WHY INVEST IN GRAND MERCURE
ACCOR GLOBAL DEVELOPMENT
JULY 2020
Universally local

Around the world, Grand Mercure revisits the singularity of each culture with a modern premium flair, surprising and inspiring guests to rediscover the uniqueness of a culture.

Tailored by the locals for the locals, each hotel captures the essence of the country’s culture to recreate experiences tailored to the local way of life, whilst guaranteeing premium international standards.
A brand tailored to the local market | By the locals

A design & atmosphere that resonates with the locals, with great cultural sensitivity

A service offering adapted to the local market

Relevance for both domestic market as well as the international visitors seeking authentic local experiences
GUARANTEE OF CONSISTENT PREMIUM

International service standards, answering needs & reassuring locals and international travelers alike

INTERNATIONAL BRAND POWER WITH ASSOCIATED DISTRIBUTION ECO-SYSTEM, AWARENESS AND PRESTIGE PERCEPTION

MODERN SERVICE & PERCEPTION RELEVANT TO TODAY’S TRAVELER SEEKING SIMPLE YET INNOVATIVE AND PREMIUM EXPERIENCES
Flexible space brand programming and local providers usually enabling lower development costs

Great for conversion of existing building/hotels

Great for development from Tier 1-3 cities / Near 55 hotels in network & 30 in pipeline
Network and Pipeline

57 Hotels
12,854 Rooms
12 Countries in 2019

28 New Hotels by 2024
6,414 New Rooms by 2024
Network and Pipeline

Official figures as of end Jun 2020
*Percentage of total room number

### Americas
- **15%**
- **Network**
  - 8 Hotels
  - 1,926 Rooms

### Asia Pacific
- **83%**
- **Network**
  - 48 Hotels
  - 10,730 Rooms
  - **Pipeline**
    - 23 Hotels
    - 5,334 Rooms

### Africa – Middle East
- **2%**
- **Network**
  - 1 Hotel
  - 198 Rooms
  - **Pipeline**
    - 5 Hotels
    - 1,080 Rooms

**OPERATING MODE**
- **80%** Managed
- **20%** Franchised
Sao Paulo Vila Olímpia
Brazil
213 Rooms
RIO DE JANEIRO COPACABANA
brazil
253 rooms
Flagships

SHANGHAI CENTURY PARK
china
321 rooms
FOSHAN JINSHA
china
219 rooms
DANANG
vietnam
272 rooms
Flagships

JAKARTA KEMAYORAN
indonesia
483 rooms
Flagships

MYSORE
India
146 rooms
WELLINGTON
new zealand
114 rooms
Flagships

AUCKLAND
new zealand
207 rooms
Flagships - Resort

PHUKET PATONG
thailand
314 rooms
Latest Opening

GANDHINAGAR GIFT CITY
india
151 rooms
Latest Openings

SAO PAULO ITAIM
Brazil
201 rooms
Upcoming Openings

KHAO LAK BANGSAK
thailand
198 rooms

DECEMBER 2020
Upcoming Openings

HANOI
vietnam
181 rooms

SEPTEMBRE 2020
Secured Pipeline Over 5 Years – As of end June 2020

AFRICA – MIDDLE EAST

GRAND MERCURE MAJLIS DOHA C-RING ROAD, QATAR 283 ROOMS, NOVEMBER 2021
GRAND MERCURE DUBAI AIRPORT, UNITED ARAB EMIRATES 360 ROOMS, SEPTEMBER 2020
GRAND MERCURE DUBAI JUMEIRAH TRIANGLE, UNITED ARAB EMIRATES 166 ROOMS, JANUARY 2022
GRAND MERCURE MAJLIS MUSCAT GHALA, OMAN 150 ROOMS, JANUARY 2023
GRAND MERCURE MAILIS RIYADH, SAUDI ARABIA 121 ROOMS, DECEMBRE 2023

