

Relevant Success Stories

mrp hotels' involvement has yielded success on an international scope

Efficiency Turnaround in First Year of Interim Management

Outperformance of historic bottom line results through newly introduced yield management and cost cut efforts

Property: 200 Keys, Luxury City Hotel in Central Europe, unbranded. **Status Quo:** The client is an international company that has extensive know-how in the real estate industry, however, limited resources to be involved in daily operations. Following an extensive commercial audit performed by mrp hotels, the client closed the deal with the former property owner. After handover, the hotel's performance was unsatisfactory with both guest and staff satisfaction below expectations. To secure a positive cash flow during the planning phase of a potential refurb, mrp hotels was assigned as interim manager.



mrp hotels Service Scope (Excerpt)

Pre-Takeover: Before taking over the property as interim manager, mrp hotels was involved in a 4-month-long due diligence and performance review process to provide the client with a detailed estimate of historic performance and bottom line potential.

Quick Fixes: In its first months of involvement, mrp hotels introduced sustainable quick fixes that targeted at the set up of reporting structures and a digitalisation of operational procedures.

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Asset Management | mrp hotels © 2023

Significant Strategic Decisions

Strategic Adaptions: Following the high uncertainty of the Covid pandemic, strategic adjustments were flexibly made to allow a sustainable generation of high occupancy levels. Shift of strategy: from rate-driven to occupancy-driven.

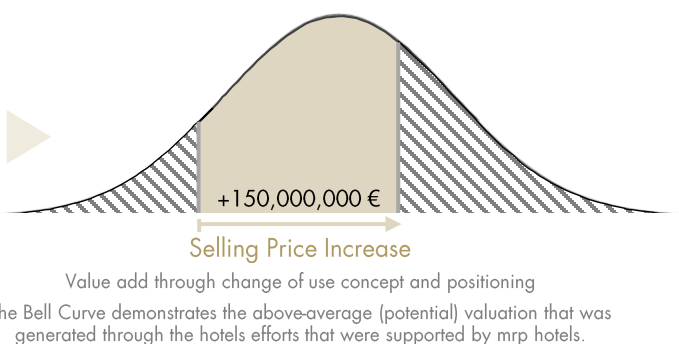
F&B-Partnership: Introducing an internationally renowned partner to develop a unique F&B experience, hence, making efficient use of existing hotel space. FF&E investment costs were shared with the partner.

Programming for future development / operator: mrp hotels supported negotiations of agreement (in commercial matters)

Accomplishments

The efficiency turnaround led to a full year EBITDA increase of roughly 4.5 mil. € in terms of valuation (compared to 2019 values – Covid related).

→ At a yield expectation of 3%, this represents a substantial increase in valuation of around 150 mil. €.
(4.5 mil / 3% = 150 mil. €).



Pro-Active Management

Stabilisation & Restructuring Concept | Development and Implementation of Continuation Concept

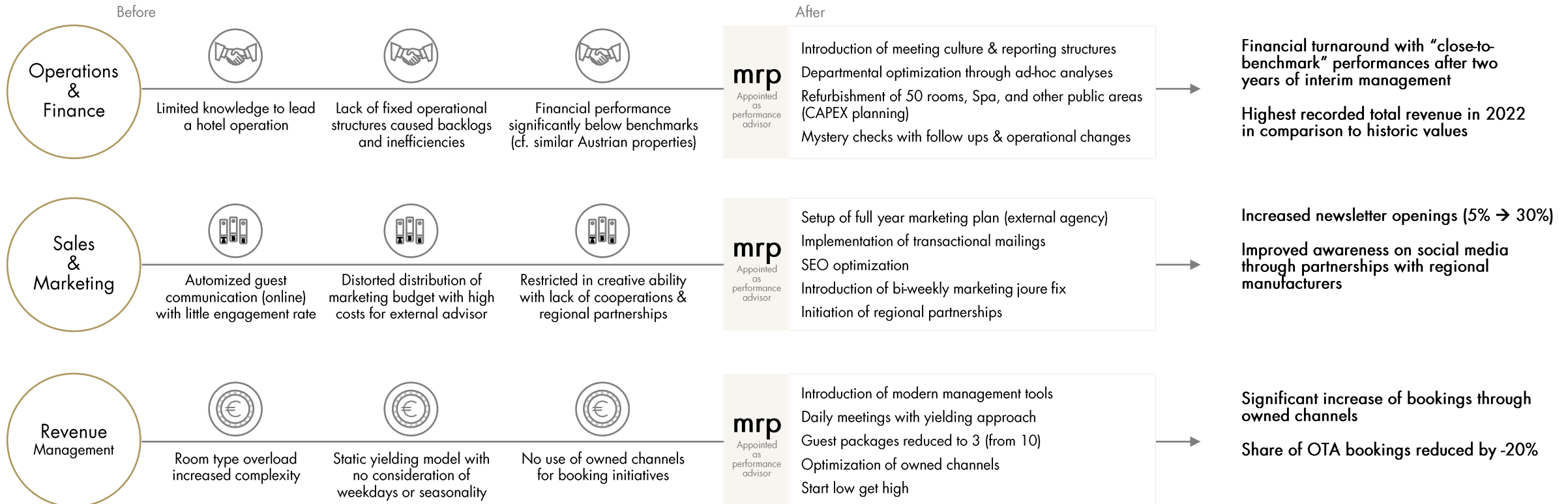
Property: 100 rooms 4* Superior wellness hotel, Tyrol, Austria **Status Quo:** Family-run 4* superior wellness hotel with an urgent need for investment, declining turnover figures and a high-cost structure was stabilised within a period of 3 years through various operational measures and successfully led through the debt restructuring. The total debt cut achieved amounted to 4.4 mil. €. Both the decreasing total debt burden and the stabilised and more efficient operations contributed to new confidence on the part of the lender and enabled the entrepreneurial family to overcome the investment backlog through concrete new investments in 2020 in a first investment step.



