

HBR

HBRE
B3 LISTED NM

comvem

Earnings Release

Presentation

4Q23

Videoconference

Date: 03-01-2024

At 3pm (Brasília) and

2 pm (New York)

[Click here](#)

Hotel Hilton Garden Inn e
ComVem Wide

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- This presentation may contain certain statements that express expectations, beliefs and management forecasts of HBR Realty about future events or results. Such statements are not historical facts, being based on information related to the real estate market, and economic and financial information available so far and on projections related to the market in which HBR Realty is located.
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- .
- This presentation was based on information and data available on the date it was made and HBR Realty is not obliging to update it based on new information and/or future events.
- The information expressed in this report should be evaluated by following the Financial Statements and their respective explanatory notes. Operating data and managerial information, including EBITDA calculation, Adjusted EBITDA, were adjusted to reflect the effects of unconsolidated ventures by the Company, adjusted to the participation in each enterprise. Such information was not reviewed by the independent auditors. All IFRS information was extracted directly from the Company's audited Financial Statements and followed international financial reporting standards and standards (IFRS).



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Hotel W São Paulo

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Highlights 4Q23

The Company's strategy is focused on the real estate development of urban properties, organized into 4 main business platforms that encompass the developed and under development asset classes:

Performance



R\$ 36.5 million

Net Revenue growth **0.4%**

R\$ 30,9 million

NOI growth **3.0%**

R\$ 151.0 million

Net Income growth **109.3%¹**

ComVem



R\$ 66.0 million

Total Sales with 40% of growth

HBR 3A



100% of occupancy in the quarter

Net Revenue grew 2.8%

HBR Malls



R\$ 15.8 million

NOI grew 10.6%

+11.6% Growth in Total Sales

HBR Opportunities



R\$ 4.2 million Accomodation Gross Revenue

21.1% growth

+6.5% +BOX Self Storage

Growth in Gross Revenue

New Developments

90.1% of construction completed

W SP Hotel with opening scheduled for 2S24

66,0% construction completed

3A Pinheiros with delivery scheduled for the beginning of 2S24

* growth compared to 4Q22

¹ result impacted by the change in fair value of investment properties

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Operational Data

comVem

Gastronomia
e conveniência?

no
ComVem
tem!



6

comVem

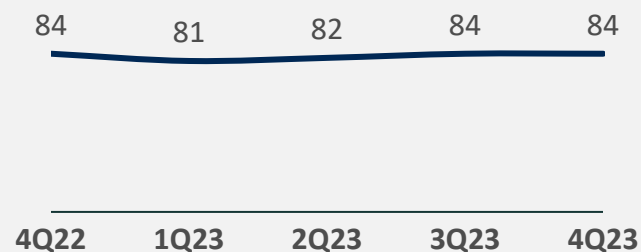
Hotel Hilton Garden Inn e
ComVem Wide

Operational Data

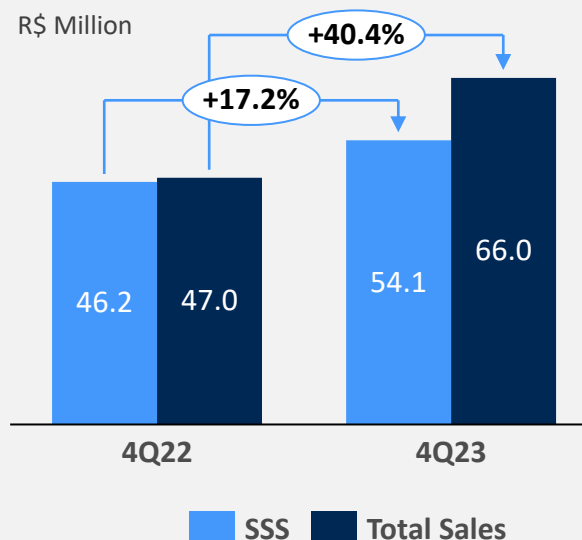


- Total of **32 Assets** with more than **39 thousand sqm of total GLA** in operation and **31 assets** under development with more than **73 thousand sqm of total GLA**;
- Growth of **40.4%** in Total Sales and **17.2%** in the SSS criteria (4Q23 vs 4Q22);
- Growth of **10.4%** in Total Rents and a reduction of **10.8%** in the SSR criterion (4Q23 vs 4Q22); and
- Growth of **11.9%** in the **Adjusted SSR** criterion without the effect of HBR12 – Link Office, Mall & Stay in Rio de Janeiro.

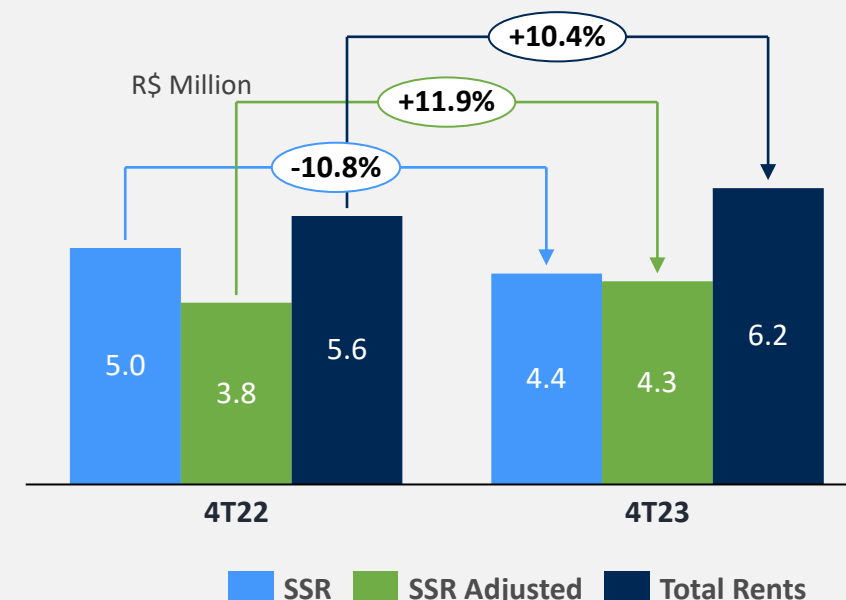
Occupancy Rate (%)



