

2015

Orbis Group

Results

CONFERENCE FOR EQUITY
MARKET ANALYSTS AND
INVESTORS



Orbis
Hotel Group

Novotel Warszawa Centrum

Warsaw, February 18th, 2016

SOFITEL



PULLMAN

NOVOTEL

Mercure

ibis

ibis
STYLES

ibis
budget

2015 Key Highlights

Operating results

Financial results

Capex and new developments

Future & plans

Appendix



In 2015 Orbis Entered into a New Era!



2015 vs 2014 as reported

+39

hotels
up to 108 hotels

+15

new contracts signed
up to 22 contracts

+6 900

new hotel rooms
up to 18 800 rooms

+PLN 220 m

EBITDAR
up to PLN 430 m

+PLN 550 m

net sales
up to PLN 1 260 m

It Was a Year of Acceleration...



People

Portfolio

Performance

”*Transformation into an international Group further oriented us towards growth in new markets*

+10.6% RevPAR*
+8.3% NET SALES*
+11.2% EBITDAR*

Operating EBITDA

PLN 329.3 m

+ PLN 9.3 m

ABOVE THE FORECAST

* 2015 vs 2014 pro forma results

...and Transformation of the Group

- ✓ Significant **increase of business scale**
- ✓ The completely **integrated organizational structure**
- ✓ **Synergies** in many areas of business within the whole Group
- ✓ Constant enhancement of **operational excellence**
- ✓ Business supported by **positive market conditions**



2015 Key Highlights

Operating results

Financial results

Capex and new developments

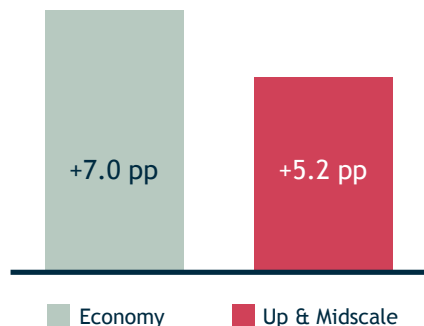
Future & plans

Appendix

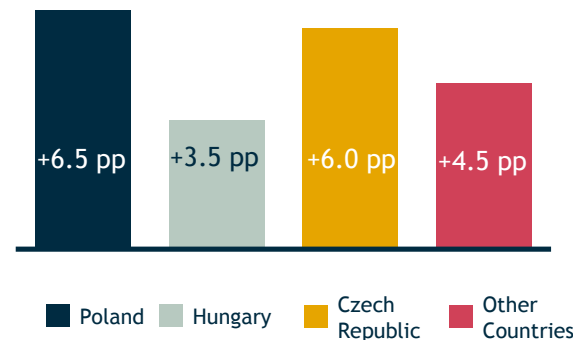


Positive Effects of the Volume Strategy...

Occupancy change
by hotel segment y/y



Occupancy change
by geographical market y/y



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

2015

+5.7 p.p.

69.7%

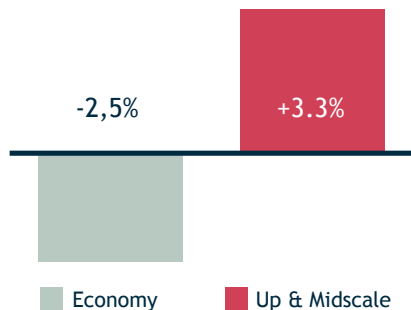
in Orbis Hotel Group

Occupancy growth driven by MICE segment as well as individual guests visits during the weekends

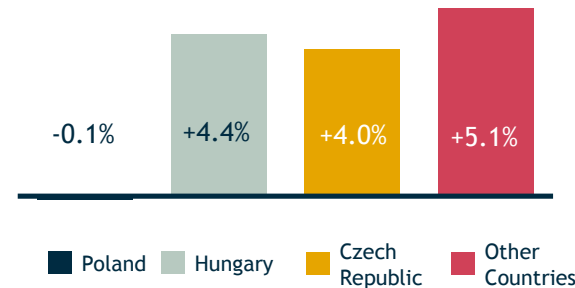
* all y/y changes on the slide are calculated 2015 / 2014 pro forma

...Together with ARR Increase...

