



HOUSE OF HOTELS | בית של מלונות

Capital Market Presentation, May 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 March 31, 2023; (ii) data in regards to the expected investment in the coming years in Opening Hotels in the Coming Years; (iii) the total forecasted property portfolio of the Hotel Partnership in Europe; (iv) financial data for Q1/2023, including the Company's share in affiliated companies and before the impact of the implementation of the IFRS16 Standard; (v) distribution of revenues and EBITDAR (including the Company's share in affiliated companies) by sector segmentation in Q1/2023; in slides no. 4, 5, 11, 13, 15, 16, 17 and 20, data are shown in this presentation for the first time as additional information.



Fattal Group Business Card

Establishment
of Fattal Group

1998

Countries



20

¹Hotels

270

¹Rooms

47,932

EBITDA Forecast for 2023

1,350 – 1,450

Million NIS

590 Million NIS²

Balance of cash and securities

Rating: A3.il Positive

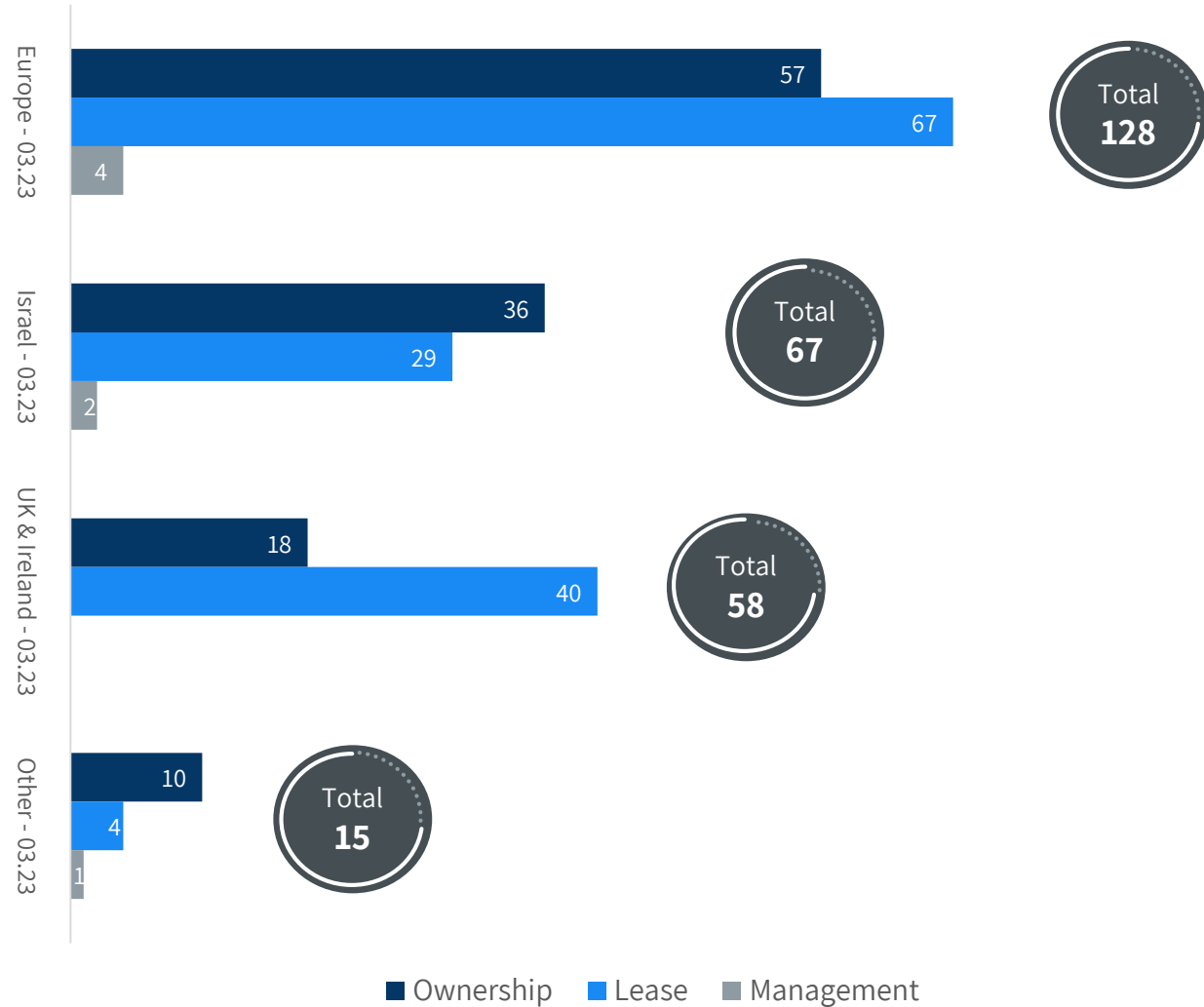


¹ Including future hotels.

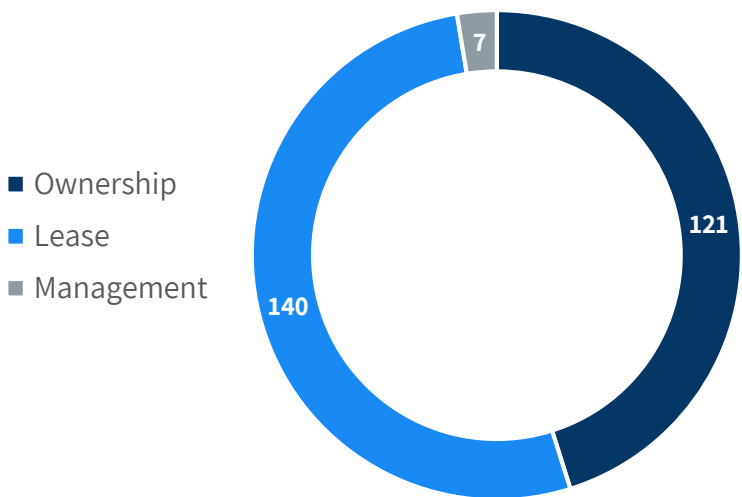
² As of the date of approval of financial statements



