

STROMMA

INVESTOR PRESENTATION Q3

Stromma Group - Sightseeing - Excursions - Dining - Attractions



Date 2021-12-14

Introduction to the presenters



BJÖRN HAMBERG

CFO

- Joined Stromma in 2010
- Master of Economics – Umeå School of Business
- Experience from M&A and asset sales and purchases
- Several years of experience in controlling & auditing
- +10 years experience of working with subsidiaries and group structures



Patric Sjöberg

CEO

- Joined Stromma in 2019
- Bachelor of Science and economy from Umeå University in Sweden 1987
- 19 years of experience as CEO
- 20 years of experience as Chairman and Board of Director of subsidiary and external companies

Agenda

1. This is Stromma

2. Business update

3. Market update

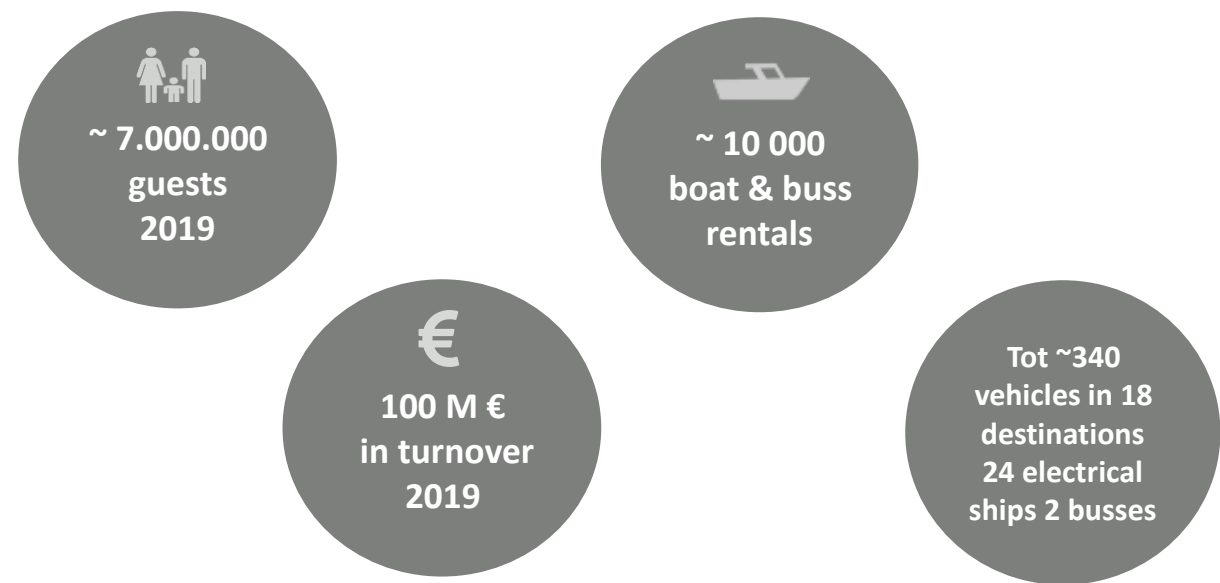
4. Financial update & Q3

5. Summary

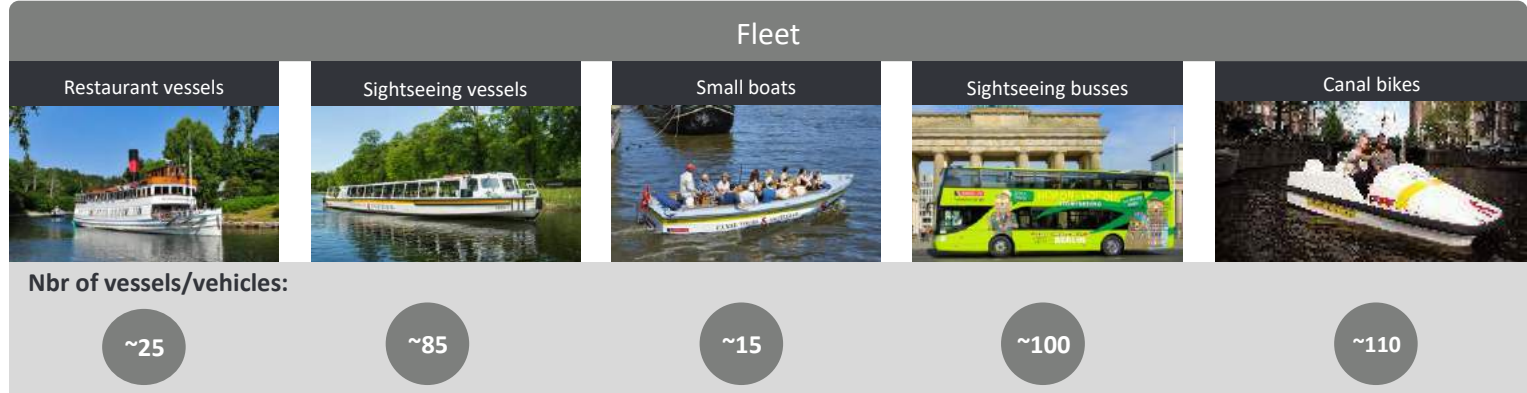
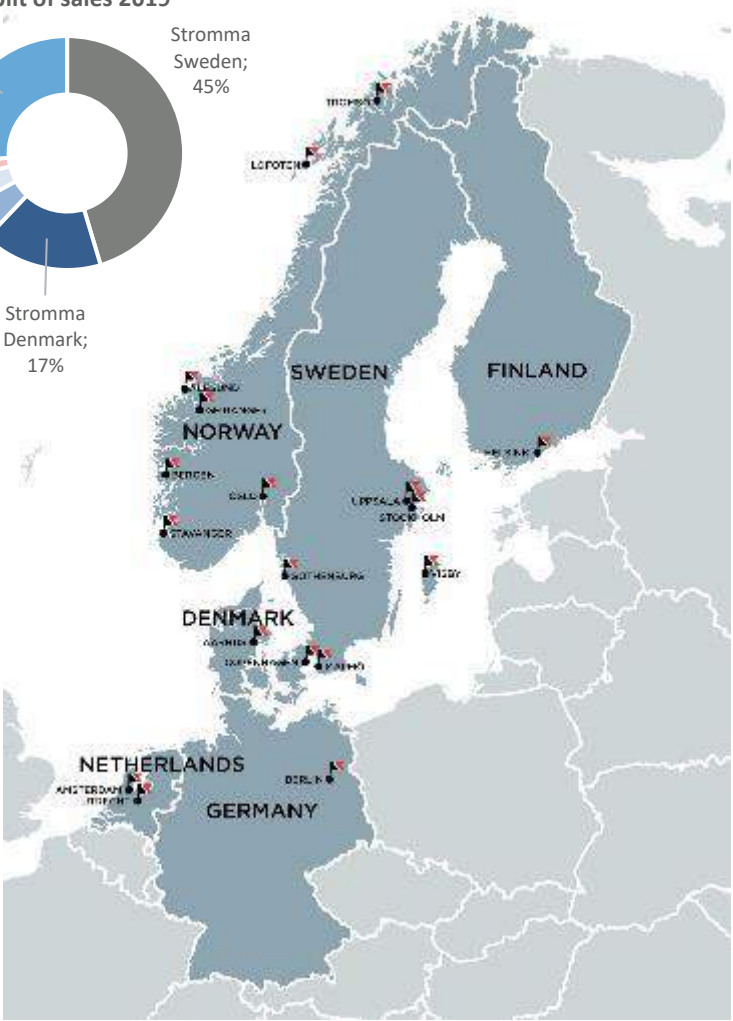
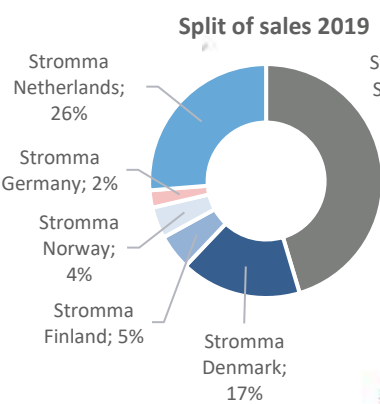


