



Press Release
FEBRUARY 22, 2024

Full-Year 2023 Results
Record EBITDA
of more than €1 billion

RESULTS ABOVE 2023 GUIDANCE

RESUMED ATTRACTIVE SHAREHOLDER RETURNS POLICY

CONFIDENCE IN GROWTH PROSPECTS FOR 2024

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RevPAR UP 23% LFL

REVENUE UP 20% TO €5,056 MILLION

EBITDA UP 49% TO €1,003 MILLION

NET PROFIT GROUP SHARE UP 57% AT €633 MILLION

Sébastien Bazin, Chairman and Chief Executive Officer of Accor, said:

"Accor generated record-high results in 2023, with EBITDA breaking the €1 billion mark for the first time in its history. While there were numerous reasons for this success, the solid performances were above all attributable to the Group's teams. I would like to thank them for their commitment and their know-how in an industry whose strength lies above all in the women and men on the ground daily who raise the profile of our brands with a passionate and generous sense of hospitality. Over the past year, the Group achieved growth in all segments and geographies, illustrating the strength of its asset light model, the efficiency of its organization based on the two divisions, Premium, Midscale and Economy on the one hand, and Luxury and Lifestyle on the other, the desirability of its brands, the strength of its distribution and loyalty tools, as well as its financial discipline.

While the geopolitical backdrop remains complex, 2024 is set to be rich in major international events which should continue to fuel growth and we start this new year with confidence. Accor is ideally positioned to continue its bold expansion and bring to life its vision of a pioneering, responsible hospitality industry that creates value for its shareholders and its partners."



Driven by resolutely solid demand in 2023, Accor was able to set new records in terms of operating and financial performances. All regions and segments enjoyed strong growth after a year in 2022 marked by the post-Covid pandemic recovery. All performance indicators were in line or exceeded Group guidance in 2023.

This solid performance and the Group's confidence in continued business growth enabled the Group to return a total of €676 million to its shareholders during the year.

In 2023, Accor opened 291 hotels, corresponding to 41,000 rooms, i.e., net network growth of 2.4% in the last 12 months. At end-December 2023, the Group had a hotel portfolio of 821,518 rooms (5,584 hotels) and a pipeline of 225,000 rooms (1,315 hotels).

Fourth quarter RevPAR

The **Premium, Midscale and Economy (PM&E)** division grew its RevPAR by 12% versus Q4 2022, still driven more by prices than the rise in occupancy rates.

- The **Europe North Africa (ENA)** region posted RevPAR up 8% relative to Q4 2022.
 - In **France**, which represents 43% of the region's room revenue, RevPAR growth stabilized. The Paris region has been impacted by an unfavorable calendar levelled off with major events in 2023, such as the Paris Motor Show, the SIAL food show and the SIMA Agriculture show, which did not take place during the year. The provinces continued to enjoy steady business levels.
 - The **United Kingdom**, which represents 13% of the region's room revenue, posted solid and balanced growth in RevPAR between London and other cities.
 - In **Germany**, 14% of the region's room revenue, RevPAR continued to improve compared with previous quarters, notably thanks to Christmas markets. Nevertheless, occupancy rates still harbor strong upside potential. Indeed, they remain significantly behind pre-crisis levels.
- The **Middle East, Africa & Asia-Pacific** region reported a 19% increase in RevPAR compared with Q4 2022, benefiting from a considerable rebound in business in Asia.
 - The **Middle East Africa**, 26% of room revenue in the region, continued to apply strong price increases buoyed by steady Leisure demand despite the conflict in Israel.



- **South-East Asia**, 29% of room revenue in the region, saw RevPAR growth comparable to the Middle East, mainly driven by prices and supported by Leisure demand.
- The **Pacific**, 26% of room revenue in the region, is now entering a normalization phase with more measured RevPAR growth, driven by occupancy rates in the fourth quarter.
- In **China**, 19% of hotel room revenue in the region, the recovery continued with marked RevPAR growth compared with Q4 2022. Business is now slightly higher than the level seen in 2019, as was the case in the third quarter.
- The **Americas** region, which mainly reflects the performances of Brazil (65% of room revenue for the region), reported RevPAR growth up 15% compared with Q4 2022. Business continued to benefit from price increases, notably supported by congresses and events which took place over the period.

The **Luxury & Lifestyle (L&L)** division reported an 8% increase in RevPAR compared with Q4 2022, driven mainly by higher occupancy rates.

