

SALES AND RESULTS 2019

25th February 2020



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HOTELS

NH
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NH COLLECTION
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TIVOLI
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AVANI
Hotels & Resorts


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Daks
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2019 Main Financial Aspects ⁽¹⁾

- **Revenue growth of +6.1%** (+7.2% at constant exchange rate) **reaching €1,718m** (+€98m) in the year including perimeter changes (+€41m) and despite the negative impact of the currency (-€19m).
 - **In like-for-like (“LFL”) terms**, excluding refurbishments and perimeter changes, **revenue grew +3.6% (+4.9% at constant exchange rate)**:
 - Strong performance in **Europe with +3.9% growth**. Spain delivered an outstanding strong performance (+8.3%). Strong growth in Benelux (+4.0%) and Italy (+2.5%), flat performance in Central Europe (+0.1%).
- **RevPAR was up +4.9% in the year with higher ADR** (+4.9%; +€4.8), **which accounted for the entire increase in RevPAR, and an occupancy rate that remained stable** at 71.7%. ADR and RevPAR growth in all regions except Latin America, which was negatively impacted by currency.
 - Strong RevPAR growth in Spain (+11.7%) explained by Barcelona's recovery and the excellent performance of Madrid and secondary cities.
 - Solid performance in Italy (+4.6%) and Benelux (+3.4%).
- Revenue growth together with cost control enabled to close the year with **recurring EBITDA growth⁽²⁾ of +12%, reaching €294m, excluding the accounting impact of IFRS 16**, meaning an **increase of +31m and reaching a margin of 17.1% (+0.9 p.p.)**. The conversion rate of the increase in revenue to EBITDA is 31%. Including the accounting impact of IFRS 16, reported EBITDA amounts to €551m.
 - **Recurring EBITDA for the year of €294m** (Tivoli contribution +€5m) **exceeds the target set for the year of €285m**.
- **Significant increase in Reported Net Recurring Income for the year of +€34m vs. 2018 reaching €103m** as a result of business improvement, lower financial expenses and despite the net impact of IFRS 16 of -€10m.
 - **Net Recurring Income for the year** excluding IFRS 16 **reached €113m, exceeding the target set for the year of c. €100m**.
- **Reported Total Net Income of €90m**, -€12m lower than 2018. The comparison is affected by the lower contribution (-€45m) of non-recurring activity vs. 2018.
- Proposal to submit for AGM approval, the **distribution of a dividend** for the financial year 2019 of a maximum **gross amount of €0.15** per outstanding share, implying an estimated disbursement of €59m, in line with the announced dividend policy.
- **The strong cash flow generation** in the year allowed to **maintain a low level of net financial debt (-€179m)** together with a **solid cash position of €289m** at the end of December 2019, despite Capex investments (-€170m) and the dividend payment (-€59m) in the period.

(1) IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated

(2) Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

Main figures of Q4 2019 ⁽¹⁾

- **Revenue growth of +7.2%** (+9.9% at constant exchange rate) **reaching €461m** (+€31m) including perimeter changes (+€18m) and despite the significant negative impact of the currency (-€11m). Excluding the integration of Tivoli (+€12m), revenue growth would have been +€19m or +4.5%.
 - **In the Like for Like (“LFL”) perimeter**, excluding refurbishments and perimeter changes, **revenue grew +1.8% (+4.8% at constant rate)** with strong growth in Europe of +4.3%, highlighting the excellent performance of Benelux (+7.6%) and the solid growth in Italy (+5.2%) and Spain (+4.1%).
- **RevPAR rose by +5.4%, entirely through prices** (ADR: +6.3%; +€6.2) and **occupancy rate fell by -0.8%** to 71.5%. Strong RevPAR and ADR growth in Europe, with strong RevPAR growth in Spain (+7.8%), Italy (+6.8%), Benelux (+6.7%) and Central Europe (+5.0%).
- **Recurring EBITDA⁽²⁾ grew +9.7% in the quarter** reaching €85m, an increase of +€8m with a **margin improvement of +0.4 p.p. to 18.5%**. Including the accounting impact of IFRS 16, reported EBITDA amounts to €151m.
- The **Reported Net Recurring Income** for the quarter improved by +€19m vs. Q4 2018, reaching €41m explained by the business' strong performance in the quarter, lower taxes and despite the impact of IFRS 16 (-€2m).

(1) IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated

(2) Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

IFRS 16: Impact of new accounting standard from 1st January 2019

- IFRS 16 establishes the recognition on the balance sheet of operating leases, being added a financial liability equal to the present value of the fixed lease commitments and an asset for the right of use the underlying asset. Therefore, the interest expense of the liability is recorded separately from the depreciation expense of the right-of-use asset.
- The Group has applied the retrospective modified method, calculating the asset at the start date of each contract and the liability at the transition date. The difference between the two items is recorded as an adjustment in the consolidated reserves on the opening balance sheet.

Impact on Balance Sheet 31/12/2019 (€ million)	
Right of Use	1,701.5
Deferred tax	95.8
Other assets	(49.1)
TOTAL ASSETS	1,748.2
Total Equity	(266.0)
Operational leases liability	2,067.4
Other liabilities	(53.1)
TOTAL LIABILITIES	1,748.2

Impact in P&L in 2019 (€ million)	2019 ex IFRS 16	IFRS 16 Adj.	2019 Reported
Lease payments and property taxes	(355.4)	257.3	(98.1)
EBITDA BEFORE ONEROUS	294.1	257.3	551.4
Onerous contract reversal provision	17	(1.7)	-
Depreciation	(116.6)	(180.9)	(297.5)
EBIT	179.1	74.8	253.9
Interest expense	(24.9)	(89.2)	(114.1)
Corporate income tax	(38.1)	4.4	(33.7)
NET RECURRING INCOME	113.2	(10.0)	103.2

- No cash impact, leverage capacity or debt financial covenants.

Sales and Results 2019
Madrid, 25th February 2020

Minor Integration

- Opportunities:
 - Drive demand between Asia & Europe through cross-selling distribution & Loyalty interface
 - Economies of Scale: improve pricing scheme with partners and suppliers
 - Rebranding opportunities & Cross-brand global expansion from upscale to luxury
 - Talent & Learning development & Workforce mobility
- Tivoli (2,452 rooms):
 - 3 Lease contracts in Lisbon (counterpart Invesco Real Estate):
 - Tenure: 20 years with rights of extension for NH totaling 40 additional years
 - Sustainable variable lease with minimum guaranteed and basket of losses
 - 10 Management contracts in Portugal (counterpart Minor):
 - Base Fee on Revenues + Incentive Fee on Operating Profit
- Boscolo (1,115 rooms):
 - 8 Lease contracts in Europe (counterpart Covivio):
 - Luxury hotels with prime locations in Rome, Florence, Venice, Nice, Prague and Budapest, that will be rebranded under the Anantara and NH Collection brands, following an extensive repositioning program funded by Covivio
 - Tenure: 15 years, extendable at NH option to a period of not less than 15 additional years
 - Sustainable variable lease with minimum guaranteed and basket of losses
 - The closing of the transaction is expected by Q2 2020

Other Highlights

- **Repositioning Plan:** In 2019 the following hotels are affected by refurbishments: NH Plaza de Armas, NH Luz Huelva, NH Logroño Herencia Rioja, NHC Madrid Paseo del Prado, NH Sants Barcelona, NH Barcelona Eixample, NH Imperial Playa, NH Lyon Airport, NH Nice and NH New York Jolly Madison Towers in the BU of Spain. NH Bologna de la Gare, NH Napoli Panorama, NH Palermo, NH Roma Villa Carpegna, NHC Roma Giustiniano and NH Milano Touring in Italy. NHC Amsterdam Flower Market, NH Amsterdam Schiller, NH Brussels Airport and NH Luxembourg in Benelux and NHC Berlin Mitte Friedrichstrasse, NHC Berlin Mitte am Checkpoint Charlie, NH Hamburg Altona, NH Koln Altstadt, NHC Munchen Bavaria, NH Heidelberg, NH Munchen Airport, NH Frankfurt Airport, NH Vienna Airport and NH Salzburg City in Central Europe and NH Buenos Aires Crillón, NHC Buenos Aires Jousten, NH Mexico City Centro Histórico, NH Mexico City Valle Dorado, NH Ciudad de Santiago and NH Montevideo Columbia in Latin America. 2019 refurbishments include the opportunity cost as lower revenues due to renovations, -€9.6m compared with 2018, mainly from Naples, Amsterdam, the Hague, Hamburg, Santiago de Chile and Buenos Aires.
- **Brand:** NH had 368 hotels and 57,466 rooms as of 31st December 2019, out of which 83 hotels and 12,716 rooms are NH Collection (22% of the portfolio), showing their potential both in prices (+45% higher price; ADR NH Collection €131 vs ADR NH €90) and quality (with improvements also in non-refurbished hotels). NH Hotel Group focuses on quality measurement using new sources of information and surveys, thus significantly increasing both the volume of reviews and the evaluations received.



- **Pricing & Revenue Management:** Relative RevPAR outperformance of +0.1 p.p. in top cities vs. competitors with higher occupancy (+0.8 p.p.) and a lower ADR (-0.8 p.p.):
- Relative RevPAR in Spain of -0.3 p.p. mainly explained by higher relative occupancy and lower ADR with strong performance of secondary cities. Volume strategy implemented due to lower business groups demand.
 - Italy: -1.3 p.p. relative RevPAR explained by the extraordinary performance in 2018 (+5.4 p.p.) with relevant events in Milan. Positive 2019 evolution in Rome.
 - Solid result in Benelux with a relative RevPAR of +1.3 p.p. with a great performance both in Amsterdam and Brussels where NH outperformed competitors in a year with a positive calendar of events.
 - Central Europe: -0.2 p.p. relative RevPAR variation with higher occupancy and mixed performance among main cities

2019	ADR % var.		Relative" ADR	"Relative" Occupancy	RevPAR % var.		"Relative" RevPAR
	NH	Compset	Var.	Var.	NH	Compset	Var.
Total NH	3.7%	4.5%	-0.8 p.p.	0.8 p.p.	5.5%	5.4%	0.1 p.p.
Spain	7.8%	8.8%	-1.0 p.p.	0.7 p.p.	11.1%	11.4%	-0.3 p.p.
Italy	1.9%	3.9%	-2.0 p.p.	0.7 p.p.	3.9%	5.1%	-1.3 p.p.
Benelux	2.8%	2.2%	0.6 p.p.	0.7 p.p.	4.2%	2.9%	1.3 p.p.
Central Europe	1.1%	2.3%	-1.2 p.p.	1.0 p.p.	1.6%	1.8%	-0.2 p.p.

➤ **New Agreements of the period:**

- In 2019 the Company signed 12 hotels, 8 lease agreements (2 Anantara in Marbella and Dublin, 5 NH Collection in La Coruña, Rome, Verona, Alicante and Cagliari and one NHOW in Hamburg), 4 managements agreements (1 NH Collection in Oporto, 2 NH in Andorra and Aguascalientes), with a total of 1,262 rooms. In addition, following the agreement reached with Minor, NH begun to operate the hotels in Portugal, 3 under lease agreements, 9 under management agreements and 1 franchise with the Tivoli, Avani and Anantara brands, with a total of 2,452 rooms. Finally, after the agreement reached with Covivio, it has been agreed to operate 8 hotels under lease agreements in Rome, Florence, Venice (2), Nice, Prague and Budapest (2) with a total of 1,115 rooms.

