Scandic

The leading hotel company in the Nordics

January – June 2019

GOOD DEMAND AND IMPROVED UNDERLYING GROWTH

SECOND QUARTER IN SUMMARY

- Net sales rose by 2.2% to 4,853 MSEK (4,748), while organic growth was 0.8%. For comparable units, net sales fell by 1.6% due to negative calendar effects, as the Easter holiday fell in April this year. The underlying growth was positive excluding the calendar effects.
- Adjusted EBITDA totaled 559 MSEK (618), corresponding to a margin of 11.5% (13.0). Profit for the comparable period was impacted positively by 31 MSEK due to the market valuation of forward contracts for electricity.
- Earnings per share amounted to 1.67 SEK (2.51). Adjusted for the effect of finance leases, earnings per share totaled 2.16 SEK (2.55). Profit for the quarter was negatively impacted by calendar effects.
- Agreement to take over operations of a hotel in central Stavanger with 215 rooms and a new hotel in Copenhagen with 100 rooms.
- Agreement to divest Scandic Lahti, a 139-room hotel in Finland, as a condition of the Finnish Competition and Consumer Authority for carrying out the acquisition of Restel.
- Bitte Ferngren to take over position as SVP HR & Sustainability and member of Scandic's Executive Committee in the third quarter.

THE FIRST SIX MONTHS IN SUMMARY

- Net sales rose by 4.5% to 8,919 MSEK (8,539). Organic growth was 2.5% while net sales for comparable units rose by 0.2%
- Adjusted EBITDA totaled 719 MSEK (733), corresponding to a margin of 8.1% (8.6). Profit for the comparable period was impacted positively by 38 MSEK due to the market valuation of forward contracts for electricity.
- The free cash flow improved in the period and amounted to -71 MSEK (-416).
- During the period, several measures were implemented to further improve profitability, cash flow and market position.

  Earnings per share amounted to 2.02 SEK (1.12). Excluding the effect of finance leases, earnings per share totaled 3.03 SEK (1.25).

GROUP KEY RATIOS

MSEK	Apr-Jun 2019	Apr-Jun 2018	% change	Jan-Jun 2019	Jan-Jun 2018	% change	Jan-Dec 2018	Jul-Jun 2018/2019
Financial key ratios								
Net sales	4,853	4,748	*2.2%*	8,919	8,539	*4.5%*	18,007	18,387
Adjusted EBITDA	559	618	*-9.5%*	719	733	*-1.9%*	1,957	1,943
Adjusted EBITDA margin, %	11.5	13.0		8.1	8.6		10.9	10.6
EBIT (Operating profit/loss)	526	325	*61.8%*	847	214	*295.8%*	983	1,615
Net profit/loss for the period	173	259	*-33.2%*	210	117	*79.5%*	678	771
Net profit/loss for the period excl. effect finance leases	222	263	*-15.7%*	312	128	*144.3%*	700	885
Earnings per share, SEK	1.67	2.51	*-33.5%*	2.02	1.12	*81.0%*	6.54	7.44
Earnings per share, SEK, excl. effect finance leases	2.16	2.55	*-15.4%*	3.03	1.25	*142.4%*	6.80	8.60
Earnings per share, SEK, excl. effect finance leases & items affecting comparability	2.17	3.16	*-31.4%*	1.37	2.04	*-32.9%*	7.87	7.21
Net debt/Adjusted EBITDA, LTM	2.2	2.6		2.2	2.6		2.0	2.2
Hotel-related key ratios								
RevPAR (SEK)	745	737	*1.1%*	673	656	*2.6%*	683	591
ARR (Average Room Rate), SEK	1,111	1,087	*2.2%*	1,068	1,038	*2.9%*	1,045	1,059
OCC (Occupancy), %	67.1	67.8		63.0	63.2		65.3	65.2
Total number of rooms on reporting date	52,562	51,216	*2.6%*	52,562	51,216	*2.6%*	51,693	52,562

CEO'S COMMENTS

I am happy to report an adjusted EBITDA of 719 MSEK (733) for the first six months of the year. This means an underlying improvement, considering a non-recurring item of 38 MSEK in the comparative period. In addition, we improved our free cash flow in the period, partly due to better working capital development and lower capex.

Demand has increased in all markets. In Norway, the effect of increased hotel capacity in Oslo was fully offset by a strong increase in demand in the country as a whole in the period.

It is gratifying that we have started to note effects from several initiatives while the Restel acquisition keeps developing well, both in terms of higher cost efficiency and strengthened market shares.

Measures to strengthen profitability, cash flow and market position

Scandic's margins have been relatively stable in recent years, despite strong sales growth. We are striving to improve this and have therefore initiated several measures to further strengthen the company's profitability, cash flow and market position.

- A review of the portfolio, which we expect will lead to exits of several hotels that are not contributing financially.
- An increased focus on improving profitability in our restaurant and conference operations.
- Measures to improve the capital efficiency and profitability of our renovation and expansion investments.
- Increased visibility in the market and increased focus on international customers and distribution.
- An increase in the company's digitization rate to improve cost efficiencies and the customer experience.

The pipeline is strong for years to come

Scandic has a strong pipeline comprising 5,180 rooms in total and a rapid renewal rate in our hotel portfolio. During the quarter, we opened the signature hotel Marski by Scandic in central Helsinki, which had been closed for renovations, and we announced the addition of two new hotels, both of which are planned to contribute positively to the margin. In the third quarter, we look forward to opening Scandic Falkoner, a 334-room hotel in the attractive Frederiksberg area of Copenhagen.

Similar market conditions expected in the third quarter

Market conditions are expected to remain stable in the next quarter. For Q3 we expect sales growth for comparable units of between 1 and 2%. In addition, more hotels in operation is expected to contribute approximately 2.5% to net sales.

Jens Mathiesen
President & CEO

"Demand has increased in all markets"

"We have initiated several measures to further strengthen the company's profitability, cash flow and market position"

"For Q3 we expect sales growth for comparable units of between 1 and 2%"

NORDIC HOTEL MARKET DEVELOPMENT IN THE QUARTER

During the quarter, demand measured in the number of sold hotel room increased in all Nordic markets. RevPAR rose somewhat in Finland and Norway, was largely unchanged in Sweden and fell in Denmark. Calendar effects related to the fact that Easter fell in April in 2019 affected RevPAR negatively.

Sweden

In Sweden, the number of available rooms went up by 2.3% while the number of sold rooms rose by 2.8%. RevPAR fell marginally by 0.3% during the quarter with a certain negative calendar effect but increased somewhat on a semi-annual basis with minor changes in average room rates and occupancy.

In Stockholm, the number of available rooms went up by 3.5% while the number of sold rooms rose by 3.8%. RevPAR in Stockholm dropped by 2.2% during the quarter, with a slight increase in the first six months.

Scandic expects the number of available rooms in 2019 to increase by some 5% in the Stockholm region, by just over 2% in Gothenburg and by some 9% in Malmö.

Norway

The number of available rooms rose by 5.8%, mainly driven by an increased capacity in Oslo and Bergen. RevPAR increased by 1.4% chiefly due to increased average room rates despite negative calendar effects. In Oslo, RevPAR fell by 5.7% due to lower occupancy caused by higher capacity, but this was offset by positive developments in northern and western Norway. The number of rooms in Oslo is expected to increase by about 14% in 2019, most of which were added during the first six months of the year. In Bergen, capacity is expected to grow by approximately 4%.

Finland

The number of available rooms rose by 4.6%, fully in line with the growth in the number of sold rooms. RevPAR grew by 3.0% during the quarter and by 2.2% during the first six months of the year.

In Helsinki, RevPAR increased by 3.5%. The increase of just over 7% in the number of available rooms was more than offset by the strong demand growth.

In 2019, Scandic expects the number of available rooms in Helsinki, including the Vantaa area, to rise by approximately 9%, of which most were added in the first six months.

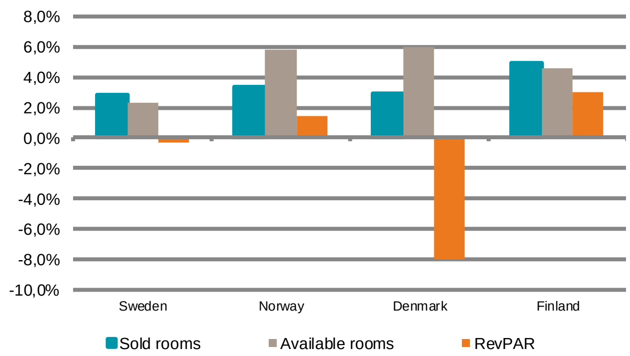
Denmark

The number of available rooms went up by 6.0% while the number of sold rooms rose by 2.9%. Capacity in Copenhagen grew by approximately 7% and the number of sold rooms rose by 3%.

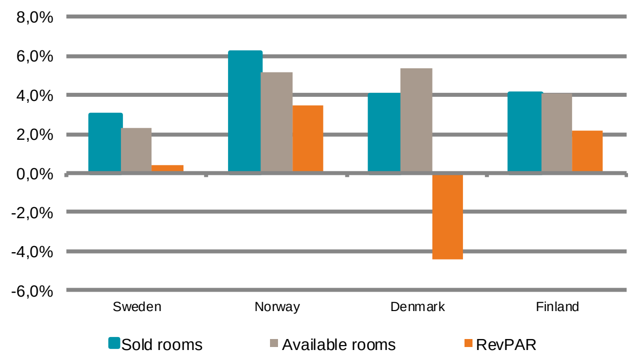
RevPAR in Denmark fell by 8.0% during the quarter, mainly due to reduced average room rates. The reduction was 4.4% in the first six months. In Copenhagen, RevPAR decreased by 10% in the quarter and by 6.2% in the first six months of the year.

