

# IHG<sup>®</sup>

HOTELS & RESORTS



## 2023 Half Year Results

8 August 2023

# 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.

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# Elie Maalouf

Chief Executive Officer

# HY 2023

A strong first half across financial results, openings and signings; demonstrates the enduring strength and attractions of our business model

## RevPAR

- H1 global RevPAR **+24% YOY; +8.7% vs '19**
- Q2 global RevPAR **+17% YOY; +9.9% vs '19**
- H1 global ADR **+7% YOY; +11% vs '19**
- H1 occupancy **+9%pts YOY; (1.3)%pts vs '19**

## System Size

- System **925k** rooms (6,227 hotels)
- **+6.3%** gross system growth YOY; **+4.8%** net system growth YOY
- Opened **21.0k** rooms (108 hotels) **+40% vs H1 '22**
- Signed **34.2k** rooms (239 hotels) **+11% vs H1 '22**

## Profit and Earnings

- **58.8%** fee margin<sup>1</sup>, **+3.3%pts**
- **\$479m** EBIT<sup>2</sup>, **+27%**
- **\$996m** EBITDA<sup>1,2</sup> (LTM), **+23%**
- **182.7¢** Adjusted EPS<sup>1</sup>, **+50%**

## Capital Returns

- **\$277m** FCF<sup>1,2</sup> (\$142m in H1 '22)
- Leverage ratio of **2.3x**
- Current **\$750m** share buyback programme **47%** complete
- **48.3¢** interim DPS, **+10%**
- **\$1bn** of capital to be returned in 2023; **>8%** of current market cap

## Driving future system growth

- **Pipeline 286k** rooms, **+3%** YOY, and represents **>30%** of current system size
- Continued growth of **Luxury & Lifestyle** portfolio; now **13%** of our estate and **21%** of pipeline, approaching twice the size of five years earlier
- **Conversions 36%** of signings and **42%** of openings in H1 2023
- **New midscale conversion brand** launching, with strong interest from owners already expressed

1. Definitions for non-GAAP measures can be found in the 'Use of 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 LTM refers to trailing last twelve months, as calculated for the Group's banking covenants; FCF refers to free cash flow



# HY 2023 Financial Review

**Michael Glover**

Chief Financial Officer

# Financial performance overview

## Results from reportable segments

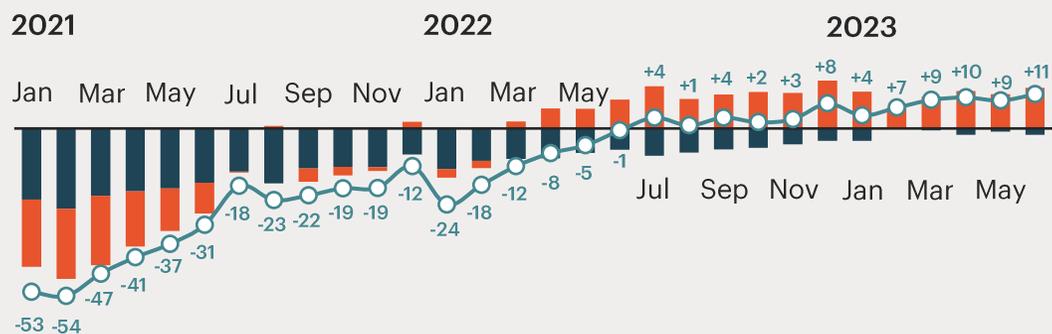
	H1 2023	H1 2022 <sup>2</sup>	Reported % change	Underlying % change	H1 2019 <sup>2</sup>
Revenue	\$1,031m	\$840m	+23%	+27%	\$1,012m
<b>Operating profit</b>	<b>\$479m</b>	<b>\$377m</b>	<b>+27%</b>	<b>+30%</b>	<b>\$410m</b>
Revenue from fee business	\$799m	\$659m	+21%	+24%	See note 2
Operating profit from fee business	\$470m	\$369m	+27%	+30%	See note 2
Fee margin <sup>1</sup>	58.8%	55.5%	+3.3%pts		See note 2
Adjusted interest <sup>1</sup>	\$58m	\$64m	(9)%		\$66m
Adjusted tax rate <sup>1</sup>	25%	28%	(3)%pts		(21)%
<b>Adjusted EPS<sup>1</sup></b>	<b>182.7¢</b>	<b>121.7¢</b>	<b>50%</b>		<b>148.6¢</b>
Interim dividend	48.3¢	43.9¢	+10%		39.9¢

1. Definitions for non-GAAP measures can be found in the 'Use of 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. H1 2022 has been re-presented for the adoption of IFRS 17 'Insurance Contracts' (see note 1 to the Financial Statements), which has the impact of re-presenting revenue from fee business to \$659m from \$664m, operating profit from the fee business to \$369m from \$372m, and the fee margin to 55.5% from 55.9% at the time of the H1 2022 results; H1 2019 has not been re-presented for the adoption of IFRS 17 with previously reported revenue from fee business being \$730m, operating profit from fee business being \$394m and fee margin being 54.1% for that period.

# RevPAR, occupancy and ADR recovery across regions

## IHG Group monthly RevPAR, Occupancy and ADR (vs 2019)



## Americas monthly RevPAR, Occupancy and ADR (vs 2019)



— RevPAR (%)    ■ Occupancy (% Pts)    ■ ADR (%)

## EMEA monthly RevPAR, Occupancy and ADR (vs 2019)



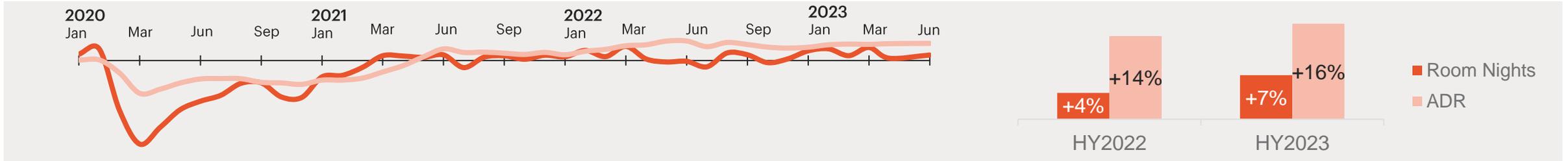
## Greater China monthly RevPAR, Occupancy and ADR (vs 2019)



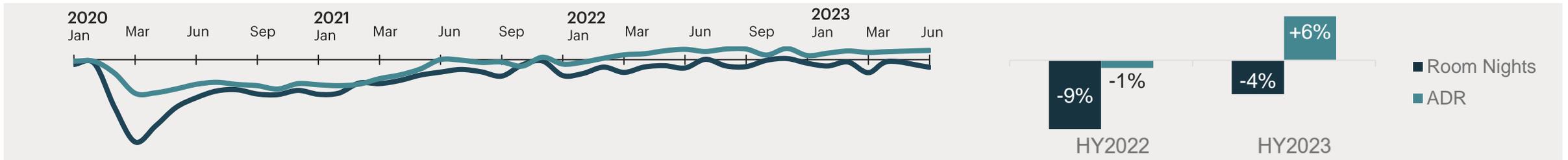
Note: from January 2023, RevPAR growth definition has reverted back to pre-Covid comparability definitions.

# US Leisure strength of demand has sustained; recovery of Business and Groups demand has continued

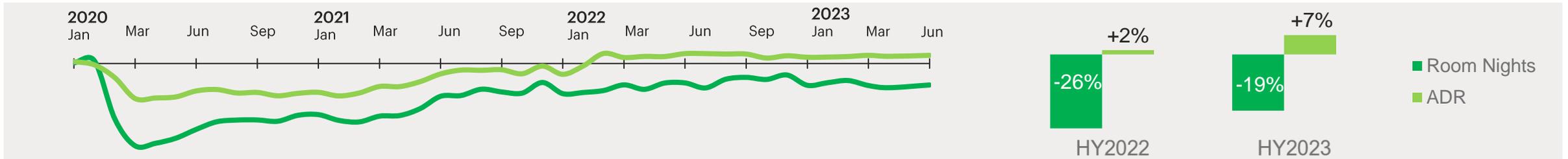
## IHG US estate Leisure demand performance (both charts vs 2019)



