Scandic

The leading hotel company in the Nordics

January – June 2020

RECOVERY AT THE END OF THE QUARTER

SECOND QUARTER IN SUMMARY

- Net sales decreased 86% to 665 MSEK (4,853) as a result of extremely low levels of demand caused by the spread of the coronavirus.
- Occupancy dropped to a historically low level in April but began to increase gradually in May and June. The rate of improvement accelerated in June as the summer vacation started.
- Adjusted EBITDA amounted to -1,138 MSEK (559). The negative effect on results was decreased by significant cost reductions combined with state support.
- Excluding the effects of finance leases and items affecting comparability, earnings per share totaled -11.05 SEK (2.17).

FIRST HALF-YEAR IN SUMMARY

- Net sales dropped 55% to 4,008 MSEK (8,919) and adjusted EBITDA was -1,311 MSEK (719).
- Adjusted for the effects of finance leases and items affecting comparability, earnings per share totaled -45.58 SEK (1.37) with a negative material impact from the impairment of intangible assets.
- In June, Scandic carried out a rights issue that contributed approximately 1,700 MSEK. In conjunction with the issue, the Group received credit commitments of 1,150 MSEK. In total, 88 272 918 new shares were issued, and the total number of outstanding shares amounts to 191 257 993 including the shares that were registered in July.
- Including extended credit facility and credit commitments, available liquidity totals 3,600 MSEK.

GROUP KEY RATIOS

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	% change	Jan-Dec 2019	Jul-Jun 2019/2020
Financial key ratios							
Net sales	665	4,853	4,008	8,919	*-55.1%*	18,945	14,034
Adjusted EBITDA	-1,138	559	-1,311	719		2,046	16
Adjusted EBITDA margin, %	-171.1	11.5	-32.7	8.1		10.8	0.1
EBITDA	-337	1,315	106	2,406		5,425	3,125
Net profit/loss for the period	-1,243	173	-5,170	210		725	-4,655
Net profit/loss for the period excl. effect leases	-1,197	222	-5,073	312		942	-4,443
Earnings per share, SEK	-11.49	1.67	-48.99	2.02		7.01	-44.66
Earnings per share, SEK, excl. effect leases	-11.08	2.16	-46.94	3.03		8.72	-41.11
Earnings per share, SEK, excl. effect leases & items affecting comparability	-11.05	2.17	-45.58	1.37		7.14	-41.32
Net debt	3,030	4,194	3,030	4,194		3,497	2,333
Net debt/Adjusted EBITDA, LTM	189.4	2.2	189.4	2.2		1.7	189.4
Hotel-related key ratios							
RevPAR (SEK)	96	745	284	673	*-57.8%*	707	514
ARR (Average Room Rate), SEK	924	1,111	1,021	1,068	*-4.4%*	1,071	1,059
OCC (Occupancy), %	10.3	67.1	27.9	63.0		66.0	48.5
Total number of rooms on reporting date	52,980	52,562	52,980	52,562	*0.8%*	52,755	52,980

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CEO'S COMMENTS

Well-equipped for the future

As expected, results for the quarter were extremely negative as a result of our historically low level of activity. Even if we can say that the worst period is probably now behind us, we face huge challenges since the effects of the coronavirus will impact the hotel industry ahead.

After Scandic's occupancy sank to a record low 6 percent in April, demand has been improving. Occupancy continued to rise as the summer vacation period started, but we've seen significant variations in the hotel portfolio. In general, hotels in smaller destinations have had the highest occupancy while in the larger cities, hotels have been impacted by canceled events and restrictions on meetings and travel which has resulted in very weak occupancy.

With available liquidity of 3,600 MSEK, a strong cost focus and a powerful market position in the Nordic region, Scandic is well-equipped for a market recovery, which is a prerequisite for becoming profitable again.

"Occupancy has continued to improve as the summer vacation period started"

Substantially reduced costs

To mitigate the negative effects of the drop in sales, we've implemented a number of quick and powerful cost-saving measures. We will also carry out additional cost reductions to compensate for the state aid for furloughed staff that will be reduced over time. As part of this, we were recently forced to give about 1,000 team members in our Norwegian operations notice of termination.

We're currently in talks with property owners regarding temporary rent reductions for 2020 and have already reached agreements with a number of them. In the longer perspective, we also need to ensure that our lease terms are adapted to market variations and enable acceptable profitability at lower occupancy levels than earlier.

"We're in talks with property owners regarding temporary rent reductions for 2020 and have already reached agreements with a number of them"

Most Scandic hotels now open

At the end of May, we began reopening the hotels that were temporarily closed due to the coronavirus and at present, hotels corresponding to about 80 percent of our total hotel portfolio are open. Additional openings are planned during the summer and by the end of August, we expect almost all of our hotels to be open.

Increased occupancy during summer vacation period

Bookings have continued to increase but guests act with short lead times. Average occupancy during the first half of July was about 35 percent, which is twice what it was in June but still only half of what is normal in July. We expect occupancy to be around 40 percent during the remainder of the summer vacation period. As we look ahead to the fall, market development will depend largely on how active our corporate customers are.

"Average occupancy for the first half of July was about 35% – twice what it was in June"

We now have full focus on steering Scandic through this difficult period so we can further strengthen our market position when the market normalizes. I am convinced that in time, we'll be able to exceed our EBITDA margin target of 11 percent despite a market with lower RevPAR levels than last year.

Jens Mathiesen
President & CEO

NORDIC HOTEL MARKET DEVELOPMENT IN THE QUARTER

Record-low occupancy in April

For the second quarter as a whole, market RevPAR in the Nordic countries dropped between 76 and 89 percent compared with the same period last year, while average occupancy amounted to between 9 and 17 percent.

At the beginning of the quarter, occupancy continued to decrease from a low level in March due to the spread of the coronavirus and decisions by authorities to reduce the spread of infection. The level of activity at the beginning of the quarter was higher in Sweden than in the other Nordic markets due to less comprehensive restrictions from authorities.

In April, demand for hotel nights dropped to a record low in all of the Nordic countries. Average occupancy in the Swedish market was approximately 12 percent while RevPAR went down by about 83 percent. In Norway, market occupancy in April was almost 7 percent and RevPAR fell 86 percent. In Finland and Denmark, occupancy was 4 to 5 percent with RevPAR down by about 93 or 94 percent.

Clear signs of recovery at end of quarter

In May, demand in the Nordic markets gradually began to recover and average occupancy rose from about 7 percent in April to around 12 percent in May. Sweden was the market with the highest rate while occupancy continued to be very low in Finland and Denmark.

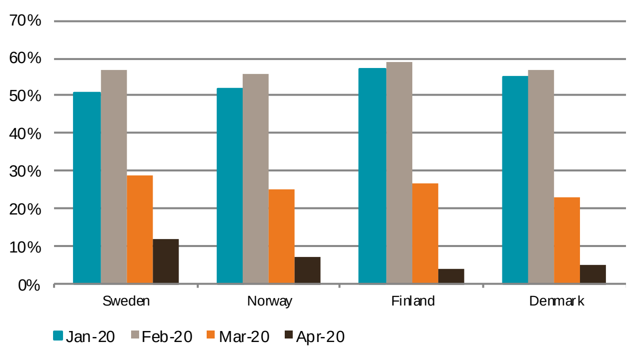
Occupancy improved in conjunction with the start of the summer vacation during the second half of June. During the month, average occupancy was around 20 percent with the highest rate in Norway thanks to good demand at many tourist destinations.

There were significant variations between destinations during the quarter and in general, hotels in smaller locations had the highest occupancy while those in the larger cities were impacted negatively by canceled events, closed amusement parks and restrictions on meetings and travel.

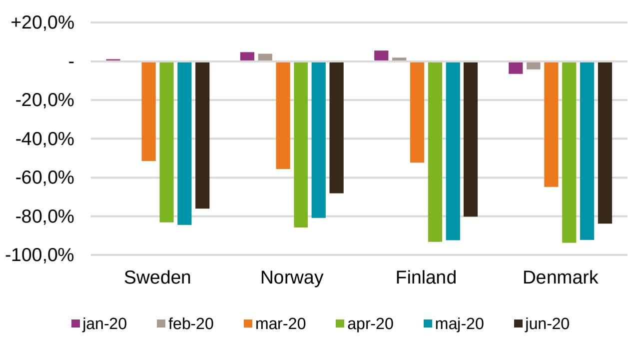
Continued improvement at start of Q3

Demand and occupancy continued to improve during the first two weeks of July primarily due to an increase in the number of domestic travelers.