Number of Hotels¹



Hotels split by type



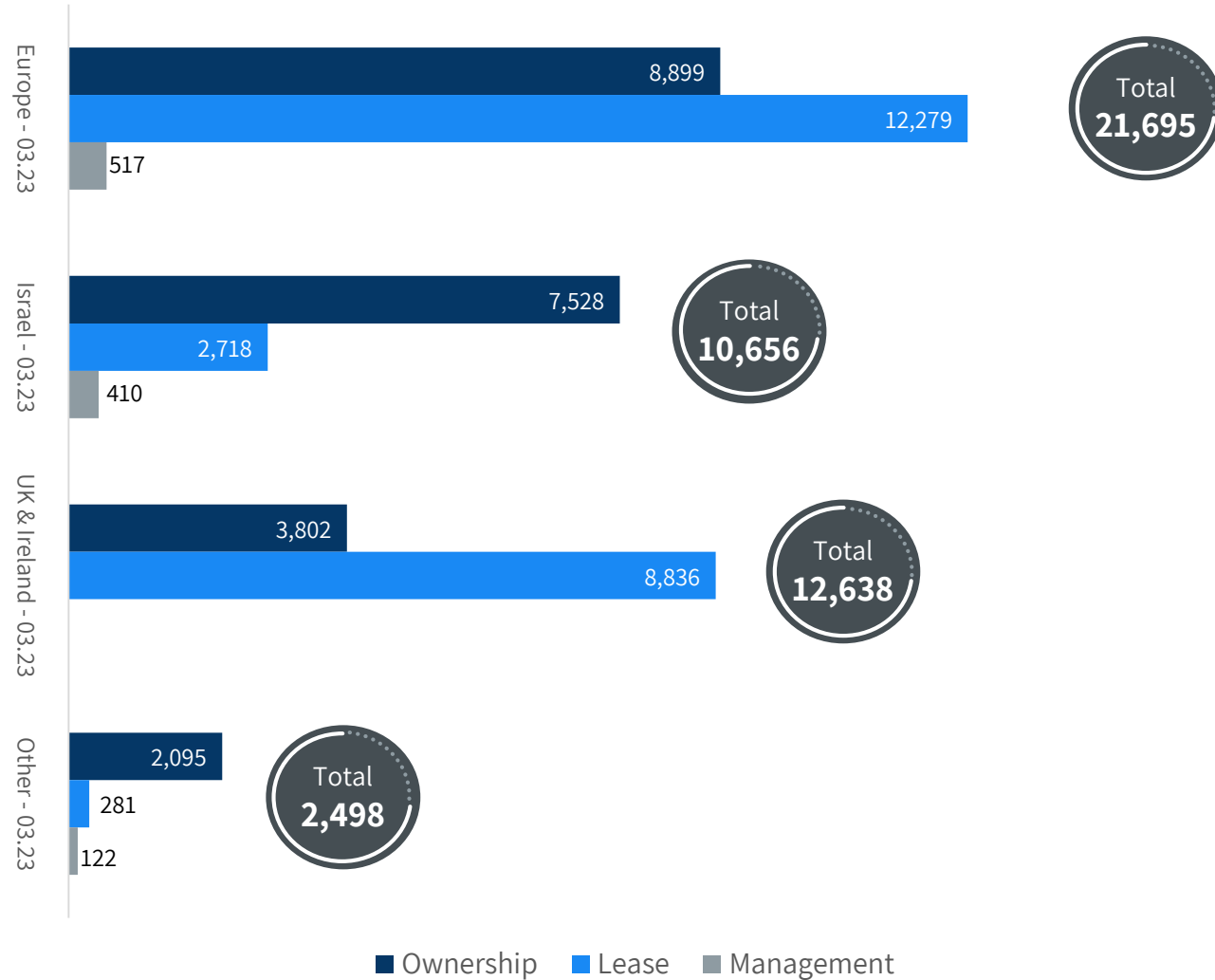
03/2023

221

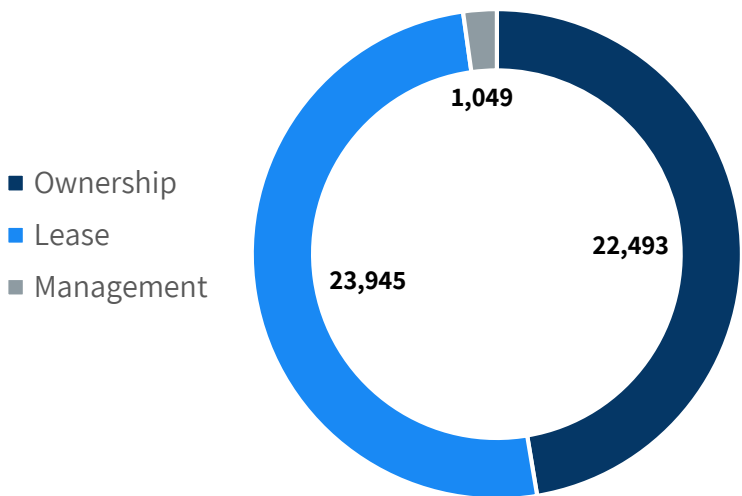
Active hotels

¹ As of 31.03.23 including 21 future hotels in Israel (2,462 rooms), 11 future hotels in Europe (2,547 room), 6 future hotels in United Kingdom (1,018 room) and 9 future hotels in Greece and Cyprus (1,110 rooms).

Number of Rooms¹



Rooms split by type



03/2023

40,350

Active rooms

¹ As of 31.03.23 including 21 future hotels in Israel (2,462 rooms), 11 future hotels in Europe (2,547 room), 6 future hotels in United Kingdom (1,018 room) and 9 future hotels in Greece and Cyprus (1,110 rooms).

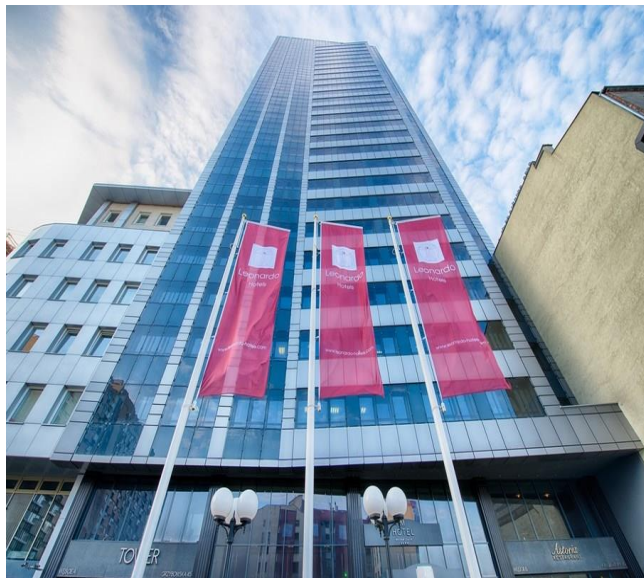
Q1 - 2023

Summary of good operational results in the first quarter

Increase in Average Daily Revenue per Room

Continued strengthening of the Company's financial ratios

Positive current cash flow



1.3

NIS billion
Revenues¹

326

NIS million
EBITDAR¹



37

NIS million
EBITDA^{1,2}

ADR

higher than 2019

¹ Includes the Company's share in affiliated companies
² Prior to the Impact of Standard IFRS 16



Forward looking view

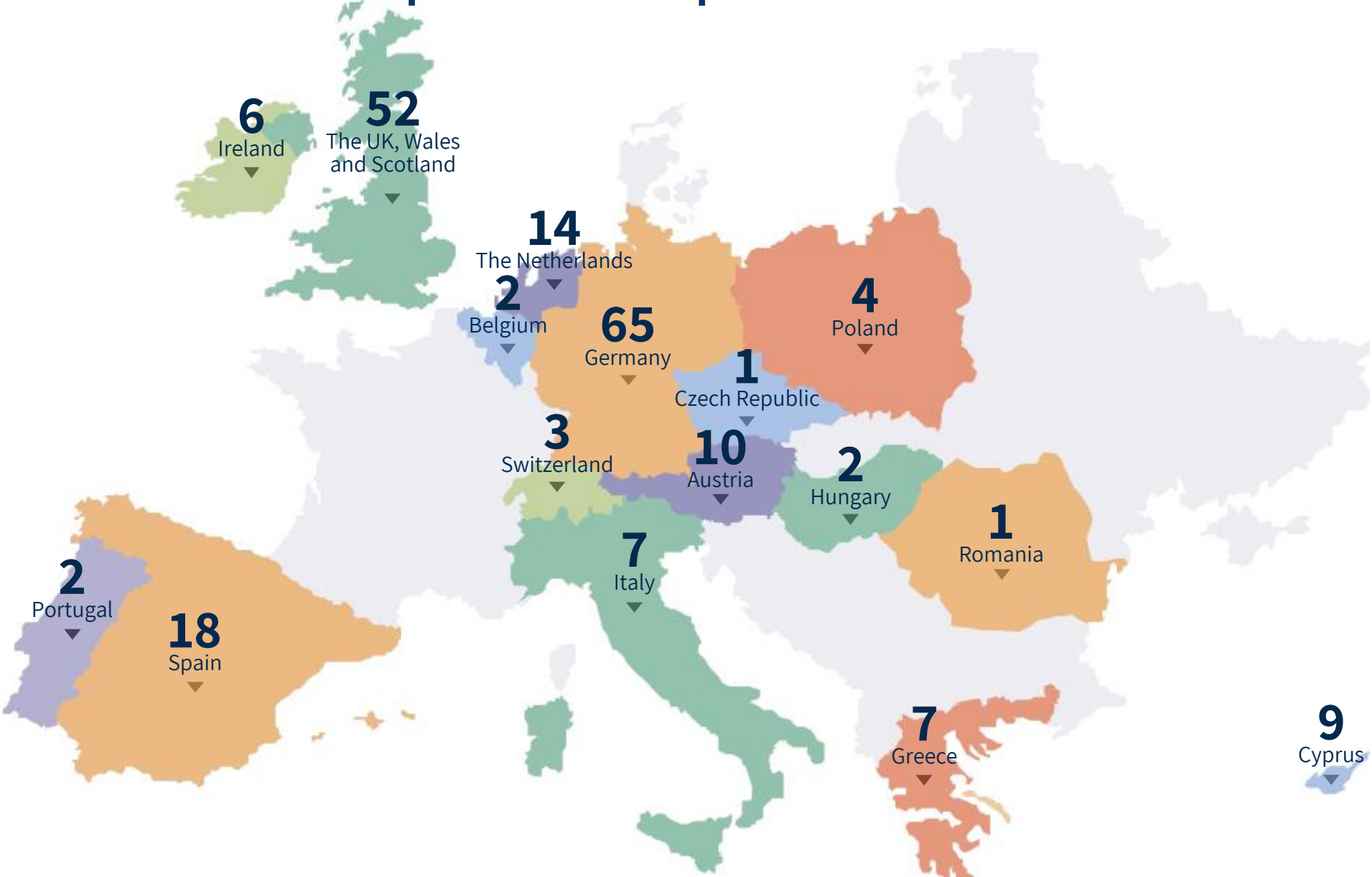


	Revenues ¹	EBITDAR ¹	EBITDA ^{1,2}
2019	5,446 Million NIS	1,841 Million NIS	868 Million NIS
2021	3,150 Million NIS	1,224 Million NIS	452 Million NIS
2022	5,811 Million NIS	1,946 Million NIS	931 Million NIS
2023 forecast	7,400-7,700 Million NIS	2,400-2,600 Million NIS	1,350-1,450 Million NIS

