



# Fattal בית

HOUSE OF HOTELS | בית של מלונות

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Capital Market Presentation - November 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 September 30, 2024 (including the Company's share in affiliated companies); (ii) concentration of hotels and number of rooms by ownership / leased / management segmented by sector as of September 30, 2024 (including weighted number of active rooms segmented by sector); (iii) data on investment costs in new hotels expected to open in the coming years; (iv) financial data for the third quarter of 2024, including the Company's share in affiliated companies and prior to the impact of IFRS16 implementation; (v) EBITDA segmentation from identical assets; (vi) distribution of revenue and EBITDAR, including the Company's share in affiliated companies (by sector segmentation in Q3 2024); and (vii) total net company debt, including its share in affiliated companies as of September 30, 2024; - Slides 3, 5, 6, 14, 16, 17, 18, 21, 22 and 23 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. 29 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**

**299**

**Hotels<sup>1</sup>**

**52,679**

**Rooms<sup>1</sup>**



About **80%** of activities in Europe

**EBITDA<sup>2</sup>– 2024E: 1,600 – 1,700 Million NIS**

**Fixed Assets<sup>2</sup>: 16,222 Million NIS**



**Rating: A2.il Stable**

<sup>1</sup> Including future hotels.

<sup>2</sup> Includes the Company's share in affiliated companies.



# Q3- 2024

## Summary of the strongest quarter in the Company's history in every parameter

The Company is continuing to expand its operations alongside strong business results

Increased occupancy and prices

Record FFO figures for the quarter – NIS 397 million

Focus on efficiency and control of expenses



**2.4**

NIS billion  
**Record** revenues  
for the quarter<sup>1</sup>

**949**

NIS million **Record**  
EBITDAR<sup>1</sup> for the  
quarter

**586**

NIS million **Record**  
EBITDA<sup>1,2</sup> for the  
quarter

**345**

**Record** net profit  
for the quarter<sup>3</sup>

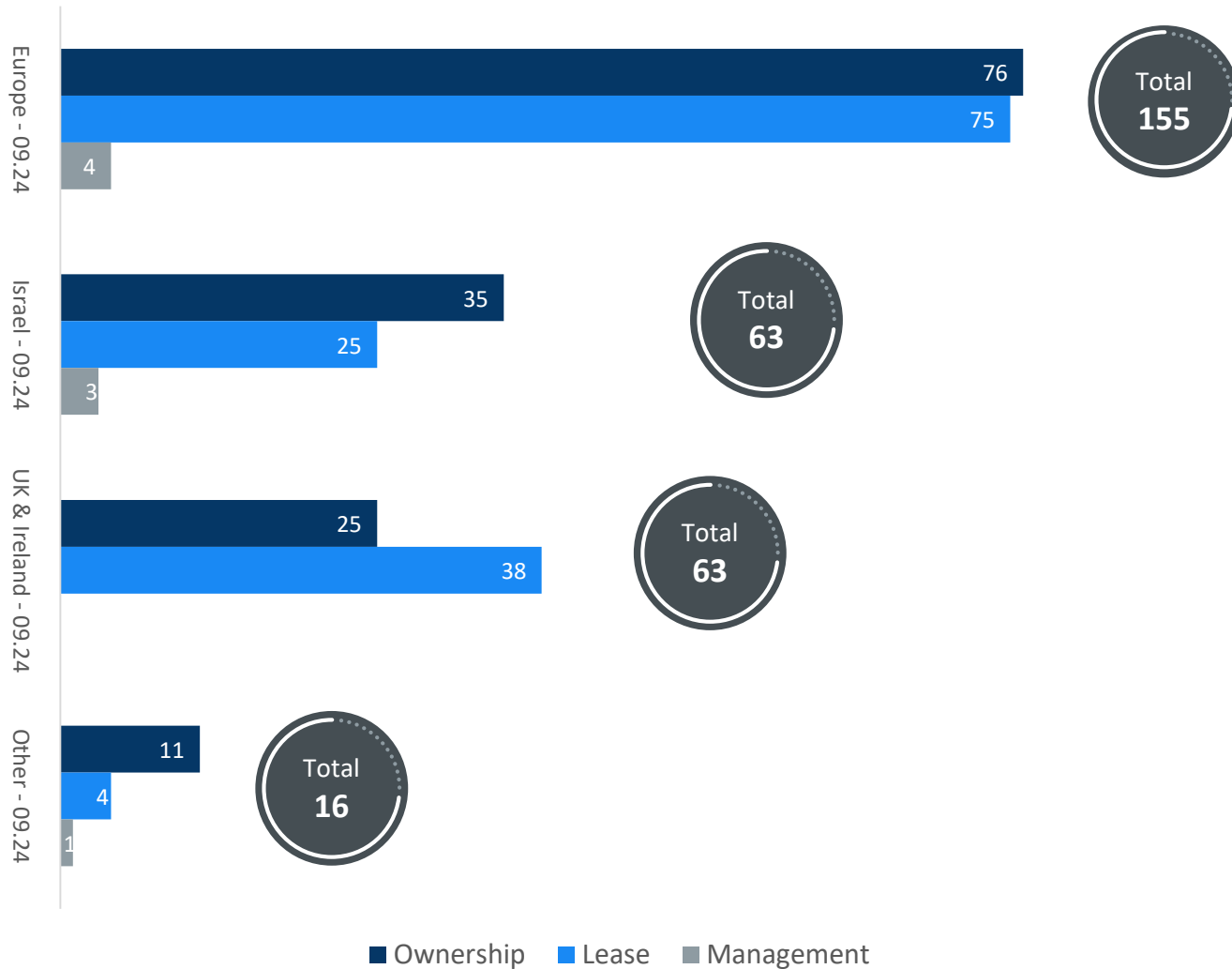


<sup>1</sup> Includes the Company's share in affiliated companies.

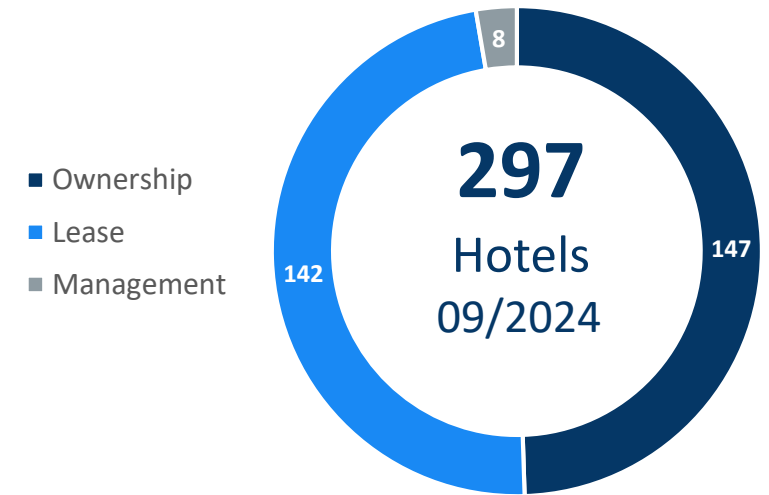
<sup>2</sup> Prior to the Impact of Standard IFRS 16.

<sup>3</sup> Including profit from increase to control.

# Number of Hotels<sup>1</sup> – Diverse Mix



## Hotels split by type

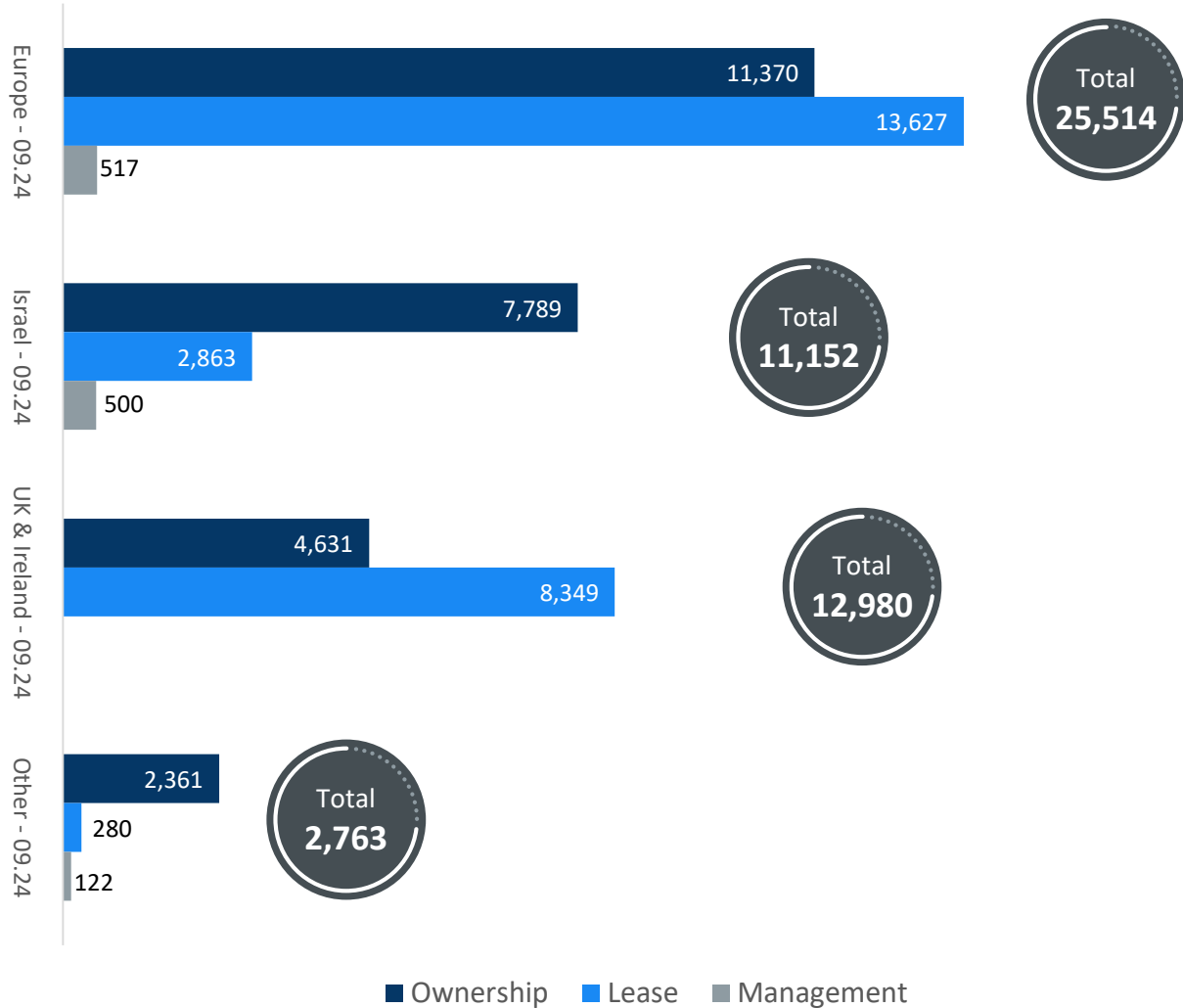


  
09/2024

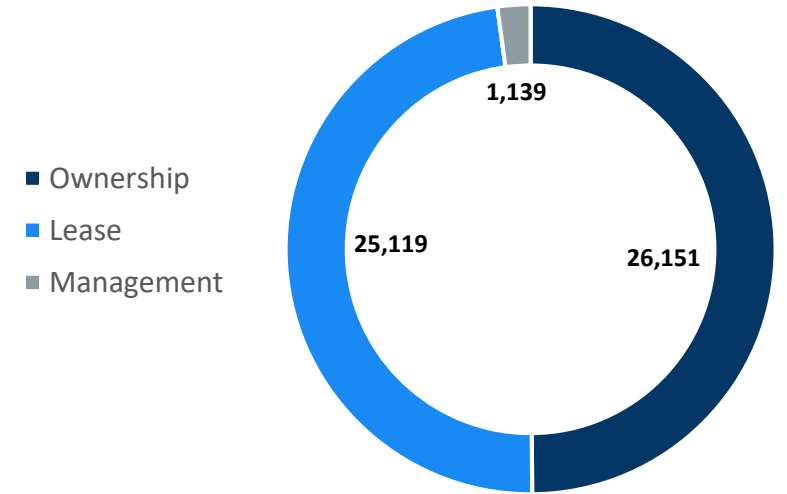
**251**  
Active hotels

<sup>1</sup> As of 30.09.24 including 22 future hotels in Israel (3,026 rooms), 14 future hotels in Europe (3,025 rooms), 5 future hotels in UK (656 rooms) and 6 future hotels in Greece & Cyprus (603 rooms).

