

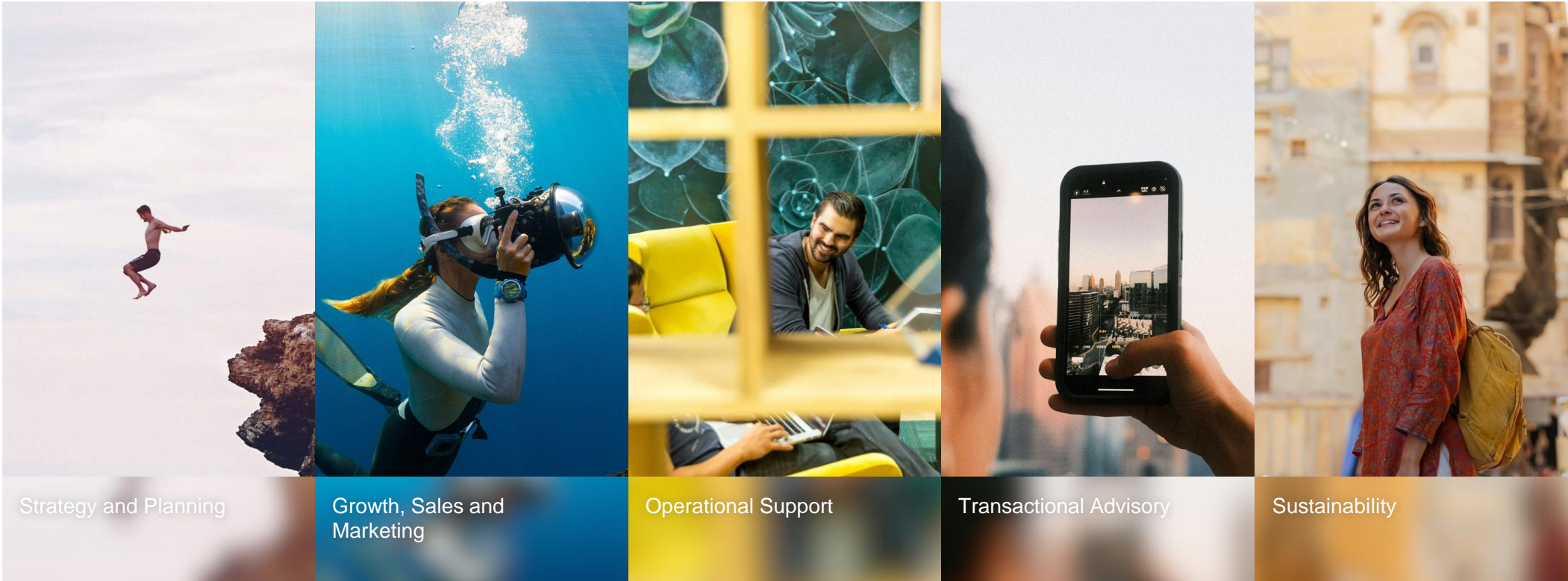
Market Trends and Future Outlook

Agile Partnerships, Lasting Impact – IHG Owner and Investor