- The **Luxury** segment, which accounts for 77% of the division's room revenue, posted a 10% increase in RevPAR compared with Q4 2022. This increase was driven by the Asia-Pacific region where growth was robust. Although occupancy rates improved clearly, they are still lagging pre-crisis levels by 5 points.
- **Lifestyle** RevPAR was stable compared with Q4 2022. The more rapid recovery in this segment in 2022 led to a less favorable basis of comparison, amplified by the soccer World Cup which took place in Qatar in Q4 2022. Adjusted from this event, RevPAR in the Lifestyle segment increased by 6% over the quarter.

Consolidated revenue

The Group reported **revenue** of €5,056 million in 2023, up 18% like-for-like (LFL) compared with 2022. This growth breaks down into a 17% increase for the Premium, Midscale and Economy (PM&E) division and 22% for the Luxury & Lifestyle division.

Scope effects, linked mainly to the full-year effect of Paris Society (acquired in 2022) and the takeover of Potel & Chabot (in October 2023) in the Luxury & Lifestyle division (the Hotel Assets & Other segment), positively contributed for €285 million.

Currency effects had a negative impact of €228 million, stemming mainly from the Australian Dollar (-7%), the Egyptian Pound (-40%) and the Turkish Lira (-32%).

In € millions	2022	2023	Change (reported)	Change (LFL) ⁽¹⁾
Management & Franchise	695	854	+23%	+27%
Services To Owners	965	1,076	+11%	+11%
Hotel Assets & Other	970	1,030	+6%	+15%
Premium, Mid. & Eco. ⁽²⁾	2,629	2,960	+13%	+17%
Management & Franchise	357	446	+25%	+32%
Services To Owners	1,178	1,359	+15%	+18%
Hotel Assets & Other	114	371	+224%	+32%
Luxury & Lifestyle	1,649	2,175	+32%	+22%
Holding & Intercos	(54)	(79)	N/A	N/A
TOTAL	4,224	5,056	+20%	+18%

⁽¹⁾ Like-for-like = at constant scope of consolidation and exchange rates

⁽²⁾ Premium, Midscale and Economy division

Premium, Midscale and Economy revenue

Premium, Midscale and Economy, which includes fees from Management & Franchise (M&F), Services to Owners and Hotel Assets & Other activities of the Group's Premium, Midscale and Economy brands, generated revenue of €2,960 million, up 17% LFL versus 2022. This increase reflects the solid business levels recorded over the period.

Management & Franchise (M&F) revenue stood at €854 million, up 27% LFL versus 2022 and in line with the increase in RevPAR over the period (+24%). The regional performance of Management & Franchise is detailed in the pages hereafter.

Services to Owners revenue, which includes the Sales, Marketing, Distribution and Loyalty division, as well as shared services and the reimbursement of hotel costs, came to €1,076 million up 11% LFL compared with 2022. This increase, which was more measured than RevPAR growth, reflects the comparison basis from the previous year which included the rebilling of costs incurred by Accor as part of its reception services for supporters during the soccer World Cup in Qatar.

Hotel Assets & Other revenue was up 15% LFL relative to 2022. This segment, closely linked to business in Australia, was impacted by a less favorable base effect owing to the recovery in leisure tourism which materialized earlier than for the rest of the Group.

Luxury & Lifestyle revenue

Luxury & Lifestyle, which includes fees from Management & Franchise (M&F), Services to Owners and Hotel Assets & Other activities of the Group's Luxury & Lifestyle brands, generated revenue of €2,175 million, up 22% LFL versus 2022. This increase also reflects solid business levels over the period, as was the case for the Premium, Midscale and Economy division.

Management & Franchise (M&F) revenue stood at €446 million, up 32% LFL versus 2022, driven by the increase in RevPAR (+20%) and a sharp acceleration in hotel incentive fees in management contracts. The segment performance of Management & Franchise is detailed in the pages hereafter.

Services to Owners revenue, which includes the Sales, Marketing, Distribution and Loyalty division, as well as shared services and the reimbursement of hotel costs, came to €1,359 million, up 18% LFL, compared with 2022.

Hotel Assets & Other revenue was up 32% LFL relative to 2022. It included a significant scope effect following the takeover of Paris Society in November 2022 and Potel & Chabot in October 2023.

