

Carnegie Real Estate Seminar 2023

A hotel property specialist

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14 September 2023



Pandox in brief



Strategic position

A well-diversified portfolio

Pandox Group

158
Hotel properties

35,648
Rooms

SEK **72.2**^{bn}
Property market value

Property Management

138
Leased properties

30,201
Rooms

83%
Property market value

Operator Activities

20
Operated properties

5,447
Rooms

17%
Property market value

Strategic position

A strong network of partners and brands

Scandic

Radisson BLU

RHG RADISSON HOTEL GROUP

SIRCLE COLLECTION

NORDIC CHOICE HOTELS

HR Group

THE QUEENS HOTEL LIPS

MEININGER

GCH HOTEL GROUP

IHG InterContinental Hotels Group

Hilton HOTELS & RESORTS

Hotel Hubert Grand Place

NH HOTELS

MOTEL ONE

ELITE HOTELS OF SWEDEN

PULLMAN HOTELS AND RESORTS

Hotel Berlin, Berlin

Mercure HOTELS

CROWNE PLAZA HOTELS & RESORTS

H Holiday Inn

The Hotel. BRUSSELS

NOVOTEL HOTELS & RESORTS

Dorint Hotels & Resorts

skylne AIRPORT HOTEL

Axiom Hospitality

adagio APARTHOTEL

Leonardo Hotels

Hilton Garden Inn

HOTEL INDIGO

DOUBLETREE BY HILTON

pilot AIRPORT HOTEL

Grape HOSPITALITY

Park Centraal AMSTERDAM

HOTEL mayfair

Pandox cooperates with more than 30 business partners and brands

Strategic position

Active across Europe



1 hotel
595 rooms
2% of total rooms



77 hotels
16,425 rooms
46% of total rooms



28 hotels
6,285 rooms
18% of total rooms



53 hotels
12,343 rooms
35% of total rooms

Our business model

Pandox unique characteristics

- Hotel properties only
- Active owner with deep hotel knowledge
- Strong, well-known tenants and long-term revenue-based leases
- Focus on regional and domestic cities
- Diversification in several dimensions
- 100% bank financing
- Lived through many crisis – and came out stronger