MARKET OCCUPANCY JANUARY-JUNE 2020



REVPAR DEVELOPMENT JANUARY-JUNE VS. LAST YEAR



Source: Benchmarking Alliance

HOTEL PORTFOLIO

Existing hotel portfolio

At the end of the period, Scandic had 52,980 rooms in operation at 267 hotels, 243 of which had lease agreements.

Scandic exited two Finnish hotels during the quarter, Scandic Scandic Järvenpää and Scandic Salo with a total of 159 rooms, as Scandic decided not the extend the leases when they expired. Two more Finnish hotels will be exited during the year.

All in all, the number of rooms in operation decreased by 91 during the quarter.

Scandic has initiated a dialogue with property owners regarding temporary rent reductions for 2020 and have already reached agreements with a number of them.

Approximately 15 percent of Scandic's lease agreements will expire by the end of 2022 and about 25 percent before the end of 2025.

Portfolio changes	**Number of rooms**
Opening balance April 1, 2020	
Lease contracts	49,842
Franchise, Management & Other	3,229
Total	**53,071**
Change lease contracts	**-91**
Change other	**0**
Total change during the quarter	**-91**
Closing balance June 30, 2020	
Lease contracts	49,751
Franchise, Management & Other	3,229
Total	**52,980**

Number of hotels in operation and in pipeline

	Operational on Jun 30, 2020				**Pipeline on Jun 30, 2020**	
	Hotels	of which with Lease contracts	Rooms	of which with Lease contracts	Hotels	Rooms
Sweden	84	78	17,540	16,748	4	1,189
Norway	88	72	16,531	14,371	2	902
Finland	62	61	12,236	12,169	4	1,291
Denmark	27	26	4,955	4,745	4	1,574
Other Europe	6	6	1,718	1,718	2	739
Total	**267**	**243**	**52,980**	**49,751**	**16**	**5,695**
Change during the quarter	*-2*	*-2*	*-91*	*-91*	*2*	*93*

High-quality pipeline

At the end of the period, Scandic's pipeline comprised a net of 16 hotels with 5,695 rooms, corresponding to 10.7 percent of the current hotel portfolio.

One hotel in the pipeline, the 178-room Scandic Pasila in Helsinki, will open in 2020.

For 2020 to 2024, investments in the pipeline are expected to be SEK 1.2 billion

SALES & ADJUSTED EBITDA

Group

	Apr-Jun 2020	Apr-Jun 2019	%	Jan-Jun 2020	Jan-Jun 2019	%
Net sales (MSEK)	**665**	**4,853**	**-86.3%**	**4,008**	**8,919**	**-55.1%**
Currency effects	-43		-1.0%	-74		-0.9%
Organic growth	-4,144		-85.3%	-4,837		-54.2%
New hotels	*-75*		*-1.5%*	*-40*		*-0.4%*
Exits	*-64*		*-1.3%*	*-109*		*-1.2%*
LFL	*-4,005*		*-82.5%*	*-4,688*		*-52.6%*
Adjusted EBITDA	**-1,138**	**559**	**-303.6%**	**-1,311**	**719**	**-282.3%**
% margin	-171.1%	11.5%		-32.7%	8.1%	
RevPAR (SEK)	**96**	**745**	**-87.2%**	**284**	**673**	**-57.7%**
Currency effects	-6		-0.8%	-5		-0.7%
New hotels/exits	1		0.1%	-1		-0.1%
LFL	-645		-86.5%	-383		-56.9%

Second quarter

Net sales fell by 86.3 percent to 665 MSEK (4,853). Currency effects affected net sales negatively by 1.0 percent.

Organic revenues, i.e. sales growth excluding currency effects and acquisitions, amounted to -85.3 percent or -4,144 MSEK. For comparable units, net sales fell by 82.5 percent. Organic growth was affected negatively by Covid-19 in all countries.

Of the total 246 hotels that are owned or operated under lease or management agreements, 112 were closed in April and 118 were closed in May. Fifty-eight hotels remained closed at the end of June 2020.

Average Revenue Per Available Room (RevPAR) dropped by 86.4 percent in local currency compared with the previous year. RevPAR for comparable units dropped 86.5 percent.

Revenue from restaurant and conference operations fell by 91.5 percent and the share of total net sales fell to 18.9 percent (30.5). Scandic's restaurants were closed or operated with a limited offering during the quarter. Revenue from conferences was limited during the quarter.

Rental costs excluding the effect of leases fell to 777 MSEK (1,286). The sharp decrease in net sales meant that for almost all hotels only fixed and guaranteed rent was paid. Rental costs have been reduced by approximately SEK 100 million due to state aid in Norway. In other respects, no material rental discounts were received during the quarter.

Results for central functions remained unchanged at -94 MSEK (-94). Personnel costs were reduced through terminations and furlough subsidies. Increased IT costs as a result of, among other things, expensed closed projects have affected the quarter negatively by approximately SEK 15 million.

Adjusted EBITDA dropped to -1,138 MSEK (559). Operating expenses, excluding rental expenses, decreased in the quarter by SEK 1,940 MSEK or 64.5 percent excluding currency effects compared with the corresponding quarter last year. Compared with the end of February, approximately 4,000 employees have left the company. At the end of June, 7,200 were laid off.

Adjusted EBITDA includes state aid received during the quarter; different forms of furlough subsidies were received to a varying degree in all countries. In Norway, Scandic also received a subsidy for parts of the fixed costs, chiefly rents. In total, state aid reduced costs by just above 600 MSEK in the second quarter.

Scandic has in mid-July been granted and received reorientation support in Sweden of approximately 150 MSEK for the second quarter, that will be reported in the third quarter.

The period January-June

Net sales fell by 55.1 percent to 4,008 MSEK (8,919). Currency effects affected net sales negatively by 0.9 percent. Organic growth, i.e. sales growth excluding currency effects and acquisitions, amounted to -54.2 percent or -4,837 MSEK. Organic growth was affected negatively by Covid-19 in all countries.

New hotels/exits contributed -151 MSEK net. Crowne Plaza was closed for renovations in January 2020. New hotels have made a negative contribution as net sales for these hotels have decreased compared with the corresponding period they were in operation last year.

Average Revenue Per Available Room (RevPAR) dropped by 56.2 percent in local currency compared with the previous year. RevPAR for comparable units dropped by 56.9 percent.

Revenue from restaurant and conference operations fell by 56.4 percent and the share of total net sales fell to 31.7 percent (32.7).

Rental costs, excluding the effect of leasing, decreased and amounted to SEK 1,802 MSEK (2,388). The sharp decrease in net sales meant that for almost all hotels, only fixed and guaranteed rent was paid from the second quarter. Rental costs have been reduced by approximately SEK 100 million regarding state aid in Norway. Otherwise, no material rental discounts have been received.

Costs for central functions grew to -201 MSEK (-192). Personnel costs were reduced from the end of the first quarter due to terminations and furlough subsidies. Increased IT costs as a result of, among other things, expensed closed projects have affected the period negatively by approximately SEK 15 million.

Adjusted EBITDA dropped to -1,311 MSEK (719). Substantial cost savings, mainly staff reductions, have reduced the negative effect of Covid-19 since the end of the first quarter.

Adjusted EBITDA includes paid government support for the period. Different forms of furlough subsidies have been received to varying degrees in all countries. Norway has also received support for parts of the fixed costs, mainly rents. In total, state aid has reduced costs by just above 600 MSEK during the period.

