



## WHY INVEST IN ADAGIO

ACCOR GLOBAL DEVELOPMENT  
FEBRUARY 2019

# ADAGIO



## **Open to the city**

Discover over 100 addresses located in the heart of the city, from Paris to Rio de Janeiro, to Berlin or Dubai. Adagio combines the autonomy of apartment living with the hospitality of hotel life, Adagio offers guests a number of hotel services to ensure the best possible experience.



## **Open to everyone**

Adagio is a perfect solution for short, mid and long term stays: privacy, autonomy and flexibility. Aparthotels Adagio provide three ranges of products within the one core Adagio brand: Adagio access, Adagio and Adagio premium.

Tiered pricing from 4th night onwards: the more you stay, the less you pay.



## **Open to friendliness**

Adagio offers living spaces where you can socialise, explore and relax; whether you are on your own, with colleagues or with your family. Feel welcome and explore the local sights recommended by our Adagio team.



# ADAGIO TOP 3 USP<sub>s</sub>

## N°1 EXTENDED STAY BRAND IN EUROPE

- Global network of 116 apparthotels and 13,000 apartments
- Growing demand from guests for flexible & autonomous product, meeting business and leisure travellers' expectations
- Still strong potential in Europe for this product

X

## HIGH PROFITABLE BUSINESS MODEL

- Longer average length of stay which maximizes occupancy in low demand periods and optimizes average room rates
- Reduced operational costs with less cleaning fees
- High profitability with GOP > 60%

=

## INTELLIGENT INVESTMENT

- Reduced construction costs with limited back of house spaces and public areas.
- Only brand on heavy asset model with 20-25 year leases
- Extended stay model is the least volatile in case of economic downturns
- Easy conversion model to residential (limited risk)

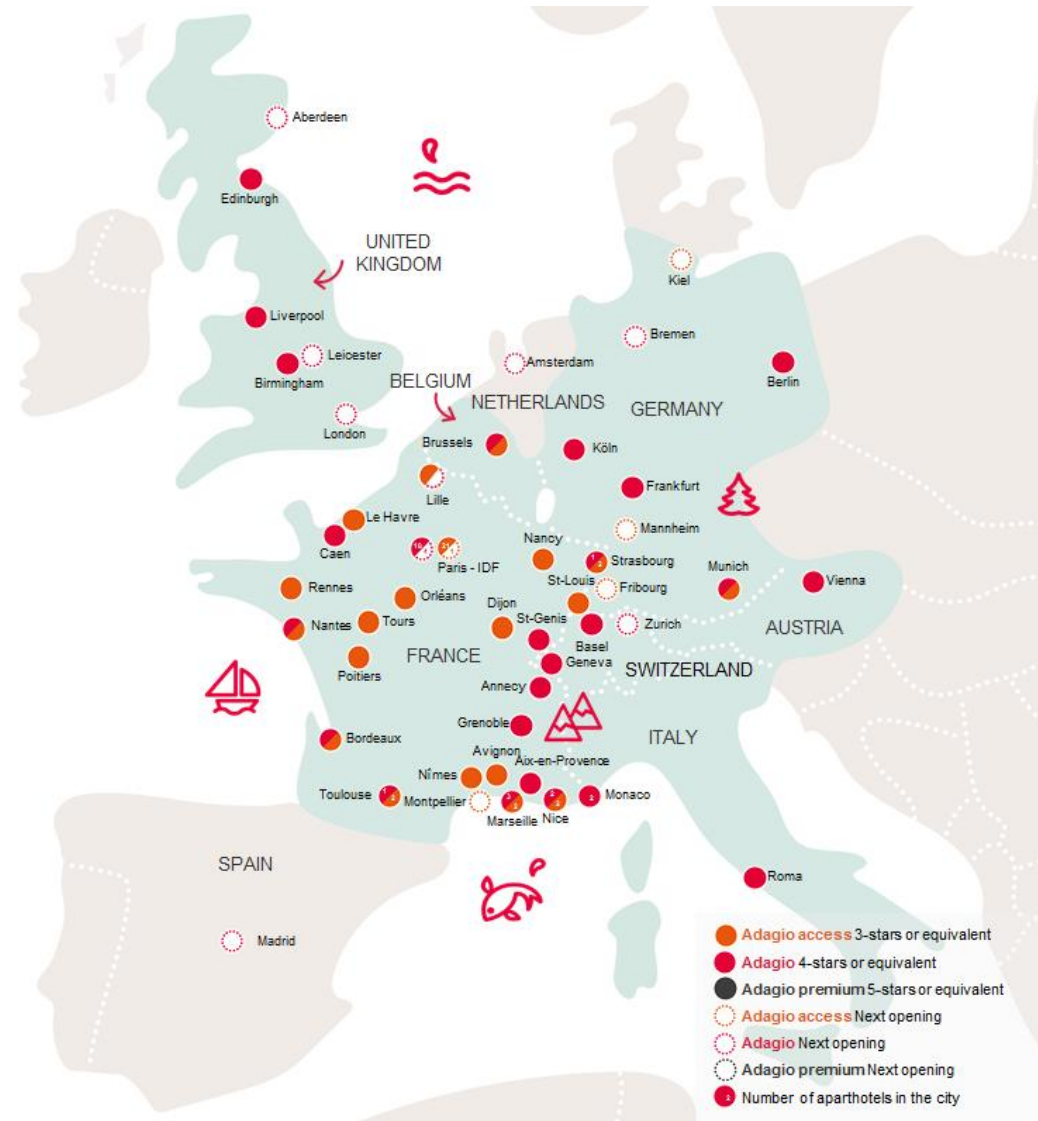
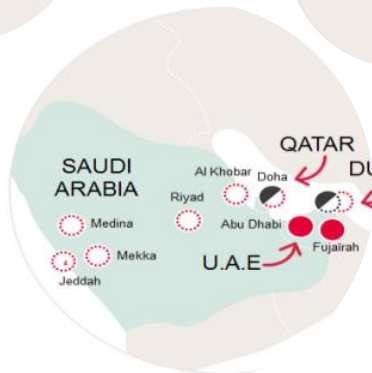
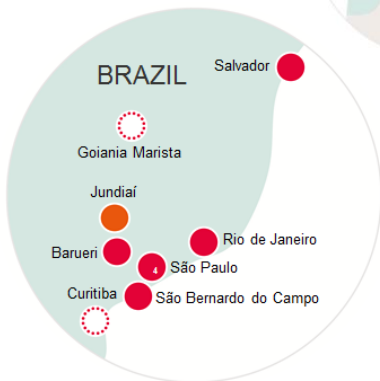
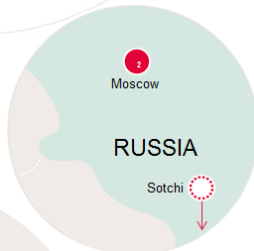
# NETWORK

