

# Our key performance indicators (KPIs)

## How we measure our progress

Our KPIs are carefully selected to allow us to monitor the delivery of our strategy and long-term success. They are organised around our strategy, which articulates our purpose, ambition and priorities (see page 30). KPIs are reviewed annually by senior management to ensure continued alignment, and are included in internal reporting and regularly monitored.

Measures included are those considered most relevant in assessing the performance of the business and relate to our growth and commitment to key stakeholders including owners, guests, employees, shareholders and the communities in which we work. KPIs should be read in conjunction with the other sections of the Strategic Report, and where applicable, references to specific relevant topics are noted against each KPI.

### Link between KPIs and Director remuneration

As we continue to focus on delivering high-quality growth, Directors' remuneration for 2025 was directly related to key aspects of our strategy. The following indicates which KPIs have impacted Directors' remuneration:

**+** For more information on Directors' remuneration, see pages 138 to 161.



#### Annual Performance Plan

- 70% was linked to operating profit from reportable segments<sup>a</sup>.
- 15% was linked to strategic focus on net system size growth through openings.
- 15% was linked to strategic focus on future net system size growth through signings.



#### Long Term Incentive Plan

- 20% was linked to relative Total Shareholder Return.
- 20% was linked to relative net system size growth.
- 20% was linked to absolute cash flow generation.
- 20% was linked to adjusted EPS<sup>a</sup>.
- 20% was linked to Carbon and People<sup>b</sup>.

### Link to our strategy

Our four strategic priorities are core to our success and represented as follows:



**Relentless focus on growth**



**Brands guests and owners love**



**Leading commercial engine**



**Care for our people, communities and planet**

### System size

Total number of rooms in the IHG system.

Increasing our rooms supply provides significant advantages of scale, including increasing the value of our loyalty programme. This measure is a key indicator of achievement of our growth agenda (see page 32).

2025	1,026,177
2024	987,125
2023	946,203
2022	911,627
2021	880,327



### Signings

Gross total number of rooms added to the IHG pipeline.

Continued signings secure the future growth of our system and ongoing efficiencies of scale. Signings indicate our ability to deliver sustained growth (see page 32).

2025	102,054
2024	106,242
2023	79,220
2022	80,338
2021	68,870



### 2025 status

- System size increased by 4.0% on a reported basis. After adjusting for the impact of removing 7,092 rooms previously affiliated with The Venetian Resort Las Vegas, our net system growth accelerated to 4.7%, with gross system growth of 6.6% and a removals rate of 1.9%.
- Total rooms supply surpassed the one million milestone, with 1,026,177 rooms open at 31 December 2025.
- During the year, signings totalled 102,054 rooms (694 hotels). This included 6,741 Ruby rooms (36 hotels), of which 5,718 rooms (30 hotels) were part of the initial agreement; the first 2,952 Ruby rooms (17 hotels) joined IHG's system in the year. Overall signings decreased by 3.9% year-on-year, reflecting the inclusion in 2024 of 17,703 rooms (119 hotels) as part of the NOVUM Hospitality agreement.

- Total pipeline of 339,526 rooms increased by 4.4% year-on-year, with around half under construction.
- Strengthened the Holiday Inn Brand Family with 20,338 rooms opened and 37,809 rooms signed, representing 35% of openings and signings globally.
- voco signings of 10,563 rooms, with 124 properties open across more than 30 countries since launch in 2018, and a further 108 hotels in the pipeline.
- Continued momentum of our Luxury & Lifestyle portfolio with 11,635 rooms opened and 18,635 rooms signed.
- Expansion of our newer brands with:
  - Nine Atwell Suites open, including its debut in Greater China, and 56 properties in the pipeline;
  - Vignette Collection growing to 31 open and 45 pipeline hotels since its launch in 2022;

- 11 avid hotels openings and 11 signings, taking the estate to 87 hotels open with a further 116 properties in the pipeline; and
- Further global rollout of Garner since its launch in 2023 to 89 properties open, representing year-on-year growth of 6,101 rooms to 8,501 rooms, and a further 77 properties in the pipeline.

