



Meliá Bali The Garden Villas – Bali, Indonesia



Me London – London, UK

MELIÁ HOTELS INTERNATIONAL EQUITY INVESTORS PRESENTATION

June 2018



ME Miami – Miami, USA



Gran Meliá Palacio de los Duques – Madrid, Spain



Paradisus Cancun – Cancun, Mexico



Me Milan II Duca – Milan, Italy

Meliá Hotels International at a Glance

MELIÁ HOTELS INTERNATIONAL

Presence more than 40 countries¹

384 hotels and 97k rooms¹

A family of over 44k members

Over 60 year history

Solid financial situation and stable capital structure

Highly resilient and diversified model

Strong commitment with ESG issues

8 globally recognized brands focused on sophisticated travelers

An award-winning proposition with a strong track record of success

Leading hotel chain in LatAm, Caribbean and in resorts and bleisure segments worldwide

Largest hotel chain in Spain and 3rd in Europe

16th largest hotel chain worldwide

Long-term committed shareholders
52% Escarrer Family

Market cap
~2.8Bn

GRAN MELIÁ
HOTELS & RESORTS

PARADISUS
BY MELIÁ

ME
BY MELIÁ

MELIÁ
HOTELS & RESORTS

Sol
hotels&resorts

INNINSIDE
BY MELIÁ

CIRCLE
BY MELIÁ

TRYP
BY MELIÁ

WORLDWIDE
HOSPITALITY
AWARDS

Best Hotel Chain
in Europe
European Hospitality
Awards 2015

GLOBAL
TRAVELER
AWARDS

Best Luxury Leisure
Hotel Group in the
World
Global Traveler Awards 2015

2017
CERTIFICATE of
EXCELLENCE
tripadvisor

¹) Includes current portfolio plus pipeline

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Sol
by Meliá

CIRCLE
BY MELIÁ

MELIÁ
REWARDS

Financial snapshot

3M 2018 Figures


€
Net Profit
€22.1M
(+18.9%)


Revenues
€401.1M
(-2.0% / +4.2% ex FX effect)


EBITDA (ex capital gains)
€65.1M
(-1.1% / +13.8% ex FX effect)


EBITDAR
€99.6M
(+2.7%)


Net Debt
€639.8M
(+7.8%)



Occupancy
67.8%
(+1.5 p.p.)


Average Room Rate
€116.0
(-0.7%)


RevPAR
€78.6
(+1.6% / +7.4% ex FX effect)

2017 Year End Figures

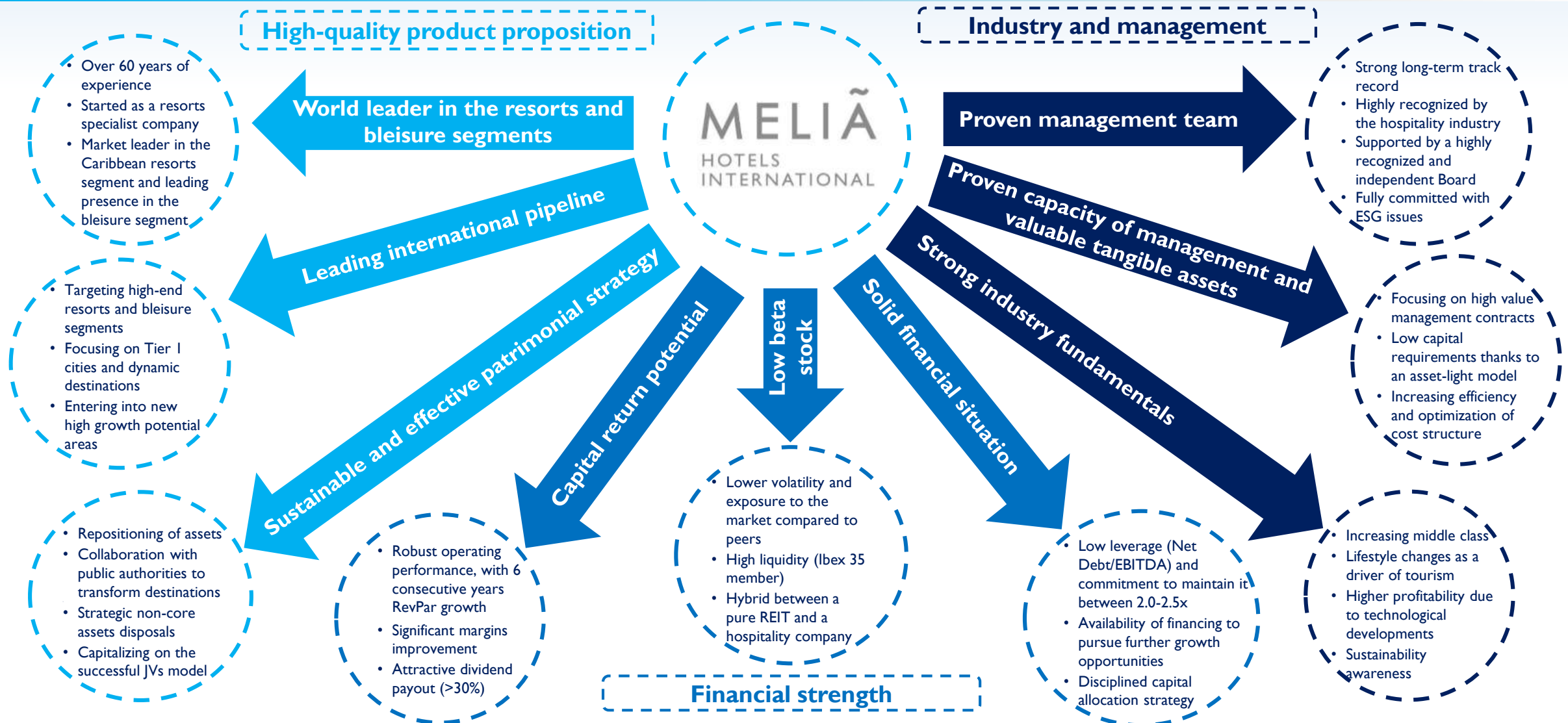
€
Net Profit
€128.7M
(+27.8%)


Revenues
€1,885.2M
(+4.6%)


EBITDA (ex capital gains)
€310.3M
(+11.0%)


RevPAR
€84.9
(+5.6%)

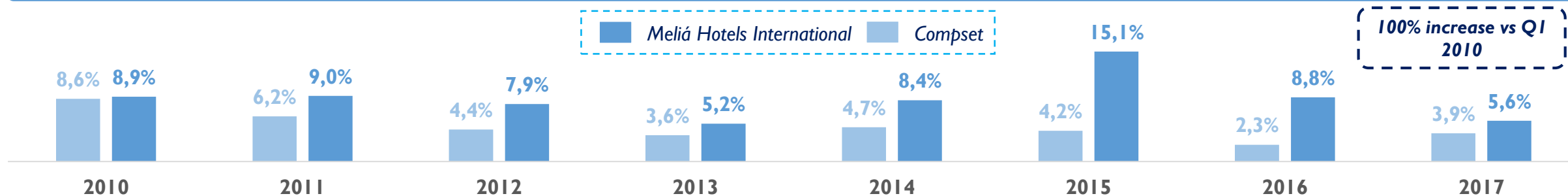
Why Meliá Hotels International? Key investment highlights



Strong performance at operating level...

