



HOUSE OF HOTELS | בית של מלונות

Capital Market Presentation - May 2024



Disclaimer

This presentation is not the Company's offer of securities to the public and should not be interpreted as an offer of securities to the public. The presentation constitutes the Company's principal and marketing presentation. The information included in this presentation and any other information that shall be delivered during this presentation (hereinafter: "the Information") does not constitute a recommendation or an opinion of an investment consultant or a tax consultant. The Information is only condensed information. Investment in securities, in general, and in the Company in particular, carries risk. You should take into account that past data does not necessarily indicate future performance. The purchase of the Company's securities requires an in-depth review of the information published by the Company and a legal, accounting, taxation and economic analysis thereof.

Data regarding: (a) summary of the number of rooms under ownership / lease / management distributed by segment as of March 31, 2023 (including the weighted number of active rooms by segment and the total); (b) segmentation of EBITDA from the same properties; (c) distribution of revenue and EBITDAR (including the Company's share in affiliate companies) distributed by segment as of Q1/2024; (d) total debt of the Company including its share in affiliate companies as of March 31, 2024; - in Slides 5, 6, 19, 20 and 21, are given in this presentation for the first time as additional information.

It should be noted that as of this date, the Company's estimates as stated in Slide No. 26 below with regard to forecasts of revenue, EBITDAR, EBITDA and FFO for 2024, are forward-looking information, as defined in the Securities Law, 5728-1968 (hereinafter: the "Securities Law"), which is based on the assessments of the Company's Management and its understanding of the factors affecting its business activity, as of the date of the signing of the Report. These assessments may not materialize, in whole or in part, or may be realized differently, including materially, than expected, inter alia and without derogating from the generality of the aforesaid, as a result of non-optimal assumptions and analyses, from developments that cannot be assessed with regard to a significant deterioration in economic or financial conditions in Israel and/or abroad and/or developments that cannot be fully assessed in connection with the war and its duration (including the expansion of war fronts) and/or the realization of all or some of the risk factors detailed in Section 1.22 of Chapter A ("Description of the Business of the Corporation") attached to the Company's 2023 Periodic Report, which was published on March 28, 2024 [Reference Number 2024-01-033492] (this information constitutes inclusion by way of reference).



Fattal Group Overview

1998

Established

21

Countries

282

Hotels¹

50,433

Rooms¹



About **80%** of activities in Europe

EBITDA²– 2024E: 1,600 – 1,800 Million NIS



Rating: A2.il Stable

¹ Including future hotels.

² Includes the Company's share in affiliated companies.



Q1- 2024

Summary of good operational results in the first quarter

Increased occupancy and prices on all markets.

Continued strengthening of the Company's financial ratios.

Positive current cash flow.



1.4

NIS billion
Revenues¹

409

NIS million
EBITDAR¹



109

NIS million
EBITDA^{1,2}

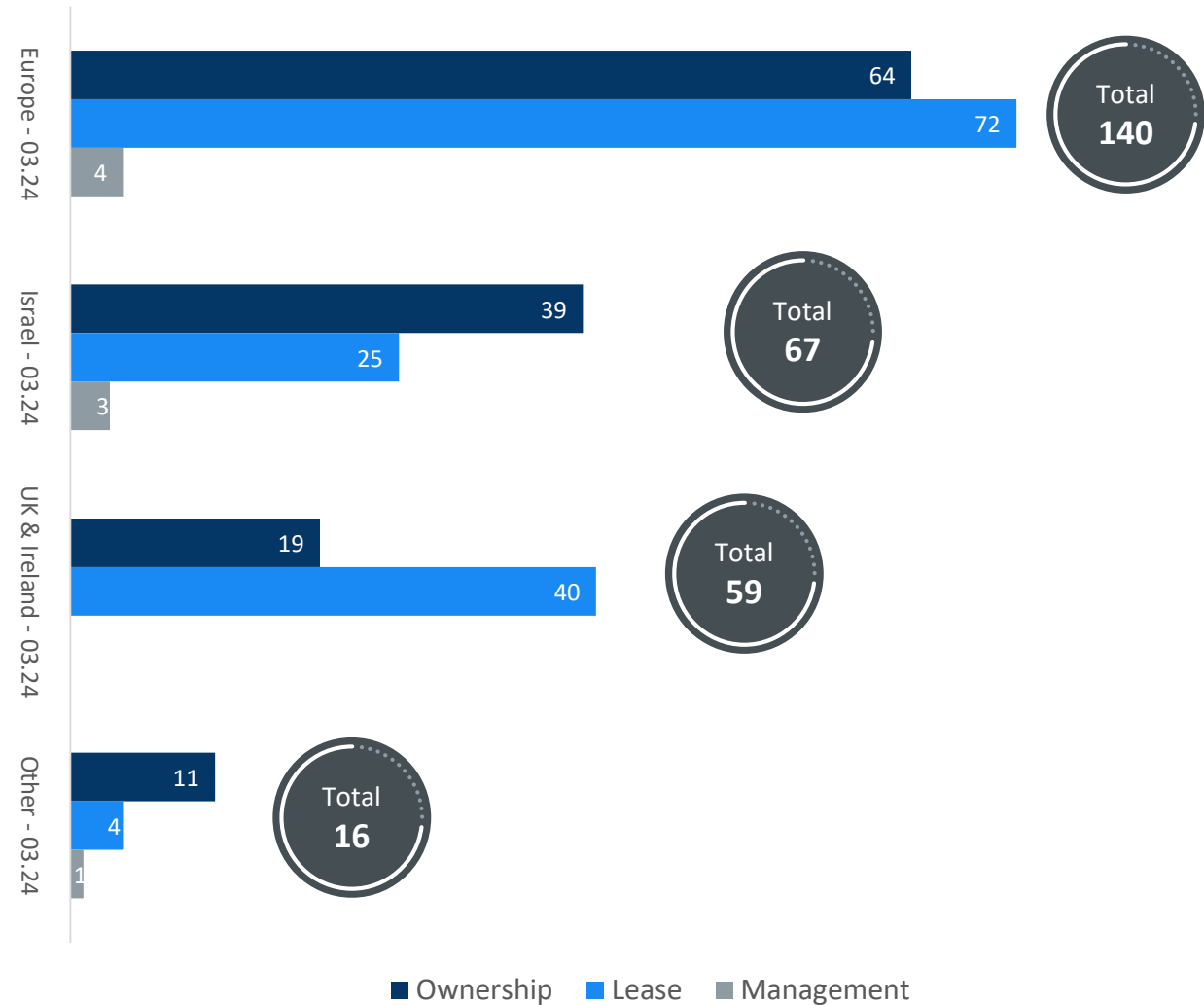
775

NIS million
Balance of cash
and securities

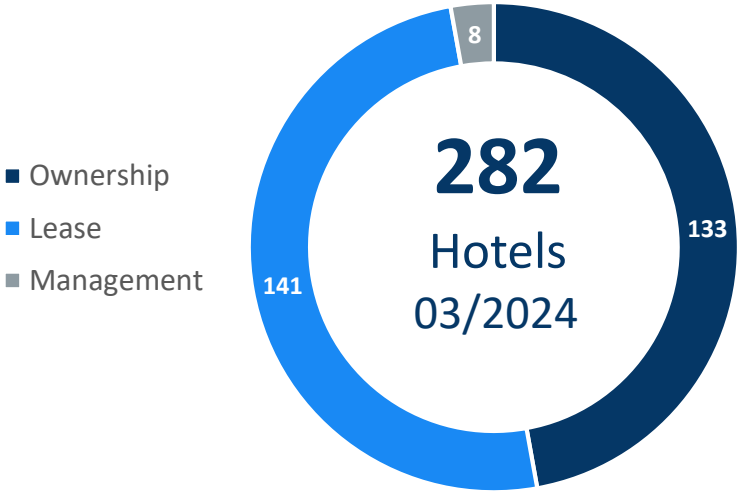
¹ Includes the Company's share in affiliated companies.

² Prior to the Impact of Standard IFRS 16.