# Number of Rooms<sup>1,2</sup> - Diverse Mix



## Rooms split by type



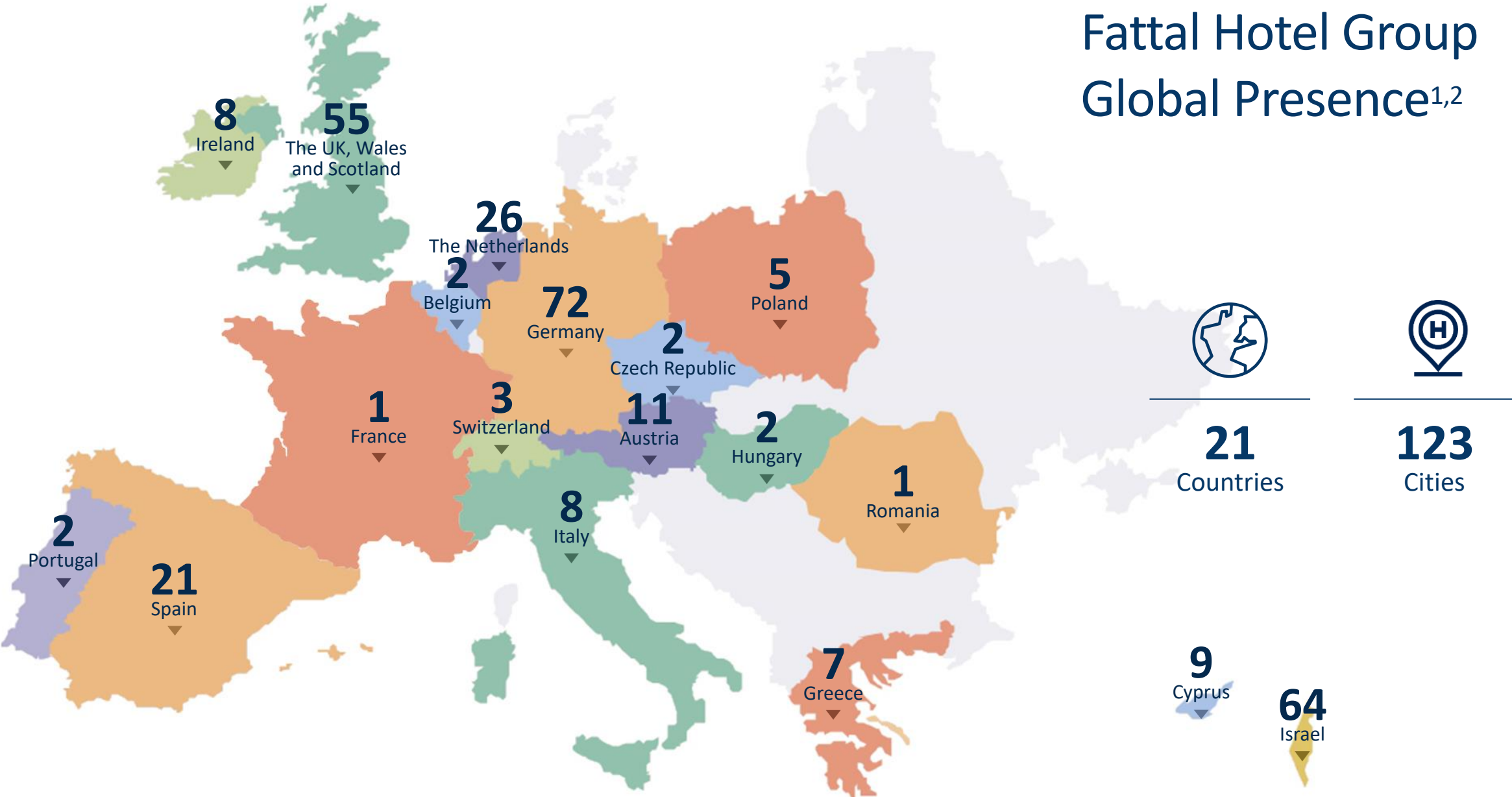
  
09/2024

**45,355**  
Active rooms

<sup>1</sup> As of 30.09.24 including 22 future hotels in Israel (3,026 rooms), 14 future hotels in Europe (3,025 rooms), 5 future hotels in UK (656 rooms) and 6 future hotels in Greece & Cyprus (603 rooms).

<sup>2</sup> As of 30.09.24 the weighted number of active rooms in Israel (7,822 rooms), Europe (18,814 rooms), the UK (11,758 rooms) and Greece & Cyprus (1,686 rooms).

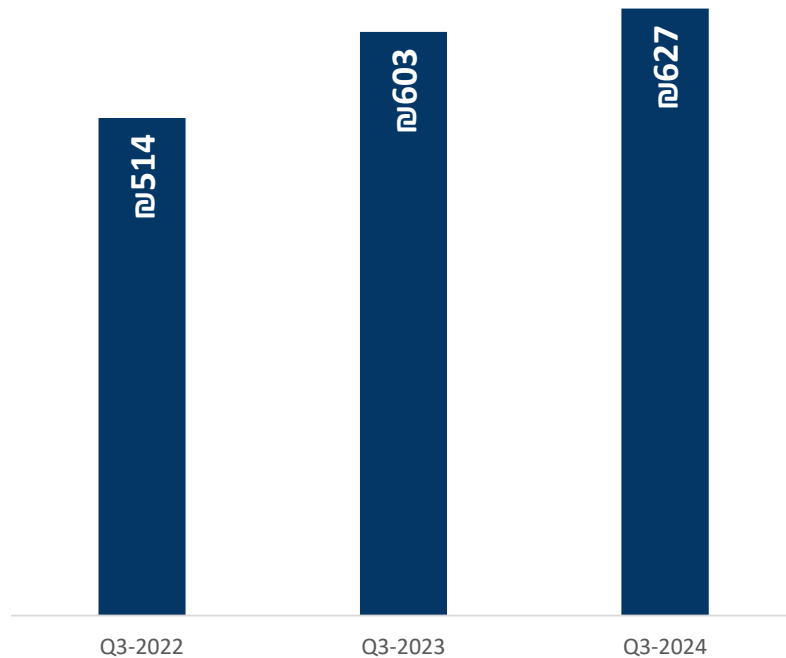
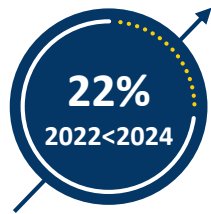
# Fattal Hotel Group Global Presence<sup>1,2</sup>



<sup>1</sup> Including future hotels.  
<sup>2</sup> As of November 2024.

# Group Average Daily Revenue per Room ADR<sup>1</sup> (NIS) – Q3

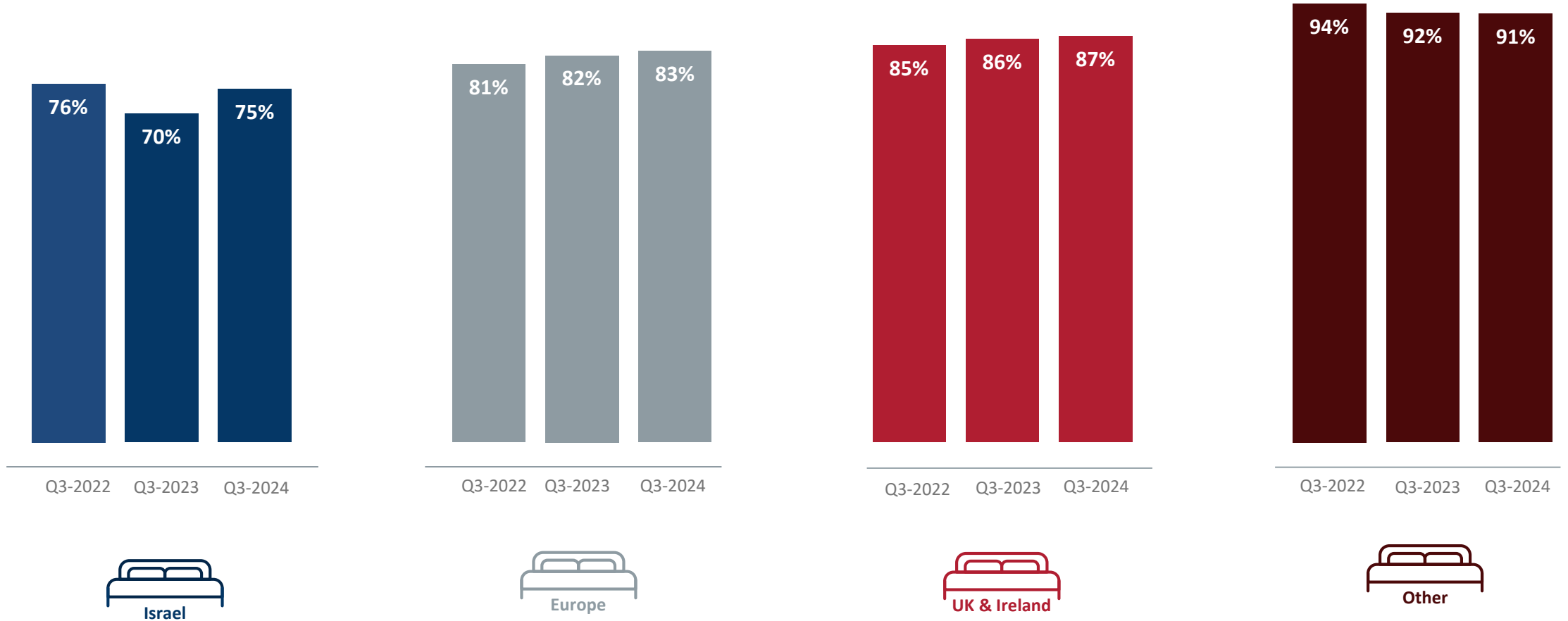
Dealing With the Effects of Inflation and Rising Expenses  
The data includes the currency effect



