



THE LEADING HOTEL GROUP
IN EASTERN EUROPE

1H 2016 Orbis results

28/07/2016



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HIGHLIGHTS

PERFORMANCE

PORTFOLIO

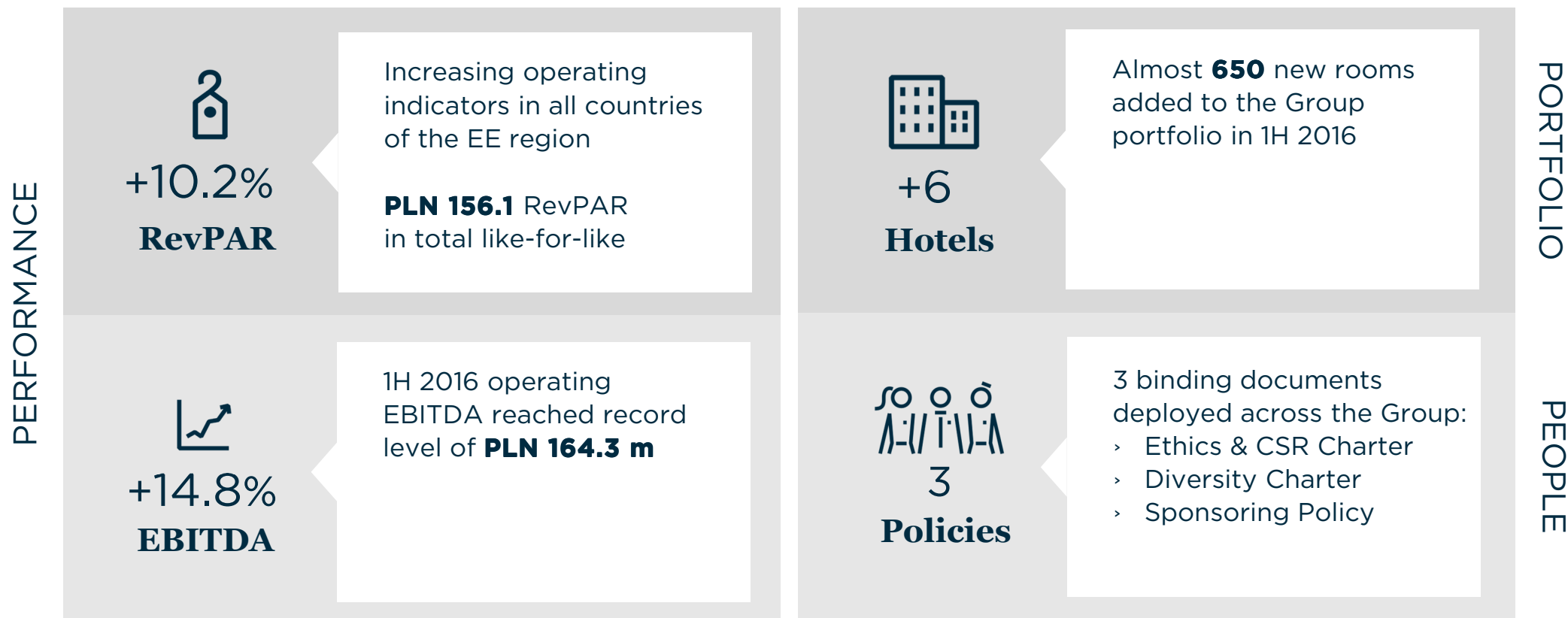
PEOPLE

OUTLOOK

APPENDIX



Robust improvement in all business pillars in 1H 2016



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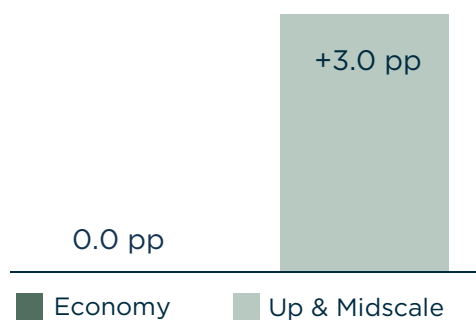
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Solid increase of customers volume