¹ Includes the Company's share in affiliated companies

² Prior to the Impact of Standard IFRS 16

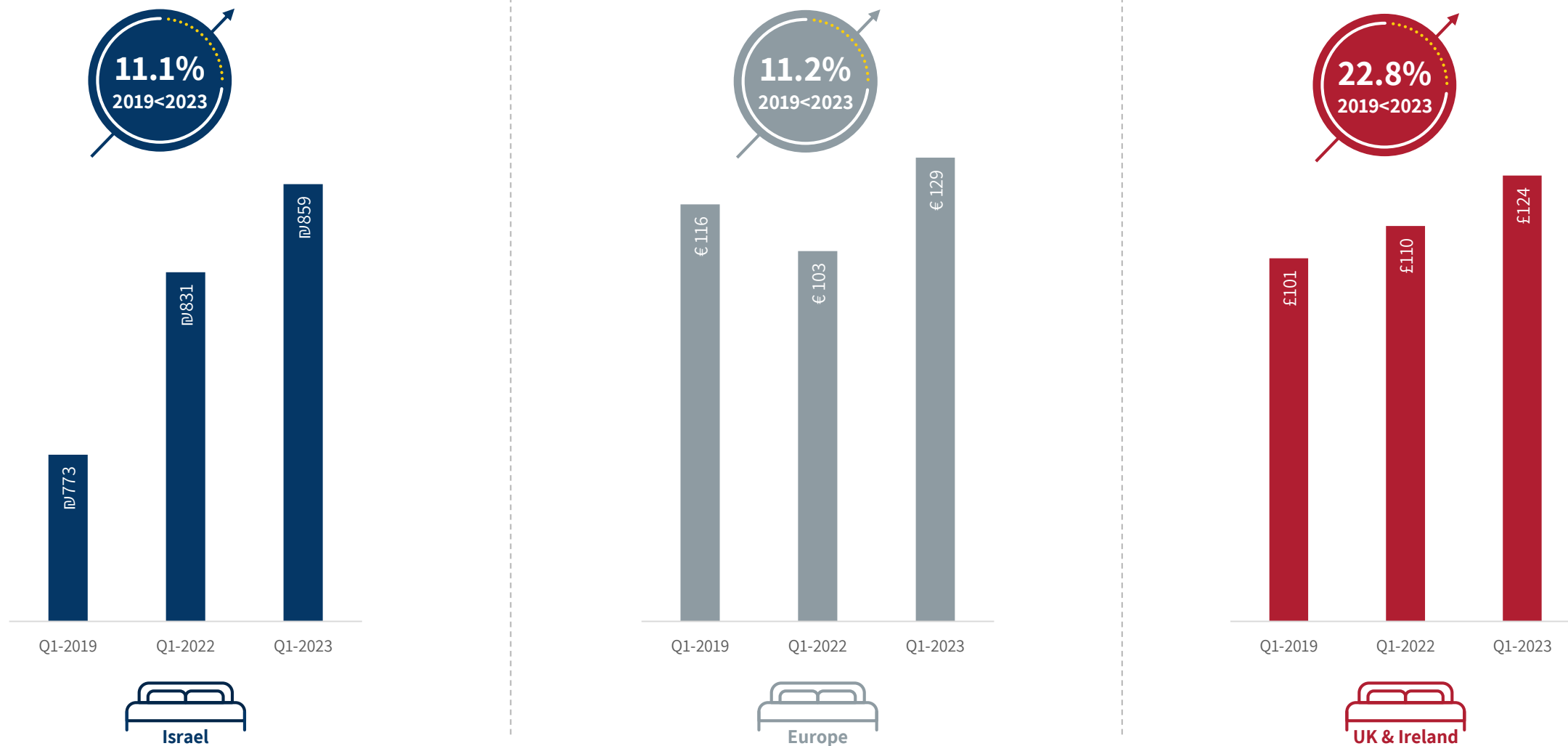
Fattal Hotel Group on the Map¹ – 20 Countries



¹ Including future hotels (as of the date of signing the Report)

Average Daily Revenue per Room¹ (ADR²) Q1

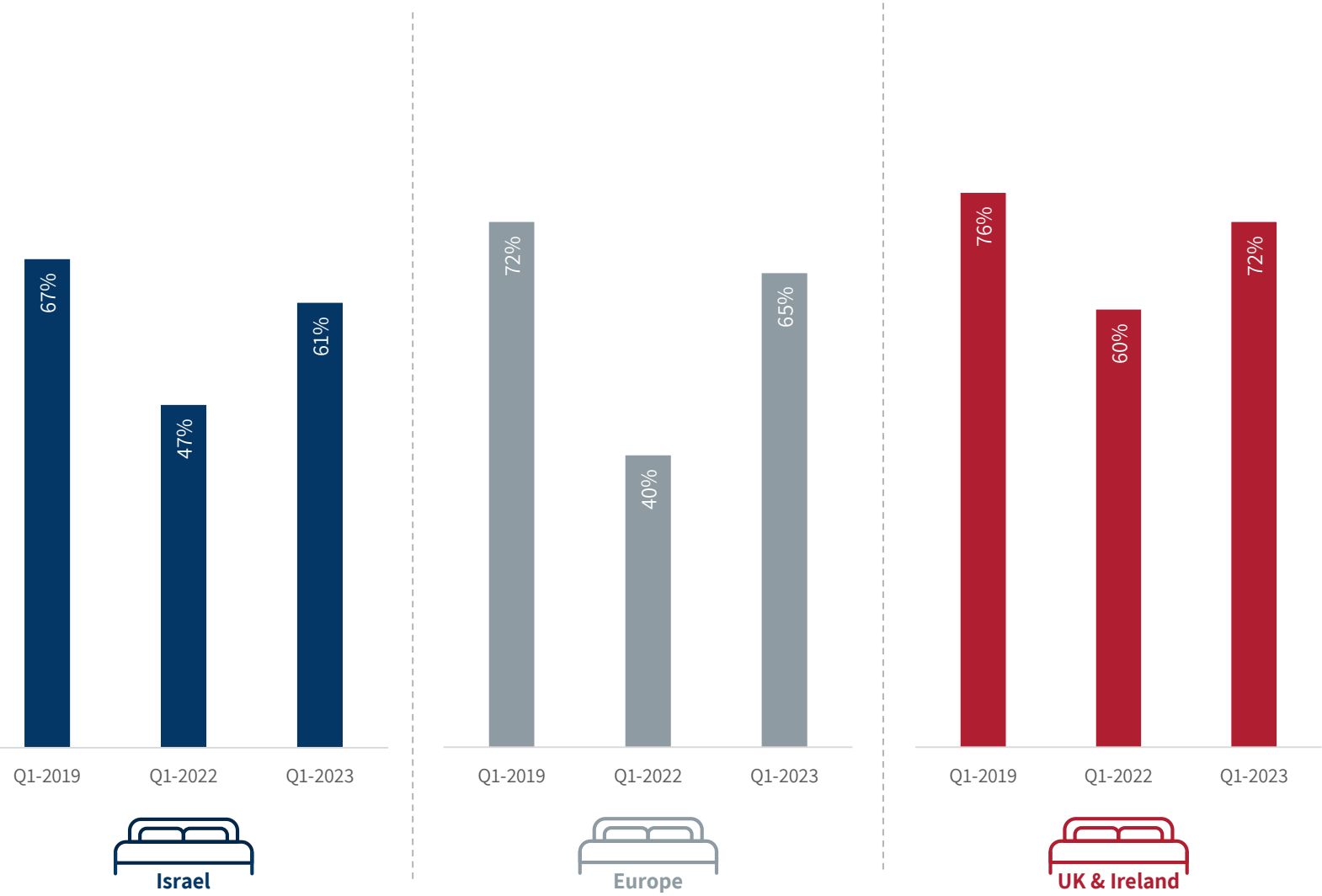
Dealing With the Effects of Inflation and Rising Expenses



