



ACCOR HOTELS

Feel Welcome

H1 2018 RESULTS
July 26th, 2018

RAFFLES

25h
twenty five hours hotels

ORIENT  EXPRESS

Art Series

BANYAN TREE

GRAND MERCURE

LEGEND

PEPPERS

Fairmont

THE SEBEL

SCY

mantra

mantis

NOVOTEL

SOFITEL

Mercure

onefinestay

adagio

RIXOS

MAMA
SHELTER

BreakFree



PULLMAN

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STYLES

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budget

swissôtel

JOJO
300

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hotelF1

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H1 2018 Key achievements

Business momentum

Systemwide RevPAR
+5.1% L/L

Gross revenue
c.€8.9bn (+10.3% excl. FX)

45k rooms added
o/w 20k rooms organic

Booster completion

ACCORINVEST 

Closed on May 31st

Sale of 57.8%
€4.6bn cash proceeds

Additional tranche
of 7% for €250m

Cash deployment

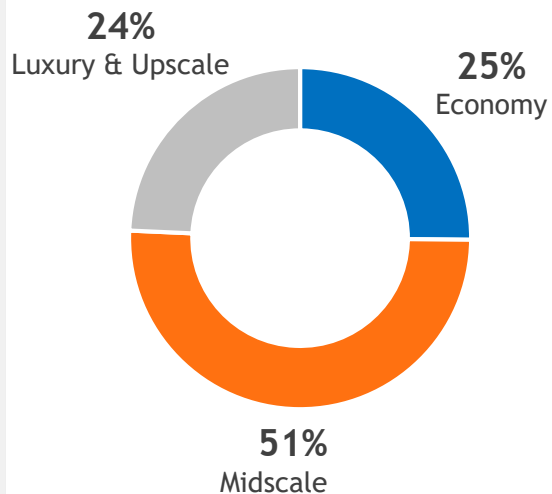


€1.8bn M&A
spent or committed
Up to €1.35bn
Share Buyback announced

Record half-year for added rooms

(in % of rooms)

By segment



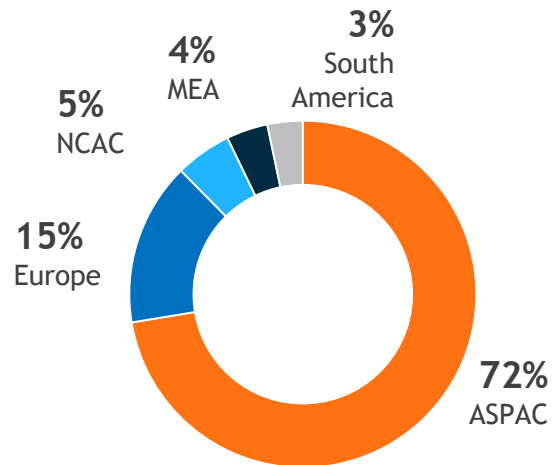
Organic
135 hotels
20k rooms

Mantra
138 hotels
25k rooms

Mantis
28 hotels
1k rooms

Total
301 hotels
45k rooms

By region



Increasing footprint in Asia Pacific

(At June 30, 2018 - in rooms)

Network

4,530
Hotels

653k
Rooms

100
Countries

Pipeline

959
Hotels

167k
Rooms

Europe

325k

32k

ASPAC

197k

83k

South America

53k

19k

MEA

48k

31k

NCAC

30k

3k



Strong H1 revenue growth of 8.0% L/L

In €m	H1 2017 ⁽¹⁾	H1 2018	Change	
			Reported	L/L
HotelServices	1,219	1,205	(1.1)%	+6.8%
New Businesses	43	70	+61.5%	+7.1%
Hotel Assets & Other	364	389	+7.0%	+8.6%
Holding & Intercos	(210)	(205)	N/A	N/A
AccorHotels	1,416	1,459	+3.0%	+8.0%

