



# Trading Update Presentation

Results for the Year Ended 31 December 2022

Release: 30 March 2023



[travelodge.co.uk](https://travelodge.co.uk)

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# Summary

## Excellent trading performance, with continued outperformance, driving record results

- Record financial results, significantly ahead of 2019 levels
- Strong leisure and “blue collar” demand with continued recovery of “white collar” demand
- Outperformed against the competitive segment for the eighth consecutive year
- Strong cost control, not immune to increasing inflationary pressures
- Overall financial results for the year ended 31 December 2022 (vs 2019):
  - Total underlying revenue up 25.0% to £909.9m (2019: £727.9m) (2021: £559.8m)
  - LFL RevPAR<sup>(1)</sup> up 23.9% to £52.59 (2019: £42.46) (2021: £33.04)
  - RevPAR growth<sup>(1)</sup> 10.9 pts ahead of competitive segment vs 2019
  - EBITDA (adjusted)<sup>(2)</sup> of £212.9m (2019: £129.1m) (2021: £81.1m)
- Cash at 31 December of £154.2m
- Over £100m of de-leveraging in the year
- Rating agency upgrades from Moody’s in November 2022 and S&P in January 2023
- Six new hotels opened in the period, including one Irish franchise

1. RevPAR is computed as the product of the Average Daily Rate for a specified period multiplied by the Occupancy for that period. Like-for-like (“LFL”) RevPAR compares the RevPAR in FY 2022 vs. FY 2019 on the basis of RevPAR generated by hotels that were opened before 1 January 2019.

2. EBITDA (adjusted) = Earnings before interest, tax, depreciation and amortisation, and before rent phasing adjustment and non-underlying items. This measure is reflective of the position in line with historical accounting principles (before IFRS 16) except for being prior to the rent phasing adjustment. Non underlying items have been removed as they relate to non-recurring, one-off items. The calculation for this measure is consistent with prior years.

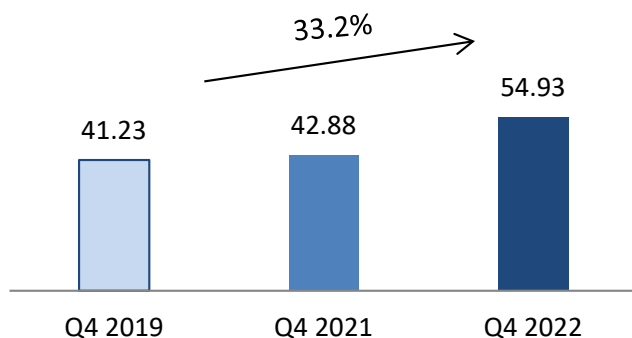
# 2022 Results

# Q4 Operating Metrics

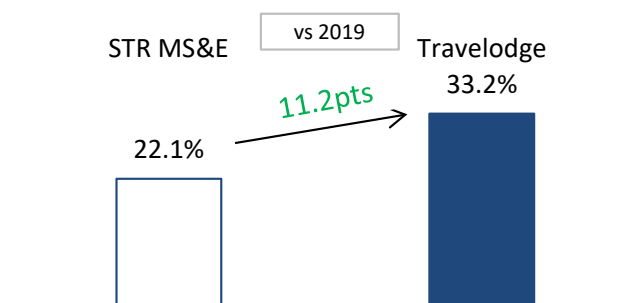
Strong leisure, including events, and 'blue collar' demand continued

RevPAR increase driven by strong leisure demand

LFL<sup>1</sup> RevPAR (£)<sup>2</sup>



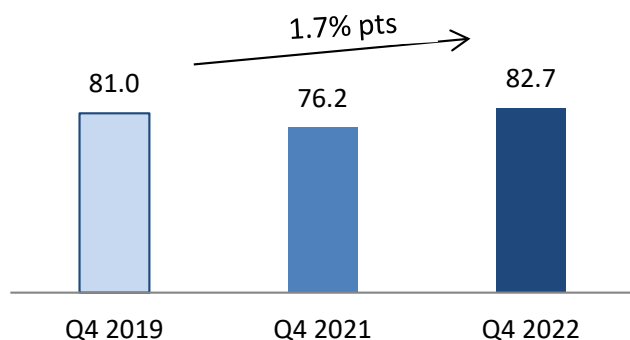
Q4 RevPAR Performance



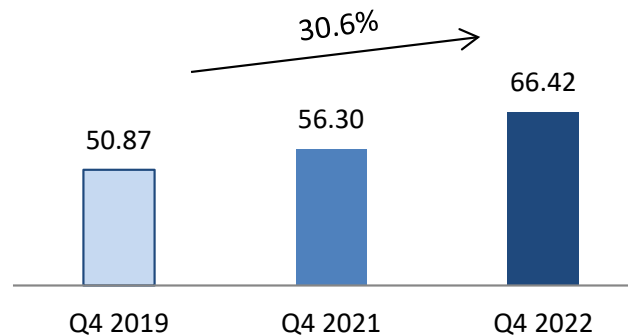
## Q4 2022 vs. Q4 2019

- **RevPAR:** like-for-like UK RevPAR increase of 33.2%
- **RevPAR vs Market:** 11.2pts outperformance against MSE segment
- **Occupancy:** occupancy increase of 1.7pts to 82.7
- **ADR:** up 30.6% to £66.42

LFL<sup>1</sup> Occupancy (%)<sup>2</sup>



LFL<sup>1</sup> ADR (£)<sup>2</sup>



1. RevPAR is computed as the product of the Average Daily Rate for a specified period multiplied by the Occupancy for that period. Like-for-like (LFL) RevPAR compares the RevPAR in Q4 2022 vs. Q4 2021 and 2019 on the basis of RevPAR generated by hotels in the UK that were opened before 1 January 2019.

2. Revenue per available room, Average room rate and Occupancy on a UK like-for-like basis for the management accounting period 29 Sep 2022 to 28 Dec 2022 and 3 Oct 2019 to 1 Jan 2020 for the quarter.

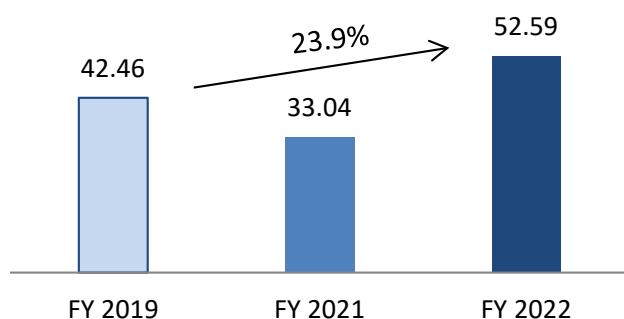


# Full Year Operating Metrics

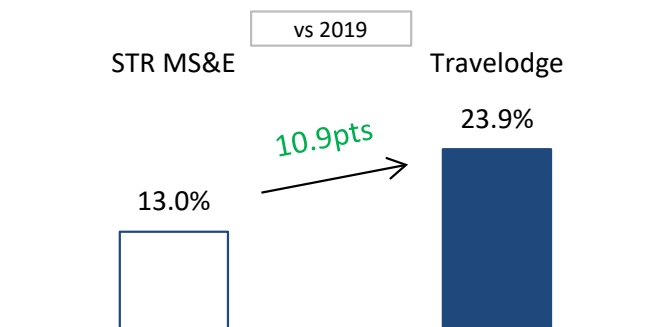
Excellent trading performance driven by strong leisure demand and a rapid recovery in 'blue collar' demand, with a more gradual recovery in 'white collar' demand.