Q4 RevPAR Evolution:

Note: The “Like for Like plus Refurbishments” (LFL&R) criteria includes hotels renovated in 2018 and 2019

	NH HOTEL GROUP REVPAR Q4 2019/2018										
	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2019	2018	2019	2018	% Var	2019	2018	% Var	2019	2018	% Var
Spain & Others LFL & R ⁽¹⁾	11,086	11,065	73.9%	74.7%	-1.0%	102.9	97.3	5.7%	76.0	72.6	4.7%
B.U. Spain Consolidated ⁽¹⁾	12,577	11,534	73.3%	74.3%	-1.4%	106.7	97.6	9.3%	78.2	72.6	7.8%
Italy LFL & R	7,262	7,181	70.0%	68.9%	1.6%	119.2	114.6	4.0%	83.4	78.9	5.7%
B.U. Italy Consolidated	7,448	7,325	69.7%	68.3%	2.0%	120.6	115.2	4.7%	84.1	78.7	6.8%
Benelux LFL & R	8,410	8,395	72.0%	71.5%	0.7%	115.8	111.2	4.1%	83.3	79.5	4.8%
B.U. Benelux Consolidated	9,239	8,914	72.1%	71.5%	0.8%	118.1	111.6	5.8%	85.2	79.8	6.7%
Central Europe LFL & R	11,556	11,337	74.2%	75.4%	-1.6%	96.6	91.8	5.3%	71.7	69.2	3.5%
B.U. Central Europe Consolidated	12,348	12,258	73.8%	74.8%	-1.3%	96.8	91.0	6.4%	71.5	68.1	5.0%
Total Europe LFL & R	38,314	37,978	72.8%	73.1%	-0.4%	106.7	101.7	4.9%	77.7	74.3	4.6%
Total Europe Consolidated	41,612	40,031	72.5%	72.7%	-0.3%	108.6	101.6	6.9%	78.8	73.9	6.6%
Latinamerica LFL & R	5,083	5,080	64.3%	67.8%	-5.1%	78.4	84.4	-7.1%	50.4	57.2	-11.8%
B.U. Latinamerica Consolidated	5,384	5,566	63.7%	67.6%	-5.8%	77.6	80.7	-3.8%	49.4	54.6	-9.4%
NH Hotels LFL & R	43,397	43,058	71.8%	72.5%	-0.9%	103.8	99.8	4.0%	74.5	72.3	3.1%
Total NH Consolidated	46,996	45,597	71.5%	72.1%	-0.8%	105.5	99.2	6.3%	75.4	71.6	5.4%

(1) Includes France and Portugal

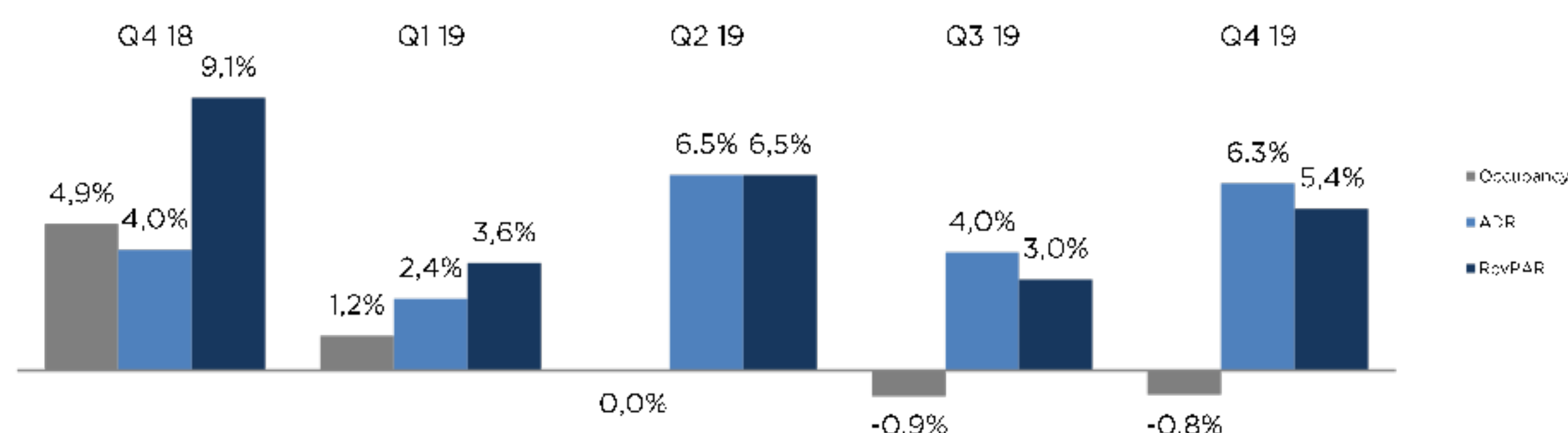
- **RevPAR growth +5.4%** in Q4, **entirely through prices** (ADR: +6.3%; +€6.2) and **occupancy** rate fell by -0.8% to 71.5%. Strong growth in RevPAR and ADR in Europe while Latin America is affected by the currency evolution.
- **RevPAR growth by region:**
 - **Spain:** Excluding perimeter changes, RevPAR grew by +4.7% as a result of higher prices. Lower growth in Barcelona (+3%; the recovery began in Q4 2018) and in Madrid (+4%; despite the strong calendar of events in Q4 2018, offset by the Climate Summit).
 - **Italy:** +6.8%, with prices that grew by +4.7% and higher activity (+2.0%). Excellent performance in Milan (+13%), with a positive trade fair calendar and Rome (+1%).
 - **Benelux:** +6.7%, with +12% growth in Brussels (67% through ADR) with a good calendar of events. Good performance in Amsterdam (+3%) while conference hotels fell (-4%) without relevant events in the quarter.
 - **Central Europe:** +5.0% with higher level of prices (+6.4%) and lower occupancy (-1.3%). Frankfurt (+3%) due to a relevant event in the quarter and despite the increase in supply.
 - **LatAm:** -9.4% with a -3.8% decline in ADR and lower occupancy (-5.8%). Mexico City (+1% due to higher ADR), Buenos Aires (-21%) and Bogota (-10%) strongly impacted by the negative effect of the currency.
- With regards with the Group's **level of activity** in the fourth quarter, occupancy fell by -0.8% to 71.5% as a result of the trade fair calendar in Germany and Spain. Strong RevPAR growth in Italy (+2.0%) and Benelux (+0.8%).

12M RevPAR evolution:

- **RevPAR growth +4.9%** in the year **with a 100% contribution through prices** (ADR +4.9%; +€4.8) and an **occupancy** rate that remained stable at 71.7%.
 - Strong growth of RevPAR and ADR in Europe, highlighting the RevPAR growth in Spain (+11.7%).
 - In terms of prices, it should be highlighted the growth of Spain (+10.2%) and the solid evolution of Benelux (+3.5%), Central Europe (+3.3%) and Italy (+3.2%).

NH HOTEL GROUP REVPAR 12M 2019/2018											
	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2019	2018	2019	2018	% Var	2019	2018	% Var	2019	2018	% Var
Spain & Others LFL & R ⁽¹⁾	11,072	11,045	75.3%	74.1%	1.5%	101.6	94.6	7.4%	76.5	70.2	9.0%
B.U. Spain Consolidated ⁽¹⁾	12,120	11,670	74.8%	73.8%	1.3%	104.1	94.5	10.2%	77.9	69.7	11.7%
Italy LFL & R	7,170	7,160	71.1%	70.3%	1.1%	122.2	119.0	2.6%	86.8	83.7	3.7%
B.U. Italy Consolidated	7,332	7,258	71.0%	70.1%	1.3%	123.3	119.5	3.2%	87.5	83.7	4.6%
Benelux LFL & R	8,338	8,394	72.8%	72.7%	0.0%	114.5	111.6	2.6%	83.3	81.2	2.6%
B.U. Benelux Consolidated	8,950	8,901	72.5%	72.5%	-0.1%	114.9	111.1	3.5%	83.3	80.6	3.4%
Central Europe LFL & R	11,429	11,410	73.9%	74.6%	-0.9%	92.5	90.2	2.5%	68.4	67.3	1.6%
B.U. Central Europe Consolidated	12,289	12,111	73.2%	74.5%	-1.7%	92.4	89.4	3.3%	67.6	66.6	1.5%
Total Europe LFL & R	38,010	38,008	73.5%	73.3%	0.4%	105.4	101.4	3.9%	77.5	74.3	4.3%
Total Europe Consolidated	40,690	39,940	73.1%	73.0%	0.1%	106.3	100.9	5.3%	77.7	73.7	5.4%
Latinamerica LFL & R	5,083	5,080	62.0%	63.4%	-2.2%	72.9	76.2	-4.4%	45.2	48.4	-6.5%
B.U. Latinamerica Consolidated	5,361	5,545	61.3%	62.4%	-1.7%	72.3	74.0	-2.3%	44.3	46.2	-4.0%
NH Hotels LFL & R	43,093	43,088	72.2%	72.1%	0.1%	102.1	98.8	3.3%	73.7	71.2	3.5%
Total NH Consolidated	46,052	45,485	71.7%	71.7%	0.0%	102.9	98.1	4.9%	73.8	70.4	4.9%

Evolution of Consolidated Ratios by quarter:



Consolidated Ratios	Occupancy					ADR					RevPAR				
% Var	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19
Spain ⁽¹⁾	7.4%	2.5%	0.0%	1.7%	-1.4%	5.1%	4.7%	12.5%	13.3%	9.3%	12.9%	7.3%	12.5%	15.3%	7.8%
Italy	2.1%	0.1%	1.6%	2.0%	2.0%	3.0%	0.3%	4.5%	2.3%	4.7%	5.2%	0.4%	6.2%	4.3%	6.8%
Benelux	3.3%	0.9%	0.8%	-2.5%	0.8%	2.6%	0.1%	2.9%	4.2%	5.8%	6.0%	1.0%	3.7%	1.6%	6.7%
Central Europe	4.1%	1.4%	-1.5%	-5.2%	-1.3%	4.6%	3.3%	4.6%	-0.8%	6.4%	8.8%	4.7%	3.0%	-5.9%	5.0%
TOTAL EUROPE	4.5%	1.4%	0.0%	-1.3%	-0.3%	4.1%	2.2%	6.5%	5.0%	6.9%	8.7%	3.7%	6.5%	3.6%	6.6%
Latin America real exc. rate	8.2%	-1.3%	-1.4%	2.1%	-5.8%	5.2%	2.4%	5.1%	-11.4%	-3.8%	13.8%	1.1%	3.6%	-9.5%	-9.4%
NH HOTEL GROUP	4.9%	1.2%	0.0%	-0.9%	-0.8%	4.0%	2.4%	6.5%	4.0%	6.3%	9.1%	3.6%	6.5%	3.0%	5.4%

