
LEWIS HOSPITALITY

Three-Year Transformation Programme

Financial Model — Asset Value & EBITDA Growth

Investor-Grade Financial Framework

Confidential

PURPOSE OF THE PROGRAMME

Financial View

Delivering predictable, measurable financial uplift across every key metric — engineered to move the numbers, not just the narrative.

Financial Uplift Targets

- £ EBITDA
- 🏠 NOI
- 📈 RevPAR
- ★ F&B Profitability
- 👥 Labour Efficiency
- ⚙️ Cost-to-Serve
- ↑ Asset Valuation

Investor Modelling

- ✓ Cashflow Stabilisation
- ✓ Margin Expansion
- ✓ Revenue Growth
- ✓ Risk Reduction
- ✓ Long-Term Asset Resilience

FINANCIAL DRIVERS

Three-Year Roadmap



Year 1

Stabilisation & Control

Risk reduction +
early margin gains

2–5%

EBITDA Uplift



Year 2

Optimisation & Growth

Margin expansion +
revenue growth

5–10%

EBITDA Uplift



Year 3

Market Leadership & Value

Valuation uplift +
long-term resilience

5–12%

EBITDA Uplift



Year One

Stabilisation & Control

Key Financial Levers

- Identification of revenue leakage
- Labour model correction
- Cost-control discipline
- SOP compliance reducing waste
- Guest satisfaction uplift improving pricing power
- Early commercial wins (rate integrity, distribution mix)

Model Inputs Affected

- Labour cost %
- GOP margin
- RevPAR baseline
- Cost of goods sold (F&B)
- Maintenance inefficiencies

Expected Financial Outcomes

2-5%

EBITDA Uplift

Stabilised

NOI

Reduced

Monthly Volatility

Improved

Forecast Accuracy

YEAR ONE

Investor Interpretation

Year One reduces operational risk and establishes predictable performance

— essential for lenders and valuation models.

Risk Reduction

Operational risk lowered through disciplined SOPs and cost controls

Predictable Performance

Monthly volatility reduced, enabling confident financial forecasting

Foundation for Growth

Baseline metrics established for Year Two margin expansion



Year Two

Optimisation & Commercial Growth

Key Financial Levers

- Productivity improvements across rooms, F&B, support
- Guest journey redesign — reviews & rate potential
- Commercial innovation (upsell, ancillary, F&B)
- Leadership maturity improving decisions
- Culture & engagement reducing turnover costs

Model Inputs Affected

- ADR uplift
- RevPAR growth
- Labour efficiency ratios
- F&B profitability
- Ancillary revenue contribution
- Turnover & recruitment cost reductions

Expected Financial Outcomes

5–10%

EBITDA Uplift

4–8%

NOI Improvement

3–7%

RevPAR Growth

3–6%

F&B Profitability

YEAR TWO

Investor Interpretation

Year Two is where the asset becomes financially stronger

— margins widen, revenue grows, and operational drag reduces.

Margin Expansion

Productivity gains and cost discipline drive wider operating margins

Revenue Growth

ADR uplift and ancillary revenue streams create new income layers

Reduced Drag

Lower turnover costs and improved leadership quality reduce waste



Year Three

Market Leadership & Value Creation

Key Financial Levers

- Market positioning enabling premium pricing
- Signature guest experience — loyalty & repeat business
- New revenue streams (F&B concepts, partnerships)
- Succession planning reducing leadership risk
- Brand equity strengthening competitive advantage

Model Inputs Affected

- ADR premium
- Repeat guest ratio
- Ancillary revenue growth
- Long-term labour stability
- Cap-rate justification via reduced risk

Expected Financial Outcomes

5–12%

EBITDA Uplift

5–10%

NOI Uplift

8–20%

Asset Valuation

YEAR THREE

Investor Interpretation

Year Three is where the asset becomes market-leading

— enabling higher valuations, stronger cashflow, and reduced long-term risk.

