



HOUSE OF HOTELS | בית של מלונות

Capital Market Presentation - September 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: (i) balance of fixed assets as of June 30, 2024 (including the Company's share in affiliated companies); (ii) concentration of hotels and number of rooms by ownership / rental / management segmented by sector as of June 30, 2024 (including weighted number of active rooms segmented by sector); (iii) the number of cities in which Fattal hotels are located; (iv) a comparative analysis of the Company's performance (occupancy / ADR / RevPAR) in the first half of 2024 in Germany, United Kingdom and Ireland, the Netherlands and Spain compared with competitors according to the STR report; (v) number of hotels and rooms, total cost of acquisitions, total investment liabilities and expected volume of assets in Partnership 3; (vi) the deployment of the partnership hotels; (vii) additional details regarding the hotel purchase transaction in the Netherlands as well as data on inbound tourism in the Netherlands in 2018-2023; (viii) data on investment costs in new hotels expected to open in the coming years; (ix) additional details regarding the acquisition of the partner's share in Protal Tourism Ltd.; (x) financial data for the second quarter of 2024, including the Company's share in affiliated companies and prior to the impact of IFRS16 implementation; (xi) EBITDA segmentation from identical assets; (xii) distribution of revenue and EBITDAR, including the Company's share in affiliated companies (by sector segmentation in Q2 2024); and (xiii) total net company debt, including its share in affiliated companies as of June 30, 2024; - Slides 3, 5, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 22, 23 and 24 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. 30 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

296

Hotels¹

52,296

Rooms¹



About **80%** of activities in Europe

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

Fixed Assets²: 14,055 Million NIS



Rating: A2.il Stable

¹ Including future hotels.

² Includes the Company's share in affiliated companies.



Q2- 2024

The Company has record results for the second quarter

Increased occupancy and prices.

Current cash flow of NIS 370 million.

Positive trends continue in Q3.

Continued strengthening of the Company's financial ratios.



2.1

NIS billion
Revenues¹

833

NIS million
EBITDAR¹

519

NIS million
EBITDA^{1,2}

309

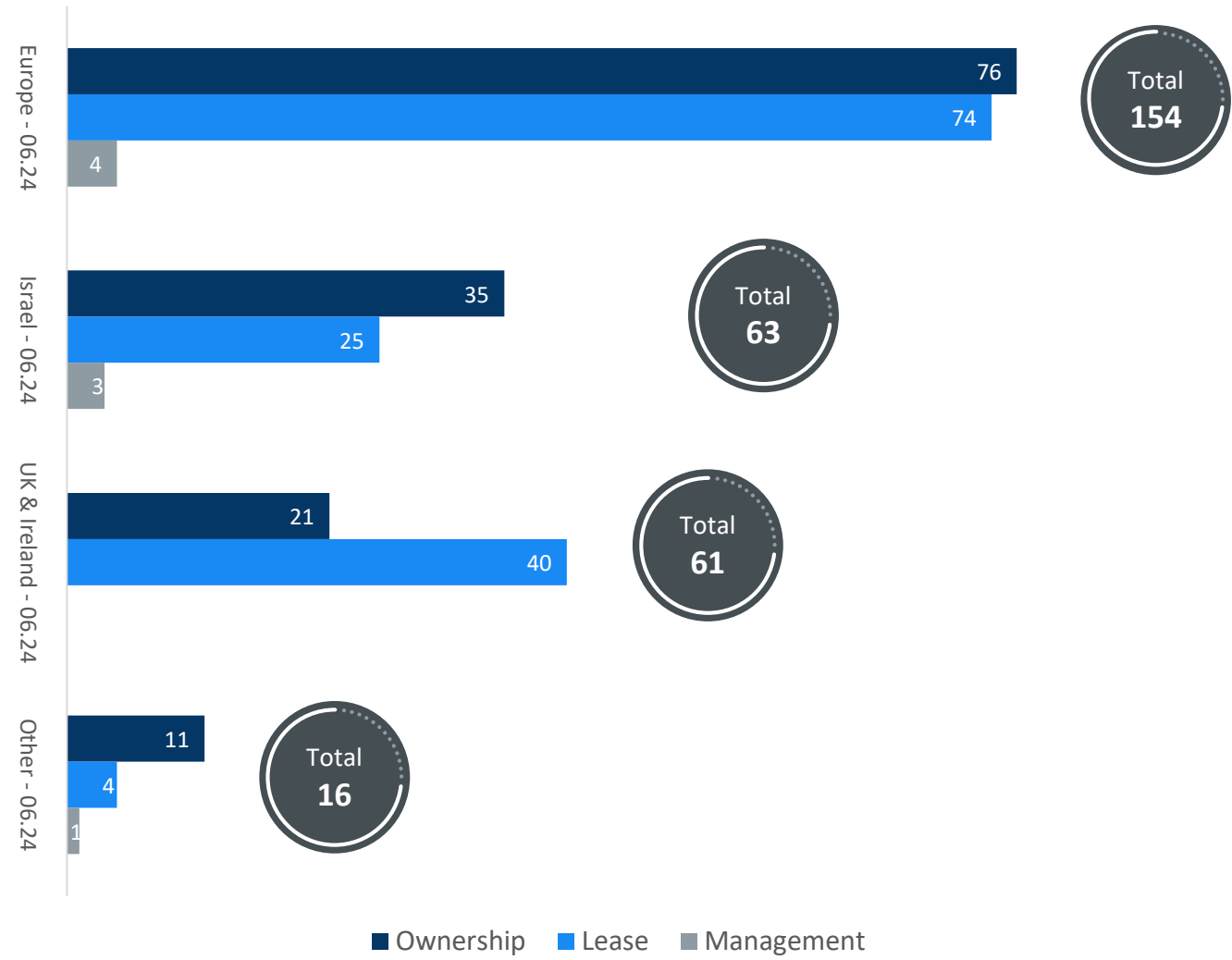
NIS million
FFO



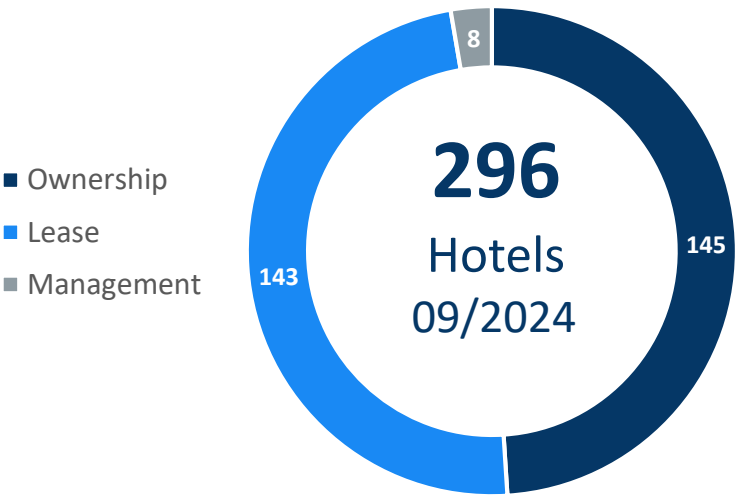
¹ Includes the Company's share in affiliated companies.

² Prior to the Impact of Standard IFRS 16.

Number of Hotels¹ – Diverse Mix



Hotels split by type

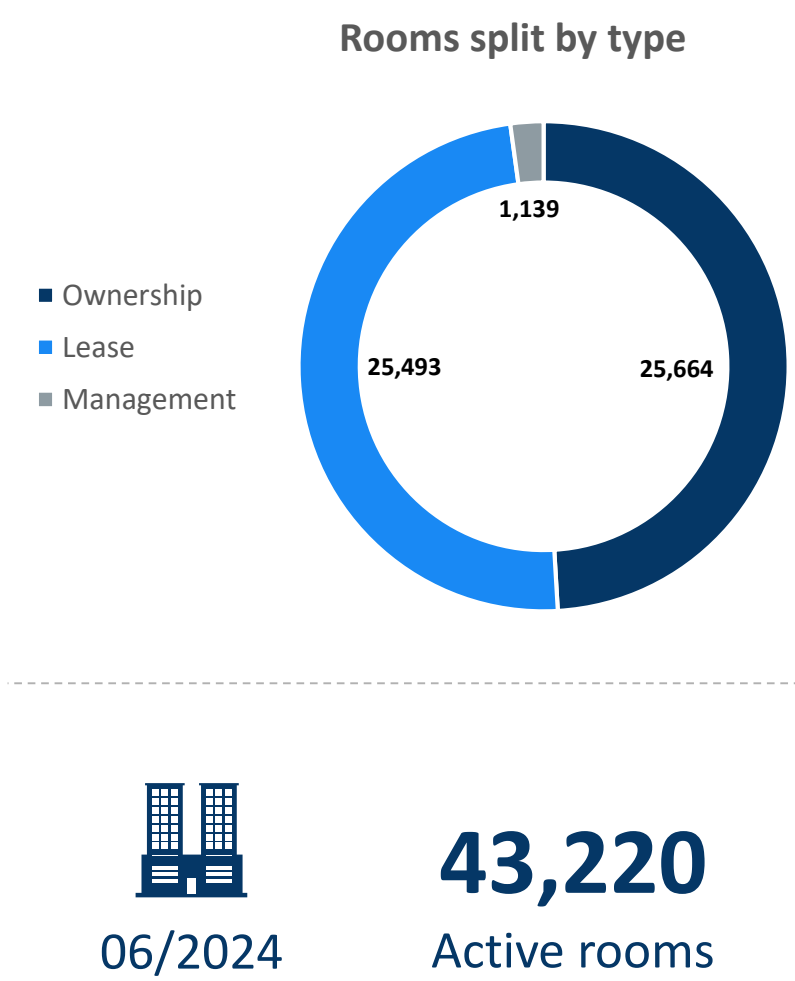
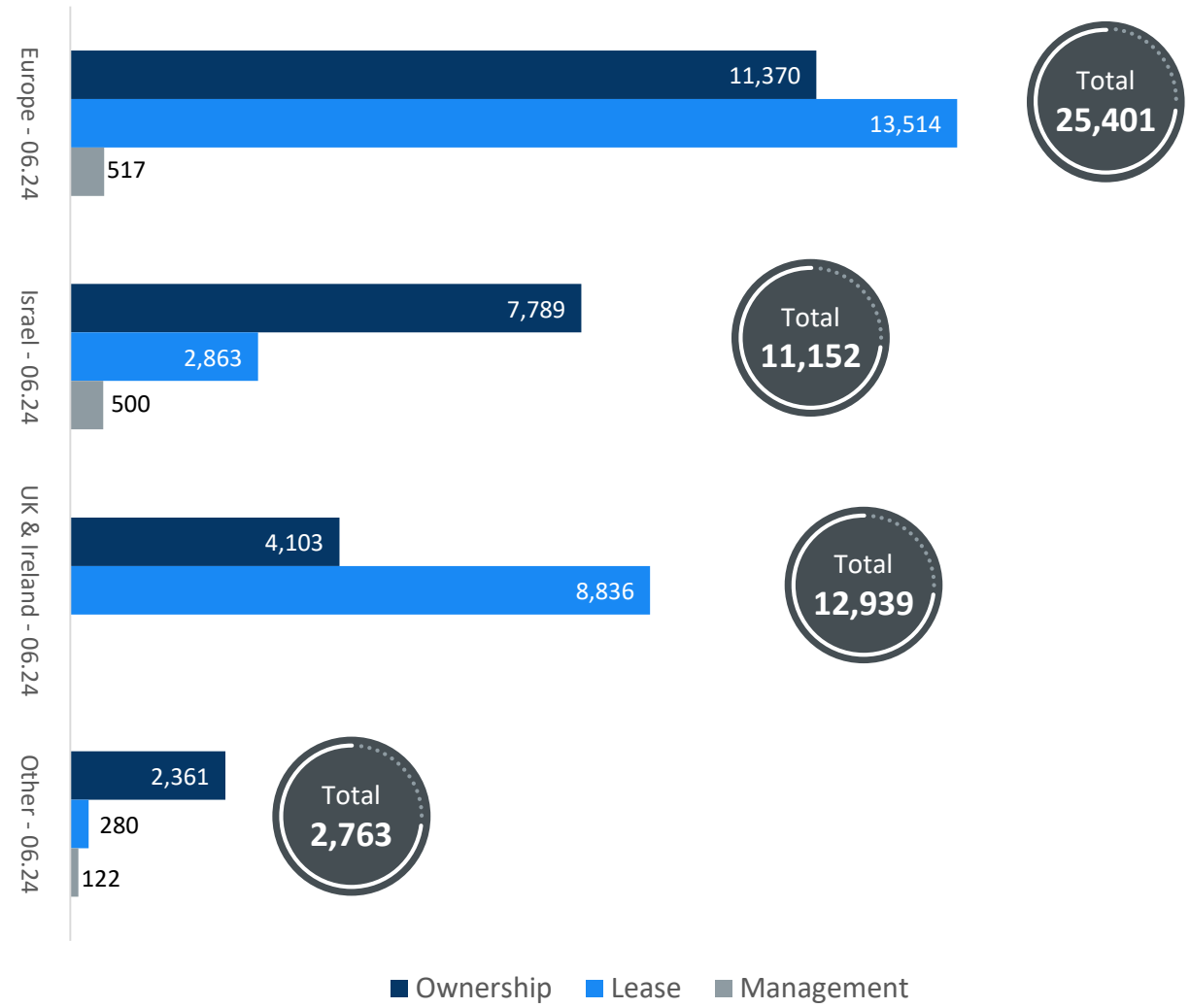



06/2024

235
Active hotels

¹ As of 30.06.24 including 22 future hotels in Israel (3,026 rooms), 25 future hotels in Europe (4,434 rooms), 7 future hotels in UK (897 rooms) and 7 future hotels in Greece & Cyprus (719 rooms).

