



SCANDIC HOTELS

Q3 REPORT OCTOBER 26, 2023



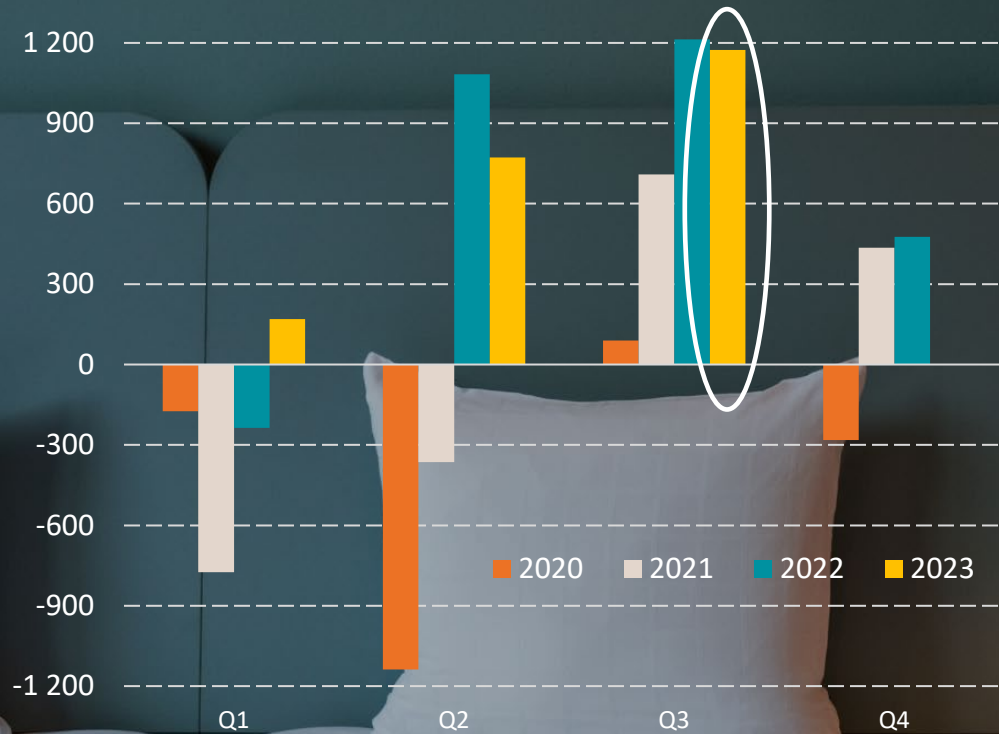
Scandic Star Sollentuna, Sweden

SCANDIC STANDING STRONGER THAN EVER

- New record quarter
- Good demand from leisure and corporate
- Increased occupancy and all-time high RevPAR
- High pace within the portfolio development
- Important step taken to further improve guest experiences and efficiency