Conference, UK&I

4 June 2025

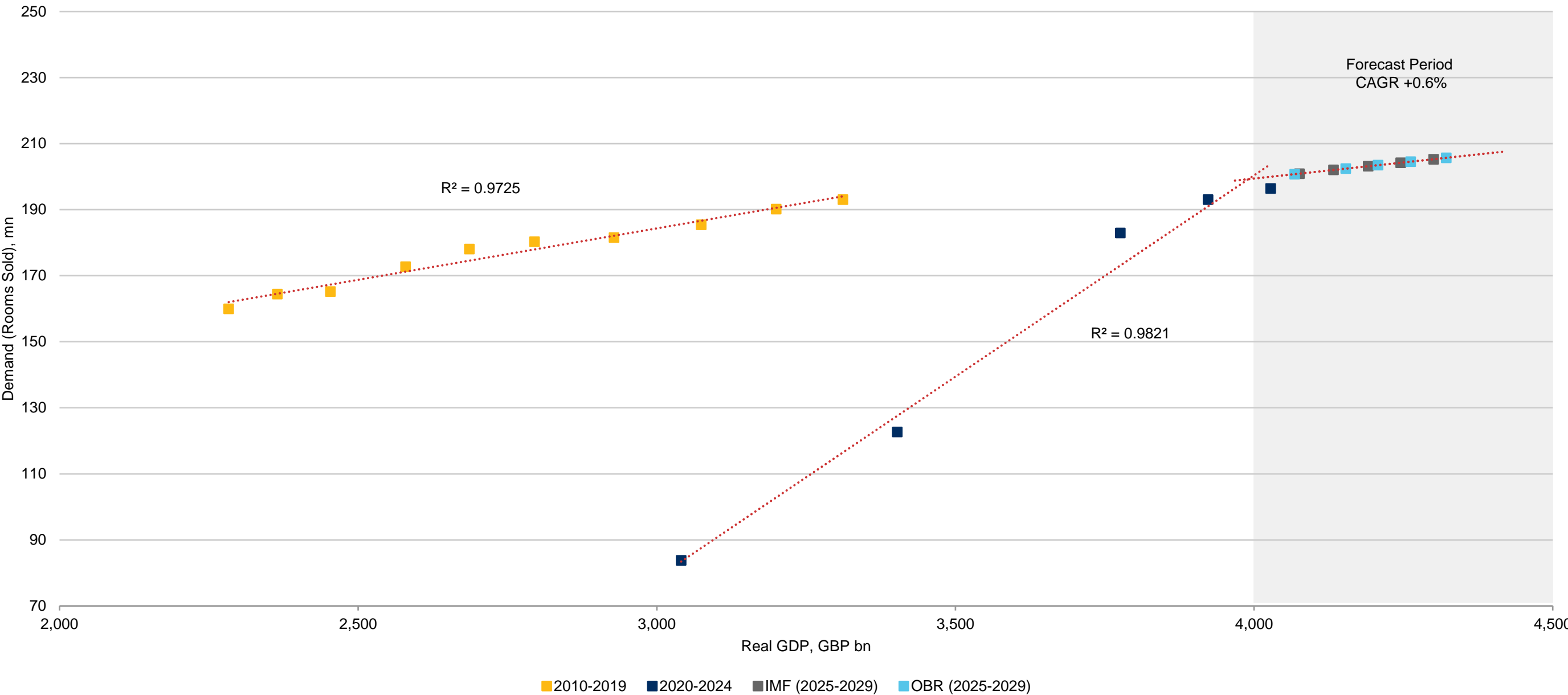
A Focus on Strategic Business Advisory

