

# *Q1 2020 Revenue*

April 22nd, 2020



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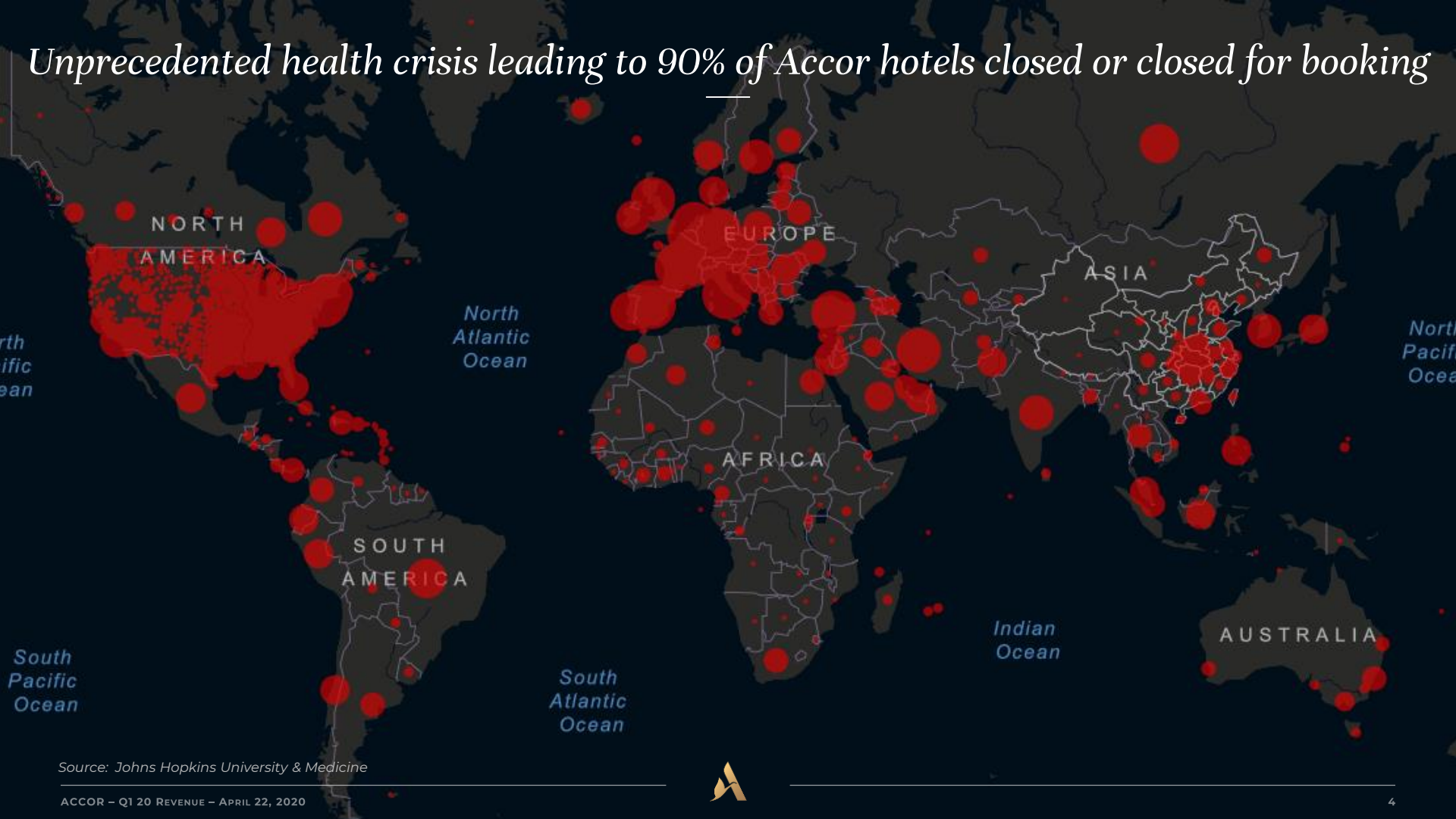
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# *Opening remarks*

