



Meliá Bali The Garden Villas – Bali, Indonesia



Me London – London, UK

MELIÁ HOTELS INTERNATIONAL EQUITY INVESTORS PRESENTATION

March 2019



Gran Meliá Palacio de los Duques – Madrid, Spain



Paradisus Cancun – Cancun, Mexico



Gran Meliá Rome Villa Agrippina – Rome, Italy

Meliá Hotels International at a Glance



- ✓ Presence more than 40 countries¹
- ✓ Solid financial situation and stable capital structure
- ✓ 391 hotels and 99k rooms¹
- ✓ Largest hotel chain in Spain and 3rd in Europe and 18th worldwide
- ✓ Long-term committed shareholders
- ✓ Highly resilient and diversified model
- ✓ Strong commitment with ESG issues
- ✓ A 60 year history family business with of over 44k members
- ✓ Leading hotel chain in LatAm, Caribbean and in resorts and bleisure segments worldwide
- ✓ Market cap: ~1.9Bn

8 globally recognized brands focused on sophisticated travelers



An award-winning proposition with a strong track record




¹) Includes current portfolio plus pipeline



Financial snapshot


2018 Full Year Results

€
Net Profit
€144.2M
(+13.0%)


Revenues
€1,831.3M
(-1.5%)


EBITDA (ex capital gains)
€307.8M
(+0.9%)


EBITDAR
€519.6M
(+7.5%)


Net Debt
€607.5M
(+2.3%)


Occupancy
72.0%
(+0.7 p.p.)

Average Room Rate
€120.0
(+0.7%)

RevPAR
€86.4
(+1.7%)

2017 Year End

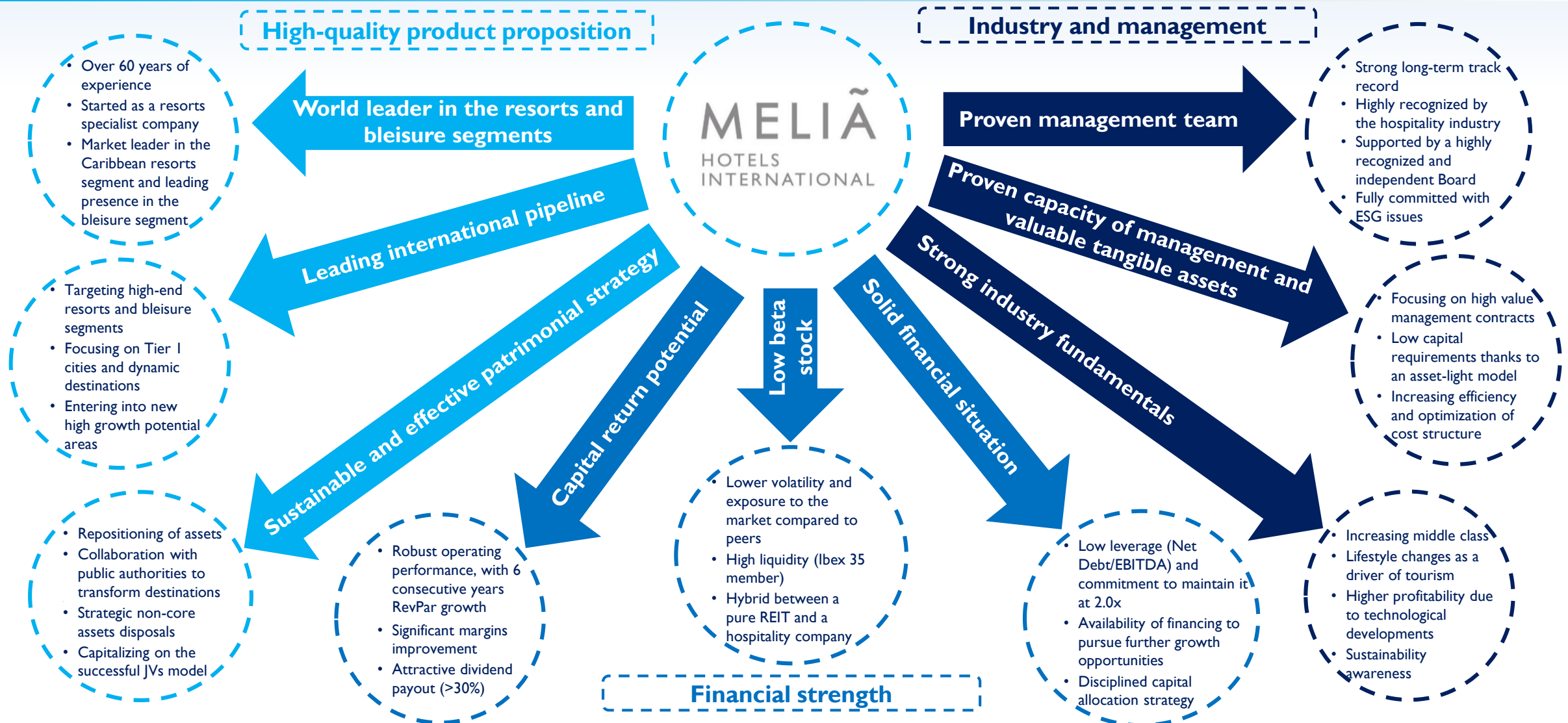
€
Net Profit
€128.7M
(+27.8%)


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



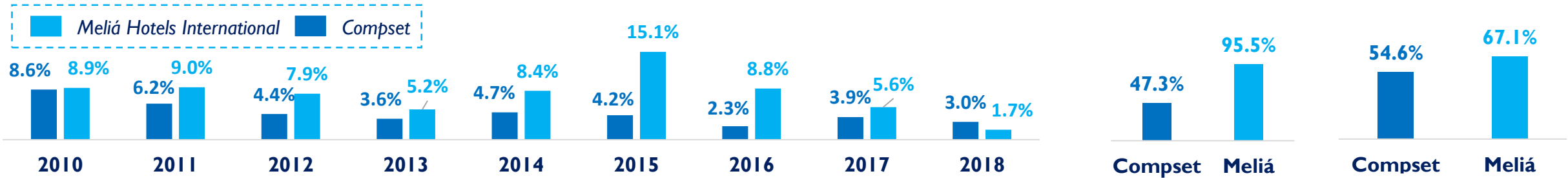
Strong performance at operating level...

