
Good growth and high efficiency

January-September 2017



Interim report presentation

10 November, 2017

Anders Nissen, CEO
Liia Nõu, CFO

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 high efficiency

20%

Growth in total cash earnings¹

- 1 A good hotel market
- 2 Successful acquisitions
- 3 Improved profitability in Operator Activities

17%

Return on equity²

3%

Growth in NOI Property Management³

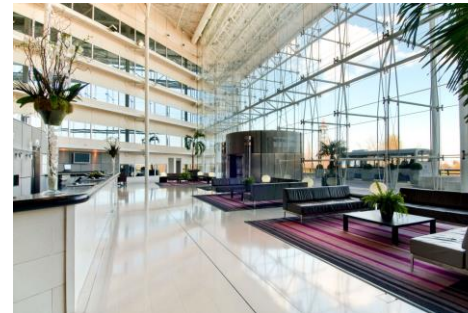
44%

Growth in NOI Operator Activities³

- 1) Measured as EBITDA plus financial income minus financial cost minus current tax, incl. reversal of extra tax expense of MSEK 29.
- 2) Measured as growth in EPRA NAV, including dividend and excluding proceeds from directed share issue, at annual rate.
- 3) Adjusted for currency effects and comparable units.

Hilton London Heathrow Airport

“Strategic position in one the world’s largest airports and travel destinations”



398
rooms

Airport

Business and leisure

Acquired 2017

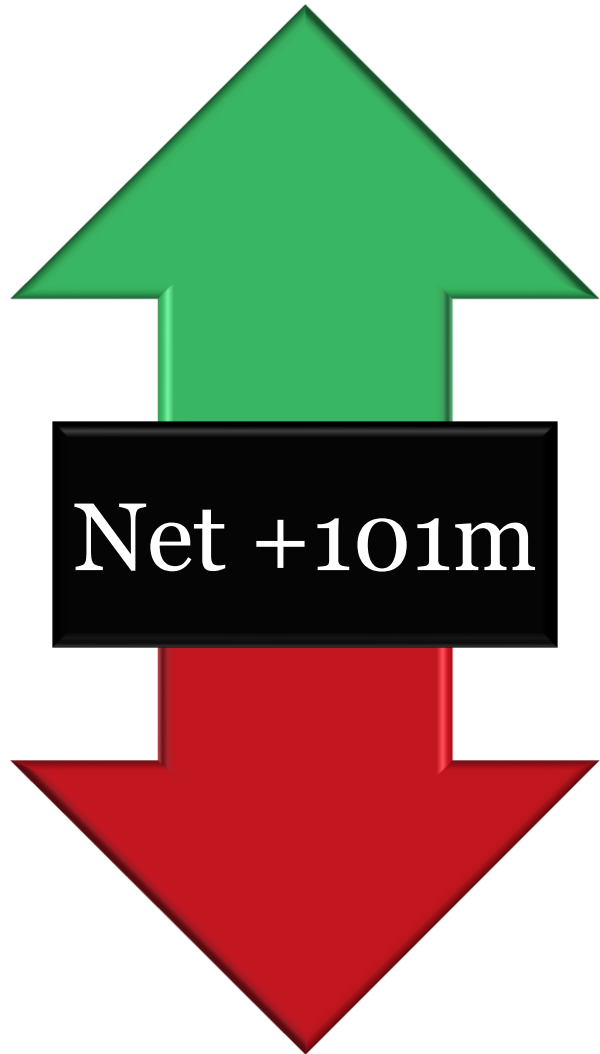
Long-term revenue-based
lease agreement

Strategic position in
premium market

Excellent location with
strong communications

Material increase in net operating income (total NOI)

Based on a combination of factors



- + Robust underlying demand
- + Well performing acquisitions
- + Continued recovery in Brussels

