



Press Release

PARIS, APRIL 18, 2019

First-quarter 2019 revenue of €987 million up 34.2% as reported and 8.8% like-for-like

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**SUSTAINED ORGANIC GROWTH IN THE PORTFOLIO,
WITH 8,300 ROOMS OPENED**

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Sébastien Bazin, Chairman and Chief Executive Officer, said:

"In a turbulent macroeconomic environment, the Group's first-quarter revenue performance highlights the effectiveness of our transformation and the soundness of our strategy. Europe remained strong, while South America continued its robust recovery. We achieved sustained business development over the period, in line with our medium-term objectives, and continued to strengthen our pipeline, with an ever-increasing share of luxury hotels, which generate higher fees per room. Performing well and growing steadily stronger, the Group can tackle the rest of the year with confidence."

Consolidated first-quarter 2019 **revenue** totaled **€987 million**, up 34.2% as reported and **8.8% like-for-like** (LFL).

The **Group's RevPAR increased by 1.6%**, with mixed performances depending on the region: Europe was resilient (+3.3%), while Asia-Pacific was down slightly (-

0.6%). **Accor anticipates an improvement of the momentum across the year. The Group confirms a RevPAR growth of around 3% for FY19.**

Changes in the **scope of consolidation** (acquisitions and disposals) had a positive impact of €176 million (+23.9%), thanks in particular to the contributions of Mantra and Mövenpick.

Currency effects had a positive impact of €11 million, attributable chiefly to the depreciation the euro against the US dollar (8%).

During the first quarter, Accor opened **71 hotels**, representing **8,300 rooms**. At the end of March 2019, the **Group's pipeline** amounted to **1,135 hotels** and **200,000 rooms**.

Strong growth in revenue

In the first quarter of 2019, the **Group** posted a robust 8.8% increase in revenue at constant scope and exchange rates (like-for-like), driven by strong growth in **HotelServices (+7.3%)** and **Hotel Assets (+8.9%)**. Revenue from **New Businesses** was up **10.0%** like-for-like.

<i>In € millions</i>	Q1 2018 ⁽¹⁾	Q1 2019	Change (as reported)	Change (LFL) ⁽²⁾
HotelServices	569	645	+13.5%	+7.3%
New Businesses	31	37	+22.0%	+10.0%
Hotel Assets & Other	157	323	+106.0%	+8.9%
Holding & Intercos	(23)	(19)	N/A	N/A
Total	735	987	+34.2%	+8.8%

⁽¹⁾ Proforma figures: adjusted for the deconsolidation of AccorInvest as of January 1, 2018.

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

Highly positive momentum for HotelServices

HotelServices, which operated 4,835 hotels (709,945 rooms) under franchise agreements and management contracts at the end of March 2019, reported a **7.3% like-for-like increase in revenue to €645 million**. This rise demonstrates the resilience of our business model despite moderate RevPAR growth.

The **Management & Franchise (M&F)** business posted revenue growth of 7.0%, reflecting contrasting RevPAR performances in the various regions and the Group's sustained development:

<i>In € millions</i>	Q1 2018 ⁽¹⁾	Q1 2019	Change (LFL) ⁽²⁾
Europe	101	102	+7.6%
Asia-Pacific	50	56	+4.2%
Middle East & Africa	19	24	(0.6%)
North America, Central America & the Caribbean	30	31	+13.0%
South America	10	11	+13.0%
Total	211	225	+7.0%

⁽¹⁾ Proforma figures: adjusted for the deconsolidation of AccorInvest as of January 1, 2018.

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

Consolidated RevPAR was up **1.6% overall** in the quarter.

Europe posted a strong increase in M&F revenue (+7.6% LFL), driven by RevPAR growth of 3.3%, all segments combined.

- In France, RevPAR was up 2.7% like-for-like, despite a demanding comparison base. Paris and regional cities posted similar like-for-like growth of 2.7% and 2.5%, respectively. The upcoming Air Show in June will support corporate demand over the second quarter. The Yellow Vests movement had only a marginal impact on the Group's business.
- RevPAR growth was limited in the United Kingdom (+0.9%). The highly contrasted situation between London and the regional cities continued. The increase in RevPAR in London (+5.8%), driven by persistently strong inbound tourism, offset the decline in business in regional markets (-4.0%) attributable to a weak corporate demand amid Brexit uncertainties.
- In Germany, RevPAR grew by a solid 3.4%, driven by a favorable trade fair calendar.
- In Eastern Europe, RevPAR growth remained strong at +5.4% driven by a dynamic pricing policy especially in Poland and strong leisure demand in Budapest.
- The Iberian Peninsula continued its strong recovery, with RevPAR up 8.8%, following political tensions in Catalonia in 2017 and thanks to the ramp-up of Pullman and Fairmont in Barcelona after renovation works.