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

RevPAR growth
2010 – 2018

Avg. RevPAR growth
2009 – 2018

% RevPAR by price
2009 – 2018

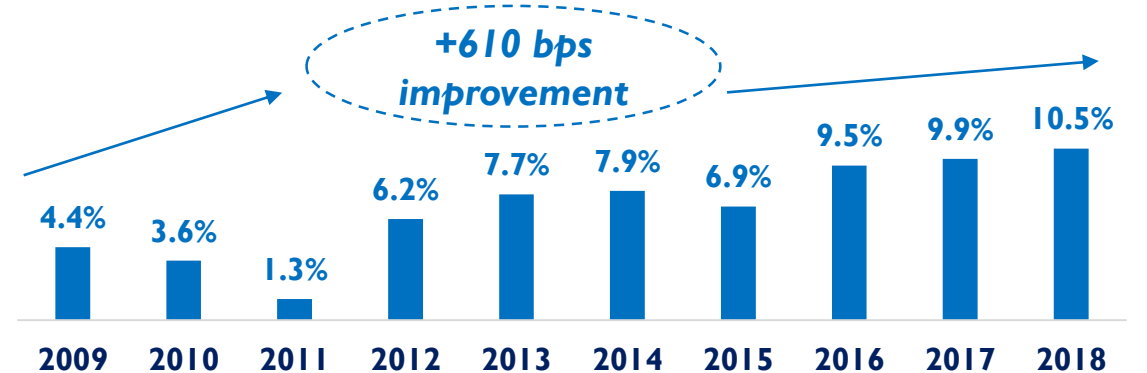
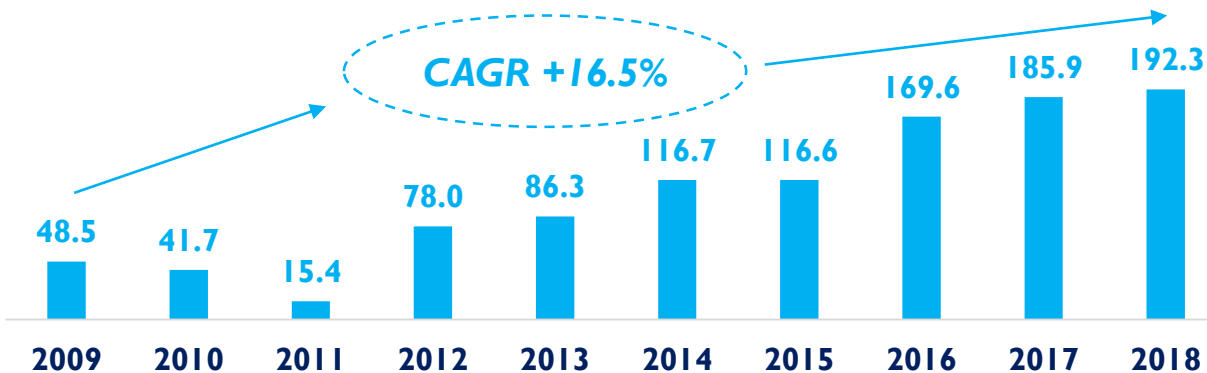


Compset: IHG, Accor, Millennium, Marriott, Hyatt, Hilton and NH

6 consecutive years with RevPAR growth in every quarter - 31 consecutive quarters increasing our RevPAR well above peers, with more than 70% of the increase explained by prices

EBIT ex capital gains growth
2009 - 2018

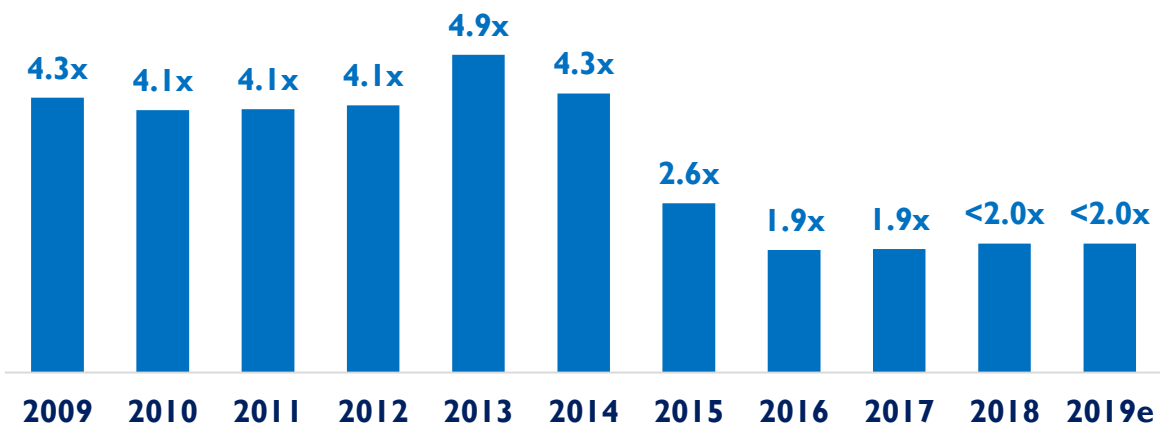
EBIT ex capital gains margins
2009 - 2018



...enjoying a solid financial situation...

