



## QUARTERLY REPORT FOR Q4 2022

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LAUNCH OF BRAND THE CLOUD ONE HOTELS

**THE  
CLOUD  
ONE**  
HOTELS

The Motel One Group is adding another lifestyle brand to its portfolio with The Cloud One Hotels. The new brand builds on the successful Motel One concept. The Cloud One Hotels is all about experience, individuality and sustainability. The guest experience is also a key focus of The Cloud One Hotels. At the same time, the new brand provides even greater flexibility in terms of development, especially for acquisitions, therefore opening additional potential for growth. The Cloud One Hotels are inspiring, individually designed and place great emphasis on sustainability. The fascinating metropolis of New York is the inspiration for the start of The Cloud One Hotels.

OPENING OF THE CLOUD ONE HOTEL IN NEW YORK

The Cloud One New York-Downtown was the first of the new brand's hotels to open on 1 December 2022. The hotel is located right next to the World Trade Center complex and the 9/11 Memorial in downtown Manhattan, therefore offering an excellent, central location with ideal transport connections to numerous subway lines. The One World Observatory and Pier25 in the Hudson River Park are within walking distance. The hotel boasts over 326 rooms across 28 floors, including two rooftop suites with a superb view of the New York skyline and the Hudson River. The investor is Union Investment Real Estate.

The interior design sweeps guests off into an urban jungle, toying with natural materials, casual sofas, lamps made of bamboo and cardboard, plants and modern architecture.



On the sixth floor, the Cloud One Wine Bar & Lounge awaits guests with an exclusive design, outdoor terrace and an unobstructed view of the 9/11 Memorial. The wine list features over 60 organic wines and was curated specifically for The Cloud One Hotel by Best Sommelier USA 2022 Mark Guillaudeau. A unique sound concept and a weekly rotation of DJs round off the experience. The breakfast appeals to guests with its unique and local produce, including homemade jams from Soho and pastrami from Brooklyn.

## MOTEL ONE OPENS IN INNSBRUCK

The first Motel One in Tyrol opened its doors in November 2022 in the state capital of Innsbruck, right next to the train station. The first hotel in the Alps has over 234 rooms plus a meeting room, and scores highly with its extraordinary design, which is characterised by the combination of modern architecture and tradition. On the 13th floor, guests will find a rooftop bar with a breath-taking view of the Nordkette mountain range. The project developer is PEMA Holding, Innsbruck.



Wood, velvet, loden cloth, carvings and Alpine motifs: anyone entering the Motel One in Innsbruck will immediately notice the balanced interplay of natural materials and modern, urban elements. Innsbruck artist Nicole Weniger has used the rear wall of the bar to underline the symbiosis of the urban environment and rural mountain surroundings. Various perspectives and vantage points are incorporated and mirror the dynamic energy of the city. Stunning mountain graphics also adorn the walls of the 234 hotel rooms and, in combination with the curtains and bedding made from recycled materials, ensure an instant sense of well-being.

## MOTEL ONE OPENS ON MÜNSTERPLATZ IN ULM



In a central location right on Münsterplatz, the new Motel One Ulm opened its doors in October 2022. The modern three-gable building on the site of the former abbot building has 5 floors, 159 rooms and two meeting rooms. The investor is Erwin Müller, the founder of the drugstore chain of the same name based in Ulm.

Albert Einstein, the famous physicist who was born in the city, inspired the design theme of the hotel. Guests are greeted by portraits of him and what must be the most famous formula in the world, the theory of relativity. In keeping with the spirit of innovation, great care was given to inspiring details in the selection of furniture, fabrics and lighting in order to create the perfect combination of comfort and design. In the fifth-floor rooftop bar with glazed gables and roof terrace, we whisk guests off into the far reaches of the universe and offer more than 50 types of gin, plus an impressive view of Ulm Minster.

## MOTEL ONE PAYS AN INFLATION COMPENSATION PREMIUM

In 2023, Motel One will pay an inflation compensation premium of up to EUR 3,000 to all employees. This means additional expenditure of around EUR 8.5 million for the company. This extraordinary and voluntary payment is intended to soften the blow of price increases for Motel One employees. In Germany and Austria, this inflation compensation premium is free of taxes and social security. Dual students and trainees will also receive the premium in full.



