

H1 2020 Results

August 4th, 2020



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Opening remarks

Sébastien Bazin
Chairman & CEO

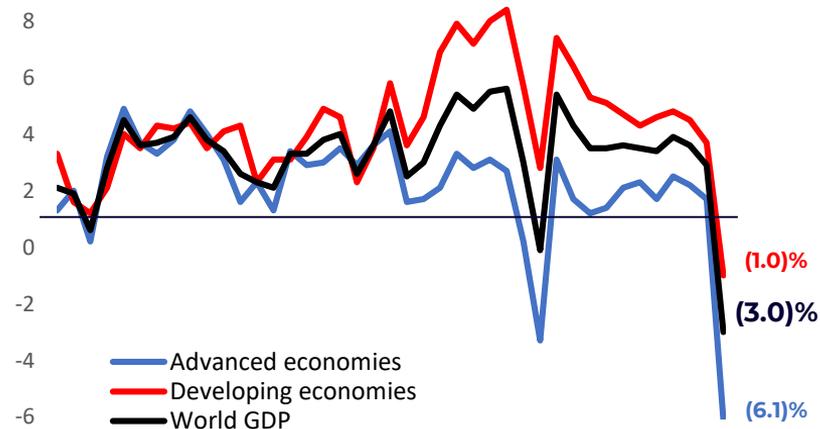


Covid-19 crisis takes the world decades back

Key facts

- Across all countries worldwide
- Worst World GDP drop in 40 years (IMF)
- Worst unemployment rate in 40 years (ILO)
- Lowest international travel in 30 years (WTO)

GDP growth since 1980

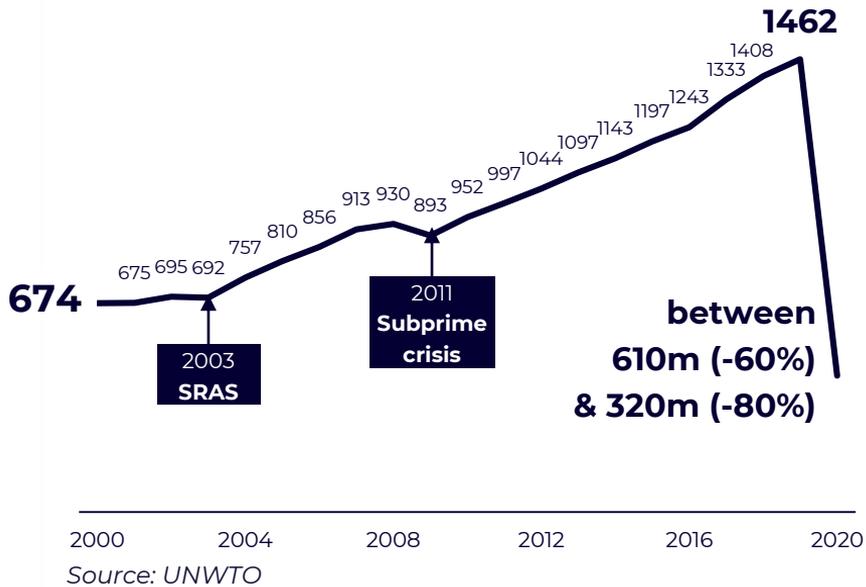


Source: IMF

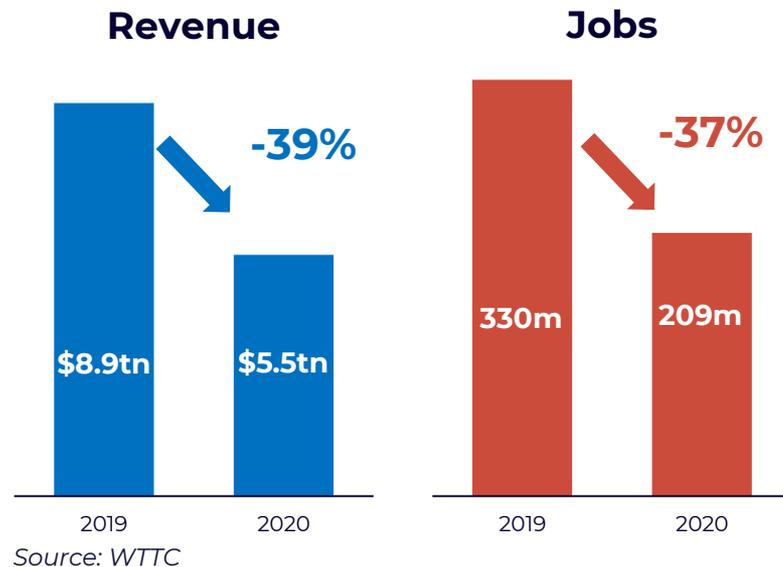


Impact on Travel & Leisure industry is massive

About 1bn reduction expected from 1.4bn in international travellers

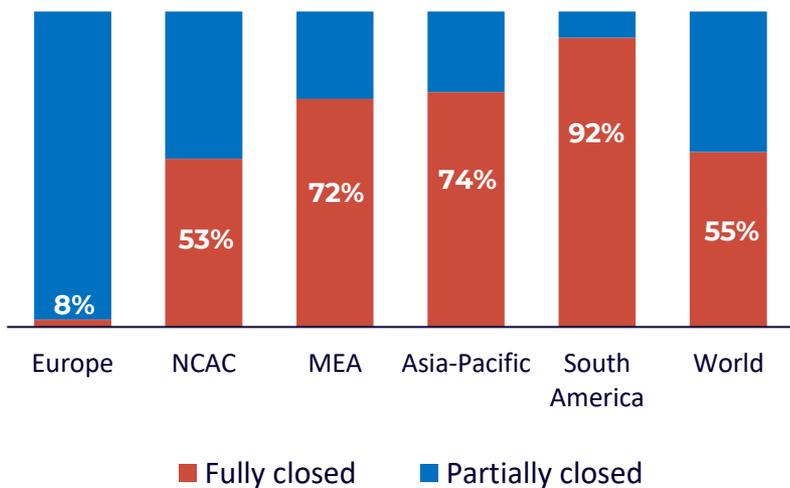


\$3.4tn Travel & Leisure contribution to GDP contraction and 121m job losses expected



