



A GOOD START TO THE YEAR

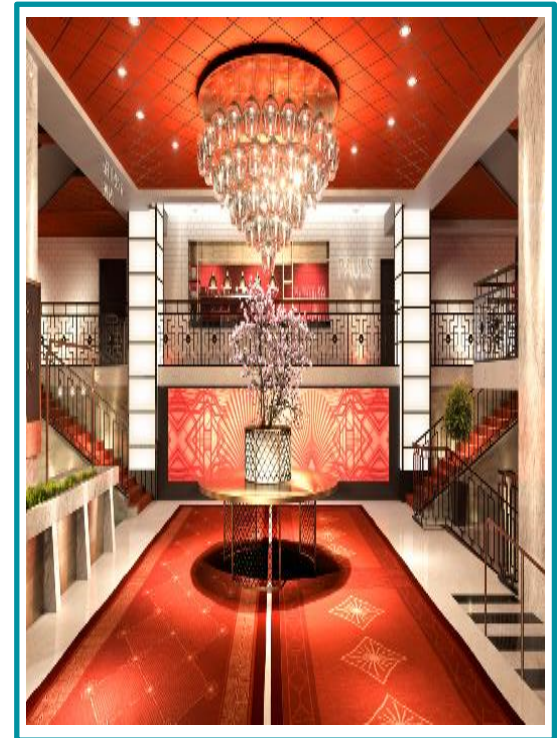
Q1 2016

Frank Fiskers, President & CEO
Gunilla Rudebjer, CFO
Stockholm, May 12, 2016

Scandic

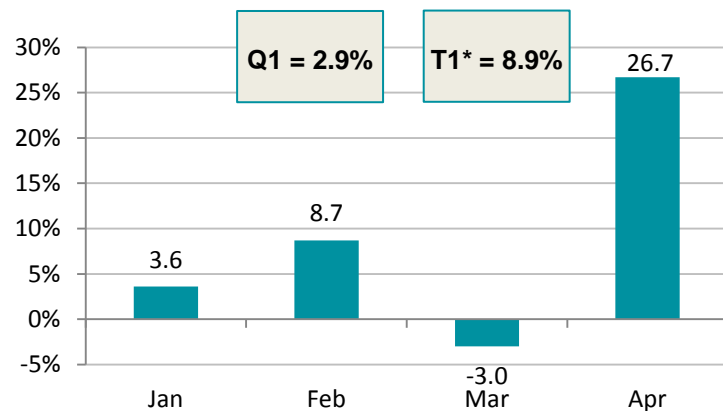
A GOOD START TO THE YEAR AND CONTINUED HEALTHY DEMAND

- › Strong business momentum with continued healthy underlying demand
- › Norway - still a mixed picture but some stabilisation
- › Ongoing strike in Norway – limited short term impact
- › Opened 2 significant new hotels in Stockholm – Scandic Continental and Haymarket by Scandic
- › Signed 2 new hotels in Denmark and 1 in Finland
- › Continued realisation of synergies and improvement of former Rica Hotels
- › Launched new e-commerce platform

