



Press release

APRIL 22ND, 2020

***First-quarter 2020 revenue
of €768 million
down 15.8% like-for-like***

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25.4% DECLINE IN REVPAR

**SUSTAINED PORTFOLIO ORGANIC GROWTH,
WITH 8,000 ROOMS OPENED**

SOLID FINANCIALS AND AMPLE LIQUIDITY

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

"The world is facing an unprecedented health crisis that is having massive and unique impacts on the tourism industry. Nearly two-thirds of our hotels are currently closed, and most of the others are being used to support healthcare workers and all those on the front lines of the fight against COVID-19. Against this backdrop, the efforts of our employees and our owners have been extraordinary.

Today, our challenge is twofold: manage the emergency and prepare for the rebound.

The Group is in a strong position to address the current situation and we are taking aggressive measures to adapt our organization. Accor's recent transformation has left the Group with a robust balance sheet which will enable it to absorb the economic consequences of this crisis in the coming quarters. At the same time, we are preparing for the recovery alongside the authorities and professional organizations in the countries in which we operate so that the Group will be well positioned to rebound as quickly as possible."



Consolidated first-quarter 2020 revenue totaled €768 million, down 17.0% as reported and 15.8% like-for-like.

RevPAR fell by 25.4%, reflecting the sharp deterioration in the environment due to the worldwide spread of the COVID-19 epidemic, first in Asia-Pacific (-33.7%) and then in other regions, including Europe (-23.2%) and North America (-22.2%).

Changes in the scope of consolidation (acquisitions and disposals) had a negative impact of -€7 million largely due to the disposal of Mövenpick leased hotels.

Currency effects had a negative impact of -€4 million, mainly due to the Australian dollar (-4.2%) offset by the US dollar (+3.0%).

During first-quarter 2020, Accor opened 58 hotels, representing 8,000 rooms, which is a very satisfying level given the current environment. At end-March 2020, the Group had a portfolio of 746,903 rooms (5,085 hotels) and a pipeline of 208,000 rooms (1,202 hotels), of which 76% in emerging markets.

As of April 22, 2020, 62% of the Group's hotels are closed, i.e., more than 3,100 units.

Decrease in revenue

The Group reported first-quarter 2020 **revenue** of €768 million, down 15.8% like-for-like. This decrease reached -17.5% for HotelServices and -13.0% for Hotel Assets. New Businesses revenue was down 13.8% like-for-like.

In € millions	Q1 19 ⁽¹⁾	Q1 20	Change (as reported)	Change (LFL) ⁽²⁾
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
TOTAL	925	768	(17.0)%	(15.8)%

⁽¹⁾ Proforma financial information (IFRS 5 Orbis assets reported as "Held for sale").

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

HotelServices

HotelServices, which operated 5,085 hotels (746,903 rooms) under franchise agreements and management contracts at the end of March 2020, reported a 17.5% like-for-like decrease in revenue, to €540 million. This decline reflects the rapid COVID-19-related deterioration in RevPAR.

Revenue in the **Management & Franchise (M&F)** business was down 34.9%, with performance hit by the gradual spread of the virus in various regions.

In € millions	Q1 19 ⁽¹⁾	Q1 20	Change (LFL) ⁽²⁾
Europe	102	72	(31.2)%
Asia-Pacific	56	30	(46.7)%
Middle East & Africa	24	19	(34.7)%
North America, Central America & the Caribbean	31	20	(36.3)%
South America	11	9	(7.4)%
TOTAL	225	150	(34.9)%

(1) Proforma financial information.

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

Consolidated RevPAR was down 25.4% overall in the quarter, including a 62.6% decline in March alone, after a 2.0% increase in January and a 10.2% decrease in February. RevPAR's impact on M&F revenue was compounded by the significant decline in incentive bonuses based on hotels' gross operating profit.

M&F revenue was down by a sharp 31.2% like-for-like in **Europe**, reflecting a 23.2% deterioration in RevPAR.

- In **France**, RevPAR fell 22.4% in first-quarter 2020. Paris and the regional cities saw similar declines of -22.3% and -22.4%, respectively. The lockdown implemented since March 17 led to the temporary closure of more than 75% of Accor hotels in France.
- In the **United Kingdom**, RevPAR declined by 22.1%. London was more affected than the regional cities with RevPAR down 23.9% and 19.7%, respectively. Most hotels have been closed since March 25.
- In **Germany**, where protective measures were put in place on March 22, the impact on RevPAR was similar, reflecting a 24.5% decline for the quarter.



