



THE LEADING HOTEL GROUP
IN EASTERN EUROPE

2016 Orbis Results

22 February 2017



Key points for a remarkable 2016

+9.5%

Top Line

+11.2%

RevPAR

48%

Drop through

+2.1pp

EBITDA
Margin

7

Lease
buy-backs
(2 done + 5 ready)

13

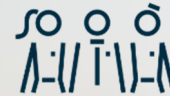
Contracts
signed

11

Hotel
openings



E-reputation



Employee
Satisfaction

+21%

Total return
per share

01. PERFORMANCE

OPERATING PERFORMANCE
FINANCIAL RESULTS

02. PORTFOLIO

DEVELOPMENT & ASSET MANAGEMENT

03. PEOPLE

TALENT AND CULTURE & CSR

04. INNOVATION & DIGITAL PLAN



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Robust operational performance

	Occupancy rate		ARR		RevPAR	
	2016	% y/y	2016	% y/y	2016	% y/y
Economy	74,3%	1,0 p.p.	168,6	6,6%	125,3	8,1%
Up & Midscale	72,2%	3,1 p.p.	267,7	7,5%	193,2	12,2%
Orbis Hotel Group	72,4%	2,4 p.p.	233,7	7,4%	169,3	11,2%

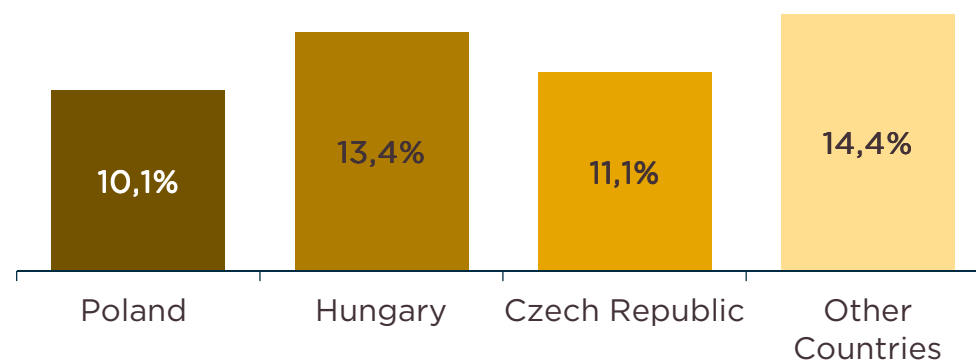


RevPAR
+11.2 %

Strong performance driven by very active sales actions and revenue management in client mix selection and dynamic pricing strategy.

Solid results across the EE region

	Occupancy rate		ARR		RevPAR	
	2016	% y/y	2016	% y/y	2016	% y/y
			PLN			
Poland	70,9%	2,3 p.p.	223,4	6,4%	158,4	10,1%
Hungary	73,8%	3,4 p.p.	248,6	8,2%	183,3	13,4%
Czech Rep	75,7%	0,2 p.p.	250,2	10,8%	189,5	11,1%
Other	82,1%	2,9 p.p.	270,3	10,3%	222,0	14,4%



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Continuation of the growing Revenue trend

Total y/y

+9.5%

Revenue
PLN +120.2m

+11.4%

Room Revenue
PLN +96.4m

+5.6%

F&B Revenue
PLN +18.9m

Across the region y/y

+8.1%

Poland
PLN +64.3m

+12.7%

Hungary
PLN +35.5m

+9.2%

Czech Rep.
PLN +9.7m

+13.3%

Other
PLN +10.7m

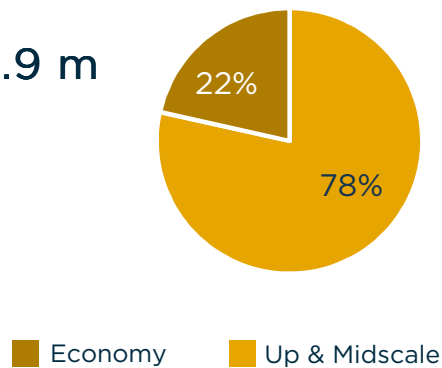
Record-high financial performance – 4th year in a row

