Frank Fiskers, President & CEO
Jan Johansson, CFO
Stockholm, July 20, 2017

STRONG GROWTH IN A HIGHLY ACTIVE QUARTER

Q2 2017

The new 293-room Scandic Frankfurt Museumsufer

Scandic

GOOD UNDERLYING GROWTH IN Q2

1. H1 sales growth reached 13.6% driven by good demand on all markets and increased number of rooms in operation
2. Q2 sales growth was 9.4%. Adjusted for calendar effects, underlying growth was higher than in Q1
3. Adjusted EBITDA was 461 MSEK (470) in the quarter and 615 MSEK (509) in the first half year
4. Nine hotels with more than 2,000 rooms added during Q2
5. Agreement signed to acquire the 43 Restel hotels making Scandic the leading hotel operator in Finland

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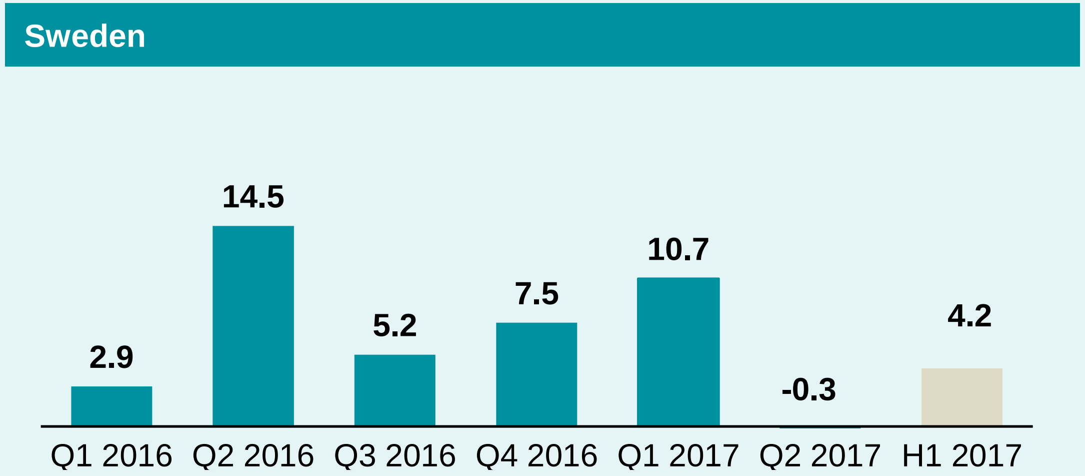
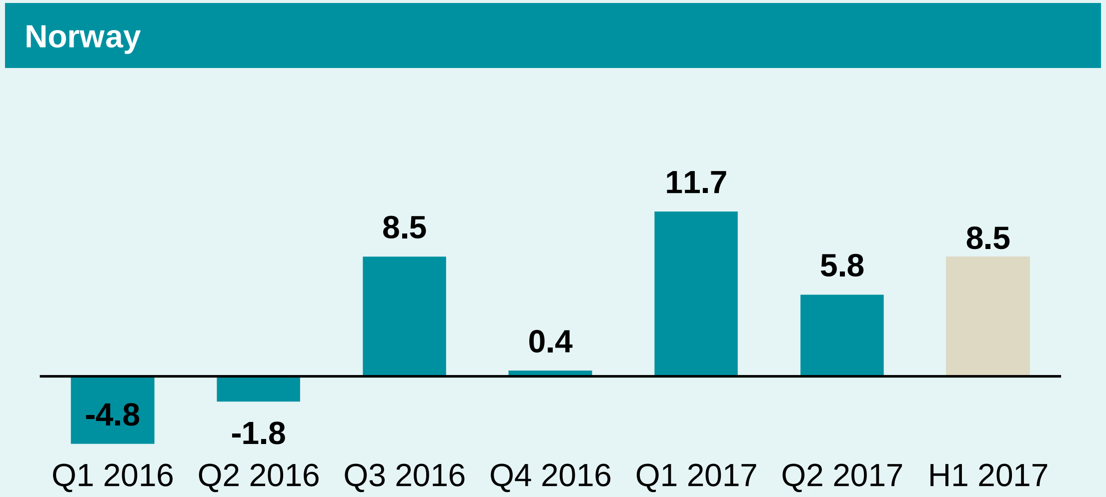
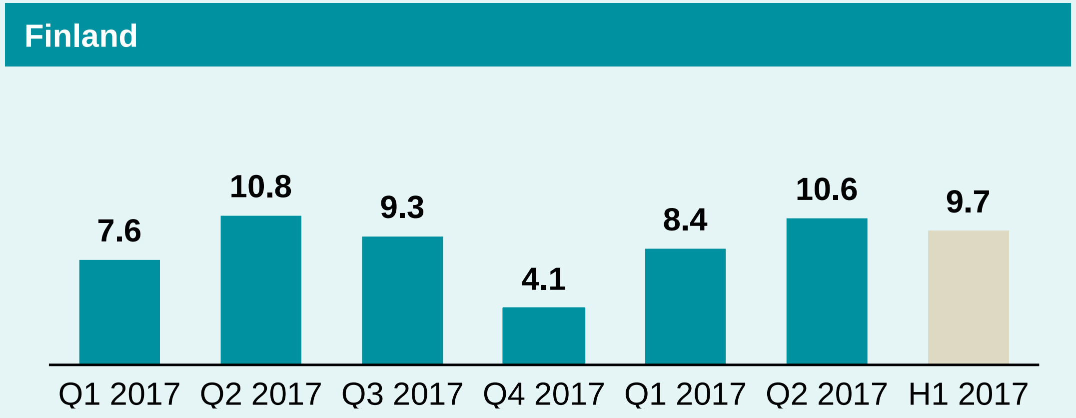
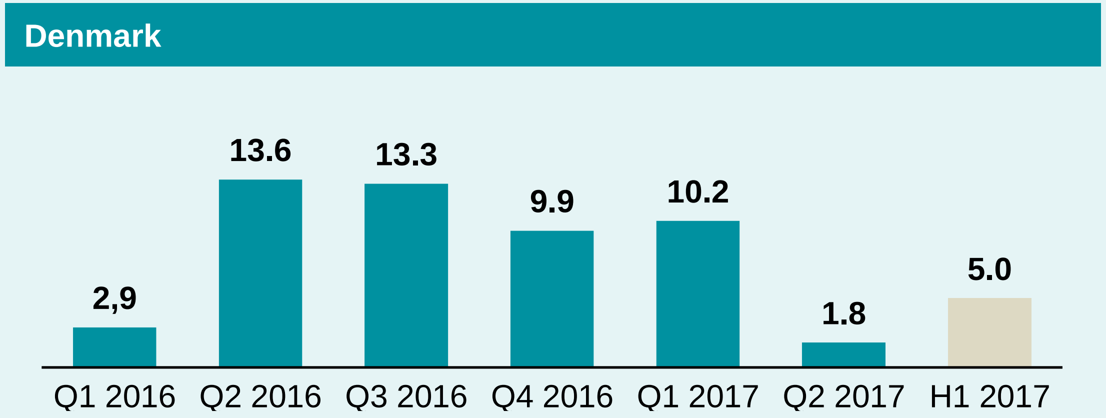
GOOD UNDERLYING DEMAND IN ALL MARKETS









Market RevPAR growth based on data from Benchmarking Alliance & STR Global.

