



ISSUER RATING
LongTerm

OUTLOOK
Stable

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Rating Action and Rationale

- EthiFinance Ratings upgrades Grupo Pestana, SGPS, S.A's rating from "BBB+" to "A-", maintaining a Stable outlook.
- The change in the rating is based on the excellent evolution of all financial metrics in 2024 and in the first nine months of 2025 evidenced by a lower indebtedness level, higher solvency, and a stronger interest coverage ratio. The group has shown its commitment to progressively reduce external financing, until a positive net cash position is achieved, which is expected FY26.
- The company is the Portuguese subsidiary of Pestana International Holding (PIH), the largest group in the hospitality business in Portugal.
- The rating is supported by a solid financial profile, including the excellent level of indebtedness (NFD/EBITDA of 0.5x and FFO/NFD of 170% on average), together with a strong loan-to-value ratio (10% on average). Also, the company has shown an improvement in ESG profile FY25.
- On the other hand, the rating is constrained by the still modest size of the company, which affects its overall competitive positioning, together with its high exposure to the Portuguese market, and the leisure segment. In addition, its ownership structure limits the amount of financial support potentially available in stress scenarios, although it does also mean stability and continuity.
- In line with our methodology, the hotel sector presents a medium to low ESG risk (sector heatmap score between 2.0 and 2.9), given its limited impact on the environment. This assessment has a neutral impact on the sector assessment. The company's ESG policy is considered to be favorable (company ESG score between 0 and 1), resulting in a positive impact on the overall rating.
- In assigning the rating, the financial projections, elaborated by EthiFinance Ratings considering the guidance provided by Grupo Pestana and the agency's own assumptions for 2025-2027, have been taken into account. The company considers this information to be internal and confidential and therefore it has not been reflected in the report.

Company Description

Grupo Pestana SGPS S.A. is a Portuguese company, founded in 1972, which focuses its activity on the tourist sector. The company is the Portuguese subsidiary of Pestana International Holding (PIH), which operates 110 hotel units, with 11,937 rooms across 16 countries in Europe, Africa, North and South America under different brands (Pestana Hotels, Pestana Pousadas, Pestana Collection, Pestana Vacation Club, Pestana CR7 and Pestana Residences).

Grupo Pestana SGPS develops its activities in the following business lines:

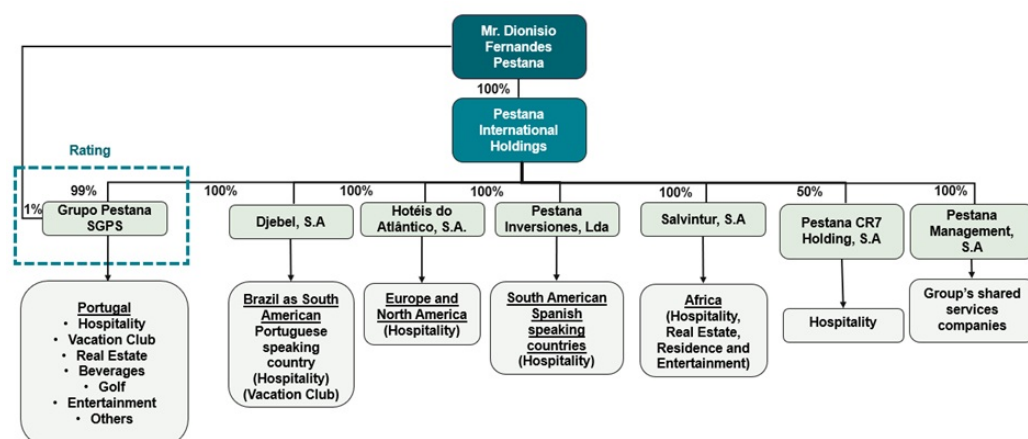
- Hospitality: the company manages 79 facilities: 33 hotels (under Pestana Hotels, Pestana Collection brands), 38 as 'Pousadas de Portugal' and 8 as 'Pestana Residences' at September-2025.
- Real Estate: includes the construction and sale of land and apartments (construction is initiated only on demand). This business line also includes additional services such as rents on investment properties and management services for condominiums, and tourist resorts.
- Pestana Vacation Club: the company establishes long-term relationships with its customers through rewarding members' loyalty with privileges, enabling club members to travel among eight Pestana resorts located along the Algarve and Madeira coastlines, as well as preferred access to its hotels across world.
- Beverages: Grupo Pestana incorporated Empresa de Cervejas da Madeira (ECM) in 1994. ECM, founded in 1872, is one of Madeira's most prestigious companies producing beer, soft drinks, juices, water, and wines. ECM sells its products through large retailers and Horeca distribution channels.
- Others: The group's offer is complemented by the management of 6 golf courses (5 in ownership), the Casino da Madeira (acquired in 1985), and others.