Founded in
1995

15
countries

90
destinations

Variable revenue with minimum guarantee

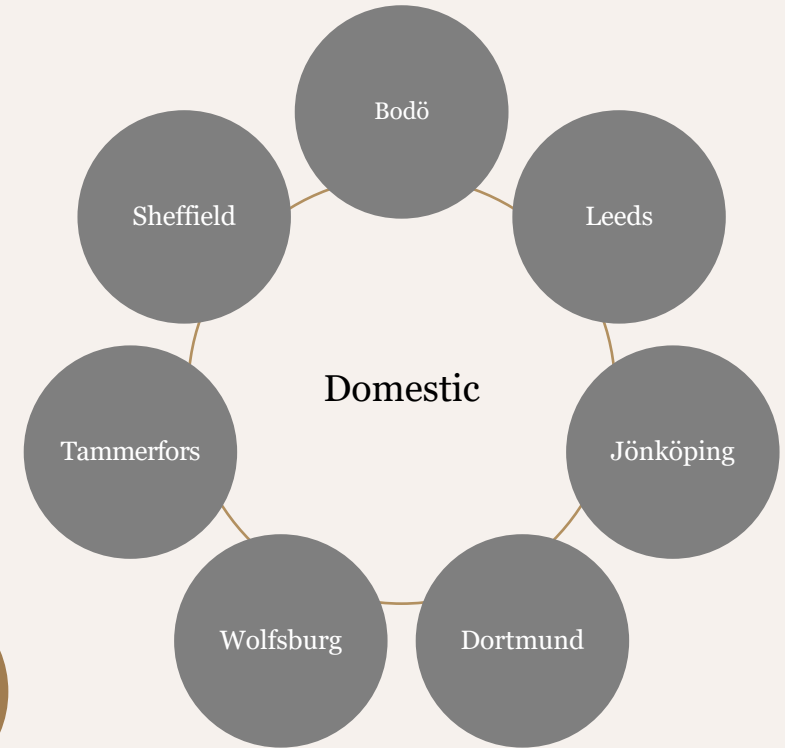
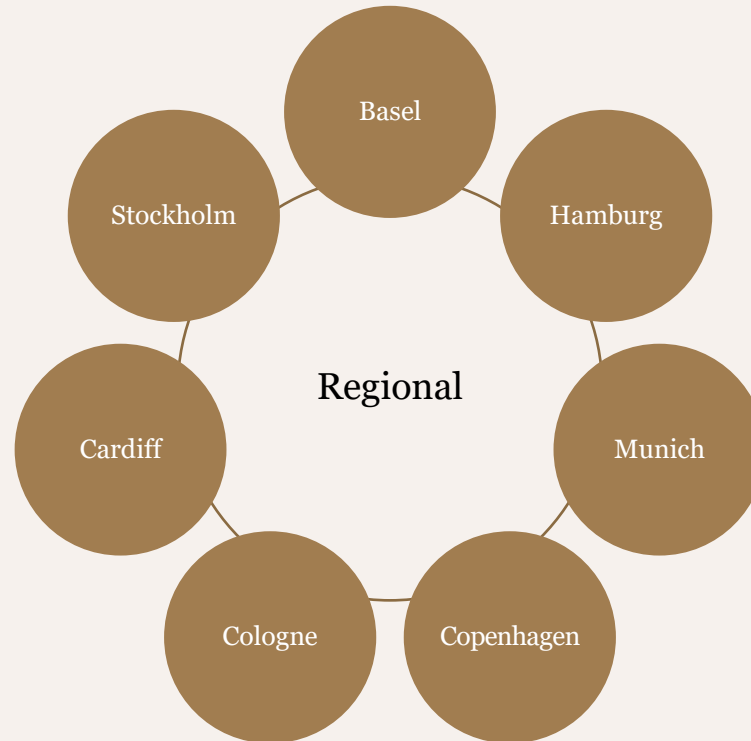
Lease agreements 85%	
Revenue-based with minimum rent	61%
Revenue-based w/o minimum rent	19%
Fixed	5%