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ACQUISITION OF RESTEL HOTELS – CREATING THE UNDISPUTED LEADING NORDIC HOTEL COMPANY

- 43 hotels and 7,600 rooms in Finland
- Subject to regulatory approval, expected closing by the end of Q4
- Excellent strategic fit, creating the No. 1 hotel company in Finland
- Over time, potential for the acquired business to reach adjusted EBITDA margins in excess of the group target of 11% over a business cycle

Acquisition price (cash and debt free basis):	**114.5 MEUR**
Net sales 2016:	**203.4 MEUR**
Adjusted EBITDA 2016:	**13.7 MEUR**
Normalized capex/sales:	**~5%**
Planned additional capex in 2018e:	**~10 MEUR**
Total integration- and transaction costs:	**~25 MEUR**

Frank Fiskers, President & CEO of Scandic and
Perttu Puro, CEO of Tradeka & Chairman of the Board of Restel

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A RECORD NUMBER OF OPENINGS DURING Q2

Hotel	# Rooms
Scandic Flesland Airport, Bergen (April)	300
Grand Hotel by Scandic, Oslo (April)	274
Scandic Sørlandet, Norway (April)	210
Scandic Valdres, Fagernes (April)	139
Scandic Kista, Stockholm (April)	149
Scandic Sluseholmen, Copenhagen (May)	215
Scandic Lillehammer Hotel, Norway (May)	303
Scandic Hafjell, Norway (June)	210
Scandic Prince Philip, Stockholm (June)	208
Total	**2,008**

Integration of the eight hotels that were taken over by Pandox and Eiendomsspar has gone according to plan.

Pre-opening cost: SEK 7m

Capex: SEK 10m

Grand Hotel by Scandic, Oslo

3,800 ROOMS IN THE PIPELINE AND THREE MAJOR NEW HOTELS SIGNED

	Hotel		# Rooms
2017	Downtown Camper by Scandic, Stockholm (Sept)		493
	Central Elverum, Norway, franchise (H2)		90
2018	Scandic Lillestrøm, Oslo (H1)		220
	Scandic Helsinki Airport, Helsinki (H1)		148
	Scandic Frankfurt Museumsufer (H1)	New	293
	Hotel Norge by Scandic, Bergen (H2)		420
	Scandic Kødbyen, Copenhagen (H2)		370
	Scandic Falconer, Copenhagen (H2)		300
2020	New Scandic in Gothenburg		362
	Landvetter Airport, Gothenburg	New	220
	New Scandic in Helsinki Railway Station	New	483
	Ongoing extensions (2017 – 2018)		423
	Total		**3 822**

New Scandic at Landvetter Airport, Gothenburg

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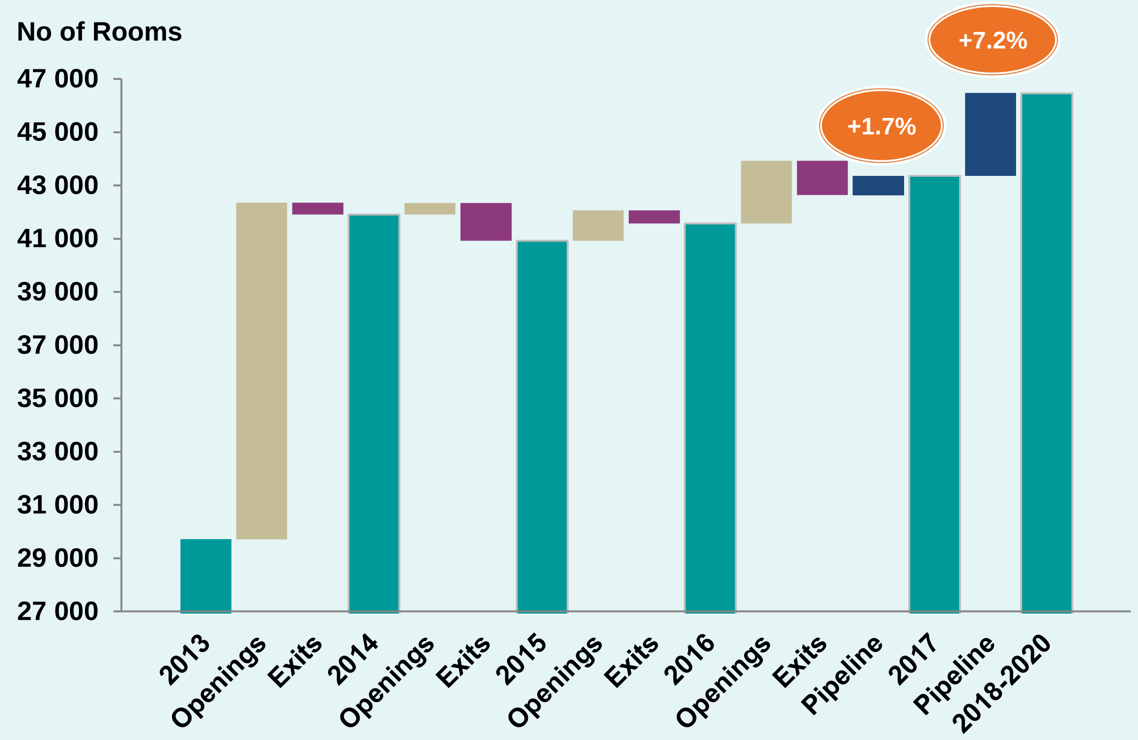
SUBSTANTIAL NEW INVENTORY ADDED IN 2016-2017