RevPAR increase driven by strong leisure and blue collar demand

LFL<sup>1</sup> RevPAR (£)<sup>2</sup>



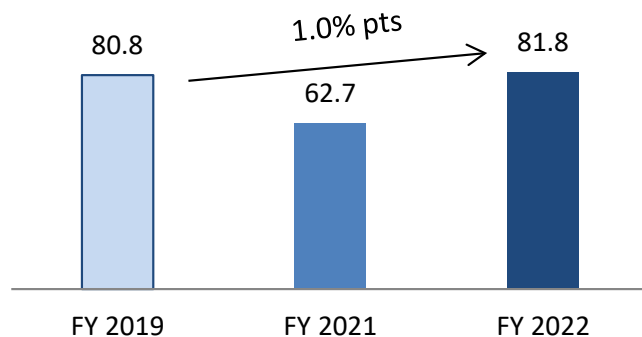
FY RevPAR Performance



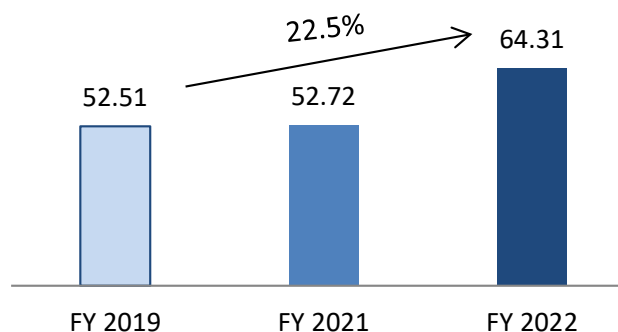
FY 2022 vs. FY 2019

- **RevPAR:** like-for-like UK RevPAR increase of 23.9%
- **RevPAR vs Market:** 10.9pts outperformance against MSE segment
- **Occupancy:** occupancy increase of 1.0pts to 81.8%, suppressed by the work from home guidance in January
- **ADR:** up 22.5% to £64.31

LFL<sup>1</sup> Occupancy (%)<sup>2</sup>



LFL<sup>1</sup> ADR (£)<sup>2</sup>



1. RevPAR is computed as the product of the Average Daily Rate for a specified period multiplied by the Occupancy for that period. Like-for-like (LFL) RevPAR compares the RevPAR in FY 2022 vs. FY 2021 and 2019 on the basis of RevPAR generated by hotels in the UK that were opened before 1 January 2019.

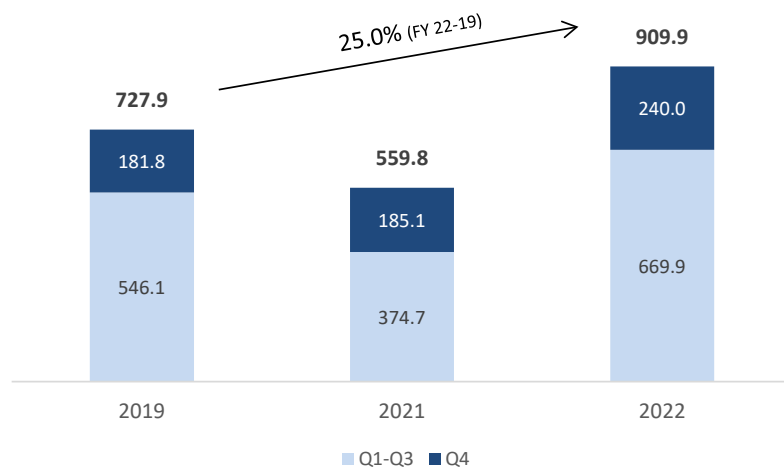
2. Revenue per available room, Average room rate and Occupancy on a UK like-for-like basis for the management accounting period 30 Dec 2021 to 28 Dec 2022 and 3 Jan 2019 to 1 Jan 2020 for the year..

# Full Year Financial Results

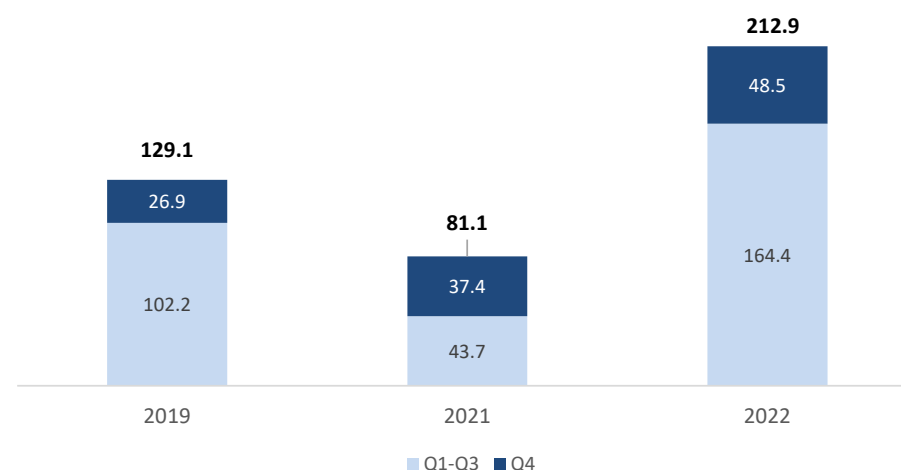
Record financial results with full year EBITDA £212.9m

Revenue growth and strong cost control delivering record profits

Revenue<sup>(1)</sup> (£m)



EBITDA<sup>(2)</sup> (£m)



