



HOUSE OF HOTELS | בית של מלונות

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Capital Market Presentation, August 2023





# 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.

The data regarding (i) concentration of number of hotels and number of rooms according to ownership/rental/management in segmentation as of June 30, 2023; (ii) data in regards to the expected investment in new Hotels in the Coming Years; (iii) the total forecasted property portfolio of the Hotel Partnership in Europe; (iv) distribution of revenues, EBITDA and EBITDAR from same assets; and – (v) distribution of revenues and EBITDAR (including the Company's share in affiliated companies) by sector segmentation in Q2/2023; in slides no. 4, 5, 11, 21, 22, 23, 24 and 25, data are shown in this presentation for the first time as additional information.



# Fattal Group Business Card

Establishment  
of Fattal Group

**1998**

Countries



**21**

<sup>1</sup>Hotels

**272**

<sup>1</sup>Rooms

**48,247**

**EBITDA<sup>2</sup> Forecast for 2023**

**1,350 – 1,450**

**Million NIS**

**500** Million NIS<sup>3</sup>

**Balance of cash and securities**

**Rating: A3.il Positive**



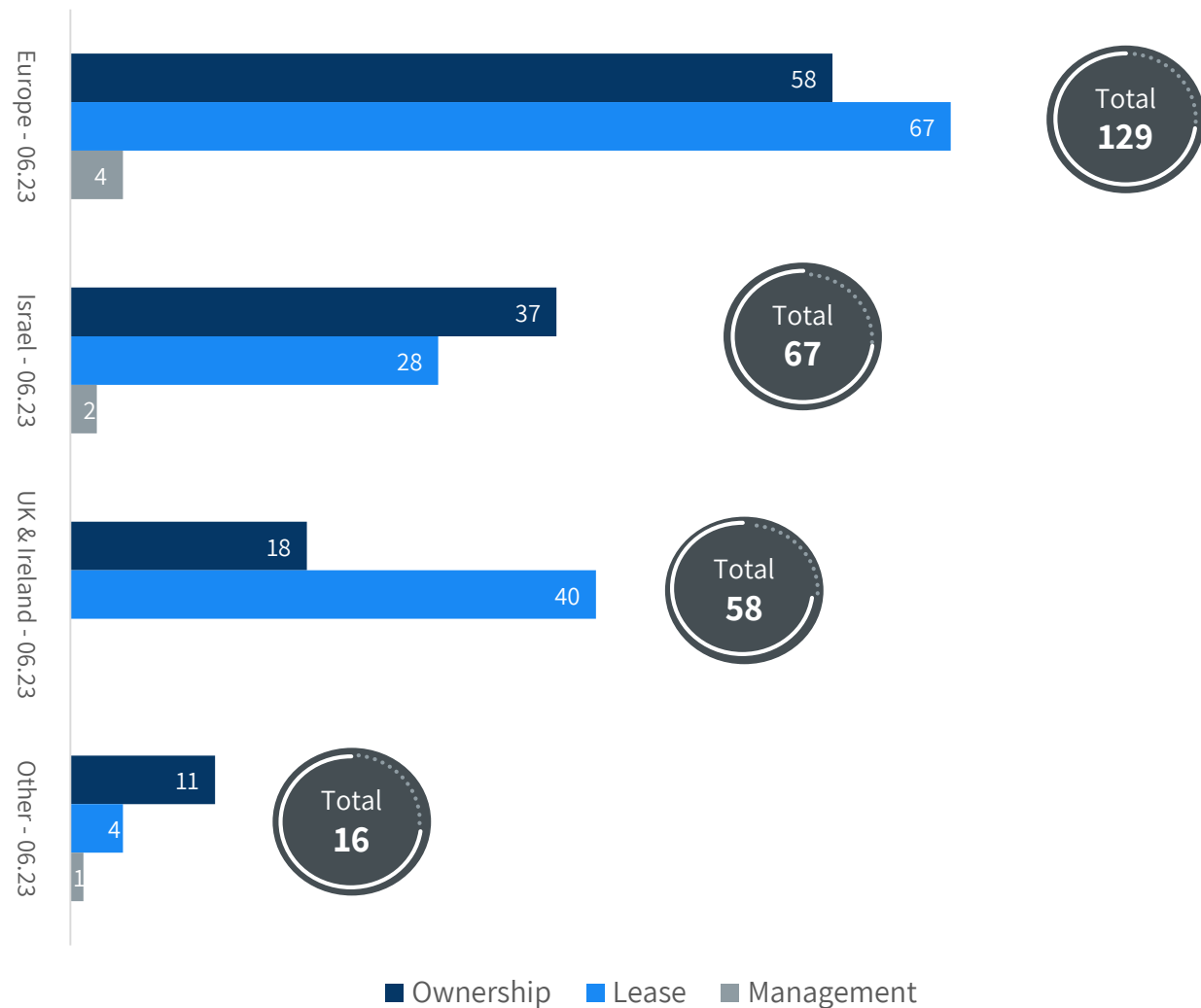
<sup>1</sup> Including future hotels.

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

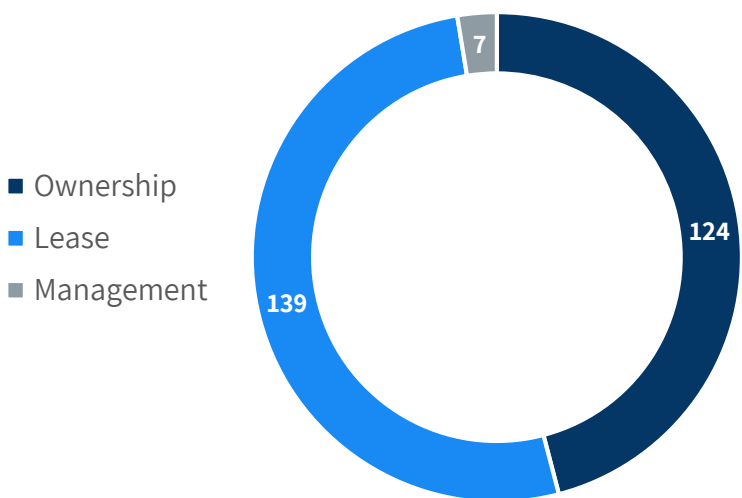
<sup>3</sup> As of the date of approval of financial statements



# Number of Hotels<sup>1</sup>



## Hotels split by type



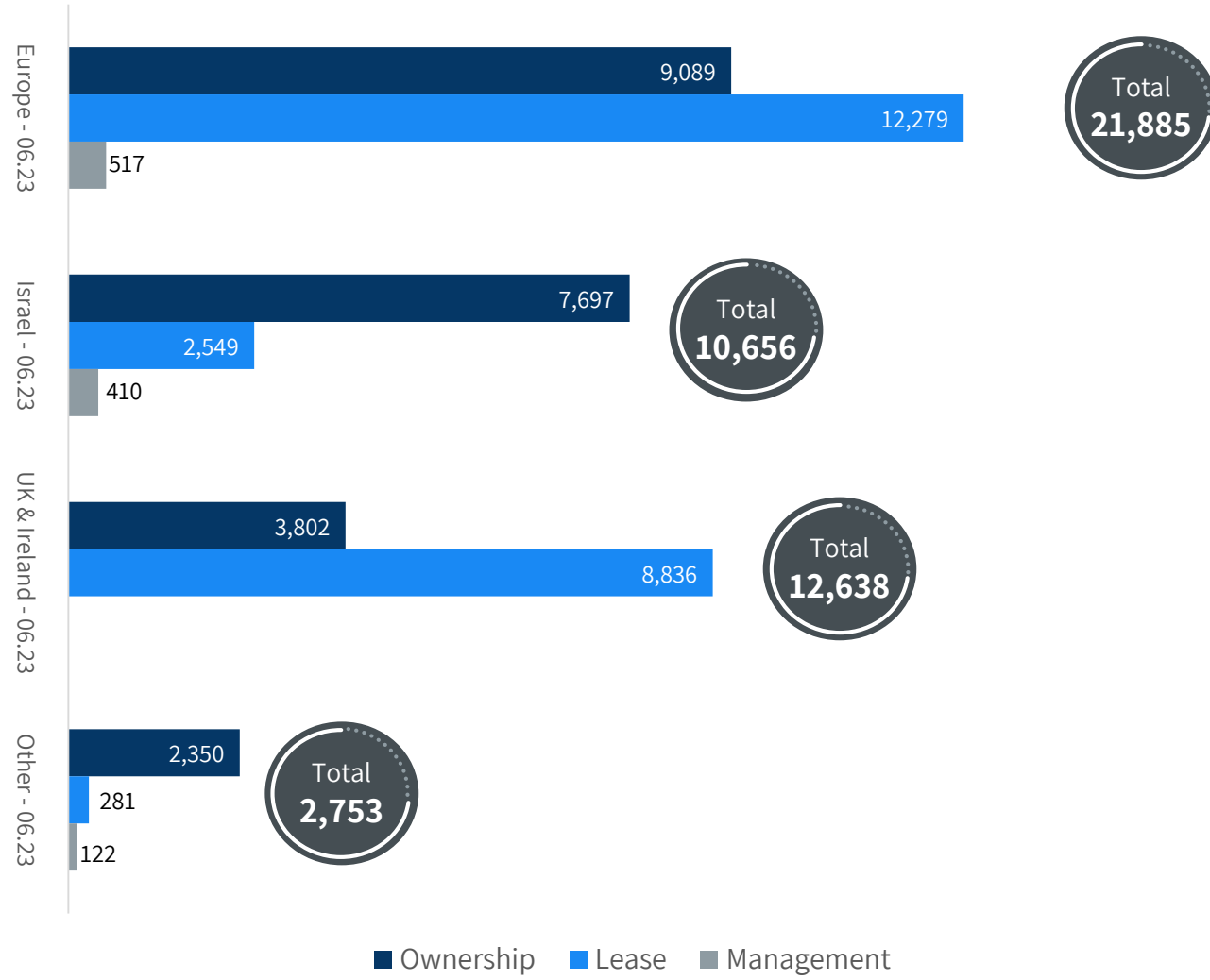
06/2023

**227**

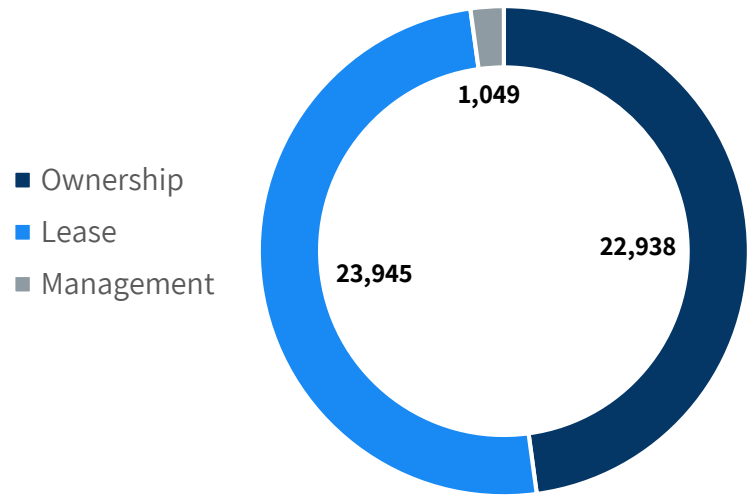
Active hotels

<sup>1</sup> As of 30.06.23 including 20 future hotels in Israel (2,407 rooms), 10 future hotels in Europe (2,419 room), 5 future hotels in United Kingdom (817 room) and 8 future hotels in Greece and Cyprus (921 rooms).

