

Q3 REPORT

October 30, 2024

Scandic

Your friend in town



Q3 HIGHLIGHTS

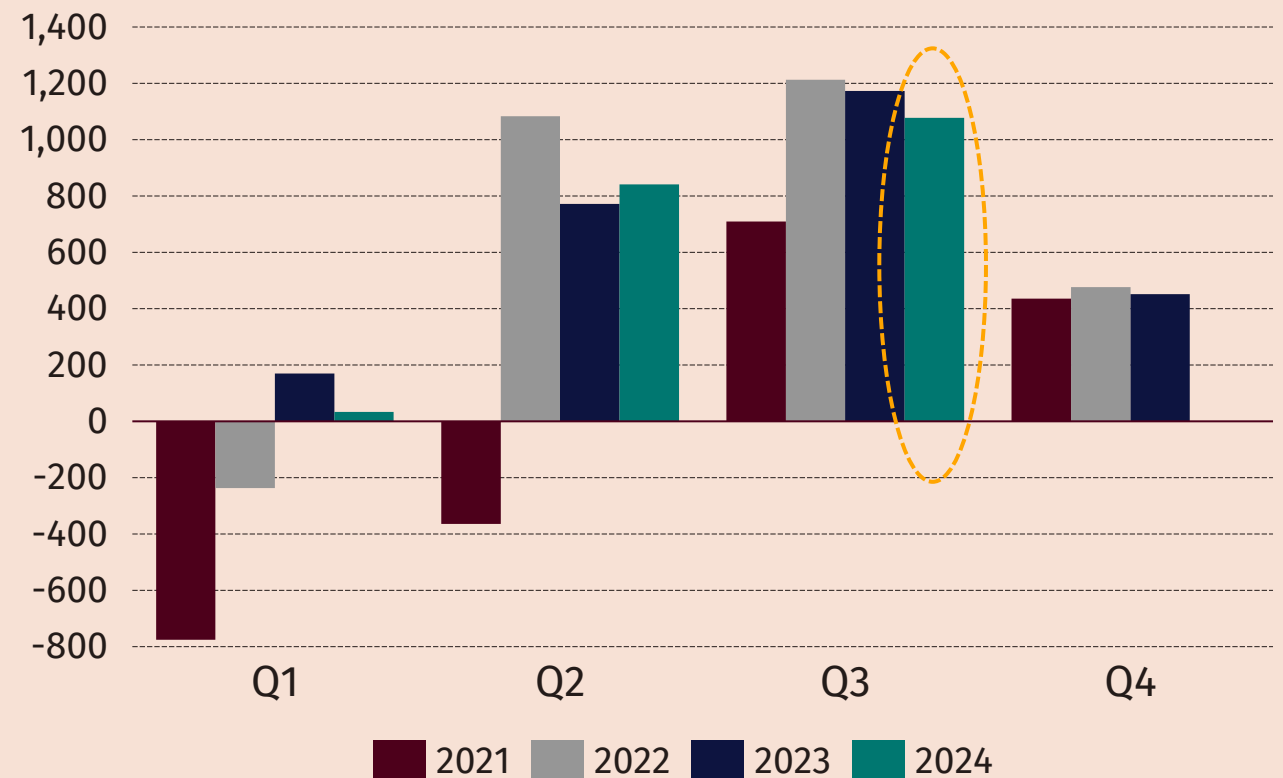
- Overall good quarter and solid market situation
- Launch of key commercial initiatives
- High portfolio activity and further expansion in Germany
- New financial targets reflecting a strong position
- Well positioned for distributing capital to shareholders
- Stable booking situation for the fourth quarter



A GOOD RESULT

- Adjusted EBITDA of 1,077 (1,173) MSEK, with a margin of 17.4% (18.6)
- Excl. one-offs, adjusted EBITDA of 1,092 (1,142), corresponding to a margin of 17.7% (18.1)
- Improved efficiency and good cost control

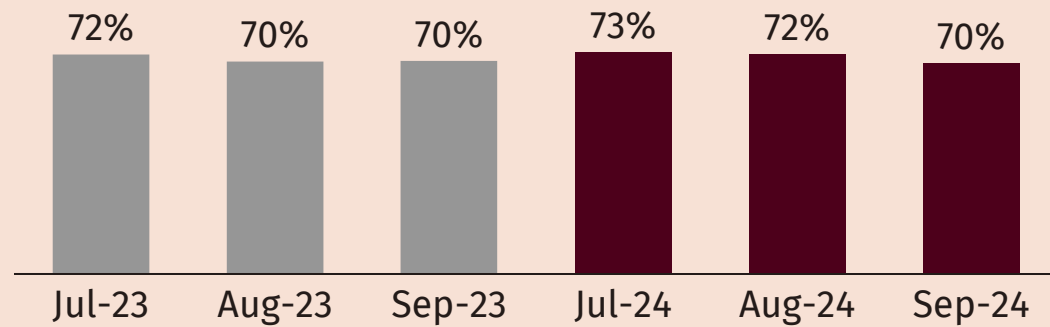
ADJUSTED EBITDA PER QUARTER 2021-2024, MSEK