Scandic Flesland Airport, Bergen, opened during Q2 2017

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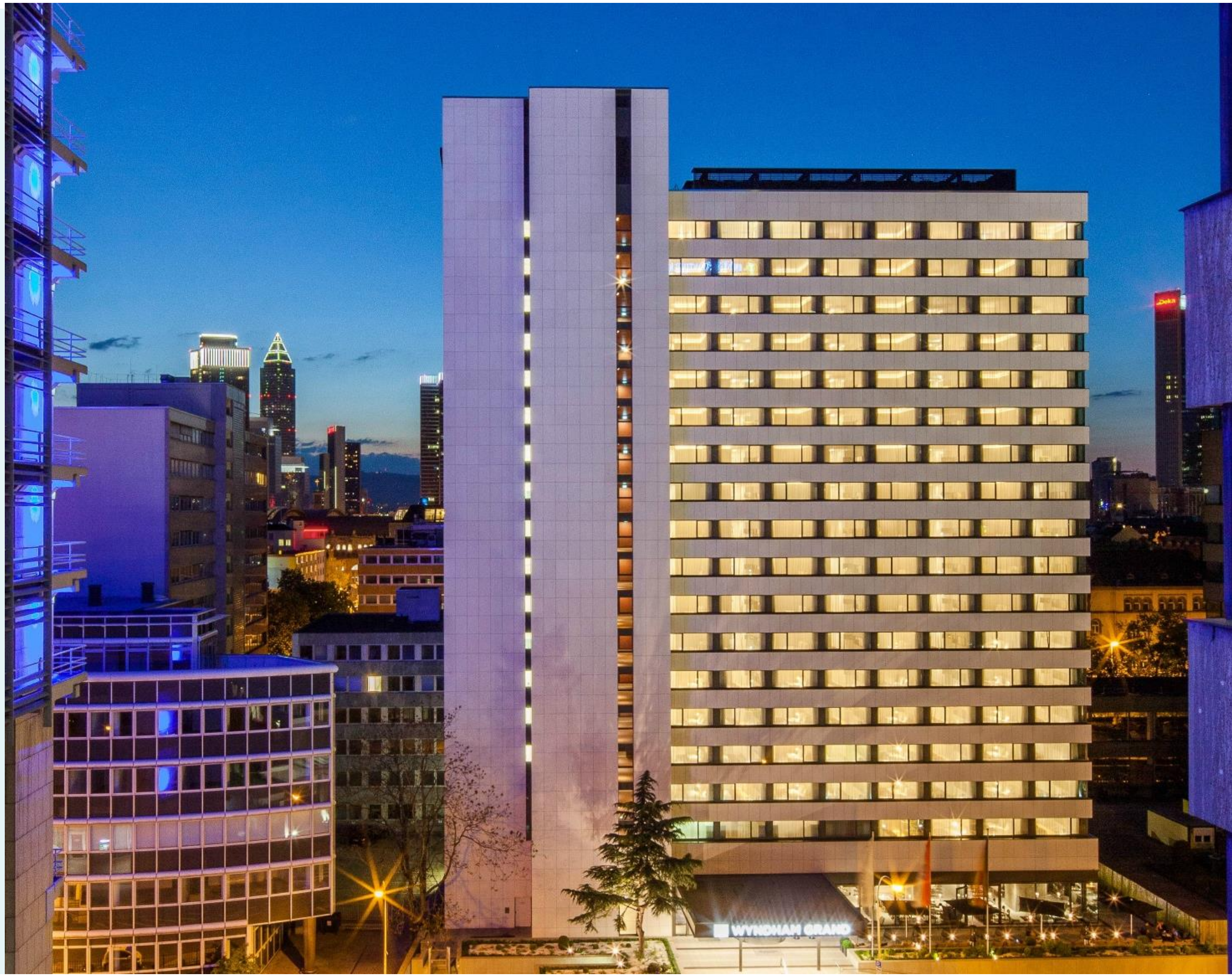
SCANDIC FRANKFURT MUSEUMSUFER – OUR FOURTH HOTEL IN GERMANY

