

THE
REZIDOR

H O T E L G R O U P

CORPORATE PRESENTATION

MARCH 2017



ABOUT REZIDOR

Travel & Tourism remains one of the fastest growing economic sectors

Industry fundamentals intact with growing numbers of international tourist arrivals



International arrivals up **3.9%** to **1,235 million**



4th Largest
Global industry



1 in 11 jobs
Worldwide
is in Travel
& Tourism



Travel & Tourism
contribution to
global GDP is **10%**



Forecast of
1.8 billion
Tourist arrivals by
2030



Demand growth
outpaces **supply**
growth in most
markets

Source: UNWTO World Tourism Barometer (January 2017), WTTC T&T Economic Impact 2016

From a small Scandinavian hotel group to a leading international player

 **360+** HOTELS IN
OPERATION

43,700+  COLLEAGUES

 **80+** COUNTRIES

120+  HOTELS UNDER
DEVELOPMENT

 **105,000+**

ROOMS IN OPERATION
& UNDER DEVELOPMENT

155  NATIONALITIES

A member of the Carlson Rezidor Hotel Group

A global footprint of 1,400+ hotels with 230,000+ rooms



AMERICAS
730+ HOTELS
83,500 ROOMS



EMEA
500+ HOTELS
114,000 ROOMS*

*EMEA numbers include
Rezidor, Edwardian Group
and PPHE



ASIA PACIFIC
200 HOTELS
32,400 ROOMS

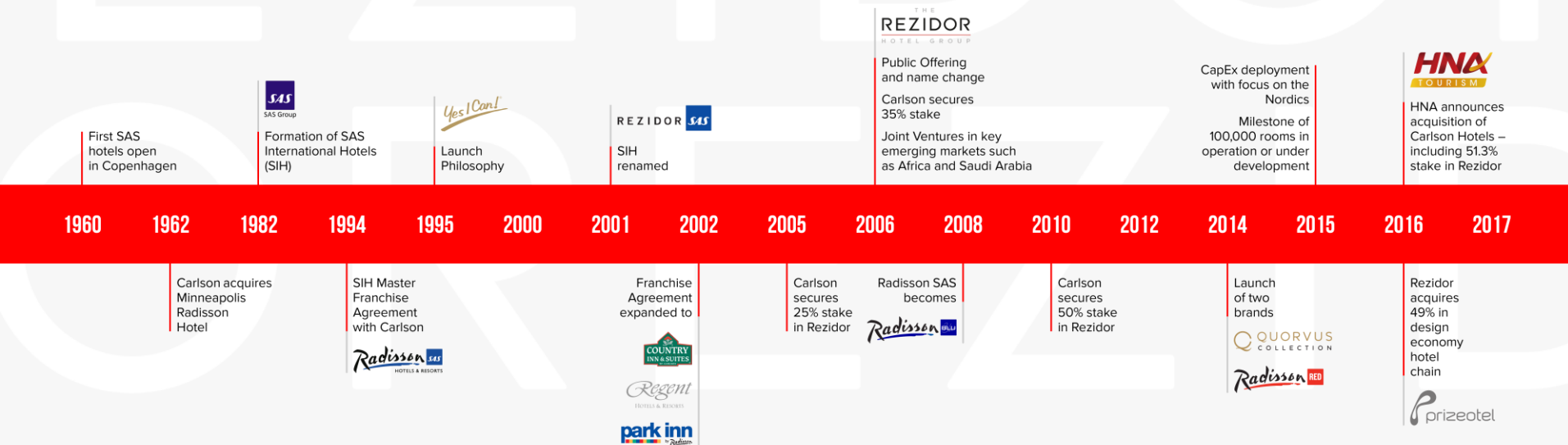
Carlson Rezidor
collaboration framework:

- **Master Franchise Agreement** for EMEA
- HNA is Rezidor's **majority shareholder***
- Both groups pursue a **strategic partnership** focusing on global revenue generation and branding

* In April 2016, the planned acquisition of Carlson hotels by **HNA** was announced

In December HNA closed the acquisition of Carlson Hotels, and with it the 51.3% shareholding in The Rezidor Hotel Group

Brand, product and market evolution



ABOUT CARLSON:

- Owned by HNA Tourism Group
- Majority owner of Rezidor Hotel Group (51.3% of outstanding shares)
- Owner of the brands Quorvus Collection, Radisson Blu, Radisson, Radisson RED, Park Inn by Radisson, Park Plaza, Country Inns & Suites

ABOUT REZIDOR:

- Publicly listed on Stockholm Stock exchange since 2006
- Headquartered in Brussels, Belgium
- Master Franchisee for Radisson Blu, Park Inn by Radisson, Radisson RED and Quorvus Collection in EMEA

Rezidor welcomes new majority shareholder HNA Tourism Group



In December HNA closed the acquisition of Carlson Hotels, and with it the 51.3% shareholding in Rezidor Hotel Group

- **Core subsidiary of HNA Group**

- Global Fortune 500 company focused on 3 core businesses: tourism, logistics and financial services
- Founded in 1993 as regional airline based on Hainan Island (Hainan airlines)
- Approx. USD 145bn of assets, USD 46bn annual revenues, and an international workforce of 410,000 across North America, Europe and Asia

- **HNA Tourism Group**

- Fully integrated global player with market-leading positions in aviation, hotels and travel services
- Ambition to build a world-class comprehensive tourism service provider
- Together with Carlson, owns or manages approx. 2,000 hotels with 330,000 rooms



WHY DO BUSINESS WITH REZIDOR?

WHY DO
BUSINESS
WITH
REZIDOR?

WE ARE
GROWING

Adding scale,
creating
more brand
awareness

Reaching
new source
markets and
customers

2016 FULL YEAR

NEW OPENINGS

18 HOTELS

3,600 ROOMS

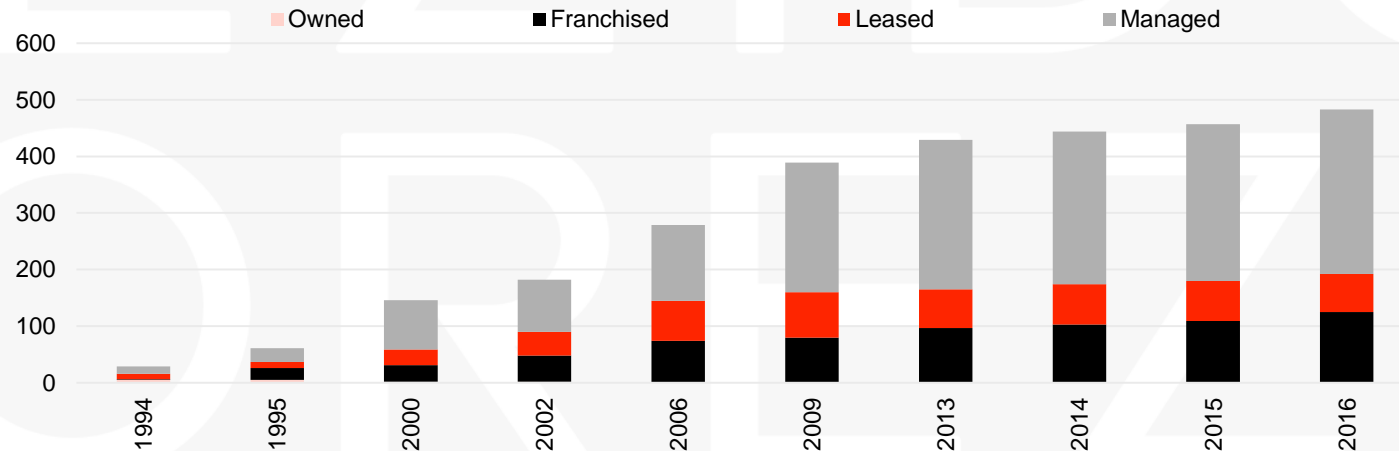
NEW SIGNINGS

45 HOTELS

8,200 ROOMS

A growth story to continue

Powerful presence in EMEA: 80+ countries, 360+ hotels in operation, 110+ under development



