



THE LEADING HOTEL GROUP
IN EASTERN EUROPE

2018 Orbis Results

21 February 2019

SOFITEL

PULLMAN



NOVOTEL

Mercure

adagio

ibis

ibis
STYLES

ibis
budget

SOFITEL

PULLMAN

NOVOTEL

MERCURE

IBIS

Business Environment in Eastern Europe

PERFORMANCE

Macro

Fast growing economies **+3.6%** average GDP growth in 2018

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

F&B

New F&B concepts and food trends

Labour market

Challenging with the record low unemployment rates in key markets

Competition

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

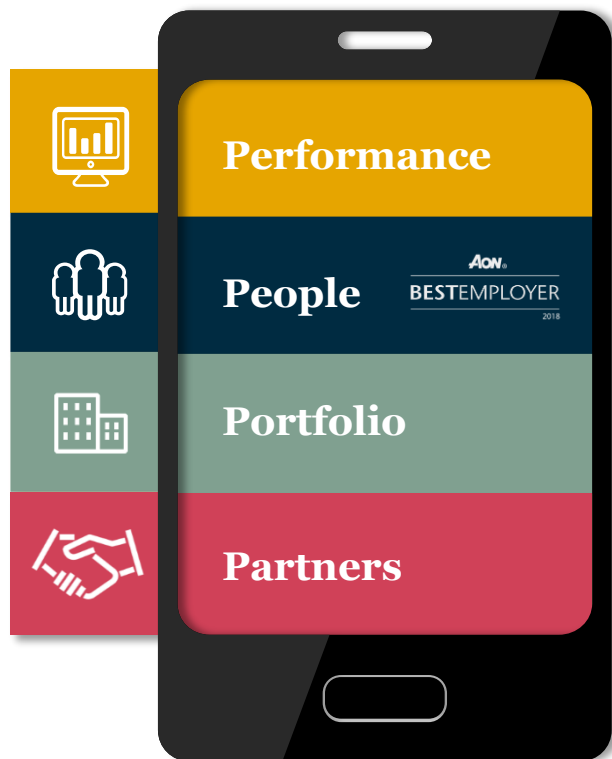
PEOPLE

PORTFOLIO & PARTNERS



Next record high year – for the 5 years in the row

Major achievements in key areas of focus in 2018



-• **+7.8%** EBITDA up to PLN 478 m (like-for-like)
+0.81 pp reputation up to **85.21**
-• Aon **"Best Employer 2018"**
+3 pp talents engagement
-• **2** subsidiary hotels opened
PLN **349 m** Capex for product enhancement
-• **9** franchise & managed hotels opened
20 new asset light agreements signed

Performance

The image shows a contemporary lounge or performance space. On the left, a wall is composed of vertical wooden slats. The room is furnished with several blue upholstered sofas and wooden-framed armchairs. Small, round wooden tables with metal legs are placed among the seating. The ceiling features exposed wooden beams and several pendant lights with glass shades. Large floor-to-ceiling windows on the right side of the room offer a panoramic view of a mountainous landscape under a clear sky. The floor is made of light-colored stone tiles.

Continuation of RevPar growth

Total y/y like for like

-1 pp

Occupancy
73.4%

+5.1%

Average Room
Rate
PLN 259.5

+3.8%

RevPAR
PLN 190.6

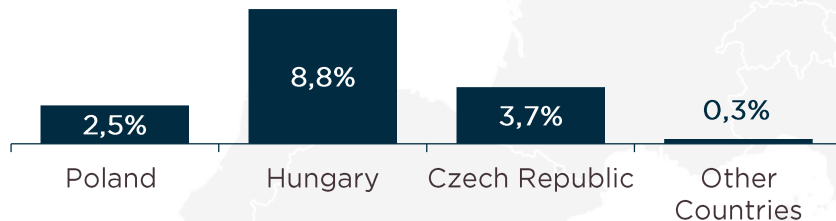
Successful RevPAR
strategy through ARR

Solid performance in all countries

55% hotel revenue generated
by 3 capital cities:

Warsaw, Budapest and Prague

Orbis RevPAR growth by country (%)



3.8%

Orbis

Market

2.1%

-6.4%

-0.3%

+0.4%

+1.2%

+9.0%

-3.0%

RevPAR growth y/y
in EE countries (%)
12M2018 YTD

+3.8%

+15.4%

Source: STR Global

Growing revenue continued...