## IHG US estate Business demand performance (both charts vs 2019)

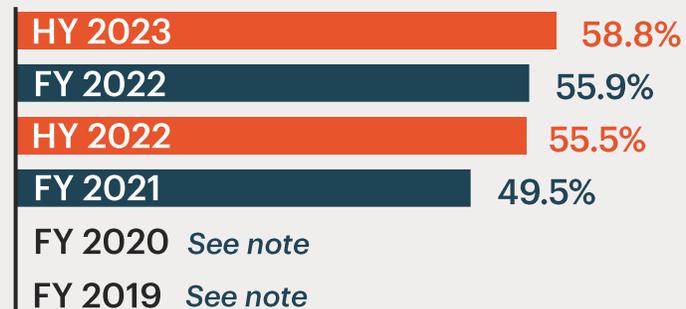


## IHG US estate Groups demand performance (both charts vs 2019)



# Fee margin 330bps ahead of HY 2022, driven by recovery in EMEAA and Greater China

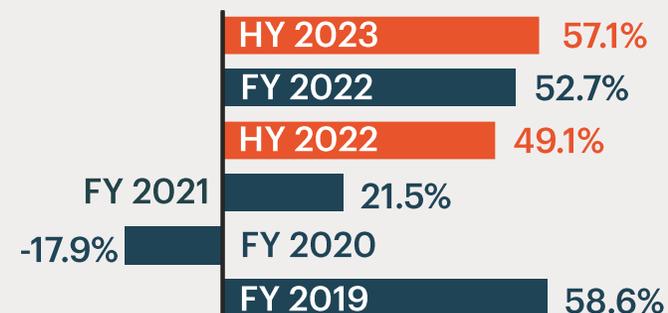
## TOTAL IHG



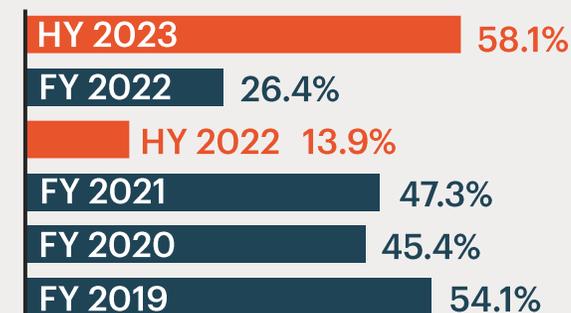
## Americas



## Europe, Middle East, Asia and Africa



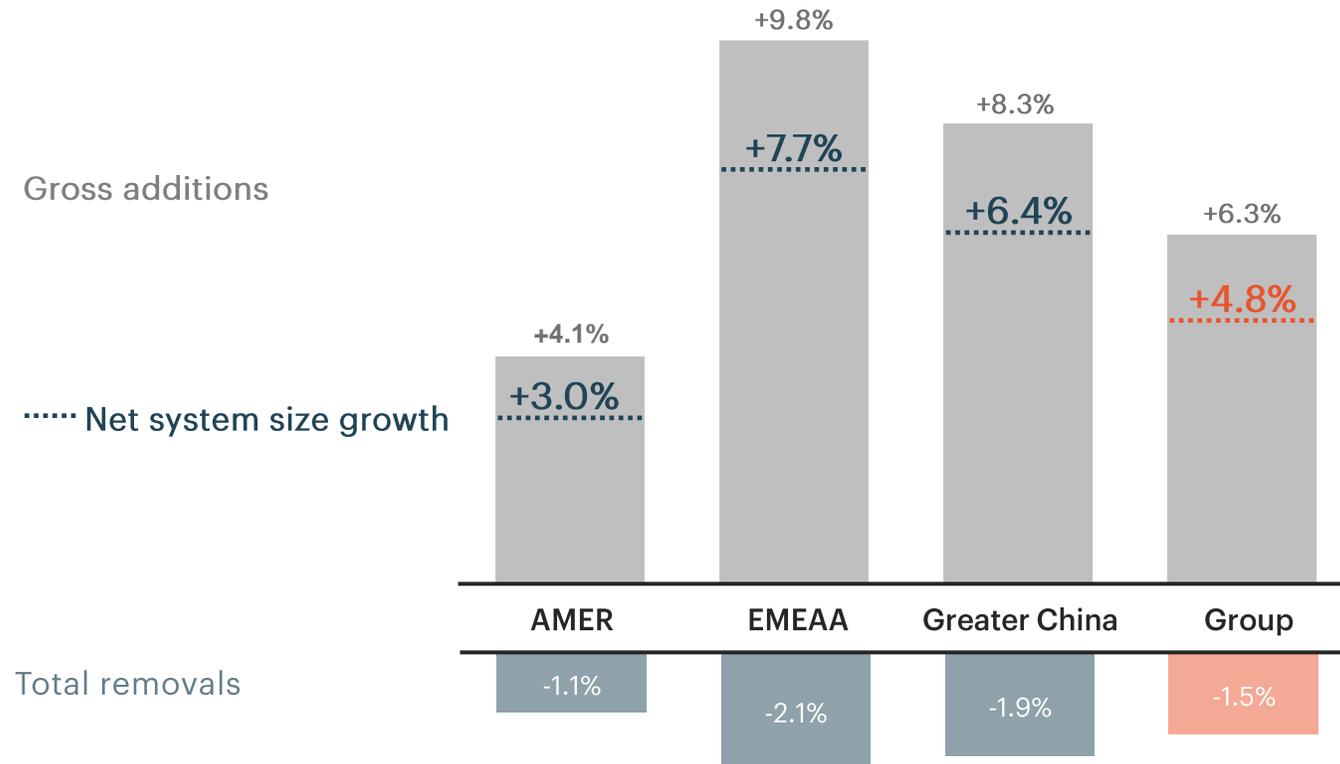
## Greater China



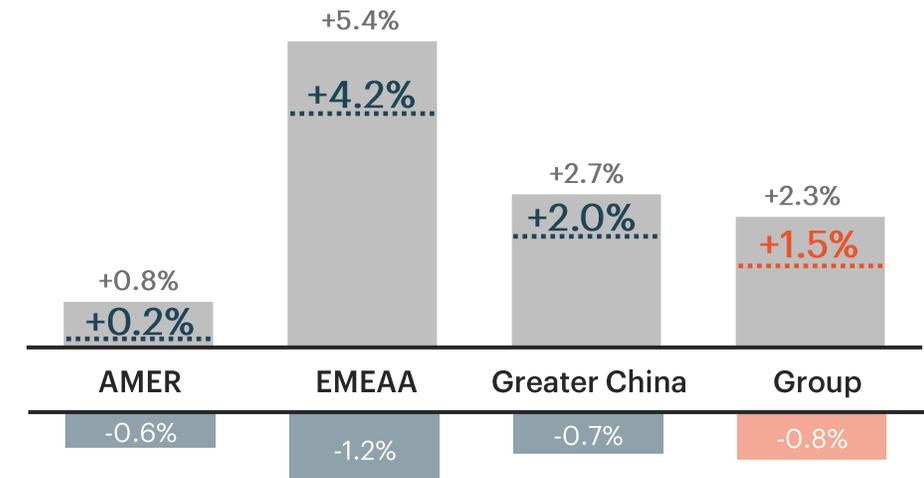
Notes: Fee margin excludes owned, leased and managed lease hotels, and significant liquidated damages. It is stated at AER. HY 2022 has been re-presented for the adoption of IFRS 17 'Insurance Contracts' (to 55.5% from 55.9%) as has FY2022 (to 55.9% from 56.2%) and FY 2021 (to 49.5% from 49.6%). FY 2020 and FY 2019 have not been re-presented for IFRS 17, and were previously reported as 34.1% and 54.1%, respectively.

# Net system size growth of +4.8% YOY; delivered through strength of brands and enterprise platform

Net System Size Growth (YOY)



Net System Size Growth (YTD)



# Signings up +11%; development activity robust



# Targeted capital expenditure to drive growth

\$m	HY 2023	HY 2022	
<b>Key money and maintenance capex</b>			
Key money <sup>1</sup>	(64)	(35)	<ul style="list-style-type: none"> <li>• <b>Key money:</b> used to secure hotel signings</li> <li>• <b>Maintenance:</b> relates to owned, leased and managed lease hotels and corporate infrastructure</li> </ul>
Maintenance capex	(16)	(15)	
<b>Total</b>	<b>(80)</b>	<b>(50)</b>	
<b>Recyclable investments</b>			
Gross out	(8)	(1)	<ul style="list-style-type: none"> <li>• Investment behind growth initiatives</li> <li>• Profile can vary year to year, but expected to be broadly neutral over time</li> </ul>
Gross in	-	7	
<b>Net total</b>	<b>(8)</b>	<b>6</b>	
<b>System Fund capital investments</b>			
Gross out	(19)	(18)	<ul style="list-style-type: none"> <li>• Invested into projects that benefit our hotel network</li> <li>• Repaid when depreciation charged to System Fund e.g. GRS</li> </ul>
Gross in <sup>2</sup>	42	40	
<b>Net total</b>	<b>23</b>	<b>22</b>	
<b>Total capital investments</b>			
Gross total <sup>3</sup>	(113)	(72)	<ul style="list-style-type: none"> <li>• <b>Medium term guidance unchanged:</b> up to \$350m gross per annum; ~\$150m net per annum</li> </ul>
<b>Net total</b>	<b>(65)</b>	<b>(22)</b>	

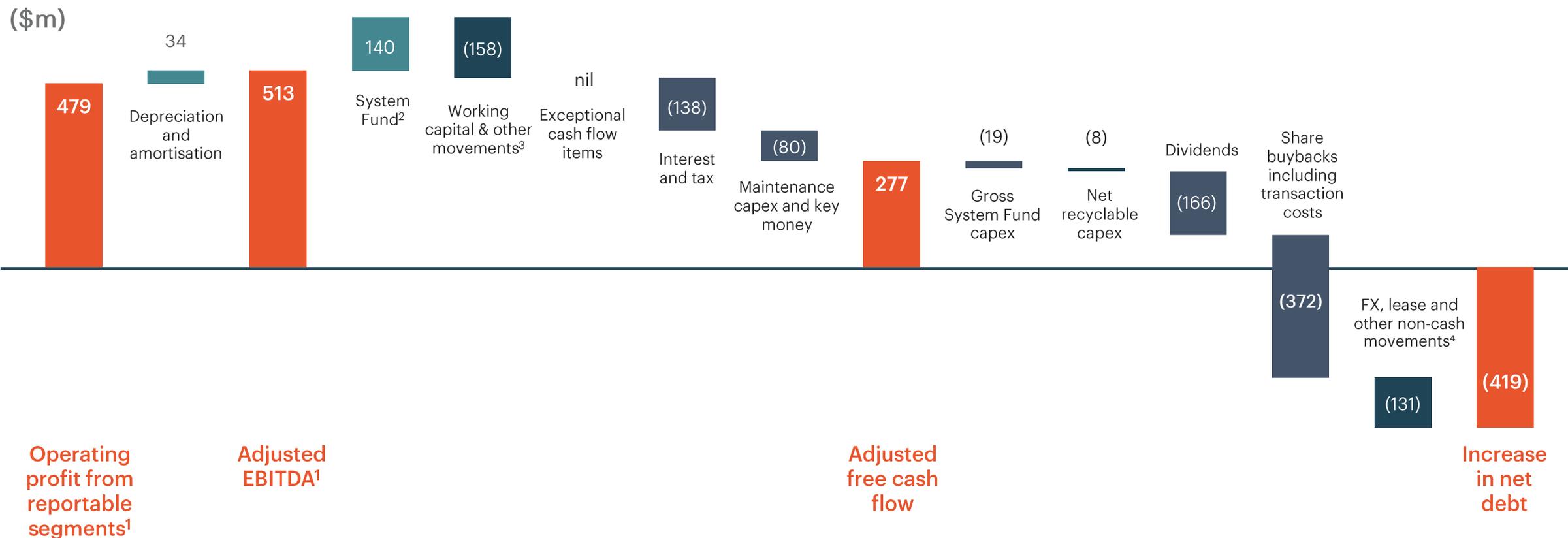
1. Key money presented net of repayments of \$6m in HY 2023 (HY 2022: \$3m)

2. Consists of depreciation and amortisation of \$43m in HY 2023 (HY 2022: \$42m), adjusted to exclude depreciation for right of use assets of \$1m (HY 2022: \$2m)

3. Includes gross key money payments of \$70m in HY 2023 (HY 2022: \$38m)

# Cash flow

## HY 2023



1. Before exceptional items and System Fund result.

2. System Fund inflow reflects \$87m reported result for the half, adding back \$43m of depreciation and amortisation and \$10m of other non-cash adjustments to System Fund result; working capital movements related to the System Fund, including movements in deferred revenue, are included within the Group's overall working capital & other movements.

3. Includes \$(167)m of working capital and other adjustments, \$29m of other non-cash adjustments to operating profit/loss, \$2m of impairment loss on financial assets, less \$(15)m of principal element of lease payments, together with \$(7)m purchase of own shares by employee trusts.

4. Includes \$(112)m of net adverse exchange movements, \$(14)m movement in lease liabilities, \$15m principal element of lease repayments and \$(18)m increase in accrued interest, together with \$(2)m of other non-cash movements.

# \$15bn returned to shareholders since 2003, and our strategy for uses of cash generated remains unchanged

Rolling share buybacks routinely expected to return surplus capital

## Invest in the business

to drive growth



## Sustainably grow

the ordinary dividend



## 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 2023: Net debt \$2,270m / EBITDA<sup>1</sup> \$996m = 2.3x

IHG announced a \$750m buyback in February 2023 to reset leverage to targeted levels

As of 30 June 2023:

\$349.5m repurchased (47% complete)

5,155,443 shares repurchased

2.9% reduction in share count

Calendar 2023: ~\$250m ordinary dividends + \$750m buyback = ~\$1.0bn or >8% of current market cap

<sup>1</sup> Trailing twelve months, as calculated for the Group's banking covenants

# Update on Strategic Priorities



**Elie Maalouf**  
Chief Executive Officer

# An attractive industry and a strong business model that drives growth and shareholder value

## Attractions of our industry



Enduring structural growth drivers of expanding GDP, rising middle class, and people's inherent desire to travel and physically interact



Demand strength and resiliency well proven, across both volume and price



Long-term hotel supply growth reinforced by both structural growth drivers and healthy asset returns for owners



Leading global hotel brands continue their long-term trend of taking market share

## Strengths of IHG business model

Well-invested portfolio and enterprise platform

High-value geographic and chain scale diversification

Asset-light, fee-based, mainly franchised

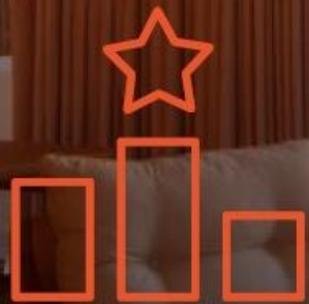
Robust pipeline delivering multi-year growth

