

A photograph of a hotel room. The room features a large bed with white linens and a dark red blanket. The walls are covered in vertical wood paneling. On the left wall, there is a large framed painting of red and yellow flowers under a cloudy sky. A colorful, patterned lampshade is mounted on the wall above the bed. A small black bedside table with a remote control is visible on the right.

SCANDIC HOTELS

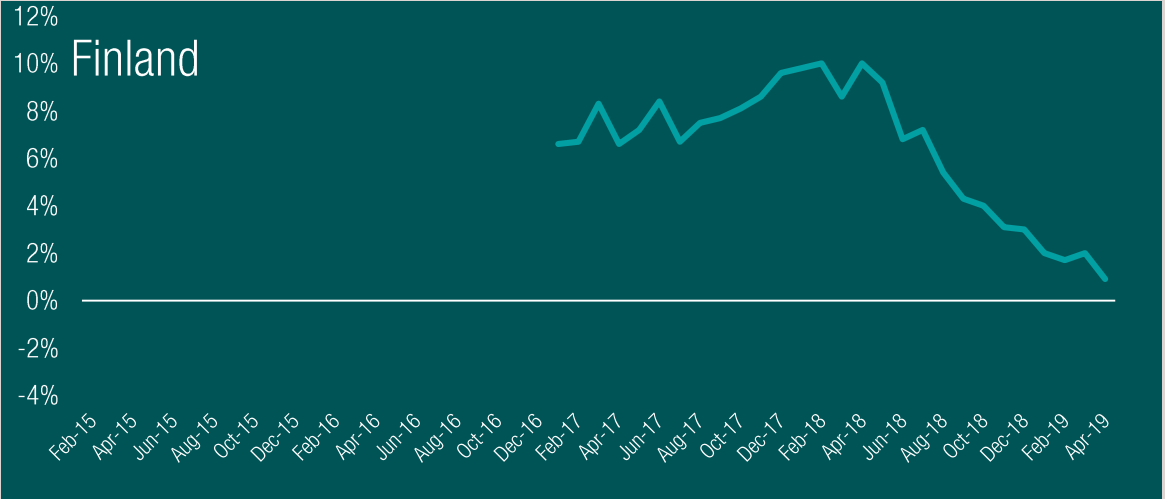
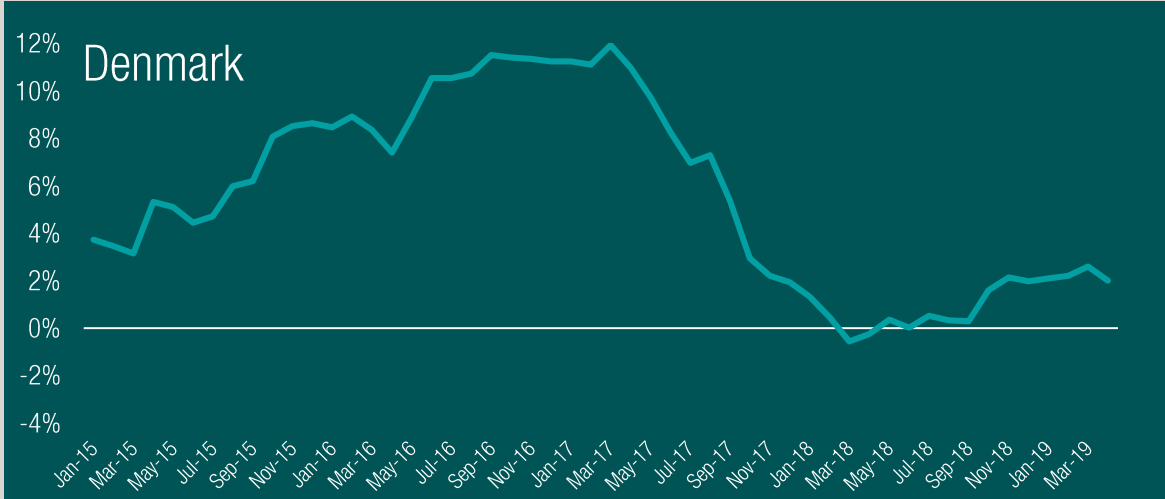
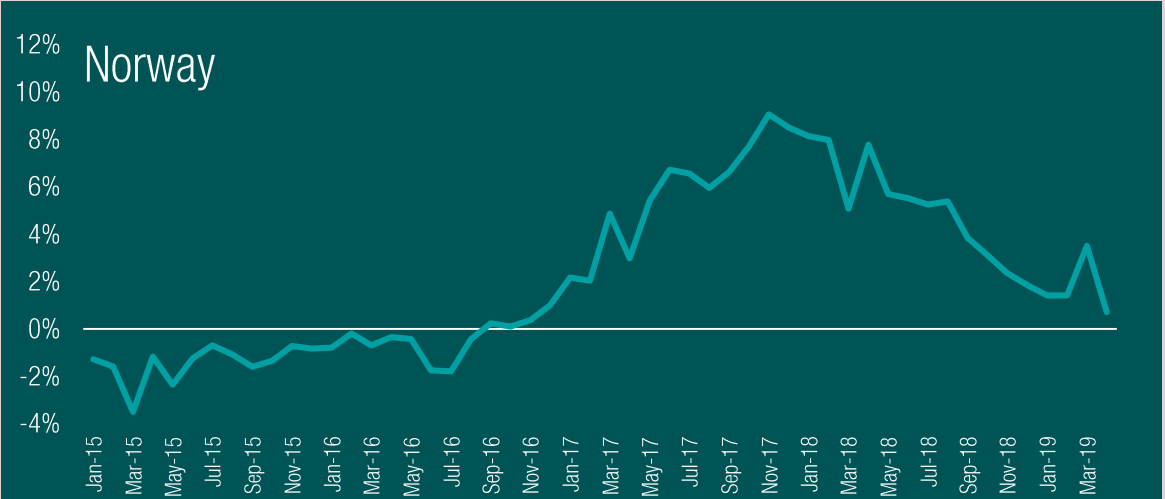
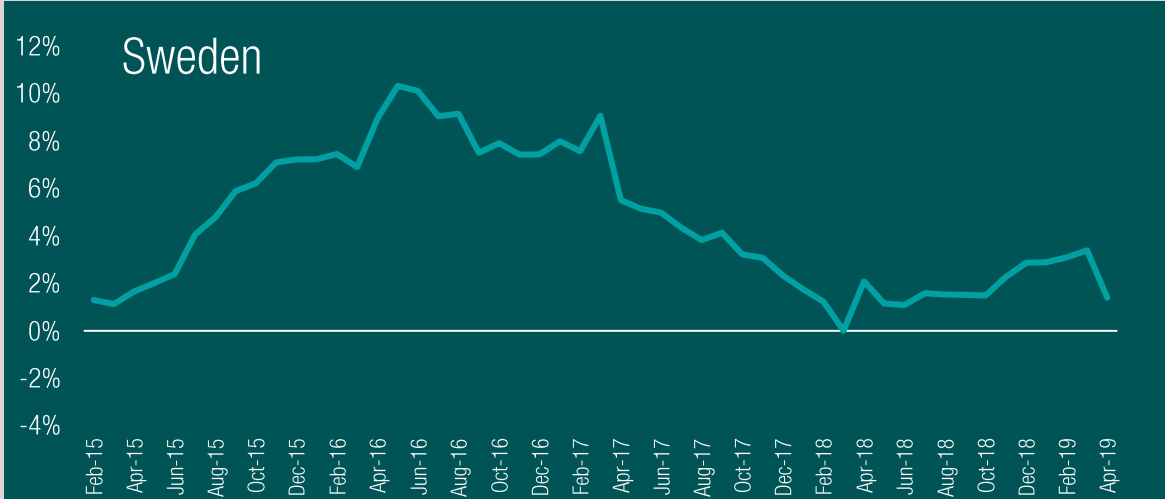
Q1 2019