Management & Franchise (M&F) revenue

In € millions	2022	2023	Change (reported)	Change (LFL) ⁽¹⁾
ENA ⁽²⁾	427	512	+20%	+21%
MEA APAC ⁽³⁾	212	270	+27%	+38%
Americas	56	71	+28%	+32%
Premium, Mid. & Eco.	695	854	+23%	+27%
Luxury	261	326	+25%	+32%
Lifestyle	97	120	+24%	+33%
Luxury & Lifestyle	357	446	+25%	+32%
TOTAL	1,052	1,300	+24%	+29%

⁽¹⁾ Like-for-like = at constant scope of consolidation and exchange rates

⁽²⁾ ENA = Europe North Africa

⁽³⁾ MEA APAC = Middle East, Africa and Asia-Pacific

Management & Franchise revenue came to €1,300 million, up 29% LFL compared with 2022. This change reflects RevPAR growth in the Group's different geographic

regions and segments (+23% compared with 2022) amplified by the sharp increase in incentive fees under management contracts.

Consolidated EBITDA

Consolidated EBITDA came to €1,003 million for 2023, a record-high level. The performance stemmed from the strong recovery in revenue and strict discipline in costs of Services to Owners, enabling the Group to post marginally positive EBITDA for the period as expected.

In € millions	2022	2023	Change (reported)	Change (LFL) ⁽¹⁾
Management & Franchise	513	611	+19%	+23%
Services to Owners	(60)	24	N/A	N/A
Hotel Assets & Other	140	115	(18)%	(10)%
Premium, Mid. & Eco.	593	750	+27%	+35%
Management & Franchise	224	298	+33%	+43%
Services to Owners	(16)	25	N/A	N/A
Hotel Assets & Other	(3)	30	N/A	N/A
Luxury & Lifestyle	205	354	+72%	+82%
Holding & Intercos	(123)	(101)	N/A	N/A
TOTAL	675	1,003	+49%	+55%

⁽¹⁾ Like-for-like = at constant scope of consolidation and exchange rates

Premium, Midscale and Economy EBITDA

The **Premium, Midscale and Economy** division generated EBITDA of €750 million, up 35% LFL compared with 2022.

Management & Franchise (M&F) reported EBITDA of €611 million, up 23% LFL compared with 2022, despite the transfer of staff from the Holding to the PM&E division as part of the new organization.

Services to Owners EBITDA came to €24 million in 2023, slightly positive as a result of strict cost control.

Hotel Assets & Other EBITDA was down 10% LFL relative to 2022. The decline in the EBITDA margin reflected cost inflation in activities in Australia after the sharp increase



in room prices reported in 2022. This decline was also amplified by the sharp increase in revenue from variable-rent assets in Brazil and Turkey with a lower EBITDA margin owing to the nature of these assets.

Luxury & Lifestyle EBITDA

The **Luxury & Lifestyle** division generated EBITDA of €354 million, up 82% LFL relative to 2022.

The **Management & Franchise (M&F)** business posted EBITDA of €298 million, up 43% LFL versus 2022, reflecting the benefits of the operating leverage of the business.

Services to Owners EBITDA came to €25 million in 2023, also slightly positive as a result of strict cost control.

Hotel Assets & Other EBITDA mostly reflected the integration of Paris Society since end-2022.

Net profit

In € millions	2022	2023
Revenue	4,224	5,056
EBITDA	675	1,003
EBITDA margin	16%	20%
EBIT	447	723
Share of net profit of equity-accounted investments	33	44
Non-recurring items	63	12
Operating profit	543	779
Net profit before profit from discontinued operations	359	623
Profit from discontinued operations	43	10
Net profit, Group share	402	633
Diluted net profit, Group share, per share	1,39	2,22



Net profit, Group share was €633 million in 2023, compared with €402 million in 2022.

In 2023, the **share of net profit of equity-accounted investments** increased to €44 million, versus €33 million in 2022, primarily driven by AccorInvest, which enjoyed a rebound in business, particularly in Europe.

Cash flow generation

In € millions	2022	2023
EBITDA	675	1,003
Interest paid	-75	-59
Income tax paid	-65	-144
Repayment of lease liabilities	-73	-100
Non-cash revenue and expenses included in EBITDA	49	43
Funds from operations	511	743
Recurring investments	-159	-218
Change in working capital and contract assets	20	71
Recurring free cash flow	373	596
Cash conversion	55%	59%
Net debt	1,658	2,074

⁽¹⁾ Defined as recurring Free Cash Flow /EBITDA

During FY 2023, Group **recurring free cash flow** improved significantly, from €373 million in 2022 to €596 million in 2023. The cash conversion rate therefore came to 59%, in line with the Group objective of "higher than 55%".

The **interest paid** decreased from 2022 to 2023, benefiting from the rise in interest rates on cash investments.

Recurring expenditure, which includes "key money" paid by HotelServices for development as well as digital and IT investments, was slightly higher than in 2022 at €218 million, given the Group's acceleration in the Luxury & Lifestyle segment, in line with the guidance provided at the Investor Day on June 27, 2023.