Continued improvement despite tough economic and market conditions and healthy margins after deep strategic organizational improvements

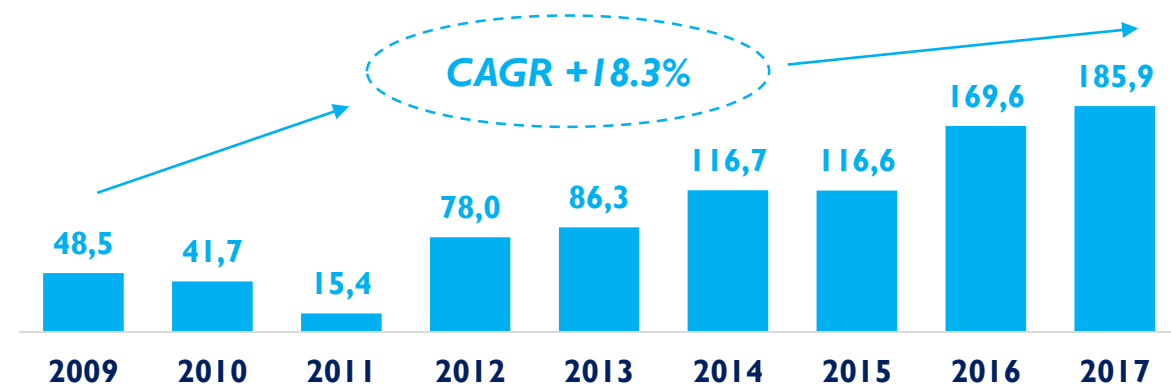
RevPar growth
2010 - 2017



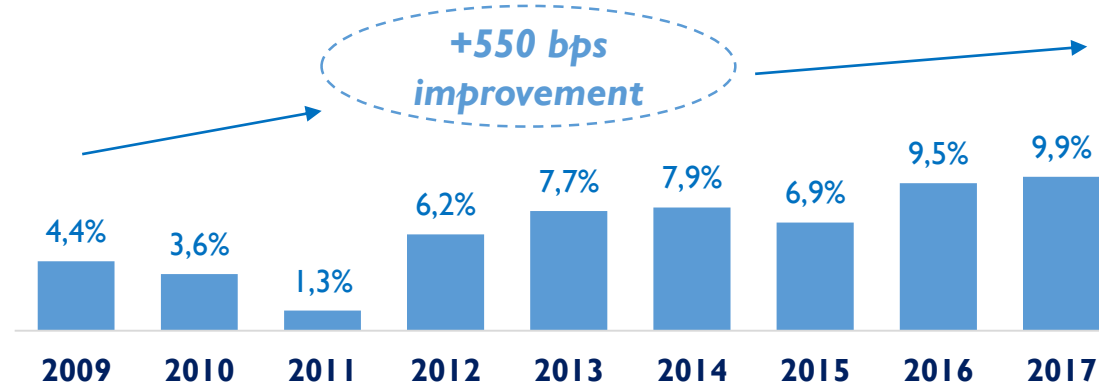
Compset: IHG, Accor, Millennium, Marriott, Hyatt, Hilton and NH

6 consecutive years with RevPar growth in every quarter - 30 consecutive quarters increasing our RevPar well above peers, with more than 60% of the increase explained by prices

EBIT ex capital gains growth
2009 - 2017



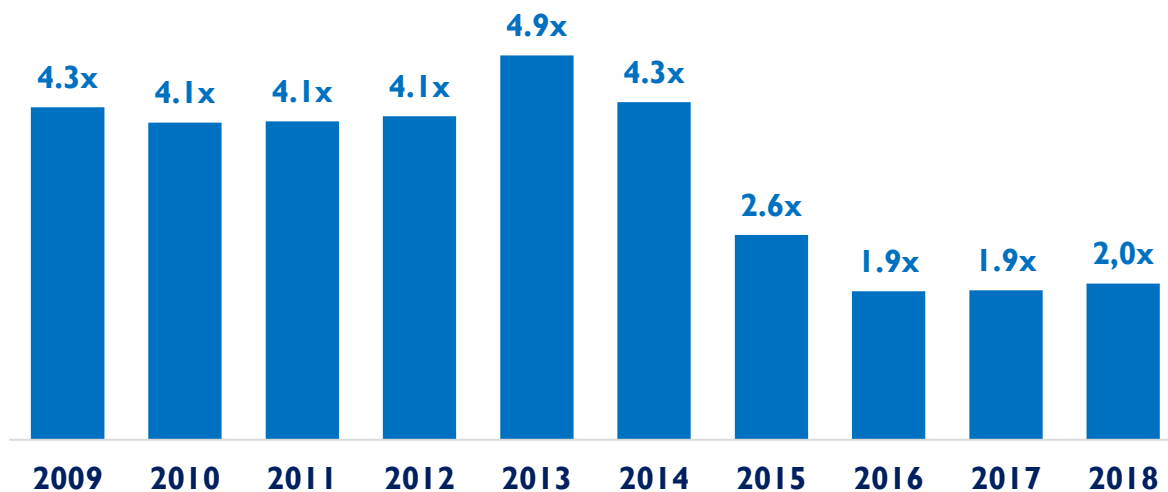
EBIT ex capital gains margins
2009 - 2017



...enjoying a solid financial situation...

Healthy financial position allowing us to strategically explore and pursue new opportunities, as well as strong commitment to maintain a leverage ratio at 2.0x