- **Spain**, which went into lockdown on March 14, reported a 29% drop in RevPAR in the first quarter.

In **Asia-Pacific** RevPAR was down 33.7%, reflecting the deterioration that began a month earlier than in Europe.

- In **China**, RevPAR fell by 67.7% in first-quarter 2020. The epicenter of the pandemic is still affected by COVID-19, but initial signs of an improvement can be seen in the pick-up in occupancy rates and in the restaurant business. Average prices remain low as the rooms are mainly being used by medical personnel or for quarantine measures.
- In **Australia**, where COVID-19 has had a more limited impact, the decline in RevPAR was somewhat less pronounced at 18.2%. This decline was also mitigated by the hotels being used for quarantine, which had a positive short-term impact on RevPAR.

In **Middle East & Africa**, RevPAR was down 21.4%. The trend was similar to Europe's due to the closure of the holy cities since the end of February.

RevPAR in **North America, Central America & the Caribbean** was affected by the closure of numerous hotels since mid-March due to the COVID-19 pandemic and was down 22.2%.

Lastly, business has so far proven more resilient in **South America**, with a RevPAR decline of 11.2%. However, this resilience reflects the time lag in the spread of the pandemic.

The Group nevertheless continues to expand at a rapid pace. During Q1, Accor opened 58 hotels, representing nearly 8,000 rooms. At end-March 2020, the Group's pipeline was stable and comprised 1,202 hotels and 208,000 rooms, of which 76% in emerging markets.

Hotel Assets

Revenue derived from the "Hotel Assets & Other" segment was down 13.0% like-for-like, reflecting the lesser impact of COVID-19 in Australia and the time lag in the spread of the pandemic in Brazil. The 20.4% decline in revenue as reported was exacerbated by the sale of the Mövenpick leased hotels early March 2020.

At the end of March 2020, this segment, which includes owned and leased hotels, represented 167 hotels and 29,930 rooms.



New Businesses

New Businesses (concierge services, luxury home rentals, private sales for luxury hotel stays, and digital services for hotels) generated revenue of €32 million, down 13.8% like-for-like from €37 million in 2019. The decline was 13.3% as reported due to currency effects.

Covid-19's impact on business

The rapid changes in the environment, with the virus spreading to all continents, and their impact on the hotel business are unprecedented. Visibility is currently not high enough for the Group to estimate the financial impact this crisis will have on its results and financial position for fiscal year 2020.

For the first quarter, Accor estimates a €170 million EBITDA shortfall. This amount reflects the gradual closure of a majority of its portfolio in March. It only very partially incorporates the positive impacts of the cost-saving measures taken in end-March. These are ramping up and will produce most of their results in the coming months. These measures include:

- A travel ban, hiring freeze, and reduced schedules or furloughing for 75% of global head office teams for Q2, resulting in a minimum €60 million reduction in G&A for 2020.
- A review of the recurring investment plan for 2020, resulting in a €60 million reduction in capital expenditures for the year.
- The significant cost reduction (sales, marketing, IT, etc.) to offset drastic fee decrease.

April and May are expected to be the most difficult months of the year, with very low occupancy rates and strong uncertainty about timing and lockdown relaxation as well as the pace for border reopenings. However, a few markets are showing some positive signs, primarily China, where there are first indications of recovery.

In these extraordinary times, the Group can rely on its very strong financial position, with more than €2.5 billion in available liquidity at end-March 2020 and an undrawn revolving credit facility of €1.2 billion with no covenant testing before June 2021.



Share buyback program

A €300 million share buyback program was completed between January 20, 2020 and March 24, 2020, covering 10,175,309 shares at an average price of €29.48.

In order to preserve liquidity, further share buyback programs are suspended until further notice.

Dividend and “ALL Heartist Fund”

The Accor Board of Directors decided to round out the initiatives taken by management by withdrawing its proposal to pay a dividend in respect of 2019, representing €280 million.

After consulting with the Group’s main shareholders, Accor decided to allocate 25% of the planned dividend (i.e. €70 million) to the launch of the “ALL Heartist Fund,” which is designed to assist employees and—on a case-by-case basis—individual partners experiencing great financial difficulty, as well as frontline professionals providing support to local communities during the crisis.



Events from January 1, 2020 to April 22, 2020

On January 20, Accor entered into an agreement with an investment services provider to carry out a €300 million share buyback.