## MOTEL ONE WINS TWO HOSPITALITY HR AWARDS



In November, Motel One received two awards at the Hospitality HR Awards, presented by the German Hotel Academy: first place in the Recruiting category for the 'Recruiting Experts' concept, and third place in the Employee Retention and Development category. With this, Motel One has proven once again that its focus is on people when it comes to recruiting.

## TREUGAST SOLUTIONS SEES MOTEL ONE ON TOP

### **MOST WANTED INVESTMENT PARTNER:**

In December, Motel One received the Most Wanted Investment Partner 2022 award from the TREUGAST Solutions Group, one of the leading hotel consultants in the German speaking region, for the seventh time in a row: 'With almost 2,000 new rooms and another 3,000 in the pipeline in Germany, investor confidence in Motel One remains strong despite the pandemic. The new The Cloud One Hotels brand gives Motel One greater development flexibility, meaning that in the years to come it can expect extreme agility and further growth.'

**TREUGAST** | Solutions Group

### **AAA RATING WINNER:**

Motel One is also a frontrunner in the TREUGAST Rating 2022 with its AAA ranking: 'A consistent location strategy, high expectations of product quality, a hugely profitable hotel concept and a rock solid financial plan form the pillars of the economic stability of the hotel group, even during the pandemic,' says the evaluation from TREUGAST experts.



## NEW LOCATIONS SECURED IN VIENNA AND LISBON

In the fourth quarter, further sites in excellent locations were secured, including in Lisbon and Vienna. The Lisbon site means the brand's market entry into one of Europe's most popular cities is imminent. The hotel is centrally located near Parque Eduardo and the National Museum of Modern Art, and boasts 88 rooms, a planted internal courtyard, a meeting room, lobby, bar and rooftop terrace. In Vienna, the portfolio is being expanded with a location right on the banks of the New Danube. Motel One is moving into the modern innovation campus in Donau City, developed by STRABAG Real Estate and the S+B Group. The hotel will be home to 198 rooms and a One Lounge on the ground floor, plus an exclusive rooftop bar with a stunning view of the Donauinsel and the city. Completion of the sustainable overall development is scheduled for 2025.



## PIPELINE REPORT

	Dec 31								
	2022			2021			+ / - ly		
	Hotels	Rooms	%	Hotels	Rooms	%	Hotels	Rooms	
in operation	88	24.752	78	80	23.020	76	8	1.732	
under development	28	7.040	22	27	7.228	24	1	-188	
<b>TOTAL</b>	<b>116</b>	<b>31.792</b>	<b>100</b>	<b>107</b>	<b>30.248</b>	<b>100</b>	<b>9</b>	<b>1.544</b>	
- D/A/CH	82	23.141	73	80	22.854	76	2	287	
- International	34	8.651	27	27	7.394	24	7	1.257	
- Owned	18	5.284	17	19	5.493	18	-1	-209	
- Leased	11	2.461	8	11	2.461	8	0	0	
- Rented	87	24.047	76	77	22.294	74	10	1.753	

In 2022, contracts were signed on a total of nine new locations. This means the network of contractually secured locations grew to 116 hotels with 31,792 rooms (previous year: 30,248). As at December 2022, 88 hotels (previous year: 80) with 24,752 rooms (previous year: 23,020) were owned and 28 hotels (previous year: 27) with 7,040 rooms (previous year: 7,228) were in the planning or construction phase.

## KEY FINANCIAL FIGURES

### INCOME STATEMENT

The fourth quarter of 2022 also showed positive movement compared to the pre-pandemic level of 2019. More specifically, while the occupancy rate remained at 74%, still five points below the 2019 level, the TRevPAR increased by 12% thanks to the pricing power of the brand, meaning the EBITDA, adjusted by the inflation compensation premium (IFAP) of EUR 8.5 million, stood at EUR 62 million, 38% more than the 2019 level.

