



THE LEADING HOTEL GROUP
IN EASTERN EUROPE

1Q 2018 Orbis Results

27 April 2018



SOFITEL pullman NOVOTEL Mercure adagio ibis ibis STYLES ibis budget

Strong results that confirm the right strategy

PERFORMANCE


+5.8%
RevPAR

- Increasing operating indicators in all countries of the EE region
- **PLN 136** RevPAR in total like-for-like


+5.9%
EBITDA

1Q 2018 operating EBITDA reached level of **PLN 40.4 m**


5
Asset-light

5 new franchise and management hotels opened with over **600 rooms** in total in 1Q


Talent & Culture

Aon Hewitt recognized Orbis as **Best Employer in Poland**

PORTFOLIO

PEOPLE

01. PERFORMANCE

OPERATING PERFORMANCE

FINANCIAL RESULTS

02. PORTFOLIO

DEVELOPMENT & ASSET MANAGEMENT

03. PEOPLE

TALENT AND CULTURE



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Strong RevPAR growth

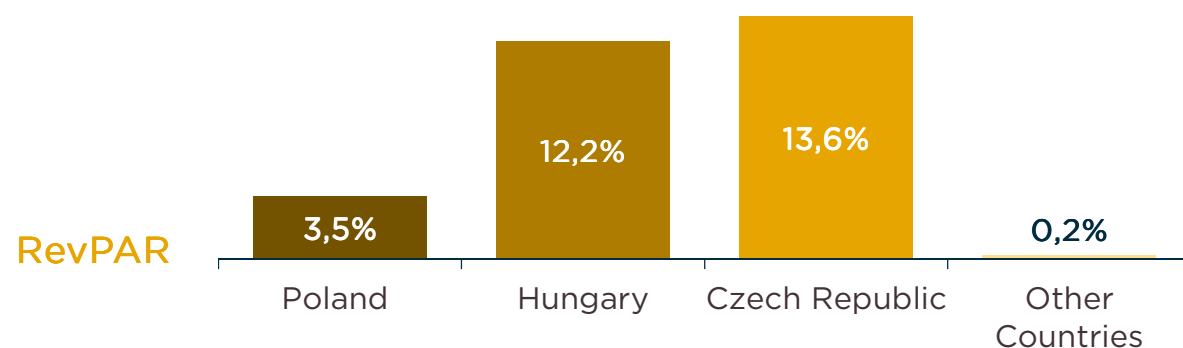
	Occupancy rate		ARR		RevPAR	
	1Q 2018	% y/y	1Q 2018	% y/y	1Q 2018	% y/y
Economy	63.2%	1.3 p.p.	153.2	3.3%	96.8	5.6%
Up & Midscale	59.9%	1.0 p.p.	261.5	4.0%	156.7	5.9%
Orbis Hotel Group	61.1%	1.2 p.p.	222.7	3.8%	136.0	5.8%


RevPAR
+5.8%

The result reflects the combined impact of successful revenue management approach, active distribution and channel management strategy and is supported by favourable touristic climate all over the region

Solid performance in all countries

	Occupancy rate		ARR		RevPAR	
	1Q 2018	% y/y	1Q 2018	% y/y	1Q 2018	% y/y
	PLN					
Poland	61.0%	0.8 p.p.	219.1	2.1%	133.7	3.5%
Hungary	58.7%	3.0 p.p.	226.9	6.4%	133.2	12.2%
Czech Rep.	61.6%	-0.4 p.p.	215.0	14.5%	132.4	13.6%
Other	71.2%	0.1 p.p.	260.5	0.1%	185.5	0.2%



