

IHG<sup>®</sup>  
HOTELS & RESORTS



# 2024 Half Year Results

6 August 2024

# Cautionary note regarding forward-looking statements

This presentation may contain projections and forward looking-statements. The words “believe”, “expect”, “anticipate”, “intend” and “plan” and similar expressions identify forward-looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company’s financial position, potential business strategy, potential plans and potential objectives, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate. The forward-looking statements in this document speak only as at the date of this presentation and the Company assumes no obligation to update or provide any additional information in relation to such forward-looking statements.

The merits or suitability of investing in any securities previously issued or issued in future by the Company for any investor’s particular situation should be independently determined by such investor. Any such determination should involve, inter alia, an assessment of the legal, tax, accounting, regulatory, financial, credit and other related aspects of the transaction in question.

# Introductory video

Providing  
True Hospitality for Good



# Elie Maalouf

Chief Executive Officer

# Agenda and speakers

## Speakers



**Elie Maalouf**  
Chief Executive Officer



**Michael Glover**  
Chief Financial Officer



**Heather Balsley**  
Chief Commercial & Marketing Officer

## Agenda

- > H1 2024 Overview
- > H1 2024 Financial Review
- > Progress on Strategic Priorities
- > Commercial & Marketing
- > Conclusions
- > Live Q&A (at 9:30am London time)

# H1 2024

A first half of strong financial performance and excellent signings; demonstrates the enduring attractions and benefits of our business model

## RevPAR

- **+3.0%** H1 global RevPAR
- **+3.2%** Q2 global RevPAR
- **+2.0%** H1 global ADR
- **+0.6%pts** H1 global occupancy

## System Size

- **955k** rooms (6,430 hotels)
- **+4.9%** gross system growth YOY; **+3.2%** net system growth YOY
- **18.0k** rooms (126 hotels) opened in H1
- **57.1k** rooms (384 hotels) signed in H1; **+67%**<sup>3</sup>

## Profit and Earnings

- **60.6%** fee margin<sup>1</sup>, **+1.8%pts**
- **\$567m** EBITDA<sup>1,2</sup>, **+11%**
- **\$535m** EBIT<sup>1,2</sup>, **+12%**
- **203.9¢** Adjusted EPS<sup>1</sup>, **+12%**

## Capital Returns

- **\$132m** FCF<sup>1,2</sup> (\$277m in 1H23)
- **53.2¢** interim dividend; **+10%**
- **\$373m (47%)** of \$800m share buyback programme returned; **2.2%** of opening share count
- **2.4x** leverage ratio
- Expect to return **>\$1bn** in 2024; **>7%** of opening market cap

## Driving future system growth

- Agreement with **NOVUM Hospitality** for 119 hotels (17.7k rooms) **doubles IHG's hotel presence in Germany**
- **Record-breaking signings; 57.1k** rooms, **+67%**<sup>3</sup> YOY
- **Conversions 41% of openings** and **55% of signings** (37% and 35%, respectively, adjusting for NOVUM)
- **Pipeline 330k** rooms (2,225 hotels), **+15%** YOY, and represents **35%** of current system size

1. Definitions for non-GAAP measures can be found in the 'Key performance measures and non-GAAP measures' section of the results announcement, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.

2. EBIT refers to operating profit from reportable segments; EBITDA as calculated for the Group's banking covenants; FCF refers to adjusted free cash flow.

3. +15% YOY adjusting for signings from Iberostar and NOVUM.



# H1 2024 Financial Review

**Michael Glover**

Chief Financial Officer

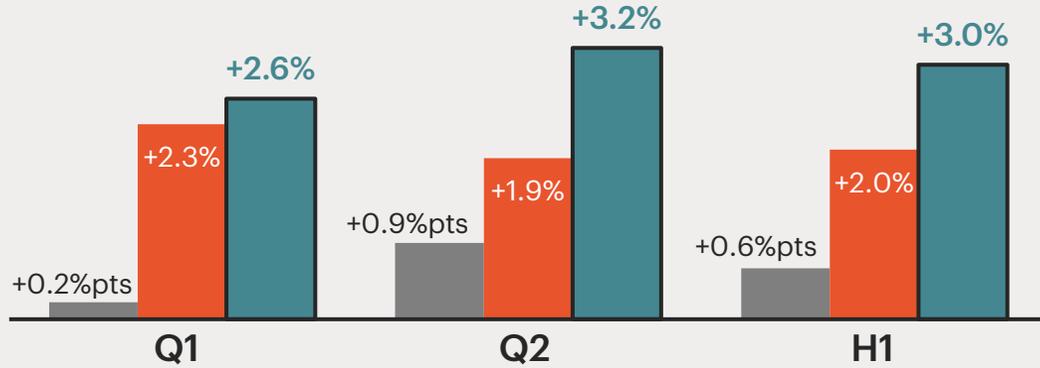
# Financial performance overview

	H1 2024	H1 2023	Reported % change	Underlying % change
Revenue from Reportable Segments <sup>1</sup>	\$1,108m	\$1,031m	+7%	+8%
<b>Operating profit from Reportable Segments<sup>1</sup> (EBIT)</b>	<b>\$535m</b>	<b>\$479m</b>	<b>+12%</b>	<b>+12%</b>
Fee business revenue <sup>1</sup>	\$850m	\$799m	+6%	+7%
Fee business operating profit <sup>1</sup>	\$517m	\$470m	+10%	+11%
Fee margin <sup>1</sup>	60.6%	58.8%	+1.8%pts	
Adjusted interest <sup>1</sup>	\$(79)m	\$(58)m	+36%	
Adjusted tax rate <sup>1</sup>	(27)%	(25)%	+2%pts	
<b>Adjusted EPS<sup>1</sup></b>	<b>203.9¢</b>	<b>182.7¢</b>	<b>+12%</b>	
Interim dividend	53.2¢	48.3¢	+10%	

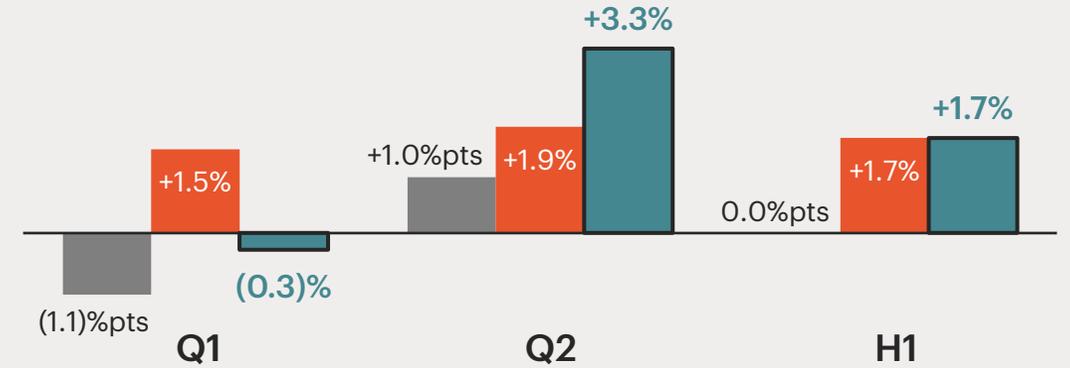
1. Definitions for non-GAAP measures can be found in the 'Key performance measures and non-GAAP measures' section of the results announcement, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.

# RevPAR, occupancy and ADR performance

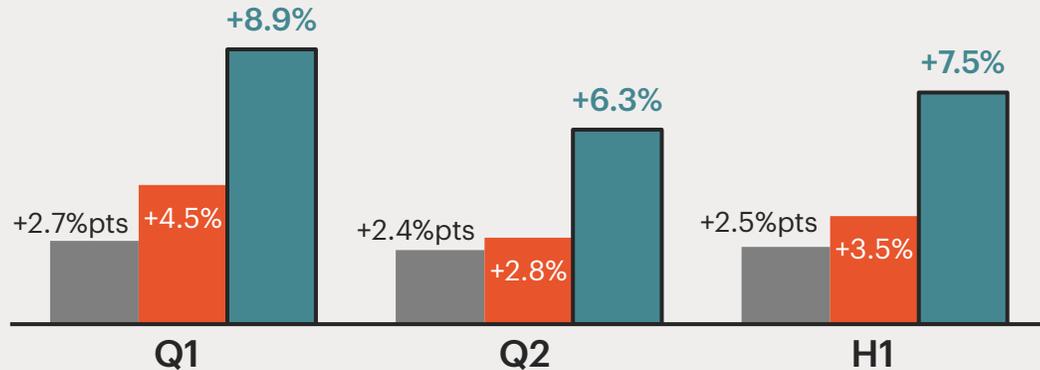
IHG Global RevPAR, Occupancy and ADR (YOY)



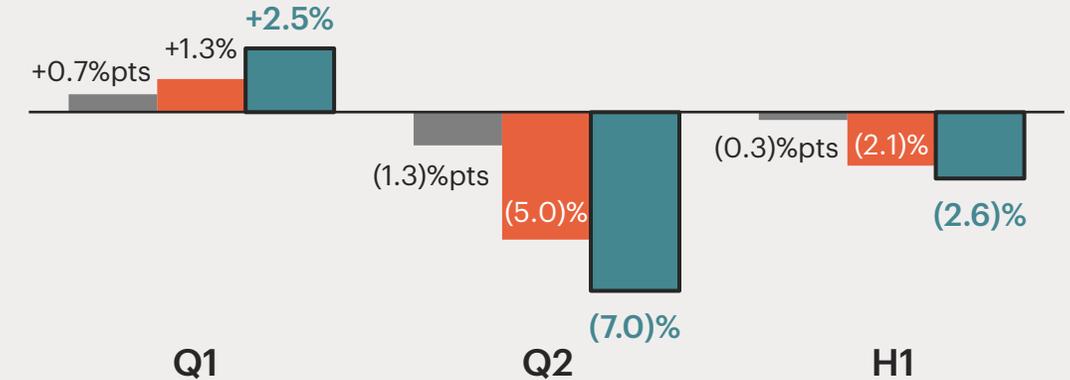
Americas RevPAR, Occupancy and ADR (YOY)



EMEA RevPAR, Occupancy and ADR (YOY)



Greater China RevPAR, Occupancy and ADR (YOY)

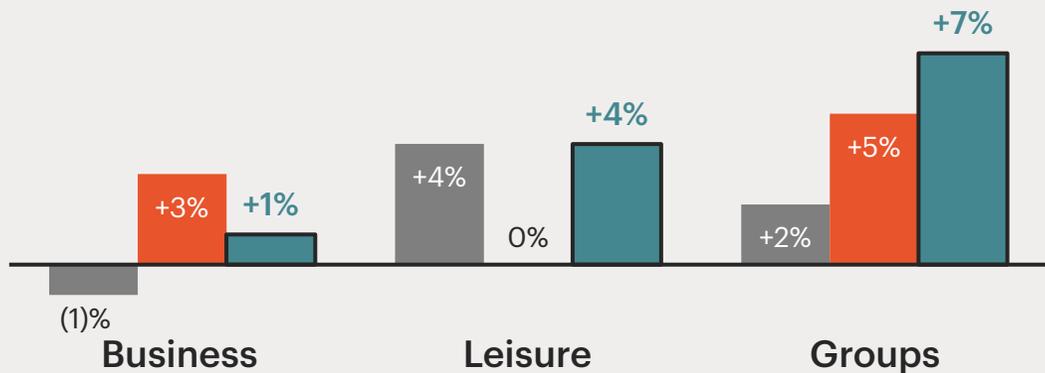


1. Data on a comparable hotels basis

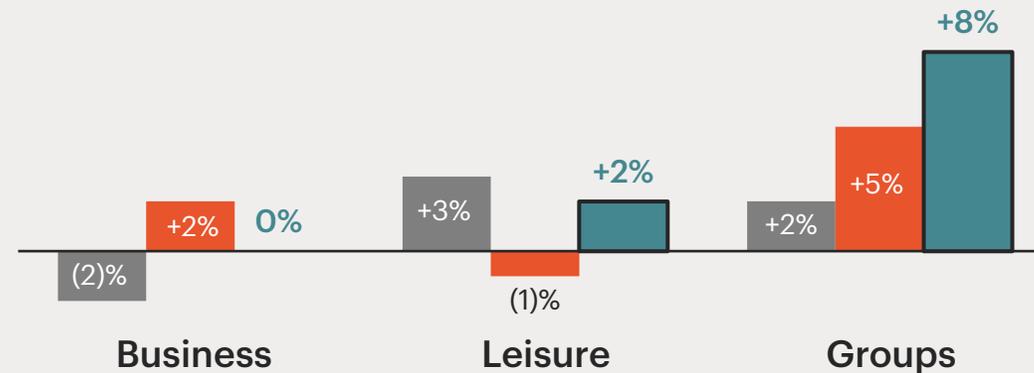
■ Occupancy ■ ADR ■ RevPAR

# Demand driver performance

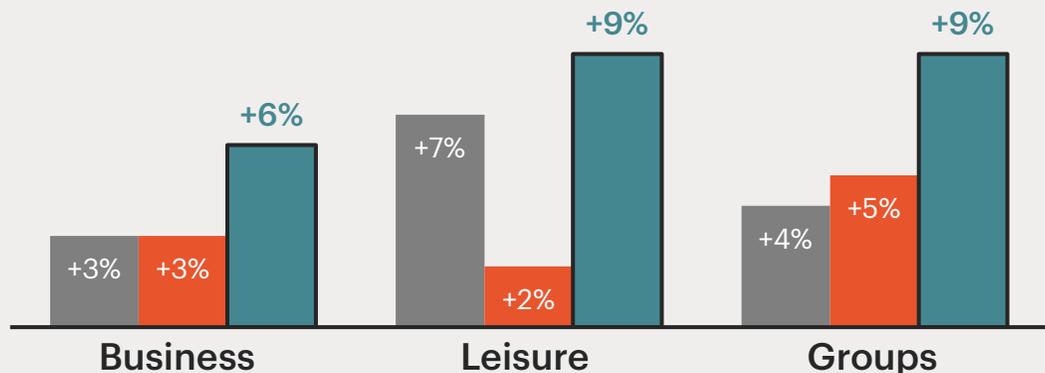
IHG Global demand drivers (H1 YOY)



Americas demand drivers (H1 YOY)



EMEA demand drivers (H1 YOY)



Greater China demand drivers (H1 YOY)

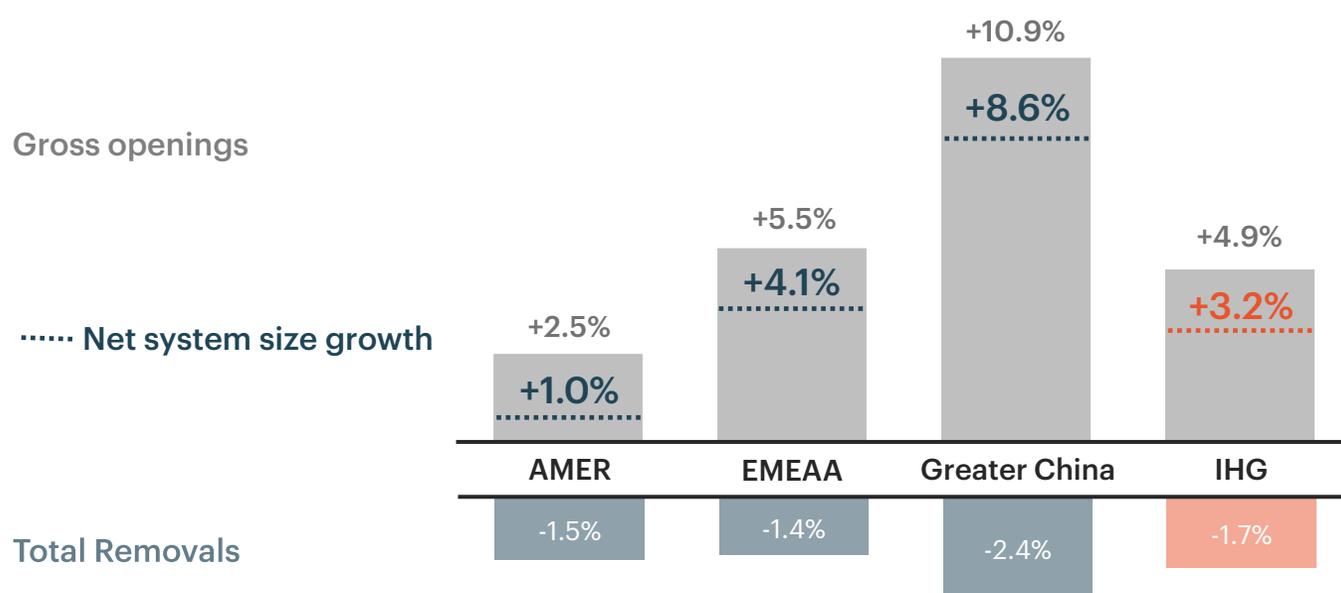


1. Data on a comparable hotels basis

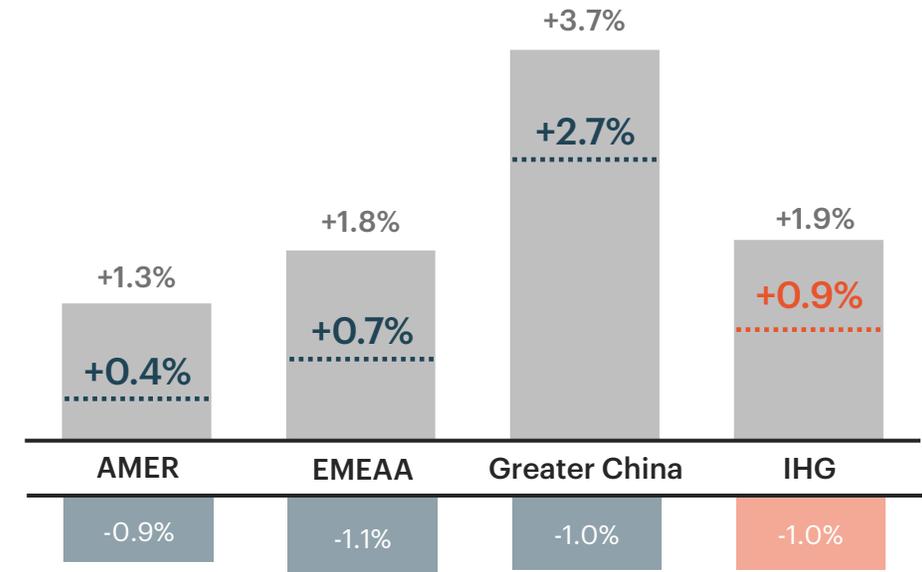
■ Room nights ■ ADR ■ Rooms revenue

# Net system size growth of +3.2% YOY; H1 openings similar YOY<sup>1</sup>, strong acceleration of openings from Q1 to Q2