ASIA – PACIFIC

GRAND MERCURE KHAO LAK BANGSAK, THAILAND 198 ROOMS, NOVEMBER 2020
GRAND MERCURE PANJIN, CHINA 250 ROOMS, DECEMBER 2022
GRAND MERCURE YINGKOU HUAJUN, CHINA 330 ROOMS, OCTOBER 2021
GRAND MERCURE ANHUI TAIHE, CHINA 300 ROOMS, DECEMBER 2022
GRAND MERCURE NANCHANG ANYI, CHINA 280 ROOMS, DECEMBER 2022
GRAND MERCURE WUHAN AIRPORT, CHINA 240 ROOMS, DECEMBER 2022
GRAND MERCURE WUHAN OPTICS VALLEY, CHINA 110 ROOMS, DECEMBRE 2020
GRAND MERCURE XI'AN XIXIAN, CHINA 416 ROOMS, DECEMBER 2022
GRAND MERCURE GUIYANG JINYANG, CHINA 268 ROOMS, DECEMBER 2022
GRAND MERCURE SHIYAN, CHINA 200 ROOMS, DECEMBER 2022
GRAND MERCURE NANJING PUKOU, CHINA 200 ROOMS, DECEMBER 2021
GRAND MERCURE SHANGHAI LINGANG, CHINA 212 ROOMS, DECEMBER 2021
GRAND MERCURE HANOI, VIETNAM 181 ROOMS, SEPTEMBER 2020
GRAND MERCURE QUANG BINH, VIETNAM 236 ROOMS, DECEMBER 2022
GRAND MERCURE Maha Cipta Miravita Malang, INDONESIA 240 ROOMS, SEPTEMBER 2021
GRAND MERCURE Maha Cipta Bali Legian Resort, INDONESIA 250 ROOMS, DECEMBER 2020
GRAND MERCURE Hangzhou Zhejiang University, CHINA 144 ROOMS, DECEMBER 2022
GRAND MERCURE Hefei, CHINA 200 ROOMS, DECEMBER 2023
GRAND MERCURE Hepei South, CHINA 273 ROOMS, DECEMBER 2022
GRAND MERCURE BATAM CENTRE, INDONESIA 190 ROOMS, DECEMBER 2023
GRAND MERCURE MAHA CIPTA PALEMBANG, INDONESIA 220 ROOMS, JULY 2024
GRAND MERCURE HO TRAM, VIETNAM 250 ROOMS, DECEMBER 2022
GRAND MERCURE PHAN THIET MUI NE, VIETNAM 128 ROOMS, DECEMBER 2022
A Taste of Place

All dimensions of the local food culture are revived with a modern premium flair: exciting Signature dishes or brews, reinvented street food, and traditional welcome delights and snacking...a revisited and inspiring local taste, endorsed by the locals.
Grand Mercure harmoniously combines and reinterprets local attitudes, atmospheres and settings to awaken all senses.
A PASSION FOR RECREATING

Revived Rituals

Each hotel embraces & revives selected fundamentals shaping a culture: important celebrations, a sense of etiquette & daily rituals to (re)discover, moments of conviviality & quality family time associated to cultural values...integrated into curated brand experiences.
Every country of the world has its own conception of well-being. In its hotels, Grand Mercure embraces each of them accordingly to nurture its guests beyond the doors of the gym and the spa.
F&B

Soul Foods Concept

SOUL FOODS

An emotionally charged revival of each culture(s) comfort food & rituals across the guest journey.

Soul Foods invites guests to (re)open a window into the soul of the culture and recall soothing memories, by reviving beloved cultural comfort foods - and most importantly the deeply-rooted rituals that accompany them - through immersive sensorial experiences right across the guest journey.

Blending high-quality local ingredients with traditional local cooking techniques and service rituals, we elevate each of these memories with modern premium flair to (re)connect guests and locals-alike with the culture’s roots in a refreshing way.

People Activation

CULTURE HOSTS

Grand Mercure Heartists around the world are passionate about modern premium hospitality, and genuinely proud of their national culture. They are the local caretakers, revivers and storytellers of their hotel distinct cultural identity, delivering modern premium international standards of service to our guests with great cultural sensitivity.
GUEST JOURNEY & EXPERIENCE – KEY STANDARDS AT A GLANCE

The following list contains the key brand concepts & markers. Specific and detailed guidelines with rich elements & content bring each experiences to life in the guest journey.
Brand standards as of end 2019, might be subject to changes.