483

Hotels

105,000

Rooms



IPO



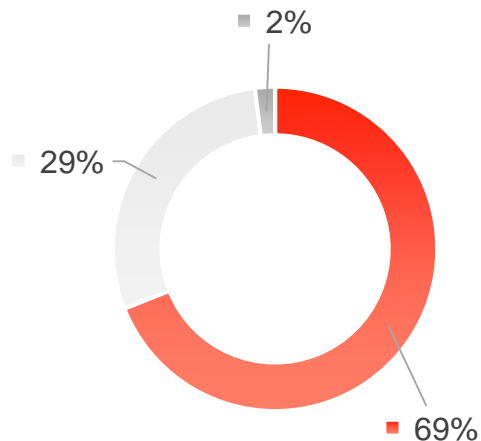
**€60M
Rights Issue**



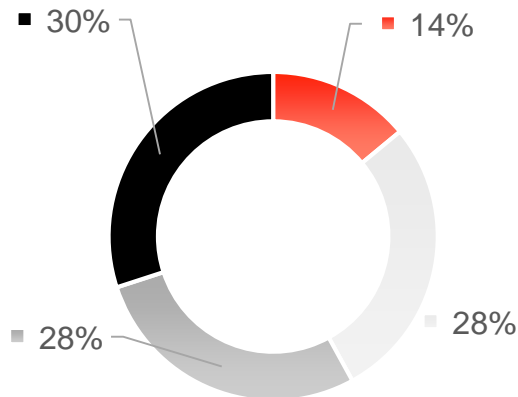
NOTE: Q3 2016 Data

Asset-light and sustainable growth with a focus on emerging markets

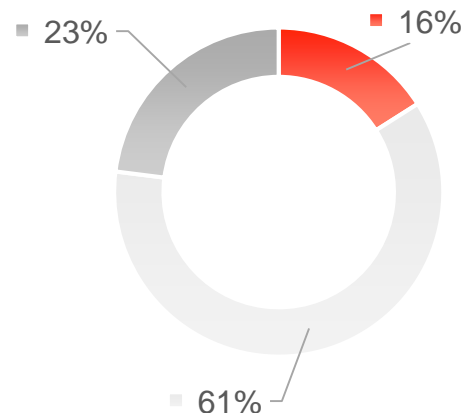
Total Portfolio 2016: 480+ Hotels; 105,000+ Rooms in operation and pipeline, 80+ countries



