

13th April 2016

Hotels

## AccorHotels

Price EUR36.95

Ownership structure: Jin Jiang could build up its ownership

Fair Value EUR48 (+30%)

BUY-Top Picks

Bloomberg	AC FP
Reuters	ACCP.PA
12-month High / Low (EUR)	51.3 / 30.0
Market Cap (EURm)	8,698
Avg. 6m daily volume (000)	1 546

	1 M	3 M	6 M	31/12/15
Absolute perf.	-2.8%	-0.4%	-16.4%	-7.6%
Travel&Leisure	-2.2%	-7.2%	-2.6%	-10.5%
DJ Stoxx 600	-2.7%	-2.2%	-8.3%	-9.0%

  

	2014	2015e	2016e	2017e
P/E	22.0x	19.6x	21.2x	18.2x
Div yield (%)	2.6%	2.7%	3.0%	3.4%

### ANALYSIS

- **Jin Jiang International**, which is n°7 hotel companies in the world, is one of the fastest growing Chinese companies and the only one investing abroad. In fact, Jin Jiang bought in 2014 Group du Louvre and is today AccorHotels' biggest shareholder with almost 12% of equity capital. More yesterday, Jin Jiang announced that it could build up its ownership to about 20%.
- No more comment from companies. Regarding shareholder declarations and beyond legal one to each 5% to AMF, there are specific statutes disclosure thresholds: shareholder that acquires or raises its interest to 1% of the capital or voting rights is required to disclose its interest to the Company. Any shareholder that acquires or raises its interest to more than one-twentieth, three-twentieths or one quarter of the capital or voting rights is required to notify the Company of its intentions over the following twelve months.

### Shareholder structure(before FRHI)

	Shares (estimated)	%
Colony capital	14 121 146	6,0%
Eurazeo	12 238 326	5,2%
<b>SS total</b>	<b>26 359 472</b>	<b>11,2%</b>
Jin Jiang	27 536 234	11,7%
Founders & Directors	5 937 840	2,5%
Free float	175 518 880	74,6%
<b>Total</b>	<b>235 352 425</b>	<b>100,0%</b>

Source : Company Data; Bryan Garnier & Co. ests.

### Shareholder structure (after FRHI)

	Shares (estimated)	%
Colony capital	14 121 146	5,0%
Eurazeo	12 238 326	4,3%
<b>SS total</b>	<b>26 359 472</b>	<b>9,3%</b>
Qatar Investment Authority (QIA)	30 046 206	10,7%
Kingdom Holding Company (KHC)	16 645 316	5,9%
<b>SS total</b>	<b>46 691 522</b>	<b>16,6%</b>
Jin Jiang	27 536 234	9,8%
Founders & Directors	5 937 840	2,1%
Free float	175 598 933	62,2%
<b>Total</b>	<b>282 124 000</b>	<b>100,0%</b>

Source : Company Data; Bryan Garnier & Co. ests.

### VALUATION

- At the current share price, the stock is trading EV/EBITDA of 10.1x for 2016e and 8.4x for 2017e compared with an historical median of 7.6x and an average for European peers of 9.4x for 2016e and 8.6x for 2017e.

### NEXT CATALYSTS

- Q1 2016 revenue on 19<sup>th</sup> April (after market). Conference call at 6:30pm

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Bruno de La Rochebrochard, bdelarochebrochard@bryangarnier.com

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NEUTRAL	Opinion recommending not to trade in a stock short-term, neither as a BUYER or a SELLER, due to a specific set of factors. This view is intended to be temporary. It may reflect different situations, but in particular those where a fair value shows no significant potential or where an upcoming binary event constitutes a high-risk that is difficult to quantify. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.
SELL	Negative opinion for a stock where we expect an unfavourable performance in absolute terms over a period of 6 months from the publication of a recommendation. This opinion is based not only on the FV (the potential downside based on valuation), but also takes into account a number of elements that could include a SWOT analysis, momentum, technical aspects or the sector backdrop. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.

## Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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15 St. Botolph Street	75008 Paris	New York, NY 10022	80538 Munich	New Delhi 110 001
London EC3A 7BB	Tel: +33 (0) 1 56 68 75 00	Tel: +1 (0) 212 337 7000	Germany	Tel +91 11 4132 6062
Tel: +44 (0) 207 332 2500	Fax: +33 (0) 1 56 68 75 01	Fax: +1 (0) 212 337 7002	+49 89 2422 62 11	+91 98 1111 5119
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	resolution (ACPR)			CP 2113
				Genève 1, CH 1211
				Tel +4122 731 3263
				Fax+4122731 3243
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