

Louvre Hotels Group announces a 5-year strategic plan and a massive investment to strengthen its leadership in the midscale segment

Louvre Hotels Group, the second-largest player in the hotel industry in France and Europe, with flagship brands such as Campanile, Kyriad and Première Classe, is implementing a strategic plan aiming, by 2028, to position each of its brands among the top 3 performing ones in the segments and countries where the group operates.

With an unprecedented investment plan, the group will renovate 80% of its hotels. Through a new brand strategy, the designs have been completely revamped to enhance flexibility, thereby increasing development opportunities. This plan will also bolster services offered to franchisees by creating a service platform, redesigning the purchasing platform and loyalty program, as well as optimizing IT systems and e-commerce tools.

This strategic direction is structured in 3 phases:

- By 2025, managing, defining and implementing the new plan and business model as well as redefining the fundamentals of each brand,
- Between 2026 and 2027, boosting organic growth,
- In 2028, exploring additional opportunities.

Strong brands always positioned among the top 3 performing ones on each key market

The group has redefined its brand's structure to build a strong and relevant brands portfolio, focusing on both concepts and experiences. The aim is to rank the brands among the top 3 of their segment and countries where they operate in. The new architecture also provides greater flexibility while optimizing costs, transforming the brands into conversion brands, thus attracting new investors and franchisees.

This plan was developed around leading brands in the economy and midscale segments: Première Classe, Kyriad Direct, Kyriad, Campanile, and Kyriad Prestige. Rounding out this architecture are the Group's two hybrid brands, Hoshō and Tulip Hôtels et Résidences, as well as Golden Tulip, with a more upscale positioning.

Campanile, a flagship and historically significant brand within the Group, is strengthening its position in the midscale segment to make every stay a memorable moment of sharing and conviviality. To deliver

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this promise, the designs have been completely revised, while remaining adaptable to provide flexibility and full control over renovation costs. From the reception area to the rooms, including common spaces and exteriors, new warm, modern, and comfortable environments have been created. The dining experience, a cornerstone of Campanile's identity, has been rethought with memorable elements inspired by traditional French cuisine.

Two of the most recent brands, Hoshu and Tulip Hotels & Residences, represent hybrid and innovative concepts that cater to the evolving accommodation preferences of consumers:

- Hoshu is a next-generation hostel model, firmly positioned in the budget segment, offering a product that combines traditional rooms with dormitories accommodating up to 8 people,
- Tulip Hotel & Residences is a new design-oriented midscale brand that provides both traditional rooms and a long-stay accommodation approach with studios and apartments.

Some key comfort elements, such as bedding or showers, have been developed to bring greater clarity to the promise of each brand and their new positioning. Customers will find these 'brilliant basics' in all group establishments, consistently elevating the brands above the standards of their category. The goal is to have 80% of the establishments implementing the brilliant basics by summer 2025.

A major renovation plan to gain market share

The Group will roll out an extensive hotel renovation plan featuring new, adaptable, modern, and distinctive designs and concepts tailored to each hotel. The objective is to renovate 80% of the hotels by 2028.

Furthermore, while updating these properties, the investments will standardize the hotel portfolio and reinforce the Group's position in the midscale segment.

Meanwhile, Louvre Hotels Group will continue to strengthen its presence in its key markets, where it is already firmly established with strong and popular brands:

- In France, the group's historical market, development ambitions are reinforced with the signing of over 200 new hotels between 2024 et 2028,
- In China, 265 hotels will open between 2024 and 2028, adding nearly 40 000 additional rooms, thereby reaching a total of 500 operating in the country,
- In India, 50 new hotels will be established, reaching nearly 200 establishments, thereby consolidating the group's leadership position in the Indian midscale segment,
- And the rest of the world, over 120 hotels will open in the next 5 years.

A strategic plan that focuses on investors and franchisees

To refocus on its investors and franchisees, Louvre Hotels Group will implement new tools and services ensuring better profitability and efficiency, aiming to gain market share while optimizing the operational model and costs.

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A platform encompassing all services offered by the group to its franchisees will be launched in 2024. Designed to bring agility, flexibility, and simplicity while further streamlining the franchisor-franchisee relationship, this platform will offer various customizable services tailored to the needs of each hotel. It will provide opportunities for additional revenue for the group. Services available will include technical and design assistance to support investors in hotel renovations, revenue optimization and pricing services, as well as a revamped purchasing platform for enhanced efficiency.

Additionally, digital management and reservation tools (such as CRS or PMS) will be optimized to facilitate the daily hotel operations while ensuring greater profitability for partners.

All these innovations serve as growth drivers and productivity enhancers for the network hotels, further strengthening Louvre Hotels Group's leadership in the midscale market in France and internationally.

Federico J. González, CEO de Louvre Hotels Group asserts: « *It is a great pride for the entire company to announce this 5-year strategic plan that the teams have worked on extensively. I have been extremely impressed by their commitment and dedication in building this plan alongside the executive committee. Today, Louvre Hotels Group enters a new phase, and with the support of our shareholder, Jin Jiang Hotel, we are determined and mobilized to execute it and together build the future of Louvre Hotels Group* ».

About Louvre Hotels Group

Louvre Hotels Group is a major player in the global hospitality industry, with a portfolio that now includes over 1,700 hotels in 70 countries. It has a full hotel offering, spanning 1 star to 5 stars, with the brands: Première Classe, Hoshō, Kyriad Direct, Kyriad, Campanile, Kyriad Prestige, Tulip, Golden Tulip et Royal Tulip the 5 brands of the Sarovar network in India and the French Group Hôtels & Préférence. Louvre Hotels Group is a subsidiary of Jin Jiang International Holdings Co., Ltd., the 2nd hospitality group in the world.