

Interim report for the fourth quarter 2019





Highlights interim report for Q4 2019:

Fourth quarter 2019

- Net sales amounted to 35.2 MSEK
- EBITDA amounted to -21.6 MSEK
- Operating profit/loss amounted to -33.7 MSEK
- Profit/loss for the period amounted to -52.6 MSEK
- Cash flow from operating activities -21.8 MSEK
- Agreement signed to acquire Skovlund and Bøsøre campsites

Full year ended December 2019

- Net sales increase with 138% to 388.1 (162.9) MSEK
- EBITDA amounted to 102.8 (25.7) MSEK
- Pro-Forma Adjusted EBITDA*) amounted to 100.4 MSEK
- Operating profit/loss amounted to 54.6 (2.7) MSEK
- Profit/loss for the period -14.7 (-9.6) MSEK
- Cash flow from operating activities 52.5 (18.7) MSEK
- First Camp acquired March 2019
- Agreement signed to acquire Skovlund and Bøsøre campsites

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





CEO Comments

This is our first official quarterly report, following the bond issue in December 2019, and I am glad to announce that 2019 was a successful year for First Camp. In January 2019, United Camping AB (then “Nordic Camping & Resort BidCo AB”), at that time operating 26 campsites in Sweden under the brand Nordic Camping & Resort, acquired First Camp Sverige Holding AB, which operated 13 campsites in Sweden and one in Denmark. The transaction was closed on March 7, 2019. In October 2019 the decision was taken to use First Camp as the brand for the entire group. Together we are Scandinavia’s largest campsite chain with 40 destinations at the end of 2019 and more than 700 employees including seasonal staff.

The acquisition contributed significantly to the increase in revenues and EBITDA from 2018 to 2019, with total reported revenues reaching 388.1 MSEK with an EBITDA of 102.8 MSEK. However, the strong underlying performance in 2019 was also driven by operational improvements and strong organic pro-forma growth of 9%, thanks to accelerated marketing and pricing activities as well as investments in facilities and technology.

The entire organization has done a tremendous job to deliver such strong results despite challenging integration work. In 2019 we made several changes to the IT platform, including changing supplier of booking system for the 26 Nordic Camping campsites from DL Bookit to CompuSoft just before the summer season. Although this put high pressure on our organization and on processes in our finance department, it quickly yielded a positive effect on online sales and we estimate the share of online sales to have grown by 10 percentage points to approximately 32% in 2019. Also in several other areas we have carried out major changes to set a solid platform for future growth, including strengthening the management team, implementation of a new vision-mission-values platform, joint website, concept development for shops and restaurants at the destinations, and improved internal routines within HR and finance.

Camping is a highly seasonal business and the fourth quarter is always a weak quarter. The operating loss of the quarter is in line with our expectations.

In December 2019 and January 2020, we signed the acquisition of four campsites in Denmark. In 2019, these campsites generated approximately 60 MSEK in revenues and 30 MSEK in underlying adjusted EBITDA.

The camping industry is in an exciting phase of consolidation, digitization and professionalization, and First Camp is uniquely positioned to capture these opportunities. The market is steadily growing and the interest in camping is increasing. Camping is also one of the most sustainable vacation types, according to a study from Østfoldforskning in Norway. We look forward to another exciting year!

Stockholm, February 14, 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, one additional campsite in Denmark was added (signed in December 2019). Agreements to acquire three more campsites in Denmark have been signed with an expected closing in March 2020.

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

Significant events in 2019

Q1-Q3 2019

- January 2019: Signing of acquisition of First Camp Sverige Holding AB
- March 2019: Closing of acquisition of First Camp Sverige Holding AB
- May 2019: Change of supplier of booking system for Nordic Camping & Resort's 26 destinations
- August 2019: Göran Meijer joined as CFO

Q4 2019

- October 2019: Ola Enquist joined as COO
- October 2019: Launch of First Camp as joint brand for the entire Group
- November 2019: Launch of www.firstcamp.se as website for the entire Group
- December 2019: Senior Secured Bond issue of 700 MSEK
- December 2019: Signing of acquisition of Bøsøre Strand Feriepark and Skovlund Camping in Denmark

Financial development during the fourth quarter 2019

Net sales

Net sales in the fourth quarter amounted to 35.2 MSEK. Campsites acquired in the First Camp acquisition contributed with 10.3 MSEK.

Pro-forma net sales, adjusted for acquisitions, increased with 4% compared to the same quarter last year. Net sales in the fourth quarter of both 2018 and 2019 were positively affected by released provisions of sales from the summer season.

