

# Chief Financial Officer's review



**“The power of our enterprise and operating model delivered our growth algorithm, further reinforcing our track record of driving shareholder returns.”**

**Michael Glover**  
Chief Financial Officer

**In 2025, the revenue increase was driven by a combination of RevPAR growth, the further broadening of our global estate and the expansion of ancillary fee streams. Our asset-light model and focus on cost efficiencies, while continuing to invest for future growth, contributed to strong fee margin and operating profit. Our well-established cash-generative business model and robust balance sheet enabled us to return over \$1.1bn to shareholders.**

## Trading performance

We reinforced our commitment to enhance the guest experience and drive owner returns through continued investment in our brand portfolio, the markets we operate in, and loyalty and technology platforms.

Business, Groups and Leisure demand supported global RevPAR growth of 1.5%, driven by increases in both average daily rate and occupancy. Performance by region varied, although this highlighted the strength of our global footprint: RevPAR in the Americas and EMEAA increased compared to 2024, while Greater China decreased overall but returned to growth in the fourth quarter.

RevPAR, together with system and ancillary revenue growth, drove 7% increase in fee business revenue.

## System growth

We achieved the milestone of surpassing one million open rooms globally, reflecting the scale and strength of our broad brand portfolio.

Gross openings in the year grew by 6.6% and included the acquisition and rollout of our 20<sup>th</sup> brand, Ruby.

Our continued focus on the quality and consistency of our estate resulted in a removals rate of 2.6%.

Combined, these resulted in net system size growth of 4.0% year-on-year.

After adjusting for the impact of removing 7,092 rooms previously affiliated with The Venetian Resort Las Vegas, our removals rate was 1.9% and net system size increased by 4.7%.

Signings of 102.1k rooms included 6.7k Ruby rooms, of which 5.7k rooms were part of the initial agreement. Conversions represented around half of openings.

## Operating profit

Operating profit increased to \$1,198m compared to \$1,041m in 2024. Operating profit from reportable segments<sup>a</sup> increased from the prior year by \$141m to \$1,265m. The combination of strong revenue growth and ongoing cost productivity resulted in a 3.6%pts increase in fee margin<sup>a</sup> to 64.8%.

The growth in operating profit was achieved while continuing to reinvest in the business to support future growth.

## Cash generation and liquidity

We generated net cash from operating activities of \$898m, and adjusted free cash flow<sup>a</sup> increased by \$238m to \$893m, compared to the prior year.

During 2025, we returned over \$1.1bn to shareholders through a combination of ordinary dividends and share buybacks.

We secured a new \$1,500m syndicated credit facility and successfully removed the financial covenants associated with the previous facility.

Our net debt:adjusted EBITDA ratio at the end of the year finished at 2.5x, within the 2.5–3.0x range we aim to maintain.

The Board has proposed a final dividend of 125.9¢, +10% vs 2024, taking the dividend for the year to 184.5¢. The Board has also approved a further share buyback programme to return an additional \$950m to shareholders.

Our uses of cash remain unchanged: ensuring the business is appropriately invested in to optimise growth; funding a sustainably growing dividend; and then returning excess funds to shareholders.

## Future growth and 2026 priorities

We remain confident in the long-term structural drivers that underpin our industry.

We are committed to the ongoing investments in our brands, technology, loyalty and hotel operations. These investments in turn further strengthen our enterprise and support our growth algorithm, to drive sustained value creation and additional shareholder returns.

**Michael Glover**  
Chief Financial Officer

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.

# Performance Group

## Group Income Statement summary

	12 months ended 31 December				
	2025	2024	2025 vs	2023	2024 vs
		Re-	2024	Re-	2023
	\$m	presented <sup>a</sup>	% change	presented <sup>a</sup>	% change
		\$m		\$m	
<b>Revenue<sup>b</sup></b>					
Americas	1,129	1,141	(1.1)	1,105	3.3
EMEA	811	748	8.4	677	10.5
Greater China	165	161	2.5	161	-
Central	363	262	38.5	221	18.6
Revenue from reportable segments <sup>c</sup>	2,468	2,312	6.7	2,164	6.8
System Fund and reimbursable revenues	2,721	2,611	4.2	2,460	6.1
<b>Total revenue</b>	<b>5,189</b>	<b>4,923</b>	<b>5.4</b>	<b>4,624</b>	<b>6.5</b>
<b>Operating profit<sup>b</sup></b>					
Americas	836	828	1.0	815	1.6
EMEA	303	270	12.2	215	25.6
Greater China	99	98	1.0	96	2.1
Central	27	(72)	NM <sup>d</sup>	(107)	(32.7)
Operating profit from reportable segments <sup>c</sup>	1,265	1,124	12.5	1,019	10.3
Analysed as:					
Fee business	1,231	1,085	13.5	992	9.4
Owned & leased	43	45	(4.4)	29	55.2
Insurance activities	(9)	(6)	50.0	(2)	200.0
System Fund and reimbursable result	(46)	(83)	(44.6)	19	NM <sup>d</sup>
Operating profit before exceptional items	1,219	1,041	17.1	1,038	0.3
Operating exceptional items	(21)	-	NM <sup>d</sup>	28	NM <sup>d</sup>
<b>Operating profit</b>	<b>1,198</b>	<b>1,041</b>	<b>15.1</b>	<b>1,066</b>	<b>(2.3)</b>
Net financial expenses	(153)	(115)	33.0	(87)	32.2
Analysed as:					
Adjusted interest expense <sup>c</sup>	(200)	(165)	21.2	(131)	26.0
System Fund interest	47	50	(6.0)	44	13.6
Foreign exchange gains/(losses)	37	(25)	NM <sup>d</sup>	35	NM <sup>d</sup>
Remeasurement of contingent purchase consideration	(8)	(4)	100.0	(4)	-
<b>Profit before tax</b>	<b>1,074</b>	<b>897</b>	<b>19.7</b>	<b>1,010</b>	<b>(11.2)</b>
Tax	(315)	(269)	17.1	(260)	3.5
Analysed as:					
Adjusted tax <sup>c</sup>	(290)	(262)	10.7	(253)	3.6
Tax attributable to System Fund	(9)	(4)	125.0	(3)	33.3
Tax on foreign exchange gains/(losses)	-	(3)	NM <sup>d</sup>	3	NM <sup>d</sup>
Tax exceptional items	(16)	-	NM <sup>d</sup>	(7)	NM <sup>d</sup>
<b>Profit for the year</b>	<b>759</b>	<b>628</b>	<b>20.9</b>	<b>750</b>	<b>(16.3)</b>
Adjusted earnings <sup>e</sup>	774	697	11.0	635	9.8
Basic weighted average number of ordinary shares (millions)	154.4	161.2	(4.2)	169.0	(4.6)
<b>Earnings per ordinary share</b>					
Basic	490.9¢	389.6¢	26.0	443.8¢	(12.2)
Adjusted <sup>c</sup>	501.3¢	432.4¢	15.9	375.7¢	15.1
<b>Dividend per share</b>	<b>184.5¢</b>	<b>167.6¢</b>	<b>10.1</b>	<b>152.3¢</b>	<b>10.0</b>
<b>Average US dollar to sterling exchange rate</b>	<b>\$1:£0.76</b>	<b>\$1:£0.78</b>	<b>(2.6)</b>	<b>\$1: £0.80</b>	<b>(2.5)</b>

a. Re-presented to present foreign exchange gains/(losses) on a separate line which was previously presented within 'Net financial expenses'.

b. Americas and EMEA include revenue and operating profit before exceptional items from both fee business and owned & leased hotels. Greater China includes revenue and operating profit before exceptional items from fee business.

c. Definitions for Non-GAAP measures can be found in the 'Key performance measures and Non-GAAP measures' section on pages 107 to 112 along with reconciliations of these measures to the most directly comparable line items within the Group Financial Statements which can be found on pages 250 to 256.

d. Percentage change considered not meaningful, such as where a positive balance in the latest period is comparable to a negative or zero balance in the prior period.

e. Adjusted earnings as used with adjusted earnings per share, a Non-GAAP measure. Excludes \$1m profit attributable to non-controlling interest.

## Highlights for the year ended 31 December 2025

Trading varied across our global footprint. The Americas saw growth in the first quarter, with the rest of the year impacted by economic uncertainties, with the fourth quarter further affected by tough prior year comparatives. There was strong demand in EMEAA, with RevPAR growth in all quarters of 2025 for this varied region. Greater China saw sequential quarterly improvement through the year, with RevPAR growth in the fourth quarter.

### Revenue

RevPAR increased year-on-year by 3.3% in the first quarter, 0.3% in the second quarter, 0.1% in the third quarter, 1.6% in the fourth quarter and 1.5% in the full year. Compared to 2024, average daily rate increased by 0.8% and occupancy was 0.5%pts higher.

Our other key driver of revenue, net system size, increased by 4.0% year-on-year to 1,026,177 rooms on a reported basis, or 4.7% after adjusting for the impact of removing 7,092 rooms previously affiliated with The Venetian Resort Las Vegas.

Total revenue increased by \$266m (5.4%) to \$5,189m, including a \$110m increase in System Fund and reimbursable revenue. Revenue from reportable segments<sup>a</sup> increased by \$156m (6.7%) to \$2,468m, driven by the combination of system and RevPAR growth, together with incremental fees from previous changes in the arrangements related to the US co-brand credit card arrangements and from the sale of certain loyalty points (together with certain other ancillary revenues). These revenue streams achieved the expected ~\$40m and ~\$25m step-changes within IHG's results from reportable segments<sup>a</sup> in 2025, along with additional underlying growth. Underlying revenue<sup>a</sup> increased by \$133m (5.7%) to \$2,454m, with underlying fee revenue<sup>a</sup> increasing by \$110m (6.2%) to \$1,890m. Owned & leased revenue increased by \$29m (5.6%) to \$544m.

### Operating profit and margin

Operating profit increased by \$157m from \$1,041m to \$1,198m, including \$21m operating exceptional costs in relation to the global efficiency programme and to commercial litigation and disputes, compared to operating exceptional items of \$nil recorded in the prior year. The reported System Fund and reimbursable result improved by \$37m in the year, as the loss reduced from \$83m in 2024 to \$46m in 2025.

Operating profit from reportable segments<sup>a</sup> increased by \$141m (12.5%) to \$1,265m. Fee business operating profit increased by \$146m (13.5%) to \$1,231m, due to RevPAR and system growth which drove a \$12m increase in incentive management fees to \$190m, combined with incremental ancillary fee revenue. Owned & leased operating profit declined from \$45m to \$43m. Underlying operating profit<sup>a</sup> increased by \$135m (12.0%) to \$1,264m.

Fee margin<sup>a</sup> increased by 3.6%pts over the prior year to 64.8%. Around 2.3%pts was driven by operational leverage and cost efficiencies from the global efficiency programme. 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.

The impact of the movement in average USD exchange rates for 2024 compared to 2025 netted to a \$nil impact on operating profit from reportable segments<sup>a</sup> when calculated as restating 2024 figures at 2025 exchange rates, and benefitted operating profit from reportable segments<sup>a</sup> by \$1m when applying 2024 rates to 2025 figures.

If the average exchange rate during January 2026 had existed throughout 2025, the 2025 operating profit from reportable segments<sup>a</sup> would have been \$6m higher.

### System Fund and reimbursable result

The Group operates a System Fund to collect and administer assessments from hotel owners for specified purposes of use, including marketing, reservations, certain hotel services and the Group's loyalty programme, IHG One Rewards. The System Fund also benefits from certain proceeds from the sale of loyalty points under third-party

co-branding arrangements and the sale of points directly to members and other third parties. The Fund is not managed to generate a surplus or deficit for IHG over the longer term, but is managed for the benefit of hotels in the IHG system with the objective of driving revenues for the hotels in the system.