Proven ability to capture structural demand and supply growth

Efficient cost base, increasing margins and growing earnings

Strong cash conversion and capital allocation

Built high barriers to entry

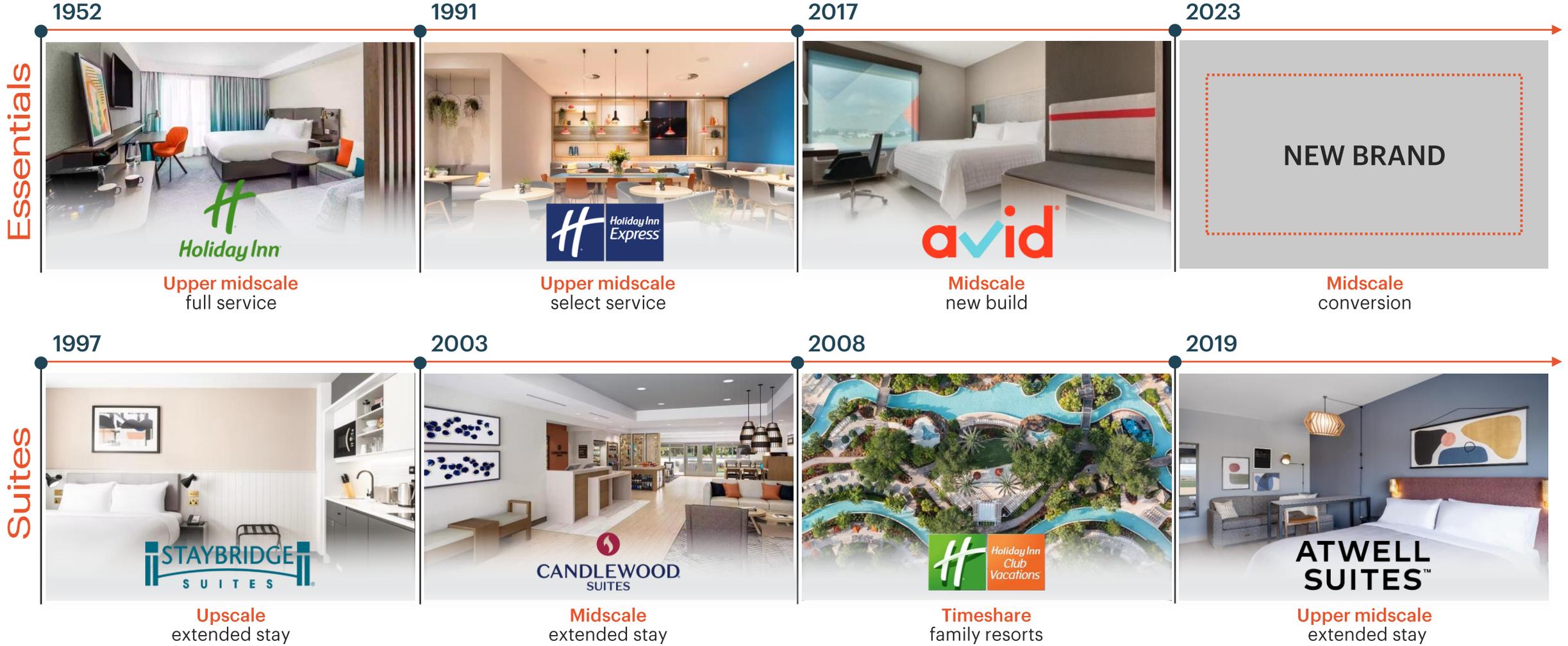


# BRANDS

Building loved and trusted brands

# Essentials and Suites

Evolution of our midscale, upper midscale, and extended stay brand portfolio

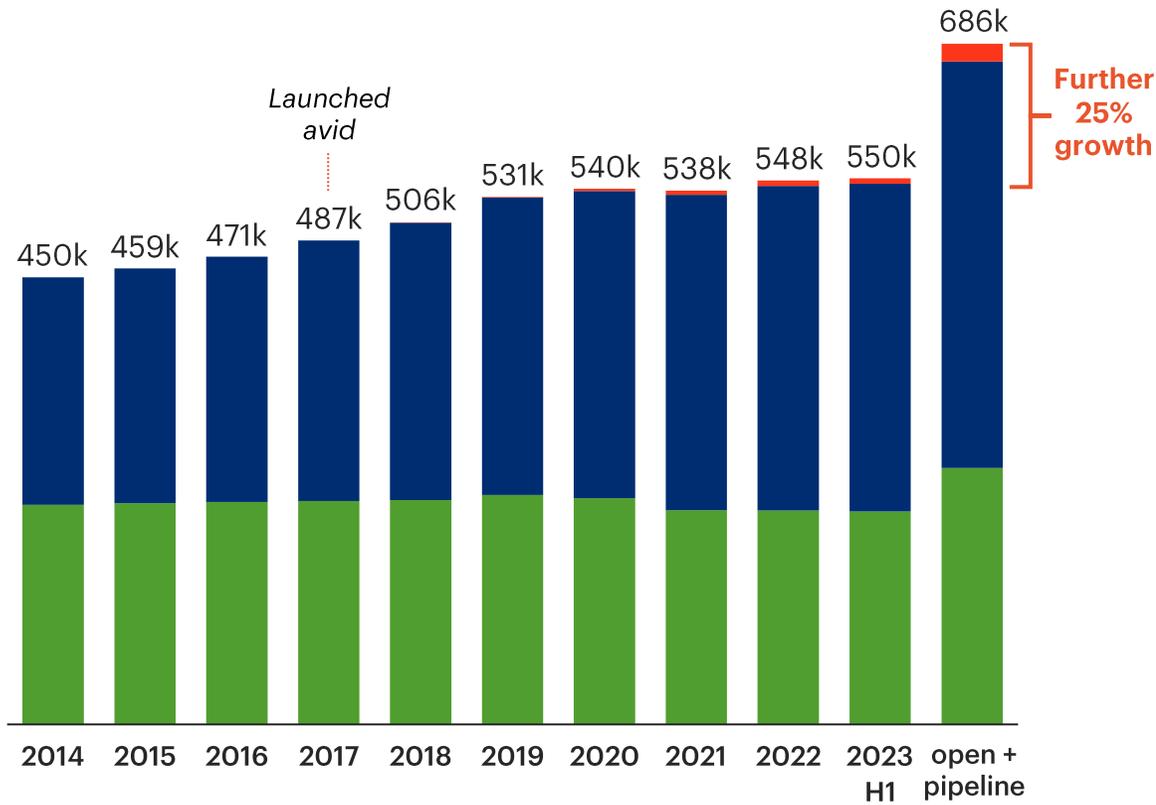


# Essentials and Suites

Continued volume growth; 5.1k properties in the system; 1.4k in the pipeline, representing ~27% future system growth

## Essentials portfolio growth

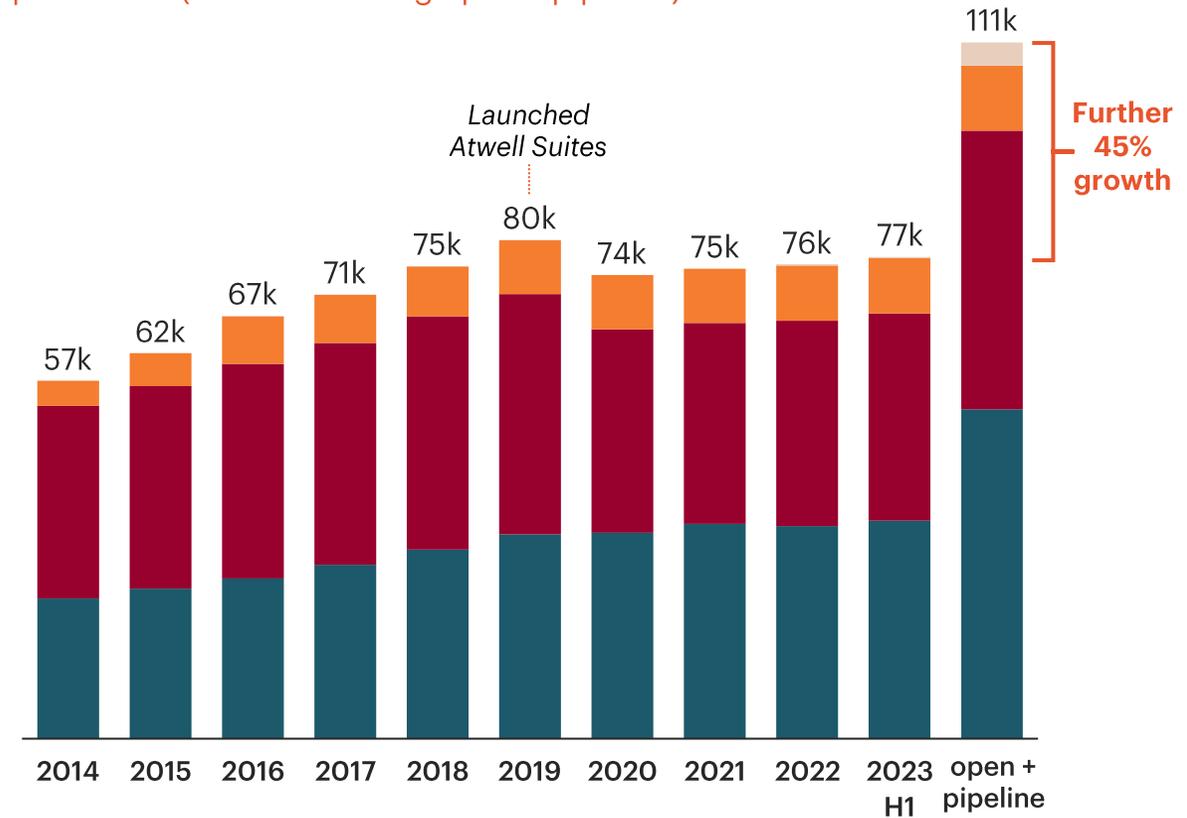
open rooms (last bar showing open + pipeline)



■ Holiday Inn 
 ■ Holiday Inn Express 
 ■ avid

## Suites portfolio growth

open rooms (last bar showing open + pipeline)



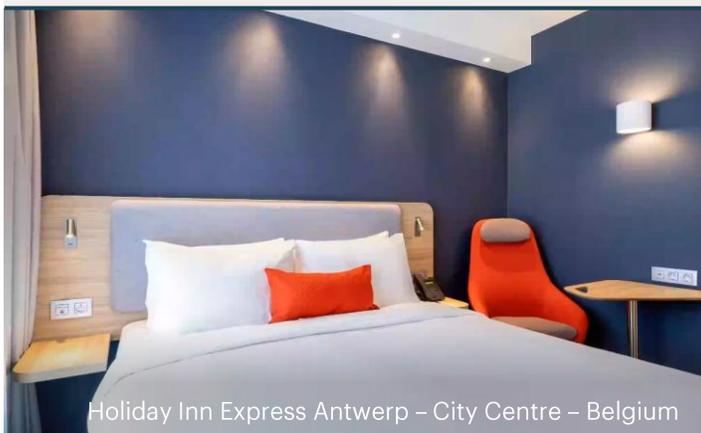
■ Staybridge Suites 
 ■ Candlewood Suites 
 ■ HI Club Vacations 
 ■ Atwell Suites

# Essentials

Continued opportunity for growth in our core segment; 4.4k properties in the system; pipeline represents future growth of ~25%

## Holiday Inn Express

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



Holiday Inn Express Antwerp – City Centre – Belgium

System Size: **330,095 rooms** (3,115 hotels)  
Pipeline: **79,283 rooms** (640 hotels)  
Pipeline as % of System Size: **24%**

## Holiday Inn

Refreshed estate with a further evolved **design and format**, and a new **premium breakfast offering**

