

EVALUESERVE

Hotel Industry Update

COVID-19 Impact



Inflow of customers drives the Hotel industry. Decline in inflow due to postponement or cancellation of corporate travel – meetings, incentives, conferences, and exhibitions (MICE) – due to Covid-19 have significantly reduced occupancy levels. Travel restrictions are adding to the slump in demand from both business and leisure travelers, and the fear of infection is keeping people from traveling. This is likely to continue even after the spread is contained. With the fall in occupancy rates lowering margins, hoteliers might decide to reduce room rates to attract customers. However, even bargain fares are less likely to entice those who are scared to travel.

Business

The global Business travel sector is expected to take a revenue hit of about USD820bn, with Asia expected to bear the brunt.



MICE

Major events stand cancelled or postponed, including:

- Dubai Expo 2020
- Mobile World Congress Barcelona
- Google I/O



Consumer

UNWTO estimates global international tourist arrivals to reduce 20-30%, compared to an estimated growth of 3-4% forecast in early January 2020, leading to a loss of USD300-450bn in international tourism receipts.



Other Events

Numerous sporting events stand cancelled or postponed:

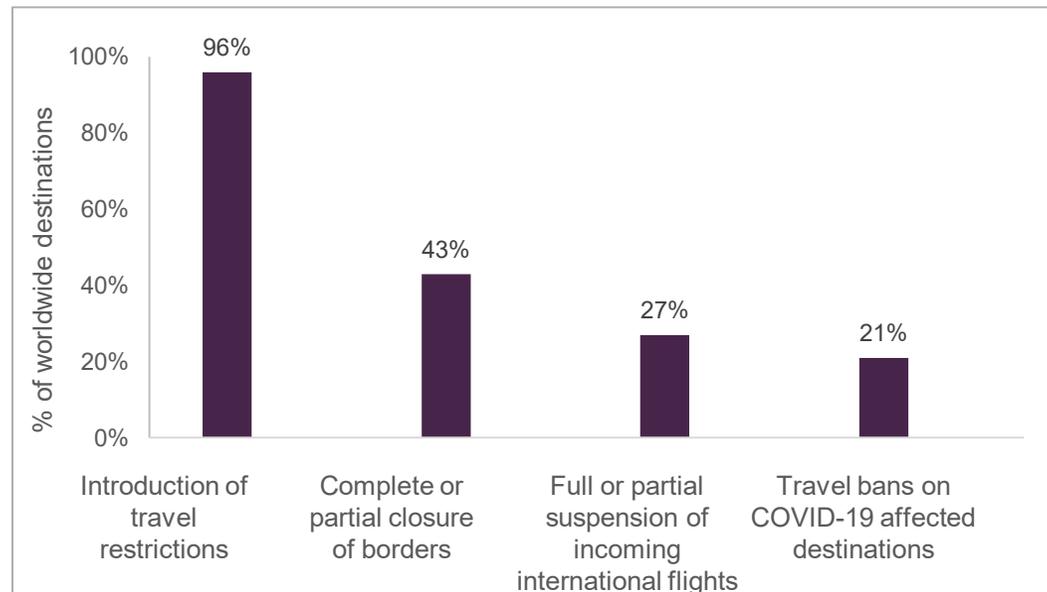
- Tokyo Olympics
- Tennis: Wimbledon, French Open, etc.
- Others: Football leagues, NBA, IPL, etc.
- NBA (2019-20) season



Impact of the novel coronavirus on the hospitality sector is severe...

- Large-scale quarantines; travel restrictions; postponement and cancelation of events, conferences, conventions, and sports leagues is immediately driving down travel and tourism for business and pleasure. Most global destinations have some form of travel restrictions in place.

Chart 1: Type of travel restrictions as of 6 April



Source: [UNWTO](#)

...with the worst-hit countries being an important part of world tourism...

A total of 213 countries, areas or territories have reported cases of COVID-19, of which the top-ten affected countries have 36% share of world tourist arrivals, deepening the impact on hospitality industry. The share of world tourism receipts and expenditure in these hardest hit nations are 40% and 50%, respectively.

Table 1: Countries with most COVID-19 confirmed cases as of 14 April 2020

Countries with highest COVID-19 confirmed cases	Share of World Tourist Arrivals (%)	Tourism Share of Exports in the Country (%)	Share of World Tourism Receipts (%)	Share of World Tourism Expenditure (%)
United States	5%	10%	15%	10%
Spain	6%	16%	5%	2%
Italy	4%	8%	3%	2%
Germany	3%	3%	3%	7%
France	6%	8%	4%	3%
United Kingdom	3%	6%	4%	5%
China	4%	1%	3%	19%
Iran	1%	5%	0%	1%
Turkey	3%	17%	2%	0%
Belgium	1%	2%	1%	1%
Total	36%		40%	50%

Source: [UNWTO](#)

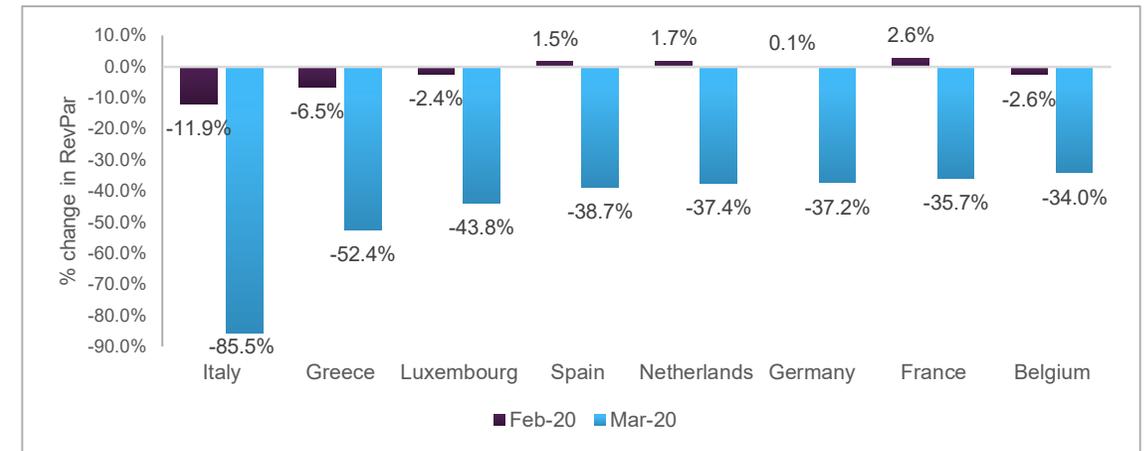
...and metrics like occupancy rates, RevPAR and ADR continue to deteriorate due to the ongoing pandemic...

