



# ACCOR HOTELS

Feel Welcome

## 2018 COMBINED SHAREHOLDERS' MEETING

Friday, April 20, 2018

RAFFLES

ORIENT EXPRESS

BANYAN TREE

SOFITEL  
LEGEND

Fairmont

SO  
SOFITEL

SOFITEL

onefinestay

RIXOS

M  
GALLERY

pullman

swissôtel

ANGSANA

25h  
twenty five hours hotels

GRAND MERCURE

THE  
SEBEL

NOVOTEL

Mercure

adagio

MAMA  
SHELTER

ibis

ibis  
STYLES

ibis  
budget

JO&  
JOE

hotelF1

The image shows a multi-panel view of a restaurant interior. On the left, a chef in a white uniform is working at a counter. In the center, a large, glowing red, teardrop-shaped pendant light hangs from the ceiling. To the right, there are glass display cases containing various items, and a small table with two ornate, tufted leather chairs. The overall atmosphere is modern and sophisticated.

**Sébastien Bazin**  
*Chairman & CEO*



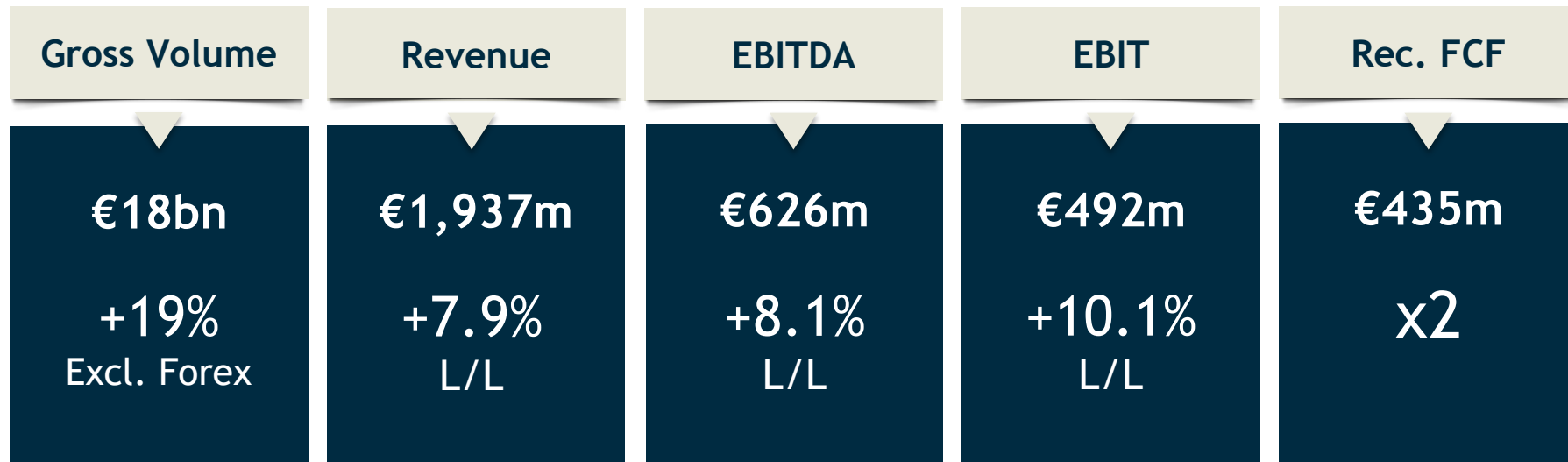
**François Pinon**  
*Group General Counsel & Board Secretary*



**Jean-Jacques Morin**  
*CFO*



# 2017: Another year of record results



# Strong revenue growth in all segments

	2016 <i>In €m</i>	2017 <i>In €m</i>	Variation	
			Reported	L/L
HotelServices	1,524	1,746	+14.6%	+5.1%
New Businesses	44	100	N/A	+6.9%
Hotel Assets	599	616	+2.9%	+7.0%
Holding & Intercos	(520)	(525)	N/A	N/A
<b>AccorHotels</b>	<b>1,646</b>	<b>1,937</b>	<b>+17.7%</b>	<b>+7.9%</b>