The growth in the IHG One Rewards programme means that, although assessments are received from hotels upfront when a member earns points, more revenue is deferred each year than is recognised in the System Fund. This can lead to accounting losses in the System Fund each year as the deferred revenue balance grows which do not necessarily reflect the Fund's position and the Group's capacity to invest.

Reimbursable revenues represent reimbursements of expenses incurred on behalf of managed and franchised properties and relate, predominantly, to payroll costs at managed properties where IHG is the employer. As IHG records reimbursable expenses based upon costs incurred with no added mark-up, this revenue and related expenses have no impact on either operating profit or net profit for the year.

In the year to 31 December 2025, System Fund and reimbursable revenues increased \$110m (4.2%) to \$2,721m. This was driven by the growth in System Fund revenue driven by the continued increase in net system size compounded by year-over-year RevPAR growth.

The reported System Fund and reimbursable result improved from a loss of \$83m to a loss of \$46m, primarily due to the System Fund revenue growth mentioned above and the impact of our global efficiency programme, partially offset by increased investments in marketing and loyalty.

### Operating exceptional items

Exceptional items are identified by virtue of their size, nature or incidence and are excluded from the calculation of adjusted earnings per ordinary share<sup>a</sup> as well as other Non-GAAP measures in order to allow a better understanding of the underlying trading performance and trends of the Group and its reportable segments. Examples of exceptional items can include, but are not restricted to, gains and losses on the disposal of assets, impairment charges and reversals, the costs of individually significant legal cases or commercial disputes and reorganisation costs.

a. Definitions for Non-GAAP measures can be found on pages 107 to 112. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 250 to 256.

## Performance continued

### Group continued

Operating exceptional items for the year to 31 December 2025 were \$21m (2024: \$nil), comprising costs of \$12m relating to a global efficiency programme and \$9m relating to litigation and commercial disputes.

Further information on exceptional items can be found in note 6 to the Group Financial Statements.

#### Net financial expenses

Net financial expenses increased to \$153m from \$115m. Net financial expenses include total interest costs on public bonds, which are fixed rate debt, of \$153m (2024: \$123m) and interest expense on lease liabilities of \$30m (2024: \$30m). In 2025, foreign exchange gains/(losses) have been presented on a separate line of the Group income statement. The 2024 and 2023 amounts were previously presented within net financial expenses.

Adjusted interest<sup>a</sup>, which adds back interest attributable to the System Fund, increased by \$35m to an expense of \$200m, driven by the increase in net debt and average interest rates on bond debt.

#### Foreign exchange gains and losses

Foreign exchange gains of \$37m (2024: losses of \$25m) are predominantly due to translation of intra-group US dollar monetary assets and liabilities held by subsidiaries with a sterling functional currency.

#### Remeasurement losses on contingent purchase consideration

Contingent purchase consideration arose on the acquisition of Regent, and from 2025, the acquisition of the Ruby brand. The loss of \$8m (2024: \$4m loss) is principally the unwind of the discount due to the passage of time. The total contingent purchase consideration liability at 31 December 2025 is \$98m (2024: \$73m).

#### Taxation

The adjusted tax rate<sup>a</sup> for 2025 was 27.2% (2024: 27.3%). The total tax charge includes a net exceptional charge of \$16m (2024: \$nil), comprising a charge of \$21m following the completion of an intra-group restructuring transaction offset by the tax impacts of the operating exceptional items.

Tax paid in 2025 totalled \$307m (2024: \$309m), including exceptional tax paid of \$34m related to the settlement of a tax liability which originally arose as a result of the acquisition of Holiday Inn in 1990.

IHG pursues an approach to tax that is consistent with its business strategy and its overall business conduct principles. The approach seeks to ensure full compliance with all tax filing, payment and reporting obligations on the basis of communicative and transparent relationships with tax authorities. The IHG Audit Committee reviews IHG's approach to tax annually, including consideration of the Group's current tax profile. Further information on tax can be found in note 8 to the Group Financial Statements.

**+** IHG's Approach to Tax policy is available at [ihgplc.com/responsible-business](https://ihgplc.com/responsible-business) under policies.

#### Earnings per ordinary share

The Group's basic earnings per ordinary share is 490.9¢ (2024: 389.6¢). Adjusted earnings per ordinary share<sup>a</sup> increased by 68.9¢ (15.9%) to 501.3¢.

#### Dividends and returns

The Board is proposing a final dividend of 125.9¢ in respect of 2025, an increase of 10% on 2024. With the interim dividend of 58.6¢ paid in October 2025, the total dividend for the year would therefore be 184.5¢, representing an increase of 10% on 2024. The ex-dividend date for ordinary shares is Thursday 9 April 2026 and the record date is Friday 10 April 2026. The corresponding dividend amount in pence sterling per ordinary share will be announced on Monday 27 April 2026, calculated based on the average of the market exchange rates for the three working days commencing 22 April 2026. Subject to shareholder approval at the AGM on Thursday 7 May 2026, the dividend will be paid on Thursday 14 May 2026.

The dividend payments in 2025 have returned \$270m to IHG's shareholders. An additional \$892m of surplus capital was returned to shareholders through a share buyback programme that concluded in December 2025. This repurchased 7,585,264 shares at an average price of £88.50 per share and reduced the total number of voting rights in the Company by 4.8%.

The Board has approved a further share buyback programme to return an additional \$950m to shareholders in 2026.

#### Share price and market capitalisation

The IHG share price closed at £104.60 on Wednesday 31 December 2025, up 5.1% from £99.54 on 31 December 2024. The market capitalisation of the Group at the year-end was £15.9bn.

For a discussion of 2024 results, and the changes compared to 2023, refer to the 2024 Annual Report and Form 20-F.

**+** [ihgplc.com/investors](https://ihgplc.com/investors) under Annual Report.

#### Accounting principles

The Group results are prepared under International Financial Reporting Standards (IFRS) as described on page 183 of the Group Financial Statements. The application of IFRS requires management to make judgement, estimates and assumptions, and those considered critical to the preparation of the Group results are set out on page 184.

The Group discloses certain financial information both including and excluding exceptional items. For comparability of the periods presented, some of the performance indicators in this performance review are calculated after eliminating these exceptional items. An analysis of exceptional items is included in note 6.

a. Definitions for Non-GAAP measures can be found on pages 107 to 112. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 250 to 256.

## Adjusted EBITDA<sup>a</sup> reconciliation

	12 months ended 31 December				
	2025 \$m	2024 \$m	2025 vs 2024 \$m change	2023 \$m	2024 vs 2023 \$m change
<b>Cash flow from operations</b>	<b>1,361</b>	1,149		1,219	
Cash flows relating to operating exceptional items	23	(8)		29	
Impairment (loss)/reversal on financial assets	(21)	(16)		1	
Other impairment charges	(2)	(6)		-	
Other non-cash adjustments to operating profit	(93)	(77)		(60)	
System Fund and reimbursable result	46	83		(19)	
System Fund depreciation and amortisation	(79)	(80)		(83)	
Other non-cash adjustments to System Fund result	(46)	(37)		(23)	
Working capital and other adjustments	(36)	(56)		(79)	
Capital expenditure: contract acquisition costs net of repayments	179	237		101	
<b>Adjusted EBITDA<sup>a</sup></b>	<b>1,332</b>	1,189	143	1,086	103

## Group Cash Flow summary

	12 months ended 31 December				
	2025 \$m	2024 \$m	2025 vs 2024 \$m change	2023 \$m	2024 vs 2023 \$m change
<b>Adjusted EBITDA<sup>a</sup></b>	<b>1,332</b>	1,189	143	1,086	103
Working capital and other adjustments	36	56		79	
Repayments/(payments) related to investments supporting the Group's insurance activities	3	5		(11)	
Impairment loss/(reversal) on financial assets	21	16		(1)	
Other impairment charges	2	6		-	
Other non-cash adjustments to operating profit	93	77		60	
System Fund and reimbursable result	(46)	(83)		19	
Non-cash adjustments to System Fund result	125	117		106	
Capital expenditure: key money contract acquisition costs, net of repayments	(177)	(206)		(101)	
Capital expenditure: gross maintenance	(31)	(31)		(38)	
Net interest paid	(156)	(113)		(83)	
Tax paid <sup>b</sup>	(273)	(309)		(243)	
Principal element of lease payments, net of finance lease receipts	(26)	(42)		(28)	
Purchase of own shares by employee share trusts	(10)	(27)		(8)	
<b>Adjusted free cash flow<sup>a</sup></b>	<b>893</b>	655	238	837	(182)
Cash flows relating to exceptional items <sup>b</sup>	(57)	8		(29)	
Capital expenditure: gross recyclable investments	(16)	(68)		(50)	
Capital expenditure: gross System Fund capital investments	(43)	(45)		(46)	
Purchase of brands	(120)	-		-	
Deferred purchase consideration paid	-	(13)		-	
Disposals and repayments, including proceeds from other financial assets	11	15		8	
Repurchase of shares, including transaction costs	(897)	(804)		(790)	
Dividends paid to shareholders	(270)	(259)		(245)	
Dividends paid to non-controlling interest	-	-		(3)	
Other financing cash flows	6	-		-	
<b>Net cash flow before other net debt<sup>a</sup> movements</b>	<b>(493)</b>	(511)	18	(318)	(193)
Add back principal element of lease repayments	30	46		28	
Exchange and other non-cash adjustments	(88)	(45)		(131)	
<b>Increase in net debt<sup>a</sup></b>	<b>(551)</b>	(510)	(41)	(421)	(89)
Net debt <sup>a</sup> at the beginning of the year	(2,782)	(2,272)		(1,851)	
<b>Net debt<sup>a</sup> at the end of the year</b>	<b>(3,333)</b>	(2,782)	(551)	(2,272)	(510)

a. Definitions for Non-GAAP measures can be found in the 'Key performance measures and Non-GAAP measures' section on pages 107 to 112.

Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 250 to 256.

b. In 2025 'Tax paid' excludes, and 'Cash flows relating to exceptional items' includes, \$34m of exceptional tax paid.

## Performance continued

### Group continued

#### Cash flow from operations

For the year ended 31 December 2025, cash flow from operations was \$1,361m, an increase of \$212m on the previous year. This was predominantly due to the higher operating profit from reportable segments<sup>a</sup>, lower contract acquisition costs and an improvement in the System Fund and reimbursable result. Cash flow from operations is the principal source of cash used to fund interest and tax payments, capital expenditure, ordinary dividend payments and additional returns of capital to shareholders.

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

Adjusted free cash flow<sup>a</sup> was an inflow of \$893m, an increase of \$238m on the prior year. Adjusted EBITDA<sup>a</sup> increased by \$143m due to the improvement in trading and growth in ancillary fee streams. The System Fund and reimbursable result improved by \$37m, reflecting System Fund revenue growth and the impact of the global efficiency programme, partly offset by increased investments in marketing and loyalty. Key money contract acquisition costs net of repayments reduced by \$29m, and tax payments (excluding exceptional items) were \$36m lower due to US tax reforms. These movements were partly offset by a \$43m increase in net interest paid reflecting the increase in average net debt. Working capital and other adjustments of \$36m includes \$107m of cash inflow related to deferred revenue, driven primarily by \$74m related to the loyalty programme and \$37m of upfront cash flows associated with the new US co-brand credit card agreements.

