Holiday Inn Express Foshan Chancheng, Greater China

IHG in Greater China

31st October 2019

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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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Keith Barr

Chief Executive Officer

InterContinental Shanghai Wonderland, Greater China

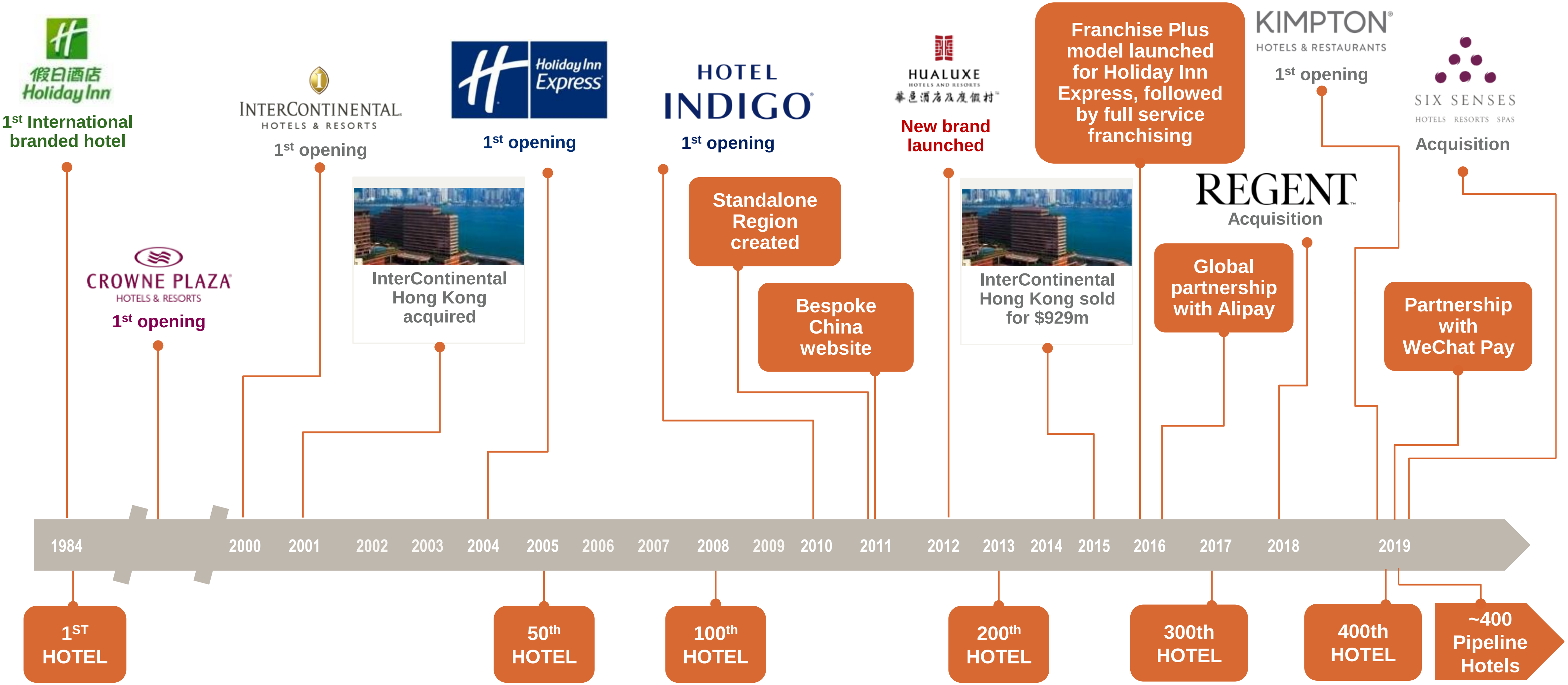
Agenda

16:30 – Presentation and Q&A

18:00 – Drinks

19:30 – Close

IHG has a long and rich history in Greater China, with 35 years of experience



Greater China is a growing share of our business

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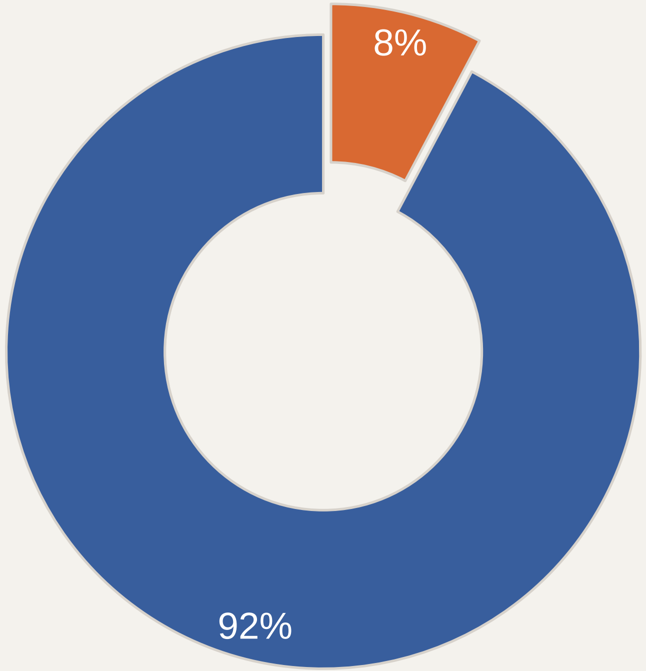
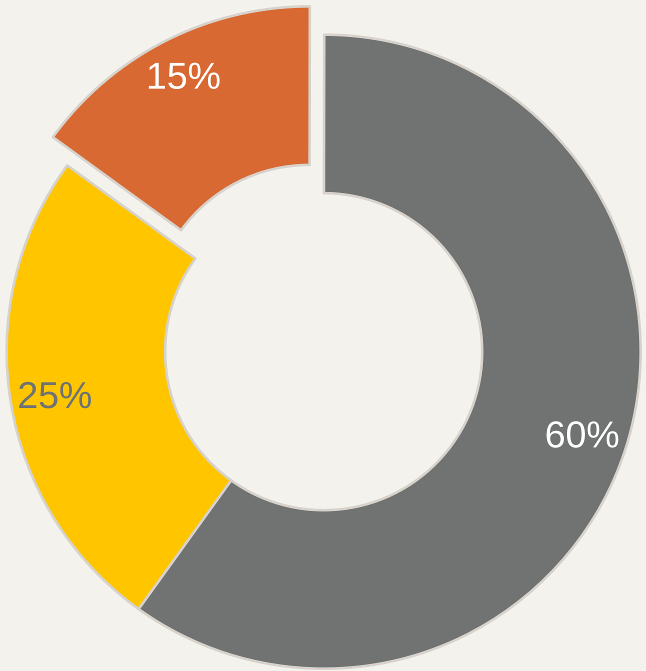
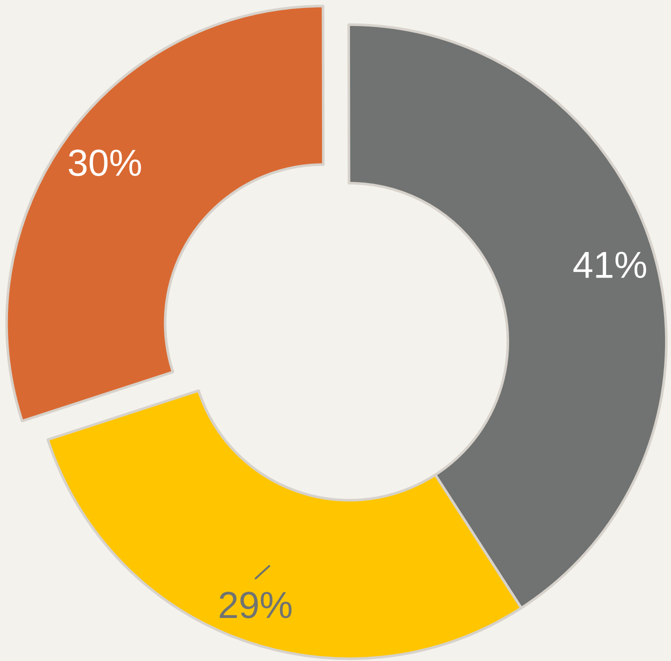
H1'19 Operating Profit[1]



Q3'19 Open Rooms



Q3'19 Pipeline Rooms



Greater China | Rest of IHG | Americas | EMEAA

[1] Share of HY'19 operating profit shown before central overheads

Which is delivering meaningful increases in profitability

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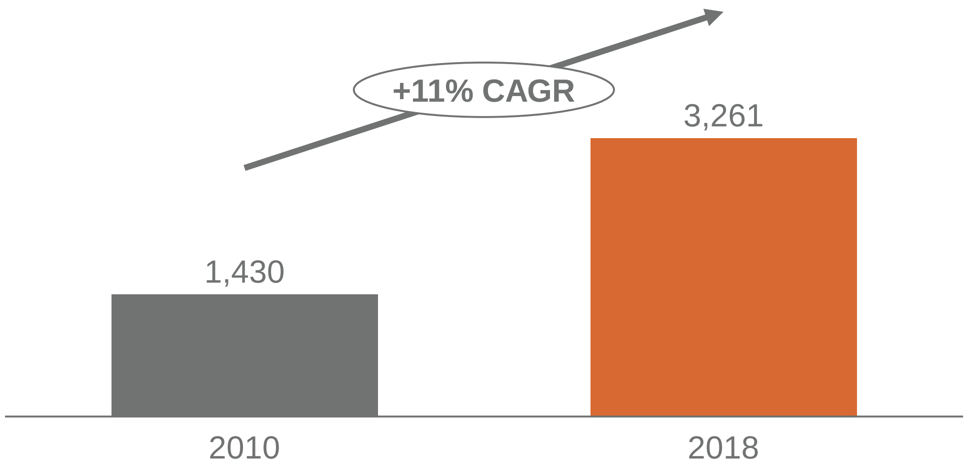
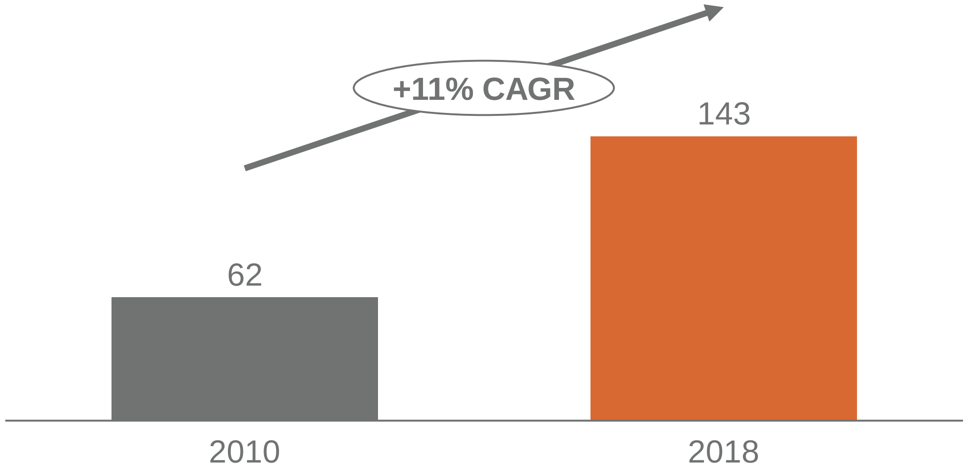
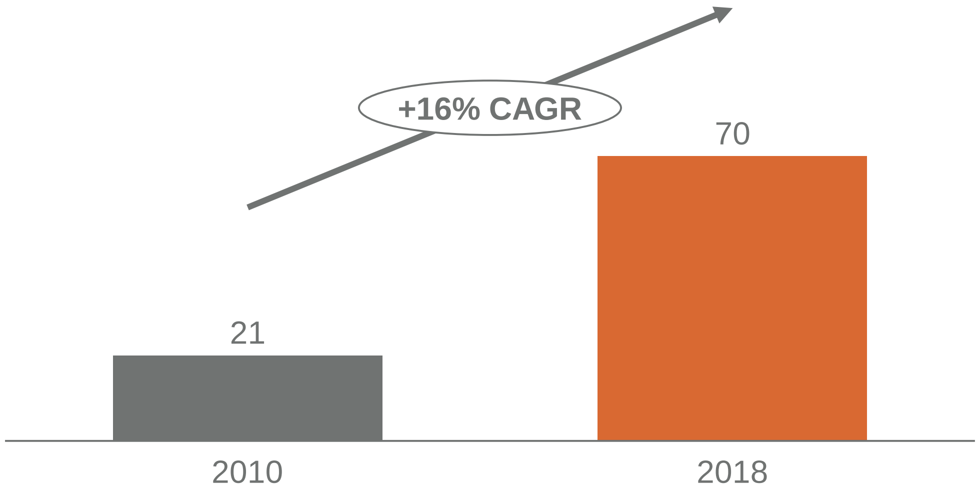
Greater China Total Gross Revenue[1] ($m)



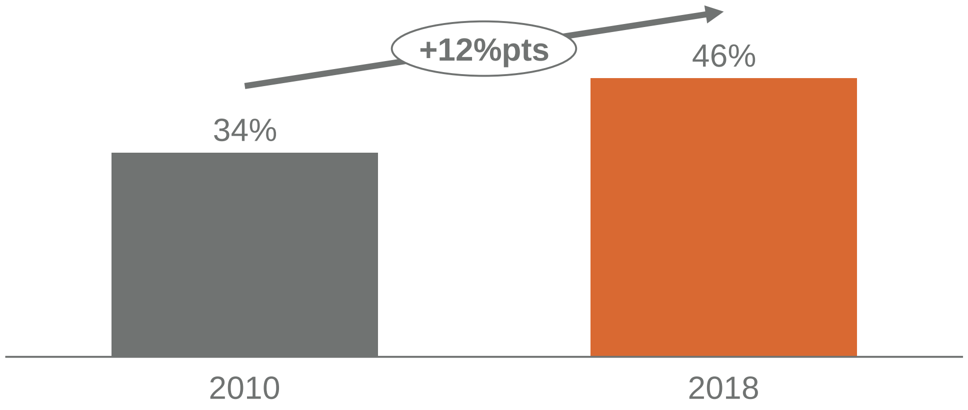
Greater China Fee Business Revenue[1] ($m)



Greater China Fee Business Operating Profit[1] ($m)



Greater China Fee Margin (%)[2]



[1] At AER; [2] Excludes O&L and Managed Leases, significant liquidated damages and exceptional items

Our leading brand portfolio in Greater China delivers strong guest preference

Our brand portfolio in Greater China:

Mainstream

40% of rooms revenue

Upscale

35% of rooms revenue

Luxury

25% of rooms revenue

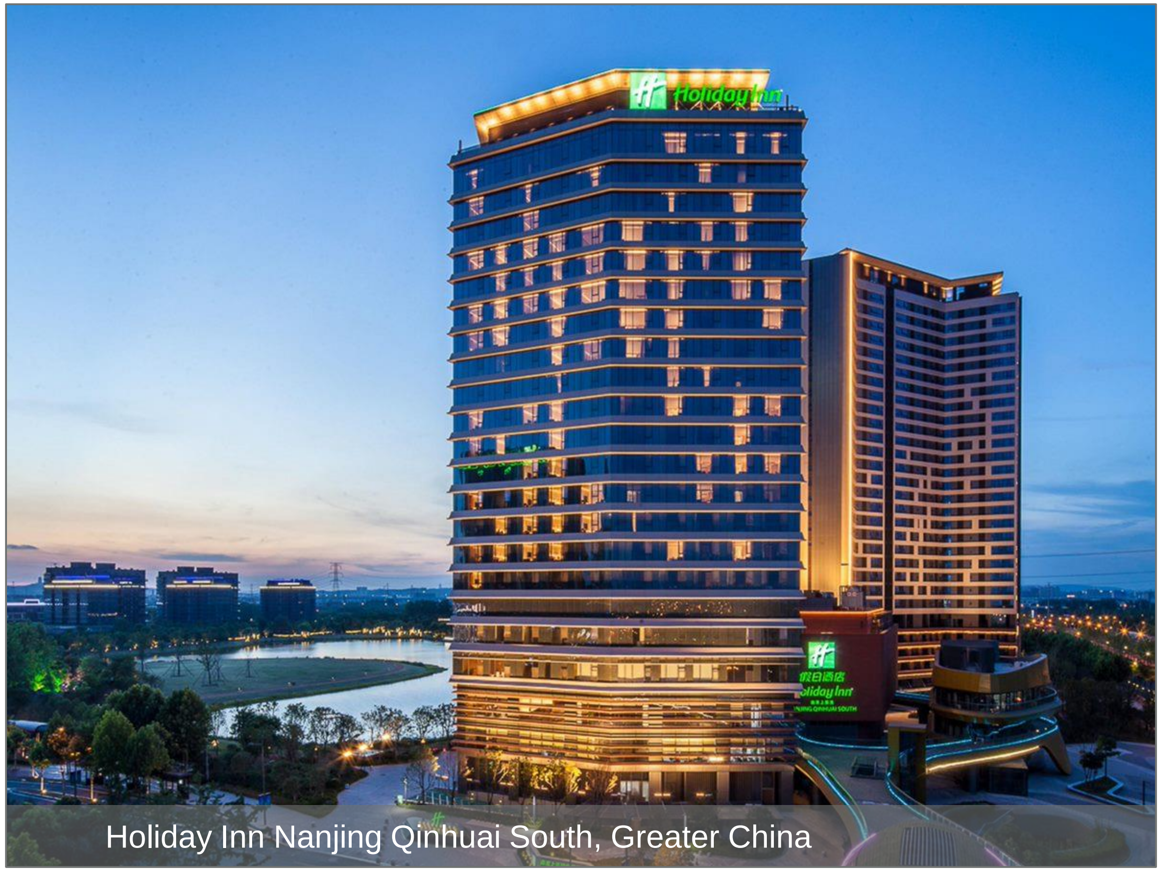
Guest preference[1]:

Holiday Inn Express	#1	preferred brand in its competitive set
Holiday Inn	#1	preferred brand in its competitive set
Crowne Plaza Hotels & Resorts	#1	preferred brand in its competitive set
InterContinental Hotels & Resorts	#2	preferred brand in its competitive set

[1] Based on Serious Consideration as per Millward Brown brand survey

A Chinese business operated from within China

- Unique amongst major hotel groups to consider Greater China as a stand-alone region reporting directly to the Group CEO
- Head office in Shanghai with 5 further offices creating a decentralised business and infrastructure
- ~600 corporate colleagues employed across the region
- Well established managed hotel platform and growing franchise business generating scale benefits
- Experienced and diverse leadership team and hotel talent base, with ~80% hotel General Managers local Chinese



Holiday Inn Nanjing Qinhuai South, Greater China

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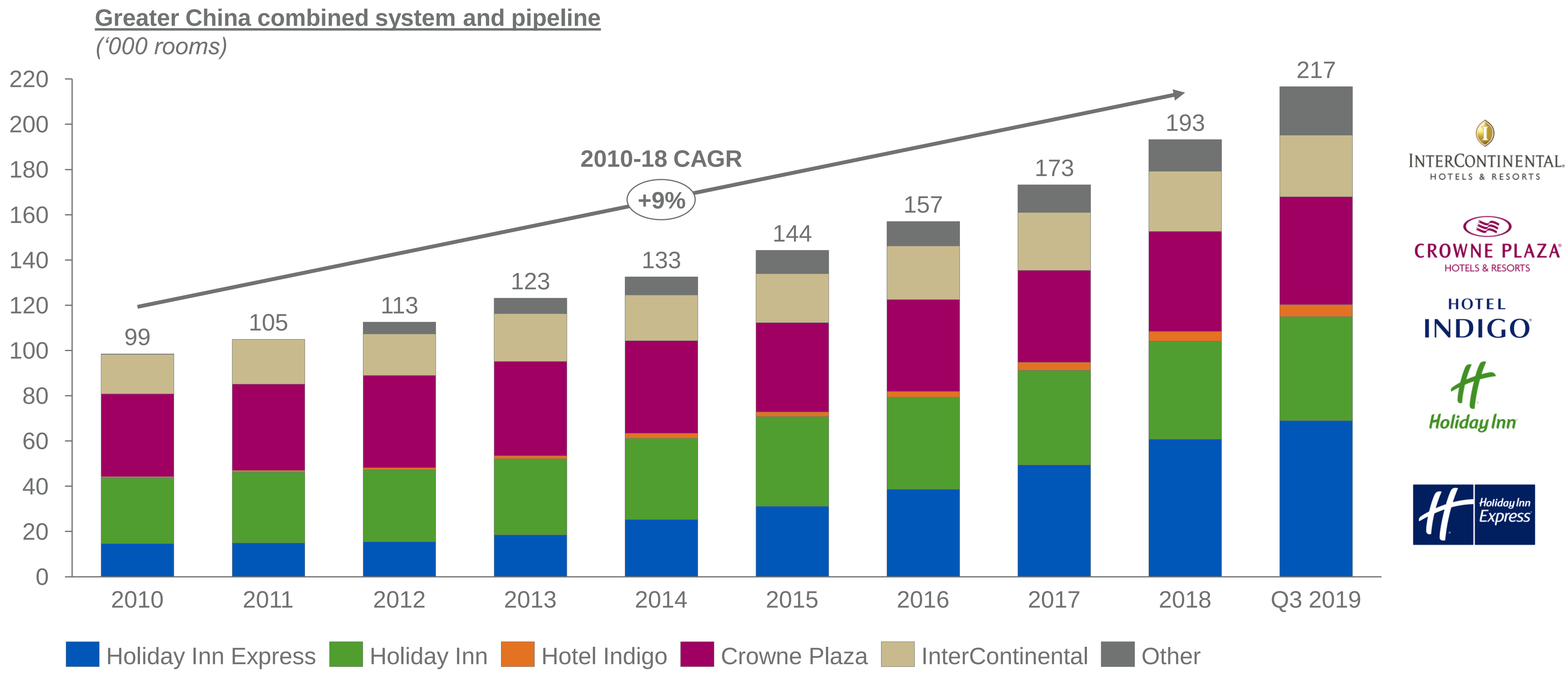
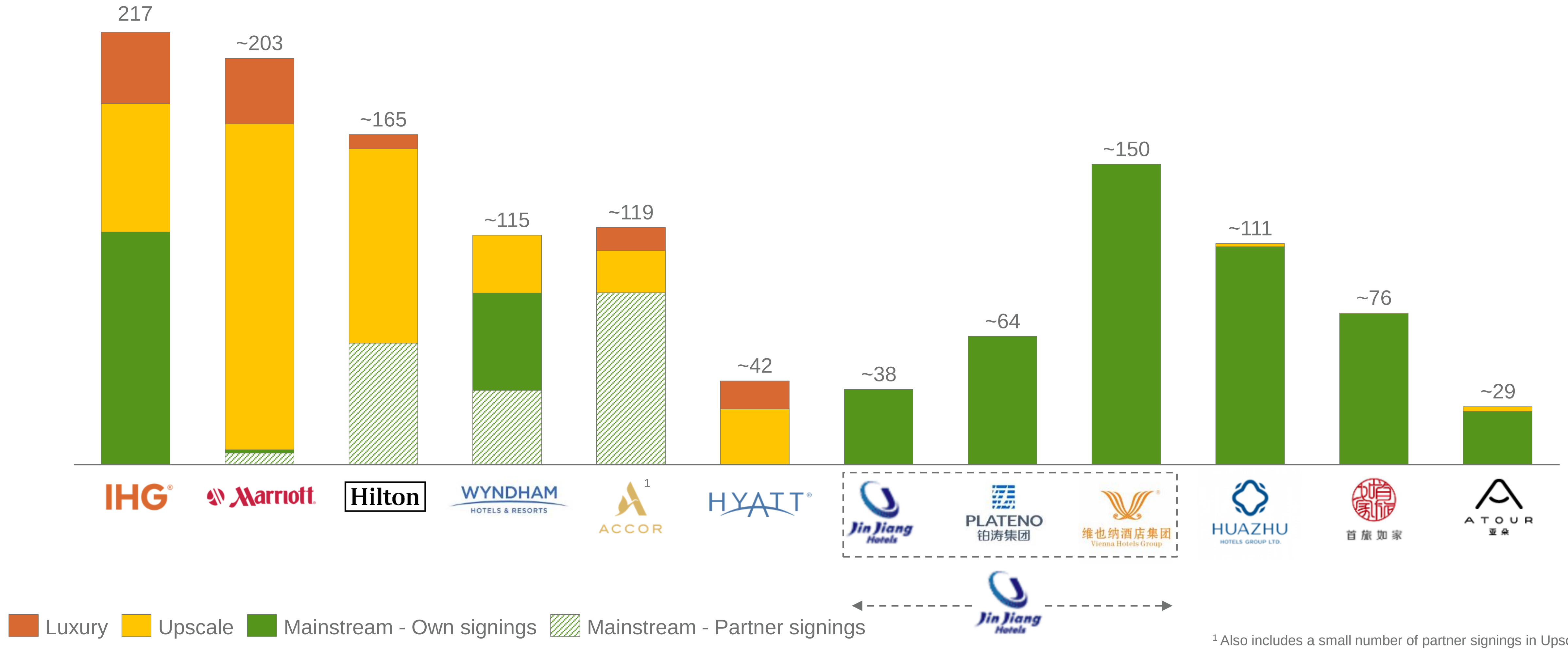
We have built a scale position of strength



IHG is the largest international operator in Greater China, with a leading position in the Mainstream segment

System size and pipeline (excluding budget/economy)

(000' rooms)



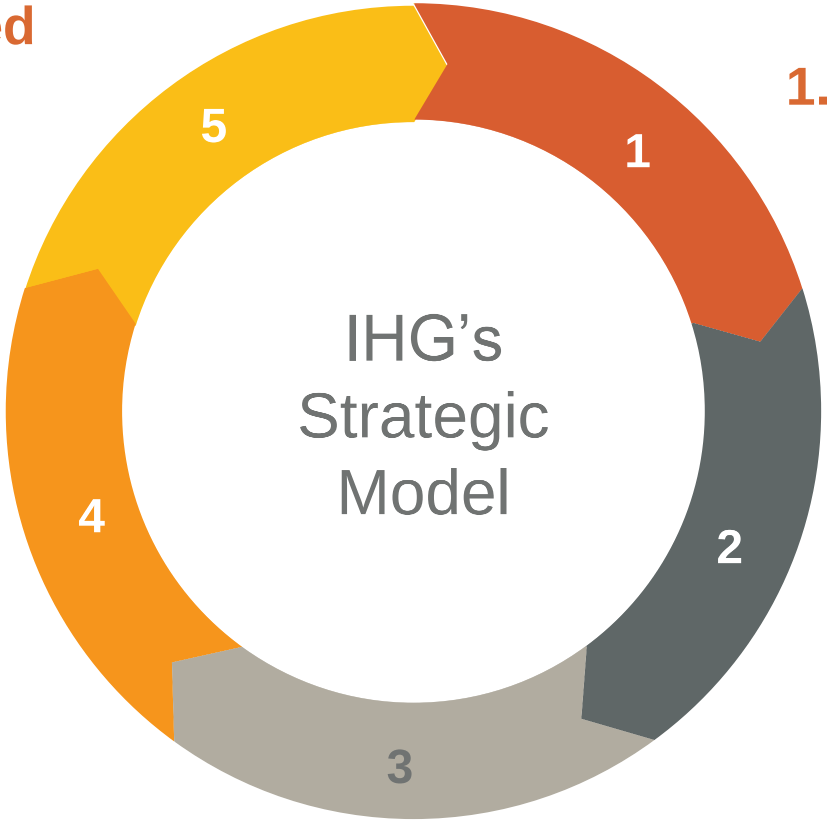
[1] Also includes a small number of partner signings in Upscale

Source: Q3 2019 STR Census Data for International companies, Accenture Market Study for Chinese companies; IHG estimates; pipeline data not available for Chinese companies

Our strategy in China leverages our global strategic model

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

1. Build & leverage scale



4. Evolve owner proposition

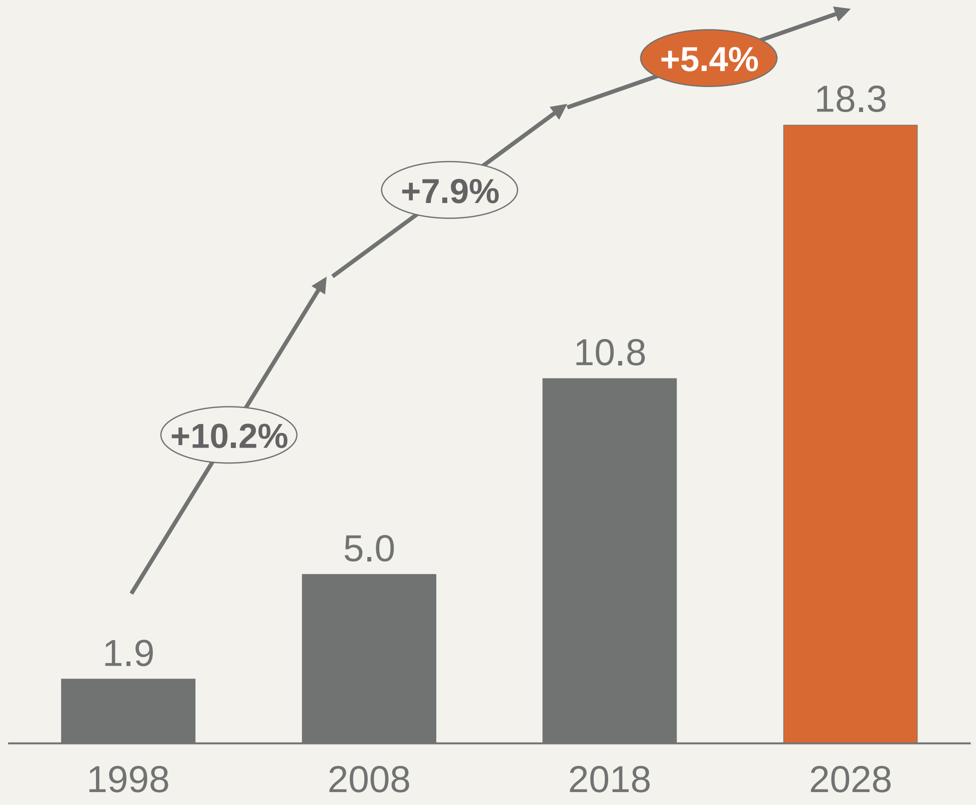
2. Strengthen loyalty programme

3. Enhance revenue delivery

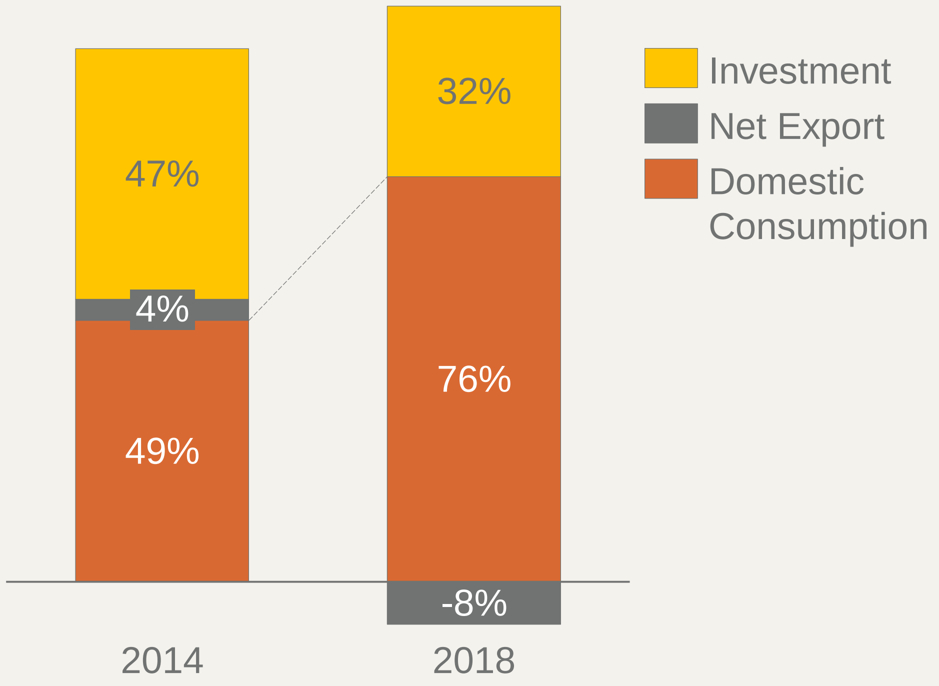
Market Dynamics

China's economy is shifting more towards domestic consumption, following rapid historic GDP growth