Own operations 15%	
Franchise	8%
Independent	5%
Management	3%

In percent of total room count, per 30 June 2023

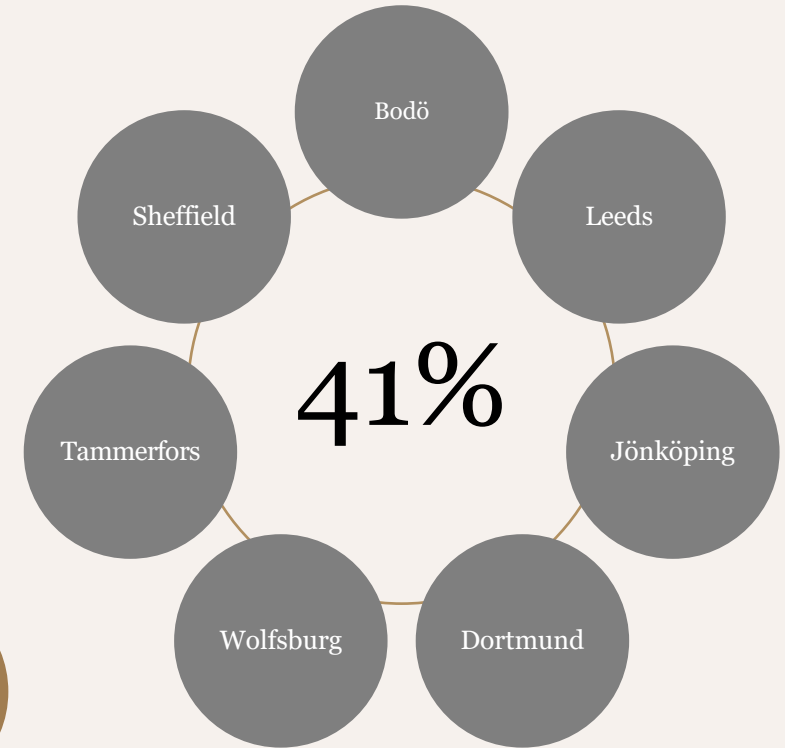
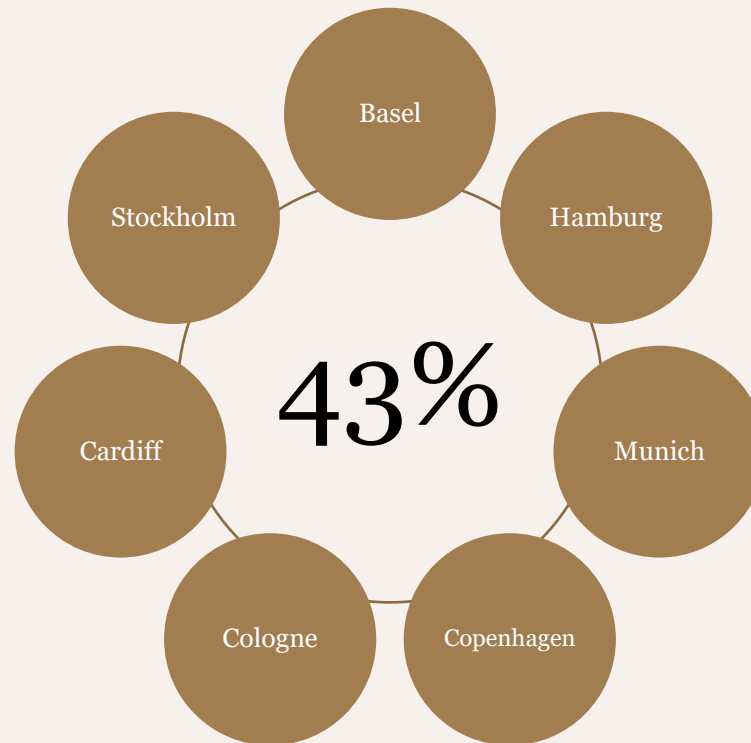
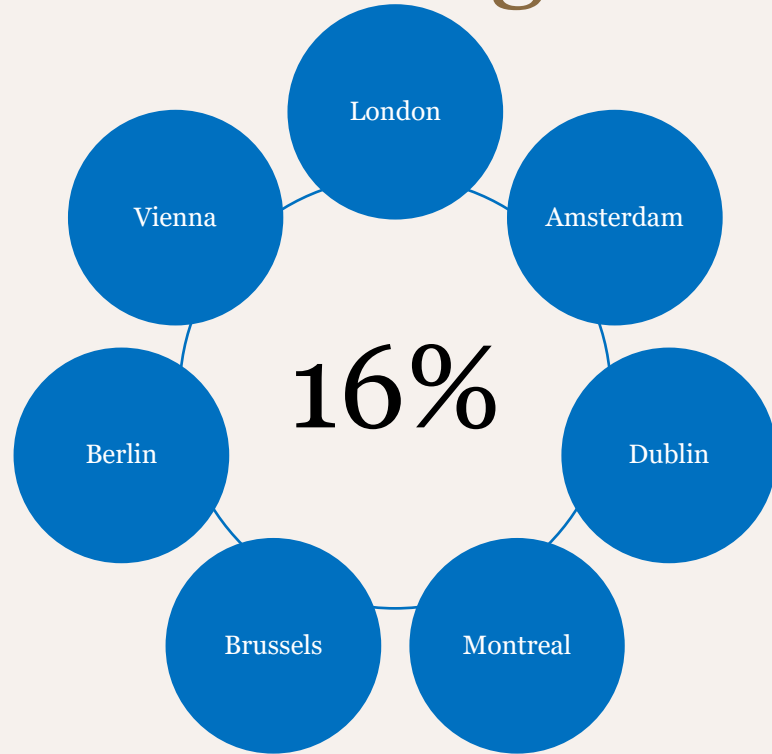
Strategic position

