IHG in Greater China
31st October 2019
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Keith Barr
Chief Executive Officer
Agenda

16:30 – Presentation and Q&A
18:00 – Drinks
19:30 – Close
IHG has a long and rich history in Greater China, with 35 years of experience.
Greater China is a growing share of our business

H1’19 Operating Profit\(^1\)

- Greater China: 8%
- Rest of IHG: 92%

Q3’19 Open Rooms

- Greater China: 29%
- Rest of IHG: 60%
- Americas: 25%

Q3’19 Pipeline Rooms

- Greater China: 41%
- Rest of IHG: 30%
- Americas: 25%

\(^1\) Share of HY’19 operating profit shown before central overheads
Which is delivering meaningful increases in profitability

Greater China Total Gross Revenue\(^1\) ($m)

\[\begin{array}{c|c|c}
\text{Year} & \text{2010} & \text{2018} \\
\hline
\text{Gross Revenue} & 1,430 & 3,261 \\
\text{CAGR} & & +11\% \\
\end{array}\]

Greater China Fee Business Operating Profit\(^1\) ($m)

\[\begin{array}{c|c|c}
\text{Year} & \text{2010} & \text{2018} \\
\hline
\text{Operating Profit} & 21 & 70 \\
\text{CAGR} & & +16\% \\
\end{array}\]

Greater China Fee Business Revenue\(^1\) ($m)

\[\begin{array}{c|c|c}
\text{Year} & \text{2010} & \text{2018} \\
\hline
\text{Revenues} & 62 & 143 \\
\text{CAGR} & & +11\% \\
\end{array}\]

Greater China Fee Margin (\%)\(^2\)

\[\begin{array}{c|c|c}
\text{Year} & \text{2010} & \text{2018} \\
\hline
\text{Margin} & 34\% & 46\% \\
\text{Change} & +12\text{pts} & \\
\end{array}\]

\(^1\) At AER; \(^2\) Excludes O&L and Managed Leases, significant liquidated damages and exceptional items
Our leading brand portfolio in Greater China delivers strong guest preference

<table>
<thead>
<tr>
<th>Our brand portfolio in Greater China:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mainstream</strong></td>
</tr>
<tr>
<td><a href="#">Holiday Inn</a></td>
</tr>
<tr>
<td><a href="#">Holiday Inn Express</a></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Guest preference</strong>:</td>
</tr>
<tr>
<td>#1 preferred brand in its</td>
</tr>
<tr>
<td>competitive set</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Upscale</strong></td>
</tr>
<tr>
<td><a href="#">Crowne Plaza</a></td>
</tr>
<tr>
<td><a href="#">Hualuxe</a></td>
</tr>
<tr>
<td><a href="#">Hotel Indigo</a></td>
</tr>
<tr>
<td><a href="#">Even Hotels</a></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Guest preference</strong>:</td>
</tr>
<tr>
<td>#1 preferred brand in its</td>
</tr>
<tr>
<td>competitive set</td>
</tr>
<tr>
<td>#1 preferred brand in its</td>
</tr>
<tr>
<td>competitive set</td>
</tr>
<tr>
<td>#1 preferred brand in its</td>
</tr>
<tr>
<td>competitive set</td>
</tr>
<tr>
<td>#2 preferred brand in its</td>
</tr>
<tr>
<td>competitive set</td>
</tr>
</tbody>
</table>

| **Luxury**                          |
|                                     |
| [InterContinental](#)               |
| [Kimpton](#)                        |
| [Regent](#)                         |
| [Six Senses](#)                     |
|                                     |
| **Guest preference**:               |
| #2 preferred brand in its           |
| competitive set                     |

1 Based on Serious Consideration as per Millward Brown brand survey
A Chinese business operated from within China

- Unique amongst major hotel groups to consider Greater China as a stand-alone region reporting directly to the Group CEO
- Head office in Shanghai with 5 further offices creating a decentralised business and infrastructure
- ~600 corporate colleagues employed across the region
- Well established managed hotel platform and growing franchise business generating scale benefits
- Experienced and diverse leadership team and hotel talent base, with ~80% hotel General Managers local Chinese
We have built a scale position of strength

Greater China combined system and pipeline
('000 rooms)

2010-18 CAGR

+9%

<table>
<thead>
<tr>
<th>Year</th>
<th>Holiday Inn Express</th>
<th>Holiday Inn</th>
<th>Hotel Indigo</th>
<th>Crowne Plaza</th>
<th>InterContinental</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>105</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>113</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>123</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>133</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>144</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>157</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>173</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>193</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3 2019</td>
<td>217</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
IHG is the largest international operator in Greater China, with a leading position in the Mainstream segment.