Real GDP Forecast
(trillion USD)



GDP Growth Contribution
(%)



Source: World Bank, National Bureau of Statistics of China, Accenture

Economic growth is being driven by a number of key tailwinds which will benefit the hospitality industry

Significant infrastructure investment

Government policy accelerates shift towards domestic consumption & service industries

Accelerated technology advancement

Government-led tourism initiatives

Rapid urbanisation

Rise of Middle Income Population

Tourism will play a key role in a number of Government initiatives to drive China's future economic development

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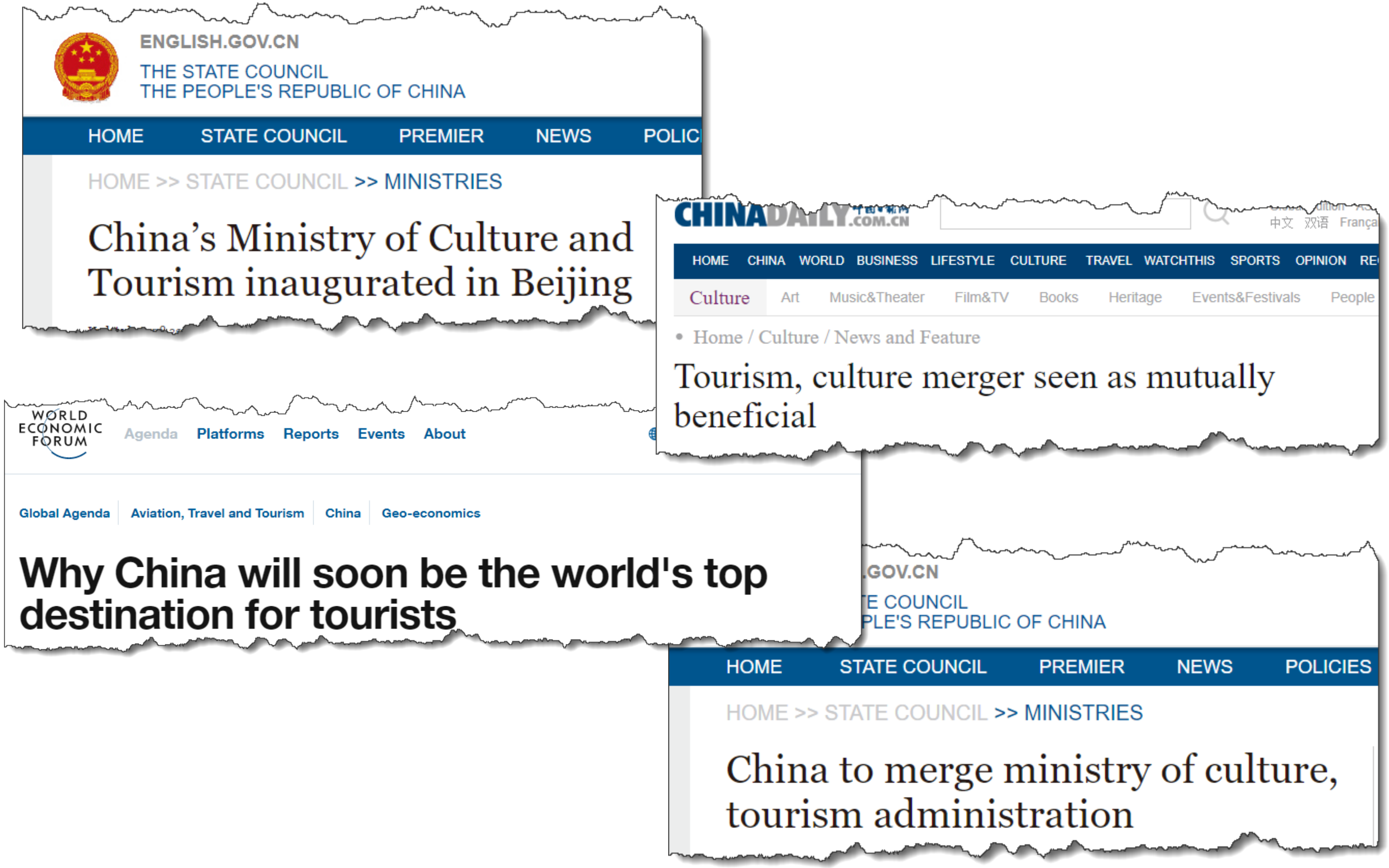
Tourism is 1 of 5 strategic growth pillars of the Government's Five Year Plan

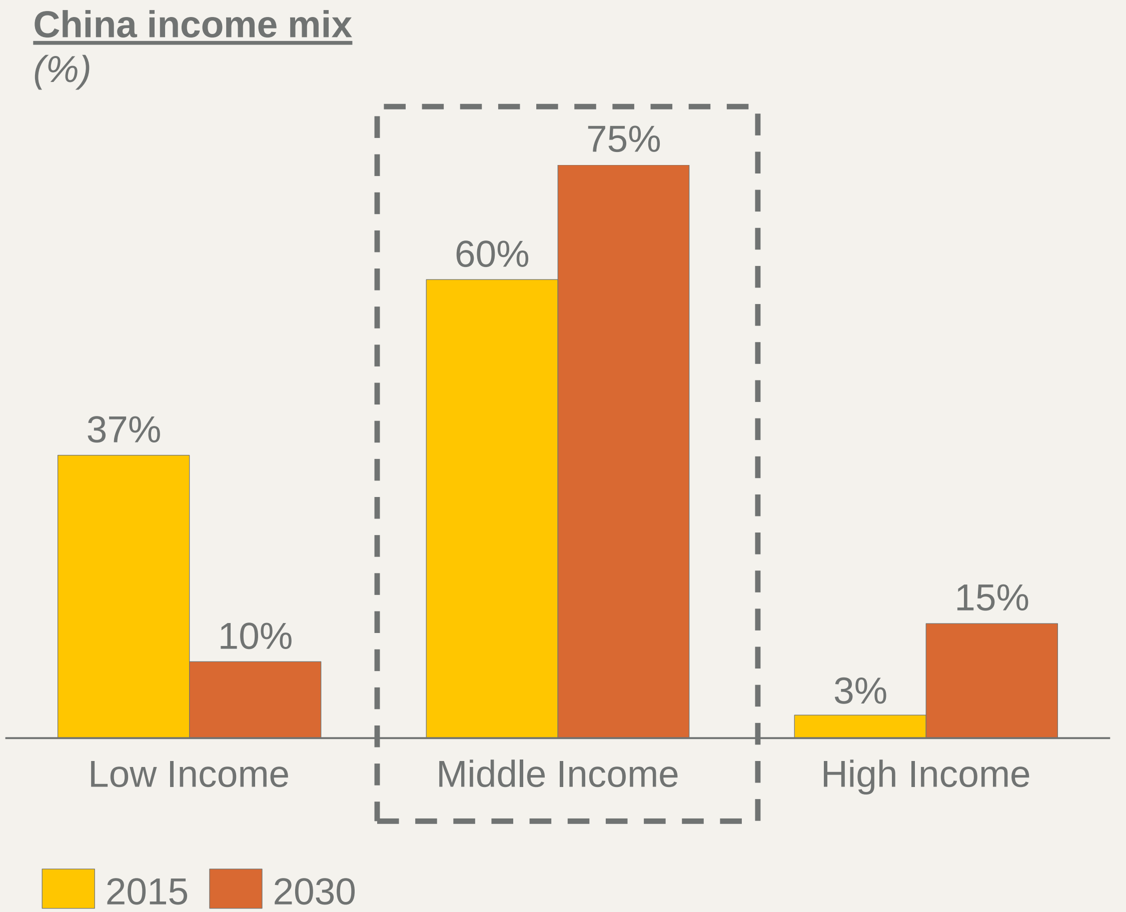
Government plans to build out ~500 Tourism destinations across the country

Merging of Ministry of Tourism and Ministry of Culture

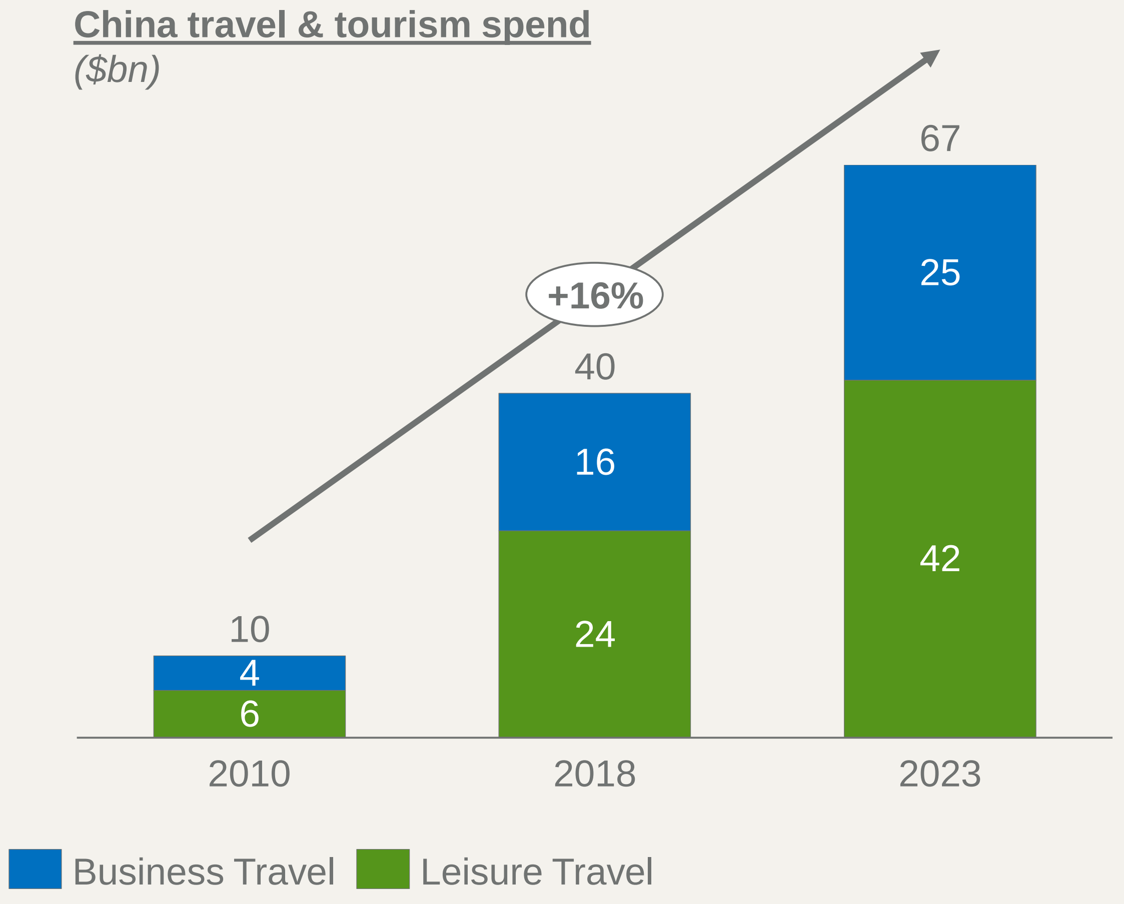


Growth in middle income earners will lead to a greater portion of spending on travel

The middle income population is continuing to grow…



…with travel being among the top areas of increased spending intention



Source: EIU, Accenture Chinese Consumer Digital Trends Research (n=4060); IMF, UNWTO/Ministry of Tourism, Tourism Economics

Significant infrastructure development will also provide further opportunities for travel

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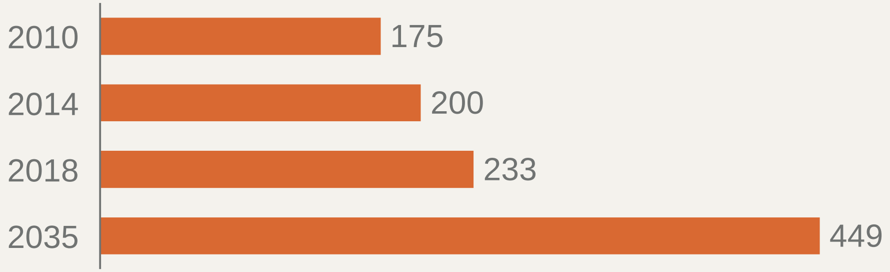
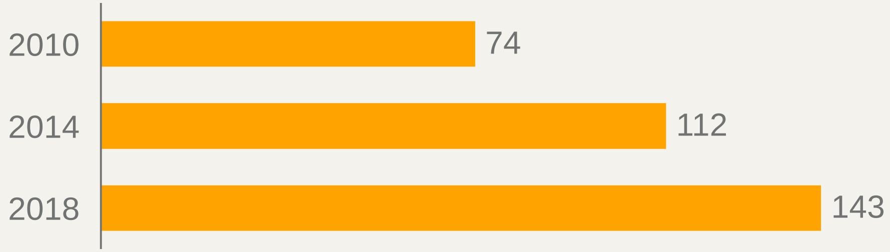
There will be ~450 airports in China by 2035

No. of airports in China



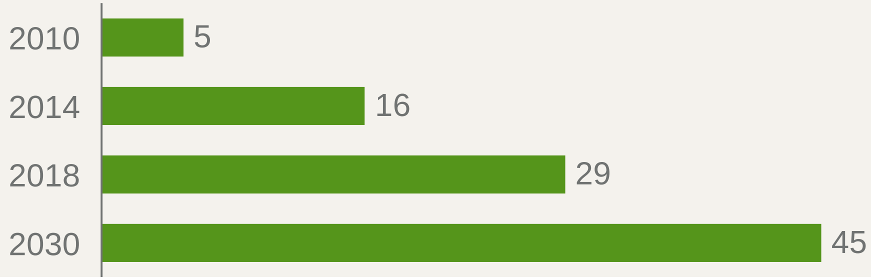
Significant investment in road networks

Length of Expressway ('000 km)