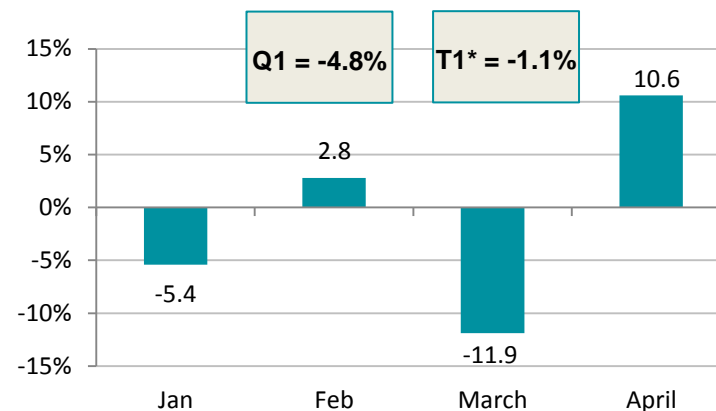


GOOD UNDERLYING DEMAND IMPACTED BY EASTER EFFECT DURING Q1

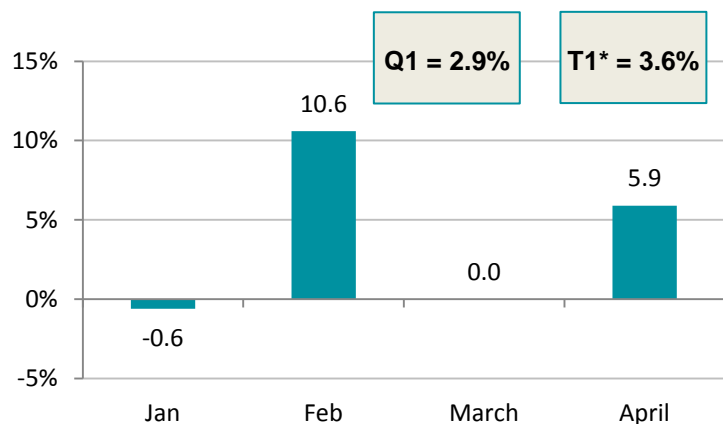
Market RevPAR growth Sweden



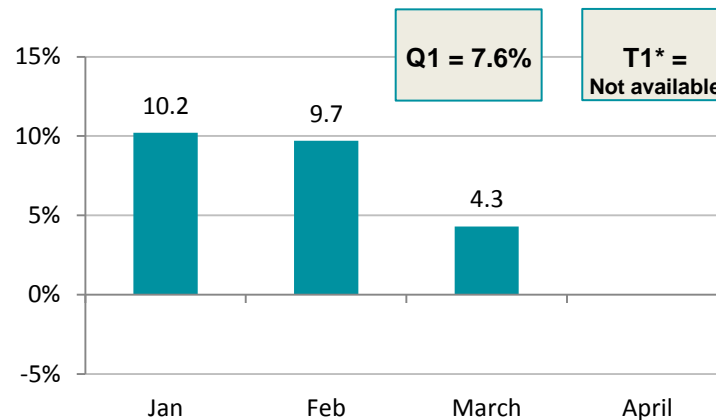
Market RevPAR growth Norway



Market RevPAR growth Denmark



Market RevPAR growth Finland

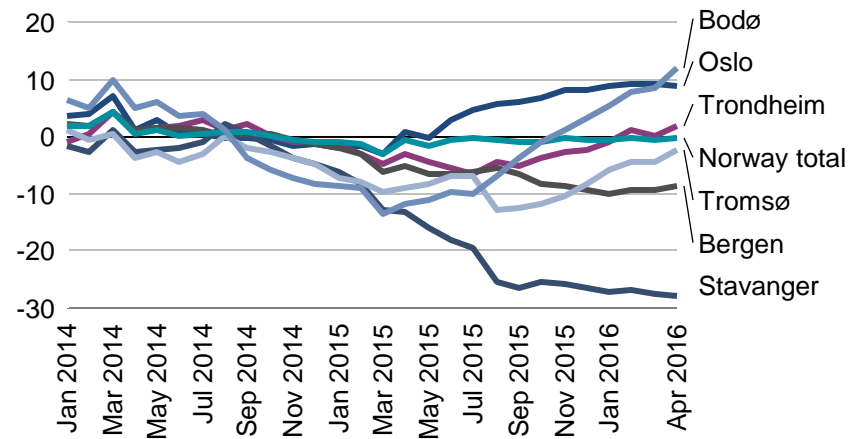


NORWAY – STILL A MIXED PICTURE BUT SOME STABILISATION

Market development

- › The Norwegian hotel market declined by -1.1% in the first four months
- › Market continues to be polarised but a number of destinations are clearly in positive mode
- › Over the last half year we have seen a certain stability in the development at oil destinations
- › New major supply seems more limited

RevPAR development / month
(% change LTM vs. LTM previous year)