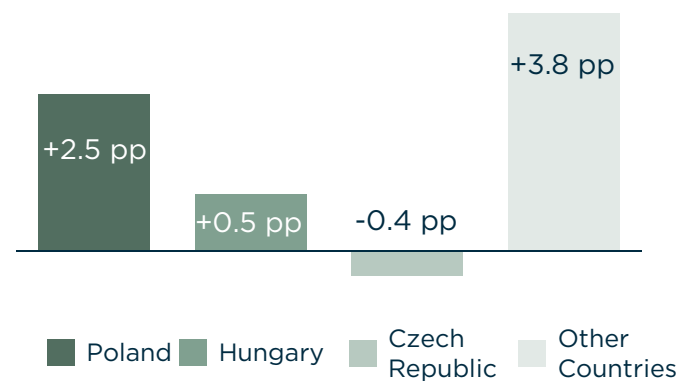
Occupancy change
by hotel segment y/y



+1.9 p.p.
67.6%

in Orbis Hotel Group

Occupancy change
by geographical market y/y

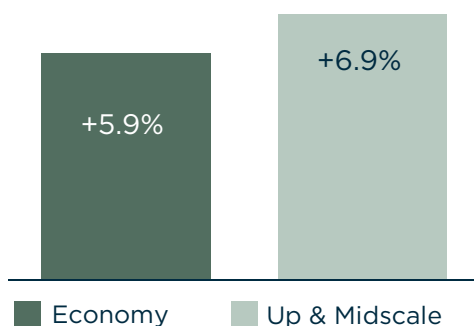


Occupancy - rooms occupied by hotel guests,
as a percentage of rooms that are available.

* all y/y changes on the slide are calculated 1H 2016 / 1H 2015 like for like

Strong pricing growth thanks to efficient revenue management and distribution strategy

ARR change
by hotel segment y/y

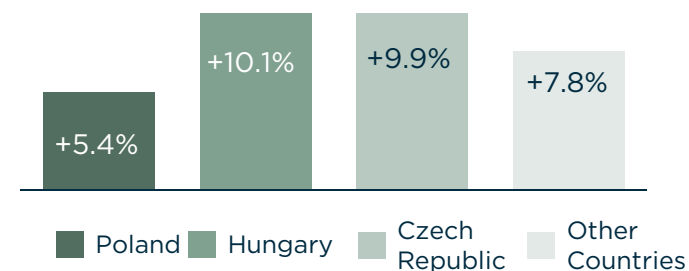


+6.9%

PLN 230.8

in Orbis Hotel Group

ARR change
by geographical market y/y

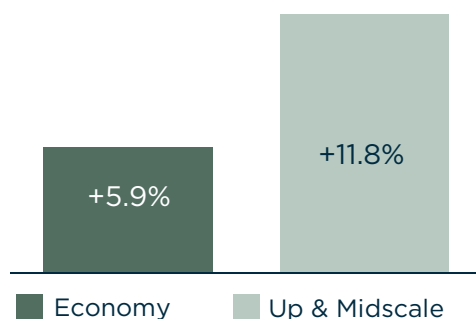


ARR (average room rate) – room revenue divided by the number of roomnights sold

* all y/y changes on the slide are calculated 1H 2016 / 1H 2015 like for like

Sharp, double-digit growth of RevPAR

RevPAR change
by hotel segment y/y

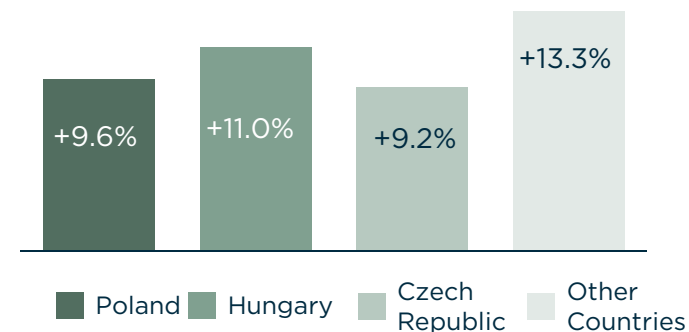


+10.2%

PLN 156.1

in Orbis Hotel Group

RevPAR change
by geographical market y/y



RevPAR- (revenue per available room) –
rooms revenue divided by the number of
roomnights that were available