HotelServices

- Ongoing solid momentum fostering L/L growth
- Reported growth impacted by FX

New Businesses

- L/L affected by slow ramp-up
- Reported growth fueled by M&A

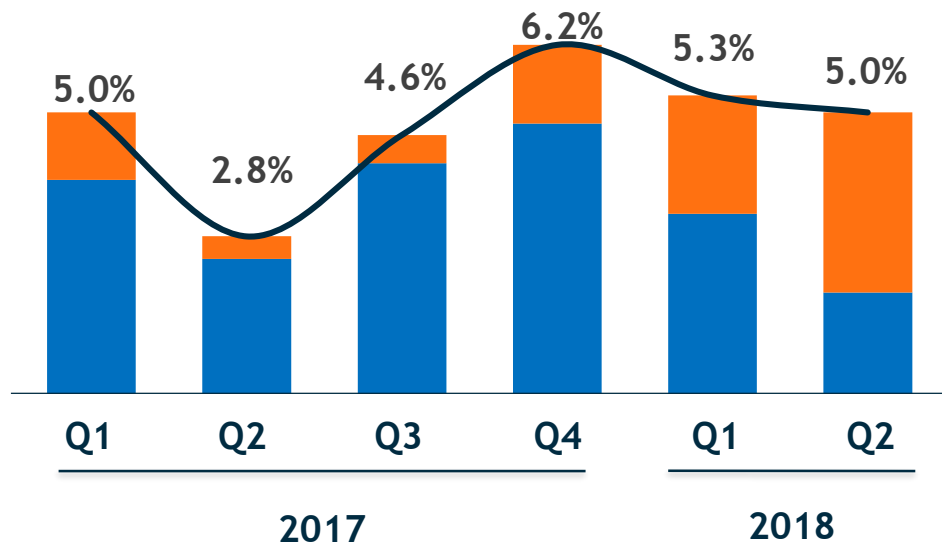
Hotel Assets & Other

- Supported by Orbis and Brazil

(1) Proforma figures



A confirmed RevPAR momentum



H1 18 REVPAR BY SEGMENT

Luxury ▶ +4.6%

Midscale ▶ +5.4%

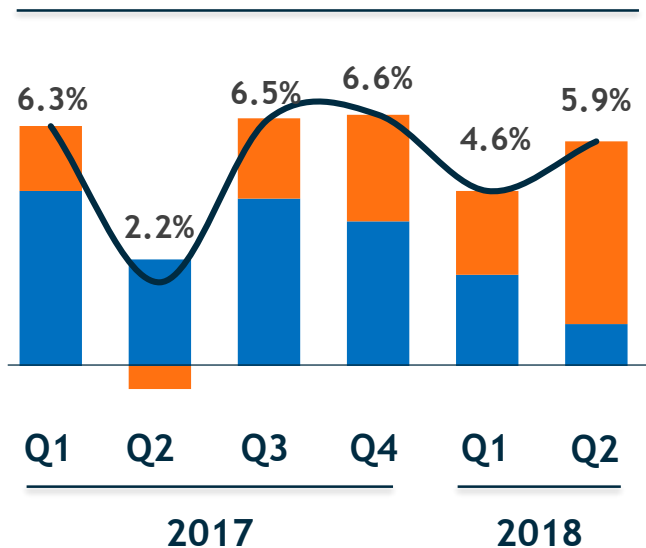
Economy ▶ +5.2%

— RevPAR L/L ■ Occupancy Rate ■ Average Room Rate

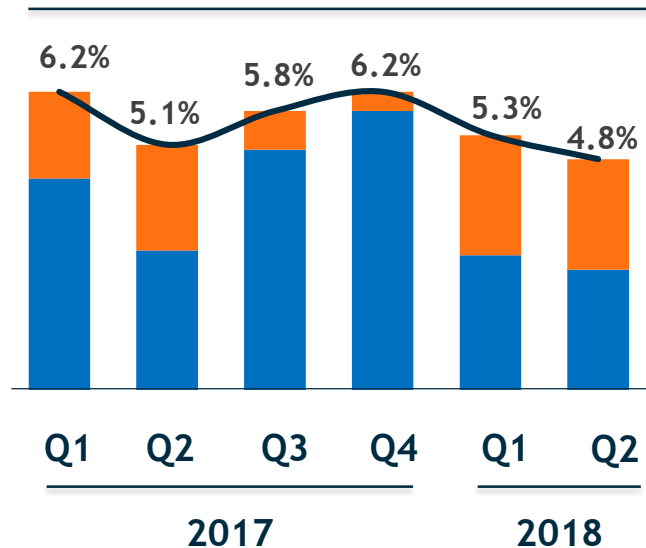


RevPAR growth driven by our core markets

Europe



Asia Pacific



— RevPAR L/L ■ Occupancy Rate ■ Average Room Rate

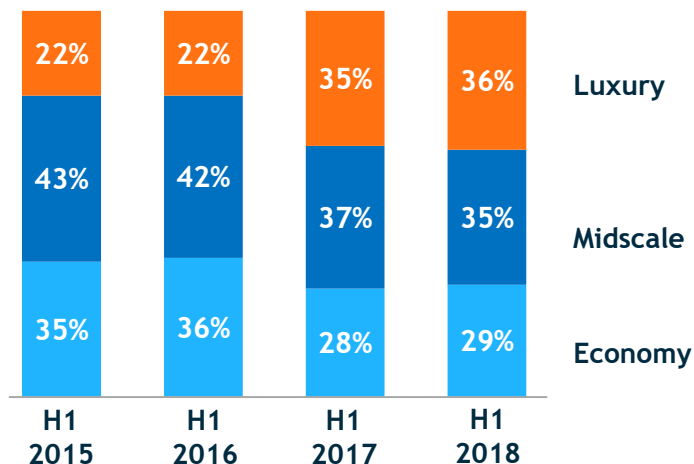


A 6.8% L/L increase in Management & Franchise Revenue

By region

In €m	H1 2017 ⁽¹⁾	H1 2018	L/L ⁽²⁾
Europe	220	223	+4.2%
ASPAC	93	94	+10.0%
MEA	41	38	(0.2)%
NCAC	56	58	+15.9%
South America	20	19	+9.0%
Total	431	433	+6.8%

By segment



(1) Proforma figures (IFRS15)