STROMMA GROUP SNAP SHOT

Guests, charter & vessels



Combined geographical presence and sales distribution



Business concept

To produce and deliver customer experiences, activities and entertainment within tours and activities and meetings within Northern Europe

Mission

Memories for life

Vision

Northern Europe's leading sustainable producer and provider of tours and activities



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Reconnect to presentation material in amend & extend process

Status of Long-term actions and affect on strategy due to Covid 19

Stromma has already taken large steps in each measure to support the long-term strategy and mitigate effects of the pandemic

MEASURE		ACTION	LONG TERM IMPACT
Slim down the organization	✓	• Notice of permanent layoff and higher share of seasonal staff	• Reducing the fixed cost base and increasing the flexibility to adjust costs to demand
Adjusted sales and distribution strategy	✓	• Decrease the number of online sales agents. Focus only on the big OTAs where seamless administrative routines exist. Implement self-service devices at departure points. Reduce offerings of souvenirs and other non-ticket related items in Amsterdam	• Decrease administration costs, less commission costs, reduced sales points in Amsterdam, reduced staff costs for ticket shops due to shorter opening hours
Focus on volume and high margin products	✓	• Steer the focus towards the products that are proven in tandem with focus on strengthening the business rather than expansion	• Higher profitability and better earnings visibility, better possibility to streamline administrative process to reduce demand of staff
Asset sales	✓	• Focus on profitability will render certain busses and vessels redundant that could be divested	• Disposal of redundant assets results in a stronger balance sheet and the possibility to amortise on debt
Sell non-core operations	✓	• Disposal of assets that are not viewed as strategically important	• Increased focus on the profitable core business and possibility to amortise on debt

STROMMA WILL OVERSEE THE OPERATIONS OUTSIDE THE NORDICS

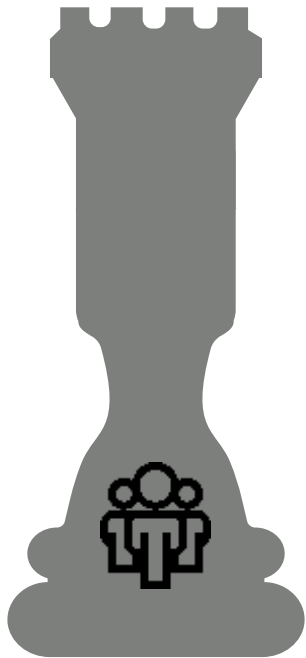


Comments

- Berlin operations have been restructured. Operational resources have been reduced without compromising the customer experience. ✓
- A total re organization of the Dutch organization has been done lowering the personnel costs with ✓

KEY STRATEGIES TO MITIGATE COVID 19 EFFECTS

SET OUT IN SPRING 2020 IN FRONT OF EXTENSION – EXECUTED ON ALL AREAS



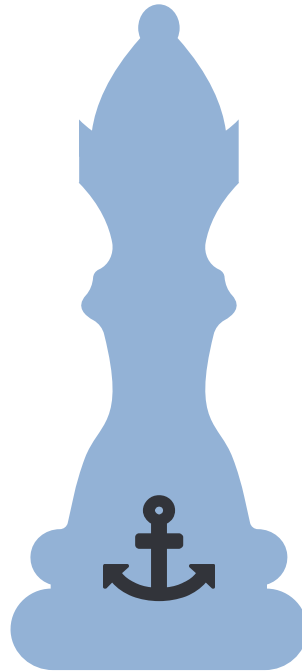
SLIM DOWN ORGANIZATION

Executed:
Fixed staff reduced by >50 %
Seasonal staff hired only when proven needed



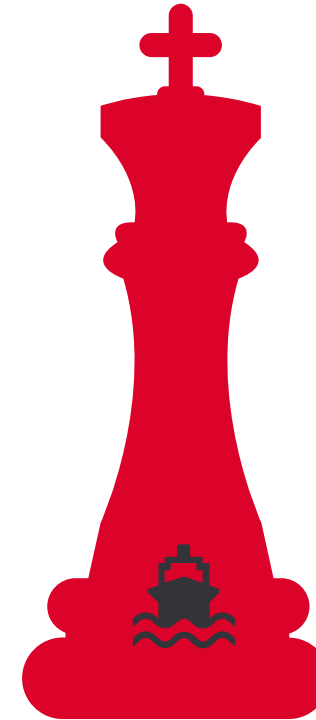
ADJUST SALES STRATEGY

Executed:
Reduced number of sales channels to be able to reduce administration costs. OTA:s from ~23 to ~4



