



PRESS RELEASE

September 15, 2021

Scandic comments on current market situation – positive development during summer & promising start to the autumn

Scandic's occupancy rate was approximately 58.5 percent in July and 53.5 percent in August. Based on current booking trends, Scandic expects occupancy to reach at least 50 percent in September.

Since the end of the second quarter, demand has grown in all of Scandic's markets. As previously announced, Scandic's occupancy was approximately 36 percent in June. Since then, occupancy has improved, amounting to approximately 58.5 percent in July and about 53.5 percent in August, mainly as a result of domestic leisure travel. Compared with the previous year, the greatest increase has been in the larger cities, even if general occupancy levels at Scandic's big city hotels are still clearly lower than before the start of the Covid-19 pandemic.

During the first weeks of September, Scandic's occupancy has remained above 50 percent, while price development has been positive compared with the previous quarter. Demand during weekdays is increasingly being driven by domestic business travelers and meetings, while occupancy has remained at a satisfactory level on weekends. At the moment, Denmark and Norway are the Nordic markets with the highest occupancy rates while activity levels in Finland are at a considerably lower level.

There is a great pent-up need for meetings among Scandic's customers after a long period with extensive restrictions and many people working from home. Although customers are continuing to act with short lead times, there is a clear increase in booking activity related to meetings. This is apparent not least in Sweden after the government recently announced that restrictions on the number of participants at public gatherings and events will end on September 29.

Scandic continues to estimate that an occupancy rate of around 40 percent is needed to achieve positive adjusted EBITDA and about 50 percent for positive cash flow. Additionally, during the third quarter, Scandic expects to receive direct state aid of approximately 80 MSEK, mainly attributable to the company's operations in Germany.

- It is extremely gratifying to see that our occupancy rate has remained higher than 50 percent from the second week of July up until today. This clearly shows that an increased demand for business travel and meetings has compensated for the reduced leisure travel on weekdays in connection with the end of the holiday period in mid-August. The increased booking activity we're now experiencing means that we have a positive outlook on development in the coming months, says Jens Mathiesen, President & CEO of Scandic Hotels.

Scandic's interim report for the third quarter will be published at 07:30 CET on October 28.

About Scandic Hotels Group

Scandic is the largest hotel company in the Nordic countries with more than 280 hotels, in operation and under development, in more than 130 destinations. The company is the leader when it comes to integrating sustainability in all operations and its award-winning Design for All concept ensures that Scandic hotels are accessible to everyone. Well loved by guests and employees, the Scandic Friends loyalty program is the largest in the Nordic hotel industry and the company is one of the most attractive employers in the region. Scandic Hotels is listed on Nasdaq Stockholm.

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Om Scandic Hotels Group

Scandic är det största hotellföretaget i Norden med 16 000 medarbetare och med ett nätverk av närmare 280 hotell i drift eller under utveckling. Scandic Friends är Nordens största lojalitetsprogram inom hotellbranschen. Ett ansvarsfullt företagande är en del av Scandics DNA och Scandic har varit en pionjär när det gäller att integrera hållbarhetsarbete i alla sina verksamheter. Scandic är noterat på Nasdaq Stockholm. www.scandichotelsgroup.com