**System size and pipeline (excluding budget/economy)**
((000’s rooms))

<table>
<thead>
<tr>
<th>Segment</th>
<th>IHG</th>
<th>Marriott</th>
<th>Hilton</th>
<th>Wyndham</th>
<th>Accor</th>
<th>Hyatt</th>
<th>JnJ</th>
<th>PLATENO</th>
<th>HUAZHU</th>
<th>A Tour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxury</td>
<td>217</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upscale</td>
<td></td>
<td>~203</td>
<td></td>
<td>~165</td>
<td>~115</td>
<td>~119</td>
<td></td>
<td>~42</td>
<td>~64</td>
<td>~111</td>
</tr>
<tr>
<td>Mainstream</td>
<td></td>
<td></td>
<td>~150</td>
<td>~111</td>
<td>~38</td>
<td>~64</td>
<td>~38</td>
<td>~64</td>
<td>~76</td>
<td>~29</td>
</tr>
</tbody>
</table>

Source: Q3 2019 STR Census Data for International companies, Accenture Market Study for Chinese companies; IHG estimates; pipeline data not available for Chinese companies.

1 Also includes a small number of partner signings in Upscale.
Our strategy in China leverages our global strategic model

1. Build & leverage scale
2. Strengthen loyalty programme
3. Enhance revenue delivery
4. Evolve owner proposition
5. Optimise our preferred portfolio of brands for owners & guests
Market Dynamics
China’s economy is shifting more towards domestic consumption, following rapid historic GDP growth.

**Real GDP Forecast**
(trillion USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment</th>
<th>Net Export</th>
<th>Domestic Consumption</th>
<th>Total GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td></td>
<td></td>
<td></td>
<td>1.9</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
<td>5.0</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td>10.8</td>
</tr>
<tr>
<td>2028</td>
<td>18.3</td>
<td></td>
<td></td>
<td>18.3</td>
</tr>
</tbody>
</table>

**GDP Growth Contribution**
(\%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment</th>
<th>Net Export</th>
<th>Domestic Consumption</th>
<th>Total GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td></td>
<td>4%</td>
<td>47%</td>
<td>32%</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>49%</td>
<td>76%</td>
<td>-8%</td>
</tr>
</tbody>
</table>

Economic growth is being driven by a number of key tailwinds which will benefit the hospitality industry.

- Significant infrastructure investment
- Accelerated technology advancement
- Rapid urbanisation
- Government policy accelerates shift towards domestic consumption & service industries
- Government-led tourism initiatives
- Rise of Middle Income Population
Tourism will play a key role in a number of Government initiatives to drive China’s future economic development.

Tourism is 1 of 5 strategic growth pillars of the Government’s Five Year Plan.

Government plans to build out ~500 Tourism destinations across the country.

Merging of Ministry of Tourism and Ministry of Culture.
Growth in middle income earners will lead to a greater portion of spending on travel.

The middle income population is continuing to grow...

### China income mix (%)

- **Low Income**:
  - 2015: 37%
  - 2030: 10%
- **Middle Income**:
  - 2015: 60%
  - 2030: 75%
- **High Income**:
  - 2015: 3%
  - 2030: 15%

### China travel & tourism spend ($bn)

- **2010**:
  - Business Travel: 4
  - Leisure Travel: 6
  - Total: 10
- **2018**:
  - Business Travel: 16
  - Leisure Travel: 24
  - Total: 40
- **2023**:
  - Business Travel: 40
  - Leisure Travel: 58
  - Total: 67

...with travel being among the top areas of increased spending intention.

Source: EIU, Accenture Chinese Consumer Digital Trends Research (n=4060); IMF, UNWTO/Ministry of Tourism, Tourism Economics
Significant infrastructure development will also provide further opportunities for travel.