In 2019, Scandic estimates that the number of available rooms in Copenhagen will increase by approximately 17%.

MARKET DEVELOPMENT APRIL–JUNE 2019
CHANGE YEAR-ON-YEAR



MARKET DEVELOPMENT JANUARY–JUNE 2019
CHANGE YEAR-ON-YEAR



Source: Benchmarking Alliance

HOTEL PORTFOLIO

Existing hotel portfolio

At the end of the period, Scandic had a total of 52,562 rooms in operation at 270 hotels, of which 246 had lease agreements. During the period, two hotels with lease agreements were reopened after extensive renovations: the signature hotel Marski by Scandic in central Helsinki and Scandic Torget in Bergen, Norway. A total of 754 rooms were added during the quarter, of which 638 had lease agreements.

Portfolio changes	**Number of rooms**
Opening balance April 1, 2019	
Lease contracts	48,738
Franchise/Other	3,070
Total	**51,808**
Change current portfolio - lease contracts	**638**
Change franchise	**116**
Total change during the quarter	**754**
Closing balance June 30, 2019	
Lease contracts	49,376
Franchise/Other	3,186
Total	**52,562**

Number of hotels in operation and in pipeline

	Operational on Jun 30, 2019				**Pipeline on Jun 30, 2019**	
	Hotels	of which with Lease contracts	Rooms	of which with Lease contracts	Hotels	Rooms
Sweden	84	78	17,477	16,685	3	979
Norway	86	70	15,974	13,857	3	1,249
Finland	68	67	12,772	12,705	1	789
Denmark	26	25	4,621	4,411	4	1,423
Other Europe	6	6	1,718	1,718	2	740
Total	**270**	**246**	**52,562**	**49,376**	**13**	**5,180**
Change during the quarter	*3*	*2*	*754*	*638*	*-1*	*-390*

High-quality pipeline

At the end of the period, the pipeline comprised 13 hotels with 5,180 rooms, corresponding to about 10% of the current portfolio. The pipeline has been reduced by planned exits of three hotels with a total of 393 rooms. Excluding these exits, the gross pipeline comprised 16 hotels with 5,573 rooms.

At the end of the quarter, an agreement was signed to take over the operations of Radisson Blu Royal in central Stavanger in Norway. The hotel, which has 215 rooms, will be operated by Scandic as of October 1 under the name Scandic Royal Stavanger. Scandic has also entered into an agreement regarding a new hotel at Nørreport in Copenhagen with about 100 rooms, which will open in 2020.

SALES & ADJUSTED EBITDA

Group

	Apr-Jun 2019	Apr-Jun 2018	%	Jan-Jun 2019	Jan-Jun 2018	%
Net sales (MSEK)	**4,853**	**4,748**	**2.2%**	**8,919**	**8,539**	**4.5%**
Currency effects	67		1.4%	162		2.0%
Organic growth	38		0.8%	218		2.5%
New hotels	*159*		*3.4%*	*266*		*3.1%*
Exits	*-46*		*-1.0%*	*-67*		*-0.8%*
LFL	*-75*		*-1.6%*	*19*		*0.2%*
Adjusted EBITDA	**559**	**618**	**-9.5%**	**719**	**733**	**-1.9%**
% margin	11.5%	13.0%		8.1%	8.6%	
RevPAR (SEK)	**745**	**737**	**1.1%**	**673**	**656**	**2.6%**
Currency effects	10		1.5%	12		1.9%
Acquisitions						
New hotels/exits	7		0.9%	4		0.6%
LFL	-10		-1.3%	1		0.1%

Second quarter

Net sales rose by 2.2% to 4,853 MSEK (4,748). The Easter holiday fell in April, so the quarter is not fully comparable with the second quarter of 2018 when Easter fell entirely in March. Scandic estimates that calendar effects affected revenue growth negatively for comparable units by approximately 3 percentage points.

Currency effects affected net sales positively by 1.4%. Organic growth, i.e. sales growth excluding currency effects and acquisitions, amounted to 0.8% or 38 MSEK.

Organic growth was affected positively by new hotels, chiefly in Norway and Other Europe. For comparable units, new sales fell by 1.6% with a negative impact from calendar effects, primarily in Norway and Sweden. Excluding calendar effects, net sales increased by approximately 1.5% for comparable units.

Average Revenue Per Available Room (RevPAR) dropped by 0.4% in local currency compared with the previous year. RevPAR for comparable units dropped by 1.3%. RevPAR for comparable units fell in all segments except Finland, where it rose by 2.7%. RevPAR was negatively affected by calendar effects in the quarter.

Revenue from restaurant and conference operations grew marginally and the share of total net sales fell to 30.5% (31.1).

Rental costs excluding the effect of finance leases accounted for 26.5% (26.3) of net sales. Fixed and guaranteed rental costs accounted for 64.8% (61.7) of the total rental costs. The increase is mainly due to several newly opened hotels that are paying rent according to the guarantee level during the startup phase.

Costs for central functions were reduced to -95 MSEK (-69). The reason for the decrease is that the corresponding period in the previous year was affected positively by 31 MSEK due to the market valuation of forward contracts for electricity.

Adjusted EBITDA fell to 559 MSEK (618). The adjusted EBITDA margin fell to 11.5% (13.0). Currency translation effects had a positive impact of 12 MSEK on adjusted EBITDA compared with the same period in the previous year. Except for Finland, other segments reported a lower adjusted EBITDA. The operations that were added in the Restel acquisition contributed to the improved performance

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First six months

Net sales rose by 4.5% to 8,919 MSEK (8,539). Currency effects affected net sales positively by 2.0%. Organic growth, i.e. sales growth excluding currency effects and acquisitions, amounted to 2.5% or 218 MSEK.

All segments except Sweden contributed positive organic growth. Other Europe experienced the greatest organic growth at 10.0%, where Scandic Kødbyen in Copenhagen, which was opened in September 2018, was the main reason for the increase.

Average Revenue Per Available Room (RevPAR) rose by 0.7% in local currency compared with the previous year. RevPAR for comparable units grew by 0.1%. RevPAR for comparable units went up in Norway and Finland but fell in Sweden and Other Europe.

Revenue from restaurant and conference operations increased by 3.7% and the share of total net sales was 32.7% (32.9).

Rental costs excluding the effect of finance leases accounted for 26.8% (26.8) of net sales. Fixed and guaranteed rental costs accounted for 68.7% (66.3) of the total rental costs. The increase is due to newly opened hotels, which are paying rent according to the guarantee level during the startup phase.

Costs for central functions declined to -192 MSEK (-160). The reason for the decrease is that the corresponding period in the previous year was affected positively by 38 MSEK due to the market valuation of forward contracts for electricity.

Adjusted EBITDA dropped to 719 MSEK (733). The adjusted EBITDA margin fell to 8.1% (8.6). Currency translation effects had a positive impact of 15 MSEK on adjusted EBITDA compared with the same period in the previous year. Excluding the effect of the market valuation of forward contracts for electricity in the previous year and currency translation effects, adjusted EBITDA grew somewhat. The operations that were added in the Restel acquisition contributed to the improved performance.

Segment reporting

Quarterly, Apr-Jun	**Net sales**		**Adjusted EBITDA**		**Adjusted EBITDA margin**	
MSEK	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Sweden	1,623	1,674	244	270	15.0%	16.1%
Norway	1,397	1,352	148	160	10.6%	11.8%
Finland	1,115	1,059	165	149	14.8%	14.1%
Other Europe	718	663	97	108	13.5%	16.3%
Central costs and Group adjustments	-	-	-95	-69	-	-
Total Group	**4,853**	**4,748**	**559**	**618**	**11.5%**	**13.0%**

Period, Jan-Jun	**Net sales**		**Adjusted EBITDA**		**Adjusted EBITDA margin**	
MSEK	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Sweden	2,995	3,038	361	392	12.1%	12.9%
Norway	2,547	2,391	193	188	7.6%	7.9%
Finland	2,091	1,976	244	205	11.7%	10.4%
Other Europe	1,286	1,134	113	108	8.8%	9.5%
Central costs and Group adjustments	-	-	-192	-160	-	-
Total Group	**8,919**	**8,539**	**719**	**733**	**8.1%**	**8.6%**

EFFECTS OF IFRS 16

As of January 1, 2019, the Group applies IFRS 16 Leases. The new accounting principle means that lease agreements with a fixed or minimum rent are recognized in the balance sheet as a right-of-use asset and a finance lease liability. IFRS 16 has a major impact on Scandic's income statement and balance sheet. Reported EBITDA will increase as the cost of leases will fall while depreciation of right-of-use assets and interest expenses for the finance lease liability will grow. With the current portfolio of lease agreements, net profit after tax for 2019 is expected to be negatively affected by approximately 200 MSEK. With an unchanged portfolio of finance lease agreements and unchanged assumptions, the negative effect on the result is expected to decline over time and affect the net result positively from 2025.

The definition of adjusted EBITDA has not changed compared with the previous year and excludes the effect of finance leases. The year 2018 includes finance leases according to IAS 17 from right-of-use asset and a corresponding finance lease liability from the acquisition of Restel. The effect of finance leases for the full year 2018 on EBITDA was 129 MSEK and on net profit after tax was -22 MSEK. The table below shows the bridge between the income statement excluding the effect of finance leases to the reported income statement according to IFRS.

