



Sofitel Budapest Chain Bridge

Entering a new era

Orbis Management Board Members
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Warsaw, November 14th, 2014

Orbis
Grupa Hotelowa

S O F I T E L
LUXURY HOTELS

NOVOTEL

Mercure

ibis


ibis
STYLES

ORBIS
HOTELS

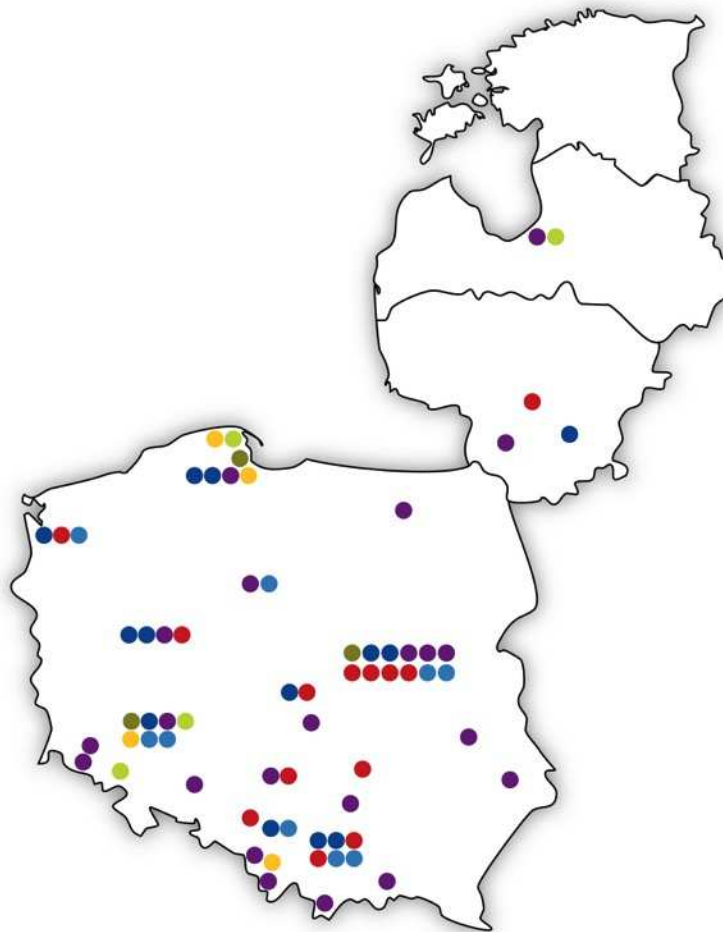
ibis
budget

Orbis Group as of today



-  3*
- 
- 
-  13
-  22
-  13*
-  4
-  4
-  9

68 hotels
11 868 rooms



Latvia

2 hotels
219 rooms

Estonia

Room for development

Poland

63 hotels
11 309 rooms

Lithuania

3 hotels
331 rooms

Orbis

no. 1
hotel operator
in Poland

Transaction snapshot



Great growth opportunity for Orbis

12 new countries

46 hotels

5 operating companies

New Master License Agreement

Significant business increase for Orbis



12 new countries

Bulgaria, Bosnia & Herzegovina, Croatia, Czech Republic, Hungary, Macedonia, Montenegro, Moldova, Romania, Serbia, Slovakia and Slovenia

4 year GDP CAGR projection: +2.3% /y

38 + 8 hotels

7 046 rooms in existing hotels

1 007 rooms in 8 new projects

7 operating brands including Pullman and MGallery

76% of hotels located in capital cities

5 companies

3 companies

(Hungary, Czech Rep. and Romania)

2 companies in Poland

(Sofitel & ibis already managed by Orbis)

5 ownership modes

New Master License

Longer term (20 years)