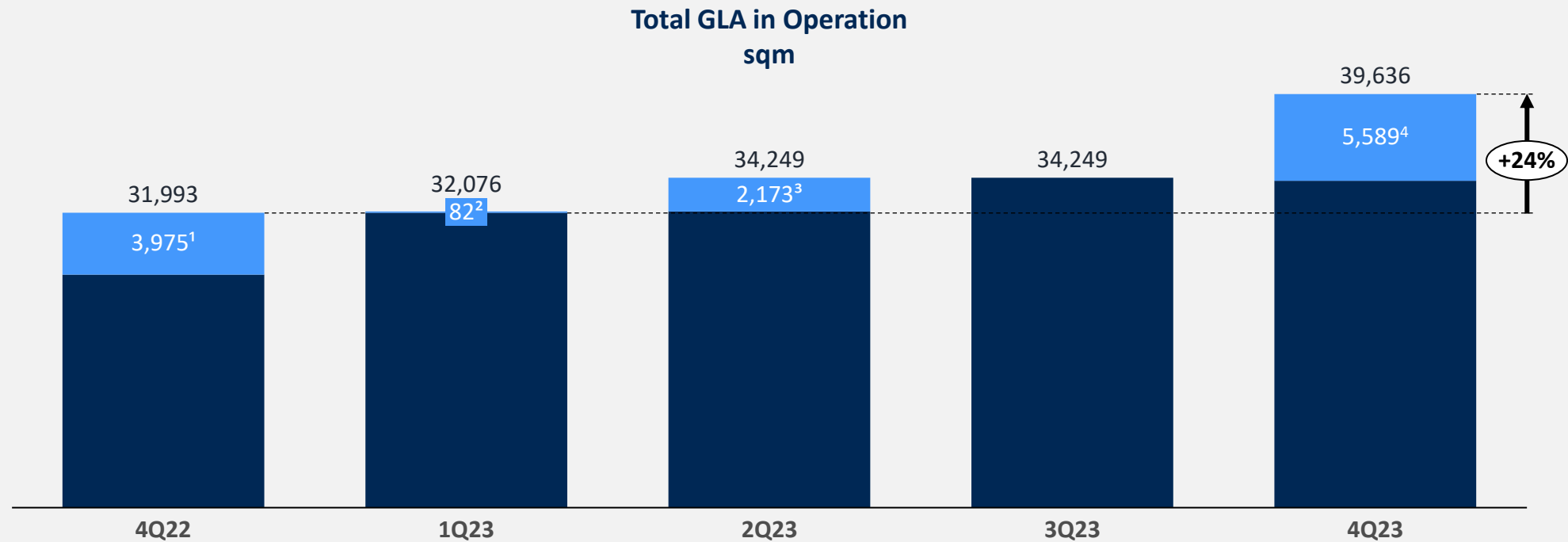
Sales



Rents



Operational Data



¹Inclusion of ComVem Olinda and acquisition of ComVem Brascan Open Mall;

²Inclusion of ComVem Faria Lima;

³ Inclusion of 2,100 sqm in GLA at ComVem Olinda with a new operation;

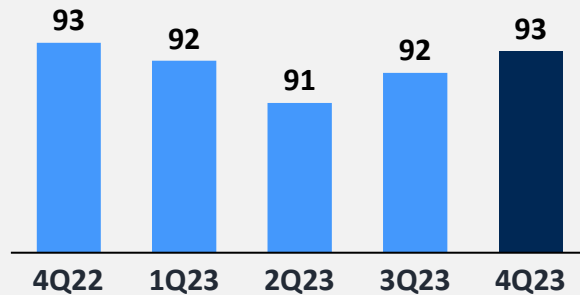
⁴Inclusion of ComVem Vila Madalena, ComVem Patteo São Paulo and ComVem Limão.

Operational Data

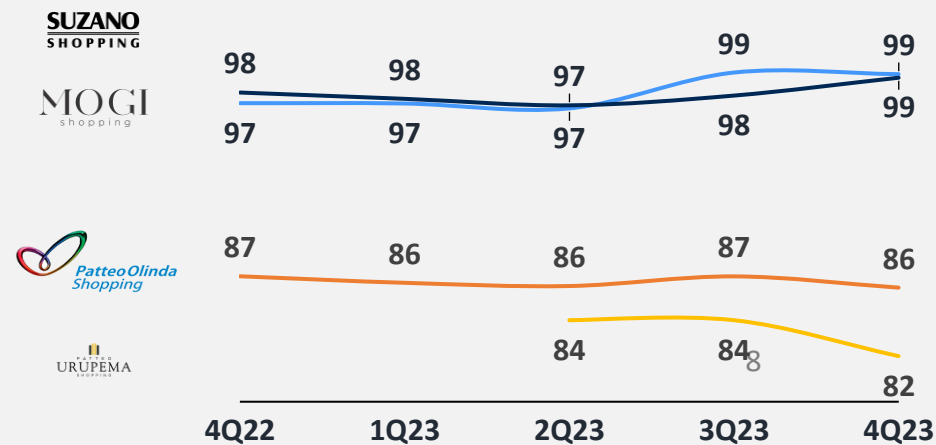
HBR Malls

The indicator reaches its highest level in 2023 and is consolidated at 93%, which represents stability compared to the same period of the previous year, and growth of 1 p.p. versus 3Q23.

Occupancy Rate
Malls (%)



Occupancy Rate
by Asset (%)