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Segment reporting

Quarterly, Apr-Jun	**Net sales**		**Adjusted EBITDA**		**Adjusted EBITDA margin**	
MSEK	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Sweden	246	1,623	-344	244	-139.8%	15.0%
Norway	215	1,397	-94	148	-43.7%	10.6%
Finland	107	1,115	-309	165	-288.2%	14.8%
Other Europe	97	718	-296	97	-305.2%	13.5%
Central costs and Group adjustments	-	-	-95	-95	-	-
Total Group	**665**	**4,853**	**-1,138**	**559**	**-171.1%**	**11.5%**

Period, Jan-Jun	**Net sales**		**Adjusted EBITDA**		**Adjusted EBITDA margin**	
MSEK	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Sweden	1,399	2,995	-344	361	-24.6%	12.1%
Norway	1,102	2,547	-159	193	-14.4%	7.6%
Finland	940	2,091	-272	244	-28.9%	11.7%
Other Europe	567	1,286	-335	113	-59.1%	8.8%
Central costs and Group adjustments	-	-	-201	-192	-	-
Total Group	**4,008**	**8,919**	**-1,311**	**719**	**-32.7%**	**8.1%**

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 lease liability. IFRS 16 has a substantial impact on Scandic's income statement and balance sheet. Reported EBITDA increases significantly as the reported cost of leases falls while depreciation of right-of-use assets and interest expenses for the lease liability grows. With the current portfolio of lease agreements, at the end of 2019, net profit after tax for 2020 is expected to be negatively impacted by approximately 180 MSEK (217). With an unchanged portfolio of lease agreements and unchanged assumptions, the negative effect on the profit is expected to decline over time and have a positive effect on the net profit from 2026. This is because interest expenses for the lease liability decrease over time as the lease liability is amortized continuously.

The definition of adjusted EBITDA has not changed compared with the previous year and excludes the effect of leases. The table below shows the bridge between the income statement excluding the effect of leases to the reported income statement according to IFRS.

Summary of the effects of IFRS 16

	Jan-Jun 2020			Jan-Jun 2019
	Excl. effect IFRS 16	Effect IFRS 16	Reported	Reported
Total operating income	**4,008**	**0**	**4,008**	**8,919**
EBITDAR	**492**	**0**	**492**	**3,106**
Total rental charges	-1,802	1,633	-169	-822
Adjusted EBITDA	**-1,311**	**0**	**0**	
Pre-opening costs	-29	0	-29	-46
Items affecting comparability	-188	0	-188	168
EBITDA	**-1,528**	**1,633**	**106**	**2,406**
Depreciations, amortizations and impairment losses	-3,353	-1,194	-4,548	-1,560
EBIT	**-4,882**	**439**	**-4,442**	**847**
Net financial items	-128	-559	-687	-601
EBT (Profit before tax)	**-5,009**	**-121**	**-5,129**	**246**
Tax	-66	25	-41	-36
Profit/loss for the period	**-5,073**	**-96**	**-5,170**	**210**
Earnings per share, SEK	-46.94	-2.05	-48.99	2.02

Result excluding effect of leases

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Jul-Jun 2019/2020
Total operating income	**665**	**4,853**	**4,008**	**8,919**	**18,945**	**14,034**
EBITDAR	**-366**	**1,843**	**492**	**3,106**	**7,107**	**4,493**
Total rental charges	-772	-1,286	-1,802	-2,388	-5,061	-4,475
Adjusted EBITDA	**-1,138**	**559**	**-1,311**	**717**	**2,046**	**16**
Pre-opening costs	-2	-30	-29	-46	-81	-64
Items affecting comparability	-4	-1	-188	168	169	-187
EBITDA	**-1,144**	**528**	**-1,528**	**839**	**2,134**	**-233**
Depreciations, amortizations and impairment losses	-187	-210	-3,353	-409	-859	-3,803
EBIT	**-1,331**	**318**	**-4,882**	**430**	**1,275**	**-4,037**
Net financial items	-97	-30	-128	-57	-99	-170
EBT (Profit before tax)	**-1,427**	**288**	**-5,009**	**373**	**1,176**	**-4,206**
Tax	230	-66	-66	-63	-234	-238
Profit/loss for the period	**-1,197**	**222**	**-5,073**	**310**	**942**	**-4,441**
Earnings per share, SEK	-11.08	2.15	-46.94	3.00	9.15	-40.80

REPORTED RESULT

Second quarter

EBITDA was -337 MSEK (1,315) and -1,144 MSEK (528) excluding the effect of leases. EBITDA included pre-opening costs for new hotels of -2 MSEK (-30). Items affecting comparability amounted to -4 MSEK (-1) and refer to an adjustment of the restructuring provisions from the first quarter.

EBIT was -1,114 MSEK (526) and -1,331 MSEK (318) excluding the effect of leases. Depreciation and amortization totaled -777 MSEK (-790). Excluding the effect of leases, depreciation and amortization amounted to -187 MSEK (-210).

The Group's net financial expense amounted to -371 MSEK (-300) and -97 MSEK (-30) excluding the effect of leases. The interest expense, excluding the effect of leases, was -42 MSEK (-27). Net financial items include non-recurring costs of 52 MSEK relating to additions and updating of loan agreements in connection with refinancing.

Profit/loss before tax was -1,485 MSEK (226) and -1,427 MSEK (288) excluding the effect of leases.

Reported tax amounted to 242 MSEK (-53).

Net profit/loss dropped to -1,243 MSEK (173). Excluding the effect of leases, net loss rose to -1,197 MSEK (222).

Earnings per share after dilution amounted to -11.49 SEK (1.67) per share and -11.08 SEK (2.16) excluding leases. Adjusted for items affecting comparability, earnings per share amounted to -11.05 SEK (2.17).

The period January – June

EBITDA was -106 MSEK (2,406) and -1,528 MSEK (839) excluding the effect of leases. EBITDA included pre-opening costs for new hotels of -29 MSEK (-46) and items affecting comparability of -188 MSEK (168). Items affecting comparability primarily referred to costs related to the reduction of the number of employees in Sweden. Items affecting comparability for the same period of the previous year mainly comprised 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.

EBIT was -4,442 MSEK (847) and -4,882 MSEK (430) excluding the effect of leases. Due to the negative effects of Covid-19 on Scandic's operations, non-current assets were tested for impairment in connection with the preparation of the interim report for the first quarter. The impairment test showed an impairment of intangible assets of 2,955 MSEK. The impairment primarily involved assets in Norway and Sweden, but also in Denmark and Finland. Approximately 85 percent of the impairment is due to the increased discount rate caused by estimated increased risk and ensuing return requirements on hotel operations. The remaining part of the impairment amount was due to the fact that future cash flows are expected to be somewhat lower.

Depreciation and amortization totaled -1,553 MSEK (-1,560). Excluding the effect of leases, depreciation and amortization amounted to -398 MSEK (-409).

The Group's net financial expense amounted to -687 MSEK (-601) and -128 MSEK (-57) excluding the effect of leases. The interest expense, excluding the effect of leases, was -71 MSEK (-55). The net financial expense includes non-recurring items of 52 MSEK related to the amending and updating of the loan agreement.

Profit/loss before tax was -5,129 MSEK (246) and -5,009 MSEK (373) excluding the effect of leases.

Reported tax amounted to -41 MSEK (-36). The administrative court in Finland rejected Scandic's appeal regarding the supplementary taxation of the Finnish branch of Scandic Hotels AB in the years 2007–2017. The supplementary taxation amounted to approximately 400 MSEK and was fully expensed in the first quarter. The amount is marginally lower than the company's previous payment to the Finnish Tax Administration. Scandic therefore received approximately 15 MSEK in the second quarter. Scandic has appealed the decision.

Net profit/loss dropped to -5,171 MSEK (210) and to -5,073 MSEK (310) excluding the effect of leases.

Earnings per share after dilution amounted to -48.99 SEK per share (2.02) and -46.94 SEK (3.03) excluding leases. Adjusted for items affecting comparability, earnings per share amounted to -45.58 SEK (1.37) with a significant negative impact from impairment of intangible assets and a tax expense from supplementary taxation in Finland.

Earnings per share

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Jul-Jun 2019/2020
Earnings per share, SEK	**-11.49**	**1.67**	**-48.99**	**2.02**	**7.01**	**-44.66**
Effect from lease	0.41	-0.48	-0.91	-0.99	-2.12	-1.23
Earnings per share, SEK, excl. effect lease	**-11.08**	**2.16**	**-46.94**	**3.03**	**8.72**	**-41.11**
Items affecting comparability	0.03	-0.01	1.36	1.66	1.66	1.70
Earnings per share, SEK, excl. effect lease & items affecting comparability	**-11.05**	**2.17**	**-45.58**	**1.37**	**7.14**	**-41.32**

CASH FLOW & FINANCIAL POSITION JANUARY-JULY

Operating cash flow for the period January–June excluding leases was -849 MSEK (281), which was impacted by negative effects from Covid-19 on the company's operations. The cash flow contribution from the change in working capital was 753 MSEK (-97). The improvement is chiefly explained by renegotiated terms of payment for leases with a temporary effect of around 600 MSEK, increased operating liabilities and reduced accounts receivable.

Paid tax amounted to -57 MSEK (-261).

