STRONG FINANCIAL RESULTS

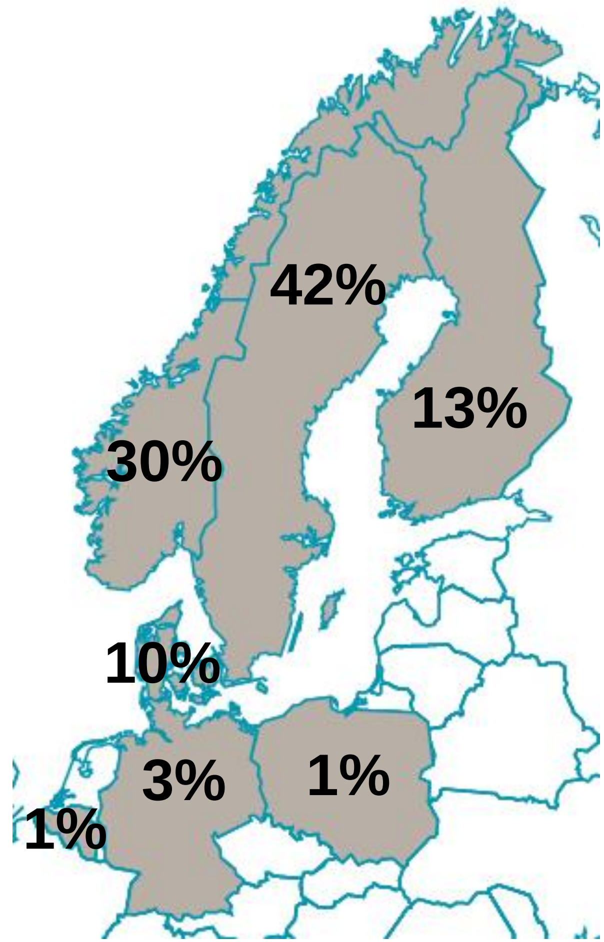
Q4 2015

Frank Fiskers, President & CEO
Gunilla Rudebjer, CFO
Stockholm, February 23, 2016

THE LARGEST HOTEL COMPANY IN THE NORDICS

- The no. 1 hotel brand in the Nordics
- Strong mid-market offering & repeatable business model key drivers for value creation
- Significant embedded growth & further network expansion opportunities in the Nordics/Germany

221 hotels in operation (7 in signed pipeline)	**1.6** million loyalty members
~**70%** distribution in own channels	**12.2** billion SEK net sales



Percent of total revenue FY 2015

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A STRONG AND EVENTFUL YEAR FOR SCANDIC

- Gained market share in all key markets
- Signed 7 hotels
- Continued successful integration and improvement of former Rica hotels
- Rapid design and implementation of mitigation plan for Norway
- Developed new e-commerce platform for launch in Q2 2016
- Guest satisfaction at all-time high
- Scandic listed on Nasdaq Stockholm

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Q4 - STRONG LFL GROWTH DRIVEN BY HIGHER OCCUPANCY AND ROOM RATES

3.5% (7.5% LFL)	1.1% (6.3% LFL)	10.7% (9.5% LY)
Increase in RevPAR	Increase in net sales	Adj.EBITDA margin

- Good RevPAR development from successful implementation of commercial and revenue management strategies
- Strong trading in all markets lifted LFL net sales significantly
- Continued focus on operational excellence and cost efficiency secured a strong adjusted EBITDA margin

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FY 2015 – DELIVERING HIGH GROWTH AND SOLID PROFITABILITY

4.9%
(7.5% LFL)
Increase in RevPAR

12.6%
(7.3% LFL)
Increase in net sales

10.2%
(9.4% LY)
Adj.EBITDA margin

2.7x
Net debt/
Adjusted EBITDA

41,000
rooms in operation
(3,000 under
development)

1.43 SEK
Earnings per share(1)

Note:
(1) 1.13 SEK earnings per share based on number of shares end of period

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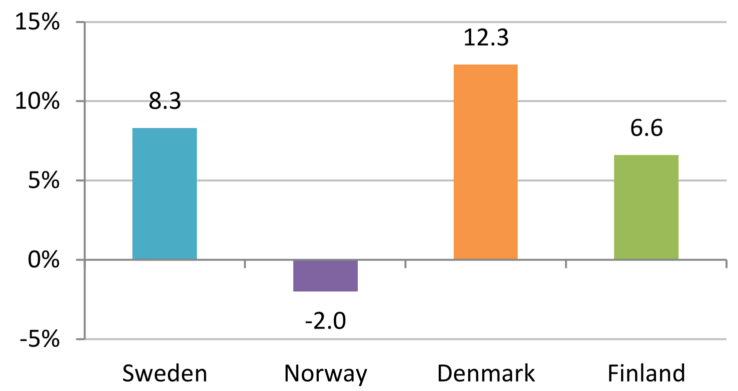
WE EXPECT FAVORABLE MARKET CONDITIONS ALSO IN 2016