#### Net and gross capital expenditure<sup>a</sup>

Net capital expenditure<sup>a</sup> was \$185m (2024: \$253m) and gross capital expenditure<sup>a</sup> was \$269m (2024: \$350m). Gross capital expenditure<sup>a</sup> comprised: \$179m of key money contract acquisition costs; \$31m of maintenance; \$16m gross recyclable investments; and \$43m System Fund capital investments. Net capital expenditure<sup>a</sup> includes key money repayments of \$2m and offsets from other disposals and repayments of \$4m, and \$78m System Fund depreciation and amortisation.

#### Net debt<sup>a</sup>

Net debt<sup>a</sup> increased by \$551m from \$2,782m at 31 December 2024 to \$3,333m at 31 December 2025. During the year, the Group invested \$120m to purchase the Ruby brand and there were \$1,167m of payments related to ordinary dividends and the share buyback programmes, including transaction costs. The change in net debt<sup>a</sup> includes adverse net foreign exchange impacts of \$69m and \$19m of other non-cash adjustments.

#### Cash and borrowings

Net debt<sup>a</sup> of \$3,333m (2024: \$2,782m) is analysed by currency as follows:

	2025 \$m	2024 \$m
<b>Borrowings</b>		
Sterling*	1,175	1,473
US dollar*	3,257	2,290
Euros*	5	3
Other	25	24
<b>Cash and cash equivalents</b>		
Sterling	(549)	(462)
US dollar	(442)	(369)
Euros	(14)	(26)
Chinese renminbi	(69)	(99)
Other	(55)	(52)
<b>Net debt<sup>a</sup></b>	<b>3,333</b>	<b>2,782</b>
<b>Average net debt level</b>	<b>3,139</b>	<b>2,639</b>

\* Including the impact of derivative financial instruments.

Cash and cash equivalents includes \$4m (2024: \$2m) that is not available for use by the Group due to local exchange controls, \$17m (2024: \$15m) which is restricted for use on capital expenditure under hotel lease agreements and \$6m (2024: \$5m) subject to contractual and regulatory restrictions.

**+** Information on the maturity profile and interest structure of borrowings is included in notes 21 to 23 to the Group Financial Statements.

Borrowings included bank overdrafts of \$3m (2024: \$17m), which were matched by an equivalent amount of cash and cash equivalents under the Group's cash pooling arrangements.

Under these arrangements, each pool contains a number of bank accounts with the same financial institution, and the Group pays interest on net overdraft balances within each pool.

Overseas subsidiaries are typically in a cash-positive position, and the matching overdrafts are held by the Group's central treasury company in the UK.

**+** Information on the Group's approach to allocation of capital resources can be found on pages 26 and 27.

#### Sources of liquidity

As at 31 December 2025, the Group had total liquidity of \$2,599m (31 December 2024: \$2,319m), comprising \$1,500m of undrawn bank facilities and \$1,099m of cash and cash equivalents (net of overdrafts and restricted cash). The increase in total liquidity from December 2024 of \$280m is primarily due to net additional bond funding of \$587m and \$150m from the increase in the new bank revolving credit facility, offset by net cash outflows of \$493m<sup>b</sup>.

The Group currently has \$4,198m of sterling and euro bonds outstanding. The bonds mature in August 2026 (£350m), May 2027 (€500m), October 2028 (£400m), November 2029 (€600m), September 2030 (€850m) and September 2031 (€750m). There are currency swaps in place on the euro bonds, fixing the May 2027 bond at £436m, the November 2029 bond at \$657m, the September 2030 bond at \$990m and the September 2031 bond at \$834m. The Group currently has senior unsecured long-term credit ratings of BBB from S&P and Baa2 from Moody's.

In December 2025, the Group entered into a new \$1,500m syndicated bank revolving credit facility (RCF), and the previous \$1,350m facility was cancelled on the same day. The new five-year RCF matures in December 2030. There are two one-year extension options that are at the lenders' discretion. There are no financial covenants in the RCF.

The RCF was undrawn at 31 December 2025.

It is management's opinion that the current working capital levels and available facilities are sufficient for the Group's present liquidity requirements.

a. Definitions for Non-GAAP measures can be found on pages 107 to 112. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 250 to 256.

b. As shown in the Cash Flow summary on page 89.

## Off-balance sheet arrangements

At 31 December 2025, the Group had no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Group's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

## Contingent liabilities and financial guarantees

The Group has given financial guarantees over loans made to facilitate third-party ownership of hotels of up to \$26m. The carrying amount of these guarantees was \$nil. See note 18 to the Group Financial Statements for further details.

The Group may be exposed to additional liabilities resulting from litigation. See note 29 to the Group Financial Statements for further details.

## Future cash requirements from contractual obligations

The Group's future cash flows arising from contractual commitments relating to long-term debt obligations (including interest payable), derivatives, lease liabilities and other financial liabilities are analysed in note 23 to the Group Financial Statements.

Other cash requirements relate to future pension scheme contributions (see note 26 to the Group Financial Statements) and capital commitments (see note 29 to the Group Financial Statements).

The Group also has future commitments for key money payments which are contingent upon future events and may reverse.

## Disaggregation of total gross revenue in IHG's system

Total gross revenue provides a measure of the overall strength of the Group's brands. It comprises total rooms revenue from franchised hotels and total hotel revenue from managed, exclusive partner and owned & leased hotels and excludes revenue from the System Fund and reimbursement of costs. Other than owned & leased hotels, total gross revenue is not revenue attributable to IHG as it is derived from hotels owned by third parties. The definition of this key performance measure can be found on page 107.

	12 months ended 31 December		
	2025 \$bn	2024 \$bn	% change <sup>a</sup>
<b>Analysed by brand</b>			
InterContinental	5.6	5.3	5.6
Kimpton	1.5	1.4	5.9
Hotel Indigo	1.1	1.0	14.0
Crowne Plaza	3.7	3.7	(1.3)
Holiday Inn Express	9.7	9.6	1.4
Holiday Inn	6.1	6.0	1.3
Staybridge Suites	1.4	1.3	4.1
Candlewood Suites	1.0	0.9	5.3
Other	5.1	4.2	24.0
<b>Total</b>	<b>35.2</b>	<b>33.4</b>	<b>5.3</b>
<b>Analysed by ownership type</b>			
Franchised <sup>b</sup> (revenue not attributable to IHG)	22.2	21.2	5.1
Managed (revenue not attributable to IHG)	12.5	11.7	5.6
Owned & leased (revenue recognised in Group income statement)	0.5	0.5	5.4
<b>Total</b>	<b>35.2</b>	<b>33.4</b>	<b>5.3</b>

Total gross revenue in IHG's system increased by 5.3% (4.7% increase at constant currency) to \$35.2bn, driven by the combination of RevPAR growth and the increase in the number of hotels in our system.

a. Year-on-year percentage movement calculated from unrounded source figures to provide more precise growth indicators for these figures which are presented in billions of dollars.

b. Includes exclusive partner hotels.

## Performance continued

### Group continued

#### Group hotel and room count

At 31 December	Hotels		Rooms	
	2025	Change over 2024	2025	Change over 2024
<b>Analysed by brand</b>				
Six Senses	27	-	2,067	117
Regent	11	-	3,212	-
InterContinental	242	15	77,027	3,243
Vignette Collection	31	11	7,256	3,291
Kimpton	85	8	16,208	2,177
Hotel Indigo	191	22	25,676	2,883
voco	124	37	25,227	4,851
Ruby	17	17	2,952	2,952
HUALUXE	24	2	6,426	424
Crowne Plaza	424	9	113,887	263
EVEN Hotels	46	13	6,896	1,814
Holiday Inn Express	3,292	55	351,400	7,443
Holiday Inn	1,247	(2)	225,926	594
Garner	89	66	8,501	6,101
avid hotels	87	11	7,677	875
Atwell Suites	9	3	928	372
Staybridge Suites	350	15	38,287	1,764
Holiday Inn Club Vacations	26	(4)	9,138	(730)
Candlewood Suites	423	31	37,552	2,735
Iberostar Beachfront Resorts	62	7	21,001	1,415
Other	156	18	38,933	(3,532)
<b>Total</b>	<b>6,963</b>	<b>334</b>	<b>1,026,177</b>	<b>39,052</b>
<b>Analysed by ownership type</b>				
Franchised <sup>a</sup>	5,886	290	748,178	29,961
Managed	1,060	43	273,808	8,936
Owned & leased	17	1	4,191	155
<b>Total</b>	<b>6,963</b>	<b>334</b>	<b>1,026,177</b>	<b>39,052</b>

a. Includes exclusive partner hotels.

During the year, a record 443 hotels (65,078 rooms) opened, representing a 72 hotels (5,961 rooms) increase from 2024.

Openings included the first 2,952 rooms (17 hotels) as part of the initial Ruby agreement. Other openings included 20,338 rooms (133 hotels) in the Holiday Inn Brand Family, the debut of Atwell in Greater China and the continued international momentum of Garner. Conversions represented around half of all openings.

In 2025, 26,026 rooms (109 hotels) left the IHG system, reflecting our continued focus on the quality of our estate.

Net system size increased by 4.0% year-on-year to 1,026,177.

After adjusting for the impact of removing 7,092 rooms previously affiliated with The Venetian Resort Las Vegas, removals increased by 739 rooms (two hotels) compared to 2024, with a removals rate of 1.9%, and net system size increased by 4.7%.

#### Total number of hotels

# 6,963

2024: 6,629

#### Total number of rooms

# 1,026,177

2024: 987,125

## Group pipeline

At 31 December	Hotels		Rooms	
	2025	Change over 2024	2025	Change over 2024
<b>Analysed by brand</b>				
Six Senses	39	1	2,946	51
Regent	12	3	2,210	223
InterContinental	104	3	26,734	1,042
Vignette Collection	45	10	7,087	698
Kimpton	69	8	13,288	1,155
Hotel Indigo	131	1	20,885	1,454
voco	108	18	21,453	5,825
Ruby	19	19	3,789	3,789
HUALUXE	23	(1)	6,040	(253)
Crowne Plaza	154	14	38,232	2,963
EVEN Hotels	26	(6)	4,861	(706)
Holiday Inn Express	655	18	81,358	2,136
Holiday Inn	295	29	53,559	1,882
Garner	77	(17)	6,953	(1,814)
avid hotels	116	(21)	8,676	(1,973)
Atwell Suites	56	2	5,822	362
Staybridge Suites	150	(7)	16,618	(697)
Candlewood Suites	194	11	14,465	166
Iberostar Beachfront Resorts	5	(2)	2,415	(32)
Other	14	(1)	2,135	(1,997)
<b>Total</b>	<b>2,292</b>	<b>82</b>	<b>339,526</b>	<b>14,274</b>
<b>Analysed by ownership type</b>				
Franchised <sup>a</sup>	1,635	37	198,623	7,018
Managed	657	46	140,903	7,411
Owned & leased	-	(1)	-	(155)
<b>Total</b>	<b>2,292</b>	<b>82</b>	<b>339,526</b>	<b>14,274</b>

a. Includes exclusive partner hotels.

The global pipeline totalled 339,526 rooms (2,292 hotels) at the end of 2025, an increase of 14,274 rooms (82 hotels) from the prior year, as signings outpaced openings and terminations.

Group signings of 102,054 rooms (694 hotels) included 6,741 Ruby rooms (36 hotels), 5,718 rooms (30 hotels) as part of the initial agreement.

Signings in 2025 represented a 4,188 rooms (20 hotels) decrease from the prior year, which included 17,703 rooms (119 hotels) as part of the initial NOVUM Hospitality agreement.

