

#### A 50-YEAR JOURNEY







**EQT** 



1963

Esso Motorhotell is established in Laxå, Sweden 1983

The Scandic brand is launched

Rapid expansion through acquisitions:

**1995** RESO

**1998** Arctia

**2000** Provobis

2001

Acquired by Hilton and delisted

2007

Acquired by EQT

Strong expansion with +40 hotels

Significant investments in the hotel portfolio

2014

Acquisition of Rica Hotels

1996

Listed on Stockholm Stock Exchange

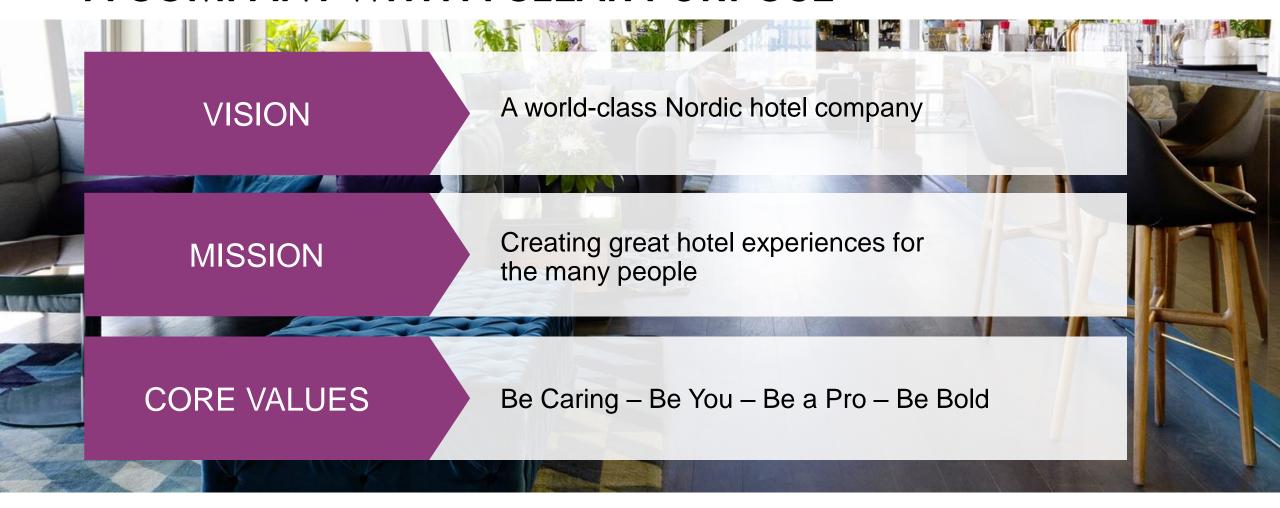
2015

Listed on Nasdaq





#### A COMPANY WITH A CLEAR PURPOSE





#### STRATEGY 2020 SHOWS THE DIRECTION FORWARD

Realize the opportunities of digitization

Inspiring culture

Dedicated corporate citizen

Outperform the market

Capitalize on market dynamics

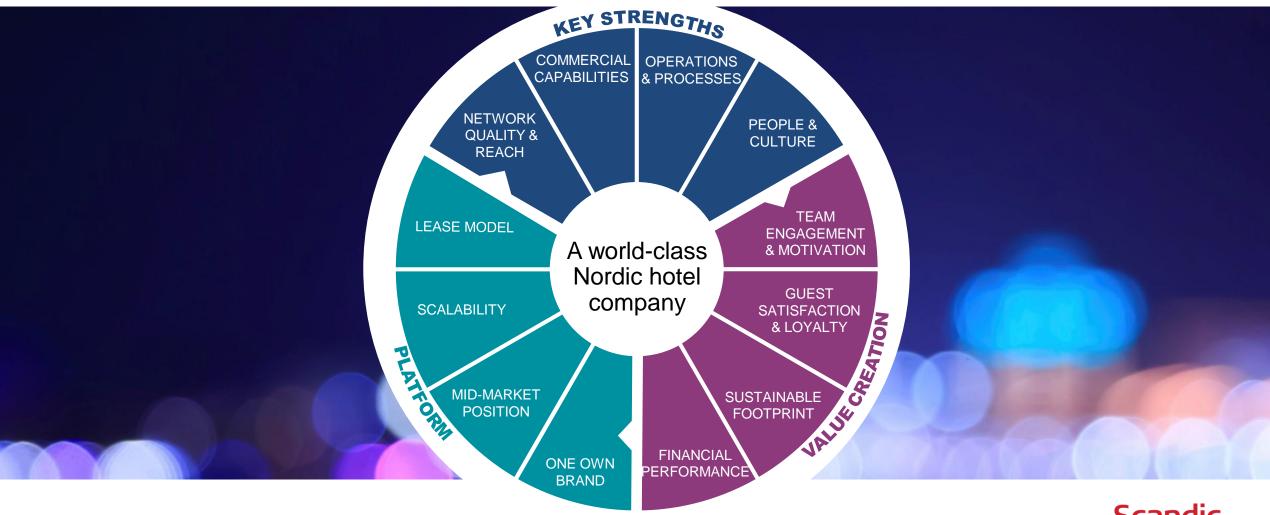
A growing hotel network



## CREATING GREAT MARGINS THROUGH CUSTOMER FOCUS AND AN INDUSTRIALIST MINDSET

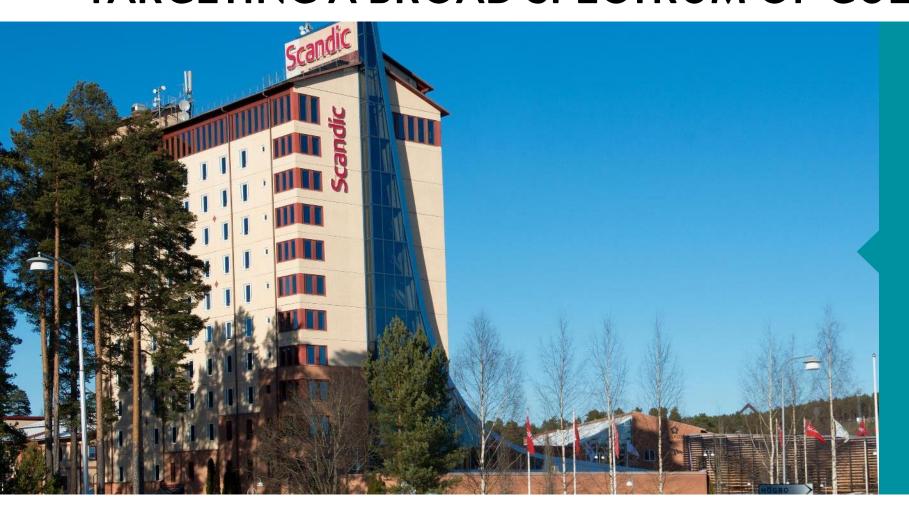


### REPETITIVE CUSTOMER-DRIVEN MODEL **CREATING VALUE FOR ALL STAKEHOLDERS**



## A STRONG "ONE-BRAND STORY" TARGETING A BROAD SPECTRUM OF GUESTS

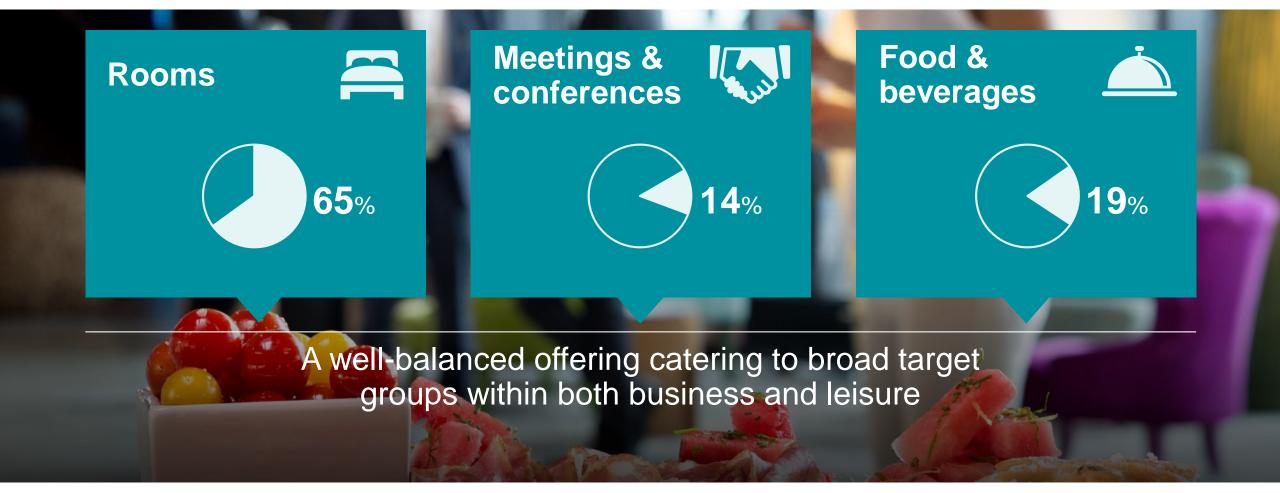




- #1 hotel brand in the Nordics
- Highest brand awareness
- Preferred choice of accommodation
- ~25% branded market share



### ATTRACTIVE MID-MARKET OFFERING





#### STANDARDIZATION AND SCALABILITY AT CORE

#### Standardized concept management ensures

- Consistency
- Speed-to-market
- Customer satisfaction

#### Scale promote cost efficiency and improved margins

- Centralized and systematic control over entire cost structure with full transparency
- Common sourcing promotes competitive negotiations and leads to unique solutions
- Local management to focus on realizing own unique hotel potential

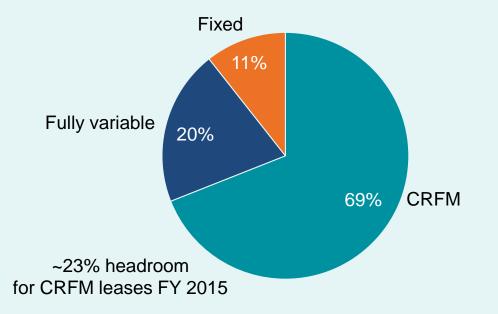


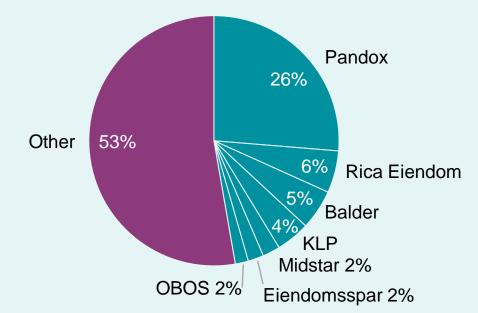
### HIGH DEGREE OF VARIABLE LEASES PROMOTES TOP LINE AND ENSURES RESILIENT MARGINS



- Scandic's hotel portfolio is based on leases over 90%
- The Nordics is predominantly based on lease agreements

- Blue-chip landlords 50% of portfolio
- Leases create mutual top line focus with landlords





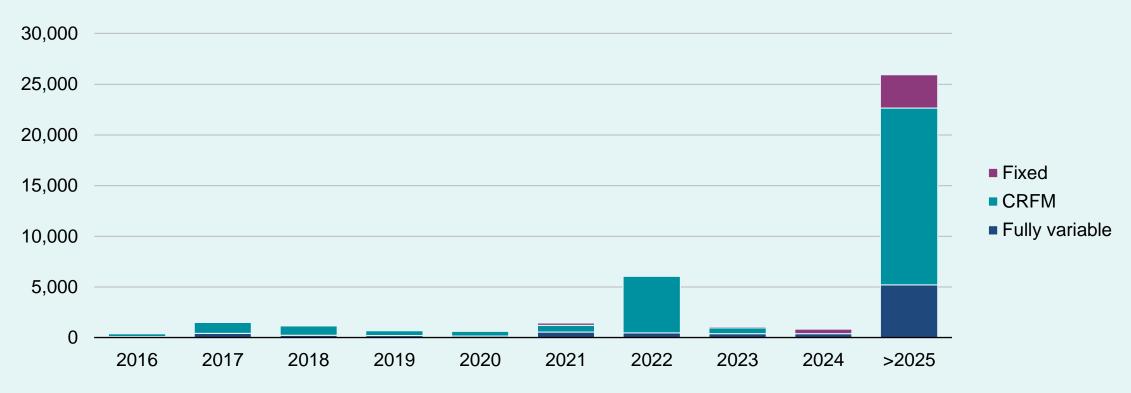
Split by no. of rooms end June 2016





### **OVER 11 YEARS OF AVERAGE LEASE DURATION**

No. rooms in expiring lease agreements, H1 2016 (including Shark 2)