Market development Q4

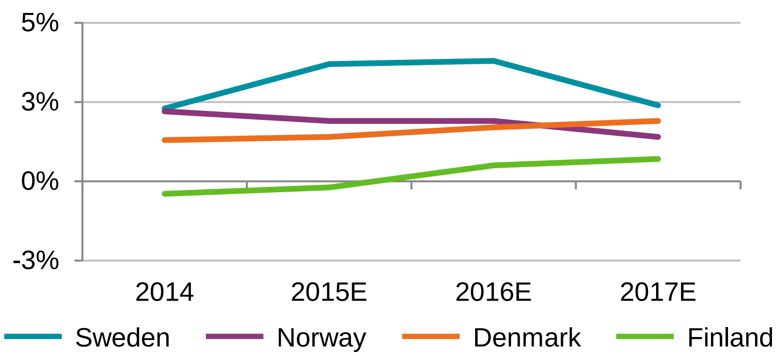
- RevPAR growth in Sweden and Denmark driven by higher occupancy and room rates
- Polarization of the Norwegian market
- In Norway, the number of rooms sold grew by 1.9%, but increased room capacity led to 2.0% decrease in RevPAR
- RevPAR growth in Finland driven by higher occupancy

Market RevPAR growth Q4 2015



GDP growth

real, annual growth



Key drivers for market growth

- Attractive Nordic market with strong economies
- Growing consumer spending expected and current currency exchange rates further supporting travel to the region
- Strong growth in demand for conferences

Source: Nordea Economic Outlook (December 2015), Benchmarking Alliance & STR Global

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STRONG FINANCIAL RESULTS

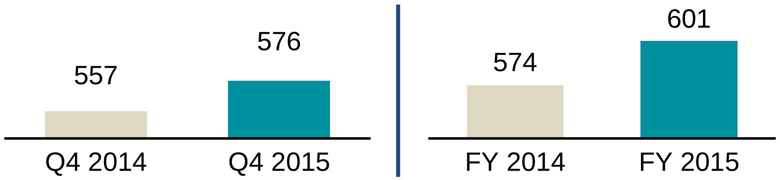
Q4 – MARGIN IMPROVEMENT FROM REVPAR GROWTH AND EFFICIENCY GAINS

Q4 2015

- Strong RevPAR growth LFL driven by both occupancy and room rates
- Reported net sales growth negatively affected by currency effects and exits, but strong underlying growth
- Margin improvements from Rica synergies
    - Head office and purchasing savings with run-rate of 80 MSEK, full effect in 2015
    - Efficiency gains and revenue synergies run-rate of 100-140 MSEK, of which c. 1/3 impact in 2015
- Improved adj. EBITDA and margins in all segments
- Pre-opening costs of 16 MSEK for openings in 2015 and 2016
- Non-recurring items of 46 MSEK related to Rica integration costs and IPO costs. Additional 55 MSEK IPO costs were accounted for in equity

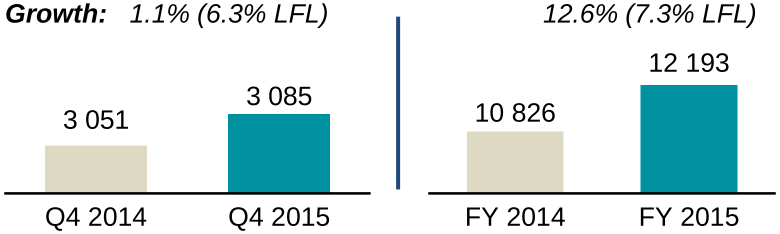
RevPAR (SEK)

Growth: *3.5% (7.5% LFL)* *4.9% (7.5% LFL)*

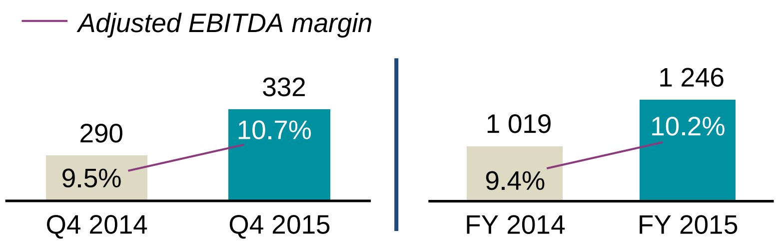


Net sales (MSEK)

Growth: *1.1% (6.3% LFL)* *12.6% (7.3% LFL)*



Adjusted EBITDA (MSEK)