- Radisson Blu
- Park Inn by Radisson
- Others



- Nordics
- Western Europe
- Eastern Europe
- Middle East, Africa & Others

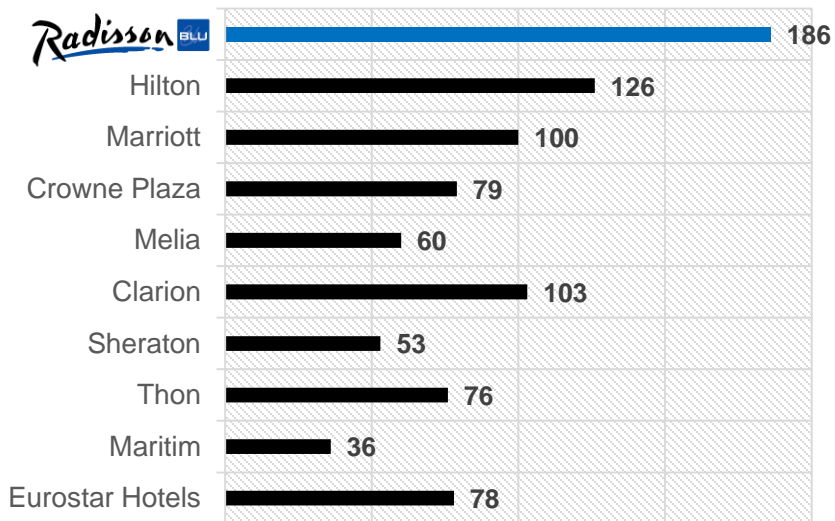


- Leased
- Managed
- Franchised

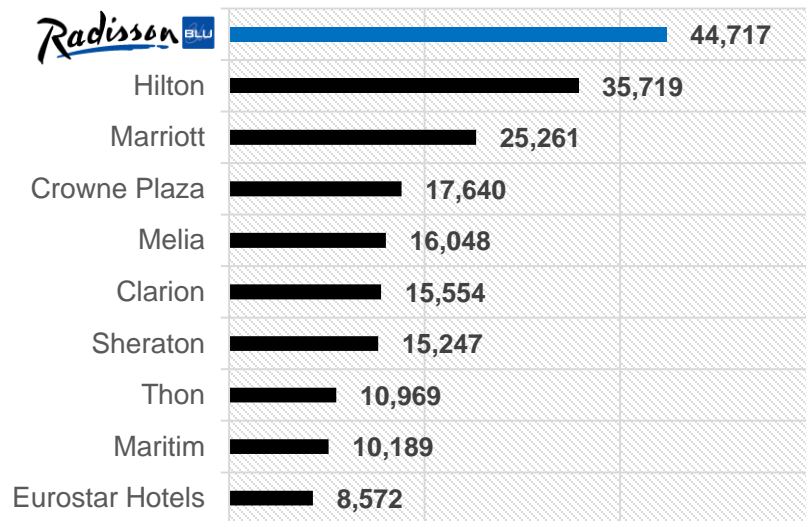
Radisson Blu

Europe's largest upper-upscale hotel brand

Number of Hotels

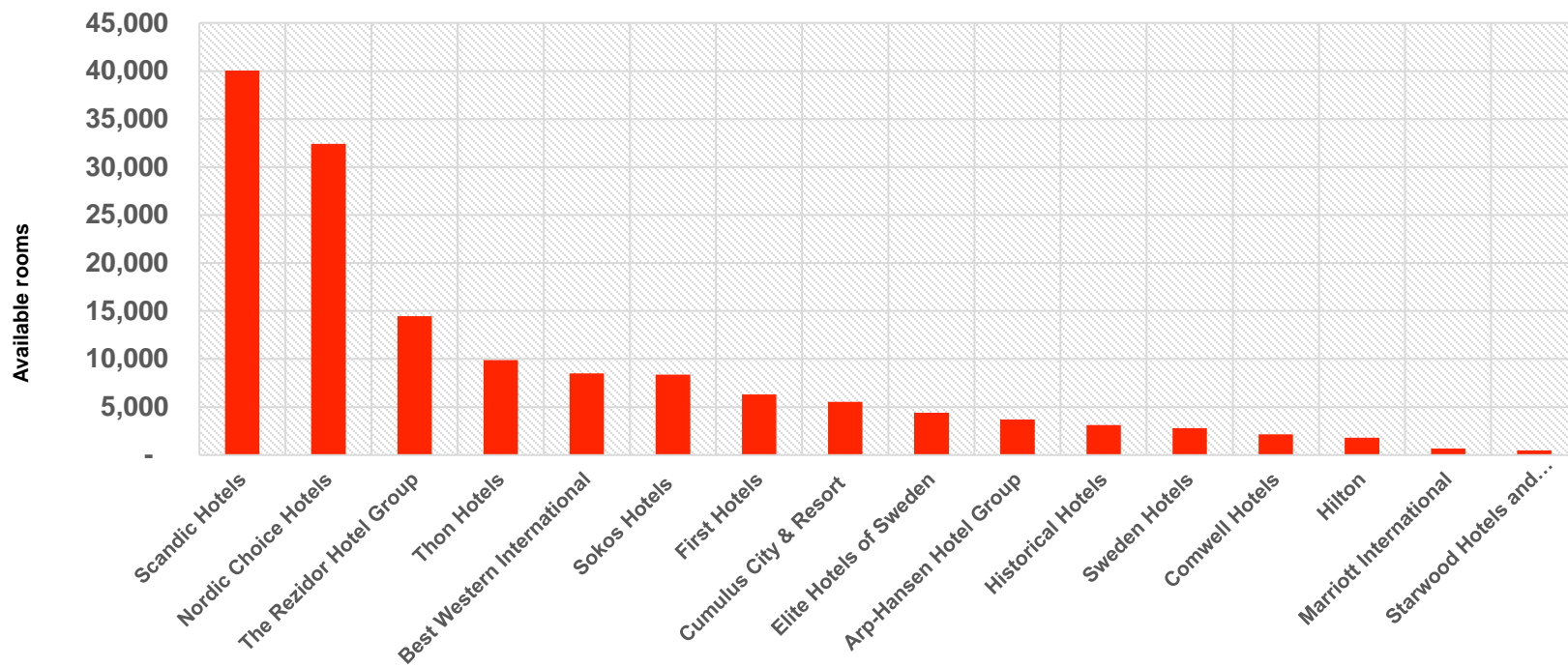


Number of Rooms

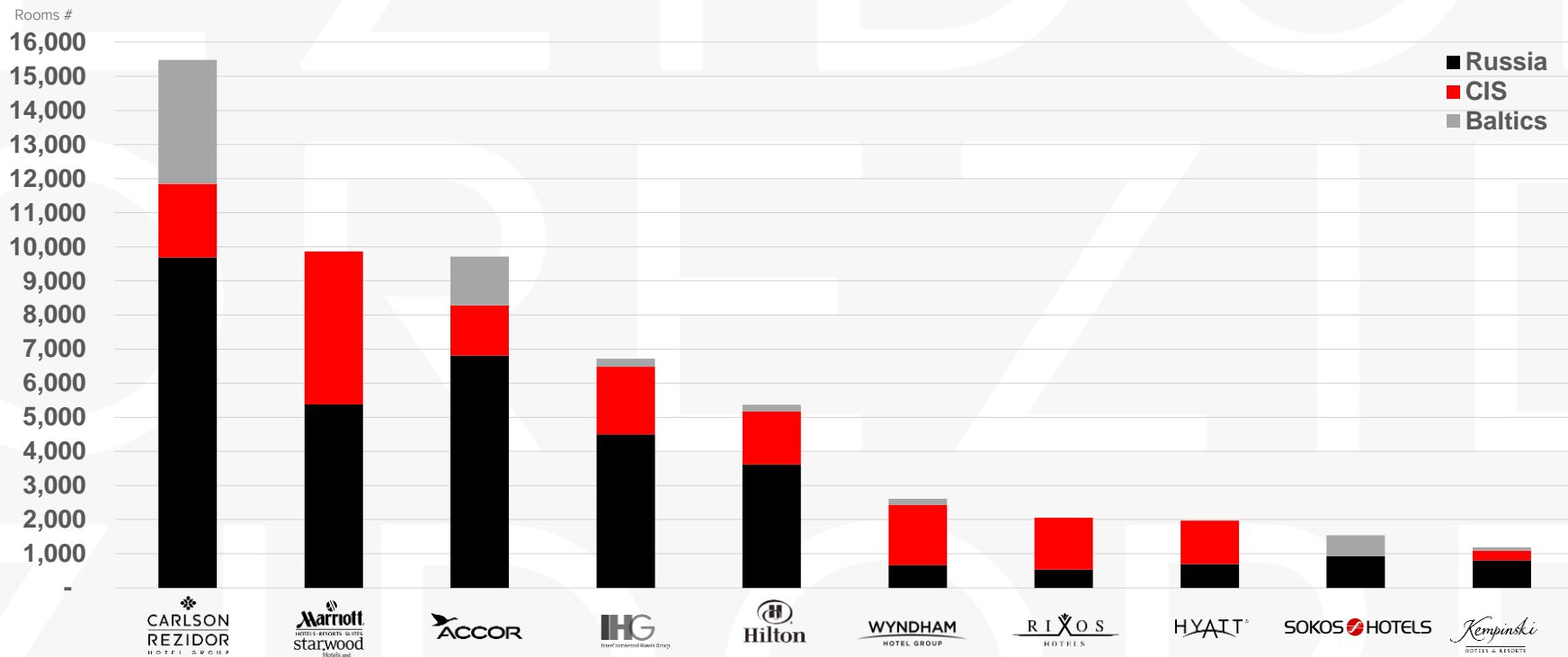


SOURCE: MKG HOSPITALITY-ON HOTEL RANKING (EUROPE) MARCH 2017

Largest International Hotel Chain in Nordics

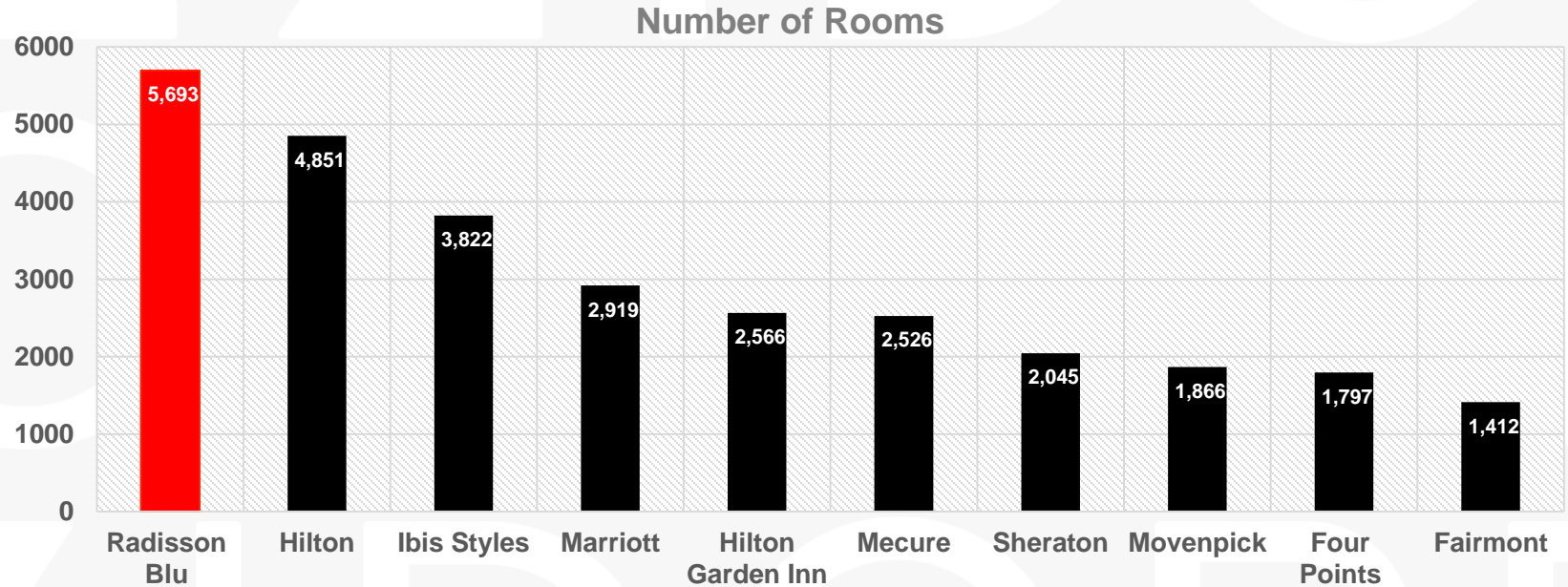


Largest international hotel operator in Russia/CIS & Baltics



SOURCES: E&Y INTERNATIONAL HOTEL CHAINS IN RUSSIA 2017, OWN RESEARCH OF HOTEL CHAINS WEBSITES (MARCH 2017)

