

QUARTERLY REPORT FOR Q4 2023

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NEWS

NEW BRAND THE CLOUD ONE HOTELS LAUNCHES IN GERMANY



In December 2022, the Motel One Group portfolio expanded with the opening of the first The Cloud One Hotel in New York. This represented the launch of a brand that is set to grow in Europe and the US, and which is strategically positioned in the lifestyle segment. In December 2023 the first German hotel was introduced: The Cloud One Hamburg-Kontorhaus, boasting 457 rooms and a rooftop bar with sweeping views.

The Cloud One Hotels is determined to bring the unique features of the city into each of its hotels. Guests can immerse themselves in their destination before they even step outside, with each hotel as individual as the city itself. The high-quality design, recurring events and a select F&B menu combine to create an unmistakable ambience – all in prime locations.

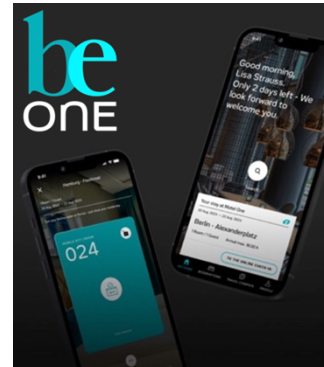
On the ground floor, guests will find a generous lounge which seamlessly combines benches for remote working and comfy sofas for relaxation. For a taste of Hamburg, the hearty breakfast selection includes numerous products from local partners who are committed to the highest levels of quality and sustainability. Beyond the F&B menu, the use of 100 per cent green electricity and water-saving fittings makes the hotel a sustainability star.

But the absolute highlight must be the Cloud One Bar with its spectacular rooftop terrace, with views stretching from the warehouses of the Speicherstadt district to the Elbphilharmonie concert hall and the port. DJs set the mood with regular 'Sounds in the Cloud' events. In the Wine Bar & Lounge Guests can choose from an exclusive selection of German organic wines and a wide range of cocktails.



BE ONE GROWS TO 1.5 MILLION MEMBERS

By the end of the year, the number of beOne members had grown to around 1.5 million – almost 30 per cent more than the previous year. And these one and a half million members can now enjoy an exclusive new feature: in December the Motel One app became the beOne app. Along with popular functions like booking and the Travel Compass, since last year members also have the option of using the app to carry out the entire check-in process online, and in selected hotels they can even use the app as a mobile key for their room. The beOne app is now a personal digital travel companion. Over all, the Motel One Group managed to generate around 70 per cent of bookings through its own channels in 2023.



MOTEL ONE RETAINS AAA EVALUATION FROM TREUGAST

The Motel One Group has retained its peak position and AAA evaluation from Treugast Solutions Group. The consultancy service for the German hotel and restaurant industry analyses dynamics in the sector and the performance of individual hotel operators. The focus is on factors such as successful location strategies, high product standards, profitable hotel concepts and reliability as tenants. The launch of the lifestyle brand The Cloud One Hotels increases the flexibility of conversion projects, with investments in digitalisation and revenue management projects further expanding the Group and driving it forward.

PRICE-PERFORMANCE CHAMPION ONCE AGAIN



In 2023, a survey once again asked consumers which brands offered them best value for money. The figures issued by YouGov BrandIndex and financial newspaper Handelsblatt put Motel One at the top of the hotel category – for the seventh time in a row. Motel One achieved an overall score of 32 per cent, an improvement of 0.8 points compared to the previous year. The survey, conducted from December 2022 to November 2023, looked at a total of 21 hotel companies. Another interesting fact: the Group did particularly well with German consumers, especially in the summer months.

HOSPITALITY HR AWARD WINNER

In November, Motel One received the inaugural 'Audience Award' at the Hospitality HR Awards, issued by the German Hotel Association in collaboration with employer rating service kununu. The award is based on anonymous ratings by Motel One employees and reflects perceptions of the company in the working environment. The first-place award points to a positive working culture and highlights our strong commitment to our employees.



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NEW PROJECTS IN BRUSSELS, NICE AND BERLIN

In the 2023 financial year, new rental contracts were concluded for 12 hotels with 3,352 rooms, including four new locations in attractive European destinations in the fourth quarter – two properties in Brussels, and one each in Nice and Berlin. This brings the network of hotel locations for which contracts have been signed to 128 hotels (previous year: 116) with 35,144 rooms (previous year: 31,792).

Due to the currently difficult financing conditions, some real estate developers were not able to specify a set date for 11 pipeline projects with 2,967 rooms. The secured portfolio therefore currently includes 117 hotels with 32,177 rooms.