The **change in working capital**, which was significantly positive, reflects the reimbursement of the balance of the fees by AccorInvest which had been subject of a deferral of payment in the context of the Covid-19 crisis.

Group **net financial debt** at December 31, 2023 came to €2,074 million, versus €1,658 million at December 31, 2022.

At December 31, 2023, Accor's **average cost of debt** was 2.5% with an **average maturity** of around three years, with no major repayments due before 2026.

At end-December 2023, combined with the undrawn credit facility of €1 billion signed in 2023, Accor had a liquidity position of €2.3 billion.

Outlook

The Group confirmed its medium-term growth prospects as disclosed during the Investor Day on June 27, 2023:

- Annualized RevPAR growth of between 3% and 4% (CAGR 2023-27)
- Average annual network expansion of between 3% and 5% (CAGR 2023-27)
- M&F revenue growth of between 6% and 10% (CAGR 2023-27)
- A marginally positive EBITDA contribution from Services to Owners
- EBITDA growth of between 9% and 12% (CAGR 2023-27)
- Recurring free cash flow conversion in excess of 55%
- A shareholder payout of around €3 billion over 2023-2027 including notably a share buy-back program for an amount of around €400 million to be launched during 2024.

Dividends

Based on the 2023 results, the dividend distribution policy implemented since 2019 (established on the basis of recurring free cash flow and a payout rate of 50%), and as recommended by the Board of Directors, Accor will submit to the approval of the Annual Shareholders' Meeting of May 31, 2024 the payment of an ordinary dividend of €1.18 per share.



Events in 2023

Appointments following the Shareholders' Meeting

The Accor Board of Directors decided to approve the appointment of Anne-Laure Kiechel, independent director. Ms. Kiechel will contribute her extensive knowledge of international geo-economic and financial issues.

The Board of Directors also decided to renew the terms of office of Mr. Sébastien Bazin, Chairman and Chief Executive Officer, Ms. Iris Knobloch, Vice-Chairman of the Board and Senior Independent Director, and Mr. Bruno Pavlovsky, Chairman of the Appointments and Compensation Committee.

Disposal of the remaining stake in H World Group Limited (Huazhu)

On January 18, 2023, Accor announced that it had completed the disposal of the remaining stake in H World Group Limited (previously Huazhu Group Limited) for \$460m (including \$162m in 2022). This transaction serves to finalize the value creation of the investment initiated in 2016. The total disposal value since 2019 amounts to \$1.2 billion, compared with an initial investment of less than \$200 million. This contributes to the asset-light strategy to simplify the Group's balance sheet. After this transaction, Accor no longer owns any stake in H World Group Limited.

Disposal of the Paris headquarters building to Valesco Group for €460 million

On June 22, 2023, in line with the announcement made on September 28, 2022, Accor announces having successfully completed the disposal of its headquarters building, "Sequana Tower", for €460 million to the Valesco Group. This transaction was the largest office deal of the year in Continental Europe and the largest office deal in France since 2022.

The transaction structure includes a 12-year sale and leaseback agreement with an initial annual rent of €22 million, and a subordinated loan of €100 million to the Valesco Group.

Takeover of Potel & Chabot

In October 2023, Accor acquired a 63% stake in the capital of Potel & Chabot, in addition to the 37% already owned by the Group, becoming its sole shareholder. Potel & Chabot is consolidated within the Group's Luxury & Lifestyle division.



Hybrid bond refinancing

In October 2023, Accor successfully completed a refinancing transaction for its hybrid debt issued in January 2019:

- On October 2, 2023, Accor issued undated hybrid bonds for an amount of €500 million with a coupon of 7.25%. The issue was four times oversubscribed, reflecting renewed investor confidence in the credit quality and growth potential of the Group;
- On October 10, 2023, Accor announced the finalization of the refinancing of its hybrid debt issued in January 2019 following the success of the buyback offer on an undated hybrid bond tranche (4.375% coupon) for an amount of €442 million. Pursuant to the terms and conditions of these bonds, the Group exercised its option to redeem the outstanding amounts of these bonds for an amount of €58 million.

€400 million share buyback program

On October 10, 2023 following its S&P rating upgrade to Investment Grade and the successful completion of the refinancing of its hybrid debt issued in January 2019, Accor launched a share buyback program for an amount of €400 million, consistent with the commitment it made to return €3 billion to shareholders over 2023-27. Accor announced the finalization of its share buyback program on December 20, 2023.