STRONG LFL GROWTH DURING THE FIRST FOUR MONTHS

First quarter

1.7% LFL
Increase in RevPAR

First quarter

2.3% LFL
Increase in net sales

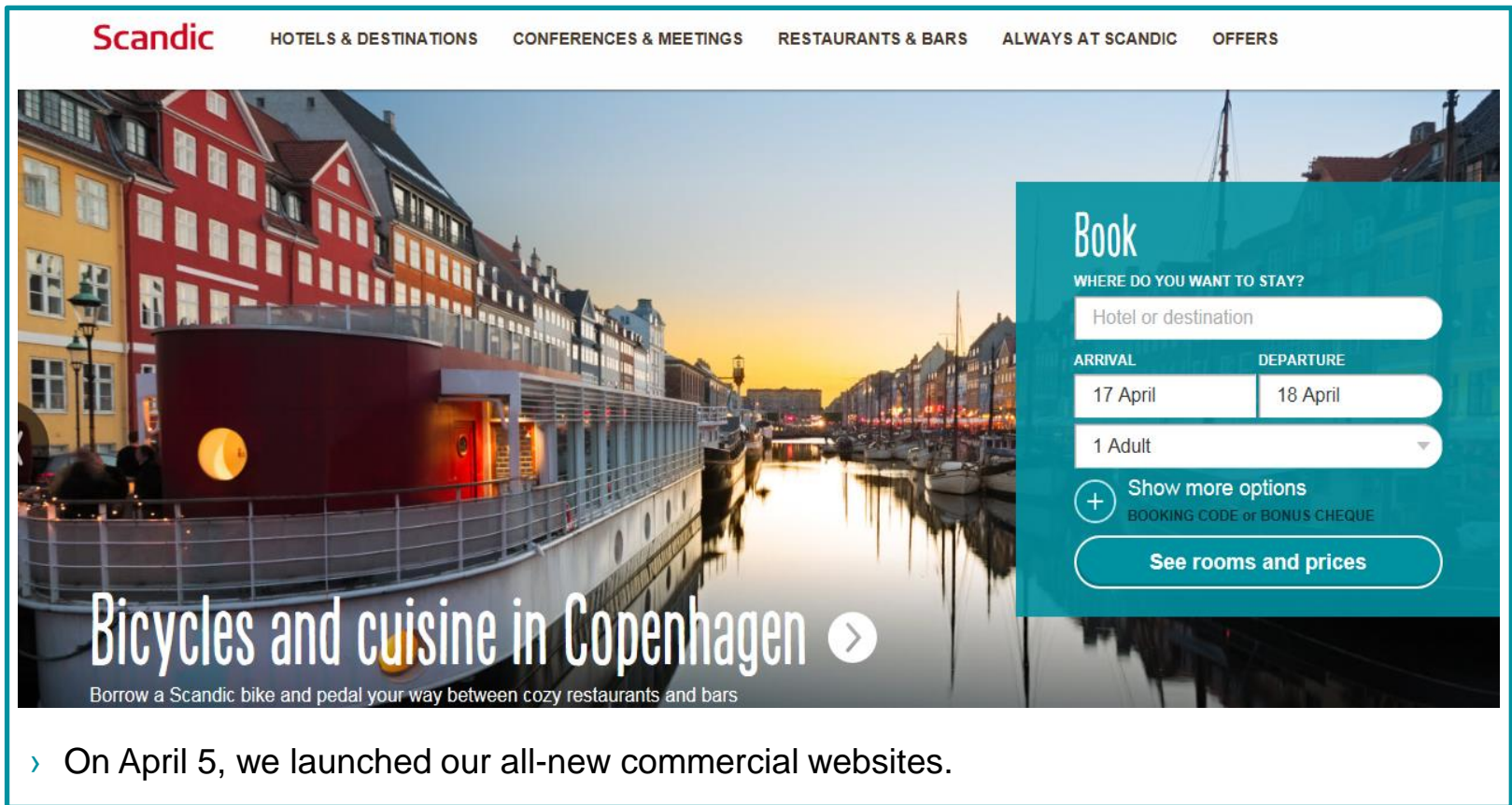
First four months

7.0% LFL
Increase in RevPAR

First four months

7.4% LFL
Increase in net sales

DIGITAL TRANSFORMATION ACROSS ALL AREAS



The screenshot displays the Scandic website's user interface. At the top, a navigation bar includes the Scandic logo and links for 'HOTELS & DESTINATIONS', 'CONFERENCES & MEETINGS', 'RESTAURANTS & BARS', 'ALWAYS AT SCANDIC', and 'OFFERS'. The main content area features a large hero image of a canal in Copenhagen with colorful buildings and a red boat. Overlaid on the right is a 'Book' widget with the following elements:

- Book** (Section Header)
- WHERE DO YOU WANT TO STAY?** (Text)
- (Input field)
- ARRIVAL** / **DEPARTURE** (Text labels)
- / (Date selection fields)
- (Guest selection dropdown)
- + Show more options** (Link with a plus icon)
- BOOKING CODE or BONUS CHEQUE (Text)
- See rooms and prices** (Button)

Below the hero image, the text **Bicycles and cuisine in Copenhagen** is displayed with a right-pointing arrow icon. A subtext line reads: 'Borrow a Scandic bike and pedal your way between cozy restaurants and bars'. Below this, a paragraph states: '› On April 5, we launched our all-new commercial websites.'

**CUSTOMER
EXPERIENCE**

MARKET REACH

EFFICIENCY

A modern living room with teal-colored sofas and armchairs. A large black and white portrait of a woman is on the wall. The room has a wooden floor, a dark red rug, and large windows with sheer curtains. The ceiling is made of a grid of wooden slats. Track lighting is installed on the ceiling. A small round table with a pink top and a dark round table are in the center. A potted plant is near the window. A red table is partially visible in the foreground.