Summary of the effects of IFRS 16

	Jan-Jun 2019		
	Excl. effect IFRS 16	Effect IFRS 16	Reported
Total operating income	**8,919**	**0**	**8,919**
EBITDAR	**3,106**	**0**	**3,106**
Total rental charges	-2,388	1,566	-822
Adjusted EBITDA	**719**		
Pre-opening costs	-46	0	-46
Items affecting comparability	168	0	168
EBITDA	**841**	**1,566**	**2,406**
Depreciations and amortizations	-409	-1,151	-1,560
EBIT	**432**	**415**	**847**
Net financial items	-57	-544	-601
EBT (Profit before tax)	**375**	**-129**	**246**
Tax	-63	27	-36
Profit/loss for the period	**312**	**-102**	**210**
Earnings per share, SEK	3.03	-0.99	2.02

Result excluding effect of finance leases

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul-Jun 2018/2019
Total operating income	**4,853**	**4,748**	**8,919**	**8,539**	**18,007**	**18,387**
EBITDAR	**1,843**	**1,869**	**3,106**	**3,019**	**6,721**	**6,808**
Total rental charges	-1,286	-1,250	-2,388	-2,286	-4,764	-4,866
Adjusted EBITDA	**559**	**618**	**719**	**733**	**1,957**	**1,943**
Pre-opening costs	-30	-36	-46	-69	-92	-69
Items affecting comparability	-1	-80	168	-104	-141	131
EBITDA	**528**	**502**	**841**	**560**	**1,724**	**2,005**
Depreciations and amortizations	-210	-189	-409	-366	-781	-823
EBIT	**318**	**314**	**432**	**194**	**943**	**1,181**
Net financial items	-30	-32	-57	-51	-105	-111
EBT (Profit before tax)	**288**	**282**	**375**	**143**	**838**	**1,071**
Tax	-66	-18	-63	-14	-138	-186
Profit/loss for the period	**222**	**263**	**312**	**128**	**700**	**885**
Earnings per share, SEK	2.16	2.55	3.03	1.25	6.80	8.60

REPORTED RESULT

Second quarter

EBITDA was 1,315 MSEK (537) and 528 MSEK (502) excluding the effect of finance leases. EBITDA includes pre-opening costs for new hotels of -30 MSEK (-36) and items affecting comparability of -1 MSEK (-80). Items affecting comparability include an adjustment of the capital gains from the sale of Scandic Hasselbacken in Stockholm to 181 MSEK. In the corresponding quarter last year, items affecting comparability amounted to -80 MSEK comprising of integration costs related to the acquisition of Restel.

EBIT amounted to 526 MSEK (325) and 318 MSEK (314) excluding the effect of finance leases. Depreciation and amortization totaled -790 MSEK (-212). The increase in depreciation and amortization is chiefly due to the effect of finance leases. Excluding the effect of finance leases, depreciation and amortization amounted to -210 MSEK (-189).

The Group's net financial expense amounted to -300 MSEK (-50) MSEK and -30 MSEK (-32) excluding the effect of finance leases. The interest expense, excluding the effect of finance leases, was -27 MSEK (-29). Scandic continued to issue commercial papers, which contributed to the continued low interest expenses.

Profit before tax was 226 MSEK (275) and 288 MSEK (282) excluding the effect of finance leases.

Reported tax amounted to -53 MSEK (-16). Reported tax in the previous year was positively impacted by 40 MSEK due to the decision to reduce the corporate tax rate in Sweden.

Net profit dropped to 173 MSEK (259) and to 222 MSEK (263) excluding the effect of finance leases.

Earnings per share after dilution amounted to 1.67 SEK per share (2.51) and 2.16 SEK (2.55) excluding finance leases. Adjusted also for items affecting comparability, earnings per share amounted to 2.17 SEK (3.16).

First six months

EBITDA was 2,406 MSEK (625) and 841 MSEK (560) excluding the effect of finance leases. EBITDA includes pre-opening costs for new hotels of -46 MSEK (-69) and items affecting comparability of 168 MSEK (-104). The period includes a capital gain of 181 MSEK from the sale of Scandic Hasselbacken in Stockholm and costs of -13 MSEK in connection with the change of President & CEO. In the corresponding period last year, items affecting comparability amounted to -104 MSEK comprising of integration costs related to the acquisition of Restel.

EBIT amounted to 847 MSEK (214) and 432 MSEK (194) excluding the effect of finance leases. Depreciation and amortization totaled -1,560 MSEK (-411). The increase in depreciation and amortization is chiefly due to the effect of finance leases. Excluding the effect of finance leases, depreciation and amortization amounted to -409 MSEK (-366).

The Group's net financial expense was -601 MSEK (-86) MSEK and -57 (-51) excluding the effect of finance leases. The interest expense, excluding the effect of finance leases, was -55 MSEK (-58).

Profit before tax was 246 MSEK (128) and 375 MSEK (143) excluding the effect of finance leases.

Reported tax amounted to -36 MSEK (-11). Reported tax in the previous year was positively impacted by 40 MSEK due to the decision to reduce the corporate tax rate in Sweden.

Net profit rose to 210 MSEK (117) and 312 MSEK (128) excluding the effect of finance leases.

Earnings per share after dilution amounted to 2.02 SEK per share (1.12) and 3.03 SEK (1.25) excluding finance leases. Adjusted also for items affecting comparability, earnings per share amounted to 1.37 SEK (2.04).

Earnings per share

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul-Jun 2018/2019
Earnings per share, SEK	**1.67**	**2.51**	**2.02**	**1.12**	**6.54**	**7.44**
Effect from finance lease	-0.48	-0.05	-0.99	-0.11	-0.26	-1.14
Earnings per share, SEK, excl. effect finance lease	**2.16**	**2.55**	**3.03**	**1.25**	**6.80**	**8.60**
Items affecting comparability	-0.01	-0.61	1.66	-0.79	-1.07	1.38
Earnings per share, SEK, excl. effect finance lease & items affecting comparability	**2.17**	**3.16**	**1.37**	**2.04**	**7.87**	**7.21**

CASH FLOW & FINANCIAL POSITION JANUARY-JUNE

Operating cash flow, excluding finance leases, was 281 MSEK (329) for the first six months of the year. The cash flow contribution from the change in working capital amounted to -97 MSEK (-148). There is a seasonal increase in working capital during the first half of the year.

Paid tax was -261 MSEK (-31), of which approximately 180 MSEK refers to a decision on supplementary taxation in Finland for the years 2012–2017. Scandic and its tax advisors are of the opinion that the company has complied with applicable legislation and, accordingly, that the decision is incorrect. The company has appealed the decision and requested that the tax decision be rejected in its entirety. The company does therefore not include any cost for the taxes imposed in the accounts. Scandic's assessment is that the total exposure for the years 2008–2017 is approximately 370 MSEK including interest, which is recognized as a contingent liability. The amount has been paid in full.

Net investments amounted to -582 MSEK (-691), of which hotel renovations accounted for -325 MSEK (-395) and IT for -34 (-49). Investments in new hotels and increased room capacity totaled -223 MSEK (-247). The divestment price of 230 MSEK for Scandic Hasselbacken was received during the period.

In total, free cash flow improved to -71 MSEK (-416).

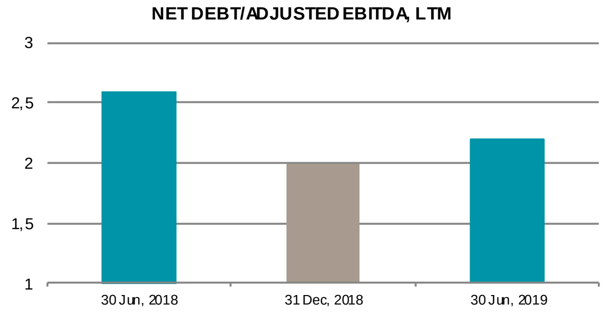
Operating cash flow

MSEK	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul-Jun 2018/2019
Adjusted EBITDA	559	618	719	733	1,957	1,943
Pre-opening costs	-30	-36	-46	-69	-92	-69
Non-recurring items	-1	-80	168	-104	-141	131
Adjustments for non-cash items	-9	-55	-163	-20	-1	-144
Paid tax	-46	-14	-261	-31	-174	-404
Change in working capital	157	145	-97	-148	45	96
Interests paid, credit institutions	-21	-13	-39	-32	-77	-84
Cash flow from operations	**609**	**565**	**281**	**329**	**1,517**	**1,469**
Investments in hotel renovations	-208	-235	-325	-395	-708	-638
Investments in IT	-19	-31	-34	-49	-93	-78
Free cash flow before investments in expansions	**382**	**299**	**-78**	**-115**	**716**	**753**
Acquisitions/sales of operations	0	-2	230	-54	-38	246
Investments in new capacity	-154	-120	-223	-247	-415	-391
Free cash flow	**228**	**177**	**-71**	**-416**	**263**	**608**
Other items in financing activities	-14	-41	-14	-41	-47	-20
Transaction costs expensed	-4	-6	-8	-10	-11	-9
Exchange difference in net debt	-32	-39	-87	-121	-61	-27
Dividend	-177	-174	-177	-174	-352	-355
Change net debt	**1**	**-83**	**-357**	**-762**	**-208**	**197**

The balance sheet total on June 30, 2019 was 44,593 MSEK, compared with 17,737 MSEK on December 31, 2018. When IFRS 16 was introduced on January 1, 2019, the Group's total assets increased by approximately 24 billion SEK.

Interest-bearing net liabilities, excluding finance lease liabilities, increased by 355 MSEK in the period to 4,194 MSEK on June 30, 2019. The increase is due to a seasonal build-up of working capital, investments, dividend payment and currency effects.

Net debt on June 30, 2019 corresponded to 2.2 timesadjusted EBITDA for the past 12 months (2.0 per December 31, 2018).



