

Notes to the Group Financial Statements

1. Exchange rates

\$1 equivalent	2023		2022		2021	
	Average	Closing	Average	Closing	Average	Closing
Sterling	£0.80	£0.78	£0.81	£0.83	£0.73	£0.74
Euro	€0.92	€0.90	€0.95	€0.94	€0.85	€0.88

2. Segmental information

Revenue

Year ended 31 December	2023 \$m	2022 Re-presented ^a \$m	2021 Re-presented ^a \$m
Americas	1,105	1,005	774
EMEA	677	552	303
Greater China	161	87	116
Central	221	199	197
Revenue from reportable segments	2,164	1,843	1,390
System Fund and reimbursable revenues	2,460	2,049	1,517
Total revenue	4,624	3,892	2,907

^a Re-presented to combine System Fund and reimbursable revenues (see New accounting standards and other presentational changes).

Profit

Year ended 31 December	2023 \$m	2022 \$m	2021 \$m
Americas	815	761	559
EMEA	215	152	5
Greater China	96	23	58
Central	(107)	(108)	(88)
Operating profit from reportable segments	1,019	828	534
System Fund and reimbursable result	19	(105)	(11)
Operating exceptional items (note 6)	28	(95)	(29)
Operating profit	1,066	628	494
Net financial expenses	(52)	(96)	(139)
Fair value (losses)/gains on contingent purchase consideration	(4)	8	6
Profit before tax	1,010	540	361
Tax	(260)	(164)	(96)
Profit for the year	750	376	265

In 2022, operating profit from reportable segments included \$6m relating to business insurance claims principally in the Americas region and \$16m government support income relating to the EMEA region. The net impact of government support income on operating profit from reportable segments was \$6m after deducting additional variable rent of \$10m which became payable as a direct result of the support received.

Notes to the Group Financial Statements continued

2. Segmental information continued

Non-cash items included within operating profit from reportable segments

	Americas \$m	EMEAA \$m	Greater China \$m	Central \$m	Group \$m
Year ended 31 December 2023					
Depreciation and amortisation ^a	24	12	4	27	67
Contract assets deduction in revenue	21	15	1	-	37
Equity-settled share-based payments cost	9	4	2	16	31
Share of profit of associates and joint ventures (excluding exceptional items)	(5)	(8)	-	-	(13)
Year ended 31 December 2022					
Depreciation and amortisation ^a	23	13	4	28	68
Contract assets deduction in revenue	18	13	1	-	32
Equity-settled share-based payments cost	8	4	2	14	28
Share of profit of associates (excluding exceptional items)	(1)	-	-	-	(1)
Year ended 31 December 2021					
Depreciation and amortisation ^a	30	18	6	44	98
Contract assets deduction in revenue	17	17	1	-	35
Equity-settled share-based payments cost	8	4	3	11	26
Share of losses of associates	7	1	-	-	8

^a Includes \$17m (2022: \$15m, 2021: \$20m) relating to cost of sales in owned, leased and managed lease hotels and \$50m (2022: \$53m, 2021: \$78m) relating to other assets. A further \$83m (2022: \$86m, 2021: \$94m) was recorded within System Fund and reimbursable expenses.

Capital expenditure

	Americas \$m	EMEAA \$m	Greater China \$m	Central \$m	Group \$m
Year ended 31 December 2023					
Capital expenditure per management reporting	128	35	3	87	253
Contract acquisition costs	(74)	(31)	(3)	-	(108)
Timing differences and other adjustments	1	(2)	-	(7)	(8)
Additions per the Group Financial Statements	55	2	-	80	137
Comprising additions to:					
Goodwill and other intangible assets	-	-	-	53	53
Property, plant and equipment	4	2	-	15	21
Investment in associates	3	-	-	-	3
Other financial assets	48	-	-	12	60
	55	2	-	80	137
Year ended 31 December 2022					
Capital expenditure per management reporting	71	21	2	67	161
Contract acquisition costs	(47)	(16)	(1)	-	(64)
Lease incentives received	-	-	-	6	6
Timing differences and other adjustments	-	-	(1)	2	1
Additions per the Group Financial Statements	24	5	-	75	104
Comprising additions to:					
Goodwill and other intangible assets	-	-	-	46	46
Property, plant and equipment	23	5	-	29	57
Investment in associates	1	-	-	-	1
	24	5	-	75	104

2. Segmental information continued

Geographical information

Year ended 31 December	2023 \$m	2022 \$m	2021 \$m
Revenue			
United Kingdom	263	243	142
United States	1,777	1,659	1,263
Rest of World	1,020	773	574
	3,060	2,675	1,979
System Fund revenues (note 32)	1,564	1,217	928
	4,624	3,892	2,907

For the purposes of the above table, fee business, owned, leased and managed lease and reimbursable revenues are determined according to the location of the hotel and other revenue is attributed to the country of origin. In addition to the United Kingdom, revenue relating to an individual country is separately disclosed when it represents 10% or more of total revenue. System Fund revenues are not included in the geographical analysis as the Group does not monitor the Fund's revenue by location of the hotel or, in the case of the loyalty programme, according to the location where members consume their rewards.

31 December	2023 \$m	2022 \$m
Non-current assets		
United Kingdom	100	102
United States	1,332	1,308
Rest of World	660	621
	2,092	2,031

For the purposes of the above table, non-current assets comprise goodwill and other intangible assets, property, plant and equipment, right-of-use assets, investments in associates and joint ventures, non-current other receivables, non-current contract costs and non-current contract assets. In addition to the United Kingdom, non-current assets relating to an individual country are separately disclosed when they represent 10% or more of total non-current assets, as defined above.

3. Revenue

Disaggregation of revenue

Year ended 31 December 2023	Americas \$m	EMEA \$m	Greater China \$m	Central \$m	Group \$m
Franchise and base management fees	936	253	115	-	1,304
Incentive management fees	21	101	46	-	168
Central revenue	-	-	-	200	200
Revenue from fee business	957	354	161	200	1,672
Revenue from owned, leased and managed lease hotels	148	323	-	-	471
Revenue from insurance activities	-	-	-	21	21
	1,105	677	161	221	2,164
System Fund revenues (note 32)					1,564
Reimbursable revenues (note 32)					896
Total revenue					4,624
Year ended 31 December 2022	Americas \$m	EMEA \$m	Greater China \$m	Central Re-presented ^a \$m	Group Re-presented ^a \$m
Franchise and base management fees	861	215	71	-	1,147
Incentive management fees	18	69	16	-	103
Central revenue	-	-	-	184	184
Revenue from fee business	879	284	87	184	1,434
Revenue from owned, leased and managed lease hotels	126	268	-	-	394
Revenue from insurance activities	-	-	-	15	15
	1,005	552	87	199	1,843
System Fund revenues (note 32)					1,217
Reimbursable revenues (note 32)					832
Total revenue					3,892

^a Re-presented for the adoption of IFRS 17 'Insurance Contracts' (see New accounting standards and other presentational changes).