

Q1 2024 presentation

# Promising start to the year

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25 April 2024



# Investment highlights

## A global & growing market

**1** We are active in travel and tourism- a global and dynamic industry with strong structural growth factors.

## Hotel properties only

**2** We invest exclusively in hotel properties and create value through active and engaged ownership.

## Revenue-based leases

**3** We have long-term revenue-based leases with a good guaranteed minimum level with skilled operators.

## Investing for growth & ambitious ESG targets

**4** Profitable project portfolio that increases our organic profit and value potential over the coming years. We are investing in climate change projects with good returns.

## Higher yields & long leases

**5** Portfolio\* with an average valuation yield of 6.25 percent mainly with long leases, and a WAULT of 14.9 years

\* Per 31 March 2024

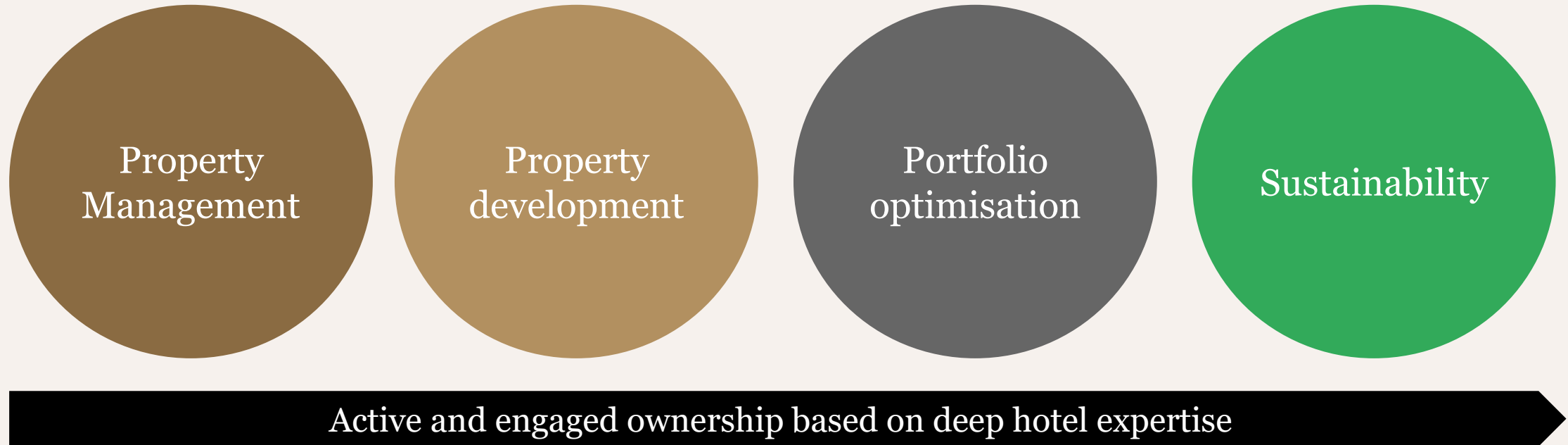
## Low refinancing risk

**6** Only bank financing with strong and positive lender relationships, low refinancing risk and a high hedge ratio.

Strategic position

# Our business model

To own, improve and lease hotel properties to strong hotel operators under long-term revenue-based leases



Strategic position

# Two operational models

Leases  
*Core*

Own Operations  
*Transformation tool*

## Strategic position

# A strong and well-diversified business portfolio

### Pandox Group

158  
Hotel properties

35,613  
Rooms

SEK 71.3bn  
Property market value

6.25%  
Yield

MSEK 3,941  
Net operating income (R12)

### Leases

138  
Leased properties

29,963  
Rooms

SEK 59.0bn  
Property market value

6.10%  
Yield

MSEK 3,189  
Net operating income (R12)

### Own Operations

20  
Operated properties

5,650  
Rooms

SEK 12.3bn  
Property market value

6.98%  
Yield

MSEK 752  
Net operating income (R12)

