MHP Hotel AG

Others - Germany

Buy (Initiation) 23.04.2025

EUR 3.00 (Initiation)

A good time to check-in – initiate MHP with BUY

MHP Hotel AG (MHP) is the **leading white-label hotel operator in the premium segment in the DACH region.** The company hereby acts as the crucial link between investors (e.g. DEKA, DWS, Union Investment), who aim for strong brands to market their funds and hotel chains (e.g. Marriott, Hilton) on the other side, who oftentimes refrain to sign lease agreements to protect their balance sheet.

Thanks to a strong track record since its foundation in 2012, MHP gained a **renowned reputation among both investors and hotel chains of being the go-to operator** in the aforementioned segments. As a result, MHP has prime access to this premium and luxury niche market, which represents a significant **entry barrier** for competitors. MHP's strong market positioning is complemented by its own boutique hotel brand MOOONS (first hotel opened in 2021 in Vienna) as well as selective co-investments, where the company takes a minority stake in the property as well.

This reputation has not only positioned MHP as a leader in the hospitality industry but also has translated into outstanding operational performance, which is evident in industry-leading average daily rates (ADR) of € 213 in Germany in 2023. This puts the company far ahead of competion (2nd is DSR with € 184), clearly demonstrating the company's quality and **pricing power**.

Currently, MHP has 10 hotels in the portfolio, whereof 2 are co-investments and 1 that runs under the MOOONS brand. In addition, the company currently has two hotels in the signed pipeline: (1) The Conrad Hamburg, MHP's first hotel under the Hilton brand, will be opened in 2025, while (2) the Autograph Collection Hotel as part of the Schlossquartier in Stuttgart will be opened in 2028. All **hotels are located in prime locations in major cities** in the DACH region and are perfectly suited for both business trips and leisure, which is reflected in the c. 50:50 guest split between the two segments. This balance offers another advantage, as it acts as a hedge for fluctuations in business and tourism seasons.

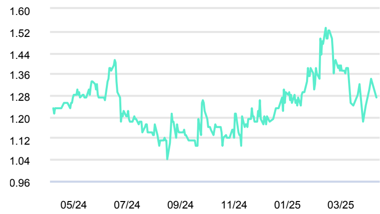
Against this backdrop, MHP is poised for continuous dynamic sales growth (eNuW: 15% CAGR FY22-27e) and margin expansion (eNuW: +6.4pp adj. EBITDA margin FY22 vs '27e), resulting in appealing returns for shareholders (eNuW: FY30e ROIC of 13.3%).

In light of this, current valuation appears highly attractive at only 4.5x EV/adj. EBITDA FY25e. We hence initiate coverage with **BUY** and a **€ 3.00 PT** based on DCF.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	33.3	104.8	136.3	160.2	184.5	202.1
Sales growth	-3.3%	214.8%	30.0%	17.6%	15.2%	9.6%
Adj. EBITDA	4.5	3.1	1.1	8.1	10.0	14.0
Net debt (if net cash=0)	-1.6	-6.9	-7.5	-5.5	-10.9	-21.0
FCF	1.4	-2.1	0.5	3.6	8.5	10.2
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.13	-0.17	-0.15	0.02	0.16	0.10
Adj. EBITDA margin	13.4%	2.9%	0.8%	5.1%	5.4%	6.9%
ROCE	24.8%	-14.2%	-8.9%	1.6%	11.6%	7.4%
EV/sales	0.6	0.5	0.4	0.3	0.2	0.2
EV/adj. EBITDA	4.6	16.1	43.1	6.2	4.5	2.5
PER	10.0	-7.6	-8.5	70.5	8.0	12.4
Adjusted FCF yield	8.5%	-4.7%	-2.6%	9.9%	20.9%	30.8%

Source: Company data, NuWays, Close price as of 22.04.2025

Share Performance



High/low 52 weeks (€)	1.53 / 1.04
3m rel. performance	-6.2%
6m rel. performance	-1.0%
12m rel. performance	-4.2%

Market data

Share price (in €)	1.27
Market cap (in € m)	54.9
Number of shares (in m pcs)	43.2
Enterprise value (in € m)	45.2
Ø trading volume (6 months)	12,000

Identifier

Bloomberg	CDZ GR
Reuters	CDZ0.DE
WKN	A3E5C2
ISIN	DE000A3E5C24

Key shareholders

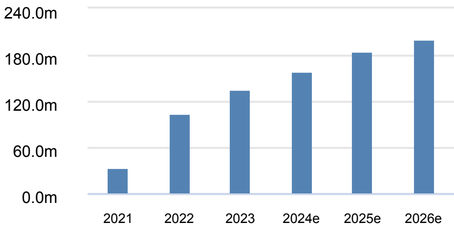
Dr. Jörg Frehse	21.0%
Ralf Selke	21.0%
Michael Wagner	21.0%
Daniel Beringer	21.0%
Free float	16.0%

Estimates changes

	2024e	2025e	2026e
Sales	0.0	0.0	0.0
EBIT	0.0	0.0	0.0
EPS	0.0	0.0	0.0

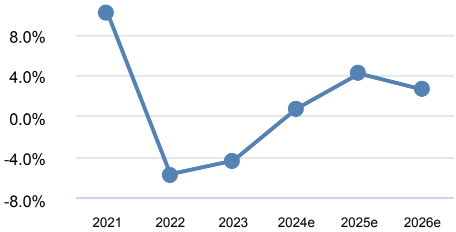
Comment on changes

Sales (2021-26e)



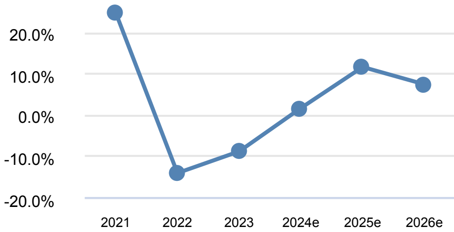
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

ROCE (2021-26e)



Source: NuWays Research

Company description

MHP is a leading white-label hotel operator, specializing in premium and luxury hotel assets in DACH. With a strong portfolio of renowned brands, MHP focuses on creating exceptional guest experiences while driving operational excellence.

Guidance

- FY25 sales: € 180m
- FY25 EBITDA: € 15m

Analyst: Philipp Sennewald · E-Mail: philipp.sennewald@nuways-ag.com

Table of Contents

MHP Hotel AG in a nutshell 3
Competitive Quality 6
Business quality 10
Growth 14
Valuation 19
Theme 21
Company background 24
Financials 28
Disclosures 31
Contacts 33

MHP Hotel AG in a nutshell

- **White-label hotel operator in a prime niche market**
- **Own hotel brand and co-investments allow for improved gross margins and exit opportunities**

Founded in 2012 and headquartered in Munich, MHP Hotel AG ("MHP") is an independent hotel investment and management platform that operates a **white-label business model**, mainly under Marriott franchise contracts. The company's hotels have an average of 200 rooms, € 20m annual sales and 80 employees. Currently, the group has 10 hotels (+2 in the pipeline) in operation which are all located in the DACH region (7 in Germany, 2 in Austria, 1 in Switzerland). In addition to the operation, it is also part of the business model to develop and implement new hotel and F&B concepts. Overall, the company is active in the upscale, upper upscale and luxury segments, which are seen to yield higher average daily rates (ADRs), thus improving the top- and bottom line. Going forward, the company looks set to put a higher emphasis on penetrating the luxury market further.

MHP's 10 hotels are all located in top inner-city locations of major cities in the DACH region. Currently, 9 hotels are operated under the Marrriott Group, while another hotel runs under the company's own brand MOOONS (opened in 2021 in Vienna). This year, MHP will expand its strategy by opening the Conrad Hamburg (283 rooms; c. € 25m annual sales), which is part of the Hilton brand family, thus breaking up the single franchise brand focus. Also, for 2028 MHP plans the reopening of the hotel in the Stuttgarter Schlossgartenquartier under Marriotts' Autograph Collection brand (132 rooms; c. € 15m annual sales).

Looking at the customers split of MHP, we observe a pretty equal distribution between business and leisure travellers, which we regard as a strong foundation in terms of the risk profile, as it balances possible volatility in demand from different customer groups. In general, business travellers tend to spend 20-40% more than leisure travellers, as they tend to opt for accommodations offering amenities such as meeting rooms, business centers, and high-speed internet. These preferences often lead them to choose higher-category hotels, which typically have higher room rates. Leisure travelers, conversely, may prioritize budget-friendly options, selecting accommodation based on affordability and proximity to tourist attractions rather than business amenities, which often leads them to choose mid-range or budget hotels, which offer more economical rates. Positively for MHP, the 50:50 split of stays between the two groups clearly displays that MHP hotels are equally attractive for leisure and business travelers.

Business model explained

White-label hotel operation

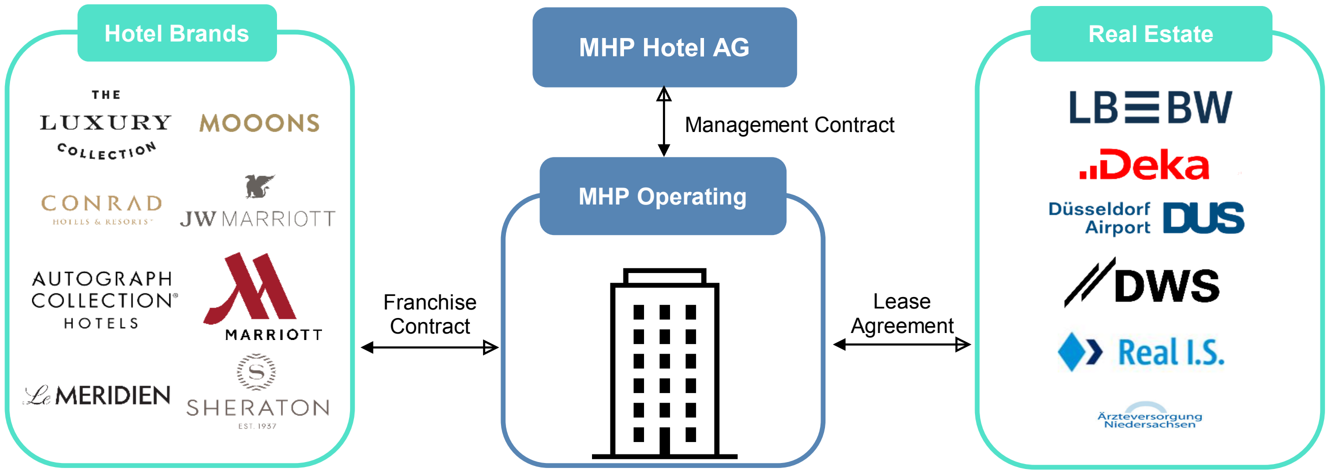
Next to hotel operators like MHP, there are two other parties involved in the business, namely the owner of the brand (e.g. Marriott, Hilton) and the property investor (e.g. DWS, DEKA, Union Investment). The reason, why hotel operators are necessary for the equation is as follows.

The main focus of hotel chains is on brand development and expanding their footprint. In order to facilitate this, they tend to focus on an asset light business model, i.e. not burdening their balance sheets with investment properties. In this way, hotel brands are able to maximize cash generation and scalability of their franchise model.

On the other hand, there are the investors, which are in most cases institutional investors. While these usually lack the necessary knowledge to manage a hotel's operation, they are also typically obliged to generate rental income from their investments instead of income from operating activities. Hence, the investor needs a lease contract, which on the other hand the hotel chains are not willing to sign, in order to avoid inflating their balance sheet with lease contracts.

For this reason, **both parties need white-label operators like MHP**, who have contractual agreements with both, the hotel chain and the property investor. In the end, MHP operates the hotel under the brand of the hotel group, which acts as franchisor and provides MHP access to its global distribution systems. In return, MHP pays the hotel brand a fixed and a variable fee. On the other hand, MHP signs a lease agreement with the investor, which is aligned with the duration of the franchise contract (typically 20-25 years).

Business model of MHP



Source: NuWays Research

Own hotel brand

Besides this, MHP opened the first hotel of its own brand – MOOONS – in 2021 in Vienna. Going forward, the company aims to expand the MOOONS brand an establish it as a "brown to green" brand, i.e. sustainably renovating and operating hotel properties as well as as office conversions. One advantage about the own brand is, that MHP is fully autonomous when it comes to the use of operational systems and the collection of data, allowing the company to improve processes and thus efficiency. Moreover, thanks to the absence of an external hotel brand in the equation, MHP is able to achieve higher gross margins with the MOOONS brand (eNuW: >10% EBITDA margin vs 6-10% with white-label operation).

