



Investor Presentation



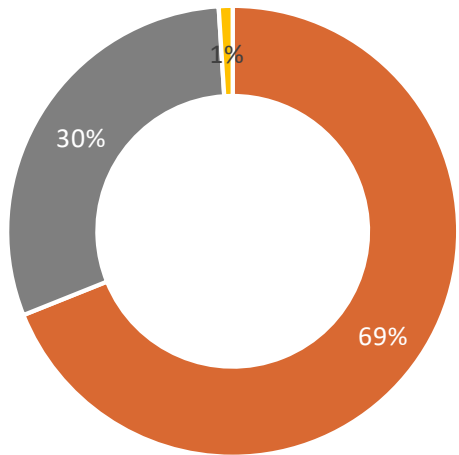
Most pure play, asset light global hotel company - highest quality of earnings

Highest quality revenue stream

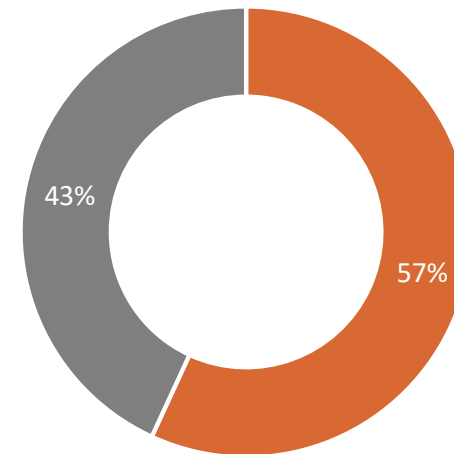
- >95% of profits from fee business following disposal of InterContinental Hong Kong
- ~80% of IHG's fee revenues linked to hotel revenues
- ~20% linked to hotel profits

IHG benefits from industry upside, but more resilient in a downturn

H1 2018 Open Rooms

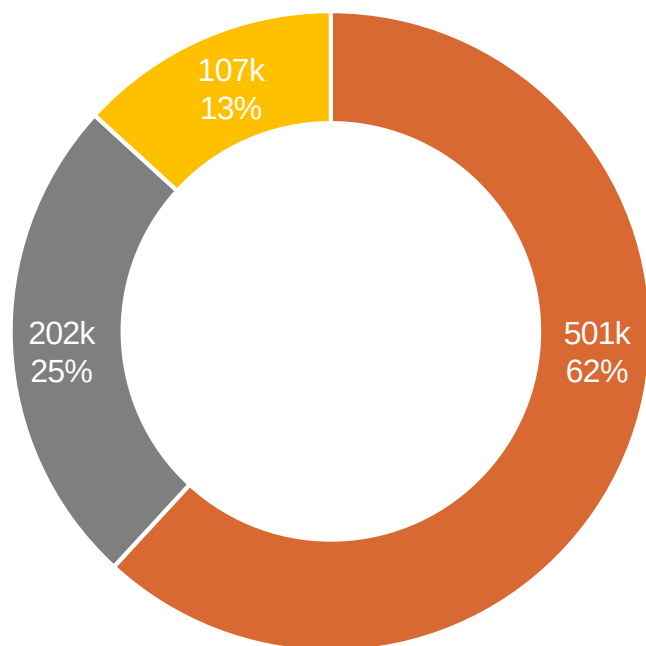


H1 2018 Pipeline Rooms

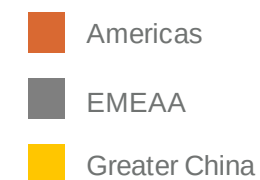
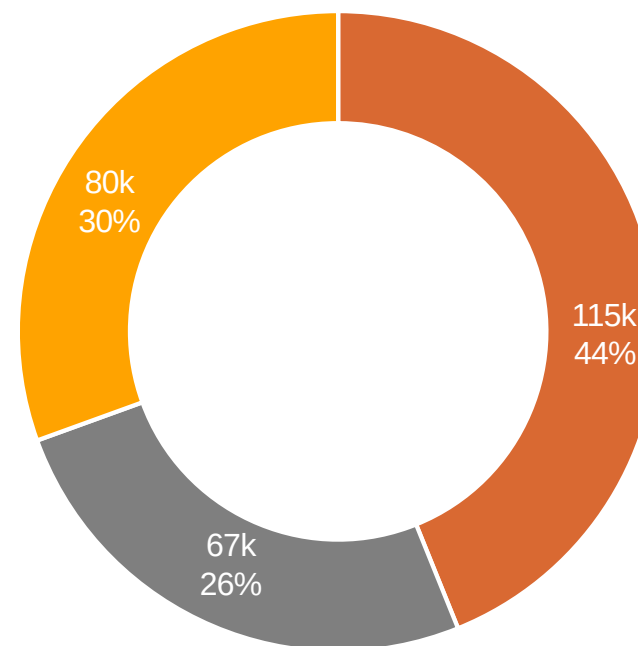


Global business with a presence in nearly 100 countries; concentrated in the US and China

Closing room count (k)
June 2018
(Global: 810k rooms)



Closing pipeline rooms (k)
June 2018
(Global: 262k rooms)



Strong H1 performance across all regions & good progress against new strategic initiatives

Rooms



4.1% net rooms growth

Highest signings for 10 years

RevPAR



3.7% Global growth

Good momentum in each region

Results



+8% underlying EBIT

+25% underlying EPS

+10% interim dividend

Redeploying resources



- \$125m efficiency programme well underway
- Embedding new organisational structure
- Starting to drive results

New brands added



Delivering a strong H1 performance across all regions

Group

- H1 2018 RevPAR = 3.7%
- 4.1% net rooms growth
- 22k openings – up 11% YOY¹
- 46k pipeline signings – up 46% YOY our strongest in 10 years

The Americas

- H1 2018 RevPAR = 3.2%; US = 2.7%
- 2.3% net rooms growth
- 9k openings
- 20k pipeline signings, incl. 7.6k for avid hotels

EMEA

- H1 2018 RevPAR = 3.0%
- UK = flat; CE = 5.9% with continued growth in terror markets
- 5.0% net rooms growth
- 9k pipeline signings

Greater China

- H1 2018 RevPAR = 10.1%
- Mainland = 9%, HK SAR = 13%, Macau SAR = 20%
- 11.9% net rooms growth
- 17k pipeline signings – highest ever H1

¹ Excluding 3.5k rooms opened in Makkah, Saudi Arabia in H1 2017; annualised fees from these rooms are ~\$1m.

Update on new strategic initiatives

– on track to deliver industry leading net system size growth

5. Optimise our preferred portfolio of brands for owners & guests

- Strengthening existing brands
- 3x new brands in <12 months

4. Evolve owner proposition

- Innovative Franchise Plus model for Holiday Inn Express in Greater China now >100 open and pipeline hotels



1. Build & leverage scale

- \$125m efficiency programme underway
- Embedding new organisational structure
- Starting to drive results

2. Strengthen loyalty programme

- Creating a more personalised and differentiated offering

3. Enhance revenue delivery

- IHG Concerto in >50% of hotels
- On track for late 2018/ early 2019 completion
- Investor event December 2018

New organisational structure is improving our speed to market and realising financial efficiencies to invest in growth

New organisational structure

New regional
operating
structure

Integrated
Commercial
& Technology
organisation

Global
Marketing
organisation



Supported by wider organisational changes

H1 2018 Signings



+46%
+21% Excl. avid¹

New Brands



3x
new brands in
<12 months

¹H1 2018 avid signings, 7.6k rooms

On track to deliver \$125m of savings by 2020 to reinvest in growth; costs being incurred as planned, with some margin benefit in H1

Total annual savings of \$125m by 2020

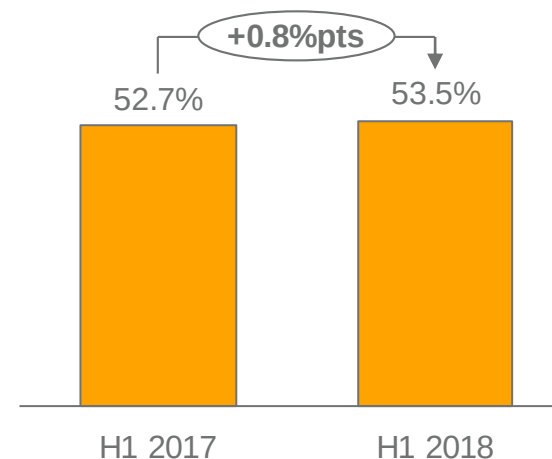
- Total annual savings of \$125m by 2020
- Phasing unchanged; 2018: 40%, 2019: 80%, 2020: 100%
- H1'18: \$6m benefit from timing difference between savings and reinvestment
- Continue to expect savings to be fully re-invested on an annual basis

Exceptional Cash Costs

- Unchanged at \$200m
- 2017 = \$31m; H1'18 = \$48m
- \$70m expected in H2 '18 and the remaining amount in 2019.

Continued Fee Margin Progression

Reported fee margin¹ progression



- Fee margin growth of 1.7%pts at CER
- Medium term fee margin progression will be broadly in line with the historic average of ~135bps p.a.

¹ Fee margin stated at AER

Our strategy for uses of cash remains unchanged and we are committed to future shareholder returns



Invest in the
business to
drive growth



Maintain sustainable
growth in ordinary
dividend



Return surplus
funds to
shareholders

Commitment to Investment Grade Credit Rating
2.0x – 2.5x Net Debt : EBITDA

Conclusions

We have delivered a strong performance in H1 2018

We are working at pace and delivering against our new strategic initiatives

Our company-wide efficiency programme is on track to deliver the expected savings by 2020

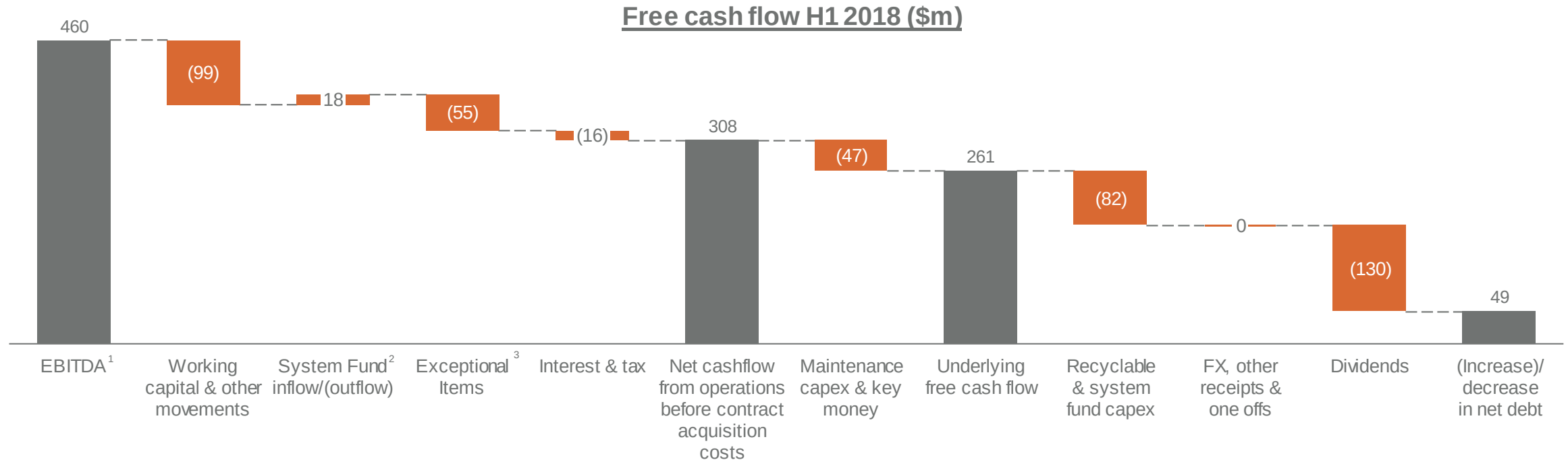
We are confident in our ability to deliver industry-leading net rooms growth over the medium term

