

*IRISH PROSHARE ASSOCIATION
JACK FITZPATRICK LECTURE 2017*

Dalata's Employee Share Ownership Story



Seán McKeon, Company Secretary and Head of Risk & Compliance

Dalata's Employee Share Ownership Story

About Dalata

Our philosophy on Employee Share Ownership

Our Journey

Our Sharesave Plan

Your Questions



maldron HOTEL





CLAYTON
HOTEL

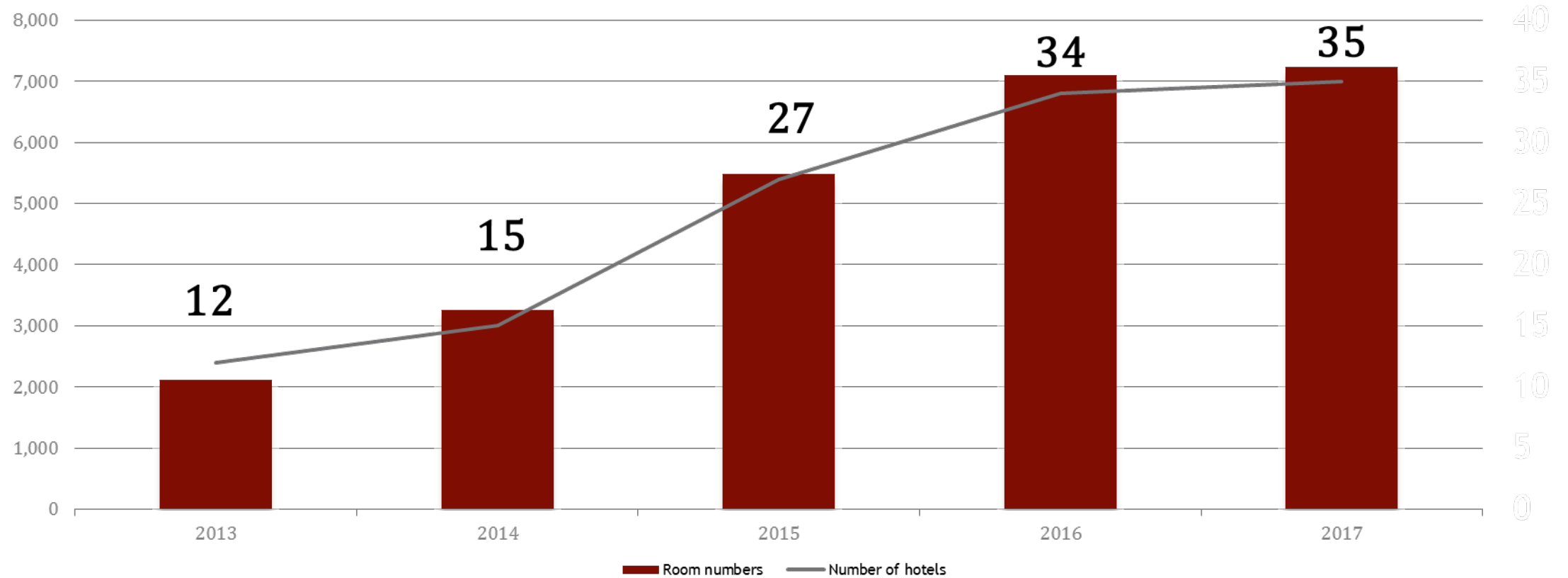
VIVA BRAZIL

taxi / tacsí

taxi / tacsí
Marriott
Hotel

VIRNE

Our Growth: owned and leased hotels



An Irish Business with a UK platform



Dublin

15 Hotels
4,000 Rooms

60%
Revenue



Regional Ireland

12 Hotels
1,600 Rooms

20%

Overall
35 Hotels
7,300 Rooms



UK

8 Hotels
1,700 Rooms

20%

Expansion Announced 2018 to 2020



Dublin

+ 2 New Hotels & 3 Extensions
+ 550 Rooms



Regional Ireland

+ 1 New Hotel & 1 Extension
+ 225 Rooms



UK

+ 4 New Hotels
+ 1,100 Rooms

Overall

42 Hotels
9,125 Rooms

Beyond 2020 Ambition

20 identified regional UK cities

Clear rationale & identified market opportunity

10% to 15% Market share in fragmented 3 & 4 star market

5 to 7 year timeframe






UK

c. 30 additional Hotels
> 7,000 additional Rooms

Overall

Over 70 Hotels
Over 16,000 Rooms

Our Philosophy - Strategic alignment

-  Decentralised decision making
-  Key risk: not having people in place to manage new properties
-  Developing a Dalata employer identity

