



PRESS RELEASE

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Scandic announces plan to grow with new brand at Capital Markets Day 2020

Today at Scandic Hotels' Capital Markets Day in Stockholm, President & CEO Jens Mathiesen and other members of Scandic's Executive team will present Scandic's strategic direction, focus areas and financial performance. The company also launches Scandic GO, a new brand in the growing economy hotel segment that will boost Scandic's growth potential.

Since 2015, Scandic's net sales have risen from 12 to 19 SEK billion. At the same time, adjusted EBITDA has increased slightly more than 60 percent while the company's balance sheet has been fortified.

During 2019, Scandic introduced five focus areas to drive profitability, cash flow and market position and these continue to have high priority. Among other things, Scandic has reinforced its portfolio management with a sharper focus on managing hotels that are not contributing financially and on driving profitable growth.

Demand in the Nordic hotel market is continuing to grow due to increased tourism, more international visitors and urban growth. To meet this demand, Scandic is introducing Scandic GO, a new brand in the growing economy hotel segment. With Scandic GO, the company aims to establish a strong presence in city locations in large Nordic cities. With a high share of room revenue, Scandic GO is expected to have higher profitability and lower investments per room compared with the existing portfolio.

Today, Scandic has an attractive pipeline that corresponds to annual growth of around 1,500 rooms per year on average. With Scandic GO, the company expects this growth to increase to 2,500-3,000 rooms annually.

- In the past year, we've prioritized a focus on margins to secure continued growth with high profitability. And a prerequisite for this is more active portfolio management. We're now strengthening our growth potential by complementing Scandic's hotel portfolio with a new, attractive hotel offering at the same time as we will intensify our work to expand outside of the Nordic region, says Jens Mathiesen, President & CEO of Scandic.

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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. www.scandichotelsgroup.com