



INVESTOR DAY

November 27th, 2018

RAFFLES

ORIENT  EXPRESS

BANYAN TREE

SOFITEL
LEGEND

Fairmont

SO

SOFITEL

onefinestay

RIXOS

mantis



pullman

swissôtel

ANGSANA

25h
twenty five hours hotels

Art Series

MÖVENPICK

GRAND MERCURE

PEPPERS

THE
SEBEL

mantra

NOVOTEL

Mercure

adagio

MAMA
SHELTER

BreakFree

ibis

ibis
STYLES

ibis
budget

JO&
JOE

hotelF1

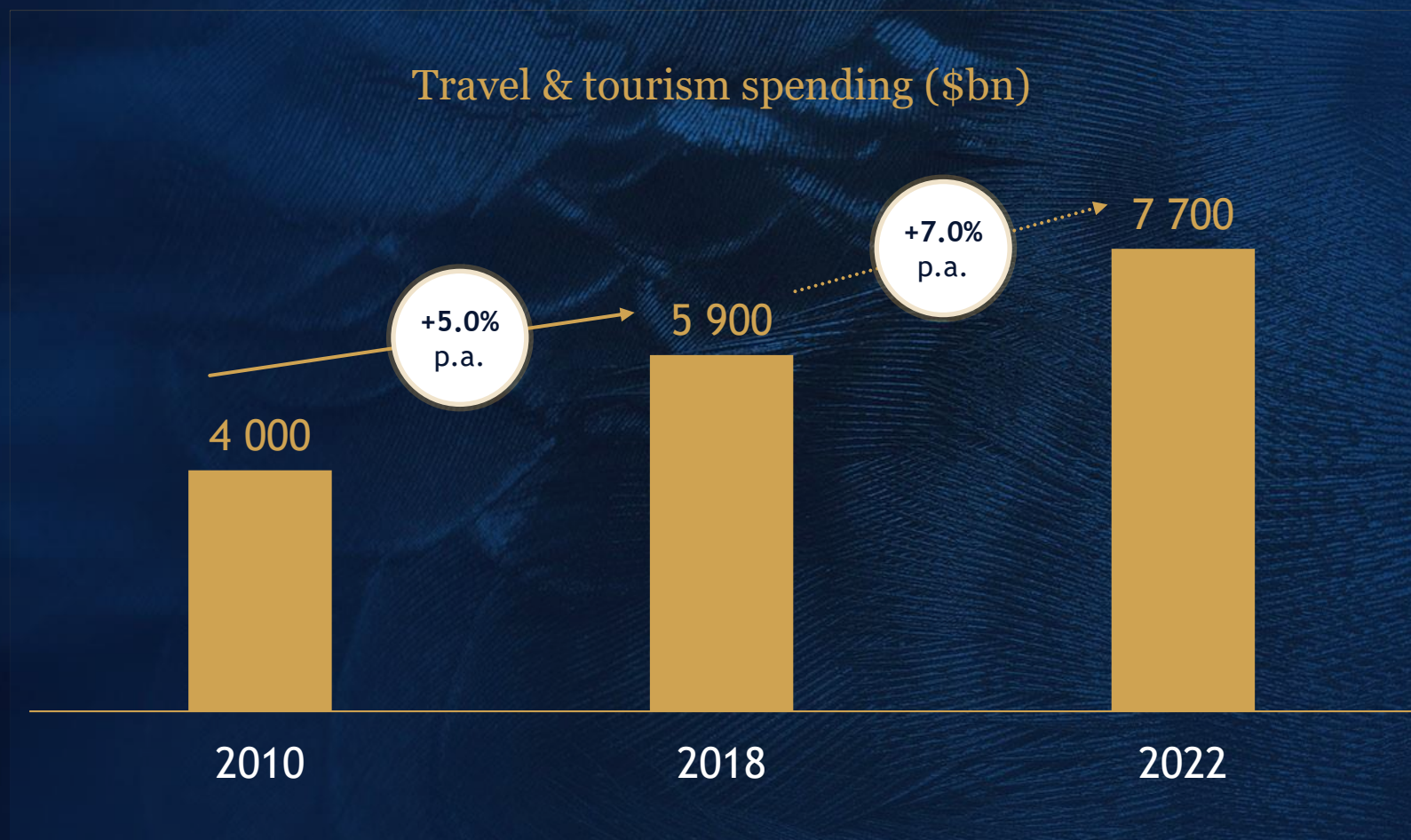


OPENING REMARKS

◆ Sébastien Bazin ◆
Chairman & CEO



TRAVEL & TOURISM: A BLESSED INDUSTRY



Source: WTTC

ACROSS ALL GEOGRAPHIES

	2018-2022 CAGR
Western Europe	+5%
Eastern Europe	+8%
North Am	+5%
Latam	+5%
Middle East	+8%
Africa	+6%
China	+11%
India	+11%
Rest of ASPAC	+6%



TRAVEL & TOURISM: A BLESSED INDUSTRY

10.4%

Travel & Tourism GDP
As a % of global GDP

1/10

Jobs are supported
By Travel & Tourism industry

1.3bn

2017 International outbound
From **300m** in the 1980s

4.6%

Direct Travel & Tourism
GDP growth in 2017

1/5

Jobs created
in the last 10 years

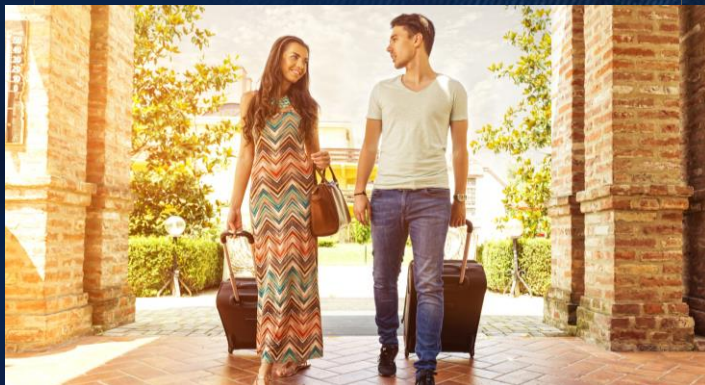
4bn

2017 Air passengers
to **8bn** in 2036

Source: WTTC



FASTER AND FASTER CHANGES IN THE HOSPITALITY WORLD



Guests looking for choice, experience, convenience and personalization



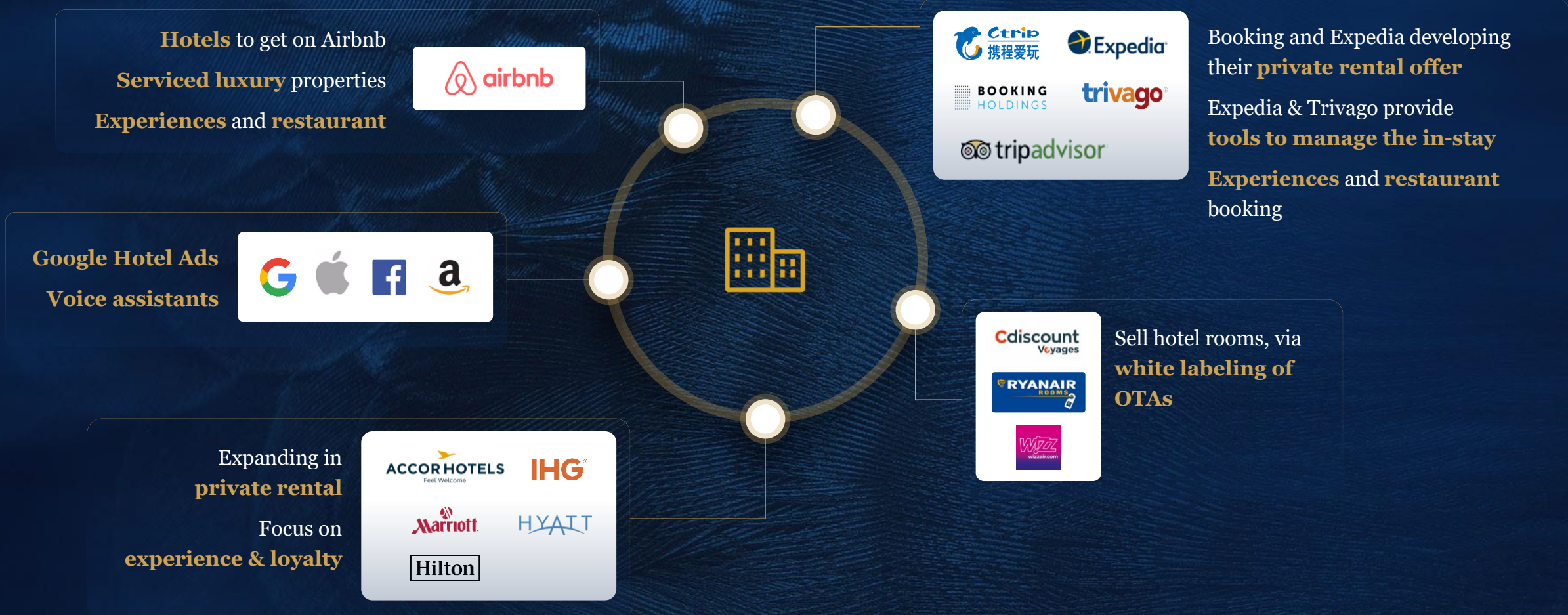
Hotel groups continue to move into asset light and further invest into growth



Adjacent digital players entering the hospitality market to create strong ecosystems



PLAYERS INTERTWINED ACROSS HOSPITALITY VALUE CHAIN



ACCORHOTELS: THE MOST DIVERSIFIED HOTEL PLAYER

STRONG LEADER

4,681 Hotels

685k rooms in network*

1,031 Hotels

184k rooms in pipeline*

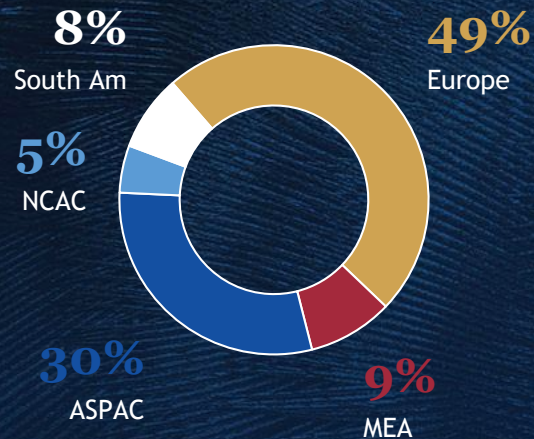
#1

Outside the US & China**

ACROSS ALL GEOGRAPHIES

in % of rooms*

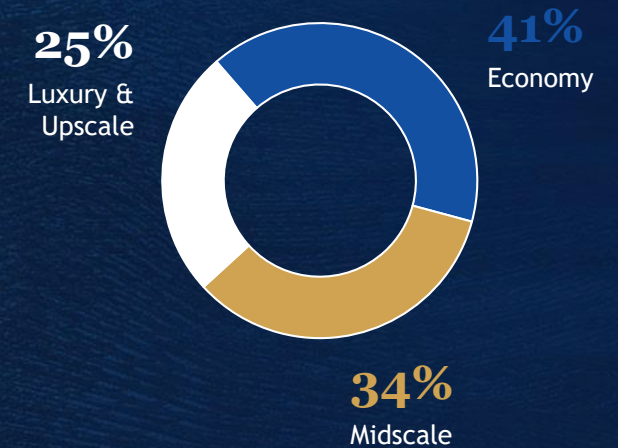
100+ Countries



ACROSS ALL SEGMENTS

in % of rooms*

33 leading **BRANDS**







* As of end September 2018

** in % of rooms



STRONG LEADERSHIP IN REGIONS WITH MOST POTENTIAL

	Europe	ASPAC excl. China	MEA	South Am
AccorHotels Position*	#1	#1	#1	#1
% among top 5 Chains*	<div>  45% </div> <div>#2 at 16%</div>	<div>  36% </div> <div>#2 at 24%</div>	<div>  34% </div> <div>#2 at 31%</div>	<div>  50% </div> <div>#2 at 17%</div>
Brand Penetration	30%	30%	35%	20%

* in number of rooms

Source: MKG, STR and Companies annual reports



A RESILIENT AND WELL-BALANCED PORTFOLIO ACROSS CITIES & COUNTRIES

TOP 20 CITIES

Less than 25% of AccorHotels total network

	% of total network	Cumulative %
Paris	2.6%	2.6%
London	1.7%	4.3%
Dubai	1.6%	5.9%
Bangkok	1.4%	7.3%
Sao Paulo	1.3%	8.6%
Shanghai	1.1%	9.7%
Jakarta	1.1%	10.8%
Makkah	1.1%	11.9%
Berlin	1.0%	12.9%
Rio de Janeiro	0.9%	13.8%
Singapore	0.9%	14.7%
Sydney	0.9%	15.6%
Melbourne	0.8%	16.4%
Munich	0.8%	17.2%
Beijing	0.8%	18.0%
Seoul	0.7%	18.7%
Amsterdam	0.7%	19.4%
Istanbul	0.7%	20.1%
Surfers Paradise	0.6%	20.7%
Brisbane	0.6%	21.3%

TOP 20 COUNTRIES

Top 5 countries are spread over 4 continents

	% of total network	Cumulative %
France	21%	21%
China	8%	29%
Australia	8%	37%
Germany	7%	44%
Brazil	7%	51%
UK	5%	56%
Indonesia	3%	59%
Thailand	3%	62%
UAE	2%	64%
Saudi Arabia	2%	66%
USA	2%	68%
Poland	2%	70%
Canada	2%	72%
Turkey	2%	74%
Spain	2%	76%
Italy	2%	78%
Switzerland	1%	79%
India	1%	80%
Russia	1%	81%
Netherlands	1%	82%

In number of rooms as of end-September 2018



STRENGTHENING OUR CORE CAPABILITIES

EXPANDING OUR PRESENCE WORLDWIDE

Acceleration in China

Selectively entering North
America

Consolidating our
leadership in other regions

ENHANCING OUR PORTFOLIO OF OFFERS & EXPERTISE

Expertise in luxury

New Lifestyle opportunity

Strengthening
in F&B and events

STRONGER DIGITAL & LOYALTY CAPABILITIES

Large digital plan
to build solid infrastructures

Expansion of our loyalty
scheme

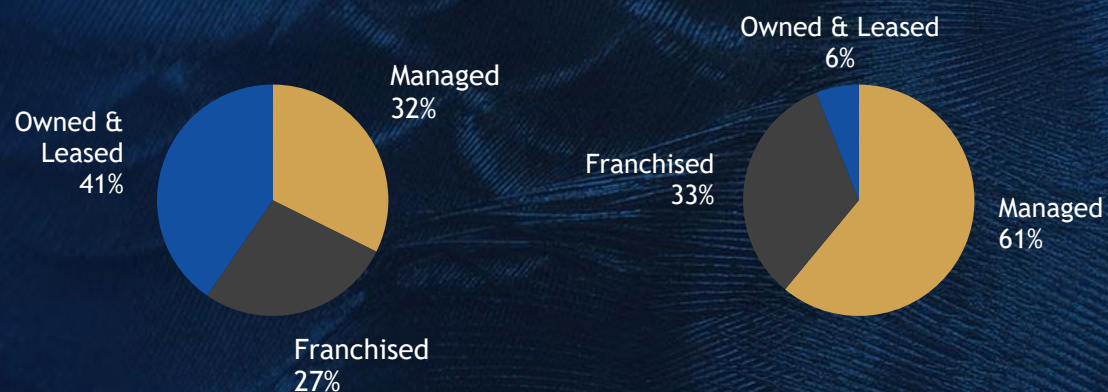
New partnerships



ASSET-LIGHT TRANSFORMATION STRATEGY DELIVERED AS PLANNED

Transformation of the Group post Booster

PORTFOLIO



EBITDA



*A simpler
business model*



WE CONTINUE THE TRANSFORMATION TO ASSET-LIGHT WITH THE ACQUISITION

Launch of a public tender offer on Orbis' remaining 47% capital for PLN87 per share
WE AIM AT GAINING FULL CONTROL OF ORBIS

Continue roll-out of Asset Light strategy
Replicate value creation of AccorHotels through monetization of assets

AccorHotels is committed to its Asset Light Strategy



COMMITTED TALENTS: THE GROUP'S KEY STRENGTH

280,000 employees working for AccorHotels brands

80,000 recruitments in 2017

Gender diversity

29%

HOTEL
MANAGERS

42%

HOTEL DEPARTMENT
MANAGERS



ARE
WOMEN

55%

EMPLOYEES
ARE **UNDER 35**

Commitment

77%

EMPLOYEES FEEL COMMITTED TO
THE GROUP IN 2017

180,000

EMPLOYEES SURVEYED in 2017
89% response rate

Development

800

IN-HOUSE INSTRUCTORS CERTIFIED
BY THE **ACCORHOTELS ACADEMY**

91%

EMPLOYEES
TRAINED



WE ARE HEARTISTS®

HEART + ARTIST

Everything we do comes
from the heart

We are experts in
what we do

=

HEARTIST®

We master the fine art of welcoming,
connecting, and serving others.