Number of Hotels¹ – Diverse Mix



Hotels split by type

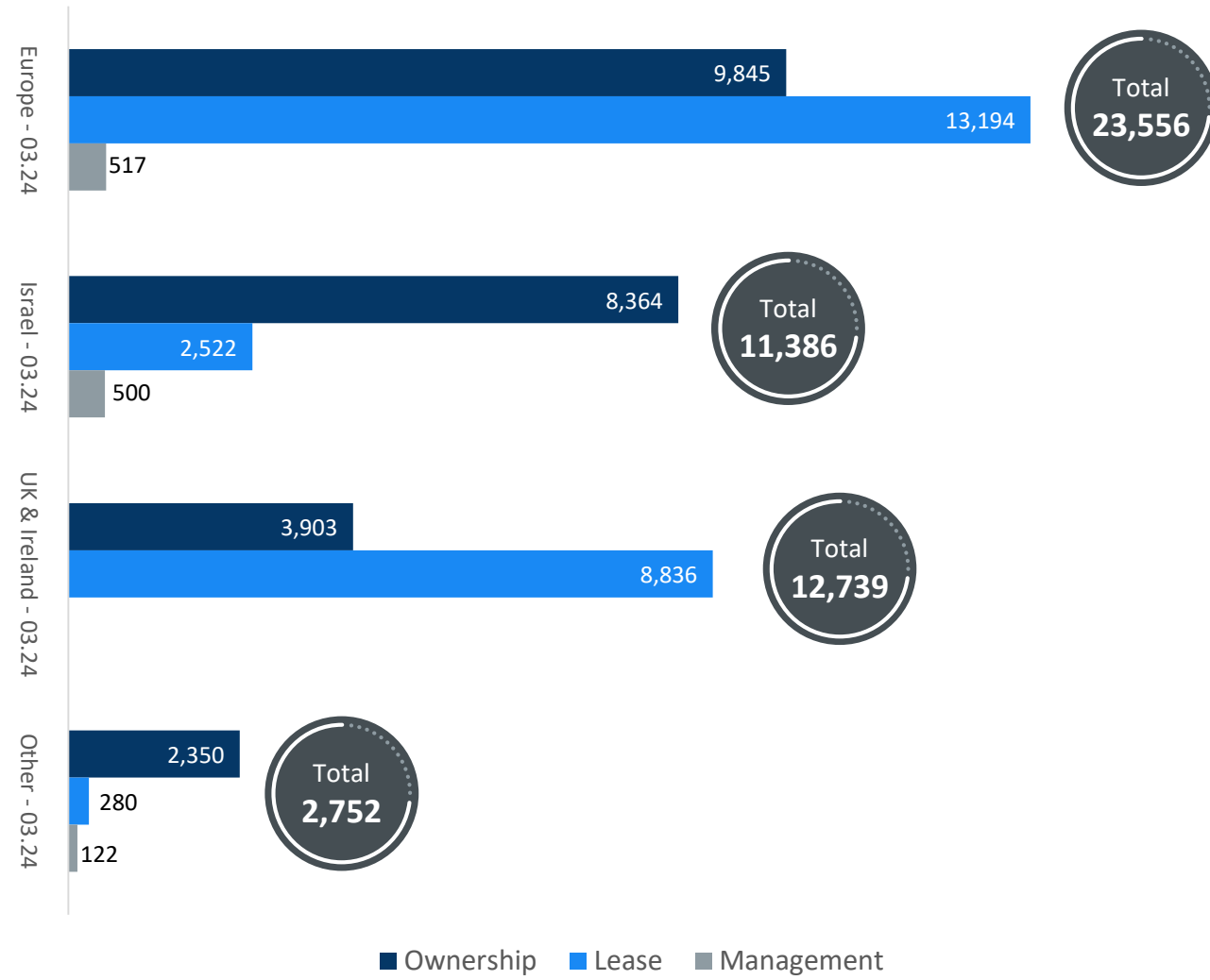


03/2024

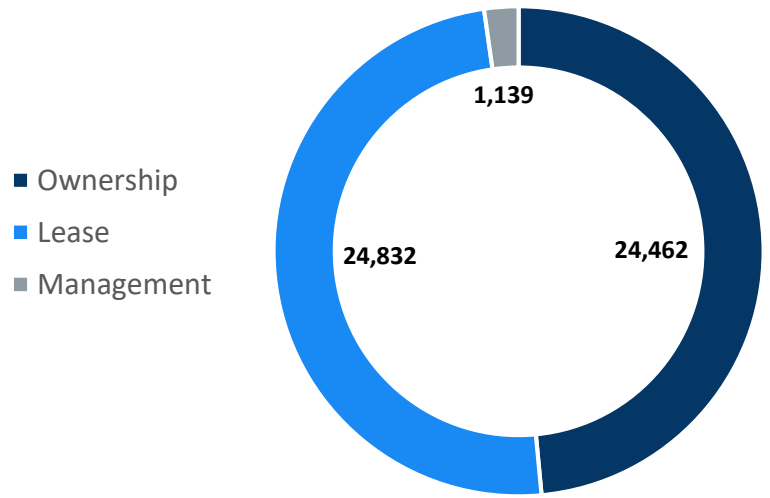
239
Active hotels

¹ As of 31.03.24 including 22 future hotels in Israel (3,026 rooms), 11 future hotels in Europe (2,592 rooms), 3 future hotels in UK (615 rooms) and 7 future hotels in Greece & Cyprus (708 rooms).

Number of Rooms^{1,2} - Diverse Mix



Rooms split by type

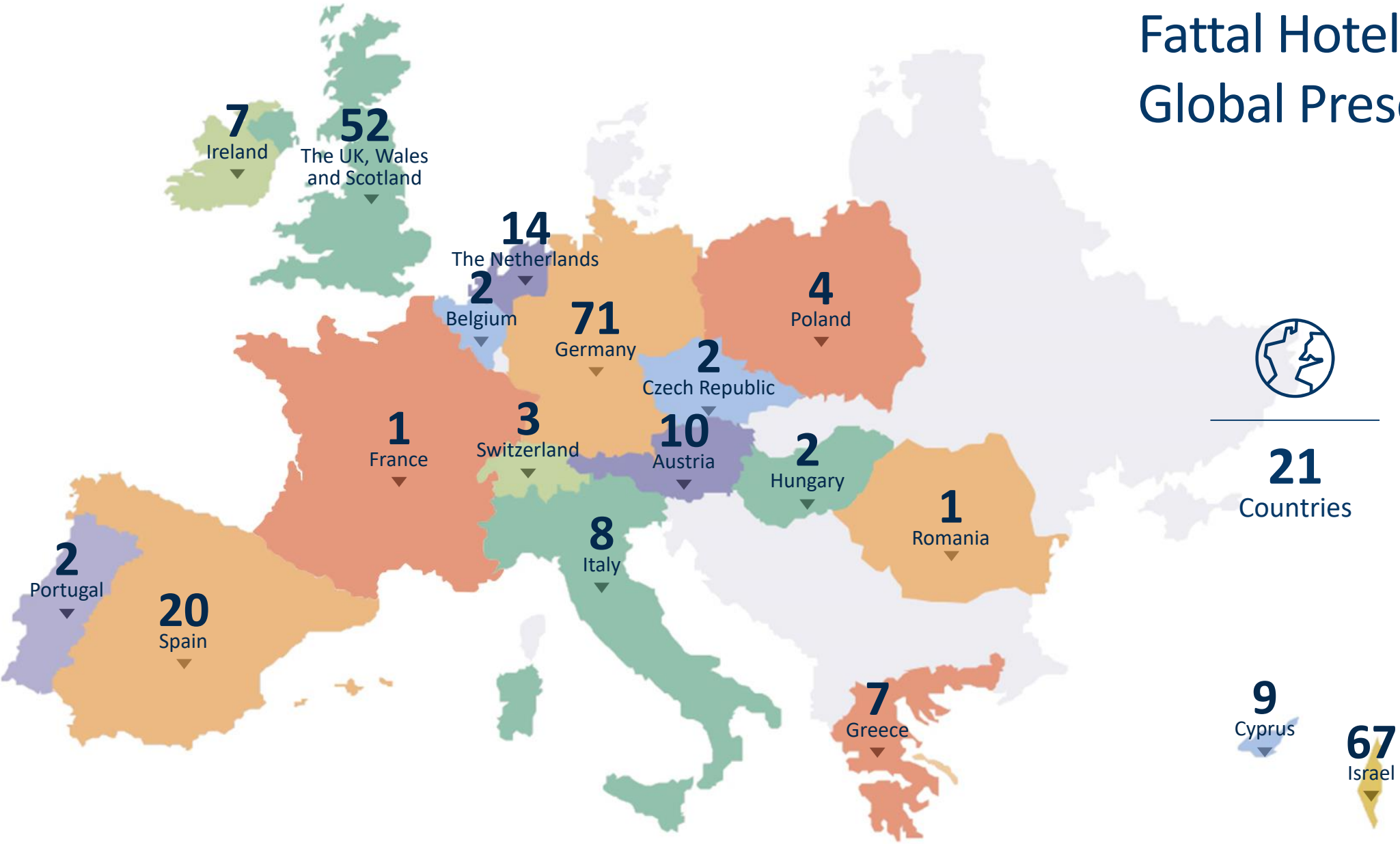



03/2024

43,492
Active rooms

¹ As of 31.03.24 including 22 future hotels in Israel (3,026 rooms), 11 future hotels in Europe (2,592 rooms), 3 future hotels in UK (615 rooms) and 7 future hotels in Greece & Cyprus (708 rooms).
² As of 31.03.24 the weighted number of active rooms in Israel (7,625 rooms), Europe (17,838 rooms), the UK (11,707 rooms) and Greece & Cyprus (1,922 rooms).

Fattal Hotel Group Global Presence^{1,2}



21
Countries

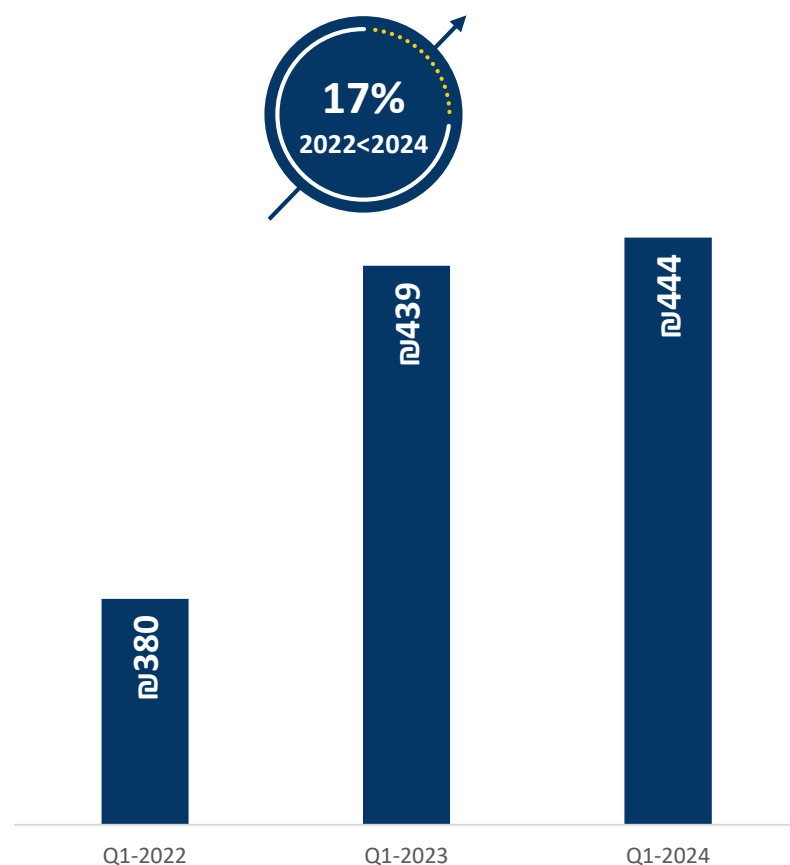


123
Cities

¹ Including future hotels.
² As of May 2024.

