



PARIS HOTEL MARKET SPOTLIGHT

YE SEP 2024 vs YE SEP 2023

Better never settles



PARIS

YE SEP 2024 vs YE SEP 2023
CITY CENTRE FULL-SERVICE BRANDED HOTELS

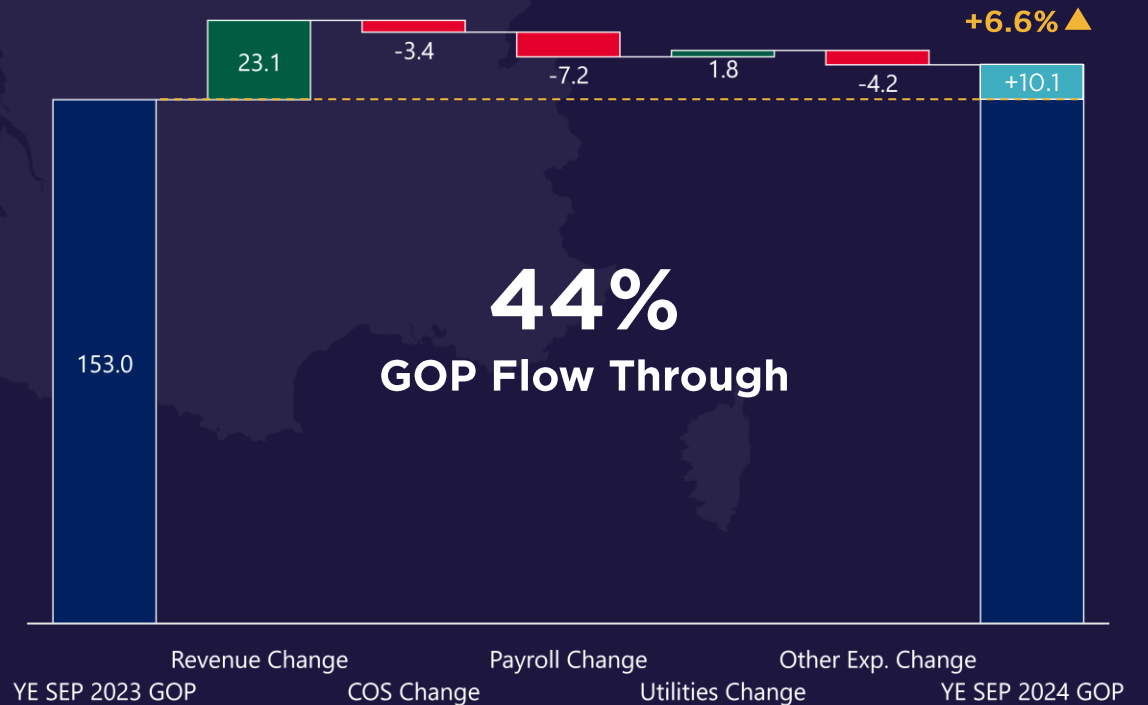
OVERVIEW

- The sample of branded full-service hotels in Paris city centre recorded an increased profit during YE September 2024. The GOP PAR grew by 6.6%, driven by 5.9% revenue growth and despite a rise of operating expenses (+5.4%).
- Both the Rooms and F&B departments registered healthy revenue growth. The Rooms revenue was driven by ADR increase (+2.1%), while occupancy grew moderately to 76.4% (+1.1%). This led to a 3.3% RevPAR growth. F&B revenues increased even more significantly (+13.3%), reaching €78 per occupied room (POR).
- Despite the additional hotel supply entering the market, the occupancy marginally increased, thanks to the positive impact of Summer Olympics. Overall, some 1,500 rooms are estimated to open throughout 2024, resulting in a 1.1% increase in total supply.
- Payroll was the main cause of expense growth, which was partially off-set by the decline in utilities.
- Despite the ongoing cost pressures, 44% of revenue growth flowed through to the bottom line, resulting in an increase of GOP margin from 38.8% to 39.1%.

