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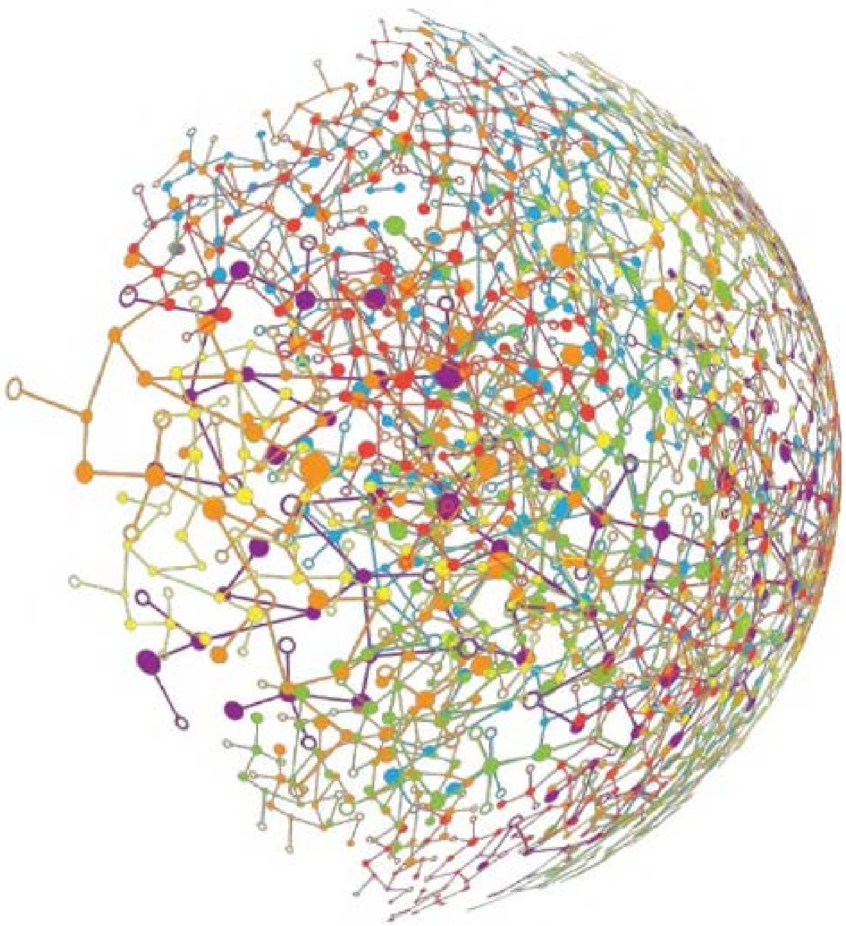


