



Press release

Warsaw, 27<sup>th</sup> of April 2018

## **Continuation of the financial results growth in 2018 together with fast Portfolio development**

- Solid growth of the operating EBITDA by 5.9% up to PLN 40.4 million
- Positive operating indicators in all the countries of the EE region (+5.8% RevPAR like-for-like growth in total)
- 5 new asset light hotels opened (over 600 rooms)
- PLN 1.6 dividend per share recommendation
- AON Hewitt certifies Orbis “Best Employer in Poland”

“Enjoying further market growth and stable macroeconomic environment across entire East European region, Orbis continues delivering solid results. In 2018 we have been concentrating on strengthening our top line and managing the cost side having in mind a challenging situation on labour market, which concerns most industries. Thanks to full engagement of our teams the revenue increased of up to PLN 271.5 million, by +2.1% comparing to previous year figures. Operating EBITDA amounted to PLN 40.4 million, which represented 5.9% growth comparing to last year.”- said Gilles Clavie, President and CEO of Orbis SA.

### **PERFORMANCE**

In 1Q 2018 progressive operational results of the Orbis Group are confirmed by 5.8% RevPAR growth like-for-like which amounted to PLN 136. Similarly to previous quarters, this result was mainly driven by an average room rate (ARR) increase which stood at PLN 222.7 like-for-like (up by 3.8% in 1Q 2018) and a slight increase of the occupancy rate, which grew by 1.2 p.p. compared to last year results. Growing operating indicators were observed in all the countries of the Eastern Europe where Orbis operates hotels.

### **PORTFOLIO**

In the 1Q Orbis Group was very active in developing its network. The Company opened 5 new franchise and managed hotels, adding over 600 new rooms to the network in 4 countries of the region (Poland, Hungary, Slovenia, and Macedonia). Moreover Orbis signed 4 new asset light agreements for the hotels to be located in Poland, Hungary, Lithuania and Bosnia

Ś Herzegovina, securing 556 hotel rooms, which will be added to the network in the near future. Apart from franchise & management expansion the Group plan to complete in 2018 two own new development projects i.e. ibis Styles Warszawa (178 rooms) and ibis Vilnius (164 rooms), which will enter the markets in the second half of 2018. Orbis has been also preparing new development project in the city center of Kraków, on the new plot that was acquired in 1Q 2018.

Taking advantage of low season the Company has been strongly pushing modernization of selected hotels in strategic locations, i.e., Sofitel Warsaw Victoria, ibis Warszawa Centrum, Novotel Ś ibis Poznan Centrum, Mercure Budapest Korona and Mercure Budapest Buda. A total CAPEX amounting to PLN 40.7 million was spent during the quarter to finance all investment projects.

“Solid operating performance, strong cash position and favourable market forecasts enabled the Management Board to give recommendation to the Supervisory Board on the dividend payment at PLN 1.6 per share. Orbis is a growth company, focused on total shareholder return based on strengthening three main pillars: People, Portfolio and Performance. In 2018, which is expected to be another year of strong growth both for economy in the Eastern Europe region and the tourism market in our key markets, we will be concentrating on the top line growth together with reasonable management of our expenditures.”- summarized Gilles Clavie.

## Financial and operating results

Orbis Hotel Group	1Q 2018	1Q 2017	change
Operating			
Occupancy rate %	<b>61,1%</b>	<b>59,9%</b>	<b>1,2 p.p.</b>
Average Room Rate without VAT in PLN	<b>222,7</b>	<b>214,6</b>	<b>3,8%</b>
Revenue per Available Room in PLN	<b>136,0</b>	<b>128,5</b>	<b>5,8%</b>
Financial m EUR			
Revenue	<b>271,5</b>	<b>266,0</b>	<b>2,1%</b>
EBITDAR	<b>53,7</b>	<b>56,9</b>	<b>-5,6%</b>
EBITDA operating	<b>40,4</b>	<b>38,1</b>	<b>5,9%</b>
Income before tax	<b>-4,9</b>	<b>-12,2</b>	<b>59,4%</b>

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## About Orbis Hotel Group

The Orbis Hotel Group is the largest network of hotels in Poland and in Eastern Europe. Orbis comprises 127 hotels and is the sole licensor of all AccorHotels brands in 16 countries including Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia. It offers a total of 20,500 rooms. The hotels operate under the brand names Sofitel, MGallery by Sofitel, Pullman, Novotel, Mercure, adagio, ibis, ibis Styles and ibis budget. These brands, recognized throughout the world, provide a quality of service to various standards, ranging from luxury 5-star to budget 1-star hotels.

Since 1997 Orbis SA is quoted on the Warsaw Stock Exchange.

## Orbis' strategic partner is ACCORHOTELS

### About AccorHotels

AccorHotels is a world-leading travel & lifestyle group and digital innovator offering unique experiences in more than 4,200 hotels, resorts and residences, as well as in over 10,000 of the finest private homes around the globe. Benefiting from dual expertise as an investor and operator through its HotelServices and HotelInvest divisions, AccorHotels operates in 95 countries. Its portfolio comprises internationally acclaimed luxury brands including Raffles, Sofitel Legend, SO Sofitel, Sofitel, Fairmont, onefinestay, MGallery by Sofitel, Pullman, and Swissôtel; as well as the popular midscale and boutique brands of 25hours, Novotel, Mercure, Mama Shelter and adagio; the much-prized economy brands including JO&JOE, ibis, ibis Styles, ibis budget and the regional brands Grand Mercure, The Sebel and hotelF1. AccorHotels provides innovative end-to-end services across the entire traveler experience, notably through the recent acquisition of John Paul, world leader in concierge services.

With an unmatched collection of brands and rich history spanning five decades, AccorHotels, along with its global team of more than 250,000 dedicated women and men, has a purposeful and heartfelt mission: to make every guest Feel Welcome. Guests enjoy access to one of the world's most rewarding hotel loyalty programs - Le Club AccorHotels.

AccorHotels is active in its local communities and committed to sustainable development and solidarity through PLANET 21, a comprehensive program that brings together employees, guests and partners to drive sustainable growth.

Accor SA is publicly listed with shares trading on the Euronext Paris exchange (ISIN code: FR0000120404) and the OTC marketplace (Code: ACRYF) in the United States

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