Premium Positioning

Market leadership enables premium pricing and sustained ADR growth

Valuation Uplift

8–20% asset value increase through EBITDA growth and cap-rate compression

Long-Term Resilience

Succession planning and brand equity protect against market cycles

36-MONTH FINANCIAL IMPACT

Summary

12–25%

Total EBITDA Uplift

10–20%

NOI Improvement

6–15%

RevPAR Growth

5–12%

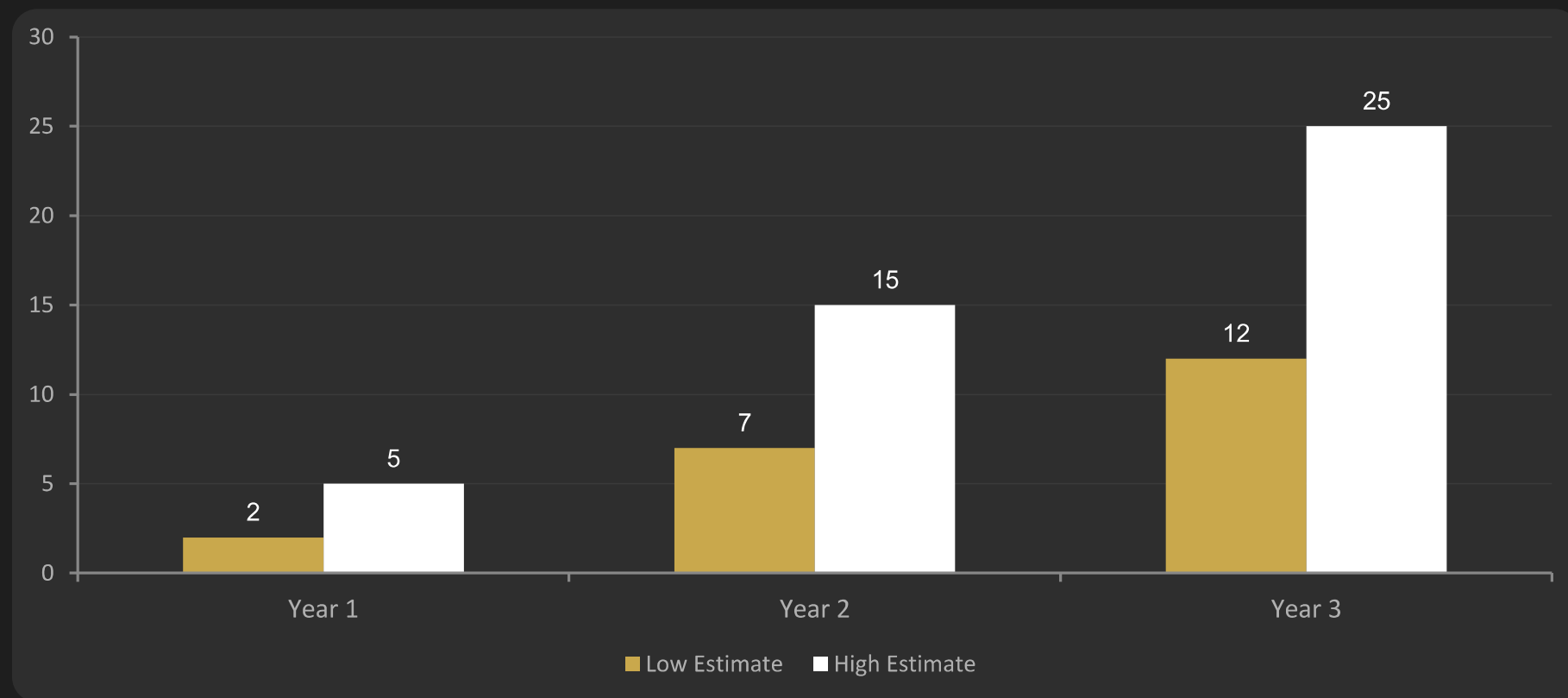
F&B Profitability

8–20%

Asset Valuation Uplift

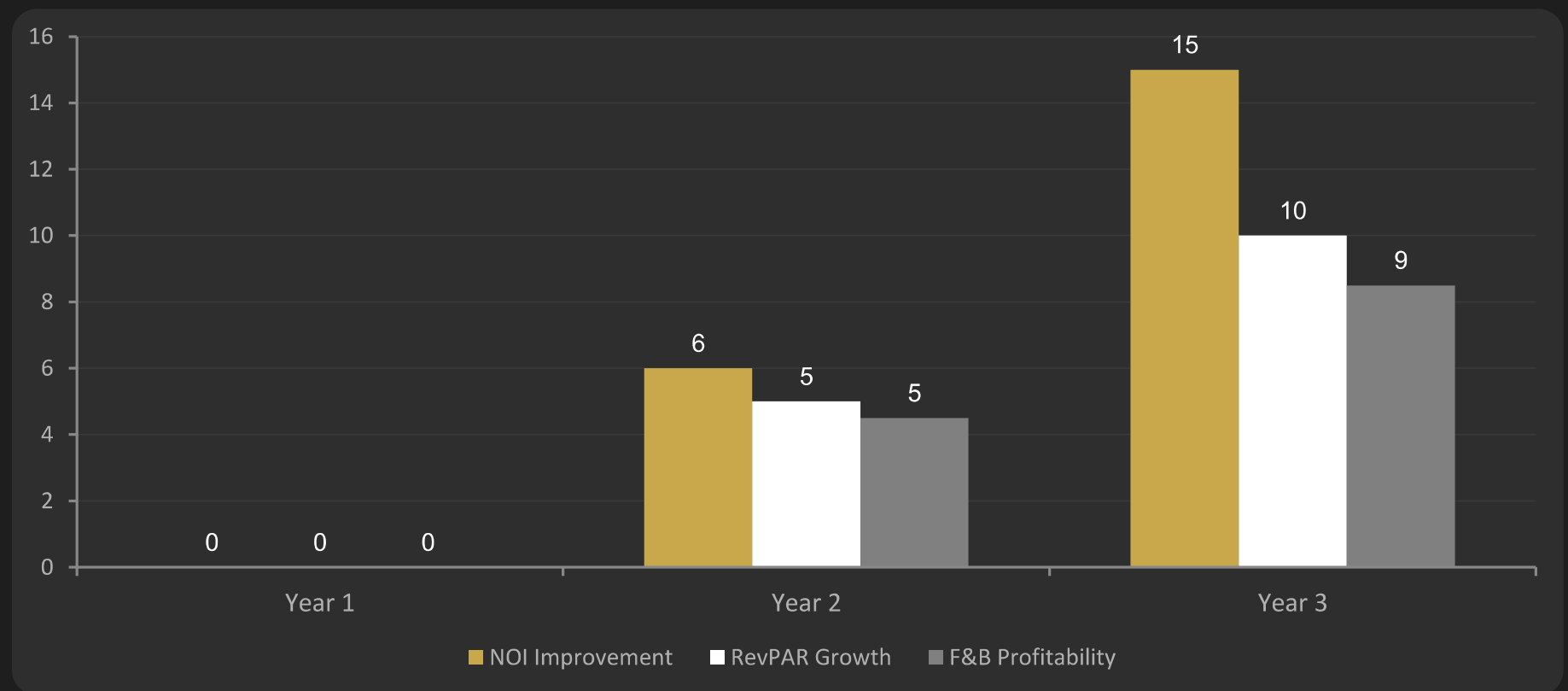
EBITDA GROWTH TRAJECTORY

Cumulative Uplift by Year



KEY METRICS TRAJECTORY

NOI, RevPAR & F&B Growth



RISK REDUCTION

Operational Risk Factors Addressed



Leadership Turnover

Succession planning and culture alignment reduce leadership exits



Operational Consistency

SOP compliance and quality frameworks create repeatable performance



Forecasting Accuracy

Stabilised metrics enable confident forward modelling



Commercial Discipline

Rate integrity and distribution strategy protect revenue



Cost Volatility

Labour model correction and procurement discipline reduce cost swings



Guest Satisfaction

Service excellence drives pricing power and repeat business

PROGRAMME TO FINANCIAL MODEL

Revenue & Cost Mapping

Revenue Line Items

Input	Programme Driver
ADR Uplift	Guest experience + market positioning
Occupancy Stability	Leadership alignment + consistency
Ancillary Revenue	Commercial innovation + F&B