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



# Group Average Occupancy Rate<sup>1</sup> – Q3



<sup>1</sup> 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 11.24

Around €721 million      Hotels Value as of 30.09.24

**Total**

 **19** Hotels in **8** Countries

 **3,387** Rooms



## Partnership 3

01.2024  
Established



€ 127M

The Company's share in  
capital commitment

Around €604 million      Total acquisition costs 8.24

Around €900 million      Forecast property portfolio

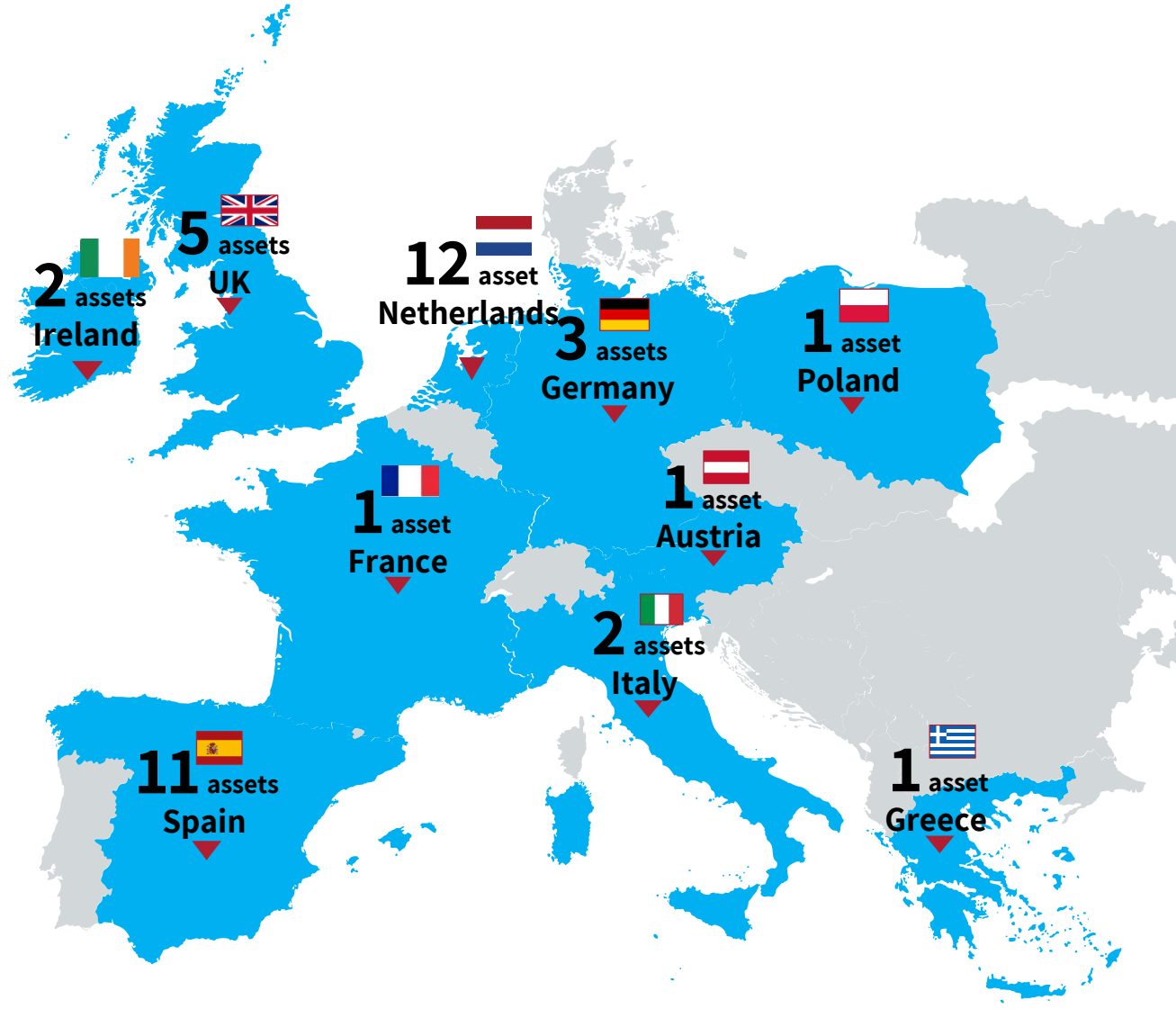
**Total**

 **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

**3**  assets  
Cyprus

# Netherlands

## 12 Hotels Transaction



July  
2024



8  
Cities

12

Hotels

10 Owned  
2 Leased



1,522

Number  
of rooms



€ 370m

Purchase  
cost



€ 41m

Expected  
investment



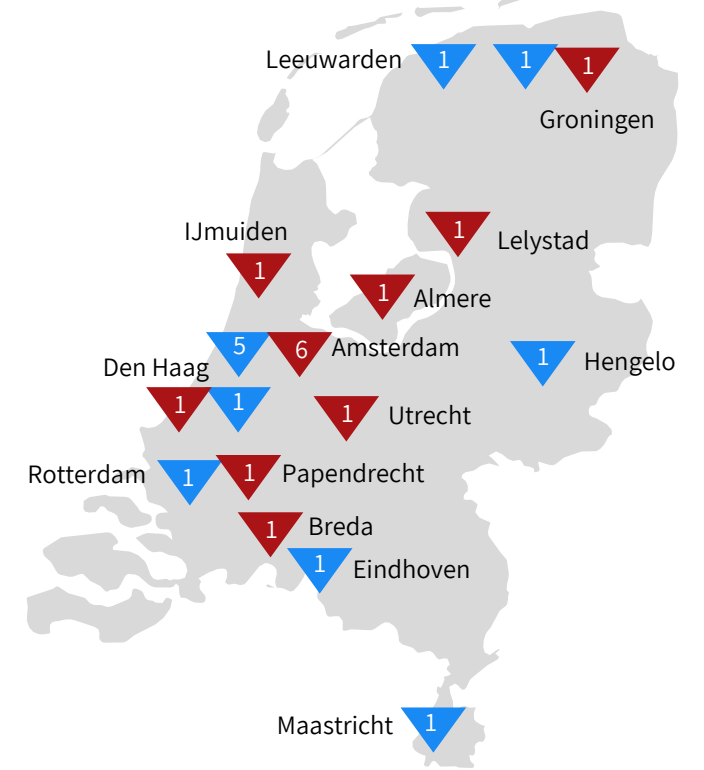
€ 260m

Bank  
Financing

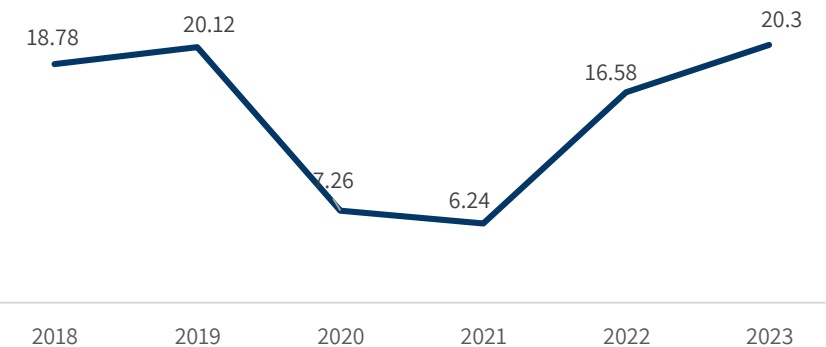


5

HOTELS



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



\*Statista.com

# Protal Tourism Ltd. Transaction<sup>1</sup>



A transaction with significant improvement potential

Hotels	12
Rooms <sup>2</sup>	2,757
Total net return (NIS millions)	455
Value of assets in the acquired company (NIS millions)	1,720
Gain from obtaining control of an investee (NIS millions)	266
Total EBITDAR <sup>3</sup> – 2023 (NIS millions)	220



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

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

<sup>3</sup> Based on hotel operational data.

# Looking Ahead - Opening Hotels in the Coming Years<sup>1</sup>

(excl. hotels under Hotel Partnerships in Europe)

## Owned

Italy	*1	27	1€
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Israel	1	61	70₪
Greece	*1	130	3€
UK	1	125	8€

Israel	*1	327	165₪
Portugal	1	132	15€

Israel	**9	1,729	816₪
Portugal	*1	560	23€
Cyprus	*1	165	16€
UK	1	207	33€

## Leased

Greece	1	14
Israel	1	54

Israel	***3	267
UK	1	283
Poland	1	113
Greece	2	54

Israel	2	220
Germany	3	670
Spain	1	210
Austria	1	110

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

**3 hotels**  
**95 rooms**

**10 hotels**  
**1,033 rooms**

**9 hotels**  
**1,669 rooms**

**19 hotels**  
**3,439 rooms**

  
Investment

  
Number of rooms

  
Number of hotels

**Total**

**41**  
Hotels



**6,236**  
Rooms



The Company's assessment:

≈ **NIS 350 million**  
Additional EBITDA  
from new hotels

≈ **NIS 1,350 million**  
Expected total investment  
in coming years

<sup>1</sup> Investment amounts shown are from 30.09.24 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