Generous, creative and free, we are passionate
about people, attentive to the world.

We know how to dream and push limits!



WORLDWIDE

HEARTIST JOURNEY ROLL OUT

1,891

HOTELS TEAMS TRAINED and ENGAGED

4,053

HOTEL TRANSFORMERS TRAINED and CERTIFIED



OUR KEYS TO SUCCESS

Outstanding
People

Iconic & leading
Brands

Global presence &
Leadership

State-of-the art
Technology



EXECUTION PLAN

AGENDA OF THE DAY



ATTRACT, CONVERT & TRANSFORM

An engine geared to deliver substantial EBITDA growth

Chris Cahill, Deputy CEO Hotel Operations



RETAIN & MULTIPLY

A digital transformation underway

Maud Bailly, Chief Digital Officer



EXPAND & TRANSFORM

Development & pipeline: engaging partners

Gaurav Bhushan, Global Chief Development Officer



ENABLE & DELIVER

A financial model geared to deliver shareholder value

Jean-Jacques Morin, Deputy CEO Finance, Communications & Strategy





AN ENGINE GEARED TO DELIVER SUBSTANTIAL EBITDA GROWTH

◆ Chris Cahill ◆

Deputy CEO in charge of Hotel Operations





AGENDA

1



BUSINESS
TRANSFORMATION

2



PROVEN INTEGRATION
CAPABILITY

3



OPERATIONAL
FOCUS



1



BUSINESS TRANSFORMATION



PRE-2016: FOUNDATION OF ECONOMY AND MIDSACLE BRANDS

CLASSIC	COLLECTIONS	LIFESTYLE	RESORTS	REGIONAL	
					LUXURY
					PREMIUM
 					MIDSACLE
  					ECONOMY

78%

Owner, Operator, Developer, European



2018: A COMPREHENSIVE BRAND PORTFOLIO

CLASSIC	COLLECTIONS	LIFESTYLE	RESORTS	REGIONAL	
RAFFLES <i>Fairmont</i> SOFITEL <small>HOTELS & RESORTS</small>	ORIENT  EXPRESS ORIGINALS	DELANO SLS SO <small>SOFITEL</small>	BANYAN TREE RIXOS		LUXURY
 MÖVENPICK swissôtel GRAND MERCURE	mantis  	MONDRIAN 25h <small>twenty five hours hotels</small> HYDE	ANGSANA	Art Series PEPPERS <small>THE</small> SEBEL	PREMIUM
NOVOTEL  <small>HOTELS, SUITES & RESORTS</small> <small>HOTELS</small>		MAMA SHELTER		mantra	MIDSCALE
ibis ibis ibis <small>HOTELS</small> <small>STYLES</small> <small>BUDGET</small> <small>HOTELS</small>		JO&JOE		BreakFree 	ECONOMY



TREMENDOUS SCALE AND CONSISTENT NETWORK GROWTH

ibis
HOTELS

ibis
STYLES
HOTELS

ibis
budget
HOTELS

60%

AWARENESS IN FRANCE, BRAZIL, GERMANY & UK

50%

AWARENESS IN SPAIN, INDONESIA & AUSTRALIA

2,225

HOTELS

257 K

ROOMS

As of end September 2018



ibis Styles - Manchester Portland



CORE BRAND REINVENTED



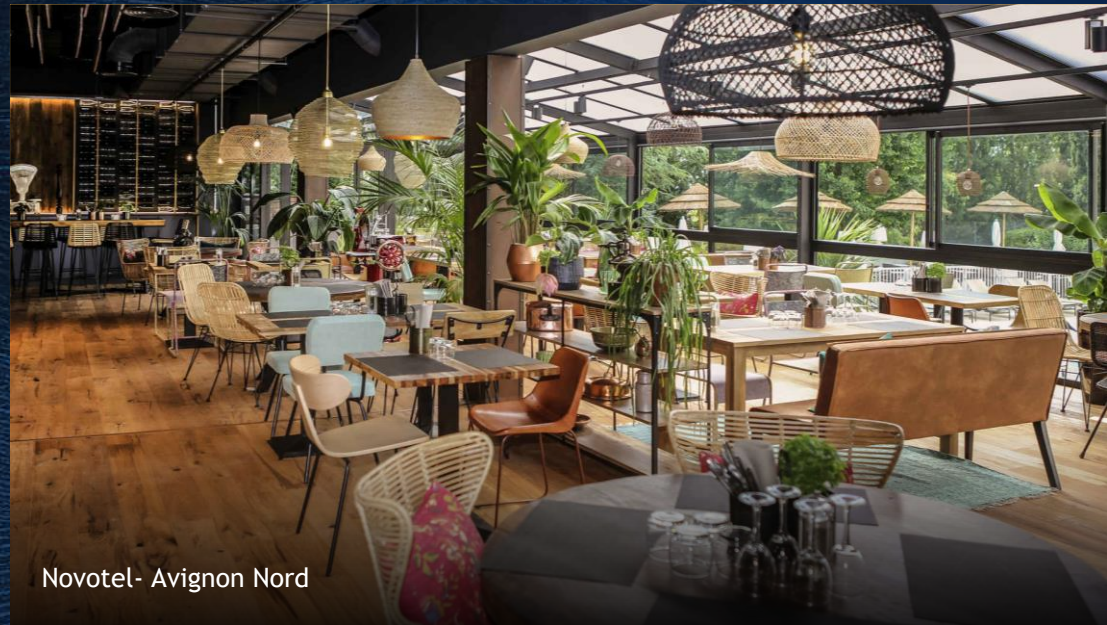
50%
AWARENESS IN 13 COUNTRIES

BEST-KNOWN
MIDSCALE BRAND IN EUROPE & ASIA-PACIFIC

481
HOTELS

97 K
ROOMS

As of end September 2018



Novotel- Avignon Nord



HIGH GROWTH BRAND IN A HIGH GROWTH SEGMENT



+44%

GROWTH BETWEEN 2018 & 2022
(number of hotels)

124

HOTELS TODAY

179

HOTELS BY 2022

As of end September 2018



A HIGH FEE CONTRIBUTOR

Fairmont

LESS THAN **2%** OF THE NUMBER OF
HOTELS BUT **14%** OF FEE INCOME

75
HOTELS

21
HOTELS IN
THE PIPELINE

As of end September 2018



THE ONLY GLOBAL FRENCH LUXURY HOTEL BRAND

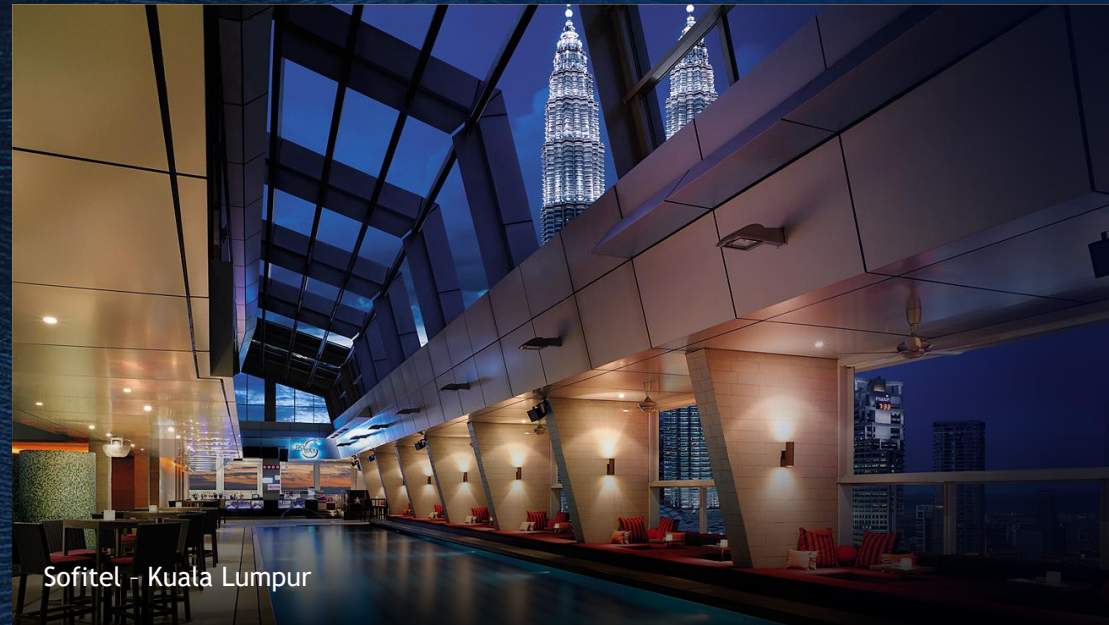
SOFITEL
HOTELS & RESORTS

LESS THAN **3%** OF THE NUMBER OF
HOTELS BUT **8.4%** OF FEE INCOME

126
HOTELS

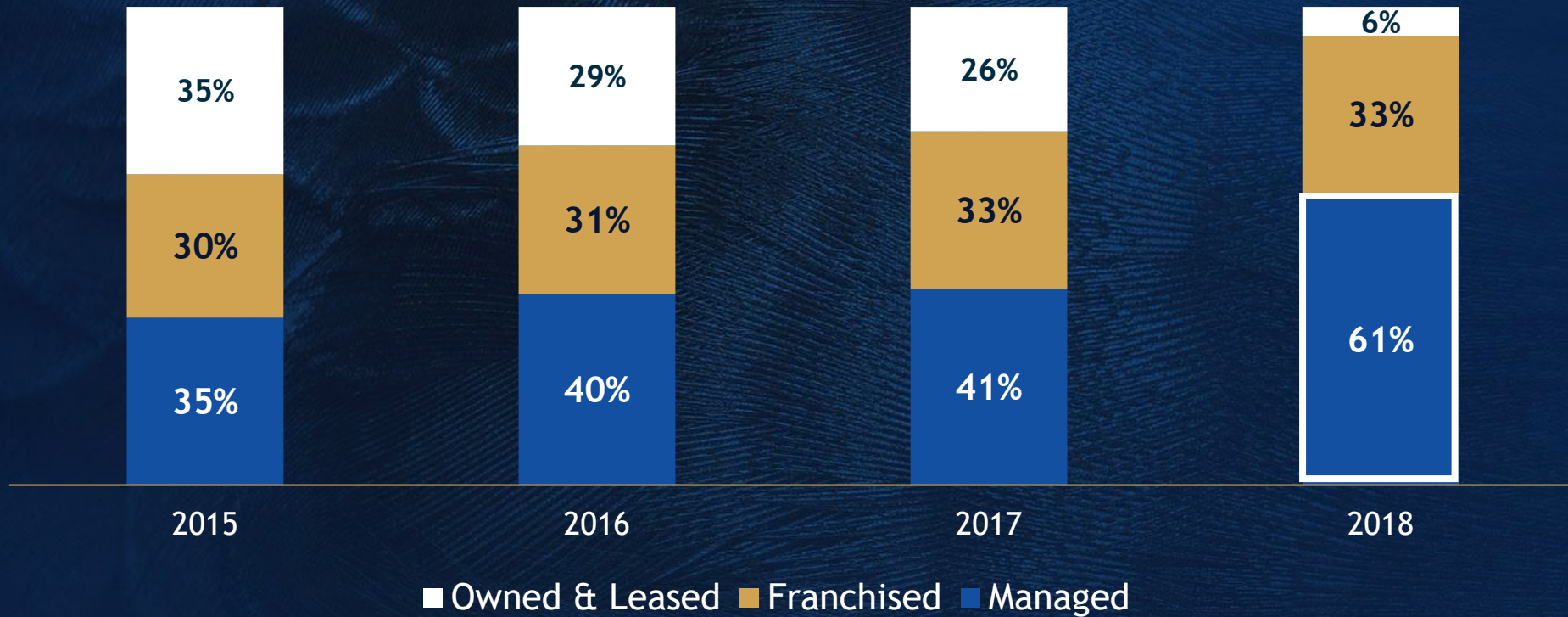
30
HOTELS IN
THE PIPELINE

As of end September 2018



THE SHIFT TO ASSET-LIGHT

Hotel management is our core competency



Expressed in % of number of rooms at year-end in 2015, 2016, 2017 and as of June 2018



STABLE INCOME STREAMS THROUGH THE BUSINESS CYCLE

Type of fees	Management	Franchise
Trademark	✓	✓
Base management	✓	
Incentive	✓	
Sales & Marketing	✓	✓
Distribution	✓	✓
Loyalty	✓	✓
Fee / room	3K€	1.4k€
Contract length	15-30 years	10-15 years



2



PROVEN INTEGRATION CAPABILITY



FRHI ACQUISITION PROVIDED SOLID FOUNDATION FOR GROWTH

STRATEGIC RATIONALE

Acquire 3 global brands

Strengthen our
positioning on Luxury

Strengthen
human capital

Synergies achieved
one year earlier ✓

New **HMA**s* **signed**
since closing (+44) ✓

85% of targeted
talent **secured** ✓

* HMA: Hotel Management Agreement + Letters of Intent



STRATEGIC M&A DRIVING DENSIFICATION: mantra®



We are 3 times bigger than our closest competitor in Pacific



STRATEGIC M&A DRIVING SCALE & BREADTH:



NETWORK



86 hotels
21k rooms
23 Countries

PIPELINE



53 signed HMAs*
(14K rooms) + **10** LOI**

STRATEGIC INTENT

- ▶ Fill-in current portfolio
Upscale segment niche
- ▶ Strengthen leadership position
in MEA

VALUE DRIVERS

- ▶ Organizational effectiveness
through synergies
- ▶ Strong pipeline in high-growth
market segment
- ▶ Talent acquisition