The company's 2024 turnover was €558.8m (+22.2% YoY), with an EBITDA of €202m, and an EBITDA margin of 36.2%. NFD/EBITDA stood at 1.0x. In 9M2025, the company's turnover amounted to €426.9m, with EBITDA of €178.3m, and an EBITDA margin of 41.8%. NFD/EBITDA LTM was down to 0.5x.

Corporate Structure

Pestana International Holdings structures its business through seven subsidiaries, which are operationally divided according to the different business lines, and markets where they operate:

PIH corporate structure FY24.



Fundamentals

Business Risk Profile

Industry Risk Assessment

- Sector characterized by high profitability margins with medium volatility, significant entry barriers, and favorable growth prospects.

The hospitality industry is characterized by a high degree of fragmentation (there are more than 500 hotel groups worldwide) although it is dominated by a few well-known hotel brands with a large geographical footprint, such as Marriott, Hilton, InterContinental, Accor, etc. However, there is a large number of small operators that are consolidating as alternative accommodation (mainly rural houses, hostels and apartments), and pose competition to the hotel groups. The low concentration of the market means that prices can be easily influenced by smaller companies, which, together with the high price sensitivity of consumers, increases the threat of substitute services and intensifies the level of competition (EBIT mg between 13% and 18%). This situation has led traditional hotel groups adopting different strategies, focusing on offering higher value-added services.

Barriers to entry are high given the initial investment, considerable know-how, expertise and brand recognition required to be competitive in the sector. In addition, the difficulty of exiting the market is highlighted due to the high costs associated to the liquidation of assets, and the regularization of contracts with the staff, customers and/or suppliers. In the case of large hotel chains, the existence of economies of scale through suppliers (equipment, catering, etc.), a strong brand image and a stable relationship with distribution channels are also significant barriers to entry for new players.

The tourism sector shows high correlation to the economic cycle. International tourist arrivals have nearly completed their recovery path reaching 99% of pre-pandemic levels in 2024. Growth is expected to continue throughout 2025, driven by strong demand contributing to the socio-economic development of both mature and emerging destinations. (Source: UNWTO). At EthiFinance Ratings, we believe that the outlook for the sector is favorable, despite the fact that the macroeconomic scenario presents certain geopolitical instabilities, which, if they worsen, could affect the sector's performance and lead tourists to adopt a more restrictive attitude.

- The sector has low exposure to ESG risks (sector heatmap score between 2 and 2.9).

The hotels & leisure sector has medium to low ESG risks under our methodology (sector heatmap score between 2 and 3). This results in a sector assessment that is not impacted by industry-related considerations. Regarding environmental factors, the sector has a medium impact on climate, mainly linked to scope 3 emissions generated by travel and/or the construction of large infrastructures. Resources can have a limited impact on financials, as scarcity in local areas can affect companies (e.g. water). The impact on pollution is also limited, except for the cruise and hotels industries where waste issues exist. However, the sector can sometimes have a negative social impact, linked to malpractices such as overbooking, poor quality of service, noise, etc. Regarding communities, tourism can be an important source of revenues and local communities can benefit from this industry.