Wider territorial coverage

Exclusivity for Orbis

Fee savings

Brands

SOFITEL
LUXURY HOTELS

PULLMAN



NOVOTEL

Mercure

IBIS

IBIS
BUDGET

Transaction value

EUR 142.3m

EBITDA pro forma*

EUR 18.1m

The transaction perfectly matches our strategy

Strategy of Orbis



The transaction



Orbis - hospitality leader in Central Europe in 2015



SOFITEL LUXURY HOTELS	4
pullman	1
M GALLERY	2
NOVOTEL	21
Mercure	31
ibis	30
ibis STYLES	4
ORBIS HOTELS	4
ibis budget	9

106* hotels
18 062 rooms



Latvia 2 hotels 219 rooms	Estonia Room for development
Poland 63 hotels 11 309 rooms	Lithuania 3 hotels 331 rooms
Czech Rep. 8 hotels 1 356 rooms	Slovakia 2 hotels 295 rooms
Slovenia Room for development	Hungary 18 hotels 3 376 rooms
Croatia Room for development	Romania 6 hotels 1 220 rooms
Macedonia Room for development	Bulgaria 2 hotels 262 rooms
Serbia Room for development	Montenegro Room for development
Bosnia & Herz. Room for development	Moldova Room for development

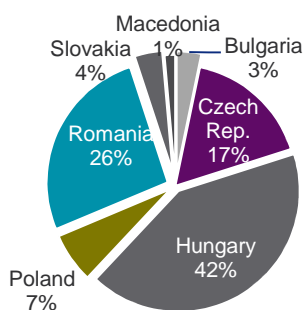
Strong performance of acquired business



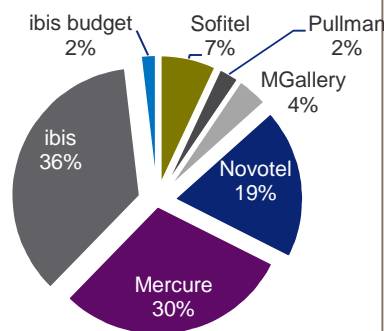
2014 Estimation

	Orbis Today	Acquired business	Orbis Tomorrow
HOTELS	68	38	106
ROOMS	11 868	7 046	18 062
EBITDA (EUR m)	48.6	18.1	66.7

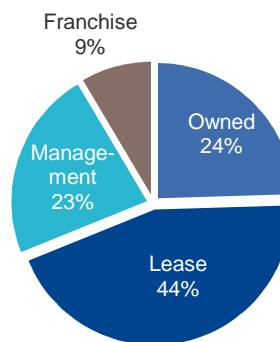
Hotel rooms by country*



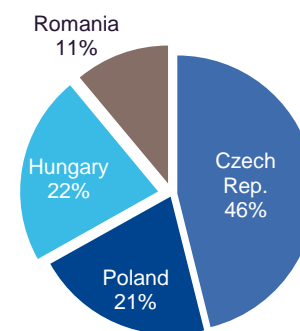
Brands by rooms*



Operating mode*



Entities' contribution to EBITDA



* 38 hotels in operation, 2 hotels to be opened in 2014, 6 in pipeline

Arm's length transaction entered into after thorough analysis



Valuation

Valuation prepared by leading hotel valuation company **HVS** appointed by Orbis

Due diligence

Orbis' legal due diligence and assistance in documentation negotiation by **Schoenherr** law firm

Vendor's due diligence

Vendor's due diligence reports prepared by **Deloitte, EC Harris, Dentons**

Material risks

Material risks mitigated by the **Accor Group's guarantees**

HVS Valuation Report

"The total value of the portfolio transaction of Accor's interests and the reduction in masterfranchise fee for Orbis is estimated at between EUR 140 million to EUR 150 million."