Top 10 Brands by number of planned rooms Africa



SOURCE: HOTEL CHAIN DEVELOPMENT PIPELINE IN AFRICA 2016 – W HOSPITALITY

2016 New Signings & Openings (Q4 & FY)

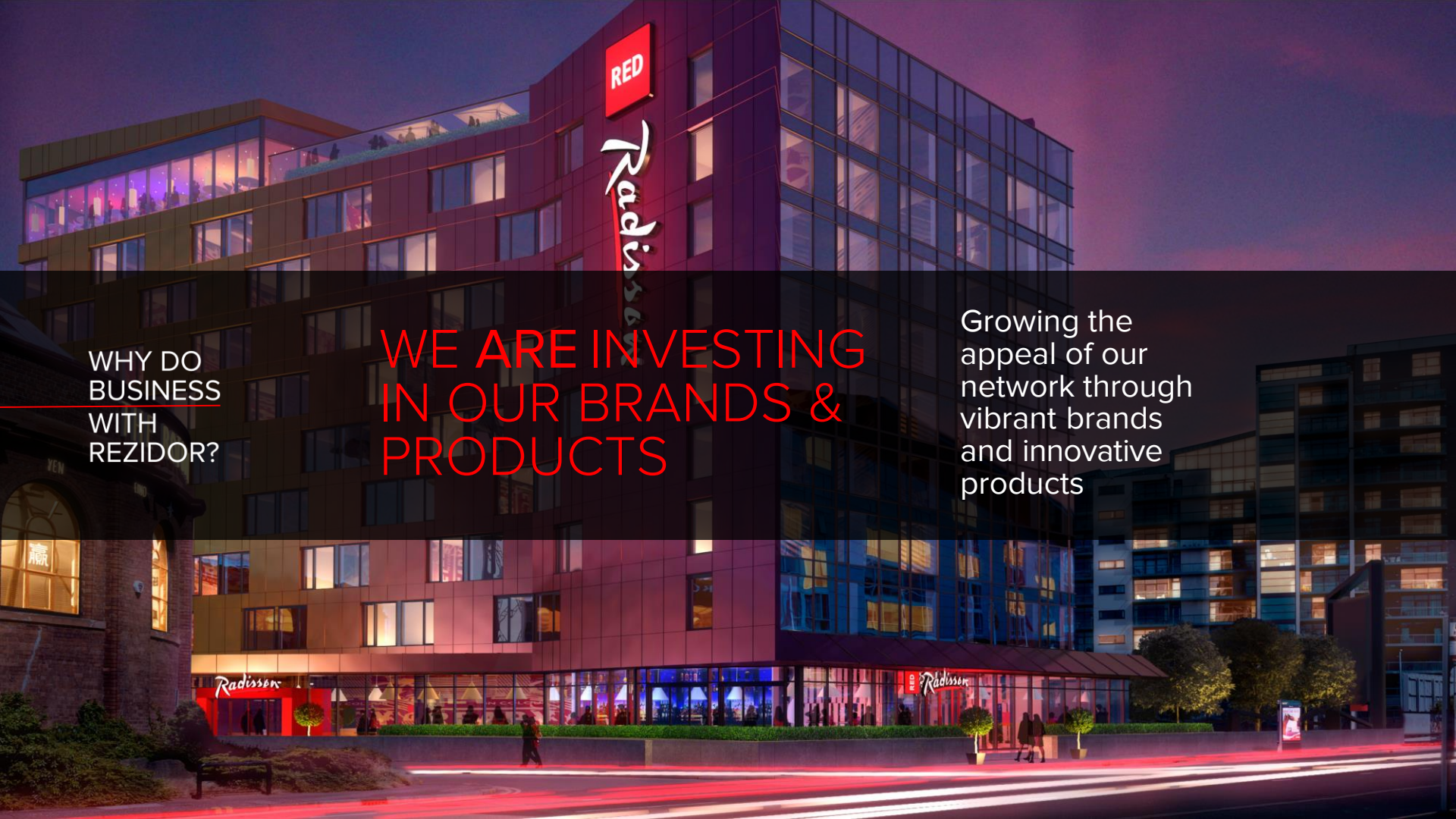
Strong development momentum continues

SIGNINGS	Q4 2016	Q4 2015	FY 2016	FY 2015
Hotels	12	4	45	41
Rooms	1,800	900	8,200	7,900

- Continuous strong momentum with 10% more deals vs. 2015
- Q4 driven by Eastern Europe with 7 signings:
 - 2 Radisson RED signings (Vilnius, Tbilisi)
 - 2 signings in Russia (Rostov-on-Don, Moscow) due to open within 6 months
 - Radisson Blu expansion in Odessa, Brasov & Vilnius
- Expansion into new territory with Radisson Blu Resort Sal on Cape Verde Islands
- Purely fee-based growth (franchise & management contracts)

OPENINGS	Q4 2016	Q4 2015	FY 2016	FY 2015
Hotels	4	7	18	25
Rooms	900	1,400	3,600	4,200

- Openings impacted by delays in emerging markets and slippage into 2017
- Q4 openings focused on mature markets:
 - Strengthening position in Riga with 2 Park Inn by Radisson properties
 - Expansion in Germany with Radisson Blu Mannheim
 - Resort network expansion with Radisson Blu Resort & Spa Gran Canaria Mogan



WHY DO
BUSINESS
WITH
REZIDOR?

WE ARE INVESTING IN OUR BRANDS & PRODUCTS

Growing the
appeal of our
network through
vibrant brands
and innovative
products

A compelling and focused brand architecture

Ranging from economy to luxury



Luxury

Quorvus Collection – our collection of luxury hotels



Upper Upscale

Radisson Blu – our upper-upscale full-service brand



Upscale

Radisson RED – our lifestyle select brand



Midscale

Park Inn by Radisson – our mid-scale brand



Budget

prizeotel – our new economy brand



INSPIRED BY TODAY'S LIFESTYLE EACH
PROPERTY OFFERS A DISTINGUISHED
GUEST EXPERIENCE INTO WHICH IS
WOVEN THE DISTINCTIVE CHARACTER OF
THE LOCAL CULTURE.

—
We call it EIDOS
—

Launching the next phase in building a leading
digital presence – bringing our content rich,
immersive and visually captivating brand to new
platforms and audiences.

Celebrating local character and creating a vibrant
guest experience by implementing our Q24 and
brand hallmarks programs across our portfolio.



ICONIC. STYLISH. SOPHISTICATED.
FROM THE FAÇADE TO THE SMALLEST DETAIL.

360° GUEST EXPERIENCE

A PORTFOLIO OF OVER 300 HOTELS WORLDWIDE
WITH A CONTRACTED PIPELINE OF OVER 100+

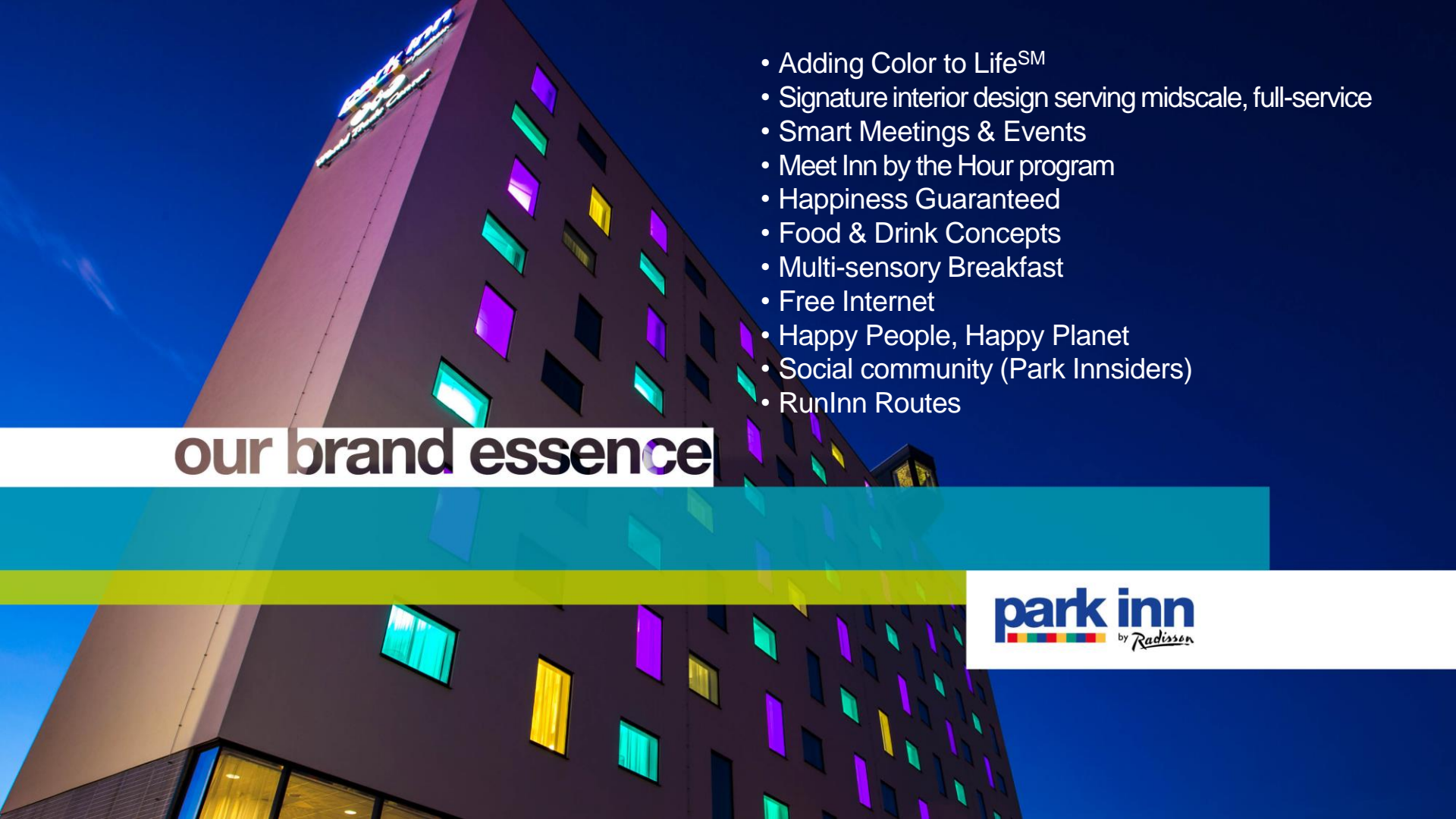
EUROPE'S LARGEST UPPER-UPSCALE HOTEL BRAND

