

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 and a track lighting system. The text "SCANDIC HOTELS" is overlaid in large white letters.

# SCANDIC HOTELS

Q3 REPORT OCTOBER 27, 2022

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# SCANDIC'S BEST QUARTER EVER

- Net sales and adjusted EBITDA reached new record levels for a single quarter
- Good demand from corporate and leisure
- Occupancy increased to 70% from 63% in Q2, and room rates continued to improve on all markets
- All-time high RevPAR
- Strong cash flow and lower debt level

## SCANDIC – QUARTERLY ADJUSTED EBITDA

MSEK

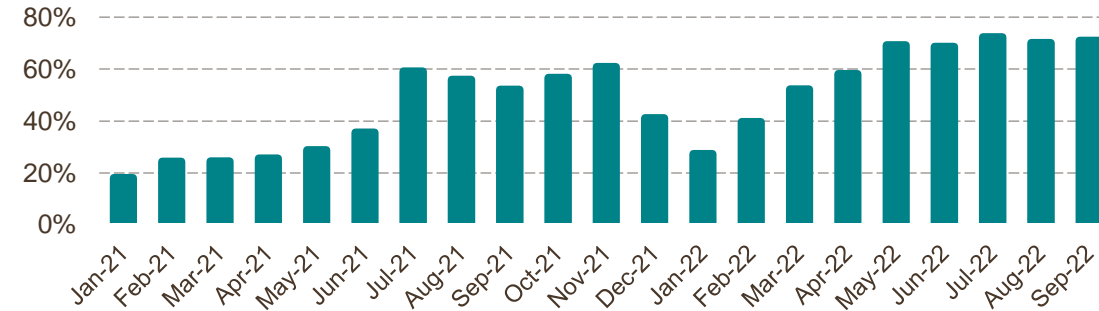


# ADJUSTED EBITDA AT ALL-TIME HIGH

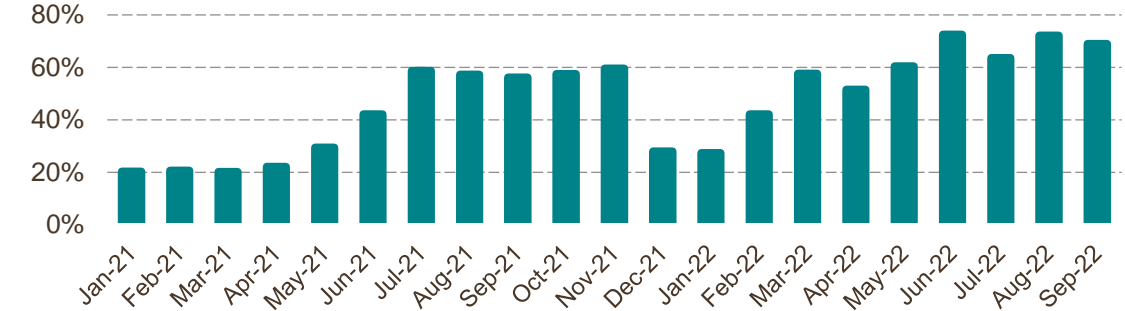
- Adjusted EBITDA reached 1.2 BN SEK in Q3, almost a 50 percent increase compared to Q3 in 2019
- Record strong adjusted EBITDA margin of 20.2%, compared with 15.8% in Q3 2019
- Operational performance in combination with a solid market

