Q1 2020 RESULTS

2 June 2020

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Key Highlights

Revenue and EBITDA significantly negatively impacted by the COVID-19 outbreak

Revenue

- €170.6m Reported Revenue, -€42.8m vs. LY (-20.1%) due to a LFL&R revenue decrease of -20.1%
- €166.0m LFL&R Revenue, -€41.7m vs. LY (-20.1%) due to the outbreak of COVID-19, starting to impact the business as from end of February

RevPAR

- Reported RevPAR was behind last year by -20.1%, driven entirely by March and the negative impact of the COVID-19 pandemic
- Before the impact of COVID-19, reported RevPAR was expected at +3.8% versus Q1 2019
- RevPAR LFL&R was behind last year by -20.7%, mainly driven by volumes (-17.7%) and a limited impact on rate (-3.7%)

EBITDA

- -€5.3m Reported EBITDA, -€30.5m vs. LY, impacted by the revenue drop due to COVID-19
- The cost base was significantly reduced in the leased hotels as of March thanks to a flexible cost model. The impact of the measures taken to reduce central costs will be fully visible as of April

Liquidity

- €164.9m in cash and cash equivalents per 31 March 2020
- Shareholders support with a €100.0m cash injection by June 8th in the form of subordinated shareholder funding, whether through a loan or a convertible bond
- A global financing plan will be finalised by June 8th to cover medium/long term cash needs until the expected end of the crisis

Note: LFL&R is Like for like portfolio plus renovations at constant exchange rate

COVID-19 Measures

Strong reaction from management. Shareholders fully supportive of financing cash needs

Management action

- Flexible cost model shows an immediate capability to reduce costs
- Management has taken several measures to mitigate financial impact, including;
    - Temporary lay offs of personnel
    - Rent renegotiations and deferrals
    - Application for governmental subsidies and loans
    - Postponement of non-strategic capex investments
- Taking advantage from the low activity period to push forward strategic repositioning and development projects

Shareholders support

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- A global financing plan will be finalised by June 8th to cover medium/long term cash needs until the expected end of the crisis

Q1 2020 – Profit & Loss

Revenue down -20.1% vs. LY due to COVID-19. Immediate cost reduction in the leased hotels thanks to a flexible cost model

Profits and Loss M€	Q1 2020	Q1 2019	vs. LY m€	vs. LY %
LFL&R Revenue	**166.0**	**207.7**	**(41.7)**	**(20.1)**
1 **Revenue**	**170.6**	**213.4**	**(42.8)**	**(20.1)**
Payroll	(70.0)	(75.7)	5.7	7.5
Other OPEX	(70.9)	(71.7)	0.8	1.2
EBITDAR	**29.7**	**65.9**	**(36.2)**	**(54.9)**
% over Revenue	17.4%	30.9%	(13.5 pp)	
Rents & Guarantees	(35.0)	(39.9)	4.9	12.3
Share of income in assoc.	0.0	(0.8)	0.8	100.0
2 **EBITDA**	**(5.3)**	**25.2**	**(30.5)**	**N/A**
% over Revenue	(3.1%)	11.8%	N/A	
Depreciations	(21.0)	(18.0)	(3.0)	(17.0)
Write-downs	(1.1)	(0.2)	(0.9)	(508.9)
3 **EBIT**	**(27.4)**	**7.1**	**(34.5)**	**N/A**
% over Revenue	(16.1%)	3.3%	N/A	
Net financial expenses	(8.7)	(9.9)	1.2	12.1
Income tax	6.9	(0.2)	7.1	N/A
4 **Net Income**	**(29.2)**	**(3.0)**	**(26.2)**	**(861.2)**

1 **Revenue**, on a comparable basis ("LFL&R"), decreased by -€41.7m (-20.1%) due to COVID-19

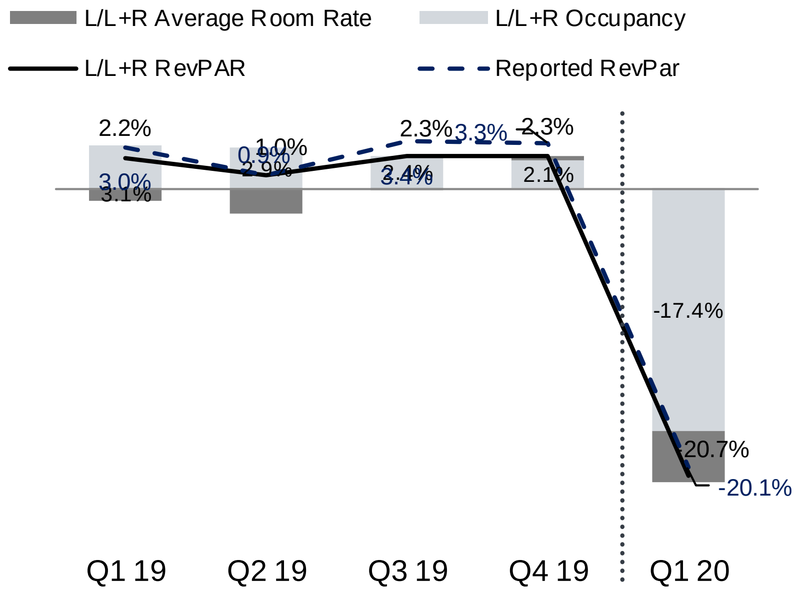
Reported Revenue decreased by -€42.8m (-20.1%), due to the LFL&R decrease as well as exits of -€3.8m and FX of -€0.8m, partly offset new openings of €3.5m. Revenue YTD February was 4.2% above last year