32nd Birthday
Mogi Shopping

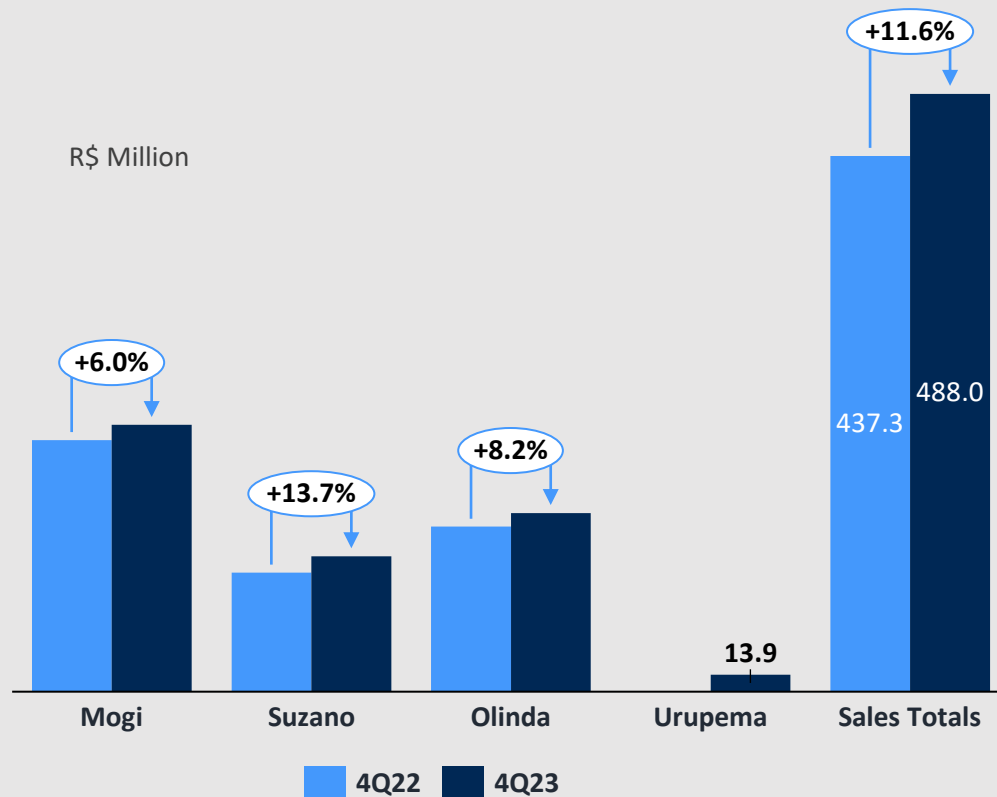


Operational Data

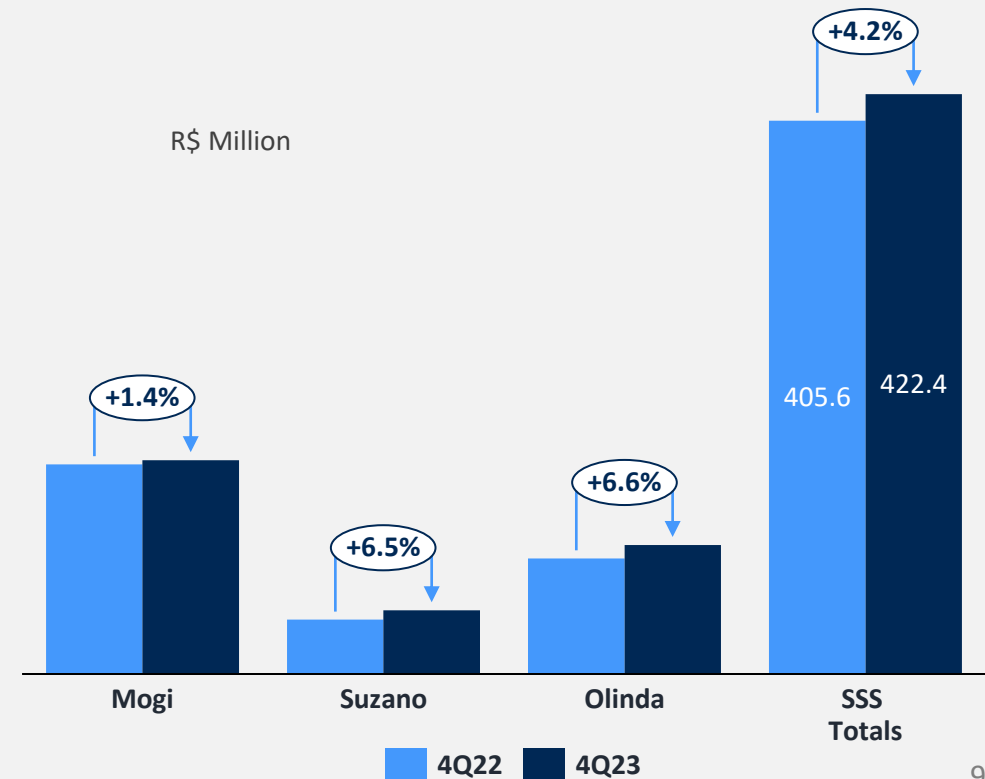
HBR Malls

Growth in total sales of **11.6%** and in the SSS criteria **4.2%**, highlight for Patteo Olinda (+6.6%) and Suzano (+6.5%) shopping malls.

Total Sales by Asset



SSS by Asset

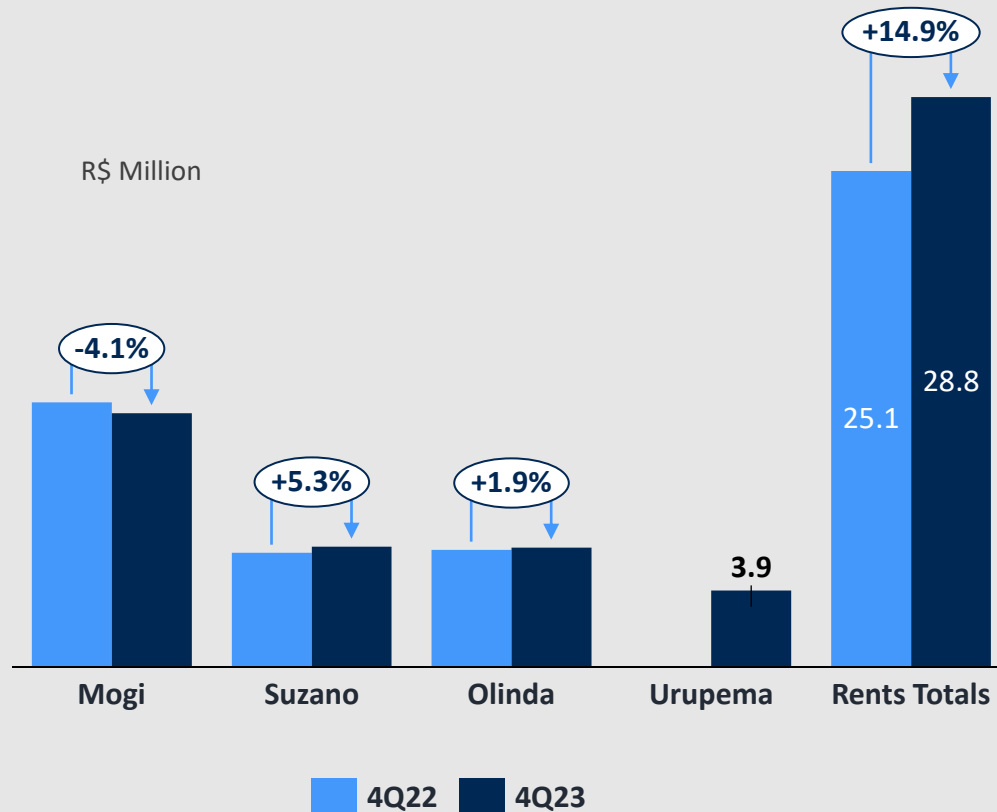


Operational Data

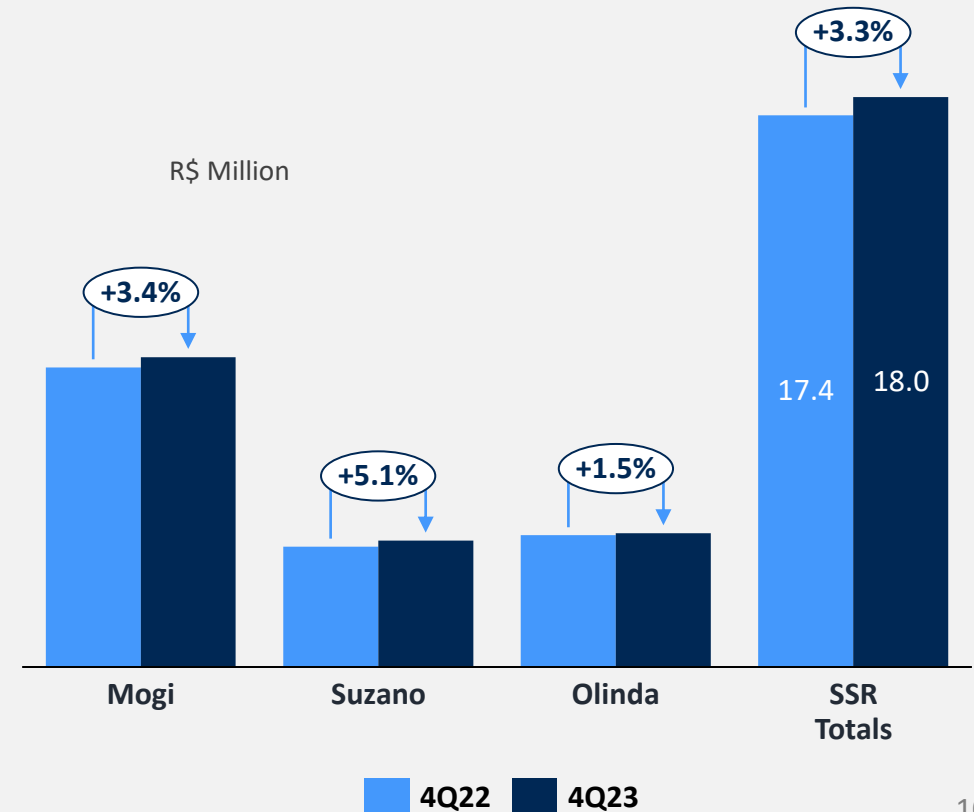
HBR Malls

Growth in total rents of **14.9%** and in the SSR criteria 3.3% versus 4Q22.