# RAPID IMPROVEMENT TO STABLE LEVELS

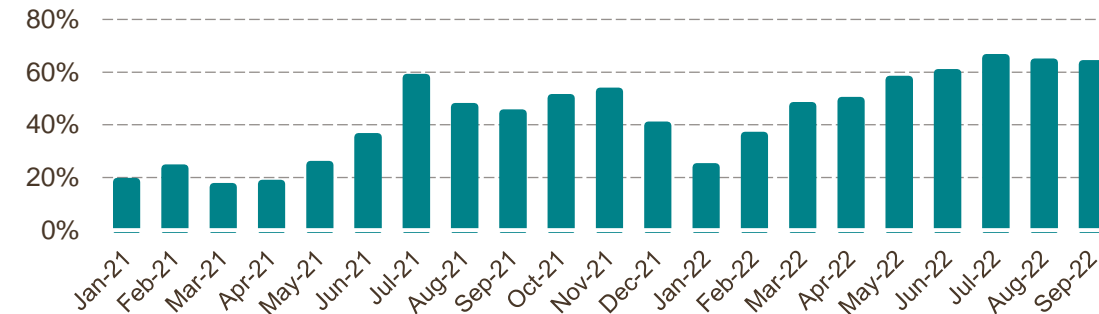
**SWEDEN (TOTAL MARKET OCCUPANCY)**



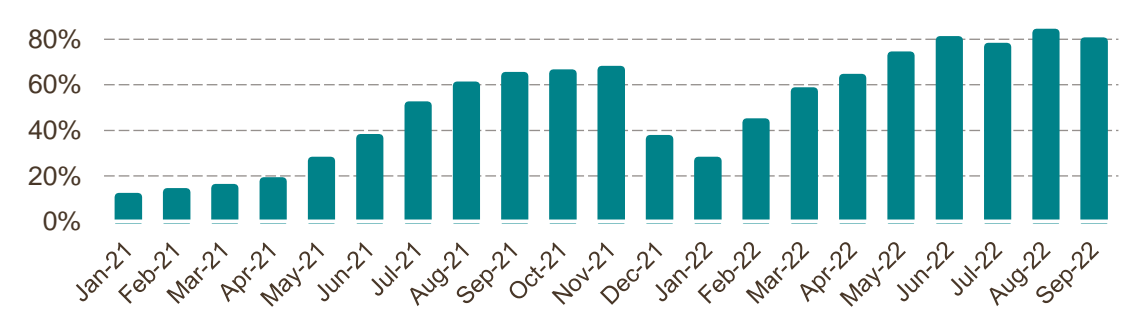
**NORWAY (TOTAL MARKET OCCUPANCY)**



**FINLAND (TOTAL MARKET OCCUPANCY)**

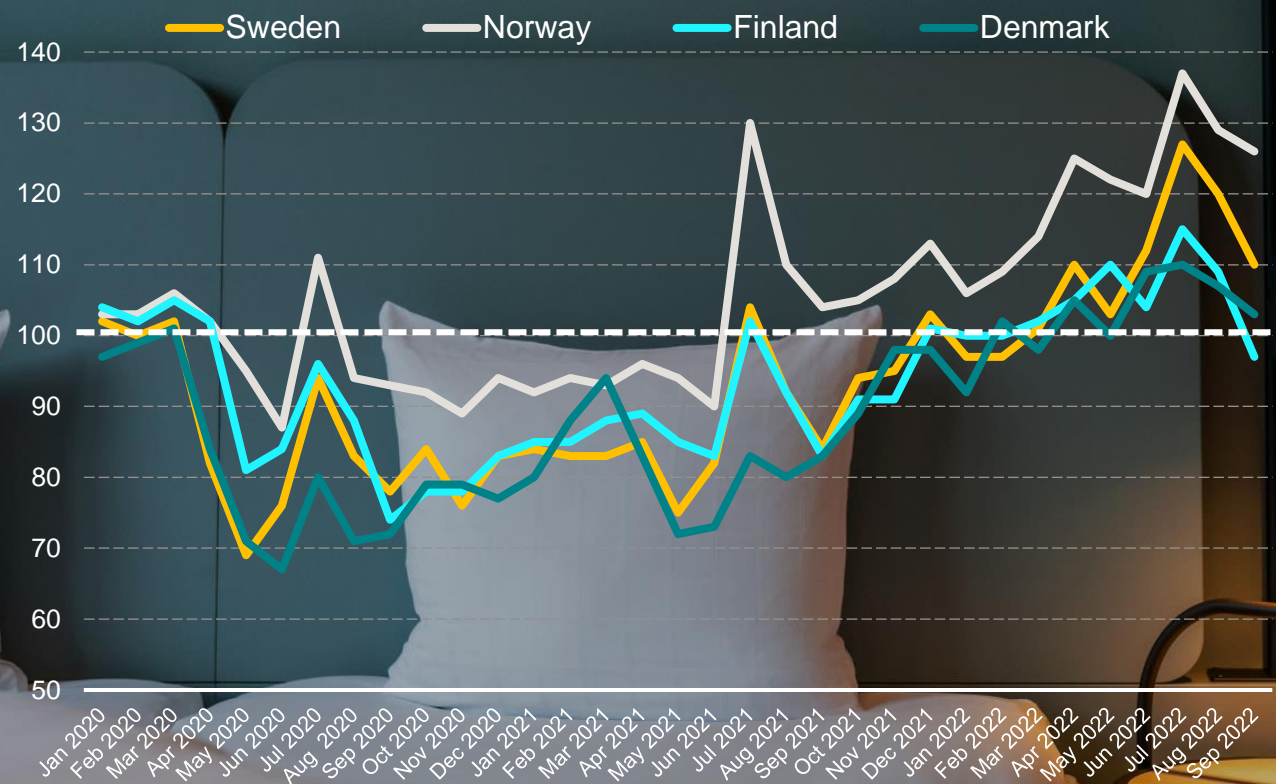


**DENMARK (TOTAL MARKET OCCUPANCY)**





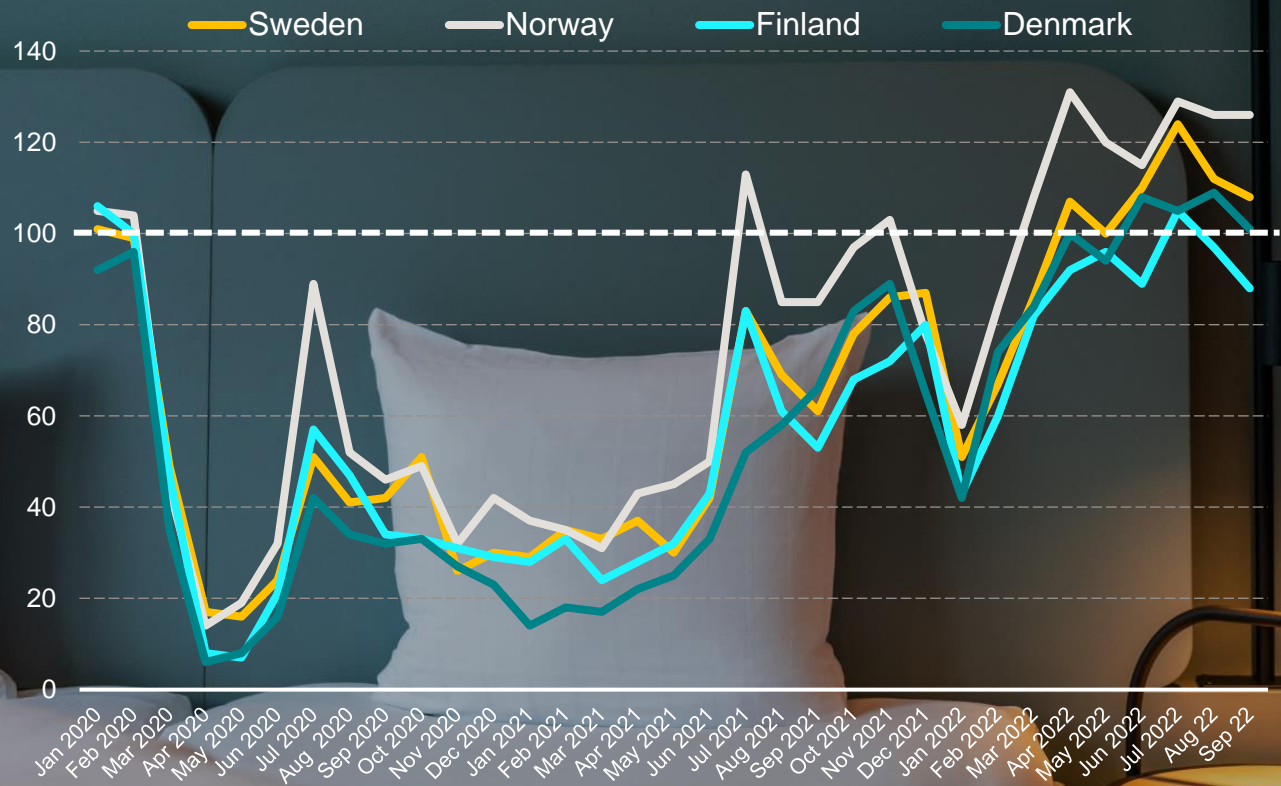
## MARKET AVERAGE ROOM RATE DEVELOPMENT INDEXED TO CORRESPONDING MONTH 2019



# CONTINUED HIGH AVERAGE ROOM RATES

- Average room rates on continued high levels, stabilizing somewhat from record summer months
- Finland on high levels, although lagging other markets in September due to exceptionally high prices in 2019

## MARKET REVPAR INDEXED TO CORRESPONDING MONTH 2019



# MOST MARKETS ABOVE 2019 LEVELS

- Continued high RevPAR above 2019 levels, driven by higher room rates

# CONTINUED HIGH PORTFOLIO ACTIVITY AND FOCUS ON GROWING PIPELINE

## Pipeline as of September 30, 2022

Year	Hotel	Destination		No. of rooms
Q4 2022	Scandic Opus Horsens	Horsens, Denmark	Take Over	132
Q4 2022	Scandic München Macherei	Munich, Germany	New	234
Q1 2023	Scandic Frankfurt Hafenpark	Frankfurt, Germany	New	505
Q1 2025	Scandic Vervet Tromsø	Tromsø, Norway	New	305
Q2 2025	Scandic Sundsvall Central	Sundsvall, Sweden	New	210
Q1 2026	Scandic in Ski	Oslo, Norway	New	220
Q3 2026	Scandic Aarhus Harbour	Aarhus, Denmark	New	350
				1,956
	Ongoing extensions			195
	Exits			-323
	<b>Total net pipeline</b>			<b>1,828</b>