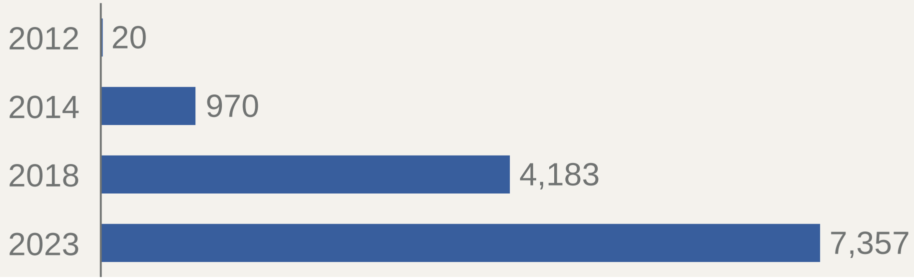
High speed rail set to grow to 45,000km by 2030

Length of high speed rail ('000 km)



Connectivity will be boosted with 5G rollout across the country

4G & 5G Base Stations ('000 Base Stations)



Source: National Statistics Bureau (China), Accenture, Goldman Sachs

The number of domestic trips per capita by Chinese travellers is expected to be on par with those of US travellers by 2028

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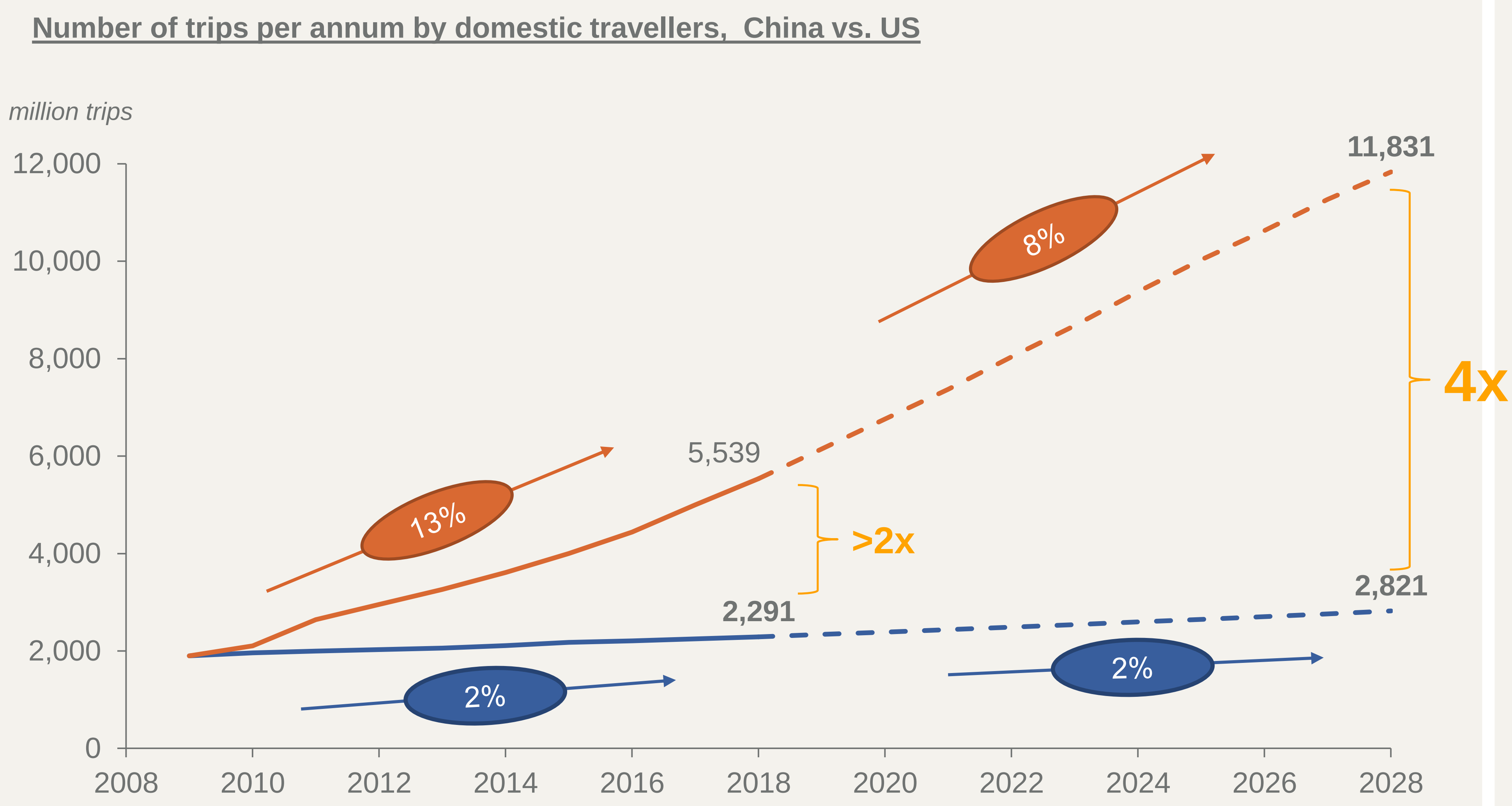


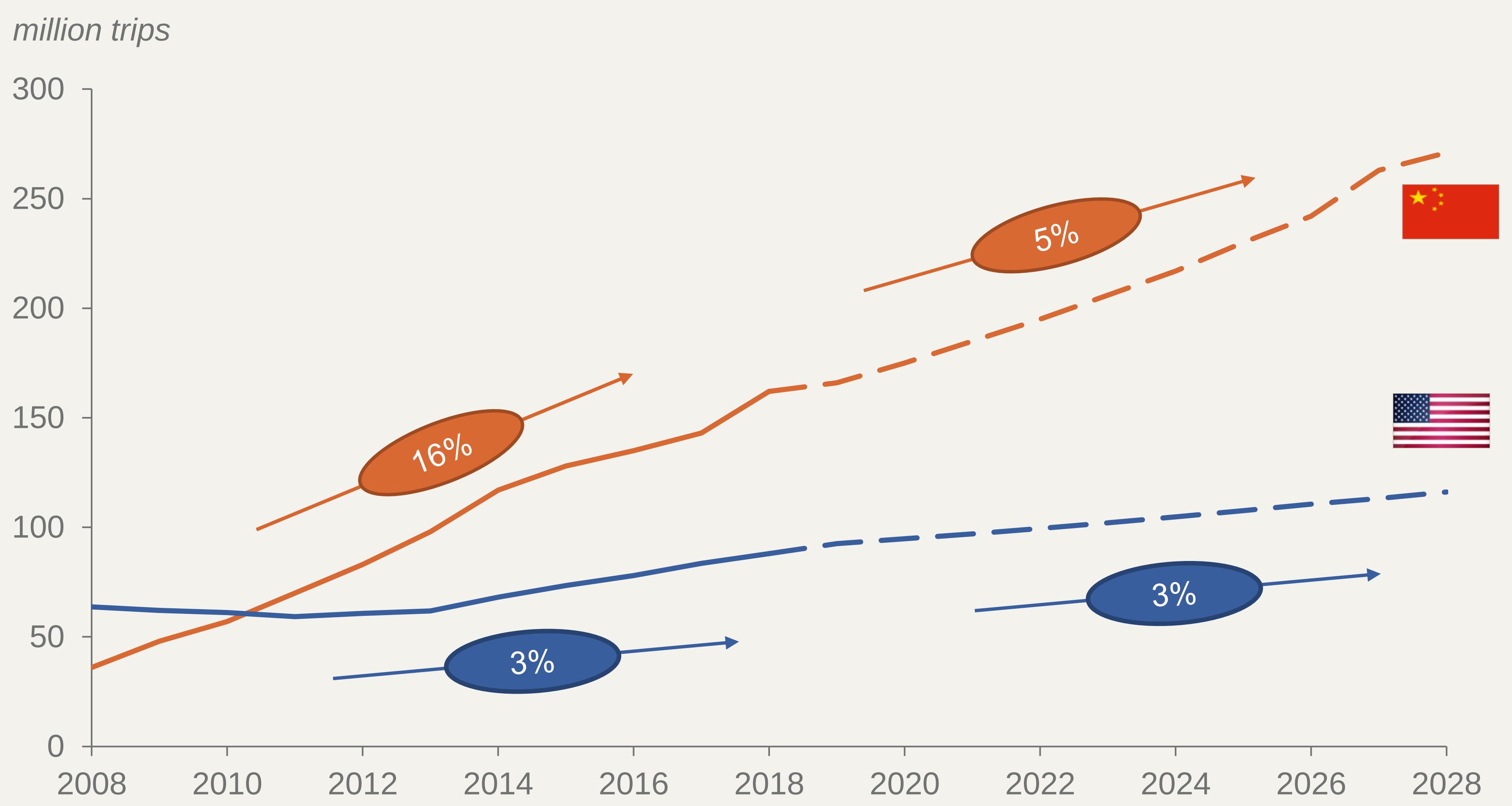
No. of trips per capita

	2018	2028F
China	4.1	7.9
US	7.0	8.2

Source: National Travel & Tourism Office(U.S.), National Statistics Bureau (China), The World Bank, Chinese Academy of Social Science, World Tourism Organization, Accenture

China is also the world's largest outbound market, and is set to keep growing

Number of outbound trips per annum



Top 10 China outbound markets	
Market	IHG Rooms[1]
Thailand	15k
Japan	11k
Singapore	4k
South Korea	3k
Malaysia	5k
United States	557k
Indonesia	10k
Vietnam	7k
Philippines	3k
Australia	13k

[1] Combined system size and pipeline rooms as at Q3 2019

Source: National Statistics Bureau, UNWTO, US National Travel and Tourism Office, Accenture

Chinese consumers are leading the global market in mobile commerce

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Mobile First

Consumers' daily lives and shopping behaviour is heavily augmented by mobile enablement

Experience Driven

Consumers' shopping expectation is shifting from purchasing products to purchasing experience

Hyper Social

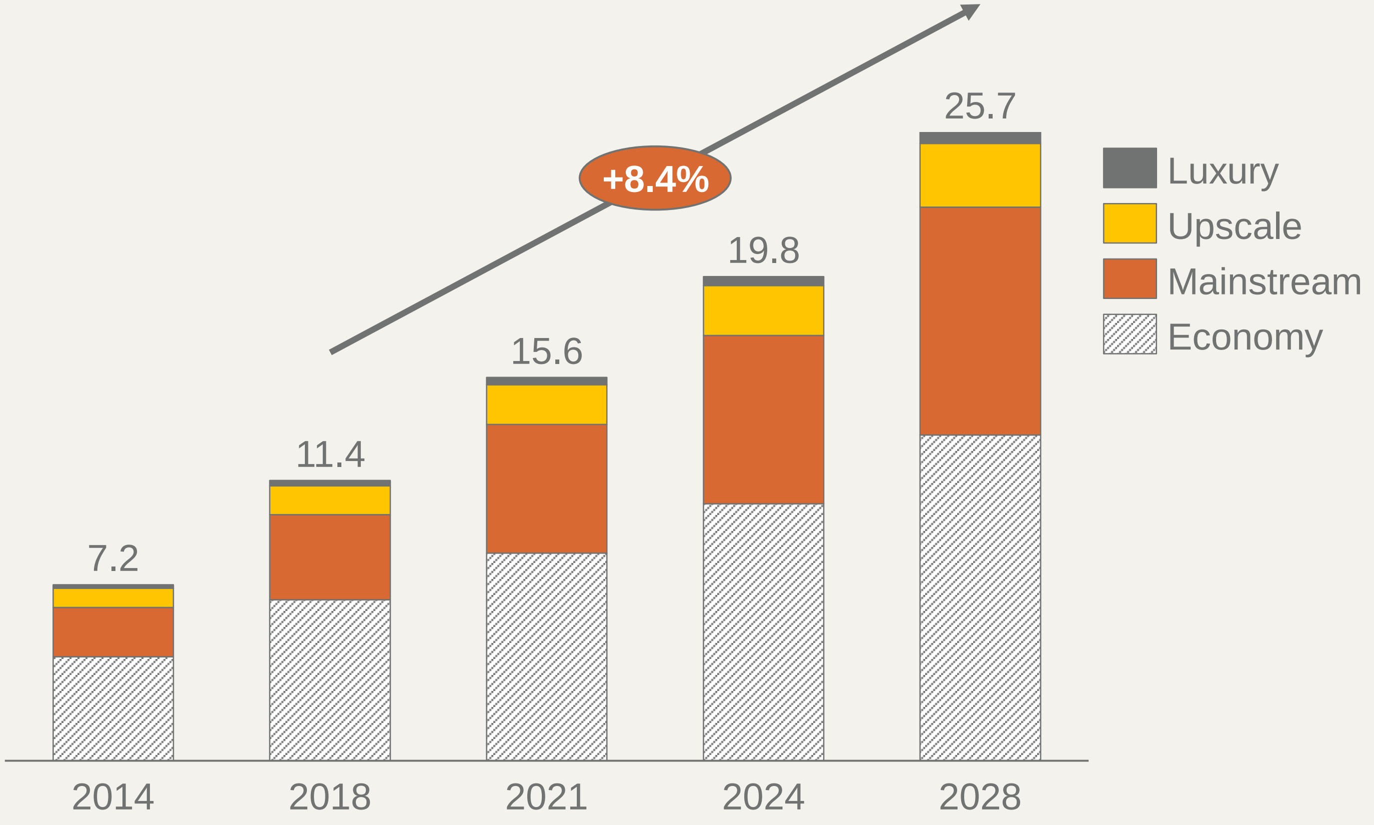
Consumers access social media content extensively and are very socially-influenced in making purchasing decisions

Data-Powered Personalisation

Consumers are used to receiving personalised content and services powered by data insights

The trends all add up to significant growth in the Greater China hospitality market over the next 10 years

Greater China market size forecast
(rooms, millions)



Long-term trends

- GDP growth shifting towards domestic consumption
- Specific Government initiatives to boost tourism
- Growing middle-income population will have more disposable income
- Travel is among the top areas of increased spending intentions
- Significant infrastructure development will make travel more accessible
- Growing demand for branded hotels

Source: OTA data scraping, STR Census, The World Bank, Accenture

Jolyon Bulley

Chief Executive Officer, Greater China

Holiday Inn Qingdao Expo, Greater China

Development landscape

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We have significant levels of experience and talent across our Greater China regional leadership team

Jolyon Bulley
CEO, Greater China
+30 years in hospitality; +18 years with IHG

Daniel Aylmer
COO, Greater China
+18 years in China; +2 years with IHG

Jun Tu
CFO, Greater China
+20 years at PepsiCo; +4 years with IHG

Haiqing Lu
Chief Strategic Relations Officer, Greater China
ex. Govt./Tesco/Diageo; +6 years with IHG

Lin Wang
Chief Marketing Officer, Greater China
ex. Apple & Chanel; +5 years with IHG

Jerome Qiu
MD, Holiday Inn Express, Greater China
+20 years at IHG

Kent Sun
Chief Development Officer, Greater China
+20 years in hospitality; +15 years at IHG

Weiwen Wang
VP Business Reputation & Responsibility, Greater China
+20 years in legal; +4 years at IHG

Steven Zhong
VP Hotel & Owner Solutions, Greater China
+20 years in hospitality; +6 years at IHG

Ying Ying Koh
VP Human Resources, Greater China
+20 years in HR; +10 years at IHG

Paul Proctor
VP Commercial, Greater China
+20 years in hospitality; +10 years at IHG

Justin Channe
MD Regent Hotels & Resorts
+20 years at IHG; ex. COO for Greater China

The development of the high speed rail network will lead the growth in Tier 2 – 4 cities

- - - - High –speed railway network plan (2030)

City cluster

Belt and Road & **Greater Bay Area** initiatives will drive growth across the **West** and **South** regions, with commitment to build:

>20 New Airports

>10 New High Speed Railway Stations

over the next decade, whilst high speed rail will bring economic benefit to **Tier 2** & **Tier 4** cities.

