



Pandox™

Excellence in Hotel Ownership and Operations

Forward-looking statements

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# HMD 2015 – Summary

Stockholm, 24 November 2015

# Pandox HMD 2015

## Program

13:00 – 13:05

- › Welcome - Christian Ringnes, Chairman Pandox; Bengt Brodin, Moderator

13:05 – 13:15

- › When it all Started - Lars Thunell, Doctor and First Chairman of Pandox

13:15 – 14:00

- › Economic Growth During 25 Years: From Crises to Booms – and new Challenges - Klas Eklund, Senior Economist, SEB

14:00 – 14:45

- › Pandox Developments - Anders Nissen, CEO, Pandox AB

14:45 – 15:15

- › Networking

15:15 – 15:55

- › Past, Present and Future; the Ever-Changing Hotel Company Configuration - Angela Roper, Professor at the University of West London

15:55 – 16:35

- › The Influence of Global Capital Flows on the Hotel Sector - Arthur de Haast, Chairman of JLL Hotel & Hospitality Group

16:35 – 16:45

- › Break

16:45 – 17:30

- › The Chief Outlines of the Political Developments Since the 1990's - Göran Persson, Prime Minister of Sweden 1996-2006

17:30 – 17:50

- › Conclusions: What has Happened and What Will Happen in the Hotel Sector? - Lars Thunell, Doctor and First Chairman of Pandox; Bengt Brodin, Moderator

17:50 – 18:10

- › Hotel Industry Forecast 2016 - Anders Nissen, CEO Pandox AB

18:10 – 18:30

- › Networking and mingle

18:30

- › Casual dinner at the Panorama Restaurant , Hilton Slussen

# Pandox HMD 2015

## Summary of presentations

13:05 – 13:15

When it all Started - Lars Thunell, Doctor and First Chairman of Pandox

- › To be completed after the event.

13:15 – 14:00

Economic Growth During 25 Years: From Crises to Booms – and new Challenges - Klas Eklund, Senior Economist, SEB

- › Stagnation and crisis in Sweden in the 1980's.
- › Grim realization forced brutal economic adaptation.
- › The great U-turn in the 1990's made Sweden more robust.
- › Rapid productivity growth and interest in the Nordic model.
- › The Swedish economy today ranks high on technology and management but low on public sector and taxes.
- › The forecast is a broad economic expansion with headwinds.
- › Refugee immigration leads to an immediate rise of GDP, but the long-term economic effects depend on success of integration.

# Pandox HMD 2015

## Summary of presentations

14:00 – 14:45

Pandox Developments - Anders Nissen, CEO, Pandox AB:

- › A leading European hotel property company.
- › Active - across-the-value-chain - ownership model.
- › A strong third quarter with strong growth in key markets.
- › RevPAR upside through lease structure and own operations.
- › High activity level in the portfolio.
- › Portfolio of high quality.
- › Long-term lease agreements with strong partners.
- › Key growth drivers for cash earnings: (1) market growth, (2) quality portfolio, (3) project pipeline, (4) operations, (5) interest rates, and (6) opportunistic acquisitions.

15:15 – 15:55

Past, Present and Future; the Ever-Changing Hotel Company Configuration - Angela Roper, Professor at the University of West London:

- › Past hotel company configuration – (1) entrepreneurs starting from one hotel, (2) first brands grew by franchising, (3) early internationalization.
- › Current hotel company configuration – (1) vertical disintegration, (2) increased specialization with move from real-estate-based to fee-based business models triggered by specific transactions (Marriott, Bass, Starwood, IHG) and technology advancements (Google, tripadvisor, Expedia, Airbnb), (4) asset light business models focused on brand and distribution.
- › Possible future configuration scenarios – (1) vertical disintegration or back to integration?(2) global majors consolidating further, (3) technology driving global majors back in control, (4) different players in travel value chain moving both forwards and backwards, (5) new business models will develop.

# Pandox HMD 2015

## Summary of presentations

15:55 – 16:35

The Influence of Global Capital Flows on the Hotel Sector - Arthur de Haast, Chairman of JLL Hotel & Hospitality Group:

- › Long term secular global growth.
- › Capital flows will remain strong.
- › The Chinese are coming.
- › Ownership is too fragmented.
- › Ownership lacks necessary asset management skills.
- › Who has necessary management skills?
- › Those who get it right can drive superior returns.

16:45 – 17:30

The Chief Outlines of the Political Developments Since the 1990's - Göran Persson, Prime Minister of Sweden 1996-2006:

- › To be completed after the event.

# Pandox HMD 2015

## Summary of presentations

17:30 – 17:50

Conclusions: What has Happened and What Will Happen in the Hotel Sector? - Lars Thunell, Doctor and First Chairman of Pandox; Bengt Brodin, Moderator

- › To be completed after the event.

17:50 – 18:10

Hotel Industry Forecast 2016 - Anders Nissen, CEO Pandox AB

- › A dynamic industry with new types of demand and on-going changes of business models.
- › The strong market growth in 2015 will lead to a deceleration in market growth rates in 2016. We expect stable market conditions with single-digit market growth, in the lower range, in Pandox's key markets in 2016.
- › USA (gateway cities): Stable to moderate growth with solid economic activity and domestic demand as key drivers.
- › Canada: Moderate growth with strong US dollar and intra-regional demand as key drivers.
- › Euroland: Stable growth with economic activity, intra-regional and international demand as key drivers.
- › Scandinavian capitals: Stable growth with stable economic development, domestic and intra-regional demand as key drivers.
- › Sweden: Stable growth with stable economic development, domestic and intra-regional demand as key drivers.

# Pandox HMD 2015

## Summary of event

- › Founded during the banking crisis in the mid 1990's, Pandox has grown into a leading European hotel property company.
- › Sweden has grown into a more robust economy in the same period.
- › The hotel industry is large, dynamic and benefits from long term secular growth with new travel demand added from Asia.
- › Technology and strategy drive the emergence of new business models, some of which may both challenge and support existing market structures.
- › Further consolidation in the hotel market is possible, but players moving within the hotel market value chain is equally likely.
- › Those who have the right strategy and execute well will drive superior returns.
- › The strong market growth in 2015 will lead to a deceleration in market growth rates in 2016. We expect stable market conditions with single-digit market growth, in the lower range, in Pandox's key markets in 2016.



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