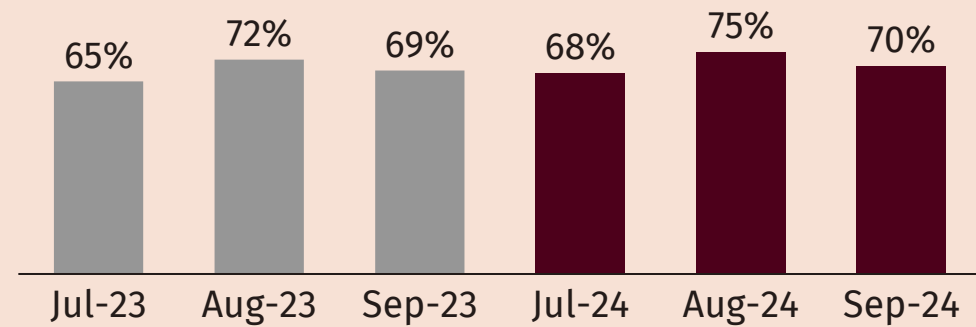
GOOD DEMAND CHALLENGED BY A WEAK SEPTEMBER IN FINLAND AND SUMMER IN GOTHENBURG

MARKET OCCUPANCY

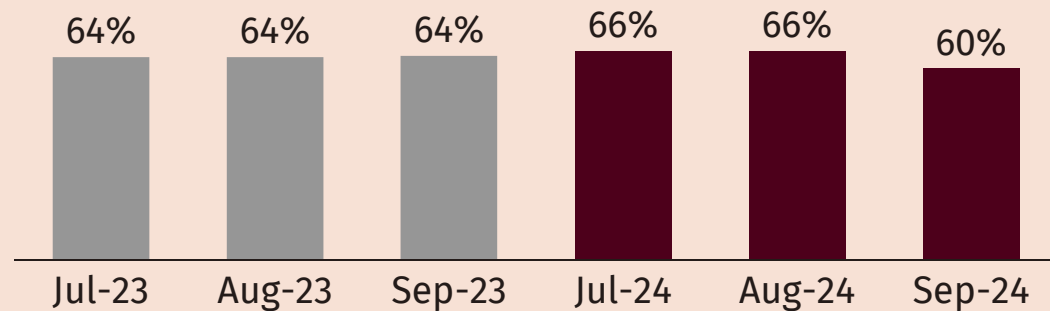
SWEDEN



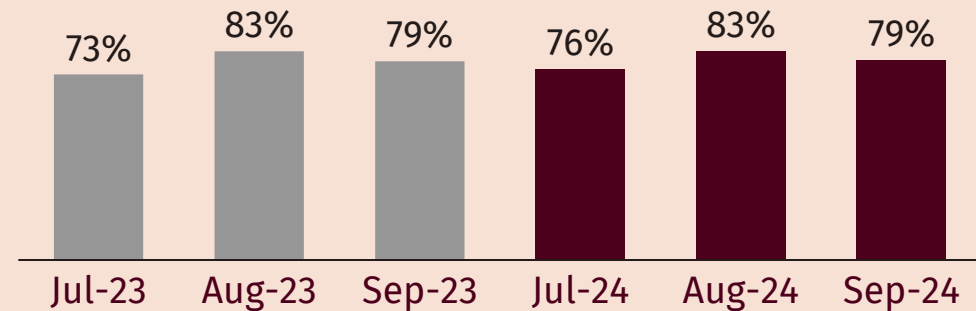