ARRIVAL & DEPARTURE
- Signature Local Transfer (Scented towel & Local Bites)
- Local Welcome Ritual
- Scentorial Immersion (Signature scent experience)
- Culture Host (2021)

GUEST ROOMS
- Local Bites VIP In-Room Arrival
- Local Bathroom Amenities
- Signature Local Room service (Soul Foods)
- Local Bites VIP Turn Down

F&B
- Breakfast Culture (Soul Foods)
- Brew Culture (Soul Foods)
- Local Signature Dish (Soul Foods)
- Local Bites (Soul Foods)

WELLNESS FACILITIES
- Spa
- Fitness Center
- Local Wellbeing Rituals

MEETINGS & EVENTS
- Culture Breaks (Brew Culture & Local Bites)
- Culture Host (2021)

Taste of Place | Sensorial Immersion | Revived Rituals | Local way of being well | Mandatory
Visual Identity

The visual identity adapts and reflects the local roots of the brand in each culture.

COMMUNICATION
COMMUNICATION PLATFORMS

A regional activation for enhanced relevance & reach

Social Media

New inspirational brand platforms on Facebook, Instagram and China Social Media channels to further drive brand awareness and traffic to our Brand website.

Launch September 2020

BRAND WEBSITE

A fully revamped brand website as a key lever to drive hotel distribution performance and brand engagement.

Launch July 2020

BRAND PARTNERSHIPS

Global & Local Brand partners & activations to drive brand awareness, distribution and hotel revenue performance.

New Global Partner 2020

Events with local ambassadors

‘Traces of Brasilidade’ Talk Show (Brazil)
Nearly 1 million people impacted
Awards

25 LEADING AWARDS ACROSS 12 PROPERTIES IN 2019
Top region: China with 14 awards

- Beautiful China Golden Olive Awards – 2 Awards
- Rakuten Travel – 1 Award
- TripAdvisor – 2 Awards
- World Luxury Travel Awards – 1 Award
**Brand Performance**

### Brand Awareness*

**40%**

Significant Awareness among affluent travelers (aided and unaided) in 5 key markets

Our objective is to raise awareness in key markets for the brand (China, Indonesia, Brazil) and maintain it throughout the network.

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### Brand Perception*

Grand Mercure has a local positioning in each property

- 56% frequent guests think about the brand as hotels with premium international standards
- 46% think the brand provides a contemporary perspective on local customs
- 36% think the brand helps them reconnect with the country’s unique culture

Our objective is to further drive perception of the brand both as a Modern Premium and Locally rooted.

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### Brand Margin*

**48€**

Brand Margin* measures the financial premium which the brand name adds to the intrinsic value of the same hotel stay with an unbranded alternative

Our objective is to raise brand margin in key markets: China, Indonesia and Brazil.

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### Reputation Performance Score**

**88 pts.**

The Reputation Performance Score measures the overall hotel online reputation based on several sources: Guest Satisfaction Survey (GSS & Net Promoter Score), Trip Advisor, Booking, Ctrip etc. It is the most representative hotel's reputation KPI, requires at least 100 guests’ feedback and give positive reputation score out of 100%

Our objective is to reach 89+ by 2021.

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*BEAM report 2019  **December 2019
Brand Awareness (%)

- Brazil: 56%
- Australia: 69%
- China: 30%
- Singapore: 56%
- Japan: 31%
- UAE/S. Arabia: 44%

Source: BEAM - Brand Equity & Awareness Monitoring December 2019 |
Base: Affluent & Luxury hotel users = users having spent at least 1 stay in a luxury hotel over the last 12 months, 6 nights + in any type of paid-for accommodation, top 30% income within country
Brand Margin® measures the financial premium which the brand name adds to the intrinsic value of the same hotel stay with an unbranded alternative. A Brand Margin® of 10€ means that « Consumers think it is worth paying on average 10€ more per night to stay with brand X compared to an unbranded equivalent ». Base: people having stayed in paid-for accommodation in the last 12 months and somewhat/very familiar with the brand.