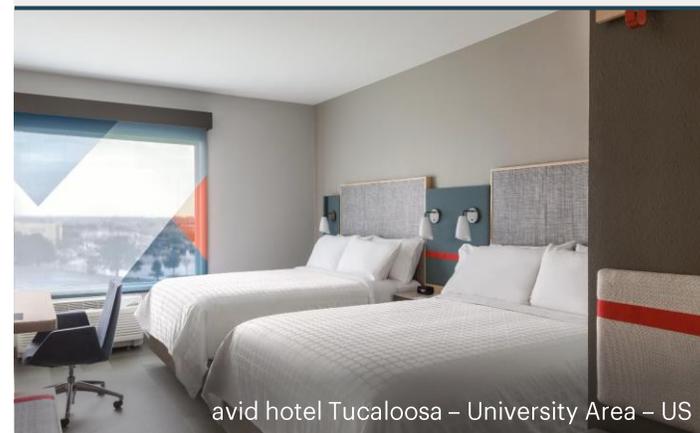


Holiday Inn Dandenong – Australia

System Size: **214,491 rooms** (1,193 hotels)  
Pipeline: **43,705 rooms** (227 hotels)  
Pipeline as % of System Size: **20%**

## avid

>200 open and pipeline properties; strong guest satisfaction and owner returns



avid hotel Tucaloosa – University Area – US

System Size: **5,535 rooms** (61 hotels)  
Pipeline: **12,434 rooms** (146 hotels)  
Pipeline as % of System Size: **225%**

Note: Holiday Inn system size and pipeline figures previously included Holiday Inn Club Vacations which has now been separated out within IHG's quarterly Supplementary Information reporting

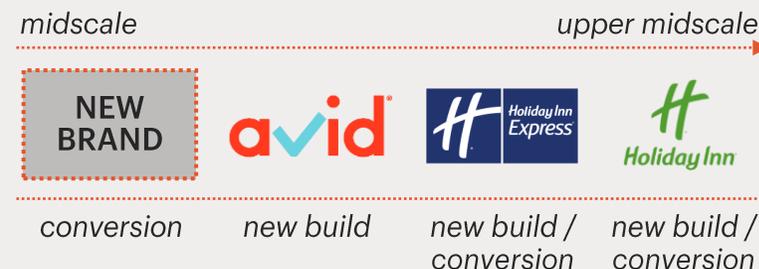
# Launching a new best-in-class midscale conversion brand

## Redefining the midscale market with a differentiated proposition

### Scale of opportunity

- Targeting sizeable existing midscale supply; **9.5k hotels (705k rooms)**, representing **\$14bn** in annual hotel revenue in the US alone
- STR forecast this segment to grow to **\$18bn by 2030** in the US; conversion opportunities across whole segment, of which **28%** currently independent
- Expect the brand to reach an estate of **>500 hotels** over the next 10 yrs and **>1,000 hotels** over the next 20 yrs in the US
- **100+ hotels** have already expressed **definitive interest** in the brand

### Clear positioning



- Positioned in the **midscale space**, with a targeted conversion **Cost Per Key** typically **~25% lower** than a Holiday Inn Express conversion
- Conversions to the new brand will require **distinct brand hallmarks** and **essential guest experience elements**

For guests, a **high-quality product and experience**, with a clear design intent and standards that consistently deliver the expected basics, **from an IHG a brand they can trust at an affordable price**

For owners, leverage of the **IHG enterprise**, including our revenue-generating systems, distribution channels and **loyalty programme**, to support performance, increase efficiency and drive **superior returns at a lower cost to convert**

# Suites

An expanding portfolio of extended stay properties across chain scales, in a segment with significant growth potential; pipeline represents future growth of ~45%

## Staybridge Suites

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

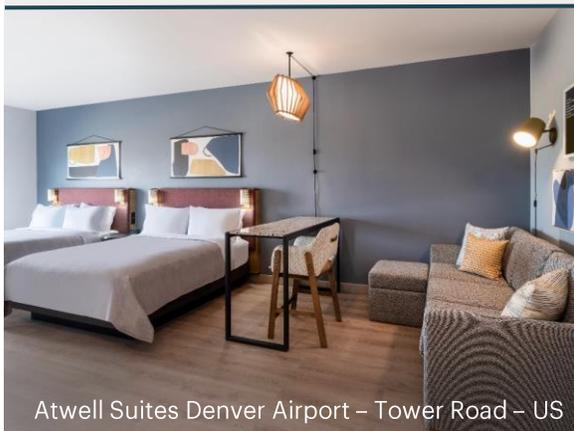


Staybridge Suites Brighton – UK

System Size: **34,791 rooms** (319 hotels)  
 Pipeline: **17,792 rooms** (162 hotels)  
 Pipeline as % of System Size: **51%**

## Atwell Suites

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



Atwell Suites Denver Airport – Tower Road – US

System Size: **186 rooms** (2 hotels)  
 Pipeline: **3,507 rooms** (35 hotels)  
 Pipeline as multiple of System Size: **19x**

## Candlewood Suites

Our Americas-focused midscale extended stay brand with over **370 open hotels**



Candlewood Suites Layton – Salt Lake City – US

System Size: **33,066 rooms** (371 hotels)  
 Pipeline: **11,384 rooms** (138 hotels)  
 Pipeline as % of System Size: **34%**

## Holiday Inn Club Vacations

**Internationalising** our collection of spacious, fun-filled, family resorts



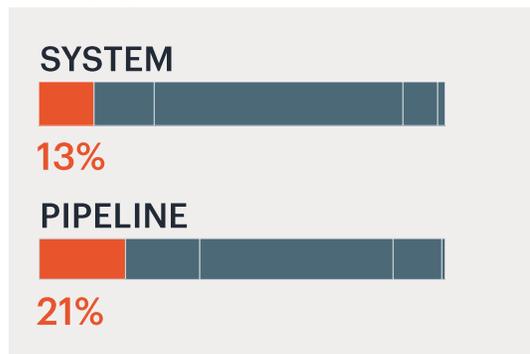
Holiday Inn Club Vacations  
 Orange Lake Resort – Orlando – US

System Size: **8,822 rooms** (28 hotels)  
 Pipeline: **1,536 rooms** (4 hotels)  
 Pipeline as % of System Size: **17%**

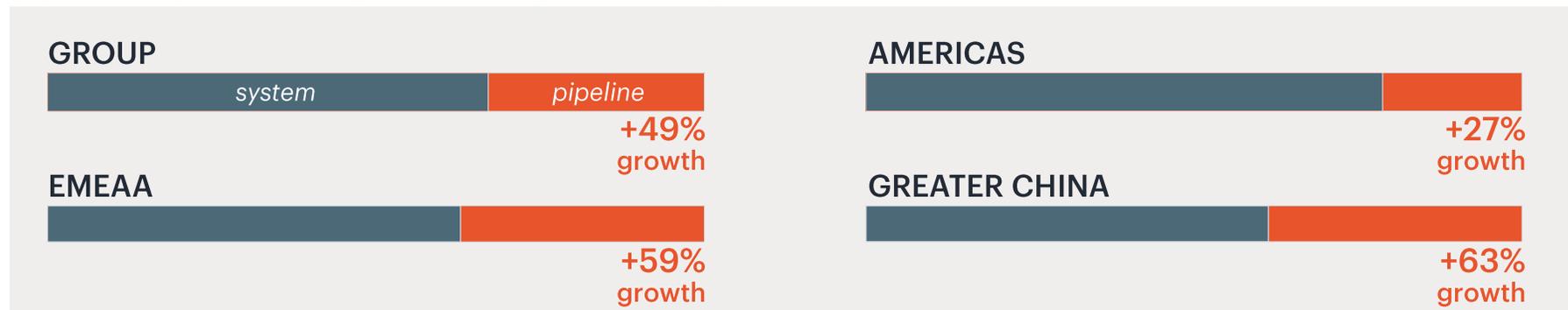
# Luxury & Lifestyle

Driving high-value growth through an industry-leading collection of brands; contributed 26% of H1 signings, increasing the pipeline mix and the future system mix

## Global system and pipeline mix



## Luxury & Lifestyle pipeline represents high future % growth of system size



# Luxury & Lifestyle

Driving high-value growth through an industry-leading collection of brands; growth will be driven across all regions and brands

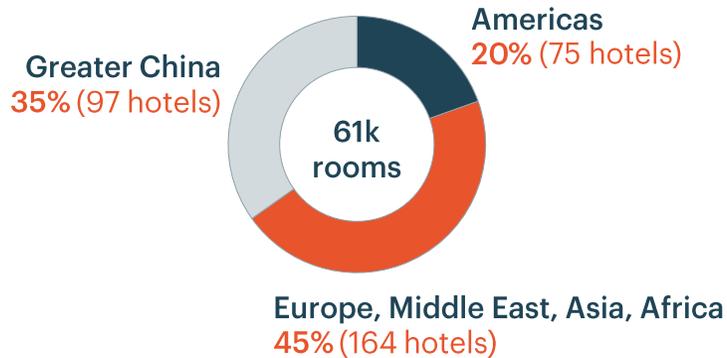
## Luxury & Lifestyle system size by region – H1 2023

123k rooms across 479 hotels



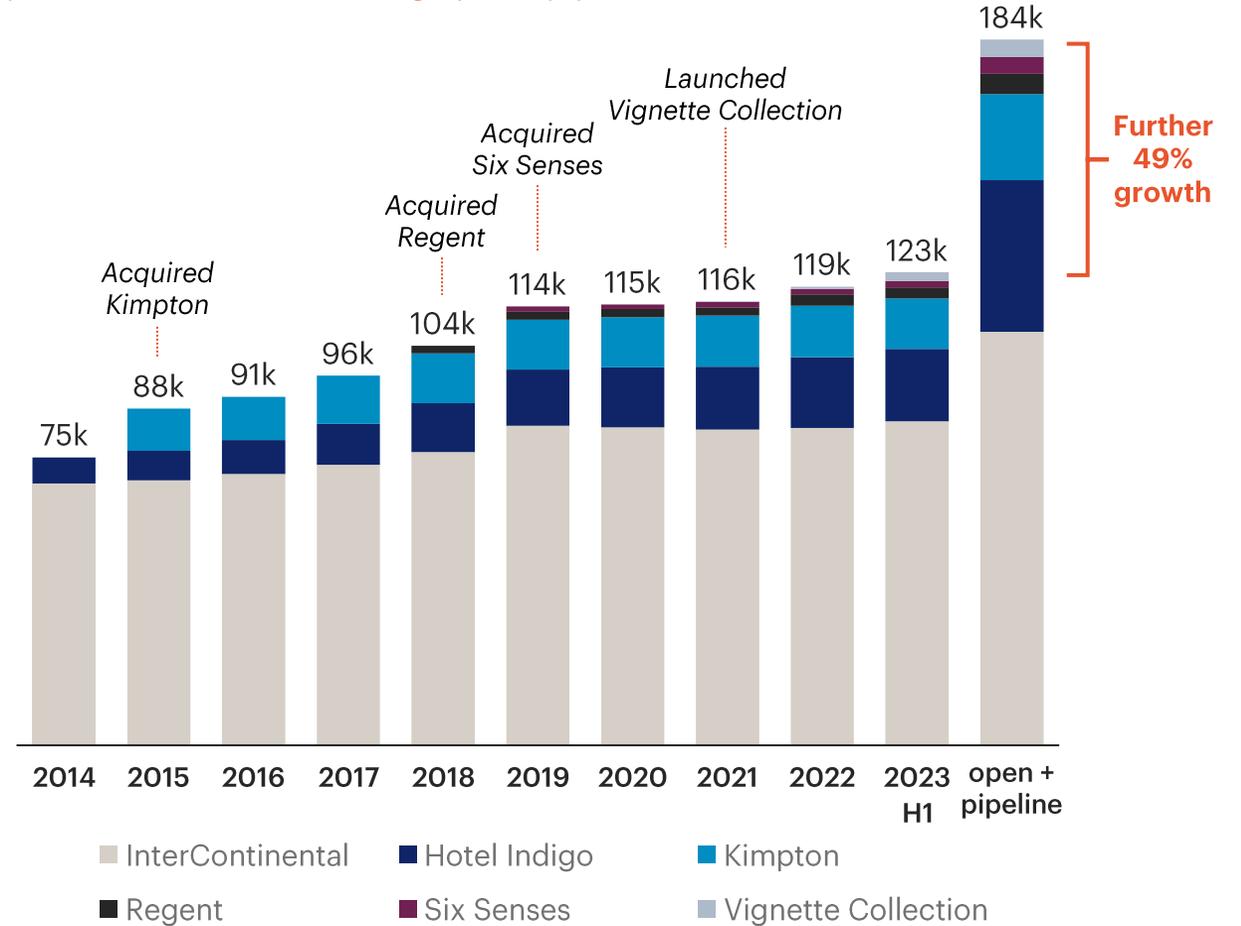
## Luxury & Lifestyle pipeline by region – H1 2023