New Master License Agreement with new growth opportunities



Current Master Franchise Agreement

Signed in 2000 to be renewed starting from 2015

Covering 4 countries only

No exclusivity for Orbis

Terms negotiated in a different macroeconomic environment



New Master License Agreement

20 years duration – Agreement termination date in 2035

Covering **16 countries**

Orbis the **exclusive licensor** of Accor brands in Central Europe

Fee savings both in existing portfolio and potential new hotels in the whole CE region

Fair price for a strategically important deal



7.9

EV/EBITDA transaction (x)
compared to 8.3x Orbis 12 month
average prior to the offer

5 - 6

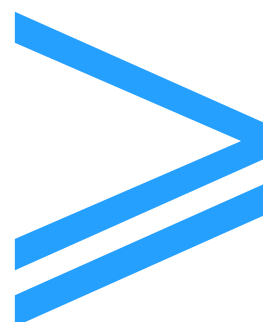
EUR million future annual
regular CAPEX

0

Consolidated net debt
in targeted perimeter

140 - 150

EUR million independent
valuation done by HVS



EUR
142.3m

Impact for Orbis

+37% EBITDA in 2014

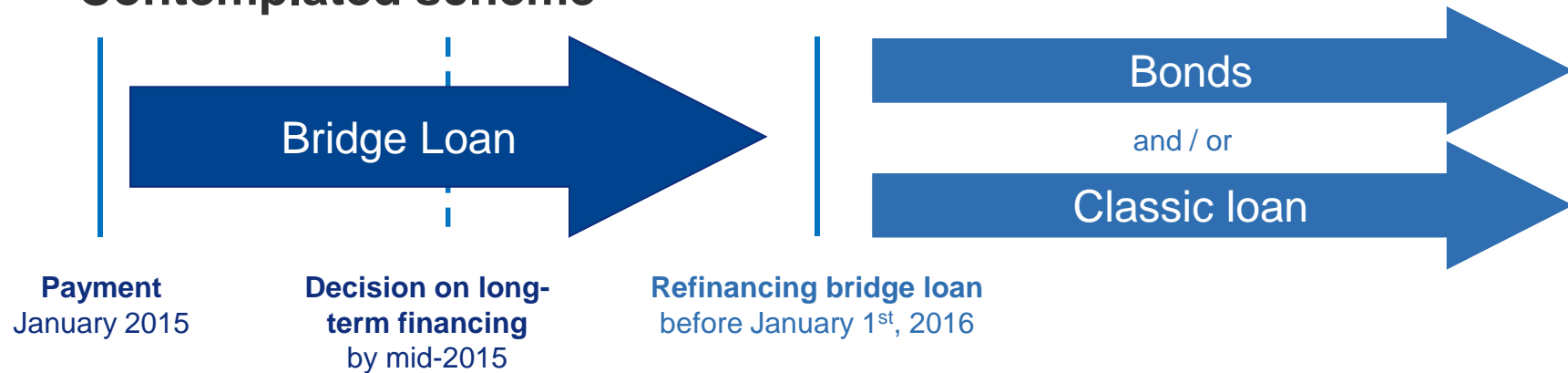
Significant increase
of EPS

Financial structure:

Ca. 1.8x net debt/EBITDA

Transaction financing

Contemplated scheme



Impact

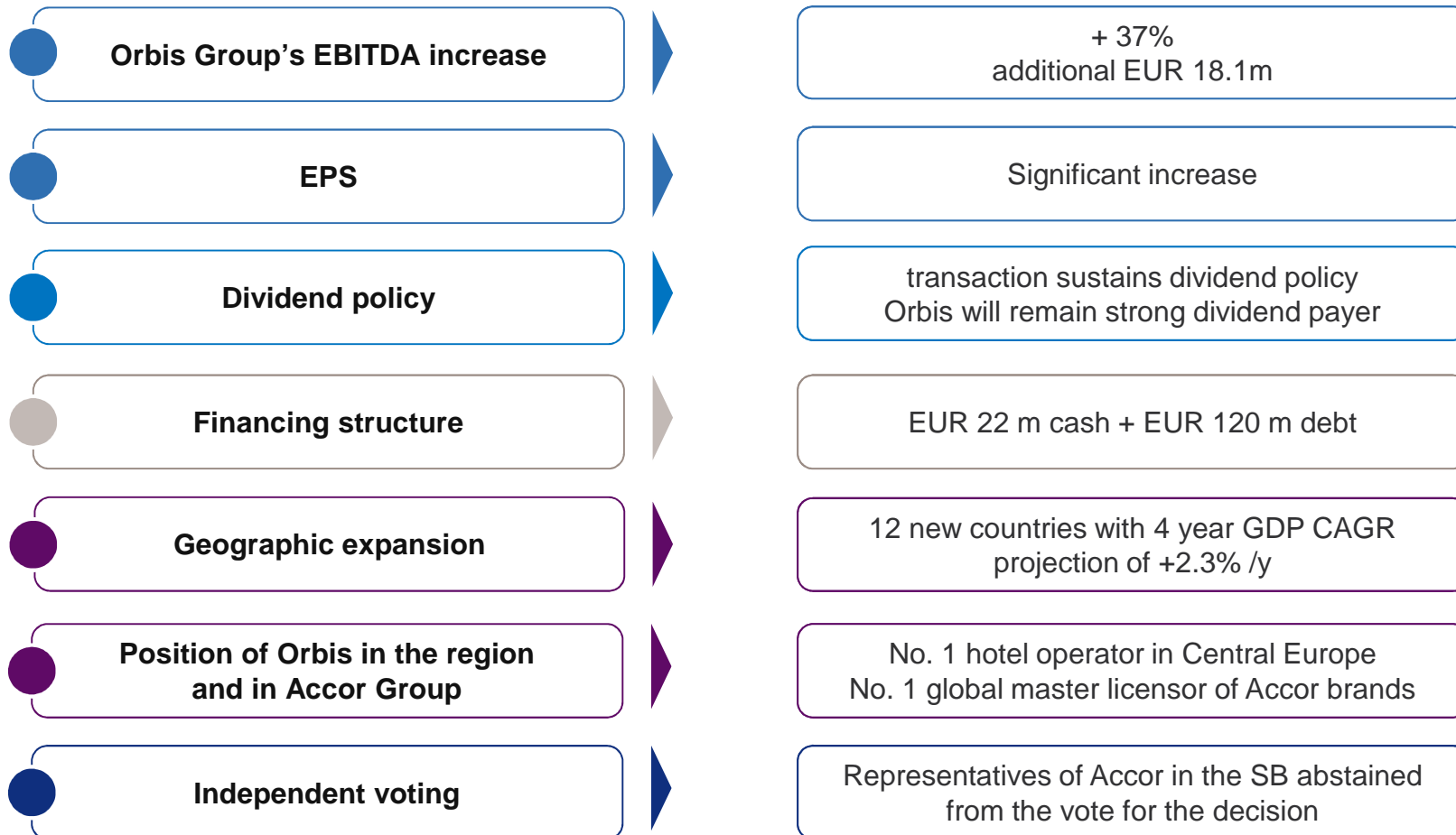
Debt adding leverage and tax shield to Orbis - lowering Orbis' WACC