Net System Size Growth (YOY)



Net System Size Growth (YTD)



Gross openings of 18.0k rooms (126 hotels) in H1, -4%<sup>1</sup> YOY

Good sequential improvement: Q2 11.7k (10.5k excluding NOVUM), Q1 6.3k

H1 openings mix: 41% conversions, 59% new builds

1. Excluding Iberostar openings in both 2023 and 2024, and NOVUM openings in 2024

# Record-breaking H1 signings performance; up +67% YOY in total, supporting future system growth potential

H1 conversion signings up +134% YOY (+3% excluding NOVUM)

H1 new build signings up +23% YOY as developer confidence improves

	Q2 Signings (rooms)	H1 Signings (rooms)	Pipeline at 30 June 2024 (rooms)
Americas	5.1k	10.2k	Americas 109.7k
EMEA	26.5k 9.0k (excl. NOVUM)	31.9k 14.4k (excl. NOVUM)	EMEA 107.4k
Greater China	7.8k	15.0k	Greater China 112.5k
<b>TOTAL</b>	<b>39.4k</b> (255 hotels)	<b>57.1k</b> (384 hotels)	<b>330k</b> (2,225 hotels)
<b>Growth: total</b>	up +123% YOY	up +67% YOY	up +15% YOY
<b>Growth: adjusted<sup>1</sup></b>	+23% <sup>1</sup> YOY	+15% <sup>1</sup> YOY	

1. Excluding Iberostar signings in both 2023 and 2024, and NOVUM signings in 2024.

# Americas highlights

## Trading performance

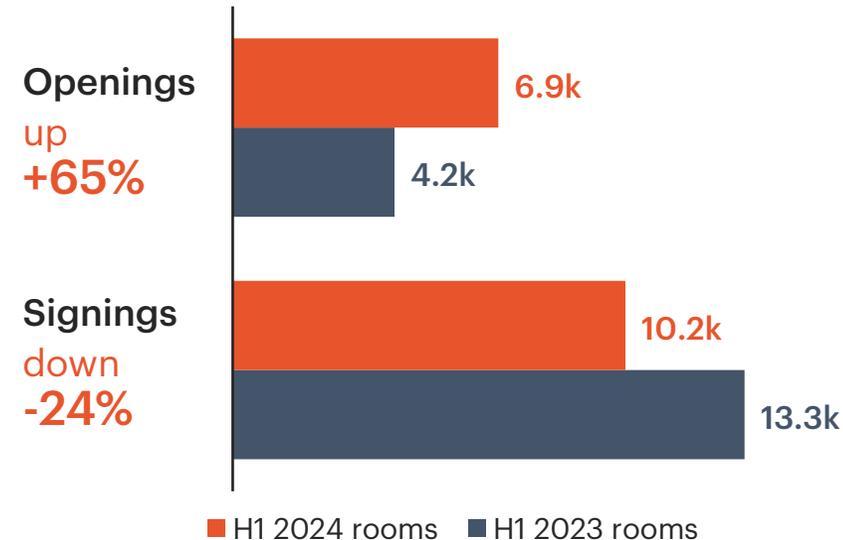
- H1 RevPAR up **+1.7%**, with occupancy flat at 68.0% and rate +1.7% higher
- Q2 RevPAR up **+3.3%**, with occupancy of 72.7% up +1.0%pt and rate +1.9% higher
- Fee margin<sup>1</sup> **82.0%** (81.9% 1H23); \$7m IMFs (\$7m 1H23)
- Operating profit from reportable segment<sup>1</sup> **\$413m**, up **+5%** (\$394m 1H23)

## Openings

- **6.9k rooms (62 hotels) openings**, up **+65%** YOY, as development continues to improve
- System size of 522k rooms (4,434 hotels), gross growth **+2.5%** YOY
- 27 openings across Holiday Inn Brand Family
- 15 openings across suites brands; including the first two avid and Candlewood dual-branded properties
- Conversions accounted for 41% of room openings

## Signings

- **10.2k rooms (118 hotels) signings**, down **-24%** on tough comps; H2 pick-up expected
- 62 signings across Essentials brands, including 15 Garner hotels
- 44 signings across Suites brands
- Pipeline of 110k (1,069 hotels), up **+3.5%** YOY; represents **21%** of current system size



1. Definitions for non-GAAP measures can be found in the 'Key performance measures and non-GAAP measures' section of the results announcement, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.

# EMEA highlights

## Trading performance

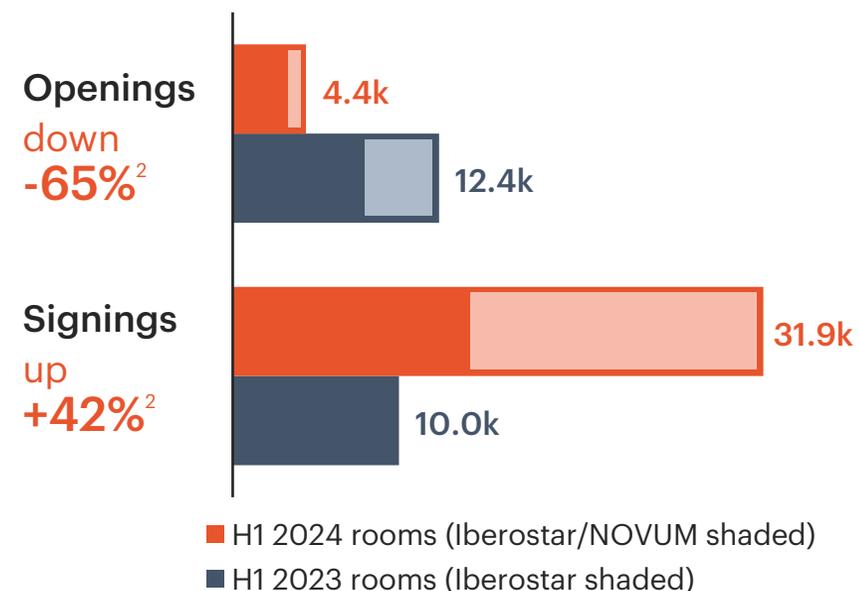
- H1 RevPAR up **+7.5%**, with occupancy of 69.8% up +2.5%pts and rate +3.5% higher
- Q2 RevPAR up **+6.3%**, with occupancy of 73.0% up +2.4%pts and rate +2.8% higher
- Fee margin<sup>1</sup> **64.2%** (57.1% 1H23); \$55m IMFs (\$43m 1H23)
- Operating profit from reportable segment<sup>1</sup> **\$119m**, up **+34%** (\$89m 1H23)

## Openings

- **4.4k rooms (28 hotels) openings**, down **-65%**<sup>2</sup>, though acceleration expected in H2
- System size of 249k rooms (1,255 hotels), gross growth **+5.5%** YOY
- 14 openings across Holiday Inn Brand Family
- Conversions accounted for nearly two-thirds of room openings

## Signings

- **31.9k rooms (185 hotels) signings**, including 118 NOVUM properties
- Signings up **+42%**<sup>2</sup> YOY excluding NOVUM and Iberostar
- 78 signings across Holiday Inn brand family, 61 Garner
- Particularly strong signings in priority markets: Germany, India, Japan, KSA
- Pipeline of 107k (612 hotels) up **+39%** YOY; represents **43%** of current system size



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2. Growth rates exclude Iberostar (openings of 0.2k in H1 2024 and 3.7k in H1 2023; signings of 0.2k in H1 2024 and nil in H1 2023) and Novum (openings of 1.2k in H1 2024; signings of 17.5k in H1 2024)

# Greater China highlights

## Trading performance

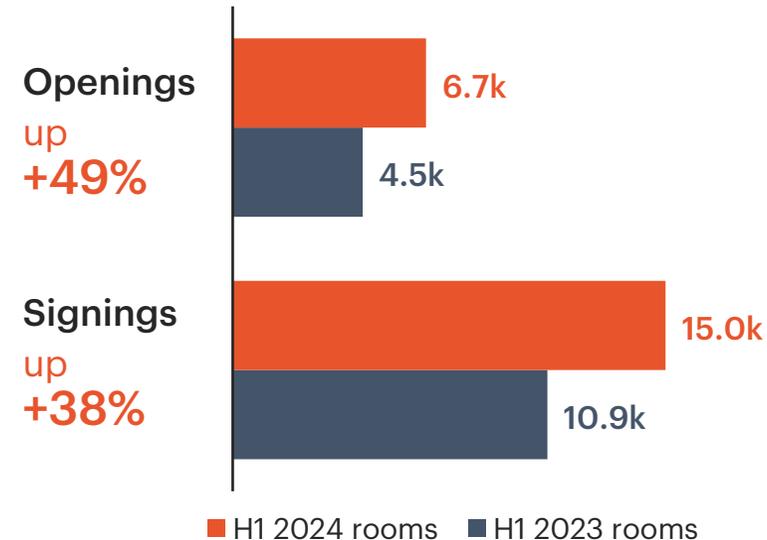
- H1 RevPAR down **-2.6%**, with occupancy of 57.5% down -0.3%pts and rate -2.1% lower
- Q2 RevPAR down **-7.0%**, with occupancy of 61.2% down -1.3%pts and rate -5.0% lower
- Comparatives were significantly tougher in Q2 than Q1, and get tougher again in Q3
- Fee margin<sup>1</sup> **55.8%** (58.1% 1H23); \$19m IMFs (\$23m 1H23)
- Operating profit from reportable segment<sup>1</sup> **\$43m**, unchanged (\$43m 1H23)

## Openings

- **6.7k rooms (36 hotels) openings**, up **+49%**, as developer confidence improves
- System size of 184k rooms (741 hotels), gross growth **+10.9%** YOY
- 25 openings for Holiday Inn Brand Family
- 8 hotels opened in the Premium segment, including the 10<sup>th</sup> EVEN in Greater China

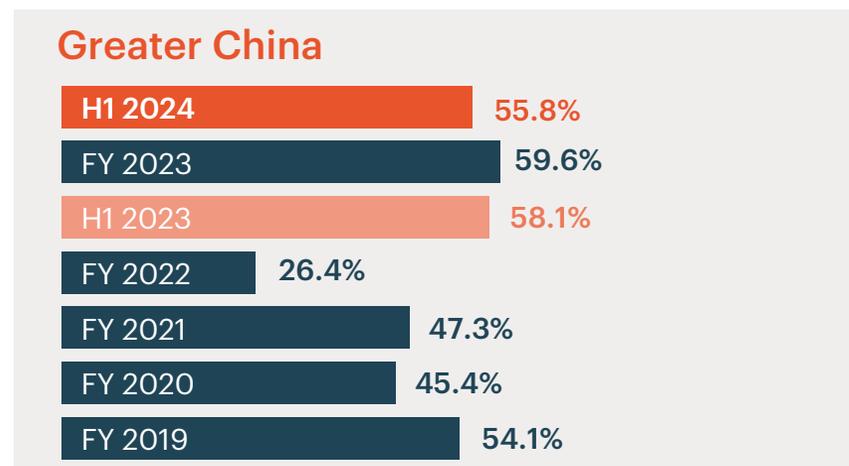
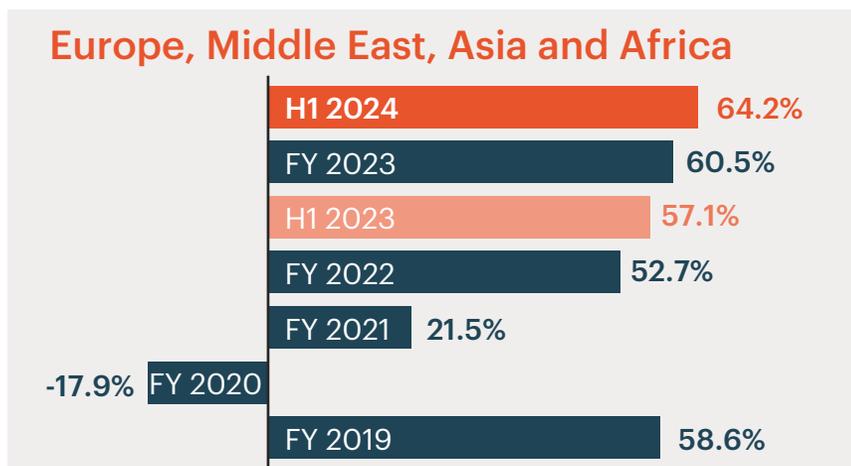
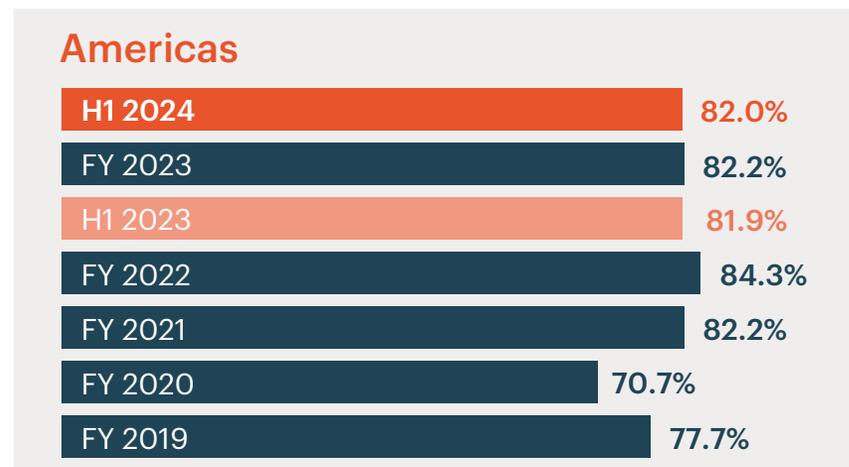
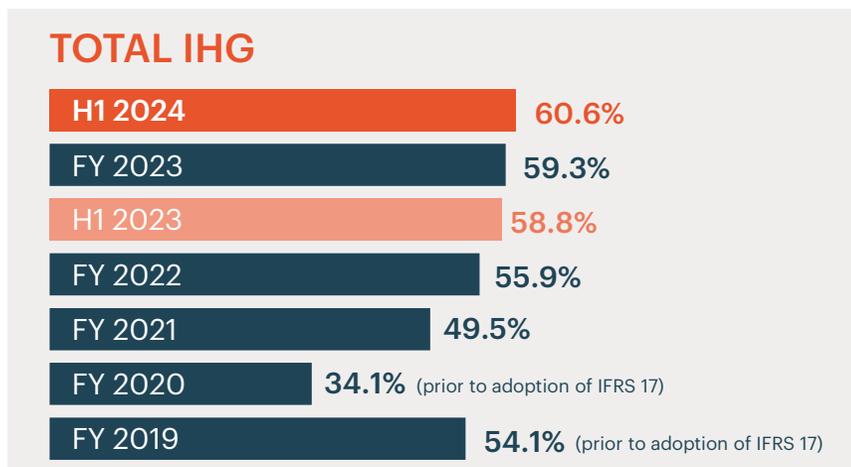
## Signings

- **81 hotel signings**, up **+38%** YOY; pipeline growth of **+9.2%**
- 51 signings for Holiday Inn Brand Family, 12 Crowne Plaza
- 9 signings across Luxury & Lifestyle brands, which are now 20% of both system size and pipeline
- Pipeline of 113k (544 hotels) up **+9%** YOY; represents **61%** of current system size



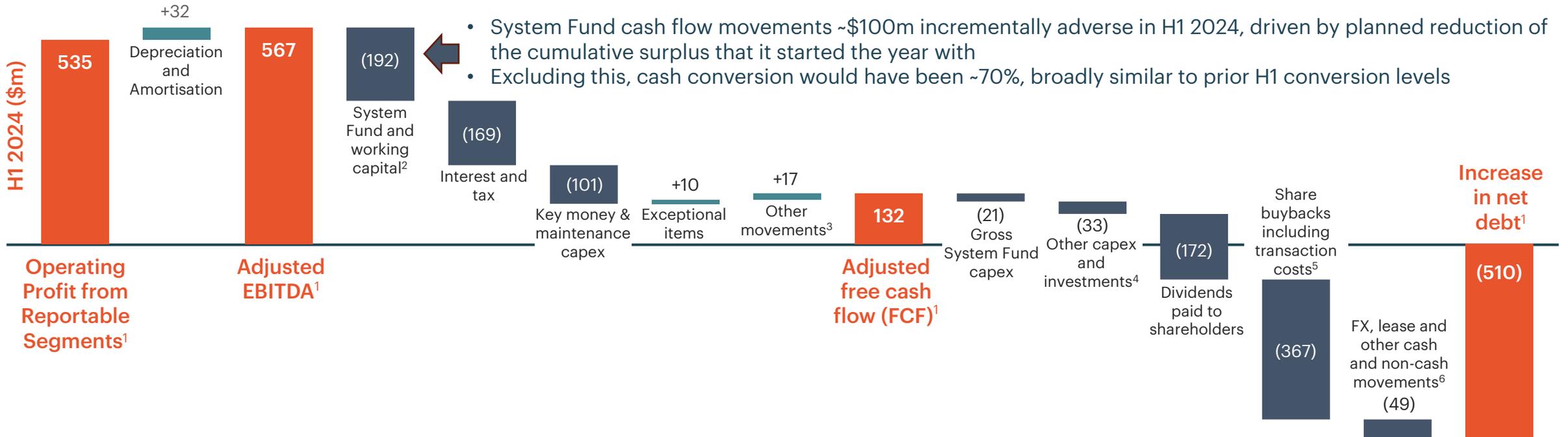
1. Definitions for non-GAAP measures can be found in the 'Key performance measures and non-GAAP measures' section of the results announcement, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.