### 2026 priorities

- Further expansion into our core markets and targeted entry into new geographies across all segments and regions to deliver strong net system size growth.
- Accelerate growth of our newer brands to increase market share and scale.
- Continue to strengthen our Luxury & Lifestyle offer and capabilities, including branded residences and resorts.
- Strengthen Premium offer through the international expansion of Ruby and the launch of Noted Collection.

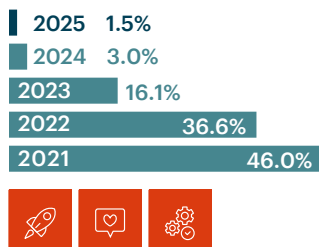
a. Use of Non-GAAP measures: In addition to performance measures directly observable in the Group Financial Statements (IFRS measures), additional financial measures (described as Non-GAAP) are presented that are used internally by management as key measures to assess performance. Non-GAAP measures are either not defined under IFRS or are adjusted IFRS figures. Further explanation in relation to these measures can be found on pages 107 to 112, and reconciliations to IFRS figures, where they have been adjusted, are on pages 250 to 256.

b. People targets subsequently removed. Further explanation can be found in the Directors' Remuneration Report on pages 138 to 161.

## Global RevPAR growth

Revenue per available room: rooms revenue divided by the number of available rooms.

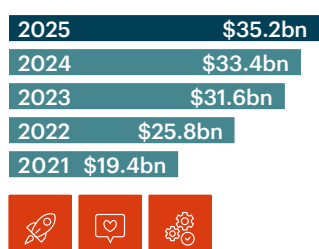
RevPAR growth indicates the increased value guests ascribe to our brands in the markets in which we operate and is a key measure widely used in our industry (see page 20). Definition of this key performance measure can be found on page 107.



## Total gross revenue from hotels in IHG's system

Total rooms revenue from franchised hotels and total hotel revenue from managed, exclusive partner and owned & leased hotels. Other than for owned & leased hotels, it is not revenue wholly attributable to IHG, as it is mainly derived from hotels owned by third parties.

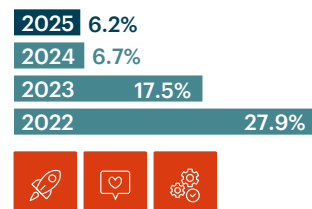
The growth in gross revenue from IHG's system illustrates the value of our overall system to our owners (see page 25). Definition of this key performance measure can be found on page 107.



## Growth in underlying fee revenues<sup>a</sup>

Revenue from reportable segments excluding revenue from insurance activities, revenue from owned & leased hotels, significant liquidated damages and current year acquisitions, stated at constant currency.

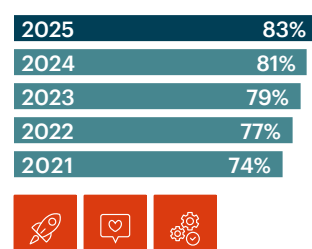
Underlying fee revenue growth demonstrates the continued attractiveness to owners and guests of IHG's franchised and managed business (see page 25).



## Enterprise contribution to revenue

The percentage of room revenue booked through IHG-managed channels and sources: direct via our websites, apps and call centres; through our interfaces with Global Distribution Systems (GDS) and agreements with Online Travel Agencies (OTAs); other distribution partners directly connected to our reservation system; and Global Sales Office business or IHG One Reward members that book directly at a hotel.

Enterprise contribution is one indicator of IHG value-add and the success of our technology platforms, and our marketing, sales and loyalty distribution channels (see page 36).



### 2025 status

- RevPAR growth of 1.5% in 2025 was driven by both average daily rate and occupancy, as Business and Groups demand increased, with Leisure flat year-on-year.
- Grew underlying fee revenue<sup>a</sup> by 6.2%, driven by a combination of RevPAR growth, the further broadening of our global estate and the expansion of ancillary fee streams.
- Total gross revenue increased by 5.3% to \$35.2bn, as we continued to strengthen owner returns and enhance the guest experience by investing in our enterprise:
  - maximising guest choice and driving incremental value for owners from the continued rollout in the up-sell of unique room attributes through our industry-leading Guest Reservation System;
  - delivered our new cloud-based Revenue Management System (RMS), completing the roll-out across our global estate of 6,800 eligible hotels, which utilises leading data science, machine learning and forecasting tools to provide advanced insights and recommendations to owners; and

- continued roll-out of next-generation PMS, a cloud-based, above-property platform, enabling deployment of efficient enhancements, including streamlined front desk processes.
- Improved overall enterprise contribution by 2%pts year-on-year, with IHG's direct digital booking channels accounting for over 26% of total room revenue.
- Further development in our mobile app and AI-backed digital chatbot technology, resulting in growth in direct mobile and digital bookings.
- Boosted loyalty and brand awareness, with over 160 million IHG One Rewards members, and enrolments up +25% year-on-year, demonstrating strong member engagement and driving owner returns.