Brand Margin® in €

Figures as of end 2019
Reputation Performance Score

High Reputation Score in Constant Progression Across the Network

Asia Pacific: 89%
Africa - Middle East: 91%
South America: 85%

Source: TrustYou by end of 2019

Grand Mercure Average RPS: 88%
Accor offers > 110 global distribution channels at best market conditions

*All Accor brands excluding recently integrated:
Delano, SLS, The House of Originals, Mondrian, Hyde, greet, Mantis, Tribe
Grand Mercure Distribution Performance Powered by Accor

For Luxury & Premium Brands

63% of Luxury & Premium Room Revenue Comes Through Accor Central Reservation System

10M Room Nights
€2,019M Room Revenue

FOCUS WEB (Accor Web + Web Partner)

37% Hotel PMS
38% Direct Sales
25% Indirect Sales
7% GDS/IDS
19% Voice
4% Accor Web
4% All.Accor.com + App
63% of Luxury & Premium Room Revenue Comes Through Accor Central Reservation System

33% Influenced Hotel Direct*
*E-mails & cluster services

Official figures as of end 2019
New Booking Engine & APP

1 MULTIBRAND PORTAL
ALL.ACCOR.COM

- 300M Website + App visits
- 2,200 Destinations
- 18 Languages

1 LIFESTYLE COMPANION APP

- 56% Mobile and App visits*
- 1 Download every minute

18 BRAND.COM WEBSITES

- Plugged to ALL.ACCOR.COM

*year 2019 + from dec 2019 to Mid Feb 2020, since launch of ALL

Source: CRS by end of 2019
New Loyalty Program

THE ONLY LIFESTYLE LOYALTY PROGRAM

NEW LIMITLESS EXPERIENCES AND EXTENDED OPPORTUNITIES TO EARN & REDEEM POINTS

NEW BENEFITS
- 2 New tiers (diamond & limitless hidden tier)
- 34 Brands and +
- Suite Night Upgrade
- F&B outside a stay

NEW PARTNERSHIPS
- PSG – Games / Net media value +€200m to ALL
- AEG – Worldwide arenas & festivals
- IMG – Taste festivals

64M Loyalty members worldwide
31% Loyalty contribution rate
X 2 Members stay twice more
X 2 Members spend twice more

Source: CRS by end of 2019
Competition

Source: CRS by end of 2019
## Development Criteria

### AAA ULTRA CITY CENTER LOCATION, HISTORIC CONVERSION WORLDWIDE

<table>
<thead>
<tr>
<th>HOTEL</th>
<th>RESORT</th>
<th>PRIME LOCATIONS</th>
<th>SECONDARY LOCATIONS</th>
<th>AIRPORTS SUBURBS</th>
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<tr>
<td>RECOMMENDED NUMBER OF ROOMS</td>
<td>150 keys and +</td>
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<tr>
<td>ROOM AVERAGE SIZE</td>
<td>28 – 36 sqm</td>
<td>30 – 40 sqm + balcony</td>
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<td>TGFA / ROOM</td>
<td>80 – 110 sqm</td>
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<td>RECOMMENDED NUMBER OF ROOMS</td>
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<td>FOOD &amp; BEVERAGE</td>
<td>1 All day dining</td>
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<td></td>
<td>Specialty restaurant(^{(1)})</td>
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<td>1 lobby bar</td>
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<td>WELL-BEING</td>
<td>Bespoke Spa market driven</td>
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<td>Fitness centre</td>
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<td>Swimming pool</td>
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<td>MEETINGS &amp; OTHERS</td>
<td>Meeting rooms</td>
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<td>Ballroom</td>
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<td>Business centre available</td>
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<td>Executive Club</td>
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<td>Kids Club(^{(1)})</td>
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\(^{(1)}\) Based on market demand

### WHY INVEST IN GRAND MERCURE | DEVELOPMENT CRITERIA | 17
WHAT'S HAPPENING IN 2020?
• Style Book
• Design Brief
• Construction and Renovation Standards
• Brew Concept
GRAND MERCURE
HOTELS AND RESORTS
THANK YOU