Of these, 94 (previous year: 88) were in operation as of 31 December 2023 with 26,470 rooms (previous year: 24,752), and 23 hotels (previous year: 28), with 5,707 rooms (previous year: 7,040) in the planning or construction phase. The German portfolio remains unchanged – 69 hotels with 19,790 rooms (previous year: 19,684). The international portfolio increased to 48 hotels (previous year: 47) with 12,387 rooms (previous year: 12,108) – already a share of 39%.

	December 31					
	2023		2022		+ / - ly	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Signed hotels	128	35.144	116	31.792	12	3.352
Date not specified	11	2.967	0	0	11	2.967
Secured portfolio	117	32.177	116	31.792	1	385
- in operation	94	26.470	88	24.752	6	1.718
- under development	23	5.707	28	7.040	-5	-1.333
- Germany	69	19.790	69	19.684	0	106
- International	48	12.387	47	12.108	1	279

KEY FINANCIAL FIGURES

INCOME STATEMENT

In the fourth quarter the revenue per available room increased to EUR 95 (previous year: EUR 87). On this basis, revenue totalled EUR 226 million (previous year: EUR 197 million), representing an increase of 15%. The EBITDA increased by 37% to EUR 73 million (previous year: EUR 53 million) with a margin of 32% (previous year: 27%).

Income Statement	4th Quarter					Year-to-Date January - December				
	2023	% Rev	2022	% Rev	+/- ly	2023	% Rev	2022	% Rev	+/- ly
Statistics:										
No. Hotels	94		88		6	94		88		6
No. Rooms	26.470		24.752		1.718	26.470		24.752		1.718
Occupancy (%)	72		74		-1	72		64		8
TRevPAR (EUR)	95		87		8	92		73		19
Income Statement:	kEUR	% Rev	kEUR	% Rev	% ly	kEUR	% Rev	kEUR	% Rev	% ly
Revenue	225.997	100	196.773	100	15	851.533	100	638.740	100	33
EBITDAR	127.151	56	98.083	50	30	466.078	55	330.012	52	41
Lease payments	-36.492	-16	-33.445	-17	-9	-142.881	-17	-125.327	-20	-14
Head Office & Pre-Opening	-17.236	-8	-11.184	-6	-54	-42.527	-5	-33.707	-5	-26
EBITDA	73.423	32	53.454	27	37	280.670	33	170.978	27	64
Amortisation/Depreciation	-18.423	-8	-16.889	-9	-9	-62.826	-7	-56.726	-9	-11
EBIT	55.000	24	36.565	19	50	217.844	26	114.252	18	91
COVID Subsidies	0	0	84	0	<100	-1.415	0	14.002	2	<100
Financial Results	-742	0	-2.800	-1	74	-3.729	0	-11.772	-2	68
Capital gain	13.529	6	0	0	>100	13.529	2	0	0	>100
EBT	67.787	30	33.849	17	>100	226.229	27	116.482	18	94
Income tax	-25.552	-11	-13.309	-7	-92	-69.916	-8	-38.099	-6	-84
NET RESULT	42.235	19	20.540	10	>100	156.313	18	78.383	12	99

By the end of 2023, the network of locations had grown by six to reach 94 hotels with 26,470 rooms (previous year: 24,752). For the year as a whole, the occupancy rate was 72% (previous year: 64%), representing an increase of 8 percentage points over 2022 figures. The TRevPAR increased by 26% to EUR 92 (previous year: EUR 73). Revenue increased by 33% to EUR 852 million (previous year: EUR 639 million). EBITDA grew by 64% to EUR 281 million (previous year: EUR 171 million). Earnings before taxes (EBT) almost doubled to reach EUR 226 million (previous year: EUR 116 million) – another record result in the company's history.

CASH FLOW STATEMENT

The operating cash flow for 2023 was EUR 173 million (previous year: EUR 153 million). Besides the changes to the working capital, this factors in the redesign capital expenditure of EUR 34 million (previous year: EUR 26 million) and tax expenses of EUR 70 million (previous year: EUR 38 million).

Based on positive business development, the company repaid the KfW loan of EUR 101 million, which was held as a liquidity reserve, and issued a capital payment to the shareholders in the amount of EUR 68 million. Conversely, new loans were taken out in debt cash flow to finance the company's own developments (PropCo), bringing the cash flow before expansion capex for the 2023 financial year to 63 million (previous year: EUR 111 million).