Rooms	2018-2028 Market CAGR
South	8.6%
West	9.7%
Tier 2	8.5%
Tier 4	10.1%

Source: Accenture Analysis, EIU

Development of Tier 2 – 4 cities is happening at a rapid pace

Shenzhen (Tier 1 city) in 1980


Shenzhen (Tier 1 city) in 2019


Zhengzhou (Tier 2 city) in 2016


Zhengzhou (Tier 2 city) in 2019

Demand has grown ahead of supply over the last 5 years, which has driven occupancy growth

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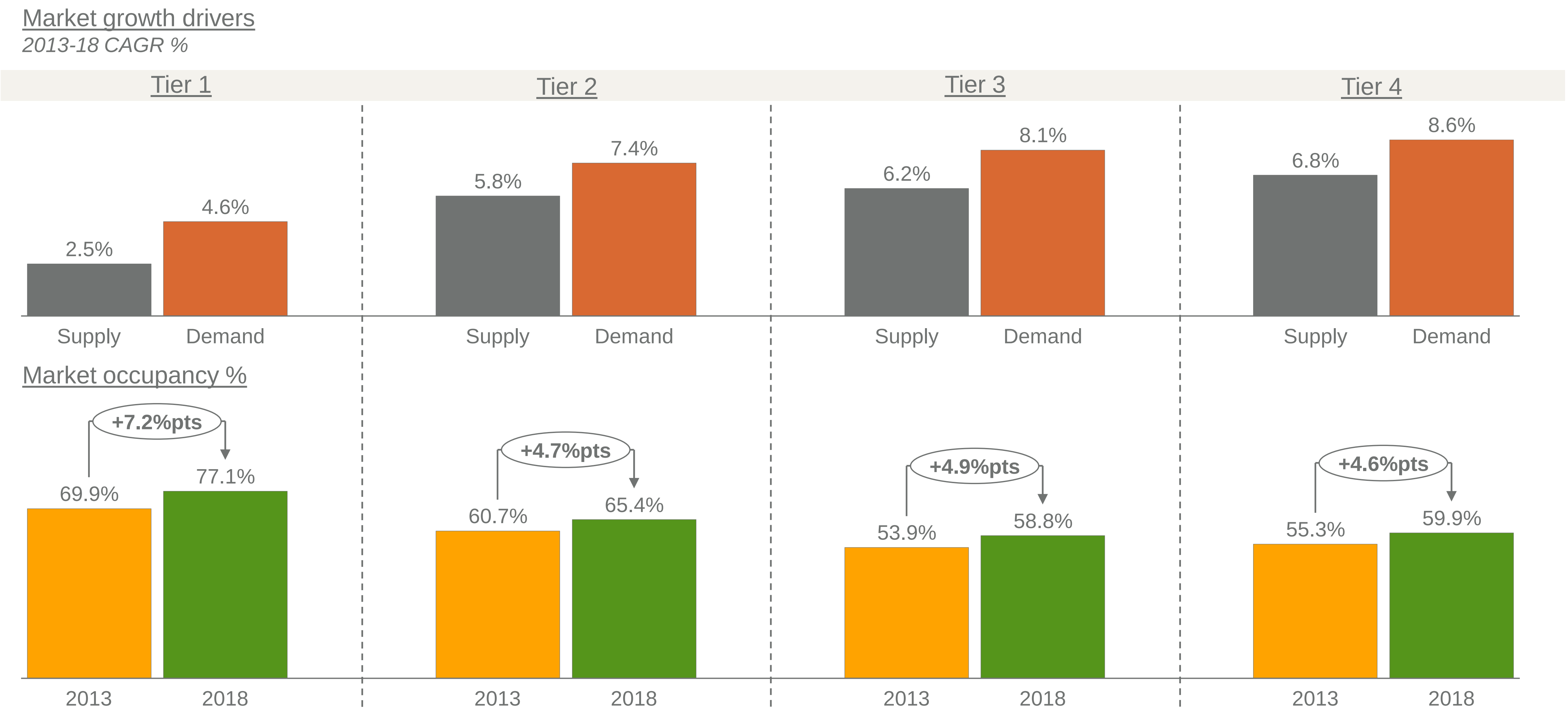
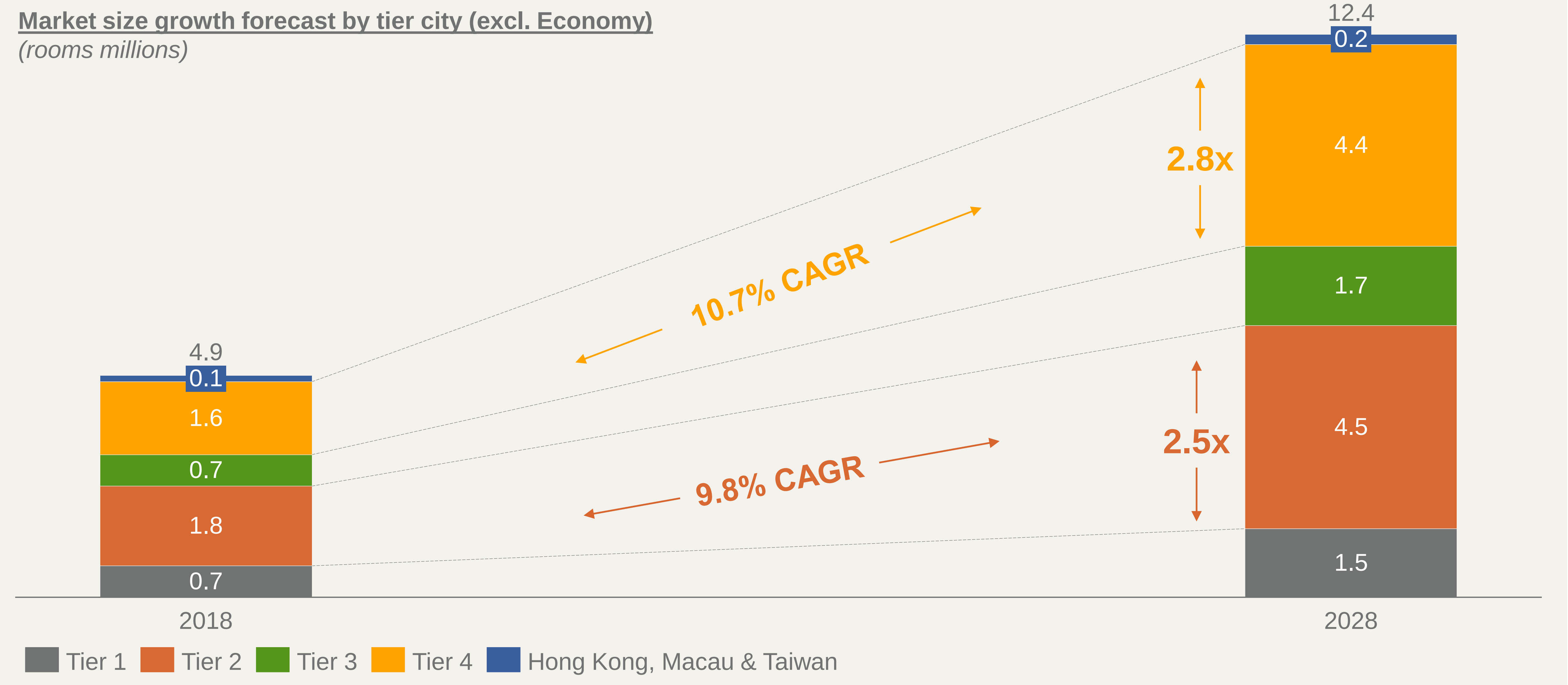


Source: STR data

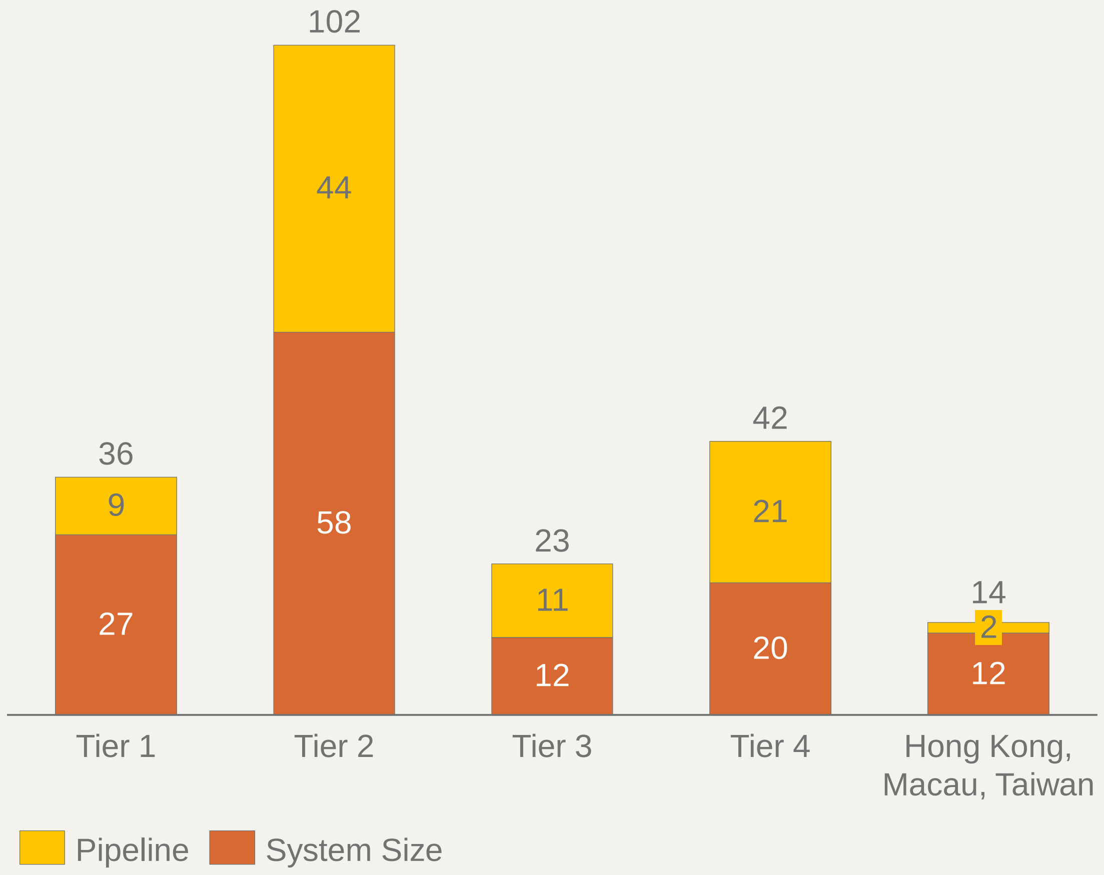
Rooms growth over the next 10 years will be driven by Tier 2 and Tier 4 cities



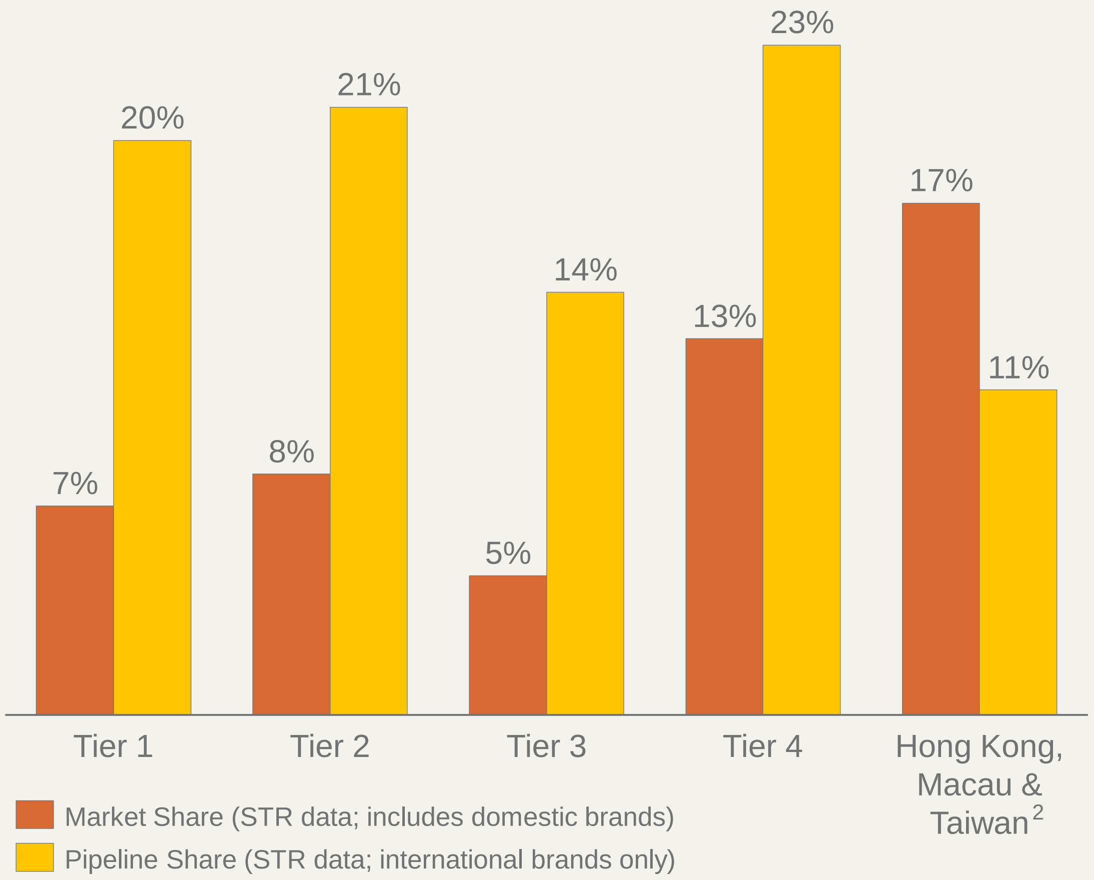
Source: OTA data scraping, STR, Accenture market study

We have built a strong footprint in Tier 2 and Tier 4 markets, and our pipeline sets us up for future growth

IHG Q3 2019 System Size & Pipeline
('000 rooms)