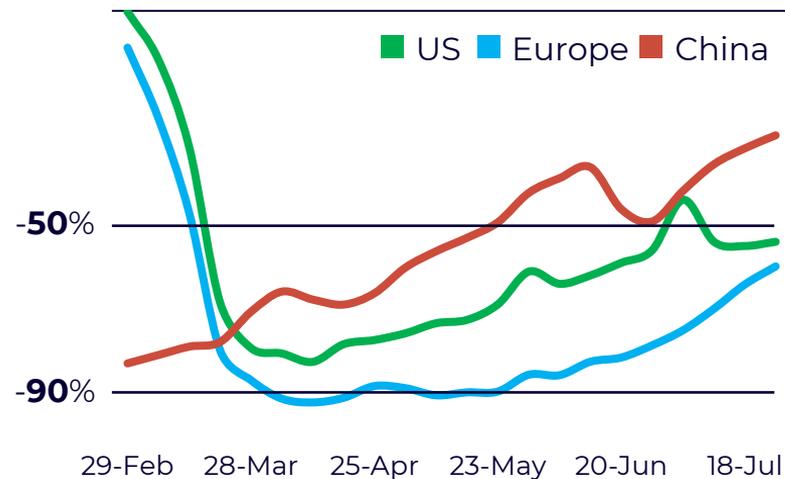
Industry slowly recovering

% of countries with borders closed



Source: IATA

Global RevPAR trends



Source: STR



H1 2020 Results

Jean-Jacques Morin
Deputy CEO



Severe financial impacts on H1 performance

Business Momentum

-59.3% L/L system RevPAR
with -88.2% in Q2

31.0% system Occupancy
with 14.7% in Q2

81% of hotel open
to date

Financial Performance

€917m Revenue
down **(48.8)% L/L**

€(227)m EBITDA

Recurring FCF
at **€(473)m**



Immediate measures deployed to protect earnings & financial headroom

Improved operating leverage

H1 20 EBITDA sensitivity to RevPAR at less than €20m

60% G&A annual cost savings achieved in H1 out of €60+m
announced in April

Hundreds of € millions reduction in other costs
(SMDL, Hotel Assets & New Bus.)