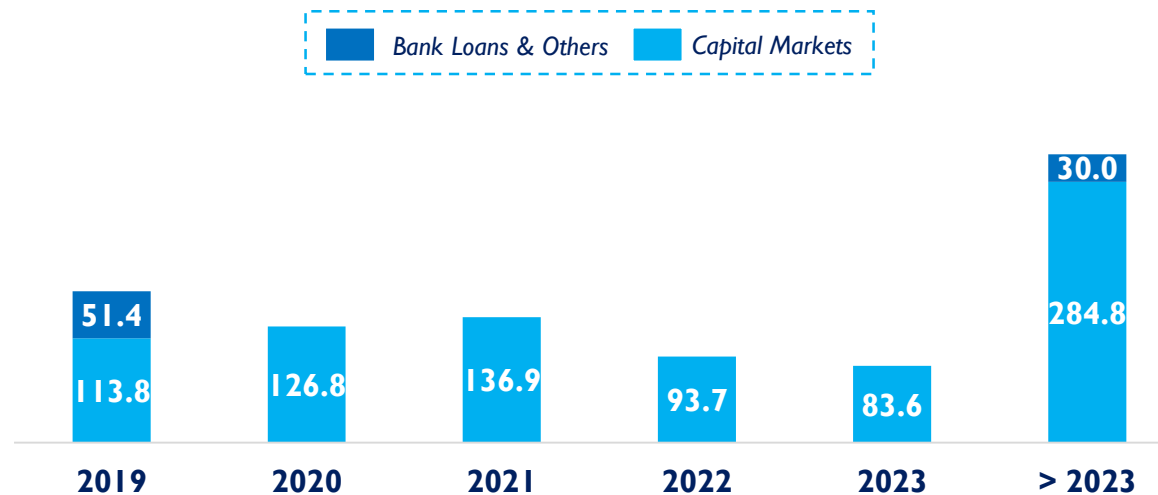
Healthy financial position allowing us to strategically explore and pursue new opportunities, as well as strong commitment to maintain a leverage ratio of below 2.0x