HMA: Hotel Management Agreement

** LOI: Letter of Intent



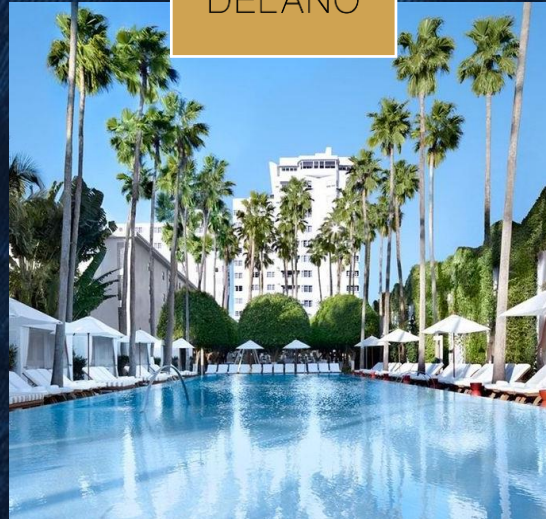
PARTNERED LIFESTYLE BRANDS

SLS



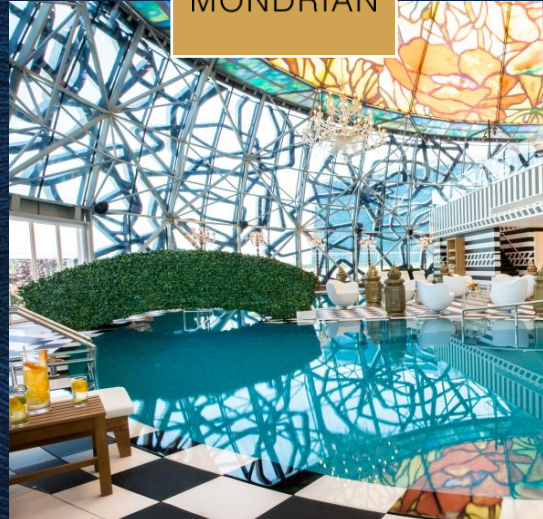
THE BAZAAR
BY JOSÉ ANDRÉS

DELANO



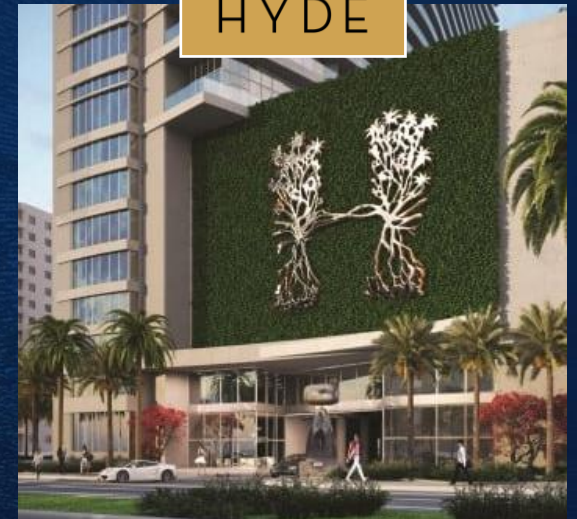
Cléo
RESTAURANT

MONDRIAN



KATSUYA

HYDE



HYDE
BELLAGIO
LAS VEGAS

Strategic support for Lifestyle, Luxury and North America



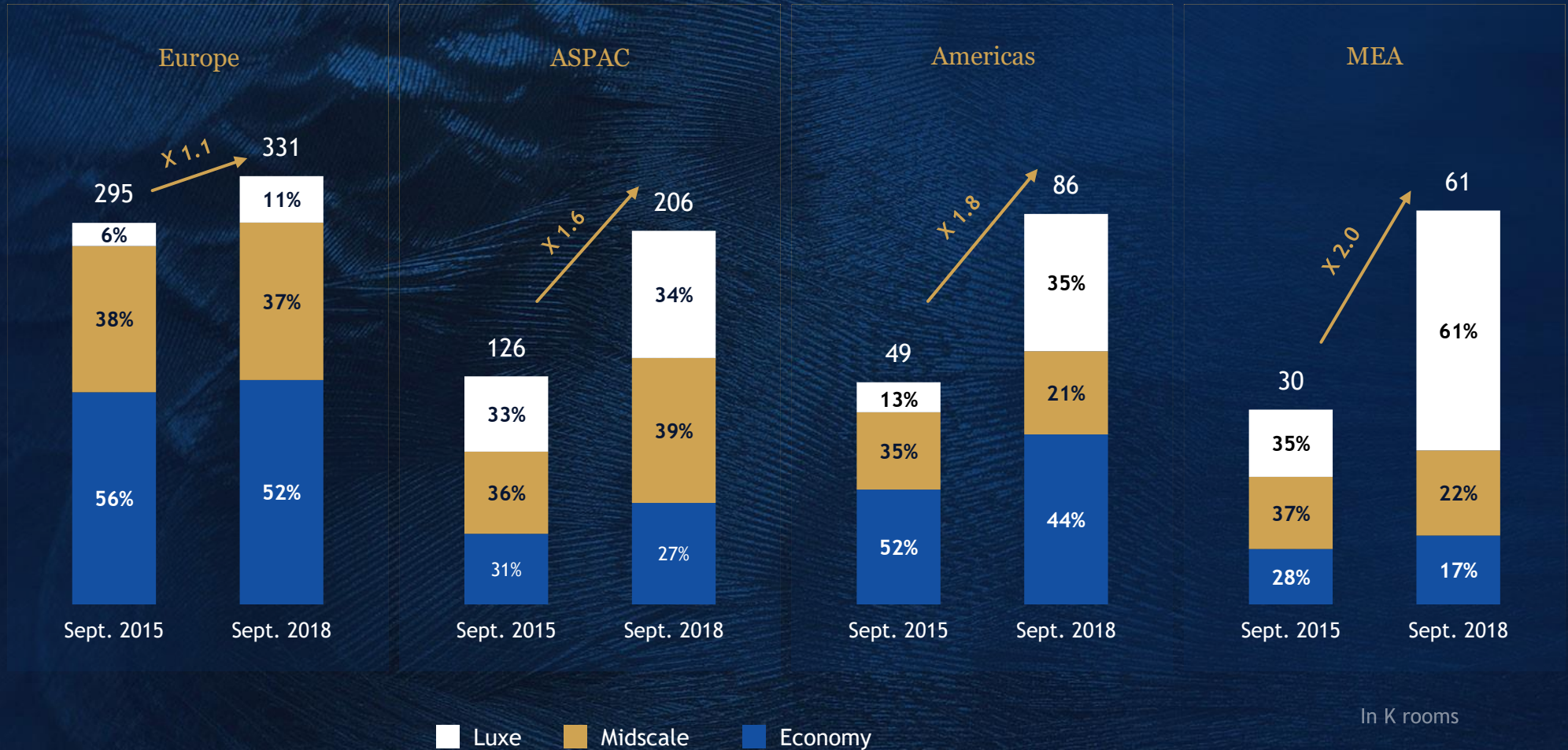
STRONGER GEOGRAPHICAL FOOTPRINT

+40%*
network growth

+8%*
increase in M&F
fees / room

+130%*
network increase
in LUXE rooms

* Change in 3 year



3



OPERATIONAL FOCUS



OPERATING ENGAGEMENT RULES



EMPLOYEE
ENGAGEMENT



GUEST
SERVICE







COMPETITIVE
PERFORMANCE



FINANCIAL
RESULTS



KEY OPERATING PERFORMANCE METRICS

KPI	EMPLOYEE ENGAGEMENT SCORE				GUEST EXPERIENCE				REVPAR INDEX				FINANCIALS			
MEASURE																
ACTIONS	+200bps above industry benchmark				+30bps				Above fair share				GOP: 60bps Flowthrough: 50%			
	Integrated Talent & Culture System				Personalization tool				Loyalty Integration				Procurement platform			



EUROPE: €30M PERFORMANCE IMPROVEMENT PER YEAR

Achieve consistency & scalability
throughout Europe



From 10 siloed countries to 1 coherent Europe

- Operations & Development reinforced, within 5 hubs
- Guests Experience, Sales, e-commerce & CRM @ European level
- Partner Relationship Management @ European level
- Support Functions centralized @ European level and/or outsourced

Adapt the organization to maximize
value creation for partners
& improve performance



€25m
EBITDA improvement per year



KEY TAKEAWAYS

1

Comprehensive
brand portfolio

2

Strategic acquisitions
enhance value

3

Strong geographical
footprint

4

Relentless focus on
operating performance





A DIGITAL TRANSFORMATION UNDERWAY

◆ Maud Bailly ◆
Chief Digital Officer





AGENDA

1



WE DELIVERED

2



USAGE: SEIZE CHINESE GROWTH

3



PERSONALIZATION & LOYALTY



A WIDE PERIMETER TO EMBRACE THE END-TO-END CUSTOMER EXPERIENCE



GUEST SERVICES

1 strong
Loyalty Program
30+ brands
70+ partners



HOTEL & REGION SERVICES

Revenue
Management
24/7 support for
all hotels



GLOBAL SALES

Key account
management
Negotiating power



PRODUCT & INNOVATION

User Experience
Culture Key
Partnerships with
GAFAs



INFORMATION SYSTEMS

From 250 to 1.000
looks for
1 booking
(x4 in 4 years)
200k bookings/day



DATA & ANALYTICS

From 5 to
235 To in 4 years
Artificial
Intelligence

Geared to deliver an efficient hotel & guest oriented strategy



A CERTAIN PARADOX: HOSPITALITY WILL NEVER BE COMPLETELY DEMATERIALIZED...



DOUBLE COMPETITION:
TRADITIONAL & DIGITAL



INTERMEDIATION OF
CUSTOMER RELATIONSHIP
& VALUE CHAIN



BLURRING BOUNDARIES
BRICK & MORTAR X DIGITAL
B2B X B2C



...however, this 'non digital native' industry is already
one of the most digitalized ones



WE ARE IN A FAST-MOVING ENVIRONMENT, WITH 3 MAIN TRENDS IMPACTING OUR INDUSTRY



CONSOLIDATION



Scale matters



DIVERSIFICATION



Emerging giant ecosystems

Loyalty mechanisms
making customers captive



ACCELERATION



Pace of change
and delivery

Test & MVP culture
(Minimum Viable Product)



IMPACT IS A DIGITAL AND CULTURAL TRANSFORMATION, TO BE CHOSEN BY OUR TWO CLIENTS: HOTELS & GUESTS



OUR DISTRIBUTION PLATFORM HAS NEVER BEEN SO POWERFUL

FASTER

4x faster on mobile
2x faster on desktop

(Homepage Loading times
vs last year)

STRONGER

Double-digit growth

Direct Web Revenue
YtD oct18 vs YtD oct17

EASIER

+79%
App revenue YoY

SMARTER

83%
Comprehension rate
for our voice search
on accorhotels.com

CLEARER

€100m
Incremental revenue p.a.
with new pricing display

WIDER

7/10
Roomnights brought by our
Sales, Distribution & Loyalty
ecosystem



WE STRUCTURE OUR ROADMAP THROUGH 3 STRATEGIC CATEGORIES

STANDARD

Not differentiating
State of the art quality
At the best cost

KEY

Key lever of growth
Cannot be done alone
Need to partner with the bests

CORE

Highly differentiating
Rely on our core assets
Need to own it



WE PARTNER WITH LEADING TECHNOLOGY PLAYERS



SEIZE CHINESE GROWTH



Start from Usage



CHINA, THE LARGEST OUTBOUND MARKET IS A TREMENDOUS OPPORTUNITY FOR ASIA-PACIFIC & EUROPE

**Already impressive
volumes**

145m
Chinese travelers

\$115Bn
in 2017

**#1 in ASPAC
& #1 in Europe**

**A huge potential
for ASPAC & Europe**

**We are leader in
8 out of 20**
Top destinations for Chinese
travelers (number of rooms)

**Payment methods:
Two major players**



WeChat Pay

1 Bn
Active user

Alipay

520 m
users



OUR CHINA 2020 AMBITION



From 2017 to 2020



PERSONALIZATION



ACCOR CUSTOMER DIGITAL CARD

SHARE OUR GLOBAL CUSTOMER KNOWLEDGE ACROSS THE GROUP



A VIRTUOUS BUSINESS CIRCLE

ENRICH KNOWLEDGE

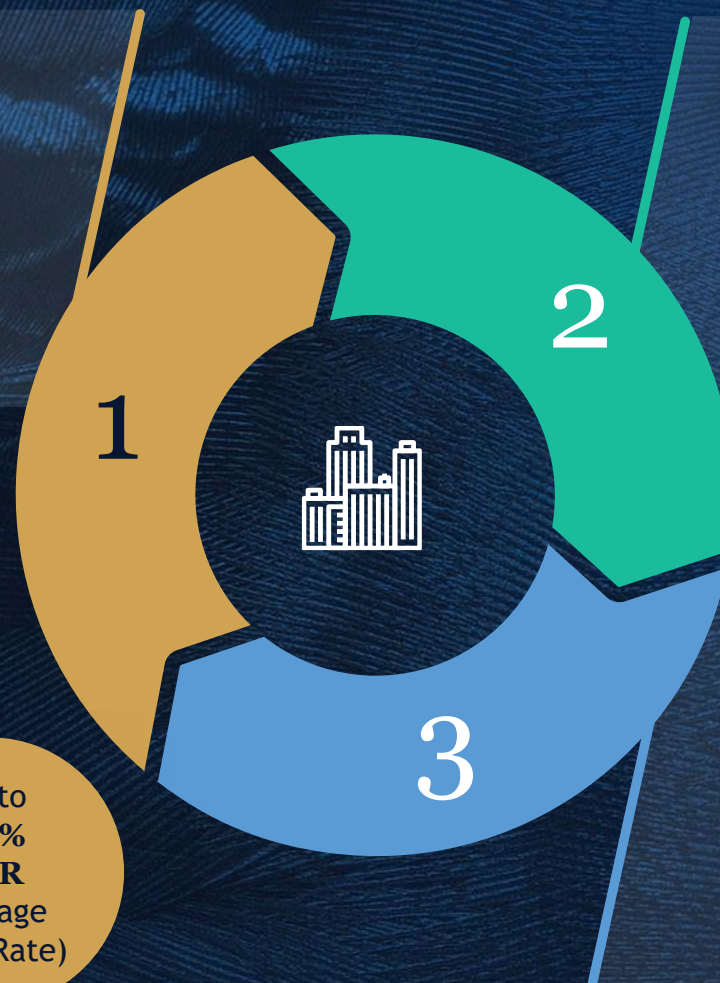
83% customers are ready to share personal information to improve their experience

LEVERAGE SCALE

50% of new customers for hotels have actually already stayed in an other hotel of the group before

ENGAGE

87% of positive customer reviews



=



Source: Revinate.com





LOYALTY



A STRONG LOYALTY PROGRAM, ACCLAIMED BY ITS MEMBERS

50m
members

17
brands

Most awarded
Program **in 2018**

+35%
in 2018

RAFFLES *Fairmont*
swissôtel

Full integration
of FRHI loyalty
programs & database

Including

**Fairmont,
Raffles
Swissôtel,
Rixos**

But also
onefinestay,
Verychic

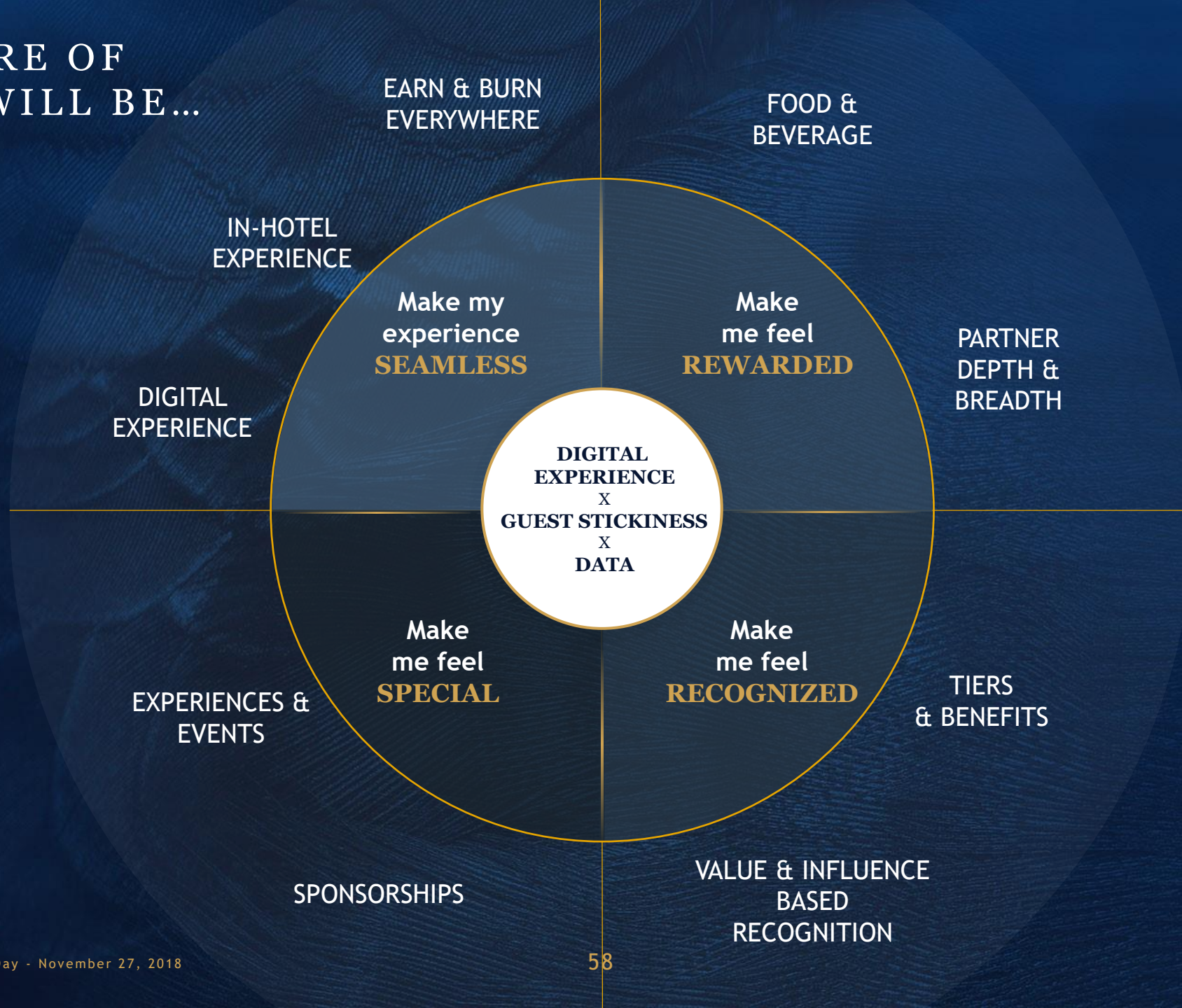
6 freddie awards

6 frequent traveler
awards

in all categories
over all continents



THE FUTURE OF LOYALTY WILL BE...





