SCANDIC HOTELS
Q3 2020

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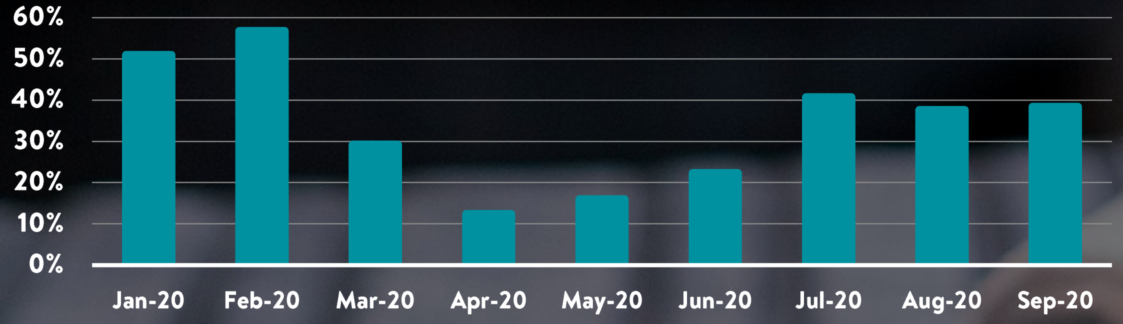
Q3 IN SUMMARY

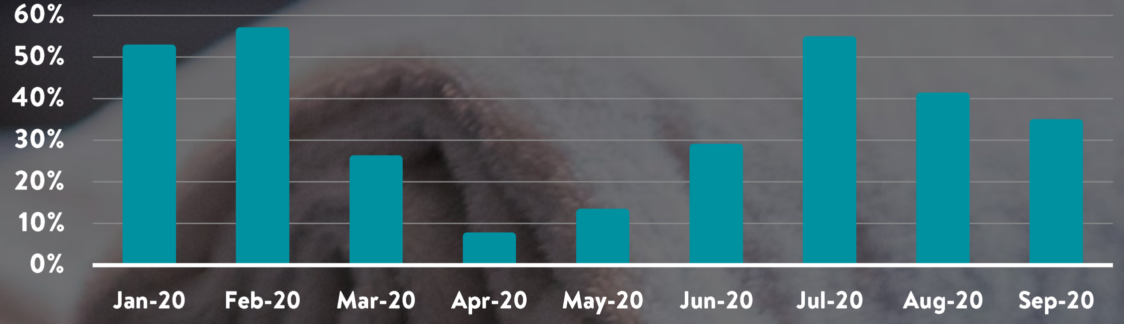
- OCCUPANCY 36%
- RENEGOTIATONS OF RENT AGREEMENTS
- ADJUSTED EBITDA SLIGHTLY POSITIVE INCLUDING GOVERNMENTAL SUPPORT
- COMMERCIAL INITIATIVES
- REDUCED COSTS
- OCCUPANCY 33% IN OCTOBER

OCCUPANCY IMPROVED DURING THE SUMMER

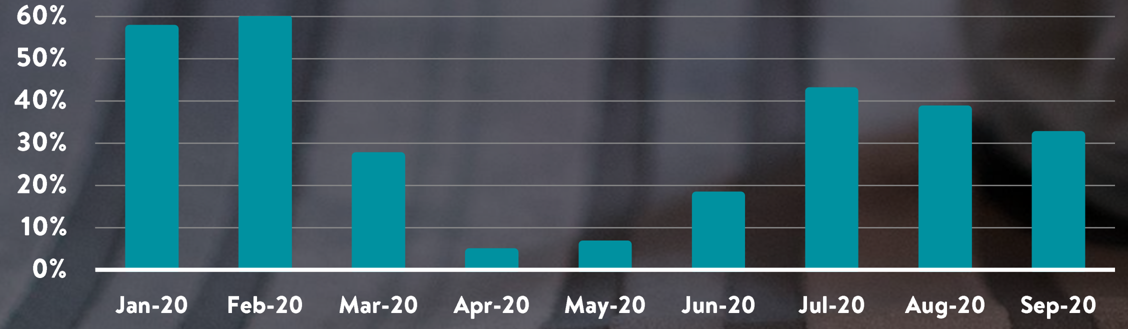
SWEDEN (TOTAL MARKET OCCUPANCY)