(1) Includes France and Portugal

Sales and Results 2019
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RECURRING HOTEL ACTIVITY *								
(€ million)	2019 Q4	2018 Q4	DIFF. 19/18	%DIFF.	2019 12M	2018 12M	DIFF. 19/18	%DIFF.
SPAIN ⁽¹⁾	113.7	109.6	4.1	3.8%	438.5	406.3	32.3	7.9%
ITALY	76.3	71.3	5.0	7.0%	301.6	288.4	13.1	4.6%
BENELUX	98.9	91.4	7.5	8.2%	366.1	354.8	11.3	3.2%
CENTRAL EUROPE	100.9	96.8	4.1	4.2%	377.3	373.8	3.5	0.9%
AMERICA	33.2	40.5	(7.3)	(18.0%)	121.4	124.5	(3.1)	(2.5%)
TOTAL RECURRING REVENUE LFL&R	423.1	409.7	13.4	3.3%	1,604.9	1,547.8	57.1	3.7%
OPENINGS, CLOSINGS & OTHERS	37.8	20.2	17.6	87.2%	113.4	72.1	41.3	57.4%
RECURRING REVENUES	460.9	429.9	31.0	7.2%	1,718.3	1,619.8	98.4	6.1%
SPAIN ⁽¹⁾	69.9	67.4	2.6	3.8%	270.1	256.4	13.7	5.3%
ITALY	44.6	44.5	0.1	0.1%	175.5	175.3	0.2	0.1%
BENELUX	58.8	56.3	2.5	4.4%	227.9	222.8	5.1	2.3%
CENTRAL EUROPE	60.9	60.4	0.5	0.8%	240.6	239.9	0.7	0.3%
AMERICA	21.5	26.9	(5.5)	(20.3%)	83.2	86.7	(3.5)	(4.1%)
RECURRING OPEX LFL&R	255.7	255.6	0.1	0.0%	997.2	981.1	16.1	1.6%
OPENINGS, CLOSINGS & OTHERS	25.2	12.4	12.8	103.4%	71.5	43.1	28.4	66.0%
RECURRING OPERATING EXPENSES ⁽²⁾	280.9	268.0	12.9	4.8%	1,068.8	1,024.2	44.6	4.4%
SPAIN ⁽¹⁾	43.8	42.2	1.6	3.7%	168.4	149.9	18.6	12.4%
ITALY	31.7	26.8	4.9	18.4%	126.1	113.1	13.0	11.5%
BENELUX	40.1	35.1	5.0	14.3%	138.2	132.0	6.2	4.7%
CENTRAL EUROPE	40.0	36.4	3.6	9.8%	136.7	133.9	2.8	2.1%
AMERICA	11.7	13.6	(1.9)	(13.7%)	38.2	37.8	0.4	1.1%
RECURRING GOP LFL&R	167.4	154.1	13.3	8.6%	607.6	566.7	41.0	7.2%
OPENINGS, CLOSINGS & OTHERS	12.6	7.8	4.8	61.5%	41.9	29.0	12.9	44.5%
RECURRING GOP	180.0	161.9	18.1	11.1%	649.5	595.6	53.9	9.0%
SPAIN ⁽¹⁾	24.6	23.0	1.6	7.0%	95.8	90.8	5.0	5.5%
ITALY	14.3	12.8	1.6	12.2%	55.9	51.0	4.9	9.5%
BENELUX	14.8	14.8	0.0	0.2%	59.3	59.5	(0.1)	(0.2%)
CENTRAL EUROPE	26.9	25.7	1.2	4.8%	104.6	102.6	2.0	2.0%
AMERICA	2.9	3.1	(0.2)	(7.2%)	11.2	11.4	(0.2)	(1.6%)
RECURRING LEASES&PT LFL&R	83.5	79.3	4.2	5.3%	326.8	315.3	11.5	3.7%
OPENINGS, CLOSINGS & OTHERS	11.0	4.7	6.3	134.9%	28.6	17.2	11.5	66.9%
RECURRING RENTS AND PROPERTY TAXES ⁽³⁾	94.5	84.0	10.5	12.5%	355.4	332.4	23.0	6.9%
SPAIN ⁽¹⁾	19.2	19.2	(0.0)	(0.2%)	72.6	59.0	13.6	23.1%
ITALY	17.4	14.0	3.4	24.2%	70.3	62.1	8.1	13.1%
BENELUX	25.3	20.3	5.0	24.6%	78.9	72.5	6.3	8.7%
CENTRAL EUROPE	13.0	10.7	2.3	21.9%	32.1	31.3	0.8	2.6%
AMERICA	8.9	10.5	(1.6)	(15.6%)	27.0	26.4	0.6	2.3%
RECURRING EBITDA LFL&R	83.8	74.8	9.1	12.1%	280.8	251.4	29.4	11.7%
OPENINGS, CLOSINGS & OTHERS	1.6	3.1	(1.5)	(48.9%)	13.2	11.8	1.4	12.1%
RECURRING EBITDA EX. ONEROUS PROVISION ⁽³⁾	85.4	77.9	7.5	9.7%	294.1	263.2	30.9	11.7%

⁽¹⁾ IFRS 16 not included in business performance figures

⁽¹⁾ France and Portugal hotels are included in the Business Unit of Spain

⁽²⁾ For the allocation of central costs, the distribution criterion used is the LFL GOP level of each business unit

⁽³⁾ Rents and Recurring EBITDA exclude IFRS 16 accounting impact for comparison purposes. Both in Q4 and 12M, in the Rents line a reclassification has taken place between LFL&R perimeter and Openings, Closings & Others, not impacting total figures

Recurring Results by Business Unit (LFL&R basis) ^(*)

Spain B.U. ⁽¹⁾:

- Q4: RevPAR grew by +4.7%, with an increase in prices of +5.7%, highlighting the good performance of Barcelona, Madrid and secondary cities. Revenue grew by +3.8%.
- 12M: Increase in RevPAR of +9.0% due to the recovery of Barcelona (+13.7%; occupancy +4.9% and ADR +8.3%), and the excellent performance of Madrid (+10.6%; 72% through prices) due to the positive calendar of congresses and events. ADR rose +7.4% and occupancy was up +1.5%.
 - Revenue grew by +7.9% due to the recovery of Barcelona (+12.7%) and the excellent performance of Madrid, which grew by +8.3% as a result of the events mentioned. Secondary cities grew by +4.6%.
 - Operating expenses grew by +5.3% (-€13.7m) mainly explained by the increase in the minimum salary close to 10% and the CLA agreements that explain 50% of the increase, as well as the refurbished hotels that contribute with 25% of the increase.
 - GOP reached €168.4m, up +12.4% (+€18.6m) and rents rose by +€5.0m (+5.5%).
 - EBITDA for the year grew by +23.1% (+€13.6m) reaching €72.6m with a margin that increased by +2.0 p.p. to 16.6%.

⁽¹⁾ Includes France and Portugal

Italy B.U.:

- Q4: RevPAR growth of +5.7% in the quarter, with an increase of +4.0% in prices and +1.6% in occupancy. It should be highlighted the strong performance of Milan (+13.2%) as a result of the better trade fair calendar while Rome grew by +0.7%. Revenue increased by +7.0%.
- 12M: RevPAR grew +3.7% in the year with ADR up by +2.6% and occupancy by +1.1%. Good performance of LFL RevPAR in Milan (+4.2%), with excellent evolution in the second half of the year and Rome (+1.4%).
 - Revenue growth of +4.6% (excluding the refurbished hotels +2.5%). With regard to the main cities, Milan grew +3.5% with a great performance in the second half of the year and Rome remained flat due to the lower demand of groups affecting other revenues.
 - Operating expenses remained flat while GOP grew by +11.5% (+€13.0m) to €126.1m.
 - Rents increased by +€4.9m (+9.5%) mainly explained by the refurbishments of one hotel in Rome and another in Milan in 2018.
 - Thus, EBITDA for the year improved by +13.1% (+€8.1m) to reach €70.3m with a margin that grew +1.8 p.p. to 23.3%.

Benelux B.U.:

- Q4: RevPAR growth of +4.8% in the quarter, with an increase of +4.1% in prices and of +0.7% in occupancy, driven by the outstanding performance of Brussels (+11.9%) and Amsterdam (+2.9%). Revenue grew by +8.2%.
- 12M: RevPAR growth of +2.6% with prices growing by +2.6% and stable occupancy. Remarkable LFL RevPAR growth of Brussels (+11.2%, 65% through prices), Amsterdam (+2.2%) and conference hotels (+3.2%).

^(*) IFRS 16 not included in business performance figures

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- Revenue increased +3.2%, driven by the good performance of Brussels (+10.0%) and conference hotels (+4.8%). Amsterdam grew by +1.0%, affected by the lower demand of groups that impacts other non-room revenues. Excluding the business loss due to hotel refurbishments (-€2.7m), comparable revenue grew by +4.0%.
- Operating expenses increased by +2.3% in the year and GOP increased by +4.7% (+€6,2m) despite the increase in salaries related to the CLA agreements.
- EBITDA for the year was up +8.7% (+€6.3m) reaching €78.9m with a margin that grew +1.1 p.p. to 21.5%.

Central Europe B.U.:

- Q4: RevPAR grew +3.5% with an increase in prices of +5.3% and lower occupancy (-1.6%). Revenue increased by +4.2% in the quarter.
- 12M: RevPAR growth of +1.6% over the year with ADR up by +2.5% and occupancy down by -0.9%. Good performance of Hamburg (+2.7%), secondary cities (+1.9%) and Austria (+5.9%). Frankfurt (-5.8%) and Munich (-5.3%) impacted by a weaker trade fair calendar, and Frankfurt was also affected by the increased hotel supply in the city.
 - Revenue grew by +0.9%, recovering after the negative trade fair calendar in the third quarter. Frankfurt's revenue dropped (-7.0%) also affected by the new supply.
 - Operating expenses remained stable in the year (+0.3%). GOP rose +2.1% (+€2.8m) to €136.7m.
 - Thus, EBITDA for the year increased by 2.6% to €32.1m.

Americas B.U. ⁽²⁾:

- Q4: RevPAR decline of -11.8% in the quarter, with prices falling -7.1% due to the negative evolution of the currency and a decline of -5.1% in occupancy. At constant exchange rates, growth of the BU's LFL&R revenue is +10.6% in the quarter and at real exchange rates revenue fell by -18.0%.
- 12M: RevPAR fell by -6.5% in the year, with a level of prices that falls by -4.4% and occupancy by -2.2%.
 - By regions, Mexico registered flat revenues (+0.3%) in local currency. Including the positive currency evolution (+5%), reported revenues increased +5.7%.
 - In Argentina, revenue grew +46.8% at constant exchange rates mainly explained by an increase in average prices due to hyperinflation. Reported revenues fell by -6.0% including hyperinflation and depreciation of the currency.
 - In Colombia and Chile, revenue dropped by -5.7% in local currency due to the closing of a hotel with 336 rooms and including the currency evolution (-6%), revenue dropped by -10.9%.

⁽²⁾ Includes IAS 29 impact in Argentina

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Consolidated Income Statement 12M 2019

NH HOTEL GROUP P&L ACCOUNT						
(€ million)	12M 2019 Reported ⁽¹⁾	IFRS 16 Adj.	12M 2019 ex IFRS 16	12M 2018 Reported ⁽²⁾	Var. 12M ex IFRS16	
	€ m.	€ m.	€ m.	€ m.	€ m.	%
TOTAL REVENUES	1,718.3	-	1,718.3	1,619.8	98.4	6.1%
Staff Cost	(574.9)	-	(574.9)	(540.7)	(34.2)	6.3%
Operating expenses	(493.9)	-	(493.9)	(483.5)	(10.3)	2.1%
GROSS OPERATING PROFIT	649.5	-	649.5	595.6	53.9	9.0%
Lease payments and property taxes	(98.1)	(257.3)	(355.4)	(332.4)	(23.0)	6.9%
EBITDA BEFORE ONEROUS	551.4	(257.3)	294.1	263.2	30.9	11.7%
Margin % of Revenues	32.1%	-	17.1%	16.3%	-	0.9 p.p.
Onerous contract reversal provision	-	1.7	1.7	2.3	(0.7)	(28.9%)
EBITDA AFTER ONEROUS	551.4	(255.7)	295.7	265.6	30.2	11.4%
Depreciation	(297.5)	180.9	(116.6)	(112.6)	(4.0)	3.5%
EBIT	253.9	(74.8)	179.1	152.9	26.2	17.1%
Net Interest expense	(114.1)	89.2	(24.9)	(33.5)	8.6	25.7%
Income from minority equity interests	0.0	-	0.0	(0.5)	0.5	N/A
EBT	139.8	14.4	154.2	118.9	35.3	29.7%
Corporate income tax	(33.7)	(4.4)	(38.1)	(45.7)	7.6	(16.7%)
NET INCOME before minorities	106.1	10.0	116.2	73.2	42.9	58.7%
Minority interests	(2.9)	-	(2.9)	(3.5)	0.6	(17.2%)
NET RECURRING INCOME	103.2	10.0	113.2	69.7	43.6	62.5%
Non Recurring EBITDA ⁽³⁾	6.2	-	6.2	88.8	(82.5)	(93.0%)
Other Non Recurring items ⁽⁴⁾	(19.5)	-	(19.5)	(56.9)	37.4	(65.8%)
NET INCOME including Non-Recurring	90.0	10.0	100.0	101.6	(1.6)	(1.5%)

(1) First application of IFRS 16 since 1/1/2019

(2) In accordance with the significant event published in 6 May 2019, the Group has restated the figures for 2018 due to IAS 29 reclassification between Financial expenses and Equity by €16.2m at 31 December 2018, including €3.2m of minorities interests

(3) Includes gross capital gains from asset rotation

(4) Includes taxes from asset rotation

12M 2019 Comments ⁽¹⁾:

- **Revenue growth of +6.1%** (+7.2% at constant exchange rate) **reaching €1,718m** (+€98m) in the year despite the negative impact of the currency (-€19m).
 - In like-for-like ("LFL") terms, excluding refurbishments and perimeter changes, revenue grew +3.6% (+4.9% at constant exchange rate) with a solid performance in Europe (+3.9%). It should be highlighted the performance of Spain (+8.3%) and solid growth in Benelux (+4.0%) and Italy (+2.4) while Central Europe is flat (+0.1%)
 - Perimeter changes contributed +€41m, mainly due to the integration of the Tivoli portfolio (+€24m) and the openings of Anantara Villa Padierna, Toulouse Airport, Madrid Gran Via, Rio Novo in Venice and Mannheim.

