



Mercure Gdańsk Stare Miasto

## 2014 Orbis Hotel Group results

Conference for equity market analysts

Warsaw, 18th February 2015



SOFITEL  
LUXURY HOTELS

PULLMAN



NOVOTEL

Mercure

ibis

ibis  
STYLES

ORBIS  
HOTELS

ibis  
budget

# 2014 Summary

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Novotel Budapest City



Novotel Warszawa Centrum



# Orbis Hotel Group – major facts impacting 2014 results



SOFITEL  
LUXURY HOTELS

PULLMAN  
HOTELS AND RESORTS



Mercure  
HOTELS



ORBIS  
HOTELS



# Orbis finished the year 2014 strongly with improvement in all areas of its business...



## Solid financial and operating results

- **+3.6%** like-for-like growth in RevPAR – **PLN 127.1**
- **+3.1%** like-for-like growth in Revenue – **PLN 703.8 m**
- Operating EBITDA above forecasts



## Expansion & further Group development

- **6 new hotels** joined the Group
- **6 new contracts** signed
- Activities toward transaction with Accor



## Product improvement & innovation

- Total **CAPEX** – **PLN 112 m**
- Key refurbishment projects in Sofitel Warsaw Victoria and Novotel Warszawa Centrum
- Projects covering rebranding of Orbis Gdynia



... and is well positioned for the future.

SOFITEL  
LUXURY HOTELS

PULLMAN  
HOTELS AND RESORTS



# Group performance

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Novotel Praha Wenceslas Square



Hotel Nemzeti Budapest - MGallery Collection

# Orbis Hotel Group results

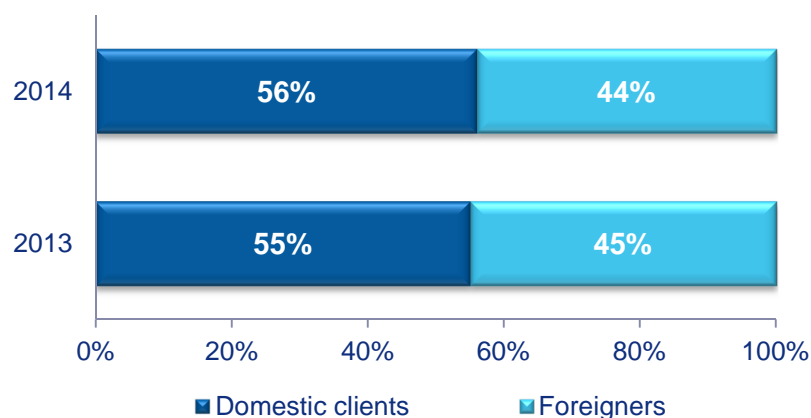


PLN million	4Q 2014	4Q 2013	Change	2014	2013	Change
Net sales like-for-like*	176.8	169.2	+4.5%	703.8	682.6	+3.1%
EBITDA operating**	47.6	47.0	+1.3%	207.8	199.1	+4.4%
EBITDA like-for-like*	47.6	47.0	+1.3%	206.8	199.1	+3.9%

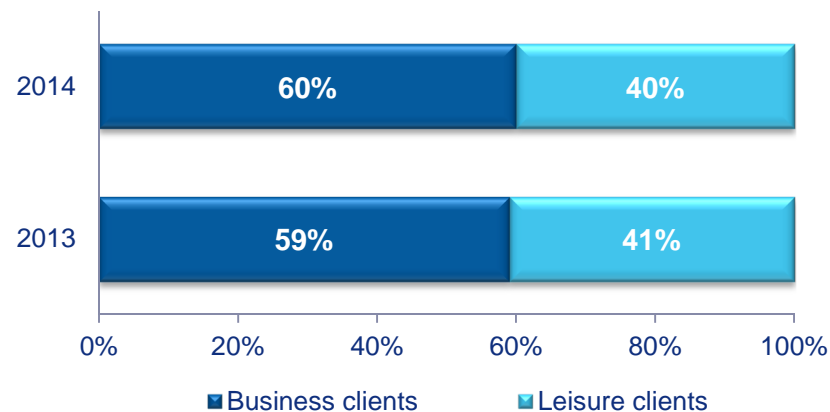
## 2014 vs. 2013

- Good performance of financial results like-for-like
- PLN 207.8 m** operating EBITDA above the forecasted in September 2014 level of PLN 204.0 m
- stable structure of customers based mainly on **business** and **domestic** clients.