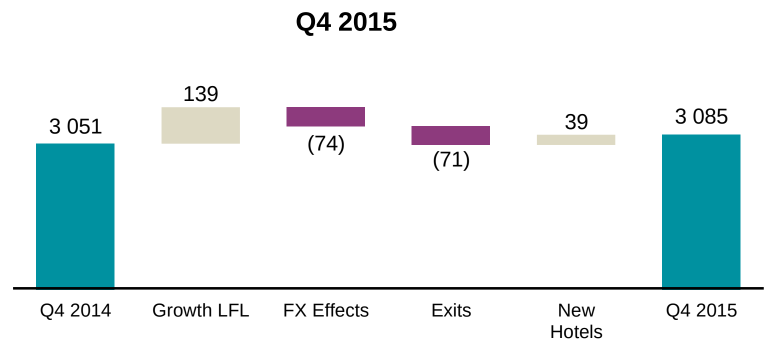


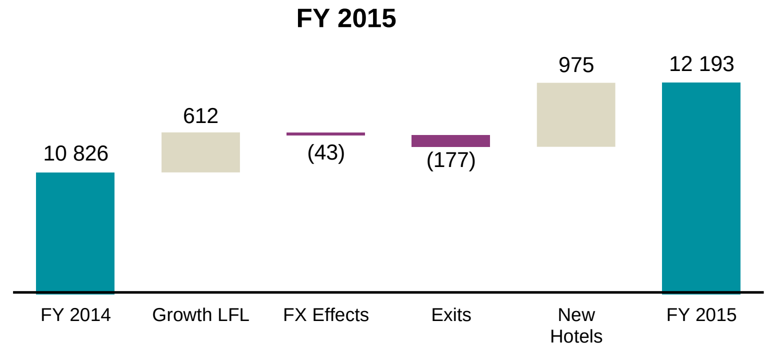
STRONG NET SALES GROWTH LFL

Q4 & FY 2015

- Reported net sales growth of 1.1% (3.5% at constant currencies)
- Strong LFL growth of 6.3% Q4 and 7.3% FY
- LFL includes all hotels that have been part of the portfolio for the entire year 2015 and 2014, at constant currencies
- New hotels include:
  - New hotels in 2015 (3 Bergen hotels and 2nd HTL in Stockholm)
  - New hotels in 2014 (Rica and 6 new openings)
- Exits of non-strategic hotels.
  - Largest impact from Grand Hotel, Oslo (exit February 2015)

Net sales bridge (MSEK)





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SWEDEN – OUTPERFORMING A STRONG MARKET

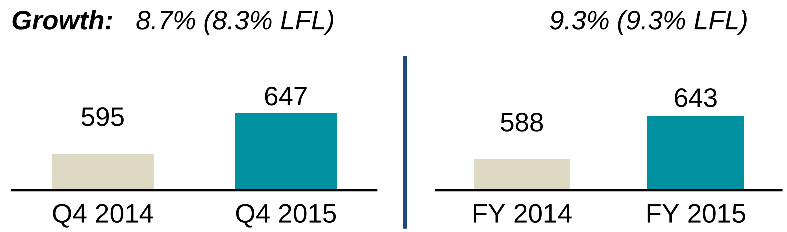
Q4 2015

- Strong market RevPAR growth driven by both occupancy and room rates
- Strong F&B revenue from Christmas lunches and dinners
- Scandic Kungsgatan closed in November 2015 for complete renovation and extension
  - Will re-open as ‘Haymarket by Scandic’ in May 2016
- The abolishment of the discount of social charges for young employees has lead to increased costs of c. 8 MSEK
  - Estimated full-year impact 2016 of c. 29 MSEK

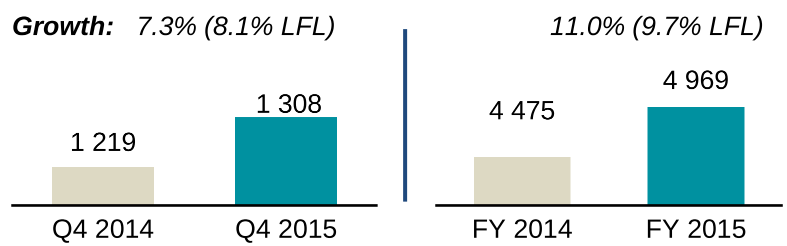
FY 2015

- Strong growth during summer and autumn both within leisure and corporate segments
  - Large events in July and September
- Improved adjusted EBITDA and margins driven by revenue growth

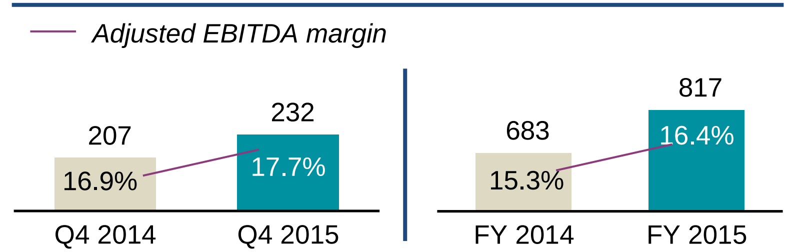
RevPAR (SEK)



Net sales (MSEK)



Adjusted EBITDA (MSEK)