Management Support & Operational Turnaround

Increasing Owner Confidence | Successful management support stabilising operations and owner profits

Property: 150 rooms 4* Superior wellness hotel, Austria **Status Quo:** The hotel has been family-owned for more than a decade with an external operator contracted on the basis of a management agreement. Performance levels have been unsatisfactory with KPIs below the regional CompSet. The client has contacted mrp hotels for several one-off assignments concerning financial and operational matters. On the basis of mrp hotels temporary assignments, the owner gained confidence to take over hotel operations with on-going strategic management support by mrp hotels.

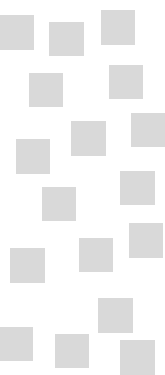


Success: xxx

Support during the Budgeting Process

Room Type Analysis | Additional Rate / Revenue Potential was uncovered following room type adjustments

Property: 125 keys, Luxury City Hotel in Central Europe, branded. **Status Quo:** The hotel is an established city hotel in the luxury category and is operated by a renowned international brand. Both the operating brand and the hotel owner have a high level of expertise in the hotel industry. As part of the asset management appointment, mrp hotels is involved in the yearly budgeting process. During the budgeting process of 2018, a room type analysis was conducted to point out possible issues with the current revenue management related setup of the hotel → uncover additional revenue potential.



Room Type overload
Huge rate gaps
Unclear distinctions
Inaccuracies in naming

Room Type	# of Rooms	Booked OCC	Actual OCC	Booked ADR	Actual ADR	Revenue Potential	Diff to Actual Rev
Standard 1	25	160%	75%	300	310	2.053.125	-2.326.875
Standard 2	5	110%	66%	250	260	301.125	-200.750
Studio 1	15	70%	70%	380	320	1.456.350	0
Deluxe 1	20	85%	85%	380	340	2.357.900	0
Deluxe 2	10	50%	70%	390	305	996.450	284.700
Deluxe 3	20	40%	85%	420	360	2.606.100	1.379.700
Suite 1	15	70%	77%	500	450	2.107.875	191.625
Suite 2	10	25%	75%	900	520	2.463.750	1.642.500
Suite 3	4	25%	70%	1.100	1.000	1.124.200	722.700
Suite 4	1	15%	40%	3.500	2.000	511.000	319.375

Revenue Potential = Booked ADR * Actual Occupancy
Actual Revenue = Booked ADR * Booked Occupancy

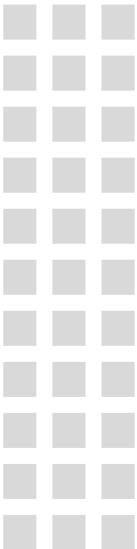
Data was sourced from the hotel to depict the booking volume and the respective ADR and compare it with actual data.

On the basis of overbooking lower categories and providing guests with upgrades, the actual rate for higher categories is lower than the booked ADR.

Two room types, Deluxe 3 & Suite 2, showed the most significant difference between booked and actual values.