¹ Includes the Company's share in affiliated companies

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

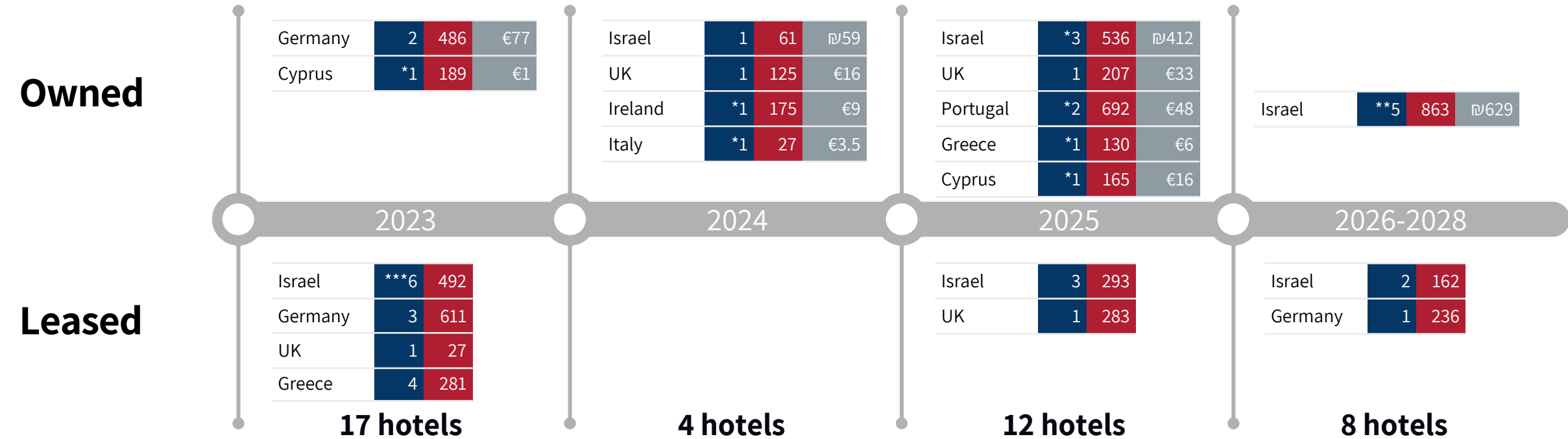
Average occupancy rates in the chain¹ - Q1



¹ Includes the Company's share in affiliated companies

Looking Ahead - Opening Hotels in the Coming Years¹

(excluding hotels under Hotel Partnership in Europe)





Investment



Number of rooms




Number of hotels

Total


41

Hotels



6,041

Rooms



According to the Company’s assessment, new openings are expected to generate an additional EBITDA of approx. **NIS 330 million.**

The total investment expected in the coming years is approximately **NIS 1,900 million.**

¹ Investment amounts shown are from march 31, 2023 onwards. The amounts are in millions

* 9 hotels of which are partially owned (1,728 rooms)

** 4 hotels of which are partially owned (645 rooms)

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



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 commitment of
EUR 35 million



Investment commitment of
EUR 10 million



Investment commitment of
EUR 11 million

EUR 227 million
calls for money as
of today



Growth Engine - Establishing a Hotel Partnership in Europe

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

Total



19 Hotels



3,395 Rooms

653M€

The Value of
transactions
signed as of
today



850M€

total forecast
property
portfolio

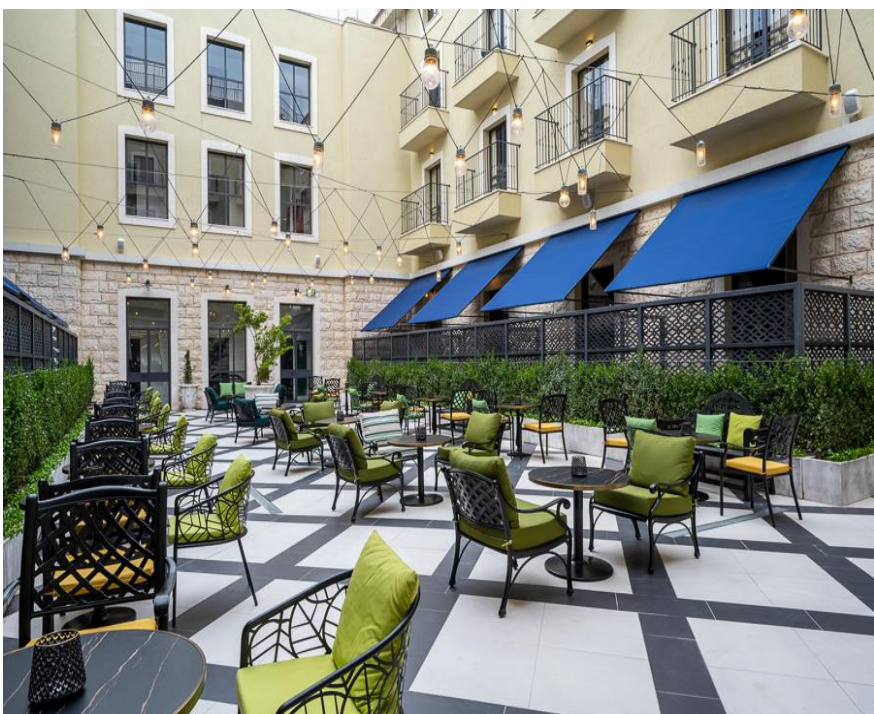
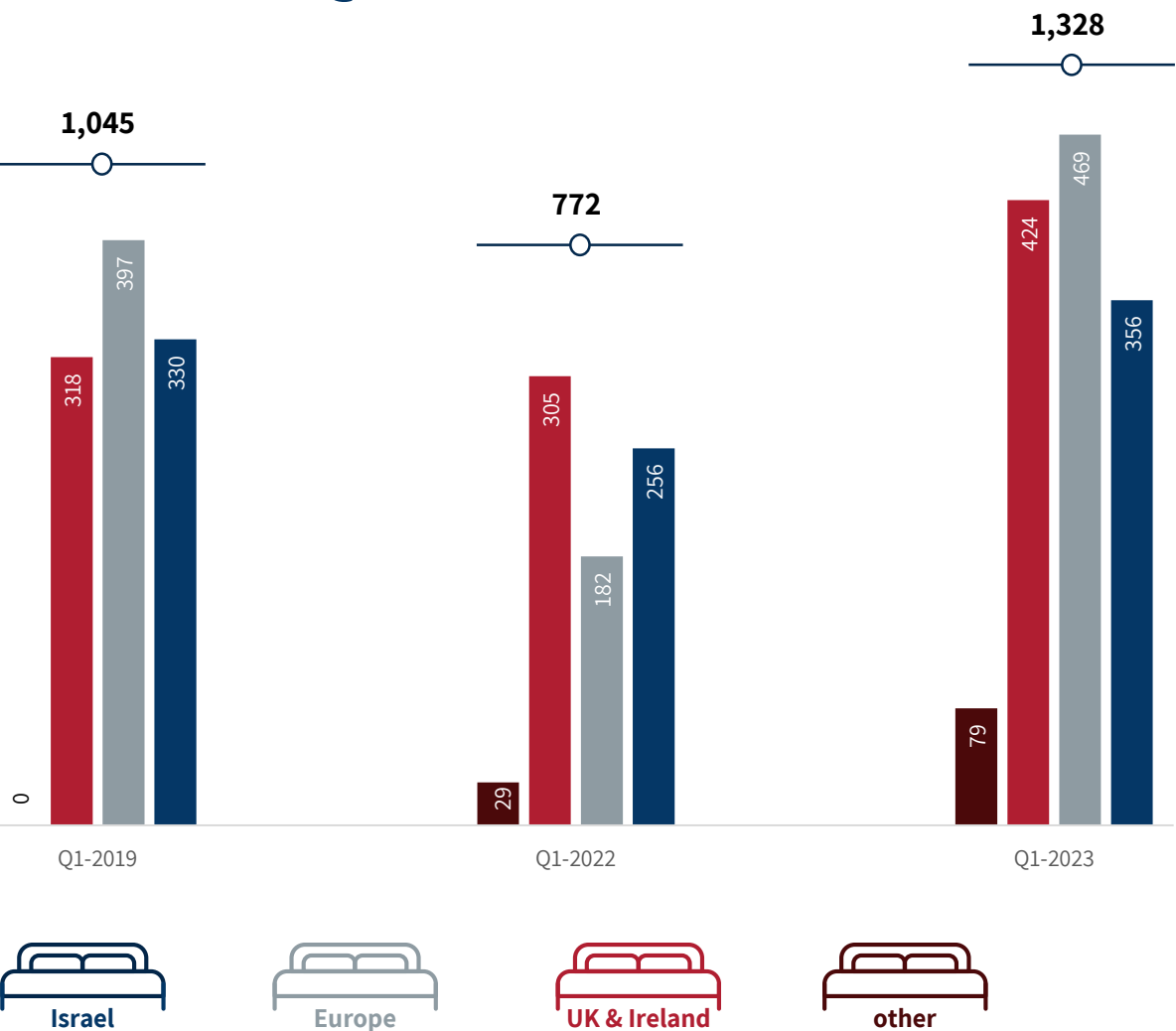




The Group's Financial Results 31.03.23

Main Financial Data – Revenues¹ (NIS millions)