Table 2: Occupancy % change vs prior year, Week of the 9-15 March 2020

Italy -93%	Romania -67%	Israel -59%	Spain -50%	Laos -43%	Lithuania -39%	UK -23%
Lebanon -77%	Singapore -66%	Estonia -58%	Netherlands -50%	Tunisia -43%	The UAE -37%	Latvia -23%
South Korea -75%	Bahrain -66%	Cambodia -57%	Germany -50%	Sri Lanka -43%	Ethiopia -33%	Indonesia -23%
Greece -75%	Saudi Arabia -65%	Poland -56%	Myanmar -49%	Egypt -43%	Turkey -33%	South Africa -22%
Kuwait -73%	Czech Rep. -64%	France -55%	Philippines -49%	Ireland -41%	Finland -32%	Australia -17%
China -72%	Japan -64%	Hungary -55%	Kenya -46%	Ukraine -41%	Canada -28%	New Zealand -15%
Croatia -71%	Georgia -61%	Switzerland -55%	Sweden -45%	Ghana -41%	US -27%	Mexico -15%
Slovakia -70%	Austria -60%	Serbia -55%	Malaysia -45%	Tanzania -40%	Maldives -26%	Brazil -11%
Slovenia -68%	Belgium -60%	Thailand -53%	India -44%	Portugal -39%	Qatar 26%	Seychelles -6%
Vietnam -67%	Bulgaria -60%	Denmark -51%	Oman -43%	Morocco -39%	Russia -25%	

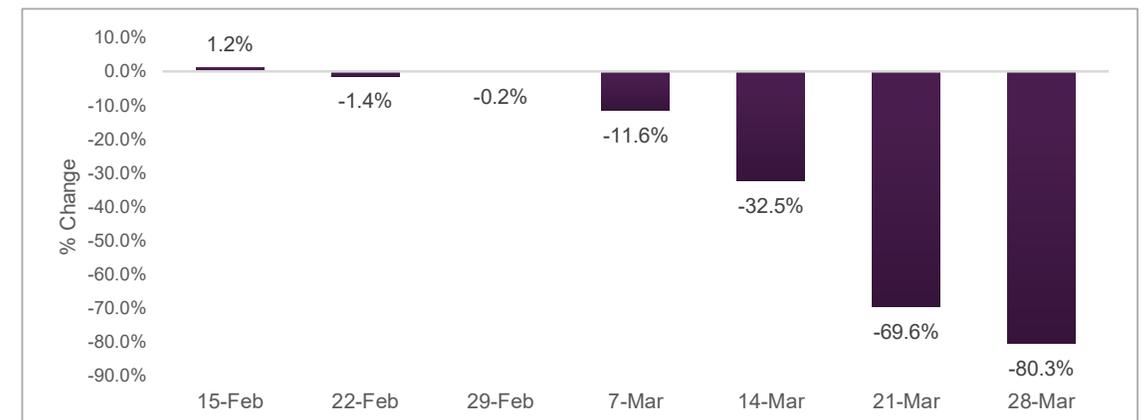
Source: Atomize

Chart 2: Change in RevPar in Europe on monthly basis



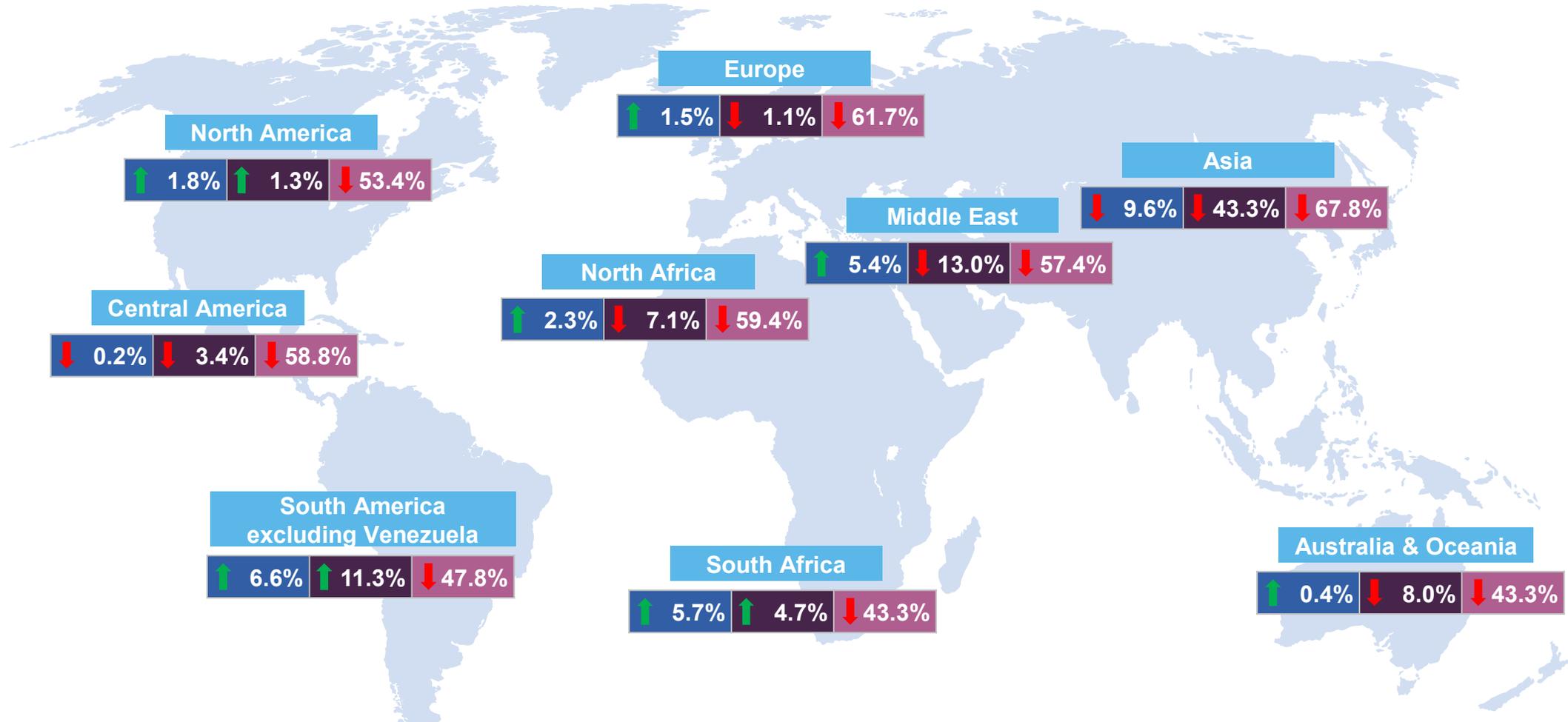
Source: STR

Chart 3: Change in RevPar in US on weekly basis



Source: STR

Monthly Global RevPAR % Change - Deteriorating trends



...triggering unprecedented layoffs and furloughs...