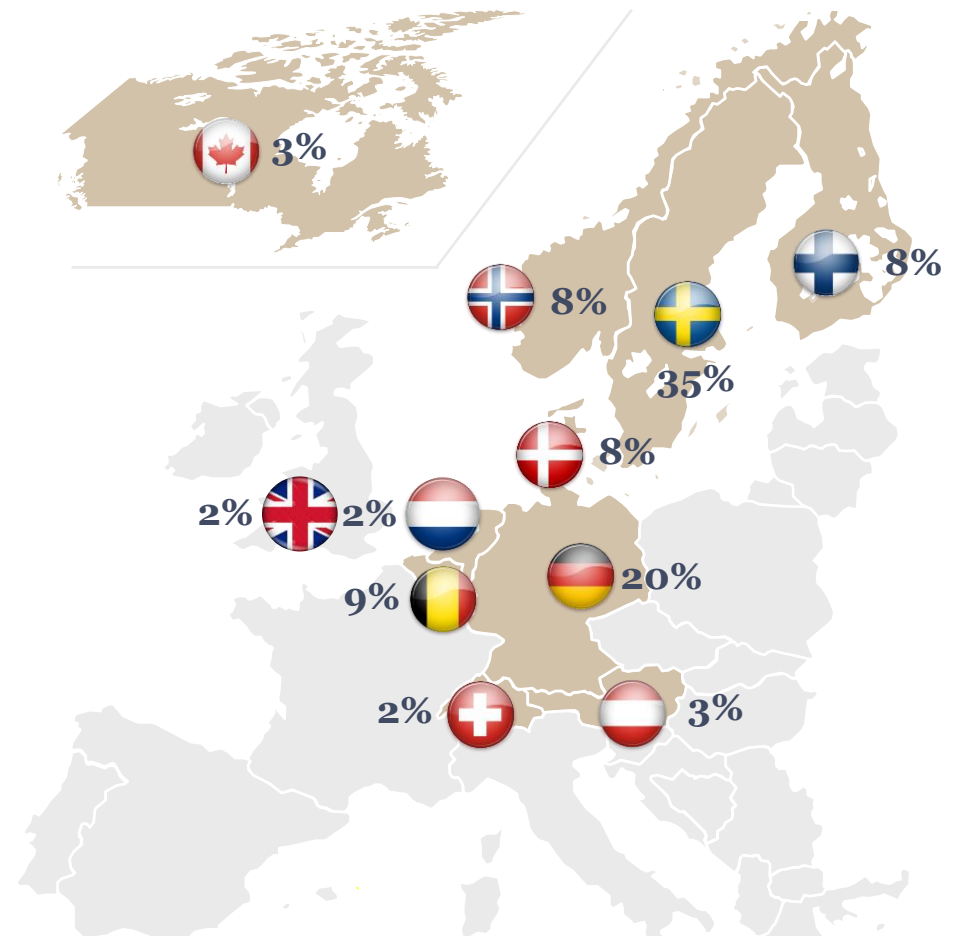
- New room capacity in Stockholm

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.

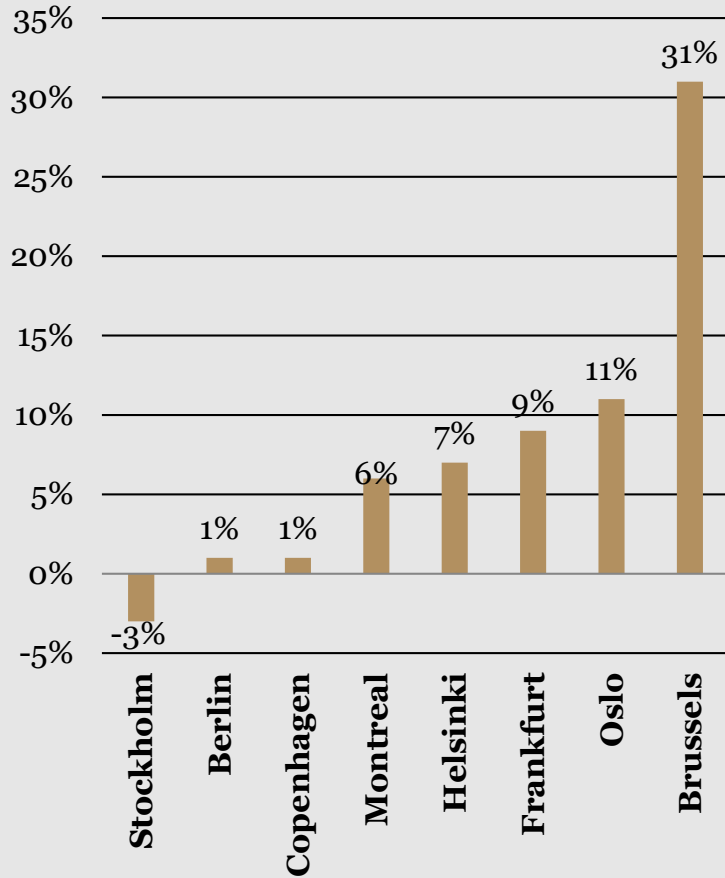
Pandox Group	Property Management	Operator Activities
122 Hotel Properties	107 Leased Properties	15 Operated Properties
SEK 41.0bn Portfolio Market Value	83% Property Market Value	17% Property Market Value
	5.6% Valuation Yield	7.2% Valuation Yield