[mPLN, %]	2016	2015	%
Net sales	1 382.9	1 262.7	9.5%
EBITDAR	489.2	431.4	13,4%
EBITDAR margin	35,4%	34.2%	1.2 pp
Rent costs	(99.6)	(102.1)	2.5%
Operating EBITDA	389.6	329.3	18.3%
EBITDA margin	28.2%	26.1%	2.1 pp
Depreciation and amortisation	(148.2)	(139.3)	-6.4%
EBIT	264.5	221.7	19.3%
EBIT margin	19.1%	17.6%	1.5pp
Profit before tax	257.2	212.2	21.2%

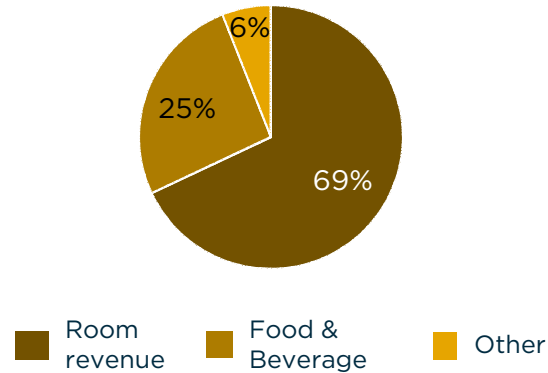
Benefiting business diversification

PLN 1 382.9 m
Net sales
2016

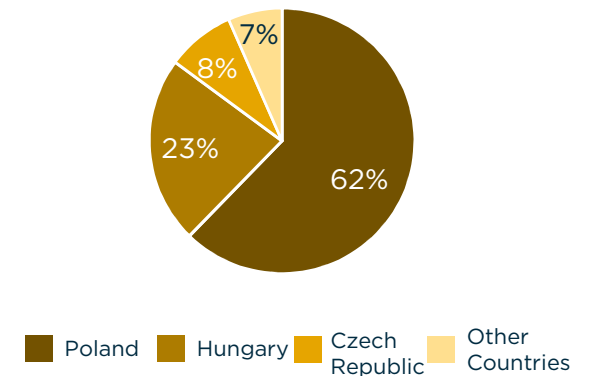
by hotel segment



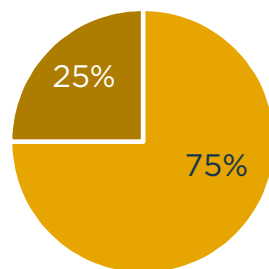
by major products and services



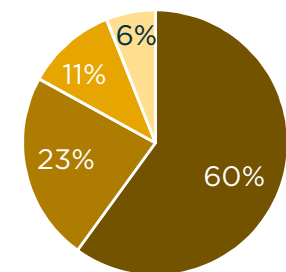
by geographical market



PLN 489.2 m
EBITDAR
2016



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, %]	2016
Total debt (borrowings + bonds)	624.3
Total cash Secured for investment opportunities	540.8
Net debt	83.5
Net debt/equity	4.3%
Net debt/EBITDA	0.22



FINANCING

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

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



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



Portfolio restructuring

Buy-back

leased properties

Disposing

of non-strategic assets

Sale and franchise back



New developments in 2016



Mercure Kraków Stare Miasto

Opened: September 2016

198 rooms

BREEAM green certification

Capex: PLN 85m

Tripadvisor: 98% of excellent and very good rates

„Opening of the year” (Hotelarz)

„Builder’s Laurel 2016”

ibis Gdańsk Stare Miasto

Opened: August 2016

120 rooms

BREEAM green certification

Capex: ca. PLN 27 m

„Best green building 2016”

Prime Property Prize

„Builder’s Laurel 2016”

„Property Design Awards 2017”



Asset light expansion



ibis Styles Białystok
Franchise agreement
129 rooms
Opening: May 2016
„Hotel with idea 2016”
3# (Hotelarz)



