



THE LEADING HOTEL GROUP
IN EASTERN EUROPE

1Q 2017 Orbis Results

27 April 2017



Strong improvement in all business pillars in 1Q 2017

PERFORMANCE



+9.5%
RevPAR

Increasing operating indicators in all countries of the EE region.

PLN 126.7 RevPAR in total like-for-like.



+43.6%
EBITDA

1Q 2017 operating EBITDA reached level of **PLN 38.1 m.**



5
Buy-backs

5 buy-back hotels (**1 150 rooms**) in Budapest finalized.



Talent & culture

Undergoing corporate culture change having a clear impact on our staff management and rotation.

PORTFOLIO

PEOPLE

01. PERFORMANCE

OPERATING PERFORMANCE
FINANCIAL RESULTS

02. PORTFOLIO

DEVELOPMENT & ASSET MANAGEMENT

03. PEOPLE

TALENT AND CULTURE



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Robust operational performance

	Occupancy rate		ARR		RevPAR	
	1Q 2017	% y/y	1Q 2017	% y/y	1Q 2017	% y/y
Economy	62.3%	5.3 p.p.	147.4	3.4%	91.8	13.1%
Up & Midscale	58.7%	2.3 p.p.	247.2	4.1%	145.2	8.4%
Orbis Hotel Group	59.7%	3.5 p.p.	212.1	3.0%	126.7	9.5%

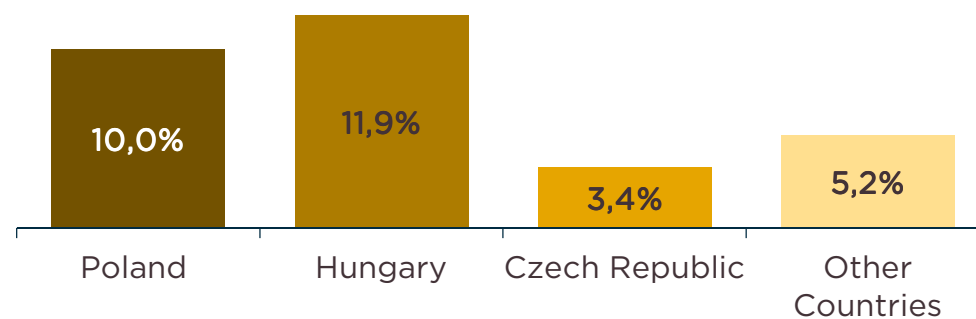


RevPAR
+9.5 %

RevPAR driven by both active revenue management in client mix selection and increase in occupancy rate.

Solid results across the EE region

	Occupancy rate		ARR		RevPAR	
	1Q 2017	% y/y	1Q 2017	% y/y	1Q 2017	% y/y
	PLN					
Poland	60.0%	2.7 p.p.	210.8	5.2%	126.4	10.0%
Hungary	55.7%	6.8 p.p.	213.3	-1.8%	118.7	11.9%
Czech Rep	62.0%	4.5 p.p.	187.7	-4.2%	116.5	3.4%
Other	71.1%	0.0 p.p.	260.2	5.2%	185.1	5.2%



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Continuation of the growing Revenue trend

Total y/y

+7.6%

Revenue
PLN +18.7m

+9.0%

Room Revenue
PLN +14.2m

+5.2%

F&B Revenue
PLN +3.7m

Across the region y/y

+7.8%

Poland
PLN +12.5m

+9.8%

Hungary
PLN +4.8m

+0.9%

Czech Rep.
PLN +0.2m

+6.9%

Other
PLN +1.2m

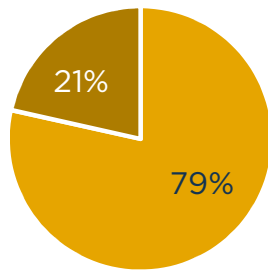
Strong financial performance

[mPLN, %]	1Q 2017	1Q 2016	%
Net sales	266.0	247.2	7.6%
EBITDAR	56.9	51.4	10.7%
EBITDAR margin	21.4%	20.8%	0.6 pp
Rent costs	(18.8)	(24.9)	24.5%
Operating EBITDA	38.1	26.5	43.6%
EBITDA margin	14.3%	10.7%	3.6 pp
Depreciation and amortisation	(41.6)	(35.6)	-16.9%
EBIT	(0.4)	(9.2)	96.0%
Profit before tax	(12.2)	(15.5)	21.6%