NORWAY – OUTPERFORMING MARKET AND IMPROVING MARGINS

Q4 2015

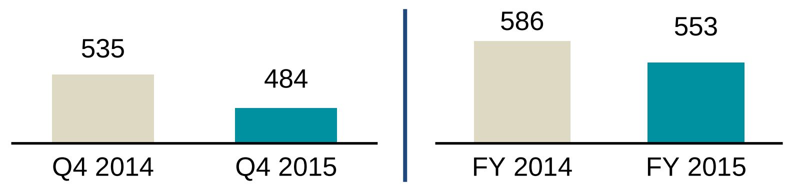
- Strong market growth in Oslo, Trondheim and Tromsø, but continued decline at oil destinations
- RevPAR flat at constant currencies and +1.5% LFL
- Net sales +4.8% from new Bergen hotels
- Net sales -10.9% from currency effects
- Net sales -7.0% from exit of Grand Hotel, but positive impact on adjusted EBITDA
- Improved adjusted EBITDA and margins from increased efficiency and Rica synergies

FY 2015

- Strong leisure sales and growth in Oslo and Northern Norway compensated the decline in demand from the oil sector
- Synergies from the Rica acquisition are materialising according to plan and contributed to improved adjusted EBITDA and margins

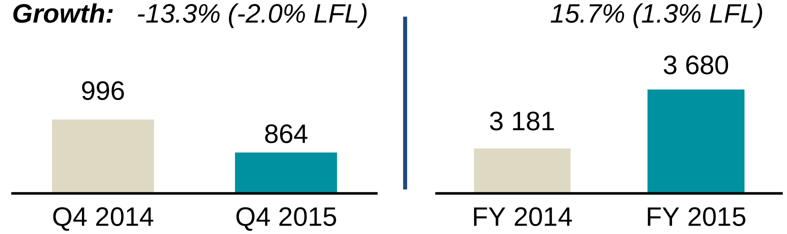
RevPAR (SEK)

Growth: *-9.6% (1.5% LFL)* *-5.6% (3.0% LFL)*

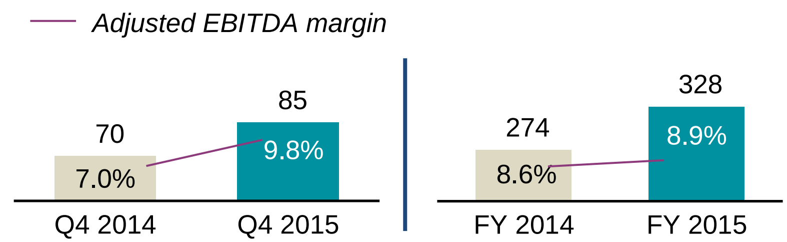


Net sales (MSEK)

Growth: *-13.3% (-2.0% LFL)* *15.7% (1.3% LFL)*



Adjusted EBITDA (MSEK)



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OTHER SEGMENTS – STRONG GROWTH DRIVEN BY BOTH OCCUPANCY AND ROOM RATES

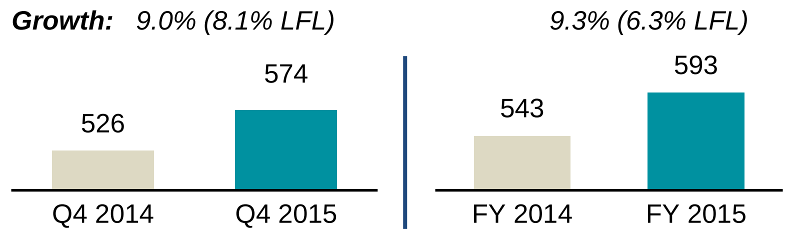
Q4 2015

- Strong market in Denmark with RevPAR growth driven by both occupancy and room rates
- Junior Hockey Championship in Helsinki in December boosted both rooms revenue and F&B in Finland
- Strong net sales growth in the 3 hotels in Germany
- Exit Scandic Antwerp, Belgium, in Nov 2015

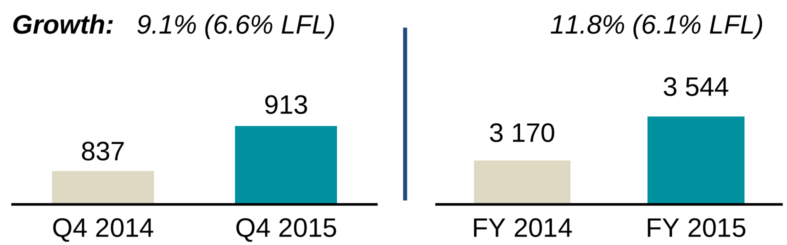
FY 2015

- Strong market development in Denmark
- Growth in Finland driven by strong summer, and large events
- The market penetration of Scandic's German hotels was on par with competition. Scale effects from adding the third hotel in September 2014 improved margins

