

---

# SCANDIC HOTELS

## Q4 2020

---

Scandic

# **EXPECTED RECOVERY AFTER A CHALLENGING 2020**

**WEAK MARKETS IN Q4**

**EXPECTED RECOVERY IN 2021**

**RENT REDUCTIONS**

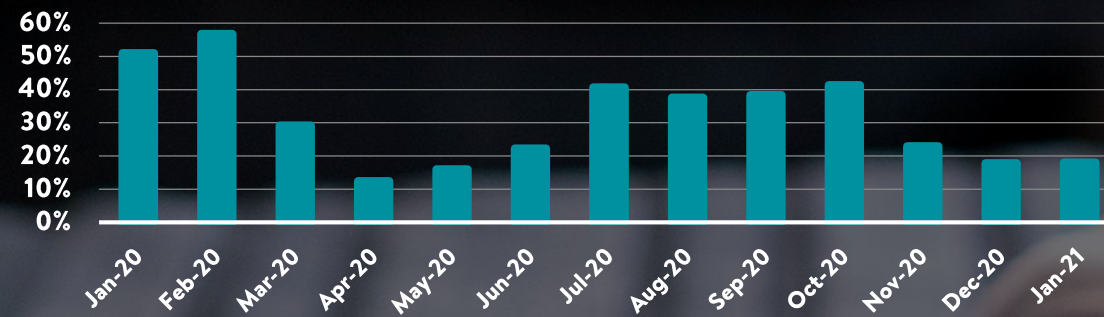
**FOCUS ON LIQUIDITY AND FINANCING**



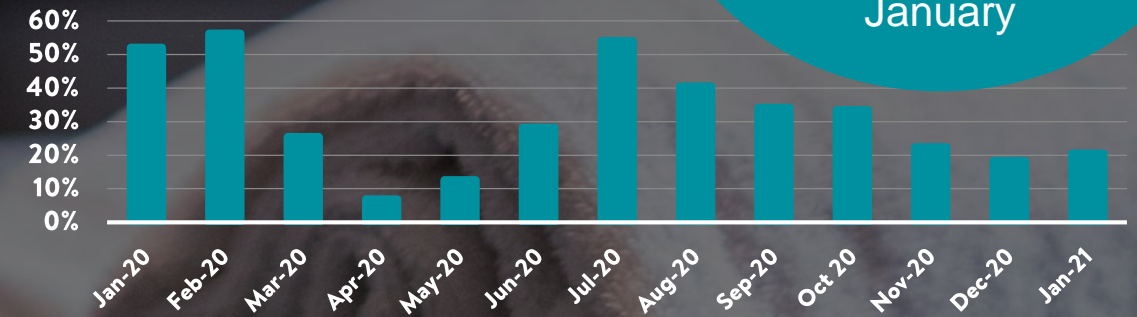
# A SLOW END OF THE YEAR

Scandic's occupancy in February is expected to be around 18% compared to 15% in December and January