Creative solutions for a complicated world



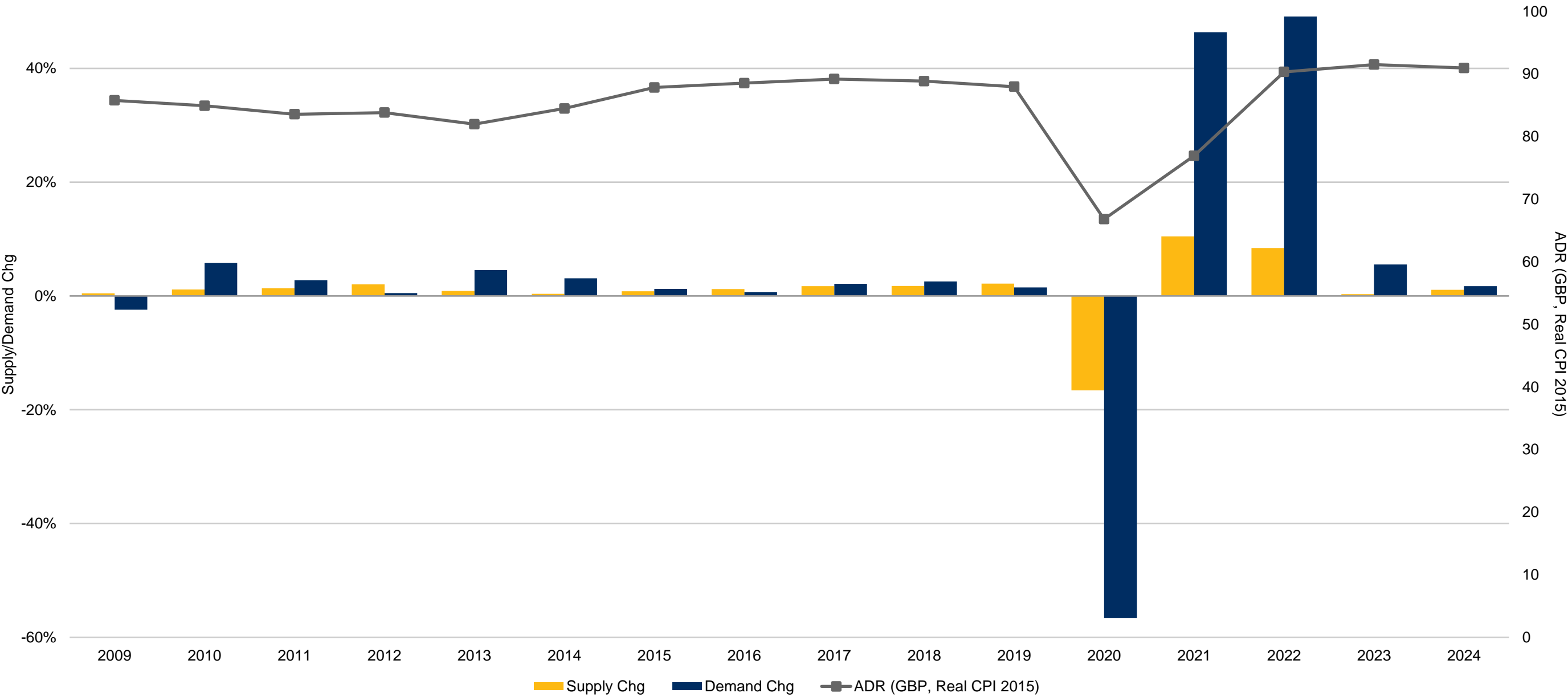
UK Demand Forecast: Positive Momentum, Moderate Pace