Competitive Positioning

- Despite the small size of Grupo Pestana relative to the main competitors worldwide, the group has a leading competitive position at a national level.

In terms of its core business activity 'the hospitality', Grupo Pestana is a reference player in the hotel industry in Portugal by number of hotels and rooms (its closest competitor is Vila Galé Hoteis with 32 hotels in Portugal). This favorable local positioning is the result of more than 50 years of experience in the sector, which provides them with a deep knowledge of the industry. At the end of September 2025, the group managed 79 hotels with 7,881 rooms in Portugal, under its brands: Pestana Hotels and Resorts, Pestana Pousadas de Portugal, Pestana Collection and Pestana Residences.

Its brand recognition is also reinforced by: (i) the concession granted by the Portuguese state for an unlimited period of time to Enatur, a state company (51% owned by the Portuguese state) with the remaining 49% acquired by Pestana Hotel Group in 2003, to manage the network of 'Pousadas', national monuments in Portugal, for a period of 15 years. Although the contract was granted to Pestana Hotel Group following a public tender in 2003, it is expected that the concession will be extended until 2033 due to the refurbishments and building expansions carried out by Grupo Pestana. ii) Joint venture agreement signed in 2015 with Cristiano Ronaldo to promote, develop and manage several hotel units. We value favorably this partnership due to his reputation as a major football celebrity.

In terms of scale, although Grupo Pestana is the largest hotel company in Portugal, it is still far from the world's leading hotel chains such as NH and Meliá, which is evident in terms of turnover, numbers of hotels and rooms. Pestana Hotel Groups is ranked 105th (vs Meliá Hotels and NH Hotels, ranked in 25th and 29th, respectively) *Source: Hotels Magazine July/August 2024, last available information*. In terms of business strategy, NH has a more asset-heavy strategy (84% owned and leased hotels), similar to Grupo Pestana's, while Meliá's strategy is more focused on asset-light formulas (34.5% owned and leased hotels).

Main financial figures FY2024. Thousands of €

	Pestana Group	Meliá	NH Hotels
Turnover	558,763	2,012,786	2,417,875
EBITDA	201,998	531,859	716,638
EBITDA Margin	36.2%	26.4%	29.6%
EBIT	162,337	333,463	407,800
EBIT Margin	29.1%	16.6%	16.9%
EBT	149,441	224,424	267,034
Total Assets	1,053,892	4,581,787	4,564,915
Equity	461,142	1,069,877	1,196,384
Total Financial Debt	337,958	2,442,585	2,469,919
Net Financial Debt	200,541	2,271,313	2,250,030
Equity/TFD	136.4%	43.8%	48.4%
NFD/EBITDA	1.0x	4.3x	3.1x
FFO	182,372	459,890	596,751
FFO/NFD	90.9%	20.2%	26.5%
EBITDA/Interest	14.0x	5.2x	4.8x

Grupo Pestana stands out by its higher profitability levels vs the sector (EBIT margin of 29.1% FY25), helped by its well diversified revenue portfolio. This highlights the greater associated added value and differentiation associated with the upgrade to more luxury segments. The group also reports lower indebtedness and higher capitalization levels.

- Good diversification supported by unique locations and varied feeder markets.

Pestana develops its activities in different business lines (hospitality, Pestana vacation club, beverages, real estate, entertainment, golf and others). Although the hotel segment is clearly its core business (56.3% of the sales in 2024), this offer allows the company to reduce its dependency on the hotel sector. In line with its risk diversification strategy, the real estate business reached 25.5% of the group's revenue in 2024 (vs 18% in 2023).