### 2026 priorities

- Drive hotel performance through the RMS with evolved revenue services.
- Continue to grow the co-brand credit cards programme in the US, and launch in international markets.
- Further leverage data analysis to drive performance, create insights and power AI opportunities.
- Continued scale and investment in IHG One Rewards to further grow and deepen engagement of loyalty members through continued enhancements in guest benefits and personalisation.
- Expand procurement solutions to drive development and operating cost efficiencies that generate greater owner value.

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b. The 2021 growth figure is excluded from the comparison as the 2020 figure was not re-presented following the adoption of IFRS 17 'Insurance Contracts' in 2023.

## Our key performance indicators (KPIs) continued

### Fee margin<sup>a</sup>

Operating profit as a percentage of revenue, excluding System Fund, reimbursement of costs, revenue and operating profit from owned & leased hotels, significant liquidated damages, insurance activities and exceptional items.

Our fee margin indicates the profitability of our fee revenue and the benefit of our asset-light business model (see page 24).

2025	64.8%
2024	61.2%
2023	59.3%
2022	55.9%
2021	49.5%



#### 2025 status

- Fee margin increased by 3.6%pts to 64.8%, driven by growth in our system, RevPAR and ancillary fee streams, combined with continued cost efficiencies.
- Around 2.3%pts was driven by operational leverage, including the benefits from our global efficiency programme, and a further 1.3%pts was due to incremental fees from the US co-brand credit card agreements and from the sale of certain loyalty points (together with certain other ancillary revenues).

#### 2026 priorities

- Continued focus on cost and efficiency.
- Utilise technology applications and process enhancements to achieve operational efficiencies.
- Further reinvestment to drive growth and expand margin over the long term.

### Adjusted earnings per share<sup>a</sup>

Adjusted earnings per share takes the profit available for equity holders used in the calculation of basic earnings per share and adjusts this to exclude certain items in order to provide a value that is consistent with how management monitors the business (see page 109).

This measure reflects shareholder value creation, including that through capital allocation, such as the effect of increasing the measure by reducing the number of shares through buybacks.

2025	501.3¢
2024	432.4¢
2023	375.7¢
2022	282.3¢
2021	147.0¢



It has become an increasingly important measure as part of IHG's ongoing return of surplus capital to shareholders, and is already a defined performance measure within the LTIP.

#### 2025 status

- Adjusted earnings per share grew by 15.9%, driven by 11.0% growth in adjusted earnings reflecting revenue and system growth, fee margin expansion through efficiency and cost control, together with the cumulative impact of share buybacks lowering the weighted average share count by 4.2%.

#### 2026 priorities

- Drive continued adjusted EPS growth through maximising system and revenue growth, sustainable fee margin expansion, disciplined cash conversion, and a new \$950m share buyback programme, supporting the growth algorithm while investing in future growth of the business.

### Adjusted free cash flow<sup>a</sup>

Cash flow from operating activities excluding payments of deferred or contingent purchase consideration, recyclable contract acquisition costs, cash flows relating to exceptional items, interest receipts related to owner loans and lease incentives, less purchase of shares by employee share trusts, gross maintenance capital expenditure, and lease payments, and including finance lease income relating to sub-leases, and any payments or repayments related to investments supporting the Group's insurance activities.

2025	\$893m
2024	\$655m
2023	\$837m
2022	\$615m
2021	\$589m



Adjusted free cash flow<sup>a</sup> provides funds to invest in the business, sustainably grow the dividend and return any surplus to shareholders (see page 26). It is a key component in measuring the ongoing viability of our business (see page 113).

#### 2025 status

- Adjusted free cash flow increased by \$238m to \$893m due to growth in operating profit from reportable segments<sup>a</sup>, an improvement in the System Fund and reimbursable result, a reduction in contract acquisition costs and lower tax payments, partially offset by higher interest payments.