NORWAY



FINLAND

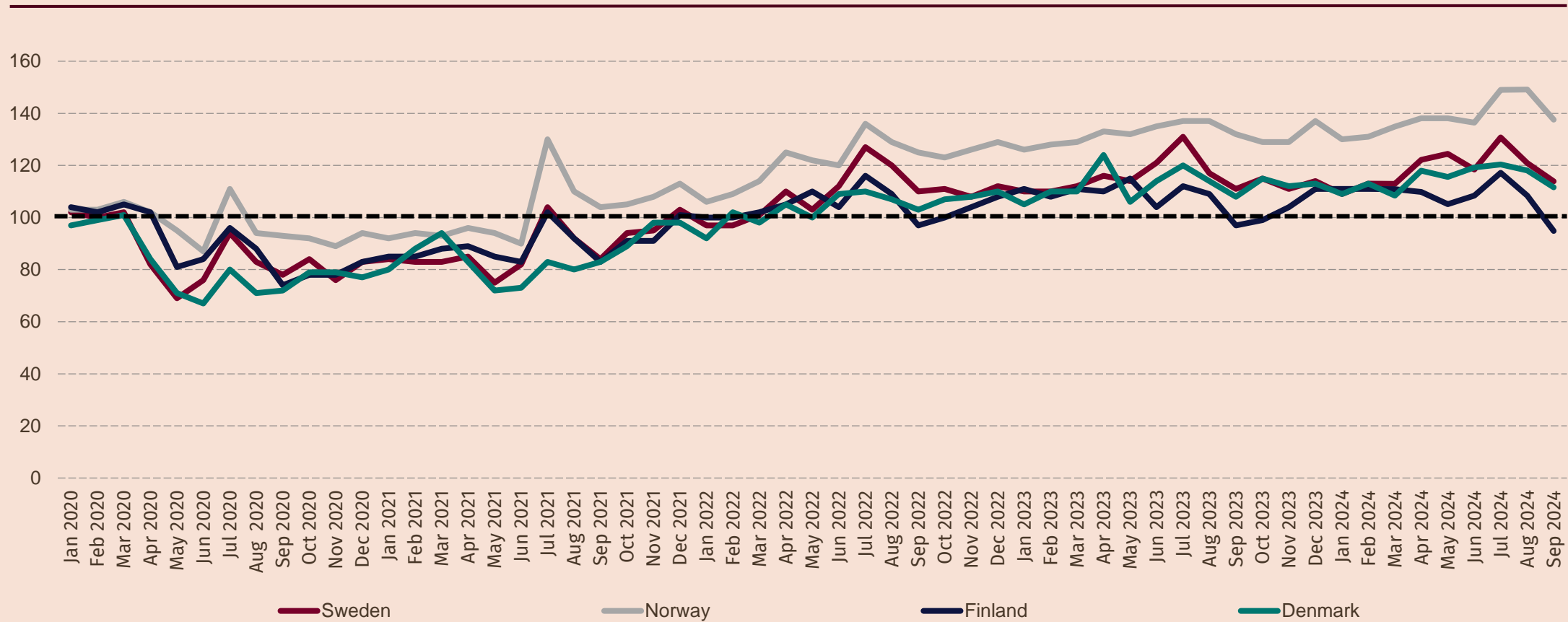


DENMARK



SOLID PRICE DEVELOPMENT VS. LAST YEAR

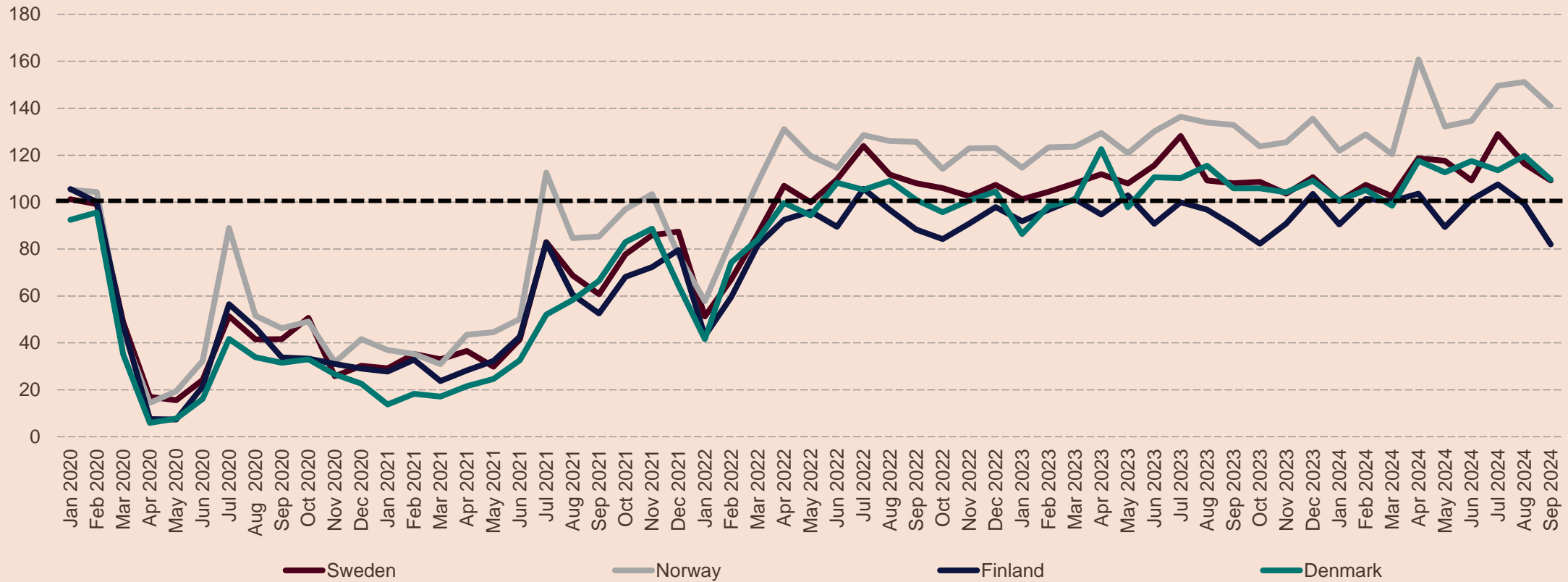
MARKET AVERAGE ROOM RATES INDEXED TO CORRESPONDING MONTH 2019



