IHG
HOTELS & RESORTS

Holiday Inn Yerevan - Republic Square, Armenia

Investor Presentation

August 2021

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Continued focus on industry-leading net rooms growth, underpinned by our strategic priorities

IHG HOTELS & RESORTS

Our Purpose

True Hospitality for Good

Our Ambition

To deliver industry-leading net rooms growth

Our Strategy

Use our scale and expertise to create the exceptional guest experiences and owner returns needed to grow our brands in the industry's most valuable markets and segments. Delivered through a culture that attracts the best people and has a positive impact on the world around us.

Our Priorities

Build loved and trusted brands

Customer centric in all we do

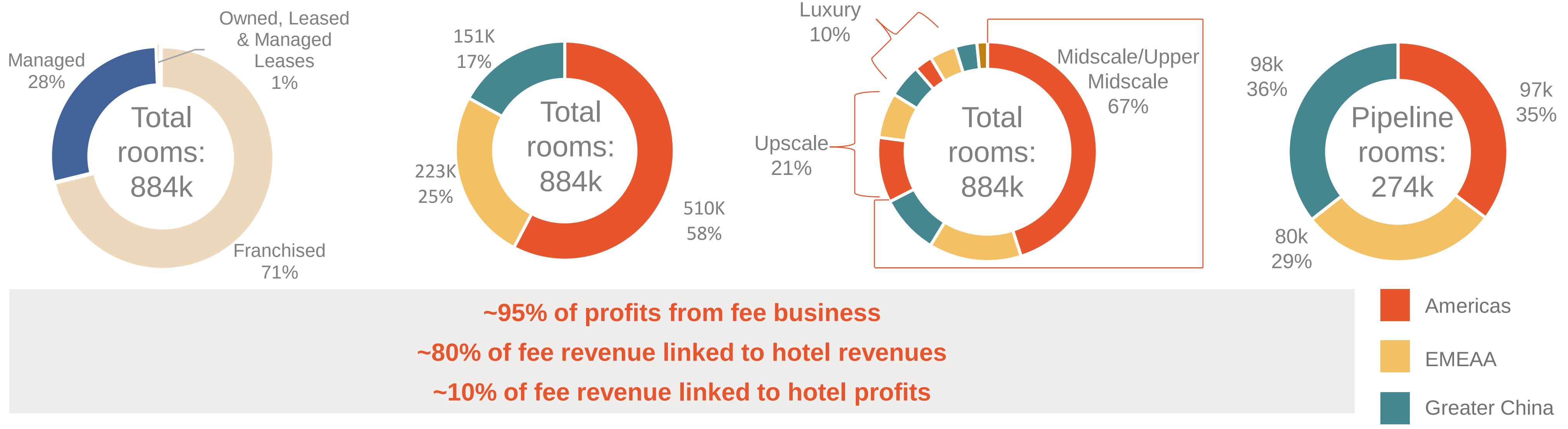
Create digital advantage

Care for our people, communities and planet

Strong portfolio of preferred brands, geographically diverse and asset light

	Suites	Essentials	Premium	Luxury & Lifestyle
Strong portfolio of brands	Staybridge Suites; Atwell Suites; Candlewood Suites (an IHG hotel); Holiday Inn Club Vacations	Holiday Inn; Holiday Inn Express; avid (an IHG hotel)	Hualuxe Hotels and Resorts 華邑酒店及度假村; voco (an IHG hotel); Crowne Plaza Hotels & Resorts; EVEN Hotels	Six Senses Hotels Resorts Spas; Regent; InterContinental Hotels & Resorts; Hotel Indigo; Kimpton Hotels & Restaurants

Asset light and geographically diverse



High quality fee stream

~95% of profits from fee business
~80% of fee revenue linked to hotel revenues
~10% of fee revenue linked to hotel profits

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IHG is well positioned to benefit from strong industry fundamentals

Industry

Industry growth	• Sector growth outpaced global economy for a decade pre Covid-19[1]
Shift to scale brands	• Branded share[2]: 53% open rooms, 80% pipeline • Top 3 share[2]: 17% open rooms, 43% pipeline
Upper Midscale & Midscale strength	• Contributed ~40% of total branded industry growth over the past four years[3] • RevPAR declined less than overall industry[4]
Desire to travel	• Growing populations, desire to travel and experience, inherent need to physically interact
Technology	• Integral to the guest journey • Drives owner value through data and insights
Sustainability	• Increasingly informing guest preferences • Scale helps owners seeking support

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Market share gains	• Accelerated net rooms growth from ~3% to 5.6% in three years pre Covid-19
System expansion	• Opened 285 hotels in 2020; includes brand launches into new markets • Pace of conversions increasing
Strong weighting in midscale segments	• Represents 68% system and 61% pipeline • Industry leading share of system and pipeline
Enhanced brand portfolio	• Broadened portfolio to target guest needs • Five new brands launched or acquired
Cloud-based capabilities	• Digital-first approach enabling seamless guest experiences • Next phase of GRS on track by end 2021
Responsible Business focus	• Continuous focus on sustainable solutions • Sustainability credentials facilitate owner needs

[1] Source: WTTC and Oxford Economics. [2] Source: 2020 STR census data; based on room share. [3] Source: STR US Upper Midscale and Midscale supply growth 2015-19; [4] Source: 2020 STR US Upper Midscale and Midscale vs US total industry.

Why owners choose to partner with IHG

Trust and track record

Global Sales organisation

- Developed a leading global sales enterprise to drive higher quality, lower cost revenue to our hotels
- Drives ~25% of Group gross revenue

Technology Leadership

- Roll out of cloud-based IHG Concerto including Guest Reservation System
- Revenue management for hire tools
- IHG Connect and IHG Studio enhance guest experience

Investment in hotel lifecycle management and operations

- Accelerating hotel signings into openings and maximising owner ROI
- Faster ramp up of new hotel openings
- Extensive infrastructure for franchise support

Strength of brands

- Breadth and depth of brand portfolio
- Includes Holiday Inn Brand Family, the largest global hotel brand and InterContinental, the largest luxury hotel brand
- Deliver RevPAR premiums
- Strong owner ROI

Strong loyalty and enterprise contribution

- Normally ~50% loyalty contribution[1]
- >100m IHG Rewards Club members
- Significant portion of room revenue booked through IHG's direct channels

Procurement

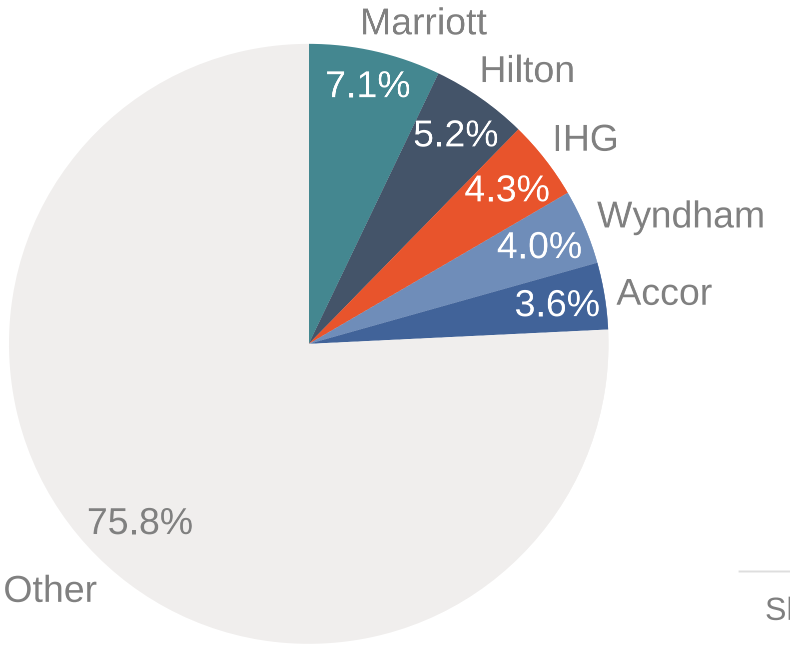
- Programs for hotel operating goods and services
- IHG Marketplace - hotel procurement buying programme / platform

[1] Loyalty contribution of room revenue

Strong competitive position in an industry where branded players are gaining market share

IHG has over 4% share of global room supply

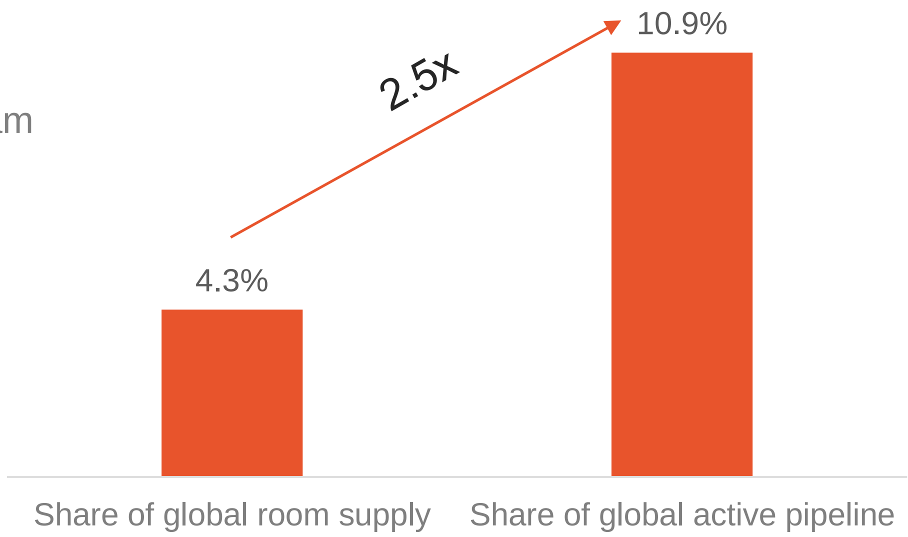
Share of global room supply (%)



IHG is largely asset-light and weighted towards mainstream select service

With a larger share of the active pipeline

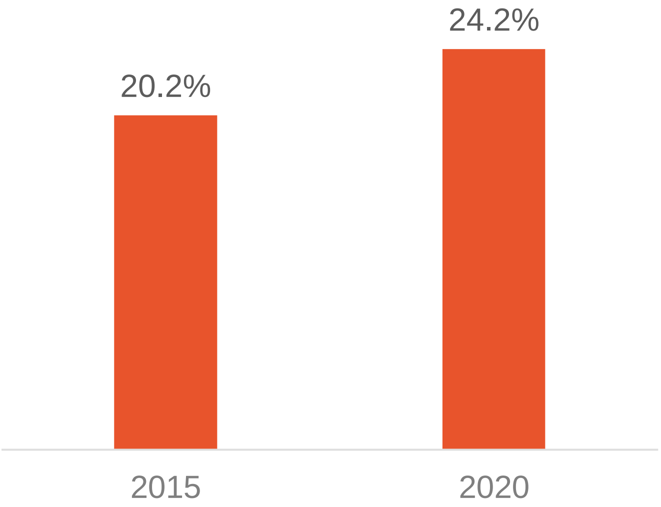
IHG share of global rooms and active pipeline (%)



~40% of IHG pipeline under construction

In an industry where branded players have gained share

Global share of top 5 branded players



Strong conversion opportunity potential to drive further share gains

Source: STR, December 2020

IHG's System Fund supports our brand marketing and our revenue delivery system

Brands

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LUXURY & LIFESTYLE

SIX SENSES
REGENT
INTERCONTINENTAL HOTELS & RESORTS
KIMPTON HOTELS & RESTAURANTS
HOTEL INDIGO

PREMIUM

voco
HUALUXE
CROWNE PLAZA
EVEN HOTELS

ESSENTIALS

Holiday Inn Express
Holiday Inn
avid

SUITES

ATWELL SUITES
STAYBRIDGE SUITES
Holiday Inn Club Vacations
CANDLEWOOD SUITES

IHG REWARDS

Sources of Income

Marketing & Reservations Assessment
~3.0% of gross rooms revenue

IHG Rewards Club Point Sales
~4.75% IHG Rewards Club bill

Other fees for value add services
e.g. pay for performance programmes

Sources of Spend

IHG Rewards Club

Advertising & Marketing

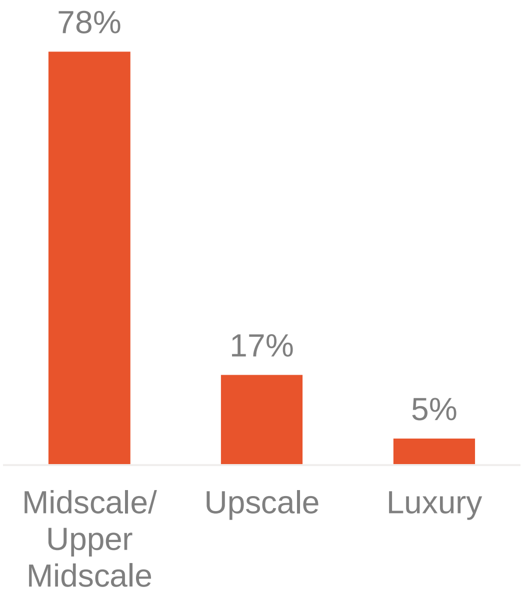
Distribution
(Reservation & Channels)