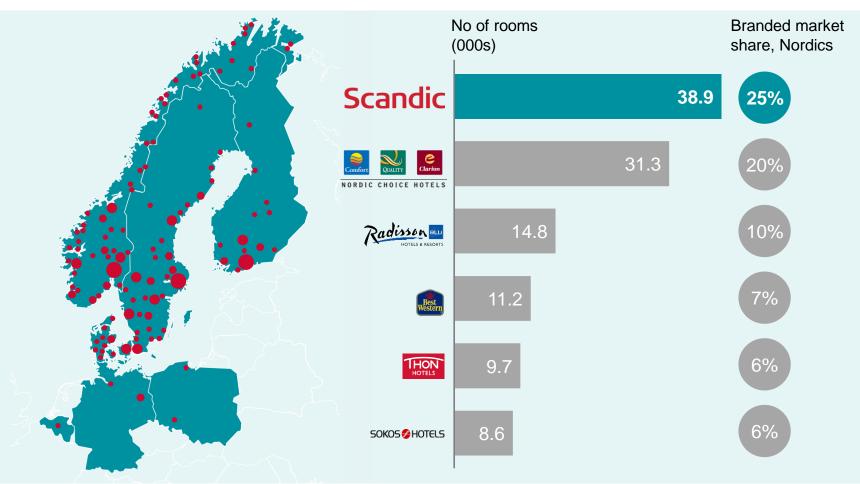






### UNRIVALED GEOGRAPHIC REACH

230 hotels44,000 roomsin operation and under development







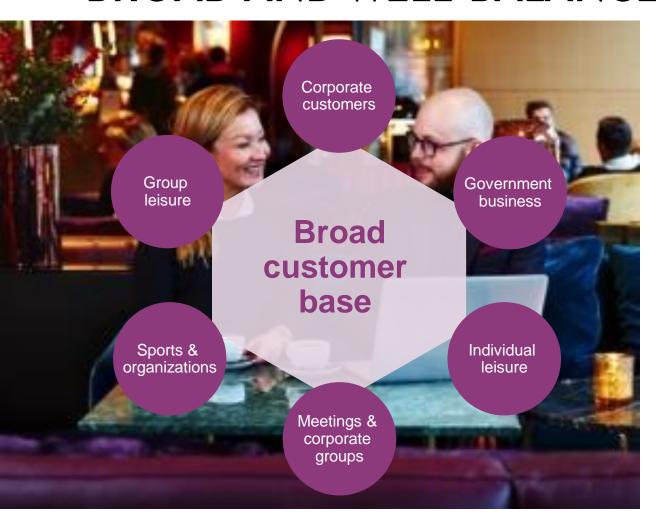
### A MODERN AND WELL-INVESTED NETWORK



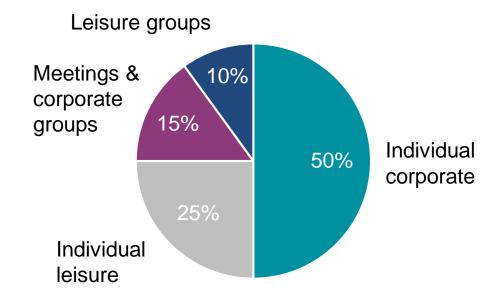
**3-4**% of annual net sales invested in refurbishment initiatives



### **BROAD AND WELL-BALANCED CUSTOMER BASE**



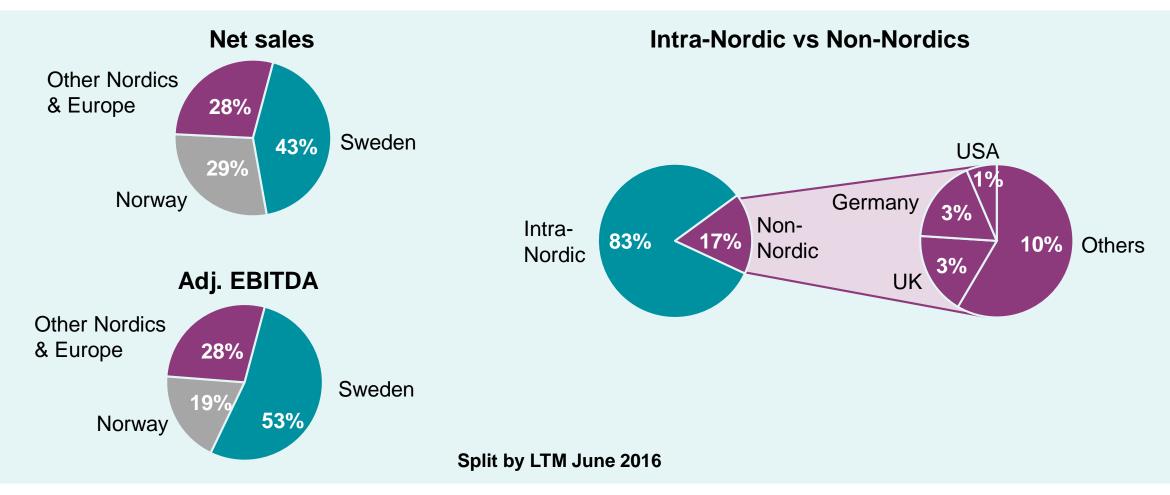
#### **Room nights**





## STRONG KEY MARKETS WITH HIGH DEGREE OF INTRA-NORDIC CUSTOMERS







#### HIGH DEGREE OF RECURRING SALES

**70**% B2B

~ 1.8 million Scandic Friends members

95% of top 500 customers renew corporate agreements every year

Corporate business is split 50-50 on volume and dynamic pricing



We estimate that recurring sales account for 50-60 percent of total annual room revenue

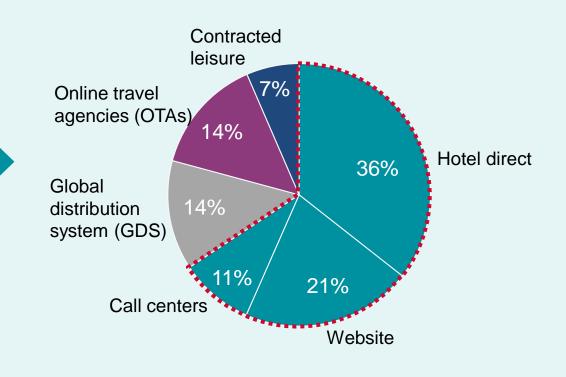


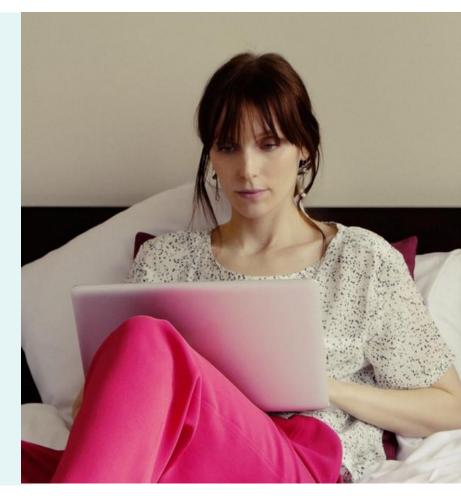
## STRONG FOCUS ON DIRECT DISTRIBUTION TO RETAIN CUSTOMER RELATIONSHIPS



~70 % controlled distribution

Share of room nights, FY 2015





### OPTIMIZING REVPAR THROUGH BEST-IN-CLASS REVENUE MANAGEMENT



A proven and tangible way to increase RevPAR over time

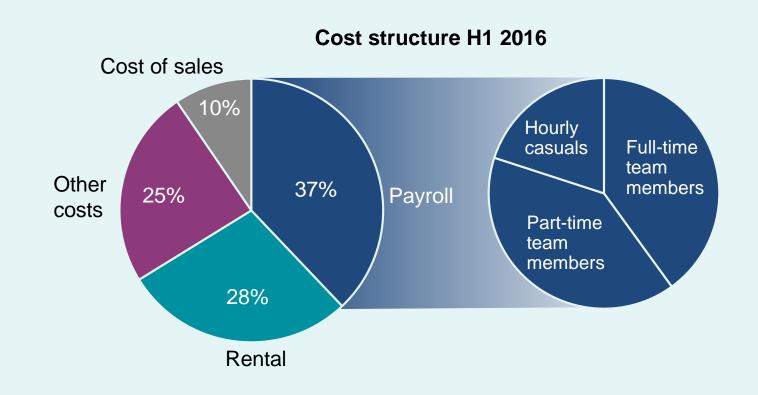
- The right product for the right customer at the right time for the right price
- Entire revenue process and tools are automated on one platform
- Generic structure and processes across countries and each revenue manager works in close cooperation with local hotel management and sales & marketing
- Clustered function with 9 centers
- Developing Function Space Revenue Management system with IDeaS in the US, estimate pilot in 2017
- Roll-out of new next generation IDeaS G3 revenue management system



### FLEXIBLE COST BASE - COST EFFICIENCY IS IN OUR DNA



- Well-developed and anchored KPI culture
- Flexible cost structure adapted to changes in demand
- Centralized and systematic control over entire cost structure – full transparency
- Easy and relevant tools for steering and focus



## GENERAL MANAGERS ARE KEY IN OUR OPERATIONS



- General Manager has full P&L responsibility
- Offering adapted to demand local market
- Support by centralized functions and expertise:
  - Revenue management clustered based on key destinations
  - Central sales resources focused on key customer segments
  - Shared service functions finance, payroll, technical services and HR
- Direct chain from CEO to General Manager and full focus on Group and hotel performance



### INSPIRING NORDIC DEFINES OUR CULTURE AND AMBITIONS AND WHO WE ARE





"LOVELY"

Just arrived at Scandic, Lovely room.

lovely staff as always.

"WOW!"

I've ever had.



Just wow! Great reception, big and nice hotel

room, a real Nordic feel and the best breakfast

"A VIEW TO KILL" Have you tried the yoga space at Continental. with a view to kill for and giving peace to life. **WORLD-CLASS** NORDIC HOTEL COMPANY

IS OUR









WE MIGHT TAKE
SCANDIC OUT OF THE
NORDICS BUT WE WILL
NEVER TAKE THE NORDICS
OUT OF SCANDIC

FRANK FISKERS



"YES"
Party at Scandic last night. Yes, Scandic.
THEREALBOB



Really great restaurant and bar at Scandic, didn't expect that! Met up with friends and we had so much fun!