ibis Styles Gniezno
Franchise agreement
70 rooms
Opening: June 2016

ibis Poznań Północ

Franchise agreement
77 rooms
Opening: April 2016



ibis Riga

Franchise agreement
125 rooms
Opening: June 2016



7 franchised hotels opened in 2016 in EE region – almost **700** new rooms

Asset light expansion

Contracts signed

13 agreements

almost **1600** rooms

75% in management

Novotel, ibis,
ibis Styles, ibis budget

Poland, Hungary,
Bulgaria, Romania,
Estonia



Pullman Riga

Franchise agreement
155 rooms
Opening: June 2016



ibis Styles Nowy Sącz

Franchise agreement
55 rooms
Opening: June 2016

ibis Styles Siedlce

Franchise agreement
100 rooms
Opening: June 2016

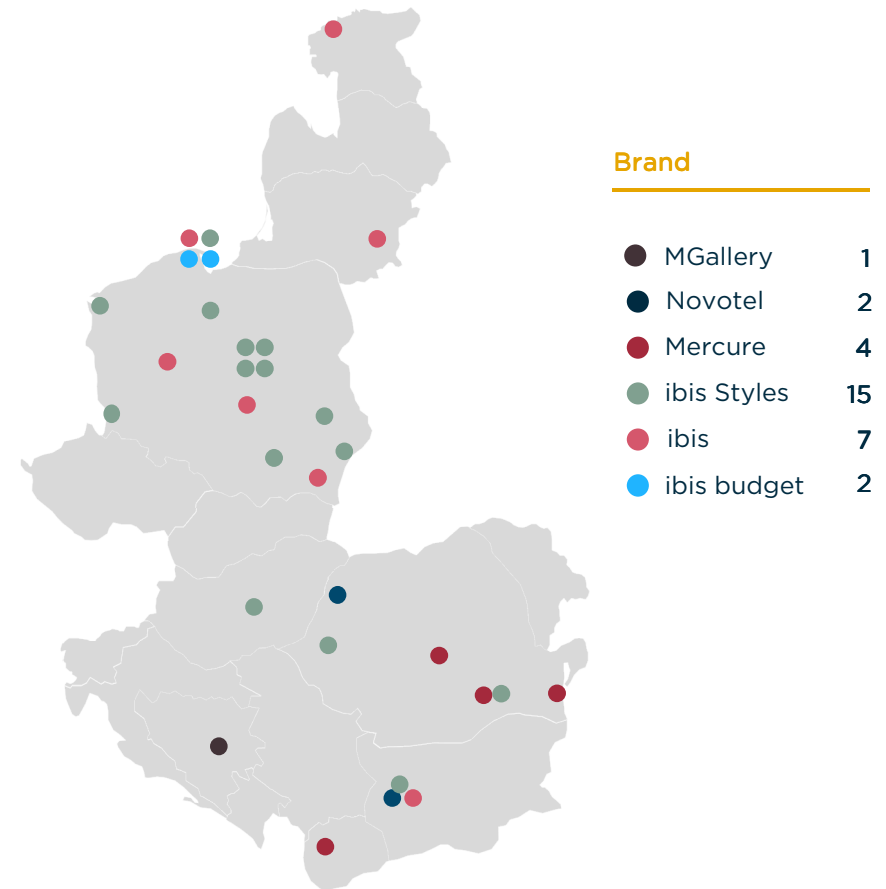


ibis Styles – brand of 2016 (Hotelarz magazine)

Development roadmap – Strong pipeline

31 hotels
3,474 rooms

Ownership: 4
Management: 13
Franchise: 14



Rebranding – High return forecasted



ibis Styles Budapest City

130 rooms

„European Property awards 2016” – Property Interior



Novotel Wrocław Centrum

192 N-rooms, new public area, conference and fitness areas, refreshing the facade

„European Property awards 2016”- Property Interior

ibis Styles Budapest Center

130 rooms



ibis Wrocław Centrum

112 ibis Sweet rooms
new public area
meeting rooms,
refreshing of the facade,
partial technical upgrade



Constant upgrade of hotels

Brand Awareness

Guest Satisfaction

Sustainable results



Public area in 7 hotels

ibis budget Warszawa Centrum, Ibis Czestochowa, Ibis Szczecin, Novotel Szczecin Centrum, Mercure Poznań Centrum, Mercure Wrocław Centrum, Novotel Kraków City West