Radisson **RED**

WELCOME TO **RED**

OPEN:
+BRUSSELS

OPENING SOON:
+CAPE TOWN
+GLASGOW
+JEDDAH
+DUBAI
+TBILISI
+VILNIUS
+KRAKOW

- 
- Adding Color to LifeSM
 - Signature interior design serving midscale, full-service
 - Smart Meetings & Events
 - Meet Inn by the Hour program
 - Happiness Guaranteed
 - Food & Drink Concepts
 - Multi-sensory Breakfast
 - Free Internet
 - Happy People, Happy Planet
 - Social community (Park Insiders)
 - RunInn Routes

our brand essence





- Design hotel experience in budget
- Resilience to economic cycles
- Increasing demand
- Value for money
- Real estate efficiency
- A business of scale

- Design: Karim Rashid
- <€50,000 per key
- 16 sqm rooms
- Construction solution
- Leased and managed
- Focus on Germany & Benelux

F&D CONCEPTS AT RADISSON BLU




CONCEPT	NAME	LOGO
ALL DAY DINING	THE LARDER	THE LARDER
LOBBY BAR	THE LOUNGE	THE LOUNGE
ITALIAN CASUAL DINING	FILINI	
FRENCH BRASSERIE	VERRES EN VERS	
ASIAN GRILL	OCHAYA ASIAN GRILL BY YVES MATTAGNE	
AMERICAN GRILL AND COCKTAIL BAR	FIRELAKE GRILL HOUSE & COCKTAIL BAR	
CONTEMPORARY IRISH BAR	SURE BAR	sure
COFFEE AND MUSIC BAR	VASCOBELO	

F&D CONCEPTS AT PARK INN BY RADISSON



CONCEPT	NAME	LOGO
LOBBY, LOUNGE & DINING	LIVE-INN ROOM	The logo for Live-Inn Room, featuring the text 'live-inn room' in a green, lowercase, sans-serif font, with a green vertical bar to the left of the text.
ITALIAN CASUAL DINING	BOCCA BUONA	The logo for Bocca Buona, featuring a stylized yellow fork and knife crossed, with the text 'BOCCA BUONA' in a bold, black, sans-serif font below it.
BARVARIAN BRÄUHAUS	PAULANER BRÄUHAUS*	The logo for Paulaner München, featuring a circular emblem with a red border, a yellow background, and a black silhouette of a lion's head.
BAVARIAN WIRTSHAUS	PAULANER RESTAURANT*	The logo for Paulaner München, featuring a circular emblem with a red border, a yellow background, and a black silhouette of a lion's head.
BAR & GRILL	RBG	The logo for RBG, featuring the letters 'rbg' in a white, lowercase, sans-serif font on a red square background.



WHY DO
BUSINESS
WITH
REZIDOR?