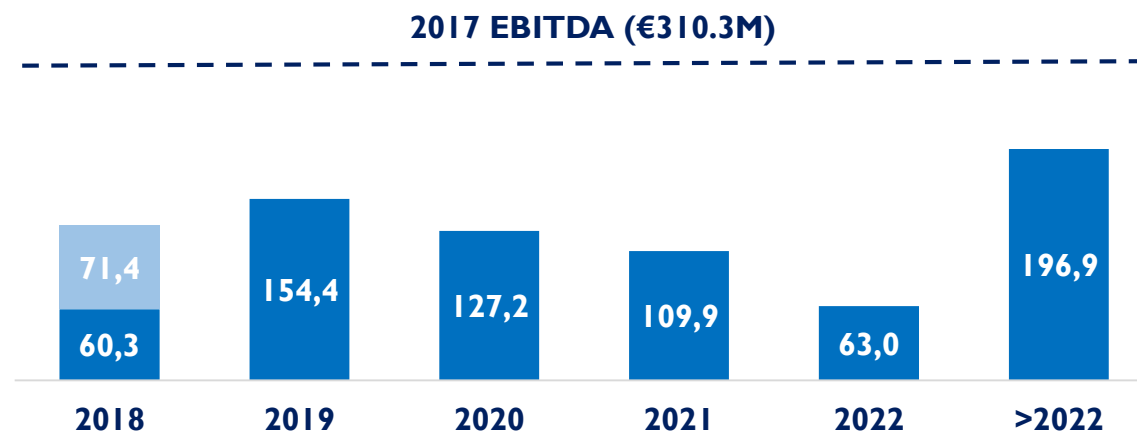
Net Debt/EBITDA 2009 – 2018e



**Average Cost of Debt
3.2% (vs. 4.4% in 2015)**

Debt Maturity Profile¹ 2018 – 2022+

Bank Loans & Others Capital Markets



¹) Excludes credit facilities

**Debt Split
50% Fixed & 50% Variable**

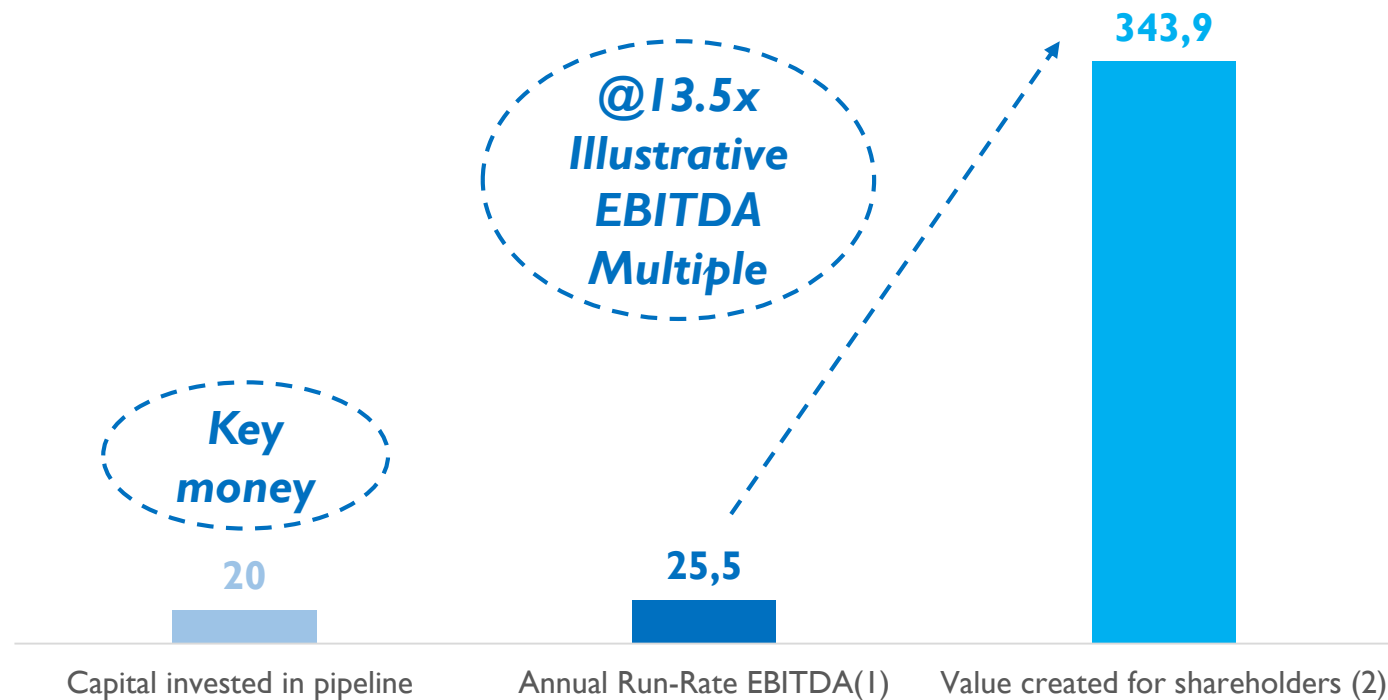
...generating significant returns with a minimal investment...

Leveraging our competitive advantages, customer attraction capabilities and brand strength to boost value creation for our shareholders with a minimal investment in high value management contracts acquisition

A strong and highly internationally diversified pipeline of 16,000 rooms



€343.9M of value created for our shareholders for only €20M of capital invested



1) Assumes current pipeline of 15,919 rooms and average expected fee per room; 2) The EV/EBITDA multiple used is an average of our peer group EV/EBITDA multiples and might not reflect the actual nor proper valuation attributed by the market

...with a multi-purpose system-wide optimization-oriented strategy...

Well defined objectives focusing on boosting shareholders value creation and system-wide optimization implemented through key strategic pillars

Promoting a more solvent and profitable company

Achieving leadership in resort and bleisure segments

Consolidating our cultural transformation

Strengthening our Corporate Government Model

Assuring the consistency with our long-term vision

Achieving excellence in management

Implementing a flexible and dynamic patrimonial strategy

Promoting a deep cultural transformation at all levels

Attaining international reputation and recognition

Developing and executing an ambitious digitalization plan aimed at improving system-wide profitability and optimizing business processes

...and optimally positioned in the resorts and bleisure segments

Leading resort Company in the world

More than 60 years of history in the resorts arena...

...and the only hospitality company started focusing only in resorts

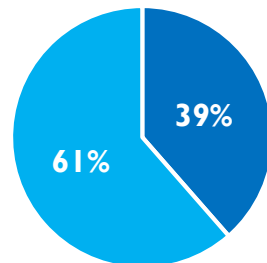
Increasing penetration in the Bleisure segment

Focused on Tier 1 cities with an important MICE component, as well as cultural attractions attracting a significant number of visitors



