
Good growth and high dynamics

January-March 2017



Interim report presentation

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Forward-looking statements

This presentation contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of Pandox AB (publ), may cause actual developments and results to differ materially from the expectations expressed in this presentation.



Good growth and a very dynamic quarter

23%

Growth in cash earnings

- 1 Profitable acquisitions.
- 2 A strong underlying hotel market.
- 3 Positive calendar effect due to Easter.

16%

Return on equity¹

8%

Growth in NOI
Property Management²

14%

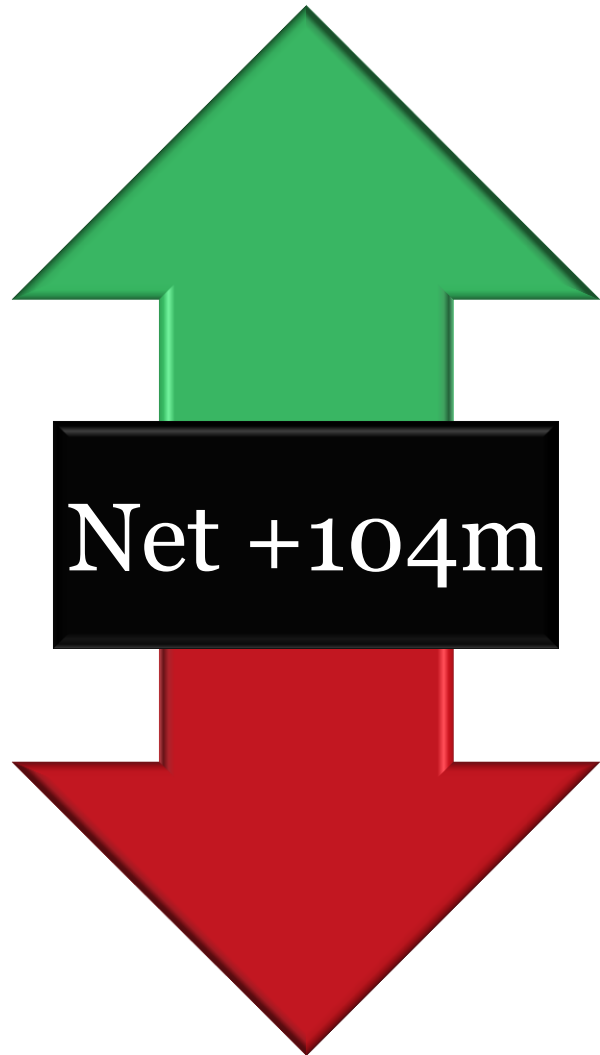
Growth in NOI
Operator Activities²

1) Measured as growth in EPRA NAV including dividend and excluding proceeds from directed share issue at annual rate.

2) Adjusted for currency effects and comparable units.

Solid increase in net operating income (total NOI)

