



THE LEADING HOTEL GROUP
IN EASTERN EUROPE

3Q 2016 Orbis results

27/10/2016



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HIGHLIGHTS

PERFORMANCE

PORTFOLIO

PEOPLE

OUTLOOK

APPENDIX



Robust improvement in all business pillars

PERFORMANCE



+11.2%
RevPAR

Increasing operating indicators in all countries of the EE region

PLN 171.9 RevPAR in total like-for-like in 9M



+15.0%
EBITDA

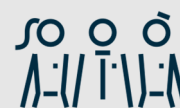
9M 2016 operating EBITDA reached record level of **PLN 302.8m**



+3
Hotels

Almost **380** new rooms added to the Group portfolio in 3Q 2016

As of end of September 2016: **117** hotels and **19 800** rooms



10
Millennials

“Orbis Shadow Comex” - bringing new perspective, different approach and new ideas to the Orbis Management Board

PORTFOLIO

PEOPLE

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HIGHLIGHTS

PERFORMANCE

PORTFOLIO

PEOPLE

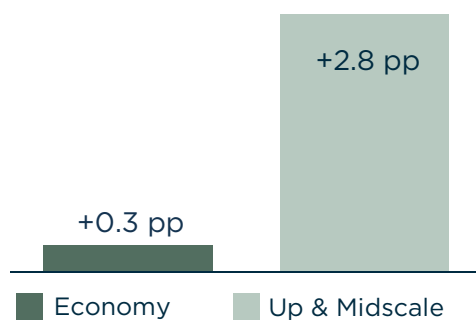
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Solid increase of customers volume

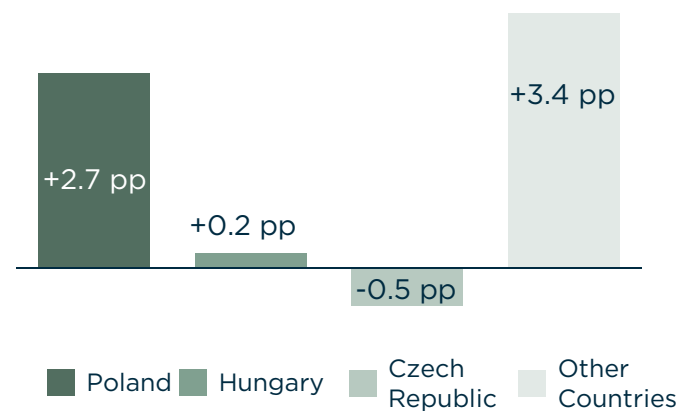
Occupancy change
by hotel segment y/y



+2.0 p.p.
73.2%

in Orbis Hotel Group

Occupancy change
by geographical market y/y

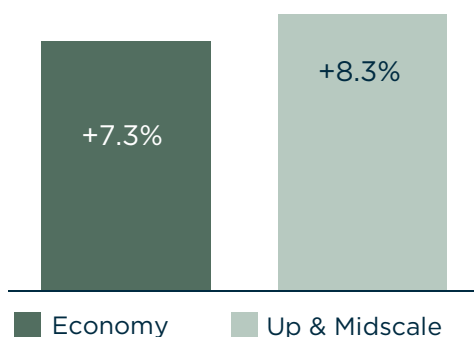


Occupancy - rooms occupied by hotel guests,
as a percentage of rooms that are available.

* all y/y changes on the slide are calculated 9M 2016 / 9M 2015 like for like

Strong pricing growth thanks to efficient revenue management and distribution strategy

