



Press Release

PARIS, OCTOBER 17, 2019

***Q3 2019 Revenue of
€1,049 million
+10.9% as reported
+4.1% like for like***

**FULL-YEAR 2019 EBITDA TARGET
BETWEEN €820 MILLION AND €840 MILLION**

Sébastien Bazin, Chairman and CEO of Accor, commented:

"Accor's third quarter performance was solid, validating the quality of its asset-light model in a mixed international environment. The Group once again generated solid revenue growth with steady supply growth and a record-setting pipeline. At the same time, Accor continued to execute its strategy, making progress on the sale of its remaining real estate activities, and on the launch of ALL, the Group's new distribution platform and loyalty program, in the near future."

Group revenue in third-quarter 2019 was €1,049 million, up 10.9% as reported and 4.1% on a like-for-like basis.

RevPAR increased by 0.7%, with performances varying by region: Europe was relatively resilient (+1.2%), while Asia-Pacific recorded a slight decline (-1.1%), mainly due to the environment in China.



Changes in the scope of consolidation (acquisitions and disposals) had a positive impact of €49 million (+5.2%), largely due to the contributions of Mövenpick, which has been consolidated since September 2018.

Currency effects had a positive impact of €15 million (+1.6%), mainly owing to the appreciation of the US dollar against the euro (+4.4%).

During the third quarter, Accor opened 60 hotels with 8,500 rooms. At end-September 2019, the Group's portfolio totaled 726,345 rooms in 4,946 hotels and the pipeline represented 1,181 hotels corresponding to 205,000 rooms.

Strong growth in consolidated revenue

Consolidated third-quarter 2019 revenue totaled **€1,049 million, up 4.1% like-for-like (LFL)** and **up 10.9% as reported** compared with third-quarter 2018.

In € millions	Q3 2018 ⁽¹⁾	Q3 2019	Change (as reported)	Change (LFL) ⁽²⁾
HotelServices	679	760	+11.8%	+6.5%
Hotel Assets	244	273	+11.8%	(0.7)%
New Businesses	40	42	+3.3%	+3.0%
Holding & Intercos	(18)	(26)	N/A	N/A
TOTAL	945	1,049	+10.9%	+4.1%

⁽¹⁾ Proforma financial information. Breakdown of adjustments in the Q3 revenue presentation.

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

HotelServices revenue

HotelServices, which operates 4,946 hotels (726,345 rooms) under management contracts and franchise agreements at end-September 2019, reported a 6.5% like-for-like increase in revenue to **€760 million**. This improvement confirms the resilience of our business model in a mixed economic environment.

Management & Franchise (M&F) revenue increased by 5.2% on a like-for-like basis to **€272 million**, reflecting RevPAR growth and the development of the Group's network.



In € millions	Q3 2018 ⁽¹⁾	Q3 2019	Change (LFL) ⁽²⁾
Europe	139	146	+4.8%
Asia-Pacific	50	54	+9.1%
Middle East & Africa	18	24	+4.7%
North America, Central America & the Caribbean	34	35	(0.2)%
South America	11	13	+9.5%
TOTAL	251	272	+5.2%

⁽¹⁾ Proforma financial information. Breakdown of adjustments in the Q3 revenue presentation.

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

Consolidated RevPAR rose by 0.7% overall during the third quarter.

M&F revenue increased substantially in **Europe** (up 4.8% like-for-like), buoyed by RevPAR growth of 1.2%. This RevPAR performance was driven by pricing, on a very high basis of comparison (RevPAR up 7.1% in third-quarter 2018).