Systems & Technology

Our mix places us well to benefit from the expected shape of demand recovery

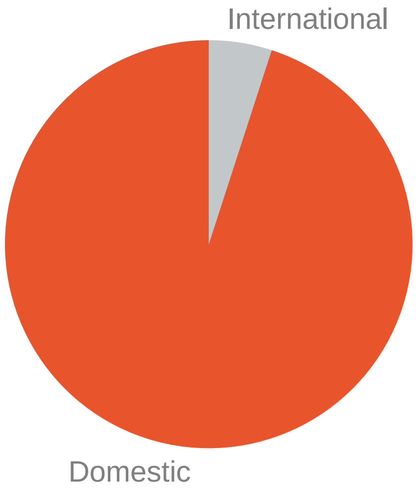
The midscale segments our largest weighting and outpacing overall industry RevPAR

US rooms distribution



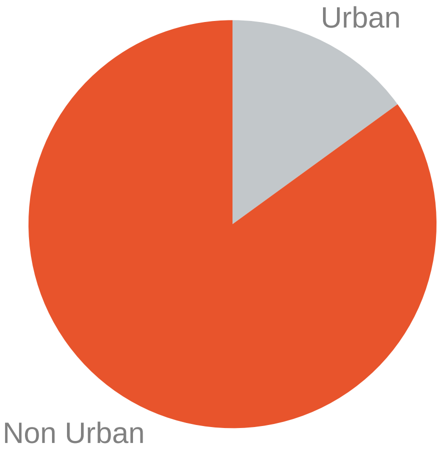
Domestic travel is leading the recovery

US demand mix



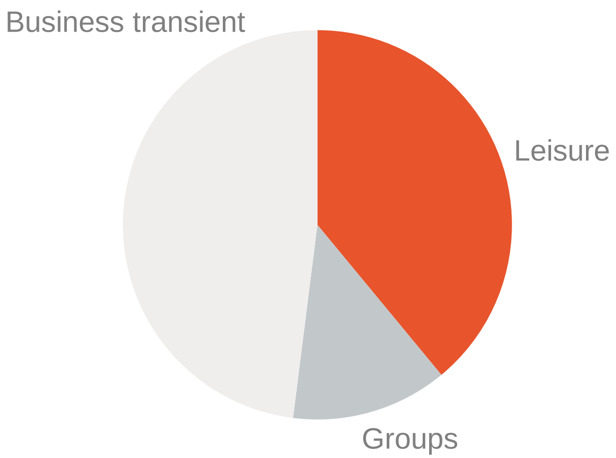
Non-urban[1] areas strongly outperforming urban

US rooms distribution



Groups is toughest area of demand; IHG's lowest exposure

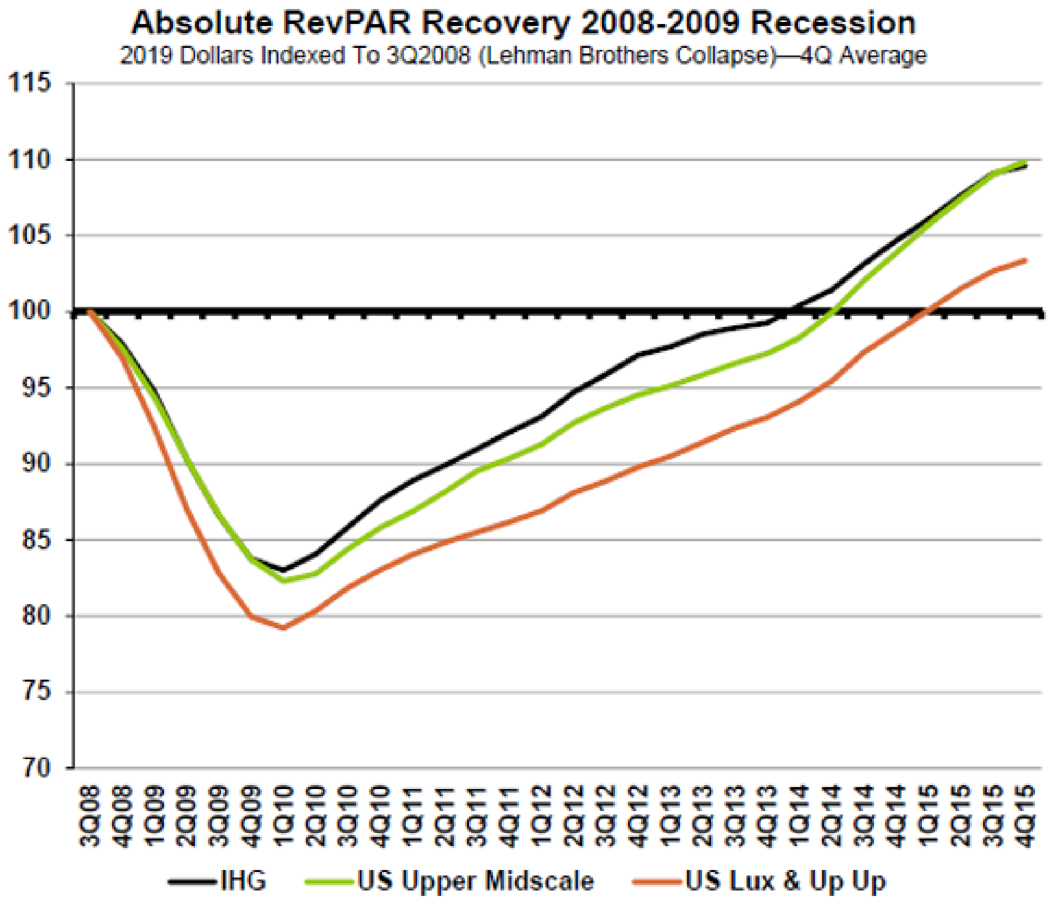
2020 US guest stays



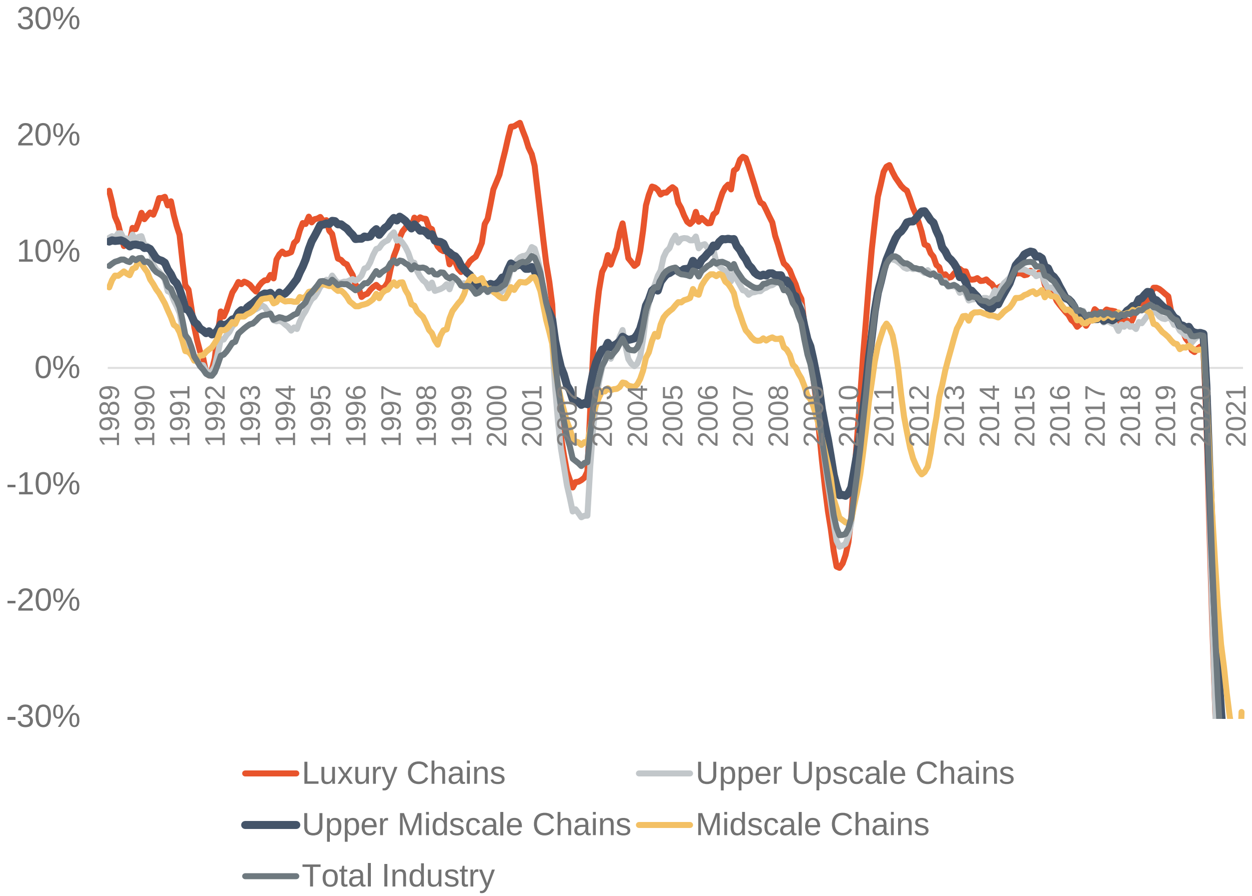
[1]Non-urban regions includes hotels located in small metro towns, suburban districts, interstate, airport and resort locations

The Upper Midscale segment, which accounts for ~70% of our rooms in the US, has historically recovered faster than other segments

US RevPAR Performance 2008 - 2015 (12m rolling)



US Industry Chain Scale RevPAR Change (12m rolling)



Source: STR

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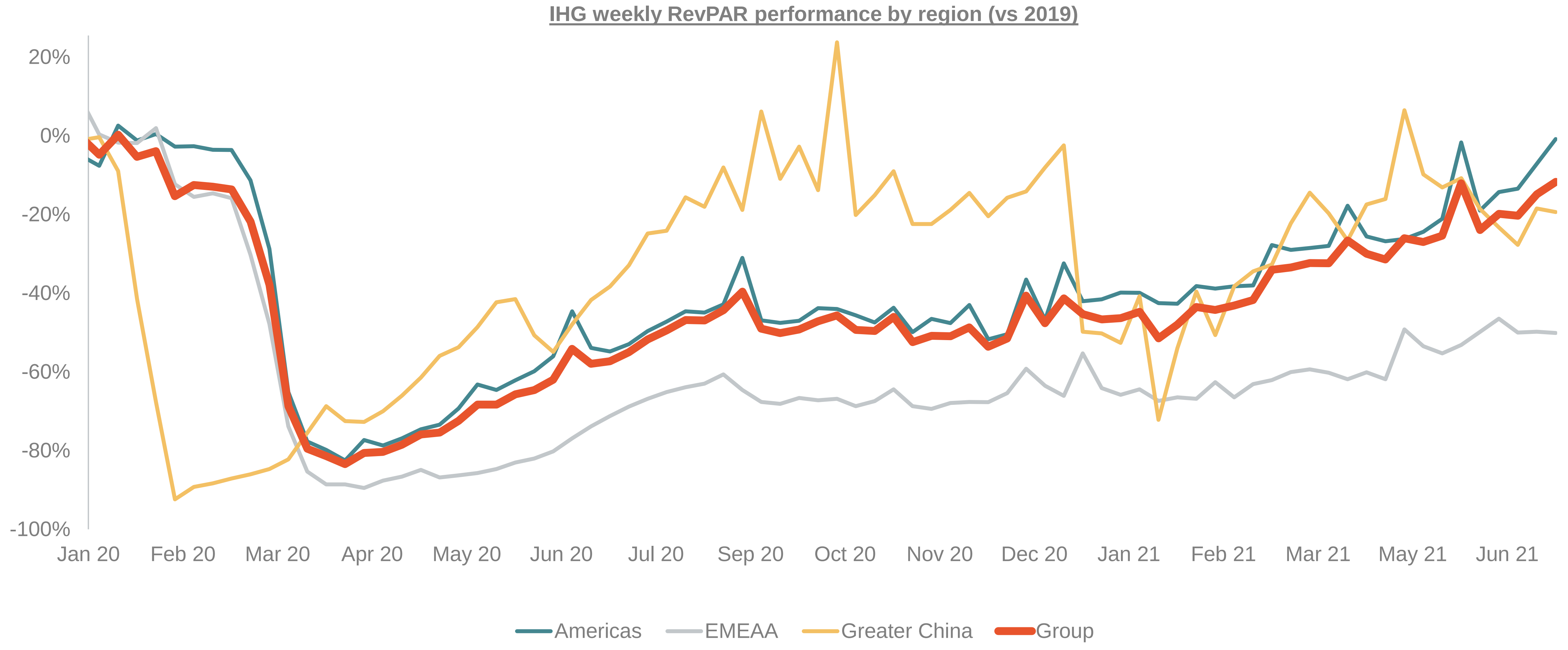
Weekly RevPAR performance demonstrates the path of recovery for each of our regions