On January 22, Accor and Sabre joined forces to create the first unified central reservation (CR) and property management (PM) platform for the hospitality industry.

On February 18, Accor and Visa, the global leader in digital payments, announced a global partnership to bring new payment experiences to ALL – Accor Live Limitless loyalty members.

On March 11, Accor announces that it has completed the sale of an 85.8% stake in Orbis to AccorInvest for an amount of €1.06 billion. In this very same week, the Group has also completed the sale of Mövenpick hotels' lease portfolio with a €430m positive impact on net debt.

On March 11, Accor also announced that RevPAR had decreased by 4.5% like-for-like in the two months to end-February versus the same period in 2019, with a 10.2% decline in February alone due to the very significant downturn in the tourism industry amid the spread of the COVID-19 virus. The two-month performance reflects a sharp drop in business, with COVID-19 having an impact of around €20 million on consolidated EBITDA. Since the final week of February, the Group has seen business in Europe contract at a highly accelerated pace, particularly in Italy, France and Germany, and has implemented significant cost-saving measures to partially offset the lower business volumes.

On March 24, Accor announced the completion of its share buyback program launched on January 20, 2020 for an amount of €300m. At completion, the Group acquired 10,175,309 shares at an average price of €29.48. In order to preserve liquidity, further share buyback programs are suspended until further notice. The liquidity contract has been resumed at this date.

On March 24, in the current context of uncertainties and the acceleration of the coronavirus (COVID-19) pandemic across the world, the Board of Directors of Accor has decided to reschedule the Annual General Meeting initially planned on April 30, 2020, to June 30, 2020.

On April 2, following the sharp deterioration in the business environment in the wake of COVID-19, Accor decided to implement aggressive measures. On the same day, the Accor Board of Directors decided to round out the initiatives taken by management by withdrawing its proposal to pay a dividend in respect of 2019, representing €280 million.



After consulting with the Group’s main shareholders, Accor decided to allocate 25% of the planned dividend (i.e. €70 million) to the launch of the “ALL Heartist Fund”, a COVID-19 special-purpose vehicle designed to assist employees and—on a case-by-case basis—individual partners experiencing great financial difficulty, as well as stakeholders providing support to local communities during the crisis. This initiative has received unanimous support from the members of the Board of Directors, who collectively decided to reduce their attendance fees by 20% to the benefit of the “ALL Heartist Fund”. Additionally, Sébastien Bazin, Chairman and Chief Executive Officer of Accor, will forego 25% of his compensation during the crisis. The equivalent amount will be donated to the Fund.

Upcoming events in 2020

June 30, 2020: Annual Shareholders’ Meeting

July 27, 2020: First-half 2020 results (after market close)



ABOUT ACCOR

Accor is a world-leading augmented hospitality group offering unique experiences in 5,000 hotels and residences across 110 destinations. 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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RevPAR excluding tax by segment – Q1 2020

Q1 2020	Occupancy rate		Average room rate		RevPAR	
	%	chg pts LFL	€	chg % LFL	€	chg % LFL
Luxury & Premium	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
Europe	48.2	-14.4	80	-0.5	39	-23.2
Luxury & Premium	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
Asia-Pacific	44.4	-22.5	83	-0.5	37	-33.7
Luxury & Premium	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
Middle East & Africa	54.1	-12.7	107	-3.0	58	-21.4
Luxury & Premium	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
North America, Central America & the Caribbean	51.8	-14.6	206	-0.3	107	-22.2
Luxury & Premium	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
South America	46.4	-8.2	53	+4.0	25	-11.2
Luxury & Premium	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
Total	47.6	-16.1	88	-0.3	42	-25.4



Hotel base – March 2020

March 2020	Hotel assets		Managed		Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Luxury & Premium	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
Europe	54	8,731	1,087	163,093	1,904	174,377	3,045	346,201
Luxury & Premium	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
Asia-Pacific	40	7,113	744	168,646	441	59,368	1,225	235,127
Luxury & Premium	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
Middle East & Africa	9	1,586	259	58,352	28	5,249	296	65,187
Luxury & Premium	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
North America, Central America & the Caribbean	0	0	102	33,672	20	5,008	122	38,680
Luxury & Premium	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
South America	64	12,500	178	28,845	155	20,363	397	61,708
Luxury & Premium	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
Total	167	29,930	2,370	452,608	2,548	264,365	5,085	746,903