WE ARE
INVESTING
IN OUR PEOPLE

Attracting and
retaining top talent
as an employer of
choice

OUR PROMISE: OUR EMPLOYEE VALUE PROPOSITION



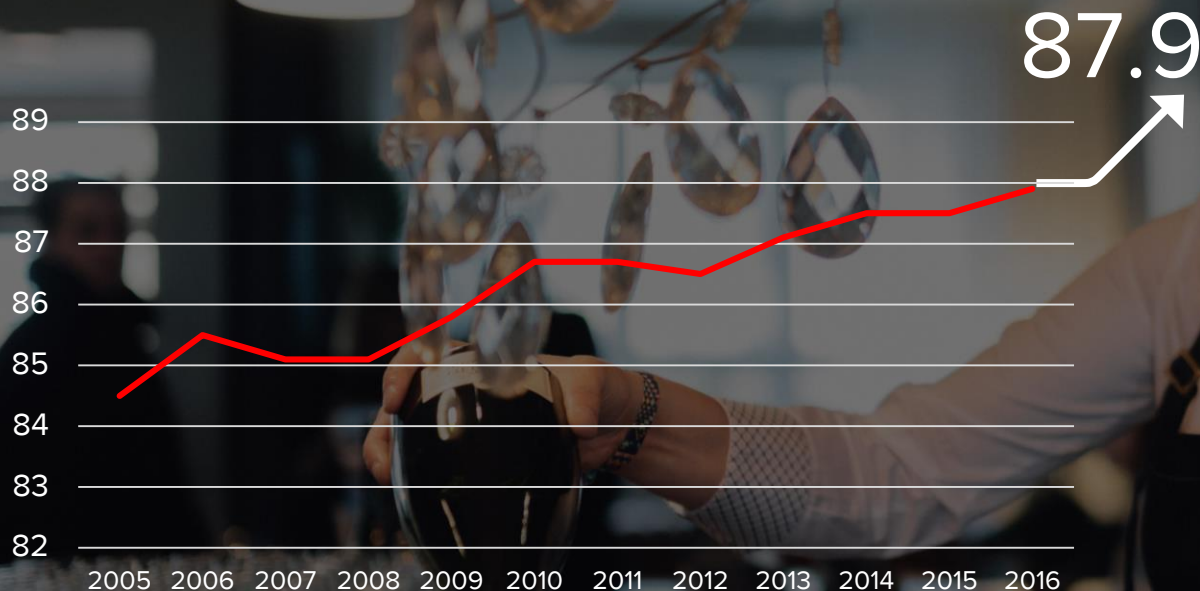
Investment in our talent

Rezidor's Performance Management Culture is embraced at all levels

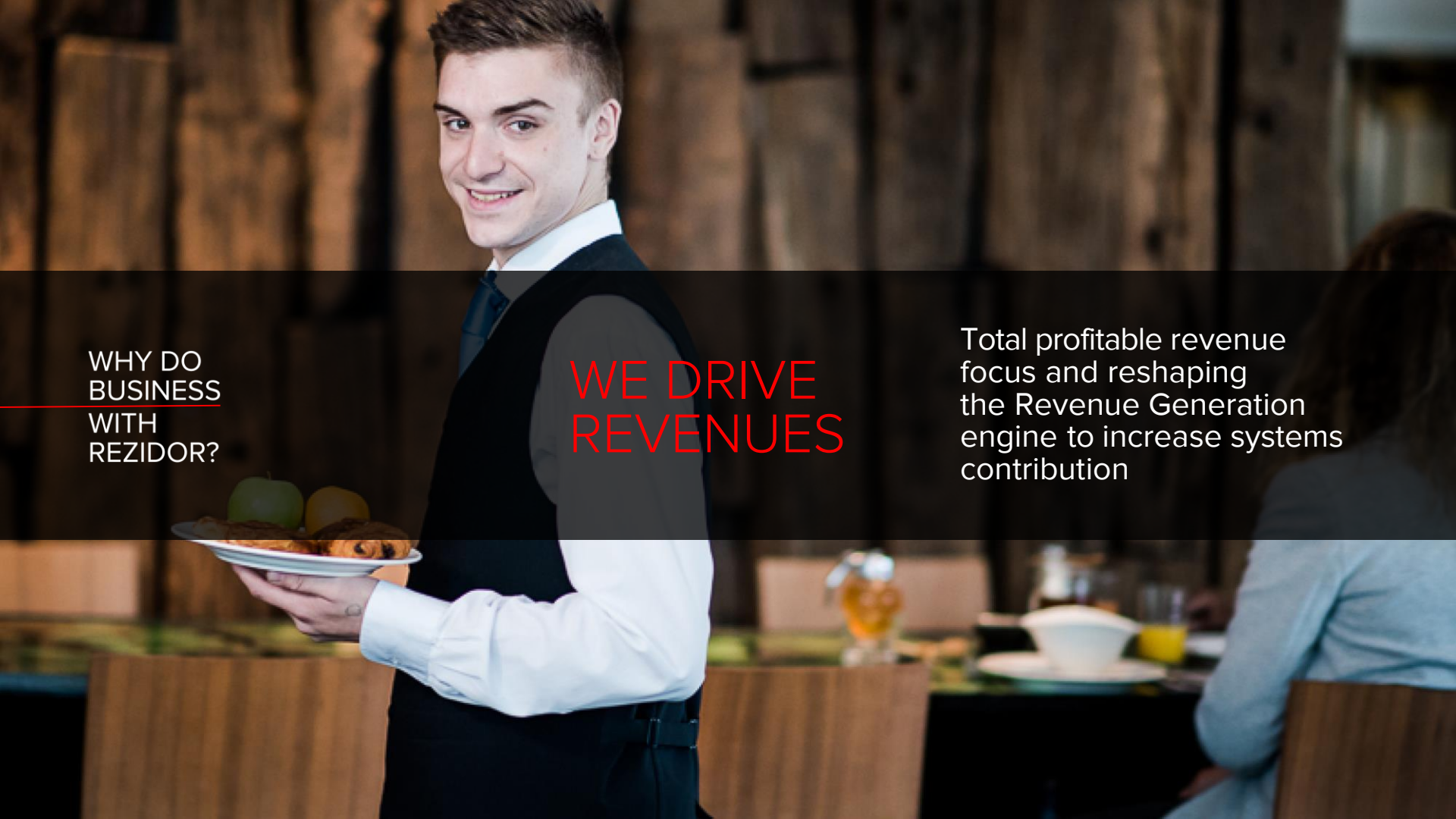


Targeted people development initiatives to attract, retain and grow the best talent

Rezidor's Employee Loyalty Score is constantly rising and at **industry-leading** level (in average 6 points above average score of other sectors)



Source: Rezidor Climate Analysis 2016



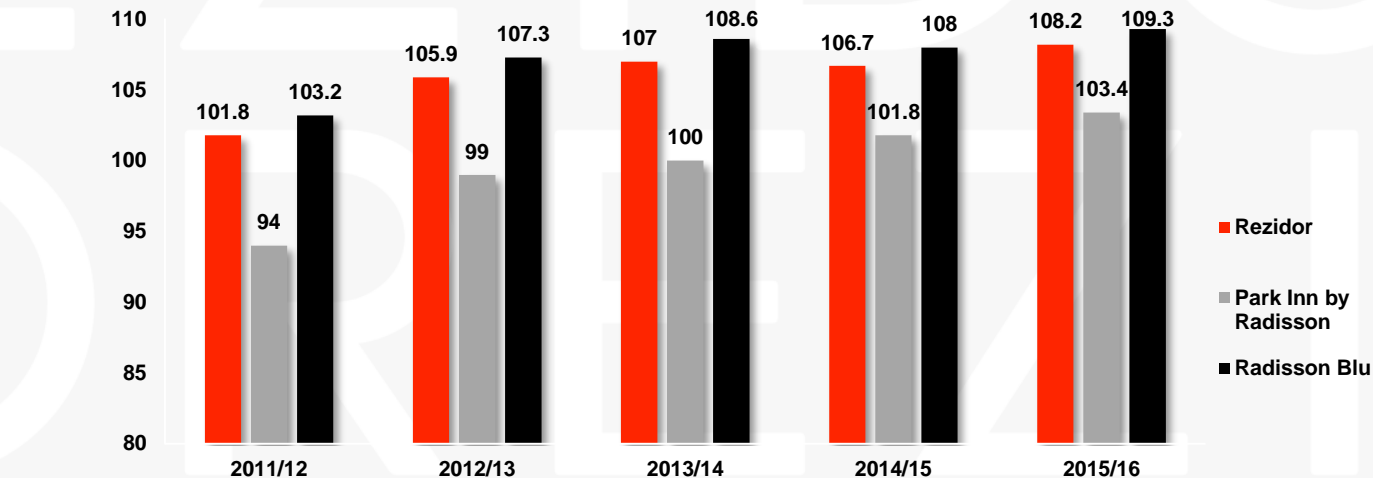
WHY DO
BUSINESS
WITH
REZIDOR?

WE DRIVE
REVENUES

Total profitable revenue
focus and reshaping
the Revenue Generation
engine to increase systems
contribution

Strategic revenue initiatives deliver fifth consecutive year of RGI growth

Rezidor's 2016 absolute RGI reaches 108.2



	2012	2013	2014	2015	2016
Hotels w. RGI data	151	157	151	157	152
RGI > 100%	61%	61%	65%	61%	68%
Gaining RGI	54%	64%	52%	53%	52%

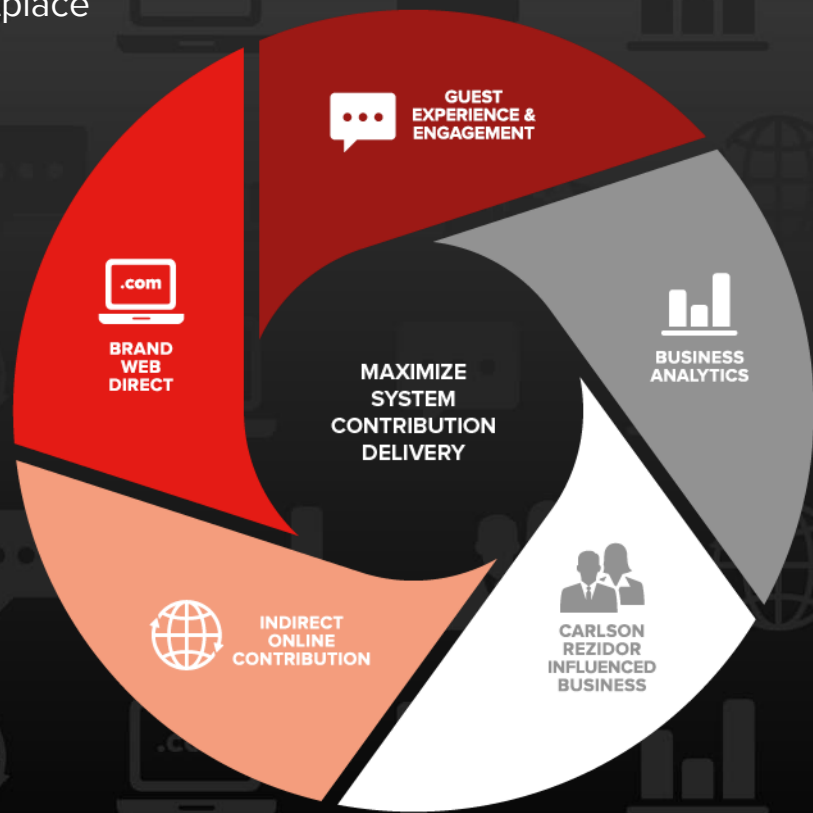
Comparable Managed & Leased Hotels with 3rd Party RGI Data
RGI Year from Dec-to-Nov