Cash Flow Statement	4th Quarter					Year-to-Date January - December				
	2023		2022		+/- ly	2023		2022		+/- ly
	kEUR	% Rev	kEUR	% Rev	% ly	kEUR	% Rev	kEUR	% Rev	%
EBITDA reported	73.423	32	53.454	27	37	280.670	33	170.978	27	-64
- Net Working Capital	-5.850	-3	8.045	4	<100	-3.858	0	45.686	7	<100
- ReDesign Capex	-10.447	-5	-9.490	-5	10	-34.250	-4	-26.027	-4	32
- Taxes	-25.552	-11	-13.309	-7	92	-69.916	-8	-38.099	-6	84
Operating Cash Flow	31.574	14	38.700	20	-18	172.646	20	152.538	24	13
- Covid Subsidies	0	0	84	0	<100	-1.415	0	14.002	2	<100
- Investing / Divesting Cash Flow	4.528	2	1.999	1	>100	-5.871	-1	1.767	0	<100
- Equity Cash Flow	12.822	6	-256	0	<100	-55.058	-6	187	0	<100
- Debt Cash Flow	12.525	6	-15.452	-8	<100	-47.455	-6	-57.888	-9	-18,0
Cash Flow before Expansion Capex	61.449	27	25.075	13	>100	62.847	7	110.606	17	-43,2
- CAPEX new Hotels PROPCO	-83.524	-37	-12.730	-6	>100	-166.437	-20	-37.846	-6	>100
- CAPEX new Hotels FF&E	-8.234	-4	-10.304	-5	-20	-26.689	-3	-28.095	-4	-5
- Other Grants	0	0	3.240	2	<100	1.364	0	4.690	1	-71
Net Cash Flow	-30.309	-13	5.281	3	<100	-128.915	-15	49.355	8	<100
Cash carried forward	279.136		372.461		-25	377.742		328.387		15
Cash at end of period	248.827		377.742		-34	248.827		377.742		-34

EUR 166 million was invested in the expansion of the company's own property portfolio (PropCo) (previous year: EUR 38 million). This increase to 30 hotels with 8,490 rooms, largely comprises four successful transactions to buy back properties that had been rented as well as the completion and handing over of the Motel One Dublin. EUR 27 million (previous year: EUR 28 million) was invested in interiors for new hotels. Despite extensive investments and scheduled repayment of the KfW loan, at year end cash holdings stood at EUR 249 million (previous year: EUR 378 million).

NET BALANCE SHEET

Equity increased in 2023 to EUR 618 million (previous year: EUR 516 million). The equity ratio based on a condensed analysis of the balance sheet is 64% (previous year: 66%). After investments in fixed assets and capital measures, the net debt increased to EUR 186 million (previous year: EUR 99 million), with a net debt/EBITDA ratio of EUR 0.7x (previous year: 0.6x).

	December 31				
	2023		2022		+/- ly
	kEUR	%	kEUR	%	%
Net Balance Sheet:					
Equity	618.068	64	515.836	66	20
Net working capital	161.769	17	165.432	21	-2
Net debt	186.373	19	98.636	13	89
Leverage Framework:					
EBITDA Rolling 12 months	280.670		170.978		64
Net Debt/EBITDA	0,7		0,6		15

ACQUISITION OF PROPRIUM CAPITAL PARTNERS 35% STAKE

One Hotels & Resorts GmbH, as majority shareholder of the Motel One Group led by founder Dieter Müller, has acquired the 35% stake from financial investor Proprium Capital Partners. The deal was closed on 2nd April 2024. The purchase price of EUR 1.25 billion represents an implicit company value of EUR 4,1 billion. Proprium had held a minority share in Motel One GmbH since 2007, which it acquired in a capital increase. Parallel to the buyback, the real estate was separated from the operational business with effect from 1st January 2024, for which an IPO is planned in the medium term.

OUTLOOK

The beginning of 2024 was marked by the negative influence of extensive airline and railway strikes in Germany. Nonetheless for the year 2024 we are expecting positive business developments and a further increase in income. The agenda for 2024 boasts a large number of tourist events, including the European Championship football tournament in Germany. Furthermore, a rise in business travel is predicted in western European countries.

For the 2024 financial year the opening of seven new hotels with almost 1,800 rooms in Germany and throughout Europe, including new 'The Cloud One Hotel' openings in Prague and Düsseldorf are planned. In particular the strong performance of the newly opened hotels and the robust key financial figures will allow for further strong growth opportunities.

With ongoing geopolitical tensions, including the wars in Ukraine and the Middle East, global risks remain.

Munich, April 2024