Strong RevPAR growth visible in all countries
of the region, both in Economy and Up &
Midscale hotels

* all y/y changes on the slide are calculated 1H 2016 / 1H 2015 like for like

Record-high financial performance

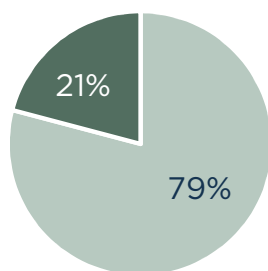
[mPLN, %]	1H 2016	1H 2015	change
Net sales	639.9	591.6	8.2%
EBITDAR	213.3	193.2	10.4%
Rent costs	-49.0	-50.0	2.0%
Operating EBITDA	164.3	143.1	14.8%
Depreciation and amortisation	-72.9	-69.2	-5.3%
EBIT	91.5	71.4	28.3%
Profit (loss) before tax	84.9	68.4	24.1%

Record-high financial indicators with double-digit growth of EBITDA (+14.8%) and profit (+24.1%) thanks to efficient implementation of Company's strategy and ability of taking advantage of favorable economic situation through efficient revenue management.

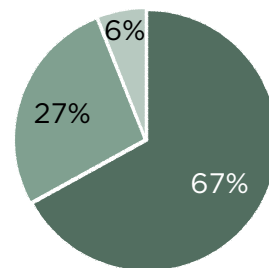
Business diversification

PLN 639.9 m
Net sales
1H 2016

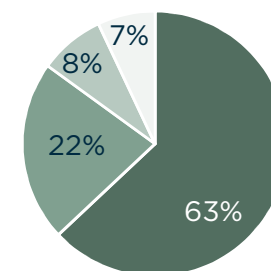
by hotel segment



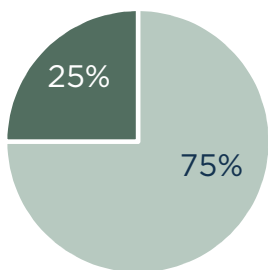
by major products and services



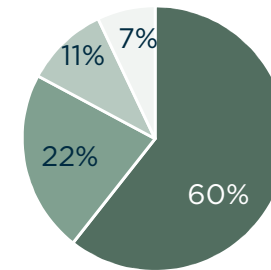
by geographical market



PLN 213.3 m
EBITDAR
1H 2016



Diversified business structure: by hotel segments, by products and services and by geographical markets



■ Economy ■ Up & Midscale

■ Room revenue ■ Food & Beverage ■ Other

■ Poland ■ Hungary ■ Czech Republic ■ Other Countries

Increase of net sales visible in all the segments

Net sales in Orbis Hotel Group



Cash position giving margin for growth financing

Key cash position indicators:

[mPLN, %]	1H 2016
Total debt (borrowings + bonds)	439.7
Total cash	236.4
Net debt	203.3
Net debt/equity	11.2%
Net debt/fixed assets	9.9%



FINANCING

We plan to finance further growth with a mix of debt and owned resources

We have successfully issued PLN 200m of corporate bonds in July 2016 (WIBOR 6M + 105 bp)



CASH GENERATION

Our business delivers healthy recurring operating cash flow which we use for CAPEX and dividend payout.