Source: Benchmarking Alliance.

REVPAR ON HIGH LEVELS IN MOST MARKETS

MARKET REVPAR INDEXED TO CORRESPONDING MONTH 2019



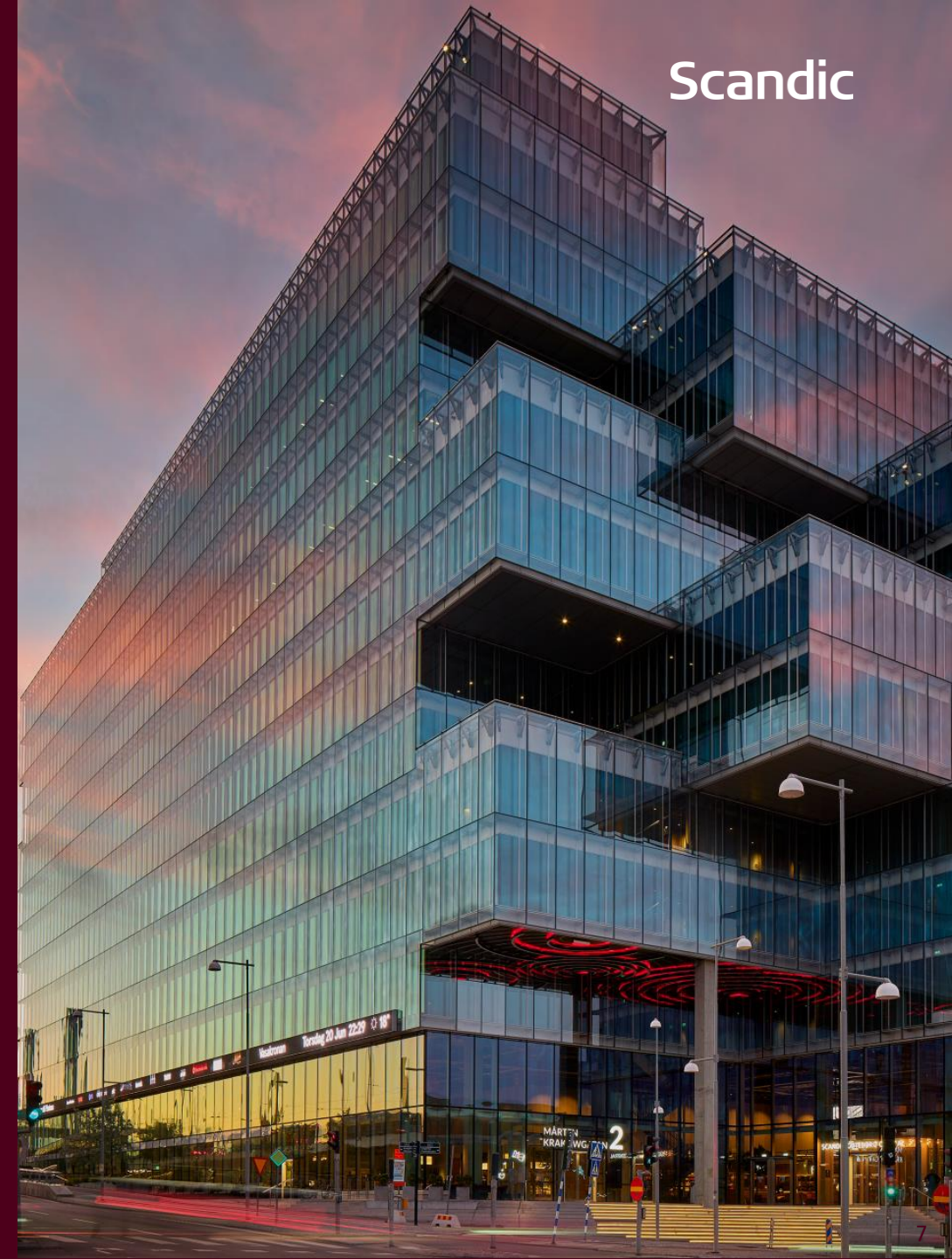
Source: Benchmarking Alliance.