Source: Global Data, IMF, OBR, HHTL Analysis



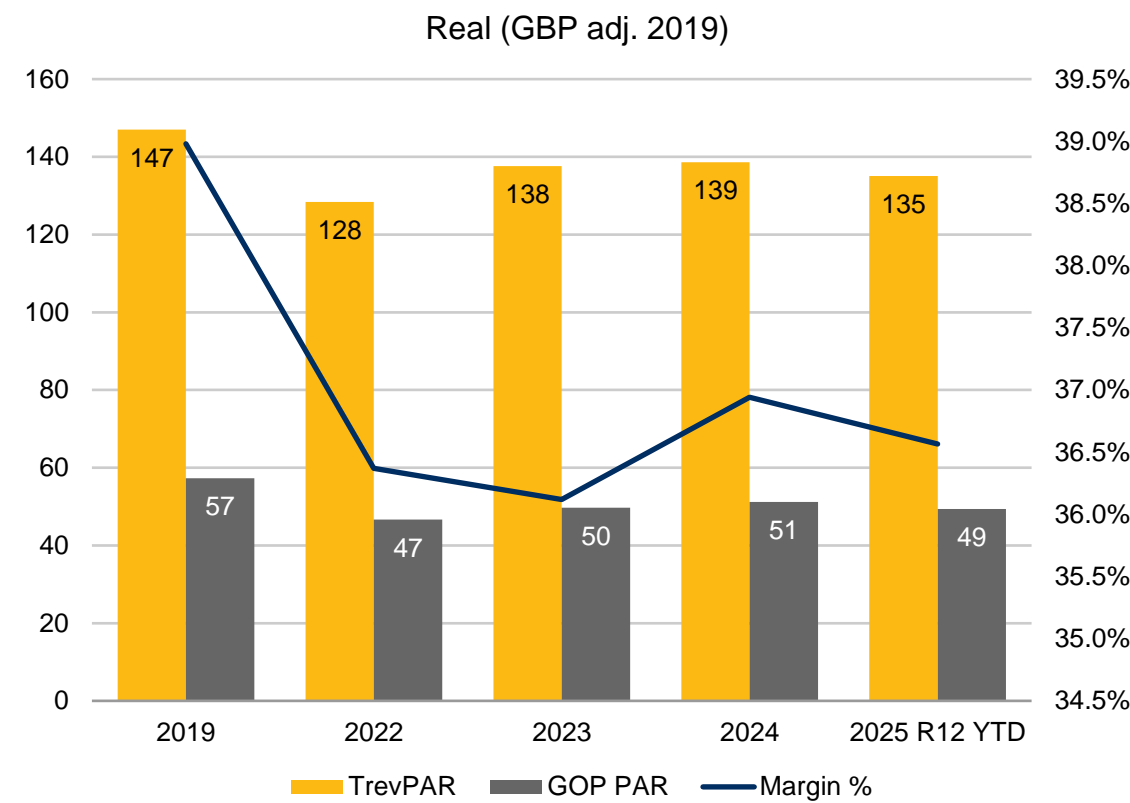
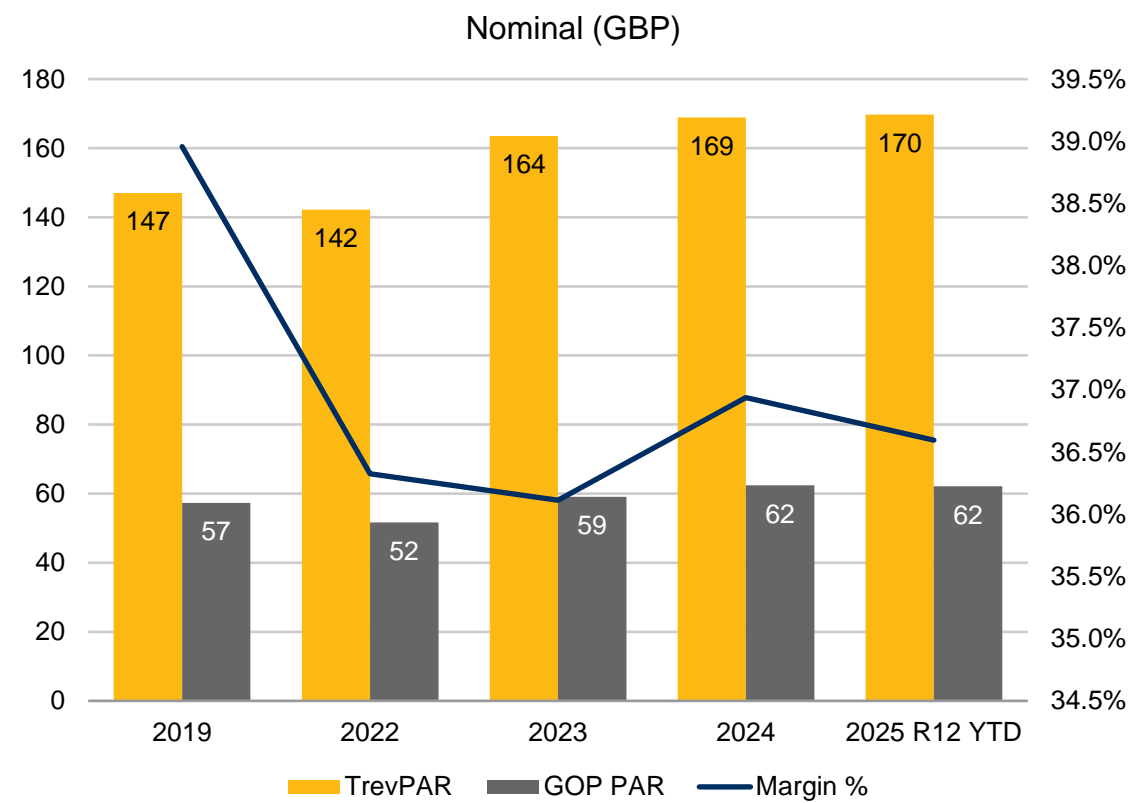
Elasticity and Resilience: The Inflationary Hedge Advantage