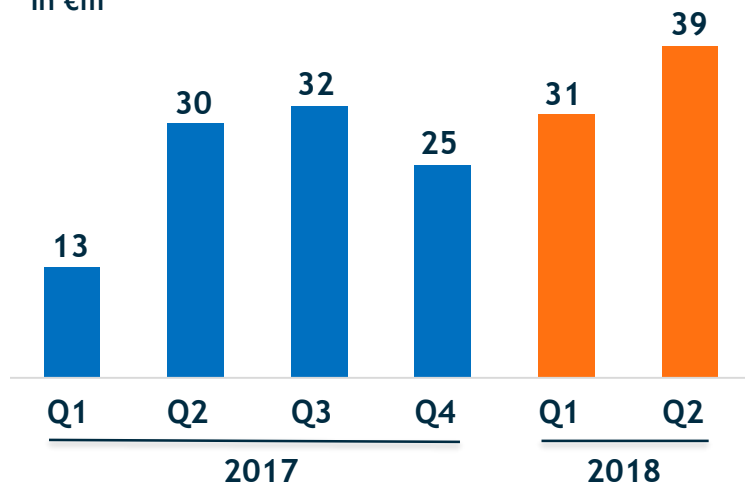
(2) Like-for-like revenue growth includes fees linked to organic expansion, at constant exchange rates



New businesses H1 Revenue of €70m

Revenue by quarter

In €m



Growth drivers

Performance

Revenue
+7.1% L/L

- Sound growth for Digital Factory and VeryChic
- Reassessment of book value

Acquisitions

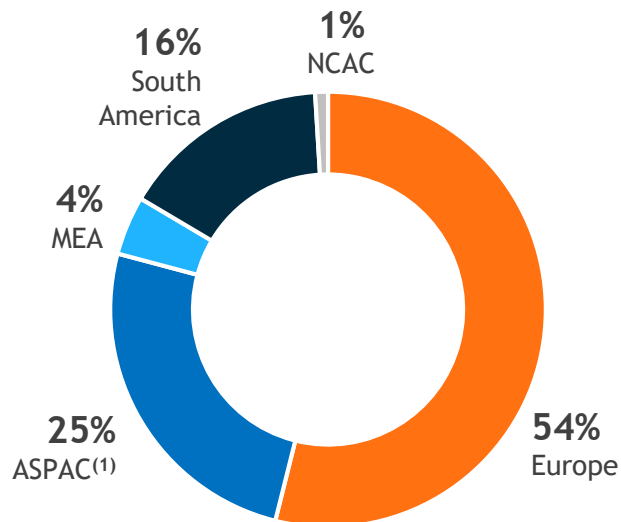


GEKKO GROUP



Hotel Assets & Others: driven by Europe and Brazil

Revenue by region



⁽¹⁾ASPAC driven by Timeshare, Strata and AccorPlus

Key performance indicators

RevPAR	Revenue	Portfolio
+10.6% L/L	+8.6% L/L	40,890 rooms
o/w +8.6% L/L in Europe	€389m o/w €86m Others	229 hotels



Solid EBITDA growth for Hotels

In €m	<u>H1 2017</u>	<u>H1 2018</u>	<u>Change</u>	
			Reported	L/L
HotelServices	311	312	+0.5%	+6.7%
Hotel Assets & Other	53	54	+2.6%	+7.0%
New Businesses	(14)	(15)	(11.0)%	(53.7)%
Holding & Intercos	(49)	(60)	N/A	N/A
AccorHotels	301	291	(3.2)%	+4.2%