Net investments totaled -463 MSEK (-582), of which hotel renovations accounted for -333 MSEK (-325) and IT for -26 MSEK (-34). Investments in new hotels and increased room capacity totaled -104 MSEK (-223). The level of investments went down in the second quarter and is expected to remain at a lower level for the rest of the year during which investments to be completed will be those that have already been agreed. In the same period in the previous year, Scandic received the purchase price of 230 MSEK for the divestment of Scandic Hasselbacken.

In total, the free cash flow fell to -1,312 MSEK (-71).

The entire proceeds of 1,765 MSEK from the rights issue Scandic carried out during the quarter were received before the end of the second quarter 2020. Paid expenses for the rights issue totaled 19 MSEK. Total expenses for the rights issue are estimated to be 64 MSEK.

Operating cash flow

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Jul-Jun 2019/2020
Adjusted EBITDA	-1138	559	-1311	719	2046	16
Pre-opening costs	-2	-30	-29	-46	-81	-64
Non-recurring items	-4	-1	-188	168	169	-187
Adjustments for non-cash items	7	-9	13	-163	-173	3
Paid tax	24	-46	-57	-261	-343	-139
Change in working capital	777	157	753	-97	158	1,008
Interests paid, credit institutions	-12	-21	-30	-39	-71	-62
Cash flow from operations	**-348**	**609**	**-849**	**281**	**1,705**	**575**
Investments in hotel renovations	-151	-208	-333	-325	-717	-725
Investments in IT	-3	-19	-26	-34	-71	-63
Free cash flow before investments in expansion	**-502**	**382**	**-1,208**	**-78**	**917**	**-213**
Acquisitions/sales of operations	0	0	0	230	232	2
Investments in new capacity	-70	-154	-104	-223	-367	-248
Free cash flow	**-572**	**228**	**-1,312**	**-71**	**782**	**-459**
Right issue	1,746	0	1,746	0	0	1,746
Other items in financing activities	-33	-14	-33	-14	-20	-39
Transaction costs expensed	19	-4	16	-8	-8	16
Exchange difference in net debt	58	-32	48	-87	-55	80
Dividend	0	-177	0	-177	-360	-183
Förändring räntebärande nettoskuld	1,218	1	465	-357	339	1,161

The balance sheet total on June 30, 2020 was 39,197 MSEK, compared with 43,509 MSEK on December 31, 2019.

Interest-bearing net liabilities, excluding lease liabilities, fell by 465 MSEK during the year to 3,030 MSEK. The reduction is due to the fact that the proceeds from the issue exceeded the negative free cash flow.

On May 22, 2020, Scandic entered into an agreement amending and updating an existing loan agreement, adding an additional credit facility of 1,150 MSEK in total, of which 500 MSEK will be available from September 1, 2020 and 650 MSEK from January 1, 2021. The additional credit facility will be available until December 31, 2021. The original 5,500 MSEK loan agreement will mature on June 22, 2022. The updated loan agreement includes adjustments of interest terms, securities and covenants.

Total agreed credit facilities including credit commitments amounted to 6,650 MSEK at the end of June 2020. Loans from credit institutions totaled 3,036 MSEK, commercial papers totaled 249 MSEK and cash and cash equivalents amounted to 525 MSEK. Total available liquidity amounted to approximately 3,600 MSEK at the end of June.

As of June 30, 2020, before issue expenses, the directed share issue resulted in an increase of 1,765 MSEK in equity, of which 21.7 MSEK was an increase in share capital. The number of shares grew by 86,907,312. On June 30, 2020, the company received the final part of the proceeds from the issue, or 27 MSEK, which was recognized as an ongoing new issue at the end of the second quarter. On July 2, 2020, it was registered with the Swedish Companies Registration Issue, which meant that the number of shares rose by 1,365,606. This concludes the directed share issue. Total issue expenses are estimated at 64 MSEK. As of June 30, 2020, the total number of outstanding shares was 189,892,387 and the average number of shares after dilution was 105,534,592 Equity was 3,057 MSEK compared with 6,601 MSEK on December 31, 2019.

SEGMENT REPORTING

Sweden

	Apr-Jun 2020	Apr-Jun 2019	%	Jan-Jun 2020	Jan-Jun 2019	%
Net sales (MSEK)	**246**	**1,623**	**-84.9%**	**1,399**	**2,995**	**-53.3%**
Organic growth	-1,378		-84.9%	-1,596		-53.3%
New hotels	*-*		*-*	*-*		
Exits	*0*		*0.0%*	*-7*		*-0.2%*
LFL	*-1,378*		*-84.9%*	*-1,589*		*-53.1%*
Adjusted EBITDA	**-344**	**244**	**-241.3%**	**-344**	**361**	**-195.3%**
% margin	-139.8%	15.0%		-24.6%	12.1%	
RevPAR (SEK)	**122**	**773**	**-84.3%**	**308**	**697**	**-55.8%**
New hotels/exits	0		0.0%	1		0.1%
LFL	-652		-84.3%	-389		-55.9%
ARR (SEK)	895	1,101	-18.7%	1,001	1,056	-5.2%
OCC %	13.6%	70.3%		30.7%	66.0%	

Second quarter

Net sales decreased 84.9 percent to 246 MSEK (1,623). For comparable units, net sales went down 84.9 percent.

All hotels that were operated under lease and management agreements were open during the quarter.

Average Revenue Per Available Room (RevPAR) went down 84.3 percent compared with the same quarter in the previous year. RevPAR for comparable units decreased by 84.3 percent.

Adjusted EBITDA decreased to -344 MSEK (244), including government support for furloughed employees.

Scandic has in mid-July been granted and received reorientation support in Sweden of approximately 150 MSEK for the second quarter, that will be reported in the third quarter.

The period January – June

Net sales decreased 53.3 percent to 1,399 MSEK (2,995). For comparable units, net sales went down 53.1 percent.

Scandic Hasselbacken in Stockholm was sold on March 1, which had a negative impact of 7 MSEK on net sales compared with the previous year.

Average Revenue Per Available Room (RevPAR) dropped 55.8 percent compared with the previous year. For comparable units, RevPAR went down 55.9 percent.

Adjusted EBITDA decreased to -344 MSEK (361), including government support for furloughed employees.

Norway

	Apr-Jun 2020	Apr-Jun 2019	%	Jan-Jun 2020	Jan-Jun 2019	%
Net sales (MSEK)	**215**	**1,397**	**-84.7%**	**1,102**	**2,547**	**-56.7%**
Currency effects	-46		-3.3%	-95		-3.6%
Organic growth	-1,137		-81.4%	-1,350		-53.1%
New hotels	*3*		*0.2%*	*26*		*1.0%*
Exits	*-19*		*-1.4%*	*-25*		*-1.0%*
LFL	*-1,121*		*-80.2%*	*-1,352*		*-53.1%*
Adjusted EBITDA	**-94**	**148**	**-163.5%**	**-159**	**193**	**-182.4%**
% margin	-43.7%	10.6%		-14.4%	7.6%	
RevPAR (SEK)	**84**	**709**	**-88.2%**	**248**	**637**	**-61.1%**
Currency effects	-19		-2.8%	-21		-3.4%
New hotels/exits	1		0.2%	-4		-0.6%
LFL	-607		-85.6%	-364		-57.1%
ARR (SEK)	881	1,113	-20.9%	980	1,082	-9.4%
OCC %	9.5%	63.7%		25.3%	58.9%	

Second quarter

Net sales dropped 84.7 percent to 215 MSEK (1,397). For comparable units, net sales went down 80.2 percent.

Of Scandic's 73 Norwegian hotels that are owned or operated under lease agreements, 58 hotels were closed during April and a total of 56 during May. At the end of June 2020, 16 hotels remained closed.

Average Revenue Per Available Room (RevPAR) decreased 85.4 percent in local currency compared with the same quarter in the previous year. RevPAR for comparable units dropped 85.6 percent.

Adjusted EBITDA fell to -94 MSEK (148), including government support for furloughed employees and for parts of fixed costs.

The period January – June

Net sales dropped 56.7 percent to 1,102 MSEK (2 547). For comparable units, net sales went down 53.1 percent.

Changes in the hotel portfolio contributed a net of 1 MSEK. Scandic Voss, which opened on January 30, 2020 and Stavanger Royal, which Scandic took over on October 1, 2019 contributed positively.

Average Revenue Per Available Room (RevPAR) decreased 57.7 percent in local currency compared with the previous year. For comparable units, RevPAR went down 57.1 percent.