61k rooms across 336 hotels



## Luxury & Lifestyle portfolio growth

open rooms (last bar showing open + pipeline)

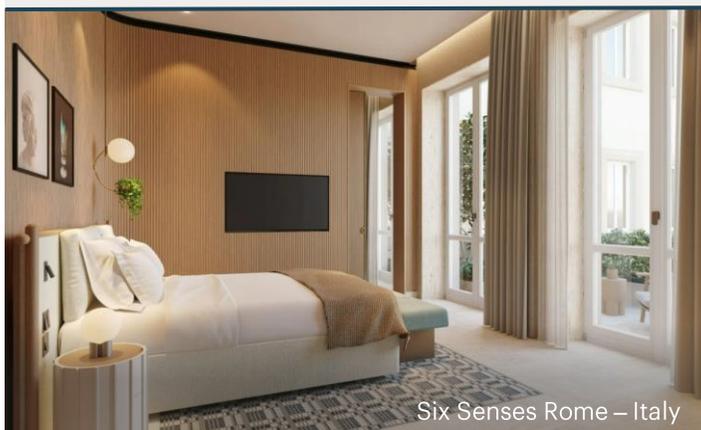


# Luxury & Lifestyle

Driving high-value growth through an industry-leading collection of brands

## Six Senses

In 4 years since acquisition, hotel system growth of >40% and pipeline more than doubled



Six Senses Rome – Italy

System Size: **1,605 rooms** (23 hotels)  
Pipeline: **2,835 rooms** (39 hotels)  
Pipeline as % of System Size: **177%**

## Regent

In 5 years since acquisition, hotel system growth of 50% and pipeline more than tripled

REGENT



Carlton Cannes, a Regent Hotel – France

System Size: **2,921 rooms** (9 hotels)  
Pipeline: **2,340 rooms** (11 hotels)  
Pipeline as % of System Size: **80%**

## InterContinental

World's largest luxury hotel brand with more than 200 open hotels and a further 93 in the pipeline



InterContinental Rome Ambasciatori Palace – Italy

System Size: **71,487 rooms** (215 hotels)  
Pipeline: **23,328 rooms** (93 hotels)  
Pipeline as % of System Size: **33%**

# Luxury & Lifestyle

Driving high-value growth through an industry-leading collection of brands

## Vignette Collection

First four hotels now open,  
21 in the pipeline, and sizeable  
market opportunity

**VIGNETTE™**  
COLLECTION



Yours Truly DC, a Vignette Collection hotel – US

System Size: **934 rooms** (4 hotels)  
Pipeline: **3,567 rooms** (21 hotels)  
Pipeline as % of System Size: **382%**

## Kimpton

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

**KIMPTON®**  
HOTELS & RESTAURANTS



Kimpton The Forum Hotel – University of Virginia – US

System Size: **13,116 rooms** (75 hotels)  
Pipeline: **9,250 rooms** (47 hotels)  
Pipeline as % of System Size: **71%**

## Hotel Indigo

System size accelerating to **200 hotels**,  
expecting to have doubled in half the  
time it took to open the first 100

**HOTEL**  
**INDIGO®**



Hotel Indigo Hangzhou Tianmushan – China

System Size: **18,916 rooms** (145 hotels)  
Pipeline: **20,621 rooms** (128 hotels)  
Pipeline as % of System Size: **109%**



# CUSTOMERS

Being customer centric in all we do



# DIGITAL

Creating digital advantage



# IHG One Rewards

One year since our biggest transformation and marketing investment; delivering significant improvements across key metrics



## Richer Benefits

New, customer-preferred benefits that members value



## Faster Earn

More bonus points across tiers + more valuable points



## Exceptional Choice

Unique options to personalise that put the member in control

The scale and importance of loyalty:

**115m+**  
members  
and growing

**>50%**  
of room nights  
booked by members

**9x**  
more likely  
to book direct

**+20%**  
more spend  
than non-members

**+25%**  
more valuable points  
with Dynamic Pricing

Loyalty highlights  
in H1 2023:

**+60% enrolments**  
YOY

**+40% reward nights booked**  
vs 2019

Co-brand credit card  
highlights  
in H1 2023:

**+80% accounts**  
YOY

**Strong double-digit growth**  
in overall spend YOY

**2022 Editor's Choice:  
Best Hotel Loyalty  
Enhancement**  
*The Points Guy*

**2022 Best Hotel  
Rewards Program**  
*Global Traveler*

**Winner of 7 Regional  
Awards in 2023**  
*Freddie Awards*

**Asia Pacific's Best Hotel  
Loyalty Program 2023**  
*Travel + Leisure*

**Most Inspiring Loyalty  
Program 2022**  
*Go Travel Awards*

# Innovating our technology and distribution platforms

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

**Attribute Upsell:** 'Better View' and 'Bigger Room' now available in 5,000+ hotels

### Add Extras

[No thanks, skip it >](#)

Upgrades



Take in a great view  
Upgrade to a 1 King East Harbour View

**45**  
USD / Night

**Add**



Spread out with more space  
Upgrade to a 1 King 1 Bedroom Suite City View

**230**  
USD / Night

**Add**



**InterContinental: Sydney**  
117 Macquarie Street

★★★★: 4.4 (2,889 reviews)

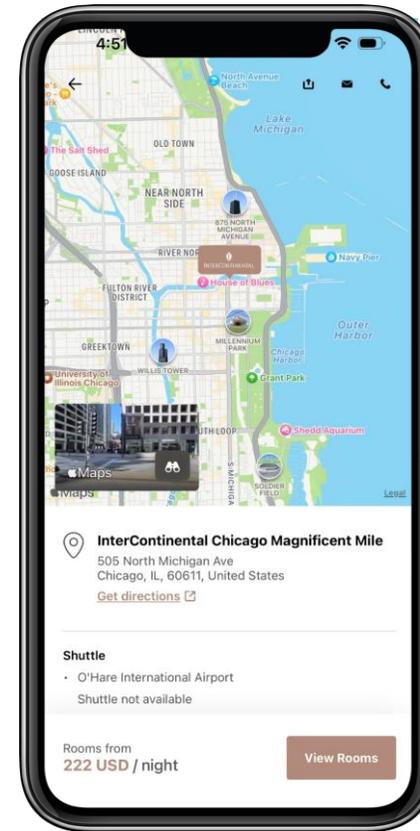
1 night  
Sep 20 - 21, 2023

1 room, 1 guest

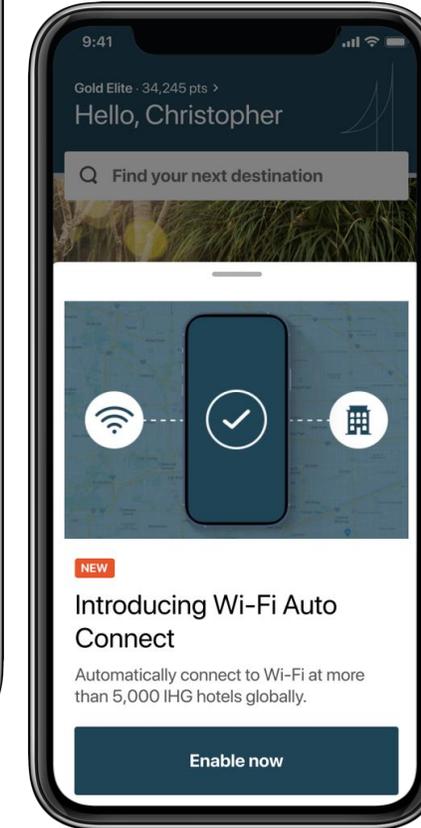
**311.64 USD**  
Best Flexible Member  
Exclusive Rate  
1 King Classic

**Total price** 311.64 USD

**Continue**



Look Around



Wi-Fi Auto Connect

Mobile accounts for **>50%** of all digital bookings

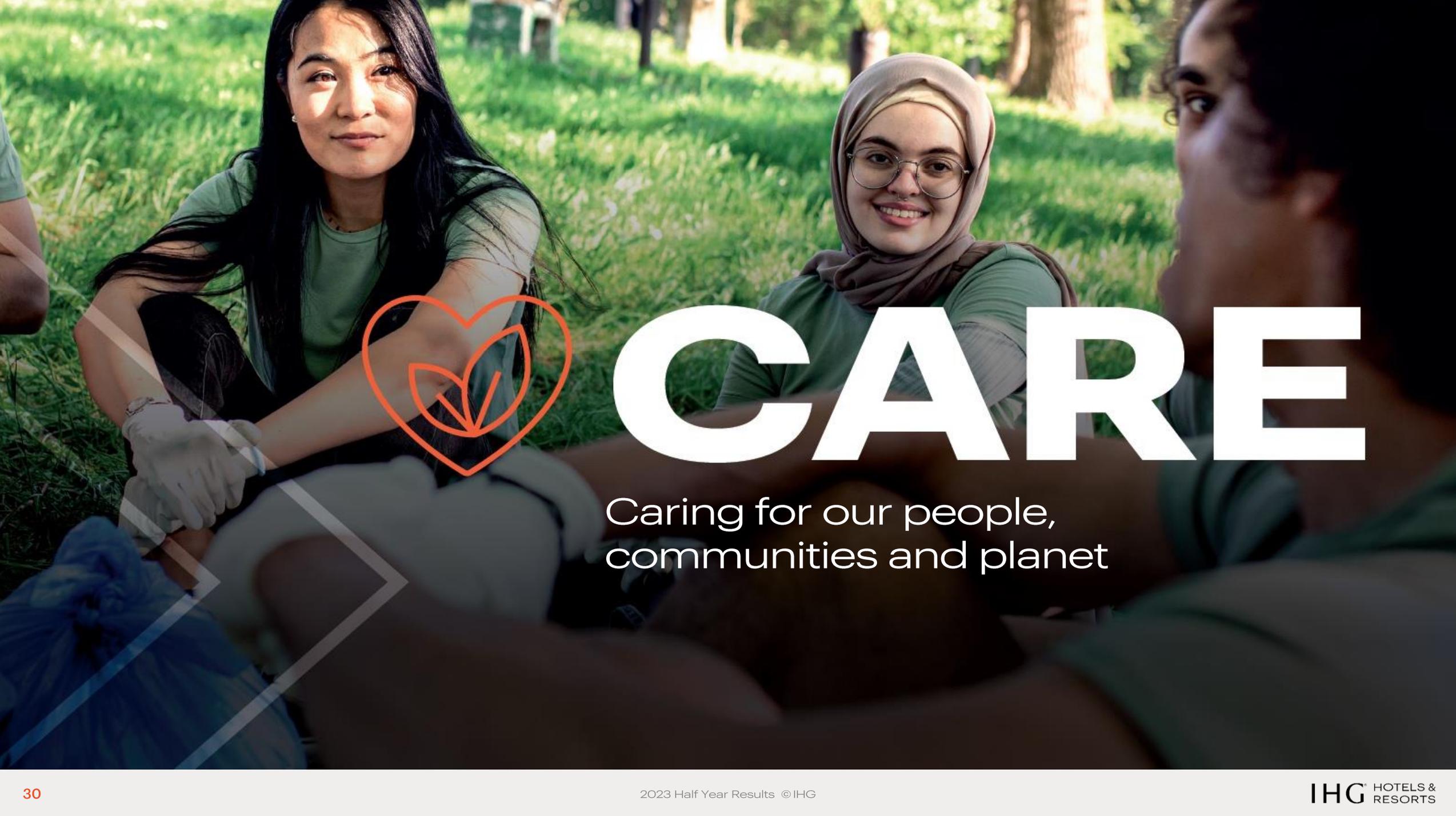
Downloads, users, bookings and revenue **+40-50%** vs 2022

