



Orbis' strategic partner is  ACCOR

1H 2019 Results

31/07/2019

SOFITEL

PULLMAN



NOVOTEL

Mercure

adagio

ibis

ibis
STYLES

ibis
budget

Business Environment

EASTERN EUROPE

Macro

Fast growing economies
+3.3% average GDP
growth forecast in 2019.

Travel

Thriving travel industry
(UNWTO: **133 million tourist**
arrivals in CEE in 2017; +5%;
+3.5-4.5% - estimated growth
in 2018).

Digital

Changing guest
behaviors and their
expectations.

Labour

Challenging with
the record low
unemployment rates in key
markets.

Competition

Robust development
of international chains in main
marketplaces, negative impact
of supply growth.

Changing environment

We observe changes and disruptions in all our strategic areas: **PERFORMANCE, PORTFOLIO & PEOPLE.**

Strong results

THAT SUPPORT STRATEGY

1H 2019

RevPAR

1 +5.0% **PLN 189.5** RevPAR in total like-for-like
Outperforming the market in all countries

Asset light

3 12 12 new asset light hotels signed -
almost **1,600 new rooms**

Revenue

2 +4.8% Outstanding growth of like-for-like
revenue up to **PLN 666.1 million**

People

4 T&C Aon certifies Orbis **“Best Employer in Poland”**
for the second year in a row