184 bedrooms renovated

53 rooms in ibis hotels
57 in Novotels
74 in Sofitel hotels



Meeting rooms renovated

635 m2 in Novotel Gdańsk Marina, Novotel Poznań Centrum, Novotel Wrocław City

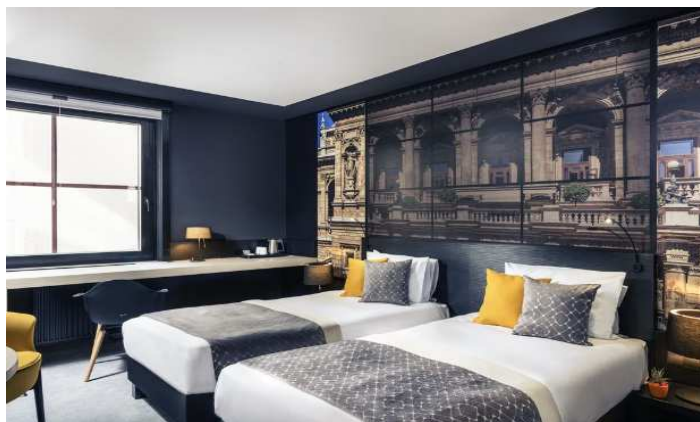
PLN 404m
cash impact

Assets Secured

Sustainability

Profitability

Buy-back of strategic hotels



Mercure Budapest City Center
(227 rooms)
ibis Budapest Heroes Square
(139 rooms)

Buy-back price: **PLN 124m**

(Done in 2016)



Mercure Budapest Buda (400 rooms)
Mercure Budapest Korona (420 rooms)
ibis Styles Budapest Center (130 rooms)
ibis Budapest City (130 rooms)
ibis Budapest Centrum (126 rooms)

Buy-back price: **PLN 280m**

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

(Done in 2017)

Further restructuring of asset portfolio

almost
PLN 100m
of total
cash impact



4 hotels

Sale and franchise back of non-strategic hotels

- > Mercure Opole
- > Mercure Mrągowo Resort& Spa
- > Mercure & ibis Częstochowa

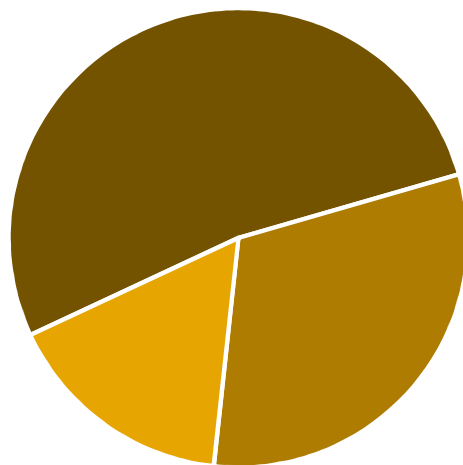


other

Other non-strategic asset disposals

Capital expenditure

CAPEX 2016 – **PLN 300.9m**



▶ **PLN 124.0m**
Buy-back

▶ **PLN 115.3m**
Development projects

▼
PLN 61.6 m
Regular and other



2 LEASE BUY BACK

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



2 NEW DEVELOPMENTS

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



5 REBRANDING/ RENOVATIONS

- > Novotel/ibis Wrocław
- > ibis Styles Budapest City/Center
- > Novotel/ibis Poznań Centrum

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Talent and Culture

Quality change from HR to T&C

switch from administration to Talents driven HR, teams empowering

Launching of cultural change

promotion of values, new leadership model, bottom-up approach

New service culture

Mercure Touch, Novotel Life Genius, ibis New Service Culture, Sofitel VBL

Shadow Committee

10 millennials enlarging perspective and providing agility to Orbis Management Board

Culinary Excellence

Talent development and employer branding initiative

WAAG mentoring

empowerment of women (40% of GM and 60% of HQ Directors are women)



Guest passion Sustainable Performance Trust Respect Spirit of Conquest Innovation

CSR trendsetter in hospitality – a must for a leader



WATCH

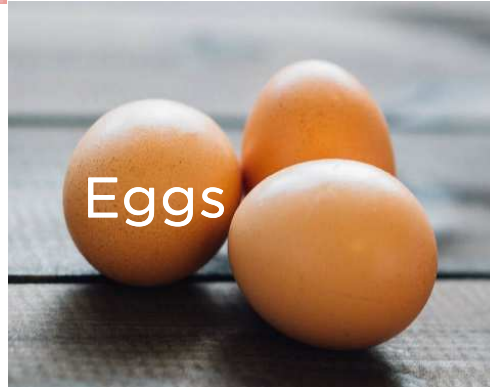
Winestone, Novo2 and ibis kitchen don't serve **eggs from cage raised hens**; Orbis Group/ AH will serve only free-range eggs by 2020