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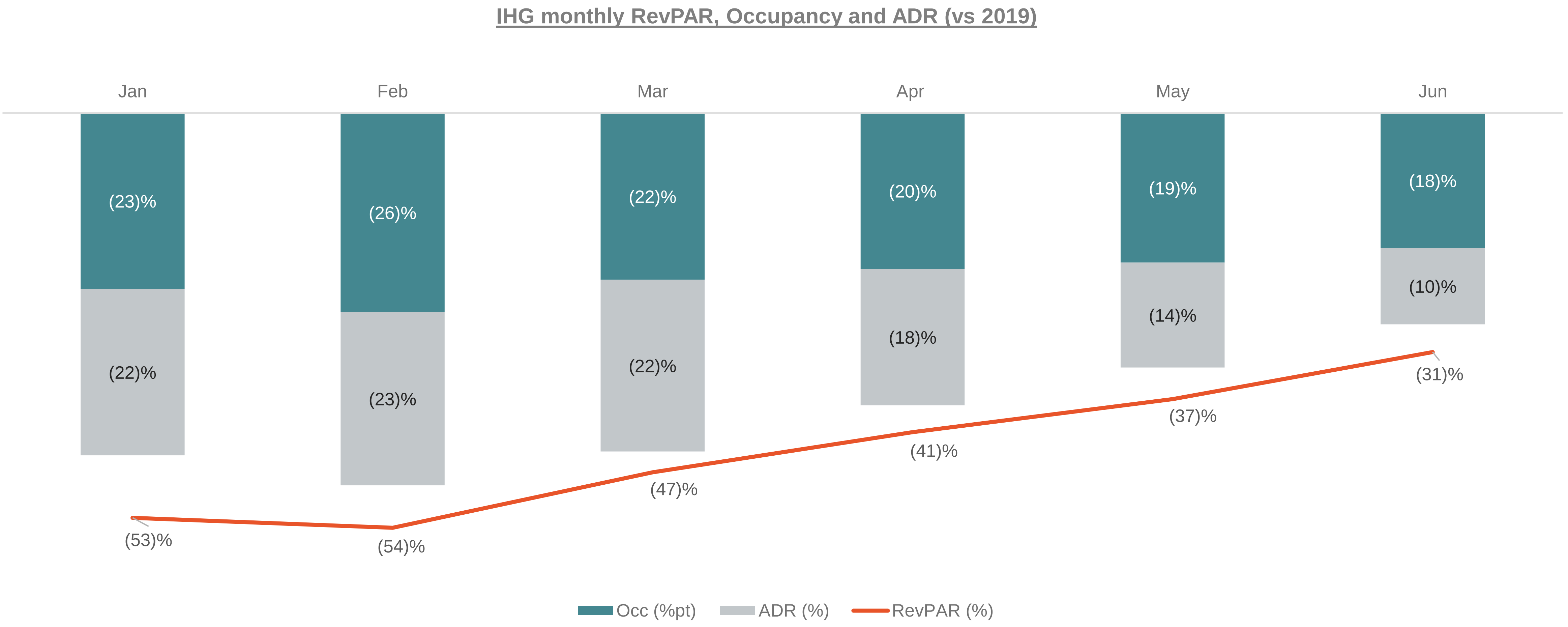
Sequential monthly improvement in both occupancy and rate from March



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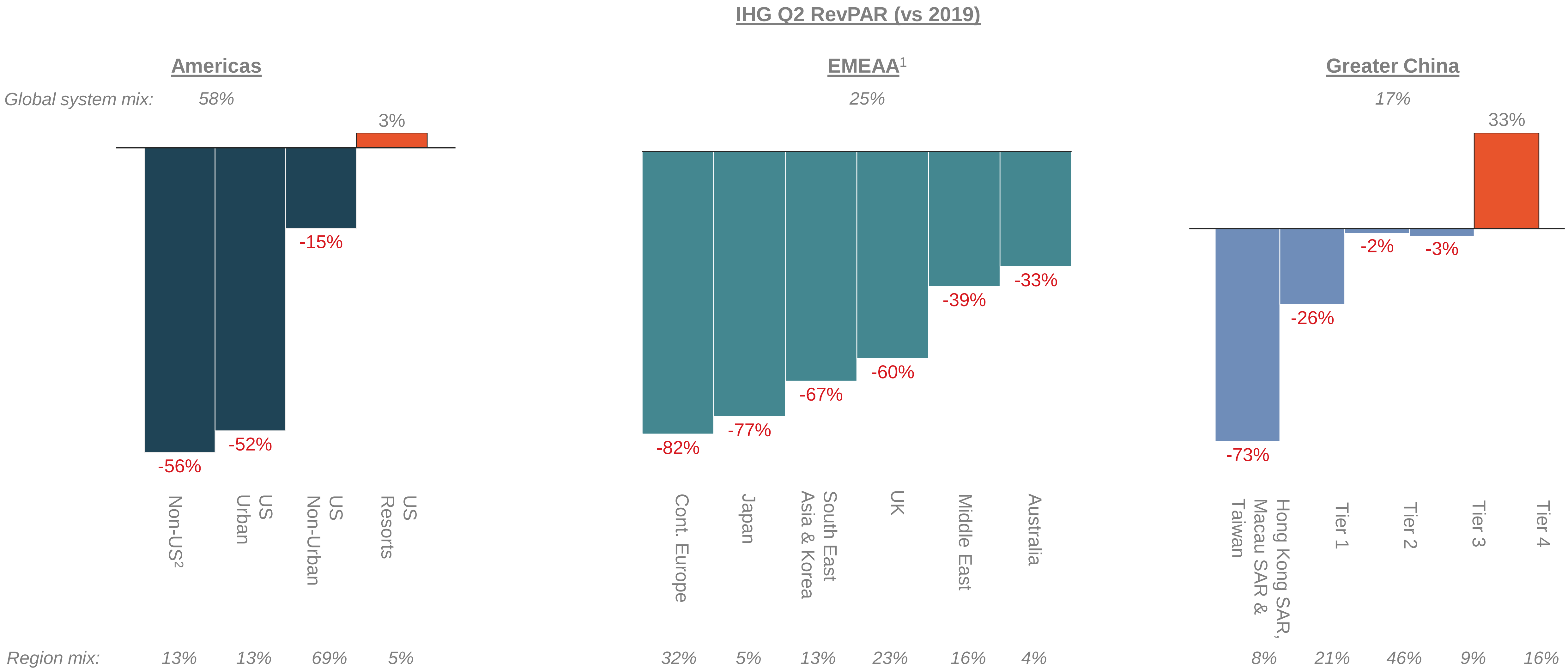
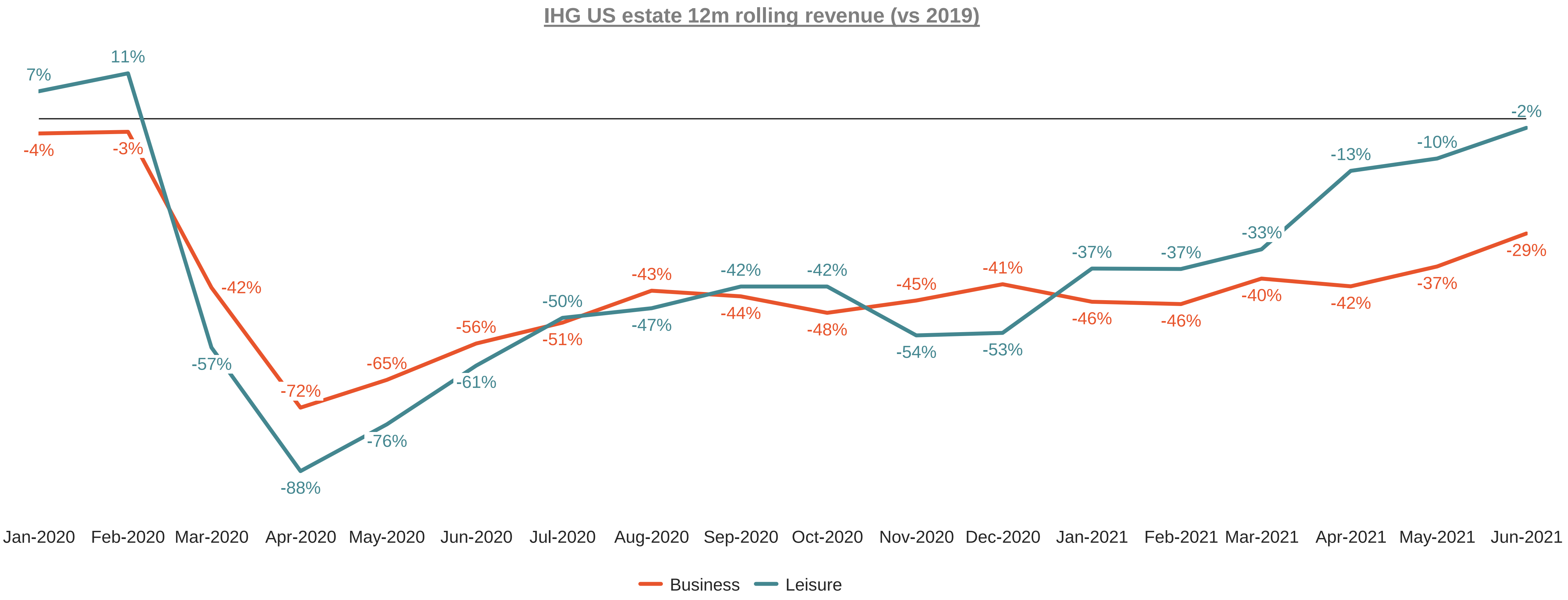
Recovery skewed to domestic leisure markets where restrictions have been lifted



[1] Major markets only shown, other markets in aggregate 7% of region mix. [2] Canada, Mexico, Latin America and Caribbean

Americas
US domestic leisure rebounds; business improving more recently



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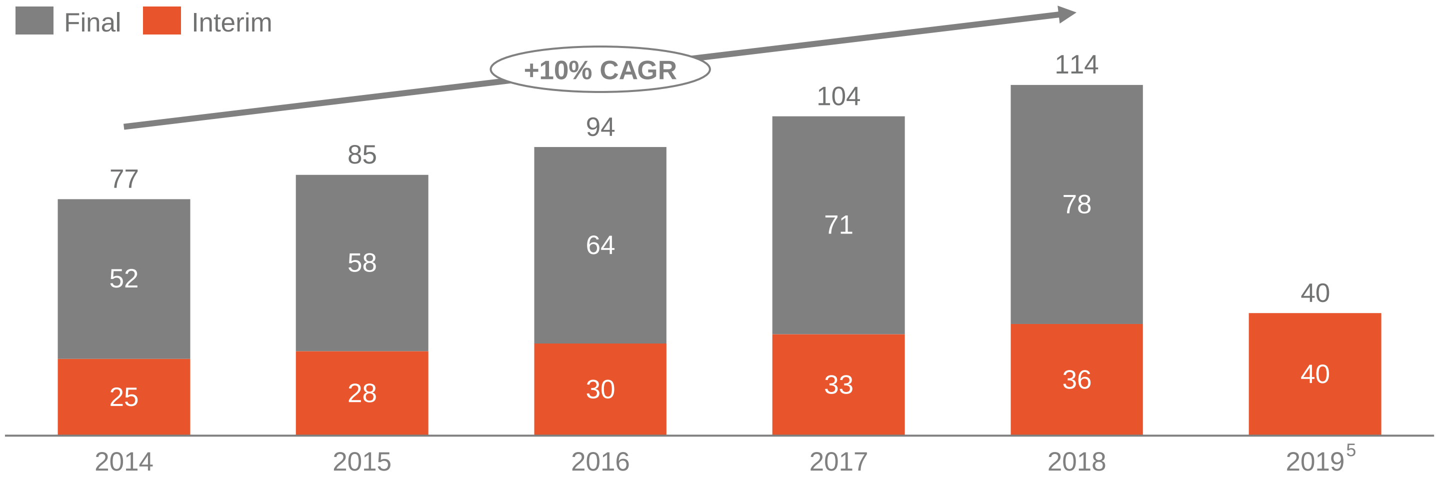
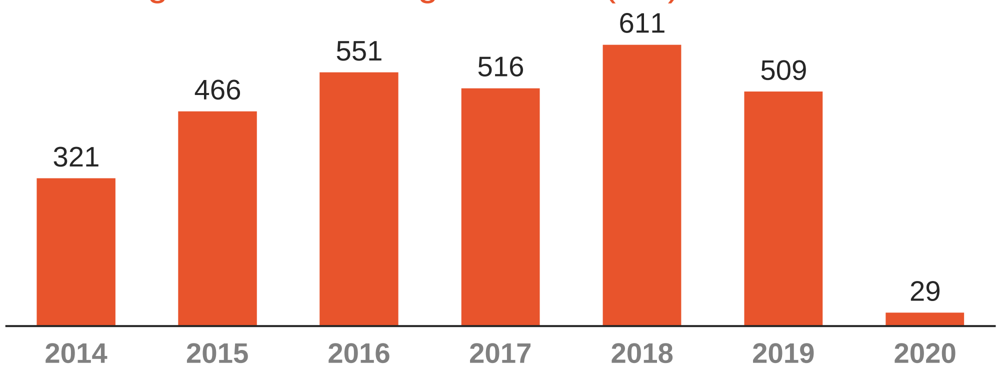
Cash generative business, driving shareholder returns