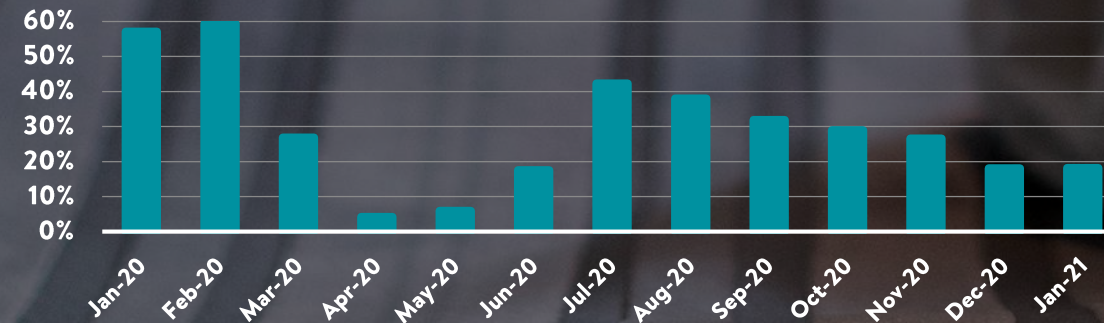
**SWEDEN (TOTAL MARKET OCCUPANCY)**



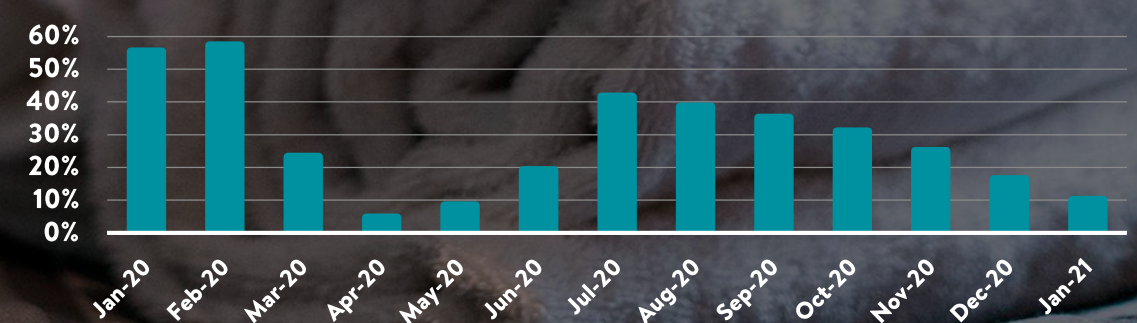
**NORWAY (TOTAL MARKET OCCUPANCY)**



**FINLAND (TOTAL MARKET OCCUPANCY)**



**DENMARK (TOTAL MARKET OCCUPANCY)**

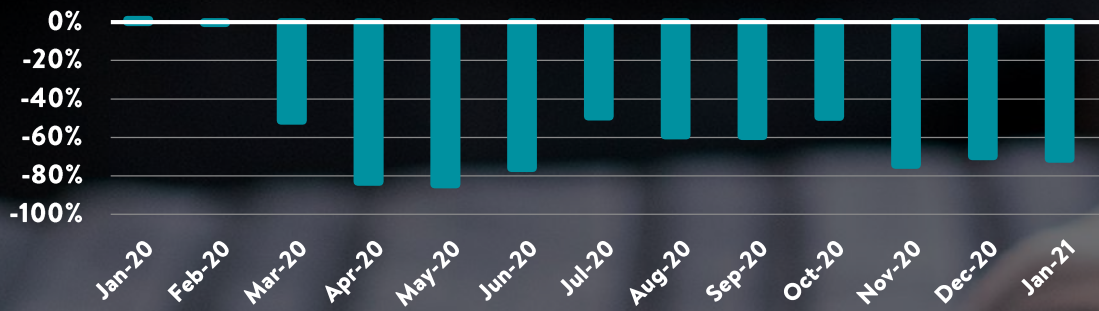


Source: Benchmarking Alliance

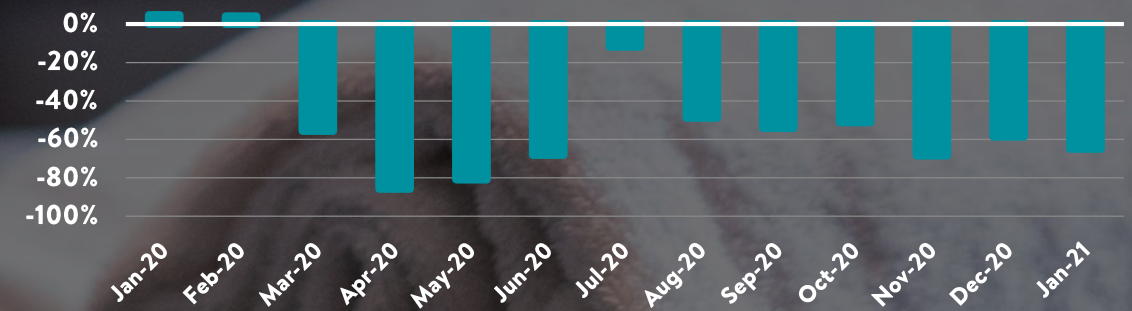


# NORDIC MARKET REVPAR DOWN ~65% IN Q4

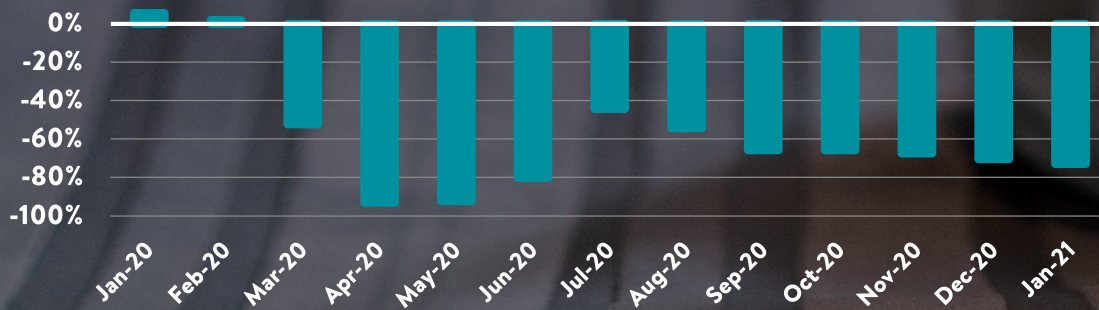
**SWEDEN** (Y-O-Y CHANGE IN MARKET REVPAR)