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Performance

Continuation of RevPAR growth

Driven by both: OR & ADR

+5.0%

RevPAR growth
up to **PLN 189.5**

+0.4 PP

Increase of
Occupancy Rate
up to 71.3%

+4.4%

Increase of
Average Daily Rate
up to PLN 265.8



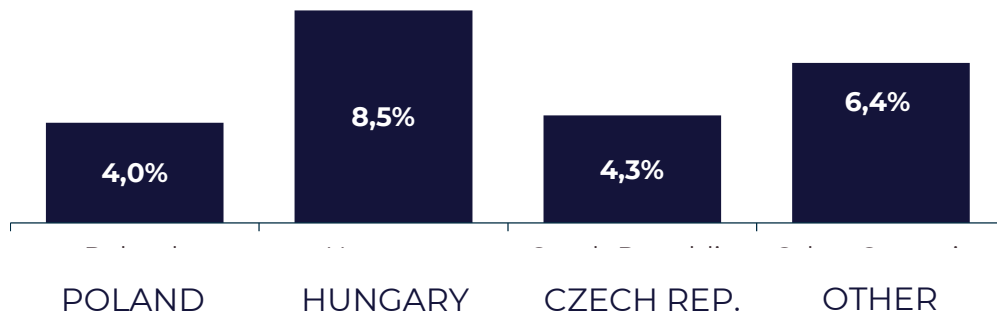
Solid performance in all countries

MARKET REVIEW

Orbis

+5.0%

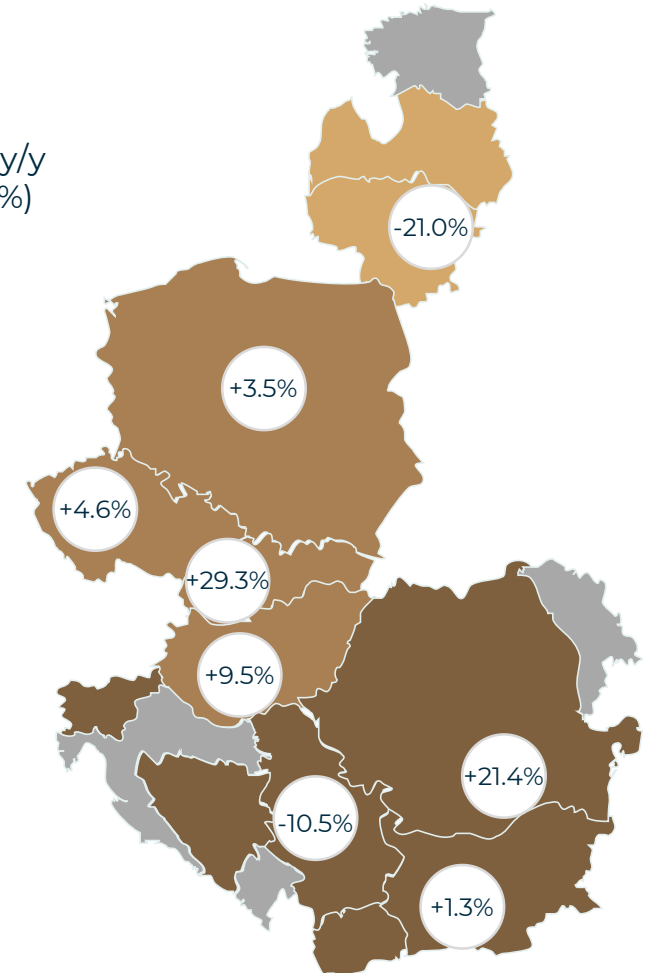
Group RevPAR growth by country (%)



Market

+5.6%

RevPAR growth y/y
in EE countries (%)
1H2019 YTD



Source: STR

Growing revenue continues

Total y/y like-for-like

+4.8%

Revenue
PLN +30.7m

+4.2%

Room Revenue
PLN +18.6m

+4.7%

F&B Revenue
PLN +7.6m

Across the region y/y like-for-like

+4.4%

Poland
PLN +18.4m

+7.5%

Hungary
PLN +9.1m

+5.1%

Czech Rep.
PLN +2.7m

+1.3%

Other
PLN 0.5m

Robust Financial Performance

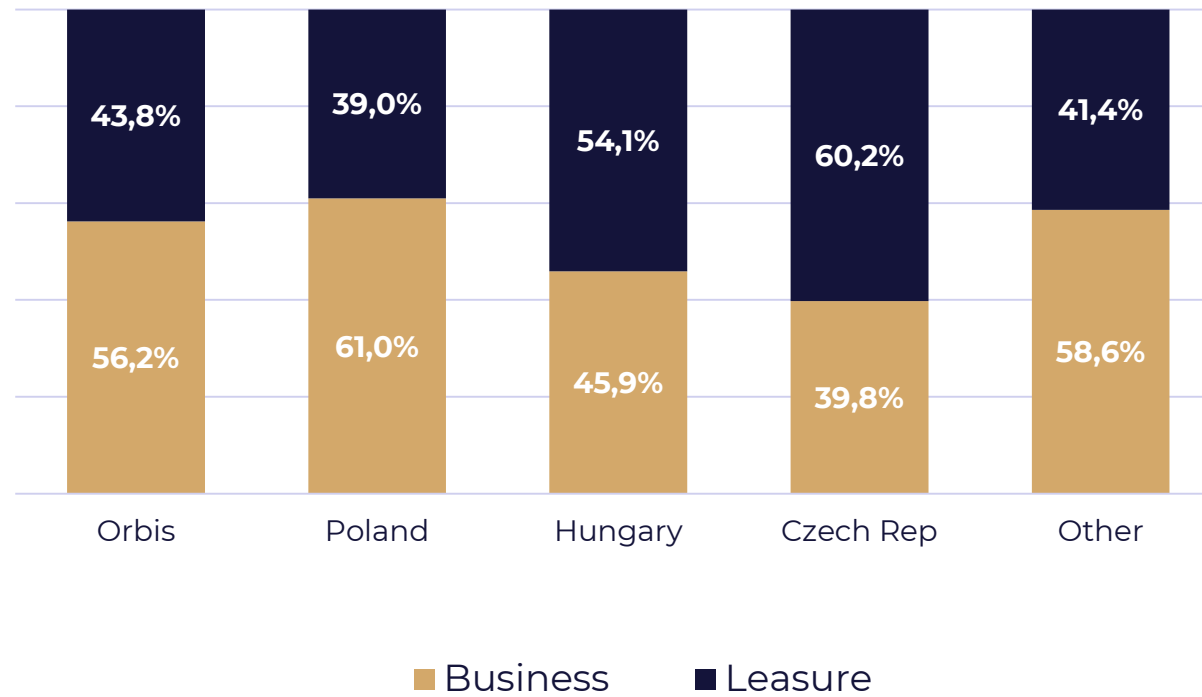
[mPLN, %]	1H2019	1H2018	%
Net sales like-for-like	666.1	635.4	+4.8%
EBITDAR	229.3	221.4	+3.6%
EBITDAR margin	34.4%	34.8%	-0.4 pp
Rent costs	(6.0)	(28.3)	-79%
Operating EBITDA like-for-like	218.8	183.3	+19.3%
EBITDA margin	32.8%	28.9%	+4.0 pp
Depreciation and amortization	(108.5)	(82.3)	+32%
EBIT	163.5	240.2	-31.9%
Profit before tax	143.8	233.6	-38.5%