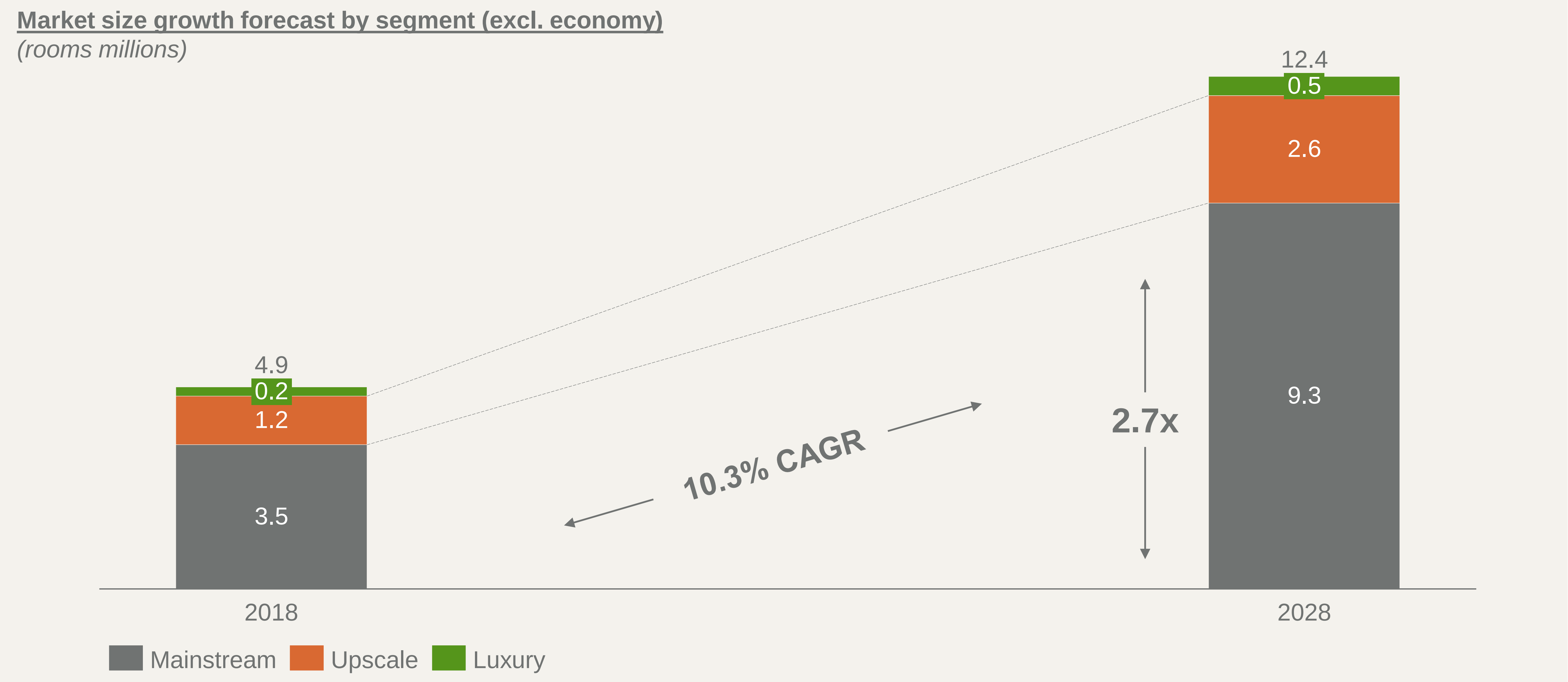
IHG share of branded market[1]
(% of branded rooms)



[1] Market share per Q3 2019 STR data; pipeline data only available for international branded operators
[2] Market share includes 5k rooms from InterContinental Alliance Resorts partnership with Sands

Source: OTA data scraping, STR, Accenture market study

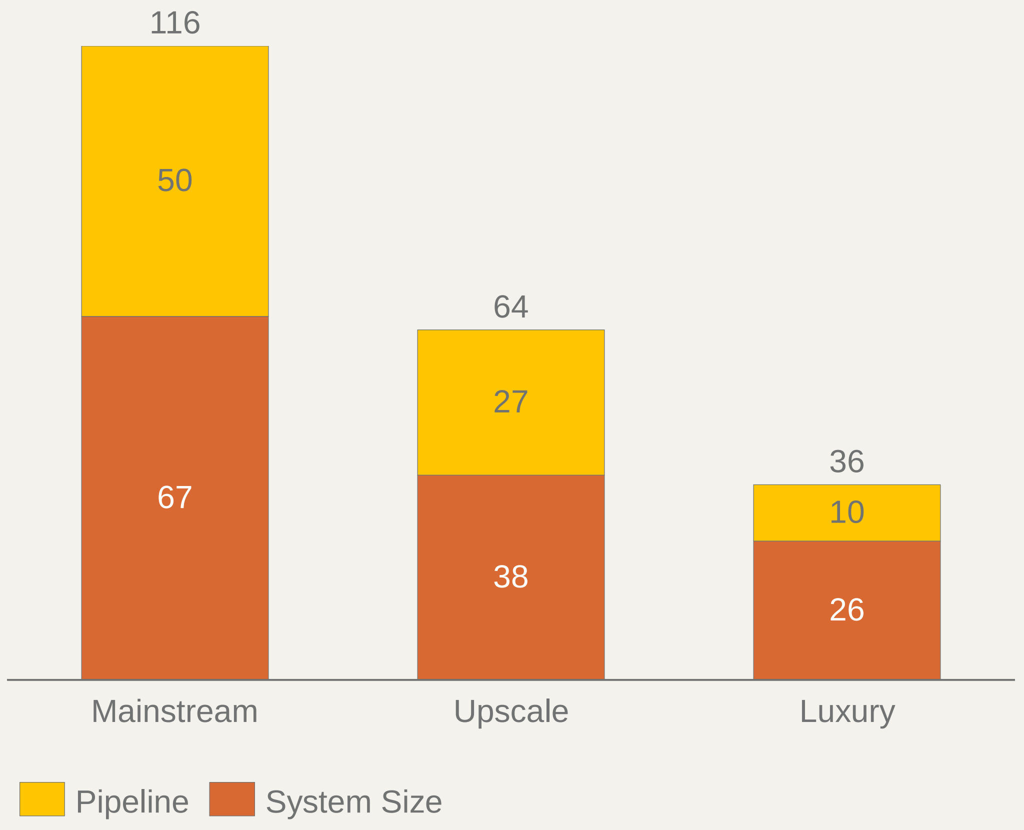
The Mainstream segment will continue to be a key driver of rooms growth over the next decade



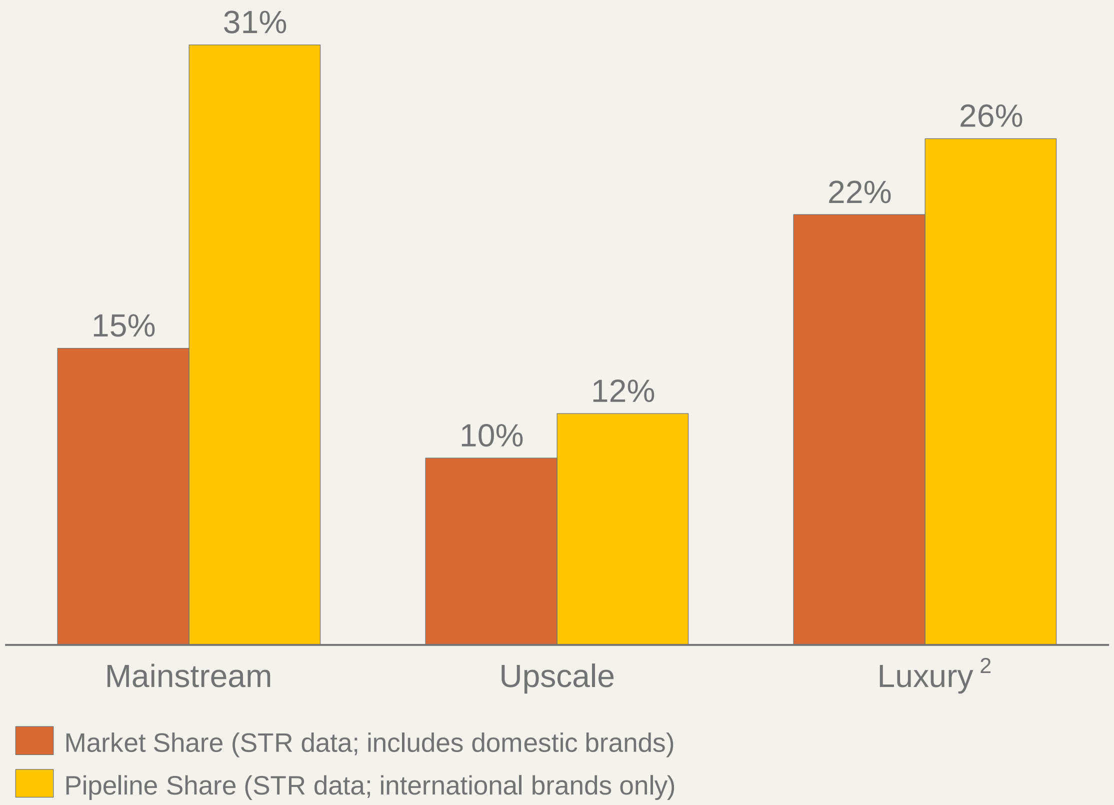
Source: OTA data scraping, STR, Accenture market study

We have a leading share of the Mainstream pipeline amongst the international operators

IHG Q3 2019 System Size & Pipeline
('000 rooms)



IHG share of branded market[1]
(% of open branded rooms)



[1] Market share per Q3 2019 STR data; pipeline data only available for international branded operators
[2] Market share includes 5k rooms from InterContinental Alliance Resorts partnership with Sands

Source: OTA data scraping, STR, Accenture market study

We have positioned ourselves to work with all the major ownership groups across the region to capture growth opportunities

State Owned Enterprises
- Historic preference to Managed model
- Lower level of involvement in day-to-day operations of the hotel
- Portfolios skewed to Upscale and Luxury
- Increased focus on financial returns

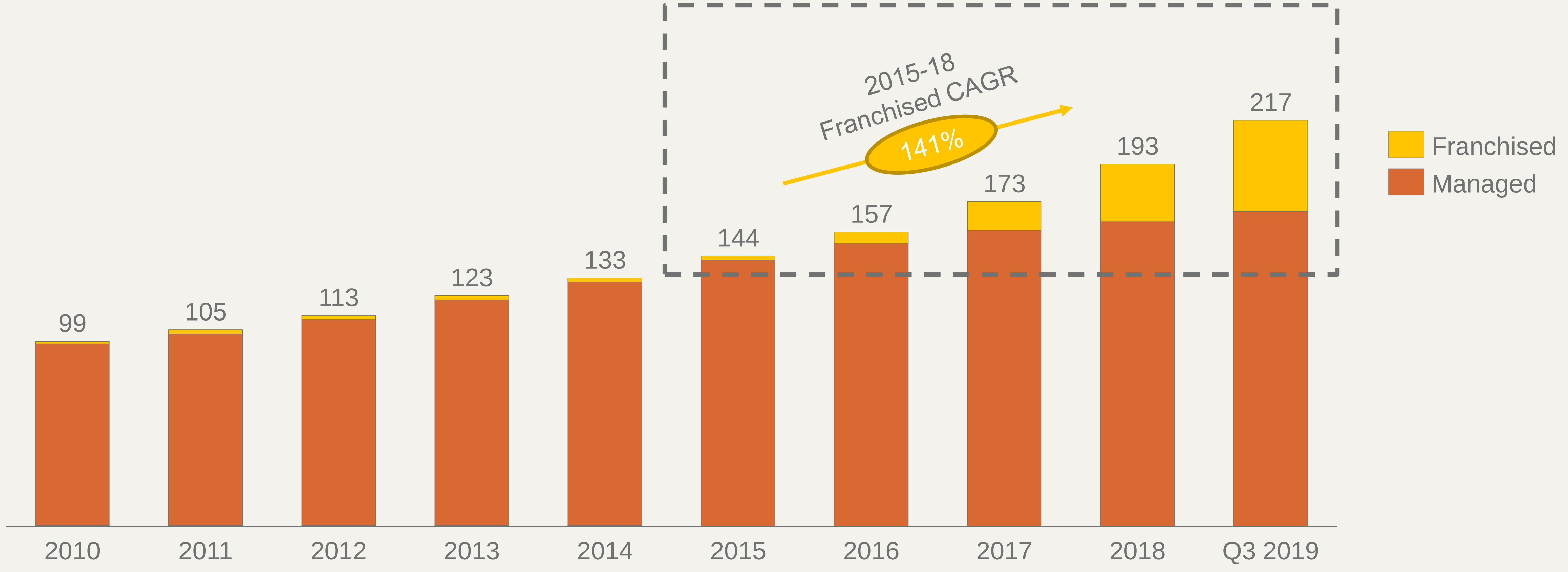
Public Listed Enterprises & Property Development Companies
- Preference to Managed model, but starting to establish own brands
- Portfolios skewed to Upscale and Luxury
- ROI sensitive, with need for flexibility to optimise cost

Private Enterprises
- Entrepreneurial individuals making private investments in hotels
- Preference for Franchised model
- Focused on Mainstream investment
- ROI sensitive with high expectations on payback

An increase in private ownership has helped drive an acceleration in franchise growth over the last 3 years

IHG Greater China system size and pipeline

(rooms '000)



Our ‘Franchise Plus’ offer for Holiday Inn Express has laid the foundations for the growth of our franchise business

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Key features of Franchise Plus

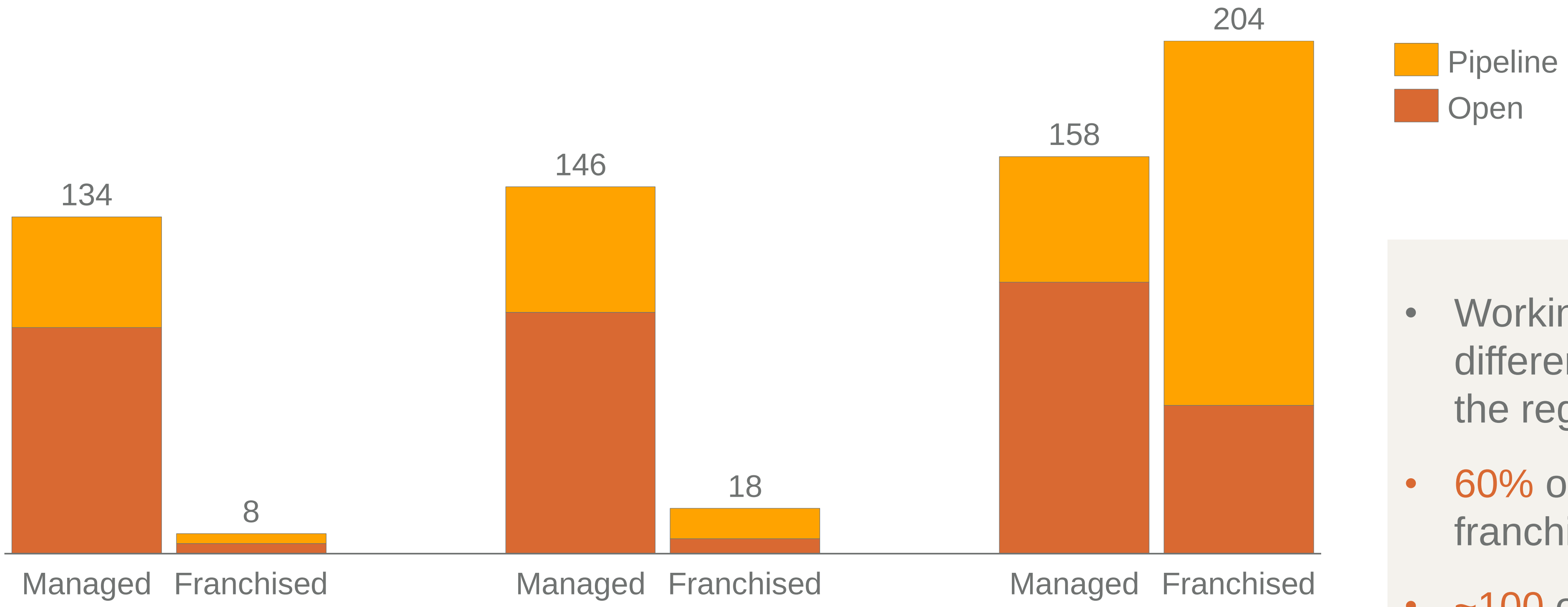
- Launched 3½ years ago
- Hotel has IHG appointed General Manager on their payroll
- ~15 years contract length
- Mandatory adoption of IHG Revenue Management for Hire platform
- >200 Franchise Plus properties signed since launch

