



# Sunborn Finance Oyj: INTERIM REPORT FOR JULY - SEPTEMBER 2023

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## Sunborn Finance Oyj: INTERIM REPORT FOR JULY - SEPTEMBER 2023

### STOCK EXCHANGE RELEASE

This is a summary of the Q3 2023 interim financial report. The complete report is attached to this release and is also available at [www.sunborn.com/press/](http://www.sunborn.com/press/)

EUR thousand	Q3/2023	Q3/2022	YTD 2023	YTD 2022	FY 2022
Revenue	1 284	951	3 357	2 850	3 802
EBITDA	1 105	788	2 763	2 322	3 093
Operating profit	1 091	768	2 132	1 757	2 875
Investment property (Spa hotels)			62 276	61 760	62 195
Equity			1 719	2 355	2 562
Bond			49 901	50 133	50 212

### Sunborn Finance Oyj Financial summary 1 July - 30 September 2023

Sunborn Finance Oyj's revenue 1.284 M€ consists of lease income from the operator and other services income. Lease income Q3 2023 increased to 1.215 M€ (Q3 2022: 0.884 M€) to support higher financing costs. Other services income for Issuer refers to personnel costs for facility and IT services. Operational costs were in line with previous year, but interest expenses have increased significantly.

According to December 2022 valuation reports the value of the Spa hotels is at Naantali Spa 52.6 M€ and at Ruissalo Spa 26.8 M€ (1/3 of Ruissalo Spa is owned by Sunborn Finance and shown as its assets).

### Operator Sunborn Saga Oy Financial summary 1 July - 30 September 2023

Operator's revenue in the period was 8.278 M€ (Q3 2022: 8.638 M€, -4 %) and EBITDAR 2.816 M€ (Q3 2022: 2.619 M€, +8 %). Performance is under pressure in a declining consumer sentiment caused by higher consumer borrowing rates, general inflation and macroeconomic uncertainty. Management continues introducing and implementing changes to achieve revenue growth and improve operating margins. Higher property rent required due to rising borrowing continues to impact management business development plans and timing.

### Notable events during and after the end of the reporting period and estimated future development

Given the uncertainties around customer spending and travel demand in the upcoming months, we anticipate flat or mild increase revenue growth in the leisure segment. It is crucial for costs to adapt to these changing trends and cost structures and outlet operating procedures are under review. Positively the health travel and corporate sectors are growing, and both hotels are working to increase average spending and capitalize on the volume increase in these sectors.

Energy costs, including electricity and fuel, have increased significantly due to inflation. Food and beverage costs also increased during Q3 due to inflation, resulting in higher purchasing expenses.

In June, the hospitality industry experienced nationwide salary increases (on average +4.3 %), which impacted operational costs and profit margins.

### Business environment

The corporate business and health travel overnight stays are growing, however spending on food and drink and treatment sales are decreasing. The travel industry is adjusting to the current situation and facing pressure to raise prices. Due to

global uncertainties, domestic travel options are preferred by many domestic customers, conversely international travel growth remains stagnant.

The hotels are maintaining high levels of customer satisfaction, and it is expected that the net promotion scores will continue to improve.

### **Short-term risks and uncertainties**

Floating interest rate risk has not been hedged. High interest rates impact negatively and materially on Sunborn Finance Oyj liquidity and planned CAPEX programs.

The Company's bond is maturing for repayment on 9th February 2024. The Company has engaged advisors and is in progress of pursuing and negotiating refinancing in advance of maturity. The current high yield market conditions are clearly challenging and negotiations with lenders for refinancing continue with timing pressure due to year end and holiday period.

Sunborn Finance Oyj  
Board of Directors

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### **Disclaimer**

*The information contained in this release shall not constitute an offer to sell or the solicitation of an offer to buy securities of Sunborn Finance Oyj in any jurisdiction.*

### **About Sunborn Finance Oyj**

Sunborn Finance is a public limited liability company incorporated in Finland, established in 2017. The company owns the award winning Naantali Spa Hotel located in Naantali by the Baltic Sea and Ruissalo Spa Hotel located in Turku by the scenic Finnish archipelago. Sunborn Finance also provides property management and IT support services.

The company is owned by the Niemi family, which also controls the Sunborn Group. Sunborn Group's focus is on the development of luxury spa and yacht hotels, restaurants and other high-quality property, with 50 years of expertise in the hospitality sector.

[www.sunborn.com](http://www.sunborn.com)

### **Attachments**

- [Download announcement as PDF.pdf](#)
- [Sunborn Finance Q3 2023 Report.pdf](#)