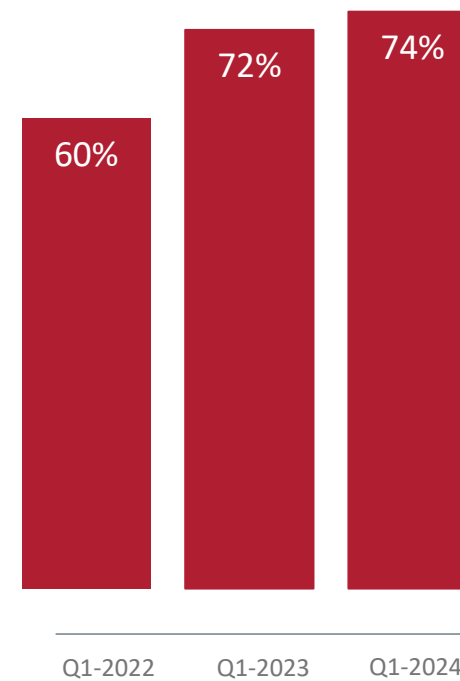
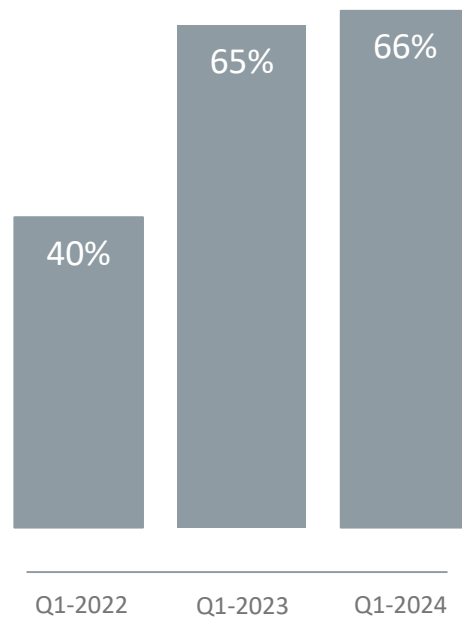
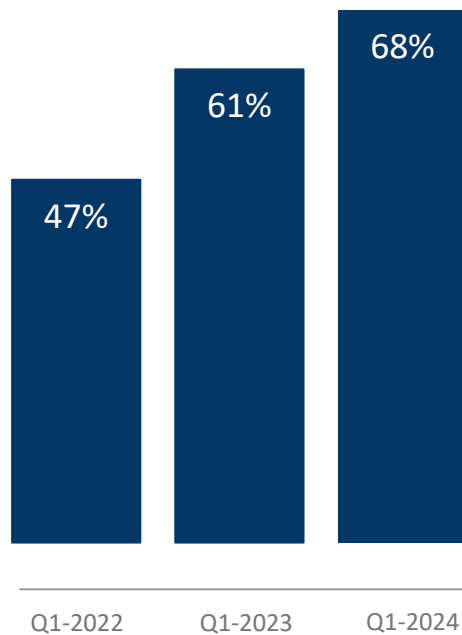
Group Average Daily Revenue per Room ADR¹ (NIS) – Q1

Dealing With the Effects of Inflation and Rising Expenses
The data includes the currency effect



¹The ratio between room revenues only and occupied rooms in the hotel. This figure does not include managed hotels.

Group Average Occupancy Rate¹ – Q1



¹ Include the Company's share in affiliated companies.

Growth Engine - Establishing Hotel Partnerships in Europe



Partnership 2

04.2022
Established



€ 100M
The Company's share in capital commitment

Around €651 million	Total acquisition costs 5.24
Around €721 million	Hotels Value as of 31.03.24
Around €63 million	Expected investments in 2024-2025

Total



19 Hotels in 8 Countries



3,387 Rooms



Partnership 3

01.2024
Established



€ 100M
The Company's share in capital commitment

Around €226 million	Total acquisition costs 5.24
Around €800 million	Forecast property portfolio
3 Years	Investment Period

*Target for full capital commitment- around €400 million.
The company is nearing the final stages of bringing additional investors.

Total



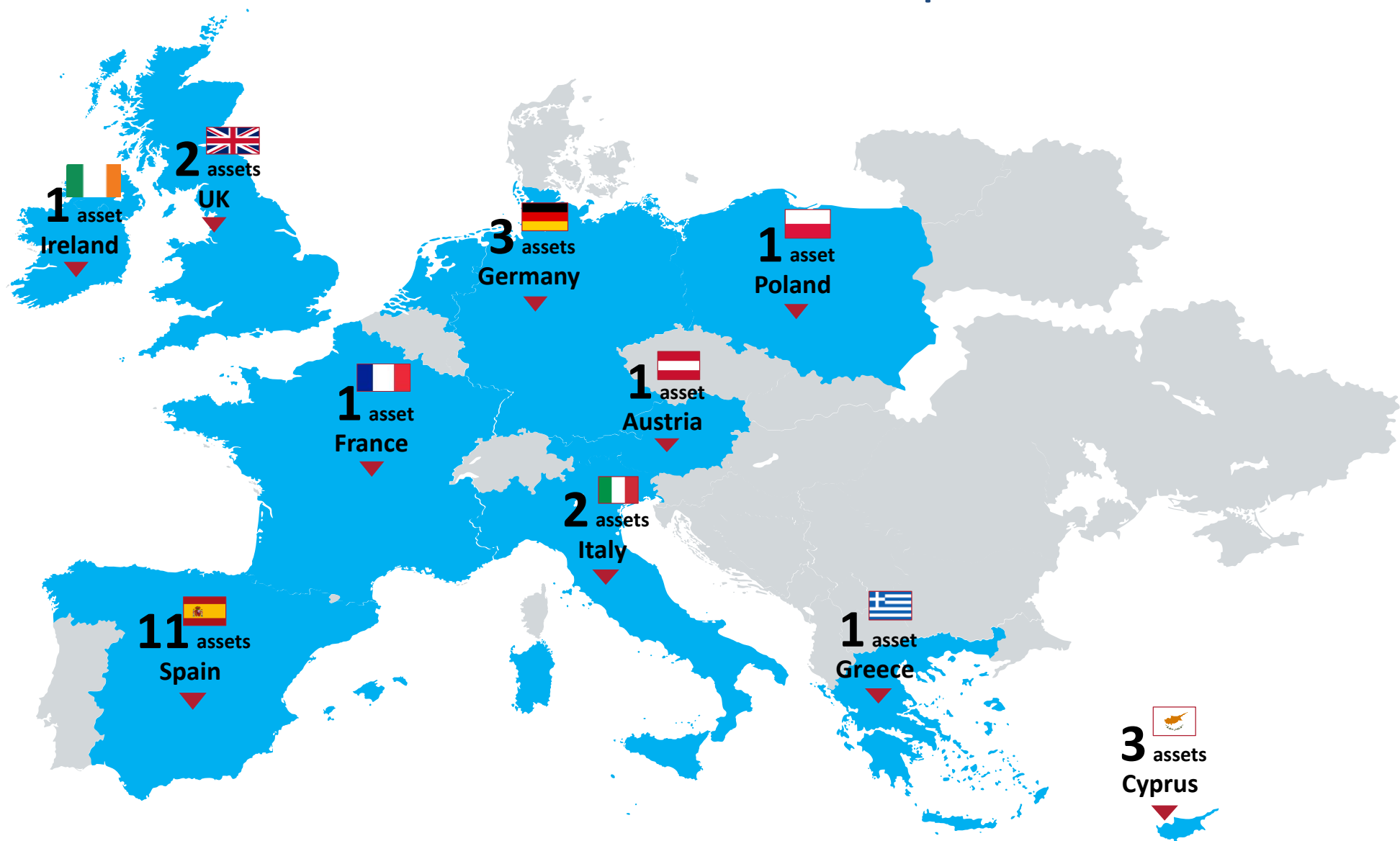
7 Hotels in 5 Countries



857 Rooms

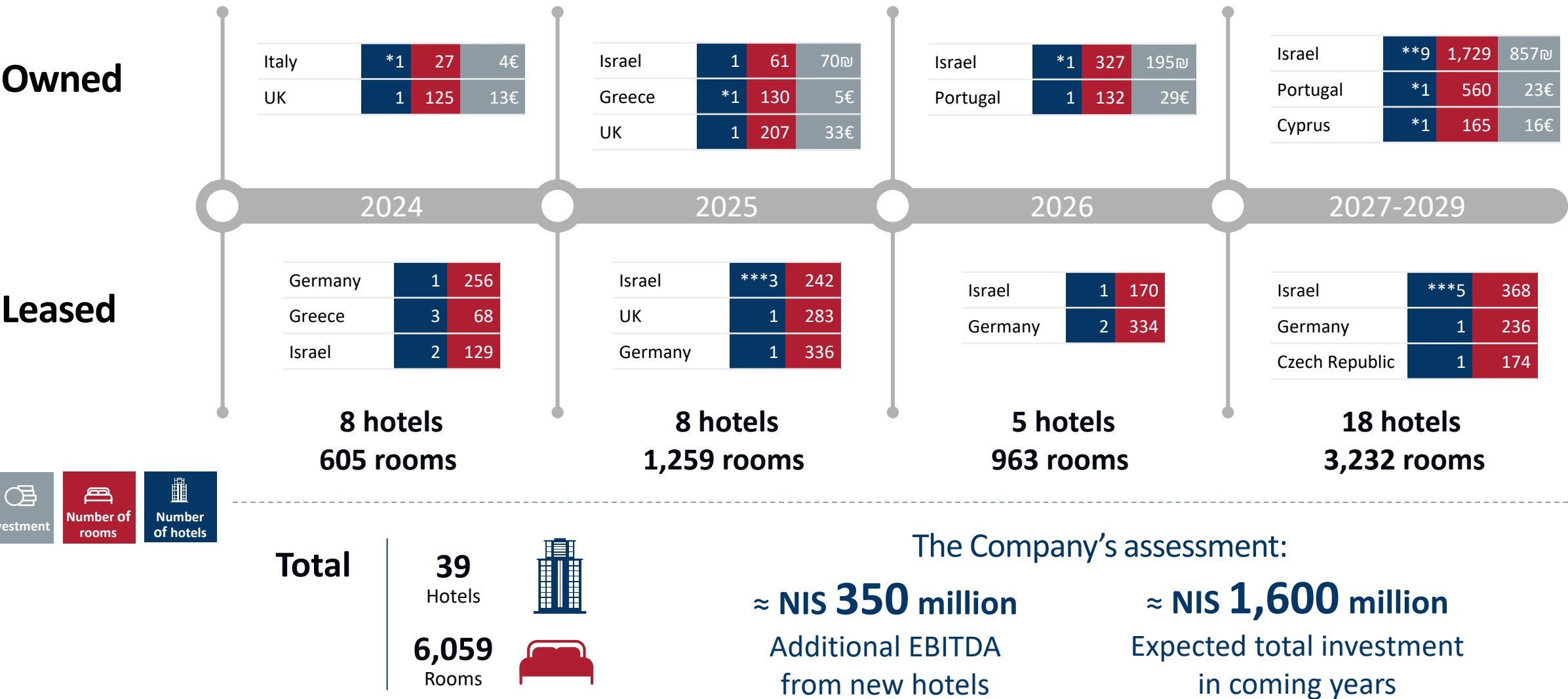


The Presence of Partnership Hotels



Looking Ahead - Opening Hotels in the Coming Years¹

(excl. hotels under Hotel Partnerships in Europe)



