

ASHWORTH

2020-07-18

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

Manchester

2020-08-17

The following information is regarding the financial statement for the Holiday Inn of Manchester, New Hampshire for the period ending July 31 2020.

Summary of the month

The Holiday Inn Manchester Airport produced \$149,936 in total revenue for the month versus the revised COVID-19 budgeted revenue of \$115,452. Room revenue was over budget, producing \$117,145 in room revenue compared to the \$82,937 budgeted for the month. The hotel sold 1,180 rooms which was over the budgeted amount of 846. The Hotel ADR was over budget by \$1.25. For July, the hotel ended with a RevPAR of \$41.53 versus the budget \$29.40. The Holiday Inn finished the month of July with a total Gross Operating Profit (GOP) of \$63,687, which is over budget by \$28,693 for a flow-through of 83.21%.

COVID- 19 Update:

The Governor of New Hampshire has not made any changes in restrictions in the past month. For the month of July, New Hampshire had 6,583 cases total which puts us on the list of top 5 states that have the least amount of cases. Restaurants including the Airport Diner are reopened at 50% occupancy and hotels can fully be open to non-essential travelers as well. The hotel continues to monitor all Covid-19 updates and has continued to see business increase due to restrictions being lifted.

Rooms recap of Business in House for July

The hotel's business continues to be greatly affected by COVID-19 however the hotel's top airline account, Wiggins Airways, has continued to produce keeping the hotel steady during these low occupancy periods. In July, they produced 264 room nights generating \$18,480 in room revenue. Merchants Auto produced 15 room nights generating \$1,410 in room revenue, Catholic Medical Center (CMC) produced 27 room nights which generated \$2,366 in room revenue and Windward Petroleum represented 32 room nights producing \$2,464 in room revenue. Dewcon Inc produced a total of 12 room nights generating \$1,119 and Gforce Custom Fabric produced 15 room nights generating \$1,635. These are both companies we had not seen produce during COVID-19.

Revenue on the Books (ROB) Currently the hotel has \$99,143.71 on the books for August which is 91% of the new COVID-19 budget for August. The hotel's current mix of sales in August is Wiggins Airways which is back to their traditional volume of 50 room nights a week. The hotel has 6 sports groups on the books for August totaling 313 room nights and \$39,000 in room revenue. The hotel also continues to see minor business travel from Merchants Fleet, A Duie Pyle and Brenntag. Concrete Developments, previously known as Cliff Rock, will also be returning with a group of 20 room nights at the end of the month.

Signature

Signature has been suspended currently due to COVID-19. We plan to continue the program when business begins to pick up again.

STR Report

The hotel's most recent STR report data has shown that over the past 28 days the hotel has run an occupancy index of 124, an ADR Index of 93.1 and a RevPar index of 115.4. The hotel ranks #1 in the market for Occupancy and # 2 in the market for both RevPar and ADR over the past 28 days. The hotel continues to research the market for opportunities as data suggests there is one hotel in the market that is getting more fair share putting the hotel #2 overall.

Denials / Regrets

According to IHG reporting, there were 94 denials and 69 regrets for July.

Contribution from Brand

The most current information available (June) shows that bookings through the website generated 186 room nights and \$18578 in room revenue. The brand contribution was with an ADR of \$99.88.

Sales Pace

The hotel has the most group business on the books in August that we have seen since March. The sales department has continued to target the sports and education segments of group business as well as remain competitive with other hotels in the area by ensuring pricing is not a reason for lost business. Due to the COVID-19 restrictions in Massachusetts, we have seen an increase in group sports business and will continuously monitor this market segment.

Advertising and Promotion Expense

The A&P department expenses were over budget by \$394.

Meeting Room Business

The hotel had 3 meetings for the month of July generating \$660 in total revenue.

Service

- Monthly Scores & Ranking In July the Holiday Inn Manchester Airport finished the month with all metrics above the brand. Overall experience finished at 75% and check-in experience at 78.57% for July. COVID-19 Health and Safety finished at 85%.

Turnover for the Month

Sales Coordinator Cheri Halberstadt was laid off. This position has been eliminated due to business levels at this time.

A/R

The Accounts Receivable month-end balance is \$34,469.88 of which 53% is under 60 days. The hotel is working very diligently on collecting all outstanding AR balances.

R&M Expenses

The maintenance department expenses came in \$2,988 over the new COVID-19 budget. The hotel had to invest in some additional life and safety items.

Utilities

Total expenses came in under budget by \$3,967.

Respectfully,

John Dolciotto

General Manager