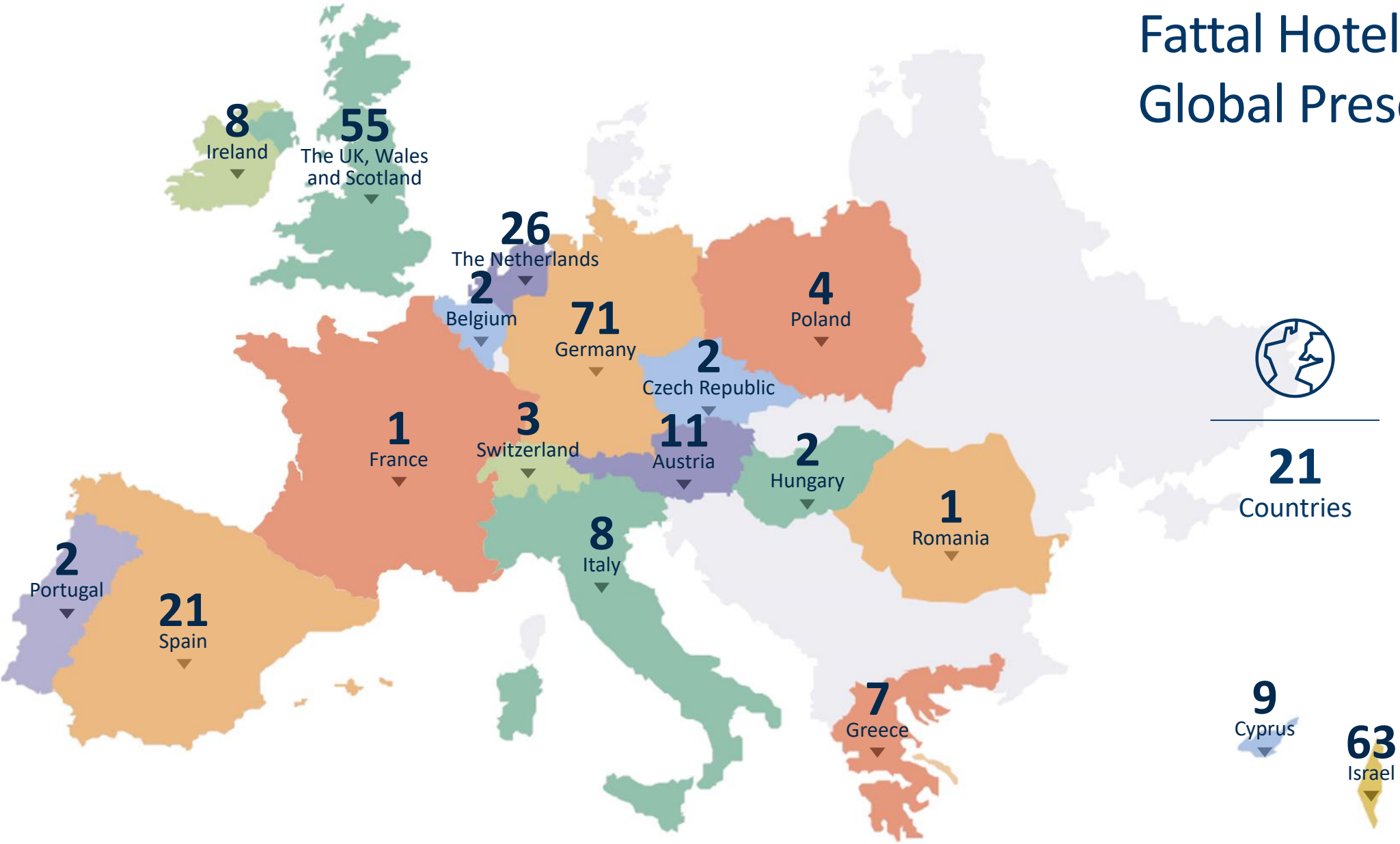
Number of Rooms^{1,2} - Diverse Mix



¹ As of 30.06.24 including 22 future hotels in Israel (3,026 rooms), 25 future hotels in Europe (4,434 rooms), 7 future hotels in UK (897 rooms) and 7 future hotels in Greece & Cyprus (719 rooms).

² As of 30.06.24 the weighted number of active rooms in Israel (7,804 rooms), Europe (18,062 rooms), the UK (11,690 rooms) and Greece & Cyprus (1,686 rooms).

Fattal Hotel Group Global Presence^{1,2}



21
Countries

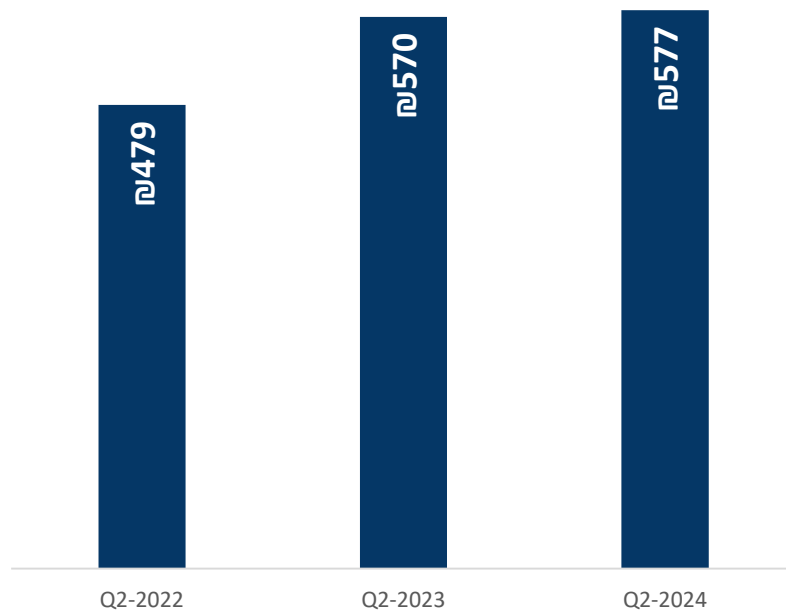
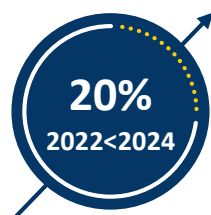


123
Cities

¹ Including future hotels.
² As of September 2024.

Group Average Daily Revenue per Room ADR¹ (NIS) – Q2

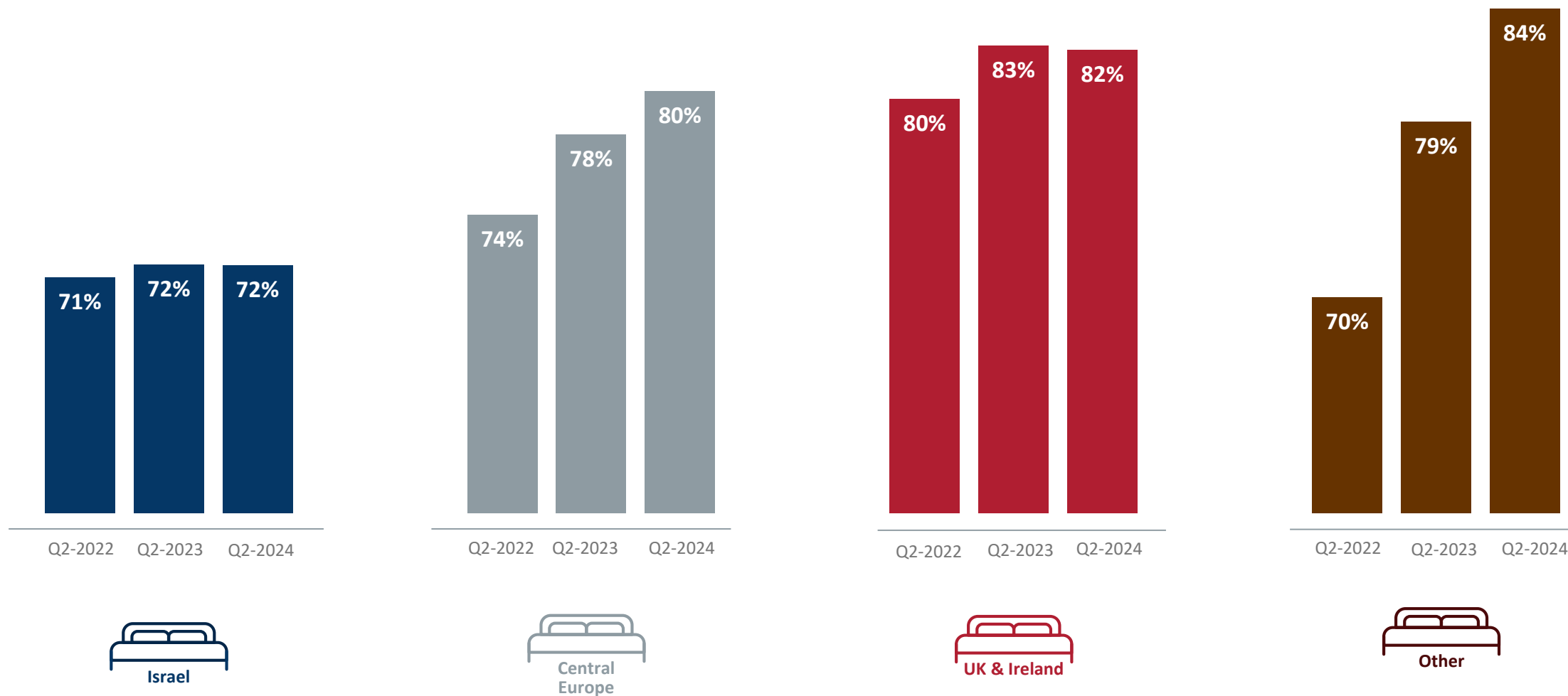
Dealing With the Effects of Inflation and Rising Expenses
The data includes the currency effect



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



Group Average Occupancy Rate¹ – Q2



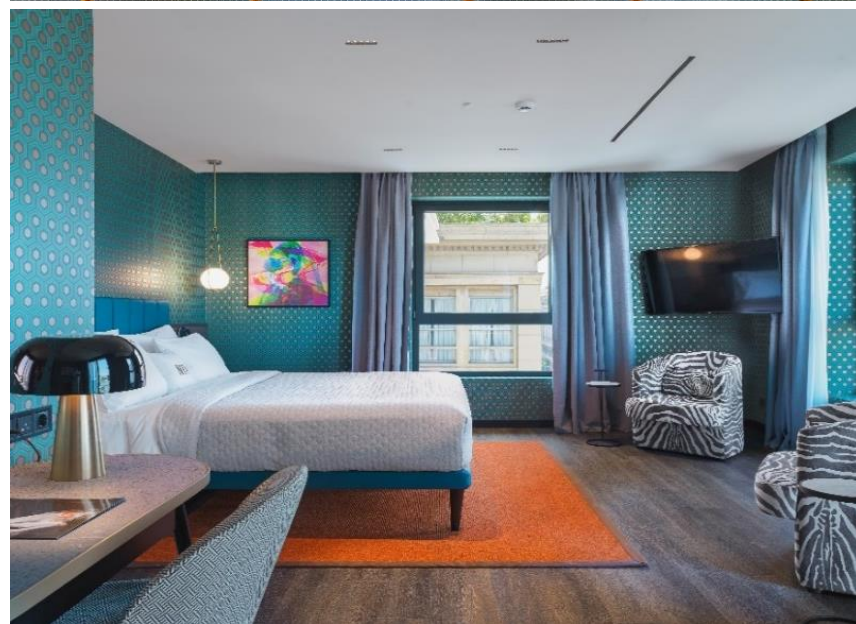
¹ Include the Company's share in affiliated companies.