We remain positive in the outlook for the second half of 2018



Sources & uses of Cash

Significant cashflow from operations well above capex needs



- Underlying free cash flow up \$57m year-on-year
- Gross capital expenditure of \$129m covered 2.4x by net cashflow from operations

¹ Before exceptional items and system fund results; ² System Fund result excludes exceptional costs of \$30m in relation to efficiency programme; ³ Includes \$48m relating to group wide efficiency programme (\$16m in relation to the system fund)

Targeted capital expenditure to drive growth

Medium term guidance unchanged:

	\$m	H1 2017	H1 2018
Maintenance capex, key money and selective investments	Maintenance capex	20	22
	Key money	24	25
	Total	44	47
	\$m	H1 2017	H1 2018
Recyclable investments	Gross out	80	32
	Gross in	(7)	(2)
	Net total	73	30
	\$m	H1 2017	H1 2018
System fund capital investments	Gross out	62	50
	Gross in	(17)	(16)
	Net total	45	34
Total capital investments	Gross total	186	129
	Net total	162	111

- ~\$150m per annum
- Key money: ~\$75m per annum

- ~\$100m per annum but expected to be broadly neutral over time

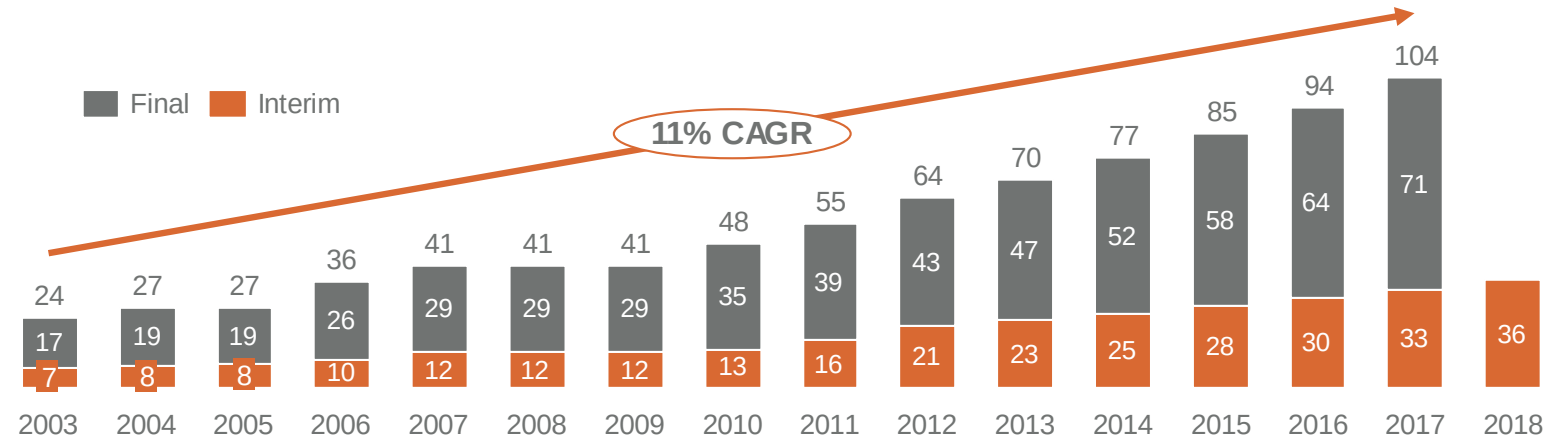
- ~\$100m per annum
- Repaid when depreciation charged to System fund
- Depreciation of GRS starting in H2 2018

- Gross: up to \$350m per annum
- Net: ~\$150m

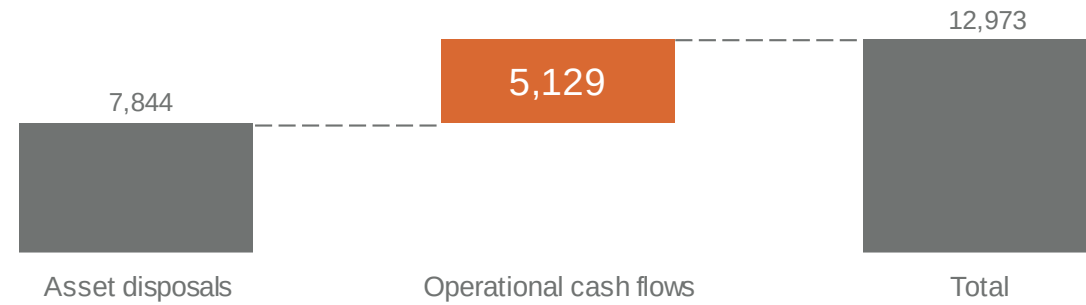
Highly cash generative business driving strong shareholder returns

- Strong cash flows driving consistent shareholder returns
 - 2018 Interim dividend of 36.3¢
 - FY'17 Total dividend of 104¢, with 11% CAGR since 2003
 - \$0.4bn special dividend paid in May 2017
 - Total returns of \$13bn since 2003, ~40% from operations
 - \$2.3bn ordinary dividend
 - \$10.7bn additional
- Strong financial position:
 - \$1.4bn Bonds¹
 - \$0.3bn RCF utilised²
 - \$1.1bn RCF unutilised

Ordinary dividend progression 2003-2017 (¢)



Shareholder returns 2003-17 (\$m)

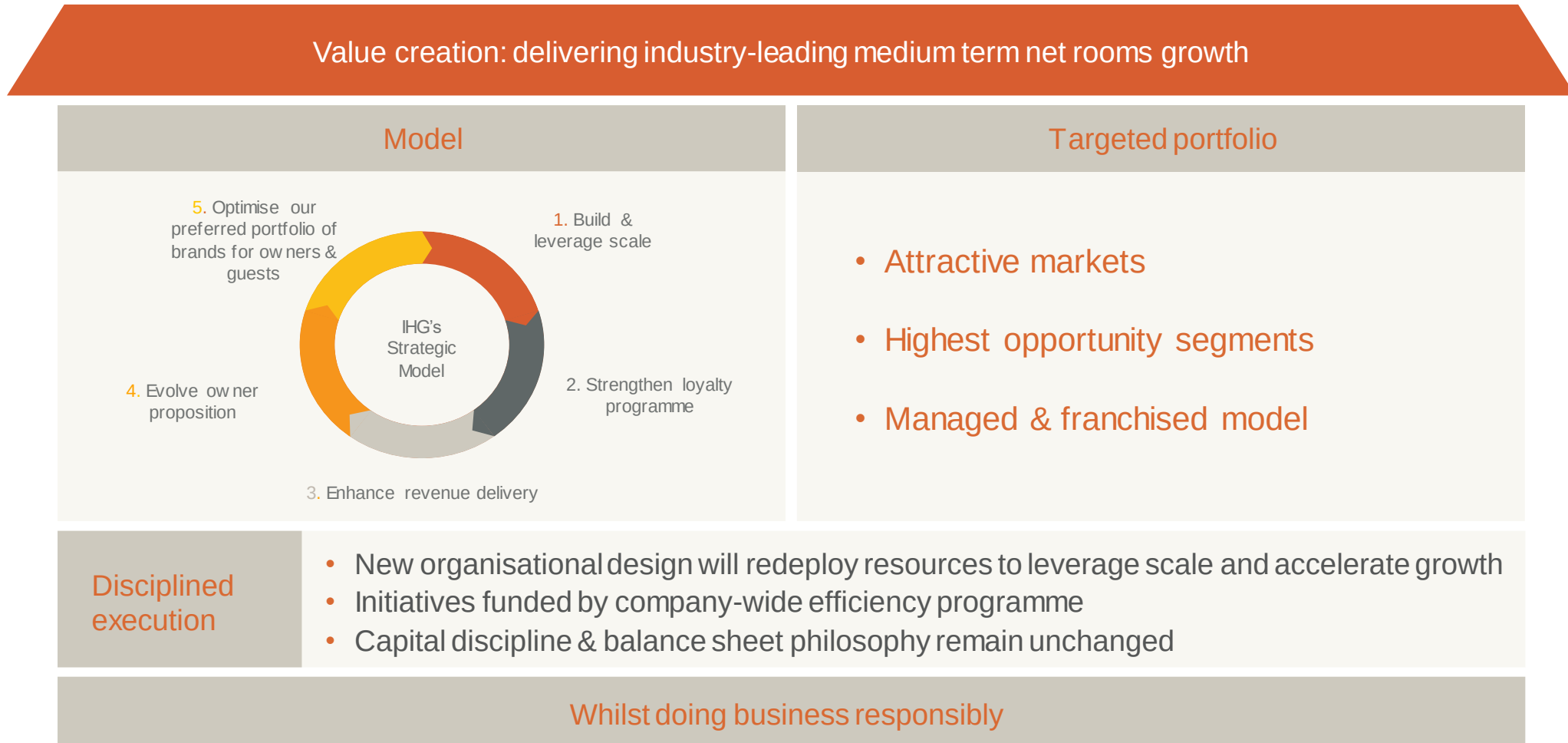


¹ First Bond (£400m) matures in November 2022; ² Revolving Credit Facility matures in March 2022



Strategic initiatives to drive industry leading rooms growth over the medium term

We have a clearly defined strategy which will continue to drive superior shareholder returns



But in order to deliver industry-leading net rooms growth over the medium term, we need to make our strategic model work harder



1. Build & leverage scale

Design a new organisational structure which redeploys resources to leverage scale and accelerate growth

2. Strengthen loyalty programme

Continue to innovate IHG Rewards Club to create a more differentiated offering and leverage & expand loyalty partnerships

3. Enhance revenue delivery

Prioritise digital & technological innovation to drive increased direct revenues e.g. Guest Reservation System

4. Evolve owner proposition

Upweight owner support to accelerate growth & expand our industry leading franchise offer into new areas

5. Optimise our preferred portfolio of brands for owners and guests

- Strengthen & grow existing brands
- Augment portfolio with new brands to match identified valuable opportunities

New organisational structure which redeploys resources to leverage scale and accelerate growth

New regional operating structure



Elie Maalouf
Regional CEO, Americas



Jolyon Bulley
Regional CEO, Greater China



Kenneth Macpherson
Regional CEO, EMEAA

- Directing focus and effort on those markets that matter most, whilst leveraging best practices to drive profitable growth

Integrated Commercial and Technology organisation



Eric Pearson
Chief Commercial & Technology Officer

- Sales, Channels & Revenue Management integrated with technology to maximise delivery
- Increased speed in deploying new products and services
- Improved efficiency through removal of duplication

Global Marketing organisation



Claire Bennett
Chief Marketing Officer

- Strengthened brand, loyalty & marketing capabilities to drive agility & efficiency
- Global brand category leads introduced to drive performance & growth
- Leverage shared services to maximise scale benefits & drive effective marketing



Paul Edgecliffe-Johnson
Chief Financial Officer



George Turner
EVP, Business Reputation & Responsibility



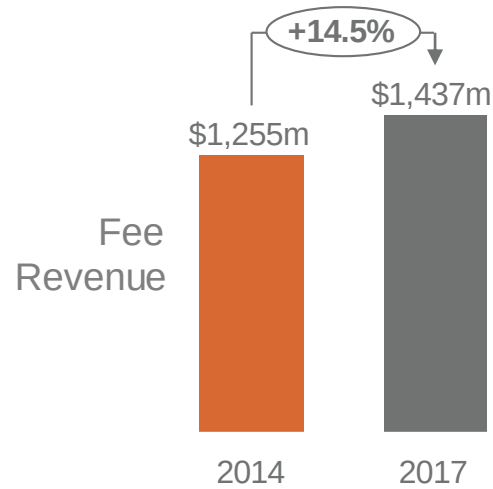
Ranjay Radhakrishnan
Chief Human Resources Officer



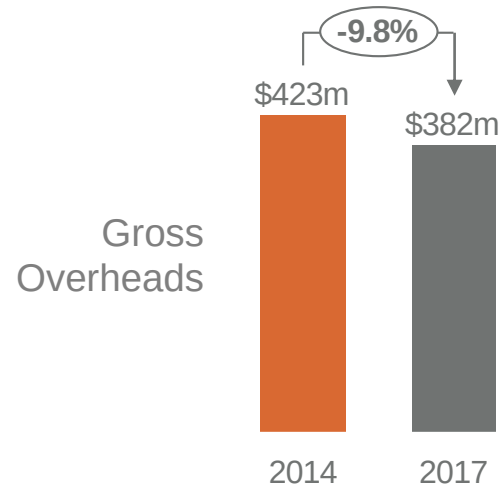
Yasmin Diamond
EVP, Global Corporate Affairs

Relentless cost control has contributed to strong margin growth in recent years

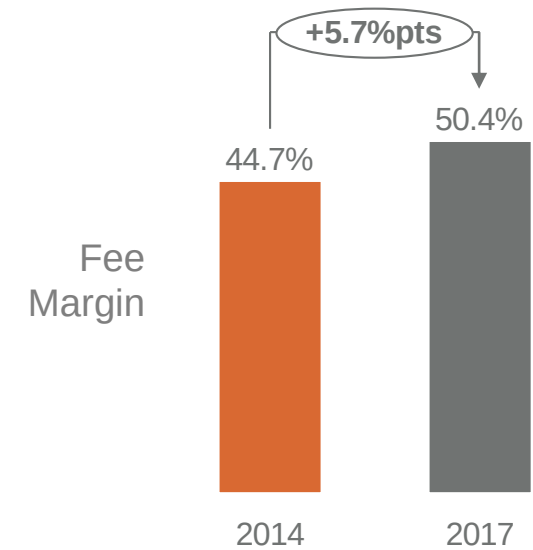
Fee Revenue growth...



