



Press release

OCTOBER 27, 2021

***Third-quarter 2021 revenue
of €589 million
up 79% like-for-like***

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STRONG RECOVERY IN ACTIVITY DURING THE SUMMER

**IMPROVEMENT IN EBITDA SENSITIVITY AND CASH BURN
INDICATORS FOR FULL-YEAR 2021**

ORGANIC OPENINGS AT 10,000 ROOMS

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

"This third quarter of 2021 saw a genuine pick-up in demand. Our business was very strong this summer in Europe, the Middle East and the Americas, particularly for our leisure destinations. These trends are expected to persist out to the end of the year. People are very keen to travel again. With this rebound, our vision of augmented hospitality to serve our guests beyond their hotel rooms, has been confirmed with the acceleration of lifestyle & entertainment activities and takes on its full meaning. Our teams are fully mobilized to support this recovery by rolling out new services, such as the launch of the ALL payment card in France and via global communication campaigns. Our renewed winning spirit, combined with strict financial discipline, are the pillars upon which we will continue to improve our quarter-on-quarter performance."



RevPAR improved by 20 percentage points versus Q2 2021, reflecting a strong activity recovery seen over the summer. Over the quarter, the strong demand translated in higher prices than in Q3 19 in most attractive leisure geographies such as French and British provinces, the UAE and the US with strong lifestyle hotels. September and October confirmed the return of business travellers and some MICE activity.

Group revenue for the third quarter of 2021 came in at €589 million, up 79% as reported, and 79% like-for-like versus Q3 2020 (i.e., -40% compared with Q3 2019).

Changes in the scope of consolidation (acquisitions and disposals) contributed a positive €7 million, largely due to the full consolidation of sbe since Q4 2020.

Currency effects had a negative impact of €5 million, mainly due to the US dollar (-1%).

During the third quarter, Accor opened 82 hotels, representing 10,000 rooms, i.e., net system growth of +2.5% over the last twelve-month period. The Group is aiming for net system growth of around 3% on a full-year basis in 2021.

At end-September 2021, the Group had a hotel portfolio of 769,000 rooms (5,252 hotels) and a pipeline of 211,000 rooms (1,187 hotels).

Consolidated revenue

During Q3 2021, the Group reported **revenue** of €589 million, up 79% like-for-like (LFL) versus Q3 2020. This increase amounted to 94% for HotelServices and 57% for Hotel Assets & Other. To provide a comparison with RevPAR (presented as the change versus Q3 2019 throughout this release), the like-for-like decline in revenue versus Q3 2019 is 40%.

In € millions	Q3 20	Q3 21	Change (as reported)	Change (LFL) ⁽¹⁾ vs 2020	Change (LFL) ⁽¹⁾ vs 2019
HotelServices	224	440	96%	94%	(42)%
Hotel Assets & Other	99	153	55%	57%	(38)%
Holding & Intercos	5	(4)	N/A	N/A	N/A
TOTAL	329	589	79%	79%	(40)%

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

HotelServices

HotelServices, which includes fees from Management & Franchise (M&F) and Services to Owners, reported €440 million in revenue, up 94% like-for-like versus Q3 2020 (down 42% like-for-like versus Q3 2019). This increase reflects the sharp recovery in activity seen over the summer.

The **Management & Franchise (M&F)** business reported revenue of €151 million, up 107% like-for-like versus Q3 2020 (down 45% like-for-like versus Q3 2019), with regional performances correlated to health crisis developments in the countries considered. In general, the sharper decline in M&F revenue vs. RevPAR (down 37% in Q3 2021 vs. Q3 2019) reflects the collapse in incentive fees based on the hotel operating margin generated from management contracts.

In € millions	Q3 20	Q3 21	Change (LFL) ⁽¹⁾	Change (LFL) ⁽¹⁾ vs 2019
South Europe	28	47	68%	(38)%
North Europe	15	39	159%	(44)%
ASPAC	15	21	38%	(59)%
IMEAT	6	16	197%	(42)%
Americas	8	28	213%	(43)%
TOTAL	72	151	107%	(45)%

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

Consolidated RevPAR was down 37% overall in Q3 2021 versus Q3 2019. This decline reflects an environment that remains constrained by the health situation and travel restrictions between different countries.

RevPAR in **South Europe** posted a solid sequential improvement at -25% versus Q3 2019, boosted by the strength of domestic leisure tourism demand during the summer.

- In **France**, RevPAR was down 23% from Q3 2019. This reflects a sequential improvement of c.40% points versus Q2 2021, driven by regional cities (down 6%, with average room prices higher than levels seen in 2019), which welcomed domestic leisure tourism guests. The Paris region (RevPAR down 49%) suffered from the absence of international clientele. In September, small MICE took over leisure which was a good confirmation that business is back.
- In **Spain**, RevPAR fell by 39% versus Q3 2019.