→ Upside potential remains (deluxe rooms and suites are sold at low prices)

Key issue: the gap between certain room types, such as the rate jump from Suite 1 to Suite 2, deterred guests from booking high-rate suites → no options in the price range of (NET) 500-900 €.



Introduction of additional room types
Renaming of room types
Smaller rate gaps between room types
Reduced rates for high-rate suites

mrp hotels Service Scope (Excerpt) Accomplishments

Budgeting Process: The process begins with a submission of next year's P&L values and is closed with the hotel owner's written approval of the budget. In between, the operating brand presents the budget to owner and consultant before several feedback loops that see certain adaptations and changes being made to the budget.

Purpose: mrp hotels frequently uses the budgeting process to challenge basic assumptions of the past year. On the basis of unusual deviations between selling prices and ADR (NET), mrp hotels directed its focus on room types to uncover additional revenue potential.

Communication: Findings were forwarded directly to the hotel management with the task to adopt changes based on mrp hotels' findings and recommendations.

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Significant Strategic Decisions

Additional Room Types to decrease the gap between categories.

Renaming of Room Types to align with competitive price ranges for deluxe rooms & suites.

Rate reduction of high-rate suites to achieve a competitive offering (value for money in geographic proximity).

Accomplishments

Revision of Budget increased budgeted ADR by 13 € → Considering a 125 rooms hotel at a full year occupancy of 75%, an additional 13 € in ADR (125 * 13 * 365 * 75%) yields extra 450 k€ in BGT → **Reasonable revision (not pushed by force) as Actuals even outperformed budgeted values.**

Change of Room Types took place following mrp hotels recommendations.

Outperformance of budgeted values following the change of room types. Actual FY ADR outperformed the revised budget by 13 € → Actual Occupancy increased to 79%, hence, the extra rooms revenue amounts to 475 k €.

Success

The actual performance in 2018 then exceeded budgeted values by:

2018 ADR Increase cf. BGT
+18 €
vs. FY budget
2018 ADR Rooms Rev Increase
+800,000 €
vs. FY budget

Highlight of Mandates

Asset & Performance Management (Excerpt)

Park Hyatt Vienna



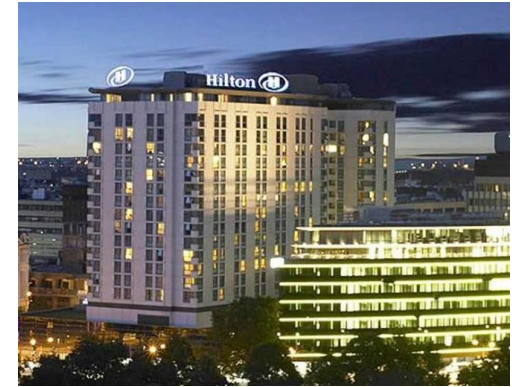
Hampton by Hilton Warsaw



Andaz Munich
Schwabinger Tor



Hilton Vienna Park



Place	Vienna, Austria
Services	Operator Search, Contract Negotiations, Asset / Performance Management
Client	SIGNA Holding
Rooms	143

Warsaw, Poland
Asset / Performance Management
S+B Group
300

Munich, Germany
Asset / Performance Management
Jost Hurler
277

Vienna, Austria
Asset / Performance Management
Parkview Vermietungs- und Verpachtungs GmbH
655

Highlight of Mandates

Asset & Performance Management (Excerpt)

Andaz Vienna



Bauer Palazzo



Blue Marlin Deluxe
Spa & Resort



Hampton by Hilton Warsaw



Place	Vienna, Austria
Services	Asset / Performance Management
Client	SIGNA Real Estate Management GmbH
Rooms	303

Venice, Italy
Due Diligence Owner Representation Interim Management
Signa Holding
191

Alanya, Turkey
Management Assistance
Hacinurioglu Tur. Tic. A.S.
164

Warsaw, Poland
Feasibility Study Asset / Performance Management
Wspolna Hotel Management Sp. z o.o.
300

Highlight of Mandates

Asset & Performance Management (Excerpt)

Grand Hyatt Berlin



Intercontinental Wien



Kempinski St. Moritz



Spa Resort Styria



Place	Berlin, Deutschland
Services	Asset / Performance Management
Client	Al Faisal Holding
Rooms	342

Wien, Österreich
Asset / Performance Management Eigentümerversretung, Vertragsverhandlung, Development Support
WertInvest
458

St. Moritz, Schweiz
Asset/ Performance Management Eigentümerversretung
Immofinanz AG
184

Bad Waltersdorf, Austria
Revenue Consulting & Support
Grand Spa Wellness Betriebs GmbH
139



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Cooperative partnerships



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