*Sébastien Bazin*  
*Chairman & CEO*



# *Unprecedented health crisis leading to 90% of Accor hotels closed or closed for booking*



Source: Johns Hopkins University & Medicine

ACCOR – Q1 20 REVENUE – APRIL 22, 2020



# *Unprecedented financial crisis driving hefty governments actions*

## **Economic outlook & government responses**

### **FY20 GDP growth estimates<sup>(1)</sup> revised downward:**

- World GDP growth negative -3.0% YoY

### **Government increasing stimulus packages to support economy & job retention:**

- Amounting to more than 5% of GDP

### **Liquidity flood from Central Banks**

- ECB to inject a total €1.1 trillion
- FED to inject USD2.3 trillion

## **Specific supports to travel & leisure industry**

### **Direct supports:**

- Tax deferrals
- Social charges payment extensions or cancellation
- Reimbursement deferrals of booking cancellations

### **Indirect supports:**

- Income subsidies for affected workers (partial unemployment) with scheme depending on countries

**Progressive lockdown relaxation expected at best early May in Europe**

<sup>(1)</sup> Source: World Economic Outlook - IMF



# *Accor Asset Light profile fit to weather the storm*

## **Solid Balance Sheet**

- Proactive Asset & Liability Management in 2019 offering today a smooth debt profile
- €2.5bn cash position at end-March 2020
- €1.2bn Revolving Credit Facility undrawn with no covenant testing before June 2021

## **Cash Preservation**

- EBITDA protection through:
  - G&A: €60m minimum reduction
  - Sales, Marketing, Distribution & Loyalty: Significant cost reduction to offset drastic fee decrease
- €60m reduction in recurring CAPEX
- c.€280m dividend and share buyback suspended
- Tight cash management



# *Q1 2020 Revenue*

*Jean-Jacques Morin*  
*Deputy CEO*



# Q1 2020 Takeaways

## Business Update

**-25.4% L/L system RevPAR**  
with -62.6% in March

**+5.2% LTM net Organic  
System Growth**  
8.0k rooms added in Q1

**Pipeline stable at 208k rooms**  
28% of the portfolio

## Financial Performance

**€768m Revenue**  
down (17.0)% reported  
**down (15.8)% L/L**

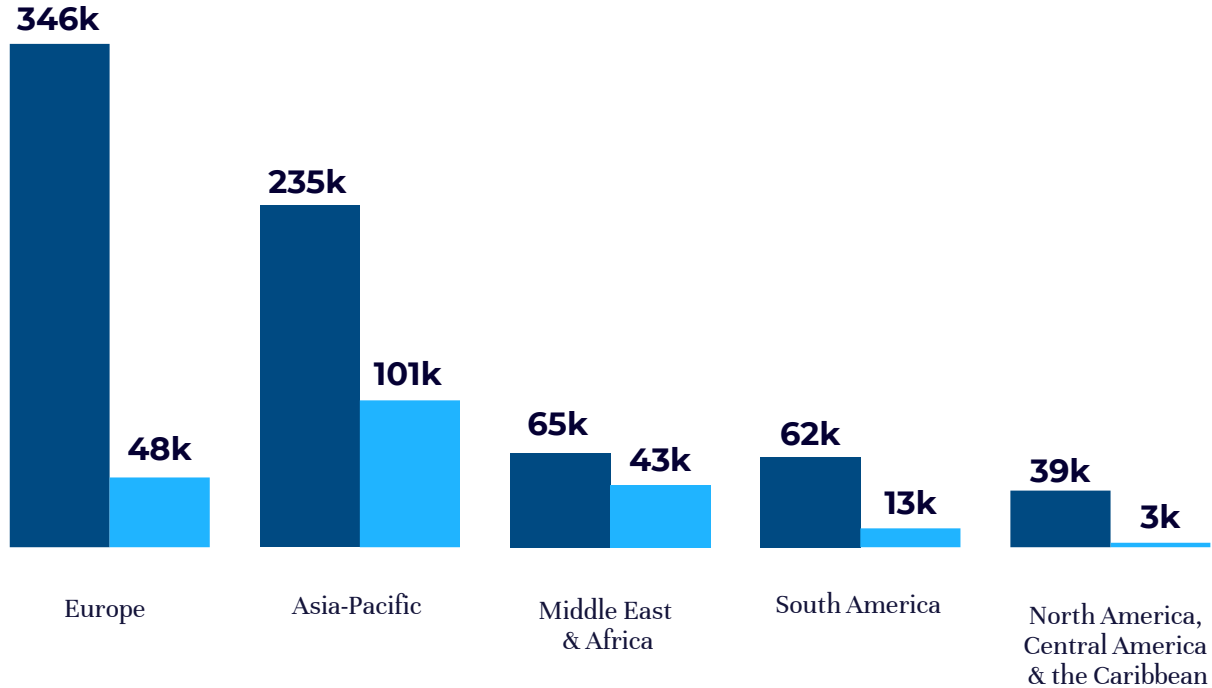
**€150m M&F Revenue**  
**down (34.9)% L/L**