ARR change
by hotel segment y/y

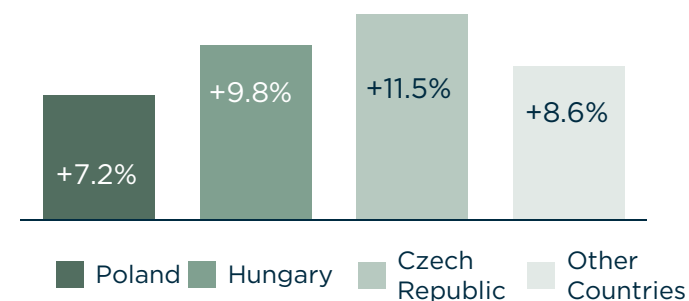


+8.2%

PLN 235.0

in Orbis Hotel Group

ARR change
by geographical market y/y

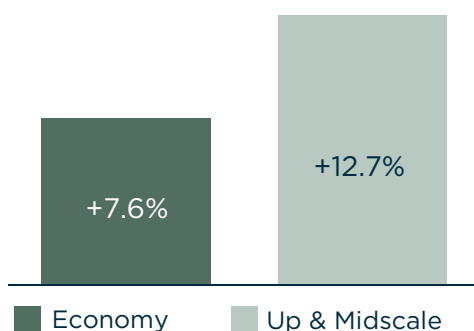


ARR (average room rate) – room revenue divided by the number of roomnights sold

* all y/y changes on the slide are calculated 9M 2016 / 9M 2015 like for like

Sharp, double-digit growth of RevPAR

RevPAR change
by hotel segment y/y

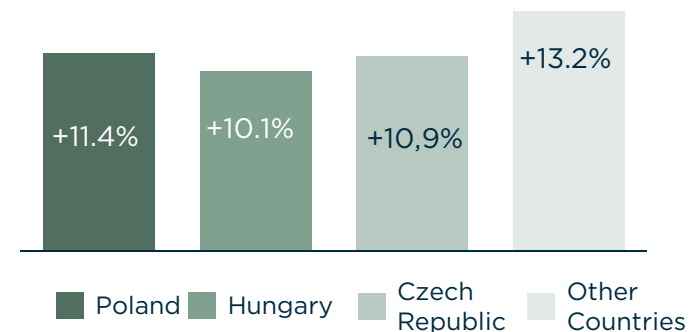


+11.2%

PLN 171.9

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

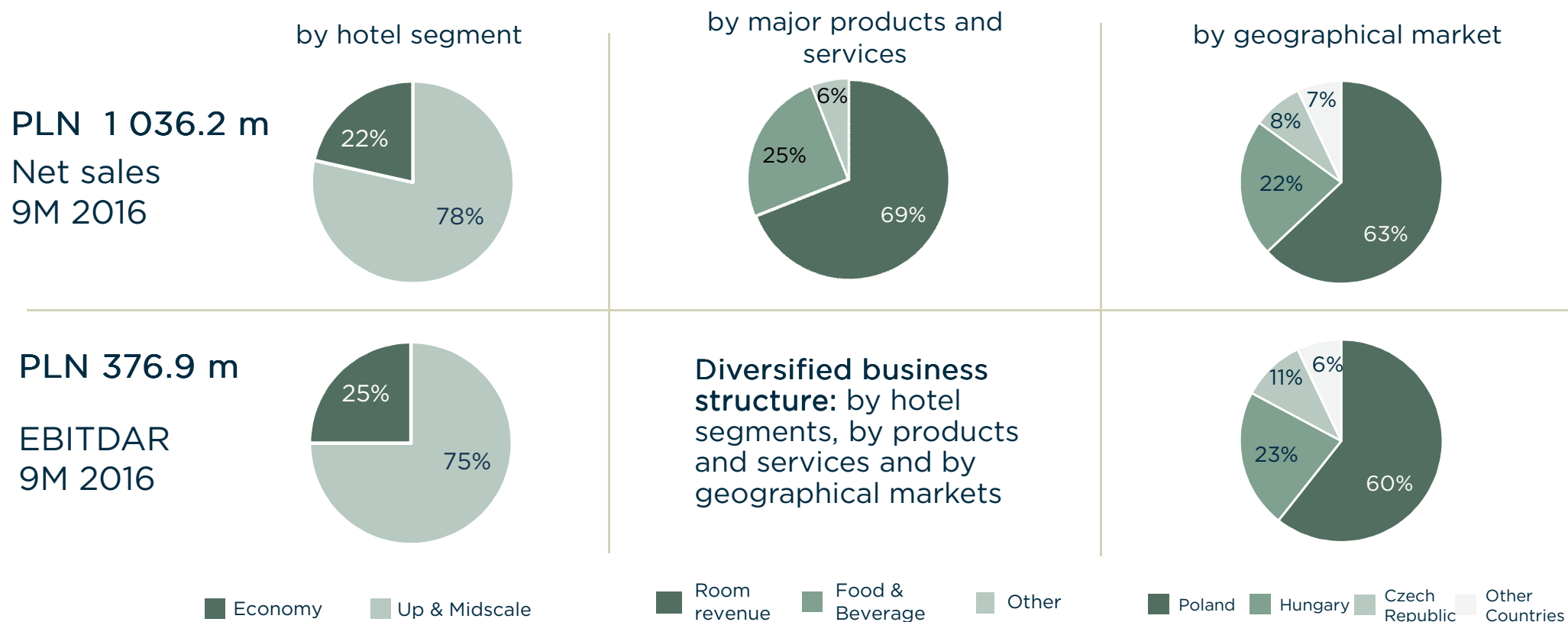
* all y/y changes on the slide are calculated 9M 2016 / 9M 2015 like for like

