



The largest Nordic hotel company

PRESS RELEASE

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Growth in focus at Scandic's Capital Markets Day

Today, Scandic held its first Capital Markets Day, The company presented its valuecreating business model at the same time as members of the Executive Committee shared their views on the market, today's operations and planned investments for future growth and profitability. The company reiterated its positive view that demand in the market will continue to be good during the rest of the year. Scandic's existing strategy, the Group's financial goals and the dividend policy remain unchanged.

Scandic, the largest hotel company in the Nordic countries that was listed on December 2, 2015, held its first Capital Markets Day today in Stockholm. President and CEO Frank Fiskers, Chief Financial Officer Jan Johansson, Chief Commercial Officer Thomas Engelhart and Head of Denmark Jens Mathiesen spoke at the event.

Among other things, Scandic presented its long-term strategy which was adopted in early 2016. The strategy aims to develop the Group's activities in accordance with the Group's financial targets. Scandic's strategy is to develop and strengthen its leading position in the Nordic hotel market, particularly in the seven biggest cities in Germany. The company intends to grow by two to four hotels per year.

Scandic's medium and long-term financial goals and dividend policy remain unchanged. Scandic's goals and dividend policy are as follows:

- Annual average growth of 5 percent in net sales over a complete business cycle, excluding M&As.
 - Average adjusted EBITDA margin of 11 percent over a business cycle.
 - Net debt in relation to adjusted EBITDA of 2-3x.
 - At least 50 percent of annual profits.
- We have good momentum within the Group and I'm proud of Scandic's strong position in our main markets in the Nordic region as well as the performance of our three hotels in Germany. It's clear that our strategies are working well and that our proactive approach and ability to identify and realize new hotel and revenue opportunities are delivering results. We are well in line with our growth goals and we continue to have a positive outlook on the market for the rest of the year, says Frank Fiskers, President & CEO of Scandic Hotels Group.

Presentations and videos from the day will be available at www.scandichotelsgroup.com from September 30, 2016.

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About Scandic

Scandic is the largest hotel company in the Nordic region with 14,400 team members and a network of close to 230 hotels with about 44,000 hotel rooms in operation and under development. Scandic Friends is the biggest loyalty program in the Nordic hotel sector with 1.8 million members. Corporate responsibility has always been a part of Scandic's DNA and Scandic has been named Best Hotel Brand in the Nordic countries (BDRG). Since December 2, 2015, Scandic has been listed on Nasdaq Stockholm. www.scandichotelsgroup.com