Based on portfolio market value as of 30 September 2017 (rounded percentages).

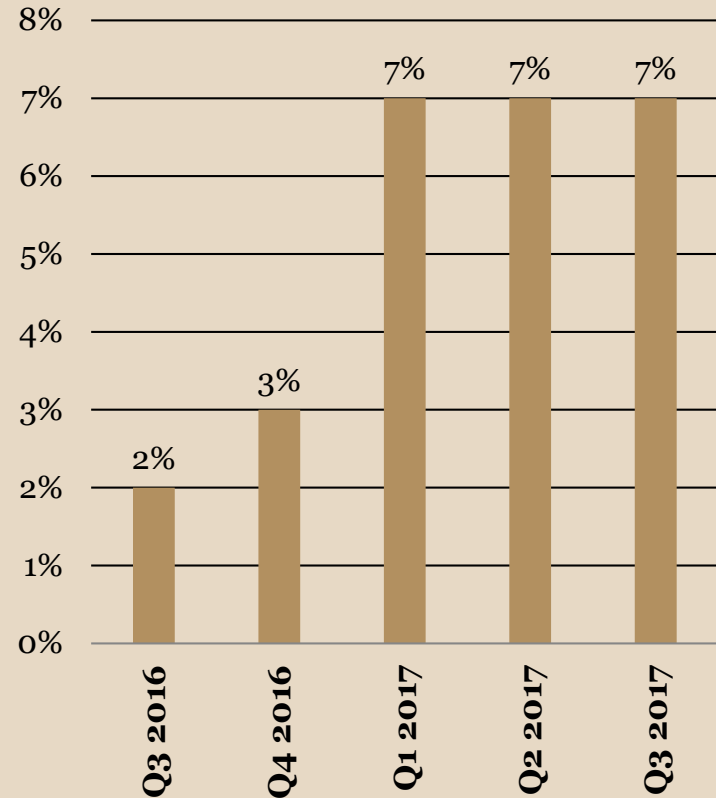
Good underlying demand in key markets (RevPAR Q3 y/y)

Key markets



Source: STR, Benchmarking Alliance

Europe



Source: STR

Financial highlights

Steady progress in earnings

Key figures

(MSEK)	Q3 2017	Q3 2016	chg %	FY 2016
Revenue				
<i>Property Management (Note 1)</i>	589	479	23	1,787
Net operating income				
<i>Property Management (Note 1)</i>	511	409	25	1,495
Net operating income				
<i>Operator Activities (Note 1)</i>	129	130	-1	439
EBITDA (Note 1)	610	512	19	1,817
Profit for the period (Note 1,4)	551	592	-7	2,214
Cash earnings (Note 1,4)	462	386	20	1,289
Per share data (SEK)				
Earnings per share (Note 1,2,3,4)	3.47	3.93	-12	14.65
Cash earnings (Note 1,2,3,4)	2.91	2.55	14	8.49
EPRA NAV (Note 3,4)	136.47	-	-	126.24

Comments on the quarter

- Property Management: LFL¹ growth in revenue and net operating income of 4 percent and 3 percent, respectively.
- Operator Activities: Improved profitability with a LFL¹ increase in net operating income of 44 percent.
- EPRA NAV per share amounted to SEK 136.47, an increase by SEK 10.2 from year-end 2016. Adjusted for dividend and new share issue the annualised return was 17 percent.
- YTD Investment Properties experienced an unrealised and realised portfolio value increase of 3.8 percent. For Operating Properties (information purposes only) the unrealised value increase was 1.2 percent.