- Lodging owners are pulling guidance and cutting expenses as the spread of the virus slashes hotel demand.
- An estimated 1.73m direct hotel jobs and 6.5m total jobs in the US could be eliminated due to a 50% decline in occupancy.

...as industry outlook remains bleak...

- In anticipation of the continuation of the virus spread, forward-operating metrics of hotels have also collapsed. The US hotel industry's RevPAR is projected to decline by more than 50%.

Table 3: Impact of drop in US Occupancy % on Jobs and Wages

Impact	Percentage drop in occupancy rate (from average of 66%)			
	-20%	-30%	-40%	-50%
Total Business Sales	-USD370bn	-USD558 bn	-USD740bn	-USD925bn
Direct hotel jobs	-690,000	-1.04m	-1.38m	-1.73m
Total Jobs*	-2.6m	-3.9m	-5.2m	-6.5m
Wages	-USD120bn	-USD180bn	-USD240bn	-USD300bn

* Total jobs including supply chain

Source: [Oxford Economics](#)

Table 4: US Hotel Industry Outlook

Particulars	2020	2021
Supply	↓ 14.9%	↑ 15.6%
Demand	↓ 51.2%	↑ 81.8%
Occupancy	↓ 42.6%	↑ 57.3%
ADR	↓ 13.9%	↑ 3.7%
RevPAR	↓ 50.6%	↑ 63.1%
Updated Occupancy	37.90%	59.70%
Updated ADR (Average Daily Rate)	\$112.91	\$117.05
Updated RevPAR	\$42.84	\$69.86

US hotel industry revised year-over-year projections including the Covid-19 effect.

Source: [STR](#)

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The Google Search trend shows that the number of times the word "hotel" was searched has reduced drastically and was at an all-time low in the past 15 years, including the global financial crisis period. This shows that people are very apprehensive about booking hotels in the near future.

The net sentiment index shows a sharp downward trend in the overall travel sentiment.

*Google Trends is a search trends feature that shows how frequently a given search term is entered into Google's search engine relative to the site's total search volume over a given period of time. The numbers represent the search interest relative to the highest point on the chart for the selected region and time. A value of 100 is the peak popularity of the term, whilst a value of 50 means that the term is half as popular.

*Net Sentiment Index measures the polarity of web social conversations (positive and negative) in relation to the sector.

Chart 4: Google search trend for "Hotel" worldwide



Source: [Google Trends](#)

Chart 5: Net Sentiment Index in Hospitality sector



Source: [Travelsat](#)

Macroeconomic

Labor Force and Unemployment: According to current estimates, the number of job losses at the end of 2020 due to coronavirus is 25m, and this number is likely to increase. Majority of these workers will be in the hardest hit sectors, including accommodation and lodging [1]

Global Uncertainty: The World Pandemics Uncertainty Index, developed by the IMF, is at a record high due to COVID-19, beating the uncertainty around other pandemics in the past. [2]

Manufacturing Activity: Global PMI activity is deteriorating across, with the global PMI less than 50, suggesting contraction of the global economy [3]

Qualitative

Spending Priority: Global spending pattern is set to experience a shift in spending, with lower spending on travel and leisure. [4]

Hotel business downturn: Decline in tourist arrivals, MICE activities and lower corporate travel will hit overall occupancies. The fall in occupancies will push operating costs, thereby eroding margins. The sector faces almost full closure in some countries.

Consumer Confidence: Consumer confidence is abysmally low due to fear of traveling, and this is likely to continue even after the spread is contained. Even bargain fares are less likely to entice those who are scared to travel. The duration of this impact is yet to be assessed. [5]

Quantitative

Decline in tourist arrivals: UNWTO projects 2020 global tourist arrivals could decline 20%-30%, compared to an estimated 3-4% growth forecast in January 2020. [6]

Occupancy decline: Hotel Occupancy has deteriorated globally. Italy is the worst-affected country, witnessing a 93% decline during the week of 9-15 March, compared to the same period last year. [7]

Layoffs: Accommodation and food services accounts for 144m jobs globally and is severely hit due to Covid-19, with Asia the worst-affected continent. McMenamins, the Northwest's largest hotel chain, laid off 3,000 employees. Pebblebrook Hotel Trust laid off 4,000 workers and may need to lay off an additional 2,000. Landry's Inc. has temporarily laid off 40,000 workers. [8] & [9]

Rating Action: Rating agencies have geared up for mass downgrades. S&P has taken rating action on 60 hotel and gaming companies, which were either downgraded or saw a downward revision in outlook. [10]

Declining Indices: Baird/STR Hotel Stock Index (benchmark for the US Hotel industry) has declined over 45% YTD (as of 22 April 2020). [11]

Source: [1] ILO [2] IMF [3] Bloomberg [4] BCG [5] HM [6] UNWTO [7] Atomize [8] Weforum [9] Forbes [10] S&P [11] HNN

- The travel & tourism industry accounts for 10.4% of global GDP, is directly responsible for generating one in 10 of the world's jobs and has outpaced growth in global economy for eight successive years.
- Currently, it is one of the hardest-hit by the COVID-19 outbreak, putting up to 75m jobs at risk, with travel likely to fall by a quarter this year, as estimated by the World Travel & Tourism council (WTTC).
- UNWTO projects global tourist arrivals could decline 20% to 30% in 2020, compared to an estimated growth of 3% to 4% forecast in January 2020, implying that five to seven years of growth will be lost.
- The effect of COVID-19 on international tourism is expected to be the largest, surpassing the scenarios of 9/11 and the global economic crisis of 2008-09.
- In a worst-case scenario, the overall decline would result in a loss of USD300bn to USD450bn in international tourism receipts (exports) – almost one-third of the USD1.5tr generated globally.