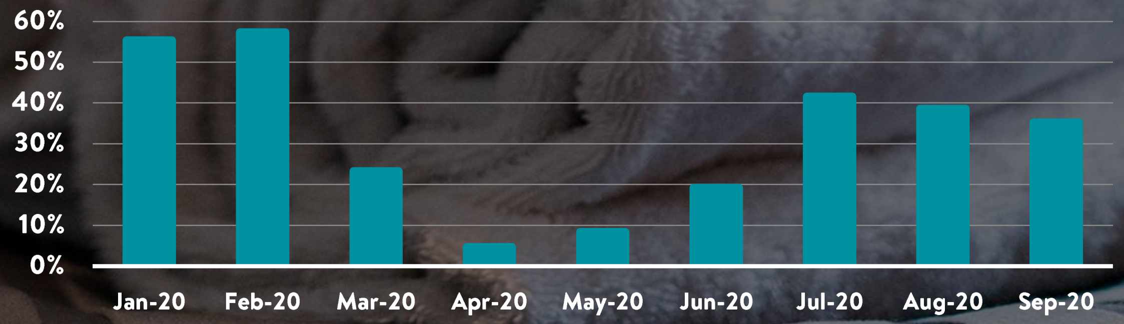
NORWAY (TOTAL MARKET OCCUPANCY)



FINLAND (TOTAL MARKET OCCUPANCY)



DENMARK (TOTAL MARKET OCCUPANCY)



Source: Benchmarking Alliance

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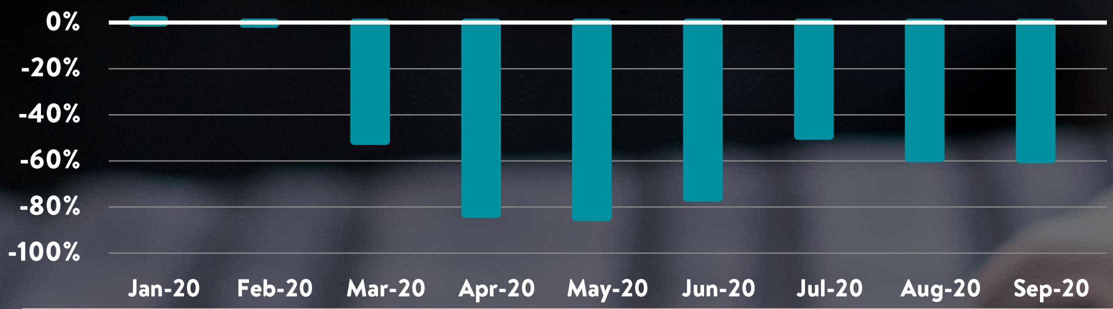
Q3 REVPAR LESS THAN HALF OF LAST YEAR'S LEVEL

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



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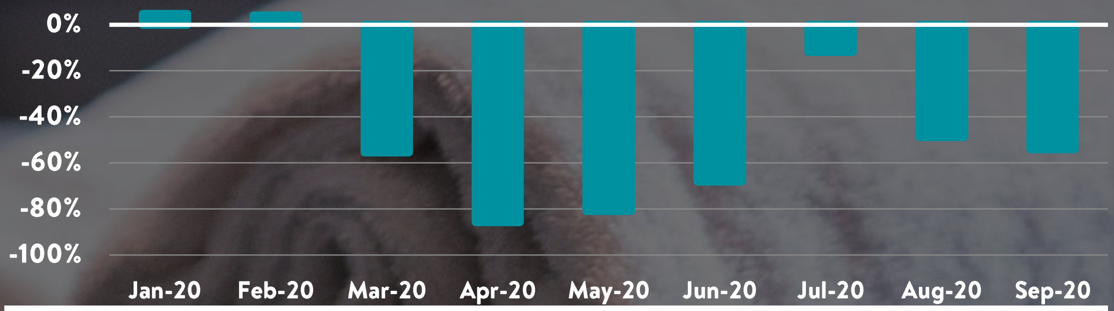