HOTEL  
INDIGO

Scandic

IHG  
InterContinental Hotels Group

adagio  
APARTHOTEL

Mercure  
HOTELS

Hilton  
Garden Inn

Hotel Hubert  
Grand Place

NH  
HOTELS

Axiom  
Hospitality

SIRCLE  
COLLECTION

Radisson  
BLU

Hilton  
HOTELS & RESORTS

CROWNE PLAZA  
HOTELS & RESORTS

LODRICCO  
HOTELS

RHG RADISSON  
HOTEL GROUP

H  
Holiday Inn

The Hotel.  
BRUSSELS

HOTEL  
mayfair

MOTEL ONE

Strawberry

REGID

ELITE HOTELS  
OF SWEDEN

M  
MEININGER

DOUBLE TREE  
BY HILTON

NOVOTEL  
HOTELS & RESORTS

Scandic GO

Hotel Pomander

Grape  
HOSPITALITY

pullman  
HOTELS AND RESORTS

Dorint  
HOTELS & RESORTS

skylne  
AIRPORT HOTEL

Park  
Centraal  
AMSTERDAM

VIENNA HOUSE  
Easy  
BY WYNDHAM

Hotel Berlin, Berlin

THE QUEENS HOTEL

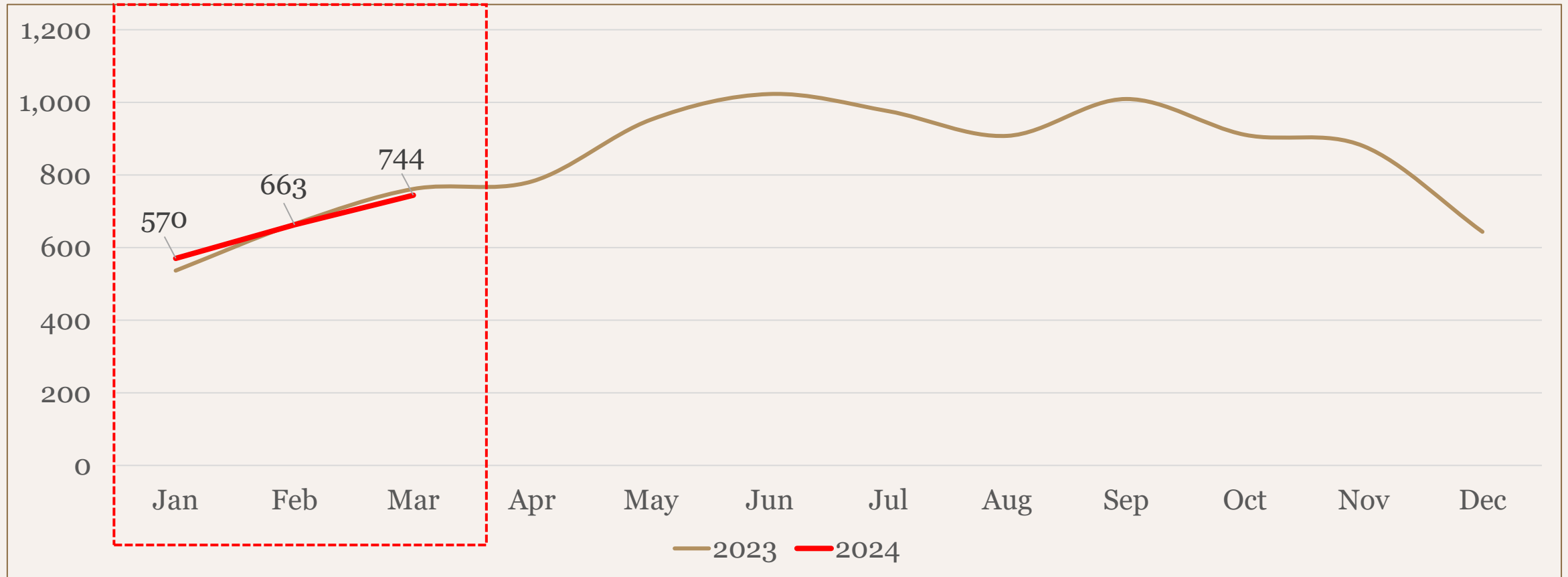
Citybox

# A promising start to the year

- A positive hotel market
- Increased occupancy rates and resilient average prices...
- ...in a seasonally slow quarter with a negative Easter (timing) effect
  - LFL growth of 3 percent on total revenues and 4 percent on total NOI
  - Negative Easter timing effect of some 2 percentage points on total revenues
- Growth in cash earnings of 5 percent and EPRA NRV (annualised) of 3 percent
- Improving credit markets expected to drive:
  - Lower credit margins in upcoming refinancings
  - Higher transaction activity in the hotel property market