### Total number of hotels in the pipeline

# 2,292

2024: 2,210

### Total number of rooms in the pipeline

# 339,526

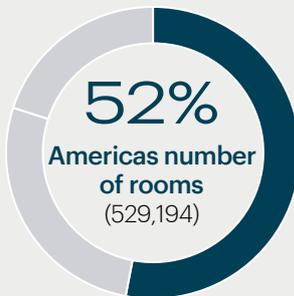
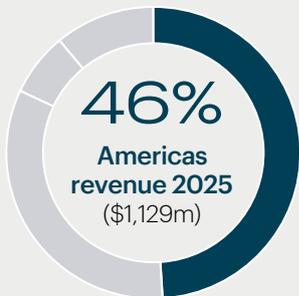
2024: 325,252

# Performance continued Americas



“We accelerated our enterprise delivery for both guests and owners, and delivered strong growth momentum in 2025.”

**Jolyon Bulley**  
Chief Executive Officer, Americas



## Comparable RevPAR movement on previous year

(12 months ended 31 December 2025)

### Fee business

InterContinental	4.6%
Kimpton	1.3%
Hotel Indigo	0.3%
Crowne Plaza	0.5%
EVEN Hotels	(1.2)%
Holiday Inn Express	0.2%
Holiday Inn	(0.7)%
avid hotels	(1.2)%
Staybridge Suites	0.3%
Candlewood Suites	(0.6)%
All brands	0.3%

### Owned & leased

All brands	1.6%
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InterContinental Real Lima Miraflores, Peru.



“In 2025, we continued our strong growth momentum through hotel openings and new deals entering our development pipeline. Our established position in the Essentials and Suites category, together with growth across our Lifestyle & Luxury and Premium brands, provided our guests with more choice, and our owners a compelling IHG brand portfolio. Performance across our brands accelerated in 2025 driven by the implementation of new technology platforms, growth in our loyalty delivery, and focus on the guest experience and owner returns.”

## Industry performance in 2025

Industry RevPAR in the Americas grew by 1.2% year-on-year, driven by a 2.1% increase in average daily rate, while occupancy declined by 0.5%pts.

US lodging industry RevPAR declined 0.3% year-on-year, as a 0.8%pts decrease in occupancy was only partly offset by a 0.9% increase in average daily rate, significantly trailing the rate of inflation. Room demand was behind 2024 levels, due to broader economic uncertainty and a reduction in international inbound travel. Notably, group demand saw declines for nine consecutive months, while outbound travel from the US grew by over 2%. Room supply increased by 0.7%, with conversion activity also increasing year-on-year.

RevPAR in the US upper midscale chain scale, where Holiday Inn and Holiday Inn Express operate, declined by 1.5%.

RevPAR increased by 11.7% in Latin America. Caribbean growth of 2.2% was driven by average daily rate.

RevPAR in Mexico increased by 5.7% and in Canada RevPAR grew by 4.2%.

## IHG’s regional performance in 2025

IHG’s comparable RevPAR in the Americas grew by 0.3% compared to 2024, driven by a 0.5% increase in average daily rate and a 0.1%pts decrease in occupancy.

The region is predominantly represented by the US, where comparable RevPAR fell slightly by 0.1% year-on-year, and where we are most weighted towards our upper midscale brands, Holiday Inn and Holiday Inn Express. US RevPAR for the Holiday Inn brand fell by 1.5%, while the Holiday Inn Express brand decreased by 0.2%.

Comparable RevPAR in Mexico grew by 5.8%, while Canada increased by 2.2%.

## Americas results

	12 months ended 31 December				
	2025	2024	2025 vs 2024	2023	2024 vs 2023
	\$m	\$m	% change	\$m	% change
<b>Revenue from the reportable segment<sup>a</sup></b>					
Fee business	963	979	(1.6)	957	2.3
Owned & leased	166	162	2.5	148	9.5
<b>Total</b>	<b>1,129</b>	<b>1,141</b>	<b>(1.1)</b>	<b>1,105</b>	<b>3.3</b>
<b>Operating profit from the reportable segment<sup>a</sup></b>					
Fee business	804	795	1.1	787	1.0
Owned & leased	32	33	(3.0)	28	17.9
	836	828	1.0	815	1.6
Operating exceptional items	(2)	4	NM <sup>b</sup>	27	(85.2)
<b>Operating profit</b>	<b>834</b>	<b>832</b>	<b>0.2</b>	<b>842</b>	<b>(1.2)</b>

### Review of the year ended 31 December 2025

With 529,194 rooms (4,603 hotels), the Americas represented 52% of IHG's room count. The key profit-generating market is the US, and the Group is also represented in Latin America, Canada, Mexico and the Caribbean. In the region, 93% of rooms are operated under the franchised business model, primarily under our brands in the upper midscale segment (including the Holiday Inn Brand Family). Of IHG's 20 hotel brands, 18 are represented in the Americas.

RevPAR performance in the first quarter was strongest. From the second quarter, certain types of business and leisure travel were impacted by broader factors, such as lower international inbound demand and less government travel. The fourth quarter also faced tough comparables as certain locations in the prior year saw increased hurricane related demand. Compared to the prior year, Business demand increased while Groups and Leisure declined.

Americas comparable RevPAR improved by 3.5% in the first quarter then decreased 0.5% in the second quarter, 0.9% in the third quarter, 1.4% in the fourth quarter and increased 0.3% in the full year, all compared to 2024. RevPAR in the US decreased by 0.1% in the year.

Across our US franchised estate, which is weighted to domestic demand in upper midscale hotels, full-year RevPAR decreased 0.3% year-on-year. The US managed estate, weighted to upper upscale and luxury hotels in urban locations, saw RevPAR increase by 2.0% in the full year compared to 2024.

Revenue from the reportable segment<sup>a</sup> decreased by \$12m (1.1%) to \$1,129m. Operating profit increased by \$2m to \$834m, including a \$2m exceptional cost in relation to the global efficiency programme, compared to an exceptional income of \$4m in the prior year. Operating profit from the reportable segment<sup>a</sup> increased by \$8m (1.0%) to \$836m.

Revenue and operating profit from the reportable segment<sup>a</sup> are further analysed by fee business and owned & leased hotels.

Fee business revenue<sup>a</sup> decreased by \$16m (1.6%) to \$963m as comparable RevPAR growth was offset by lower revenue from a number of non-comparable hotels including those exiting the system and others undergoing renovation, small reductions in certain other fee revenue areas, adverse currency movements and one fewer trading day from the leap-year impact. There were \$20m of incentive management fees earned (2024: \$21m). Fee business operating profit<sup>a</sup> increased by \$9m (1.1%) to \$804m, supported by system growth and cost efficiencies. This led to fee margin<sup>a</sup> growing to 83.4%, compared to 81.2% in 2024.

Owned & leased revenue increased by \$4m (2.5%) to \$166m, with comparable RevPAR up 1.6% compared to 2024, reflecting the specific trading environments related to this small portfolio of just four hotels. Owned & leased operating profit decreased by \$1m (3.0%) to \$32m.

a. Definitions for non-GAAP measures can be found on pages 107 to 112. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 250 to 256.

b. Percentage change considered not meaningful, such as where a positive balance in the latest period is comparable to a negative or zero balance in the prior period.

For discussion of 2024 results, and the changes compared to 2023, refer to the 2024 Annual Report and Form 20-F.

[+ More details online: ihgplc.com/investors](https://www.ihgplc.com/investors) under Annual Report.

## Performance continued

### Americas continued

#### Americas hotel and room count

At 31 December	Hotels		Rooms	
	2025	Change over 2024	2025	Change over 2024
<b>Analysed by brand</b>				
Six Senses	2	-	81	-
Regent	1	-	167	-
InterContinental	48	3	17,055	783
Vignette Collection	3	1	805	214
Kimpton	62	1	11,289	206
Hotel Indigo	82	7	10,944	816
voco	28	9	2,993	928
Crowne Plaza	101	(3)	25,020	(1,336)
EVEN Hotels	27	5	3,586	464
Holiday Inn Express	2,542	16	232,517	1,768
Holiday Inn	661	(16)	106,181	(3,345)
Garner	33	23	2,687	1,932
avid hotels	87	11	7,677	875
Atwell Suites	8	2	754	198
Staybridge Suites	327	15	34,474	1,701
Holiday Inn Club Vacations	26	(4)	9,138	(730)
Candlewood Suites	417	25	36,921	2,104
Iberostar Beachfront Resorts	26	2	9,443	176
Other	122	15	17,462	(5,554)
<b>Total</b>	<b>4,603</b>	<b>112</b>	<b>529,194</b>	<b>1,200</b>
<b>Analysed by ownership type</b>				
Franchised <sup>a</sup>	4,432	113	493,389	1,883
Managed	167	(1)	34,468	(683)
Owned & leased	4	-	1,337	-
<b>Total</b>	<b>4,603</b>	<b>112</b>	<b>529,194</b>	<b>1,200</b>

a. Includes exclusive partner hotels.

Gross system size growth was 3.6% year-on-year. Openings increased by 1,944 rooms (38 hotels) year-on-year to 18,776 rooms (178 hotels), with around a third in our Holiday Inn Brand Family. Openings also included 11 avid hotels, nine voco properties and 23 Garner hotels, taking the brand to 33 properties since it became franchise-ready in the US in September 2023.

During the year, 17,576 rooms (66 hotels) were removed, including 7,092 rooms previously affiliated with The Venetian Resort Las Vegas, representing a removal rate of 3.3%.

Net system size growth was 0.2% year-on-year.

Excluding the impact of The Venetian Resort Las Vegas, net system size growth was 1.6% and the removal rate was 2.0%.

#### Total number of hotels

# 4,603

2024: 4,491

#### Total number of rooms

# 529,194

2024: 527,994

## Americas pipeline

At 31 December	Hotels		Rooms	
	2025	Change over 2024	2025	Change over 2024
<b>Analysed by brand</b>				
Six Senses	9	-	649	(11)
InterContinental	9	(2)	2,229	(557)
Vignette Collection	4	-	282	(193)
Kimpton	30	-	5,522	(163)
Hotel Indigo	24	(3)	3,071	(167)
voco	27	4	3,539	927
Crowne Plaza	6	-	1,127	83
EVEN Hotels	4	(4)	483	(466)
Holiday Inn Express	336	(1)	31,478	(550)
Holiday Inn	65	-	7,744	(46)
Garner	50	7	4,145	650
avid hotels	116	(21)	8,676	(1,973)
Atwell Suites	50	(2)	4,968	(254)
Staybridge Suites	135	(7)	14,007	(967)
Candlewood Suites	184	9	13,175	(24)
Iberostar Beachfront Resorts	4	(2)	2,144	(32)
Other	14	-	2,135	(217)
<b>Total</b>	<b>1,067</b>	<b>(22)</b>	<b>105,374</b>	<b>(3,960)</b>
<b>Analysed by ownership type</b>				
Franchised <sup>a</sup>	1,023	(20)	98,598	(3,477)
Managed	44	(2)	6,776	(483)
<b>Total</b>	<b>1,067</b>	<b>(22)</b>	<b>105,374</b>	<b>(3,960)</b>

a. Includes exclusive partner hotels.

At 31 December 2025, the pipeline totalled 105,374 rooms (1,067 hotels), representing 20% of the region's system size.

Signings increased by 74 rooms, but decreased by 15 hotels year-on-year to 26,626 rooms (268 hotels). The majority of signings were in our midscale and upper midscale brands, including the Holiday Inn Brand Family (9,022 rooms, 88 hotels), Staybridge Suites (3,127 rooms, 31 hotels), Candlewood Suites (2,881 rooms, 44 hotels) and Garner (2,773 rooms, 32 hotels).