Loan terms

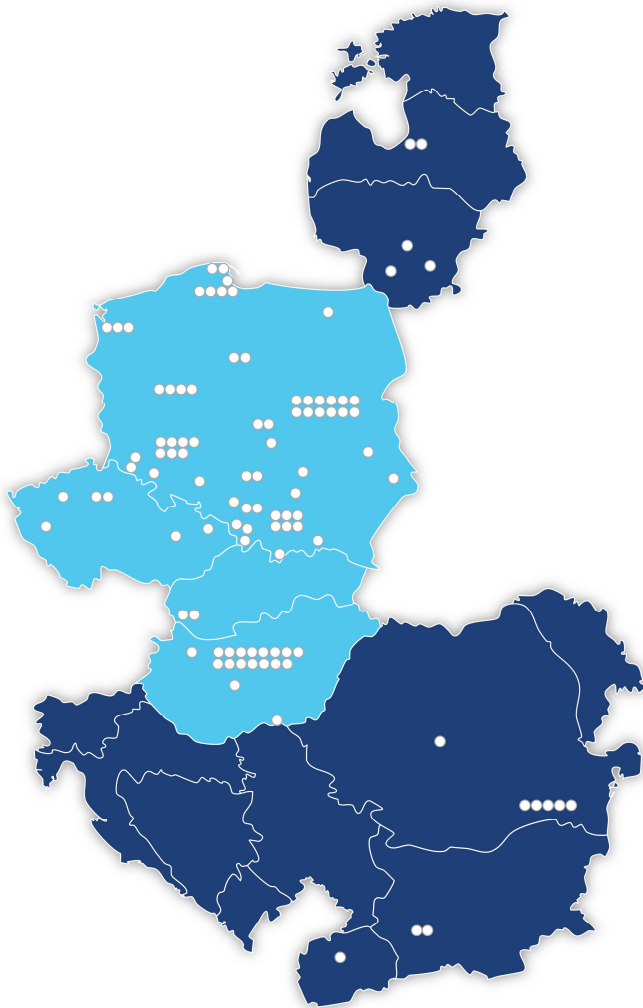
Available cash usage: ~ EUR 22m
Total credit amount: ~ EUR 120m
Tenor: 5 + 1 years
Tenor guaranteed regardless final result of potential bond issuing

Advanced talks with consortium of banks

Key takeaways



Geographic expansion



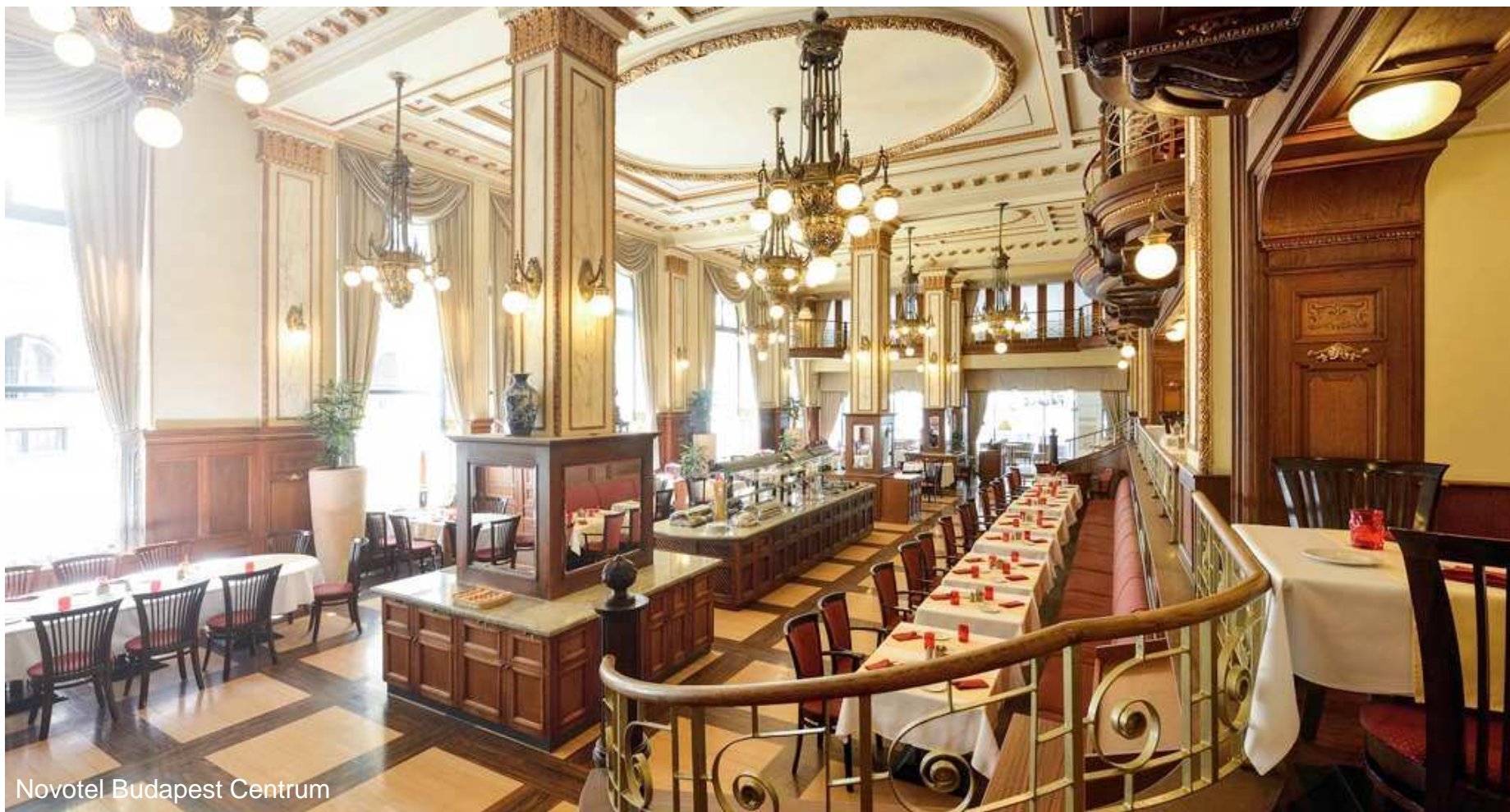
▶ Hub for all operations, capacity for asset portfolio optimization, development opportunity and product improvement