Loans from credit institutions amounted to 3,191 MSEK at the end of the period. Total credit facilities amounts to 5,500 MSEK of which 1,210 MSEK (908) are unused.

On June 30, 2019, the average number of shares and votes was 103,048,558 after dilution. Equity was 6,304 MSEK compared with 7,806 MSEK on December 31, 2018 and was affected negatively by 1,466 MSEK due to the implementation of IFRS 16.

SEGMENT REPORTING

Sweden

	Apr-Jun 2019	Apr-Jun 2018	%	Jan-Jun 2019	Jan-Jun 2018	%
Net sales (MSEK)	**1,623**	**1,674**	**-3.0%**	**2,995**	**3,038**	**-1.4%**
Organic growth	-51		-3.0%	-43		-1.4%
New hotels	*-*			*-*		
Exits	*-26*		*-1.6%*	*-34*		*-1.1%*
LFL	*-25*		*-1.4%*	*-9*		*-0.3%*
Adjusted EBITDA	**244**	**270**	**-9.6%**	**361**	**392**	**-7.9%**
% margin	15.0%	16.1%		12.1%	12.9%	
RevPAR (SEK)	**773**	**790**	**-2.1%**	**697**	**701**	**-0.6%**
New hotels/exits	-3		-0.4%	-2		-0.3%
LFL	-14		-1.7%	-2		-0.3%
ARR (SEK)	1,101	1,125	-2.1%	1,056	1,068	-1.1%
OCC %	70.3%	70.2%		66.0%	65.6%	

Second quarter

Net sales fell by 3.0% to 1,623 MSEK (1,674). For comparable units, net sales decreased by 1.4%. Calendar effects, chiefly attributable to the Easter holiday, had a negative impact of approximately 3 percentage points on the net sales for comparable units.

Scandic Hasselbacken in Stockholm was sold on March 1, 2019, which affected net sales negatively by 26 MSEK for the period compared with the previous year.

Average Revenue Per Available Room (RevPar) decreased by 2.1% compared with the same quarter in the previous year. RevPAR for comparable units dropped by 1.7%.

Adjusted EBITDA dropped to 244 MSEK (270). The decrease in net sales due to the reduced RevPAR caused by lower average room rates and reduced revenue from conferences was not fully offset by cost initiatives. The adjusted EBITDA margin dropped from 16.1% to 15.0%.

First half year

Net sales fell by 1.4% to 2,995 MSEK (3,038). For comparable units, net sales decreased by 0.3%.

Scandic Hasselbacken in Stockholm was sold on March 1, 2019, which affected net sales in the first six months negatively by 43 MSEK for the period compared with the previous year.

Average Revenue Per Available Room (RevPar) decreased by 0.6% compared with the same quarter in the previous year. RevPAR for comparable units dropped by 0.3%.

Adjusted EBITDA dropped to 361 MSEK (392). The drop in net sales due to the reduced RevPAR caused by lower average room rates and reduced revenue from conferences was not fully offset by cost initiatives. The adjusted EBITDA margin dropped from 12.9% to 12.1%

Norway

	Apr-Jun 2019	Apr-Jun 2018	%	Jan-Jun 2019	Jan-Jun 2018	%
Net sales (MSEK)	**1,397**	**1,352**	**3.3%**	**2,547**	**2,391**	**6.6%**
Currency effects	18		1.3%	52		2.2%
Organic growth	27		2.0%	105		4.4%
New hotels	*68*		*5.0%*	*100*		*4.2%*
Exits	*-9*		*-0.6%*	*-14*		*-0.6%*
LFL	*-33*		*-2.4%*	*20*		*0.8%*
Adjusted EBITDA	**148**	**160**	**-7.5%**	**193**	**188**	**2.3%**
% margin	10.6%	11.8%		7.6%	7.9%	
RevPAR (SEK)	**709**	**705**	**0.6%**	**637**	**616**	**3.4%**
Currency effects	10		1.4%	14		2.2%
New hotels/exits	4		0.6%	-3		-0.4%
LFL	-10		-1.4%	10		1.6%
ARR (SEK)	1,113	1,053	5.7%	1,082	1,019	6.2%
OCC %	63.7%	66.9%		58.9%	60.5%	

Second quarter

Net sales rose by 3.3% to 1,397 MSEK (1,352). Net sales for comparable units dropped by 2.4%. Calendar effects, chiefly attributable to the Easter holiday, are considered to have had a negative impact of approximately 5 percentage points on net sales for comparable units.

Changes in the hotel portfolio contributed 59 MSEK to net sales. The greatest contributor was Hotel Norge by Scandic in Bergen, which was opened on July 1, 2018.

Average Revenue Per Available Room (RevPAR) dropped by 0.8% in local currency compared with the same quarter the previous year. RevPAR for comparable units dropped by 1.4%.

Adjusted EBITDA fell to 148 MSEK (160), chiefly due to negative calendar effects. Profitability was affected negatively by the increased capacity in Oslo, which was offset by the positive development in western and northern Norway.

The adjusted EBITDA margin fell to 10.6% (11.8).

First six months

Net sales rose by 6.6% to 2,547 MSEK (2,391). For comparable units, net sales grew by 0.8%.

Changes in the hotel portfolio contributed 86 MSEK to net sales. The greatest contributor was Hotel Norge by Scandic in Bergen, which was opened on July 1, 2018.

Average Revenue Per Available Room (RevPAR) increased by 1.2% in local currency compared with the same period the previous year. RevPAR for comparable units grew by 1.6%. RevPAR grew in all areas except Oslo.

Adjusted EBITDA rose to 193 MSEK (188). Profitability was affected negatively by the increased capacity in Oslo, which was offset by the positive development in western and northern Norway and by improved cost efficiencies.

The adjusted EBITDA margin fell to 7.6% (7.9).

Finland

	Apr-Jun 2019	Apr-Jun 2018	%	Jan-Jun 2019	Jan-Jun 2018	%
Net sales (MSEK)	**1,115**	**1,059**	**5.3%**	**2,091**	**1,976**	**5.8%**
Currency effects	30		2.8%	73		3.7%
Organic growth	26		2.5%	42		2.1%
New hotels	*29*		*2.8%*	*43*		*2.2%*
Exits	*-11*		*-1.0%*	*-19*		*-1.0%*
LFL	*8*		*0.7%*	*18*		*0.9%*
Adjusted EBITDA	**165**	**149**	**10.7%**	**244**	**205**	**19.0%**
% margin	14.8%	14.1%		11.7%	10.4%	
RevPAR (SEK)	**667**	**622**	**7.3%**	**619**	**580**	**6.7%**
Currency effects	18		2.9%	21		3.6%
Acquisitions						
New hotels/exits	11		1.7%	11		1.9%
LFL	17		2.7%	7		1.2%
ARR (SEK)	1,090	1,020	6.9%	1,046	982	6.5%
OCC %	61.2%	61.0%		59.2%	59.0%	

Second quarter

Net sales rose by 5.3% to 1,115 MSEK (1,059). For comparable units, net sales grew by 0.7%. Calendar effects, chiefly attributable to Easter, are considered to have had a negative impact of approximately 2 percentage points on the net sales for comparable units.

New hotels/exits contributed 18 MSEK net. Marski by Scandic in Helsinki, which was opened on June 3, 2019 after a complete renovation, made the largest positive contribution.

Average Revenue Per Available Room (RevPAR) rose by 4.4% in local currency compared with the same quarter the previous year. RevPAR for comparable units grew by 2.7%. RevPAR for hotels included in the Restel acquisition kept developing better than average for the Finnish hotels.

Adjusted EBITDA rose to 165 MSEK (149). Increased RevPAR and cost synergies after the Restel acquisition contributed to the improved profit.

The adjusted EBITDA margin grew to 14.8% (14.1).

First six months

Net sales rose by 5.8% to 2,091 MSEK (1,976). For comparable units, net sales grew by 0.9%.

New hotels/exits contributed 24 MSEK net. Scandic Helsinki Airport, which was opened at the end of the first quarter of 2018, and Hotel Marski by Scandic in Helsinki, which was opened on June 3, 2019 after a complete renovation, made the greatest positive contributions.

Average Revenue Per Available Room (RevPAR) increased by 3.1% in local currency compared with the same period the previous year. RevPAR for comparable units grew by 1.2%. RevPAR for hotels included in the Restel acquisition kept developing better than average for the Finnish hotels.

Adjusted EBITDA rose to 244 MSEK (205). Increased RevPAR and cost synergies after the Restel acquisition contributed to the improved profit.

The adjusted EBITDA margin grew to 11.7% (10.4).

Other Europe

	Apr-Jun 2019	Apr-Jun 2018	%	Jan-Jun 2019	Jan-Jun 2018	%
Net sales (MSEK)	**718**	**663**	**8.4%**	**1,286**	**1,134**	**13.4%**
Currency effects	18		2.9%	39		3.4%
Organic growth	37		5.5%	113		10.0%
New hotels	*63*		*9.4%*	*123*		*10.9%*
Exits	*-*			*-*		*0.0%*
LFL	*-26*		*-3.9%*	*-10*		*-0.9%*
Adjusted EBITDA	**97**	**108**	**-10.1%**	**113**	**108**	**4.4%**
% margin	13.5%	16.3%		8.8%	9.6%	
RevPAR (SEK)	**907**	**909**	**-0.2%**	**795**	**779**	**2.0%**
Currency effects	26		2.9%	27		3.4%
New hotels/exits	27		3.0%	13		1.7%
LFL	-55		-6.1%	-24		-3.1%
ARR (SEK)	1,167	1,172	-0.4%	1,110	1,092	1.7%
OCC %	77.7%	77.6%		71.6%	71.3%	

Second quarter

As of January 1, 2018, the Other Europe segment includes Scandic's operations in Denmark, Germany and Poland.