Results

The trends observed over the first half, i.e. +4 p.p. operating margin, confirmed the growth robustness of the Company. Significant one-off impact on Orbis profit of the sale of Sofitel Budapest Chain Bridge in 1H2018.

Guest structure

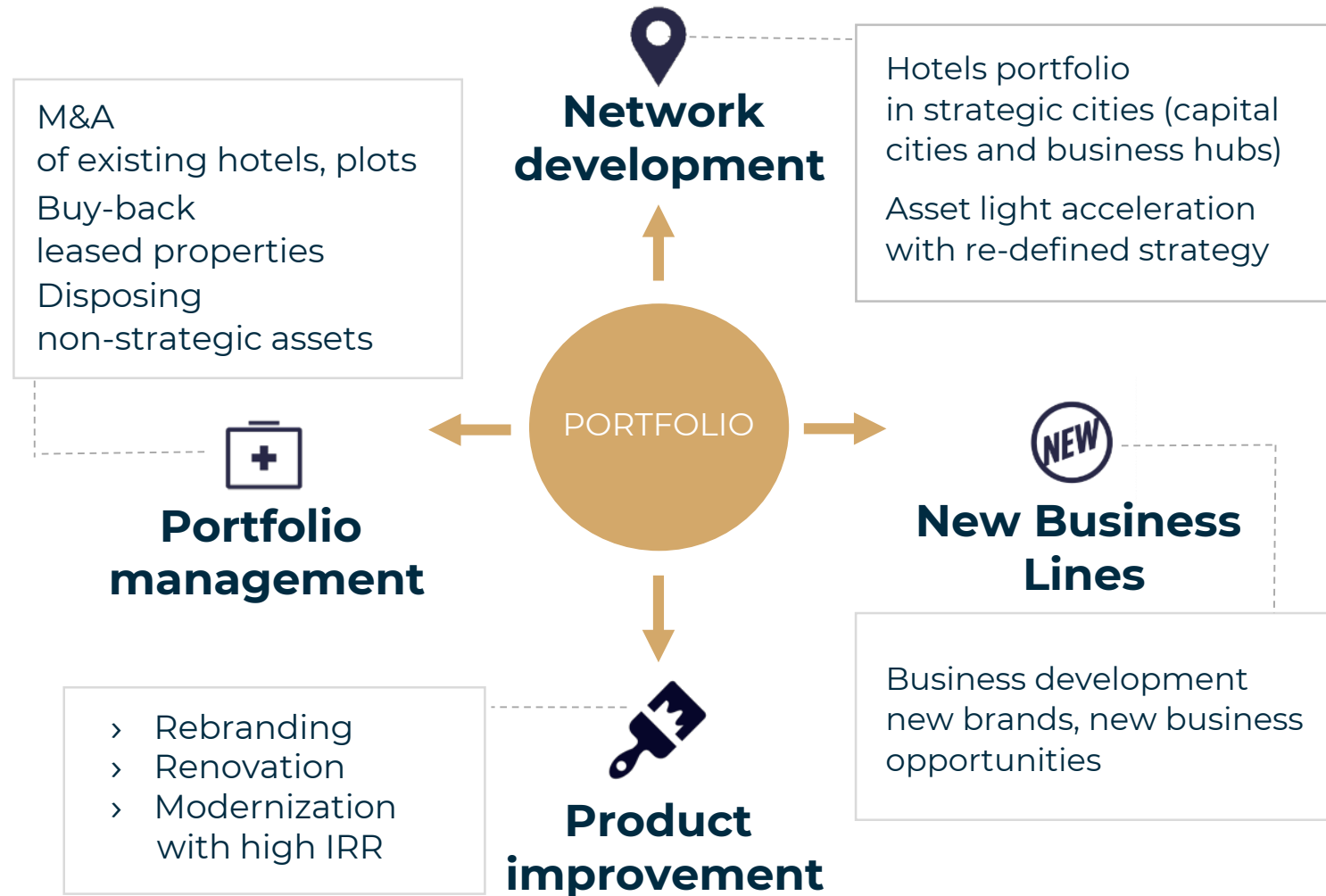
Orbis mix 1H2019



2

Portfolio

Hotel Portfolio strategy



Asset light development



1H 2019

12 new asset light agreements signed:

- in Poland, Romania, Bulgaria & Croatia
- MGallery, Mercure, Novotel, adagio, ibis, ibis Styles
- almost 1,600 rooms in total

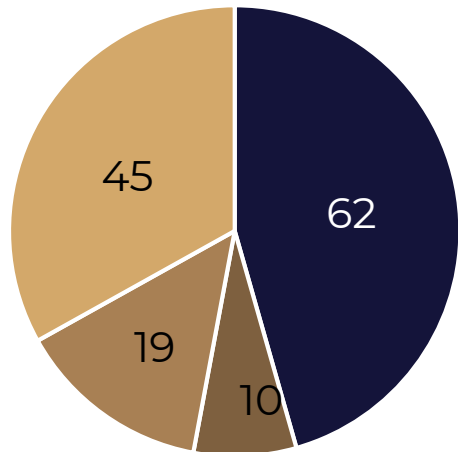
3 hotels opened:

- Bachleda Luxury Hotel - MGallery Collection - Kraków (64 apartments) - franchised
- Mercure Sibiu Airport (85 rooms) - franchised
- Ibis Tallinn (190 rooms) - managed