Record-high financial performance

[mPLN, %]	9M 2016	9M 2015	change
Net sales	1 036.2	954.5	8.6%
EBITDAR	376.9	339.3	11.1%
Rent costs	(74.1)	(76.1)	2.6%
Operating EBITDA	302.8	263.3	15.0%
Depreciation and amortisation	(109.8)	(103.9)	-5.7%
EBIT	196.3	166.7	17.8%
Profit before tax	183.6	160.7	14.3%

Record-high financial indicators with double-digit growth of EBITDA (+15.0%) and profit (+14.3%) thanks to efficient implementation of Company's strategy and ability of taking advantage of favorable economic situation through efficient revenue management.

Business diversification



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, %]	9M 2016
Total debt (borrowings + bonds)	642.4
Total cash	446.6
Net debt	195.8
Net debt/equity	10.4%
Net debt/fixed assets	8.8%



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

PERFORMANCE

PORTFOLIO

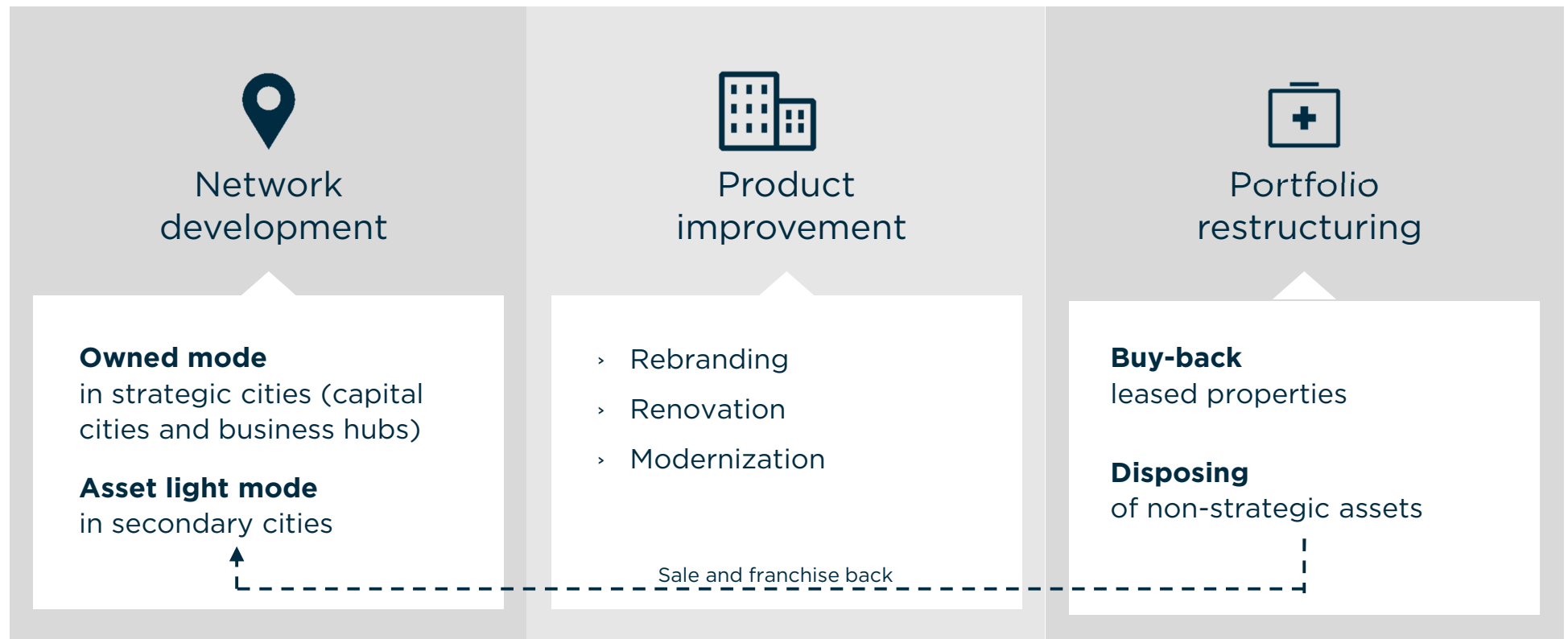
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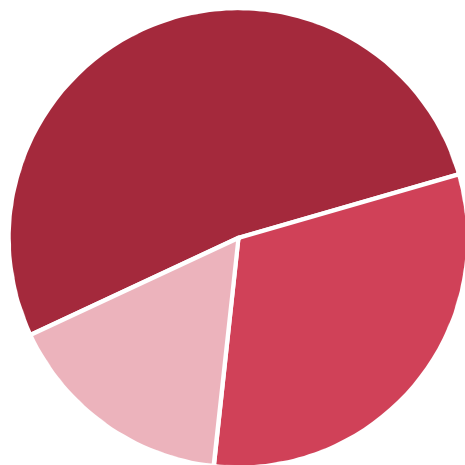


