

Interim report for the third quarter 2020





Highlights interim report for Q3 2020:

Third quarter 2020 (same quarter last year in brackets)

- Net revenue amounted to 236.9 MSEK (233.8). Pro forma revenues decreased with 38.3 MSEK (-14%) compared to Q3 2019
- EBITDA amounted to 130.1 MSEK (119.0)
- Pro forma Adjusted EBITDA*) amounted to 127.4 MSEK (136.0)
- For the period Q4 2019 – Q3 2020 pro forma Adjusted EBITDA*) amounted to 67.9 MSEK.
- Cash flow from operating activities 32.0 MSEK (34.5)

**) Swedish GAAP EBITDA, pro-forma acquisitions, adjusted for bond financing cost, adjustment items and unrealized synergies from First Camp / Nordic Camping integration*

Significant events after the period and effects of Covid-19

- The quarter was impacted by the ongoing Covid-19 situation, with significantly reduced number of international guests but an increase in domestic guests
- The negative impact decreased during the quarter, as cross border travel restrictions were eased with regards to both Sweden and Denmark
- In October, First Camp ended the land lease of Sivik camping in Lysekil. The effect on revenue and EBITDA is immaterial





CEO Comments

Whereas Q2 was heavily affected by Covid-19 (overall decrease of 31% in proforma revenues vs. 2019), we saw a gradual recovery during Q3. July was down 19% and August and September 9%, respectively, compared to the same period last year. After the Swedish restrictions on domestic travel were lifted on June 13, bookings from Swedish guests improved significantly and our Swedish destinations had a 13% increase in accommodation revenues from domestic guests compared to Q3 2019. At the same time, however, we saw an 86% drop in revenues from international guests. International guests account for approx. 25% of guest nights in the Swedish market in a normal year.

Also, the change in revenues vs. 2019 varied substantially across destinations in Sweden, where 15 destinations actually performed better than last year whereas the destinations with the highest share of Norwegian guests in a normal year saw significant demand drops.

In Denmark, where we have 5 campsites, restrictions were eased in the beginning of the summer and pro forma revenues in both July and August increased vs last year.

This summer was turbulent for everyone in the camping industry, and I am very proud of all colleagues in First Camp who have dealt with such challenging times in an excellent way. Starting as early as in March, we quickly took down costs and the overall cost reduction Q2-Q3 was approx. 48 MSEK vs. the same period last year. During the summer we closely monitored the booking situation site-by-site and adapted staff levels at the destinations accordingly. Thanks to this, the pro forma revenue drop in Q3 of 38.3 MSEK resulted in a drop in pro forma Adjusted EBITDA of only 8.6 MSEK. The Adjusted EBITDA margin was 54% vs 49% in Q3 2019.

During the summer we closely monitor a set of KPIs including staff satisfaction which is measured weekly among all colleagues. Despite challenging times and cost reduction measures, our staff

satisfaction scores have been higher this summer than last year.

In Q3 we also launched new commercial initiatives, including a low-fares calendar – probably a world premiere in the camping industry – on our website. Thanks to the calendar, campers can easily find the camping options which best suit their time and price preference.

Furthermore, firstcamp.se has surpassed camping.se and is now Sweden's largest booking channel for camping with more than 3 million visitors annually.

The impact of Covid-19 and related government measures has been far less severe in camping than in many other travel & hospitality industries. Camping is a relatively safe form of vacation, with domestic customers using their own vehicles to go to the campsites representing the majority of customers. Market data on caravan sales indicate that the interest continues to grow.

In the ongoing Covid-19 situation flexibility and swift adaptations continue to be key success factors. We have during 2020 proven our ability to handle this and we stay prepared to take quick measures depending on how Covid-19 evolves. However, we maintain our view that the long-term prospects for the Scandinavian camping industry are very positive.

Stockholm, November 2, 2020

Johan Söör
CEO



Business and market

First Camp operates campsites in Scandinavia, either on owned land or through long-term site leasehold (Swedish: tomträtt) or leasehold (Swedish: arrende) agreements with primarily municipalities. In 2019 First Camp operated 39 campsites in Sweden and one in Denmark, with a total of up to 10,000 camping pitches and approximately 1,400 cabins. In February 2020, an additional campsite in Denmark was acquired, and another three Danish campsites acquired in March 2020. In total First Camp now has 43 campsites after having terminated the land lease of Sivik.

The long-term market outlook is steadily positive. The Swedish market has had an average growth in guest nights of approximately 2% per year 2013-19, and an estimated revenue growth of approximately 5% per year. The Scandinavian market is highly fragmented and has a total of approximately 2,200 campsites, with First Camp being by far the largest player. Most players in the market are family-owned single-site operators.