COVID-19 hospitality sentiment survey

Key findings

3 July 2020

Introduction

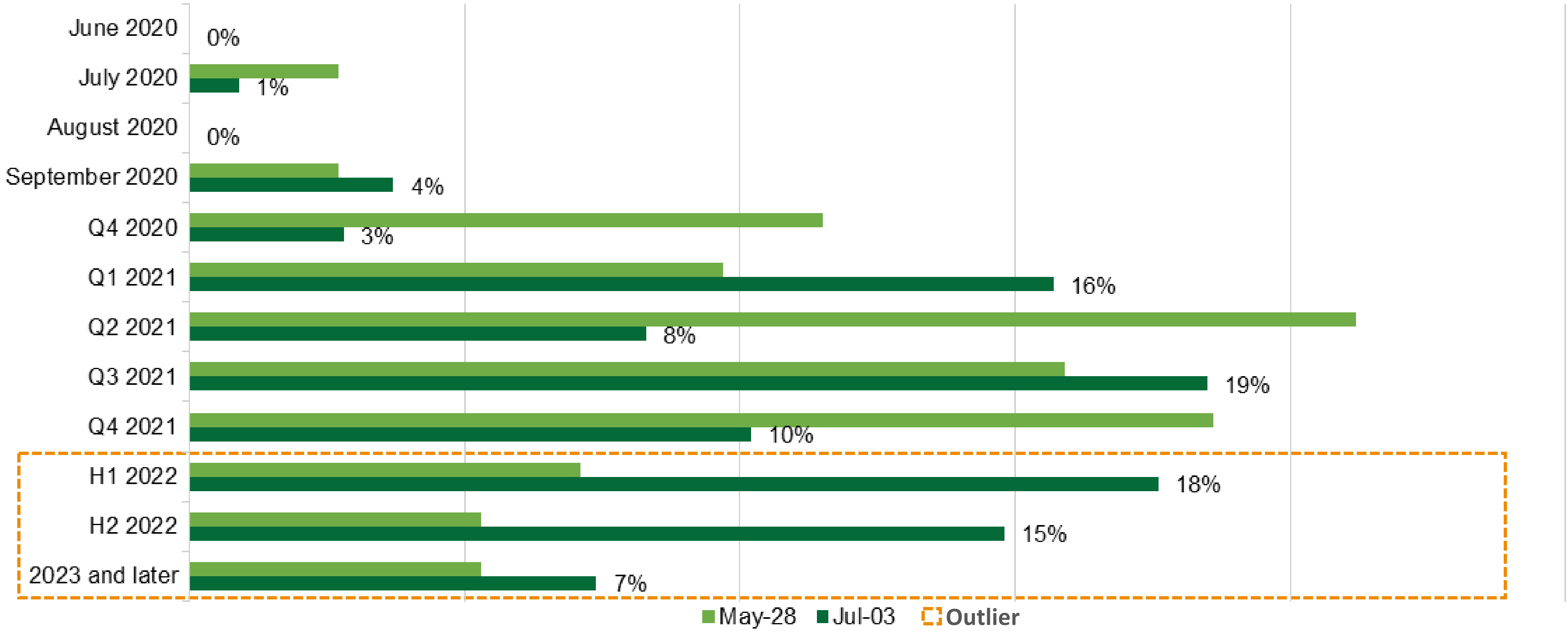
To help identify the business impact of COVID-19 in the hospitality industry, Deloitte is conducting a periodic survey of sentiment from senior figures in international hospitality

- These are the key findings from the Deloitte Hotel Sentiment Survey, conducted between March and May 2020, as part of the annual European Hotel Industry Conference. The findings are based on the responses of 108 senior figures in international hospitality
- The findings in this document represent the eighth survey conducted during the first week of July 2020
- Stay tuned for our next set of COVID-19 hospitality sentiment survey findings and please contact: EHIC@deloitte.co.uk to sign up

