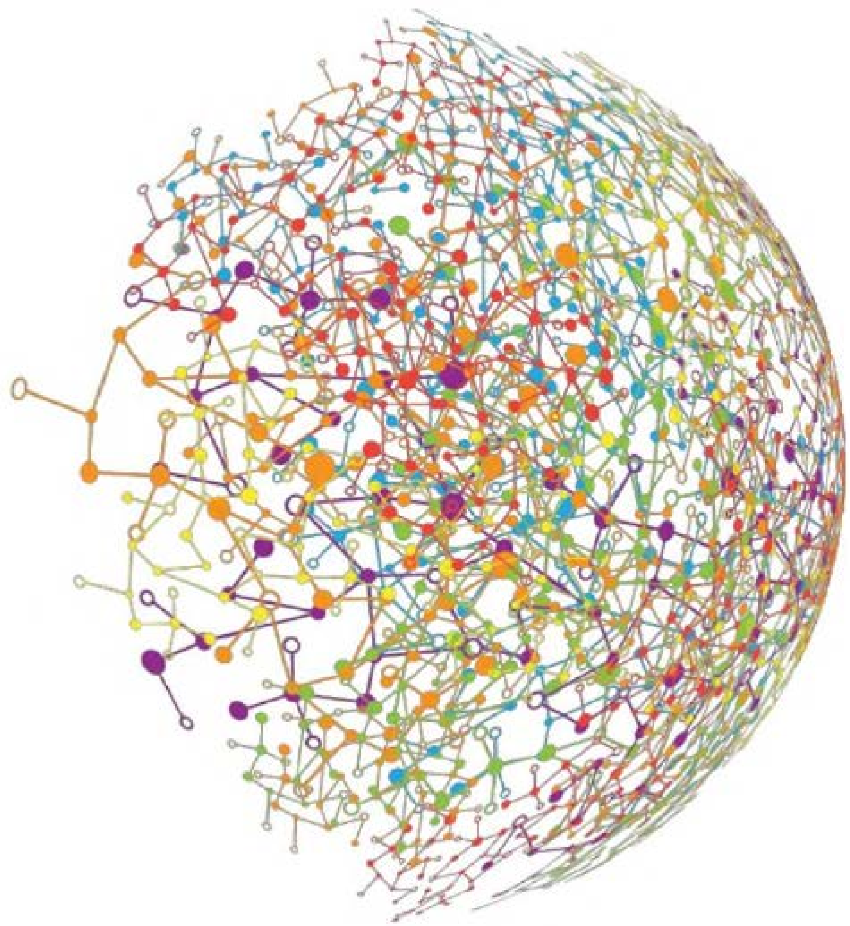
Deloitte.



COVID-19 hospitality sentiment survey

Key findings

28 May 2020

Introduction

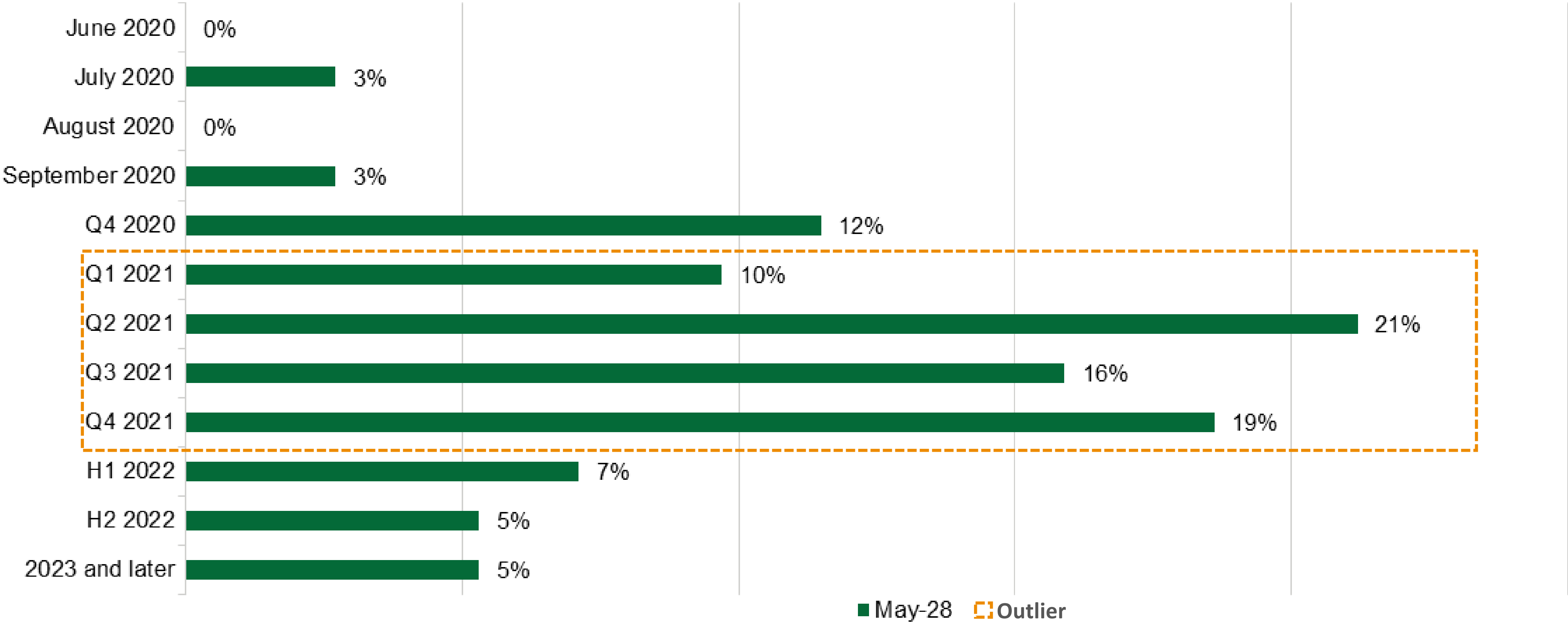
To help identify the business impact of COVID-19 in the hospitality industry, Deloitte is conducting a periodic survey of sentiment from senior figures in international hospitality