## 8k rooms added in the portfolio

In rooms, as of March 2020



### Network

Hotels **5,085**

Rooms **747k**

### Pipeline

Hotels **1,202**

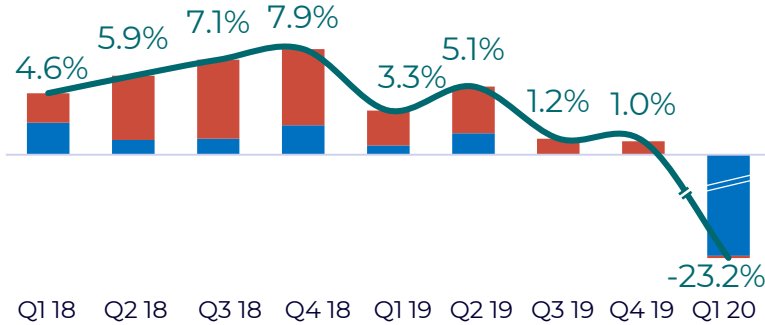
Rooms **208k**



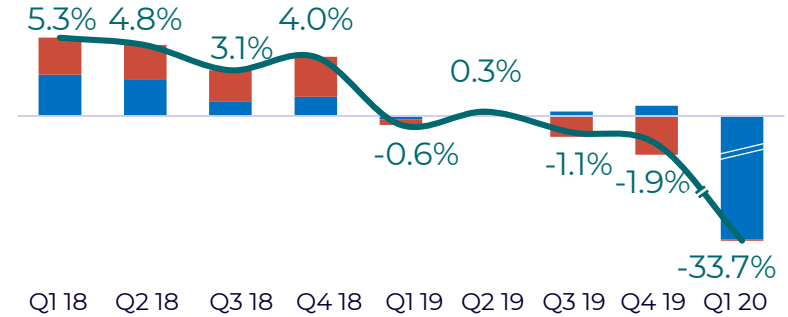
# (25.4)% RevPAR decline in Q1 20



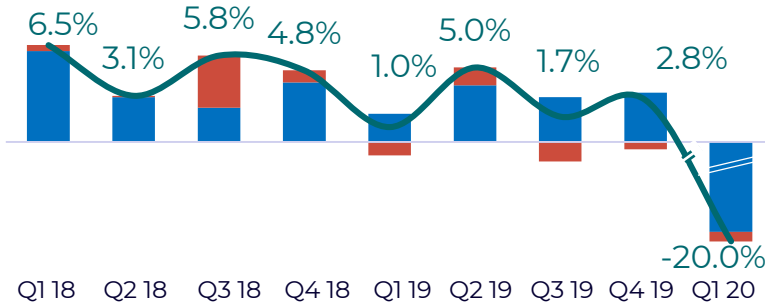
## Europe



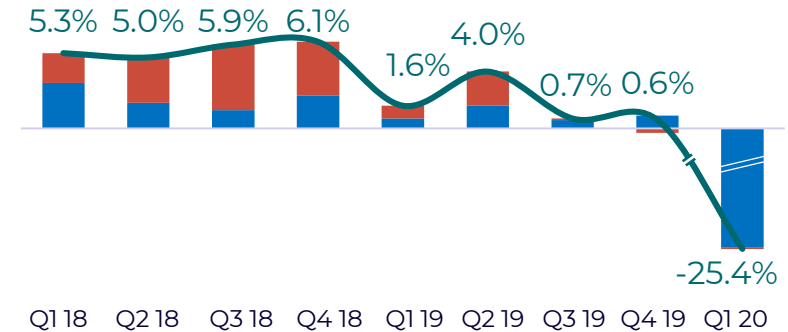
## Asia Pacific



## Rest of the World



## Group



## *(15.8)% L/L decrease in Q1 20 Group revenue*

In € millions	Q1 2019 <sup>(1)</sup>	Q1 2020	Reported change	L/L change
HotelServices	645	540	(16.3)%	(17.5)%
Hotel Assets	259	206	(20.4)%	(13.0)%
New Businesses	37	32	(13.3)%	(13.8)%