There will be ~450 airports in China by 2035

- **No. of airports in China**
  - 2010: 175
  - 2014: 200
  - 2018: 233
  - 2035: 449

High speed rail set to grow to 45,000km by 2030

- **Length of high speed rail (’000 km)**
  - 2010: 5
  - 2014: 16
  - 2018: 29
  - 2030: 45

Significant investment in road networks

- **Length of Expressway (’000 km)**
  - 2010: 74
  - 2014: 112
  - 2018: 143

Connectivity will be boosted with 5G rollout across the country

- **4G & 5G Base Stations (’000 Base Stations)**
  - 2012: 20
  - 2014: 970
  - 2018: 4,183
  - 2023: 7,357

Source: National Statistics Bureau (China), Accenture, Goldman Sachs
The number of domestic trips per capita by Chinese travellers is expected to be on par with those of US travellers by 2028.

Number of trips per annum by domestic travellers, China vs. US

Source: National Travel & Tourism Office (U.S.), National Statistics Bureau (China), The World Bank, Chinese Academy of Social Science, World Tourism Organization, Accenture
China is also the world’s largest outbound market, and is set to keep growing.

**Number of outbound trips per annum**

**Top 10 China outbound markets**

<table>
<thead>
<tr>
<th>Market</th>
<th>IHG Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>15k</td>
</tr>
<tr>
<td>Japan</td>
<td>11k</td>
</tr>
<tr>
<td>Singapore</td>
<td>4k</td>
</tr>
<tr>
<td>South Korea</td>
<td>3k</td>
</tr>
<tr>
<td>Malaysia</td>
<td>5k</td>
</tr>
<tr>
<td>United States</td>
<td>557k</td>
</tr>
<tr>
<td>Indonesia</td>
<td>10k</td>
</tr>
<tr>
<td>Vietnam</td>
<td>7k</td>
</tr>
<tr>
<td>Philippines</td>
<td>3k</td>
</tr>
<tr>
<td>Australia</td>
<td>13k</td>
</tr>
</tbody>
</table>

Source: National Statistics Bureau, UNWTO, US National Travel and Tourism Office, Accenture

1 Combined system size and pipeline rooms as at Q3 2019
Consumers’ daily lives and shopping behaviour is heavily augmented by mobile enablement

Consumers’ shopping expectation is shifting from purchasing products to purchasing experience

Consumers access social media content extensively and are very socially-influenced in making purchasing decisions

Consumers are used to receiving personalised content and services powered by data insights
The trends all add up to significant growth in the Greater China hospitality market over the next 10 years

Greater China market size forecast
(rooms, millions)

Long-term trends

- GDP growth shifting towards domestic consumption
- Specific Government initiatives to boost tourism
- Growing middle-income population will have more disposable income
- Travel is among the top areas of increased spending intentions
- Significant infrastructure development will make travel more accessible
- Growing demand for branded hotels

Source: OTA data scraping, STR Census, The World Bank, Accenture
Jolyon Bulley
Chief Executive Officer, Greater China
Development landscape
We have significant levels of experience and talent across our Greater China regional leadership team.

Jolyon Bulley
CEO, Greater China
+30 years in hospitality; +18 years with IHG

Daniel Aylmer
COO, Greater China
+18 years in China; +2 years with IHG

Jun Tu
CFO, Greater China
+20 years at PepsiCo; +4 years with IHG

Haiqing Lu
Chief Strategic Relations Officer, Greater China
ex. Govt./Tesco/Diageo; +6 years with IHG

Lin Wang
Chief Marketing Officer, Greater China
ex. Apple & Chanel; +5 years with IHG

Jerome Qiu
MD, Holiday Inn Express, Greater China
+20 years at IHG

Kent Sun
Chief Development Officer, Greater China
+20 years in hospitality; +15 years at IHG

Weiwen Wang
VP Business Reputation & Responsibility, Greater China
+20 years in legal; +4 years at IHG

Steven Zhong
VP Hotel & Owner Solutions, Greater China
+20 years in hospitality; +6 years at IHG

Ying Ying Koh
VP Human Resources, Greater China
+20 years in HR; +10 years at IHG

Paul Proctor
VP Commercial, Greater China
+20 years in hospitality; +10 years at IHG

Justin Channe
MD Regent Hotels & Resorts
+20 years at IHG; ex. COO for Greater China
The development of the high speed rail network will lead the growth in Tier 2 – 4 cities

Belt and Road & Greater Bay Area initiatives will drive growth across the West and South regions, with commitment to build:

- >20 New Airports
- >10 New High Speed Railway Stations

over the next decade, whilst high speed rail will bring economic benefit to Tier 2 & Tier 4 cities.