# Number of Rooms<sup>1</sup>



## Rooms split by type



  
06/2023

**41,368**  
Active rooms

<sup>1</sup> As of 30.06.23 including 20 future hotels in Israel (2,407 rooms), 10 future hotels in Europe (2,419 room), 5 future hotels in United Kingdom (817 room) and 8 future hotels in Greece and Cyprus (921 rooms).

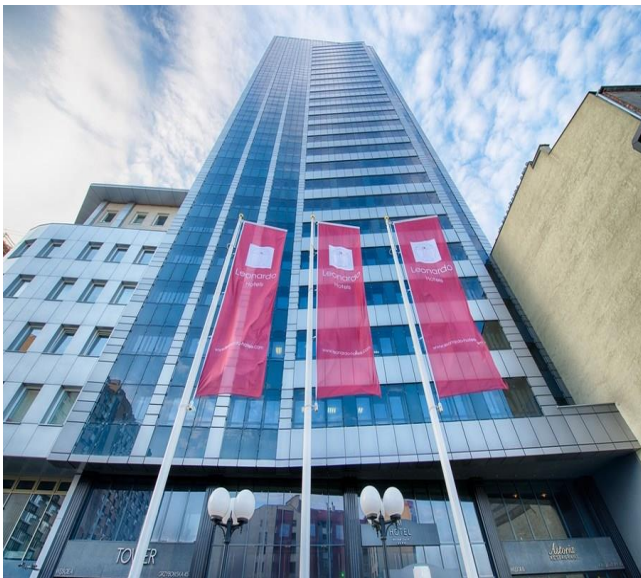
# Q2 - 2023

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

Increase in Average Daily Revenue per Room

Continued strengthening of the Company's financial ratios

The positive trends continue in the third quarter as well



**1.97**

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

**723**

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

**425**

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

**170**

**Record** net  
profit for the  
quarter<sup>2</sup>



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

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



# Forward looking view

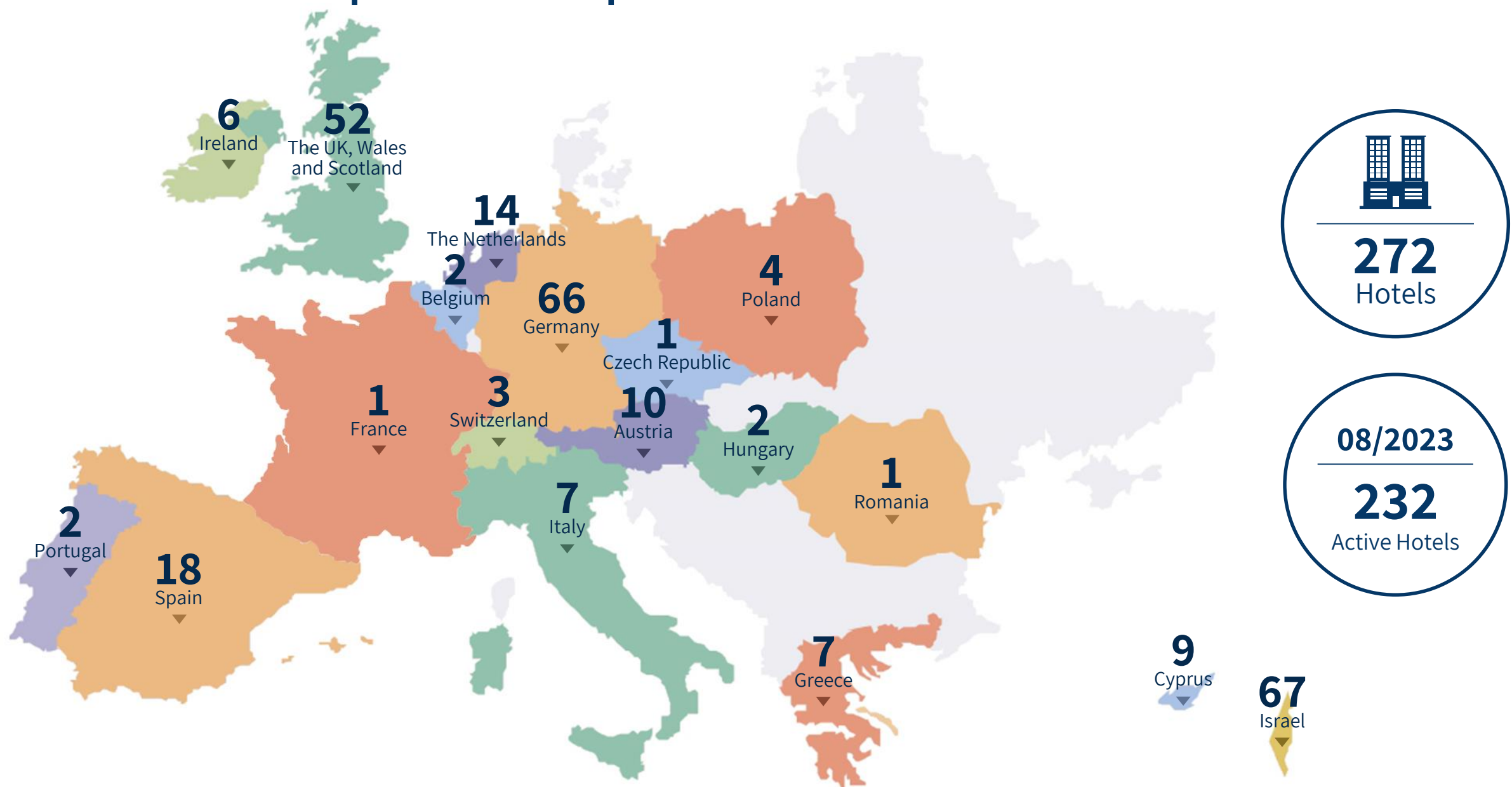


|                  | Revenues <sup>1</sup>      | EBITDAR <sup>1</sup>       | EBITDA <sup>1,2</sup>      |
|------------------|----------------------------|----------------------------|----------------------------|
| 2019             | 5,446<br>Million NIS       | 1,841<br>Million NIS       | 868<br>Million NIS         |
| 2021             | 3,150<br>Million NIS       | 1,224<br>Million NIS       | 452<br>Million NIS         |
| 2022             | 5,811<br>Million NIS       | 1,946<br>Million NIS       | 931<br>Million NIS         |
| 2023<br>forecast | 7,400-7,700<br>Million NIS | 2,400-2,600<br>Million NIS | 1,350-1,450<br>Million NIS |

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

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

# Fattal Hotel Group on the Map<sup>1</sup> – 21 Countries

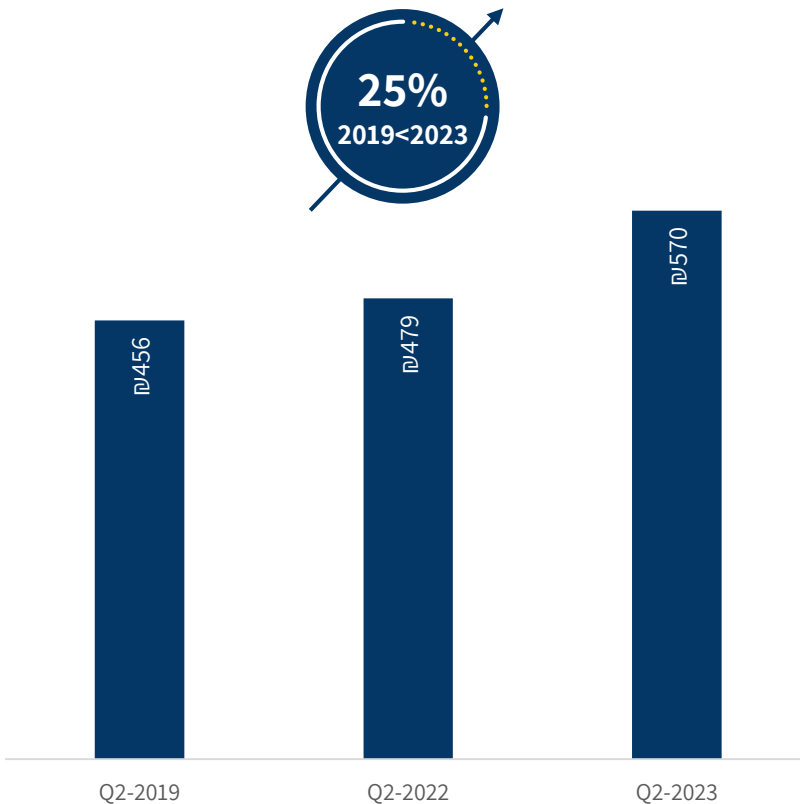


<sup>1</sup> Including future hotels (as of the date of signing the Report)

# Average Daily Revenue per Room of the entire chain<sup>1</sup> (ADR<sup>2</sup>) – Q2

Dealing With the Effects of Inflation and Rising Expenses

The data includes the currency effect

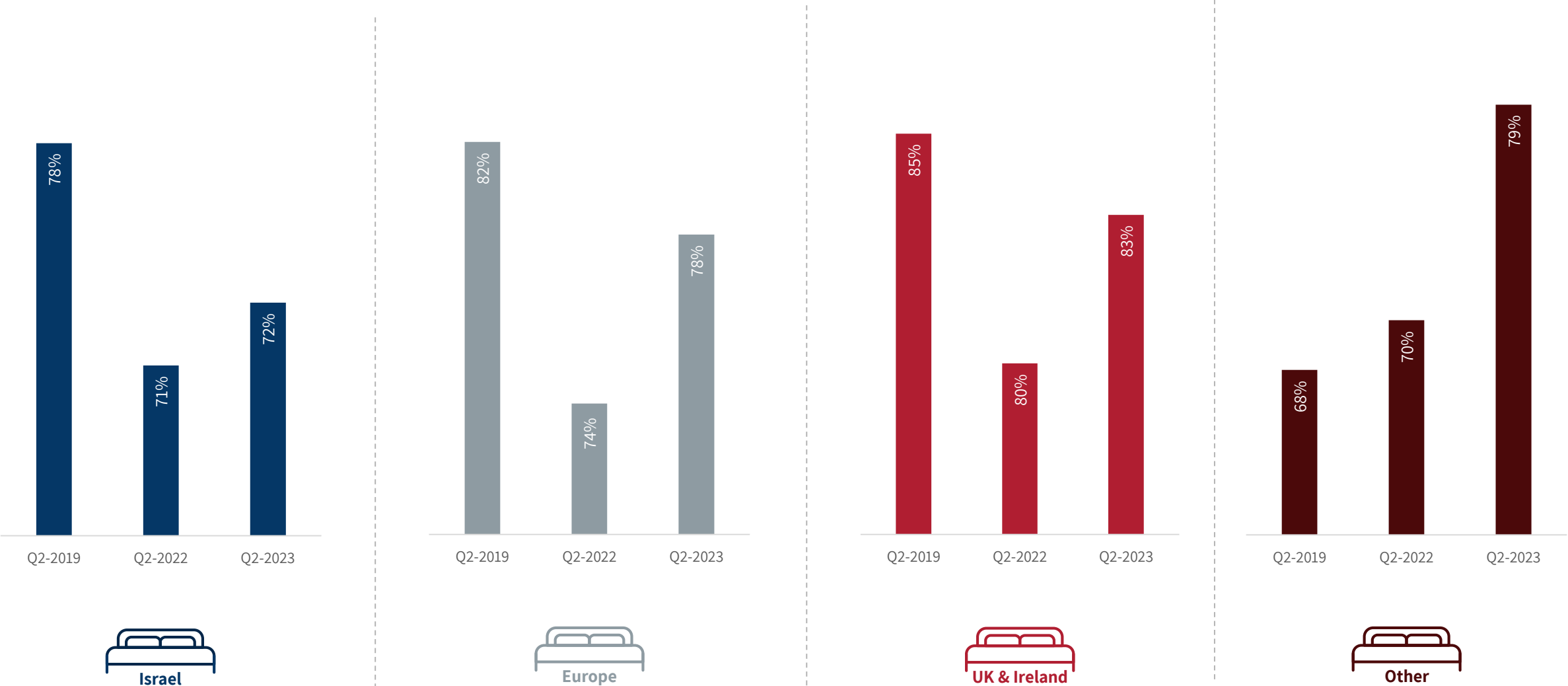


<sup>1</sup> Includes the Company's share in affiliated companies

<sup>2</sup> The ratio between the hotel's total revenues and the occupied rooms in the hotel. This figure does not include managed hotels.