FINANCIAL UPDATE

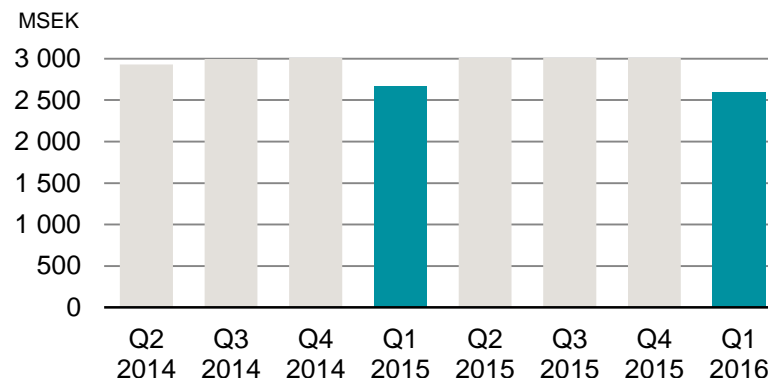
Gunilla Rudebjer, CFO

CONTINUED STRONG DEMAND BUT FULL EASTER EFFECT IN Q1

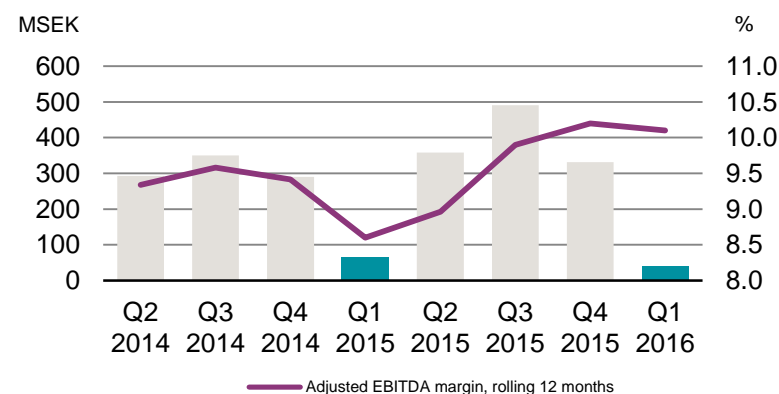
Q1 2016

- › Negative impact from Easter holidays in Q1
- › RevPAR -1.9%. LFL growth +1.7%, mainly from occupancy
- › Net sales growth +2.3% LFL. Positive effect from extra leap day in February
- › Reported net sales -2.6%, +0.4% at constant currencies
- › Adjusted EBITDA 40 MSEK (66) and adjusted EBITDA margin 1.5% (2.5%) with positive impact from Rica synergies in Norway but negative impact from changed guest mix with higher share of leisure travel with lower margins
- › Pre-opening costs of 16 MSEK (3) related to Scandic Continental and Haymarket by Scandic – opened in Q2 2016
- › Interest expenses reduced to 34 MSEK (114) due to refinancing and repayment of debt in 2015

Net sales, per quarter (MSEK)



Adjusted EBITDA per quarter (MSEK)

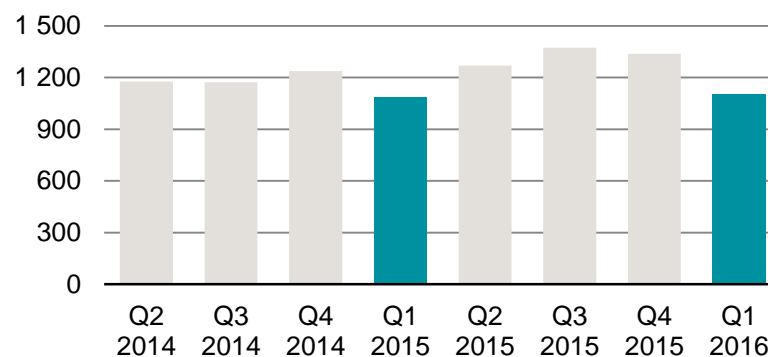


SWEDEN – CONTINUED STRONG DEMAND

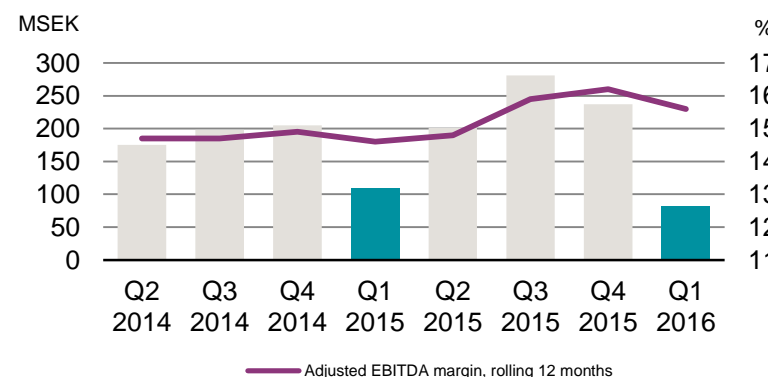
Q1 2016

- › RevPAR growth +1.3% (+1.9% LFL) driven by both occupancy and rate
- › Net sales growth +1.7% (+3.0% LFL)
- › Scandic Kungsgatan closed in Nov 2015 and re-opened as 'Haymarket by Scandic' in May 2016
- › Adjusted EBITDA 81 MSEK (109) and adjusted EBITDA margin 7.3% (10.0%). Negatively impacted by change in guest mix due to Easter holidays
- › The abolishment of the reduced social charges for young employees has led to increased costs of c. 8 MSEK
 - › Estimated full-year impact 2016 of c. 29 MSEK

Net sales, per quarter (MSEK)



Adjusted EBITDA per quarter (MSEK)