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Rooms | 2018-2028 Market CAGR
---|---
South | 8.6%
West | 9.7%
Tier 2 | 8.5%
Tier 4 | 10.1%

Source: Accenture Analysis, EIU
Development of Tier 2 – 4 cities is happening at a rapid pace
Demand has grown ahead of supply over the last 5 years, which has driven occupancy growth.

### Market growth drivers

*2013-18 CAGR %*

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
<th>Tier 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td>Demand</td>
<td>Supply</td>
<td>Demand</td>
</tr>
<tr>
<td>2.5%</td>
<td>4.6%</td>
<td>5.8%</td>
<td>7.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6.2%</td>
<td>8.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6.8%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

### Market occupancy %

<table>
<thead>
<tr>
<th>2013</th>
<th>2018</th>
<th>2013</th>
<th>2018</th>
<th>2013</th>
<th>2018</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>69.9%</td>
<td>77.1%</td>
<td>60.7%</td>
<td>65.4%</td>
<td>53.9%</td>
<td>58.8%</td>
<td>55.3%</td>
<td>59.9%</td>
</tr>
</tbody>
</table>

- **Source:** STR data
- **Tier 1**
- **Tier 2**
- **Tier 3**
- **Tier 4**
- **Market growth drivers**
- **2013-18 CAGR %**
- **Market occupancy %**
- **Demand**
- **Supply**
- **Occupancy Growth**
- **Source:** STR data
Rooms growth over the next 10 years will be driven by Tier 2 and Tier 4 cities.

Market size growth forecast by tier city (excl. Economy) (rooms millions)

Source: OTA data scraping, STR, Accenture market study
We have built a strong footprint in Tier 2 and Tier 4 markets, and our pipeline sets us up for future growth.

Source: OTA data scraping, STR, Accenture market study

1 Market share per Q3 2019 STR data; pipeline data only available for international branded operators
2 Market share includes 5k rooms from InterContinental Alliance Resorts partnership with Sands
The Mainstream segment will continue to be a key driver of rooms growth over the next decade.

Market size growth forecast by segment (excl. economy) (rooms millions)

Source: OTA data scraping, STR, Accenture market study
We have a leading share of the Mainstream pipeline amongst the international operators.

IHG Q3 2019 System Size & Pipeline
('000 rooms)

Market Share (STR data; includes domestic brands)

<table>
<thead>
<tr>
<th>Category</th>
<th>IHG Q3 2019</th>
<th>Pipeline</th>
<th>System Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainstream</td>
<td>116</td>
<td>50</td>
<td>67</td>
</tr>
<tr>
<td>Upscale</td>
<td>64</td>
<td>27</td>
<td>38</td>
</tr>
<tr>
<td>Luxury</td>
<td>36</td>
<td>10</td>
<td>26</td>
</tr>
</tbody>
</table>

IHG share of branded market¹
(% of open branded rooms)

<table>
<thead>
<tr>
<th>Category</th>
<th>IHG Q3 2019</th>
<th>Market Share (STR data; includes domestic brands)</th>
<th>Pipeline Share (STR data; international brands only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainstream</td>
<td>15%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Upscale</td>
<td>10%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Luxury</td>
<td>22%</td>
<td>26%</td>
<td></td>
</tr>
</tbody>
</table>

¹ Market share per Q3 2019 STR data; pipeline data only available for international branded operators
² Market share includes 5k rooms from InterContinental Alliance Resorts partnership with Sands

Source: OTA data scraping, STR, Accenture market study
We have positioned ourselves to work with all the major ownership groups across the region to capture growth opportunities

**State Owned Enterprises**
- Historic preference to Managed model
- Lower level of involvement in day-to-day operations of the hotel
- Portfolios skewed to Upscale and Luxury
- Increased focus on financial returns