## HotelServices

Gross volume at €18bn, up 19% excluding currency effect

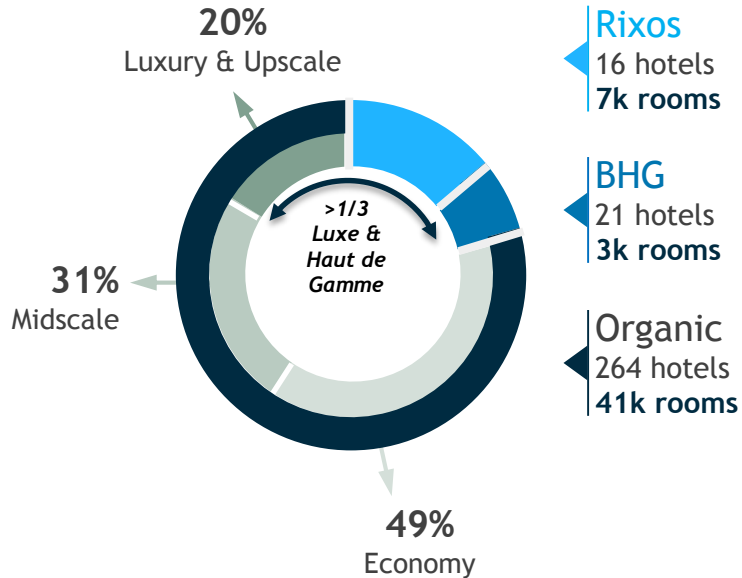
## AccorHotels Revenue

Variance between L/L and reported driven by FRHI and New Businesses

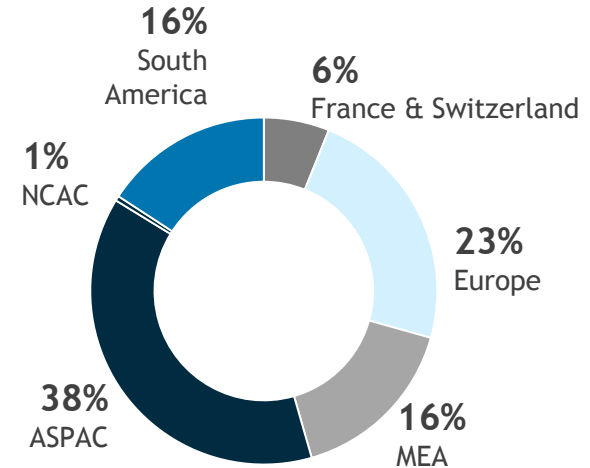


# A record opening level in 2017 with more than 300 hotels

## Openings by segment (in % of rooms)

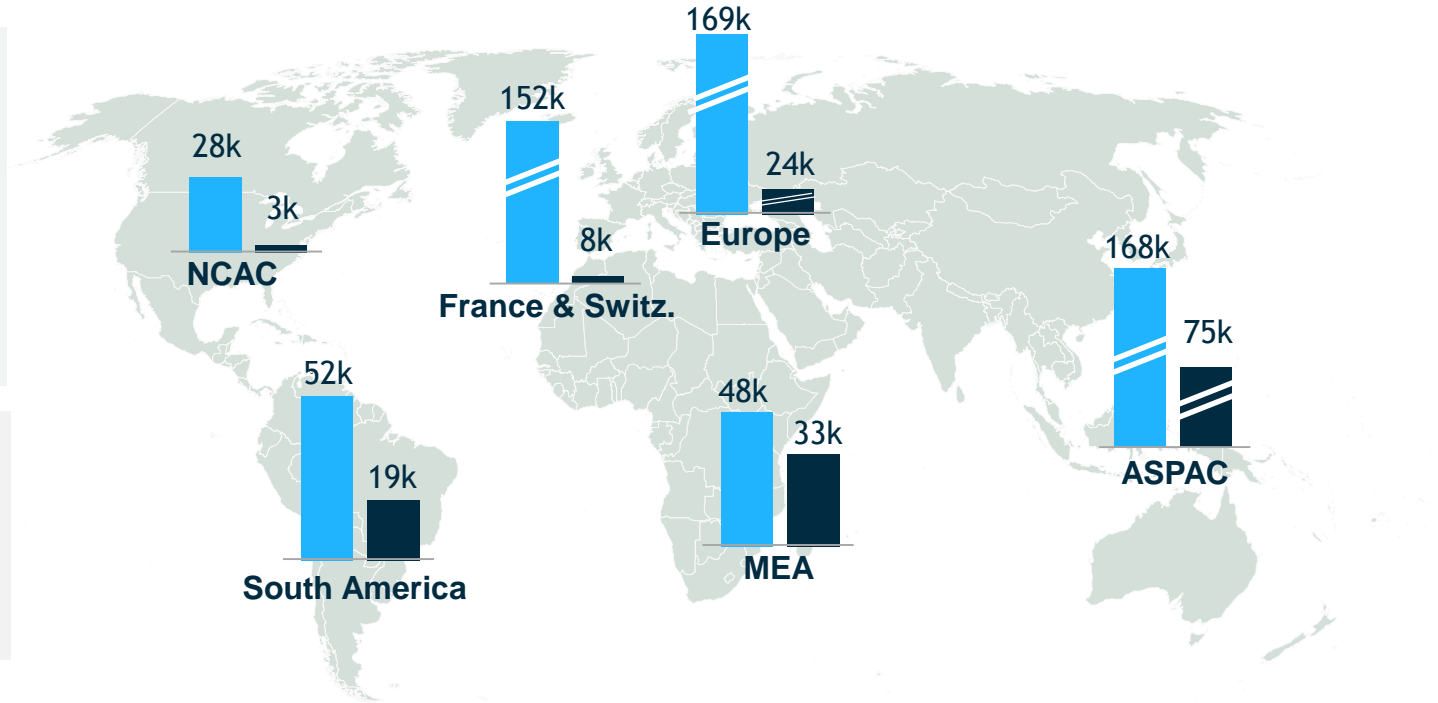
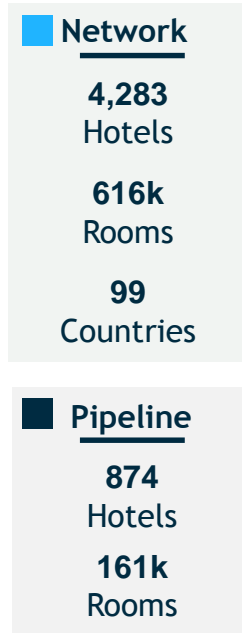


## Openings by region (in % of rooms)



# Continuing consolidation of our market shares

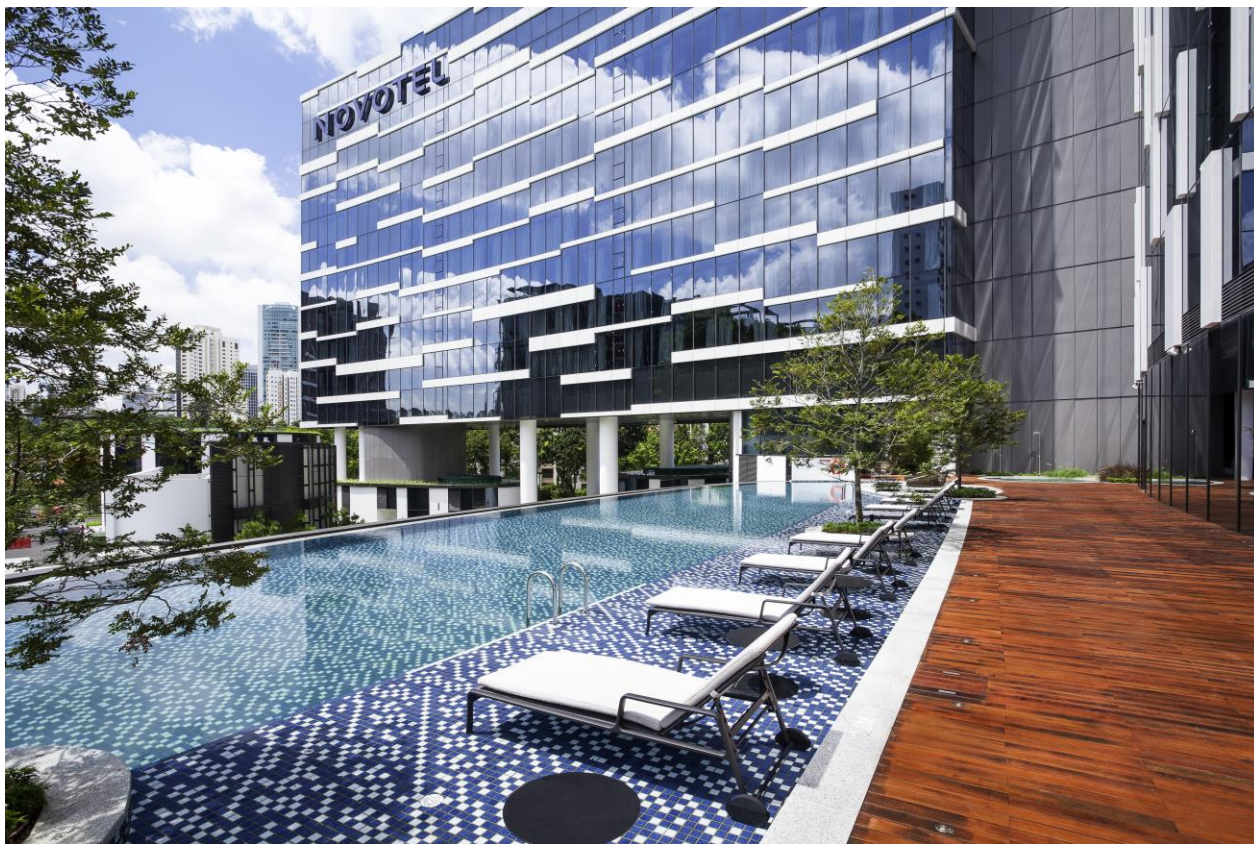
(At December 31, 2017 - in rooms)