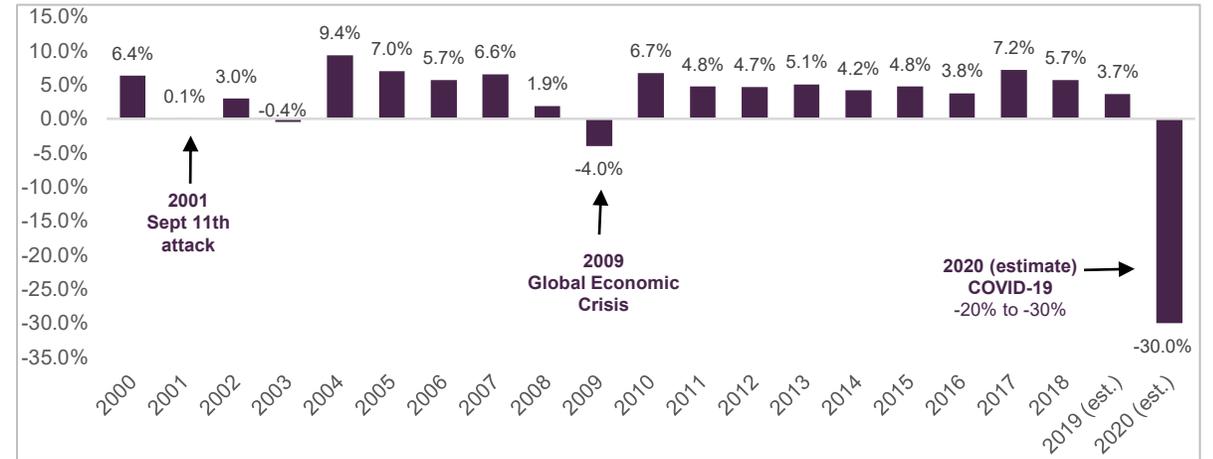
Source: [UNWTO](#)

Table 5: Job risk and GDP loss by region

Region	Total jobs at risk (in m)	Loss to Travel & Tourism GDP (USD bn)
Asia-Pacific	48.7	\$800
Americas	10.2	\$570
Europe	10.1	\$552
Africa	4.4	-
Middle-East	1.8	\$65

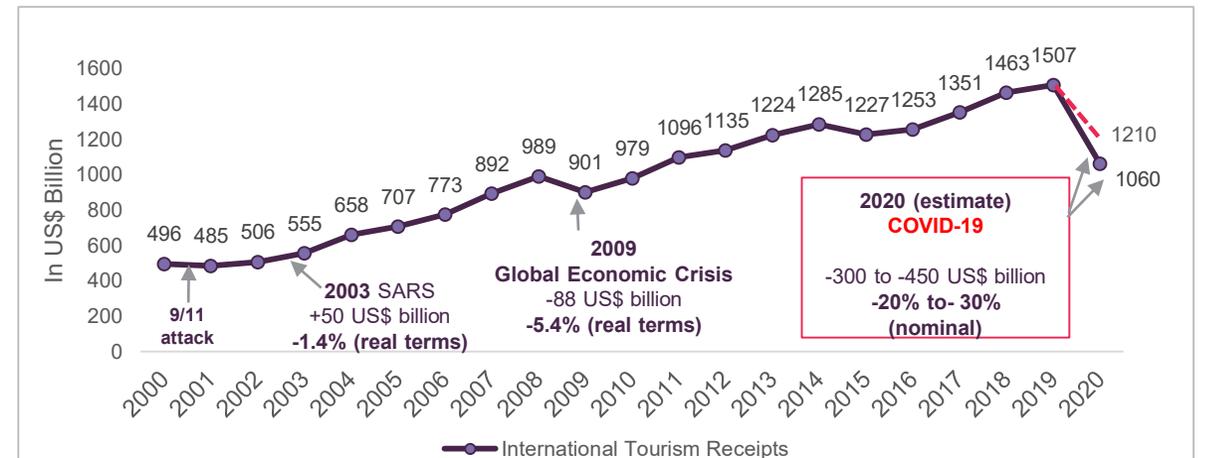
9 Impact on different regions worldwide. Source: [WTCC](#)

Chart 6: Change in International Tourist Arrivals (2020 Forecast)



Source: [UNWTO](#)

Chart 7: International Tourism Receipts (In US\$ Bn)



Source: [UNWTO](#)

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China has started showing early signs of recovery after a dismal February

- Mainland China's daily hotel occupancy reached an absolute level of 31.8% on 28 March, up from a low of 7.4% during the first week of February.
- Some of the demand stems from corporate travel, primarily within the same province, as well as small-scale meetings. Additionally, hotels are seeing business from those travelers quarantined after returning to China from other countries, as well as those returning to cities for work.
- The positive trend in the hotel industry in China is also highlighted by the fact that 87% of the hotels in its Mainland China sample are now open after many had closed during January and February.

Sources: [Hospitality Net](#), [STR](#)

Chart 8: Mainland China market-level occupancy (1-28 March 2020)

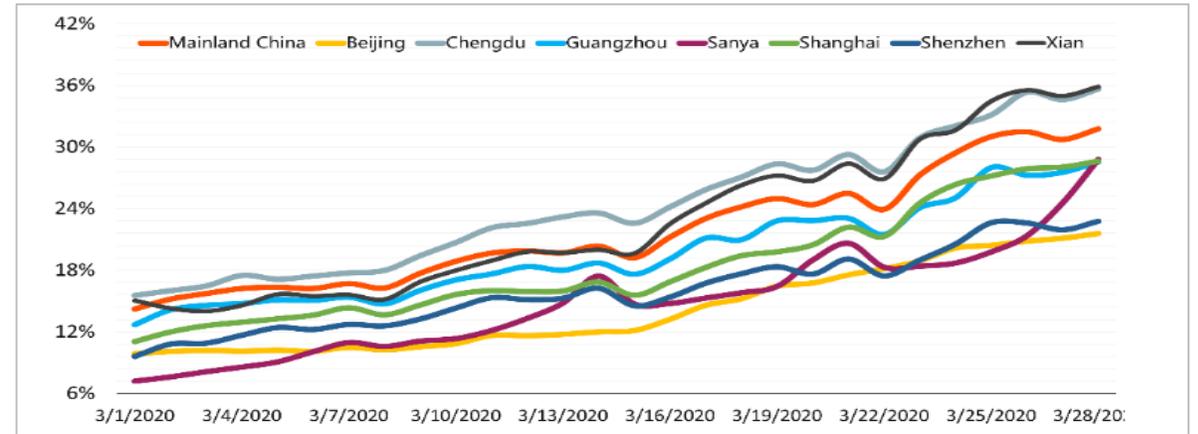
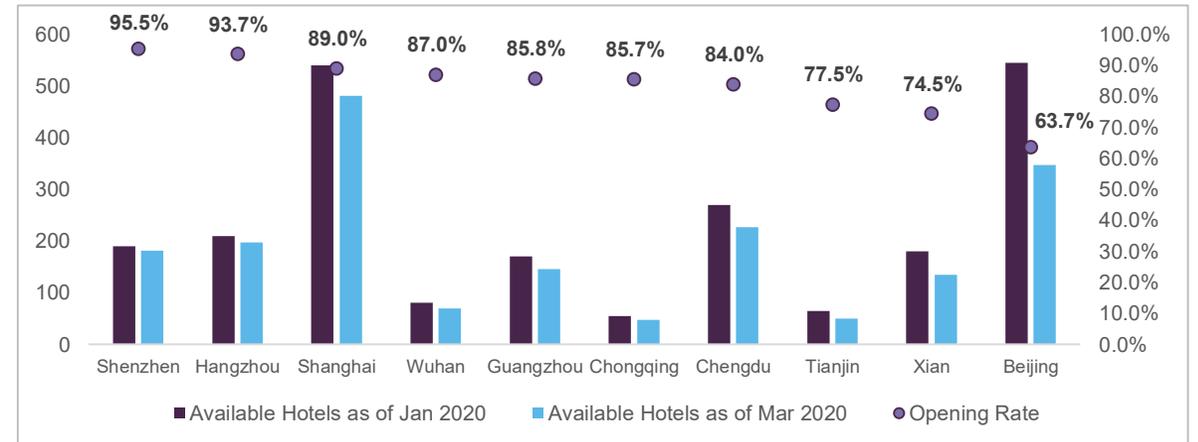