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Revenue split

Total y/y

+2.1%

Revenue
PLN +5.5m

+3.1%

Room Revenue
PLN +5.3m

-0.9%

F&B Revenue
PLN -0.7m

Across the region y/y

-1.3%

Poland
PLN -2.2m

+11.4%

Hungary
PLN +6.2m

+8.4%

Czech Rep.
PLN +1.6m

0%

Other
PLN 0m

financial PERFORMANCE

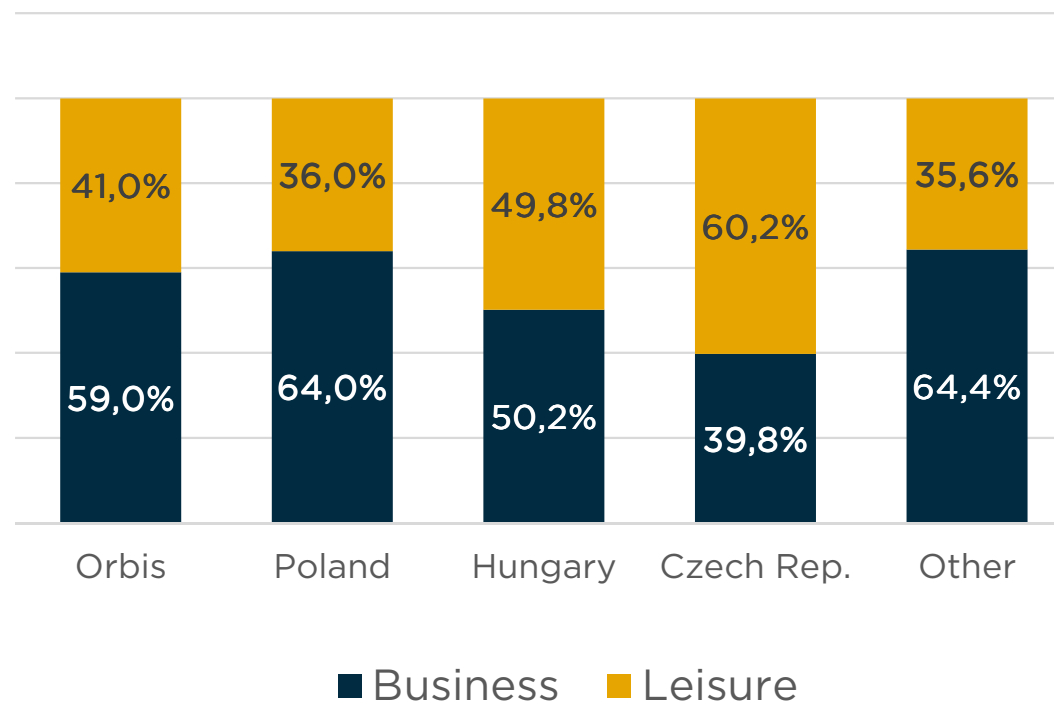
[mPLN, %]	1Q 2018	1Q 2017	%
Net sales	271.5	266.0	2.1%
EBITDAR	53.7	56.9	-5.6%
EBITDAR margin	19.8%	21.4%	-1.6 pp
Rent costs	(13.3)	(18.8)	-29.1%
Operating EBITDA	40.4	38.1	5.9%
EBITDA margin	14.9%	14.3%	+0.6 pp
Depreciation and amortisation	(41.9)	(41.6)	+0.8%
EBIT	(1.4)	(0.4)	-280%
Profit before tax	(4.9)	(12.2)	+59.4%



Mercure Lublin Centrum

Guests Structure

Revenue management approach
affecting business mix



Secured and strong cash position

Key cash position indicators:

[mPLN, %] 1Q 2018

Total debt (borrowings + bonds)	559.2
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Total cash Secured for investment opportunities	192.7
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Net debt	366.5
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Net debt/equity	17.6%
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Net debt/12M EBITDA	0.8
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FINANCING

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



CASH GENERATION

Our business delivers sustainable recurring operating cash flow which we use for CAPEX, Development and dividend payout