## FY 2022 vs. FY 2019 (Q4 2022 vs Q4 2019)

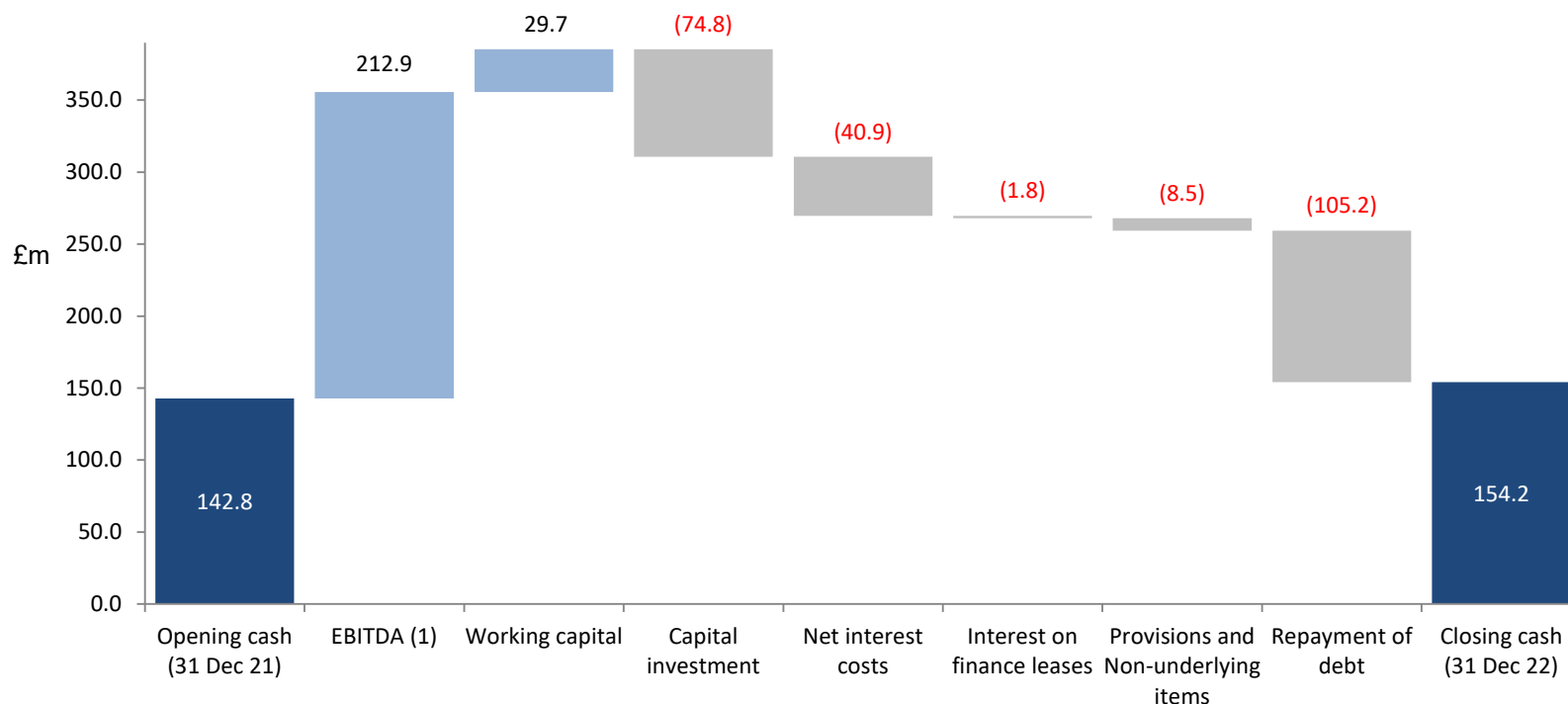
- **Revenue** increase of 25.0%/£182.0m driven by LFL RevPAR increase and new openings (Q4 increase of 32.0%/£58.2m)
  - Like-for-like UK RevPAR increase of 23.9% driven by strong leisure and “blue collar” business demand
  - Annualisation and maturity of the 17 new hotels added in 2021 and six new openings (including one Irish franchise)
- **EBITDA<sup>(1)</sup>** increased by £83.8m to £212.9m (Q4 increased by £21.6m)
  - Revenue increase
  - Continued strong cost control and management of supply chain pressures, but with inflationary pressures

1. Total underlying revenue.

2. EBITDA (adjusted) = Earnings before interest, tax, depreciation and amortisation, and before rent phasing adjustment and non-underlying items. This measure is reflective of the position in line with historical accounting principles (before IFRS 16) except for being prior to the rent phasing adjustment. Non underlying items have been removed as they relate to non-recurring, one-off items. The calculation for this measure is consistent with prior years.

# Full Year Cash Flow

Cash inflow driven by EBITDA and working capital benefit



- Cash inflow of £116.6m before repayment of debt, with EBITDA and working capital inflow partially offset by capital investments and interest costs
- Working capital benefit mainly driven by increase in prepaid rooms and the increase in the VAT creditor, reflecting the trading performance
- Capital investment relates mainly to hotel maintenance, health & safety, refit, IT and new development
- Provisions and non-underlying items included spend in resolution of the HMRC tax enquiry, compensation for loss of office relating to the departure of the CEO, the CVA compromised creditors fund and professional fees relating to management incentives

1. *EBITDA (adjusted) = Earnings before interest, tax, depreciation and amortisation, and before rent phasing adjustment and non-underlying items. This measure is reflective of the position in line with historical accounting principles (before IFRS 16) except for being prior to the rent phasing adjustment. Non underlying items have been removed as they relate to non-recurring, one-off items. The calculation for this measure is consistent with prior years.*



# Net Debt and Leverage

Over £100m of de-leveraging in 2022

## Debt (£m)

£m	31-Dec
<b>Cash and Cash Equivalents</b>	<b>154.2</b>
Revolving credit facility	-
Senior secured floating rate bond	440.0
Senior secured fixed rate bond	65.0
<b>Senior Secured Debt</b>	<b>505.0</b>
Finance leases	14.5
<b>Total Third Party Indebtedness</b>	<b>519.5</b>
<b>Net Third Party Indebtedness</b>	<b>365.3</b>

## Liquidity / Financial Ratios

- **Cash on balance sheet:** £154.2m at 31 December 2022
- **RCF:** undrawn at 31 December 2022 (£40m available facility). Actively in discussions with lenders to extend for six months to January 2025.
- **Term loan:** repaid in full on 26 October
- **Over £100m of de-leveraging in 2022**
- Managed bond buyback program of floating rate notes in January 2023 (£15.8m nominal)
- Letter of credit facility: £30m (currently £28.2m utilised)
- All relevant debt transitioned from LIBOR to SONIA
- £300m interest rate cap expired 15 October 2022
- **Moody's credit rating upgrade** to B3 stable outlook on 17 November
- **S&P credit rating upgrade** to B- stable outlook on 27 January 2023
- **Net third party debt ratio** 1.7x <sup>(2)</sup>
- We continue to keep our liquidity position under review and opportunistically consider options to manage the maturities of our existing debt

Note:

1. Before IFRS16
2. Net third party indebtedness divided by LTM EBITDA (adjusted)

# Recent Trading and Outlook

# Recent Trading

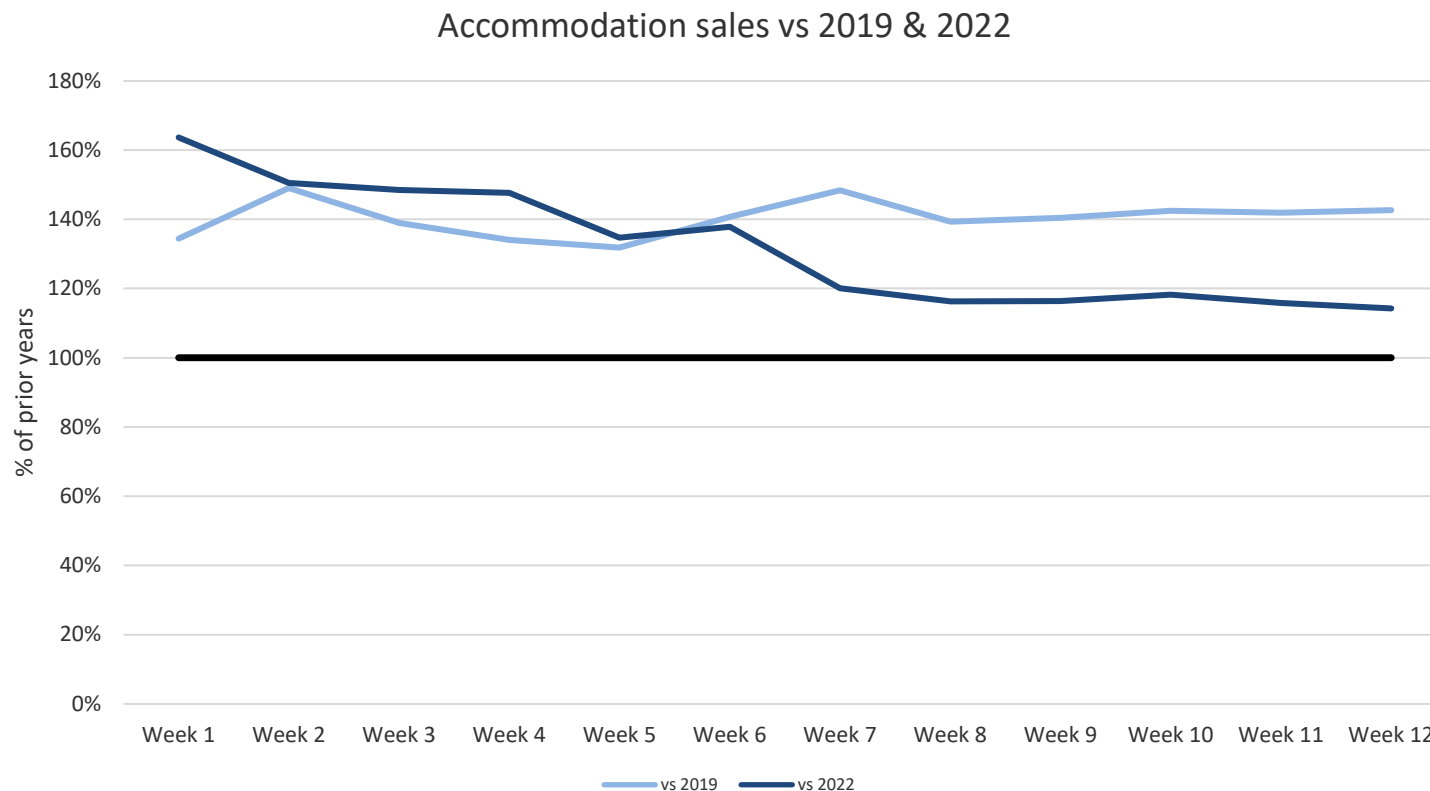
## Strong trading performance continues

- Strong trading performance has continued in quarter one
  - Strong leisure demand, including events, continues
  - 'Blue collar' demand remains robust, 'white collar' demand still recovering
  - Indirectly benefiting from inbound demand, particularly London
  - Forward booking are positive but still with very limited visibility
- Midscale and Economy segment continues to outperform UK hotel market (vs 2019)
  - benefiting from strong domestic leisure demand and focus on blue collar business
- Travelodge performing in line with the segment vs 2022
  - reflecting very strong 2022 comps and partial closures for a couple of large London refits
  - outperforming vs 2019
- Continue to manage costs and cash
  - experiencing inflationary pressures, but strong cost control and management of supply chain challenges
  - majority of 2023 energy requirements forward purchased in March
  - capex well controlled, continue to invest in the estate
- Cash at 22 March of c. £227m (before quarterly rent and other month end payments)

Note: 2023: 29 Dec 2022 to 8 Mar 2023. 2019: 03 Jan 2019 to 13 Mar 2019

# Recent Trading

Revenues in recent weeks<sup>(1)</sup> c. 30% ahead of 2022 levels and c. 40% ahead of 2019 levels



- Strong performance continues with revenue c. 30% ahead of 2022 levels, reflecting Omicron restrictions in place in the first weeks of Q1 2022
- London performance significantly ahead of 2022 levels, reflecting the slower recovery experienced in 2022.
- Regional performance ahead of 2022, with strong leisure and “blue collar” demand

Note: 2023 29 Dec 2022 to 22 Mar 2023, 2022 30 Dec 21 to 23 Mar 23 and 2019 27 Dec 2018 to 20 Mar 2019

# Strategy Update

Our purpose is to provide affordable travel for everyone



Location



- Targeting 300 locations across the UK
- Expect to open c. 80 new hotels over the next 5 years as market conditions improve
- 6 new hotels opened in 2022
- Opening a mix of business and leisure focused locations
- Estate now stands at 595 hotels and 45,761 rooms at the year end



Price

Room one - Double room - 1 adult for 1 night  
[What's in our rooms?](#)

Select room rate

	Standard room (no set menu)	SuperRoom (set menu)
Saver rate Non refundable. Arrival date may be amended subject to availability and additional costs.	£153.99	£162.99
Saver rate + Breakfast + VAT Non refundable. Amendable subject to availability and additional costs.	£166.74	£175.74
Flexible rate Fully Refundable excluding VAT. Free to amend or cancel up until noon on arrival date.	£168.99	£178.99
Flexible rate + Breakfast + VAT Fully Refundable excluding VAT. Free to amend or cancel up until noon on arrival date.	£181.74	£191.74

- Leading direct distribution model
- Continued investment in revenue management capabilities
- Improvements in digital platform driving increased website conversion
- Continued growth in business customers, including record sign-ups



Quality



- Industry leading operating model with continued optimisation
- Leveraging technology to simplify and automate
- Further in-sourcing driving efficiency
- Well invested estate, refit program underway with new look and feel rooms
- Average 4 dot TripAdvisor rating

# Sustainability

## Comprehensive “Better Future” sustainability plan

### Inclusive

**Ensuring we are accessible, inclusive and affordable to our colleagues and customers**

- Increased both gender and ethnic diversity in our senior leadership team
- Made our hotels more accessible for those with a lived experience of a disability, in partnership with charity Disability Positive
- Developed our levelling up impact report in partnership with the Purpose Coalition to support the Government’s Levelling Up agenda, and demonstrate our social impact

### Caring

**Creating a caring and healthy environment for our colleagues and customers and ensuring their wellbeing**

- Maintained strong health and safety audit and training results
- Expanded our ‘Better Me’ programme of wellbeing
- Matured information security framework to NIST, a recognised externally assured standard
- Over 1,000 customers and colleagues trained in CPR using the British Heart Foundation’s new RevivR training tool

### Conscious

**Being actively conscious of the waste we produce, the energy and resources we consume and our carbon emissions**

- Scope 1 and 2 net zero plan developed
- Policy for new build specification to deliver EPC rated A and BREEAM Very Good, aspirations of Excellent where possible.
- Commenced engagement with key suppliers on sustainability topics and measuring our scope 3 footprint
- Made good progress on our plans to reduce water consumption

Note: Full report available on main website and at [travelodge.co.uk/investors](https://travelodge.co.uk/investors)



# Outlook Considerations

## Macro-economic environment creating both opportunities and risks

- Revenue:
  - pressure on household spending and consumer choices, inflation impact on rates
  - positive demand drivers for budget operators including trade down to budget hotel segment, staycation, changes in working patterns, events and inbound demand
  - 1% point of RevPAR growth impacts profits by c. £7-8m
- Costs: largely fixed cost base
  - National Living Wage, increasing by 9.7% to £10.42 in April 2023
  - increased inflationary pressures impacting costs, including energy, laundry, F&B and rent
  - energy fully hedged at pre-crisis levels to March 2023, majority of remaining 2023 volumes hedged in March 2023
  - rent on five-yearly reviews, with the review profile split over five years, nearly half now with caps and collars - 2023 estimate: £250 - £260m
- Capex: expecting c. £90m in 2023 (continue to review in line with trading conditions)
  - continuing refit programme (new look and feel rooms), expecting to complete c. 10% of room estate in 2023 (14% completed in 2022)
  - continued focus on health and safety and maintenance, as well as IT, development and investment in projects, including energy efficiency
- One-off landlord cumulative EBITDA payment at end of April 2023 (c. £13m non-underlying charge in 2022)
- New openings:
  - opened our first new hotel in Spain for over ten years and exploring further growth opportunities
  - expect to open approximately 8 hotels in 2023, impacted by 2020 pandemic and adverse market conditions
  - expecting to return to more normal levels of openings as these factors subside