Chart 9: Percentage of hotels open on 25 March 2020 vs January 2020 (based on STR participation)





AMERICAS

United States of America¹

Recently approved CARES Act, a USD2tr relief package, extending support to various eligible businesses (including hotels and restaurants) through the following provisions:

- Extended unemployment insurance of up to 4 months, maximum of \$600/week, for laid-off employees in the hotel industry
- SBA Coronavirus Economic Injury Disaster Loans:
 - Multi-purpose loans for hoteliers earning <USD35m in gross revenue
 - Loan amount capped at USD2m; interest rate capped at 2%
- Paycheck Protection Program for Small Business Administration (SBA)
 - Loan provision of up to 2.5x average monthly payroll cost, capped at USD10m
 - Interest rate capped at 4%; no collateral required
 - Expanded for businesses employing less than 500 employees
 - Loan forgiveness up to a limit based on certain criteria.
- Economic Stabilization Act of 2020:
 - Availability of up to USD454bn to provide liquidity to eligible businesses
 - Interest rate capped at 2%; principal & interest payment deferral

Canada²

- Expanded Canada Emergency Response Benefit (CERB) for non-qualifiers, essential and seasonal workers
- Canada Emergency Wage Subsidy (CEWS) to prevent layoffs, providing:
 - 75% wage subsidy to businesses that have lost 30% revenue
 - Available for up to 12 weeks; subsidy is capped at \$847 a week
 - Provides tax deferrals till June to ensure economic rebound



EMEA

United Kingdom³

- 100% business rate exemption to hospitality industry for 12 months
- Provision of additional grants up to GBP25,000 to hospitality, leisure and retail businesses with rateable value of GBP15,000-GBP51,000
- Increased grants up to GBP10,000 and sick pay for eligible small businesses
- Availability of business interruption loans of up to GBP5.0m for small firms
- Business rates relief for hotel industry for the 2020-21 tax year

European Union⁴

- Enhanced sick pay policies
- Availability of loans worth EUR8bn to ~100,000 SMEs and small mid-caps
- Credit holidays to debtors affected by the outbreak

Germany⁵

- Access to public loan guarantees through the newly created stabilization fund and KfW; increasing the total volume by at least EUR757bn
- Supplementary budget of EUR156bn
- EUR50bn in grants to small businesses and self-employed persons

Switzerland⁶

- Series of fiscal packages totaling CHF65bn to cushion the economy; CHF20bn to support bridging loans to SMEs



MIDDLE EAST

The United Arab Emirates⁷

- AED26.5bn in various fiscal measures

Abu Dhabi⁷

- Up to 20% rent rebate on rents for restaurants, tourism and entertainment sectors
- Suspension of tourism and municipality fees for tourism and entertainment sectors
- Waiver of Tawtheeq fees for commercial & industrial activities (2020).

Dubai^{7,8}

- Reduction of municipality fees for hotel industry from 7% to 3.5%; freeze of fees on hotel ratings
- Economic stimulus package of AED1.5bn for the next three months to support the business sector

Qatar⁹

- Relief package of QAR75bn
- Hard-hit sectors (including hospitality) to benefit from 6-month exemption on utilities payments; SMEs are exempt from rent payments for 6 months



APAC

Malaysia¹¹

- 15% discount to hotels, airlines, shopping malls and travel agencies on their monthly electricity bills for six months
- Exemption of services taxes for hotels until August
- Exemption of HRD Fund levies for hotels and travel companies until September

Singapore¹²

- Total SGD59.9bn package; SGD90m is set aside for tourism-related sectors, along with job-support schemes for licensed hotels and travel agencies

India^{13,14}

- Government is considering another stimulus worth INR2tr for hospitality, travel & tourism and job-oriented sectors
- USD22.6bn economic stimulus plan that provides direct cash transfers and food security measures, offering relief to millions of poor people hit by the lockdown.

Indonesia¹⁵

- USD727m rescue package and tax relief for the tourism industry

Japan¹⁶

- JPY108tr (USD989bn) stimulus package, including cash handouts worth JPY6tr for households and small businesses hit by the virus and deferrals on tax and social service costs worth JPY26tr to businesses.

Ratings were revised across issuers, reflecting an unprecedented demand shock led by travel restrictions, the airline industry grinding to a halt and advisories for people to stay at home.

Moody's

- Ambridge Hospitality Holdings (B3)**
- Playa Hotels and Resorts (Caa1)**
- Alpha Group SARL (Caa1)**
- Casper MidCo SAS (Caa1)**
- Thame and London Limited (Caa1)**

Downgrade

Fitch

- Alpha Group SARL (B-)*
- Grupo Posadas, S.A.B. de C.V. (CCC+)*
- NH Hotel Group (B-)*

S&P

- Hilton Worldwide Finance, LLC (BB)*
- Wyndham Hotels & Resorts (BB)*

Downgrade; On watch possible downgrade

- Hyatt Hotels Corporation (Baa3)
- Hanjin International Corp. (B3)
- TUI AG (B2)

- Marriott International, Inc. (BBB-)
- Radisson Hospitality AB (B)
- Starwood Hotels & Resorts Worldwide Inc. (BBB-)

- Hyatt Hotels (BBB-)
- Hanjin International Corp. (CCC+)
- Marriott International, Inc. (BBB-)
- TUI AG (B-)
- Thame and London Limited (CCC+)

Ratings Affirmed

- Choice Hotels International Inc (Baa3)**
- Four Seasons Hotels (Ba3)**
- Hilton Worldwide Finance, LLC (Ba1)**
- Starwood Hotels & Resorts (Baa3)* **
- Marriott International Inc (Baa3)* **

- Whitbread PLC(BBB)*
- Accor SA(BBB-)*

- Choice Hotels International Inc. (BBB-)*

Watch list

- Grupo Posadas, S.A.B. de C.V.(B2)
- Compass III Limited(B3)
- Radisson Hospitality AB (B1)
- NH Hotel Group (B1)
- Rose Beachhouse B.V. (B2)
- Wyndham Hotels & Resorts (Ba1)