Fattal Group versus the market and competitors

STR Report

Country	Fattal vs Competitive Market Set		
	Jan-June 24 OCC	Jan-June 24 ADR	Jan-June 24 REVPAR
Germany	1.155	1.058	1.222
UK & Ireland	1.052	1.005	1.059
Netherlands	1.039	1.036	1.083
Spain	1.020	1.121	1.147

The STR Report enables a comparison with competitors at the same level. The result above 1 indicates that the Group's hotels are better than competitors in the measured parameters.



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 8.24
Around €721 million	Hotels Value as of 30.06.24
Around €63 million	Expected investments in 2024-2025

Total



19 Hotels in 8 Countries



3,387 Rooms



Partnership 3

01.2024
Established



€ 127M
The Company's share in
capital commitment

Around €612 million	Total acquisition costs 8.24
Around €900 million	Forecast property portfolio
3 Years	Investment Period

Total



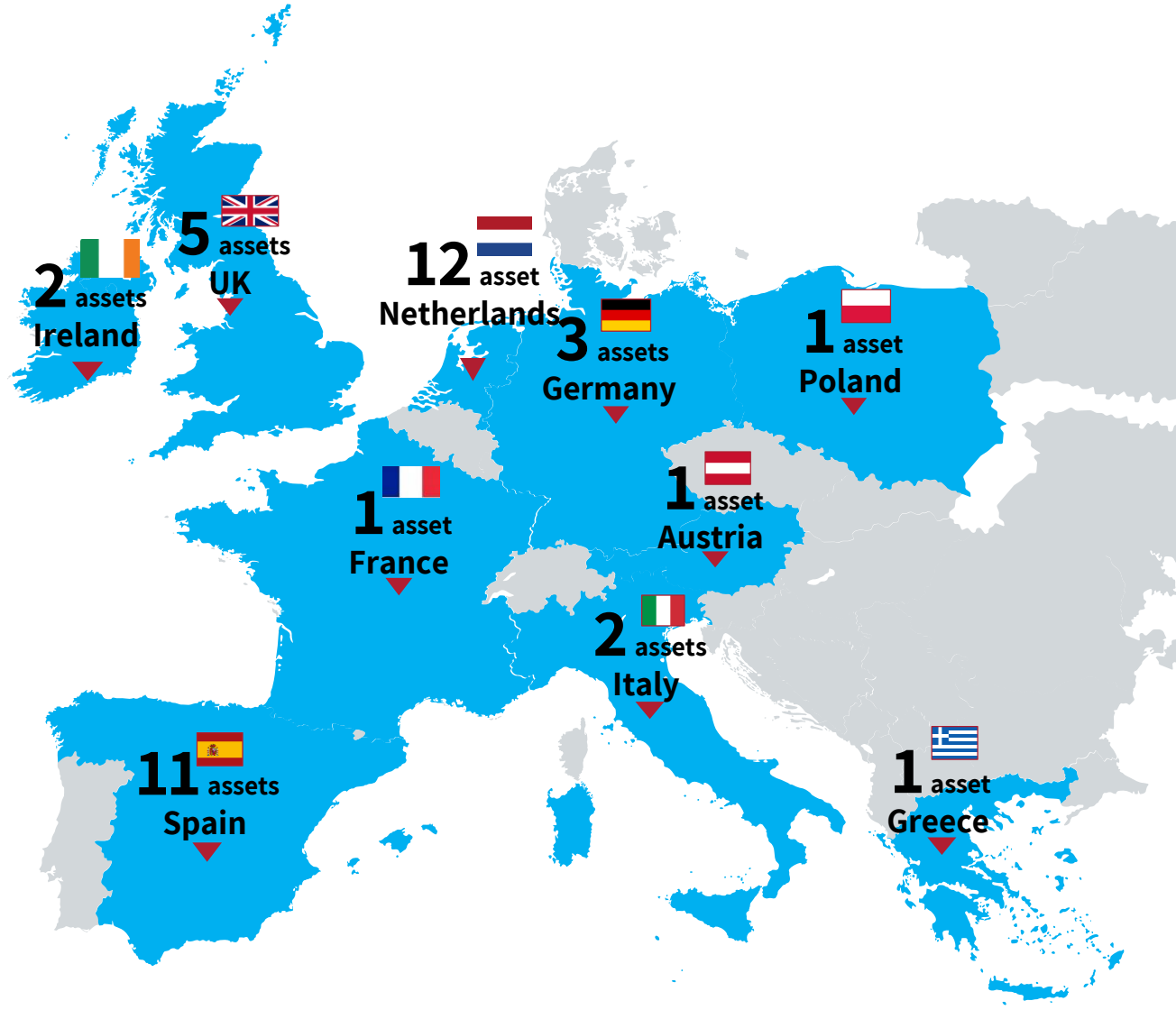
23 Hotels in 7 Countries



2,623 Rooms



The Presence of Partnership Hotels



THE DILLY
PICCADILLY

CHOSEN BY  NATIONAL GEOGRAPHIC

Best hotel in London for family friendly accommodation



The Manor Amsterdam

CHOSEN BY  NATIONAL GEOGRAPHIC

Best hotel in Amsterdam for guests who want to feel like locals



July
2024



8
Cities

12

Hotels

10 Owned
2 Leased



1,522

Number
of rooms



€ 370m

Purchase
cost



€ 41m

Expected
investment



€ 260m

Bank
Financing

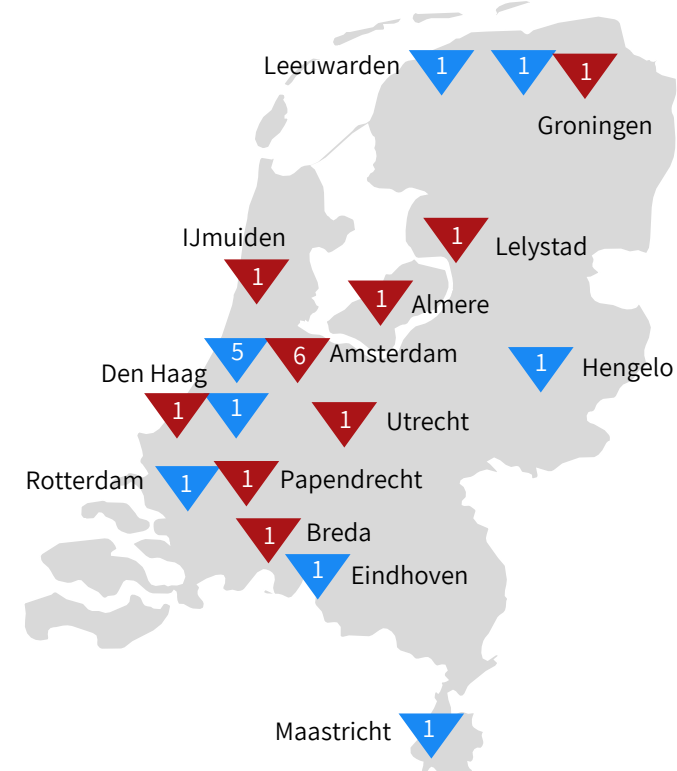


5

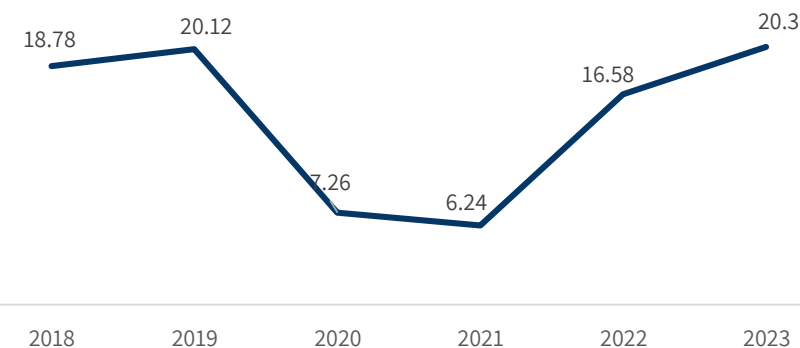
HOTELS

Netherlands

12 Hotels Transaction



Number of international tourist arrivals in
the Netherlands (in millions)*



*Statista.com

Fattol

Looking Ahead - Opening Hotels in the Coming Years¹

(excl. hotels under Hotel Partnerships in Europe)

Owned

Italy	*1	27	4€
UK	1	125	13€

Israel	1	61	70M
Greece	*1	130	4€

Israel	*1	327	160M
Portugal	1	132	29€

Israel	**9	1,729	858M
Portugal	*1	560	23€
Cyprus	*1	165	16€
UK	1	207	33€

Leased

Germany	1	256
Greece	1	14
Israel	1	54

Israel	***3	267
UK	1	283
Germany	1	336
Greece	2	54

Israel	2	220
Germany	2	334
Spain	1	210
Austria	1	110

Israel	***5	368
Germany	1	236
Czech Republic	1	174

5 hotels
476 rooms

9 hotels
1,131 rooms

8 hotels
1,333 rooms

19 hotels
3,439 rooms

 Investment	 Number of rooms	 Number of hotels
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Total

41
Hotels 
6,379
Rooms 

The Company's assessment:

≈ **NIS 335 million**
Additional EBITDA
from new hotels

≈ **NIS 1,450 million**
Expected total investment
in coming years

¹ Investment amounts shown are from 30.06.24 onwards. The amounts are in millions

* Partially owned hotels (1,209 rooms) | ** 7 hotels of which are partially owned (1,369 rooms) | *** Including a managed hotel

Protal Tourism Ltd. Transaction¹



A transaction with significant improvement potential

Hotels	12
Rooms ²	2,757
The total net consideration (NIS thousands)	470,000
Total shareholders' equity of the acquired company as of December 31, 2023 (NIS thousands)	1,003,035
Total EBITDAR ³ – 2023 (NIS thousands)	220,325



¹ The data includes the data of Leonardo Plaza Hotel Eilat purchased during the pre-transaction reporting period.

² Without the Windsor complex, which will be converted into a 60-room hotel in the coming years.