Co-investments

The third pillar of the company's business model are co-investments. Here, MHP typically takes a minority stake in an investment property, entering a JV with a larger financial investor. Especially in the current environment, where open-ended real-estate funds are suffering from outflows, some institutional investors are in fact forced to sell properties, which creates the opportunity for some "lucky-buys". This enables MHP to benefit from potential valuation increases over time in addition to a management fee. The first investment of this kind was made in 2021, when MHP took a 5% stake in Marriott Basel. The second co-investment was made in 2024 in Stuttgart, where MHP and HWS acquired the Le Méridien in Stuttgart, a 293-room hotel, which MHP already operated since 2017. Mind you, that our model does not include any proceeds from a potential sale of those assets, which is in turn providing a certain **upside to our estimates.**

MHP Hotel AG			
Description	MHP Hotel AG is the only listed white-lable hotel operater in Germany. The company acts as an intermediary between property investors and hotel brand owners by leasing prime hotel properties in major cities in the DACH region. On top of this and to diversify the business model, MHP opened the first hotel of its own upscale boutique hotel brand MOONS in Vienna in 2021. Morever, the company partly acts as a co-investor, which enables for earnings and exit participation.		
Hotels	12*		
Headcount	730		
Operating brands	**Marriott International:**	**Hilton Worldwide:**	**Own brands:**
Customers	**Leisure and business travellers:** MHP's hotels in DACH region hosted a total of 850k overnight guests and 1.15m F&B guests in FY24. While half of these were leisure travellers, the other half were business travellers.		
Market position	Go-to platform when it comes to white-label hotel operations in the DACH region		
Competitors			
Sales split	**Logis**	**F&B**	**Other**
	122.7	32.2	5.4
Sales (€ m)	**FY24**	**FY25e**	**FY26e**
	160.2	184.5	202.1
Adj. EBITDA	**FY24**	**FY25e**	**FY26e**
	8.1	10.0	14.0
Adj. EBITDA-margin	5.1%	5.4%	6.9%

Source: NuWays Research; *incl. JVs & pipeline

Competitive Quality

- **Trusted partner** for premium and luxury hotel brands
- **Price leadership:** MHP is #1 in ADR's in Germany
- **Knowledge advantage** in F&B drives margins
- **Diversified customers base** displays resilience of portfolio
- Own hotel brand **MOOONS drives differentiation**

Proven expertise in managing premium and luxury hotels

Institutional investors and large funds seek to include premium, globally recognized brands in their portfolios. These brands provide stability, strong financial returns, long-term growth, and are of course better to market a product compared to low-budget brands. However, securing a franchise agreement with a top-tier hotel brand is not an easy task. These brands are highly selective, applying strict criteria to ensure their standards are met. Only hotel operators with a strong track record, financial stability, and operational excellence are granted access to these prestigious partnerships.

MHP has consistently demonstrated its ability to meet and exceed these high expectations. Unlike many competitors who struggle to secure franchise agreements due to their lack of experience, MHP has successfully partnered with some of the world's most renowned hotel brands like JW Marriott, The Luxury Collection, Sheraton or Conrad by Hilton, underscoring its deep **industry expertise, financial reliability, and strong reputation for delivering quality**.

One of MHP's key strengths is its ability to not only secure these agreements but also fulfill them successfully. Winning a franchise agreement is just the first step; the real challenge lies in executing operations at the highest level. Many hotel operators fail to maintain brand standards over time, leading to the loss of contracts. MHP, however, has proven its ability to meet contractual obligations, uphold service excellence, and achieve strong financial performance. These capabilities have solidified its **standing as a trusted and reliable hotel operator.**

The hospitality industry is highly competitive, with only a handful of operators meeting the strict requirements set by leading hotel brands. Many companies are unable to gain access to these partnerships simply because they lack MHP's track record of success. By consistently delivering results, MHP has built **long-term relationships with both investors and brands, reinforcing its position as a leader in the sector**.

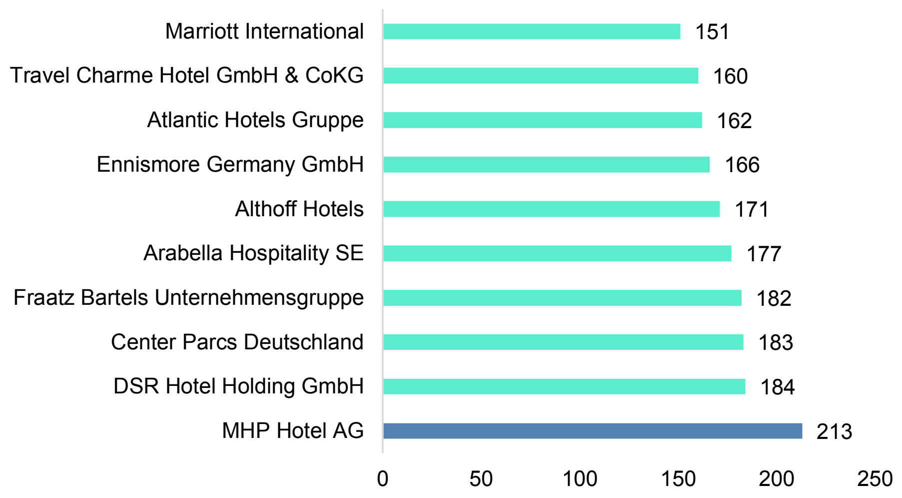
This credibility gives MHP a distinct competitive advantage while at the same time representing an entry barrier for competitors. **Investors trust the company to maintain high-quality assets, while hotel brands are confident that MHP can uphold their reputation.** As a result, MHP continues to expand its footprint in the industry, securing new partnerships and strengthening its influence in the hospitality sector. Its commitment to operational excellence, brand integrity, and financial success ensures that it remains a preferred partner for both investors and international hotel chains.

By maintaining these high standards, MHP not only enhances its own success but also contributes to the overall strength and prestige of the brands it represents. This sweet combination positions MHP as a **leader in the competitive world of hospitality** in the DACH region.

Market leader in ADR and strong occupancy rates

MHP Hotel's proven track record and strong brand partnerships have not only positioned it as a leader in the hospitality industry but have also translated into outstanding financial performance. This is evident in its industry-leading **Average Daily Rate (ADR) of € 213**, the highest among hotel operators in Germany. When compared to competitors such as DSR Hotel Holding (€ 184), Center Parcs Deutschland (€1 83), and Marriott International (€ 151), it is clear that **MHP commands a significant pricing premium in the market**.

Top-10 ADRs in 2023 (Germany)



Source: NuWays Research

A key factor behind this success is MHP's strategic focus on **prime city-center locations** across major cities in the DACH region. These highly sought-after locations allow MHP to attract high-spending business and leisure travelers who prioritize convenience, luxury, and premium services, further supporting its strong ADR.

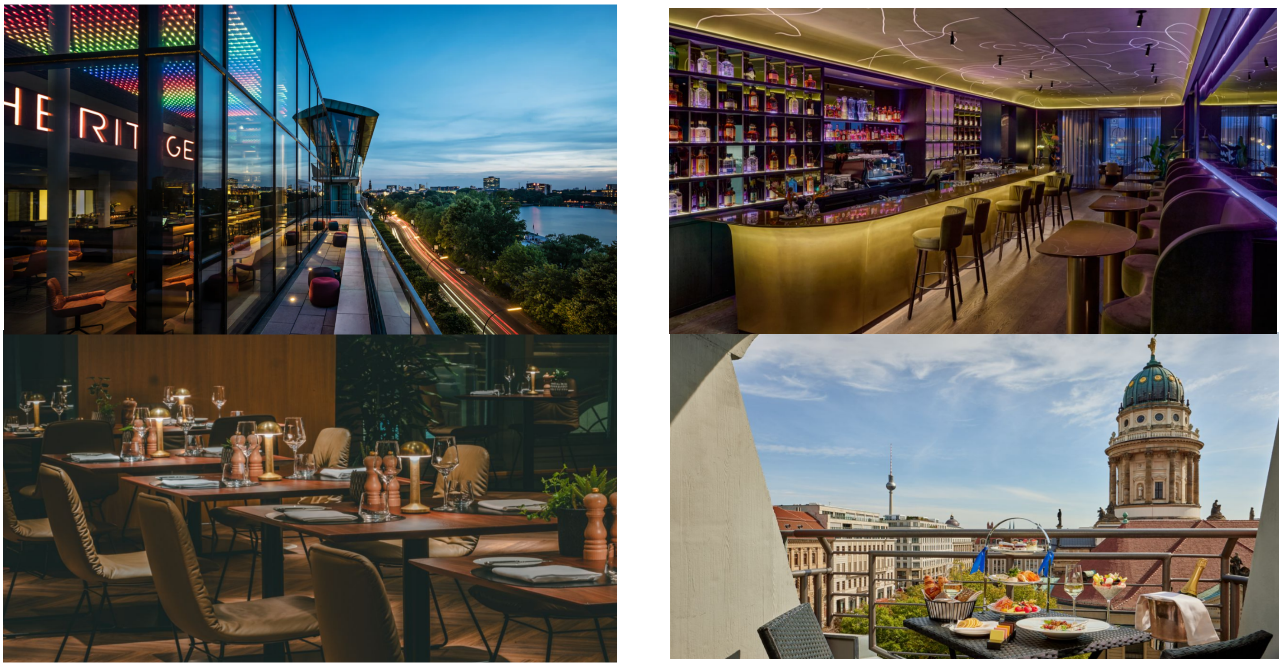
While occupancy rates have also seen a remarkable post-pandemic recovery – rising from **58% in 2022 to 77% in 2024** – MHP prioritizes ADR over occupancy. The reason is simple: **an increase in ADR directly enhances profitability, while higher occupancy comes with variable costs** such as housekeeping, utilities, and staff expenses. By focusing on maintaining premium room rates rather than maximizing occupancy at lower price points, MHP ensures sustainable revenue growth and stronger margins.

This approach, combined with its exceptional brand partnerships and strategic market positioning, allows MHP to **set new benchmarks in the German hospitality industry**. By achieving the highest ADR while maintaining strong occupancy, MHP continues to solidify its reputation as a top-tier hotel operator, maximizing both investor confidence and long-term financial performance.

Leading F&B concepts

MHP Hotel has redefined the role of Food & Beverage (F&B) within its properties, implementing **unique and innovative concepts** that set it apart from traditional hotel dining. Unlike the approach of previous operators—whose restaurants were often seen as uninspired options catering only to guests with no alternatives—MHP has transformed its F&B spaces into **vibrant destinations** that attract both hotel guests and external visitors. The MHP F&B concepts form unique **selling points with a positive effect on the rate structure and the value of a hotel property**.

MHP's F&B concept



Source: NuWays Research

By developing high-quality bars and restaurants with strong standalone appeal, MHP ensures that its F&B outlets are not merely an add-on to the hotel experience but a **revenue-driving asset**. This strategy significantly **enhances efficiency and profitability**, particularly during low seasons when hotel occupancy might fluctuate. Instead of relying solely on in-house guests, MHP's F&B venues generate steady external footfall, optimizing the use of space, staff, and operational resources. Real-world success stories highlight the impact of this approach: at Le Méridien Hamburg, the transformation of the former restaurant Le Ciel into the Heritage Restaurant & Bar, combined with the addition of a rooftop bar, drove **F&B revenue growth by 71% between 2014 and 2019**. Similarly, in Le Méridien Munich, a strategic F&B repositioning led to a **700% increase in cover numbers**.

The impact of this approach is clear: F&B now contributes **approximately 20% of MHP's total sales**, demonstrating its role as a key pillar of the company's financial success. This focus on high-quality culinary concepts is also reflected in guest feedback. For instance, The Legacy Bar & Grill at Le Méridien Frankfurt is praised as a "super restaurant with perfect steaks, great wine, and top-notch service." Likewise, Heritage Berlin has become a recognized hotspot at Gendarmenmarkt, celebrated for its contemporary fusion cuisine and vibrant atmosphere. By emphasizing strong branding, culinary excellence, and local community integration, MHP not only increases revenue but also strengthens its hotels' positioning as premium lifestyle destinations.