2 **EBITDA** decreased by -€30.5m to -€5.3m. EBITDA YTD February basically in line with last year. Results in March severely impacted by the revenue drop. The cost base was significantly reduced in the leased hotels as of March, while the impact of the measures taken to reduce central costs will be visible as from April

3 **EBIT** is down -€34.5m vs. LY due to the EBITDA decrease and higher depreciation costs due to the start of depreciation of the global IT platform and accelerated investments in the hotels in 2019

4 **Net Income** is -€26.2m below LY. Decrease in EBIT partly offset by gain on sale of financial assets of €0.9m and lower taxes

Q1 2020 – Reported RevPAR -20.1% due to COVID-19 with still positive RGI



NOTE: Like-for-like plus renovations: same hotels in operation plus renovations during 2019 and 2020 at constant exchange rates

- Reported RevPAR registered a drop by -20.1% versus same quarter last year. It was expected at +3.8% before the pandemic
- LFL&R RevPAR for the Leased and Managed hotels totalled EUR 50.9, below last year results by -20.7%, mainly driven by volumes (-17.4%). After a very positive January with +4.6% to LY, February came almost flat (-0.8%) due to the effect of the COVID-19 on the second half of the month, followed by a -59.2% in March with almost half of the portfolio not in operation
- The weakest LFL&R performance was noted in Rest of Western Europe with -27.2% due to the initial spread of COVID-19. The Nordics followed with -19.7%. Middle East & Africa was at -16.4% and Eastern Europe at -15.6%

Q1 2020 – Market share continues the positive momentum with 2.0% RGI increase

RGI development

	Q1 2019	Q1 2020	Diff %
RGI	107.0	109.2	2.0%
Leased Hotel RGI	*114.9*	*117.3*	*2.1%*
Managed Hotel RGI	*102.8*	*104.7*	*1.8%*

- The momentum continues with the seventh consecutive growing quarter in terms of RGI development for Radisson
- 2.0% ahead of competition with a robust 109.2
- 56.2% of the hotels improving RGI
- Leased portfolio drives the growth with 2.1%, mainly supported by volumes with 2.0%

QUALITY REPUTATION - EMEA

	Q1 2019	Q1 2020
Booking.com score	**8.45**	**8.46**
Booking.com online reviews	101 K	101 K
Global Review Index (GRI)	**86.7%**	**86.4%**
Total online reviews	187 K	187 K
Competitive Quality Index (CQI): 100.1		

- Booking.com score: consolidating the positive trend already started in 2019
- Radisson delivering higher quality vs competitors: CQI above 100

*Note: Figures for LFL&R Managed & Leased Hotels with 3rd Party RGI Data; *Quality scores algorithm based on all online reviews channels + OTAs*

Q1 2020 – Lease Business

Lease revenue impacted by COVID-19. Flexible cost model structure limits the impact on EBIT

Nordics

- Revenue decreased by -€17.4m (-21.4%) due to COVID-19. FX and exits impacted by -€2.1m and -€1.6m respectively
- Revenue LFL&R decreased by -€13.8m (-17.3%)
- EBIT decreased by -€7.4m. The impact of the revenue drop has been limited due to flexible cost structure on salaries and other opex. Impact on rent cost is limited thanks to the flexible structure of lease agreements with cap mechanism in most of the contracts

Nordics			
	Revenue	Revenue LFL&R	EBIT
Q1 2020	63.9	65.9	(1.7)
Q1 2019	81.3	79.7	5.7
Var	(17.4)	(13.8)	(7.4)
% Var	(21.4)	(17.3)	N/A

Rest of Western Europe

- Revenue decreased by -€23.3m (-25.3%) due to COVID-19. This is the region where the outbreak hit first and hardest. FX (€1.0m) had a slight positive impact
- Revenue LFL&R decreased by -€24.6m (-26.8%)
- EBIT decreased by -€11.4m. The impact of the revenue drop has been limited due to flexible cost structure on salaries and other opex. Impact on rent cost is limited thanks to the flexible structure of lease agreements with cap mechanism in most of the contracts