Our Philosophy - benefits

Company

- Great benefit for staff at all levels
- Staff engagement
- Retention - a benefit our competitors don't have

Employees

- Share in the company success - without exposure to downside
- Medium term savings scheme - easy to participate
- No risk

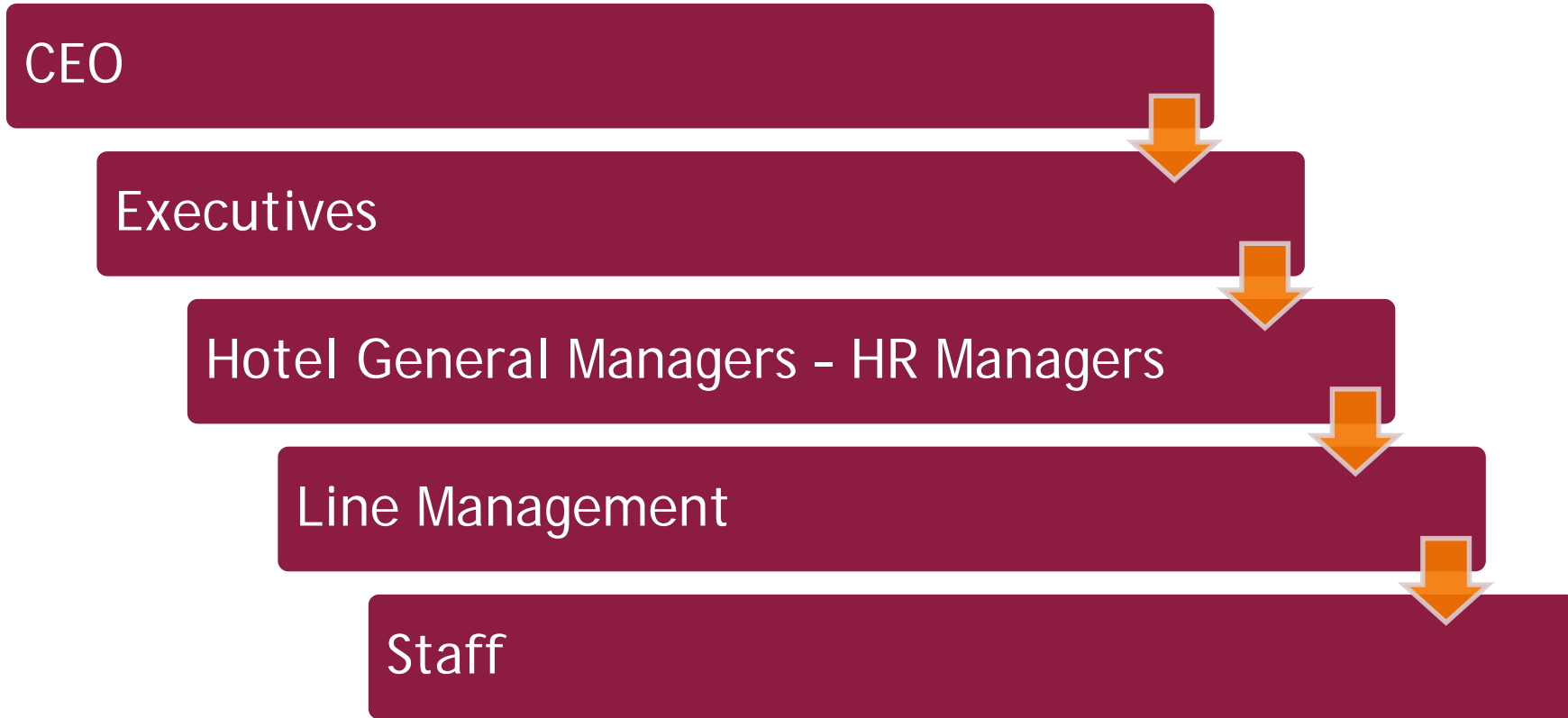
Shareholders

- totally engaged organisation

Our Journey - our chosen scheme

- 🌀 Revenue Approved SAYE Scheme
- 🌀 open to all employees with >3 months service Ireland and UK
- 🌀 3 year savings contract
- 🌀 Option to purchase to shares at fixed price at the end of the savings period
- 🌀 25% discount in Ireland; 20% in UK
- 🌀 savings between €12 (minimum) and €500 (maximum) per month