MHP's commitment to innovation, efficiency, and guest experience ensures that its F&B concepts remain a **competitive advantage**, setting it apart from industry peers. Importantly, as MHP is required to offer a bar and restaurant concept in its full-service hotels, a well-performing F&B concept allows for **additional profit with every extra euro in revenue**. Moreover, **guests are willing to pay a premium on room rates for hotels with an outstanding F&B** offering compared to similar hotels with less appealing concepts. The ability to successfully implement and scale these concepts highlights MHP's expertise in creating value beyond standard hotel operations, reinforcing its position as a leader in the hospitality industry.

Diversified customer structure

As outlined before, MHP's guest structure is evenly divided into business and leisure travellers. Business travelers choose MHP's hotels for its focus on convenience, offering amenities like high-speed internet, flexible check-in/check-out, and fully-equipped conference rooms for productive stays. In contrast, leisure travellers are drawn to the comfort and leisure options, including sightseeing, spa treatments, and recreational activities. This even balance allows MHP to mitigate risk by not relying too heavily on one group, while also catering to the distinct needs of both segments. As a result, MHP benefits from consistent occupancy rates and a stable, diversified revenue model throughout the year, regardless of fluctuations in business or tourism seasons.

MOOONS as a competitive edge

The MOOONS brand sets MHP apard from its competitors in several key ways, particularly in terms of branding, operational efficiency, and financial performance. Unlike many hotel operators that rely on established international brands and pay substantial franchise fees, MHP retains full control over MOOONS, allowing for a capital-efficient and highly profitable business model. By not being tied to external brand standards, MHP can optimize costs, streamline decision-making, and fully leverage customer data to enhance operational efficiency. Additionally, MHP benefits from its extensive experience in managing high-end hotels, applying this expertise to refine its own brand. This directly translates into higher gross margins compared to competitors operating under franchise agreements.

From a guest experience perspective, MOOONS' design-driven concept and high service standards create a boutique hotel feel at a competitive price point. *The Times* has recognized it as one **of Vienna's best affordable hotels, praising its "cool circular-windowed design" and "glam minimalism."** Guest reviews further reinforce this distinction. On Tripadvisor, MOOONS holds a 4.5/5 rating, with guests frequently highlighting its cleanliness, stylish rooms, and friendly service. Booking.com users rate it a 9.0/10, emphasizing the hotel's **modern aesthetics, comfort, and excellent location** near Vienna's central train station. These positive reviews demonstrate how MHP's approach to MOOONS successfully sets it apart from competitors by combining high-margin operations with a unique and desirable guest experience.

By leveraging its deep industry expertise, MHP ensures that MOOONS is not only a stylish and high-quality hotel brand but also an operationally optimized and financially efficient one. The company applies best practices from its management of luxury international brands to its proprietary concept, continuously improving efficiency and guest satisfaction. While many competitors are bound by the limitations of third-party hotel brand agreements, MHP demonstrates how owning and managing a proprietary brand leads to superior profitability, flexibility, and long-term strategic advantage.

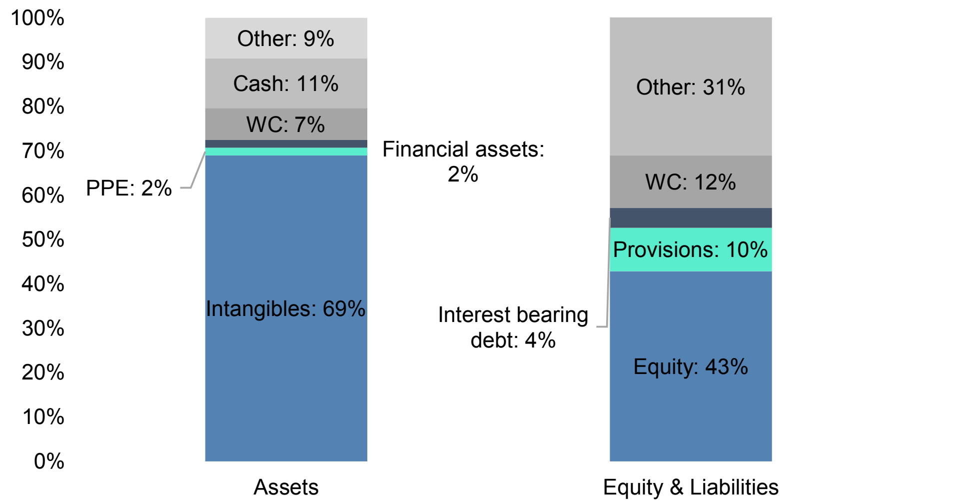
Business quality

- **Capital light business model**
- **Low NWC-intensity**
- **FCF to reach € 14.2m by 2030e compared to € 0.5m in 2023**
- **Increasing returns** following improving profitability

Capital light and soon debt free business model

MHP as a leaseholder runs a capital light business model, where PPE account for only 1.8% of total assets (€ 112m as of FY23), as they do not own any properties. Intangible assets on the other hand make up 69% of the balance sheet and mainly consist of goodwill (€ 21m), which results largely from the reverse IPO in 2021 as well as capitalized leasing contracts. While the latter will be amortized over the duration of the lease agreement, the goodwill is amortized in accordance with the German GAAP (HGB) over a period of 10 years.

Balance sheet structure MHP



Source: NuWays Research, company data

The capital-light model provides several strategic advantages. First, it enhances financial flexibility, allowing MHP to allocate resources towards growth, innovation, and brand positioning rather than tying up capital in real estate. This also means **lower CAPEX** (eNuW: € 400k p.a.) requirements, resulting in **higher returns**.

Additionally, by leasing rather than owning properties, MHP can rapidly scale its portfolio without the burden of large upfront investments, reducing exposure to real estate market fluctuations. This asset-light approach is particularly beneficial in an industry where agility and adaptability are crucial to responding to market demand shifts.

Furthermore, a small proportion of interest-bearing debt (4%) and a strong equity base (43%) ensure financial stability while keeping leverage under control. The efficient allocation of working capital (7%) and provisions (10%) further supports the company's **operational resilience**. The debt hereby is fully attributable to an outstanding Covid related KfW loan, which the company will pay back fully by FY26e, making MHP **free of debt**. Notably, despite the Covid period, MHP never had to rely on bank financing.

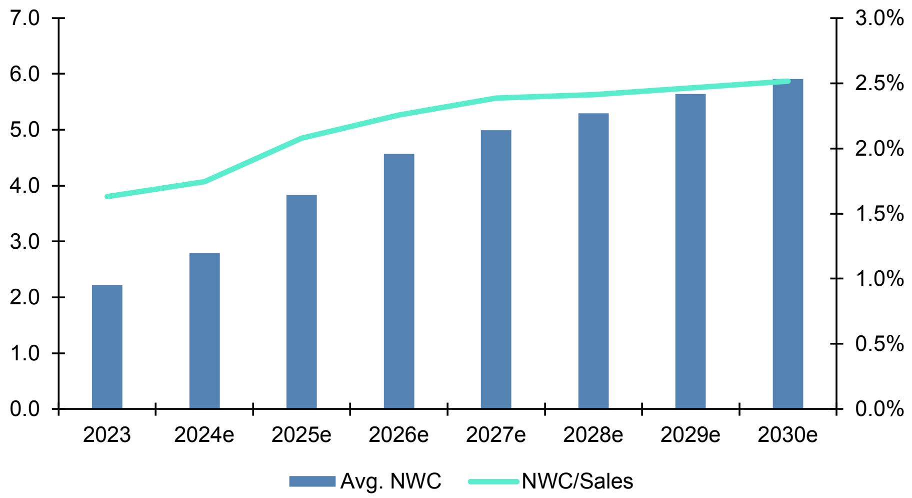
Overall, MHP's capital-light strategy optimizes profitability, enhances scalability, and ensures long-term financial sustainability, reinforcing its position as a leader in the hospitality sector.

Low NWC-intensity

The working capital of MHP is comparably low, accounting for only 2-3% of sales, which is also typical for a company with a high leasing share. As MHP does not own any real estate, this allows the company to operate on low overhead and WC requirements.

The projection below suggests that while absolute WC is expected to grow in the coming years, **its share of sales remains structurally low**, reinforcing the company's capital-efficient model.

NWC development



Source: NuWays Research, company data

This is a significant advantage in the hospitality industry. Since MHP follows an asset-light strategy with leased properties, it avoids heavy capital commitments and maintains low overhead costs. This allows the company to allocate more resources to brand development, guest experience, and operational efficiency, rather than tying up cash in working capital.

Additionally, it reduces financial risk by ensuring strong cash flow generation, minimizing the need for short-term financing. This means MHP can scale its operations more easily, expanding into new locations without the liquidity constraints faced by asset-heavy competitors.

Despite an increase in absolute WC, the stable NWC-to-sales ratio suggests that MHP's growth will not be hindered by excessive capital requirements. Instead, this financial flexibility supports the company's ability to adapt to market changes, optimize profitability, and maintain strong margins, even during economic fluctuations.

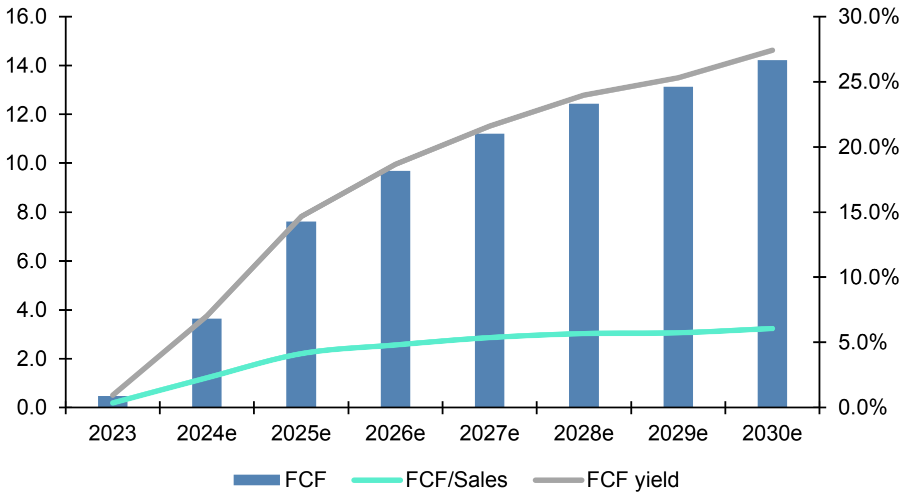
FCF generation and returns accelerate going forward

MHP is expected to strongly increase FCF generation going forward, mainly driven by hotels getting up and running, thus driving profitability improvements but also efficiency gains. On this basis, FCF is seen to reach € 3.6m in FY24e and € 14.2m by 2030e.

This is mainly driven by increasing profitability across MHP's hotels, supported by higher ADRs, strong occupancy rates, and an innovative F&B strategy. The capital-light model plays a crucial role, as lower working capital and overhead costs enhance cash conversion efficiency. Additionally, operational improvements and economies of scale contribute to higher margins, leading to stronger cash flow generation.

Compared to 2023, where FCF was only € 0.5m (caused by extraordinary expenses of € 2.9m in connection with the repositioning of the JW Marriott in Frankfurt), the company is now poised for sustainable, long-term cash flow growth, ensuring financial flexibility and investment capacity. This allows MHP to expand its footprint, reinvest in its brand, and create shareholder value, all while maintaining strong liquidity and operational efficiency.