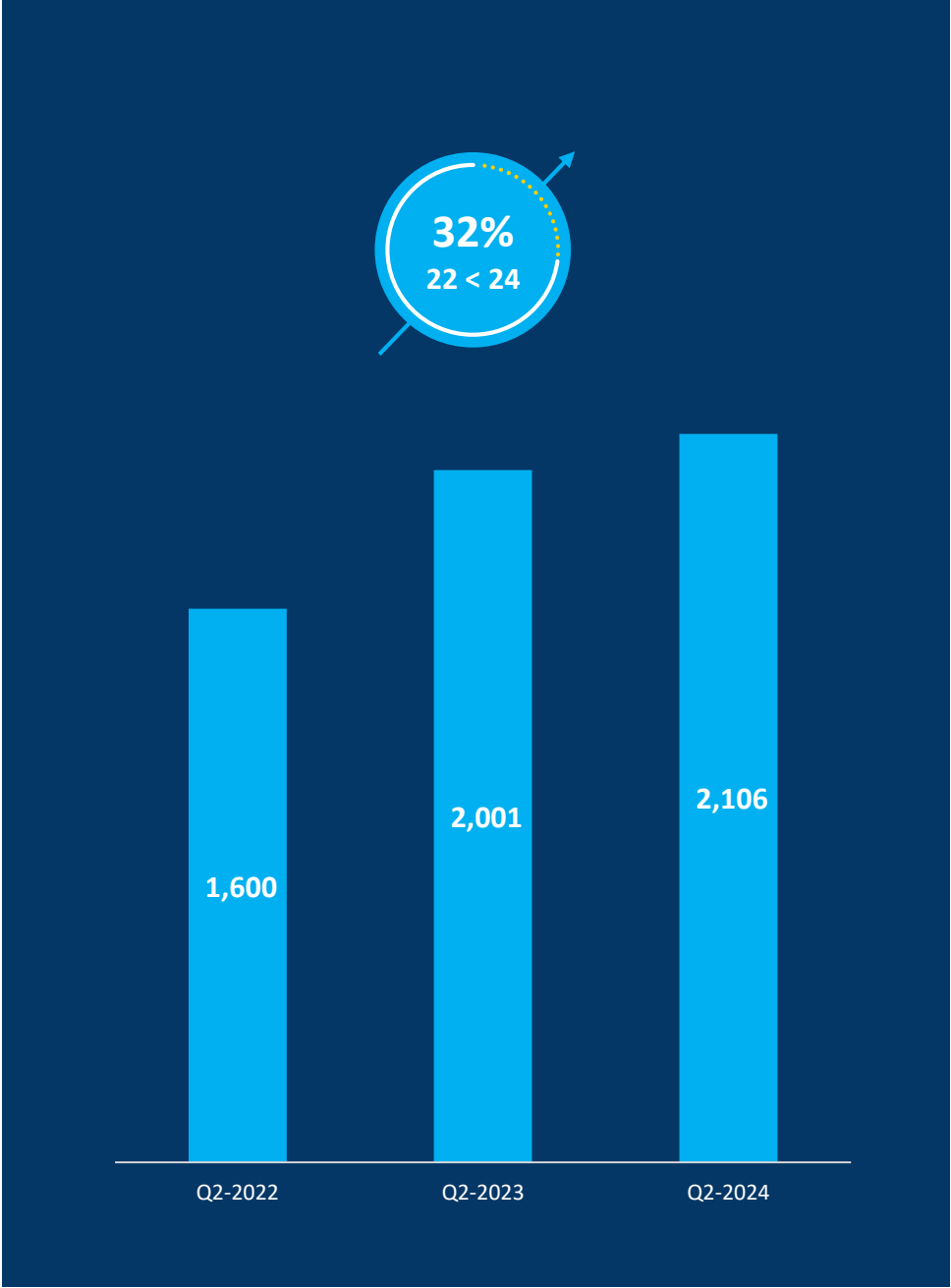
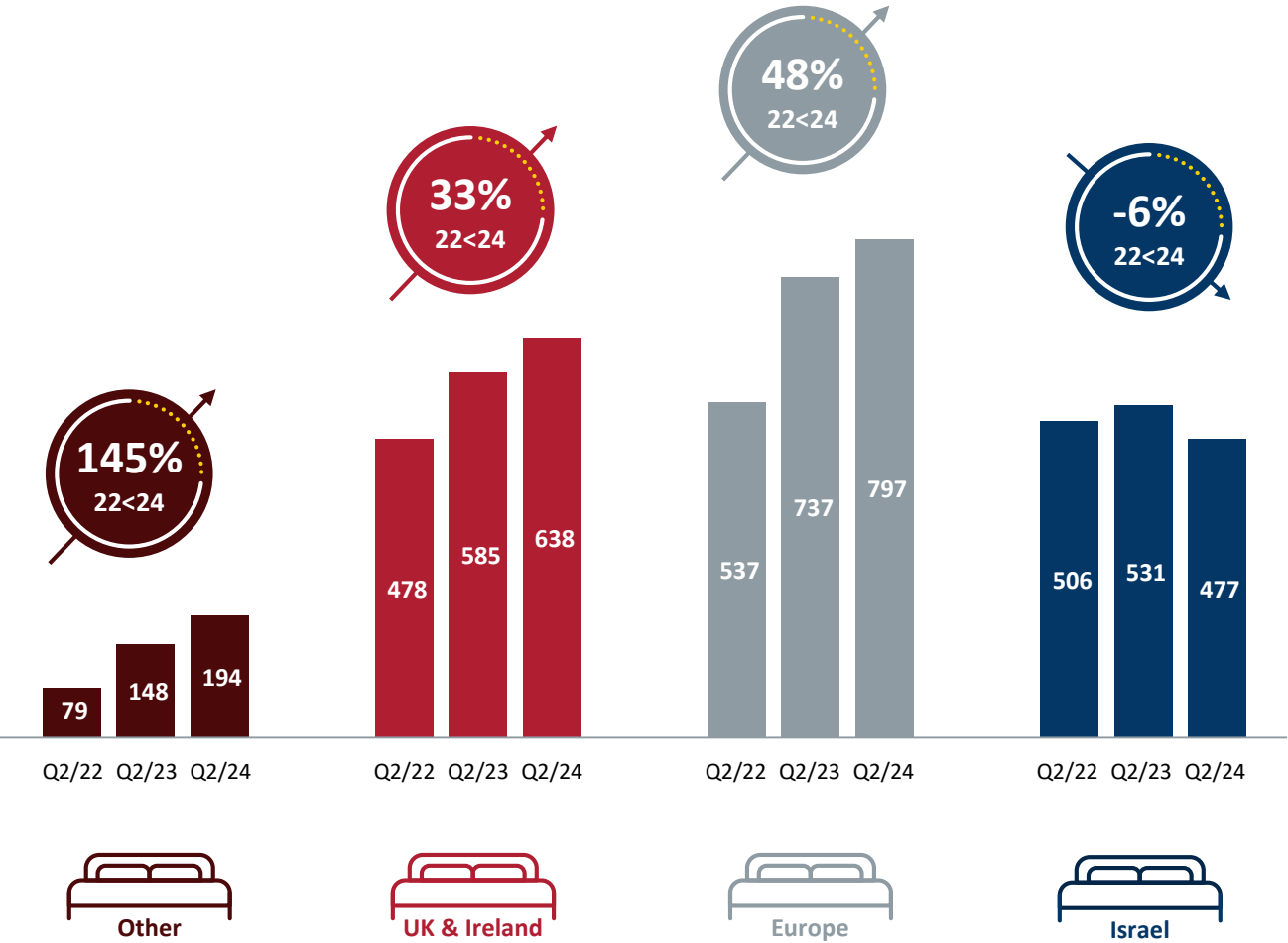
³ Based on hotel operational data.

Financial Results Q2 - 2024



Main Financial Data – Q2

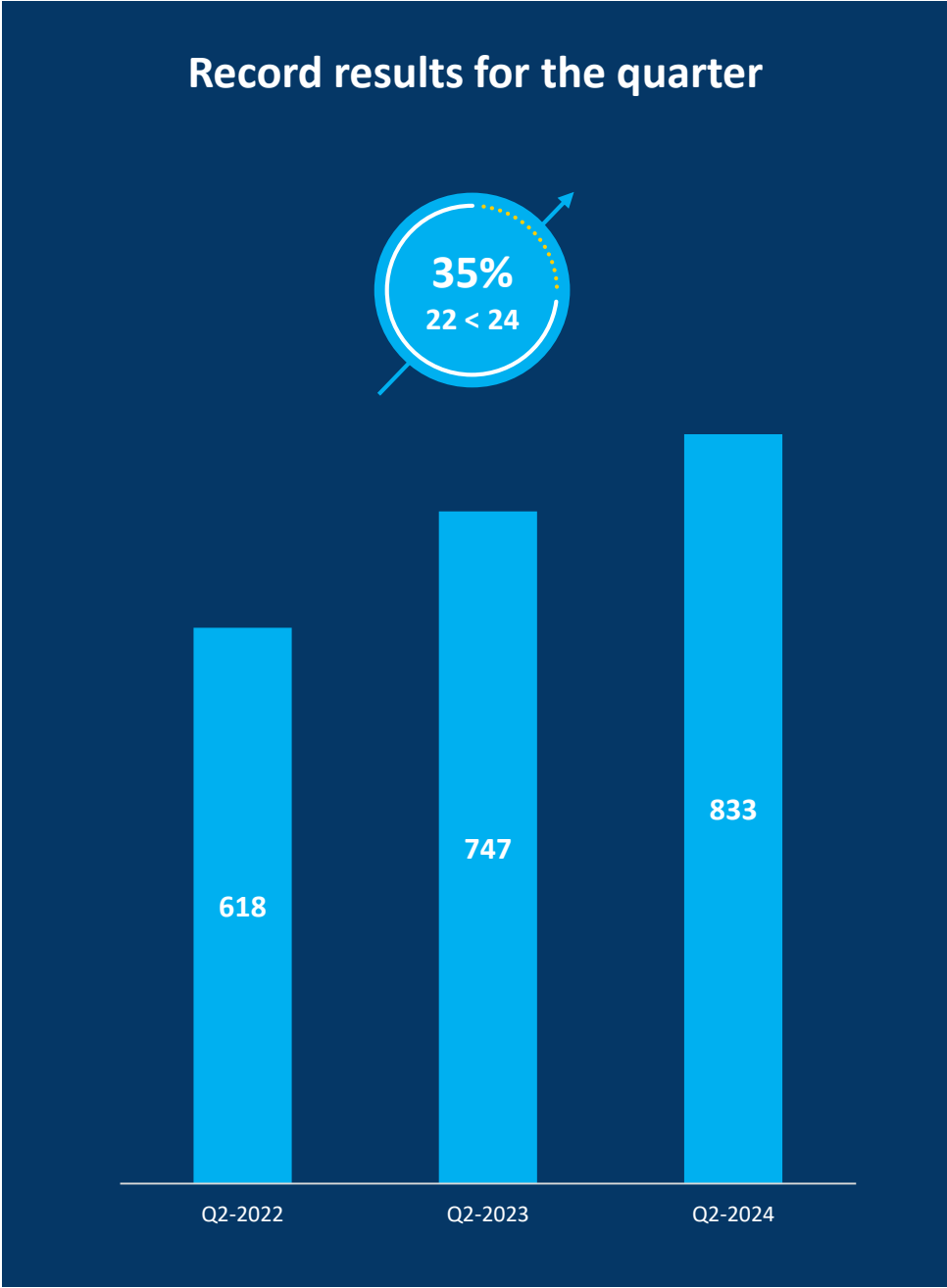
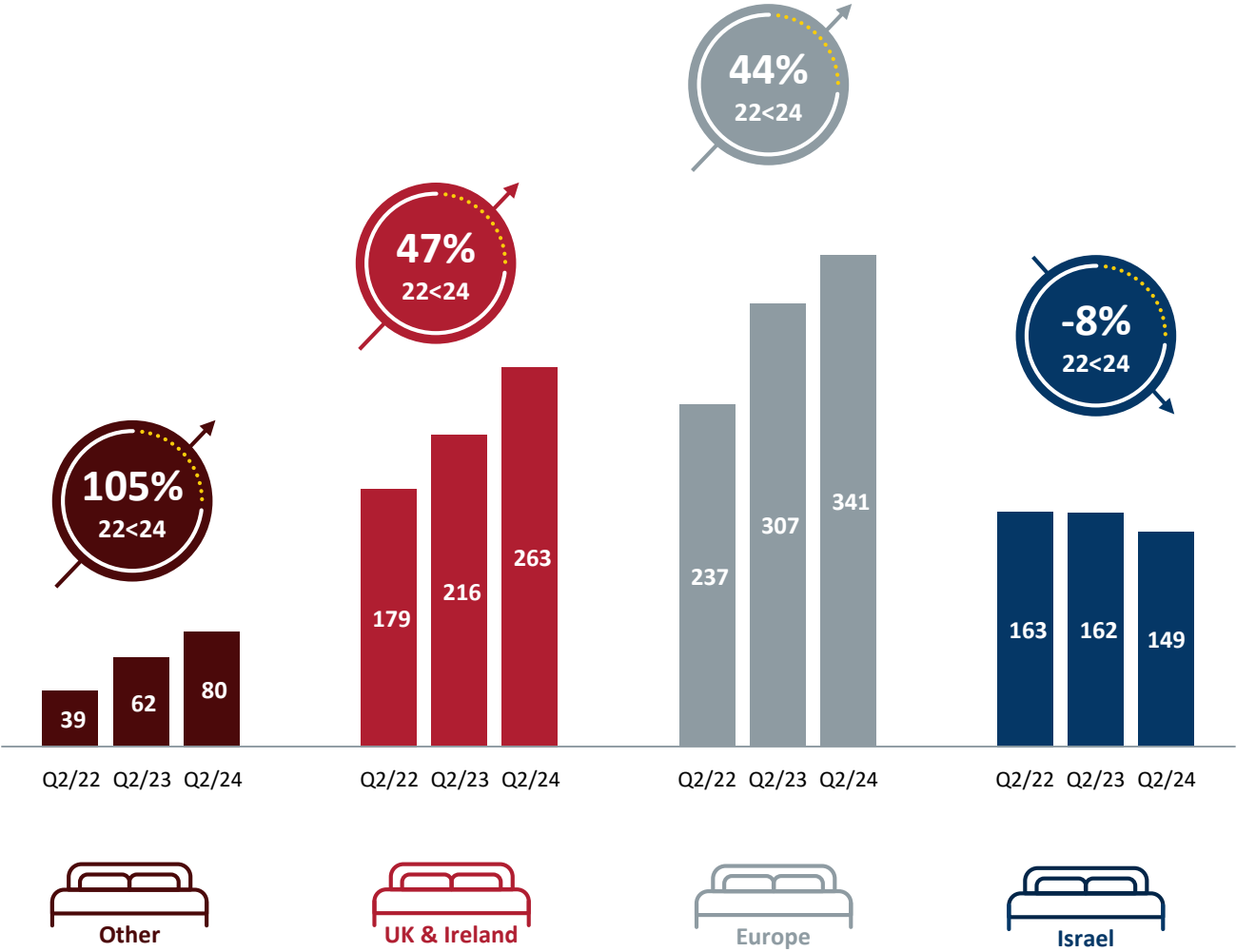
Revenues¹ (NIS millions)



