



## QUARTERLY REPORT FOR Q1 2021

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## 100 PERCENT ELECTRICITY FROM RENEWABLE SOURCES



Renewable energies will be a pillar for a sustainable power supply. Since 2016 Motel One is gradually converting all hotels to green electricity. Motel One Barcelona-Ciutadella is now the last Motel One to be converted to green electricity. In 2021 Motel One can therefore announce that all currently 75 hotels are operating 100 percent from renewable energies. This is one of many projects of the CSR program "One Planet. One Future.", which intensively analyses and discusses what further savings and optimisations are possible.

## DIGITAL LEARNING FORMATS

Live online trainings, 'campus clips' or e-learning – Motel One has continued to train its employees during the pandemic through its own social intranet. The digital self-learning modules encompass topics in areas such as sales and housekeeping, as well as new disciplines including 'Hygiene and safety during COVID-19'. Employees can currently choose from 15 modules, which will expand to 60 in May. On-demand video learning modules, or 'campus clips', provide impetus for real-world practice. They include topics such as motivation and friendly service as well as the communication while wearing a mask.



The online live training sessions are highly popular; since the launch in June 2020, around 800 employees have already taken part in at least one digital session. With these trainings all employees at Motel One are ready for the restart.

## AWARDS AND PRIZES

In 2021, Motel One was once again named as a Leading Employer, placing it among the top 1% of employers in Germany. Over 100,000 companies were evaluated using units of metadata numbering in the millions. This analysis incorporated factors such as employee satisfaction, working conditions, values, image and environmental awareness. Motel One did particularly well in the areas of satisfaction, employer quality and social media.

In the first quarter, business magazine *Handelsblatt* and market research company YouGov named Motel One as the value-for-money victor in the 'Hotels' category for the fourth time in succession. The score of 31.1 in the consumer survey placed Motel One well ahead of the second place (25.8).

Motel One once again managed to secure the German Service Prize for 2021 in the category 'Travel & Tourism'. The award is issued by broadcaster ntv and the German Institute for Service Quality. This puts Motel One among the five companies most frequently honoured with the award.



## VACCINE OFFERED TO ALL GERMAN EMPLOYEES

Motel One is offering employees in German hotels plus one family member each a free, voluntary COVID-19 vaccine. Occupational health company Protekto is organising the vaccinations on site in the hotels and is providing doctors who will carry out the free vaccinations as soon as they are approved. Each employee can also register one other private contact for vaccination as long as they are a resident in Germany.



This vaccine offer builds on a stringent hygiene concept (Motel One Health & Care) which was launched in the last year to protect guests and employees. Social distancing rules, masks, hand hygiene, comprehensive virus control and disinfection of rooms and the One Lounge were analysed under the concept by the SGS Institut Fresenius. Internal vaccination will not just protect employees, it will also protect guests.

## INCOME STATEMENT

The ongoing coronavirus pandemic and associated official travel restrictions saw Motel One recording extensive losses again in the first quarter of 2021.

The room occupancy was just 8.5%, and turnover fell by 86% to EUR 14 million. In 2019, the year before coronavirus, the occupancy rate in the first quarter was 65%, the turnover EUR 120 million. While the full force of pandemic-related restrictions was only felt in the result from the second half of March last year, they were a major factor throughout the first quarter of 2021.

	YTD March					
	2021	+/- ly	2020	+/- ly	2019	+/- ly
<b>Statistics:</b>						
No. Hotels	75	1	74	3	71	8
No. Rooms	21.086	235	20.851	691	20.160	2.472
Occupancy (%)	9	-42	50	-15	65	-2
RevPOR (EUR)	85	-19	103	2	102	10
<b>Income Statement:</b>						
	kEUR	% ly	kEUR	% ly	kEUR	% ly
Revenue	13.672	-86	98.585	-18	119.932	23
EBITDAR	-4.696	<100	43.280	-29	61.374	25
Lease payments	-25.778	2	-26.205	-7	-24.396	-20
Head Office & Pre-Opening	-3.389	-36	-2.493	53	-5.356	-3
EBITDA	-33.863	<100	14.582	-54	31.622	33
Amortisation/Depreciation	-9.608	12	-10.968	5	-11.557	-27
EBIT	-43.471	<100	3.614	-82	20.065	37
COVID Subsidies	1.750	>100	0	0	0	0
Financial Results	-2.048	16	-2.447	-5	-2.336	-43
EBT	-43.769	<100	1.167	-93	17.729	37
Income tax	-49	86	-350	93	-5.319	-37
<b>NET RESULT</b>	<b>-43.818</b>	<b>&lt;100</b>	<b>817</b>	<b>-93</b>	<b>12.410</b>	<b>37</b>

Despite strict cost management, short-time work and the waiver of management wages, Motel One recorded a negative EBITDAR in the amount of EUR 4.7 million for the first quarter of 2021. Following full rental payments in the amount of EUR 26 million (unchanged from the previous year) and head office costs of EUR 3 million (previous year: EUR 2 million), the negative EBITDA was EUR 34 million, after a positive EBITDA of EUR 14.6 million in the previous year. Taking into account advance payments from COVID aid and the interest result, the pre-tax loss was EUR 44 million, after a profit of EUR 1 million in the same quarter of the previous year. The same period in the pre-coronavirus year 2019 saw a pre-tax profit of EUR 18 million.