MGallery London  
Leicester Square  
*United Kingdom*



  
**NOVOTEL**  
HOTELS, SUITES & RESORTS

*Novotel Singapore  
On Stevens  
Singapore*



Pullman Zhouzhuang  
Resort & Spa  
*China*





*ibis* Bangkok impact  
*Thailand*

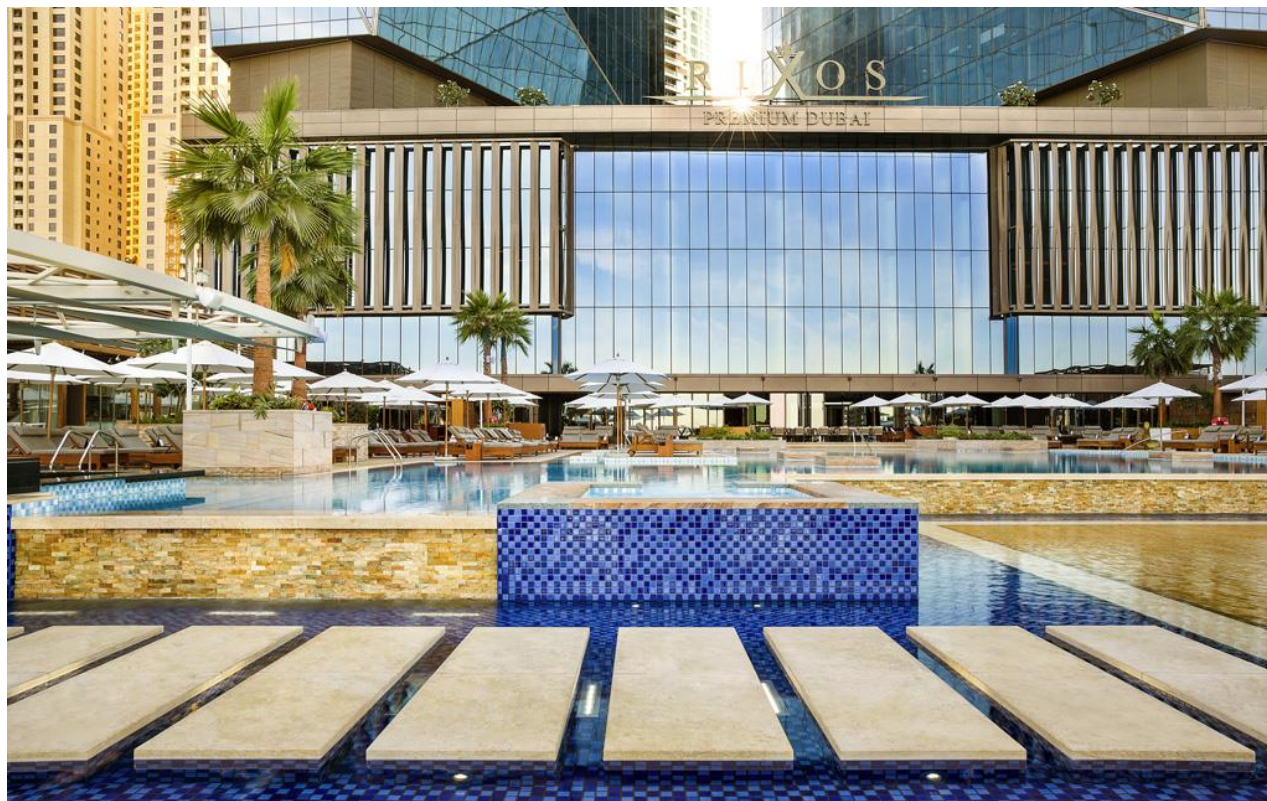




Jo&Joe Hossegor  
*France*



Rixos Premium Dubai  
*United Arab Emirates*



*Fairmont*

Fairmont Royal Palm

*Morocco*



# Solid increase in operational results

(in €m)		HOTEL SERVICES	NEW BUSINESSES	HOTEL ASSETS	HOLDING & INTERCOS	 <b>ACCORHOTELS</b> <small>Feel Welcome</small>
2017	Revenue	1,746	100	616	(525)	1,937
	EBITDA	656	(25)	96	(101)	626
	EBITDA margin	38%	N/A	16%	N/A	32%
	EBIT	576	(33)	50	(100)	492
	EBIT margin	33%	N/A	8%	N/A	25%
2016	Revenue	1,524	44	599	(520)	1,646
	EBITDA	524	(23)	78	(72)	506
	EBITDA margin	34%	N/A	13%	N/A	31%
	EBIT	467	(25)	36	(81)	397
	EBIT margin	31%	N/A	6%	N/A	24%





# New Businesses crossed the €100m in Revenue



**100M€**  
Revenue

**10%**

Underlying L/L growth  
(rebased 12 months)

Stable EBITDA

Breakeven by 2019 confirmed  
Gekko acquisition closed in January



(In €m)	2016	2017
<b>Revenue</b>	<b>3,986</b>	<b>3,985</b>
<b>EBITDA</b>	<b>533</b>	<b>522</b>
<b>EBIT</b>	<b>300</b>	<b>522</b>
<b>Income before tax</b>	<b>188</b>	<b>410</b>
<b>Income tax and minority</b>	<b>(84)</b>	<b>(342)</b>
<b>Net income</b>	<b>104</b>	<b>67</b>

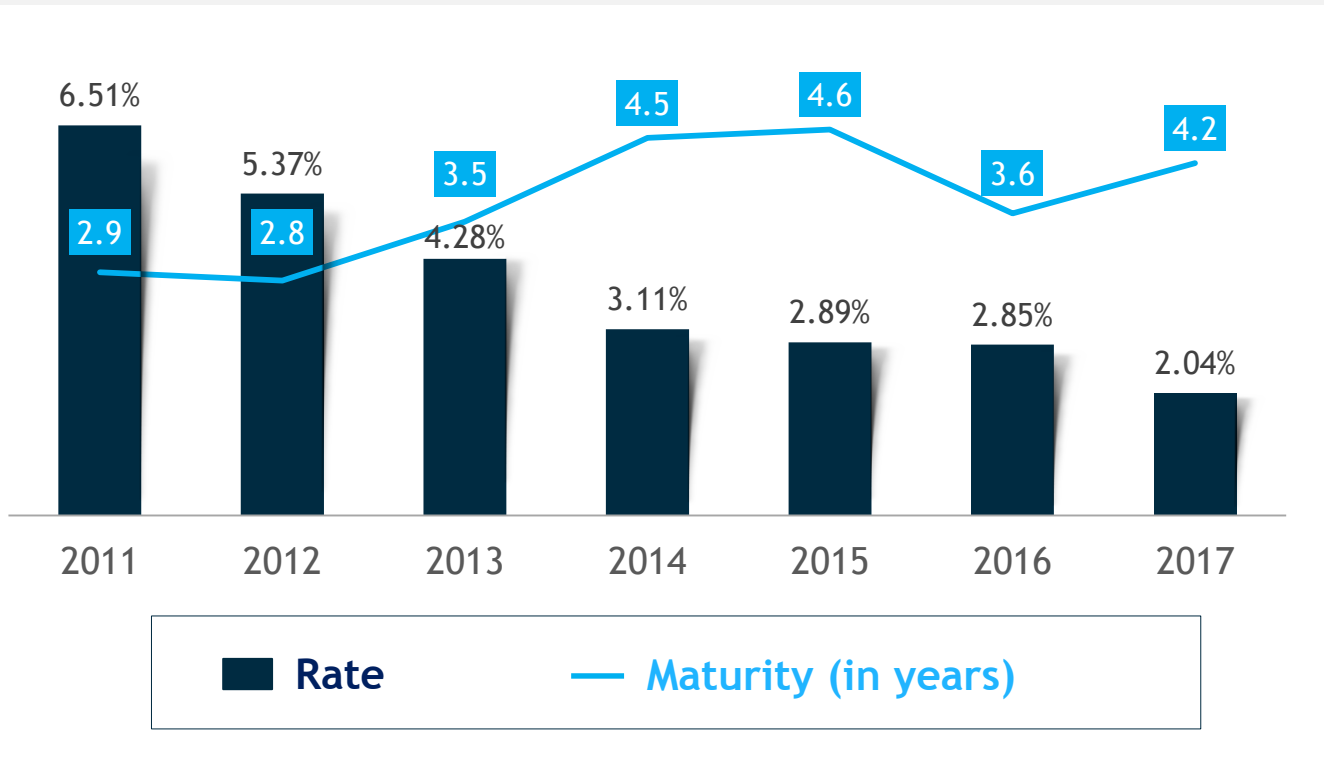
**Stable revenue reflecting:**

- Asset management strategy including HotelF1 and renovation programs
- Offset by sound operating momentum in Europe