Diversified and resilient business model

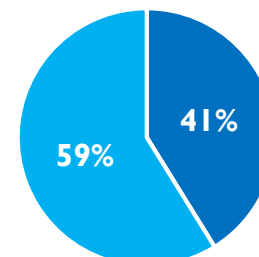
1) Data as of March 2018



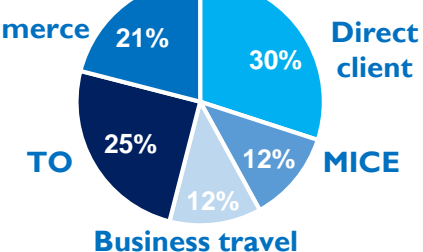
Pipeline

Actual

■ Urban ■ Resorts

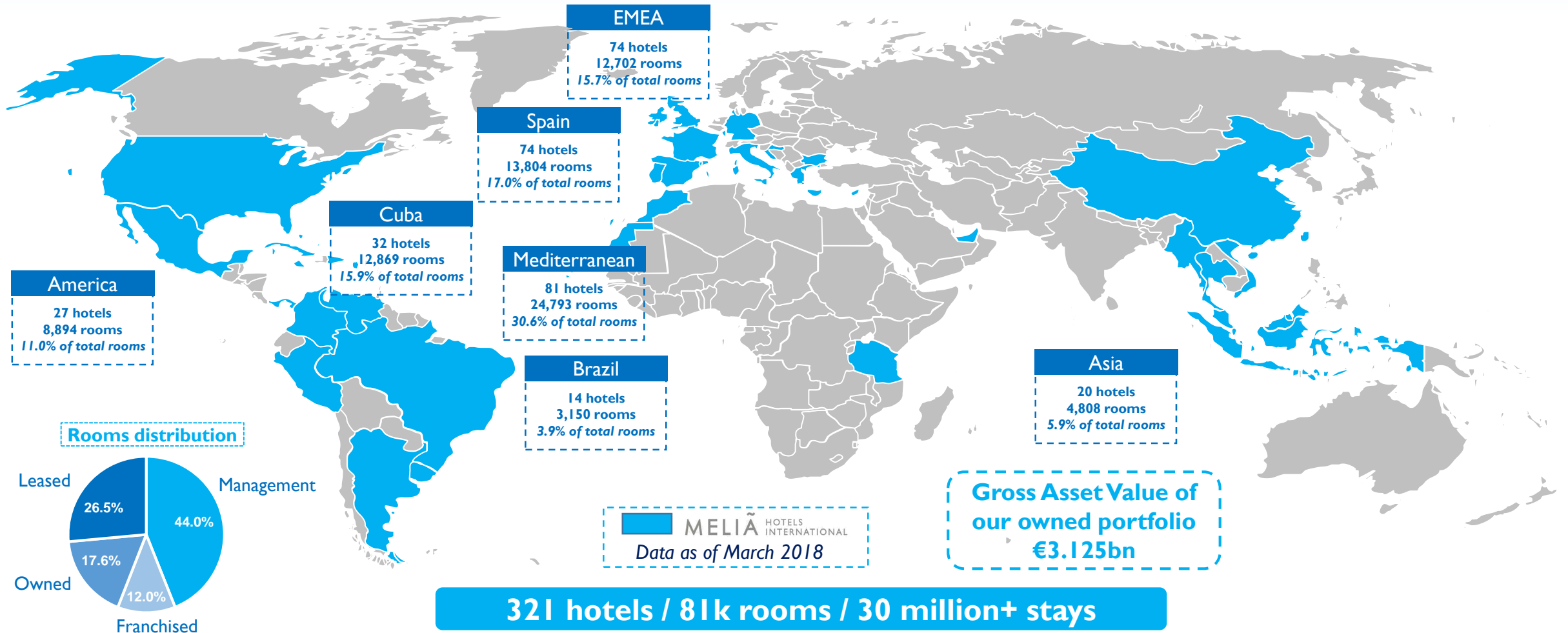


E-commerce



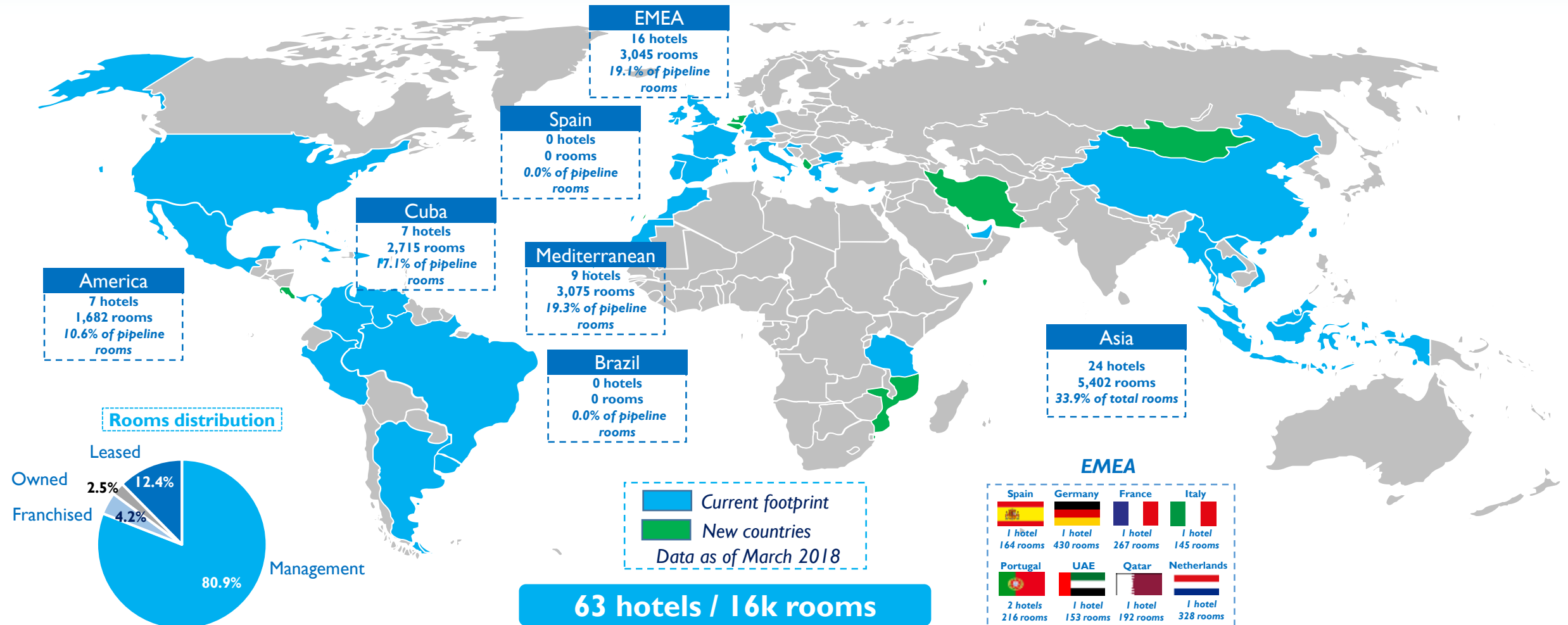
Our current footprint...

A leading global presence aimed at servicing local needs



...and a solid pipeline...