...together with financial discipline and scale benefits...



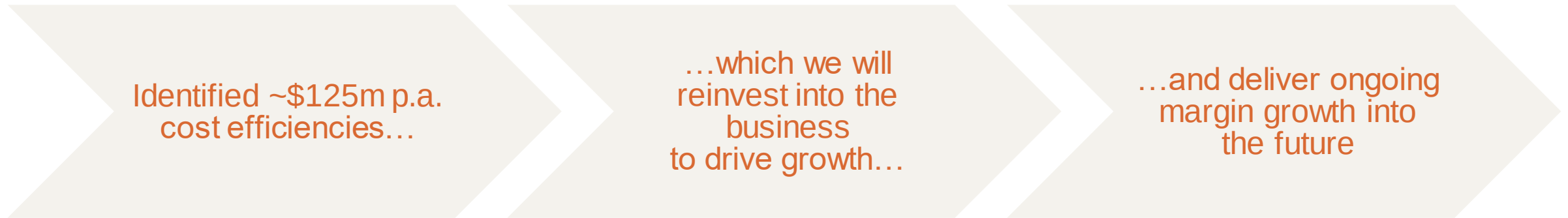
...has led to significant fee margin growth



- Incremental fee revenue from:
 - New build: 40%
 - RevPAR growth: 60%

- Relentless focus on cost management
- Centralised procurement
- Zero based budgeting
- Offshoring

Our new efficiency programme will redirect resources against our additional strategic initiatives whilst maintaining margin progression



Realised by 2020, achieved through:

- New flatter, simpler, organisational structure
- Near shoring, off shoring and outsourcing non-core activities
- Increased automation
- New ways of working
- Targeting savings and reinvestment matched each year
- \$200m exceptional costs to achieve
- 135bps average p.a. over the past 12 years
- Expected to maintain similar increases in the medium term



Optimise our preferred portfolio of brands for
owners & guests

Brand organisation restructured into categories to maximise synergies & efficiencies and to drive performance

Mainstream



567k rooms open
191k pipeline rooms

Upscale



131k rooms open
46k pipeline rooms

Luxury



79k rooms open
21k pipeline rooms

Continued roll-out of new guest room designs across all regions



Holiday Inn Express Mesquite, TX– Before renovation

Holiday Inn Express Woodstock, GA– After renovation



Rapid deployment of new breakfast offering in the US



Holiday Inn Express & Suites Galesburg, IL – Before renovation

Holiday Inn Express & Suites, San Antonio North, TX – After renovation



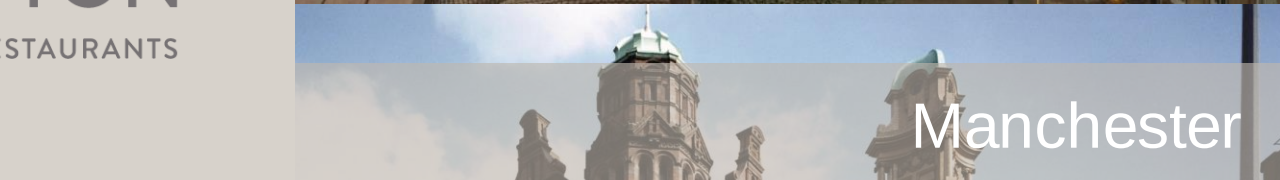
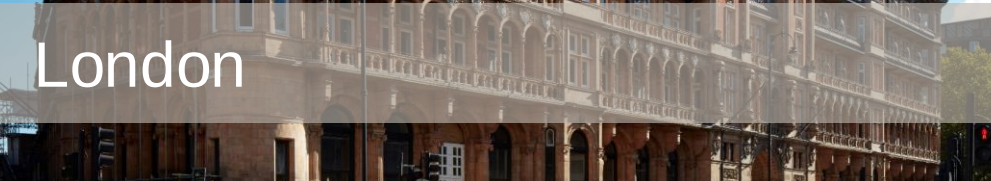


Driving **global growth for Kimpton:**

- Global expansion gathering pace
- H1 2018 signings in Frankfurt, Shanghai & Mexico City
- July 2018 – Four UK hotels, including London
- Builds on 2017 debuts in Greater China and South East Asia.

Leveraging the benefits of Kimpton's unique offer:

- Leveraging design and F&B best practices into IHG's network
- Kimpton Karma fully integrated into IHG Rewards Club



London

Glasgow

Edinburgh

Manchester

KIMPTON®
HOTELS & RESTAURANTS

We have a systematic approach to identifying new brand opportunities

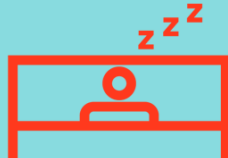
Criteria	Categories		
	Mainstream ¹	Upscale	Luxury
	High value, high growth segment ¹ • ~\$115bn global segment • ~\$65bn of growth to 2025	• ~\$40bn global segment • ~\$20bn of growth to 2025	• ~\$60bn global segment • ~\$35bn of growth to 2025
	Owner Opportunity	Existing hotel owners looking for access to low cost, high revenue delivery systems.	Owners with existing hotels and new build opportunities looking for a high-end product that generates sizeable returns per asset
	IHG's Competitive Offer	Industry leading revenue management & reservation tools, strong B2B offer and loyalty programme	Largest global Luxury brand operator ² Expertise in new luxury division
IHG's New Offering	 AN IHG® HOTEL	 AN IHG® HOTEL	 HOTELS & RESORTS

¹. Mainstream classified as Midscale and Upper-Midscale; ² STR & IHG estimates

✓ Clear and simple booking



✓ Rooms designed for sound sleep



✓ Focused, high-quality breakfast



✓ Confidence in all we do



✓ **Clean**
✓ **Sleep**
✓ **Great value**



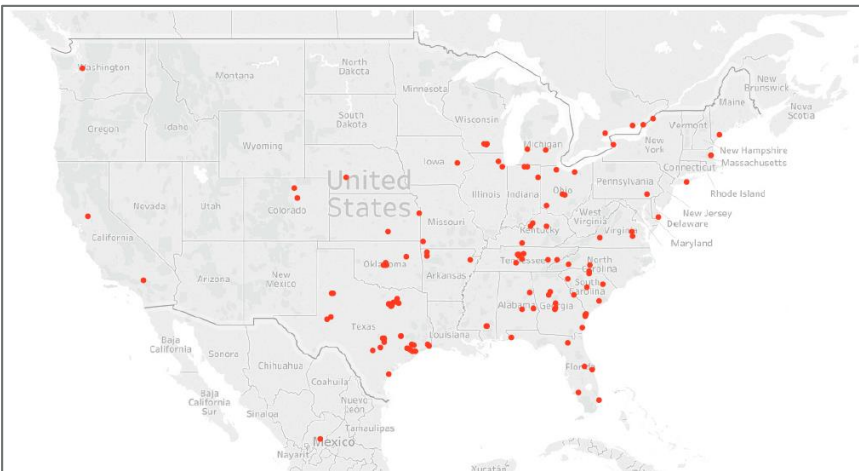
10-15%

Lower build costs



Simple to **build**
Simple to **operate**
Simple to **maintain**

On track to become IHG's next brand of scale



Brand design / concept

- Focused on the essentials that make a difference for guests
- Fits onto a smaller land parcel than Holiday Inn Express
- New build only
- Fully procured solution to maximise owner returns

Growth potential

- 130 signings (12k rooms) – including launches in Canada (4 hotels) and Mexico (1 hotel)
- First hotel expected to open imminently (<1 year after brand launch)
- Next hotel opening expected in Q2 2019

voco - new upscale brand launched in June



Brand design / concept

- Targeted at **high quality** individual and locally branded hotels
- Defined by three guest moments
- Developed in conjunction with an Owner Advisory Board

Growth potential

- Initially focused in EMEAA, with roll out in Americas and Greater China at a later date
- 4 hotels will be added as part of the UK portfolio deal
- A further 3 hotels have been signed to date in the EMEAA region
- Positive owner reaction with >20 deals under active discussion
- Expect to sign >200 hotels in 10 years

voco - defined by three guest moments



Come on in



Me time



voco life



Regent Hotels & Resorts

– iconic upper luxury brand; majority stake now acquired



Brand design / concept

- Upper luxury brand with world renowned heritage and brand equity
- Positioned above InterContinental
- InterContinental Hong Kong to return to the Regent brand in early 2021 following a major renovation

Growth potential

- 51% stake completed on 1 July 2018
- 6 open hotels (2.0k rooms); 3 pipeline hotels (0.9k rooms)
- Multiple new sites under discussion in key gateway cities and resorts
- Expected to grow to >40 hotels over the long term

Regent Taipei



Regent Porto Montenegro



Regent Chongqing



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Strengthen Loyalty Programme & Enhance Revenue Delivery

Our loyalty programme delivers sustainable growth to IHG and our owners, and meets the needs and wants of our guests

Building Brands

IHG® Rewards Club builds relationships creating an experience that guests love, and a willingness to try new brands

~90% of qualified nights are from members who enrolled at a different hotel

Profitable Revenue

IHG® Rewards Club encourages members to spend more, through more profitable channels

