

Frank Fiskers, President & CEO
Jan Johansson, CFO
Stockholm, February 23, 2017

A STRONG FINISH TO A GOOD YEAR

Q4 2016

Grand Hotel by Scandic, Oslo

Scandic

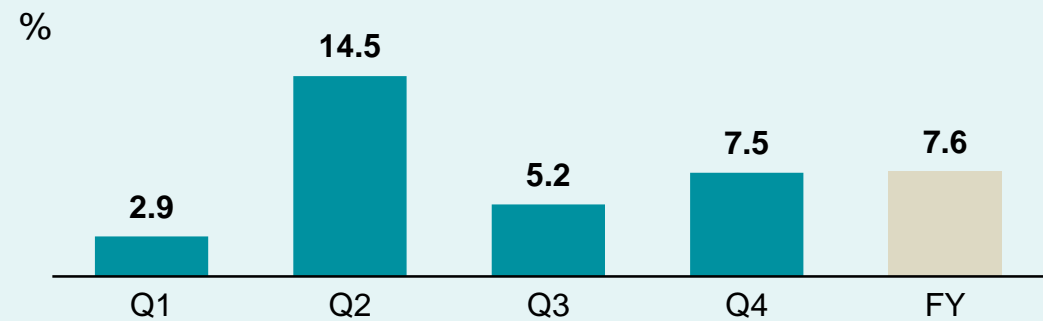
CONTINUED GOOD MOMENTUM

- 1 LFL RevPAR increased by 5.2 percent on strong demand in all markets.
- 2 Net sales grew by 12.3 percent driven by higher occupancy, increased rates, new hotels and currency effects.
- 3 Adjusted EBITDA margin, excluding received compensation from a legal dispute, improved from 10.4 percent to 11.3 percent in FY 2016.
- 4 Improved financial position with Net debt/EBITDA reduced to 1.8x.
- 5 Proposed dividend of SEK 3.15 per share.