ARR change
by hotel segment y/y



ARR change
by geographical market y/y



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

2015

+1.5 %

PLN 216.3

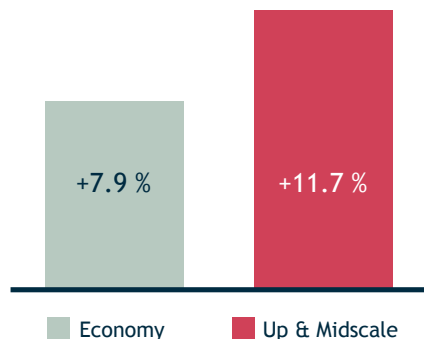
in Orbis Hotel Group

ARR increase driven by Up & Midscale
hotels

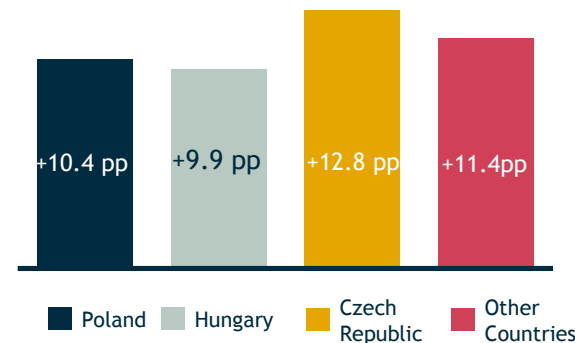
* all y/y changes on the slide are calculated 2015 / 2014 pro forma

Resulted in Strong RevPAR Growth

RevPAR change
by hotel segment y/y



RevPAR change
by geographical market y/y



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

2015

+10.6 %

PLN 150.8

in Orbis Hotel Group

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

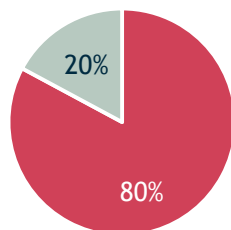
* all y/y changes on the slide are calculated 2015 / 2014 pro forma

More-balanced Business Diversification...

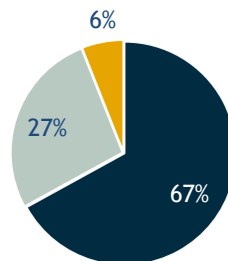
PLN 1 263 m

Net sales
2015

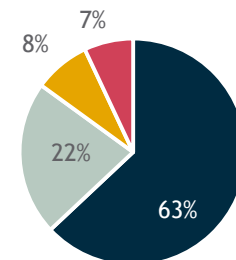
by hotel segment



by major products and services

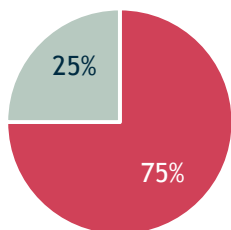


by geographical market

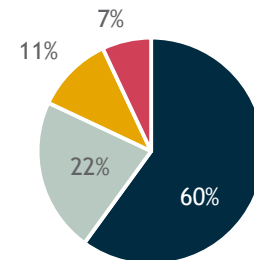


PLN 431 m

EBITDAR
2015



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



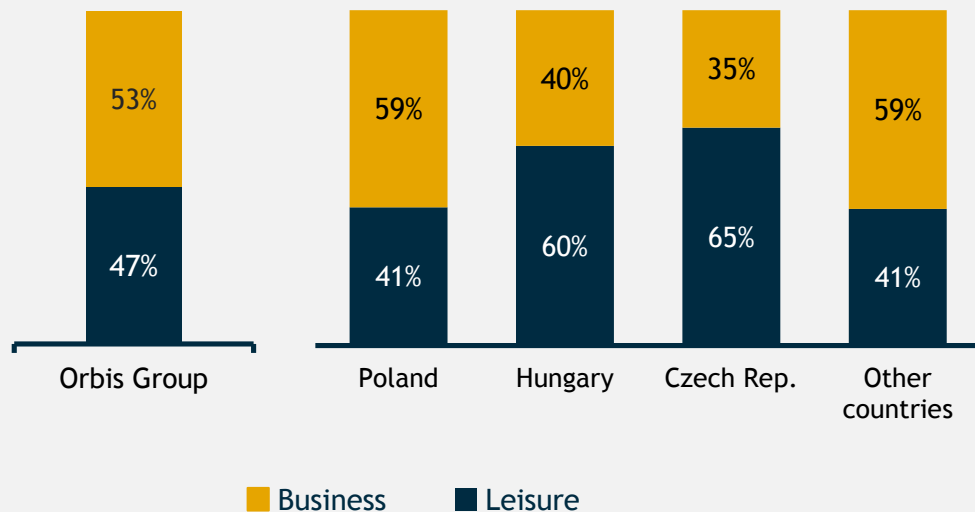
Economy Up & Midscale

Room revenue Food & Beverage Other

Poland Hungary
Czech Republic Other Countries

.... and Stable Mix of Clients Contributed to Solid Performance

Roomnights sold (by business mix)