Reduced Cash Burn

H1 20 monthly cash burn reduced to €80m

€60m reduction in recurring capital expenditures for FY20

Share buyback and dividend suspended until further notice

Reinforced balance sheet

More than €4bn liquidity position
at end-June 2020

- €2.4bn cash
- €1.8bn RCF undrawn



Accor key achievements despite the unprecedented crisis

Completed transactions



€1.06bn proceeds



€429m reduction of consolidated debt ⁽¹⁾

Recruited Loyal Guests



+2.3m members

66m loyalty members

Pursued development

+4.3% LTM net Organic System Growth

12k rooms added in H1

Stable pipeline at 206k rooms

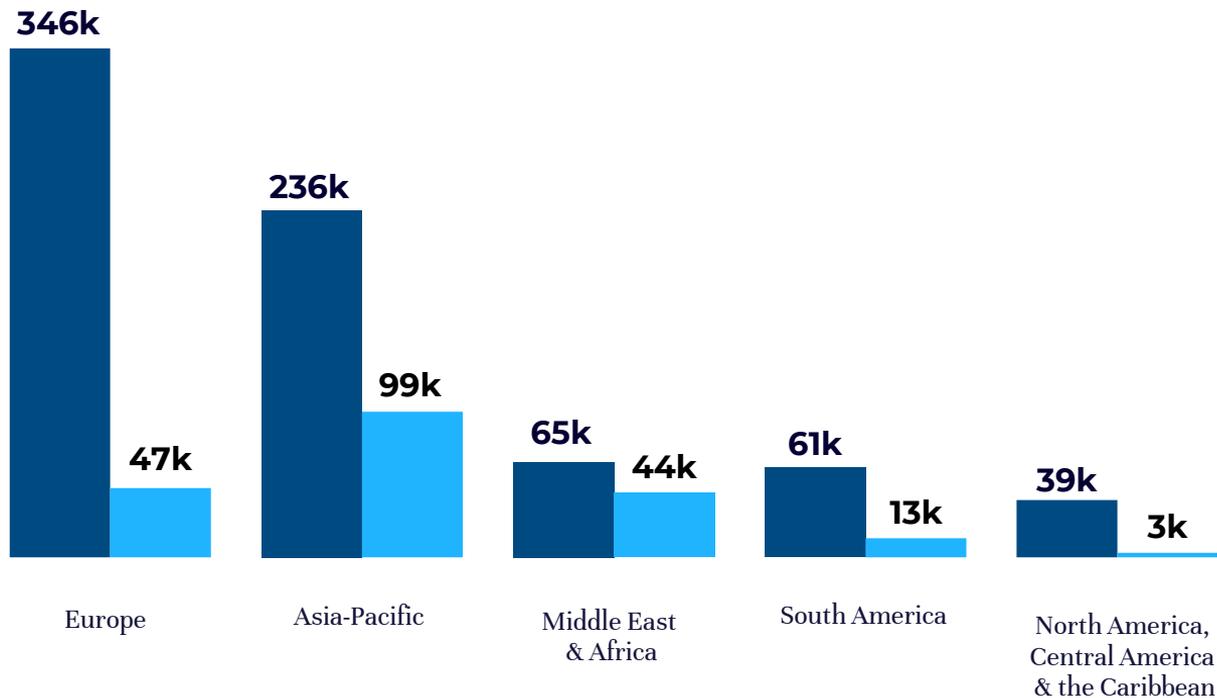
28% of the portfolio

⁽¹⁾ Reclassified as Held for sale in December 2019



+4.3% LTM net Organic System Growth

In rooms, as of June 2020



Network	
Hotels	5,099
Rooms	748k

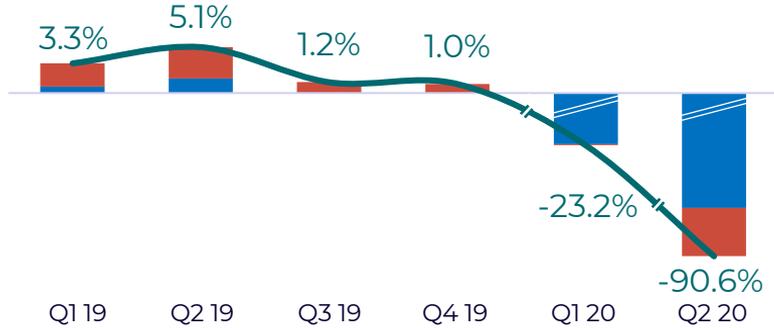
Pipeline	
Hotels	1,197
Rooms	206k



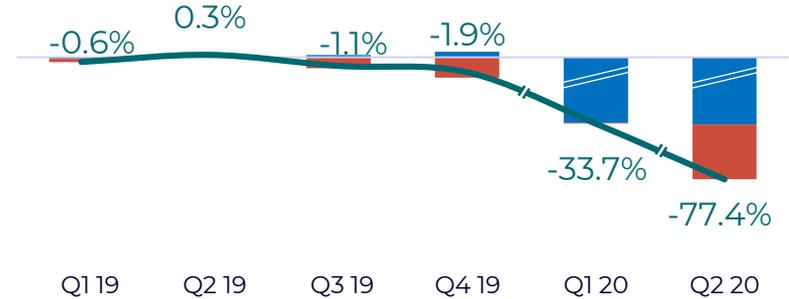
(59)% RevPAR decline in H1 20 with Q2 at (88)%