By the end of 2019,

116 **aparthotels**

**13K** apartments

**13** countries



Official figures as of end 2018

# 25 OPENINGS IN 2018 & 2019

## 2019

### FRANCE

Paris  
Lille

### GERMANY

Bremen

### SAUDI ARABIA

2 Jeddah

### MOROCCO

Casablanca

### UNITED KINGDOM

Sutton  
Leicester

## 2020

### UNITED KINGDOM

Aberdeen  
Stratford

### FRANCE

Nanterre  
Suresnes  
Vélizy

### BELGIUM

Brussels

### SAUDI ARABIA

2 Jeddah  
Mecca  
Al Khubar

### Brazil

Goiania

### GERMANY

Freiburg  
Mannheim

### QATAR

Doha

### RUSSIA

Sochi

### UNITED ARAB EMIRATES

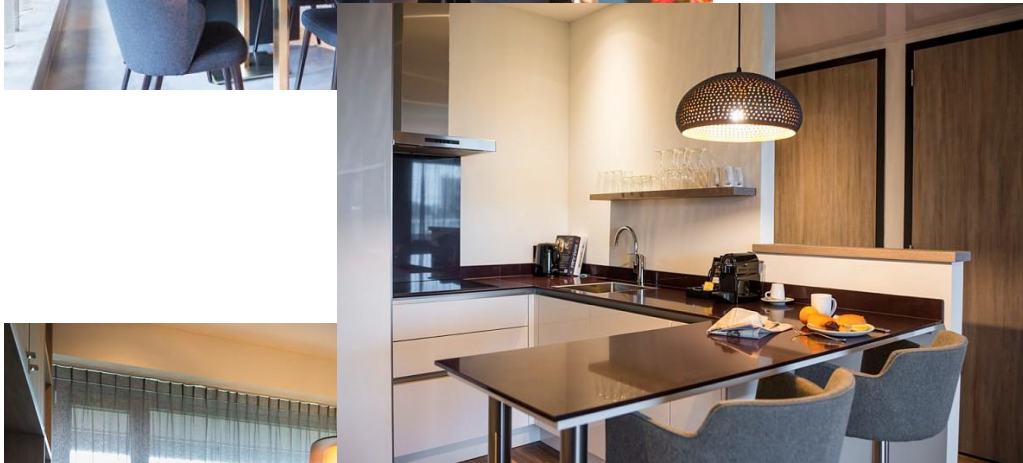
3 Dubai



Official figures as of end 2018



# LATEST OPENINGS






Adagio Amsterdam  
Amstelveen

Adagio London  
Brentford



# SERVICES

			
Free WiFi	✓	✓	✓
Breakfast/Grab & Go	✓	✓	✓
Laundry Facilities	✓	✓	✓
Dry Cleaning On Demand	✓	✓	✓
24/7 Reception	✓	✓	✓
Mini Market	✓	✓	✓
Fitness Center		✓	✓
Business Corner		✓	✓
Conciergerie			✓
Swimming Pool/Spa			✓
Room Service/F&B Offer			✓





# PUBLIC AREAS



- ✓ Shared Kitchen
- ✓ Object library
- ✓ The Shop
- ✓ Reception posture



# PUBLIC AREAS



**« THE CIRCLE » ADAGIO  
PARIS BERCY VILLAGE**

**« THE CIRCLE » ADAGIO ACCESS  
PORTE DE CHATILLON**



# COMFORTABLE STUDIO

ADAGIO APARTHOTEL®

Total floor area **25sqm net**



- ✓ Fully equipped kitchen
- ✓ Dining space
- ✓ Large living space
- ✓ Working space
- ✓ Bathroom (shower or bath)
- ✓ Murphy bed
- ✓ Flat screen television 36