HotelServices & Hotel Assets

- Solid L/L growth

New Businesses

- Margins affected by limited scale

Holding & Intercos

- Holding costs increase driven by share incentive plan

Group

- Reported growth impacted by €(19)m FX



Robust margin at HotelServices

In €m		MANAGED & FRANCHISED	SERVICES TO OWNERS	HOTELSERVICES
H1 2018	Revenue	433	773	1,205
	EBITDA	307	6	312
	Margin %	70.9%	0.7%	25.9%
H1 2017	Revenue	431	788	1,219
	EBITDA	303	8	311
	Margin %	70.1%	1.0%	25.5%



Management & Franchise EBITDA: Solid growth across the board

In €m	H1 2017	H1 2018	Change L/L
Europe	175	179	+5.5%
ASPAC	59	57	+6.4%
MEA	27	28	+12.7%
NCAC	35	35	+12.6%
South America	7	7	+9.9%
Total	303	307	+7.4%

Europe: in line with business growth

ASPAC: in line excl. one-off in China in 2017

MEA: stable RevPAR growth offset by a bad debt reversal

NCAC: growth supported by incentives

South America: in line with business growth



Adjusted EBITDA: €79m from associates

in €m	H1 2017	H1 2018
EBITDA consolidated	301	291
Share base payment	4	10
AccorInvest	-	32
Huazhu	12	16
Other	37	31
EBITDA from associates	48	79
Adjusted EBITDA	353	380



From EBITDA to Net Profit

In €m	H1 2017 ⁽¹⁾	H1 2018
EBITDA	301	291
Depreciation & Amortization	(64)	(72)
EBIT	237	220
Net financial expense	(40)	(33)
Share of profits of associates	13	20
Operating profit before tax and non-recurring items	210	207
Non-recurring items	(59)	(249)
Income tax expense	39	(23)
Minority interests	(15)	(29)
Net profit before discontinued operations	175	(94)
Profit from discontinued operations	(88)	2,274
Net profit attributable to shareholders	87	2,179

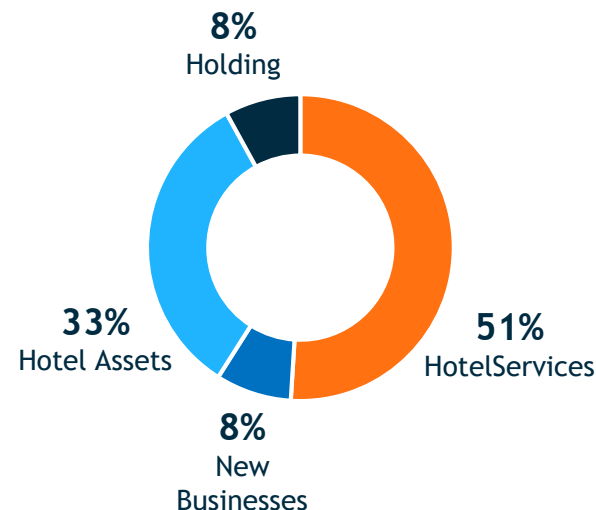
(1) Proforma figures



From EBITDA to Recurring Free Cash flow

In €m	H1 2017	H1 2018
EBITDA	301	291
Cost of net debt	(45)	(29)
Income tax (cash)	(20)	(32)
Non cash & others	15	5
Funds from operations	252	235
Recurring investment	(66)	(60)
Working capital and contract assets/liabilities	(63)	22
Recurring Free Cash flow	122	196
Recurring FCF / EBITDA	41%	67%

