

Combined Shareholders' Meeting

Tuesday, April 30, 2019



ACCOR

1

Sébastien Bazin
Chairman
& Chief Executive Officer



2

*Besma Boumaza
Group General Counsel
& Board Secretary*



3

Jean-Jacques Morin
Deputy Chief Executive Officer



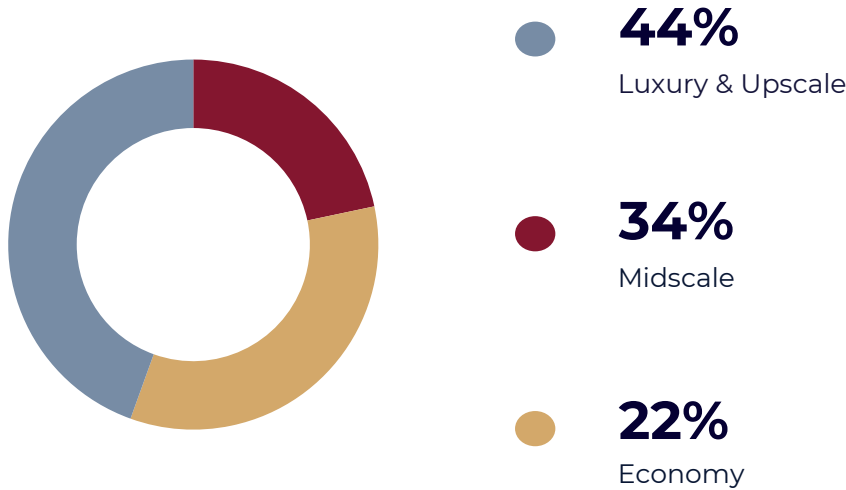
2018: another record year

Business volume	Revenue	EBITDA	EBIT	Rec. FCF
€20bn + 19% excl. forex	€3,610m +8.8% L/L	€712m +8.0% L/L	€550m + 10.7%	€529m +22%