Members are 7x more likely to book direct

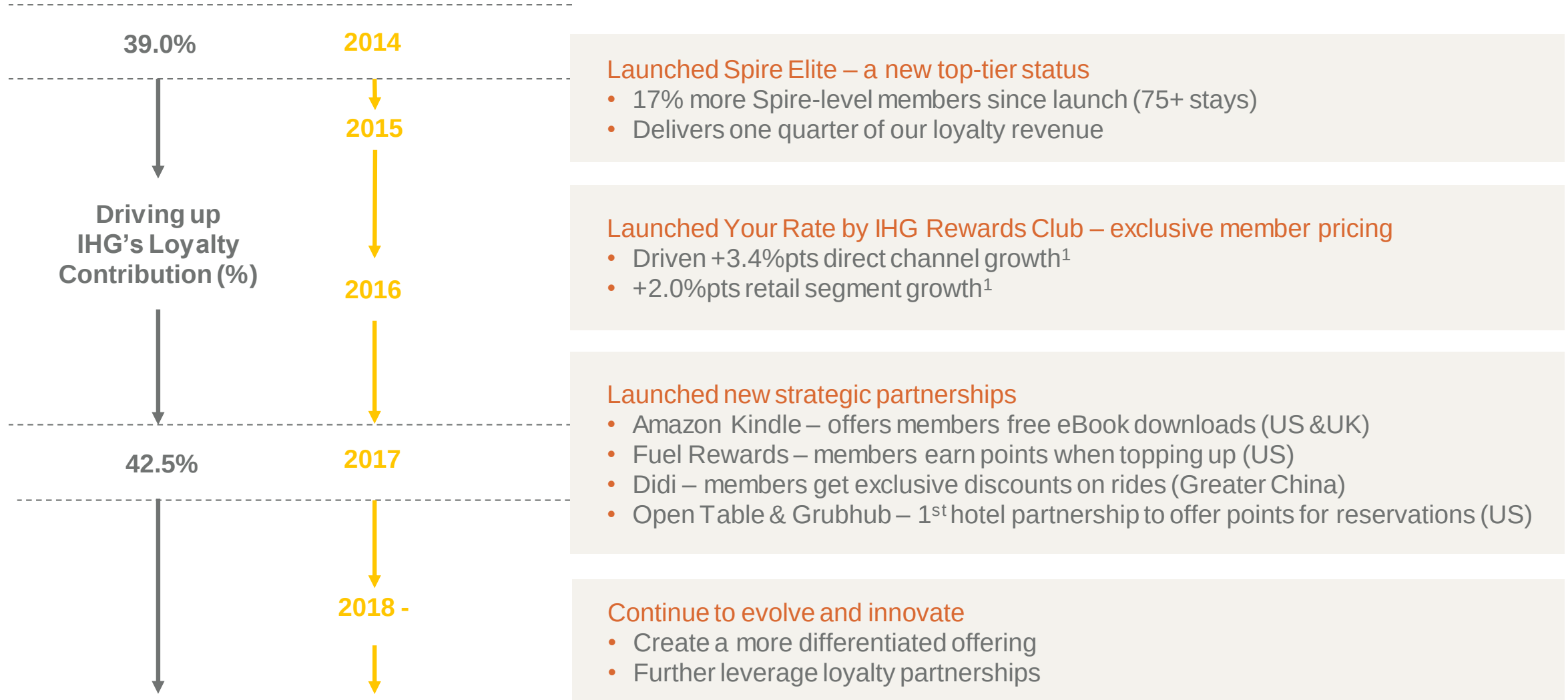


Driving Efficiency

IHG® Rewards Club creates efficiencies when talking to and targeting our customers

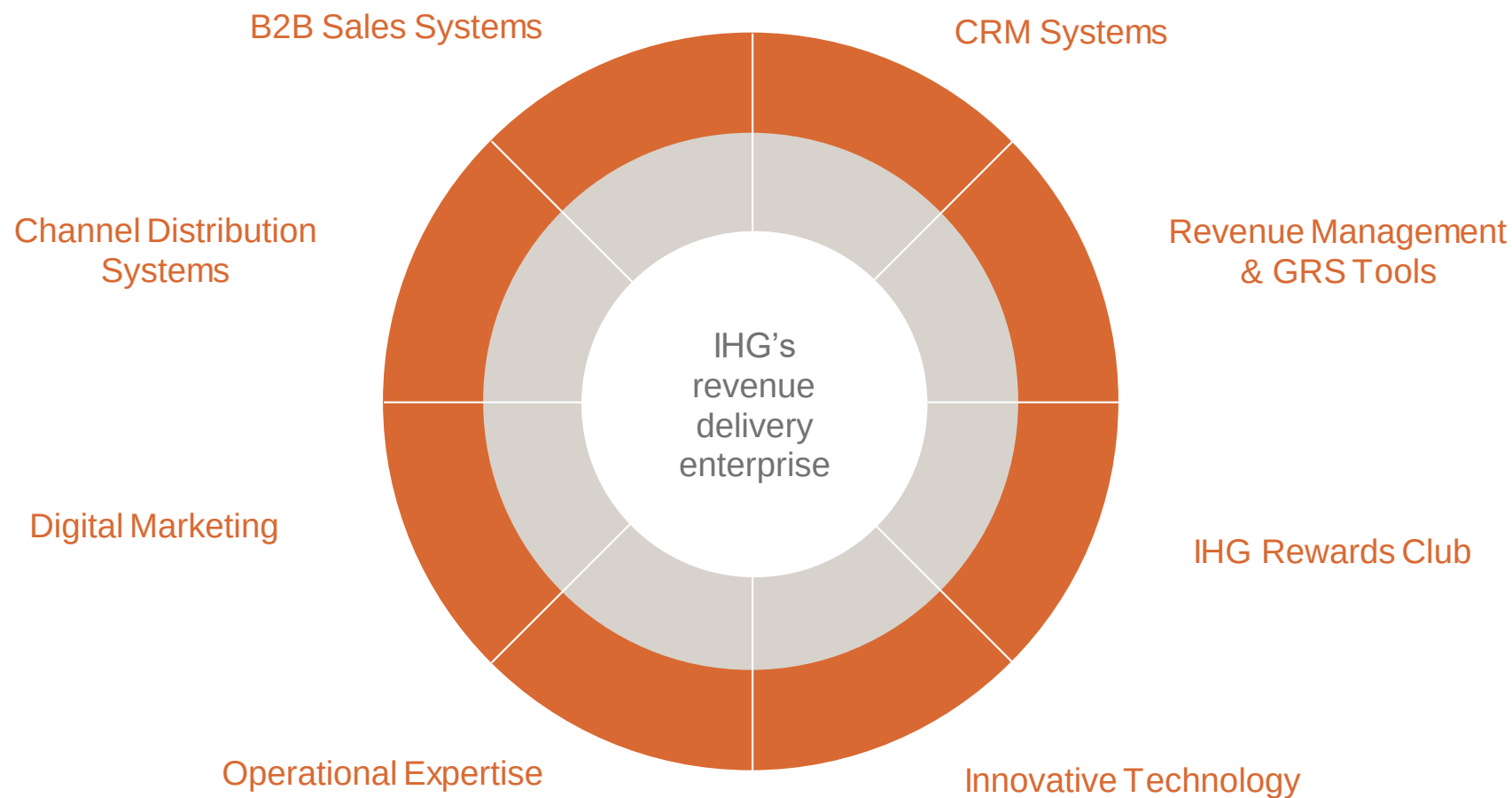
~75%% of qualified revenue is from members who opt-in to engage with us directly

We have significantly enhanced our loyalty programme in recent years and will continue to do more to drive up loyalty contribution



¹. In the 12 months post launch

The IHG revenue delivery enterprise supports 5,300+ hotels across ~100 countries and delivers some 76% of rooms revenues



Leading digital content and technology innovation drive direct channel delivery

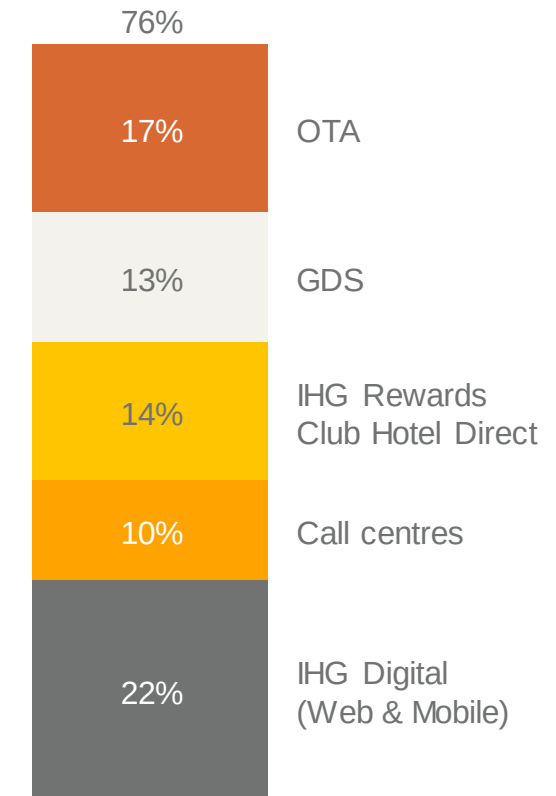
Lower cost direct channels driving delivery

- \$2.0bn of mobile gross bookings p.a. in 2017, up by 29% YoY and up from <\$50m in 2012

Technology innovation provides platform for future growth

- IHG Connect seamless logon
 - Implemented/being installed in ~3,000 hotels
 - Guest Love¹ up ~5pts
- Revenue Management for Hire
 - Now mandatory in US²
 - Driving 6pt year-on-year RGI uplift³
- Guest Reservation System
 - On-track & on-budget to begin roll-out in end of 2017

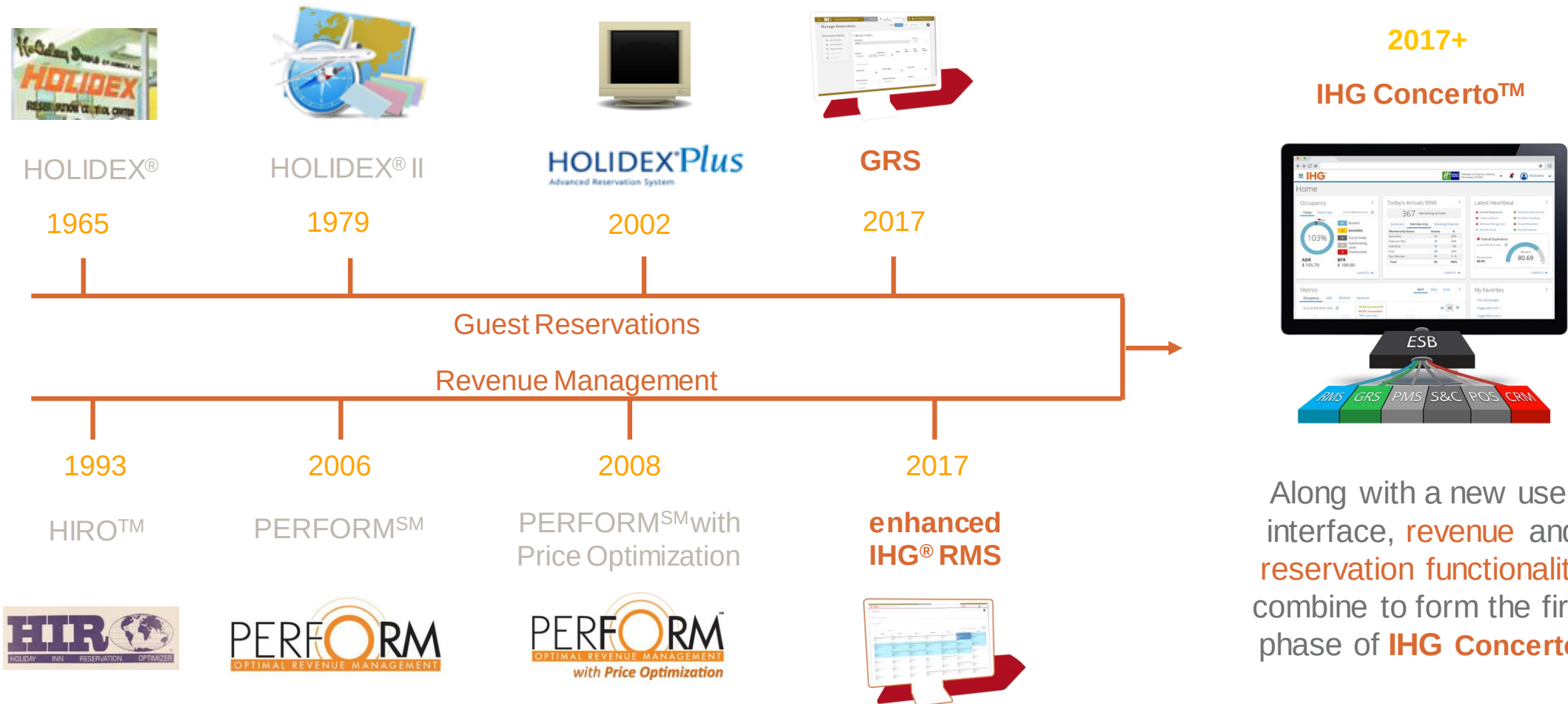
FY 2017 Channel Revenue Contribution



¹Overall internet score, pre vs. post-implementation; ²Unless a full-time, certified revenue manager is employed at the property; ³Average RGI uplift for hotels joining RMH in 2016