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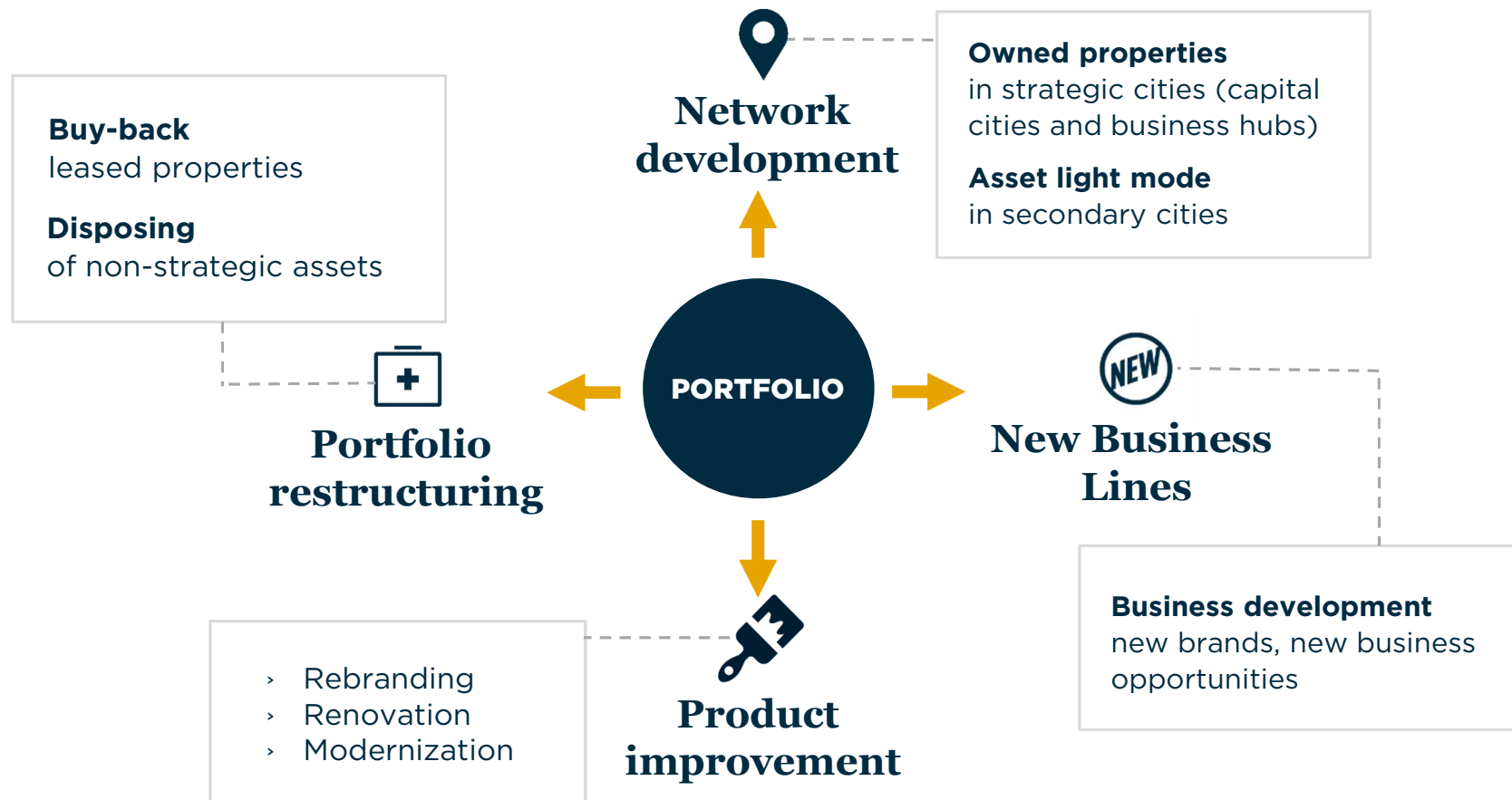
DEVELOPMENT & ASSET MANAGEMENT

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PORTFOLIO - Our winning strategy



1Q

Hotels opened

5 asset light

600+ rooms

1 new destination:
Slovenia

Contracts signed

4 agreements:

3 franchise

1 management

550+ new rooms

Development acceleration

New in Orbis Group
in 1Q 2018:



ibis Styles
Warszawa City
Poland
(#220) franchised



ibis Styles
Budapest Airport
Hungary
(#145) managed



ibis Styles
Maribor City Center
Slovenia
(#71) franchised



Mercure
Maribor City Center
Slovenia
(#76) franchised



Mercure
Tetovo
Macedonia
(#101) franchised

Orbis
Hotel Group

Constant upgrade of hotels



MAIN RENOVATIONS

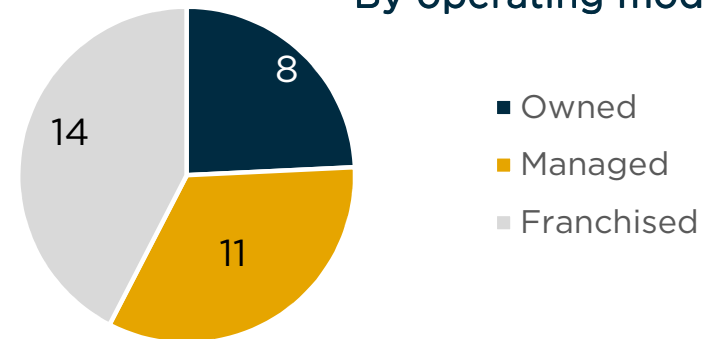
- Sofitel Warsaw Victoria
- ibis Warszawa Centrum
- Novotel & ibis Poznań Centrum
- Mercure Budapest Korona
- Mercure Budapest Buda