# Fee margin<sup>1</sup> +180bps ahead YOY, driven by EMEAA strong trading performance, cost control and non-regional ancillary fees streams



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# Cash flow: lower FCF and conversion due to working capital movement of planned reduction of prior System Fund surplus



- System Fund cash flow movements ~\$100m incrementally adverse in H1 2024, driven by planned reduction of the cumulative surplus that it started the year with
- Excluding this, cash conversion would have been ~70%, broadly similar to prior H1 conversion levels

IHG typically converts ~100% or greater of earnings into free cash on a full year basis; FY24 is expected to be lower than average, driven by the planned reduction in System Fund surplus, together with higher key money capital expenditure (including that related to the NOVUM agreement)  
 The typical ~100% conversion that IHG has historically achieved is expected to resume in the future

1. Definitions for non-GAAP measures can be found in the 'Key performance measures and non-GAAP measures' section of the results announcement, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.  
 2. Includes \$(10)m System Fund reported result, adding back \$40m of System Fund depreciation and amortisation and \$22m of other non-cash adjustments to System Fund result, together with \$(244)m of working capital & other adjustments including movements in deferred revenue.  
 3. Includes adding back \$35m of other non-cash adjustments to operating profit/loss, \$8m impairment loss on financial assets, less \$(16)m of principal element of lease payments and \$(10)m purchase of own shares by employee trusts.  
 4. Includes \$(29)m of recyclable capital expenditure and \$(13)m of deferred purchase consideration, and adding back \$9m proceeds from other financial assets.  
 5. Relating to the \$800m share buyback announced in February 2024.  
 6. \$(3)m of net adverse exchange movements, \$(27)m movement in lease liabilities, \$16m principal element of lease repayments and \$(33)m increase in accrued interest, together with \$(2)m of other non-cash movements.

# Targeted capital expenditure to drive growth

\$m	H1 2024	H1 2023
<b>Key money &amp; maintenance capex</b>		
Key money <sup>1</sup>	(86)	(64)
Maintenance capex	(15)	(16)
<b>Total</b>	<b>(101)</b>	<b>(80)</b>
<b>Recyclable investments</b>		
Gross out	(29)	(8)
Gross in	9	-
<b>Net total</b>	<b>(20)</b>	<b>(8)</b>
<b>System Fund capital investments</b>		
Gross out	(21)	(19)
Gross in <sup>2</sup>	39	42
<b>Net total</b>	<b>18</b>	<b>23</b>
<b>Total capital investments</b>		
Gross total <sup>3,4</sup>	(151)	(113)
<b>Net total<sup>4</sup></b>	<b>(103)</b>	<b>(65)</b>

- **Key money:** used to secure hotel signings
- **Maintenance:** relates to owned, leased and managed lease hotels and corporate infrastructure

- Investment behind growth initiatives
- Profile can vary year to year, but expected to be broadly neutral over time

- Invested into projects that benefit our hotel network
- Repaid when depreciation charged to System Fund e.g. GRS

1. Key money presented net of repayments of \$nil in H1 2024 (H1 2023: \$6m).

2. Consists of depreciation and amortisation of \$40m in H1 2024 (H1 2023: \$43m), adjusted to exclude depreciation for right of use assets of \$1m (H1 2023: \$1m).

3. Includes gross key money payments of \$86m in H1 2024 (H1 2023: \$70m).

4. Definitions for non-GAAP measures can be found in the 'Key performance measures and non-GAAP measures' section of the results announcement, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.

# Continuing our capital allocation approach to routinely return surplus capital to shareholders – on track to complete \$800m buyback in 2024

#1: Invest in the business to drive growth



#2: Sustainably grow the ordinary dividend



#3: Return surplus funds to shareholders



Objective of maintaining an investment grade credit rating  
2.5x – 3.0x Net Debt:Adjusted EBITDA under normalised conditions

As of 30 June 2024: Net debt \$2,782m / EBITDA<sup>1</sup> \$1,140m = 2.4x

IHG announced a \$800m buyback in February 2024

As of 30 June 2024:

\$373m spent (47% complete)

3.7m shares repurchased

2.2% reduction in share count

FY24: ~\$255m ordinary dividends paid + \$800m buyback = ~\$1.1bn or 7.1% of opening market cap

1. Trailing twelve months, as calculated for the Group's banking covenants. Definitions for non-GAAP measures can be found in the 'Key performance measures and non-GAAP measures' section of the results announcement, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.

# Modelling considerations

## FY24 and near-term:

### Interest expense

Adjusted interest expense<sup>1</sup> is expected to increase in FY24 to **\$160m-\$170m** (FY23: \$131m) given increase in net debt, higher blended cost of borrowing and the System Fund charge

### Tax rate

Effective adjusted tax rate<sup>1</sup> is expected to be **~27%** in FY24 and for the near term (FY23: 28%), based on assumptions for geographic mix of profits and corporate income tax rates currently enacted

### Capital expenditure

Key money & maintenance capex expected to be **\$150-200m** annually (FY23: \$139m) and net capex<sup>1</sup> to be similar (FY23: \$157m) as recyclable and System Fund investments have broadly neutral impact over time; FY24 to be higher than average given NOVUM and timing of L&L openings

## Looking ahead, IHG's growth ambitions and drivers for future shareholder value creation include:

- **High-single digit** percentage growth in **fee revenue** annually on average over the medium to long term, driven by the combination of RevPAR growth and net system size growth
- **100-150bps** annual improvement in **fee margin** on average over the medium to long term
- **~100% conversion** of adjusted earnings into **adjusted free cash flow**
- **Sustainably growing the ordinary dividend**
- **Returning additional capital to shareholders**, such as through regular share buyback programmes, further enhancing EPS growth

This creates opportunity for compound growth in adjusted EPS of 12-15% annually on average over the medium to long term, driven by the combination of the above

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# Progress on Strategic Priorities

**Elie Maalouf**  
Chief Executive Officer

IHG<sup>®</sup>  
HOTELS & RESORTS



IHG's growth algorithm and  
strategic priorities

# Our outlook: compounding growth and sustainable shareholder value creation

Growth algorithm fundamentals: on average over the medium to long term



EBIT is operating profit from reportable segments. Definitions for non-GAAP measures can be found in the 'Key performance measures and non-GAAP measures' section of IHG's FY23 results, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.

# Underpinned by clear purpose, ambition and strategic priorities

## OUR PURPOSE

WHAT WE DO

Provide True  
Hospitality for Good

## OUR AMBITION

WHY WE DO IT

To be the hotel company of choice  
for guests and owners

## OUR STRATEGIC PRIORITIES

HOW WE MAKE IT HAPPEN



RELENTLESS  
FOCUS ON  
GROWTH



BRANDS  
GUESTS AND  
OWNERS LOVE



LEADING  
COMMERCIAL  
ENGINE



CARE FOR  
OUR PEOPLE,  
COMMUNITIES  
AND PLANET

IHG<sup>®</sup>  
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Progress on strategic priorities



## OUR PILLARS

# RELENTLESS FOCUS ON GROWTH



# Record-breaking signings demonstrating the strength of our brands

Signed 57k rooms (384 hotels) in H1 2024; 41k rooms (256 hotels) across our established brands and a further 16k rooms (128 hotels) across our new brands

## Established brands



Established brands  
41.1k rooms  
(256 hotels)



New brands  
16.0k rooms  
(128 hotels)

Record-breaking signings  
57.1k rooms  
+67% YOY  
(+15% adjusting for Iberostar and NOVUM)

## New brands



# A strong start for Garner, our newest brand

Redefining the midscale market with a differentiated proposition; targeting >500 hotels over the next 10 years and >1,000 hotels over the next 20 years

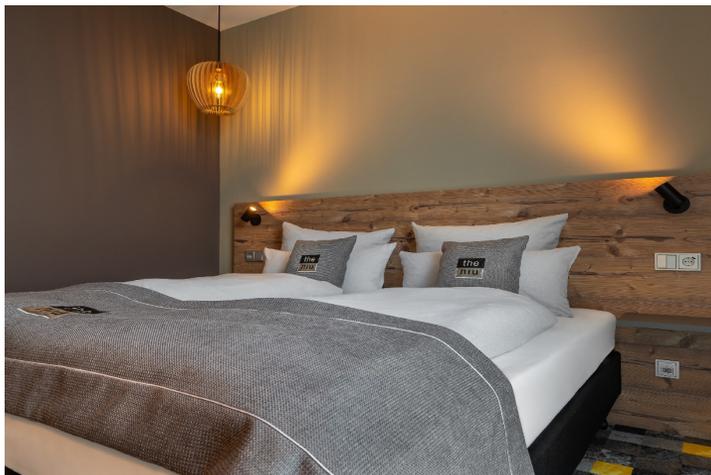
- Launched **new best-in-class midscale conversion brand** in August 2023 in the US
- **Franchise-ready** in the US in September 2023
- Conversion **Cost Per Key** for full renovation typically **~25% lower** than a Holiday Inn Express
- Targeting **>500 hotels** over the next 10 years and **>1,000 hotels** over the next 20 years
- **83 hotels signed since launch**, including 55 (of 56) properties as part of agreement with NOVUM Hospitality; strong volume of further opportunities at various stages
- Global expansion well underway with **signings in Germany, UK, Japan, Austria and Turkey**
- **Opened first four properties**, all in the US; encouraging trading performance and guest satisfaction metrics



Images: (top row) Garner Hotel Oklahoma City - Quail Springs, OK, US; (bottom row) Garner Hotel Clarksville Northeast, TN, US

# Agreement with NOVUM Hospitality

Doubles IHG's hotel presence in Germany; launches Holiday Inn – the niu collaboration, and debuts Garner and Candlewood Suites brands



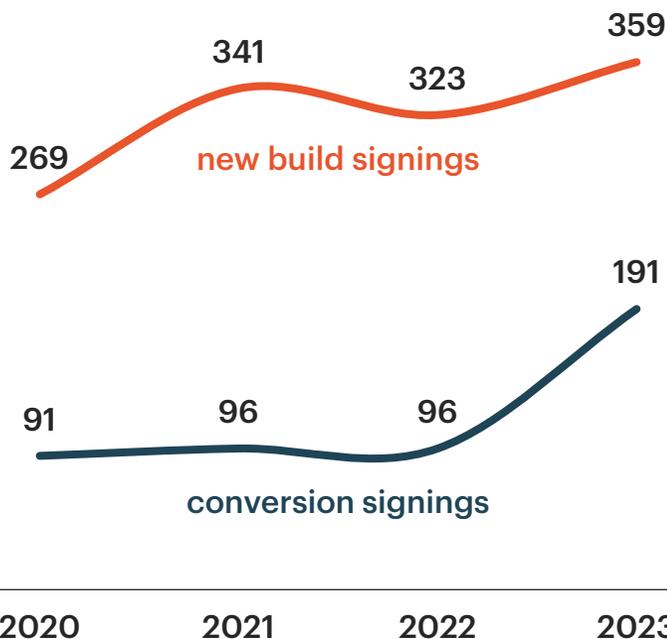
Images: (clockwise from top left) Holiday Inn - the niu Timber Esslingen, Germany; Holiday Inn - the niu Air Frankfurt Messe, Germany; Holiday Inn - the niu Hop Forchheim, Germany; Holiday Inn - the niu Wave Karlsruhe City Park, Germany; Holiday Inn - the niu Cure Erlangen, Germany

- Agreement signed in **April 2024**
- **108 open hotels (15.3k rooms) and 11 hotels under development (2.4k rooms)** expected to join IHG's system between 2024 and 2028
- The total of **119 hotels (17.7k rooms)** will increase IHG's global system size by up to **+1.9%** over the coming years
- Deal includes **52 Holiday Inn – the niu; 56 Garner; 11 Candlewood Suites**
- Conversion of open hotels already begun with **first 6 properties joining IHG system in Q2 2024**
- For FY24, approximately **50 hotels (~8k rooms)** expected to have converted, adding **~+0.8%** to **this year's system growth**
- All future NOVUM Hospitality hotels will also join IHG's system, with **first signing in addition to the 119 hotels in the initial agreement secured**

# Increases in new build and conversions signings

Improving owner confidence validated by positive new build signings trajectory, which continued into H1 2024; excellent growth in conversions

2020 - H1 2024 new build and conversion signings across IHG brands

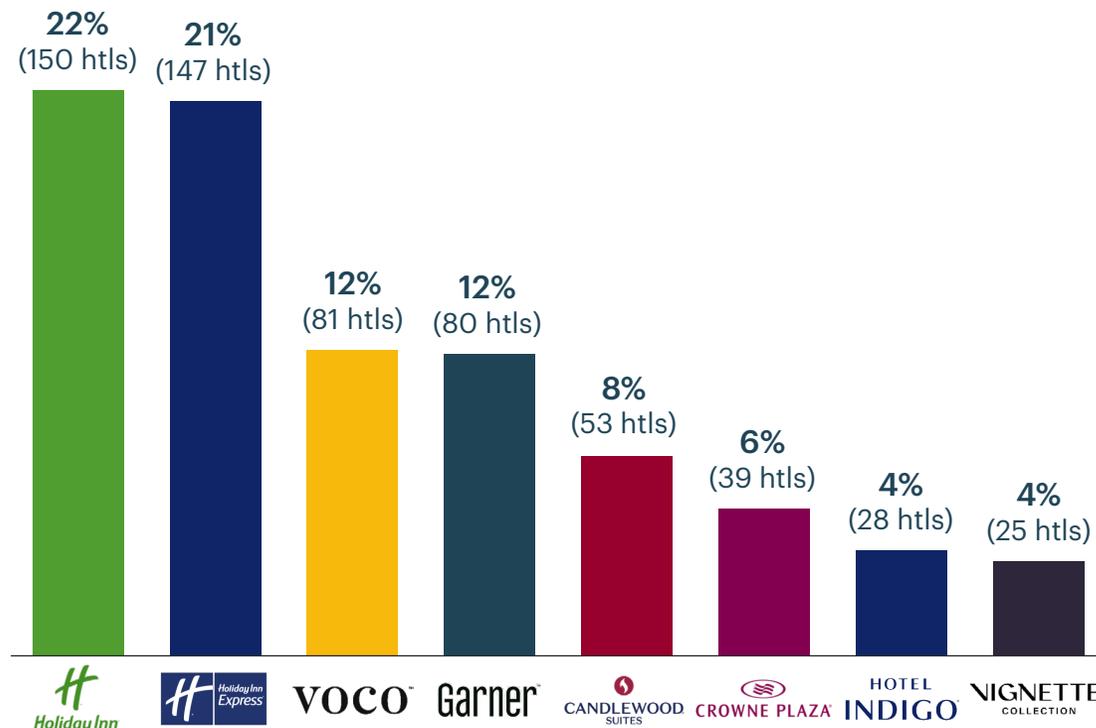


new build signings	
H1 2023	H1 2024
152	164

conversion signings	
H1 2023	H1 2024
87	219

2020 - H1 2024 conversions by brand largest 8 represent close to 90% of conversion signings



Notes: conversions include the rebranding of non-IHG hotels and adaptive-reuse properties; converted hotels added through NOVUM Hospitality agreement are included in H1 2024 conversion signings; hotels added through the commercial agreement with Iberostar Beachfront Resorts in 2022 are excluded from signings analysis.



