



SCANDIC TO ACQUIRE RESTEL HOTELS

Creating the undisputed leading Nordic hotel company

Conference call 21 June, 2017

Frank Fiskers, President & CEO
Even Frydenberg, Incoming President and CEO
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Scandic

CREATING A HIGHLY COMPELLING COMBINATION

The Scandic logo is displayed in a white box. It features the word "Scandic" in a bold, red, sans-serif font.

- Industry leader with unparalleled network and customer offering
- Excellent strategic fit with complementary hotel portfolios creating the No. 1 hotel company in Finland
- Strong cultural fit based on Nordic heritage and values
- Ideally positioned to achieve significant economies of scale
- Expected strong value creation with potential to increase sales and profitability over time
- Providing great professional opportunities for thousands of team members

The Restel logo is displayed in a white box. It features a stylized orange and grey circular icon to the left of the word "RESTEL" in a grey, sans-serif font.

STRONG STRATEGIC RATIONALE

- Restel's hotel portfolio is geographically complementary to Scandic's existing business in Finland
- A broader nationwide coverage can be offered to both companies' customers
- The acquired hotels will benefit from Scandic's strong brand name and distribution capacity
- Increased exposure to the growing leisure segment
- Cost synergies within administration, procurement etc

- **Proven integration model from the 2014 acquisition of 73 Rica hotels in Norway and Sweden**
- **Over time, we see potential for the acquired business to reach adjusted EBITDA margins in excess of the group target of at least 11% over a business cycle**



RESTEL – A MAJOR FINNISH HOTEL OPERATOR

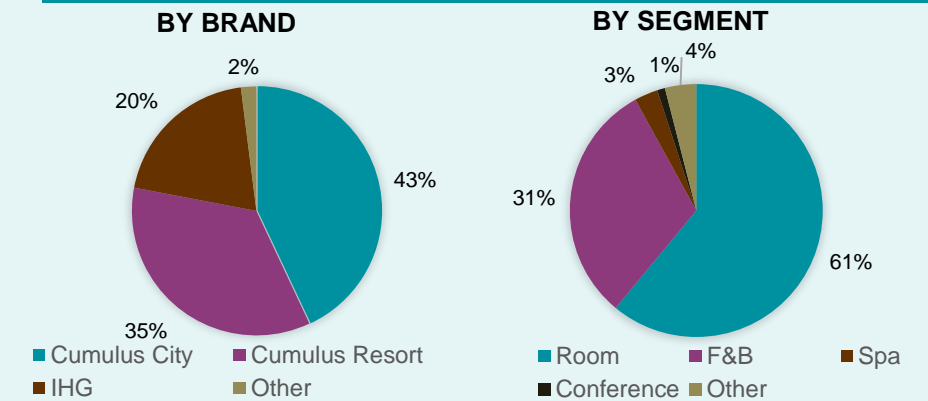
Business Description

- Restel is owned by Tradeka, an industrial cooperative
- Hotel operation started 40 years ago with the brand Cumulus
- Second largest hotel chain in Finland with c. 15%+ market share
- Portfolio comprising of 43 operated hotels, 7 of which are operated under a franchise agreement with IHG
 - 5 Holiday Inns, 1 Crowne Plaza and 1 Indigo
- Restel also operates separate restaurants with 34 brands like Burger King, O'Leary's and Martina
 - Restaurant business not included in the transaction