# Summary

## Record financial results, well positioned

- Record financial performance, significantly ahead of 2019 levels
- Driven by strong leisure and “blue collar” demand, with more gradual recovery in “white collar” demand
- Cash position strong, investment balanced with de-leveraging, rating agency upgrade
- Current macro-economic environment creates some uncertainty
- Budget hotel segment benefiting from a number of positive demand drivers
- Trading performance remains strong in first quarter
- Inflationary cost pressures expected to continue in 2023
- Well-positioned
  - large and diversified network of hotels
  - strong brand and direct distribution model
  - value proposition, domestic travel focus, business/leisure mix
  - comprehensive “Better Future” sustainability plan
- Confident in the long-term prospects for budget hotels and excited about future growth opportunities

# Q&A

# Appendices

# Travelodge Overview



## Who We Are

- UK's second largest hotel brand based on number of hotels and rooms
- Well invested modernised portfolio with 595<sup>1</sup> hotels and c.46,000 rooms
- Lease, manage and own hotels with low upfront capex model
- Positioned in the attractive value segment as a low-cost operator, offering standardized, modern guest rooms at affordable prices
- Well balanced client base serving c.21m business and leisure customers
- c.90% direct booking, with c.80% through own websites and c.10% through walk-ins, call centres and Groups<sup>3</sup>
- Employs c.12,000 people across all hotels and support offices<sup>1</sup>



## Where We Are<sup>1</sup>

### United Kingdom

### International

#### London

- 79 Hotels
- 9,823 Rooms
- 21% of total Rooms

#### Spain

- 5 Hotels
- 621 Rooms
- 1% of total Rooms

#### Regions<sup>4</sup>

- 500 Hotels
- 34,091 Rooms
- 75% of total Rooms

#### Ireland<sup>5</sup>

- 11 Hotels
- 1,226 Rooms
- 3% of total Rooms



Travelodge



## Key Operating Statistics<sup>1</sup>



**595**  
Hotels



**45,761**  
Rooms



**21m**  
Customers



**81.8%**  
Occupancy<sup>2</sup>



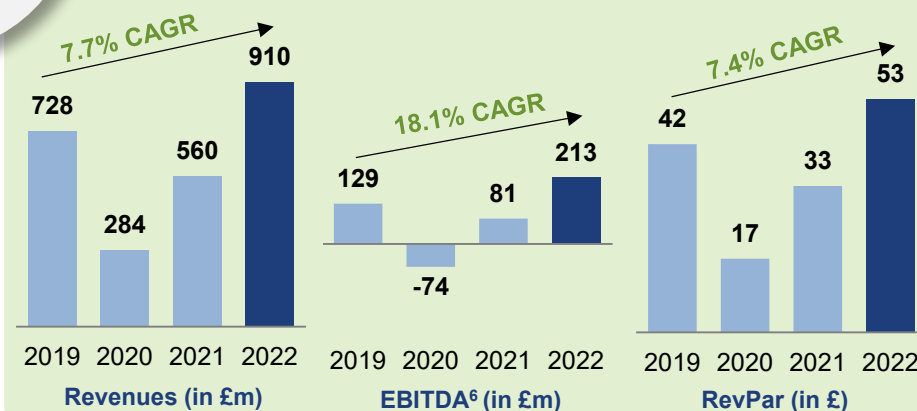
**£64.31**  
ADR<sup>2</sup>



**£910m** **£213m**  
Revenue EBITDA<sup>6</sup>



## Recent Performance



Note: (1) As of 31-Dec-2022; (2) For Travelodge UK leased hotels only; (3) "Indirect" refers to travel agents/Direct Connect, GDS and OTA; (4) Includes 10 hotels operated under management contracts; (5) Operations in island of Ireland under a master franchise. (6) EBITDA (adjusted) = Earnings before interest, tax, depreciation and amortisation, and before rent phasing adjustment and non-underlying items. This measure is reflective of the position in line with historical accounting principles (before IFRS 16) except for being prior to the rent phasing adjustment. Non underlying items have been removed as they relate to non-recurring, one-off items. The calculation for this measure is consistent with prior years.

# Travelodge is One of the Leading Platforms in the UK

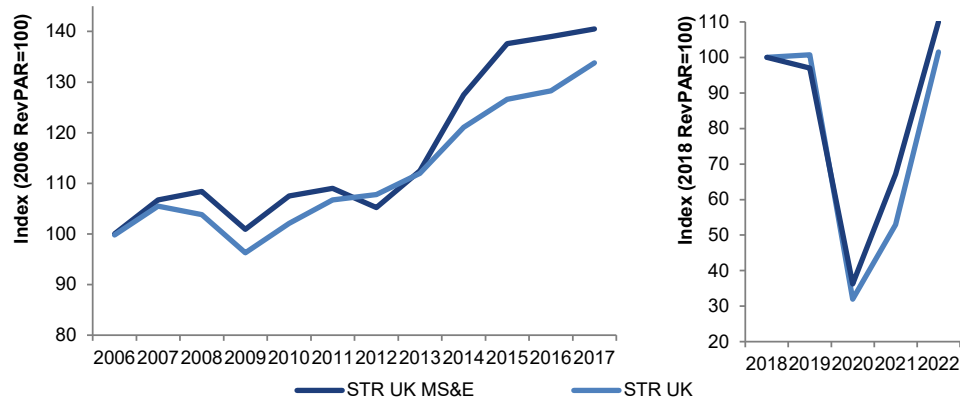
- 1** Compelling long-term growth fundamentals in the resilient and underpenetrated budget hospitality market
- 2** Leading market position driven by outstanding brand recognition and well invested network of hotels with proven and sustained market outperformance throughout economic cycles
- 3** Compelling guest proposition with attractive customer profile and advantageous business leisure mix
- 4** Highly effective revenue management system with best in class direct distribution model and customer acquisition
- 5** Industry leading operating model, including significant proportion of CPI capped rent reviews, driving profitability and cash flows. Strong development pipeline with low upfront capex needs
- 6** Comprehensive sustainability plan integrated into wider strategy
- 7** Experienced management team with solid track record of delivering operational and financial improvements
- 8** Clear and significant opportunities for further growth



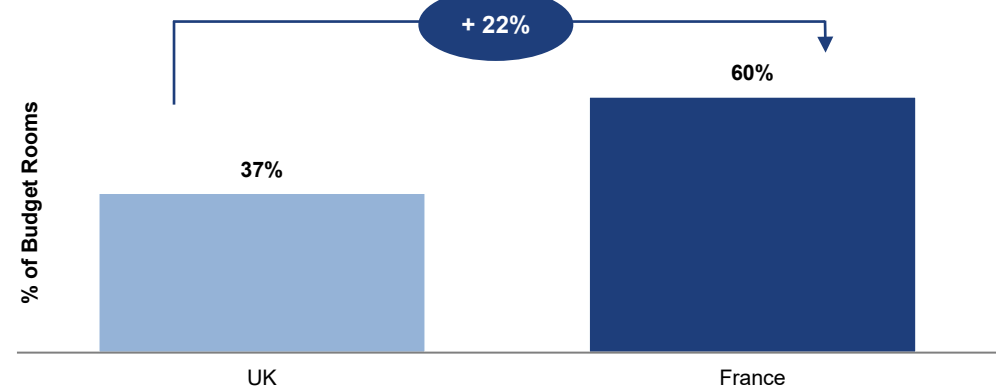
# 1 Compelling Long-term Growth Fundamentals in the Resilient and Underpenetrated Budget Hospitality Market