OUR PILLARS

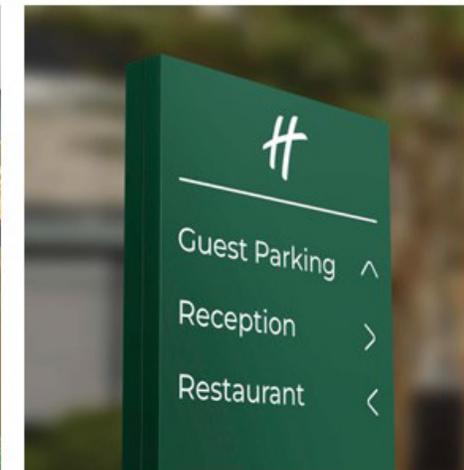
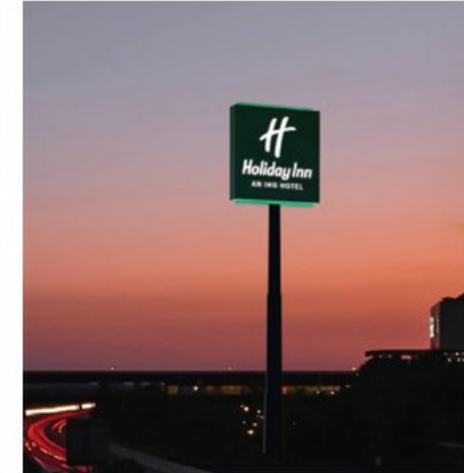
BRANDS GUESTS  
AND OWNERS  
LOVE



# Holiday Inn: the most trusted travel and hospitality brand\*

Evolved design, visual identity and service, adding sophistication while lowering costs; improved estate quality driving guest satisfaction, loyalty and revenue delivery

- Reflects our commitment to continued investment across all our established brands
- Three years on from Holiday Inn review, **guest satisfaction, loyalty participation and enterprise contribution** are up
- Unveiled **refreshed and modernised Americas prototype** in 2023
- Introduced **sophisticated and bold new visual identity**
- Strong adoption of **guest-preferred breakfast buffet**, delivering outperformance in key guest metrics and streamlining labour costs
- **72% of Holiday Inn estate in the Americas will be new or recently refurbished; 80 renovations actively in progress**



\* According to Morning Consult Intelligence data, the leading audience & brand tracking platform, the Holiday Inn brand is the most trusted travel and hospitality brand in the United States.

# Driving hotel owner ROI and improved guest experiences

## Modernising and optimising our brand designs and prototypes

### Suites / extended stay prototypes



Developed additional prototypes to **increase flexibility and market adaptability**

### avid / Candlewood dual brand



Innovating **dual-brand spaces** with standardised, guest friendly, and ROI-focused formats

### Crowne Plaza scalable design solutions



Unlocking market growth by creating **designs with reduced footprint**



## OUR PILLARS

# LEADING COMMERCIAL ENGINE



# Innovating our hotel tech stack

Creating a superior value proposition for our owners through best-in-class technology platforms

1

Guest Reservation  
System  
(GRS)

---



2

Revenue Management  
System  
(RMS)

---



3

Property Management  
System  
(PMS)

---



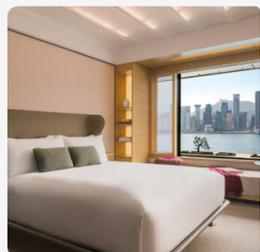
# Capitalising on enhanced GRS capabilities

Driving value for our owners and IHG through ongoing, agile and rapid development

## Room attribute upsell: 'Better View', 'Bigger Room' and 'Higher Floor' now available in 6,000+ hotels

### Upgrade Your Room

Choose a better view or more space for your trip.



#### Take in a great view

Upgrade to a 1 King Classic Harbour View Daybed

[Room details](#)

+ 185 USD  
per night

Upgrade



#### Spread out with more space

Upgrade to a 1 King Premium

[Room details](#)

+ 62 USD  
per night

Upgrade

Regent Hong Kong

Average value per upsell night

Luxury & Lifestyle

~+\$40

### Upgrade Your Room

Choose a better view or more space for your trip.



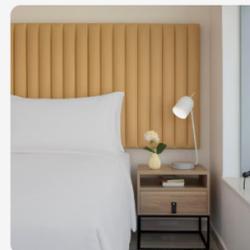
#### Take in a great view

Upgrade to a 1 King Studio Suite Sea View High Floor

[Room details](#)

+ 6 USD  
per night

Upgrade



#### Spread out with more space

Upgrade to a 1 King 1 Bedroom Suite

[Room details](#)

+ 81 USD  
per night

Upgrade

Staybridge Suites Dubai Financial Centre

Average value per upsell night

Essentials and Suites

~+\$20

# Rolling out our best-in-class Revenue Management System

Driving revenue performance through a new platform bringing together leading data science and forecasting tools, to deliver advanced insights and recommendations to hotels

## Progress update

- New RMS in **1,700 hotels by the end of June**, covering all regions, sub-regions and brands
- Targeting **~4,000 hotels by the end of 2024**, with the remainder in 2025
- Initial results from pilots show encouraging levels of **revenue uplift**

## Market-leading RMS features

Cloud based technology

Artificial Intelligence-based

Super-charged analytics

Highly automated functionality

Integration of first and third-party data

Intuitive user interface; device agnostic

# Changes to System Fund arrangements

## Improved hotel owner economics and increased ancillary fee streams

The System Fund has two main sources of revenue:

### 1) Revenue from hotel owners

- Hotel owners are the main contributors to the System Fund, and changes regarding the sale of loyalty points to consumers has **no impact on System Fund revenues received from owners**
- **100% of owner contributions remain in the System Fund**
- Funds will continue to be deployed for marketing, reservation services, running the loyalty programme, and all other areas of brand and owner support

### 2) Revenue from customers

- **Consumers who engage** with the IHG Hotels & Resorts masterbrand, our hotel brands, and the IHG One Rewards loyalty programme, **by buying points**
- Historically, IHG has allowed the full profit generated by the sale of loyalty points to be included in the System Fund
- As of 2024, **a portion of the revenue and profit from the sale of loyalty points will now be recognised on the IHG P&L**

- The System Fund has **grown nearly 30% over the last 5 years** – capacity and efficiency will **continue to grow with RevPAR and system size growth**
- The changes include:
  - 1) **reduced loyalty assessment** that owners pay into the System Fund and **increased reimbursements** they receive back out of the System Fund
  - 2) **amended sharing arrangements for ancillary fee streams related to the sale of loyalty points**
- **No changes to other assessments** paid by hotel owners – the Marketing & Reservations assessment remains unchanged, therefore, with **no impact on capacity of the System Fund to invest; marketing spend continues to grow**



OUR PILLARS

CARE FOR  
OUR PEOPLE,  
COMMUNITIES  
AND PLANET



# Journey to Tomorrow

Aligned to our purpose of True Hospitality for Good and building on years of important progress, Journey to Tomorrow puts IHG on a longer-term path to positive change for our people, communities and planet



## Our people

Champion a diverse culture where everyone can thrive



## Communities

Improve the lives of 30 million people in our communities around the world



## Carbon & energy

Reduce our energy use and carbon emissions in line with climate science



## Waste

Pioneer the transformation to a minimal waste hospitality industry



## Water

Conserve water and help secure water access in those areas at greatest risk

Our actions around **preserving nature** and **responsible procurement** play an important role as we work towards delivering our Journey to Tomorrow commitments



# Introduced the Low Carbon Pioneers programme

The initiative is a first of its kind in our industry; focused on increasing adoption of carbon reduction practices across IHG's estate

Holiday Inn Express Madrid Airport – Spain



- Bringing together a community of **energy efficient hotels** that have **no fossil fuels combusted on-site\*** and are **backed by renewable energy**
- Our first **Low Carbon Pioneers** are **Holiday Inn Express Madrid Airport, Iberostar Waves Cristina, and Kimpton BEM Budapest**
- **Test, learn and share** sustainable solutions to **inspire other hotels** to join the programme and encourage wider adoption of **carbon reduction practices**
- **Hotels clearly marketed on our channels** helping guests and corporate clients find more sustainable stays
- Helps owners **future-proof their business, access potential benefits,** and supports greater **alignment with regulatory changes**



Low Carbon Pioneers

Iberostar Waves Cristina – Spain



Kimpton BEM Budapest – Hungary



\*Except for backup generators that fall below 5% of the hotel's total annual energy consumption

# Announced a global partnership to help combat hunger

Part of our pledge to improve the lives of 30 million people around the world by 2030 through skills training, disaster response and helping tackle food poverty

- New partnership with **Action Against Hunger**, one of the largest NGOs working to combat hunger
- IHG will support their lifesaving **'screen, treat and sustain' community outreach programme** designed to spot and tackle malnutrition
- **Use our scale to help grow awareness** of this critical issue with our millions of guests across the globe, providing them with opportunities to donate
- **Complements existing partnerships** IHG and our hotels already have in many local markets that strengthen the food system in communities – from providing training and tools to reduce food waste, to diverting surplus food to those in need

IHG<sup>®</sup>  
HOTELS & RESORTS



# Commercial & Marketing



**Heather Balsley**

**Chief Commercial & Marketing Officer**

# Our Commercial & Marketing organisation

Maximising revenue delivery and returns for hotels to unlock system growth



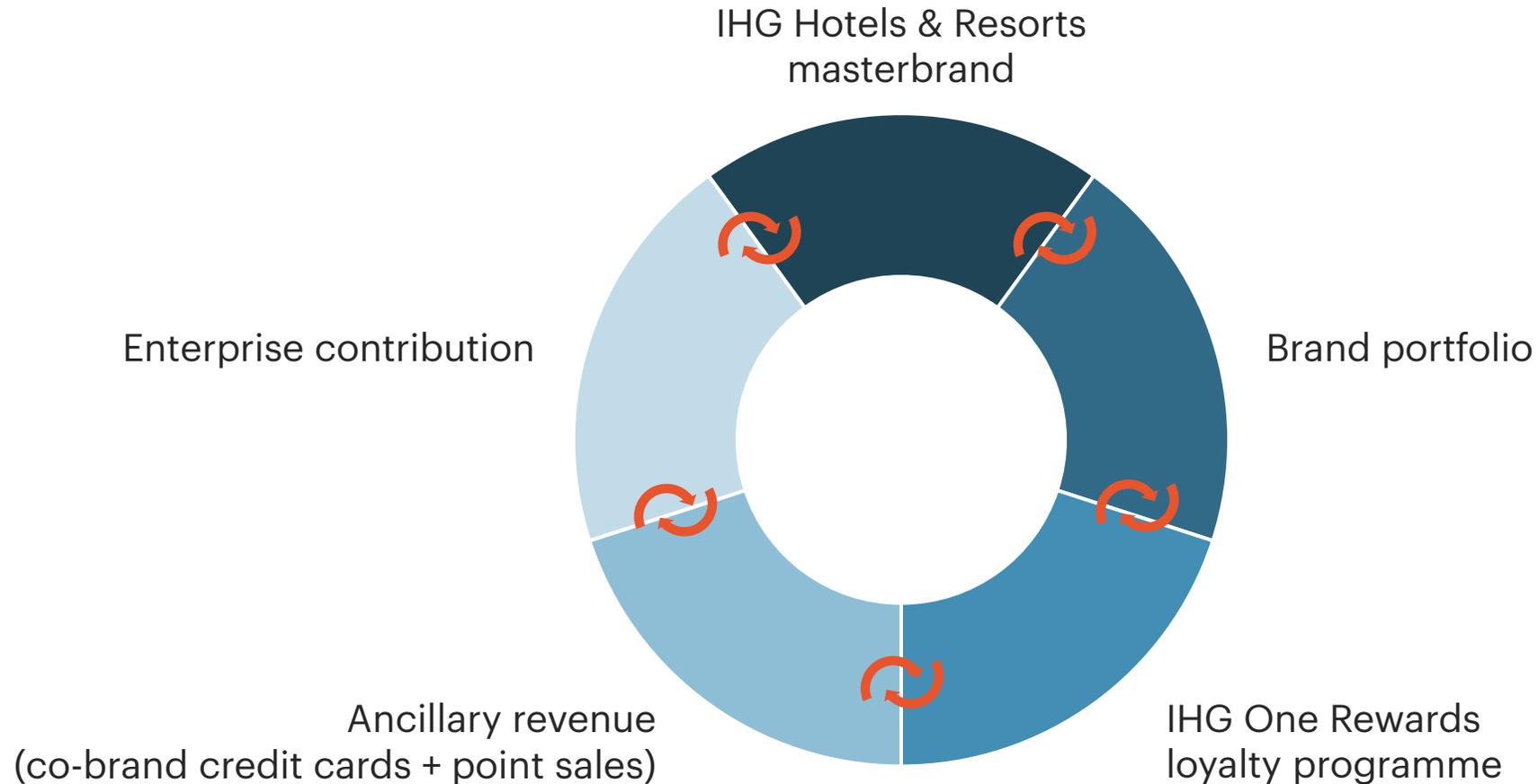
Develops **IHG Hotels & Resorts masterbrand** and **19 hotel brands** to drive **growth** via enhanced reputation, compelling guest experiences, and strong owner returns

Leads **IHG One Rewards loyalty programme** to motivate member **'stickiness'**, drives high value and low cost of acquisition revenue, together with ancillary fee streams (P&L and System Fund)

Orchestrates **IHG's commercial engine** to drive **>\$30bn in annual total gross revenue** across marketing, data insights and analytics, CRM, distribution channels, and revenue management

# Our approach: a leading commercial engine powered by our brands

Interdependent elements of our strategy work together to drive revenue at lowest possible cost to hotels





# Masterbrand: building the 'brand' of IHG Hotels & Resorts

Strengthening awareness and reputation to drive revenue, inspire owner interest and talent acquisition

OUR AMBITION:

MAKE

**IHG**<sup>®</sup> HOTELS &  
RESORTS

A BELOVED  
HOUSEHOLD NAME



Positively influences  
commercial delivery

Inspires owner interest  
and system size growth

Facilitates talent acquisition  
and employee retention



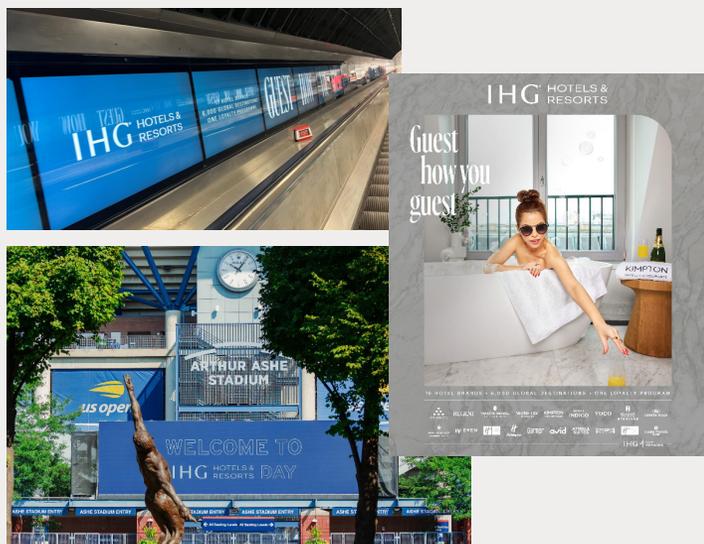
# Masterbrand: 'masterbrand everywhere' strategy

## Global and targeted marketing across all guest touchpoints

1

Focus and broaden marketing

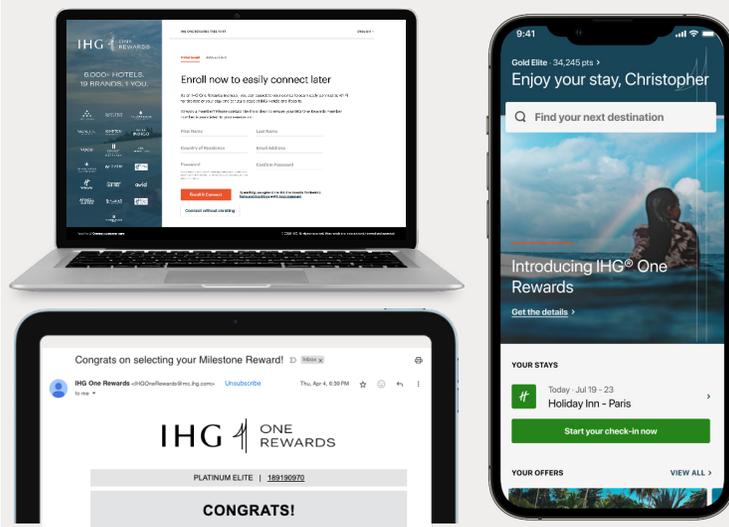
One campaign for all segments and brands



2

Span key customer journey moments

Drive awareness especially in digital



3

Leverage the "billboard effect" of 6k+ hotels

Dial up on-property (e.g. exterior and front desk signage, collateral)





# Masterbrand: our investment is having an impact

## A strong improvements in brand power, engagement and reputation

Leading in  
share of voice

**#1**

Global share of voice  
H1 2024

Growing  
social engagement

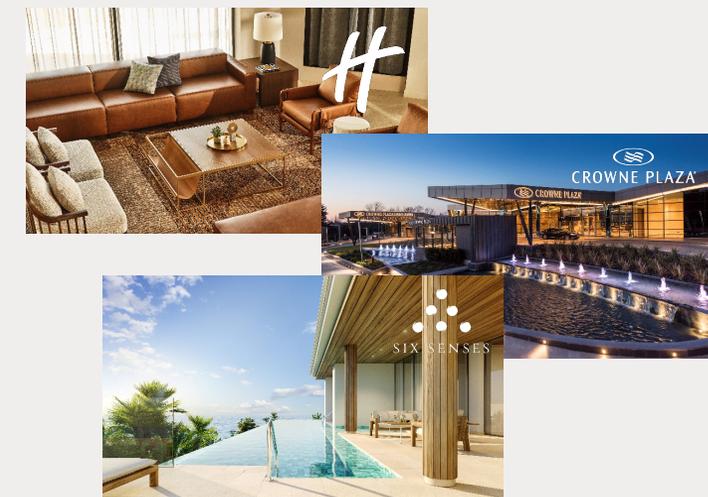
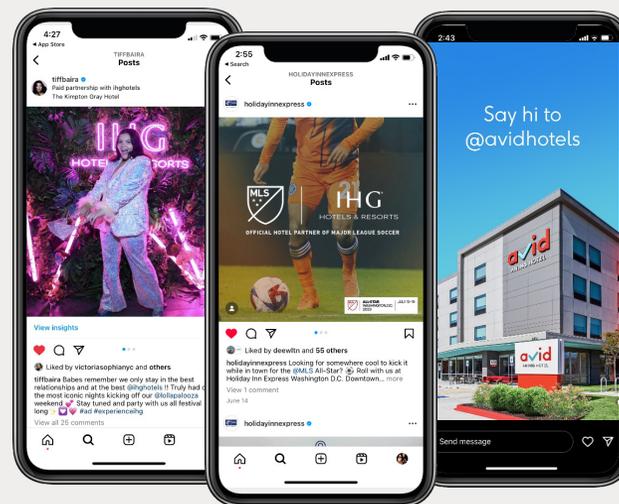
**+65%**

Social engagement  
H1 2024 YOY

Leading in  
social reputation

**4.37**

Average global social review  
score<sup>1</sup> out of 5  
(with IHG ranking higher than global peers)



<sup>1</sup> Data R12M as of April 2024, calculated as weighted average based on regional room distribution.