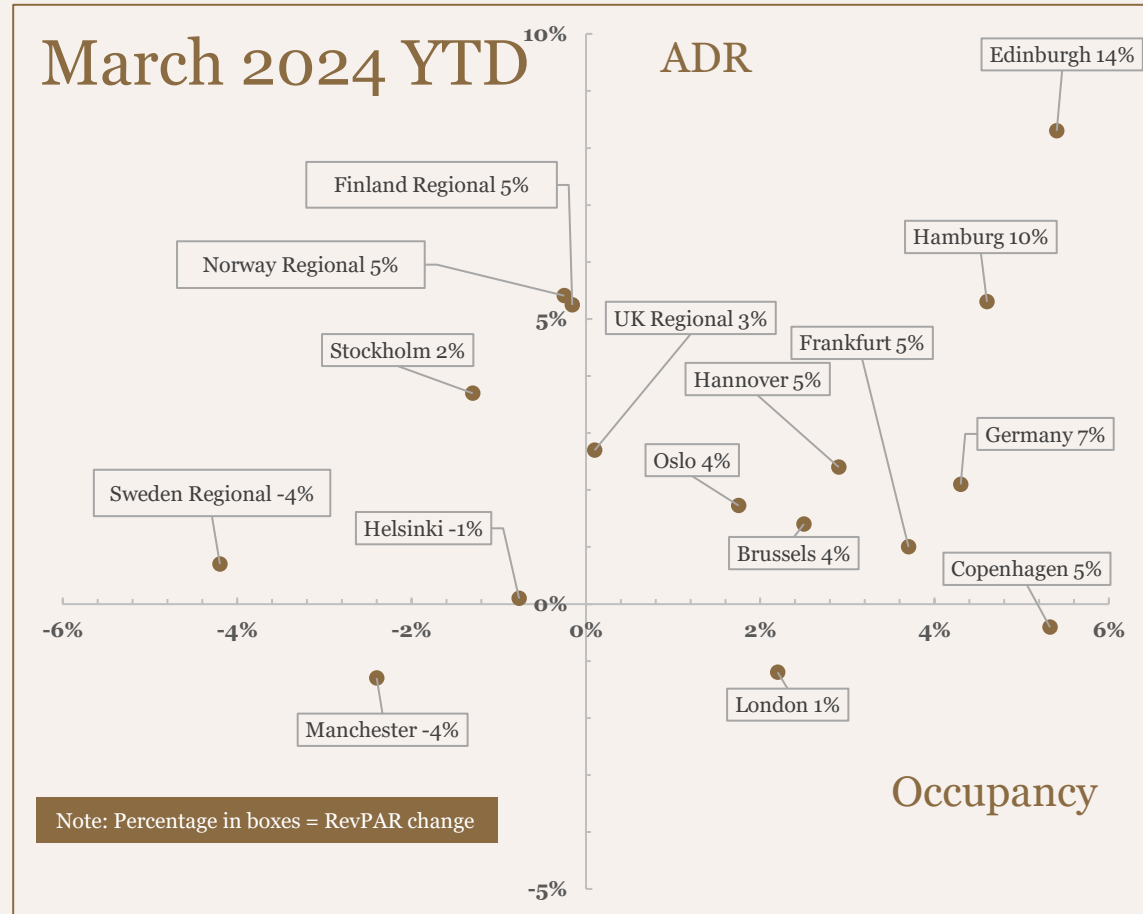
Business segment Leases RevPAR

# RevPAR YTD slightly above 2023 (LFL)



Hotel market development (vs 2023)

# A positive hotel market



Source: Benchmarking Alliance, STR Global



# Growth in a seasonally slow quarter

- Positive LFL growth for the Group  
*+3 percent on revenues and +4 percent on NOI*
- Seasonally slow quarter and timing of Easter  
*-2 percentage points on total revenues*
- Particularly good development in Own Operations  
*+6 percent on total revenues and 22 percent on NOI*
- Growth in cash earnings
- Special items in Leases  
*Revenue of MSEK 40 related to Köln Bonn Airport  
Cost of MSEK 38 for commercial development*
- Adjusted NOI margin of 86 percent

