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**VILLAGE HOTELS[[1]](#footnote-0)**

**HALF YEAR UPDATE FOR THE PERIOD ENDED 30TH JUNE 2022**

Overall, the Business has enjoyed a good performance in the first half of the year and is anticipating this strong trading to continue throughout the remainder of 2022, in spite of the headwinds faced by the industry and the wider economy.

The year commenced with a slow start to trading in January due to the impact of the Coronavirus Omicron variant. However, as the variant eased the Business quickly accelerated to 2019 trading levels from February to May 2022, with the Business’s performance in June 2022 surpassing its June 2019 results.

**Lee Gaskell, Village Hotels’ Group Financial Controller, commented:**

“As at June 2022 the Business has surpassed its budget and is looking forward to a strong performance throughout the remainder of 2022. Despite the slow start to the year, Village Hotels remained open in all locations and provided a full service to our customers. The strategic decisions made during the pandemic, particularly in terms of cost rationalisation and zero base cost forecasting, allowed Village Hotels to react quickly to the lower levels of revenue and mitigate the impact on EBITDA. This leaner cost base has also contributed to the enhanced profitability the Business has enjoyed throughout the year since then.

The impact of Omicron from December 2021 carried through to January 2022, with consumer confidence lowered and reduced business travel, as work from home policies were extended to mitigate the rise of the latest Covid variant. As the year progressed and customer confidence returned, occupancy started to improve and has steadily grown throughout the year to date. Average Room Rates across the market remained buoyant despite fluctuations in market demand, as the industry as a whole sought to counteract rising costs.

The removal of overseas travel restrictions in the second quarter had a positive impact on the leisure segment. The increase in volume of corporate travel in the second quarter of 2022 is expected to continue throughout the remainder of the year.

The performance of meetings and events proved to be buoyant in the second quarter of 2022 as the impact of Omicron lessened, and corporate customers appeared keen to get back to business, particularly in terms of mandatory training. The Business also has a high number of consumer event bookings across the year as many personal events which were delayed during Covid have been rescheduled into 2022.

Village Hotels’ Health & Wellbeing Clubs reported a group-wide membership count of 112k as at the mid year, having grown steadily throughout the year. This has translated to a strong performance at a financial level, ahead of budget.

Village Hotels also continued its growth strategy with the completion of its first hotel conversion in Bracknell at the start of 2022. Following a limited opening in December 2021 the hotel was fully operational from mid January 2022, and has undergone a complete transformation, bringing the full Village Hotel experience to Bracknell. The hotel boasts stylish bedrooms, a large Health & Wellbeing Club with indoor pool, a full service Pub & Grill, a VWorks coworking space and a Starbucks coffee shop.”

**Outlook**

The outlook for the remainder of the year looks very positive with the Business expected to exceed its performance in 2019 both in terms of Revenue and EBITDA. The Business is continuing to leverage its use of first-class technology to drive efficiencies, insights, customer experience and growth. Village Hotels is an ambitious business focussed on accelerating its growth, which it will look to achieve through expanding its portfolio, strengthening its platform capabilities, improving its profitability and enhancing overall shareholder value.

1. Village Hotels is the trading name of VUR Village Holdings (UK) Limited (Company no. 09281964) [↑](#footnote-ref-0)