PALWAYSLISA





## INDUSTRY-LEADING TRAINING & TALENT PROGRAM





- Get on board
- Commercial
- Functional
- Service
- Leadership

High degree
of General
Managers
are internal
recruitments



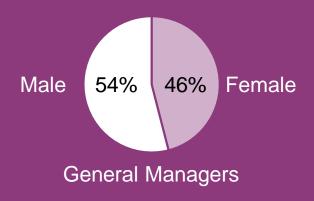
## ATTRACTIVE EMPLOYER WITH HIGHLY-ENGAGED TEAM MEMBERS



**732** NMI in Voice-Index = Excellent

10,266 FTEs

120 nationalities









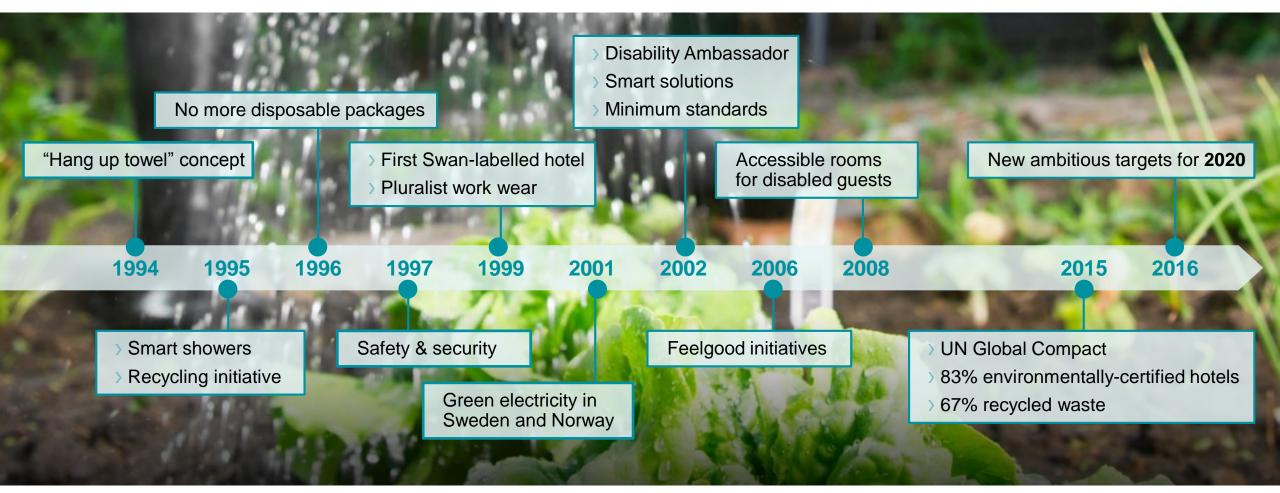
### SATISFIED AND LOYAL GUESTS

- Flexible offerings
- Excellent service
- Welcoming and friendly
- Consistent quality
- Reliability
- Value for money
- Customer feedback important for product development and service level enhancements
- Measure and follow up systematically
- NPS to be implemented during 2017





### A FORERUNNER IN SUSTAINABLE BUSINESS







### ATTRACTIVE FINANCIAL PROFILE





### SEVERAL FACTORS IMPROVING MARGINS

	Jan–June			12 months ending		
MSEK	2016	2015	Change, %	June 2016	Dec 2015	Change, %
Net sales	6,041	5,833	3.6%	12,400	12,192	1.7%
Adjusted EBITDAR	2,087	1,957	6.6%	4,536	4,406	3.0%
Adjusted EBITDAR margin, %	34.5%	33.6%		36.6%	36.1%	
Adjusted EBITDA	509	424	20.0%	1,331	1,246	6.8%
Adjusted EBITDA margin, %	8.4%	7.3%		10.7%	10.2%	
EBIT	220	112	96.4%	720	613	17.5%





### **IMPROVED LIKE-FOR-LIKE GROWTH**

	Jan-June vs LY	
Sales growth	MSEK	%
Changes in hotel network	32	0.6
Currency	-167	-3.3
Like-for-like growth	342	6.3
Total sales growth	207	3.6







### STRONG CASH CONVERSION

MSEK	2016 Jan–June	2015 Jan–Dec
Cash flow before investments	265	1,186
Investments	-292	-785
Operating cash flow	-27	401
Net debt	3,543	3,355
Net debt / adjusted EBITDA, LTM	2.7	2.7

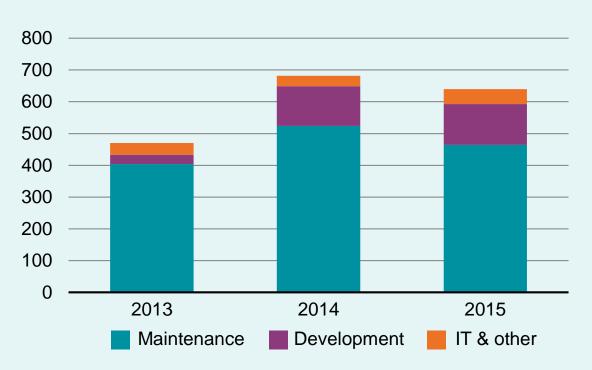






#### CAPEX FOCUSING ON REVENUE GENERATION

#### Investments (MSEK)



#### Renovations / net sales, rolling 12 months (%)





### STABLE MARGINS OVER TIME SUPPORTED BY VARIABLE LEASE MODEL

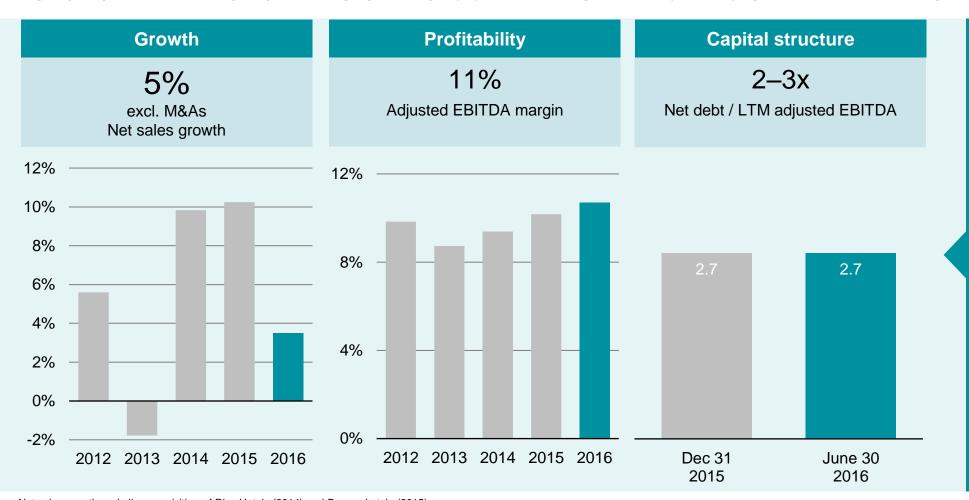








### GOOD PROGRESS TOWARDS FINANCIAL TARGETS



Dividend policy50% of net profits

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



# WE CURRENTLY HAVE STRONG MOMENTUM IN ALL KEY MARKETS





### SCANDIC INITIATIVES SECURE ABOVE-MARKET GROWTH



- Brand experience
- Guest loyalty
- Direct distribution
- Digital journey
- SPOO (Scandic Process of Optimization)
- Extensions and refurbishments

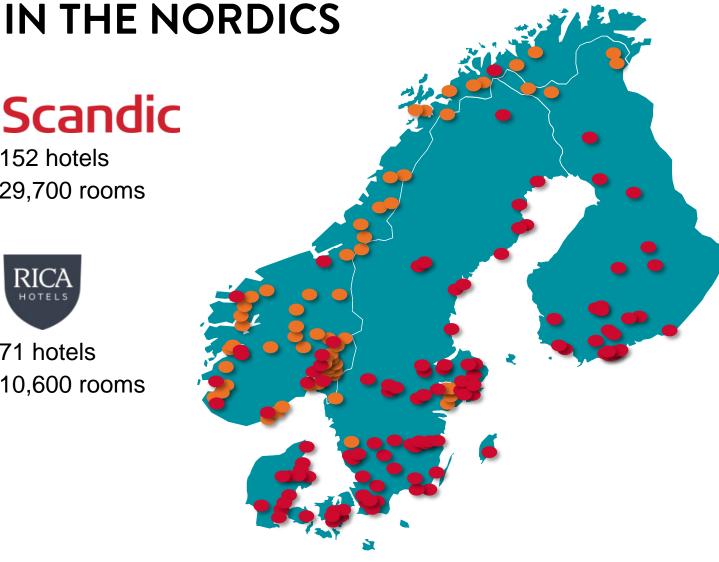
### RICA – A GAME-CHANGING ACQUISITION

### Scandic

152 hotels 29,700 rooms



71 hotels 10,600 rooms



### **Bolstering position as the**

#1 Nordic player

Expected run-rate adjusted EBITDA synergies of SEK 180-220 m



#### RICA – SIGNIFICANT SYNERGIES

### Large synergies potential enabling significant value creation

- Rica margins pro forma 2013 6.0%
- Scandic Norway 9.9%
- Rica largest operator in Norway
   significant economies of scale
- Main synergy potential
  - Head office and purchasing
  - Profitability improvement from efficiency gains
  - Implementation of Scandic's revenue management system and distribution platform
  - Merger of Rica Points members into Scandic Friends loyalty program
  - Increasing ability to win corporate contracts in Norway

Estimated synergies at acquisition			
Synergy area	MSEK	Status	
Head office and purchasing savings	80	<b>√</b>	
Other synergies and margin improvement	100-140	<b>( √ )</b>	
Total EBITDA improvement	180-220	<b>( √ )</b>	
Estimated one-off integration costs			
Total one-off integration costs	220		



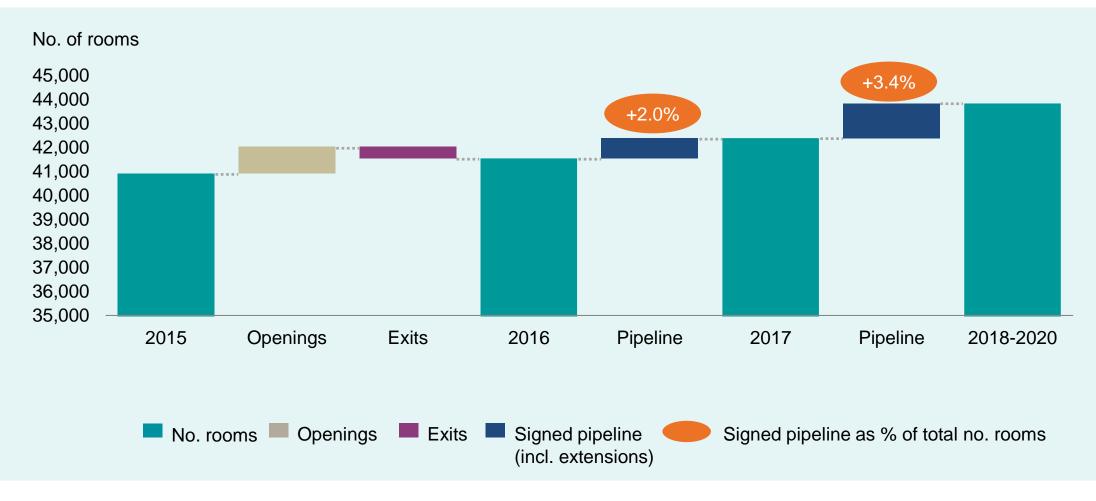
## AT LEAST 3,500 NEW ROOMS 2016-2018

	Hotel	# Rooms
2016	Scandic Gällivare (franchise)	80
	Haymarket by Scandic, Stockholm	405
	Scandic Aalborg City	168
	Scandic Continental, Stockholm	392
	Scandic Vaasa	140
2017	Scandic Bergen Flesland	304
	Downtown Camper by Scandic, Stockholm	456
2018	Hotel Norge by Scandic, Bergen	420
	Scandic Lillestrøm, Oslo	220
	Scandic Kødbyen, Copenhagen	370
	Scandic Falconer, Copenhagen	300
	Extensions (total)	229
	Total	3,484





# A STRONG SIGNED PIPELINE WITH FULL MATERIALIZATION





# 2-4 NEW HOTELS PER YEAR IN THE NORDICS AND KEY GERMAN DESTINATIONS

Proactive, strategic and disciplined approach to network expansion Proactive development of destinations together with communities, industry organizations and landlords

Further strengthening our already market-leading network through strategic expansion in key destinations and white spots

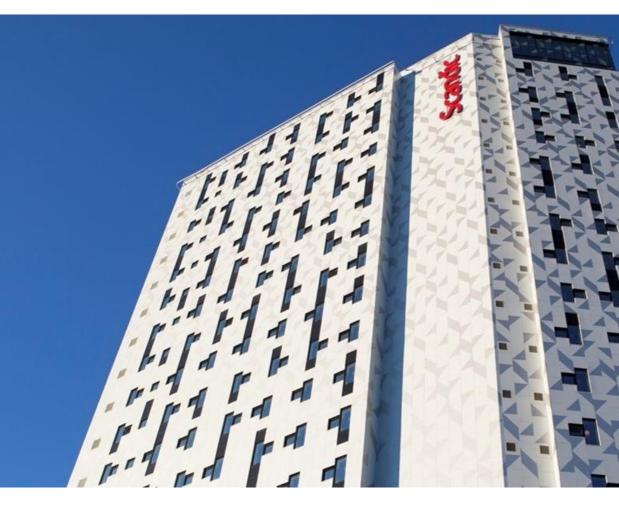
Disciplined approach to new hotels (RevPAR-potential, profitability, ROI and contract terms)



### TARGETING BOTH NEW BUILDS AND EXISTING HOTELS

#### **Development criteria for new builds**

- ≥ 200 rooms
- > SEK 75 m of revenue per hotel
- EBITDA margin of at least 15% at hotel level
- Average capex of SEK 200k 280k per key
- Target ramp-up period of 18-36 months





# THE GERMAN MARKET IS LARGE AND HIGHLY FRAGMENTED

Natural expansion opportunity...