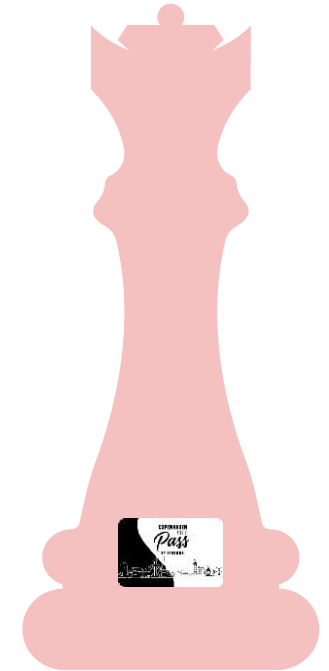
FOCUS ON VOLUME PRODUCTS

Executed:
Low volume products have not been restarted yet. Only after proven demand.



ASSET SALES

Executed:
Shares in minority interests and surplus capacity of ships have been divested. Cash effect + 110 MSEK



SELL OF NON-CORE OPERATIONS

Executed:
City card business partly divested; strategic benefits not affected

FUTURE STRATEGY

Maintain flexible cost base,
margin over volume.
Rapid agile and bold in
product development.

Leading sustainable
sightseeing provider.
Adapt financing to keep
high tempo in ESG
investments.

1. Recover & consolidate
2. Expand in existing destinations
3. Expansion to new destinations and new experiences



SUSTAINABILITY

Part of who we are and in everything we do



Women in management positions.

Diversity and inclusion.

Safe workenvironment – survey and assessment.

Reducing CO2 Emission



Reduce foodwaste & more organic food

Reduce plastic usage

Support WWF and other initiatives.

Our vision: “Northern Europe’s leading sustainable producer and provider of tours and activities”

Sustainability activities 2021

- Continued conversion to electrical propulsion in Amsterdam and investigating other areas
- 1 of 2 strategic goals for the group in 2022 is to make a practical and financial plan to meet our goals of reduced carbon emissions
- Placed recycled old Christmas trees in Stockholm's city waters to create protected places where fish can reproduce.
- Installed Seabins to collect waste at the moorings in DK and SWE
- Installation of bio huts in Copenhagen – underwater protected fish hotels
- Cleaning up the Canals in NL
- KRAV labeled restaurants in SWE
- Each country has its own sustainability plan with actions to execute in 2022



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STRONG MARKET PRE COVID SHOWS PEOPLES PREFERENCES

PERMANENTLY CHANGED BEHAVIOR NOT LIKELY BUT LEVELS AND RECOVERY PHASE UNCERTAIN
LONG TERM MARKET OUTLOOKS STILL STRONG

INTERNATIONAL TOURIST ARRIVALS (MILLIONS)



(e) Estimate

* Data for 2020 is preliminary and based on estimates for countries which have not yet reported results.



SOURCE: VARIOUS (SEE INDICATOR)
JANUARY 2021

Source: UNWTO World tourism barometer



LOOKING AHEAD

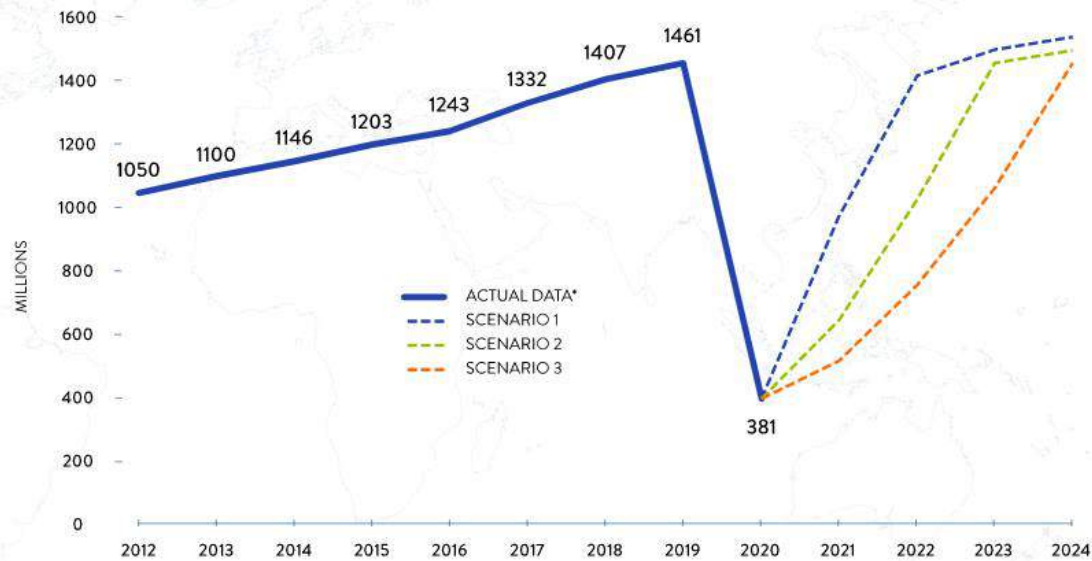
UNWTO SHOWED THREE SCENARIOS EARLIER THIS YEAR WHERE TWO LEAD TO CLOSE TO OR OVER 1 000 MILLIONS INTERNATIONAL TOURIST ARRIVALS ALREADY 2022. MOST PESSIMISTIC SCENARIO STILL GIVES APPROX. 700 MILLION ARRIVALS 2022

2021–2024 SCENARIOS

2 ½ TO 4 YEARS
TO RECOVER 2019 LEVELS

INTERNATIONAL TOURIST
ARRIVALS

* Actual data for 2020 is preliminary and based on estimates for countries which have not yet reported results.