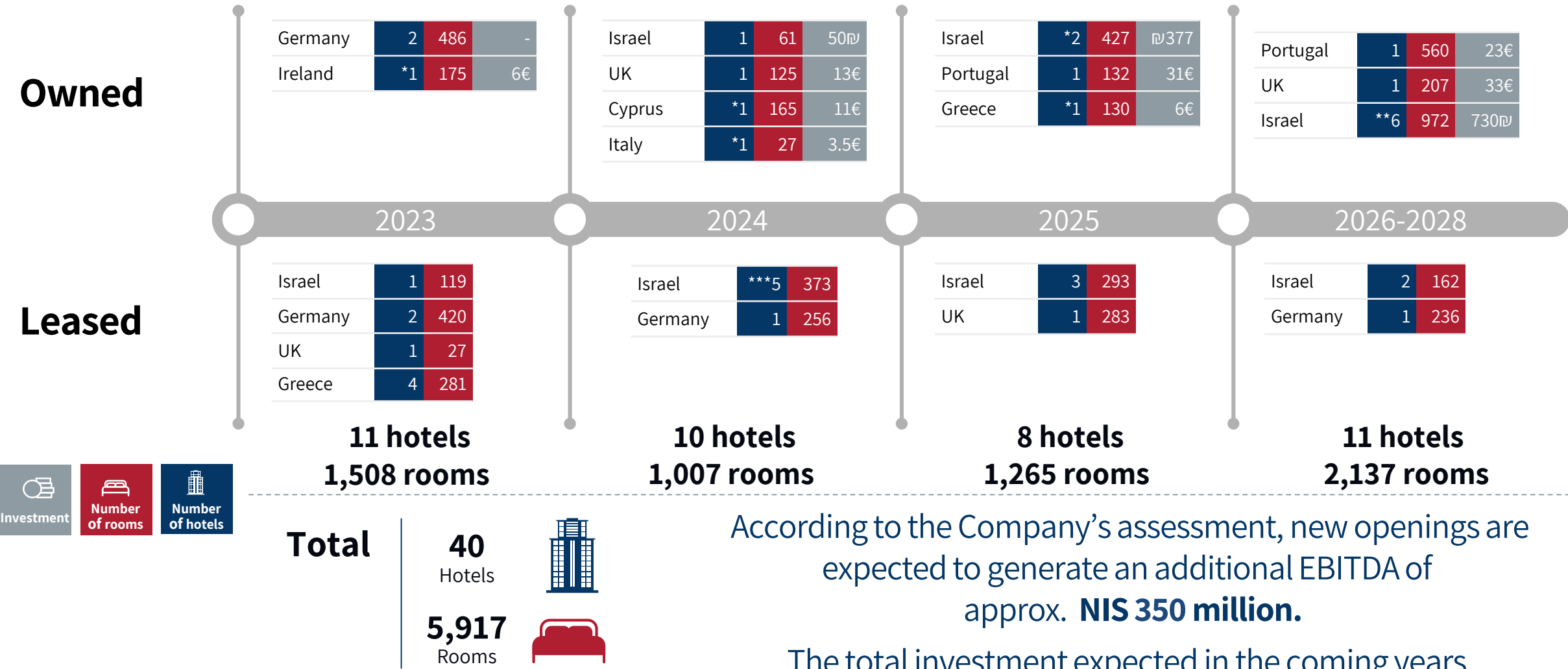
# Average occupancy rates in the chain<sup>1</sup> – Q2



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

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

(excluding hotels under Hotel Partnership in Europe)



<sup>1</sup> Investment amounts shown are from June 30, 2023 onwards. The amounts are in millions

\* 6 hotels of which are partially owned (924 rooms)

\*\* 5 hotels of which are partially owned (754 rooms)

\*\*\* Including a management hotel in Jerusalem (88 rooms)

# Expansion of the Fattal Limited Edition brand The Company's Luxury Hotel Collection





# Growth Engine - Establishing a Hotel Partnership in Europe

investment  
commitment of  
**EUR 381 million**



Investment commitment of  
**EUR 100 million**



Investment  
commitment of  
**EUR 100 million**



Investment commitment of  
**EUR 100 million**



**Leumi Partners**  
Investment commitment of  
**EUR 15 million**



Investment commitment of  
**EUR 10 million**

**Partners**



Investment House  
Investment commitment of  
**EUR 35 million**



Investment commitment of  
**EUR 10 million**



Investment commitment of  
**EUR 11 million**

**EUR 273 million**  
calls for money as  
of today



# Growth Engine - Establishing a Hotel Partnership in Europe

|                                                                                     |                                                   |       |          |
|-------------------------------------------------------------------------------------|---------------------------------------------------|-------|----------|
|    | <b>Spain</b> – Barcelona, Ibiza, Malaga, Mallorca | 1,748 | 9 Hotels |
|    | <b>Cyprus</b> - Limassol, Larnaca, Latchi         | 470   | 3 Hotels |
|    | <b>Poland</b> - Krakow                            | 60    | 1 Hotel  |
|    | <b>Greece</b> - Nafplio                           | 105   | 1 Hotel  |
|    | <b>Austria</b> - Vienna                           | 211   | 1 Hotel  |
|    | <b>England</b> – London, Brighton                 | 484   | 2 Hotel  |
|   | <b>Italy</b> – Garda                              | 127   | 1 Hotel  |
|  | <b>Germany</b> – Berlin                           | 190   | 1 Hotel  |

**Total**



**19** Hotels



**3,395** Rooms

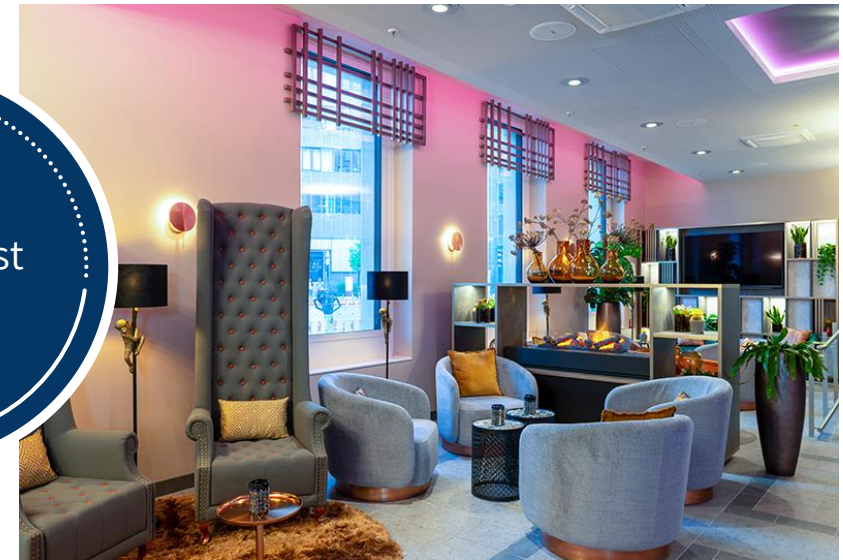
**651M€**

The Value of  
transactions  
signed



**850M€**

total forecast  
property  
portfolio



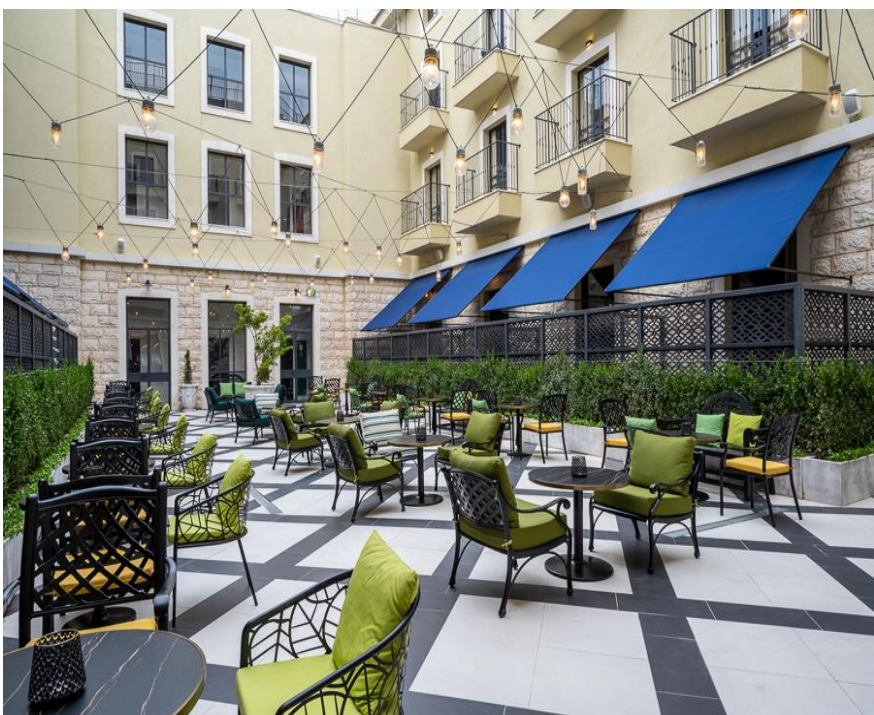
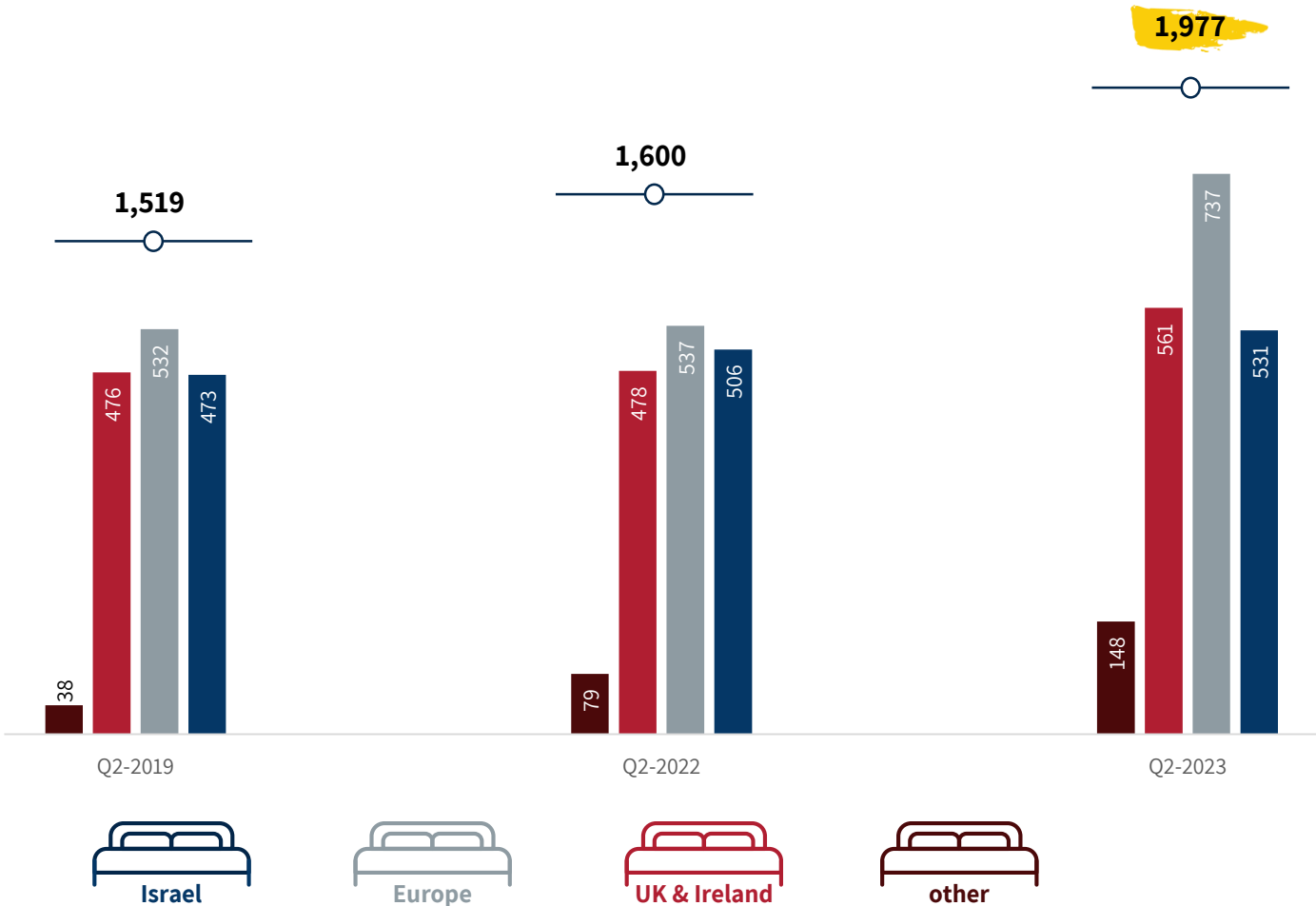