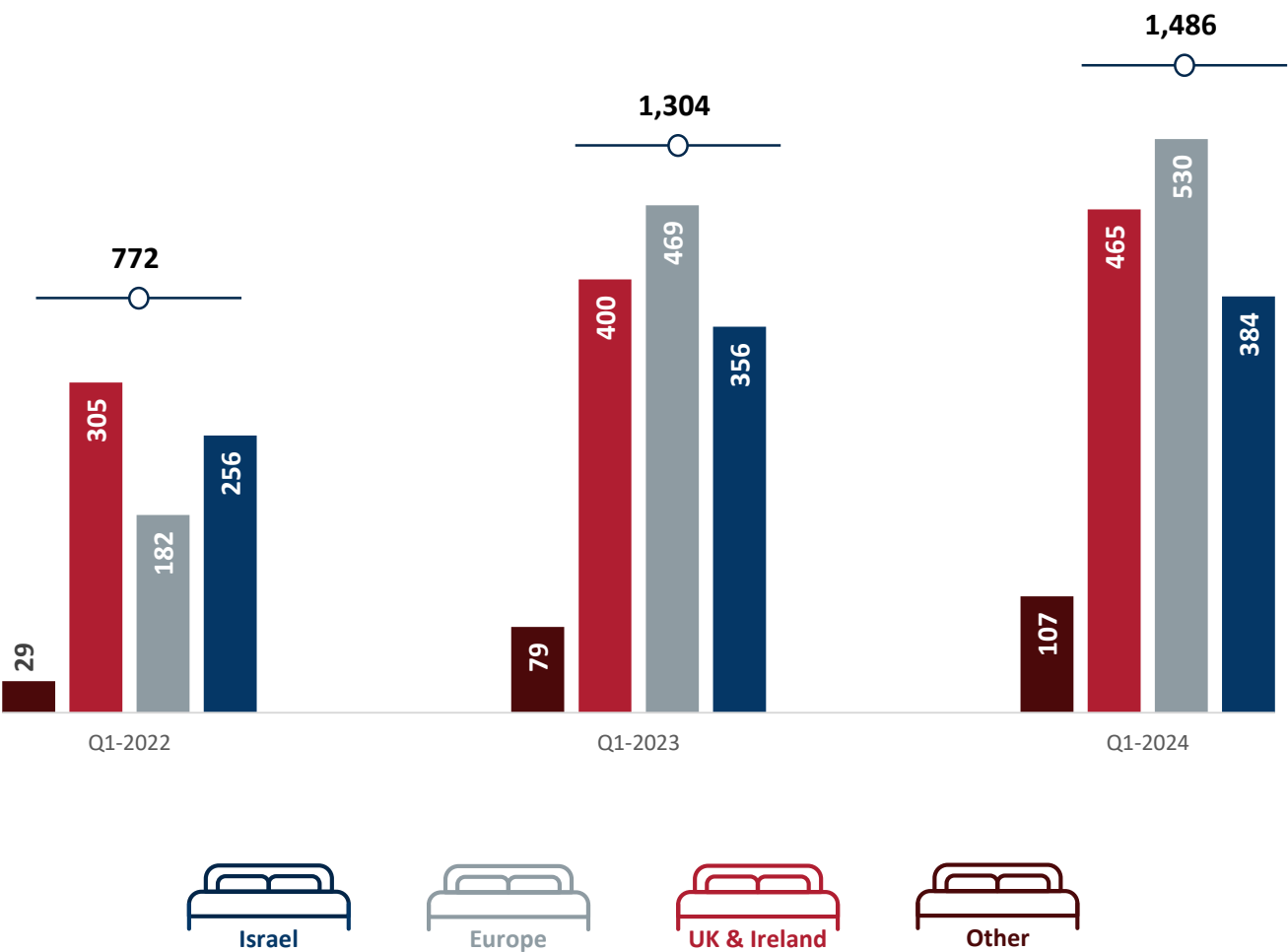
Financial Results Q1 - 2024



Main Financial Data - Revenues¹ (NIS millions)

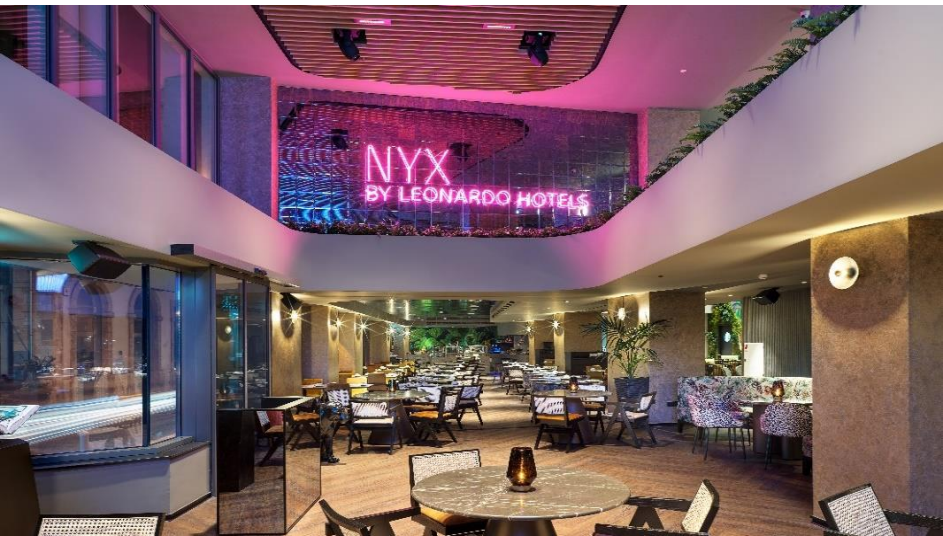


Q1 Results

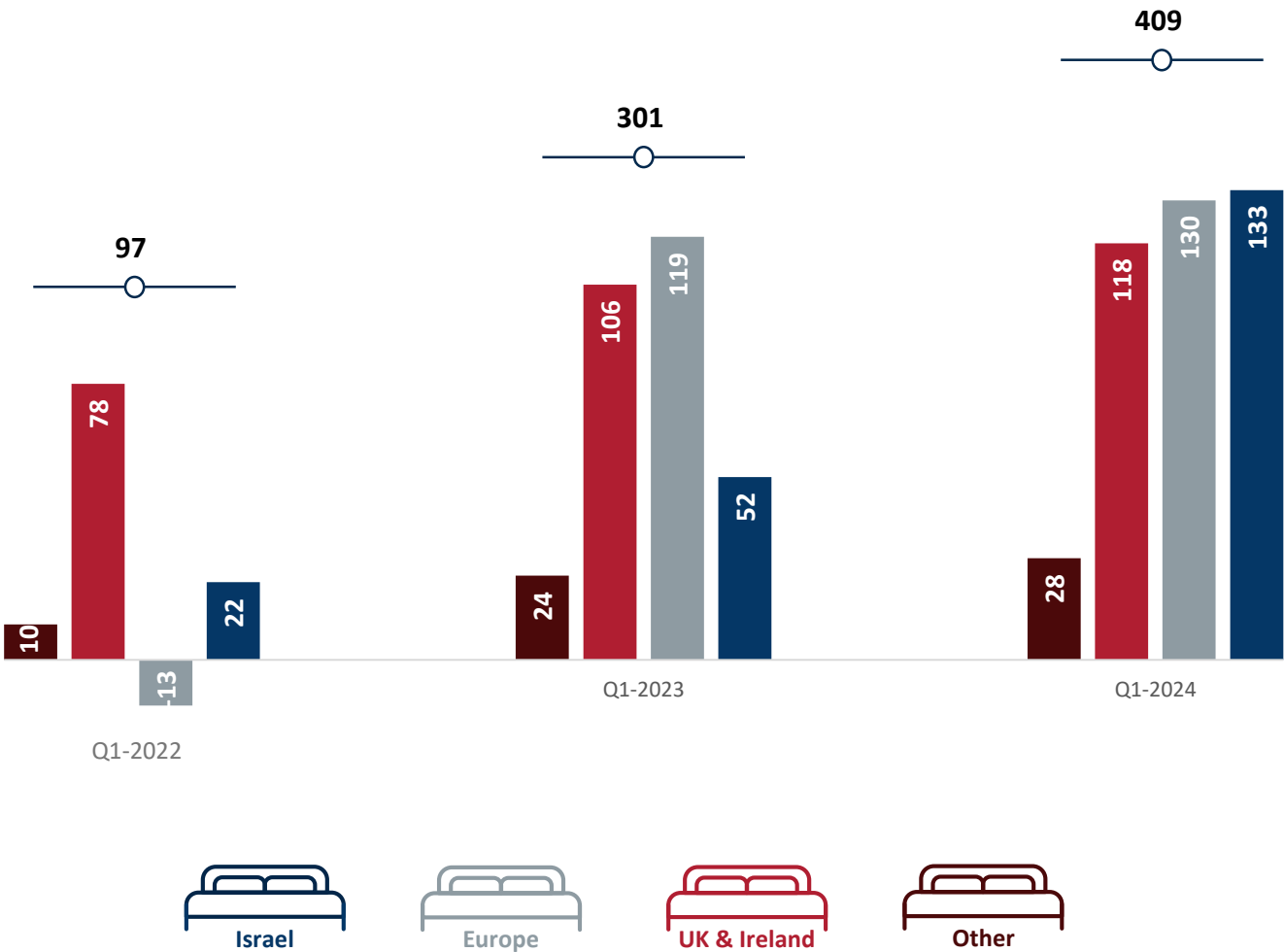


¹ Includes the Company's share in affiliated companies

Main Financial Data - EBITDAR¹ (NIS millions)