Holding & Intercos	(17)	(11)	N/A	N/A
<b>Total</b>	<b>925</b>	<b>768</b>	<b>(17.0)%</b>	<b>(15.8)%</b>

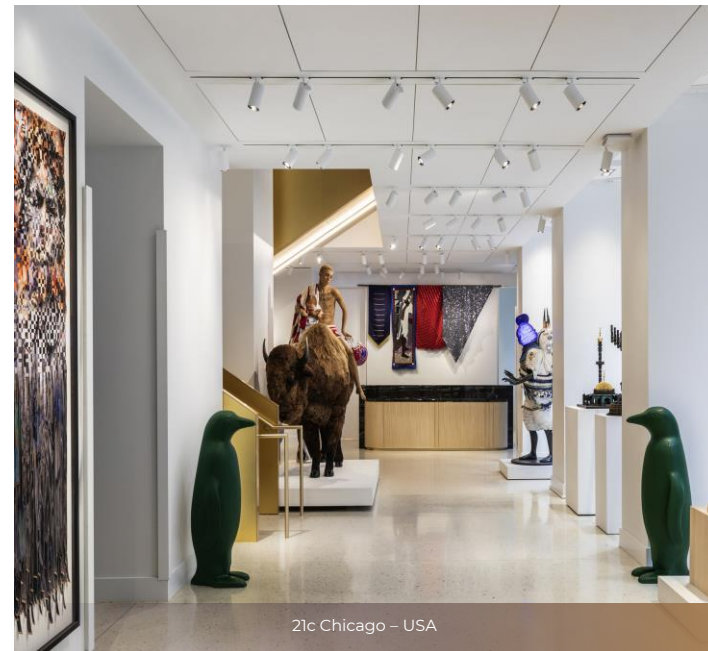


<sup>(1)</sup> Restated financial information for IFRS 5



## *(34.9)% L/L decrease in Management & Franchise revenue*

In € millions	Q1 2019 <sup>(1)</sup>	Q1 2020	L/L change
Europe	102	72	(31.2)%
ASPAC	56	30	(46.7)%
MEA	24	19	(34.7)%
NCAC	31	20	(36.3)%
South America	11	9	(7.4)%
<b>Total</b>	<b>225</b>	<b>150</b>	<b>(34.9)%</b>



<sup>(1)</sup> Restated financial information for IFRS 5



## *Covid-19 Impact Estimate*

- ◇ **Estimated €(170)m EBITDA impact YoY in Q1 due to Covid-19**
- ◇ **Cost savings plan launched end-March**