- On 4 July, Scandic announced take-over of lease of the current Wyndham Grand Frankfurt
- The hotel will open as Scandic Frankfurt Museumsufer in the beginning of 2018
- A fully renovated city hotel with 293 rooms + 700 m2 of brand new meeting space



SCANDIC TO OPEN HOTEL IN THE CLASSIC HELSINKI CENTRAL RAILWAY STATION

- One of Helsinki's most well known buildings, designed by world famous architect Eliel Saarinen
- The hotel will be one of the largest in Scandic's portfolio with 483 rooms and conference facilities for up to 900 people
- The project is being developed in cooperation with The National Board of Antiquities and the City of Helsinki
- Planned opening in 2020

FINANCIAL UPDATE

STRONG UNDERLYING SALES GROWTH

MSEK	Apr– June 2017	Apr– June 2016	Apr– June Change %	Jan – June 2017	Jan – June 2016	Jan – June Change %
Net sales	3,770	3,447	9.4	6,865	6,041	13.6
Adjusted EBITDA	461	470	-1.9	615	509	20.8
Adjusted EBITDA margin, %	12.2	13.6		9.0	8.4	
EBITDA	432	444	-2.7	569	466	22.1
EBIT	301	319	-5.6	307	220	39.5
EPS, after dilution, SEK	2.02	2.52	-19.8	1.68	1.54	9.0
Adjusted EPS, after dilution, SEK	2.15	2.21	-2.7	1.89	1.08	75.0

- Calendar effects impacted Q2 sales and adjusted EBITDA negatively
- Solid sales and earnings growth in H1
- Reported EBITDA included transaction costs related to the announced acquisition of Restel Hotels of SEK 12m
- The financial net included a negative FX item of SEK 18m related to debt refinancing

POSITIVE REVPAR DEVELOPMENT

% change y-o-y local currencies	RevPAR LFL		RevPAR	
	Apr-Jun	Jan-Jun	Apr-Jun	Jan-June
Sweden	-2.8	2.8	-0.9	5.1
Norway	6.7	10.9	6.0	10.3
Denmark	1.9	5.3	0.3	4.0
Finland	8.3	10.5	8.6	10.8
Germany	6.9	7.5	6.9	7.5
Total	**2.0**	**6.4**	**2.3**	**7.0**

- RevPAR in local currencies was up all markets in H1
- Strong development in Norway and Finland
- Calendar effects impacted Q2 negatively