- Attractive market fundamentals
- No clear market leaders
- Leasing model is the predominant and preferred model among German real estate investors and developers
- High appreciation of Scandic brand and Nordic identity
- Large stable base of domestic travelers





### FOCUS ON KEY DESTINATIONS IN GERMANY

...with a proven track record

- Proven value proposition and 3 hotels with RGI and margins above peers
- Realized synergies from a second hotel in Berlin
- Target both new builds and conversions where smaller acquisitions could also be taken into consideration
- Director of Business Development on site from October 1, 2016



**Scandic today** 



# ADDING REAL ESTATE PARTICIPATION AS AN ADDITIONAL DEVELOPMENT TOOL

#### WHY?

- Scandic is a hotel company with a leasing model
- Stay competitive by realizing new hotel opportunities
- Ensure growth opportunities and sufficient flexibility

#### HOW?

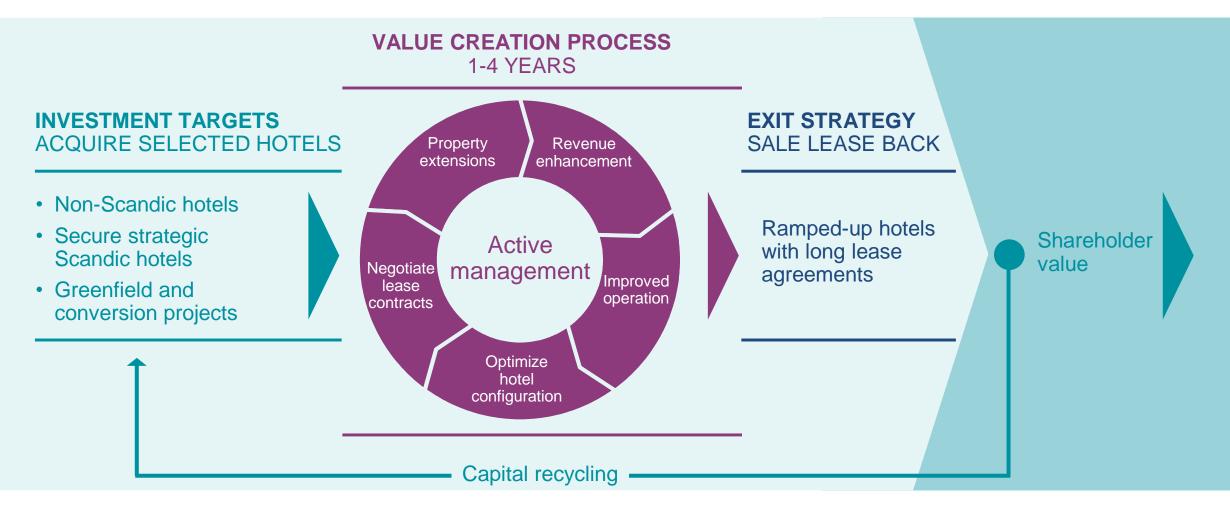
- Internal team focused on property investments
- Capital allocated to certain and selected investment cases
- Execute the strategy alone and/or in close cooperation with partners and advisors
- Each investment case must qualify as if Scandic were only renting the hotel property

#### WHEN?

- Recruit Head of Real Estate H2 2016
- Investments could be made over entire business cycle, not just ride the good times



### AN ACTIVE ROTATING ASSET STRATEGY



# A MARKET-LEADER SET FOR CONTINUED PROFITABLE GROWTH





#### COMMERCIAL FOCUS AREAS



## BRAND EXPERIENCE & OFFERING

In 2017, we will start a journey to not only be the number one brand, but to own 3 targeted brand positions that drive sales in the minds of customers.



Driven by new market dynamics, direct distribution has become more important than ever to understand and control in the hospitality industry.

## RECURRING BUSINESS



The success factors behind the resilience of Scandic's top line.



#### **GUEST LOYALTY**

To secure customer ownership, data and controlling distribution are becoming increasingly important. In this context, we will launch a new loyalty program 2017.



#### **DIGITAL JOURNEY**

To become more agile and a company with leading technology that leverages digital opportunities, our digital journey is a key focus area for our business.