KPI SUMMARY

| | YE SEP 2024 | % Change |
|--------------------------|-------------|----------|
| ADR (€) | 453.7 | 2.1% |
| Occupancy % | 76.4% | 1.1% |
| Rooms Revenue (PAR) | 346.8 | 3.3% |
| F&B Revenue (PAR) | 59.7 | 13.3% |
| Total Op. Revenue (PAR) | 417.1 | 5.9% |
| Total Op. Expenses (PAR) | 254.0 | 5.4% |
| GOP (PAR) | 163.1 | 6.6% |
| GOP % | 39.10% | +0.7pp |

RISING GOP DUE TO INCREASED REVENUE & LOWER UTILITY COSTS (per available room per day - EUR)



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PAYROLL COSTS

- Total payroll costs increased by 5.9% compared to last year, from €122 to €129 PAR. Part of this growth is attributed to the increased hotel activity and the minimum wage from €11.3 to €11.7 per hour, introduced in January 2024.
- Labor costs in the Rooms Department changed most significantly (+8.7%), followed by payroll in the Property Operation and Maintenance Department (+7.7%).

UTILITIES COSTS

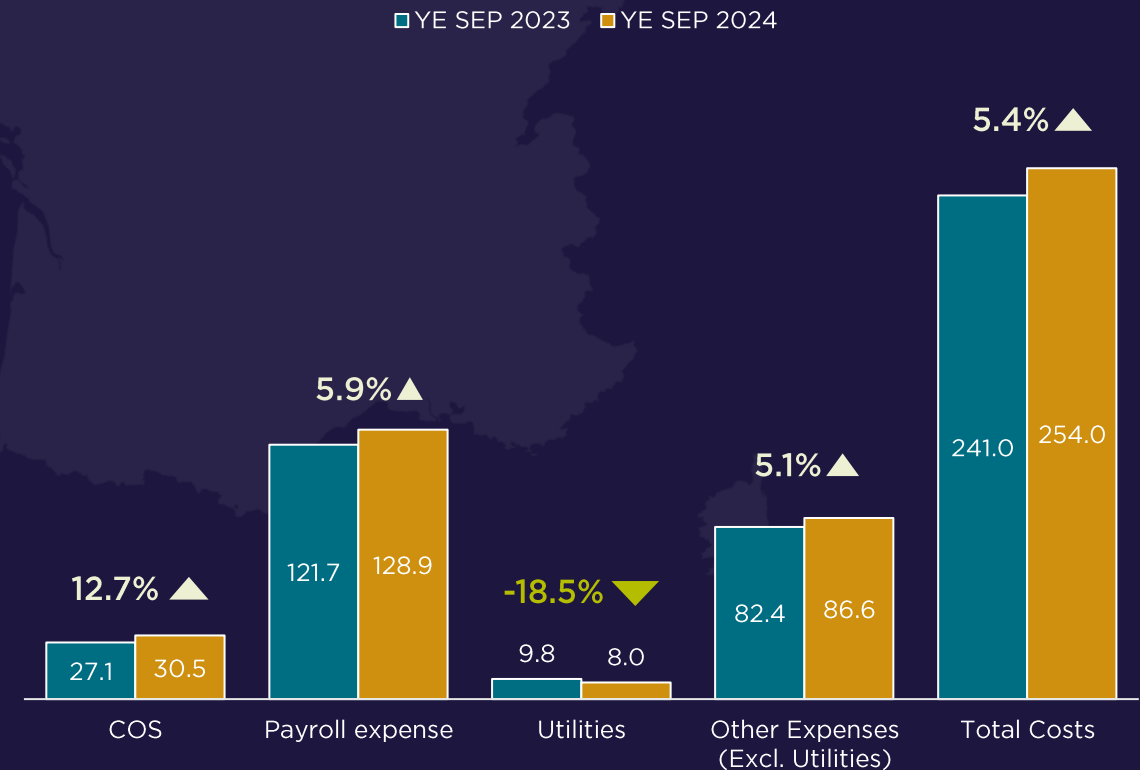
- The data indicates a notable decline in utility costs by €1.8 PAR (-18.5%). This was mainly driven by a significant drop in gas (-175.3%*) and water/sewage (-38.2%) expenses. Also, a specific accrual in one of the sample hotels amplified this decline. Overall, on Paris market level, the utility cost declined by -7.4%.

OTHER EXPENSES

- Other expenses increased by 7%, primarily driven by the Contract Services (+14.2%) and Laundry & Dry-Cleaning services (+4.6%) within the Rooms Department.