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HIGHLIGHTS

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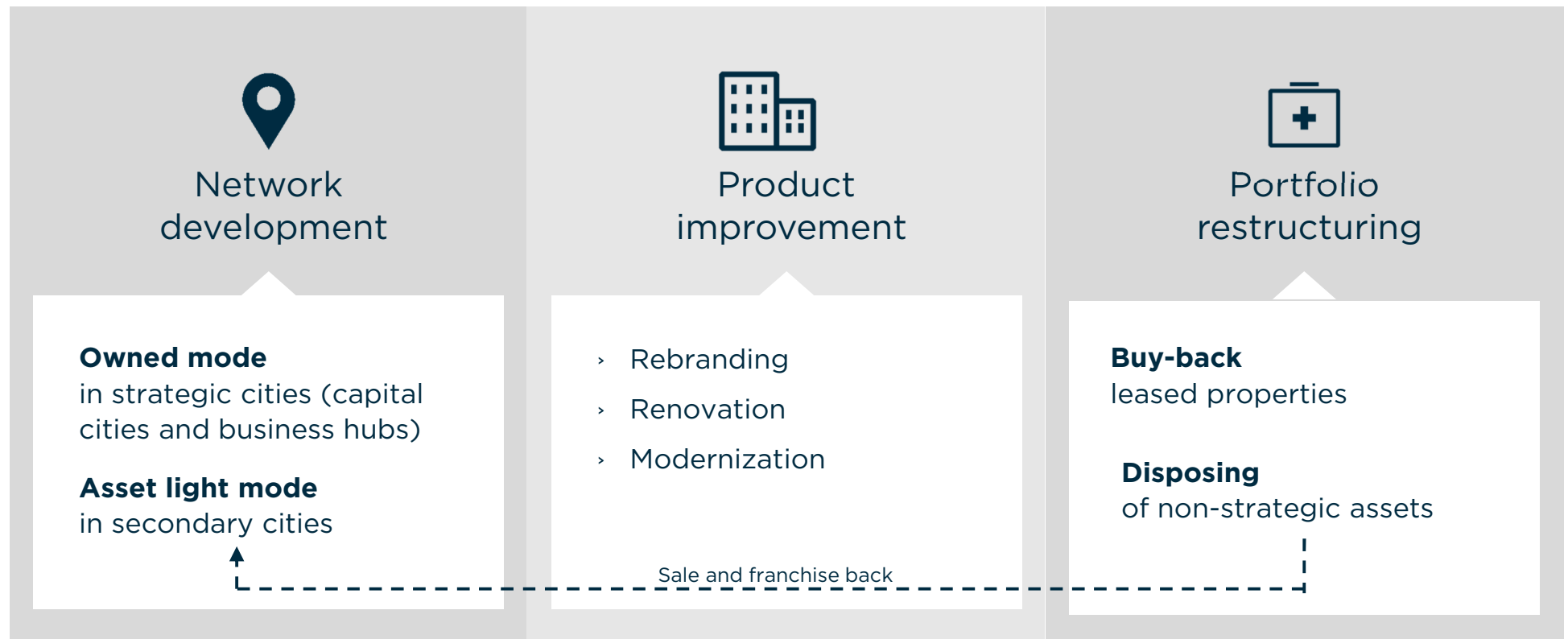
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Capital reallocation to most promising projects to boost the EBITDA margin



Further expansion in the region

114 HOTELS
19 500 ROOMS

ASSET LIGHT

+6 new franchise hotels:

- › ibis Styles Białystok
- › ibis Poznań Północ
- › ibis Riga
- › ibis Styles Gniezno
- › ibis Styles Siedlce
- › Pullman Riga Old Own

ASSET HEAVY

+2 owned hotels in construction
to be opened in 2H 2016:

- › Mercure Kraków Stare Miasto
- › ibis Gdańsk Stare Miasto

▶ Almost **+650** new rooms

+6 new franchise or management
agreements signed in 1H 2016 for
properties to be opened in the years
to come

+23 hotels in the pipeline to
open during the next 2 years
and being ready for any opportunity
to further development