## WE USE AN OUTSIDE-IN APPROACH TO DESIGN OUR FUTURE STRATEGIES AND PRODUCTS

SOCIAL MEDIA

**REVIEWS** 

MARKET SURVEY: TRAX DYNAMICS

MARKET

**CUSTOMER INTERVIEWS** 

SGS/NPS



















EMPATHETIC

STATUS SEEKERS

SOCIONOMICS

**SECURITY** 

BETTERMENT LIGHTWEIGHT NOMADS

BRAND GOVERNMENT RESIDENTIAL

WELLNESS LOVE OF LOCAL INTERACTIVE SLEEP IS THE NEW ENERGY

SHARING

### **CONSUMER TRENDS**

**MOBILE FIRST** 

POST DEMOGRAPHIC

POWER TO THE PEOPLE

**FUNCTIONAL FOOD** 

**MEANINGFUL** 

QUALITY OF LIFE

**BREAKFAST FOR DINNER** 

**SEAMLESS** 

**HEALTH** 

DIGITAL

**CURRENCIES OF EXCHANGE** 

YOUNIVERSE 2<sup>ND</sup> MILLENNIALS

**GAMIFICATION** TRANSPARENCY

**VENUE DRIVEN** 

SOCIAL RESPONSIBILITY

**INSTANT** 

#### **PERSONALIZATION**









TAKING back CONTROL

**MOBILE FIRST** 

1/3 OF GLOBAL E-COMMERCE

CLOUD

**VERTICAL PARITY** 

LAWSUITS

**PROCUREMENT** 

ANALYTICS

LEAD TIME

**POWER OF PARTNERSHIP** 

**AIRBNB** 

**CUSTOMER RELATIONSHIPS** 

PRICE DIMMING

**OTA LANDSCAPE** 

RANKINGS &

REVIEWS

SOCIAL MEDIA

**ALGORITHMS** 

AGILE

RETARGETING

PRODUCT DEVELOPMENT

DISRUPTIVE MARKETING

INDUSTRY DYNAMICS

BIG DATA

CLOSED GROUPS

HORIZONTAL PARITY

WEBSITE

RESPONSE TRANSPARENCY

**AGGREGATORS** 

**META SEARCH FULFILLMENT** 

VIRTUAL REALITY

100 BILLION







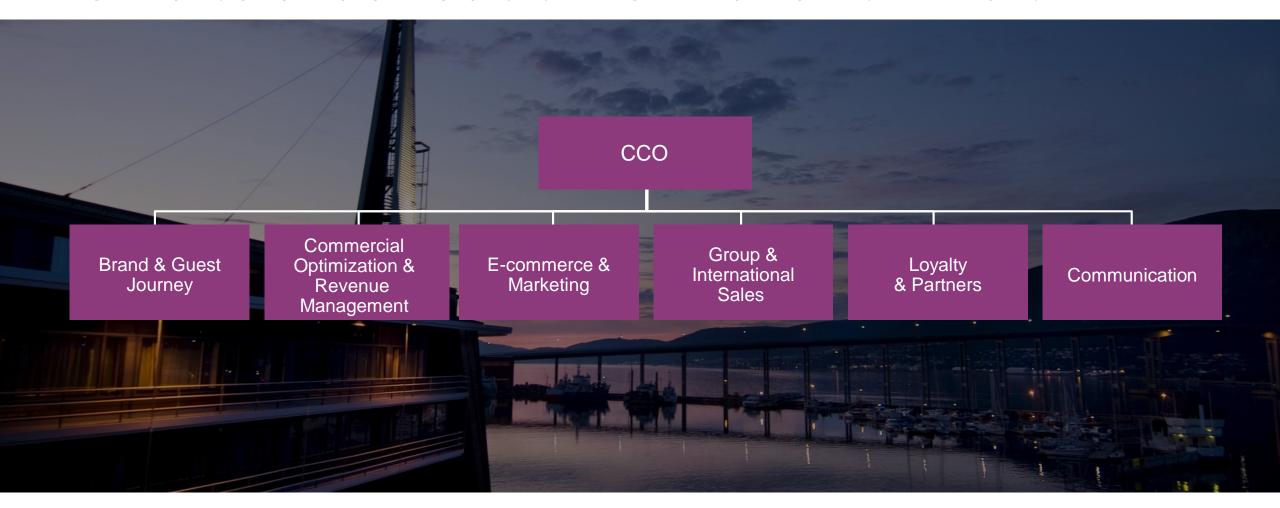








### STRONG GROUP COMMERCIAL ORGANIZATION







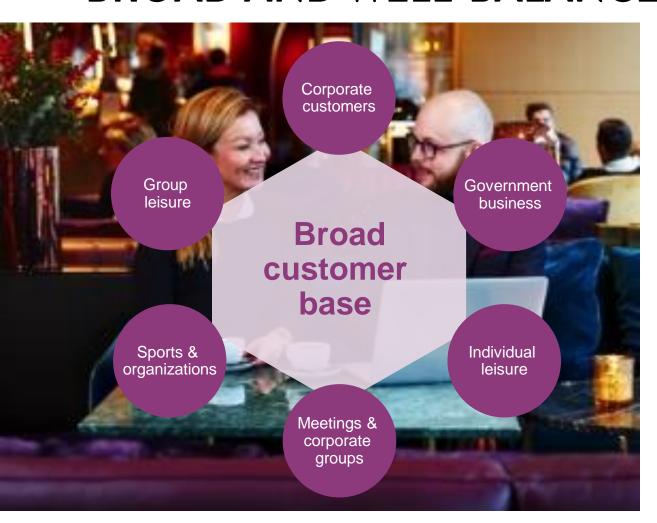
## RECURRING BUSINESS

THE

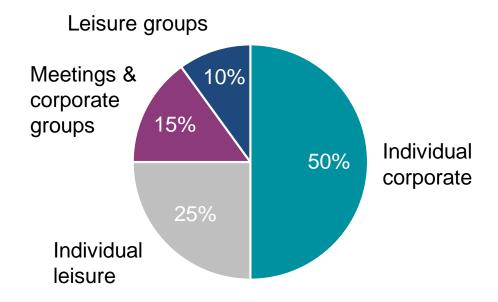
## SUCCESS FACTOR

SCANDIC'S TOP LINE

### **BROAD AND WELL-BALANCED CUSTOMER BASE**

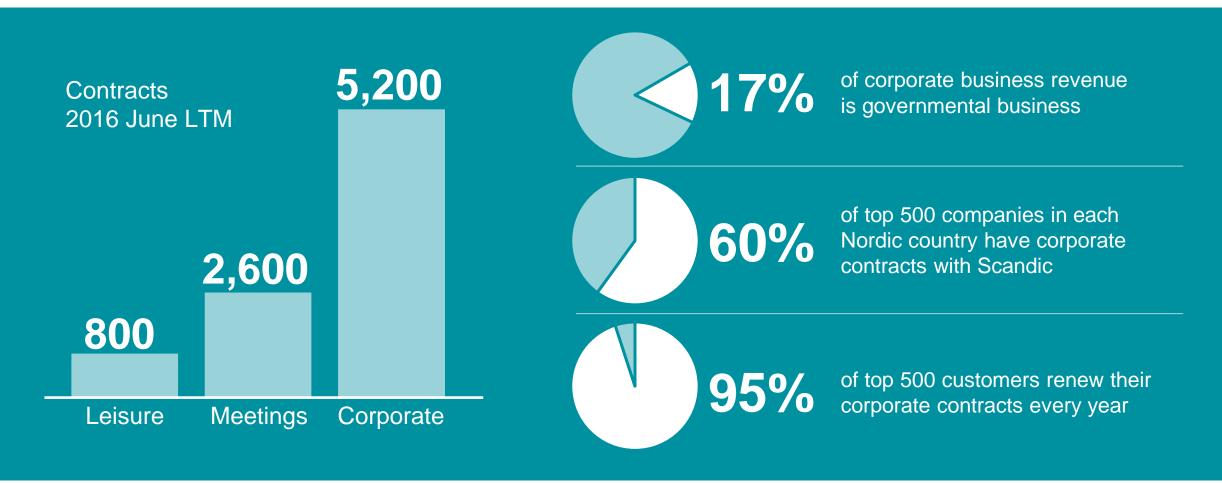


#### **Room nights**





#### DIVERSIFIED BASE OF CORPORATE ACCOUNTS

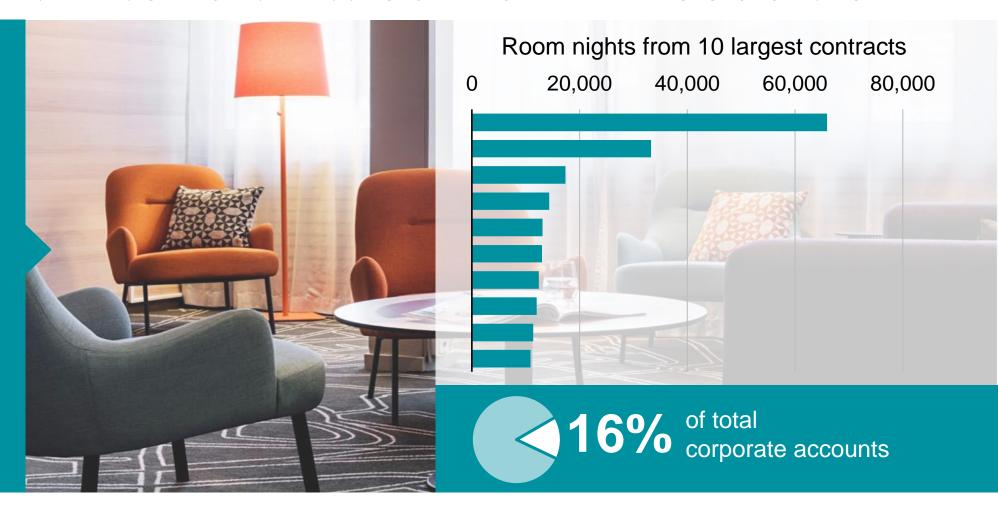




#### LOW DEPENDENCY ON FEW CORPORATE ACCOUNTS

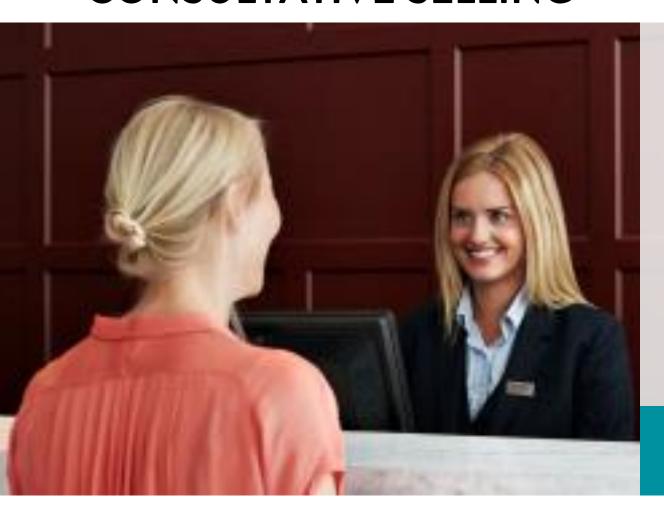
45% of room nights

from top 100 accounts in each market





# RECURRING BUSINESS DRIVEN THROUGH CONSULTATIVE SELLING



- Consultative selling
- Trust and long-term relationships
- Sales culture
- Scandic value proposition
- Mid-market brand
- Easy to do business with
- One-stop contracting

...and with potential for more growth through cross-market optimization and international sales





## GREAT

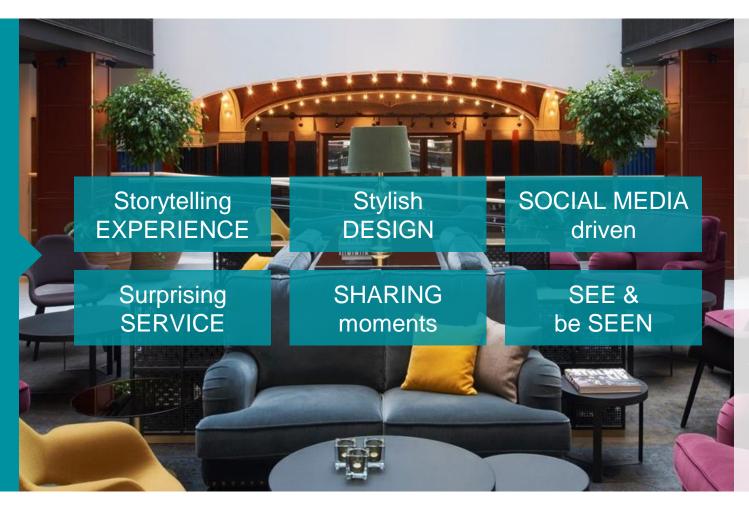
HOTEL EXPERIENCES
FOR THE MANY PEOPLE

### THE NUMBER 1 BRAND IN THE NORDIC MARKETS



# SIGNATURE HOTELS BY SCANDIC LAUNCHED TO ATTRACT NEW CUSTOMERS AND DRIVE RATES AND EBITDA

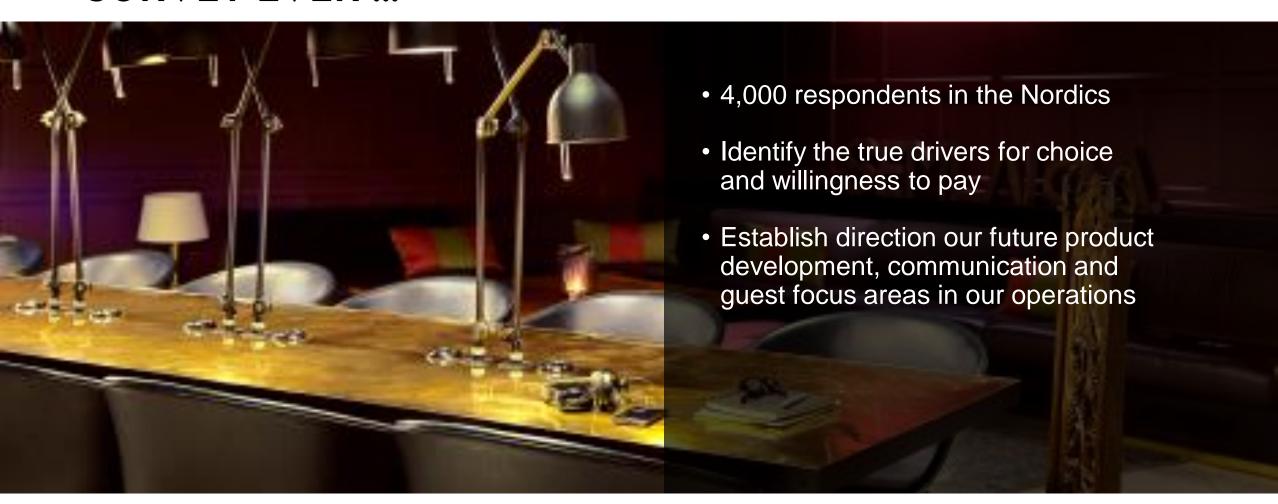
A unique value proposition and recognizable by the signature factors



- Hotels and venues for the more discerning and lifestyle-oriented audience
- Positioned under its own name endorsed by Scandic
- Addressing new customer behavior and attracting new guests



# WE RECENTLY PERFORMED OUR LARGEST CUSTOMER SURVEY EVER ...



#### ... AND THE RESULTS POINT US IN A CLEAR DIRECTION



#### What makes people choose and pay for a certain hotel?

- Emotional experience
- Provides great service and makes guests feel special
- Reliability and the "you-know-what-you-get" factor

#### Scandic's position

Scandic was confirmed as the leading brand driven by functionality, reliability, service and friendliness.

#### **Next step**

To further drive the top line, we will strengthen the emotional experience and communication with customers.

### A SEGMENT FOR SCANDIC TO GROW FURTHER



#### Mobile mid-life & millennials

The modern traveler and explorer, 25-55 years old

- Leisure guest
- Business guest
- Meeting booker



# WE AIM TO OWN THREE POSITIONS IN THE MINDS OF GUESTS TO FURTHER DRIVE REVENUE

SERVICE EXPERIENCE

 A welcoming and personal atmosphere

FOOD
EXPERIENCE

Best breakfast in town

Social bar and lounge

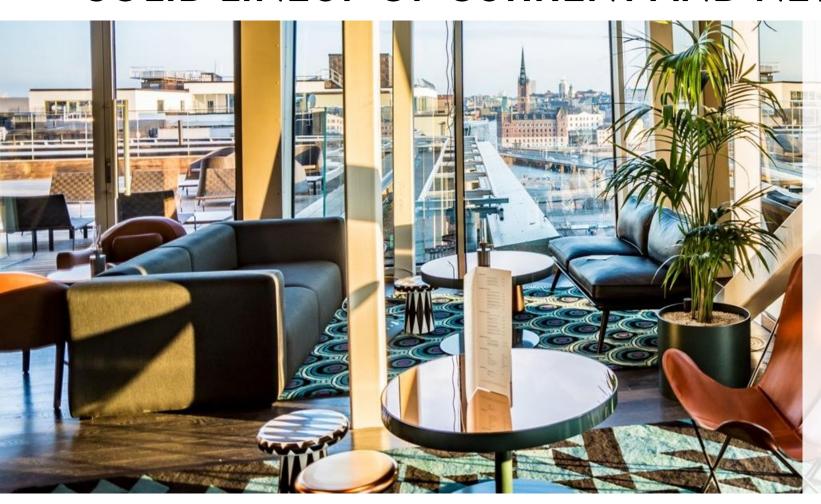
ROOM
EXPERIENCE

Room design and features

Sleep experience



### SOLID LINEUP OF CURRENT AND NEW INITIATIVES



- Inspiring Nordic
- Room design and offering
- Breakfast
- Meeting concept
- In-room entertainment
- Online check-in
- Mobile keys
- Digital newspapers
- F&B sales club