Net Debt/EBITDA 2009 – 2019e



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

Debt Maturity Profile¹ 2019 – 2022+

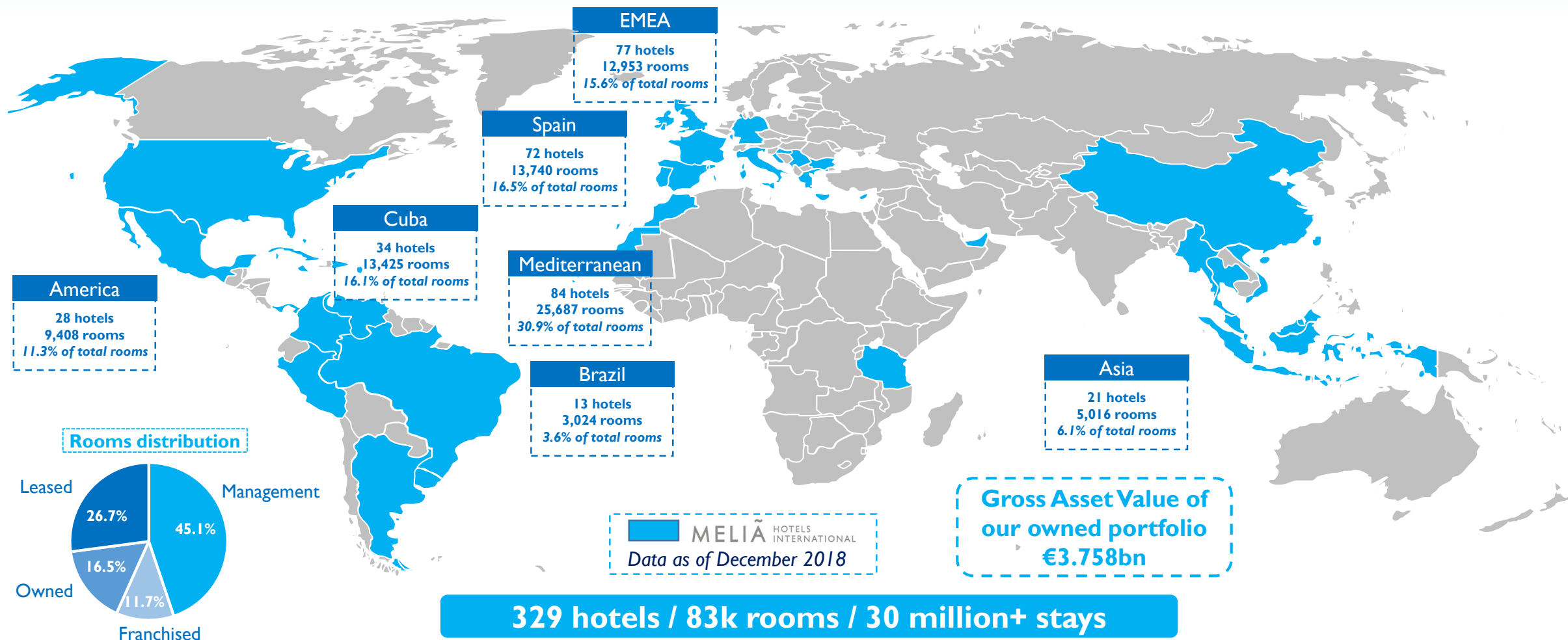


¹) Excludes credit facilities

Debt Split
56.0% Fixed & 44.0% Variable

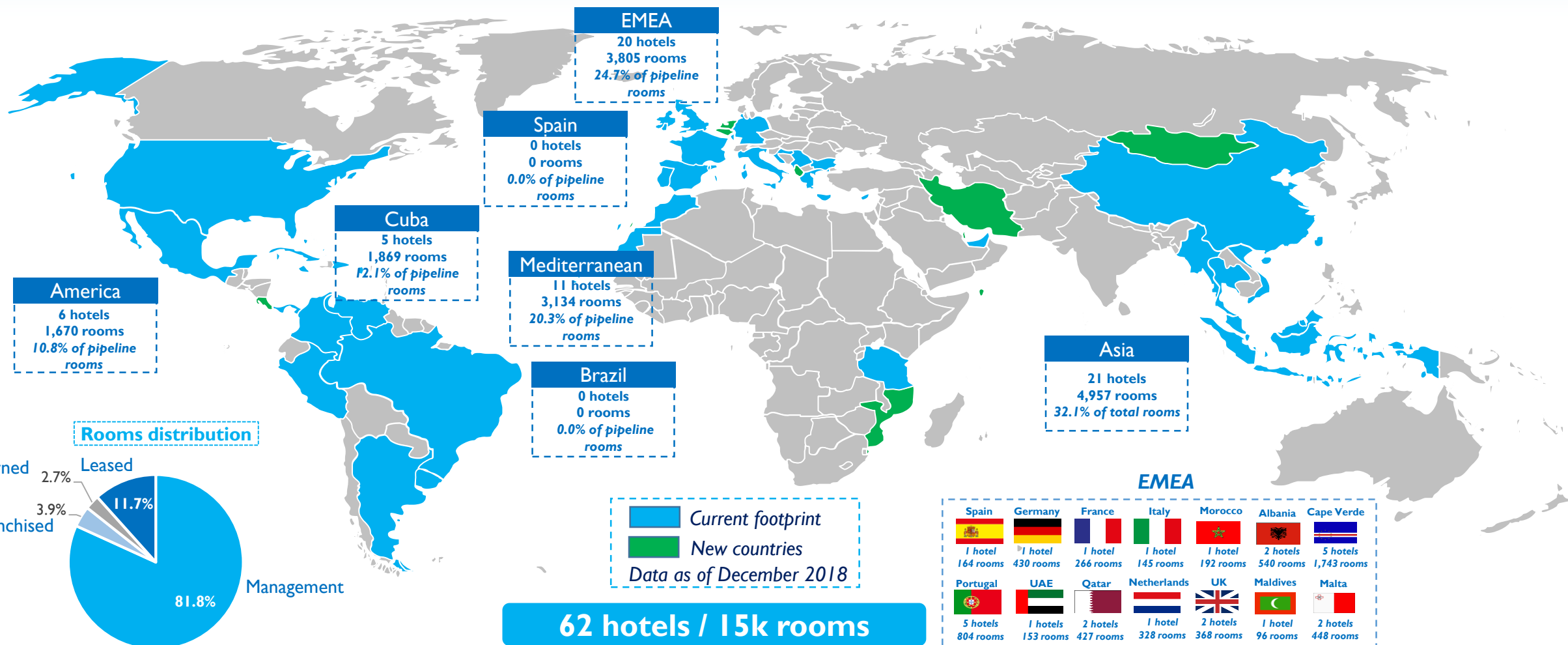
Our current footprint...

A leading global presence aimed at servicing local needs



...and a solid pipeline...

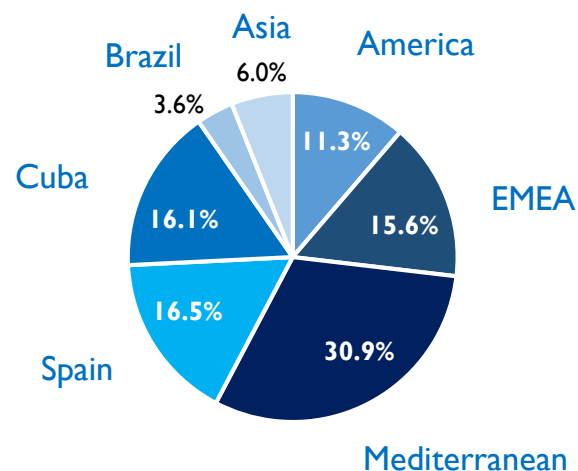
Selective growth in regions benefitting from positive market dynamics



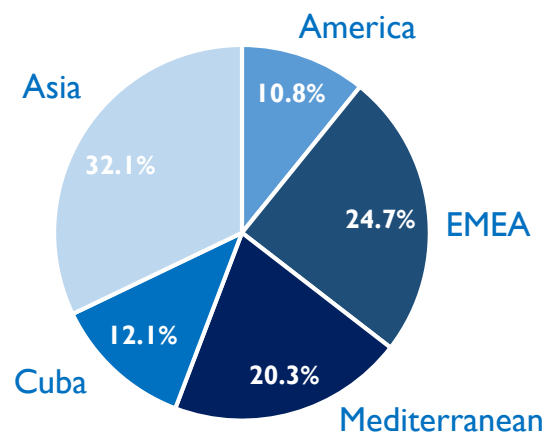
...that combine into a robust and resilient model...