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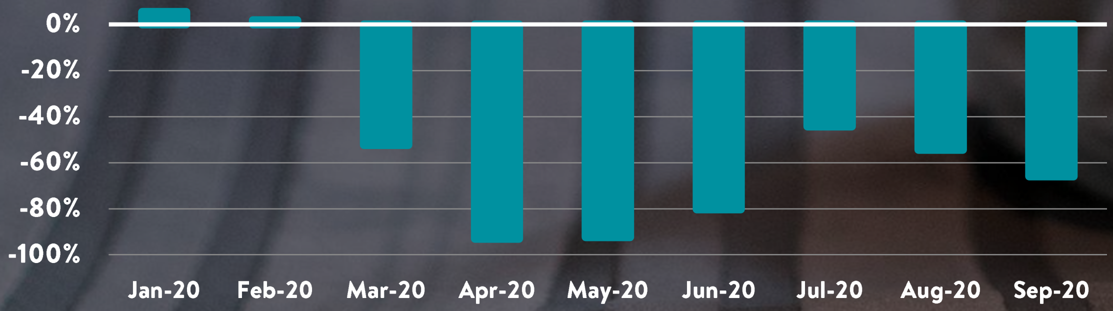

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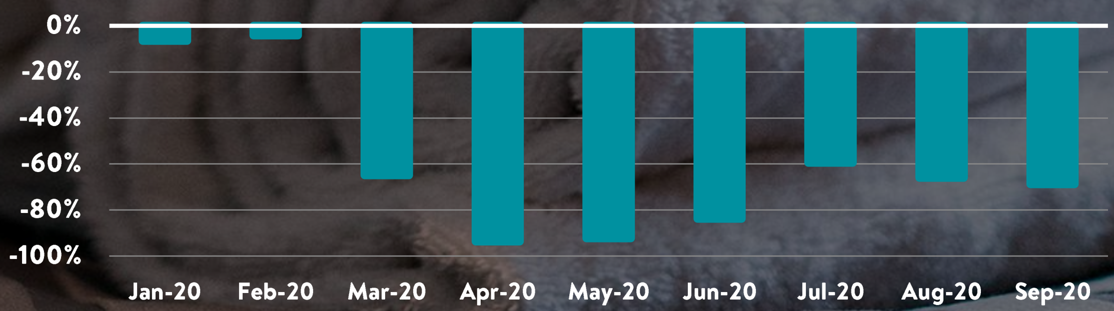