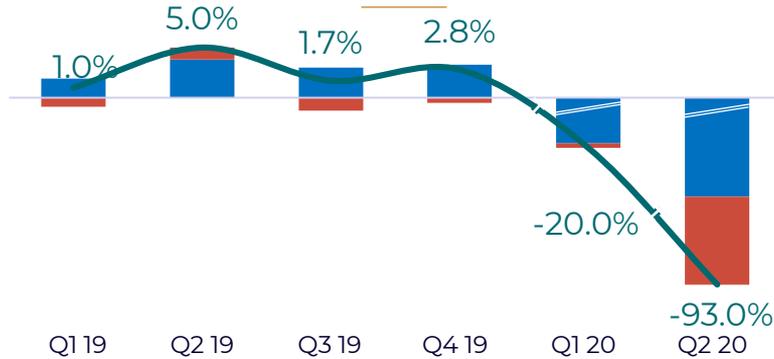
Europe



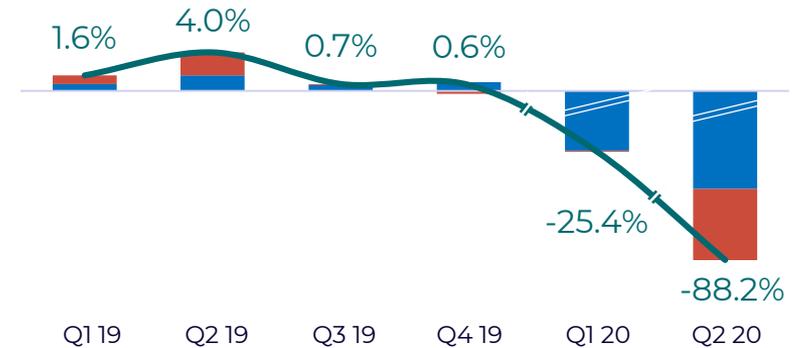
Asia Pacific



Rest of the World

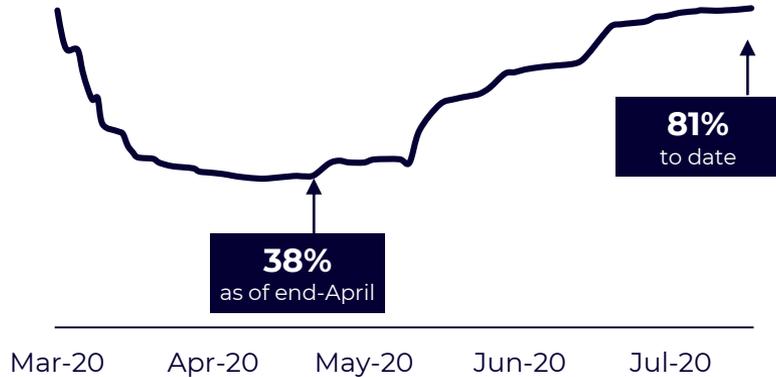


Group

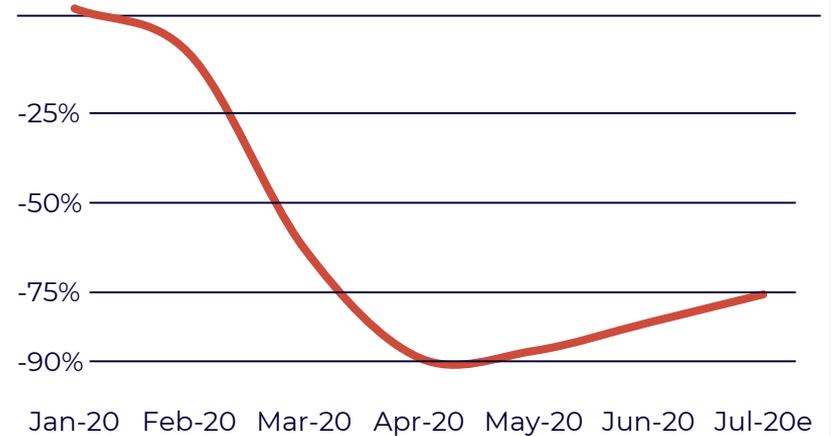


After April trough, progressive improvement

81% of hotel open to date



RevPAR recovers after the trough of April & May



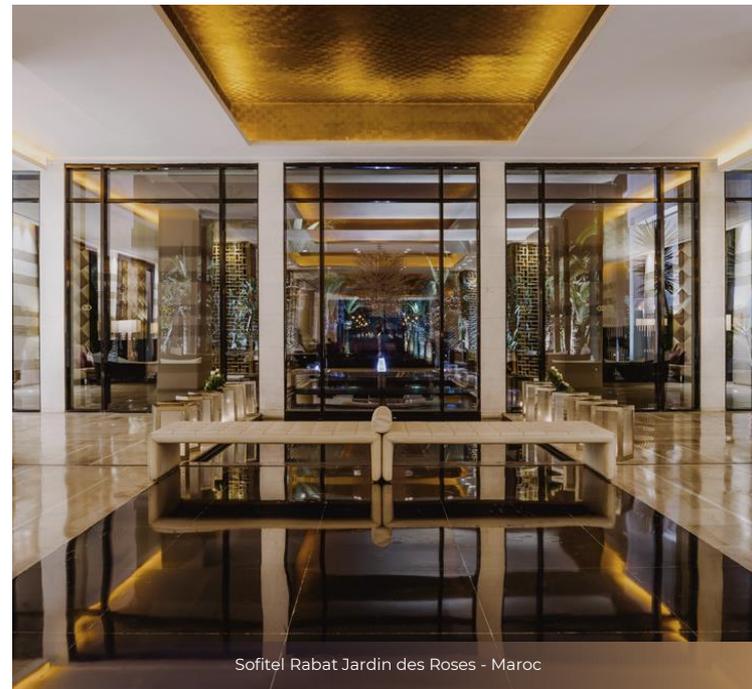
H1 20 Group revenue down (49)% on a L/L basis

In € millions	H1 2019	H1 2020	Reported change	L/L change
HotelServices	1,366	650	(52.4)%	(52.8)%
Hotel Assets	519	237	(54.4)%	(40.2)%
New Businesses	77	46	(40.3)%	(40.5)%
Holding & Intercos	(36)	(16)	N/A	N/A
Total	1,926	917	(52.4)%	(48.8)%



Management & Franchise revenue down (72)% on a L/L basis

In € millions	H1 2019	H1 2020	L/L change
Europe	245	62	(74.9)%
ASPAC	100	29	(70.8)%
MEA	52	17	(72.5)%
NCAC	65	23	(66.0)%
South America	24	8	(62.1)%
Total	486	139	(72.0)%



EBITDA reflects a reduced sensitivity to RevPAR to less than €20m per point

In € millions	H1 2019	H1 2020	Reported change	L/L change
HotelServices	344	(141)	(140.9)%	(140.0)%
Hotel Assets	97	(10)	(110.5)%	(87.9)%
New Businesses	(1)	(16)	N/A	N/A
Holding & Intercos	(65)	(60)	N/A	N/A
Total	375	(227)	(160.5)%	(153.7)%



EBITDA impact on HotelServices notably driven by SMDL

	M&F	Services to Owners				Hotel Services
In € millions	(1)	SMDL ⁽¹⁾ (a)	Reimbursed costs (b)	Other services (c)	STO ⁽²⁾ (2) (a)+(b)+(c)	(1)+(2)
H1 2020						
Revenue	139	164	297	49	511	650
EBITDA	0	(131)	(0)	(9)	(141)	(141)
H1 2019						
Revenue	486	354	470	55	879	1366
EBITDA	353	(5)	(0)	(4)	(9)	344

⁽¹⁾ SMDL: Sales Marketing, Distribution & Loyalty

⁽²⁾ STO: Services to Owners



Impact on Hotel Assets mitigated by variabilized costs and actions

Portfolio	Revenue	EBITDA
<p>30k rooms</p> <p>12k leased rooms in Brazil</p> <p>7k leased rooms in</p> <p>MANTRA GROUP</p>	<p>(56)% L/L RevPAR decrease</p> <p>€237m revenue down (40.2)% L/L</p> <p>€106m revenue from "Other"⁽¹⁾</p>	<p>€(10)m EBITDA down (87.9)% L/L</p> <p>mitigated through</p> <ul style="list-style-type: none">• Severance in Brazil• Variable lease in Brazil• Furloughing in Europe & Australia

⁽¹⁾ASPAC and "Other" includes **Timeshare** (named Accor Vacation Club), **Strata** (i.e. Management Letting Rights in Australia) and **AccorPlus** (a pay-to-join loyalty program)



From EBITDA to Net Profit

In € millions	H1 2019	H1 2020	
EBITDA	375	(227)	
Depreciation, amortization and provision	(141)	(137)	
EBIT	234	(363)	
Share of net losses of associates and JVs	(14)	(353) (a)	(a) <ul style="list-style-type: none"> • AccorInvest • Huazhu • sbe
Non-recurring items (o/w impairments)	(6)	(1,000) (b)	
Operating profit	214	(1,716)	(b) Non-current assets impairment (13% of the book value)
Net financial expense	(38)	(52)	
Income tax	(43)	(5)	
Minority interests	(8)	2	
Profit from continuing operations	125	(1,772)	
Profit from discontinued operations	16	259 (c)	(c) Capital gain from Orbis disposal
Net profit for the half-year	141	(1,512)	

Monthly cash burn lowered from €100m to €80m

In € millions	H1 2019	H1 2020
EBITDA	375	(227)
Cost of net debt	(31)	(28)
Income tax (cash)	(39)	1
Reimbursement of lease liabilities	(67)	(47)
Non-cash items & other	54	69
FUNDS FROM OPERATIONS	293	(232)
Recurring investment	(75)	(61)
Working capital and contract assets/liabilities	(74)	(180) (a)
RECURRING FREE CASH FLOW	144	(473)
Cash conversion rate ⁽¹⁾	76%	N/A

(a)

Fee collection deferrals due to Covid-19

⁽¹⁾ Cash conversion rate = (EBITDA – Recurring investment – reimbursement of lease liability) / (EBITDA – reimbursement of lease liability)