TOTAL EXPENSE GROWTH SOFTENED BY REDUCTION OF UTILITIES

(per available room per day - EUR)



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PARIS OLYMPICS

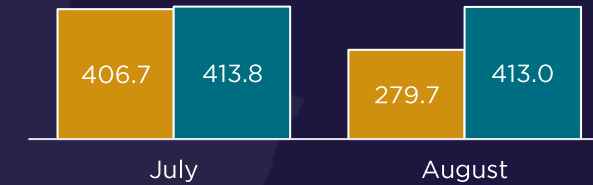
- The Paris Summer Olympics, held from July 26th to August 11th 2024, had a notable positive impact on the hotel market. The hotels in the city recorded substantial ADR growth, particularly in August, with a 33.7% (YoY) increase. Occupancy rates showed a mixed trend, with a slight dip in July (-7.3% YoY) but a 7.2% rise in August. Overall, RevPAR increased by 19.2% over the two-month period (compared to same time last year). The F&B revenue increased by 53.2% and miscellaneous income rose by €32 PAR during the 2-month period, boosting the total operating revenue that rose by 32.2% YoY.
- The Games also influenced operating expenses that surged by +1.3% (July-August, YoY). Despite these rising costs, GOP grew by an impressive 157% YoY in August, and 69.8% for the 2-month period, with the GOP margin reaching 50.4%, up from 38% in July-August last year. These results highlight the Olympics' substantial contribution to both revenue generation and profitability, even amid higher operational costs.

KPI SUMMARY

| | Jul-24 | Change | Aug-24 | Change | Jul-Aug-24 | Change |
|--------------------------|--------|--------|--------|---------|------------|---------|
| Total Op. Revenue (PAR) | 529.0 | 14.5% | 506.9 | 57.8% | 518.0 | 32.2% |
| Total Op. Expenses (PAR) | 261.1 | 14.2% | 252.6 | 56.2% | 256.8 | 1.3% |
| GOP (PAR) | 267.9 | 28.4% | 254.4 | 156.8% | 261.1 | 69.8% |
| GOP % | 50.6% | +5.5pp | 50.2% | +19.4pp | 50.4% | +12.4pp |

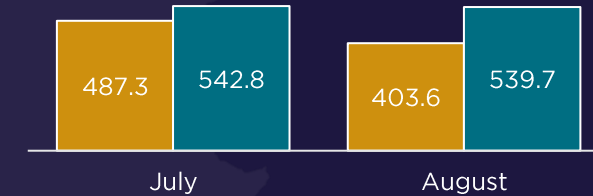
RevPAR (€)

■ 2023 ■ 2024



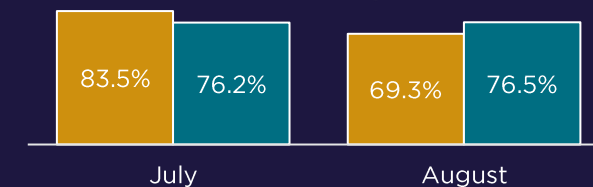
ADR (€)

■ 2023 ■ 2024



Occupancy (%)