Source: Benchmarking Alliance

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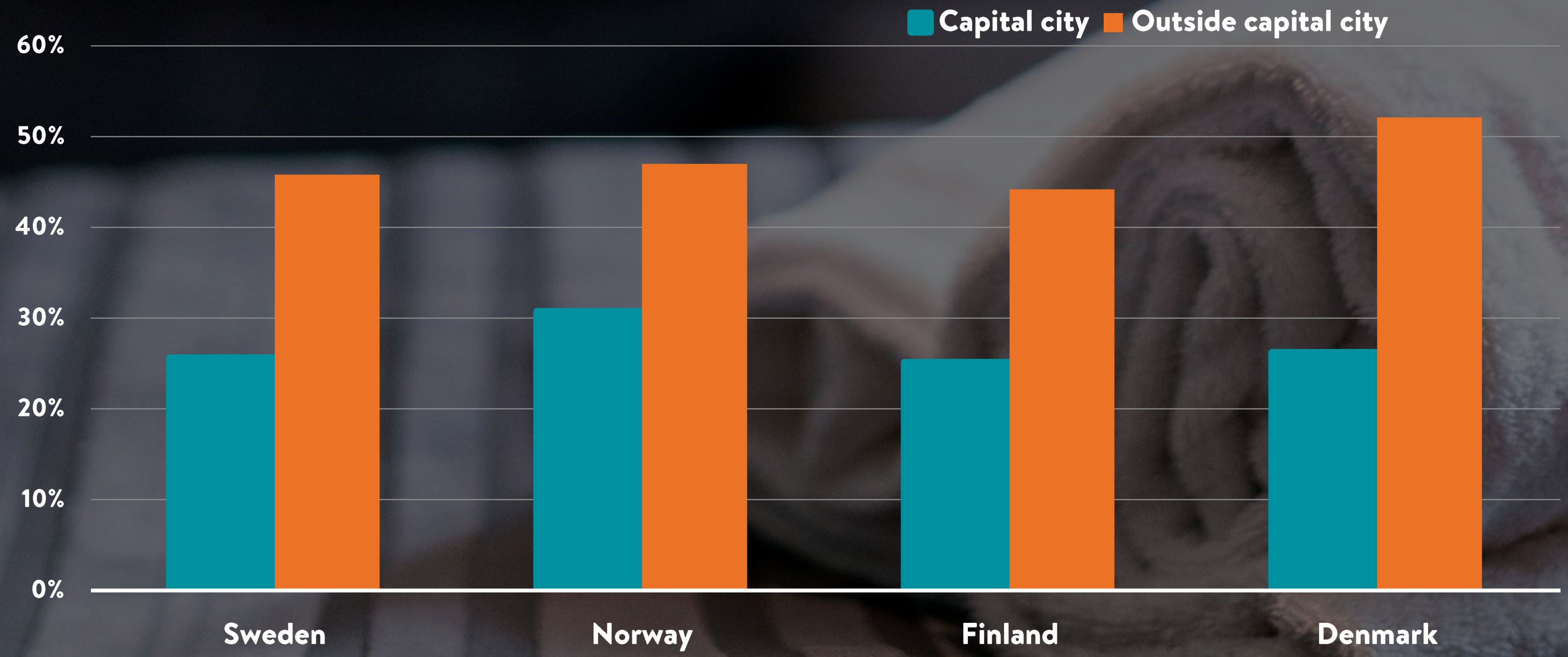
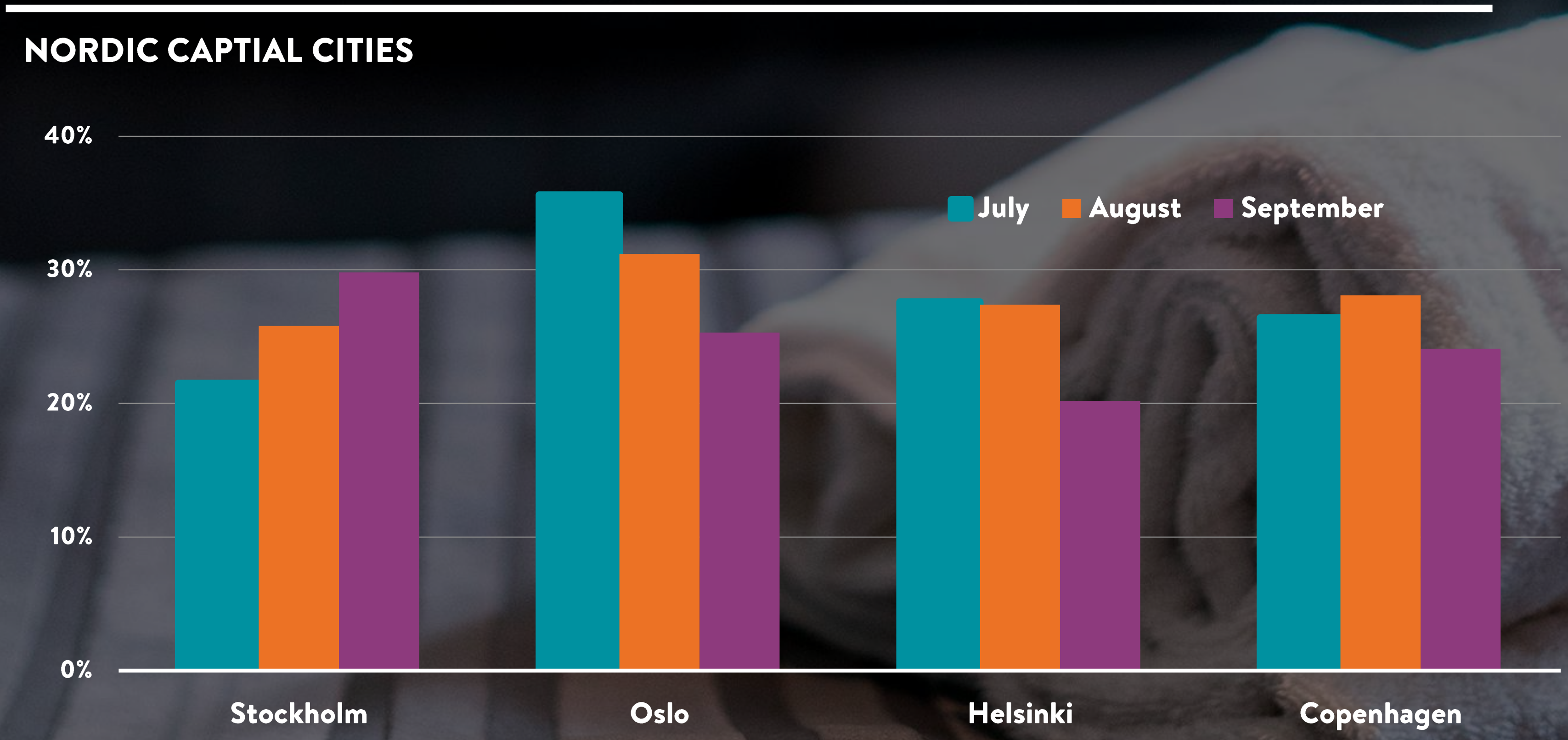
WEAK DEMAND IN CAPITAL CITIES