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➤ **Cost evolution:**

- The impact of perimeter changes and hotel refurbishments explains 75% of the increase in operating expenses.
- **Staff costs** increased by +6.3% (-€34.2m), with 41% of this increase explained by perimeter changes (integration of Tivoli, openings and closings). The rest is mainly explained by the increase the collective labour agreements in Spain, Germany and Benelux.
- **Other direct operating expenses** grew by +2.1% (-€10.3m).

- **Improvement of +€53.9m (+9.0%) at GOP level.** The margin on revenues improved by +1.0 p.p. in the year with a conversion ratio of 55% for incremental revenue.

- **Leases and property taxes**, excluding the accounting impact of IFRS 16, reached €355.4m, up by -€23.0m (+6.9%). Perimeter changes explain 50% of the increase. The reported figure including IFRS 16 is €98.1m.

- Revenue growth together with cost control enabled to close the year with **recurring EBITDA⁽²⁾ growth of +11.7%, reaching €294.1m, excluding the accounting impact of IFRS 16**, meaning an **increase of +€30.9m and with a margin of 17.1% (+0.9 p.p.)** The conversion rate of the increase in revenue to EBITDA is 31%. Including IFRS 16, reported EBITDA amounts to €551.4m.

- **Depreciation:** increase of -€4.0m due to the impact of repositioning investments. Including the accounting impact of IFRS 16, the reported figure is €297.5m.

- **Net Financial expenses:** excluding IFRS 16, the +€8.6m improvement is mainly due to debt interest savings, explained by the early redemption of the convertible bond in June 2018 (€250m) and by the partial early repayment of the 2023 Bond (€43m) in Q4 2018. Including the impact of IFRS 16, the reported figure is -€114.1m.

- **Corporate Income Tax of -€33.7m**, +€12.0 lower than in 2018 on higher use of deductible financial expenses due to the improvement of the base from subsidiaries dividend (+€20.8m) and deferred taxes arisen from IFRS 16 (+€4.4m) that compensate the better EBT performance (-€8.4m) and the lower application of tax credits.

- **Significant increase in Reported Net Recurring Income for the year of +€33.5m vs. 2018 reaching €103.2m** as a result of business improvement, lower financial expenses and despite the net impact of IFRS 16 of -€10.0m.

- **Reported Total Net Income of €90.0m**, -€11.6m lower than 2018. The comparison is affected by the lower contribution (-€45m) of non-recurring activity vs. 2018.

(1) IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated

(2) Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

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Consolidated Income Statement Q4 2019

NH HOTEL GROUP P&L ACCOUNT						
(€ million)	Q4 2019 Reported ⁽¹⁾	IFRS 16 Adj.	Q4 2019 ex IFRS 16	Q4 2018 Reported ⁽²⁾	Var. Q4 ex IFRS16	
	€ m.	€ m.	€ m.	€ m.	€ m.	%
TOTAL REVENUES	460.9	-	460.9	429.9	31.0	7.2%
Staff Cost	(152.2)	-	(152.2)	(140.6)	(11.6)	8.3%
Operating expenses	(128.7)	-	(128.7)	(127.4)	(1.3)	1.0%
GROSS OPERATING PROFIT	180.0	-	180.0	161.9	18.1	11.1%
Lease payments and property taxes	(29.1)	(65.5)	(94.5)	(84.0)	(10.5)	12.5%
EBITDA BEFORE ONEROUS	150.9	(65.5)	85.4	77.9	7.5	9.7%
Margin % of Revenues	32.7%	-	18.5%	18.1%	-	0.4 p.p.
Onerous contract reversal provision	-	0.4	0.4	0.5	(0.1)	(12.2%)
EBITDA AFTER ONEROUS	150.9	(65.1)	85.8	78.3	7.5	9.5%
Depreciation	(75.5)	46.4	(29.1)	(29.5)	0.5	(1.5%)
EBIT	75.4	(18.7)	56.7	48.8	7.9	16.3%
Net Interest expense	(29.4)	21.9	(7.6)	(8.1)	0.5	6.4%
Income from minority equity interests	0.0	-	0.0	(0.2)	0.2	N/A
EBT	46.0	3.2	49.2	40.5	8.7	21.5%
Corporate income tax	(4.2)	(1.2)	(5.4)	(16.4)	11.0	(67.0%)
NET INCOME before minorities	41.8	2.0	43.8	24.1	19.7	81.7%
Minority interests	(0.5)	-	(0.5)	(2.0)	1.5	(74.2%)
NET RECURRING INCOME	41.2	2.0	43.2	22.1	21.2	96.0%
Non Recurring EBITDA ⁽³⁾	(0.4)	-	(0.4)	(12.7)	12.4	(97.2%)
Other Non Recurring items ⁽⁴⁾	(16.8)	-	(16.8)	(4.3)	(12.5)	N/A
NET INCOME including Non-Recurring	24.1	2.0	26.1	5.0	21.0	N/A

(1) First application of IFRS 16 since 1/1/2019

(2) In accordance with the significant event published in 6 May 2019, the Group has restated the figures for 2018 due to IAS 29 reclassification between Financial expenses and Equity at 31 December 2018 including minorities interests

(3) Includes gross capital gains from asset rotation

(4) Includes taxes from asset rotation

Q4 2019 Comments ⁽¹⁾:

- **Revenue growth of +7.2%** (+9.9% at constant exchange rate) reaching **€461m** (+€31m) including perimeter changes (+€18m) and despite the significant negative impact of the currency (-€11m). Excluding the integration of Tivoli (+€12m), revenue would have grown +€19m or +4.5%.
 - **In the Like for Like (“LFL”) perimeter**, excluding refurbishments and perimeter changes, revenues grew +1.8% (+4.8% at constant exchange rate) with a strong growth in Europe (+4.3%), highlighting the excellent performance of Benelux (+7.6%) and the solid growth of Italy (+5.2%) and Spain (+4.1%).
 - Perimeter changes contributed with +€18m, mainly due to the integration of the Tivoli portfolio (+€12m) and the new openings of Anantara Villa Padierna, Toulouse Airport, La Coruña, Rome, Antwerp and Mannheim.

➤ **Cost evolution:**

- **Staff costs** increased by +8.3% (-€11.6m) with 56% of the increase explained by perimeter changes, 15% by hotels under refurbishments and the rest by the increase in the collective labour agreements.
- **Other direct operating expenses** grew by +1.0% (-€1.3m).
- The impact of Tivoli's integration and other openings explain entirely the increase of costs in the quarter.

➤ **GOP grew +€18.1m** due to the integration of Tivoli and despite CLA payroll increases in Spain, Germany and Benelux.

➤ **Leases and property taxes**, excluding the accounting impact of IFRS 16, reached €94.5m, increasing -€10.5m (+12.5%) due to the integration of Tivoli and perimeter changes (60% increase).

➤ Cost control allowed for **growth in recurring EBITDA⁽²⁾ of +9.7% to €85.4m**, which represents an increase of €7.5m with a **margin of 18.5%** (+0.4 p.p.). Including IFRS 16, reported EBITDA amounted to €150.9m.

➤ **Depreciations:** including the accounting impact of IFRS 16, the reported figure is €75.5m.

➤ **Net Financial expenses:** the decrease of +€0.5m is mainly explained by savings from the partial early redemption of the 2023 Bond in the amount of €43.2m in Q4 2018 (+€3.1m) partially offset by arranging expenses and IFRS 9 write-off (non-cash expenses) related to the repricing of a mortgage loan in Chile with better conditions (-€1.8m). Including the impact of IFRS 16, the reported figure is €29.4m.

➤ **Corporate Income Tax of -€4.2m**, +€12.2m lower than in the Q4 of 2018 on higher use of deductible financial expenses due to the improvement of the base from subsidiaries dividend (+€8m), the reversal of tax holding provision of Argentina (+€2.9m) in Spain and deferred taxes arisen from IFRS 16 (+€1.2m).

➤ **Reported Net Recurring Income for the quarter stood at €41.2m, an improvement of +€19.2m vs. Q4 2018**, explained by business improvement in the quarter, lower taxes, and despite the impact of IFRS 16 (-€2.0m).

➤ **Reported Total Net Income amounted to €24.1m** in the fourth quarter, due to a provision related to a non-hotel asset in Latin America.

(1) IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated

(2) Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

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Financial Debt and Liquidity

As of 31/12/2019 Data in Euro million	Maximum Available	Availability	Drawn	Repayment schedule								
				2020	2021	2022	2023	2024	2025	2026	2027	Rest
Senior Credit Facilities												
Senior Secured Notes due 2023	356.9	-	356.9	-	-	-	356.9	-	-	-	-	-
Senior Secured RCF due in 2021	250.0	250.0	-	-	-	-	-	-	-	-	-	-
Total debt secured by the same Collateral	606.9	250.0	356.9	-	-	-	356.9	-	-	-	-	-
Other Secured loans ⁽¹⁾	27.8	-	27.8	2.5	2.5	2.1	6.0	1.3	0.9	0.7	0.9	11.1
Total secured debt	634.7	250.0	384.7	2.5	2.5	2.1	362.9	1.3	0.9	0.7	0.9	11.1
Unsecured loans ⁽²⁾	45.8	2.6	43.3	0.8	0.17	0.2	42.1	0.01	-	-	-	-
Unsecured credit lines	53.5	53.5	-	-	-	-	-	-	-	-	-	-
Subordinated loans	40.0	-	40.0	-	-	-	-	-	-	-	-	40.0
Total unsecured debt	139.3	56.1	83.3	0.8	0.2	0.2	42.1	0.0	0.0	0.0	0.0	40.0
Total Gross Debt	774.0	306.1	467.9	3.3	2.6	2.2	404.9	1.3	0.9	0.7	0.9	51.1
Cash and cash equivalents ⁽³⁾			(289.3)									
Net debt			178.6	3.3	2.6	2.2	404.9	1.3	0.9	0.7	0.9	51.1
Arranging expenses			(10.6)	(2.7)	(2.9)	(2.5)	(2.2)	(0.03)	(0.03)	(0.03)	(0.03)	(0.3)
Accrued interests			3.9	3.9	-	-	-	-	-	-	-	-
IFRS 9 ⁽⁴⁾			(5.6)	(1.3)	(1.4)	(1.6)	(1.3)	-	-	-	-	-
Total adjusted net debt			166.3									

⁽¹⁾ Bilateral mortgage loans.

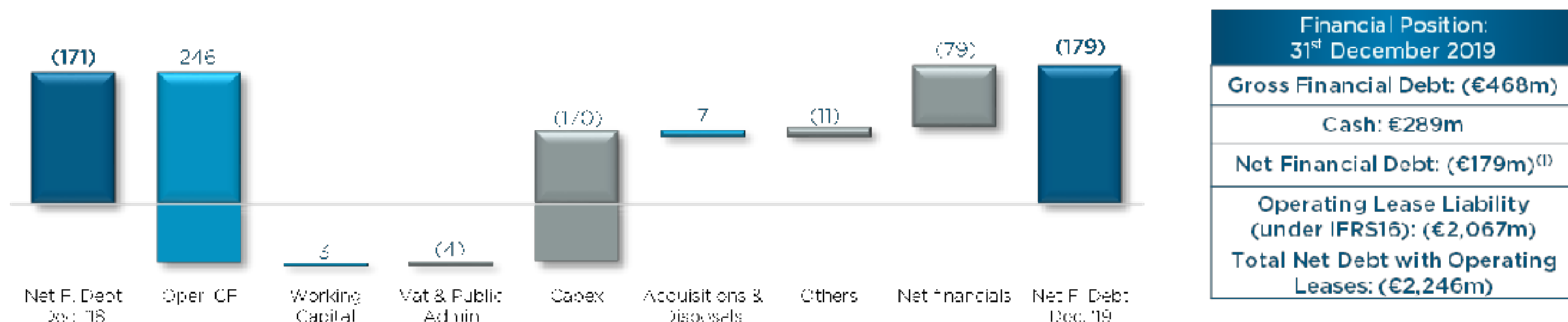
⁽²⁾ Includes debt instruments with scheduled amortizations. The undrawn amount is related to NY capex loan with drawdown period up to 25/07/2020.