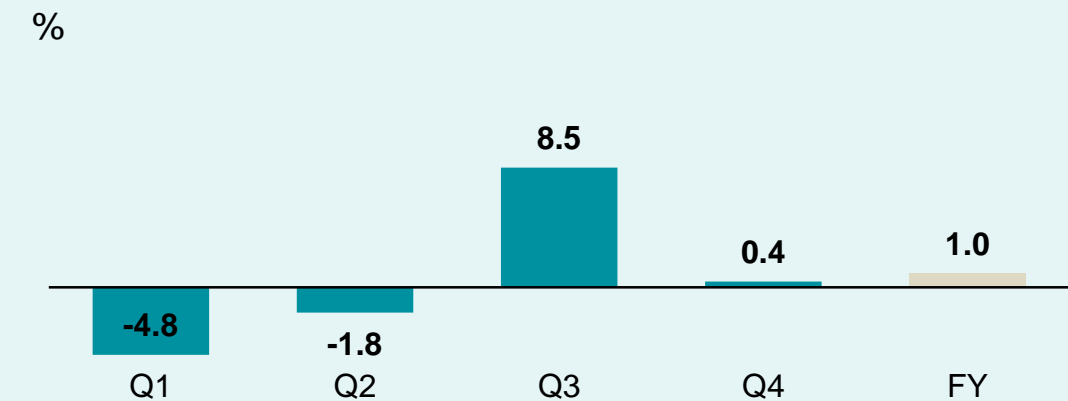


THE NORDIC MARKET IS IN GOOD SHAPE

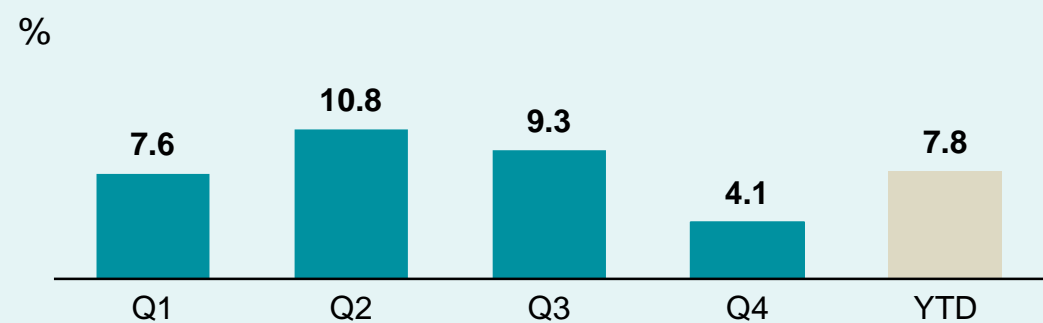
Sweden



Norway



Finland



Denmark



FIVE NEW HOTELS WITH 1,113 ROOMS OPENED IN 2016

	Hotel	# Rooms
2016	Scandic Gällivare (franchise)	80
	Haymarket by Scandic, Stockholm	405
	Scandic Aalborg City	168
	Scandic Continental, Stockholm	392
	Scandic Vaasa	68



A RECORD PIPELINE WITH A STRONG ENTRY OF NEW HOTELS IN 2017

	Hotel	# Rooms
2017	Scandic Drammen (January)	287
	Scandic Flesland Airport, Bergen (April)	304
	Scandic Sluseholmen, Copenhagen (April) New	215
	Grand Hotel by Scandic, Oslo (April) New	274
	Scandic Lillehammer Hotel, Norway (April) New	303
	Scandic Hafjell, Norway (April) New	210
	Scandic Sørlandet, Norway (April) New	210
	Scandic Valdres, Fagernes (April) New	138
	Scandic Prince Philip, Stockholm (April) New	208
	Scandic Kista, Stockholm (April) New	149
	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 (H2) New	362
	Ongoing extensions (2017 – 2018)	428
	Total	5,039



TWO NEW SIGNATURE HOTELS IN 2017

- Recent agreement with Eiendomsspar to take over Grand Hotel Oslo, the leading hotel in Norway, in April.
- Downtown Camper by Scandic in central Stockholm, with 493 rooms, to open in September 2017.
- Scandic now have six signature hotels in operation or under development.