Net sales rose by 8.4% to 718 MSEK (663). Net sales for comparable units dropped by 3.9%. Calendar effects had a marginal effect on net sales.

New hotels contributed 63 MSEK. Scandic Frankfurt Museumsufer and Scandic Kødbyen in Copenhagen were the greatest contributors to the increase.

Average Revenue Per Available Room (RevPAR) dropped by 3.1% in local currency compared with the same quarter the previous year. RevPAR for comparable units dropped by 6.1%. RevPAR rose in Germany and Poland, while Denmark reported a reduced RevPAR due to increased capacity in Copenhagen.

Adjusted EBITDA dropped to 97 MSEK (108). The adjusted EBITDA margin fell to 13.5% (16.3) due to lower RevPAR in Denmark. Results improved in Germany and fell in Denmark in the quarter.

First six months

Net sales rose by 13.4% to 1,286 MSEK (1,134). Net sales for comparable units dropped by 0.9%.

New hotels contributed 123 MSEK. Scandic Frankfurt Museumsufer and Scandic Kødbyen in Copenhagen were the greatest contributors to the increase.

Average Revenue Per Available Room (RevPAR) dropped by 1.4% in local currency compared with the same period the previous year. RevPAR for comparable units dropped by 3.1%. RevPAR rose in Germany and Poland, while Denmark reported reduced RevPAR due to increased capacity in Copenhagen.

Adjusted EBITDA rose to 113 MSEK (108). The adjusted EBITDA margin fell to 8.8% (9.6) due to lower RevPAR in Denmark. Results improved in Germany and fell in Denmark in the period.

Central functions

Adjusted EBITDA for central functions was -95 MSEK (-69) during the quarter and -192 MSEK (-160) during the first six months of the year. The previous year was affected positively by 31 MSEK during the quarter and 38 MSEK in the first six months due to the market valuation of forward contracts for electricity.

EMPLOYEES

The average number of employees in the Group was 11,274 on June 30, 2019 compared with 11,350 on June 30, 2018.

OUTLOOK

Market conditions are expected to remain stable in the next quarter. For Q3 Scandic expects sales growth for comparable units of between 1 and 2%. In addition, more hotels in operation is expected to contribute approximately 2.5% to net sales.

FINANCIAL TARGETS

At the beginning of 2016, Scandic adopted the following financial targets:

- Annual net sales growth of at least 5% on average over a business cycle, excluding potential M&As.
- An adjusted EBITDA margin of at least 11% on average over a business cycle.
- Net debt in relation to adjusted EBITDA of 2–3x.

SEASONAL VARIATIONS

Scandic operates in a sector affected by seasonal variations. Revenues and earnings fluctuate during the year. The first quarter and other periods with low levels of business travel, such as the summer months, Easter and Christmas/New Year's, are generally the weakest periods.

PRESENTATION OF THE REPORT

The presentation of Scandic's Interim Report Q2 will take place at 9:00 CET on July 19, 2019 with President & CEO Jens Mathiesen and CFO Jan Johansson available by phone. To participate, just dial SE: + 46850558354 UK: +443333009262. Please call in five minutes before the start. The presentation will also be available afterwards at www.scandichotelsgroup.com

FOR MORE INFORMATION

Jan Johansson
Chief Financial Officer
Phone: +46 70 575 89 72
jan.johansson@scandichotels.com

Henrik Vikström
Director Investor Relations
Phone: +46 70 952 80 06
henrik.vikstrom@scandichotels.com

FINANCIAL CALENDAR

2019-10-24	Interim Report Q3 2019 (silent period from September 23, 2019)
2020-02-19	Year-end Report 2019 (silent period from January 20, 2020)

SIGNIFICANT RISKS & UNCERTAINTY FACTORS

Scandic operates in a sector where demand for hotel nights and conferences is influenced by the underlying domestic economic development and purchasing power in the geographic markets in which Scandic does business as well as in the markets from which there is a significant amount of travel to the Nordic countries. Additionally, profitability in the sector is impacted by changes in room capacity. Increased capacity can initially lead to lower occupancy in the short term, but in the long term, it can also help stimulate interest in business and leisure destinations, which in turn can increase the number of hotel nights.

Scandic's business model is based on lease agreements where approximately 90% of its hotels (based on the number of rooms) have variable revenue-based rents. This results in lower profit risks since revenue losses are partly offset by reduced rental costs. Scandic's other costs also include a high share of variable costs where above all, staffing flexibility is important to be able to adapt cost levels to variations in demand. This gives Scandic a flexible cost structure that helps lessen the effects of seasonal and economic fluctuations.

On June 30, 2019, Scandic's goodwill and intangible assets amounted to 10,087 MSEK. The recognized value mainly relates to operations in Sweden, Norway and Finland. A significant downturn in the hotel markets in these countries would affect expected cash flow negatively, and consequently, the value of goodwill and other intangible assets.

SENSITIVITY ANALYSIS

A change in RevPAR due to variable rental costs and variable costs will have an impact of approximately 45 to 65% on EBITDA. Based on Group results and assuming that all other factors except RevPAR remain unchanged, Scandic assesses that an increase or decrease of 1% in RevPAR would have an impact of about 60 to 80 MSEK on EBITDA on an annual basis, where the higher value relates to a change driven entirely by average room rates and the lower value refers to a change driven solely by occupancy.

The operations of Scandic's subsidiaries are mainly local with revenues and expenses in domestic currencies and the Group's internal sales are low. This means that currency exposure due to transactions is limited to the operating profit/loss. Exchange rate fluctuations in the Group arise from the revaluation of Scandic's foreign subsidiaries' income statements and balance sheets to SEK.

Consolidated income statement

MSEK	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul-Jun 2018/2019
INCOME						
Room revenue	3,258	3,159	5,811	5,539	11,721	11,993
Restaurant and conference revenue*	1,482	1,476	2,913	2,808	5,862	5,967
Franchise and management fees	7	7	13	13	29	29
Other hotel-related revenue	106	106	182	179	395	398
Net sales	***4,853***	***4,748***	***8,919***	***8,539***	***18,007***	***18,387***
Other income	-	-	-	-	-	-
TOTAL OPERATING INCOME	**4,853**	**4,748**	**8,919**	**8,539**	**18,007**	**18,387**
OPERATING COSTS						
Raw materials and consumables	-404	-402	-776	-756	-1,605	-1,625
Other external costs	-1,076	-957	-2,097	-1,895	-4,061	-4,263
Personnel costs	-1,530	-1,520	-2,940	-2,869	-5,620	-5,691
Fixed and guaranteed rental charges	-45	-737	-74	-1,450	-2,968	-1,592
Variable rental charges	-453	-479	-748	-771	-1,667	-1,644
Pre-opening costs	-30	-36	-46	-69	-92	-69
Items affecting comparability	-1	-80	168	-104	-141	131
EBITDA	**1,315**	**537**	**2,406**	**625**	**1,853**	**3,634**
Depreciation and amortization	-790	-212	-1,560	-411	-870	-2,019
TOTAL OPERATING COSTS	**-4,329**	**-4,423**	**-8,073**	**-8,325**	**-17,024**	**-16,772**
EBIT (Operating profit/loss)	**526**	**325**	**847**	**214**	**983**	**1,615**
Financial items						
Financial income	2	2	3	8	12	7
Financial expenses	-302	-52	-604	-94	-185	-695
Net financial items	**-300**	**-50**	**-601**	**-86**	**-173**	**-688**
EBT (Profit/loss before taxes)	**226**	**275**	**246**	**128**	**810**	**927**
Taxes	-53	-16	-36	-11	-132	-157
PROFIT/LOSS FOR PERIOD	**173**	**259**	**210**	**117**	**678**	**771**
Profit/loss for period relating to:						
Parent Company shareholders	172	259	208	115	674	767
Non-controlling interest	1	-	2	2	4	4
Profit/loss for period	**173**	**259**	**210**	**117**	**678**	**771**
Average number of outstanding shares before dilution	102,027,810	102,995,130	102,027,810	102,995,130	102,990,062	103,006,034
Average number of outstanding shares after dilution	103,046,835	103,131,237	103,046,835	103,131,237	103,075,976	103,025,059
Earnings per share before dilution, SEK	**1.69**	**2.51**	**2.04**	**1.12**	**6.54**	**7.45**
Earnings per share after dilution, SEK	**1.67**	**2.51**	**2.02**	**1.12**	**6.54**	**7.44**

**) Revenue from bars, restaurants, breakfasts and conferences including rental of premises.*

Consolidated statement of comprehensive income

MSEK	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun -	Jan-Jun -	Jan-Dec 2018	Jul-Jun 2018/2019
Profit/loss for period	173	259	210	117	678	770
Items that may be reclassified to the income statement	119	109	206	351	176	31
Items that may not be reclassified to the income statement	-32	-28	-77	-30	-40	-87
Other comprehensive income	**87**	**81**	**129**	**321**	**136**	**-56**
Total comprehensive income for period	**260**	**340**	**339**	**438**	**814**	**714**
Relating to:						
Parent Company shareholders	258	339	334	434	805	705
Non-controlling interest	2	1	5	4	9	10