**Depreciation stopped as per IFRS 5**

**€195m tax impact from the creation of AccorInvest**

# An improving debt profile



AccorHotels is committed to Investment Grade

S&P & Fitch ratings both at BBB-



# 2017 Proposed Dividend

	2016	2017
<b>Profit before non-recurring items, net of tax<sup>(1)</sup> (in €m)</b>	<b>469</b>	<b>538</b>
Profit before non-recurring items, net of tax per share (in €)	1.81	1.87
<b>Ordinary Dividend per share<sup>(2)</sup> (in €)</b>	<b>1.05</b>	<b>1.05</b>
Ordinary Dividend (in m€)	299	302

Payment in cash

(1) Operating profit before tax and non-recurring items, less operating tax, less minority interests

(2) DPS is defined as Net Profit attributable to shareholders divided by the number of fully diluted weighted number of shares, i.e. 288m in 2017 vs 260m in 2016



# Q1 2018 Revenue

	Q1 2017	Q1 2018	Change	
	<i>In €m</i>	<i>In €m</i>	Reported	L/L
HotelServices	563	553	-1.8%	+7.7%
New Businesses	13	31	N/A	+14.5%
Hotel Assets & Other	164	157	-4.2%	+7.5%
Holding & Intercos	(111)	(108)	N/A	N/A
<b>AccorHotels</b>	<b>629</b>	<b>633</b>	<b>+0.6%</b>	<b>+9.5%</b>
<b>Future Financials</b>	<b>745</b>	<b>745</b>		

## HotelServices

Gross volume at €4.1bn, up 9% excluding currency effect

## AccorHotels Revenue

Variance between +9.5% L/L and +0.6% reported driven by strong depreciation of USD & AUD



# AccorHotels share performance vs. CAC 40



A nighttime photograph of a modern, single-story hotel building with a long, low profile. The building is illuminated from within, with warm lights visible through the windows and doors. The roofline is highlighted by a series of small, evenly spaced lights. In front of the building is a large, dark pool that perfectly reflects the building and the sky. The poolside area is furnished with several lounge chairs and large white umbrellas. The sky is a deep blue, and palm trees are visible in the background and foreground. The overall atmosphere is serene and luxurious.