# Financial Results Q3 - 2024



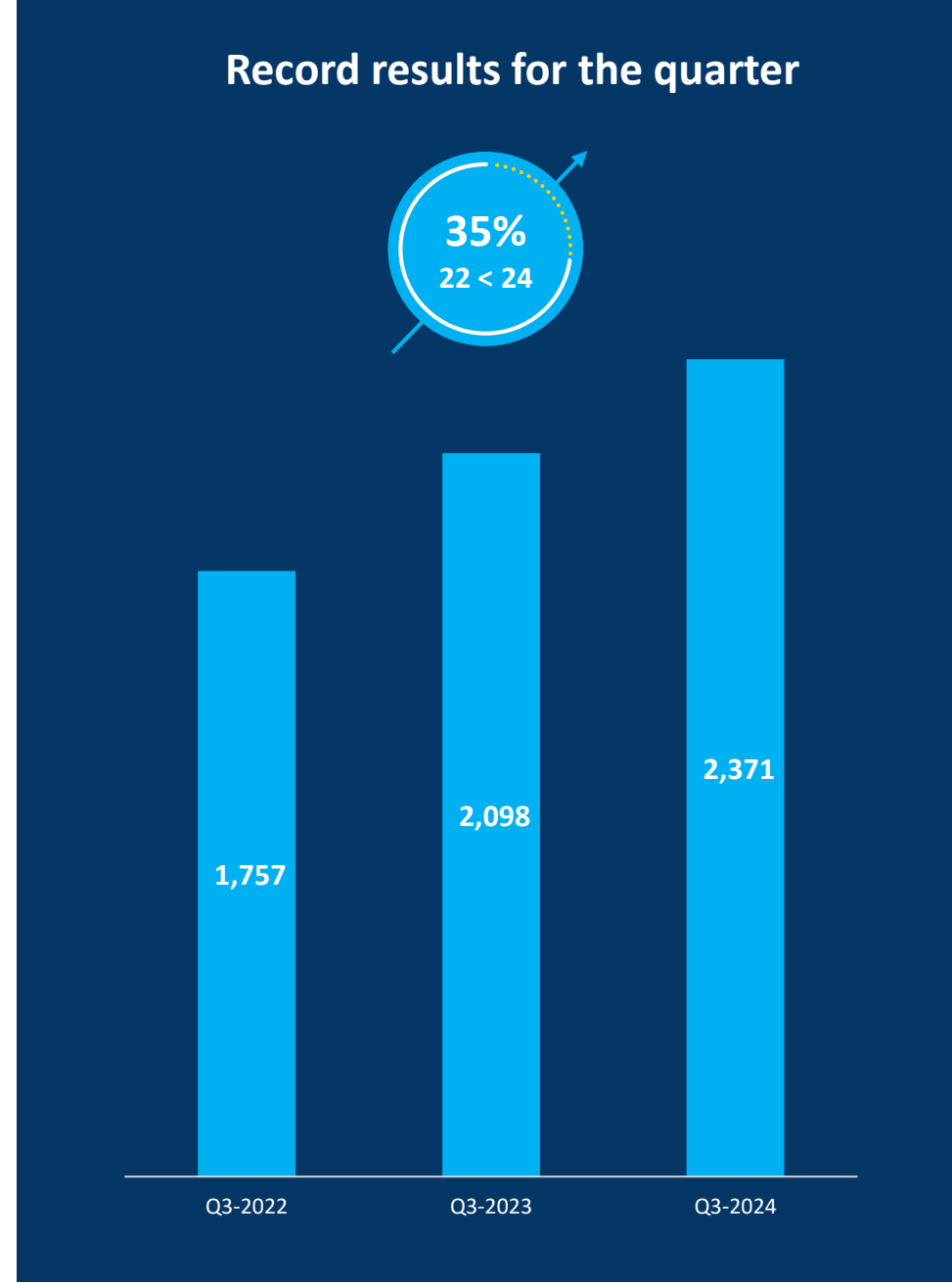
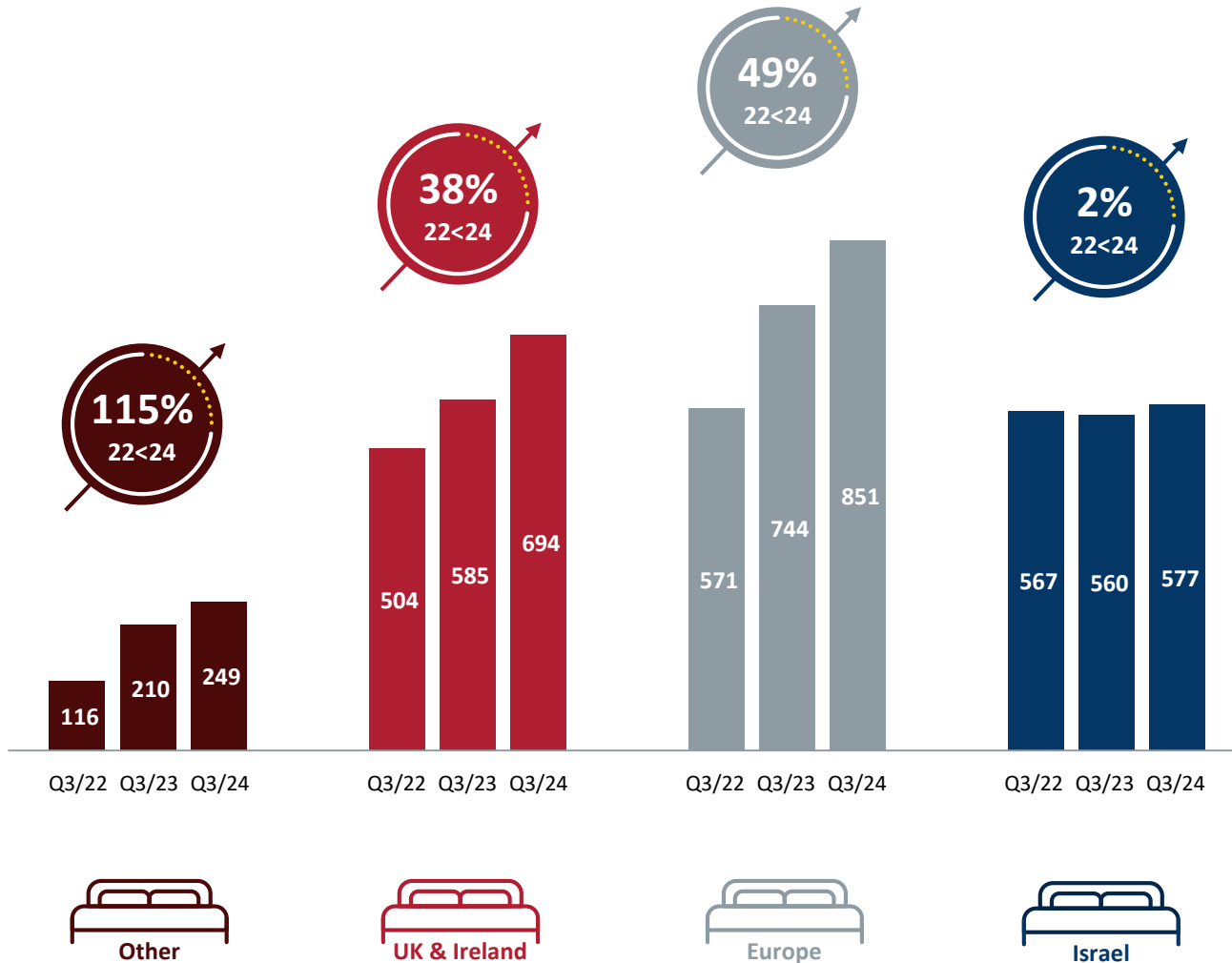
Innovation  
Branding  
Solution  
Marketing

Ideas  
Success  
Management

SOCIAL MEDIA

# Main Financial Data – Q3

## Revenues<sup>1</sup> (NIS millions)

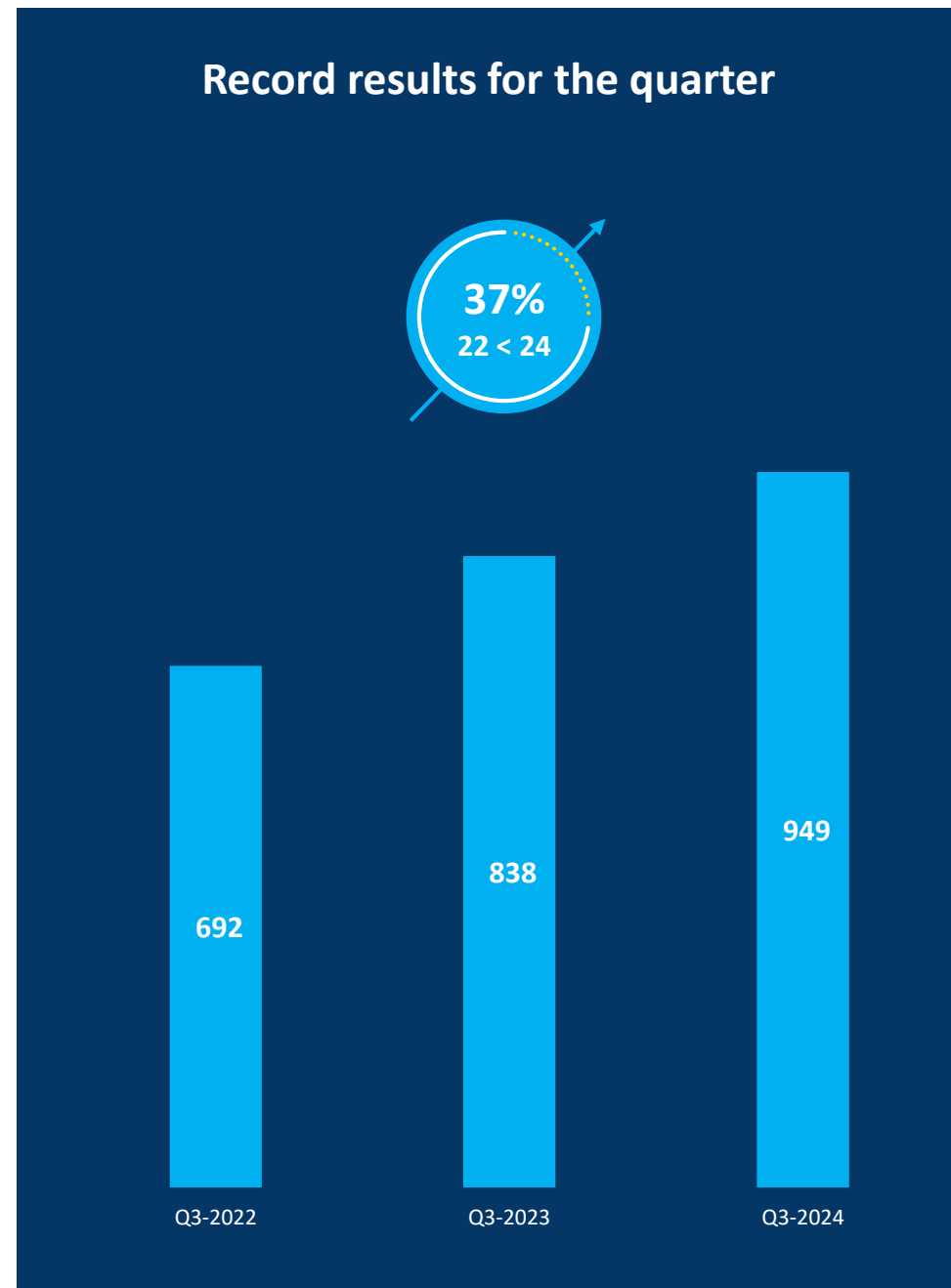
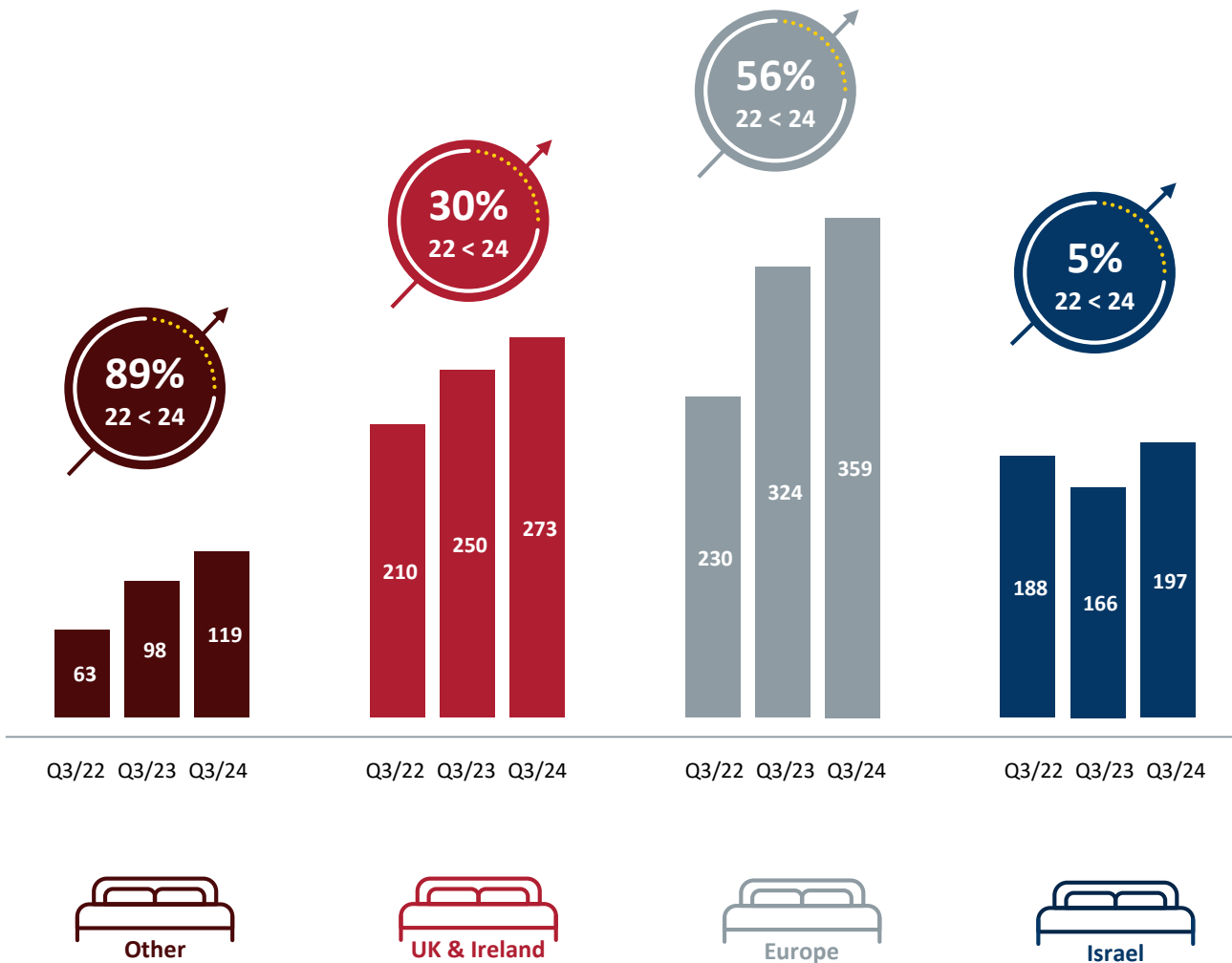


