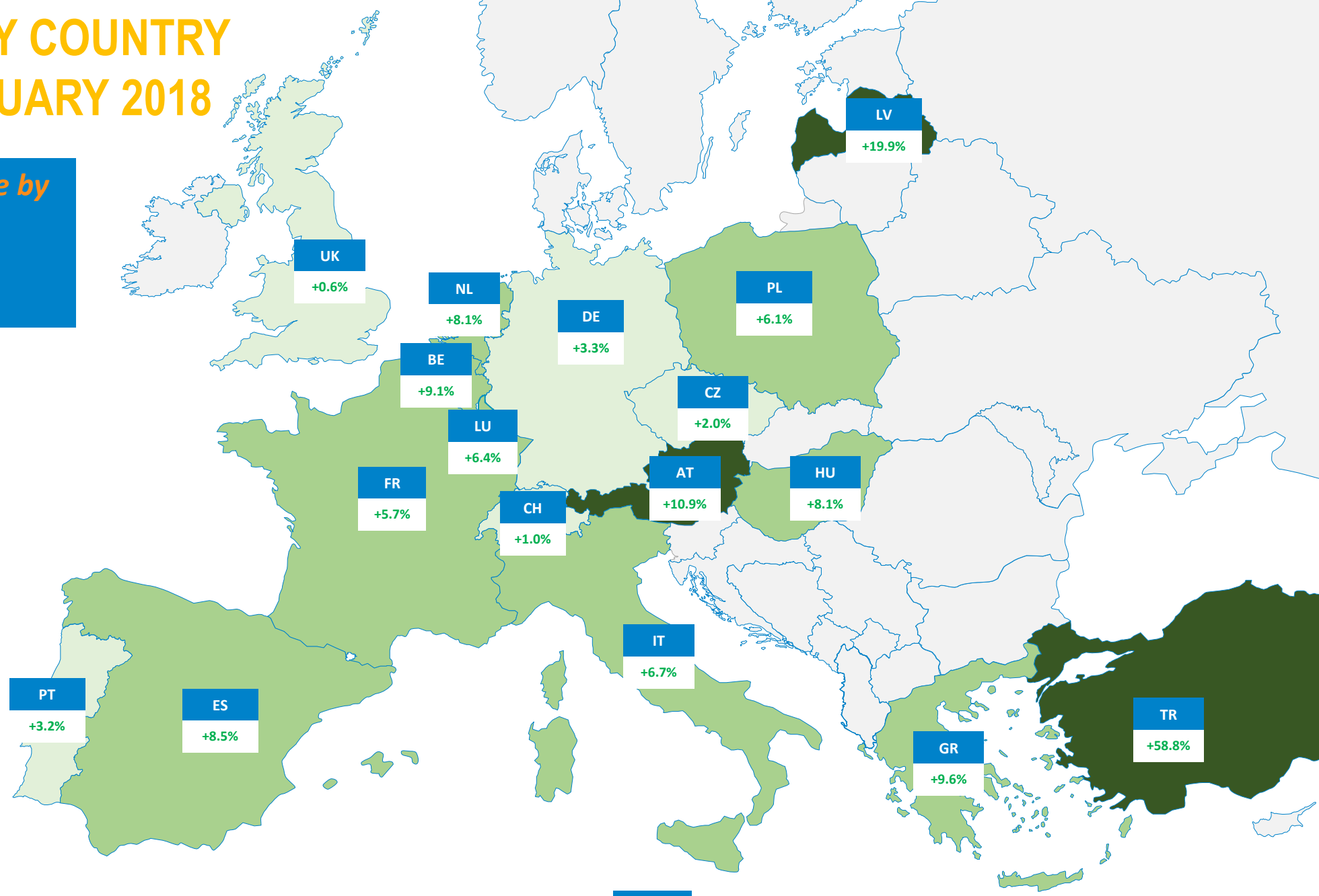


# HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2018

*YTD Results - RevPAR change by country*  
*YTD FEBRUARY 2018 vs YTD FEBRUARY 2017*