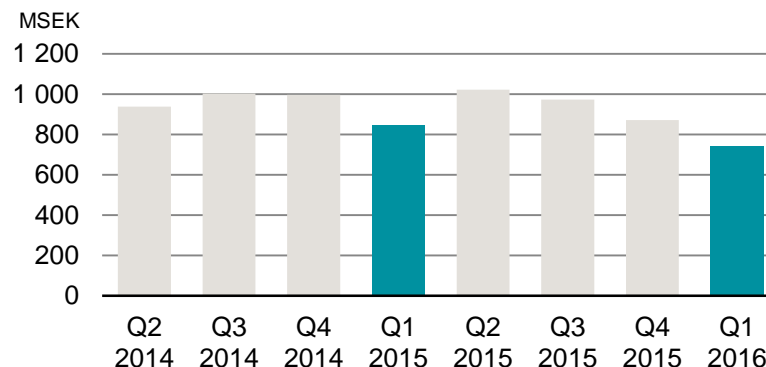


NORWAY – OUTPERFORMING MARKET AND REALISING RICA SYNERGIES

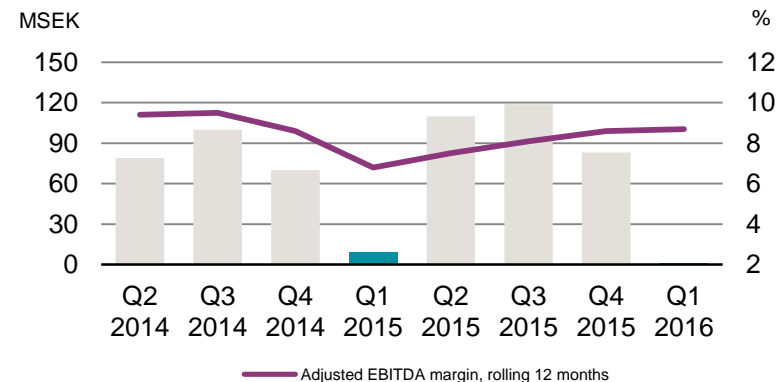
Q1 2016

- › Continued polarised market with decline in oil destinations but growth in Oslo, Trondheim and Northern Norway
- › Positive impact from Junior Olympic Games in Oslo in February but significant Easter effect in March
- › RevPAR -3.0% at constant currencies and -0.6% LFL
- › Net sales LFL -1.0%. Reported net sales -12.3% with negative impact from exchange rate effects (-8.6%) and exit of Grand Hotel, Oslo (-3.3%). New hotels contributed +0.6%
- › Realisation of Rica synergies according to expectations led to increased market shares and reduced costs
- › Adjusted EBITDA 1 MSEK (9) and adjusted EBITDA margin 0.1% (1.1%). Negatively impacted by Easter holidays

Net sales, per quarter (MSEK)



Adjusted EBITDA per quarter (MSEK)

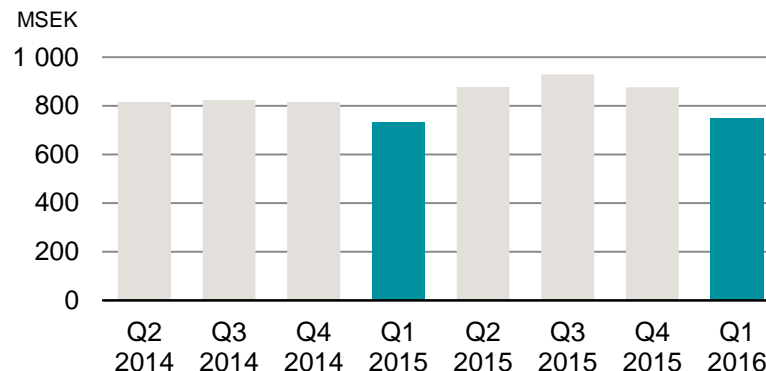


OTHER NORDIC COUNTRIES & EUROPE – CONTINUED GOOD GROWTH

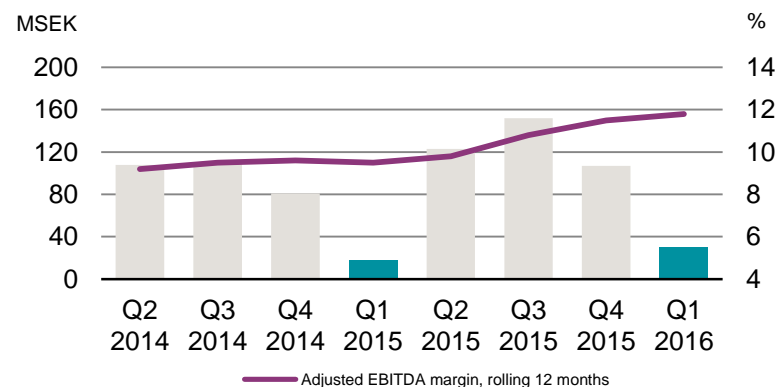
Q1 2016

- › RevPAR growth +3.7% (+4.0% LFL) with continued good market in Denmark and Germany
- › Strong market growth in Finland and signs of market recovery
- › Net sales growth 2.2% (4.6% LFL)
- › Continued positive revenue development for the 3 hotels in Germany and improved margins from cost synergies
- › Adjusted EBITDA increased to 30 MSEK (18) and adjusted EBITDA margin to 4.0% (2.5%)

Net sales, per quarter (MSEK)



Adjusted EBITDA per quarter (MSEK)

