

A modern hotel room interior featuring a large bed with white linens, a wooden bedside table, a modern armchair, and a large window with sheer curtains. The room is decorated with framed artwork, a floor lamp, and a track lighting system. The text "SCANDIC HOTELS" is overlaid in large white letters.

SCANDIC HOTELS

Q4 REPORT FEBRUARY 16, 2023

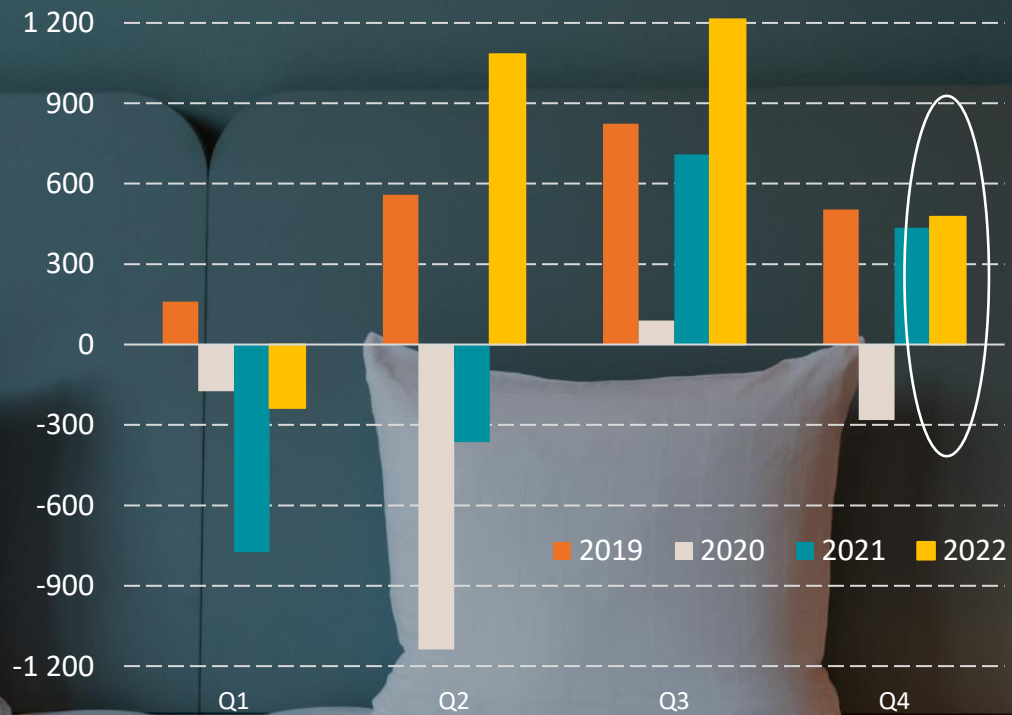


SOLID FOURTH QUARTER

- Improved net sales and results
- Good demand from corporate and leisure
- Increased prices and stable occupancy levels
- Strong cash flow and lower debt level
- Successfully completed refinancing

SCANDIC – QUARTERLY ADJUSTED EBITDA

MSEK



IMPROVED RESULTS

- Adjusted EBITDA of 476 (436) MSEK
- Excl. one-offs, adjusted EBITDA margin improved to 9.1% (7.8)
- Good operational performance in combination with a stable market