Day time

7.50

3.50



Night time

7.50

3.50



# COMFORTABLE STUDIO

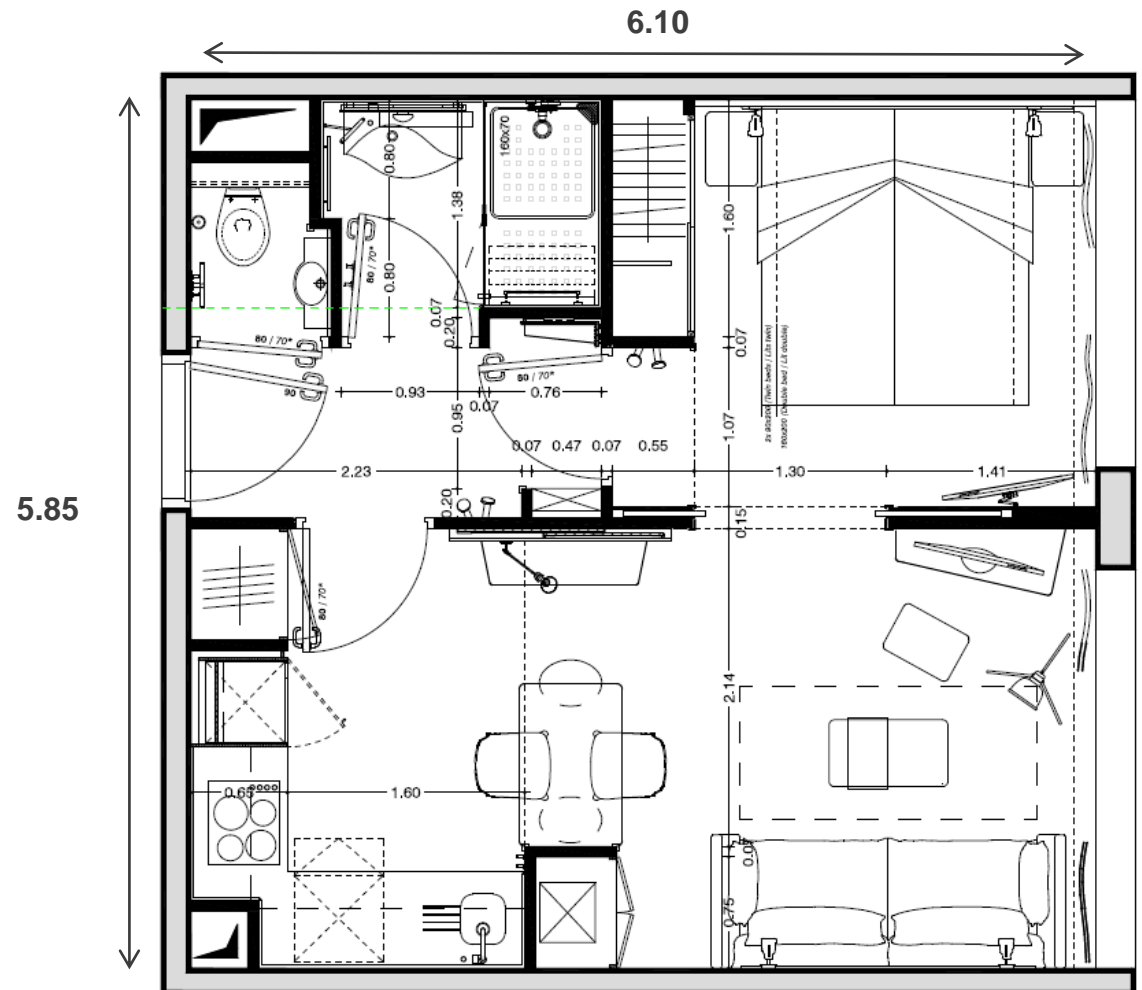
ADAGIO APARTHOTEL®

Total floor area **35sqm net**

Studio equipment



- ✓ Bedroom with double bed
- ✓ Living room with sofa bed
- ✓ Modular table
- ✓ Separated fully equipped kitchen