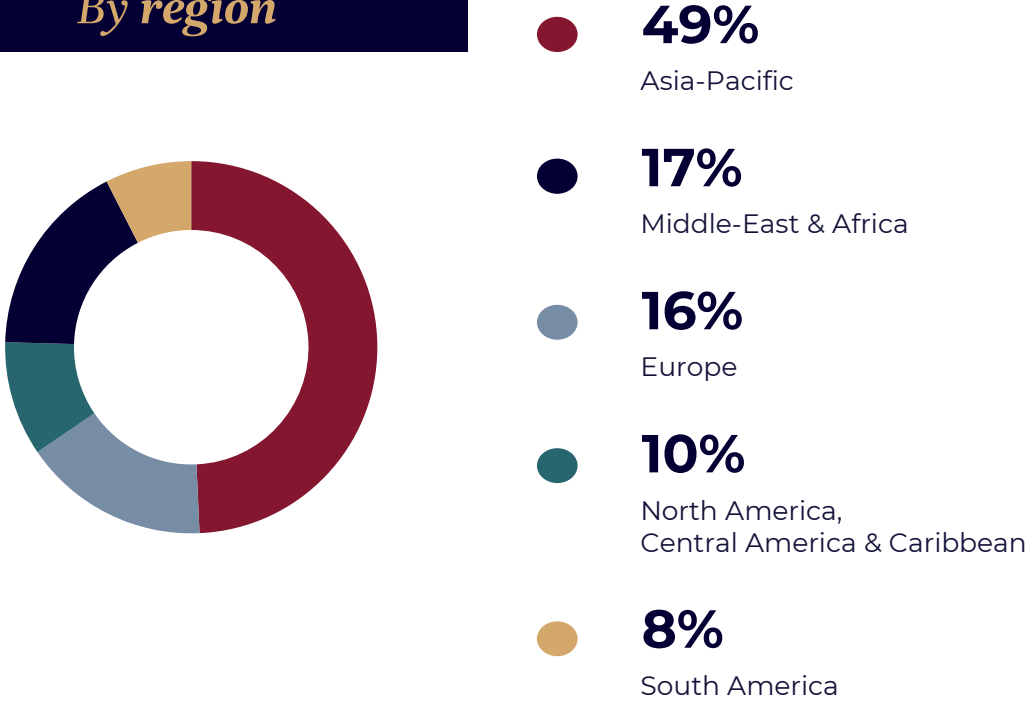


100,000 rooms opened in 2018

By segment



By region



Organique

300 hotels
44k rooms



138 hotels
25k rooms



86 hotels
21k rooms



18 hotels
7k rooms



10 hotels
2k rooms



8 hotels
1k rooms



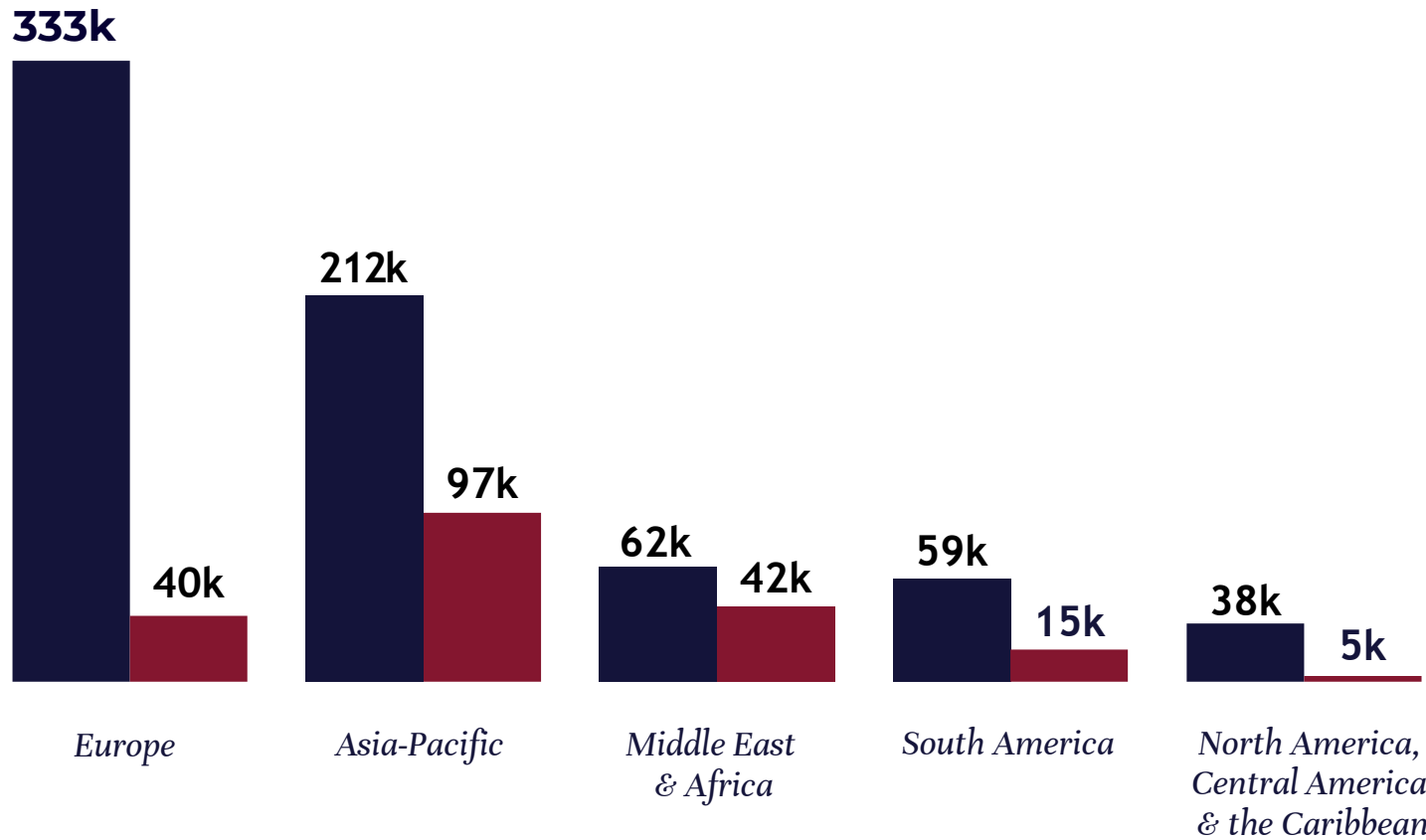
28 hotels
1k rooms

Total
588 hotels
100k rooms



5% net portfolio growth

AT DECEMBER 31, 2018 – IN ROOMS



Network	
Hotels	4 780
Rooms	704k
Countries	100

Pipeline	
Hotels	1 118
Rooms	198k



October 2018: Novotel Bangkok Sukhumvit – Thailand



June 2018: Mercure Shanghai Hongqiao Soho – China



March 2018: Fairmont Austin – USA



December 2018: Ibis Styles Amsterdam Schiphol – Netherlands



Strong revenue growth in all segments

<i>In € millions</i>	2017	2018	Reported change	L/L change
Hotel Services	2,484	2,618	+ 5.4%	+ 8.4%
Hotel Assets	752	1,086	+ 44.5%	+ 8.4%
New Businesses	100	149	+ 49.4%	+ 2.4%
Holding & Intercos	(248)	(243)	N/A	N/A
Total	3 087	3 610	+ 16.9%	+ 8.8%



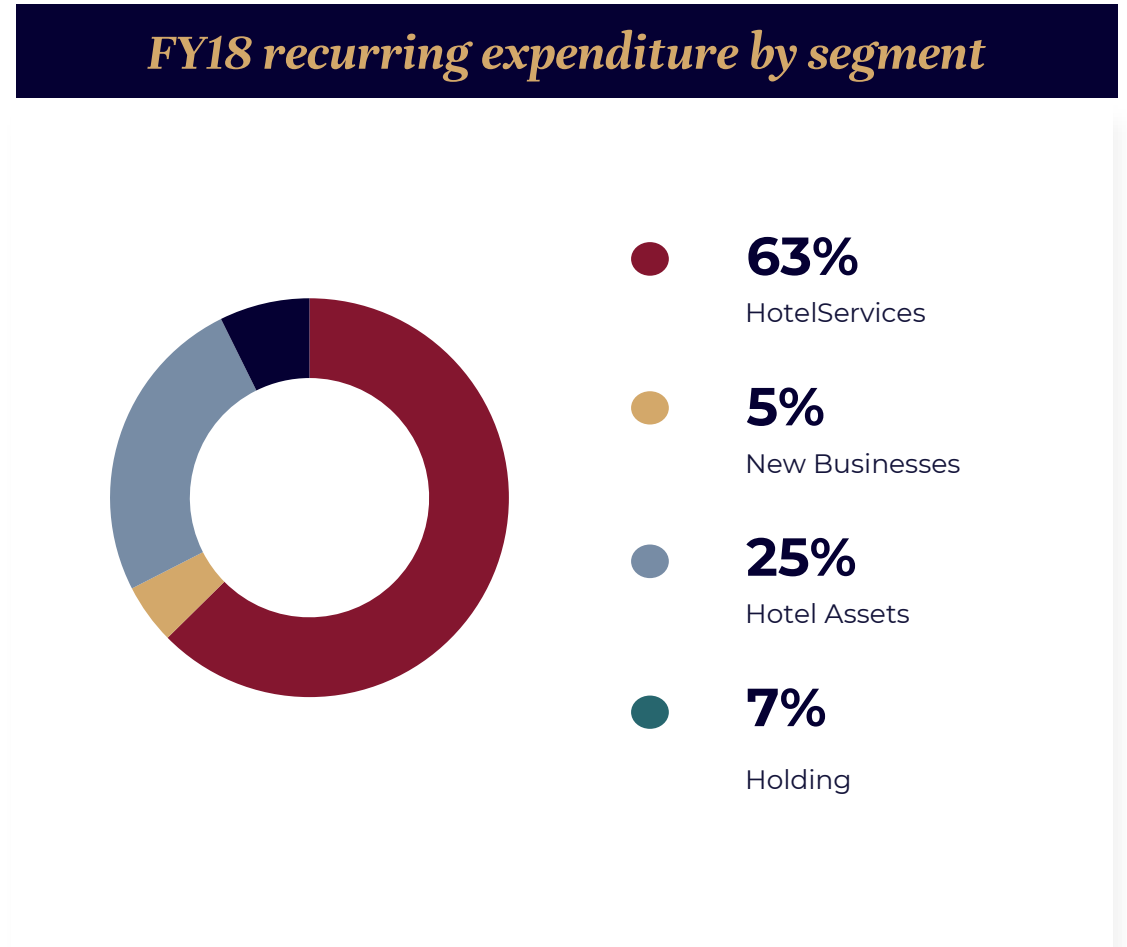
Net profit of €2.2bn with sale of AccorInvest