Several positive factors supported



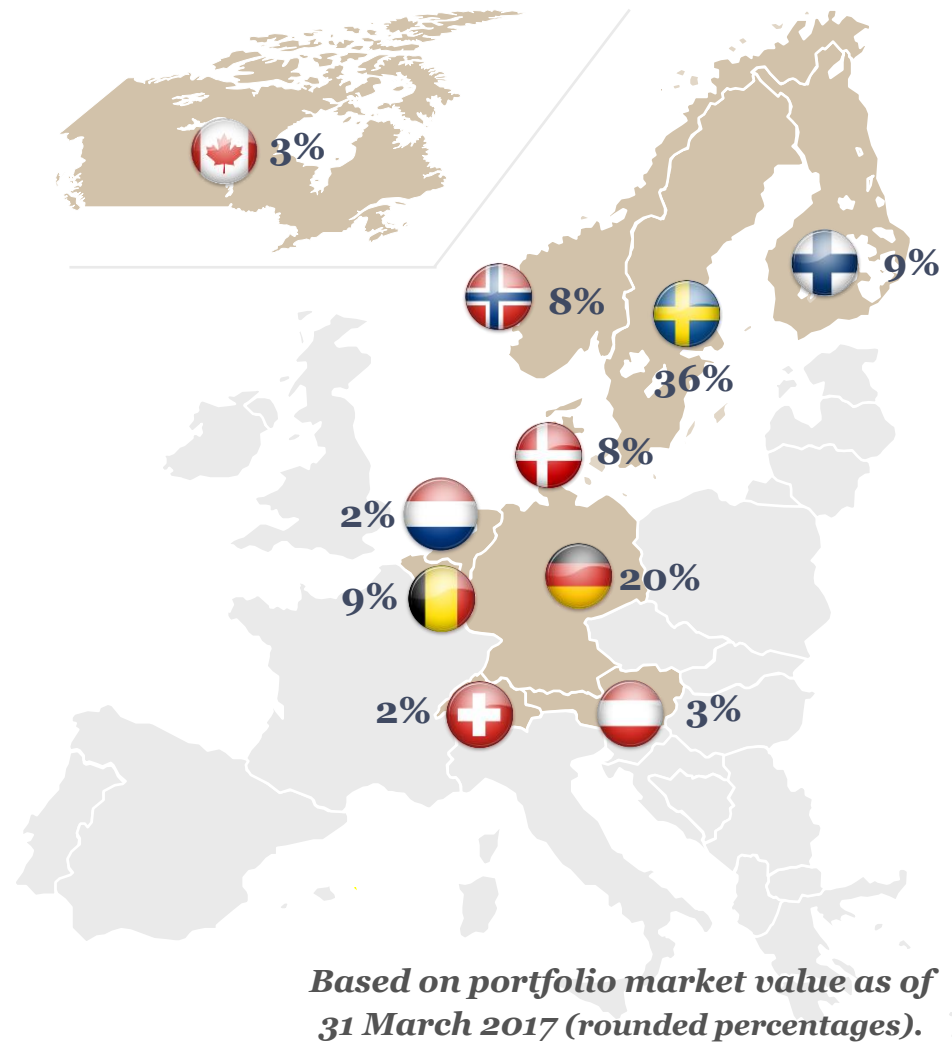
- + Acquisitions
 - + Improved underlying demand
 - + Positive Easter effect
 - + Continued recovery in Brussels
-
- Divestments in the comparable period
 - Renovation effects in Berlin and Montreal

Portfolio overview

Well-diversified portfolio dominated by leases

- Focused strategy on large hotel properties in the upper-medium to high-end segments in strategic locations.
- Active ownership model combining a large, attractive portfolio with excellent operational skills.

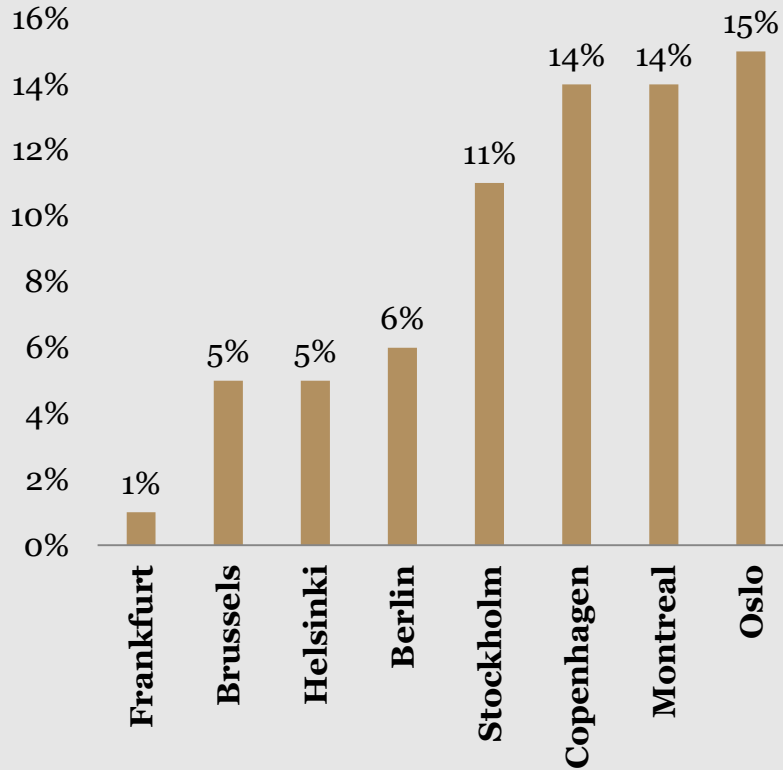
Pandox Group	Property Management	Operator Activities
120 Hotel Properties	99 Leased Properties	21 Operated Properties
SEK 38.6bn Portfolio Market Value	80% Property Market Value	20% Property Market Value
	5.6% Valuation Yield	7.4% Valuation Yield