Adjusted EBITDA dropped to -159 MSEK (193), including government support for furloughed employees and for parts of fixed costs.

Finland

	Apr-Jun 2020	Apr-Jun 2019	%	Jan-Jun 2020	Jan-Jun 2019	%
Net sales (MSEK)	**107**	**1,115**	**-90.4%**	**940**	**2,091**	**-55.0%**
Currency effects	0		0.0%	12		0.7%
Organic growth	-1,008		-90.4%	-1,163		-55.7%
New hotels	*-80*		*-7.1%*	*-96*		*-4.6%*
Exits	*-46*		*-4.1%*	*-77*		*-3.7%*
LFL	*-883*		*-79.2%*	*-990*		*-47.4%*
Adjusted EBITDA	**-309**	**165**	**-287.3%**	**-272**	**244**	**-211.5%**
% margin	-288.8%	14.8%		-29.0%	11.7%	
RevPAR (SEK)	**72**	**667**	**-89.2%**	**293**	**619**	**-52.7%**
Currency effects	1		0.0%	4		0.7%
New hotels/exits	-7		-0.9%	-2		-0.4%
LFL	-589		-88.3%	-328		-53.0%
ARR (SEK)	1,128	1,090	3.5%	1,098	1,046	5.0%
OCC %	6.4%	61.2%		26.7%	59.2%	

Second quarter

Net sales dropped 90.4 percent to 107 MSEK (1,115). For comparable units, net sales went down 79.2 percent.

New/exited hotels contributed a net of -126 MSEK. Crowne Plaza, which closed for renovations in January 2020, had the greatest negative effect.

During April, 35 hotels operated under lease agreements were closed and in May, the total number of hotels that were closed was 45. At the end of June, 32 hotels remained closed.

Average Revenue Per Available Room (RevPAR) went down 89.2 percent in local currency compared with the same quarter the previous year. RevPAR for comparable units decreased by 88.3 percent.

Adjusted EBITDA decreased to -309 MSEK (165). In Finland, the state provided aid to cover the cost of employees who were furloughed during the quarter.

The period January – June

Net sales dropped 55.0 percent to 940 MSEK (2,091). For comparable units, net sales went down 47.4 percent.

New/exited hotels contributed a net of -175 MSEK. Hotel Marski by Scandic in Helsinki, which opened on June 3, 2019 following a comprehensive renovation, had the greatest positive impact. Crowne Plaza, which was closed for renovations in January 2020, had the greatest negative effect.

Average Revenue Per Available Room (RevPAR) went down 53.4 percent in local currency compared with the previous year. RevPAR for comparable units decreased by 53.0 percent.

Adjusted EBITDA decreased to -272 MSEK (244). In Finland, the state provided aid to cover the cost of employees who were furloughed during the first quarter.

Other Europe

	Apr-Jun 2020	Apr-Jun 2019	%	Jan-Jun 2020	Jan-Jun 2019	%
Net sales (MSEK)	**97**	**718**	**-86.5%**	**567**	**1,286**	**-56.0%**
Currency effects	0		0.0%	8		0.5%
Organic growth	-622		-86.5%	-727		-56.5%
New hotels	*2*		*0.3%*	*29*		*2.3%*
Exits	*0*			*-*		*0.0%*
LFL	*-624*		*-86.8%*	*-756*		*-58.8%*
Adjusted EBITDA	**-296**	**97**	**-405.2%**	**-335**	**113**	**-396.2%**
% margin	-305.2%	13.5%		-59.1%	8.8%	
RevPAR (SEK)	**97**	**907**	**-89.3%**	**290**	**795**	**-63.5%**
Currency effects	1		0.1%	4		0.5%
New hotels/exits	-4		-0.4%	-5		-0.7%
LFL	-807		-89.0%	-503		-63.3%
ARR (SEK)	886	1,167	-24.1%	1,026	1,110	-7.6%
OCC %	10.9%	77.7%		28.3%	71.6%	

Second quarter

The Other Europe segment includes Scandic's operations in Denmark, Germany and Poland.

Net sales dropped 86.5 percent to 97 MSEK (718). For comparable units, net sales decreased 86.8 percent.

During April, 19 hotels operated under lease and management agreements were closed and during May, the total number was 17. At the end of June 2020, 11 hotels remained closed, all of which were in Denmark.

Average Revenue Per Available Room (RevPAR) went down 89.2 percent in local currency compared with the same quarter the previous year. RevPAR for comparable units decreased by 89.0 percent.

Adjusted EBITDA dropped to -296 MSEK (97), including government support for furloughed employees.

The period January – June

Net sales dropped 56.0 percent to 567 MSEK (1,286). For comparable units, net sales went down 58.8 percent.

Average Revenue Per Available Room (RevPAR) went down 63.0 percent in local currency compared with the previous year. RevPAR for comparable units decreased by 63.3 percent.

Adjusted EBITDA dropped to -335 MSEK (113), including government support for furloughed employees.

Central functions

Adjusted EBITDA for central functions amounted to -95 MSEK (-95) during the quarter and -201 MSEK (-192) for the period from January to June.

EMPLOYEES

The average number of employees in the Group was 6,612 on June 30, 2020 compared with 11,274 on June 30, 2019.

OUTLOOK

Bookings have continued to increase but guests act with short lead times. Average occupancy during the first half of July was about 35 percent, which is twice what it was in June but still only half of what is normal in July. We expect occupancy to be around 40 percent during the remainder of the summer vacation period. As we look ahead to the fall, market development will depend largely on how active our corporate customers are.

FINANCIAL TARGETS

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

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

DIVIDEND

On March 16, 2020, Scandic's Board of Directors resolved to withdraw the previous dividend proposal of 3.70 SEK per share due to the company's worsened business situation.

PRESENTATION OF THE REPORT

A webcast presentation of the company's interim report for the first quarter will be held at 09:00 on July 17, 2020 by President & CEO Jens Mathiesen and CFO Jan Johansson. The webcast will be livestreamed on

Scandic's website at scandichotelsgroup.com and SE +46850558353, UK: +443333009032 (please call in five minutes before the start). The presentation will also be available afterwards at scandichotelsgroup.com

FINANCIAL CALENDAR

2020-11-03	Interim Report Q3 2020 (silent period from October 2, 2020)
2021-02-17	Year-end Report 2020 (silent period from January 16, 2021)

FOR MORE INFORMATION

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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 have a positive effect on the number of hotel nights.

Scandic's business model is based on lease agreements where approximately 90 percent of its hotels (based on the number of rooms) have variable revenue-based rents. This leads to 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 critical for being 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, 2020, Scandic's goodwill and intangible assets amounted to 6,828 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.

As a direct result of the Covid-19 pandemic Scandic has experienced dramatic negative impact on revenues, results and cash flow. Even if we some recovery in the market, the future effect of the pandemic is hard to assess.

SENSITIVITY ANALYSIS

Scandic has a cost structure consisting of variable costs that are affected by changes in volume and costs that are fixed and independent of changes in volume in the short term. Costs that are affected by changes in volume are primarily sales commissions and other distribution costs, the cost of goods sold, sales-based rental costs, property-related costs (energy, water, etc.), payroll expenses for hotel employees without guaranteed working hours and cost of certain services such as laundry. Costs that are not affected by changes in volume largely consist of payroll expenses for hotel employees with guaranteed working hours, fixed and guaranteed rental costs and costs related to country and Group-wide functions such as sales, marketing, IT and other administrative services.

Based on figures for the full year 2019, it is estimated that a rise or fall in occupancy or volumes from restaurant and conference operations of 1 percent would affect Scandic's adjusted EBITDA by approximately 150 MSEK and the adjusted EBITDA margin by 0.6 percent on an annual basis. The assessment refers to changes in volume within a minor interval (+/-2 percent) and assumes that the change in sales would not cause any leases to pass the minimum rent threshold or changes in fixed costs.