⁽³⁾ Does not include treasury stock shares. As of 31/12/19 the group had 374,464 treasury stock shares with 1.8M€ market value as of 31 Dic. 2019 (€4.69/share).

⁽⁴⁾ IFRS 9 - The new IFRS 9 related to the accounting treatment of financial assets and liabilities with implementation on 1 January 2018. The application of the new accounting rule as a result of improved terms and conditions of the 2017 refinancing, compared to former conditions, results in an impact on NH Hotel Group (accounted within reserves, according to the rule) of less debt for €8.6m as of 1 January 2018 (€5.6m as of 31 December 2019 due to financial expense accounted in the year and €1.5m write off as a result of the repricing of mortgage loan in Chile with better conditions in November 2019).

- **The solid cash flow generation** in the year allowed to **maintain a low level of net financial debt (-€179m)** together with a **solid cash position of €289m** at the end of December 2019, despite Capex investments (-€170m) and the dividend payment (-€59m) in the period.
- At 31 December 2019, the Company had €289m of cash and available credit lines of €304m, of which €250m relate to the syndicated credit line maturing on 29 September 2021.

12M 2019 Net Financial Debt Evolution



- (1) Net Financial Debt excluding accounting adjustments for arrangement expenses €10.6m, accrued interest -€3.9m and IFRS 9 adjustment €5.6m. Including these accounting adjustments, the adjusted net financial debt would be (-€166m) at 31st December 2019 vs. (-€153m) at 31st December 2018.

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Cash flow generation in the twelve months of the year:

- (+) Operating cash flow: +€246.0m, including -€19,.3m of credit card expenses and corporate income tax paid of -€56.0m.
- (+) Working capital: Mainly explained by stabilized average collection period after optimization achieved in previous years and regularization on supply chain processes during 2019 reducing average payment terms.
- (-) Capex payments: -€170.0m paid during 2019 out of which -€70m correspond to maintenance capex and the rest to repositioning and new openings.
- (+) Acquisitions and disposals: +€7.2m mainly from NH Málaga II disposal (+€16.0m, net of VAT of -€3.4m), +€1.9m from the China JV closing, -€11.4m from the net investment made to operate Tivoli hotels and The Marker.
- (-) Others: Mainly severance payments and legal provisions.
- (-) Net financials and dividends: -€79.3m including -€18.7m net interest expense, -€58.8 gross ordinary dividend paid in June 14th and -€1.8m of dividend payment to minority shareholders.

Appendix

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Appendix I: In accordance with the Directives published by the ESMA in relation to Alternative Performance Measures (APMs), below it has been defined and reconciled the APMs used by the Group within the Results Publication of 12 months of 2019.

In addition, the abridged consolidated financial statements as at 31 December 2019 are shown below which include the effects of the application of IAS 29 "Financial information in hyperinflation economies " that concern the incorporation of the consolidated financial statements of the business unit of Argentina; and IFRS 16, new accounting standard for leases:

NH HOTEL GROUP, S.A. AND SUBSIDIARIES
ABRIDGED CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2019 AND 31 DECEMBER 2018
(Thousand Euros)

	31/12/2019	31/12/2018 (*)		31/12/2019	31/12/2018 (*)
NON-CURRENT ASSETS:			EQUITY:		
Goodwill	106,577	109,432	Share capital	784,361	784,361
Intangible assets	83,807	110,569	Reserves of the parent company	777,089	681,068
Real estate investment	2,964	-	Reserves of fully consolidated companies	(354,908)	(28,511)
Property, plant and equipment	1,713,123	1,637,718	Reserves of companies consolidated using the equity method	(18,198)	(23,436)
Assets for rights of use	1,701,499	-	Exchange differences	(58,407)	(60,854)
Investments accounted for using the equity method	7,517	8,971	Treasury shares and shareholdings	(1,647)	(2,530)
Non-current financial investments-	37,402	54,126	Consolidated profit for the period	89,964	101,573
Loans and accounts receivable not available for trading	35,327	42,598	Equity attributable to the shareholders of the Parent Company	1,218,254	1,451,671
Other non-current financial investments	2,075	11,528	Non-controlling interests	57,239	52,351
Deferred tax assets	220,040	138,724	Total equity	1,275,493	1,504,022
Other non-current assets	-	13,427			
Total non-current assets	3,872,929	2,072,967	NON-CURRENT LIABILITIES		
			Debt instruments and other marketable securities	345,652	342,485
			Debts with credit institutions	106,695	71,473
			Liabilities for operating leases	1,814,399	-
			Other financial liabilities	1,160	1,762
			Other non-current liabilities	7,637	47,296
			Provisions for contingencies and charges	48,241	51,178
			Deferred tax liabilities	180,082	177,478
			Total non-current liabilities	2,503,866	691,672
CURRENT ASSETS:			CURRENT LIABILITIES:		
Non-current assets classified as held for sale	47,811	55,974	Liabilities associated with non-current assets classified as held for sale	2,584	2,456
Inventories	11,123	10,435	Debt instruments and other marketable securities	141	73
Trade receivables	106,496	106,601	Debts with credit institutions	3,111	4,881
Non-trade receivables-	55,928	38,195	Liabilities for operating leases	252,970	-
Tax receivables	28,961	19,451	Other financial liabilities	251	710
Other non-trade debtors	26,967	18,744	Trade and other payables	257,499	252,704
Account receivable with related entities	2,493	978	Account payable with related entities	1,050	-
Cash and cash equivalents	289,345	265,869	Tax payables	40,875	59,453
Other current assets	5,771	12,109	Provisions for contingencies and charges	5,021	2,713
Total current assets	518,967	490,161	Other current liabilities	49,035	44,444
			Total current liabilities	612,537	367,434
TOTAL ASSETS	4,391,896	2,563,128	NET ASSETS AND LIABILITIES	4,391,896	2,563,128

Note: For comparison purpose, it should be considered that Financial Statement at December 31, 2019 includes the application of NIIF 16, not considered at December 31, 2018, due to first application was January 1, 2019, and the application of NIC 29, considered in the third quarter of the year 2018 for the first time.

(*) According to the Relevant Event published on May 6, 2019, it has been included a reclassification in Equity at December 31, 2018 (between Consolidated profit for the period and Reserves of fully consolidated companies, amounting to 19.4M€; of which 16.2M€ are assigned to the Parent Company and 3.2M€ to non-controlling interests) as consequence of applying IAS 29.

Sales and Results 2019
Madrid, 25th February 2020

NH HOTEL GROUP, S.A. AND SUBSIDIARIES
CONSOLIDATED COMPREHENSIVE PROFIT AND LOSS STATEMENT AT 2019 AND 2018
(Thousands of euros)

	31/12/2019	31/12/2018 (*)
Revenues	1,708,078	1,613,388
Other operating income	9,352	6,132
Net gains on disposal of non-current assets	(709)	85,982
Procurements	(76,765)	(74,810)
Staff costs	(448,762)	(422,671)
Depreciation and amortisation charges	(297,080)	(116,301)
Net Profits/(Losses) from asset impairment	4,889	(304)
Other operating expenses	(624,175)	(852,924)
Variation in the provision for onerous contracts	-	4,342
Other operating expenses	(624,175)	(857,266)
Gains on financial assets and liabilities and other	8,529	(373)
Profit (Loss) from entities valued through the equity method	22	(499)
Financial income	4,204	6,039
Change in fair value of financial instruments	306	-
Financial expenses	(135,472)	(59,997)
Result	(85)	635
Net exchange differences (Income/(Expense))	(2,341)	1,053
Net Profits/(Losses) from financial investments impairment	(18,572)	-
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	131,419	185,350
Income tax	(38,568)	(79,664)
PROFIT FOR THE PERIOD - CONTINUING	92,851	105,686
Profit (loss) for the year from discontinued operations net of tax	50	(568)
PROFIT FOR THE PERIOD	92,901	105,118
Exchange differences	3,536	(2,187)
Income and expenses recognised directly in equity	3,536	(2,187)
TOTAL COMPREHENSIVE PROFIT	96,437	102,931
Profit / (Loss) for the year attributable to:		
Parent Company Shareholders	89,964	101,573
Non-controlling interests	2,937	3,545
Non-controlling interests in discontinued operations		
Comprehensive Profit / (Loss) attributable to:		
Parent Company Shareholders	92,245	101,399
Non-controlling interests	4,192	1,532

Note: For comparison purpose, it should be considered that Financial Statement at December 31, 2019 includes the application of NIIF 16, not considered at December 31, 2018, due to first application was January 1, 2019, and the application of NIC 29, considered in the third quarter of the year 2018 for the first time.

For comparison purpose, IAS 29 reclassification has been included at 31 December 2018 between Financial expenses and Equity by 16M€, according to the Relevant Event published on May 6, 2019 see Balance Note.

NH HOTEL GROUP, S.A. AND SUBSIDIARIES
ABRIDGED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED
31 DECEMBER 2019 AND 31 DECEMBER 2018
(Thousands of euros)

	Equity attributed to the Parent Company						Non-controlling interest	Total Equity
	Own Funds					Valuation adjustments		
	Share Capital	Issue premiumand reserves	Treasury shares and shareholdings	Profit for the year attributable to the Parent Company	Other equity instruments			
Ending Balance at 31/12/2018	784,361	612,909	(2,530)	117,785	-	(60,854)	52,351	1,504,022
Accounting correction (*)	-	16,212	-	(16,212)	-	-	-	-
Ending Balance at 31/12/2018	784,361	629,121	(2,530)	101,573	-	(60,854)	52,351	1,504,022
Adjustment for changes in accounting policies (IFRS 16)	-	(254,705)	-	-	-	-	(1,098)	(255,803)
Changes in accounting criteria	-	(11,895)	-	-	-	166	3,761	(7,968)
Adjusted balance at 31/12/2018	784,361	362,521	(2,530)	101,573	-	(60,688)	55,014	1,240,251
Net profit (loss) for 2019	-	-	-	89,964	-	-	2,937	92,901
Exchange differences	-	-	-	-	-	2,281	1,255	3,536
Total recognised income / (expense)	-	-	-	89,964	-	2,281	4,192	96,437
Transactions with shareholders or owners	-	(59,769)	970	-	-	-	(2,720)	(61,519)
Distribution of dividends	-	(58,771)	-	-	-	-	(2,720)	(61,491)
Remuneration Scheme in shares	-	(998)	970	-	-	-	-	(28)
Other changes in equity	-	101,231	(87)	(101,573)	-	-	753	324
Transfers between equity items	-	101,573	-	(101,573)	-	-	-	-
Application NIC 29	-	1,151	-	-	-	-	777	1,928
Other changes	-	(1,493)	(87)	-	-	-	(24)	(1,604)
Ending balance at 31/12/2019	784,361	403,983	(1,647)	89,964	-	(58,407)	57,239	1,275,493

Note: For comparison purpose, it should be considered that Financial Statement at December 31, 2019 includes the application of NIIF 16, not considered at December 31, 2018, due to first application was January 1, 2019, and the application of NIC 29, considered in the third quarter of the year 2018 for the first time.

(*) According to the Relevant Event published on May 6, 2019, it has been included a reclassification in Equity at December 31, 2018 (between Consolidated profit for the period and Reserves of fully consolidated companies, amounting to 19.4M€; of which 16.2M€ are assigned to the Parent Company and 3.2M€ to non-controlling interests) as consequence of applying IAS 29.