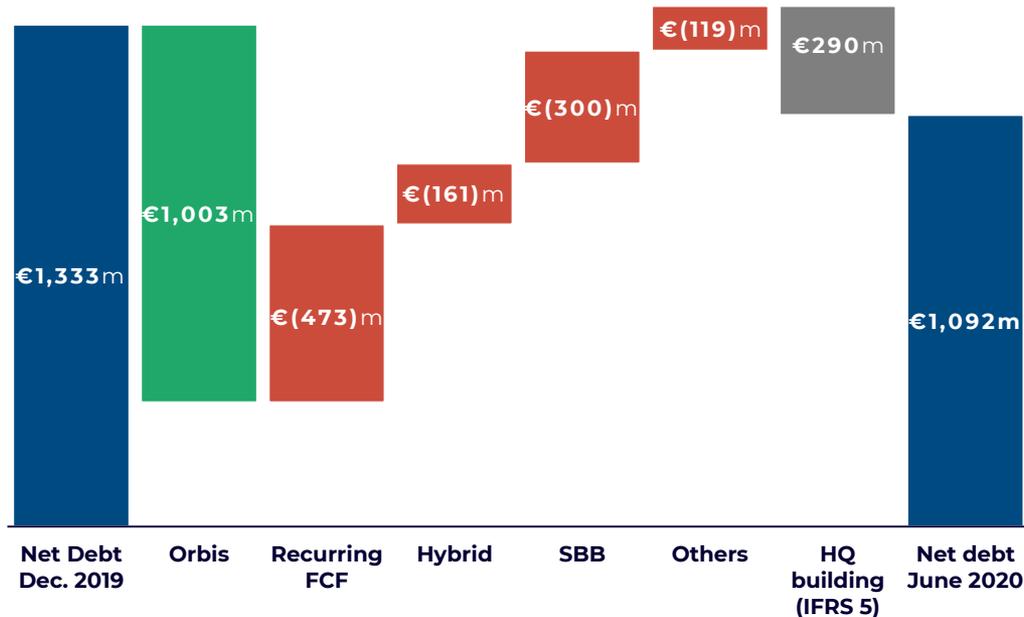


Improved liquidity position & reduced net debt

Liquidity position

- June 2020
More than €4bn liquidity position
- July 2020
Tax cash refund (€300m)

Net debt From December 2019 to June 2020



Closing remarks

Sébastien Bazin
Chairman & CEO



Reacting to the unprecedented shock and preparing for the future

- ◇ **Taking care of the local communities**
(Staff, Guests, Owners)



- ◇ **Restore confidence in travelling**
Launch of AllSafe label certification



- ◇ **Learn from the crisis implications**
 - Changes in guests behaviors
 - Stress test of the business model

- ◇ **Build a strong future for Accor**
 - Simplify the organization in line with our asset-light portfolio
 - Focus on high-growth levers (geographies, segments, brands)
 - Scale-up core businesses to increase performance & de-risk our portfolio



In depth “Zero-Based Budget” process completed

A granular & disciplined approach

- **Build fact base**
over 7,000 activities mapped
- **Select fact based improvement areas**
targeting non value-added activities
- **Identify and quantify gross savings**
getting bottom-up buy-in
- **Disciplined execution plan**

Leading to saving levers

- **Eliminate & streamline tasks**
- **Management structure**
- **Frugality**
- **Real estate**
- **Mutualisation of efforts**
- **Automation**
- **Contractors**



€200m **RECURRING** savings on €1.2bn HotelServices cost base

◇ **M&F and Holding**

- Management structure
- Organizational simplification
- Automation

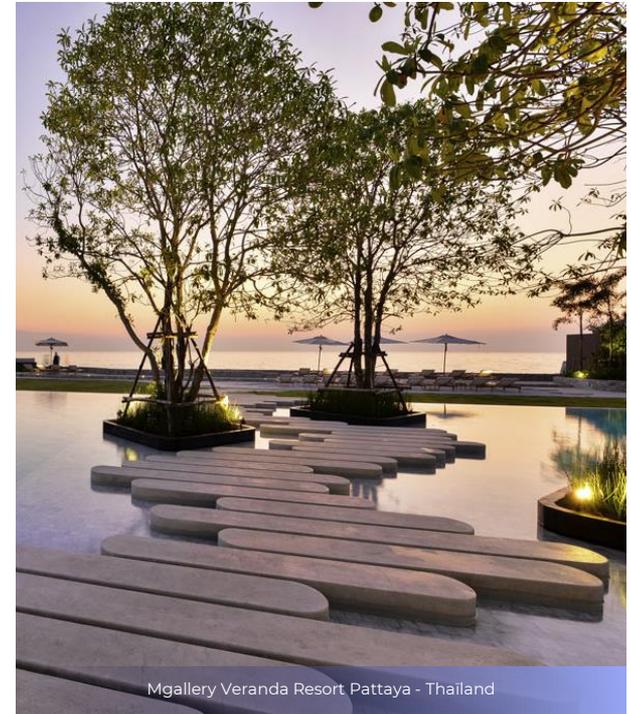
◇ **Sales, Marketing, Distribution & Loyalty**

- Contractors
- IT

◇ **20-month payback**

- 2/3 achieved as of end-2021,
- 100% achieved as of end-2022

◇ **Timely execution at the top of the management agenda**



Moving from an asset-light model to an asset-light company

Accor will emerge stronger and is fully ready to rebound

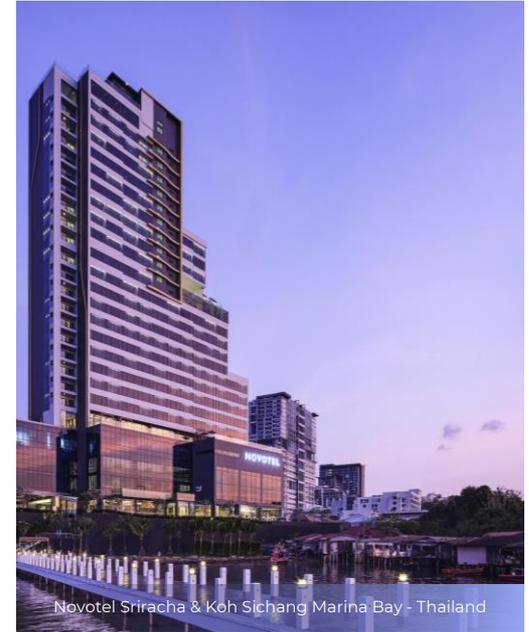
- Leaner cost structure & more focused organization
- Higher profitability and cash conversion potential
- Solid balance sheet