Constant upgrade of our product



REBRANDING
ibis Styles Budapest Center



REBRANDING
ibis Wrocław



REBRANDING
Novotel Wrocław Centrum



MODERNIZATION
Mercure Poznań Centrum



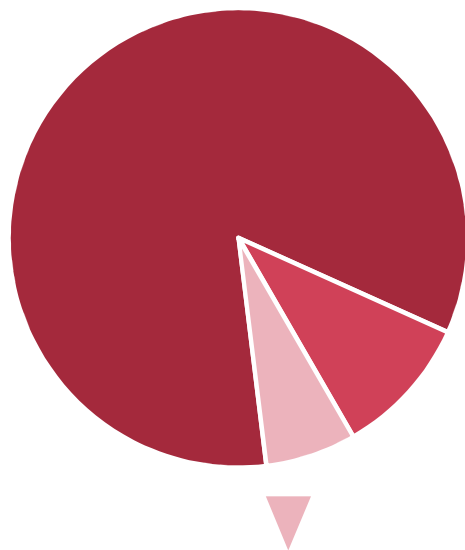
MODERNIZATION
Novotel Gdańsk Marina



MODERNIZATION
Novotel Szczecin Centrum

Capital expenditure

CAPEX 1H 2016 – PLN 200.8 m



PLN 124.0 m
Buy-back

PLN 50.8 m
Development
projects

PLN 26.0 m
Other



**LEASE
BUY BACK**

- > ibis Budapest Heroes Square
- > Mercure Budapest City Center



**NEW
DEVELOPMENTS**

- > Mercure Kraków Stare Miasto
- > ibis Gdańsk Stare Miasto



**REBRANDING/
RENOVATIONS**

- > Novotel/ibis Wrocław
- > Novotel/ibis Poznań Centrum

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New organization culture



Digitalization



New type
of Customers



Increasing role of
new competitive
market players:
OTA, sharing
economy, Tripadvisor



New
generation
of employees –
"Millennials"

New role of HR in the Group Talent and Culture

THE HUMAN FACTOR IS CENTRAL
TO THE HOSPITALITY INDUSTRY

We have been changing the culture of the company by:

- › bringing into life Group values
- › new leadership model
- › digital plan



- › Higher effectiveness
- › Better market positioning
- › New/innovative ideas



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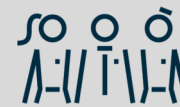


Outlook



Performance

Positive business trends expected to carry on in 2H 2016



Talent & Culture

Group's transformation underway

We are looking for development in other markets/new business lines



+23
Hotels

Our development pipeline is strong and secured with **23 hotels** to open during the next 2 years and we are still looking for acquisition / buyback opportunities.



2016
forecast
EBITDA

We set Full-Year 2016 operating EBITDA target at **PLN 360-370 m**

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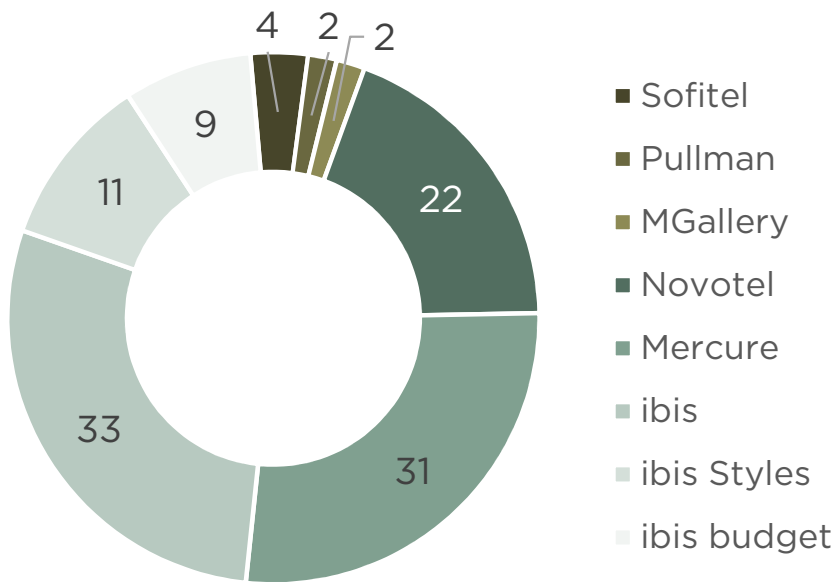
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The Orbis Group Today