<i>In € millions</i>	2017	2018
EBITDA	622	712
Depreciation, amortization and provision expenses	(126)	(162)
EBIT	497	550
Share of net profit of associates and joint ventures	28	80
Non-recurring items	(99)	(401)
Operating profit	425	229
Net financial expense	(53)	(67)
Income tax	43	(119)
Minority interests	36	52
Profit from continuing operations	379	(8)
Profit from discontinued operations	67	2 241
Net profit for the year	446	2 233



High profitability and cash conversion rate of 83%

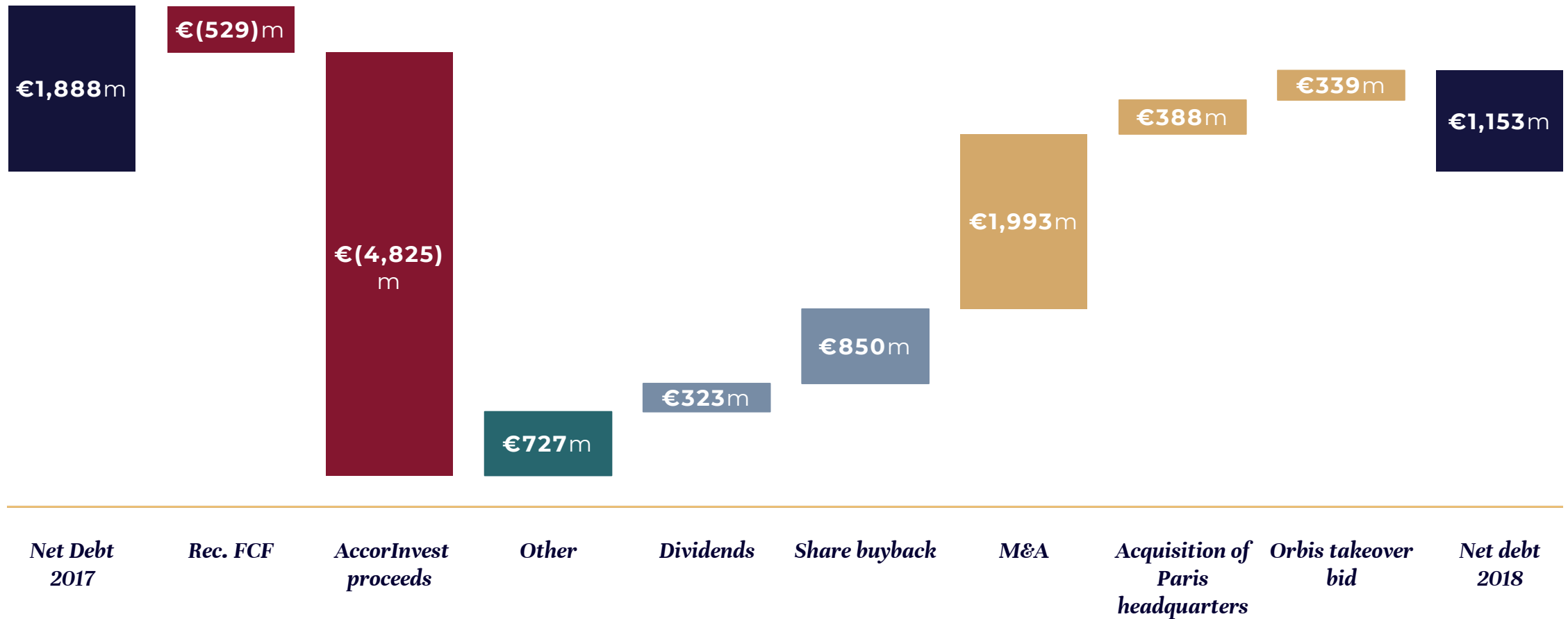
<i>In € millions</i>	2017	2018
EBITDA	622	712
Cost of net debt	(71)	(53)
Income tax (cash)	(51)	(130)
Non-cash items & other	54	89
Funds from operations	555	617
Recurring expenditure	(161)	(124)
Change in working capital	41	36
Recurring free cash flow	435	529
Cash conversion rate(1)	74%	83%