- Strong cash flows driving consistent shareholder returns
- Total returns of ~$13.6bn since 2003, ~40% from operations
  - $2.4bn ordinary dividend
  - $11.2bn additional returns
- Strong financial position:
  - $2.90bn Bonds[1]
  - $1.35bn RCF[2]
  - $2.1bn PF available liquidity[3]

Ordinary dividend progression 2014-2019 (¢ per share)



Strong free cash flow generation ($m)[4]



Shareholder returns 2003-19 ($bn)

[1] Next bond maturity in November 2022 (£173m); [2] Maturity of the $1.35bn RCF extended by 18 months to September 2023; [3] Consists of $2.9bn total available liquidity as of 31 December 2020 and pro forma for the payment of £600m ($0.8bn) of CCFF maturing in March 2021. [4] 2017 and 2018 Free Cash Flow Restated for the adoption of IFRS 16; [5] 2019 final dividend recommendation withdrawn in response to Covid-19

Substantial liquidity maintained with optimised bond maturity profile

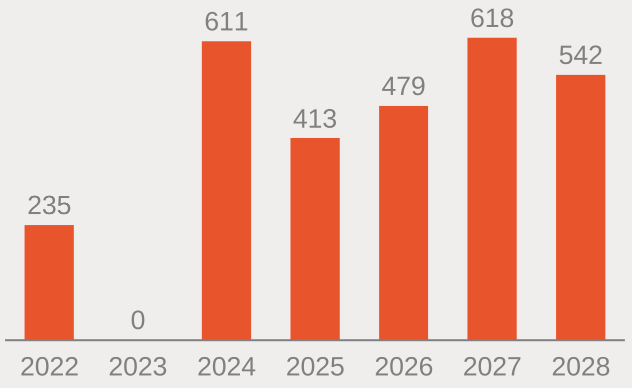
Liquidity profile

- **$2.2bn** as at 30 June 2021 following repayment of **£600m** commercial paper at maturity in March 2021 issued under UK Government's CCFF scheme
- Secured covenant waivers for $1.35bn RCF up to and including **December 2021**[1]
- Covenant relaxations secured for **June 2022** and **December 2022**

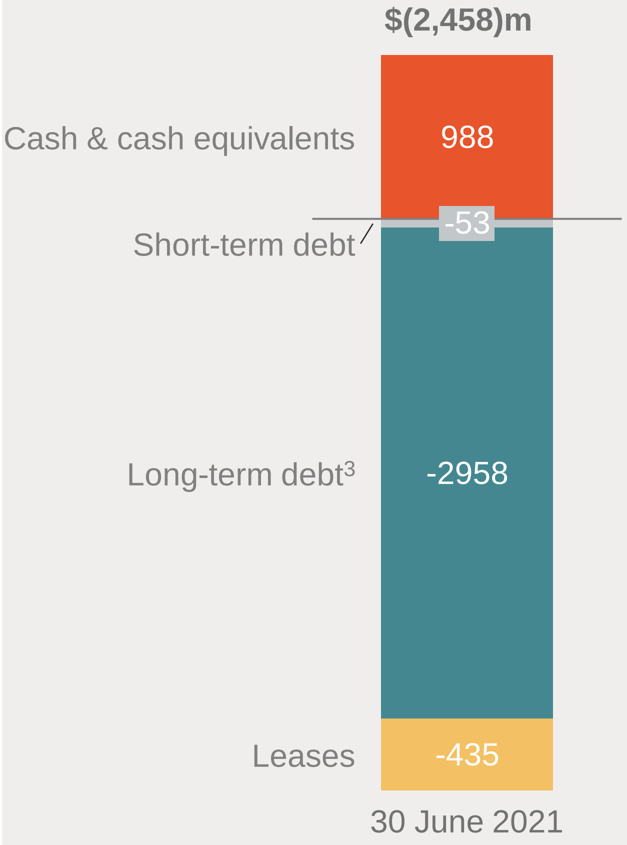
Bond maturity profile

- **Staggered bond maturity** with no significant maturity until Q4 2022
- Issued €500m 1.625% bonds and £400m 3.375% bonds maturing in 2024 and 2028 respectively
- Concurrently repaid early £227m of our £400m 3.875% bonds maturing in November 2022

Bond maturity ($m)



Net debt composition



[1] Our customary interest cover and leverage ratio covenants have been replaced by a $400m minimum liquidity covenant (defined as unrestricted cash and undrawn facilities with a remaining term of 6 months) tested at 30 June 2021 and 31 December 2021. Details of covenant levels and performance against these is provided in note 10 to the Group Financial Statements. [3] Includes value of currency swaps hedging long-term debt.

Our strategy for uses of cash remains unchanged

Invest in the business to drive growth

Restore an ordinary dividend when responsible to do so

Return surplus funds to shareholders

Objective of maintaining an investment grade credit rating

2.5x – 3.0x Net Debt : Adjusted EBITDA under normalised conditions

Holiday Inn Yerevan - Republic Square, Armenia

Overview of H1 2021 and our strategic objectives

Capturing the return of travel; positioning for future growth

RevPAR & Rooms

- (42.6)% Global RevPAR decline vs 2019; (36.3)% in Q2
- Rapid improvement in US and Greater China
- System 884k rooms (5,994 hotels); +5.1% gross openings; +0.1% net YOY
- Opened 132 hotels in H1, +46% vs 2020

Results

- Strong profitability rebound from fee-based business model
- $188m EBIT from reportable segments
- $147m adjusted free cash flow; $2.2bn available liquidity
- $75m cost saving programme on track
- No interim dividend proposed

Accelerating growth

- Pipeline >30% of current system size; 40%+ under construction, with >80 ground breaks in H1
- Signed 203 hotels, +24% vs 2020
- Rapid progress on review of ~200 Holiday Inn and Crowne Plaza hotels in Americas and EMEAA
- Underpinned by our commitment to operate a responsible business

Further brand developments

- New Luxury & Lifestyle collection brand to launch in coming weeks
- Recent brands building rapid scale – voco >50; avid >200
- Holiday Inn Express reaches 3,000 properties in 30 years with pipeline of further 667 hotels
- InterContinental celebrating 75th year and strong signings

Focus on industry-leading net rooms growth, underpinned by our strategic priorities

Our Purpose: True Hospitality for Good

Our Priorities:

Build loved and trusted brands

- Strengthening existing brands
- Accelerating growth of newer brands
- Launch of new collection brand
- Investment in development resources

Customer centric in all we do

- Supporting our owners as hotels re-open and demand recovers
- Focusing marketing on key demographics for returning demand
- Supporting the return of business travel, groups and events
- Enhancing our loyalty offer

Create digital advantage

- Digital-check in implemented across 3,000 hotels in US and Canada; piloting in all other regions
- Attribute pricing good progress toward future roll-out
- Maximising digital reach and relevancy

Care for our people, communities and planet

- Strengthened DE&I programmes
- Human rights focus
- Workstreams underway to meet 2030 science-based targets
- Miniature bathroom amenities to be removed from all hotels in 2022

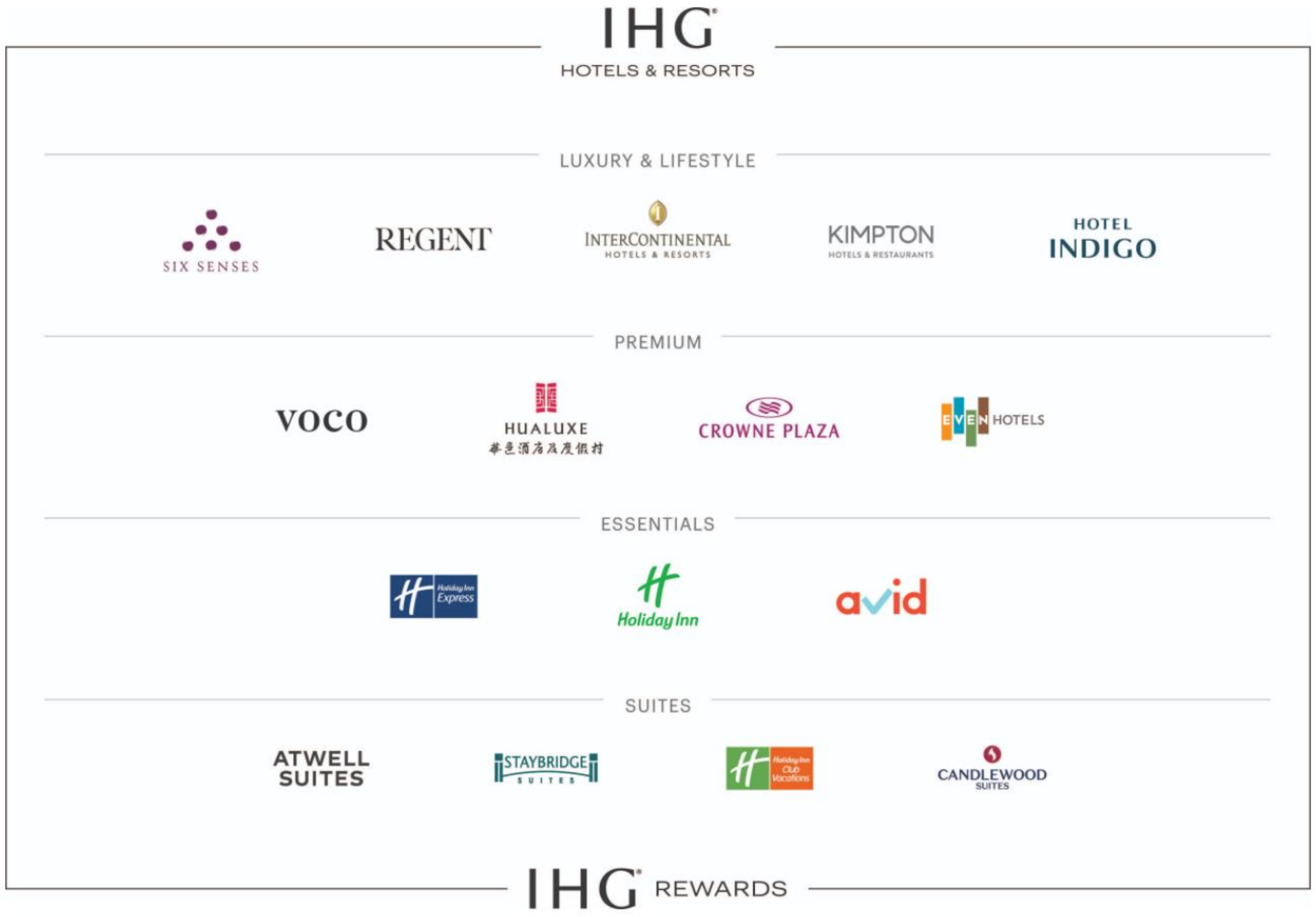
Ambition: to deliver industry-leading net rooms growth

Build loved and trusted brands
- Expanding and enhancing our portfolio to drive growth

2017 → **2020**

- Broadened our brand portfolio with five targeted additions since 2017:
  - High-quality midscale brand **avid** launched in 2017
  - Acquisition of **Regent Hotels & Resorts** in March 2018
  - Conversion focussed brand **voco** launched June 2018
  - **Six Senses Hotels Resorts Spas** acquired in early 2019
  - New all-suites brand **Atwell Suites** launched in late 2019

- **IHG Hotels & Resorts** Masterbrand, **IHG Rewards** branding, and strengthened positioning of each brand within its segment



Build loved and trusted brands
- Continued resilience across Essentials and Suites

	Essentials			Suites		
	Holiday Inn Express	Holiday Inn	avid AN IHG HOTEL	STAYBRIDGE SUITES	CANDLEWOOD SUITES	ATWELL SUITES
System[1]	3,004	1,234	38	312	360	-
Pipeline[1]	667	250	175	152	82	19
Chain scale[2]	Upper Midscale	Upper Midscale	Midscale	Upscale	Midscale	Midscale

Holiday Inn Express

- ~65% occupancy in June (61% in Q2)
- Similar number of hotels opened in Americas and Greater China as H1 2019
- Formula Blue 2.0 in Americas delivering >10% cost savings for owners

Holiday Inn

- Rapid progress on review of estate in Americas and EMEAA
- Open Lobby being adopted in nearly entire estate in Europe

avid

- Outperformance across Guest Satisfaction Index (GSI)
- 26 hotels under construction
- On track to reach 50 open hotels by end of 2021