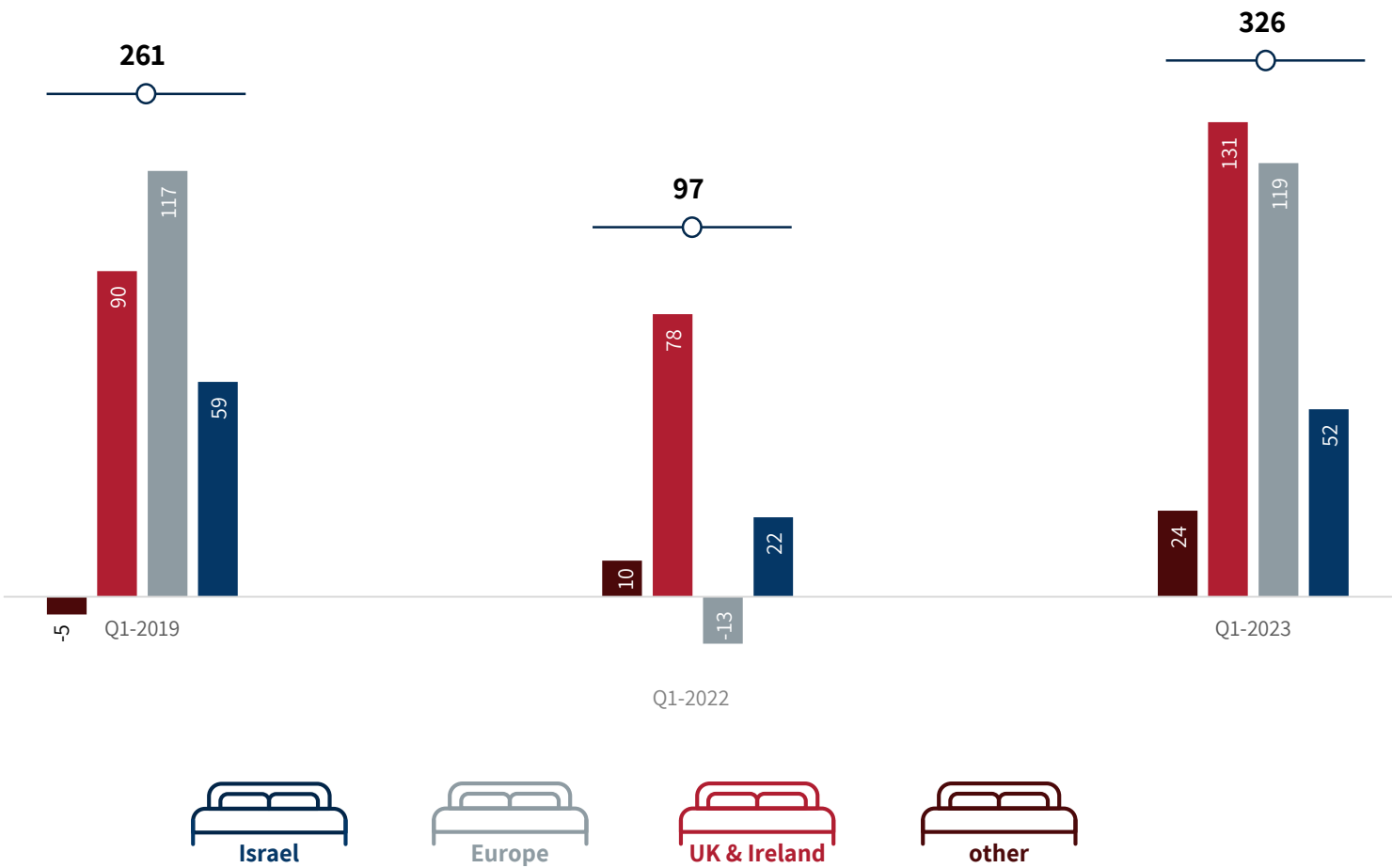
Q1 Results



¹ Includes the Company's share in affiliated companies

Main Financial Data - EBITDAR¹ (NIS millions)

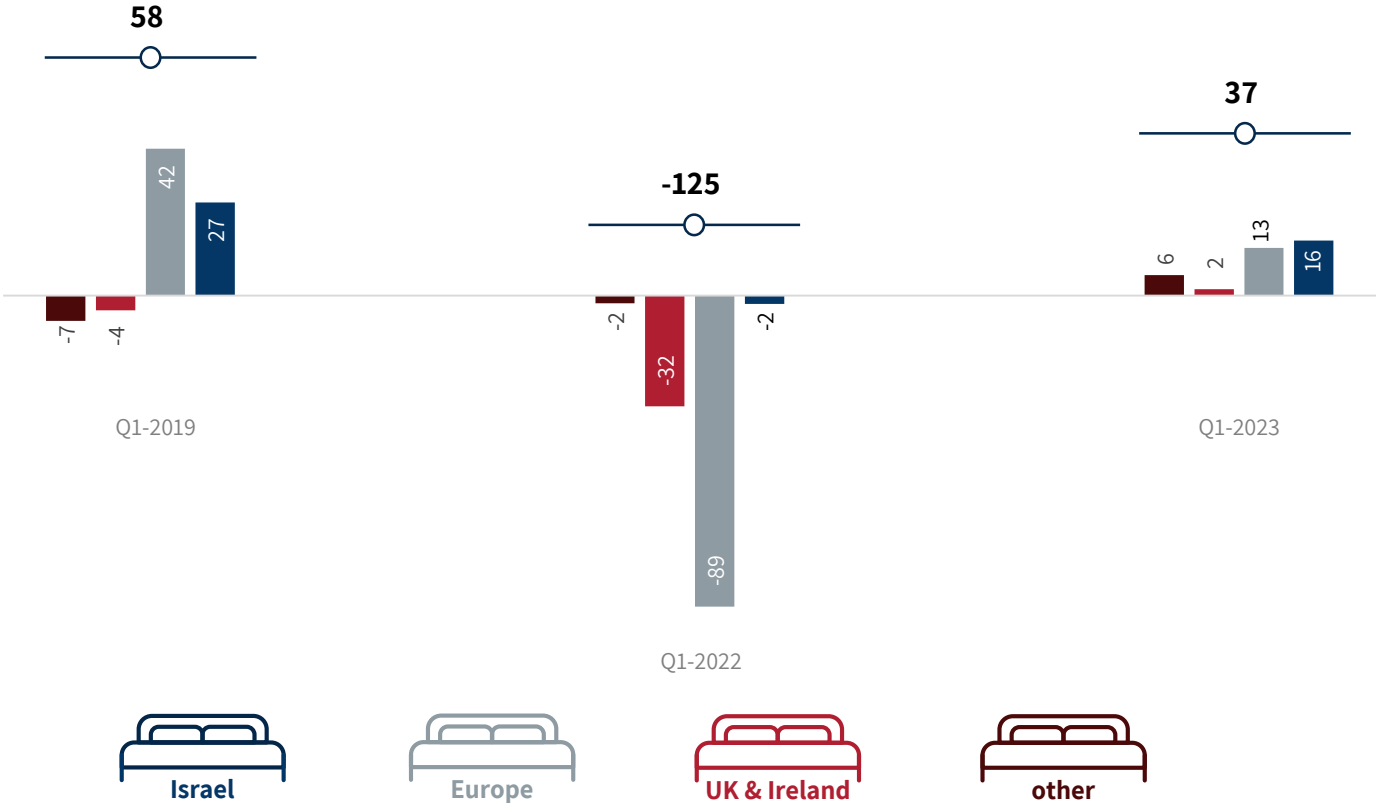
Q1 Results



¹ Includes the Company's share in affiliated companies

Main Financial Data - EBITDA¹ (NIS Millions) Prior to the Impact of Standard IFRS 16