## Roomnights sold – nationality mix



## Roomnights sold – business mix



\* like-for-like: after eliminating the impact of one-off and non-recurring events as well as results of closed hotels and newly opened hotels

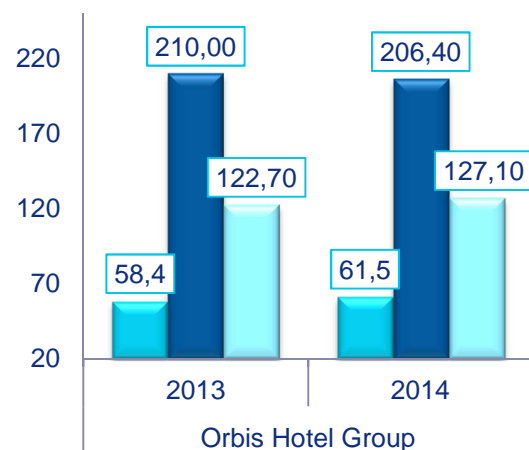
\*\* eliminates one-off events, includes the results of new hotels.

# Operating ratios like-for-like

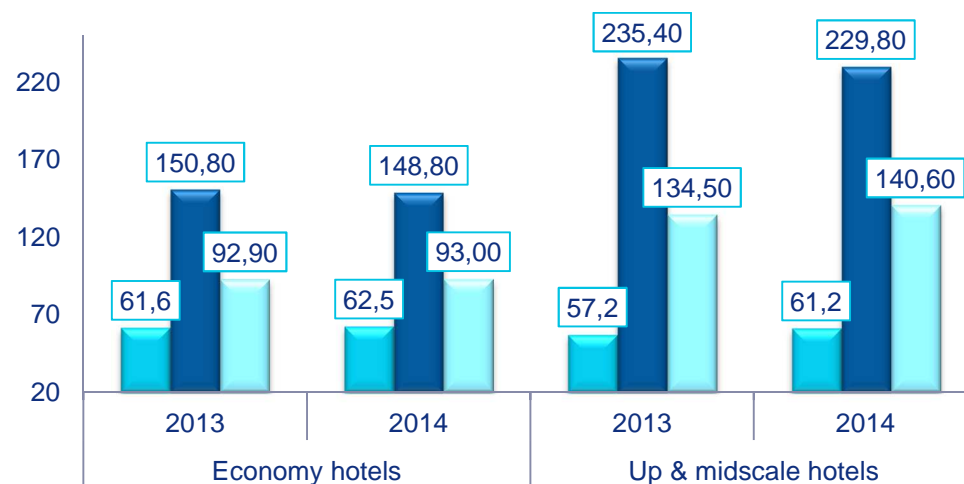
2014	Occupancy		ARR*		RevPAR**	
Like-for-like	(%)	Δ pp (YoY)	PLN	(%) YoY	PLN	(%) YoY
Up & Midscale	61.2%	+4.0pp	229.8	-2.4%	140.6	+4.5%
Economy	62.5%	+0.9 pp	148.8	- 1.3%	93.0	+0.1%
Total	61.5%	+3.1 pp	206.4	-1.7%	127.1	+3.6%

## 2014 vs. 2013

- **+3.6%** like-for-like growth in RevPAR to the level **PLN 127.10**
- **+3.1 p.p** increase of occupancy rate to the level **61.5%**
- **rising demand** in volume of both business and leisure clients



■ Occupancy (%) ■ ARR (PLN) ■ RevPAR (PLN)



■ Occupancy (%) ■ ARR (PLN) ■ RevPAR (PLN)