FCF development



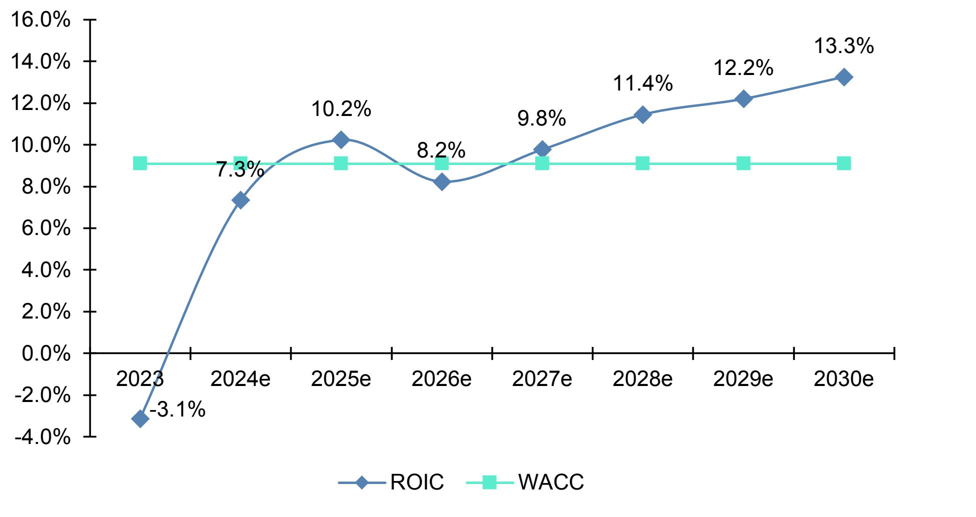
Source: NuWays Research, company data

The business quality of MHP is seen to thrive on this basis, allowing for strongly increasing ROICs, reaching 13.3% by 2030e, highlighting a strong return for shareholders given the WACC of 9.1%. Moreover, with limited reinvestment needs, **MHP is well-positioned to distribute a significant portion of its FCF as dividends**, offering attractive returns to shareholders.

This improvement is directly linked to MHP's capital-light model, which minimizes asset intensity while maximizing cash flows. Higher ADRs, improved occupancy rates, and a profitable F&B strategy drive earnings, while low working capital intensity enhances efficiency. Additionally, strong free cash flow growth supports reinvestment, fueling further improvements.

With **ROIC exceeding WACC from FY26e onward**, MHP demonstrates a sustainable, high-return business model, reinforcing its strategic advantage in the hospitality sector.

Development of returns



Source: NuWays Research, company data

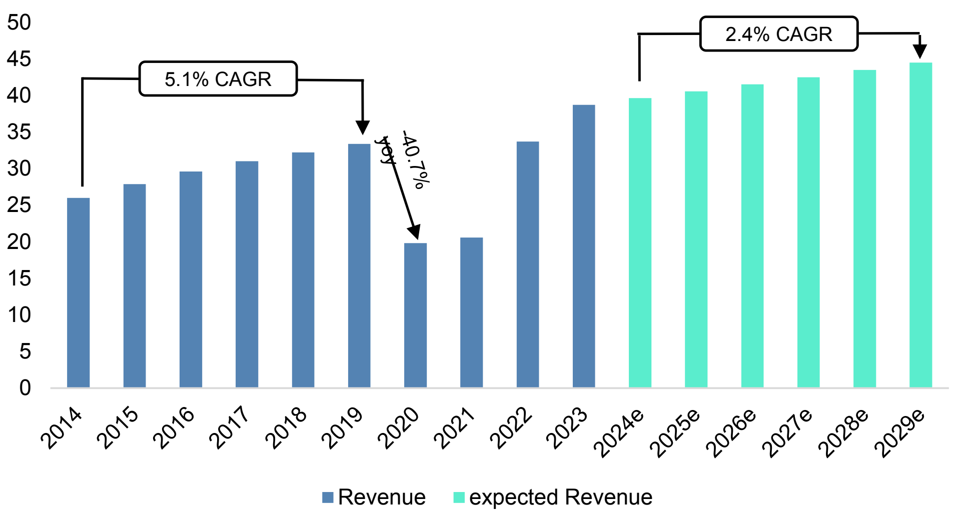
Growth

- **Strong market recovery since Covid** followed by stable growth in the mid-term
- **Upper up-scale and luxury to outgrow general market**
- **Struggling peers offering opportunities**
- **ADR to drive top-line and margins**
- **EBITDA to grow at 95% CAGR FY22-27e**

Market growth

Following the coronavirus pandemic, during which global tourism was severely restricted, leisure travellers have returned with a **high spending appetite**, leading to a rapid recovery of the hotel sector with **strong growth** in 2022 and 2023. This trend has now transitioned into a **phase of stable, normalized growth**. While long-term projections for **global GDP growth** stand at **2.7% per year until 2032**, the tourism sector is expected to grow at a **CAGR of 5.8%**, significantly outpacing the broader economy. A similar trend is observable in **Germany, MHP's key market**, where hospitality revenues grew by **5.1% CAGR** pre-pandemic, before a sharp 40% decline in 2020. Since 2022, the sector has seen a strong rebound, with revenues now projected to grow at **2.4% CAGR until 2029**, indicating a **moderate but steady recovery**.

Development of German hospitality market



Source: NuWays Research, DEHOGA, Statista

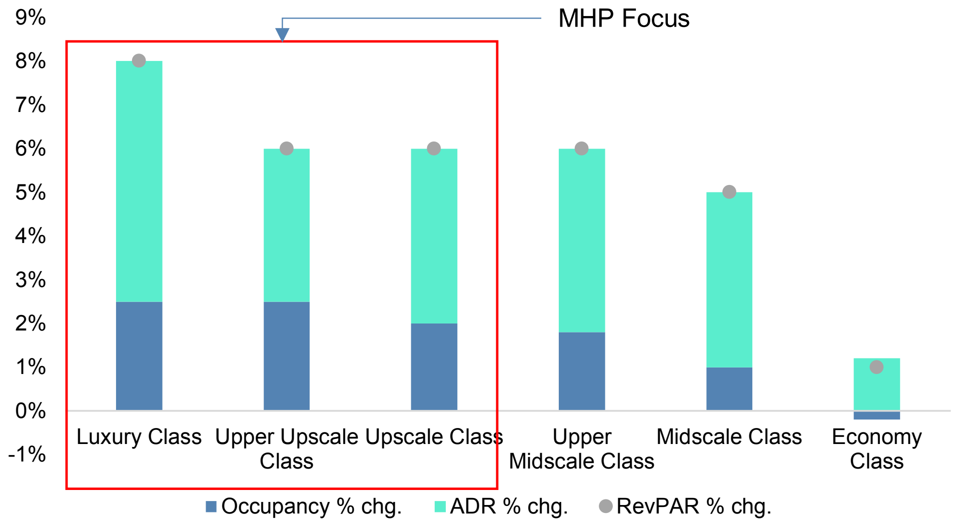
In Europe, the recovery has been uneven across regions. The UK and Ireland are the only markets that have fully recovered their pre-pandemic occupancy levels as of YTD November 2024, while most other European markets remain below 2019 figures. Southern European countries, such as Spain, have seen a stronger recovery (99.1% of 2019 levels), while Germany lags slightly at 93.3%. The discrepancy is even more evident in ADR growth, where markets like Greece and Italy have seen over 50% increases since 2019, compared to less than 20% in Germany and Switzerland. This suggests that the DACH region's slower recovery is linked to lower international demand compared to Mediterranean destinations.

Luxury and upper up-scale hotels as key growth segments

Looking ahead, **luxury and upper-upscale hotels are expected to significantly outperform the broader market**. This is mainly driven by a **38% projected increase in global wealth by 2027** and a 28.5% rise in the number of ultra-high-net-worth individuals (UHNWIs) between 2022 and 2027. These travelers tend to take more frequent and longer trips, and crucially, they exhibit **low price sensitivity**. While a price increase in the budget segment (e.g., from €100 to €150 per night) might deter guests, a € 50 increase in the luxury segment (e.g., from € 400 to € 450 per night) has a far smaller impact on demand. This pricing power makes luxury hotels more **resilient to inflationary pressures, which is particularly important in times of rising operating expenses, and economic downturns.**

As shown in recent data, this trend is already reflected in the European hotel market. In YTD November 2024, RevPAR growth in the **luxury segment reached 8%, whereas the economy segment grew by just 1% – a difference primarily driven by ADR expansion**. This is particularly relevant for MHP, which has consistently **led the market in ADR growth over recent years**.

Growth per hotel segment in 2024



Source: NuWays Research, CoStar Group

Further growth driver: The return of Asian tourism

Another major growth driver is the return of Asian tourists, particularly from China. From 2008 to 2019, the number of Chinese visitors to Germany more than tripled (from 421k to 1.55m). However, due to pandemic restrictions, this figure dropped to just 55k in 2021. While the situation has improved – with 580k Chinese tourists recorded in Germany in 2023 – this is still far below pre-pandemic levels. As travel from China, India, and other Asian countries normalizes, it is expected to positively impact both occupancy rates and ADRs. A leading example is Vienna, which saw over 700k arrivals from Asia in 2024, nearly reaching its pre-pandemic peak of 845k. By 2025, this number is expected to surpass previous records, reinforcing the importance of Asian inbound tourism as a long-term growth catalyst.

Asian tourists, especially from China, show a **strong preference for luxury and upper-upscale hotels,** making their return particularly significant for MHP. Chinese travelers, for example, are among the highest-spending tourists globally, with an average daily expenditure of over € 300 per person in Europe. Luxury shopping, fine dining, and premium accommodation are integral parts of their travel experience, making them a key driver of high-end hospitality demand. Additionally, many Asian travelers prefer well-known international brands for their perceived prestige, consistency, and service quality, aligning perfectly with MHP's portfolio of top-tier global hotel brands. Yet, a full recovery in the short term is not expected and thus also not included in our model, underscoring the **strength of MHP's business model even without a good part of this important customer group.**

MHP's positioning for above-average growth

MHP is strategically positioned to capitalize on these trends, combining a **strong presence in luxury, upper-upscale and upscale hotels with locations in highly**

attractive urban destinations such as Munich and Vienna. Unlike budget and mid-scale hotels, where demand is more price-sensitive, MHP's properties cater to a **clientele with higher spending power**, ensuring strong rate stability and pricing flexibility. Additionally, MHP has a **proven track record in maximizing ADR growth** and effectively managing hotels for optimal profitability.

As luxury hospitality continues to **outpace the broader market**, and as international travel—especially from Asia—**is returning**, MHP is positioned to **achieve above-average growth rates** compared to the overall German hotel market.

Growth at MHP

Struggling peers offer opportunities for portfolio expansion

Besides **excellent organic growth prospects**, the recent wave of insolvencies in the German hotel market presents **significant opportunities for MHP to expand its portfolio** by taking over hotel operations of selective locations. Rather than acquiring properties, MHP follows an asset-light strategy, stepping in as an operator and leveraging its expertise to optimize performance, reposition hotels, and create long-term value.

For instance, a German hotel chain, which operates 13 hotels in key German cities such as Berlin, Düsseldorf, and Cologne, has faced financial distress, leaving several well-positioned properties in need of a strong and experienced operator. Likewise, another hotel chain, which once ran a portfolio of over 50 properties across Germany, has also encountered financial difficulties, creating further opportunities in cities such as Hamburg, Frankfurt, and Munich. In addition to this, several open-ended public funds are facing cash outflows, forcing them to divest assets, thus opening up a further pillar of opportunity for MHP.

In our view, these distressed assets present MHP with the opportunity to take over operations of such assets, followed by a repositioning, elevating them to the upper up-scale or luxury segment and reopening under a new brand (e.g. Marriott, Hilton). This strategy enhances the appeal of the hotels, increases occupancy rates, and ensures premium pricing, making them competitive in the market while securing strong returns. MHP has a proven track record in successfully repositioning hotels, creating value for investors, property investors, and guests alike.

At the same time, MHP is driving the expansion of its own lifestyle brand, MOOONS. By growing the MOOONS portfolio, MHP achieves higher profit margins, as operating under a proprietary brand eliminates the need for third-party franchise fees (eNuW: MOOONS EBITDA margin of >10% vs 6-10% witch white-label operations). The successful launch of MOOONS Vienna in late 2021 demonstrated the brand's strong positioning in the upscale lifestyle segment, catering to modern travelers seeking high-quality design, exceptional service, and competitive pricing.

In summary, the ongoing restructuring of the German hotel market provides MHP with a unique opportunity for growth. By strategically taking over, refurbishing, and repositioning distressed hotels while simultaneously expanding the MOOONS brand, MHP is well-positioned to strengthen its role as a leading hotel operator in the industry. This dual-pronged strategy ensures sustainable growth, higher profitability, and a stronger market presence in both the branded and independent hotel segments.

As we do not model any new hotels, despite the already signed deals, into our model, this certainly provides some upside to our estimates.