Key Performance 2022 vs. 2019	Occu- pancy	+/- Pts 2019	TRev PAR	Abw. 2019	Revenue kEUR	Abw. 2019	EBITDAR		Abw. 2019	EBITDA kEUR	Abw. 2019
							kEUR	Margin			
Q1 2022	30%	-39%	30 €	-55%	62.897	-48%	18.515	29%	-70%	-16.917	n.a.
Q2 2022	72%	-9%	81 €	1%	177.396	20%	100.196	56%	21%	63.171	23%
Q3 2022	77%	-1%	90 €	17%	201.674	38%	113.218	56%	40%	71.270	48%
Q4 2022 adj. IFAP (1)	74%	-5%	87 €	12%	196.773	32%	106.283	54%	29%	61.954	38%
<b>Total 2022 adj. IFAP (1)</b>	<b>64%</b>	<b>-13%</b>	<b>73 €</b>	<b>-4%</b>	<b>638.740</b>	<b>14%</b>	<b>338.212</b>	<b>53%</b>	<b>10%</b>	<b>179.478</b>	<b>2%</b>

(1) EBITDAR adj. um 8,2 und EBITDA adj. um 8,5 Millionen Euro für die Rückstellung der Inflationsausgleichsprämie (IFAP)

Despite Q1 still being affected by COVID-19 restrictions, the comparable EBITDA for the whole 2022 business year, adjusted by the inflation compensation premium, was back at the pre-pandemic 2019 level at EUR 179 million. The post-pandemic trend from April 2022 onwards is all the more noteworthy considering that compared to 2019, the initial stages of 14 hotels with around 3,900 rooms were underway.

Income Statement	4th Quarter				Year-to-Date January - December			
	2022	+/- ly	2021	+/- ly	2022	+/- ly	2021	+/- ly
<b>Statistics:</b>								
No. Hotels	88	8	80	6	88	8	80	6
No. Rooms	24.752	1.732	23.020	2.169	24.752	1.732	23.020	2.169
Occupancy (%)	74	28	46	-33	64	34	30	-47
TRevPAR (EUR)	87	39	47	-30	73	43	30	-46
<b>Income Statement:</b>	kEUR	% ly	kEUR	% ly	kEUR	% ly	kEUR	% ly
Revenue	196.773	96	100.421	-33	638.740	>100	237.740	-58
EBITDAR	98.083	>100	48.240	-41	330.012	>100	95.196	-69
Lease payments	-33.445	-16	-28.934	-14	-125.327	-16	-108.456	-7
Head Office & Pre-Opening	-11.184	-24	-9.015	25	-33.707	-57	-21.528	29
EBITDA	53.454	>100	10.291	-77	170.978	<100	-34.788	<100
Amortisation/Depreciation	-16.889	-42	-11.904	33	-56.726	10	-51.685	14
EBIT	36.565	<100	-1.613	<100	114.252	<100	-86.473	<100
COVID Subsidies	84	<100	35.908	>100	14.002	86	96.896	>100
Financial Results	-2.800	-14	-2.465	-78	-11.772	-13	-10.395	-15
EBT	33.849	6	31.830	<100	116.482	>100	28	-100
Income tax	-13.309	-76	-7.572	41	-38.099	<100	-7.647	79
<b>NET RESULT</b>	<b>20.540</b>	<b>-15</b>	<b>24.258</b>	<b>&lt;100</b>	<b>78.383</b>	<b>&lt;100</b>	<b>-7.619</b>	<b>&lt;100</b>

Compared to the previous year, the portfolio grew to 88 hotels (previous year: 80) with 24,752 rooms (previous year: 23,020). Revenue for the full 2022 business year rose to EUR 639 million (previous year: EUR 238 million) and the unadjusted EBITDA to EUR 171 million (previous year: EUR -35 million). After depreciation, finance costs and COVID-19 grants for the previous year, earnings before tax increased to EUR 116 million (previous year: EUR 0 million).

## CASH FLOW STATEMENT

The net cash flow for the fourth quarter of the year was EUR 5.3 million (previous year: EUR 4.8 million). Operating cash flow for 2022 as a whole increased to EUR 153 million (previous year: EUR 35 million), with EUR 26 million (previous year: EUR 3 million) being invested in the redesign of eight existing hotels.

