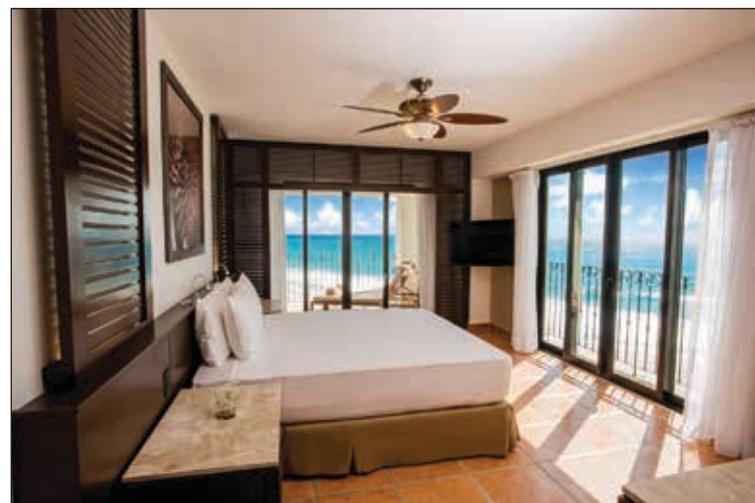


Hospitality

Maximizing the Guest Experience

An Interview with Bruce D. Wardinski,
Chairman and Chief Executive Officer, Playa Hotels & Resorts N.V.



The Grand Master bedroom of a Hyatt Ziva Los Cabos Oceanfront two-bedroom suite

EDITORS' NOTE Bruce Wardinski previously served as Chief Executive Officer and Founding Chairman of the company's predecessors. Before this, he served as Chief Executive Officer of Barceló Crestline after having acted as Chairman, President and Chief Executive Officer of Crestline Capital Corporation. He also served as a member of the Executive Commission of Barceló Corporación Empresarial of Palma de Mallorca, Spain and as Senior Vice President and Treasurer of Host



Bruce D. Wardinski

Marriott Corporation. Prior to this appointment, he served in various other capacities with Host Marriott and Marriott Corporation. In 2003, Wardinski formed Highland Hospitality Corporation, where he served as Executive Chairman of its board of directors until the sale of the company in 2007. Before joining Host Marriott and Marriott Corporation, he worked for Price Waterhouse (now PricewaterhouseCoopers) in Washington, D.C., and Goodyear International in Caracas, Venezuela. He graduated with honors from the University of Virginia with a bachelor of science in commerce and from the Wharton School of Business with an M.B.A. in finance. Wardinski is a founding member and currently serves as Chairman of the Service Source Foundation.

COMPANY BRIEF Playa Hotels & Resorts N.V. (playaresorts.com) is a leading owner, operator and developer of all-inclusive resorts in prime beach-front locations in popular vacation destinations in Mexico and the Caribbean. Playa owns and/or manages a total portfolio consisting of 20 resorts (7,769 rooms) located in Mexico, Jamaica and the Dominican Republic. In Mexico, Playa owns and manages Hyatt Zilara Cancun, Hyatt Ziva Cancun, Panama Jack Resorts Cancun, Panama Jack Resorts Playa del Carmen, The Royal Playa del Carmen, Hyatt Ziva Puerto Vallarta and Hyatt Ziva Los Cabos. In Jamaica, Playa owns and manages Hyatt Zilara Rose Hall and Hyatt Ziva Rose Hall, Hilton Resort & Spa Rose Hall, Jewel Dunn's River Beach Resort, Jewel Grande Montego Bay, Jewel Runaway Bay Beach & Golf Resort and Jewel Paradise Cove Beach Resort. Playa also owns five resorts in Mexico and the Dominican Republic that are managed by a third party and Playa manages the Sanctuary Cap Cana, in the Dominican Republic.

Would you highlight the history and heritage of Playa Hotels & Resorts and how the company has evolved?

In 2006, I was the CEO and President of the Spanish-based Barceló Crestline Hotel & Resorts. That May, we launched Playa Hotels & Resorts as a subsidiary real estate holding company with equity from Barceló and a number of global investors.

At that time, the all-inclusive resorts market was predominately run by family-owned Spanish hospitality brands, like ours was at the time, that focused primarily on maximizing profits based on controlling costs. Since the all-inclusive market was dominated by these family owned and operated companies, there was no practical way for institutional investors to participate in this segment.

That dynamic changed in 2007 when a company called Apple Leisure Group was raising capital and interest in all-inclusive resorts soared among sophisticated investors. Barceló acquired a 49 percent stake in Apple Leisure Group, which owned the all-inclusive management company AMResorts. Unfortunately, during the 2009 financial crisis, Barceló sold its 49 percent interest back to the owners of Apple Leisure Group.

Following the sale, I still saw an opportunity in the all-inclusive market to capture the U.S. consumer. I quickly realized that to successfully target the U.S. consumer, we had to maximize the quality of the product and level of service, focusing on a revenue-driven approach versus a cost-driven approach.

Our strategy evolved over four years and in 2013, Barceló's stake in Playa Hotels & Resorts was swapped out for several Barceló branded resorts and an equity investment by Hyatt. We found the right partner in Hyatt, who was eager to enter the all-inclusive sector and shared our strategic vision in how to capture high quality guests at all-inclusive resorts. We rebranded two of our hotels at the time to create two different concepts in Hyatt Ziva, for all-ages, and Hyatt Zilara, an adults-only brand.