Key benefits of Franchise Plus

- Gives IHG greater control over brand standards
- Similar economics to existing franchise contracts
- Meeting growing demand from owners for franchising offer
- Accelerating growth into high opportunity markets

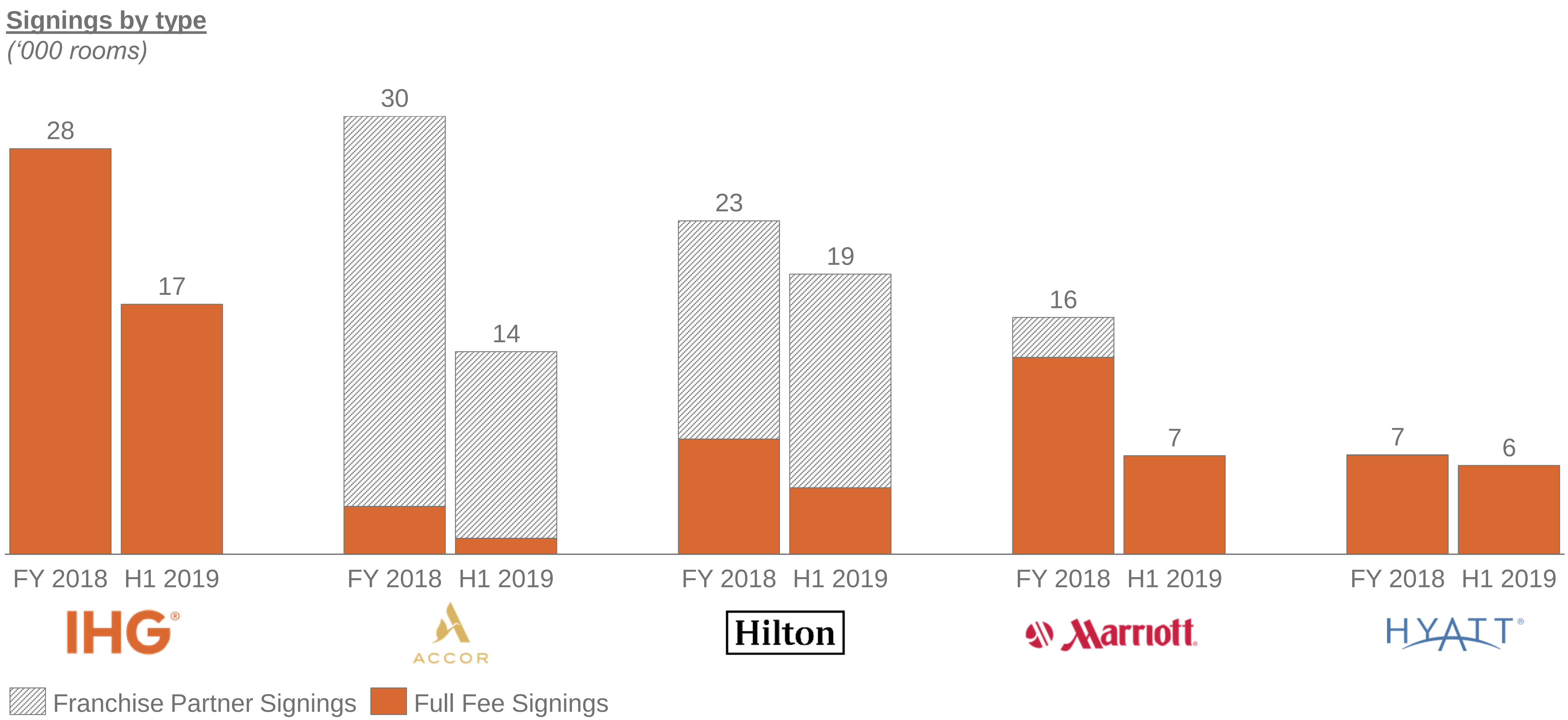
By extending full franchising to Holiday Inn and Crowne Plaza, we are creating further opportunities for growth

<u>**Q3 2019 system size & pipeline**</u>
(hotels)



- Working with >500 different owners across the region
- 60% of signings are now franchised
- ~100 owners have >1 hotel with IHG

Our deep market knowledge and experience helps deliver a leading share of full fee signings amongst international operators



Source: Horwath Signing Report; IHG signings excludes acquisition of Regent Hotels & Resorts

HUALUXE deal signing ceremony, Greater China

Outstanding to do business with

IHG®

We continue to innovate our Mainstream brands to enhance owner return and drive growth

Holiday Inn Express Nanjing Dongshan, Greater China

Holiday Inn Wuxi Taihu New City, Greater China

- NextGen hotel designs enhance guest proposition and reduce owner build cost
- Leading international brand for rooms share in the Mainstream segment
- More than 150 properties open across the region

- Most preferred hotel brand for guests in the Mainstream segment
- New room and F&B designs ensures product remains relevant to guests
- Reduction in hotel footprint will reduce build cost and drive greater owner ROI

Our system and pipeline is well positioned to capture the growth areas in the Mainstream segment across the region

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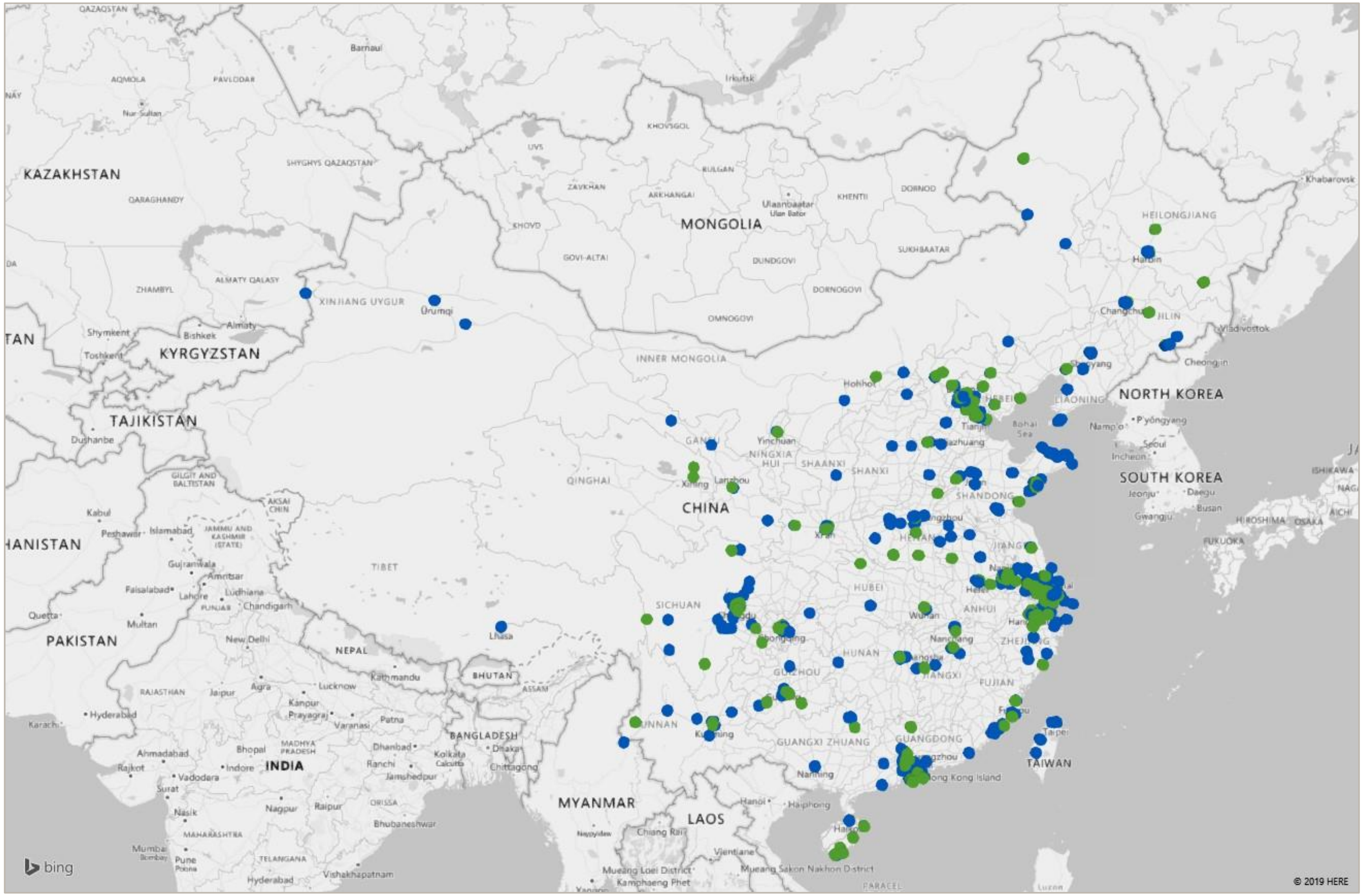
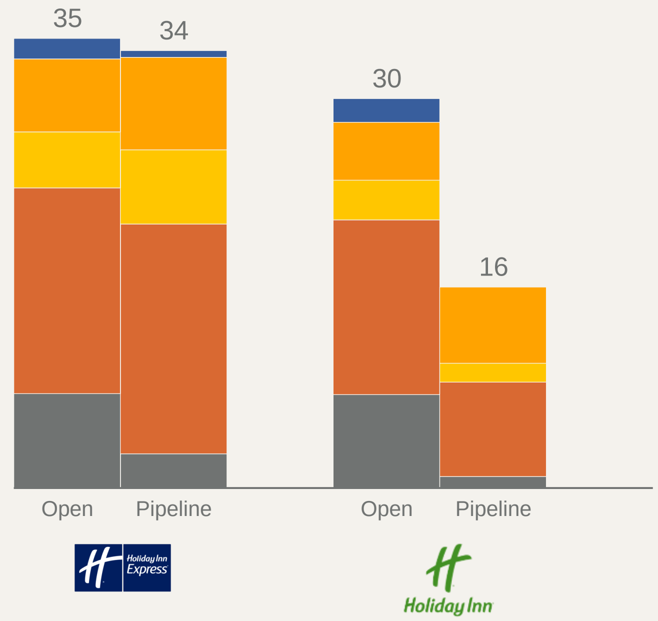


Map key

- Holiday Inn Express
- Holiday Inn

Mainstream rooms by tier ('000 rooms)



Tier 1 | Tier 3 | Hong Kong, Macau, Taiwan
Tier 2 | Tier 4

Upscale brands will play a key role in accelerating our growth

Crowne Plaza Sanya Haitang Bay Resort, Greater China

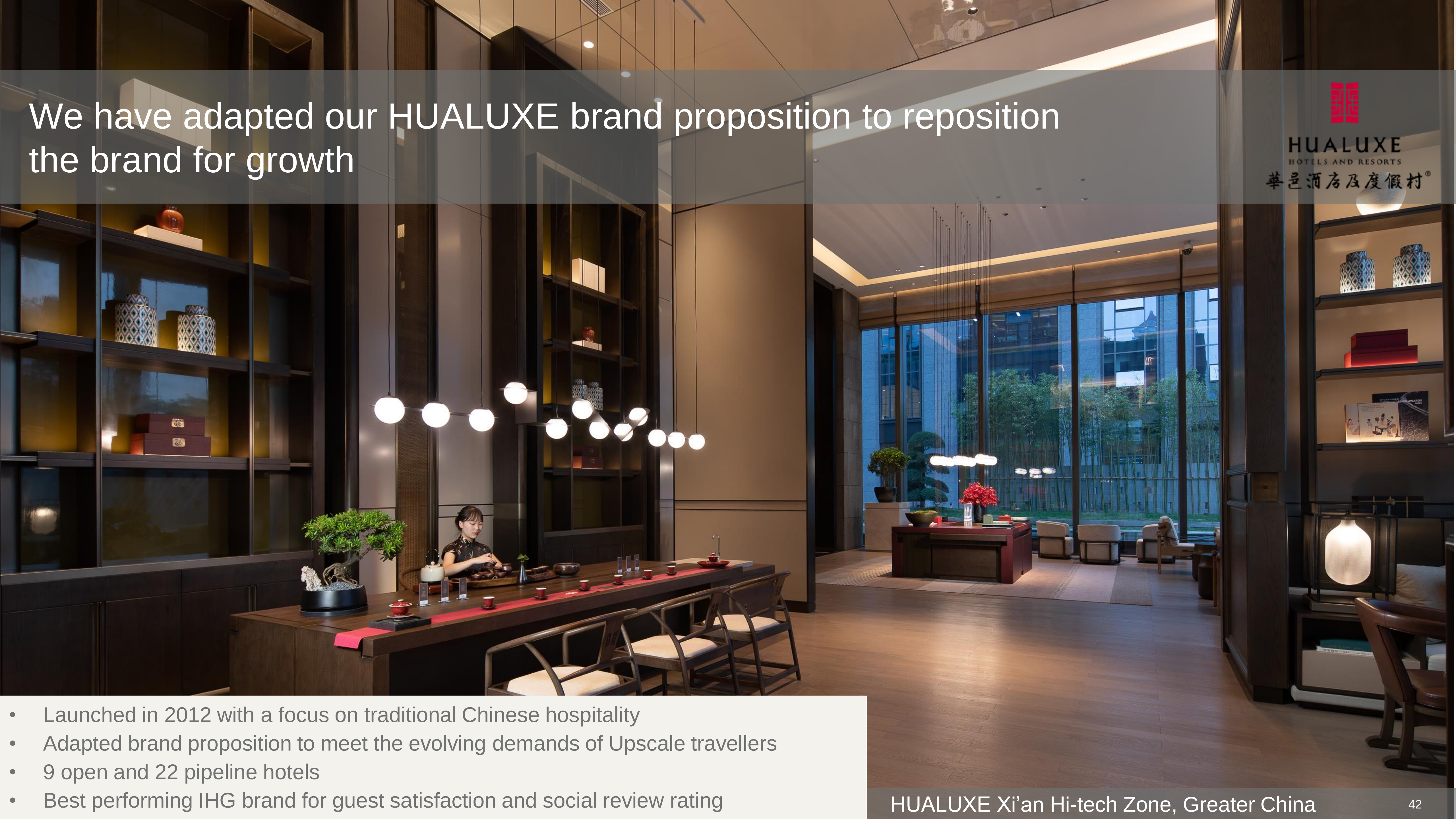
Hotel Indigo Shanghai Jing'An, Greater China

- Most preferred hotel brand for guests in the upscale segment
- Leading rooms share of all brands in the upscale segment
- New hotel designs will feature flexible meeting space and updated room product

- Growing trend for lifestyle, design-led offerings will help accelerate the growth of Hotel Indigo
- Currently operated under managed model, with potential to franchise in the future
- Robust pipeline to meet growing lifestyle demand