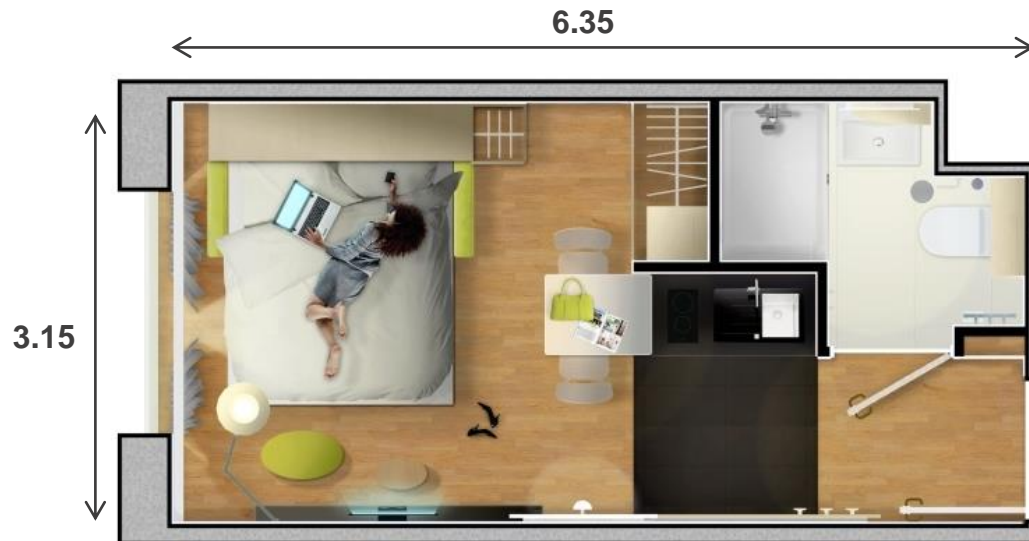
# STUDIOS

## ADAGIO APARTHOTEL ACCESS®



**Studio 2 pax**  
Total floor area  
**20sqm net**

- ✓ Double murphy bed
- ✓ Storage space
- ✓ Fully equipped

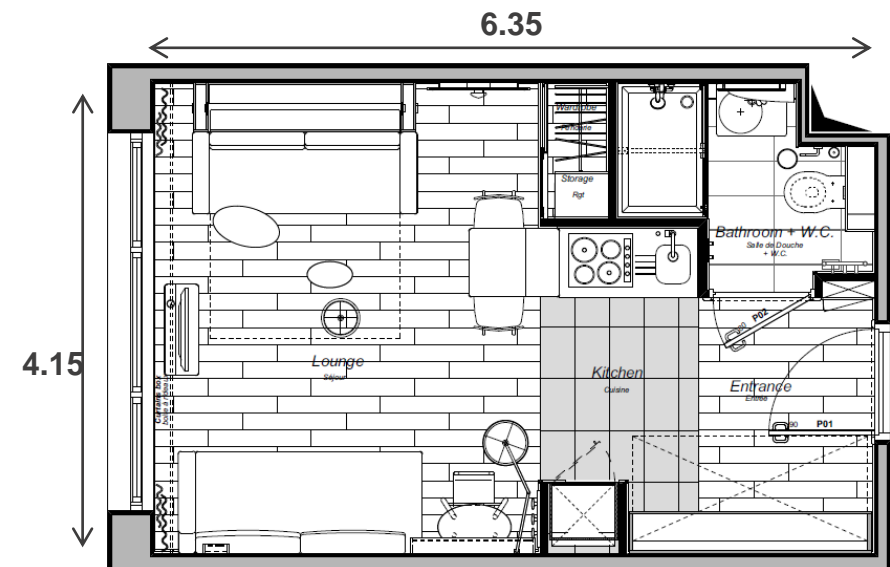


**Studio 4 pax**  
Total floor area  
**25sqm net**

Studio equipment



- ✓ Single murphy bed
- ✓ Sofa bed





# THE APARTHOTELS POSITIONING IN THE ACCOMMODATION LANDSCAPE



HOTEL



APARTHOTEL



1-3  
Nights

Full Services  
Reception, Restaurant,  
Spa Facilities etc.



1 to +90 Nights  
(average 4,2 days)

Selected services  
Reception, Breakfast, housekeeping etc.