NORDIC MARKET OCCUPANCY IN Q3



Source: Benchmarking Alliance

POSITIVE MONTHLY TREND IN STOCKHOLM – NEGATIVE IN HELSINKI, OSLO AND COPENHAGEN



Source: Benchmarking Alliance

WE ACTED QUICKLY AND FORCEFULLY– NOW KEY FOCUS IS ON RENEGOTIATIONS WITH LANDLORDS

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

SECURED FINANCING

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

Rights issue of ~1,750 MSEK

RENEGOTIATIONS WITH LANDLORDS

Reduced rent payments until new reasonable terms are reached

TAKE-OVER WITH VARIABLE RENT AGREEMENT

Take-over of First Hotel Arlanda with 150 rooms

No acquisition cost and investments limited to branding

Revenue based rents with reasonable risk distribution between Scandic and the landlord

MINOR PORTFOLIO CHANGES IN Q3– SEVERAL PLANNED OPENINGS LIKELY TO BE POSTPONED

	Rooms in Operation	Of which with lease contracts	Rooms in Pipeline
Sweden	17,541	16,749	1,189
Norway	16,531	14,371	477
Finland	12,414	12,347	1,113
Denmark	4,955	4,745	1,574
Other Europe	1,718	1,718	739
Total	**53,159**	**49,930**	**5,092**

ONE NEW HOTEL OPENED IN Q3 - SCANDIC PASILA IN HELSINKI

ALL BUT 14 HOTELS OPEN BY THE END OF Q3

SEVERAL PLANNED OPENINGS ARE LIKELY TO BE POSTPONED

COMMERCIAL INITIATIVES

STRENGTHENEND COMMERCIAL ORGANIZATION

- Anna Spjuth Chief Commercial Officer as of October 1

COMMERCIAL INITIATIVES

- Coworking – creating the largest network of coworking spaces in the Nordic countries
- Student offering at selected destinations
- Campaigns targeting leisure guests during weekends
- Securing corporate agreements ahead of 2021

FINANCIAL UPDATE

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LIKE-FOR-LIKE REVENUES HALVED IN Q3

	Jul-Sep 2020	Jul-Sep 2019	%	Jan-Sep 2020	Jan-Sep 2019	%
Net sales	**2,085**	**5,195**	**-59.8%**	**6,093**	**14,114**	**-56.8%**
FX	-101		-1.9%	-177		-1.3%
Organic	-3,008		-57.9%	-7,844		-55.5%
New hotels	-66		-1.3%	-106		-0.7%
Exited hotels	-41		-0.8%	-151		-1.1%
Like-for like	**-2,901**		**-55.8%**	**-7,588**		**-53.7%**

ORGANIC SALES DEVELOPMENT PER SEGMENT

	Q3
Sweden	-62.7%
Norway	-47.0%
Finland	-60.5%
Other Europe	-64.6%
Total	**-57.9%**

ADJUSTED EBITDA HELPED BY GOVERNMENTAL SUPPORT

July-September	Net sales		Adjusted EBITDA			Adjusted EBITDA %		
MSEK	2020	2019	2020	2020 ex. gov. support	2019	2020	2020 ex. gov. support	2019
Sweden	625	1,674	77	-72	309	12.3%	-11.5%	18.5%
Norway	724	1,519	104	42	232	14.4%	5.8%	15.3%
Finland	472	1,234	-95	-100	247	-20.2%	-21.2%	20.0%
Other Europe	264	768	61	-95	125	23.1%	-36.0%	16.3%
Central costs & group adj.	0	0	-57	-57	-90			
Group	**2,085**	**5,195**	**90**	**-281**	**823**	**4.3%**	**-13.5%**	**15.8%**

GOVERNMENTAL SUPPORT OF 371 MSEK IN Q3:

SWEDEN: 149 MSEK
NORWAY: 62 MSEK
FINLAND: 5 MSEK
DENMARK: 156 MSEK

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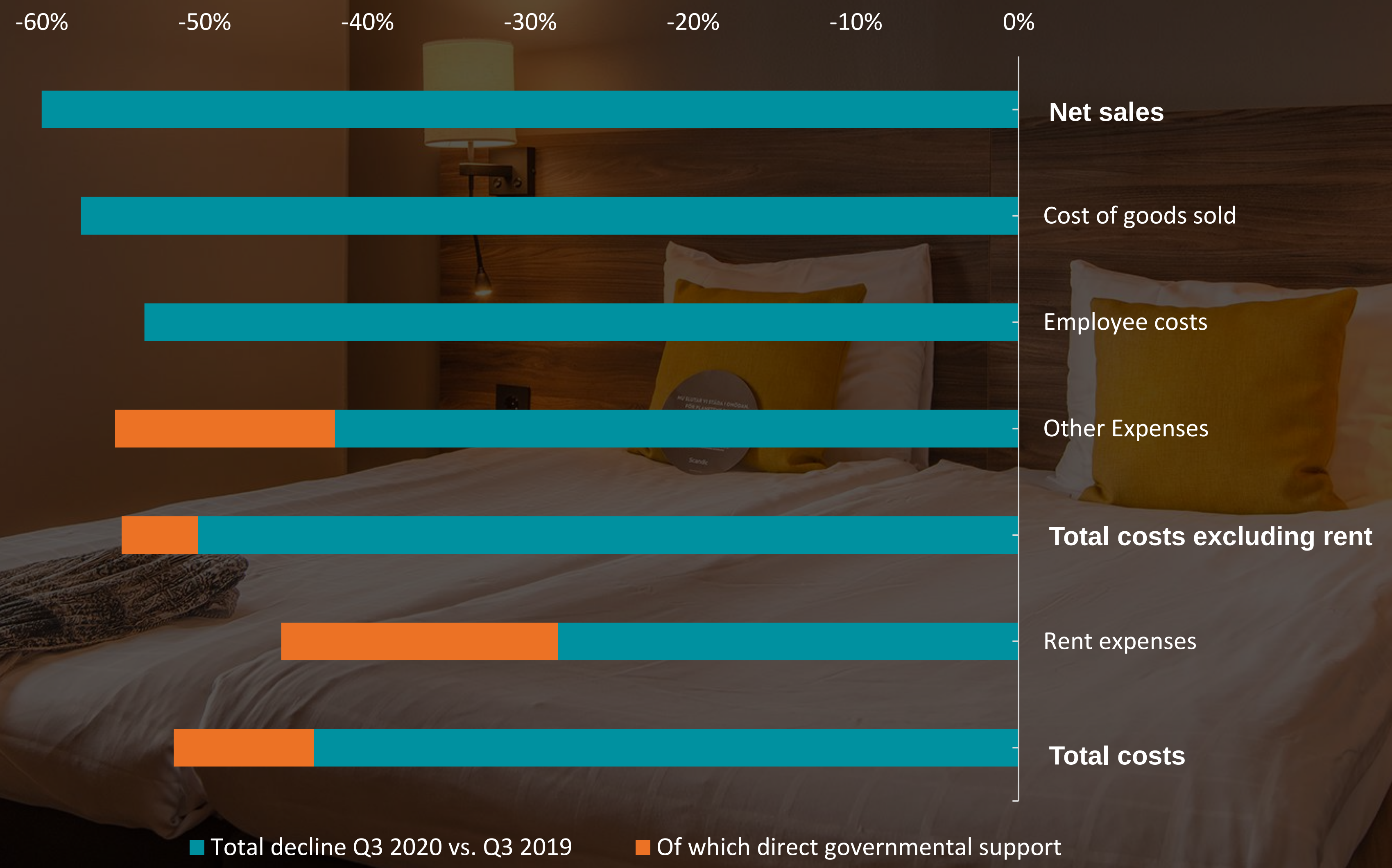
COMPREHENSIVE COST REDUCTIONS IN Q3