# *Closing remarks*

*Sébastien Bazin*  
*Chairman & CEO*



# *ALL Heartist Fund*

## Background

**Furloughing for 2/3 of employees  
between March 22<sup>nd</sup> and April 1<sup>st</sup>**

**Board decided to  
withdraw proposal of  
FY19 dividend of €280m**

**Board and key shareholders  
decision to dedicate  
25% of it to a fund**

## Accor Contribution

**€70m special cash reserve to  
assist Group employees &  
individual partners through the  
crisis**

## Acting for local communities

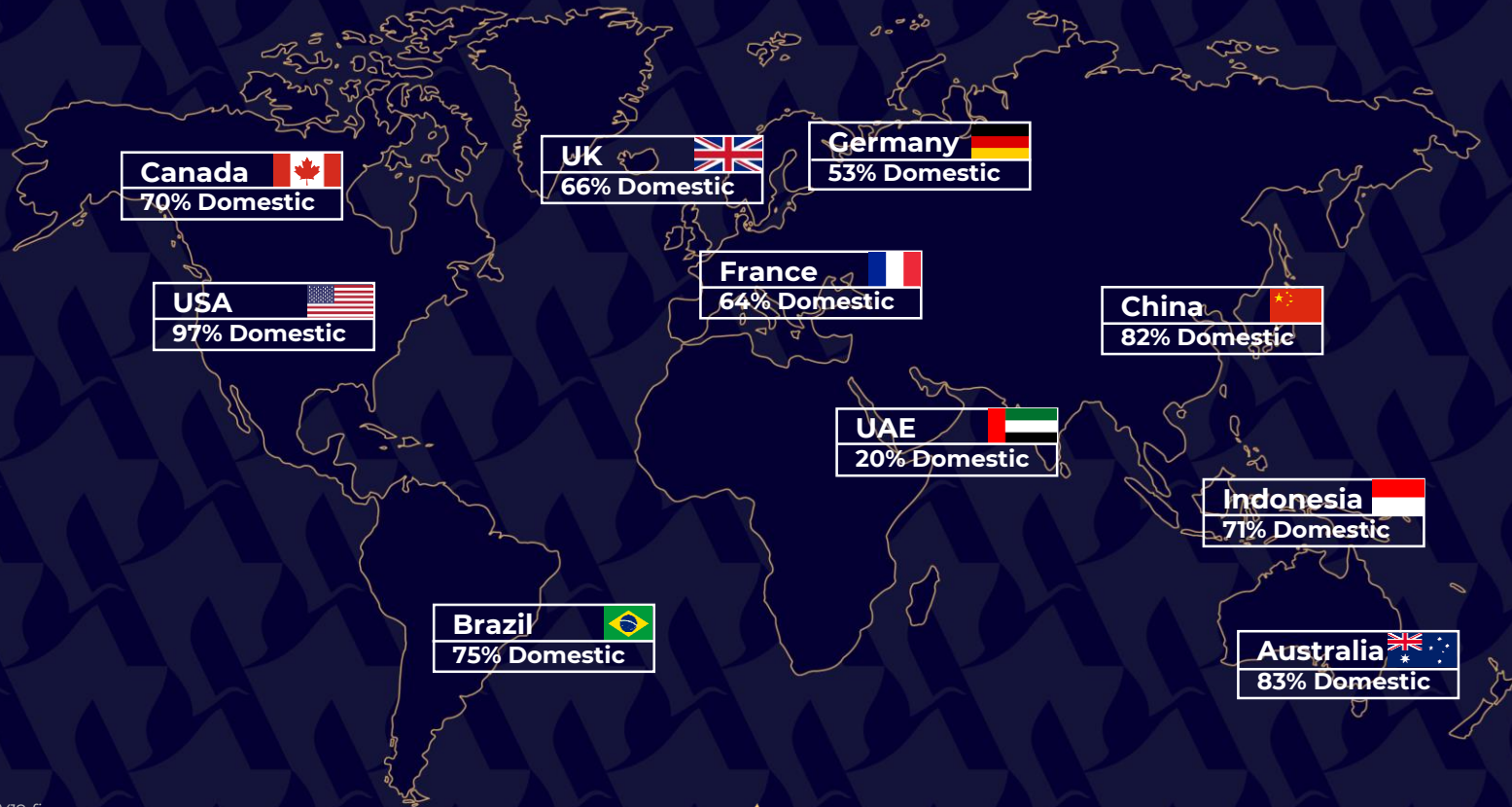
**France:** Coronavirus Emergency  
Desk Accor (CEDA) offers hospitality  
solutions for medical staff & homeless