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

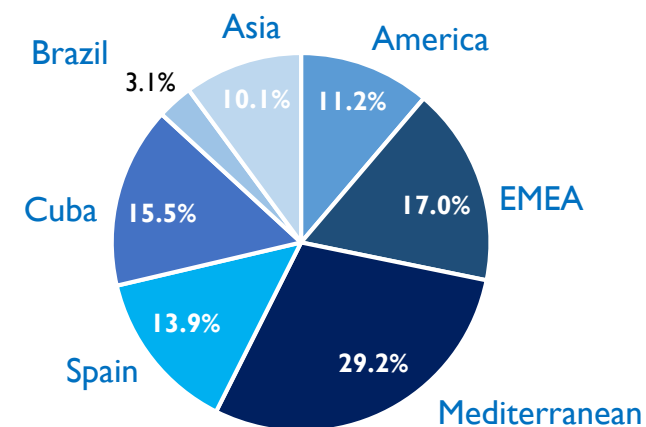
Current Footprint¹



Pipeline



Pro Forma²



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

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

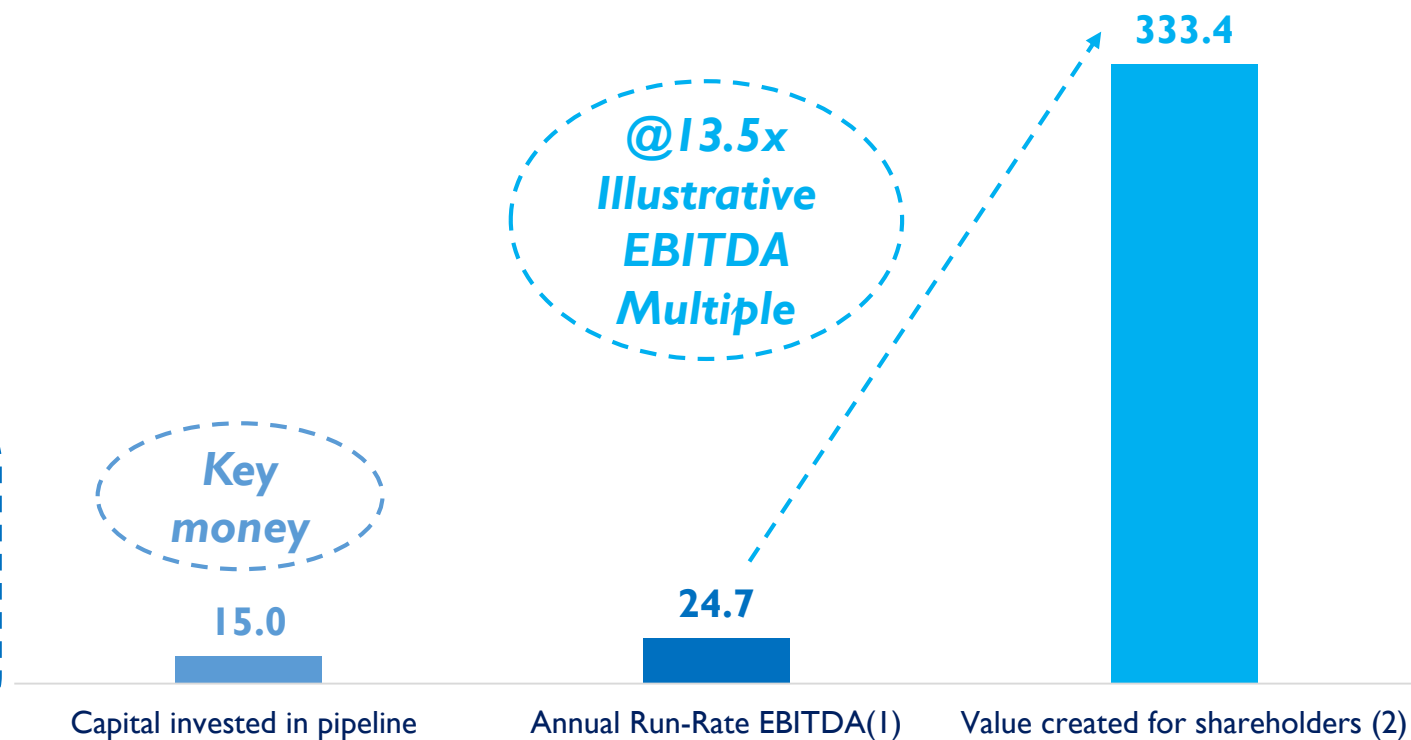
...generating significant returns with a minimal investment

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 over 15,000 rooms



€333.4M of value created for our shareholders for only €15M of capital invested



1) Assumes current pipeline of 15,435 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

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

- Continued increase of shareholders remuneration as a result of the increasing importance of asset-light model

Delivering value for our shareholders

- ✓ Increased dividend payout to 30.0%
- ✓ +240.0% EPS growth L4Y

Reinforcing our leadership in resorts and bleisure segments

- ✓ €600.0M+ invested in refurbishments, repositionings and openings in L5Y

Leading the digitalization transformation in the hospitality industry

- ✓ Optimizing processes to increase efficiency levels

- Use of robotics and big data to optimize back, middle and front office processes and tasks
- Process reengineering to ease and simplify daily tasks and internal processes
- Focusing on digital culture transformation to secure and promote a smooth transition

ROBECOSAM
We are Sustainability Investing.

- 3rd Most Sustainable Hotel Company in the World

- First Hotel Chain in the World that eliminated single-use plastics in all of its hotels worldwide

Leading new ESG initiatives and action plans worldwide

- ✓ Internationally recognized
- ✓ Industry leader

Promoting a strong corporate and open culture where employees can unleash their full potential and achieve their career goals

merco
TALENTO

- Best Company to work for in Spain (Hotels)

- Well-defined career paths
- Professional development based in a 360 assessment

...allowing us to be 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

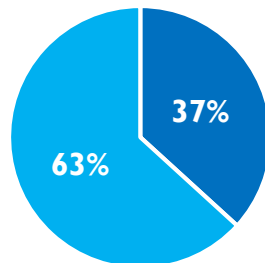
Increasing penetration in the Bleisure segment

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

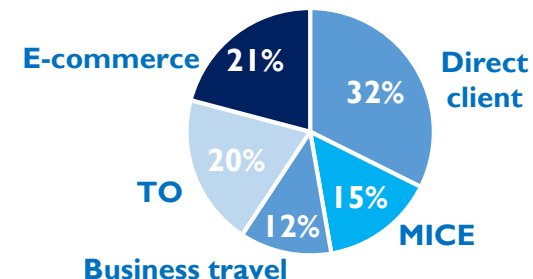
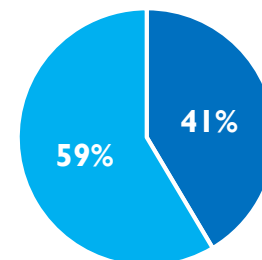
1) Data as of December 2018