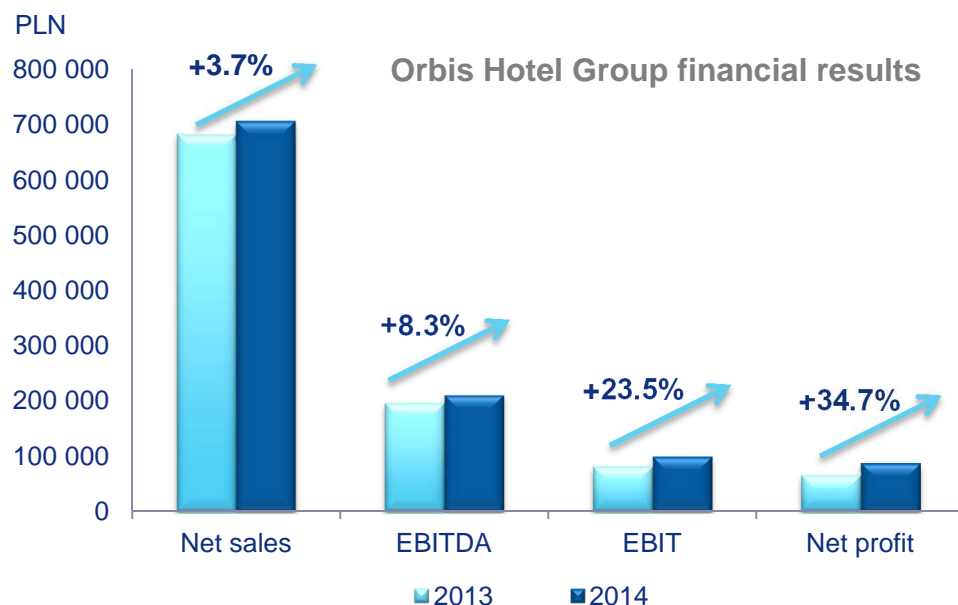
# Orbis Hotel Group results



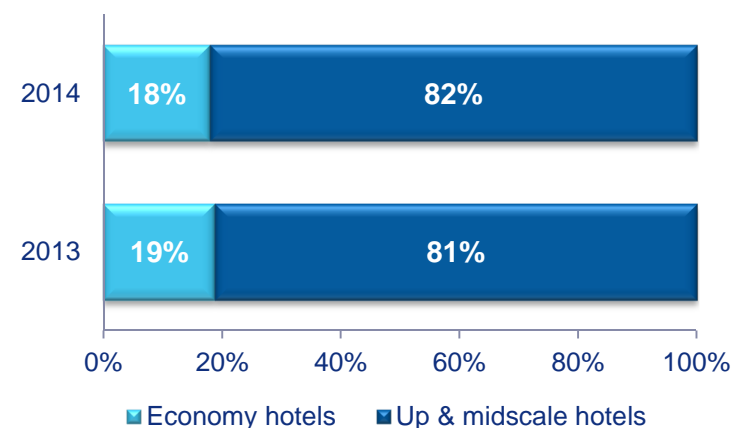
PLN million	4Q 2014	4Q 2013	Change	2014	2013	Change
Net sales	176.8	169.2	+4.5%	707.8	682.6	+3.7%
EBITDA	50.3	44.0	+14.3%	212.5	196.2	+8.3%
EBIT	22.1	15.5	+42.6%	101.1	81.9	+23.5%
Net profit	23.0	12.2	+89.3%	89.2	66.2	+34.7%

## 2014 vs. 2013

- Rising income on the all levels of P&L, as well as growth of profitability
- **+1.3 p.p.** increase of EBITDA margin to the level **29.9%**
- **+2.3 p.p.** increase of EBIT margin to the level **14.3%**



