



HOSPITALITY VENTURES MANAGEMENT GROUP

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Hospitality Ventures Management Group (HVMG) Outperforms Industry Through Rapid Execution of Plan As Pandemic Quickly Spread

Company Shares Strategies Leading to Significant Outperformance for Stronger GOPPAR Results and GOP Percentage

ATLANTA, October 26, 2020)—Hospitality Ventures Management Group (HVMG), an Atlanta-based, private hotel investment, ownership and management company, today shared key elements of its strategy that led to significant industry outperformance in multiple metrics, according to STR data around expenses and operating margins. For the three-month period June through August 2020, HVMG delivered substantially greater GOPPAR (Gross Operating Profit Per Available Room) and GOP percentage than the industry and continues to outperform industry metrics.

“HVMG reacted decisively in the very early stages of the pandemic spread by implementing some drastic, cash-conserving measures which enabled us to confront the situation head-on,” said Robert Cole, president & CEO, HVMG. “We took a variety of steps beyond simply reducing headcount and benefit costs, which ranged from moving salaried associates to hourly, which allowed us to flex labor hours and costs to align with occupancy

levels, to closing floors that reduced utility costs. We also focused on other controllable expenses, such as eliminating or renegotiating service contracts and maintenance agreements.”

The plan resulted in the reduction of total portfolio operating expenses more than \$14 per available room compared to industry results per STR reports. HVMG’s GOP (House Profit) margin for the three month period ending August was 27.4 percent, nearly 23.1 percent higher than the industry average of 4.3 percent. The company’s upper-upscale portfolio results are even more impressive , producing nearly 32 percent more topline revenue than the industry segment average and a GOP margin of 26 percent vs the industry category average of -8.4 percent.

“Our emergency planning allowed us to move swiftly and boldly when the pandemic commenced in early March and provide our general managers with a roadmap for sweeping, simultaneous changes versus incremental steps over a longer period of time. We are equally well positioned with a plan for the inevitable recovery,” Cole added. “While we believe that comprehensive rapid testing and confidence in a vaccine/therapeutic will ultimately be the key driver for a return to pre-pandemic travel, HVMG already is well in to the planning stage as to what the right business and staffing models are for each of our hotels. Given that the rebound in occupancy will very likely be slow and methodical, it is vital that we continue to provide maximum flexibility to adjust our costs according to business levels. Our primary goal remains to safeguard our owners by conserving cash and protecting long-term asset value, while simultaneously ensuring the health and safety of our guests and associates through HVMG’s *Trust & Preparedness Plan* that was launched in May.”

About Hospitality Ventures Management Group

Hospitality Ventures Management Group is a privately owned, fully integrated hotel investment and management group that specializes in turning around and repositioning

underperforming hotels, as well as maximizing the performance of stabilized hotels. It currently operates 45 hotels and convention centers in 17 states totaling 7,468 guest rooms. HVMG operates independent and boutique hotels and resorts, as well as full-service, select-service and extended-stay hotels under the Hard Rock, Hilton, Hyatt, Marriott and IHG brands.

Visit www.hvmg.com for more information.