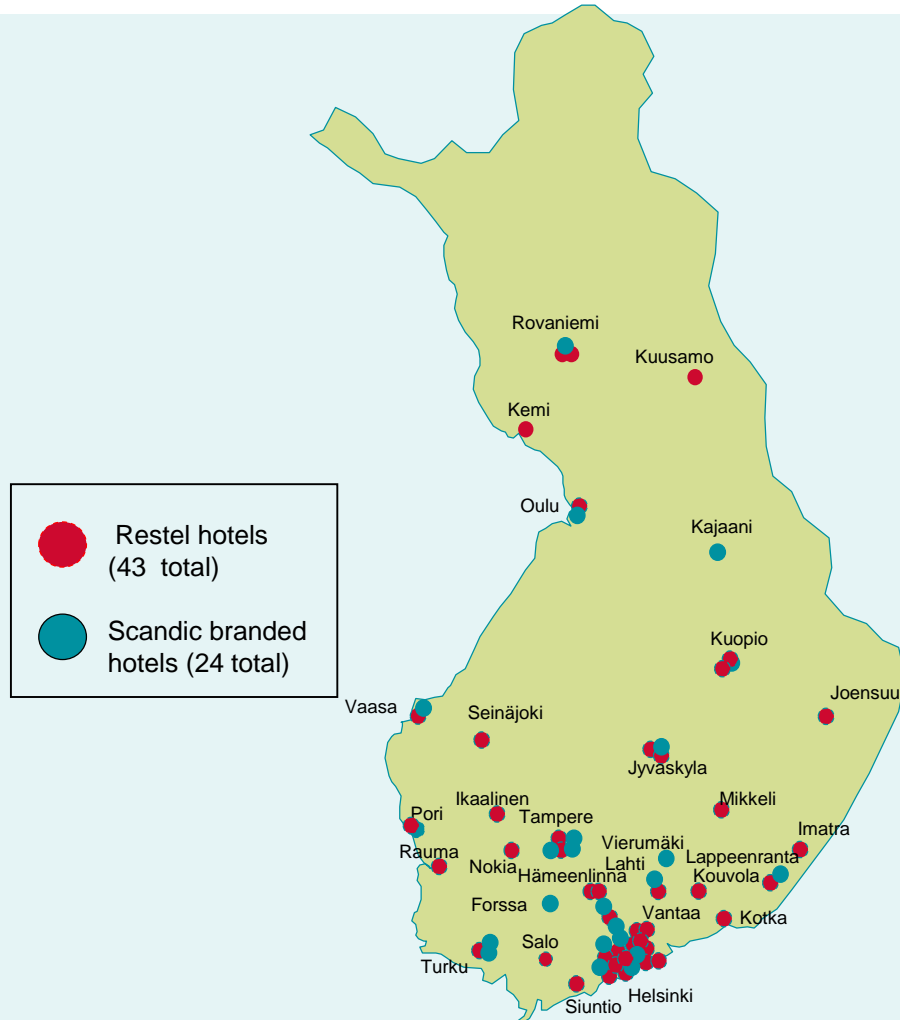
Hotel portfolio

Brands	Hotels	Category
Cumulus City	25	City center business hotels
Cumulus Resort (old Rantasipi)	10	Leisure hotels
IHG	7	City center business hotels in larger cities
Other	1	Independent brand

Revenue Breakdown (2016A)



CREATING AN UNPARALLELED FINNISH NETWORK TO SERVE CUSTOMERS BETTER



- Access to 15 new locations in Finland
- #1 geographical coverage in Finland will provide an opportunity to better serve both corporate and leisure customers
- Demand across Finland is forecasted to increase
- Restel's customers get access to Scandic's extensive hotel portfolio outside Finland

TRANSACTION SUMMARY

Aquisition price (cash and debt free basis):	114.5 MEUR
Net sales 2016:	203.4 MEUR
Adjusted EBITDA 2016:	13.7 MEUR

Normalized capex/sales:	~5%
Planned additional capex in 2018e:	~10 MEUR
Total integration- and transaction costs:	~25 MEUR

Estimated net debt/adjusted EBITDA post transaction	2.4x
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All cash transaction

Subject to regulatory approval

Expected closing during Q4

In the event of an unsatisfactory regulatory outcome, Scandic may terminate the transaction upon payment of a EUR 5 million termination fee to the seller

Pro forma net sales and pro forma adjusted EBITDA for 2016 are based on statutory reports adjusted for assumed pre-deal structuring, presented according to Scandic's income statement format. The pre-deal structuring adjustments are attributable to carve-in/out adjustments since the targets operations were operating in several legal entities in 2016 and included operations that are not part of the transaction.



CREATING THE CLEAR NORDIC MARKET LEADER

- Proforma net sales 2016: SEK 15,008m
- Proforma adjusted EBITDA 2016: SEK 1,642m
- Team members: 16,000
- Number of hotels in operation and under development: 273
- Number of rooms in operation and under development: 53,000

Pro forma net sales and pro forma adjusted EBITDA for the combined group 2016 are based on statutory reports adjusted for assumed pre-deal structuring, presented according to Scandic's income statement format. The pre-deal structuring adjustments are attributable to carve-in/out adjustments since the targets operations were operating in several legal entities in 2016 and included operations that are not part of the transaction.



Cumulus Helsinki Hakaniemi



Scandic Honningsvåg, Norway



Scandic Palace, Copenhagen



Cumulus Resort Imatran Valtionhotelli



Q&A

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

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