## Revenue breakdown by segment



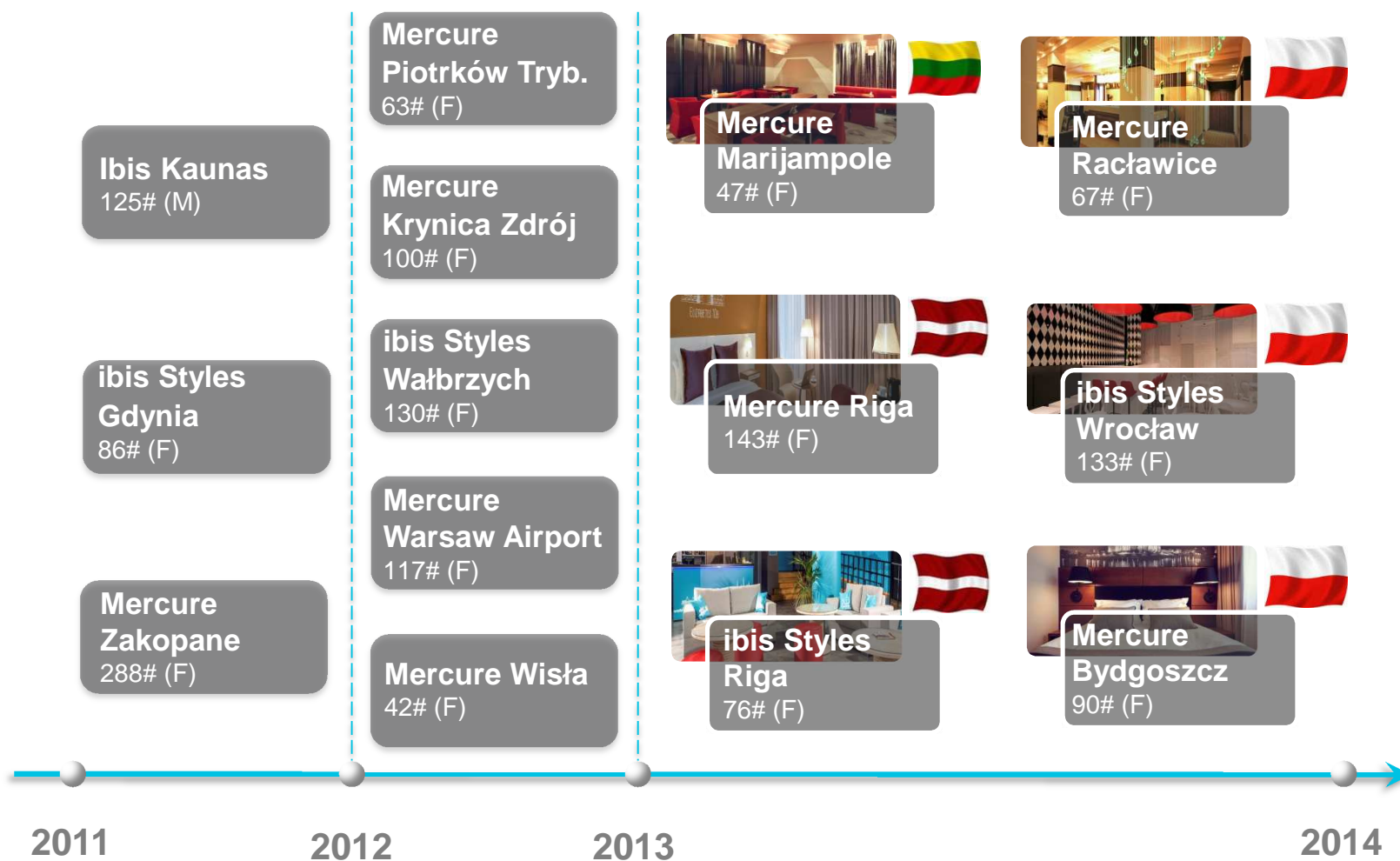


# Expansion and development

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# New hotels under franchise and management joining the Group



# Further product improvement

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**Key refurbishment works** were performed in:

- **Sofitel Warsaw Victoria**
- **Novotel Warszawa Centrum**
- **Orbis Gdynia** (to be rebranded as Mercure)

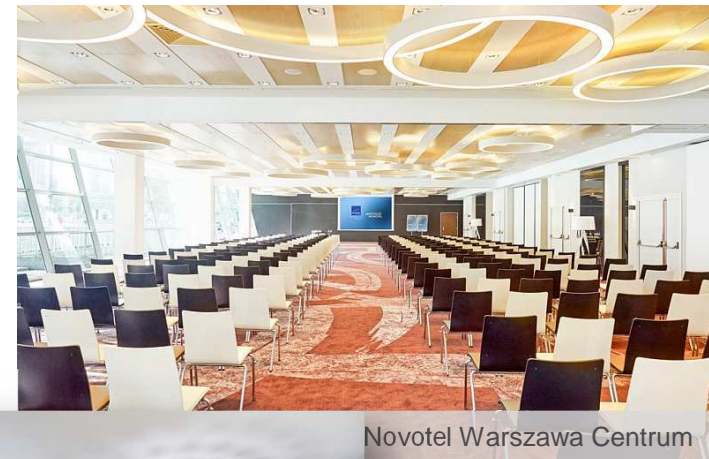
Other development projects covered increasing standard of 7 Novotel and 2 Mercure hotels.

2014 was also marked by wide investments in the IT and distribution systems.