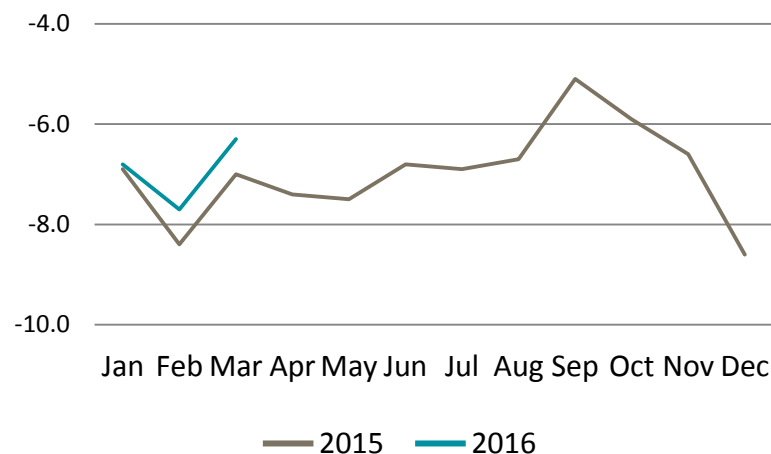


SEASONAL CHANGES IN WORKING CAPITAL AND CASH FLOW

Cash flow & Net debt

- › Q4 strongest cash flow quarter and Q1 weakest due to seasonality
- › Change in working capital -266 MSEK (-234)
- › Negative working capital: -6.3% (-7.0%) of LTM net sales due to high share of prepayments and settlements at check-out
- › Operating cash flow -348 MSEK (-303)
- › Credit facilities of 250 MSEK utilised as per March 31, 2016 to bridge seasonal changes in working capital
- › Net debt of 3,775 MSEK (3,355 at December 31, 2015) corresponding to 3.1x (2.7x) LTM adjusted EBITDA

Working capital / Net sales, rolling 12 months (%)



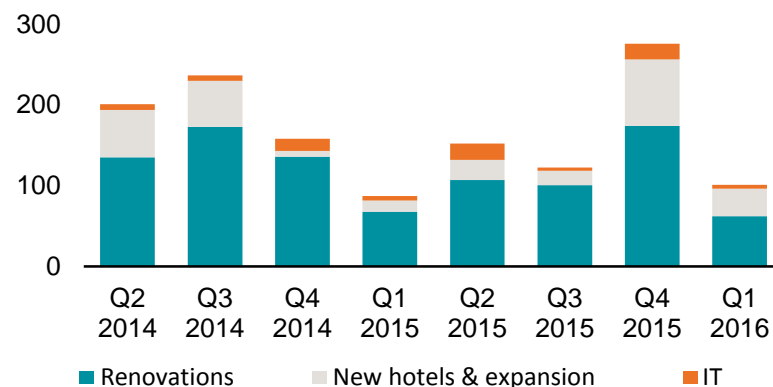
MSEK	Q1 2016	Q1 2015
Cash flow before change working capital	19	46
Change in working capital	-266	-234
Cash flow from operating activities	-247	-188
Cash flow from investing operations	-101	-115
OPERATING CASH FLOW	-348	-303
Interest payments	-24	-8
Drawn credit facility	250	-
Cash flow from financing operations	226	-8
CASH FLOW FOR THE PERIOD	-122	-311

CAPEX FOCUSING ON REVENUE GENERATION

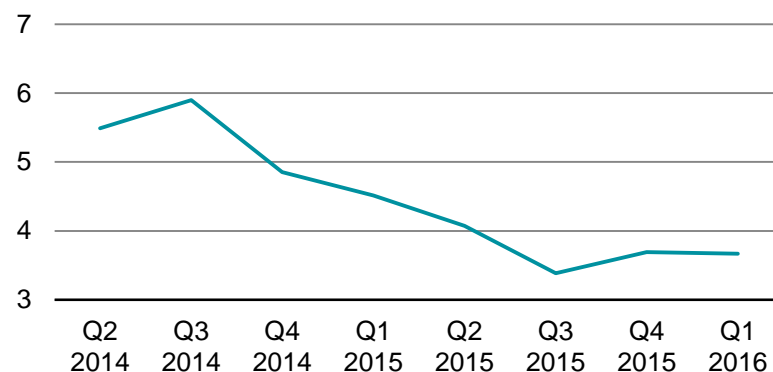
Capex

- › Renovation capex of 62 MSEK (68) corresponding to 3.7% of net sales, rolling 12 months
- › Capex of 34 MSEK (14) for new hotels and expansions mainly related to:
 - › Scandic Continental
 - › Haymarket by Scandic
 - › Vasa Theatre, Grand Central
- › Investment of 5 MSEK (5) in IT refers mainly to development of the new digital platform for e-commerce and improved customer dialog

Investments (MSEK)



Renovations / Net sales, Rolling 12 Months (%)