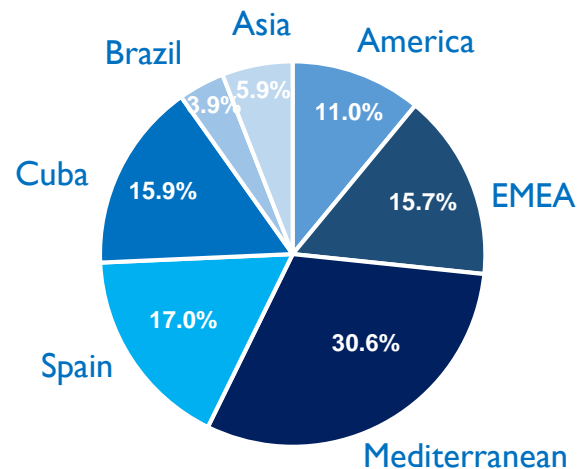
Selective growth in regions benefitting from positive market dynamics



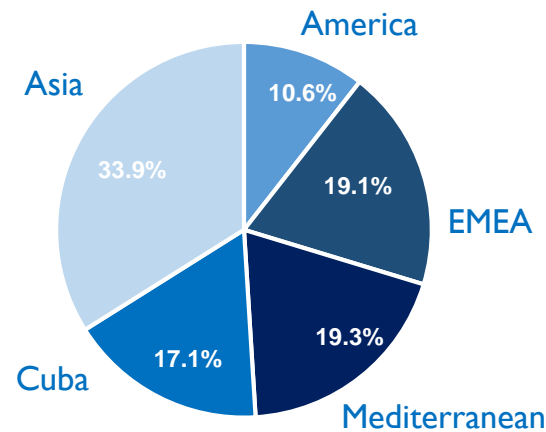
...that combine into a robust and resilient model...

Geographic shift into high growth geographies with strong potential for value creation

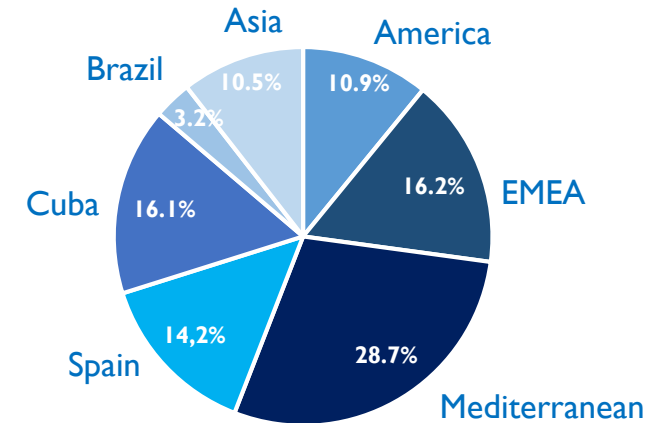
Current Footprint¹



Pipeline



Pro Forma²



Increasing presence in both the Asian and EMEA regions in order to take advantage of new opportunities in the bleisure and resorts segments

1) Data as of March 2018; 2) Assumes all pipeline rooms

...to fully take advantage of global long-term market trends...

Growing trends in the tourism and hospitality industry as a driver of increasing shareholders' returns



Increasing Middle Class

Global middle class doubled since 1990 to over 3.0 billion people

Mid class market growing faster than global GDP

Mostly of new middle class entrants will live in Asia, thus increasing opportunities

Middle class spending is over 35 trillion, accounting for more than a third of the global economy



Lifestyle changes

People now more interested in travelling to explore new cultures, thus fueling demand

Global tourist arrivals increasing at a high pace and at both national and international level

Growing travel spend on a worldwide basis due to health and well being concerns

Increasing importance of tourism within the global economy, and expectations of strong increase in annual trips



Technology

Development of internet and mobile based technologies opened new opportunities

Increasing importance for guests of high-tech and user-friendly platforms/applications

Technology expected to improve guests' travel experience significantly

Opportunity to leverage IoT (Internet of Things) technologies to improve on an operational basis and provide more tailored services



Sustainability

Increasing importance of sustainable tourism development and climate change issues

Opportunity to increase efficiency by introducing eco-friendly practices

Raise of sustainable destinations and demand for responsible tourism

Guests and Investors closely monitoring environmental, social and governance footprint when making decisions

Expected resilience of the industry and a number of opportunities to capitalize on for those able to adapt to new landscape

Source: World Bank, International Monetary Fund, OECD

...and where sustainable growth and ESG issues matters

Widely recognized efforts on the ESG arena by the international community

Leading company in Environmental, Social and Governance policies and initiatives



Leading Company in sustainability
European Global ESG Awards, 2017



Gabriel Escarrer (CEO)
ESG Leader of the Year
European Global ESG Leaders Awards, 2017



Best development initiative
Sustainable and CSR Worldwide
Hospitality Awards, 2016

Approaching ESG issues with a long term value creation perspective

Extensively considered as a top employer in the hospitality industry by young talent



Most attractive Companies to work (#20)
Randstad Awards



Leading Company in the industry
Addecco's Best Managers and Happiest Places to Work



Best Companies attracting talent (#16)
Merco Talent Spain

Helping to secure a prosper and bright future for our new generations



Agreement with United
aimed at child protection



Helping socially vulnerably
young people

**A trusty, solid an reliable partner for
our stakeholders strongly committed
with sustainable development**

*Devoted to fighting climate change
from different sides and in a
collaborative way*



EARTHCHECK



WE SUPPORT



GLOBAL SUSTAINABLE
TOURISM COUNCIL

Well defined and sustainable development strategy...

Key pillars of our industry-leading transformation model

New assets acquisitions

Prioritize high value management contracts

Focus on resorts and bleisure cities in the high-end segment

Capitalize on the Asian opportunity to reach optimal scale

Continue developing the JVs model and exploring opportunities with sponsors

**Targeting
double digit
IRR and
system-wide
margins
improvement**

Current portfolio transformation

Identify potential tired assets for repositioning and/or rebranding

Convert into benchmark hotels post rebranding

Focus on dynamic tourist destinations with potential and resilience

Collaborate with public authorities to promote and transform destinations

Successful examples



Calvià Beach Project (10 hotels)



ME Ibiza



Gran Meliá Palacio de los Duques

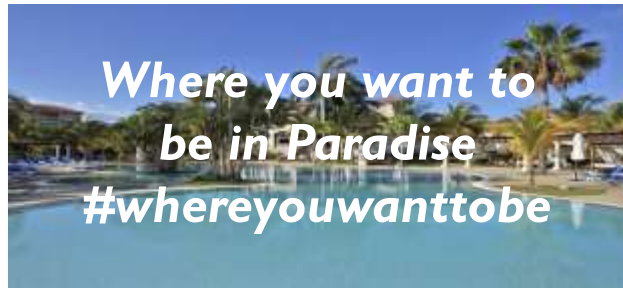


Paradise Los Cabos

...supporting a unique set of brands targeting the high-end segment...