# LONGER-STAYS ENABLE THE MAXIMIZATION OF OCCUPANCY, ESPECIALLY IN LOW-DEMAND PERIODS



## HOTEL

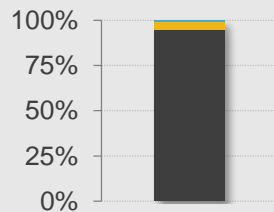
Hotel schedules tend to be polarized

Capacity



J F M A M J J A S O N D

Occupancy



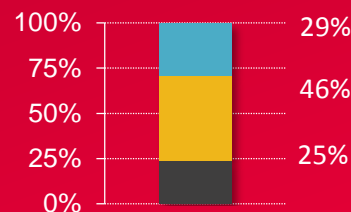
## APARTHOTEL

Capacity



Longer-stay business is more stable throughout the year

Occupancy



*\*Not contractual*

Source : Adagio Data 2018



Well-optimized  
aparthotels can  
reach

**90%\***  
average  
occupancy

# THE APARTHOTELS BUSINESS MODEL VS. THE HOTEL ONE (P&L comparison)



4\* HOTEL



4\* APARTHOTEL

OCC. RATE

80%

88%

AVERAGE DAILY RATE

£145

£135

REVPAR

£116

£119

ROOM REVENUE %

72%

**93%**

TOTAL REVENUE

£9.5 MILLION

£7.8 MILLION

GOP

49% - £4.6 MILLION

63% - £4.9 MILLION

NOI

40% - £3.8 MILLION

53% - £4.2 MILLION

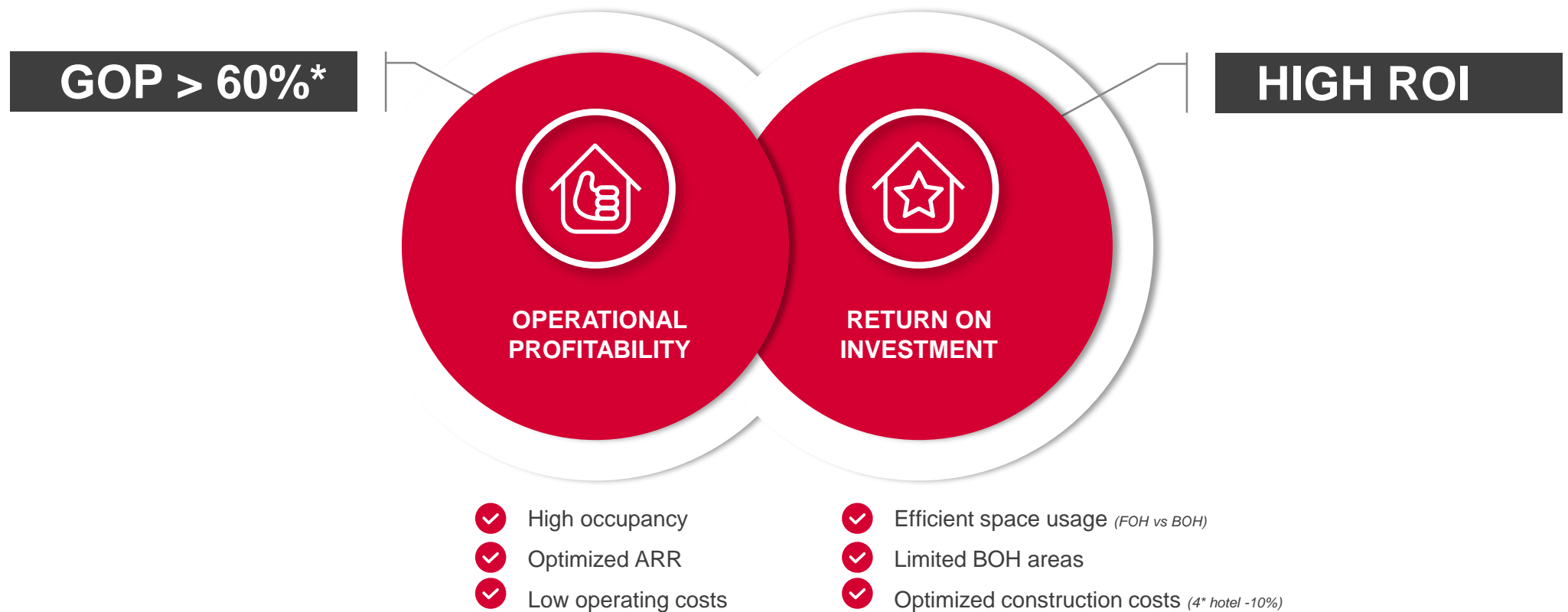
PROFIT/SQM

£442

**£488**

Source: WATG Report 2015

# A HIGHLY PROFITABLE MODEL



*\*Not contractual*



# 2018/2019 BRAND QUALITY PERFORMANCE



4.5/5



9/10



4.5/5



9.1/10



4.5/5



8.9/10

84.8%



of Adagio guests in Europe are either satisfied or very satisfied

83.5%



of our guests would recommend Adagio

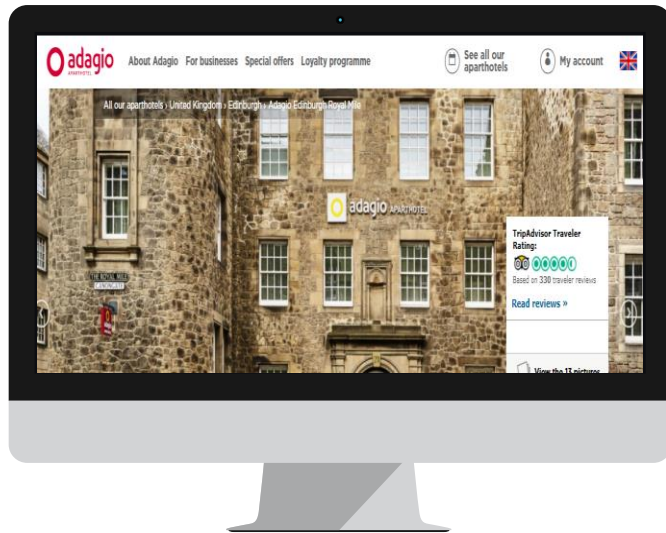
Source: TrustYou survey (GSS) 2018

Official figures as of end 2018

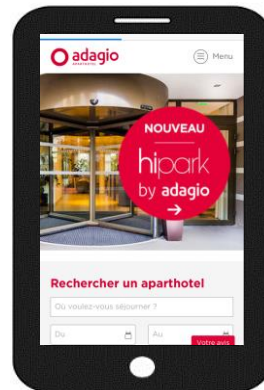
# MEDIA PERDORMANCE



# WEB DIRECT A STRONG ONLINE PRESENCE

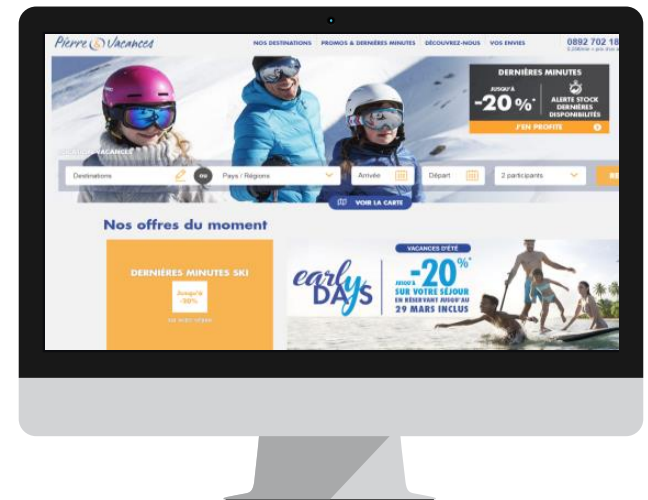
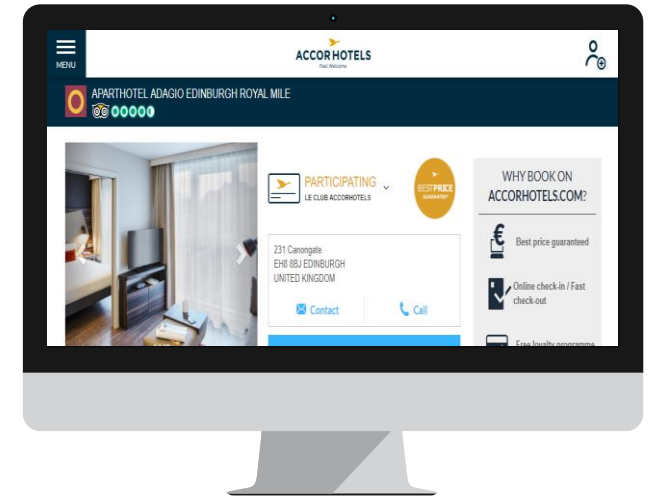