<sup>1</sup> Includes the Company's share in affiliated companies



# Main Financial Data – Q3

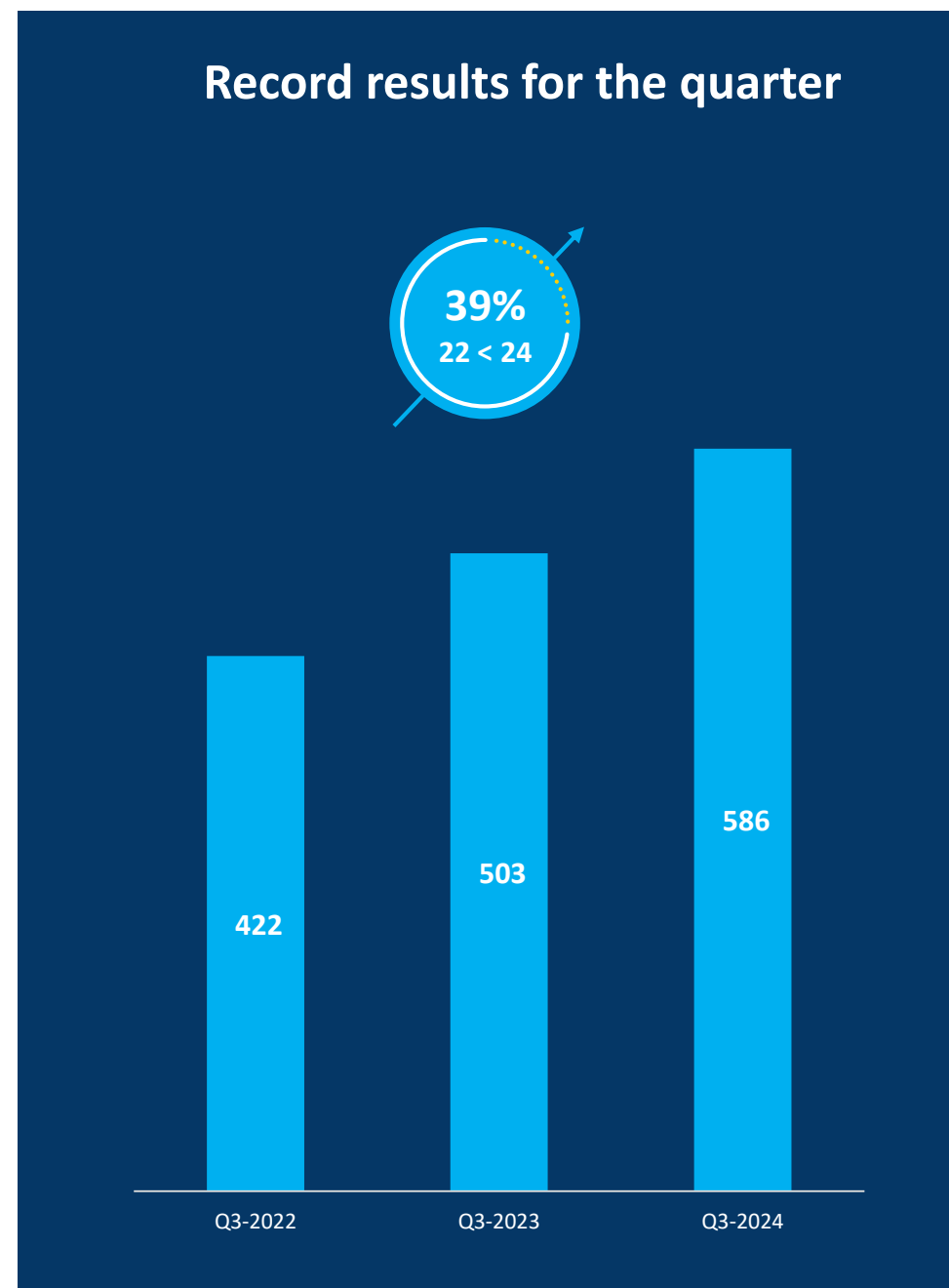
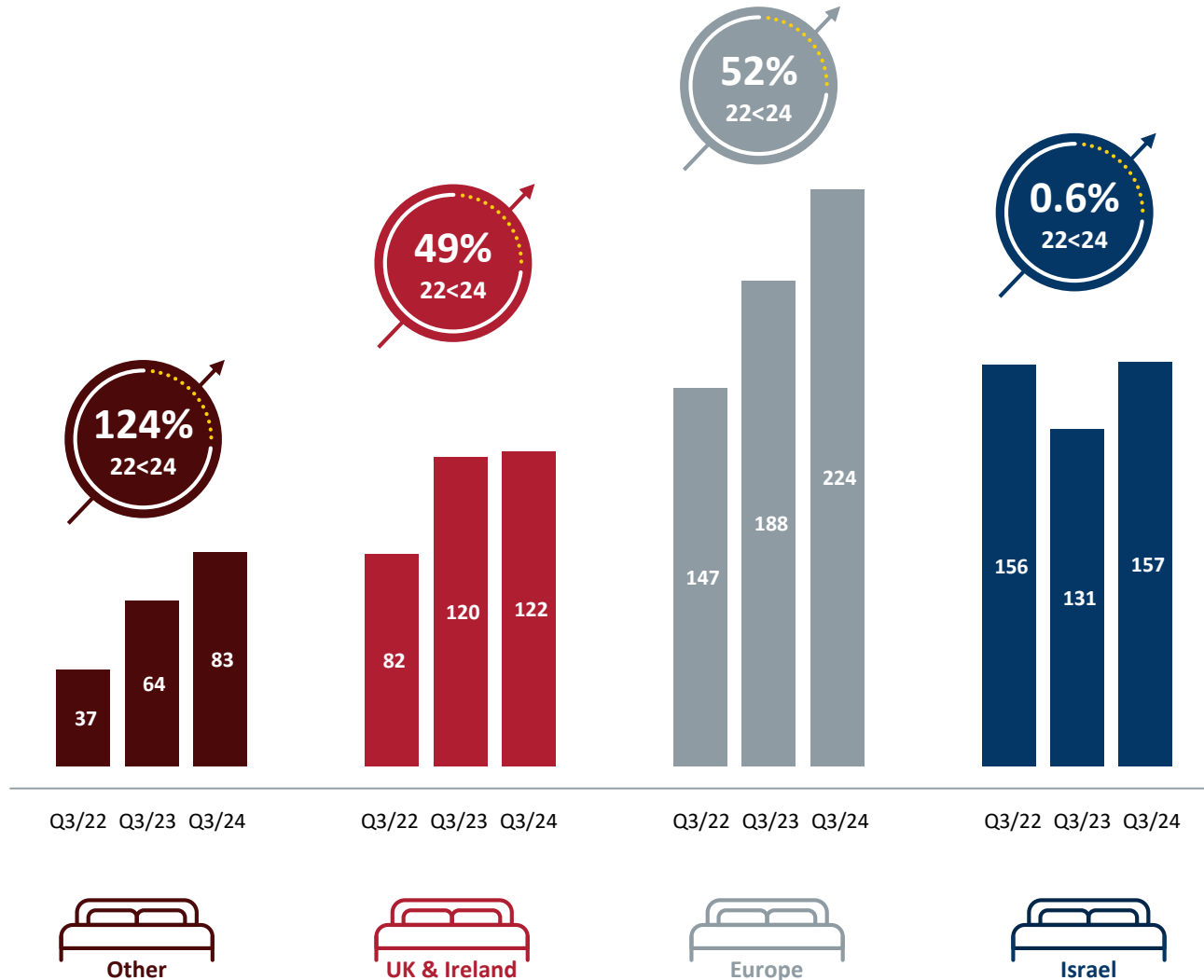
## EBITDAR<sup>1</sup> (NIS millions)



<sup>1</sup> Includes the Company's share in affiliated companies

# Main Financial Data – Q3- EBITDA<sup>1</sup>

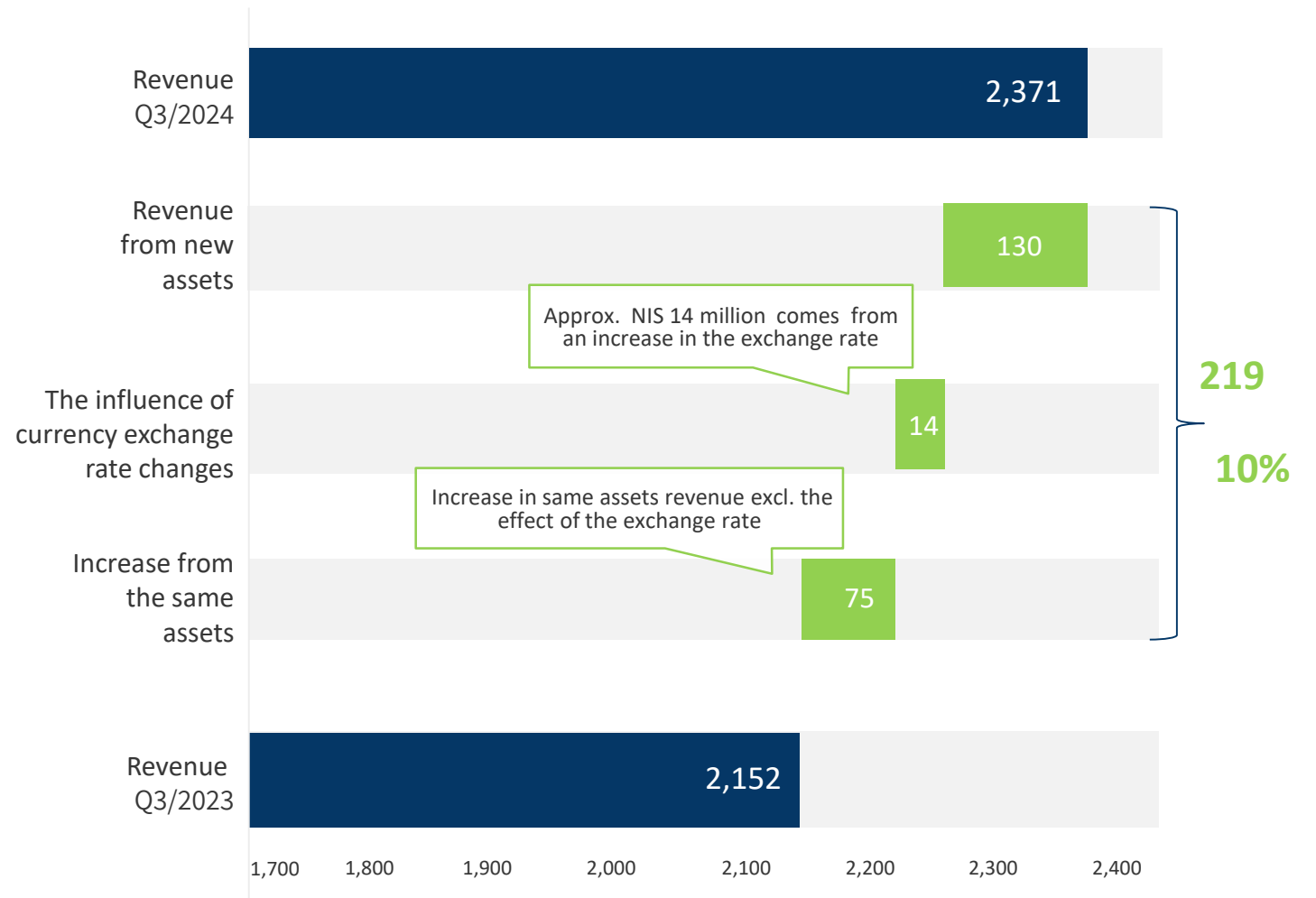
(NIS Millions) Prior to the Impact of Standard IFRS 16