Capital reallocation to most promising projects to boost the EBITDA margin



Capital expenditure

CAPEX 9M 2016 – PLN 236.3 m



PLN 124.0 m
Buy-back

PLN 73.8 m
Development
projects

PLN 38.5 m
Regular and other



LEASE BUY BACK

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



NEW DEVELOPMENTS

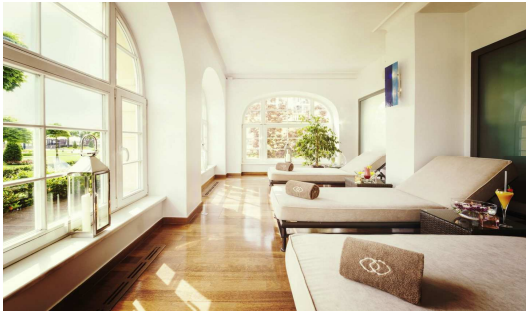
- > Mercure Kraków Stare Miasto
- > ibis Gdańsk Stare Miasto



REBRANDING/ RENOVATIONS

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

Constant upgrade of our product



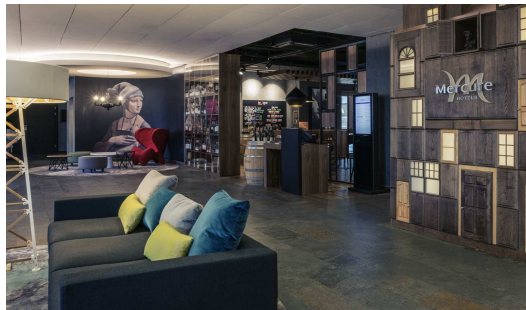
MODERNIZATION
Sofitel Grand Sopot



MODERNIZATION
Hotel Century Old Town
Prague MGallery Collection



MODERNIZATION
Mercure Warszawa Centrum



MODERNIZATION
Mercure Wrocław Centrum



MODERNIZATION
Novotel Kraków City West



MODERNIZATION
ibis Szczecin

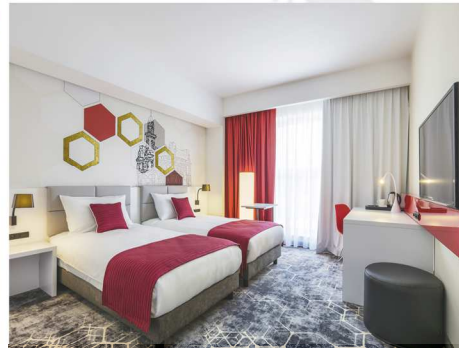
Further expansion in the region

117 HOTELS
19 800 ROOMS

> Mercure Kraków
Stare Miasto (200 rooms)