Record-high Pipeline

Our network

136 hotels
ca 22 000 rooms



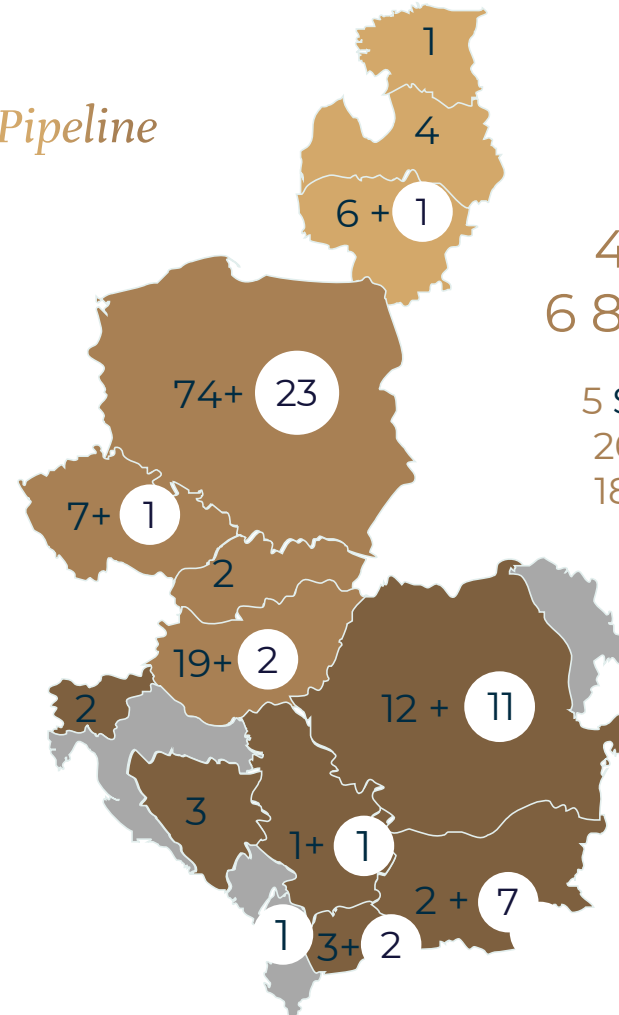
By operating mode

- Owned
- Leased
- Managed
- Franchised

Pipeline

49 hotels
6 850 rooms

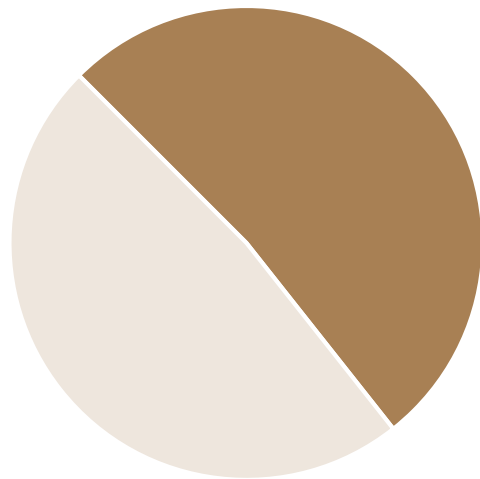
5 Subsidiaries
26 Managed
18 Franchise



Legend:
74 + (23)
Actual + pipeline

Capital expenditure in line with the strategy

CAPEX 1H2019 – **PLN 80.8m**



PLN 41.9m
Development
projects

PLN 38.9m
Regular and other

Development:

- > ibis Styles Szczecin Centrum

Renovation:

- > Novotel/ibis Poznan
- > Novotel Krakow City West
- > Sofitel Warsaw Victoria
- > Mercure Budapest Buda
- > Mercure Budapest Korona

3

People

Talent & culture



1H 2019

- The Heartist® trip – second edition, to connect the hearts of employees with those of our guests
- Our efforts have been awarded the second year in a row by **Aon with “Best employer 2019”** for Poland recognition