Cost Line Items

Input	Programme Driver
Labour Cost %	Productivity optimisation + leadership
F&B COGS	Menu engineering + discipline
Maintenance	SOP compliance + engineering strategy
Turnover Costs	Culture & engagement initiatives

PROGRAMME TO FINANCIAL MODEL

Profitability & Valuation

Profitability Metrics

Metric	Programme Driver
GOP Margin	Operational excellence + cost control
EBITDA	Combined revenue uplift + cost efficiency
NOI	Long-term stability + commercial resilience

Valuation Metrics

Metric	Programme Driver
Cap-Rate Justification	Reduced risk + improved performance
Asset Value	EBITDA uplift × market multiple

$$\text{Asset Value} = \text{EBITDA Uplift} \times \text{Market Multiple}$$

INVESTOR-GRADE OUTCOMES

What Investors Can Expect



Predictable & Resilient Asset

Stable cashflows with reduced operational volatility



Higher EBITDA & NOI

12–25% EBITDA uplift and 10–20% NOI improvement



Improved RevPAR & Pricing

6–15% RevPAR growth with stronger rate positioning



Reduced Risk Profile

Lower leadership, operational, and commercial risk



Stronger Competitive Position

Market-leading brand equity and guest loyalty



Sustainable Performance

Leadership team and culture aligned for the long term

Strengthen Your Asset. Improve Your Returns. Reduce Your Risk.

Lewis Hospitality partners with investors, lenders, and ownership groups
to deliver long-term, measurable value.

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