UK has one of the largest and most resilient hotel markets in the world with attractive characteristics

The MS&E Segment<sup>1</sup> Shows Resilience Through the Economic Cycle with UK back to levels seen pre Covid and the MS&E c18% points ahead

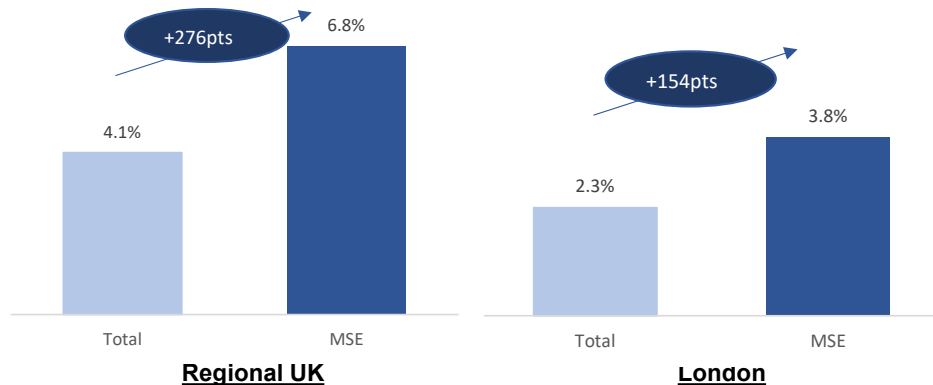


... But there is still room to grow the budget sector  
Value market still well below penetration levels of other mature markets



The MS&E Segment Is Outperforming in the UK

2019-2022 RevPar CAGR (%)



Large Captive Market Characterised by c.69m Resident Population and Significant Number of Outside Visitors



**69 million**

UK population (2022)



**c.15,000**

Hotels (2021)



**c.700,000**

Rooms (2022)



**166 million**

Demand Nights (2019)

Source: STR, Company Information,

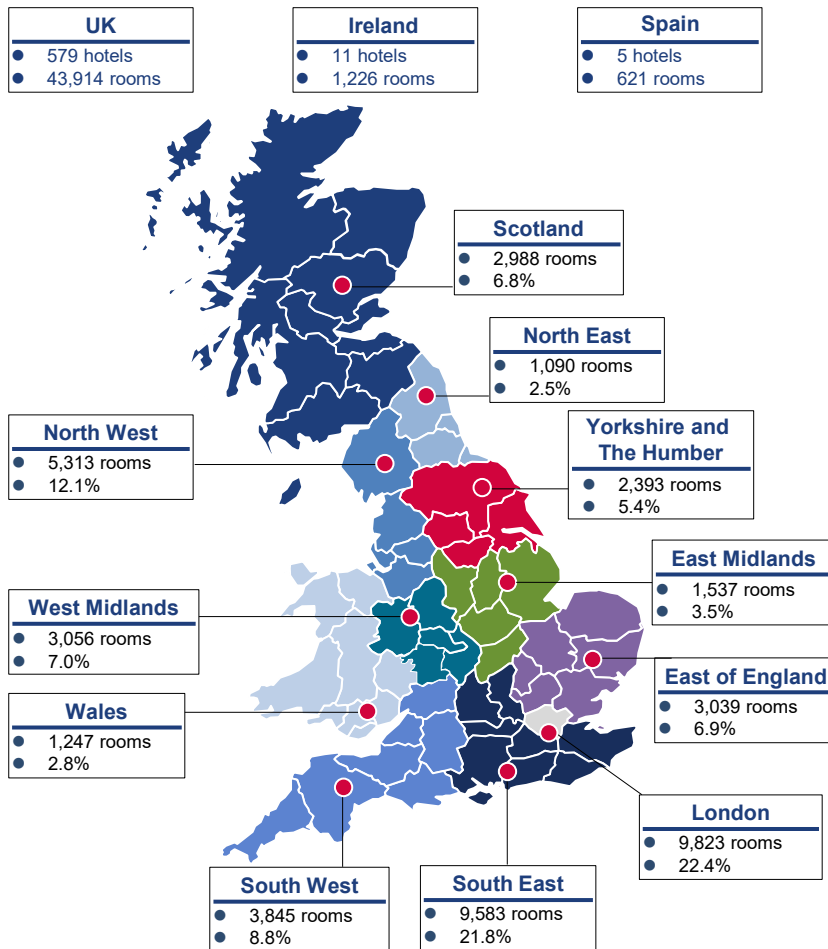
Note: (1) Midscale & Economy as defined by STR. All hotels is the sum of Luxury and Upper Upscale, Upscale & Upper Mid and Midscale & Economy Classes as defined by STR.

2

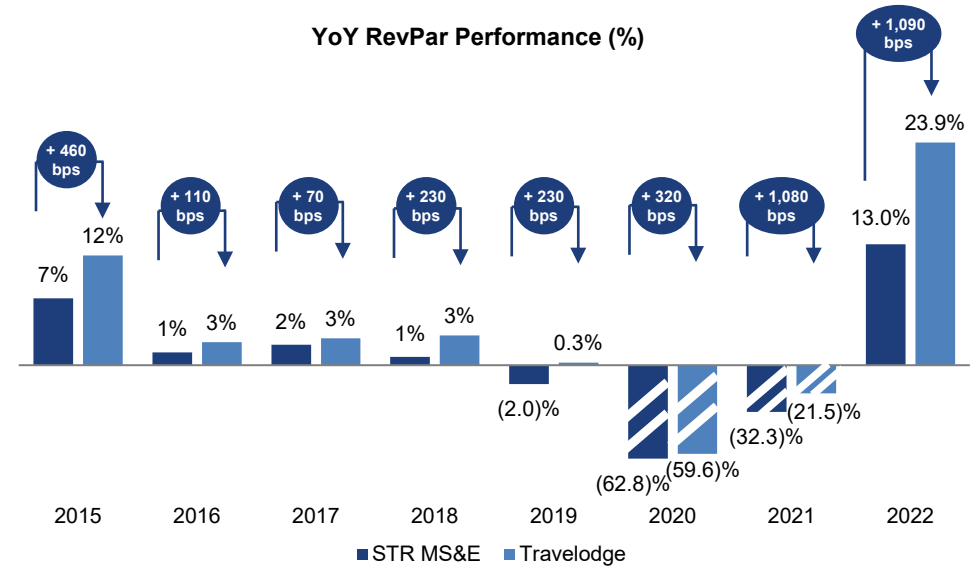
## Leading Market Position Driven by Outstanding Brand Recognition and Well Invested Network of Hotels with Proven and Sustained Market Outperformance Throughout Economic Cycles

Consistent leadership position in the UK economy market with high-profile brand at low cost, driving outperformance and growth