Source: Global Data, ONS, HHTL Analysis



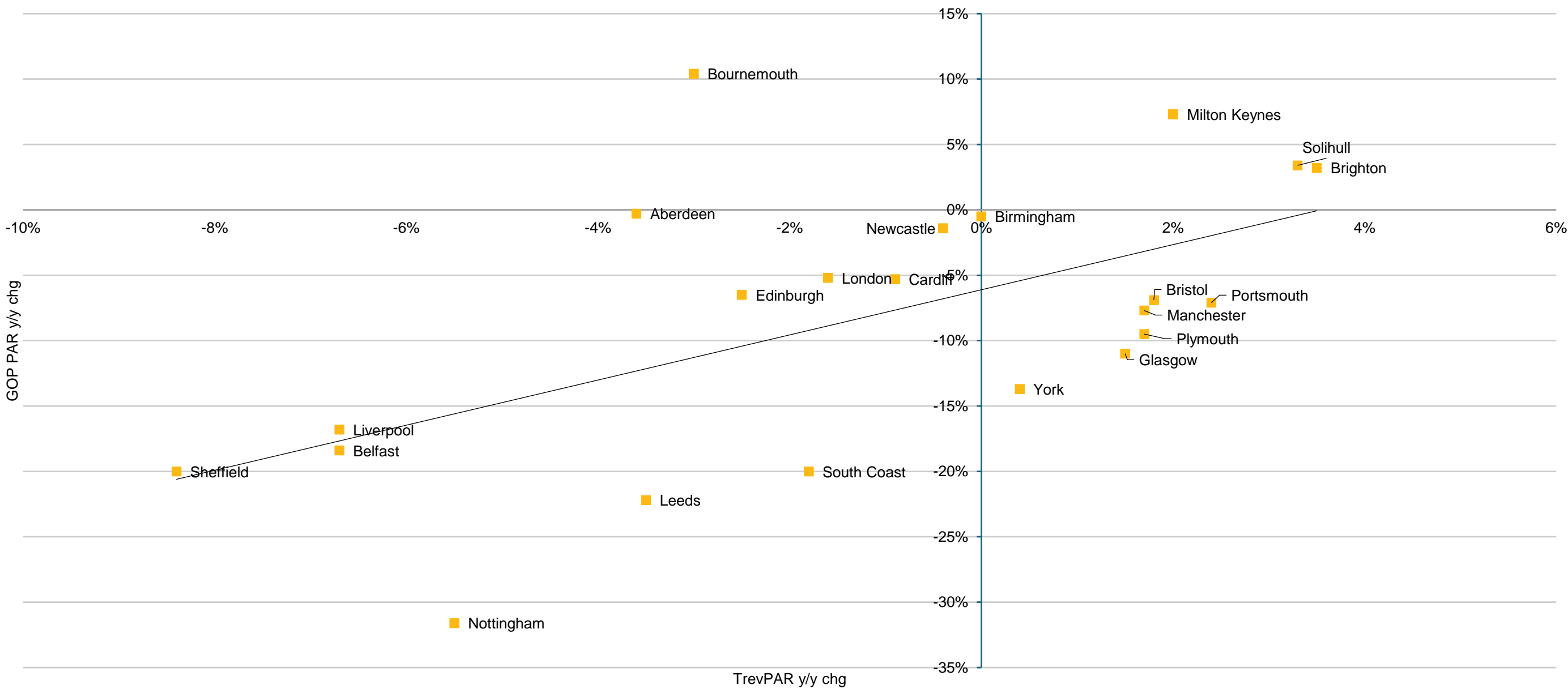
Stronger Rates, Weaker Profits: The Inflation Paradox