(Note 1) See page 9 in interim report January-September 2017 for summary of reclassifications, acquisitions and divestments.

(Note 2) Based on weighted number of shares 157,499,999 for Q3 2017.

(Note 3) After non-controlling interest.

(Note 4) Including reversal of extra tax expense of MSEK 29 in Q3 2017.

Good demand and profitability

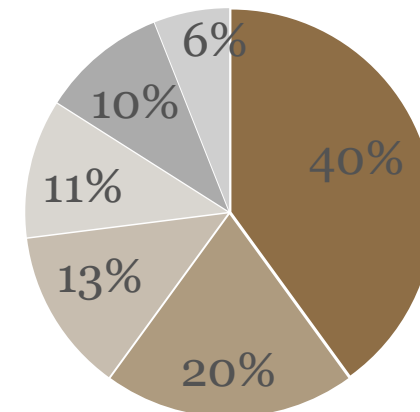
Property Management

Net operating income

(MSEK)	Q3 2017	Q3 2016	FY 2016
Rental income	569	459	1,717
Other property income	20	20	70
Costs*	-78	-70	-292
Net operating income	511	409	1,495

*Including property administration costs

Rental income Jul-Sep 2017 in %



Sweden
 Germany
 Finland
 Denmark
 Norway
 Other

- › LFL¹ rental income and net operating income increased by 4 percent and 3 percent, respectively
- › Good underlying demand
- › Full effect from reclassifications
- › Hilton London Heathrow Airport acquired 31 August 2017

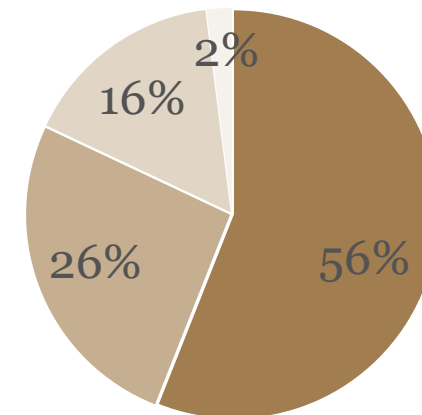
Brussels continued to improve

Operator Activities

Net operating income

(MSEK)	Q3 2017	Q3 2016	FY 2016
Revenue	463	561	2,158
Costs	-373	-466	-1,866
Gross Profit	90	95	292
Add: Depreciation included in costs	39	35	147
Net operating income	129	130	439
NOI margin	28%	23%	20%
<i>NOI margin adjusted for Grand Hotel Oslo</i>	-	26%	23%

Revenues Jul-Sep 2017 in %



■ Belgium ■ Germany ■ Canada ■ Finland

- › LFL¹ revenue increased by 10 percent and net operating income by 44 percent
- › NOI improvement driven mainly by continued recovery in Brussels
- › Slightly higher profitability in the hotels remaining after reclassifications

Property portfolio

Value increases reflecting underlying performance

Change in value (MSEK)

Change in value Investment Properties

	MSEK
Investment Properties, beginning of the period (January 1, 2017)	30,163
+ Acquisitions ⁴	823
+ Investments in current portfolio	298
- Divestments	—
+/- Reclassifications ¹	1,600
+/- Revaluation of fixed assets to the profit for the year ¹	112
+/- Unrealised changes in value	1,136
+/- Realised changes in value	—
+/- Change in currency exchange rates	-94
Investment Properties, end of period (September 30, 2017)	34,038

**+3.8%
YTD**

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

	MSEK
Operating Properties, market value (January 1, 2017)	8,070
+ Acquisitions ³	324
+ Investments in current portfolio	203
- Divestments ²	-16
+/- Reclassifications ¹	-1,712
+/- Unrealised changes in value	95
+/- Realised changes in value	—
+/- Change in currency exchange rates	-51
Operating Properties, market value (September 30, 2017)	6,913

**+1.2%
YTD**

+3.2% YTD

¹ Refers to reclassification of eight hotel properties to Operator Activities, of which one in Q1 and seven in Q2

² Refers to divestment of FF&I Grand Hotel Oslo Q2 2017.