Suites

- ~80% occupancy in June across Extended Stay brands; similar to 2019 levels
- Signed 29 properties across Suites brands in H1
- New prototype design with lower cost-to-build; open/committed in >170 **Candlewood Suites** and >160 **Staybridge Suites**
- Construction underway for three **Atwell Suites**; continued positive response from owners and interest in conversion opportunities

[1] Hotels as at 30 June 2021; [2] STR classification

Build loved and trusted brands
- Continue to invest in and grow across Essentials and Suites

Holiday Inn Express, Beijing Daxing, Greater China

Holiday Inn Shanghai Nanjing Road, Greater China

Avid hotel, Fort Worth, Texas, United States

Dual-branded EVEN Hotel and Staybridge Suites, Rochester, Minnesota, United States

Staybridge Suites, Louisville, Kentucky, United States

Atwell Suites Denver Airport, Colorado, United States *(to open in 2022)*

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Build loved and trusted brands
- Expanding our Premium and Luxury & Lifestyle offerings

	Premium				Luxury & Lifestyle				
	voco	Crowne Plaza Hotels & Resorts	EVEN Hotels	HUALUXE Hotels and Resorts	Six Senses Hotels Resorts Spas	Regent	InterContinental Hotels & Resorts	Kimpton Hotels & Restaurants	Hotel Indigo
System[1]	19	407	20	14	17	7	206	75	128
Pipeline[1]	34	102	30	24	34	7	73	32	110
Chain scale[2]	Upscale	Upscale	Upscale	Upscale	Luxury	Luxury	Luxury	Upper Upscale	Upper Upscale

- Signings pace accelerated across our Premium brands
- voco hotels: gathering momentum with over 50 hotels signed since launch; strong growth in the Middle East
- Crowne Plaza Hotels & Resorts: review progressing well; individual hotel action plans executed to enhance commercial performance; improvement in guest satisfaction ranking
- EVEN hotels: four further signings in Greater China, taking pipeline in the region to 18
- HUALUXE: five openings and signings during H1 including Hualuxe Suzhou Bay Hot Spring Resort, signed and opened in H1

- Outperformance in guest satisfaction across all brands
- Six Senses Hotels Resorts Spas: iconic openings in Botanique, Brazil; four signings including Portugal, Saudi Arabia and Greater China
- Regent: signing of iconic Regent hotel in Kyoto, Japan; renovation of flagship Regent Hong Kong progressing well
- InterContinental Hotels: 12 signings in the period; significant capital outlay on renovation by owners to further elevate brand
- Kimpton Hotels & Restaurants: continued internationalisation of brand, including first signing in Australia
- Hotel Indigo: on track to double estate over next 3-5 years

[1] Hotels as at 30 June 2021; [2] STR classification

Build loved and trusted brands

- Continuing to enhance our Luxury & Lifestyle and Premium offer to guests and owners

Six Senses Botanique, Brazil

InterContinental Sorrento Mornington Peninsula, Australia (to open in November 21)

Hotel Indigo Adelaide Markets, Australia

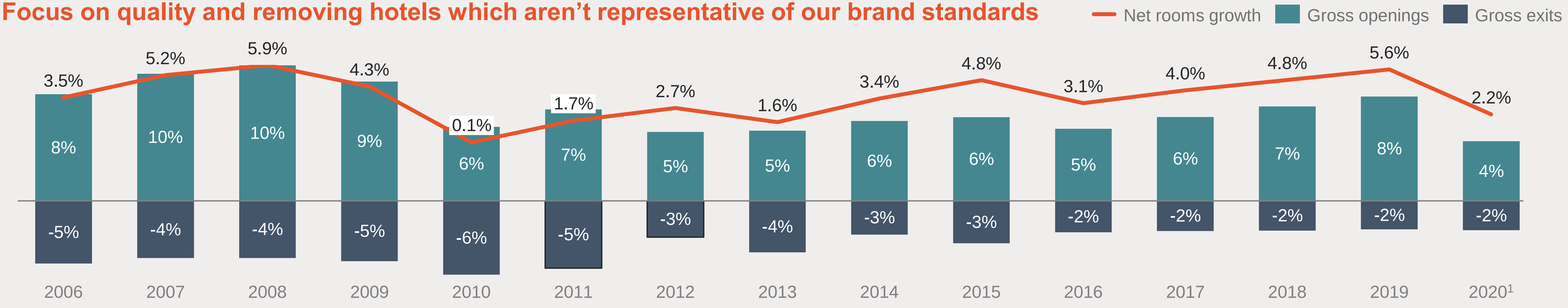
voco Edinburgh Haymarket, United Kingdom

voco Pyeongtaek City, South Korea (to open in 2023)

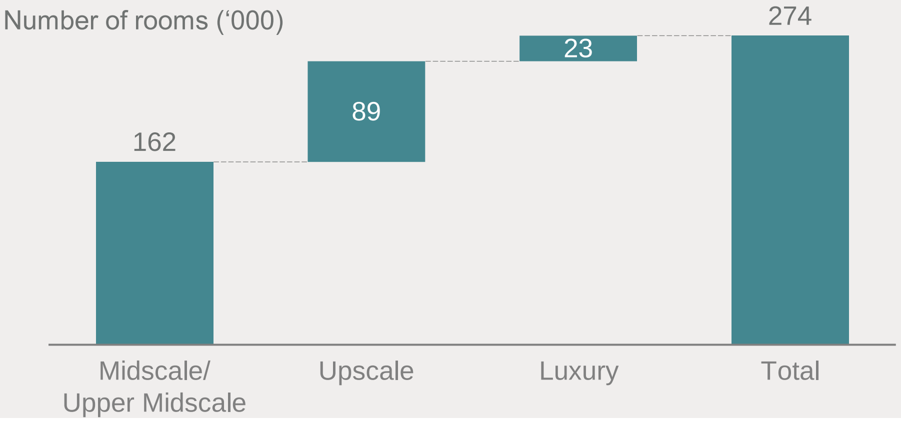
EVEN Hotel Shenzhen Nanshan, Greater China

Progress on system size quality and pipeline for future growth

Focus on quality and removing hotels which aren't representative of our brand standards



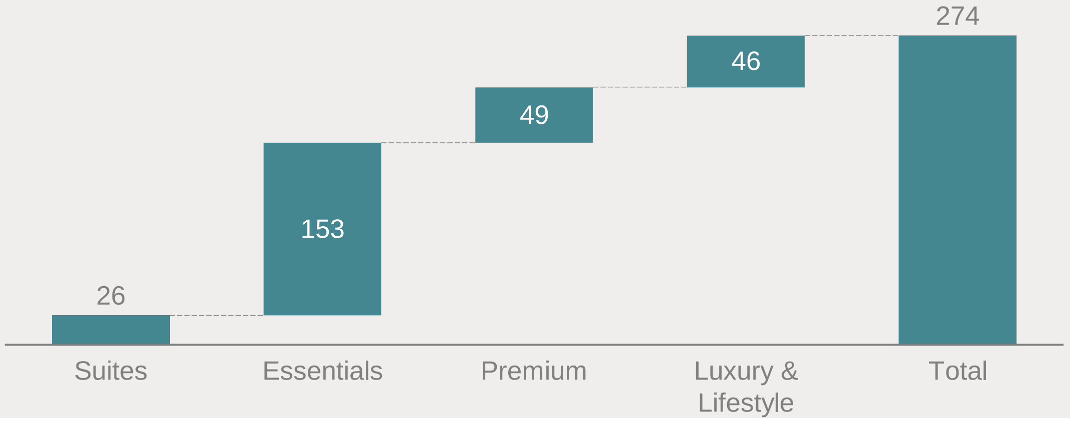
A strong pipeline providing a runway for future growth



Composition of pipeline

>30%

Current system size



[1]2020 excludes the removal of 16.7k rooms relating to the termination of a portfolio of hotels owned by SVC

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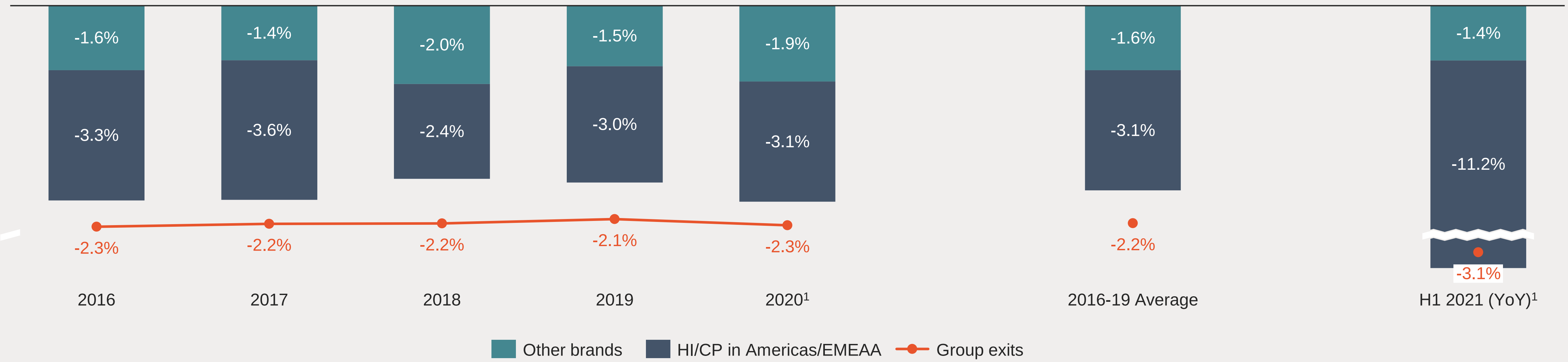
Rapid progress of the Holiday Inn and Crowne Plaza review

- ~200 hotels (~10-15% of global estate) under review in Americas and EMEAA, focused on ensuring the health, consistency and quality of the estate reflects the expectations of IHG, our owners and guests
- In total, 56 hotels (13.0k rooms) removed in H1. In addition, more than 30 hotels have committed to improvement plans or scopes of work, reflecting significant investment by owners
- Builds on significant improvements already made: Holiday Inn Open Lobby implemented or committed in ~90% of Europe estate; property improvements completed since the start of 2018 and further ones already contracted for or in active discussion, together with recent new openings, will result in over 70% of the Americas Crowne Plaza estate having been updated
- Review of remaining hotels expected to conclude by the end of the year

Removals in recent years weighted to Holiday Inn and Crowne Plaza



[1] Excluding the SVC portfolio termination of 16.7k rooms (102 hotels) in Q4 2020

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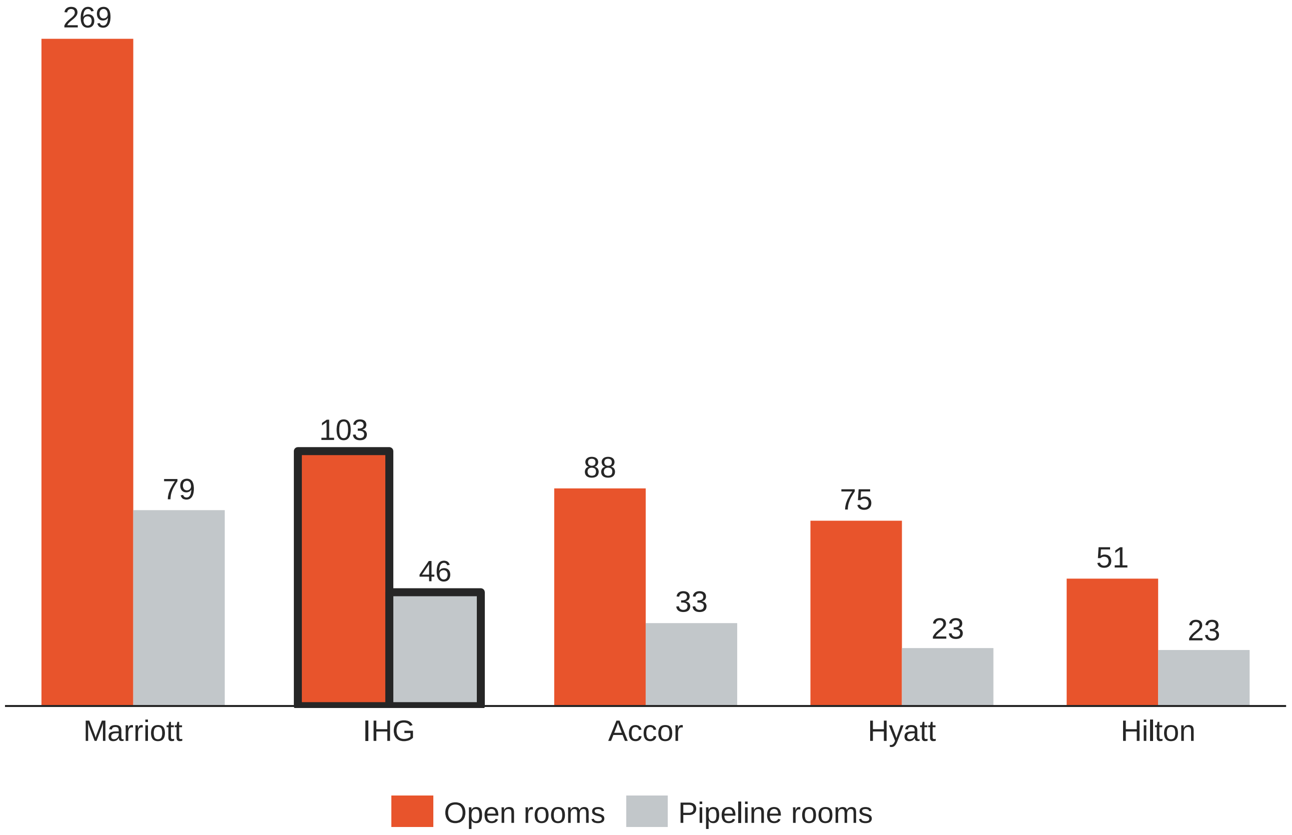
Build loved and trusted brands
- Further rounding out our brand portfolio