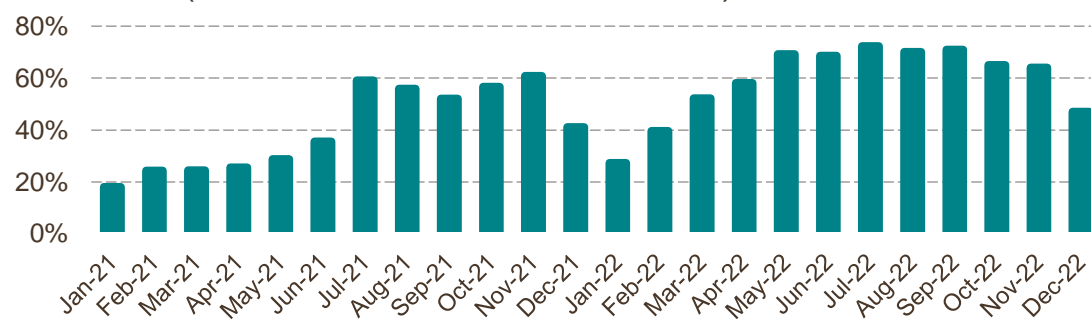


STRONG FULL YEAR

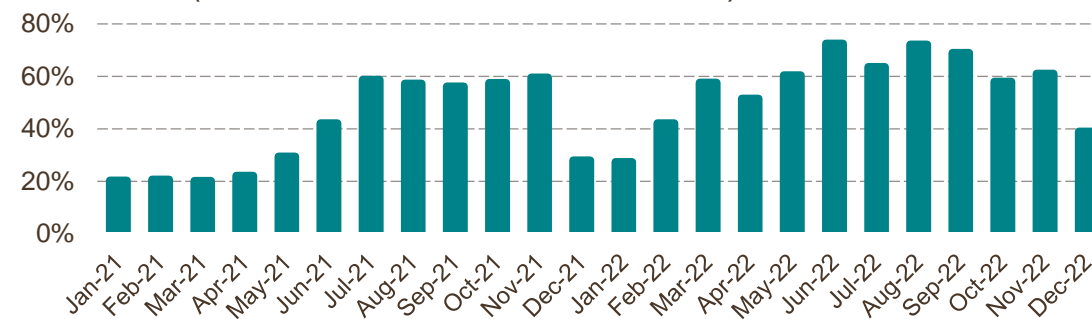
- Net sales increased to 19.2 (10.1) BNSEK
- Adjusted EBITDA excl. one-offs of 2.1 BNSEK, corresponding to a margin of 11.1%
- All-time high results incl. one-offs
- High portfolio activity in a recovering and good market
- Strong cash flow and stable financial position
- The board proposes that no dividends is to be paid

RAPID IMPROVEMENT TO STABLE LEVELS

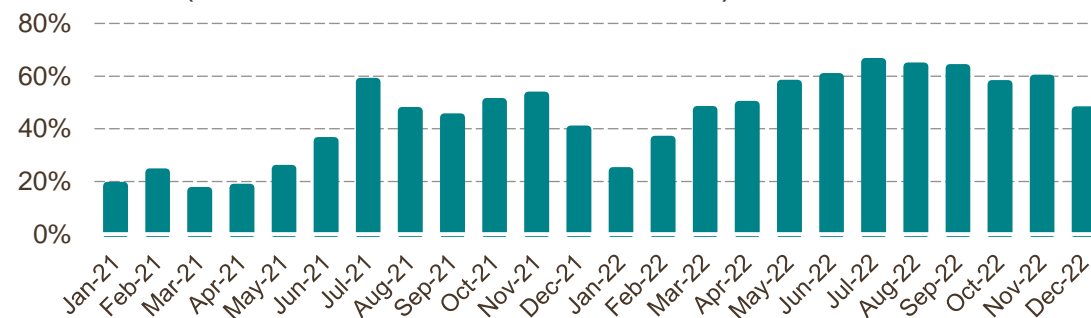
SWEDEN (TOTAL MARKET OCCUPANCY)



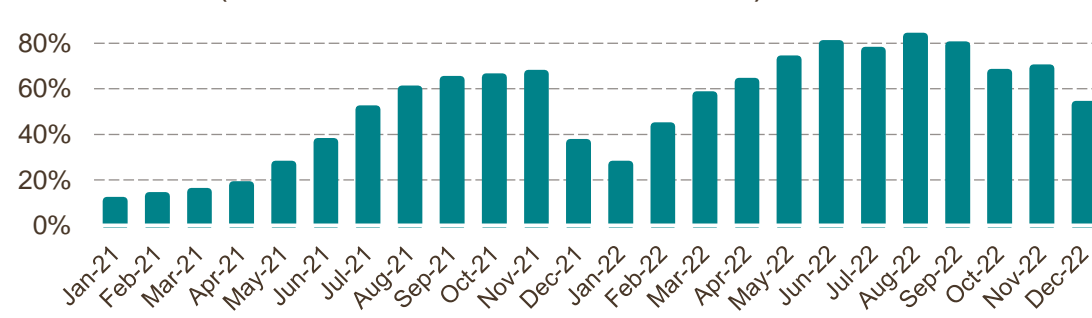
NORWAY (TOTAL MARKET OCCUPANCY)