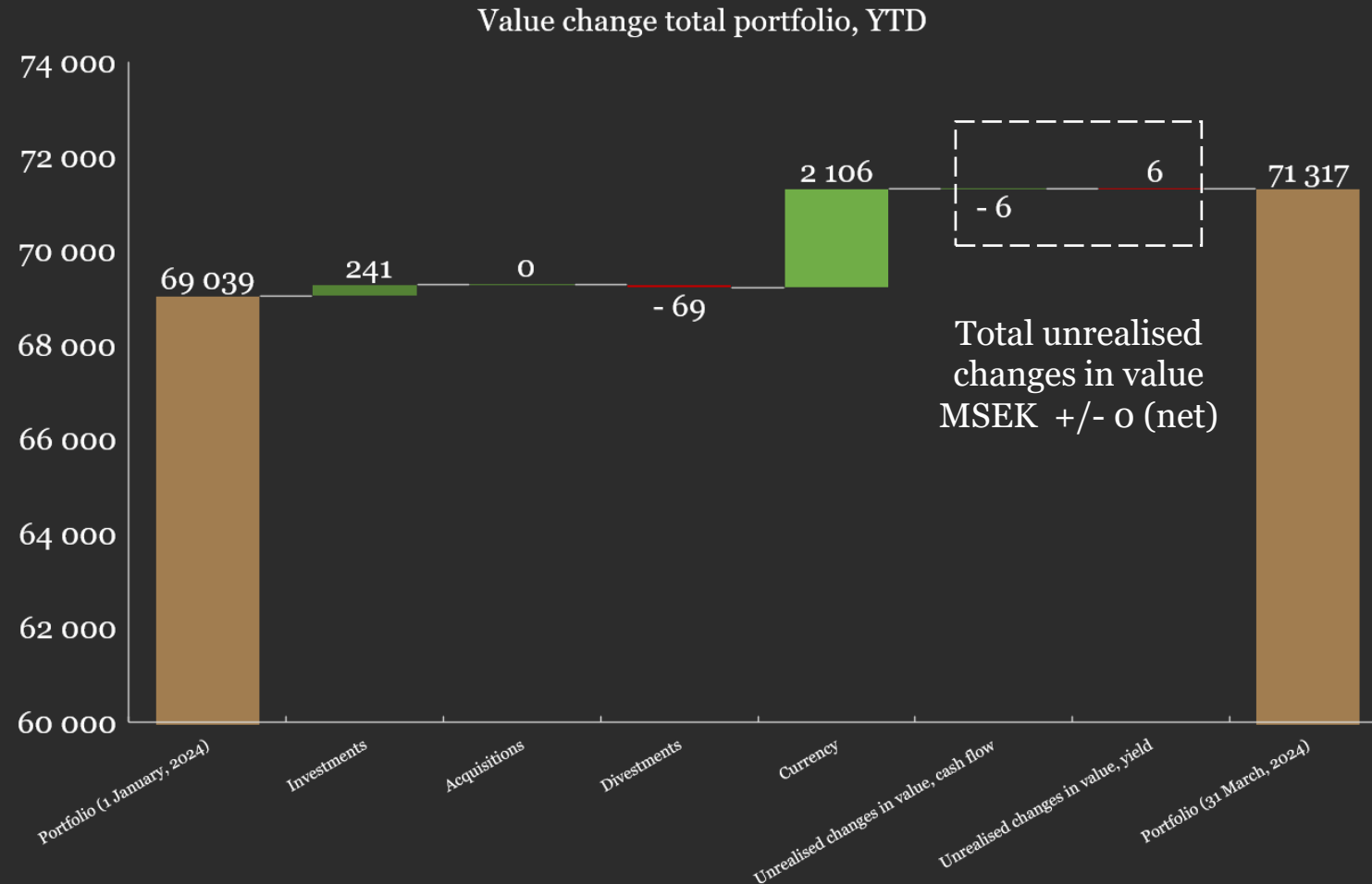
Revenue and result (MSEK)	24Q1	23Q1	YoY%	LFL% <sup>1)</sup>
Pandox Group revenue	1,501	1,353	11	3
Pandox Group NOI	785	714	10	4
Leases revenue <sup>2)</sup>	845	780	8	2
Leases NOI	694	662	5	2
Own Operations revenue	656	573	14	6
Own Operations NOI	91	52	75	22
EBITDA	740	675	10	-
Profit before changes in value	250	266	-6	-
Cash earnings	272	259	5	-