Food & Beverage Business Demonstrated Strong Dynamism



F&B revenues increased by **6.4%*** to nearly PLN **340 m**, contributing **27%** to Orbis Group revenues



13
restaurants

Primary locations

- ✓ Bucharest
- ✓ Gdańsk
- ✓ Gdynia
- ✓ Warsaw
- ✓ Wrocław



19
restaurants

NOVO²



20
restaurants

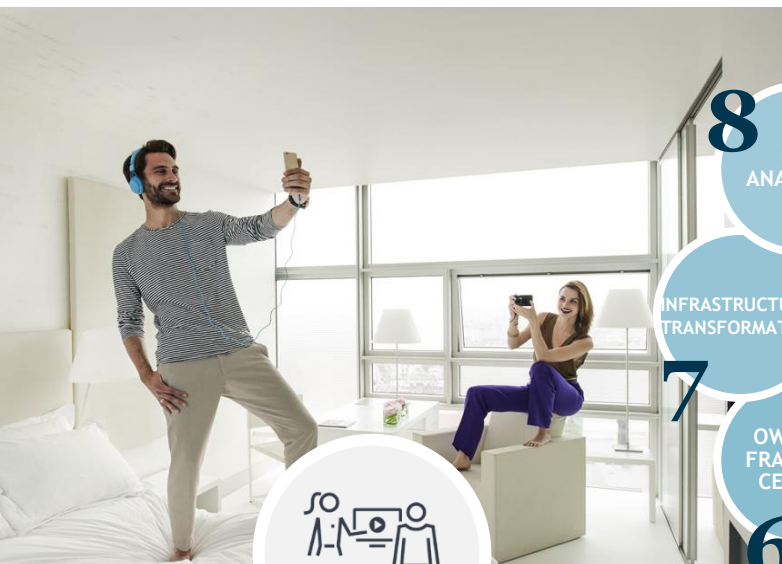


* 2015 / 2014 pro forma

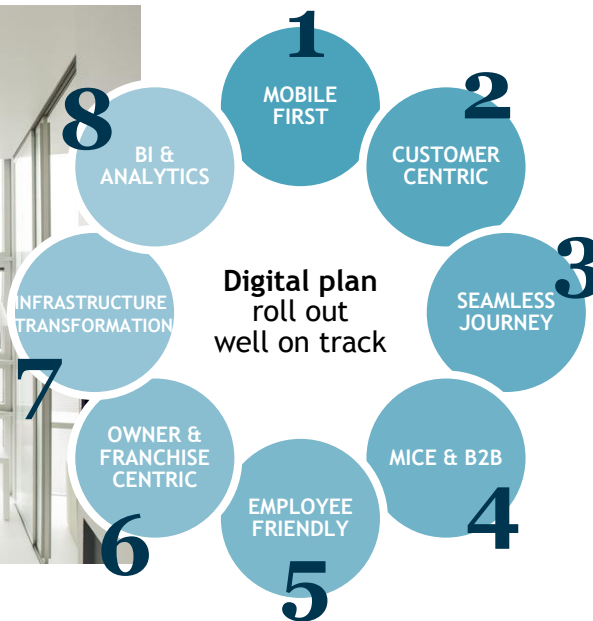
ORBIS 2015 Results



Business Development was Visible in Many Areas



Customer Journey:



More than **800 000** members of Le Club AccorHotels loyalty program

30%

Contribution of Le Club AccorHotels members to room revenues in 2015



2015 Key Highlights

Operating results

Financial results

Capex and new developments

Future & plans

Appendix



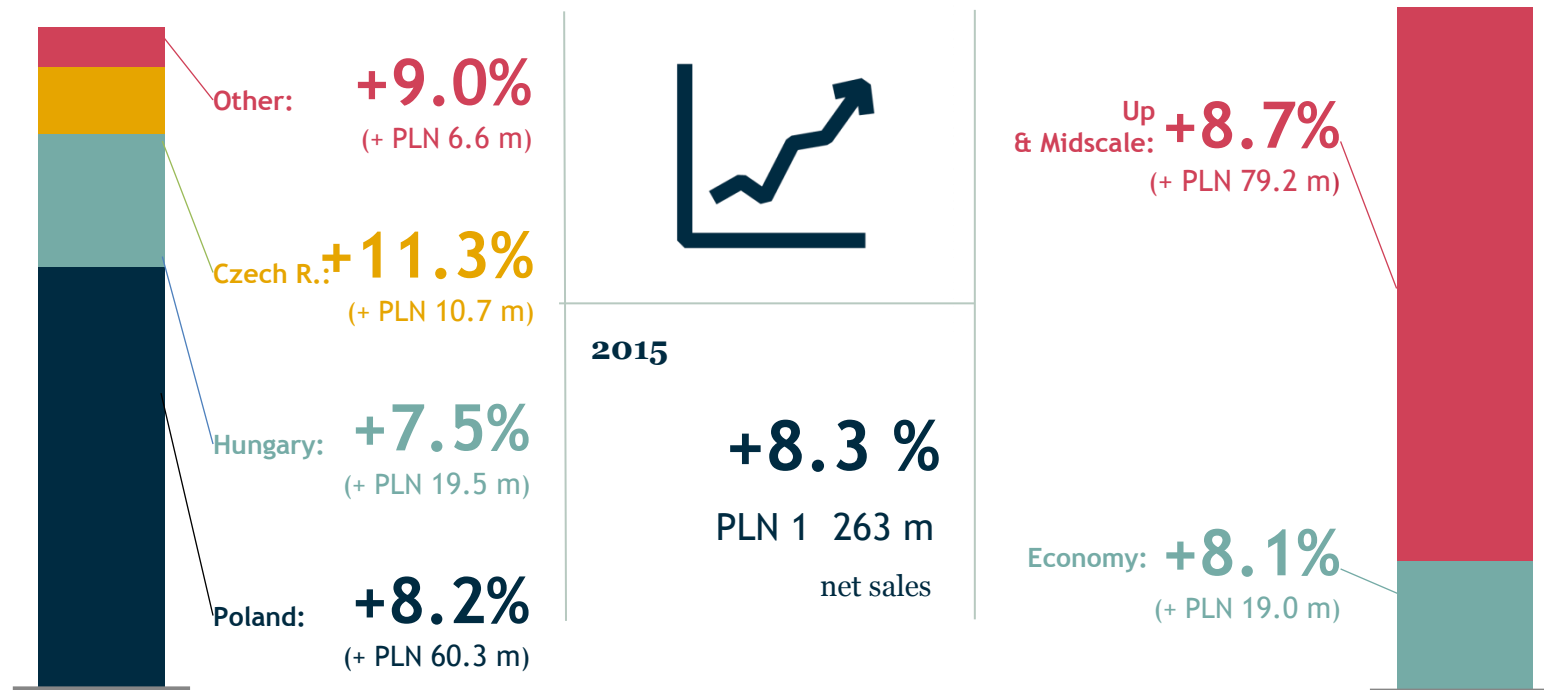
Strong Financial Performance...

Exchange impact not material	2015	2014	y/y	2014
[PLN m, %]		Pro forma	Pro forma	reported
Net sales	1 262.7	1 165.5	+8.3%	707.8
EBITDAR	431.4	387.8	+11.2%	212.5
Rent costs	102.1	99.6	+2.5%	4.6
Operating EBITDA	329.3	288.2	+14.3%	207.8
Depreciation and amortisation	139.3	136.9	+1.8%	111.4
EBIT	221.7	139.3	+59.2%	101.1
Profit (loss) before tax	212.2	149.3	+42.1%	112.8
EBITDAR margin	34.2%	33.3%	+0.9 p.p.	30.0%

...and Significant Increase of Net Sales Were Visible in All the Segments

[PLN m, %]

Net sales increase by geographical markets and hotel segments



* all y/y changes on the slide are calculated 2015 / 2014 pro forma

Adapted Business Model Confirmed Orbis' Ability to Create Value



- ✓ **Disposal** of 2 Mercure hotels in Lublin & Zamość (with franchise-back)
- ✓ **Buy backs of 2 hotels in Hungary:** ibis Budapest Heroes Square & Mercure Budapest City Center (final sale agreement signed on 17th February 2016)
- ✓ First **bonds issue PLN 300 m** successfully completed