Healthy & Sustainable Food

Almost **2 million trees** planted in Transylvania
6 500 „Kosztela” trees planted in traditional Polish orchards

Child protection program:
130 employees of security firms trained
150 hotel employees trained



Eggs

We favor local food suppliers;
We favor **organically or sustainably farmed products**;
Strong initiative to limit food wastage



Plant for the planet

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Embrace innovation & spirit of conquest

Understanding
the **start-up universe**

Assessment Orbis
innovation status

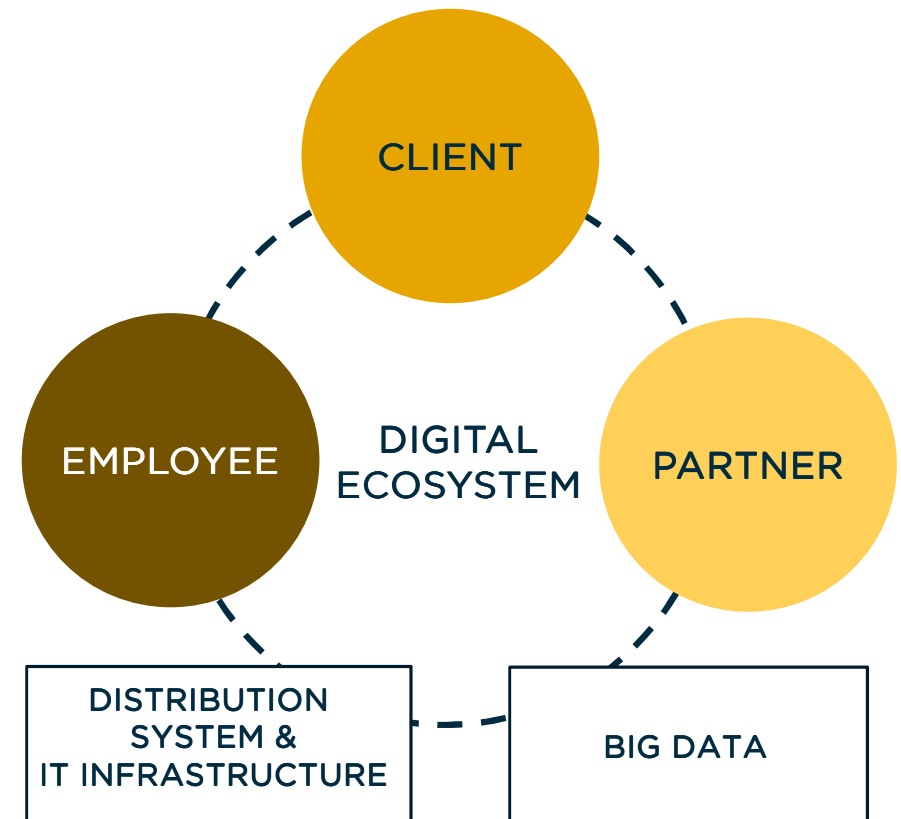
Connecting to EE **start-up ecosystem** - partnership
with D-raft

PERFORMANCE **PORTFOLIO** **PEOPLE**

F&B concepts:
Winestone Kraków
Wise café
...

Development
concepts
...

Recruitment
process
...



Outlook

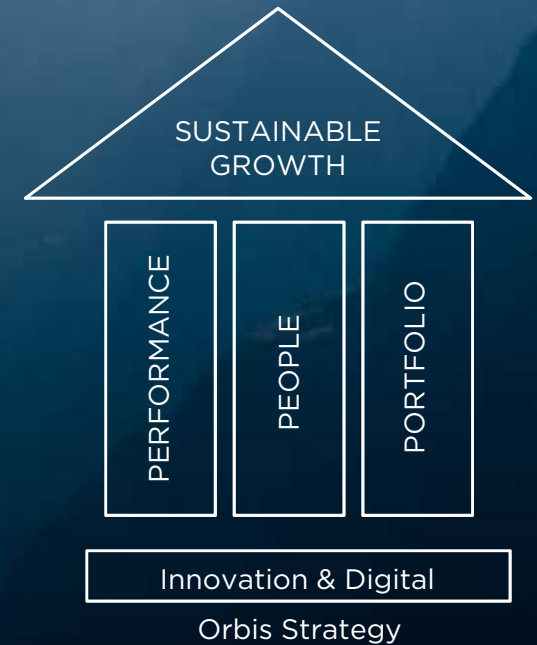


2016/2018
Acceleration

2015/2016
Integration

2014/2015
Scaling up

2011/2014
Restructuring



Positive outlook

Intensification of
Development plan,
opening hotels in new
countries and
finalization of **Asset
Management plan**

