



GOOD UNDERLYING MOMENTUM AND A STRONG START TO THE YEAR

Q1 2017

Scandic

Scandic

Frank Fiskers, President & CEO
Jan Johansson, CFO
Stockholm, May 10, 2017

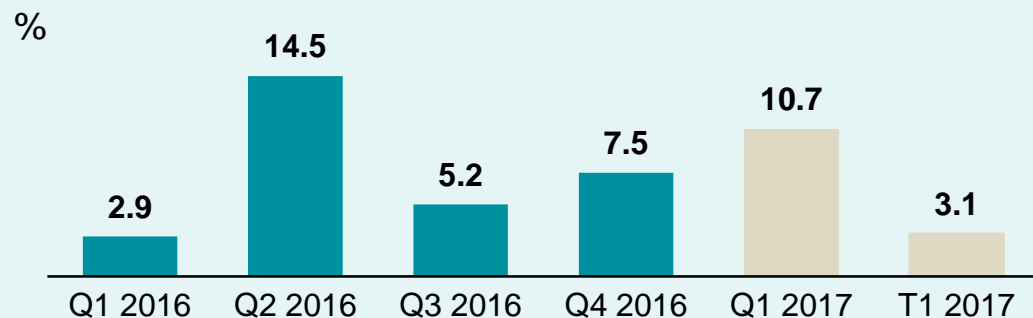
CONTINUED STRONG MOMENTUM

- 1 LFL RevPAR increased by 12.2 percent on strong demand in all markets
- 2 Net sales grew by 19.3 percent driven by higher occupancy, increased rates, new hotels and currency effects
- 3 The Easter holiday fell entirely in April in 2017. We estimate that calendar effects impacted growth positively by 7 percentage points in Q1
- 4 Adjusted EBITDA margin improved from 1.5 percent to 5.0 percent
- 5 11 hotels with a total of 2,438 rooms added to pipeline since year-end

