

IHG PLC – Full Year Results to 31 December 2019

	Reported			Underlying ⁵
	2019	2018 Restated ¹	% Change	% Change
REPORTABLE SEGMENTS²				
Revenue ³	\$2,083m	\$1,933m	8%	6%
Revenue from fee business	\$1,510m	\$1,486m	2%	2%
Operating profit ³	\$865m	\$832m	4%	6%
Fee margin ⁴	54.1%	53.3%	0.8%pts	
Adjusted EPS ⁶	303.3¢	293.2¢	3%	
GROUP RESULTS				
Total revenue	\$4,627m	\$4,337m	7%	
Operating profit	\$630m	\$582m	8%	
Basic EPS	210.4¢	183.7¢	15%	
Total dividend per share	125.8¢	114.4¢	10%	
Net debt	\$2,665m	\$1,965m	36%	
				KEY METRICS
				• \$27.9bn total gross revenue (up 2%; 3% at CER) • (0.3)% global FY RevPAR • (1.8)% global Q4 RevPAR

¹ Restated following the adoption of IFRS 16 'Leases' from 1 January 2019 and the amended definitions for fee margin and adjusted EPS. ² Excludes System Fund results, hotel cost reimbursements and exceptional items. 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 Reportable segment results excluding significant liquidated damages, current year acquisitions and stated at constant FY 2019 exchange rates (CER). ⁶ Calculated using results from Reportable Segments and Adjusted Interest, and excluding changes in fair value to contingent consideration.

- Net system size growth of 5.6% (5.0% excluding Sands partnership in Macau SAR), the strongest in over a decade, with 65k room additions. Ongoing focus on the long-term health of established brands drove 18k removals, leaving 884k rooms across the global estate.
- FY Comparable RevPAR: Global = (0.3)%; Americas = (0.1)% (US = (0.2)%); EMEAA = 0.3%; Greater China = (4.5)%. Performance was impacted by macro and geopolitical factors, increased supply growth ahead of demand in some markets, and ongoing unrest in Hong Kong SAR.
- Operating profit from reportable segments up 4%; operating profit up 8% after System Fund result and exceptional items, which in 2019 include impairment charges to the UK leased portfolio and Kimpton management agreements.
- Full year signings of 98k rooms (down 1% YoY), includes record performance in Greater China and EMEAA. Total pipeline now stands at 283k rooms.
- Continued progress optimising our brand portfolio for future growth:
 - Six Senses: grown at pace with 10 signings since acquisition in February 2019; 18 properties now open
 - Kimpton: signed 11 further deals, growing portfolio to almost 100 open and pipeline hotels
 - Crowne Plaza: launched six flagship properties in key cities with new room and public space designs
 - voco: signed 33 hotels across 16 countries since launch; 12 open; plan to continue global expansion in 2020
 - Holiday Inn: opened >13k rooms; best ever full year performance for the brand
 - Holiday Inn Express: new guest room and public space designs open or committed to in >1,600 hotels
 - avid: 10 properties now open, with >80 more under construction or with planning approved

Keith Barr, Chief Executive Officer, IHG, said:

"Our performance in 2019 reflects the continued successful execution of our strategy, with the investments we're making in our brands, owner offer and enterprise capabilities accelerating net room openings and supporting sustainable long-term growth. These investments are being funded by our group-wide efficiency programme, which is on track to deliver \$125m of annual savings, with the majority already realised and being reinvested across the business.

During the year we grew our estate by 5.6%, our highest rate in more than a decade, which helped deliver a 6% increase in underlying operating profit in a weaker RevPAR environment. We increased our ordinary dividend by 10%, and remain committed to returning surplus cash to our shareholders.

Led by strong demand for our established brands, we opened a record number of rooms, including our best ever performance for the Holiday Inn Brand Family, and we increased our share of signings in key markets globally. Future rooms growth will be further supported by our newer brands, with avid, Atwell Suites, Regent and Six Senses all attracting strong interest, and voco set to continue its global expansion in 2020, following an excellent performance in EMEAA.

Given the ongoing impact of coronavirus following the outbreak in China, our top priority remains the health and safety of our colleagues, guests and our partners on the ground, and we are doing all we can to support them at this difficult time.

The fundamentals of our industry remain strong, and our cash-generative, resilient fee-based model, underpinned by a commitment to operate a responsible business, gives us confidence to continue making the strategic investments that will drive our long-term growth."