**13m** monthly visits vs ~9m pre-launch

**80%** of Diamond members have the app & visit **2.6x/week**

Early results – average value per upsell booking:

Luxury & Lifestyle	Essentials and Suites	Average
<b>+\$44</b>	<b>+\$18</b>	<b>+\$23</b>



# CARE

Caring for our people,  
communities and planet

Our actions as a responsible business are shaped by a culture of strong governance, clear policies and a series of ambitious commitments set out in our Journey to Tomorrow 2030 responsible business plan.

# Our 2030 Journey to Tomorrow plan



Key to delivering our strategic priority to care for our people, communities and planet is our Journey to Tomorrow plan.



## 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

# Providing a community solar offering for hotel owners

Industry-leading offering helps IHG hotels transition to renewable energy and decrease hotel owners' electricity costs by up to 10%

- **First hotel company** to provide owners a community solar offering
- Supporting the **development of clean energy**
- Helping hotels **reduce greenhouse gas emissions** by accessing renewable energy
- Currently active for hotels across **Illinois, Maine and Maryland**, with more states to follow soon
- Hotels that have signed up or engaged in the enrolment process represent **nearly 30% of IHG's hotels' energy footprint in those three states**



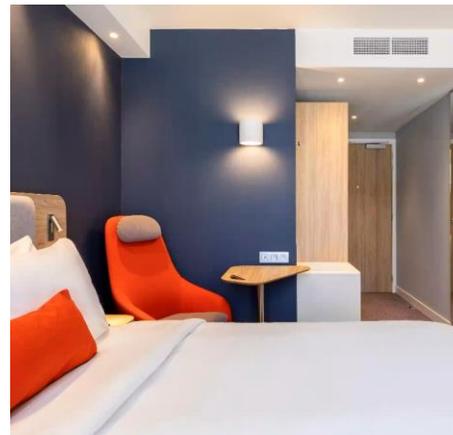
# Conclusions

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

- RevPAR growth **+24%** YOY, **+8.7%** vs 2019
- Gross system growth of **+6.3%** YOY; net system growth of **+4.8%**; pipeline growth of **+2.9%**
- Operating profit from reportable segments **+27%** to **\$479m**; adjusted EPS **+50%**
- Cash generation funding growth investment and **~\$1bn** ordinary dividends + share buybacks in 2023
- **New midscale conversion brand** to launch shortly
- Confident in the strengths of our enterprise platform and the attractive long-term growth outlook

# IHG<sup>®</sup>

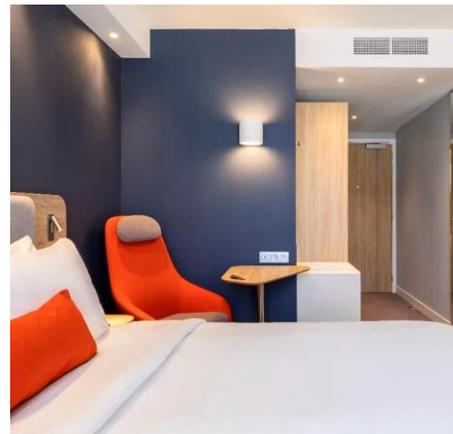
HOTELS & RESORTS



Q&A

# IHG<sup>®</sup>

HOTELS & RESORTS



## Appendices

# Revenue and operating profit breakdown

## Results from reportable segments

	H1 2023	H1 2022	'23 vs '22 \$ change	'23 vs '22 % change	FY 2022
Franchise and base management fees	\$625m	\$533m	\$92m	17%	\$1,147m
Incentive management fees	\$73m	\$37m	\$36m	97%	\$103m
Central revenue	\$101m	\$89m	\$12m	13%	\$184m
<b>Revenue from fee business</b>	<b>\$799m</b>	<b>\$659m</b>	<b>\$140m</b>	<b>21%</b>	<b>\$1,434m</b>
Revenue from owned, leased and managed lease hotels	\$222m	\$176m	\$46m	26%	\$394m
Insurance activities revenue	\$10m	\$5m	\$5m	NM	\$15m
<b>Revenue</b>	<b>\$1,031m</b>	<b>\$840m</b>	<b>\$191m</b>	<b>23%</b>	<b>\$1,843m</b>
Overheads from fee business	\$329m	\$290m	\$39m	13%	\$629m
Expenses relating to owned, leased and managed lease hotels	\$210m	\$171m	\$39m	23%	\$375m
Insurance activities costs	\$13m	\$2m	\$11m	NM	\$11m
Operating profit from fee business	\$470m	\$369m	\$101m	27%	\$805m
<b>Fee margin<sup>1</sup></b>	<b>58.8%</b>	<b>55.5%</b>	<b>-</b>	<b>3.3%pts</b>	<b>55.9%</b>
Operating profit from owned, leased and managed lease hotels	\$12m	\$5m	\$7m	140%	\$19m
Insurance activities operating (loss)/profit	\$(3)m	\$3m	\$(6)m	NM	\$4m
<b>Operating profit from reportable segments</b>	<b>\$479m</b>	<b>\$377m</b>	<b>\$102m</b>	<b>27%</b>	<b>\$828m</b>

1. Definitions for non-GAAP measures can be found in the 'Use of 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 HY 2023 vs HY 2022

	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 HY 2023 and HY 2022 (incl hotels that are ramping up)	30 June 2023 vs 2022	Aggregate number of rooms available for sale in HY 2023 vs HY 2022		
<b>Americas</b>	11.2%	11.0%	3.0%	2.7%	12.1%	
<b>EMEA</b>	41.6%	42.6%	7.7%	2.8%	45.0%	
<b>Greater China</b>	93.7%	87.6%	6.4%	3.2%	117.6%	
<b>Central</b>	-	-	-	-	14.8%	
<b>Group</b>	<b>24.1%</b>	<b>23.3%</b>	<b>4.8%</b>	<b>2.8%</b>	<b>23.7%</b>	<ul style="list-style-type: none"> <li>Impacted by lower growth in non-RevPAR related fee streams mainly within Central revenues</li> </ul>

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 HY 2023 exchange rates (CER).

# Revenue and operating profit 2021-2023 (post-IFRS 17)

Actual US\$	Total Revenue				Total Operating Profit <sup>1</sup>			
	HY		FY		HY		FY	
	2023	2022	2022	2021	2023	2022	2022	2021
Franchise and Base Management Fees	456	406	861	683	-	-	-	-
Incentive Management Fees	7	7	18	8	-	-	-	-
Fee Business	463	413	879	691	379	342	741	568
Owned, Leased & Managed Lease	74	58	126	83	15	9	20	(9)
<b>Total Americas</b>	<b>537</b>	<b>471</b>	<b>1,005</b>	<b>774</b>	<b>394</b>	<b>351</b>	<b>761</b>	<b>559</b>
Franchise and Base Management Fees	118	96	215	120	-	-	-	-
Incentive Management Fees	43	25	69	29	-	-	-	-
Fee Business	161	121	284	149	92	63	153	32
Owned, Leased & Managed Lease	148	118	268	154	(3)	(4)	(1)	(27)
<b>Total EMEAA</b>	<b>309</b>	<b>239</b>	<b>552</b>	<b>303</b>	<b>89</b>	<b>59</b>	<b>152</b>	<b>5</b>
Franchise and Base Management Fees	51	31	71	91	-	-	-	-
Incentive Management Fees	23	5	16	25	-	-	-	-
Fee Business	74	36	87	116	43	5	23	58
<b>Total Greater China</b>	<b>74</b>	<b>36</b>	<b>87</b>	<b>116</b>	<b>43</b>	<b>5</b>	<b>23</b>	<b>58</b>
Franchise and Base Management Fees	625	533	1,147	894	-	-	-	-
Incentive Management Fees	73	37	103	62	-	-	-	-
Central revenue	101	89	184	188	(44)	(41)	(112)	(88)
Fee Business	799	659	1,434	1,144	470	369	805	570
Owned, Leased & Managed Lease	222	176	394	237	12	5	19	(36)
Insurance activities	10	5	15	9	(3)	3	4	-
<b>Total Reportable Segments</b>	<b>1,031</b>	<b>840</b>	<b>1,843</b>	<b>1,390</b>	<b>479</b>	<b>377</b>	<b>828</b>	<b>534</b>
Reimbursement of Costs	446	400	832	589	-	-	-	-
System Fund	749	554	1,217	928	87	3	(105)	(11)
<b>Total IHG</b>	<b>2,226</b>	<b>1,794</b>	<b>3,892</b>	<b>2,907</b>	<b>566</b>	<b>380</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 revenue	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

# HY 2023 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	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 HY 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	-	-	-	-	-	-	-	-	-	-
Owned asset disposal	-	-	-	-	-	-	-	-	-	-
Currency impact	-	-	-	-	-	-	-	-	-	-
Underlying revenue and underlying operating profit	537	394	309	89	74	43	111	(47)	1,031	479
Owned, leased and managed lease / insurance activities included in the above	(74)	(15)	(148)	3	-	-	(10)	3	(232)	(9)
<b>Underlying fee business</b>	<b>463</b>	<b>379</b>	<b>161</b>	<b>92</b>	<b>74</b>	<b>43</b>	<b>101</b>	<b>(44)</b>	<b>799</b>	<b>470</b>