QUARTERLY ADJUSTED EBITDA

MSEK

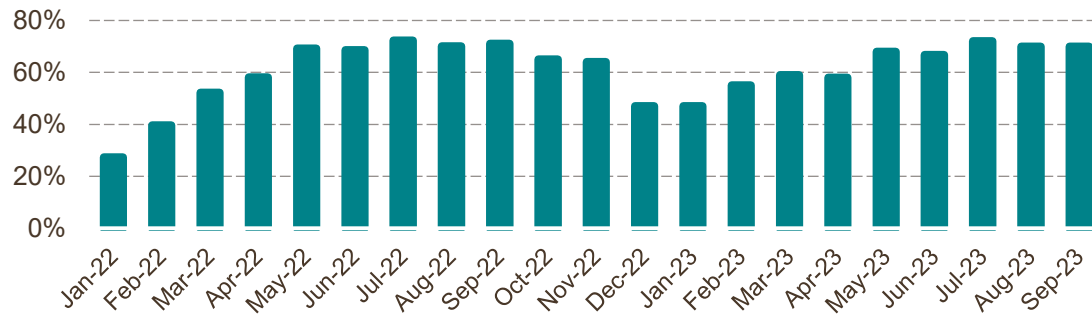


STRONGER UNDERLAYING RESULTS

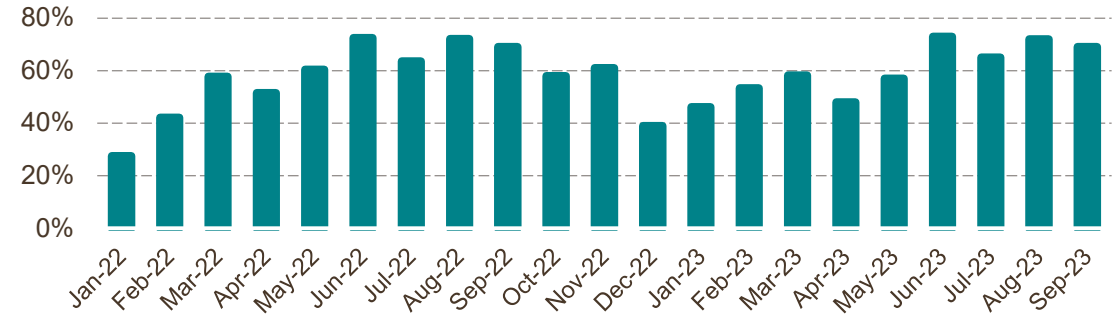
- Excluding one-offs, adjusted EBITDA reached new record levels
- Adjusted EBITDA of 1.2 BN SEK, corresponding to a margin of 18.6%
- Commercial excellence and efficiency

CONTINUED SOLID MARKET DEVELOPMENT

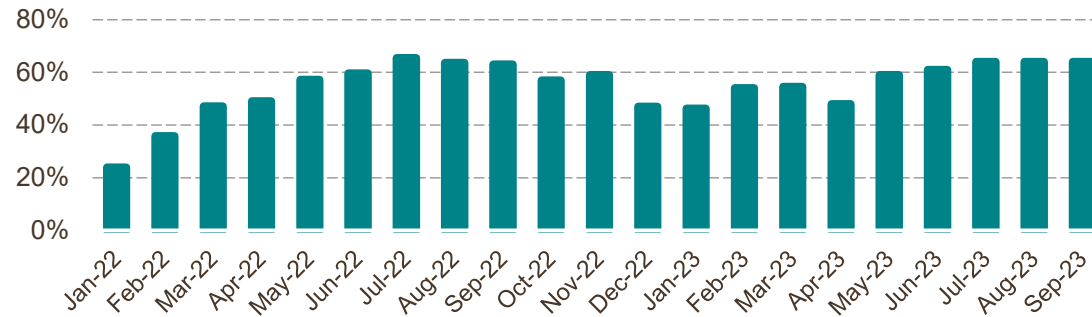
SWEDEN (TOTAL MARKET OCCUPANCY)



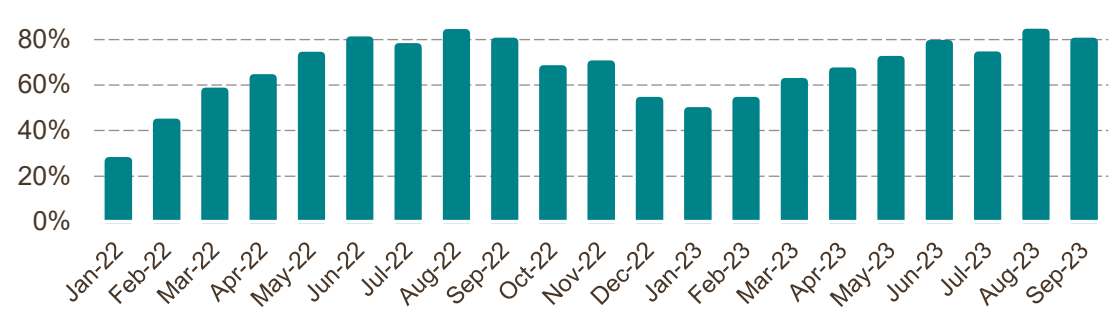
NORWAY (TOTAL MARKET OCCUPANCY)