4

Orbis transformation

Orbis on its way to transform

Towards being focused on core business

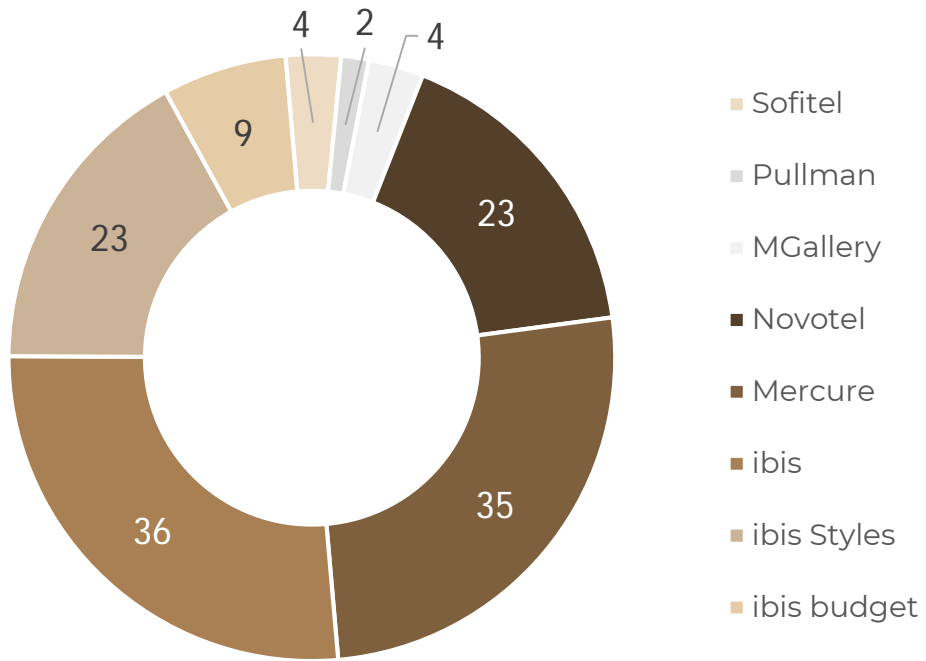
- Orbis launched the asset light business model in 2012 with ibis Kaunas (management contract in Lithuania). Since then **Orbis has succeeded to lead its network development over last 7 years through all operating modes**, by organic development, construction, acquisition and asset light. Today Orbis is strong with 136 hotels in 13 countries with a split between owned & leased (53%) and managed & franchised (47%).
 - During the whole period and since 20 years, **Orbis has been supported by its strategic partner and shareholder, Accor.**
 - Considering this new balanced network between asset heavy and asset light, we were considering to **adapt an organization in order to focus more towards all our owners and guests.**
 - Since the Accor tender offer and recent announcements aiming to become a pure asset light player in hospitality Orbis must take into consideration its new environment and growth relay outlook.
- **Orbis by splitting its 2 business model will be able to value the asset light business through a disposal to Accor and focus all its attention on its core business (asset heavy), which is its DNA.**

Once done, Orbis (with solely owned 73 hotels) will be ready to start a period of growth supported by a new shareholder sharing the same strategy.

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Appendix

The Orbis Group today



No. 1
hotel operator
in Eastern Europe

136
OPERATING
HOTELS

22,000
ROOMS

9
BRANDS

13
COUNTRIES

3
COUNTRIES
TO BE DEVELOPED

4,500
EMPLOYEES

Orbis Hotels by Country and by Brand

	Sofitel	Pullman	MGallery	Novotel	Mercure	ibis	ibis Styles	ibis budget	Total
Poland	3		1	13	21	16	11	9	74
Hungary	1		1	5	3	5	4		19
Czech Republic			1	1	1	4			7
Slovakia					1	1			2
Romania		1		1	4	4	2		12
Bulgaria				1		1			2
Macedonia					1	1	1		3
Lithuania				1	1	2	2		6
Latvia		1			1	1	1		4
Serbia					1				1
Bosnia & Herc.			1	1			1		3
Slovenia					1		1		2
Estonia						1			1
Total	4	2	4	23	35	36	23	9	136