Source: HotStats, ONS, HHTL Analysis



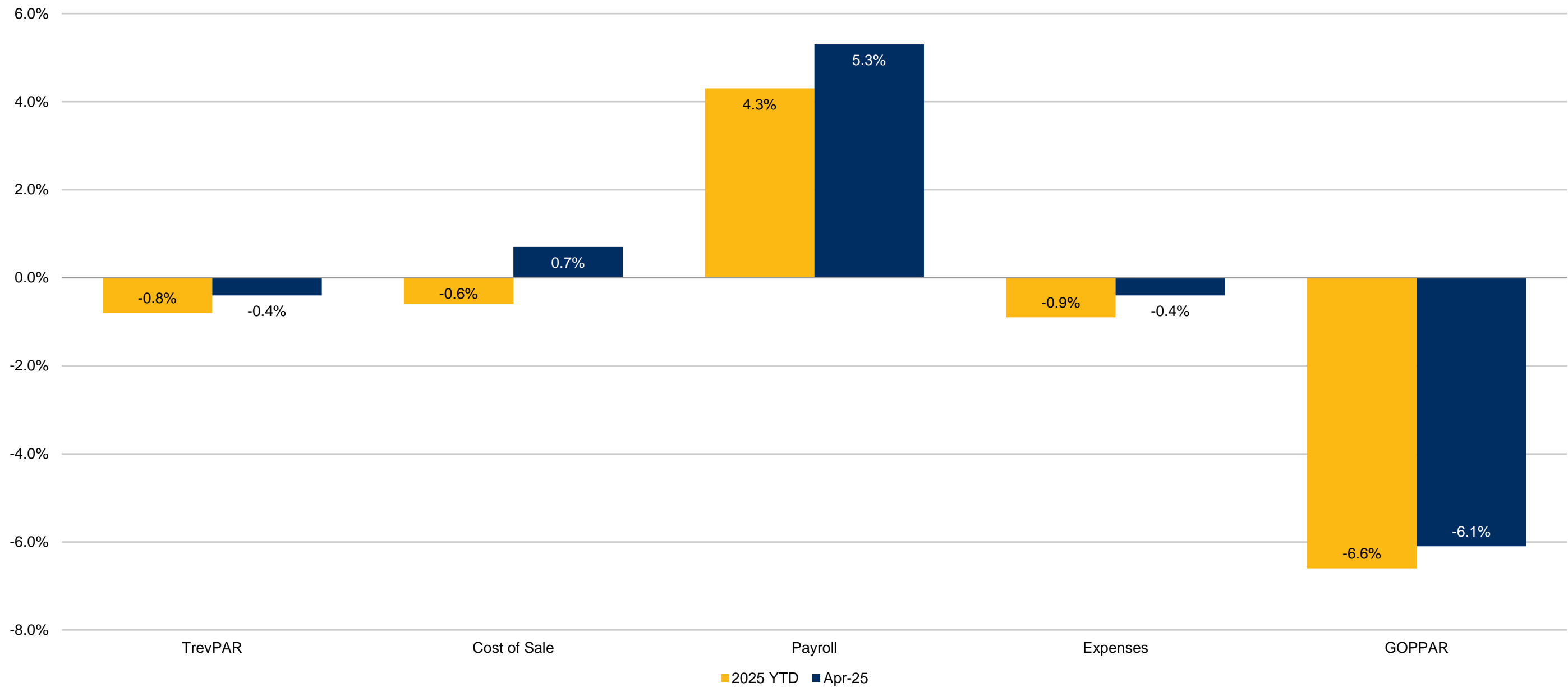
Top-Line Gains, Bottom-Line Pains: A Call for Real Action

Source: HotStats, HHTL Analysis.



Payroll Costs Surge as Wage & Tax Changes Bite

Source: HotStats



Guests Are Paying to Play, Park, and Unwind

Source: HotStats, Revenue POR R12 YTD

+12%

Golf

+10%

Wellness

+11%

Parking

+2%

Food & Beverage

+2%

Conference & Events



Value for Experience

Delivering memorable, differentiated experiences can build brand equity, community goodwill, and commercial return