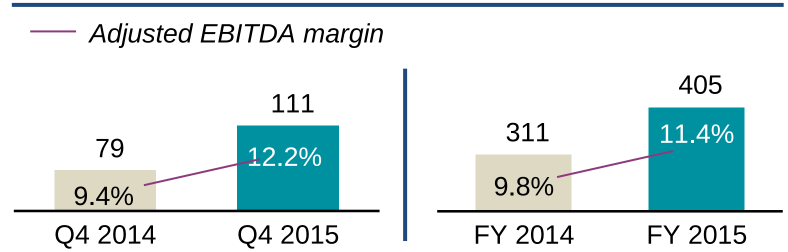
RevPAR (SEK)



Net sales (MSEK)



Adjusted EBITDA (MSEK)



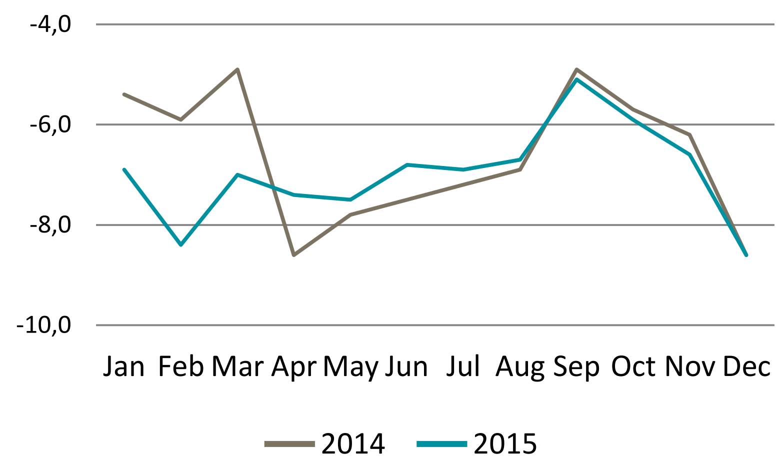
Note:
Other Nordics and other segments include Finland, Denmark, Germany, Poland, Belgium and HTL

GOOD CASH FLOW GENERATION

Cash flow & Net debt FY 2015

- Operating cash flow before acquisitions increased to 563 MSEK (107)
  - Improved trading, reduced working capital and lower capex
- Negative working capital of 5–9% of net sales due to high share of prepayments and settlements at check-out
- Reduced debt and improved terms on refinanced senior debt reduce interest expenses from December 2015
- Net debt of 3,356 MSEK (6,073) corresponding to 2.7x adjusted EBITDA
- Loss carry forwards reduced paid tax
- Q4 strongest cash flow quarter and Q1 weakest due to seasonality

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



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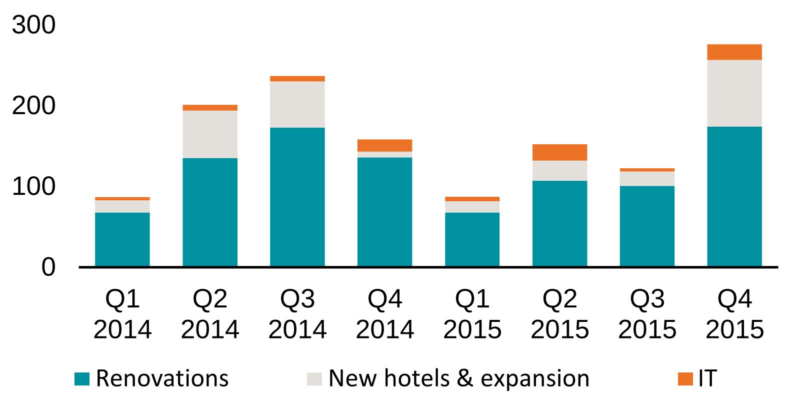
CAPEX FOCUSING ON REVENUE GENERATION

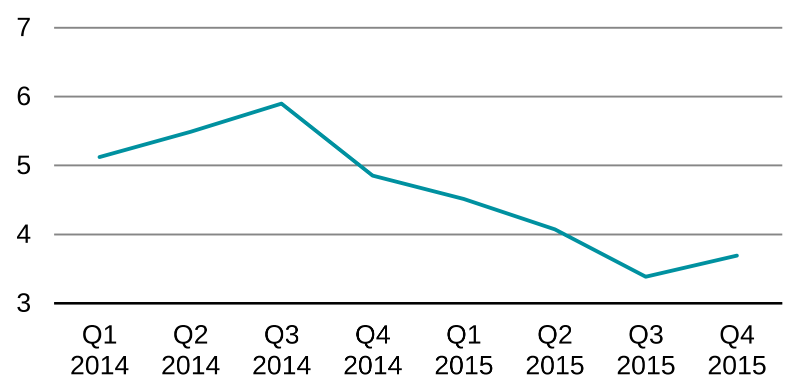
Capex FY 2015

- Renovation capex of 457 MSEK (512) corresponding to 3.7% of net sales, back to normalized levels after extensive renovations 2013 – 2014
- Scandic / Pandox renovation program comprising c. 40 hotels 2012 – 2015 finalized in Dec 2015
- Capex of 139 MSEK (125) for new hotels and expansions. High capex amount in Q4 related to the openings of Scandic Continental and Haymarket by Scandic in H1 2016
- Investment of 43 MSEK (33) in IT mainly refers to development of the new digital platform for e-commerce and improved customer dialogue