## The Group's Financial Results 30.06.23

# Main Financial Data – Revenues<sup>1</sup> (NIS millions)

## Q2 Results

Record results for the quarter

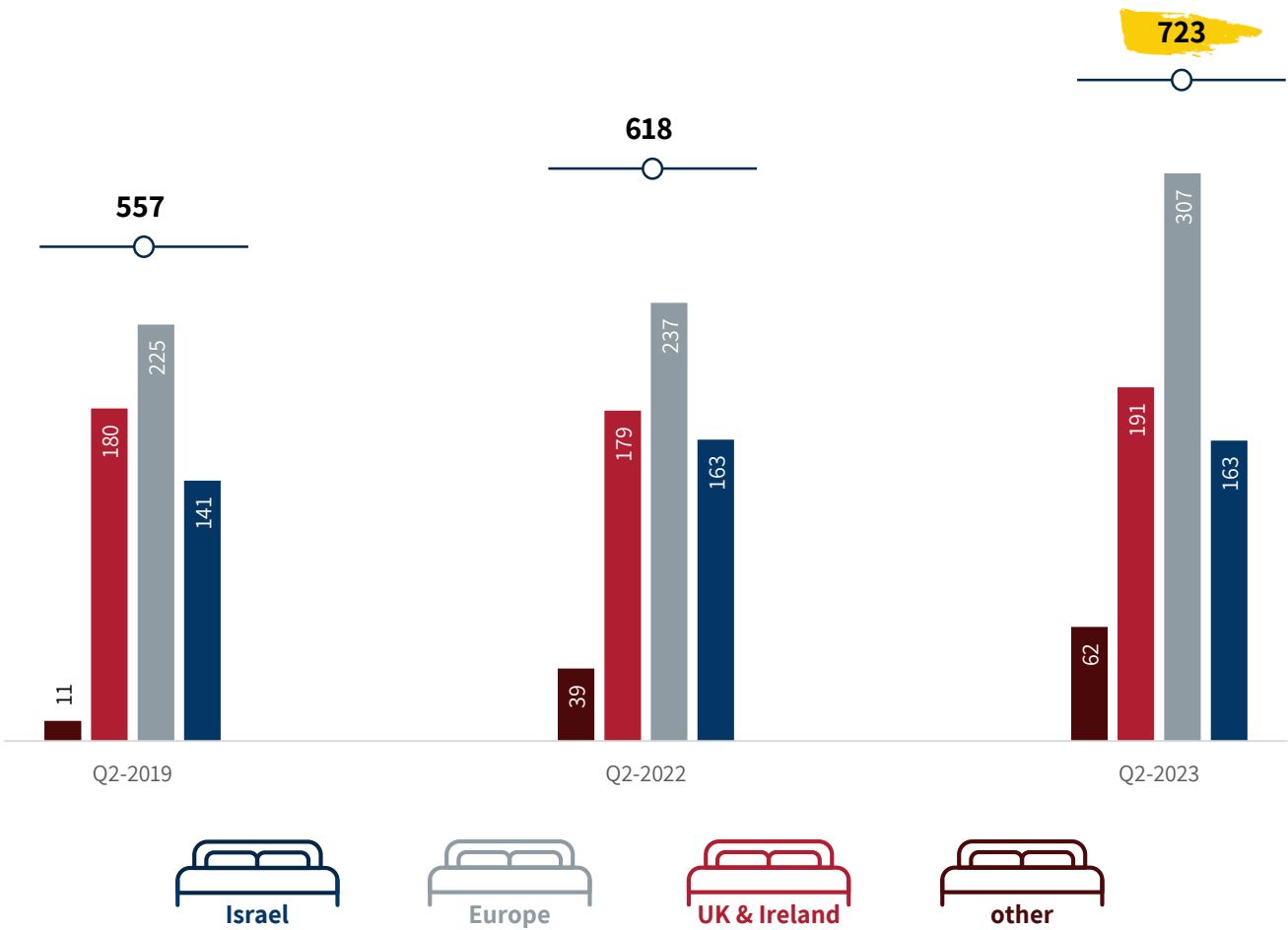


<sup>1</sup> Includes the Company's share in affiliated companies

# Main Financial Data - EBITDAR<sup>1</sup> (NIS millions)

## Q2 Results

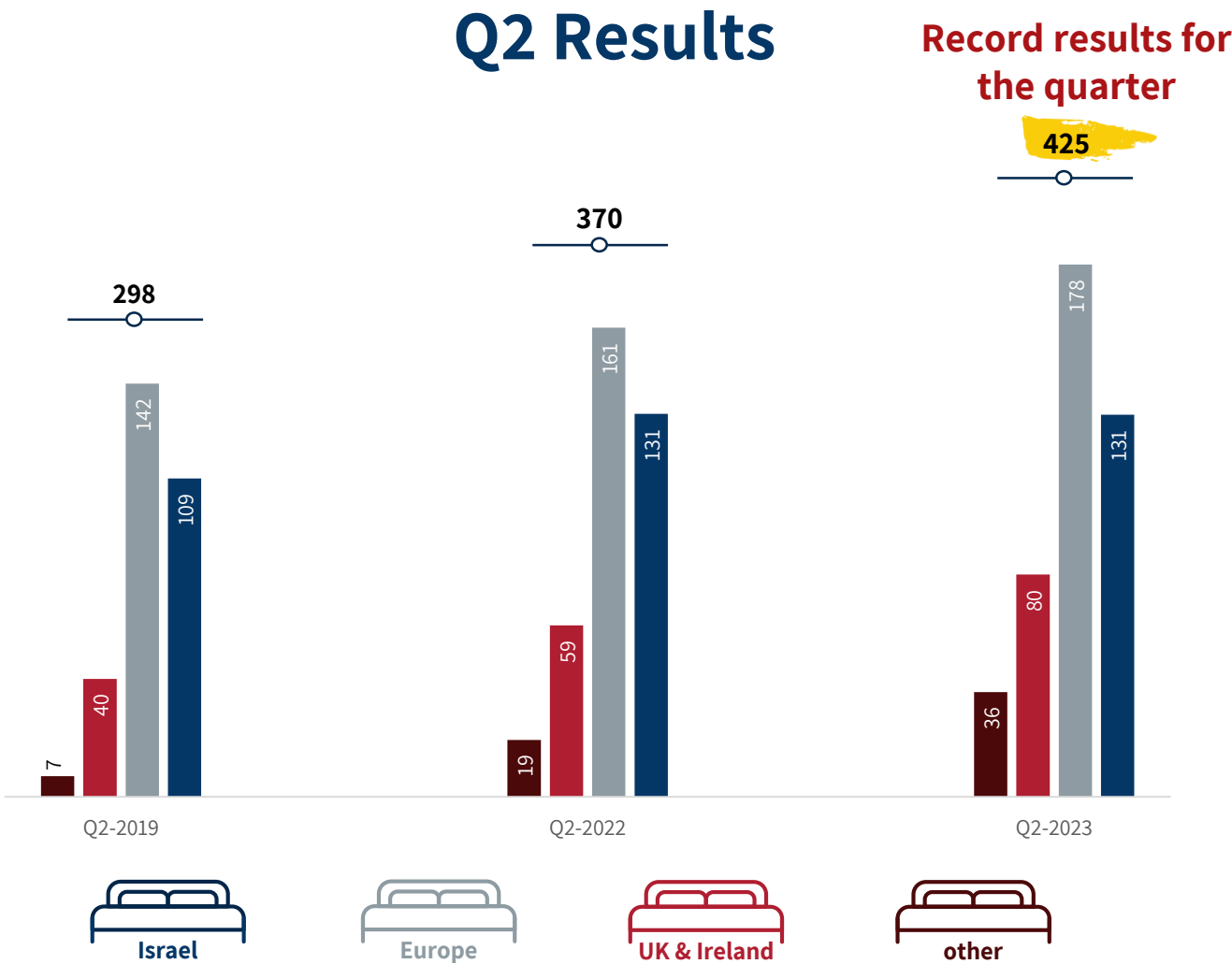
Record results for the quarter



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

