



Mar 03, 2014 08:52 GMT

Scandic Hotels Holding - Results for the full year 2013

Summary by Frank Fiskers, President & CEO:

I am excited and proud to be back at Scandic. Major changes have been made in recent years to consolidate Scandic's market position. The focus on meetings, food & beverage and the new hotel chain HTL has broadened and strengthened the Group's customer offer. In January 2014, we announced that Scandic has secured exclusive rights in the Nordics to Jamie Oliver's popular restaurant concept, Jamie's Italian. The first restaurant will open at Scandic Anglais in Stockholm in late autumn 2014.

The most significant strategic move for Scandic is naturally the acquisition of Rica Hotels, which was announced on 11 February 2014. The addition of the 72 Rica Hotels will take Scandic to a whole new level on the Nordic hotel market, adding hotels in attractive new locations, making guests able to choose between almost 230 Scandic hotels across the Nordic region.

The investment in digital solutions such as mobile check-out, which was launched in June 2013, is key both to communicating with our guests in digital channels and also meeting demand from customers for simplicity and mobility. An evolution is under way in the digital distribution landscape, where our strong presence in all channels is a success factor.

In 2012, Scandic took a strategic decision to terminate certain distribution partnerships that were preventing us from being flexible in our pricing and differentiating our offer according to the distribution channel. These terminated distribution agreements did impact us in 2013 in the form of lower volumes, particularly in the leisure segment. This, combined with extensive refurbishing work and reduced room capacity, caused weaker Group results in 2013 than in the previous year.

Renegotiations of these distribution partnerships have occurred during the end of 2013 and have paved the way for better future collaborations. Already in the last quarter we saw increased volumes from new and renegotiated distribution partnerships.

I look forward to continuing and accelerating the journey that Scandic has begun, and my focus as new President & CEO is to ensure that the strategic initiatives generate good financial returns.

In recent months, we have seen clear signs of positive developments in all four of our home markets. Bookings for 2014 in the meetings, business and leisure segments are on a clear upward trend.

/Frank Fiskers, President & CEO Scandic Hotels

The annual results in its entirety is available for download in attached document

Every day, Scandic's 10,000 team members work with one single goal in mind

– to make you feel welcome. As the Nordic region’s most sustainable hotel chain we’re always focused on the environment, social responsibility and accessibility. With around 160 hotels in eight countries, 30,000 hotel rooms and a turnover of EUR 923 million, Scandic is the leading hotel chain in the Nordic countries. We want to be more than just a hotel – Scandic is a place where people meet, work and get inspired.

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