Three categories of destinations



Strategic position

Three categories of destinations



Per 30 June 2023

Strategic position

International flagship hotels



Hilton London Heathrow Airport
398 rooms



NH Vienna Airport
499 rooms



Park Hotel Amsterdam
189 rooms



Hotel Berlin, Berlin
701 rooms



DoubleTree by Hilton Montreal
595 rooms



The Hotel, Brussels
421 rooms

Strategic position

Regional flagship hotels



Hilton Stockholm Slussen
289 rooms



Scandic Copenhagen
486 rooms



Radisson Blu Cologne
393 rooms



NH Collection Hamburg City
129 rooms



The Midland Manchester
312 rooms



Leonardo Royal Hotel Frankfurt
449 rooms

Strategic position

Domestic flagship hotels



The Queens Hotel Leeds
232 rooms



Leonardo Hotel Wolfsburg City Centre
343 rooms



Jurys Inn Sheffield
259 rooms



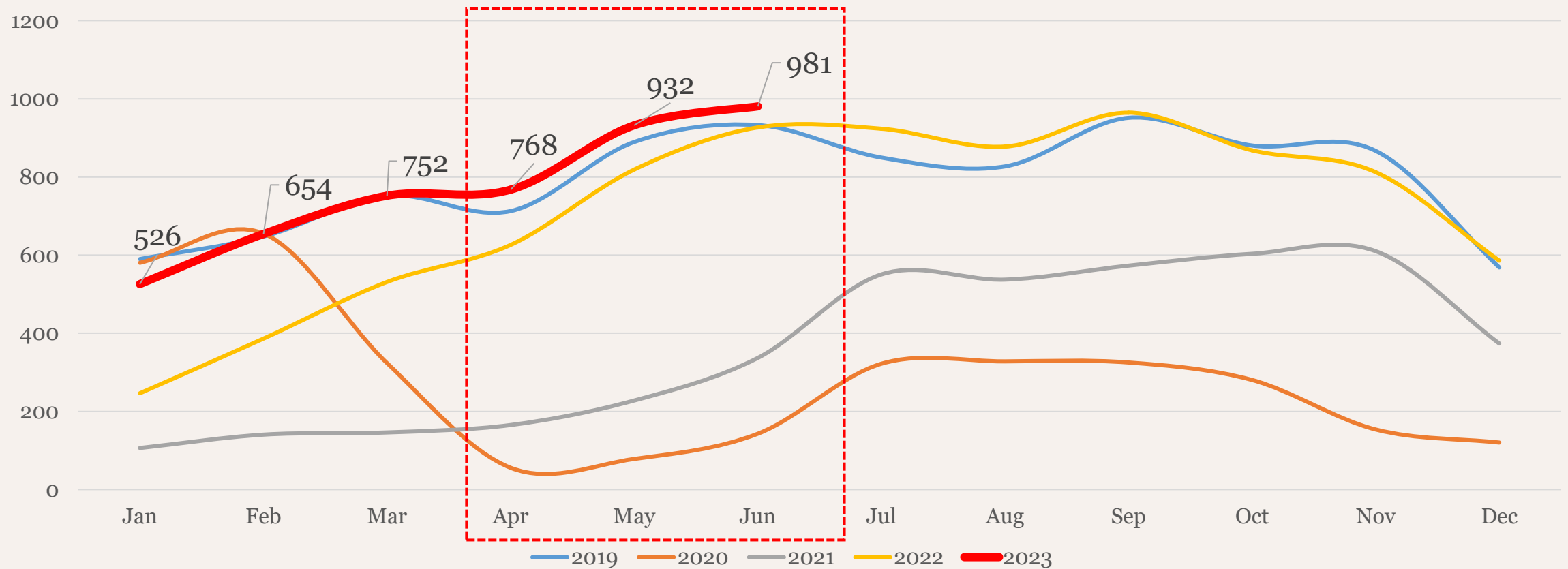
Elite Stora Hotellet Jönköping
167 rooms