FOCUS ON GROWING PIPELINE

Pipeline as of September 30, 2024

Year	Hotel	Destination		No. of rooms
Q4 2024	Scandic Go, Sankt Eriksgatan 20	Stockholm, Sweden	New	234
Q3 2025	The Dock 69°39 by Scandic	Tromsø, Norway	New	305
Q3 2025	Scandic Go, Oulu	Oulu, Finland	New	144
Q2 2026	Scandic, Ski	Oslo, Norway	New	220
Q4 2026	Signature Collection, Aarhus	Aarhus, Denmark	New	342
2026	Scandic Go, Gothenburg	Gothenburg, Sweden	New	176
2026	Scandic Go, Umeå	Umeå, Sweden	New	100
Q1 2028	Scandic, Garden Helsinki	Helsinki, Finland	New	227
Q1 2028	Scandic Go, Garden Helsinki	Helsinki, Finland	New	232
				1,980
	Ongoing extensions			263
	Closed for renovation ¹			230
	Exits			0
	Total net pipeline			2,473

1) Refers to Scandic Norra Bantorget that is closed for renovation.



NEW SCANDIC GO OPEN IN SWEDEN

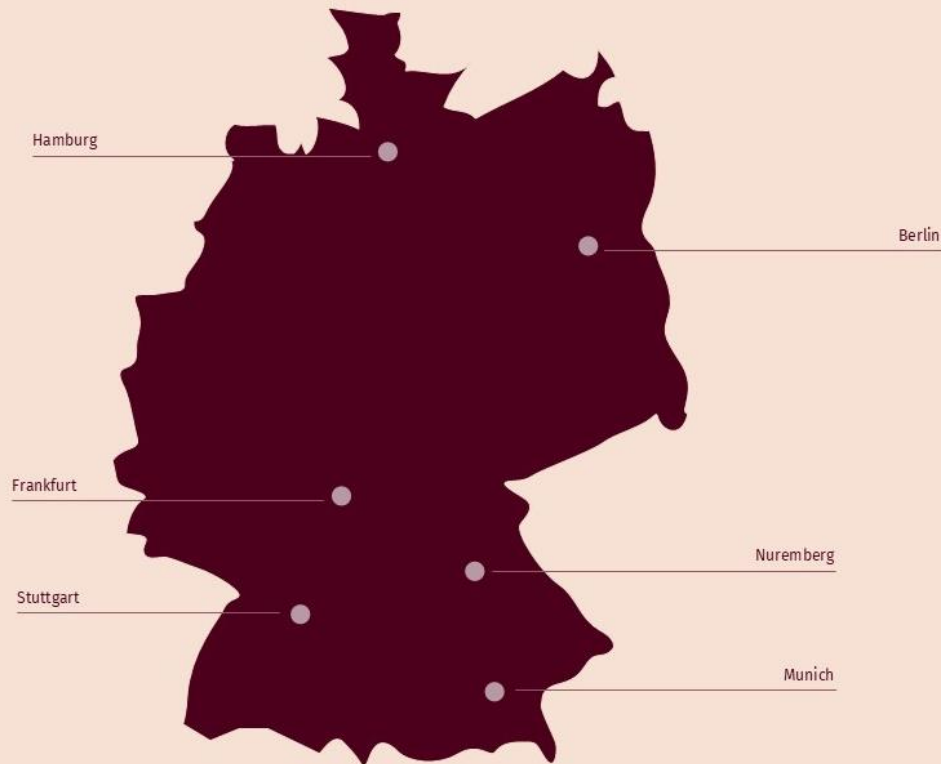


Room at Scandic Go



Scandic Go, Sankt Eriksgatan 20 facade

- Second Scandic Go hotel in Stockholm with 234 rooms
- First Scandic hotel in the central district Kungsholmen (Stockholm)
- Fully-renovated in collaboration with property owner Pandox
- Nordic Swan Ecolabel certification