We have adapted our HUALUXE brand proposition to reposition the brand for growth

HUALUXE
HOTELS AND RESORTS
華邑酒店及度假村®



- Launched in 2012 with a focus on traditional Chinese hospitality
- Adapted brand proposition to meet the evolving demands of Upscale travellers
- 9 open and 22 pipeline hotels
- Best performing IHG brand for guest satisfaction and social review rating

HUALUXE Xi’an Hi-tech Zone, Greater China

We have built a strong position for our Upscale brands in Tier 1 & 2 locations

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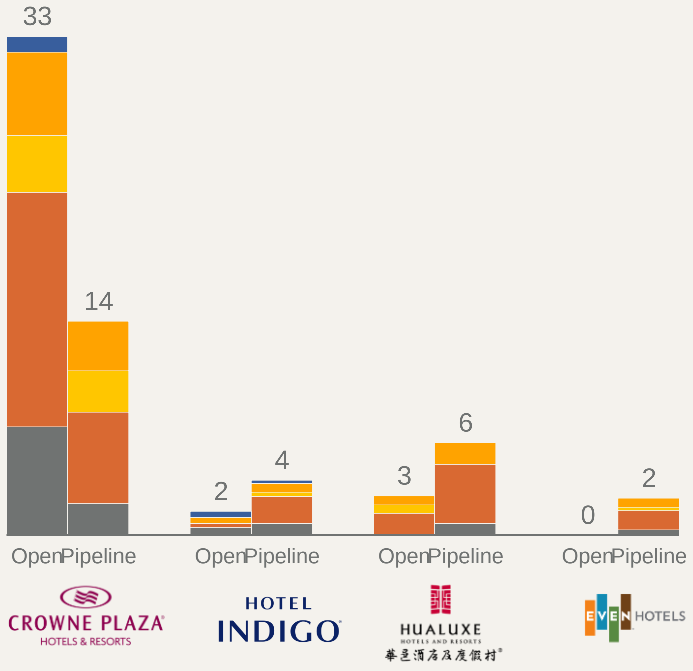
Map key

- Crowne Plaza
- Hotel Indigo
- HUALUXE
- EVEN Hotels

Upscale rooms by tier ('000 rooms)



- Tier 1
- Tier 2
- Tier 3
- Tier 4
- Hong Kong, Macau, Taiwan

We are building on our deep heritage in Luxury

InterContinental Beijing Sanlitun, Greater China

Kimpton Da An Taipei, Greater China

Regent Chongqing, Greater China

Six Senses Qing Cheng Mountain, Greater China

InterContinental penetration in Tier 1 & 2 cities creates a platform for our enhanced Luxury brand portfolio

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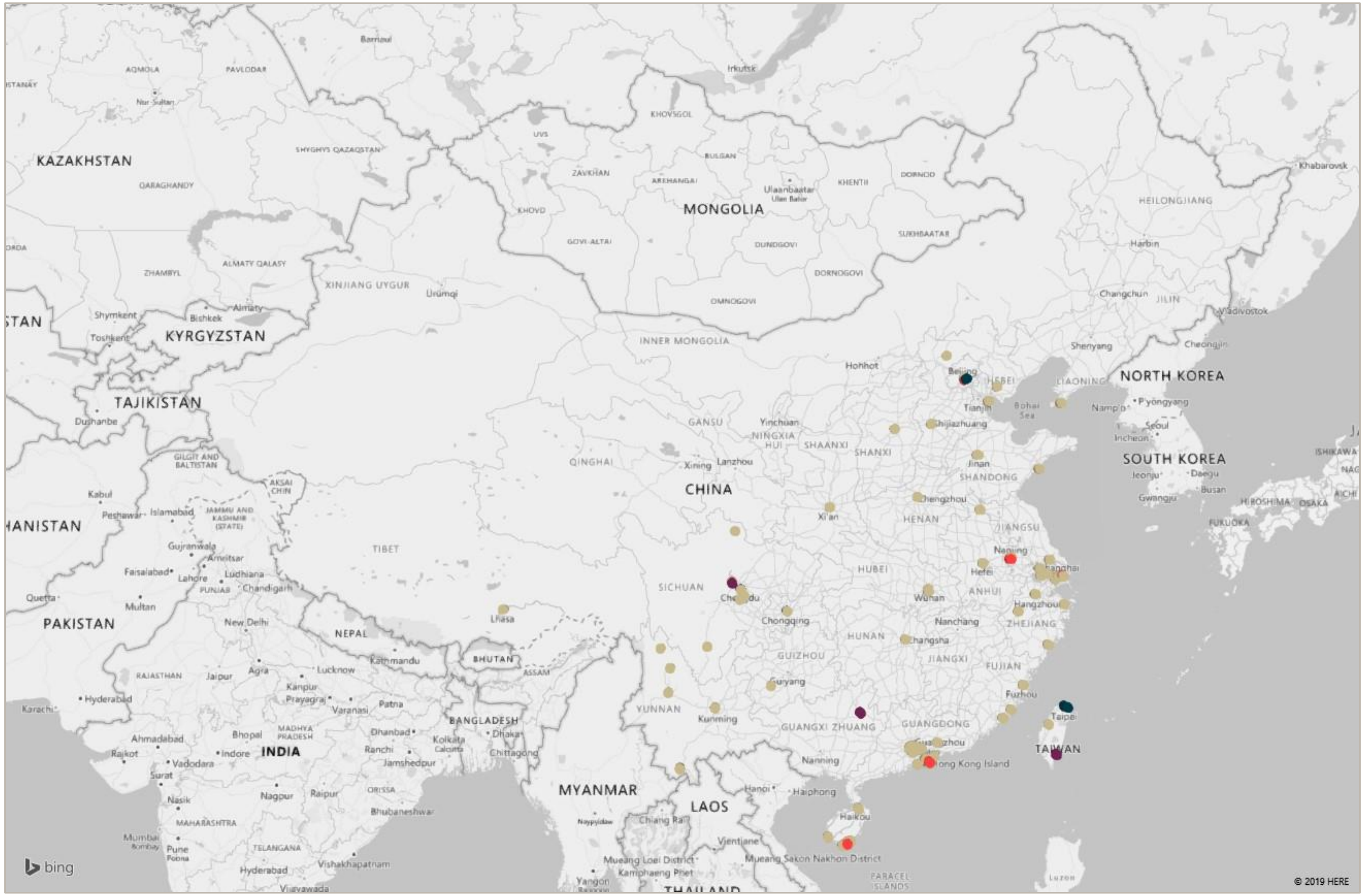
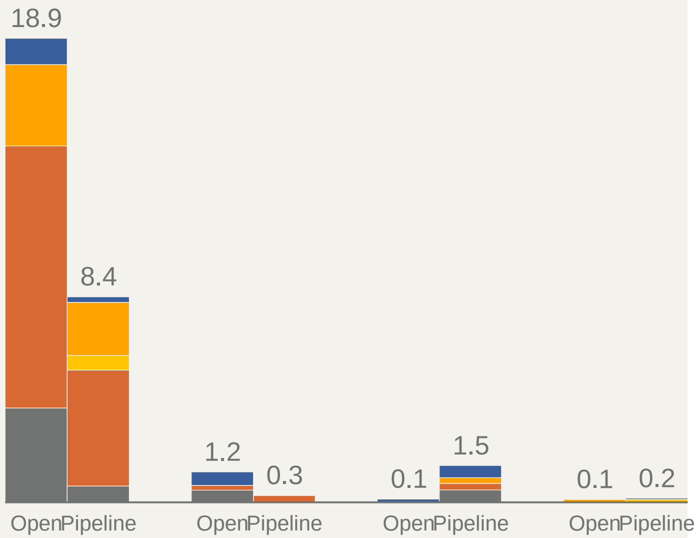


Map key

- InterContinental
- Regent
- Kimpton
- Six Senses

Luxury rooms by tier ('000 rooms)



INTERCONTINENTAL HOTELS & RESORTS | REGENT | KIMPTON HOTELS & RESTAURANTS | SIX SENSES HOTELS RESORTS SPAS

Tier 1 | Tier 3 | Hong Kong, Macau, Taiwan
Tier 2 | Tier 4

Our brands are supported by the strength of our enterprise, which helps owners drive greater performance and returns from their hotels

IHG®

Optimising Cost	Maximising Returns	Strong Operational Support
Hotel Design Innovation	Hotel Lifecycle Management	Franchise Performance Support
Reduce Cost to Build/Open/Operate	Revenue Share & Margin Improvement	Hotel Performance & Deployment Effectiveness
Centralised Procurement	Strengthen IHG Enterprise and Loyalty	Hotel Talent Certification Programs
		Focused talent development

Investment in our Hotel Lifecycle Management team is helping accelerate hotel signings into openings and maximising owner ROI

Focus on efficient design and cost management	• New design framework to bring greater consistency across brands • Centralised procurement and reduced build costs will support ROI
End-to-end project management from build to opening	• Evaluating how we can further support owners from signing to opening • Leveraging IHG experience of hotel development
Faster ramp up of new hotel openings	• Helping hotels reach operating capacity sooner • Upweighting commercial support through opening process

We have built on the success of our Franchise Performance Support model in the Americas and adapted it to the Chinese market

Implemented Franchise Support Model

- Adapted successful US model for Greater China market
- Focuses resource on highest opportunities to add value

Analytics and Insight capabilities

- Development of machine learning to flag performance opportunities
- Designed to act as ‘early warning’ system

Hotel talent development

- Developed certification programme for hotel General Managers
- Continue to invest in frontline virtual learning

Our growth ambition is being enabled by an ongoing investment in talent, which will build the competencies required to scale our business

IHG®

Talent solutions across all levels

- Early Careers programs to attract & train talent
- Fast track programs to develop hotel leadership and build sustainable talent pipeline

New capabilities as China and our business matures

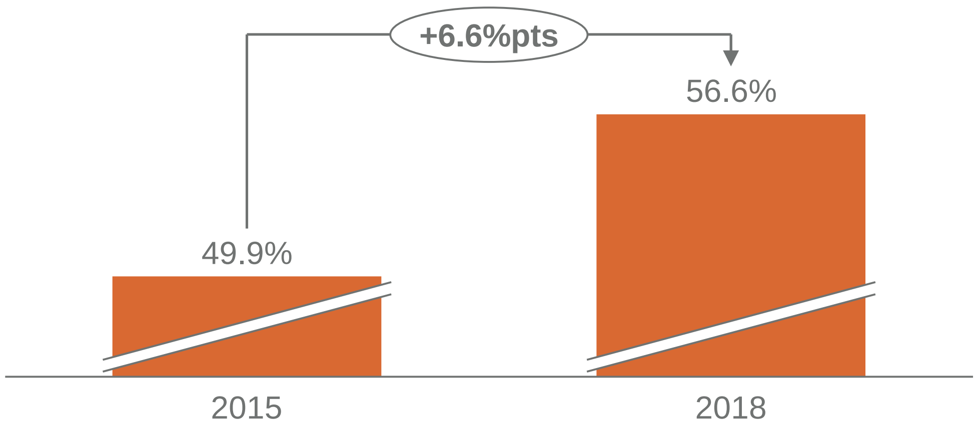
- Innovate course design, enabled by technology, to empower next generation learning
- New generation talent in digital technology, data intelligence and marketing
- Procurement & supply chain capability in construction, assets and operations

An organisation built to scale

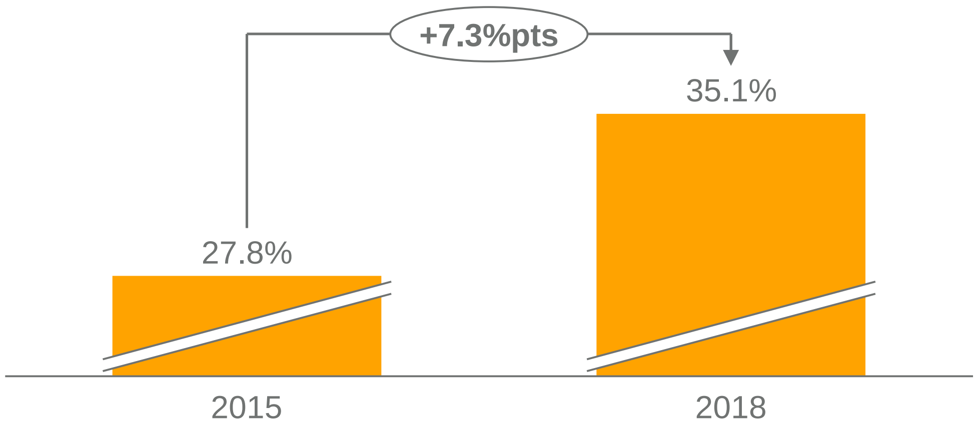
- Organisation design that enables growth, hotel lifecycle & business performance
- Scaling our operating model to support long-term growth

We utilise the strength of our global enterprise and loyalty capabilities, and have introduced China-specific functionality

Greater China Enterprise Contribution (%)



Greater China Loyalty Contribution (%)



We are continuing to strengthen our enterprise contribution in Greater China:

- Opened digital storefronts with local platforms to grow distribution in lower tier cities
- Signed agreements with WeChat Pay and Alipay

Whilst building loyalty amongst our guests:

- Launched WeChat Mini programme with loyalty capabilities
- Building China-specific functionality into Global IHG App

Our operations reflect our global commitment to operating a responsible business

Our Hotels

Waste reduction

- Committed to switching to bulk-sized bathroom amenities
- Use of technology to reduce food waste

Our Communities

Environmental sustainability

- Committed to reducing carbon per occupied room
- Launched water stewardship projects in water stressed regions

Our Culture

Employee engagement

IHG® Academy

top EMPLOYER 中国杰出雇主 CHINA 2019
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

- >70 IHG Academies open across the region
- Recognised as a top employer in China for 7 successive years

Our strategy in China leverages our global strategic model

IHG

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

- Strengthening existing brands and driving guest preference
- Enhanced portfolio with new brands
- Equipped with market specific digital capability to win with consumers

4. Evolve owner proposition

- Expanded Franchise Plus offer for Holiday Inn Express to full franchising Holiday Inn and Crowne Plaza
- Implemented franchise support model and driving operational excellence across managed hotels
- New brand designs will support improved owner ROI

3. Enhance revenue delivery

- Launch of digital flagship stores with local platforms
- Implemented guest digital payment solutions through WeChat and Alipay
- IHG Concerto, featuring new GRS, rolled out to all hotels in Greater China

1. Build & leverage scale

- Leveraging global business to create an *in* China *for* China business
- Align development plans with central government investment priorities
- Commitment to responsible business with focus on talent and learning

2. Strengthen loyalty programme

- Strengthening loyalty program to grow contribution in lower tier cities
- Focus on a mobile led digital solution which leverages partner relationships
- InterContinental Alliance Resorts partnership with Sands China in Macau giving guests the opportunity to earn and redeem points in highly desirable destinations

IHG has built a leading position in Greater China, which sets us up to take advantage of the favourable market dynamics for long term growth

We have built long standing, deep relationships with key stakeholders across the region

Our leading portfolio of brands are preferred by guests and owners

Investments in infrastructure make us unique amongst our peers as an in China, for China business

We are leveraging our global digital, enterprise and loyalty capabilities and tailoring them for the Chinese market

Our US business provides a blueprint for building a scale franchise platform

Growth strategy underpinned by ongoing investment in talent and a long term commitment to sustainability

This adds up to the right business model, right people, right brands and right owner proposition

InterContinental Shanghai Wonderland, China

Q&A

IHG®