INCREASE OF
OPERATING
CASH FLOW

GET THE MOST
OF CAPITAL
EMPLOYED

ADD FURTHER
LEVERAGE

Key cash position indicators

	31.12.2015
[mPLN, %]	
Total debt (borrowings +bonds)	459.9
Total cash	271.7
Net debt	187.2
Net debt /equity	10.5%
Net debt /fixed assets	9.7%



2015 Key Highlights

Operating results

Financial results

**Capex and new
developments**

Future & plans

Appendix

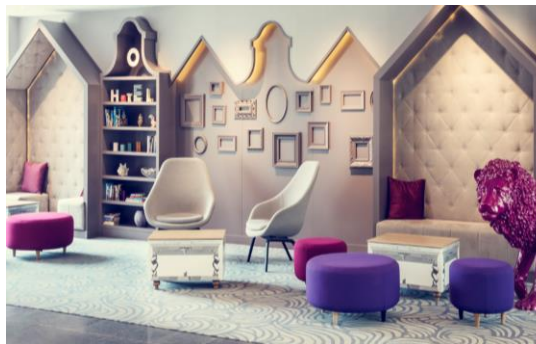
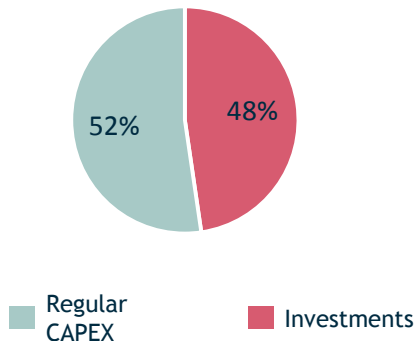


2015 Brought Profitable Investments ...

PLN 122.4 m

Total CAPEX in 2015

CAPEX structure



✓ **NEW DEVELOPMENT**
subsidiary projects:

- Mercure in Kraków
- ibis in Gdańsk
- 3 new projects validation

✓ **HOTEL RENOVATIONS**

- Gdynia (rebranded into Mercure)
- Gdańsk (rebranded into Mercure)
- Bielsko-Biała (rebranded into ibis Styles)
- Wrocław (to be rebranded into ibis & Novotel)
- Budapest (Mercure Duna, Mercure Metropol, ibis Aero)
- Prague (MGallery)