Premium
(12% of total rooms)

PARADISUS
BY MELIÁ



10 hotels 5,066 rooms 6% of rooms

Benchmark: Sandals | Secrets | Westin | Palace Resorts
Intercontinental | Royal Hideaway | Dreams | Couples Resorts

ME
BY MELIÁ



8 hotels 1,446 rooms 2% of rooms

Benchmark: W Hotels | Andaz | Morgans Hotel Group

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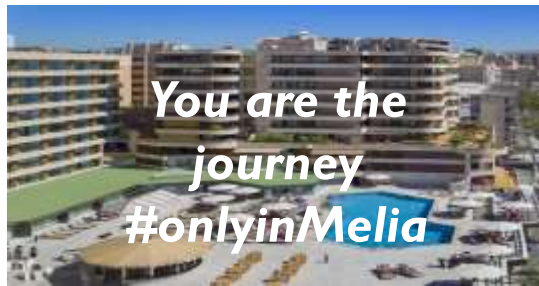


12 hotels 3,150 rooms 4% of rooms

Benchmark: St. Regis | Park Hyatt | JW Marriott | Hyatt
Intercontinental | Westin

Upper Scale
(88% of total rooms)

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112 hotels 33,172 rooms 41% of rooms

Benchmark: Hilton | Marriott | Hyatt | Le Meridien | Sheraton

INNSIDE
BY MELIÁ



20 hotels 3,666 rooms 5% of rooms

Benchmark: Aloft | AC | Radisson Blu | Indigo

Sol
hotels&resorts



72 hotels 21,217 rooms 26% of rooms

Benchmark: Iberostar | Riu | H10 | Barceló | Fiesta

TRYP
BY WILKINSON



87 hotels 13,303 rooms 16% of rooms

Benchmark: Novotel | Paradores | AC | Room Mate | Rafael Hoteles | NH | Silken | Abba | Lindner

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INNSIDE
BY MELIÁ

TRYP

Sol
by Meliá

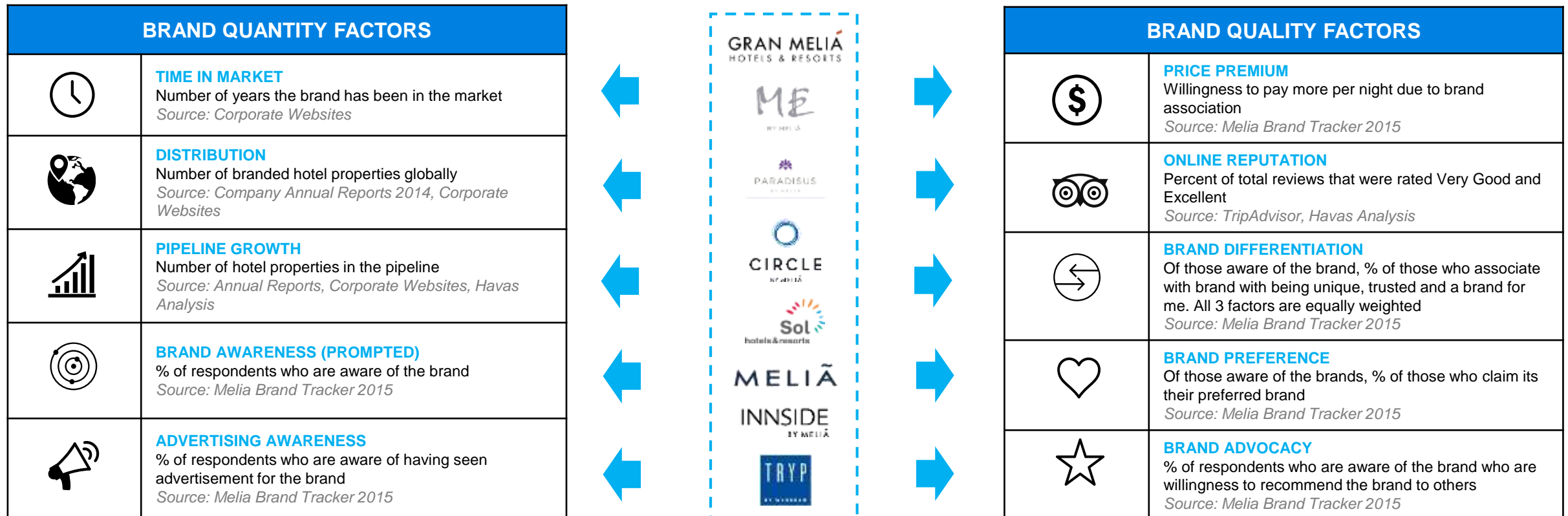
CIRCLE
BY MELIÁ

MELIÁ
REWARDS

...and fully modernized and aligned with our long-term strategy

Modernizing our brands through a proprietary and scalable brand vision process

Each brand is measured on 10 factors against their competitors and given a score of 1-10 on each factor, with half of the factors relating to the quantity of the brand and the other to its quality



Leveraging value creation from new technologies...

Digitalizing our business processes and boosting business intelligence capabilities

Implementing a revenue management strategy based on Big Data and Artificial Intelligence

Over 4.066%
increase

> 20 BILLION
RECORDS

750
MILLION
RECORDS

18
MILLION
RECORDS

▶ SOCIO-DEMOGRAPHIC

▶ BOOKINGS

2 YEARS AGO

▶ ONLINE CHANNELS

▶ WEB & MOBILE NAVIGATION

▶ SOCIO-DEMOGRAPHIC

▶ BOOKINGS

NOW

▶ GEO - LOCALIZATION

▶ CUSTOMER HOTEL PREF.

▶ WIFI HOTELS

▶ CALL CENTER

▶ ONLINE CHANNELS

▶ WEB & MOBILE NAVIGATION

▶ SOCIO-DEMOGRAPHIC

▶ BOOKINGS

FUTURE

Increasing customer data volumes is a big opportunity for us to enhance customer centricity and system-wide profitability

Capitalizing on business intelligence possibilities in order to excel in delivering value for shareholders

Developing and leveraging new analytic capabilities based on data obtained throughout the Company



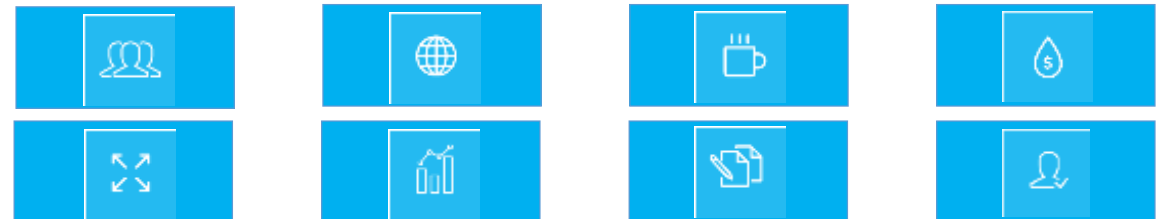
Dashboard



Self-service

Detailed roadmap of 17 initiatives aligned with long-term needs

Human resources, Food & Beverages, Financials, Forecast, etc.



...unleashing a wide range of new direct sales capabilities...