Significant events in the third quarter of 2020

First Camp's web site "firstcamp.se" is now Sweden's largest booking channel for camping

Financial development during the third quarter 2020

Net revenue

Net revenue in the quarter amounted to 236.9 MSEK (233.8). The four Danish campsites acquired in the first quarter of 2020 contributed with 42.1 MSEK of revenue during the quarter. Revenue of the quarter include 3.2 MSEK of state subsidies / Covid-19 relief packages.

Pro forma net revenue, adjusted for the four Danish campsites acquired in first quarter of 2020, amounted to 236.9 MSEK (275.2), a decrease of -38.3 MSEK (14%) compared to the same quarter last year.

Operating profit/loss

The operating profit for the quarter amounted to 115.3 MSEK (105.6), an increase of 9.7 MSEK. The four Danish campsites acquired in the first quarter of 2020 contributed with an operating profit of 22.4 MSEK in the quarter.

Pro forma Adjusted EBITDA for the quarter amounted to 127.4 MSEK (136.0), a decline with 8.6 MSEK. Three quarters of the revenue decline of 38.3 MSEK was offset by net cost reductions of 29.7 MSEK. In particular personnel cost at the campsites was reduced by 15.6 MSEK, operating expenses at the campsites (including maintenance) was reduced by 4.8 MSEK and COGS was reduced with 9.6 MSEK as a combination of lower restaurant and shop sales and improved gross margin. Also, all management team members have cut their salaries for 3 months.

State subsidies / Covid-19 relief packages had a positive effect on the result of the quarter with 3.5 MSEK.

The IFRS16 effect on operating profit for the quarter was positive 2.2 MSEK. Other operating costs (rent, leasehold and land lease fees, lease fees) were reduced with 5.4 MSEK and Depreciation was increased with 3.2 MSEK amortization of Right of Use debt.

Financial income/expense

The net financial expenses for the quarter amounted to 16.4 MSEK (10.7).

Financial expenses for the quarter include 2.8 MSEK interest cost on Right of Use Liabilities in accordance with IFRS16.

Profit/loss for the quarter

The profit for the quarter amounted to 85.7 MSEK (81.8).

Liquidity and cash flow

Cash flow from operating activities amounted to 32.0 MSEK (34.5), including a negative effect from change in net working capital of -82.8 MSEK. The seasonality effect on customer advances accounted for -75.7 MSEK of the negative effect from working capital.



Cash flow from investing activities amounted to positive 8.4 MSEK (-8.5) related to settlement of purchase price for the Danish acquisitions acquired in Q1, and the divestment of eight cabins the Group from historical reasons owned in a housing association at Ekerum camping.

Cash flow from financing activities amounted to -69.0 MSEK (-1.5), including amortization of Right of Use liabilities of 3.2 MSEK. During the quarter, the outstanding utilization of the overdraft facility of 67.0 MSEK was repaid.

The cash flow for the quarter was -28.6 MSEK (24.5).

Financial position

At the end of the quarter the Group's cash and cash equivalents amounted to 41.8 MSEK (71.7).

At the end of the quarter, the Group's overdraft facility of 125.0 MSEK was unutilized.

Financial development during the reporting period January 1st – September 30th, 2020

Net revenue

Net revenue for the period amounted to 339.4 MSEK (353.7). Revenue of the period include 3.5 MSEK of state subsidies / Covid-19 relief packages.

Pro forma net revenue, adjusted for the First Camp acquisition and the four Danish campsites acquired in first quarter of 2020, amounted to 339.5 MSEK (420.5), a decrease with 19% compared to the same period last year.

Operating profit/loss

The operating profit for the period amounted to 64.0 MSEK (91.5).

State subsidies / Covid-19 relief packages had a positive effect on the result of the period with 5.9 MSEK.

The IFRS16 effect on operating profit for the period was positive 6.5 MSEK. Other operating costs (rent, leasehold and land lease fees, lease fees) were reduced with 16.2 MSEK and Depreciation was increased with 9.7 MSEK amortization of Right of Use debt.

Financial income/expense

The net financial expenses for the period amounted to 55.8 MSEK (38.7).

Financial expenses for the period include 8.5 MSEK interest cost on Right of Use Liabilities in accordance with IFRS16.

Profit/loss for the period

The profit for the period amounted to -0.2 MSEK 42.7.

Liquidity and cash flow

Cash flow from operating activities amounted to 41.9 MSEK (74.7).

Cash flow from investing activities amounted to -82.9 MSEK (-78.9), including closing of the acquisitions of Bøsøre Strand Feriepark, Hasmark Strand, Bogense and final settlement of First Camp purchase price.

Cash flow from financing activities amounted to -114.3 MSEK (62.9). As part of the acquisitions closed in the period, the company repaid 85.0 MSEK of debt in the acquired companies of Hasmark, Bogense and Bøsøre. During the period the company has repaid its overdraft opening balance of 25.4 MSEK.

The cash flow for the period was -155.2 MSEK (58.7).

Significant events after the reporting period

In October, First Camp ended the land lease of Sivik camping in Lysekil. The termination's effect on revenue and EBITDA is immaterial.