# Brand portfolio expansion since 2015

Nine brands added to our industry-leading portfolio through a combination of organic launches, acquisitions and commercial partnerships





# IHG One Rewards

Members are our most profitable guests

Highest value  
customers

---

Spend 20% more per stay  
and return more often

Highest ROI  
marketing

---

Data-driven and  
book direct 10x more often

Ancillary  
revenue

---

Points purchase + co-brand credit  
cards + partnerships



# IHG One Rewards

## Loyalty members drive more profit per stay versus OTA



Note: book direct fees = loyalty assessment paid into System Fund + Ignite programme fees paid to System Fund (opt-out targeted direct marketing).



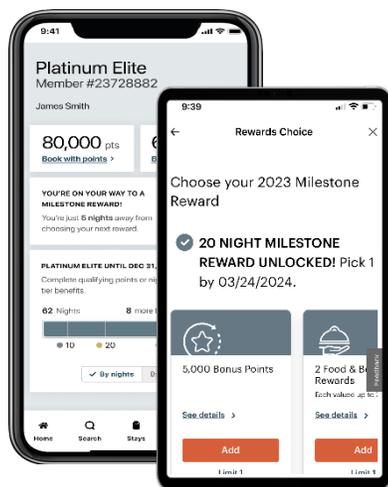
# IHG One Rewards

Our reimagined programme, launched in 2022, has significantly transformed the member and owner proposition

## New programme tiers & benefits



## New IHG One Rewards app



## Global awareness campaign



## New US co-brand products



### Members:

- **Offer:** tier structure, earn/burn, benefits, rewards, new partners
- **Experience:** recognition, personalisation, customer care, app
- **Awareness:** largest loyalty campaign, modern look/feel, targeting next gen guests and business travellers

### Owners:

- **Revenue impact:** higher loyalty contribution, increased System Fund capacity
- **Costs and operations:** cost reduction via member choice, cost reimbursement, training and tools, and hotel tech



# IHG One Rewards: leading indicators of growing member stickiness

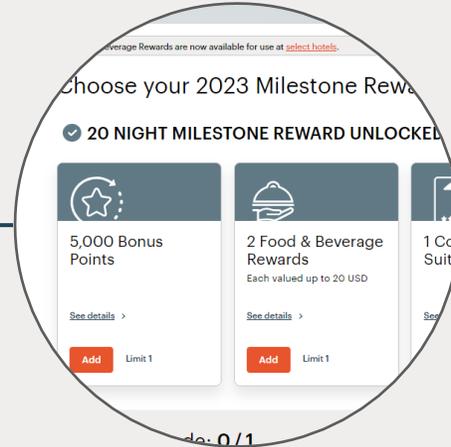
Members are happier, more engaged, and returning more frequently

## Happier members



- Improved Elite member satisfaction
- High satisfaction with dedicated Diamond support

## Higher engagement



- Milestone Rewards selected at higher rates
- Reward Night redemption +15% YOY and ~+50% since launch

## More frequent returns



- Milestone Rewards being achieved faster
- Higher return rate of Elite member nights vs. pre-launch

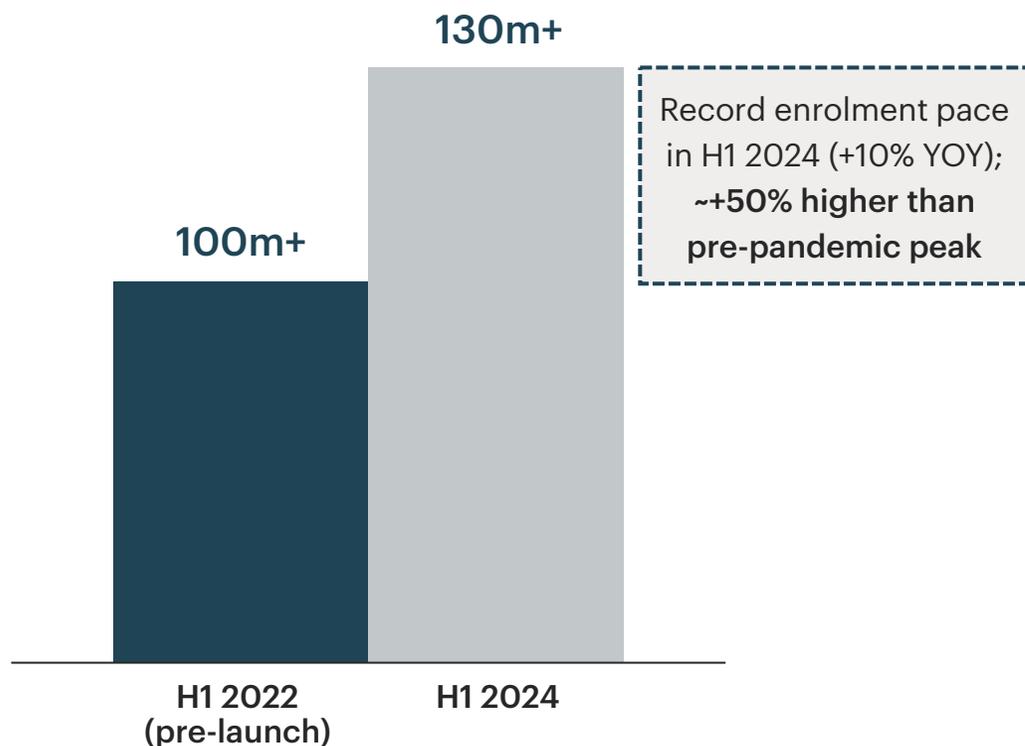


# IHG One Rewards: our investment is paying off

Member base growth with increased spend and return rates driving +10%pts in member penetration

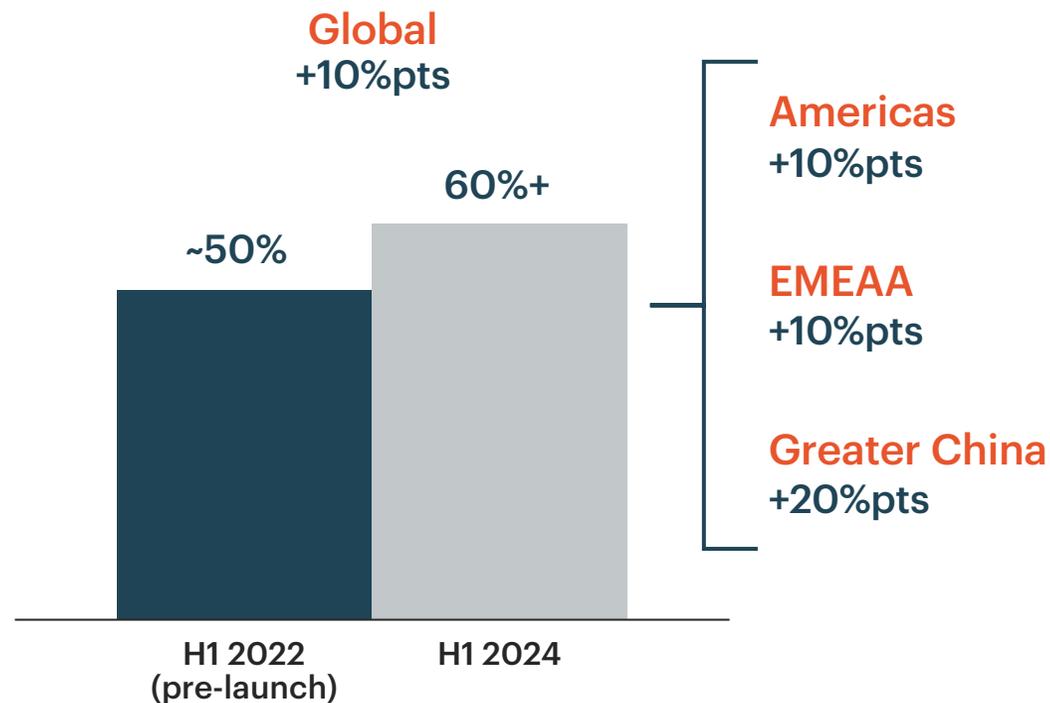
## Size of member base

(total number of members)



## Member penetration

(room nights booked by members)





# IHG One Rewards: member scale is a critical enabler of our success

## Powerful member base unlocks growth, new partners, and drives IHG margin and System Fund capacity

1

### Powers growth

via owner perception of performance, predictability and hotel ramp-up



2

### Attracts partners

Enhances IHG growth, masterbrand awareness and customer offer



3

### Drives ancillary fees

via member points purchases and co-brand credit cards, driving System Fund and P&L capacity

CHASE ONE REWARDS PREMIER BUSINESS world elite

CHASE ONE REWARDS PREMIER world elite

D. BARRETT mastercard

**BOOST YOUR POINTS UP TO 3X**

Hi, Amy.

You've recently earned 43,751 points! Now, you can boost those earnings by buying points in just a few clicks with this exclusive offer.

Boosting your earnings means more points to redeem for Reward Nights and access to exclusive experiences. Ready to give your earnings a boost?

<b>1X BOOST</b>	<b>2X BOOST</b>	<b>3X BOOST</b>
Buy 43,751 boosted points New Balance: 122,355 points	Buy 87,502 boosted points New Balance: 164,106 points	Buy 131,253 boosted points New Balance: 209,857 points

Based on point balance as of 6/14/2023. Current balance may vary.



# US co-brand credit cards: a powerful growth business

## High value members powering material financial returns for IHG

Cardholders are amongst the most valuable and engaged of all IHG One Rewards members



Co-brand credit cards drive:

- Incremental hotel revenue via increased member 'stickiness'
- System Fund capacity supporting reinvestment that drives further hotel revenue
- IHG margin via co-brand credit card fees

<sup>1</sup> H1 2024 US cardholder data vs US non-cardholding loyalty members



# US co-brand credit cards: material momentum and further upside

Optimised and relaunched our US co-brand credit card products, elevating performance across metrics

## Recent history

### December 2020:

- Portion of co-brand credit card revenue moved to P&L

### March 2022:

- Improved card earn, added business card product
- Launched new benefits (e.g. flexible Free Night)

### 2023:

- Set record for new account activations (+60% YOY), card spend (double-digit growth YOY)

### 2024:

- Strong performance continues with innovation in channels and data-driven marketing

## H1 2024 US co-brand credit card highlights since relaunch<sup>1</sup>

New account activations

**+60%**

Total card spend

**+30%**

Total card customers

**+25%**

Material upside via ongoing innovation in card products and marketing, portfolio optimisation, and the potential for global expansion

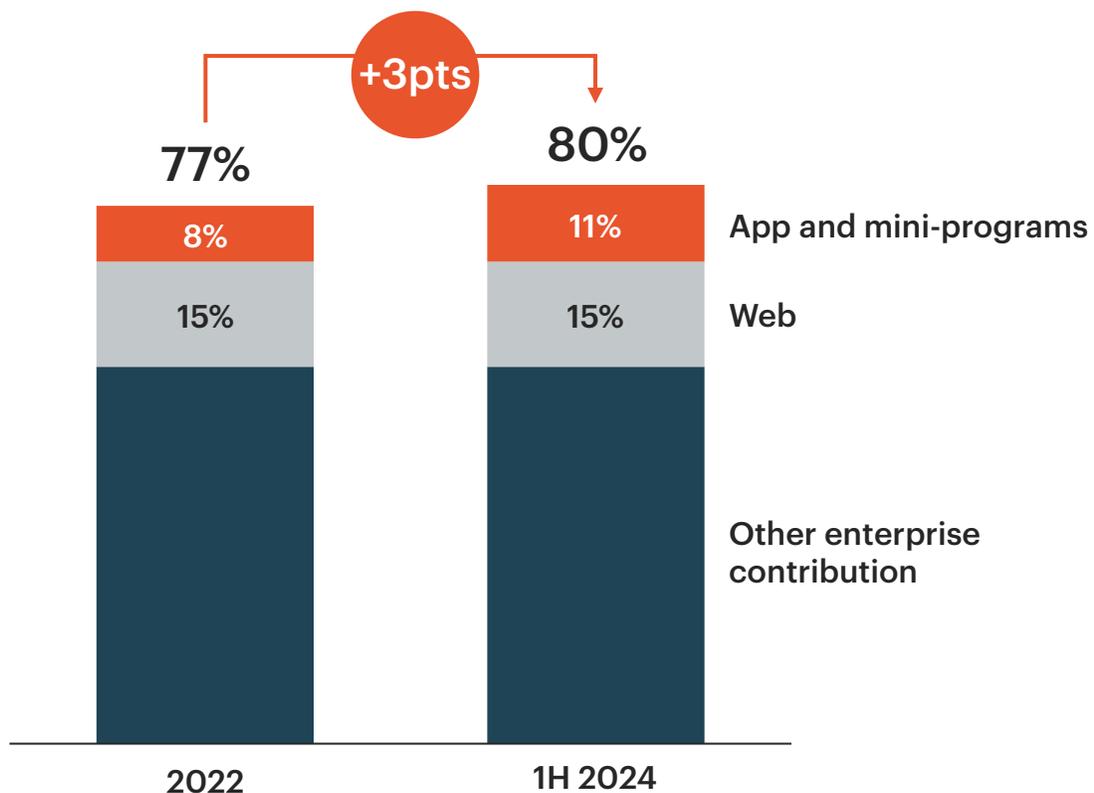
<sup>1</sup> H1 2024 vs H1 2022



# Enterprise contribution: drives hotel profitability

Maximises revenue, minimises customer acquisition cost and drives pace of hotel 'ramp-up' to steady state performance

Total enterprise contribution

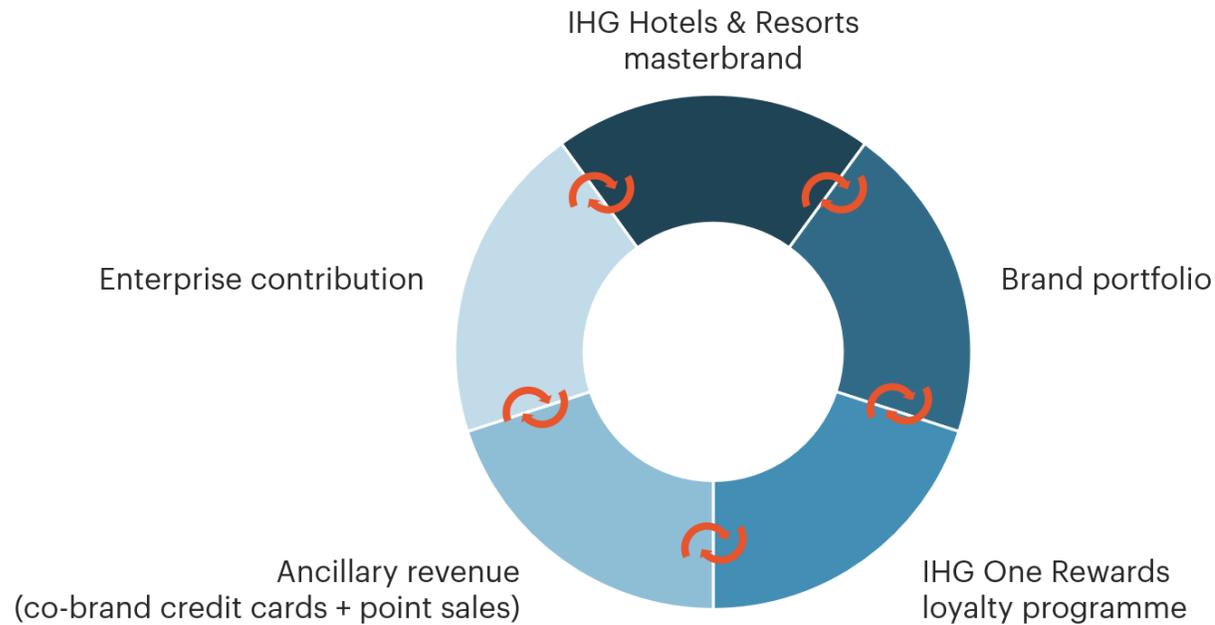


- Digital contribution growth driven by strategic investments in mobile app, web optimisation, data-driven marketing, and IHG One Rewards
- Step change in mobile app (downloads 30%+ YOY); lowest cost channel with 'captive' audience of high value loyalty members, ability to engage in stay
- IHG's scale lowers OTA commission while new Revenue Management System will optimise business mix to build 'base' revenue and yield higher rates from direct channels

Notes: Enterprise Contribution: the percentage of room revenue booked through IHG managed channels and sources: direct via our websites, apps and call centres; through our interfaces with Global Distribution Systems (GDS) and agreements with Online Travel Agencies (OTAs); other distribution partners directly connected to our reservation system; and Global Sales Office business or IHG One Rewards members that book directly at a hotel.