**UK:** 60 hotels offering  
accommodation solutions for  
medical staff & homeless

**South America:** “solidarity rate” to  
support people at risk & housing  
medical staff in Sao Paulo



# Accor guests' profile gears up for recovery



Based on FY19 figures





# Conclusion

## Caring for & reassuring our stakeholders

- ◇ **Employees:** Caring for our most precious assets
- ◇ **Guests:** Reaching out to all from the heart
- ◇ **Owners:** Closer than ever, weathering the storm together
- ◇ **Partners:** Strong cooperation and tailored solutions
- ◇ **Shareholders:** Taking all mitigation measures to protect the present and future group value

## Responding to urgency and planning for the future

- ◇ Government agencies, national health authorities
- ◇ Proactively engaged to prepare recovery



# *Appendices*

Novotel Melbourne South Wharf - Australia



## Q1 2020 Revenue – From Like-for-Like to Reported

**(15.8)%**

### **Like-for-Like**

€(146)m

HotelServices: (17.5)% L/L <sup>(1)</sup>

New businesses: (13.8)% L/L

Hotel Assets: (13.0)% L/L

**(0.8)%**

### **Perimeter**

€(7)m

M&A

**(0.4)%**

### **Currency**

€(4)m

Slight positive currency effect

- USD: €6m
- CAD: €2m
- BRL: €(5)m
- AUD: €(8)m

**(17.0)%**

### **Reported**

+€(157)m

<sup>(1)</sup> Comparable (comp.) revenue growth – includes fees linked to organic expansion, at constant exchange rates



# *1* *RevPAR*



# RevPAR – Systemwide

	Q1 2020					
	OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Lux. & Upscale	45.0	-18.8	151	+2.9	68	-27.3
Midscale	48.7	-15.5	85	-0.6	42	-24.4
Economy	48.4	-15.1	55	-0.5	26	-24.0
<b>SYSTEMWIDE</b>	<b>47.6</b>	<b>-16.1</b>	<b>88</b>	<b>-0.3</b>	<b>42</b>	<b>-25.4</b>



## RevPAR – Geographical breakdown (1/2)

	Q1 2020					
	OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Lux. & Upscale	44.5	-14.1	151	+1.9	67	-22.6
Midscale	48.0	-14.5	91	-0.2	44	-23.3
Economy	49.0	-14.4	61	-0.7	30	-23.1
<b>EUROPE</b>	<b>48.2</b>	<b>-14.4</b>	<b>80</b>	<b>-0.5</b>	<b>39</b>	<b>-23.2</b>
Lux. & Upscale	38.9	-25.8	124	+3.0	48	-38.1
Midscale	47.9	-19.1	81	-1.4	39	-29.0
Economy	46.6	-23.5	44	-1.5	20	-34.7
<b>ASPAC</b>	<b>44.4</b>	<b>-22.5</b>	<b>83</b>	<b>-0.5</b>	<b>37</b>	<b>-33.7</b>



## RevPAR – Geographical breakdown (2/2)

	Q1 2020					
	OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Lux. & Upscale	53.5	-13.6	134	-1.7	71	-21.6
Midscale	58.4	-10.5	73	-4.6	43	-18.7
Economy	53.3	-12.0	58	-5.5	31	-22.0
<b>MEA</b>	<b>54.1</b>	<b>-12.7</b>	<b>107</b>	<b>-3.0</b>	<b>58</b>	<b>-21.4</b>
Lux. & Upscale	50.7	-15.3	238	+0.6	120	-22.5
Midscale	62.1	-14.4	133	+0.4	83	-19.5
Economy	49.1	-9.6	40	-4.2	19	-19.7
<b>NCAC</b>	<b>51.8</b>	<b>-14.6</b>	<b>206</b>	<b>-0.3</b>	<b>107</b>	<b>-22.2</b>
Lux. & Upscale	43.9	-13.3	122	+12.7	54	-12.0
Midscale	47.3	-10.0	62	+5.9	29	-12.4
Economy	46.5	-6.6	39	+2.8	18	-9.7
<b>SOUTH AMERICA</b>	<b>46.4</b>	<b>-8.2</b>	<b>53</b>	<b>+4.0</b>	<b>25</b>	<b>-11.2</b>