- Casper MidCo (B-)
- Four Seasons Holdings (BB)

* Rating downgraded in March; ** Outlook changed to negative

* outlook revised to negative from stable

* outlook revised to negative from stable

Company Name	Date Announced	Financial Impact	Metric Impact Guide	Commentary
Marriott International	18-Mar-2020	-USD140m	G&A costs reduction	<p>Withdrew all aspects of its outlook and assumptions for 2020 (provided on 26 February 2020):</p> <ul style="list-style-type: none"> Property level - Measures such as closing food and beverage outlets, reducing staff and closing floors or entire hotels Corporate level - Significant cuts in senior executive salaries, requiring temporary leaves in North America, shortening work weeks around the world and cancellation of non-essential travel and spending. Marriott estimates these measures will reduce 2020 corporate G&A costs by at least USD140m Investment Plan Review - Expects to eliminate or defer at least one-third of its prior forecast of USD700-800m of spend in 2020.
		- 1/3rd of USD700-\$800m	Capex reduction as compared to the previous outlook for 2020	
Hilton Worldwide Holdings Inc.	26-Mar-2020	NA	Non-essential expenses, including Capex; shareholders returns	<p>Following actions at the corporate level to reduce expenses and preserve liquidity:</p> <ul style="list-style-type: none"> President and CEO will forgo his salary for the remainder of 2020 Executive Committee will take a pay cut of 50% for the duration of the crisis Beginning 4 April, many of Hilton's corporate team members will have reduced schedules or be furloughed for up to 90 days Pay of corporate team members who are not furloughed will be reduced by up to 20% for the duration of the crisis Eliminate non-essential expenses, including capital expenditures Suspend all share buybacks and dividends payments – other than those previously declared
				10-Mar-2020
Hyatt Hotels Corporation	2-Mar-2020	NA	Financial guidance withdrawal	Withdrew its previously announced 2020 outlook and earnings sensitivity based on Greater China RevPAR due to the impact on travel demand outside of Greater China, in part as a result of new corporate travel restrictions in North America and Europe, as well as near-term cancellations outside of Greater China
				6-Apr-2020
Wyndham Hotels	17-Mar-2020	NA	Financial guidance withdrawal	Announced the withdrawal of its full-year 2020 outlook and earnings sensitivities
				1-Apr-2020
Choice Hotels International	8-Apr-2020	NA	Non-essential expenses, including Capex; shareholder returns; pay cuts	<p>Announced few steps to adjust the cost structure and increase financial flexibility:</p> <ul style="list-style-type: none"> Reduced the compensation of Board, CEO and other executive officers for the remainder of 2020 Hiring freeze except with respect to certain critical positions Eliminated, reduced or deferred non-essential expenditures, discretionary capital expenditures and investments Suspended share buyback and future undeclared dividends for the remainder of 2020
				17-Mar-2020

Company Name	Date Announced	Financial Impact	Metric Impact Guide	Commentary
Host Hotels & Resorts, Inc.	9-Mar-2020	NA	Financial guidance withdrawal	Withdrawal of its full-year 2020 guidance due to the ongoing financial impact of reduced travel demand
	9-Mar-2020	NA	Revenue	Group business cancellations significantly affecting revenue, with California markets accounting for approximately 58% of group business cancellations
Monarch Casino & Resorts	11-Mar-2020	NA	Revenue	<ul style="list-style-type: none"> First quarter results were not affected through early March Revenue loss in China due to COVID-19 outbreak in Wuhan
Best Western Hotels & Resorts	20-Mar-2020	NA	Monthly fees, property revenue management fees	Relief measures include: <ul style="list-style-type: none"> Waiving of one-half of monthly fees, property revenue management fees and complete waiving of BWHR co-op marketing fees Reduced loyalty points charged to members by one half without lowering points awarded to loyalty program participants and increasing hotel redemption compensation for BWR loyalty guest stays by 50% Reduced management (directors and executives team) compensation by 20%
		-20%	Pay cuts	
MGM Resorts International	27-Mar-2020	33% Capex reduction	Capex	<ul style="list-style-type: none"> Expects to defer at least 33% of its planned 2020 capital expenditures in the US Estimates 60% to 70% of its domestic property-level operating expenses to be variable, which can be minimized by hiring freezes, furloughs and other headcount reductions
	12-Mar-2020	USD1.25bn	Stock buyback	Cancels the stock buy back program of USD1.25bn
	13-Feb-2020	NA	Financial guidance withdrawal	Withdraws 2020 forecast amid uncertainties
Las Vegas Sands	17-Apr-2020	100%	Dividends	Announces suspension of dividends program but will continue previously announced Capex in Macao and Singapore
	17-Mar-2020	NA	Closure of resorts	<ul style="list-style-type: none"> Closes its Venetian and Palazzo resorts in Las Vegas until at least 1 April; a decision on whether to extend the closure or re-open would be taken at a later stage No layoffs or furloughs contemplated; closure is not supposed to impact health care eligibility

Company Name	Date Announced	Financial Impact	Metric Impact Guide	Commentary
Red Lion Hotels Corporation	2-Apr-2020	NA	Contract signings guidance withdrawal; cost-cutting measures	<p>Suspends its new contract signings guidance; implements the following additional measures as part of an accelerated cost-cutting program:</p> <ul style="list-style-type: none"> • Reduce corporate workforce by roughly 40% to approximately 100 full-time equivalent employees; thereafter, the company has reduced 48% of the corporate workforce on a quarter-to-date basis • CEO will take a 25% reduction in compensation; most remaining staff from EVP to more junior staff levels will be subject to compensation cuts between 5% and 25%; board agrees to a 25% reduction in its base retainer for the second quarter • Close its Spokane Office and has successfully sub-leased its surplus office space in Denver; cost savings related to the reduction of office space are an estimated USD0.3m for the remainder of 2020 and USD0.5m on an annualized basis • Reduce its 2020 capital expenditures to include only essential projects for an estimated savings of USD2.9m <p>Additionally, the company announced measures to support franchisees including royalty and marketing fee deferral program for all brands, temporary fee reductions for review responses, guest relations fees, and certain other fees, delay capital intensive brand standards, and provide information on new legislative relief that may be available to them</p>
InterContinental Hotels Group (IHG)	20-Mar-2020	-USD150m	Current trading update; reduction in cost	<p>Trading update:</p> <ul style="list-style-type: none"> • Global RevPAR decreases 6% across January and February, with a broadly flat performance in the US offset by declines in Greater China, which saw an almost 90% decline in February • Anticipates Global RevPAR declines of around 60% during March <p>Cost reduction:</p> <ul style="list-style-type: none"> • Challenge all discretionary costs and reduce salary and incentives, including substantial decreases for Board and Executive Committee members to result in a reduction of up to \$150m in fee business costs • Reduce marketing spend, being taken across the System Fund in response to expected lower assessment fee receipts • Reduce gross capital expenditure by USD100m from 2019 levels and managing working capital • Withdraw its recommendation of a final dividend (~USD150m) announced on 18 February and defer consideration of further dividends until visibility improves
Accor S.A.	2-Apr-2020	NA	Suspends its dividend, furloughs or cuts the hours of 3/4th of its 310,000 workers	<p>Group decides to:</p> <ul style="list-style-type: none"> • Ban travel ban, freeze hiring, reduce schedules and /or furlough 75% of global head office teams for 2Q, resulting in a minimum EUR60m reduction in G&A for 2020 • Review recurring investment plan for 2020, resulting in a EUR60m reduction in capital expenditure • Withdraw its proposal for a 2019 dividend payment of c.EUR280m • Board members to reduce their attendance fees by 20% • Chairman and CEO to forego 25% of his compensation during the crisis