⁽¹⁾ Cash conversion rate = (EBITDA – recurring expenditure) / EBITDA

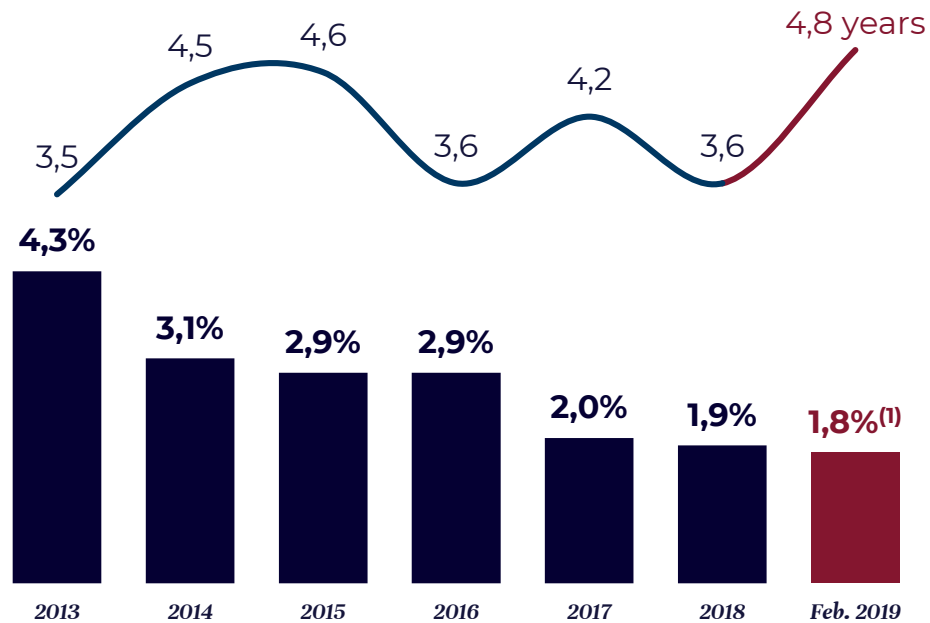


Swift redeployment of proceeds from AccorInvest sale



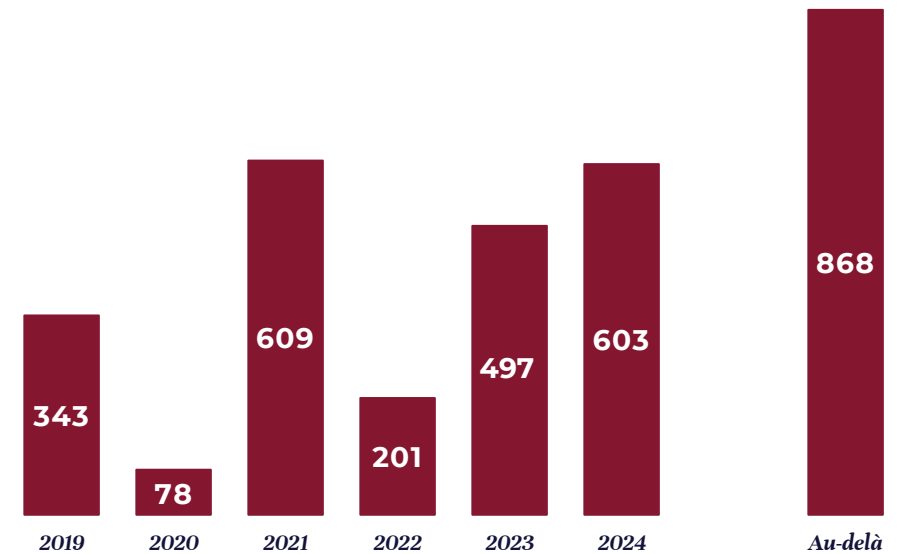
A solid balance sheet made even stronger

Cost of debt optimized Average maturity extended



⁽¹⁾ Cost of debt includes the repayment of the €335 million 2.5% bond issue maturing in March 2019.

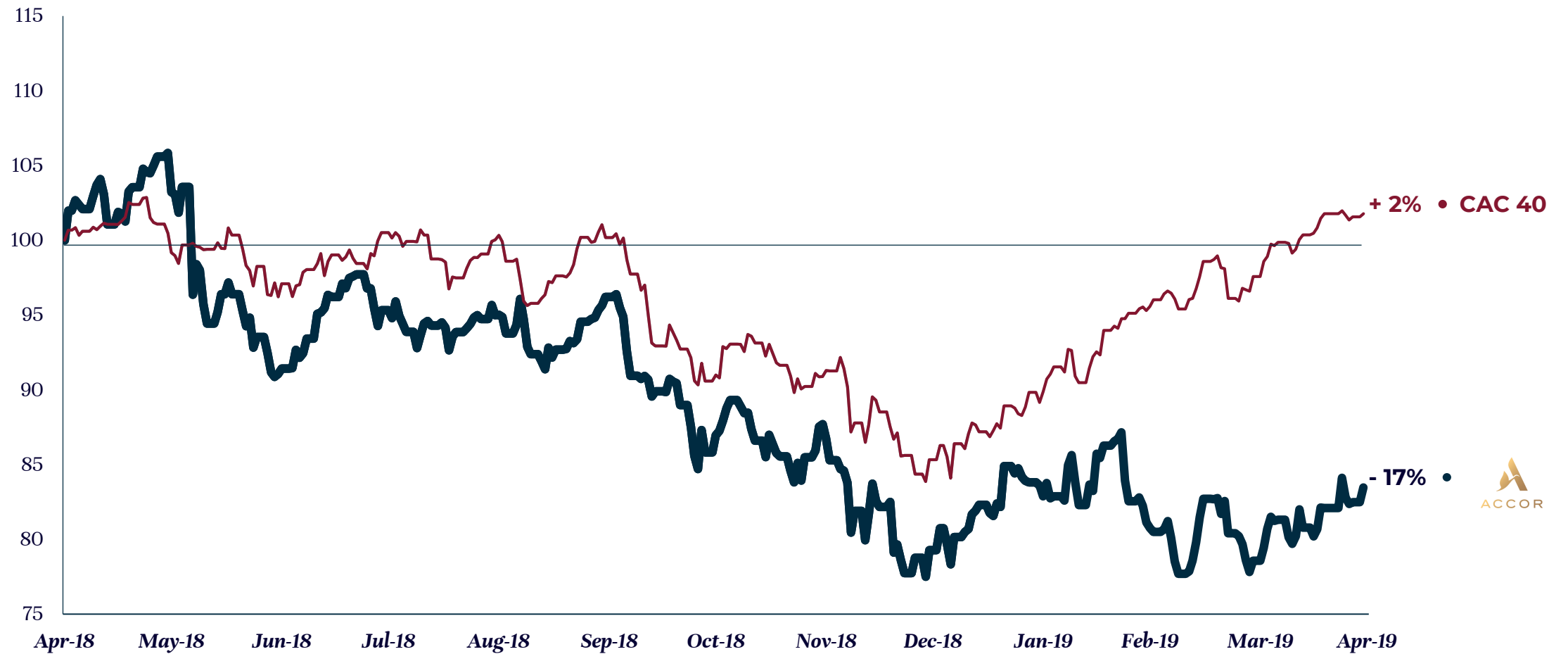
IFRS debt repayment schedule⁽²⁾



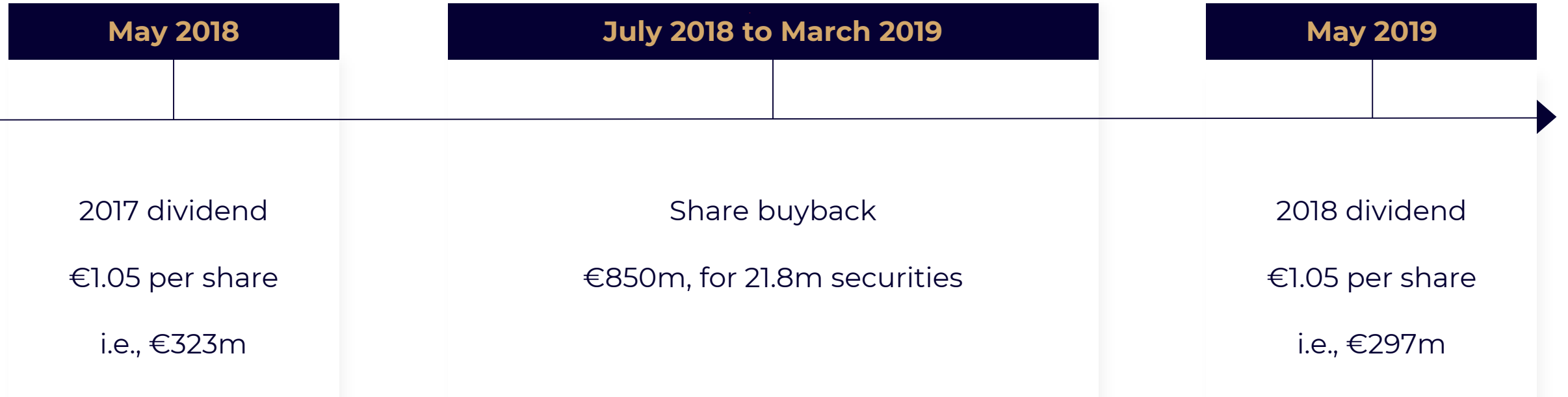
⁽²⁾ As of February 2019.