Investments (MSEK)



Renovations / Net sales, Rolling 12 Months (%)

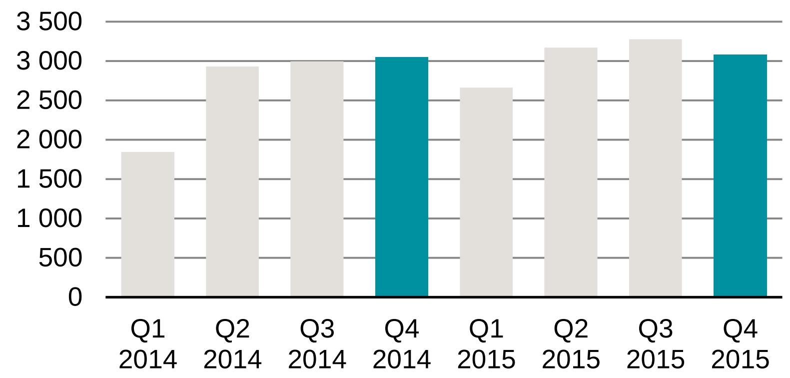


REVENUES AND EARNINGS FLUCTUATE WITH THE TRADING SEASONALITY

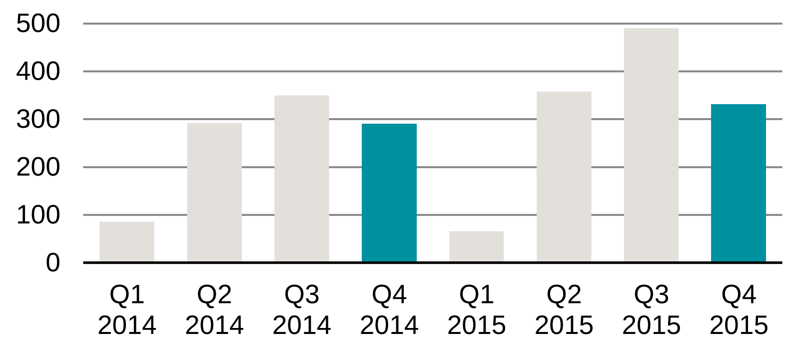
Seasonal variations

- c. 70% of revenues derive from business travel and conferences and c. 30% from leisure travel
- Q1 and other periods with low levels of business travel (summer months, Easter / Christmas / New Year) are generally the weakest periods
  - Easter holidays will entirely fall in Q1 this year (last year both in Q1 and Q2)

Net sales, per quarter (MSEK)



Adjusted EBITDA per quarter (MSEK)



NB: Q1 2014 does not include Rica Hotels

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FINANCIAL TARGETS

Net sales growth

12.6%

10.4% excl. M&A[(1)]
Annual net sales growth

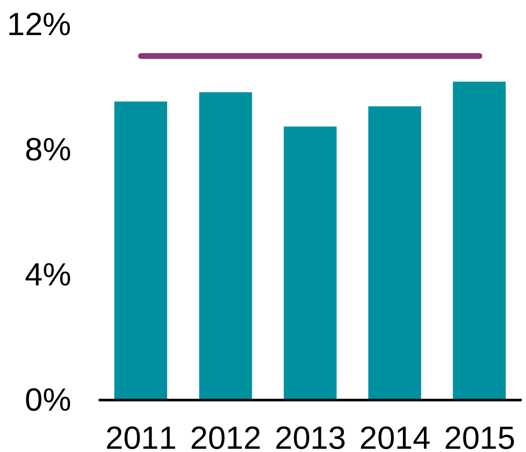
Target

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

Profitability

10.2%

Adjusted EBITDA margin



Target

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

Capital structure

2.7x

Net debt / Adjusted EBITDA

MSEK	Dec 31, 2015
Net debt	3,356
Adjusted EBITDA	1,246
Multiple	**2.7**

Target

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

Target

Note:
(1) Net sales growth excluding acquisition of Rica Hotels (2014) and Bergen hotels (2015)