▶ Priority for development and network building (Adapted operating mode as per markets)

Synergies on procurement, central services, distribution channels management

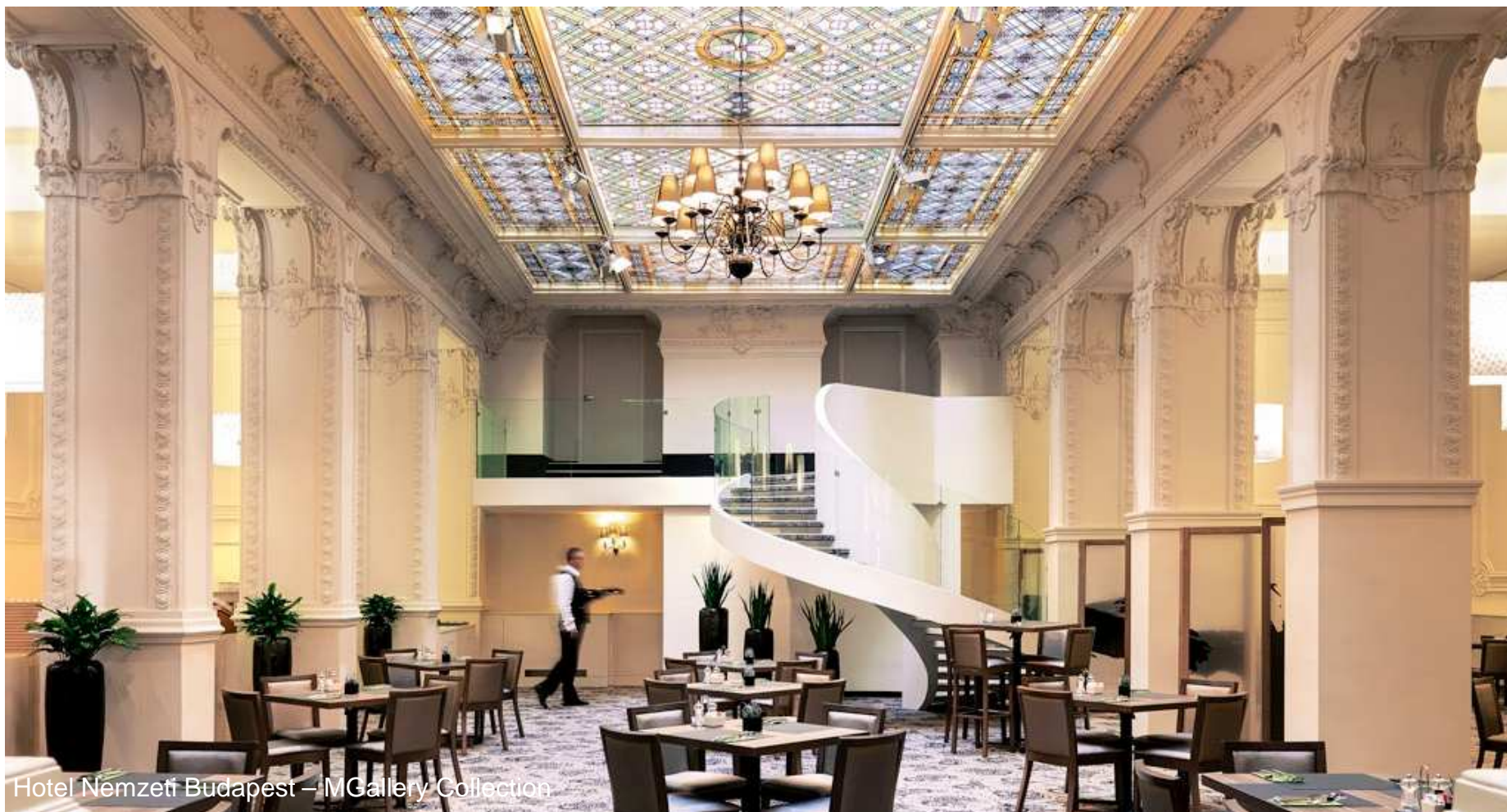
Best practices exchange sustaining operational excellence