STRONG SALES CONTRIBUTION FROM NEW HOTELS

		Apr– Jun MSEK	Apr– Jun %	Jan – Jun MSEK	Jan – Jun %
2016 Net sales		3,447		6,041	
LFL, sales growth		44	1.3	336	5.6
Of which	*Sweden*	*-34*		*66*	
	Norway	*45*		*175*	
	Other Nordics & Europe	*33*		*95*	
Currency effect		83	2.4	158	2.6
Effects from changes in hotel portfolio		196	5.7	330	5.5
Of which	*New hotels*	*215*		*336*	
	Exited hotels	*-19*		*-35*	
2017 Net sales		**3,770**	**9.4**	**6,865**	**13.6**

- LFL sales growth of 5.6% in H1
- Positive LFL sales growth in Q2 despite negative calendar effect
- Significant contribution from new hotels

LFL sales growth per segment %	**Apr–Jun**	**Jan – Jun**
Sweden	-2.3	2.5
Norway	4.7	10.3
Other Nordics & Europe	3.4	5.5

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ROBUST SALES AND MARGIN DEVELOPMENT IN H1

Quarterly, Jan– Mar MSEK	Net sales 2017	 2016	Adjusted EBITDA 2017	 2016	Adjusted EBITDA, % 2017	 2016
Sweden	1,528	1,514	244	274	16.0	18.1
Norway	1,171	963	112	118	9.6	12.3
Other Nordics & Europe	1,071	970	182	170	17.0	17.5
Central costs & group adjustments	0	0	-77	-92		
Group	**3,770**	**3,447**	**461**	**470**	**12.2**	**13.6**

Accumulated, Jan – Jun MSEK	Net sales 2017	 2016	Adjusted EBITDA 2017	 2016	Adjusted EBITDA, % 2017	 2016
Sweden	2,849	2,619	389	355	13.7	13.6
Norway	2,106	1,705	164	119	7.8	7.0
Other Nordics & Europe	1,910	1,717	238	200	12.5	11.6
Central costs & group adjustments	0	0	-176	-165		
Group	**6,865**	**6,041**	**615**	**509**	**9.0**	**8.4**

- Positive sales development in all segments in Q2 despite negative calendar effects
- Improvement in Other Nordics & Europe mainly driven by Finland
- The adjusted EBITDA margin improved from 8.4 to 9.0% in H1

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NET DEBT/ADJUSTED EBITDA AT 1.9

MSEK	Jan – Jun 2017	Jan – Jun 2016
Cash flow before changes in working capital	554	465
Changes in working capital	-195	-200
Investments	-364	-292
Operating cash flow	-5	-27
Net debt (C/B)	3,030	3,543
Net debt in relation to adjusted EBITDA	1.9x	2.7x

- Seasonally high working capital during H1
- Improved operating cash flow despite higher capex

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CHANGE IN NET DEBT

MSEK	Apr– Jun 2017	Jan – Jun 2017
Opening balance	3,001	2,710
Operating cash flow	-267	5
Currency effects	-19	-27
Interest paid, net	24	47
Dividend paid	322	322
Other changes	-31	-27
Closing balance	3,030	3,030

- Net debt largely unchanged during Q2
- Dividend distribution of SEK 322m

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REFINANCING AGREEMENT TO INCREASE FLEXIBILITY AND LOWER COST

New financing agreement signed on 22 June 2017 that replaces previous agreement from 2015

SEK 1.5bn term loan
SEK 3.5bn multi currency RCF

Maturity 30 June 2020 with option for two year extension

Unchanged covenants and margins

Increased flexibility and estimated reduction of annual interest expenses of around SEK 15m

One-off cost related to FX losses in Q2 of SEK 18m

WE REITERATE OUR FAVORABLE VIEW OF THE REMAINDER OF THE YEAR

- Strong business-on-the-books for the summer season
- High activity with key commercial projects developing according to plan
- We reiterate our positive view on 2017
- Even Frydenberg takes over as President and CEO from 1 August

Scandic

Q&A

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