Benefiting business diversification

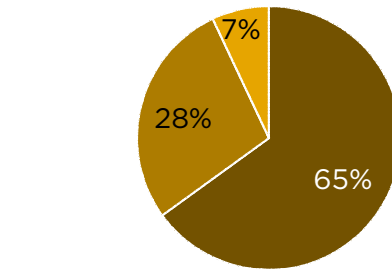
PLN 266m
Net sales
1Q 2017

by hotel segment



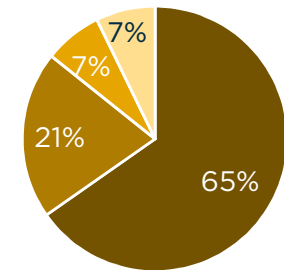
■ Economy ■ Up & Midscale

by major products and services



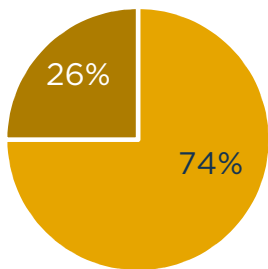
■ Room revenue ■ Food & Beverage ■ Other

by geographical market

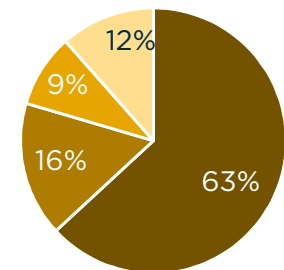


■ Poland ■ Hungary ■ Czech Republic ■ Other Countries

PLN 56.9 m
EBITDAR
1Q 2017



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



Cash position giving margin for growth financing

Key cash position indicators:

[mPLN, %]	1Q 2017
Total debt (borrowings + bonds)	625.1
Total cash Secured for investment opportunities	248.5
Net debt	376.6
Net debt/equity	19.7%
Net debt/12M EBITDA	0.9



FINANCING

We plan to finance further growth with a mix of debt and owned resources (refinancing and development)



CASH GENERATION

Our business delivers sustainable recurring operating cash flow which we use for CAPEX, Development and dividend payout

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PORTFOLIO strategy – right on track



Network
development

Owned properties

in strategic cities (capital
cities and business hubs)

Asset light mode

in secondary cities



Product
improvement

- › Rebranding
- › Renovation
- › Modernization

Sale and franchise back



Portfolio
restructuring

Buy-back

leased properties

Disposing

of non-strategic assets



New developments



ibis Vilnius Center

164 rooms

ibis Styles Warsaw

178 rooms



ibis Styles Szczecin

148 rooms

ibis budget Gdańsk
Posejdon

76 rooms



Asset light expansion



MGallery by Sofitel
Tarcin Forest Resort
Bosnia & Hercegovina
64 rooms
Q3 2017

ibis Styles
Warsaw City
Poland
220 rooms
Q1 2018



Contracts signed

2 franchise
agreements

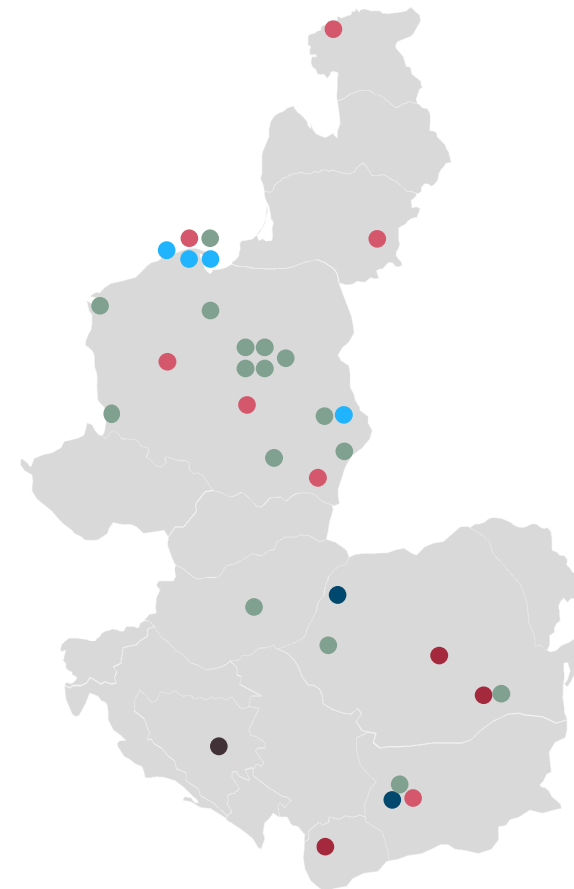
almost **300** rooms

MGallery by Sofitel
ibis Styles

Development roadmap – Strong pipeline

33 hotels
ca. 4 000 rooms

Ownership: 6
Management: 12
Franchise: 15



Brand

MGallery	1
Novotel	2
Mercure	3
ibis Styles	16
ibis	7
ibis budget	4

117 hotels
19,800 rooms
already operated
by Orbis Group

Constant upgrade of hotels



Main renovations

MGallery by Sofitel Prague Old Town
ibis Budapest Heroes' Square
Mercure Budapest City Center
Mercure Budapest Buda
Novotel Krakow City West
Novotel Poznan Center