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Total **CAPEX** amounted to **PLN 112 million**:

- PLN 64 m - development
  - PLN 48 m - modernization
- 



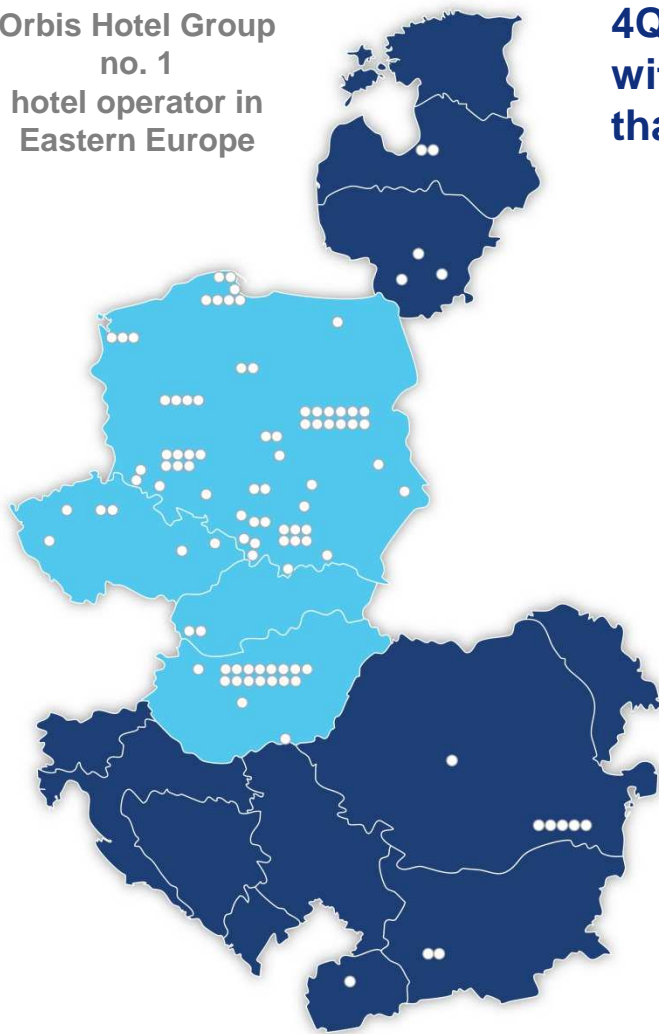
Novotel Warszawa Centrum



Sofitel Warsaw Victoria

# Entering a new era

Orbis Hotel Group  
no. 1  
hotel operator in  
Eastern Europe



4Q 2014 was marked by analysis of the transaction with Accor, concluded on 7 January 2015, that accelerated our expansion...

## Orbis after the transaction

- 105 hotels
- 18 476 rooms
- 8 operational countries
- 8 countries to be developed
- 9 brands including pullman and



... and perfectly matched all strategy objectives:

- ✓ **Value Creation:** sharp increase of operational results.
- ✓ **Expansion:** new hotels within the group and room to expand on new markets.
- ✓ **Services:** exchange best practices within the whole perimeter.



# Towards operational excellence

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# Business with innovative solutions



## New F&B concepts

- **NOVO<sup>2</sup>** – lounge bar – „a place where life tastes better!”, implemented in all Novotel hotels in Poland and Lithuania
- **Winestone** – „the taste of passion” – sophisticated restaurants established in 2 Mercure hotels in Warsaw; 8 more Mercure hotels in Poland offer a Winestone menu
- **i-Burger** – „Simple Slow Food” pleasures; pilot phase in 2 ibis hotels in Warsaw



**ACCORHOTELS.COM**

New [accorhotels.com](https://accorhotels.com) home page

and successful roll out of **WELCOME**  
by LE CLUB ACCOR HOTELS  
ONLINE CHECK-IN / FAST CHECK-OUT



**Prompt payments for customers** - successful roll out of online payments and payments in foreign currency for credit cards holders (**Dynamic Currency Conversion**)

# Intensive Sales & Marketing campaigns

In 2014 especially family offers were promoted, as well as the events inspired by desing, the culinary arts and culture.

Marketing campaigns promoting hotel brands and products:

- „Fete de la Musique” and „Wine Days” by Sofitel
- „Family&Novotel” in collaboration with Disney Poland
- „Mercure Winestone” – wine fairs
- „Mercure Family&Co”
- „Explosive price – 39 PLN” by ibis budget
- „Sweet Bed” by ibis



The best **loyalty programme**  
in the Polish Business Traveller  
Awards.



# Orbis remains the CSR trendsetter for the Polish hospitality market

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**PLN 2.3 m** savings over one year due to energy and water exemplary eco-solutions.

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Active social campaigns:

- „**Don't look away!**” against child abuse in tourism,
  - „**Accordeon of Authonomy**” supporting long term, effective help to 20 young, socially isolated people.
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The most active and visible **women's network** within Accor community: **43% of GMs** in Poland & Baltic States are women.