Q&A



Novotel Budapest Centrum

Appendix



Hotel Nemzeti Budapest – MGallery Collection

CE countries – markets with potential to develop

Czech Republic



Population	10.5 m
GDP	USD 198.4 bn
GDP change forecast:	+2.5%
Tourists in 2013	15.4 m
No. of accomodation establishments, hotels	9 970
No. of rooms	137 257

Slovakia



Population	5.4 m
GDP	USD 138.3 bn
GDP change forecast:	+2.3%
Tourists in 2013	4.0 m
No. of accomodation establishments, hotels	2 803
No. of rooms	38 690

Hungary



Population	9.9 m
GDP	USD 229.5 bn
GDP change forecast:	+2,8%
Tourists in 2013	9.3 m
No. of accomodation establishments, hotels	4 000
No. of rooms	71 041

Romania



Population	19.6 m
GDP	USD 188.8 bn
GDP change forecast:	+2.4%
Tourists in 2013	7.9 m
No. of accomodation establishments, hotels	5 344
No. of rooms	106 542

CE countries – markets with potential to develop

Bulgaria



Population	7.3 m
GDP	USD 53.0 bn
GDP change forecast:	+1.4%
Tourists in 2013	5.8 m
No. of accomodation establishments, hotels	2 953
No. of rooms	118 107

Republic of Macedonia



Population	2.1 m
GDP	USD 10.2 bn
GDP change forecast:	+3.1%
Tourists in 2013	0.6 m
No. of accomodation establishments, hotels	430
No. of rooms	7 232

Croatia



Population	4.3 m
GDP	USD 57.3 bn
GDP change forecast:	-0.8%
Tourists in 2013	12.2 m
No. of accomodation establishments, hotels	62 026
No. of rooms	77 157

Slovenia



Population	2.1 m
GDP	USD 46.9 bn
GDP change forecast:	+1.4%
Tourists in 2013	3.3 m
No. of accomodation establishments, hotels	997 (in 2011)
No. of rooms	22 102

CE countries – markets with potential to develop

Serbia



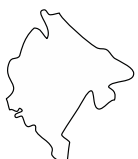
Population	7.2 m
GDP	USD 42.5 bn
GDP change forecast:	-0,5%
Tourists in 2013	2.1 m
No. of accomodation establishments, hotels	891
No. of rooms	24 759