Driven by long-term vision & values

- High sense of responsibility
- Strongly committed to environment, inclusion & solidarity

Accor brands sought after like never before

- Enhanced attractiveness to guests and owners
- Driving market share & dynamic development



Appendices

Novotel Melbourne South Wharf - Australia



H1 margin for Management & Franchise

H1 2020

H1 2019

In € millions	Management & Franchise	Services to Owners	Hotel Services
Revenue	139	511	650
EBITDA	0	(141)	(141)
Margin	(0.0)%	(27.5)%	(21.6)%
Revenue	486	879	1,366
EBITDA	353	(9)	344
Margin	72.6%	(1.1)%	25.2%



H1 2020 Revenue – From Like-for-Like to Reported

(48.8)%

Like-for-Like
€(939)m

HotelServices: (52.8)% L/L ⁽¹⁾
New businesses: (40.5)% L/L
Hotel Assets: (40.2)% L/L

(3.0)%

Perimeter
€(57)m

M&A

(0.7)%

Currency
€(13)m

Slight negative currency effect

- USD: €7m
- AUD: €(10)m
- BRL: €(10)m

(52.4)%

Reported
€(1,009)m

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



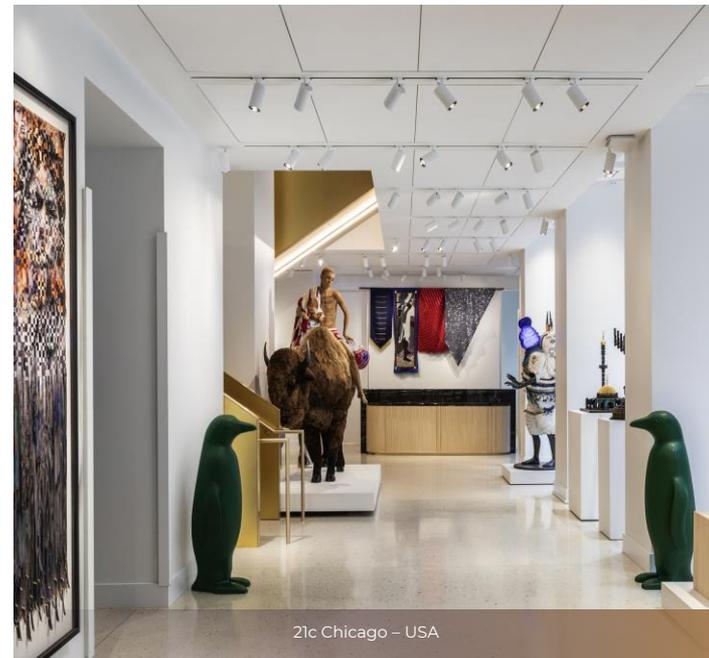
Q2 20 Group revenue down (79)% on a L/L basis

In € millions	Q2 2019	Q2 2020	Reported change	L/L change
HotelServices	720	110	(84.8)%	(84.3)%
Hotel Assets	260	30	(88.3)%	(67.2)%
New Businesses	40	14	(65.5)%	(65.4)%
Holding & Intercos	(19)	(5)	N/A	N/A
Total	1,002	149	(85.1)%	(79.2)%



Q2 20 Management & Franchise revenue

In € millions	Q2 2019	Q2 2020	L/L change
Europe	143	(9)	(106.3)%
ASPAC	45	(1)	(100.7)%
MEA	27	(2)	(106.1)%
NCAC	34	2	(93.1)%
South America	13	(1)	(111.1)%
Total	261	(11)	(103.8)%



Q2 2020 Revenue – From Like-for-Like to Reported

(79.2)%	Like-for-Like €(794)m	HotelServices: (84.3)% L/L ⁽¹⁾ New businesses: (65.4)% L/L Hotel Assets: (67.2)% L/L
(5.0)%	Perimeter €(50)m	M&A
(0.9)%	Currency €(9)m	Slight negative currency effect <ul style="list-style-type: none">• USD: €1m• CAD: €(1)m• AUD: €(3)m• BRL: €(4)m
(85.1)%	Reported €(853)m	

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



1
RevPAR



RevPAR – Systemwide

	Q2 2020						H1 2020					
	OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Lux. & Upscale	13.9	-53.6	79	-46.3	11	-89.4	29.3	-36.5	133	-12.0	39	-60.9
Midscale	14.5	-58.4	57	-30.7	8	-87.5	31.5	-37.1	79	-8.6	25	-58.4
Economy	15.3	-57.6	38	-31.3	6	-87.1	31.8	-36.5	50	-10.0	16	-58.6
SYSTEMWIDE	14.7	-56.7	54	-36.9	8	-88.2	31.0	-36.6	80	-10.7	25	-59.3



RevPAR – Geographical breakdown (1/2)

	Q2 2020						H1 2020					
	OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Lux. & Upscale	5.3	-70.2	123	-22.2	6	-97.3	24.2	-42.1	147	-9.5	36	-67.2
Midscale	8.5	-67.5	73	-23.5	6	-92.0	28.2	-41.2	88	-7.7	25	-62.8
Economy	11.3	-65.1	54	-19.9	6	-88.3	30.2	-39.8	60	-8.3	18	-60.5
EUROPE	9.8	-66.3	64	-26.6	6	-90.6	28.8	-40.5	77	-9.6	22	-62.1
Lux. & Upscale	22.3	-41.1	71	-32.1	16	-76.6	30.5	-33.5	104	-8.0	32	-56.4
Midscale	24.1	-46.8	50	-29.1	12	-77.8	35.8	-33.1	70	-8.3	25	-52.6
Economy	34.2	-40.5	25	-38.9	9	-74.7	40.4	-32.1	36	-15.3	14	-54.3
ASPAC	26.1	-43.2	47	-34.7	12	-77.4	35.2	-33.0	70	-10.8	25	-54.7