Q1 – IMPROVED RESULTS AND INCREASED MARGIN FOCUS

- Sales growth: 7.3%
- Organic growth: 4.7%
- Like-for-like sales growth: 2.5% positively impacted by calendar effects
- Adjusted EBITDA 160 MSEK (115)
- Capital gain of 182 MSEK from divestment of Scandic Hasselbacken in Stockholm
- Increased margin focus, initiatives implemented

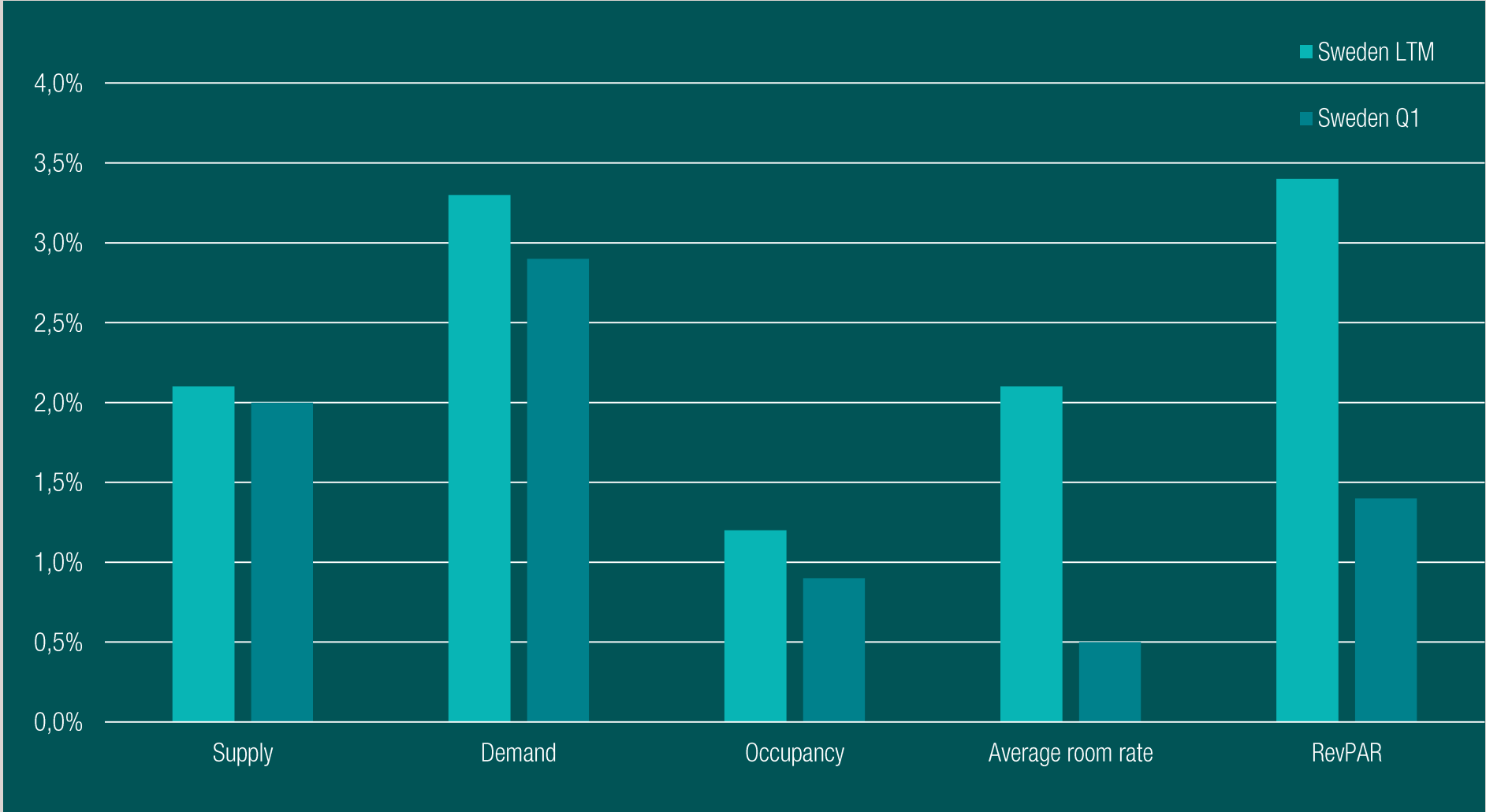


SLIGHT POSITIVE REVPAR GROWTH IN THE NORDIC MARKETS (LTM)