Pipeline

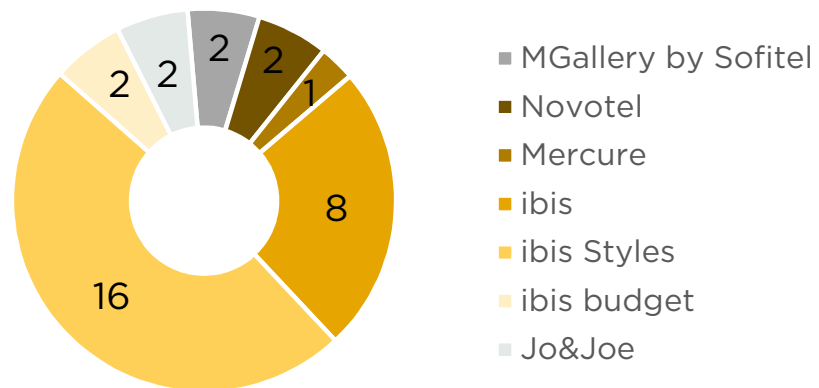
33 hotels

4 812 rooms

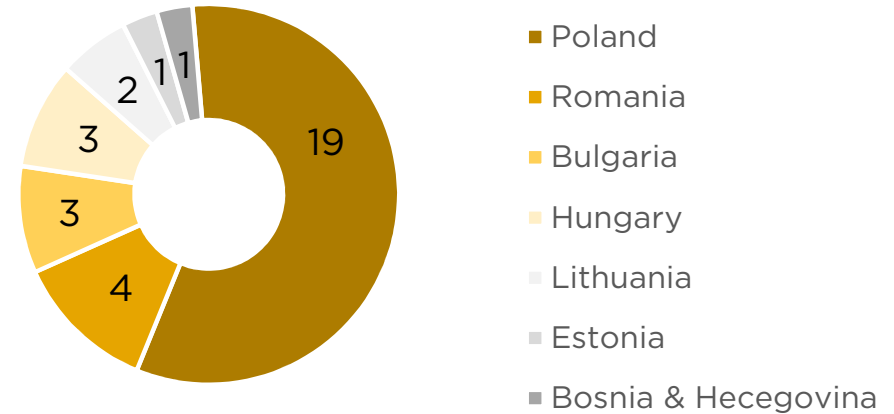
By operating mode



By brand

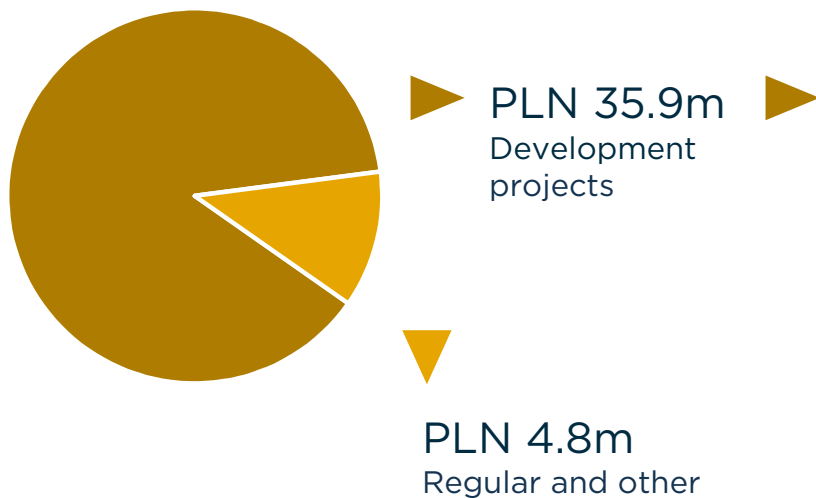


By country



Capital expenditure in line with the strategy

CAPEX 1Q 2018 – **PLN 40.7m**



DEVELOPMENT /RENOVATIONS

- ibis Warszawa Centrum
- Novotel & ibis Poznań Centrum
- Sofitel Warsaw Victoria
- Mercure Budapest Korona
- Mercure Budapest Buda
- ibis Styles Warszawa Centrum
- ibis Vilnius

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Ongoing cultural change



The Heartist® program aiming at making Orbis talents to be natural & authentic while serving guests and cooperating with each other



**Best Employer
in Poland**

AON Hewitt
the 2017 “Employee
Engagement Survey”

Promising outlook



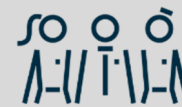
Performance

The outlook for countries across the EE region economic growth remains positive with **3.4% average GDP growth**



**+33
Hotels**

Our **development pipeline is strong** and secured with **33 hotels** and we remain **looking for further hotel acquisitions** and growth opportunities



Talent & Culture

Group's cultural transformation underway with **first promising achievements** despite complex employment market in the region