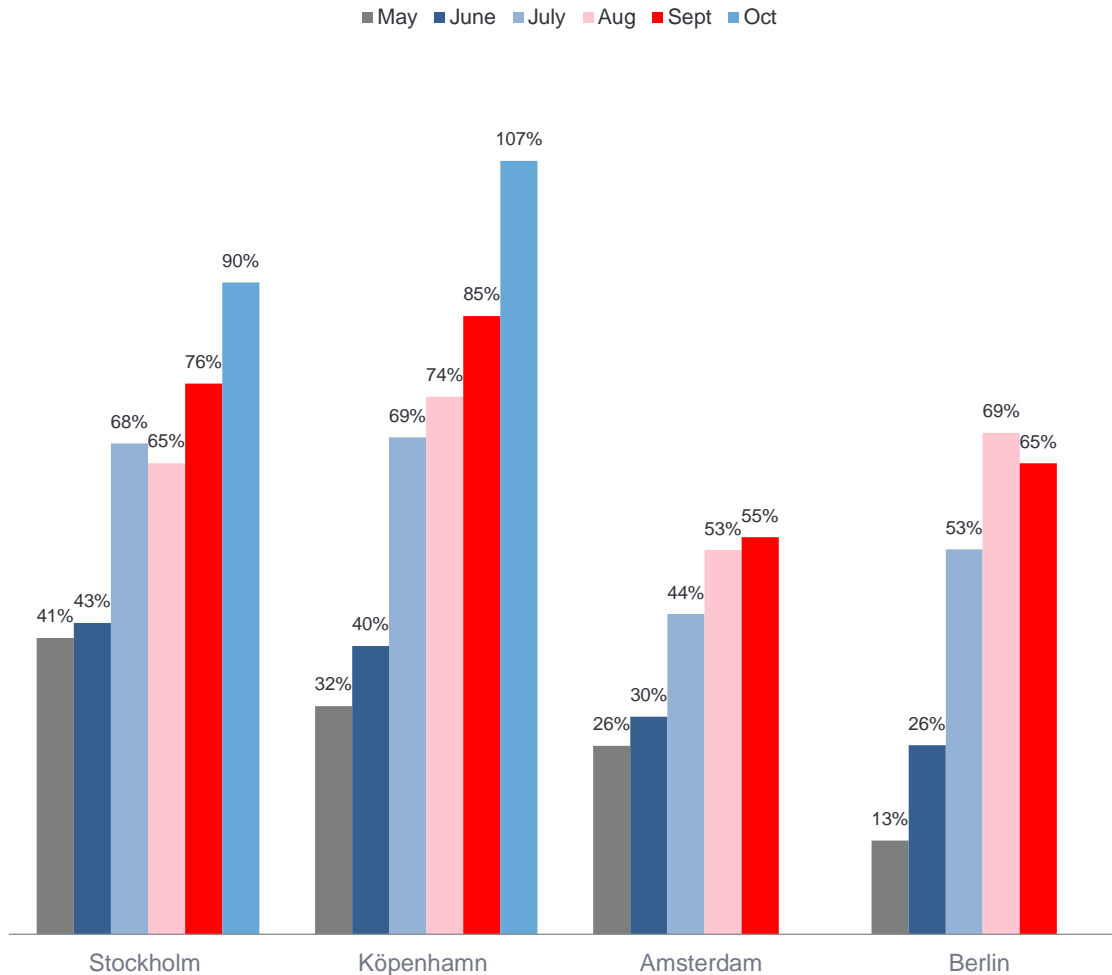
SOURCE:
WORLD TOURISM ORGANIZATION (UNWTO)
JANUARY 2021

Source: UNWTO World tourism barometer



FAST RECOVERY WITH FEW RESTRICTIONS

Hotel nights with leisure purpose 2021 in % of 2019



The trend is clear, with few restrictions travelers are coming back fast



Stockholm, Copenhagen and Berlin all lift restrictions in similar phase and show the same recovery pattern



Amsterdam suffered a set back in July with increased restrictions. It delayed the recovery but once restrictions were lifted the sales increase came quite immediately. *

*October hotel statistics for Amsterdam has not yet been published but Stromma sales in October picked up.

CRUISE CALLS AND FLIGHTS 2022

Very positive outlooks from the Cruise market in front of 2022, some inputs:

Sweden - Stockholm

- 300 Ships and 25 is newcomers (2019: approx. 350)
- 52 new direct flights announced

Norway – Oslo and Bergen

- Oslo 140 ships and 360.000 guests (2019 243.000)
- Bergen 287 ships and 480.000 guests (2019 460.000)

Denmark – Copenhagen

- 5 less ships than 2019, but bigger ships
- 960.000 guests (2019: approx. 940.000)
- Navi air (flight tower) – 85% of 2019 booked airline flights



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CASH DEVELOPMENT

Preserved liquidity despite low turnover

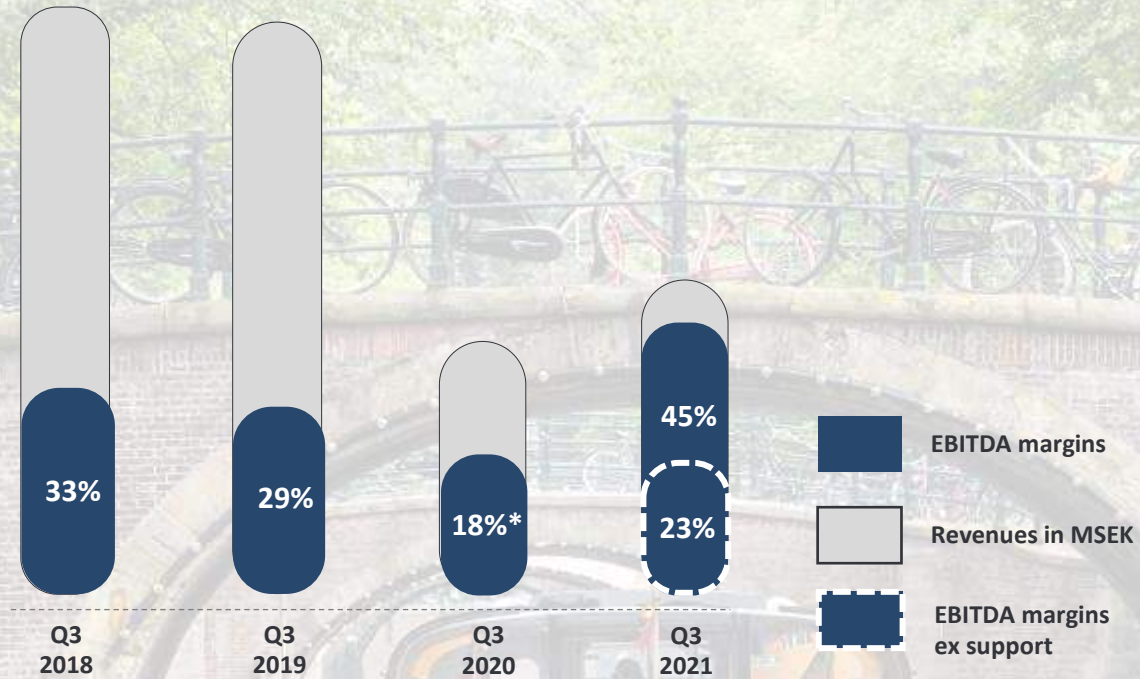


Summary

Succeeded in keeping comfortable head room to available liquidity throughout the entire pandemic