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# Appendix

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Sofitel Warsaw Victoria

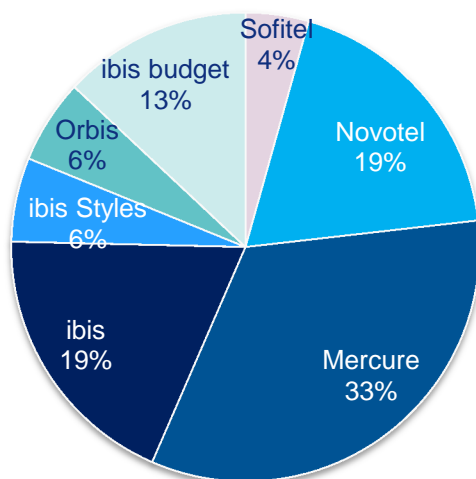


Sofitel Wrocław Stare Miasto

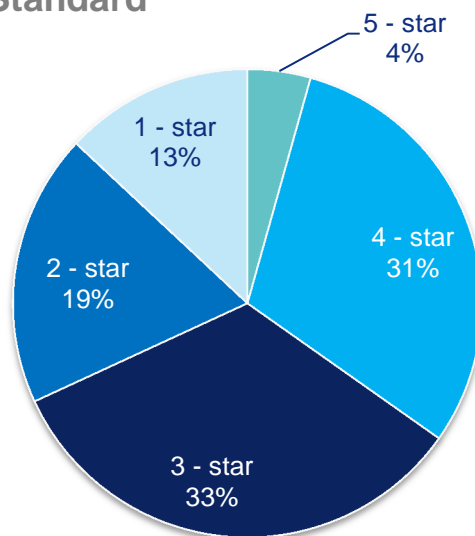
# Orbis hotels breakdowns



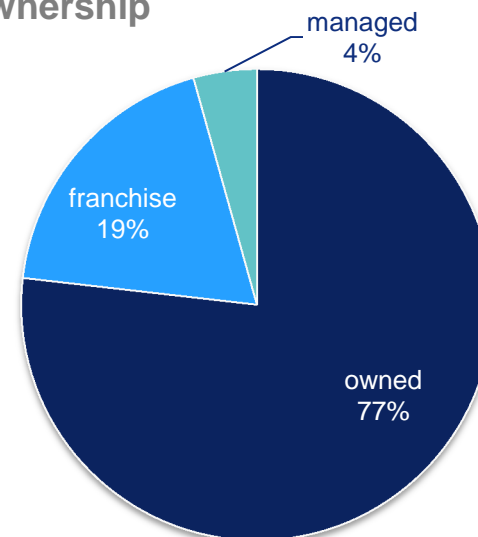
Brands



Standard



Ownership



Total number of hotels:

69

Data as of December 31, 2014

# Franchise and management expansion

		Name of the hotel	No. of rooms	Opening date								
				2012	2013	2014	2015				2016	2017
							1Q	2Q	3Q	4Q		
Operating hotels	1	ibis Kaunas Centre (Lithuania)	125	M								
	2	ibis Styles Gdynia Reda	86	F								
	3	Mercure Kasprowy Zakopane	288	F								
	4	Mercure Piotrków Tryb. Vestil	62		F							
	5	Mercure Krynica Zdr. Resort & Spa	100		F							
	6	Mercure Warszawa Airport	117		F							
	7	ibis Styles Wałbrzych	130		F							
	8	Mercure Wisła Patria	42		F							
	9	Mercure Raclawice Dosłońce	67			F						
	10	Mercure Marijampole	47			F						
	11	Mercure Riga	143			F						
	12	ibis Styles Riga	76			F						
	13	ibis Styles Wrocław	133			F						
	14	Mercure Bydgoszcz Sepia	90			F						
		Total	1 507	3	5	6						
Pipeline	1	ibis Styles Nowy Sącz	56								F	
	2	Mercure Sosnowiec	120								F	
	3	ibis Styles Sosnowiec	80								F	
	4	ibis Styles Białystok	130						F			
	5	ibis Styles Siedlce	102							M		
	6	ibis Styles Grudziądz	82								F	
	7	Pullman Riga Latvia	160							F		
	8	ibis Poznań North	77								F	
	9	ibis Styles Kraków	60									F
	10	ibis budget Gdańsk	120									F
		Total	987						1	2	5	2

## Contact

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