#### SIX TRENDS WITHIN LOYALTY





# THE LARGEST HOTEL LOYALTY PROGRAM IN THE NORDICS

















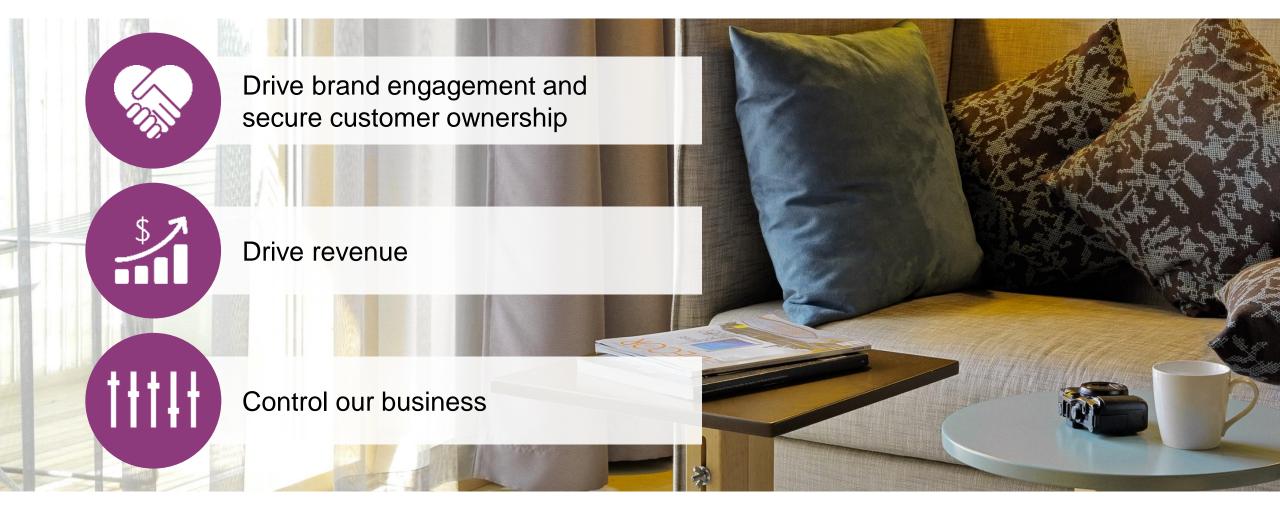








### **OBJECTIVES OF OUR NEW PROGRAM**



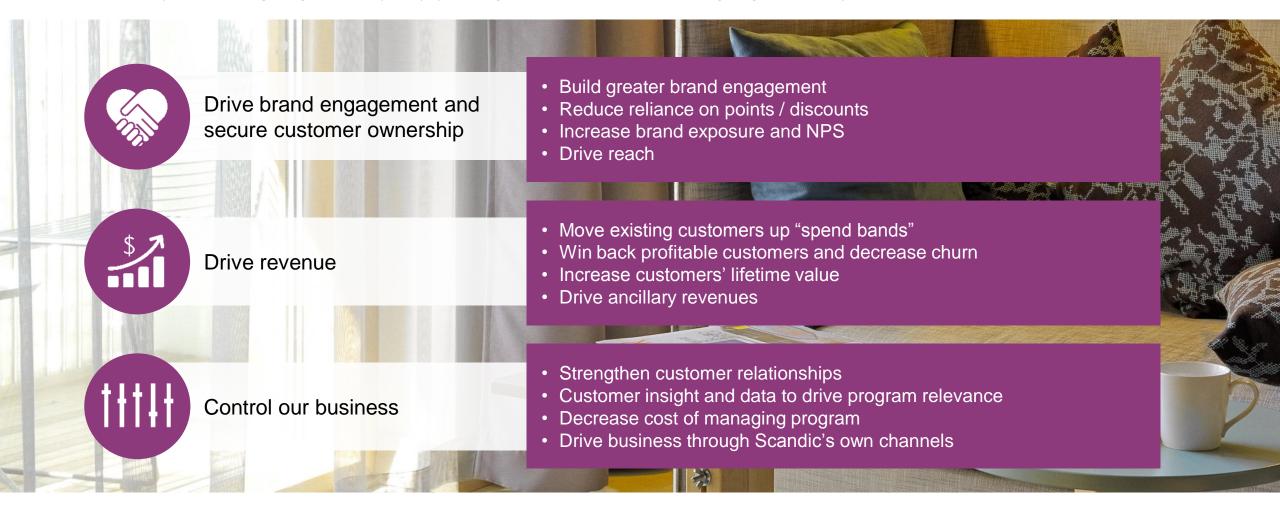


#### A CLEAR STRATEGIC DIRECTION FOR THE PROGRAM

Deliver a seamless and Digital by nature omni-channel experience Build brand engagement From rational to emotional loyalty and true loyalty Personalized and relevant 1-to-1 communication and offerings Pick & mix with instant benefits A motivating program structure and model based on total spend and loyalty Go beyond core Enhance attraction and drive reach



#### BENEFITS OF NEW LOYALTY PROGRAM







#### THE RECIPE FOR SUCCESSFUL DISTRIBUTION

### CONNECT

the right partners to the right customers at the right







# OUR DISTRIBUTION STRATEGY FOCUSES ON DRIVING PROFITABLE GROWTH





Visible and bookable in all customerpreferred channels



Drive reach and acquire new customers through selected distribution partners



Leverage market transparency and optimize revenue and bookings through our controlled channels

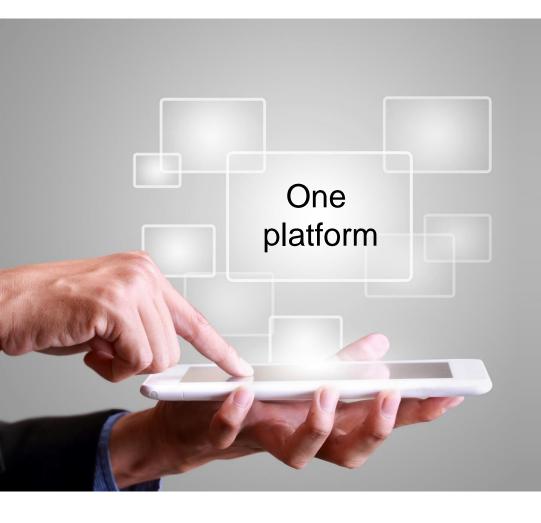


Strengthen customer relationships by working with

- Big data
- Mastering the entire customer journey
- Offering exclusive benefits on our website



### OUR DISTRIBUTION AND REVENUE MANAGEMENT TODAY

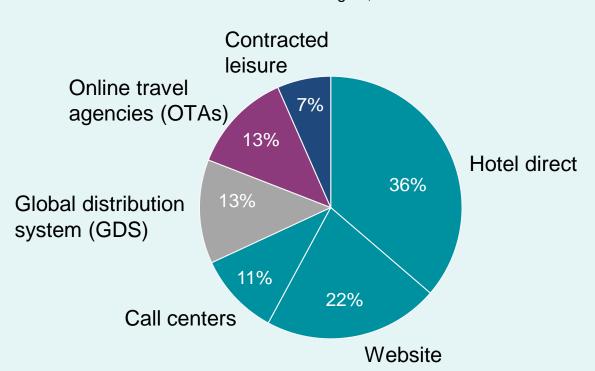


- Revenue management process and tools are automated
- A platform with established work processes for internal alignment and optimization
- 9 clustered function centers
- SiteMinder implemented at all hotels to drive reach and secure price quality
- New call center partner for all markets
- Revinate implemented at all hotels

### WE ARE IN CONTROL OF OUR DISTRIBUTION MIX AND DEVELOPMENT

#### ~70% controlled distribution

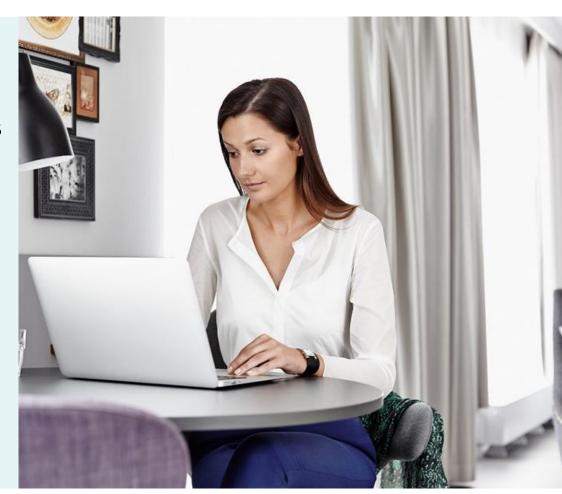
Share of room nights, FY 2015



- Strong growth in visits and bookings on Scandic's website
- High conversion in own web
- Growth in OTAs' relative share, coming from a lower volume
- International growth through OTAs
- 33 preferred hotels in OTAs driving growth in weekend business

### FOCUS AREAS OF OUR DISTRIBUTION AND REVENUE MANAGEMENT STRATEGY

- Implement next generation revenue management system
- Develop revenue management for functional spaces
- Drive international volume and reach
- Work actively with closed group offerings
- Shift hotel direct and call center volume to Scandic's website
- Focus on net profitability of revenue
- Acquire new customers through OTAs
- Unlock potential power of partnerships
- Drive customer reviews in social media



### ACCELERATING OUR INVESTMENTS AND FOCUS ON E-COMMERCE

- Shift investments to SEO, SEM and PPC
- Build a more retail-like experience
- Complete implementation of preduring-post-stay communication
- Explore and join forces with partners in product development
- Further optimize and enrich content in own and paid channels