Q1 Results

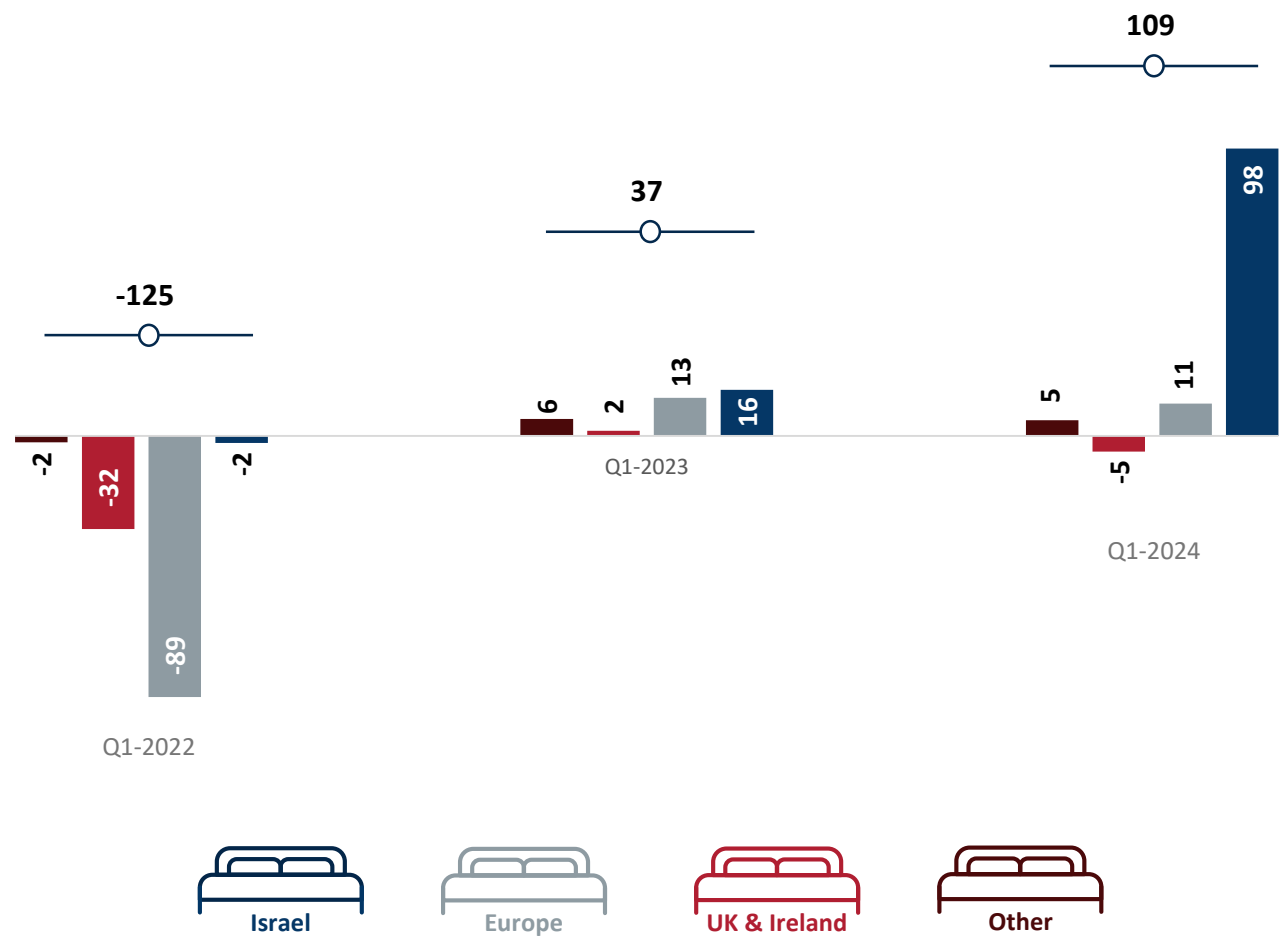


¹ Includes the Company's share in affiliated companies

Main Financial Data - EBITDA¹ (NIS Millions) Prior to the Impact of Standard IFRS 16