	Existing brands	Newer brands	Portfolio evolution
Luxury & Lifestyle	InterContinental Hotels & Resorts, Kimpton Hotels & Restaurants, Hotel Indigo	Six Senses Hotels Resorts Spas, Regent	**Six Senses and Regent:** acquisitions to expand IHG's Luxury presence
		New collection brand	Organic development of new Luxury & Lifestyle collection brand
Premium	Crowne Plaza Hotels & Resorts, Hualuxe Hotels and Resorts 華邑酒店及度假村, Even Hotels	voco an IHG hotel	**voco hotels:** organic development targeting global conversion opportunity
Essentials	Holiday Inn, Holiday Inn Express	avid an IHG hotel	**avid hotels:** organic development to create additional midscale growth engine
Suites	Candlewood Suites, Staybridge Suites	Atwell Suites	**Atwell Suites:** organic development to capture further growth for longer stays

Build loved and trusted brands
- A strong position in Luxury & Lifestyle to further grow from

IHG is already the second largest global player in Luxury & Lifestyle

30 June 2021 – Number of open and pipeline rooms ('000)



- Building upon heritage of InterContinental Hotels & Resorts, the world's single largest luxury hotel brand
- Our Luxury & Lifestyle portfolio increased from 2 brands and 241 properties in 2014, to 5 brands and 433 properties today
- Successful internationalisation of each brand, with over 100,000 rooms in more than 70 countries
- Luxury & Lifestyle now 13% of system, 17% of pipeline

Marriott brands included: Autograph Collection, Bulgari, Edition, Elegant, JW Marriott, Le Meridien, Luxury Collection, Renaissance, Ritz-Carlton, St Regis, Tribute Portfolio, W Hotel. IHG brands included: Hotel Indigo, InterContinental, Kimpton, Regent, Six Senses. Accor brands included: Fairmont, Mantis Collection, MGallery by Sofitel, Quay, Raffles, Rixos, Sofitel, The Hoxton. Hilton brands included: Canopy by Hilton, Conrad, Curio Collection by Hilton, LXR Hotels & Resorts, Waldorf Astoria. Hyatt brands included: Alila, Andaz, Destination Hotels, Grand Hyatt, Hyatt Centric, Hyatt Zilara, Hyatt Ziva, Joie De Vivre, Miraval, Park Hyatt, The Unbound Collection, Thompson Hotels. Source: Company filings, STR Census June 2021.

Build loved and trusted brands

- A balanced portfolio across different segments of Luxury and Upper Upscale

Build loved and trusted brands
- Guest and owner proposition for our new collection brand

Compelling owner proposition

- Access to world class revenue delivery systems including IHG Rewards
- Leading global sales enterprise and revenue management tools to drive additional revenue to hotels
- Strong distribution through IHG digital channels
- Retention of independent identity and character of hotel
- Limited capital outlay

Attractive guest profile

- Targeted for the 35-50 year demographic
- High value, high frequency affluent travellers
- Prefer distinctive upscale and luxury experiences
- Member of loyalty programmes
- Guests favouring the trust and reassurance associated with leading hotel groups



Customer centric in all we do

Guests

Cleanliness & Safety
- IHG Clean Promise
- New protocols and standards

Booking flexibility
- *Book Now, Pay Later* policies
- Free booking cancellations

Meet with Confidence
- Provides corporate bookers greater flexibility and assurance
- Virtual and hybrid meetings solutions

Loyalty
- Dynamic pricing for Reward Nights
- Enhancing value through partnerships

Personalisation
- Targeted promotions informed by data-driven capabilities

Owners

Operating standards
- Updated operating standards to offset higher safety and cleaning costs, and to focus on maximising returns

Payment flexibility
- Case-by-case consideration of payment plans

Procurement
- Centralised procurement helping to deliver savings and protect owner cash flow

Revenue Management
- Enhancements to provide further pricing and returns protection during periods of volatile demand

IHG Concerto
- Automating front desk operations such as Contactless Check-in

CLEAN IHG® PROMISE

IHG® REWARDS

Create digital advantage
- Continuing to invest in our digital-first approach

GRS

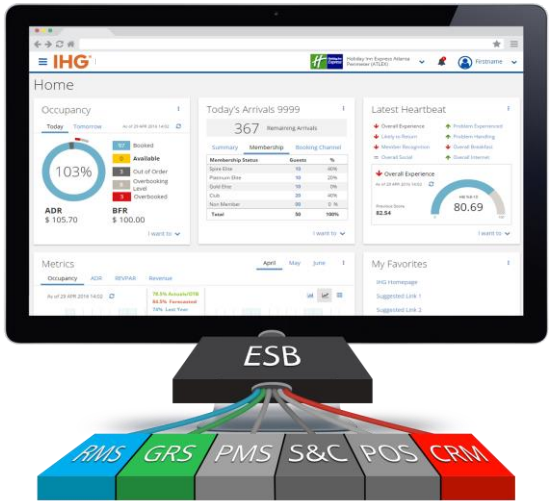
- **Attribute pricing** initial pilot conducted in each region in 2020; good progress being made towards full roll-out
- Pilots demonstrating to owners the ability to generate maximum value from their hotel's unique attributes

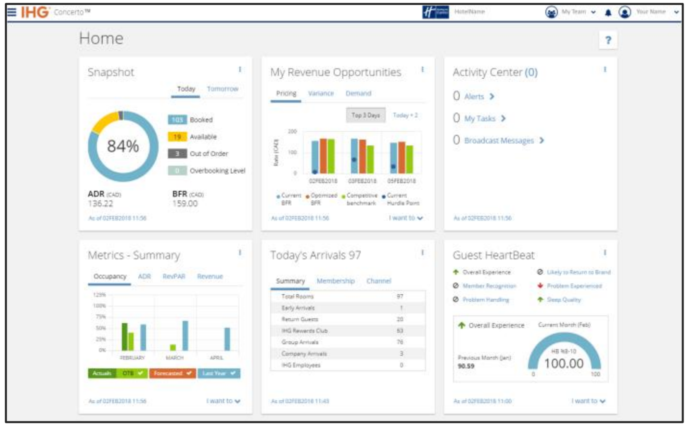
Guests

- **Digital check-in** at >3,000 hotels and receiving strong guest satisfaction scores; targeting 4,500 live hotels by end 2021; digital check-out already in 4,000 hotels
- **IHG Studio** integrated in-room entertainment and guest service live in ~100 hotels

Owners

- **Owner portal** providing real-time scorecard metrics, allowing owners to rapidly respond
- **Hotel Lifecycle System** enabling enhanced reporting and maximising owner returns by accelerating signings to openings





IHG HOTELS & RESORTS

Care for our people, communities and planet - 2030 Responsible Business ambitions and commitments

JOURNEY TO TOMORROW

Champion a diverse culture where everyone can thrive

- Drive gender balance and a doubling of under-represented groups across our leadership
- Cultivate an inclusive culture for our colleagues, owners and suppliers
- Support all colleagues to prioritise their wellbeing and the wellbeing of others
- Drive respect for and advance human rights

Improve the lives of 30 million people in our communities around the world

- Drive economic and social change through skills training and innovation
- Support our communities when natural disasters strike
- Collaborate to aid those facing food poverty

Reduce our energy use and carbon emissions in line with climate science

- Implement a 2030 science based target that delivers:
  - 15% absolute reduction in our direct operations
  - 46% per m^2 reduction in franchise operations
- Target 100% new build hotels to operate at very low / zero carbon emissions by 2030
- Maximise / optimise the role of renewable energy

Pioneer the transformation to a minimal waste hospitality industry

- Eliminate single use items, or move to reusable or recyclable alternatives across the guest stay
- Minimise food going to waste through a “prevent, donate, divert” plan
- Collaborate to achieve circular solutions for major hotel commodity items

Conserve water and help secure water access in those areas at greatest risk

- Implement tools to reduce the water footprint of our hotels
- Mitigate water risk through stakeholder collaboration to deliver water stewardship at basin level
- Collaborate to ensure adequate water, sanitation, and hygiene (WASH) conditions for our operating communities

Conclusions
- Confident in IHG’s positioning and growth prospects

- Significant improvement in demand over the course of H1; positive trends continuing through summer; return of corporate travel and groups activity underway; risk of trading volatility still remains
- Hotel development environment strengthening: 132 hotel openings and 203 signings, sizeable increases on last year
- Continue to invest for future growth, including new collection brand
- Clear strategic priorities to achieve our ambition of industry-leading net rooms growth in the years ahead
- Actions taken over last 18 months position us well to exceed pre-pandemic level of growth and profitability
- Confident in the strength of IHG’s future prospects

IHG HOTELS & RESORTS

Holiday Inn Yerevan - Republic Square, Armenia

Appendices

Financial performance overview

Results from reportable segments[1]	Reported					Underlying[2]	
	H1 2021	H1 2020		H1 2019		H1 2020	H1 2019
	$m	$m	% change vs H1 2021	$m	% change vs H1 2021	% change	% change
Revenue[3]	$565m	$488m	16%	$1,012m	(44)%	14%	(44)%
Operating profit	$188m	$52m	262%	$410m	(54)%	314%	(55)%
Revenue from fee business	$505m	$375m	35%	$730m	(31)%	31%	(32)%
Operating profit from fee business	$224m	$75m	199%	$394m	(43)%	207%	(44)%
Fee margin[4]	44.1%	20.1%	24.0%pts	54.1%	(10.0)%pts		
Adjusted interest[5]	$72m	$62m	16%	$66m	9%		
Reported tax rate[6]	36%	173%	(137)%pts	21%	15%pts		
Adjusted EPS[7]	40.4¢	4.9¢	724%	148.6¢	(73)%		
Dividend	-	-	-	39.9¢	(100)%		

[1] Reportable segments excludes System Fund results, hotel cost reimbursements and exceptional items. [2] Reportable segment results excluding significant liquidated damages, current year disposals and stated at constant H1 2021 exchange rates (CER). [3] Comprises the Group's fee business and owned, leased and managed lease hotels. [4] Excludes owned, leased and managed lease hotels, significant liquidated damages and the results of the Group's captive insurance company. [5] Adjusted interest adds back $nil (H1 2020: $4m; H1 2019: $9m) of interest charges in relation to the System Fund and excludes exceptional items. [6] The Group's reported effective tax rate, before exceptional items and the System Fund results. [7] Calculated using results from Reportable Segments and Adjusted interest, and related tax, and excluding changes in fair value of contingent purchase consideration.

IHG HOTELS & RESORTS

Fee-based business model shows relative resilience as demand returns

H1 2021 fee revenue: $505m, down 31%[1] and 32% underlying[2] (vs 2019)

RevPAR

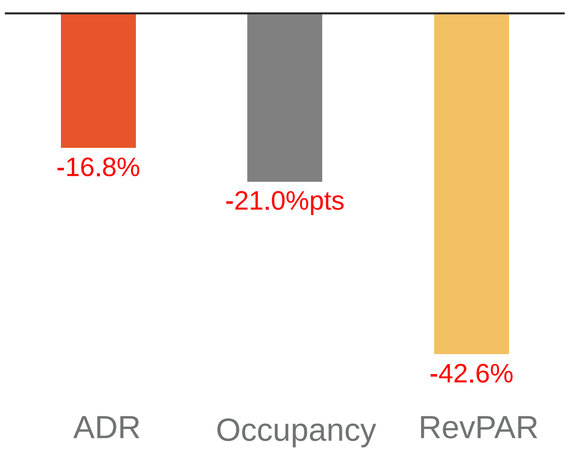
X

Rooms

X

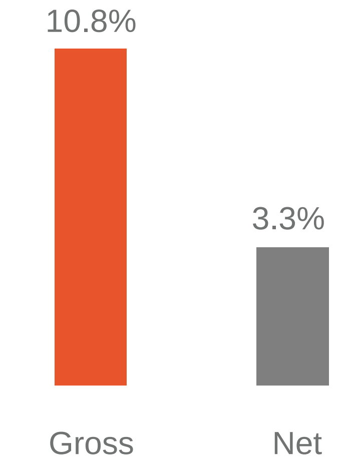
Royalty Rate

H1 2021 Group comparable RevPAR growth (vs 2019)



(43.4)% Total RevPAR decline[3]

H1 2021 Group system growth (vs 2019)



- 17.4k rooms opened in H1
- 18.9k rooms removed in H1

+6.8% growth in available rooms[3]

- Underlying fee revenue benefitting from stronger performance in fee business (-42.3%[4]) than overall Group RevPAR (-42.6%[4]), which includes weaker Owned, Leased and Managed Lease estate (-71.9%[4])
- RevPAR sensitivity improving

[1] Growth stated at AER. [2] Underlying fee revenue excludes owned, leased and managed lease hotels, significant liquidated damages, owned asset disposals and stated at constant H1 2021 exchange rates (CER). [3] Growth stated for underlying fee business excluding the SVC portfolio termination of 16.7k rooms (102 hotels) in Q4 2020 (see appendix for more detail). [4] RevPAR in comparable estate vs 2019, at CER.