# Main Financial Data - EBITDA<sup>1</sup> (NIS Millions) Prior to the Impact of Standard IFRS 16

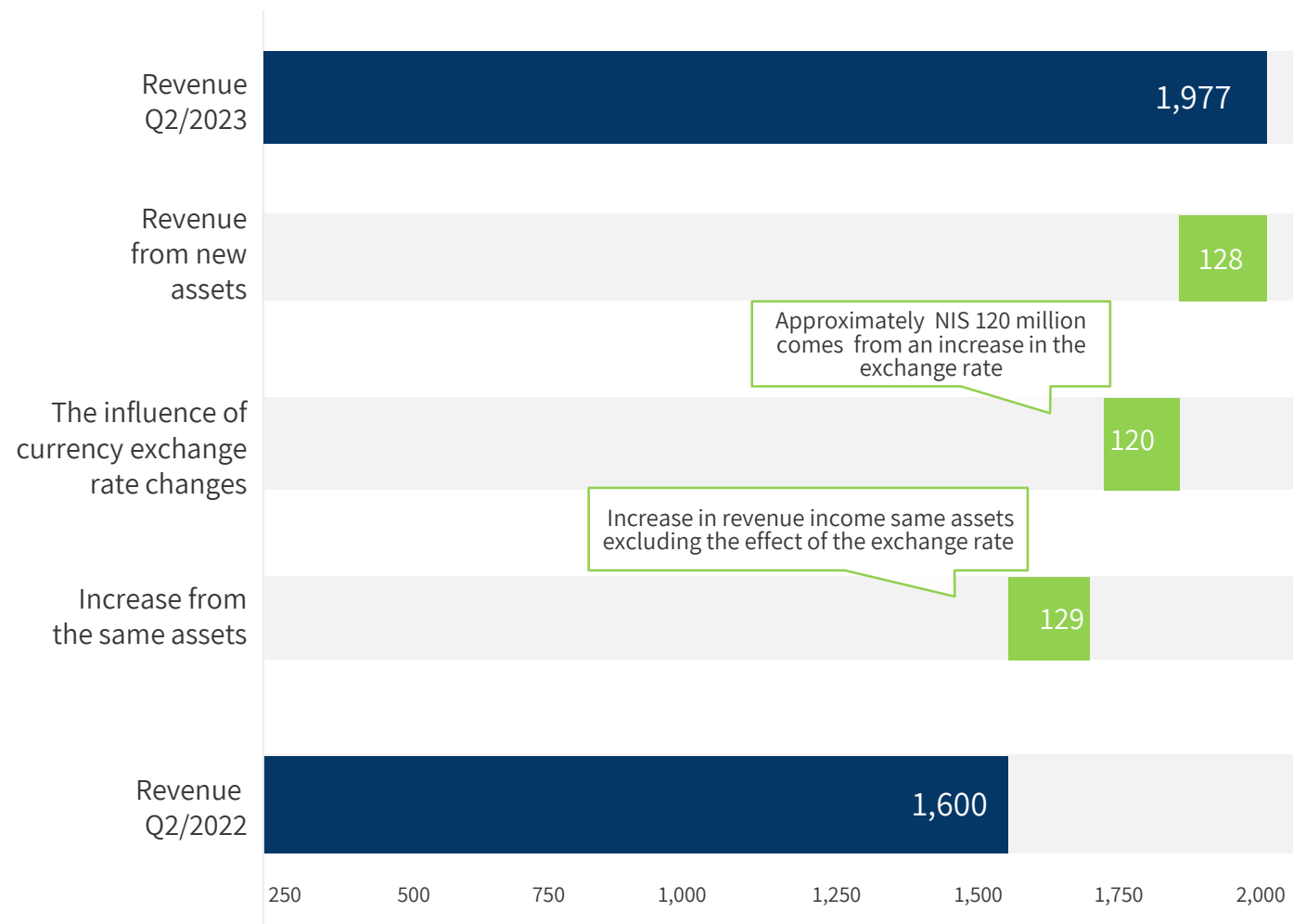
## Q2 Results

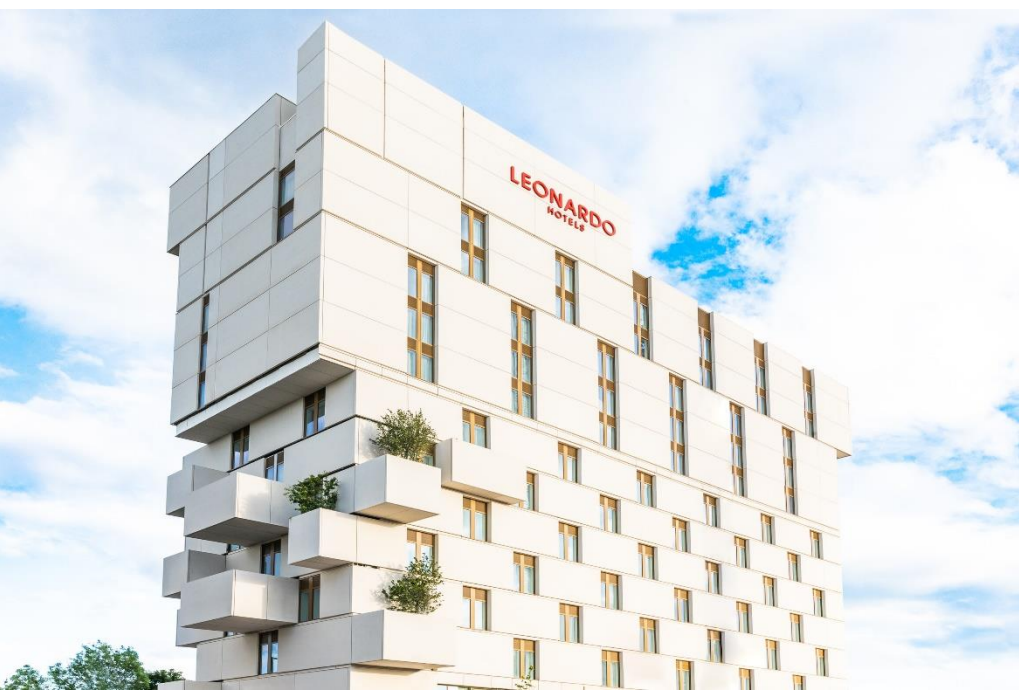


<sup>1</sup> Includes the Company's share in affiliated companies

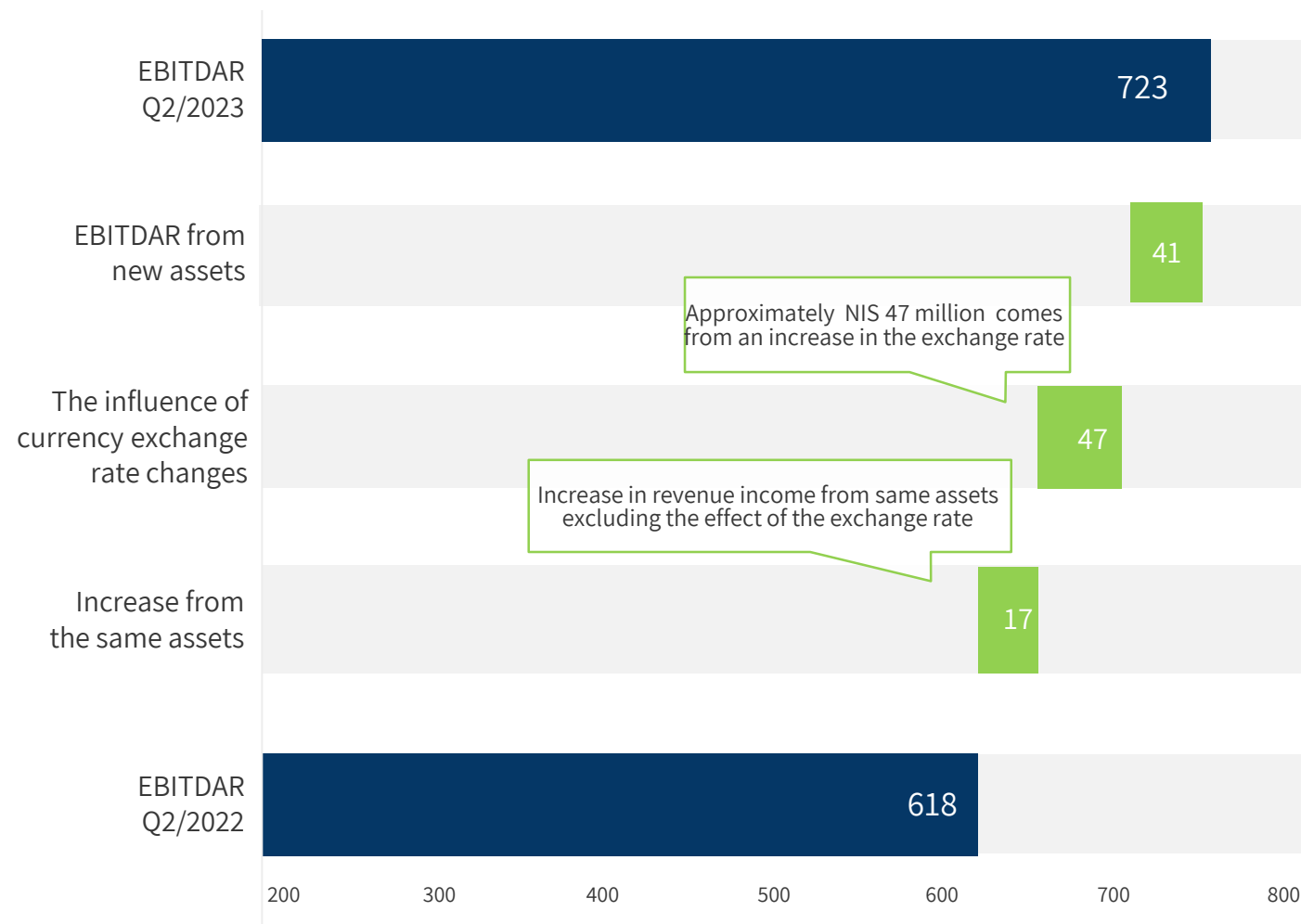


## Segmentation of quarterly revenue cycle from the same assets– Q2



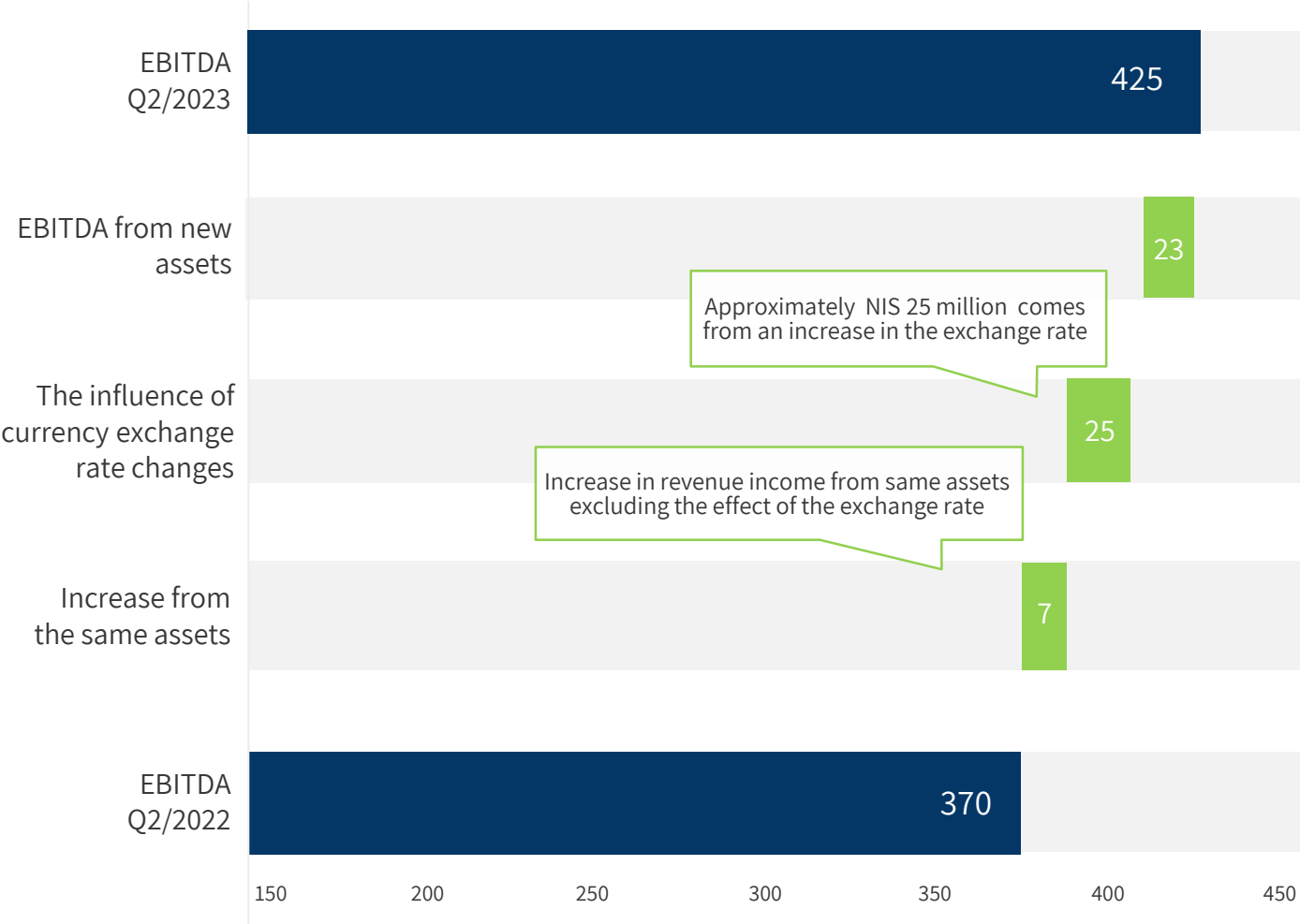


# Segmentation of quarterly EBITDAR from the same assets– Q2



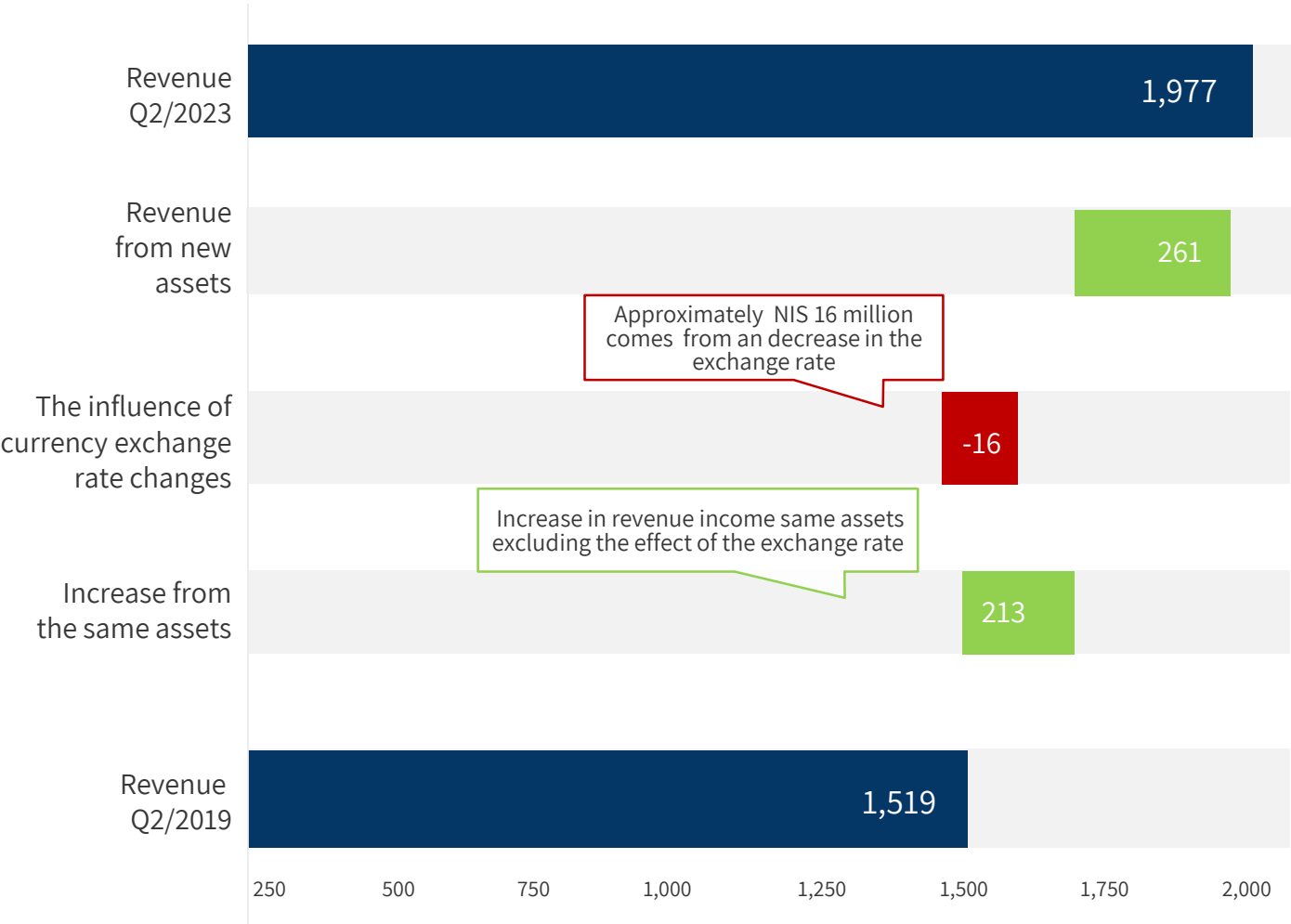