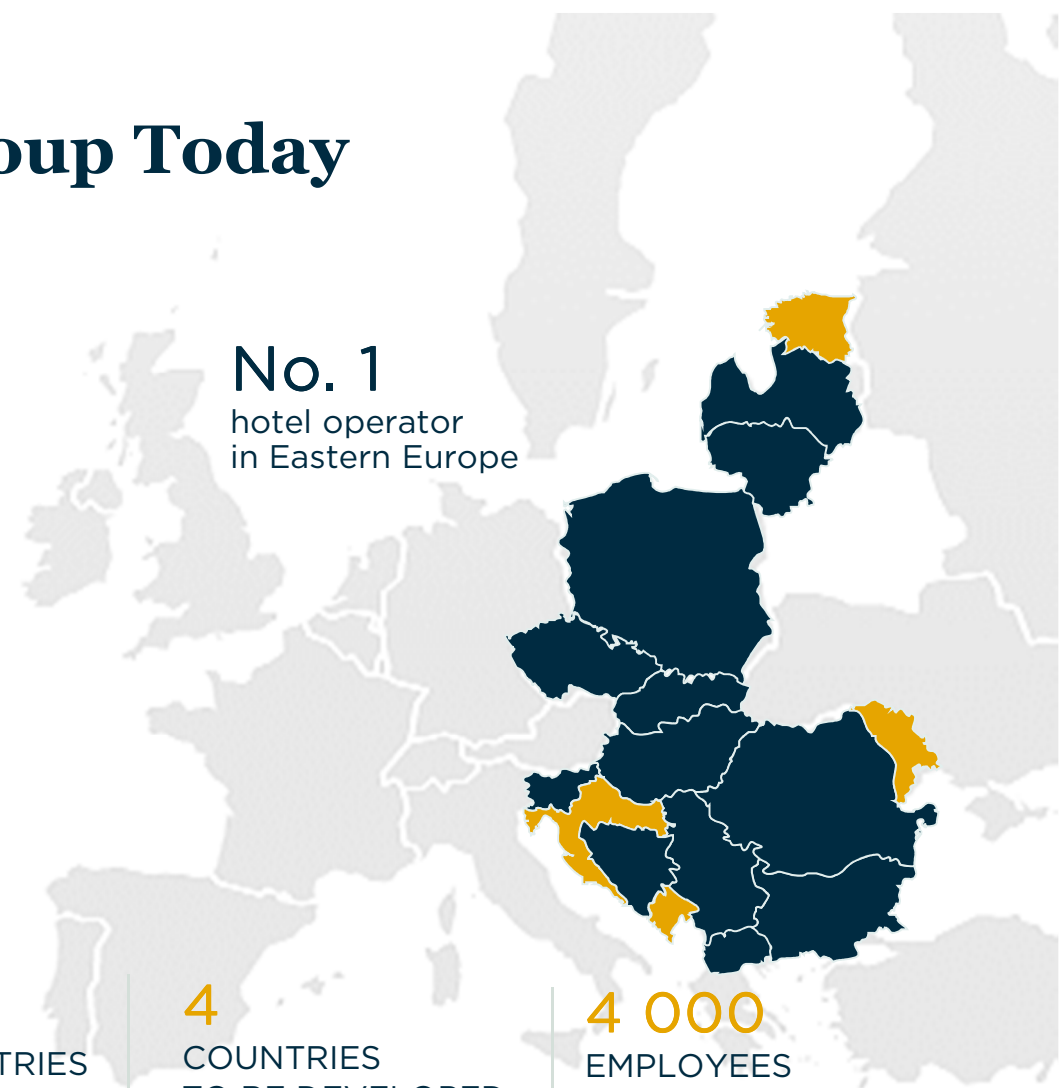
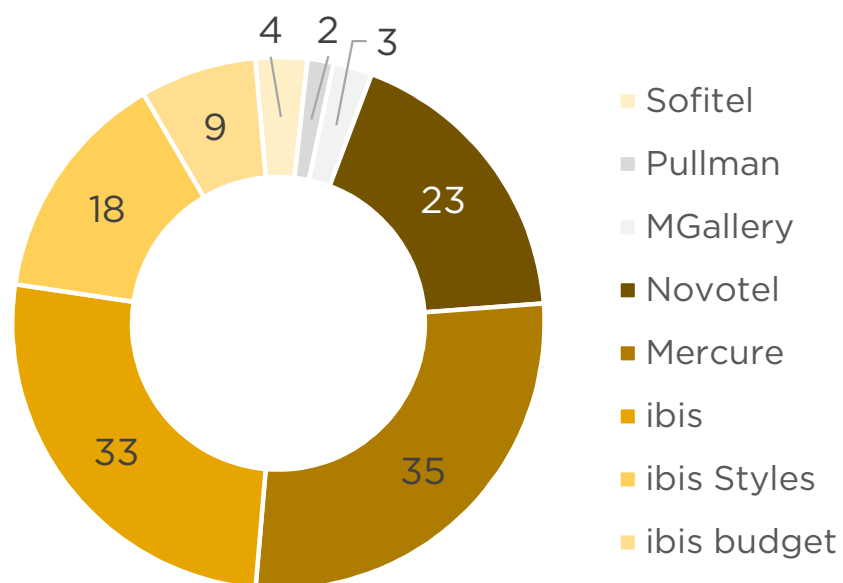


Dividend

Solid operating performance, strong cash position and favourable market forecasts enabled to give recommendation to the dividend payment at **PLN 1.6 per share**