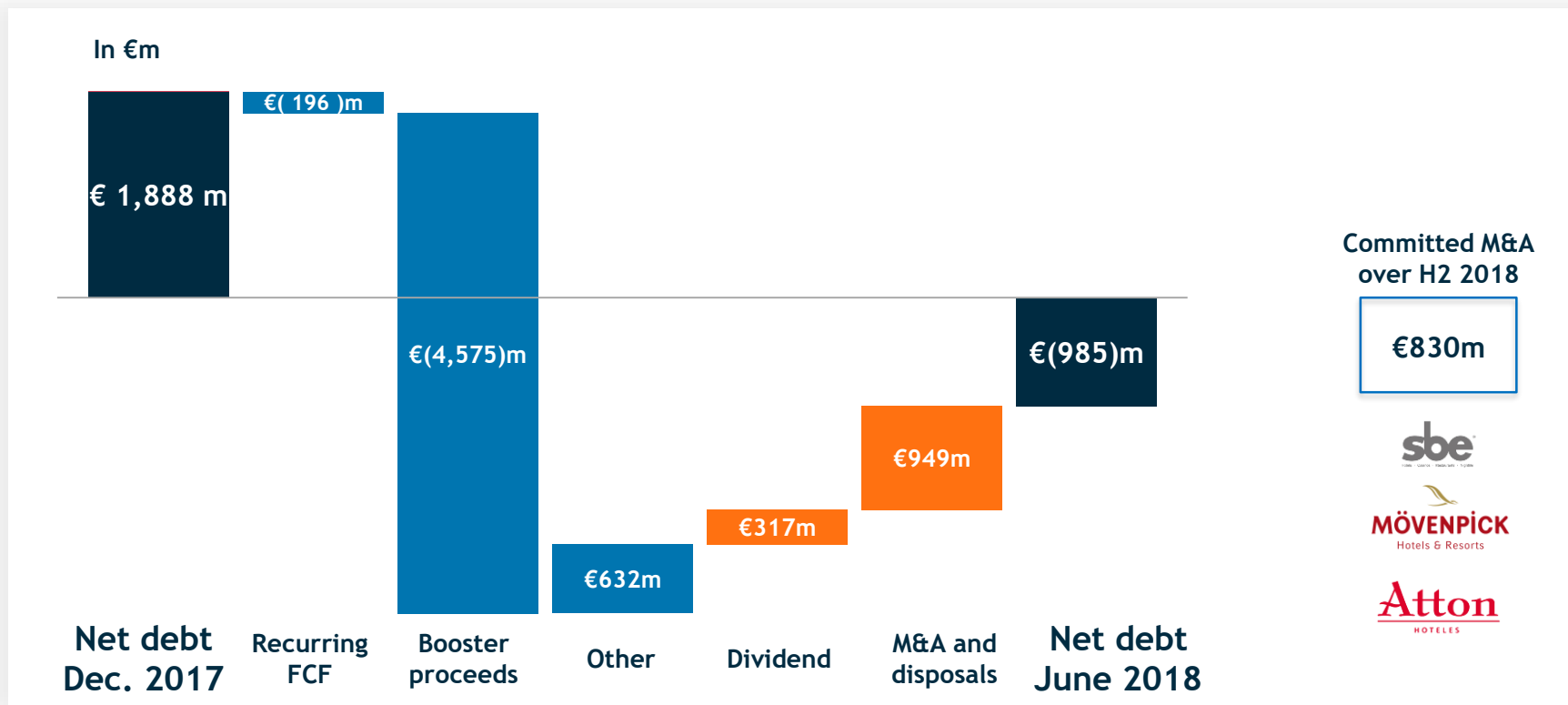
H1 2018 RECURRING INVESTMENT
BY SEGMENT



As a reminder, new dividend policy is set on 50% pay-out on recurring free cash flow



Swift redeployment of AccorInvest cash proceeds



Conclusion

- Solid momentum in H1, expected to carry on in H2
- Development: confirmed target of 5% annual net organic system growth
- Expected EBITDA contribution from acquisitions at €50m+
- Share buy-back program to be launched swiftly
- Full-Year 2018 EBITDA expected in a range between €690m and €720m