PLN 474m
cash impact

Assets Secured

Sustainability

Profitability

Buy-back of strategic hotels



Mercure Budapest Buda (390 rooms)
Mercure Budapest Korona (420 rooms)
ibis Styles Budapest Center (130 rooms)
ibis Budapest City (84 rooms)
ibis Budapest Centrum (126 rooms)

Buy-back price: PLN 283m

ibis Styles Center already renovated, Mercure
Buda and Mercure Korona upcoming renovation

(finalized in 1Q 2017)



Sofitel Budapest Chain Bridge (357 rooms)

Buy-back price: PLN 191m

Under further sale & management back
transaction planned in 4Q 2018

(31 May 2017 finalization
of buy-back transaction)

Further restructuring of asset portfolio

almost
PLN 30m
of total
cash impact
as of 27/04/2017



2 hotels

Sale and franchise back of non-strategic hotels:

- > Mercure Karpacz Resort
- > Mercure Jelenia Góra

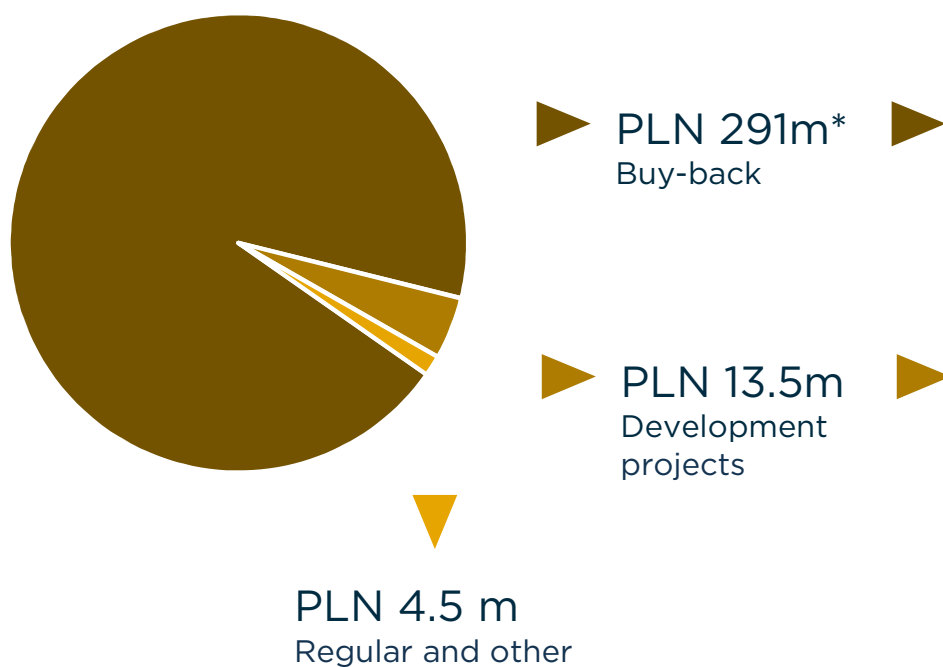


other

Other non-strategic asset disposals

Capital expenditure

CAPEX 1Q 2017 - **PLN 309.1m**



5 LEASE BUY BACK

- > Mercure Budapest Buda
- > Mercure Budapest Korona
- > ibis Styles Budapest Center
- > ibis Budapest City
- > ibis Budapest Centrum



DEVELOPMENT / RENOVATIONS

- > ibis Styles Warszawa Centrum
- > ibis budget Gdańsk Posejdon
- > MGallery by Sofitel Prague
- > Mercure Budapest City Center
- > Novotel Poznań Centrum
- > Novotel Kraków City West

* Sales price plus fees

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Talent and culture – Talent management

Talent Journey:

- new recruitment process
- on-boarding
- learning and development



**Employees'
satisfaction survey**

Top quartile of
Polish companies

Outlook



Performance

We are confident that our **active sales** and **revenue management strategy** will bring further growth in following months.



Talent & Culture

Group's cultural transformation underway with **first promising achievement** despite complex employment market in the region.