³ Refers to acquisition of Silken Berlaymont 29 May 2017.

⁴ Refers to acquisition of Hilton London Heathrow Airport 31 August at closing rate.

Comments per 30 September, 2017

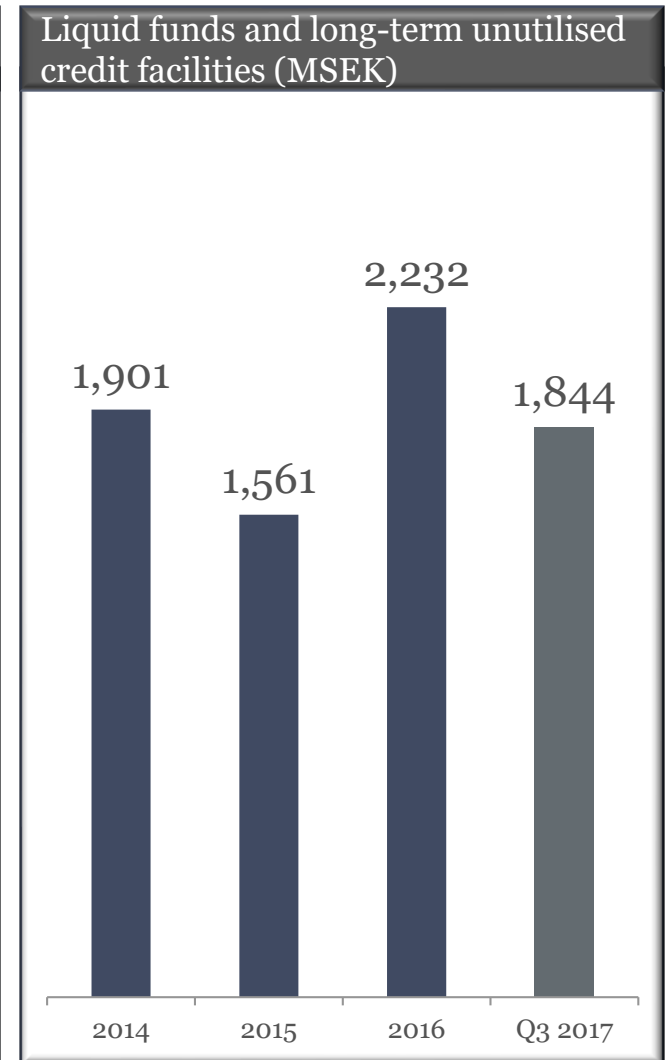
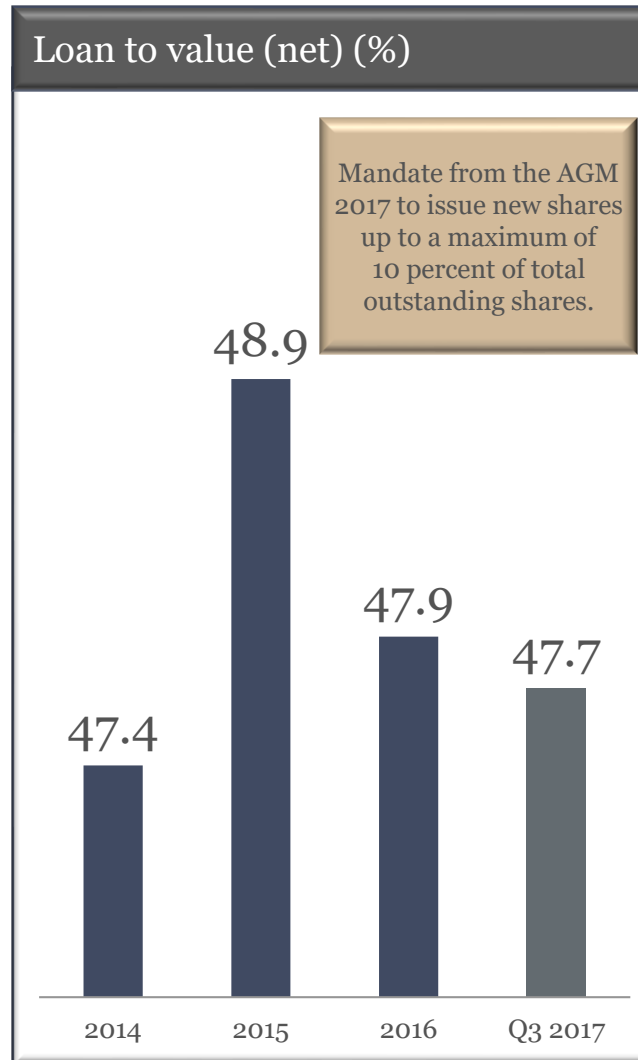
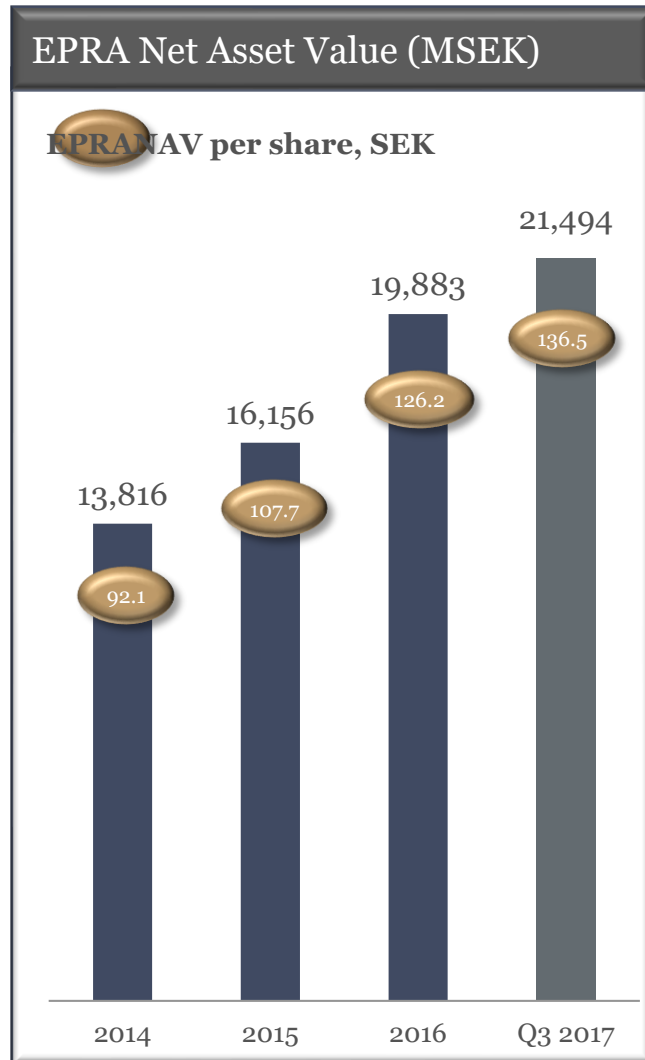
- Total property portfolio market value amounted to MSEK 40,951 (38,233).
- Average valuation yield for Investment Properties was 5.6 (5.7) percent and for Operating Properties 7.2 (7.5) percent.
- External valuations in line with and confirms Pandox's internal valuations.

High level of activity:

- Acquisition of Hilton London Heathrow Airport 31 August 2017 in Property Management.
- Acquisition of Hotel Berlaymont 29 May 2017 in Operator Activities.
- Reclassification of seven hotels in the Nordics to Property Management in Q2 2017.
- Reclassification of Meininger Copenhagen to Property Management 1 January, 2017.

Financing and capital structure

Solid growth in EPRA NAV and maintained financial flexibility



The main drivers for growth in cash earnings



Organic growth

Q&A

Financial calendar

10 November 2017

Interim report Q3

21 November 2017

Hotel Market Day

15 February 2018

Year-end report 2017

Pandox AB (publ)

Box 15
SE-101 20 Stockholm
Sweden

Visiting address:
Vasagatan 11, 9th floor
Stockholm
Sweden

www.pandox.se