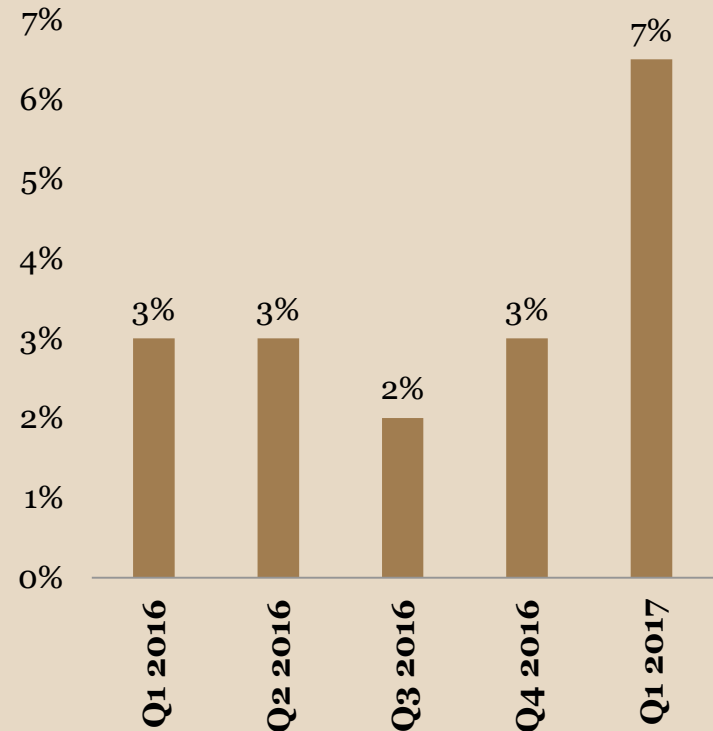
Based on portfolio market value as of 31 March 2017 (rounded percentages).

Good growth in key hotel markets (RevPAR Q1 y/y)

Key markets



Europe



Financial highlights

Solid growth in earnings

Key figures

(MSEK)	Q1 2017	Q1 2016	chg %	FY 2016
Revenue				
<i>Property Management (Note 1,2)</i>	474	386	23	1,787
Net operating income				
<i>Property Management (Note 1,2)</i>	396	320	24	1,495
Net operating income				
<i>Operator Activities (Note 2)</i>	82	54	52	439
EBITDA	450	350	29	1,817
Profit for the period	527	376	40	2,214
Cash earnings	290	235	23	1,289
Per share data (SEK)				
Cash earnings (Note 3)	1.81	1.55	16	8.49
EPRA NAV (Note 4)	125.7	-	-	126.2

(Note 1) Reclassification of Meininger Copenhagen 1 January 2017 to Property Management.

(Note 2) Reclassification of Thon Hotel Fagernes 1 January 2016, Thon Hotel Sørlandet 28 May 2016 and Meetingpoint Hafjell 1 September 2016 to Operator Activities.

(Note 3) Based on weighted number of shares 157,499,999 for Q1 2017. For information about previous years see page 21.

(Note 4) After non-controlling interest and provision for unpaid dividend of SEK 4.10 per share.

Comments on the quarter

- Property Management: LFL¹ growth in revenue and net operating income of 9 percent and 8 percent, respectively.
- Operator Activities: Improved profitability with a LFL¹ increase in net operating income of 14 percent.
- EPRA NAV per share amounted to SEK 129.8 (including unpaid dividend of SEK 4.10), an increase by SEK 3.5 from year-end 2016. Adjusted for dividend and new share issue the annualised return was 16 percent.
- Investment Properties experienced an unrealised and realised portfolio value increase of 1.0 percent. For Operating Properties (information purposes only) the unrealised value increase was 0.2 percent.