In terms of its core business activity focused on hotels, the lack of international presence at the subsidiary level makes it more dependent on the cyclical nature of the tourism sector in Portugal. In addition, it is mostly concentrated in the leisure segment (resort rooms represent 81% of the total rooms at September-2025), given its relevant presence in tourist areas (Lisbon, Porto, Algarve, and Madeira). However, we positively value that a significant portion of those resorts are in unique locations, with views of the Atlantic Ocean, or in places where it is no longer possible to build, or in strategic locations. For example, Madeira, the main destination in terms of the number of rooms, won the World Travel Awards in multiple consecutive years as the best island destination in the world.

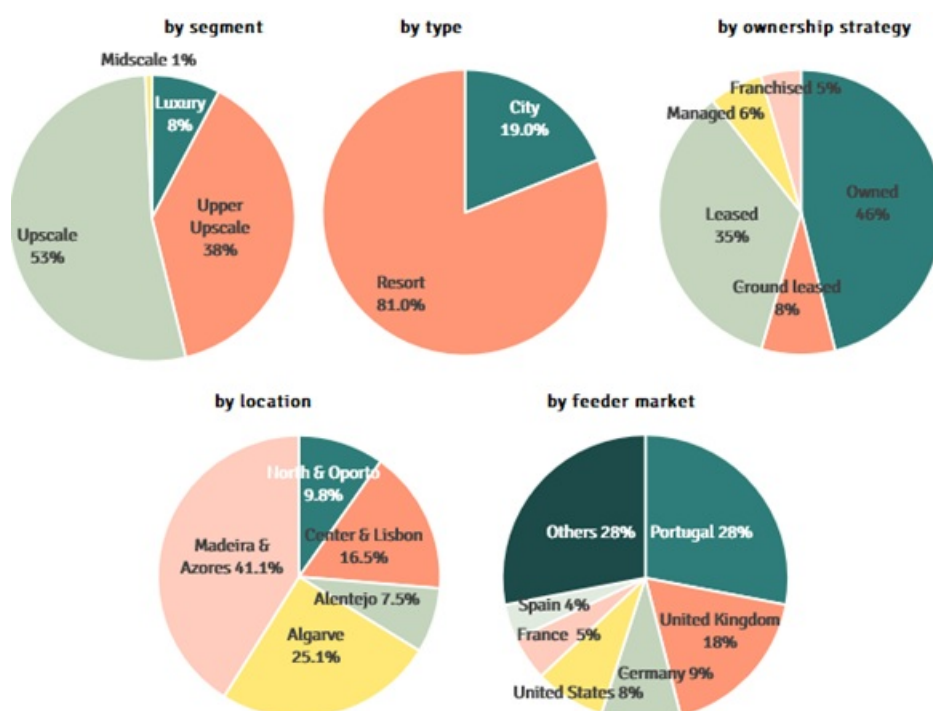
Also, this geographical concentration is partially mitigated by well-balanced feeder markets, as only 28% of customers

are from Portugal. The rest of group's main feeder markets remained almost the same: United Kingdom (18%), Germany (9%), United States (8%), and France (5%).

It is also positively value that the group operates its hotels under different systems: ownership, lease, management, and franchise, which have helped to keep Grupo Pestana's debt levels under control. Pestana Hotel Group has an asset-based model which limits its pace of portfolio growth and exposes it to higher demand risk relative to asset-light business models. However, this model results in a high-quality asset portfolio.

Also, its variety of brands allow them to adapt to the requirements of different targets. The portfolio is mainly concentrated in upscale (53%) and upper upscale (38%) segments, although with an 8% dedicated to the luxury segment. The presence in the last two segments stands out given the greater associated added value and differentiation.

Grupo Pestana's room diversification at September-2025



In terms of customer portfolio, although there is no significant customer concentration risk, online and offline tour operators play an important role, accounting for 58% of total sales in 9M-2025. The direct sales channel, which has higher profitability margins, accounted at 9M-2025 for 28% (26% of total sales in 2024).

Shareholder Structure and Governance

- **Family ownership structure.**

Pestana Group is led by its shareholder, Mr. Dionísio Pestana, son of the founder of the group. Mr. Pestana is the sole owner and chairman of the board, been involved in the company since 1976. Although this ownership structure limits the amount of financial support available, it does also mean stability and continuity. In addition, Grupo Pestana SGPS S.A can potentially benefit from the greater size of Pestana International Holdings S.A.