Total y/y like-for-like

+4.1%

Revenue
PLN +56.1m

+4.0%

Room Revenue
PLN +37.9m

+1.3%

F&B Revenue
PLN +4.6m

Across the region y/y like-for-like

+3.3%

Poland
PLN +28.3m

+8.5%

Hungary
PLN +25.3m

+1.9%

Czech Rep.
PLN +2.2m

+0.3%

Other
PLN +0.3m

....and turned into robust financial **PERFORMANCE**

[mPLN, %]	2018	2017	%
Net sales like-for-like	1 433.5	1 377.4	4.1%
EBITDAR	537.1	532.4	0.9%
EBITDAR margin	37.5%	38.6%	-1.1 pp
Rent costs	57.7	64.0	-9.8%
Operating EBITDA like-for-like	478.0	443.6	7.8%
EBITDA margin	33.3%	32.2%	1.1 pp
Depreciation and amortisation	170.6	164.1	4.0%
EBIT	437.3	315.7	38.5%
Profit before tax	421.1	286.6	46.9%

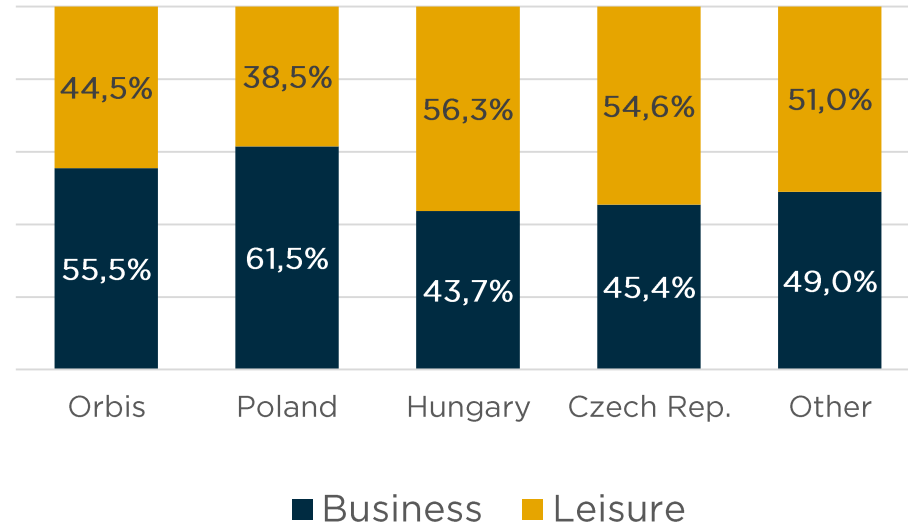
Record high operating EBITDA margin, in line with forecast and confirming management capabilities to face market constraints