¹ Includes the Company's share in affiliated companies

Main Financial Data – Q2

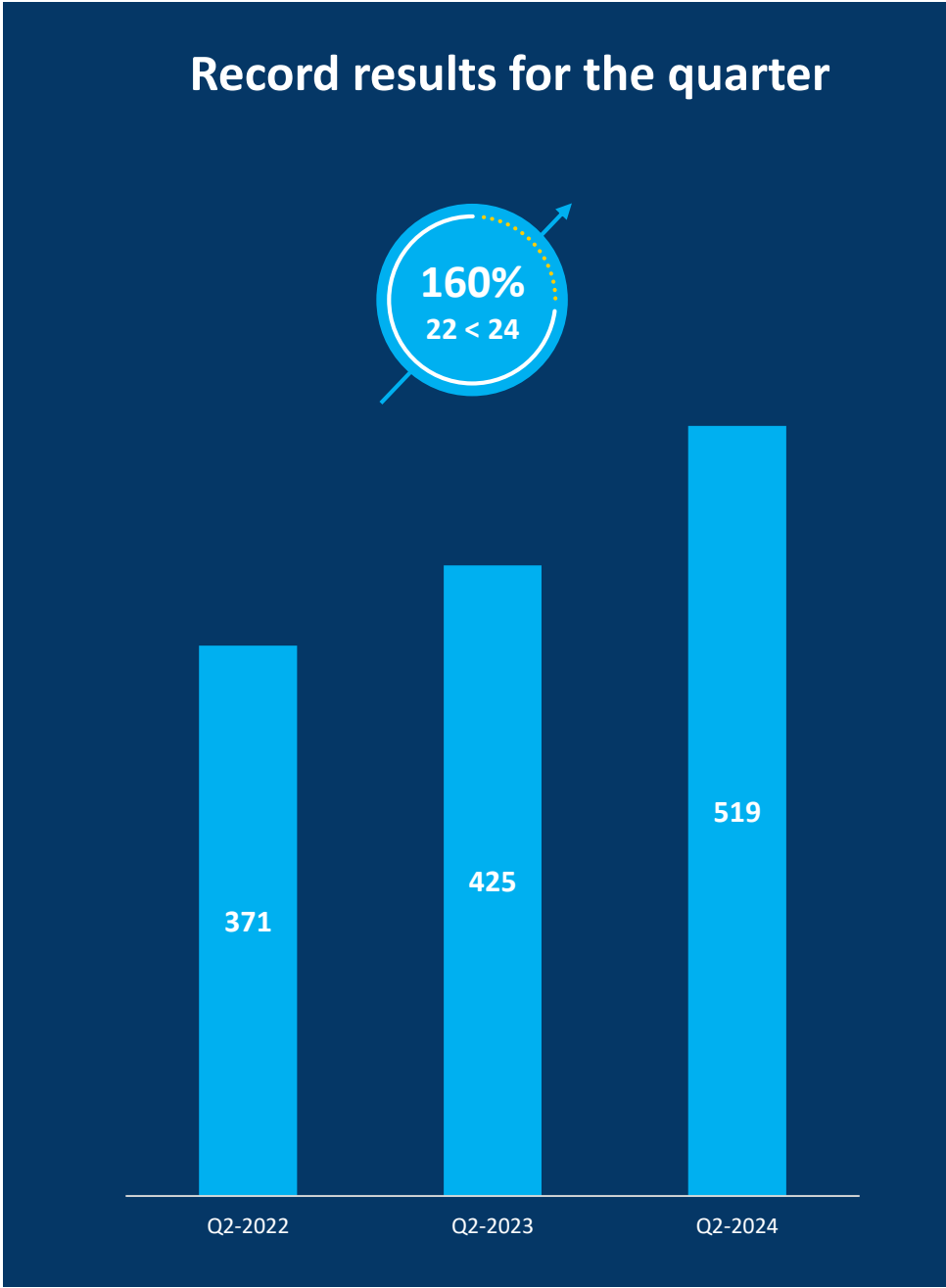
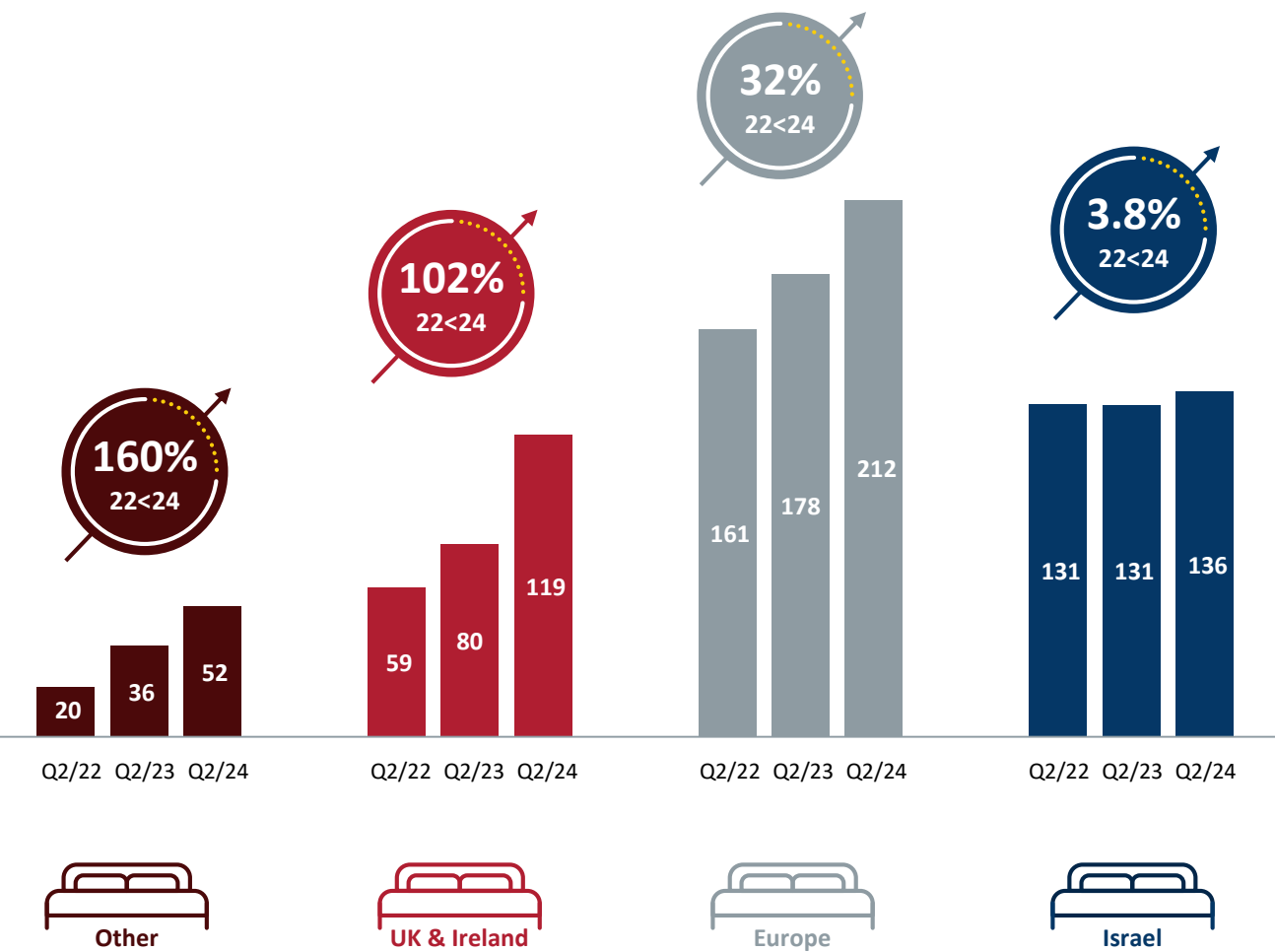
EBITDAR¹ (NIS millions)



¹ Includes the Company's share in affiliated companies

Main Financial Data – Q2- EBITDA¹

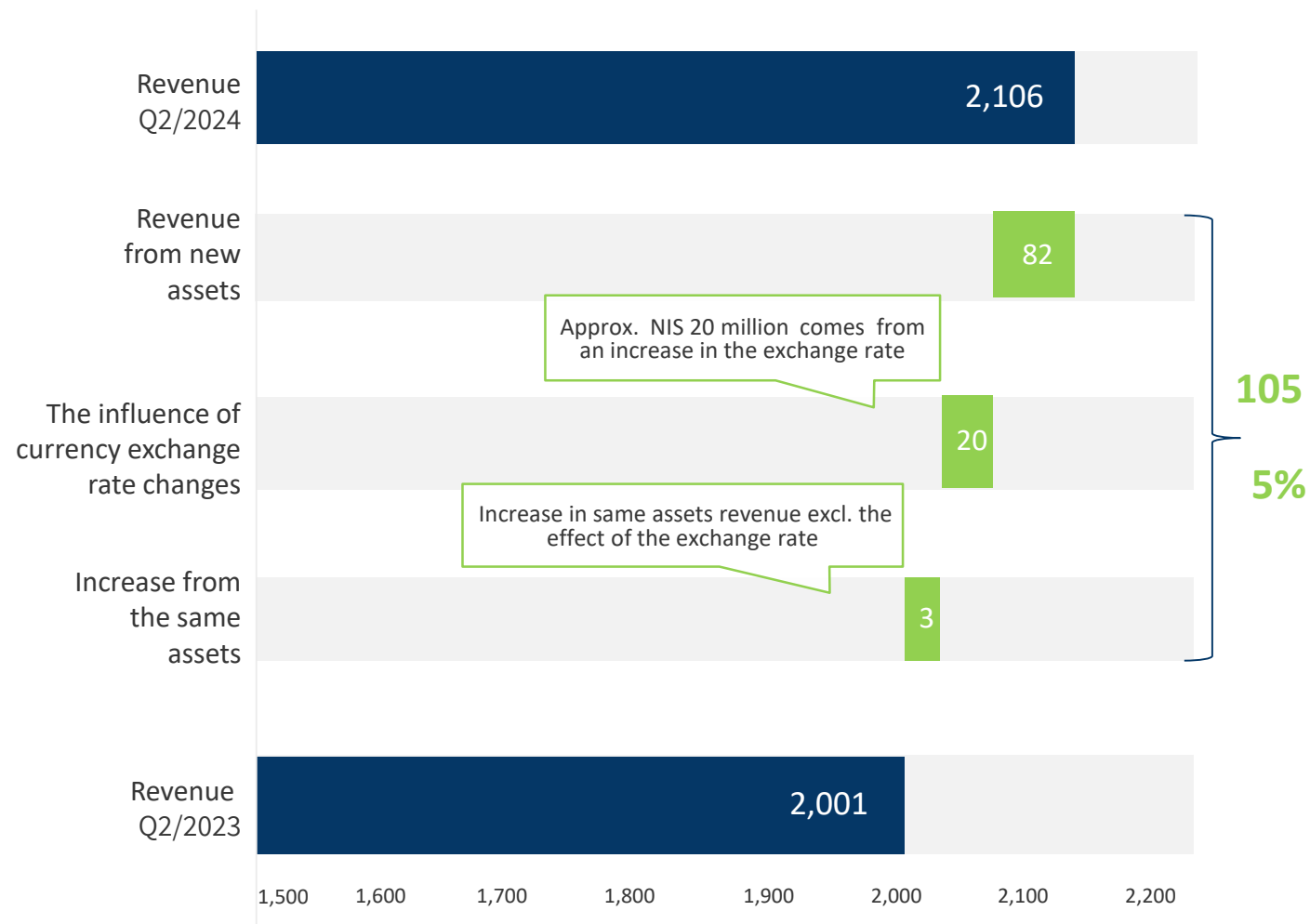
(NIS Millions) Prior to the Impact of Standard IFRS 16