Scandic

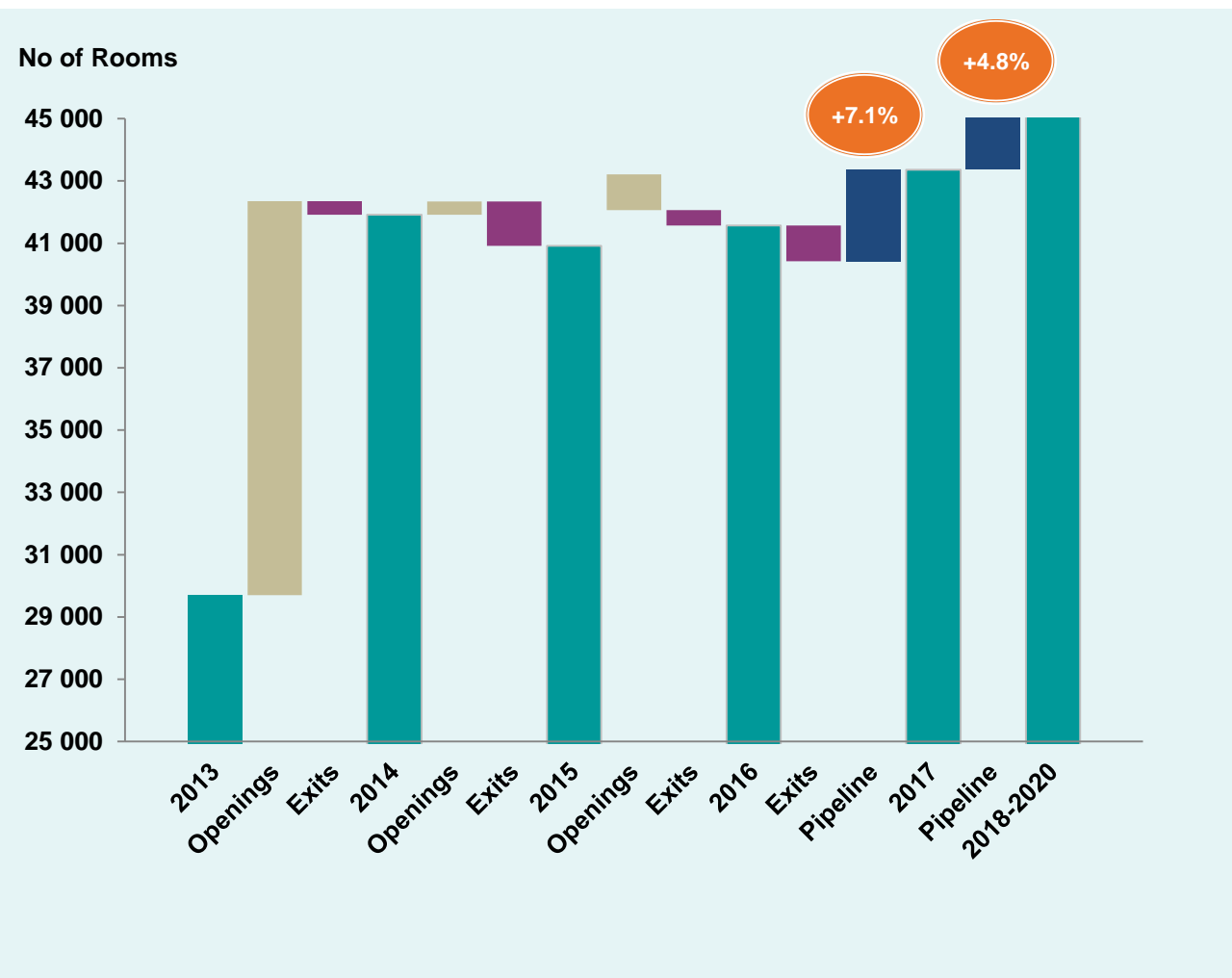
SEVEN NEW HOTELS IN MILESTONE DEAL WITH PANDOX

- Recent agreement with Pandox for portfolio of seven Nordic hotels as of Q2 2017.
- 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

SUBSTANTIAL NEW INVENTORY ADDED IN 2016-2017



SUCCESSFUL FIRST YEAR AS PUBLIC COMPANY – DELIVERING WHAT WE PROMISED

- Target to add 2-4 new hotels per year
 - the project pipeline is at record levels with 17 new hotels for 2017-2020
- Deliver on Rica synergies
 - on track to reach SEK 180-220m by 2017
- Annual revenue growth over a business cycle excluding M&A of at least 5%
 - 7.3% revenue growth in 2016
- Long term target of adjusted EBITDA margin of 11%
 - 11.6% in 2016
- Strengthen balance sheet through solid cash flow generation
 - Net debt/EBITDA reduced from 2.7 to 1.8



FINANCIAL UPDATE

Scandic

STRONG SALES AND EPS GROWTH

MSEK	Oct – Dec			Jan – Dec		
	2016	2015	Change %	2016	2015	Change %
Net sales	3,463	3,085	12.3	13,082	12,192	7.3
Adjusted EBITDA	457	332	37.7	1,513	1,246	21.4
Adjusted EBITDA margin, %	13.2	10.8		11.6	10.2	
EBITDA	453	270	67.8	1,462	1,114	31.2
EBIT	317	153	107.2	925	613	50.9
EPS, after dilution, SEK	2.79	0.23		8.58	1.43	
Adjusted EPS, after dilution, SEK	2.89	0.51		6.86	1.47	

- The adjusted EBITDA margin, excluding one-off effects, improved from 10.4% to 11.3% in Q4 2016.
- Correspondingly, for FY 2016 the improvement was from 10.1% to 11.1%.
- EPS excluding one-off effects amounted to SEK 6.34 per share.

