



Press Release

Warsaw, 21st of February 2018

2017 was a year full of business and financial success Continuation of Rapid Portfolio Development

“The world of hospitality is changing constantly and over the recent years we have been observing evolution of our guests’ expectations. Assessment of their stay today is definitively more based on experience, rather than product itself, which builds real relations with brands and has huge impact on guests’ loyalty. That is why our efforts have been intended to build a long-term relationship with our clients through personalisation of their stay and through making them “Feel Welcome”. To support this approach Orbis is undergoing cultural transformation, which empowers our employees and at the same time strengthens our foundations for further solid development.”- said Gilles Clavie, President and CEO of Orbis SA.

Financial Performance

2017 was a year full of business and financial success. Orbis delivered record high results as a consequence of the strategy execution. The Company was also taking advantage of favourable macroeconomic environment across the entire Eastern Europe region. The best performing markets were Budapest, Warsaw and Prague with double-digit RevPAR growths. In total RevPAR of Orbis hotels in 2017 increased by +6.5% (up to EUR 43.4) comparing to 2016 like-for-like. The growth was largely possible thanks to leverage of average price by +5% y/y, which derived, among other, from active Revenue Management and focusing more on ad-hoc clients who were higher contributors.

The significant growth of operating indicators translated into record high financial results of the Group. In 2017, Orbis revenues totalled EUR 343.5 million, which represented +5.4% growth comparing to 2016. Consequently the Company delivered remarkable operating EBITDA at the level of EUR 110.3 million and reported an extraordinary double-digit +20.2%



year on year increase. Also increasing profitability and generating higher margins (e.g. +4 pp at the EBITDA level) was a clear proof of effective management, taking into account challenging situation on the labour market.

Portfolio Development & Asset Management

Through 2017 Orbis has made remarkable development of its network by opening 8 new asset-light hotels, with 650 new rooms and entering 2 new markets: Serbia and Bosnia & Hercegovina. The Company still keep on strengthening our footprint in the region through signing 13 new agreements (1 600+ new rooms), which secured a remarkable pipeline comprised 38 projects with over 5 000 rooms in total. Orbis also have been continuing our subsidiary development projects, i.e. ibis Vilnius Center (164 rooms), ibis Styles Warszawa (178 rooms), which will be open by the end of 2018. To support Orbis growth in the region the Company added new complementary hotel brand to our portfolio - Adagio, representing aparthotels market. This step will allow to generate for the Group additional profits in top locations. Development and asset management activities have driven Orbis to a more diversified and balanced portfolio, not only geographically, but also considering modes of operation, having now over 40% asset light share vs. asset heavy hotels. In 2017 Orbis did a lot to make the portfolio operate more effectively through 6 hotels buyback transactions in Hungary and number of renovation projects in flagship locations. Over the year more than EUR 145 million of CAPEX has been invested for these projects.

Maintaining the focus on the performance and profitability growth Orbis want to empower its leading position in the region not only by organic growth but also thorough hotel acquisitions, aspiring to be the leader in each of geographic location the Company are present in.

“Excellent results we achieved in 2017 prove the proper direction of Orbis strategic plan, therefore I strongly confirm our continuing declaration and ability to create value for our shareholders in the future, based on Performance, Portfolio and People strategy. Consistent delivery of our targets were appreciated by our investors, being in the Top 10 performing mid-cap companies in 2017 with +27% share return for the year. Looking ahead, we have still aspirations to accelerate Orbis’ growth in coming months, having in mind strong capital position and considerable experience in running investment projects. I believe that our cultural transformation will support the Company’s growth in terms of enriching relations with our clients and strengthening organisational foundations.” - summarized Gilles Clavie.

Financial and operating results

Orbis Hotel Group	2017	2016	change
Operating			
Occupancy rate %	74,1%	73,1%	1,0 p.p.
Average Room Rate without VAT in EUR	58,5	55,7	5,0%
Revenue per Available Room in EUR	43,4	40,7	6,5%
Financial m EUR			
Revenue	343,5	325,8	5,4%
EBITDAR	125,4	115,3	8,8%
EBITDA operating	110,3	91,8	20,2%
Income before tax	67,5	60,6	11,4%

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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 126 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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SOFITEL

PULLMAN



NOVOTEL

Mercure

adagio

ibis

ibis
STYLES

ibis
budget