1) For comparable units at fixed currency

## Property portfolio

# Unrealised changes in value was flat

MSEK



### Comment:

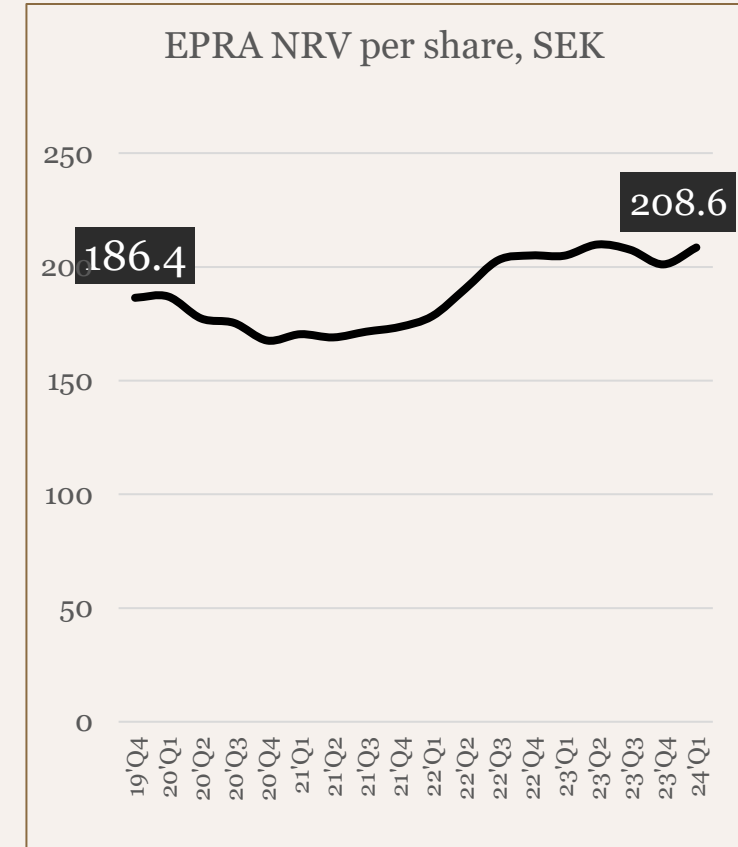
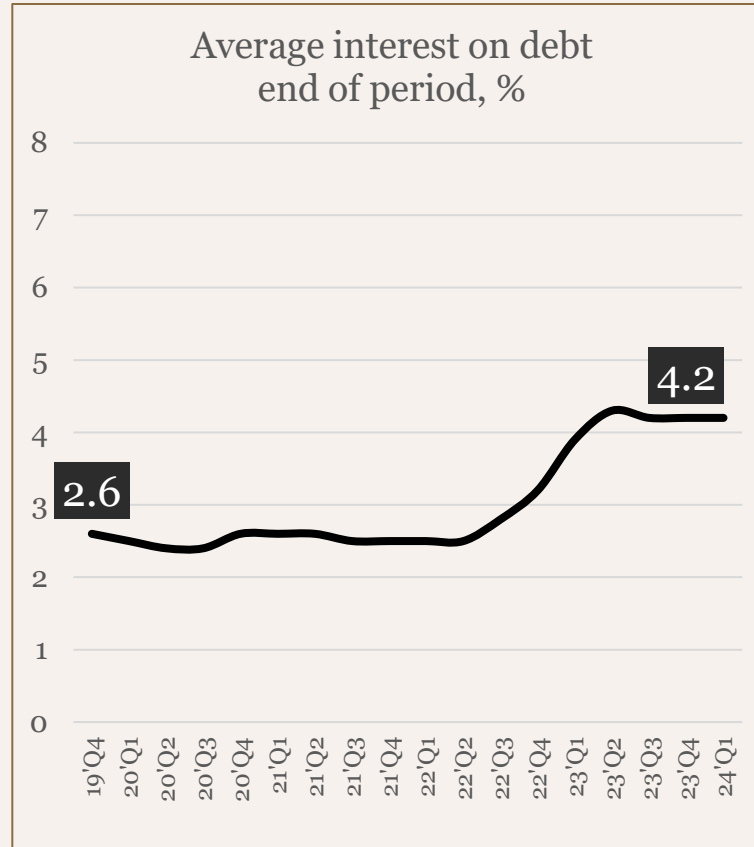
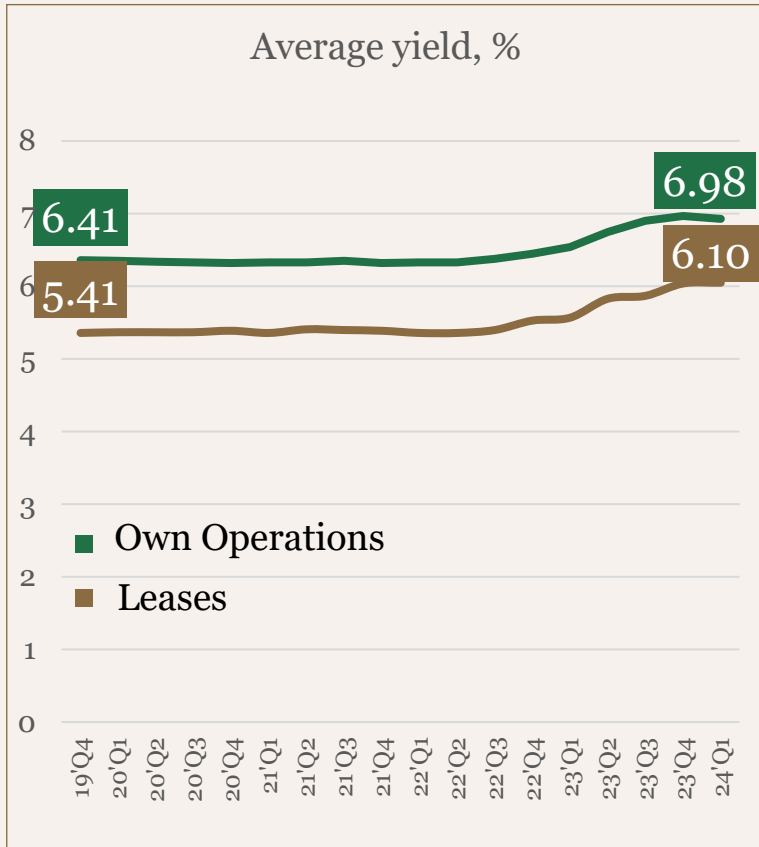
Marginal changes in yields and cash flow, balancing each other out