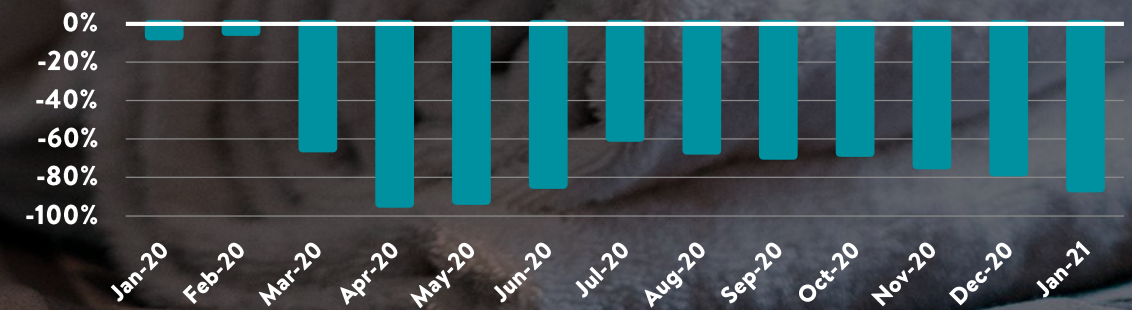
**NORWAY** (Y-O-Y CHANGE IN MARKET REVPAR)