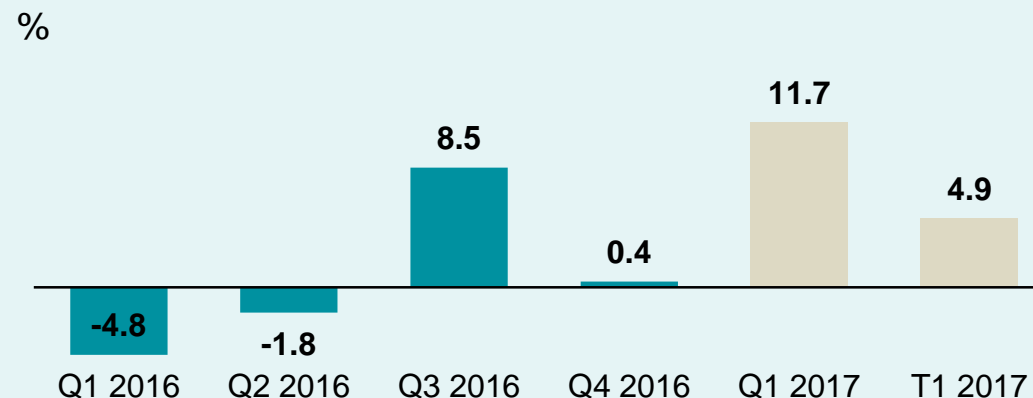


GOOD MARKET CONDITIONS AND GOOD UNDERLYING DEMAND

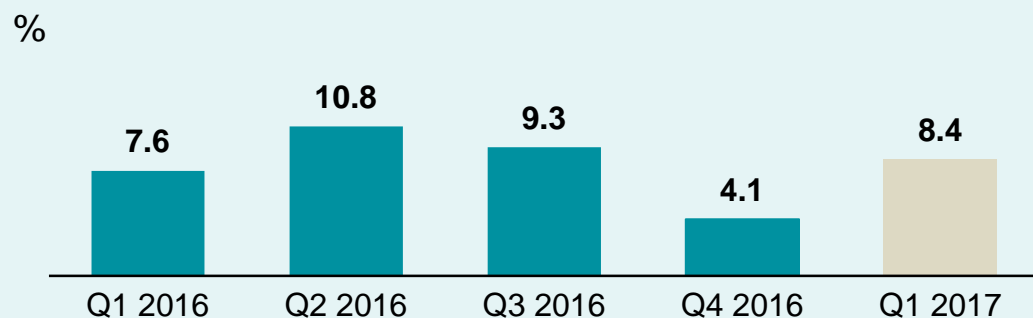
Sweden



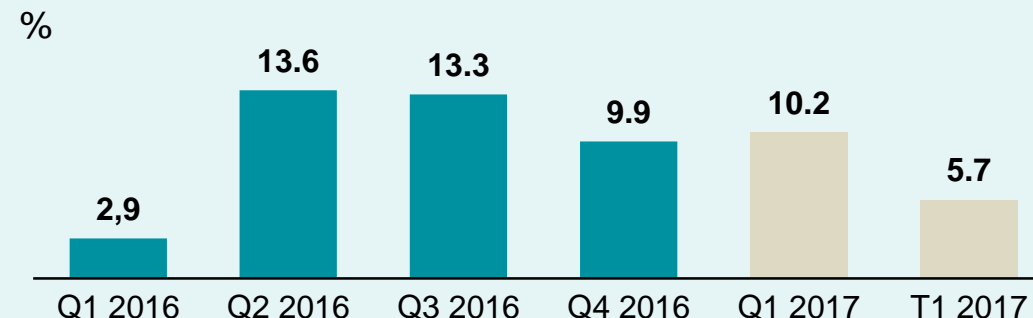
Norway



Finland



Denmark



5,000 ROOMS IN OUR SOLID PIPELINE

	Hotel	# Rooms
2017	Scandic Flesland Airport, Bergen (April)	304
	Grand Hotel by Scandic, Oslo (April) New	274
	Scandic Sørlandet, Norway (April) New	210
	Scandic Valdres, Fagernes (April) New	138
	Scandic Kista, Stockholm (April) New	149
	Scandic Sluseholmen, Copenhagen (May) New	215
	Scandic Lillehammer Hotel, Norway (May) New	303
	Scandic Hafjell, Norway (June) New	210
	Scandic Prince Philip, Stockholm (June) New	208
	Downtown Camper by Scandic, Stockholm (September)	493
2018	Scandic Lillestrøm, Oslo (H1)	220
	Scandic Helsinki Airport, Helsinki (H1) New	148
	Hotel Norge by Scandic, Bergen (H2)	420
	Scandic Kødbyen, Copenhagen (H2)	370
	Scandic Falconer, Copenhagen (H2)	300
2020	New Scandic in Gothenburg New	362
	Landvetter Airport, Gothenburg New	220
	Ongoing extensions (2017 – 2018)	402
	Total	4,946



Scandic

NEW SIGNATURE HOTELS - GRAND HOTEL IN APRIL AND DOWNTOWN CAMPER IN SEPTEMBER

- In April, Scandic took over Grand Hotel Oslo with 274 rooms and extensive F&B operations
- Downtown Camper by Scandic in central Stockholm, with 493 rooms, to open in September 2017
- Six signature hotels in operation or under development