The online reference for  
extended stay



AVAILABLE IN  
33 VERSIONS  
& 18 LANGUAGES

Dedicated corner for  
Aparthotels Adagio to target  
extended stay customers



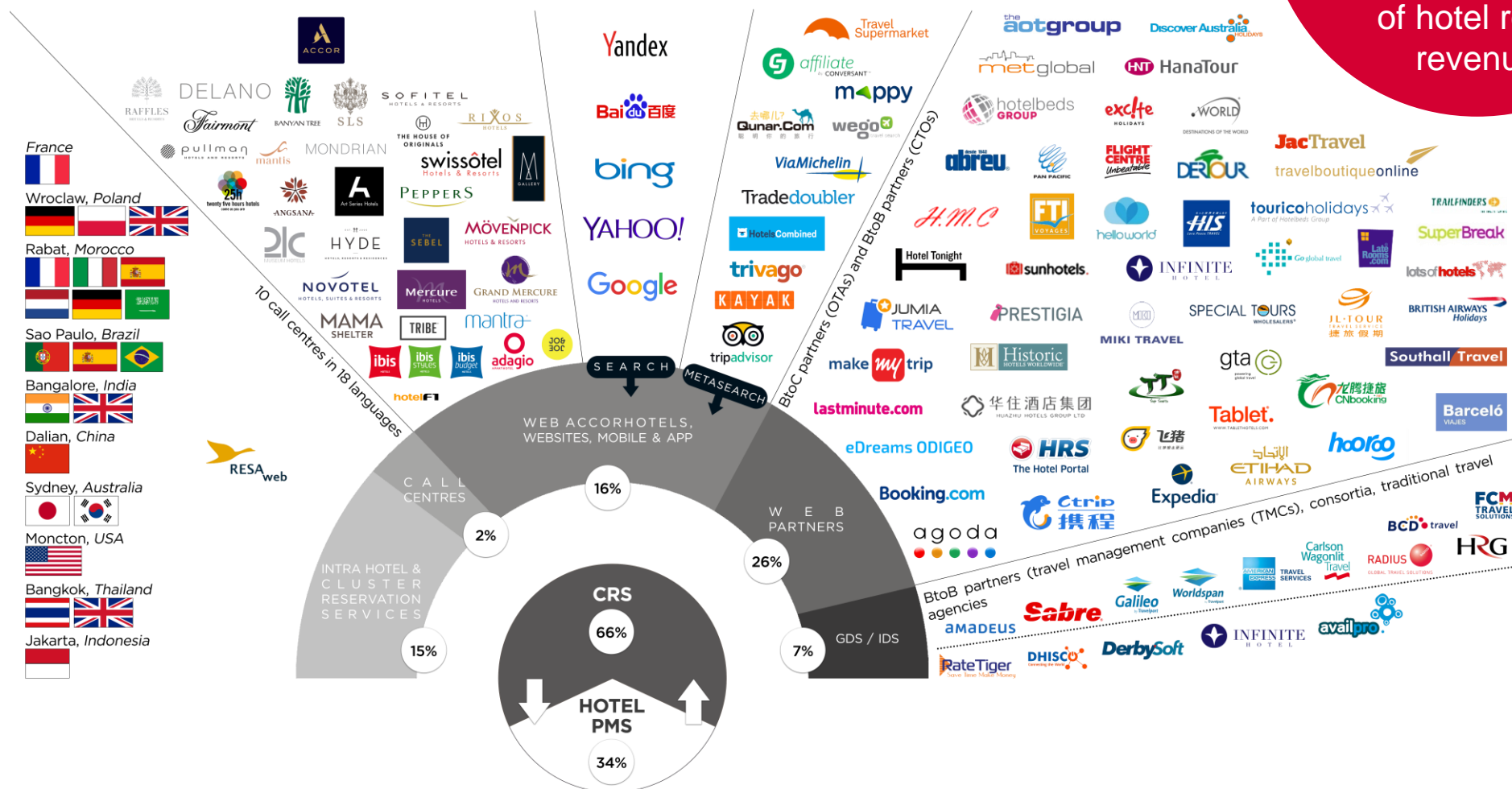
*Pierre & Vacances*

A strong distribution channel

## ACCOR OFFERS > 110 GLOBAL DISTRIBUTION CHANNELS AT BEST MARKET CONDITIONS

# 66%

of hotel room  
revenue



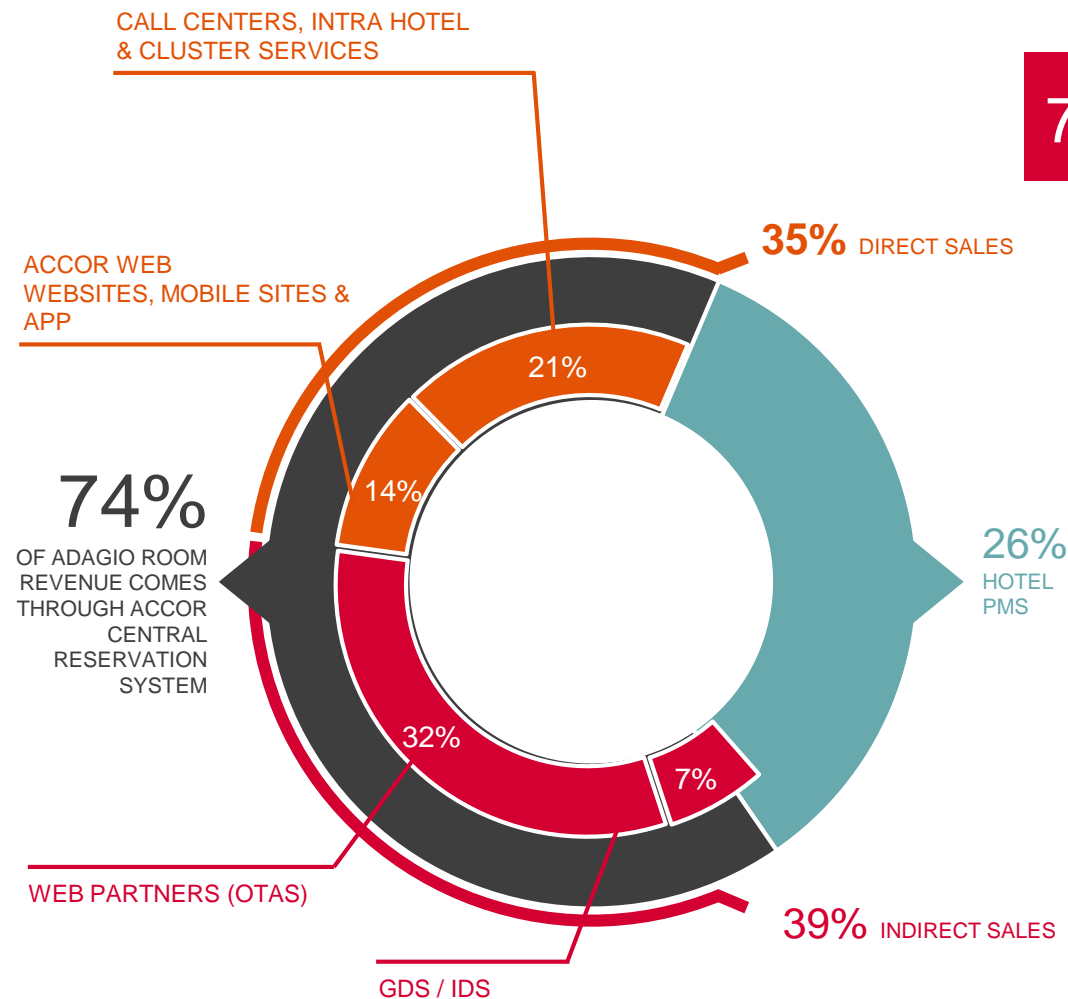
Source: CRS Official figures as of end 2018