Accor share performance vs. CAC 40 index

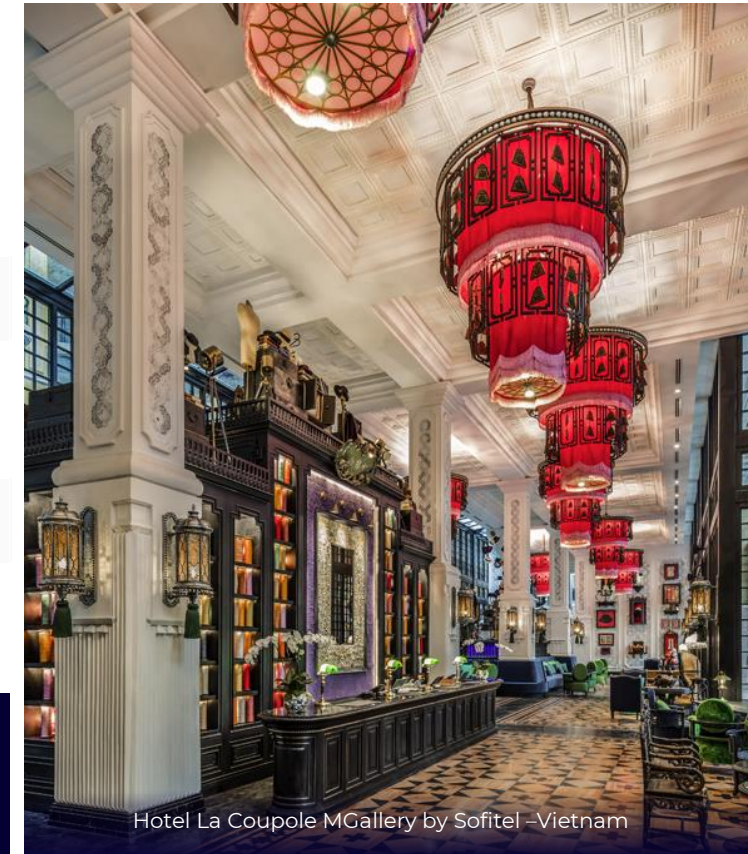


Shareholder return in 2018



Q1 2019 revenue growth of 8.8% L/L

<i>In € millions</i>	Q1 2018	Q1 2019	Reported change	L/L change
Hotel Services	569	645	+13.5%	+7.3%
Hotel Assets & Other	157	323	+106.0%	+8.9%
New Businesses	31	37	+22.0%	+10.0%
Holding & Intercos	-21	-19	N/A	N/A
Total	735	987	+34.2%	+8.8%



Solid prospects

- ◇ Continue growing EBITDA toward **2022 target of €1.2bn**
- ◇ Finalize **integration of 2018 acquisitions**
- ◇ Maintain **high level of cash conversion**
- ◇ Consolidate **asset-light model**

Rixos Premium Bodrum - Turkey



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Sébastien Bazin
Chairman
& Chief Executive Officer



2018, a turning point

Move to an asset-light model

ACCOR **INVEST** 

Sale of **65%**

€4.8bn cash proceeds

93% of portfolio now managed or franchised

Investment of sale proceeds

€2bn in acquisitions

MANTRA
GROUP

sbe

Atton
HOTELS

mantis
HOTELS AND ECO ESCAPES

adoria

GEKKO GROUP

ResDiary™

MÖVENPICK
Hotels & Resorts

€850m in share buybacks

Priorities of new strategic model

Global sales

Distribution & Loyalty

Marketing

Leverage the strengths of our brands

Talent & Culture

Adapt our resources



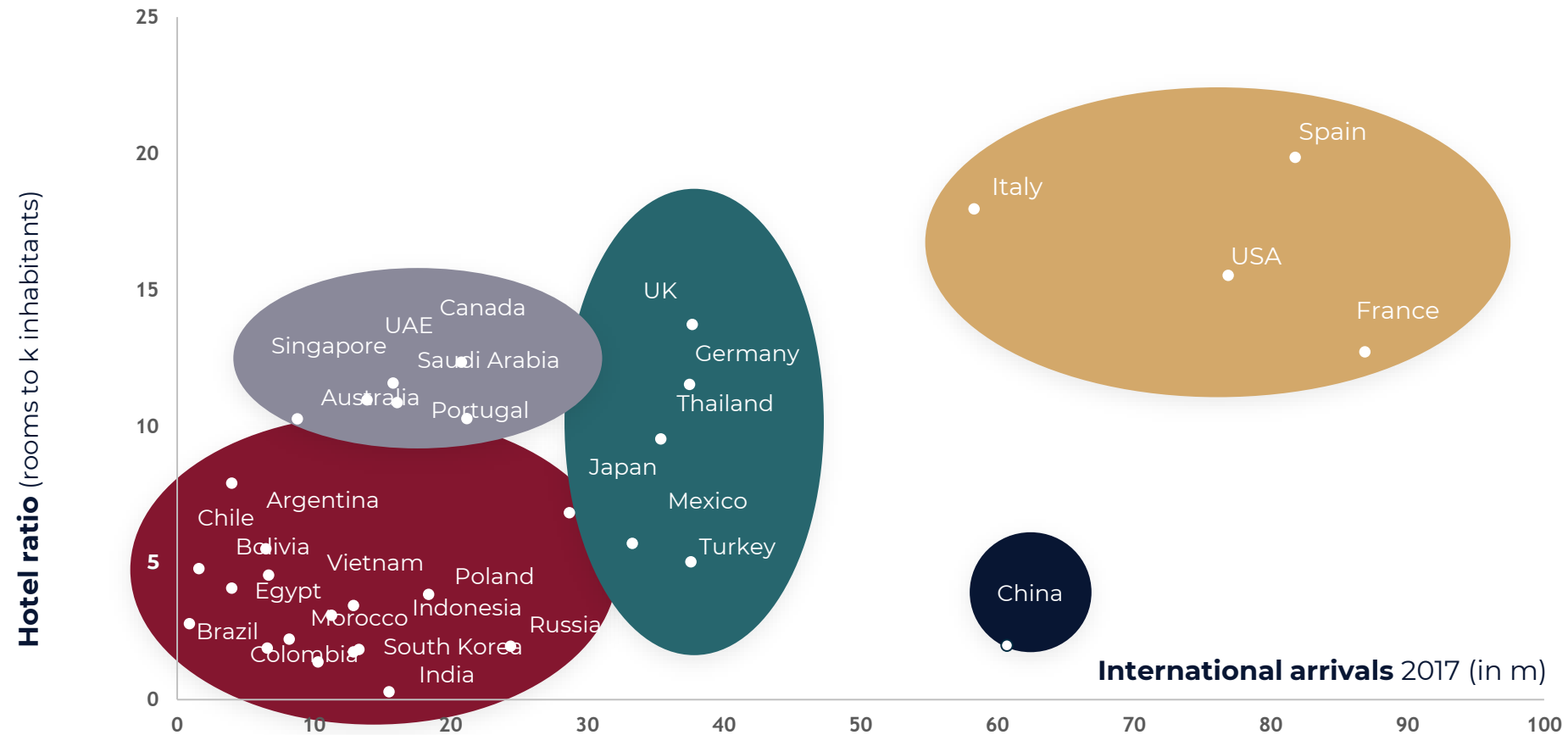
Results in line with our medium-term targets