## CASH FLOW STATEMENT

The operating cash flow in the first quarter of 2021 was EUR -34 million. A continued strong focus on obtaining financial resources meant the cash outflow for the first quarter of 2021 was limited to EUR 33 million in absolute terms. Further calls for real estate financing in the amount of EUR 13 million covered investments in the ongoing development properties.

	YTD March					
	2021		2020		2019	
	kEUR	% ly	kEUR	% ly	kEUR	% ly
EBITDA reported	-33.863	<100	14.582	-54	31.622	33
- Net Working Capital	223	-100	146.084	>100	72.047	>100
- ReDesign Capex	-712	-94	-11.254	34	-8.380	-26
- Taxes	-49	-86	-350	-93	-5.319	37
Operating Cash Flow	-34.401	<100	149.062	66	89.970	>100
- Investing / Divesting Cash Flow	0	<100	-10.998	>100	0	-100
- Equity Cash Flow	23	<100	-314	<100	86	<100
- Debt Cash Flow	13.052	<100	-49.207	>100	-23.007	>100
Cash Flow before Expansion Capex	-21.326	<100	88.543	32	67.049	>100
- CAPEX new Hotels PROPCO	-6.201	-3,2	-6.405	64	-3.914	-27
- CAPEX new Hotels FF&E	-5.557	>100	-825	-69	-2.694	-60
Net Cash Flow	-33.084	<100	81.313	35	60.441	>100
Cash at end of period	130.267	-51	264.207	48	177.950	55

Compared to the net cash flow of EUR -33 million, the net cash flow of the previous years was EUR 81 million in 2020 and EUR 60 million in 2019. With cash holdings of EUR 130 million (previous year: EUR 264 million) and loan commitments from KfW in the amount of EUR 162 million, Motel One remains well positioned for any future uncertainties arising from the crisis.

## NET BALANCE SHEET

	March, 31					
	2021		2020		2019	
	kEUR	%	kEUR	%	kEUR	%
<b>Net Balance Sheet:</b>						
Equity	419.596	60	545.645	80	501.881	71
Net working capital	35.797	5	93.569	14	70.003	10
Net debt	248.235	35	40.689	6	134.012	19
<b>Leverage Framework:</b>						
EBITDA Rolling 12 months	n.a.		n.a.		158.147	
Net Debt/EBITDA	n.a.		n.a.		0,8	

Coronavirus-related losses reduced equity to EUR 420 million (previous year: EUR 546 million). The equity ratio was 60% (previous year: 80%). Net working capital fell to EUR 36 million (previous year: EUR 94 million). Net debt rose to EUR 248 million (previous year: EUR 41 million).

## PIPELINE REPORT

There are currently 75 (previous year: 74) hotels in operation with 21,086 rooms (previous year: 20,851). Under development are currently 28 (previous year: 27) hotels, with 8,073 rooms (previous year: 8,068). This brings the network to 103 hotels (previous year: 101) with 29,159 rooms (previous year: 28,919).

Of these, 67 hotels (previous year: 68) hotels are in Germany and 36 hotels (previous year: 33) are in European cities. 19 hotels (previous year: 18) are owned hotels. A total of 11 hotels (unchanged from the previous year) are subject to leasing structures. 73 hotels (previous year: 72) are secured through long-term rental agreements with external investors.

March 31,	2021			2020		
	Hotels	Rooms	%	Hotels	Rooms	%
in operation	75	21.086	72	74	20.851	72
under development	28	8.073	28	27	8.068	28
<b>TOTAL</b>	<b>103</b>	<b>29.159</b>	<b>100</b>	<b>101</b>	<b>28.919</b>	<b>100</b>
- <i>Germany</i>	67	19.463	67	68	19.575	68
- <i>International</i>	36	9.696	33	33	9.344	32
- <i>Owned</i>	19	5.598	19	18	5.442	19
- <i>Leased</i>	11	2.461	8	11	2.461	9
- <i>Rented</i>	73	21.100	72	72	21.016	73

## OUTLOOK

In mid-March 2021, adjustments to funding guidelines meant that in Germany Motel One was eligible to apply for further aid covering November and December. As a result, in April, as compensation for the official restrictions, 43 million euros, around 40% of the losses of the previous year, were received with an effect on liquidity and earnings. KfW loans were also drawn on for the further imponderables of the crisis.

We do not expect a sustained improvement in the earnings situation until the third quarter of 2021, when the population will be largely vaccinated. However, the city hotel industry can only build on its success story again when international travellers from Europe, USA and Asia return and events and trade fairs take place again. We do not expect this until 2022 and increasingly from 2023.

With the strong liquidity cushion and the Covid Aid Program, with the hopefully increased funding limits for non-SMEs, we see ourselves as well positioned to weather this deep crisis for our industry.

Munich, May 2021