- **Qualified management team and prudent financial policy.**

Despite the concentration of ownership and decision-making (Mr. Dionísio Pestana sole owner and chairman of the board), we highlight the extensive professional background of the members of the management team, which has been key in the positive performance of the company in the recent years, leading the company to its position itself as the reference player in the Portuguese market.

The financial policy is characterized by controlled debt levels (NFD/EBITDA below 1.0x on average) and strong financial autonomy (equity/TFD above 150% and LTV of 10%). The group also has a valuable portfolio of fixed assets (estimated market value of €1.1bn), which provides additional financial flexibility.

- **Positive ESG Policy.**

Grupo Pestana has a neutral ESG exposure (score between 0 and 1). ESG risks are well understood and managed. The company management has already transformed the strategy and business practices to benefit from ESG related sector trends. Governance policies are strong, marked by a qualified board of directors with separation of roles, public disclosure of policies (business code of conduct and corruption policy), and prioritization of ESG issues. This is also reinforced by good environmental metrics (use of energy and greenhouse gas emissions) and social metrics (quality management systems, equality, low absenteeism or accidents rate, among others).

Financial Risk Profile

The analysis is based on Grupo Pestana, S.G.P.S. S.A and its subsidiaries' consolidated accounts for year ended 31 December 2024, audited by PWC with an unqualified opinion. We also had access to the unaudited September 2025 accounts.

Sales and Profitability

- **Positive evolution of revenues together with greater profitability margins.**

Profitability. Thousands of €.							
	FY22	FY23	FY24	24vs23	9M24	9M25	9M25vs24
Turnover	375,443	457,100	558,763	22.2%	363,962	426,930	17.3%
Gross Mg	87.0%	79.9%	77.4%	-2.5pp	87.1%	84.6%	-2.5pp
EBITDA ¹	128,730	145,716	201,998	38.6%	147,104	178,280	21.2%
EBITDA Mg ¹	34.3%	31.9%	36.2%	4.3pp	40.4%	41.8%	1.3pp
EBIT	133,107	105,163	162,337	54.4%	113,476	143,648	26.6%
EBIT Mg	35.5%	23.0%	29.1%	6.0pp	31.2%	33.6%	2.5pp
Financial expenses	17,343	16,348	14,437	-11.7%	10,950	10,655	-2.7%
EBT	116,121	91,450	149,441	63.4%	103,229	135,176	30.9%

¹EBITDA excludes gains and losses on disposals of tangible fixed assets and investments, gains on lease terminations, rent concessions, gains and losses on foreign currency exchange, investment grants and tax refund income.

The group set a new record in revenues reaching €558.8m in 2024 (+22.2% YoY) with the following business lines evolving favorably: hospitality (+13%), real estate (+72.7%), vacation club (+38.5%) and entertainment (+37%).

The hospitality line reached revenues of around €314.6m (vs €278.4m in 2023) reflecting the good evolution of the sector. This was the result of the increase in the average room rate (+7.4% YoY), and the occupancy rate (+1pp YoY) through the consolidation of higher demand. The evolution of main KPIs is as follow:

Main KPI's. €.				
	FY22	FY23	FY24	9M25
Hotels	74	76	77	79
Nº rooms	7,835	7,829	7,591	7,881
RevPAR	84.2	96.3	107.2	116.4
ARR	128.8	140.0	150.4	154.6
Occupancy rate	65.4%	68.8%	69.8%	74.0%

Meanwhile, the real estate line also continued to show strong sales up to €142.4m in 2024 (€82.5m in 2023), mainly as a result of the completion of the Madeira Acqua Residences real estate deeds for approximately €90.5m together with the continuation with other projects: The Valley Nature Resort (€9m) and Silves Golfe Resort (€2.3m), as well as the construction of Pestana Porto Covo (€16,5m) for an entity outside Grupo Pestana's scope, among others.