11,810 rooms (112 hotels) were removed from the pipeline, compared to 9,550 rooms (94 hotels) in the prior year.

### Total number of hotels in the pipeline

# 1,067

2024: 1,089

### Total number of rooms in the pipeline

# 105,374

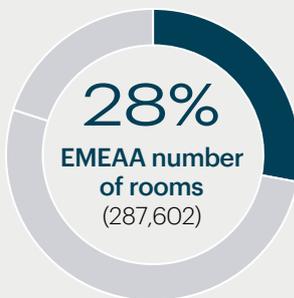
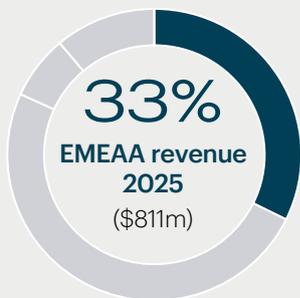
2024: 109,334

## Performance continued EMEA



“We continued to build momentum in 2025, through the strength and breadth of our enterprise.”

**Kenneth Macpherson**  
Chief Executive Officer, EMEA



### Comparable RevPAR movement on previous year

(12 months ended 31 December 2025)

#### Fee business

Six Senses	16.4%
InterContinental	7.0%
Hotel Indigo	3.4%
voco	6.7%
Crowne Plaza	5.4%
Holiday Inn Express	1.4%
Holiday Inn	2.4%
Staybridge Suites	3.3%
All brands	4.7%

#### Owned & leased

All brands	2.1%
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Ruby Lucy Hotel, London, UK.



“We continued to build momentum in 2025, with strong signings and openings across the region reflecting the long-term investments in our priority markets and platforms, and our ongoing commitment to place our guests and owners at the heart of everything we do. Our brand offering in EMEA continues to expand, with the launch of EVEN Hotels into the region and the exciting acquisition of Ruby hotels complementing our portfolio and providing further opportunity for growth. The strength and breadth of our enterprise and our strong market teams provide real confidence for 2026 and beyond.”

### Industry performance in 2025

Industry RevPAR in EMEA increased by 6.1% year-on-year, driven by markets including Japan, Spain and Turkey, and underpinned by increases in both average daily rate and occupancy of 4.7% and 0.9%pts, respectively. In the UK, industry RevPAR increased by 1.0% year-on-year. In Germany, RevPAR declined by 0.7%, reflecting challenging comparables following significant one-off events in 2024. RevPAR increased by 13.2% in the Middle East, supported by a slowdown in supply growth and robust Leisure demand.

Elsewhere in EMEA, East Asia & Pacific increased by 7.5% year-on-year, led by double-digit growth in Vietnam and Japan of 18.0% and 13.5%, respectively, driven by strong inbound tourism and events, such as the World Expo in Osaka.

### IHG’s regional performance in 2025

EMEA comparable RevPAR increased by 4.6% year-on-year, driven by a 2.4% increase in average daily rate and a 1.6%pts increase in occupancy. In the UK, the region’s largest market, RevPAR increased by 1.1% compared to 2024. Germany, the region’s second largest market, saw a RevPAR decrease of 2.1% and France grew by 5.1%.

RevPAR in the Middle East and India increased by 8.8% and 4.6%, respectively.

Elsewhere in EMEA, RevPAR increased by 5.5% in East Asia & Pacific, with Vietnam and Japan increasing by 27.1% and 7.2%, respectively.

## EMEA results

	12 months ended 31 December				
	2025	2024	2025 vs 2024	2023	2024 vs 2023
	\$m	\$m	% change	\$m	% change
<b>Revenue from the reportable segment<sup>a</sup></b>					
Fee business	433	395	9.6	354	11.6
Owned & leased	378	353	7.1	323	9.3
<b>Total</b>	<b>811</b>	<b>748</b>	<b>8.4</b>	<b>677</b>	<b>10.5</b>
<b>Operating profit from the reportable segment<sup>a</sup></b>					
Fee business	292	258	13.2	214	20.6
Owned & leased	11	12	(8.3)	1	NM <sup>b</sup>
	303	270	12.2	215	25.6
Operating exceptional items	(13)	(4)	225.0	1	NM <sup>b</sup>
<b>Operating profit</b>	<b>290</b>	<b>266</b>	<b>9.0</b>	<b>216</b>	<b>23.1</b>

### Review of the year ended 31 December 2025

Comprising 287,602 rooms (1,478 hotels) at the end of 2025, EMEA represented 28% of IHG's room count. Revenues are largely generated from hotels in the UK, Middle East, Asia and gateway cities in continental Europe.

The largest proportion of rooms in the UK and continental Europe are operated under the franchised business model, primarily under our upper-midscale brands Holiday Inn and Holiday Inn Express. The majority of hotels in markets outside of Europe are operated under the managed business model.

RevPAR grew in each quarter in 2025, with this varied region benefitting from growth in both average daily rate and occupancy. Business, Leisure and Groups demand increased when compared to 2024 levels.

EMEA comparable RevPAR increased year-on-year by 5.0% in the first quarter, 3.0% in the second quarter, 2.8% in the third quarter, 7.1% in the fourth quarter and 4.6% in the full year, driven broadly evenly by increases in occupancy and average daily rate.

Revenue from the reportable segment<sup>a</sup> increased by \$63m (8.4%) to \$811m.

Operating profit increased by \$24m to \$290m, including a \$13m exceptional cost in relation to the global efficiency programme and commercial litigation and disputes. Operating profit from the reportable segment<sup>a</sup> increased by \$33m (12.2%) to \$303m.

Revenue and operating profit from the reportable segment<sup>a</sup> are further analysed by fee business and owned & leased hotels.

Fee business revenue<sup>a</sup> increased by \$38m (9.6%) to \$433m, driven by RevPAR and the fees added from net system growth.

Incentive management fees earned improved to \$134m (2024: \$118m).

Fee business operating profit<sup>a</sup> increased to \$292m from \$258m in the prior year. Fee margin<sup>a</sup> increased to 67.4% in 2025, compared to 65.3% in 2024, with positive operating leverage driven by the trading performance, system growth and cost efficiencies.

Owned & leased revenue increased by \$25m (+7.1%) to \$378m, with RevPAR up 2.1%. Reflecting the trading conditions, cost bases and variable rent structures of this largely urban-centred portfolio of 13 hotels, an operating profit of \$11m was achieved compared to \$12m in 2024. Excluding the results of one Kimpton hotel in 2025 (being the year of lease commencement) and one Regent hotel in 2024 (being the year of lease expiration), revenue increased by \$26m and operating profit was in line with the prior year.

a. Definitions for Non-GAAP measures can be found on pages 107 to 112. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 250 to 256.

b. Percentage change considered not meaningful, such as where a positive balance in the latest period is comparable to a negative or zero balance in the prior period.

For discussion of 2024 results, and the changes compared to 2023, refer to the 2024 Annual Report and Form 20-F.

[+ More details online: ihgplc.com/investors](https://www.ihgplc.com/investors) under Annual Report.

## Performance continued

## EMEA continued

## EMEA hotel and room count

At 31 December	Hotels		Rooms	
	2025	Change over 2024	2025	Change over 2024
<b>Analysed by brand</b>				
Six Senses	24	-	1,856	117
Regent	4	-	991	-
InterContinental	128	7	35,341	1,396
Vignette Collection	21	8	4,666	2,557
Kimpton	18	5	3,685	1,187
Hotel Indigo	74	8	9,037	833
voco	68	17	16,862	2,254
Ruby	17	17	2,952	2,952
Crowne Plaza	185	4	43,796	(94)
Holiday Inn Express	363	3	53,601	766
Holiday Inn	426	1	78,097	702
Garner	56	43	5,814	4,169
Staybridge Suites	23	-	3,813	63
Candlewood Suites	6	6	631	631
Iberostar Beachfront Resorts	36	5	11,558	1,239
Other	29	5	14,902	2,356
<b>Total</b>	<b>1,478</b>	<b>129</b>	<b>287,602</b>	<b>21,128</b>
<b>Analysed by ownership type</b>				
Franchised <sup>a</sup>	1,025	94	170,049	13,511
Managed	440	34	114,699	7,462
Owned & leased	13	1	2,854	155
<b>Total</b>	<b>1,478</b>	<b>129</b>	<b>287,602</b>	<b>21,128</b>

a. Includes exclusive partner hotels.

Gross system size growth was 9.0% year-on-year. In 2025, 24,107 rooms (147 hotels) opened, representing an increase of 487 rooms (13 hotels) compared to 2024.

Openings included 2,952 rooms (17 hotels) as part of the initial Ruby agreement and a further 3,802 rooms (38 hotels) relating to our initial agreement with NOVUM Hospitality.

Accelerated by the NOVUM Hospitality agreement, Garner opened 4,169 rooms (43 hotels). Other notable openings included 17 voco properties, marking the brand's entry in Thailand, 15 hotels in the Holiday Inn Brand Family and five Kimpton hotels, including the brand's debut in Germany.

In 2025, 2,979 rooms (18 hotels) were removed compared to 4,413 rooms (22 hotels) in the prior year.

Net system size increased 7.9% year-on-year.

## Total number of hotels

1,478

2024: 1,349

## Total number of rooms

287,602

2024: 266,474

## EMEA pipeline

At 31 December	Hotels		Rooms	
	2025	Change over 2024	2025	Change over 2024
<b>Analysed by brand</b>				
Six Senses	29	1	2,225	44
Regent	10	3	1,683	223
InterContinental	64	4	15,694	1,168
Vignette Collection	32	7	4,494	115
Kimpton	21	6	3,550	1,296
Hotel Indigo	54	5	9,185	1,977
voco	59	9	12,463	3,047
Ruby	19	19	3,789	3,789
Crowne Plaza	73	14	17,202	3,181
EVEN Hotels	2	2	555	555
Holiday Inn Express	100	11	15,699	1,360
Holiday Inn	127	13	23,347	528
Garner	27	(24)	2,808	(2,464)
Staybridge Suites	15	-	2,611	270
Candlewood Suites	10	2	1,290	190
Iberostar Beachfront Resorts	1	-	271	-
Other	-	(1)	-	(1,780)
<b>Total</b>	<b>643</b>	<b>71</b>	<b>116,866</b>	<b>13,499</b>
<b>Analysed by ownership type</b>				
Franchised <sup>a</sup>	289	25	42,730	5,158
Managed	354	47	74,136	8,496
Owned & leased	-	(1)	-	(155)
<b>Total</b>	<b>643</b>	<b>71</b>	<b>116,866</b>	<b>13,499</b>

a. Includes exclusive partner hotels.

At 31 December 2025, the EMEA pipeline totalled 116,866 rooms (643 hotels), representing 41% of the region's system size.

In 2025, 43,409 rooms (248 hotels) were signed, including 5,718 (30 hotels) as part of the initial Ruby agreement. Signings declined by 6,866 rooms (23 hotels) year-on-year, as 2024 included 17,703 rooms (119 hotels) as part of the NOVUM Hospitality agreement.

Over a quarter of signings were in our Luxury & Lifestyle brands, including 13 InterContinental properties, four Regent hotels and two Six Senses properties. Signings also included 19 Garner hotels marking the brand's debut in India, Thailand and Italy, and 14 Kimpton properties, including the first for the brand in the UAE, Morocco and Austria.

In 2025, 5,803 rooms (30 hotels) were removed from the pipeline, compared to 5,514 rooms (34 hotels) in the prior year.