Rezidor's RevGen engine

To embrace the shifting dynamics of the marketplace

Targeting a
70% system
contribution
by **2020**

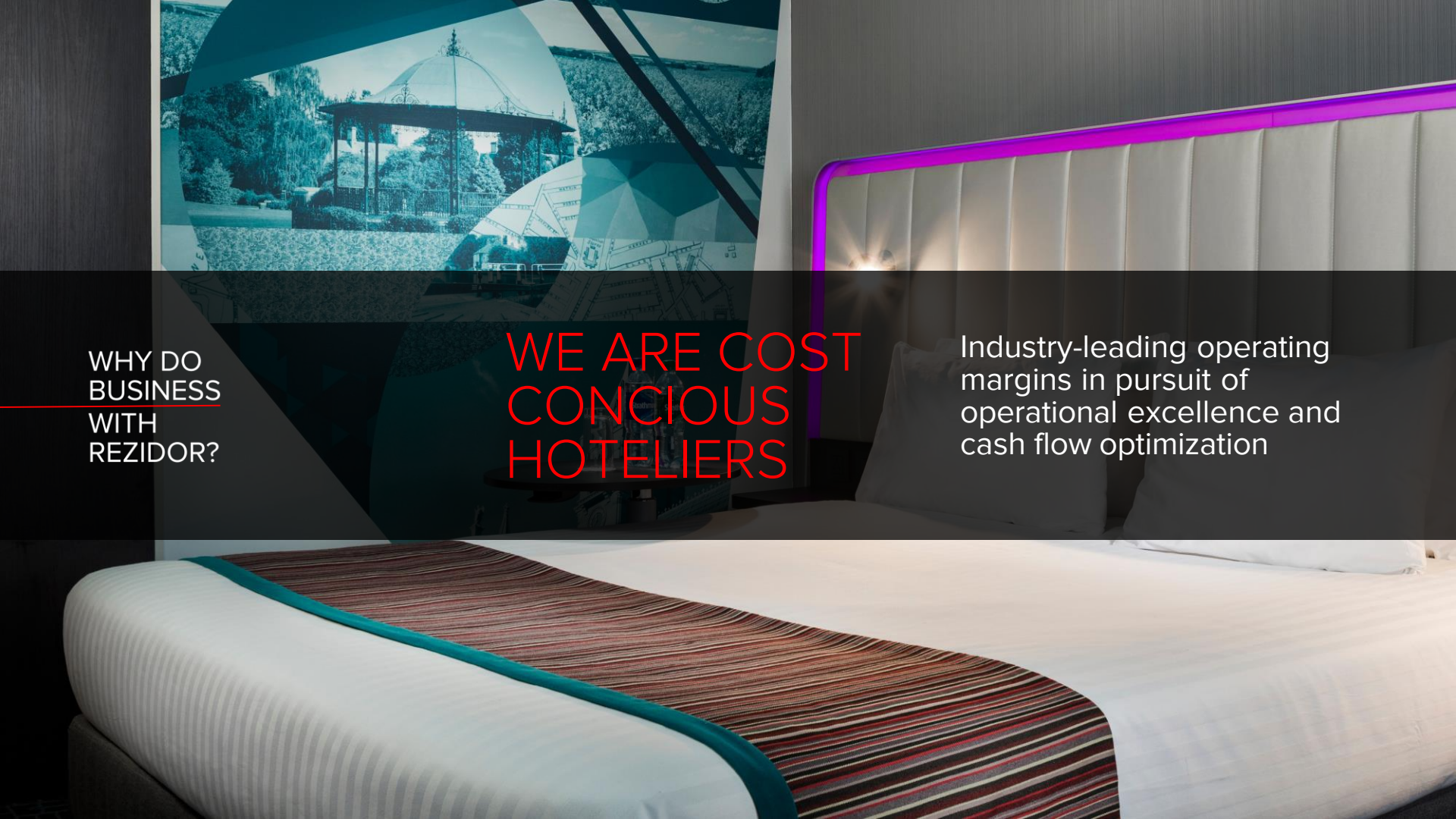
(system contribution: revenue and room nights via Brand Web, Internet, Voice, GDS and Carlson Rezidor influenced (Sales & Loyalty) hotel direct business)





WHY DO
BUSINESS
WITH
REZIDOR?


WE ARE COST
CONCIOUS
HOTELIERS



Industry-leading operating
margins in pursuit of
operational excellence and
cash flow optimization

Strategic initiatives drive profitability and cost reductions in operations

- Asset Management delivered exits from **10 lease** agreements and extended 3 profitable lease agreements, in 2016
 - Over the past five years, the lease portfolio has been reduced by 25% and optimization initiatives have yielded **€17m EBITDA** contribution and approx. 2 percentage point uplift in EBITDA margin
- Procurement serving as a key driver to improved profitability
 - Sourcing Value contribution of over ca. **€9m**
 - In 2016 alone, procurement helped generate **€5.7m** savings through cost avoidance and reductions
- Significant “Think Planet” energy savings following investments:
 - **€5m** utility cost savings in leased hotels
- Super Breakfast reduced food waste on average by **25%**
 - Area-based food waste reduction program in Central & Southern Europe by **40%**
 - Deep-dive hotel commercial reviews increased hotel profitability by 1-pc point

A group of four people, two women and two men, are crouching in a field, planting a young tree. They are all smiling and looking towards the camera. The woman on the far left is wearing an orange headwrap and a white shirt. The man next to her is wearing a blue shirt. The woman next to him is wearing a white shirt and a patterned headwrap. The woman on the far right is wearing a white shirt and sunglasses. They are all holding a small tree with green leaves. The background shows a field with tall grass and some trees in the distance.

WHY DO
BUSINESS
WITH
REZIDOR?

WE THINK
AND ACT
RESPONSIBLY

A unique and award-winning sustainability philosophy, differentiating our brands and inspiring our team members

THINK POSITIVE CHANGE 2020 PLAN

Let's focus together on our common north for responsible business



THINK PEOPLE


- The foremost way to be a responsible company is to provide meaningful employment. We believe in developing our team's talents and increasing young people's employability.
- In our hotels around the world, our business network and our supply chain, we promote human rights, business ethics and diversity

THINK COMMUNITY

- We believe in being a force for good in both the local and global communities, creating a ripple effect of positive change through meaningful joint projects, donations and community action

THINK PLANET

- We share one earth. When it comes to protecting our natural resources, we believe we can be more than just aware – we can be part of the solution by reducing our Carbon & Water footprints by 10% and by increasing recycling



WHY DO
BUSINESS
WITH
REZIDOR?

WE CREATE A
SAFE AND SECURE
BUSINESS FOUNDATION


Protecting the
lives of our guests
and employees
while safeguarding
your assets

The fundamental importance of safety and security



165+ hotels certified


And the foundation for a stable, successful and sustainable business



WHY DO
BUSINESS
WITH
REZIDOR?

WE ARE A RELATIONSHIP COMPANY

We believe in personal relationships based on trust and transparency - with our people, guests, owners, shareholders & stakeholders



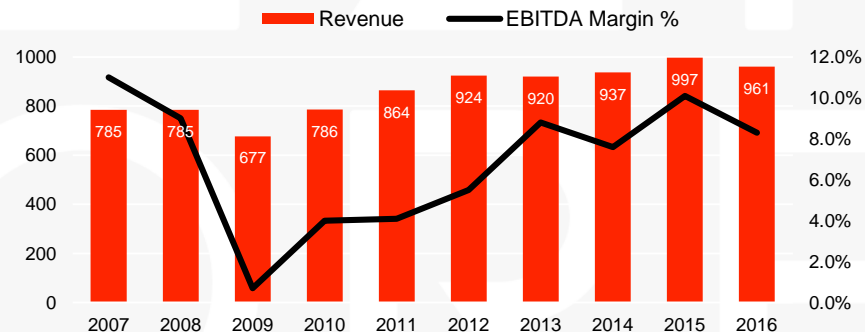
WHY DO
BUSINESS
WITH
REZIDOR?

WE ARE
FINANCIALLY
SOUND

Our debt free balance sheet
enables investments and
makes us a solid partner

Continued focus on fee-based growth, operations and asset management has improved profit conversion and EBITDA margin

REZIDOR'S FINANCIAL TRACTION



- Rezidor has added more than 100 hotels in operation since end 2007
- Market recovery since 2009 has contributed to improved performance
- EBITDAR margin among the best in the industry
- EPS positive – creating the opportunity to distribute dividends

DETAILED FINANCIALS

€million	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CAGR / avg. 2012-16
Hotels in operation	237	260	286	312	325	338	337	340	350	363	1.8%
Revenue	785	785	677	786	864	924	920	937	997	961	1.2%
EBITDAR	281	276	210	254	275	300	317	314	341	315	1.0%
EBITDAR margin %	35.70%	35.10%	31.00%	32.30%	31.80%	32.50%	34.50%	33.50%	34.20%	32.78%	33.5%
EBITDA	87	71	5	32	35	51	81	73	101	79	11.6%
EBITDA margin %	11.00%	9.00%	0.70%	4.00%	4.10%	5.50%	8.80%	7.60%	10.10%	8.25%	8.1%
Net results	46	26	-28	-3	-12	-17	23	14	34	26	
EPS	0.31	0.18	-0.19	-0.02	-0.08	-0.12	0.16	0.09	0.20	0.15	

2016 results impacted by one-offs; 5th year of consecutive market share gain

2016 Full Year financial results at a glance



Revenue

- €961.2m Reported Revenue
- €38.1m L/L Revenue increase
- Exit of 4 leases & 1 temporary closure