Top-line to be driven by strong ADRs

As outlined in the market part, MHP is set to achieve significant top-line growth over the coming years, clearly outpacing the broader market. This strong trajectory is fueled by a combination of strategic expansion, premium positioning in the upper-upscale and luxury segment, and a well-structured approach to pricing and revenue optimization.

A key factor in MHP's impressive growth is its ability to drive ADR increases. We project a 7% ADR growth in 2025, followed by a stable 5% annual increase thereafter. These figures reflect **MHP's premium positioning, enabling consistent price optimization even in a competitive environment** and should be seen as rather conservative, given the low price elasticity of its target customers. MHP's expertise in operating internationally renowned brands, combined with a focus on exceptional service quality, creates strong pricing power and allows to command higher rates than the market average.

Food & Beverage (F&B) continues to be a strong contributor to overall growth. We estimate 5% growth in FY25e and a conservative 2.5% annual increase, thereafter, capitalizing on MHP's ability to create high-end dining and bar concepts that resonate with both hotel guests and external visitors. This steady growth underscores the resilience of the premium F&B offerings, which enhance the overall guest experience and drive incremental revenue.

Other revenue streams, including spa services, parking, and ancillary amenities, will see moderate growth. These **high-margin services** complement the core business, reinforcing the ability to generate revenue beyond traditional room sales.

Beyond price-driven growth at consistently strong occupancy rates, portfolio expansion is seen to fuel long-term outperformance. MHP has two openings still in the pipeline with the high-profile opening of the Conrad Hamburg (H2'25e), bringing 283 additional rooms into the portfolio. Similarly, in 2028, the Autograph Collection Stuttgart will add 132 rooms, reinforcing MHP's presence in key markets.

Top-line development

	in €m	2022	2023	2024e	2025e	2026e	2027e	CAGR 2022-27e
Logis		**80.1**	**103.4**	**122.7**	**138.7**	**150.1**	**155.9**	14.2%
	yoy	n/a	29%	19%	13%	8%	4%	
F&B		**20.5**	**27.5**	**32.2**	**40.2**	**46.3**	**47.4**	18.2%
	yoy	n/a	34%	17%	25%	15%	2%	
Other		**4.2**	**5.4**	**5.4**	**5.6**	**5.8**	**5.9**	6.9%
	yoy	n/a	26%	0%	5%	2%	2%	
Total sales		**104.8**	**136.3**	**160.2**	**184.5**	**202.1**	**209.2**	14.8%
	yoy	215%	30%	18%	15%	10%	4%	

Source: NuWays Research, company data

With a projected total revenue CAGR FY22-27e of 14.8%, MHP looks set to clearly outgrow the hospitality industry. The focus on the upper-upscale and luxury segment hereby provides a competitive edge, allowing for stronger ADR growth, strong and stable occupancy rates, and higher ancillary revenue. This premium positioning, combined with an expanding footprint and strategic revenue management, ensures that MHP remains at the forefront of the market, delivering sustained and above-market growth in the years ahead.

Margins set to thrive on continuous ADR improvements

MHP's strong financial trajectory builds upon the top-line growth outlined in the previous section. With net sales expected to grow at a CAGR FY22-27e of 14.8%, driven by ADR increases, strategic expansion, and a growing footprint in the upper-upscale and luxury segment, this strong revenue base translates directly into improving margins and a rapid turnaround in profitability. The ability to capture premium pricing, optimize cost structures, and enhance operational efficiency ensures that **MHP not only outgrows the market but does so with increasing profitability.**

A key driver of margin expansion is ADR growth, which directly impacts gross profit and EBITDA margins. With a 7% ADR increase projected for 2025 and 5% annual growth thereafter, MHP benefits from its ability to price at a premium. The focus on high-end brands and exclusive locations ensures robust demand, allowing for sustained price optimization. This pricing power translates into an expected gross margin expansion from 47% in 2022 to 53% by 2025 and beyond. Despite rising costs, this margin stability highlights the resilience of MHP's premium business model.

Operational efficiency improvements further strengthen the bottom line. Personnel expenses are projected to rise in line with inflationary salary increases and a stable staff-per-room ratio of 0.45, reflecting MHP's commitment to maintaining service quality while managing costs effectively. At the same time, the company benefits from increasing scale effects, particularly in cities where it operates multiple hotels. By clustering properties within key urban markets, MHP can share resources such as maintenance technicians and service personnel across different brands, optimizing staffing levels and reducing redundant costs. This allows for a **more efficient cost structure and contributes to steady margin expansion**.

Mind you, that we are showing an adjusted EBITDA figure for the coming years, given that (1) key money for the Conrad receieved in 2024 & '25e will be mostly capitalized and (2) renovation costs in Stuttgart in 2026 & '27e.

A further structural improvement to profitability comes from the anticipated reduction in D&A expenses. In 2025, D&A will decline sharply due to a newly negotiated lease agreement in Stuttgart, significantly easing the accounting burden and providing a substantial uplift to operating income.

Further reinforcing financial strength, MHP will fully repay its KfW loan by FY26e, eliminating € 3 million in debt (as of FY24e). As a result, the financial result will turn positive, removing an interest burden and contributing directly to net income. With no leverage weighing on the balance sheet, MHP is in a uniquely strong position compared to peers, allowing it to reinvest cash flows into growth initiatives without financial constraints.

Overall, this underscores MHP's operational strength and disciplined financial management. The ability to drive ADR growth, leverage scale efficiencies, optimize lease agreements, and eliminate financial liabilities positions MHP as a highly profitable and cash-generative operator in the luxury hospitality market. With these structural tailwinds, **MHP is well-positioned to continue outgrowing the market while delivering sustained improvements in earnings and shareholder value.**

in €m	2022	2023	2024e	2025e	2026e	2027e	CAGR 2022-27e
Net Sales	**104.8**	**136.3**	**160.2**	**184.5**	**202.1**	**209.2**	14.8%
yoy	215%	30%	18%	15%	10%	4%	
Material Expenses	55.4	70.9	80.0	86.7	95.0	98.3	
% of sales	53%	52%	50%	47%	47%	47%	
Gross Profit	**49.4**	**65.4**	**80.2**	**97.8**	**107.2**	**110.9**	17.6%
Gross margin	47%	48%	50%	53%	53%	53%	
Personnel Expenses	32.4	40.0	44.1	55.4	59.8	60.6	
% of sales	31%	29%	28%	30%	30%	29%	
Other operating expeses	24.5	31.3	34.9	46.1	37.4	38.7	
% of sales	23%	23%	22%	25%	19%	19%	
Other operating income	8.1	7.0	7.9	18.7	2.0	2.1	
% of sales	8%	5%	5%	10%	1%	1%	
EBTIDA	**0.7**	**1.1**	**9.1**	**15.0**	**12.0**	**13.7**	83.4%
EBITDA margin	1%	1%	6%	8%	6%	7%	
Adjustments*	0.0	0.0	-1.0	-5.0	2.0	1.0	
% of sales	0%	0%	-1%	-3%	1%	0%	
Adj. EBTIDA	**0.7**	**1.1**	**8.1**	**10.0**	**14.0**	**14.7**	86.0%
EBITDA margin	1%	1%	5%	5%	7%	7%	
Depreciation & Amortization	6.7	7.2	8.1	7.5	6.9	6.6	
% of sales	6%	5%	5%	4%	3%	3%	
EBIT	**-6.0**	**-6.0**	**1.0**	**7.6**	**5.1**	**7.0**	
EBIT margin	-6%	-4%	1%	4%	3%	3%	
Financial result	-0.1	-0.2	-0.1	0.0	0.1	0.2	
% of sales	0%	0%	0%	0%	0%	0%	
EBT	**-6.2**	**-6.2**	**1.0**	**7.6**	**5.2**	**7.2**	
EBT margin	-6%	-5%	1%	4%	3%	3%	
Income Taxes	1.1	0.2	0.2	1.6	1.3	1.9	
Tax rate	-18%	-4%	19%	21%	25%	26%	
Net Income	**-7.3**	**-6.5**	**0.8**	**6.0**	**4.0**	**5.3**	
Profit margin	-7%	-5%	0%	3%	2%	3%	

Source: NuWays Research, company data

Valuation

- Our DCF model yields a **price target of € 3.00** per share.
- FCF yield derives a **price target of € 2.90** per share.

DCF valuation

Our DCF valuation derives a **price target of € 3.00** per share for MHP Hotel AG. The key assumptions for our model are:

- **Terminal EBIT margin of 4.0%**: This will, according to our estimates, already be achieved in the mid-term, thus being rather conservative than bullish, in our view
- **Terminal growth of 2.0%**: The mid-term growth rate is seen at a moderate 3.6% (2027-31e) as MHP should continue open new hotels that are already in the pipeline as well as capture the opportunities currently in the markt.
- The **WACC of 9.1%** is derived from a beta of 1.5x, a 4.3% risk premium and a 2.8% risk free rate.

DCF (EUR m) (except per share data and beta)	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	Terminal value
NOPAT	0.8	6.0	3.9	5.2	6.4	7.1	8.0	9.0	6.9
Depreciation	8.1	7.5	6.9	6.6	6.7	6.7	6.6	6.4	0.7
Increase/decrease in working capital	-1.2	-0.8	-0.6	-0.2	-0.4	-0.3	-0.2	-0.2	-0.2
Increase/decrease in long-term provisions and accruals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capex	-5.6	-5.1	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7	0.7
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow	**2.1**	**7.5**	**9.5**	**11.0**	**12.1**	**12.7**	**13.7**	**14.5**	**6.7**
Present value	2.2	7.1	7.1	8.7	8.8	8.4	8.3	8.1	57.5
WACC	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%

DCF per share derived from	
Total present value	116
thereof terminal value	50%
Net debt (net cash) at start of year	-12
Financial assets	2
Provisions and off balance sheet debt	1
Equity value	129
No. of shares outstanding	43.2
Discounted cash flow per share	**3.0**
upside/(downside)	**134%**
Share price	**1.3**

DCF avg. growth and earnings assumptions	
Short term growth (2024-2027)	9.3%
Medium term growth (2027 - 2031)	3.6%
Long term growth (2032 - infinity)	2.0%
Terminal year EBIT margin	4.0%

WACC derived from	
Cost of borrowings before taxes	4.5%
Tax rate	30.0%
Cost of borrowings after taxes	3.2%
Required return on invested capital	9.1%
Risk premium	4.3%
Risk-free rate	2.6%
Beta	1.5

Sensitivity analysis DCF

WACC \ Long term growth	1.0%	1.5%	2.0%	2.5%	3.0%
11.1%	2.4	2.5	2.5	2.6	2.6
10.1%	2.6	2.7	2.7	2.8	2.9
9.1%	2.8	2.9	3.0	3.1	3.2
8.1%	3.1	3.2	3.3	3.5	3.6
7.1%	3.5	3.6	3.8	4.0	4.3

Sensitivity analysis DCF

WACC \ EBIT margin terminal year	2.0%	3.0%	4.0%	5.0%	6.0%
11.1%	2.0	2.3	2.5	2.7	3.0
10.1%	2.2	2.4	2.7	3.0	3.3
9.1%	2.3	2.6	3.0	3.3	3.7
8.1%	2.5	2.9	3.3	3.8	4.2
7.1%	2.8	3.3	3.8	4.3	4.9

Source: NuWays Research

Free cash flow yield model derives a PT of € 2.90 per share

Our FCF yield model derives an implied fair value of € 2.90 per share based on the average of FY25e and '26e estimates.

The main driver of thsi model is the level of return available to a controlling investor influenced by the cost of that investor's capital (opportunity costs) and the purchase price – the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance CapEx).

To put it simply, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after tax return equals the model's hurdle rate of 9.1% (WACC). Anything less suggests the stock is expensive; anything more suggests the stock is cheap.