Consolidated balance sheet, summary

MSEK	30 Jun 2019	30 Jun 2018	31 Dec 2018
ASSETS			
Intangible assets	10,087	10,011	9,899
Buildings and land	27,348	1,822	1,676
Equipment, fixtures and fittings	4,761	4,350	4,359
Financial fixed assets	621	228	333
Total fixed assets	**42,817**	**16,411**	**16,267**
Current assets	1,696	1,818	1,319
Derivative instruments	18	8	46
Assets held for sale	2	107	2
Cash and cash equivalents	60	161	103
Total current assets	**1,776**	**2,093**	**1,470**
TOTAL ASSETS	**44,593**	**18,504**	**17,737**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent Company	6,261	7,588	7,768
Non-controlling interest	43	37	38
Total equity	**6,304**	**7,625**	**7,806**
Liabilities to credit institutions	3,155	3,353	2,940
Finance lease liabilities	27,156	1,668	1,543
Other long-term liabilities	1,223	1,408	1,489
Total long-term liabilities	**31,533**	**6,429**	**5,972**
Current liabilities for finance leases	2,075	63	63
Current liabilities, commercial papers	1,099	1,199	1,000
Liabilities held for sale	1	74	1
Other current liabilities	3,580	3,114	2,895
Total current liabilities	**6,755**	**4,450**	**3,958**
TOTAL EQUITY AND LIABILITIES	**44,593**	**18,504**	**17,737**
Equity per share, SEK	60.8	73.7	75.4
Total number of shares outstanding, end of period	102,985,075	102,985,075	102,985,075
Working capital	-1,883	-1,263	-1,575
Interest-bearing net liabilities	4,194	4,391	3,837
Interest-bearing net liabilities/adjusted EBITDA	2.2	2.6	2.0

Changes in Group equity

MSEK	Share capital	Share premium reserve	Translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
OPENING BALANCE 01/01/2018	**26**	**7,865**	**-86**	**-482**	**7,323**	**33**	**7,356**
Profit/loss for the period	**-**	**-**	**-**	**115**	**115**	**2**	**117**
Total other comprehensive income, net after tax	*-*	*-*	*349*	*-30*	*319*	*2*	*321*
Total comprehensive income for the year	**-**	**-**	**349**	**85**	**434**	**4**	**438**
Total transactions with shareholders	*-*	*-*	*-*	*-169*	*-169*	*-*	*-169*
CLOSING BALANCE 06/30/2018	**26**	**7,865**	**263**	**-566**	**7,588**	**37**	**7,625**
Change in accounting principles	*-*	*-*	*-*	*-1,466*	*-1,466*	*-*	*-1,466*
OPENING BALANCE 01/01/2019	**26**	**7,865**	**85**	**-1,674**	**6,302**	**38**	**6,340**
Profit/loss for the period	**-**	**-**	**-**	**208**	**208**	**2**	**210**
Total other comprehensive income, net after tax	*-*	*-*	*203*	*-77*	*126*	*3*	*129*
Total comprehensive income for the year			**203**	**131**	**334**	**5**	**339**
Total transactions with shareholders	*-*	*-*	*-*	*-375*	*-375*	*-*	*-375*
CLOSING BALANCE 06/30/2019	**26**	**7,865**	**288**	**-1,918**	**6,261**	**43**	**6,304**

Consolidated cash flow statement

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul-Jun 2018/2019
OPERATING ACTIVITIES						
EBIT (Operating profit/loss)	526	325	847	214	983	1,616
Depreciation	790	212	1,560	411	870	2,019
Items not included in cash flow	-9	-55	-163	-20	-1	-144
Paid tax	-46	-14	-261	-31	-174	-404
Change in working capital	157	145	-97	-148	45	96
Cash flow from operating activities	**1,418**	**613**	**1,886**	**426**	**1,723**	**3,184**
INVESTING ACTIVITIES						
Net investments	-381	-386	-582	-691	-1,216	-1,107
Sale of operations	-	-	230	-	16	246
Acquisitions	-	-2	-	-54	-54	-
Cash flow from investing operations	**-381**	**-388**	**-352**	**-745**	**-1,254**	**-861**
FINANCING OPERATIONS						
Paid interest, credit institutions	-21	-13	-39	-32	-77	-84
Paid interest, finance lease	-270	-18	-544	-35	-68	-577
Dividends	-177	-174	-177	-174	-352	-355
Refinancing of loans	-6	-	-6	-	-6	-12
Dividend, share swap agreement	-14	-41	-14	-41	-41	-14
Net borrowing/amortization, credit institutions	-62	46	152	-515	-877	-210
Amortization, finance lease	-519	-16	-1,023	-30	-61	-1,054
Issue of commercial papers	24	-	99	1,199	1,000	-100
Cash flow from financing operations	**-1,044**	**-216**	**-1,551**	**372**	**-482**	**-2,405**
CASH FLOW FOR PERIOD	**-7**	**9**	**-17**	**53**	**-13**	**-83**
Cash and cash equivalents at beginning of period	80	163	103	140	140	161
Translation difference in cash and cash equivalents	-13	-11	-26	-32	-24	-18
Cash and cash equivalents at end of the period	60	161	60	161	103	60

Parent Company income statement, summary

MSEK	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul-Jun 2018/2019
Net sales	10	1	32	11	34	55
Expenses	-10	-1	-31	-9	-33	-55
EBIT (Operating profit/loss)	**0**	**0**	**1**	**2**	**1**	**0**
Financial income	39	50	77	91	247	233
Financial expenses	-80	-26	-182	-53	-104	-233
Net financial items	**-41**	**24**	**-105**	**38**	**143**	
Appropriations	-	-	-	-	-144	-144
EBT (profit/loss before tax)	**-41**	**24**	**-104**	**40**	**-1**	**-145**
Tax	9	-5	22	-9	-	31
PROFIT/LOSS FOR PERIOD	**-32**	**19**	**-82**	**31**	**-1**	**-114**

Parent Company statement of comprehensive income

MSEK	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul-Jun 2018/2019
Profit/loss for period	**-32**	**19**	**-82**	**31**	**-1**	**-114**
Items that may be reclassified to the income statement	-	-	-	-	-	-
Items that may not be reclassified to the income statement	-	-	-	-	-	-
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for period	**-32**	**19**	**-82**	**31**	**-1**	**-114**

Parent Company balance sheet, summary

MSEK	30 Jun 2019	30 Jun 2018	31 Dec 2018
ASSETS			
Investments in subsidiaries	5,039	5,039	5,039
Group company receivables	5,251	6,023	5,377
Deferred tax assets	22	-	-
Other receivables	24	24	27
Total fixed assets	**10,336**	**11,086**	**10,443**
Group company receivables	5	7	3
Current receivables	6	-	-
Cash and cash equivalents	0	21	1
Total current assets	**11**	**28**	**4**
TOTAL ASSETS	**10,347**	**11,114**	**10,447**
EQUITY AND LIABILITIES			
Equity	**5,787**	**6,468**	**6,245**
Liabilities to credit institutions	3,155	3,353	2,940
Deferred tax liabilities	-	9	-
Other liabilities	24	24	27
Total long-term liabilities	**3,179**	**3,385**	**2,967**
Liabilities for commercial papers	1,099	1,199	1,000
Liabilities to Group companies	181	-	144
Other liabilities	77	50	73
Accrued expenses and prepaid income	24	11	18
Total current liabilities	**1,381**	**1,260**	**1,235**
TOTAL EQUITY AND LIABILITIES	**10,347**	**11,114**	**10,447**

Changes in Parent Company's equity

MSEK	Share capital	Share premium reserve	Retained earnings	Total equity
OPENING BALANCE 01/01/2018	**26**	**1,534**	**5,046**	**6,606**
Profit/loss for period	**-**	**-**	**31**	**31**
Total other comprehensive income, net after tax	-	-	-	-
Total other comprehensive income			**31**	**31**
Total transactions with shareholders	**-**	**-**	**-169**	**-169**
CLOSING BALANCE 06/30/2018	**26**	**1,534**	**4,908**	**6,468**
Profit/loss for period			**-32**	**-32**
Total other comprehensive income, net after tax	-	-	-	-
Total transactions with shareholders	**-**	**-**	**-191**	**-191**
OPENING BALANCE 01/01/2019	**26**	**1,534**	**4,685**	**6,245**
Profit/loss for period			**-82**	**-82**
Total other comprehensive income, net after tax	-	-	-	-
Total transactions with shareholders	**-**	**-**	**-376**	**-376**
CLOSING BALANCE 06/30/2019	**26**	**-**	**4,227**	**5,787**

Parent Company

The operations of the Parent Company, Scandic Hotels Group AB, include management services for the rest of the Group. Revenues for the period amounted to 32 MSEK (11). The operating profit was 1 MSEK (2).

Net financial items for the period was -105 (38). The Parent Company's loss before taxes was -104 MSEK (profit: 40).

Transactions between related parties

The Braganza AB Group is considered to be a related party in terms of participating interest and Board representation during the year. Accommodation revenues from related parties totaled 0 MSEK and costs for purchasing services from related parties amounted to -0 MSEK for the period. The OECD's recommendations for Transfer Pricing are applied for transactions with subsidiaries.

ACCOUNTING PRINCIPLES

The Group applies International Financial Reporting Standards, IFRS, as endorsed by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act.

The accounting principles and methods of calculation applied in this report are the same as those used in the preparation of the Annual Report and consolidated financial statements for 2018 and are outlined in Note 1, Accounting principles.

As of January 1, 2019, the Group applies IFRS 16 Leases. The Group has applied the simplified method with retrospective calculation of right-of-use assets, which means that the part of depreciation attributable to the time between the start date of the contract and the date on which the standard enters into force has impacted the retained earnings in the opening balance as of January 1, 2019. The effects of the new standard are described in the Group's Annual Report 2018 in Notes 1, 5, 13 and 22.