- In **France**, RevPAR was up 2.3%. This strong performance reflected robust resilience in light of the tough basis of comparison (RevPAR up 8.3% in third-quarter 2018). Regional cities (+3.5%) outperformed the Paris region (+0.4%), also reflecting the RevPAR growth recorded last year (3.5% and 16.5%, respectively).
- RevPAR growth remained modest (+0.4%) in the **United Kingdom**, with considerable differences persisting between London and the regional cities. The increase in RevPAR in London (+1.6%) reflected the still-dynamic domestic tourism market, while RevPAR in the regional cities (-0.9%) suffered from political and economic uncertainties related to Brexit, which have dampened business travelers demand.
- RevPAR in **Germany** decreased by 4.6%. It was affected, as expected, by an unfavorable basis of comparison given the absence of certain trade fairs and sports events. In addition to the particularly unfavorable calendar, attendance was lower at the trade fairs that did take place.
- RevPAR growth in **Spain** was significant at 9.0% thanks to the strong pick-up in demand following completion of the Fairmont and Pullman renovations in Barcelona.



Asia-Pacific posted brisk growth in M&F revenue of 9.1% on a like-for-like basis, despite negative RevPAR in the third quarter (-1.1%). Growth was driven by the development of the network and by the reopening of the Fairmont in Singapore. The implications of the trade tensions between China and the United States, along with the unrest in Hong Kong, caused market conditions to worsen in China. The entire region, including Australia, has been affected by this economic slowdown.

The **Middle East & Africa** region reported a 4.7% increase on a like-for-like basis in M&F revenue, in line with modest RevPAR growth of 0.7% and the development of the network in the region. Occupancy rates continued to increase thanks to an appropriate pricing policy.

North America, Central America & the Caribbean reported a slight 0.2% decrease on a like-for-like basis in M&F revenue, in line with marginal RevPAR growth of 0.3%.

Lastly, **South America** continued to post significant growth, particularly in Brazil, with revenue up 9.5% on a like-for-like basis backed by a 10.2% increase in RevPAR.

Services to Owners, which includes the Sales, Marketing, Distribution and Loyalty division, as well as shared services and the repayment of hotel personnel costs, generated revenue of €488 million, versus €428 million in third-quarter 2018.

Hotel Assets & Other revenue

Hotel Assets & Other revenue was down 0.7% like-for-like to €273 million. It was affected by market trends in the Asia-Pacific region. The 11.8% increase on a reported basis mainly reflects the consolidation of Mövenpick in September 2018. Following the reclassification of Orbis' real estate operations to assets held for sale in accordance with IFRS 5, this segment was mainly propelled by the Asia-Pacific region.

Excluding Orbis, this division's hotel base consisted of 172 hotels and 31,792 rooms at September 30, 2019.

New Businesses revenue

New Businesses (concierge services, luxury home rentals, private sales of hotel stays, and digital services for hotels) generated third-quarter revenue of €42 million, up 3.0% on a like-for-like basis and 3.3% as reported. D-Edge, Gekko, Very Chic and ResDiary continued to report double-digit revenue growth.



Full-year 2019 EBITDA target

Based on the RevPAR trends observed in the first nine months of the year, and in particular given the uncertainties looming over Asia-Pacific, the Group forecasts full-year 2019 **EBITDA of €820 million to €840 million.**

Significant events since July 1, 2019

On September 2, Accor announced the launch of a new international employee share ownership plan in 12 countries.

On October 4, Accor announced the resumption of the liquidity contract, signed with Rothschild Martin Maurel, which was suspended since July 27, 2018.

Upcoming events

February 20, 2020: Full-Year 2019 Results



ABOUT ACCOR

Accor is a world-leading augmented hospitality group offering unique experiences in 4,900 hotels and residences across 110 countries. The Group has been acquiring hospitality expertise for more than 50 years, resulting in an unrivaled portfolio of brands, from luxury to economy, supported by one of the most attractive loyalty programs in the world.

Beyond accommodation, Accor enables new ways to live, work, and play, by blending food and beverage with nightlife, wellbeing, and co-working. It also offers digital solutions that maximize distribution, optimize hotel operations and enhance the customer experience.

Accor is deeply committed to sustainable value creation and plays an active role in giving back to planet and community via its Planet 21 – Acting Here program and the Accor Solidarity endowment fund, which gives disadvantaged groups access to employment through professional training.

Accor SA is publicly listed on the Euronext Paris Stock Exchange (ISIN code: FR0000120404) and on the OTC Market (Ticker: ACRYF) in the United States. For more information visit accor.com. Or become a fan and follow us on Twitter and Facebook.