## RevPAR – France

	Q1 2020					
	OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Lux. & Upscale	45.4	-14.6	189	+0.8	86	-23.3
Midscale	45.7	-13.2	104	-0.6	47	-22.7
Economy	48.1	-13.2	61	-0.1	30	-21.8
<b>FRANCE</b>	<b>47.2</b>	<b>-13.3</b>	<b>79</b>	<b>-0.6</b>	<b>37</b>	<b>-22.4</b>





# \ 2 \

## *Portfolio*



# Portfolio as of March 31<sup>st</sup>, 2020 (1/2)

	OWNED & LEASED		MANAGED		FRANCHISED		TOTAL	
	# hotels	# rooms	# hotels	# rooms	# hotels	# rooms	# hotels	# rooms
Luxury & Upscale	5	2,060	136	25,757	62	11,309	203	39,126
Midscale	28	3,401	353	59,009	598	64,493	979	126,903
Economy	21	3,270	598	78,327	1,244	98,575	1,863	180,172
<b>EUROPE</b>	<b>54</b>	<b>8,731</b>	<b>1,087</b>	<b>163,093</b>	<b>1,904</b>	<b>174,377</b>	<b>3,045</b>	<b>346,201</b>
Luxury & Upscale	12	2,566	273	67,756	60	9,475	345	79,797
Midscale	27	4,361	274	64,454	130	20,374	431	89,189
Economy	1	186	197	36,436	251	29,519	449	66,141
<b>ASPAC</b>	<b>40</b>	<b>7,113</b>	<b>744</b>	<b>168,646</b>	<b>441</b>	<b>59,368</b>	<b>1,225</b>	<b>235,127</b>
Luxury & Upscale	2	525	159	38,865	6	956	167	40,346
Midscale	2	235	54	10,740	12	2,566	68	13,541
Economy	5	826	46	8,747	10	1,727	61	11,300
<b>MEA</b>	<b>9</b>	<b>1,586</b>	<b>259</b>	<b>58,352</b>	<b>28</b>	<b>5,249</b>	<b>296</b>	<b>65,187</b>



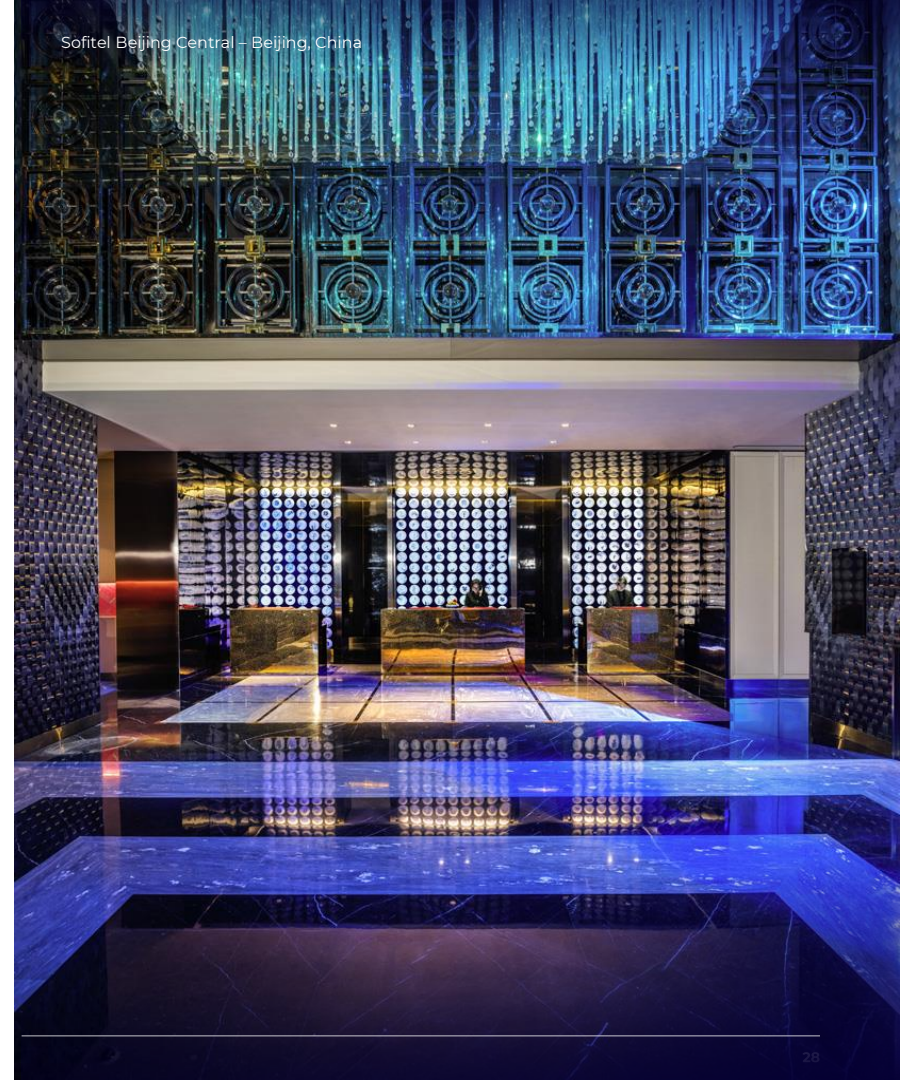
# Portfolio as of March 31<sup>st</sup>, 2020 (2/2)