FCF yield, year end Dec. 31	2024e	2025e	2026e	2027e	2028e
Adj. EBITDA	**8.1**	**10.0**	**14.0**	**15.7**	**15.9**
- Maintenance capex	0.5	0.5	0.5	0.5	0.5
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	0.2	1.6	1.3	1.9	2.8
= Adjusted Free Cash Flow	**7.5**	**7.9**	**12.2**	**13.3**	**12.5**
Actual Market Cap	**56.2**	**56.2**	**56.2**	**56.2**	**56.2**
+ Net debt (cash)	-8.5	-11.0	-19.6	-30.7	-43.1
+ Pension provisions	1.2	1.2	1.2	1.2	1.2
+ Off balance sheet financing	0.0	0.0	0.0	0.0	0.0
+ Adjustments prepayments	3.0	3.0	3.0	3.0	3.0
- Financial assets	-3.5	-3.6	-3.7	-3.8	-3.9
- Dividend payment	0.0	0.0	0.0	0.0	0.0
EV Reconciliations	*-7.8*	*-10.4*	*-19.1*	*-30.3*	*-42.7*
= Actual EV'	**48.5**	**45.8**	**37.1**	**25.9**	**13.5**
Adjusted Free Cash Flow yield	**15.4%**	**17.3%**	**32.8%**	**51.2%**	**92.5%**
Sales	**160.2**	**184.5**	**202.1**	**209.2**	**219.4**
Actual EV/sales	0.3x	0.2x	0.2x	0.1x	0.1x
Hurdle rate	9.1%	9.1%	9.1%	9.1%	9.1%
FCF margin	4.7%	4.3%	6.0%	6.3%	5.7%
Fair EV/sales	0.5x	0.5x	0.7x	0.7x	0.6x
Fair EV	**81.9**	**87.3**	**133.9**	**145.8**	**137.2**
- EV Reconciliations	*-7.8*	*-10.4*	*-19.1*	*-30.3*	*-42.7*
Fair Market Cap	**89.7**	**97.7**	**152.9**	**176.1**	**179.9**
No. of shares (million)	43.2	43.2	43.2	43.2	43.2
Fair value per share	**2.1**	**2.3**	**3.5**	**4.1**	**4.2**
Premium (-) / discount (+) in %	**59.5%**	**73.8%**	**172.0%**	**213.1%**	**220.0%**

Sensitivity analysis fair value						
Hurdle rate	9.1%	2.1	2.3	3.5	4.1	4.2
	11.1%	1.7	1.9	3.0	3.5	3.6
	13.1%	1.5	1.6	2.6	3.0	3.2
	15.1%	1.3	1.5	2.3	2.7	2.9

Source: NuWays Research

NuWays by Hauck Aufhäuser Lampe

Theme

- **Strong final FY24 expected**
- **Good start into the year**
- **Tariffs are not bad for everyone**
- **New hotel openings** to supplement strong organic growth

Strong FY24 release expected

Following the release of the Q4 hotel performance report, MHP is on track to for another record year with **sales of € 160.2m** (eNuW), implying 17% yoy growth. This was again driven by **strongly improved ADRs** (€ 216 FY24 average (+6% yoy); € 228 in H2) as well as an increased occupancy rate of 77% (+5pp yoy) resulting in Logis sales of € 122.7m (eNuW; +19% yoy). Moreover, sales in the F&B segment showed a strong year with 17% yoy growth, driven by price effects but also by the addition of the "Koenigshof" hotel in Munich (3 restaurants/bars). On the other hand, sales in the "Other" segment are seen to decline yoy by 14% to € 4.6m (eNuW), which is mainly due to the absence of state relief as part of the energy price brake in 2023, which marked a positive one-off. The segment also includes sales from Spa or parking.

Against this backdrop, the company is also set to reach the targeted € 9m EBITDA, as we estimate a **FY24 EBITDA of € 9.1m**, implying a 5.7% margin (+5pp yoy). Again, the improved profitability was mainly driven by higher ADRs as those come with no incremental margin. Yet also the higher occupancy should have contributed strongly to the result.

Overall, the release of the final FY figures should clearly demonstrate the operational strength of MHP, being able to capitalize on its strong market position and deliver shareholder value.

Good start into the year

Last week, MHP released strong Q1 hotel reults, showing **total sales of € 33.3m (+17% yoy)**. This was driven by an improved occupany rate of 67% (+2pp yoy) as well as strongly improved ADR of € 203 (Q1'24: € 188) leading to a RevPar of € 137 (Q1'24: € 122).

With this, the company should be well **on track to achieve the targeted € 180m sales in FY25e** (eNuW: € 184.5m).

Moreover, the company reiterated that the Conrad will be handed over to MHP in August, paving the way for an opening in late Q3/early Q4. While this will be be the first Conrad brand hotel in Germany, it will also be MHP's first hotel under a Hilton brand.

US tariffs to guide tourism towards Europe

The recent escalation of U.S. tariffs under President Donald Trump is reshaping global tourism patterns, with notable implications for European destinations. As Americans face increased costs for international goods and services due to these tariffs, many are reconsidering their travel plans. The strengthening of the U.S. dollar against the euro, partly attributed to these trade policies, has made **European travel more financially attractive for American tourists.** This currency advantage allows for more affordable luxury experiences in Europe, such as upscale accommodations and fine dining.

Conversely, the tariffs have led to a decline in inbound tourism to the U.S. (-12% yoy in March, Source: The Guardian), as international travelers respond to both economic and political uncertainties. This shift is expected to **benefit European hospitality companies like MHP**, which operate in key urban centers popular with American tourists. Even before the current situatiuoin, international tourism in Germany was poised for a strong 7% growth in 2025, thus surpassing the worldwide average. The increased American interest in European destinations presents an opportunity for MHP to attract a higher volume of guests, particularly in their upper-upscale and luxury segments.

Furthermore, the changing travel dynamics may encourage MHP to tailor their offerings to appeal to this growing demographic, potentially enhancing their market position and revenue streams. By capitalizing on the current economic climate and shifting preferences of leisure travellers, MHP stands to strengthen its presence in the European hospitality industry.

Portfolio expansion to fuel growth

Although no official announcements have been made, we **expect MHP to further expand its portfolio in the near term** – both through new franchise agreements with international hotel brands as well as additional hotels under its own brand, MOOONS. Particularly in the current environment, where competitors are under pressure, MHP is **well positioned to capitalize on select "lucky buys" and portfolio additions**.

Several traditional hotel operators have recently run into serious financial difficulties. These challenges stem from a combination of structural vulnerabilities and macroeconomic headwinds. A steep rise in interest rates has significantly increased the cost of capital, burdening real estate-heavy businesses with high debt levels. Inflation – especially in wages, utilities, and food – has compressed margins across the board. Meanwhile, legacy operators often lack the brand flexibility and operational agility needed to reposition their properties or justify higher room rates.

MHP, by contrast, has intentionally positioned itself on a more resilient **foundation.** The company operates with a capital-light leasehold strategy, meaning it avoids real estate exposure and remains flexible in navigating economic cycles. Moreover, its focus on the upper-upscale and luxury segment attracts a clientele that is less sensitive to pricing shifts. In contrast to budget hotels – where a € 20 difference can change booking decisions – customers in this premium tier are more focused on the quality of experience. Paying € 450 instead of € 400 for a better stay is often an easy choice for them, **giving MHP the ability to maintain rate integrity and avoid deep discounting, even in periods of weaker demand.**

MHP's strong operational expertise, particularly in Food & Beverage, further differentiates itself from peers. Its concepts do not only elevate the guest experience but contribute meaningfully to revenue and margin. Combined with efficient staffing, brand alignment, and a refined cost structure, **MHP's hotels regularly outperform competitors in both RevPAR and profitability**. These strengths create an **attractive platform for expanding the portfolio.**

The potential impact of such expansion is well illustrated by an exemplary case (see graphic below): a hotel in a central location within a German Top 7 city, previously operated by a competitor such as Lindner. MHP hypothetically takes over this property on January 1, 2026, rebranding it under a premium franchise like Marriott's Autograph Collection. Renovation and repositioning costs would be incurred in that year, yet MHP's share of the refurbishment should be fully covered by key money received from the brand partner – a common structure in franchise deals. As such, **MHP avoids major cash outflows, preserving its balance sheet while upgrading the asset**.

Although FY26e would reflect transition and start-up costs, the first full year of operations in FY27e under a new brand marks the beginning of a ramp-up phase. Occupancy is projected to rise from 64% to 74% by FY31e, with ADRs increasing from € 180 to € 204 over the same period, which is a conservative estimate given the company's current average ADR level. Sales rise accordingly from € 16.1m in FY27e to € 19.3m in FY31e, supported by strong brand positioning and effective revenue management.

Exemplary case of new hotel

P&L figures in €m		FY27e	FY28e	FY29e	FY30e	FY31e
# of Rooms		*240*	*240*	*240*	*240*	*240*
# of opened day		*365*	*366*	*365*	*365*	*365*
# of possible overnight stays		*87,600*	*87,840*	*87,600*	*87,600*	*87,600*
Occupancy		*68%*	*72%*	*74%*	*74%*	*74%*
ADR		*180*	*188*	*195*	*200*	*204*
RevPar		*122*	*135*	*144*	*148*	*151*
Room sales		10.7	11.9	12.6	13.0	13.2
	yoy	n/a	10.9%	6.3%	2.6%	2.0%
F&B sales		4.7	4.9	5.0	5.1	5.2
	yoy	n/a	3.5%	2.7%	2.0%	2.0%
Other sales		0.7	0.8	0.8	0.9	0.9
	yoy	n/a	17.4%	3.1%	2.0%	2.0%
Total sales		**16.1**	**17.6**	**18.5**	**18.9**	**19.3**
	yoy	n/a	9.0%	5.2%	2.4%	2.0%
Salaries		5.2	5.3	5.4	5.5	5.6
	in % of sales	32.4%	30.0%	29.2%	29.1%	29.0%
General OpEx		6.2	6.5	6.7	6.9	7.0
	in % of sales	38.7%	37.2%	36.4%	36.4%	36.4%
MHP management fee		0.3	0.4	0.4	0.4	0.4
	in % of sales	2.0%	2.0%	2.0%	2.0%	2.0%
Franchise fee		0.5	0.6	0.7	0.7	0.7
	in % of sales	3.0%	3.3%	3.5%	3.6%	3.6%
Rent		3.0	3.3	3.5	3.6	3.7
	in % of sales	18.8%	18.9%	19.1%	19.1%	19.1%
EBITDA before FF&E		**0.8**	**1.5**	**1.8**	**1.9**	**1.9**
	margin	5.2%	8.5%	9.8%	9.8%	9.9%
FF&E replacement reserve		0.2	0.4	0.6	0.8	0.8
	in % of sales	1.0%	2.0%	3.0%	4.0%	4.0%
EBITDA		**0.7**	**1.1**	**1.3**	**1.1**	**1.1**
	EBITDA margin	4.2%	6.5%	6.8%	5.8%	5.9%

Source: NuWays Research

EBITDA before FF&E grows from € 0.8m in FY27e to € 1.9min FY31e, with a steady margin expansion to 9.9% as operations mature. Importantly, while most international brand contracts require a 4% reserve for FF&E (furniture, fixtures, and equipment), MHP typically deploys only 1-2% annually in practice. This disciplined use of CapEx allows the company to effectively "**unlock" additional earnings**, improving the adjusted EBITDA margin on a recurring basis.

Another relevant factor in assessing profitability is the internal management fee structure. MHP charges a 2% management fee on hotel sales, which is recognized as an expense in each hotel's income statement. However, from a group perspective, this fee is collected by MHP Hotel AG and thus recognized as income at the parent company level. The effect is net-neutral within the Group's consolidated financials but provides a clear view of the **operational value that MHP delivers at the property level**.

Ultimately, each successful new hotel opening adds **long-term value across multiple dimensions**. Beyond sales growth, new hotels expand **MHP's brand presence, enhance bargaining power with franchise partners, and deepen its network in key urban markets.** The company's capital-light model allows it to execute such expansion without overstretching financially – a significant differentiator in a hospitality market still under pressure.

MHP's ability to selectively acquire, reposition, and operate high-potential assets remains a **cornerstone of its growth strategy**, especially in a time when many competitors are forced to retreat.

Company background

- Founded by current management in 2012
- Diversified business model
- Strong financial commitment by management

History

2012: Daniel Beringer, Jörg Frehse, Ralf Selke and Michael Wagner founded Munich Hotel Partners GmbH.