IHG has a long history of Digital & Technological innovation

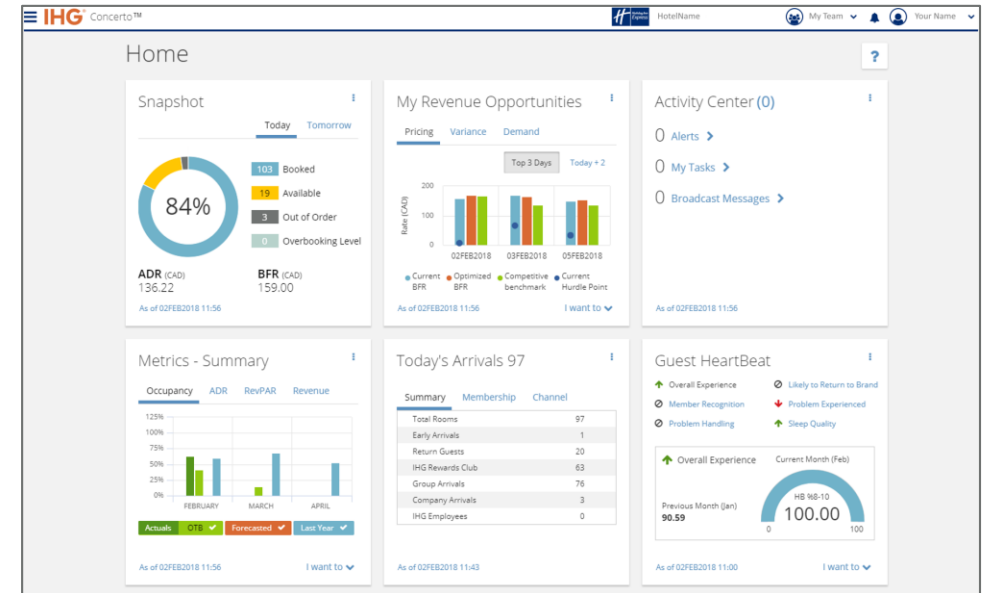
- Leading the industry in revenue management and guest reservation technology



IHG Concerto™ & our Guest Reservation System

- we are driving a fundamental shift in how hotel solutions are delivered to users

- IHG Concerto is a cloud, based, powerful new hotel technology platform
- It will incorporate a comprehensive set of capabilities into a single seamless hotel management tool
- Designed to enhance usability, guest satisfaction, loyalty, and revenue for hotels
- Provides GMs with a powerful dashboard, plus online training and assistance
- Initial functionality live in >50% hotels across all regions:
 - IHG's new Guest Reservation System
 - Revenue management (yield & price optimisation)
 - Improved efficiency, ease of use and modern look & feel
- On track to complete roll out end of 2018 / start of 2019

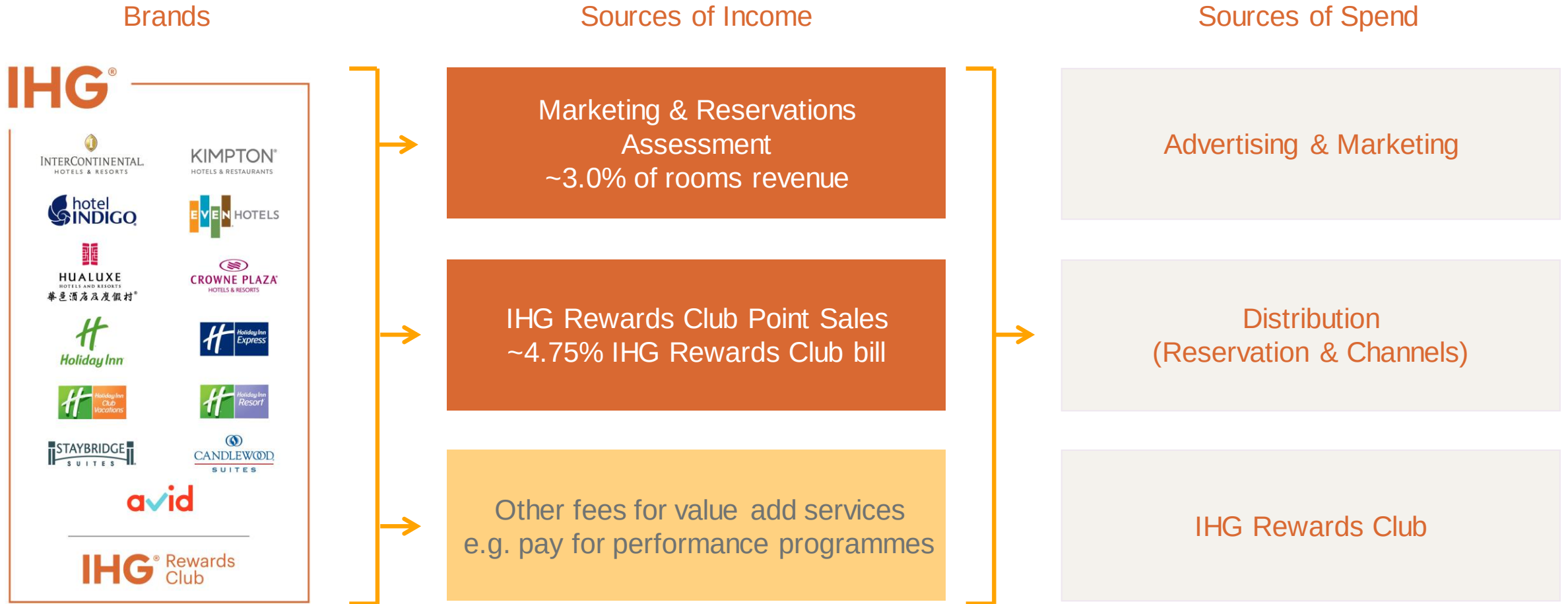


IHG Concerto™

Powerful new suite of hotel technology



IHG's ~\$1.2 bn¹ System Fund supports our brand marketing and our revenue delivery system



¹As at 31 December 2017



Appendices

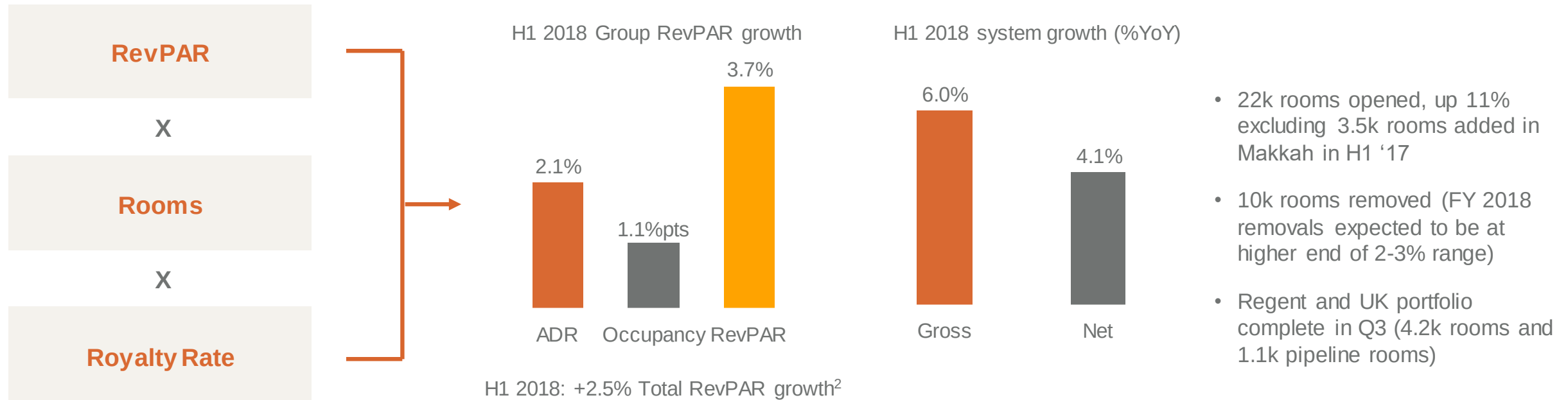
2018 current trading - strong underlying financial performance

Results from reportable segments ¹	Underlying ²			Reported
\$ million	H1 2018	H1 2017	% Change	H1 2018
Revenue	\$875m	\$838m	4%	\$900m
Revenue from fee business	\$699m	\$664m	5%	\$719m
Operating profit	\$398m	\$370m	8%	\$406m
Fee-based margin	54.4%	52.7%	1.7%pts	53.5%
Interest ³	\$(47)m	\$(40)m	18%	\$(38)m
Reported tax rate	23%	32%	(9)%pts	23%
Reported basic weighted average shares	190m	196m	(3)%	190m
Adjusted EPS	142.1¢	113.8¢	25%	145.8¢
Interim Dividend	[36.3]¢	33.0¢	10%	[36.3]¢

¹Reportable segments exclude system fund results, hotel cost reimbursements and exceptional items; ²Reportable segment results excluding owned asset disposals & significant liquidated damages and stated at constant H1 2017 exchange rates (CER); ³ Stated at actual exchange rates; Reported interest excludes \$9m of interest charges in relation to the System Fund

Resilient fee-based business model driving solid fee revenue growth

H1 2018 underlying fee revenue¹ \$699m up 5.3%²



¹Underlying fee revenue excludes owned, leased and managed lease hotels, significant liquidated damages, System Fund results, and hotel cost reimbursements at constant H1 2017 exchange rates (CER); ²Growth stated at CER

Strong penetration into developing markets continues to dilute short term RevPAR but provides a long runway for future revenue growth

	RevPAR Growth %		Net rooms growth %		Adjusted Underlying Fee Revenue ¹ Growth %	Comments
H1 2018	Comparable	Total ²	YoY	Available		
	Hotels that have traded in all months being compared (i.e. steady state)	All hotels that were open in H1 2018 and H1 2017 (incl hotels that are ramping up)	30 th June 2018 vs 2017	Aggregate number of rooms available for sale in H1 2018 vs H1 2017		
Americas	3.2%	3.4%	2.3%	2.3%	4.3%	Broadly in line
EMEA	3.0%	0.4%	5.0%	6.0%	4.4%	Total RevPAR impacted by openings in developing markets
Greater China	10.1%	4.5%	11.9%	8.2%	12.7%	- Total RevPAR impacted by a number of properties in ramp up and openings in less developed cities - Rooms available impacted by timing of openings and removals
Total	3.7%	2.5%	4.1%	4.0%	5.3%	

¹Underlying fee revenue excludes owned, leased and managed lease hotels, significant liquidated damages, System Fund results and hotel cost reimbursements at constant H1 2017 exchange rates (CER).