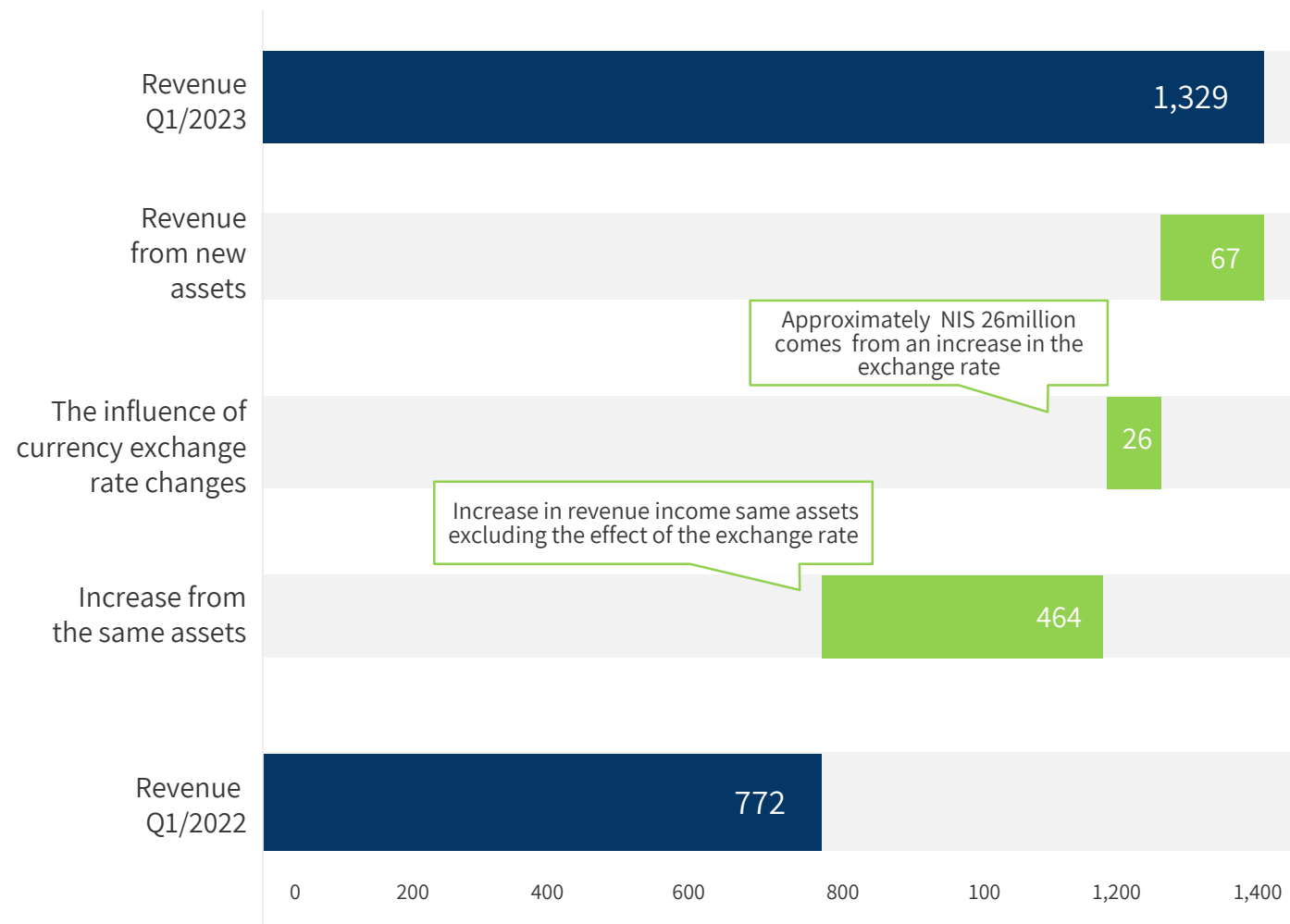
Q1 Results

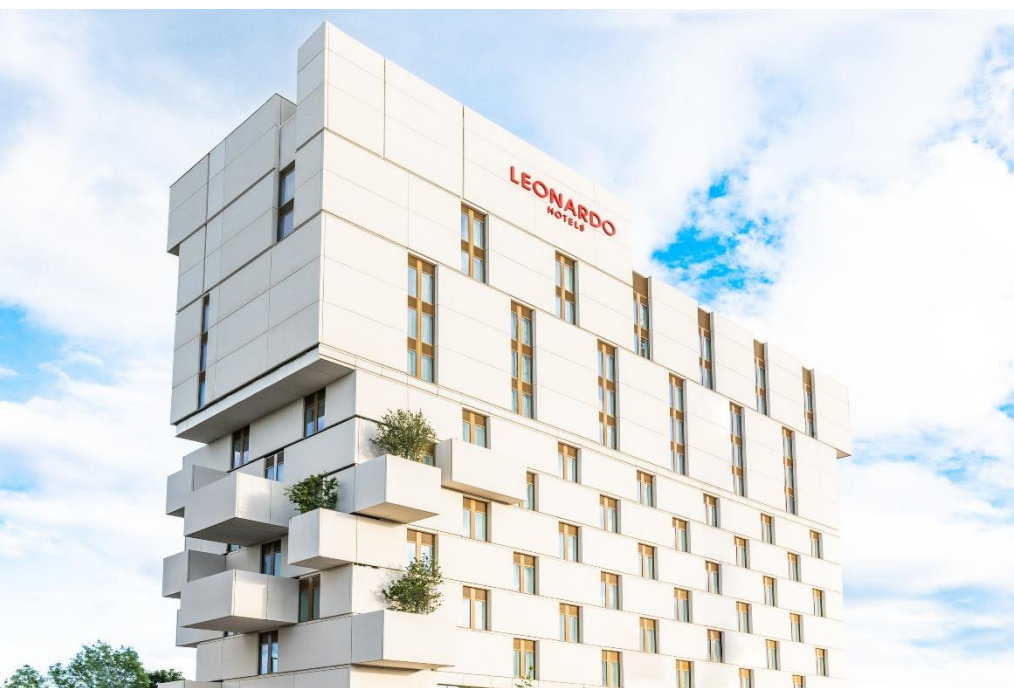


¹ Includes the Company's share in affiliated companies

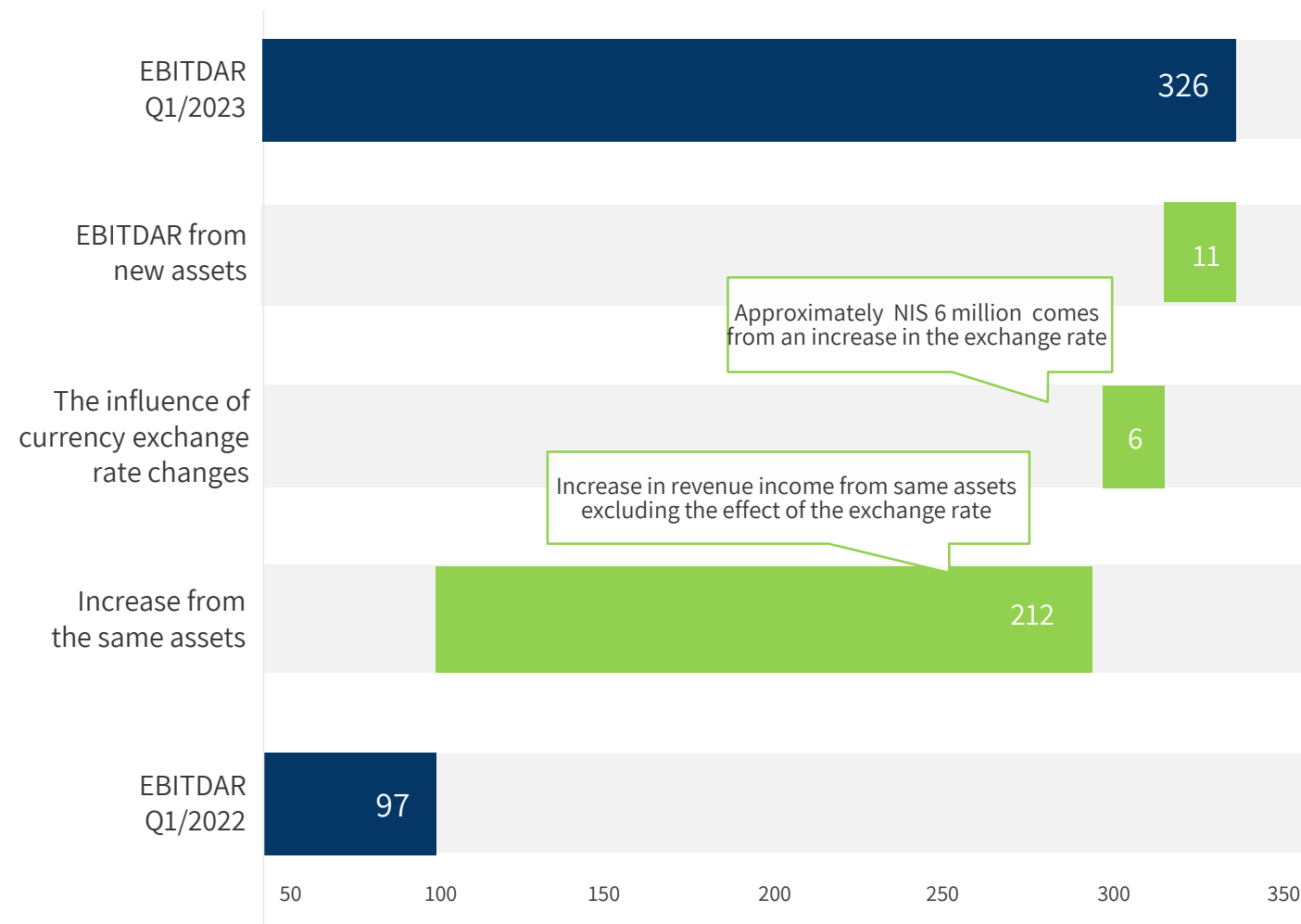