Scandic Tampere City
263 rooms

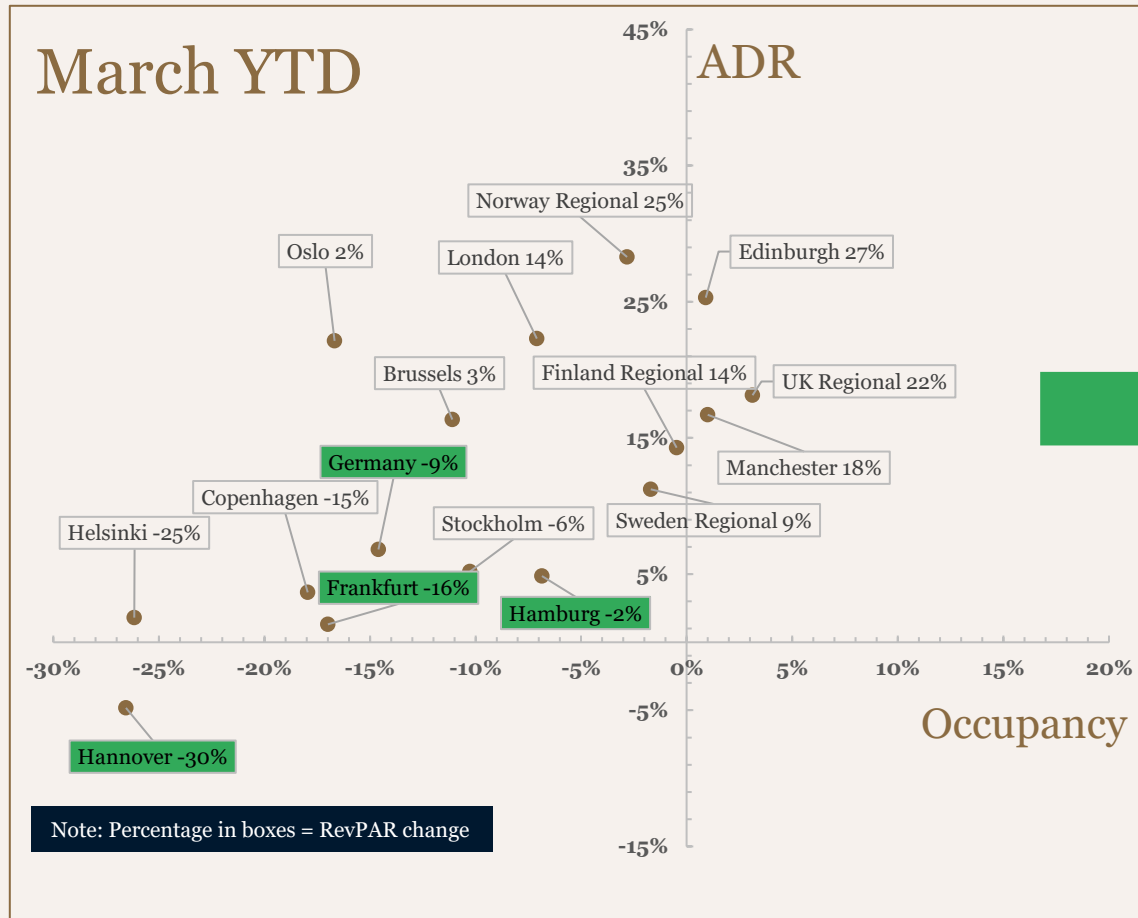
First half 2023 in brief

RevPAR above 2019

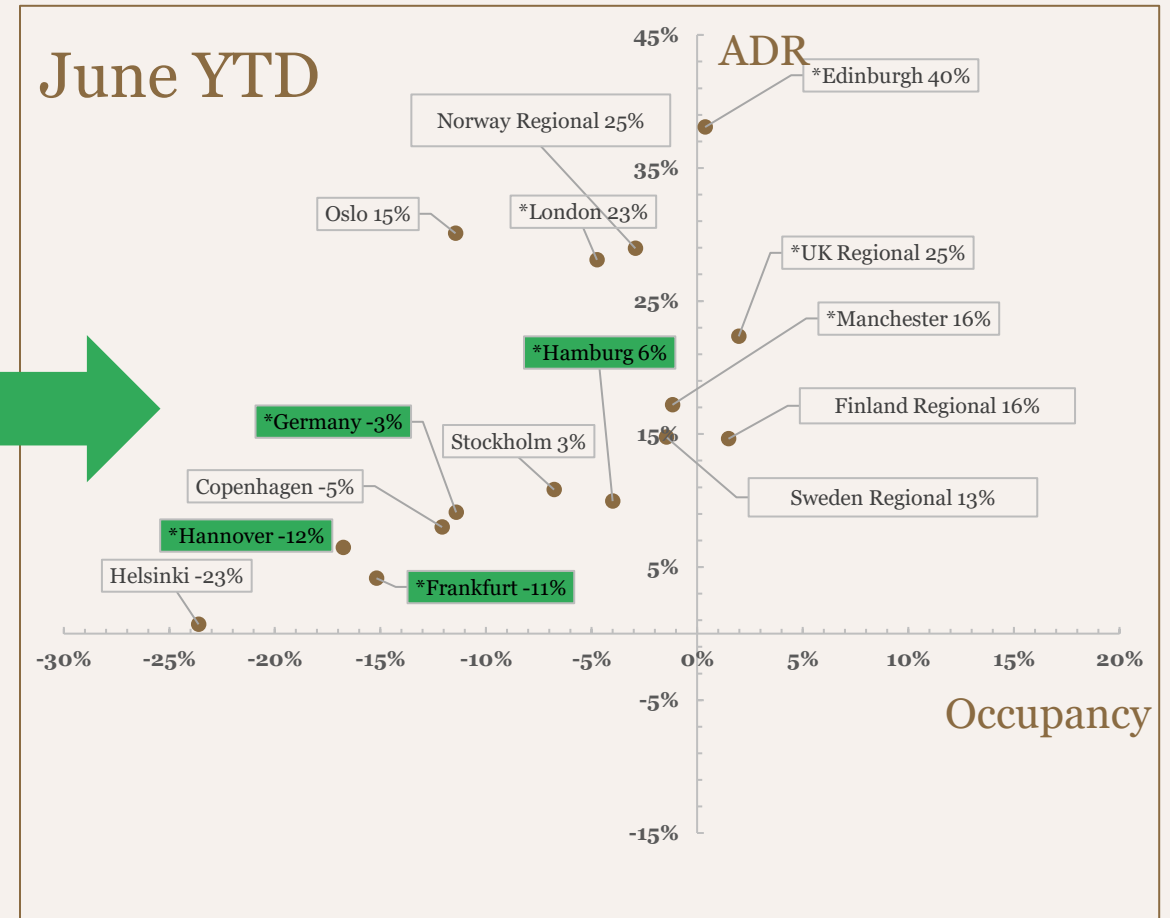


Hotel market development (vs 2019)

ADR drives continued RevPAR recovery



Source: Benchmarking Alliance, STR Global



Source: Benchmarking Alliance, STR Global

* Based on June estimate

Q2 2023 in brief

Good growth

+12%

Return on equity ¹⁾

R12M

+16%

LFL growth in NOI
total ²⁾

Apr-Jun 2023

+12%

LFL growth in NOI
Property management ³⁾

Apr-Jun 2023

46.7%

Loan-to-value, net

Per 30 June 2023

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

²⁾ NOI Property Management, plus gross profit plus depreciation Operating Activities. For comparable units adjusted for currency effects

³⁾ For comparable units adjusted for currency effects.