# ONE OPENING AND NEW SIGNING IN Q3

## SCANDIC HELSINKI HUB | NEW OPENING

352 rooms, Helsinki, Finland



## SCANDIC IN SKI | NEW SIGNING

220 rooms, expected opening in 2026, Oslo, Norway





# TWO COMPLETED OPENINGS IN Q4

**SCANDIC MÜNCHEN MACHEREI | NEW OPENING**  
234 rooms, Munich, Germany



**SCANDIC OPUS HORSENS | NEW OPENING (TAKE OVER)**  
132 rooms, Horsens, Denmark





# FINANCIAL UPDATE

Scandic



## NET SALES AND RESULTS REACHED NEW RECORD LEVELS

- Net sales increased 60% to 5,994 MSEK (3,734)
- Adj.EBITDA increased 70% to 1,213 MSEK (709)
- Record adj.EBITDA margin of 20.2% (19.0)
- One-off effects of 76 MSEK included in quarter
- Adjusted for one-offs, underlying margin was 19.0%, over 3 percentage points higher than in Q3 2019

MSEK	Net sales		Adjusted EBITDA		Adjusted EBITDA margin	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Sweden	1,882	1,072	401	142	21.2%	13.3%
Norway	1,876	1,432	425	426	22.7%	29.7%
Finland	1,257	716	233	29	18.5%	4.0%
Other Europe	979	515	236	164	24.1%	31.9%
Central costs & Group adj.	-	-	-82	-53	-	-
<b>Group</b>	<b>5,994</b>	<b>3,734</b>	<b>1,213</b>	<b>709</b>	<b>20.2%</b>	<b>19.0%</b>

	Q3 2022	Jan-Sep 2022
Adjusted EBITDA	1,213	2,060
Change in working capital	-64	45
Paid tax	-1	-36
Interest paid	4	-125
Pre-opening costs & other items	-20	-122
<b>Cash flow from operations</b>	<b>1,099</b>	<b>1,810</b>
Investments in existing operations	-99	-241
<b>Free cash flow before expansion capex</b>	<b>1,000</b>	<b>1,569</b>
Expansion capex	-47	-311
<b>Free cash flow</b>	<b>953</b>	<b>1,257</b>

## STRONG CASH FLOW IN Q3

- Free cash flow of 953 MSEK boosted by strong underlying results
- Negative change in working capital partly due to seasonality effects



# FINANCING ITEMS

## DEBT

- Net debt of 2,381 MSEK including 690 MSEK related to other interest-bearing liabilities (debt relating to deferred payments for VAT and social security contributions)
- Total credit facility of 5,352 MSEK

## WORKING CAPITAL

- Liabilities related to variable rent of approximately 640 MSEK to be settled in Q1 2023
- Influenced by seasonal guest mix (higher share of corporate guests, meetings and conferences)

## CONVERTIBLE BOND

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

	Q3 2022	Jan-Sep 2022
<b>Total financial net, reported</b>	<b>-436</b>	<b>-1,369</b>
<b>of which interest expenses, IFRS 16</b>	<b>-372</b>	<b>-1,081</b>
<b>Financial net excl. IFRS 16</b>	<b>-64</b>	<b>-289</b>
<b>Adjustments to paid financial items</b>		
Interest expenses, convertible bond (non-cash)	39	113
Timing difference, interest on bank loans	16	19
Other	13	22
<b>Total adjustments</b>	<b>68</b>	<b>153</b>
<b>Cash financial items, net</b>	<b>4</b>	<b>-135</b>

## NET FINANCIAL ITEMS, REPORTED VS. CASH FLOW

- Reported financial net in Q3 was -436 MSEK incl. IFRS 16 and -64 MSEK excl. IFRS 16
- Non-cash convertible interest was -39 MSEK
- Cash financial items totaled 4 MSEK



# CONCLUDING REMARKS





# OUTLOOK

- **Based on current booking levels, we have a positive outlook for the fourth quarter**
- We expect overall good demand in the fourth quarter in line with the historical pattern but at relatively high price levels
- Continued focus on efficiency and cost control
- High level of preparedness for the future





# Scandic