**Sébastien Bazin**  
*Chairman & CEO*

# Ready to seize a new growth phase

**Financial  
profile  
improved**



**Digital  
initiatives  
recognized**



**Strong value  
creation at  
AccorInvest**



**M&A  
successful**



**Segment  
positioning  
revamped**



**Asset-light  
model  
transition**

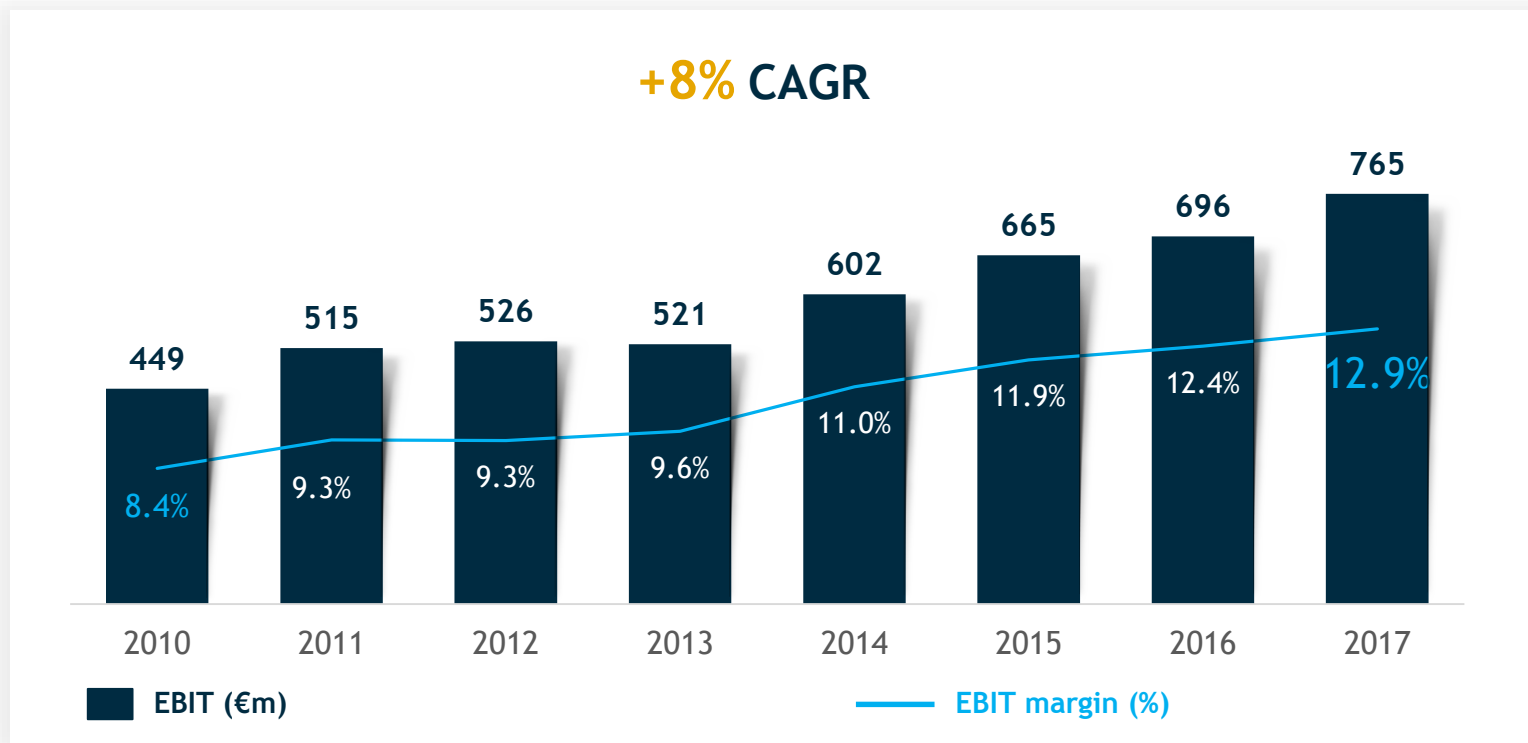


**AccorHotels  
Stronger  
than ever**



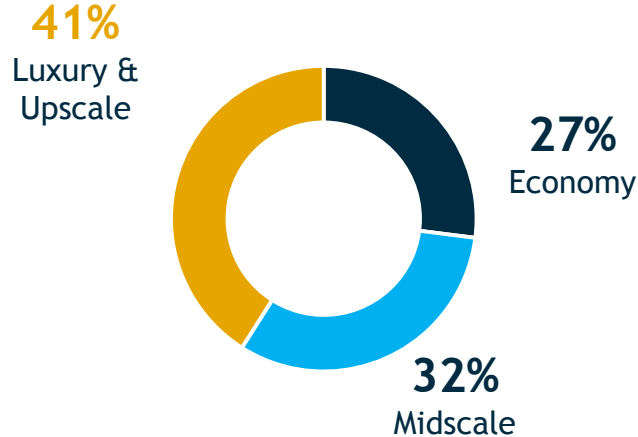


# Strong profitability improvement (including AccorInvest)



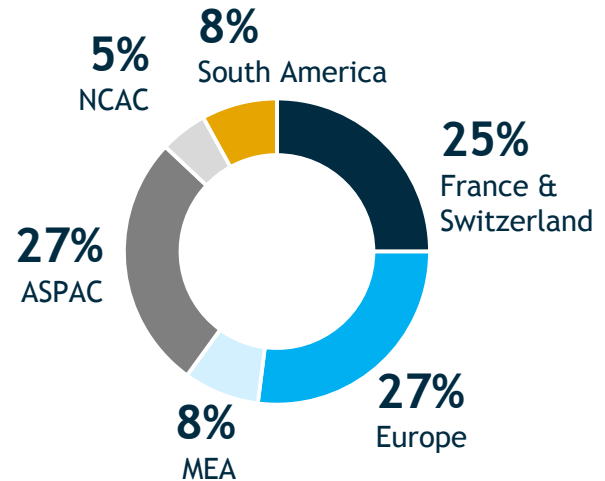
# An optimized portfolio

**Luxury: +19 pts** in 4 years



*2017 Fees by segment*







**Emerging: +7 pts** in 4 years



*2017 Room Portfolio by region*



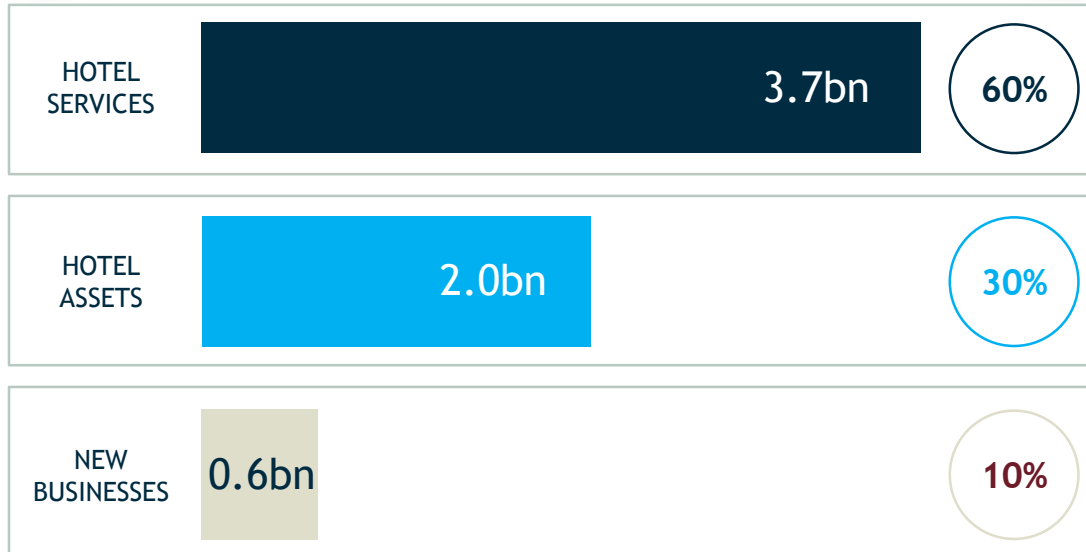
# Solid infrastructures to support high growth

CLIENTS	 <b>41m</b> Loyalty members X2 vs 2014	 A SINGLE APP <b>+70%</b> Revenue vs 2016	 <b>9m</b> Price updates per day vs 5m in 2014
	 <b>1.7</b> Booking/Second	 <b>X4.5</b> Ratio "Look-to-book"* since 2014	 <b>968</b> Sollicitations per booking in 2017



# Acquisitions: €6.3bn in 4 years mainly in hospitality

## 2014-17 Non-recurring Capex (€bn) & % of total



## Investments since 2014



# Disciplined investment policy

## HOTELSERVICES

- Extend and secure our existing leadership
- Accelerate our development in specific markets and/or segments
- **Complement service offering to guests and partners**
- **Favor mid-size targets**
- **Respect strict financial criterias**

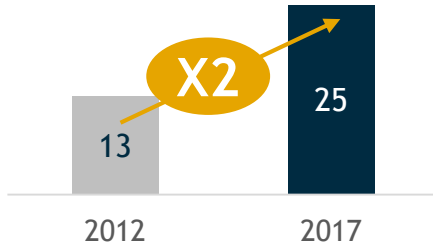
## NEW BUSINESSES

- Multiply touchpoints
- Client retention
- Acquire data driven know-how
- Protect Corporate Travel



