



HOTEL SECTOR OUTLOOK

The hospitality sector has been one of the hardest hit by the COVID-19 pandemic. Social distancing measures and formal lockdown's, in addition to reduced consumer confidence, have had a devastating impact on the industry.

UK MARKET OVERVIEW

37% OF HOSPITALITY BUSINESSES PERMANENTLY OR TEMPORARILY CLOSED



261,000

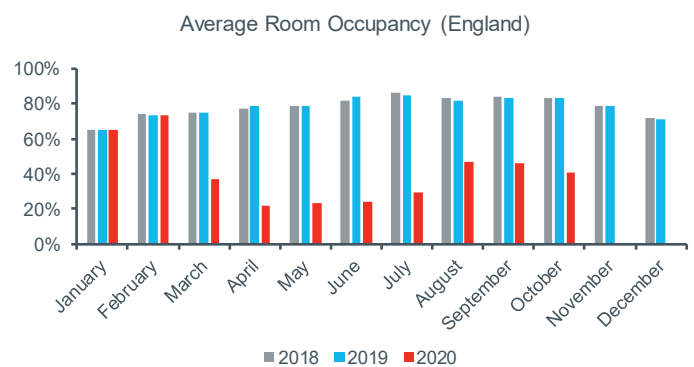
REDUCTION IN EMPLOYMENT WITHIN THE INDUSTRY OVER THE LAST 12 MONTHS



REDUCTION IN REVENUE REPORTED BY **80%** OF HOSPITALITY BUSINESSES IN THE LAST 12 MONTHS

34%

AVERAGE ROOM OCCUPANCY RATE SINCE COVID-19 LOCKDOWN



KEY RISKS

⚠️ LOCKDOWN AND TRAVEL RESTRICTIONS

⚠️ ACCRUED CROWN ARREARS

⚠️ LIQUIDITY RISK

⚠️ CANCELATIONS AND DEPOSIT REFUNDS

⚠️ INCREASING DEBT BURDEN

⚠️ COVID-19 COMPLIANCE COSTS

HOW WE CAN HELP YOU...

1 Working Capital Management

- Duff & Phelps' Advisory team help clients maximize value by providing hands-on practical guidance and support. We offer key services such as:
 - Forecast modelling and reviewing
 - Working capital optimization
 - Alternative options & contingency planning

2 Stakeholder Advisory

- Our dedicated team can support management in commercial negotiations with the key stakeholder groups, including:
 - Landlords
 - Lenders
 - Merchant Service Providers
 - Licensing Authorities

3 Debt Advisory

- Extensive banking experience means we understand the credit parameters of lenders and how to "frame the ask."
- Our diverse network means we have deep knowledge of the sector, allowing us structure and source the most appropriate funding solution to meet the needs of our client.



6 Operational Turnaround

- Our extensive experience within the industry enables us to provide informed, timely advice on all areas of operational turnaround.
- We provide a range of approaches that focus on analysing the drivers of underperformance and identifying practical solutions.

5 Strategic Alternatives

- Duff & Phelps' diverse service offerings enables us to provide expert advice on the following areas:
 - M&A
 - Cyber Risk
 - Real Estate Advisory
 - Turnaround
 - Restructuring

4 Tax Arrears Solutions

- Duff & Phelps has assembled one of the UK's leading teams dedicated to supporting business to find solutions to their tax arrears. Services include:
 - Time-To-Pay (TTP) proposals; and
 - Standstill agreements.
- Our dedicated team has a strong track record successfully negotiating TTP arrangements and standstill agreements. We have supported over 80 clients during the last 12 months in order to provide the much needed support, headroom and time to aid a successful turnaround.

CONTACT

Paul Smith
Managing Director
Paul.Smith@duffandphelps.com
M: +44 (0)7789 650 507

Mike Lennon
Senior Director
Michael.Lennon@duffandphelps.com
M: +44 (0)7920 762 551

Martin Gray
Senior Director
Martin.Gray@duffandphelps.com
M: +44 (0)7775 407 668

About Duff & Phelps

Duff & Phelps is the global advisor that protects, restores and maximises value for clients in the areas of valuation, corporate finance, disputes and investigations, cyber security, claims administration and regulatory issues. We work with clients across diverse sectors on matters of good governance and transparency. With Kroll, the leading global provider of risk solutions, and Prime Clerk, the leader in complex business services and claims administration, our firm has nearly 4,000 professionals in 25 countries around the world. For more information, visit www.duffandphelps.co.uk.

M&A advisory, capital raising and secondary market advisory services in the United States are provided by Duff & Phelps Securities, LLC. Member FINRA/SIPC. Pagemill Partners is a Division of Duff & Phelps Securities, LLC. M&A advisory, capital raising and secondary market advisory services in the United Kingdom are provided by Duff & Phelps Securities Ltd. (DPSL), which is authorized and regulated by the Financial Conduct Authority. Valuation Advisory Services in India are provided by Duff & Phelps India Private Limited under a category 1 merchant banker license issued by the Securities and Exchange Board of India.