114
OPERATING
HOTELS

19 500
ROOMS

8
BRANDS

9
COUNTRIES

7
COUNTRIES
TO BE DEVELOPED

3 850
EMPLOYEES

No. 1
hotel operator
in Eastern Europe

Orbis
Hotel Group

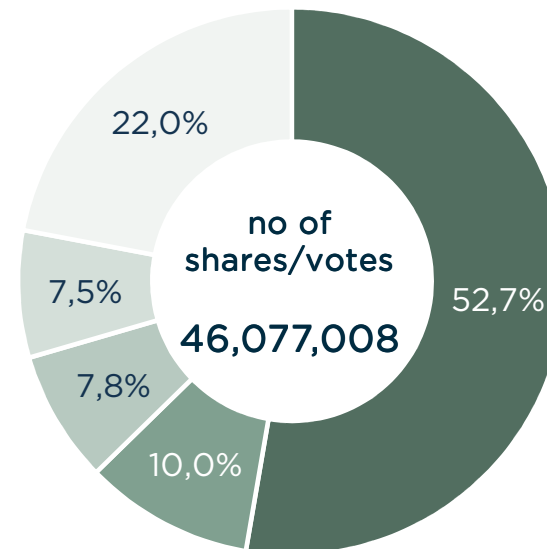
Orbis Group Hotels by Country and by Brand

	Sofitel	Pullman	MGallery	Novotel	Mercure	ibis	ibis Styles	ibis budget	Total
Poland	3			13	23	14	6	9	68
Hungary	1		1	5	3	5	2		17
Czech Republic			1	1	1	5			8
Slovakia					1	1			2
Romania		1		1	1	4			7
Bulgaria				1		1			2
Macedonia						1			1
Lithuania				1	1	1	2		5
Latvia		1			1	1	1		4
Total	4	2	2	22	31	33	11	9	114

Shareholder structure

Details of shareholder structure
(02.06.2016 – Orbis General Assembly)

	no of shares	% in equity
Accor S.A.	24,276,415	52.7%
Aviva pension fund	4,589,000	10.0%
Metlife pension fund	3,600,000	7.8%
Nationale-Nederlanden pension fund	3,448,653	7.5%
Other free-float	10,162,940	22.0%
Total	46,077,008	



Orbis has been listed on the **Warsaw Stock Exchange** since 1997
and its stocks make up the WSE's mid-cap mWIG40 index