EBITDA MARGIN Q3

EBITDA margins with revenue totals by year

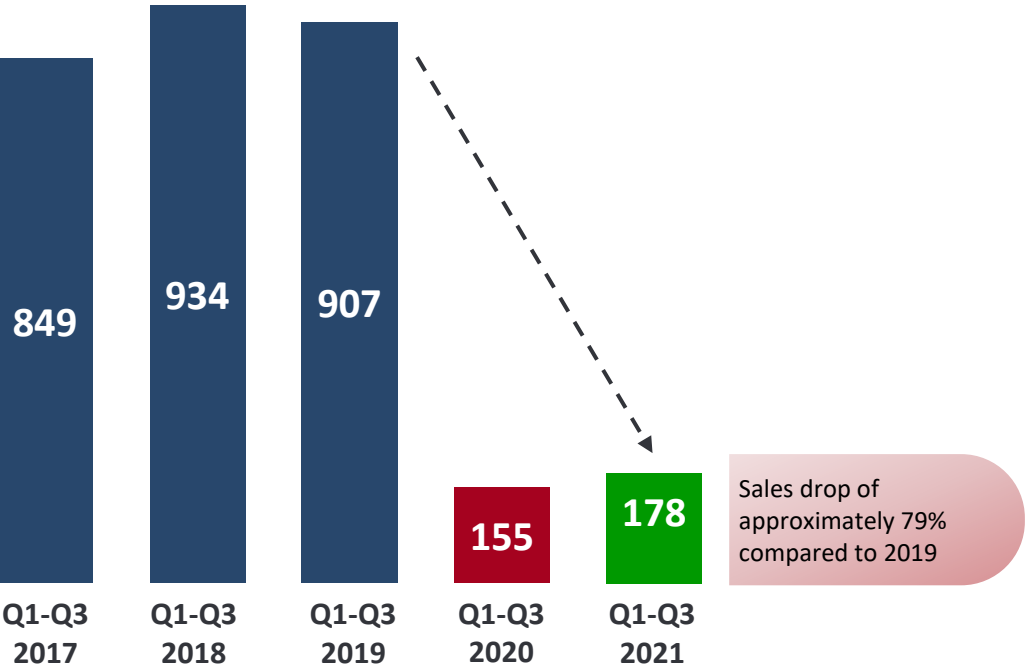


* EBITDA ex support negative

PROFIT & LOSS ANALYSIS Q1-Q3

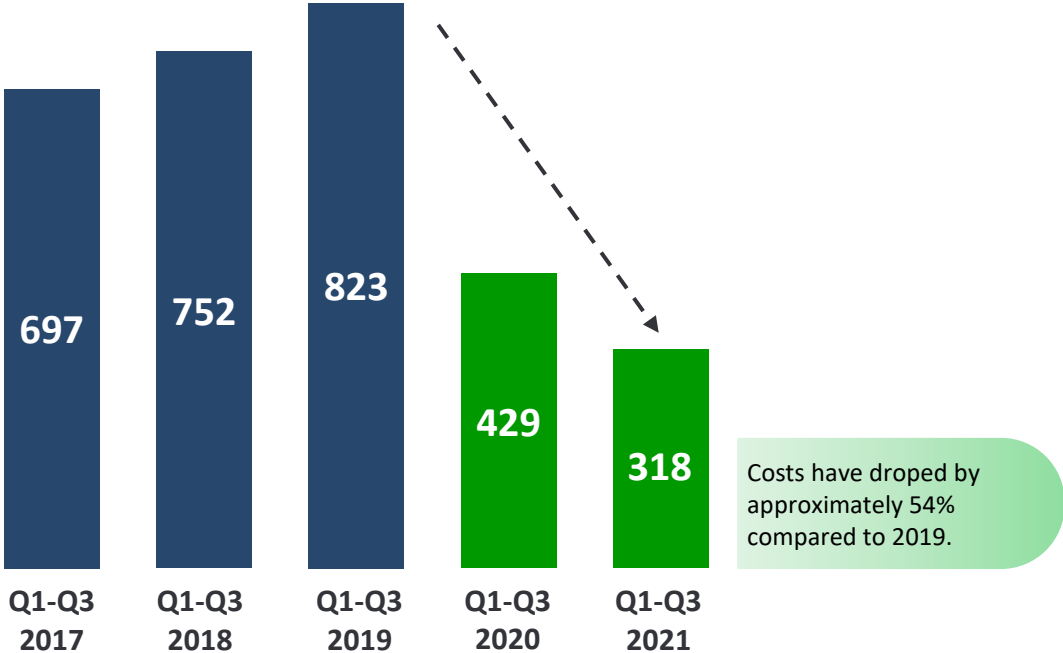
Analysis of revenues and costs for accumulated Q1-Q3

Revenues



All amounts in million sek

Costs



All amounts in million sek
Costs excluding government support and IFRS 16 adjustment