Appendices



New Reporting



Restated and Proforma figures for H1 2017

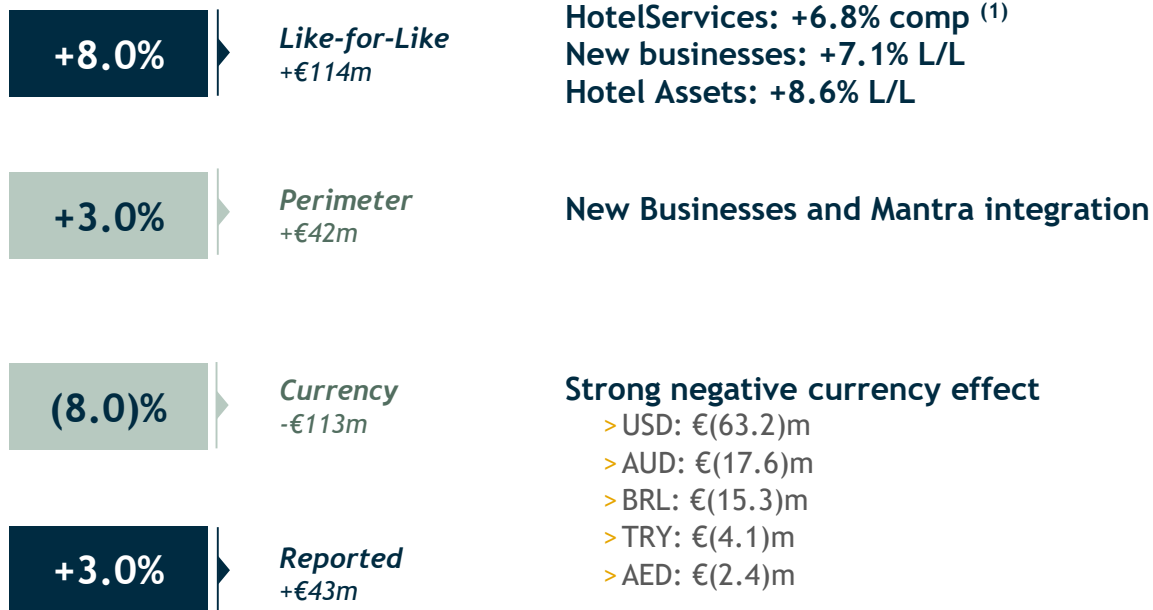
	H1 2017 Disclosed	IFRS15	Restated H1 2017	Booster & others	H1 2017 Proforma
Revenue	922	442	1,363	53	1,416
EBITDA	303	7	309	(9)	301
EBIT	226	11	237	-	237

Restated figures are Disclosed figures in Consolidated Financial statements and adjusted from IFRS 15 implementation only

Proforma figures are Disclosed figures in this presentation, in order to ensure a proper comparability. It is adjusted from IFRS 15, Booster closing (Fees and procurement commissions from AccorInvest disclosed in Revenue from June 1st) and other retreatments.



H1 Revenue – From Like-for-like to Reported



(1) Comparable (comp.) revenue growth - includes fees linked to organic expansion, at constant exchange rates

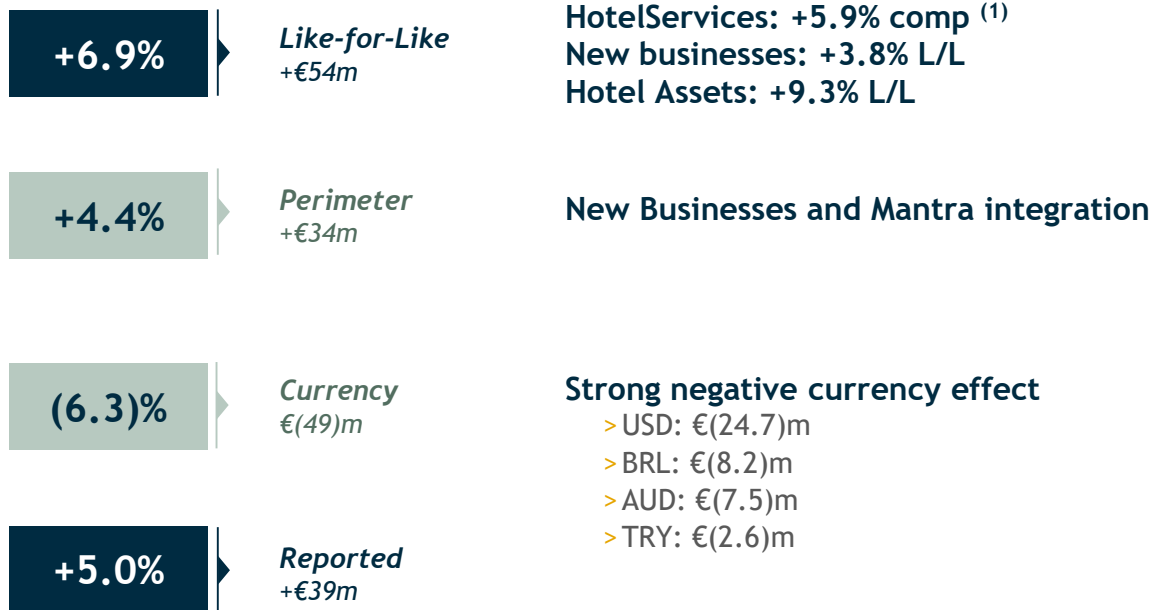


APPENDICES

Q2 2018 Revenue



Q2 Revenue – From Like-for-like to Reported



(1) Comparable (comp.) revenue growth - includes fees linked to organic expansion, at constant exchange rates