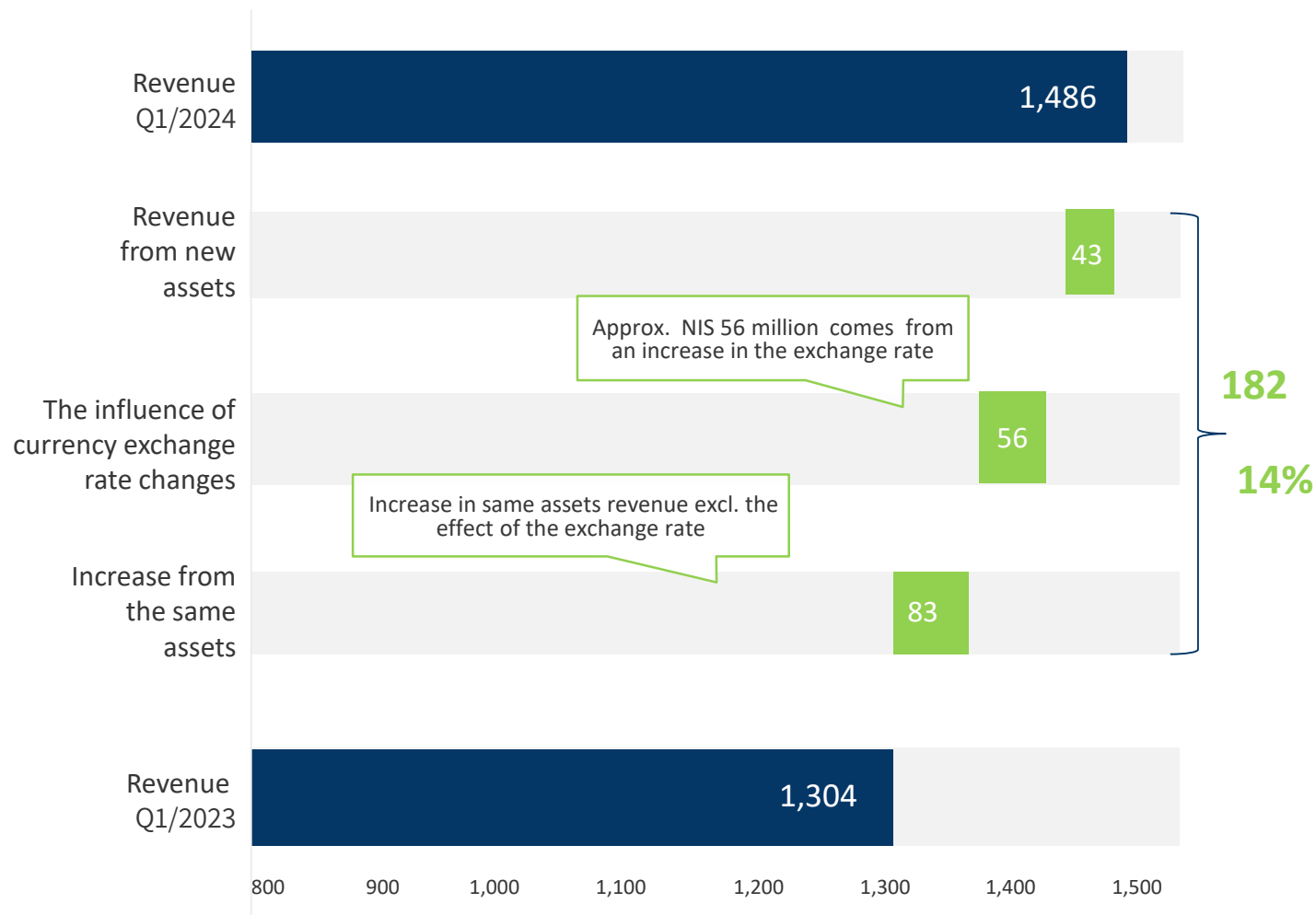
Q1 Results



¹ Includes the Company's share in affiliated companies

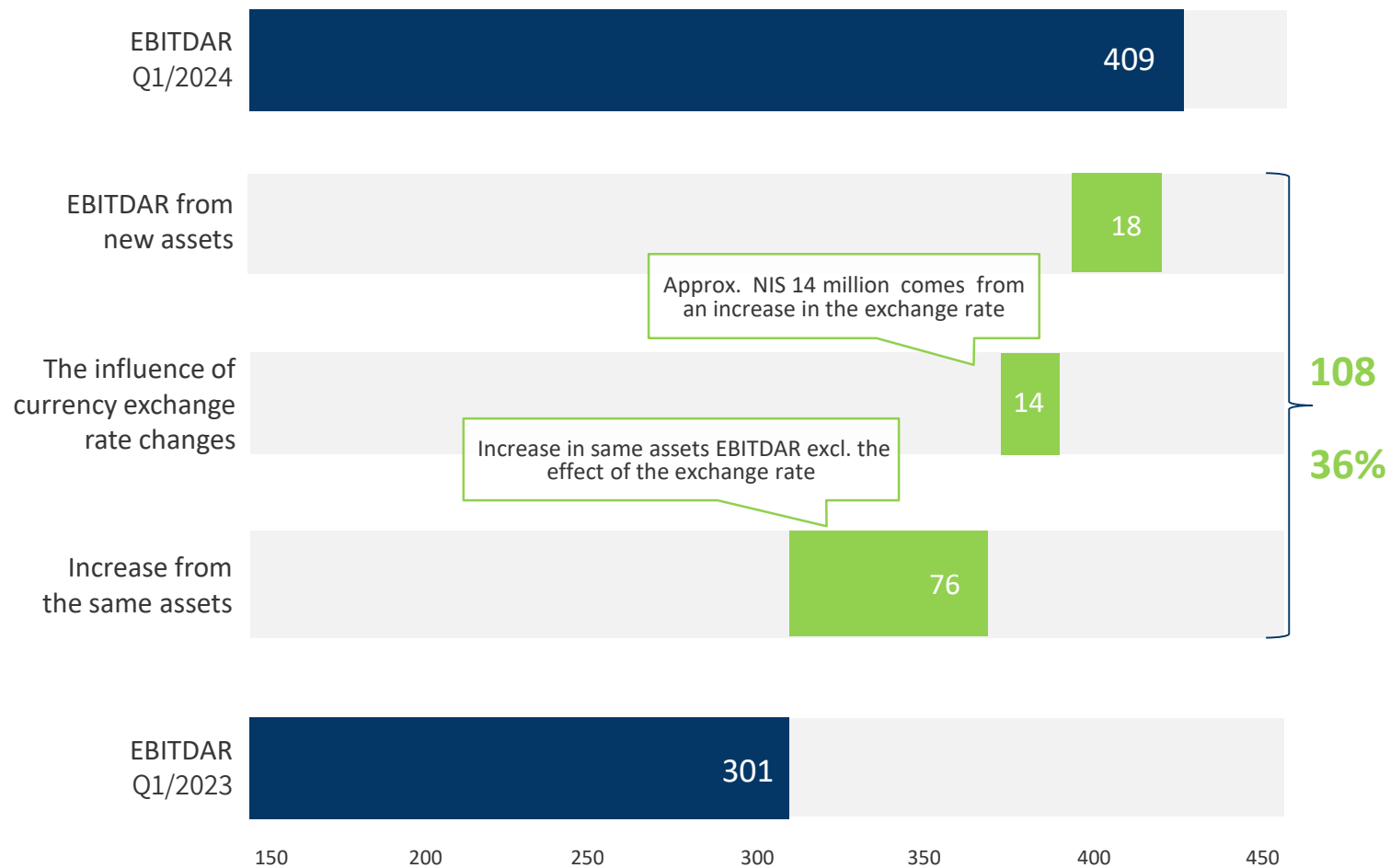


Segmentation of revenue from same assets (NIS Millions) – Q1



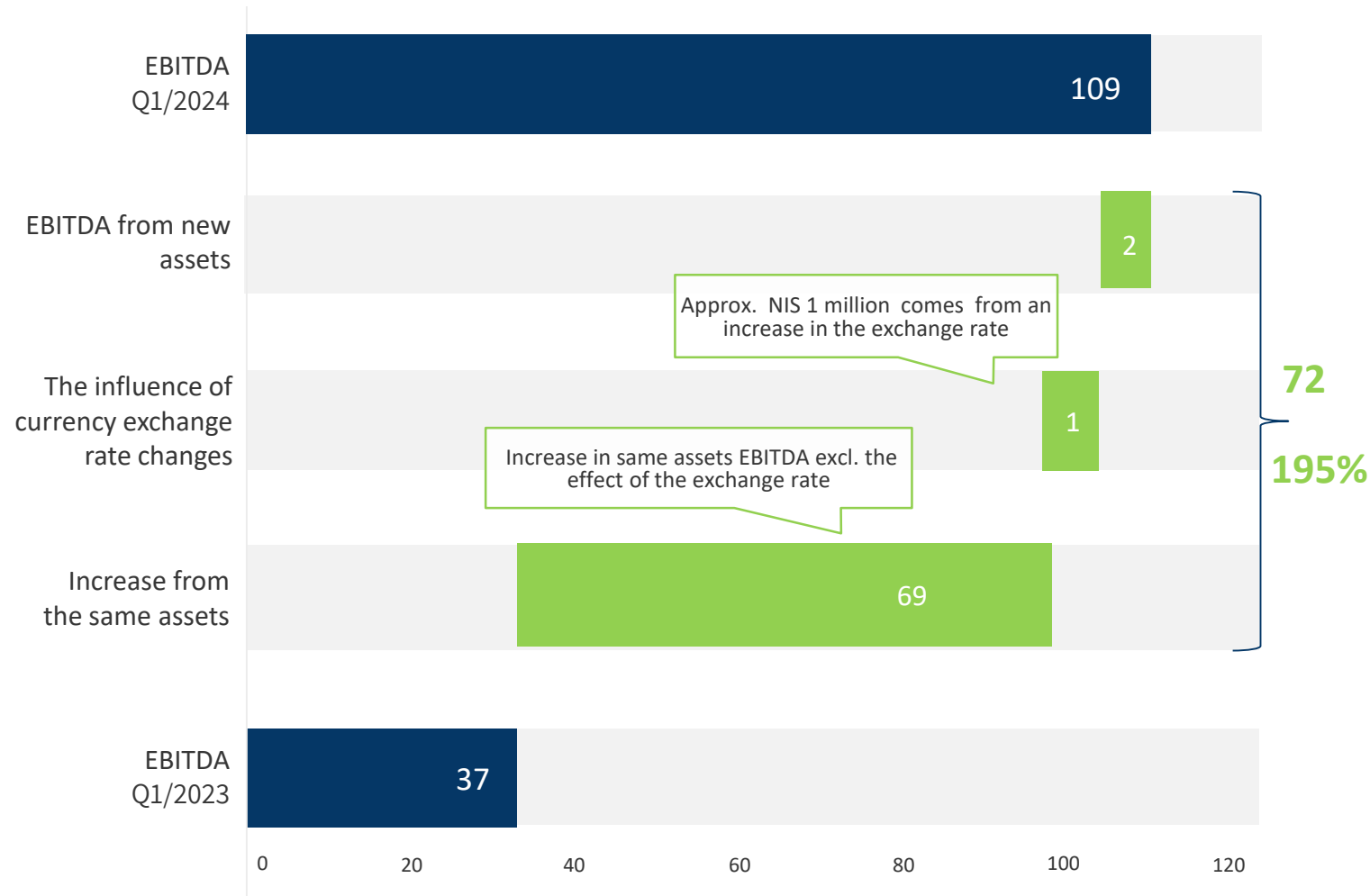


Segmentation of EBITDAR from same assets (NIS Millions) – Q1

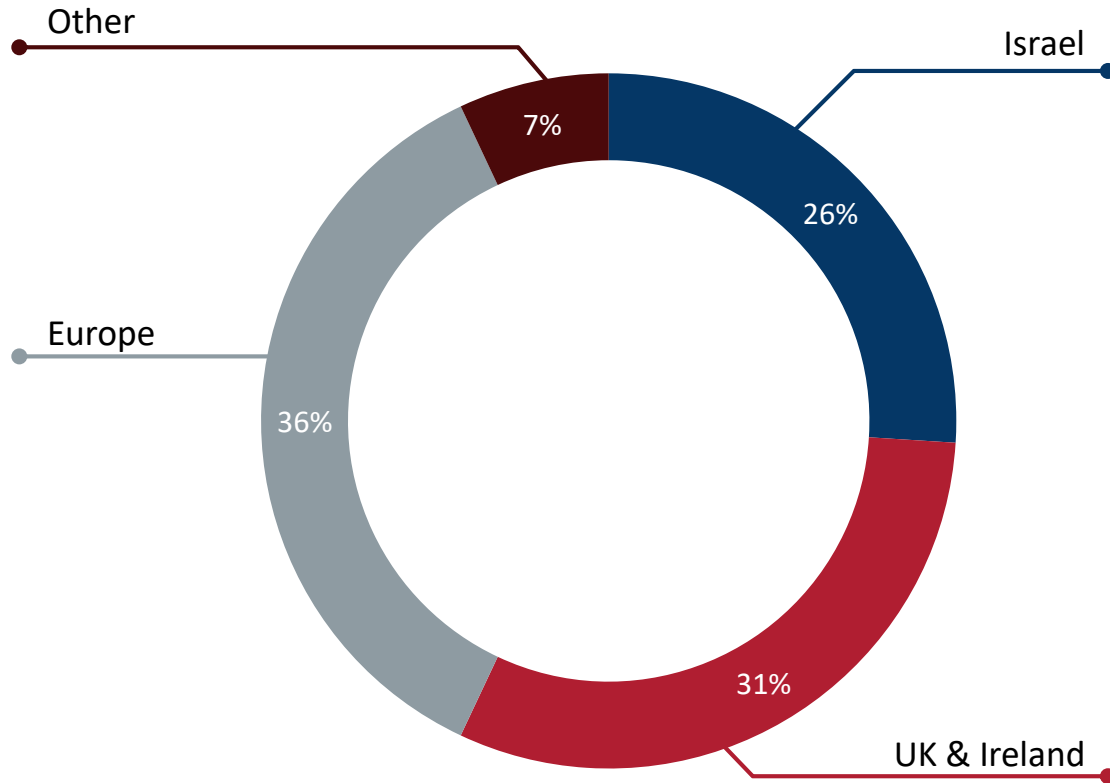




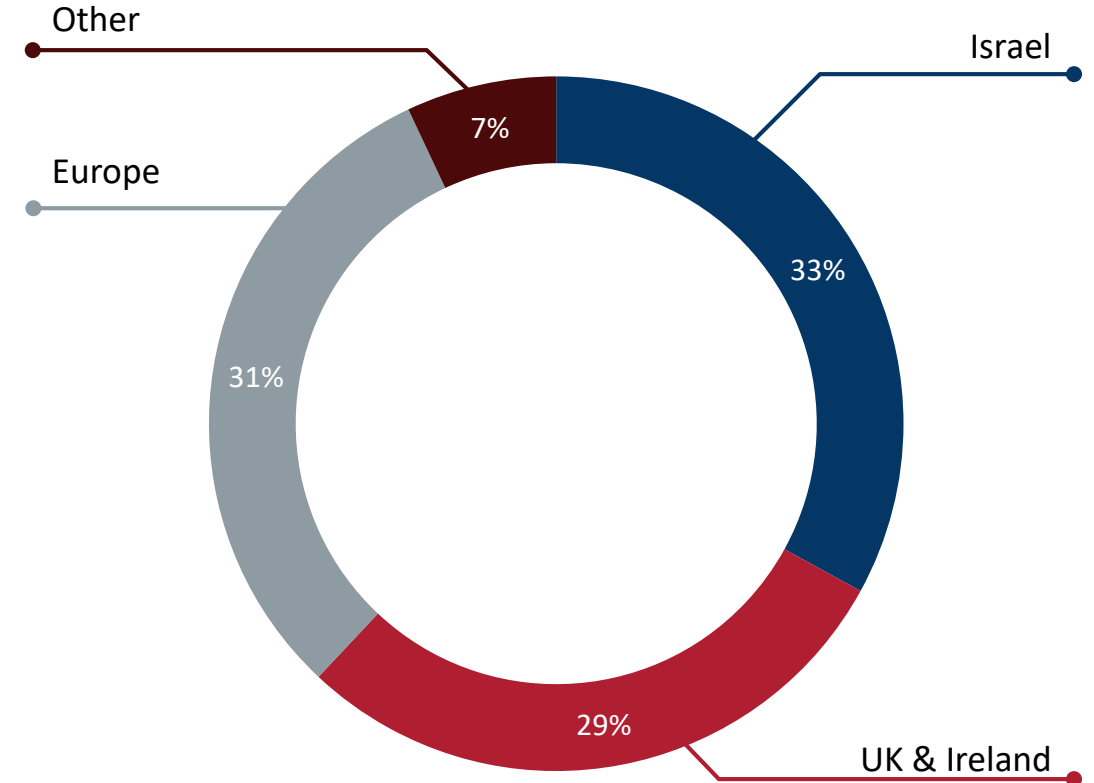
Segmentation of EBITDA from the same assets (NIS Millions) – Q1