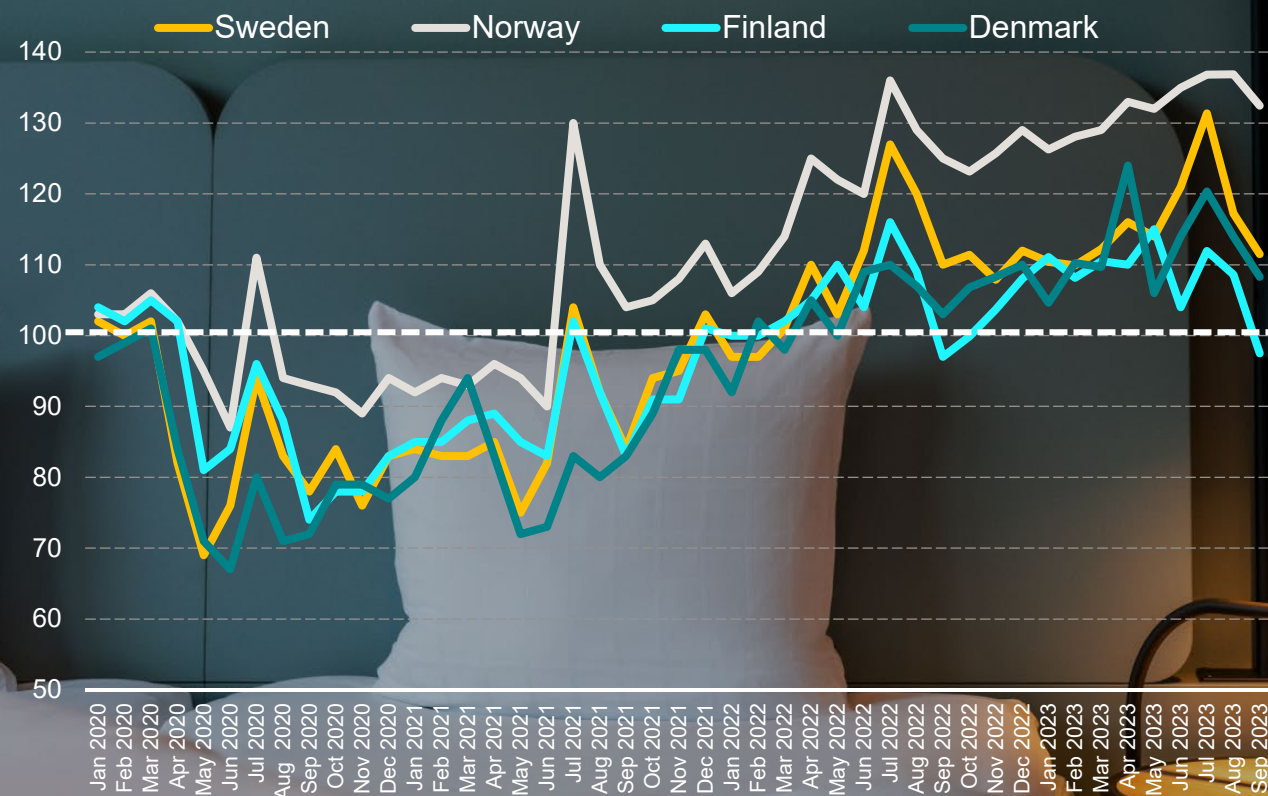
FINLAND (TOTAL MARKET OCCUPANCY)



DENMARK (TOTAL MARKET OCCUPANCY)