North Europe reported a sequential RevPAR improvement of more than 35 points versus Q2 2021, i.e. a -39% decline compared with Q3 2019.

- In the **United Kingdom**, RevPAR was down 28%, also driven by regional cities (-6%, with average room prices also higher than levels seen in 2019) and stronger performances than London (-51)%, which was more affected.
- In **Germany**, where the Group is more dependent on business guests, the recovery in activity levels appears to be more lagged, with RevPAR down 46% on Q3 2019, which nevertheless reflects a remarkable 38%-point sequential improvement compared with Q2 2021.

Asia-Pacific was the only region to suffer a sequential slowdown, with RevPAR down 57% versus Q3 2019, and mixed performances by region.

- In **China**, RevPAR was down by 34% during the third quarter of 2021, impacted by a resurgence in Covid-19 cases in July and August. Nevertheless, this impact was short-lived, and business rebounded at end-September.
- **Pacific** RevPAR was down 56%, impacted by the introduction of lockdowns in major Australian cities. The gradual easing of restrictions since the start of October should enable a business recovery in the fourth quarter.
- In **Southeast Asia**, the more significant decline in RevPAR of 72% can be attributed to the region's dependence on international travelers and the low level of Covid-19 vaccinations. Nevertheless, quarantine business remains strong in Singapore and vaccination is now starting overall in the region.

In the **India, Middle East, Africa & Turkey** (IMEAT) region, RevPAR was down 23% versus Q3 2019. This improved performance was driven by the **United Arab Emirates** and more specifically by Dubai, which should also benefit from Expo 2020, open since October 1 for 6 months. **Saudi Arabia** was impacted by restrictions around pilgrimages.

In the **Americas**, RevPAR was down 38% vs. Q3 2019, reflecting a marked sequential improvement versus the second quarter 2021.

- **North/Central America** and the **Caribbean** reported improvements, with RevPAR down by 38%. Canada, where borders reopened gradually from August, made a notable contribution to this performance.
- In **South America**, where RevPAR was down 39%, the improvement was driven by large-scale vaccination campaigns.



Services to Owners revenue, which includes the Sales, Marketing, Distribution and Loyalty division, as well as shared services and the reimbursement of hotel staff costs, came to €288 million in the third quarter of 2021, down 40% compared with 2019. The smaller decline in revenue reflects solid activity enjoyed in the United States compared with the Group average.

Hotel Assets & Other

Revenue in the “Hotels Assets and Other” segment was up 57% versus 2020 and down 38% like-for-like from Q3 2019. While the performance of this segment was held back by new lockdowns in Australia, the very strong recovery of hotels in Egypt and in Turkey eased the impact of this decline compared with 2019.

This segment now includes New Businesses (concierge services, luxury home rentals, private sales of hotel stays and digital services for hotel owners) which continue to be affected in different ways, ranging from the severely affected businesses directly related to the Travel sector, such as onefinestay’s private home rentals, to the digital businesses, such as the services provided by D-Edge.

At end-September 2021, this segment, which includes owned and leased hotels, represented 124 hotels and 24,395 rooms.

Confirmation of recurring cost savings as part of the RESET plan amounting to €200 million

The different initiatives making up the RESET recurring cost savings plan, presented on August 4, 2020 and on February 24, 2021 were confirmed. The timeframe for unlocking the benefits on the income statement remains unchanged: EBITDA should benefit from a positive impact of more than €70 million in full-year 2021.

Improvement in EBITDA sensitivity and cash burn indicators for 2021

Accor improved its **EBITDA sensitivity per point of RevPAR** target to below €17 million, vs. 2019, (versus slightly below €18 million previously), and its **monthly cash burn** target to less than €35 million (versus €40 million previously).



Events from July 1, 2021 to October 27, 2021

Closing of Partnership between Accor & Ennismore

On October 1st, 2021, under terms of an all-share merger, Accor becomes the majority owner of the new entity created with Ennismore, focused on the Lifestyle hotel segment. The Group owns 66.67% of this new entity. Founder of Ennismore Sharan Pasricha owns 33.33%.



ABOUT ACCOR

[Accor](#) is a world leading hospitality group consisting of more than 5,200 properties and 10,000 food and beverage venues throughout 110 countries. The group has one of the industry's most diverse and fully-integrated hospitality ecosystems encompassing more than 40 luxury, premium, midscale and economy hotel brands, entertainment and nightlife venues, restaurants and bars, branded private residences, shared accommodation properties, concierge services, co-working spaces and more. Accor's unmatched position in lifestyle hospitality – one of the fastest growing categories in the industry – is led by Ennismore, a creative hospitality company with a global portfolio of entrepreneurial and founder-built brands with purpose at their heart. Accor boasts an unrivalled portfolio of distinctive brands and approximately 260,000 team members worldwide. 68 million members benefit from the company's comprehensive loyalty program – [ALL - Accor Live Limitless](#) – a daily lifestyle companion that provides access to a wide variety of rewards, services and experiences. Through its Planet 21 – Acting Here, Accor Solidarity, RiiSE and ALL Heartist Fund initiatives, the Group 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 visit group.accor.com, or follow Accor on [Twitter](#), [Facebook](#), [LinkedIn](#), and [Instagram](#).