Condensed Consolidated income statement

Amounts in MSEK	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Total revenue	236.9	233.8	339.4	353.7	380.9
COGS	(18.0)	(22.1)	(25.4)	(30.6)	(33.4)
Salaries	(45.4)	(51.6)	(100.4)	(102.8)	(123.2)
Other Operating Costs	(43.3)	(41.2)	(105.6)	(93.8)	(121.9)
Operating Profit Before Depreciation, Amortization (EBITDA)	130.1	119.0	108.1	126.6	102.4
Depreciation and Amortization	(14.8)	(13.3)	(44.1)	(35.1)	(48.1)
Operating Profit (EBIT)	115.3	105.6	64.0	91.5	54.3
Net Financial Expense	(16.4)	(10.7)	(55.8)	(38.7)	(62.8)
Profit Before Tax	98.9	94.9	8.2	52.8	(8.5)
Tax For The Period	(13.2)	(13.1)	(8.4)	(10.1)	(5.0)
Profit/loss For The Period	85.7	81.8	(.2)	42.7	(13.5)
Attributable to:					
Owners of the parent	85.7	81.8	(.2)	42.7	(13.5)
Non-controlling interests	0.0	0.0	0.0	0.0	0.0



Condensed Consolidated balance sheet – Assets

Amounts in MSEK	2020-09-30	2019-09-30	2019-12-31
Goodwill	287.9	286.6	287.5
Other Intangible Assets	55.8	57.4	58.5
Intangible Assets	343.7	344.0	346.0
Deferred Tax Assets	15.9	9.3	15.5
Other Long-Term Financial Assets	1.1	2.4	2.4
Financial Fixed Assets	17.0	11.7	17.8
Buildings and Land	966.0	727.7	736.4
Ongoing Projects	31.3	59.1	45.6
Equipment	29.7	23.8	25.3
Right of Use Assets	338.6	350.2	347.2
Tangible Fixed Assets	1 365.7	1 160.7	1 154.5
Inventories	1.8	1.9	1.6
Account Receivables	8.1	10.3	8.7
Other Current Assets	32.6	61.8	88.5
Cash and Cash Equivalent	41.8	71.7	197.0
Total Current Assets	84.2	145.7	295.8
Total Assets	1 810.5	1 662.0	1 814.1



Condensed Consolidated balance sheet - Liabilities

Amounts in MSEK	2020-09-30	2019-09-30	2019-12-31
Equity (incl. Minority)	305.7	358.2	305.1
Deferred Tax Liability	86.9	75.1	73.3
Liabilities to Credit Institutions and Bond Holders	688.1	378.9	685.4
Shareholder loan	104.7	104.7	104.7
Other Long-Term Liabilities	161.2	158.1	158.4
Right of Use Liabilities	331.8	341.2	335.9
Total Long-Term Liabilities	1 285.9	983.0	1 284.4
Liabilities to Credit Institutions	0.0	110.0	25.4
Shareholder loan	0.0	35.0	0.0
Accounts Payable	10.3	19.3	20.8
Tax Liabilities	14.6	9.2	7.2
Other Current Liabilities	24.7	23.1	16.7
Customer Advances & Deferred Expenses	72.0	38.5	67.9
Right of Use Liabilities	10.6	10.6	13.2
Total Short-Term Liabilities	132.1	245.7	151.3
Total Equity and Liabilities	1 810.5	1 662.0	1 814.1



Condensed Consolidated statement of cash flows

Amounts in MSEK	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net cash generated from operating activities	32.0	34.5	41.9	74.7	52.7
Net cash used in investing activities	8.4	(8.5)	(82.9)	(78.9)	(107.5)
Net cash generated from financing activities ⁽¹⁾	(69.0)	(1.5)	(114.3)	62.9	238.7
Net change in cash and cash equivalents	(28.6)	24.5	(155.2)	58.7	184.0
Cash and cash equivalents at beginning of period	70.4	47.2	197.0	13.0	13.0
Cash and cash equivalents at end of period	41.8	71.7	41.8	71.7	197.0

(1) Including exchange rate effect on cash in foreign subsidiaries

Notes to the financial statements

1. Accounting policies

The Group applies the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. The Group also applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups. This report has been prepared in accordance with IAS 34 Interim Financial Reporting and in compliance with the applicable provisions in the Swedish Annual Accounts Act. Disclosures according to IAS 34 Interim Financial Reporting are provided in the notes and elsewhere in this interim report.

2. Disclaimer

The report has not been reviewed by the company's auditors. Certain items may be subject to re-assessments and changes in the process of preparing the consolidation for the 2020 Annual Report. In particular, the purchase price allocation regarding the acquisition of Danish campsites is not yet finalized and may thus be changed within the next twelve months.

For further information, please contact:

Göran Meijer
CFO
e-mail: goran.meijer@firstcamp.se
phone: +46-707-18 05 75