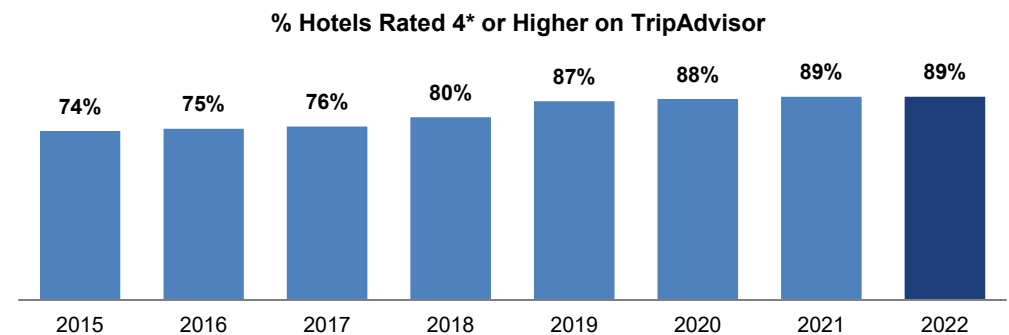
...Supported by a Diversified Portfolio of Significant Scale



Travelodge Outperforms STR MS&E since 2015 <sup>1</sup>



Strong Growth in Customers Scores and Consistency



Source: STR

Note: UK hotel count includes 10 hotels operated under management contracts. (1) Performance vs. 2019

# 3 Compelling Guest Proposition with Attractive Customer Profile and Advantageous Business Leisure Mix

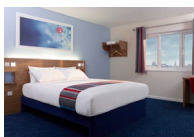
New Look & Feel refit commenced January 2022 driving revenue growth within existing network

## New Refit in Progress

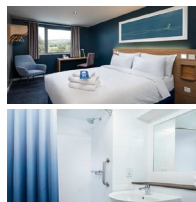
### Before

### New Refit

*Pre-Refit – Bedroom (2015)*



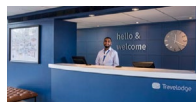
*Standard Refit – Bedroom (2022)*



*Pre-Refit – Reception (2015)*



*Standard Refit – Reception (2022)*



*Pre-Refit – Bar Café (2015)*



*Standard Refit – Bar Café (2022)*



## Scale F&B

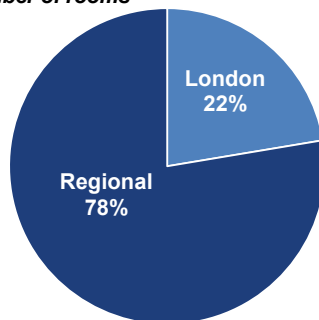
- Opportunity to increase F&B revenue where historic growth has been primarily driven through price increase and new hotel openings
- Potential areas include optimising bar café performance through better alignment with customer demand and menu redesign and simplification, and enhanced vending proposition

## Optimise Rooms & Room Mix

- Enhance quality perception through refit programme underpinned by market feedback from extensive customer research and Travelodge PLUS trials
- Non-capital intensive enhancements to hotels, rooms and room mix, driving higher demand and rate premiums
- Key initiatives include increased energy efficiency, improved core standard room, and alternative and enhanced room formats

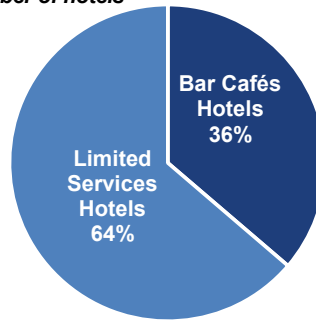
## Hotels Location Mix <sup>1</sup>

Based on number of rooms



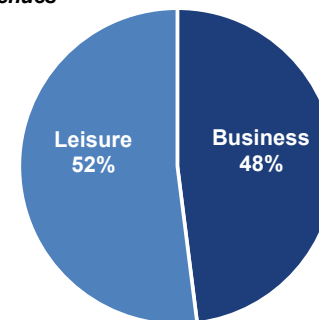
## F&B Profile Mix <sup>1</sup>

Based on number of hotels



## Business vs. Leisure Mix <sup>1</sup>

Based on revenues



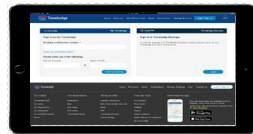
Note: (1) As of Dec-22

# 4 Highly Effective Revenue Management System with Best in Class Direct Distribution Model and Customer Acquisition

Leading direct distribution model consistently delivers c.80% occupancy and provides potential upside for Choice

## Direct Distribution

*Distribution model underpinned by large scale brand recognition and focused UK advertising presence*



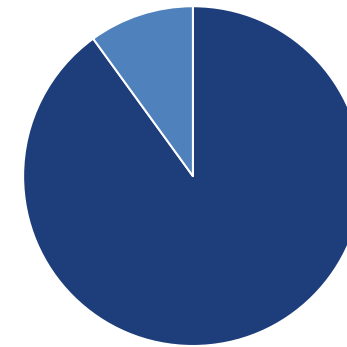
Clear & Simplified  
Booking Journey

Business Online  
Membership

Optimised for  
Mobile Use

## Direct Bookings<sup>1</sup>

*Online Travel Agencies (OTAs) represent c.1% of revenue*



## Excellent Revenue Management Systems...

Industry Leading SAS-owned Revenue Management System

Major Upgrade Successfully Completed in 2019

Rates Updated Three Times Per Day, With High Quality  
Automated Exception Reporting

ideas  
A SAS COMPANY



## ...Optimally Utilised By Dedicated Team

Effective Systems Supported By Highly Skilled Revenue  
Management Team

Pro-actively Act on Live Reporting, Combining Industry  
Expertise with Innovative Data Analytics

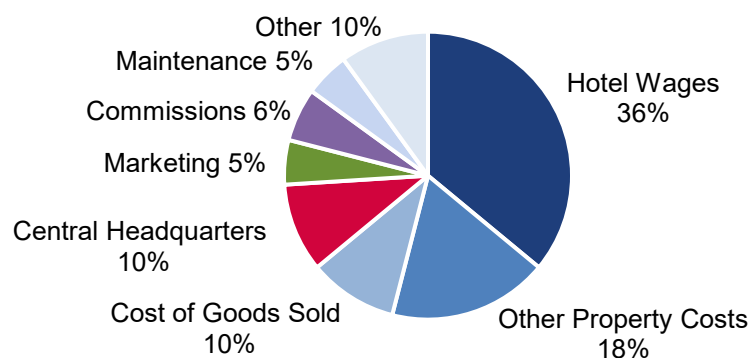
Delivering Optimised RevPar Resulting in Sustained  
Outperformance Through a Combination of Rate and Occupancy

Note: (1) "Indirect" refers to travel agents/Direct Connect, GDS and OTA.

