



Press release

Warsaw, 26th of July 2018

Robustness of strategy driven by accelerated development and solid operating growth

- Solid growth of the operating indicators (**+5.3% RevPAR increase in the region**)
- **Robustness of Orbis strategy with EUR 48.3 million operating EBITDA (+4.0% like-for-like growth)**
- **Acceleration of new asset light development** - 12 contracts signed (almost 1,500 new rooms)
- 5 subsidiary hotels in progress (over 800 new rooms)
- Aon Hewitt certifies Orbis **“Best Employer in Poland”**

“Our Business remains strong in the 1H 2018 and despite high comparison base in 2017 Orbis can boast +5.3% growth of the RevPAR. The good performance was driven essentially by average price +5.2% comparing to 1H 2017. Occupancy rate remains broadly stable. I would like to highlight that RevPAR growth stays strong in all our key markets: Poland (+4.6%); Hungary (+8.4%) and Czech Republic (+4.8%), benefiting from resilient environment in the EE region.” - said Gilles Clavie, President and CEO of Orbis SA.

Performance

Solid operating indicators in 1H 2018 translate into good financial performance. Certainly, one of the factors that impacts Orbis results is growing labour cost, which is a trend in the whole region, as a result of the historically low unemployment rates. That is why to be more resistant the Company keeps focus on the top line maximization. Having in mind that with fast development of digital technology, guest behaviours and expectations have been changing, Orbis concentrates on delivering enhanced customer experience through personalization of its services. These efforts are confirmed by +4.8% like-for-like total revenue growth (up to EUR 163 million). Operating EBITDA amounts to EUR 48.3 million, which represents 4.0% like-for-like growth comparing to last year. Based on the 1H 2018 results and outlook for the following months Orbis expects operating EBITDA for the whole year in the range of (EUR 110-112 million).

Portfolio

Orbis is continuing its development at a rapid pace. In the first half of 2018 the Group has signed 12 new asset light agreements in 6 countries of the region. Thanks to these franchise and management contracts 1,500 new rooms will join Orbis portfolio, starting from September this year. That will make the Group more balanced in terms of operating modes and diversified geographically. Among these agreements, it is worth to highlight first contract signed for the new brand - Adagio, which will be built in Cracow. On top of that, in 1H 2018 Orbis has opened 5 new franchise and managed hotels based on the previously signed

agreements, adding over 600 new rooms to the network in 4 countries of the region: Poland, Hungary, Slovenia, and Macedonia. At the same time, the Company is continuing its own investment in 5 new hotels (over 800 rooms in total), 2 of which: ibis Styles Warszawa Centrum (179 rooms) and ibis Vilnius Centre (164 rooms), will be opened in the second half of this year. All in all the pipeline is secured with 44 projects, i.e. over 6,000 rooms. This pipeline ensures the future strength of Orbis for the years to come. On the asset management site, the Group has finalized the sale and management back of Sofitel Budapest Chain Bridge and Novotel Szeged. In line with the strategy and the investment plan 2018-2022 Orbis will allocate collected funds to profitable M&A projects to raise Orbis EBITDA and value of the Company in the future, such as the acquisition of the Mercure Bucharest Unirii, early July.

“Looking forward, I am convinced that Orbis will follow the growth path, giving its shareholders further returns. In a long-term horizon I expect several growth motors for the Company: on the one hand, enhanced organic development, thanks to operational excellence and effective cost management; and on the other hand, further network expansion through development projects and M&A activities. Orbis has the means of its ambition, this approach reinforces further strengthening of the Group in key areas of focus: Performance, Portfolio and People.”- summarized Gilles Clavie.

Financial and operating results

Orbis Hotel Group (EUR)	1H 2018	1H 2017	change
Operating like for like			
Occupancy rate %	70.3%	70.2%	0,1 p.p.
Average Room Rate without VAT in EUR	60,7	57,7	5.2%
Revenue per Available Room in EUR	42,7	40,5	5.3%
Financial like for like (M EUR)			
Revenue	162,8	155,1	4.8%
EBITDA operating	48,3	46,4	4.0%

Kontakt

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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 almost 21,000 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**
Feel Welcome

About AccorHotels:

[AccorHotels](#) is a world-leading travel & lifestyle group and digital innovator offering unique experiences in more than 4,300 hotels, resorts and residences across 100 different countries.

With an unrivaled portfolio of internationally renowned [hotel brands](#) encompassing the entire range from luxury to economy, from upscale to lifestyle and midscale brands, AccorHotels has been providing savoir-faire and expertise for more than 50 years.

In addition to its core hospitality business, AccorHotels has successfully expanded its range of services, becoming the world leader in [luxury private residence](#) rental with more than 10,000 stunning properties around the world. The Group is also active in the fields of [concierge services](#), [co-working](#), [dining](#), [events management](#) and [digital solutions](#).

Relying on its global team of more than 250,000 dedicated staff, AccorHotels is committed to fulfilling its primary mission: to make every guest Feel Welcome. Guests have access to one of the world's most attractive hotel loyalty programs - [Le Club AccorHotels](#).

AccorHotels plays an active role in its local communities and is committed to promoting sustainable development and solidarity through [PLANET 21 Acting Here](#), a comprehensive program that brings together employees, guests and partners to drive sustainable growth.

From 2008, the [AccorHotels Solidarity Endowment Fund](#) has acted as a natural extension of the Group's activities and values, helping to combat the social and financial exclusion experienced by the most disadvantaged members of society.

Accor SA is publicly listed on the Euronext Paris Stock Exchange (ISIN code: FR0000120404) and on the OTC Market (Ticker: ACRYF) in the United States.

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