Media relations

Charlotte Thouvard

Senior Vice President Global
Communications
T. +33 (0)1 45 38 19 14
charlotte.thouvard@accor.com

Line Crieloue

Corporate Executive Director
Group External Communications
T. +33 (0)1 45 38 18 11
line.crieloue@accor.com

Investor and Analyst Relations

Pierre-Loup Etienne

SVP Investor Relations and
Financial Communications
T. +33 (0)1 45 38 47 76
pierre-loup.etienne@accor.com

Nastassja Mirza

Investor Relations and Financial
Communications Officer
T. +33 (0)1 45 38 87 23
nastassja.mirza@accor.com



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THE HOXTON \ TRIBE \ WORKING FROM

RevPAR excluding tax by segment – Q3 2021

Q3 2021 vs. Q3 2019	Occupancy rate		Average room rate		RevPAR	
	%	chg pts LFL	€	chg % LFL	€	chg % LFL
Luxury & Upscale	54.9	-22.9	237	+5.9	130	-24.0
Midscale	54.6	-22.0	106	-1.4	58	-29.6
Economy	61.8	-14.7	64	-2.2	39	-20.9
South Europe	59.0	-17.5	86	-2.7	51	-24.8
Luxury & Upscale	42.1	-36.7	178	+4.4	75	-43.6
Midscale	53.5	-25.3	82	-8.1	44	-37.4
Economy	54.3	-25.9	64	-8.9	34	-38.2
North Europe	52.6	-26.5	82	-8.5	43	-38.9
Luxury & Upscale	37.0	-30.4	84	-23.2	31	-56.6
Midscale	42.6	-37.2	61	-17.0	26	-57.5
Economy	50.2	-30.8	32	-23.3	16	-54.1
ASPAC	42.4	-33.2	59	-22.1	25	-57.2
Luxury & Upscale	47.5	-20.8	131	+9.5	62	-24.0
Midscale	61.4	-5.6	52	-8.5	32	-15.8
Economy	52.4	-13.5	34	-10.8	18	-29.1
IMEAT	51.2	-16.0	91	+0.5	47	-23.3
Luxury & Upscale	43.8	-29.0	228	+2.6	100	-37.2
Midscale	45.1	-19.8	55	-11.4	25	-38.0
Economy	42.8	-17.1	28	-7.8	12	-33.8
Americas	43.7	-22.1	103	-6.8	45	-37.7
Luxury & Upscale	42.4	-27.4	143	-0.3	61	-38.5
Midscale	50.1	-25.9	77	-7.6	39	-39.1
Economy	54.4	-20.5	52	-6.3	28	-31.9
Total	49.8	-24.1	81	-7.3	40	-37.3



Hotel base – September 2021

September 2021	Hotel assets		Managed		Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Luxury & Upscale	3	1,512	38	6,880	34	2 746	75	11,138
Midscale	6	800	168	25,016	354	33,723	528	59,539
Economy	1	135	270	33,062	1,032	75,885	1 303	109,082
South Europe	10	2,447	476	64,958	1,420	112,354	1 906	179,759
Luxury & Upscale	3	721	66	12,108	41	8,601	110	21,430
Midscale	0	0	195	34,975	246	30,583	441	65,558
Economy	5	980	324	45,045	258	27,725	587	73,750
North Europe	8	1,701	585	92,128	545	66,909	1 138	160,738
Luxury & Upscale	10	2,106	274	66,943	66	12,373	350	81,422
Midscale	20	3,145	236	55,427	202	32,729	458	91,301
Economy	1	186	168	31,375	289	32,669	458	64,230
ASPAC	31	5,437	678	153,745	557	77,771	1 266	236,953
Luxury & Upscale	2	525	181	45,528	26	6,612	209	52,665
Midscale	5	796	84	15,975	22	4,271	111	21,042
Economy	10	1,681	72	13,230	15	2,309	97	17,220
IMEAT	17	3,002	337	74,733	63	13,192	417	90,927
Luxury & Upscale	2	401	95	30,966	20	5,167	117	36,534
Midscale	10	1,807	78	13,140	32	5,129	120	20,076
Economy	46	9,600	90	14,319	152	19,927	288	43,846
Americas	58	11,808	263	58,425	204	30,223	525	100,456
Luxury & Upscale	20	5,265	654	162,425	187	35,499	861	203,189
Midscale	41	6,548	761	144,533	856	106,435	1 658	257,516
Economy	63	12,582	924	137,031	1,746	158,515	2 733	308,128
Total	124	24,395	2,339	443,989	2,789	300,449	5 252	768,833