Transforming our distribution channels towards our owned direct sales channel and developing our Loyalty Program in order to boost system-wide profitability

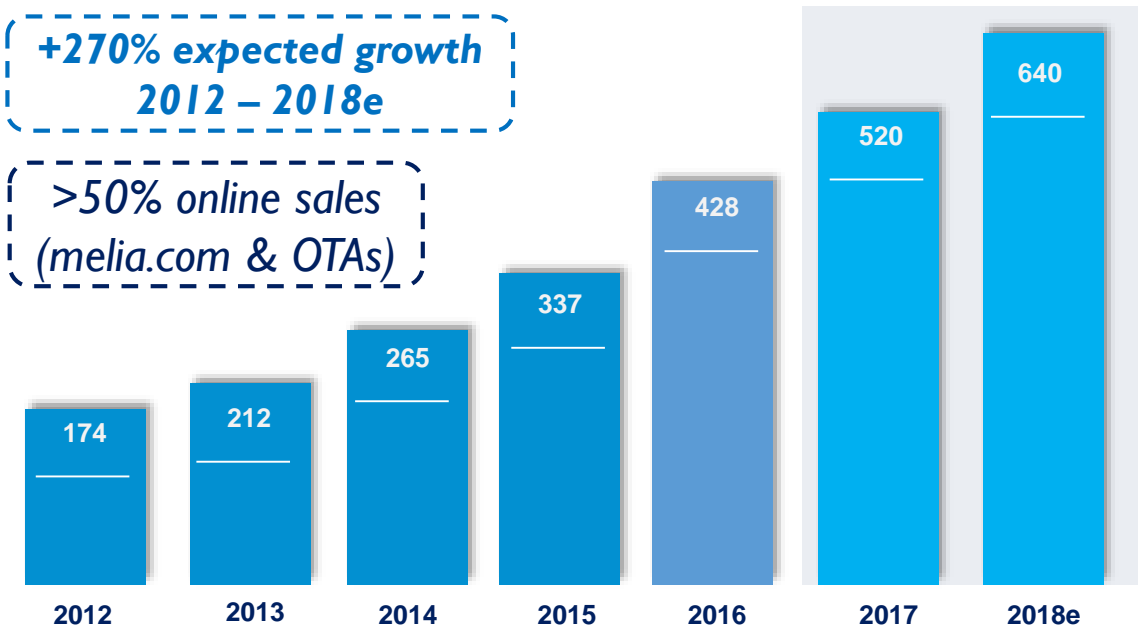
Smart revenue framework



Direct Sales Evolution (melia.com)

**+270% expected growth
2012 – 2018e**

**>50% online sales
(melia.com & OTAs)**



**Digital channels leading
future customer attraction**



MELIÃ.COM

Direct sales 2017: €520M (+21.1%)
2018e: €725M

MELIÃPRO
TRAVEL AGENT PORTAL

B2B becoming digital through
MeliãPro: €35M

MELIÃ Rewards

Loyalty Program: 9.4M members

Total Loyalty Sales

White: €310M

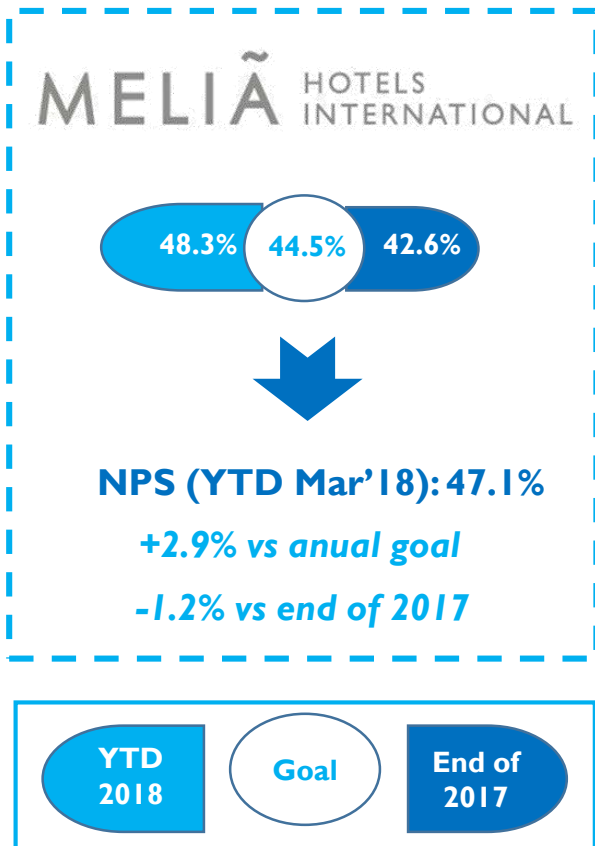
Silver: €81M

Gold: €37M

Platinum: €19M

...and always achieving a high degree of client satisfaction

Net Promoter Score (Online Satisfaction Surveys¹)



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PARADISUS
BY MELIÁ

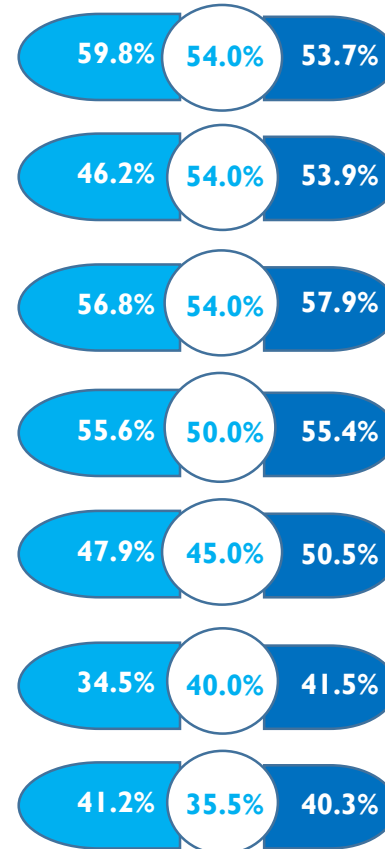
ME
BY MELIÁ

INNSIDE
BY MELIÁ

MELIÁ
HOTELS & RESORTS

Sol
hotels & resorts

TRYP
BY WHITTEN



Exceeding customer satisfaction goals in all of our brands

Because all that matters is our guests' happiness



¹) Over 50k customer satisfaction surveys have been conducted (YTD Mar'18)

Appendix



More than 60 years of successful growth, consolidation and innovation

Company



1956
Founding of the company

1965
Escarrer established Hoteles Mallorquines to consolidate his different assets

1984
Acquisition of the hotel chain HOTASA. It becomes the largest hotel group in Spain

1987
Acquisition of the hotel chain Meliá



The Company changes its name to Sol Meliá

1994
Launch of the loyalty programme (currently Meliá Rewards)

1995
Birth of Paradisus Resorts, specialising in the luxury sector

1996
First European hotel group to be listed on the stock exchange

1997
Launch of the bookings website

2000
Acquisition of the hotel chain TRYP

2004
Launch of the Holiday Club

2006
Launch of ME by Meliá, the most ground-breaking brand in the portfolio

2007
Acquisition of the German brand INNSIDE

Launch of the SAVE project to fight climate change

2008
Approval of a Global Sustainability Policy and inclusion in the FTSE4Good Ibex

2010
Global alliance with Wyndham, creating TRYP by Wyndham

2011
The Company becomes Meliá Hotels International

2012
Launch of the Calvià Beach Resort project for the regeneration of mature tourist destinations (Magaluf, Majorca)

2014
Relaunch of the new Sol brand
Partnerships with the main international investment funds to transform the sector
Meliá Digital Project to transform client relations
Strengthening our management model value proposal