Survey responses

Length of the disruption to the hospitality sector

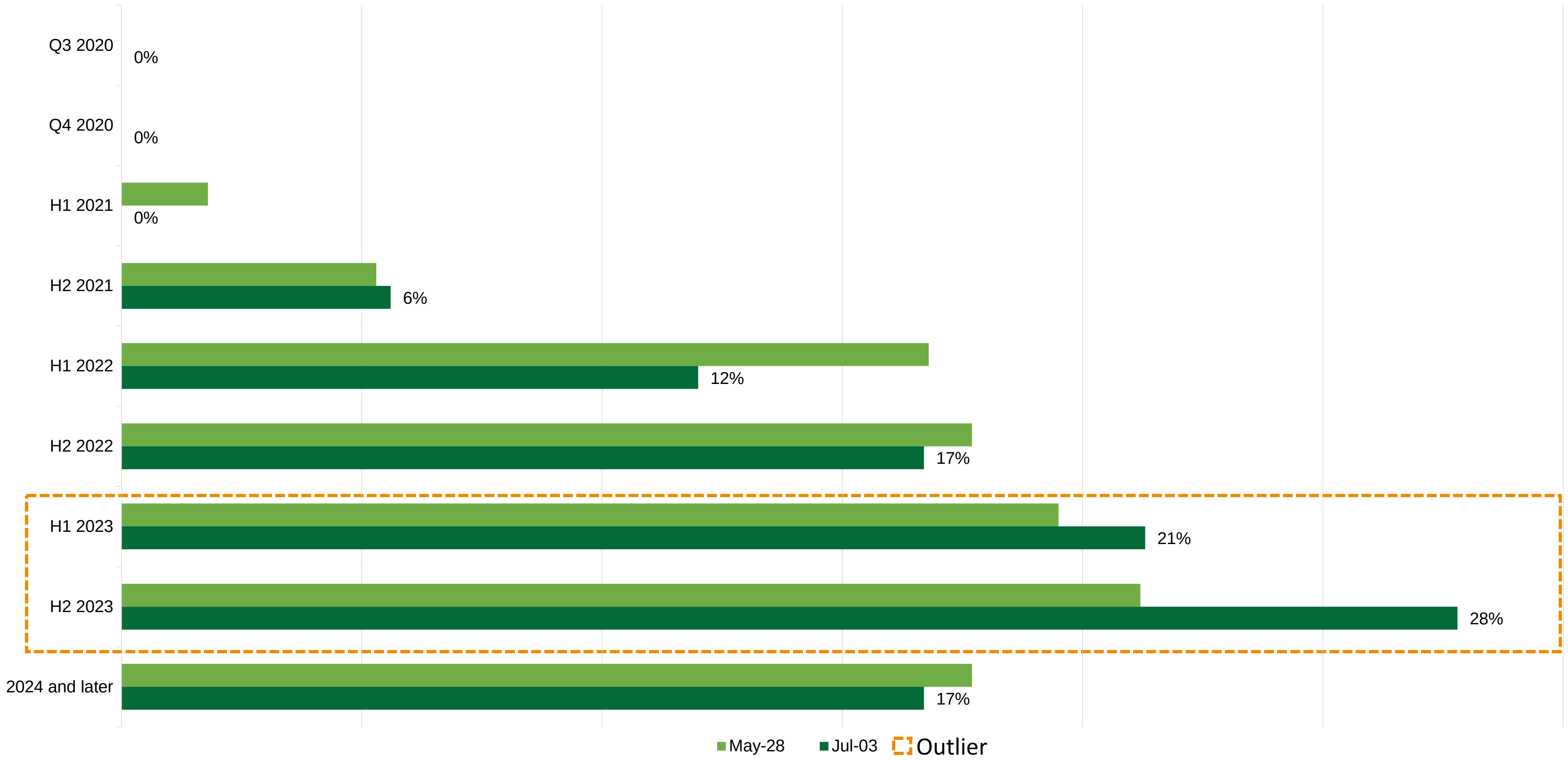
93% of respondents expect the disruption to last beyond next year (vs. 82% one month ago), whilst 40% believe that it will last even longer until 2022/2023



Q1: How long do you expect material disruption to the hospitality sector to last until?

