2021 in review

Building a stronger business



Though the pandemic again tested our industry, our resilient business model and people's desire for travel have shone strongly. Alongside a focus on offering great guest experiences and expert owner support, we are building a stronger, more agile company, investing in our brands, sustainable operations and business, and looking to future growth with confidence.

Financial performance

Global RevPAR

Total gross revenue

Operating profit/(loss)

Net system size growth

Total revenue

Operating profit from

Signings (rooms)

Revenue from reportable segments^a

Rasic FPSb

- ^a Use of Non-GAAP measures: in addition to performance measures directly observable in the Group Financial Statements (IFRS measures), other financial measures (described as Non-GAAP) are presented that are used internally by management as key measures to assess performance. Non-GAAP measures are either not defined under IFRS or are adjusted IFRS figures. Further explanation in relation to these measures can be found on pages 73 to 77 and reconciliations to IFRS figures, where they have been adjusted, are on pages 218 to 223.
- b Adjusted EPSa 147.0¢ (+370%); 2020: 31.3¢

Regional growth (number of rooms)

Americas

Openings

2020: 16,746

See page 63

EMEAA

Openings

2020: 11.288



Greater China

Openings



Shareholders and investors

ur resilient business model and focus on owners, coupled with increasing travel demand, led to improved trading in 2021. We have focused on operating efficiently and sustainably, while investing in future growth.

- · Global RevPAR recovered to 70% of 2019 levels
- 5.0% gross system growth; net (0.6%) after higher removals in part due to Holiday Inn and Crowne Plaza review
- · Signings up 23% year-on-year with development activity improving
- Delivered \$75m sustainable costs savings, while investing for future growth
- Fee margin of 49.6%, recovered to 4.5%pts below 2019
- · Net cash from operating activities of \$636m, adjusted free cash flow^a of \$571m (2020: \$29m)
- Leverage ratio substantially reduced, with net debt: adjusted EBITDA at 3.0x (2020: 7.7x)
- Final dividend of 85.9¢ proposed for 2021

See information about our shareholders and investors on page 92 and our KPIs on pages

Our guests

e are focused on ensuring the services, technology and experiences we provide meet evolving expectations, increase consumer preference and loyalty, and drive bookings.

- Delivered targeted stay campaigns, loyalty promotions and programme improvements
- Improvement in Guest Satisfaction Index (GSI), achieving scores of 100 or better for each brand and outperforming peers
- · Continued execution of IHG Way of Clean and IHG Clean Promise in our hotels
- · Enhanced Meet with Confidence offer to support increasing business demand
- · AI technology introduced to answer and route customer calls, raising satisfaction scores and average daily rates on bookings
- · Room inventory assessments completed in 5,300 hotels in support of attribute pricing and a more tailored booking experience
- Updates to guest room and public space designs to enhance stay experience





Our people

s our industry recovers and daily life evolves from the pandemic, we have focused on how we can effectively support our people and provide the right resources and working environment to keep everyone feeling engaged and at their best.

- Overall employee engagement at 85%, placing IHG as a Kincentric Global Best Employer
- Inclusion Index launched to track diversity, equity & inclusion (DE&I) progress
- Corporate employees completed 10,000 hours of conscious inclusion training
- Evolved health, safety and wellbeing guidance at hotel and corporate levels
- Supported employees with shift to hybrid working through guidance, office enhancements and feedback forums
- Recharge days for corporate employees
- Resumed employee annual salary increase and bonus
- Employee Resource Groups (ERGs) expanded to help foster our diverse and inclusive culture
- Increased focus on colleague development and retention, and talent attraction

See information about our people on pages 23 to 26, and our employee engagement KPI on page 53.

Hotel owners

ur owners choose to work with IHG based on the trust they have in our brands and our track record in delivering returns. We continue to enhance our offer across the hotel lifecycle, alongside exploring new growth opportunities and collaborating with the industry and governments to support a strong recovery for the sector.

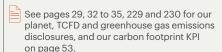
- Continued review and evolution of brand standards to improve operational efficiency
- Expanded hotel procurement solutions to combat supply chain challenges and rising costs; launched new hiring tools and support to recruit and retain talent
- Increased commercial support through promotions, tools and revenue management, alongside increased marketing as part of masterbrand approach
- Lowering of build costs to enhance owner returns on investment
- Completed review of Holiday Inn and Crowne Plaza estate to protect quality and brand perception
- Collaboration with governments and industry to support recovery
- Expanded portfolio with launch of Luxury & Lifestyle brand Vignette Collection; six hotels already secured



Planet

s the world becomes increasingly aware of the threat of climate change, it's critical that we operate responsibly and sustainably. We are working to clear plans and targets alongside our owners to ensure we grow in a way that minimises our impact on the world around us.

- Joined UN's Race to Zero and upgraded our science-based target (SBT) to help limit global warming to 1.5°C
- Began global rollout of automated capture of hotel utility data
- Bathroom bulk amenities solutions secured for all brands and markets, reducing plastic usage
- Developed Hotel Energy Reduction Opportunities (HERO) tool to help hotels target energy, carbon and water reductions
- Continued collaboration with Water.org, Alliance for Water Stewardship and Water Resilience Coalition
- Continued mapping risks and opportunities in line with guidance of Task Force on Climate-related Financial Disclosures



Our communities and suppliers

e're proud to be a part of thousands of communities and are committed to ensuring we operate and collaborate in ways that positively impact others, including working with suppliers that share our values.

- During Giving for Good month, more than 40,000 colleagues dedicated over 260,000 hours to making a positive difference to more than 350,000 people
- Supported charities globally providing aid to those in need following natural disasters
- Launched new virtual learning platform IHG Skills Academy to provide people with free access to skills and training
- Refreshed our responsible procurement criteria for prospective suppliers to support our supply chain integrity
- See pages 27, 28 and 39 for information about our communities and suppliers, and our IHG® Academy KPI on page 53.