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 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Jul-Jun 2019/2020
INCOME						
Room revenue	445	3,258	2,566	5,811	12,416	9,171
Restaurant and conference revenue*	126	1,482	1,271	2,913	6,095	4,453
Franchise and management fees	1	7	7	13	30	24
Other hotel-related revenue	93	106	164	182	404	386
Net sales	***665***	***4,853***	***4,008***	***8,919***	***18,945***	***14,034***
Other income	-	-	-	-	-	-
TOTAL OPERATING INCOME	**665**	**4,853**	**4,008**	**8,919**	**18,945**	**14,034**
OPERATING COSTS						
Raw materials and consumables	-37	-404	-327	-776	-1,634	-1,185
Other external costs	-700	-1,076	-1,594	-2,097	-4,335	-3,832
Personnel costs	-294	-1,530	-1,595	-2,940	-5,869	-4,524
Fixed and guaranteed rental charges	56	-45	38	-74	-74	38
Variable rental charges	-21	-453	-207	-748	-1,696	-1,155
Pre-opening costs	-2	-30	-29	-46	-81	-64
Items affecting comparability	-4	-1	-188	168	169	-187
EBITDA	**-337**	**1,315**	**106**	**2,406**	**5,425**	**3,125**
Depreciation, amortization and impairment losses	-777	-790	-4,548	-1,560	-3,281	-6,269
TOTAL OPERATING COSTS	**-1,779**	**-4,329**	**-8,450**	**-8,073**	**-16,801**	**-17,178**
EBIT (Operating profit/loss)	**-1,114**	**526**	**-4,442**	**847**	**2,144**	**-3,144**
Financial income	-	2	2	3	11	10
Financial expenses	-371	-302	-689	-604	-1,253	-1,338
Net financial items	**-371**	**-300**	**-687**	**-601**	**-1,242**	**-1,328**
EBT (Profit/loss before taxes)	**-1,485**	**226**	**-5,129**	**246**	**902**	**-4,472**
Taxes	242	-53	-41	-36	-177	-182
PROFIT/LOSS FOR PERIOD	**-1,243**	**173**	**-5,170**	**210**	**725**	**-4,655**
Profit/loss for period relating to:						
Parent Company shareholders	-1,242	172	-5,170	208	722	-4,656
Non-controlling interest	-1	1	-1	2	3	-
Profit/loss for period	**-1,243**	**173**	**-5,171**	**210**	**725**	**-4,656**
Average number of outstanding shares before dilution	108,052,041	102,027,810	105,518,558	102,027,810	103,006,267	104,244,894
Average number of outstanding shares after dilution	108,068,075	103,046,835	105,534,592	103,046,835	103,036,484	104,260,929
Earnings per share before dilution, SEK	**-11.49**	**1.69**	**-48.99**	**2.04**	**7.01**	**-44.66**
Earnings per share after dilution, SEK	**-11.49**	**1.67**	**-48.99**	**2.02**	**7.01**	**-44.66**

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

Consolidated statement of comprehensive income

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Jul-Jun 2019/2020
Profit/loss for period	-1,243	173	-5,170	210	725	-4,655
Items that may be reclassified to the income statement	23	119	-44	206	69	-181
Items that may not be reclassified to the income statement	0	-32	-9	-77	-159	-91
Other comprehensive income	**23**	**87**	**-53**	**129**	**-90**	**-272**
Total comprehensive income for period	**-1,220**	**260**	**-5,223**	**339**	**635**	**-4,927**
Relating to:						
Parent Company shareholders	-1,216	258	-5,219	334	626	-4,927
Non-controlling interest	-4	2	-4	5	9	-

Consolidated balance sheet, summary

MSEK	30 Jun 2020	30 Jun 2019	31 Dec 2019
ASSETS			
Intangible assets	6,828	10,087	9,941
Buildings and land	25,928	27,348	26,759
Equipment, fixtures and fittings	4,791	4,761	4,865
Financial fixed assets	291	621	616
Total fixed assets	**37,838**	**42,817**	**42,181**
Current assets	834	1,696	1,294
Derivative instruments	-	18	8
Assets held for sale	-	2	-
Cash and cash equivalents	525	60	26
Total current assets	**1,359**	**1,776**	**1,328**
TOTAL ASSETS	**39,197**	**44,593**	**43,509**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent Company	3,019	6,261	6,557
Non-controlling interest	38	43	43
Total equity	**3,057**	**6,304**	**6,601**
Liabilities to credit institutions	3,306	3,155	3,036
Lease liabilities	25,857	27,156	26,661
Other long-term liabilities	1,085	1,223	1,342
Total long-term liabilities	**30,249**	**31,533**	**31,039**
Derivative instruments	47	-	-
Current liabilities for leases	2,136	2,075	2,116
Commercial papers	249	1,099	487
Liabilities held for sale	-	1	-
Other current liabilities	3,459	3,580	3,266
Total current liabilities	**5,891**	**6,755**	**5,869**
TOTAL EQUITY AND LIABILITIES	**39,197**	**44,593**	**43,509**
Equity per share, SEK	20.7	60.8	63.7
Total number of shares outstanding, end of period	189,892,387	102,985,075	102,985,075
Working capital	-2,625	-1,883	-1,972
Interest-bearing net liabilities	3,030	4,194	3,497
Interest-bearing net liabilities/adjusted EBITDA	189.4	2.2	1.7

Changes in Group equity

MSEK	Share capital	Share premium reserve	Translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
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 03/30/2019	**26**	**7,865**	**288**	**-1,918**	**6,261**	**43**	**6,304**
Profit/loss for the period	**-**	**-**	**-**	**514**	**514**	**1**	**515**
Total other comprehensive income, net after tax	*-*	*-*	*-140*	*-82*	*-222*	*3*	*-219*
Total comprehensive income for the year	**-**	**-**	**-140**	**433**	**292**	**4**	**296**
Total transactions with shareholders	*-*	*-*	*-*	*4*	*4*	*-4*	*-*
CLOSING BALANCE 12/31/2019	**26**	**7,865**	**148**	**-1,481**	**6,557**	**43**	**6,601**
OPENING BALANCE 01/01/2020	**26**	**7,865**	**148**	**-1,481**	**6,557**	**43**	**6,601**
Profit/loss for the period	**-**	**-**	**-**	**-5,170**	**-5,170**	**-1**	**-5,171**
Total other comprehensive income, net after tax	*-*	*-*	*-43*	*9*	*-34*	*-4*	*-38*
Total comprehensive income for the year			**-43**	**-5,161**	**-5,204**	**-5**	**-5,209**
Transactions with shareholders							
New share issue and issue cost	22	1,652	-	-	1,674	-	1,674
Ongoing rights issue	-	27	-	-	27	-	27
Share-based payments	-	-	-	4	4	-	4
Forward contracts to repurchase own shares	-	-	-	-39	-39	-	-39
Total transactions with shareholders	*22*	*1,680*	*-*	*-35*	*1,666*	*-*	*1,666*
CLOSING BALANCE 06/30/2020	**48**	**9,545**	**105**	**-6,678**	**3,019**	**38**	**3,057**

Consolidated cash flow statement

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Jul-Jun 2019/2020
OPERATING ACTIVITIES						
EBIT (Operating profit/loss)	-1,114	526	-4,442	847	2,144	-3,145
Depreciation, amortization and impairment losses	777	790	4,548	1,560	3,281	6,269
Items not included in cash flow	7	-9	13	-163	-173	3
Paid tax	24	-46	-57	-261	-343	-139
Change in working capital	777	157	753	-97	158	1,008
Cash flow from operating activities	**471**	**1,418**	**815**	**1,886**	**5,067**	**3,996**
INVESTING ACTIVITIES						
Net investments	-224	-381	-463	-582	-1,155	-1,036
Sale of operations	-	-	-	230	232	2
Cash flow from investing operations	**-224**	**-381**	**-463**	**-352**	**-923**	**-1,034**
FINANCING OPERATIONS						
Paid interest, credit institutions	-12	-21	-30	-39	-71	-62
Paid interest, lease	-274	-270	-560	-544	-1,143	-1,159
Right share issue	1,746	-	1,746	-	-	-
Divident	-	-177	-	-177	-357	-180
Dividends from investments	-	-	-	-	-4	-4
Refinancing of loans	-13	-6	-13	-6	-6	-13
Dividend, share swap agreement	-20	-14	-20	-14	-14	-20
Net borrowing/amortization, credit institutions	56	-62	344	152	52	244
Amortization, lease	-533	-519	-1,073	-1,023	-2,147	-2,197
Issue of commercial papers	-731	24	-238	99	-513	-850
Cash flow from financing operations	**219**	**-1,044**	**156**	**-1,551**	**-4,203**	**-4,241**
CASH FLOW FOR PERIOD	**466**	**-7**	**508**	**-17**	**-59**	**466**
Cash and cash equivalents at beginning of period	19	80	26	103	103	60
Translation difference in cash and cash equivalents	40	-13	-9	-26	-18	-1
Cash and cash equivalents at end of the period	525	61	525	60	26	525