	Equity attributed to the Parent Company						Non-controlling interest	Total Equity
	Own Funds					Valuation adjustments		
	Share Capital	Issue premium and reserves	Treasury shares and shareholdings	Profit for the year attributable to the Parent Company	Other equity instruments			
Ending Balance at 31/12/2017	700,544	542,033	(39,250)	35,489	27,230	(157,542)	43,472	1,151,976
Adjustment for changes in accounting policies (IFRS 9)	-	8,571	-	-	-	-	-	8,571
Application IAS 29	-	(50,724)	-	-	-	96,862	7,093	53,231
Adjusted balance at 31/12/2017	700,544	499,880	(39,250)	35,489	27,230	(60,680)	50,565	1,213,778
Net profit (loss) for 2018	-	-	-	117,785	-	-	6,722	124,507
Exchange differences	-	-	-	-	-	(174)	(2,013)	(2,187)
Total recognised income / (expense)	-	-	-	117,785	-	(174)	4,709	122,320
Transactions with shareholders or owners	83,817	118,049	36,720	-	(27,230)	-	(2,375)	208,981
Distribution of dividends	-	(39,158)	-	-	-	-	(729)	(39,887)
Convertible Bonds	83,817	156,022	35,691	-	(27,230)	-	-	248,300
Remuneration Scheme in shares	-	1,185	1,029	-	-	-	-	2,214
Other changes in equity	-	(5,020)	-	(35,489)	-	-	(548)	(41,057)
Transfers between equity items	-	35,489	-	(35,489)	-	-	-	-
Application IAS 29	-	(43,199)	-	-	-	-	(548)	(43,747)
Other changes	-	2,690	-	-	-	-	-	2,690
Ending balance at 31/12/2018	784,361	612,909	(2,530)	117,785	-	(60,854)	52,351	1,504,022

Sales and Results 2019
Madrid, 25th February 2020

NH HOTEL GROUP, S.A. AND SUBSIDIARIES

ABRIDGED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 AND 2018 (Thousands of euros)

	31.12.2019	31.12.2018
1. OPERATING ACTIVITIES		
Consolidated profit before tax:	131,419	185,350
Adjustments:		
Depreciation of tangible and amortisation of intangible assets (+)	297,080	116,301
Impairment losses (net) (+/-)	(4,889)	304
Allocations for provisions (net) (+/-)	-	(4,342)
Gains/Losses on the sale of tangible and intangible assets (+/-)	709	(85,982)
Gains/Losses on investments valued using the equity method (+/-)	(22)	499
Financial income (-)	(4,204)	(6,039)
Variation in fair value of financial instruments (+)	(306)	-
Financial expenses (+)	135,472	59,997
Results from exposure to hyperinflation (IAS 29)	85	(635)
Net exchange differences (Income/(Expense))	2,341	(1,053)
Profit (loss) on disposal of financial investments	(8,529)	373
Impairment on financial investments	18,572	-
Other non-monetary items (+/-)	5,841	25,031
Adjusted profit	573,569	289,804
Net variation in assets / liabilities:		
(Increase)/Decrease in inventories	(144)	(626)
(Increase)/Decrease in trade debtors and other accounts receivable	(405)	28,387
(Increase)/Decrease in other current assets	(764)	(10,760)
Increase/(Decrease) in trade payables	5,466	10,480
Increase/(Decrease) in other current liabilities	(4,745)	2,948
Increase/(Decrease) in provisions for contingencies and expenses	(12,923)	3,330
(Increase)/Decrease in non-current assets	1,312	(403)
Increase/(Decrease) in non-current liabilities	(146)	(9,437)
Income tax paid	(55,959)	(61,561)
Total net cash flow from operating activities (I)	505,261	252,162
2. INVESTMENT ACTIVITIES		
Other financial incomes/collected dividends	716	527
Investments (-):		
Group companies, joint ventures and associates	(1,297)	(1,000)
Tangible and intangible assets and investments in property	(190,813)	(133,677)
Non-current financial investments	-	(671)
	(192,110)	(135,348)
Disinvestment (+):		
Group companies, joint ventures and associates	1,903	85
Tangible and intangible assets and investments in property	23,532	48,291
Non-current assets classified as held for sale	-	154,137
	25,435	202,513
Total net cash flow from investment activities (II)	(165,959)	67,692
3. FINANCING ACTIVITIES		
Dividends paid out (-)	(60,580)	(39,767)
Interest paid on debts (-)	(38,726)	(44,717)
Financial expenses for means of payment	(19,304)	(17,379)
Interest paid on debts and other interest	(19,422)	(27,338)
Variations in (+/-):		
Debt instruments:		
- Loans from credit institutions (+)	36,544	6,323
- Loans from credit institutions (-)	(3,974)	(11,147)
- Principal elements of lease payments (-)	(252,296)	-
- Other financial liabilities (+/-)	(755)	(262)
Total net cash flow from financing activities (III)	(319,787)	(134,464)
4. GROSS INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	19,515	185,391
5. Effect of exchange rate variations on cash and cash equivalents (IV)	2	325
6. Effect of variations in the scope of consolidation (V)	3,959	(96)
7. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III-IV+VI)	23,476	185,620
8. Cash and cash equivalents at the start of the financial year	265,869	80,249
9. Cash and cash equivalents at the end of the financial year	289,345	265,869

Note: For comparison purpose, it should be considered that Financial Statement at December 31, 2019 includes the application of NIIF 16, not considered at December 31, 2018, due to first application was January 1, 2019, and the application of NIC 29, considered in the third quarter of the year 2018 for the first time.

A) Definitions

EBITDA (excl. IFRS 16): Result before tax of continuing operations and before: net result from the disposal of non-current assets, depreciation, net loss from asset impairment, the result on disposal of financial investments, the result of entities valued by the equity method, financial income, change in the fair value of financial instruments, financing costs (except for credit card costs, which are considered to be operating cost) and net exchange differences. This APM is used to measure the purely operating results of the Group.

RevPAR: The result of multiplying the average daily price for a specific period by the occupancy in that period. This APM is used for comparison of average income per hotel room with other companies in the sector.

Average Daily Rate (ADR): The ratio of total room revenue for a specific period divided by the rooms sold in that specific period. This APM is used to compare average hotel room prices with those of other companies in the sector.

LFL&R (Like for like with refurbishments): We define LFL with refurbishments as the group of fully operated hotels in a 24-month period plus the refurbishments made in the last two years. It excludes those hotels that have just been opened or closed and that have therefore not been fully operational for 24 months. This APM is used to analyse operating results for the year in a manner comparable with those of previous periods excluding the impact of hotel refurbishments.

Below it has been provided a breakdown of the “Total Revenues” line split into “LFL and refurbishments” and “Openings, closings and other effects” to illustrate the above explanation:

		12M 2019	12M 2018
		M Eur.	M Eur.
Total revenues	A+B	1,718.3	1,619.8
Total recurring revenue LFL & Refurbishment	A	1,604.9	1,547.7
Openings, closing & others	B	113.4	72.1

It has been provided a reconciliation for the “Total Revenues” line in Point II for the period of 12 months ended 31 December 2019.

Net Financial Debt (excl. IFRS 16): Gross financial debt less cash and other equivalent liquid assets, excluding accounting adjustments for the portion of the convertible bond treated as equity, arrangement expenses and accrued interest. Gross financial debt includes both non-current liabilities and current obligations for bonds and other negotiable securities and debt to lending institutions.

Capex: Investments made on assets for improvement and development that have meant a cash outflow during the year. Obtained from the investments in fixed and intangible assets and property investments shown on the statement of cash flows on the consolidated financial statements.

GOP (Gross operating profit): The gross operating profit obtained from EBITDA plus costs of leases and property taxes, as follows:

Conversion Rate: This measures the proportion of revenue that has been transferred to EBITDA. It is calculated by dividing the change in EBITDA by the change in total revenue.

B) Reconciliation of the APM to the most directly reconcilable item, subtotal or total in the financial statements:

The following significant APMs are contained in the Earnings Report of 12 months of 2019:

I. ADR and RevPAR

Earnings Report of 12 months of 2019 details the cumulative evolution of RevPAR and ADR in the following tables:

NH HOTEL GROUP REVPAR 12M 2019/2018											
	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2019	2018	2019	2018	% Var	2019	2018	% Var	2019	2018	% Var
Spain & Others LFL & R ⁽¹⁾	11,072	11,045	75.3%	74.1%	1.5%	101.6	94.6	7.4%	76.5	70.2	9.0%
B.U. Spain Consolidated ⁽¹⁾	12,120	11,670	74.8%	73.8%	1.3%	104.1	94.5	10.2%	77.9	69.7	11.7%
Italy LFL & R	7,170	7,160	71.1%	70.3%	1.1%	122.2	119.0	2.6%	86.8	83.7	3.7%
B.U. Italy Consolidated	7,332	7,258	71.0%	70.1%	1.3%	123.3	119.5	3.2%	87.5	83.7	4.6%
Benelux LFL & R	8,338	8,394	72.8%	72.7%	0.0%	114.5	111.6	2.6%	83.3	81.2	2.6%
B.U. Benelux Consolidated	8,950	8,901	72.5%	72.5%	-0.1%	114.9	111.1	3.5%	83.3	80.6	3.4%
Central Europe LFL & R	11,429	11,410	73.9%	74.6%	-0.9%	92.5	90.2	2.5%	68.4	67.3	1.6%
B.U. Central Europe Consolidated	12,289	12,111	73.2%	74.5%	-1.7%	92.4	89.4	3.3%	67.6	66.6	1.5%
Total Europe LFL & R	38,010	38,008	73.5%	73.3%	0.4%	105.4	101.4	3.9%	77.5	74.3	4.3%
Total Europe Consolidated	40,690	39,940	73.1%	73.0%	0.1%	106.3	100.9	5.3%	77.7	73.7	5.4%
Latinamerica LFL & R	5,083	5,080	62.0%	63.4%	-2.2%	72.9	76.2	-4.4%	45.2	48.4	-6.5%
B.U. Latinamerica Consolidated	5,361	5,545	61.3%	62.4%	-1.7%	72.3	74.0	-2.3%	44.3	46.2	-4.0%
NH Hotels LFL & R	43,093	43,088	72.2%	72.1%	0.1%	102.1	98.8	3.3%	73.7	71.2	3.5%
Total NH Consolidated	46,052	45,485	71.7%	71.7%	0.0%	102.9	98.1	4.9%	73.8	70.4	4.9%

Below it is explained how the aforementioned data has been calculated:

	12M 2019 € Thousand	12M 2018 € Thousand
A Room revenues	1,222,859	1,149,805
Other revenues	485,219	463,583
Revenues according to profit & loss statement	1,708,078	1,613,388
B Thousand of room nights	11,880	11,723
A / B = C ADR	102.9	98.1
D Occupancy	71.7%	71.7%
C x D RevPAR	73.8	70.4

II. INCOME STATEMENT 12 MONTHS OF 2019 AND 2018

The Earnings Report of 12 months of breaks down the table entitled "Recurring hotel activity" obtained from the "Consolidated Income Statement" appearing in the same Earnings Report.