<sup>1</sup> Includes the Company's share in affiliated companies

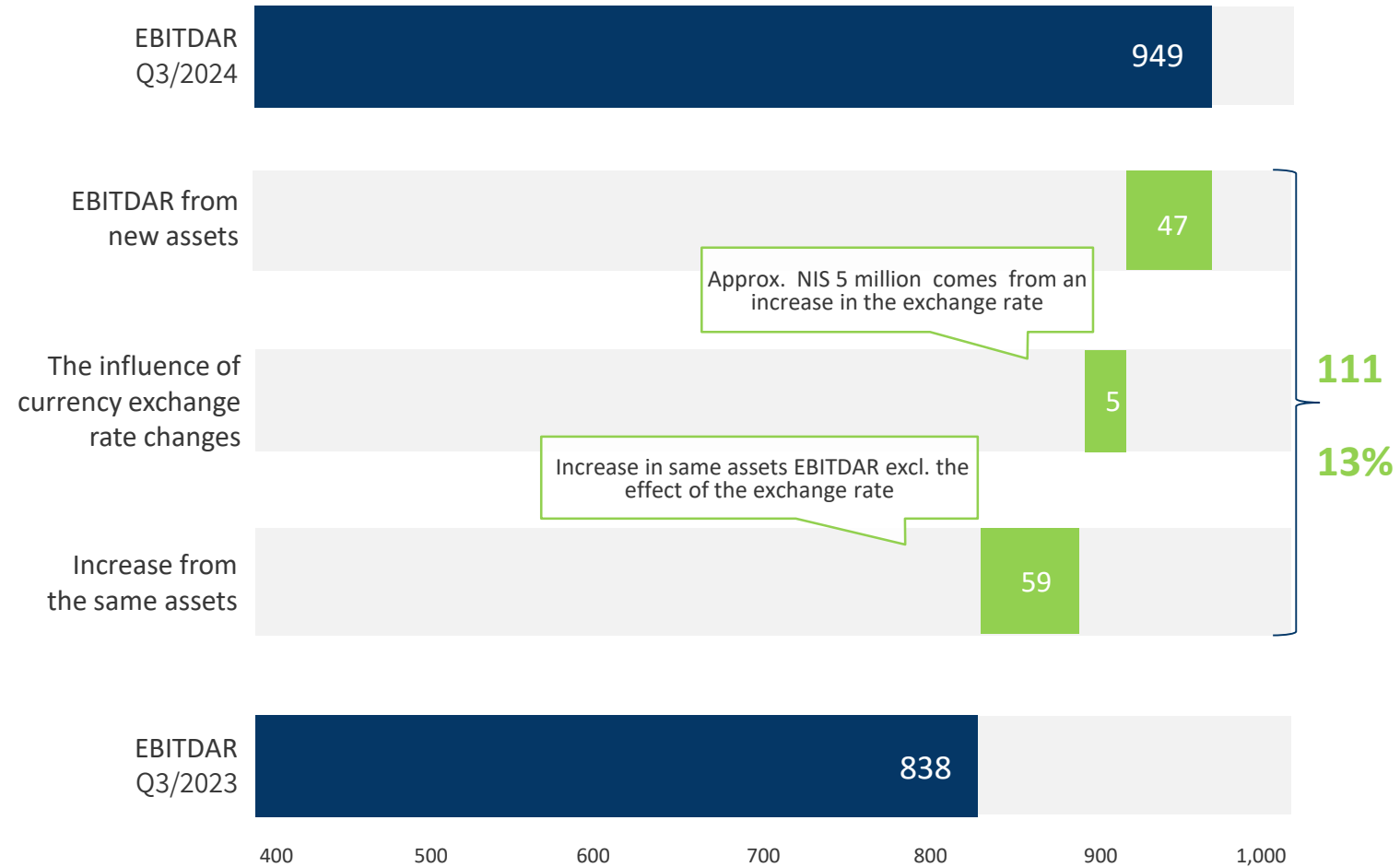


# Segmentation of revenue from same assets (NIS Millions) – Q3



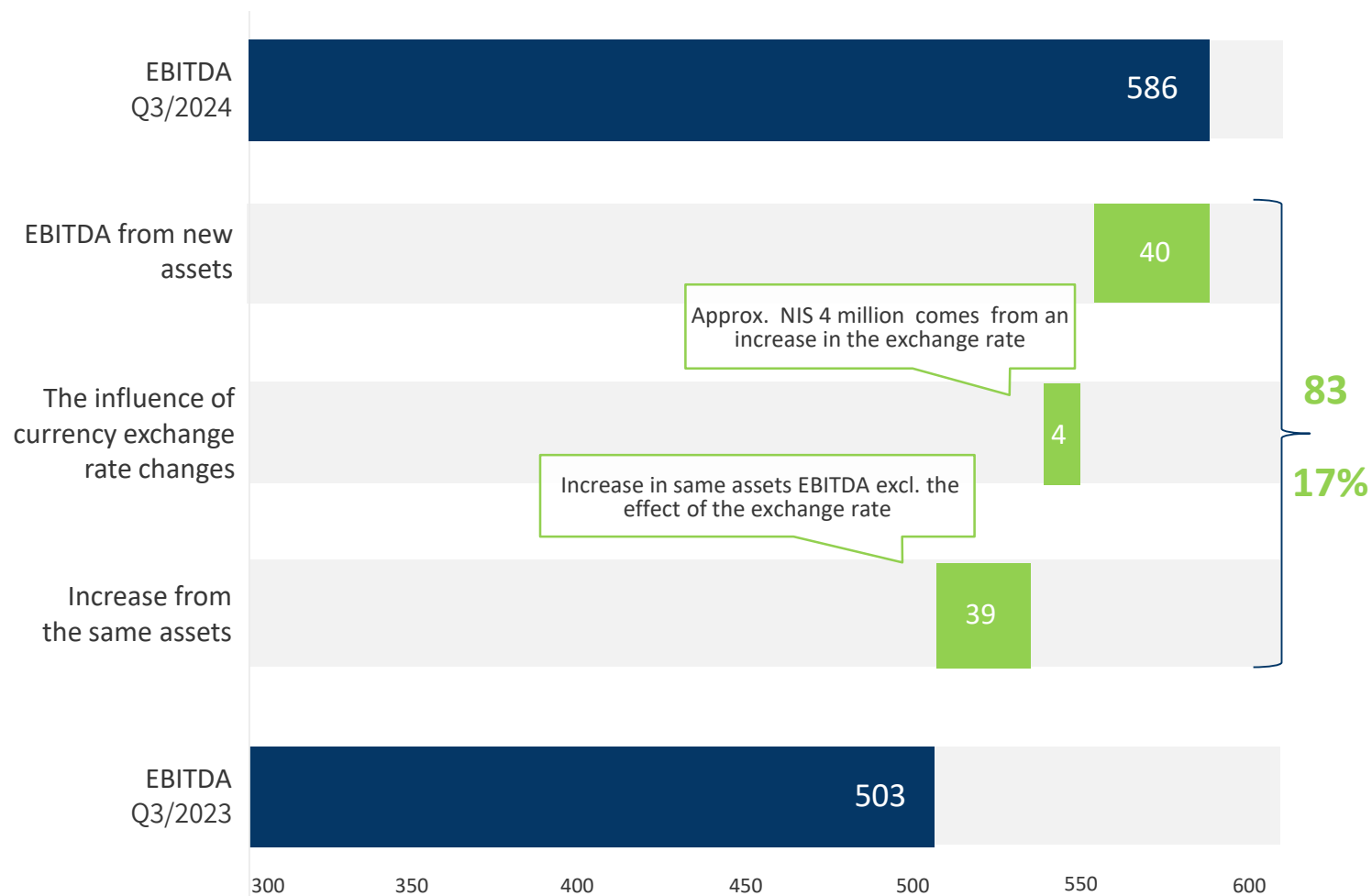


# Segmentation of EBITDAR from same assets (NIS Millions) – Q3

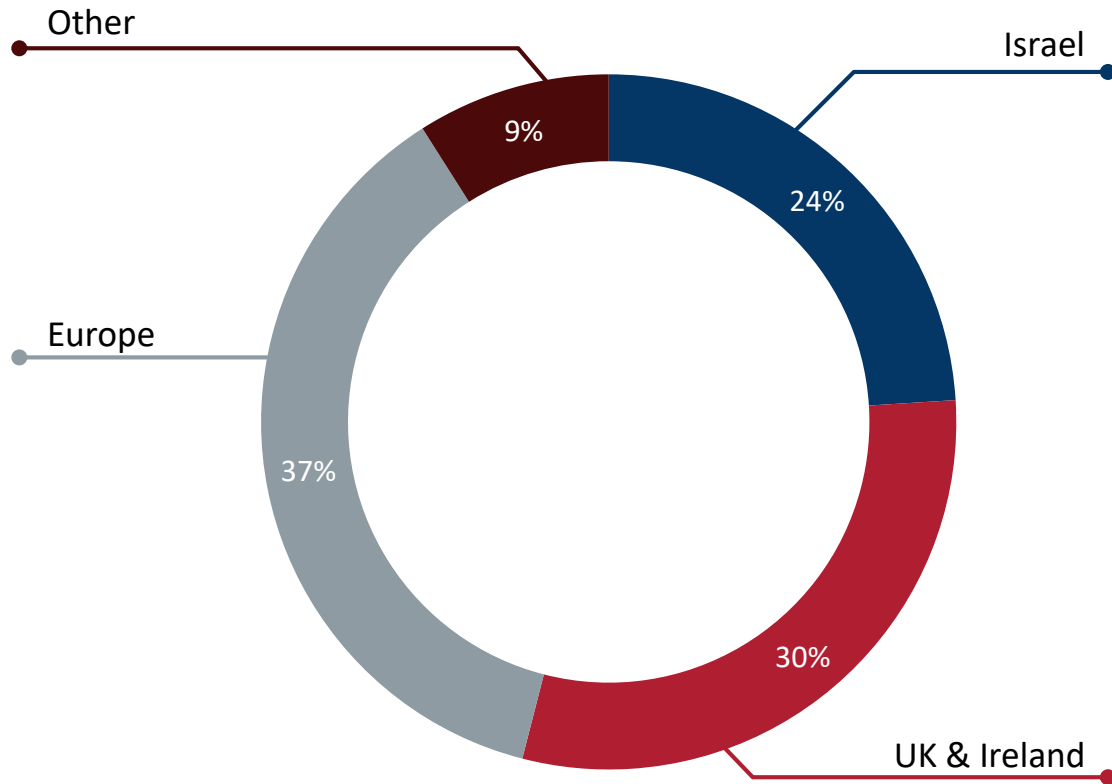




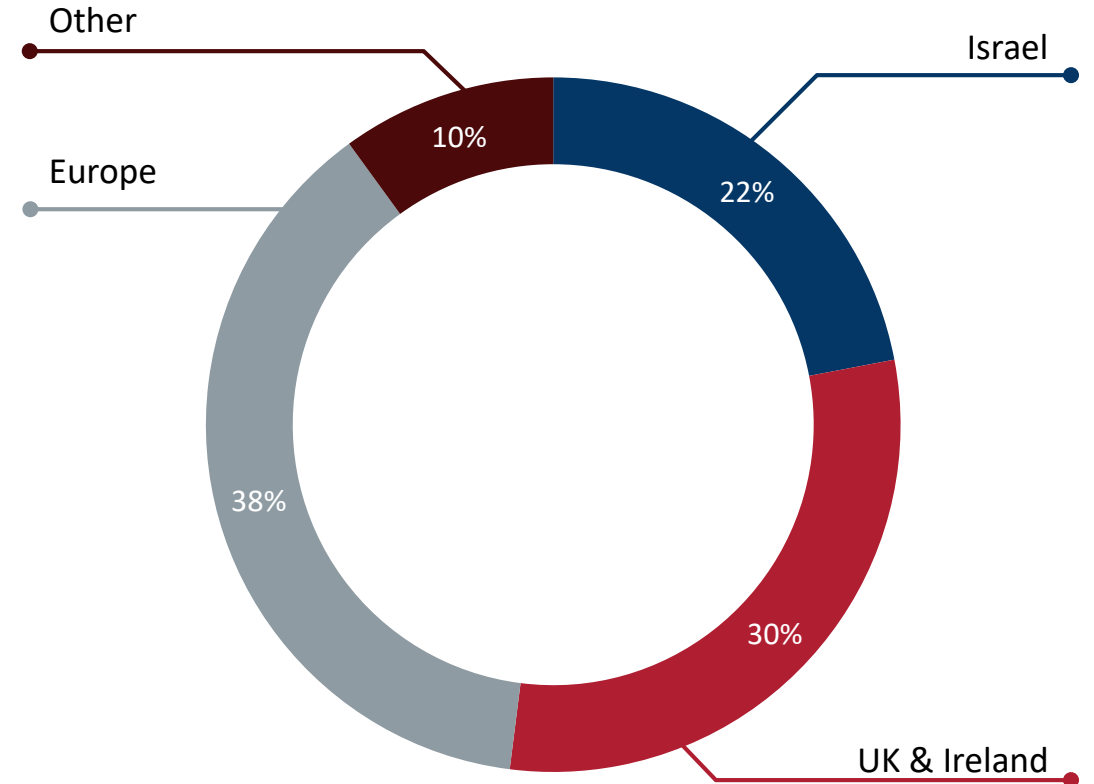
# Segmentation of EBITDA from the same assets (NIS Millions) – Q3



# Revenue Split – Q3/2024

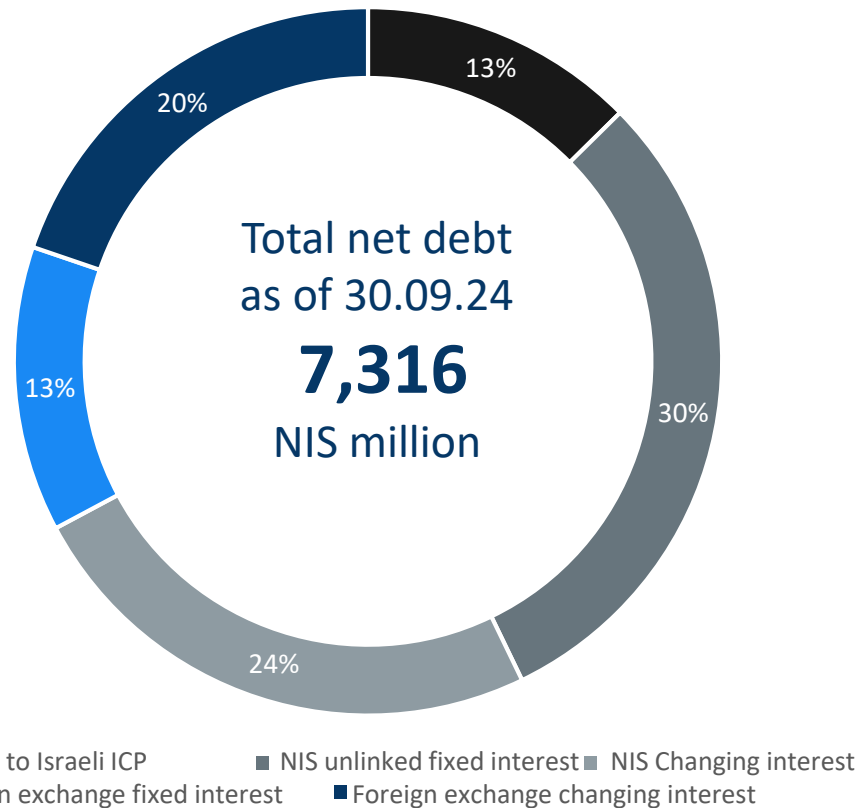