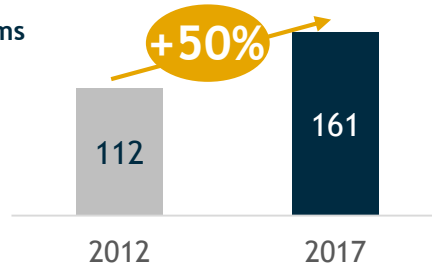
# AccorHotels is stronger than ever

## Powerful brands



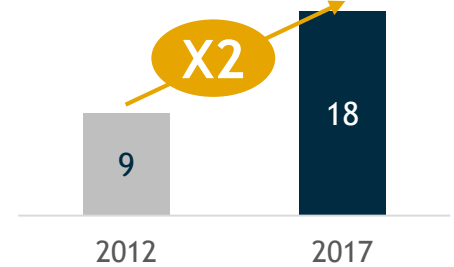
## Pipeline

In K rooms



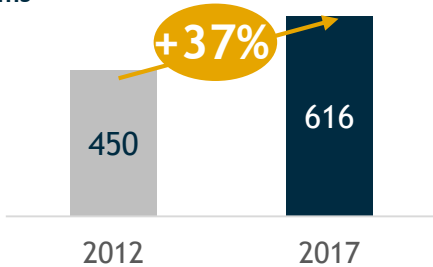
## Gross volume

In €bn



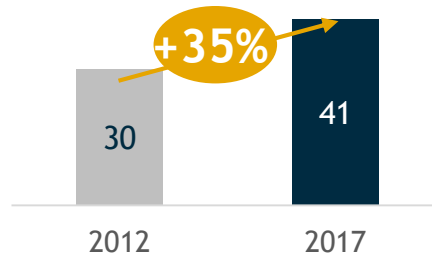
## System growth

In K rooms



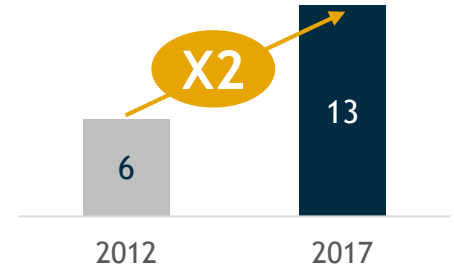
## Yearly openings

In K rooms



## Market Cap.

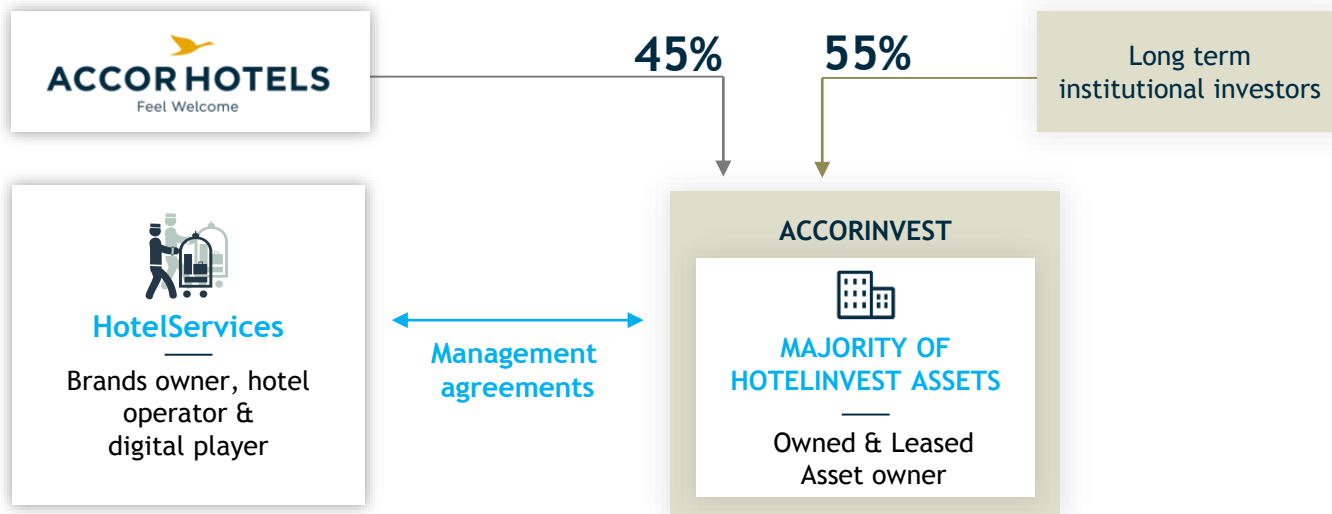
In €bn



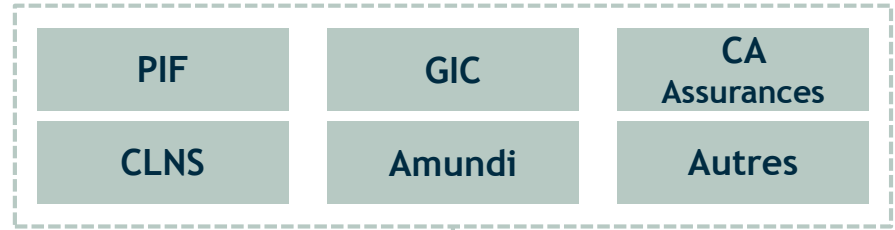
# AccorInvest

## CREATE ACCORINVEST AN INDEPENDENT LEGAL ENTITY

## OPEN ACCORINVEST TO INVESTORS



# Key transaction parameters



45%

55%

ACCOR INVEST 

€6.25bn

Enterprise value

€4.4bn

Cash for AccorHotels

Q2 2018

Expected closing





# Long term relationship with AccorInvest

## Management Agreements

30 to 50 years duration

## Fully funded vehicle

€3.6bn debt financing secured including undrawn lines to execute 2017-2021 Plan

## Dividends

5% dividend yield based on transaction NAV

## AccorHotels representation

Voting rights capped at 30%

## Liquidity rights

- ✓ Ability to sell down to 30% ownership
- ✓ 5-year lock-up on 30%

## Fees

New fee structure for a better alignment



# €4.4bn of cash available

1



Tactical M&A strategy

MANTRA  
GROUP



RIXOS  
HOTELS

2



Return to shareholders

Objective to buy-back  
**up to €1.350bn**  
of share capital

(c.10% of current market Cap.)

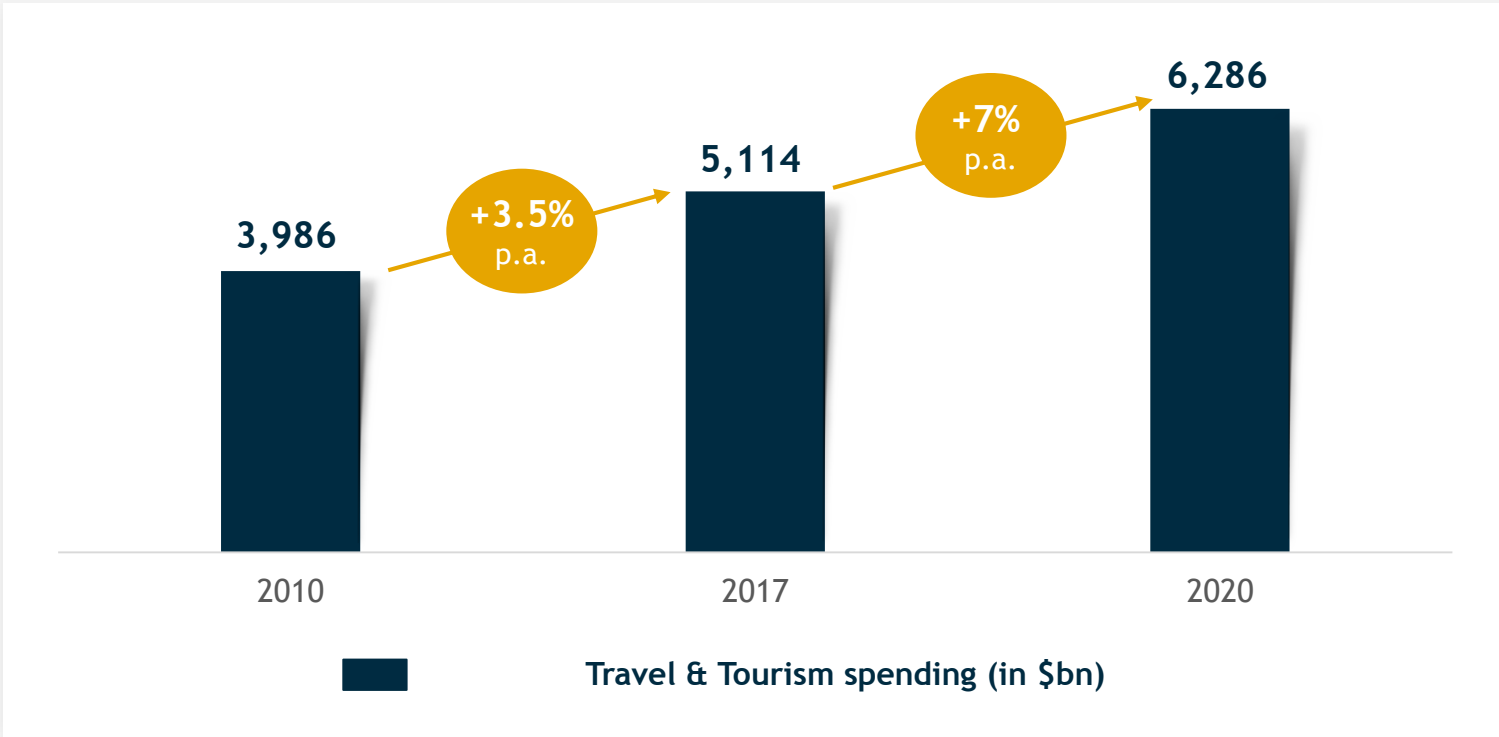
3



Preserve  
investment grade status  
&  
Increase balance sheet  
flexibility



# A fast growing industry



Source: WTTC



# Global trends are particularly favorable for the Group

## General trends will support the hospitality industry growth

China already **2X** larger than US for travel expenditures

**2<sup>nd</sup>** fastest growing industry worldwide (in GDP)

Capturing **23%** of next-10-year job creations

## Specific trends will support AccorHotels growth

**8%** growth in international arrivals in Europe & 5% in ASPAC

Domestic represent **70%** of total travel & tourism spendings

Leisure represent **75%** of total travel & tourism spendings (in \$bn)