Guests Structure

Orbis mix 2018

Revenue management
approach affecting
business mix



Guests Experience Enhancing Top line



Guests
8 million

REPUTATION
+0.81 pp
UP TO **85.21**



Loyalty



The Best
Loyalty Program

Brands



MUSIC
LIVES HERE



Travel & Tourism



Social media

Sales/ Digital

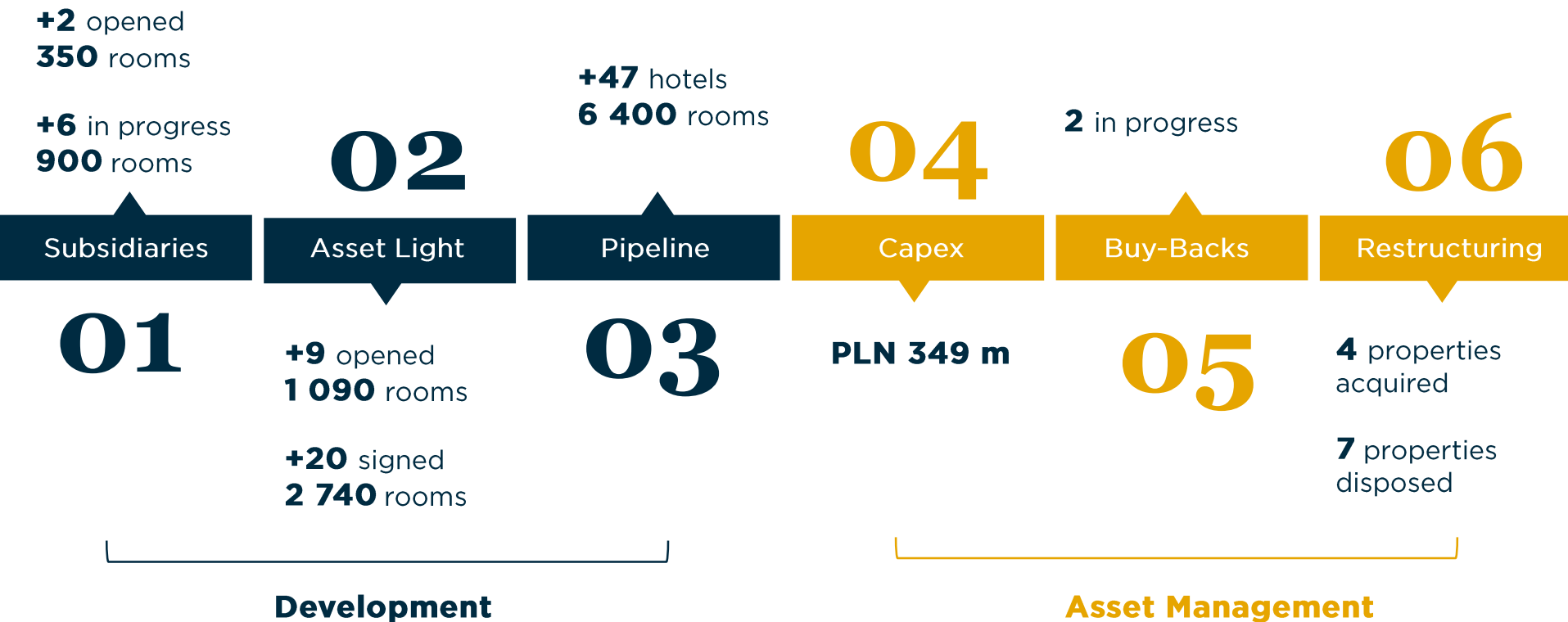


Stepping into
online sales for
Meeting &
Events

A modern meeting room with a large white conference table, yellow chairs, and two large yellow pendant lamps. The wall features a vibrant mural of a woman in a blue dress and a hand holding a book. A large window on the left shows a city street with a white building. A whiteboard on a stand is on the right.