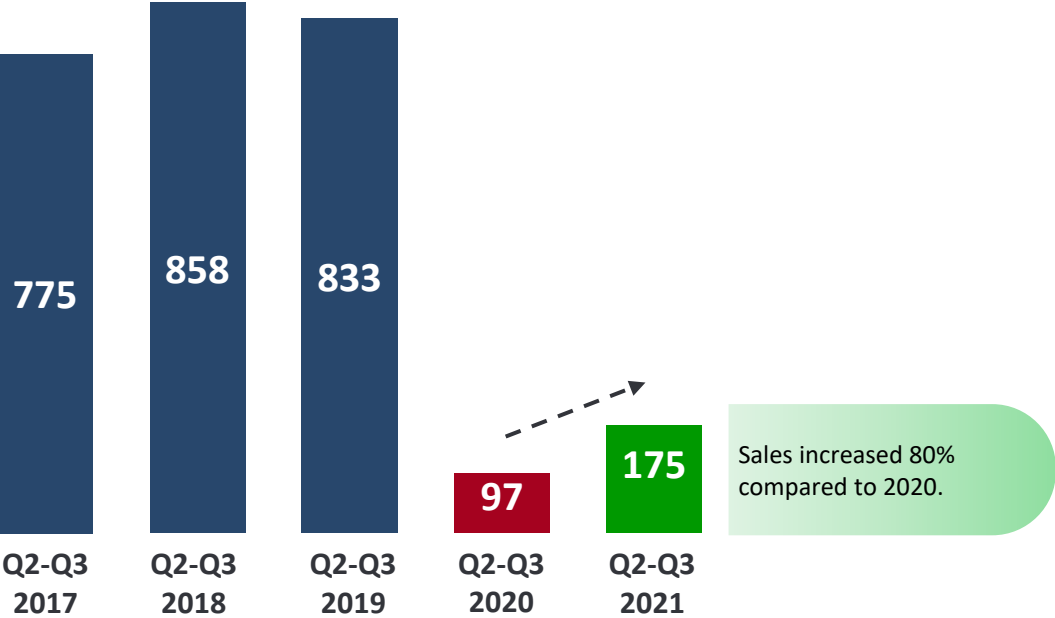
Of the 729 lost sales, 505 were compensated by lower costs and 105 by gov. support

Source:

PROFIT & LOSS ANALYSIS Q2-Q3

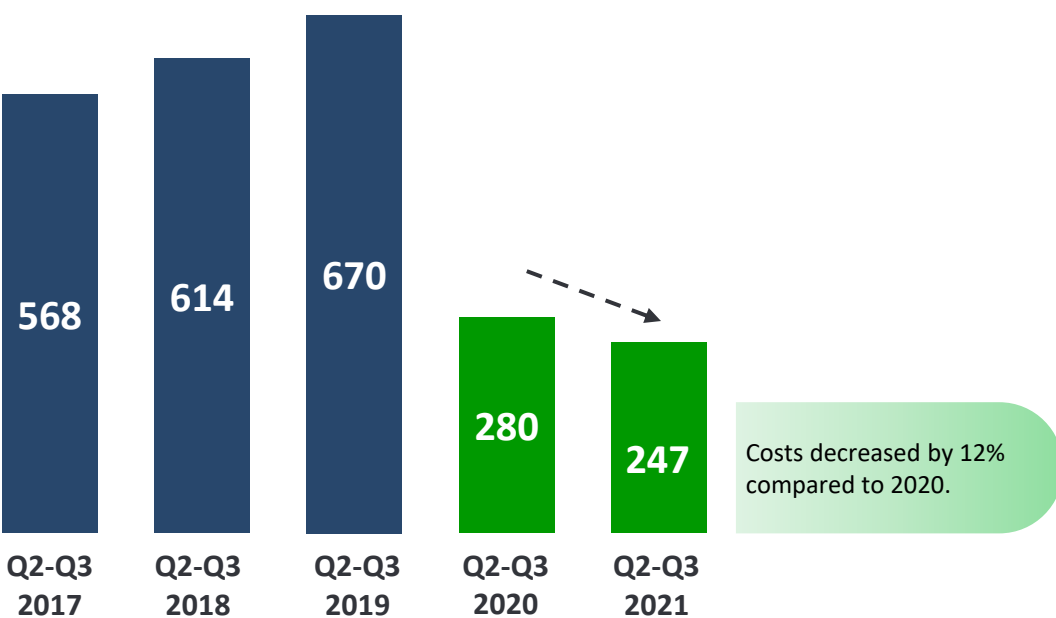
Analysis of revenues and costs for Q2-Q3 (Pandemic months in 2020)

Revenues



All amounts in million SEK

Costs



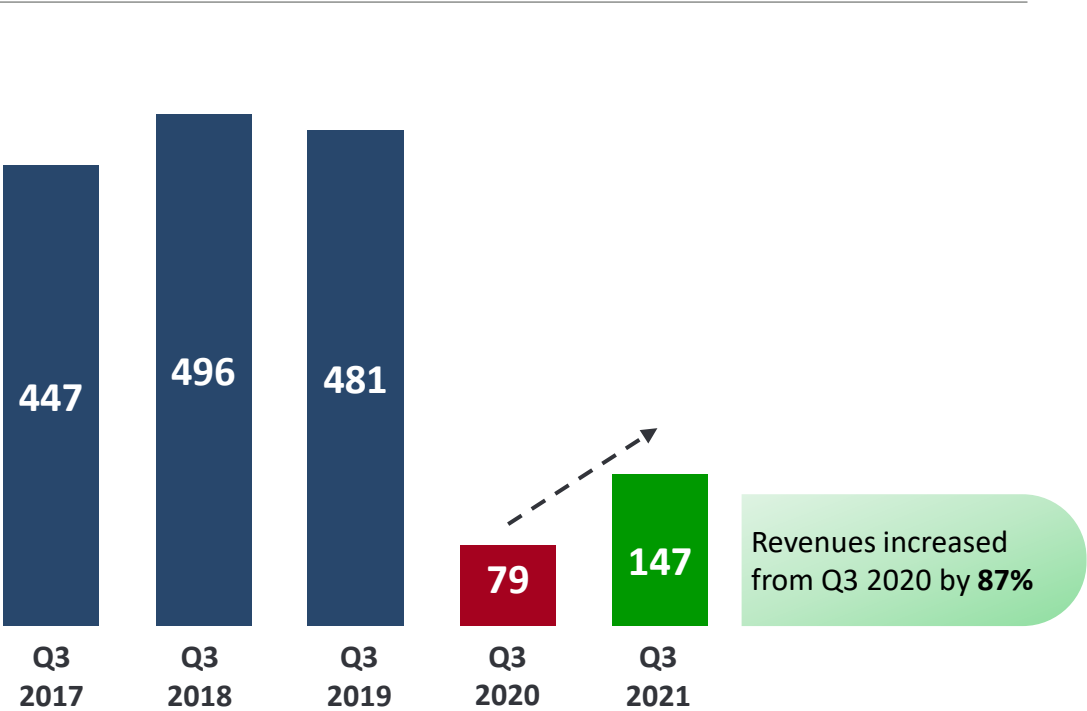
All amounts in million SEK
Costs excluding government support and IFRS 16 adjustment