List of Hotels with their ownership structure and rooms number

POLAND

O	127	Sofitel Grand Sopot	F	188	Mercure Jelenia Góra	O	190	ibis Poznań Centrum
O	343	Sofitel Warsaw Victoria	F	288	Mercure Kasprowy Zakopane	F	77	ibis Poznań Północ
L	205	Sofitel Wrocław Old Town	O	200	Mercure Kraków Stare Miasto	O	135	ibis Stare Miasto Kraków
F	64	Bachleda Luxury Hotel	F	100	Mercure Krynica Zdrój Resort & Spa	O	103	ibis Szczecin Centrum
O	158	Novotel Gdańsk Centrum	F	110	Mercure Lublin Centrum	O	189	ibis Warszawa Centrum
O	176	Novotel Gdańsk Marina	F	214	Mercure Mrongovia Resort & Spa	O	137	ibis Warszawa Ostrobramska
O	300	Novotel Katowice Centrum	F	103	Mercure Opole	O	170	ibis Warszawa Reduta
O	305	Novotel Kraków City West	F	62	Mercure Piotrków Trybunalski Vestil	O	333	ibis Warszawa Stare Miasto
O	198	Novotel Kraków Centrum	O	151	Mercure Posejdon Gdańsk	O	112	ibis Wrocław Centrum
O	161	Novotel Łódź Centrum	O	228	Mercure Poznań Centrum	F	129	ibis Styles Białystok
O	480	Novotel Poznań Centrum	F	67	Mercure Raławice Dosłońce Conference & SPA	F	133	ibis Styles Bielsko-Biała
O	149	Novotel Poznań Malta	F	148	Mercure Skalny Karpacz	F	70	ibis Styles Gniezno Stare Miasto
O	117	Novotel Szczecin	F	110	Mercure Toruń	F	57	ibis Styles Nowy Sącz
O	281	Novotel Warszawa Airport	F	117	Mercure Warszawa Airport	F	100	ibis Styles Siedlce
O	742	Novotel Warszawa Centrum	O	338	Mercure Warszawa Centrum	F	130	ibis Styles Wałbrzych
O	145	Novotel Wrocław City	O	299	Mercure Warszawa Grand	F	220	ibis Styles Warszawa City
O	192	Novotel Wrocław Centrum	O	151	Mercure Wrocław Stare Miasto	O	179	ibis Styles Warszawa Centrum
F	90	Mercure Bydgoszcz Sepia	F	125	ibis Częstochowa	F	193	ibis Styles Warszawa West
F	78	Mercure Cieszyn	O	120	ibis Gdańsk Stare Miasto	F	133	ibis Styles Wrocław Centrum
F	102	Mercure Częstochowa Centrum	F	114	ibis Zabrze	F	82	ibis Styles Grudziądz
O	281	Mercure Gdańsk Stare Miasto	O	114	ibis Kielce Centrum	O	124	ibis budget Katowice Centrum
O	294	Mercure Gdynia Centrum	O	175	ibis Kraków Centrum	O	120	ibis budget Kraków Bronowice
			O	208	ibis Łódź Centrum	O	167	ibis budget Kraków Stare Miasto

List of Hotels with their ownership structure and rooms number

- O 120 ibis budget Szczecin
- F 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
- O 164 ibis Vilnius 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

- M 357 Sofitel Budapest Chain Bridge
- M 80 Nemzeti Budapest – MGallery
- L 227 Novotel Budapest Centrum
- O 319 Novotel Budapest City
- L 175 Novotel Budapest Danube
- M 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
- M 145 ibis Styles Budapest Airport
- M 114 ibis Styles Budapest Citywest

CZECH REPUBLIC

- L 174 MGallery Praha Old Town
- O 146 Novotel Praha Wenceslas Square
- O 139 Mercure Ostrava Center
- M 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

SERBIA

- M 72 Mercure Belgrade Excelsior

ESTONIA

- F 190 ibis Tallinn

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
- M 52 Mercure Sighisoara Binderbubi
- M 95 Mercure Bucharest Unirii
- F 72 ibis Styles Arad
- M 80 ibis Styles Bucharest Erbas
- M 85 Mercure Sibiu

BULGARIA

- M 178 Novotel Sofia
- F 84 ibis Sofia Airport

MACEDONIA

- M 110 ibis Skopje City Center
- M 47 ibis Styles Skopje
- F 101 Mercure Tetovo

BOSNIA & HERZEGOVINA

- F 186 Novotel Sarajevo
- F 64 MGallery by Sofitel Tarcin Forest
- F 181 ibis Styles Sarajevo

SLOVENIA

- F 71 ibis Styles Maribor City Center
- F 76 Mercure Maribor City Center

Orbis

Hotel Group

SOFITEL pullman  NOVOTEL Mercure adagio ibis  