DEVELOPMENT & PIPELINE:

ENGAGING PARTNERS
TO BUILD AND ACCELERATE THE FUTURE

◆ **Gaurav Bhushan** ◆

Global Chief Development Officer



A modern hotel lounge with large floor-to-ceiling windows offering a panoramic view of a city skyline at dusk. The interior features a dark grey sectional sofa, a white coffee table with a fruit tray, and a dining area with a white table and chairs. The room is elegantly decorated with contemporary art and a textured wall panel.

AGENDA

- 1 DEVELOPMENT STRATEGY
- 2 PRODUCT DEVELOPMENT & TRANSFORMATION
- 3 BRAND VISIBILITY WITH ENHANCED PORTFOLIO
- 4 INVESTING IN HIGH GROWTH BRANDS
- 5 LIFESTYLE HOTELS OPPORTUNITY
- 6 AMBITION



1



DEVELOPMENT STRATEGY



Objectives

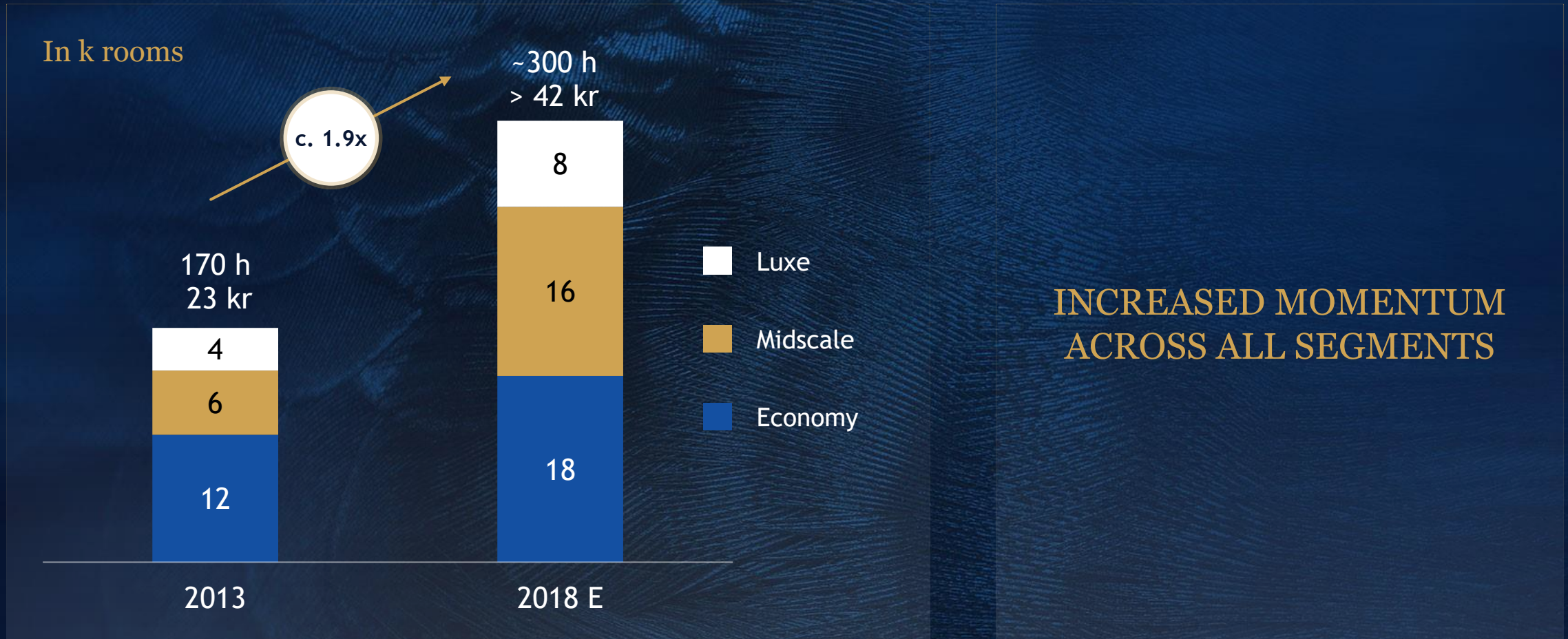
- ◆ Increase pace of organic openings both in Luxe and in Mid / Eco
- ◆ Increase fee per room through enhanced exposure to higher fee yielding segments (luxe, leisure, lifestyle)

Dual strategy

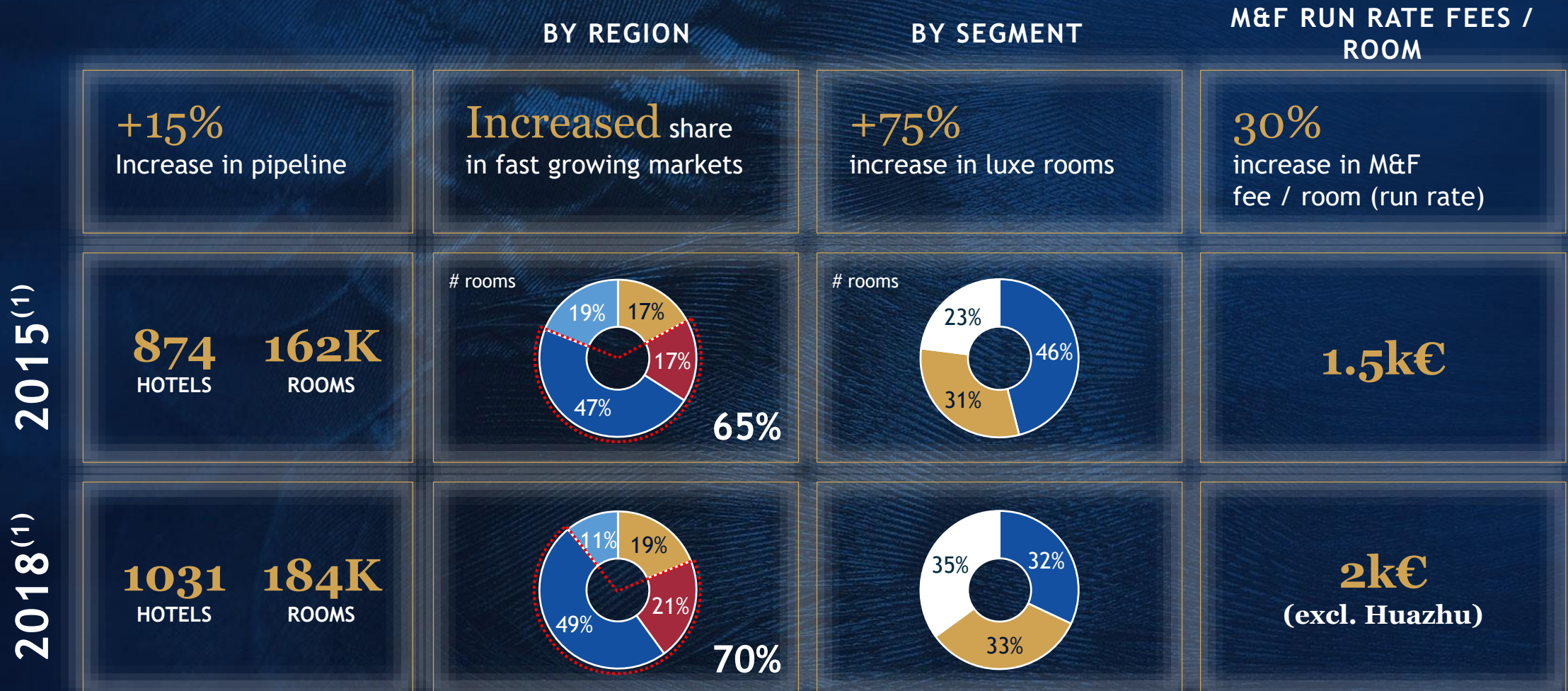
- ◆ High paced organic growth with balanced brand portfolio
- ◆ Strategic M&A as key lever of growth



DOUBLED PACE OF **ORGANIC** OPENINGS IN 5 YEARS DOUBLED NUMBER OF **LUXE** ROOM OPENINGS IN 5 YEARS



PIPELINE: INCREASING QUANTITY, IMPROVING QUALITY



(1) End of September

■ Europe

■ MEA

■ ASPAC

■ Americas

■ Luxe

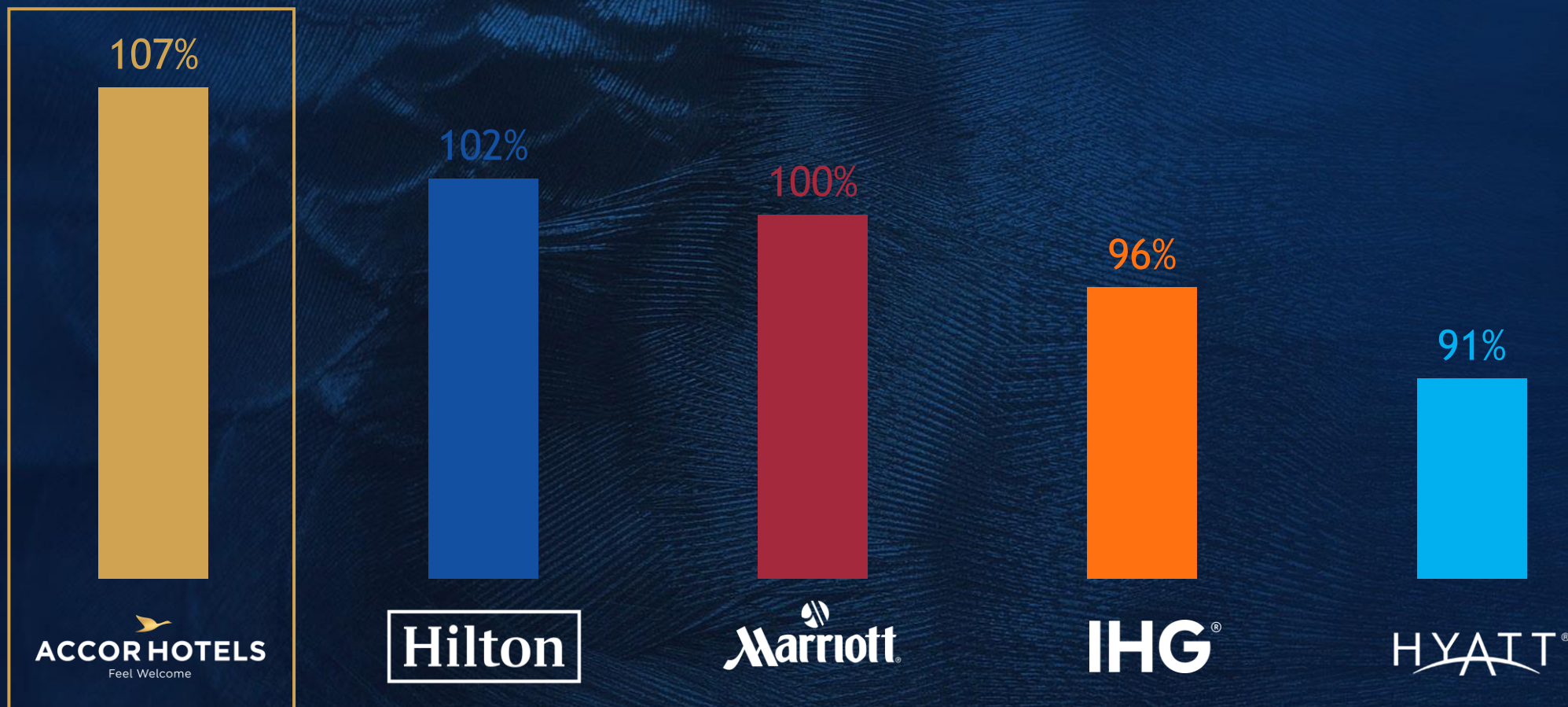
■ Midscale

■ Economy



STRONGEST ORGANIC OPENING DELIVERY AMONG PEERS

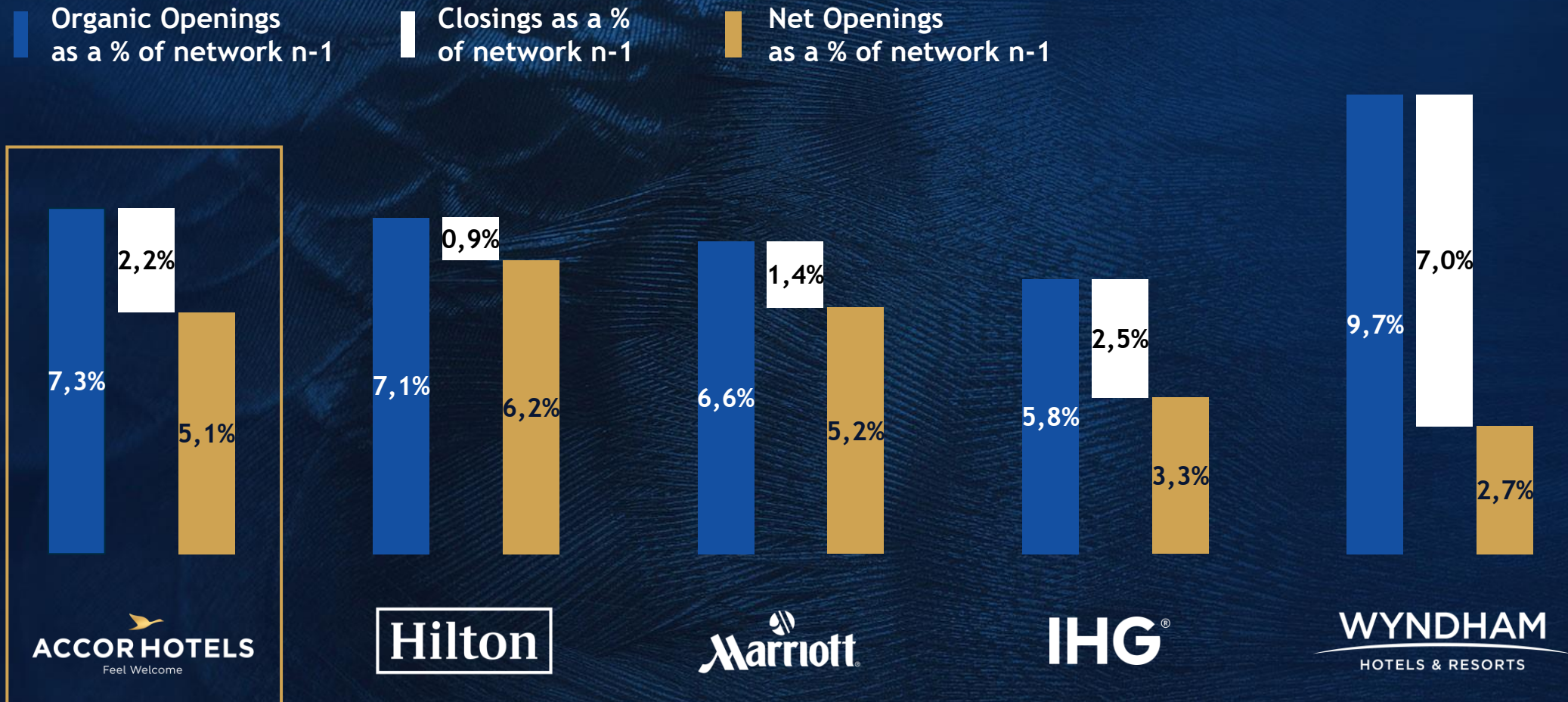
Transformation of 2013 pipeline in 2014-2017 gross organic openings



Comparison of 2013 pipeline with sum of 2014-2017 organic openings Excluding acquisitions