¹ Includes the Company's share in affiliated companies

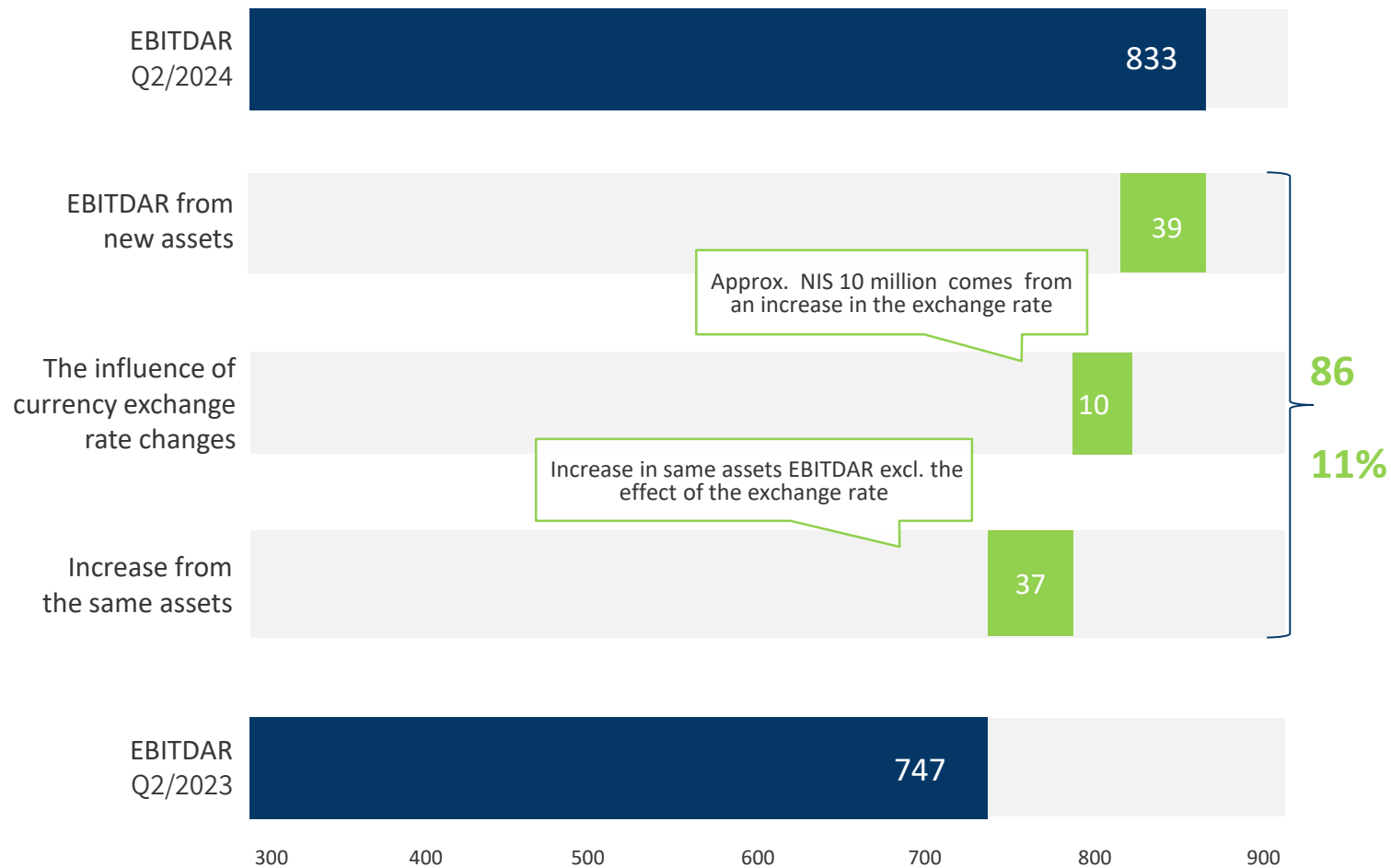


Segmentation of revenue from same assets (NIS Millions) – Q2



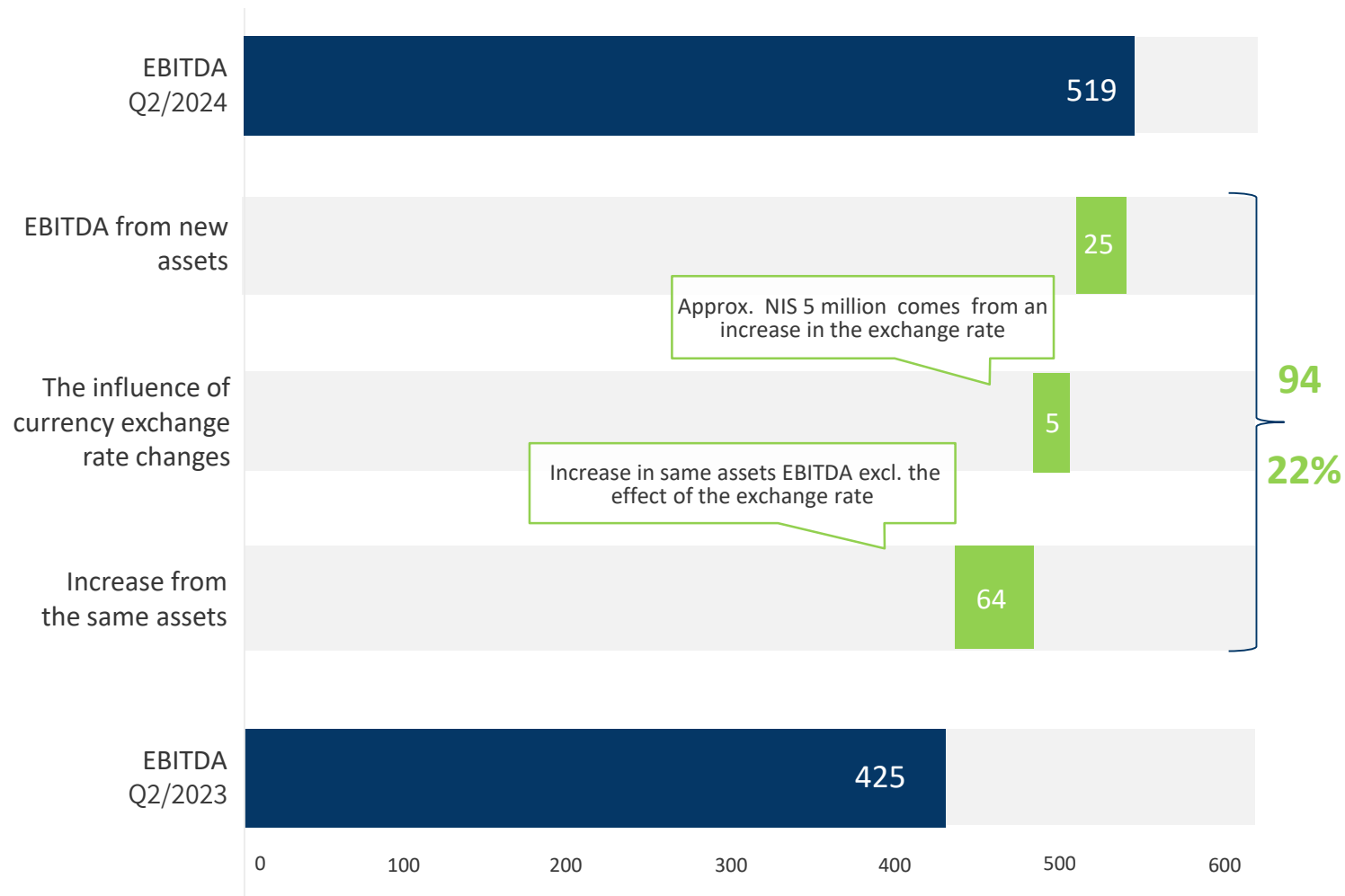


Segmentation of EBITDAR from same assets (NIS Millions) – Q2

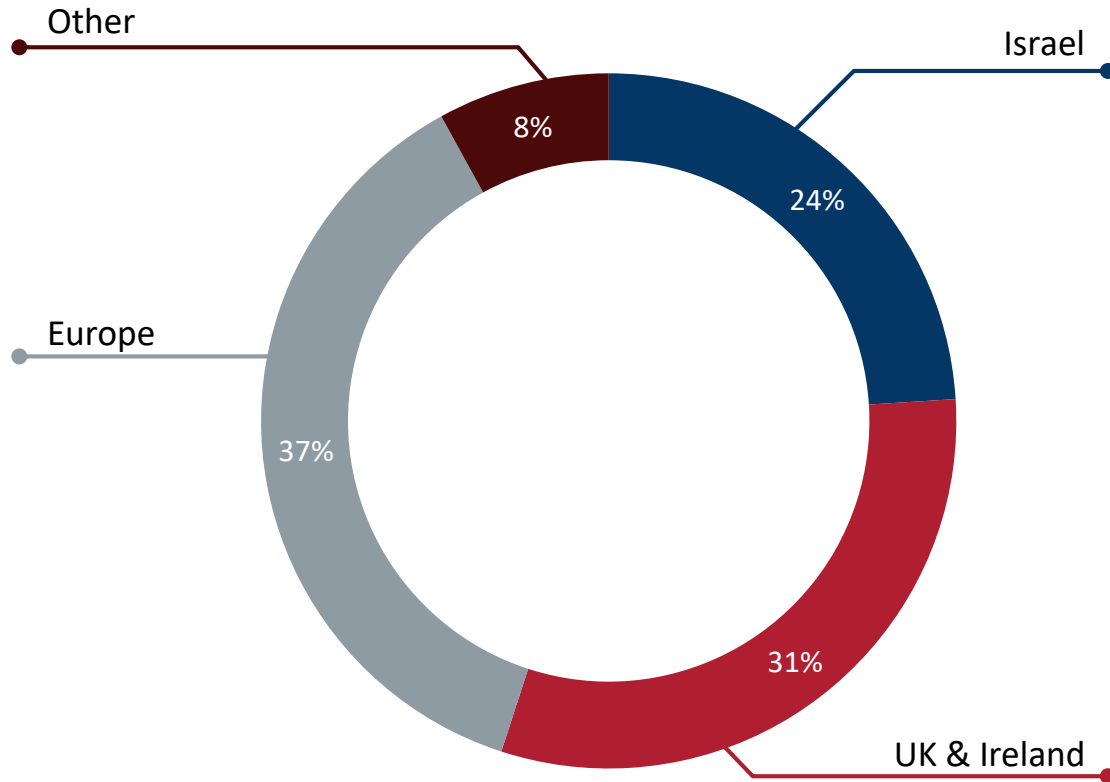




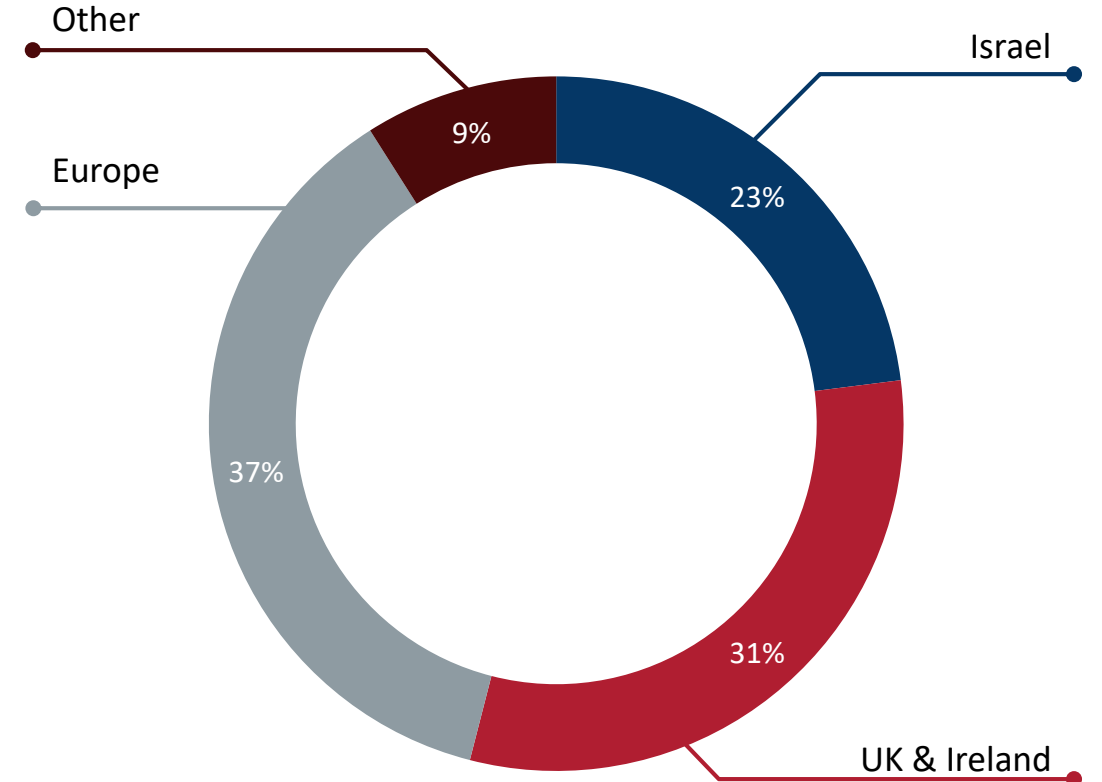
Segmentation of EBITDA from the same assets (NIS Millions) – Q2



Revenue Split – Q2/2024

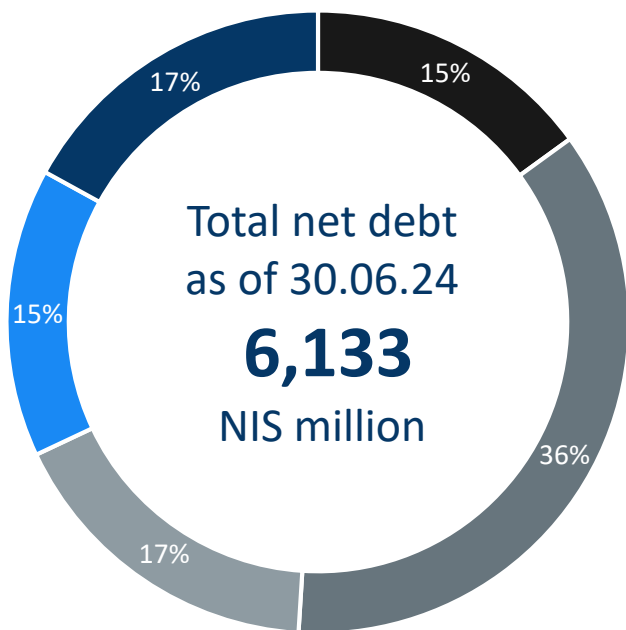