**EBITDA improvement 88 MSEK (83 ex support)
with 77 MSEK revenue increase**

PROFIT & LOSS ANALYSIS Q3

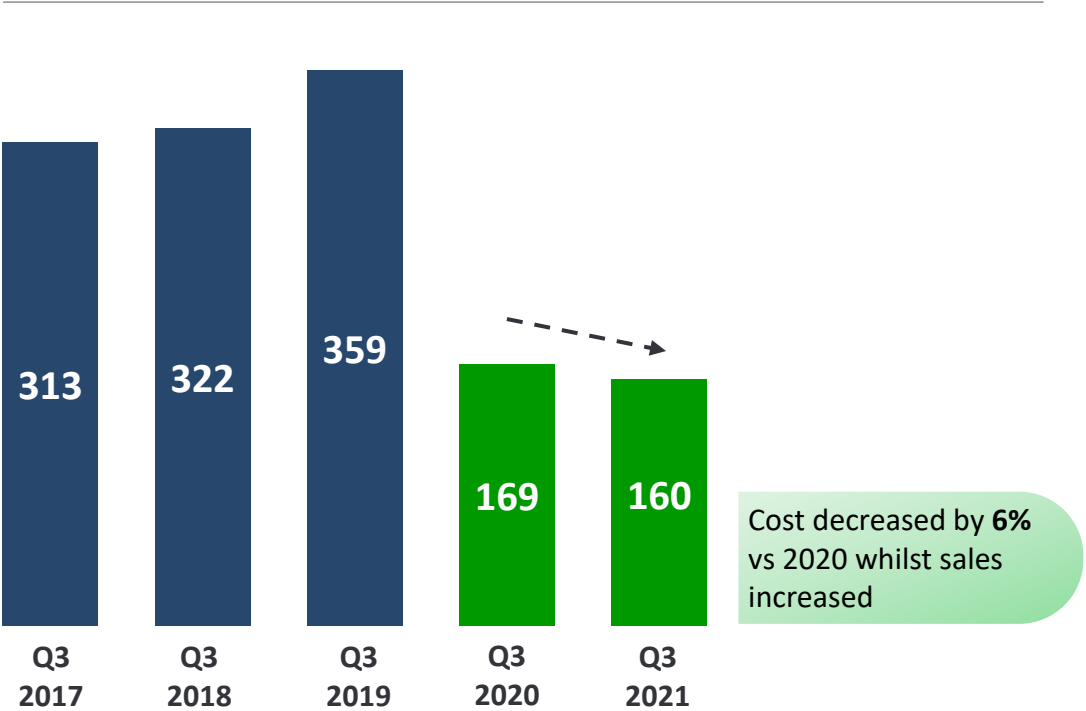
Analysis of revenues and costs for Q3 isolated

Revenues



All amounts in million sek

Costs



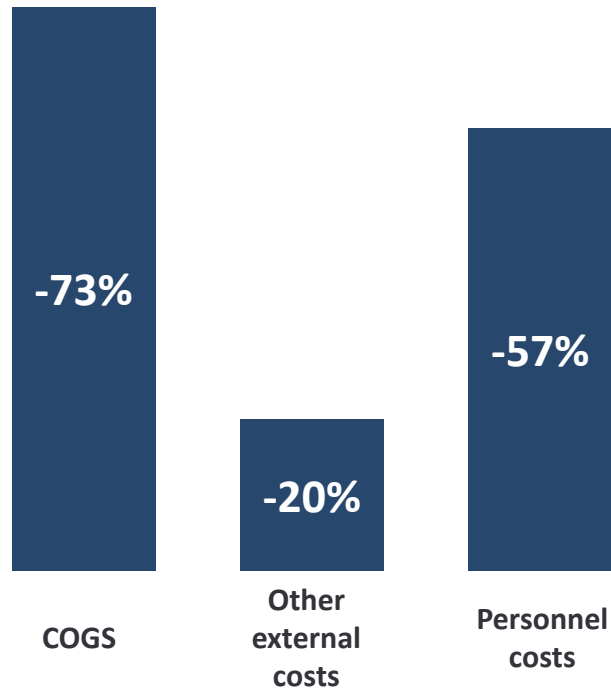
All amounts in million sek
Costs excluding government support and IFRS 16 adjustment