INCREASED REVPAR IN ALL MARKETS

% change y-o-y local currencies	RevPAR LFL		RevPAR	
	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
Sweden	4.7	5.8	7.9	7.5
Norway	1.8	4.3	2.8	4.2
Denmark	9.3	10.8	8.0	10.1
Finland	6.6	8.8	6.7	8.7
Germany	6.9	9.1	6.9	9.1
Total	5.2	6.3	7.2	7.4

- RevPAR growth in local currencies was 7.2 percent in Q4 with positive development on all markets.

STRONG CONTRIBUTION FROM NEW HOTELS

	Oct – Dec		Jan – Dec	
	MSEK	%	MSEK	%
2015 Net sales	3,085		12,192	
LFL, sales growth	114	3.7	643	5.3
<i>Of which Sweden</i>	48		250	
<i>Norway</i>	21		130	
<i>Other Nordics & Europe</i>	45		264	
Currency effect	118	3.8	-53	-0.4
Effects from changes in hotel portfolio	147	4.8	299	2.5
<i>Of which New hotels</i>	168		467	
<i>Exited hotels</i>	-21		-168	
2016 Net sales	3,463	12.3	13,082	7.3

- LFL growth in all segments.
- Sales growth was 8.5% excluding currency in Q4 and 7.7% for the full year.

MARGIN UPLIFT IN ALL SEGMENTS FOR FY 2016

Quarterly, Oct – Dec MSEK	Net sales		Adjusted EBITDA		Adjusted EBITDA, %	
	2016	2015	2016	2015	2016	2015
Sweden	1,521	1,337	329	237	21.6	17.7
Norway	976	872	90	83	9.2	9.5
Other Nordics & Europe	966	875	141	108	14.6	12.2
Central costs & group adjustments	-	-	-104	-96		
Group	3,463	3,085	456	332	13.2	10.8

Accumulated, Jan – Dec MSEK	Net sales		Adjusted EBITDA		Adjusted EBITDA, %	
	2016	2015	2016	2015	2016	2015
Sweden	5,637	5,065	975	828	17.3	16.3
Norway	3,744	3,716	363	321	9.7	8.6
Other Nordics & Europe	3,701	3,412	522	401	14.1	11.8
Central costs & group adjustments	-	-	-347	-303		
Group	13,082	12,192	1,513	1,246	11.6	10.2

- In Sweden, excluding one-offs, the margin was up from 17.0% to 17.4% in Q4.
- Correspondingly, the margin was slightly down from 16.2% to 16.1% for the full year.

SHARP DEBT REDUCTION

MSEK	Oct – Dec	Jan – Dec
Opening balance	3,356	3,355
Operating cash flow	-603	-891
Currency effects	-72	125
Interest paid, net	25	101
Other changes	4	20
Closing balance	2,710	2,710

