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LEWIS HOSPITALITY







# Three-Year Transformation Programme

Financial Model — Asset Value & EBITDA Growth




# 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

# 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

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**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

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**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

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**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

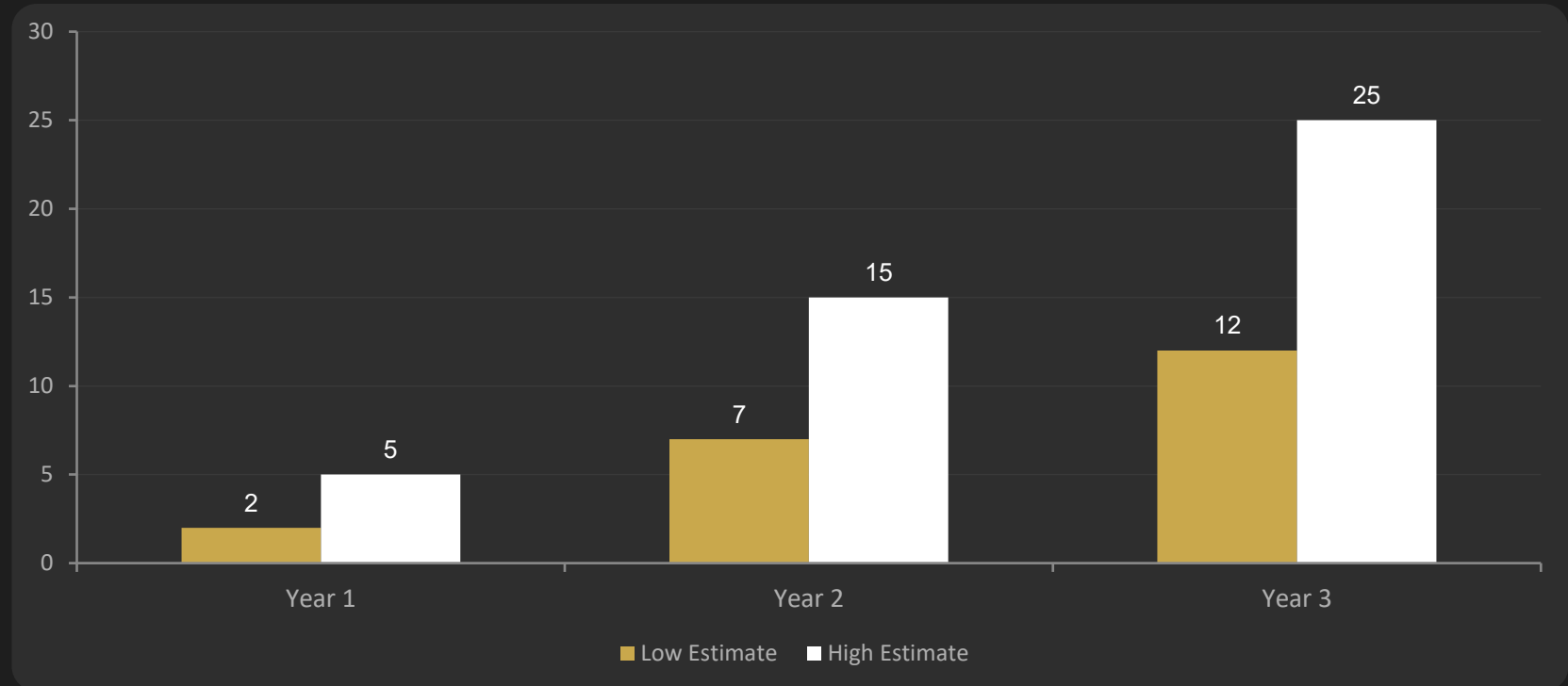
**5–12%**

F&B Profitability

**8–20%**

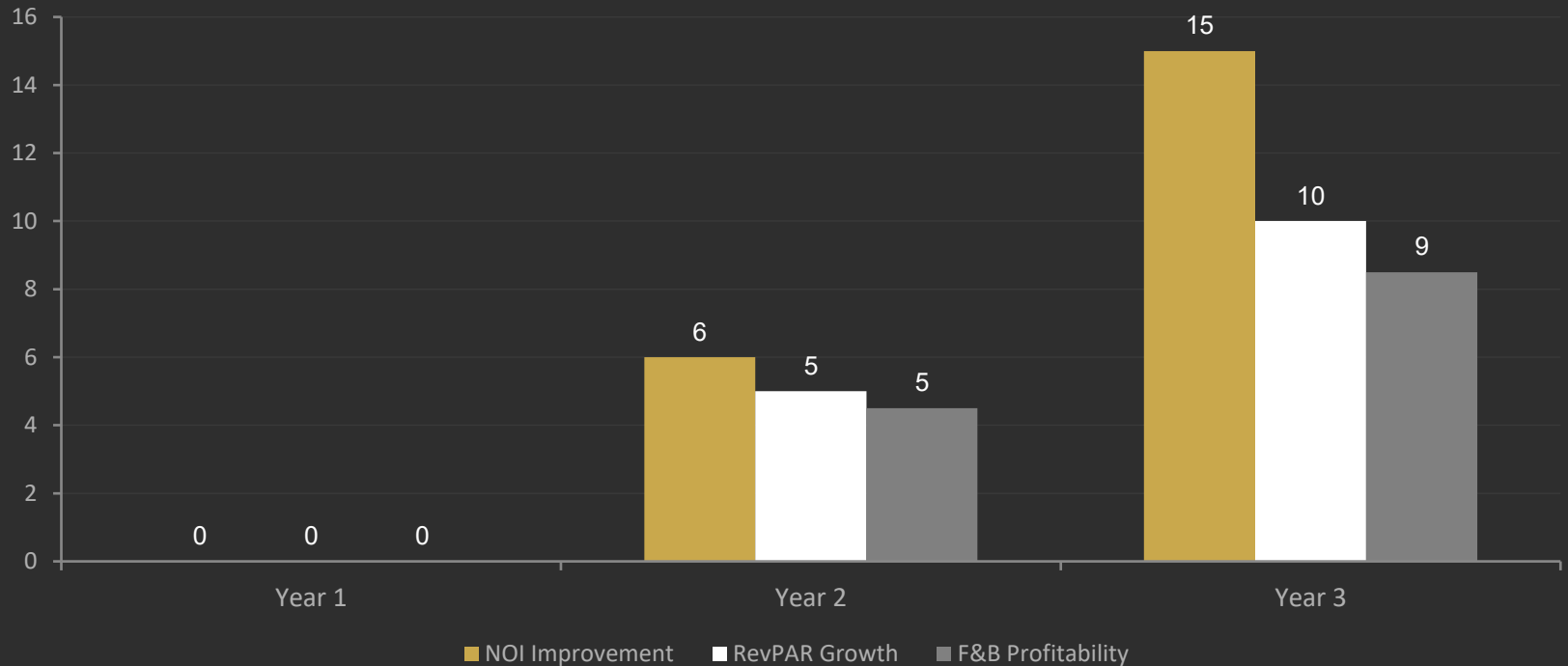
Asset Valuation Uplift

# Cumulative Uplift by Year



## KEY METRICS TRAJECTORY

# NOI, RevPAR & F&B Growth



# 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

# 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

# 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

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

# 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

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# 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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