77 % (70 % ex support) of the increased revenues flows down to EBITDA

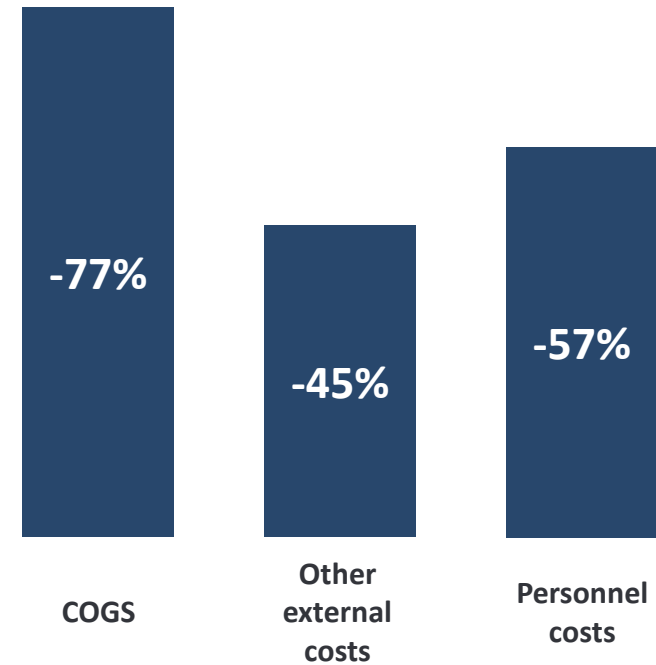
Cost reductions

2021 vs 2019

2021 vs 2019 Q1-Q3



2021 vs 2019 Q3



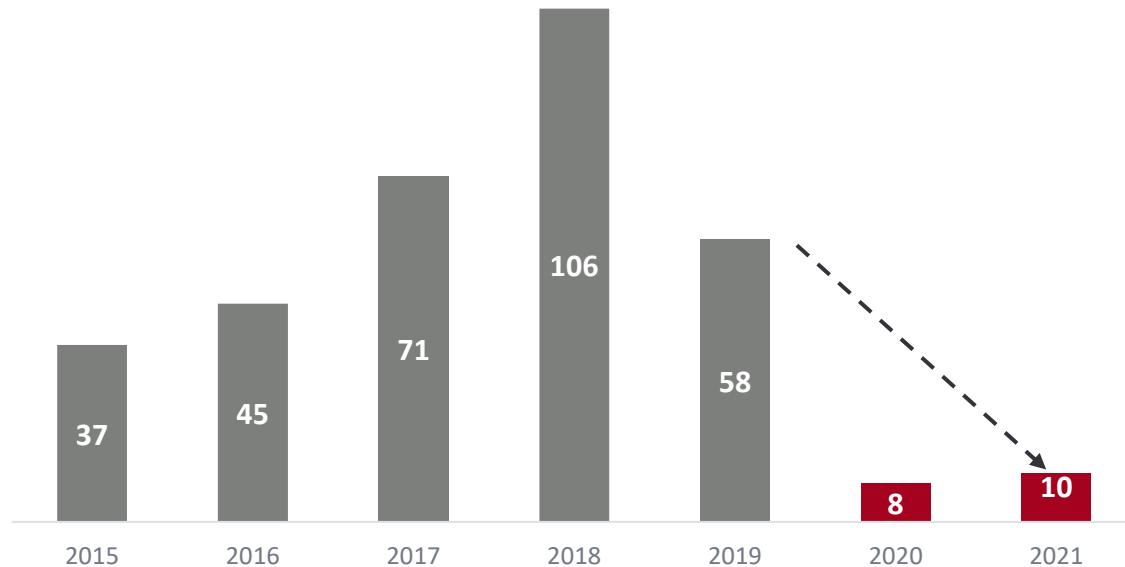
**Other external costs and personnel costs are excluding received government support and IFRS 16 adjustments*

BALANCE SHEET ANALYSIS

Investments, solidity and debt

Investments

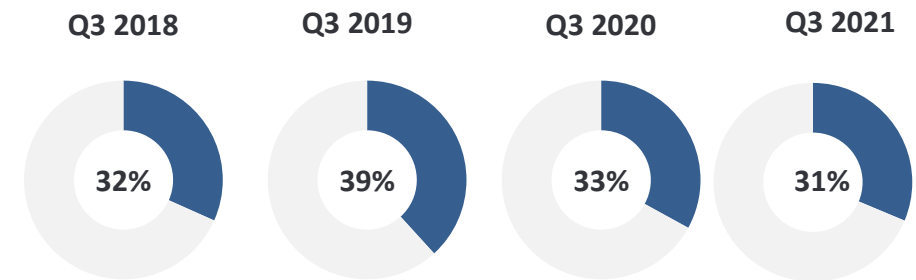
Maintenance and expansion capex (M&A excluded)



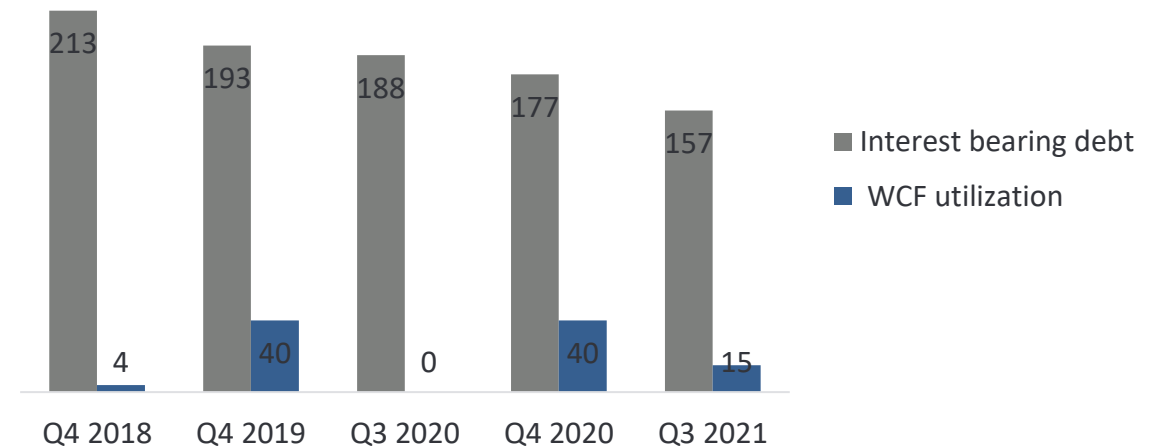
All amounts in million sek

The investment level for maintenance and expansion is planned to be substantially decreased compared to prior years.

Solidity



Interest-bearing debt (ex bond 300 msek)



All amounts in million sek

Several credit enhancing measures in place



More profitable company in a restored market

- ➔ Improve margins vs pre Covid 
- ➔ Divested surplus assets in rebooted Stromma used for debt service and reduced leverage 
- ➔ Reduced dependency of international tourists, more offerings towards national customers 
- ➔ Evidential strong supportive owner 
- ➔ Market open for expansion and increased market shares for the companies that manage through the pandemic period 



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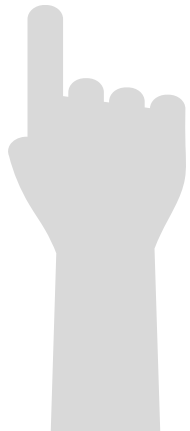


Summary

Key takeaways

01

New cost structure proven to convert better, strong Q3 EBITDA margins



02

Continued control and availability of liquidity



03

Do not need 2019 volumes to perform good results, new org. adapted for less volumes BUT can handle more



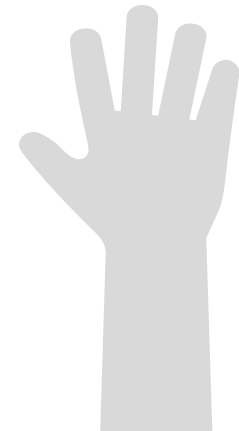
04

When restrictions are lifted guest have proven that they come back



05

Future holds opportunities in the market



The logo consists of a black square on the left, with a white, curved, ribbon-like shape extending from its right side into the red background.

STROMMA

#memories for life