# 5 Industry Leading Operating Model, Including Significant Proportion of CPI Capped Rent Reviews, Driving Profitability and Cash Flows. Strong Development Pipeline with Low Upfront Capex Needs

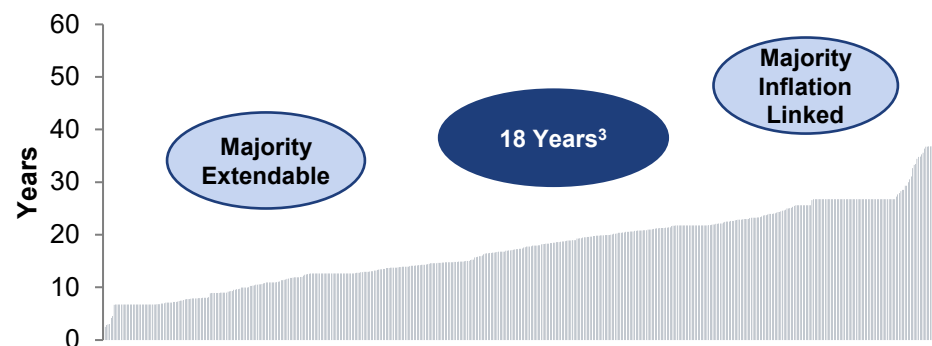
Lean operating model and efficient cost control drive good profitability

Typical Operating Costs Breakdown Excluding Leases <sup>1</sup>

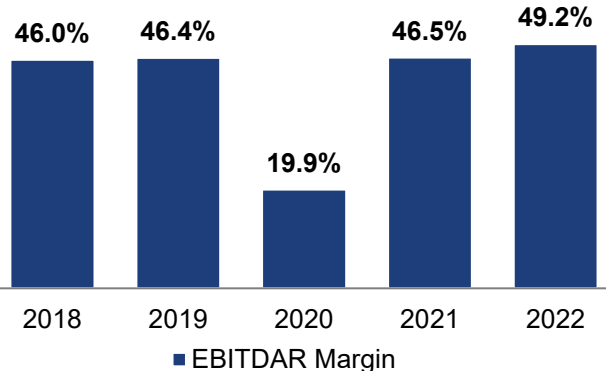


Lease Costs: Low Upfront Capex

Average remaining lease term for UK hotel operating leases (excluding renewal rights and after LXI re-gear)

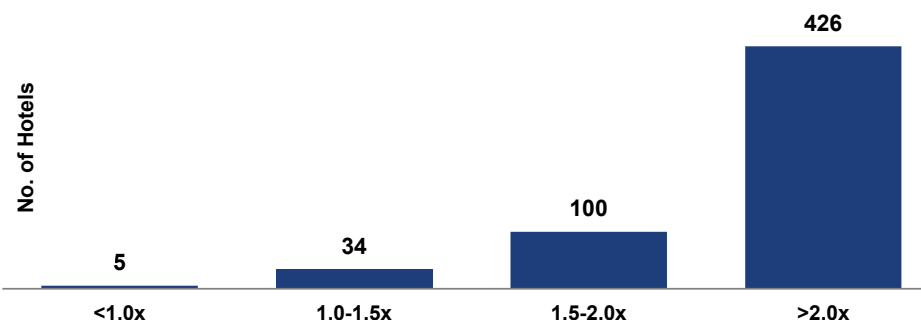


Resilient Hotels EBITDAR Margin



Strong and consistent track record of operational management, effectively mitigating regulated medium-term cost increases

Strong Rent Cover Profile <sup>2</sup>



Note: (1) FY22 operating costs per room including central and marketing costs; (2) LTM Dec 2022 rent cover by number of hotels, for UK leased hotels opened more than 12 months (565 hotels) as of 31st December 2022. Rent cover is calculated before central cost recharges (except for maintenance costs) and before onerous provision releases; (3) As of 31st December 2022. Undiscounted minimum commitments, excluding renewal rights but including LXI regear completed in January 2023

## 6 Comprehensive Sustainability Plan Integrated Into Wider Strategy

### Comprehensive “Better Future” sustainability plan

#### Inclusive

**Ensuring we are accessible, inclusive and affordable to our colleagues and customers**

- Increased both gender and ethnic diversity in our senior leadership team
- Made our hotels more accessible for those with a lived experience of a disability, in partnership with charity Disability Positive
- Developed our levelling up impact report in partnership with the Purpose Coalition to support the Government’s Levelling Up agenda, and demonstrate our social impact

#### Caring

**Creating a caring and healthy environment for our colleagues and customers and ensuring their wellbeing**

- Maintained strong health and safety audit and training results
- Expanded our ‘Better Me’ programme of wellbeing
- Matured information security framework to NIST, a recognised externally assured standard
- Over 1,000 customers and colleagues trained in CPR using the British Heart Foundation’s new RevivR training tool

#### Conscious

**Being actively conscious of the waste we produce, the energy and resources we consume and our carbon emissions**

- Scope 1 and 2 net zero plan developed
- Policy for new build specification to deliver EPC rated A and BREEAM Very Good, aspirations of Excellent where possible.
- Commenced engagement with key suppliers on sustainability topics and measuring our scope 3 footprint
- Made good progress on our plans to reduce water consumption

Note: Full report available on main website and at [travelodge.co.uk/investors](https://travelodge.co.uk/investors)



# 7 Experienced Management Team with Solid Track Record of Delivering Operational and Financial Improvements

Highly experienced and efficiently organised management team leading c.12,000 employees

**>50**  
Combined years of experience at Travelodge



**Jo Boydell**  
Chief Executive Officer

Previous Experience:



10



**Martin Robinson**  
Chairman

Previous Experience:



2



**Claire Good**  
Chief Operating Officer

Previous Experience:



7



**Aidan Connolly**  
Chief Financial Officer

Previous Experience:

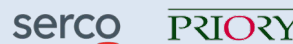


10



**Andy Martin**  
Corporate Finance Director

Previous Experience:



6



**Steve Bennett**  
Chief Property & Development Officer

Previous Experience:



3



**Katherine Thomas**<sup>1</sup>  
Company Secretary and General Counsel

Previous Experience:



7



**Karen Broughton**  
Chief Sales & Marketing Officer

Previous Experience:



9



**Tom Edwards**  
Chief Revenue Officer

Previous Experience:



9



**Hannah Thomson**  
Chief People Officer

Previous Experience:



7



**James Hellewell**  
Chief Technology Officer

Previous Experience:



5

# Years at Travelodge

Note: (1) On maternity leave, covered by Jean-Paul Rabin

# 8 Clear and Significant Opportunities for Further Growth

Number of near-term and highly actionable opportunities for Travelodge to unlock growth and accelerate the strong performance track-record of the existing estate

## Opportunities for Future Growth

### ACCELERATE DEVELOPMENT

- UK “White Space” offers expansion opportunity – potential for 300 locations / 21k+ keys in next 15 years
- Further expansion opportunity in Spain and possibly Ireland under existing development model
- Solid track record of performance in new openings to date

- Ability to gain further leasehold properties through a combination of additional capital contributions and improved covenant
- Expected decline in independents, representing 40% of MS&E segment, presents a significant incremental opportunity

Expecting to Open approximately 80 Further Hotels by 2027<sup>1</sup>



80

New Hotels expected to open over the next 5 years as market conditions improve



300

Locations identified targeted across the UK

### Low Capex Development model

#### Development Model

Travelodge identifies site and puts out RFP to developers

Developer builds to Travelodge specs and incurs full cost of construction

Travelodge confirms requirements met and signs lease

Developer sells to high quality institutional or private buyer

Travelodge begins operations and pays ongoing maintenance capex

- Long-term leases, typically 25 years, though can be 35 years or occasionally longer in London and key city centre locations
- Typically standard 5-yearly, inflation based (UK RPI or CPI), upwards only rent reviews (some with caps and collars)
- Average remaining lease term c.18 years<sup>2</sup>
- Majority with favourable extension rights
- Allows Travelodge to expand portfolio with low upfront capital expenditure - majority of construction and fit out costs funded by the freehold owner or developer

Notes: (1) Company's projections and forecasts are based on assumptions that may change or not materialize and as such no reliance should be placed on such projections and forecasts. For more information, refer to the risk factors of the preliminary offering memorandum relating to the proposed offering of securities by the Company; (2) As of 31st December 2022. Undiscounted minimum commitments, excluding renewal rights but including LXI regear completed in January 2023 (adjusting for LXI regear increases lease term average to c18 years)