Our Journey: Getting Buy in



Our Journey: Communications Plan 2017

21st Aug
- 3rd
Sept

- Communication Period

4th Sept

- Teaser Email goes out to all eligible staff with message from CEO

11th
Sept

- Option Price Set

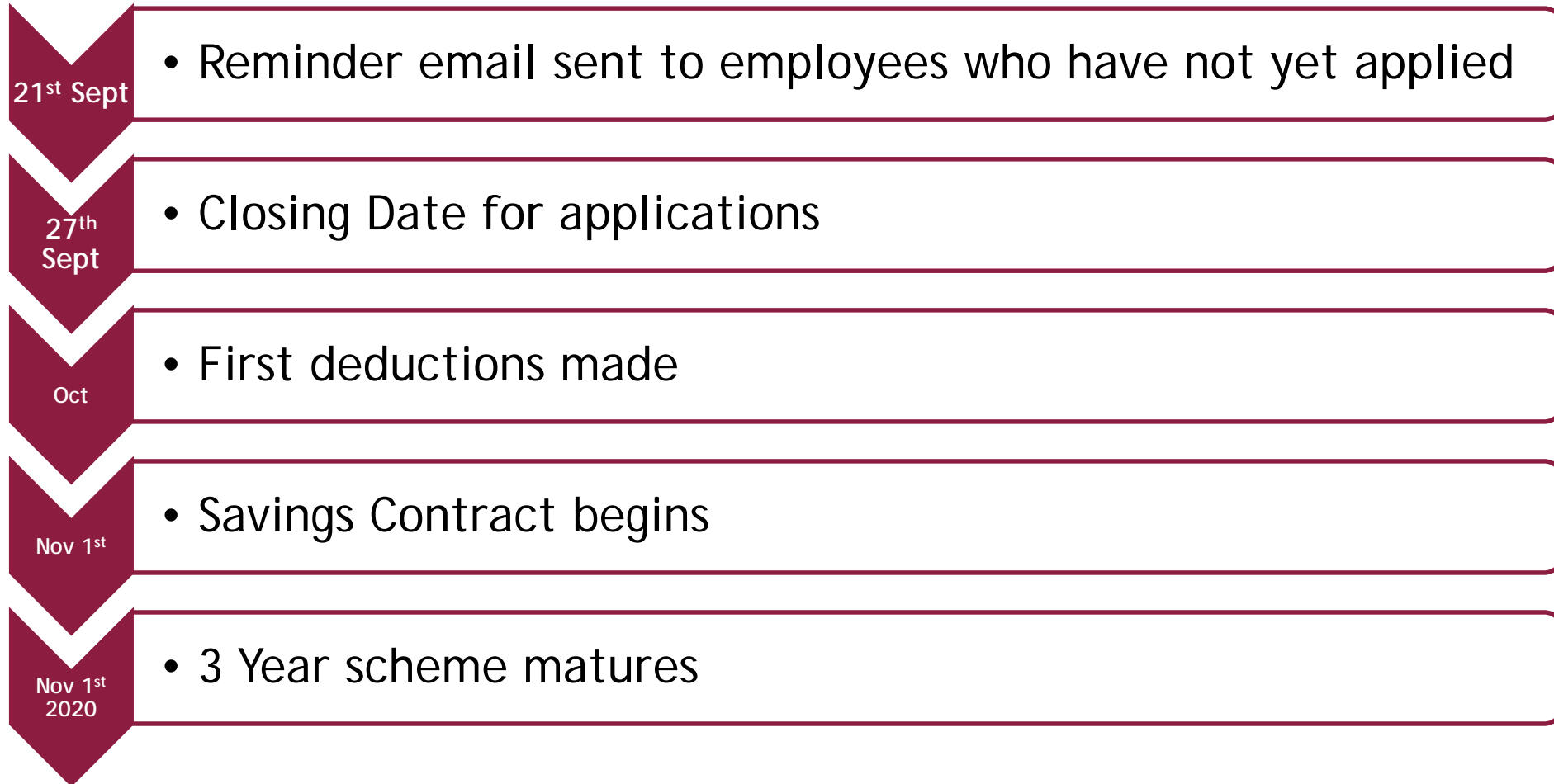
11th
Sept

- Opening Date for Applications







11th
Sept

- Launch Email goes out to eligible staff and live posters to be put up in staff areas. PINs to be sent to new joiners.