- These are the key findings from the Deloitte Hotel Sentiment Survey, conducted between March and May 2020, as part of the annual European Hotel Industry Conference. The findings are based on the responses of 113 senior figures in international hospitality
- The findings in this document represent the seventh survey conducted during the week of May 25, 2020
- Stay tuned for our next set of COVID-19 hospitality sentiment survey findings and please contact: EHIC@deloitte.co.uk to sign up

Survey responses

Length of the disruption to the hospitality sector

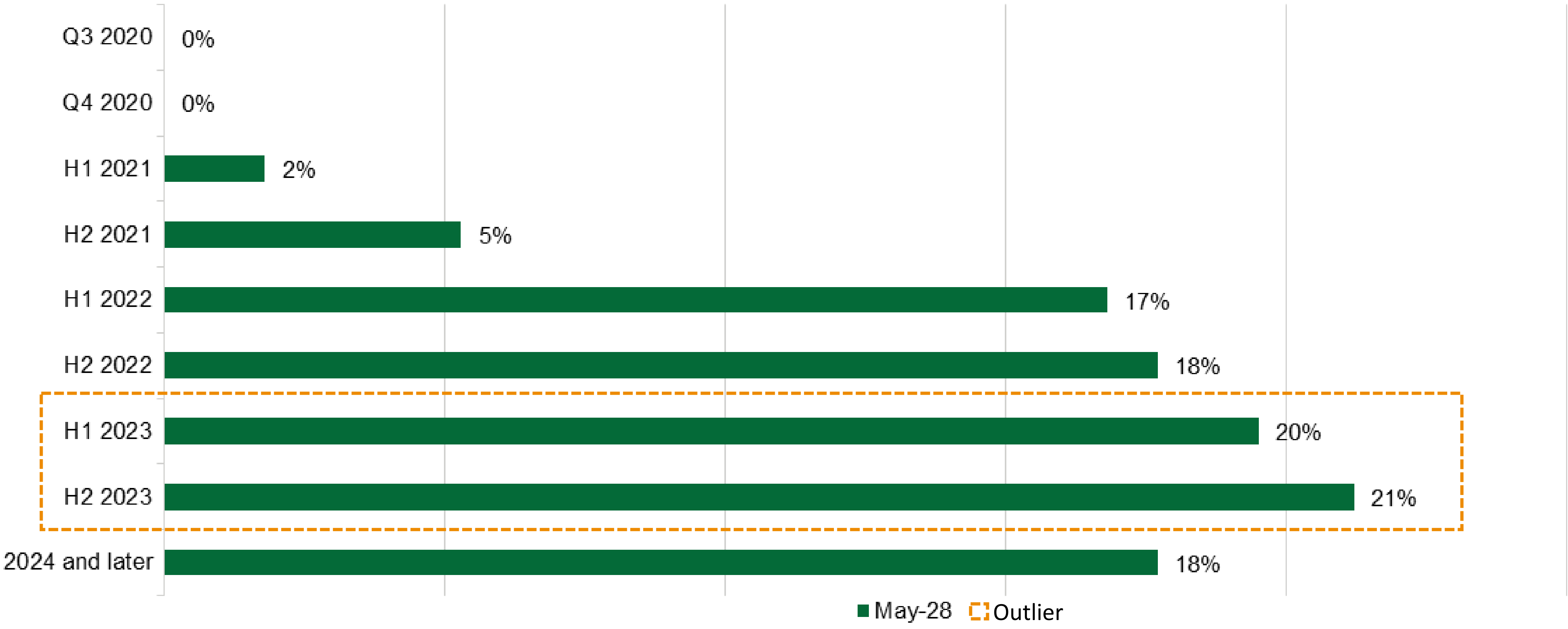
66% of respondents expect the disruption to continue into 2021, with 17% believing it will last even longer until 2022/2023