# A diversified portfolio of strong brands

## Luxury & Upscale



## Midscale & Economy



## Hospitality services



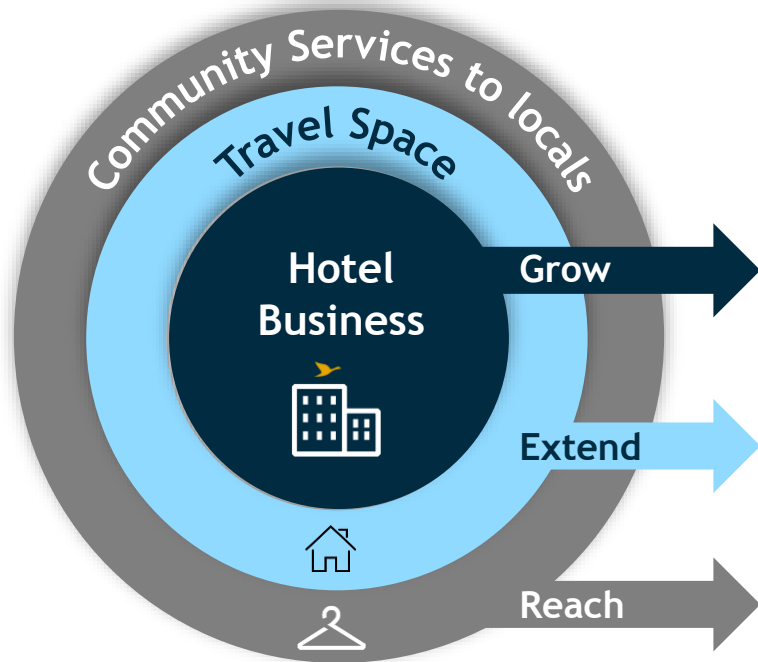
### Digital Solutions



### Dining & Events



# All initiatives increase value for guests and partners



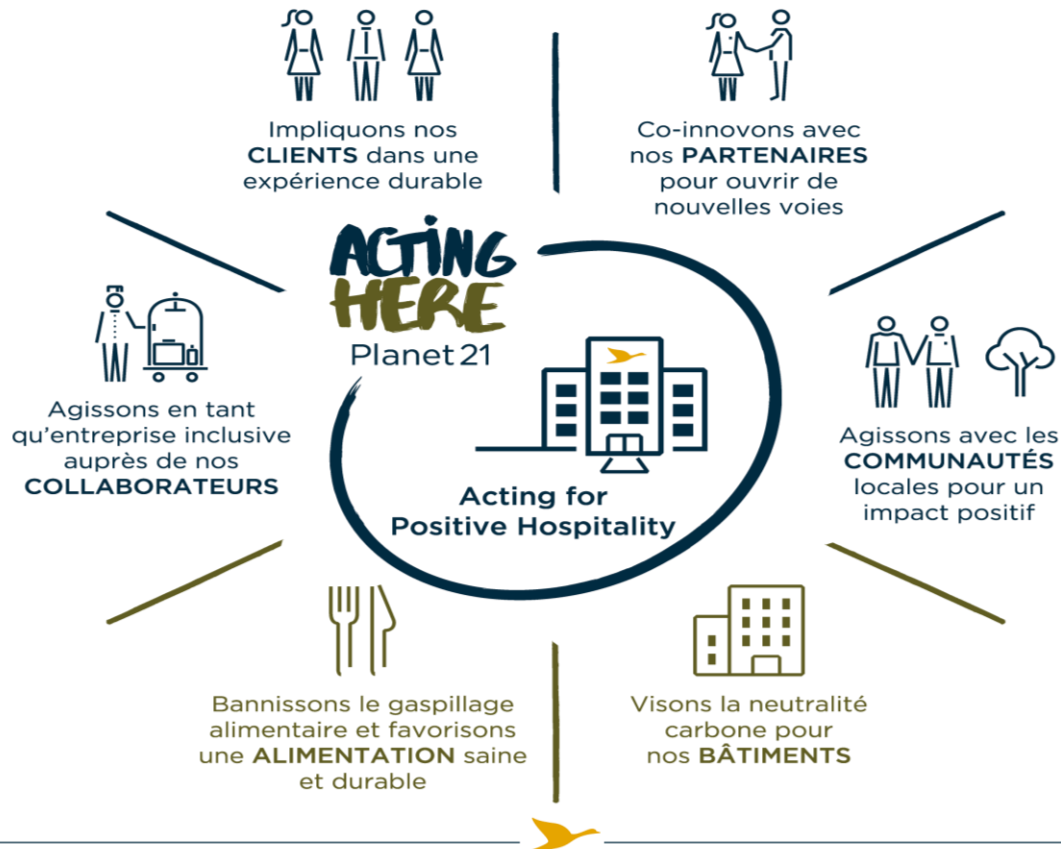
Brand & guest services expertise  
 Distribution & revenue power  
 CRM & Loyalty program knowledge  
 Scale, density and strong growth potential

Guests differentiated non-hotel solutions  
 New B2B touchpoints outside branded hotels

Strong service offer on a regular basis  
 Enter Customers' daily life



# A Group committed through Planet 21



# Positive hospitality benefitting from innovation



## SUPPORTING THE LOW CARBON TRANSITION



- > Partnership with Energy Observer
- > Signing of the French Business Climate Pledge
- > Sharp reduction in the Group's carbon intensity in 2016 (down 3%) and 2017 (down 2%)



## PROMOTING SUSTAINABLE AGRICULTURE



- > 800,000 trees planted in 2017
- > Around 6 million trees planted overall
- > 700 hotels with a vegetable garden



## TAKING ACTION FOR A MORE INCLUSIVE SOCIETY



- > Jaccede.com: facilitating access for persons with reduced mobility
- > *Refettorio*: fighting food waste
- > Solidarity AccorHotels: strengthening the fight against social exclusion and poverty





# Six strategic levers to grow AccorHotels

## SUSTAINABLE DEMAND GENERATION



### ATTRACT

with world class brands supported by superior operational execution



### CONVERT

thanks to a seamless distribution experience



### RETAIN

via enhanced personalization & loyalty strategy

## STRONG BUSINESS GROWTH



### EXPAND

and hyper densify with an accelerated hotel development model



### MULTIPLY

touchpoints in a sustainable integrated ecosystem

## GLOBAL MODEL OPTIMIZATION



### TRANSFORM

skills, organization & tools to meet our new challenges



# Committed talents: the Group's key strength



**250,000**

**EMPLOYEES**

WORKING UNDER ACCORHOTELS BANNERS WORLDWIDE

## DIVERSITY

**29%**

OF OUR HOTEL MANAGERS

**42%**

OF OUR HOTEL DEPARTMENT MANAGERS

**55%**

OF OUR EMPLOYEES ARE **UNDER 35**



ARE **WOMEN**

## COMMITMENT



**77%** 

OF OUR EMPLOYEES FEEL COMMITTED TO THE GROUP  
(up **5** pts)

**178,000**  
EMPLOYEES SURVEYED  
**89%** response rate

## DEVELOPMENT

**800**

IN-HOUSE INSTRUCTORS CERTIFIED BY THE ACCORHOTELS ACADEMY



**91%**

EMPLOYEES TRAINED



# Cultural transformation: key initiatives in 2017



**COM Y**  
'Shadow Comex II'



- > 14 members: 7 women and 7 men
- > Deployment at the country-level (France, Poland, Germany, etc.)



**HEARTIST JOURNEY**



- > 180 Super Transformers
- > 1,250 hotels and 2,500 Transformers
- > All brands, all countries
- > Integrating digital tools (ACDC)



**SWAP YOUR JOB**



- > 65% head office employee participation rate
- > 300 hotel operators welcomed at head office
- > 96% satisfaction rate



A photograph of a grand, two-story interior hallway. The space is characterized by dark wood paneling, including a balcony with a railing on the upper level. A large, ornate chandelier hangs from the ceiling. In the center, a round wooden table sits on a large, patterned rug. The walls are light-colored, and there are several framed pictures and a bench visible. The overall atmosphere is one of classic elegance and historical grandeur.