Strong organic growth in rental income and NOI

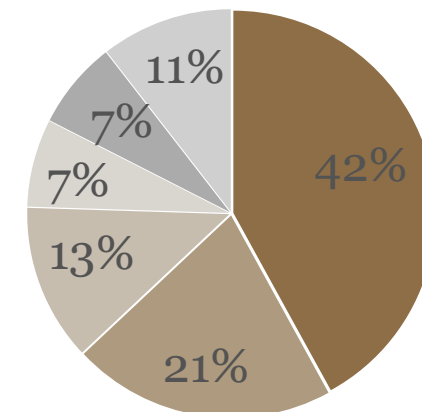
Property Management

Net operating income

(MSEK)	Q1 2017	Q1 2016	FY 2016
Rental income	456	374	1,717
Other property income	18	12	70
Costs*	-78	-66	-292
Net operating income	396	320	1,495

*Including property administration costs

Rental income Jan-Mar 2017 in %



Sweden
 Germany
 Finland
 Denmark
 Norway
 Other

- › LFL¹ rental income and net operating income increased by 9 percent and 8 percent, respectively.
- › Good demand across the lease portfolio.
- › Easter effect of some 3-4 percentage points on both rental income and NOI.
- › Seven hotel properties in Europe included from 19 December 2016, Meininger Copenhagen reclassified 1 January 2017 and eight hotel properties in Sweden divested 31 March 2016.

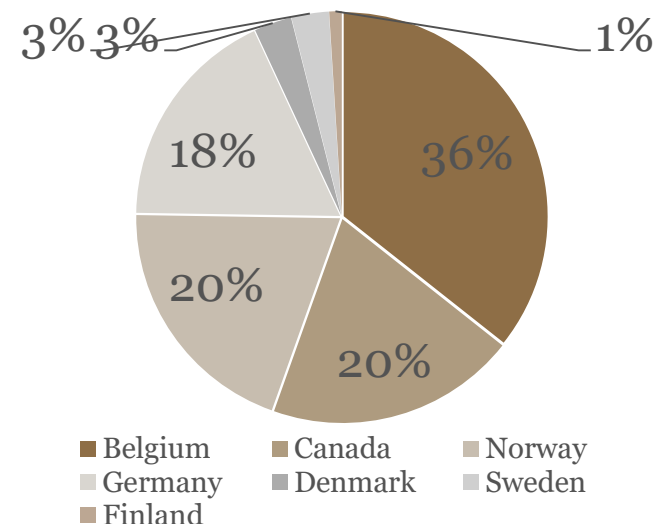
Profitability continued to improve in Brussels

Operator Activities

Net operating income

(MSEK)	Q1 2017	Q1 2016	FY 2016
Revenue	521	442	2,158
Costs	-479	-424	-1,866
Gross Profit	42	18	292
Add: Depreciation included in costs	40	36	147
Net operating income	82	54	439
NOI margin	16%	12%	20%
<i>NOI margin adjusted for Grand Hotel Oslo</i>	<i>18%</i>	<i>15%</i>	<i>23%</i>

Revenues Jan-Mar 2017 in %



- › LFL¹ revenue increased by 4 percent and net operating income by 14 percent.
- › NOI improvement mainly due to recovery in Brussels and a positive Easter effect.
- › NOI LFL improved by 21 percent in Brussels including some positive tax relief measures.
- › NOI negatively affected by renovations in Hotel Berlin, Berlin and Hyatt Regency, Montreal.