MARKET AVERAGE ROOM RATE DEVELOPMENT INDEXED TO CORRESPONDING MONTH 2019

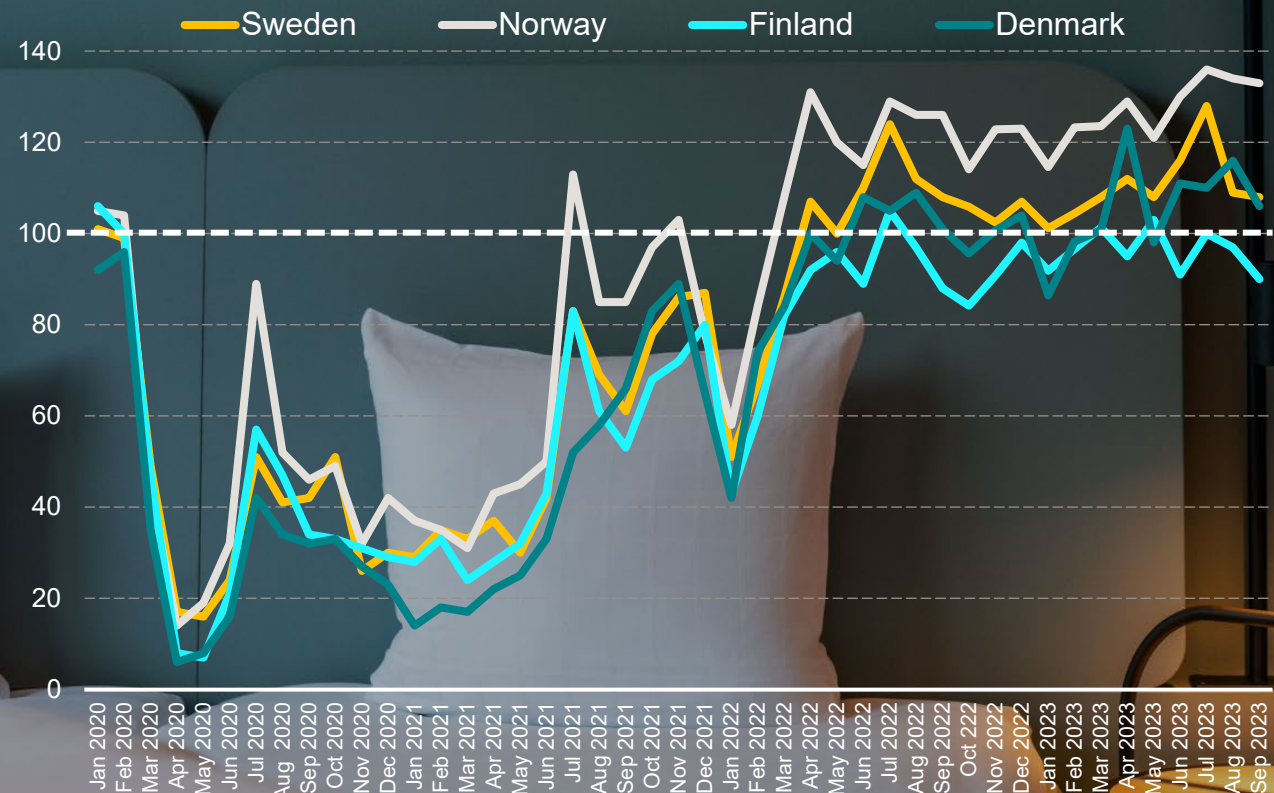


Source: Benchmarking Alliance

ROOM RATES ON HIGH LEVELS

- Continued positive development
- Finland lagging other markets in September due to exceptionally strong prices in 2019