Now, in 2018, we have six Hyatt Ziva/Zilara all-inclusive properties, and two under construction, all owned and managed by Playa Hotels & Resorts. This partnership has placed our company in a unique position. We're not only the sole institutional and publicly traded all-inclusive company, but we were also the first to partner with a global hospitality company to launch their first all-inclusive brands.



Swim-up suites at the Hyatt Ziva Los Cabos

Our successful relationship with Hyatt has created an opportunity for us to work with other brands entering the all-inclusive space. We recently announced a partnership deal with Hilton in Jamaica. We're extremely excited about this new relationship and welcome Hilton as our newest partner. Hopefully, others will follow suit as we know the model works, particularly with many in the space leveraging consumer marketing to successfully drive even more business.

How large can the company become?

We currently operate in three of the top markets for all-inclusive resorts – Cancun, Punta Cana and Montego Bay. As a leader in the all-inclusive category, we'll continue to expand in these locations. In fact, we recently acquired five properties in Jamaica and we're in the process of completely renovating Sanctuary Cap Cana in Punta Cana, where we will add 140 suites between two new buildings.

With our history and expertise, we're positioned to grow exponentially in new target markets as well. I'd eventually love to bring our model and brand to areas in Asia-Pacific and beyond.

Is there a consistency throughout the properties or do they each reflect the specific destinations?

Similar to how Starwood functioned, we own and operate several brands under one umbrella and our trademark "Service from the Heart®" is consistently experienced at each resort. Whether the hotel holds a 3, 4 or 5-star rating, our focal point is for guests to recognize a standard of exceptional service across all our brands and resorts.

At the same time, each resort has unique elements that reflect the destination to provide a more authentic experience beyond the typical all-inclusive.

What are the keys to providing the highest level of service in an all-inclusive model?

Our employees at each resort are the key to delivering the highest level of service regardless of the hotel's star rating. We have one of the lowest employee turnover rates in our industry.

We pride ourselves in the training we provide, which starts at the date of hire and never stops. We're known for offering more than 50 hours of training per year to employees who work in our resorts. This is virtually unheard of in the industry. As a result, we have employees who have been with us from day one, both at the corporate level and on property at a resort. We're proud to live by our motto, "We take care and motivate our employees and in turn they take care of our guests with love."

At the resort level, all of our properties are incredibly spacious, well-maintained and offer a wide variety of activities as well as high-quality food and beverage options. Health and wellness is trending as a mark of high service and we now have world-class fitness facilities complete with Pilates, spin classes and yoga. In the same vein, each resort recently implemented healthier menu options at their restaurants. With so many options, even when our resorts are 90 percent occupied, our guests never feel crowded.

All of these elements, combined with the human factor of outstanding employees, allow us to provide the highest level of service at all Playa Hotels & Resorts.



An ariel view of the Hyatt Ziva Cancun

Is the U.S. your primary market?

When we launched in 2006, the U.S. was our primary target market, but we've dramatically expanded since then and cater to a wide range of demographics across the globe. In Mexico, the majority of our guests are still Americans, but we also have many from Canada, Europe and Mexico, as well as South Korea and Japan. In Cancun specifically, we've seen a heightened interest from Asian markets. Similarly, our Jamaican properties are also seeing an increase from Asian tourists via our marketing efforts, as well as a strong U.K. presence, while in the Dominican Republic, it's heavily European.

Are your bookings primarily coming from online today and is the travel agent still relevant?

We continue to have a solid mix of bookings from a variety of sources including direct as well as third parties including travel agents. Although the world is increasingly digital, travel agents remain valuable resources as part of the planning process and we have a dedicated team to assist with the large amounts of business they procure.

That said, if you look at our relationship with Hyatt and Hilton, these notable brands target a larger audience that not only comes with the expectation of impeccable service, but often results in substantial online bookings as well.

Are you able to find local workers who can be trained to provide the high-level service you offer?

Absolutely. We pride ourselves with being a diverse company, but prioritize hiring locally at all our resorts and offer many high-level training programs to prepare our employees for growth within the Playa family. Nearly 100 percent of our staff is from the region where they work, many serving in top leaderships roles.

As a public company, how challenging is it to deal with short-term pressures when you're focused on building long-term growth?

Although we're focused on growing our brand, while elevating our current properties, we're still incredibly profitable in the short-term.

I'm not a quarter-to-quarter earnings guy. My investment philosophy is on long-term value and the longevity of our brand. Our focus will continue to lean toward long-term investors who share this vision.

How do you focus your time and efforts in leading Playa?

My vision for Playa Hotels & Resorts has served me well since founding the company. As we grow strategically, we will continue to hire talented people, who I trust to do their jobs. I do not believe in micromanaging. Do I get involved in the details? Absolutely, but it's when they want or need my guidance. Our executive team's tenure works tremendously well in our favor. It's an extremely talented group capable of handling just about any given situation.

Are you able to take moments to reflect on the wins or are you always focused on the next opportunity?

Personally, I don't often reflect on the wins, but I make a concerted effort to do so with our team as a reminder of our hard work and progress. I have to thank my wife for teaching me to properly pause, since I generally am already focusing my energy on the next opportunity.

Why isn't there a cohesive message about the positive impact of the hospitality industry on jobs and economic growth?

A cohesive message on the impact of the hospitality industry is lacking primarily because the category is comprised of so many different sectors ranging from restaurants, hotels, transportation, etc. and even those can be broken down further. The truth is that in many countries, especially those where Playa operates, both business and leisure travel are a dominating factor in driving the economy to create a myriad of guest experiences and opportunities for local prosperity. Every day, the hospitality industry provides quality work opportunities to millions of employees and amazing working to our guests. I have thoroughly enjoyed working in this industry for more than three decades. ●