EBITDA

- €79.3m EBITDA
- 8.3% EBITDA margin
- Incl. €5m restructuring costs



Signings

- 45 hotels
- 8,200 rooms



RevPAR

- L/L RevPAR €75.8
- ADR €111.6
- Occupancy 68%
- 5th consecutive year of RGI improvement



Net profit

- €26.4m
- 2.7% net profit margin
- Positive impact from recognition of tax assets (€22.3m)
- Board proposes a dividend of € 0.05/share

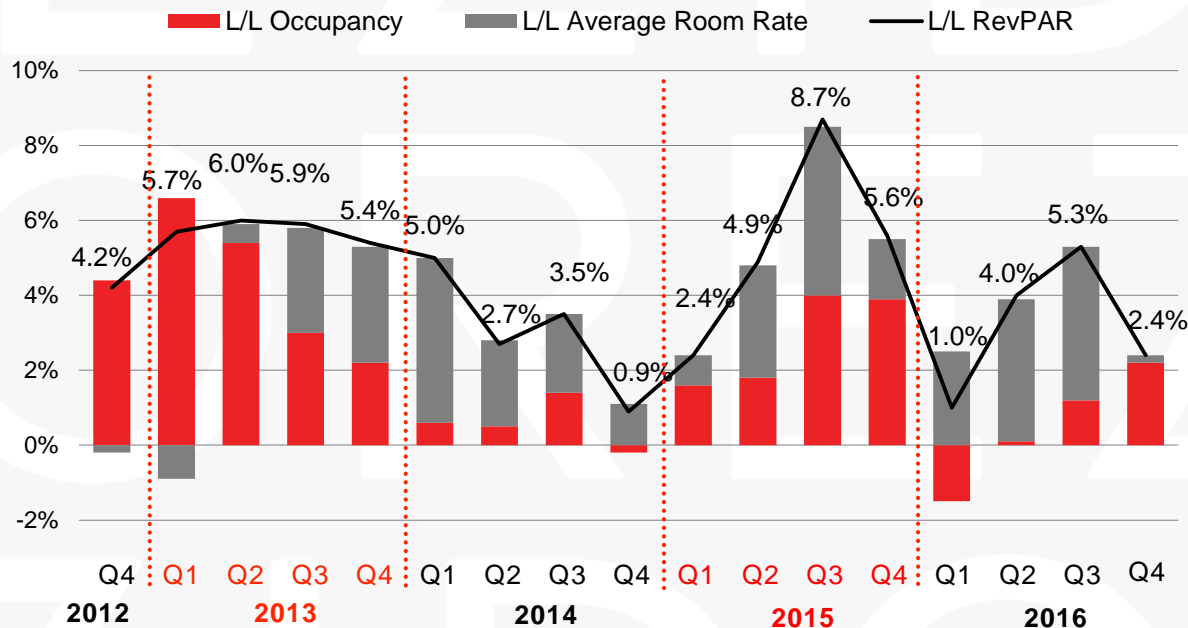


Openings

- 18 hotels
- 3,600 rooms
- 1,900 rooms net opening

L/L RevPAR increase of 2.4% in Q4-2016 mainly from occupancy growth

Rezidor RevPAR development



- Strong performance in line with sector & market performance
- 3 of 4 regions reported L/L RevPAR growth: **Nordics**, **Eastern Europe**, and **ROWE**

NOTE: Like-for-like: same hotels in operation during same period last year compared at constant exchange rates

Full Year 2016 Results impacted by challenging trading in some key cities, exchange rate fluctuations & exit costs but helped by capitalization of tax assets

In €m	FY2016	vs LY
LFL RevPAR (L&M)	75.8	3.2%
Revenue	961.2	-35.8
EBITDAR	314.6	-26.4
EBITDAR Margin %	32.7%	-1.5 pp
EBITDA	79.3	-21.8
EBITDA Margin %	8.3%	-1.8 pp
EBIT	3.0	-54.3
EBIT Margin %	0.3%	-5.4 pp
NET INCOME	26.4	-7.8

- **Reported Revenue** down 3.6% due to
 - Conversion of 3 leases to franchise and exit of 1 lease
 - Negative FX impact of €35.6m from EUR strengthening vs. GBP, NOK, RUB and CHF
 - One-off fee revenue €5.8 lower than last year
- **L/L Revenue** up €38.1m (3.8%)
- **EBITDA** decreased due to challenging trading in some key cities, lower one-off fees and higher central costs due to redundancies
 - €6.3m decline related to eight hotels in Brussels, Nice and Paris
 - €3.4m negative FX impact
 - Last year positively impacted by revaluation gain (€2.8m)
- **EBIT** negatively impacted by termination costs of €28.9m (1.1) and higher costs for depreciation & write-downs of €6.2m, partly offset by gain on sale of shares in subsidiaries of €1.9m
- **Net income** positively impacted by capitalisation of tax assets of €22.3m (net)
- Board proposes a **Dividend** of EUR 0.05 per share

Free cash flow and net cash impacted by investments and exit costs

FY 2016 vs FY 2015	2016	2015
Cash flow before working capital changes	37.4	80.8
Change in working capital	-3.2	5.0
Cash flow from operating activities	34.2	85.8
Investments	-83.1	-74.6
Free Cash Flow	-48.9	11.2

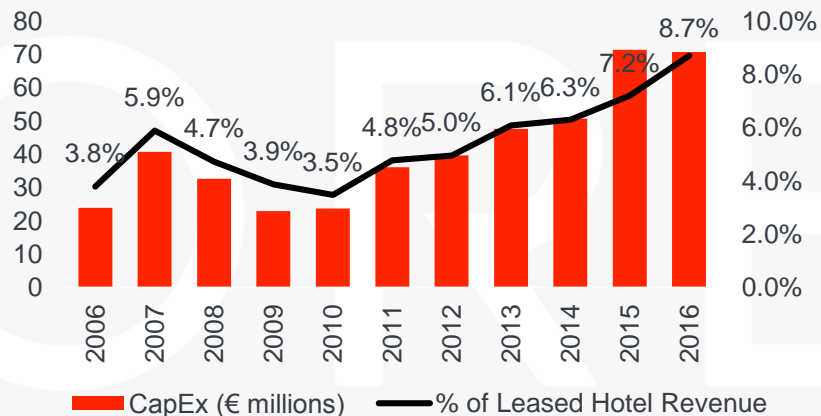
- Weaker cash flow before working capital mainly due to decrease in EBIT
- Change in working capital negative mainly due decrease in current liabilities
- Investments include the acquisition of 49% in prizeotel (€14.7m)
- Resulting net cash position is negative (€-20.9m) by the end of the year, mainly due to investments and payment of exit costs

MEUR	Dec 31, 2016	Dec 31, 2015
Balance sheet total	502.5	464.3
Net working capital	-38.4	-53.0
Net cash (net debt)	-20.9	41.1
Equity	265.7	246.7

Accelerated CapEx deployment into leased portfolio


Supporting future performance & profitability improvement

CAPEX DEVELOPMENT (LEASES)



- CapEx deployment of €71m (8.7% of leased revenue) in 2016
- Accelerated CapEx Plan to end 2018, after which a normal 5% run rate should apply
- Timing of CapEx to consider seasonality and market development to limit displacement
- Majority spent on guest rooms / public areas
- Higher RevPAR & market share expected from refurbished hotels, increasing total revenue and profitability

(in €m)	2013	2014	2015	2016
Nordics	19.9	19.4	23.5	23.2
ROWE	27.8	31.3	49.8	47.5
TOTAL	47.7	50.7	72.3	70.7



WHY DO
BUSINESS
WITH
REZIDOR?

WE ALWAYS
PUT THE GUEST
CENTER STAGE

Why do we exist?
To create memorable
moments

THE
REZIDOR
HOTEL GROUP

WHY WE EXIST
CREATING MEMORABLE MOMENTS

WHO WE ARE
TRUE HOSTS

HOW WE DELIVER
LIVING THE BRAND PROMISE

WHAT CONNECTS US
OUR VALUES
BEING HOST / LIVING TRUST /
FIGHTING Z-PIRIT

OUR GUIDING LIGHT



EVERY
moment
MATTERS

QUORVUS
COLLECTION

Radisson BLU

Radisson RED

park inn
by Radisson

prizeotel