The slight contraction in business in **Asia-Pacific** (RevPAR down 0.6%) is driven by Australia, where oversupply in major cities and the upcoming general elections affected prices and occupancy rates, resulting in a 1.6% decrease in RevPAR.

Besides, the first quarter showed some weakness in Chinese outbound travel to countries such as Thailand, Vietnam, Malaysia and Australia. RevPAR in China was down 3.0% over the quarter.

RevPAR was also down a slight 0.7% in the **Middle East & Africa** region. Oversupply continued to impact prices, which declined by 2.9% during the period.

North America, Central America & the Caribbean posted a 2.1% decrease in RevPAR, impacted by a special event in the US in 2018 and major renovations in Canada in 2019.

Lastly, business continued to recover steadily in **South America**, and particularly in Brazil, where Rio de Janeiro grew strongly, in line with the rest of the country. As a result, RevPAR rose by 11.2%, mainly driven by prices.

The Group's **development** continues at a rapid pace. During the first quarter, Accor opened 71 hotels, representing nearly 8,300 rooms. At the end of March 2019, the Group's pipeline comprised 1,135 hotels and 200,000 rooms, of which 78% in emerging markets and 50% in the Asia-Pacific region.

Sustained growth in New Businesses

New Businesses (concierge services, luxury home rentals, private sales of luxury hotel stays, and digital services for hotels) generated revenue of €37 million, up 10.0% like-for-like from €31 million in 2018. The 22.0% increase as reported reflects the acquisitions of ResDiary and Adoria.

Strong growth in Hotel Assets revenue

Revenue derived from the "**Hotel Assets & Other**" segment grew by 8.9% like-for-like, reflecting a solid RevPAR growth in Eastern Europe and the strong recovery observed in Brazil. On a reported basis, the 106.0% increase in revenue is attributable to the acquisitions of Mantra and Mövenpick.

At the end of March 2019, this division, which includes owned and leased hotels, represented 245 hotels and 46,038 rooms.

2019 perspectives

The trends observed over the first quarter confirm the robustness of the Group. In 2019, Accor expects notably a record organic system growth and a progressive improvement in RevPAR, which should reach around 3% for the full-year. Meanwhile, the group pursues its transformation.

Share buyback program

A second €500 million tranche of the share buyback program was completed between December 20, 2018 and March 26, 2019, covering 13.4 million shares.

Since the program's launch in July 2018, the Group has bought back 21.8 million shares, or 7.5% of its capital, for a total of €850 million, or an average price of €39.0 per share.

The Board of Directors will soon decide the next steps to complete the execution of the program.

Events from January 1, 2019 to April 18, 2019

Financing

In January 2019, Accor successfully completed two liability management operations:

- On January 24, Accor placed two bonds, for €1.1 billion:
 - a €500 million perpetual hybrid bond with a 4.375% coupon;
 - a €600 million 7-year senior bond with a 1.75% coupon.Both transactions were oversubscribed by about six times, reflecting strong investor confidence in the Group's new business model, growth potential and attractive risk profile.
- On January 31, Accor successfully closed two tender offers and partially redeemed two bonds, including a perpetual hybrid bond (4.125% coupon) and a senior bond maturing in 2021 (2.625% coupon), for a total amount of €736 million:
 - €386 million on the perpetual hybrid bonds (€900 million bond issue in June 2014);
 - €350 million on the 2021 bonds.

On February 25, Accor established a €500 million Negotiable European Commercial Paper (NEU CP) program. With this program, Accor diversified its source of funding while optimizing its cost of debt.

Orbis

On January 23, Accor confirmed the acquisition of 33.15% of Orbis for around €339 million. Accor now owns, directly and indirectly, 85.84% of Orbis' share capital. As a result, Accor has strengthened its control of Orbis and consolidated its leadership in the region. Accor has signed a cooperation agreement under which the Group and Orbis are working on structuring options.

Hotel activities

On February 21, Accor announces the launch of a new customer promise embodied by the "ALL-Accor Live Limitless" program that will combine our distribution platform and a new experiential loyalty program. In this context, the Group announces a signing of several global partnerships notably with AEG, IMG and the Paris Saint-Germain football club, as ALL will notably become the main partner and shirt sponsor as of the next season

On March 4, Accor continued to expand its brand portfolio with its new midscale lifestyle brand, Tribe.

On March 5, sbe launched a new global lifestyle brand, The House of Originals.

On April 4, Accor announced the opening of two majestic hotels in India, Raffles Jaipur and Raffles Udaipur. The move signals a new direction for Accor in India, with a stronger focus on luxury and premium brands.



Upcoming events in 2019

April 30, 2019: Annual Shareholders' Meeting

July 31, 2019: First-half 2019 results (after market close)

ABOUT ACCOR

Accor is a world-leading augmented hospitality group offering unique and meaningful experiences in 4,800 hotels, resorts, and residences across more than 100 countries. With an unrivalled portfolio of brands from luxury to economy, Accor has been providing hospitality savoir-faire for more than 50 years.