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IBIS BUDGET \ GREET \ JO&JOE \ HOTELFI

RevPAR excluding tax by segment - Q3 2019

Q3 2019	Occupancy rate		Average room rate		RevPAR	
	%	chg pts LFL	€	chg % LFL	€	chg % LFL
Luxury & Premium	77.1	+0.1	174	-0.8	134	-0.8
Midscale	77.7	-0.2	96	+1.0	75	+0.7
Economy	77.7	+0.0	66	+2.2	52	+2.2
Europe	77.5	-0.0	90	+1.2	70	+1.2
Luxury & Premium	67.7	-0.1	108	-1.8	73	-2.0
Midscale	72.9	+1.1	77	-1.2	56	+0.2
Economy	74.4	-0.5	42	-1.8	32	-2.5
Asia-Pacific	71.5	+0.3	77	-1.4	55	-1.1
Luxury & Premium	63.6	+2.9	152	-3.3	97	+0.9
Midscale	67.4	+1.7	64	-4.6	43	-2.3
Economy	63.3	+4.5	48	-5.7	30	+1.5
Middle East & Africa	63.8	+3.0	116	-3.8	74	+0.7
Luxury & Premium	78.7	-0.3	267	+0.7	210	+0.3
Midscale	80.9	+0.6	141	+1.4	114	+2.1
Economy	61.6	-0.7	42	-1.8	26	-2.9
North America, Central America & the Caribbean	77.5	-0.3	234	+0.6	181	+0.3
Luxury & Premium	54.3	-1.8	109	+11.4	59	+7.9
Midscale	62.3	+2.2	65	+9.2	40	+13.4
Economy	59.4	+2.9	41	+4.2	25	+9.5
South America	59.6	+2.3	54	+6.1	32	+10.2
Luxury & Premium	70.1	+0.4	158	-0.9	111	-0.4
Midscale	74.7	+0.4	88	+0.3	66	+0.9
Economy	73.9	+0.5	58	+1.3	43	+1.9
Total	73.0	+0.5	93	+0.1	68	+0.7

Hotel base - September 30, 2019

Q3 2019	Hotel assets		Managed		Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Luxury & Premium	22	6,021	114	20,942	60	11,054	196	38,017
Midscale	57	10,683	320	51,099	577	61,952	954	123,734
Economy	56	8,647	594	76,092	1,202	94,057	1,852	178,796
Europe	135	25,351	1,028	148,133	1,839	167,063	3,002	340,547
Luxury & Premium	11	2,316	260	63,927	60	9,642	331	75,885
Midscale	26	4,201	267	62,562	119	19,171	412	85,934
Economy	2	350	198	36,446	210	25,553	410	62,349
Asia-Pacific	39	6,867	725	162,935	389	54,366	1,153	224,168
Luxury & Premium	2	525	150	36,730	6	956	158	38,211
Midscale	2	235	55	10,835	9	2,015	66	13,085
Economy	5	826	50	9,129	3	530	58	10,485
Middle East & Africa	9	1,586	255	56,694	18	3,501	282	61,781
Luxury & Premium	0	0	71	27,102	10	4,718	81	31,820
Midscale	0	0	6	2,641	8	1,725	14	4,366
Economy	0	0	21	2,775	3	377	24	3,152
North America, Central America & the Caribbean	0	0	98	32,518	21	6,820	119	39,338
Luxury & Premium	0	0	27	6,008	5	1,094	32	7,102
Midscale	13	2,205	80	11,290	13	1,651	106	15,146
Economy	49	9,925	83	13,815	120	14,523	252	38,263
South America	62	12,130	190	31,113	138	17,268	390	60,511
Luxury & Premium	35	8,862	622	154,709	141	27,464	798	191,035
Midscale	98	17,324	728	138,427	726	86,514	1,552	242,265
Economy	112	19,748	946	138,257	1,538	135,040	2,596	293,045
Total	245	45,934	2,296	431,393	2,405	249,018	4,946	726,345