# ADAGIO DISTRIBUTION SOLUTIONS

POWERED BY ACCOR

STRONG SALES CHANNELS TARGETING EXTENDED STAY



74%

of adagio room revenue comes through Accor reservation systems

## FOCUS ON WEB

AccorHotels.com + Adagio.com + mobile websites + partner websites

**826,000** ADAGIO ROOM SOLD

**€86.3M** ADAGIO ROOM REVENUE

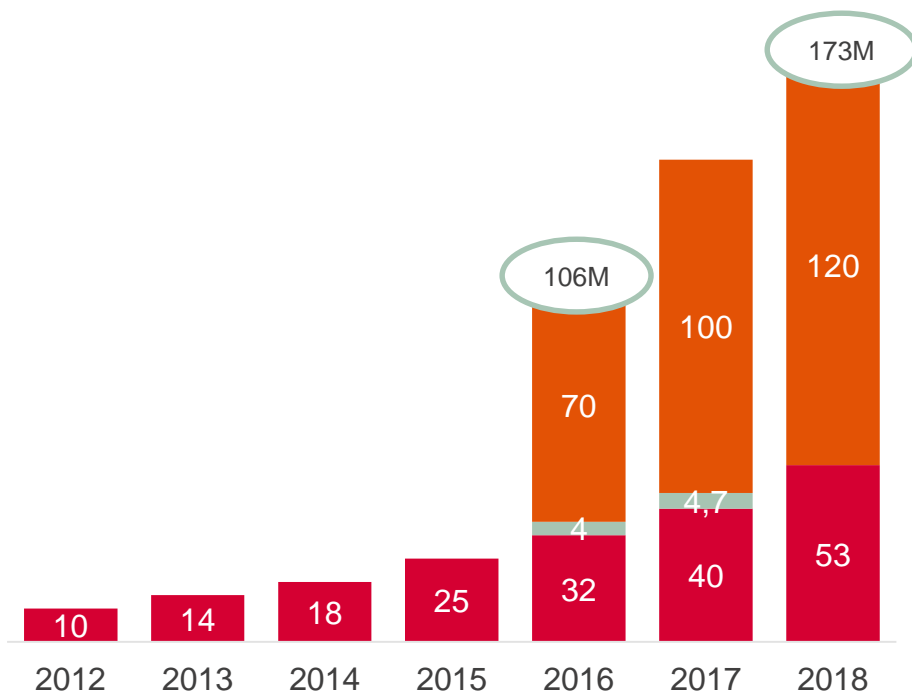
Figures as of end 2018

# LE CLUB ACCORHOTELS

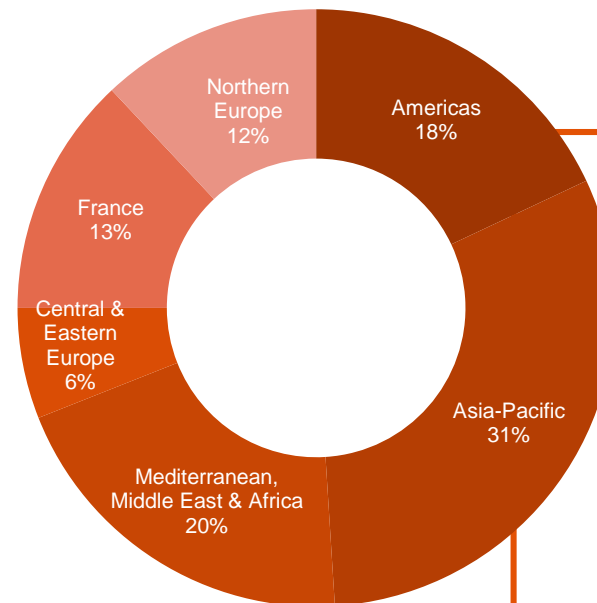
ACCOR OWNS THE MOST INTERNATIONAL AND FAST GROWING LOYALTY PROGRAM

## Loyalty members - Worldwide

■ Le Club AccorHotels ■ FRS loyalty program  
■ Huazhu loyalty program



## Guests' origin - Worldwide



### A Worldwide program:

- 20 brands
- 3,500 hotels
- Free enrollment
- 100% Web based program
- More than 27,700 new members every day
- Le Club AccorHotels represents 34,6% of all roomnights
- Partnerships with large Airlines loyalty program: Skyteam, One World, Star Alliance...
- Specific Welcome to members