Q1: How long do you expect material disruption to the hospitality sector to last until?

Hotel industry's recovery speed

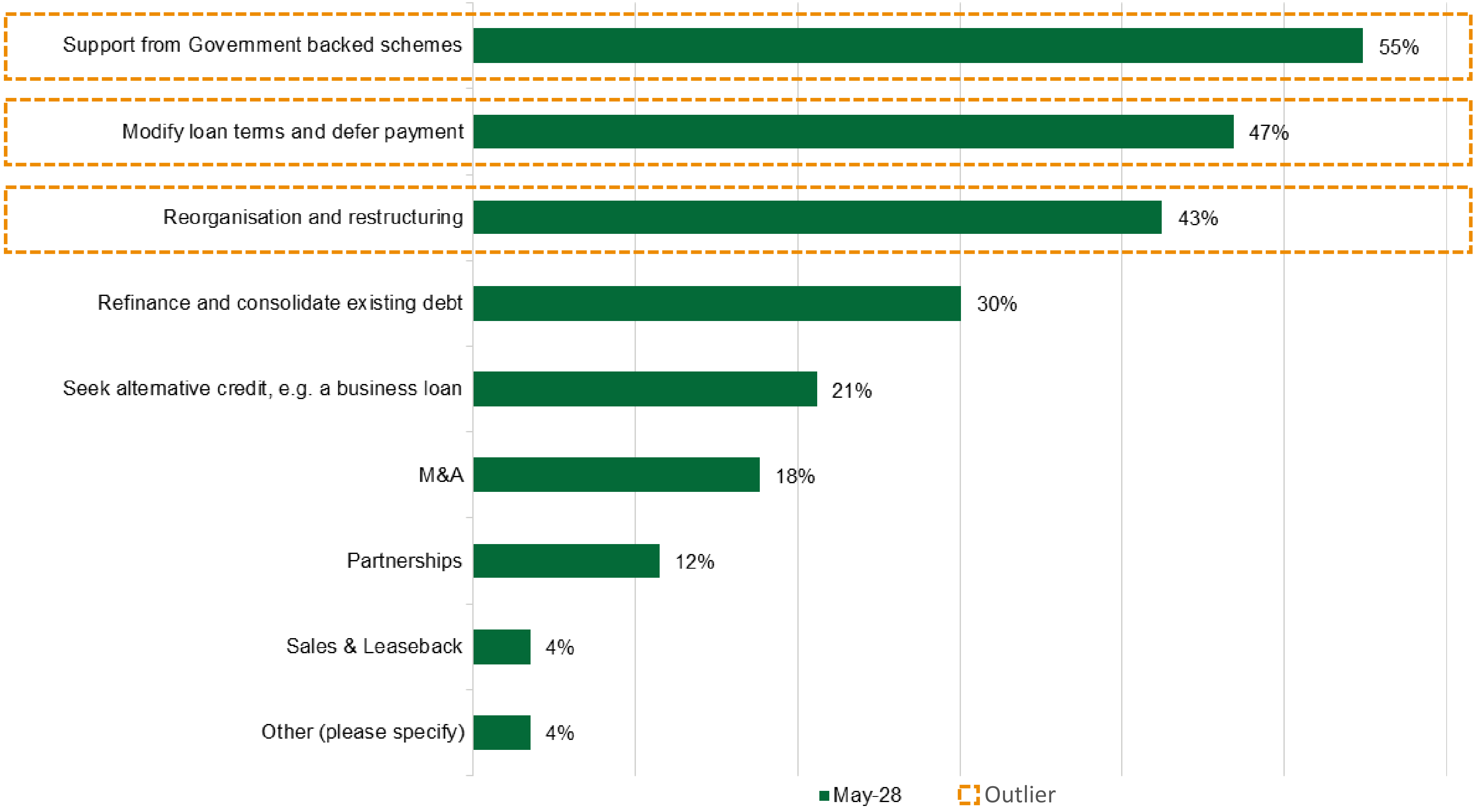
35% of respondents believe that performance will not return to 2019 levels until 2022 with the majority (41%) predicting this will not return until 2023. A further 18% believe recovery will not be seen until 2024 or later



Q2: When do you think that hospitality industry performance will return to 2019 levels?