# Wrap up

Continued momentum and ongoing investment to drive low-cost revenue and enable system size growth



- **IHG's commercial engine drives high value, low cost of acquisition revenue** for hotels, that complement our brand formats to optimise cost to build and operate to maximise ROI
- **We power IHG's growth as essential part of our owner value proposition** – drive revenue, optimise cost and accelerate hotel ramp-up to 'steady state' performance
- **Customers are 'connected' across our 19 hotel brands** through the IHG Masterbrand and IHG One Rewards; drives 'stickiness' and cross-brand stays
- **Ancillary revenue streams drive IHG's margin** and create capacity in the System Fund to deliver more revenue to hotels; these streams are expected to continue to grow



# Conclusions

**Elie Maalouf**

Chief Executive Officer

# Conclusions

A well-invested, high-performing business that drives growth and shareholder value

- H1 RevPAR growth **+3.0%** YOY, **+3.2%** in Q2
- Gross system growth of **+4.9%** YOY; net system growth of **+3.2%** YOY
- Record-breaking signings of **57.1k rooms**, **+67%** YOY; pipeline growth of **+15%** YOY
- Fee margin expansion of **+1.8%pts** and operating profit from reportable segments<sup>1</sup> **+12%** to **\$535m**; adjusted EPS<sup>1</sup> **+12%** to **203.9¢**
- Cash generation funding growth investment and **>\$1bn** ordinary dividends + share buybacks in 2024
- Excellent progress on our strategic objectives
- Confident in the strengths of our enterprise platform and the attractive long-term growth outlook

1. Definitions for non-GAAP measures can be found in the 'Key performance measures and non-GAAP measures' section of the results announcement, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.

# IHG<sup>®</sup>

HOTELS & RESORTS



Please hold for the live Q&A  
which will commence at 9.30am UK time.

# IHG<sup>®</sup>

HOTELS & RESORTS



## Q&A

Analysts and institutional investors wishing to ask questions should use the following dial-in details:

**UK:** 020 3936 2999  
**France:** 970 733 958  
**US:** 646 787 9445  
**Passcode:** 800930

To ask a question, press \*1. To withdraw a question, press \*2. For operator assistance, press \*0.

IHG<sup>®</sup>  
HOTELS & RESORTS



# Appendices

## H1 2024 Financial Performance

# Revenue and operating profit breakdown

## Results from reportable segments

	H1 2024	H1 2023	'24 vs '23 \$ change	'24 vs '23 % change	FY 2023
Franchise and base management fees	\$657m	\$625m	\$32m	5%	\$1,304m
Incentive management fees	\$81m	\$73m	\$8m	11%	\$168m
Central revenue	\$112m	\$101m	\$11m	11%	\$200m
<b>Revenue from fee business</b>	<b>\$850m</b>	<b>\$799m</b>	<b>\$51m</b>	<b>6%</b>	<b>\$1,672m</b>
Revenue from owned, leased and managed lease hotels	\$247m	\$222m	\$25m	11%	\$471m
Insurance activities revenue	\$11m	\$10m	\$1m	10%	\$21m
<b>Revenue</b>	<b>\$1,108m</b>	<b>\$1,031m</b>	<b>\$77m</b>	<b>7%</b>	<b>\$2,164m</b>
Overheads from fee business	\$(333)m	\$(329)m	\$(4)m	1%	\$(680)m
Expenses relating to owned, leased and managed lease hotels	\$(226)m	\$(210)m	\$(16)m	8%	\$(442)m
Insurance activities costs	\$(14)m	\$(13)m	\$(1)m	8%	\$(23)m
<b>Costs</b>	<b>\$(573)m</b>	<b>\$(552)m</b>	<b>\$(21)m</b>	<b>4%</b>	<b>\$(1,145)m</b>
Operating profit from fee business	\$517m	\$470m	\$47m	10%	\$992m
<b>Fee margin<sup>1</sup></b>	<b>60.6%</b>	<b>58.8%</b>	<b>-</b>	<b>1.8%pts</b>	<b>59.3%</b>
Operating profit from owned, leased and managed lease hotels	\$21m	\$12m	\$9m	75%	\$29m
Insurance activities operating (loss)/profit	\$(3)m	\$(3)m	\$0m	0%	\$(2)m
<b>Operating profit from reportable segments</b>	<b>\$535m</b>	<b>\$479m</b>	<b>\$56m</b>	<b>12%</b>	<b>\$1,019m</b>

1. Definitions for non-GAAP measures can be found in the 'Key performance measures and non-GAAP measures' section of the results announcement, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.

# Revenue growth rate analysis H1 2024 vs H1 2023

	RevPAR growth %		Net rooms growth %		Underlying Fee Revenue <sup>1</sup> Growth %	Comments
	Comparable	Total	YOY	Available		
	Hotels that have traded in all months being compared (i.e. steady state)	All hotels that were open in H1 2024 and H1 2023 (incl hotels that are ramping up)	30 June 2024 vs 2023	Aggregate number of rooms available for sale in H1 2024 vs H1 2023		
<b>Americas</b>	1.7%	1.8%	1.0%	1.0%	3.2%	n/a
<b>EMEA</b>	7.5%	7.3%	4.1%	6.5%	13.3%	n/a
<b>Greater China</b>	(2.6)%	(3.6)%	8.6%	10.9%	8.5%	n/a
<b>Central</b>	-	-	-	-	10.9%	
<b>Group</b>	<b>3.0%</b>	<b>2.2%</b>	<b>3.2%</b>	<b>4.2%</b>	<b>6.7%</b>	n/a

1. Underlying fee revenue and excludes owned, leased and managed lease hotels, significant liquidated damages, current year disposals, System Fund results and hotel cost reimbursements at constant H1 2024 exchange rates (CER).

# Revenue and operating profit 2021-2024 (post-IFRS 17)

Actual US\$	Total Revenue						Total Operating Profit <sup>1</sup>					
	H1			FY			H1			FY		
	2024	2023	2022	2023	2022	2021	2024	2023	2022	2023	2022	2021
Franchise and Base Management Fees	471	456	406	936	861	683	-	-	-	-	-	-
Incentive Management Fees	7	7	7	21	18	8	-	-	-	-	-	-
Fee Business	478	463	413	957	879	691	392	379	342	787	741	568
Owned, Leased & Managed Lease	83	74	58	148	126	83	21	15	9	28	20	(9)
<b>Total Americas</b>	<b>561</b>	<b>537</b>	<b>471</b>	<b>1,105</b>	<b>1,005</b>	<b>774</b>	<b>413</b>	<b>394</b>	<b>351</b>	<b>815</b>	<b>761</b>	<b>559</b>
Franchise and Base Management Fees	128	118	96	253	215	120	-	-	-	-	-	-
Incentive Management Fees	55	43	25	101	69	29	-	-	-	-	-	-
Fee Business	183	161	121	354	284	149	119	92	63	214	153	32
Owned, Leased & Managed Lease	164	148	118	323	268	154	-	(3)	(4)	1	(1)	(27)
<b>Total EMEAA</b>	<b>347</b>	<b>309</b>	<b>239</b>	<b>677</b>	<b>552</b>	<b>303</b>	<b>119</b>	<b>89</b>	<b>59</b>	<b>215</b>	<b>152</b>	<b>5</b>
Franchise and Base Management Fees	58	51	31	115	71	91	-	-	-	-	-	-
Incentive Management Fees	19	23	5	46	16	25	-	-	-	-	-	-
Fee Business	77	74	36	161	87	116	43	43	5	96	23	58
<b>Total Greater China</b>	<b>77</b>	<b>74</b>	<b>36</b>	<b>161</b>	<b>87</b>	<b>116</b>	<b>43</b>	<b>43</b>	<b>5</b>	<b>96</b>	<b>23</b>	<b>58</b>
Franchise and Base Management Fees	657	625	533	1,304	1,147	894	-	-	-	-	-	-
Incentive Management Fees	81	73	37	168	103	62	-	-	-	-	-	-
Central	112	101	89	200	184	188	(37)	(44)	(41)	(105)	(112)	(88)
Fee Business	850	799	659	1,672	1,434	1,144	517	470	369	992	805	570
Owned, Leased & Managed Lease	247	222	176	471	394	237	21	12	5	29	19	(36)
Insurance activities	11	10	5	21	15	9	(3)	(3)	3	(2)	4	-
<b>Total Reportable Segments</b>	<b>1,108</b>	<b>1,031</b>	<b>840</b>	<b>2,164</b>	<b>1,843</b>	<b>1,390</b>	<b>535</b>	<b>479</b>	<b>377</b>	<b>1,019</b>	<b>828</b>	<b>534</b>
System Fund and reimbursables	1,214	1,195	954	2,460	2,049	1,517	(10)	87	3	19	(105)	(11)
<b>Total IHG</b>	<b>2,322</b>	<b>2,226</b>	<b>1,794</b>	<b>4,624</b>	<b>3,892</b>	<b>2,907</b>	<b>525</b>	<b>566</b>	<b>380</b>	<b>1,038</b>	<b>723</b>	<b>523</b>

1. Excludes exceptional items

# Revenue and operating profit 2019-2022 (pre-IFRS 17)

Actual US\$	Total Revenue				Total Operating Profit <sup>1</sup>			
	FY				FY			
	2022	2021	2020	2019	2022	2021	2020	2019
Franchise and Base Management Fees	861	683	452	840	-	-	-	-
Incentive Management Fees	18	8	5	13	-	-	-	-
Fee Business	879	691	457	853	741	568	323	663
Owned, Leased & Managed Lease	126	83	55	187	20	(9)	(27)	37
<b>Total Americas</b>	<b>1,005</b>	<b>774</b>	<b>512</b>	<b>1,040</b>	<b>761</b>	<b>559</b>	<b>296</b>	<b>700</b>
Franchise and Base Management Fees	215	120	93	247	-	-	-	-
Incentive Management Fees	69	29	14	90	-	-	-	-
Fee Business	284	149	107	337	153	32	(18)	202
Owned, Leased & Managed Lease	268	154	114	386	(1)	(27)	(32)	15
<b>Total EMEAA</b>	<b>552</b>	<b>303</b>	<b>221</b>	<b>723</b>	<b>152</b>	<b>5</b>	<b>(50)</b>	<b>217</b>
Franchise and Base Management Fees	71	91	61	87	-	-	-	-
Incentive Management Fees	16	25	16	48	-	-	-	-
Fee Business	87	116	77	135	23	58	35	73
<b>Total Greater China</b>	<b>87</b>	<b>116</b>	<b>77</b>	<b>135</b>	<b>23</b>	<b>58</b>	<b>35</b>	<b>73</b>
Franchise and Base Management Fees	1,147	894	606	1,174	-	-	-	-
Incentive Management Fees	103	62	35	151	-	-	-	-
Central	199	197	182	185	(108)	(88)	(62)	(125)
Fee Business	1,449	1,153	823	1,510	809	570	278	813
Owned, Leased & Managed Lease	394	237	169	573	19	(36)	(59)	52
<b>Total Reportable Segments</b>	<b>1,843</b>	<b>1,390</b>	<b>992</b>	<b>2,083</b>	<b>828</b>	<b>534</b>	<b>219</b>	<b>865</b>
Reimbursement of Costs	832	589	637	1,171	-	-	-	-
System Fund	1,217	928	765	1,373	(105)	(11)	(102)	(49)
<b>Total IHG</b>	<b>3,892</b>	<b>2,907</b>	<b>2,394</b>	<b>4,627</b>	<b>723</b>	<b>523</b>	<b>117</b>	<b>816</b>

1. Excludes exceptional items

# H1 2024 underlying fee business revenue and operating profit non-GAAP reconciliations

\$m	Americas		EMEA		Greater China		Central		Total IHG	
	Revenue	Operating Profit	Revenue	Operating Profit	Revenue	Operating Profit	Revenue	Operating Loss	Revenue	Operating Profit
Fee business	478	392	183	119	77	43	112	(37)	850	517
Owned, leased and managed lease	83	21	164	-	-	-	-	-	247	21
Insurance activities	-	-	-	-	-	-	11	(3)	11	(3)
<b>Per H1 2024 financial statements</b>	<b>561</b>	<b>413</b>	<b>347</b>	<b>119</b>	<b>77</b>	<b>43</b>	<b>123</b>	<b>(40)</b>	<b>1,108</b>	<b>535</b>
Significant liquidated damages	-	-	(4)	(4)	-	-	-	-	(4)	(4)
Currency impact	-	-	-	-	-	-	-	-	-	-
Underlying revenue and underlying operating profit	561	413	343	115	77	43	123	(40)	1,104	531
Owned, leased and managed lease / insurance activities included in the above	(83)	(21)	(164)	-	-	-	(11)	3	(258)	(18)
<b>Underlying fee business</b>	<b>478</b>	<b>392</b>	<b>179</b>	<b>115</b>	<b>77</b>	<b>43</b>	<b>112</b>	<b>(37)</b>	<b>846</b>	<b>513</b>

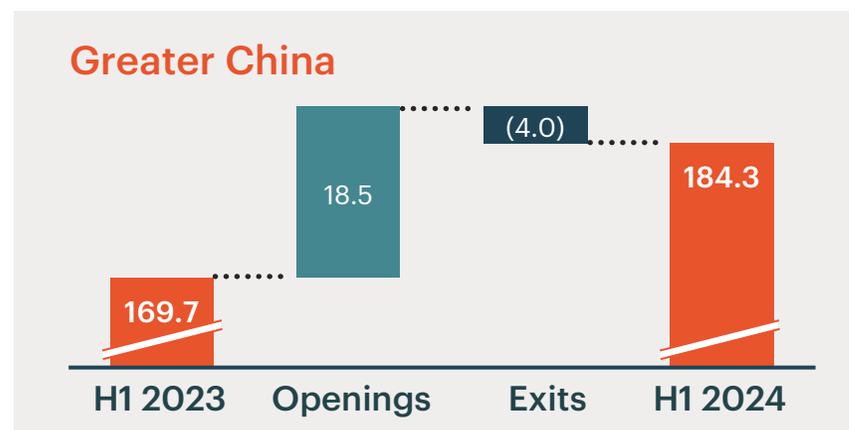
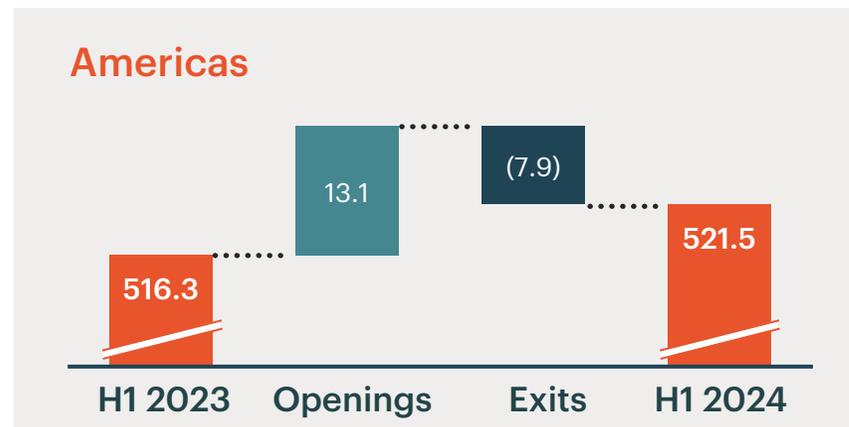
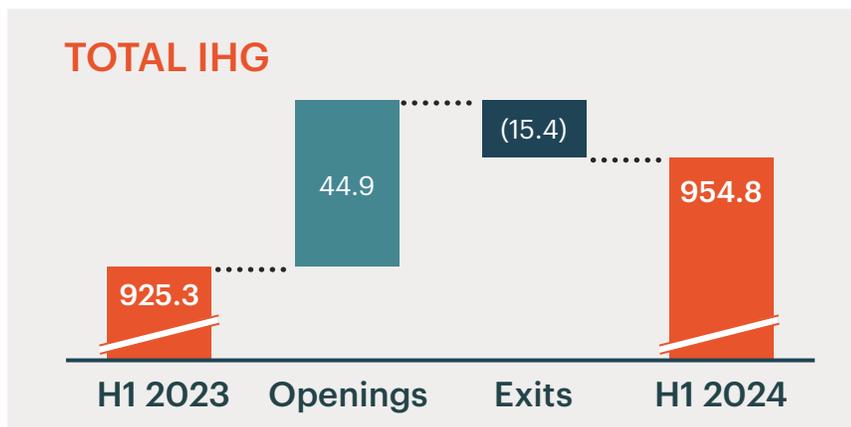
# H1 2023 underlying fee business revenue and operating profit non-GAAP reconciliations