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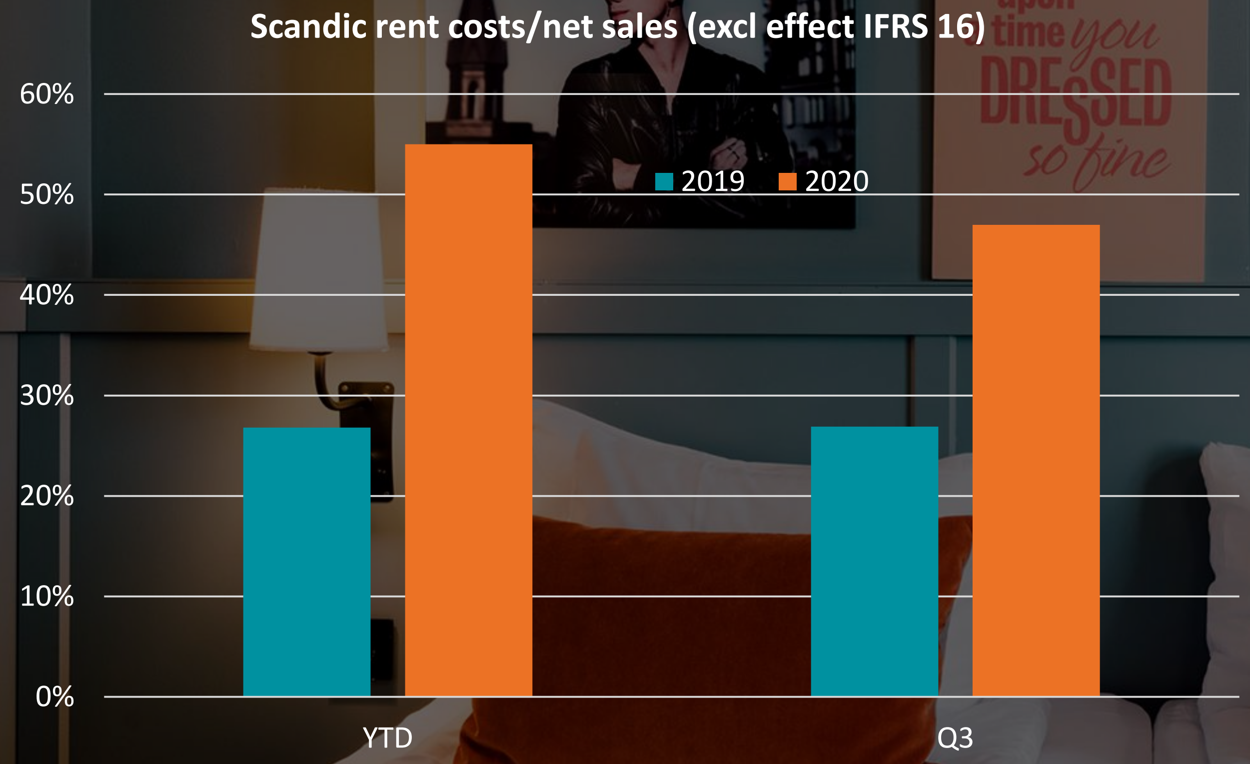
RENEGOTIATIONS TO ADJUST RENT TERMS



*Rent costs excluding government support

RENTS COSTS CURRENTLY CORRESPOND TO HALF OF GROUP REVENUES

RENT TERMS MUST ENABLE PROFITABILITY AT LOWER OCCUPANCY LEVELS AND REASONABLE RISK SHARING

CASH OUTFLOW IN Q3

	Q3	YTD
Adjusted EBITDA	90	-1,221
Change in working capital	-131	622
Paid tax, interest, pre-opening and other items	-112	-403
Cash flow from operations	**-153**	**-1,002**
Investments in existing operations	-75	-434
Free cash flow before expansion capex	**-228**	**-1,436**
Expansion capex	-65	-169
Free cash flow	**-293**	**-1,605**
Net debt	**3,426**	**3,426**
Available liquidity including credit commitments	**3,200**	**3,200**

MONTHLY UNDERLYING 'CASH BURN' IN Q3: -175 MSEK

AVAILABLE LIQUIDITY: 3,200 MSEK

DEFERRED RENTS: 500 MSEK

DEFERRED TAX AND SOCIAL CHARGES: 240 MSEK

OUTLOOK

BASED ON THE CURRENT BOOKING RATE, OCCUPANCY IN NOVEMBER IS EXPECTED TO BE LOWER THAN IN OCTOBER

SCANDIC EXPECTS CONTINUED GOVERNMENTAL SUPPORT WHICH WILL HAVE A POSITIVE EFFECT ON RESULTS IN Q4

THE CORONA CRISIS WILL HAVE FAR REACHING CONSEQUENCES FOR THE HOTEL INDUSTRY. IT WILL TAKE SEVERAL YEARS UNTIL THE MARKET FULLY RECOVERS

THANK YOU!

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