Total Rents by Asset



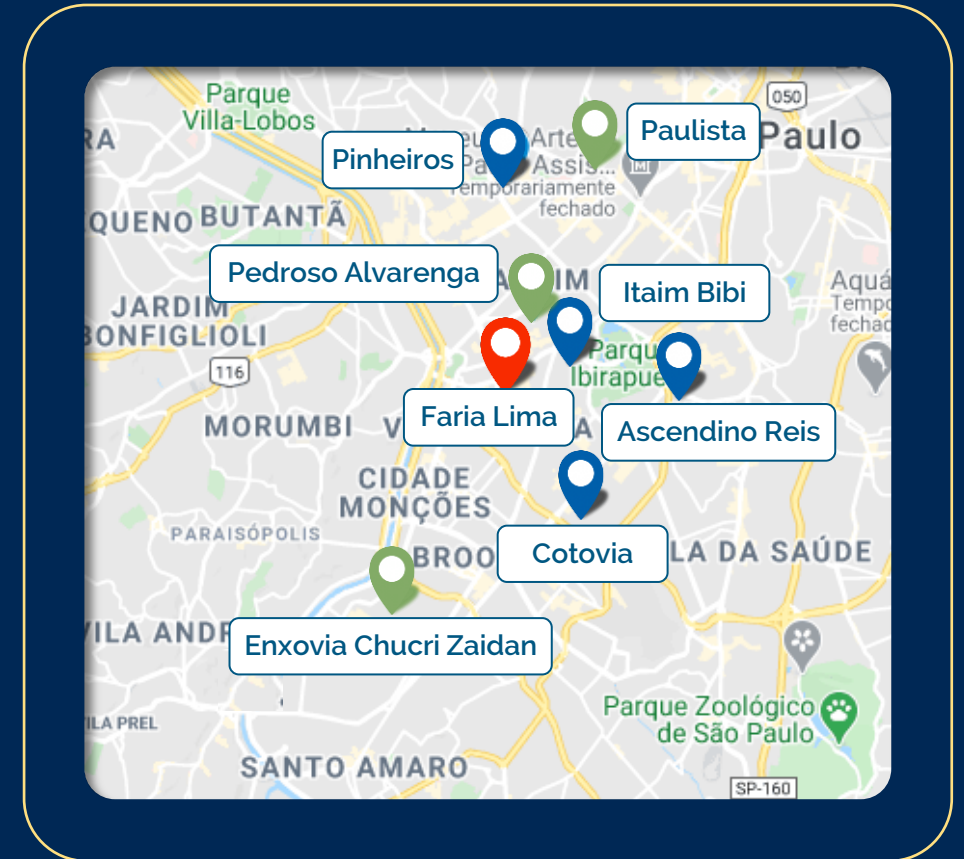
SSR by Asset



Operational Data

HBR 3A

- Portfolio maintained 100% occupancy rate in 4Q23;
- Net revenue growth of **2.8%** in 4Q23 vs 4Q22 and **3.4%** in 2023 vs 2022; and
- Works on 3A Pinheiros (**66%** completed) in 4Q23 with estimated delivery at the beginning of 2S24.



In operation



Under Construction



Construction not started

Operational Data

HBR Opportunities

- Progress in the W São Paulo works, reaching **90.1%** completion;
- +Box Self Storage reported an occupancy rate of **68.2%**, representing stability in the indicator compared to 3Q23. Captured gross revenue increases **6.5%**.
- The Hilton Garden Inn Hotel continues to have a high average occupancy of **69%** in 4Q23 and growth of **3.9%** in average RevPar vs 4Q22; and
- Gross revenue from accommodation reached **R\$4.2 million** in 4Q23, growth of **21.1%** vs 4Q22 and **R\$20.8 million** in 2023, growth of **85%** vs 2022.