### Total number of hotels in the pipeline

# 643

2024: 572

### Total number of rooms in the pipeline

# 116,866

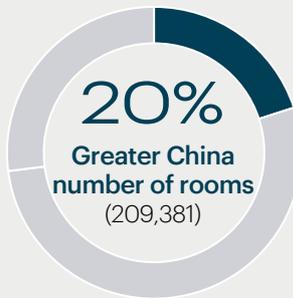
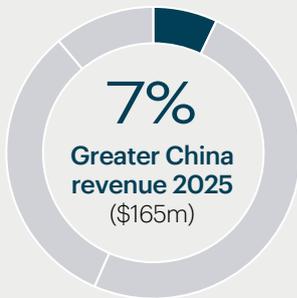
2024: 103,367

# Performance continued Greater China



“Trading performance sequentially improved through 2025, and we achieved record signings and openings.”

**Daniel Aylmer**  
Chief Executive Officer, Greater China



## Comparable RevPAR movement on previous year

(12 months ended 31 December 2025)

### Fee business

Regent	19.1%
InterContinental	(2.0)%
Hotel Indigo	5.1%
HUALUXE	(1.6)%
Crowne Plaza	(2.9)%
Holiday Inn Express	(6.5)%
Holiday Inn	(4.9)%
All brands	(1.6)%

Atwell Suites, Shanghai Wuning, China.



“Trading performance has shown sequential improvement through 2025, with resilient domestic demand and the return of international guests. We achieved record signings and openings, including Kimpton Tsim Sha Tsui in Hong Kong and the first Atwell in Shanghai. Powered by our brand portfolio and digital-enabled enterprise delivery, we are set to scale our growth across segments and elevate the quality of our estate and owner returns.”

## Industry performance in 2025

Greater China industry RevPAR declined in the first eight months before recovering in the remainder of the year. For the full year, industry RevPAR decreased by 2.0%, impacted by occupancy declines amid strong supply growth, while average daily rate remained broadly flat.

RevPAR declined year-on-year in all tiers in Mainland China: Tier 1 decreased by 0.8% as supply expanded faster than demand; Tier 2 declined 4.6% as demand contracted while supply increased; Tier 3 reported the sharpest decline at 5.3%, as significant supply growth impacted occupancy; and Tier 4 decreased 2.6%, as supply growth outweighed otherwise solid demand growth.

The supply-led occupancy compression across Tiers 1-4 was partially offset by strong performance in Hong Kong SAR where RevPAR grew by 5.4%.

## IHG’s regional performance in 2025

IHG’s comparable RevPAR in Greater China declined by 1.6% year-on-year, as occupancy growth of 0.5%pts was offset by a 2.4% decline in average daily rate.

In Mainland China, RevPAR decreased by 3.0%. Tier 1 cities declined by 0.3% and Tier 2–4 cities decreased by 4.4%. RevPAR in Hong Kong SAR increased by 10.1%.

## Greater China results

	12 months ended 31 December				
	2025 \$m	2024 \$m	2025 vs 2024 % change	2023 \$m	2024 vs 2023 % change
<b>Revenue from the reportable segment<sup>a</sup></b>					
Fee business	165	161	2.5	161	-
<b>Total</b>	<b>165</b>	<b>161</b>	<b>2.5</b>	<b>161</b>	<b>-</b>
<b>Operating profit from the reportable segment<sup>a</sup></b>					
Fee business	99	98	1.0	96	2.1
<b>Operating profit</b>	<b>99</b>	<b>98</b>	<b>1.0</b>	<b>96</b>	<b>2.1</b>

### Review of the year ended 31 December 2025

Comprising 209,381 rooms (882 hotels) at 31 December 2025, Greater China represented 20% of the Group's room count. Historically, the Greater China region has predominantly been a managed market. Following increased franchised openings in 2025, franchised hotels now account for 40% of open rooms and around half of the region's pipeline.

Compared to 2024, overall Greater China RevPAR decreased 3.5% in the first quarter, 3.0% in the second quarter, 1.8% in the third quarter and then increased 1.1% in the fourth quarter, with a decline of 1.6% in the full year.

Overall, Business and Leisure demand was broadly flat year-on-year, while Groups declined.

Revenue from the reportable segment<sup>a</sup> in 2025 of \$165m represented a \$4m increase from the prior year, with incremental revenue from system growth more than offsetting the effect of RevPAR decline in the comparable estate and lower fee streams on reduced non-room revenue. Incentive management fees decreased from \$39m in 2024 to \$36m in 2025.

Fee margin<sup>a</sup> reduced to 60.0% compared to 60.9% in 2024, reflecting strategic one-off cost investments during the year and the reduction in incentive management fees. Despite these temporary headwinds, supported by the benefits of our increasing scale and cost efficiencies in the region, operating profit increased by \$1m (1.0%) to \$99m, underscoring the resilience of the region's operating model.

a. Definitions for non-GAAP measures can be found on pages 107 to 112. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 250 to 256.

For discussion of 2024 results, and the changes compared to 2023, refer to the 2024 Annual Report and Form 20-F.

[+ More details online: ihgplc.com/investors](https://www.ihgplc.com/investors) under Annual Report.

## Performance continued

### Greater China continued

#### Greater China hotel and room count

At 31 December	Hotels		Rooms	
	2025	Change over 2024	2025	Change over 2024
<b>Analysed by brand</b>				
Six Senses	1	-	130	-
Regent	6	-	2,054	-
InterContinental	66	5	24,631	1,064
Vignette Collection	7	2	1,785	520
Kimpton	5	2	1,234	784
Hotel Indigo	35	7	5,695	1,234
voco	28	11	5,372	1,669
HUALUXE	24	2	6,426	424
Crowne Plaza	138	8	45,071	1,693
EVEN Hotels	19	8	3,310	1,350
Holiday Inn Express	387	36	65,282	4,909
Holiday Inn	160	13	41,648	3,237
Atwell Suites	1	1	174	174
Other	5	(2)	6,569	(334)
<b>Total</b>	<b>882</b>	<b>93</b>	<b>209,381</b>	<b>16,724</b>
<b>Analysed by ownership type</b>				
Franchised	429	83	84,740	14,567
Managed	453	10	124,641	2,157
<b>Total</b>	<b>882</b>	<b>93</b>	<b>209,381</b>	<b>16,724</b>

Gross system size growth was 11.5% year-on-year, with a record level of 118 hotels (22,195 rooms) added to our system in 2025.

During 2025, we celebrated our 800<sup>th</sup> opening and IHG's 50<sup>th</sup> anniversary in Greater China, and the milestone of 200,000 rooms open in the region.

Openings were mainly in our Holiday Inn Brand Family (11,686 rooms, 67 hotels). Other openings included the debut of Atwell in the region, 11 voco properties, eight EVEN Hotels and two Kimpton properties.

Removals included 5,471 rooms (25 hotels) in the year, representing a removal rate of 2.8%.

Net system size growth was 8.7% year-on-year.

#### Total number of hotels

# 882

2024: 789

#### Total number of rooms

# 209,381

2024: 192,657

## Greater China pipeline

At 31 December	Hotels		Rooms	
	2025	Change over 2024	2025	Change over 2024
<b>Analysed by brand</b>				
Six Senses	1	-	72	18
Regent	2	-	527	-
InterContinental	31	1	8,811	431
Vignette Collection	9	3	2,311	776
Kimpton	18	2	4,216	22
Hotel Indigo	53	(1)	8,629	(356)
voco	22	5	5,451	1,851
HUALUXE	23	(1)	6,040	(253)
Crowne Plaza	75	-	19,903	(301)
EVEN Hotels	20	(4)	3,823	(795)
Holiday Inn Express	219	8	34,181	1,326
Holiday Inn	103	16	22,468	1,400
Atwell Suites	6	4	854	616
<b>Total</b>	<b>582</b>	<b>33</b>	<b>117,286</b>	<b>4,735</b>
<b>Analysed by ownership type</b>				
Franchised	323	32	57,295	5,337
Managed	259	1	59,991	(602)
<b>Total</b>	<b>582</b>	<b>33</b>	<b>117,286</b>	<b>4,735</b>

As at 31 December 2025, the pipeline totalled 117,286 rooms (582 hotels), representing 56% of the region's system size.

Signings of 32,019 rooms represented a record 178 hotels, and were ahead of last year by 2,604 rooms (18 hotels). More than half of signings were in our Holiday Inn Brand Family. Other notable signings included 16 voco hotels, five Atwell and four Vignette Collection properties in the region.

### Total number of hotels in the pipeline

# 582

2024: 549

### Total number of rooms in the pipeline

# 117,286

2024: 112,551

## Performance continued

## Central

## Central results

	12 months ended 31 December				
	2025	2024	2025 vs 2024	2023	2024 vs 2023
	\$m	\$m	% change	\$m	% change
<b>Revenue from the reportable segment<sup>a</sup></b>					
Fee business	336	239	40.6	200	19.5
Insurance activities	27	23	17.4	21	9.5
<b>Total</b>	<b>363</b>	<b>262</b>	<b>38.5</b>	<b>221</b>	<b>18.6</b>
<b>Gross costs</b>					
Fee business	(300)	(305)	(1.6)	(305)	-
Insurance activities	(36)	(29)	24.1	(23)	26.1
<b>Total</b>	<b>(336)</b>	<b>(334)</b>	<b>0.6</b>	<b>(328)</b>	<b>1.8</b>
<b>Operating profit/(loss) from the reportable segment<sup>a</sup></b>					
Fee business	36	(66)	NM <sup>b</sup>	(105)	(37.1)
Insurance activities	(9)	(6)	50.0	(2)	200.0
	27	(72)	NM <sup>b</sup>	(107)	(32.7)
Operating exceptional items	(6)	-	NM <sup>b</sup>	-	NM <sup>b</sup>
<b>Operating profit/(loss)</b>	<b>21</b>	<b>(72)</b>	<b>NM<sup>b</sup></b>	<b>(107)</b>	<b>(32.7)</b>

a. Definitions for Non-GAAP measures can be found on pages 107 to 112. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 250 to 256.

b. Percentage change considered not meaningful, such as where a positive balance in the latest period is comparable to a negative or zero balance in the prior period.

### Review of the year ended 31 December 2025

Central fee business revenue is mainly comprised of technology fee income, co-brand licensing fees and a portion of revenue from the consumption of certain IHG One Rewards points. Central revenue additionally includes revenue recognised from insurance activities relating to the managed hotel insurance programme.

Central revenue increased by \$101m (38.5%) to \$363m. This was primarily due to incremental fees from previous changes in the arrangements related to the US co-brand credit card agreements and from the sale of certain loyalty points (together with certain other ancillary revenues). These revenue streams were anticipated to contribute within IHG's results from reportable segments<sup>a</sup> an incremental ~\$40m and ~\$25m, respectively, with these step-changes achieved in 2025, along with additional underlying growth.

Gross costs increased by \$2m (0.6%) year on year, driven by significant individual claims in the insurance programme, which were partially offset by lower costs in the fee business driven by our ongoing focus on efficiencies.

The resulting \$27m operating profit from the reportable segment<sup>a</sup> was an increase of \$99m year-on-year. Operating profit of \$21m included a \$6m exceptional cost in relation to the global efficiency programme (further information on exceptional items can be found in note 6 to the Financial Statements).

# Key performance measures and non-GAAP measures

The Annual Report and Form 20-F presents certain financial measures when discussing the Group's performance which are not measures of financial performance or liquidity under International Financial Reporting Standards (IFRS).

In management's view, these measures provide investors and other stakeholders with an enhanced understanding of IHG's operating performance, profitability, financial strength and funding requirements.