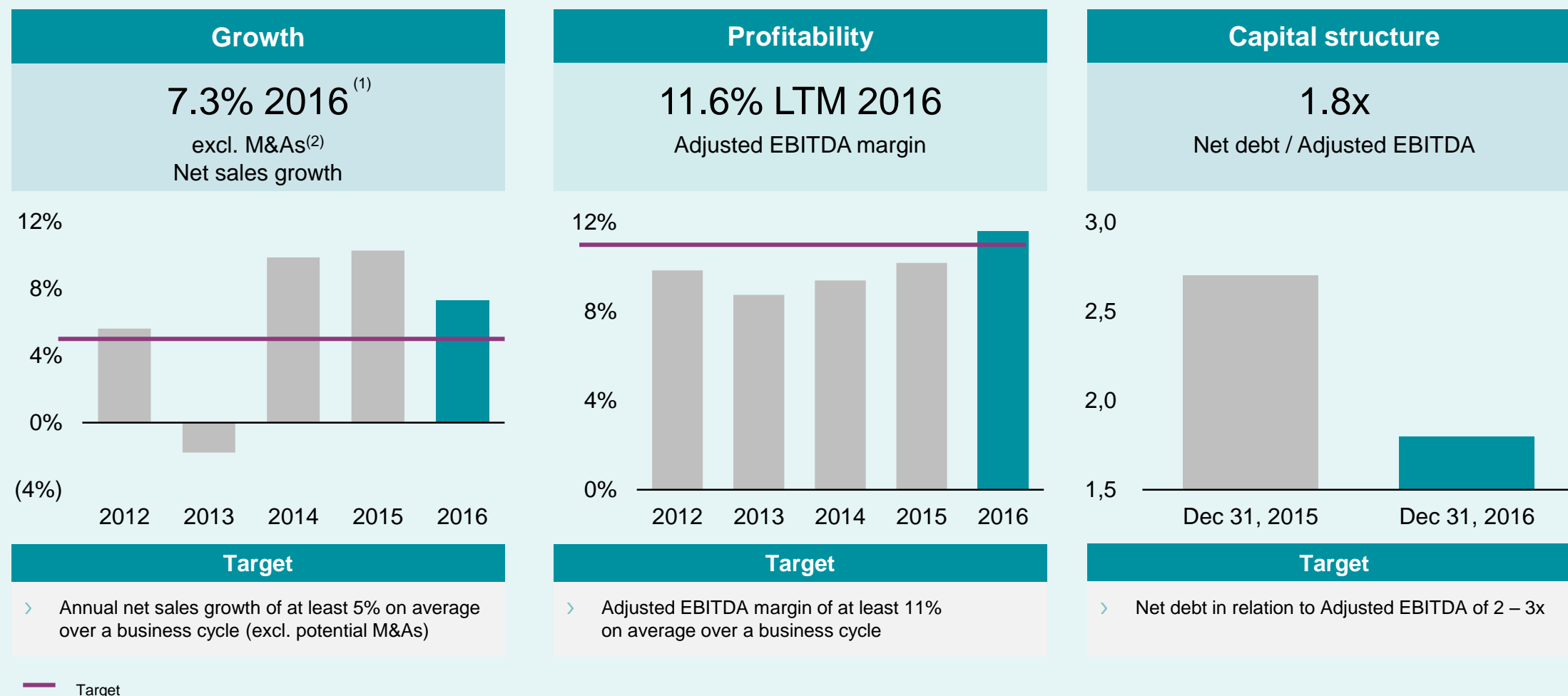
- Strong operating cash flow in Q4.
- Net debt down to SEK 2.7bn at year-end.

NET DEBT/ADJUSTED EBITDA DOWN TO 1.8

MSEK	Jan – Dec 2016	Jan – Dec 2015
Cash flow before changes in working capital	1,459	1,132
Changes in working capital	150	54
Investments	-719	-785
Operating cash flow	890	401
Net debt (C/B)	2,710	3,355
Net debt in relation to adjusted EBITDA	1.8x	2.7x

- Net debt/adjusted EBITDA down to 1.8x at year-end or 1.9x excluding one-offs.
- Positive working capital deveopment during the year.

EXCEEDING FINANCIAL TARGETS AND IMPROVED FINANCIAL POSITION



EVEN FRYDENBERG NEW CEO AS OF JULY 31, 2017

- Various senior roles within Starwood Hotels & Resorts for the last 20 years
- Latest operational role was head of Western European operations consisting of 54 hotels
- Designated head of EAME integration of Starwood into Marriott following Marriott's acquisition of Starwood
- Master of Business Administration from Stanford and Bachelor of Science in International Business from University of San Francisco
- Lives in Brussels with his family but will move to Stockholm
- Will start with Scandic on 1 May and will take over as CEO as of July 31



EN ROUTE TO PROFITABLE GROWTH

DRIVERS OF PROFITABLE GROWTH

Market
growth

Scandic
initiatives

Rica synergies
&
improvements

Ramp up
new hotels
& signed
pipeline

Network
expansion



Q&A

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