Beyond accommodations, Accor enables new ways to live, work, and play with Food & Beverage, nightlife, wellbeing, and co-working brands. To drive business performance, Accor's portfolio of business accelerators amplifies hospitality distribution, operations, and experiences. Guests have access to one of the world's most attractive hotel loyalty programs.

Accor is deeply committed to sustainable value creation, and plays an active role in giving back to planet and community. Planet 21 – Acting Here endeavors to act for “positive hospitality”, while Accor Solidarity, the endowment fund, empowers disadvantaged people through professional training and access to employment.

Accor SA is publicly listed on the Euronext Paris Stock Exchange (ISIN code: FR0000120404) and on the OTC Market (Ticker: ACRFY) 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 \ JO&JOE \ HOTELFI

RevPAR excluding tax by segment and market – Q1 2019

Q1 2019	Occupancy rate		Average room rate		RevPAR	
	%	chg pts LFL	€	chg % LFL	€	chg % LFL
Luxury & Upscale	63.8	+2.0	150	+2.9	96	+6.3
Midscale	62.6	+0.1	91	+2.5	57	+2.7
Economy	63.6	+0.3	62	+2.3	39	+2.8
Europe	63.2	+0.4	80	+2.6	51	+3.3
Luxury & Upscale	65.3	+0.4	119	-0.8	78	-0.2
Midscale	68.8	-0.5	84	+0.1	58	-0.6
Economy	70.5	-0.3	46	+0.0	32	-0.4
Asia-Pacific	67.9	-0.1	85	-0.4	58	-0.6
Luxury & Upscale	67.4	+3.6	138	-4.2	93	+1.1
Midscale	70.4	+1.1	74	-5.3	52	-3.8
Economy	67.1	-2.9	61	-2.6	41	-6.7
Middle East & Africa	67.4	+1.5	111	-2.9	75	-0.7
Luxury & Upscale	66.7	-0.8	230	-1.0	153	-2.2
Midscale	73.5	+1.8	128	+1.0	94	+3.5
Economy	59.7	-4.7	41	+1.8	24	-5.3
North America, Central America & the Caribbean	66.9	-1.0	202	-0.7	135	-2.1
Luxury & Upscale	58.3	+1.8	123	+9.4	72	+13.4
Midscale	57.8	+2.5	67	+7.1	39	+11.7
Economy	54.1	+1.9	43	+7.0	23	+10.7
South America	55.5	+2.0	59	+7.3	33	+11.2
Luxury & Upscale	65.5	+1.1	147	-0.6	96	+1.0
Midscale	64.9	+0.2	87	+1.6	56	+1.9
Economy	63.8	+0.2	56	+2.1	36	+2.5
Total	64.5	+0.4	89	+0.9	58	+1.6

Hotel base – Q1 2019

Q1 2019	Hotel assets		Managed		Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Luxury & Upscale	22	6,021	102	18,988	60	11,226	184	36,235
Midscale	58	10,940	324	51,648	562	60,143	944	122,731
Economy	55	8,498	592	75,703	1,188	92,505	1,835	176,706
Europe	135	25,459	1,018	146,339	1,810	163,874	2,963	335,672
Luxury & Upscale	11	2,312	247	60,459	59	9,368	317	72,139
Midscale	26	4,173	273	63,455	104	15,724	403	83,352
Economy	2	350	193	35,217	191	23,995	386	59,562
Asia-Pacific	39	6,835	713	159,131	354	49,087	1,106	215,053
Luxury & Upscale	2	525	144	36,706	6	956	152	38,187
Midscale	2	235	51	10,411	9	2,015	62	12,661
Economy	5	826	49	8,951	3	530	57	10,307
Middle East & Africa	9	1,586	244	56,068	18	3,501	271	61,155
Luxury & Upscale	0	0	71	26,997	10	4,718	81	31,715
Midscale	0	0	6	2,641	8	1,725	14	4,366
Economy	0	0	19	2,504	2	233	21	2,737
North America, Central America & the Caribbean	0	0	96	32,142	20	6,676	116	38,818
Luxury & Upscale	0	0	26	5,948	5	1,094	31	7,042
Midscale	13	2,205	80	11,339	13	1,651	106	15,195
Economy	49	9,953	81	13,538	112	13,519	242	37,010
South America	62	12,158	187	30,825	130	16,264	379	59,247
Luxury & Upscale	35	8,858	590	149,098	140	27,362	765	185,318
Midscale	99	17,553	734	139,494	696	81,258	1,529	238,305
Economy	111	19,627	934	135,913	1,496	130,782	2,541	286,322
Total	245	46,038	2,258	424,505	2,332	239,402	4,835	709,945