Financing considerations

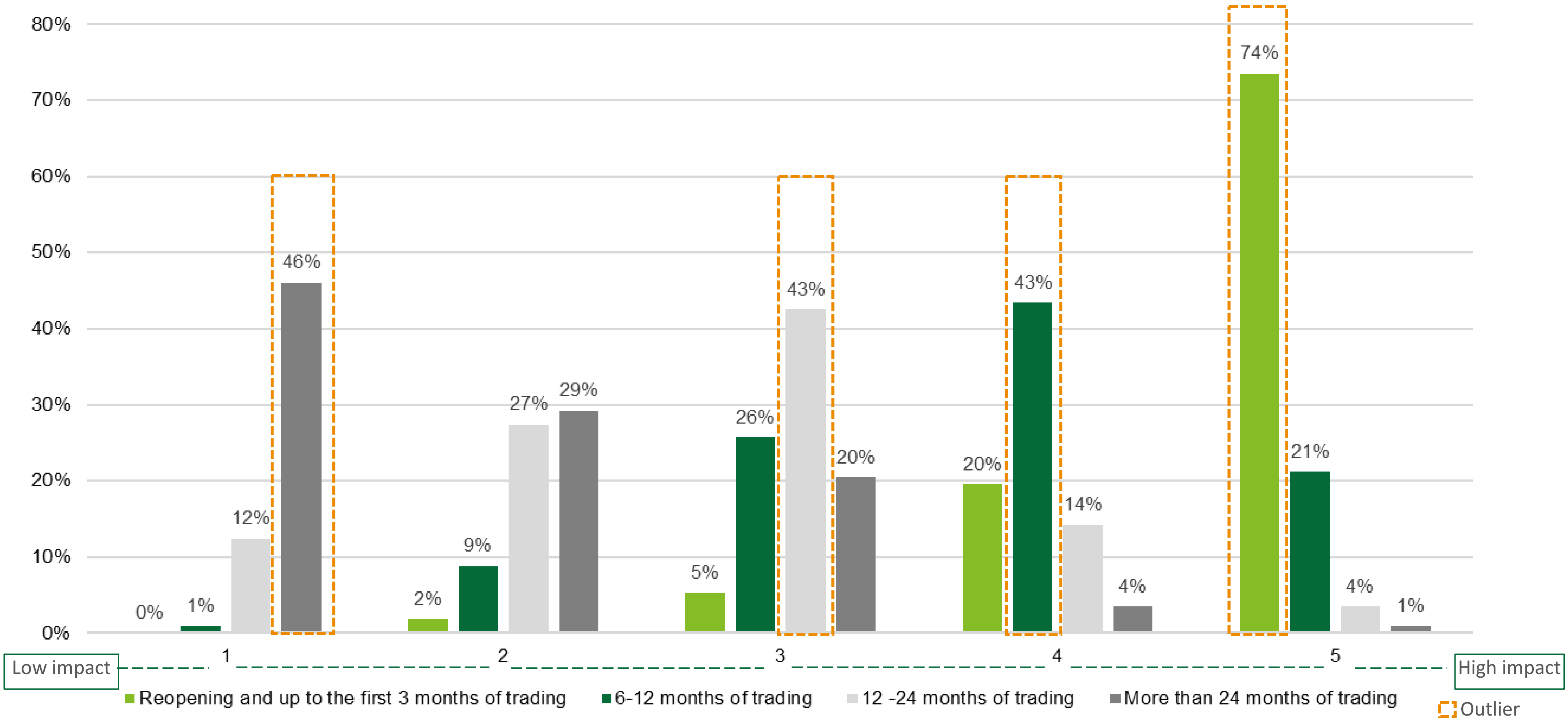
More than half of respondents are currently utilising support from government-backed schemes. 47% are modifying their loan terms and deferring payments while 43% are considering reorganisation and restructuring



Q4: What financing strategic options are currently being considered/utilised?