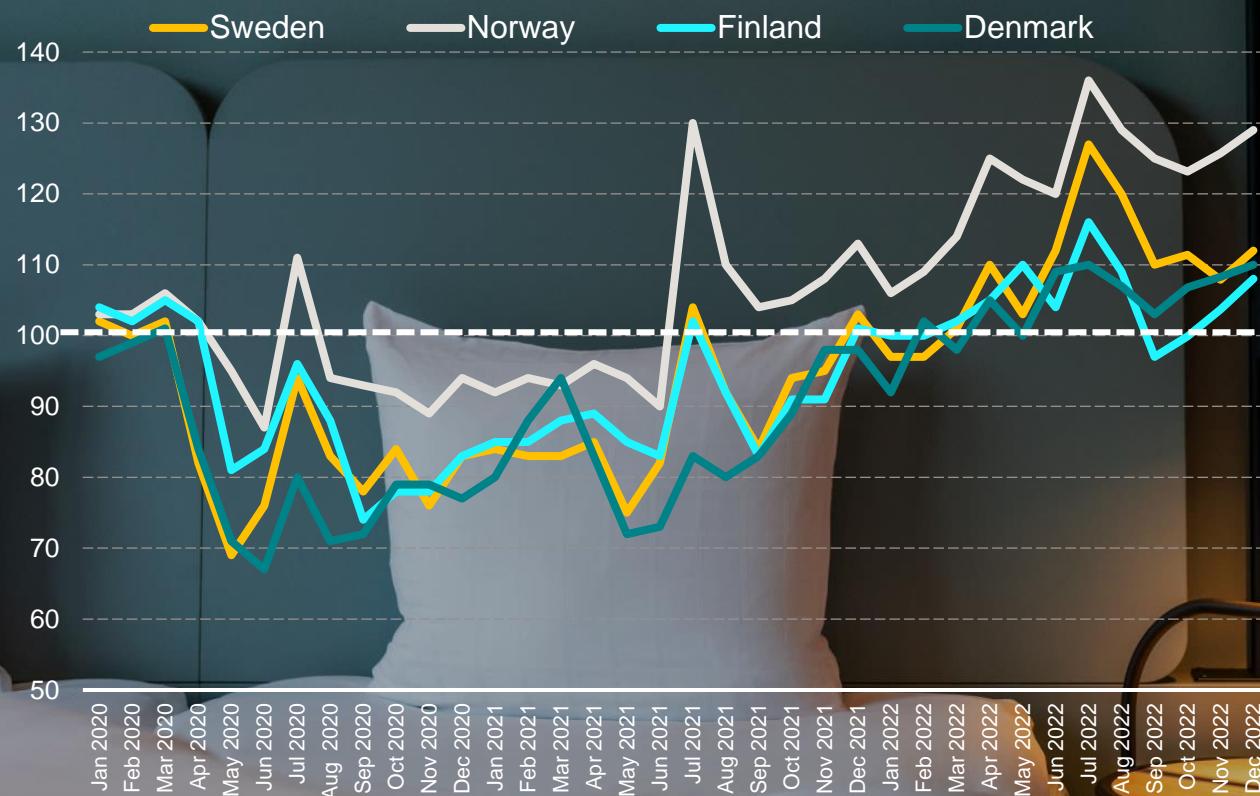
FINLAND (TOTAL MARKET OCCUPANCY)



DENMARK (TOTAL MARKET OCCUPANCY)