Grand Hotel Oslo by Scandic



Downtown Camper by Scandic

Scandic

HOTELS FROM PANDOX DEAL TAKEN OVER DURING Q2

- Variable leases
- Long term
- No consideration



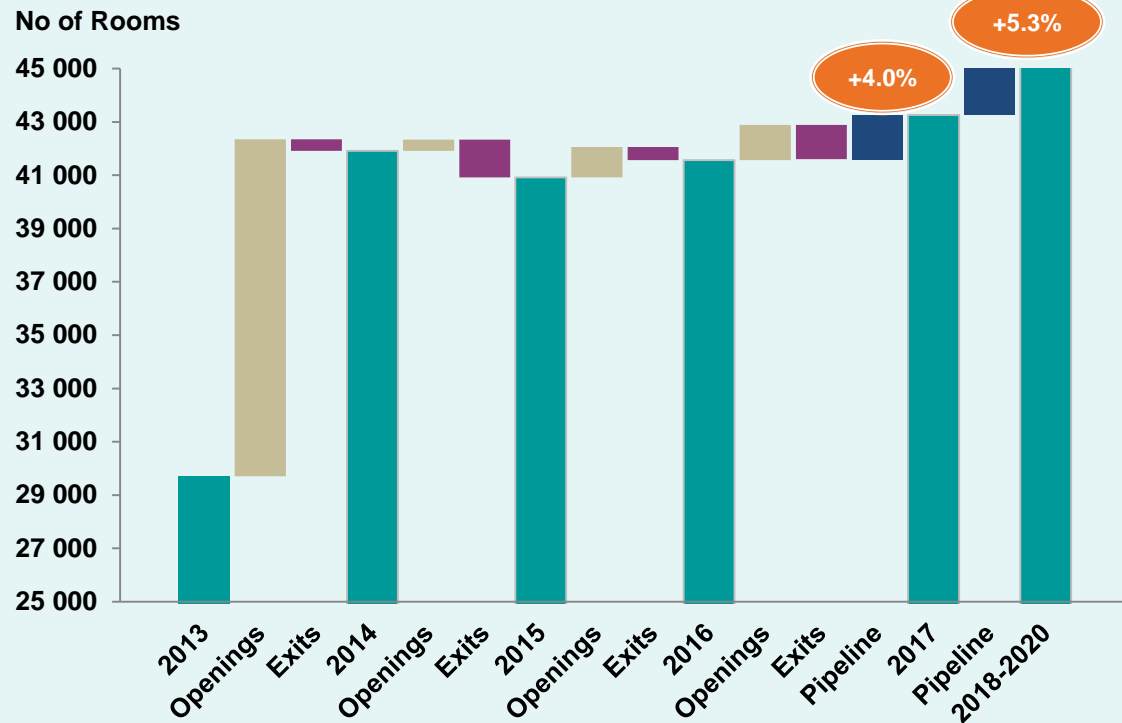
1. Scandic Sluseholmen, Copenhagen 2. Scandic Prince Philip, Stockholm 3. Scandic Kista, Stockholm
4. Scandic Lillehammer Hotel, 5. Scandic Hafjell, 6. Scandic Valdres, Fagernes
7. Scandic Sørlandet

TWO NEW MAJOR HOTELS IN THE GOTHENBURG REGION

- New hotel at Landvetter Airport in Gothenburg, with 220 rooms, to open 2020
- New Scandic in central Gothenburg, with 362 rooms, to open 2020



SUBSTANTIAL NEW INVENTORY ADDED IN 2016-2017



PROPOSED CHANGES TO THE BOARD OF DIRECTORS

- Re-election of Vagn Sørensen as Chairman of the Board
- Proposed new member of the Board: Martin Svalstedt, CEO at Stena Adactum AB and Stena Sessan AB
- Albert Gustafsson, Stephan Leithner and Niklas Sloutski have declined re-election.
- All other Board members stand for re-election



Martin Svalstedt



FINANCIAL UPDATE

Scandic

STRONG SALES AND EBITDA GROWTH

MSEK	Jan – Mar			Jan-Dec 2016	LTM March 2017
	2017	2016	Change %		
Net sales	3,095	2,594	19.3	13,082	13,582
Adjusted EBITDA	154	40	285	1,513	1,627
Adjusted EBITDA margin, %	5.0	1.5		11.6	12.0
EBITDA	137	24	470	1,462	1,575
EBIT	6	-98		925	1,028
EPS, after dilution, SEK	-0.35	-0.98		8.58	9.22
Adjusted EPS, after dilution, SEK	-0.27	-1.12		6.86	7.72

- Net sales positively impacted by calendar effects of around 7 percentage points
- The adjusted EBITDA margin improved from 1.5% to 5.0% in 2017
- Adjusted EPS improved from SEK -1.12 to SEK -0.27

INCREASED REVPAR IN ALL MARKETS

% change y-o-y local currencies	RevPAR LFL		RevPAR	
	Jan-Mar	Jan-Dec 2016	Jan-Mar	Jan-Dec 2016
Sweden	10.5	5.8	13.9	7.5
Norway	16.4	4.3	15.1	4.2
Denmark	10.2	10.8	9.0	10.1
Finland	13.1	8.8	13.4	8.7
Germany	7.9	9.1	7.9	9.1
Total	12.2	6.3	13.4	7.4