Americas
US occupancy levels recovered to ~70% in June

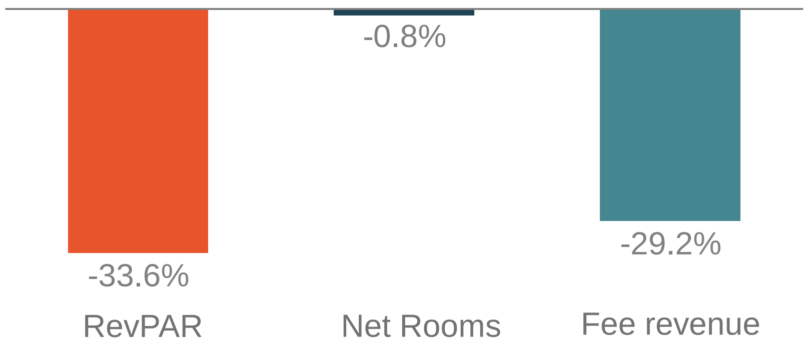
- H1 RevPAR up 28% (down 34% vs 2019); US up 32% (down 30% vs 2019)
- Q2 US RevPAR up 150% (down 23% vs 2019)
  - Franchised estate down 19% and Managed estate down 54% (vs 2019)
  - Midscale/Upper Midscale and Extended Stay most resilient segments
  - 13 states in US ahead of 2019; further 17 at least 90% of 2019 RevPAR

- YoY net rooms down 2.5% (down 0.8% vs 2019); gross up 3.9% (up 7.9% vs 2019)
  - Development continued with 33 ground breaks, 16 in Q2

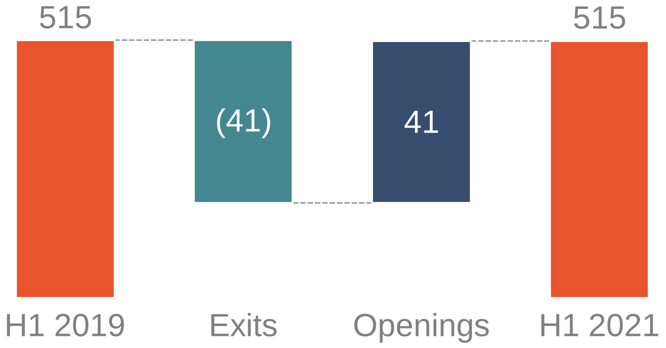
- Underlying fee revenue[1] up 31% to $296m (down 29% vs 2019)
- Underlying fee operating profit[2] up 55% to $236m (down 27% vs 2019):
  - vs 2020: benefit from improved demand and delivery of sustainable cost savings
  - vs 2019: impacted by $3m lower incentive management fees and continued tough trading in US-Urban and Non-US markets; partly offset by $5m payroll tax credit benefit
- Owned, leased and managed lease profit down $2m to a loss of $12m (down $33m vs 2019):
  - vs 2019: impacted by weighting of distribution to US-Urban and Non-US markets

- Pipeline: 97k rooms; 8k signed in H1
- Signings include 32 Holiday Inn Express, 14 Staybridge Suites and 6 avid hotels

H1 2021 growth in fee revenue drivers[1] (vs 2019)



H1 2021 net rooms growth (‘000s) (vs 2019)



[1] Underlying fee revenue excludes owned, leased and managed lease hotels, significant liquidated damages, current year disposals and stated at constant H1 2021 exchange rates (CER). [2] Underlying fee operating profit excludes owned, leased and managed lease hotels, significant liquidated damages and current year disposals at CER.

Europe, Middle East, Asia & Africa
Improved trading in markets where travel restrictions have lifted

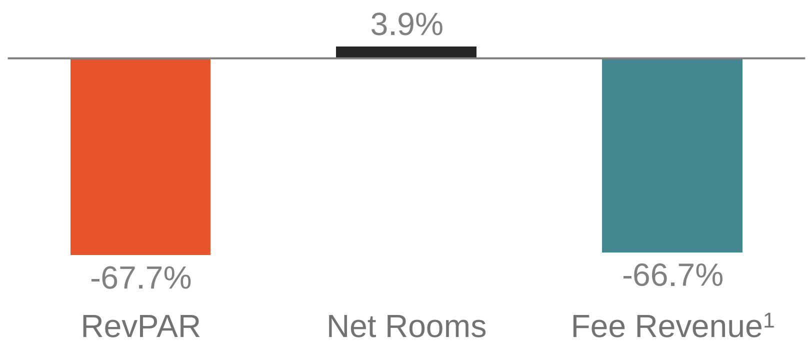
- H1 RevPAR down 22% (down 68% vs 2019); Q2 up 179% (down 65% vs 2019)
- Q2 impacted by differing levels of government-mandated lockdown measures, particularly Continental Europe (down 82% vs 2019); Japan (down 77% vs 2019) and South East Asia and Korea (down 67% vs 2019)

- YoY net rooms up 1.0% (up 3.9% vs 2019); gross up 4.7% (up 10.4% vs 2019)

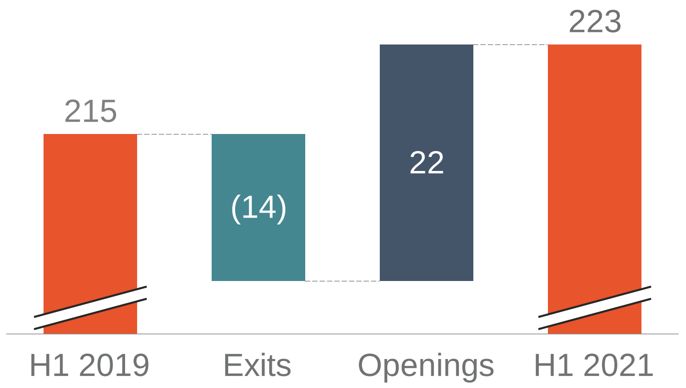
- Underlying fee revenue[1] down 9% to $53m (down 67% vs 2019)
- Underlying fee operating profit[2] up $5m to a loss of $3m (down $95m vs 2019):
  - vs 2020: driven by $5m higher incentive management fees
  - vs 2019: impacted by $30m lower incentive management fees and continued tough trading in a number of markets
- Owned, Leased and Managed Lease loss of $24m (down $11m vs 2020, $19m vs 2019)
  - Impacted by weak demand where these hotels are located, predominately in urban markets in Europe (H1 RevPAR down 86% vs 2019)

- Pipeline: 80k rooms; 9k signed
- Signings include 2 Six Senses, 1 Regent, 3 Kimpton and 7 Hotel Indigo hotels

H1 2021 growth in fee revenue drivers[1] (vs 2019)



H1 2021 net rooms growth (‘000s) (vs 2019)



[1] Underlying fee revenue excludes owned, leased and managed lease hotels, significant liquidated damages, current year disposals and stated at constant H1 2021 exchange rates (CER). [2] Underlying fee operating profit excludes owned, leased and managed lease hotels, significant liquidated damages and current year disposals at CER.

Greater China
Recovery led by domestic leisure demand in Tier 2-4 in Q2

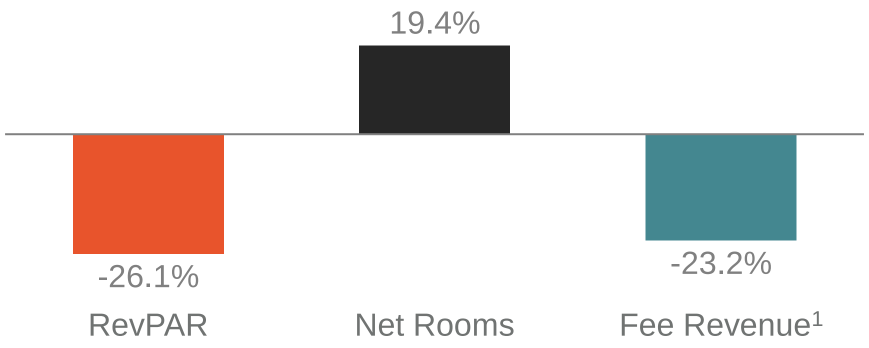
- H1 RevPAR up 95% (down 26% vs 2019); Q2 up 107% (down 16% vs 2019)
  - Mainland China up 100% (down 19% vs 2019); Q2 up 109% (down 8% vs 2019)
    - Tier 1 RevPAR up 101% (down 33% vs 2019); Q2 up 118% (down 26% vs 2019)
    - Tier 2-4 RevPAR up 100% (down 11% vs 2019); Q2 up 95% (up 4% vs 2019)
  - Hong Kong SAR up 50% (down 79% vs 2019); Q2 up 135% (down 76% vs 2019)

- YoY net rooms up 8.6% (up 19.4% vs 2019); gross up 10.1% (up 23.3% vs 2019)

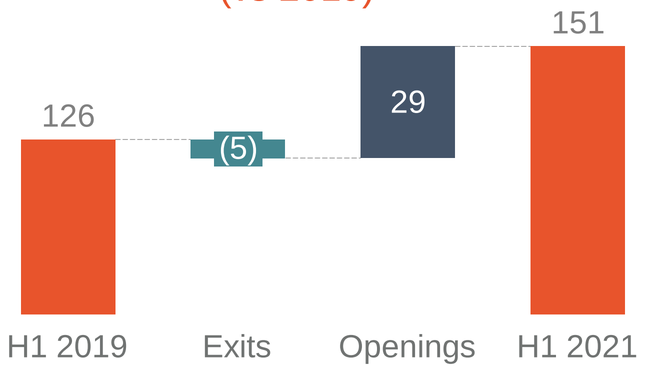
- Underlying fee revenue[1] up 152% to $53m (down 23% vs 2019)
- Underlying operating profit[2] of $25m, up from $10m loss (down 32% vs 2019):
  - vs 2020: driven by improved trading, $14m higher incentive management fees, and $6m significant liquidated damages
  - vs 2019: impacted by $9m lower incentive management fees

- Pipeline: 98k rooms; 16k rooms signed
  - 49 franchise agreements signed, including Holiday Inn, Holiday Inn Express and EVEN
  - Over 1,000 open and pipeline hotels

H1 2021 growth in fee revenue drivers[1] (vs 2019)



H1 2021 net rooms growth ('000s) (vs 2019)



[1] Underlying fee revenue excludes owned, leased and managed lease hotels, significant liquidated damages, current year disposals and stated at constant H1 2021 exchange rates (CER). [2] Underlying fee operating profit excludes owned, leased and managed lease hotels, significant liquidated damages and current year disposals at CER.