EBITDA improved to €202m in 2024 (+38.6% YoY), with an EBITDA margin of 36.2% (+4.3pp above previous year). The real estate activity contributed significantly for the EBITDA in 2024, highlighted by the sale of most of Madeira Acqua Residences apartments. In 2023, EBITDA reduced to 31.3% affected by intercompany transactions, such as the sale of two plots of land to PIH, assets sold at market value with near to no profitability (EBITDA margin, excluding the impact of the sale of real estate projects to PIH, reached 34%). Also, the group is committed to ensure that customers book through direct channels, which has been also a key point to improve its profitability.

EBIT stood at €162.3m, with an EBIT margin of 29.1%, 6pp above 2023. Financial expenses decreased by 11.7% YoY due to the recognition of the 12 months effect of a lower financial debt and interest rates together with a low exposure to variable interest rates (94% of the group's total financial debt is at fixed rate). All together led to a greater EBT of €149.4m, 63.4% above 2023 figures.

The positive evolution of the sector is also evidenced in 9M2025 figures, revenues reached €426.9m, +17.3% above same period in the last year. EBITDA mg stood at 41.8% (+1.3pp vs 9M 2024) mainly benefited by the strong performance of the hospitality business line. EBITDA reached a record level of €178.3m (+21.2% YoY). The positive

evolution led to higher EBT (+30.9% vs 9M 2024).

Revenues are estimated to remained relatively stable for the period 2025-2026, with an EBITDA margin of 36-38%.

Leverage and Coverage

- Outstanding leverage level and very good interest coverage ratio.

The composition of financial debt remained similar to 2023 figures, mainly represented by: leases (43.8%), bank loans (37.9%) and bonds (16.6%).

Despite the investments made in CAPEX throughout the year, the group has still managed to reduce its net financial debt by €95.1m in 2024 (-32.2% YoY), marked by the increase of cash and equivalents (3.3x vs 2023) (See 'Cash Flow Analysis' section). This, together with the increase of EBITDA (+38.6% YoY) resulted in an excellent leverage level (NFD/EBITDA of 1.0x, 1.0x below previous year), and a higher interest coverage ratio (EBITDA/interest of 14x, +5.1x above previous year).

NFD/EBITDA Calculations. Thousands of €.				
	FY22	FY23	FY24	9M 25
Bank loans	185,322	143,310	128,130	118,065
Bond loans	89,000	56,100	56,100	29,000
Commercial paper	27,000	5,000	5,000	5,000
Bank overdrafts	411	446	319	1,761
Interests	-9	144	323	
Leases	152,339	132,100	148,085	143,280
Others	-	-	-	2,730
TFD	454,062	337,100	337,958	299,836
Cash and equivalents	169,825	41,410	137,417	175,932
NFD	284,237	295,690	200,541	123,904
EBITDA	128,730	145,716	201,998	233,174 ¹
NFD/EBITDA	2.2x	2.0x	1.0x	0.5x

1 LTM EBITDA.

Based on figures as of September 2025, the company continued to reduce its financial obligations (11.3% vs December 2024 figures). In addition, NFD reduced by a further 38.2% compared to December-2024 figures, benefiting from the stronger generation of FCF. This, together with a higher profitability levels (LTM EBITDA of €233.2m) resulted in a NFD/EBITDA ratio of 0.5x at the end of September-2025. The stronger profitability levels achieved in 9M2025 improved LTM interest coverage to 16.5x.

For the year ending 2025, NFD/EBITDA is estimated to remain at 0.5x, with an interest coverage (EBITDA/interest) of 15x, which is assessed favorably. The company's objective is to progressively reduce external financing, until a positive net cash position is achieved.

Cash Flow Analysis

- Positive and strong FCF for FY24 and 3Q25 to support the group's growth.