Company Name	Date Announced	Financial Impact	Metric Impact Guide	Commentary
Whitbread	24-Mar-2020	NA	Reducing capex, cancelling all non-committed development expenditure; and eliminating all discretionary spend	<p>Taken several decisive actions to reduce cash outflows during this period:</p> <ul style="list-style-type: none"> All discretionary P&L spend has been eliminated, including room refurbishment plans, marketing, non-essential training and staff recruitment and the postponement of the previously announced incremental investment of GBP25m Planning to place a significant number of site teams on a temporary furlough. All employees remain on full pay; it is working through the details of the recently announced government support package, which should pay up to 80% of the salaries of those furloughed employees Repairs and maintenance capital expenditure has been reduced to a minimum All non-committed development capital expenditure has been cancelled The Board has decided not to declare a dividend for the full year FY20 <p>The company said that the support measures for the hospitality industry, in particular the 12-month business rates relief, is expected to save the business approximately GBP120m in fiscal year 2021, which will positively affect cash flow in the year.</p>
Huazhu Hotels Group Ltd	26-Mar-2020	350-450	Closure of hotels	<ul style="list-style-type: none"> Anticipates closing 350-450 hotels in 2020, including a special closure of 50-100 hotels impacted by COVID-19 Expects revenue to decline 15%-20% in the first quarter Offering temporary franchise fee reductions and helping its franchisees to obtain lower-interest bank loans to help meet their short-term working capital needs Discussing rent reduction and deferment; reduce or eliminate marketing, non-essential training, and capital expenditures; freeze new recruitments; streamline its head office, and temporarily furlough and/or reduce workdays to adjust for lower hotel occupancy
		-15%-20%	Change in revenues in first quarter of FY20	
Park Hotel Group	26-Mar-2020	100%	RCF drawn	<ul style="list-style-type: none"> Suspend or commence the suspension of operations at nearly half of its 60 hotels in order to minimize ongoing expenditures Drew the remaining USD650m of its USD1bn unsecured revolving credit facility as a precautionary measure, with the result that its cash on hand is now approximately USD1.3bn
	16-Mar-2020	-65%	Capex reduction	
	9-Mar-2020	NA	Financial guidance withdrawal	<ul style="list-style-type: none"> Withdraws prior guidance of approximately USD8m of lost room revenues, resulting primarily from known group customer cancellations. Largely over the last week, the Company has experienced a material increase in expected lost rooms revenue from group customer cancellations, which, as of today's date, have increased to approximately USD30m Withdraws its previously announced 2020 outlook

Company Name	Date Announced	Financial Impact	Metric Impact Guide	Commentary
OYO Hotels	17-Feb-2020	NA	NA	Decides to pause its expansion for now , in order to reduce its losses
Wynn Resorts Ltd	7-Apr-2020	NA	NA	<p>Macau operations:</p> <ul style="list-style-type: none"> Casino operations were closed for a 15-day period in February 2020 and resumed on a reduced basis on 20 February Operations of Macau Casinos fully restored on 20 March During the closure period, the company incurred approximately USD2.5m of cash operating expenses, excluding cash interest expense of USD0.5m per day. <p>US operations:</p> <ul style="list-style-type: none"> Encore Boston Harbor ceased all operations and was closed to the public on 15 March; Wynn Las Vegas ceased all operations and was closed to the public on 17 March Wynn Las Vegas will remain closed through at least 30 April; Encore Boston Harbor will remain closed through at least 4 May. Estimates cost of salary and benefits continuation along with other cash operating expenses of these properties at approximately USD3.5m per day, excluding approximately USD0.8m per day of cash interest expense.

Hotels	Key News	News Date	Source
Marriott International	Borrows \$2B To Guard Against Impacts Of Pandemic	3-Apr-20	BIZ
	CEO And Chair Won't Be Taking Salary This Year As Group Makes Cuts	20-Mar-20	The Caterer
	Withdraws 2020 Outlook, Eliminates Share Repurchase and Suspends Dividend	18-Mar-20	MAR
	To Furlough Tens Of Thousands Of Workers	17-Mar-20	Bloomberg
Hilton	Furloughs Tens Of Thousands Of Employees Companywide	31-Mar-20	BIZ
	Suspends Dividend And Share Buybacks; CEO to Forego 2020 Salary	27-Mar-20	HLT
	Borrows Nearly \$1.5B To Prep For Ongoing Coronavirus Impact	11-Mar-20	BIZ
	Withdraws Q1 And Full-Year 2020 Guidance Amid Virus Spread	10-Mar-20	HLT
Hyatt	Extends Its Loyalty Program Benefits For One Year	5-Apr-20	Forbes
	CEO and Chairman To Forego Salaries and Other Senior Leaders Take a 50% Paycut Through May	31-Mar-20	WSJ
	Furlough Two-Thirds Of Its U.S. Corporate Employees With Hotels Shut	24-Mar-20	Bloomberg
	Withdraws 2020 Outlook	2-Mar-20	H
Wyndham Hotels	Waives Penalty Charges, Pauses the expiration of any Wyndham Rewards points	14-Apr-20	MS
	CEO Indefinitely Forego 100% Of Salary, While BOD Indefinitely Forego 100% Of Its Cash Compensation	31-Mar-20	Hospitality Net
	Eliminate 270 Jobs As Part Of Cost-Reduction Plan, Announces Reduced Salaries And Reduced Work Hours	30-Mar-20	MarketWatch
	Withdraws 2020 Outlook In Response To Covid-19 Impact	17-Mar-20	WH
Choice Hotels International	Continues to Operate Over 90% of its US Properties Amid Pandemic	13-Apr-20	BT
	Suspends Some Fees and Defers Others for Franchisees Amid Coronavirus	9-Apr-20	BIZ
	Reduced Compensation of The BOD, CEO and Other Executive Officers; Suspend Dividends For The Remainder of 2020	8-Apr-20	PRN
	Withdraws Its Previously Issued First Quarter And Full Year 2020 Guidance	17-Mar-20	PRN
Four Seasons Hotels and Resorts	Disney-Area Four Seasons Furloughed 835 Employees	7-Apr-20	BIZ
	Shuts Down St. Louis Temporarily, 300+ Employees Furloughed	31-Mar-20	KSDK
	Lays Off Employees In D.C. Amid Coronavirus Crisis	31-Mar-20	BIZ