> ibis Gdańsk
Stare Miasto (120 rooms)

> ibis Styles
Nowy Sącz (57 rooms)



+4 new franchise or management agreements signed in 3Q 2016 for properties to be opened in the years to come

+27 hotels in the pipeline and being ready for any opportunity to further development

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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"



Talent and Culture

Shadow Comex

10 Millennials – women and men, from hotels and head office, from the whole Orbis region

new ideas

diversity of thoughts

disruptive approach **new perspective**

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Outlook



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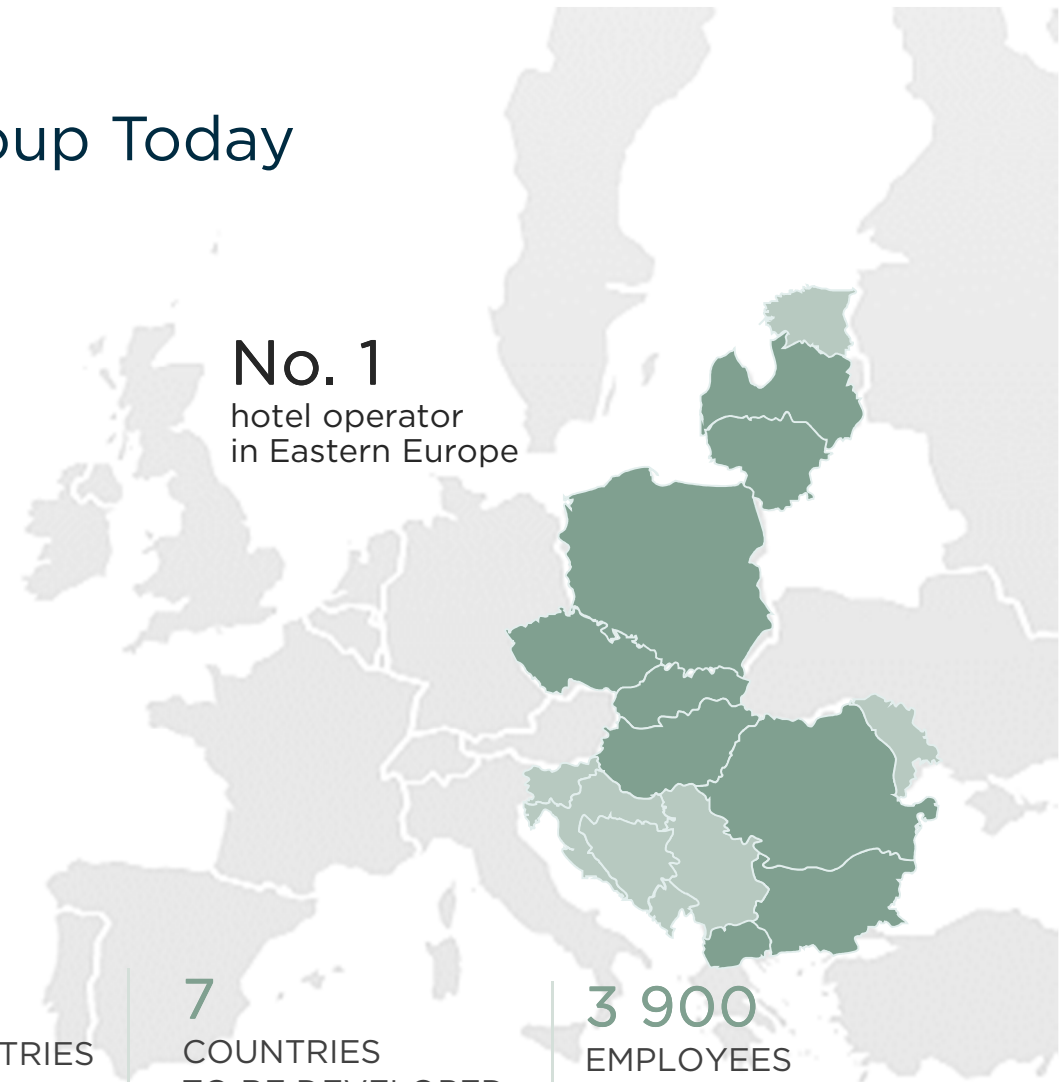
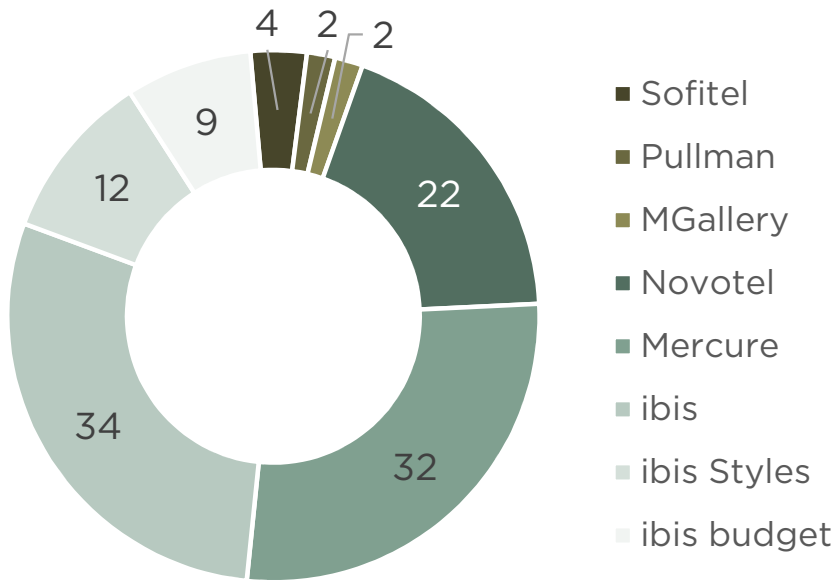
PEOPLE