#### 2026 priorities

- Continue to deliver strong conversion of adjusted earnings<sup>a</sup> into adjusted free cash flow.
- Timely management of capital deployment in line with business priorities.

### Employee engagement survey scores

Colleague HeartBeat survey, completed by IHG colleagues employed in corporate and reservations offices and owned & leased or managed hotels.

We measure employee engagement to monitor risks relating to talent (see page 50) and to help us understand the issues that are relevant to our people as we build an inclusive culture (see page 39).

2025	87%
2024	87%
2023	87%
2022	86%
2021	85%



#### 2025 status

- Our score of 87% in 2025 is 10%pts higher than the external top quartile benchmark.
- We consistently achieved high engagement scores across our Hotel and Corporate populations, demonstrating our ongoing commitments to global colleague development and retention.

#### 2026 priorities

- Further strengthen leadership capability to embed our high performance culture and drive colleague engagement.
- Enhance our people technology and expand AI use to help colleagues and leaders make faster, better informed decisions.
- Expand and embed our HR service model to provide more consistent and effective support for hotel and corporate teams.

## Guest Love

IHG's guest satisfaction measurement indicator.

Guest satisfaction is fundamental to our continued success and is a key measure to monitor our ability to deliver an experience that meets and exceeds guests' expectations (see page 34 for details).

2025	82.3%
2024	81.5%
2023	80.3%
2022	78.6%
2021	78.9%



### 2025 status

- Guest satisfaction of 82.3% continued to improve, reflecting increases in quality and investment in the guest experience.
- Externally measured Guest Satisfaction Index (GSI) achieved scores over 100 in all three regions, showing we are outperforming our peers as we focus on guest experience improvements.
- Continued plans to ensure a consistent high-quality experience for each of our brands, including improvements in food and beverage, hotel condition and service.

### 2026 priorities

- Improve the guest experience and elevate brand performance by prioritising quality and experience across areas such as loyalty recognition, groups and meetings, digital engagement, service and public spaces.
- Continued focus on data-driven insights, targeted improvement plans, cross-team collaboration, and ongoing renovations to increase the number of high-performing properties within the portfolio.
- Utilise GenAI to deliver actionable guest insights that drive strategic decision-making and property-level solutions to enhance the brand and hotel experience.

## Greenhouse gas emissions<sup>b</sup>

Total market-based greenhouse gas (GHG) emissions (measured in tonnes of CO<sub>2</sub>e) across our corporate offices, franchised estate, managed and owned & leased hotels. For further details on our carbon footprint methodology, please refer to pages 82 to 83.

2025	6.7 tCO <sub>2</sub> e
2024	6.6 tCO <sub>2</sub> e
2019	6.2 tCO <sub>2</sub> e



### 2025 status

- Our ongoing commitment to energy reduction and decarbonisation has delivered a 10.2% reduction in energy per available room and an 11.0% reduction in carbon emissions per available room in 2025 compared with 2019.
- Last year, we reported that we were off track to meet our 2030 target (46% reduction in greenhouse gas emissions by 2030), and this continues to be the case in 2025 due to the continued lack of a clean energy infrastructure in many of our markets, alongside the successful opening of more hotels globally. This means total carbon emissions are up 7.7% since 2019.
- We remain dedicated to the actions we are taking to assist hotel owners in reducing carbon emissions, and while our programmes will require time to scale, the actions we are taking today will improve operational efficiency of IHG hotels and prepare us for accelerated decarbonisation once market factors are more favourable.

### 2026 priorities

- Continue implementing our decarbonisation roadmap focusing on energy efficiency measures in hotels, transitioning to renewable energy and developing new-build hotels operating with very low or zero carbon emissions.
- We are re-evaluating our targets, taking into account the evolving sustainability landscape, including updates to carbon accounting and target validation criteria and focusing on what IHG is able to control and influence.

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b. See pages 82 to 83 for detailed energy and carbon data. Figures are restated annually (see page 83 for our data methodology). Given 2025 revisions, performance trends should be assessed using only the restated figures in this report. GHG emissions are presented for 2019, 2024 and 2025 only to show progress against target and year-on-year change. Data for 2020–2023 has been removed for simplicity.