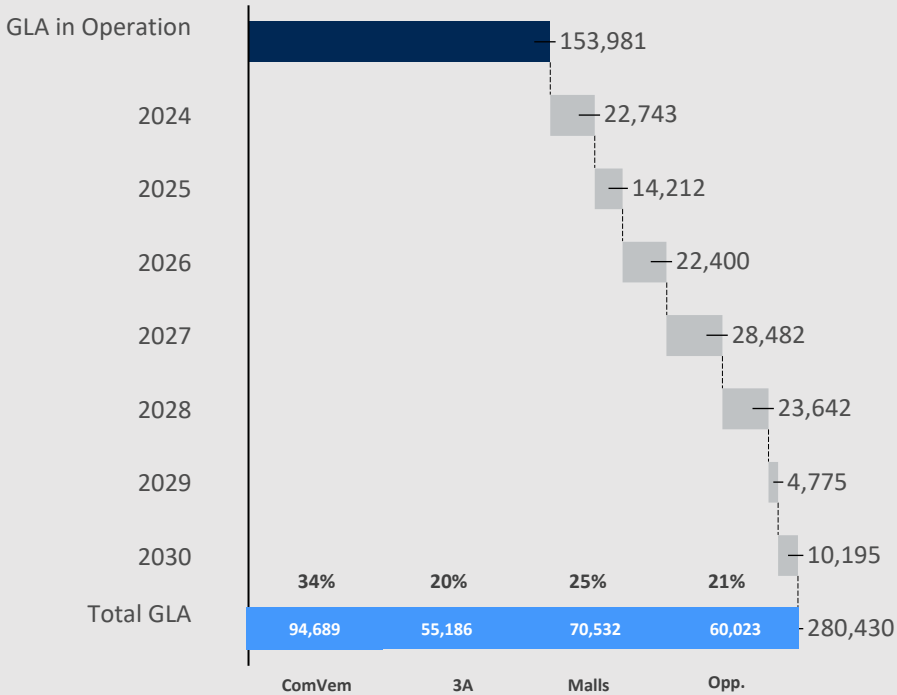
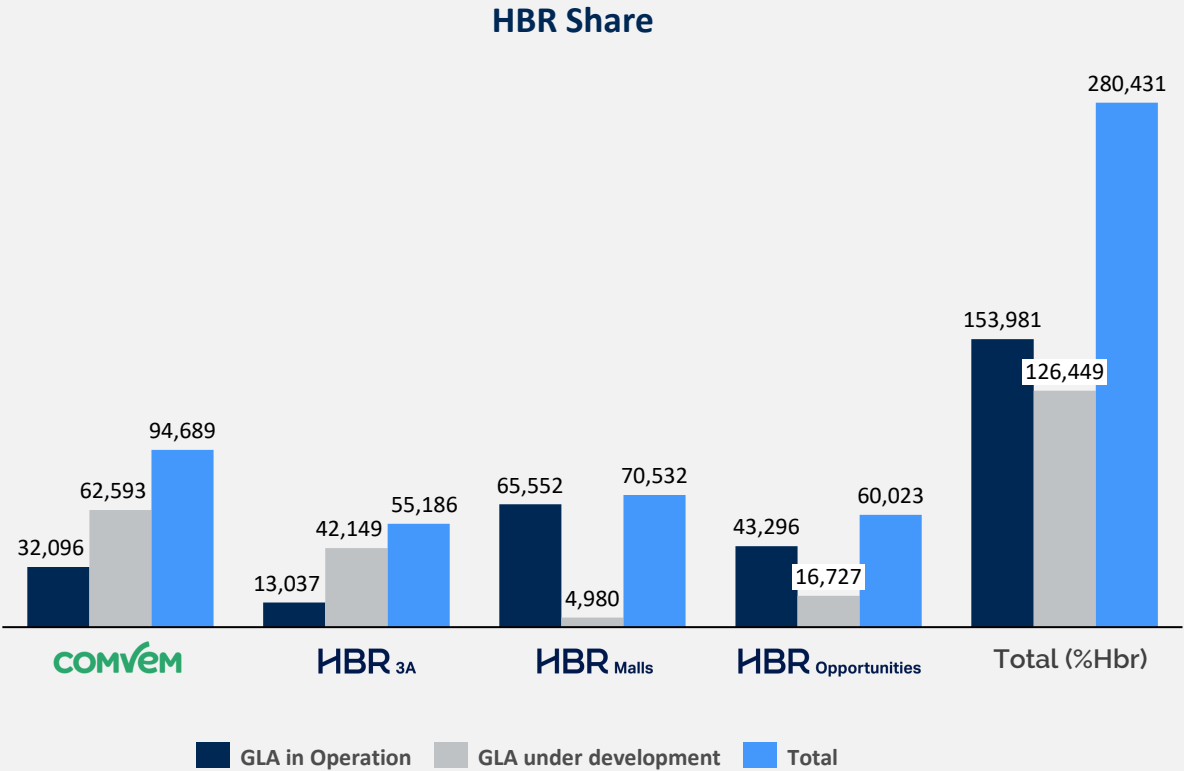
+Box Tamoré



Hotel W São Paulo

Current Portfolio and New Businesses

46% of the Total GLA in the HBR Stake is under development.



Delivery Pipeline

ComVem Joaquim Antunes

Delivery on 1S24

📦 3 stores

📐 1.493 sqm in total GLA

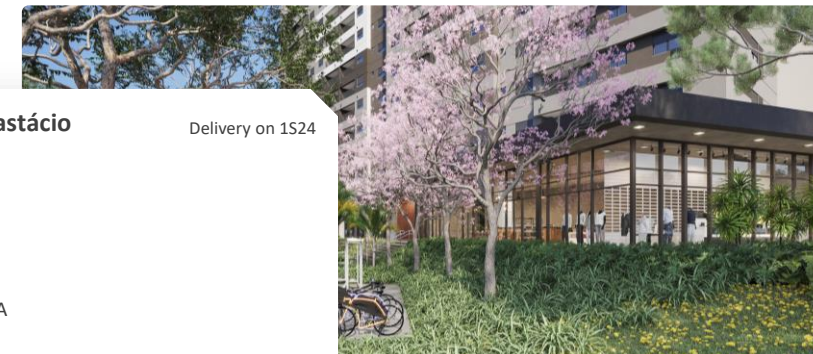


ComVem ELO Vila Anastácio

Delivery on 1S24

📦 7 stores

📐 385 sqm in total GLA



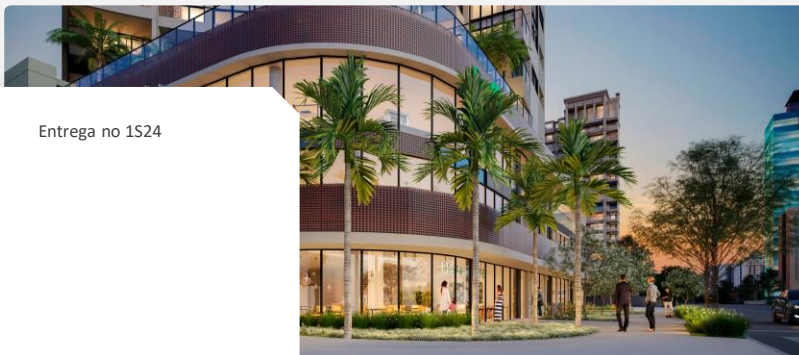
ComVem Moema

Entrega no 1S24

📦 6 stores

🚗 130 parking spaces

📐 1.945 sqm in total GLA

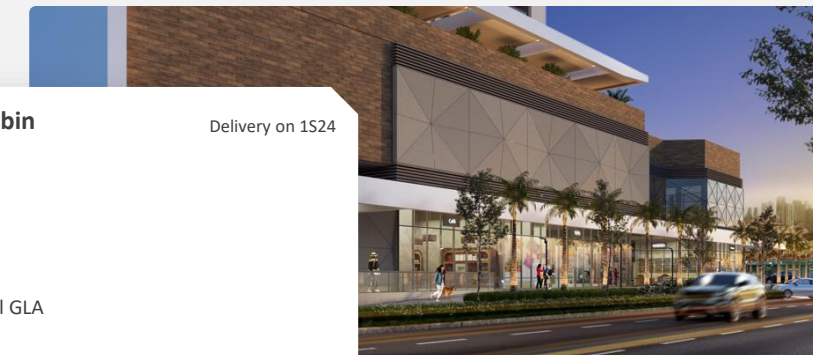


ComVem Patteo Klabin

Delivery on 1S24

📦 24 stores








📐 7,105 sqm in total GLA



Delivery Pipeline

ComVem + 3A Pinheiros







Delivery on 2S24

-  10 corporate slabs
-  12 stores in the Mall
-  14.018 sqm of 3A
-  3.224 sqm of ComVem
-  312 parking spaces
-  1 conventions center
-  17.242 sqm in total GLA



ComVem + 3A Itaim 2 Cyrela






Delivery on 2S25

-  16 corporate slabs
-  1 store in the Mall
-  8.464 sqm do 3A
-  1.423 sqm of ComVem
-  88 parking spaces
-  9.887 sqm in total GLA



Hotel W São Paulo







Delivery on 2S24

-  179 quartos
-  2 restaurants
-  448 parking spaces
-  1 theater
-  9.642 sqm in total GLA