MARKET REVPAR INDEXED TO CORRESPONDING MONTH 2019



ALL-TIME HIGH REVPAR

- Continued high levels, driven by positive price development



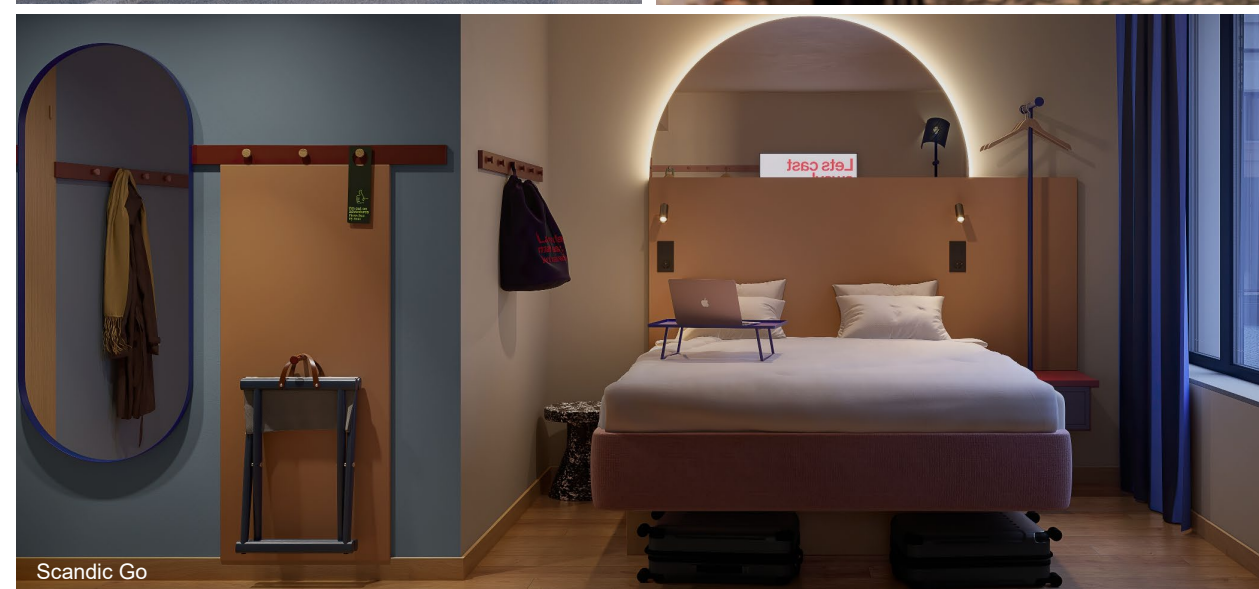
Garden Helsinki, Finland



Scandic Go, check-in

NEW SIGNINGS IN Q3

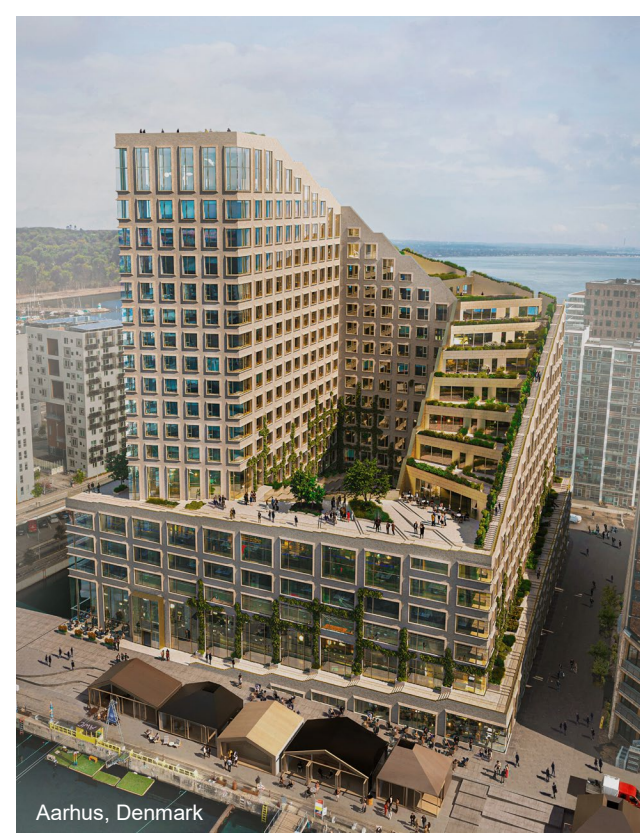
- Exclusive agreements for two hotels in the new event arena Garden Helsinki, Finland
- A Scandic with 227 rooms and a Scandic Go with 232 rooms (openings expected in 2028)
- Key destination with growing demand and a milestone in Finland's growth strategy



Scandic Go

TWO HOTELS ADDED TO SIGNATURE COLLECTION

- Expanding Signature Collection to capture the growing demand in the upscale segment
- The hotels are already part of the pipeline and will open in 2025 in Tromsø, Norway, and in 2026 in Aarhus, Denmark





Scandic Go Upplandsgatan 4, Sweden

A GROWING PIPELINE

Pipeline as of September 30, 2023

Year	Hotel	Destination	No. of rooms	
Q3 2024	Scandic Go, Fridhemsplan	Stockholm, Sweden	New	221
Q3 2025	Signature Collection, Tromsø	Tromsø, Norway	New	305
Q2 2026	Scandic, Ski	Oslo, Norway	New	220
Q4 2026	Signature Collection, Aarhus	Aarhus, Denmark	New	342
Q1 2028	Scandic, Garden Helsinki	Helsinki, Finland	New	227
Q1 2028	Scandic Go Garden Helsinki	Helsinki, Finland	New	232
				1,547
Ongoing extensions				192
Closed for renovation ¹				513
Exits				-753
Total net pipeline				1,499

1) Refers to the existing hotels Scandic Ariadne and Scandic Norra Bantorget that are closed for renovation.