Development



1950

First hotel (Palma de Mallorca, Spain)



1960

Development in the Balearic Islands



1970

Expansion to other important Spanish tourist destinations



1980

Development in the main Spanish cities
First international hotel (Bali)
First hotel in Africa (Egypt)



1990

Development in Latin America and the Spanish Caribbean



1999-2000

Presence in the European gateway cities (London, Milan, Paris)



>2010

Entry into the US market: New York, Miami and other
Entry into the English-speaking Caribbean: Bahamas, Jamaica
Consolidation of presence in the Spanish-speaking Caribbean: Cuba, Mexico, Dominican Republic
Entry into the Middle East region: Dubai and Doha
Tripling our portfolio in the Asia-Pacific region
For the first time Meliá is present in 41 countries on 4 continents

MELIÁ HOTELS INTERNATIONAL

GRAN MELIÁ HOTELS & RESORTS

ME BY MELIÁ

PARADISUS BY MELIÁ

MELIÁ HOTELS & RESORTS

INNSIDE BY MELIÁ

TRYP

Sol by Meliá

CIRCLE BY MELIÁ

MELIÁ REWARDS

Dynamic, flexible and sustainable patrimonial strategy

Key objectives and action areas

Enhance the quality of our real estate portfolio

Promote projects to optimize our assets

Differentiate ownership and management role

€ millions	2015
OWNED HOTELS	2,983
Hotels in Spanish Resorts	623
Hotels in Spanish Cities	696
Hotels in Spain	1,319
Hotels in Europe	407
Hotels in LatAm	1,257
LAND PLOTS	68
Spain	9
LatAm and Caribbean	59
OTHER ASSETS	74
Spain	22
LatAm and Caribbean	52
TOTAL ASSETS IN FULL CONSOLIDATION	3,125
ASSETS IN EQUITY METHOD	430

Over
€800M in
asset sales
and €300M
capital
gains
generated
in L5Y

Gross Value of MHI Assets: €3.125Bn¹
(+430M in Equity Method)
NAV: €12.5 per share

¹⁾ An independent appraiser will carry out a new valuation of our owned portfolio in Q2 2018

Calvià Beach repositioning – A successful example

calviàbeach

Project that includes 10 hotels / more than 3,573 rooms, repositioned during the last years

Hotel business performance indicator of Calvià Beach project (2015 vs 2011)

Total estimated investment of €200M

Renovated assets:

- Royal Beach → SolWave House Mallorca
- Mallorca Beach → ME Mallorca
- Sol Barbados → Sol Barbados
- Sol Mirlos Tordos → Sol Palmanova Mallorca
- Sol Guadalupe → Sol Guadalupe
- Sol Magaluf Park → Sol Katmandú
- Sol Cala Blanca → Beach House Mallorca
- Sol Trinidad → Sol House Mallorca Mixed By Ibiza Rocks
- Sol Antillas Barbados → Meliá Calvià Beach
- Sol Jamaica → Sol Jamaica



+66%

REVENUES



+175%

SALES THROUGH MELIA.COM



+48%

REVPAR IMPROVEMENT



+82%

HOTEL GOP



+176%

EBITDAR

Outstanding globally recognized management team

Strong long-term track record of success

Fully aligned with shareholders interests

Internationally recognized by the hospitality industry

Reinforced by an independent Board of Directors with long-term experience in a vast range of disciplines



Entirely committed with ESG issues

Adaptive, opportunistic and with a long-term strategic approach

Inspiring and empowering the whole organization

And fully supported by a family of more than 44.000 members where diversity and collaboration matters

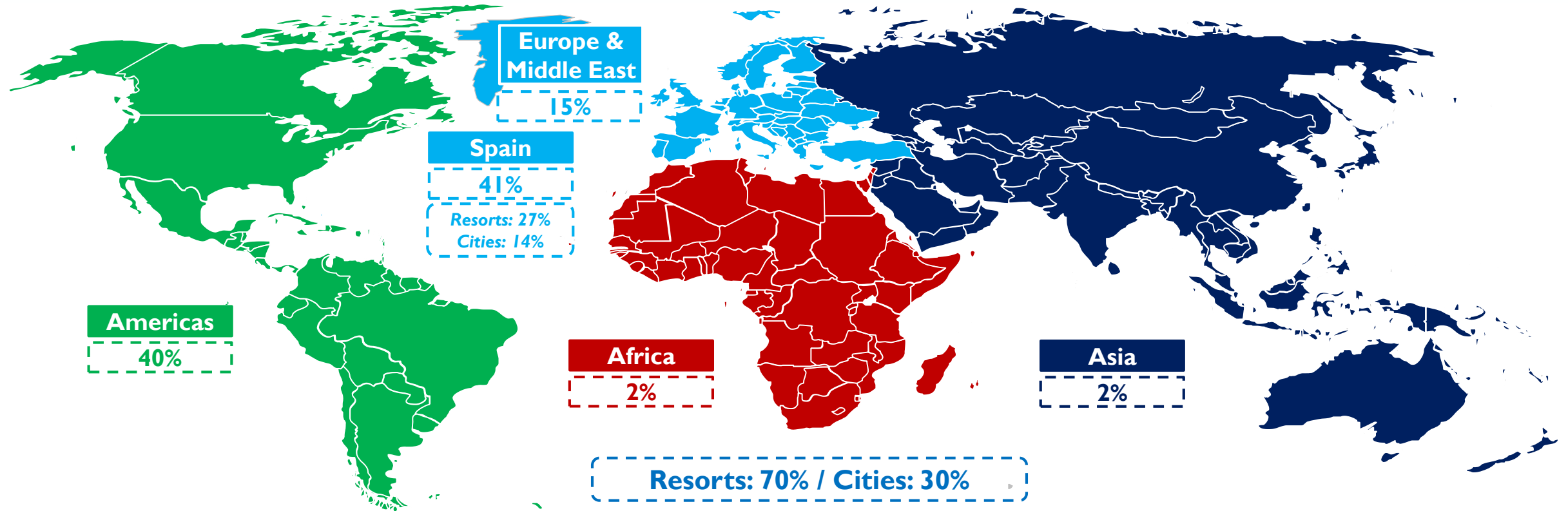
Collaborative, open and performance driven culture, where young talent development remains key

Because our guests will never love us until our employees love us first



Highly diversified and resilient business model

Operating profit (EBIT) contribution by geographic area¹



Guests main nationalities²



¹) The data shown corresponds to our hotel business (ownership, leaseings and management) as of December 2017; ²) % of room nights (2017)

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