Cash Flow Statement	4th Quarter				Year-to-Date January - December			
	2022		2021		2022		2021	
	kEUR	% ly	kEUR	% ly	kEUR	% ly	kEUR	% ly
EBITDA reported	53.454	>100	10.291	-79	170.978	<100	-34.788	<100
- Net Working Capital	8.045	-87	59.708	>100	45.686	-43	80.617	-5
- ReDesign Capex	-9.490	>100	-1.395	-88	-26.027	>100	-3.146	-91
- Taxes	-13.309	76	-7.572	-11	-38.099	>100	-7.647	-68
<b>Operating Cash Flow</b>	<b>38.700</b>	<b>-37</b>	<b>61.032</b>	<b>55</b>	<b>152.538</b>	<b>&gt;100</b>	<b>35.036</b>	<b>-78</b>
- Covid Subsidies	84	<100	35.908	>100	14.002	-85,5	96.896	>100
- Investing / Divesting Cash Flow	1.999	<100	-47.054	<100	1.767	<100	-47.023	<100
- Equity Cash Flow	-256	-99	-17.820	>100	187	<100	-17.744	>100
- Debt Cash Flow	-15.452	13,1	-13.663	>100	-57.888	<100	148.964	>100
<b>Cash Flow before Expansion Capex</b>	<b>25.075</b>	<b>36</b>	<b>18.403</b>	<b>-46</b>	<b>110.606</b>	<b>-48,8</b>	<b>216.129</b>	<b>30</b>
- CAPEX new Hotels PROPCO	-12.730	42	-8.992	57	-37.846	28	-29.504	-37
- CAPEX new Hotels FF&E	-10.304	>100	-4.621	53	-28.095	30	-21.589	>100
- Other Grants	3.240	>100	0	0	4.690	>100	0	0
<b>Net Cash Flow</b>	<b>5.281</b>	<b>10</b>	<b>4.790</b>	<b>-81</b>	<b>49.355</b>	<b>-70,1</b>	<b>165.036</b>	<b>&gt;100</b>
Cash carried forward	372.461	15	323.597	>100	328.387	>100	163.351	39
Cash at end of period	377.742	15	328.387	>100	377.742	15	328.387	>100

In the reporting year, loans totalling EUR 58 million, of which EUR 40.5 million were KfW loans, were paid back. Investment in expansion amounted to EUR 38 million (previous year: EUR 30 million) for the Group's own property portfolio, and EUR 28 million (previous year: EUR 22 million) for the FF&E of the newly opened hotels. An FF&E grant of €4.7 million was awarded by the landlord side. Cash holdings rose in the 2022 financial year by EUR 49 million (previous year: EUR 165 million) to EUR 378 million (previous year: EUR 328 million).

## NET BALANCE SHEET

Because of the regained good income situation, equity rose in 2022 to EUR 516 million (previous year: EUR 439 million). The equity ratio was 66% (previous year: 58%). Because of the high cash holdings and high amortisation payments, net debt dropped to EUR 99 million (previous year: EUR 197 million). The important ratio of net debt to EBITDA of 0.6x was lower than the pre-pandemic level of 1.0x.

Net Balance Sheet:	December 31			
	2022		2021	
	kEUR	%	kEUR	%
Equity	515.836	66	439.100	58
Net working capital	165.432	21	115.611	15
Net debt	98.636	13	197.314	26
Leverage Framework:				
EBITDA Rolling 12 months	170.978		-34.788	
Net Debt/EBITDA	0,6		n.a.	

## OUTLOOK

Following a cautious start in January 2023, business performance has continued to stabilise and we're expecting a good development for the year as a whole.

In the current 2023 business year, we will be opening five new Motel One hotels with around 1,400 rooms in Rotterdam, Dublin, Mannheim, Würzburg and Karlsruhe. The Cloud One Hotels will make its debut in Germany with locations in Hamburg-Kontorhaus and Düsseldorf-Kö Bogen.

With high inflation and geopolitical tension, especially the impact of the Ukraine war, there are further risks that could have a negative impact on business development.

Munich, March 2023