# EBITDAR Split – Q3/2024



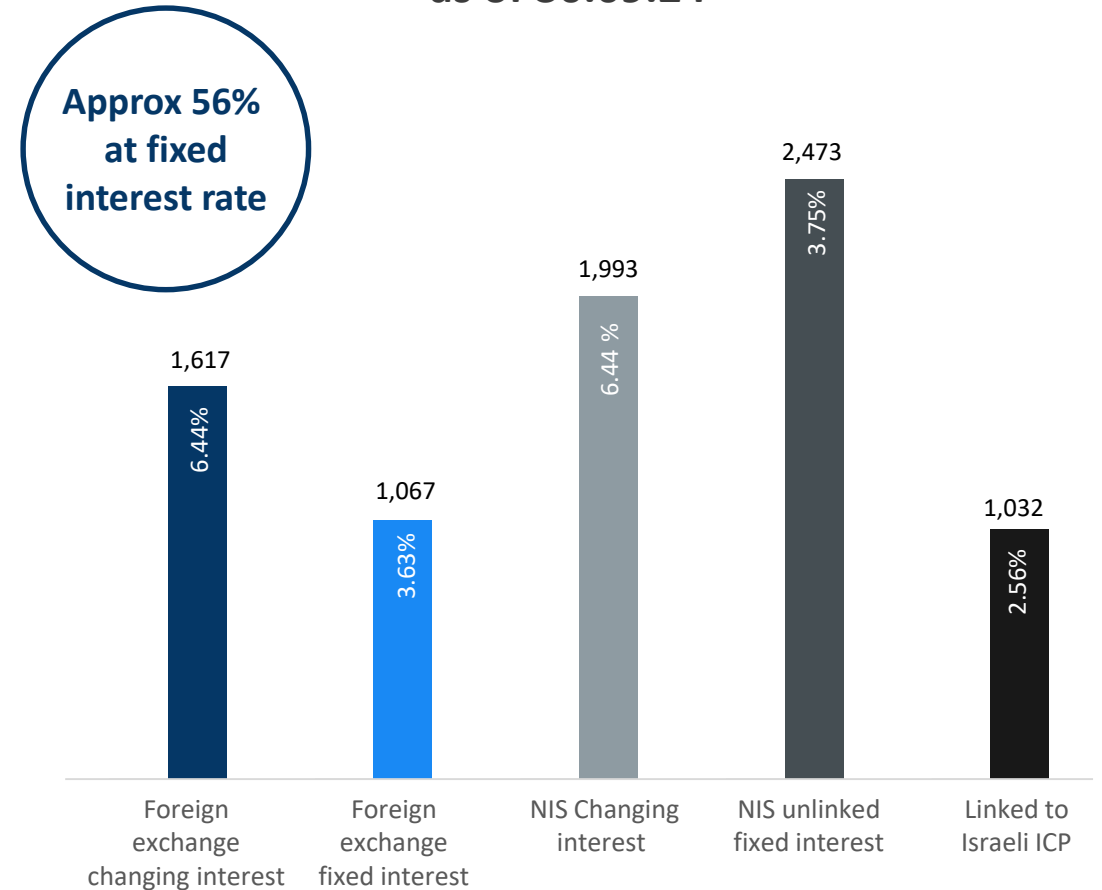
# Key Debt Metrics (NIS millions)

Split by debt type



The total debt of the Company includes its share in affiliated companies as of September 30, 2024, approx. NIS 10,085 million

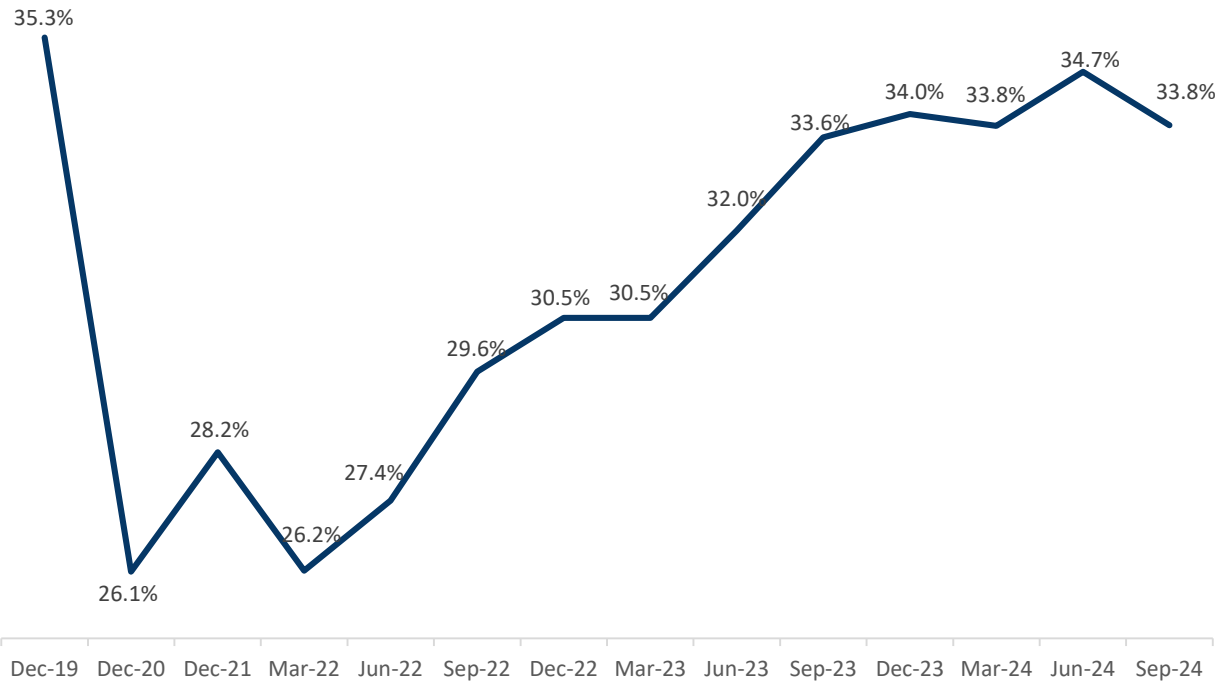
Debt and average interest rate as of 30.09.24



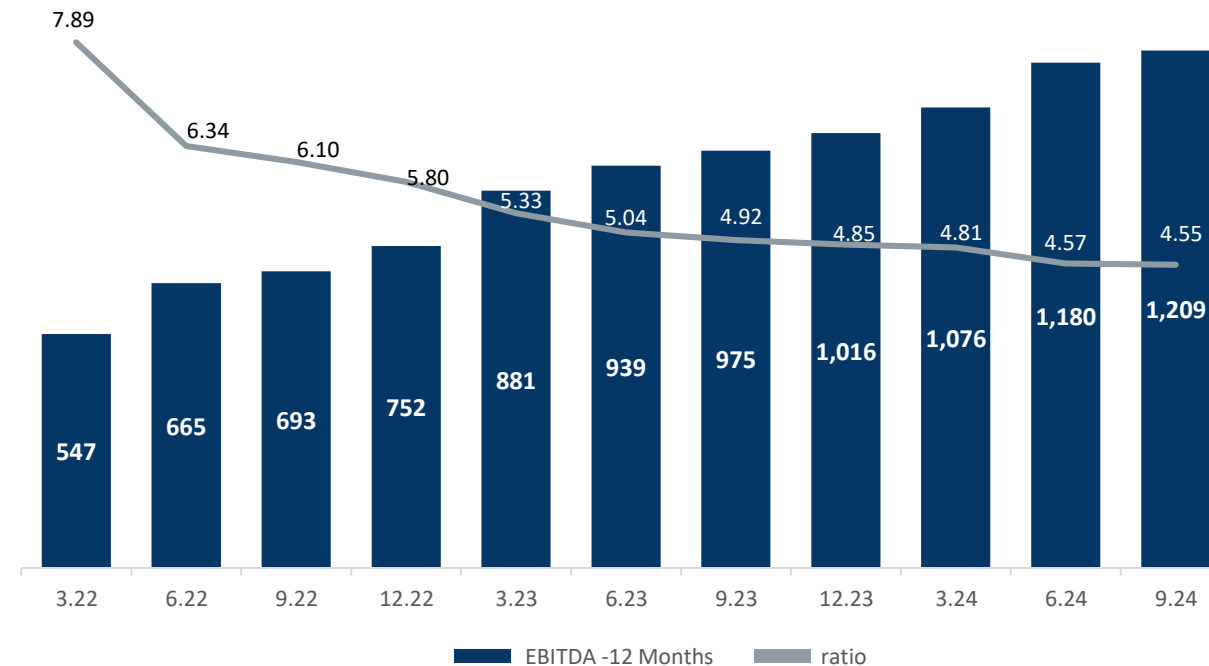
The weighted interest rate on variable interest loans in the Company decreased by approximately 0.5% during the reporting period.