Operating profit/loss

The operating loss for the quarter amounted to 33.7 MSEK.

Operating costs of the quarter include 2.3 MSEK costs related to the bond issue and 8.1 MSEK costs related to the First Camp and Nordic Camping merger.

The IFRS16 effect on operating profit for the fourth quarter was 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 24.0 MSEK. Financial expenses for the quarter include a write-off of 10.7 MSEK on arrangement fees related to the old Bank financing.

Financial expenses for the quarter include 2.9 MSEK interest on Right of Use Liabilities in accordance to IFRS16.

Profit/loss for the period

The loss for the quarter amounted to 52.6 MSEK.

Liquidity and cash flow

Cash flow from operating activities amounted to -21.8 MSEK.

Cash flow from investing activities amounted to -28.6 MSEK, including acquisition of Skovlund Camping.



Cash flow from financing activities amounted to 175.8 MSEK. During the quarter, the company issued a 700 MSEK Senior Secured Bond, refinancing bank financing of the First Camp acquisition. 35 MSEK of the bond proceeds were used to repay a shareholder bridge loan.

The cash flow for the quarter was 125.4 MSEK.

At the end of the quarter the group's cash and cash equivalents amounted to 197.1 MSEK, of which 81.4 MSEK was held on Overfund Account in accordance with the Bond Term Sheet. In February 2020, the withdrawal criteria for the Overfund Account was met, and the full amount of 81.4 MSEK was withdrawn and made available as free cash.

At the end of the quarter, 25.2 MSEK of the overdraft facility was used with a remaining unused facility of 99.8 MSEK.

Financial development during the reporting period

January 1st – December 31st, 2019

Net sales

Net sales for the period amounted to 388.1 (162.9) MSEK, an increase with 138%. Campsites acquired in the First Camp acquisition contributed with 192.2 MSEK.

Pro-forma net sales, adjusted for acquisitions, increased with 9% compared to previous year.

Operating profit/loss

The operating profit (EBIT) for the period amounted to 54.6 MSEK.

Operating costs for the period include 2.3 MSEK costs related to the bond issue, 7.0 MSEK transaction costs related to the First Camp acquisition and 11.5 MSEK costs related to acquisitions and the First Camp / Nordic Camping merger and integration.

The IFRS16 effect on operating profit for the period was 9.6 MSEK. Other operating costs (rent, leasehold and land lease fees, lease fees) were reduced with 20.8 MSEK and Depreciation was increased with 11.2 MSEK amortization of Right of Use debt.

Financial income/expense

The net financial expenses for the period amounted to 62.8 MSEK. Financial expenses for the period include a write-off of 10.7 MSEK on arrangement fees related to the old Bank financing incurred at the time of the bond issue, and 13.8 MSEK break fee for previous financing arrangement incurred at the time of the First Camp acquisition.

Financial expenses for the period include 10.5 MSEK interest on Right of Use Liabilities in accordance to IFRS16.

Profit/loss for the period

The loss for the period amounted to 14.7 MSEK.

Liquidity and cash flow

Cash flow from operating activities amounted to 52.5 MSEK.

Cash flow from investing activities amounted to -105.7 MSEK, including acquisition of First Camp and Skovlund Camping.

Cash flow from financing activities amounted to 237.5 MSEK. During the period, a 500 MSEK bank debt was raised in connection with the First Camp acquisition, refinancing existing debt. In December, the company issued a 700 MSEK Senior Secured Bond, refinancing bank financing. In connection with the First Camp acquisition, the company received a 130 MSEK shareholder loan, of which 35 MSEK considered a bridge loan and was repaid with parts of the bond proceeds. The First Camp acquisition was in part financed through a vendor loan, amounting to 154 MSEK.

The cash flow for the period was 184.3 MSEK.

At the end of the period the group's cash and cash equivalents amounted to 197.1 MSEK, of which 81.4 MSEK was held on Overfund Account in accordance with the Bond Term Sheet. In February 2020, the withdrawal criteria for the Overfund Account was met, and the full amount of 81.4 MSEK was withdrawn and made available as free cash.



At the end of the period, 25.2 MSEK of the overdraft facility was used with a remaining unused facility of 99.8 MSEK.

Financial Position

The equity ratio was 17 (43) % on December 31 and the equity was 302.2 (316.9) MSEK. Total assets amounted to 1 803.1 (735.5) MSEK.