The Parent Company applies the Annual Accounts Act and RFR 2, Accounting for legal entities. This means that IFRS is applied with certain exceptions and additions.

This interim report gives a true and fair view of the Parent Company and Group's operations, financial position and results of operations and also describes the significant risks and uncertainties to which the Parent Company and Group companies are exposed. All amounts in this report are expressed in MSEK unless otherwise stated. Rounding differences may occur.

The information about the interim period on pages 1 to 26 is an integral part of these financial statements.

ALTERNATIVE PERFORMANCE MEASURES

The company uses alternative performance measures for its financial statements. Since the second quarter 2016, Scandic has applied the ESMA's (European Securities and Markets Authority) new guidelines for alternative performance measures.

Alternative performance measures are reported to help investors evaluate the performance of the company. In addition, they are used by the management for the internal evaluation of operating activities and for forecasting and budgeting. Alternative performance measures are also used in part as criteria in LTIP programs.

Alternative performance measures aim to measure Scandic's activities and may therefore differ from the way that other companies calculate similar dimensions.

The definitions and explanations of alternative performance measures can be found at scandichotelsgroup.com/en/definitions

CALCULATION OF FAIR VALUE

The fair value of financial instruments is determined by their classification in the hierarchy of actual value. The different levels are defined as follows:

Level 1: Quoted prices for identical assets or liabilities in active markets.

Level 2: Observable data other than quoted prices for assets or liabilities included in Level 1, either directly or indirectly.

Level 3: Data for assets or liabilities not based on observable market data.

The Group's derivative instruments and loans from credit institutions are classified as Level 2. Liabilities to credit institutions are booked at the fair value.

SEGMENT DISCLOSURES

Segments are reported according to IFRS 8, Operating segments. Segment information is reported in the same way as it is analyzed and studied internally by executive decision-makers, mainly the CEO, the Executive Committee and the Board of Directors.

Scandic's main markets in which the Group operates are:

Sweden – Swedish hotels operated under the Scandic brand.

Norway – Norwegian hotels operated under the Scandic brand.

Finland – Finnish hotels operated under the Scandic brand as well as hotels operated under the Hilton, Crowne Plaza and Holiday Inn brands.

Other Europe – hotels operated under the Scandic brand in Denmark, Poland and Germany.

Central functions – Costs for finance, business development, IR, communication, technical development, human resources, branding, marketing, sales, IT and purchasing. These functions support all hotels in the Group, including those under lease agreements and management and franchise agreements.

The division of revenues between segments is based on the location of the business activities and segment disclosures are determined after eliminating intra-Group transactions. Revenues derive from many customers in all segments. Segment results are analyzed based on adjusted EBITDA.

Segment disclosures

Apr-Jun	Sweden		Norway		Finland		Other Europe		Central functions		Group	
MSEK	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Room revenue	1,144	1,168	867	831	746	689	501	471	-	-	3,258	3,159
Restaurant and conference revenue	458	486	478	473	335	332	211	186	-	-	1,482	1,477
Franchise and managment fees	3	3	3	2	-	0	1	1	-	-	7	6
Other hotel-related income	18	17	49	46	34	38	5	5	-	-	106	106
Net sales	**1,623**	**1,674**	**1,397**	**1,352**	**1,115**	**1,059**	**718**	**663**			**4,853**	**4,748**
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Internal transactions	-	-	-	-	-	-	-	-	10	1	10	1
Group eliminations	-	-	-	-	-	-	-	-	-10	-1	-10	-1
Total income	**1,623**	**1,674**	**1,397**	**1,352**	**1,115**	**1,059**	**718**	**663**	**-**	**-**	**4,853**	**4,748**
Expenses	-1,379	-1,404	-1,249	-1,192	-950	-910	-621	-555	-95	-69	-4,294	-4,130
Adjusted EBITDA	**244**	**270**	**148**	**160**	**165**	**149**	**97**	**108**	**-95**	**-69**	**559**	**618**
Adjusted EBITDA margin, %	15.0	16.1	10.6	11.8	14.8	14.1	13.5	16.3	-	-	11.5	13.0
EBITDA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,315**	**537**
EBITDA margin, %	-	-	-	-	-	-	-	-	-	-	27.1	11.3
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-790	-212
Net financial items	-	-	-	-	-	-	-	-	-	-	-300	-50
EBT (Profit/loss before tax)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**226**	**275**

Jan-Jun	Sweden		Norway		Finland		Other Europe		Central functions		Group	
MSEK	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Room revenue	2,043	2,053	1,534	1,435	1,364	1,265	870	787	-	-	5,811	5,540
Restaurant and conference revenue	913	948	946	892	653	633	401	336	-	-	2,913	2,809
Franchise and managment fees	5	5	5	6	-	-	3	3	-	-	13	14
Other hotel-related income	34	32	62	58	74	78	12	8	-	-	182	176
Net sales	**2,995**	**3,038**	**2,547**	**2,391**	**2,091**	**1,976**	**1,286**	**1,134**	**-**	**-**	**8,919**	**8,539**
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Internal transactions	-	-	-	-	-	-	-	-	32	11	32	11
Group eliminations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-32**	**-11**	**-32**	**-11**
Total income	**2,995**	**3,038**	**2,547**	**2,391**	**2,091**	**1,976**	**1,286**	**1,134**	**-**	**-**	**8,919**	**8,539**
Expenses	-2,634	-2,646	-2,354	-2,203	-1,847	-1,771	-1,173	-1,026	-192	-160	-8,200	-7,806
Adjusted EBITDA	**361**	**392**	**193**	**188**	**244**	**205**	**113**	**108**	**-192**	**-160**	**719**	**733**
Adjusted EBITDA margin, %	12	13	8	8	12	10	9	10			8	9
EBITDA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,406**	**625**
EBITDA margin, %	-	-	-	-	-	-	-	-	-	-	27.0	7.3
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-1,560	-411
EBIT (Operating profit/loss)	-	-	-	-	-	-	-	-	-	-	847	214
Net financial items	-	-	-	-	-	-	-	-	-	-	-601	-86
EBT (Profit/loss before tax)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**246**	**128**

Assets and investments by segment

30 Jun	Sweden		Norway		Finland		Other Europe		Central functions		Group	
MSEK	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Fixed assets	10,922	5,715	12,056	3,988	14,758	5,741	4,988	900	93	67	42,817	16,411
Investments in fixed assets	147	179	144	222	109	139	144	101	38	50	582	691

Revenue by country

MSEK	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul-Jun 2018/2019
Sweden	1,623	1,674	2,995	3,038	6,275	6,233
Norway	1,397	1,352	2,547	2,391	5,116	5,272
Finland	1,115	1,059	2,091	1,976	4,168	4,283
Denmark	510	479	906	806	1,736	1,836
Germany	183	162	340	291	633	681
Poland	25	23	40	37	79	83
Total countries	**4,853**	**4,748**	**8,919**	**8,539**	**18,007**	**18,387**
Other	10	1	32	11	34	55
Group eliminations	-10	-1	-32	-11	-34	-55
Group	**4,853**	**4,748**	**8,919**	**8,539**	**18,007**	**18,387**

Revenue by type of agreement

MSEK	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul-Jun 2018/2019
Lease agreements	4,838	4,731	8,886	8,503	17,933	18,316
Management agreements	2	2	5	5	12	12
Franchise and partner agreements	3	4	7	8	17	16
Owned	10	11	21	23	45	43
Total	**4,853**	**4,748**	**8,919**	**8,539**	**18,007**	**18,387**
Other	10	1	32	11	34	55
Group eliminations	-10	-1	-32	-11	-34	-55
Group	**4,853**	**4,748**	**8,919**	**8,539**	**18,007**	**18,387**

Summary of reported EBITDA & adjusted EBITDA

	Apr-Jun 2019	**Apr-Jun 2018**	**Jan-Jun 2019**	**Jan-Jun 2018**	**Jan-Dec 2018**	**Jul-Jun 2018/2019**
EBITDA	1,315	537	2,406	625	1,853	3,634
Effect of finance leases, fixed and guaranteed rental charges	-788	-34	-1,566	-65	-129	-1,630
Pre-opening costs	30	36	46	69	92	69
Items affecting comparability	1	80	-168	104	141	-131
Adjusted EBITDA	**559**	**618**	**719**	**733**	**1,957**	**1,943**

Total rental charges

Total rental charges	**Apr-Jun 2019**	**Apr-Jun 2018**	**Jan-Jun 2019**	**Jan-Jun 2018**	**Jan-Dec 2018**	**Jul-Jun 2018/2019**
Fixed and guaranteed rental charges according to income statement	-45	-737	-74	-1,450	-2,968	-1,592
Fixed and guaranteed rental charges, reversed effect of finance lease	-788	-34	-1,566	-65	-129	-1,630
Total fixed and guaranteed rental charges	**-833**	**-771**	**-1,640**	**-1,515**	**-3,097**	**-3,222**
Variable rental charges	-453	-479	-748	-771	-1,667	-1,644
Total rental charges	**-1,286**	**-1,250**	**-2,388**	**-2,286**	**-4,764**	**-4,866**
Fixed and guaranteed rental charges	17.2%	16.2%	18.4%	17.7%	17.2%	17.5%
Variable rental charges	9.3%	10.1%	8.4%	9.0%	9.3%	8.9%
Total rental charges	26.5%	26.3%	26.8%	26.8%	26.5%	26.5%