Strong Q2 revenue up 6.9% L/L

In €m	Q2 2017	Q2 2018	Change	
			Reported	L/L
HotelServices	656	653	(0.5)%	+5.9%
New Businesses	30	40	+31.2%	+3.8%
Hotel Assets & Other	200	232	+16.0%	+9.3%
Holding & Intercos	(99)	(98)	N/A	N/A
AccorHotels	787	827	+5.0%	+6.9%



HotelServices Q2 Management & Franchise Revenue

In €m	Q2 2017	Q2 2018	L/L ⁽¹⁾
Europe	135	134	+3.0%
ASPAC	44	46	+9.7%
MEA	21	19	(3.5)%
NCAC	25	29	+24.3%
South America	10	10	+11.1%
Total	235	237	+6.4%

(1) Like-for-like revenue growth includes fees linked to organic expansion, at constant exchange rates



APPENDICES

RevPAR



RevPAR - Systemwide

	Q2 2018							H1 2018						
	OR		ARR		RevPAR			OR		ARR		RevPAR		
	%	chg pts L/L	€	chg % L/L	€	chg % L/L		%	chg pts L/L	€	chg % L/L	€	chg % L/L	
Lux. & Upscale	67.7	+0.9	157	+2.4	106	+3.8		66.4	+1.2	152	+2.7	101	+4.6	
Midscale	71.2	+1.5	89	+3.6	63	+5.7		68.2	+1.9	87	+2.5	59	+5.4	
Economy	71.2	+1.1	59	+3.5	42	+5.2		67.6	+1.5	57	+2.8	39	+5.2	
SYSTEMWIDE	70.3	+1.2	91	+3.2	64	+5.0		67.5	+1.6	88	+2.6	60	+5.1	



RevPAR – Geographical breakdown ^(1/2)

	Q2 2018						H1 2018					
	OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Lux. & Upscale	75.0	+2.0	181	+3.4	136	+6.2	68.6	+1.7	170	+2.7	117	+5.4
Midscale	75.1	+1.2	97	+4.9	73	+6.7	69.1	+1.6	94	+3.5	65	+5.9
Economy	75.5	+0.3	66	+4.7	50	+5.2	69.6	+0.7	63	+3.8	44	+5.0
EUROPE	75.3	+0.8	87	+4.8	65	+5.9	69.3	+1.1	83	+3.6	58	+5.4
Lux. & Upscale	65.0	+0.8	105	+2.1	68	+3.4	65.6	+0.7	110	+2.9	72	+4.0
Midscale	68.2	+1.1	77	+3.2	53	+4.9	69.3	+1.6	79	+2.9	55	+5.3
Economy	71.0	+3.4	43	+1.4	31	+6.6	70.7	+3.4	44	+1.1	31	+6.3
ASPAC	67.9	+1.6	77	+2.3	53	+4.8	68.4	+1.7	80	+2.4	55	+5.0



RevPAR – Geographical breakdown ^(2/2)

	Q2 2018						H1 2018					
	OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Lux. & Upscale	62.6	+1.0	188	+0.4	118	+2.1	64.2	+1.9	169	-2.1	108	+1.0
Midscale	61.0	+2.5	65	-10.0	40	-6.2	64.7	+2.8	69	-9.1	45	-4.9
Economy	59.2	+0.1	52	-6.0	31	-6.1	64.2	+1.5	56	-5.1	36	-3.0
MEA	60.9	+1.3	125	-1.9	76	+0.3	63.6	+2.2	116	-3.8	73	-0.3
Lux. & Upscale	75.1	-0.3	234	+2.3	176	+1.9	70.9	+0.4	228	+4.2	161	+4.9
Midscale	78.6	-0.1	133	+1.3	105	+1.2	74.7	+0.5	122	+0.6	91	+1.3
Economy	67.9	-0.1	40	+1.1	27	+0.9	67.7	+0.1	39	+2.9	27	+3.1
NCAC	75.0	-0.2	207	+2.3	155	+2.0	71.0	+0.5	200	+4.2	142	+4.8
Lux. & Upscale	53.3	+1.3	104	+8.0	56	+10.8	53.8	+4.4	115	+7.7	62	+17.2
Midscale	56.6	+4.3	58	+1.8	33	+10.0	57.6	+5.1	62	+1.4	36	+11.31
Economy	53.2	+2.9	40	+2.2	21	+8.0	53.7	+3.8	42	+2.3	23	+9.7
SOUTH AMERICA	54.1	+3.2	52	+2.8	28	+9.0	54.7	+4.2	55	+3.1	30	+11.5