KPI	Medium-term target	2018 achievement
RevPAR	> +3% CAGR	+5.6%
Net portfolio growth	+5%	+5.0%
HotelServices & Holding EBITDA growth	+10-12%	+10.7%
Recurring free cash flow growth	> 10% CAGR	+22%
Cash conversion rate(1)	> 70%	83%

⁽¹⁾ Cash conversion rate = net operating income conversion rate = (EBITDA – recurring expenditure) / EBITDA



Strong potential for development in our core markets



Secondary destinations with low hotel ratio (rooms to k. inhabitants)

Secondary destinations with high hotel ratio (rooms to k. inhabitants)

Major destinations with medium hotel ratio (rooms to k. inhabitants)

Top tourist destinations with high hotel ratio (rooms to k. inhabitants)



Strategic priorities of the new asset-light model

Talent & Culture

Let our people
shine

Retain key talent and
build **expertise**

Implement
transformation plan
launched end-November
2018

Distribution & Loyalty

Optimize **traffic**
and **distribution**

Launch a new brand and loyalty
promise to increase:

- **Frequency of usage** of our ecosystem
- Customer **engagement** and **satisfaction**

Marketing

Enhance **brand awareness**
to drive additional RevPAR

Optimize return on
investment

Strengthen our
**employer & corporate
brand**



Empowering our people

Attracting talent

80,000
new hires in 2018

54%
of employees under 35

Improving gender diversity

35%
of women hotel managers

Less than 5%
gender pay gap
in equivalent positions

Developing skills

91%
of employees
trained in 2018

1,000
in-house instructors trained
by Accor Académie



Community outreach, a Group pillar for 25 years

Accor, the industry CSR leader



Huge impact thanks to employee commitment

8.3% reduction in CO₂ emissions between 2015 and 2018; 7m trees planted since 2009; 82% of hotels involved in local projects



CSR embedded in all aspects of the company

Design, purchasing, innovation, Talents & Culture, catering, marketing, etc.



Accor Solidarity – Our community outreach body

43 projects supported in 14 countries
More than 1,000 employees involved
10,000 direct and 130,000 indirect beneficiaries

An approach incorporated into our new asset-light model



Offering **our hotel owners** services to optimize economic, social and environmental performance



Enhancing brand engagement to **involve our guests in our CSR approach**

An ambitious marketing and loyalty strategy

- ◇ Boost our loyalty efforts
Align our practices with best-in-class
- ◇ Enhance our visibility and the
performance of the loyalty program
- ◇ Transform our engagement strategy

