



July 18, 2020

The following information is regarding the financial statement for the Ashworth by the Sea, Hampton, NH for the period ending June 30, 2020.

Operating Results:

The hotel ended the month with total revenues of \$413,893, exceeding budget by \$172,109. The occupancy of 39.69% was 12.68 % higher than the budget. The ADR of \$254.52 was an outstanding \$34.60 more than the budget. The RevPAR of \$101.02 was \$41.62 more than budget. Total salaries were \$14,030 more than budget due to higher than expected occupancy. The hotel produced a gross operating profit of \$236,543 for the month, which was \$132,796 more than budget representing a flow-through of 77.16%.

Recap of Room Business in House:

Room revenue for the month finished at \$324,265 compared to a budget of \$190,674. Starting on June 5th the hotel could open up to the public at 50% occupancy. The one exception to the occupancy restrictions was anyone traveling for essential reasons. A rate code was created to track and encourage essential travelers to stay at the Ashworth. Guests had to sign a form at check in stating they followed their stay at home order or were traveling for essential reasons. This allowed the hotel to track exactly how many essential stay guests were in house even if they did not book under the rate code created. The hotel was able to sell 61 rooms to essential travelers which produced \$15,985 in room revenue. The remaining bookings were all transient reservations made directly through the hotel and online travel agencies (OTA's) There were 706 room nights booked directly through the hotel at an average rate of \$267.93 which was \$31.40 over the prior year. OTA's accounted for 506 room nights during the month with an average rate of \$235.39 which was \$60.63 over the prior year.

Revenue on the Books (ROB):

As of July 14th, 2020, the hotel has 69 % of the original budgeted room revenue on the books for July and is pacing \$93,223 behind last year. Compared to the new budget the hotel already has surpassed this by \$35,576 . The hotel is pacing \$101,874 behind the original budget with an ADR \$17.17 higher than last August. Year to date the hotel is pacing \$893,815 behind last year. Before the outbreak, the hotel was pacing well ahead of last year.

Signature:

Management has continued to suspend this service during the pandemic.

Sales and Catering:

Recap of Catering Business in House -

The Ashworth was unable to hold any catering events during the month due to the executive order of not allowing groups of more than 50. A “micro wedding” promotion was made which would allow a bride and groom to hold a small ceremony at the hotel. It includes a room for the bride and groom as well as a small dinner. This promotion started at just ten people but has now grown to fifty with new restrictions. The hotel hopes to hold two weddings in the month of August.

Advertising and Promotion Expense:

Advertising and promotion expenses were \$4,887 compared to a budget of \$8,009. The hotel was able to find savings from suspending digital marketing campaigns. The hotel is also evaluating the impact from the suspension of service prior to bringing it back.

Tripadvisor recap:

The hotel is ranked 5 out of 42 hotels in Hampton, NH on TripAdvisor. There were two new reviews in June which led to a monthly TripAdvisor recommended percentage of 60.0%. The all-time TripAdvisor recommended percentage for the hotel is 79.4%. There was one 1-star review and one 5 star. The 1 star review came mostly from lack of services such as turn down service, the pool being closed and no indoor dining which all were mandated by the state at the time of their stay.

Online Marketing:

With the combined efforts of the Linchris Director of Online Marketing, General Manager, and Director of Sales, the hotel is posting on Instagram and Facebook 4 to 5 times a week. The hotel used all media outlets to let the public know the hotel was opened. Several email blasts were sent out to announce the opening of the beaches and hotel.

Food and Beverage Outlets:

When the hotel opened on June 5th the hotel opened the Sandbar, the hotel's rooftop bar. For the first ten days the hotel was only allowed to have outdoor sitting which limited the hours of operation and relied on sunny weather to remain open. On June 15th indoor dining was allowed at 50% capacity. The team spread tables out making sure each table was safely distanced while ensuring that both Wharfside and Breakers were being used to their maximum potential.

During June the hotel was able to reach \$30,495 in food sales which was \$12,452 more than budgeted. The culinary team created homemade grab n go meals to sell out of the lobby since the food and beverage outlets were opened with temporary hours. This was well received by guests and created almost \$500 in food sales.

Beverage sales were also well above budget. The hotel produced \$18,116 in sales compared to the budget of \$5,963.

Service:

The ability of the hotel to maintain a positive presence online will be paramount to the success of the hotel. To achieve this, a robust service culture will need to be established and maintained within the hotel. The hotel spent most of the month training employees as most were off for over three months or new to the hotel. With so many variables and changes the hotel put a huge focus on service to please the guests. Although some things had to be closed or changed, the hotel ensured the same Ashworth hospitality would be provided.

Staffing/Training:

The management team will continue to closely monitor staffing levels to ensure that labor is being controlled while still maintaining a high level of service and morale within the property. The service committee will need to be engaged and lead the service culture along with department managers. New hire training along with continued on-the-job training will be a focus as the hotel looks to elevate performance within departments.

Repairs and Maintenance:

Overall repairs and maintenance expenses were \$11,870 compared to a budget of \$11,801. The hotel had various unanticipated expenses during the month to push the expenses just over budget. Most of the expenses incurred while reopening the hotel. All kitchen equipment was serviced after a 3-month hiatus. The hotel also had some light landscaping done to enhance the curb appeal from Ocean Boulevard.

Accounting

As of July 18th, there are no account receivables

Best regards,

Thomas Anderson
General Manager
Ashworth by the Sea