² Excluding three properties in Venezuela

Improving US RevPAR performance; avid hotels' momentum continues

- Comparable RevPAR up 3.2%, US up 2.7%
- Q2 US RevPAR up 2.9%

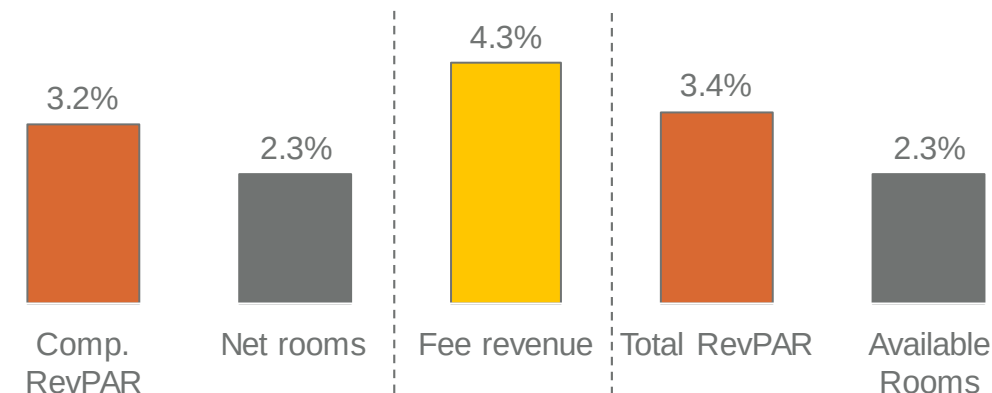
- YoY net rooms growth 2.3% (Gross: up 4.2%)

- Fee revenue¹ up 4.3%

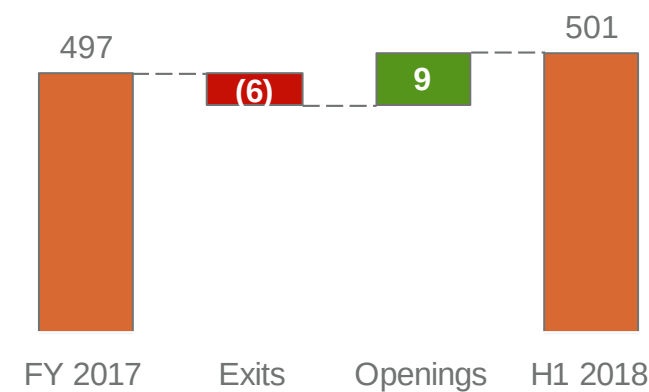
- Underlying² revenue up 5%; underlying² profit up 4% impacted by:
 - Lower hotel termination fees
 - Costs related to legal disputes
 - Small net negative impact from previously disclosed items
- Underlying owned and Leased profit up 13% driven primarily by trading at InterContinental San Juan

- Pipeline: 115k rooms; 20k signed
- 130 avid hotels signed since launch in Sept '17; 82 in H1 2018

H1 2018 Growth in fee revenue drivers¹



H1 2018 Net rooms growth ('000s)



¹ Fee Revenue excludes owned, leased and managed lease hotels, significant liquidated damages, System Fund results, and hotel cost reimbursements at constant H1 2017 exchange rates (CER)

² Underlying revenue and profit excludes significant liquidated damages, System Fund results and hotel cost reimbursements at constant H1 2017 exchange rates (CER)

Continued recovery in terror impacted markets; tough comps in UK

- Comparable RevPAR up 3.0% (Q2 up 3.0%)
 - Continental Europe up 5.9%
 - UK down 0.2%
 - Middle East down 7.0%;
 - Australia and Japan both up 3.5%

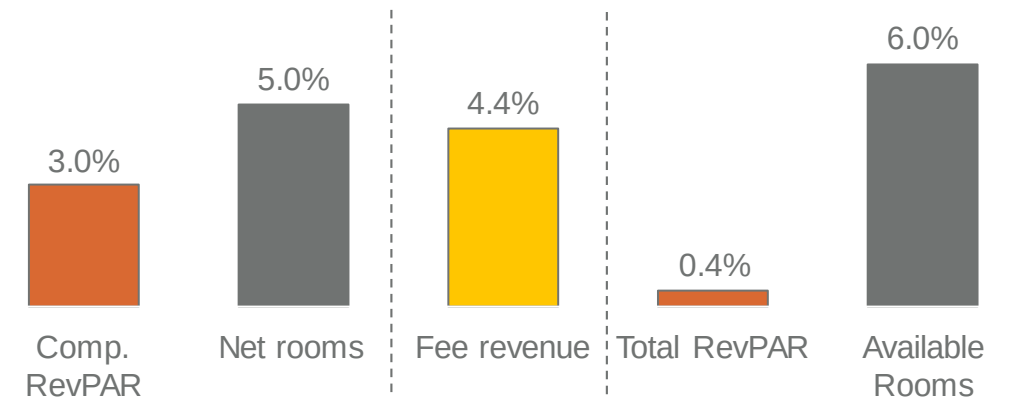
- YoY net rooms growth 5.0% (Gross: up 6.5%)

- Fee revenue¹ up 4.4%

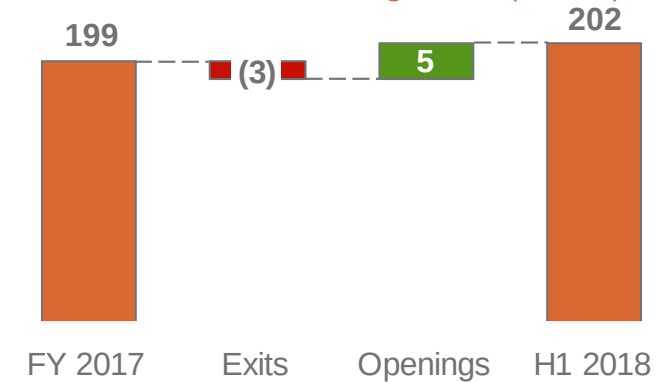
- Underlying² revenue up 1%; underlying² profit up 12%
 - Timing impact of savings from group efficiency programme

- Pipeline: 67k rooms; 9k rooms signed
 - Includes 2k room portfolio in Thailand

H1 2018 Growth in fee revenue drivers¹



H1 2018 Net rooms growth ('000s)



¹ Fee Revenue excludes owned, leased and managed lease hotels, significant liquidated damages, System Fund results, and hotel cost reimbursements at constant H1 2017 exchange rates (CER)

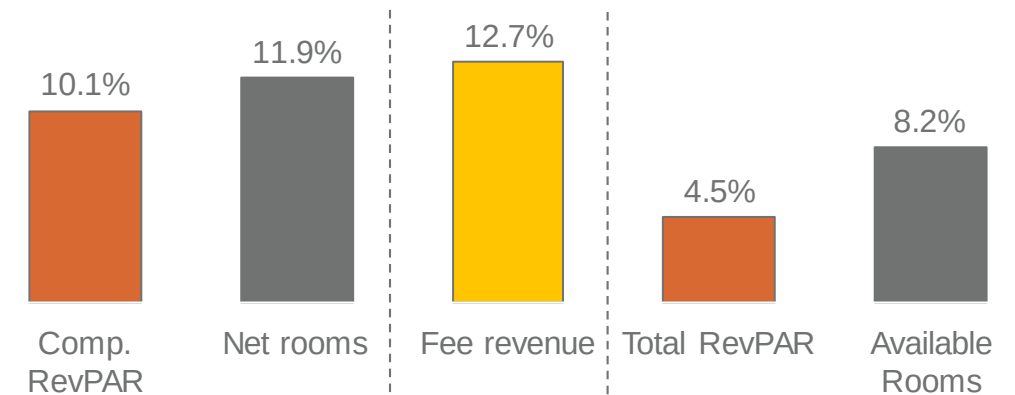
² Underlying revenue and profit excludes significant liquidated damages, System Fund results and hotel cost reimbursements at constant H1 2017 exchange rates (CER)

Greater China

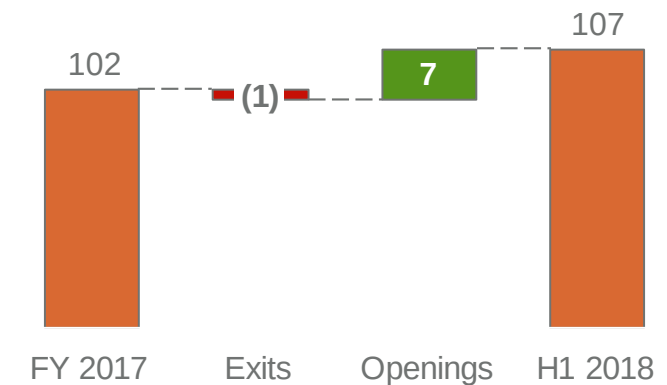
Continued industry outperformance; record room signings and openings

- Comparable RevPAR up 10.1% (Q2 up 9.3%, +3.1%pts vs industry)
 - Mainland China up 9.1%, Tier 1 up 10.0%; Tier 2-4 up 8.4%
 - Hong Kong SAR up 13.1%; Macau SAR up 19.5%
- Total RevPAR up 4.5% due to our continued acceleration in net rooms growth and our increasing penetration in higher growth, lower RevPAR cities
- YoY net rooms growth 11.9% (Gross: 13.2%)
- Record openings of 7k rooms
- Fee revenue¹ up 12.7%
- Underlying² revenue up 13% and profit² up 13%
- Pipeline: 80k rooms
 - 17k rooms signed, highest H1 on record, including 32 Franchise Plus signings (>100 since May 2016)
 - Also includes 5 InterContinental signings (1.4k rooms)

H1 2018 Growth in fee revenue drivers¹



H1 2018 Net rooms growth ('000s)



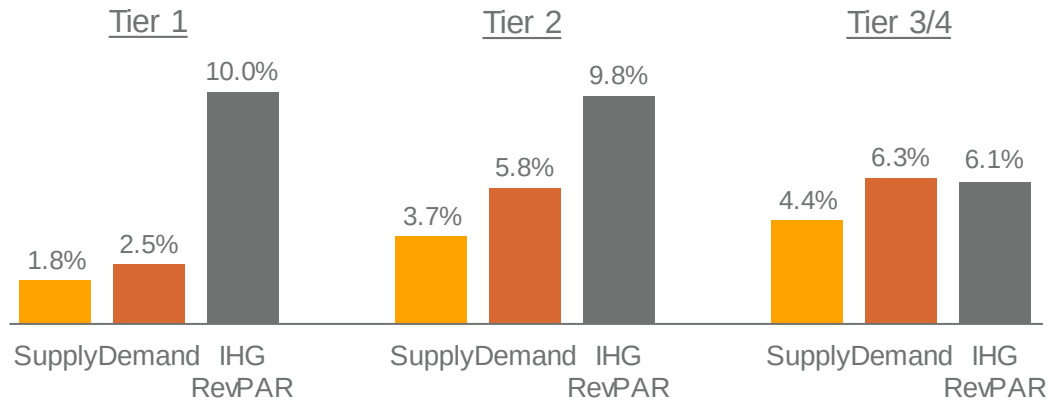
¹ Fee Revenue excludes owned, leased and managed lease hotels, significant liquidated damages, System Fund results, and hotel cost reimbursements at constant H1 2017 exchange rates (CER)

² Underlying revenue and profit excludes significant liquidated damages, System Fund results and hotel cost reimbursements at constant H1 2017 exchange rates (CER)

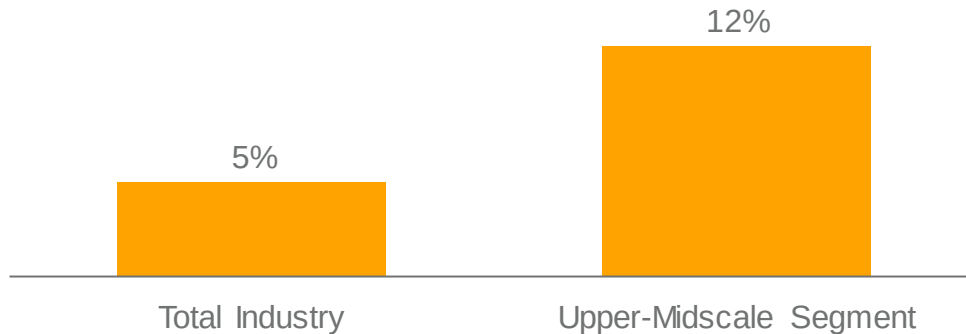
Our leading position in Greater China

Market dynamics in Greater China are evolving...

Market dynamics by tier: H1 2018



Greater China industry rooms revenue CAGR: 2013 - 17¹



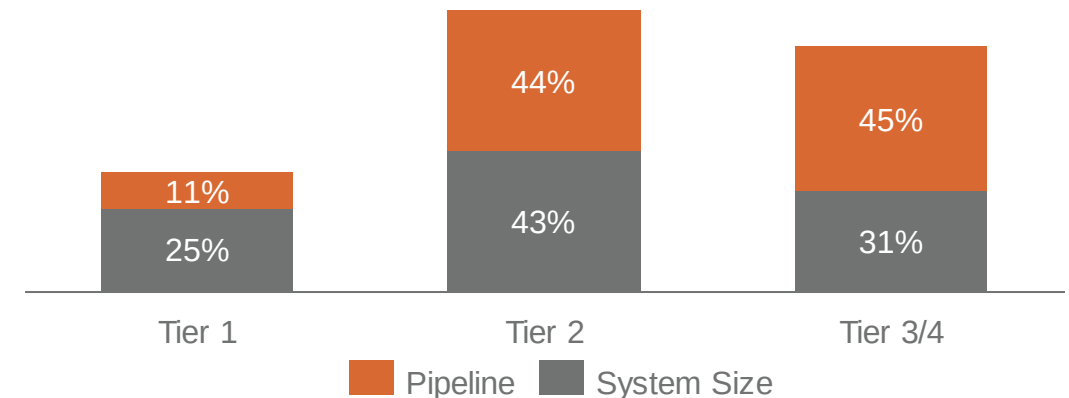
¹Source: STR. Represents compound annual growth rate from 2013 to 2017

...and IHG's strategy delivers preferred brands...