The vendor loan received from the sellers of First Camp, amounting to 154 MSEK, is accounted for as Other Long-Term Liabilities.

Purchase price for Skovlund Camping, 25.2 MSEK, is held on escrow account until closing (February 1, 2020) and is accounted for as Other Current Assets.

Significant events after the reporting period

- January 2020: Signing of acquisition of Hasmark Strand and Bogense Strand Camping in Denmark
- February 2020: Closing of acquisition of Skovlund Camping



Condensed Consolidated income statement

Amounts in MSEK	2019 Jan–Dec	2018 Jan–Dec	2019 Oct–Dec
Total revenue	388.1	162.9	35.2
COGS	(37.6)	(15.3)	(3.9)
Salaries	(124.8)	(62.0)	(24.0)
Other Operating Costs	(122.9)	(59.8)	(29.0)
Operating Profit Before Depreciation, Amortization (EBITDA)	102.8	25.7	(21.6)
Depreciation and Amortization	(48.2)	(23.0)	(12.1)
Operating Profit (EBIT)	54.6	2.7	(33.7)
Net Financial Expense	(62.8)	(15.4)	(24.0)
Profit Before Tax	(8.2)	(12.7)	(57.7)
Tax For The Year	(6.5)	3.1	5.1
Profit/loss For The Period	(14.7)	(9.6)	(52.6)
Attributable to:			
Owners of the parent	(14.7)	(9.6)	(52.6)
Non-controlling interests	0.0	-	0.0



Condensed Consolidated balance sheet – Assets

Amounts in MSEK	2019-12-31	2018-12-31
Goodwill	288.8	176.6
Other Intangible Assets	57.5	3.3
Intangible Assets	346.3	179.9
Deferred Tax Assets	6.5	3.3
Other Long-Term Financial Assets	2.4	0.1
Financial Fixed Assets	8.9	3.4
Buildings and Land	735.2	313.5
Ongoing Projects	45.6	9.4
Equipment	26.6	0.8
Right of Use Assets	347.6	182.1
Tangible Fixed Assets	1 155.0	505.8
Inventories	1.1	1.9
Account Receivables	7.2	17.8
Other Current Assets	87.6	14.0
Cash and Cash Equivalent	197.1	12.8
Total Current Assets	292.9	46.5
Total Assets	1 803.1	735.5



Condensed Consolidated balance sheet - Liabilities

Amounts in MSEK	2019-12-31	2018-12-31
Equity (incl. Minority)	302.2	316.9
Deferred Tax Liability	67.8	20.2
Liabilities to Credit Institutions and Bond Holders	713.2	147.7
Shareholder loan	104.7	10.0
Other Long-Term Liabilities	158.4	4.3
Right of Use Liabilities	339.2	171.7
Total Long-Term Liabilities	1 315.4	333.7
Liabilities to Credit Institutions	0.0	8.0
Shareholder loan	0.0	0.0
Accounts Payable	20.8	11.4
Tax Liabilities	11.2	2.4
Other Current Liabilities	14.9	7.3
Customer Advances & Deferred Expenses	60.3	24.4
Right of Use Liabilities	10.3	11.5
Total Short-Term Liabilities	117.6	64.9
Total Equity and Liabilities	1 803.1	735.5



Condensed Consolidated statement of cash flows

Amounts in MSEK	2019 Jan–Dec	2018 Jan–Dec	2019 Oct–Dec
Net cash generated from operating activities	52.5	18.7	(21.8)
Net cash used in investing activities	(105.7)	(84.0)	(28.6)
Net cash generated from financing activities	237.5	73.0	175.8
Net change in cash and cash equivalents	184.3	7.7	125.4
Cash and cash equivalents at beginning of period	12.8	5.1	71.7
Cash and cash equivalents at end of period	197.1	12.8	197.1

Notes to the financial statements

1. Accounting policies

- This interim report is the first consolidated interim financial statements issued by United Camping AB. 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.
- The accounting principles applied for preparing consolidated financial statements will be disclosed in more detail when the annual report for fiscal year 2019 is published.

2. Disclaimer

This is the first consolidated interim report for the group. 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 final IFRS restatement and consolidation for the 2019 Annual Report. In particular, the purchase price allocation regarding the acquisition of First Camp is not yet finalized and may thus be changed within the next three months. Valuation of property, plant and equipment still is pending some outstanding information as is some aspects to tax. Consequently, the numbers including goodwill and intangible assets as well as tax may be updated in the annual report 2019 at the latest.

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