Impact of social distancing and hygiene practices on profitability

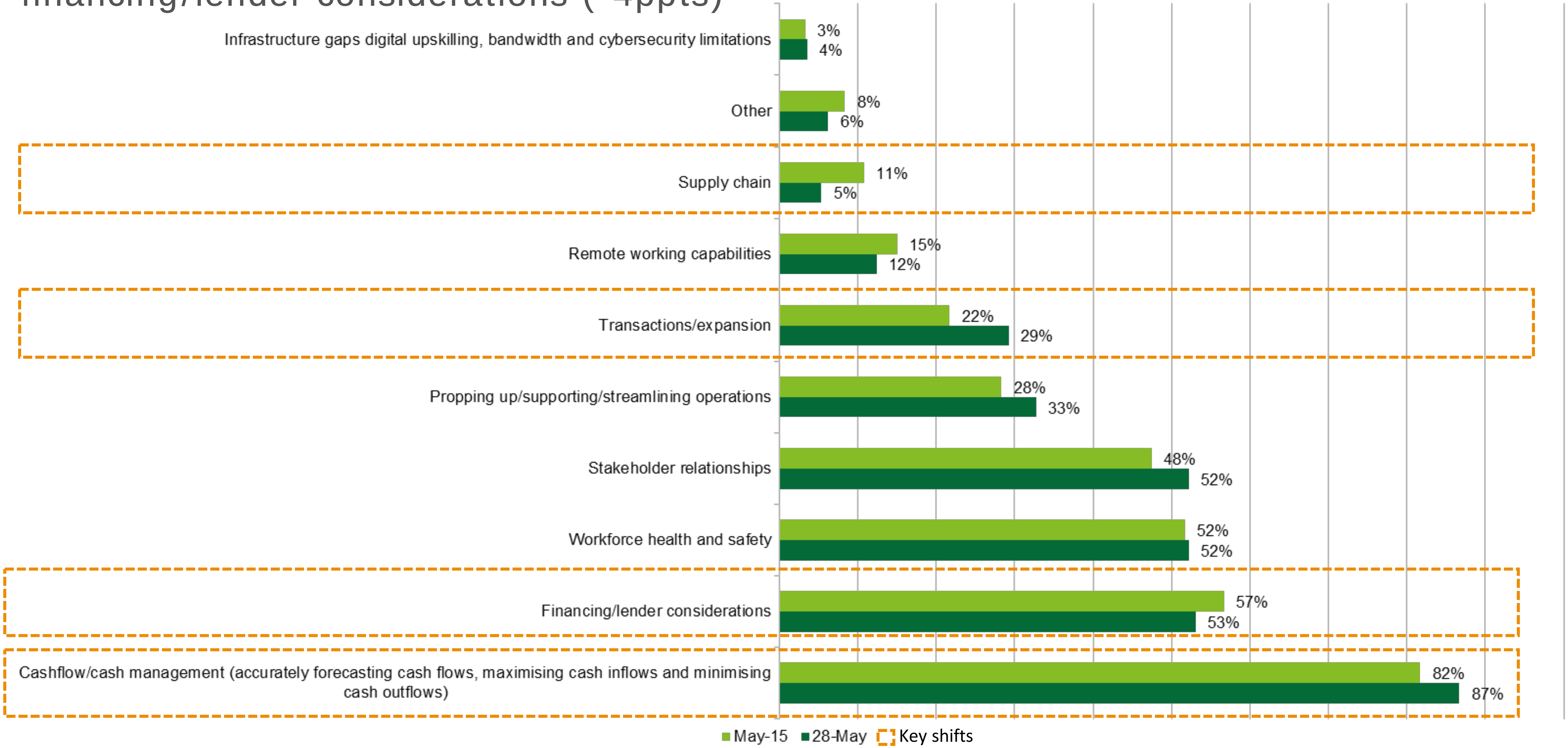
74% of respondents believe that social distancing and hygiene practices will have a high impact on the profitability in the first three months of trading with 21% expecting this to continue to have a high impact and 43% expecting a medium to high impact within 6-12 months of trading. The majority still expect a medium level impact to profitability in 12-24 months of trading



Q5: To what extent do you expect social distancing/hygiene practices to impact profitability?

Current key priorities

Respondents will continue to prioritise cash management as a number one priority over the next 4 weeks with it's importance having risen over the past 2 weeks (+5ppts). More attention over the next month will also be given to transaction / expansion (+7ppts) at the expense of supply chain management (-6ppts) and financing/lender considerations (-4ppts)



Q3: What are your key priorities over the next 4 weeks? (choose at least 3)

Contacts

Please reach out if you have any questions

Andreas Scriven
Lead Partner – Hospitality & Leisure
Email: ascriven@deloitte.co.uk
Tel: +44 7795640463
Linkedin: https://www.linkedin.com/in/andreas-scriven-THL

Nikola Reid
Director & Head of Hospitality Advisory UK
Email: nreid@deloitte.co.uk
Tel: +44 7867500631
Linkedin: www.linkedin.com/in/nikola-reid-THL

Deloitte.

Deloitte.