Chief Executive Officer's review

"I am incredibly proud of the work being done to accelerate performance, grow our outstanding brands around the world, and take IHG Hotels & Resorts to its full potential."

Elie Maalouf
Chief Executive Officer

371
hotels opened (2023: 275)

714
hotels signed (2023: 556)

44%
of total openings and signings were for our Holiday Inn® Brand Family

21%
of our pipeline now represented by Luxury & Lifestyle brands

+3.0%
global RevPAR growth

119
hotels signed through initial agreement with NOVUM Hospitality that doubles our presence in Germany

a. 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 103 to 108, and reconciliations to IFRS figures, where they have been adjusted, are on pages 266 to 272.

In my first full year as Group CEO, I am incredibly proud of the work being done to accelerate performance, grow our outstanding brands around the world, and take IHG Hotels & Resorts to its full potential as the hotel company of choice for guests and hotel owners.

We began 2024 by evolving our strategy to best capitalise on the investments we have made in our brands and enterprise platform in recent years, and I have been hugely impressed with how colleagues have got behind our plans. We have built real momentum over the past 12 months characterised by growth of not just our brands but also our technological capabilities, loyalty programme and ability to be a force for good in our communities.

Collectively, our work is resonating with stakeholders, driving awareness of our portfolio and consumer preference for our brands, strengthening our reputation as a valued partner with owners, and building further trust in IHG. I have seen this first-hand during visits to many markets around the globe to speak with colleagues, owners, shareholders and investors.

Strategic progress

In 2024, we expanded into new markets, with many of our brands making their debuts in new countries. We also strengthened our presence in high-growth markets such as Greater China, India, Japan and Saudi Arabia, as well as Germany, where we signed a long-term agreement with NOVUM Hospitality that doubles our presence there and secures European debuts for Garner™ and Candlewood Suites®.

Quality remains key to maintaining the trusted reputation of our brands, and fresh design and service concepts supported our Holiday Inn Brand Family in generating 44% of openings and signings. Momentum also continued to build behind our newer brands, including Garner, which in its first full year since launch reached 117 open and pipeline hotels. Its excellent progress illustrates appetite for quicker-to-market conversions, which represented around half of total room openings and signings in 2024.

We have transformed our position in Luxury & Lifestyle in recent years, with our brands now representing 14% of our system size and 21% of our pipeline. Flagship openings included Regent Santa Monica Beach in the US and Six Senses Kyoto in Japan, while Vignette Collection is tracking ahead of schedule, having surpassed 50 open and pipeline hotels just three years since launch.

Along with attractive brands, our success depends on having powerful loyalty and technology platforms that drive performance and unlock value for our owners. IHG One Rewards grew to more than 145 million members, who are now booking more than 60% of room nights globally. We entered into new long-term US co-brand credit card agreements and more strategic partnerships to further drive membership, deliver more business to our hotels, and provide guests with fresh experiences.

The next chapter of our Guest How You Guest global marketing campaign also went live across TV and streaming platforms in the US ahead of an international rollout to further grow awareness of our brand portfolio. We have also begun simplifying our brand endorsement from 'an IHG Hotel' to 'By IHG' across brands in the Americas and EMEAA to improve its visibility.

We strengthened what is a leading suite of technology for guests and owners. New features went live on our mobile app, which generated over 20% more revenue year-on-year, grew downloads by more than 20% and won three Webby Awards, including Best Travel App. Our Guest Reservation System is offering guests more choice while helping hotels maximise revenue from their property's unique attributes. New revenue management capabilities went live in around 3,500 hotels globally to help drive top-line revenue, and we rolled out new property management systems to provide above-property, cloud-based solutions that can deploy efficient enhancements at scale.

Collectively, our investments are creating greater value for owners, with the percentage of room revenue booked through IHG-managed channels and sources rising from 72% to 81% in the past four years, while our Guest Satisfaction Index showed we had maintained our outperformance versus key competitors in all three regions. In parallel, we are focused on reducing the cost to build, open and operate our hotels. Working closely with our owners, we increased procurement options and introduced efficient prototypes for many of our brands, and we worked with governments and trade bodies on important issues to support the industry on a broader scale.