# Segmentation of quarterly EBITDA from the same assets– Q2



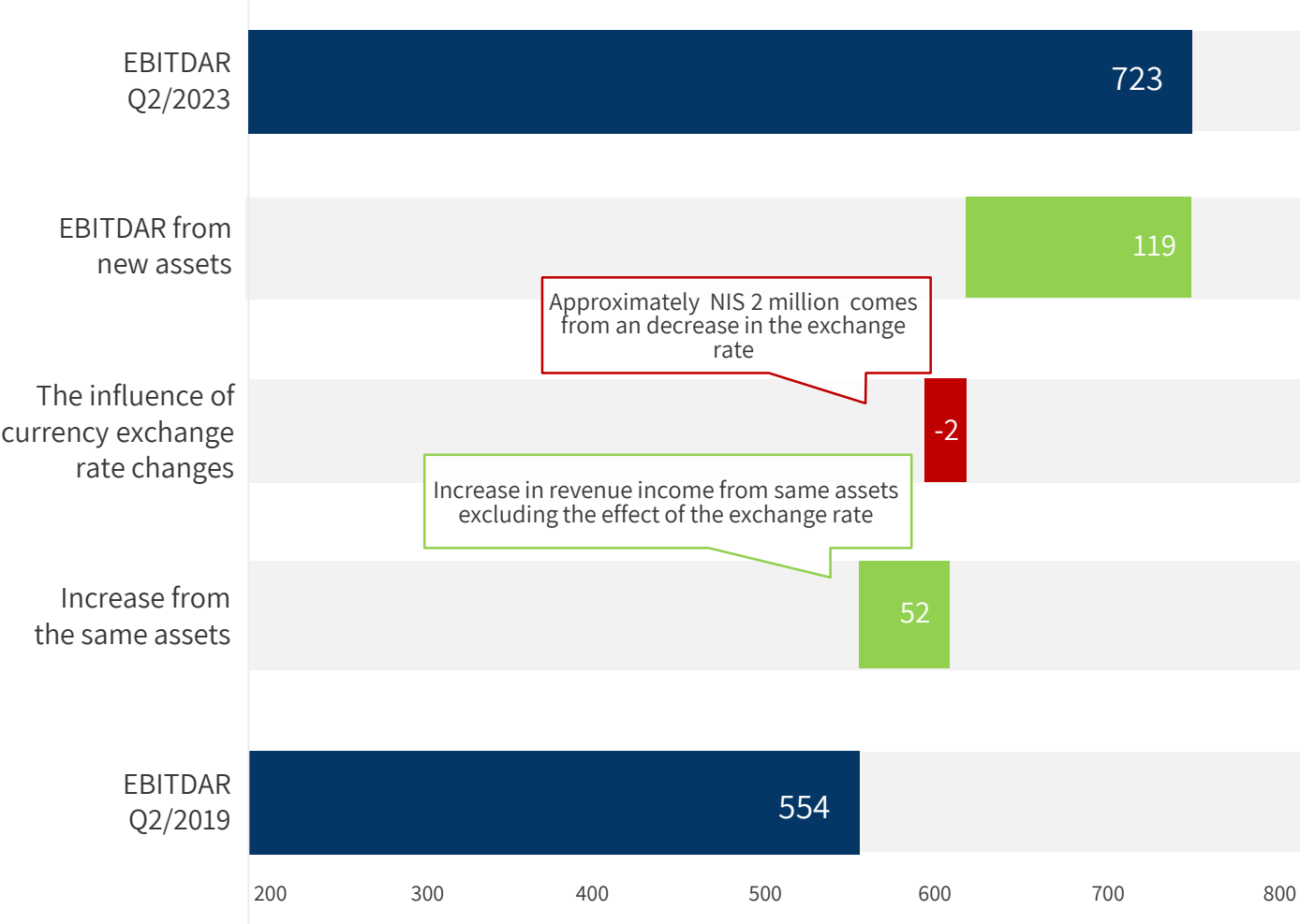


# Segmentation of quarterly revenue cycle from the same assets– Q2



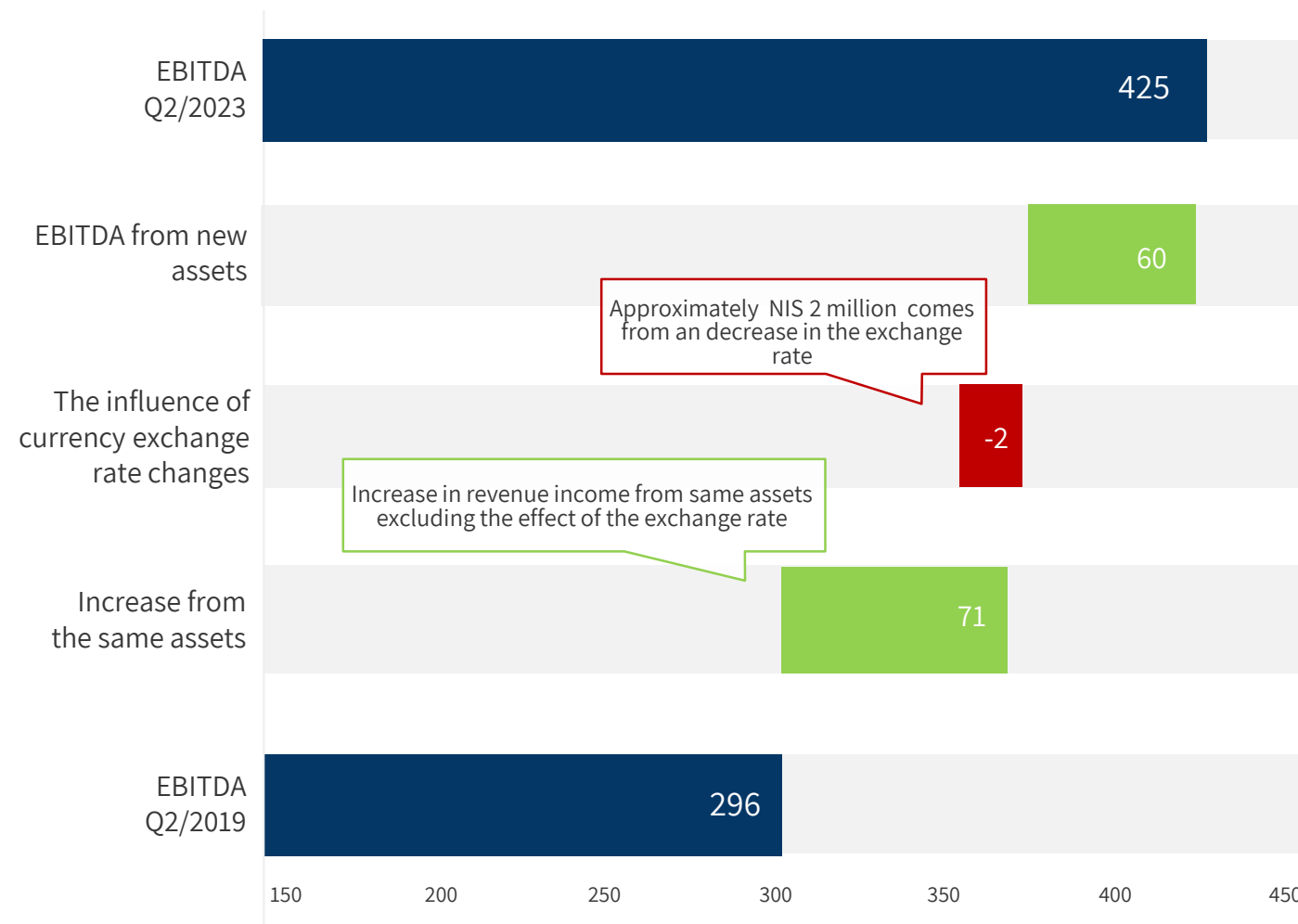


# Segmentation of quarterly EBITDAR from the same assets– Q2

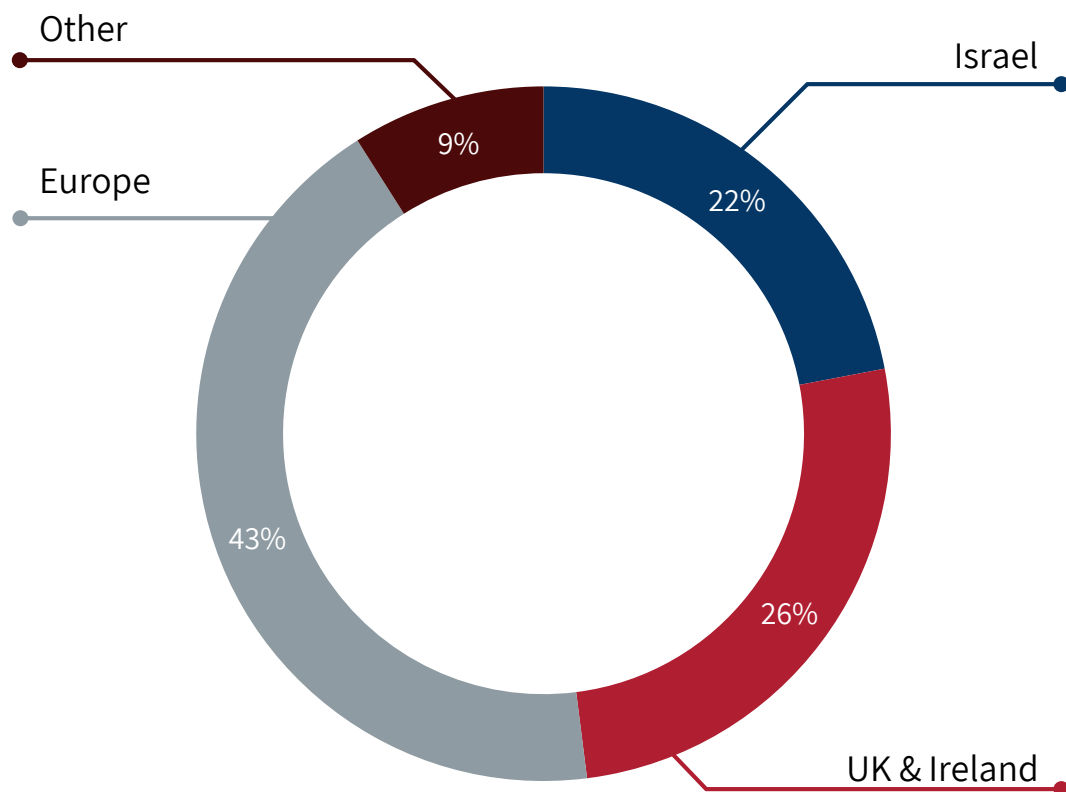




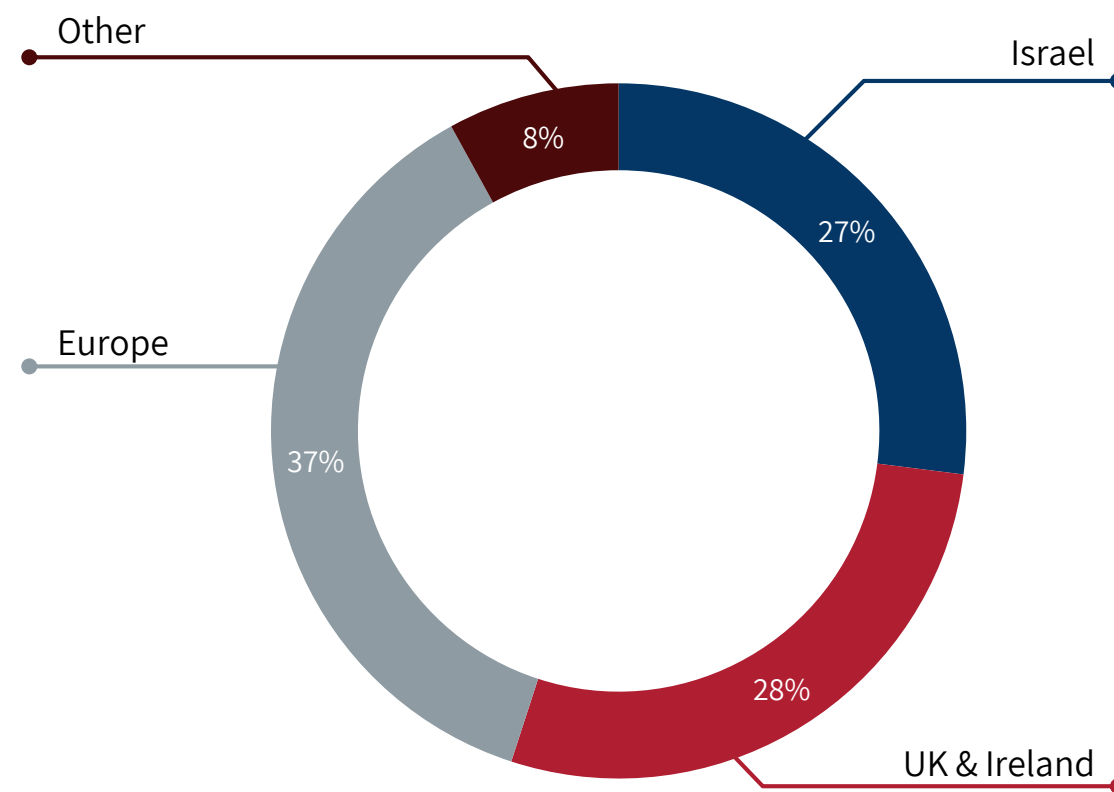
# Segmentation of quarterly EBITDA from the same assets– Q2