Pipeline

Actual

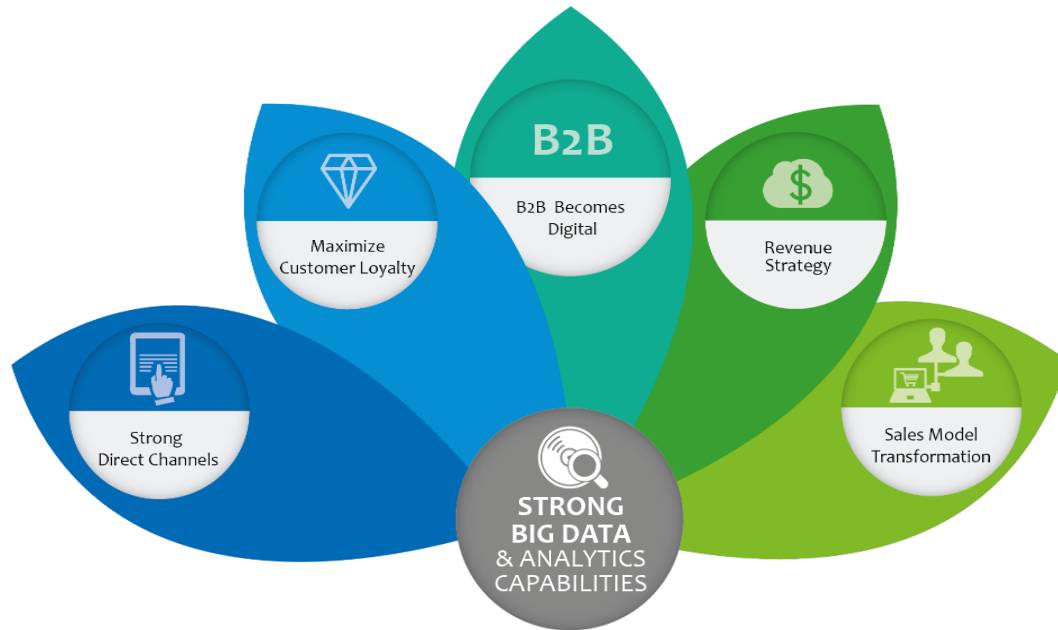
■ Urban ■ Resorts



...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

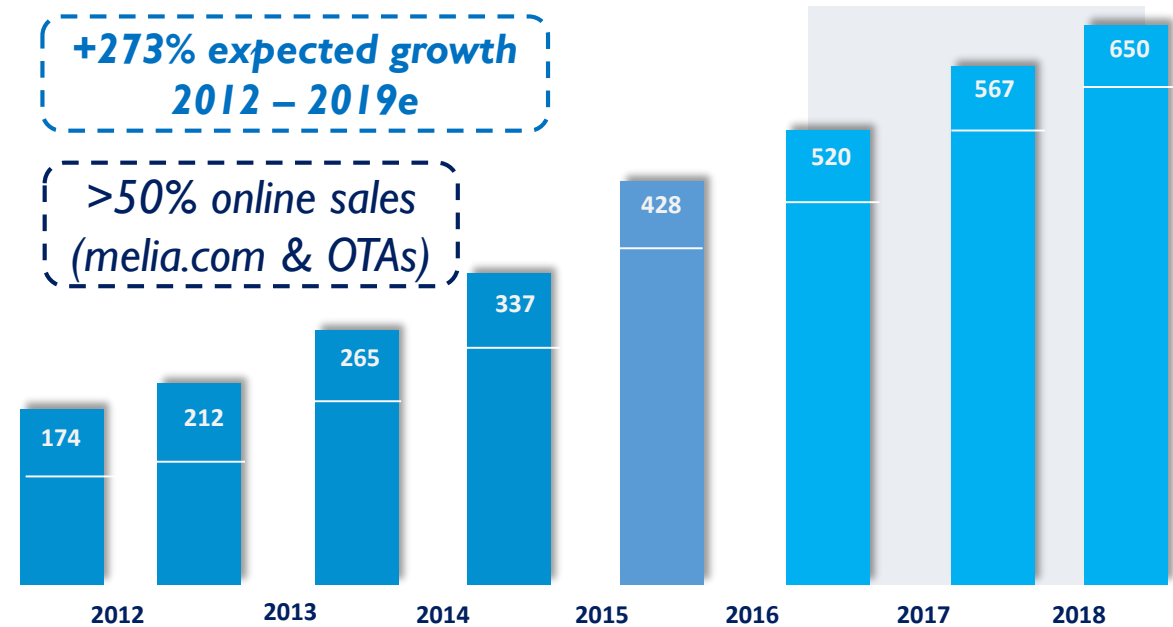
Smart revenue framework



Direct Sales Evolution (melia.com)

**+273% expected growth
2012 – 2019e**

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



**Digital channels leading
future customer attraction**

MELIÃ.COM

Direct sales 2018: €567M (+9.0%)
2019e: €650M

MELIÃPRO
TRAVEL AGENT PORTAL

B2B becoming digital through
MeliãPro: €80M (+35.0%)

MELIÃ Rewards

Loyalty Program: 11.1M members

Total Loyalty Sales

White: €250M

Silver: €99M

Gold: €30M

Platinum: €17M

...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

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



Agreement with United
aimed at child protection



Helping socially vulnerably
young people

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

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



EARTHCHECK



WE SUPPORT



GLOBAL SUSTAINABLE
TOURISM COUNCIL

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

MELIÁ HOTELS INTERNATIONAL

GRAN MELIÁ HOTELS & RESORTS

ME BY MELIÁ

PARADISUS BY MELIÁ

MELIÁ HOTELS & RESORTS

INNINSIDE BY MELIÁ

TRYP

Sol by Meliá

CIRCLE BY MELIÁ

MELIÁ REWARDS

Appendix



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	2018
OWNED HOTELS	3,632
Hotels in Spanish Resorts	679
Hotels in Spanish Cities	718
Hotels in Spain	1,396
Hotels in Europe	605
Hotels in America	1,630
LAND PLOTS	55
Europe	13
America	42
OTHER ASSETS	72
Europe	21
America	51
TOTAL ASSETS IN FULL CONSOLIDATION	3,758
ASSETS IN EQUITY METHOD	643

