



ACCOR HOTELS

Feel Welcome

Press Release

Paris, October 18, 2018

**Third-quarter 2018 revenue:
up 7.6% like for like to €1,033 billion**

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**Full-year 2018 EBITDA target
between €700 million and €720 million**

Sébastien Bazin, Chairman and Chief Executive Officer of AccorHotels, said: *“AccorHotels turned in a solid performance in the third quarter, reflecting positive operating trends in the majority of our markets as well as the Group’s strong growth as a result of acquisitions made since the start of the year. In addition to these operations, which enable us to cement our international leadership, our organic growth continued at a fast pace and our pipeline rose above the 1,000 hotel mark, underlining the strength of our brand portfolio. Despite contrasting conditions across our geographies, this strong operating momentum enables us to narrow our EBITDA target to the upper range of the guidance announced in July.”*

In the third quarter of 2018, revenue came in at **€1,033 billion**, up 22.3% as reported and **7.6% like for like**.

RevPAR climbed 5.9%, reflecting positive performances in all regions - particularly in Europe (+7.1%) and Asia-Pacific (+3.1%) - primarily as a result of a strong price effect (76%).

Changes in the scope of consolidation (acquisitions and disposals) had a positive impact of €144 million (+17.0%), thanks in particular to the addition of Mantra, Mövenpick and Gekko.

Currency effects had a negative impact of €20 million, attributable to the euro’s substantial appreciation against a number of currencies, and despite a fall in value versus the US dollar (1.0%).

During the period, AccorHotels opened **73 hotels**, adding nearly **11,000 rooms**. At end-September 2018, **the Group’s pipeline** had risen above the symbolic 1,000 hotel mark with **1,031 units** in planning, representing record volumes of around **184,000 rooms**.



SHARP GROWTH IN REVENUE

In third-quarter 2018, the Group posted a sharp 22.3% rise in revenue, mainly reflecting the impact of consolidating Mantra and Mövenpick. Like-for-like growth came in at a solid 7.6%, driven by HotelServices (+9.1%) and Hotel Assets (+6.3%). Revenue from New Businesses contracted by 5.8% like for like.

<i>In € millions</i>	Q3 2017 ⁽¹⁾	Q3 2018	Change (as reported)	Change (LFL) ⁽²⁾
HotelServices	628	679	+8.1%	+9.1%
New Businesses	32	40	+27.1%	(5.8%)
Hotel Assets	203	333	+64.1%	+6.3%
Holding & Intercos	(19)	(20)	N/A	N/A
Total	844	1,033	+22.3%	+7.6%

(1) Pro forma financial information.

(2) Like for like: at constant scope of consolidation and exchange rates.

POSITIVE MOMENTUM FOR HOTELSERVICES

HotelServices, which operated 4,681 hotels (684,836 rooms) under franchise agreements and management contracts at the end of September 2018, reported a 9.1% like-for-like increase in revenue to €679 million. This growth resulted from very strong activity in all regions.

Within the division, Management & Franchise (M&F) posted like-for-like revenue growth of 8.5%, supported by a solid RevPAR performance and expansion of the hotel portfolio:

<i>In € millions</i>	Q3 2017 ⁽¹⁾	Q3 2018	Change (LFL) ⁽²⁾
Europe	133	139	+10.2%
Asia-Pacific	48	50	+6.1%
Middle East & Africa	16	18	+1.5%
North America, Central America & the Caribbean	31	34	+7.1%
South America	12	11	+13.4%
HotelServices Management & Franchise	239	251	+8.5%

(1) Pro forma financial information.

(2) Like for like: at constant scope of consolidation and exchange rates.



Systemwide RevPAR system was up 5.9% overall.

In **Europe**, M&F posted strong like-for-like revenue growth (+10.2%), driven by RevPAR growth of 7.1%.

- In France, RevPAR was up 8.3% like for like. This good performance was driven essentially by Paris (+16.5%), where conditions were favorable thanks to a busy trade fair and sporting calendar. Activity was also strong outside Paris, with RevPAR up 3.5%.
- In the United Kingdom, RevPAR growth during the quarter (+3.4%) reflected a particularly favorable summer period. Unlike in the first half, activity was up sharply in London (+5.8%), where the occupancy rate reached a record high of over 90% in the third quarter. Outside London, RevPAR also increased, albeit at a more modest rate (+1.4%).
- RevPAR growth was +3.7% in Germany thanks to a busy trade fair calendar during the quarter, particularly in September.
- Spain was impacted by the complex political situation in Catalonia, recording a 1.4% decline in RevPAR.