Segmentation of quarterly revenue cycle from the same assets– Q1

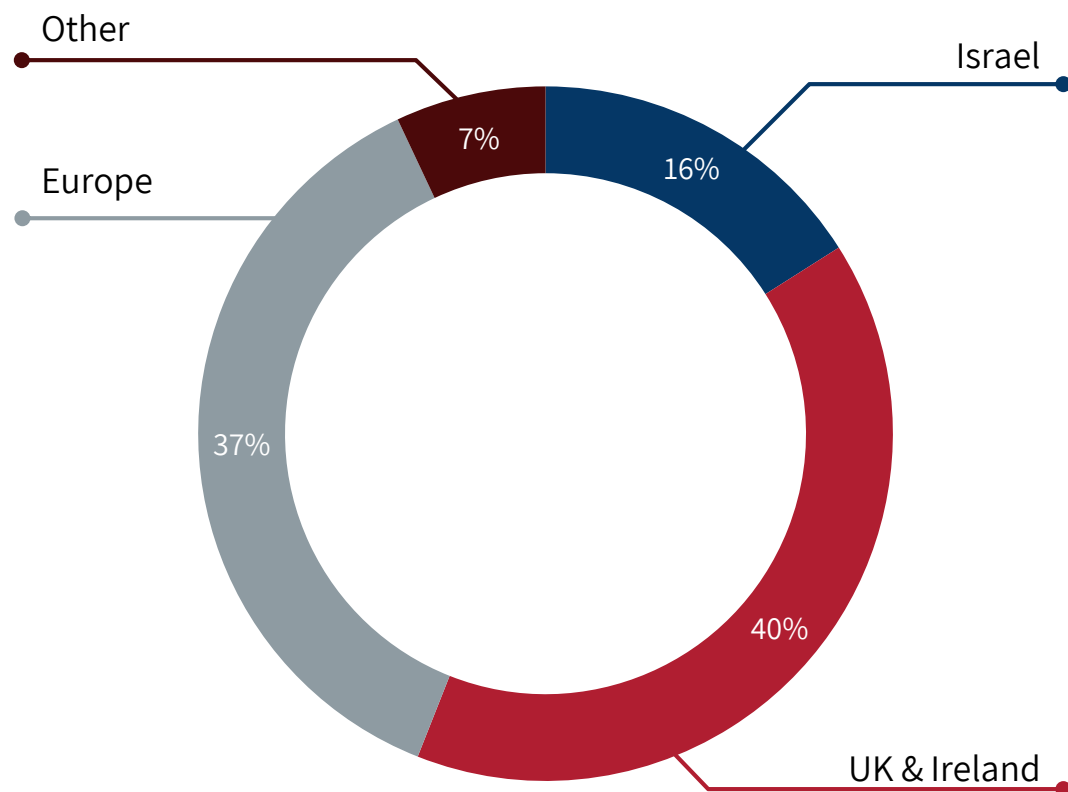




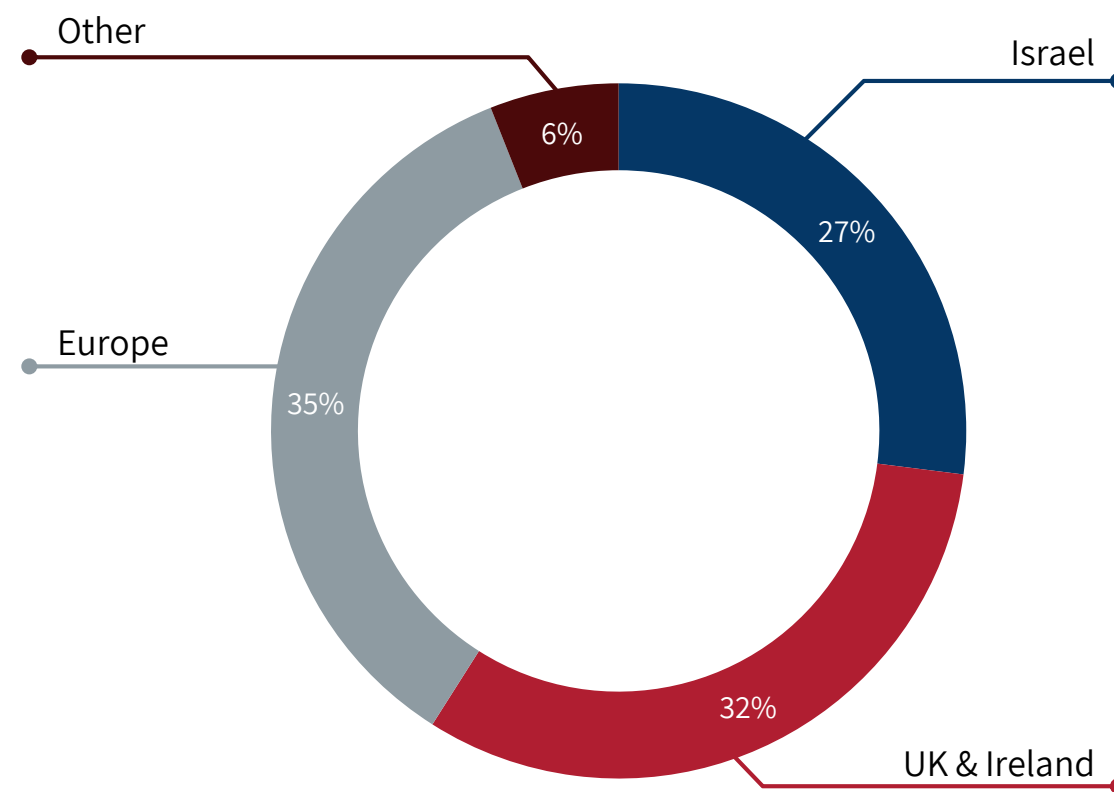
Segmentation of quarterly EBITDAR from the same assets– Q1