Rest of Western Europe			
	Revenue	Revenue LFL&R	EBIT
Q1 2020	68.7	67.3	(10.7)
Q1 2019	92.0	91.9	(0.7)
Var	(23.3)	(24.6)	(11.4)
% Var	(25.3)	(26.8)	N/A

Q1 2020 – Fee Business

Revenue decrease of -€5.5m (-18.5%) due to COVID-19

Rest of Western Europe

- Fee revenue decreased by -€1.8m (-20.5%) due to the impact of COVID-19 and net exits of -€0.3m
- EBIT decreased by -€3.2m (-88.9%) due to the revenue decrease and higher costs for management guarantees and bad debts

Eastern Europe

- Fee revenue decreased by -€1.1m (-12.8%) due to the initial impact of COVID-19
- EBIT decreased by -€2.2m (-44.0%) due to the revenue decrease and higher costs for management guarantees and bad debts

Middle East & Africa

- Fee revenue decreased by €1.5m (-16.1%) due to the initial impact of COVID-19
- EBIT decreased by -€1.6m (-23.9%) due to the revenue decrease

Revenue (€m)	NO	RoWE	EE	MEA	Total
Q1 2020	2.0	7.0	7.5	7.8	24.3
Q1 2019	3.1	8.8	8.6	9.3	29.8
Var	(1.1)	(1.8)	(1.1)	(1.5)	(5.5)
% Var	(35.5)	(20.5)	(12.8)	(16.1)	(18.5)

EBIT (€m)	NO	RoWE	EE	MEA	Total
Q1 2020	1.0	0.4	2.8	5.1	9.3
Q1 2019	1.5	3.6	5.0	6.7	16.8
Var	(0.5)	(3.2)	(2.2)	(1.6)	(7.5)
% Var	(33.3)	(88.9)	(44.0)	(23.9)	(44.6)

Q1 2020 – Cash Flow and Balance Sheet

Limited cash flow decrease from operations (-€5.4m) thanks to strong action to improve working capital

Q1	2020	2019	Var.
Cash flow before working capital changes	(7.8)	20.2	(28.0)
Change in working capital	4.3	(18.3)	22.6
Cash flow from operating activities	**(3.5)**	**1.9**	**(5.4)**
Investing activities	(67.5)	(14.0)	(53.5)
Free cash flow	**(71.0)**	**(12.1)**	**(58.9)**
Financing activities	(3.4)	(24.4)	21.0
Cash flow for the period	**(74.4)**	**(36.5)**	**(37.9)**

- Positive change in working capital due to collection of accounts receivables and improved cash management
- More cash used in investing activities mainly due to acquisition of the remaining 51% of prizeotel Holding GmbH and payment of IT investments carried out at the end of 2019
- Negative cash flow in financing activities due to lease payments (-€18.8m) and interest paid on the bond (-€8.6m), partly offset by withdrawals of €24.0m from existing credit facilities

In M€	Mar 31, 2020	Dec 31, 2019	Var.
Total assets	1,084.0	1,194.3	(110.3)
Net working capital	(123.1)	(158.5)	35.4
Net cash/(debt) (excl. lease liabilities)	(102.1)	(2.8)	(99.3)
Equity	111.3	148.8	(37.5)

- Net working capital impacted by the IT cost transaction at year-end 2019 (invoices then partially settled in Q1 2020)
- Net cash position is -€102.1m by the end of the period. The bond of net €243.0m and the RCF's of €24.0m is partly offset by €164.9m in cash and cash equivalents
- Decrease in equity of -€37.5m due to the net loss for the period of -€29.2m and currency differences on translation of foreign operations

Strong expansion in Q1 2020 with 16 hotels signed

Radisson Beach Resort Palm Jumeirah

Radisson RED Cologne

SIGNINGS	Q1 2020	Q1 2019
Hotels	16	17
Rooms	3,571	3,877

- Signings primarily located in emerging markets with focus on Turkey (4x), GCC (4x), and the African continent (3x)
- Focus on conversions: 7 hotels due to open in 2020
- 3 leases signed in key cities: Lyon, Cologne, Oslo
- Great momentum for Radisson brand – 12 properties signed
- 2 RED's signed in Oslo and Cologne, marking the entry in Germany

Radisson RED Dubai Silicon Oasis

Radisson Hotel President Beyazit Istanbul

OPENINGS	Q1 2020	Q1 2020
Hotels	4	6
Rooms	452	1,288

- 3 hotels were signed and opened in Q1
- 1 lease property (60 rooms) opened in Lyon, France
- First RED property opened in Middle East – Radisson RED Dubai Silicon Oasis
- 2 Radisson branded properties in Istanbul


Q&As