In **Asia-Pacific**, RevPAR growth slowed slightly to +3.1% while M&F revenue rose 6.1% on a like-for-like basis. In Australia, RevPAR (+0.6%) was affected by political uncertainty as well as the overcapacity of hotel rooms in some major towns and cities. In China, RevPAR remains solid at +6.0%, following growth of +8.1% in the first half of the year.

In the **Middle East & Africa region**, RevPAR climbed 5.4% during the third quarter, up sharply compared with the first half of the year. The increase was driven by the implementation of a sound pricing strategy during the Hajj celebration in the Middle East. M&F revenue grew by 1.5% on a like-for-like basis during the period.

North America, Central America & the Caribbean delivered a 4.6% increase in RevPAR, with healthy business in Canada (+8.6%). M&F Revenue for the region advanced 7.1% like for like.

Lastly, the recovery in **South America** continued apace, with RevPAR up 11.2% and M&F revenue up 13.4%. In Brazil, RevPAR rose 10.1%, with a very pronounced acceleration across the entire country, except in Rio, where overcapacity and socio-economic difficulties continued to dampen demand.

The Group's **development** continues at a rapid pace. During the third quarter, AccorHotels opened 73 hotels, representing nearly 11,000 rooms. At the end of September 2018, the Group's pipeline comprised 1,031 hotels and over 184,000 rooms, of which 80% in emerging markets and 49% in the Asia-Pacific region.



MIXED PERFORMANCES IN NEW BUSINESSES

In third-quarter 2018, revenue for the **New Businesses** division came in at €40 million, reflecting mixed performances across the different businesses. AvailPro, FastBooking and VeryChic posted strong growth, as did recent acquisitions such as Gekko, ResDiary and Adoria, while onefinestay and John Paul turned in negative performances, in part due to the strategic review launched this summer. Overall, the segment grew by 27.1% as reported, and contracted by 5.8% like for like.

HOTEL ASSETS: A SOLID PERFORMANCE IN EASTERN EUROPE AND BRAZIL

Revenue from the **Hotel Assets** division grew by 6.3% at constant scope of consolidation during the third quarter. The increase reflects brisk business, with 6.2% growth in RevPAR driven by Brazil and Turkey.

At September 30, 2018, the division's hotel base comprised 242 hotels and 45,291 rooms.

FULL-YEAR 2018 EBITDA TARGET

In light of these factors and the expected continuation of the trends observed since the beginning of the year in its different markets, the Group expects **full-year 2018 EBITDA** to come out in the upper range of the target disclosed in July, i.e., **between €700 million and €720 million.**

SHARE BUYBACK PROGRAM

As part of the share buyback program announced on July 27, 2018, the Group has bought back 5.7 million shares to date, representing a total of €243 million.



HIGHLIGHTS OF THE PERIOD FROM JULY 1, 2018 TO SEPTEMBER 30, 2018

On July 2, the Group announced it had established a new €1.2 billion revolving credit facility for which the Group's environmental, social and governance (ESG) performance would be taken into account in calculating the margin.

On July 23, Katara Hospitality and AccorHotels created an investment fund with an investment capacity of over USD 1 billion dedicated to hospitality in Sub-Saharan African countries.

On July 31, the Group signed an agreement to acquire 21c Museum Hotels. The transaction was completed at the end of September.

On September 4, AccorHotels completed the acquisition of Mövenpick.

On September 20, Chris Cahill, until that date CEO Luxury Brands and CEO North America, Central America and Caribbean Region, assumed the role of Deputy CEO responsible for Hotel Operations. Jean-Jacques Morin, until that date Chief Financial Officer, was appointed Deputy CEO responsible for Finance, Communications and Strategy.

On October 5, AccorHotels completes the acquisition of a 50% stake in sbe Entertainment Group.

Upcoming events

Capital Market Day, November 27, 2018



ABOUT ACCORHOTELS

[AccorHotels](#) is a world-leading travel & lifestyle group and digital innovator offering unique experiences in more than 4,600 hotels, resorts and residences across 100 different countries.

With an unrivaled portfolio of internationally renowned [hotel brands](#) encompassing the entire range from luxury to economy, from upscale to lifestyle and midscale brands, AccorHotels has been providing savoir-faire and expertise for more than 50 years.

In addition to its core hospitality business, AccorHotels has successfully expanded its range of services, becoming the world leader in [luxury private residence](#) rental with more than 10,000 stunning properties around the world. The Group is also active in the fields of [concierge services](#), [co-working](#), [dining](#), [events management](#) and [digital solutions](#).

Relying on its global team of more than 250,000 dedicated staff, AccorHotels is committed to fulfilling its primary mission: to make every guest Feel Welcome. Guests have access to one of the world's most attractive hotel loyalty programs - [Le Club AccorHotels](#).