Portfolio

The year marked by upgrading our Portfolio



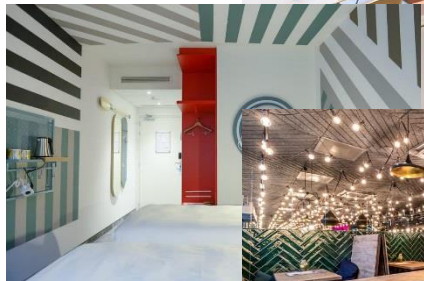
NEW

Development subsidiaries

ibis Styles Warszawa Centrum



- **179 Rooms**
- 4 Conference rooms
- 13 months (development)
- CAPEX: PLN 48m



ibis Vilnius Centre



- **164 Rooms**
- 2 Conference rooms
- CAPEX: PLN 48m



2018

9 asset light
hotels opened

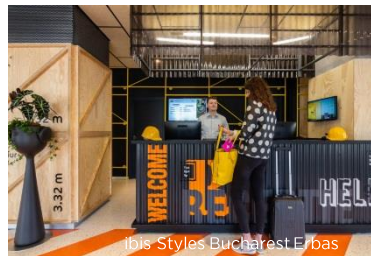
1 090 rooms

Contracts signed

20 agreements:
franchise
management

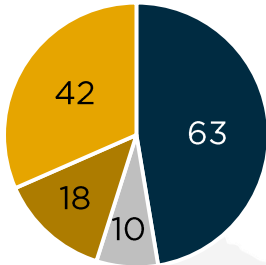
2 740 new rooms

Rapid Asset Light Development



Record high pipeline - towards more balanced network

Our network
133 hotels
21 600 rooms



By operating mode

- Owned
- Leased
- Managed
- Franchised

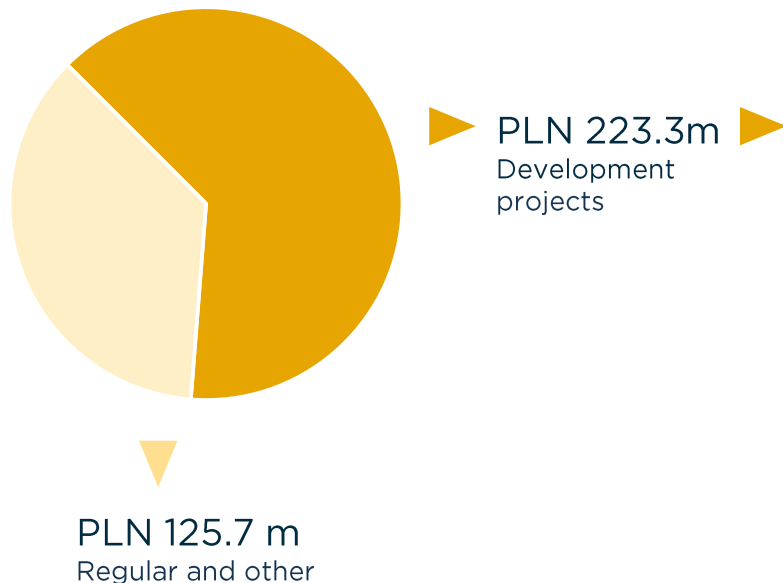
Pipeline

47 hotels
6 400 rooms

6 Subsidiaries
23 Managed
18 Franchise

Capital expenditure in line with the strategy

CAPEX 2018 – **PLN 349m**



DEVELOPMENT / RENOVATIONS

Development:

- › ibis Styles Warszawa Centrum
- › ibis Vilnius Centre

Renovation:

- › Novotel/ibis Poznan
- › Novotel Krakow City West
- › Sofitel Warsaw Victoria
- › Mercure Budapest Buda
- › Mercure Budapest Korona
- › Mercure Budapest City Center
- › Novotel Katowice Centrum

Further restructuring of asset portfolio

Acquisition



- › Mercure Bucharest Unirii
 - › Hotel: 95 rooms
- › ibis Vilnius Centre
 - › property in shell & core with installation stage (161 Rooms)



- › 2 plots for own hotel construction
 - › Worcella street in the Cracow city center

Sale



Sale and management/franchise back of non-strategic hotels:

- › Sofitel Budapest Chain Bridge
- › ibis Pilsen
- › Novotel Szeged

- › Mercure Cieszyn
- › Ibis Styles Bielsko-Biała

Managed Franchised

A photograph of two women sitting on a green sofa in a modern, brightly lit living room. The woman on the left, with dark curly hair and wearing a yellow sweater, is blowing a large pink bubble with gum. The woman on the right, with blonde hair in a bun and wearing a white grid-patterned shirt with eye graphics, is laughing and looking at her. The room features large windows with green plants, a red crocodile sculpture on a wooden shelf, a colorful abstract painting, and a white shelving unit with purple curtains in the background. In the foreground, a dining table with white chairs and green napkins is partially visible.

People

Talents – the Greatest Asset



TALENTS
ENGAGEMENT

+3 pp

UP TO **72%**

Poland

Hungary

AON

BESTEMPLOYER

2018

EMPLOYER FRIENDLY
TO DISABLED 2018

-0.4 pp

rotation rate

Talents

4,500

+1,000

(franchise)