EBITDAR Split – Q2/2024



Key Debt Metrics (NIS millions)

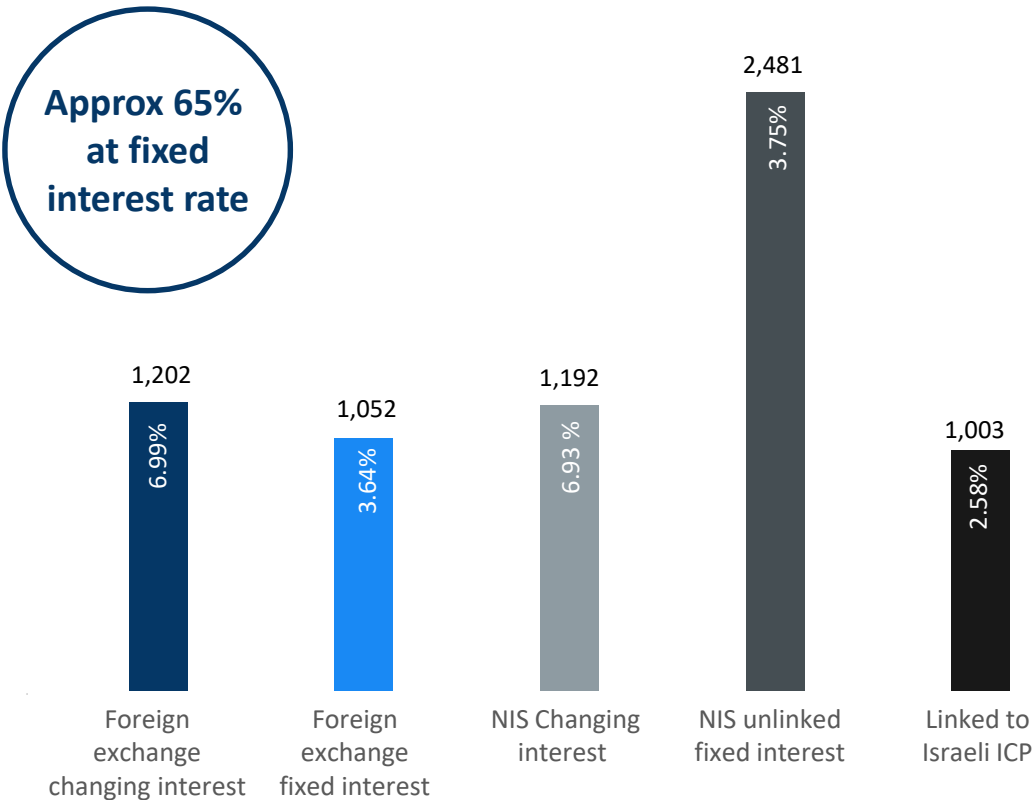
Split by debt type



■ Linked to Israeli ICP ■ NIS unlink 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 June 30, 2024, approx. NIS 8,799 million

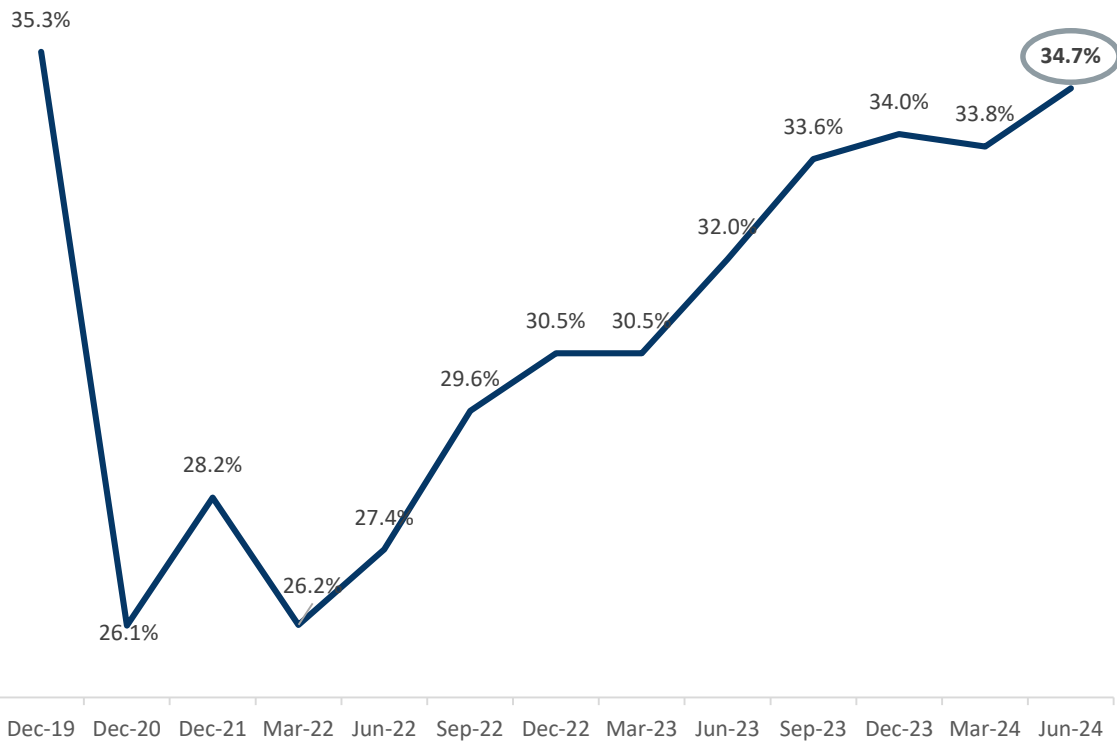
Debt and average interest rate as of 30.06.24



The Company has unpledged assets worth a total of NIS 550 million

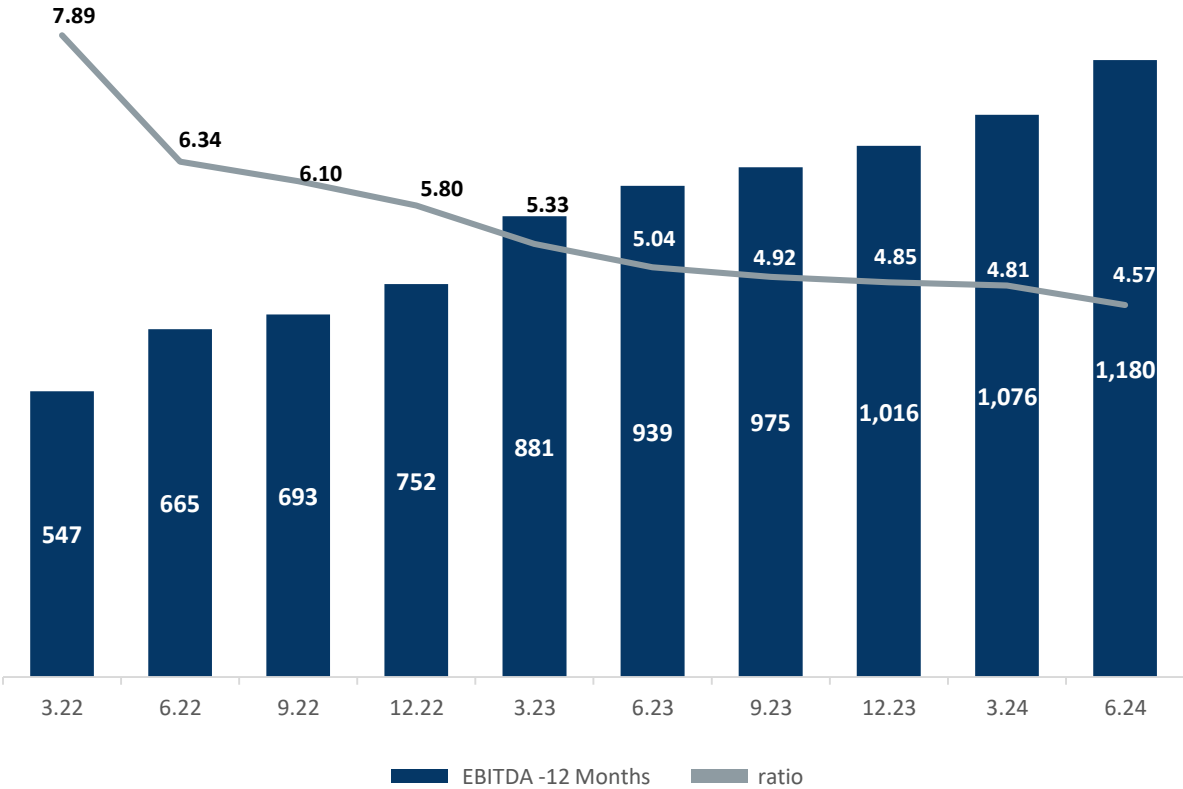
Financial Ratios¹ (NIS Millions)