**Public Listed Enterprises & Property Development Companies**
- Preference to Managed model, but starting to establish own brands
- Portfolios skewed to Upscale and Luxury
- ROI sensitive, with need for flexibility to optimise cost

**Private Enterprises**
- Entrepreneurial individuals making private investments in hotels
- Preference for Franchised model
- Focused on Mainstream investment
- ROI sensitive with high expectations on payback
An increase in private ownership has helped drive an acceleration in franchise growth over the last 3 years.
Our ‘Franchise Plus’ offer for Holiday Inn Express has laid the foundations for the growth of our franchise business

Key features of Franchise Plus

• Launched 3½ years ago
• Hotel has IHG appointed General Manager on their payroll
• ~15 years contract length
• Mandatory adoption of IHG Revenue Management for Hire platform
• >200 Franchise Plus properties signed since launch

Key benefits of Franchise Plus

• Gives IHG greater control over brand standards
• Similar economics to existing franchise contracts
• Meeting growing demand from owners for franchising offer
• Accelerating growth into high opportunity markets
By extending full franchising to Holiday Inn and Crowne Plaza, we are creating further opportunities for growth.

Q3 2019 system size & pipeline (hotels)

- Working with >500 different owners across the region
- 60% of signings are now franchised
- ~100 owners have >1 hotel with IHG
Our deep market knowledge and experience helps deliver a leading share of full fee signings amongst international operators.

**Signings by type**
('000 rooms)

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Franchise Partner Signings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Fee Signings</td>
<td>28</td>
<td>17</td>
</tr>
<tr>
<td>Hilton</td>
<td>30</td>
<td>14</td>
</tr>
<tr>
<td>Marriott</td>
<td>23</td>
<td>19</td>
</tr>
<tr>
<td>Hyatt</td>
<td>16</td>
<td>7</td>
</tr>
<tr>
<td>AC Hotels</td>
<td>7</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Horwath Signing Report; IHG signings excludes acquisition of Regent Hotels & Resorts
Outstanding to do business with
We continue to innovate our Mainstream brands to enhance owner return and drive growth

- NextGen hotel designs enhance guest proposition and reduce owner build cost
- Leading international brand for rooms share in the Mainstream segment
- More than 150 properties open across the region

- Most preferred hotel brand for guests in the Mainstream segment
- New room and F&B designs ensures product remains relevant to guests
- Reduction in hotel footprint will reduce build cost and drive greater owner ROI
Our system and pipeline is well positioned to capture the growth areas in the Mainstream segment across the region.
Upscale brands will play a key role in accelerating our growth

- Most preferred hotel brand for guests in the upscale segment
- Leading rooms share of all brands in the upscale segment
- New hotel designs will feature flexible meeting space and updated room product

- Growing trend for lifestyle, design-led offerings will help accelerate the growth of Hotel Indigo
- Currently operated under managed model, with potential to franchise in the future
- Robust pipeline to meet growing lifestyle demand
We have adapted our HUALUXE brand proposition to reposition the brand for growth

- Launched in 2012 with a focus on traditional Chinese hospitality
- Adapted brand proposition to meet the evolving demands of Upscale travellers
- 9 open and 22 pipeline hotels
- Best performing IHG brand for guest satisfaction and social review rating
We have built a strong position for our Upscale brands in Tier 1 & 2 locations.
We are building on our deep heritage in Luxury

InterContinental Beijing Sanlitun, Greater China
Kimpton Da An Taipei, Greater China
Regent Chongqing, Greater China
Six Senses Qing Cheng Mountain, Greater China
InterContinental penetration in Tier 1 & 2 cities creates a platform for our enhanced Luxury brand portfolio.
Our brands are supported by the strength of our enterprise, which helps owners drive greater performance and returns from their hotels.