These measures do not have standardised meanings under IFRS, and companies do not necessarily calculate these in the same way. As these measures exclude certain items (for example, the costs of individually significant legal cases or commercial disputes), they may be materially different to the measures prescribed by IFRS and may result in a more favourable view of performance. Accordingly, they should be viewed as complementary to, and not as a substitute for, the measures prescribed by IFRS and as included in the Group Financial Statements (see pages 250 to 256).

## Linkage of performance measures to Directors' remuneration and KPIs

A

Annual Performance Plan

LT

Long Term Incentive Plan

KPI

Key Performance Indicators

**+** See pages 138 to 161 for more information on Directors' remuneration and pages 40 to 43 for more information on KPIs.

### Measure

### Commentary

#### Global revenue per available room (RevPAR) growth

KPI

RevPAR, average daily rate and occupancy statistics are disclosed on pages 257 to 259.

RevPAR is the primary metric used by management to track hotel performance across regions and brands. RevPAR is also a commonly used performance measure in the hotel industry.

RevPAR comprises IHG's System (see Glossary, page 299) rooms revenue divided by the number of room nights available and can be derived from occupancy rate multiplied by the average daily rate. Average daily rate is rooms revenue divided by the number of room nights sold.

References to RevPAR, occupancy and average daily rate are presented on a comparable basis, comprising groupings of hotels that have traded in all months in both the current and comparable year. The principal exclusions in deriving this measure are new hotels (including those acquired), hotels closed for major refurbishment and hotels sold in either of the comparable years.

RevPAR and average daily rate are quoted at a constant US\$ exchange rate, in order to allow a better understanding of the comparable year-on-year trading performance excluding distortions created by fluctuations in currency movements.

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

KPI

Owned & leased revenue as recorded in the Group Financial Statements is reconciled to total gross revenue on page 91.

Total gross revenue is revenue not wholly attributable to IHG; however, management believes this measure is meaningful to investors and other stakeholders as it provides a measure of system performance, giving an indication of the strength of IHG's brands and the combined impact of IHG's growth strategy and RevPAR performance.

Total gross revenue refers to revenue which IHG has a role in driving and from which IHG derives an income stream. IHG's business model is described on pages 24 to 29. Total gross revenue comprises:

- Total rooms revenue from franchised hotels;
- Total hotel revenue from managed and exclusive partner hotels including food and beverage, meetings and other revenues, reflecting the value driven by IHG and the base upon which fees are typically earned; and
- Total hotel revenue from owned & leased hotels.

Other than total hotel revenue from owned & leased hotels, total gross revenue is not revenue attributable to IHG, as these managed, franchised and exclusive partner hotels are owned by third parties.

Total gross revenue is used to describe this measure as it aligns with terms used in the Group's management, franchise and exclusive partner agreements and, therefore, is well understood by owners and other stakeholders.

## Performance continued

### Key performance measures and non-GAAP measures continued

Measure	Commentary
<b>Revenue and operating profit measures</b>	Revenue and operating profit from (1) fee business, (2) owned & leased hotels, and (3) insurance activities are described as ‘revenue from reportable segments’ and ‘operating profit from reportable segments’, respectively, within note 2 to the Group Financial Statements. These measures are presented insofar as they relate to each of the Group’s regions and its Central functions.
The reconciliation of the most directly comparable line item within the Group Financial Statements (i.e. total revenue and operating profit, accordingly) to the non-IFRS revenue and operating profit measures is included on pages 250 to 256.	<p>Management believes revenue and operating profit from reportable segments are meaningful to investors and other stakeholders as they exclude the following elements and reflect how management monitors the business:</p> <ul style="list-style-type: none"> <li>– System Fund and reimbursables – the System Fund is not managed to generate a surplus or deficit for IHG over the longer term; it is managed for the benefit of the hotels within the IHG system. As described within the Group’s accounting policies (page 184), the System Fund is operated to collect and administer cash assessments from hotel owners for specific purposes of use including marketing, the Guest Reservation System, certain hotel services and the Group’s loyalty programme. As described within the Group’s accounting policies (page 186) there is a cost equal to reimbursable revenues so there is no profit impact. Cost reimbursements are not applicable to all hotels, and growth in these revenues is not reflective of growth in the performance of the Group. As such, management does not include these revenues in their analysis of results.</li> <li>– Exceptional items – these are identified by virtue of their size, nature or incidence with consideration given to consistency of treatment with prior years (including items that impact more than one reporting period) and between gains and losses. Examples of exceptional items include, but are not restricted to, gains and losses on the disposal of assets, impairment charges and reversals, the costs of individually significant legal cases or commercial disputes and reorganisation costs. As each item is different in nature and scope, there will be little continuity in the detailed composition and size of the reported amounts which affect performance in successive periods. Separate disclosure of these amounts facilitates the understanding of performance including and excluding such items. The Group’s accounting policy for exceptional items and further detail of those items presented as such are included in the Group Financial Statements (see pages 187 and 201).</li> </ul> <p>In further discussing the Group’s performance in respect of revenue and operating profit, additional non-IFRS measures are used and explained further below:</p> <ul style="list-style-type: none"> <li>– Underlying revenue;</li> <li>– Underlying operating profit;</li> <li>– Underlying fee revenue; and</li> <li>– Fee margin.</li> </ul> <p>Operating profit measures are, by their nature, before interest and tax. The Group’s reported operating profit additionally excludes remeasurement gains/losses on contingent purchase consideration, which relates to financing of acquisitions. Management believes such measures are useful for investors and other stakeholders when comparing performance across different companies as interest and tax can vary widely across different industries or among companies within the same industry. For example, interest expense can be highly dependent on a company’s capital structure, debt levels and credit ratings. In addition, the tax positions of companies can vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the various jurisdictions in which they operate.</p> <p>Although management believes these measures are useful to investors and other stakeholders in assessing the Group’s ongoing financial performance and provide improved comparability between periods, there are limitations in their use as compared to measures of financial performance under IFRS. As such, they should not be considered in isolation or viewed as a substitute for IFRS measures. In addition, these measures may not necessarily be comparable to other similarly titled measures of other companies due to potential inconsistencies in the methods of calculation.</p>
<b>Underlying revenue and underlying operating profit</b>	<p>These measures adjust revenue from reportable segments and operating profit from reportable segments, respectively, to exclude revenue and operating profit generated by owned &amp; leased hotels which have been disposed, and significant liquidated damages, which are not comparable year-on-year and are not indicative of the Group’s ongoing profitability. The revenue and operating profit of current year acquisitions are also excluded as these obscure underlying business results and trends when comparing to the prior year. In addition, in order to remove the impact of fluctuations in foreign exchange, which would distort the comparability of the Group’s operating performance, prior year measures are restated at constant currency using current year exchange rates.</p> <p>Management believes these are meaningful to investors and other stakeholders to better understand comparable year-on-year trading and enable assessment of the underlying trends in the Group’s financial performance.</p>

## Measure

## Commentary

**Revenue and operating profit measures**  
continued

Underlying fee revenue is used to calculate underlying fee revenue growth. Underlying fee revenue is calculated on the same basis as underlying revenue as described above but for the fee business only.

**Underlying fee revenue growth**

Management believes underlying fee revenue is meaningful to investors and other stakeholders as an indicator of IHG's ability to grow the core fee-based business, aligned to IHG's asset-light strategy.

KPI

**Fee margin**

Fee margin is presented at actual exchange rates and is a measure of the profit arising from fee revenue. Fee margin is calculated by dividing fee operating profit by fee revenue. Fee revenue and fee operating profit are calculated from revenue from reportable segments and operating profit from reportable segments, as defined above, adjusted to exclude revenue and operating profit from the Group's owned & leased hotels as well as from insurance activities and significant liquidated damages.

KPI

Management believes fee margin is meaningful to investors and other stakeholders as an indicator of the sustainable long-term growth in the profitability of IHG's core fee-based business, as the scale of IHG's operations increases with growth in IHG's system size.

**Adjusted interest**

Financial income and financial expenses as recorded in the Group Financial Statements is reconciled to adjusted interest on page 255.

Adjusted interest is presented before exceptional items and the following items of interest which are recorded within the System Fund:

- Interest income is recorded in the System Fund on the outstanding cash balance relating to the IHG loyalty programme. These interest payments are recognised as interest expense for IHG.
- Other components of System Fund interest income and expense, including capitalised interest, lease interest expense and interest income on overdue receivables.

Given results related to the System Fund are excluded from adjusted measures used by management, these are excluded from adjusted interest and adjusted earnings per ordinary share (see below).

Management believes adjusted interest is a meaningful measure for investors and other stakeholders as it provides an indication of the comparable year-on-year expense associated with financing the business including the interest on any balance held on behalf of the System Fund.

**Adjusted tax**

The tax expense and the tax rate as recorded in the Group Financial Statements are reconciled to adjusted tax and the adjusted tax rate on page 256.

Adjusted tax excludes the impact of foreign exchange gains/losses, exceptional items, the System Fund and remeasurement gains/losses on contingent consideration. Foreign exchange gains/losses vary year on year depending on the movement in exchange rates, and remeasurement gains/losses on contingent consideration and exceptional items also vary year on year. These can impact the current year's tax charge. The System Fund (including interest and tax) is not managed to a surplus or deficit for IHG over the longer term and is, in general, not subject to tax. Management believes removing these from both profit and tax provides a better view of the Group's underlying tax rate on ordinary operations and aids comparability year on year, thus providing a more meaningful understanding of the Group's ongoing tax charge.

**Adjusted earnings per ordinary share**

Adjusted earnings per ordinary share adjusts the profit available for equity holders used in the calculation of basic earnings per share to remove the System Fund and reimbursable result, interest attributable to the System Fund and foreign exchange gains/losses, change in remeasurement gains/losses on contingent purchase consideration, exceptional items, and the related tax impacts of such adjustments and exceptional tax.

KPI

Profit available for equity holders is reconciled to adjusted earnings per ordinary share on page 256.

Management believes that adjusted earnings per share is a meaningful measure for investors and other stakeholders as it provides a more comparable earnings per share measure aligned with how management monitors the business.