Q&A session

The Orbis Group Today



127
OPERATING
HOTELS

20 854
ROOMS

9
BRANDS

12
COUNTRIES

4
COUNTRIES
TO BE DEVELOPED

4 000
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	22	15	9	9	71
Hungary	1		1	5	3	5	3		18
Czech Republic			1	1	1	4			7
Slovakia					1	1			2
Romania		1		1	3	4	1		10
Bulgaria				1		1			2
Macedonia					1	1	1		3
Lithuania				1	1	1	2		5
Latvia		1			1	1	1		4
Serbia					1				1
Bosnia & Herc.			1	1					2
Slovenia					1		1		2
Total	4	2	3	23	35	33	18	9	127

List of Hotels with their ownership structure and rooms number

POLAND

O	127	Sofitel Grand Sopot	F	188	Mercure Jelenia Góra	O	208	ibis Łódź Centrum
O	343	Sofitel Warsaw Victoria	F	288	Mercure Kasprowy Zakopane	O	146	ibis Poznań Centrum
L	205	Sofitel Wrocław Old Town	O	200	Mercure Kraków Stare Miasto	F	77	ibis Poznań Północ
O	158	Novotel Gdańsk Centrum	F	100	Mercure Krynica Zdrój Resort & Spa	O	135	ibis Stare Miasto Kraków
O	176	Novotel Gdańsk Marina	F	110	Mercure Lublin Centrum	O	103	ibis Szczecin Centrum
O	300	Novotel Katowice Centrum	F	214	Mercure Mrongovia Resort & Spa	O	189	ibis Warszawa Centrum
O	305	Novotel Kraków City West	F	103	Mercure Opole	O	137	ibis Warszawa Ostrobramska
O	198	Novotel Kraków Centrum	F	62	Mercure Piotrków Trybunalski Vestil	O	170	ibis Warszawa Reduta
O	161	Novotel Łódź Centrum	O	151	Mercure Posejdon Gdańsk	O	333	ibis Warszawa Stare Miasto
O	480	Novotel Poznań Centrum	O	228	Mercure Poznań Centrum	O	112	ibis Wrocław Centrum
O	149	Novotel Poznań Malta	F	67	Mercure Raclawice Dosłońce Conference & SPA	F	129	ibis Styles Białystok
O	117	Novotel Szczecin	F	148	Mercure Skalny Karpacz	O	133	ibis Styles Bielsko-Biała
O	281	Novotel Warszawa Airport	F	110	Mercure Toruń	F	70	ibis Styles Gniezno Stare Miasto
O	742	Novotel Warszawa Centrum	F	117	Mercure Warszawa Airport	F	57	ibis Styles Nowy Sącz
O	145	Novotel Wrocław City	O	338	Mercure Warszawa Centrum	F	100	ibis Styles Siedlce
O	192	Novotel Wrocław Centrum	O	299	Mercure Warszawa Grand	F	130	ibis Styles Wałbrzych
F	90	Mercure Bydgoszcz Sepia	O	151	Mercure Wrocław Stare Miasto	F	220	ibis Styles Warszawa City
O	78	Mercure Cieszyn	F	125	ibis Częstochowa	F	133	ibis Styles Wrocław Centrum
F	102	Mercure Częstochowa Centrum	O	120	ibis Gdańsk Stare Miasto	F	82	ibis Styles Grudziądz
O	281	Mercure Gdańsk Stare Miasto	F	114	ibis Katowice-Zabrze	O	124	ibis budget Katowice Centrum
O	294	Mercure Gdynia Centrum	O	114	ibis Kielce Centrum	O	120	ibis budget Kraków Bronowice
			O	175	ibis Kraków 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
- 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

- O 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
- 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
- M 145 ibis Styles Budapest Airport

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
- M 52 Mercure Sighisoara Binderbubi
- M 95 Mercure Bucharest Unirii
- F 72 ibis Styles Arad

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

SERBIA

- 73 72 Mercure Belgrade Excelsior

BOSNIA & HERZEGOVINA

- F 186 Novotel Sarajevo
- F 64 MGallery by Sofitel Tarcin Forest

SLOVENIA

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

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SOFITEL



PULLMAN

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