Higher yields balanced by strong cash flows

➤ Property Management H1 2023

- Yield (+0.30%) SEK -2.6bn
- Cash flow SEK +1.8bn

➤ Property Management Q2 2023

- Yield (+0.26%) SEK -2.2bn
- Cash flow SEK +1.8bn

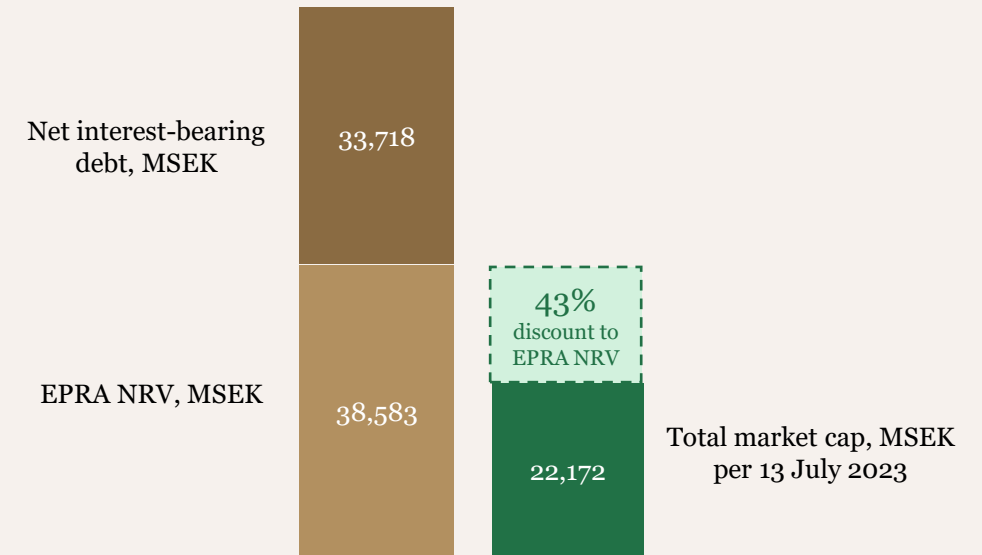
➤ Higher cash flows explained mainly by a strong average price development in large parts of the portfolio

	22Q2	22Q3	22Q4	23Q1	23Q2
<i>Property Management</i>					
Unrealised changes in value, MSEK	388	585	-67	-410	-468
Average yield	5.41%	5.45%	5.58%	5.62%	5.88%
<i>Operator Activities (info purposes only)</i>					
Unrealised changes in value, MSEK	251	-49	-1	-10	-104
Average yield	6.38%	6.43%	6.50%	6.59%	6.80%

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 30 June 2023



Quarter in brief

Continued value creation

- Solid demand in the hotel market
 - Germany strongest relative improvement
- Good underlying growth and profitability
 - Cash earnings growth of +4 percent (y/y) adjusted for government grants in 2022
- Large refinancings completed and stable financial position
 - MSEK 14,146 refinanced in H1
 - Loan-to-value of 46.7 percent, ICR of 3.2x (R12M) and 100% bank financing
- Multiple factors support the hotel market

Acquisition after the period

One more hotel in city center Belfast

Hilton Belfast



Operator Activities | 202 rooms | City center | MGBP 40



New lease after the period

Scandic Go to open second half of 2024



Property Management | 221 rooms | City center



Source: Scandic (concept image)

Revenue-based lease with minimum guaranteed rent

Market outlook*

Multiple factors support the hotel market

- A global economy with strong legs
- Household demand for experiences is high with travel prioritised over other consumption
- Surplus household savings remain high in many of our markets
- Further potential for business travel in the autumn
- Well-filled trade fair calendars in Germany
- International travel still a way to go to 2019 levels
- Weak exchange rates in the UK, Norway and Sweden

*Per 14 July 2023

Q&A





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