# Financial Ratios<sup>1</sup> (NIS Millions)

## Gradual increase in the equity-to-total assets ratio



## Declining debt/EBITDA ratio



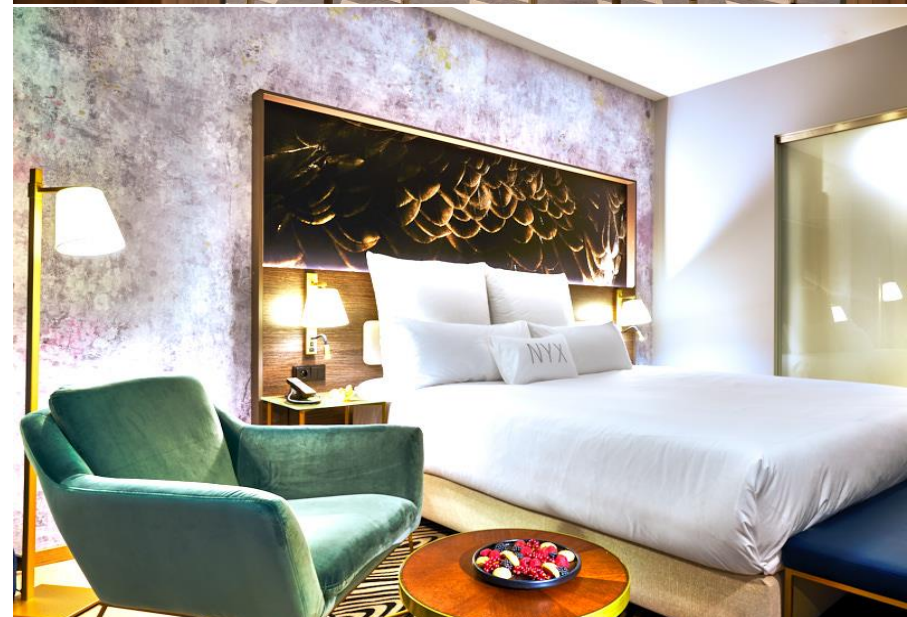
The Company meets all its covenants to which it is committed

<sup>1</sup> The terms and calculations as defined in the trust deed.



# Consolidated Balance Sheet (NIS millions)

	Sep-24		Sep-24	Sep-23	Dec-23
	Data prior to implementati on of IFRS16	Impacts of IFRS16	As shown in the Financial Statements		
Current Assets	1,883	(86)	1,797	1,214	1,503
Long Term Investments and Other Assets	4,490	13,901	18,391	17,168	17,189
Fixed Assets	10,319	-	10,319	7,777	7,921
<b>Total Assets</b>	<b>16,692</b>	<b>13,815</b>	<b>30,507</b>	<b>26,159</b>	<b>26,613</b>
Short Term Credit	1,390	-	1,390	988	976
Other Current Liabilities	1,462	491	1,953	1,882	1,794
Loans and Bonds – Long Term	6,791	-	6,791	5,267	5,727
Deferred taxes	850	-	850	480	513
Others	556	14,720	15,276	14,417	14,248
<b>Total Liabilities</b>	<b>11,049</b>	<b>15,211</b>	<b>26,260</b>	<b>23,034</b>	<b>23,258</b>
Shareholders' Equity	5,643	(1,396)	4,247	3,125	3,355
<b>Total Liabilities and Equity</b>	<b>16,692</b>	<b>13,815</b>	<b>30,507</b>	<b>26,159</b>	<b>26,613</b>



# Consolidated Profit and Loss Statement (NIS million)

	1-9/24		1-9/23	1-12/23	
	Data prior to implementation of IFRS16	Impacts of IFRS16	As shown in the Financial Statements		
Revenues from Hospitality Services and Others	5,588	-	5,588	5,157	6,928
Total Operating Expenses	3,505	-	3,505	3,355	4,476
Operating income before rent, depreciation and reductions (EBITDAR)	2,083	-	2,083	1,802	2,452
Total Rent	1,142	<b>(1,036)</b>	106	121	155
Operating income before depreciation and amortization (EBITDA)	941	<b>1,036</b>	1,977	1,681	2,297
Depreciation	(318)	<b>(606)</b>	(924)	(838)	(1,149)
Other Expenses, Net	187	<b>54</b>	241	(20)	(38)
Profit before Financing	810	<b>484</b>	1,294	823	1,110
Financing Expenses, Net	(272)	<b>(595)</b>	(867)	(766)	(1,049)
Group's Share in the Subsidiaries' Earnings (Losses)	(79)	<b>10</b>	(69)	-	(5)
Tax Benefit (Tax Expenses )	(98)	<b>49</b>	(49)	(8)	(11)
<b>Net Income (loss)</b>	<b>361</b>	<b>(52)</b>	<b>309</b>	<b>49</b>	<b>45</b>
<b>Real FFO</b>	<b>696</b>		<b>696</b>	<b>541</b>	<b>746</b>



# Consolidated Profit and Loss Statement (NIS million)

	7-9/24		7-9/23	
	Data prior to implementation of IFRS16	Impacts of IFRS16	As shown in the Financial Statements	
Revenues from Hospitality Services and Others	2,199	-	2,199	2,024
Total Operating Expenses	1,316	-	1,316	1,229
Operating income before rent, depreciation and reductions (EBITDAR)	883	-	883	795
Total Rent	412	<b>(342)</b>	70	62
Operating income before depreciation and amortization (EBITDA)	471	<b>342</b>	813	733
Depreciation	(117)	<b>(202)</b>	(319)	(298)
Other Income (Expenses), Net	189	<b>54</b>	243	(14)
Profit before Financing	543	<b>194</b>	737	421
Financing Expenses, Net	(109)	<b>(202)</b>	(311)	(272)
Group's Share in the Subsidiaries' Earnings (Losses)	(32)	<b>3</b>	(29)	14
Tax Benefit (Tax Expenses )	(69)	<b>18</b>	(51)	(39)
<b>Net Income</b>	<b>333</b>	<b>13</b>	<b>346</b>	<b>124</b>
<b>Real FFO</b>	<b>398</b>		<b>398</b>	<b>350</b>



# Forecast 2024

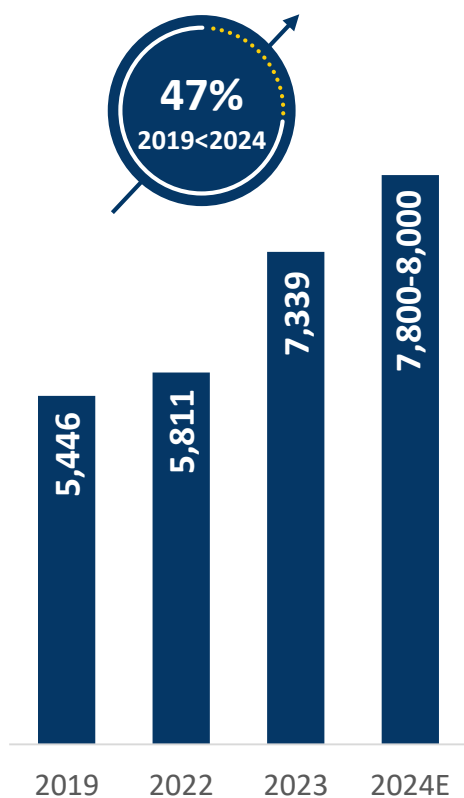


# Looking Ahead<sup>3</sup>

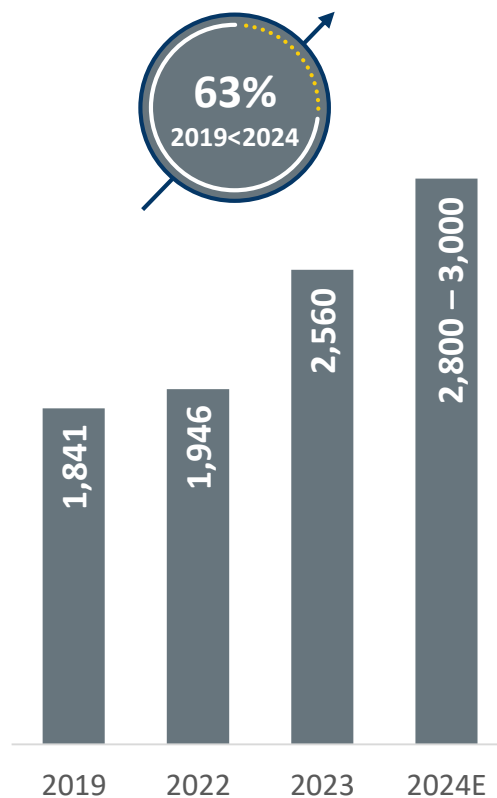
## Factors for continued growth in 2024:

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

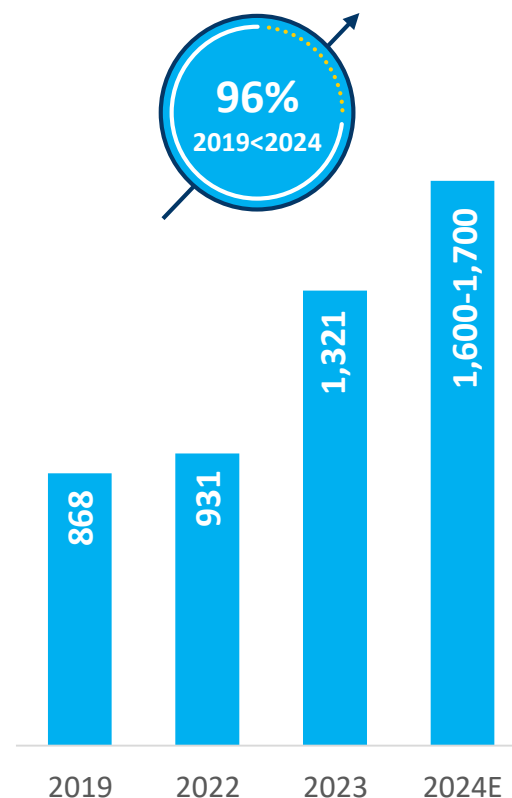
### Revenues<sup>1</sup> (NIS millions)



### EBITDAR<sup>1</sup> (NIS millions)



### EBITDA<sup>1,2</sup> (NIS millions)



### FFO (NIS millions)



<sup>1</sup> Includes the Company's share in affiliated companies.

<sup>2</sup> Prior to the Impact of Standard IFRS 16.

<sup>3</sup> For details of the main assumptions for the forecast, see the company's BOD report for 30.09.24



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Thank you for your attention!