Source: LCAH, figures as of end 2018

**53** MILLION



of members as of  
December 2018

Launch in sept. 2008

LE CLUB  
ACCORHOTELS  
REPRESENTS

**34.6%**

OF ALL  
ROOMNIGHTS

# DEVELOPMENT CRITERIAS

3 OPERATING MODES



# BUILDING – KEY CRITERIA

## (EUROPE STANDARD)



**Number of keys**  
90-120 apartments

**TGFA/100 apts**  
3,200sqm/3,400sqm

**Typology**  
70% (Studio 2p)  
30% (Studio 4p)

**Guest Private Area**  
20sqm (Studio 2p)  
25sqm (Studio 4p)

**Public areas**  
290sqm/100 apts  
Reception, breakfast room,  
laundry, luggage room



### Flexible and adaptable to specific needs

#### Development types:

- New building
- Takeover of existing  
aparthotels/hotels
- Office buildings  
conversion
- Residential  
conversion...

#### Also possible:

- Combo possibilities  
(multi brand property)  
with Accor brands
- Part of mixed-used  
projects



**Number of keys**  
80-140 apartments

**TGFA/100 apts**  
4,400sqm/4,600sqm

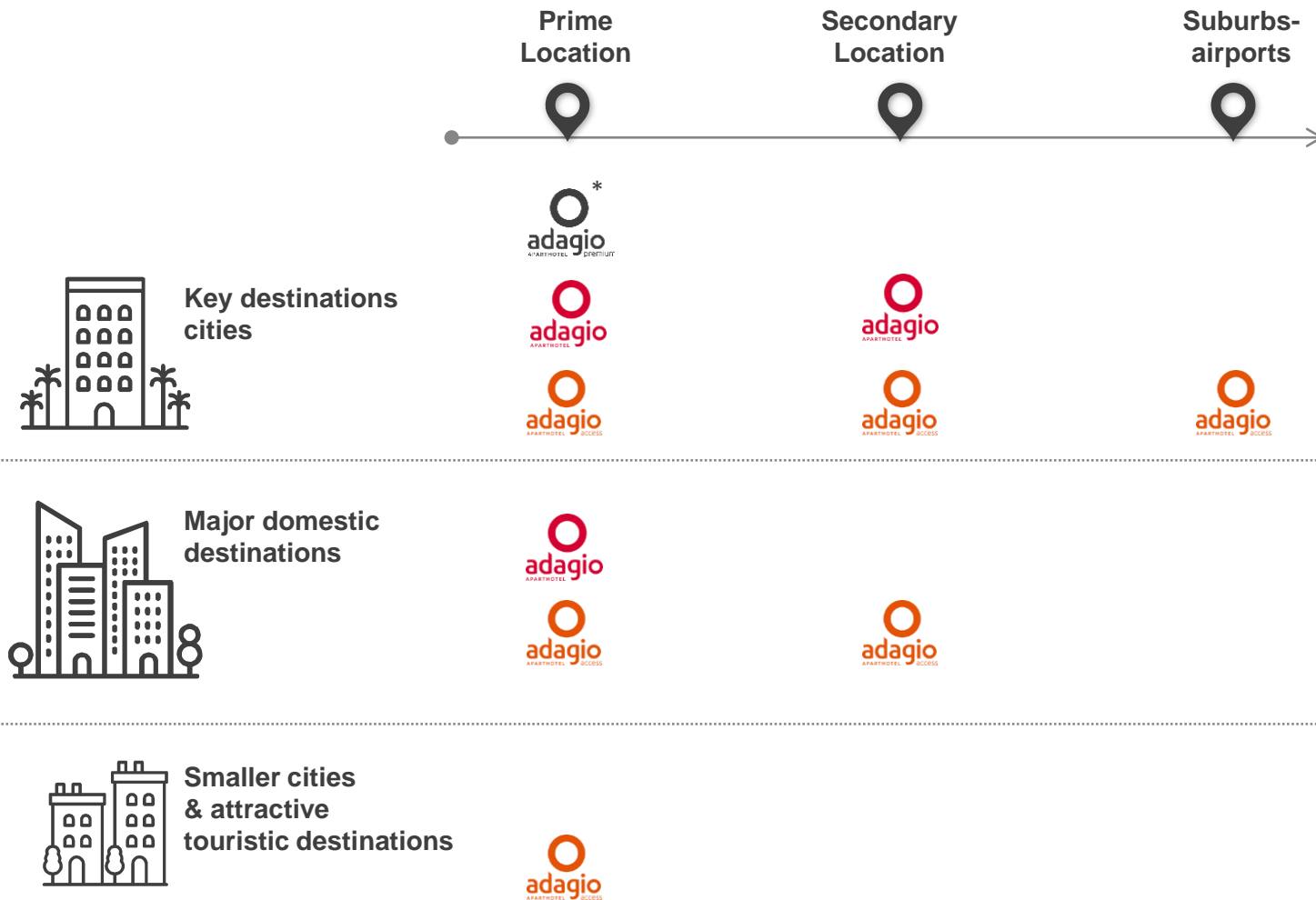
**Typology**  
70% (Studios 2p)  
30% (1 Bedroom Apartment 4p)

**Private Area**  
25sqm (Studio 2p)  
35sqm (1 Bedroom Apartment 4p)

**Public areas**  
350sqm/100 apts  
Reception, business Corner,  
fitness, breakfast room,  
laundry, luggage room



# LOCATION



## TARGETED COUNTRIES

- FRANCE
- GERMANY
- UK & IRELAND
- NETHERLANDS
- POLAND
- SPAIN
- PORTUGAL
- ITALY
- MOROCCO
- UAE
- SOUTH AFRICA
- TURKEY
- CHILE
- COLOMBIA

AND MORE...

*\*Adagio Premium is developed only in the Middle East*



Stay, live, enjoy