Parent Company income statement, summary

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Jul-Jun 2019/2020
Net sales	15	10	24	32	57	49
Expenses	-11	-10	-24	-31	-57	-50
EBIT (Operating profit/loss)	**4**	**0**	**-0**	**1**	**-**	**-1**
Financial income	96	39	78	77	155	156
Financial expenses	-95	-80	-31	-182	-149	2
Net financial items	**1**	**-41**	**47**	**-105**	**6**	**158**
Appropriations	-	-	-	-	613	613
EBT (profit/loss before tax)	**5**	**-41**	**47**	**-104**	**619**	**771**
Tax	-1	9	-10	22	-133	-165
PROFIT/LOSS FOR PERIOD	**4**	**-32**	**37**	**-82**	**486**	**606**

Parent Company statement of comprehensive income

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Jul-Jun 2019/2020
Profit/loss for period	**4**	**-32**	**37**	**-82**	**486**	**606**
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	**4**	**-32**	**37**	**-82**	**486**	**606**

Parent Company balance sheet, summary

MSEK	30 Jun 2020	30 Jun 2019	31 Dec 2019
ASSETS			
Investments in subsidiaries	5,039	5,039	5,039
Group company receivables	6,882	5,251	4,397
Deferred tax assets	-	22	-
Other receivables	21	24	23
Total fixed assets	**11,942**	**10,336**	**9,459**
Group company receivables	13	5	618
Current receivables	11	6	-
Cash and cash equivalents	0	0	0
Total current assets	**24**	**11**	**618**
TOTAL ASSETS	**11,966**	**10,347**	**10,077**
EQUITY AND LIABILITIES			
Equity	**8,143**	**5,787**	**6,361**
Liabilities to credit institutions	3,306	3,155	3,036
Other liabilities	21	24	23
Total long-term liabilities	**3,327**	**3,179**	**3,059**
Liabilities for commercial papers	249	1,099	487
Liabilities to Group companies	-	181	
Other liabilities	80	77	142
Accrued expenses and prepaid income	167	24	28
Total current liabilities	**496**	**1,381**	**657**
TOTAL EQUITY AND LIABILITIES	**11,966**	**10,347**	**10,077**

Changes in Parent Company's equity

MSEK	Share capital	Share premium reserve	Retained earnings	Total equity
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 other comprehensive income			**-82**	**-82**
Transactions with shareholders	**-**		**-**	-
Dividend	**-**	-	-359	-359
Share-based payments	**-**	-	-	-
Forward contracts to repurchase own shares	**-**	-	-17	-17
Forward contracts to repurchase own shares	**-**	-	-	-
Total transactions with shareholders	**-**	**-**	**-376**	**-376**
CLOSING BALANCE 06/30/2019	**26**	**1,534**	**4,227**	**5,787**
Profit/loss for period	**-**	**-**	**568**	**568**
Total other comprehensive income, net after tax	-	-	-	-
Total other comprehensive income			***568***	***568***
Transactions with shareholders				
Dividend			2	2
Share-based payments	-	-	3	3
Forward contracts to repurchase own shares	-	-	1	1
Total transactions with shareholders	**-**	**-**	**6**	**6**
OPENING BALANCE 01/01/2020	**26**	**1,534**	**4,801**	**6,361**
Profit/loss for period	**-**	**-**	**37**	**37**
Total other comprehensive income, net after tax	-	-	-	-
Total other comprehensive income	**-**	**-**	**37**	**37**
Transactions with shareholders				
New Rights issue and cost	22	1,652	-	1,674
Ongoing rights issue	-	27	-	27
Share-based payments	-	-	4	4
Forward contracts to repurchase own shares	-	-	39	39
Total transactions with shareholders	**22**	**1,680**	**44**	**1,745**
CLOSING BALANCE 06/30/2020	**48**	**3,214**	**4,881**	**8,143**

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 24 MSEK (32). The operating profit was 0 MSEK (1).

Net financial items for the period totaled 47 MSEK (-105). The Parent Company's profit before taxes was 47 MSEK (-104).

Transactions between related parties

The Braganza AB Group is 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 Scandic's Annual Report and consolidated financial statements for 2019 and are outlined in Note 1, Accounting principles.

The Parent Company applies RFR 2, Accounting for legal entities, which 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 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 1-28 is an integral part of these financial statements.

ALTERNATIVE PERFORMANCE MEASURES

Scandic 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 beräkning av verkligt värde

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 the 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	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Room revenue	191	1,144	110	867	78	746	67	501	-	-	446	3,258
Restaurant and conference revenue	50	458	29	478	19	335	28	211	-	-	126	1,482
Franchise and managment fees	-	3	-	3	-	0	-	1	-	-	-	7
Other hotel-related income	5	18	76	49	10	34	2	5	-	-	93	106
Net sales	**246**	**1,623**	**215**	**1,397**	**107**	**1,115**	**97**	**718**			**665**	**4,853**
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Internal transactions	-	-	-	-	-	-	-	-	-9	10	-9	10
Group eliminations	-	-	-	-	-	-	-	-	9	-10	9	-10
Total income	**246**	**1,623**	**215**	**1,397**	**107**	**1,115**	**97**	**718**	**-**	**-**	**665**	**4,853**
Expenses	-590	-1,379	-309	-1,249	-416	-950	-393	-621	-95	-95	-1,803	-4,294
Adjusted EBITDA	**-344**	**244**	**-94**	**148**	**-309**	**165**	**-296**	**97**	**-95**	**-95**	**-1,138**	**559**
Adjusted EBITDA margin, %	-139.8	15.0	-43.7	10.6	-288.2	14.8	-305.2	13.5	-	-	-171.1	11.5
EBITDA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-337**	**1,315**
EBITDA margin, %	-	-	-	-	-	-	-	-	-	-	-50.7	27.1
and write-downs	-	-	-	-	-	-	-	-	-	-	-777	-790
Net financial items	-	-	-	-	-	-	-	-	-	-	-370	-300
EBT (Profit/loss before tax)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-1,486**	**226**

MSEK

Jan-Dec	Sweden		Norway		Finland		Other Europe		Central functions		Group	
MSEK	2020	2019	2020	2019	2020	2019	2020	2019	2020		2020	2019
Room revenue	946	2,043	635	1,534	620	1,364	364	870	-	-	2,565	5,811
Restaurant and conference revenue	433	913	367	946	279	653	193	401	-	-	1,272	2,913
Franchise and managment fees	2	5	3	5	-	-	2	3	-	-	7	13
Other hotel-related income	18	34	97	62	41	74	8	12	-	-	164	182
Net sales	**1,399**	**2,995**	**1,102**	**2,547**	**940**	**2,091**	**567**	**1,286**	**-**	**-**	**4,008**	**8,919**
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Internal transactions	-	-	-	-	-	-	-	-	-	32	-	32
Group eliminations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-32**	**-**	**-32**
Total income	**1,399**	**2,995**	**1,102**	**2,547**	**940**	**2,091**	**567**	**1,286**	**-**	**-**	**4,008**	**8,919**
Expenses	-1,743	-2,634	-1,261	-2,354	-1,212	-1,847	-902	-1,173	-201	-192	-5,319	-8,200
Adjusted EBITDA	**-344**	**361**	**-159**	**193**	**-272**	**244**	**-335**	**113**	**-201**	**-192**	**-1,311**	**719**
Adjusted EBITDA margin, %	-24.6	12.1	-14.4	7.6	-28.9	11.7	-59.1	8.8			-32.7	8.1
EBITDA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**105**	**2,406**
EBITDA margin, %	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	2.6	27.0
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-4,548	-1,560
EBIT (Operating profit/loss)	-	-	-	-	-	-	-	-	-	-	-4,443	847
Net financial items	-	-	-	-	-	-	-	-	-	-	-687	-601
EBT (Profit/loss before tax)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-5,130**	**246**

Assets and investments by segment

30 Jun	Sweden		Norway		Finland		Other Europe		Central functions		Group	
MSEK	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Fixed assets	10,822	10,922	9,027	12,056	13,638	14,758	4,941	4,988	-590	93	37,838	42,817
Investments in fixed assets	121	147	74	144	184	109	56	144	27	38	463	582