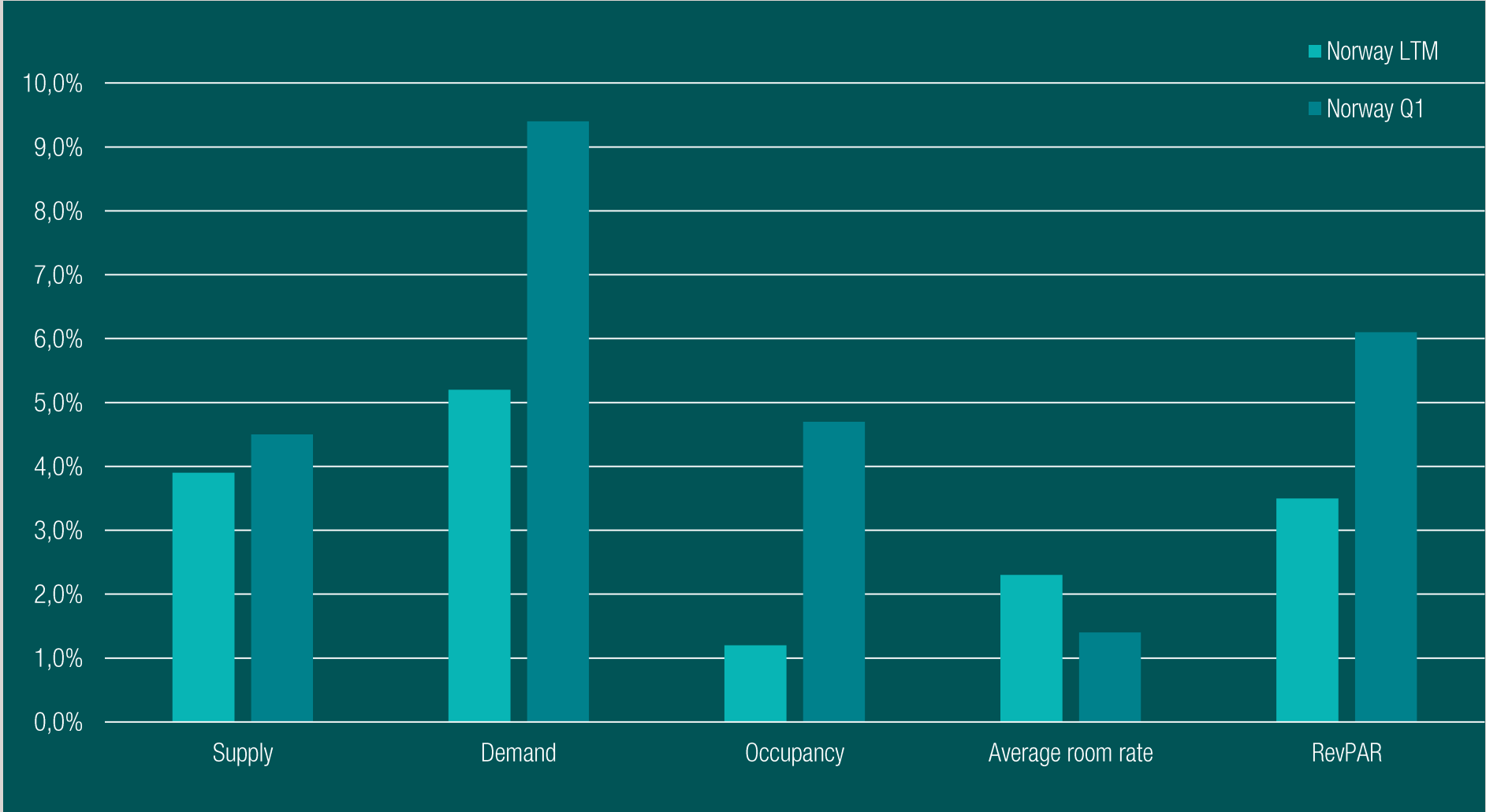
Source: Benchmarking Alliance

MARKET ANALYSIS SWEDEN



- The Swedish market was relatively balanced in Q1

MARKET ANALYSIS NORWAY



- Increased capacity in Oslo

NORDIC MARKET REVPAR GROWTH AROUND ZERO IN JANUARY-APRIL

	January-April	Q1
Sweden	-1.9%	1.4%
Norway	0.3%	6.1%
Finland	0.9%	2.7%
Denmark	-0.9%	0.9%

- Nordic market RevPAR was relatively stable in January-April, i.e. excluding calendar effects related to Easter

A SOLID PIPELINE WITH FOCUS ON KEY DESTINATIONS

Year	Hotel	Destination		# Rooms	% of existing portfolio/year
Q2 2019	Scandic Marski	Helsinki, Finland	Renovation	363	
Q2 2019	Scandic Bergen Strand	Bergen, Norway	Renovation	173	
Q3 2019	Scandic Falkoner	Copenhagen, Denmark	Conversion	336	1.7%
Q1 2020	Scandic Voss	Voss, Norway	New	216	
Q1 2020	Scandic Pasila	Helsinki, Finland	Conversion	178	
Q3 2020	Scandic Landvetter Airport	Gothenburg, Sweden	New	220	1.2%
Q1 2021	Scandic Helsinki Railway Station	Helsinki, Finland	New	483	
Q1 2021	Scandic by Copenhagen Airport	Copenhagen, Denmark	New	357	
Q2 2021	Scandic Hafenpark	Frankfurt, Germany	New	506	
Q2 2021	Scandic Macherei	Munich, Germany	New	234	