Our Journey: Communications Plan 2017 Cont..



Our Journey: Communication Tools

-  Webinars & guidance for managers
-  Testimonials from happy savers
-  Posters and Table Talkers
-  Detailed but simple brochure
-  Ezine from the CEO sent to all employees
-  Daily updates showing participation rates – healthy competition!

Our Journey: Messaging

-  Create a sense of excitement
-  Break it down to appeal to demographics – what are you saving for? A car, holiday, college, a mortgage, etc
-  Show employees the position they would be in had they joined in year one
-  Emphasise exclusiveness “only available to you as a Dalata employee”
-  Remember it’s a benefit and be proud of it

Our SAYE plan: Participation and savings




- 3,813 eligible employees, 732 participants 19%
- Central Office: 91%; Hotels: 18%: range 7% to 38%
- Service: <6m: 9%; 6m-1y: 18%; 1-2y: 17%; 2-5y 21%; 5-10y 27%; 10y+ 30%
- Executive (18): 94%; Managers (544) 61%; Supervisors (277) 27%; Staff (2,974) 10%
- Average savings €180 per month

Our SAYE plan: Performance

- 🌀 2016 offer: Exercise price €2.95; today's price €5.86 +98%
- 🌀 2017 offer: Exercise price €4.09; today's price €5.86 +43%

Our SAYE plan: Our advisors and providers

A big thank you to:

-  A&L Goodbody: Rosaleen Boyle and Keavy Ryan
-  Computershare: Marie Lenihan, Emma Mangan and the team
-  Ulster Bank

Dalata Colleague Testimonials

"I decided to join the SAYE scheme so that after 3 years I would have saved some money and hopefully made a little bit of extra money on top for myself. I don't miss the money at all as it is taken directly out of my wages, and I am able to log onto the SAYE website to keep up to date with my payments and check my contributions to date. I hope to be able to re-invest the money into more shares but there might be enough to spend on a holiday which would be lovely!

I think it is a good saving scheme for employees and would definitely recommend it to others!"

Angela Margetson

Accommodation Assistant - Clayton Hotel Manchester Airport

"I joined the SAYE scheme in October 2016. The moment it came up I knew it was a great opportunity to be part of something big. Having worked already with Dalata for over 2 years at that point between Clayton Whites Hotel and then Clayton Chiswick, I knew the developments the company was making and was excited at the opportunity to be involved in it.

It was so simple to join up and I can easily track my account on the Computershare website. Being part of the scheme makes me want to work even harder to ensure the success of the company. I keep tabs daily on how the shares are doing and even have google alerts set up to let me know when something changes!

At the end of the 3 years when the shares mature, I hope to be in a position to pay my deposit for my house, wherever that may be. If not I might just hold on to them a little longer and see how it goes!"

Sarah Howlin

Meeting & Event Sales Manager - Clayton Hotel Chiswick

"SAYEs with Dalata has given me the opportunity to put away some savings without any hassle. With my money going directly into my savings, I find it an extremely Hassle free system. It's up to me how I would like to spend my savings in three years' time whether its Reinvesting my savings back into the company, or just treating myself to that new car or dream holiday. I can be assured that's this risk free, Hassle free saving scheme with Dalata is a Win Win situation and it works very well for me"

Kathrina Quinlan

Meeting & Events/Front Office Manager - Maldron Hotel Limerick

"The Dalata SAYE Scheme is a great initiative. I filled in a quick online form and after that the hotel takes care of the handling of the money. Being able to choose how much to save, from just a few euro's per week up, meant I could pick an amount that I wouldn't miss each week, but would add up over the 3 years. When the 3 years are up, the money will be very useful for my daughters college fund."

Gabriel Somers

Purchasing Manager - Clayton Whites



Your Questions?


CLAYTON
HOTELS