	Hotels	Key News	News Date	Source
Americas	Best Western Hotels & Resorts	CEO Urges Congress To Consider 'Four Times' Current Financial Relief	4-Apr-20	YFinance
		Announces Waiving One Half Of Monthly Fees And Property Revenue Management Fees, Reduces Compensation of BOD and Executives By 20%	20-Mar-20	Hotel Business
	MGM Resorts International	Evaluating all capital spend projects and expects to defer at least 33% of planned 2020 domestic capital expenditure	27-Mar-20	MGM
		Plans To Draw Down As Much As \$1.5 Billion Of Its Backup Loans	16-Mar-20	Bloomberg
		Temporarily Suspend Operations at its Las Vegas Properties	15-Mar-20	PRN
	Las Vegas Sands	Announce Layoffs, Closures As Business Plummet Amid Coronavirus Outbreak	14-Mar-20	Deadline
		Suspends Dividend Program, Will Continue Previously Announced Capex Programs in both Macao and Singapore	17-Apr-20	LVS
		To Cover Pay For 1,200 Third-Party Restaurant Workers	6-Apr-20	NASDAQ
		To Pay Employees Until Coronavirus Pandemic Ends	3-Apr-20	Fool
	Europe	Red Lion Hotels Corporation	Plans To Keep Its Las Vegas Properties Open And Is Not Considering Layoffs	15-Mar-20
Reduces Corporate Workforce by Roughly 40% to Approximately 100 Full-time equivalent Employees, 25% Reduction In Board and CEO Pay, Reduces Capital Expenditure, And Suspends New Contract Signings Guidance			2-Apr-20	RLH
Park Hotel Group		Suspends Operations at Nearly Half of Park's 60 hotels, Draws Remaining \$650 million of its \$1 billion RCF	26-Mar-20	PK
		Reviewed Capital Program For 2020, Initiated a \$350 Million Draw From Its \$1 Billion Credit Facility, Expects To Suspend Its Dividend	16-Mar-20	Hospitality Net
InterContinental Hotels Group (IHG)		Cuts Costs, Borrows Cash To Contend With Coronavirus Impacts	16-Mar-20	BIZ
		Connects US Hotel Colleagues Impacted By Covid-19 With Job Opportunities At Leading Companies	31-Mar-20	Hospitality Net
	S&P Revised Outlook To Negative From Stable Amid Coronavirus	25-Mar-20	SP Global	
	Global RevPAR Decreased By 6% in January and February, Anticipating Global RevPAR declines of around 60% in March, Plans To Cut Costs By \$150 Million And Cancel \$150 million Dividend, Aims To Cut Capex By \$100 Million in 2020	20-Mar-20	IHG	
Accor S.A.	Waives Cancellation Fees Until The End Of April	17-Mar-20	Hotel Conversation	
	Accor Plans To Rehire All Staff, Reopen Hotels After Virus	7-Apr-20	Bloomberg	
	Suspends Dividend And Cuts Staff Hours As Coronavirus Hits Hotels	2-Apr-20	FT	
		S&P Revised Outlook To Negative From Stable Amid Coronavirus	25-Mar-20	SP Global

	Hotels	Key News	News Date	Source
Middle East Europe	Whitbread	Whitbread Accepted By BOE For Commercial Paper Scheme	17-Apr-20	WTB
		Suspends Dividend, Shuts Hotels On Coronavirus Fears	24-Mar-20	Reuters
		Keeps Employees On Full Pay Until Government Support Kicks In	24-Mar-20	The Caterer
	Meliá Hotels International	Implements Temporary Layoffs Affecting 8,382 People	25-Mar-20	Reuters
		Warns of coronavirus hit in first quarter	27-Feb-20	Reuters
	Radisson Hotels	Fitch Downgrades Radisson To 'B'; On Rating Watch Negative	9-Apr-20	Fitch
Updates Cancellation policy to Allow Free Modification or Cancellation for Stays until 30th June 2020		31-Mar-20	Radisson	
Middle East	Atlantis	To pay staff up to 50% of their base salaries for the next 60 days to mitigate COVID-19 fall-out	30-Mar-20	Tribune242
		Extends Temporary Closure Until May 15	25-Mar-20	Tribune242
Asia Pacific	Huazhu Hotels Group Ltd	Anticipates Closing 350-450 Hotels In 2020 including Special Closure of 50-100 hotels Impacted by COVID-19; Expects Revenue To Decline 15%-20% In First Quarter (45% to 50% excl addition of Deutsche Hospitality)	26-Mar-20	Streetinsider
	Lemon Tree Hotels	Chairman Takes 100% Payout While Executives Undertaking Pay Cuts Of 50-66% For Three Months	8-Apr-20	ET
		Apollo Teams Up To Create 5,000 Isolation Rooms	31-Mar-20	Money Control
	Taj Hotels	Tap Into Food-Delivery To Garner Revenue	9-Apr-20	ET
	Shangri-La Hotels and Resorts	Temporary Suspends Operation Of Both Shangri-La Hotel, Bangkok & Shangri-La Hotel, Chiang Mai for a Minimum of 1 Month	1-Apr-20	Reuters
		Shangri-La Asia Expects To Record A Significant Decline In Its 2020 Interim And Annual Operating Profits	27-Mar-20	Reuters
Mandarin Oriental Hotel Group	Posts Unaudited Underlying Loss Of US\$40 Million In Q1; Withdraws Dividend	9-Apr-20	Reuters	
The Peninsula Hotels	Posts Weak But Better-Than-Expected Annual Result, Says More Pain Ahead In First Quarter	17-Mar-20	BW	

Asia Pacific	Hotels	Key News	News Date	Source
		Furloughs Staff In The US, UK And Other International Markets	8-Apr-20	FT
		Suspends Payment Of Monthly Benchmark Revenue To Hotels; Invokes Force Majeure	4-Apr-20	BS
		Slashes Salaries Of Executive Team, CEO Takes 100% Pay Cut	2-Apr-20	Entrackr
		Reveals Possible Disruptions In The Payment Cycle	26-Mar-20	Inc42
		Struggling In Japan, But Announces A New Brand Along With Funds For Hoteliers	22-Mar-20	BI
		Raises \$807 Mn From Softbank And RA Holdings	17-Mar-20	Entrackr.

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