✓ **MODERNIZATION** of Novotel Warszawa Centrum

... and Further Potential to Develop

31+

hotels

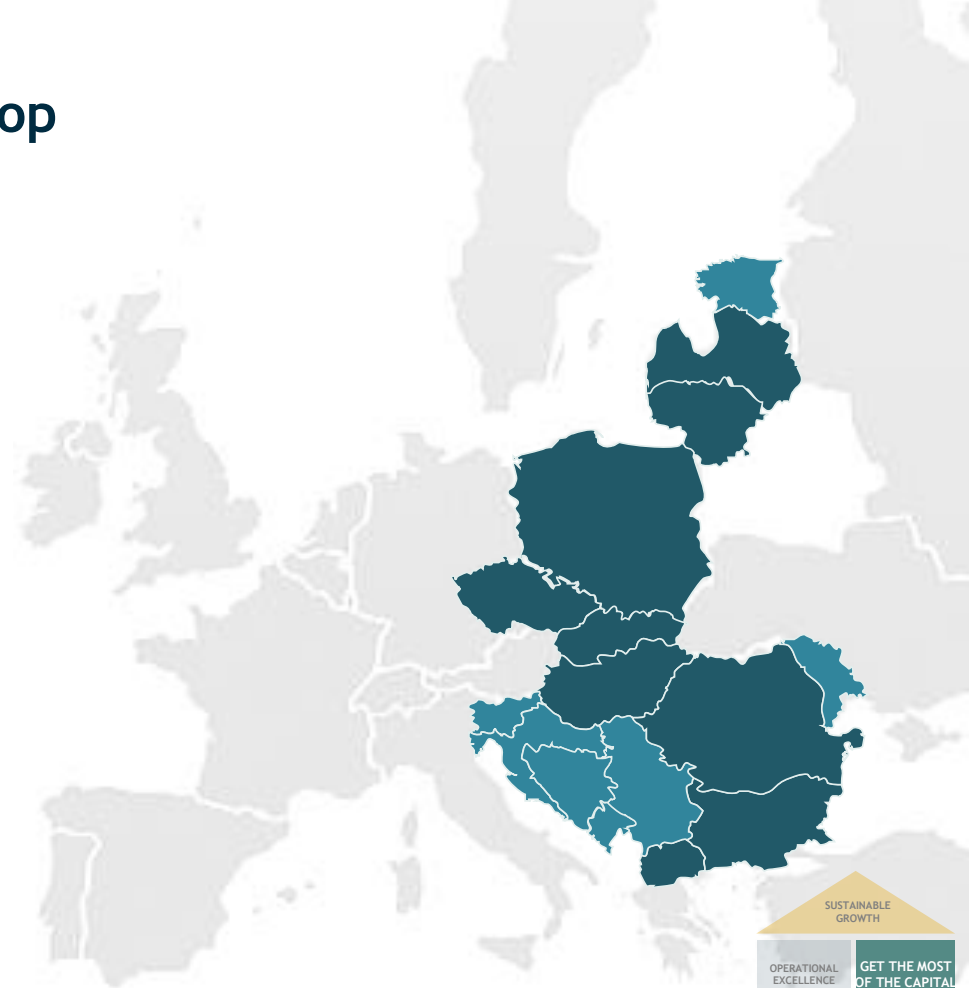
within next 30 months

including

22

Franchise/Management

agreements already signed



2015 Key Highlights

Operating results

Financial results

Capex and new developments

Future & plans

Appendix



2016 Will Be the Year of Expansion

- ✓ Towards **people centric** organization (guest & staff)
- ✓ Hotel network **expansion**
- ✓ Effective **asset management**
- ✓ **Financing** optimization
- ✓ **Operational excellence** initiatives



GDP forecast*	2016	2017
[%]		
BULGARIA	1.9	2.0
CZECH REPUBLIC	2.6	2.6
HUNGARY	2.5	2.3
LATVIA	3.3	3.7
LITHUANIA	2.6	3.0
POLAND	3.5	3.6
ROMANIA	3.9	3.4
SLOVAKIA	3.6	3.6

*source: IMF, World Economic Outlook, October 2015

We Are Moving Forward!



” Looking for sustainable growth as a key driver to be the **best performing** and **valued** hospitality Group in EE



Q&A



Contact



Dorota Nowotny

Investor Relations Officer
ORBIS S.A.

Bracka 16

00-028 Warsaw, Poland

+48 22 829 39 24

www.orbis.pl

e-mail: dorota.nowotny@accor.com

Edyta Pyzara

Project Manager in IR
ORBIS S.A.