Cash flow. Thousands of €.							
	FY22	FY23	FY24	24vs23	9M24	9M25	25vs24
Adjusted FFO	116,578	112,412	182,372	62.2%	138,225	144,219	4.3%
+/- WK changes	20,028	42,761	6,799	-84.1%	-21,673	-18,164	-16.2%
Adjusted CFO	136,606	155,173	189,171	21.9%	116,552	126,055	8.2%
CFI	48,638 ¹	-75,489	-36,566	51.6%	-33,723	-27,018	-19.9%
Operating leases adjustment	-20,590	-17,600	-21,153	-20.2%	-12,592	-13,771	9.4%
Adjusted FCF	164,654	62,084	131,452	111.7%	70,237	85,266	21.4%
+/- changes in capital	-	-	-	-	-	-	-
- Dividends	-25,000	-95,004	-20,600	78.3%	-20,600	-13,098	-36.4%
CF Generated Internally	139,654	-32,919	110,852	436.7%	49,637	72,168	45.4%
+/- debt variation	-44,147	-95,492	-14,866	84.4%	-10,416	-33,912	225.6%
+/- FX change	-28	-39	148	478.7%	42	-492	-1282.2%
Net cash variation	95,479	-128,451	96,134	174.8%	39,263	37,763	-3.8%
Initial Cash position	73,935	169,414	40,964	-75.8%	40,964	137,098	234.7%
Final Cash position	169,414	40,964	137,098	234.7%	80,227	174,861	118.0%

1 Positive cash flow from investing activities of €48.6m achieved in 2022, due to the sale of Pestana Blue Alvor All Inclusive hotel (disposals of €76.7m)

Pestana Group reported higher cash flow from operations of €189.2m in 2024 (+21.9% YoY), favored by the good evolution of the main activities. The group had a negative cash flow from investing activities of -€36.6m, which includes the new future hotel units, namely Pestana Dunas, and the renovation, refurbishment and modernization of other hotels (vs -€75.5m in 2023). The lower CFI outflows contributed to report significant higher free cash flow in 2024 (€131.5m vs €62.1m in 2023). After significant lower dividends paid to PIH of €20.6m in 2024 vs €95m in 2023, the company reached a positive CF generate internally of €110.9m vs (-€32.9m in 2023). This was more than sufficient to cover the repayment of financial obligations and lead to an increase in cash and equivalents of €96.1m, closing at €137.1m.

FFO increased to €144.2m in the first nine months of 2025, reflecting a 4.3% growth compared to the same period in 2024. This, along with a reduction in capital expenditures (CFI), contributed to a 21.4% increase in adjusted free cash flow. Additionally, the lower dividend payments of €13.1m resulted in internally generated cash flow of €72.2m. This strong performance helped further reduce financial obligations, with a €33.9m decrease in debt, leaving a cash and cash equivalents position of €174.9m as of September 2025, marking a 27.5% increase compared to FY24.

Capitalisation

- **Excellent level of solvency.**

The company reports total assets of €1.1bn in 2024 (+7.8% vs 2023). Non-current assets are mainly represented by property, plant and equipment and assets with right of use (68.5% of total assets). The increase of assets in FY24 was the result of a higher volume of current assets, especially given the position of cash and equivalents reported FY24, together with the increase of tangible assets (+3% YoY).

The group continues to strengthen its financial autonomy, with equity equivalent to 136.4% of total financial debt in 2024 (vs 104.1% in 2023). In 2024, equity improved by 31.4% due to the positive results achieved during the year (consolidated result FY24 of €130.7m, dividends payout of €20.6m). In contrast, debt remained very stable (+0.3% YoY). At September-2025, equity improved by 21.4% due to the positive results achieved during the period (€111.9m) while debt reduced by 11.3%. As such, financial autonomy (equity/TFD) strengthened to 186.8%, +50.3pp vs 2024 figures.

We also highlight the GAV of the company's portfolio as a significant strength that reinforces solvency (LTV of 20.6% FY24 and 12.8% at September-2025).