...in the right locations to take advantage.

H1 2018: system & pipeline distribution – all brands



H1 2018 significant items

Flags at FY 2017 results		H1 2018	FY 2018
Timing of tax credit	Americas	+\$4m	+\$4m
US Healthcare programme	Americas	\$(2.5)m	\$(5)m
Crowne Plaza Accelerate fee incentives ¹	Americas	\$(2.5)m	\$(5)m
Flags at Q1 2018 results		H1 2018	FY 2018
Individually significant Liquidated Damages	EMEA	+\$3m	+\$7m
Flags at H1 2018 results		H1 2018	FY 2018
Individually significant Liquidated Damages	Greater China	+\$4m	+\$4m

¹First disclosed at Interims 2016: Crowne Plaza Accelerate fee incentives over the three year period starting in 2017

Currency translation increases H1 2018 group EBIT from reportable segments by \$2m

Region ¹	Reportable Segments Reported H1 2018 vs H1 2018 at H1 2017 rates ²		Reportable Segments H2 2017 at 29 June 2018 rates ³ vs reported H2 2017	
	Revenue	EBIT	Revenue	EBIT
Americas	-	\$(2)m	\$(2)m	\$(2)m
EMEAA	\$13m	\$4m	\$(2)m	\$(1)m
Greater China	\$4m	\$2m	-	-
Central Overheads	\$2m	\$(2)m	-	\$1m
Total IHG	\$19m	\$2m	\$(4)m	\$(2)m

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). ²Based on monthly average exchange rates each year. ³ 29 June 2018 spot rates: 0.76 GBP:USD; 0.86 EUR:USD.

Fee margin¹ by region

Americas



Europe, Middle East, Asia and Africa



Greater China



Total IHG



¹ Excludes owned, leased & managed lease hotel results, significant liquidated damages, System Fund results, hotel cost reimbursements and exceptional items and is stated CER.

~50% of efficiency programme costs now recognised; majority of the remaining \$200m cost expected in H2 2018

	\$m	FY 2017	H1 2018	H1 2018 - Total to date
Cash costs	IHG (exceptional)	23	32	55
	System Fund (exceptional)	8	16	24
	Total	31	48	79
Book costs	IHG (exceptional)	36	32	68
	System Fund ¹	9	30	39
	Total	45	62	107

¹ Note that System Fund efficiency programme costs do not qualify as exceptional items on the income statement

Revenue and Operating Profit

	Total Revenue				Total Operating Profit			
	Half Year		Full Year		Half Year		Full Year	
	2018	2017	2017	2016	2018	2017	2017	2016
Fee Business	413	396	811	796	310	302	608	602
Owned, Leased & Managed Leases	101	95	188	173	18	16	29	24
Total Americas	514	491	999	969	328	318	637	626
Fee Business	153	136	294	274	94	74	165	148
Owned, Leased & Managed Leases	80	79	163	165	0	4	6	9
Total EMEAA	233	215	457	439	94	78	171	157
Fee Business	69	55	117	112	32	24	52	46
Total Greater China	69	55	117	112	32	24	52	46
Central Results	84	77	157	147	(48)	(50)	(102)	(123)
Total Reportable Segments	900	838	1,730	1,667	406	370	758	706
System Fund	618	592	1,242	1,199	(12)	25	(34)	35
Reimbursed Revenue (Fee Business)	595	534	1,103	1,046	-	-	-	-
Total IHG	2,113	1,964	4,075	3,912	394	395	724	741

Free Cash Flow Generation

\$m	6 months to 30 June 2018	6 months to 30 June 2017
Operating profit from reportable segments ¹	406	370
System Fund result ²	18	25
Depreciation & amortisation ³	54	53
Working capital & other movements	(176)	(190)
Loyalty programme deferred revenue net movement	73	43
Equity-settled share-based cost	19	13
Retirement benefit contributions, net of cost	(12)	-
Purchase of shares by employee share trusts	(3)	(3)
Cash flows relating to exceptional items ⁴	(55)	(4)
Net interest paid & similar charges	(11)	(9)
Tax paid ⁵	(5)	(50)
Capital expenditure: key money	(25)	(24)
Capital expenditure: maintenance ⁶	(22)	(20)
Free cash flow	261	204
1. Before System Fund result and exceptional items. 2. System Fund result stated before exceptional cost of \$30m in relation to efficiency programme. 3. Includes System Fund depreciation & amortisation of \$16m (30 June 2017 \$17m). 4. Includes \$48m relating to the efficiency programme (\$16m in relation to the System Fund) in the six months to 30 June 2018 (30 June 2017 \$nil). 5. Excludes tax paid on disposals. 6. Shown net of \$3m landlord contributions to property, plant and equipment in the six months to 30 June 2018 (30 June 2017 \$7m).		

Uses of Free Cash Flow

\$m	6 months to 30 June 2018	6 months to 30 June 2017
Free cash flow	261	204
Capital expenditure: Recyclable investments	(32)	(80)
Capital expenditure: System Fund investment	(50)	(62)
Disposal receipts: Other	2	7
Ordinary dividend	(130)	(127)
Special dividend	-	(404)
Dividends paid to non-controlling interests	(1)	(3)
Net cash inflow/(outflow)	50	(465)
Exchange & other non-cash items	(1)	(85)
Opening net debt	(1,851)	(1,506)
Closing net debt	(1,802)	(2,056)

2018 Current Trading

Comparable RevPAR, ADR & Occupancy Growth

Constant US\$	Qtr 2			Jun YTD		
	RevPAR %	ADR %	Occupancy %pts	RevPAR %	ADR %	Occupancy %pts
Total Americas	3.4%	2.3%	0.7	3.2%	2.2%	0.7
Total EMEAA	3.0%	2.2%	0.6	3.0%	1.9%	0.8
Total Greater China	9.3%	4.0%	3.3	10.1%	3.9%	3.6
Total IHG	3.7%	2.3%	1.0	3.7%	2.1%	1.1
United States:						
InterContinental	4.8%	5.4%	(0.5)	3.3%	2.6%	0.5
Kimpton	1.5%	0.5%	0.8	(1.5%)	0.1%	(1.3)
Crowne Plaza	2.9%	2.9%	(0.0)	2.6%	2.8%	(0.1)
Hotel Indigo	6.3%	2.0%	3.2	6.2%	1.4%	3.4
EVEN Hotels	8.7%	2.5%	4.8	10.6%	(0.2%)	7.5
Holiday Inn	2.5%	2.3%	0.1	2.1%	2.2%	(0.1)
Holiday Inn Express	2.7%	1.4%	0.9	2.7%	1.5%	0.9
Staybridge Suites	4.2%	2.3%	1.5	5.1%	2.4%	2.0
Candlewood Suites	3.8%	2.8%	0.7	3.9%	3.1%	0.6
All Brands	2.9%	2.0%	0.7	2.7%	1.8%	0.6

Comparable RevPAR – 6 Months to 30 June 2018

Constant US\$	Fee Business							Owned, Leased & Managed Leases							Total Comparable						
	Hotels	Occ %		ADR		RevPAR		Hotels	Occ %		ADR		RevPAR		Hotels	Occ %		ADR		RevPAR	
		2018	%Pts	2018	Growth	2018	Growth		2018	%Pts	2018	Growth	2018	Growth		2018	%Pts	2018	Growth	2018	Growth
InterContinental	43	73.4%	1.0	202.75	2.8%	148.89	4.2%	2	80.9	(2.0)	284.78	8.0%	230.40	5.4%	45	73.8%	0.9	207.65	3.1%	153.33	4.3%
Kimpton	55	78.4%	(1.0)	244.12	2.9%	191.49	1.6%								55	78.4%	(1.0)	244.12	2.9%	191.49	1.6%
Crowne Plaza	142	68.6%	(0.2)	126.23	2.7%	86.60	2.5%								142	68.6%	(0.2)	126.23	2.7%	86.60	2.5%
Hotel Indigo	42	74.2%	3.5	156.42	1.2%	116.02	6.3%								42	74.2%	3.5	156.42	1.2%	116.02	6.3%
EVEN Hotels	3	80.2%	11.1	188.31	(2.6%)	151.11	13.0%	3	72.3	3.8	147.97	1.8%	106.94	7.4%	6	76.3%	7.5	169.47	(0.2%)	129.33	10.6%
Holiday Inn	697	66.4%	0.3	113.28	2.2%	75.26	2.7%	2	86.1	5.1	185.48	6.7%	159.71	13.4%	699	66.6%	0.3	113.98	2.3%	75.90	2.8%
Holiday Inn Express	2,065	68.4%	0.9	113.91	1.7%	77.90	3.0%								2,065	68.4%	0.9	113.91	1.7%	77.90	3.0%
Staybridge Suites	223	77.3%	1.7	120.46	2.6%	93.09	5.0%								223	77.3%	1.7	120.46	2.6%	93.09	5.0%
Candlewood Suites	360	73.9%	0.8	85.63	3.0%	63.27	4.1%								360	73.9%	0.8	85.63	3.0%	63.27	4.1%
Americas	3,630	69.3%	0.7	120.16	2.1%	83.26	3.1%	7	81.1	2.2	214.63	5.6%	174.03	8.5%	3,637	69.4%	0.7	120.73	2.2%	83.73	3.2%
InterContinental	86	71.8%	0.6	211.51	1.3%	151.82	2.2%	4	64.2	(1.9)	214.64	(1.1%)	137.77	(4.0%)	90	71.4%	0.5	211.66	1.2%	151.09	1.9%
Crowne Plaza	149	71.5%	0.8	127.34	3.3%	91.09	4.4%								149	71.5%	0.8	127.34	3.3%	91.09	4.4%
Hotel Indigo	22	78.4%	2.0	149.70	1.5%	117.30	4.2%								22	78.4%	2.0	149.70	1.5%	117.30	4.2%
Holiday Inn	340	72.2%	1.0	104.08	2.3%	75.15	3.8%	1	96.6	(0.5)	137.58	8.7%	132.84	8.1%	341	72.3%	1.0	104.24	2.3%	75.35	3.8%
Holiday Inn Express	261	75.1%	0.5	91.17	1.4%	68.49	2.1%								261	75.1%	0.5	91.17	1.4%	68.49	2.1%
Staybridge Suites	10	74.3%	(1.1)	126.23	3.4%	93.79	1.8%								10	74.3%	(1.1)	126.23	3.4%	93.79	1.8%
Other	1	80.9%	0.9	77.97	2.4%	63.10	3.5%								1	80.9%	0.9	77.97	2.4%	63.10	3.5%
EMEA	869	72.7%	0.8	124.21	2.0%	90.33	3.1%	5	68.3	(1.6)	200.95	(0.4%)	137.15	(2.7%)	874	72.7%	0.8	124.92	1.9%	90.79	3.0%
InterContinental	36	63.7%	4.6	133.97	0.8%	85.39	8.7%								36	63.7%	4.6	133.97	0.8%	85.39	8.7%
HUALUXE	4	55.3%	11.3	78.49	4.1%	43.44	30.9%								4	55.3%	11.3	78.49	4.1%	43.44	30.9%
Crowne Plaza	74	61.9%	4.3	84.19	4.1%	52.14	11.7%								74	61.9%	4.3	84.19	4.1%	52.14	11.7%
Hotel Indigo	5	72.4%	7.4	174.07	2.0%	126.08	13.5%								5	72.4%	7.4	174.07	2.0%	126.08	13.5%
Holiday Inn	74	67.8%	2.9	75.20	3.9%	50.97	8.6%								74	67.8%	2.9	75.20	3.9%	50.97	8.6%
Holiday Inn Express	69	66.2%	2.1	52.60	6.3%	34.81	9.8%								69	66.2%	2.1	52.60	6.3%	34.81	9.8%
Greater China	262	64.7%	3.6	84.55	3.9%	54.73	10.1%								262	64.7%	3.6	84.55	3.9%	54.73	10.1%
Total IHG	4,761	69.6%	1.1	117.17	2.1%	81.52	3.7%	12	75.6	0.7	209.37	3.3%	158.33	4.2%	4,773	69.6%	1.1	117.75	2.1%	81.96	3.7%