Quarterly data

MSEK	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net sales	4,853	4,066	4,595	4,874	4,748	3,791
Adjusted EBITDA	559	160	487	736	618	115
Adjusted EBITDA margin, %	11.5	3.9	10.6	15.1	13.0	3.0
EBIT (Operating profit/loss)	526	321	255	513	325	-110
Profit/Loss for the period	173	37	165	396	259	-141
Profit/lLoss for the period, excl. effect finance lease	222	90	172	401	263	-133
Earnings per share, SEK	1.67	0.35	1.59	3.83	2.51	-1.39
Earnings per share, SEK, excl. effects finance lease	2.16	0.87	1.67	3.89	2.55	-1.31
Net debt / adjusted EBITDA, LTM	2.2	2.1	2.0	2.4	2.6	2.8
RevPAR (Revenue per available room), SEK	745	599	651	766	737	572
ARR (Average room revenue), SEK	1,111	1,018	1,060	1,043	1,087	979
OCC (Occupancy), %	67.1	58.9	61.4	73.4	67.8	58.5

Quarterly data per segment

	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net sales						
Sweden	1,623	1,372	1,621	1,617	1,674	1,364
Norway	1,397	1,152	1,260	1,465	1,352	1,038
Finland	1,115	975	1,084	1,108	1,059	918
Other Europe	718	567	630	684	663	471
Total net sales	**4,853**	**4,066**	**4,595**	**4,874**	**4,748**	**3,791**
Adjusted EBITDA						
Sweden	244	118	244	274	270	123
Norway	148	45	100	214	160	28
Finland	165	80	186	199	149	56
Other Europe	97	14	76	120	108	-
Central functions	-95	-97	-119	-71	-69	-92
Total adj EBITDA	**559**	**160**	**487**	**736**	**618**	**115**
Adjusted EBITDA margin, %	*11.5%*	*3.9%*	*10.6%*	*15.1%*	*13.0%*	*3.0%*

Exchange rates

SEK/EUR	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Income statement (average)	10.5145	10.1448	10.2567
Balance sheet (at end of period)	10.5581	10.4213	10.2753
SEK/NOK			
Income statement (average)	1.0802	1.0571	1.0687
Balance sheet (at end of period)	1.0893	1.1002	1.0245
SEK/DKK			
Income statement (average)	1.4085	1.3622	1.3762
Balance sheet (at end of period)	1.4145	1.3984	1.3760

Alternative performance measures

Interest-bearing net liabilities	30 Jun 2019	30 Jun 2018	31 Dec 2018
Liabilities to credit institutions	3,155	3,353	2,940
Liabilities, commercial papers	1,099	1,199	1,000
Cash and cash equivalents	-60	-161	-103
Interest-bearing net liabilities	**4,194**	**4,391**	**3,837**

Working capital	30 Jun 2019	30 Jun 2018	31 Dec 2018
Current assets, excl cash and bank balances	1,698	1,925	1,321
Current liabilities	-3,581	-3,188	-2,896
Working capital	**-1,883**	**-1,263**	**-1,575**

Definitions and alternative performance measures can be found on Scandic's website at scandichotelsgroup.com/en/definitions

LONG-TERM INCENTIVE PROGRAM

Scandic has implemented long-term incentive programs in the Group since the end of 2015. The current incentive programs were adopted by the annual general meetings in 2017 (LTIP 2017), 2018 (LTIP 2018) and 2019 (LTIP 2019). LTIP 2016 ended in connection with the publication of Scandic's interim report for the first quarter 2019.

The long-term incentive programs enable participants to receive matching shares and performance shares provided they make their own investments in shares or allocate shares already held to the program. For each savings share, the participants may receive a matching share, where 50% of the allocation depends on a requirement related to the total return on the company's shares (TSR) being met and 50% is free of consideration. In addition, participants may receive a number of performance shares, free of consideration, depending on the degree of meeting certain performance criteria adopted by the Board of Directors related to EBITDA, cash flow and RGI (Revenue Generation Index = RevPAR in relation to the competitor group's RevPAR) for the 2017–2019 (LTIP 2017) and 2018–2020 (LTIP 2018) financial years respectively. For the LTIP 2018 and 2019, there are no RGI-related performance criteria.

Matching shares and performance shares will be allocated after the end of a vesting period until the date of publication of Scandic's interim report for the first quarter 2020, the first quarter 2021 and the first quarter 2022 respectively, subject to the participant remaining a permanent employee within the Group and retaining the savings shares.

Senior managers have invested in the program and may be allocated a maximum of 162,849 shares for the LTIP 2017, 204,354 shares for the LTIP 2018 and 252,214 shares for the LTIP 2019, corresponding to approximately 0.6% of Scandic's share capital and votes. The cost of the program is expected to be 29 MSEK, including social security contributions, and the cost included in the income statement for the Group in accordance with IFRS 2 amounted to 3 MSEK for 2019, including social security contributions. The maximum cost of the program, including social security contributions, is estimated to be 96 MSEK. For more information, see Note 6 in Scandic's Annual Report 2018. The expected financial exposure to shares that may be allocated under the LTIP 2017, LTIP 2018 and LTIP 2019 and the delivery of shares to participants has been hedged by Scandic's entering into a share swap agreement with a third party on market terms.

Thirty-four employees in total participated in the LTIP 2016. The total cost of the program, including social security contributions, was 7 MSEK. The dilution effect of the program amounted to 32,630 shares, which is equivalent to 0.03% of the number of outstanding shares on March 31, 2018. However, the number of issued shares in the company did not change due to the allocation of shares in LTIP 2016 since a share swap agreement exists with a third party.

The Board of Directors and the CEO affirm that this interim report gives a true and fair view of the Parent Company and Group's operations, financial position and results of operations and that it also describes the significant risks and uncertainties to which the Parent Company and Group companies are exposed.

Stockholm, July 19, 2019

Per G. Braathen
Chairman

Ingalill Berglund
Member of the Board

Grant Hearn
Member of the Board

Christoffer Lundström
Member of the Board

Susanne Mørch Koch
Member of the Board

Riitta Savonlahti
Member of the Board

Martin Svalstedt
Member of the Board

Fredrik Wirdenius
Member of the Board

Marianne Sundelius
Employee representative

Jens Mathiesen
President & CEO

AUDITORS' REVIEW

This report has not been the subject of any review by the company's auditors.

Definitions

HOTEL-RELATED KEY RATIOS

ARR (Average Room Rate)
The average room rate is the average room revenue per sold room.

LFL (Like-for-Like)
LFL refers to the hotels that were in operation during the entire period as well as during the corresponding period of the previous year.

OCC (Occupancy)
Refers to sold rooms in relation to the number of available rooms. Expressed as percentage.

Pre-opening costs
Refers to costs for contracted and newly-opened hotels before opening day.

RevPAR (Revenue Per Available Room)
Refers to the average room revenue per available room.

FINANCIAL KEY RATIOS & ALTERNATIVE PERFORMANCE MEASURES

EBITDAR
Earnings before interest, taxes, depreciation and amortization and rent.

Adjusted EBITDA
Earnings before pre-opening costs, items affecting comparability, interest, taxes, depreciation and amortization, adjusted for the effects of the finance lease.

Adjusted EBITDA margin
Adjusted EBITDA as percentage of net sales.

EBITDA
Earnings before interest, taxes, depreciation and amortization.

EBIT
Earnings before interest and tax.

EBT
Earnings before tax.

Items affecting comparability
Items that are not directly related to the normal operations of the company, for example, costs for transactions, integration, restructuring and capital gains/losses from the sale of operations.

Interest-bearing net liabilities
Liabilities to credit institutions and commercial papers less cash and cash equivalents.

Working capital, net
Total current assets, excluding derivative instruments and cash and cash equivalents, less total current liabilities, excluding derivative instruments, the current portion of finance lease liabilities and commercial papers.

EQUITY-RELATED KEY RATIOS

Earnings per share
The profit/loss during the period related to the shareholders of the Parent Company divided by the average number of shares.

Equity per share
Equity related to the shareholders of the Parent Company divided by the number of shares outstanding at the end of the period.

A more comprehensive list of definitions is available at scandichotelsgroup.com/en/definitions

Scandic Hotels Group

Scandic is the largest hotel company in the Nordic countries with about 55,000 rooms at approximately 280 hotels in operation and under development. In 2018, the Group had annual sales of SEK 18.0 billion.

We operate within the mid-market hotel segment under our industry-leading Scandic brand. We have a high share of returning guests and our Scandic Friends loyalty program is the largest in the Nordic hospitality industry with more than 2 million members.

Since it was founded in 1963, Scandic has been a pioneer and driven development in the hotel industry.

Scandic was listed on the Nasdaq Stockholm exchange on December 2, 2015.

Press releases (selection)

2019-06-25 Scandic to take over hotel in Stavanger

2019-06-14 Scandic recruits new HR and Sustainability Director

2019-06-14 Scandic to open new hotel in Copenhagen

2019-05-17 Lena Bjurner to leave Scandic

2019-04-25 Scandic to divest one hotel in Lahti

2019-04-04 Scandic's Nomination Committee announces proposal for two new Board members

2019-03-21 Scandic to expand two Norwegian hotels

2019-02-07 Scandic signs agreement to sell Scandic Hasselbacken in Stockholm

2019-01-30 Scandic appoints Søren Faerber as new Head of Denmark

2019-01-17 Scandic Hotels Group AB (publ) changes President and CEO – Jens Mathiesen replaces Even Frydenberg

2018-12-10 Scandic Hotels expands to Munich

2018-11-09 Scandic to open new hotel in Kiruna

scandichotelsgroup.com

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Scandic Hotels
Group AB (Publ.)
Corp. id. 556703-1702
Location: Stockholm

Head office:
Sveavägen 167
102 33 Stockholm
Phone: +46 8 517 350 00

Scandic