European average  
**+4.7%**

- Sup. to 10%
- Between 5% and 10%
- Between 0% and 5%
- Inf. to 0%

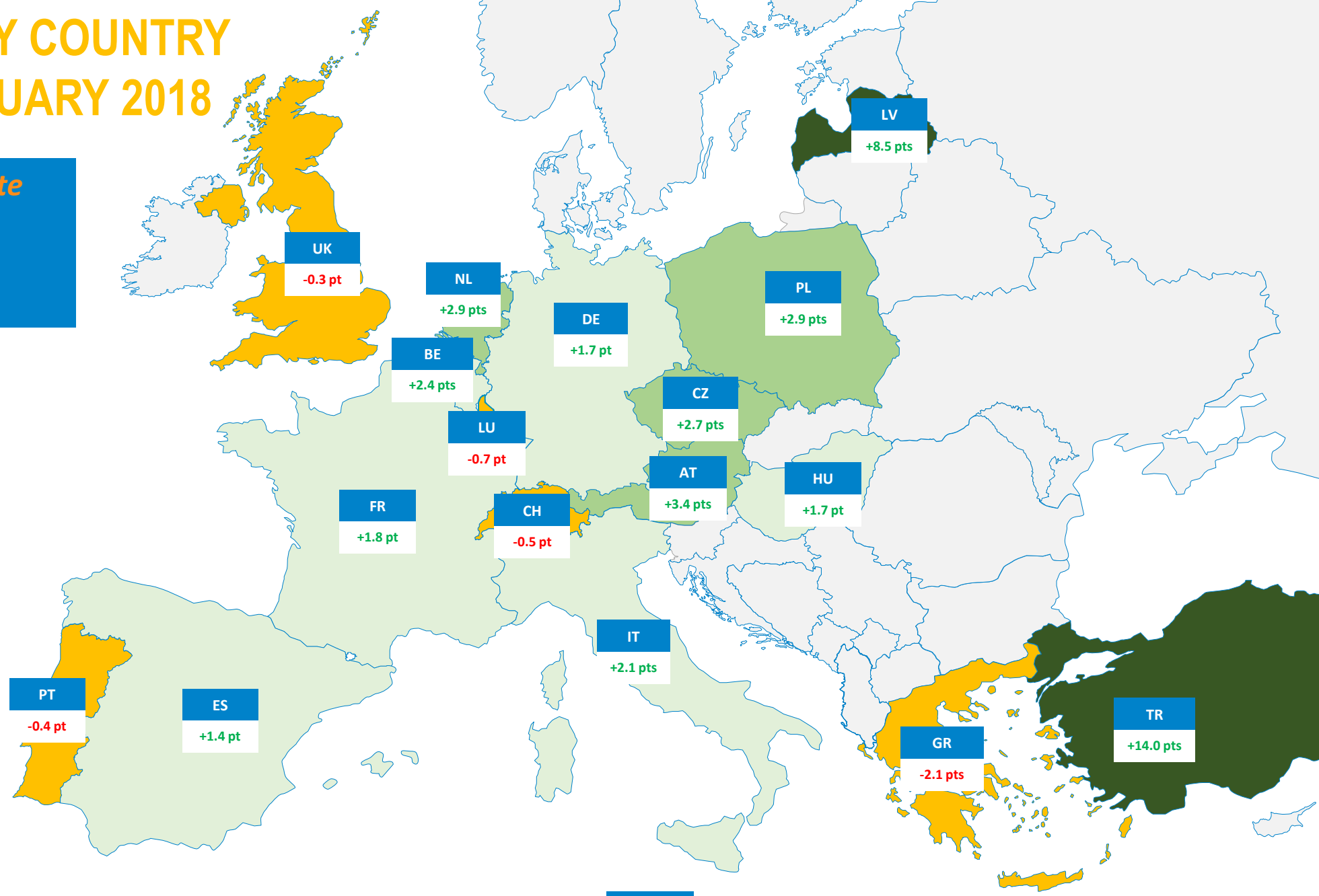


# HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2018

*YTD Results – Occupancy Rate  
change by country  
YTD FEBRUARY 2018 vs YTD  
FEBRUARY 2017*