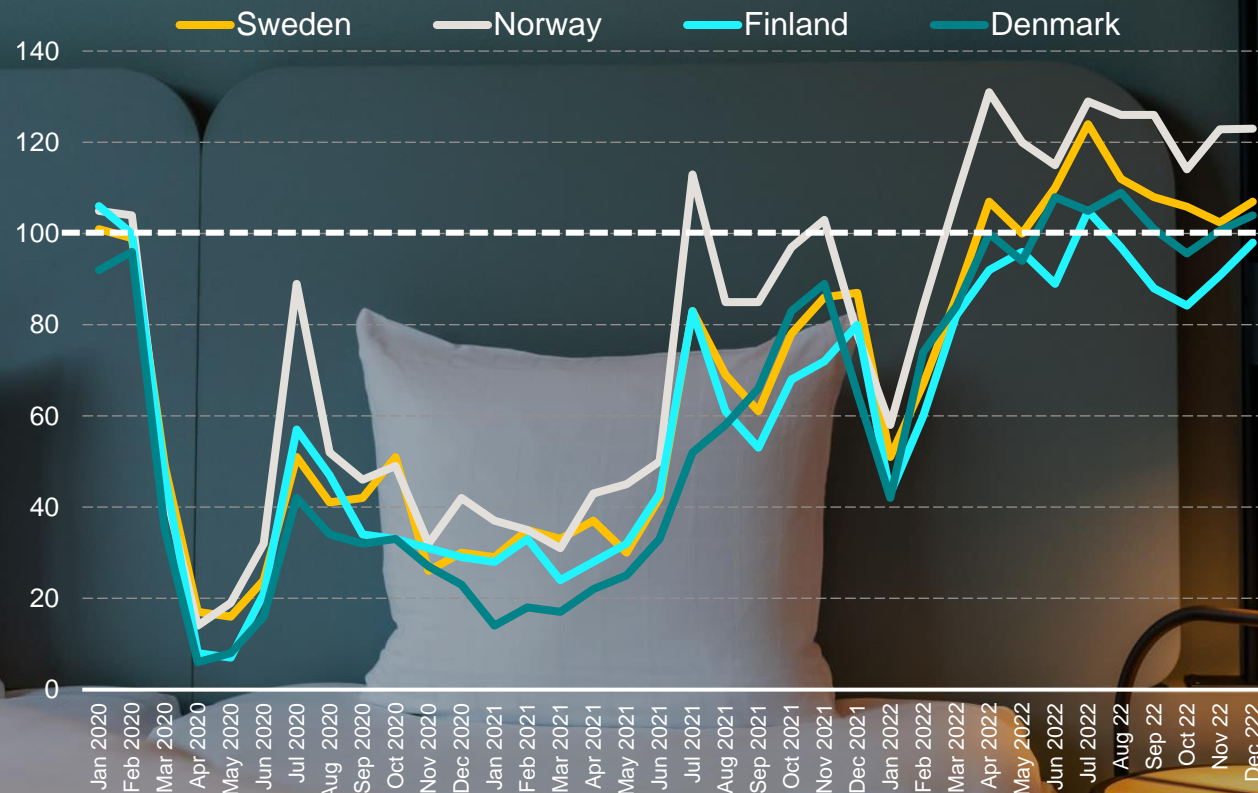
MARKET AVERAGE ROOM RATE DEVELOPMENT INDEXED TO CORRESPONDING MONTH 2019



INCREASED ROOM RATES

- Average room rates on continued high levels above 2019 levels

MARKET REVPAR INDEXED TO CORRESPONDING MONTH 2019



MOST MARKETS ABOVE 2019 LEVELS

- RevPAR above 2019 levels, driven by improved room rates

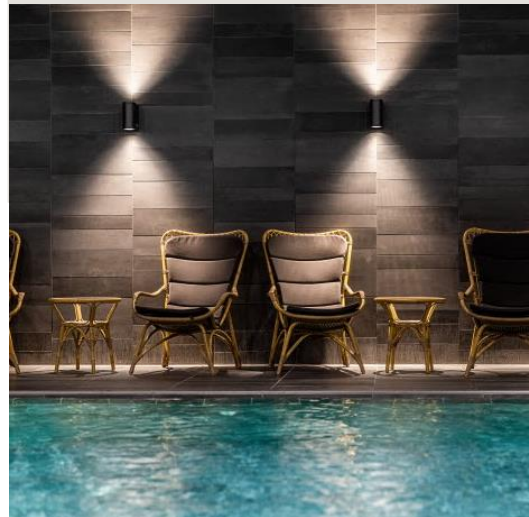
GOTHENBURG
SWEDEN



**SCANDIC
GÖTEBORG
CENTRAL**

451 ROOMS
NEW OPENING

COPENHAGEN
DENMARK



**SCANDIC
SPECTRUM**

632 ROOMS
NEW OPENING

**HIGH PORTFOLIO
ACTIVITY WITH 10
OPENINGS IN 2022**

MUNICH
GERMANY



**SCANDIC
MÜNCHEN
MACHEREI**

234 ROOMS
NEW OPENING

HORSENS
DENMARK



**SCANDIC
OPUS HORSENS**

132 ROOMS
NEW OPENING
(TAKEOVER)

COPENHAGEN
DENMARK



**SCANDIC
NØRREPORT**

100 ROOMS
NEW OPENING

ÖREBRO
SWEDEN



**SCANDIC
ÖREBRO CENTRAL**

160 ROOMS
NEW OPENING

HELSINGBORG
SWEDEN



SCANDIC
OCEANHAMNEN

184 ROOMS
NEW OPENING

OSLO
NORWAY



SCANDIC
HOLMENKOLLEN
PARK

376 ROOMS
REOPENING

HELSINKI
FINLAND



SCANDIC
HELSINKI HUB

352 ROOMS
NEW OPENING

KIRUNA
SWEDEN



SCANDIC
KIRUNA

231 ROOMS
NEW OPENING

HIGH QUALITY PIPELINE

FOCUS ON GROWING PIPELINE

Pipeline as of December 31, 2022

Year	Hotel	Destination		No. of rooms
Q1 2023	Scandic Frankfurt Hafenpark	Frankfurt, Germany	New	505
Q3 2025	Scandic Vervet Tromsø	Tromsø, Norway	New	305
Q1 2026	Scandic in Ski	Oslo, Norway	New	220
Q4 2026	Scandic Aarhus Harbour	Aarhus, Denmark	New	342
				1,372
	Ongoing extensions			188
	Exits			-499
	Total net pipeline			1,061