List of Hotels with their ownership structure and rooms number

POLAND

O 127 Sofitel Grand Sopot	O 294 Mercure Gdynia Centrum	O 175 ibis Kraków Centrum
O 343 Sofitel Warsaw Victoria	O 188 Mercure Jelenia Góra	O 208 ibis Łódź Centrum
L 205 Sofitel Wrocław Old Town	F 288 Mercure Kasprowy Zakopane	O 146 ibis Poznań Centrum
O 158 Novotel Gdańsk Centrum	F 100 Mercure Krynica Zdrój Resort & Spa	F 77 ibis Poznań Północ
O 176 Novotel Gdańsk Marina	F 110 Mercure Lublin Centrum	O 135 ibis Stare Miasto Kraków
O 300 Novotel Katowice Centrum	F 214 Mercure Mrongovia Resort & Spa	O 103 ibis Szczecin Centrum
O 305 Novotel Kraków City West	O 103 Mercure Opole	O 189 ibis Warszawa Centrum
O 198 Novotel Kraków Centrum	F 62 Mercure Piotrków Trybunalski Vestil	O 137 ibis Warszawa Ostrobramska
O 161 Novotel Łódź Centrum	O 151 Mercure Posejdon Gdańsk	O 170 ibis Warszawa Reduta
O 480 Novotel Poznań Centrum	O 228 Mercure Poznań Centrum	O 333 ibis Warszawa Stare Miasto
O 149 Novotel Poznań Malta	F 67 Mercure Racławice Dosłońce Conference & SPA	O 112 ibis Wrocław Centrum
O 117 Novotel Szczecin	O 148 Mercure Skalny Karpacz	F 129 ibis Styles Białystok
O 281 Novotel Warszawa Airport	O 110 Mercure Toruń	O 133 ibis Styles Bielsko-Biała
O 742 Novotel Warszawa Centrum	F 117 Mercure Warszawa Airport	F 70 ibis Styles Gniezno Stare Miasto
O 145 Novotel Wrocław City	O 338 Mercure Warszawa Centrum	F 100 ibis Styles Siedlce
O 192 Novotel Wrocław Centrum	O 299 Mercure Warszawa Grand	F 130 ibis Styles Wałbrzych
F 90 Mercure Bydgoszcz Sepia	F 42 Mercure Wisła Patria	F 133 ibis Styles Wrocław Centrum
O 78 Mercure Cieszyn	O 151 Mercure Wrocław Stare Miasto	O 124 ibis budget Katowice Centrum
O 102 Mercure Częstochowa Centrum	F 54 Mercure Zamość Stare Miasto	O 120 ibis budget Kraków Bronowice
O 281 Mercure Gdańsk Stare Miasto	O 125 ibis Częstochowa	O 167 ibis budget Kraków Stare Miasto
	O 114 ibis Katowice-Zabrze	O 120 ibis budget Szczecin
	O 114 ibis Kielce Centrum	

List of Hotels with their ownership structure and rooms number

- O 83 ibis budget Toruń
- O 176 ibis budget Warszawa Centrum
- O 163 ibis budget Warszawa Reduta
- O 108 ibis budget Wrocław Południe
- O 122 ibis budget Wrocław Stadion

LITHUANIA

- L 157 Novotel Vilnius
- F 47 Mercure Marijampole
- M 125 ibis Kaunas Centre
- F 92 ibis Styles Wilno
- F 144 ibis Styles Klaipeda

LATVIA

- F 154 Pullman Riga Old Town
- F 143 Mercure Riga Centre
- F 104 ibis Riga
- F 76 ibis Styles Riga

HUNGARY

- L 357 Sofitel Budapest Chain Bridge
- M 80 Nemzeti Budapest - MGallery Collection
- L 227 Novotel Budapest Centrum
- O 319 Novotel Budapest City
- L 175 Novotel Budapest Danube
- O 136 Novotel Szeged

- L 95 Novotel Szekesfehervar
- L 390 Mercure Budapest Buda
- O 227 Mercure Budapest City Center
- L 421 Mercure Budapest Korona
- O 139 ibis Budapest Aero
- L 126 ibis Budapest Centrum
- L 84 ibis Budapest City
- O 139 ibis Budapest Heroes' Square
- O 96 ibis Gyor
- L 130 ibis Styles Budapest Center
- O 130 ibis Styles Budapest City

CZECH REPUBLIC

- L 174 MGallery Praha Old Town
- O 146 Novotel Praha Wenceslas Square
- O 139 Mercure Ostrava Center
- F 90 ibis Olomouc Centre
- O 130 ibis Plzen
- O 225 ibis Praha Mala Strana
- L 271 ibis Praha Old Town
- O 181 ibis Praha Wenceslas Square

SLOVAKIA

- L 175 Mercure Bratislava Centrum
- L 120 ibis Bratislava Centrum

ROMANIA

- M 203 Pullman Bucharest World Trade Centre
- L 257 Novotel Bucharest City Centre
- M 114 Mercure Bucharest City Center
- M 250 ibis Bucuresti Gara de Nord
- M 161 ibis Bucuresti Palatul Parlamentului
- M 154 ibis Constanta
- M 195 ibis Sibiu

BULGARIA

- M 178 Novotel Sofia
- F 84 ibis Sofia Airport

MACEDONIA

- M 110 ibis Skopje City Center

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