+33 Hotels

Our **development pipeline is strong** and secured with **33 hotels** and we are still looking for further hotel acquisitions and growth opportunities.



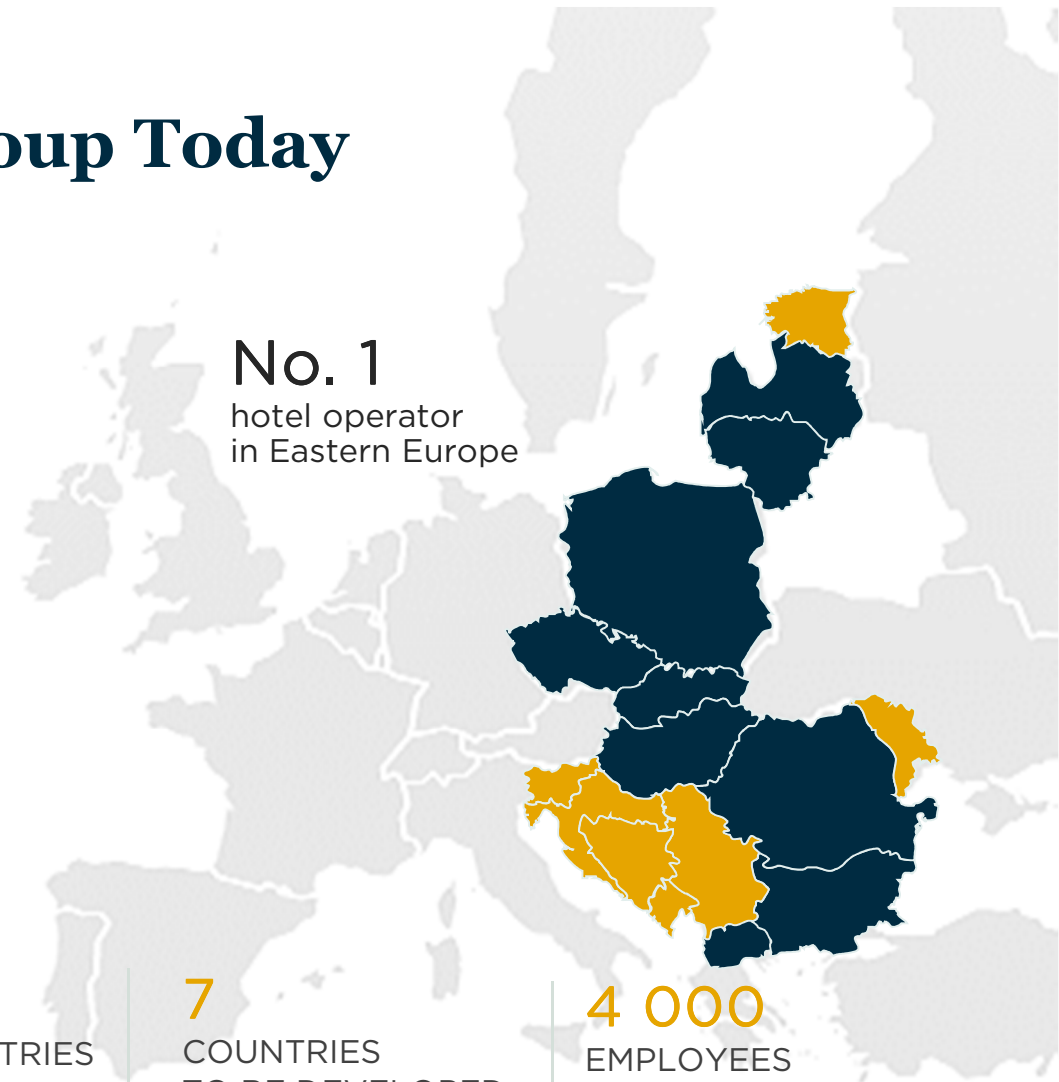
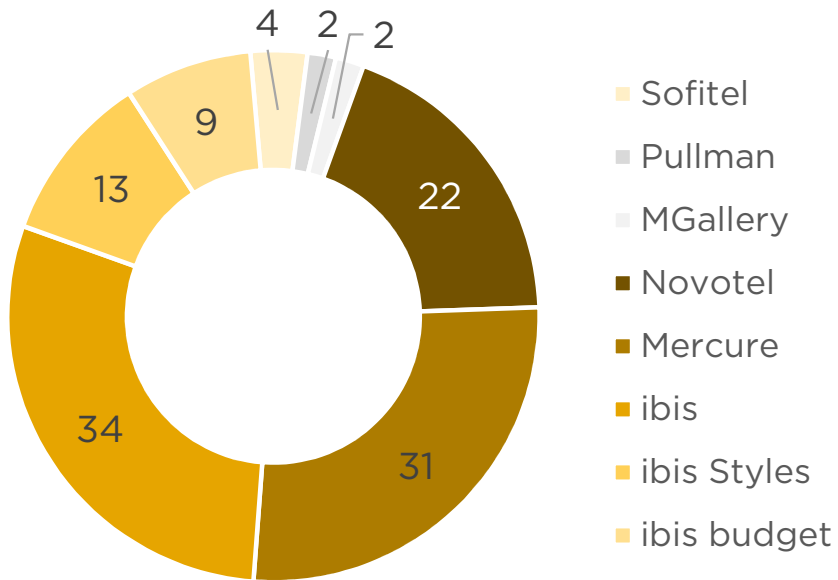
Dividend