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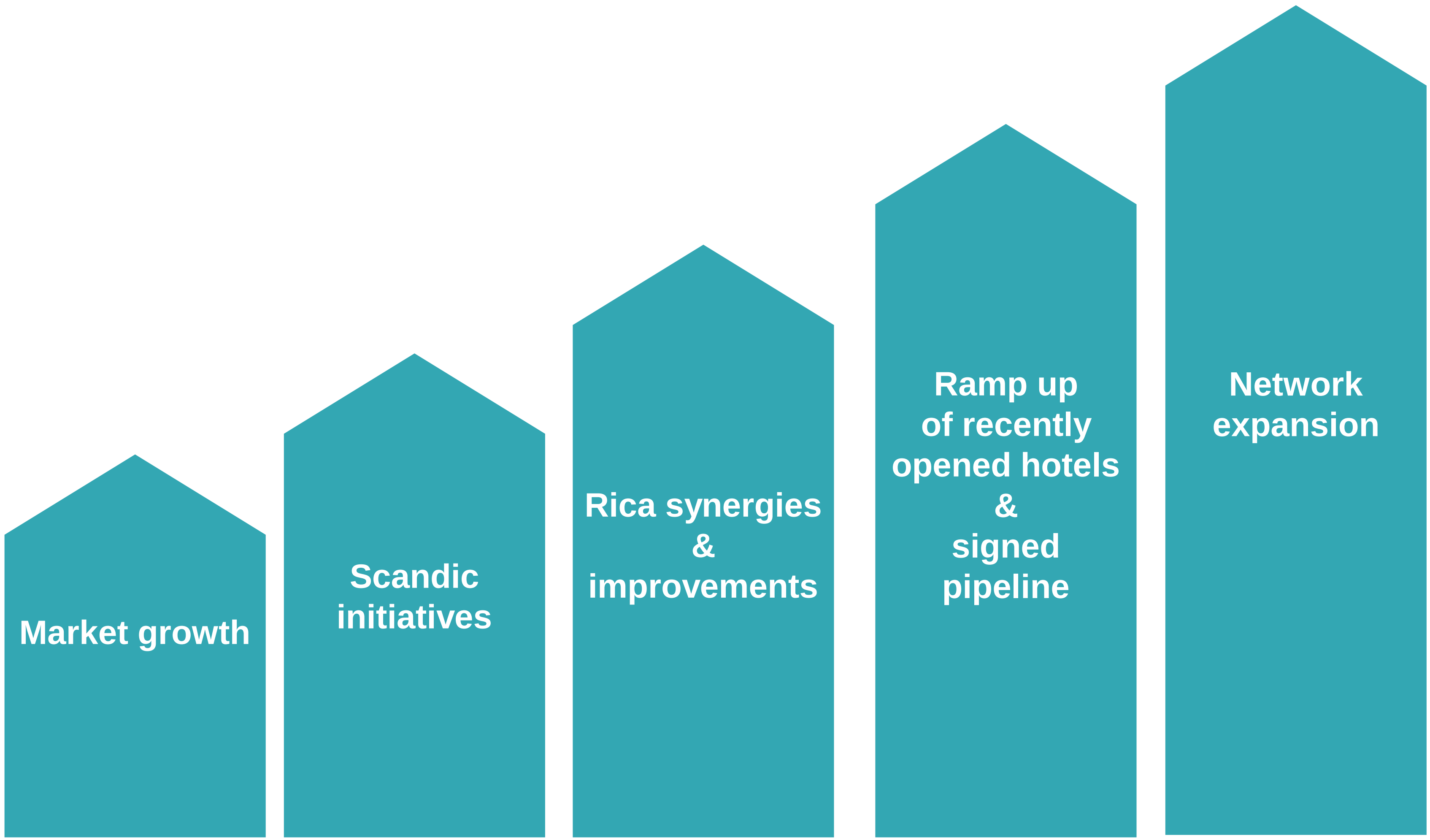
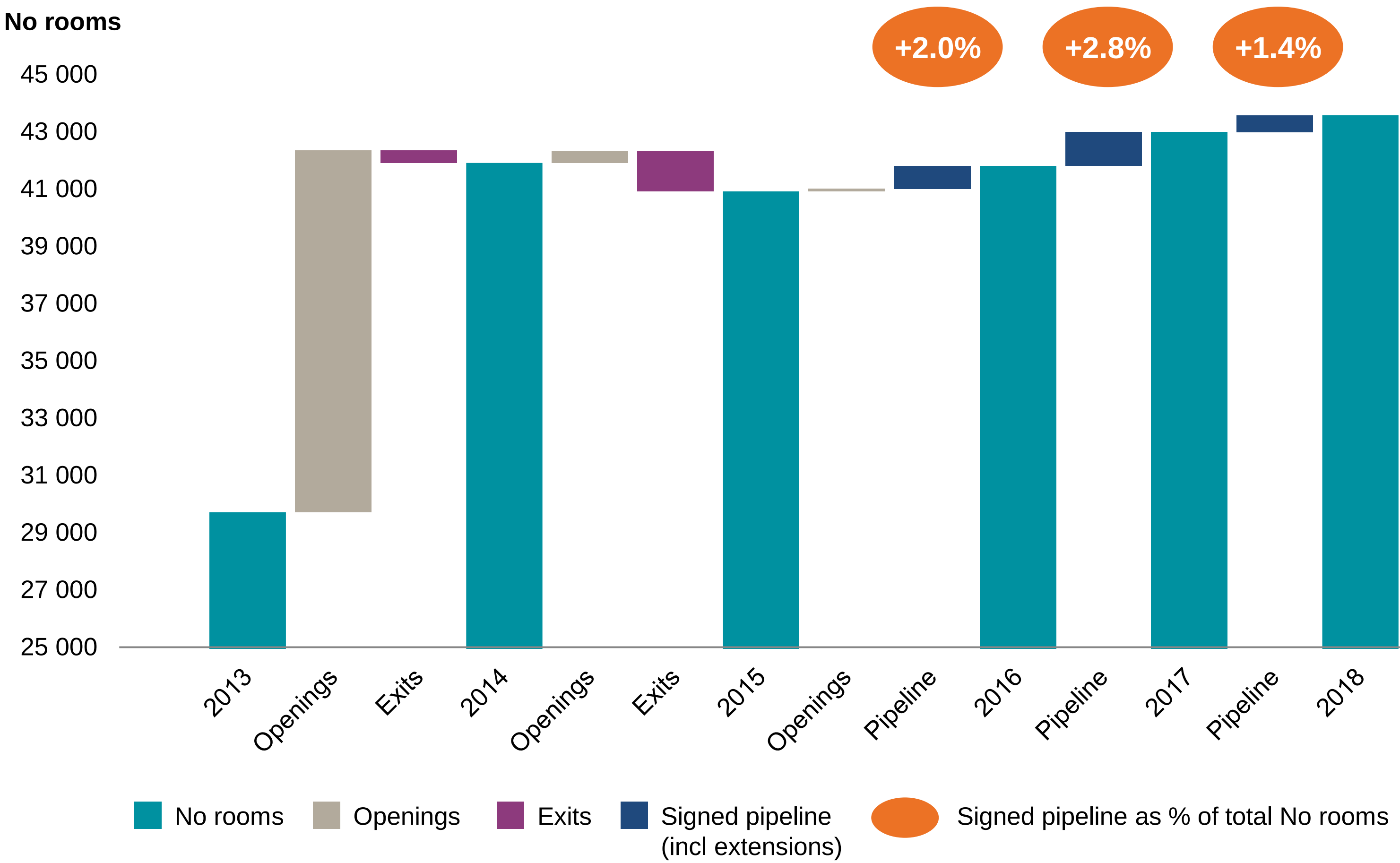
OUR FIVE PILLARS OF PROFITABLE GROWTH