AccorHotels plays an active role in its local communities and is committed to promoting sustainable development and solidarity through [PLANET 21 Acting Here](#), a comprehensive program that brings together employees, guests and partners to drive sustainable growth.

From 2008, the [AccorHotels Solidarity Endowment Fund](#) has acted as a natural extension of the Group's activities and values, helping to combat the social and financial exclusion experienced by the most disadvantaged members of society.

Accor SA is publicly listed on the Euronext Paris Stock Exchange (ISIN code: FR0000120404) and on the OTC Market (Ticker: ACRFY) in the United States.

For more information or to make a reservation, please visit [accorhotels.group](#) or [accorhotels.com](#). Or join and follow us on Twitter and Facebook.

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RevPAR excluding tax by segment and market - Third-quarter 2018

Q3 2018	Occupancy rate		Average room rate		RevPAR	
	%	chg pts LFL	€	chg % LFL	€	chg % LFL
Luxury & Upscale	80.2	+2.2	179	+8.7	144	+11.9
Midscale	78.5	+1.7	95	+5.6	75	+7.9
Economy	77.9	+0.2	65	+4.5	51	+4.8
Europe	78.3	+0.9	86	+5.9	67	+7.1
Luxury & Upscale	67.6	+0.7	106	+3.5	72	+4.5
Midscale	69.9	(0.2)	79	+0.0	55	(0.2)
Economy	72.6	+1.6	44	+2.2	32	+4.6
Asia-Pacific	69.9	+0.7	79	+2.1	55	+3.1
Luxury & Upscale	62.3	+1.2	167	+6.0	104	+8.3
Midscale	65.0	+2.6	64	(5.3)	42	(1.3)
Economy	58.4	(4.3)	50	(3.8)	29	(10.6)
Middle East & Africa	61.9	+0.3	118	+4.8	73	+5.4
Luxury & Upscale	79.8	+1.0	251	+3.7	200	+4.7
Midscale	82.4	(3.5)	132	+1.1	109	(3.0)
Economy	62.2	(0.3)	42	+8.9	26	+8.4
North America, Central America & the Caribbean	78.7	+0.5	219	+4.1	172	+4.6
Luxury & Upscale	58.1	+3.4	98	+12.4	57	+19.5
Midscale	60.0	+2.9	56	+3.7	34	+8.8
Economy	58.5	+3.4	38	+3.7	22	+10.1
South America	58.8	+3.3	49	+5.0	29	+11.2
Luxury & Upscale	70.5	+1.1	156	+5.4	110	+7.0
Midscale	73.9	+1.2	88	+3.6	65	+5.4
Economy	73.6	+0.6	57	+3.8	42	+4.7
Total	72.9	+0.9	90	+4.6	66	+5.9



Hotel base - Third-quarter 2018

Q3 2018	Managed		Franchised		Hotel assets		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Luxury & Upscale	98	18,776	59	11,176	22	6,014	179	35,966
Midscale	338	53,580	537	57,135	57	11,017	932	121,732
Economy	598	76,325	1,151	88,911	55	8,283	1,804	173,519
Europe	1,034	148,681	1,747	157,222	134	25,314	2,915	331,217
Luxury & Upscale	240	59,101	57	9,178	10	2,018	307	70,297
Midscale	269	61,659	93	14,109	27	4,254	389	80,022
Economy	191	34,735	161	21,004	2	352	354	56,091
Asia-Pacific	700	155,495	311	44,291	39	6,624	1,050	206,410
Luxury & Upscale	139	35,789	5	792	2	525	146	37,106
Midscale	52	10,707	11	2,228	2	235	65	13,170
Economy	50	9,193	4	632	5	826	59	10,651
Middle East & Africa	241	55,689	20	3,652	9	1,586	270	60,927
Luxury & Upscale	59	23,640	2	702	-	-	61	24,342
Midscale	6	2,543	8	1,724	-	-	14	4,267
Economy	19	2,496	2	233	-	-	21	2,729
North America, Central America & Caribbean	84	28,679	12	2,659	-	-	96	31,338
Luxury & Upscale	22	4,997	4	981	-	-	26	5,978
Midscale	74	10,375	13	1,651	12	1,865	99	14,135
Economy	79	13,379	98	11,794	48	9,898	225	34,831
South America	175	28,751	115	14,426	60	11,763	350	54,944
Luxury & Upscale	558	142,303	127	22,829	34	8,557	719	173,689
Midscale	739	138,864	662	76,847	98	17,615	1,499	233,326
Economy	937	136,128	1,416	122,574	110	19,119	2,463	277,821
Total	2,234	417,295	2,205	222,250	242	45,291	4,681	684,836