ComVem + 3A Cotovia Cyrela

Delivery on 1S26







-  2 corporate slabs
-  1 loja no Mall
-  4.752 m² do 3A
-  2.405 m² do ComVem
-  50 parking spaces
-  7.157 sqm in total GLA



Delivery Pipeline

ComVem + 3A Carandá Ascendino Reis Cyrela







Delivery on 1S26

-  3 corporate slabs
-  12 stores in the Mall
-  5.166 sqm do 3A
-  2.656 sqm of ComVem
-  285 parking spaces
-  7.822 sqm in total GLA



ComVem + 3A Paulista

Delivery on 2S26

-  13 corporate slabs
-  3 stores in the Mall
-  8.627 sqm do 3A
-  692 sqm of ComVem
-  102 parking spaces
-  9.319 sqm in total GLA



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Financial Data

3A e ComVem Faria Lima

Income Statement

R\$ (tousand)	4Q23	4Q22	Var. % 4Q23/4Q22	2023	2022	Var. % 2023/2022
Gross Revenue	42,438	41,000	3.5%	164,910	156,943	5.1%
Deductions from Revenues	(5,943)	(4,637)	28.2%	(20,256)	(20,128)	0.6%
Net Revenue	36,495	36,363	0.4%	144,654	136,815	5.7%
Costs	(5,546)	(6,305)	-12.0%	(25,991)	(25,747)	0.9%
Gross Profit (NOI)	30,949	30,058	3.0%	118,663	111,068	6.8%

Despesas e receitas						
Administrative Expenses	(11,425)	(6,940)	64.6%	(40,975)	(32,934)	24.4%
Selling Expenses	(792)	(632)	25.3%	(2,877)	(1,642)	75.2%
Tax Expenses	1,061	1,539	-31.1%	(349)	(640)	-45.5%
(+) Depreciation and amortization	408	286	42.7%	1,764	1,006	75.3%
Adjusted EBITDA	20,201	24,311	-16.9%	76,226	76,858	-0.8%
Adjusted EBITDA Margin	55.4%	66.9%	-11.5 p.p.	52.7%	56.2%	-3.5 p.p.

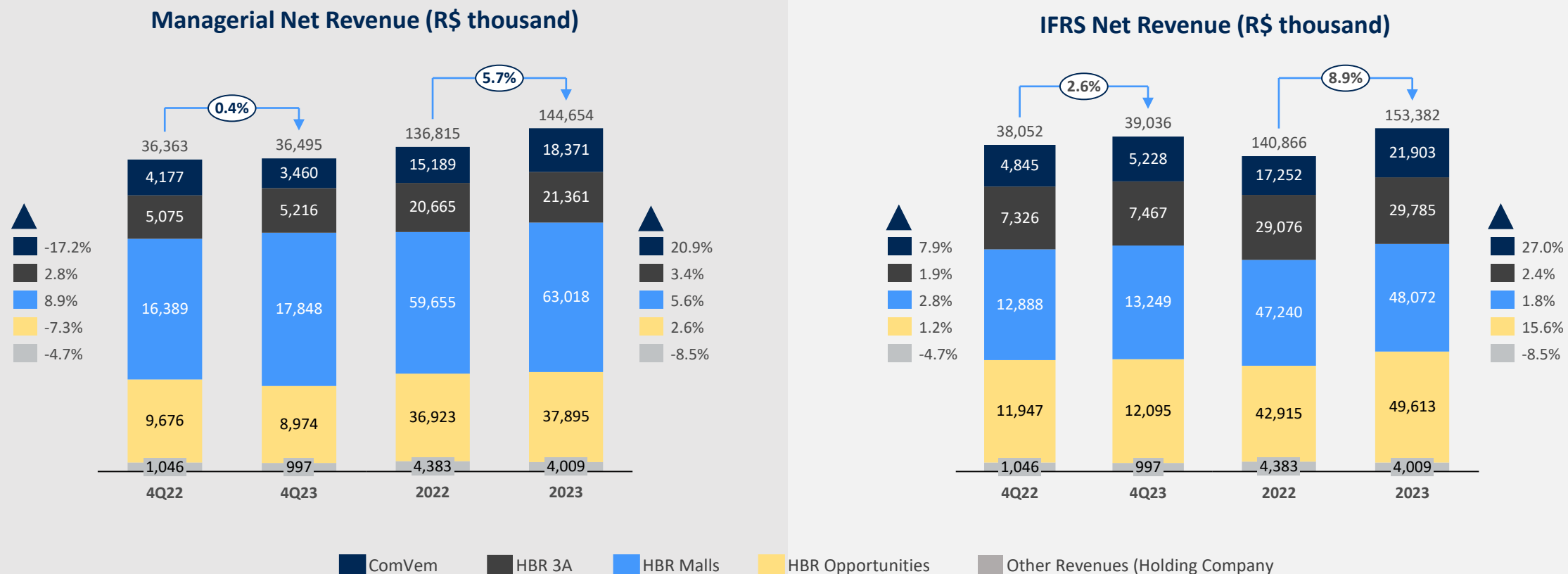
(+) Depreciation and amortization	(408)	(286)	42.7%	(1,764)	(1,006)	75.3%
Other Expenses and Revenues	(27,011)	(5,282)	411.4%	(15,927)	(4,896)	225.3%
(+/-) Change in Fair Value of Investment Properties	231,972	86,325	168.7%	231,972	86,325	168.7%
Income before financial income	224,754	105,068	113.9%	290,507	157,281	84.7%
Financial Expenses	(30,088)	(32,588)	-7.7%	(131,853)	(127,254)	3.6%
Financial Revenues	5,175	7,871	-34.3%	27,639	44,412	-37.8%

Earnings before Income Tax and Social Contribution	199,841	80,351	148.7%	186,293	74,439	150.3%
Current Income Tax and Social Contribution	(1,816)	(29)	6,162.1%	(7,380)	(3,193)	131.1%
Deferred Income Tax and Social Contribution	(47,072)	(8,208)	473.5%	(47,072)	(8,208)	473.5%