FURTHER EXPANSION IN GERMANY

- Expansion to Stuttgart with a new 174-room hotel
- Planned opening in Q4 2025 following a renovation in collaboration with AXA Investment Managers
- Stuttgart's thriving business and tourism scene offer solid growth for both business and leisure guests
- Nordic Swan Ecolabel certification

LAUNCH OF NEW LOYALTY PROGRAM

- Scandic Friends is the leading hospitality loyalty program in the Nordics
- Completely rebuilt to strengthen commercial offering and enhance member interaction and increase bookings
- Ambition to double the number of members until 2030
- The new seven-tier system provides tailored benefits, encouraging attractive offerings and more frequent stays

SCANDIC FRIENDS



LAUNCH OF A STRATEGIC PARTNERSHIP WITH SAS

- New strategic partnership to create smoother, more personalized travel and hotel experiences
- Two of the largest loyalty platforms in the Nordics with more than 11 million members
- Strong incentives to choose both Scandic and SAS
- Status matching and point conversion between programs to be launched in Q1 2025 with more benefits later in the year

FINANCIAL UPDATE



SOLID FINANCIAL PERFORMANCE

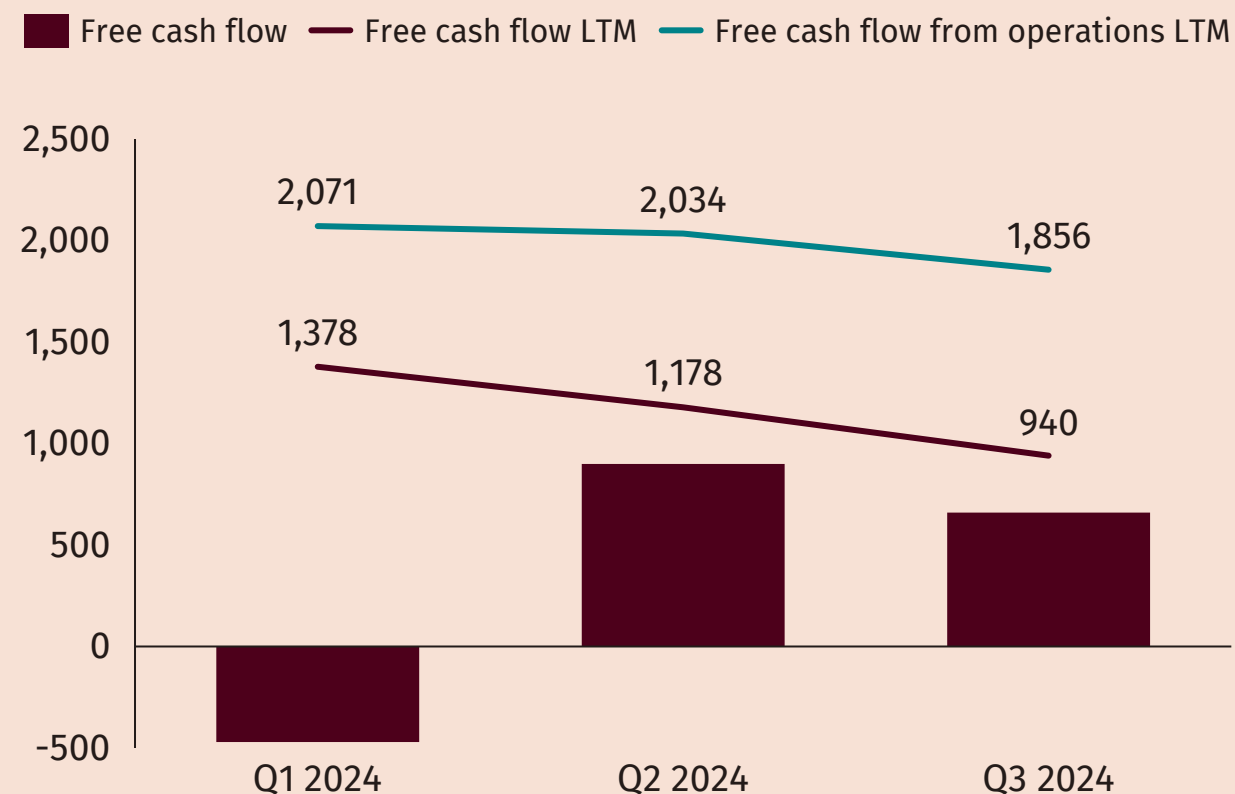
- **Revenues in line with last year's record quarter**
 - Organic growth of 0.5% (LFL 2.6%)
- **Overall good result**
 - Excl. one-offs, adjusted EBITDA of 1,092 MSEK (1,142), with a margin of 17.7% (18.1)
- **Good performance in Sweden and Norway**
 - Weak event calendar in Gothenburg
 - Norway impacted by FX and one-offs
- **Solid result in a challenging Finnish market**