Rixos Saadiyat Island Abu Dhabi – United Arab Emirates



Leveraging augmented hospitality

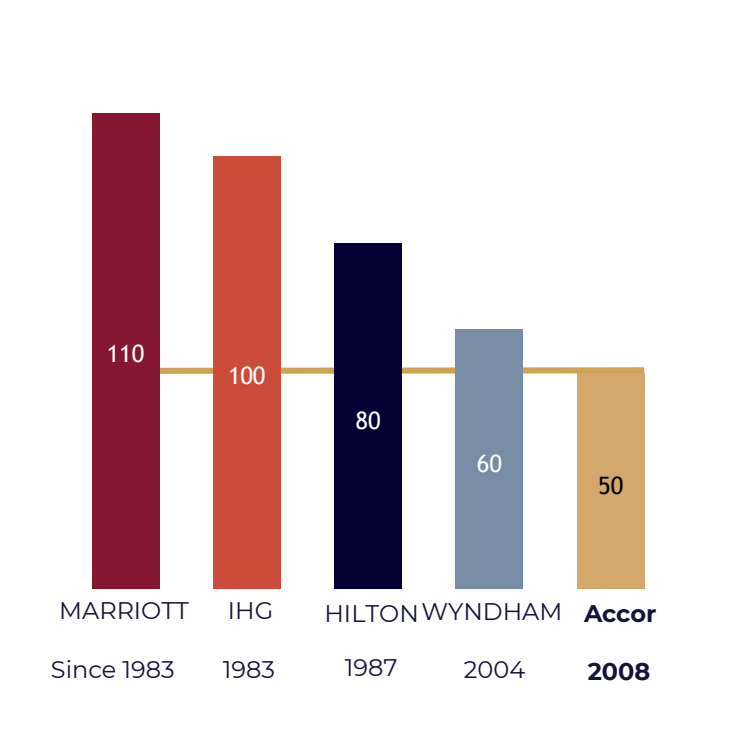


Multiplying touchpoints with our guests

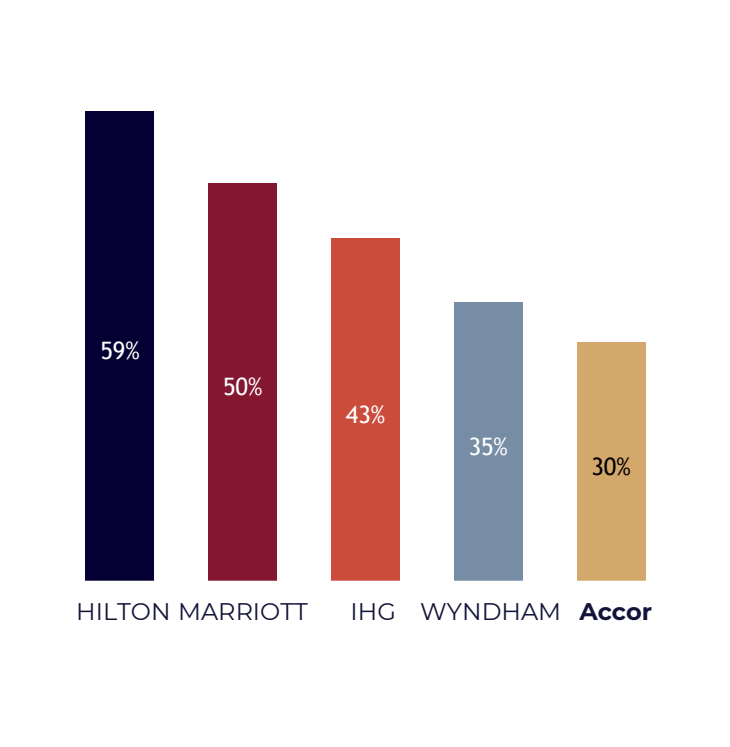


High-growth-potential partnerships

Members In millions of members



Contribution



High growth potential linked to partnerships

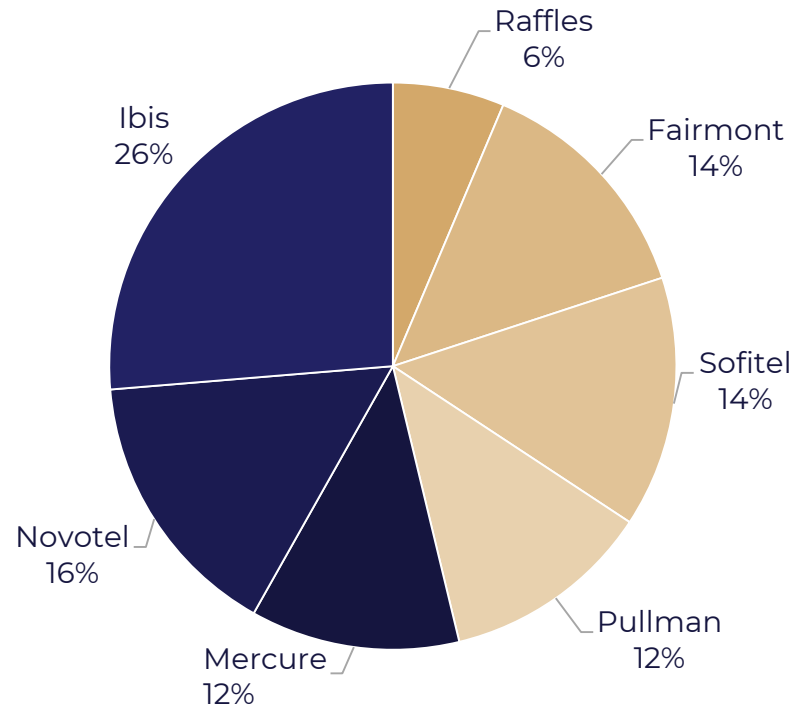


Marketing: building strength and developing our brands

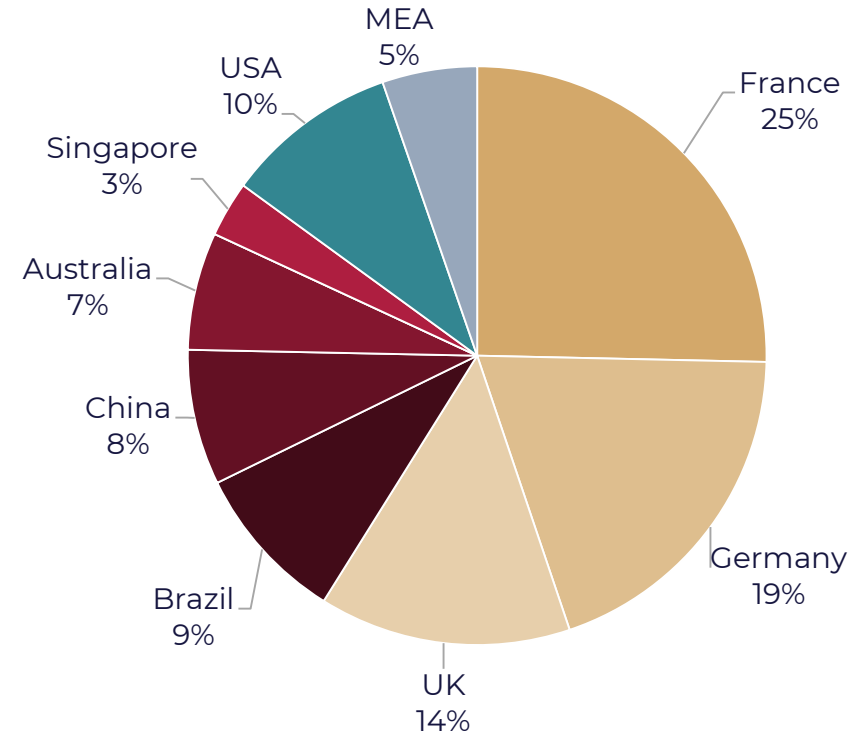


Marketing spend focused on the Group's key brands and markets

Breakdown by brand



Breakdown by market



€225m investment: €60m in additional EBITDA from 2021

€225m in investments



Loyalty program

Support the transformation of our new loyalty strategy



Partnerships

Amplify experiences and boost awareness of our brands via new partnerships



Brand marketing

Improve the perception of our brands
Transition from functional to experiential

€60m incremental EBITDA through 3 levers



10pt rise in contribution from loyalty program



>€100m partnership revenue

via increased attractiveness and use of the program



>3pt RevPAR increase

from brand marketing initiatives and partnerships



We are tackling the future with great confidence

The Group has everything it needs to succeed



We have completed a major transformation phase and are now starting to execute our asset-light strategy