Net Profit for the period	150,953	72,114	109.3%	131,841	63,038	109.1%
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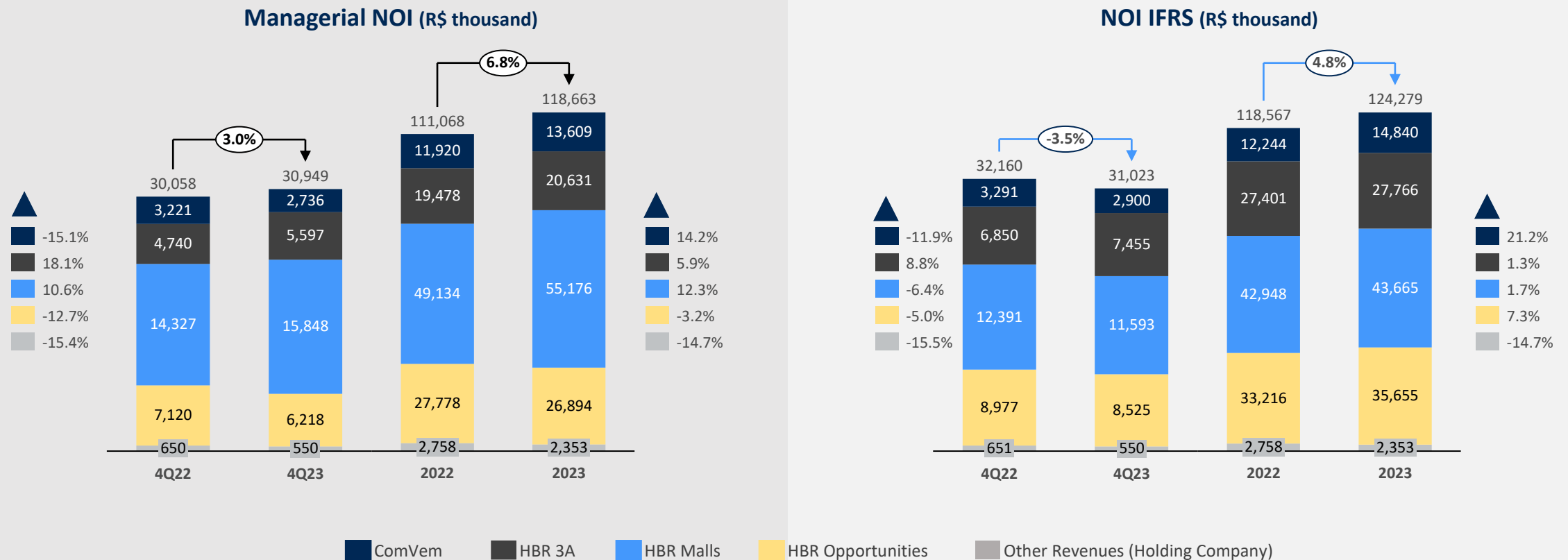
Financial Data

Managerial net revenue of **R\$ 144.6 million**, all platforms with growth except in the holding company, due to the vacancy of a project.



Financial Data

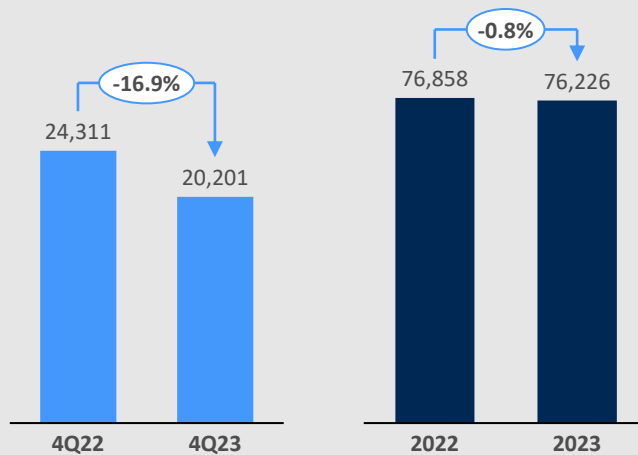
- Managerial NOI reached **R\$118.7 million** and growth of **6.8%**.
- Highlight for ConVem and Malls, with growth of **14.2%** and **12.3%** respectively.



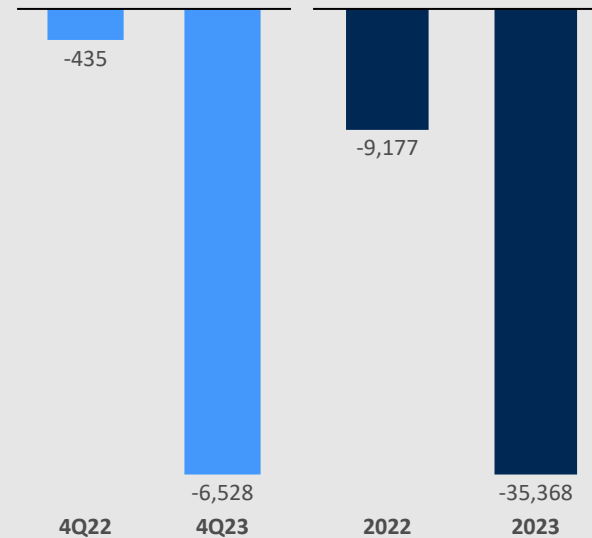
Financial Data

- Adjusted EBITDA of R\$76.2 million and stability in the indicator in comparison with 2022.
- FFO reflects the financial cost of debts of projects in operation.

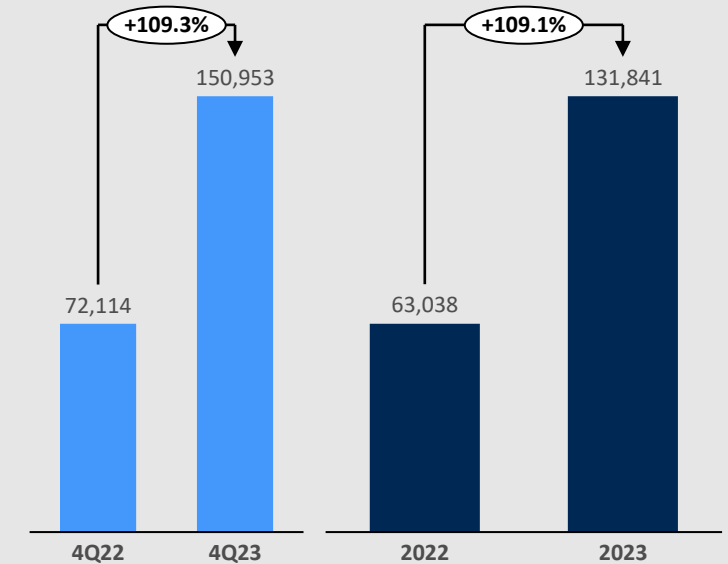
Managerial Adjusted EBITDA
(R\$ thousand)



Managerial Adjusted FFO
(R\$ thousand)



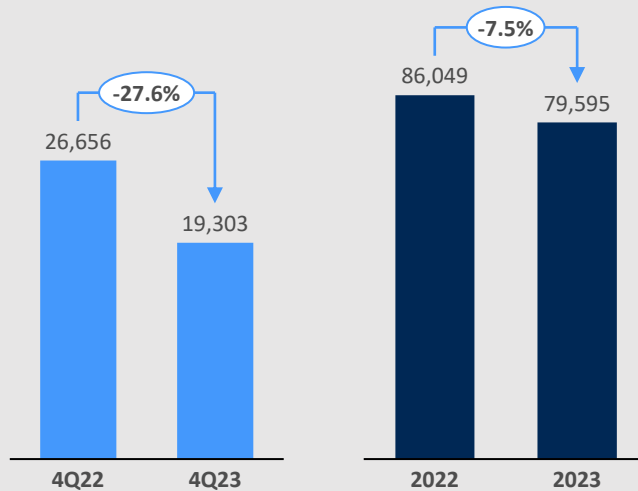
Managerial Net Profit
(R\$ thousand)