A STRONG SIGNED PIPELINE WITH HIGH MATERIALISATION



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

Scandic Continental (new built)
- Location: Stockholm, Sweden
- # of Rooms: 394
- Opening: H1 2016

Scandic Sergel Plaza (conversion)
- Location: Stockholm, Sweden
- # of Rooms: 420 (incl. 17 new)
- Opening: H1 2017

Haymarket by Scandic (extension)
- Location: Stockholm, Sweden
- # of Rooms: 411 (incl. 147 new)
- Opening: H1 2016

Scandic Lilleström (new built)
- Location: Lilleström, Norway
- # of Rooms: 220
- Opening: H1 2018

Scandic Hotel Norge (conversion)
- Location: Bergen, Norway
- # of Rooms: 390
- Opening: H1 2017

Scandic Kødbyen (new built)
- Location: Copenhagen, Denmark
- # of Rooms: 370
- Opening: H2 2018

Scandic Bergen Flesland (new built)
- Location: Bergen, Norway
- # of Room: 304
- Opening: H1 2017

All hotels above have CRFM lease contracts

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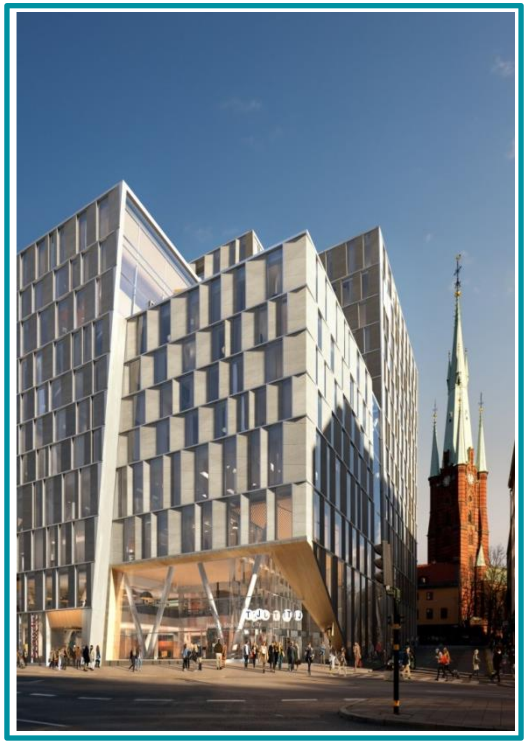
KEY PRIORITIES TO SECURE ANOTHER SUCCESSFUL YEAR

- Openings of Haymarket by Scandic and Scandic Continental in Stockholm
- Launch of new e-commerce platform
- Further realisation of Rica synergies and improvements
- Signing of new hotels in ‘unsigned’ pipeline
- Launch of new cultural platform ‘Inspiring Nordic’
- Positive start of the year with good business on the books



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Q/A