European  
average  
**+1.8 pt**

- Sup. to 5 pts
- Between 2,5 and 5 pts
- Between 0 and 2,5 pts
- Inf. to 0 pt



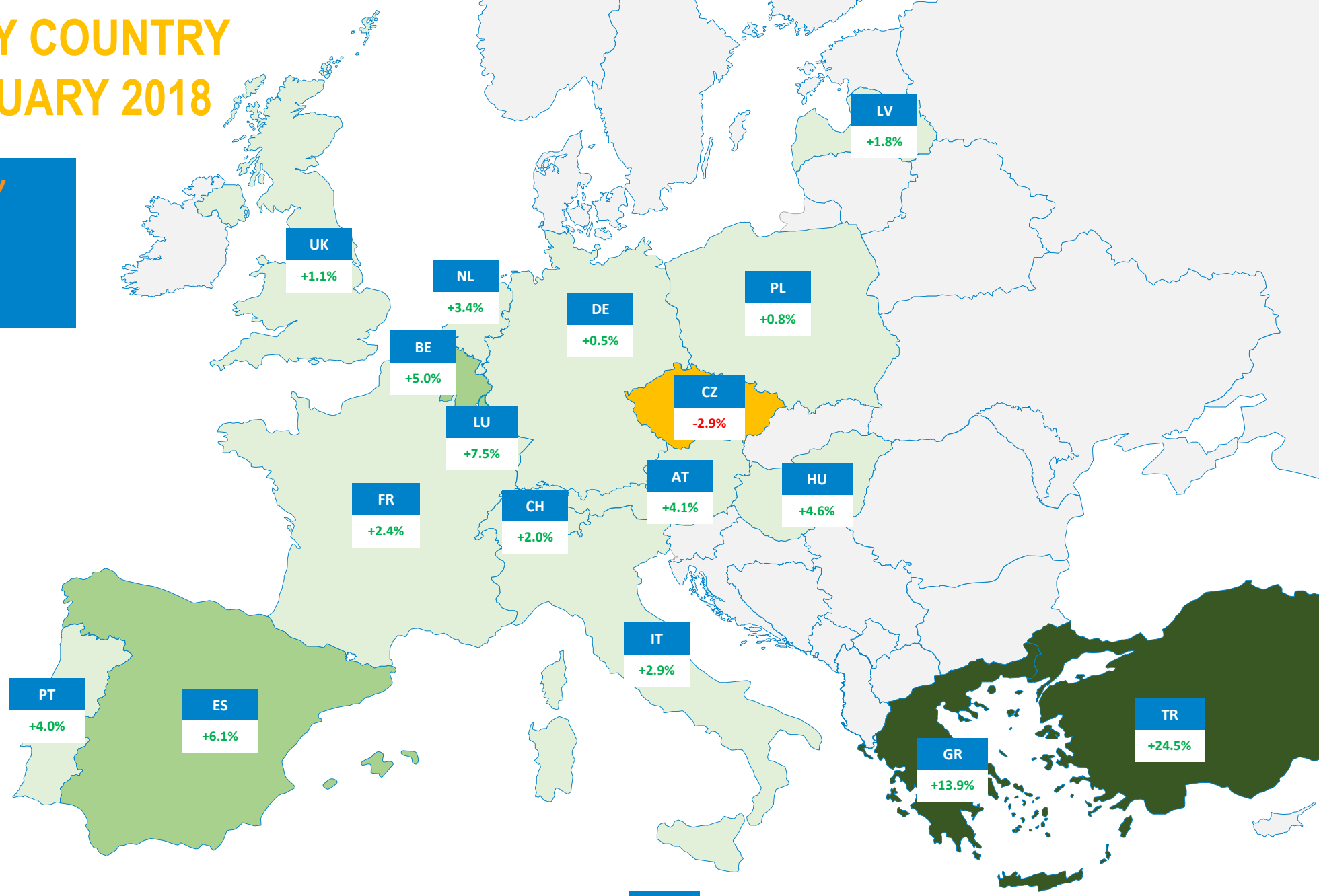


# HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2018

**YTD Results - ADR change by country**  
**YTD FEBRUARY 2018 vs YTD FEBRUARY 2017**

European average  
**+1.8%**

- Sup. to 10%
- Between 5% and 10%
- Between 0% and 5%
- Inf. to 0%



# METHODOLOGY

## 1 Conventions

The report presents the results of corporate brand hotels in Europe. The sample consists of a total of more than 6,500 hotels, representing more than 800,000 rooms. The breakdown by segment is as follows: 30% for Budget and Economic hotels, 30% for midscale hotels and 40% for upscale hotels.

Hotels are classified according to the hotel star system: from 1\* to 5\*. The category of corporate chain hotels are allocated individually according to MKG Hospitality's market expertise and reflect the "marketing classification" in complement to the official rating system(s) of the country (if any). The category breakdowns for global supply are taken from MKG Hospitality's database and from information provided by statistical and/or hotel industry institutions (e.g. associations, unions).

## 2 Glossary

- **Occupancy rate:** Number of sold rooms divided by number of available rooms
- **Average daily rate:** Room revenue divided by number of sold rooms
- **RevPAR:** Occupancy rate x average daily price or room revenue divided by available rooms
- **Available rooms:** Capacity x number of operating days (within a month)
- **Sold rooms:** Capacity x number of operating days x occupancy rate
- **Room revenue:** Room revenue expressed net of VAT (excluding other types of revenue such as food and beverage, etc.)