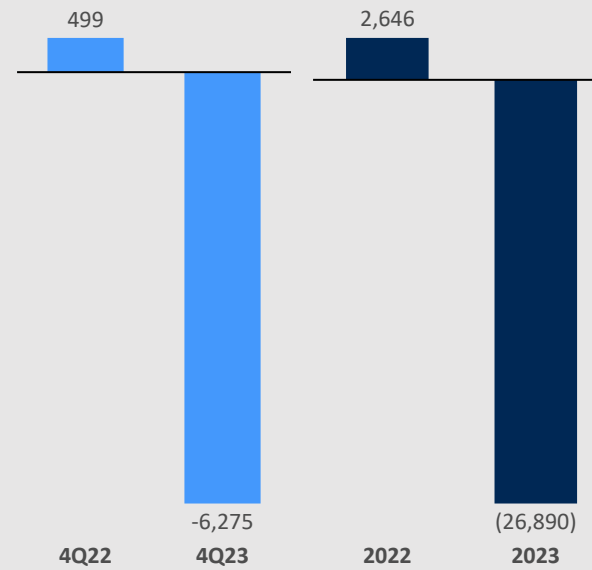
Financial Data

- Net Profit in the IFRS view grows 122% in the comparison 2023 vs 2022.

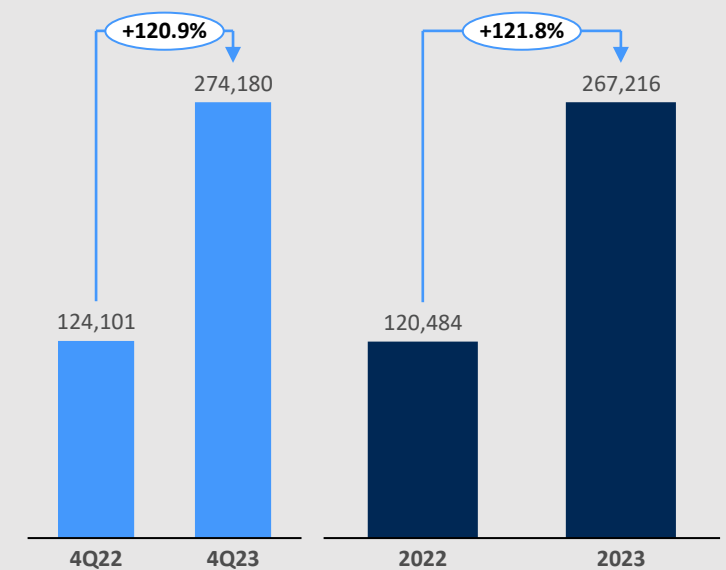
Adjusted EBITDA IFRS
(R\$ thousand)



Adjusted FFO IFRS
(R\$ thousand)



Adjusted Net Profit
(R\$ thousand)



Capex and Strategic Assets Sale



Feb/23

HBR04 Capuava

Sale of the Pirelli Industrial asset for R\$62 million with a 38% margin gain, and payment of R\$14 million in cash and the balance in 24 installments adjusted by IPCA.

 15.321 sqm in total GLA



May/23

3A Nações Unidas

Exit of the 3A Semp Toshiba project with physical and financial exchange worth an estimated PSV of R\$84.6 million.

 61.495 sqm in total GLA



Ongoing

Hotel Fortaleza

Project in advanced stage of legal approval in the municipality, expected to be completed in 1Q24. Estimated sale value between R\$35-40MM for a real estate buyer and payment via financial exchange.

 16.987 sqm in total GLA



Ongoing

Hotel Ibis Styles

The company has a firm proposal but is in the price negotiation phase given the performance above expectations in 2023.

 187 bedrooms  4.400 sqm in total GLA



Ongoing

Hotel Hilton Garden Inn

The Company continues to receive some inquiries for sale and has ongoing conversations with interested parties.

 170 bedrooms  5.084 sqm in total GLA

Managerial Indebtedness

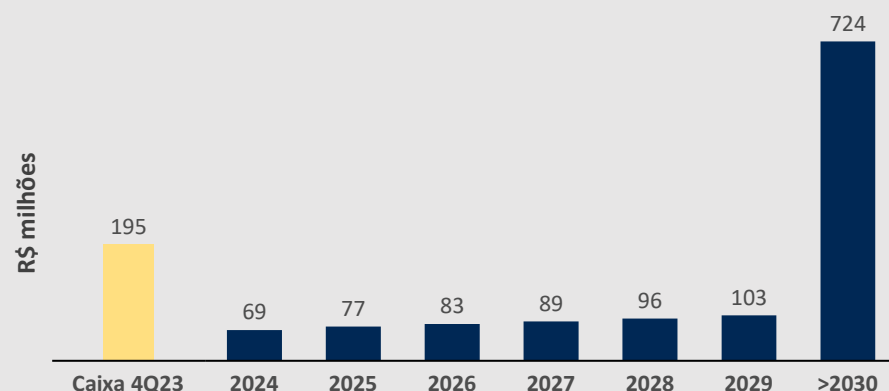
- In October 2023, the Company raised a CRI in the amount of R\$70 million, the cost of this issue is CDI + 3.5% and its maturity in October 2031.

R\$ thousand	4Q23	3Q23	Var. % 4T23/3T23	Prazo Médio	Vencimento	Taxa Média (a.a.)
In Operation	1,162,659	1,107,712	5.0%			
Real estate financing	627,264	633,495	-1.0%	11.0 years	Oct/31 to Sep/38	TR+ 8.7% - 11.8% and Savings + 3.9% - 5.19%
Debentures/CRI	535,006	473,439	13.0%	10.4 years	Oct/31 to Jun/36	IPCA+ 5% - 6.25% and CDI+ 3.5%
Working Capital	389	778	-50.0%	0.3 years	Mar/24	CDI+ 1,9%
Under Construction	78,754	61,998	27.0%			
Real Estate Financing	78,754	61,998	27.0%	12.0 years	Sep/33 to Jun/38	Savings + 3.90% to 4.65% and TR + 9.8%
Gross debt	1,241,413	1,169,710	6.1%			
(+) Cash and Cash Equivalents	194,878	174.930	11.4%			
(=) Net Debt	1,046,535	994.780	5.2%			
Properties for Investment (PFI)	3,403,806	3.273.498	4.0%			
Net Debt / PFI	30.7%	30.4%	0.3 p.p.			

Managerial Indebtedness

- Closing the quarter with **R\$195 million** in cash and a Net Debt/PPI ratio with an increase of 0.3 p.p.
- Debt with an extended duration allows for an amortization schedule with less cash burn.
- The Company has accessed competitive financing conditions to support new developments, with credit lines between 12 and 15 years, most of which are indexed to savings + pre-payment rate, the most efficient modality for the investment cycle.
- A continuous strategic asset sale agenda is part of the company's funding process.

Debt Amortization Schedule* – 4Q23



*The amortization schedule considers the maturities of loans, financing and debentures of HBR's stake in each of the companies.

Gross Debt - R\$ thousand
(Stake HBR)





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HBR is not responsible for investment decisions made. Potential investors should make their own analysis of the Company's conditions and its business strategy.