Property portfolio

Primarily yield driven with support from market and cash flow

Change in value (MSEK)

Change in value Investment properties

	MSEK
Investment properties, beginning of the period (January 1, 2017)	30,163
+ Acquisitions	—
+ Investments in current portfolio	92
- Divestments	—
+/- Reclassifications ¹	274
+/- Revaluation of fixed assets to the profit for the year ¹	176
+/- Unrealised changes in value	309
+/- Realised changes in value	—
+/- Change in currency exchange rates	-60
Investment properties, end of period (March 31, 2017)	30,954

+1.0%
YTD

Change in value Operating properties (reported for information purposes only)

	MSEK
Operating properties, market value beginning of the period (January 1, 2017)	8,070
+ Acquisitions	—
+ Investments in current portfolio	65
- Divestments	—
+/- Reclassifications ¹	-450
+/- Unrealised changes in value	18
+/- Realised changes in value	—
+/- Change in currency exchange rates	-27
Operating properties, market value end of period (March 31, 2017)	7,676

+0.2%
YTD

+1.0% YTD

Comments per 31 March, 2017

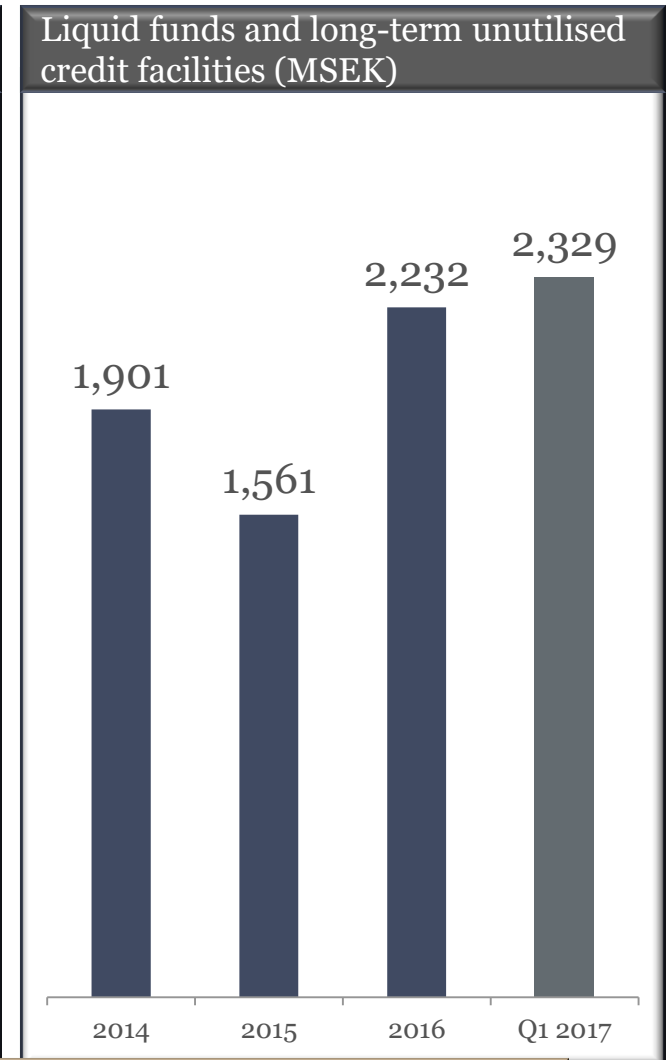
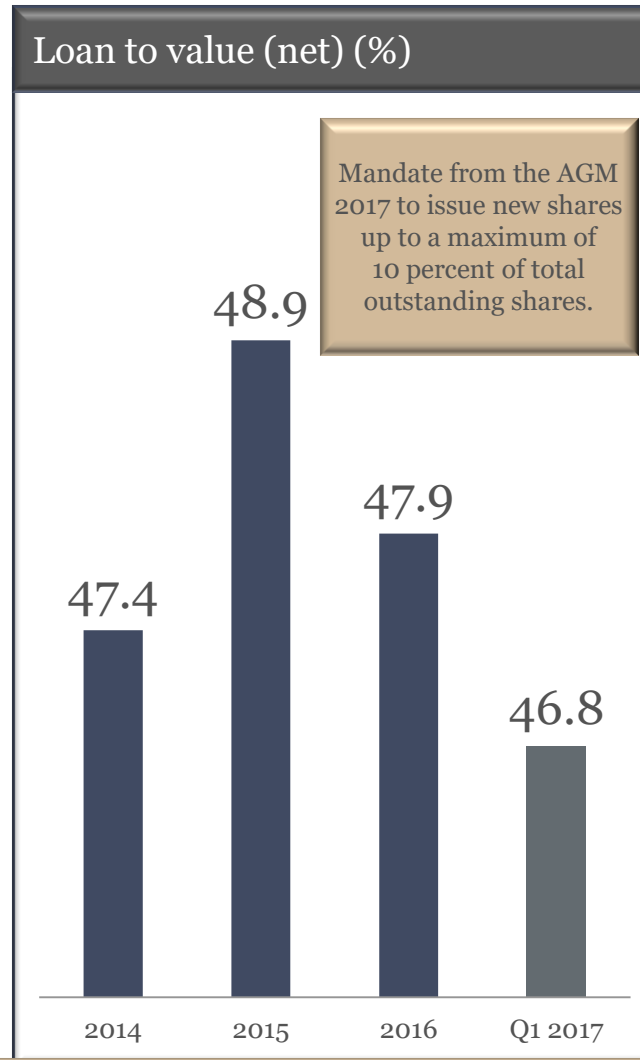
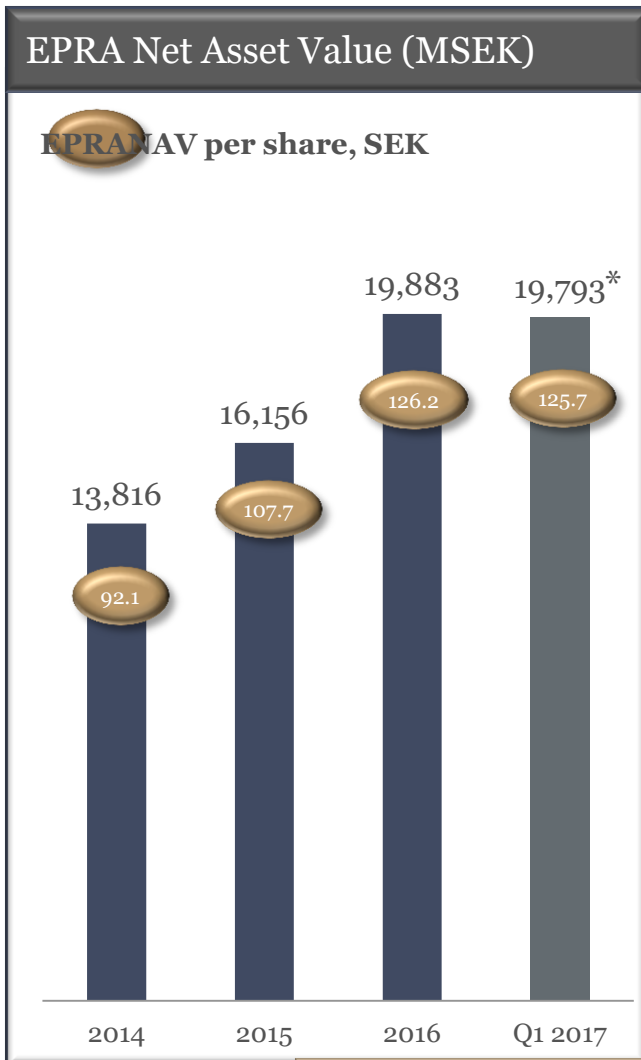
- Total property portfolio market value amounted to MSEK 38,630.
- Average valuation yield for Investment Properties was 5.6 (5.7) percent and for Operating Properties 7.4 (7.5) percent.
- External valuations in line with and confirms Pandox's internal valuations.

High level of activity:

- Reclassification of Meininger Copenhagen to Property Management 1 January, 2017.
- Reclassifications of three hotels expected in April, two in May and two in June to Property Management.

Financing and capital structure

Continued growth in EPRA NAV and high financial flexibility



*MSEK 20,439 adjusted for provision for unpaid dividend of MSEK 646, corresponding to 129.8 per share.

The main drivers for growth in cash earnings



Q&A

Financial calendar

9 May Capital Market Day
13 July 2017 Interim report Q2
10 November 2017 Interim report Q3

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