	Americas		EMEA		Greater China		Central		Total IHG	
	Revenue	Operating Profit	Revenue	Operating Profit	Revenue	Operating Profit	Revenue	Operating Loss	Revenue	Operating Profit
\$m										
Fee business	463	379	161	92	74	43	101	(44)	799	470
Owned, leased and managed lease	74	15	148	(3)	-	-	-	-	222	12
Insurance activities	-	-	-	-	-	-	10	(3)	10	(3)
<b>Per H1 2023 financial statements</b>	<b>537</b>	<b>394</b>	<b>309</b>	<b>89</b>	<b>74</b>	<b>43</b>	<b>111</b>	<b>(47)</b>	<b>1,031</b>	<b>479</b>
Significant liquidated damages	-	-	-	-	-	-	-	-	-	-
Currency impact <sup>1</sup>	-	-	(5)	(3)	(3)	(1)	-	(2)	(8)	(6)
Underlying revenue and underlying operating profit	537	394	304	86	71	42	111	(49)	1,023	473
Owned, leased and managed lease / insurance activities included in the above	(74)	(15)	(146)	3	-	-	(10)	3	(230)	(9)
<b>Underlying fee business</b>	<b>463</b>	<b>379</b>	<b>158</b>	<b>89</b>	<b>71</b>	<b>42</b>	<b>101</b>	<b>(46)</b>	<b>793</b>	<b>464</b>

1. Stated at constant H1 2024 exchange rates (CER).

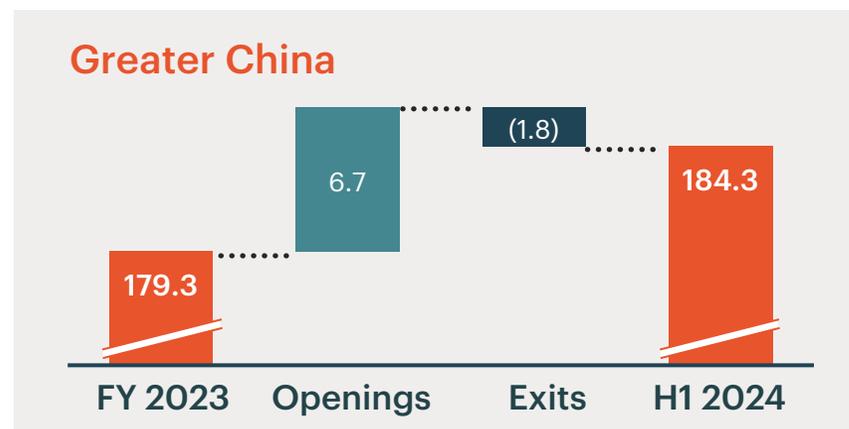
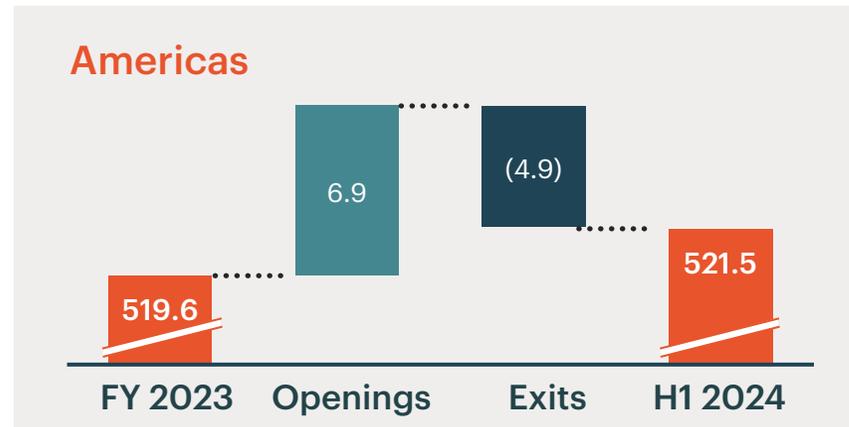
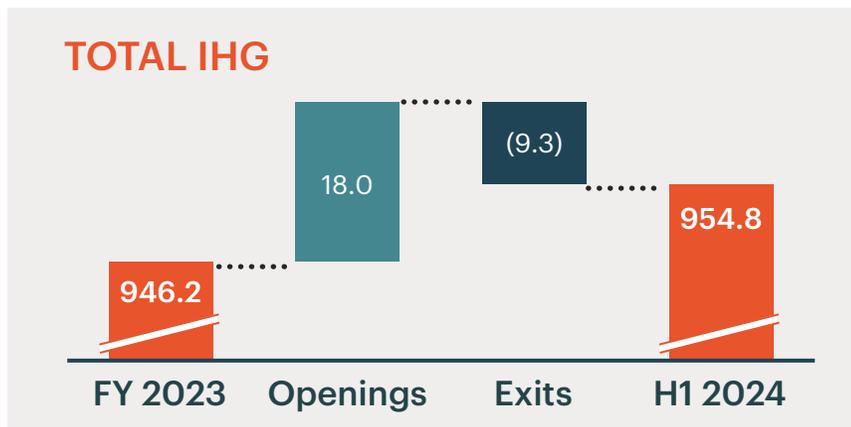
# Net system size growth delivered through strength of brands and enterprise platform

## Net System Size Growth (YOY)



# Net system size growth delivered through strength of brands and enterprise platform

## Net System Size Growth (YTD)



# Ordinary shares

Number of shares (m)	H1 2024	H1 2023
Opening balance at 1 January	172.3	183.1
<b>Closing balance at 30 June</b>	168.6	177.7
Closing balance excluding treasury <sup>1</sup> , ESOT and forfeitable shares	161.3	170.2
Basic weighted average shares (excluding treasury, ESOT and forfeitable shares)	163.3	173.0
Dilutive potential ordinary shares	1.6	1.0
<b>Diluted weighted average shares</b>	164.9	174.0

1. The total number of shares held as treasury shares at 30 June 2024 was 7.0m (2023 7.5m).

# Currency impacts

(\$m)

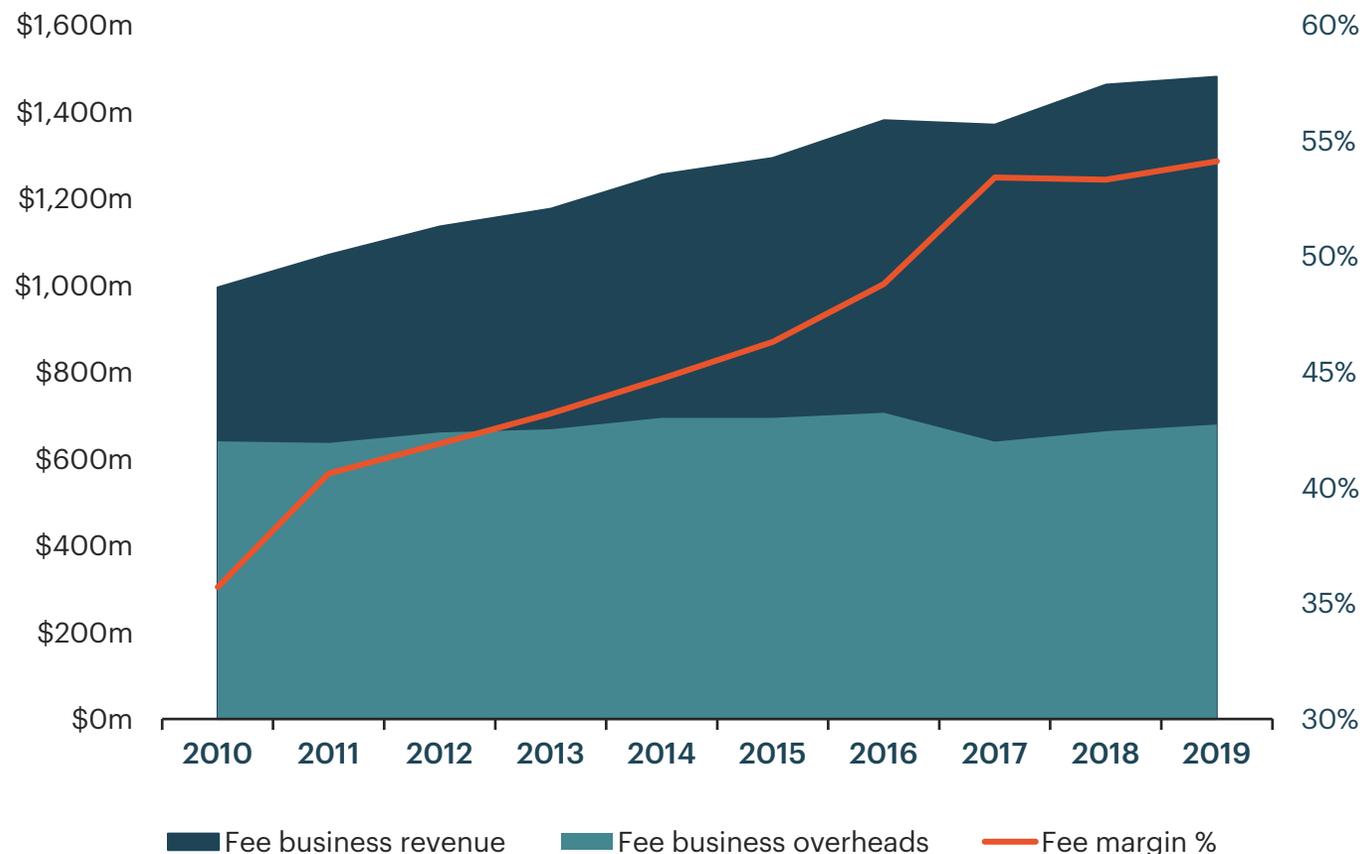
	Reported H1 2023	H1 2023 at H1 2024 AER <sup>2</sup>	Var.	Reported H1 2024	H1 2024 at H1 2023 AER <sup>2</sup>	Var.
<b>Revenue</b>						
Americas	537	537	-	561	564	(3)
EMEA	309	304	5	347	353	(6)
Greater China	74	71	3	77	79	(3)
Central Overheads <sup>3</sup>	111	111	-	123	124	(1)
<b>Total IHG</b>	<b>1,031</b>	<b>1,023</b>	<b>8</b>	<b>1,108</b>	<b>1,121</b>	<b>(12)</b>
<b>Operating Profit</b>						
Americas	394	394	-	413	414	(2)
EMEA	89	86	3	119	123	(5)
Greater China	43	42	1	43	44	(1)
Central Overheads <sup>3</sup>	(47)	(49)	2	(40)	(38)	(2)
<b>Total IHG</b>	<b>479</b>	<b>473</b>	<b>6</b>	<b>535</b>	<b>544</b>	<b>(10)</b>

1. Major non-USD currency exposure by region (**Americas**: Canadian Dollar, Mexican Peso; **EMEA**: British Pound, Euro, Russian Rouble, Japanese Yen, Singapore Dollar; **Greater China**: Chinese Renminbi; **Central**: British Pound).

2. Based on average GBP/USD exchange rates in each period (H1 2023: 1.23; H1 2024 1.27)

3. Includes insurance activities.

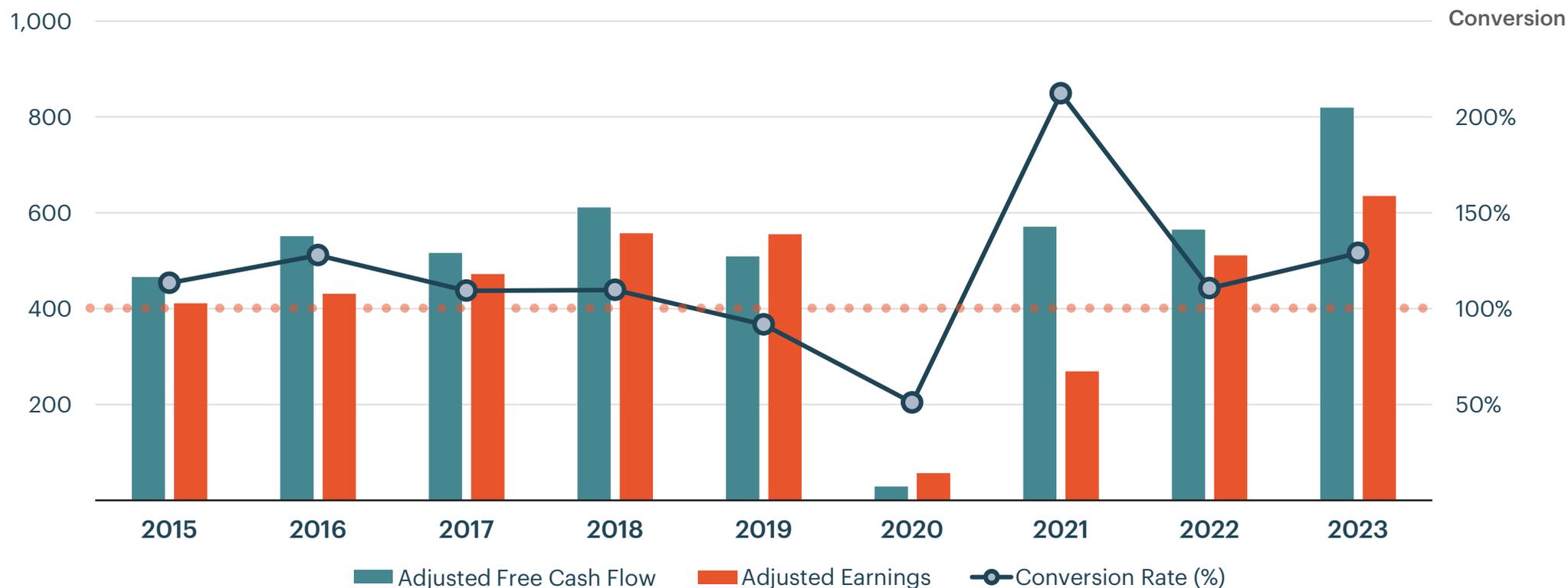
# Strong track record of margin accretion by delivering growth in fee business revenue whilst leveraging an efficient overhead base



- **130bps** fee margin annual increase on average over the decade to 2019
- **100-150bps** further expansion expected annually over the medium to long term
  - Driven by positive operational leverage from the combination of RevPAR and system growth
- **Actively developing further opportunities to drive fee margin**
  - Ongoing cost base efficiency and effectiveness initiatives
  - Expansion of ancillary fee streams including co-brand credit card offerings

Definitions for non-GAAP measures can be found in the 'Key performance measures and non-GAAP measures' section of the results announcement, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.

# IHG typically converts >100% of earnings into free cash



From 2015 to 2023 cumulatively, **119%** of IHG's adjusted earnings were converted into adjusted free cash flow

Definitions for non-GAAP measures can be found in the 'Key performance measures and non-GAAP measures' section of the results announcement, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.

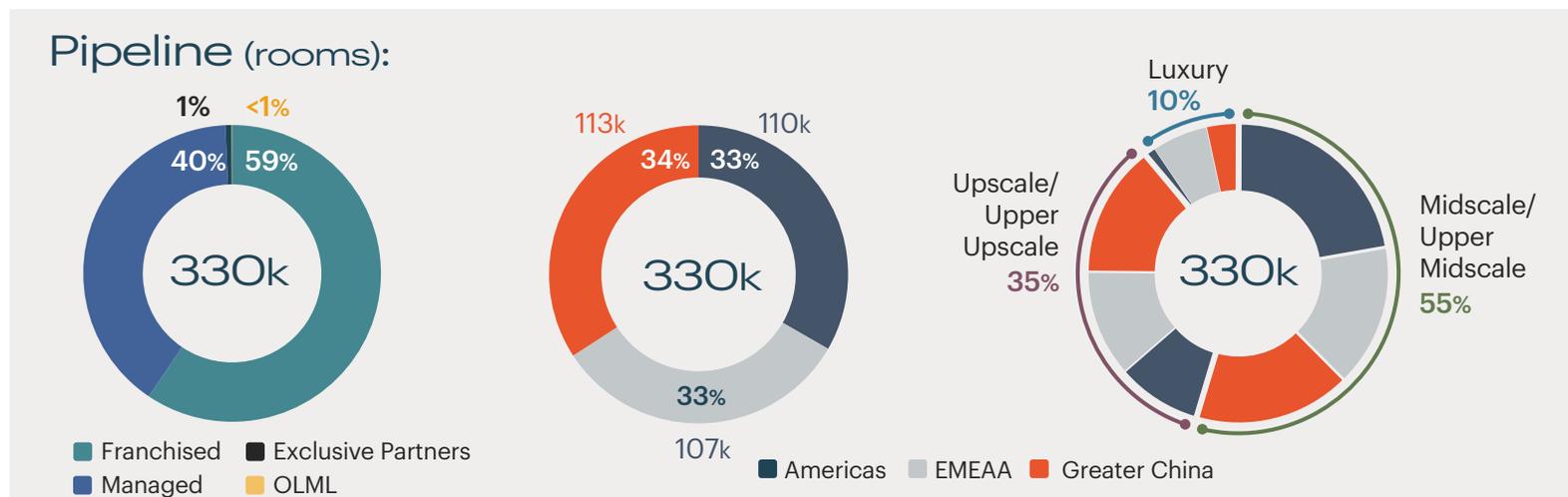
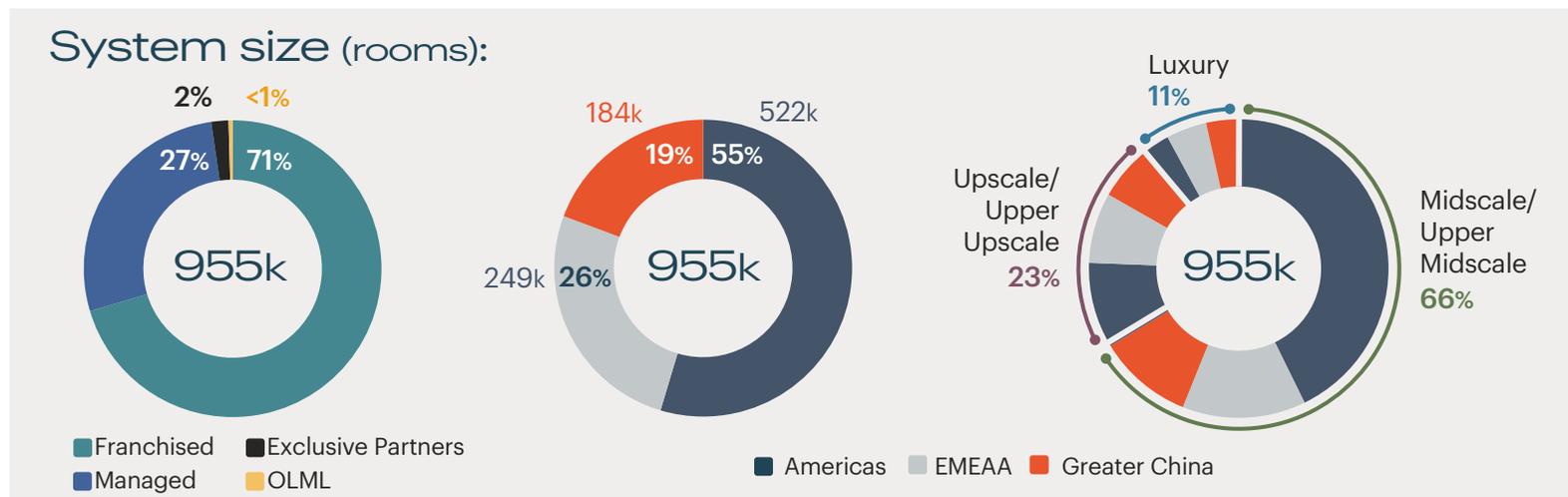
IHG<sup>®</sup>  
HOTELS & RESORTS