**FINLAND** (Y-O-Y CHANGE IN MARKET REVPAR)



**DENMARK** (Y-O-Y CHANGE IN MARKET REVPAR)

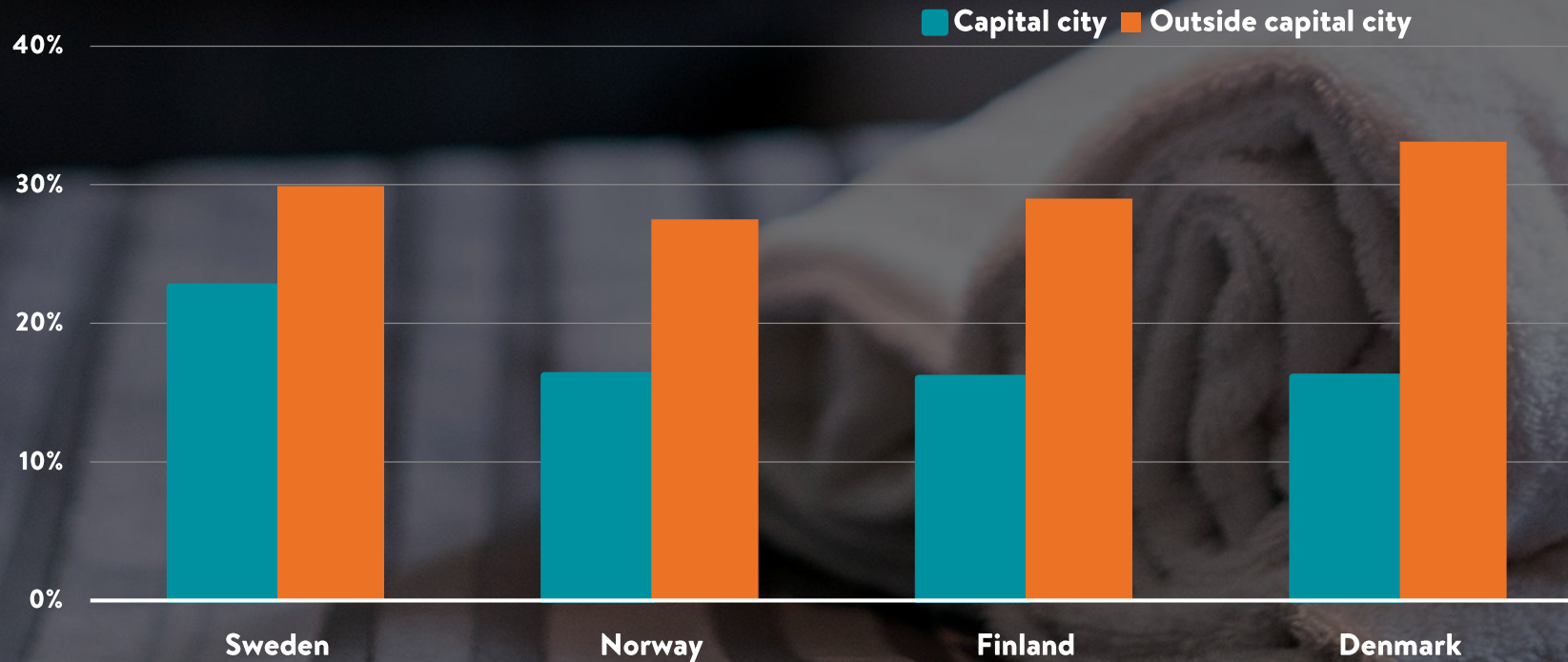


Source: Benchmarking Alliance



# CONTINUED WEAK IN CAPITAL CITIES

## NORDIC MARKET OCCUPANCY IN Q4



Source: Benchmarking Alliance



# WE ACTED QUICKLY AND FORCEFULLY DURING 2020

## CASH FLOW PROTECTION

Postponed rent payments

Cancelled dividend

Rescheduled capex

Project freeze

## COST REDUCTIONS

Non-rent cost base reduced by ~60% as of Q2

Temporary closed >50% of the hotels during the spring

Staff reduction of >80% including furlough

## FINANCING

New credit facility of 1,150 MSEK and bridge financing of 250 MSEK

Total credit facility increased to 6,650 MSEK

Rights issue of ~1,765 MSEK

## NEGOTIATIONS WITH LANDLORDS

Negotiations with landlords have resulted in rent reductions of up to 900 MSEK

# CONSTRUCTIVE DIALOGUE WITH LANDLORDS

**AGREED OR OFFERED REDUCTIONS OF ~900 MSEK**

**INCREASED DURATION BY 1 YEAR**

**POSTPONED OPENINGS**

**15% OF PORTFOLIO EXPIRES BY END OF 2022  
AND 25% BY END OF 2025**

Agreed or offered rent rebates per year

MSEK

600

500

400

300

200

100

0

2020

2021

2022

2023-26

227<sup>1</sup>

509

112

46

1. 196 MSEK recorded in 2020 of which 180 MSEK in Q4



# A FEW POSTPONED OPENINGS

Year	Hotel	Destination		# Rooms	
Q1 2021	Scandic Arlandastad	Stockholm, Sweden	Take-over	150	Opened January 10
Q1 2021	Scandic by Copenhagen Airport	Copenhagen, Denmark	New	357	
Q1 2021	Scandic Sortland	Sortland, Norway	Franchise	130	
Q2 2021	Scandic Grand Central Helsinki	Helsinki, Finland	New	491	Postponed from Q1 to Q2
Q2 2021	Scandic Landvetter Airport	Göteborg, Sweden	New	223	
Q3 2021	Scandic Nørreport	Copenhagen, Denmark	New	100	Postponed from Q1 to Q3
Q4 2021	Scandic Spectrum	Copenhagen, Denmark	New	632	
Q4 2021	Scandic Hamburger Börs	Turku, Finland	Take-over	272	
Q1 2022	Scandic Macherei	Munich, Germany	New	234	
Q1 2022	Scandic Helsingborg Harbour	Helsingborg, Sweden	New	184	
Q1 2022	Scandic Örebro Central	Örebro, Sweden	New	160	
Q2 2022	Scandic Platinan	Göteborg, Sweden	New	451	
Q2 2022	Scandic Ferrum	Kiruna, Sweden	New	230	Postponed from Q1 to Q2 -22
Q3 2022	Scandic Avenue	Helsinki, Finland	New	350	
Q1 2023	Scandic Hafenpark	Frankfurt, Germany	New	505	
Q3 2024	Scandic Aarhus Harbour	Aarhus, Denmark	New	485	Likely to be reconfigured
	Ongoing extensions			221	
	Exits			-353	
	<b>Total net pipeline</b>			<b>4,822</b>	



# EXPECTED RECOVERY IN 2021

## H1

- **VACCINATION GAINS MOMENTUM**
- **IMPROVED COVID-19 DATA**
- **RESTRICTIONS ARE GRADUALLY EASED**
- **OCCUPANCY INCREASES MONTH BY MONTH MAINLY DRIVEN BY DOMESTIC DEMAND**
- **GRADUAL INCREASE IN THE PACE OF RECOVERY**
- **OCCUPANCY IN THE SUMMER EXPECTED TO EXCEED LAST YEAR'S LEVEL**