## Performance continued

### Key performance measures and non-GAAP measures continued

Measure	Commentary
<p><b>Net debt</b></p> <p>Net debt is included in note 22 to the Group Financial Statements.</p>	<p>Net debt is used in the monitoring of the Group's liquidity and capital structure and is used by management in the calculation of the leverage ratios with the objective of maintaining an investment grade credit rating. Net debt is used by investors and other stakeholders to evaluate the financial strength of the business.</p> <p>Net debt comprises loans and other borrowings, lease liabilities, the principal amounts payable and receivable on maturity of derivatives swapping debt values, less cash and cash equivalents. A summary of the composition of net debt is included in note 22 to the Group Financial Statements.</p>
<p><b>Adjusted EBITDA</b></p> <p>Cash from operations as recorded in the Group Financial Statements is reconciled to adjusted EBITDA on page 89.</p>	<p>One of the key measures used by the Group in monitoring its debt and capital structure is the net debt: adjusted EBITDA ratio, which is managed with the objective of maintaining an investment-grade credit rating. The Group has a stated aim of targeting this ratio at 2.5-3.0x. Adjusted EBITDA is defined as cash flow from operations, excluding cash flows relating to exceptional items, cash flows arising from the System Fund and reimbursable result, other non-cash adjustments to operating profit or loss, working capital and other adjustments, and contract acquisition costs.</p> <p>Adjusted EBITDA is useful to investors as an approximation of operational cash flow generation.</p>
<p><b>Adjusted free cash flow, gross capital expenditure, net capital expenditure</b></p> <p>The reconciliation of the Group's statement of cash flows (i.e. net cash from investing activities, net cash from operating activities, accordingly) to the non-IFRS cash flow measures and capital expenditure is included on pages 254 to 255.</p>	<p>These measures have limitations as they omit certain components of the overall cash flow statement. They are not intended to represent IHG's residual cash flow available for discretionary expenditures, nor do they reflect the Group's future capital commitments. These measures are used by many companies, but there can be differences in how each company defines the terms, limiting their usefulness as a comparative measure. Therefore, it is important to view these measures only as a complement to the Group statement of cash flows.</p>
<p><b>Adjusted free cash flow</b></p> <div style="display: flex; gap: 10px;"> <div style="border: 1px solid black; padding: 2px 5px;">LT</div> <div style="border: 1px solid black; padding: 2px 5px;">KPI</div> </div>	<p>Adjusted free cash flow is net cash from operating activities adjusted for: (1) the inclusion of the cash outflow arising from the purchase of shares by employee share trusts reflecting the requirement to satisfy incentive schemes which are linked to operating performance; (2) the inclusion of gross maintenance capital expenditure; (3) the exclusion of cash flows relating to exceptional items; and (4) where cash flows are split between categories in the Group statement of cash flows, cash flows from investing or financing activities may be included or excluded in adjusted free cash flow to maintain consistency of the measure. This includes: (a) the inclusion of the principal element of lease payments; (b) the exclusion of payments of deferred or contingent purchase consideration included within net cash from operating activities; (c) the exclusion of interest receipts related to owner loans within net cash from operating activities (d) the exclusion of recyclable investments in contract acquisition costs within net cash from operating activities; (e) the inclusion of payments and repayments related to investments supporting the Group's insurance activities; (f) the inclusion of finance lease income relating to sub-leases where payments on the headlease are included in (a); (g) the exclusion of any lease incentives recorded within operating activities.</p> <p>Management believes adjusted free cash flow is a useful measure for investors and other stakeholders as it represents the cash available to invest back into the business to drive future growth and pay the ordinary dividend, with any surplus being available for additional returns to shareholders. It is a key component in measuring the ongoing viability of our business and is a key reference point to our investment case.</p>

## Measure

**Adjusted free cash flow, gross capital expenditure, net capital expenditure**  
continued

**Gross capital expenditure**

## Commentary

Gross capital expenditure represents the consolidated capital expenditure of IHG inclusive of System Fund capital investments (see page 27 for a description of System Fund capital investments and recent examples).

Gross capital expenditure is defined as net cash from investing activities, adjusted to include contract acquisition costs and to exclude payments and repayments related to investments supporting the Group's insurance activities and changes in bank accounts pledged as security. In order to demonstrate the capital outflow of the Group, cash flow receipts such as those arising from disposals and distributions from associates and joint ventures, and finance lease income, are excluded. Lease incentives and similar contributions received are included in gross capital expenditure as they directly reduce the Group's outlay. The measure also excludes any material investments made in acquiring businesses (including brands), including any subsequent payments of deferred or contingent purchase consideration included within investing activities, which represent ongoing payments for acquisitions.

Gross capital expenditure is reported as key money, maintenance, recyclable or System Fund. Contract acquisition costs are defined as either key money or recyclable, depending on whether they form part of other recyclable investments, such as any difference between the face and market value of an owner loan on inception. This disaggregation provides useful information as it enables users to distinguish between:

- Key money, which reflects amounts paid to owners to secure management and franchise agreements;
- Maintenance capital expenditure, which reflects investments to maintain our systems, corporate offices and owned & leased hotels;
- System Fund capital investments which are strategic investments to drive growth at hotel level; and
- Recyclable investments, such as all investments in associates and joint ventures and any loans to facilitate third-party ownership of hotel assets, which are generally intended to be recoverable in the medium term and are to drive growth of the Group's brands and expansion in primary markets.

Management believes gross capital expenditure is a useful measure as it illustrates how the Group continues to invest in the business to drive growth. It also allows for comparison year-on-year.

**Net capital expenditure**

Net capital expenditure provides an indicator of the capital intensity of IHG's business model. Net capital expenditure is derived from net cash from investing activities, which includes receipts such as those arising from disposals and distributions from associates and joint ventures, adjusted to include contract acquisition costs (net of repayments) and interest receipts from owner loans, and to exclude payments and repayments related to investments supporting the Group's insurance activities, changes in bank accounts pledged as security, finance lease income and any material investments made in acquiring businesses (including brands), including any subsequent payments of deferred or contingent purchase consideration included within investing activities which are typically non-recurring in nature.

In addition, System Fund depreciation and amortisation relating to property, plant and equipment and intangible assets, respectively, is added back, reducing the overall cash outflow. This reflects the way in which System Funded capital investments are recovered from the System Fund, over the life of the asset (see page 27).

Management believes net capital expenditure is a useful measure as it illustrates the net capital investment by IHG, after taking into account capital recycling through asset disposal and the funding of strategic investments by the System Fund. It provides investors and other stakeholders with visibility of the cash flows which are allocated to long-term investments to drive the Group's strategy.

## Performance continued

### Key performance measures and non-GAAP measures continued

#### Changes in definitions to the 2024 Annual Report and Accounts

The definition of 'Adjusted interest' has been updated and prior year reconciliations re-presented. An adjustment was previously made to remove foreign exchange gains and losses, but these are now reported separately in the Group Income Statement. This change does not affect total adjusted interest.

Other changes seek to add clarity to the definitions and reconciliations by aligning with terminology used in the Group financial statements.

#### Change in terminology

The descriptor 'Owned, leased and managed lease' has been renamed to 'Owned & leased' for brevity. The definition remains unchanged and reflects hotels operated by IHG where IHG is, or effectively acts as, the owner, with responsibility for assets, employees and running costs. The entire revenue and profit of the hotels are recorded in IHG's financial statements.

**+** The performance review should be read in conjunction with the Non-GAAP reconciliations on pages 250 to 256 and the Glossary on pages 297 to 299.



Crowne Plaza Manila, Philippines.

# Viability statement

The Directors have determined that a three-year period ending 31 December 2028 is appropriate for the viability statement. The Group's annual financial planning process prepares a three-year plan that incorporates principal risks, strategic priorities, and prevailing market conditions. This plan is reviewed by the Directors and provides the overarching framework for strategic and longer-term decision-making across the business.

## Viability scenarios and assumptions

Trading and profitability improved in 2025 reflecting the continued growth in travel demand and our increase in net system size. Our efficient operating model resulted in Group adjusted free cash flow<sup>a</sup> of \$893m during 2025 and net debt<sup>a</sup> increased by \$551m, after \$1,167m of ordinary dividends and the share buyback. The Group's business model is discussed in more detail on pages 24 to 29.

There is a range of possible planning scenarios over the three-year period considered in this review due to macro uncertainties and geopolitical risks affecting markets in each of our regions. In assessing the viability of the Group, the Directors have reviewed a number of scenarios, weighting downside risks that would threaten the business model, future performance, solvency and liquidity of the Group more heavily than opportunities.

In performing the viability analysis, the Directors have considered a 'Base Case' which assumes that global RevPAR in 2026 to 2028 continues to grow in line with market expectations in each of our regions.

The assumptions applied in the viability assessment are consistent with those used for Group planning purposes, the going concern assessment, for impairment testing and for assessing recoverability of deferred tax assets (see further detail on page 183).

The Directors have also reviewed a 'Severe Downside Case' reflecting a severe but plausible scenario equivalent to the market conditions experienced through the 2008-09 global financial crisis, in which RevPAR declines by 17% in 2026 before recovering by 5% in both 2027 and 2028.

A 'Combined Scenario' has also been considered, modelling the Severe Downside Case in conjunction with a significant cash flow impact from a one-off event, such as a cybersecurity incident.

The viability assessment has been undertaken by evaluating the Base Case, Severe Downside Case and Combined Scenario with reference to the Group's available liquidity.

## Principal risks

The relative strength and resilience of the IHG business model to severe shocks has been proven by performance through the Covid-19 pandemic, with positive cash flows being generated through one of the most challenging periods of trading in the history of the industry. In assessing the viability of the Group, the Directors have considered the impact of the principal risks as outlined on pages 48 to 53. The discussion on those pages includes a description of why these risks are important to the achievement of our objectives and how the Group manages these risks.

We have considered which principal risks could have the most significant and direct impact to the viability of the Group during the three-year period of assessment and they are shown below, alongside the scenario that is used to model those risks.

### Scenarios modelled

#### Severe Downside Case

This models a prolonged decrease in RevPAR, which may be driven by external or internal factors.

#### Combined Scenario

This models the Severe Downside Case and the impact of a specific material incident, which could relate to cybersecurity or an alternative material impact on the cash flow statement.

### Related to principal risks

- Operational resilience to incidents or disruption or control breakdown (including geopolitical, safety and security, cybersecurity, fraud and health-related).
- Guest preferences for, or loyalty to, IHG-branded hotel experiences and channels.
- Talent and capability attraction, retention and development.
- Our ability to deliver technological or digital performance or innovation (at scale, speed etc).
- Owner preferences for or ability to invest in our brands.

All of the risks above, and

- Data and information usage, storage and transfer.
- Legal, regulatory and contractual complexity or litigation exposures.

a. Definitions for Non-GAAP measures can be found on pages 107 to 112. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 250 to 256.

## Viability statement continued

We have also considered the principal risks that may impact the viability of the Group over a longer period; for example, the impact of climate-related physical and transition risks. The physical and transition climate risks to which IHG is most exposed are discussed in the TCFD statement on pages 77 to 81. Physical risks are not considered material to the long-term viability of the Group, and transition risks present both opportunities and risks. While some transition risks have been assessed as being potentially material to the Group over the next one to five years under a 1.5°C scenario, this scenario is not considered a likely outcome, leading to the probability of a material impact on the Group's viability assessment through 31 December 2028 as low.

### Funding

The Group's revolving credit facility (RCF) was refinanced in December 2025 with a new \$1,500m facility. The facility has an initial five-year term, maturing in December 2030, with two additional one-year extension options. There are no financial covenants in the new facility. See note 23 to the Group Financial Statements for further details.

In September 2025, the Group issued a five-year €850m bond. There are three bond maturities in the period under consideration: £350m in August 2026, €500m in May 2027 and £400m in October 2028. It has been assumed that there is an annual bond issuance up to one year in advance of maturities.

We continue to plan to maintain an investment-grade credit rating, which provides good access to the debt capital markets.

### Viability assessment

The Group enters the assessment period with substantial liquidity at 31 December 2025 of \$2,599m, comprising cash and cash equivalents (net of overdrafts and restricted cash) of \$1,099m plus an undrawn bank facility of \$1,500m.

Under the Base Case, Severe Downside Case and Combined Scenario, the Group is forecast to generate positive free cash flow over the 2026–28 period. The principal risks that could be applicable have been considered and are able to be absorbed within the liquidity available.

The Directors reviewed a number of actions that could be taken if required to reduce discretionary spend, creating substantial additional liquidity.

The Directors reviewed a reverse stress test scenario to determine what would be required to exhaust the liquidity in the Combined Scenario. This included modelling no refinancing available during the period of assessment. The Directors concluded that it was very unlikely that a single risk or combination of the risks considered could create the sustained impact required to threaten the viability of the Group.

### Conclusion

The Directors have assessed the viability of the Group over the three-year period to 31 December 2028, taking account of the Group's current position, the Group's strategy and the principal risks documented in the Strategic Report. Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2028.

See also our business model on pages 24 to 29 the going concern assessment on page 183 and the impact of the principal risks on pages 48 to 53.

For and on behalf of the Board



**Elie Maalouf**  
Chief Executive Officer  
16 February 2026



**Michael Glover**  
Chief Financial Officer  
16 February 2026