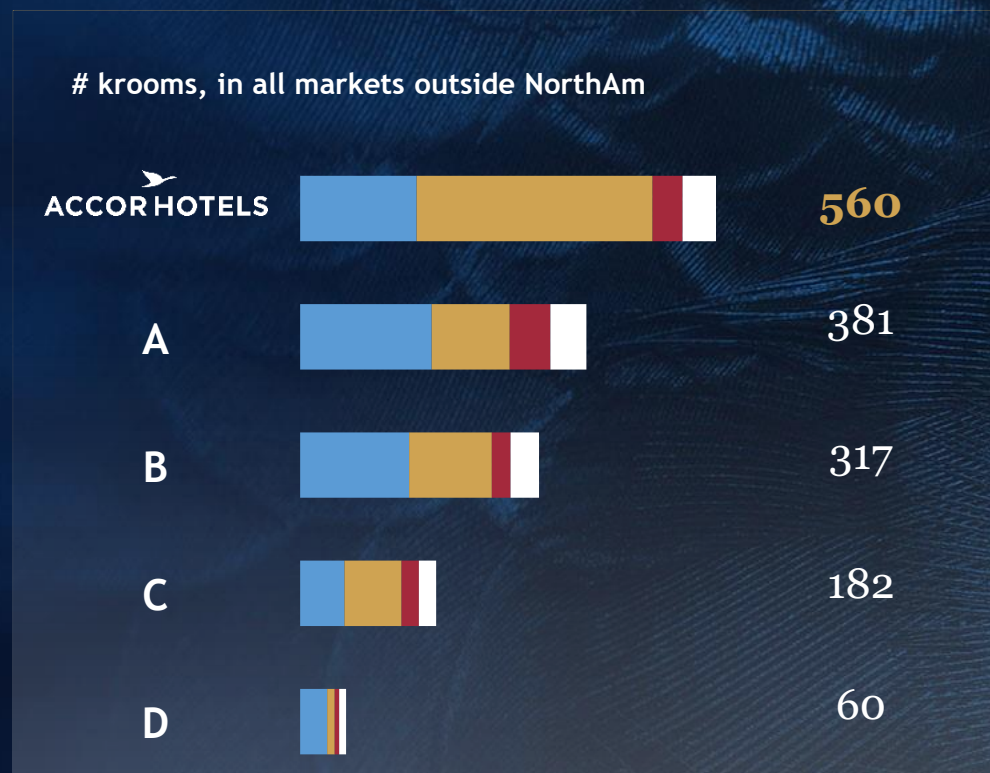


A 5.1% ORGANIC ANNUAL NET SYSTEM GROWTH OVER 2015-2017

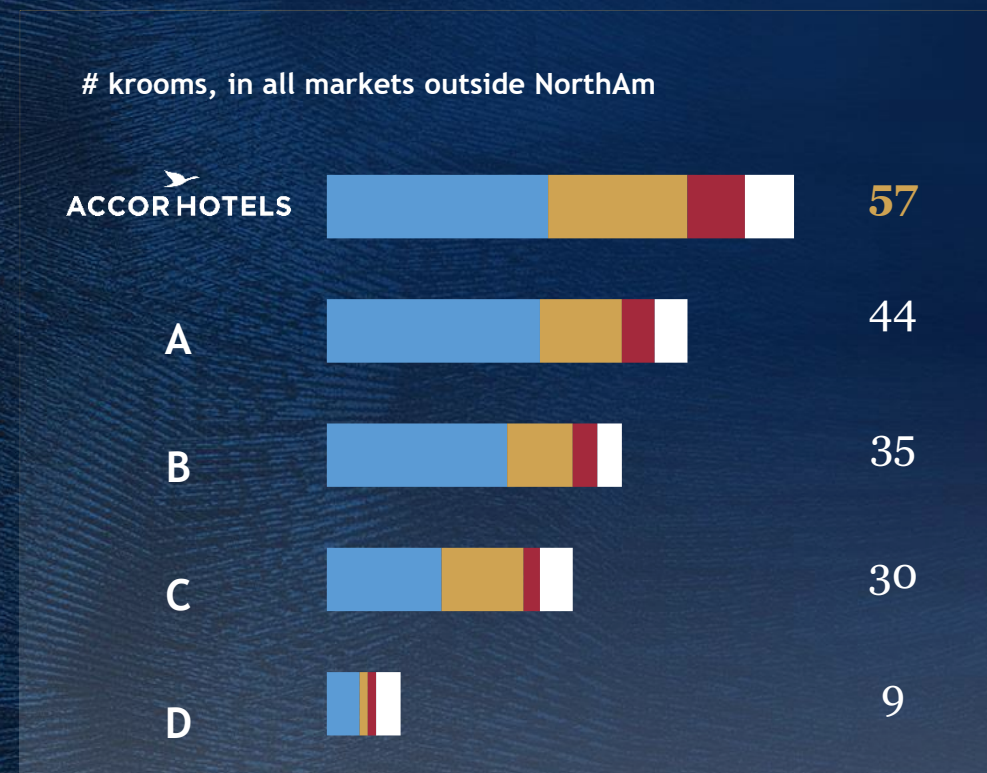


#1 PLAYER WITH STRONGEST POTENTIAL OUTSIDE NORTH AMERICA

Network (end-2016)*



Openings (FY2017 + H1 2018)*



* Figures in k rooms
Sources: Companies disclosures

Key international competitors incl. Marriott, Hilton, IHG & Hyatt

Aspac Europe MEA LatAm



2



PRODUCT DEVELOPMENT & TRANSFORMATION



PRODUCT DEVELOPMENT GLOBAL APPROACH

1



UNDERSTAND BRAND DNA
AND THE MARKET,
CREATE WORLD-CLASS CONCEPTS
FOR MULTIBRANDS

2



ANALYZE COMPETITION
AND CREATE
BRAND CENTRIC
AND BESPOKE LUXE PRODUCTS

3



CREATE MARKET-ALIGNED
BESPOKE F&B
FOR LUXE PRODUCTS



HOW DO WE TRANSLATE BRAND DNA TO GREAT HOTEL PRODUCTS

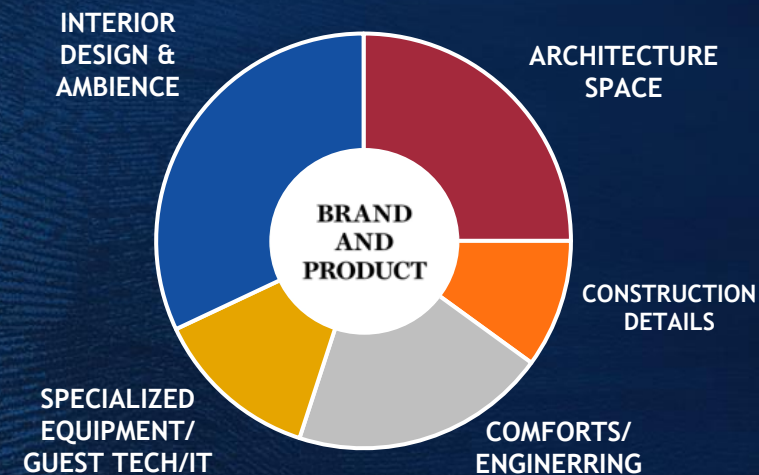


BRAND PLATFORM
BY MARKETING



STYLE BOOKS
DESIGN BRIEF
CRG
CONCEPT GUIDELINES
PRODUCT BOOKLET
DESIGN BEST IN CLASS
CONSULTANTS GUIDE

BRAND - PRODUCT GUIDELINES
BY D&TS



D&TS KNOW-HOW
BY D&TS



LUXURY AND PREMIUM BRAND'S APPROACH



F&B



WELLNESS



PUBLIC AREAS



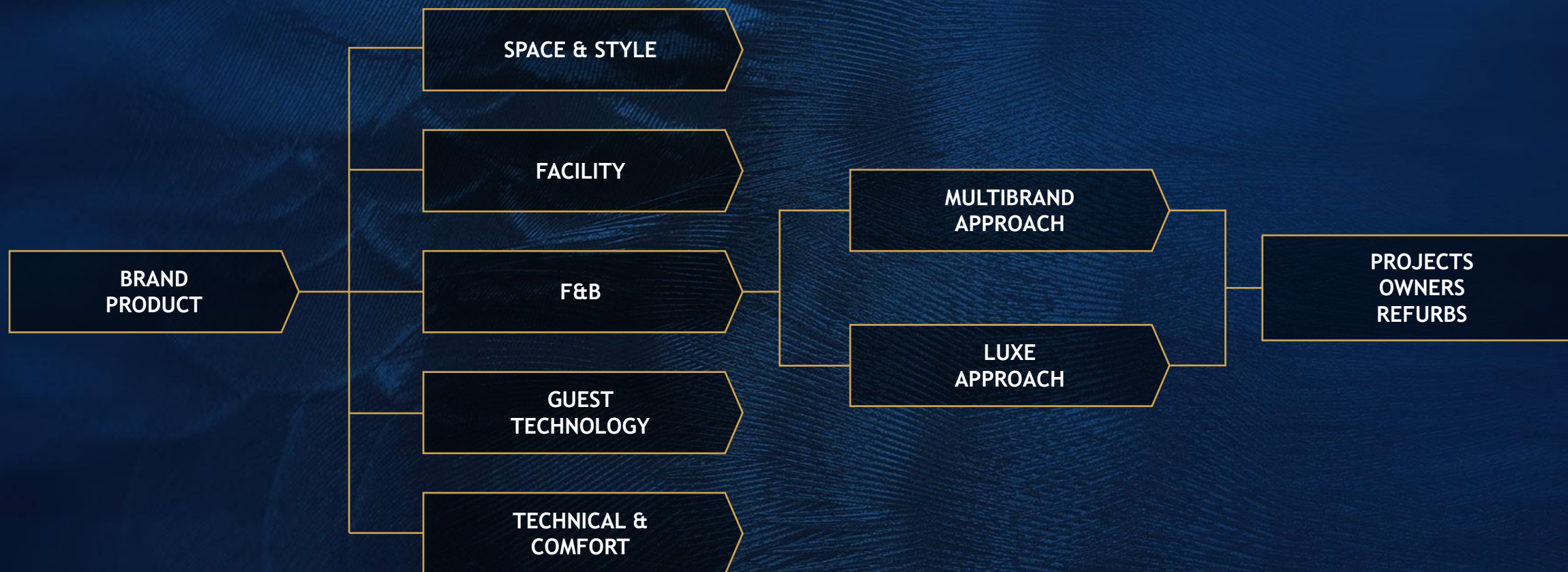
ROOMS



THE GLOBAL F&B APPROACH



THE PROJECT DELIVERY



MARKETING

OWNERS



THE POWERFUL TOOLS



ACCOR
LIBRARY

(Global Platform)



ASPAC
D&TS

(Application)



FLAGSHIP
HOTELS

(Web-based Platform)



IMAGES
LIBRARY

(Web-based Platform)



OPEN

(Energy Bench Markers)



3



BRAND VISIBILITY WITH ENHANCED PORTFOLIO



HIGH DENSITY AND HIGH VISIBILITY IN GLOBAL GATEWAYS

DUBAI

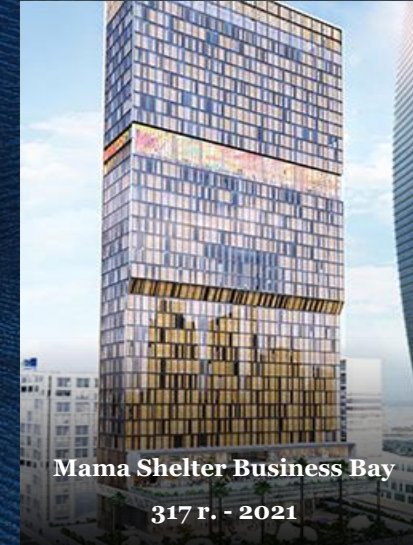
17M
ANNUAL VISITORS

In operation
& under development:

66 **19,300** **17**
HOTELS ROOMS BRANDS

Largest international
operator in market

*36 hotels in operations



HIGH DENSITY AND HIGH VISIBILITY IN GLOBAL GATEWAYS

MAKKAH

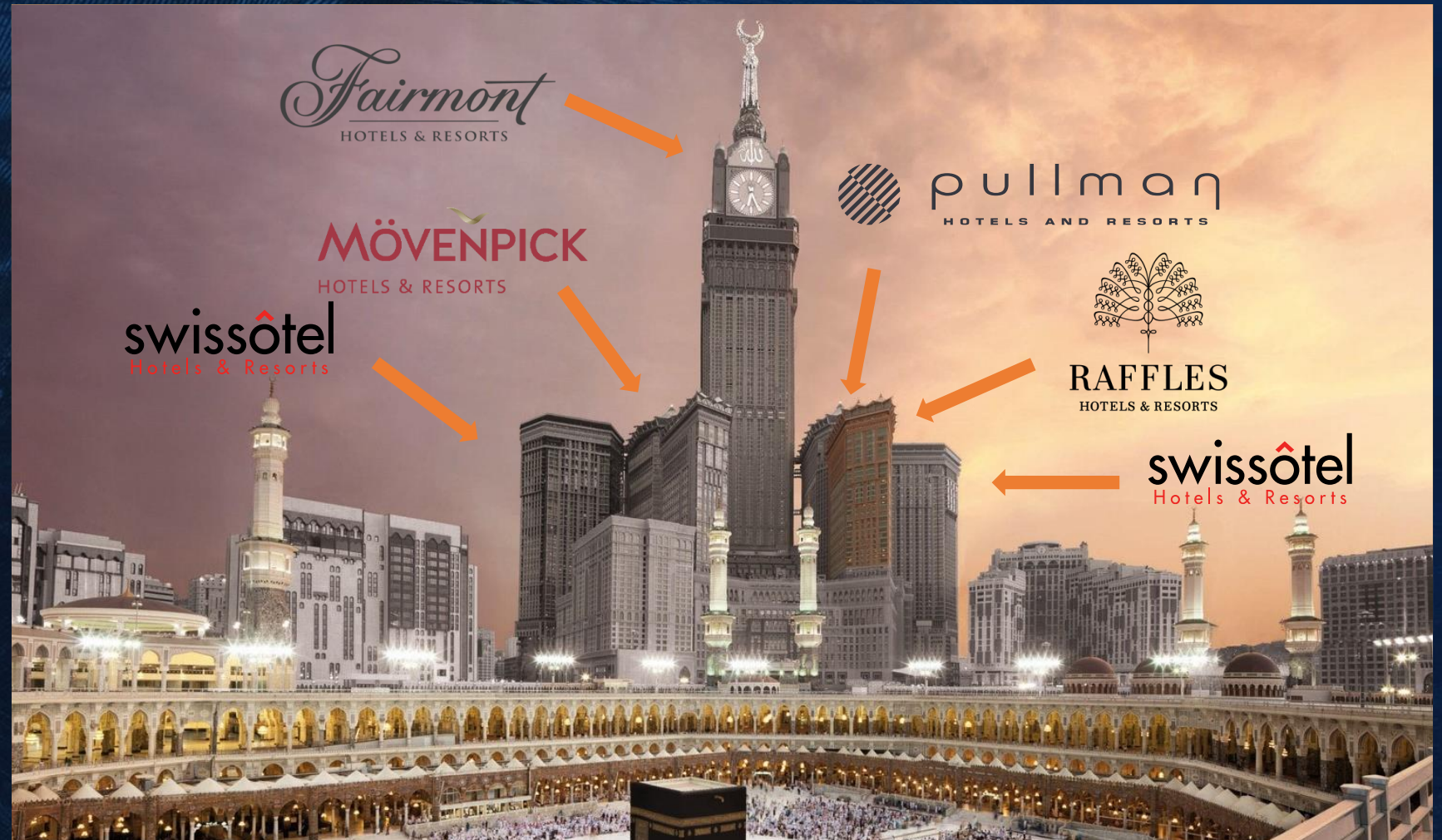
15M
ANNUAL VISITORS

In operation
& under development:

15 HOTELS **11,800** ROOMS **9** BRANDS

Leading operator
in market

*8 hotels in operations



HIGH DENSITY AND HIGH VISIBILITY IN GLOBAL GATEWAYS

SINGAPORE

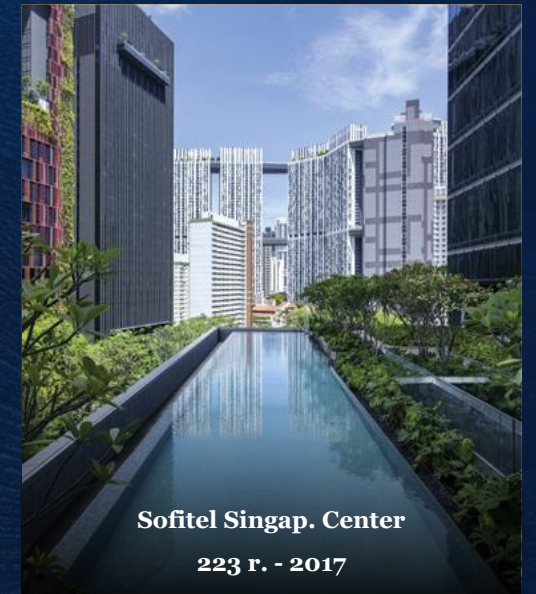
18M
ANNUAL VISITORS

In operation
& under development:

16 **6,400** **9**
HOTELS ROOMS BRANDS

Leading operator
in market

*15 hotels in operations



HIGH DENSITY AND HIGH VISIBILITY IN CHINA WITH HUAZHU

ibis
HOTELS

ibis
STYLES
HOTELS

Mercure
HOTELS

**AccorHotels Standalone
in 2015**

**2k rooms
openings**

**6k rooms
in pipeline****

x4

x3

**AccorHotels with Huazhu
in 2018**

**c.9k rooms
openings***

**18k rooms
in pipeline****

* Estimated figures at year-end

** As of September 2015 and 2018



4



INVESTING IN HIGH GROWTH BRANDS



INVESTING IN HIGH GROWTH BRANDS: FAIRMONT RAFFLES SWISSÔTEL SINCE CLOSING IN JULY 2016

44 h

New Signings*
(11k rooms)

25% of network at closing**

€50m

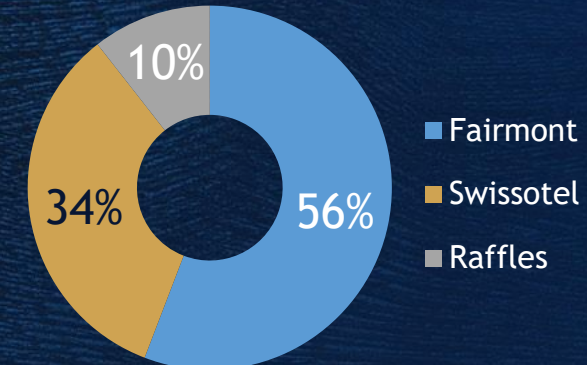
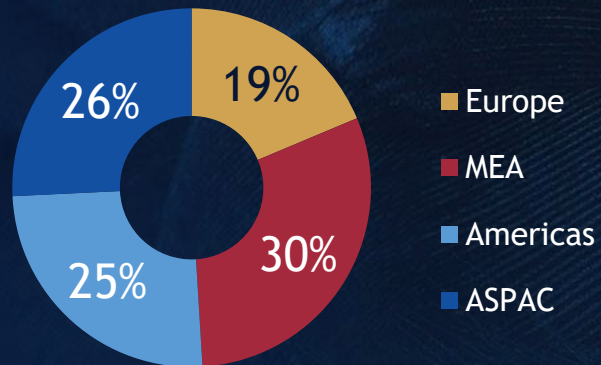
Additional M&F run rate
fees secured

€5k

Fees/room
(vs. 2k at group level)

From **21x** EV/EBITDA
@ closing

to **13x** EV/EBITDA
in 2017



* Hotel Management Agreement + Letters of Intent ** 115 hotels / 43k rooms at closing



FLAGSHIPS SIGNED POST-TRANSACTION

OPENING 2019



OPENING 2021



OPENING 2021



OPENING 2021



INVESTING IN HIGH GROWTH BRANDS



86 h

In network
(21k rooms)

63 h

In pipeline*
(75% of network)

of
which

15 h

Signed since
deal announcement
in April 18

€ 2.2k

M&F Fees/room
(network)

15X EV/EBITDA
@ closing

<10X EV/EBITDA
@ run rate

Upper
Upscale



swissôtel



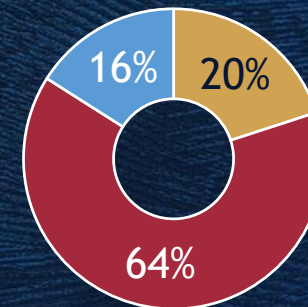
Upscale

MÖVENPICK

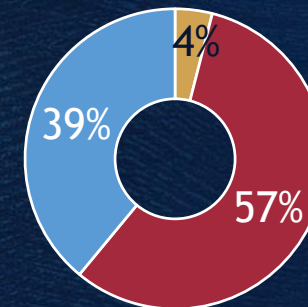
Midscale

NOVOTEL
HOTELS, SUITES & RESORTS

Mercure
HOTELS



NETWORK



PIPELINE

ROOMS

■ Europe

■ MEA

■ ASPAC

* HMAs + LOIs

* Hotel Management Agreement + Letters of Intent



5



LIFESTYLE HOTELS OPPORTUNITY



LIFESTYLE: 2% OF BRANDED SUPPLY AND 10% OF BRANDED PIPELINE

WE HAVE THE MOST COMPREHENSIVE BRAND PORTFOLIO IN THE INDUSTRY



LIFESTYLE HOTELS

AN ATTRACTIVE PRODUCT CONCEPT

Higher guest engagement
(from millennials)

Higher share of revenue
from F&B

Higher ADR / sqm


ACCOR LIFESTYLE HOTELS PIPELINE (ALL BRANDS)

51h
opened
(11k rooms)

54h
in pipeline
(10k rooms)

64h
Under negotiation
(11k rooms)

WITH BETTER KPIS THAN TRADITIONAL BRANDS

For example	 25h	Vs traditional upscale brand in Berlin
Occ	89%	72%
ADR	€168	€132
F&B share of revenue	57%	34%
M&F fee/ room	€3.1k	€1.9k
EBITDA / room	€16.6 k	€8.8 k



6

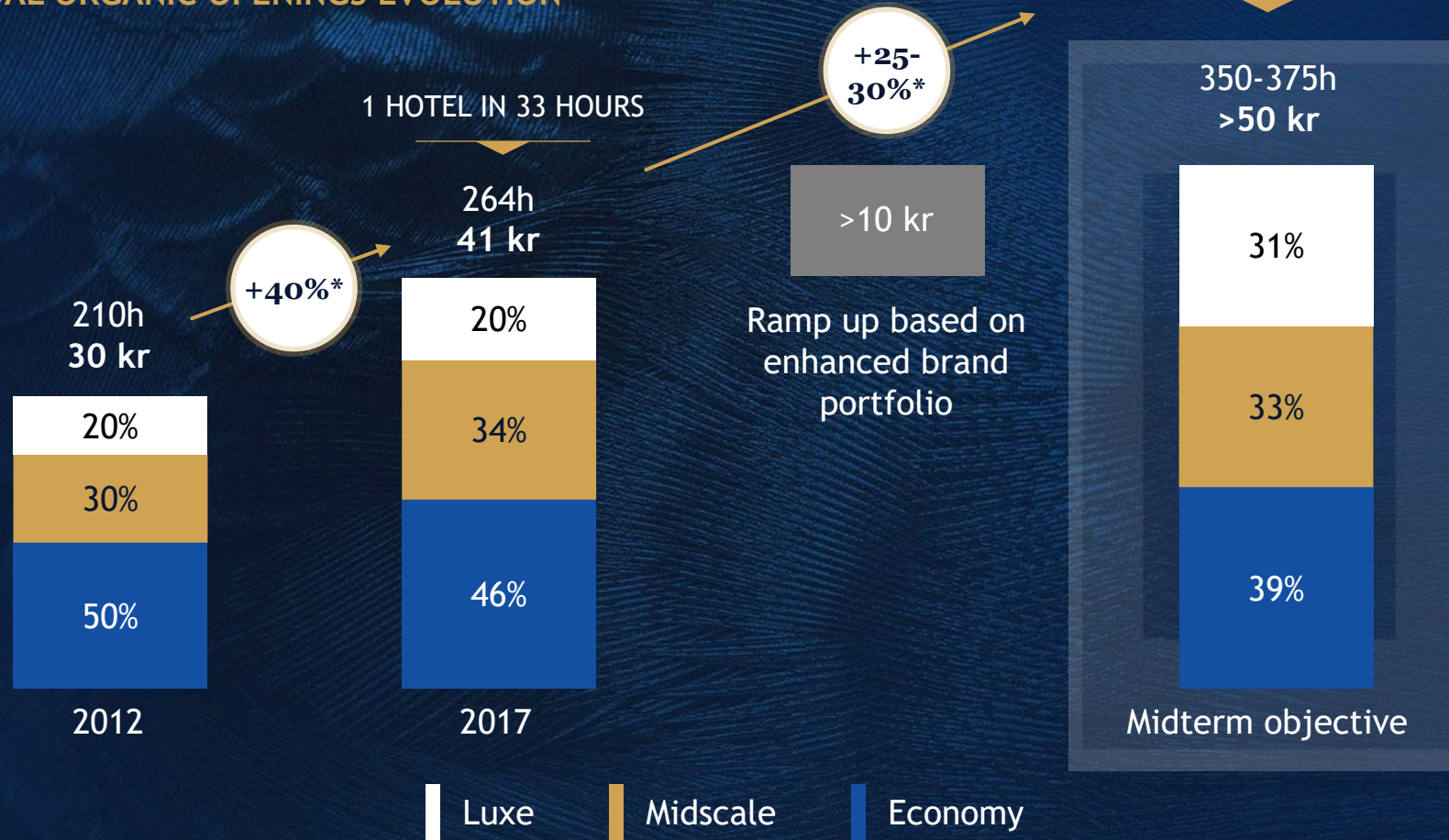


AMBITION



ACCELERATING PACE OF DEVELOPMENT

TARGET ANNUAL ORGANIC OPENINGS EVOLUTION



* In rooms



DRIVING VOLUME & FEE PER ROOM

MANAGEMENT & FRANCHISE FEE RUN RATE EVOLUTION





A FINANCIAL MODEL GEARED TO DELIVER SHAREHOLDER VALUE

◆ **Jean-Jacques MORIN** ◆
Deputy CEO





AGENDA

1



WE DELIVERED

2



WE HAVE MORPHED IN A NEW MODEL

3



DRIVING VALUE PER SEGMENT

4



A CASH DRIVEN MODEL



1



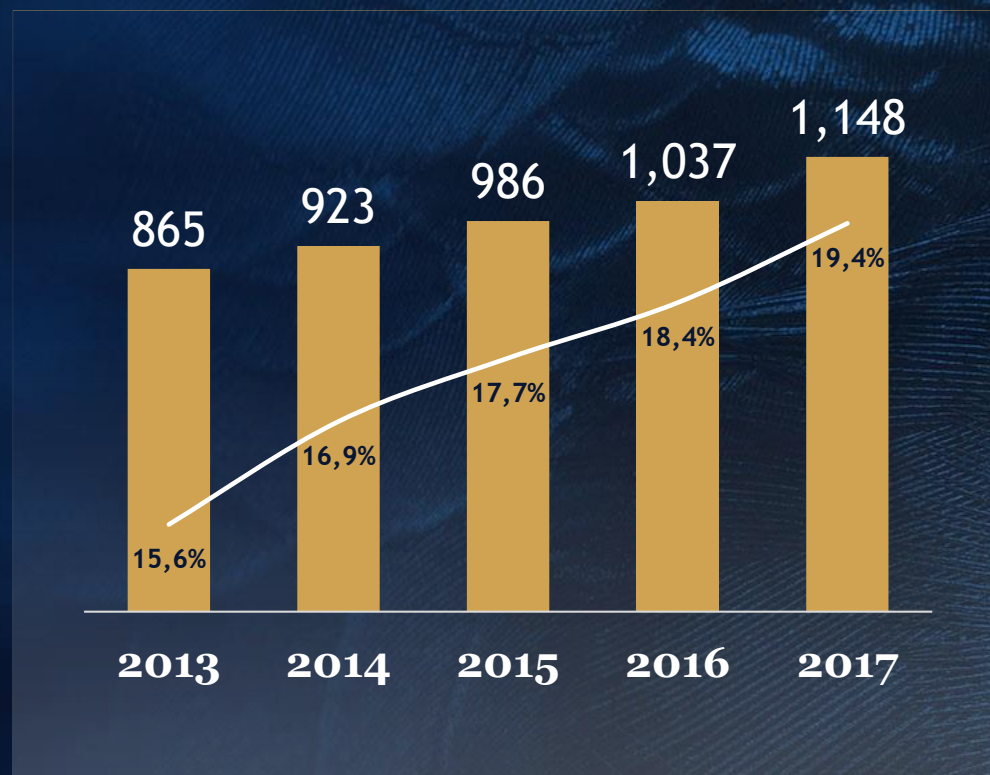
WE DELIVERED



WE DELIVERED SIGNIFICANT EBITDA GROWTH YEAR AFTER YEAR

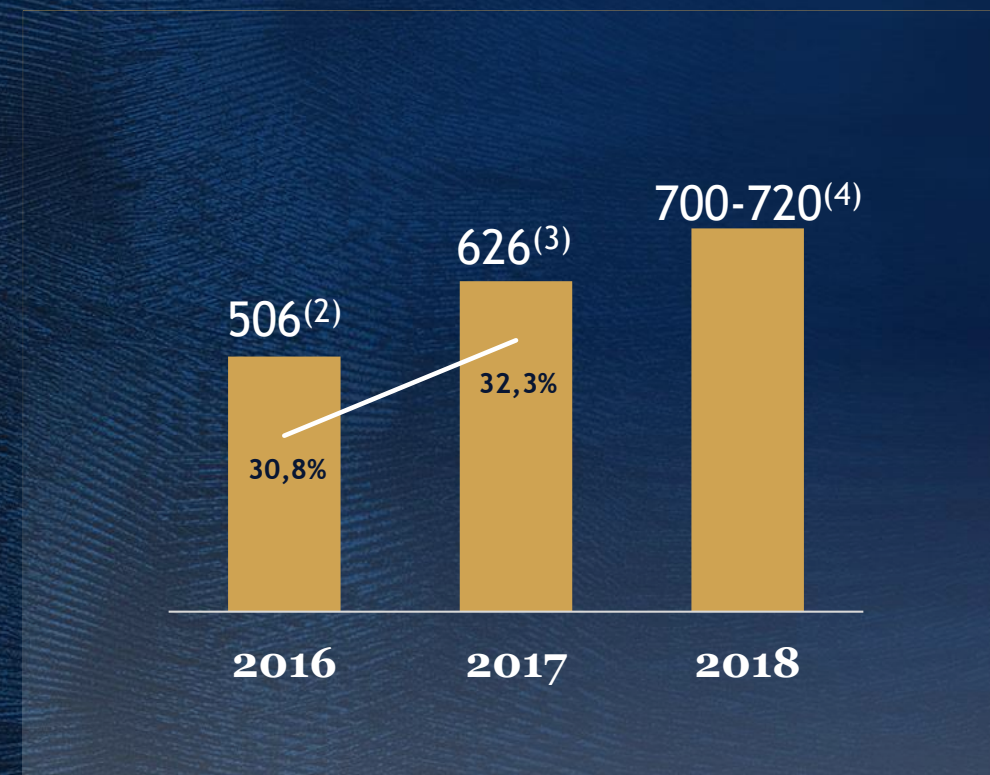
HISTORICAL ACCORHOTELS⁽¹⁾

+7% EBITDA CAGR 2013-2017



ACCORHOTELS TODAY

+20% EBITDA CAGR 2016-2018



Note:

(1) Historical AccorHotels means AccorHotel + AccorInvest

(2) Restated amounts in application of IFRS 5

(3) Reported figures

(4) Guidance

EBITDA

EBITDA margin



WE DELIVERED ON BOOSTER PROCEEDS PER COMMITMENT

What we said on February 27th, 2018

Selected regional M&A
opportunities

Return to shareholders

Committed to investment grade
Balance sheet flexibility

Where we are today



€1.9bn M&A in 2018
on 10x EV/EBITDA



Completed share buyback
(1st tranche of €350m)