## EBITDAR Split – Q2/2023

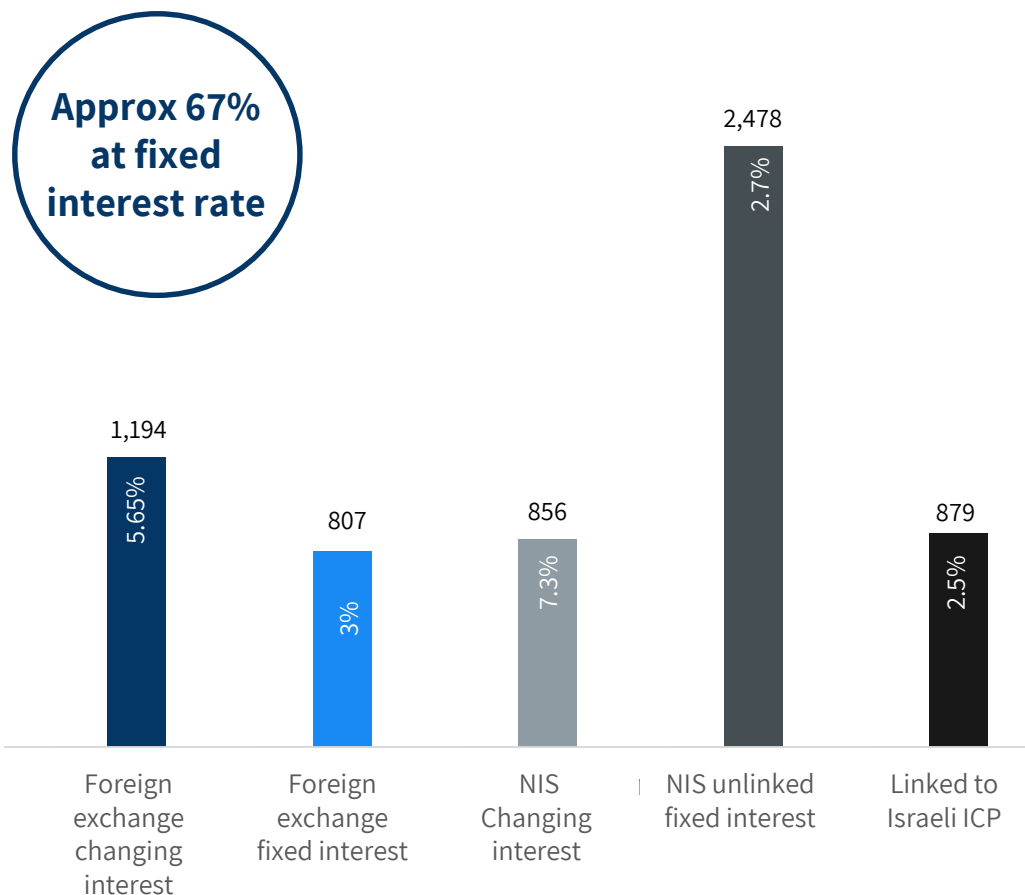


## Revenue Split – Q2/2023

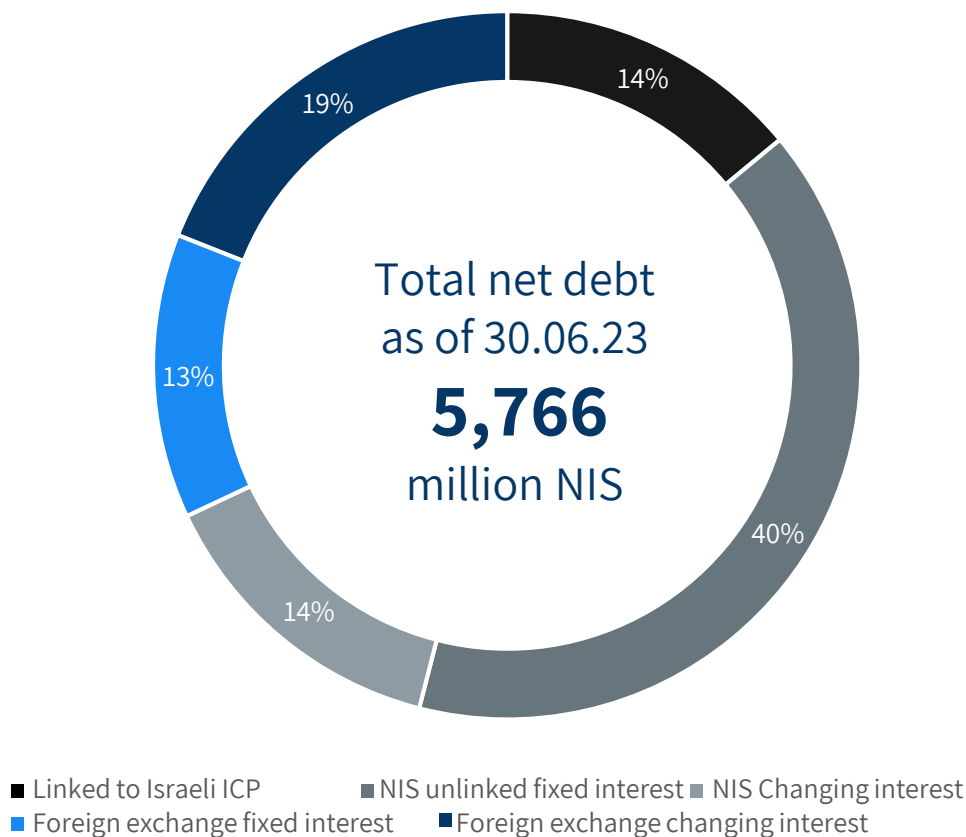


# Key Debt Metrics(NIS millions)

Debt and average interest rate  
as of 30.06.23



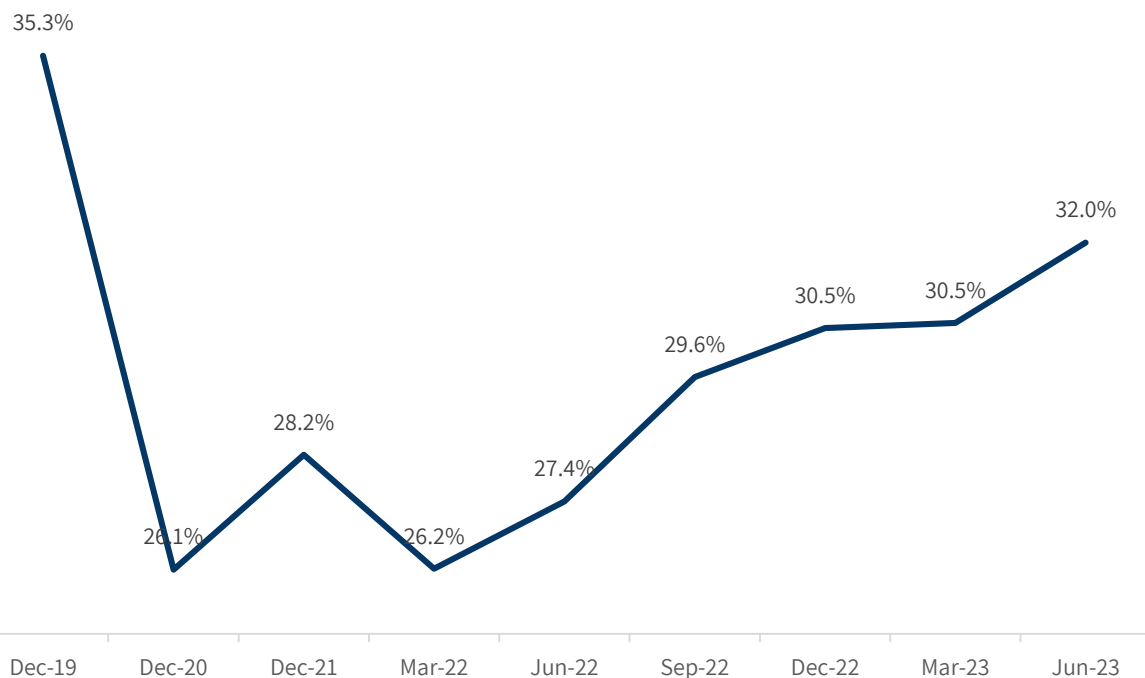
Split by debt type



The Company has unpledged assets worth a total  
of NIS 330 million

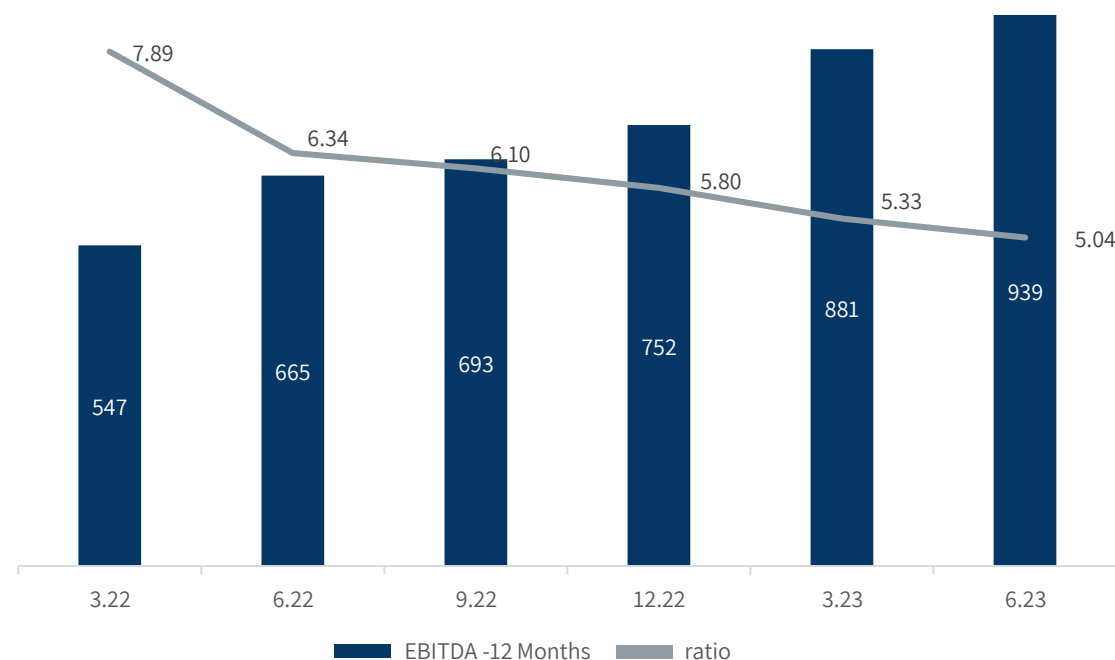
# Financial Ratios<sup>1</sup> (NIS Millions)

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



The Company meets all financial standards to which it is committed

## Declining debt/EBITDA ratio



The Company's management estimates that it will achieve a debt ratio of about **4.5** by the end of **2023**

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

# Consolidated Balance Sheet (NIS millions)

|                                        | Jun-23                                 |                   | Jun-23                               | Jun-22        | Dec-22        |
|----------------------------------------|----------------------------------------|-------------------|--------------------------------------|---------------|---------------|
|                                        | Data prior to implementation of IFRS16 | Impacts of IFRS16 | As shown in the Financial Statements |               |               |
| Current Assets                         | 1,314                                  | (66)              | 1,248                                | 1,452         | 1,587         |
| Long Term Investments and Other Assets | 3,775                                  | 12,860            | 16,635                               | 14,448        | 15,298        |
| Fixed Assets                           | 7,383                                  | -                 | 7,383                                | 6,050         | 6,674         |
| <b>Total Assets</b>                    | <b>12,472</b>                          | <b>12,794</b>     | <b>25,266</b>                        | <b>21,950</b> | <b>23,559</b> |
| Short Term Credit                      | 947                                    | -                 | 947                                  | 711           | 1,161         |
| Other Current Liabilities              | 1,332                                  | 481               | 1,813                                | 1,727         | 1,651         |
| Loans and Bonds – Long Term            | 5,266                                  | -                 | 5,266                                | 4,912         | 4,925         |
| Deferred taxes                         | 419                                    | -                 | 419                                  | 356           | 412           |
| Others                                 | 519                                    | 13,501            | 14,020                               | 12,230        | 12,850        |
| <b>Total Liabilities</b>               | <b>8,483</b>                           | <b>13,982</b>     | <b>22,465</b>                        | <b>19,936</b> | <b>20,999</b> |
| <b>Shareholders' Equity</b>            | <b>3,989</b>                           | <b>(1,188)</b>    | <b>2,801</b>                         | <b>2,014</b>  | <b>2,560</b>  |
| <b>Total Liabilities and Equity</b>    | <b>12,472</b>                          | <b>12,794</b>     | <b>25,266</b>                        | <b>21,950</b> | <b>23,559</b> |



# Consolidated Profit and Loss Statement (NIS million)

|                                                                     |                                        | 1-6/23            |                                      | 1-6/22       | 1-12/22      |
|---------------------------------------------------------------------|----------------------------------------|-------------------|--------------------------------------|--------------|--------------|
|                                                                     | Data prior to implementation of IFRS16 | Impacts of IFRS16 | As shown in the Financial Statements |              |              |
| Revenues from Hospitality Services and Others                       | 3,133                                  | -                 | 3,133                                | 2,259        | 5,471        |
| Total Operating Expenses                                            | 2,126                                  | -                 | 2,126                                | 1,602        | 3,646        |
| Operating income before rent, depreciation and reductions (EBITDAR) | 1,007                                  | -                 | 1,007                                | 657          | 1,825        |
| Total Rent                                                          | 661                                    | (602)             | 59                                   | 21           | 93           |
| Operating income before depreciation and amortization (EBITDA)      | 346                                    | 602               | 948                                  | 636          | 1,732        |
| Depreciation                                                        | (169)                                  | (371)             | (540)                                | (474)        | (1,005)      |