Below it has been provided a conciliation between the consolidated income statement and the abridged consolidated comprehensive income statements:

Sales and Results 2019
Madrid, 25th February 2020

INVESTOR RELATIONS
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12 months 2019

	Income Statements	Reclassification according to the Financial Statements	Financial expenses for means of payment	Outsourcing	Assets Disposal	Scrapping and non recurring depreciation	Claims, severance payments and other non recurring	P&L according to the Financial Statements	
APM Total revenues	1,718.3	(1,718.3)	-	-	-	-	-		
Revenues	-	1,707.8	-	-	0.3	-	-	1,708.1	Revenues
Other operating income	-	9.4	-	-	-	-	-	9.4	Other operating income
APM TOTAL REVENUES	1,718.3	(1.1)	-	-	0.3	-	-	1,717.4	
Net gains on disposal of non-current assets	-	1.0	-	-	4.0	(5.7)	-	(0.7)	Net gains on disposal of non-current assets
APM Staff Cost	(574.9)	-	-	128.1	-	-	(1.5)	(448.8)	Staff costs
APM Operating expenses	(493.9)	(18.5)	19.3	(128.1)	(0.5)	-	(3.0)	(624.2)	Other operating expenses
Procurements	-	(76.8)	-	-	-	-	-	(76.8)	Procurements
APM GROSS OPERATING PROFIT	649.5	(95.3)	19.3	-	3.7	(5.7)	(4.5)	567.0	
APM Lease payments and property taxes	(98.1)	98.1	-	-	-	-	-	-	
lease payments and property taxes nr									
APM EBITDA BEFORE ONEROUS	551.4	2.8	19.3	-	3.7	(5.7)	(4.5)	567.0	
APM Onerous contract reversal provision	-	-	-	-	-	-	-	-	Variation in the provision for onerous contracts
APM EBITDA AFTER ONEROUS	551.4	2.8	19.3	-	3.7	(5.7)	(4.5)	567.0	
Net Profits/(Losses) from asset impairment	-	3.8	-	-	-	1.1	-	4.9	Net Profits/(Losses) from asset impairment
APM Depreciation	(297.5)	(3.8)	-	-	4.2	-	-	(297.1)	Depreciation and amortisation charges
APM EBIT	253.9	2.8	19.3	-	7.9	(4.6)	(4.5)	274.8	
Gains on financial assets and liabilities and other	-	8.5	-	-	-	-	-	8.5	Gains on financial assets and liabilities and other
Impairment Financial Investments	-	(18.6)	-	-	-	-	-	(18.6)	Impairment Financial investments
APM Interest expense	(114.1)	(2.2)	(19.3)	-	-	-	-	(135.6)	Finance costs
Finance Income	-	4.2	-	-	-	-	-	4.2	Finance income
Change in fair value of financial instruments	-	0.3	-	-	-	-	-	0.3	Change in fair value of financial instruments
Net exchange differences (Income/(Expense))	-	(2.3)	-	-	-	-	-	(2.3)	Net exchange differences (Income/(Expense))
APM Income from minority equity interests	0.0	-	-	-	-	-	-	0.0	Profit (loss) from companies accounted for using the equity method
APM EBT	139.8	(7.3)	-	-	7.9	(4.6)	(4.5)	131.4	Profit (loss) before tax from continuing operations
APM Corporate Income Tax	(33.7)	(4.9)	-	-	-	-	-	(38.6)	Income tax
APM Net Income before minorities	106.1	(12.1)	-	-	7.9	(4.6)	(4.5)	92.9	Profit for the financial year - continuing
Profit/ (Loss) for the year from discontinued operations net of tax	-	0.1	-	-	-	-	-	0.1	Profit (loss) for the year from discontinued operations net of tax
APM NET INCOME before minorities	106.1	(12.1)	-	-	7.9	(4.6)	(4.5)	92.9	Profit for the financial year - continuing
APM Minority interests	(2.9)	0.0	-	-	-	-	-	(2.9)	Non-controlling interests
APM Net Recurring Income	103.2	(12.1)	-	-	7.9	(4.6)	(4.5)	90.0	Profits for the year attributable to Parent Company Shareholders
APM Non Recurring EBITDA	6.2	(2.8)	-	-	(7.9)	-	4.5		
APM Other Non Recurring items	(19.5)	14.9	-	-	-	4.6	-		
APM NET INCOME including Non-Recurring	90.0	-	-	-	-	-	-	90.0	Profits for the year attributable to Parent Company Shareholders

12 months 2018

(IFRS 16 not considered due to first application was January 1, 2019)

	Income Statements	Reclassification according to the Financial Statements	Financial expenses for means of payment	Outsourcing	Assets Disposal	Scrapping and non recurring depreciation	Claims, severance payments and other non recurring	P&L according to the Financial Statements	
APM Total revenues	1,619.8	(1,619.8)	-	-	-	-	-		
Revenues	-	1,609.6	-	-	2.7	-	1.1	1,613.4	Revenues
Other operating income	-	6.1	-	-	-	-	-	6.1	Other operating income
APM TOTAL REVENUES	1,619.8	(4.1)	-	-	2.7	-	1.1	1,619.5	
Net gains on disposal of non-current assets	-	(0.1)	-	-	104.3	(17.5)	(0.7)	86.0	Net gains on disposal of non-current assets
APM Staff Cost	(540.7)	0.2	-	120.7	(0)	-	(2.6)	(422.7)	Staff costs
APM Operating expenses	(483.5)	(253.6)	17.4	(120.7)	-	-	(16.9)	(857.3)	Other operating expenses
Procurements	-	(74.8)	-	-	-	-	-	(74.8)	Procurements
APM GROSS OPERATING PROFIT	595.6	(332.4)	17.4	-	106.7	(17.5)	(19.0)	350.8	
APM Lease payments and property taxes	(332.4)	332.4	-	-	-	-	-	-	
lease payments and property taxes nr									
APM EBITDA BEFORE ONEROUS	263.2	-	17.4	-	106.7	(17.5)	(19.0)	350.8	
APM Onerous contrate reversal provision	2.3	-	-	-	-	2.02	-	4.3	Variation in the provision for onerous contrates
APM EBITDA AFTER ONEROUS	265.6	-	17.4	-	106.7	(15.5)	(19.0)	355.1	
Net Profits/(Losses) from asset impairment	-	3.7	-	-	0.8	(5.0)	0	(0.3)	Net Profits/(Losses) from asset impairment
APM Depreciation	(112.6)	(3.7)	-	-	-	-	-	(116.3)	Depreciation and amortisation charges
APM EBIT	152.9	-	17.4	-	107.5	(20.6)	(18.7)	238.5	
Gains on financial assets and liabilities and other	-	(0.4)	-	-	-	-	-	(0.4)	Gains on financial assets and liabilities and other
APM Interest expense	(33.5)	(8.5)	(17.4)	-	-	-	-	(59.4)	Finance costs
Finance Income	-	6.0	-	-	-	-	-	6.0	Finance income
Change in fair value of financial instruments	-	-	-	-	-	-	-	-	Change in fair value of financial instruments
Net exchange differences (Income/(Expense))	-	1.1	-	-	-	-	-	1.1	Net exchange differences (Income/(Expense))
APM Income from minority equity interests	(0.5)	-	-	-	-	-	-	(0.5)	Profit (loss) from companies accounted for using the equity method
APM EBT	118.9	(1.7)	-	-	107.5	(20.6)	(18.7)	185.4	Profit (loss) before tax from continuing operations
APM Corporate Income Tax	(45.7)	4.2	-	-	(38.2)	-	-	(79.7)	Income tax
APM Net Income before minorities	73.2	2.4	-	-	69.4	(20.6)	(18.7)	105.7	Profit for the financial year - continuing
Profit/ (Loss) for the year from discontinued operations net of tax	-	(0.6)	-	-	-	-	-	(0.6)	Profit (loss) for the year from discontinued operations net of tax
APM NET INCOME before minorities	73.2	1.9	-	-	69.4	(20.6)	(18.7)	105.1	Profit for the financial year - continuing
APM Minority interests	(3.5)	-	-	-	-	-	-	(3.5)	Non-controlling interests
APM Net Recurring Income	69.7	1.9	-	-	69.4	(20.6)	(18.7)	101.6	Profits for the year attributable to Parent Company Shareholders
APM Non Recurring EBITDA	88.8	-	-	-	(107.5)	-	18.7		
APM Other Non Recurring items	(56.9)	(1.9)	-	-	38.2	20.6	-		
APM NET INCOME including Non-Recurring	101.6	-	-	-	-	-	-	101.6	Profits for the year attributable to Parent Company Shareholders

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III. DEBT AND STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2019 AND 31 DECEMBER 2018

III.1 Debt presented in the earnings report of 12 months of 2019.

As of 31/12/2019 Data in Euro million	Maximum Available	Availability	Drawn	Maturities							
				Year 1	Year 2	Year 3	Year 4	Year 5			Remainder
Mortgage loans	27,844	-	27,844	-	2,544	2,465	2,053	6,001	1,275	856	12,650
Fixed rate	23,535	-	23,535	-	1,304	1,415	1,442	5,381	646	697	12,650
Variable rate	4,309	-	4,309	-	1,240	1,050	611	620	629	159	-
Subordinated loans	40,000	-	40,000	-	-	-	-	-	-	-	40,000
Variable rate	40,000	-	40,000	-	-	-	-	-	-	-	40,000
Guaranteed senior notes mat. in 2023	356,850	-	356,850	-	-	-	-	356,850	-	-	-
Fixed rate	356,850	-	356,850	-	-	-	-	356,850	-	-	-
Unsecured loans	45,846	2,595	43,251	-	806	173	173	42,085	14	-	-
Variable rate	45,846	2,595	43,251	-	806	173	173	42,085	14	-	-
Secured credit line	250,000	250,000	-	-	-	-	-	-	-	-	-
Variable rate	250,000	250,000	-	-	-	-	-	-	-	-	-
Credit lines	53,500	53,500	-	-	-	-	-	-	-	-	-
Variable rate	53,500	53,500	-	-	-	-	-	-	-	-	-
Borrowing at 31/12/2019	774,040	306,095	467,945	0	3,350	2,638	2,226	404,936	1,289	856	52,650
Arrangement expenses	(10,628)		a (10,628)	-	(2,696)	(2,890)	(2,454)	(2,202)	(30)	(30)	(327)
IFRS 9	(5,573)		b (5,573)	-	(1,257)	(1,414)	(1,588)	(1,315)	-	-	-
Accrued interests	3,855		c 3,855	-	3,855	-	-	-	-	-	-
Adjusted total debt at 31/12/2019	761,694	306,095	455,599	-	3,252	(1,664)	(1,816)	401,419	1,259	826	52,323
Adjusted total debt at 31/12/2018	769,271	350,359	418,912	4,954	(1,504)	(1,928)	(2,074)	365,003	1,318	903	52,240

III.2 Statement of cash flows included in the earnings report of 12 months of 2019.

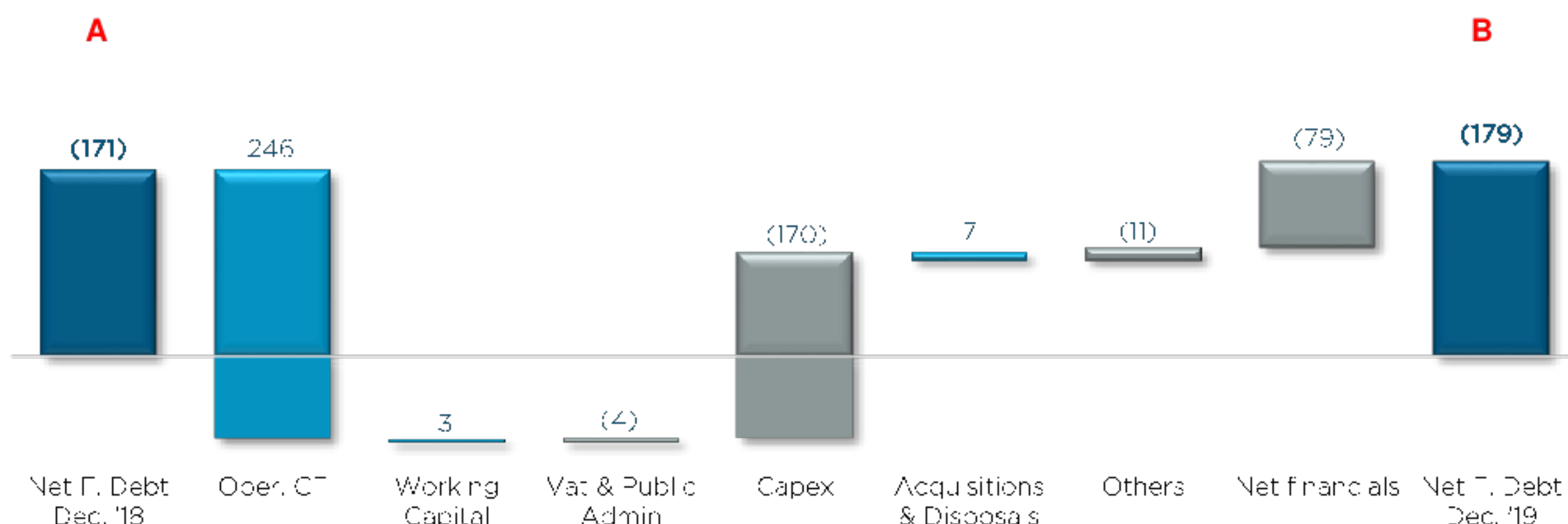
Net financial debt as at 31 December 2019 and 31 December 2018 has been obtained from the consolidated balance sheet at 31 December 2019 and from the consolidated financial statements for 31 December 2018 and is as follows:

	31/12/2019	31/12/2018 (1)	VAR.
<i>Debt instruments and other marketable securities according to financial statements</i>	345,652	342,485	
<i>Bank borrowings according to financial statements</i>	106,695	71,473	
<i>Bank borrowings and debt instruments and other marketable securities according to financial statements</i>	452,347	413,958	
<i>Debt instruments and other marketable securities according to financial statements</i>	141	73	
<i>Bank borrowings according to financial statements</i>	3,111	4,881	
<i>Bank borrowings and debt instruments and other marketable securities according to financial statements</i>	3,252	4,954	
<i>Total Bank borrowings and debt instruments and other marketable securities according to financial statements</i>	455,599	418,912	
<i>Arrangement expenses</i>	a 10,628	13,517	
<i>IFRS 9</i>	b 5,573	8,237	
<i>Borrowing costs</i>	c (3,855)	(4,091)	
<i>APM Gross debt</i>	467,944	436,575	
<i>Cash and cash equivalents according to financial statements</i>	(289,345)	(265,869)	
<i>APM Net Debt</i>	178,599	170,706	7,893
<i>Liabilities for operating leases (Current and non current)</i>	2,067,369	0	
<i>APM Net with Debt IFRS 16</i>	2,245,968	170,706	2,075,262

(1) Not included the application of IFRS 16; Not considered at December 31, 2018 due to first application was January 1, 2019.