**François Pinon**  
*Governance*

# Membership of the Board of Directors

(After the Combined Shareholders' Meeting)

13 members (of which 2 members representing employees)

54% of directors are independent

45% of directors are women



# Board of Directors' work in 2017

**15 meetings** with an average attendance rate of 88%

Key topics covered:

- > Monitoring of the process of turning HotelInvest into a subsidiary and opening up AccorInvest's capital to investors
- > Acquisitions (Availpro, BHG, Gekko, Mantra, Travel Keys and VeryChic)
- > Co-option of new directors
- > Review of Board Committees' numbers and membership
- > Creation of an International Strategy Committee
- > Review of related-party agreements



# Board Committees

## 5 specialized committees

- > **Audit & Risks Committee**  
*(6 members)*
- > **Commitments Committee**  
*(5 members)*
- > **Appointments & Compensation Committee**  
*(8 members)*
- > **Corporate Governance, Compliance & CSR Committee**  
*(4 members)*
- > **International Strategy Committee**  
*(6 members)*



A modern spa lounge area featuring a swimming pool on the left with a stone wall and a wooden deck. The lounge includes two white sofas with dark wood frames and matching side tables. The background wall is made of dark, textured stone. The scene is lit with warm, ambient lighting, and there are decorative dotted lines in the air.

**Sophie Gasperment**  
*Report of the Appointments & Compensation Committee*



# Chairman & CEO compensation

	COMPENSATION PAID OR AWARDED FOR 2017 (EX-POST SAY ON PAY)	COMPENSATION POLICY FOR 2018 (EX-ANTE SAY ON PAY)
Fixed annual compensation	€950,000	€950,000
Variable annual compensation	€1,505,719 Or 120.5% of the reference amount of €1,250,000	0-150% of the reference amount of €1,250,000  Subject to performance criteria
Long-term compensation	36,000 performance shares  Or roughly 130% of fixed compensation	Performance shares in an amount equivalent to 130% of fixed compensation



# Deputy Chief Executive Officer compensation

	COMPENSATION PAID OR AWARDED FOR 2017 (EX-POST SAY ON PAY)	COMPENSATION POLICY FOR 2018 (EX-ANTE SAY ON PAY)
Fixed annual compensation	€600,000	€600,000
Variable annual compensation	€722,745 Or 120.5% of the reference amount of €600,000	0-150% of the reference amount of €600,000  Subject to performance criteria
Long-term compensation	18,350 performance shares Or roughly 105% of fixed compensation	Performance shares in an amount equivalent to 105% of fixed compensation





**David Dupont-Noël & Jacques Pierres**  
*Statutory Auditors' Report*

NOVOTEL

**François Pinon**  
*Central Works Council Presentation*

An aerial photograph of the Fairmont Royal Palm Marrakech resort at sunset. The image shows a large, modern hotel building with a central courtyard featuring a large swimming pool, manicured lawns, and numerous lounge chairs. The sky is a mix of orange, pink, and blue, indicating the time is dusk. The text 'François Pinon Resolutions' is overlaid in the center of the image.

**François Pinon**  
*Resolutions*

# First and second resolutions

## APPROVAL OF THE 2017 FINANCIAL STATEMENTS OF THE COMPANY AND THE GROUP

▶ Consolidated revenue: €1,937 million

▶ Consolidated EBIT: €492 million



# Third resolution

## APPROPRIATION OF NET PROFIT AND DIVIDEND

▶ Ordinary dividend of €1.05 per share

▶ Payment in cash

▶ Payment date: May 15, 2018



# Fourth resolution

## DIRECTORS' FEES

▶ Total amount of directors' fees: €1,320,000

▶ From the financial year beginning on January 1, 2018





# Fifth resolution

## APPROVAL OF THE RENEWAL OF RELATED-PARTY COMMITMENTS GIVEN TO SÉBASTIEN BAZIN

Renewal of commitments given to Sébastien Bazin with regard to:

- supplementary pension plans
- unemployment insurance plans
- termination benefits



# Sixth and seventh resolutions

## COMPENSATION PAYABLE TO THE CHAIRMAN AND CEO AND THE DEPUTY CEO FOR 2017

*Ex-post say on pay*

Approval of the fixed, variable and exceptional components of total compensation and other benefits of any kind paid or allocated to Sébastien Bazin, Chairman and Chief Executive Officer, and Sven Boinet, Deputy Chief Executive Officer, in respect of 2017



# Eighth and ninth resolutions

## COMPENSATION POLICY APPLICABLE TO THE CHAIRMAN AND CEO AND THE DEPUTY CEO FOR 2018

*Ex-ante say on pay*

Shareholder vote on the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and other benefits of any kind to be attributable to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer in respect of 2018



# Tenth resolution

## APPROVAL OF THE TRANSFER OF CONTROL OF ACCORINVEST GROUP SA

▶ Advisory vote on the proposed transfer of control of AccorInvest Group SA to third-party investors

▶ AMF Position-Recommendation DOC No. 2015-05 and Article 5.4 of the AFEP-MEDEF Code

▶ **Purpose:** to enable the AccorHotels Group to acquire the resources and agility needed to accelerate the growth of its core business, finance its various development projects and expand its offer through targeted acquisitions providing additional market share



# Eleventh resolution

## AUTHORIZATION TO TRADE IN THE COMPANY'S SHARES

▶ Maximum number of shares that may be acquired: 29 million (i.e., 9.99% of the share capital at December 31, 2017)

▶ Maximum purchase price: €70 per share

▶ Maximum investment: €2.03 billion

▶ No buyback permitted during a public offer period



# Twelfth resolution

## ISSUE OF FREE SHARE WARRANTS TO SHAREHOLDERS IN THE EVENT OF A PUBLIC OFFER

▶ Maximum issue: 25% of the share capital

▶ Implementation subject to the prior approval of a special committee of the Board of Directors, chaired by the Vice-Chairman and comprising three independent directors, after consulting a financial advisor



# Thirteenth resolution

## ACCESS TO SHARE CAPITAL FOR EMPLOYEES WHO ARE MEMBERS OF AN ACCOR GROUP EMPLOYEE STOCK OWNERSHIP PLAN

Issue of shares reserved for employees who are members of a Group employee stock ownership plan, representing up to 2% of the Company's capital, less the shares issued pursuant to resolution twenty-five of the Shareholders' Meeting of May 5, 2017, as of the date of said Meeting



# Fourteenth resolution

## POWERS TO CARRY OUT FORMALITIES







**Q&A SESSION**

A large outdoor swimming pool at a resort. In the foreground, a person is swimming in the pool, their back to the camera. The pool is surrounded by lounge chairs and umbrellas. In the background, there is a large building with a red-tiled roof and palm trees. The sky is blue with some clouds.

# VOTING ON RESOLUTIONS



# ACCOR HOTELS

Feel Welcome

## 2018 COMBINED SHAREHOLDERS' MEETING

Friday, April 20, 2018

RAFFLES

ORIENT EXPRESS

BANYAN TREE

SOFITEL  
LEGEND

*Fairmont*

SO  
SOFITEL

SOFITEL

onefinestay

RIXOS

M  
GALLERY

pullman

swissôtel

ANGSANA

25h  
twenty five hours hotels

GRAND MERCURE

THE  
SEBEL

NOVOTEL

Mercure

adagio

MAMA  
SHELTER

ibis

ibis  
STYLES

ibis  
budget

JO&  
JOE

hotelF1