RevPAR – Geographical breakdown (2/2)

	Q2 2020						H1 2020					
	OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Lux. & Upscale	11.3	-52.5	92	-39.5	10	-90.7	32.2	-33.3	126	-14.8	41	-58.8
Midscale	24.5	-36.1	59	-7.9	14	-59.4	41.3	-23.3	69	-3.6	29	-36.7
Economy	17.0	-43.4	43	-8.9	7	-72.8	34.8	-27.8	55	-1.8	19	-43.7
MEA	14.9	-47.6	71	-40.6	11	-87.3	34.4	-30.3	100	-15.3	34	-55.6
Lux. & Upscale	7.7	-68.8	87	-58.3	7	-94.9	29.0	-43.1	217	-11.4	63	-64.5
Midscale	5.3	-74.7	98	-23.1	5	-98.7	33.7	-44.5	130	-6.7	44	-62.5
Economy	3.7	-56.9	6	+21.3	0	-92.9	26.4	-34.2	37	-4.9	10	-59.3
NCAC	7.0	-68.5	84	-54.1	6	-95.5	29.3	-42.5	191	-11.5	56	-64.3
Lux. & Upscale	4.3	-50.4	-23	-56.4	-1	-92.9	24.1	-31.8	109	+9.8	26	-49.5
Midscale	6.1	-52.9	-1	-36.4	0	-94.4	26.7	-31.5	55	+1.8	15	-53.4
Economy	3.8	-51.0	-11	-31.8	0	-95.3	25.1	-28.8	35	+0.9	9	-52.5
SOUTH AMERICA	4.4	-51.4	-9	-37.1	0	-95.1	25.4	-29.9	48	+2.1	12	-52.4



RevPAR – France

	Q2 2020						H1 2020					
	OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Lux. & Upscale	5.5	-70.4	187	-18.2	10	-94.0	25.3	-42.8	189	-9.1	48	-65.9
Midscale	9.0	-65.5	86	-23.5	8	-91.0	27.3	-39.4	101	-7.6	28	-62.1
Economy	14.1	-60.3	54	-17.7	8	-85.1	31.1	-36.8	60	-6.7	19	-57.7
FRANCE	12.2	-62.2	64	-26.8	8	-88.6	29.7	-37.8	76	-9.5	23	-60.4



\ 2 \
Portfolio



Portfolio as of June 30th, 2020 (1/2)

	OWNED & LEASED		MANAGED		FRANCHISED		TOTAL	
	# hotels	# rooms	# hotels	# rooms	# hotels	# rooms	# hotels	# rooms
Luxury & Upscale	5	2,060	137	25,829	64	11,309	206	39,198
Midscale	29	3,608	351	58,782	596	64,146	976	126,536
Economy	21	3,270	600	78,482	1,250	99,013	1,871	180,765
EUROPE	55	8,938	1,088	163,093	1,910	174,468	3,053	346,499
Luxury & Upscale	12	2,566	272	66,796	63	10,676	347	80,038
Midscale	27	4,362	268	63,028	143	22,518	438	89,908
Economy	1	186	196	36,283	252	29,562	449	66,031
ASPAC	40	7,114	736	166,107	458	62,756	1,234	235,977
Luxury & Upscale	2	525	159	38,861	6	956	167	40,342
Midscale	2	235	54	10,740	12	2,566	68	13,541
Economy	5	826	46	8,747	10	1,727	61	11,300
MEA	9	1,586	259	58,348	28	5,249	296	65,183



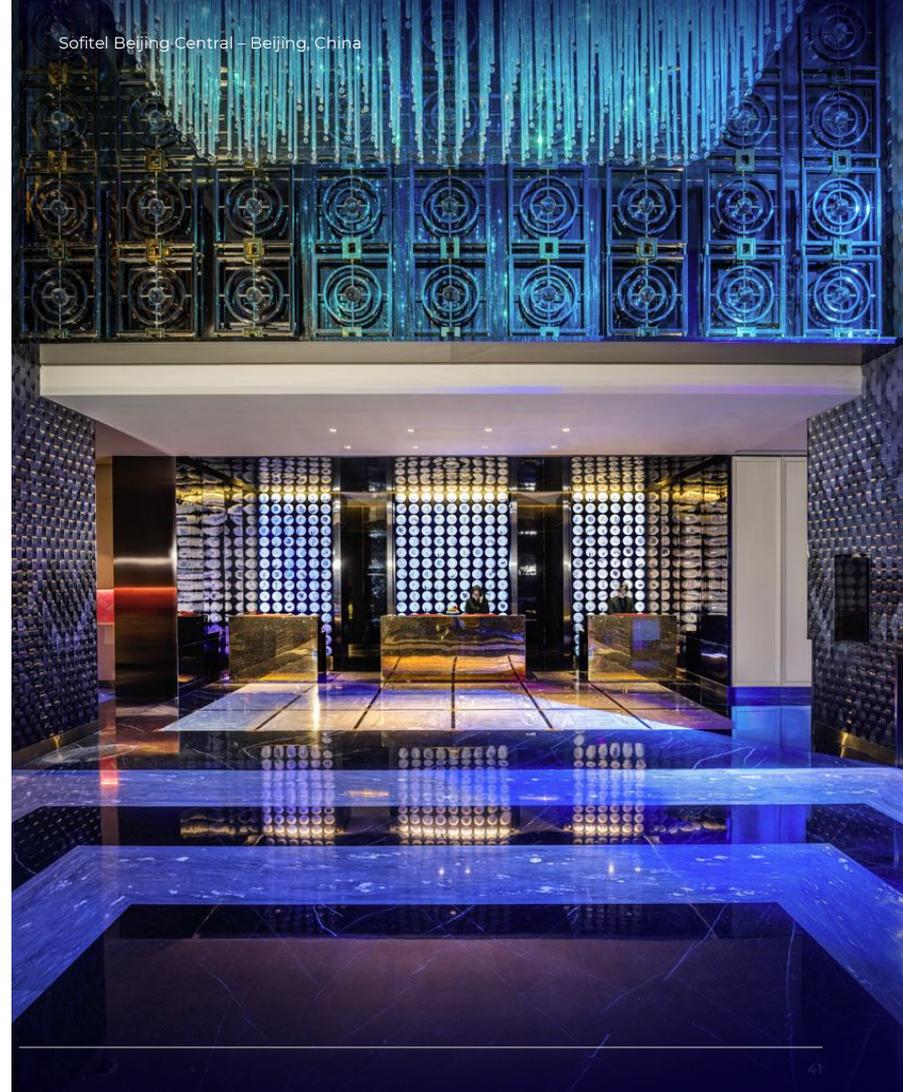
Portfolio as of June 30th, 2020 (2/2)