Bracka 16

00-028 Warsaw, Poland

+48 22 829 39 25

www.orbis.pl

e-mail: edyta.pyzara@accor.com

2015 Key Highlights

Operating results

Financial results

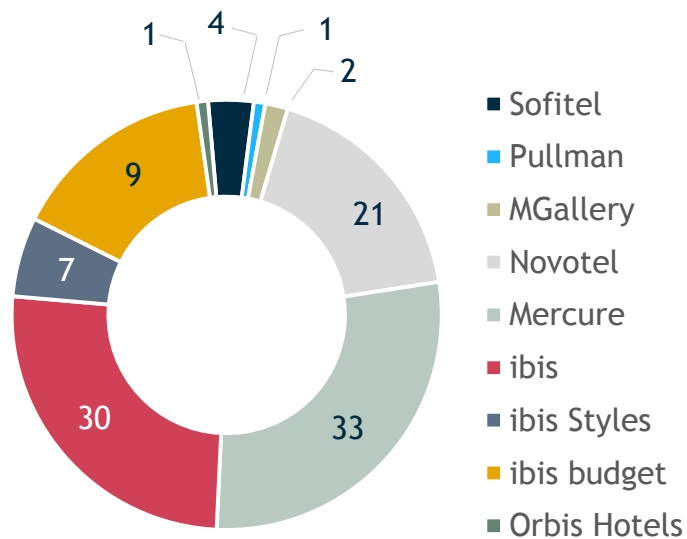
Capex and new developments

Future & plans

Appendix



The Orbis Group Today



108

OPERATING HOTELS

18 800

ROOMS

9

BRANDS

9

COUNTRIES

7

COUNTRIES TO BE DEVELOPED

3 800

EMPLOYEES

No. 1

hotel operator
in Eastern Europe

* to be rebranded into Novotel & ibis combo in 1h 2016

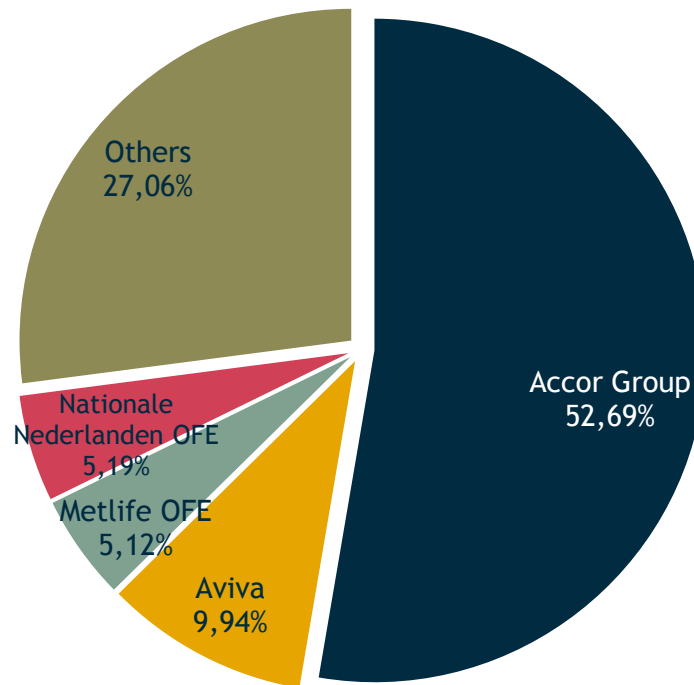
* *average employment in the Group in 2015

Shareholders Breakdown*

1997

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

Name	% of shares
ACCOR SA	52.69
AVIVA OFE / AVIVA BZ WBK	9.94
NATIONALE NEDERLANDEN OFE	5.19
AMPLICO OFE / METLIFE OFE	5.12
OTHERS	27.06
TOTAL	100.00



*As of February 17, 2015. Based on the official corporate communication

Consolidated Statement of Financial Position

- Selected Data



[mPLN, %]	31.12.2015	31.12.2014	y/y
ASSETS			
Non-current assets	2 088.4	1 795.8	+16.3%
Property, plant and equipment	1 923.9	1 662.3	+15.7%
Current assets	372.4	290.7	+28.1%
Trade receivables	50.6	25.3	+99.5%
Other short-term receivables	34.5	16.2	+112.8%
Cash and cash equivalents	271.7	239.5	+13.4%
Assets classified as held for sale	23.1	11.0	+108.7%
Total assets	2 483.9	2 097.6	+18.4%
EQUITY & LIABILITIES			
Equity	1 783.3	1 952.3	-8.7%
Equity attributable to owners of the parent	1 783.2	1 952.3	-8.7%
Non-current liabilities	454.8	28.4	+1 503.0%
Borrowings	122.5	0	-
Bonds	299.3	0	-
Current liabilities	245.8	116.9	+110.3%
Borrowings	36.6	0	-
Trade payables	77.9	40.5	+92.2%
Liabilities associated with assets classified as held for sale	0.0	0.0	-
Total equity & liabilities	2 483.9	2 097.6	+18.4%

Consolidated Income Statement - Selected Data



Exchange impact not material	4Q 2015	4Q 2014	y/y	4Q 2014
[mPLN, %]		Pro forma	Pro forma	reported
Net sales	308.2	293.9	+4.9%	176.8
EBITDAR	92.1	89.8	+2.5%	48.8
Rent costs	26.1	25.1	+4.0%	1.2
Operating EBITDA	66.0	64.7	+1.9%	47.6
Depreciation and amortisation	35.4	33.7	+5.0%	28.2
EBIT	55.0	14.5	+279.8%	22.1
Profit (loss) before tax	51.5	22.5	+129.4%	29.9

Consolidated Cash Flow - Selected Data



[mPLN, %]