## H2

- **GRADUAL MARKET NORMALIZATION**
- **INTRA-NORDIC BUSINESS TRAVEL**
- **MEETINGS, SPORTS AND CULTURAL EVENTS**
- **STIL LIMITED INTERNATIONAL TRAVEL**

---

# FINANCIAL UPDATE

---

Scandic



# NET SALES DECLINED BY 71% IN Q4

	Oct-Dec 2020	Oct-Dec 2019	%	Jan-Dec 2020	Jan-Dec 2019	%
Net sales	1,377	4,831	-71.5%	7,470	18,945	-60.6%
FX	-71		-1.5%	-246		-1.3%
Organic	-3,384		-70.0%	-11,229		-59.3%
New hotels	-90		-1.9%	-196		-1.0%
Exited hotels	-28		-0.6%	-178		-0.9%
Like-for like	-3,266		-67.5%	-10,855		-57.4%

## ORGANIC SALES DEVELOPMENT PER SEGMENT

Q4	
Sweden	-71.3%
Norway	-64.1%
Finland	-74.2%
Other Europe	-70.5%
<b>Total</b>	<b>-71.5%</b>

# NEGATIVE ADJUSTED EBITDA DESPITE GOVERNMENTAL SUPPORT

October-December	Net sales		Adjusted EBITDA			Adjusted EBITDA %		
MSEK	2020	2019	2020	2020 ex. gov. support	2019	2020	2020 ex. gov. support	2019
Sweden	465	1,622	-136	-216	239	-29.2%	-46.5%	14.7%
Norway	410	1,277	6	-132	115	1.5%	-32.2%	9.0%
Finland	300	1,222	-89	-94	216	-29.7%	-31.3%	17.7%
Other Europe	201	710	-24	-27	60	-11.9%	-13.4%	8.5%
Central costs & group adj.	-	-	-39	-39	-126	-	-	-
<b>Group</b>	<b>1,376</b>	<b>4,831</b>	<b>-282</b>	<b>-508</b>	<b>504</b>	<b>-20.5%</b>	<b>-36.9%</b>	<b>10.4%</b>

**GOVERNMENTAL  
SUPPORT OF 226 MSEK**  
**SWEDEN: 80 MSEK**  
**NORWAY: 138 MSEK**  
**FINLAND: 5 MSEK**  
**OTHER: 4 MSEK**

**RENT REBATES  
AMOUNTED TO 180  
MSEK IN Q4**



# **CONTINUED GOVERNMENTAL SUPPORT IN 2021**

**EXPECTED GOVERNMENTAL SUPPORT FOR FIXED COSTS IN H1 2021:  
400 MSEK**

**ADDITIONAL PAYMENT RESPITE FOR VAT AND SOCIAL SECURITY UNTIL  
H1 2022:  
200 MSEK (440 MSEK IN TOTAL)**

**FURLOUGH SUBSIDIES IN SWEDEN AND NORWAY PROLONGED UNTIL  
JUNE 2021**

# CASH OUTFLOW IN Q4

	Q4	YTD
Adjusted EBITDA	-282	-1,503
Change in working capital	-843	-221
Paid tax, interest, pre-opening and other items	-61	-464
<b>Cash flow from operations</b>	<b>-1 186</b>	<b>-2 188</b>
Investments in existing operations	-15	-449
<b>Free cash flow before expansion capex</b>	<b>-1,201</b>	<b>-2,637</b>
Expansion capex	-133	-302
<b>Free cash flow</b>	<b>-1,334</b>	<b>-2,939</b>
<b>Net debt</b>	<b>4,713</b>	
<b>Available liquidity at year-end</b>	<b>1,900</b>	
<b>Available liquidity at present</b>	<b>1,400</b>	

**CASH FLOW NEGATIVELY  
IMPACTED BY SETTLEMENT OF  
DEFERRED RENTS IN Q4**

**AVAILABLE LIQUIDITY 1,900  
MSEK AT YEAR-END AND 1,400  
AT PRESENT**

**ESTIMATED MONTHLY  
UNDERLYING CASH BURN IN Q4  
300 MSEK**



---

# CONCLUDING REMARKS

---

Scandic

# SCANDIC IS WELL POSITIONED FOR A MARKET RECOVERY

**LOW COST BASE**

**ATTRACTIVE PORTFOLIO AND PIPELINE**

**EFFICIENT OPERATING MODEL**

**A CUSTOMER OFFERING FOR ALL**



---

**THANK YOU!**

---

**Scandic**