Q3 2021	Scandic Spectrum	Copenhagen, Denmark	New	632	
Q3 2021	Scandic Hamburger Börs	Turku, Finland	Conversion	300	
Q3 2021	Scandic Helsingborg Harbor	Helsingborg, Sweden	New	180	
Q3 2021	Scandic Ferrum	Kiruna, Sweden	New	230	5.6%
Q1 2022	Scandic Trondheim	Trondheim, Norway	New	425	
Q2 2022	Scandic Platinan	Gothenburg, Sweden	New	451	1.7%
	Ongoing extensions			596	1.1%
	Total gross pipeline			5,880	11.3%
	Exits and assets held for sale			-310	
	Total net pipeline			5,570	10.8%
	Estimated capex for pipeline	1.25 BSEK			
	Total portfolio			51,808	



Scandic Macherei Munich, Germany



FINANCIAL UPDATE

SCANDIC REVPAR DEVELOPMENT IN Q1

% change in local currencies	RevPAR Q1	RevPAR LFL Q1
Sweden	1.4%	1.5%
Norway	3.8%	5.7%
Finland	1.6%	-0.1%
Denmark	0.3%	0.7%
Germany	4.3%	1.3%
Total	2.2%	2.1%

- Positive RevPAR development in all countries in Q1
- Positive calendar effects in the quarter, especially for Norway

SALES GROWTH FROM NEW HOTELS AND FX

	Jan-Mar 2019	Jan-Mar 2018	%
Net sales	4,066	3,791	7.3%
FX	96		2.6%
Organic growth	179		4.7%
<i>New hotels</i>	<i>107</i>		<i>2.8%</i>
<i>Exited hotels</i>	<i>-21</i>		<i>-0.6%</i>
<i>Like-for like</i>	<i>93</i>		<i>2.5%</i>

Q1 LFL sales growth per segment:

Sweden	1.2%
Norway	4.9%
Finland	1.2%
Other Europe	3.3%

Q1 IMPROVEMENT DRIVEN BY CALENDAR EFFECTS, FINLAND AND OTHER EUROPE

Jan-Mar MSEK	Net sales		Adjusted EBITDA		Adjusted EBITDA, %	
	2019	2018	2019	2018	2019	2018
Sweden	1,372	1,364	118	122	8.6%	8.9%
Norway	1,152	1,038	45	28	3.9%	2.7%
Finland	975	918	80	56	8.2%	6.1%
Other Europe	567	471	14	0	2.5%	0.0%
Central costs & group adjustments	-	-	-97	-91	-	-
Group	4,066	3,791	160	115	3.9%	3.0%

- Encouraging development in Finland, while the improvement in Norway is explained by calendar effects

NET DEBT/ADJUSTED EBITDA 2.1

	Jan-Mar 2019	Jan-Mar 2018
Adjusted EBITDA	160	115
Pre-opening costs	-16	-33
Non-recurring items	169	-24
Adjustments for items not included in cash flow	-154	35
Paid tax and interest	-233	-36
Changes in working capital	-254	-293
Cash flow from operations	-328	-236
Investments in exisiting operations	-132	-178
Free cash flow before expansion capex	-460	-414
Acquisitions/disposals	230	-52
Expansion capex	-69	-127
Free cash flow	-299	-593
Net debt	4,194	4,309
Net debt/Adjusted EBITDA	2.1x	2.8x

- Cash flow is seasonally low in the first quarter of the year
- Proceeds from disposal of Scandic Hasselbacken amounted to 230 MSEK
- Paid taxes included 180 MSEK related to tax dispute in Finland
- Net debt/adjusted EBITDA was 2.0 at year end

FINANCE LEASE IMPACT ON INCOME STATEMENT

MSEK	Excluding finance lease	Effect from finance lease	Reported
Net sales	4,066		4,066
EBITDAR	1,263		1,263
Total rent costs	-1,103	778	-325
EBITDA	313	778	1,091
Depreciation and amortization	-199	-571	-770
EBIT	114	207	321
Financial net	-27	-274	-301
Pre tax profit	87	-67	20
Tax	3	14	17
Net profit	90	-53	37

- Finance lease effect on net result for Q1 was -53 MSEK, in line with the estimated full year impact of around -200 MSEK

IFRS 16 IMPACT ON BALANCE SHEET

MSEK	Balance sheet 31 March 2019	Effect IFRS 16
Fixed asset	41,211	23,233
Current assets	1,681	285
Total assets	42,892	23,518
Equity	6,418	-1,466
Long term liabilities	30,335	23,049
Current liabilities	6,139	1,935
Total equity and liabilities	42,892	23,518

Increase in tangible fixed assets and finance lease liabilities of 23 BSEK

Net effect on equity -1.5 BSEK

UNDERLYING EPS GROWTH

SEK	January-March		January-December
	2019	2018	2018
Reported EPS	0.35	-1.39	6.54
Effect from finance lease	-0.51	-0.08	-0.26
EPS excluding finance lease	0.87	-1.31	6.80
Items affecting comparability	1.66	-0.18	-1.07
EPS excluding finance lease and items affecting comparability	-0.79	-1.13	7.87

- Excluding items affecting comparability and effects from finance lease, EPS improved to SEK -0.79 (-1.13)

OUTLOOK AND FOCUS AREAS

Outlook Q2

Sales growth for comparable units between -2 and -3% including a negative calendar effect of around 3%

Outlook January-June:

Sales growth for comparable units of between 0 and -1%. In addition, more rooms in operations will contribute 2% to revenue growth

Focus areas

- Margins and internal efficiency
- Portfolio management
- Restel synergies
- Leisure and non-Nordic customers
- Explore growth opportunities

A man and a woman are seated at a dark, reflective table in what appears to be a cafe or restaurant. The man, on the left, has a beard and is wearing a blue denim shirt. He is looking down at a white coffee cup on a saucer. The woman, on the right, has long blonde hair and is wearing a dark blue long-sleeved top with a small embroidered design. She is smiling and looking towards the man. On the table, there are two white coffee cups, a glass of water, a plate with a croissant, and a small vase with dried flowers. The background is dark and out of focus.

Q&A