Revenue Split – Q1/2024

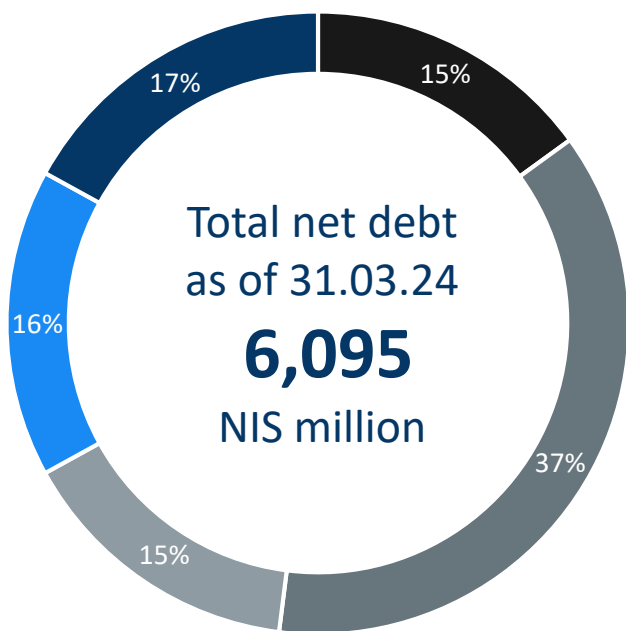


EBITDAR Split – Q1/2024



Key Debt Metrics (NIS millions)

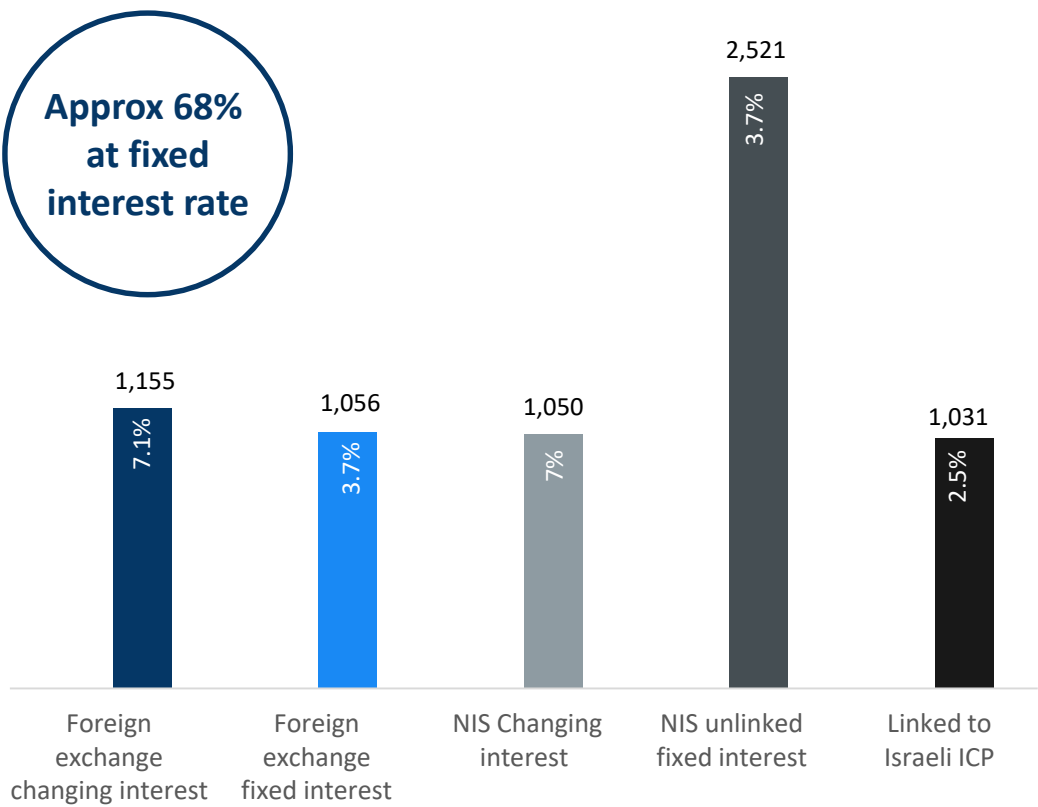
Split by debt type



■ Linked to Israeli ICP ■ NIS unlinkd fixed interest ■ NIS Changing interest
■ Foreign exchange fixed interest ■ Foreign exchange changing interest

The total debt of the Company includes its share in affiliated companies as of March 31, 2024, approx. NIS 8,605 million

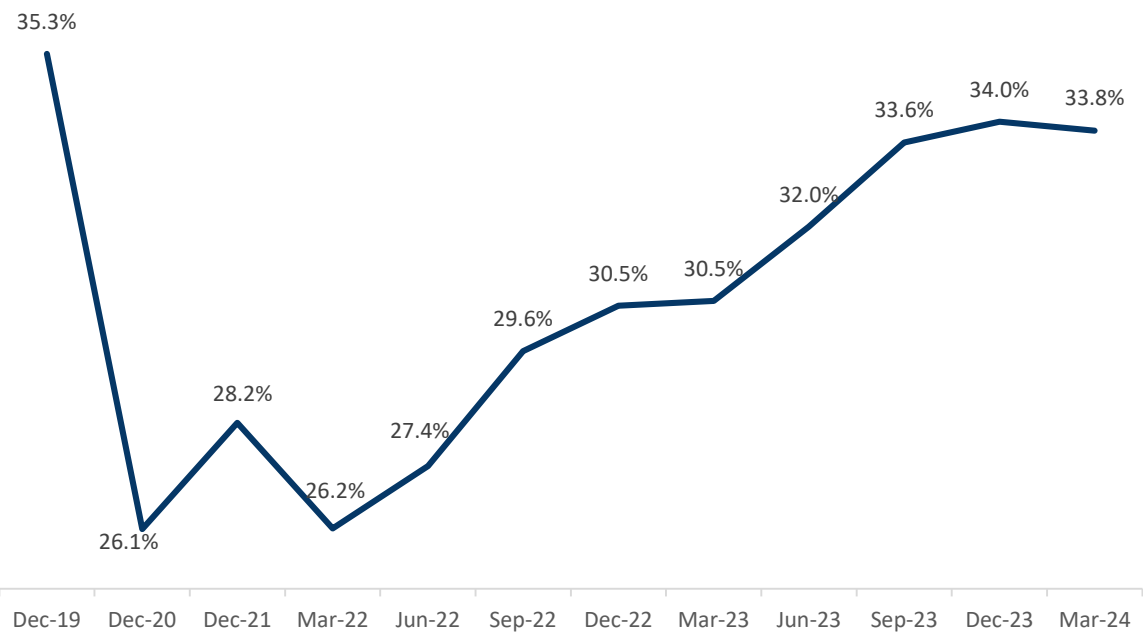
Debt and average interest rate as of 31.03.24



The Company has unpledged assets worth a total of NIS 310 million

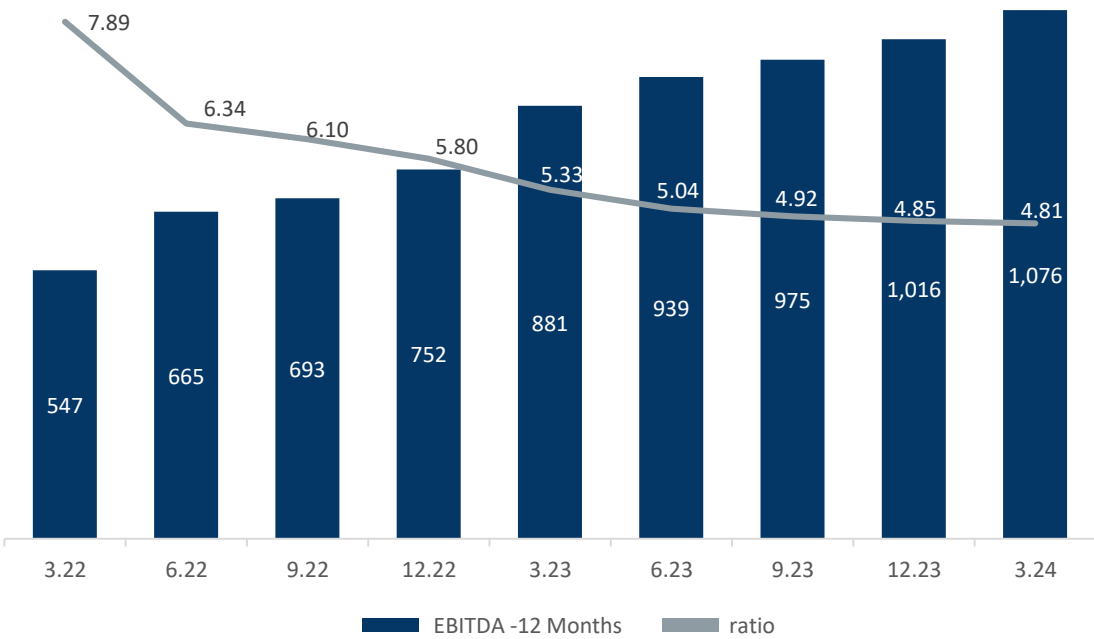
Financial Ratios¹ (NIS Millions)

Gradual increase in the equity-to-total assets ratio



The Company meets all its covenants to which it is committed

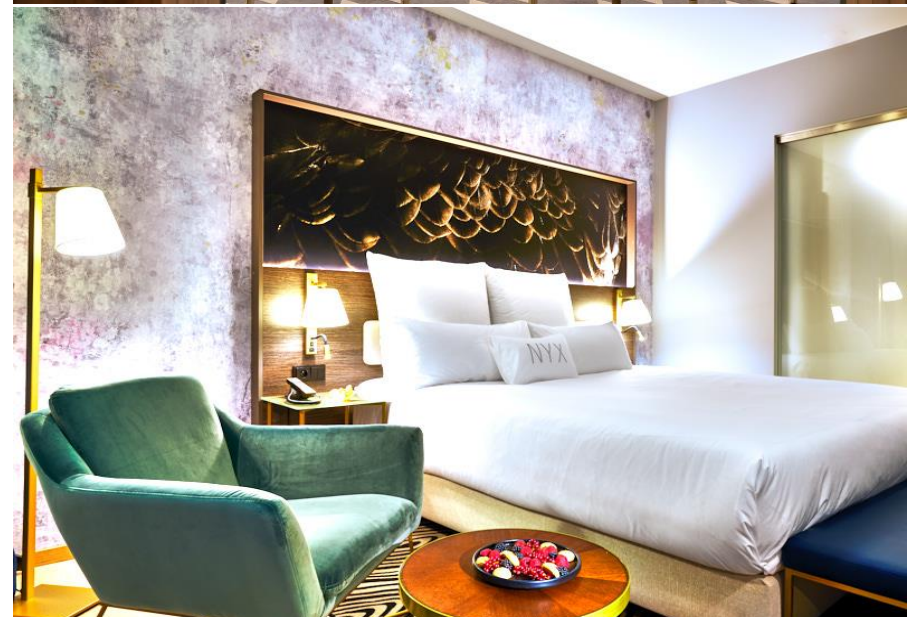
Declining debt/EBITDA ratio



¹ The terms and calculations as defined in the trust deed.