Liquidity

- **Good liquidity and strong refinancing profile.**

Pestana Group has a good capacity to meet its commitments in the short term, supported by its ability to generate stable and recurring cash flows from its operations and an assessed prudent strategy in terms of investments and dividend payout to the holding company (PIH). This, together with the cash and equivalents at December 2024 (€137.4m), provide it with a good liquidity to meet short-term payment obligations (€58.7m at December 2024, the available cash at December 2024 already exceeded the short-term financial liabilities by €78.7m).

Also, the group's debt is mostly concentrated in the medium to long term and its payments are aligned with the group's ability to generate cash. In addition, the company has a strong refinancing profile, which is relevant in any stress scenario.

Modifiers

Controversies

- **The group does not have any relevant controversies at the moment.**

Country Risk

- **No relevant country risk has been identified.**

Main Financial Figures

Main financial figures. Thousands of €.					
	FY22	FY23	FY24	24vs23	9M 2025
Turnover	375,443	457,100	558,763	22.2%	426,930
EBITDA ¹	128,730	145,716	201,998	38.6%	178,280
EBITDA Margin ¹	34.3%	31.9%	36.2%	4.3pp	41.8%
EBIT	133,107	105,163	162,337	54.4%	143,648
EBIT Margin	35.5%	23.0%	29.1%	6.0pp	33.6%
EBT	116,121	91,450	149,441	63.4%	135,176
Total Assets	1,089,971	977,687	1,053,892	7.8%	1,083,398
Equity	361,157	351,043	461,142	31.4%	559,957
Total Financial Debt	454,062	337,100	337,958	0.3%	299,836
Net Financial Debt	284,237	295,690	200,541	-32.2%	123,904
Equity/TFD	79.5%	104.1%	136.4%	32.3pp	186.8%
NFD/EBITDA	2.2x	2.0x	1.0x	-1.0x	0.5x ²
Funds From Operations	116,578	112,412	182,372	62.2%	144,219
FFO/NFD	41.0%	38.0%	90.9%	52.9pp	85.8% ²
EBITDA/Interest	7.4x	8.9x	14.0x	5.1x	16.5x ²

¹EBITDA excludes gains and losses on disposals of tangible fixed assets and investments, gains on lease terminations, rent concessions, gains and losses on foreign currency exchange, investment grants and tax refund income. ² LTM EBITDA.

Credit Rating

Credit Rating	
Business Risk Profile	BBB-
Industry risk assessment	BBB
Industry's ESG	Neutral
Competitive Positioning	BB+
Governance	BBB-
Financial Risk Profile	AA-
Cash flow and leverage	A
Capitalization	AA+
Company's ESG	Positive
Anchor Rating	A-
Modifiers	No
Rating	A-

Rating Sensitivity

- Long-term rating positive factors (↑)

An upgrade is not expected. Corporate rating is always capped at the rating of Portugal, which is rated at A- by EthiFinance Ratings.

- Long-term rating negative factors (↓)

Macroeconomic uncertainty and weaker consumer confidence, which can reduce discretionary travel and limit pricing power. A big deviation from the scenario estimated for 2025-2026, e.g. higher dividend payout to PIH and/or higher expansion CAPEX could lead to lower cash generation and the deterioration of financial metrics. In general, deterioration of adjusted debt levels (NFD/EBITDA above 1x, FFO/NFD below 90%, and EBITDA/interest below 10x on average) and solvency levels (LTV above 20% on average) could prompt a downgrade. Deterioration of ESG profile.

Sources of information

The credit rating assigned in this report has been requested by the rated entity, which has also taken part in the process. It is based on private information as well as public information. The main sources of information are:

1. Annual Audit Reports.
2. Corporate Website.
3. Information published in the Official Bulletins.
4. Rating book provided by the Company.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
 - Corporate Rating Methodology - Long Term : <https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203>
- The rating scale used in this report is available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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