- RevPAR growth in local currencies was 13.4 percent in Q1 with positive development on all markets
- RevPAR positively impacted by calendar effects of around 7 percentage points

STRONG SALES CONTRIBUTION FROM NEW HOTELS

	Jan – Mar	
	MSEK	%
2016 Net sales	2,594	
LFL, sales growth	292	11.3
<i>Of which Sweden</i>	100	
<i>Norway</i>	131	
<i>Other Nordics & Europe</i>	62	
Currency effect	76	2.9
Effects from changes in hotel portfolio	133	4.8
<i>Of which New hotels</i>	149	
<i>Exited hotels</i>	-16	
2017 Net sales	3,095	19.3

- LFL growth in all segments
- Reported sales growth 19.3 percent
- Net sales positively impacted by calendar effects of around 7 percentage points

MARGIN UPLIFT IN ALL SEGMENTS

Quarterly, Jan– Mar MSEK	Net sales		Adjusted EBITDA		Adjusted EBITDA, %	
	2017	2016	2017	2016	2017	2016
Sweden	1,320	1,104	145	81	11.0	7.3
Norway	936	742	52	1	5.6	0.1
Other Nordics & Europe	839	748	56	30	6.7	4.0
Central costs & group adjustments	-	-	-99	-72		
Group	3,095	2,594	154	40	5.0	1.5

- The adjusted EBITDA margin improved from 1.5 to 5.0 percent with improvement in all segments
- Central costs included revaluation of power supply hedging of -9 MSEK (0)

DEBT COVER REMAINS STABLE

MSEK	Jan – Mar 2017	Jan – Mar 2016
Cash flow before changes in working capital	142	19
Changes in working capital	-268	-266
Investments	-146	-101
Operating cash flow	-272	-348
Net debt (C/B)	3,001	3,775
Net debt in relation to adjusted EBITDA	1.8x	3.1x

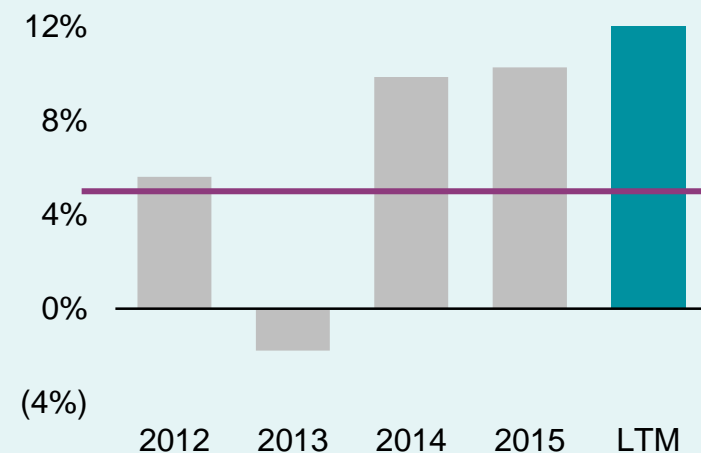
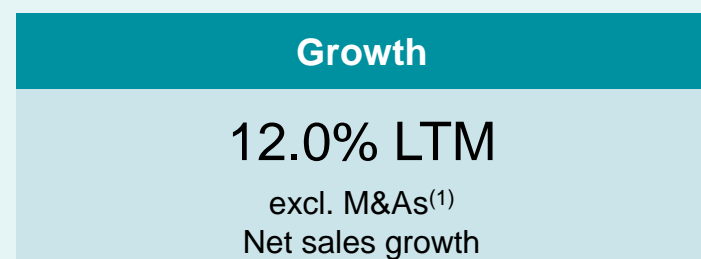
- Net debt/adjusted EBITDA was 1.8x
- Q1 is impacted by a seasonal increase in working capital

NET DEBT INCREASED DUE TO SEASONALLY WEAK CASH FLOW

MSEK	Jan– Mar	Jan – Dec 2016
Opening balance	2,710	3,355
Operating cash flow	272	-891
Currency effects	-8	125
Interest paid, net	23	101
Other changes	4	20
Closing balance	3,001	2,710

