



The largest Nordic hotel company

PRESS RELEASE
December 29, 2017

Scandic completes acquisition of Restel

Today, December 29, Scandic completed the acquisition of Restel's hotel operations in Finland.

On June 21, 2017, Scandic announced the acquisition of Restel's hotel operations in Finland. On December 5, the transaction was approved by the Finnish Competition and Consumer Authority subject to the divestment of one hotel in Lahti, one in Pori and one in Kuopio. Additionally, Scandic has committed not to participate in certain announced hotel projects in Lappeenranta and Vantaa.

On a pro forma basis, if the acquisition had been carried out on January 1, 2016, the acquired operations would have contributed net sales of EUR 203.4 million in 2016 and an adjusted EBITDA of EUR 13.7 million. The hotels that will be divested together contributed approximately EUR 8 million to net sales and EUR 1.7 million to adjusted EBITDA during 2016. Scandic's estimates of the financial effects of the acquisition were presented in the press release published on June 21, 2017.

As previously announced, Scandic sees good opportunities for sales growth and margin improvement in the acquired hotel portfolio in the coming years. There is potential for increasing revenue through rebranding the hotels under the Scandic name and expanding Scandic's offering in the Finnish market. Additionally, costs are expected to decrease through coordinated administration and procurement.

Overall, Scandic estimates that over time, excluding the three hotels that will be divested, the acquired operations have the potential to generate an adjusted EBITDA margin higher than the Group's long-term financial target of 11%.

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Om Scandic Hotels Group

Scandic är det största hotellföretaget i Norden med 15 000 medarbetare och med ett nätverk av närmare 230 hotell fördelat på cirka 45 000 hotellrum i drift eller under utveckling. Scandic Friends är Nordens största lojalitetsprogram inom hotellbranschen med 2 miljoner medlemmar. Ett ansvarsfullt företagande är en del av Scandics DNA och Scandic är vald till 'best hotel brand' i Norden (BDRC). Scandic är sedan 2 december 2015 noterat på Nasdaq Stockholm.

www.scandichotelsgroup.com