Revenue by country

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Jul-Jun 2019/2020
Sweden	246	1,623	1,399	2,995	6,291	4,695
Norway	215	1,397	1,102	2,547	5,343	3,898
Finland	107	1,115	940	2,091	4,547	3,396
Denmark	77	510	398	906	1,979	1,472
Germany	14	183	149	340	696	505
Poland	5	25	18	40	89	67
Total countries	**665**	**4,853**	**4,008**	**8,919**	**18,945**	**14,034**
Other	15	10	24	32	57	49
Group eliminations	-15	-10	-24	-32	-57	-49
Group	**665**	**4,853**	**4,008**	**8,919**	**18,945**	**14,034**

Revenue by type of agreement

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Jul-Jun 2019/2020
Lease agreements	665	4,838	3,993	8,886	18,877	13,984
Management agreements	-	2	3	5	12	10
Franchise and partner agreem	-	3	4	7	16	13
Owned	-	10	8	21	40	27
Total	**665**	**4,853**	**4,008**	**8,919**	**18,945**	**14,034**
Other	15	10	24	32	57	49
Group eliminations	-15	-10	-24	-32	-57	-49
Group	**665**	**4,853**	**4,008**	**8,919**	**18,945**	**14,034**

Summary of reported EBITDA & adjusted EBITDA

	Apr-Jun 2020	**Apr-Jun 2019**	**Jan-Jun 2020**	**Jan-Jun 2019**	**Jan-Dec 2019**	**Jul-Jun 2019/2020**
EBITDA	-337	1315	106	2,406	5,425	3,125
Effect of leases, fixed and guaranteed rental charges	-807	-788	-1,633	-1,566	-3,291	-3,358
Pre-opening costs	2	30	29	46	81	64
Items affecting comparability	4	1	188	-168	-169	187
Adjusted EBITDA	**-1,138**	**559**	**-1,311**	**719**	**2,046**	**16**

Total rental charges

Total rental charges	**Apr-Jun 2020**	**Apr-Jun 2019**	**Jan-Jun 2020**	**Jan-Jun 2019**	**Jan-Dec 2019**	**Jul-Jun 2019/2020**
Fixed and guaranteed rental charges according to income statem	56	-45	38	-74	-74	38
Fixed and guaranteed rental charges, reversed effect of lease	-807	-788	-1,633	-1,566	-3,291	-3,358
Total fixed and guaranteed rental charges	**-751**	**-833**	**-1,595**	**-1,640**	**-3,365**	**-3,320**
Variable rental charges	-21	-453	-207	-748	-1,696	-1,155
Total rental charges	**-772**	**-1,286**	**-1,802**	**-2,388**	**-5,061**	**-4,475**
Fixed and guaranteed rental charges	112.9%	17.2%	39.8%	18.4%	17.8%	23.7%
Variable rental charges	3.2%	9.3%	5.2%	8.4%	9.0%	8.2%
Total rental charges	116.1%	26.5%	45.0%	26.8%	26.7%	31.9%

Quarterly data

MSEK	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net sales	665	3,343	4,831	5,195	4,853	4,066
Adjusted EBITDA	-1,138	-174	504	823	559	160
Adjusted EBITDA margin, %	-171.1	-5.2	10.4	15.8	11.5	3.9
EBIT (Operating profit/loss)	-1,114	-3,329	498	799	526	321
Profit/Loss for the period	-1,243	-3,927	126	387	173	37
Profit/lLoss for the period, excl. effect lease	-1,197	-3,876	189	441	222	90
Earnings per share, SEK	-11.49	-38.13	1.21	3.76	1.67	0.35
Earnings per share, SEK, excl. effects lease	-11.08	-37.63	1.84	4.28	2.16	0.87
Net debt / adjusted EBITDA, LTM	189.4	2.5	1.7	2.0	2.2	2.1
RevPAR (Revenue per available room), SEK	96	474	672	807	745	599
ARR (Average room revenue), SEK	924	1,043	1,080	1,070	1,111	1,018
OCC (Occupancy), %	10.3	45.5	62.2	75.5	67.1	58.9

Quarterly data per segment

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net sales						
Sweden	246	1,154	1,622	1,674	1,623	1,372
Norway	215	888	1,277	1,519	1,397	1,152
Finland	107	833	1,222	1,234	1,115	975
Other Europe	97	468	710	768	718	567
Total net sales	**665**	**3,343**	**4,831**	**5,195**	**4,853**	**4,066**
Adjusted EBITDA						
Sweden	-344	1	239	309	244	118
Norway	-94	-64	115	232	148	45
Finland	-309	38	216	247	165	80
Other Europe	-296	-40	60	125	97	14
Central functions	-95	-107	-126	-90	-95	-97
Total adj EBITDA	**-1,138**	**-172**	**504**	**823**	**559**	**160**
Adjusted EBITDA margin, %	*-171.1%*	*-5.1%*	*10.4%*	*15.8%*	*11.5%*	*3.9%*

Exchange rates

SEK/EUR	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Income statement (average)	10.6598	10.5145	10.5892
Balance sheet (at end of period)	10.4804	10.5581	10.4336
SEK/NOK			
Income statement (average)	0.9947	1.0802	1.0747
Balance sheet (at end of period)	0.9595	1.0893	1.0579
SEK/DKK			
Income statement (average)	1.4280	1.4085	1.4183
Balance sheet (at end of period)	1.4063	1.4145	1.3968

Alternative performance measures

Interest-bearing net liabilities	30 Jun 2020	30 Jun 2019	31 Dec 2019
Liabilities to credit institutions	3,306	3,155	3,036
Liabilities, commercial papers	249	1,099	487
Cash and cash equivalents	-525	-60	-26
Interest-bearing net liabilities	**3,030**	**4,194**	**3,497**

Working capital	30 Jun 2020	30 Jun 2019	31 Dec 2019
Current assets, excl cash and bank balances	834	1,698	1,294
Current liabilities	-3,459	-3,581	-3,266
Working capital	**-2,625**	**-1,883**	**-1,972**

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 company's annual general meetings in 2018 (LTIP 2018) and 2019 (LTIP 2019). The LTIP 2017 was concluded in connection with the publication of Scandic's interim report for the first quarter 2020.

Scandic's 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 percent of the allocation depends on a requirement related to the total return on the company's shares (TSR) being met and 50 percent 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 and cash flow for the financial years 2018-2022 (LTIP 2018 and LTIP 2019).

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 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 200,000 shares for the LTIP 2018 and 243,149 shares for the LTIP 2019, corresponding to approximately 0.2 percent of Scandic's share capital and votes. The cost of the program is expected to be 4 MSEK, including social security contributions, and the cost included in the income statement for the Group in accordance with IFRS 2 amounted to 2 MSEK for the second quarter 2020, including social security contributions. The maximum cost of the program, including social security contributions, is expected to be 63 MSEK

For more information, see Note 6 in Scandic's Annual Report 2019. The expected financial exposure to shares that may be allocated under the 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.

In total, 34 employees participated in the LTIP 2017. The total cost for the program, including social security contributions, was 7 MSEK. The dilution effect of the program equaled 14,149 shares corresponding to about 0.01 percent of the outstanding shares as at March 31, 2020. The number of shares issued by the company did not change as a result of the allotment of shares in the LTIP 2017 as share swap agreements exist with third parties.

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 17, 2020

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 REPORT

This report has not been subject to 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 lease.

Adjusted EBITDA margin
Adjusted EBITDA as percentage of net sales.

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

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 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.

Scandic Hotels Group

Scandic is the largest hotel company in the Nordic countries with about 58,000 rooms at approximately 280 hotels in operation and under development. In 2019, the Group had annual sales of SEK 18.9 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)

2020-04-29 Scandic decides on a rights issue of approximately SEK 1.75 billion and agrees on a SEK 1.15 billion credit facility

2020-03-16 Scandic's Board of Directors proposes to cancel dividend for 2019 in order to improve the financial position

2020-03-12 Business situation continues to worsen due to coronavirus – Scandic to give notice of termination

2020-03-09 Scandic revises sales forecast for first quarter

2020-02-18 Scandic launches new hotel brand

2019-11-22 Changes in Scandic's organization to strengthen portfolio development

2019-11-13 Scandic to open new hotel in Örebro

2019-10-22 Scandic to open central Helsinki's largest conference hotel

2019-10-04 Nomination Committee for Scandic's AGM 2020 appointed

2019-09-24 Scandic signs agreement for prestigious hotel and conference center in Aarhus harbor

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