Comparable RevPAR – 3 Months to 30 June 2018

Constant US\$	Fee Business							Owned, Leased & Managed Leases							Total Comparable						
	Hotels	Occ %		ADR		RevPAR		Hotels	Occ %		ADR		RevPAR		Hotels	Occ %		ADR		RevPAR	
		2018	%Pts	2018	Growth	2018	Growth		2018	%Pts	2018	Growth	2018	Growth		2018	%Pts	2018	Growth	2018	Growth
InterContinental	43	75.5%	(0.1)	211.00	5.6%	159.38	5.5%	2	85.3%	(1.2)	296.40	5.5%	252.86	4.1%	45	76.1%	(0.2)	216.21	5.6%	164.47	5.4%
Kimpton	55	85.2%	0.8	256.63	1.9%	218.57	2.9%								55	85.2%	0.8	256.63	1.9%	218.57	2.9%
Crowne Plaza	142	72.8%	(0.1)	128.69	2.8%	93.64	2.7%								142	72.8%	(0.1)	128.69	2.8%	93.64	2.7%
Hotel Indigo	42	77.7%	3.2	162.25	2.0%	126.02	6.3%								42	77.7%	3.2	162.25	2.0%	126.02	6.3%
EVEN Hotels	3	89.4%	8.8	214.92	(1.2%)	192.16	9.6%	3	79.8%	0.6	165.06	6.5%	131.69	7.3%	6	84.7%	4.8	191.75	2.5%	162.34	8.7%
Holiday Inn	697	71.0%	0.4	116.88	2.5%	83.02	3.1%	2	85.2%	4.6	155.17	3.6%	132.26	9.4%	699	71.1%	0.5	117.22	2.5%	83.39	3.2%
Holiday Inn Express	2,065	73.2%	1.0	117.04	1.7%	85.64	3.1%								2,065	73.2%	1.0	117.04	1.7%	85.64	3.1%
Staybridge Suites	223	81.2%	1.2	122.22	2.6%	99.20	4.1%								223	81.2%	1.2	122.22	2.6%	99.20	4.1%
Candlewood Suites	360	78.3%	0.9	86.97	2.8%	68.13	3.9%								360	78.3%	0.9	86.97	2.8%	68.13	3.9%
Americas	3,630	73.8%	0.7	123.58	2.3%	91.25	3.3%	7	84.0%	1.5	210.29	4.2%	176.73	6.2%	3,637	73.9%	0.7	124.08	2.3%	91.69	3.4%
InterContinental	86	72.8%	0.2	223.44	1.8%	162.64	2.1%	4	67.6%	(1.7)	211.39	(0.5%)	142.90	(2.9%)	90	72.5%	0.1	222.85	1.7%	161.60	1.9%
Crowne Plaza	149	74.0%	0.6	131.63	4.4%	97.40	5.2%								149	74.0%	0.6	131.63	4.4%	97.40	5.2%
Hotel Indigo	22	82.0%	2.1	161.43	2.1%	132.31	4.9%								22	82.0%	2.1	161.43	2.1%	132.31	4.9%
Holiday Inn	340	75.4%	0.8	105.24	2.3%	79.39	3.3%								341	75.5%	0.7	105.38	2.3%	79.57	3.4%
Holiday Inn Express	261	79.2%	0.6	94.37	0.9%	74.74	1.6%								261	79.2%	0.6	94.37	0.9%	74.74	1.6%
Staybridge Suites	10	76.0%	(0.7)	132.08	2.6%	100.35	1.8%	1	95.5%	(1.3)	138.84	9.8%	132.61	8.4%	10	76.0%	(0.7)	132.08	2.6%	100.35	1.8%
Other	1	82.6%	(0.6)	78.00	2.4%	64.39	1.7%								1	82.6%	(0.6)	78.00	2.4%	64.39	1.7%
EMEA	869	75.6%	0.6	127.85	2.3%	96.65	3.1%	5	71.1%	(1.5)	199.15	0.3%	141.61	(1.8%)	874	75.5%	0.6	128.52	2.2%	97.09	3.0%
InterContinental	36	66.9%	4.4	129.95	0.8%	86.88	7.9%								36	66.9%	4.4	129.95	0.8%	86.88	7.9%
HUALUXE	4	55.2%	8.4	74.74	4.7%	41.25	23.5%								4	55.2%	8.4	74.74	4.7%	41.25	23.5%
Crowne Plaza	74	65.2%	3.9	85.05	3.9%	55.42	10.5%								74	65.2%	3.9	85.05	3.9%	55.42	10.5%
Hotel Indigo	5	73.6%	5.8	173.21	2.8%	127.40	11.6%								5	73.6%	5.8	173.21	2.8%	127.40	11.6%
Holiday Inn	74	71.7%	3.1	73.27	3.6%	52.53	8.2%								74	71.7%	3.1	73.27	3.6%	52.53	8.2%
Holiday Inn Express	69	71.2%	1.3	52.56	7.1%	37.42	9.0%								69	71.2%	1.3	52.56	7.1%	37.42	9.0%
Greater China	262	68.4%	3.3	83.39	4.0%	57.06	9.3%								262	68.4%	3.3	83.39	4.0%	57.06	9.3%
Total IHG	4,761	73.6%	1.0	120.14	2.3%	88.44	3.7%	12	78.5%	0.3	206.00	2.8%	161.77	3.2%	4,773	73.6%	1.0	120.66	2.3%	88.85	3.7%

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System Size Count as at 30 June 2018

	Franchised		Managed		Owned, Leased & Managed Leases		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
InterContinental	25	6,904	22	9,322	2	822	49	17,048
Kimpton	0	0	66	12,516	0	0	66	12,516
Crowne Plaza	139	35,943	16	5,261	0	0	155	41,204
Hotel Indigo	46	5,490	6	1,384	0	0	52	6,874
EVEN Hotels	3	360	3	503	3	498	9	1,361
Holiday Inn	756	129,664	13	3,975	2	903	771	134,542
Holiday Inn Express	2,251	202,798	2	359	0	0	2,253	203,157
Staybridge Suites	224	23,437	28	3,510	0	0	252	26,947
Candlewood Suites	322	28,508	61	7,553	0	0	383	36,061
Other	7	7,983	80	13,583	0	0	87	21,566
Americas	3,773	441,087	297	57,966	7	2,223	4,077	501,276
InterContinental	15	4,554	85	25,754	4	1,441	104	31,749
Kimpton	0	0	1	274	0	0	1	274
Crowne Plaza	98	22,414	77	22,176	0	0	175	44,590
Hotel Indigo	24	2,187	6	850	0	0	30	3,037
Holiday Inn	302	49,881	80	20,801	1	207	383	70,889
Holiday Inn Express	256	33,308	33	7,808	0	0	289	41,116
Staybridge Suites	7	1,000	4	589	0	0	11	1,589
Other	3	827	7	7,748	0	0	10	8,575
EMEA	705	114,171	293	86,000	5	1,648	1,003	201,819
InterContinental	1	570	42	17,020	0	0	43	17,590
HUALUXE	0	0	7	2,088	0	0	7	2,088
Crowne Plaza	1	466	86	30,143	0	0	87	30,609
Hotel Indigo	0	0	7	1,023	0	0	7	1,023
Holiday Inn	4	2,124	85	25,263	0	0	89	27,387
Holiday Inn Express	15	2,408	96	22,923	0	0	111	25,331
Other	1	433	6	2,333	0	0	7	2,766
Greater China	22	6,001	329	100,793	0	0	351	106,794
InterContinental	41	12,028	149	52,096	6	2,263	196	66,387
Kimpton	0	0	67	12,790	0	0	67	12,790
HUALUXE	0	0	7	2,088	0	0	7	2,088
Crowne Plaza	238	58,823	179	57,580	0	0	417	116,403
Hotel Indigo	70	7,677	19	3,257	0	0	89	10,934
EVEN Hotels	3	360	3	503	3	498	9	1,361
Holiday Inn	1,062	181,669	178	50,039	3	1,110	1,243	232,818
Holiday Inn Express	2,522	238,514	131	31,090	0	0	2,653	269,604
Staybridge Suites	231	24,437	32	4,099	0	0	263	28,536
Candlewood Suites	322	28,508	61	7,553	0	0	383	36,061
Other	11	9,243	93	23,664	0	0	104	32,907
Total System Size	4,500	561,259	919	244,759	12	3,871	5,431	809,889

Pipeline Count as at 30 June 2018

	Franchised		Managed		Owned, Leased & Managed Leases		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
InterContinental	4	985	4	1,183	0	0	8	2,168
Kimpton	0	0	15	2,084	0	0	15	2,084
Crowne Plaza	9	1,778	1	150	0	0	10	1,928
Hotel Indigo	31	3,976	1	78	0	0	32	4,054
EVEN Hotels	4	568	3	476	0	0	7	1,044
Holiday Inn	121	15,419	2	360	0	0	123	15,779
Holiday Inn Express	501	47,616	0	0	0	0	501	47,616
avid hotels	126	11,658	0	0	0	0	126	11,658
Staybridge Suites	153	16,402	0	0	0	0	153	16,402
Candlewood Suites	104	9,302	0	0	0	0	104	9,302
Other	1	309	19	3,128	0	0	20	3,437
America	1,054	108,013	45	7,459	0	0	1,099	115,472
InterContinental	2	213	25	6,285	0	0	27	6,498
Kimpton	0	0	2	199	1	155	3	354
Crowne Plaza	12	2,289	25	6,340	0	0	37	8,629
Hotel Indigo	18	2,225	21	3,404	0	0	39	5,629
EVEN Hotels	1	200	0	0	0	0	1	200
Holiday Inn	34	5,880	65	17,109	0	0	99	22,989
Holiday Inn Express	77	11,963	41	7,412	0	0	118	19,375
Staybridge Suites	8	1,171	8	1,851	0	0	16	3,022
Other	0	56	1	385	0	0	1	441
EMEA	152	23,997	188	42,985	1	155	341	67,137
InterContinental	0	0	29	9,044	0	0	29	9,044
Kimpton	0	0	3	629	0	0	3	629
HUALUXE	0	0	21	6,277	0	0	21	6,277
Crowne Plaza	1	280	41	13,157	0	0	42	13,437
Hotel Indigo	0	0	20	3,356	0	0	20	3,356
EVEN Hotels	0	0	6	1,438	0	0	6	1,438
Holiday Inn	1	220	56	15,314	0	0	57	15,534
Holiday Inn Express	92	16,201	65	13,580	0	0	157	29,781
Other	0	0	1	279	0	0	1	279
Greater China	94	16,701	242	63,074	0	0	336	79,775
InterContinental	6	1,198	58	16,512	0	0	64	17,710
Kimpton	0	0	20	2,912	1	155	21	3,067
HUALUXE	0	0	21	6,277	0	0	21	6,277
Crowne Plaza	22	4,347	67	19,647	0	0	89	23,994
Hotel Indigo	49	6,201	42	6,838	0	0	91	13,039
EVEN Hotels	5	768	9	1,914	0	0	14	2,682
Holiday Inn	156	21,519	123	32,783	0	0	279	54,302
Holiday Inn Express	670	75,780	106	20,992	0	0	776	96,772
avid hotels	126	11,658	0	0	0	0	126	11,658
Staybridge Suites	161	17,573	8	1,851	0	0	169	19,424
Candlewood Suites	104	9,302	0	0	0	0	104	9,302
Other	1	365	21	3,792	0	0	22	4,157
Total Pipeline	1,300	148,711	475	113,518	1	155	1,776	262,384

Cautionary note regarding forward-looking statements

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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