Solid
BBB- rating

MANTRA
GROUP

MÖVENPICK
HOTELS & RESORTS

mantis

DLG
HOTELS

GEKKO

sbe
ENTERTAINMENT GROUP

adonia

Atton
HOTELS



2

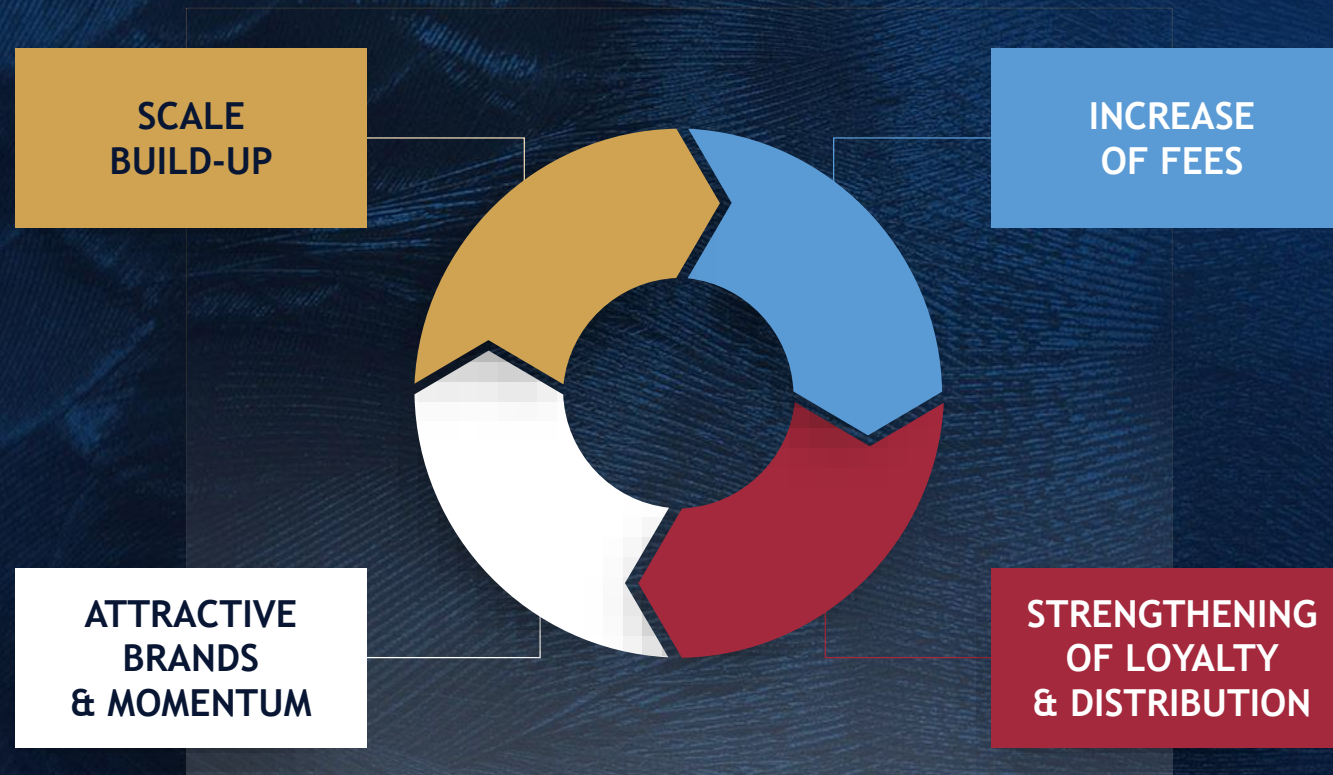


WE HAVE MORPHED IN A NEW MODEL



A SIMPLER VALUE PROPOSITION

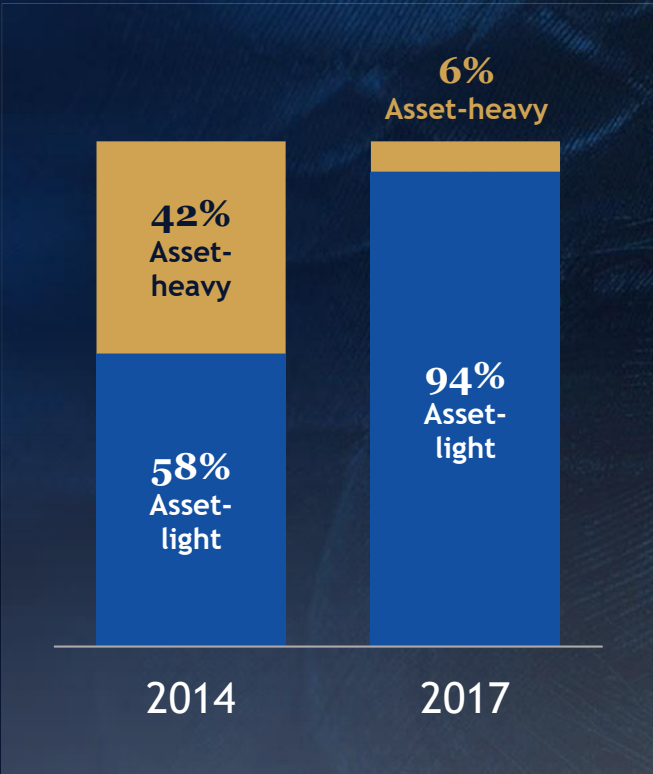
THE ASSET LIGHT VIRTUOUS CIRCLE



WE DELIVERED A RADICAL TRANSFORMATION SHAPING OUR FINANCIALS

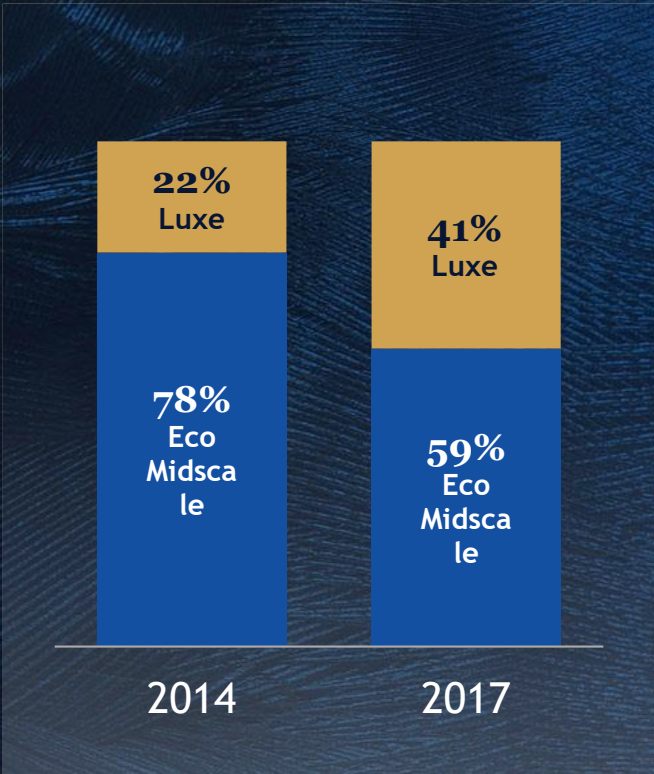
MORE ASSET-LIGHT

(Rooms %)



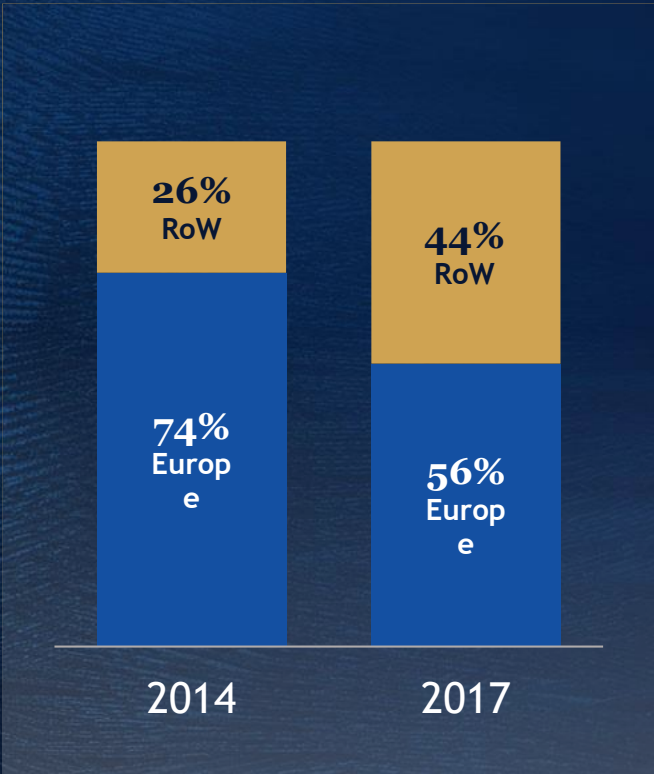
MORE LUXE

(Fee %)



MORE GLOBAL

(Business volume %)



Note: * RoW means Rest of the World



OUR PERFORMANCE IS GROWTH & CASH-FOCUSED

ASSET-LIGHT MODEL

- ▶ Fee-driven top-line
- ▶ Cost effectiveness
- ▶ Limited recurring capex
- ▶ Strong cash-flow generation

KPIs

- ▶ EBITDA
- ▶ Recurring Free Cash Flow⁽¹⁾
- ▶ Dividend payout based on Recurring Free Cash Flow
- ▶ Adjusted EBITDA

(1) Recurring free Cash Flow = EBITDA - CAPEX - Cost of debt - Income Tax - Change in working capital & Other + AccorInvest dividends



FROM A REPORTED EBITDA AT **€622M** TO ADJUSTED EBITDA OF **€911M**

(OF WHICH 80% STRATEGIC AND 20% TACTICAL)

(ALL NUMBERS ARE FY17)

STRATEGIC INVESTMENTS

% stake*	
ACCORINVEST 	€1.25 BN equity value
 HUAZHU HOTELS GROUP LTD.	€760 M market value**

+ €217 M

TACTIC INVESTMENTS

% stake*	
 sbe ENTERTAINMENT GROUP	50%
 mantis	50%
 MAMA SHELTER	50%
 RIXOS SUNGATE	37%
 RISM	33%
 adagio APARTHOTEL	50%
 Atton HOTELS	20%
 25h twenty five hours hotels	30%
 POTEL CHABOT PARIS	40%
 GROUPE NOCTIS COLLECTION DE LIEUX UNIQUES	30%
 nextdoor	50%

+ €54 M

Note: * % stake held by AccorHotels ** as of November 23rd, 2018

Adjusted EBITDA (€911m) = EBITDA (€622m) + Significant investment (€217m) + Other investments (€54m) + Share based-payment (€18m)



3



DRIVING VALUE PER SEGMENT



THREE SEGMENTS WITH SPECIFIC DYNAMICS

	HOTELSERVICES & HOLDING 	HOTEL ASSETS 	NEW BUSINESSES 
Sales Growth	RevPar + 2-4% + System Growth > 5%	RevPar + 2-4% + Asset Rotation	Topline double digit growth
EBITDA	CAGR + 10-12%	CAGR + 5-7%	Breakeven Q4 2019
Recurring Free Cash Flow	CAGR > 10%		



HOTEL ASSETS - TWO KEY GROWTH LEVERS



**REVERSE
MANAGEMENT
LEASES**

2018 Acquisition

MANTRA
GROUP

MÖVENPICK
HOTELS & RESORTS

Asset Rotation

- ▶ Asset rotation to unlock value and strengthen our asset-light profile
- ▶ To be crystallized through building disposals and lease restructuring

Operational excellence

- ▶ Operational excellence to leverage performance and protect margins
- ▶ As demonstrated with AccorInvest

€1bn+
worth of asset value

**80% related to
ownership**

- Minimum Lease payment's Net Present Value discounted at 7% in line with rating agencies methodology
Excluding Sequana



A COMPELLING OPPORTUNITY & EXTENSION OF BOOSTER



#1 Hotel Operator
in Central Eastern Europe
(CEE)



~**130** hotels
~**21k** rooms
~**47** hotels in pipeline



52.7%
of capital owned by
AccorHotels



AccorHotels
Master Franchisor
in CEE (16 countries)



Revenue: **€342m**
EBITDA: **€110m**
(FY17)

Right window of opportunity
post-Booster implementation

Consolidate its leadership in CEE
and accelerate Orbis' development

Improve optionality on Orbis'
asset portfolio management
including monetization of assets



AccorHotels is committed to its Asset Light Strategy



TRANSACTION PARAMETERS

TRANSACTION PARAMETERS

Launch of a unconditional public tender offer on Orbis 47% remaining capital for PLN 87 per share

- ▶ c.20% premium to the last close of PLN72.80 as of 23 November 2018
- ▶ c.3% premium to 6-month VWAP

Implied cash-out of €442m

- ▶ Implied EV/EBITDA 2018E of 8.5x (based on latest EBITDA management guidance)
- ▶ EPS accretive from day one
- ▶ Commitment to remain Investment Grade