■ 2023 ■ 2024



PARIS

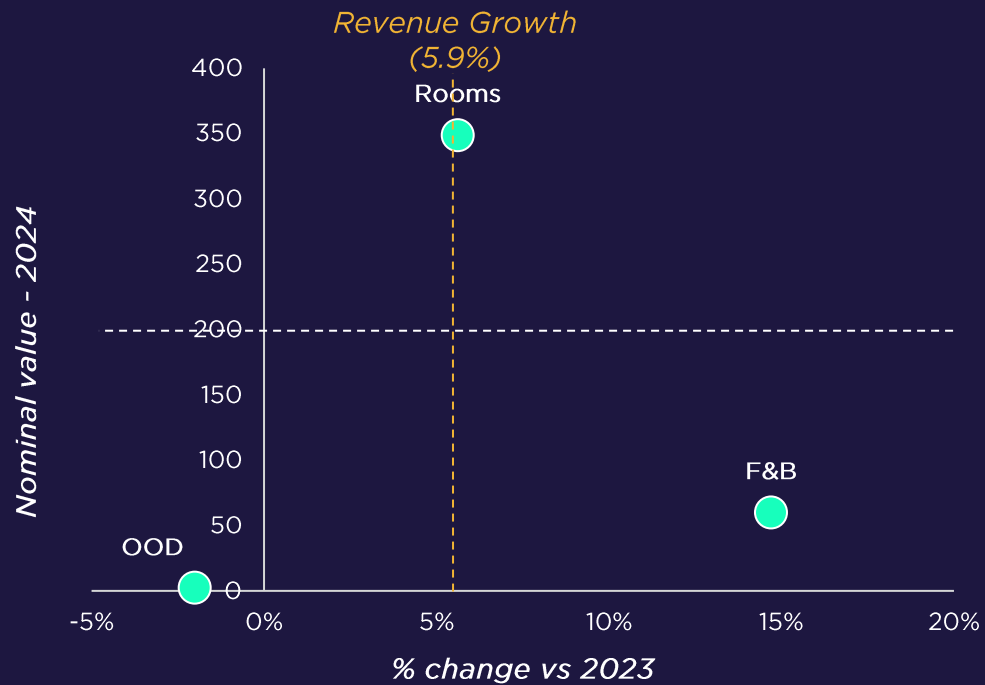
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The Rooms Department was the primary driver of the total revenue increase (+€11 PAR), accounting for 48% of the overall growth. Meanwhile, the F&B Department also contributed to the growth, with a revenue increase of €7 (PAR).

Rooms and POM were the main expense drivers surpassing revenue growth, while IT, Utilities and OOD cost declined.

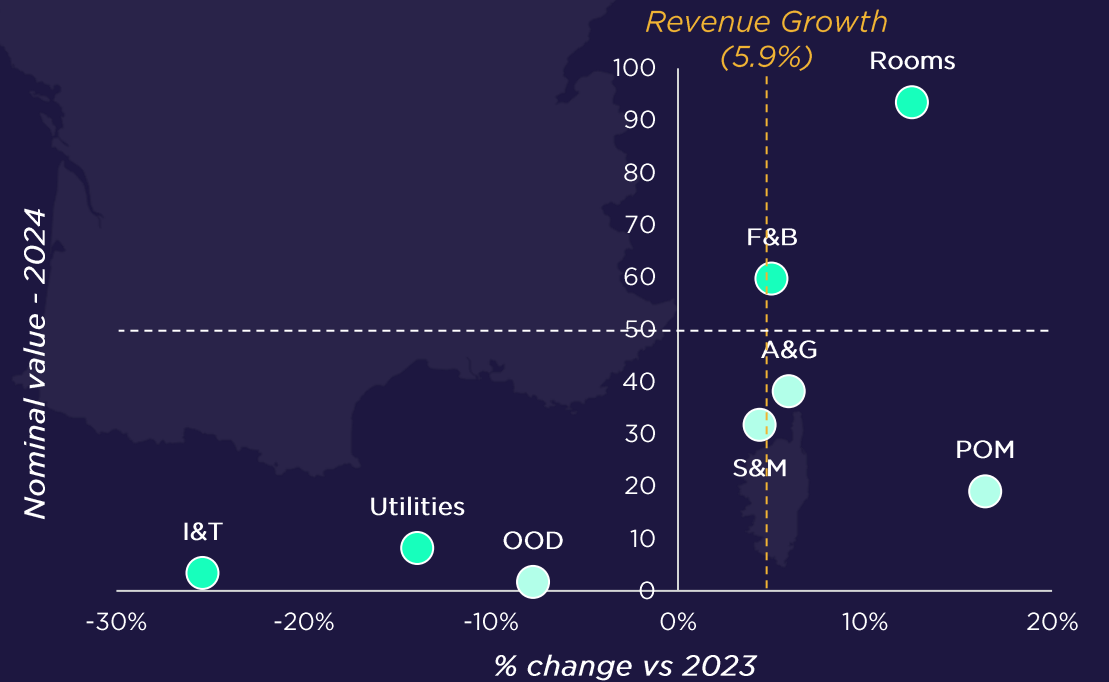
DEPARTMENTAL REVENUES

(per available room per day - EUR, YE September)



DEPARTMENTAL & UNDISTRIBUTED EXPENSES

(per available room per day - EUR, YE September)





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