	OWNED & LEASED		MANAGED		FRANCHISED		TOTAL	
	# hotels	# rooms	# hotels	# rooms	# hotels	# rooms	# hotels	# rooms
Luxury & Upscale	0	0	75	28,312	9	3,105	84	31,417
Midscale	0	0	7	2,711	7	1,400	14	4,111
Economy	0	0	20	2,649	4	503	24	3,152
<b>NCAC</b>	<b>0</b>	<b>0</b>	<b>102</b>	<b>33,672</b>	<b>20</b>	<b>5,008</b>	<b>122</b>	<b>38,680</b>
Luxury & Upscale	0	0	27	5,856	5	1,094	32	6,950
Midscale	15	2,586	77	10,872	17	2,277	109	15,735
Economy	49	9,914	74	12,117	133	16,992	256	39,023
<b>SOUTH AMERICA</b>	<b>64</b>	<b>12,500</b>	<b>178</b>	<b>28,845</b>	<b>155</b>	<b>20,363</b>	<b>397</b>	<b>61,708</b>
Luxury & Upscale	19	5,151	670	166,546	142	25,939	831	197,636
Midscale	72	10,583	765	147,786	764	91,110	1,601	249,479
Economy	76	14,196	935	138,276	1,642	147,316	2,653	299,788
<b>TOTAL</b>	<b>167</b>	<b>29,930</b>	<b>2,370</b>	<b>452,608</b>	<b>2,548</b>	<b>264,365</b>	<b>5,085</b>	<b>746,903</b>



3

## *Exchange rates*



# Q1 2020 Exchange Rates

1€ = X foreign currency	Q1 2019 Average Rate	Q1 2020 Average Rate	Q1 2019 vs. Q1 2020
Australian Dollar (AUD)	1.59	1.67	(4.2)%
Brazilian Real (BRL)	4.28	4.84	(11.6)%
Canadian Dollar (CAD)	1.51	1.47	+2.5%
Egyptian Pound (EGP)	20.01	17.39	+15.0%
British Sterling (GBP)	0.87	0.86	+1.7%
American Dollar (USD)	1.14	1.10	+3.0%





# *4* *Glossary*



# Glossary

## ***Region organization***

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

## ***Like-for-like (L/L) definition for P&L figures***

- Foreign exchange changes vs. Euro are cancelled applying the n-1 exchange rate to year n
- Perimeter effects (i.e. acquisitions and disposals) are neutralized:
  - Excluding impacts from disposals defined as a change in the consolidation methodology of a given entity
  - Excluding impacts from acquisition defined as a change in the consolidation methodology of a given entity or as the acquisition of an activity or company
  - Excluding impact from subsidiaries hotel openings & closings
  - Organic system growth and churn are not neutralized on HotelServices revenue





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 \ GREET \ JO&JOE \ HOTELF1