**Top line
improvement**
by maximizing
business mix
leading the market

Strong focus on
e-reputation
and great experience

Innovative solutions
onboard as a growth
relay (new business
lines)

Digital plan roll-out
to pursue

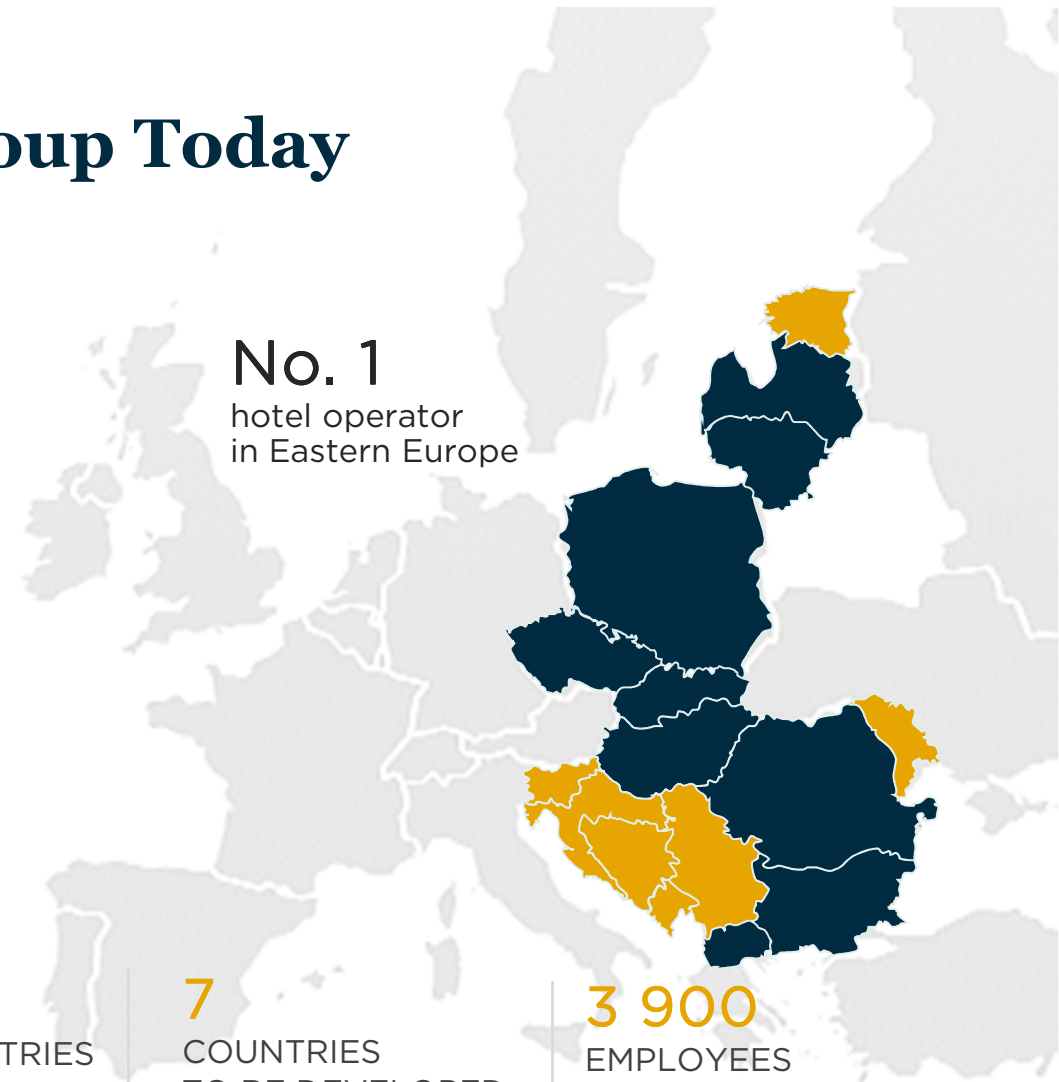
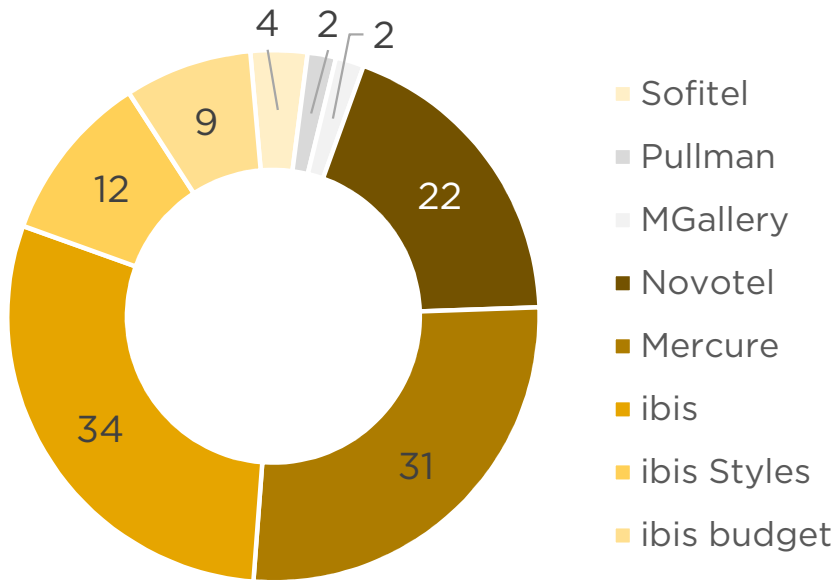
Cultural change
already engaged, led
by Talent
& Culture department
supported by a Market
Place organization