Gradual increase in the equity-to-total assets ratio



The Company meets all its covenants to which it is committed

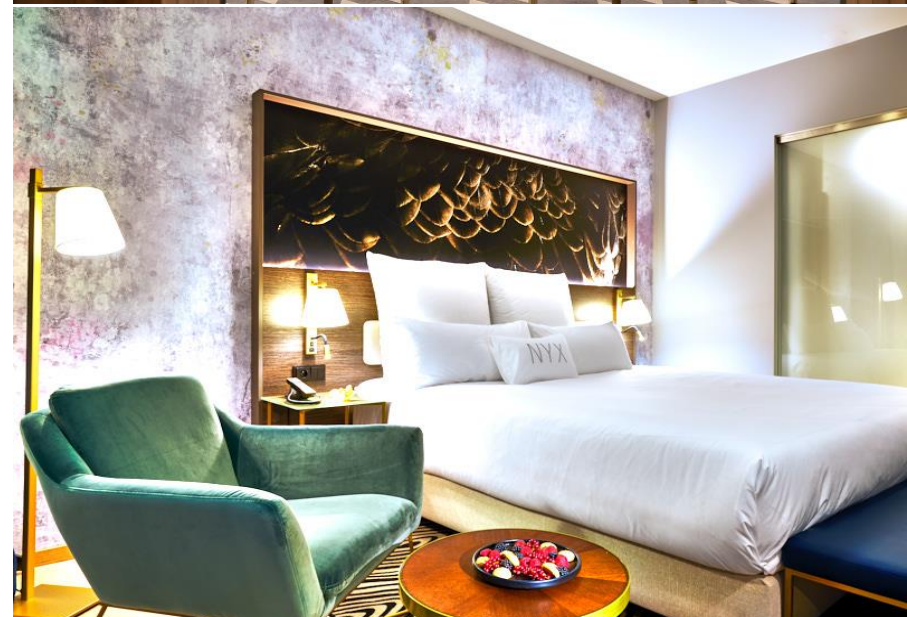
Declining debt/EBITDA ratio



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

Consolidated Balance Sheet (NIS millions)

	Jun-24		Jun-24	Jun-23	Dec-23
	Data prior to implementati on of IFRS16	Impacts of IFRS16	As shown in the Financial Statements		
Current Assets	1,645	(70)	1,575	1,248	1,503
Long Term Investments and Other Assets	4,437	13,647	18,084	16,635	17,189
Fixed Assets	8,231	-	8,231	7,383	7,921
Total Assets	14,313	13,577	27,890	25,266	26,613
Short Term Credit	1,283	-	1,283	947	976
Other Current Liabilities	1,398	539	1,937	1,813	1,794
Loans and Bonds – Long Term	5,638	-	5,638	5,266	5,727
Deferred taxes	547	-	547	419	513
Others	477	14,394	14,871	14,020	14,248
Total Liabilities	9,343	14,933	24,276	22,465	23,258
Shareholders' Equity	4,970	(1,356)	3,614	2,801	3,355
Total Liabilities and Equity	14,313	13,577	27,890	25,266	26,613



Consolidated Profit and Loss Statement (NIS million)

	1-6/24		1-6/23	1-12/23
	Data prior to implementation of IFRS16	Impacts of IFRS16	As shown in the Financial Statements	
Revenues from Hospitality Services and Others	3,389	-	3,389	3,133
Total Operating Expenses	2,189	-	2,189	2,126
Operating income before rent, depreciation and reductions (EBITDAR)	1,200	-	1,200	1,007
Total Rent	730	(694)	36	59
Operating income before depreciation and amortization (EBITDA)	470	694	1,164	948
Depreciation	(201)	(404)	(605)	(540)
Other Expenses, Net	(2)	-	(2)	(6)
Profit before Financing	267	290	557	402
Financing Expenses, Net	(162)	(393)	(555)	(493)
Group's Share in the Subsidiaries' Earnings (Losses)	(47)	7	(40)	(15)
Tax Benefit (Tax Expenses)	(29)	31	2	31
Net Income (loss)	29	(65)	(36)	(75)
Net Earnings Attributed to Shareholders of the company	29	(65)	(37)	(75)
Net Earnings Attributed to Non-controlling Interests	-	-	1	-
Real FFO	232	-	232	150



Consolidated Profit and Loss Statement (NIS million)

		4-6/24		4-6/23
	Data prior to implementation of IFRS16	Impacts of IFRS16	As shown in the Financial Statements	
Revenues from Hospitality Services and Others	1,987	-	1,987	1,891
Total Operating Expenses	1,186	-	1,186	1,179
Operating income before rent, depreciation and reductions (EBITDAR)	801	-	801	712
Total Rent	377	(354)	23	52
Operating income before depreciation and amortization (EBITDA)	424	354	778	660
Depreciation	(103)	(206)	(309)	(277)
Other Income (Expenses), Net	-	-	-	(4)
Profit before Financing	321	148	469	379
Financing Expenses, Net	(93)	(202)	(295)	(248)
Group's Share in the Subsidiaries' Earnings (Losses)	(17)	3	(14)	6
Tax Benefit (Tax Expenses)	(51)	16	(35)	(17)
Net Income	160	(35)	125	120
Net Earnings Attributed to Shareholders of the company	160	(35)	125	120
Net Earnings Attributed to Non-controlling Interests	-	-	-	-
Real FFO	309	-	309	271



Forecast 2024

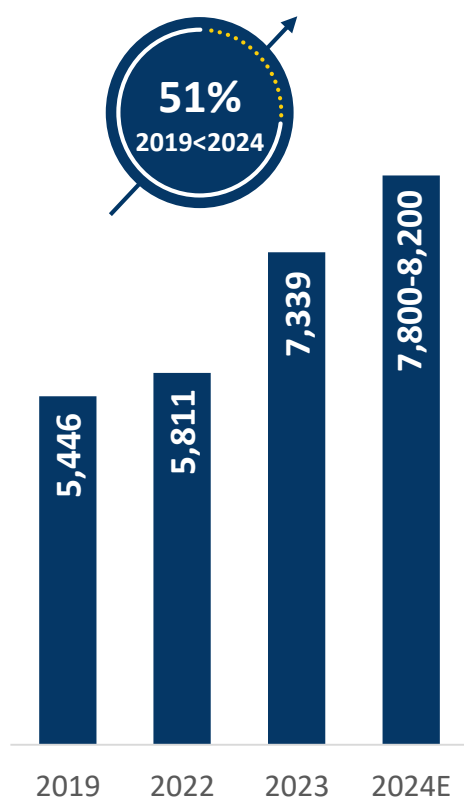


Looking Ahead³

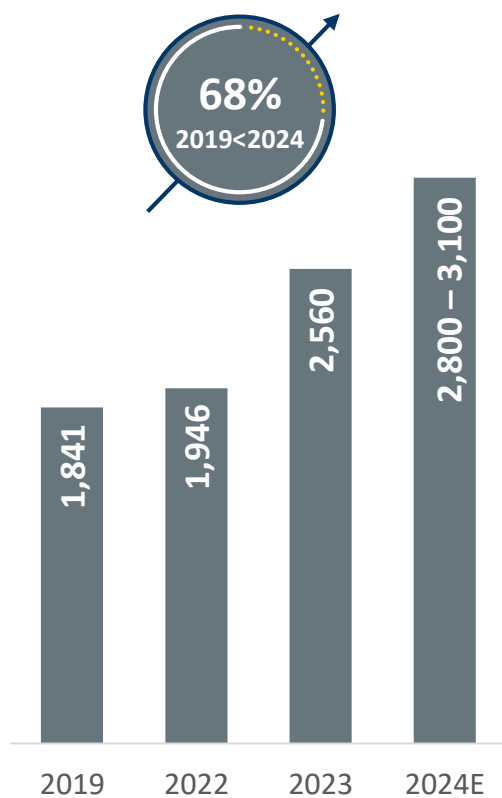
Factors for continued growth in 2024:

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

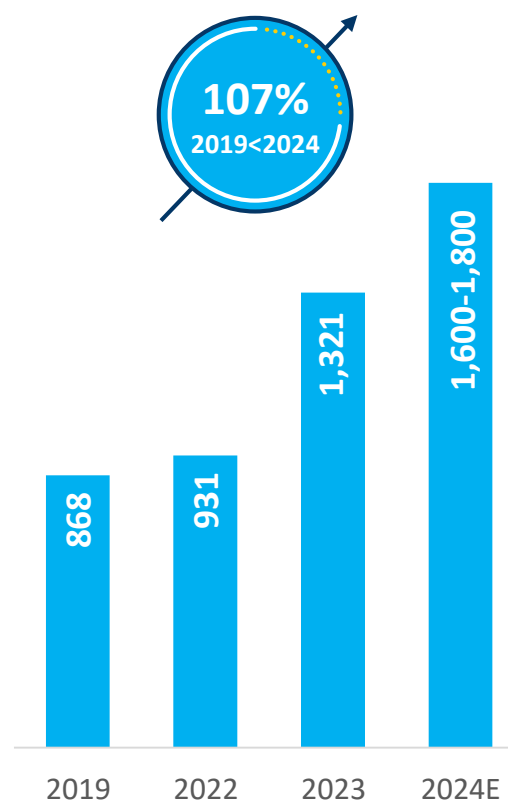
Revenues¹ (NIS millions)



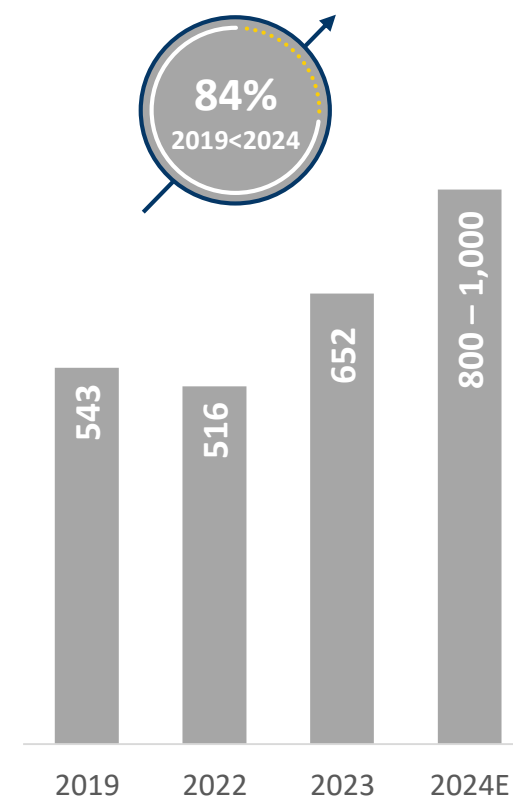
EBITDAR¹ (NIS millions)



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 30.06.24

A wooden tray holds a collection of NYX cosmetics: a rectangular tin of cream, two small round jars, and a bottle of perfume with a red cap. A glass of wine sits on the right side of the tray. In the background, a vase with yellow flowers is visible. The scene is lit with warm, soft light.

Fattal ♥ *פאטל*

HOUSE OF HOTELS | בית של מלונות

Thank you for your attention!