The following chart reconciles the change in net financial debt shown in the earnings report of 12 months of 2019:

Evolution of Net Financial Debt 12M 2019



To do so, it has been taken each heading from the statement of cash flows in the financial statements as at 31 December 2019 and shown the grouping:

	Oper. CF	Working capital	VAT & Public Admin	Capex	Acquisitions & Disposals	Others	Net Financials	Total
Total	(246.0)	(3.2)	3.9	170.0	(7.2)	11.2	79.3	7.9
Total	246.0	3.2	(3.9)	(170.0)	7.2	(11.2)	(79.3)	(7.9)
Adjusted profit (loss)	321.3							321.3
Income tax paid	(56.0)							(56.0)
Financial expenses for means of payments	(19.3)							(19.3)
(Increase)/Decrease in inventories		(0.1)						(0.1)
(Increase)/Decrease in trade debtors and other accounts receivable		(0.4)						(0.4)
(Increase)/Decrease in trade payables		3.8						3.8
(Increase)/Decrease in VAT & public Administration			(3.9)					(3.9)
Tangible and intangible assets and investments in property				(170.0)				(170.0)
Group companies, joint ventures and associates					(10.8)			(10.8)
Tangible and intangible assets and investments in property					18.0			18.0
(Increase)/Decrease in current assets						0.1		0.1
(Increase)/Decrease in provision for contingencies and expenses						(12.9)		(12.9)
- Other financial liabilities (+/-)						(0.8)		(0.8)
5. Efecto de las variaciones de los tipos de cambio en el efectivo o equivalentes (IV)						1.2		1.2
Increase/(Decrease) in other non current assets and liabilities and others						1.2		1.2
Interests paid in debts and other interests (without means of payments)							(19.4)	(19.4)
Dividends paid							(60.6)	(60.6)
Finance Income							0.7	0.7

All of the aforementioned information has been obtained from the condensed consolidated statement of cash flows from 31 December 2019 which we include at the beginning of this appendix.

The aforementioned APMs have been defined and used from the standpoint of analysing the management of the business and the sector; the measures arising from the financial statements can be interpreted and are directly comparable to those of other groups in the sector and, therefore, APMs are not more relevant than the financial statements themselves. The earnings report, which includes the aforementioned APMs, is published at the end of each quarter to provide periodic information on the business' evolution and management to investors and analysts. In addition, half-yearly and annual financial statements are published complying with the filing requirements established in the applicable accounting regulations.

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Appendix II: Portfolio changes & Current portfolio

New Agreements, Openings and Exits

Hotels signed from 1st January to 31st December 2019

City / Country	Contract	# Rooms	Opening
La Coruña / Spain	Leased	92	2019
Marbella / Spain	Leased	132	2019
Rome / Italy	Leased	42	2019
Aguascalientes / Mexico	Management	105	2021
Andorra la Vella / Andorra	Management	60	2019
Lisbon / Portugal*	Leased	119	2019
Lisbon / Portugal*	Leased	285	2019
Lisbon / Portugal*	Leased	279	2019
Vilamoura / Portugal	Management	280	2019
Carvoeiro / Portugal	Management	248	2019
Coimbra / Portugal	Management	100	2019
Lagos / Portugal	Management	296	2019
Portimao / Portugal	Management	196	2019
Vilamoura / Portugal	Management	383	2019
Sintra / Portugal	Management	30	2019
Sintra / Portugal	Management	77	2019
Vilamoura / Portugal	Management	103	2019
Evora / Portugal	Franchised	56	2019
Verona / Italy	Leased	70	2020
Hamburg / Germany	Leased	136	2021
Porto / Portugal	Management	150	2022
Malaga / Spain	Management	43	2020
Dublin / Ireland	Leased	187	2019
Alicante / Spain	Leased	63	2021
Cagliari / Italy	Leased	100	2022
Rome / Italy (extension)	Leased	82	2021
Rome / Italy	Leased	238	2020
Venice / Italy	Leased	64	2020
Venice / Italy	Leased	100	2020
Florence / Italy	Leased	86	2020
Nice / France	Leased	152	2021
Prague / Czech Republic	Leased	152	2020
Budapest / Hungary	Leased	185	2020
Budapest / Hungary	Leased	138	2020
TOTAL SIGNED HOTELS		4,829	

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Hotels opened from 1st January to 31st December 2019

Hotels	City / Country	Contract	# Rooms
NH Mannheim	Mannheim / Germany	Leased	225
NH Collection Valencia Colón	Valencia / Spain	Management	47
NH Collection Mérida Paseo Montejo	Mérida / Mexico	Leased	120
Anantara Villa Padierna Palace Benahavís Marbella Resort	Marbella / Spain	Leased	132
NH Collection Santiago Casacostanera	Santiago / Chile	Management	85
NH Leipzig Zentrum	Leipzig / Germany	Leased	197
NH Collection A Coruña Finisterre	La Coruña / Spain	Leased	92
NH Porto Jardim	Oporto / Portugal	Management	79
AVANI Avenida Liberdade Lisbon	Lisbon / Portugal	Leased	119
Tivoli Avenida Liberdade Lisbon	Lisbon / Portugal	Leased	285
Tivoli Oriente Lisbon	Lisbon / Portugal	Leased	279
Anantara Vilamoura Algarve Resort	Vilamoura / Portugal	Management	280
Tivoli Carvoeiro Algarve Resort	Carvoeiro / Portugal	Management	248
Tivoli Coimbra	Coimbra / Portugal	Management	100
Tivoli Lagos Algarve Resort	Lagos / Portugal	Management	296
Tivoli Marina Portimão Algarve Resort	Portimao / Portugal	Management	196
Tivoli Marina Vilamoura Algarve Resort	Vilamoura / Portugal	Management	383
Tivoli Palácio de Seteais	Sintra / Portugal	Management	30
Tivoli Sintra	Sintra / Portugal	Management	77
The Residences at Victoria Algarve	Vilamoura / Portugal	Management	103
Tivoli Évora Ecoresort	Evora / Portugal	Franchised	56
NH Collection Roma Fori Imperiali	Rome / Italy	Leased	42
NH Andorra la Vella	Andorra la Vella / Andorra	Management	60
NH Collection Antwerp Centre	Antwerp / Belgium	Leased	180
Anantara The Marker Dublin	Dublin / Ireland	Leased	187
NH Cancún Airport	Cancun / Mexico	Leased	140
TOTAL OPENINGS			4,038

Hotels exiting from 1st January to 31st December 2019

Hotels	City / Country	Month	Contract	# Rooms
NH Bogotá Metrotel Royal	Bogota / Colombia	January	Leased	336
NH Berlin Treptow	Berlin / Germany	April	Leased	126
NH Deggendorf	Deggendorf / Germany	September	Leased	125
Hotel Almenara	Sotogrande / Spain	November	Management	145
NH Sotogrande	Sotogrande / Spain	November	Management	96
NH San Sebastian de los Reyes	Madrid / Spain	November	Leased	99
NH Berlin Kreuzberg	Berlin / Germany	December	Leased	38
NH Rambla de Alicante	Alicante / Spain	December	Leased	85
TOTAL EXITS				1,050

HOTELS OPENED BY COUNTRY AT 31ST DECEMBER 2019

Business Unit	Country	TOTAL		Leased			Owned		Management		Franchised	
		Hotels	Rooms	Call Option	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
BU Benelux	Belgium	14	2,314		6	1,197	8	1,117				
	Luxembourg	1	148				1	148				
	South Africa	1	198		1	198						
	The Netherlands	35	6,782	2	20	3,362	14	2,969	1	451		
	United Kingdom	1	121		1	121						
	Ireland	1	187		1	187						
BU Benelux		53	9,750	2	29	5,065	23	4,234	1	451		
BU Central Europe	Austria	7	1,340	1	7	1,340						
	Czech Republic	3	581						3	581		
	Germany	56	10,425	3	51	9,425	5	1,000				
	Hungary	1	160		1	160						
	Poland	1	93								1	93
	Romania	2	159		1	83			1	76		
	Slovakia	1	117						1	117		
	Switzerland	3	382		2	260					1	122
BU Central Europe		74	13,257	4	62	11,268	5	1,000	5	774	2	215
BU Italy	Italy	52	7,934	1	36	5,573	13	1,872	3	489		
BU Italy		52	7,934	1	36	5,573	13	1,872	3	489		
BU Spain	Andorra	1	60						1	60		
	Spain	102	12,381		72	8,873	13	1,977	12	1,139	5	392
	Portugal	17	2,809		5	854			11	1,899	1	56
	France	5	871		4	721			1	150		
	USA	1	242				1	242				
BU Spain		126	16,363		81	10,448	14	2,219	25	3,248	6	448
BU America	Argentina	15	2,144				12	1,524	3	620		
	Brasil	1	180		1	180						
	Colombia	13	1,355		13	1,355						
	Cuba	2	251						2	251		
	Chile	5	583				4	498	1	85		
	Dominican Republic	6	2,503						6	2,503		
	Ecuador	1	124		1	124						
	Haiti	1	72						1	72		
	Mexico	18	2,814		7	993	4	685	7	1,136		
	Uruguay	1	136				1	136				
BU America		63	10,162		22	2,652	21	2,843	20	4,667		
TOTAL OPEN		368	57,466	7	230	35,006	76	12,168	54	9,629	8	663

SIGNED PROJECTS AS OF 31ST DECEMBER 2019

After the latest negotiations and cancellation of signed projects, the following hotels and rooms are still to be opened:

Business Unit	Country	TOTAL		Leased		Management	
		Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
BU Benelux	The Netherlands	1	650	1	650		
	United Kingdom	1	190			1	190
BU Benelux		2	840	1	650	1	190
BU Central Europe	Czech Republic	1	152	1	152		
	Germany	5	1,292	5	1,292		
	Hungary	2	323	2	323		
BU Central Europe		8	1,767	8	1,767		
BU Italy	Italy	10	1,167	9	1,025	1	142
BU Italy		10	1,167	9	1,025	1	142
BU Spain	Spain	3	170	2	127	1	43
	Portugal	1	150			1	150
	France	1	152	1	152		
BU Spain		5	472	3	279	2	193
BU America	Chile	2	281			2	281
	Mexico	4	489	1	120	3	369
	Panama	1	83			1	83
	Peru	2	429			2	429
BU America		9	1,282	1	120	8	1,162
TOTAL SIGNED		34	5,528	22	3,841	12	1,687

Details of committed investment for the hotels indicated above by year of execution:

	2020	2021
Expected Investment (€ millions)	13.2	5.0

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