Winning strategy to be pursued, supported by innovation

Q&A session



The Orbis Group Today



116
OPERATING
HOTELS

19 800
ROOMS

8
BRANDS

9
COUNTRIES

7
COUNTRIES
TO BE DEVELOPED

3 900
EMPLOYEES

Orbis Group Hotels by Country and by Brand

	Sofitel	Pullman	MGallery	Novotel	Mercure	ibis	ibis Styles	ibis budget	Total
Poland	3			13	23	15	7	9	70
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	12	9	116

19% share price growth in 2016

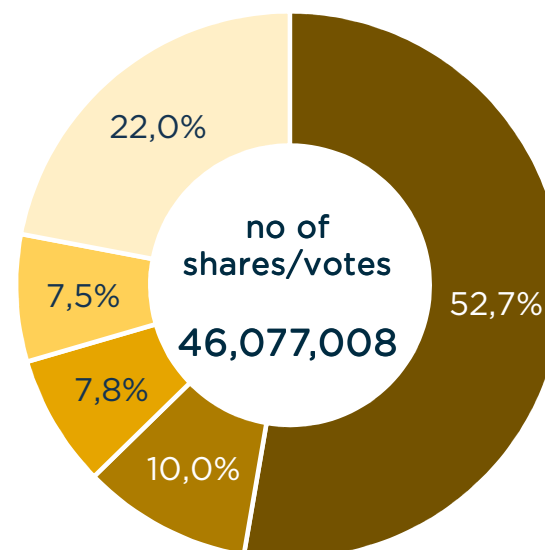


Closing price (PLN)	73.0
Average price (PLN)	65.0
Max (PLN)	78.7
Min (PLN)	57.3
Average volume (thou. PLN)	590
Change in 2016	19%
ORBIS Total Shares Return	21%
WIG change in 2016	14%

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	O 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	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 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
O 102 Mercure Częstochowa Centrum	O 125 ibis Częstochowa	O 124 ibis budget Katowice Centrum
O 281 Mercure Gdańsk Stare Miasto	O 120 ibis Gdańsk Stare Miasto	O 120 ibis budget Kraków Bronowice
O 294 Mercure Gdynia Centrum	O 114 ibis Katowice-Zabrze	O 167 ibis budget Kraków Stare Miasto
	O 114 ibis Kielce Centrum	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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