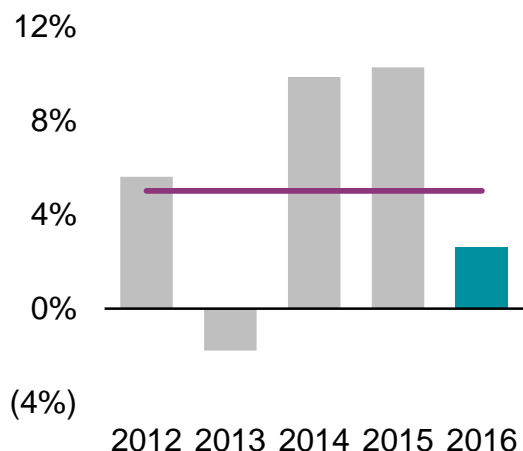


FINANCIAL TARGETS – LTM 2016 IMPACTED BY EASTER

Growth

2.6% LTM 2016

excl. M&As⁽¹⁾
Net sales growth



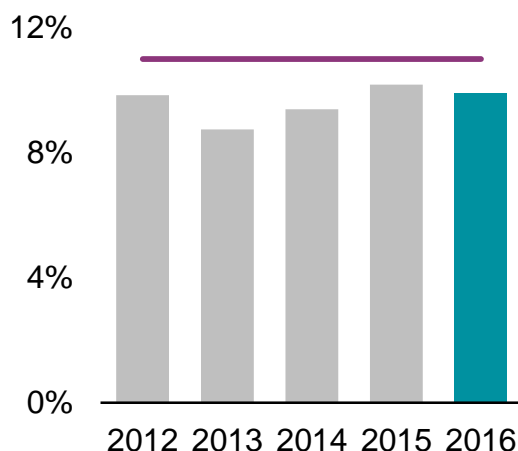
Target

- > Annual net sales growth of at least 5% on average over a business cycle (excl. potential M&As)