Signature of a new bank credit facility for €1 billion

On December 20, 2023, Accor announced it had signed an agreement with a consortium of 13 banks for a new €1 billion revolving credit facility (RCF). This new five-year credit facility has two one-year extension options, which can be exercised in 2024 and 2025, and replaces the €1.2 billion undrawn credit facility concluded in June 2018.

The calculation of the margin is based on three Group performance criteria relative to Environmental, Social and Governance (ESG).

Subsequent events

On January 30, 2024, Accor entered into an agreement with Travel + Leisure to sell Accor Vacation Club, its timeshare business in Australia, New Zealand and Indonesia on the basis of an enterprise value of AUD78 million (€48 million). The agreement also includes an exclusive franchise agreement for Travel + Leisure's future new timeshares under the Accor brands in Asia Pacific, the Middle East, Africa and Turkey. This transaction is in line with the Group's "Asset Light" strategy and is expected to be completed by the end of the first quarter of 2024.



Additional information

The Board of Directors met on February 21, 2024 and reviewed the financial statements ending on December 31, 2023. Regarding the approval process for the Group's financial statements, the statutory auditors have, to date, substantially completed their audit procedures. Their report is currently being prepared. The consolidated financial statements and notes related to this press release are available on the www.group.accor.com website.



ABOUT ACCOR

[Accor](#) is a world-leading hospitality group offering experiences across more than 110 countries in 5,600 properties, 10,000 food & beverage venues, wellness facilities and flexible workspaces. The Group has one of the industry's most diverse hospitality ecosystems, encompassing more than 45 hotel brands from luxury to economy, as well as Lifestyle with Ennismore. Accor is focused on driving positive action through business ethics, responsible tourism, environmental sustainability, community engagement, diversity, and inclusivity. Founded in 1967, Accor SA is headquartered in France and publicly listed on the Euronext Paris Stock Exchange (ISIN code: FR0000120404) and on the OTC Market (Ticker: ACCYY) in the United States. For more information, please visit group.accor.com or follow us on [X](#), [Facebook](#), [LinkedIn](#), [Instagram](#) and [TikTok](#).

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HANDWRITTEN COLLECTION \ NOVOTEL \ MERCURE \ TRIBE \ ADAGIO \ BREAKFREE \ IBIS \ IBIS STYLES \ GREET
IBIS BUDGET \ HOTELFI

RevPAR excluding tax by segment – 2023

2023 vs. 2022	Occupancy rate		Average room rate		RevPAR	
	%	chg pts LFL	€	chg % LFL	€	chg % LFL
ENA	67.2	4.2	99	10.8	67	18.0
MEA APAC	67.4	8.8	85	16.6	57	33.4
Americas	58.4	1.6	68	17.2	39	20.4
Prem., Mid. & Eco.	66.3	5.7	90	13.5	60	23.9
Luxury	63.0	8.4	252	5.3	159	21.0
Lifestyle	65.1	5.5	217	5.5	141	14.8
Luxury & Lifestyle	63.5	7.9	243	5.4	154	19.7
Total	66.0	6.0	110	11.8	73	22.7

RevPAR excluding tax by segment – Q4 2023

Q4 2023 vs. Q4 2022	Occupancy rate		Average room rate		RevPAR	
	%	chg pts LFL	€	chg % LFL	€	chg % LFL
ENA	65.0	0.6	100	6.6	65	7.6
MEA APAC	69.1	5.1	86	10.2	60	18.7
Americas	59.2	0.8	72	13.2	43	14.7
Prem., Mid. & Eco.	66.1	2.4	91	8.5	60	12.5
Luxury	63.6	4.7	253	1.9	161	9.8
Lifestyle	65.2	2.6	211	(3.5)	138	0.4
Luxury & Lifestyle	64.0	4.3	242	0.8	155	7.8
Total	65.8	2.6	111	6.7	73	11.1



Hotel portfolio – December 2023

December 2023	Hotel Assets		Managed		Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
ENA	8	2,493	917	137,671	2,033	187,689	2,958	327,853
MEA APAC	41	7,181	790	181,292	814	115,366	1,645	303,839
Americas	54	10,930	167	28,494	228	32,169	449	71,593
Prem., Mid. & Eco.	103	20,604	1,874	347,457	3,075	335,224	5,052	703,285
Luxury	5	811	294	74,214	74	7,953	373	82,978
Lifestyle	2	153	132	27,509	25	7,593	159	35,255
Luxury & Lifestyle	7	964	426	101,723	99	15,546	532	118,233
Total	110	21,568	2,300	449,180	3,174	350,770	5,584	821,518