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The Orbis Group Today



117
OPERATING
HOTELS

19 800
ROOMS

8
BRANDS

9
COUNTRIES

7
COUNTRIES
TO BE DEVELOPED

3 900
EMPLOYEES

Orbis
Hotel Group

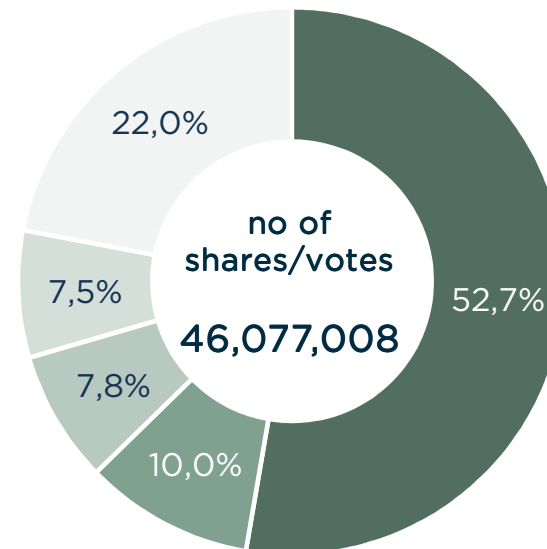
Orbis Group Hotels by Country and by Brand

	Sofitel	Pullman	MGallery	Novotel	Mercure	ibis	ibis Styles	ibis budget	Total
Poland	3			13	24	15	7	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	32	34	12	9	117

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 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 Raławice 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	F 42 Mercure Wisła Patria	F 130 ibis Styles Wałbrzych
O 78 Mercure Cieszyn	O 151 Mercure Wrocław Stare Miasto	F 133 ibis Styles Wrocław Centrum
O 102 Mercure Częstochowa Centrum	F 54 Mercure Zamość Stare Miasto	O 124 ibis budget Katowice Centrum
O 281 Mercure Gdańsk Stare Miasto	O 125 ibis Częstochowa	O 120 ibis budget Kraków Bronowice
O 294 Mercure Gdynia Centrum	O 120 ibis Gdańsk Stare Miasto	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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