Approximately 98 percent of the properties externally valued in the past 12 months, based on value

### Divestments:

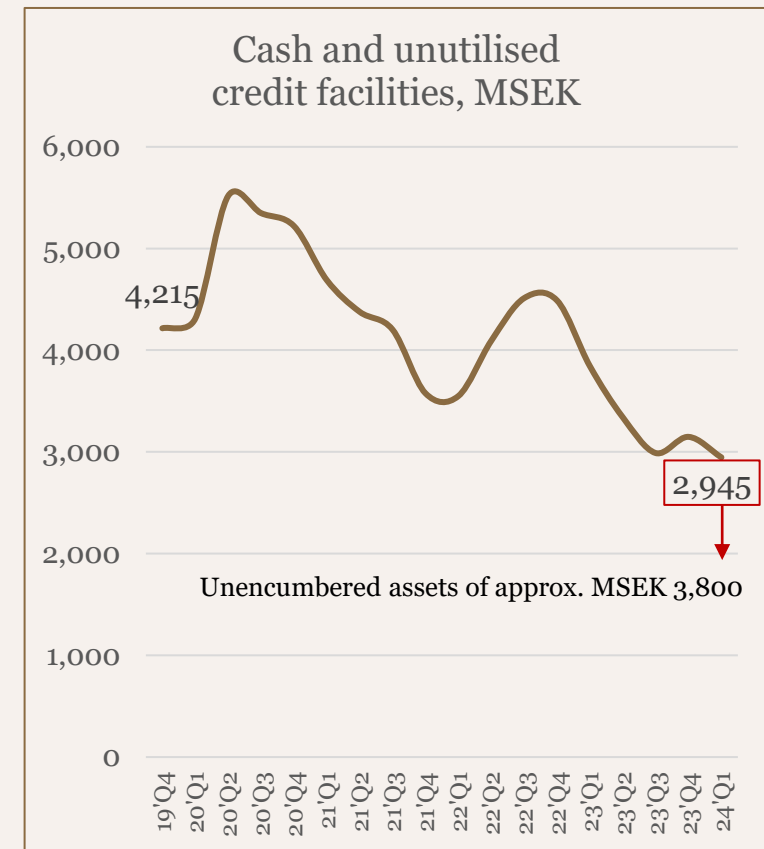