	2015	2014
OPERATING ACTIVITIES		
Loss before tax	212.2	112.8
Adjustments (selected):	127.4	103.9
Depreciation and amortization	139.3	111.4
Change in receivables	9.2	(2.0)
Change in current liabilities, excluding borrowings	(3.0)	16.8
Change in deferred income	4.0	0.6
Net cash generated by/(used in) operating activities	339.5	216.8
INVESTING ACTIVITIES		
Payments for property, plant and equipment, investment property and intangible assets	(113.4)	(103.9)
Payments to acquire interest in related parties	(563.6)	0
Net cash generated by/(used in) investing activities	(630.7)	(76.5)
FINANCING ACTIVITIES		
Proceeds from borrowings	477.8	0
Interest paid and other financing cash outflows resulting from received borrowings	(16.1)	(1.1)
Net cash generated by financing activities	374.6	(70.2)
Change in cash and cash equivalents	35.1	45.6
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2.9)	3.1
Cash and cash equivalents at the beginning of the period	239.5	190.8
Cash and cash equivalents at the end of the period	271.7	239.5

Orbis Group Hotels by Country and by Brand as at the end of 2015



	Sofitel	Pullman	MGallery	Novotel	Mercure	ibis	ibis Styles	ibis budget	Orbis Hotels	Total
Poland	3			12	23	12	4	9	1	64
Hungary	1		1	5	5	5				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			2
Total	4	1	2	21	33	30	7	9	1	108

* Rebranding in progress

List of Hotels with Their Ownership Structure and No. of Rooms (1/2)

POLAND

O	127	Sofitel Grand Sopot	O	294	Mercure Gdynia Centrum	O	114	ibis Kielce Centrum
O	343	Sofitel Warsaw Victoria	O	188	Mercure Jelenia Góra	O	175	ibis Kraków Centrum
L	205	Sofitel Wrocław Old Town	F	288	Mercure Kasprowy Zakopane	O	208	ibis Łódź Centrum
O	158	Novotel Gdańsk Centrum	F	100	Mercure Krynica Zdrój Resort & Spa	O	146	ibis Poznań Centrum
O	176	Novotel Gdańsk Marina	F	110	Mercure Lublin Centrum	O	135	ibis Stare Miasto Kraków
O	300	Novotel Katowice Centrum	O	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	133	Ibis Styles Bielsko-Biała
O	117	Novotel Szczecin	O	148	Mercure Skalny Karpacz	F	86	ibis Styles Gdynia Reda
O	281	Novotel Warszawa Airport	O	110	Mercure Toruń	F	130	ibis Styles Wałbrzych
O	742	Novotel Warszawa Centrum	F	117	Mercure Warszawa Airport	F	133	ibis Styles Wrocław Centrum
O	145	Novotel Wrocław	O	338	Mercure Warszawa Centrum	O	124	ibis budget Katowice Centrum
F	90	Mercure Bydgoszcz Sepia	O	299	Mercure Warszawa Grand	O	120	ibis budget Kraków Bronowice
O	78	Mercure Cieszyn	F	42	Mercure Wisła Patria	O	167	ibis budget Kraków Stare Miasto
O	102	Mercure Częstochowa Centrum	O	151	Mercure Wrocław Stare Miasto	O	120	ibis budget Szczecin
O	281	Mercure Gdańsk Stare Miasto	F	54	Mercure Zamość Stare Miasto	O	83	ibis budget Toruń
			O	125	ibis Częstochowa	O	176	ibis budget Warszawa Centrum
			O	114	ibis Katowice-Zabrze	O	163	ibis budget Warszawa Reduta

O: owned, L: leased, M: managed, F: franchised

List of Hotels with Their Ownership Structure and No. of Rooms (2/2)

- O 108 ibis budget Wrocław Południe
- O 122 ibis budget Wrocław Stadion
- O 294 Hotel Orbis Wrocław

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 143 Mercure Riga Centre
- 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

- L 227 Mercure Budapest City Center

- O 130 Mercure Budapest Duna

- L 421 Mercure Budapest Korona

- L 130 Mercure Budapest Metropol

- O 139 ibis Budapest Aero

- L 126 ibis Budapest Centrum

- L 84 ibis Budapest City

- L 139 ibis Budapest Heroes' Square

- O 96 ibis Gyor

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

Orbis SA
ul. Bracka 16, 00-028 Warszawa
www.orbis.pl

Orbis' strategic partner is 
www.accorhotels.com

S O F I T E L



p u l l m a n

N O V O T E L

M e r c u r e

i b i s

i b i s
s t y l e s

i b i s
b u d g e t