IMPLEMENTATION OF A COMPLETE CLOUD-BASED IT-SOLUTION

- Implementation of Oracle Hospitality OPERA Cloud for even better guest experiences and increased efficiency
- All hotels and central functions on one platform enable, among other things, improved management and steering, booking and pricing
- New commercial opportunities and initiatives that create additional guest value
- Great opportunities to exploit more economies of scale and increase growth and profitability





FINANCIAL UPDATE

MSEK	Net sales		Adjusted EBITDA		Adjusted EBITDA margin	
	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022
Sweden	1,862	1,882	405	401	21.7%	21.3%
Norway	1,851	1,876	404	425	21.8%	22.7%
Finland	1,397	1,257	245	233	17.6%	18.5%
Other Europe	1,196	979	229	236	19.2%	24.1%
Central costs and group adj.	-	-	-110	-82	-	-
Group	6,307	5,994	1,173	1,213	18.6%	20.2%
Adjusted for one-offs	6,311	5,992	1,142	1,137	18.1%	18.8%

RECORD NET SALES & STRONGER UNDERLAYING RESULTS

- Net sales increased 5.2% to 6,307 MSEK (5,994)
- Adj. EBITDA of 1,173 MSEK (1,213)
- Excl. one-offs, adj. EBITDA increased to a record level of 1,142 MSEK (1,137)
- Excl. one-offs, underlying margin reached 18.1%, over 2 percentage points higher than in Q3 2019

MSEK	Q3 2023	Jan-Sep 2023
Adjusted EBITDA	1,173	2,115
Change in working capital	-160	-507
Paid tax	-15	-94
Interest paid	12	-25
Pre-opening costs & other items	-11	25
Cash flow from operations	999	1,514
Investments in existing operations	-93	-284
Free cash flow before expansion capex	906	1,230
Expansion capex	-7	-25
Free cash flow	899	1,204

STRONG CASH FLOW

- Free cash flow of 899 MSEK in the quarter driven by strong results
- Working capital impacted by repayment of variable rent debts for 2022 of 715 MSEK and seasonality effects

FINANCING ITEMS

DEBT

- Net debt of 1,946 MSEK¹
- Net debt/adjusted EBITDA of 0.8x (0.1x excluding the convertible bond)
- Total credit facility of 3,450 MSEK

WORKING CAPITAL

- Liabilities related to variable rent of approximately 400 MSEK to be settled in first half of 2024
- 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

1) Includes the convertible bond of 1,609 MSEK and 797 MSEK in other interest-bearing liabilities related to deferred VAT payments and social security contributions in Sweden.

MSEK	Q3 2023	Q3 2022
Total financial net, reported	-510	-436
of which interest expenses, IFRS 16	-444	-372
Financial net excl. IFRS 16	-67	-64
Adjustments to paid financial items		
Interest expenses, convertible bond (non-cash)	43	39
Timing difference, interest on bank loans	26	16
Other	20	13
Total adjustments	89	68
Cash financial items, net	22	4

NET FINANCIAL ITEMS, REPORTED VS. CASH FLOW

- Reported financial net of -510 MSEK incl. IFRS 16 and -67 MSEK excl. IFRS 16
- Non-cash convertible interest amounted to 43 MSEK
- Interest on bank loans 26 MSEK
- Cash financial items totaled 22 MSEK

A photograph of two women in outdoor attire sitting on a green sofa in a modern interior. The woman on the left is leaning forward, tying her shoes, while the woman on the right sits upright, looking off to the side. A large green backpack is on the floor next to her. The background features wood-paneled walls and indoor plants.

CONCLUDING REMARKS



OUTLOOK

- With continued good demand from corporate and leisure, we are on track for another strong full year performance
- For the fourth quarter, we anticipate occupancy levels in line with last year at higher prices
- High level of preparedness for the future and focus on balanced investments and high efficiency



Scandic