RevPAR - France

	Q2 2018						H1 2018					
	OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Lux. & Upscale	73.5	+0.4	211.5	+2.2	155.5	+2.8	67.1	+0.4	197.6	+1.4	132.6	+2.0
Midscale	73.1	+1.9	109.6	+4.9	80.1	+7.7	66.5	+2.0	106.5	+3.6	70.8	+6.8
Economy	72.4	-0.0	64.1	+5.2	46.4	+5.2	66.8	+0.9	62.2	+3.9	41.6	+5.5
FRANCE	72.6	+0.6	84.8	+4.9	61.6	+5.8	66.7	+1.3	81.9	+3.5	54.6	+5.6



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Exchanges rates



Q2 2018 Exchange Rates

€1 = X foreign currency	Q2 2017 average rate	Q2 2018 average rate	Q2 2018 vs. Q2 2017
Australian dollar (AUD)	1.46	1.57	(7.5)%
Brazilian real (BRL)	3.53	4.29	(21.4)%
Canadian dollar (CAD)	1.48	1.54	(4.1)%
Egyptian Pound (EGP)	19.89	21.21	(6.6)%
British Sterling (GBP)	0.86	0.88	(1.8)%
American dollar (USD)	1.10	1.19	(8.5)%



H1 2018 Exchange Rates

€1 = X foreign currency	<u>H1 2017 average rate</u>	<u>H1 2018 average rate</u>	<u>H1 2018 vs. H1 2017</u>
Australian dollar (AUD)	1.44	1.57	(9.3)%
Brazilian real (BRL)	3.44	4.14	(20.4)%
Canadian dollar (CAD)	1.44	1.55	(7.1)%
Egyptian Pound (EGP)	19.42	21.46	(10.5)%
British Sterling (GBP)	0.86	0.88	(2.3)%
American dollar (USD)	1.08	1.21	(11.9)%



APPENDICES

Portfolio



Portfolio at June 30th, 2018 (1/2)

	OWNED & LEASED		MANAGED		FRANCHISED		TOTAL	
	# hotels	# rooms	# hotels	# rooms	# hotels	# rooms	# hotels	# rooms
Luxury & Upscale	8	2,586	95	18,249	57	10,757	160	31,592
Midscale	57	10,930	340	53,795	532	56,780	929	121,505
Economy	56	8,366	595	76,004	1,139	88,003	1,790	172,373
EUROPE	121	21,882	1,030	148,048	1,728	155,540	2,879	325,470
Luxury & Upscale	10	2,018	224	55,328	54	8,942	288	66,288
Midscale	27	4,254	265	60,261	84	11,796	376	76,311
Economy	2	352	188	33,677	152	20,002	342	54,031
ASPAC	39	6,624	677	149,266	290	40,740	1,006	196,630
Luxury & Upscale	2	525	88	22,281	5	792	95	23,598
Midscale	2	235	54	10,746	12	2,481	68	13,462
Economy	5	826	50	9,196	4	632	59	10,654
MEA	9	1,586	192	42,223	21	3,905	222	47,714



Portfolio at June 30th, 2018 (2/2)

	OWNED & LEASED		MANAGED		FRANCHISED		TOTAL	
	# hotels	# rooms	# hotels	# rooms	# hotels	# rooms	# hotels	# rooms
Luxury & Upscale	-	-	51	22,692	2	702	53	23,394
Midscale	-	-	6	2,543	8	1,724	14	4,267
Economy	-	-	17	2,237	2	233	19	2,470
NCAC	-	-	74	27,472	12	2,659	86	30,131
Luxury & Upscale	-	-	22	4,996	4	981	26	5,977
Midscale	11	1,900	72	9,854	12	1,463	95	13,217
Economy	49	9,898	79	13,360	88	10,542	216	33,800
South America	60	11,798	173	28,210	104	12,986	337	52,994
Luxury & Upscale	20	5,129	480	123,546	122	22,174	622	150,849
Midscale	97	17,319	737	137,199	648	74,244	1,482	228,762
Economy	112	19,442	929	134,474	1,385	119,412	2,426	273,328
TOTAL	229	41,890	2,146	395,219	2,155	215,830	4,530	652,939



APPENDICES

Glossary



Glossary

REGIONAL ORGANIZATION

- Europe (including France & Switzerland)
- MEA: Middle-East and Africa
- ASPAC: Asia Pacific Region
- NCAC: North & Central America & Caribbean
- South America

OTHERS

- AccorPlus, a pay-to-join loyalty program
- Timeshare activity, named Accor Vacation Club
- Strata, i.e. Management Letting Rights in Australia





ACCOR HOTELS

Feel Welcome

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25h
twenty five hours hotels

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