2013 – 2017: Right after its foundation, MHP started its growth path by becoming operator of Le Meridien Hamburg in 2013. This laid the foundation for adding several hotels in the upper-upscale segment in cooperation with the Marriott group until 2017, including Le Meridien Stuttgart (2015), Le Meridien Frankfurt (2015, discontinued 2021), Le Meridien Munich (2016) and Le Meridien Vienna (2016) as well as Sheraton Düsseldorf Airport Hotel (2017). The successful completion of these first projects enabled MHP to swiftly establish itself as a full-service franchise and white-label operator in the German hospitality market.

2021: By performing a reverse IPO, Munich Hotel Partners GmbH was integrated into MHP Hotel AG (formerly known as Lifespot Capital AG). Through this, 33.1m new shares were issued.

2021: As well in 2021, MHP launched its own hotel brand “MOOONS” by opening its first boutique hotel in Vienna. As of now, no further hotels were opened under this brand.

2022: By taking over the previous Sofitel Gendarmenmarkt and repositioning the property into the Autograph Collection Hotel Luc Berlin, MHP expanded its operations into the luxury segment.

2022: Marriott intended to open the first hotel in its luxury collection “JW Marriott” in Germany, and MHP was chosen to operate the new hotel in Frankfurt (former Jumeirah). Also in 2022, MHP entered the Swiss hotel market by opening the Marriott Hotel Basel (prior: Swissotel) and thereby further strengthened its partnership with Marriott. This project was also the first one for MHP to co-invest into the property itself, providing additional stream of revenue.

2024: In order to continue its expansion into the luxury segment, MHP opened the Koenigshof in Munich under Marriott´s Luxury Collection brand in summer 2024.

2025e and beyond: Hilton plans to open the first German hotel under its Conrad Hotels & Resorts luxury brand in Hamburg, with MHP being chosen as operator. The first cooperation with Hilton allows MHP to diversify its brand portfolio while continuing to focus on the luxury hotel sector. For 2028e, MHP plans to open the Autograph Collection Hotel Stuttgart.

Business model

MHP's business model is built upon the fundament of a strong hotel operation business, which is complemented by it own boutique hotel brand as well as selected co-investments into properties

White-label hotel operation

MHP is the leading white-label hotel operator in the upper up-scale and luxury segment. Here, MHP manages hotels for internationally renowned hotel brands, mostly Marriott. Notably, in FY25 the company will expand its focus, including the first Hilton brand hotel into the portfolio (Conrad Hamburg to be opened in H2'25e). As a hotel operator, MHP acts as a crucial link between property investors on the one hand and hotel brands on the other. For hotel brands, this system allows them to keep hotel properties out of their balance sheet and focus solely on developing their brands. For property investors (e.g. DWS, DEKA, Union Investment), the main advantage is to stay out of the operational business and generate recurring rental income for their investors. Currently, MHP manages a total of 7 hotels in Germany and Austria.

Own hotel brand

In addition to third-party operation, MHP introduced its own hotel brand, MOOONS, with the opening of its first property in Vienna in 2021. Looking ahead, the company plans to expand MOOONS and position it as a "brown to green" brand, focusing on the sustainable renovation and operation of hotel properties. A key advantage of having its own brand is MHP's complete autonomy over operational systems and data collection, enabling process optimization and greater efficiency. Furthermore, without the involvement of an external hotel brand, MHP benefits from higher gross margins within the MOOONS portfolio.

Co-investments

The third key component of MHP's business model is co-investments. In this approach, MHP typically acquires a minority stake in a hotel property through a joint venture with a larger financial investor. Given the current market landscape—where open-ended real estate funds are experiencing outflows—some institutional investors are being compelled to sell assets, creating opportunities for attractive acquisitions at favorable valuations. This strategy allows MHP to benefit not only from long-term appreciation in property values but also from management fee revenues. The company's first co-investment took place in 2021 with a 5% stake in Marriott Basel. More recently, in 2024, MHP partnered with HWS to acquire Le Méridien Stuttgart, a 293-room hotel that MHP had already been operating since 2017. Notably, potential gains from the sale of these assets are not factored into our current projections, representing a possible upside to our estimates.

Management

Dr. Jörg Frehse, CEO

Before founding MHP, Dr. Frehse headed the Hotel Development Department of the ArabellaSheraton Hotel Management GmbH and was in charge of the Project- and Real Estate Management of Schörghuber´s own hotel properties within the Arabella Hotel Holding International. Before entering the hotel management sector, Frehse worked as a Consultant for Roland Berger´s investment subsidy (bmp AG) and for the Treugast Group.

Ralf Selke, CFO

As a co-founder of MHP, Selke brings in a 25 years of experience in the real estate sector during which he closed transactions with a total volume of more than € 4bn. He gained experience both at Deutsche Bank and Grove International Partners, where he led the Sales and Leaseback activities, being responsible for the construction of the European hotel platform as well.

Michael Wagner, COO

Wagner has been working in operative and strategic hotel management for more than 20 years. He covered relevant management positions at Four Seasons Hotels & Resorts before joining Hudson Advisors Germany as Director for Cost Control and Development in the hospitality field. In this position, he successfully conducted a restructuring and centralization process of their operations division. After the sale of the group in 2009, Wagner became a member of the board of directors of a family-owned real estate and hotel company, which he continues to advise. In 2012, he co-founded MHP.

Supervisory Board

Daniel Beringer, Chairman

Beringer has been an entrepreneur and private equity advisor for more than 20 years and has extensive experience in building companies in the business services, technology, real estate and infrastructure sectors with a total turnover of over € 1bn. Since 2012, as a co-founder of MHP, he has been working in the areas of strategy, finance and financing.

Christoph Härle, Member

Härle worked at JLL Hotels and Hospitality for 25 years, lastly being Director for the EMEA region. He focused his work on large, complex hotel real estate and operator contract structures. Under his leadership, well over 150 hotels with a value of more than € 5bn were transacted. In 2019, he founded Härle Hotel Solutions GmbH, which specializes on transaction consulting, contract negotiations and strategic consulting in the hotel real estate industry.

Karsten Müller-Uthoff, Member

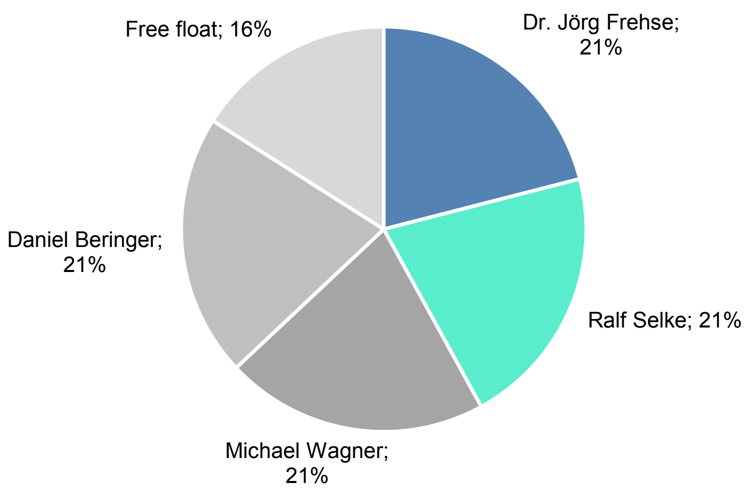
Müller-Uthoff studied business administration and also qualified as a tax consultant. After holding several management positions in asset management at various insurance groups, he worked for 24 years as Managing Director Asset Management at Ärzteversorgung Niedersachsen. Since his retirement, Müller-Uthoff has been working as an independent consultant.

Shareholder structure

MHP has currently 43.2m shares outstanding. The shares are listed on the open market at the Munich Stock Exchange.

Currently, the shares are held by the members of the management team (21% each) as well as Chairman of the Supervisory Board, Daniel Beringer (21%). The remaining 16% is free float.

Shareholder structure (43,249,232 shares)



Source: NuWays Research, company data

Investment risks

- **Competition:** High competition could lead to lower price pressure and lower margins in the mid-term.
- **Personell risk**: Especially when expanding the portfolio, it might be difficult to get sufficiently skilled personell.
- **Market Risk:** One risk factor is the development of the global economy, which will have an effect on the development of MHP. A significant deterioration of the global economy hence could have negative implications on tourism and also business willingness to spend on business trips.
- **Share price volatility:** Disruptions on the capital market could come with notable share price movements, which can be unrelated to operational performance. Limited liquidity could cause additional volatility during eventful periods

NuWays
by Hauck Aufhäuser Lampe

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	**33.3**	**104.8**	**136.3**	**160.2**	**184.5**	**202.1**
Sales growth	*-3.3%*	*214.8%*	*30.0%*	*17.6%*	*15.2%*	*9.6%*
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	**33.3**	**104.8**	**136.3**	**160.2**	**184.5**	**202.1**
Other operating income	25.5	8.1	7.0	7.9	18.7	2.0
Material expenses	26.2	55.4	70.9	80.0	86.7	95.0
Personnel expenses	13.2	32.4	40.0	44.1	55.4	59.8
Other operating expenses	14.9	24.5	31.3	34.9	46.1	37.4
EBITDA	**4.5**	**0.7**	**1.1**	**9.1**	**15.0**	**12.0**
Adjustments	0.0	2.4	0.0	-1.0	-5.0	2.0
Adj. EBITDA	**4.5**	**3.1**	**1.1**	**8.1**	**10.0**	**14.0**
Depreciation	1.1	6.7	0.2	0.2	0.6	1.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	7.0	7.9	6.9	5.9
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	**3.4**	**-6.0**	**-6.0**	**1.0**	**7.6**	**5.1**
Interest income	0.0	0.1	0.1	0.2	0.1	0.2
Interest expenses	0.3	0.2	0.3	0.2	0.1	0.0
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.2	-0.1	-0.2	-0.1	0.0	0.1
Recurring pretax income from continuing operations	**3.1**	**-6.2**	**-6.2**	**1.0**	**7.6**	**5.3**
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	**3.1**	**-6.2**	**-6.2**	**1.0**	**7.6**	**5.3**
Income tax expense	1.0	1.1	0.2	0.2	0.7	0.8
Net income from continuing operations	**2.1**	**-7.3**	**-6.5**	**0.8**	**6.9**	**4.4**
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**2.1**	**-7.3**	**-6.5**	**0.8**	**6.9**	**4.4**
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	**2.1**	**-7.3**	**-6.5**	**0.8**	**6.9**	**4.4**
Average number of shares	16.6	43.2	43.2	43.2	43.2	43.2
EPS reported	**0.13**	**-0.17**	**-0.15**	**0.02**	**0.16**	**0.10**

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
Net sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Sales growth	*-3.3%*	*214.8%*	*30.0%*	*17.6%*	*15.2%*	*9.6%*
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Other operating income	76.7%	7.8%	5.2%	4.9%	10.1%	1.0%
Material expenses	78.8%	52.9%	52.0%	49.9%	47.0%	47.0%
Personnel expenses	39.6%	30.9%	29.4%	27.5%	30.0%	29.6%
Other operating expenses	44.9%	23.3%	23.0%	21.8%	25.0%	18.5%
EBITDA	**13.4%**	**0.6%**	**0.8%**	**5.7%**	**8.1%**	**5.9%**
Adjustments	0.0%	2.3%	0.0%	-0.6%	-2.7%	1.0%
Adj. EBITDA	**13.4%**	**2.9%**	**0.8%**	**5.1%**	**5.4%**	**6.9%**
Depreciation	3.3%	6.4%	0.1%	0.1%	0.3%	0.5%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	0.0%	0.0%	5.1%	4.9%	3.7%	2.9%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	**10.1%**	**-5.8%**	**-4.4%**	**0.6%**	**4.1%**	**2.5%**
Interest income	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Interest expenses	0.8%	0.2%	0.2%	0.2%	0.1%	0.0%
Investment income	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	neg.	0.0%	0.1%
Recurring pretax income from continuing operations	**9.4%**	**-5.9%**	**-4.6%**	**0.6%**	**4.1%**	**2.6%**
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	**9.4%**	**-5.9%**	**-4.6%**	**0.6%**	**4.1%**	**2.6%**
Tax rate	32.4%	-17.8%	-3.9%	19.1%	9.2%	16.0%
Net income from continuing operations	**6.3%**	**-6.9%**	**-4.8%**	**0.5%**	**3.7%**	**2.2%**
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	**6.3%**	**-6.9%**	**-4.8%**	**0.5%**	**3.7%**	**2.2%**
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	**6.3%**	**-6.9%**	**-4.8%**	**0.5%**	**3.7%**	**2.2%**