Strong brands

Global geographic coverage

Development pipeline

Partners

Financial strength

Technology

Teams

Accor aims to double EBITDA within five years



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Governance
Besma Boumaza



Membership of the Board of Directors

(AFTER THE SHAREHOLDERS' MEETING)

- ◇ **11** directors (of which **2** directors representing employees)
- ◇ **55%** of directors are independent
- ◇ **44%** of directors are women



Board of Directors' work in 2018

- ◇ **12 meetings** with an average attendance rate of 78%

Key topics covered : **Finalization** of Booster

Approval of acquisitions, investments and partnerships

Launch of a public tender offer on Orbis shares

Implementation of a share buyback program



Board Committees

- ◇ 4 specialized committees

Audit, Compliance & Risks Committee
(6 members)

Commitments Committee
(5 members)

Appointments, Compensation & CSR Committee
(8 members)

International Strategy Committee
(5 members)



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*Report of the Appointments,
Compensation & CSR
Committee
Sophie Gasperment
Committee chairman*



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*Statutory Auditors'
Reports
Jean-Christophe Goudard
EY*



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*Presentation of the
resolutions
Besma Boumaza*



First and second resolutions

APPROVAL OF THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Consolidated revenue:	€3.61 billion
	—
Net profit, Group share:	€2.23 billion
	—



Third resolution

APPROPRIATION OF PROFIT AND DIVIDEND PAYMENT

- ◇ Ordinary dividend of €1.05 per share
- ◇ Payment in cash
- ◇ Payment date: May 14, 2019



Fourth to tenth resolutions

RE-ELECTION OF DIRECTORS

Re-election for a statutory three-year term of the following directors:



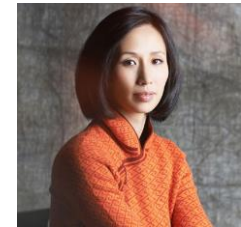
Sheikh Nawaf
Bin Jassim Bin Jabor Al-Thani



Aziz
Aluthman Fakhroo



Sophie
Gasperment



Qionger
Jiang



Nicolas
Sarkozy



Isabelle
Simon



Sarmad
Zok



Eleventh to fourteenth resolutions

APPOINTMENT AND RENEWAL OF THE STATUTORY AND ALTERNATE AUDITORS

- ◇ Statutory Auditors: PricewaterhouseCoopers and EY
- ◇ Alternate Auditors: Patrice Morot and Auditex



Fifteenth and sixteenth resolutions

APPROVAL OF RELATED-PARTY AGREEMENTS

- ◇ Related-party agreement with Katara Hospitality relating to the creation of an investment fund dedicated to hotel development in Africa
- ◇ Related-party agreement with Kingdom Hotels (Europe) LLC relating to the acquisition of Mövenpick Hotels & Resorts Management AG



Seventeenth and eighteenth resolutions

COMPENSATION OF THE CHAIRMAN & CEO AND DEPUTY CEO FOR 2018

- ◇ **Ex post say on pay (2018):** shareholder vote on the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded to Sébastien Bazin, Chairman and Chief Executive Officer, and Sven Boinet, Deputy Chief Executive Officer, for the year ended December 31, 2018



Nineteenth resolution

COMPENSATION POLICY APPLICABLE TO THE CHAIRMAN AND CEO FOR 2019

- ◇ **Ex ante say on pay (2019):** shareholder vote on the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind to be awarded to the Chairman and Chief Executive Officer in respect of 2019



Twentieth resolution

AUTHORIZATION TO TRADE IN THE COMPANY'S SHARES

- ◇ Maximum number of shares that may be acquired: 10% of the share capital
- ◇ Maximum purchase price: €70 per share
- ◇ Maximum investment: €1.96 billion
- ◇ Buyback excluded in public offer period
- ◇ Duration: 18 months



Twenty-first resolution

AUTHORIZATION TO REDUCE THE CAPITAL BY CANCELING SHARES

- ◇ Maximum : 10% of the share capital
- ◇ Duration : 24 months



Twenty-second to twenty-eighth resolutions

FINANCIAL AUTHORIZATIONS TO INCREASE THE COMPANY'S CAPITAL

- ◇ Issue of shares **with** pre-emptive subscription rights for a maximum amount of 50% of the share capital
- ◇ Issue of shares **without** pre-emptive subscription rights, through tender offer or reserved offer, for a maximum amount of 10% of the share capital
- ◇ Utilization excluded in tender offer period
- ◇ Maximum issue: 50% of the share capital for the capital increases carried out under the 22nd to 27th resolutions and 10% of the share capital under the 23rd and 26th resolutions



Twenty-ninth and thirtieth resolutions

EMPLOYEE SHARE OWNERSHIP

- ◇ Issue of shares reserved for employees who are members of a Group employee share ownership plan
- ◇ Issue of securities reserved for employees under an employee share ownership transaction
- ◇ Maximum of 2% of the share capital



Thirty-first and thirty-second resolutions

GRANTS OF FREE SHARES TO EMPLOYEES AND EXECUTIVE OFFICERS

- ◇ Maximum of 2.5% of the share capital
- ◇ Subject to performance conditions
- ◇ Shares granted to executive officers capped at 15% of the total number of shares granted



Thirty-third 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 Lead Independent Director and comprising three independent directors, after consulting a financial advisor



Thirty-fourth resolution

POWERS TO CARRY OUT FORMALITIES



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Q&A





RAFFLES \ ORIENT EXPRESS \ BANYAN TREE \ DELANO \ SOFITEL LEGEND \ FAIRMONT \ SLS \ SO \ SOFITEL \ THE HOUSE OF ORIGINALS
RIXOS \ ONEFINESTAY \ MANTIS \ MGALLERY \ 21C \ ART SERIES \ MONDRIAN \ PULLMAN \ SWISSÔTEL \ ANGSANA
25HOURS \ HYDE \ MÖVENPICK \ GRAND MERCURE \ PEPPERS \ THE SEBEL \ MANTRA \ NOVOTEL \ MERCURE \ ADAGIO
MAMA SHELTER \ TRIBE \ BREAKFREE \ IBIS \ IBIS STYLES \ IBIS BUDGET \ JO&JOE \ HOTELF1