Key points for a remarkable 2018

+4.1%

Top Line

+3.8%

RevPAR

+1.1pp

EBITDA
margin

+0.81pp

Guest
reputation

20

Contracts
signed

12

Hotel
openings

47

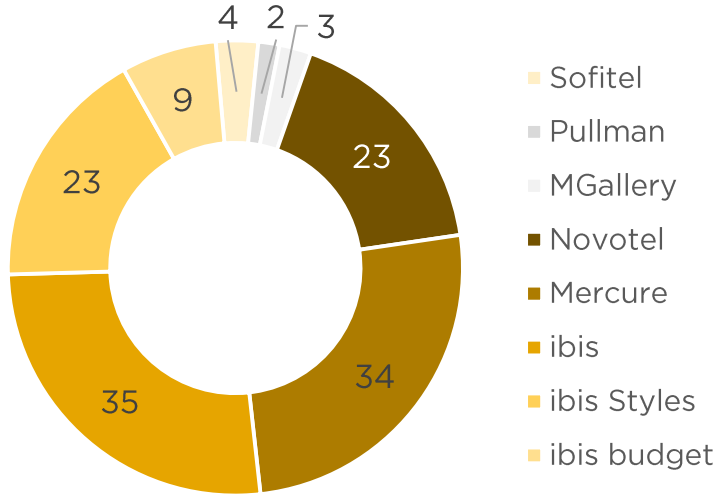
Secured
Pipeline

+3pp

Employee
satisfaction

Q&A session

The Orbis Group Today



133
OPERATING
HOTELS

21,600
ROOMS

9
BRANDS

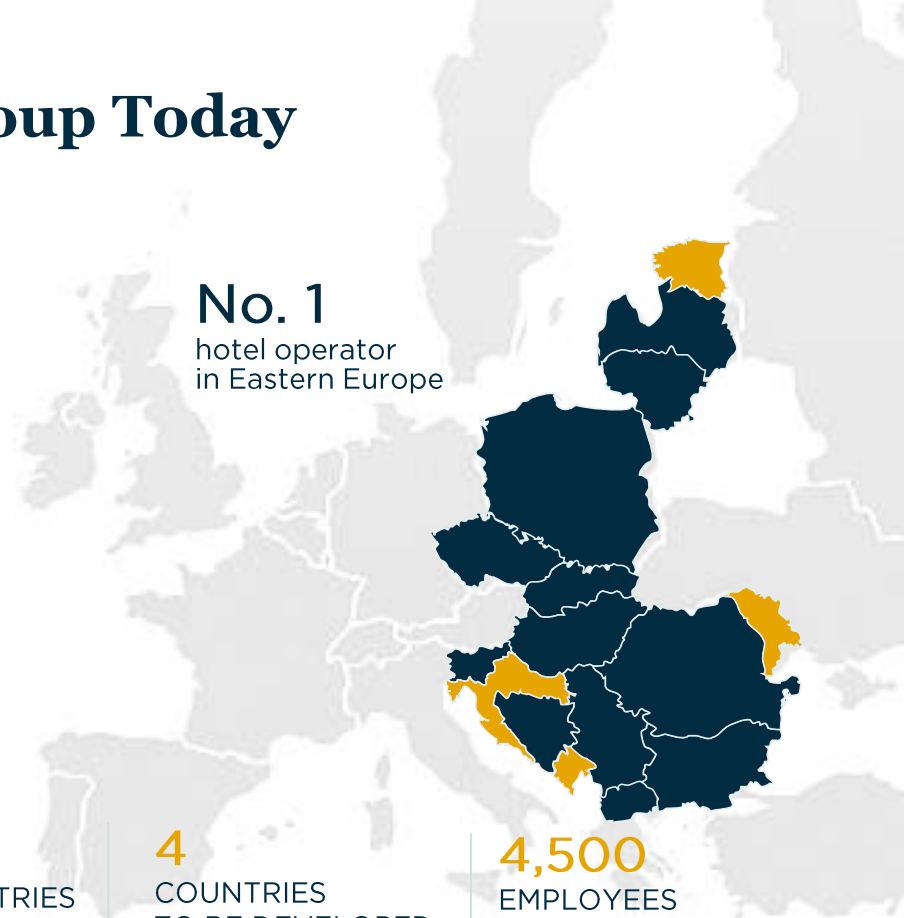
12
COUNTRIES

4
COUNTRIES
TO BE DEVELOPED

4,500
EMPLOYEES

Orbis
Hotel Group

No. 1
hotel operator
in Eastern Europe



Orbis Group Hotels by Country and by Brand

	Sofitel	Pullman	MGallery	Novotel	Mercure	ibis	ibis Styles	ibis budget	Total
Poland	3			13	21	16	11	9	73
Hungary	1		1	5	3	5	4		19
Czech Republic			1	1	1	4			7
Slovakia					1	1			2
Romania		1		1	3	4	2		11
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
Total	4	2	3	23	34	35	23	9	133

List of Hotels with their ownership structure and rooms number

POLAND

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

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

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

Contact

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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