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	2.3	83.8	77.3	69.4	62.5	56.6
Property, plant and equipment	1.8	2.0	2.0	5.8	10.2	9.7
Financial assets	1.6	1.8	1.9	3.5	3.6	3.7
FIXED ASSETS	**5.7**	**87.6**	**81.1**	**78.6**	**76.2**	**70.0**
Inventories	0.6	1.0	1.0	1.2	1.4	1.5
Accounts receivable	1.4	16.3	16.6	19.8	22.7	24.9
Other assets and short-term financial assets	19.7	0.5	0.1	0.1	0.1	0.1
Liquid assets	10.6	13.9	12.5	8.5	11.9	21.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.4	0.0	0.8	0.8	0.8	0.8
CURRENT ASSETS	**32.7**	**31.7**	**30.9**	**30.3**	**36.9**	**48.2**
TOTAL ASSETS	**38.4**	**119.4**	**112.0**	**108.9**	**113.1**	**118.2**
SHAREHOLDERS EQUITY	**0.0**	**54.3**	**48.0**	**48.8**	**55.6**	**60.0**
MINORITY INTEREST	0.6	0.0	0.0	0.0	0.0	0.0
Long-term liabilities to banks	9.0	7.0	5.0	3.0	1.0	0.0
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	1.2	1.2	1.2	1.2	1.2	1.2
Other provisions and accrued liabilities	1.2	6.3	6.9	6.9	6.9	6.9
NON-CURRENT LIABILITIES	**11.4**	**14.5**	**13.1**	**11.1**	**9.1**	**8.1**
Short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	17.3	13.7	13.2	15.4	17.7	19.4
Advance payments received on orders	1.6	1.9	3.0	3.0	3.0	3.0
Accrued taxes	1.6	3.0	2.8	2.8	2.8	2.8
Other liabilities (incl. from lease and rental contracts)	2.1	8.3	9.5	5.5	2.5	2.5
Deferred taxes	0.4	19.5	18.3	18.3	18.3	18.3
Deferred income	3.6	4.3	4.0	4.0	4.0	4.0
CURRENT LIABILITIES	**20.9**	**23.8**	**50.9**	**49.1**	**48.4**	**50.1**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**38.4**	**119.4**	**112.0**	**108.9**	**113.1**	**118.2**

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	5.9%	70.2%	69.0%	63.7%	55.2%	47.9%
Property, plant and equipment	4.7%	1.7%	1.8%	5.3%	9.0%	8.2%
Financial assets	4.3%	1.5%	1.7%	3.2%	3.1%	3.1%
FIXED ASSETS	**14.9%**	**73.4%**	**72.4%**	**72.2%**	**67.4%**	**59.2%**
Inventories	1.6%	0.8%	0.9%	1.1%	1.2%	1.3%
Accounts receivable	3.7%	13.7%	14.8%	18.1%	20.1%	21.1%
Other assets and short-term financial assets	51.3%	0.4%	0.1%	0.1%	0.1%	0.1%
Liquid assets	27.5%	11.7%	11.1%	7.8%	10.5%	17.7%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	1.0%	0.0%	0.7%	0.7%	0.7%	0.7%
CURRENT ASSETS	**85.1%**	**26.6%**	**27.6%**	**27.8%**	**32.6%**	**40.8%**
TOTAL ASSETS	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
SHAREHOLDERS EQUITY	**0.0%**	**45.5%**	**42.8%**	**44.8%**	**49.2%**	**50.8%**
MINORITY INTEREST	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term liabilities to banks	23.4%	5.9%	4.5%	2.8%	0.9%	0.0%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Provisions for pensions and similar obligations	3.1%	1.0%	1.0%	1.1%	1.0%	1.0%
Other provisions and accrued liabilities	3.1%	5.3%	6.2%	6.4%	6.1%	5.9%
NON-CURRENT LIABILITIES	**29.6%**	**12.1%**	**11.7%**	**10.2%**	**8.0%**	**6.9%**
Short-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	45.0%	11.5%	11.8%	14.1%	15.6%	16.4%
Advance payments received on orders	4.0%	1.6%	2.7%	2.8%	2.7%	2.6%
Accrued taxes	4.1%	2.5%	2.5%	2.6%	2.5%	2.4%
Other liabilities (incl. from lease and rental contracts)	5.5%	7.0%	8.5%	5.1%	2.2%	2.1%
Deferred taxes	1.0%	16.4%	16.3%	16.8%	16.2%	15.5%
Deferred income	9.3%	3.6%	3.6%	3.7%	3.6%	3.4%
CURRENT LIABILITIES	**54.5%**	**20.0%**	**45.5%**	**45.0%**	**42.8%**	**42.4%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Company data, NuWays

Cash flow statement (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	2.1	-7.3	-6.5	0.8	6.9	4.4
Depreciation of fixed assets (incl. leases)	1.1	6.7	7.2	0.2	0.6	1.0
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	7.9	6.9	5.9
Other costs affecting income / expenses	-1.4	11.0	0.9	0.0	0.0	0.0
Cash flow from operating activities	4.6	-1.5	0.9	7.7	13.5	10.7
Increase/decrease in inventory	0.0	0.3	0.0	-0.2	-0.2	-0.1
Increase/decrease in accounts receivable	-1.0	-14.9	-0.2	-3.2	-3.0	-2.2
Increase/decrease in accounts payable	3.8	-3.6	-0.4	2.1	2.3	1.7
Increase/decrease in other working capital positions	0.0	-0.3	0.0	0.0	0.0	0.0
Increase/decrease in working capital	2.7	-18.5	-0.6	-1.2	-0.8	-0.6
Cash flow from operating activities	**4.6**	**-1.5**	**0.9**	**7.7**	**13.5**	**10.7**
CAPEX	3.2	0.6	0.4	4.0	5.0	0.5
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	2.5	0.1	0.0	1.6	0.1	0.1
Income from asset disposals	0.7	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	**-5.1**	**-0.6**	**-0.5**	**-5.6**	**-5.1**	**-0.6**
Cash flow before financing	1.2	-0.3	2.7	6.1	13.4	10.6
Increase/decrease in debt position	0.0	-2.0	-2.0	-2.0	-2.0	-1.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.6	5.7	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.2	-0.2	0.1	-4.0	-3.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	**0.3**	**3.6**	**-1.9**	**-6.0**	**-5.0**	**-1.0**
Increase/decrease in liquid assets	-0.1	1.4	-1.5	-4.0	3.4	9.1
Liquid assets at end of period	**10.6**	**13.9**	**12.5**	**8.5**	**11.9**	**21.0**

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	-3.3%	214.8%	30.0%	17.6%	15.2%	9.6%
EBITDA growth	-273.5%	-85.2%	70.9%	711.0%	64.4%	-20.2%
EBIT growth	-208.5%	-280.1%	0.1%	-117.0%	635.3%	-32.2%
EPS growth	-158.0%	-231.8%	-10.7%	-112.0%	780.0%	-35.7%
Efficiency						
Sales per employee	81.2	163.6	186.8	200.8	214.5	221.9
EBITDA per employee	10.9	1.0	1.5	11.5	17.5	13.2
No. employees (average)	410	641	730	798	860	911
Balance sheet analysis						
Avg. working capital / sales	n.a.	4.4%	1.6%	1.7%	2.1%	2.3%
Inventory turnover (sales/inventory)	55.1	110.1	136.4	135.0	135.0	135.0
Accounts receivable turnover	15.7	56.9	44.4	45.0	45.0	45.0
Accounts payable turnover	189.5	47.6	35.5	35.0	35.0	35.0
Cash flow analysis						
Free cash flow	1.4	-2.1	0.5	3.6	8.5	10.2
Free cash flow/sales	4.2%	-2.0%	0.4%	2.3%	4.6%	5.0%
FCF / net profit	66.2%	29.1%	neg.	468.0%	123.6%	230.1%
Capex / sales	17.2%	0.6%	0.4%	3.5%	2.8%	0.3%
Solvency						
Net debt	-1.6	-6.9	-7.5	-5.5	-10.9	-21.0
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	n.a.	2.6%	4.5%	5.0%	4.0%	1.1%
Returns						
ROCE	24.8%	-14.2%	-8.9%	1.6%	11.6%	7.4%
ROE	n.a.	-13.4%	-13.5%	1.6%	12.3%	7.4%
Adjusted FCF yield	8.5%	-4.7%	-2.6%	9.9%	20.9%	30.8%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DPS	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	0.13	-0.17	-0.15	0.02	0.16	0.10
Average number of shares	16.6	43.2	43.2	43.2	43.2	43.2
Valuation ratios						
P/BV	n.a.	1.0	1.1	1.1	1.0	0.9
EV/sales	0.6	0.5	0.4	0.3	0.2	0.2
EV/EBITDA	4.6	74.6	43.1	5.5	3.0	2.9
EV/EBIT	6.2	-8.1	-8.0	49.2	6.0	6.9

Source: Company data, NuWays

Disclosures

Disclosures regarding research publications of NuWays AG pursuant to section 85 of the German Securities Trading Act (WpHG)

Indication of conflict of interest

It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. A conflict of interest is presumed to exist in particular if NuWays AG

(1) or any other person belonging to the same group with it was part of a consortium within the past twelve months that issued the financial instruments of the analysed company by way of a public offer.
(2) or any other person belonging to the same group with it has entered into an agreement on the production of the research report with the analysed company.
(3) or any other person belonging to the same group with it has been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement within the past twelve month.
(4) The analysed company holds 5% or more of the share capital of NuWays AG.
(5) holds (a) a net short position or (b) a net long position of 0.5% of the outstanding share capital of the analysed company.
(6) or any other person belonging to the same group with it is a market maker or liquidity provider in the financial instruments of the issuer.
(7) or the analyst has any other significant financial interests relating to the analysed company such as, for example, exercising mandates in the interest of the analysed company.
(8) The research report has been made available to the analysed company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

Company	Disclosures
MHP Hotel AG	2,8

Historical target price and rating changes for MHP Hotel AG

Company	Date	Analyst	Rating	Target Price	Close

1. General Information/Liabilities

This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by NuWays AG exclusively to selected recipients in the European Union (EU) or, in individual cases, also in other countries. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of NuWays AG. Reproduction of this document, in whole or in part, is not permitted without prior permission NuWays AG. All rights reserved.

Under no circumstances shall NuWays AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

2. Responsibilities

This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analysed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

3. Organisational Requirements

NuWays AG took internal organisational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of NuWays AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

NuWays AG uses the following three-step rating system for the analysed companies:

Buy: Sustainable upside potential of more than 20% within 12 months

Sell: Sustainable downside potential of more than 20% within 12 months.

Hold: Upside/downside potential is limited. No immediate catalyst visible.

The decision on the choice of the financial instruments analysed in this document was solely made by NuWays AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of NuWays AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

5. Major Sources of Information

Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. NuWays AG has checked the information for plausibility but not for accuracy or completeness.

6. Competent Supervisory Authority

NuWays AG is an affiliated company of Hauck Aufhäuser Lampe Privatbank AG which is under supervision of the BaFin – German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M.

7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany and the European Union (EU). The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state. If this communication is distributed in the United Kingdom it is solely directed at (i) investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO") or (ii) high net-worth entities as defined in article 49 of the FPO. This document should not be distributed or forwarded, either directly or indirectly, to any other individuals.

8. Miscellaneous

According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under: www.nuways-ag.com

Date of publication creation: 23/04/2025 08:07 AM

Date of publication dissemination: 23/04/2025 08:07 AM

Contacts

NuWays AG

Mittelweg 16-17
20148 Hamburg
Germany

+49 170 119 8648
info@nuways-ag.com
www.nuways-ag.com

Christian Sandherr
Co-CEO/Analyst
christian.sandherr@nuways-ag.com

Frederik Jarchow
Co-CEO/Analyst
frederik.jarchow@nuways-ag.com

Philipp Sennewald
Analyst
philipp.sennewald@nuways-ag.com

Henry Wendisch
Analyst
henry.wendisch@nuways-ag.com

Mark Schüssler
Analyst
mark-hendrik.schuessler@nuways-ag.com

Konstantin Völk
Analyst
konstantin.voelk@nuways-ag.com

Find us on Social Media

Instagram

Twitter/X

LinkedIn