| Other Income (Expenses), Net                                        | (6)                                    | -                 | (6)                                  | 16           | 21           |
| Profit before Financing                                             | 171                                    | 231               | 402                                  | 178          | 748          |
| Financing Expenses, Net                                             | (141)                                  | (352)             | (493)                                | (425)        | (882)        |
| Group's Share in the Subsidiaries' Earnings (Losses)                | (17)                                   | 2                 | (15)                                 | (14)         | 1            |
| Tax Benefit (Tax Expenses )                                         | (5)                                    | 36                | 31                                   | 97           | 55           |
| <b>Net Income (loss)</b>                                            | <b>8</b>                               | <b>(83)</b>       | <b>(75)</b>                          | <b>(164)</b> | <b>( 78)</b> |
| Net Earnings Attributed to Shareholders of the company              | 8                                      | (83)              | (75)                                 | (165)        | (78)         |
| Net Earnings Attributed to Non-controlling Interests                | -                                      | -                 | -                                    | 1            | -            |
| <b>Real FFO</b>                                                     | <b>150</b>                             |                   | <b>150</b>                           | <b>42</b>    | <b>516</b>   |



# Consolidated Profit and Loss Statement (NIS million)

|                                                                     |                                        | 4-6/23            |                                      | 4-6/22     |
|---------------------------------------------------------------------|----------------------------------------|-------------------|--------------------------------------|------------|
|                                                                     | Data prior to implementation of IFRS16 | Impacts of IFRS16 | As shown in the Financial Statements |            |
| Revenues from Hospitality Services and Others                       | 1,891                                  | -                 | 1,891                                | 1,507      |
| Total Operating Expenses                                            | 1,179                                  | -                 | 1,179                                | 944        |
| Operating income before rent, depreciation and reductions (EBITDAR) | 712                                    | -                 | 712                                  | 563        |
| Total Rent                                                          | 359                                    | (307)             | 52                                   | 17         |
| Operating income before depreciation and amortization (EBITDA)      | 353                                    | 307               | 660                                  | 546        |
| Depreciation                                                        | (86)                                   | (191)             | (277)                                | (241)      |
| Other Income (Expenses), Net                                        | (4)                                    | -                 | (4)                                  | 2          |
| Profit before Financing                                             | 263                                    | 116               | 379                                  | 307        |
| Financing Expenses, Net                                             | (66)                                   | (182)             | (248)                                | (213)      |
| Group's Share in the Subsidiaries' Earnings (Losses)                | 9                                      | (3)               | 6                                    | (5)        |
| Tax Benefit (Tax Expenses )                                         | (36)                                   | 19                | (17)                                 | 20         |
| <b>Net Income</b>                                                   | <b>170</b>                             | <b>(50)</b>       | <b>120</b>                           | <b>109</b> |
| Net Earnings Attributed to Shareholders of the company              | 170                                    | (50)              | 120                                  | 108        |
| Net Earnings Attributed to Non-controlling Interests                | -                                      | -                 | -                                    | 1          |
| <b>Real FFO</b>                                                     | <b>271</b>                             |                   | <b>271</b>                           | <b>256</b> |



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. The background is dark and moody, with a small vase of flowers visible in the upper left.

*Fattal* ♥ *פאטל*

HOUSE OF HOTELS | בית של מלונות

Thank you for your attention!