Around
€900M in
asset sales
and over
€300M
capital
gains
generated
in L5Y

Gross Value of MHI Assets: €3.758Bn
(+643M in Equity Method)

NAV: €15.2 per share (+21.3% vs Jun 15)

Hotels Valuation Per Room

	Type	2015	2018	June 2018
Hotels LATAM		€213,504	€243,043	+13.8%
Hotels Spain	Urban	€204,193	€243,611	+19.3%
	Resort	€113,337	€211,310	+86.4%
Hotels Europe		€312,231	€415,674	+33.1%
TOTAL HOTELS VALUATION		€185,314	€253,588	+36.8%

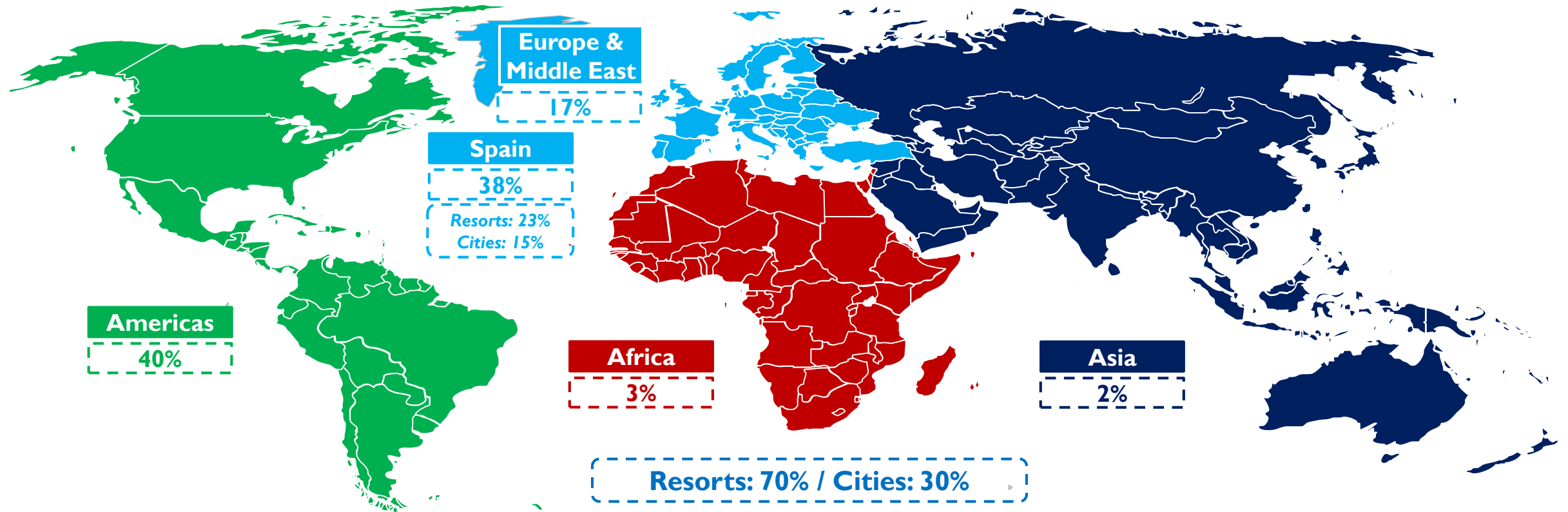
Results of the Valuation

Results of the valuation

	Type	2015	2018	June 2018	
Hotels	America	€1,257M	€1,630	+29.7%	
Hotels Spain	Spain	Urban	€696M	€718M	+3.2%
		Resort	€623	€679	+9.0%
	Rest of Europe	€407	€605	+48.6%	
TOTAL HOTELS		€2,983M	€3,632M	+21.7%	
Real Estate	America	€59M	€42M	-29.4%	
	Europe	€9M	€13M	+52.0%	
TOTAL REAL ESTATE		€68M	€54M	-18.7%	
Other Assets	America	€52M	€51M	-2.6%	
	Europe	€22M	€21M	-7.8%	
TOTAL OTHER ASSETS		€74M	€72M	-4.2%	
TOTAL ASSETS FULL CONSOLIDATION METHOD		€3,125M	€3,758	+20.2%	
TOTAL ASSETS EQUITY METHOD		€434M	€643M	+48.2%	

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, leasings and management) as of December 2018; ²) % of room nights (2018)

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

Premium
(12% of total rooms)

PARADISUS
BY MELIÄ



10 hotels 5,078 rooms 6% of rooms

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

ME
BY MELIÄ



8 hotels 1,446 rooms 2% of rooms

Benchmark: W Hotels | Andaz | Morgans Hotel Group

GRAN MELIÄ
HOTELS & RESORTS



12 hotels 3,150 rooms 4% of rooms

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

Upper Scale
(88% of total rooms)