Moldova



Population	3.6 m
GDP	USD 7.9 bn
GDP change forecast:	+1.8%
Tourists in 2013	0.1 m
No. of accomodation establishments, hotels	n/a
No. of rooms	n/a

Montenegro



Population	0.6 m
GDP	USD 4.3 bn
GDP change forecast:	+2.3%
Tourists in 2013	1.4 m (in 2012)
No. of accomodation establishments, hotels	333
No. of rooms	18 385

Bosnia and Herzegovina



Population	3.8 m
GDP	USD 18.9 bn
GDP change forecast:	+0.7%
Tourists in 2013	0.8 m
No. of accomodation establishments, hotels	n/a
No. of rooms	n/a

Detailed list of hotels to be acquired



#	Country	City	Brand	Rooms	Type
1	Hungary	Budapest City	ibis	84	Fixed lease
2	Hungary	Budapest Buda	Mercure	390	Fixed lease
3	Hungary	Budapest Korona	Mercure	421	Fixed lease
4	Hungary	Budapest Centrum	ibis	126	Fixed lease
5	Hungary	Budapest Centrum	Novotel	227	Fixed lease
6	Hungary	Budapest Metropol	Mercure	130	Fixed lease
7	Hungary	Budapest Chain Bridge	Sofitel	357	Fixed lease
8	Hungary	Szokesfehervar	Novotel	95	Fixed lease
9	Hungary	Budapest Danube	Novotel	175	Fixed lease
10	Hungary	Budapest Heroes' Square	ibis	139	Variable lease
11	Hungary	Budapest City Center ¹	Mercure	227	Variable lease
12	Hungary	Nemzeti	MGallery	80	Management
13	Hungary	Budapest City	Novotel	319	Owned
14	Hungary	Budapest Aero	ibis	139	Owned
15	Hungary	Budapest Duna	Mercure	130	Owned
16	Hungary	Szeged	Novotel	136	Owned
17	Hungary	Gyor	ibis	96	Owned
18	Hungary	Budapest Museum	Mercure	104	Franchise
19	Bulgaria	Sofia	ibis	84	Franchise
20	Bulgaria	Sofia	Novotel	178	Management
21	Rep. of Macedonia	Skopie ¹	ibis	110	Management
22	Slovakia	Bratislava Centrum	ibis	120	Fixed lease
23	Slovakia	Bratislava Centrum	Mercure	175	Variable lease

Detailed list of hotels to be acquired



#	Country	City	Brand	Rooms	Type
24	Czech Rep.	Praha Old Town	MGallery	174	Fixed lease
25	Czech Rep.	Praha Old Town	ibis	271	Fixed lease
26	Czech Rep.	Olomouc	ibis	90	Management
27	Czech Rep.	Praha Wenceslas Square	Novotel	146	Owned
28	Czech Rep.	Praha Wenceslas Square	ibis	181	Owned
29	Czech Rep.	Praha Mala Strana	ibis	225	Owned
30	Czech Rep.	Plzen	ibis	130	Owned
31	Czech Rep.	Ostrava	Mercure	139	Owned
32	Poland	Wroclaw Old Town	Sofitel	205	Fixed lease
33	Poland	Warszawa Muranowska	ibis	333	Owned
34	Romania	Bucuresti City Centre	Novotel	257	Variable lease
35	Romania	Bucuresti World Trade Center	Pullman	203	Management
36	Romania	Bucuresti Gara de Nord	ibis	250	Management
37	Romania	Bucuresti Palatul Parlamentului	ibis	161	Management
38	Romania	Constanta	ibis	154	Management
39	Romania	Sibiu	ibis	195	Management
40	Romania	Bucharest City Center	Mercure	114	Management
41	Romania	Bucharest ²	MGallery	59	Franchise
42	Romania	Arad ²	Mercure	160	Franchise
43	Romania	Bucharest ²	ibis budget	150	Management
44	Romania	Sibiu ²	Mercure	135	Management
45	Romania	Mures ²	Mercure	111	Management
46	Romania	Oradea ²	Mercure	168	Franchise