

2023 in review

Demand continued to grow during 2023 as people's appetite for travel shone through. Significant investments in our enterprise platform, including our brands, loyalty, digital offer and sustainability initiatives, saw us enrich the guest experience, grow our estate and drive returns.

Financial performance

Global RevPAR

+16.1%

2022: +36.6%

Net system size growth

3.8%

2022: 4.3%

Signings (rooms)

79,220

2022: 80,338

Total gross revenue in IHG's System^a

\$31.6bn

2022: \$25.8bn

Total revenue

\$4,624m

2022: \$3,892m

Revenue from reportable segments^b

\$2,164m

2022: \$1,843m

Operating profit^c

\$1,066m

2022: \$628m

Operating profit from reportable segments^b

\$1,019m

2022: \$828m

Basic EPS

443.8¢

2022: 207.2¢

Adjusted EPS^b

375.7¢

2022: 282.3¢

Dividend

152.3¢

2022: 138.4¢

Share buyback completed^d

\$750m

2022: \$500m

Regional growth (number of rooms)

Americas

Openings

10,405

2022: 20,568

Signings

28,297

2022: 32,464

→ See page 73.

EMEA

Openings

21,174

2022: 16,211

Signings

24,787

2022: 25,847

→ See page 77.

Greater China

Openings

16,340

2022: 12,664

Signings

26,136

2022: 22,027

→ See page 80.

^a Definitions for key performance measures can be found in the use of key performance measures and non-GAAP measures section, which can be found on pages 84 to 88.

^b Use of Non-GAAP measures: In addition to performance measures directly observable in the Group Financial Statements (IFRS measures), additional 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 84 to 88, and reconciliations to IFRS figures, where they have been adjusted, are on pages 226 to 231.

^c 2023 operating profit shown after \$19m System Fund and reimbursable reported profit and \$28m net exceptional gain. See page 154 for details.

^d 2022 share buyback completed in January 2023.

SHAREHOLDERS AND INVESTORS



Our focus on building a stronger business for guests and owners, coupled with increasing demand, led to strong trading and shareholder returns delivered via our cash-generative business model.

- Total dividend of 152.3c proposed and \$750m share buyback completed. New \$800m programme approved for 2024
- Americas RevPAR +7.0% vs 2022; EMEAA +23.7%; Greater China +71.7%
- Surpassed 6,300 open hotels; +3.8% net system size growth
- Signings +26% YOY*; grew conversions – represented 37% of openings and signings combined
- Fee margin^b 59.3%, 3.4%pts ahead of 2022
- \$1,019m operating profit from reportable segments^b, up 23% vs 2022
- Net cash from operating activities of \$893m (2022: \$646m), adjusted free cash flow^b of \$819m (2022: \$565m)
- Adjusted EPS^b grew 33% to 375.7¢
- Elie Maalouf appointed Group CEO
- Michael Glover appointed Group CFO
- Refreshed corporate strategy to drive growth and long-term shareholder value

→ See information about our shareholders and investors on page 36 and 104 and our KPIs on pages 60 to 62.

* Excluding Iberostar Beachfront Resorts

HOTEL OWNERS



Owners choose to work with IHG based on trust in our brands, our ability to drive returns and the strength of our enterprise – underpinned by a focus on the cost to build, open and operate our hotels.

- Enterprise contribution of ~80% of total room revenue (vs 72% three years ago), boosted by technology and channels enhancements
- Launched new midscale conversion brand Garner
- Guest How You Guest masterbrand campaign lifted awareness and brand favourability measures
- Enhanced design, service and F&B
- Launched new procurement programmes to reduce costs across hotel lifecycle
- Guest Reservation System now enabling attribute upsell to drive revenue across estate; pilots launched for new revenue management system
- IHG LIFT launched in US and Canada to support historically under-represented groups and further diversify owner base

→ See information about our hotel owners on pages 22 to 25 and 37, and our net rooms supply, signings, gross revenue and enterprise contribution KPIs on pages 60 and 61.

OUR GUESTS



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

- Guest Satisfaction Index continued to maintain a four-year high
- Grew loyalty members to over 130m, with record enrolments and ~20% increase in Reward Nights vs 2022
- New partnerships providing access to music festivals and sporting events
- Revenue driven by mobile app up 38% and downloads up 60% YOY
- Websites covering 92% of open hotels redesigned and relaunched
- Updated guest room and public space designs, F&B and service
- Strengthened artificial intelligence capabilities to improve self-service guest offer
- Over 60% increase in new co-brand credit card accounts YOY

→ See information about our guests on pages 22 to 25 and page 36, and our Guest Love KPI on page 62.

OUR PEOPLE



We champion an engaging, diverse and high-performance culture and focus on providing the tools, technology and working environment we need to succeed as individuals and as a business.

- Employee engagement 87% (+1%pt on 2022). A Kincentric Global Best Employer
- Rated 2nd on Financial Times Europe's Diversity Leaders 2024 list; recognised as a top company for women by Forbes
- Employee Resource Groups expanded to foster diverse and inclusive culture
- Strengthened partnerships with US Historically Black Colleges to enhance early careers pipeline
- IHG University launched to support development and drive performance
- Extended conscious inclusion training to hotel colleagues
- Launched Leading for Growth Executive Development Programme

→ See information about our people on pages 28 to 31 and 37, our employee engagement KPI on page 63.

OUR COMMUNITIES AND SUPPLIERS



We aim to improve millions of lives within our communities by supporting disaster relief, tackling food poverty and providing skills training to help drive social and economic change.

- More than 39,000 colleagues volunteered over 121,000 hours to support their local communities
- Supported charities providing aid following 15 natural disasters
- Expanded supplier diversity programme to build inclusion through supply chain
- More than 30,000 participants received free access to skills and training through our IHG Academy offerings
- Launched IHG Community Tracker to measure Journey to Tomorrow progress
- Supported Global FoodBanking Network, which operates in nearly 50 countries

→ See information about our communities and suppliers on pages 32 and 33, 36, and 37 and our IHG® Academy KPI on page 62.

PLANET



We are committed to reducing carbon, waste and water usage so we can operate and grow with our owners in ways that minimise our impact on the planet.

- 3.8% reduction in carbon emissions per occupied room since 2019; 1.9% absolute reduction against baseline
- Introduced new energy conservation measures as brand standards
- Expanded Community Solar to give more US hotels access to renewable energy
- Launched collaborations with certification programmes so hotels can showcase their sustainability credentials to guests and corporate clients
- Over 1,600 hotels accessed food waste training, with over 37,000 courses completed by managed and franchised colleagues
- Launched Meeting for Good to provide more sustainable events

→ See pages 33 to 35, 52 to 59, and 238 to 240 for our planet, TCFD and Greenhouse Gas (GHG) emissions disclosures, and our carbon footprint KPI on page 63.