Consolidated Balance Sheet (NIS millions)

	Mar-24		Mar-24	Mar-23	Dec-23
	Data prior to implementation of IFRS16	Impacts of IFRS16	As shown in the Financial Statements		
Current Assets	1,627	(91)	1,536	1,217	1,503
Long Term Investments and Other Assets	4,305	13,480	17,785	16,041	17,189
Fixed Assets	7,779	-	7,779	6,969	7,921
Total Assets	13,711	13,389	27,100	24,227	26,613
Short Term Credit	1,230	-	1,230	894	976
Other Current Liabilities	1,329	505	1,834	1,718	1,794
Loans and Bonds – Long Term	5,558	-	5,558	5,148	5,727
Deferred taxes	500	-	500	388	513
Others	456	14,185	14,641	13,571	14,248
Total Liabilities	9,073	14,690	23,763	21,719	23,258
Shareholders' Equity	4,638	(1,301)	3,337	2,508	3,355
Total Liabilities and Equity	13,711	13,389	27,100	24,227	26,613

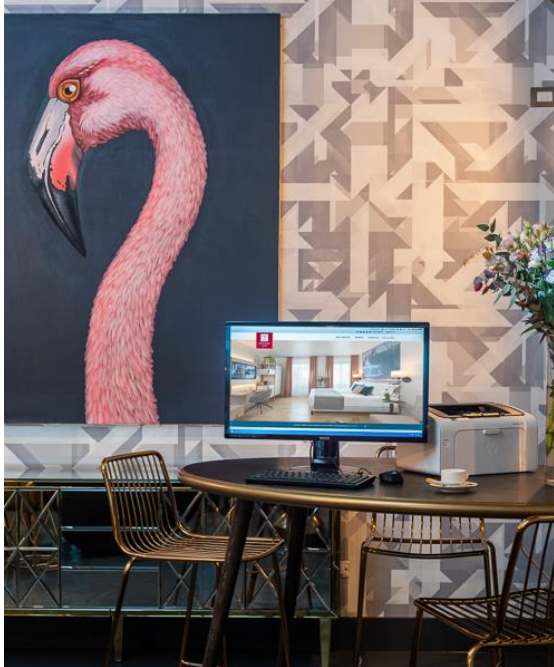


Consolidated Profit and Loss Statement (NIS million)

	1-3/24			1-3/23	1-12/23
	Data prior to implementation of IFRS16	Impacts of IFRS16	As shown in the Financial Statements		
Revenues from Hospitality Services and Others	1,402	-	1,402	1,242	6,928
Total Operating Expenses	1,003	-	1,003	948	4,476
Operating income before rent, depreciation and reductions (EBITDAR)	399	-	399	294	2,452
Total Rent	353	(340)	13	7	155
Operating income before depreciation and amortization (EBITDA)	46	340	386	287	2,297
Depreciation	(98)	(198)	(296)	(262)	(1,149)
Other Expenses, Net	(2)	-	(2)	(2)	(38)
Profit before Financing	(54)	142	88	23	1,110
Financing Expenses, Net	(69)	(191)	(260)	(246)	(1,049)
Group’s Share in the Subsidiaries’ Earnings (Losses)	(30)	4	(26)	(20)	(5)
Tax Benefit (Tax Expenses)	22	15	37	48	(11)
Net Income (loss)	(131)	(30)	(161)	(195)	45
Net Earnings Attributed to Shareholders of the company	(131)	(30)	(162)	(195)	45
Net Earnings Attributed to Non-controlling Interests	-	-	1	-	-
Real FFO	(77)	-	(77)	(120)	652



Forecast 2024

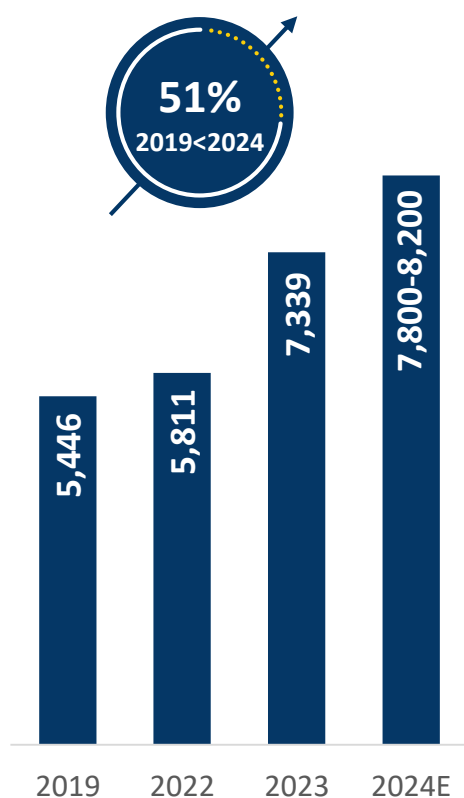


Looking Ahead³

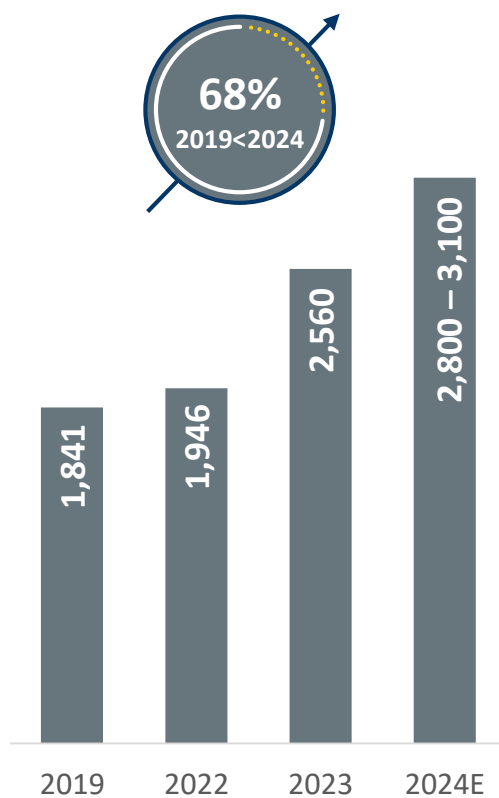
Factors for continued growth in 2024:

New hotels, partnership activities and revenue growth while maintaining profitability.

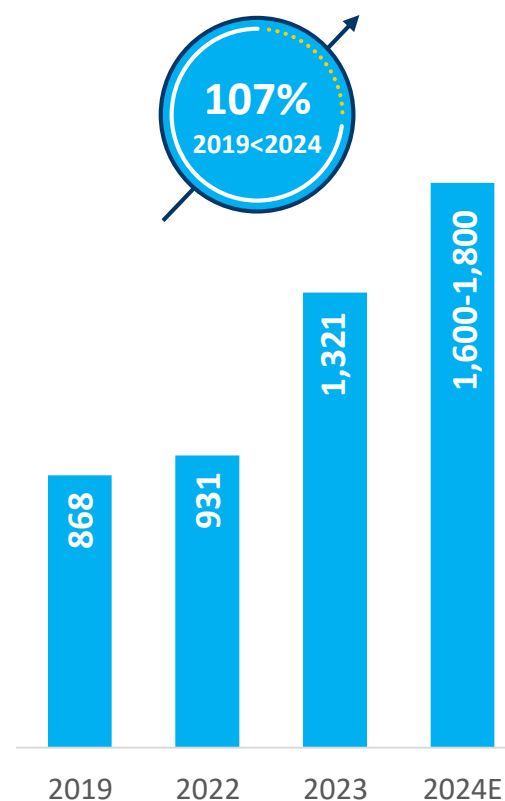
Revenues¹ (NIS millions)



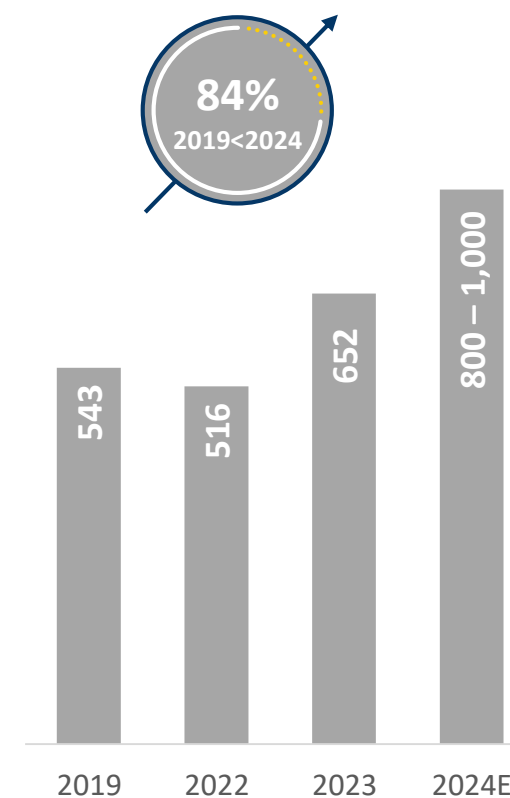
EBITDAR¹ (NIS millions)



EBITDA^{1,2} (NIS millions)



FFO (NIS millions)



¹ Includes the Company's share in affiliated companies.

² Prior to the Impact of Standard IFRS 16.

³ For details of the main assumptions for the forecast, see the company's BOD report for 31.03.24

A wooden tray holds a collection of NYX cosmetics, including two jars of cream, a small tin of balm, and a bottle of perfume. A glass of wine is also on the tray. In the background, a vase with yellow flowers is visible. The scene is set against a dark, moody background.

Fattal ♥ *פאטל*

HOUSE OF HOTELS | בית של מלונות

Thank you for your attention!