NEXT STEPS

Pending approval of
Warsaw Stock
Exchange

Tender offer to
close early **2019**

Subsequent squeeze-out
subject to reaching **90%**
threshold



NEW BUSINESSES – ON THE WAY TO PROFITABLE GROWTH

TOP/BOTTOM LINE OPTIMIZATION FOR OUR HOTEL

VERYCHIC

Exceptional
private sales



New distribution
channels to reach
more corporate
and leisure guests



FASTBOOKING

Digital expertise
for independent
and Accor hotels



Procurement
services in F&B



Distribution platform for restaurants

LEVERAGING SQUARE METERS IN OUR HOTEL



Better meet the needs of nomad workers



Optimize car park occupancy



Optimize kitchen occupancy

EXPERIENCE ENHANCEMENT FOR OUR HOTEL GUESTS

onefinestay

Luxury private rentals



Personalized services for guests

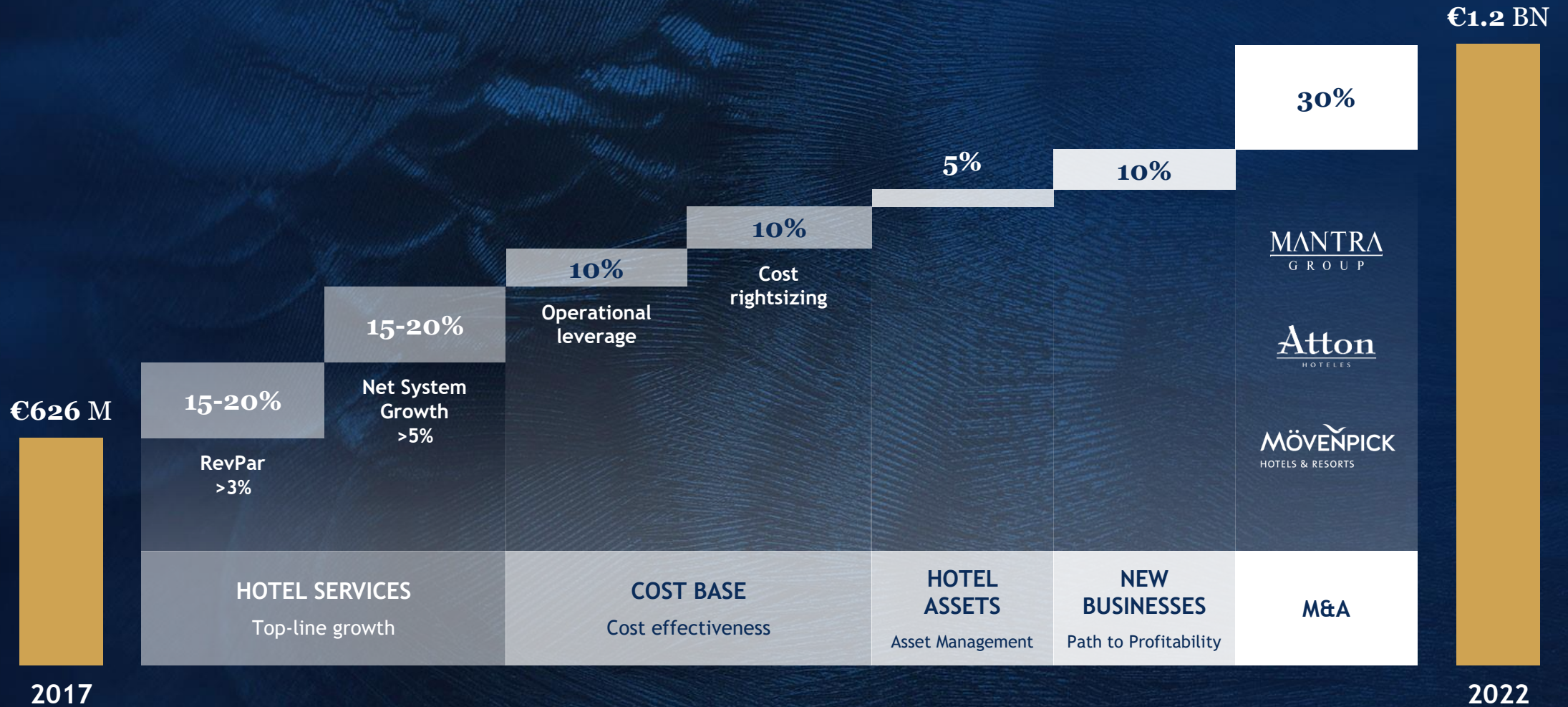


Housekeeping and
Inspection Tech Platform

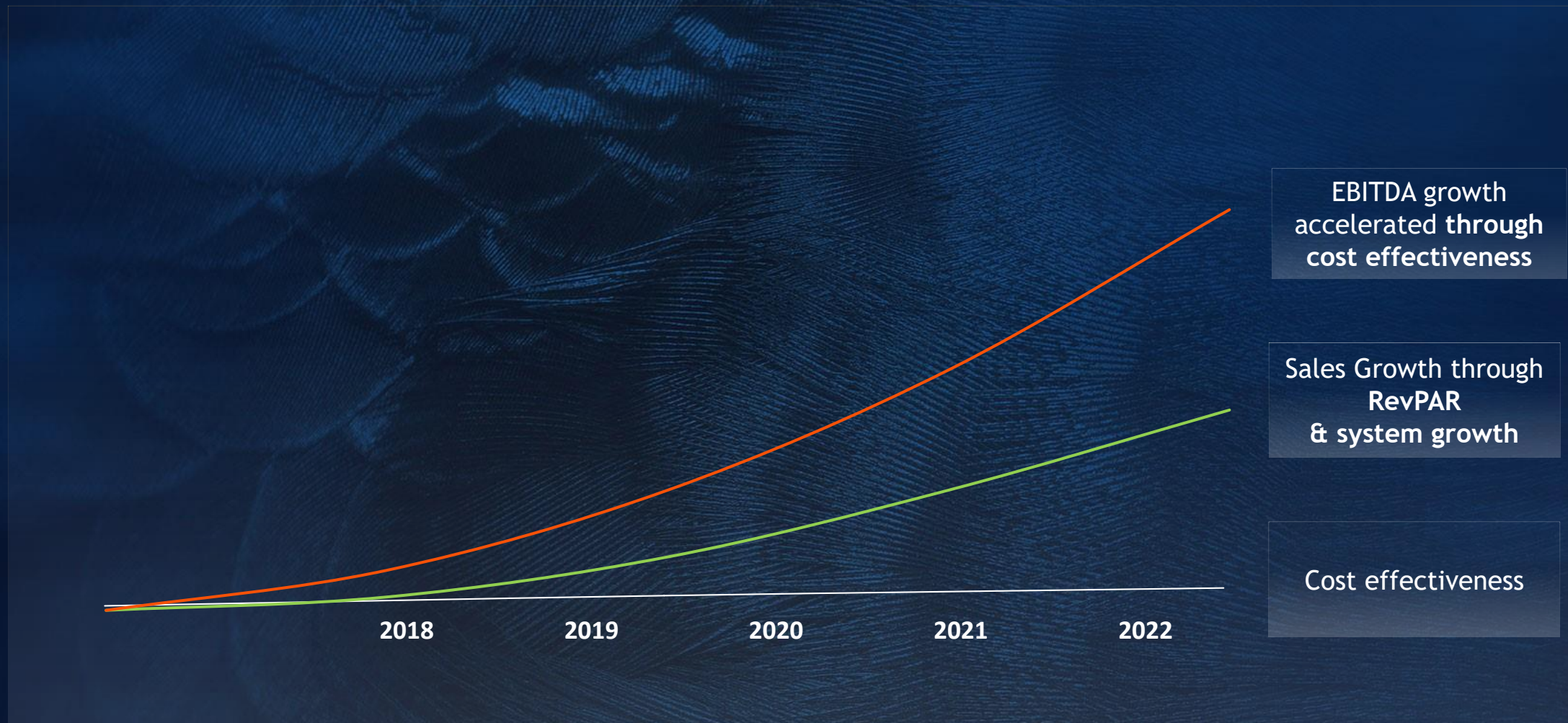
EBITDA breakeven in **Q4 2019**



A CLEAR PATH TO DELIVER €1.2BN EBITDA BY 2022



EBITDA ACCELERATION OVER 5 YEARS



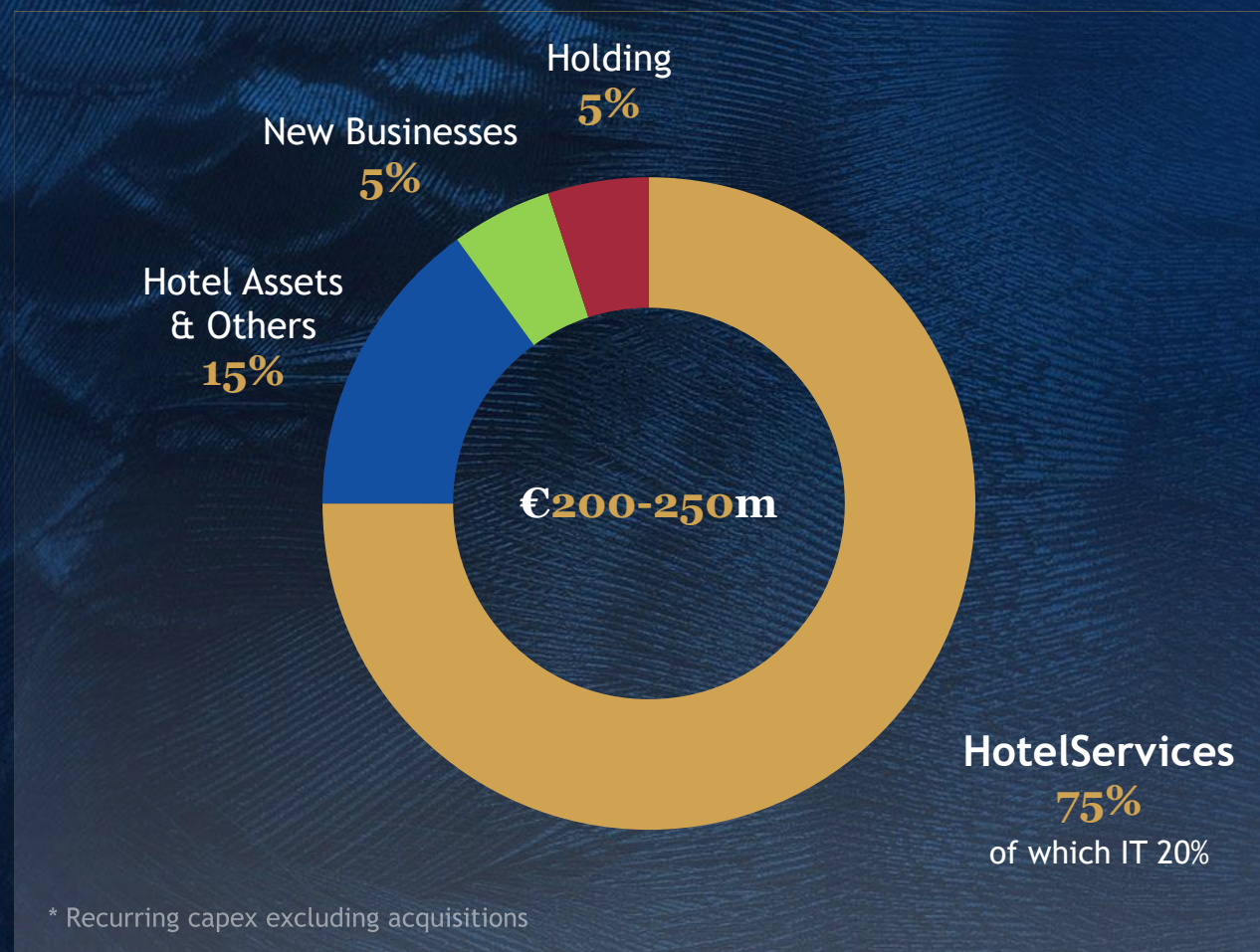
4



A CASH DRIVEN MODEL



€200-250M RECURRING CAPEX* MAINLY TOWARDS DEVELOPMENT



IMPROVED VISIBILITY ON SHAREHOLDERS' RETURN



DISCIPLINED M&A POLICY

Financial Criteria

EBITDA multiple & EPS accretive
(post synergies & ramp-up)

In line with
Credit Profile
strategy



€2.6bn
Value*

21x EV/EBITDA

24
months
→ **13x**

EPS accretive
year 2

Committed to



€1.9bn
Value*

12x EV/EBITDA

→ **9x**

EPS accretive
year 1

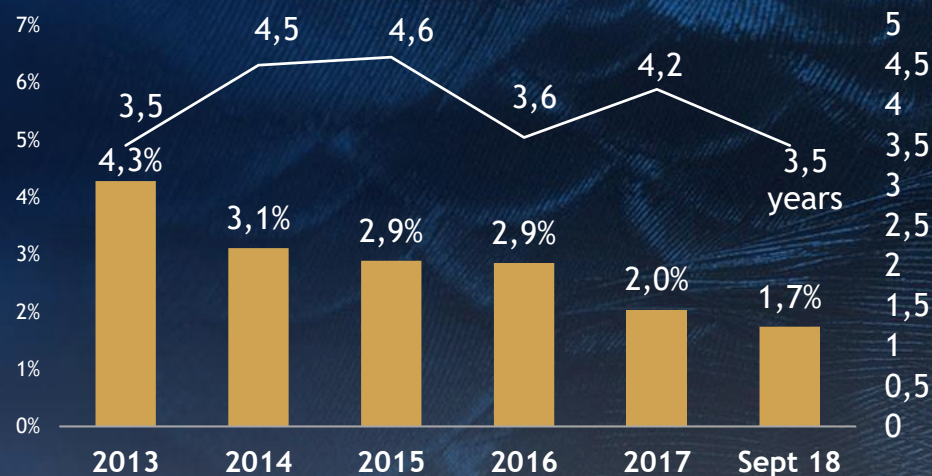
Investment
Grade

* Acquisition post 2015

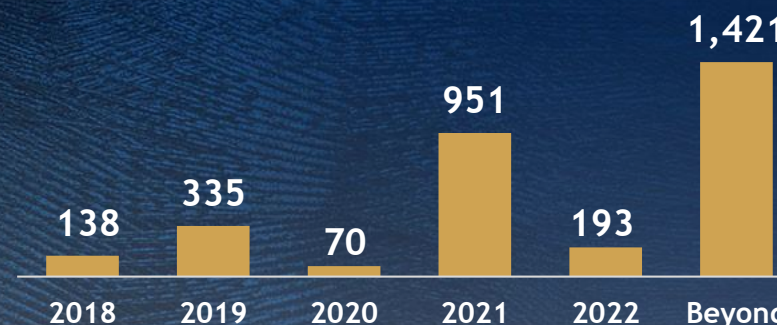


A ROBUST BALANCE SHEET ENABLING STRATEGY

IMPROVING COST OF DEBT AND MATURITY



IFRS DEBT REPAYMENT SCHEDULE



AMPLE LIQUIDITY OF €4.6BN

€3.4bn cash available⁽³⁾

€1.2bn Revolving Credit Facilities^{(1) (3)}

INVESTMENT GRADE

Adjusted Net Debt / EBITDA
<2.5x-3.0x

Adjusted FFO⁽²⁾ / Net debt
>25%-30%

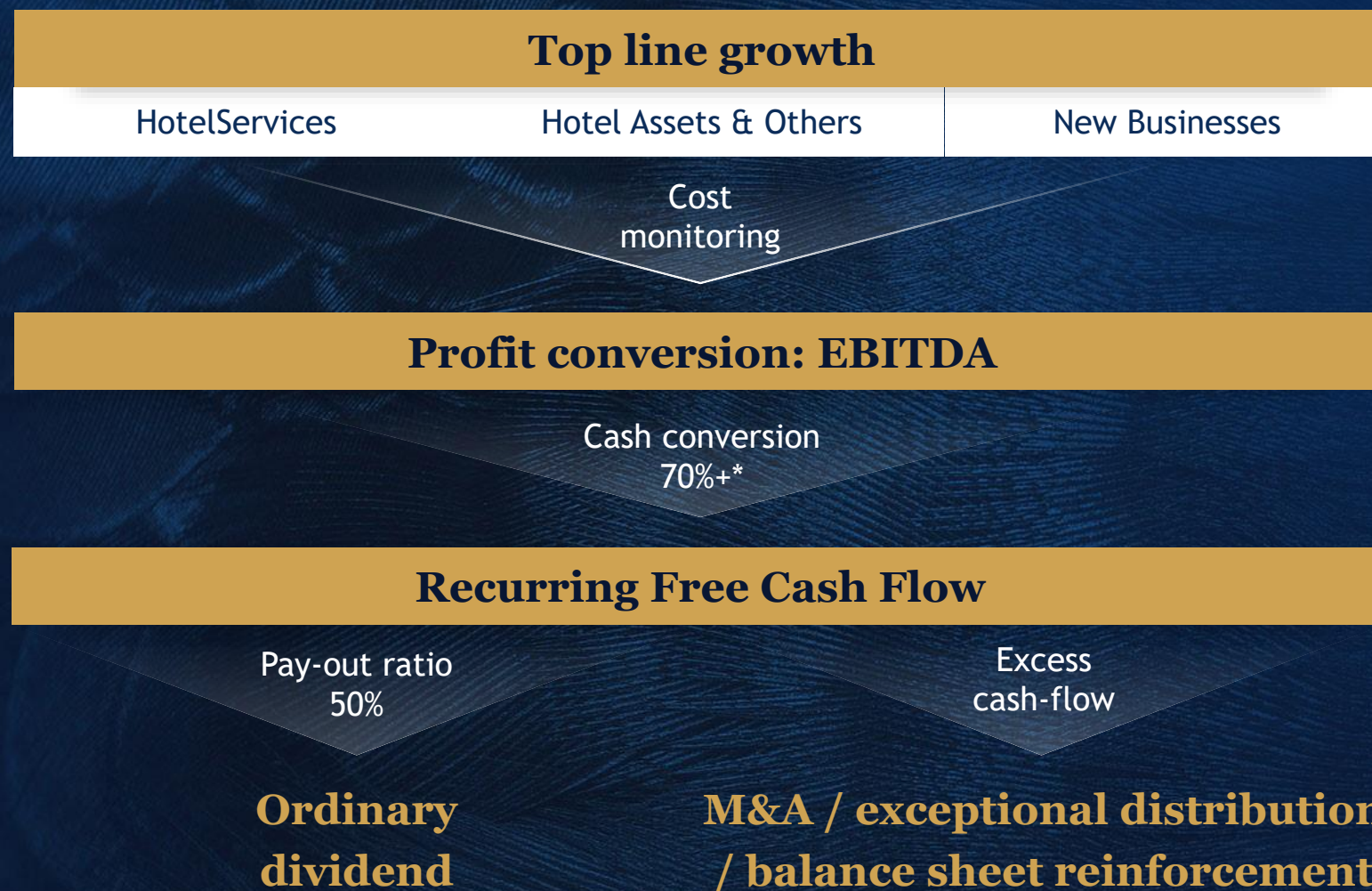
(1) 5-year (+2 one -year extension options) maturity

(2) FFO: Funds From Operation as per S&P methodology

(3) As of end-September 2018



ACCORHOTELS BUSINESS MODEL AT A GLANCE



Note: * Cash conversion defined as NOI conversion (EBITDA - Recurring CAPEX)/EBITDA

ACCORHOTELS | Capital Market Day - November 27, 2018



INVESTMENT THESIS

- 1 | AccorHotels is a unique value proposition, #1 in all regions (excl. the US and China)
- 2 | Our model is well-balanced, diversified and shaped to face disruption
- 3 | We deliver a simple asset-light, cash-generative and self-deleveraging model
- 4 | We create value applying a disciplined M&A policy
- 5 | We confirm our ambitions for the long-term guidance





CLOSING REMARKS



Sébastien Bazin
Chairman & CEO



KEY TAKEAWAYS

Strong confidence in AccorHotels ambition

outlined today for two simple reasons

We have completed the transformation phase and enter now into the execution of the asset light strategy

AccorHotels has all features to be successful

- ◆ Brands
- ◆ Geographic presence
- ◆ Pipeline
- ◆ Partners
- ◆ Financial Means
- ◆ Technology
- ◆ Teams

AccorHotels will double its EBITDA over 5 years



Q&A





INVESTOR DAY

November 27th, 2018

RAFFLES

ORIENT  EXPRESS

BANYAN TREE

SOFITEL
LEGEND

Fairmont

SO

SOFITEL

onefinestay

RIXOS

mantis



pullman

swissôtel

ANGSANA

25h
twenty five hours hotels

Art Series

MÖVENPICK

GRAND MERCURE

PEPPERS

THE
SEBEL

mantra

NOVOTEL

Mercure

adagio

MAMA
SHELTER

BreakFree

ibis

ibis
STYLES

ibis
budget

JO&
JOE

hotelF1