MSEK	Net sales		Adjusted EBITDA		Adjusted EBITDA margin	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Sweden	1,873	1,862	406	405	21.7%	21.7%
Norway	1,783	1,851	353	404	19.8%	21.8%
Finland	1,311	1,397	223	245	17.0%	17.6%
Other Europe	1,215	1,196	215	229	17.7%	19.2%
Central costs and group adj.	-	-	-120	-110	-	-
Group	6,182	6,307	1,077	1,173	17.4%	18.6%
Adj. for one-offs			1,092	1,142	17.7%	18.1%

GOOD CASH FLOW GENERATION

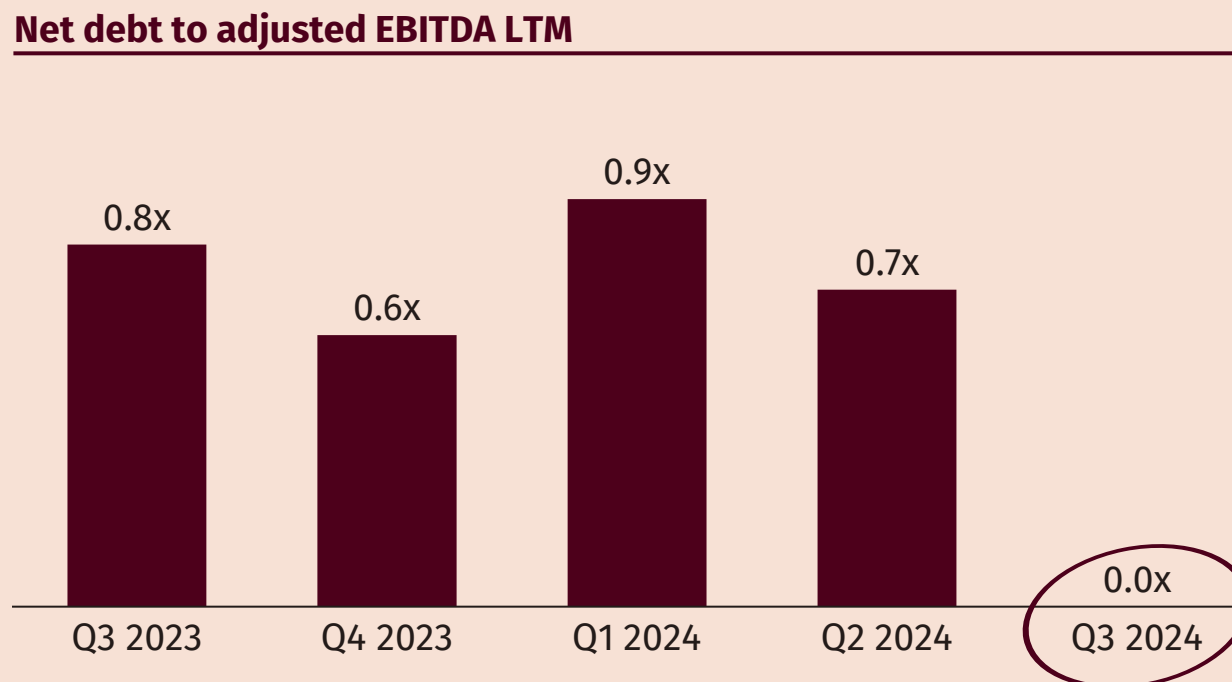
- Operational cash flow of 1,856 MSEK LTM
- Increased investments in line with plan
- Free cash flow of 659 MSEK in Q3 and 940 MSEK LTM
- Working capital impacted by repayment of rent debt
- Seasonally positive effect in working capital in Q4

Free cash flow per quarter and LTM, MSEK



STRONG FINANCIAL POSITION

- Net debt of 36 MSEK
- Net debt to adjusted EBITDA of 0.0x
- Swedish debt related to deferred VAT and social security contributions¹ fully paid in advance
- No remaining convertible bonds



1) 631 MSEK related to deferred VAT payments and social security contributions in Sweden.