Hotel industry's recovery speed

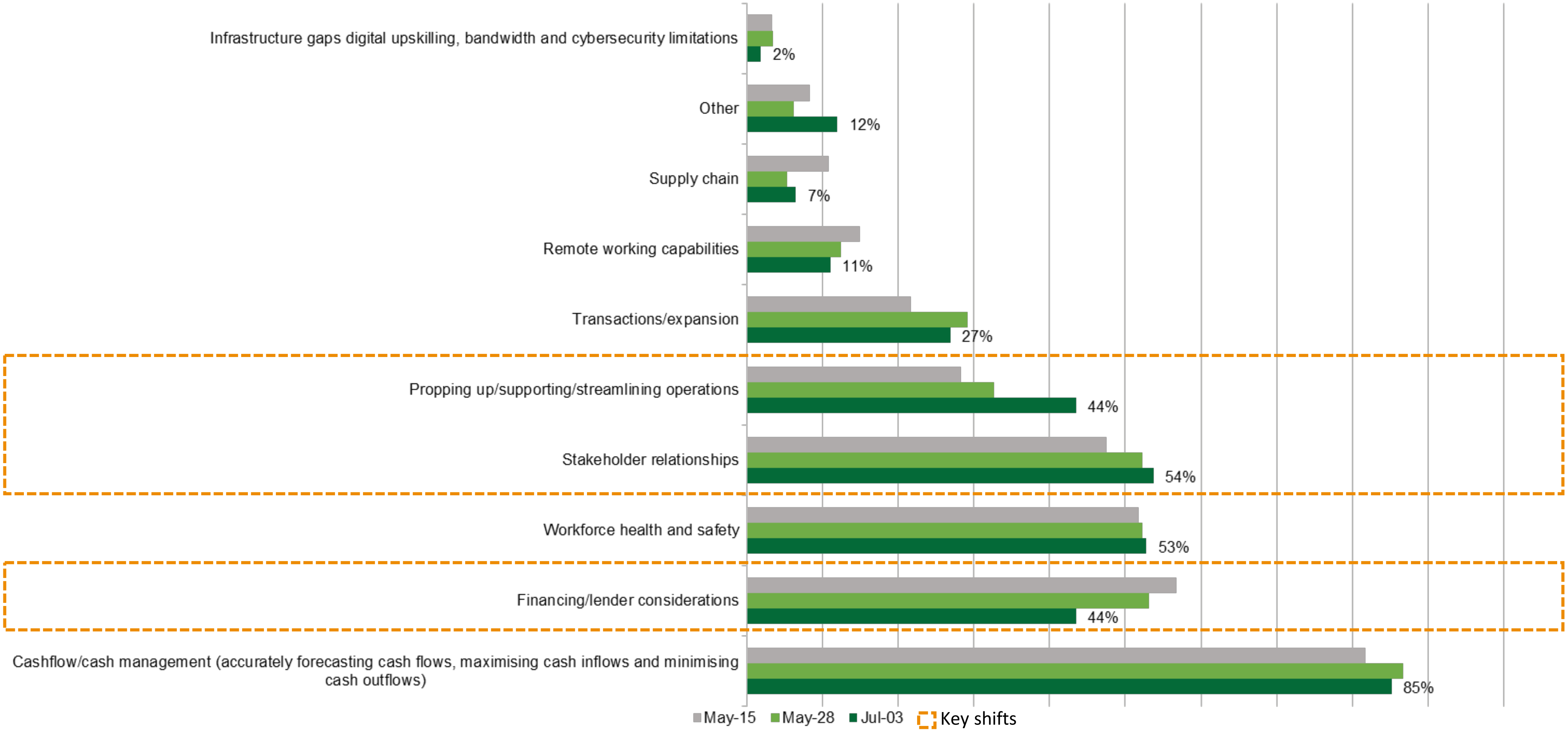
95% (+2ppts) of respondents believe that industry performance will not return to 2019 levels until at least 2022, with 49% expecting this to happen only in 2023



Q2: When do you think that hospitality industry performance will return to 2019 levels?

Current key priorities

Respondents are continuing to prioritise cash management as a number one priority over the next 4 weeks. The next 4 weeks however will see a lower focus on financial considerations (-9ppts vs. last month) at the expense of operations (+11ppts) and stakeholder relationships (+2ppts) as hotels re-open



Q3: What are your key priorities over the next 4 weeks? (choose at least 3)

Workforce health and safety

Respondents believe the automation of contactless processes (55%), increased training (55%) and reconfiguring public areas (51%) are the most effective measures to ensure health and safety of staff

	Low impact 1	2	3	4	High impact 5
PPE to all personal care kits to all entire workforce	7%	11%	20%	19%	42%
Thermal screening of entire workforce and incoming guests	20%	23%	21%	17%	19%
Use of electrostatic sprayers, which uniformly mist disinfectant across wide areas	15%	14%	23%	28%	20%
Use of ultraviolet light to sanitize surfaces and objects	19%	22%	29%	18%	12%
Reconfiguring public areas and furniture, to facilitate social distancing measures	2%	5%	14%	29%	51%
Plexiglass barriers to separate guests and staff (e.g. at hotel reception)	8%	10%	11%	26%	44%
Automation to contactless processes (e.g. Mobile to check in/out, keyless entry, gourmet food dispensers etc.)	3%	6%	17%	20%	55%
Limited entry to confined spaces (e.g. lifts limited to 4 persons)	5%	4%	21%	32%	39%
Increased training and education on health and safety practises	6%	0%	11%	29%	55%
Other	51%	10%	30%	5%	5%

Q4: What measures should be prioritised to ensure workforce health and safety?