Appendices  
Progress on Strategic Priorities

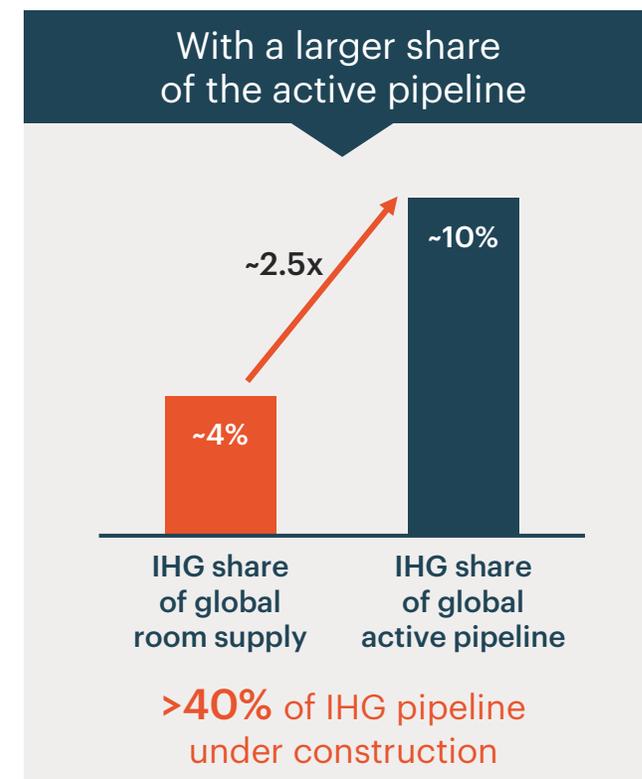
# Asset light, mainly franchised, and geographically diverse

## System size and pipeline



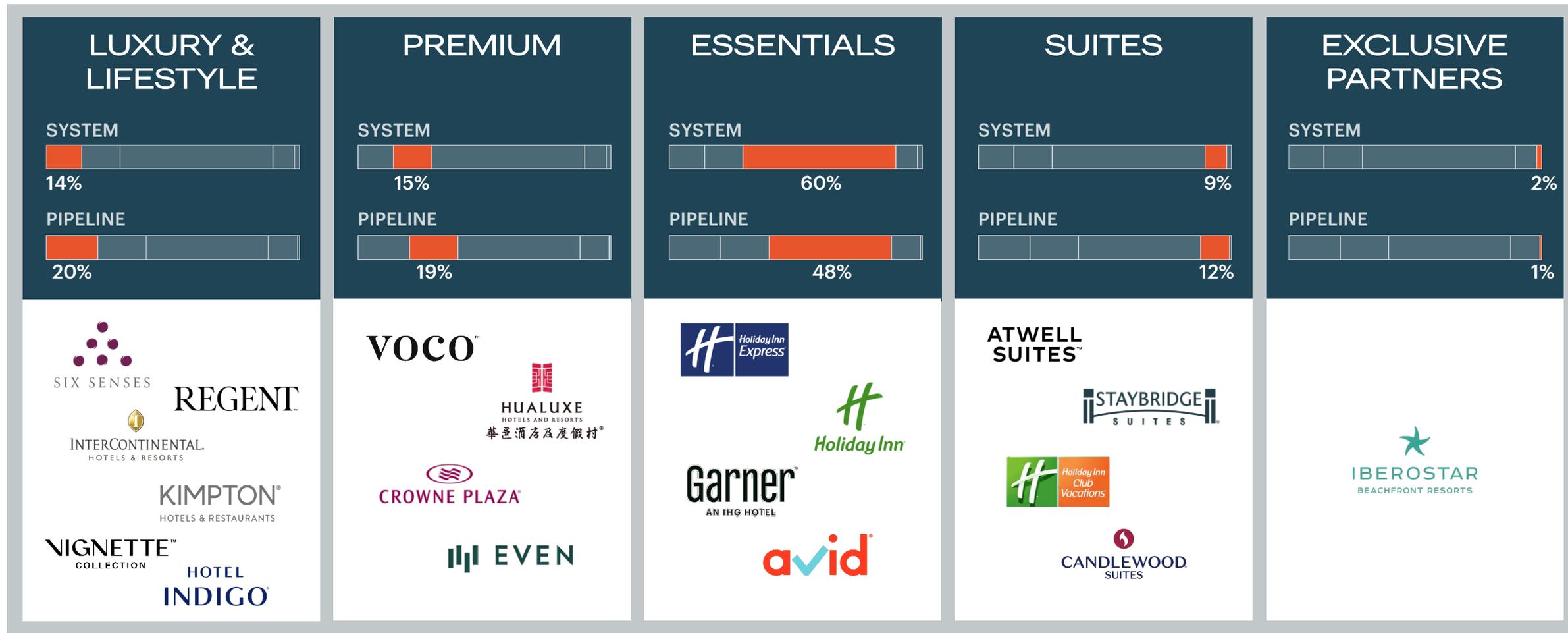
Note: data as at 30 June 2024

Strong competitive position in an industry where branded players are gaining market share



# Strong portfolio of 19 preferred brands across chain scales

## Having added nine brands to our portfolio since 2015



Note: data as at 30 June 2024

# Luxury & Lifestyle

Driving high-value growth through an industry-leading collection of brands; at 1H24, 517 properties in the system; pipeline of 365 more represents future rooms growth of ~50%

## Six Senses

In 5 years since acquisition, hotel system growth of ~70% and pipeline more than doubled



Six Senses La Sagesse – Grenada

System Size: **1,937 rooms** (27 hotels)  
Pipeline: **2,936 rooms** (40 hotels)  
Pipeline as % of System Size: **152%**

## Regent

In 6 years since acquisition, hotel system growth of >65% and pipeline now quadrupled



Regent Shanghai on the Bund – China

System Size: **3,090 rooms** (10 hotels)  
Pipeline: **2,584 rooms** (12 hotels)  
Pipeline as % of System Size: **84%**

## InterContinental

The world's largest luxury hotel brand with more than 220 open hotels and a further ~100 in the pipeline



InterContinental Crete – Greece

System Size: **73,082 rooms** (224 hotels)  
Pipeline: **25,201 rooms** (99 hotels)  
Pipeline as % of System Size: **34%**

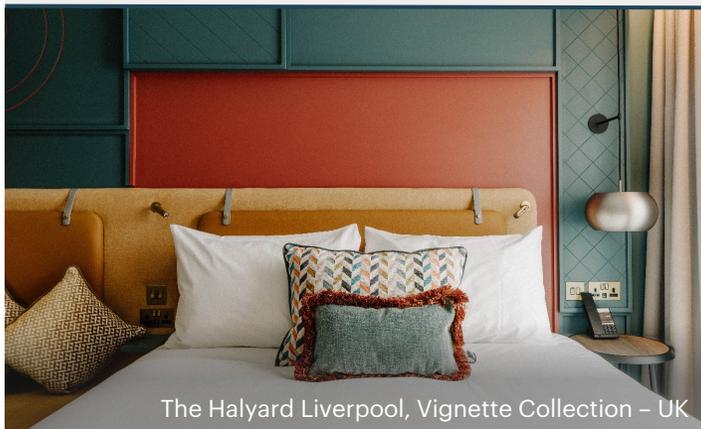
Note: data as at 30 June 2024. Luxury & Lifestyle brand collection includes 5 InterContinental Alliance Resorts – 2 in Las Vegas and 3 in Macao

# Luxury & Lifestyle

Driving high-value growth through an industry-leading collection of brands; at 1H24, 517 properties in the system; pipeline of 365 more represents future rooms growth of ~50%

## Vignette Collection

First 18 hotels now open, over 20 in the pipeline, and sizeable market opportunity



The Halyard Liverpool, Vignette Collection – UK

System Size: **4,216 rooms** (18 hotels)  
Pipeline: **3,537 rooms** (24 hotels)  
Pipeline as % of System Size: **84%**

## Kimpton

The boutique luxury lifestyle brand continues its global expansion; expected to be in ~20 countries by 2025



Kimpton Mas Olas Resort and Spa – Mexico

System Size: **13,578 rooms** (75 hotels)  
Pipeline: **11,817 rooms** (57 hotels)  
Pipeline as % of System Size: **87%**

## Hotel Indigo

Approaching 160 hotels globally, continuing acceleration towards 200 open properties



Hotel Indigo Suzhou Jinji Lake – China

System Size: **20,964 rooms** (158 hotels)  
Pipeline: **20,674 rooms** (133 hotels)  
Pipeline as % of System Size: **99%**

Note: data as at 30 June 2024. Luxury & Lifestyle brand collection includes 5 InterContinental Alliance Resorts – 2 in Las Vegas and 3 in Macao

# Premium

Uniquely tailored to target upscale customer segments; at 1H24, 538 properties in the system; pipeline of 279 more represents future rooms growth of ~45%

**VOCO**

Our **conversion-focused premium brand** has already secured **>150 properties** in the 6 years since launch




voco Beaune - Cité des Vins – France

System Size: **18,957 rooms** (80 hotels)  
 Pipeline: **13,877 rooms** (79 hotels)  
 Pipeline as % of System Size: **73%**

**HUALUXE**

Designed specifically with the **Chinese premium guest** in mind, now with **>45 open and pipeline hotels**




HUALUXE Kunshan Huaqiao – China

System Size: **5,529 rooms** (20 hotels)  
 Pipeline: **7,178 rooms** (28 hotels)  
 Pipeline as % of System Size: **130%**

**Crowne Plaza**

Our **refreshed premium brand**; 75% of the Americas estate will soon be new or recently refurbished

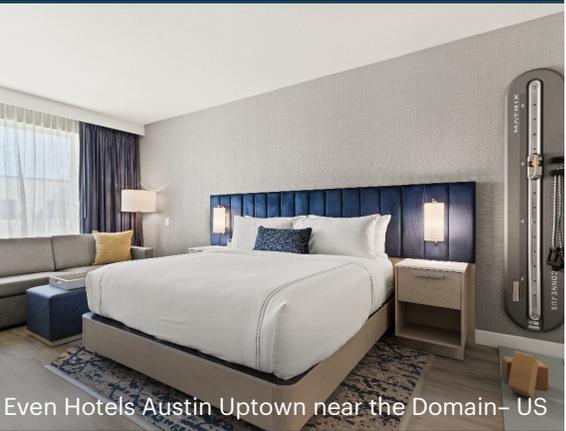



Crowne Plaza Xi'an Weiyang – China

System Size: **112,284 rooms** (407 hotels)  
 Pipeline: **36,927 rooms** (145 hotels)  
 Pipeline as % of System Size: **33%**

**EVEN**

The premium **wellness-focused brand** now has close to **60 open and pipeline properties**

Even Hotels Austin Uptown near the Domain – US

System Size: **4,765 rooms** (31 hotels)  
 Pipeline: **4,447 rooms** (27 hotels)  
 Pipeline as % of System Size: **93%**

Note: data as at 30 June 2024

# Essentials

Continued opportunity for growth in our core segment; at 1H24, 4.5k properties in the system; pipeline of 1.2k more represents future rooms growth of ~30%

## Holiday Inn Express

The world's largest hotel brand, continuing its category leadership and strong growth



Holiday Inn Express Shanghai Changfeng Park – China

System Size: **338,477 rms** (3,190 hotels)  
 Pipeline: **79,219 rooms** (644 hotels)  
 Pipeline as % of System Size: **23%**

## Holiday Inn

An industry icon; a refreshed estate with evolved design, visual identity, and service



Holiday Inn Lampung Bukit Randu – Indonesia

System Size: **216,578 rms** (1,206 hotels)  
 Pipeline: **59,435 rooms** (307 hotels)  
 Pipeline as % of System Size: **27%**

## Garner

Our new midscale conversion brand, now with over 80 signings, of which 4 have already opened



Garner Macon West – US

System Size: **297 rooms** (4 hotels)  
 Pipeline: **8,077 rooms** (79 hotels)  
 Pipeline as multiple of System Size: **27x**

## avid

>215 open and pipeline properties; strong guest satisfaction and owner returns



avid Fort Payne – US

System Size: **6,494 rooms** (73 hotels)  
 Pipeline: **11,468 rooms** (143 hotels)  
 Pipeline as % of System Size: **177%**

Note: data as at 30 June 2024

# Suites

An expanding portfolio of extended stay properties across chain scales; at 1H24, 745 properties in the system; pipeline of 389 more represents future rooms growth of ~45%

## Staybridge Suites

Our premium extended stay brand with a **growing global footprint**

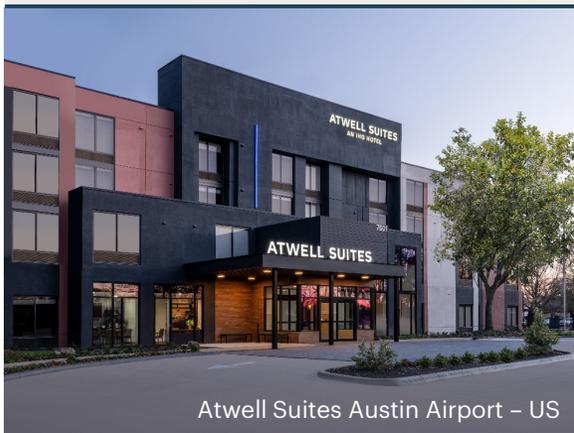


Staybridge Suites Pigeon Forge - Smoky Mountains - US

System Size: **35,885 rooms** (330 hotels)  
 Pipeline: **18,331 rooms** (167 hotels)  
 Pipeline as % of System Size: **51%**

## Atwell Suites

Our **newest extended stay brand** with significant interest and an **accelerating pipeline**



Atwell Suites Austin Airport - US

System Size: **266 rooms** (3 hotels)  
 Pipeline: **4,696 rooms** (47 hotels)  
 Pipeline as multiple of System Size: **18x**

## Candlewood Suites

Our midscale extended stay brand with over **380 open hotels**



Candlewood Suites Fort Payne - US

System Size: **34,114 rooms** (384 hotels)  
 Pipeline: **13,889 rooms** (174 hotels)  
 Pipeline as % of System Size: **41%**

## Holiday Inn Club Vacations

Our collection of spacious, fun-filled, family resorts



Holiday Inn Club Vacations Myrtle Beach Oceanfront - US

System Size: **9,208 rooms** (28 hotels)  
 Pipeline: **680 rooms** (1 hotel)  
 Pipeline as % of System Size: **7%**

Note: data as at 30 June 2024

# Exclusive Partners

Demonstrating the strength of the IHG enterprise platform and desire for strategic partners to join our system

## Iberostar Beachfront Resorts

Substantially strengthens our **resort**  
and **all-inclusive** presence



IBEROSTAR  
BEACHFRONT RESORTS



Iberostar Selection Eolia Djerba – Tunisia

System Size: **17,816 rooms** (50 hotels)

Pipeline: **2,240 rooms** (5 hotels)

Pipeline as % of System Size: **13%**

Note: data as at 30 June 2024

IHG<sup>®</sup> HOTELS & RESORTS



REGENT



VIGNETTE  
COLLECTION

KIMPTON  
HOTELS & RESTAURANTS

HOTEL  
INDIGO

VOCO



CROWNE PLAZA



EVEN



Garner

avid

ATWELL  
SUITES



CANDLEWOOD  
SUITES

IHG  ONE  
REWARDS