FINANCIAL TARGETS & DIVIDEND POLICY 2025-2027

Scandic is well positioned for solid growth with good profitability and a balanced risk profile

GROWTH

5%

Organic net sales growth of at least five percent per year.

Previous target

5%

The group shall have organic growth, i.e. sales growth excluding acquisitions and adjusted for exchange rate fluctuations of at least 5 percent per year on average over a complete business cycle.

PROFITABILITY

11%

Adjusted EBITDA margin of at least eleven percent per year.

Previous target

11%

The adjusted EBITDA margin of the Group shall be at least 11 percent on average over a complete business cycle.

CAPITAL STRUCTURE

<1x

Net debt in relation to adjusted EBITDA shall be less than 1x.

Previous target

2-3x

The Group shall have net debt in relation to adjusted EBITDA of 2 to 3x.

DIVIDENDS

>50%

The dividend policy is to distribute at least 50 percent of net results. (excluding effects of IFRS 16)

Previous policy

>50%

The dividend policy is to distribute at least 50 percent of net profit for the year.

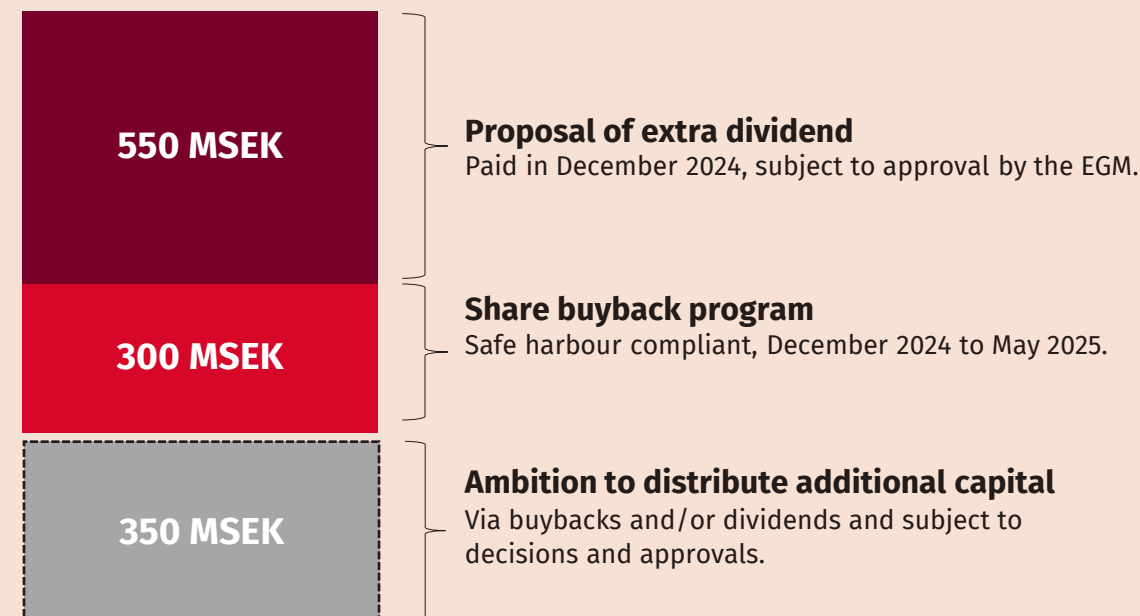
CAPITAL RETURNS TO SHAREHOLDERS 2024-2026

Ambition to distribute at least 1,200 MSEK between 2024-2026, in addition to ordinary dividend.

✓ **Proposal for an extra dividend of 550 MSEK in December 2024**

✓ **Buyback program of 300 MSEK to be launched in December 2024**

✓ **Ambition to distribute an additional 350 MSEK to shareholders**



CONCLUDING REMARKS

POSITIVE OUTLOOK

- We expect a stable market for the rest of the year
- For the fourth quarter, we anticipate occupancy levels and room rates in line with last year
- Focus on efficiency and cost control
- Scandic in best shape ever and well-positioned for the future



Save the date

CAPITAL MARKETS DAY

**FEBRUARY 19
2025**

STOCKHOLM

 **SCANDIC CONTINENTAL**

A man with a beard, wearing a brown jacket, sits on the left, looking towards the right. A woman with blonde hair, wearing a green shirt, sits on the right, holding a white egg and a fork. They are at a table with plates of food, including dumplings and a salad, and a blue mug. The background shows a bright, modern restaurant with large windows and other diners.

Scandic

Your friend in town