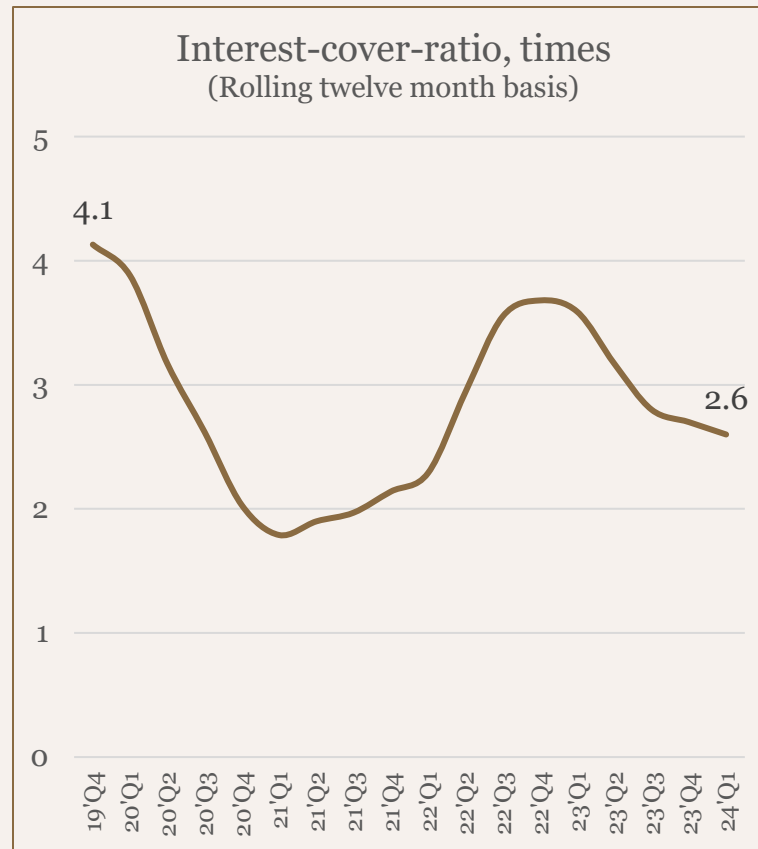
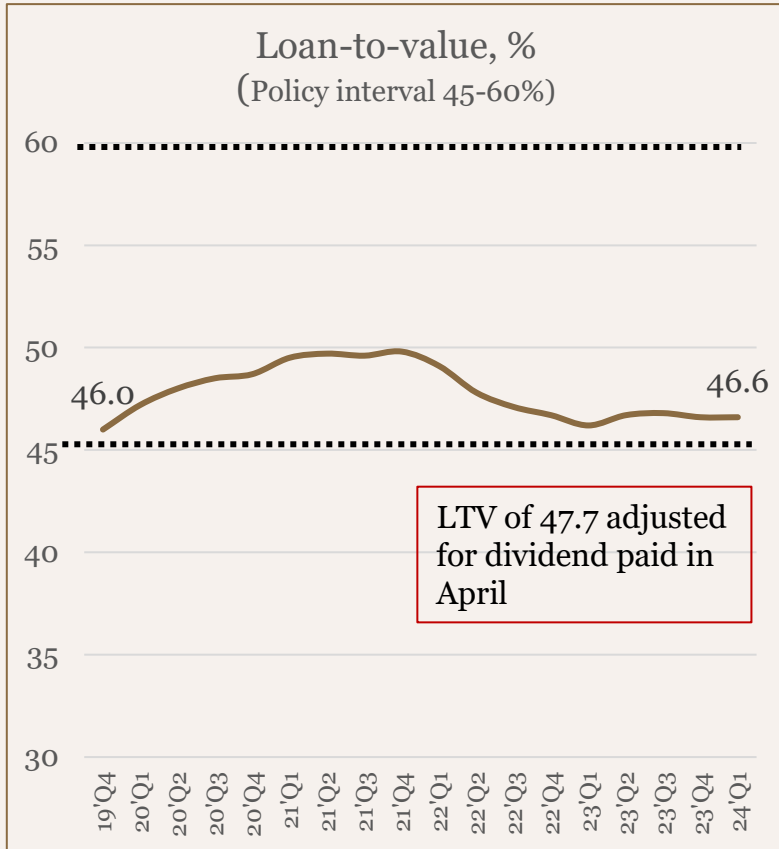
*DoubleTree by Montreal (closed 15 April)*