As we strengthen the business, it's important we do so responsibly and sustainably for our people, communities and planet.

Our people are at the heart of our success as a global business and we took further steps to develop and retain talent across the organisation, including adding more tailored learning tools on IHG University. We were there for our communities, announcing a global partnership with Action Against Hunger to help tackle food insecurity, alongside responding to natural disasters, and making a positive difference to thousands of people during our annual Giving for Good month.

We continue to focus on reducing the environmental impact of our hotels, including launching our Low Carbon Pioneers programme – the first community of its kind in our industry designed to help us test, learn and share findings on sustainability measures. Our work to improve the efficiency of our hotel estate has reduced both emissions and energy per available room compared with a 2019 baseline. However, the lack of a clean energy infrastructure in our markets, alongside the opening of more hotels during that period, means that total carbon emissions have increased overall since 2019. We remain committed to reducing emissions and will continue our many initiatives, working closely with our hotel owners while at the same time continuing to evaluate our approach and performance in the rapidly changing sustainability landscape.

Strong performance

In parallel to our strategic progress, we delivered an excellent financial performance for the year. Increases in both daily rate and occupancy, combined with the breadth of our diverse international footprint, pushed global RevPAR 3.0% ahead of 2023, with growth in each of leisure, business and groups travel. Trading momentum continued in the Americas, with RevPAR up 2.5%, while EMEAA was up 6.6% following strong demand across Continental Europe and East Asia & Pacific. RevPAR in Greater China was -4.8% due to unusually strong comparatives a year ago, when there was a strong rebound in demand following the lifting of pandemic restrictions, and some short-term impacts on consumer confidence. However, we remain encouraged by long-term demand drivers in the region, and in 2024 saw record levels of development activity.

This overall performance, coupled with fee margin growth and disciplined cost management, helped deliver operating profit of $1,041m.

Operating profit from reportable segments[a] rose 10% to $1,124m. Basic EPS was 389.6¢, while adjusted EPS[a] grew 15% to 432.4¢ and we returned over $1bn to shareholders through ordinary dividend payments and a $800m share buyback programme. A new $900m share buyback programme for 2025 has been approved.

The long-term confidence owners have in IHG and our brands drove the opening of 371 hotels in 2024, which contributed to net system size growth of 4.3%. Another 714 hotels were signed – an increase of 34% year-on-year – taking our development pipeline to 2,210 hotels, representing future system size growth of 33%. As we look ahead, industry forecasts expect strong guest demand to continue, underpinned by long-term drivers, such as people's desire to travel and a growing global middle class.

In February 2025, we acquired Ruby™ as our 20th brand, which complements our existing portfolio with an exciting, distinct and high-quality offer for both guests and owners in popular city destinations. The urban micro space is a franchise-friendly model with attractive owner economics, and we see excellent opportunities to not only expand the Ruby brand's strong European base but also rapidly take this exciting brand to the Americas and across Asia, as we have successfully done with previous brand acquisitions.

The many awards we received this year are a testament to the progress we are making towards being a brand of choice for guests, the best long-term partner for owners and a great place to work for colleagues. These include again being named a Mercer Global Best Employer, Holiday Inn® voted the most trusted travel and hospitality brand in the US, recognition from Forbes, Fortune Best Companies and the Financial Times for our inclusive culture, and dozens of our Luxury & Lifestyle hotels being awarded Condé Nast Traveler Readers' Choice Awards and Michelin Keys.

I would like to thank the Board for its support throughout 2024 and our talented and passionate colleagues for their commitment to delivering True Hospitality for Good and hard work to grow IHG to its full potential. I would also like to thank our owners for their partnership and the continued trust they place in our business and brands.

Elie Maalouf
Chief Executive Officer