Profitability

10.1% LTM 2016

Adjusted EBITDA margin



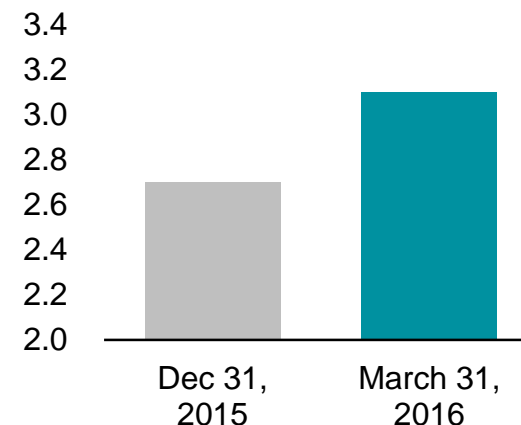
Target

- > Adjusted EBITDA margin of at least 11% on average over a business cycle

Capital structure

3.1x

Net debt / LTM Adjusted EBITDA



Target

- > Net debt in relation to adjusted EBITDA of 2 – 3x

Target

OUR 5 PILLARS OF PROFITABLE GROWTH

MARKET GROWTH

Good underlying demand

SCANDIC INITIATIVES

Launch of new e-commerce platform

RICA SYNERGIES & IMPROVEMENTS

On track with good results

RAMP UP OF RECENTLY OPENED HOTELS & SIGNED PIPELINE

2 significant hotels opened & 3 new in pipeline

NETWORK EXPANSION

Development platform in Germany

2 SIGNIFICANT NEW HOTELS IN STOCKHOLM

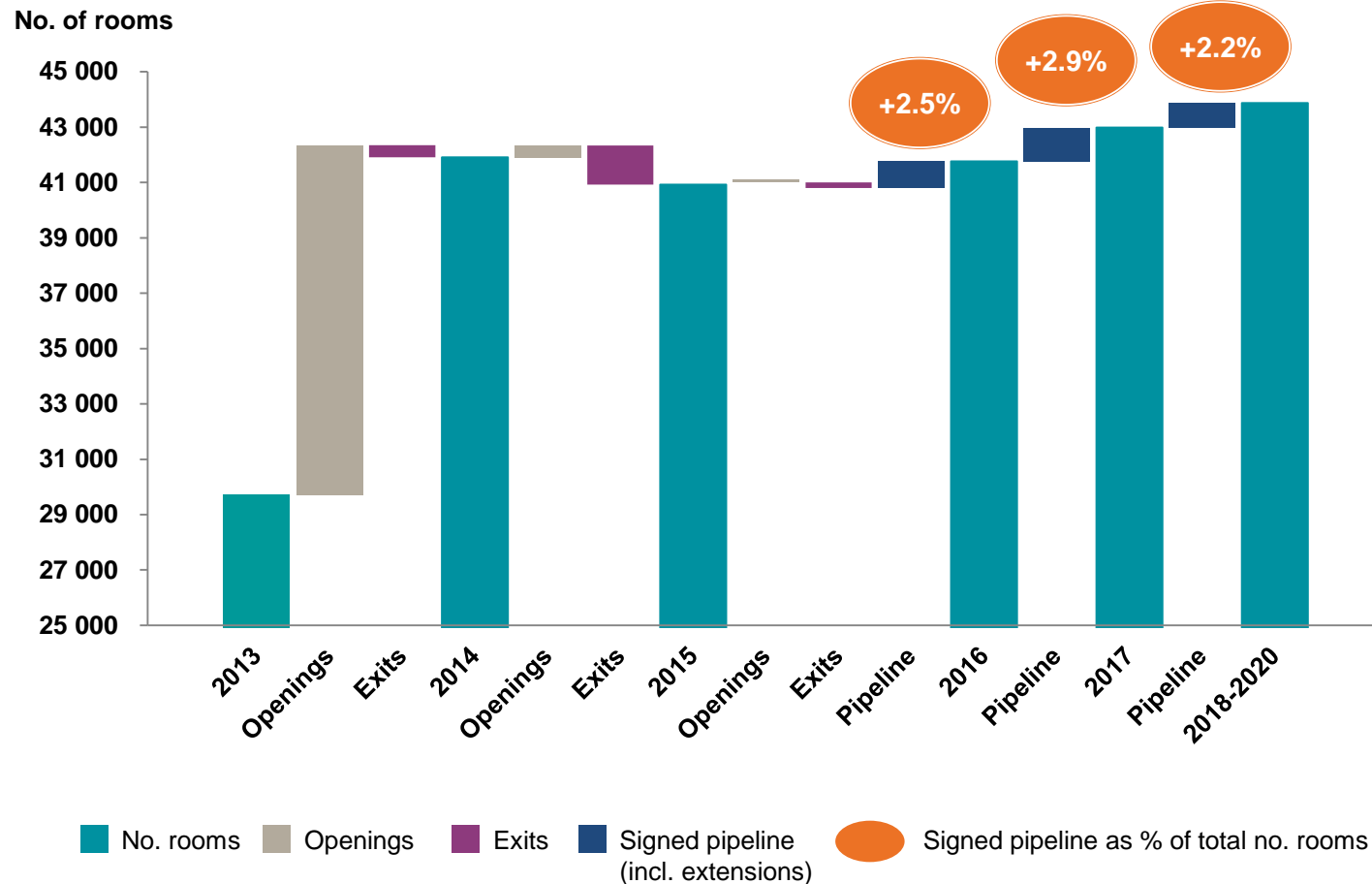
Scandic Continental, 392 rooms



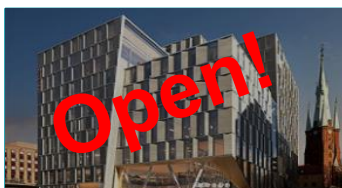
Haymarket by Scandic, 405 rooms



A STRONG SIGNED PIPELINE WITH FULL MATERIALISATION – 3 HOTELS ADDED IN 2016



10 SIGNIFICANT HOTELS WILL BE ADDED TO THE PORTFOLIO IN 2016-2018



Scandic Continental (new build)

- › Location Stockholm, Sweden
- › # of Rooms 394
- › Opened April 1, 2016



Haymarket by Scandic (extension)

- › Location Stockholm, Sweden
- › # of Rooms 405 (incl. 147 new)
- › Opened May 10, 2016



Scandic Vaasa (conversion)

- › Location Vaasa, Finland
- › # of Rooms 140 (incl. 72 new)
- › Opening June 2016



Scandic Aalborg City (conversion)

- › Location Aalborg, Denmark
- › # of Rooms 168
- › Opening June 2016



Scandic Sergel Plaza (conversion)

- › Location Stockholm, Sweden
- › # of Rooms 420 (incl. 17 new)
- › Opening H1 2017



Scandic Bergen Flesland (new build)

- › Location Bergen, Norway
- › # of Room 304
- › Opening H1 2017



Scandic Lillestrøm (new build)

- › Location Lillestrøm, Norway
- › # of Rooms 220
- › Opening H1 2018



Scandic Hotel Norge (conversion)

- › Location Bergen, Norway
- › # of Rooms 420
- › Opening H2 2018



Scandic Kødbyen (new build)

- › Location Copenhagen, Denmark
- › # of Rooms 370
- › Opening H2 2018

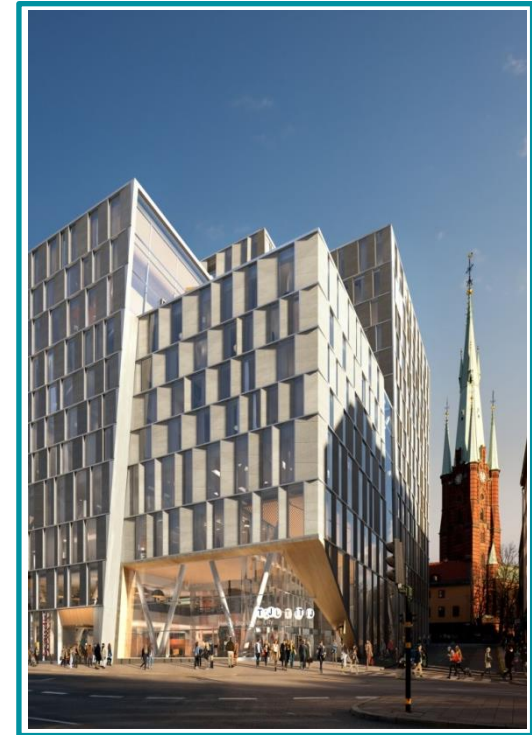


Scandic Falconer (conversion)

- › Location Copenhagen, Denmark
- › # of Rooms 300 (incl. 140 new)
- › Opening H2 2018

WE REMAIN POSITIVE ABOUT THE PROSPECTS FOR 2016

- › Opening of Haymarket by Scandic and Scandic Continental in Stockholm
- › Signing of new hotels in 'unsigned' pipeline
- › Develop our platform in Germany
- › Further realisation of Rica synergies and improvements
- › Capitalise on our new e-commerce platform
- › Strengthen and ramping up of the commercial organisation
- › Launch of new cultural platform 'Inspiring Nordic'
- › Positive start in H1 with satisfactory business on the books





Q&A

MEETING &
EVENTS
PAUL'S AMERICAN
GRETAS