	OWNED & LEASED		MANAGED		FRANCHISED		TOTAL	
	# hotels	# rooms	# hotels	# rooms	# hotels	# rooms	# hotels	# rooms
Luxury & Upscale	1	53	74	28,256	9	3,105	84	31,414
Midscale	0	0	7	2,711	7	1,400	14	4,111
Economy	0	0	20	2,649	4	503	24	3,152
NCAC	1	53	101	33,616	20	5,008	122	38,677
Luxury & Upscale	0	0	27	5,863	5	1,094	32	6,957
Midscale	15	2,586	74	10,647	17	2,277	106	15,510
Economy	48	9,794	74	12,024	134	17,184	256	39,002
SOUTH AMERICA	63	12,380	175	28,534	156	20,555	394	61,469
Luxury & Upscale	20	5,204	669	165,605	147	27,140	836	197,949
Midscale	73	10,791	754	145,908	775	92,907	1,602	249,606
Economy	75	14,076	936	138,185	1,650	147,989	2,661	300,250
TOTAL	168	30,071	2,359	449,698	2,572	268,036	5,099	747,805



3

Exchange rates



Q2 2020 Exchange Rates

1€ = X foreign currency	Q2 2019 <i>Average Rate</i>	Q2 2020 <i>Average Rate</i>	Q2 2019 vs. Q2 2020
Australian Dollar (AUD)	1.60	1.69	(5.0)%
Brazilian Real (BRL)	4.41	5.88	(25.1)%
Canadian Dollar (CAD)	1.50	1.53	(1.4)%
Egyptian Pound (EGP)	19.13	17.47	+9.5%
British Sterling (GBP)	0.87	0.89	(1.5)%
American Dollar (USD)	1.12	1.10	+2.2%

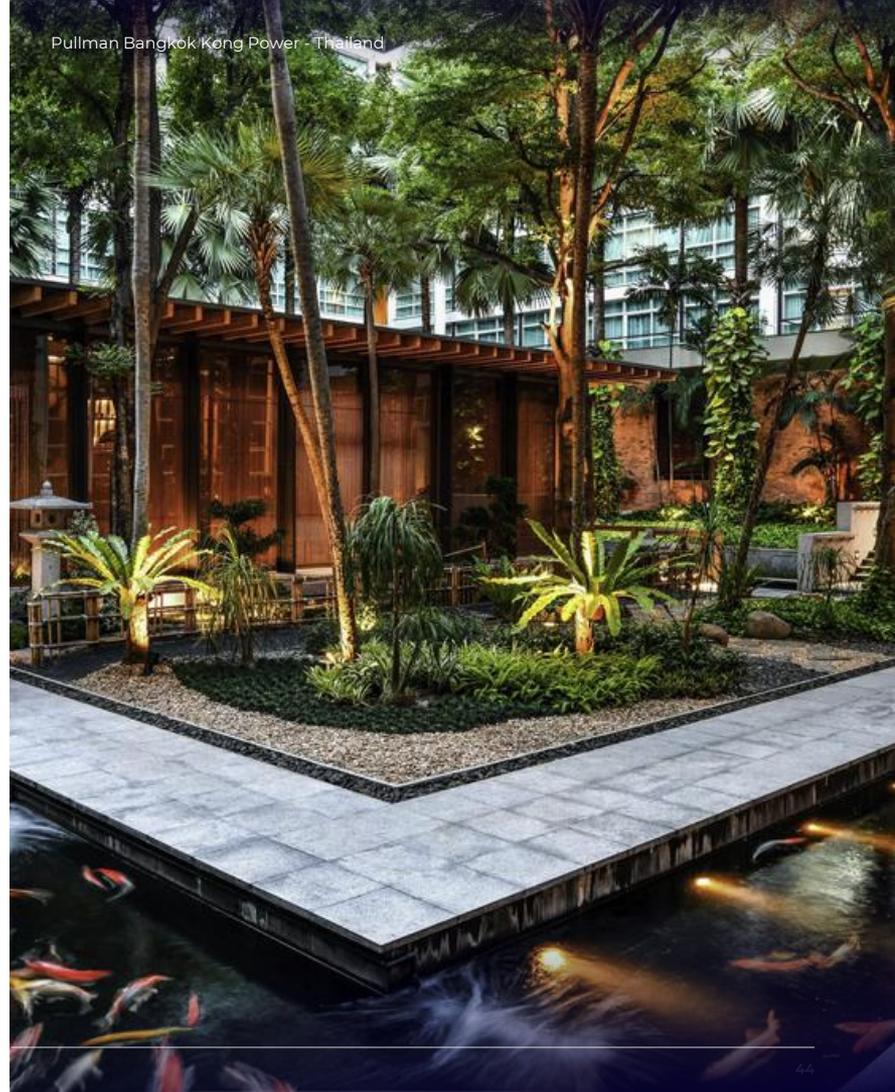


H1 2020 Exchange Rates

1€ = X foreign currency	H1 2019 <i>Average Rate</i>	H1 2020 <i>Average Rate</i>	H1 2019 vs. H1 2020
Australian Dollar (AUD)	1.60	1.68	(4.6)%
Brazilian Real (BRL)	4.34	5.37	(19.1)%
Canadian Dollar (CAD)	1.51	1.50	+0.5%
Egyptian Pound (EGP)	19.59	17.43	+12.4%
British Sterling (GBP)	0.87	0.87	+0.1%
American Dollar (USD)	1.13	1.10	+2.6%



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