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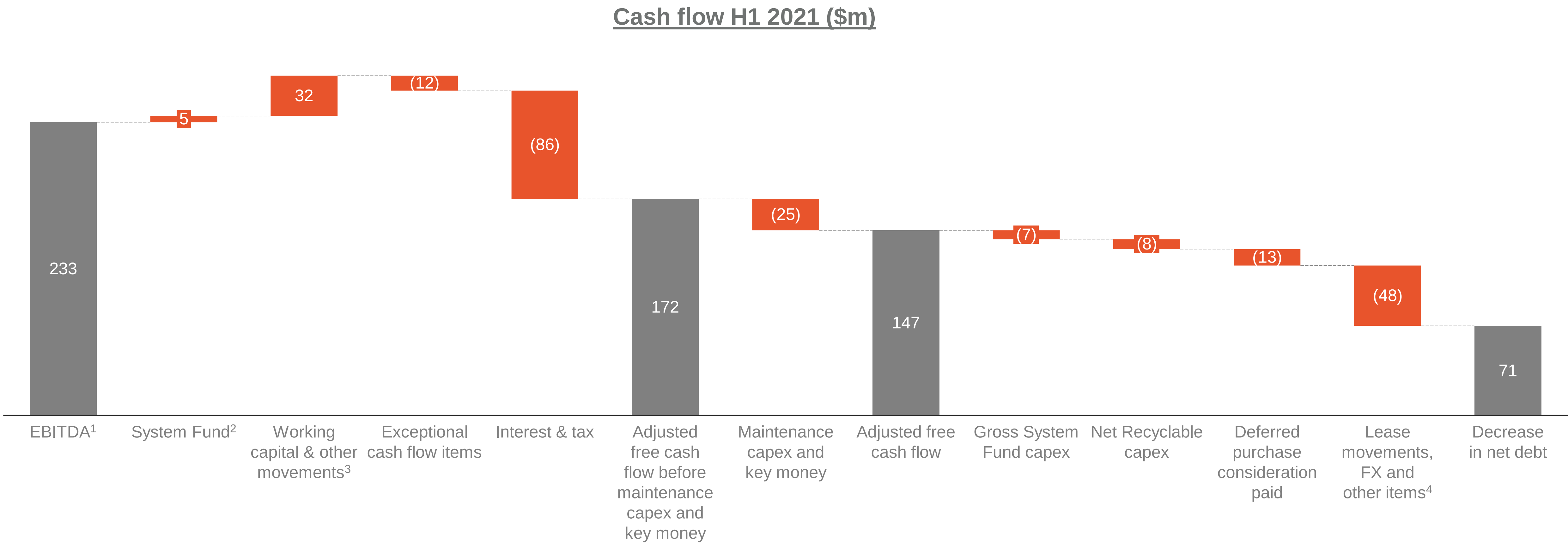
Strong cash conversion



- Increase in adjusted free cash flow to $147m (2020: outflow of $66m), driven by strong cash conversion
- Resulting in reduction in net debt of $71m

[1] Before exceptional items and System Fund result. [2] System Fund outflow reflects $46m in-year deficit adding back $41m of depreciation and amortisation and $10m of other non-cash adjustments to System Fund result; working capital movements related to the System Fund, including movements in deferred revenue, are included within the Group's overall working capital & other movements. [3] Includes working capital and other adjustments ($6m), impairment loss on financial assets ($8m), and other non-cash adjustments to operating profit/loss ($35m) less principal element of lease payments ($17m). [4] Includes principal element of lease repayments ($17m) less exchange and other non-cash adjustments ($65m)

Targeted capital expenditure to drive growth

Maintenance capex, key money and selective investments

$m	H1 2021	H1 2020
Maintenance capex	(9)	(32)
Key money[1]	(16)	(26)
Total	(25)	(58)

- Key money: used to secure hotel signings
- Maintenance: relates to owned, leased and managed lease hotels and corporate infrastructure

Recyclable investments

$m	H1 2021	H1 2020
Gross out	(9)	(2)
Gross in	1	18
Net total	(8)	16

- Investment behind growth initiatives
- Profile can vary year to year, but expected to be broadly neutral over time

System Fund capital investments

$m	H1 2021	H1 2020
Gross out	(7)	(25)
Gross in[2]	39	28
Net total	32	3

- Invested into projects that benefit our hotel network e.g. GRS
- Repaid when depreciation charged to System Fund

Total capital investments

Gross total[3]	(42)	(85)
Net total	(1)	(39)

[1] Key money presented net of repayments of $1m in H1 2021 (H1 2020: nil); [2] Consists of depreciation and amortisation of $41m in H1 2021 (H1 2020: $30m), adjusted to exclude depreciation for right of use assets of $2m (H1 2020: $2m). [3] Includes gross key money payments of $17m in H1 2021 (H1 2020: $26m)

Growth rate analysis vs 2020

	RevPAR growth %		Net rooms growth %		Underlying Fee Revenue[1] Growth %	Comments
H1 2021	Comparable	Total[2]	YoY	Available[2]		
	Hotels that have traded in all months being compared (i.e. steady state)	All hotels that were open in H1 2021 and H1 2020 (incl hotels that are ramping up)	30 June 2021 vs 2020	Aggregate number of rooms available for sale in H1 2021 vs H1 2020		
Americas	27.9%	29.0%	(2.5)%	0.7%	31.0%	
EMEAA	(22.3%)	(22.2%)	1.0%	1.9%	(8.6)%	• Fee revenue growth benefitted from higher levels of incentive management fee income
Greater China	94.5%	91.9%	8.6%	6.0%	152.4%	
Total	**20.0%**	**20.3%**	**0.1%**	**1.8%**	**31.0%**	

[1] Underlying fee revenue and excludes owned, leased and managed lease hotels, significant liquidated damages, current year disposals, System Fund results and hotel cost reimbursements at constant H1 2021 exchange rates (CER).
2 Underlying fee business Total RevPAR and available rooms, excluding the SVC portfolio termination of 16.7k rooms (102 hotels) in Q4 2020.

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Growth rate analysis vs 2019

H1 2021	RevPAR growth % Comparable	RevPAR growth % Total[2]	Net rooms growth % YoY	Net rooms growth % Available[2]	Underlying Fee Revenue[1] Growth %	Comments
	Hotels that have traded in all months being compared (i.e. steady state)	All hotels that were open in H1 2021 and H1 2019 (incl hotels that are ramping up)	30 June 2021 vs 2019	Aggregate number of rooms available for sale in H1 2021 vs H1 2019		
Americas	(33.6)%	(32.9)%	(0.8)%	3.6%	(29.2)%	
EMEAA	(67.7)%	(67.6)%	3.9%	5.8%	(66.7)%	• Fee revenue growth impacted by lower levels of incentive management fee income
Greater China	(26.1)%	(31.8)%	19.4%	21.4%	(23.2)%	
Total	**(42.6)%**	**(43.4)%**	**3.3%**	**6.8%**	**(32.1)%**	

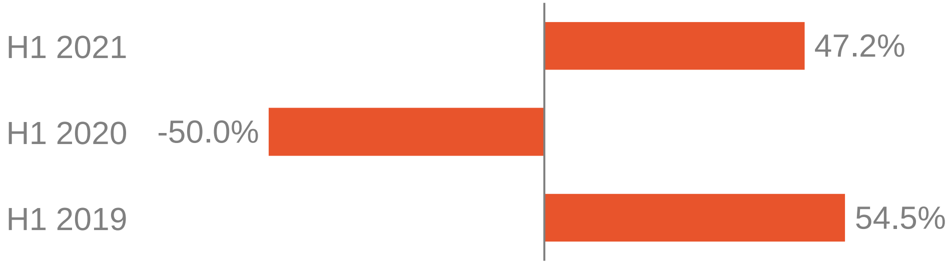
[1] Underlying fee revenue and excludes owned, leased and managed lease hotels, significant liquidated damages, current year disposals, System Fund results and hotel cost reimbursements at constant H1 2021 exchange rates (CER).
2 Underlying fee business Total RevPAR and available rooms, excluding the SVC portfolio termination of 16.7k rooms (102 hotels) in Q4 2020.

Fee margin[1] by region

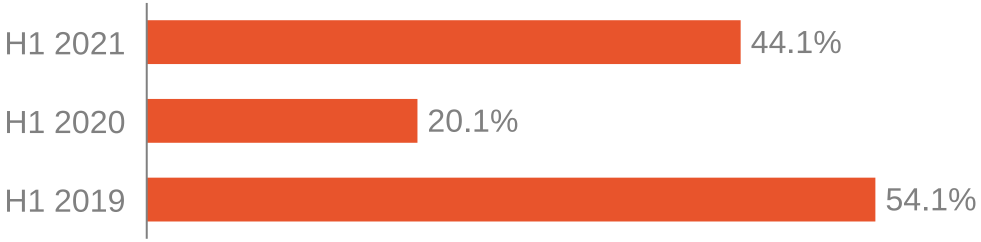
Americas

Europe, Middle East, Asia & Africa

Greater China



Total IHG



[1] Fee margin excludes owned, leased and managed lease hotels, significant liquidated damages and the results of the Group's captive insurance company; is stated at AER.
For Americas, consists of fee business revenue and operating profit of $296m (H1 2020: $226m; H1 2019: $418m) and $236m (H1 2020: $152m; H1 2019: $323m) respectively. For Europe, Middle East, Asia and Africa consists of fee business revenue and operating profit of $53m (H1 2020: $57m; H1 2019: $158m) and $(3)m (H1 2020: $(7)m; H1 2019: $93m) respectively before adjusting for significant liquidated damages of $nil (H1 2020: $1m H1 2019 $4m). For Greater China consists of fee business revenue and operating profit of $53m (H1 2020: $18m; H1 2019: $66m) and $25m (H1 2020: $(9)m; H1 2019: $36m) respectively before adjusting for significant liquidated damages of $6m (H1 2020: $nil H1 2019 $nil).

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Revenue and operating profit H1 2019-21

Actual US$	Total Revenue H1 2021	Total Revenue H1 2020	Total Revenue H1 2019	Total Operating Profit H1 2021	Total Operating Profit H1 2020	Total Operating Profit H1 2019
Franchise and base management fees	292	224	411	n/a	n/a	n/a
Incentive management fees	4	2	7	n/a	n/a	n/a
Fee Business	296	226	418	236	152	323
Owned, Leased & Managed Leased	29	36	102	(12)	(10)	21
Total Americas	**325**	**262**	**520**	**224**	**142**	**344**
Franchise and base management fees	42	51	117	n/a	n/a	n/a
Incentive management fees	11	6	41	n/a	n/a	n/a
Fee Business	53	57	158	(3)	(7)	93
Owned, Leased & Managed Leased	31	77	180	(24)	(13)	(5)
Total EMEAA	**84**	**134**	**338**	**(27)**	**(20)**	**88**
Franchise and base management fees	44	17	42	n/a	n/a	n/a
Incentive management fees	15	1	24	n/a	n/a	n/a
Fee Business	59	18	66	31	(9)	36
Total Greater China	**59**	**18**	**66**	**31**	**(9)**	**36**
Central Results	97	74	88	(40)	(61)	(58)
Total Reportable Segments	**565**	**488**	**1,012**	**188**	**52**	**410**
Reimbursement of Costs	236	375	593	-	-	-
System Fund	378	385	675	(46)	(52)	47
Total IHG	**1,179**	**1,248**	**2,280**	**142**	**0**	**457**

H1 2019 underlying fee business revenue and operating profit non-GAAP reconciliations

	Americas		EMEAA		Greater China		Central		Total IHG	
	Revenue	Operating Profit	Revenue	Operating Profit	Revenue	Operating Profit	Revenue	Operating Loss	Revenue	Operating Profit
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Per H1 2019 Interim financial statements	520	344	338	88	66	36	88	(58)	1012	410
Reportable segments analysed as:										
Fee business	418	323	158	93	66	36	88	(58)	730	394
Owned, leased and managed lease	102	21	180	(5)	-	-	-	-	282	16
	520	344	338	88	66	36	88	(58)	1012	410
Reportable segments (see above)	520	344	338	88	66	36	88	(58)	1012	410
Significant liquidated damages	-	-	(4)	(4)	-	-	-	-	(4)	(4)
Owned asset disposal[1]	(18)	(2)	(12)	-	-	-	-	-	(30)	(2)
Currency impact[2]	-	-	16	3	3	1	1	(2)	20	2
Underlying revenue and underlying operating profit	502	342	338	87	69	37	89	(60)	998	406
Owned, leased and managed lease included in the above	(84)	(19)	(179)	5	-	-	-	-	(263)	(14)
Underlying fee business	418	323	159	92	69	37	89	(60)	735	392

[1] Americas: The results of InterContinental San Juan has been removed in 2019 (disposed in 2020) to determine underlying growth; EMEAA: The results of InterContinental Nairobi (disposed 2021) and Holiday Inn Melbourne Airport (disposed 2020) have been removed to determine underlying growth. [2] Stated at constant H1 2021 exchange rates (CER).

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Currency translation

Region[1]	Reportable Segments Reported H1 2021 vs H1 2020 rates[2]		Reportable Segments H2 2020 at 30 June 2021 spot rate vs reported H2 2020[3]	
	Revenue	EBIT	Revenue	EBIT
Americas	$1m	$1m	$1m	-
EMEAA	$5m	$(2)m	$1m	$(1)m
Greater China	$5m	$2m	$3m	$2m
Central Overheads	$1m	$(7)m	$1m	$(1)m
Total IHG	**$12m**	**$(6)m**	**$5m**	**-**

[1] Major non-USD currency exposure by region (**Americas:** Canadian Dollar, Mexican Peso; **EMEAA:** British Pound, Euro, Russian Rouble, Japanese Yen, Singapore Dollar; **Greater China:** Chinese Renminbi; **Central:** British Pound). [2] Based on monthly average exchange rates each year. [3] 30 June 2021 spot rates: 0.72 USD:GBP; 0.84 USD:EUR.

2021 notable items

Significant items		H1 2021	FY 2021
Payroll tax credit	Americas	$5m	$8m
Individually significant Liquidated Damages	Greater China	$6m	$6m

This presentation may contain projections and forward looking-statements. The words “believe”, “expect”, “anticipate”, “intend” and “plan” and similar expressions identify forward-looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company’s financial position, potential business strategy, potential plans and potential objectives, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate. The forward-looking statements in this document speak only as at the date of this presentation and the Company assumes no obligation to update or provide any additional information in relation to such forward-looking statements.

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