MELIÄ
HOTELS & RESORTS



117 hotels 33,673 rooms 41% of rooms

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

INNSIDE
BY MELIÄ



20 hotels 3,666 rooms 4% of rooms

Benchmark: Aloft | AC | Radisson Blu | Indigo

Sol
hotels&resorts



92 hotels 24,241 rooms 30% of rooms

Benchmark: Iberostar | Riu | H10 | Barceló | Fiesta

TRYP
BY WYNDHAM



69 hotels 10,853 rooms 13% of rooms

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

MELIÄ HOTELS INTERNATIONAL

GRAN MELIÄ
HOTELS & RESORTS

ME
BY MELIÄ

PARADISUS
BY MELIÄ

MELIÄ
HOTELS & RESORTS

INNSIDE
BY MELIÄ

TRYP
BY WYNDHAM

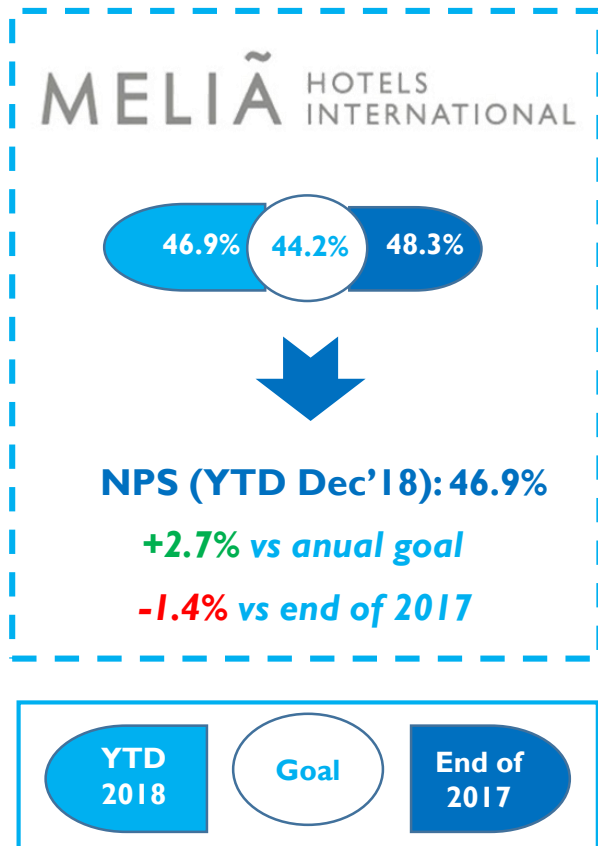
Sol
by Meliä

CIRCLE
BY MELIÄ

MELIÄ
REWARDS

... focused on achieving a high degree of client satisfaction...

Net Promoter Score (Online Satisfaction Surveys¹)



GRAN MELIÀ
HOTELS & RESORTS

PARADISUS
BY MELIÀ

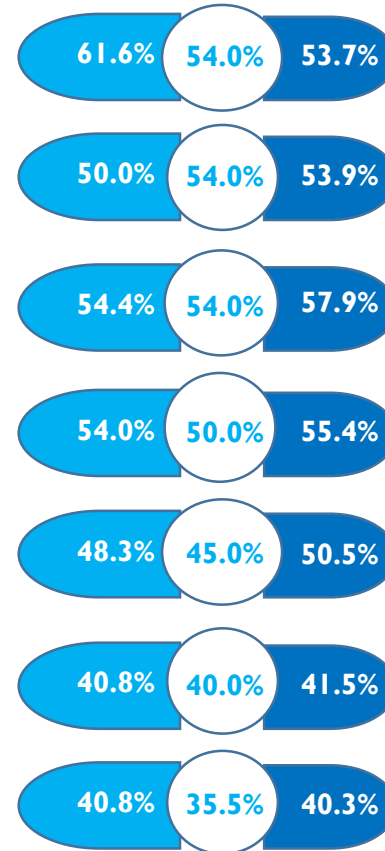
ME
BY MELIÀ

INNSIDE
BY MELIÀ

MELIÀ
HOTELS & RESORTS

Sol
hotels & resorts

TRYP
BY WYNDHAM



Exceeding customer satisfaction goals in all of our brands

Because all that matters is our guests' happiness



¹) Around 200k customer satisfaction surveys have been conducted (YTD Dec'18)

...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

Disclaimer

This report is a communication made, or approved for communication by Meliá Hotels International. It is directed exclusively to eligible counterparties and professional clients. No persons other than an eligible counterparty or a professional client should read or rely on any information in this report. This research report is being distributed by Meliá Hotels International, purely as a resource and for general information purposes and only contains general information; therefore, this report does not take account of the specific circumstances, investment objectives, financial position or risk profile of any recipient and should not be relied upon as authoritative or taken in substitution for the exercise of judgement by recipient. Each recipient should consider the appropriateness of any investment decision having regard to their own circumstances, the full range of information available and appropriate professional advice. Each recipient should make their own investment decision regardless of the circumstances mentioned in this report and by obtaining specific specialist advice that may be necessary.

The information and opinions, estimates, projections and recommendations in this report have been drafted by Meliá Hotels International and are based on publicly – available information and on sources believed to be reliable and in good faith, but that information has not been verified independently and no representation or warranty, either express or implied, is made as to their accuracy, completeness or correctness. Meliá Hotels International may amend, supplement or update the contents of this report in such form and in such timescales as Meliá Hotels International deems appropriate. Meliá Hotels International reserves the right to express different or contrary recommendations and opinions.

This report does not constitute or form part of, and should not be construed as, any offer for sale or subscription of, or any invitation to offer to buy or subscribe for, any securities, nor should it or any part of it form the basis of, or be relied on in any connection with, any contract or commitment whatsoever. Meliá Hotels International accepts no liability whatsoever for any loss or damage arising from any use of this report or its contents. Investors should bear in mind that past performance or results are no guarantee of future performance or results. Price of securities or instruments or the results of investments may fluctuate against the investor's interest and may even lead to the loss of the initial investment. This report is for the use of the addressees only, is supplied to you solely in your capacity as an investment professional or knowledgeable and experienced investor for your information and no part of this document may be (I) copied, reproduced or duplicated by any form or means, (II) redistributed or (III) quoted or published, for any purpose, without the prior written consent of Meliá Hotels International. Breach of these restrictions may constitute breach of law in the relevant jurisdictions. Meliá Hotels International may distribute reports such as this in hard copy or electronically.

This communication contains forward-looking information and statements about Meliá Hotels International, including statements regarding plans, objectives and expectations with respect to future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words “expects,” “anticipates,” “believes,” “intends,” “estimates” and similar expressions. Although Meliá Hotels International believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Meliá Hotels International shares are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Meliá Hotels International that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the documents sent by Meliá Hotels International to the Comisión Nacional del Mercado de Valores (CNMV), which are accessible to the public. Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Meliá Hotels International. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All subsequent oral or written forward-looking statements attributable to Meliá Hotels International or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included herein are based on information available to Meliá Hotels International on the date hereof. Except as required by applicable law, Meliá Hotels International does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.