# HY 2022 underlying fee business revenue and operating profit non-GAAP reconciliations

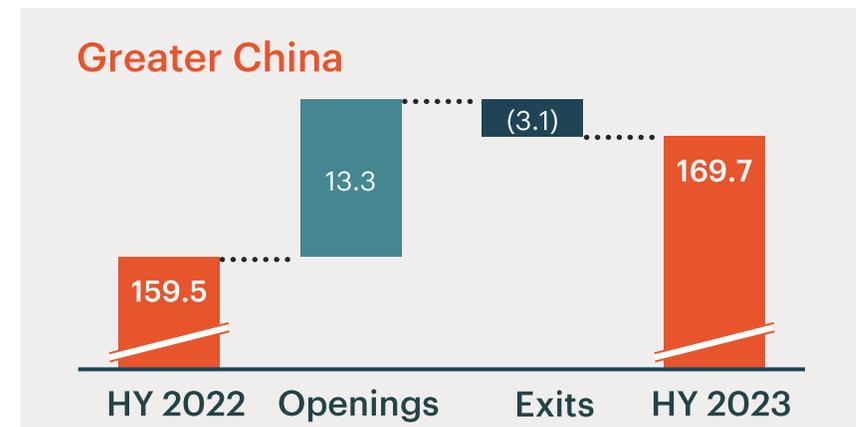
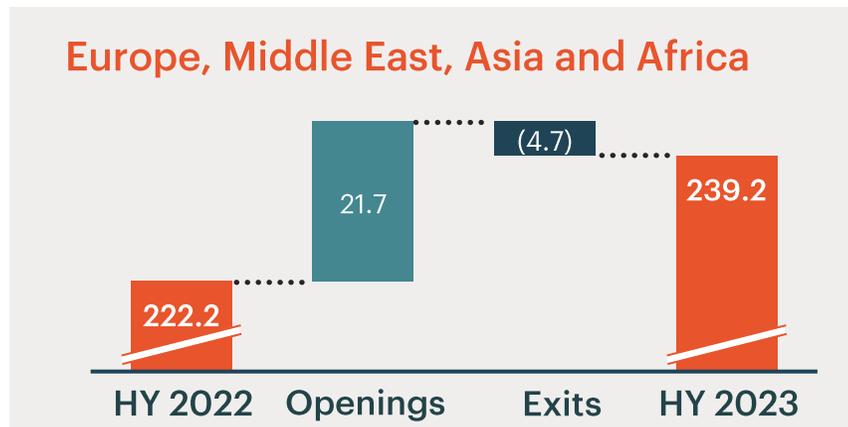
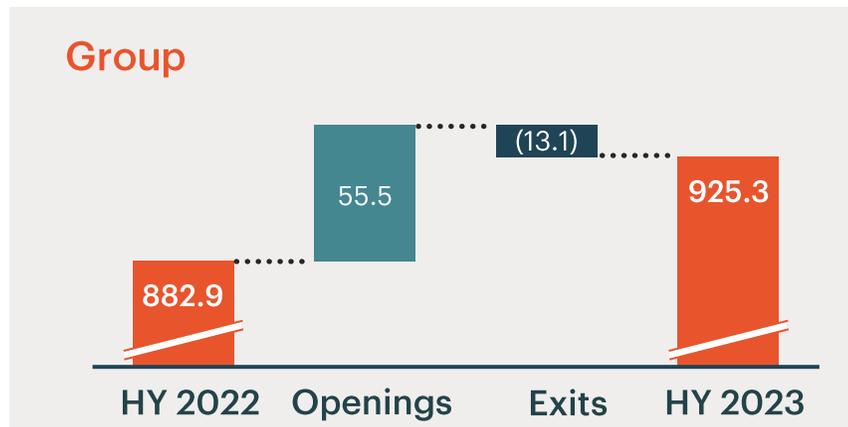
\$m	Americas		EMEA		Greater China		Central		Total IHG	
	Revenue	Operating Profit	Revenue	Operating Profit	Revenue	Operating Profit	Revenue	Operating Loss	Revenue	Operating Profit
Fee business	413	342	121	63	36	5	89	(41)	659	369
Owned, leased and managed lease	58	9	118	(4)	-	-	-	-	176	5
Insurance activities	-	-	-	-	-	-	5	3	5	3
<b>Per HY 2022 financial statements</b>	<b>471</b>	<b>351</b>	<b>239</b>	<b>59</b>	<b>36</b>	<b>5</b>	<b>94</b>	<b>(38)</b>	<b>840</b>	<b>377</b>
Significant liquidated damages	-	-	(7)	(7)	-	-	-	-	(7)	(7)
Owned asset disposal <sup>1</sup>	-	-	(12)	(2)	-	-	-	-	(12)	(2)
Currency impact <sup>2</sup>	-	-	(7)	1	(2)	(1)	(1)	1	(10)	1
Underlying revenue and underlying operating profit	471	351	213	51	34	4	93	(37)	811	369
Owned, leased and managed lease / insurance activities included in the above	(58)	(9)	(102)	5	-	-	(5)	(3)	(165)	(7)
<b>Underlying fee business</b>	<b>413</b>	<b>342</b>	<b>111</b>	<b>56</b>	<b>34</b>	<b>4</b>	<b>88</b>	<b>(40)</b>	<b>646</b>	<b>362</b>

1. The results of three UK Portfolio hotels and one InterContinental hotel have been removed to determine underlying performance.

2. Stated at constant HY 2023 exchange rates (CER).

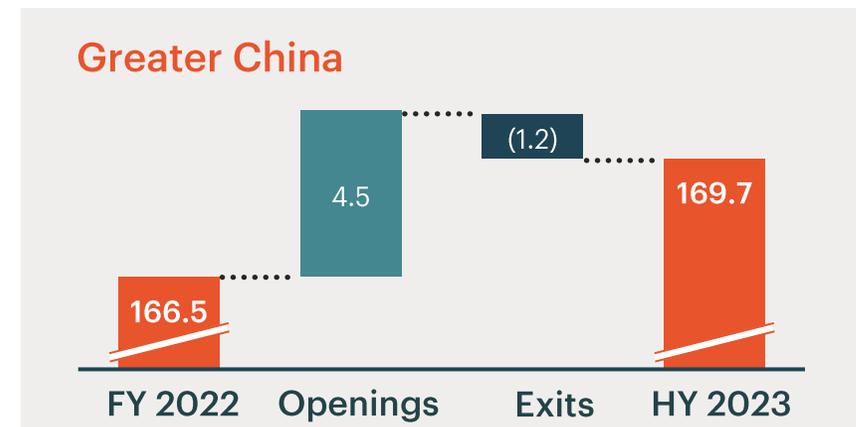
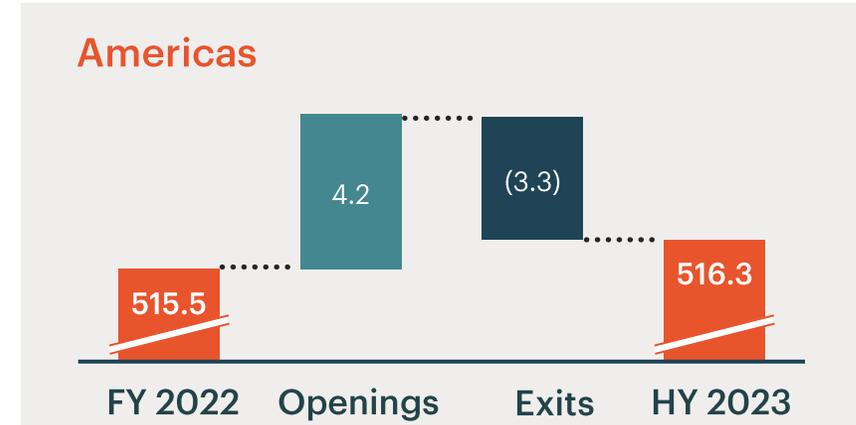
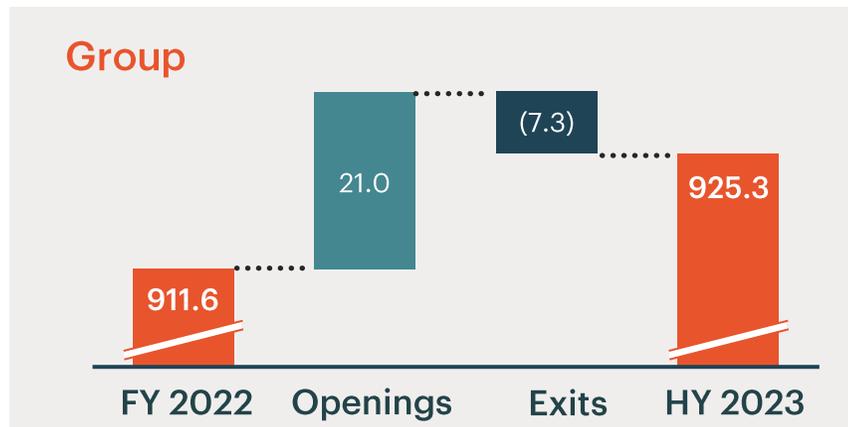
# Net system size growth delivered through strength of brands and enterprise platform

## 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)	2023	2022
Opening balance at 1 January	183.1	187.7
<b>Closing balance at 30 June</b>	177.7	187.7
Closing balance excluding treasury shares <sup>1</sup>	170.2	184.0
Basic weighted average shares (excluding treasury shares)	173.0	183.6
Dilutive potential ordinary shares <sup>1</sup>	1.1	1.0
<b>Basic diluted average shares</b>	174.1	184.6

1. The total number of shares held as treasury shares at 30 June 2023 was 7.5m (2022 3.7m).

# Currency impacts

(\$m)

<b>Revenue</b>	Reported HY22	HY22 at HY23 AER <sup>2</sup>	Var.	Reported HY23	HY23 at HY22 AER <sup>2</sup>	Var.
Americas	471	471	-	537	538	(1)
EMEA	239	232	7	309	320	(11)
Greater China	36	34	2	74	79	(5)
Central Overheads <sup>3</sup>	94	93	1	111	112	(1)
<b>Total IHG</b>	<b>840</b>	<b>830</b>	<b>10</b>	<b>1,031</b>	<b>1,049</b>	<b>(18)</b>
<b>Operating Profit</b>						
Americas	351	351	-	394	396	(2)
EMEA	59	60	(1)	89	92	(3)
Greater China	5	4	1	43	45	(2)
Central Overheads <sup>3</sup>	(38)	(37)	(1)	(47)	(49)	2
<b>Total IHG</b>	<b>377</b>	<b>378</b>	<b>(1)</b>	<b>479</b>	<b>484</b>	<b>(5)</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 (HY22: 1.30; HY23 1.23)

3. Includes insurance activities.

A global hospitality leader with **6,200+ open hotels**  
and a further **1,900+ in the pipeline;**  
driven by clear purpose, ambition, strategy and priorities

### Our Purpose

True Hospitality for Good.

### Our Ambition

To deliver industry-leading growth in our scale, enterprise platform and performance, doing so sustainably for all stakeholders including our hotel owners, guests and society as a whole.

### Our Strategy

Use our scale and expertise to create the exceptional guest experiences and owner returns needed to grow our brands in the industry's most valuable markets and segments. Delivered through a culture that retains and attracts the best people and embraces opportunities to positively impact the world around us.