**SCANDIC HAS BEEN** 

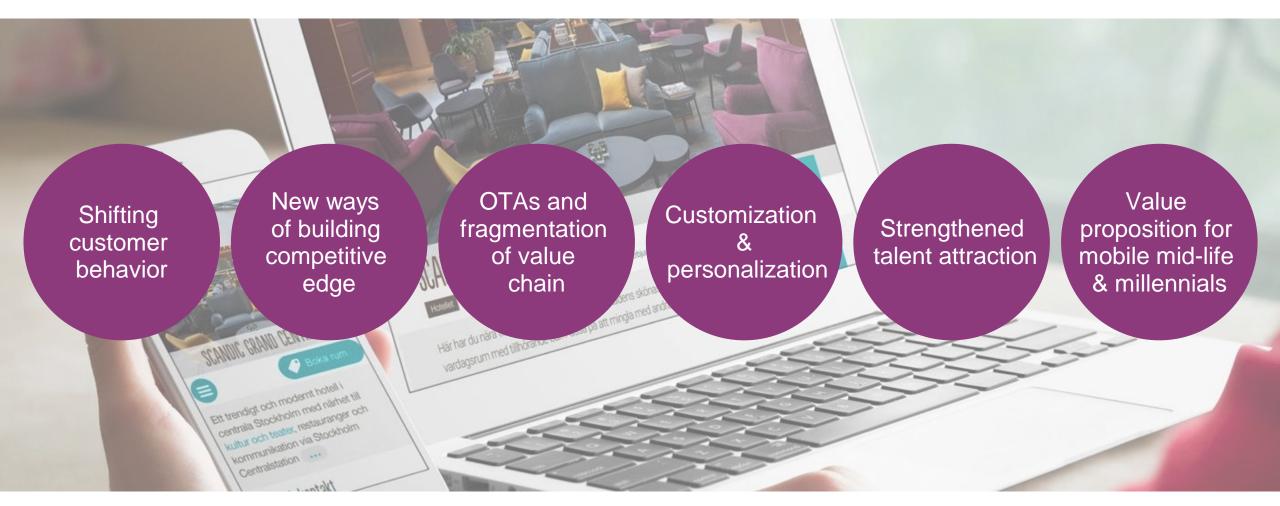
### DIGITIZED

FOR YEARS AND HAS A SOLID PLATFORM TO

### **EXCEL FROM**

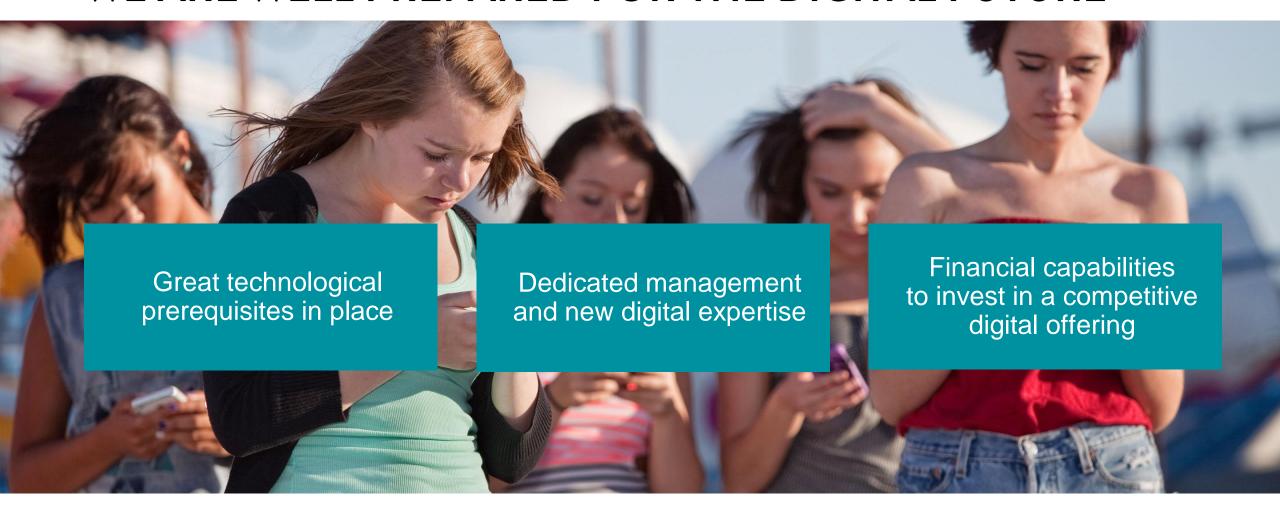


### DIGITAL STRATEGY WILL ADDRESS A NUMBER OF OPPORTUNITIES





#### WE ARE WELL PREPARED FOR THE DIGITAL FUTURE





#### THE STRATEGIC DIRECTION FOR OUR DIGITAL JOURNEY

- 1 Activate the potential related to the area of interactions
  Deliver an interactive, smart, seamless, inspiring and hassle-free customer journey
- 2 Increased focus on data-driven insights and ways of working Provide the opportunity to become truly data driven to improve reach and secure customer ownership
- 3 Pursue new digital innovations Attract mobile mid-life & millennials and become the leading digital company in the hotel industry



### WE WILL STRENGTHEN OUR DIGITAL CAPABILITIES TO EXCEL IN OUR DIGITAL JOURNEY





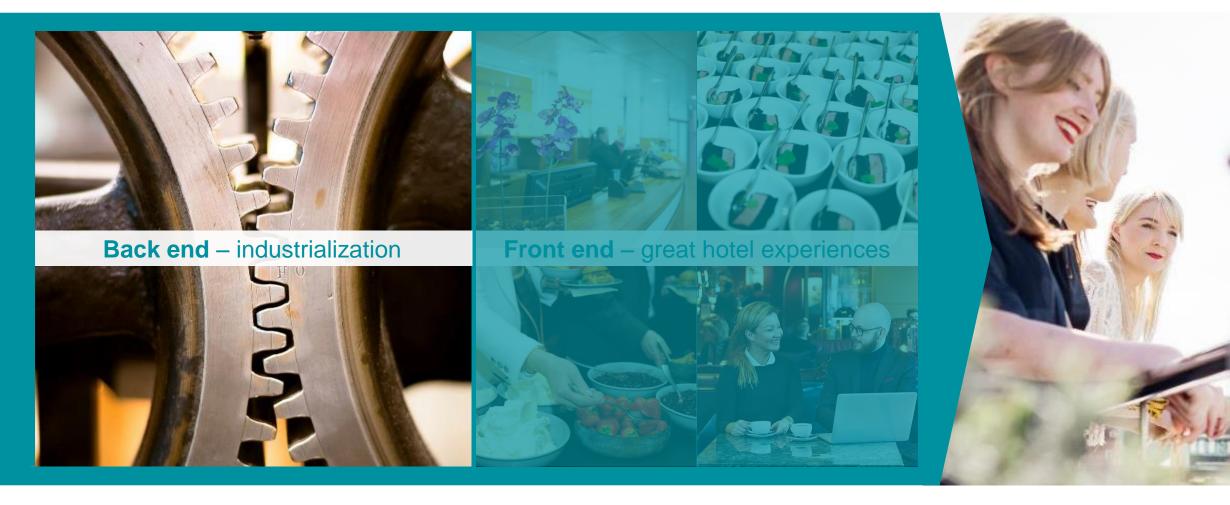
#### WELL POSITIONED FOR CONTINUED GROWTH



- Recurring business will continue to be a major focus
- Focus on data and agility are instrumental for our strategies and execution
- With a new web platform, loyalty program and digital strategy, we are in a strong position to
  - drive growth
  - control distribution
  - strengthen brand engagement
- Knowing which position to own in the minds of customers, we will be able to further drive sales and strengthen our number one brand position in the Nordics

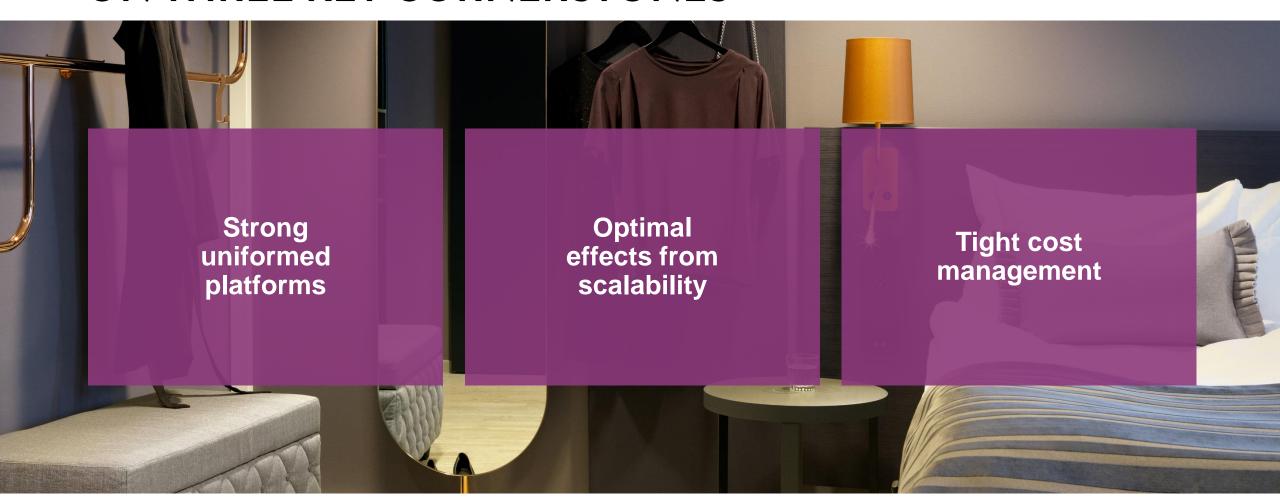


## CREATING GREAT MARGINS THROUGH CUSTOMER FOCUS AND AN INDUSTRIALIST MINDSET

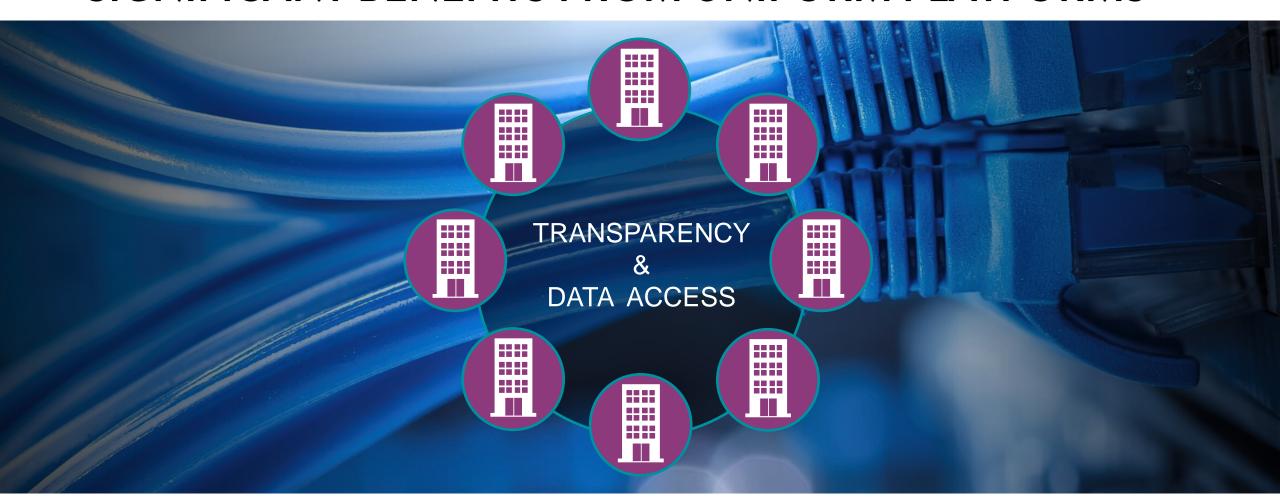




## OUR OPERATIONAL EXCELLENCE IS BUILT ON THREE KEY CORNERSTONES

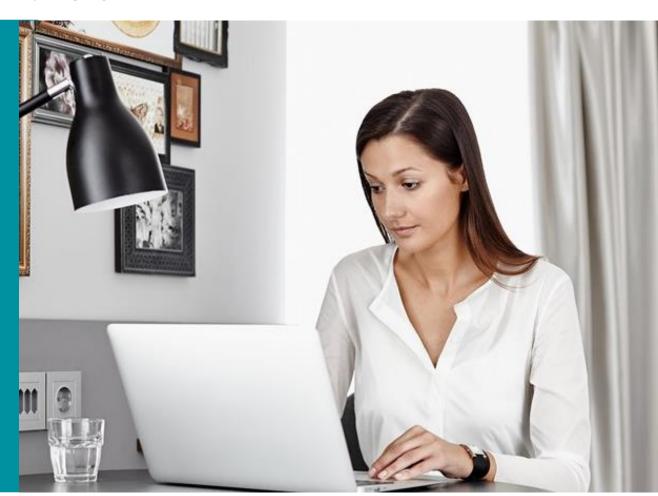


#### SIGNIFICANT BENEFITS FROM UNIFORM PLATFORMS



#### MAXIMIZING BENEFITS FROM SCALABILITY

- Cost per sold unit
- Centralized shared service centers
- Common system for consolidation
  - Reporting
  - Planning
  - Follow-up
  - Best practice
- Transparent accounting