EBITDAR Split – Q1/2023

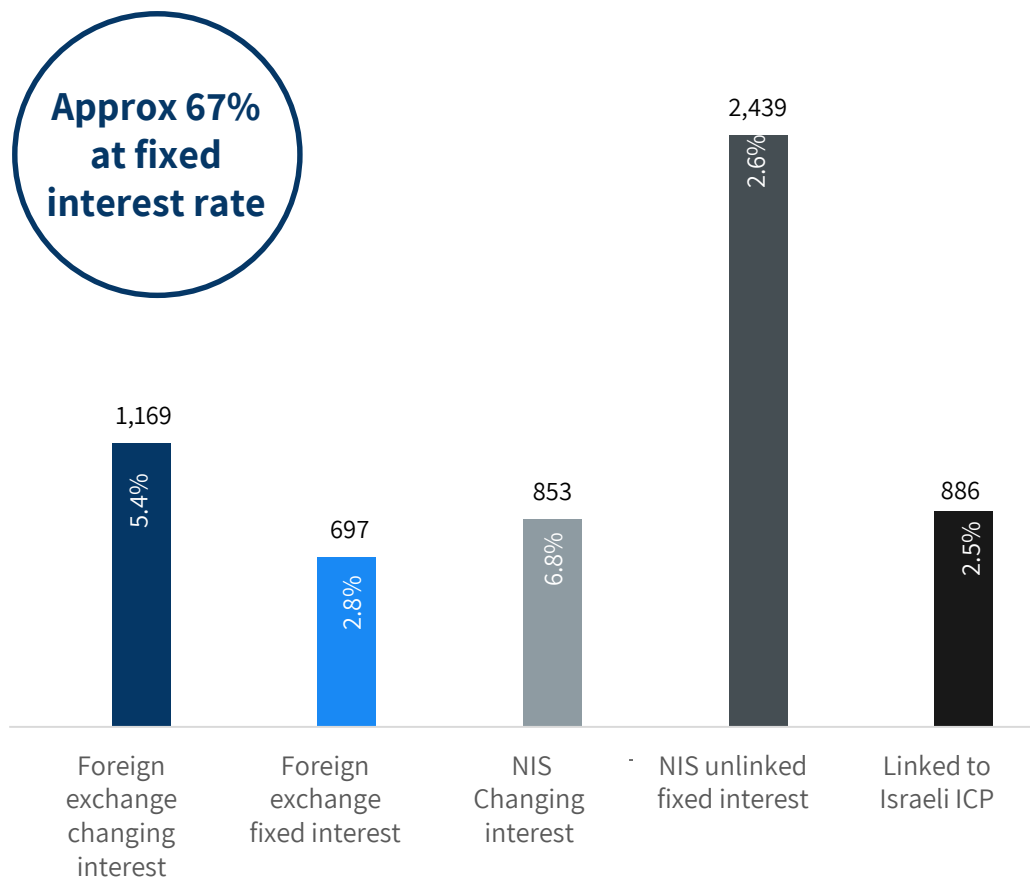


Revenue Split – Q1/2023

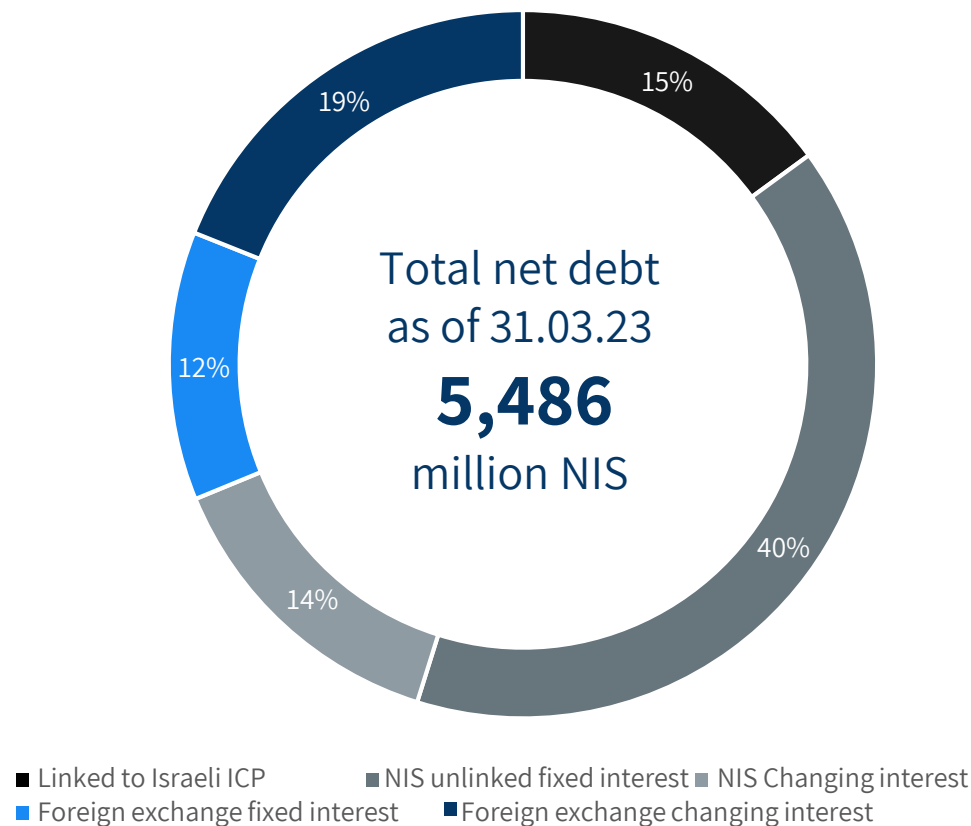


Key Debt Metrics(NIS millions)

Debt and average interest rate
as of 31.03.23



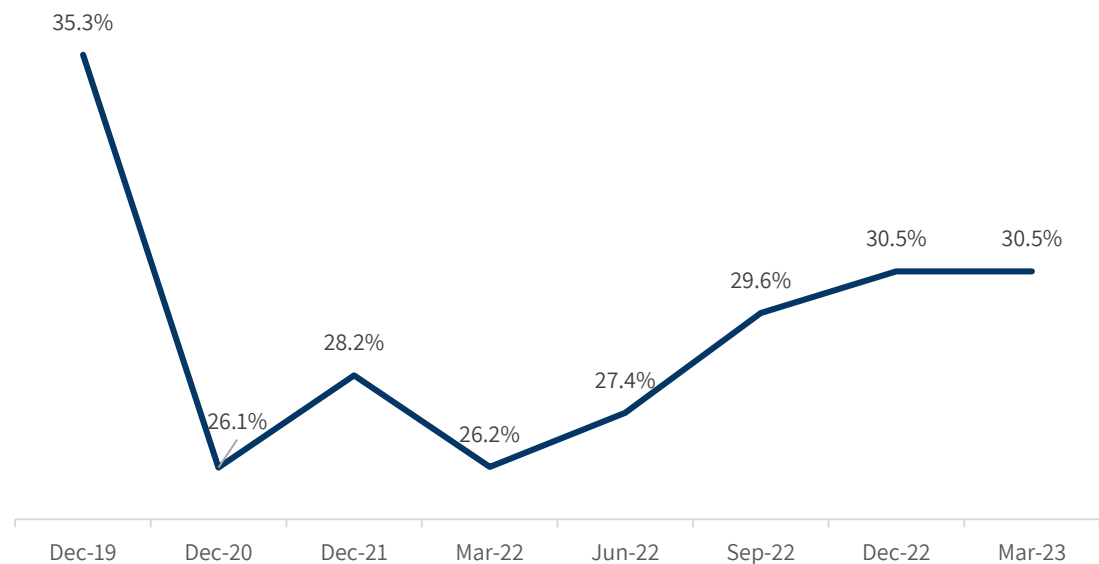
Split by debt type



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

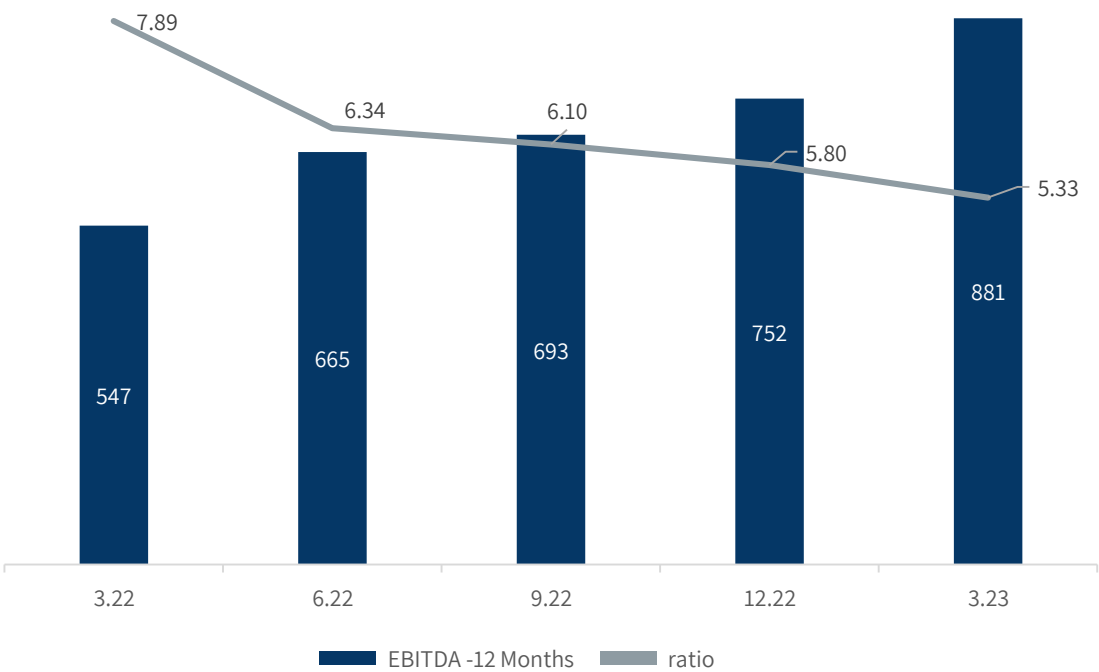
Financial Ratios¹ (NIS Millions)

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 September **2023**

¹ The terms and calculations as defined in the trust deed.

Consolidated Balance Sheet (NIS millions)

	Mar-23		Mar-23	Mar-22	Dec-22
	Data prior to implementation of IFRS16	Impacts of IFRS16	As shown in the Financial Statements		
Current Assets	1,287	(70)	1,217	1,173	1,587
Long Term Investments and Other Assets	3,559	12,482	16,041	14,114	15,298
Fixed Assets	6,969	-	6,969	5,669	6,674
Total Assets	11,815	12,412	24,227	20,956	23,559
Short Term Credit	894	-	894	676	1,161
Other Current Liabilities	1,274	444	1,718	1,482	1,651
Loans and Bonds – Long Term	5,148	-	5,148	4,739	4,925
Deferred taxes	388	-	388	313	412
Others	502	13,069	13,571	11,996	12,850
Total Liabilities	8,206	13,513	21,719	19,206	20,999
Shareholders' Equity	3,609	(1,101)	2,508	1,750	2,560
Total Liabilities and Equity	11,815	12,412	24,227	20,956	23,559



Consolidated Profit and Loss Statement (NIS million)

		1-3/23		1-3/22	1-12/22
	Data prior to implementation of IFRS16	Impacts of IFRS16	As shown in the Financial Statements		
Revenues from Hospitality Services and Others	1,242	-	1,242	752	5,471
Total Operating Expenses	948	-	948	658	3,646
Operating income before rent, depreciation and reductions (EBITDAR)	294	-	294	94	1,825
Total Rent	302	(295)	7	4	93
Operating income before depreciation and amortization (EBITDA)	(8)	295	287	90	1,732
Depreciation	(82)	(180)	(262)	(232)	(1,005)
Other Income (Expenses), Net	(2)	-	(2)	14	21
Profit before Financing	(92)	115	23	(128)	748
Financing Expenses, Net	(75)	(171)	(246)	(213)	(882)
Group's Share in the Subsidiaries' Earnings (Losses)	(25)	5	(20)	(9)	1
Tax Expenses (Tax Benefit)	31	17	48	78	55
Net Income	(161)	(34)	(195)	(272)	(78)
Net Earnings Attributed to Shareholders of the company	(161)	(34)	(195)	(272)	(78)
Net Earnings Attributed to Non-controlling Interests					
Real FFO	(120)		(120)	(214)	516





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Thank you for your attention!