FINANCIAL UPDATE

Scandic

INCREASED NET SALES AND RESULTS

MSEK	Net sales		Adjusted EBITDA		Adjusted EBITDA margin	
	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021
Sweden	1,658	1,225	221	152	13.2%	12.4%
Norway	1,503	1,136	194	147	12.9%	12.9%
Finland	1,196	844	124	65	10.4%	7.6%
Other Europe	871	577	55	143	6.3%	24.8%
Central costs and group adj.	-	-	-118	-71	-	-
Group	5,228	3,783	476	436	9.1%	11.5%

Adjusted for one-offs

9.1%

7.8%

- Net sales increased 38% to 5,228 MSEK (3,783)
- Adj.EBITDA increased to 476 MSEK, (436), resulting in a margin of 9.1% (11.5)
- Excl.one-offs, adj.EBITDA margin improved to 9.1% (7.8)

STRONG FULL YEAR

	Net sales		Adjusted EBITDA		Adjusted EBITDA margin	
	2022	2021	2022	2021	2022	2021
MSEK						
Sweden	6,053	3,077	876	-174	14.4%	-5.7%
Norway	6,039	3,530	1,171	526	19.4%	14.9%
Finland	4,089	2,082	383	-292	9.4%	-14.0%
Other Europe	3,049	1,397	442	202	14.5%	14.4%
Central costs and group adj.	-	-	-335	-255	-	-
Group	19,230	10,086	2,536	6	13.2%	0.1%
Adjusted for one-offs					11.1%	-8.9%

- Net sales of 19,230 MSEK (10,086)
- Adj.EBITDA of 2,536 MSEK (6)
- Adj.EBITDA margin of 13.2% (0.1)
- Adjusted for one-offs, underlying margin of 11.1% (-8.9)
- One-off effects of 433 (887) MSEK

MSEK	Q4 2022	Jan-Dec 2022
Adjusted EBITDA	476	2,536
Change in working capital	569	614
Paid tax	-3	-39
Interest paid	-30	-155
Pre-opening costs & other items	-9	-131
Cash flow from operations	1,027	2,837
Investments in existing operations	-50	-291
Free cash flow before expansion capex	978	2,546
Expansion capex	-33	-344
Free cash flow	945	2,202

STRONG CASH FLOW

- Free cash flow of 945 MSEK in Q4 and 2,202 MSEK in 2022
- Free cash flow for the full year supported by increase of liabilities related to variable rent of 590 MSEK

FINANCING ITEMS

DEBT

- Net debt of 1,425 MSEK including 635 MSEK related to other interest-bearing liabilities
- Net debt/adjusted EBITDA of 0.6x (1.1x including the convertible bond¹⁾)
- Total credit facility of 3,700 MSEK

WORKING CAPITAL

- Positive effect of reduced accounts receivables in Q4
- Liabilities related to variable rent of approximately 840 MSEK, of which 500 MSEK to be settled in Q1

CONVERTIBLE BOND

- Maturity in October 2024, conversion price = 43.36 SEK
- Potential dilution = 41,464,787 shares

NEW FINANCING

- Credit facility: 3,450 MSEK
- Maturity: 31 December 2025
- Under certain conditions: opportunity to finance all or part of the convertible loan

1) Convertible bond of 1,484 MSEK

MSEK	Q4 2022	Jan-Dec 2022
Total financial net, reported	-438	-1,808
of which interest expenses, IFRS 16	-383	-1,464
Financial net excl. IFRS 16	-55	-344
Adjustments to paid financial items		
Interest expenses, convertible bond (non-cash)	40	153
Timing difference, interest on bank loans	-14	5
Other	1	22
Total adjustments	27	180
Cash financial items, net	-29	-164

NET FINANCIAL ITEMS, REPORTED VS. CASH FLOW

- Reported financial net in Q4 amounted to -438 MSEK incl. IFRS 16 and -55 MSEK excl. IFRS 16
- Non-cash convertible interest amounted to 40 MSEK
- Cash financial items totaled -29 MSEK

CONCLUDING REMARKS



OUTLOOK

- **Stable start of the year**
- **Based on current booking levels, we expect maintained price levels and stable demand**
- Continued focus on operational performance
- High level of readiness for the future



Scandic