# Positive yield gap and growing EPRA NRV



Key financial metrics

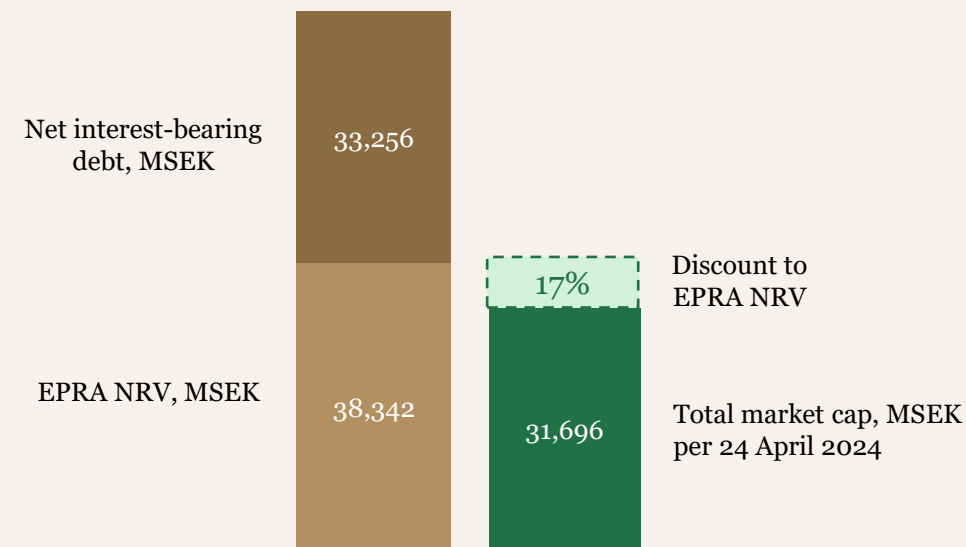
# Stable LTV, resilient ICR and solid cash position



# Well-proven financing strategy

- Well-proven financing strategy built on long-term relationships with banks and shareholders
- Equity and mortgage-backed bank loans are Pandox's sources of financing
- No market financing in the form of bonds/hybrids and no external rating requirements
- Given Pandox's business model, mortgage-backed bank loans are the most effective and predictable source of financing

Capital structure, per 31 March 2024



# Solid financial position

- Refinancings of approximately MSEK 3,000 in the quarter, of which 2,100 MSEK sustainability linked
- Some MSEK 4,300 is now sustainability linked
- MSEK 6,673 of debt maturing within one year, of which approximately half in the fourth quarter
- Lower credit margins expected in upcoming refinancings
- Approximately 76 percent of net interest-bearing-debt is hedged
- Some adjustments of existing interest rate swaps has lowered the average fixed rate period vs Q4'23

Key metrics (at end of period)	24Q1	23Q1	YoY%
Net interest-bearing debt, MSEK	33,256	31,188	3
EPRA NRV, MSEK	36,976	37,694	-2%
Loan to value, %	46.6	46.2	+0.4pp
Interest cover ratio, times	2.0	2.3	-0.3
Interest cover ratio (R12M), times	2.6	3.7	-1.0
Average interest on debt, %	4.2	3.9	+0.3pp
Average fixed rate period, years	3.3	2.7	+0.6
Cash and unutilised credit facilities, MSEK	2,945	3,843	-23%

# Conditions in place for growth

- Some RevPAR growth expected in 2024
- Strong event calendar in Europe with Euro 2024 in Germany and Olympic games in France
- Lower inflation and lower interest rates are positive for economic activity
- Geopolitics the largest risk
- Easter impact neutralised in the second quarter

# Q&A







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Org. Nr. 556030-7885

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