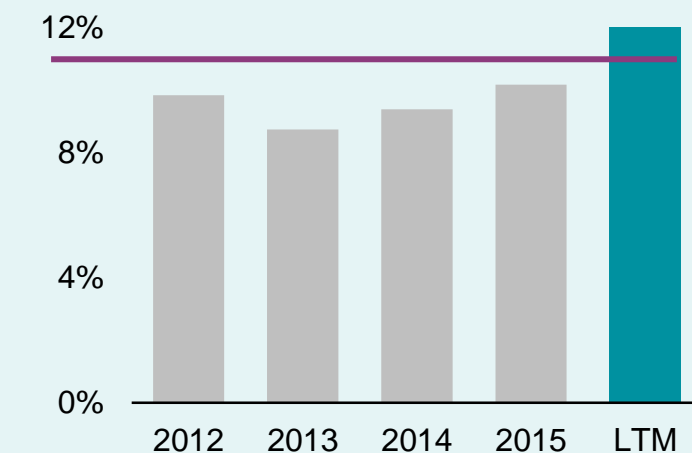
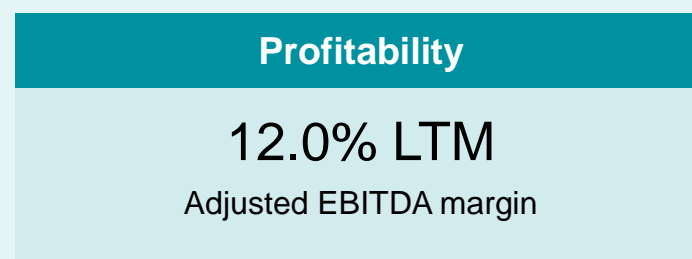
- Net debt increased due to seasonally weak cash flow in Q1

EXCEEDING FINANCIAL TARGETS



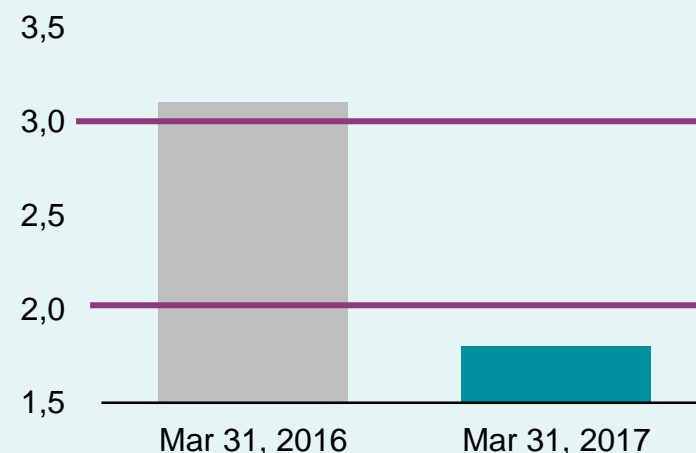
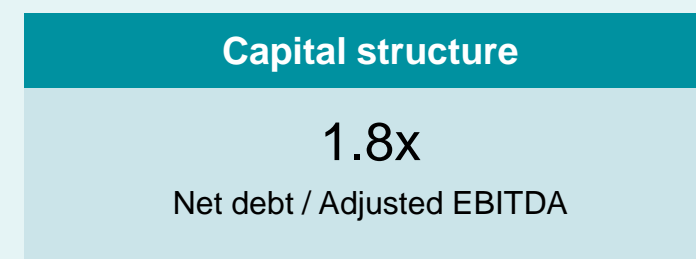
Target

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



Target

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



Target

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

— Target

WE REITERATE OUR FAVOURABLE VIEW OF THE REMAINDER OF THE YEAR

- Strong business-on-the-books for the summer season
- Key commercial projects developing according to plan
- March launch of new Leadership program for General Managers and central leaders
- CEO transition started on May 2, will be concluded on July 31
- We reiterate our positive view on 2017





Q&A

Please visit our company website
www.scandichotelsgroup.com for a
comprehensive company presentation.