PLN 1.6 per share - dividend recommendation to SB, taking into consideration the **proper allocation** between **investment** for growth and **return to shareholders**.

Q&A session



The Orbis Group Today



117
OPERATING
HOTELS

19 800
ROOMS

8
BRANDS

9
COUNTRIES

7
COUNTRIES
TO BE DEVELOPED

4 000
EMPLOYEES

Orbis
Hotel Group

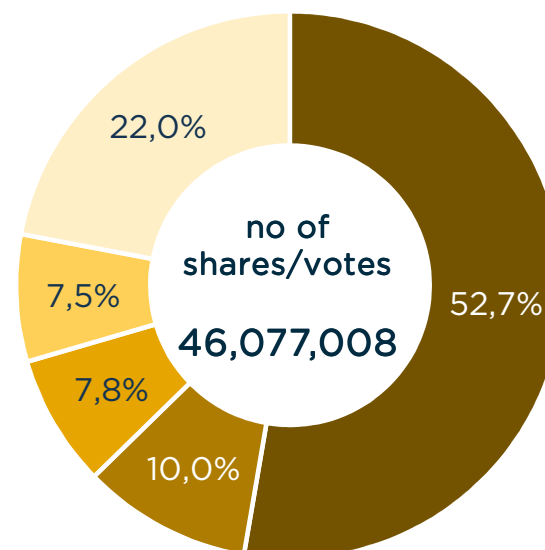
Orbis Group Hotels by Country and by Brand

	Sofitel	Pullman	MGallery	Novotel	Mercure	ibis	ibis Styles	ibis budget	Total
Poland	3			13	23	15	8	9	71
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	34	13	9	117

Shareholder structure

Details of shareholder structure
(02.06.2016 – Orbis General Assembly)

	no of shares	% in equity
Accor Group	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	F 188 Mercure Jelenia Góra	O 175 ibis Kraków Centrum
O 343 Sofitel Warsaw Victoria	F 288 Mercure Kasprowy Zakopane	O 208 ibis Łódź Centrum
L 205 Sofitel Wrocław Old Town	O 200 Mercure Kraków Stare Miasto	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 Raclawice Dosłońce Conference & SPA	O 112 ibis Wrocław Centrum
O 117 Novotel Szczecin	F 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 57 Ibis Styles Nowy Sącz
O 192 Novotel Wrocław Centrum	O 299 Mercure Warszawa Grand	F 100 ibis Styles Siedlce
F 90 Mercure Bydgoszcz Sepia	O 151 Mercure Wrocław Stare Miasto	F 130 ibis Styles Wałbrzych
O 78 Mercure Cieszyń	F 54 Mercure Zamość Stare Miasto	F 133 ibis Styles Wrocław Centrum
F 102 Mercure Częstochowa Centrum	F 125 ibis Częstochowa	F 82 Ibis Styles Grudziądz
O 281 Mercure Gdańsk Stare Miasto	O 120 ibis Gdańsk Stare Miasto	O 124 ibis budget Katowice Centrum
O 294 Mercure Gdynia Centrum	O 114 ibis Katowice-Zabrze	O 120 ibis budget Kraków Bronowice
	O 114 ibis Kielce Centrum	O 167 ibis budget Kraków Stare Miasto
		O 120 ibis budget Szczecin

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
- O 390 Mercure Budapest Buda
- O 227 Mercure Budapest City Center
- O 421 Mercure Budapest Korona
- O 139 ibis Budapest Aero
- O 126 ibis Budapest Centrum
- O 84 ibis Budapest City
- O 139 ibis Budapest Heroes' Square
- O 96 ibis Gyor
- O 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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