Localisation

- Cultural relevance
- Community Engagement
- Contextual Design



Personalisation

- Data-Driven Insights
- Customised Services
- Emotional Connection



Activation

- Programming and Events
- Sensory Stimulation
- Interactivity

But the Basics Still Matter

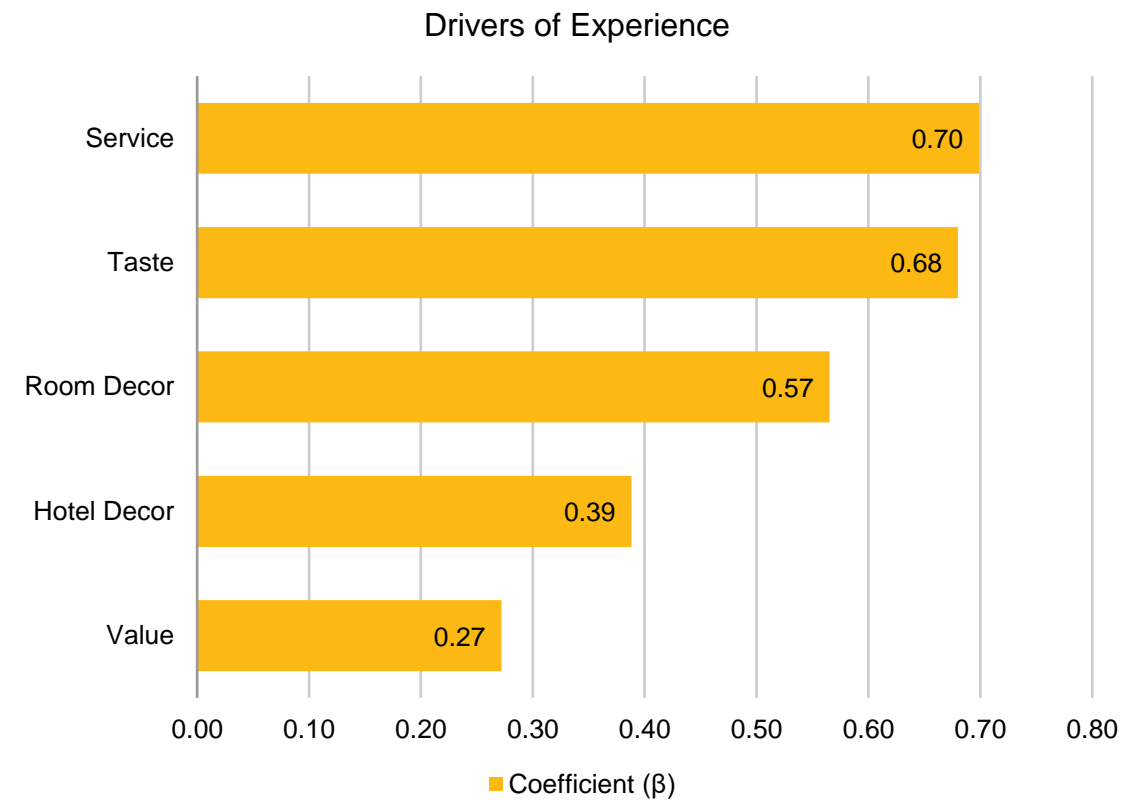
Source: Sorrel.ai, HHTL analysis

Innovative strategies like localisation, personalisation, and activation increasingly drive incremental revenue

However, the guest experience also remains firmly rooted in tangible elements such as service quality and the hotel fit-out and condition

Limited relationship between experience and value implies:

- Focusing solely on enhancing the guest experience doesn't guarantee increased perception of value or willingness to pay more.
- Hotels need to communicate the value proposition clearly, linking the emotional and sensory benefits of the experience to pricing, deals, or loyalty programs.
- Pricing strategies, tailored promotions, and transparency become crucial to bridge the gap between experience quality and perceived value.
- Understanding your customer segments helps tailor both experience enhancements and pricing/value communication to meet their specific expectations.



Demand Outlook: Positive momentum with moderate growth expected.

Pricing Power: Inflation-beating price increases achieved through demand growth exceeding supply expansion.

Profitability Pressure: Rising cost inflation, driven primarily by payroll, is constraining real profit growth despite some easing in other expenses.

Ancillary Growth: Golf and wellness show strong growth potential, though margins remain modest.

Experience Economy: Consumers increasingly value localisation, personalisation, and activation—key levers to drive differentiated performance.

Back to Basics: Core experience drivers like service quality and decor remain essential foundations.

Maximising Revenue: Leveraging experience into premium pricing requires deep customer insight and clear, compelling communication of value.



Let's Get Started



Thank You

Agile Partnerships, Lasting Impact



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