Supply Chain

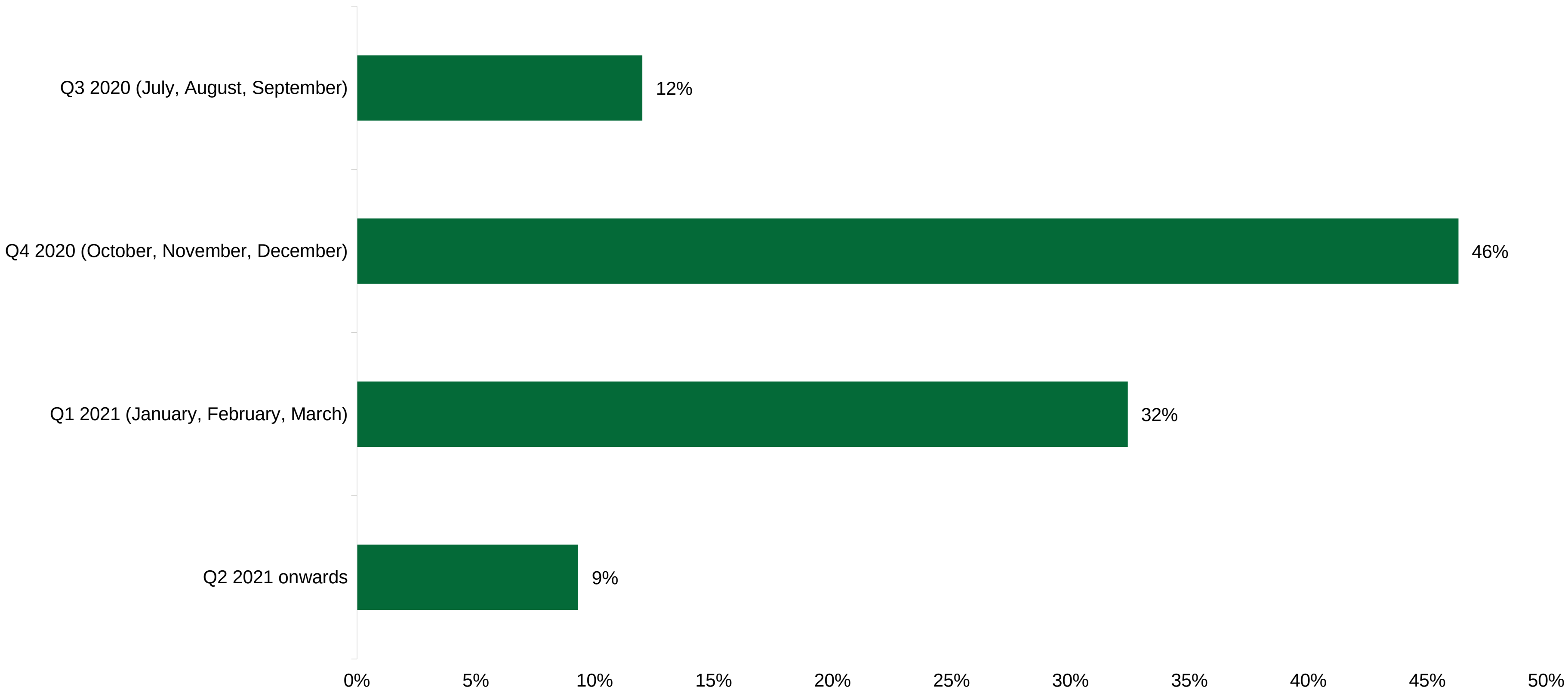
In order to ensure a steady supply chain, whilst a variety of reviews, participants believe that priority should be given to local suppliers both through partnerships and adapting menus, as well as the investment in technology to better manage supply chain performance

	Low impact	2	3	4	High impact
Investment in sustainable suppliers and supplier diversity	14%	19%	29%	26%	13%
Securing capacity and delivery for Tier-2 and Tier-3 suppliers	11%	19%	41%	20%	8%
Activating pre-approved substitutions in places, where the primary supplier is impacted	13%	10%	42%	26%	9%
Increasing partnerships with local suppliers for essential provisions	7%	11%	24%	30%	28%
Adapting offerings to use limited or locally sourced suppliers (e.g. adapting menu using local ingredients)	7%	13%	30%	26%	24%
Investment in technology to access critical supply chain data, to manage supply chain performance	17%	13%	26%	20%	24%
Other	51%	11%	29%	7%	3%

Q4: What options are being prioritised, to ensure a steady supply chain?

Distressed activity

46% of respondents believe distressed activity will accelerate from Q4 2020 with 32% expecting this to occur from Q1 2021 onwards. 9% of respondents believe distressed activity will commence in Q2 2021 onwards



Q5: When will the sector start to see true distressed activity?

Contacts

Please reach out if you have any questions

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