### Our Priorities



Build loved  
and trusted  
**BRANDS**



**CUSTOMER**  
centric in all  
we do



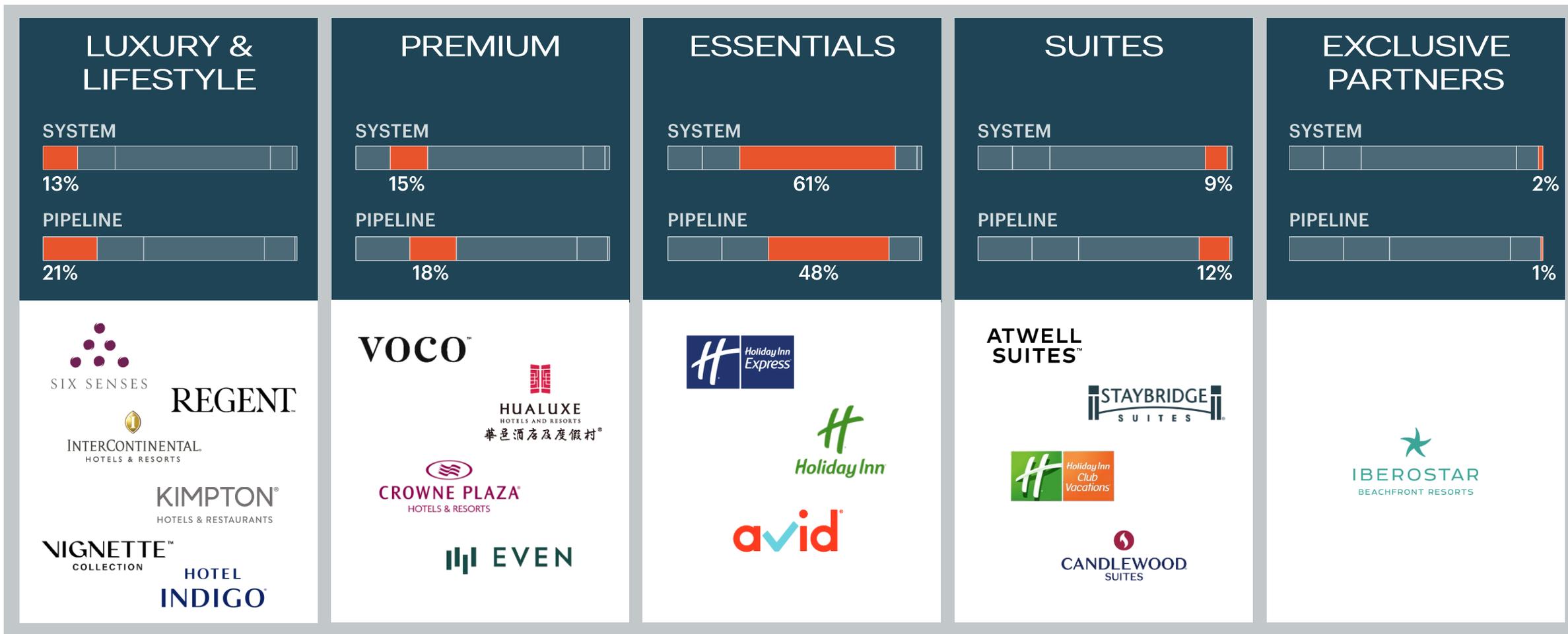
Create  
**DIGITAL**  
advantage



**CARE** for  
our people,  
communities  
and planet

# Strong portfolio of 18 preferred brands across chain scales

Having added seven brands to our portfolio since 2017

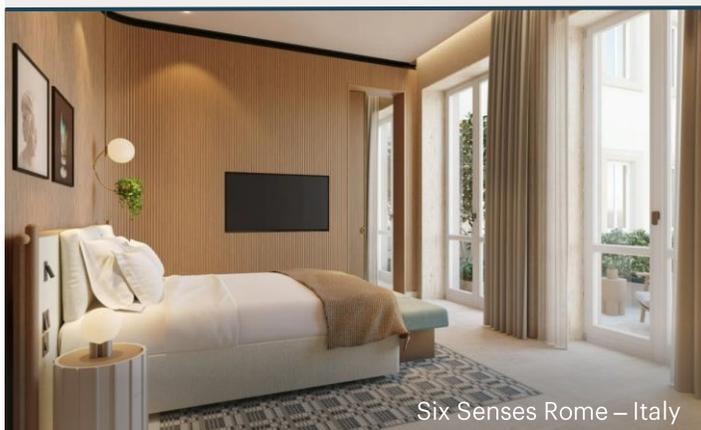


# Luxury & Lifestyle

Driving high-value growth through an industry-leading collection of brands

## Six Senses

In 4 years since acquisition, hotel system growth of >40% and pipeline more than doubled



Six Senses Rome – Italy

System Size: **1,605 rooms** (23 hotels)  
Pipeline: **2,835 rooms** (39 hotels)  
Pipeline as % of System Size: **177%**

## Regent

In 5 years since acquisition, hotel system growth of 50% and pipeline more than tripled

REGENT



Carlton Cannes, a Regent Hotel – France

System Size: **2,921 rooms** (9 hotels)  
Pipeline: **2,340 rooms** (11 hotels)  
Pipeline as % of System Size: **80%**

## InterContinental

World's largest luxury hotel brand with more than 200 open hotels and a further 93 in the pipeline



InterContinental Rome Ambasciatori Palace – Italy

System Size: **71,487 rooms** (215 hotels)  
Pipeline: **23,328 rooms** (93 hotels)  
Pipeline as % of System Size: **33%**

# Luxury & Lifestyle

Driving high-value growth through an industry-leading collection of brands

## Vignette Collection

First four hotels now open,  
21 in the pipeline, and sizeable  
market opportunity

**VIGNETTE™**  
COLLECTION



Yours Truly DC, a Vignette Collection hotel – US

System Size: **934 rooms** (4 hotels)  
Pipeline: **3,567 rooms** (21 hotels)  
Pipeline as % of System Size: **382%**

## Kimpton

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

**KIMPTON®**  
HOTELS & RESTAURANTS



Kimpton The Forum Hotel – University of Virginia – US

System Size: **13,116 rooms** (75 hotels)  
Pipeline: **9,250 rooms** (47 hotels)  
Pipeline as % of System Size: **71%**

## Hotel Indigo

System size accelerating to **200 hotels**,  
expecting to have doubled in half the  
time it took to open the first 100

**HOTEL**  
**INDIGO®**



Hotel Indigo Hangzhou Tianmushan – China

System Size: **18,916 rooms** (145 hotels)  
Pipeline: **20,621 rooms** (128 hotels)  
Pipeline as % of System Size: **109%**

# Premium

Uniquely tailored to target upscale customer segments

## VOCO

Our conversion-focused premium brand has already secured **110 properties** within 5 years of launch

**VOCO**



voco Dubai The Palm – UAE

System Size: **14,221 rooms** (52 hotels)  
Pipeline: **10,324 rooms** (58 hotels)  
Pipeline as % of System Size: **73%**

## HUALUXE

Designed specifically with the Chinese premium guest in mind, now with **>40 open and pipeline hotels**

**HUALUXE**  
HOTELS AND RESORTS  
華邑酒店及度假村



HUALUXE Yangjiang City Center – China

System Size: **5,604 rooms** (20 hotels)  
Pipeline: **5,850 rooms** (23 hotels)  
Pipeline as % of System Size: **104%**

## Crowne Plaza

Our refreshed premium brand; three-quarters of the Americas estate will have been updated by 2025

**CROWNE PLAZA**  
HOTELS & RESORTS



Crowne Plaza Caparica Lisbon – Portugal

System Size: **109,495 rooms** (400 hotels)  
Pipeline: **32,200 rooms** (125 hotels)  
Pipeline as % of System Size: **29%**

## EVEN

The premium wellness-focused brand now has over **50 open and pipeline properties**

**EVEN**



EVEN Suzhou Grand Canal – China

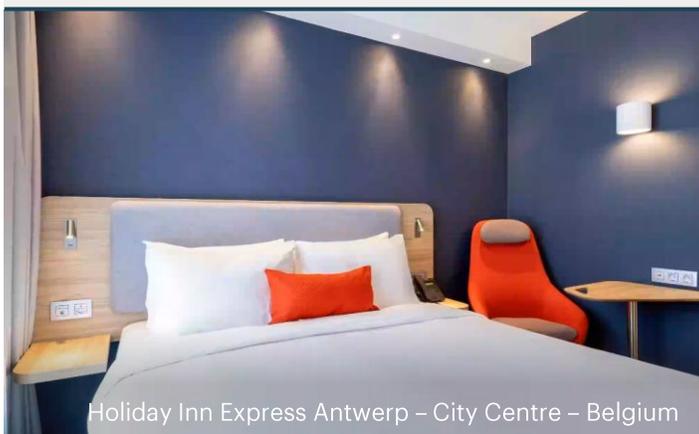
System Size: **3,535 rooms** (24 hotels)  
Pipeline: **5,304 rooms** (31 hotels)  
Pipeline as % of System Size: **150%**

# Essentials

## Continued opportunity for growth in our core segment

### Holiday Inn Express

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



Holiday Inn Express Antwerp – City Centre – Belgium

System Size: **330,095 rooms** (3,115 hotels)  
Pipeline: **79,283 rooms** (640 hotels)  
Pipeline as % of System Size: **24%**

### Holiday Inn

Refreshed estate with a further evolved **design and format**, and a new **premium breakfast offering**

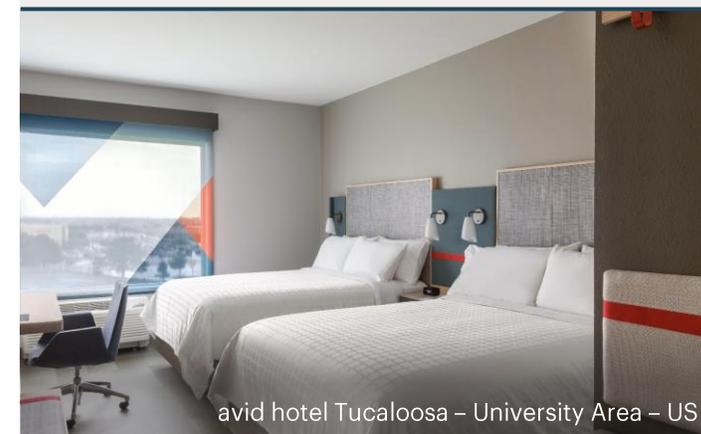


Holiday Inn Holiday Inn Dandenong – Australia

System Size: **214,491 rooms** (1,193 hotels)  
Pipeline: **43,705 rooms** (227 hotels)  
Pipeline as % of System Size: **20%**

### avid

>200 open and pipeline properties; strong guest satisfaction and owner returns



avid hotel Tucaloosa – University Area – US

System Size: **5,535 rooms** (61 hotels)  
Pipeline: **12,434 rooms** (146 hotels)  
Pipeline as % of System Size: **225%**

Note: Holiday Inn system size and pipeline figures previously included Holiday Inn Club Vacations which has now been separated out within IHG's quarterly Supplementary Information reporting

# Suites

An expanding portfolio of extended stay properties across chain scales

## Staybridge Suites

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



Staybridge Suites Brighton – UK

System Size: **34,791 rooms** (319 hotels)  
Pipeline: **17,792 rooms** (162 hotels)  
Pipeline as % of System Size: **51%**

## Atwell Suites

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



Atwell Suites Denver Airport – Tower Road – US

System Size: **186 rooms** (2 hotels)  
Pipeline: **3,507 rooms** (35 hotels)  
Pipeline as multiple of System Size: **19x**

## Candlewood Suites

Our Americas-focused midscale extended stay brand with over **370 open hotels**



Candlewood Suites Layton – Salt Lake City – US

System Size: **33,066 rooms** (371 hotels)  
Pipeline: **11,384 rooms** (138 hotels)  
Pipeline as % of System Size: **34%**

## Holiday Inn Club Vacations

**Internationalising** our collection of spacious, fun-filled, family resorts



Holiday Inn Club Vacations  
Orange Lake Resort – Orlando – US

System Size: **8,822 rooms** (28 hotels)  
Pipeline: **1,536 rooms** (4 hotels)  
Pipeline as % of System Size: **17%**

# Exclusive Partners

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

## Iberostar Beachfront Resorts

Our 18th brand substantially grows  
our resort and all-inclusive  
presence



Iberostar Selection Hacienda Dominicus – Dominican Rep.

System Size: **16,176 rooms** (43 hotels)

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

Pipeline as % of System Size: **14%**

IHG<sup>®</sup> HOTELS & RESORTS



REGENT



VIGNETTE  
COLLECTION

KIMPTON  
HOTELS & RESTAURANTS

HOTEL  
INDIGO

VOCO



CROWNE PLAZA



EVEN



Holiday Inn

avid

ATWELL  
SUITES



CANDLEWOOD  
SUITES

IHG ONE REWARDS