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<tr>
<th>Optimising Cost</th>
<th>Maximising Returns</th>
<th>Strong Operational Support</th>
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<td>Hotel Design Innovation</td>
<td>Hotel Lifecycle Management</td>
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<td>Reduce Cost to Build/Open/Operate</td>
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<td>Centralised Procurement</td>
<td>Strengthen IHG Enterprise and Loyalty</td>
<td>Hotel Talent Certification Programs</td>
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<td>Focused talent development</td>
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Our brands are supported by the strength of our enterprise, which helps owners drive greater performance and returns from their hotels.
Investment in our Hotel Lifecycle Management team is helping accelerate hotel signings into openings and maximising owner ROI

| Focus on efficient design and cost management | • New design framework to bring greater consistency across brands  
|                                            | • Centralised procurement and reduced build costs will support ROI  
| End-to-end project management from build to opening | • Evaluating how we can further support owners from signing to opening  
|                                            | • Leveraging IHG experience of hotel development  
| Faster ramp up of new hotel openings | • Helping hotels reach operating capacity sooner  
|                                            | • Upweighting commercial support through opening process |
We have built on the success of our Franchise Performance Support model in the Americas and adapted it to the Chinese market.

**Implemented Franchise Support Model**
- Adapted successful US model for Greater China market
- Focuses resource on highest opportunities to add value

**Analytics and Insight capabilities**
- Development of machine learning to flag performance opportunities
- Designed to act as ‘early warning’ system

**Hotel talent development**
- Developed certification programme for hotel General Managers
- Continue to invest in frontline virtual learning
Our growth ambition is being enabled by an ongoing investment in talent, which will build the competencies required to scale our business.

**Talent solutions across all levels**
- Early Careers programs to attract & train talent
- Fast track programs to develop hotel leadership and build sustainable talent pipeline

**New capabilities as China and our business matures**
- Innovate course design, enabled by technology, to empower next generation learning
- New generation talent in digital technology, data intelligence and marketing
- Procurement & supply chain capability in construction, assets and operations

**An organisation built to scale**
- Organisation design that enables growth, hotel lifecycle & business performance
- Scaling our operating model to support long-term growth
We are continuing to strengthen our enterprise contribution in Greater China:

- Opened digital storefronts with local platforms to grow distribution in lower tier cities
- Signed agreements with WeChat Pay and Alipay

Whilst building loyalty amongst our guests:

- Launched WeChat Mini programme with loyalty capabilities
- Building China-specific functionality into Global IHG App
Our operations reflect our global commitment to operating a responsible business

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<th>Our Hotels</th>
<th>Our Communities</th>
<th>Our Culture</th>
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<td>Waste reduction</td>
<td>Environmental sustainability</td>
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</table>

**Our Hotels**
- Committed to switching to bulk-sized bathroom amenities
- Use of technology to reduce food waste

**Our Communities**
- Committed to reducing carbon per occupied room
- Launched water stewardship projects in water stressed regions

**Our Culture**
- >70 IHG Academies open across the region
- Recognised as a top employer in China for 7 successive years
Our strategy in China leverages our global strategic model

5. Optimise our preferred portfolio of brands for owners & guests
   - Strengthening existing brands and driving guest preference
   - Enhanced portfolio with new brands
   - Equipped with market specific digital capability to win with consumers

4. Evolve owner proposition
   - Expanded Franchise Plus offer for Holiday Inn Express to full franchising Holiday Inn and Crowne Plaza
   - Implemented franchise support model and driving operational excellence across managed hotels
   - New brand designs will support improved owner ROI

3. Enhance revenue delivery
   - Launch of digital flagship stores with local platforms
   - Implemented guest digital payment solutions through WeChat and Alipay
   - IHG Concerto, featuring new GRS, rolled out to all hotels in Greater China

1. Build & leverage scale
   - Leveraging global business to create an in China for China business
   - Align development plans with central government investment priorities
   - Commitment to responsible business with focus on talent and learning

2. Strengthen loyalty programme
   - Strengthening loyalty program to grow contribution in lower tier cities
   - Focus on a mobile led digital solution which leverages partner relationships
   - InterContinental Alliance Resorts partnership with Sands China in Macau giving guests the opportunity to earn and redeem points in highly desirable destinations
IHG has built a leading position in Greater China, which sets us up to take advantage of the favourable market dynamics for long term growth

We have built long standing, deep relationships with key stakeholders across the region

Our leading portfolio of brands are preferred by guests and owners

Investments in infrastructure make us unique amongst our peers as an in China, for China business

We are leveraging our global digital, enterprise and loyalty capabilities and tailoring them for the Chinese market

Our US business provides a blueprint for building a scale franchise platform

Growth strategy underpinned by ongoing investment in talent and a long term commitment to sustainability

This adds up to the right business model, right people, right brands and right owner proposition