#### COST CONTROL IS IN OUR DNA



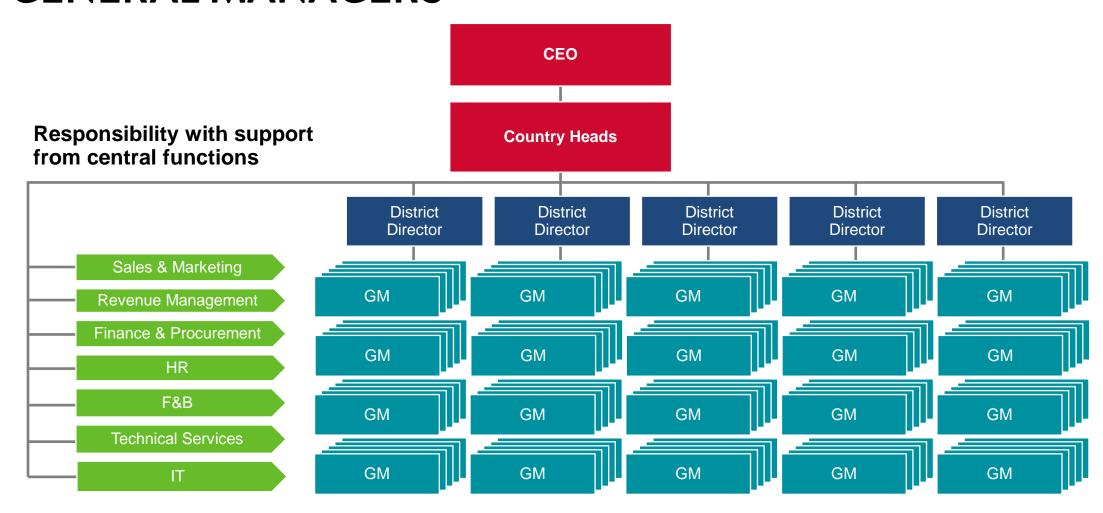
- Monitor profits by department
- Strong follow-up process for daily, weekly and monthly reporting (revenue, working hours and profit conversion)
- This has fostered a strong focus on KPIs such as
  - revenue/working hour
  - breakfast guests/working hour
  - cleaned rooms/working hour
  - target GOP

#### TARGET GOP MODEL ENSURES HIGH PERFORMANCE

March 2014								,		Scandic Tar	get GOP Re											
Part	Moreh 2014							90 %	139 SEK	90%		90%	25%		50 %							
Table   Note		Actual Pavanua	Actual	Actual	Actual	Actual	Actual	Tarnet	Tarnet	Tarnet	Tarnet	Tarnet	Tarnet	Tarnet	Tamet	Target	Poome	E9.B	Other	Overhead	Total	Actual GO
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1300		-1 266	-317	-590	-13	q	-838			34		-175	-147	-322	-5			-277	-8	90		
5-92															-8							
1.444	No.		-154	-152				43				1			-1							
141																						
1.19    1.27    63   17    81   66   340   117    2   224   54   38   15   5   234   3   79   12   81   166   5   6   70   6   70   6   70   70   70																						
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- 111								-5				6	2	8	3		7		0	-18		102
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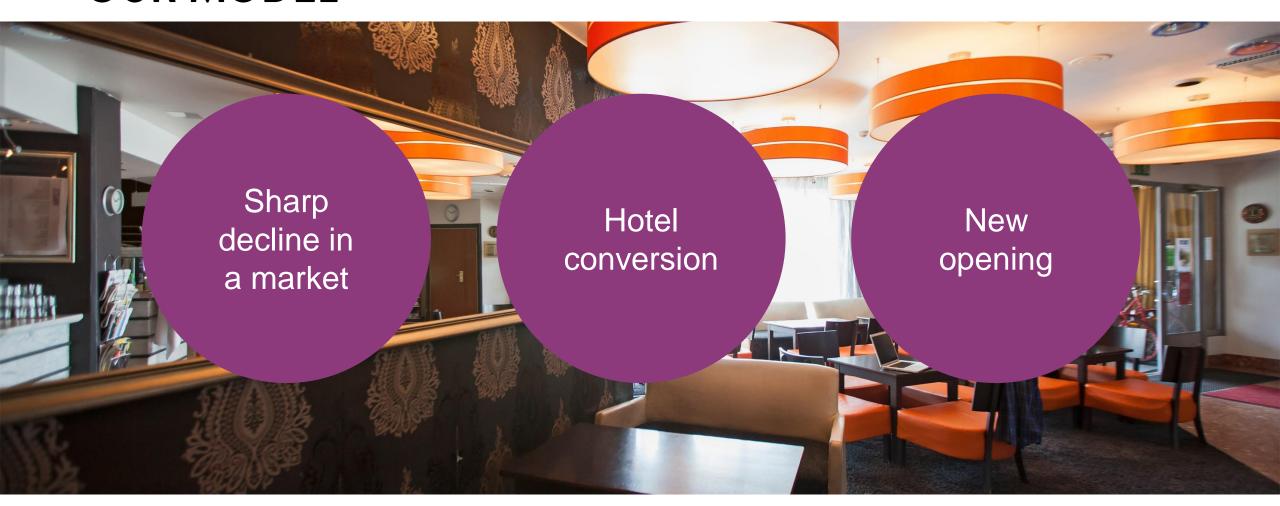


### DIRECT CHAIN FROM CEO TO HOTEL GENERAL MANAGERS





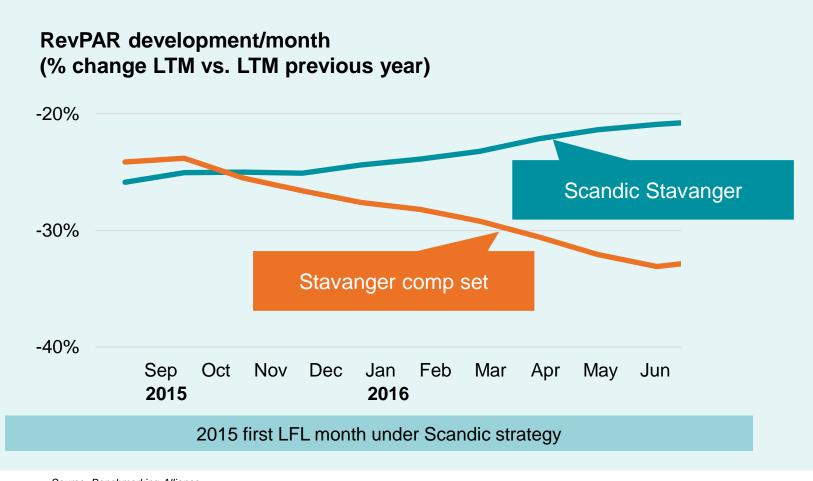
# THREE SUCCESSFUL CASES BENEFITING FROM OUR MODEL



#### **CASE: STAVANGER – SHARP DECLINE IN A MARKET**



#### SCANDIC OUTPERFORMING THE MARKET



- Variable rents
- Changed commercial plan with the use of data
- Maintained price leadership position
- Adjusted staffing and mitigated costs
- Maintained profitable operations

Source: Benchmarking Alliance

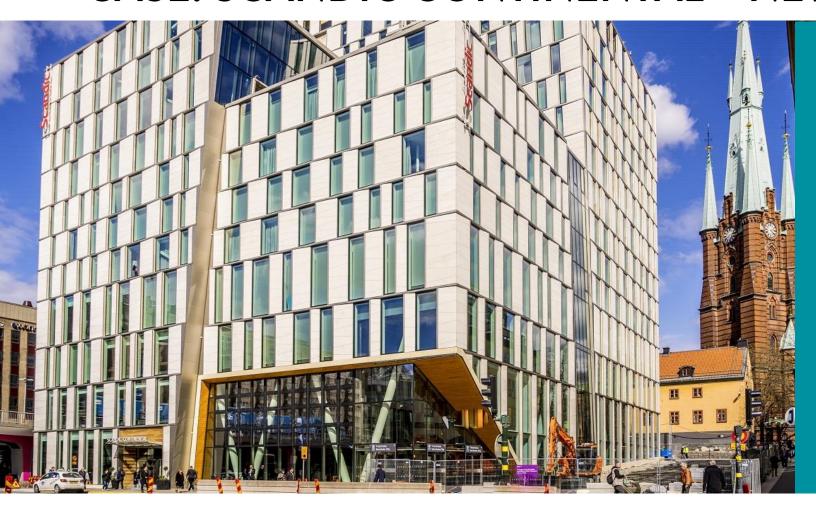
### - HOTEL CONVERSION



KPIs	THEN	NOW					
Revenue	SEK 45 m	SEK 70 m					
Ebitda	Negative	SEK 8 m (11%)					
RGI	0,60	0,90					

- New and clear commercial strategy
  - Terms and number of leisure contracts
  - Larger base of corporate business)
- Full synergy effects / shared services

#### **CASE: SCANDIC CONTINENTAL – NEW OPENING**



- Hotel profitable after first month
- Clear commercial strategy in place 12 months before opening
- GM with full focus on operational setup
- Both top line and GOP performing above expectations
- RevPAR above market first month.
- Projected to be the largest EBITDA contributor in the portfolio

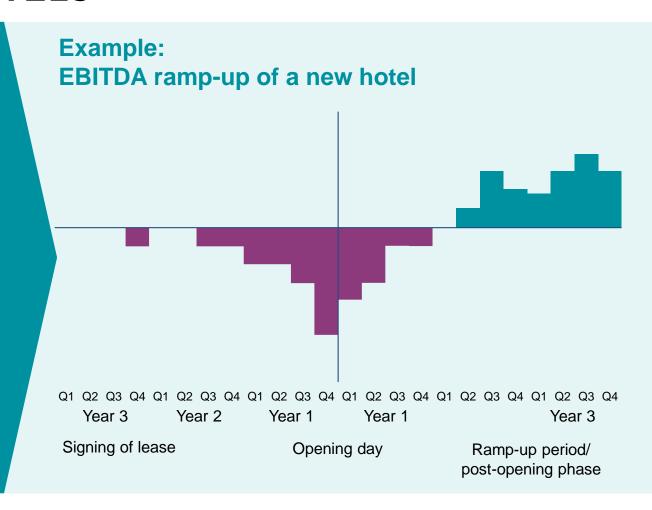


### EXCELLENCE AND PROVEN TRACK RECORD IN RAMPING UP NEW HOTELS

### Program for large renovations & openings of new hotels

- Hotel destination blueprint
- Scandic project model
- Opening day / handover
- Ramp-up commercial
- Follow-up

Close to **50** hotels ramped up since 2007





# LEVERAGING POCKETS OF EXCELLENCE ACROSS THE PORTFOLIO

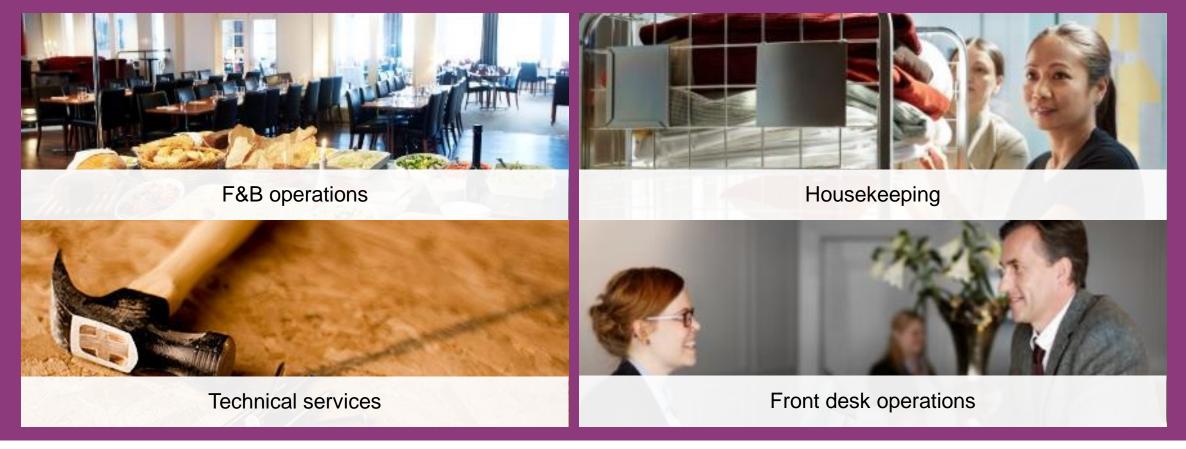
#### SPOO

Learning from each other what we're already good at



### SPOO WILL FURTHER IMPROVE EFFICIENCY AND MARGINS

#### **Current focus areas**



### CREATING GREAT MARGINS THROUGH CUSTOMER FOCUS AND AN INDUSTRIALIST MINDSET



# Scandic