Update on strategic initiatives

We continue to make good progress in executing against our strategic model to deliver industry leading net rooms growth over the medium term

- **Build and leverage scale – Building a leading position in the world's most attractive markets and highest opportunity segments, where our scale and resources matter most**
 - Our focus on building scale has seen us accelerate our rate of net system size growth over the last three years from ~3% to 5.6%.
 - Over the same period, we have signed more than 280k rooms into our pipeline, which now stands at 283k rooms, or 32% of our system size, with 40% under construction.
 - Achieved our best ever openings performance for the Holiday Inn Brand Family, with 38k rooms (260 hotels) opened in 2019.
 - Record performance for openings and signings in Greater China, with 24k rooms (88 hotels) opened and a further 36k rooms (158 hotels) signed into the pipeline. Total open rooms now at 136k (470 hotels) with a further 85k (393 hotels) in the pipeline.
 - EMEAA also saw a record performance for signings, with 29k rooms (160 hotels) signed into the pipeline across 50 different countries.
- **Strengthen loyalty programme – Continuing to innovate IHG Rewards Club to build stronger and deeper relationships with our guests to drive high value revenue across our hotel estate**
 - Loyalty room revenue contribution flat year-on-year. A better representation of the full value of our loyalty programme to deliver revenue to our hotels from both qualified and redeemed stays is loyalty room night contribution, which was ~46% for 2019.
 - Strengthened our ability to offer unique experiences to IHG Rewards Club members through a partnership with the US Open Tennis Championships, and enhanced our luxury and boutique offering to members through an exclusive partnership with world-renowned travel club, Mr & Mrs Smith.
 - InterContinental Alliance Resorts partnership with Sands China in Macau SAR and the extension of our alliance with The Venetian Resort Las Vegas gives guests the opportunity to earn and redeem points in highly desirable destinations.
 - Offering members greater flexibility and value for their points through trials of dynamic reward night pricing and the option to use loyalty points to pay for amenities and services during their stay.
- **Enhance revenue delivery – Driving a higher share of revenues through IHG's low cost booking channels to deliver better returns for our owners**
 - IHG revenue delivery enterprise drove system contribution of 79%, up 4%pts in 3 years.
 - Digital (web and mobile) revenue up 7% in 2019 to \$5.6bn, with \$1.5bn of revenue from our award winning IHG mobile app (up 18% YoY).
 - Piloting enhanced functionality, including attribute pricing, for our cloud-based Guest Reservation System, with extensive trials through H1 2020.
 - IHG Connect, our seamless Wi-Fi guest login, is now implemented or being installed in >4,500 hotels globally, creating a platform for greater connectivity across the guest stay, such as our new digital in-room entertainment solution, IHG Studio.
- **Evolve owner proposition – Outstanding operational support and optimised owner returns to unlock growth**
 - Embedded new processes in the Americas to help reduce the time taken from hotel signing to ground break to opening, and scaling across EMEAA and Greater China in 2020. We have seen an acceleration in ground break pace in the Americas during 2019, with a year-on-year increase in the number of Q4 openings.
 - Increasing demand for our franchise offer in Greater China, with ~90% of Holiday Inn Express deals signed under the franchise model in 2019. We now have 89 franchise hotels open and a further 169 signed into the pipeline in Greater China.
- **Optimise our portfolio of brands for owners and guests – Maintaining a strong portfolio of distinct and preferred brands, serving the highest growth segments in the largest markets**
 - **Mainstream – (\$115bn global segment with \$65bn growth potential to 2025)**
 - **Holiday Inn:** Continue to roll out updated room and public space designs, with >180 hotels open or committed across the Americas, and our Open Lobby open or committed to in >90% of our Europe estate.
 - **Holiday Inn Express:** Our 'Formula Blue' guestroom and public space designs are now open or committed to in >1,600 hotels across the US and Canada.
 - **Staybridge Suites & Candlewood Suites:** Grown extended stay portfolio to >700 open hotels and are seeing strong owner interest in our transformational new room and public space design prototypes.
 - **avid hotels:** >200 hotels (20k rooms) signed since launch, and 10 hotels now open, with 54 hotels (5k rooms) signed in 2019. Over 80 more properties under construction or with planning approved.
 - **Atwell Suites:** 10 signings in 2019 following registration of franchise documents in September for our new all-suites upper midscale brand Atwell Suites, which targets an \$18bn industry segment.

- **Upscale – (\$40bn global segment with \$20bn growth potential to 2025)**
 - **Crowne Plaza:** Launched flagship properties, showcasing new room and public space designs, in six key cities around the world, driving significant uplifts in guest love and increased restaurant and bar revenue.
 - **Hotel Indigo:** Accelerating momentum for the brand with record number of rooms signed in 2019. We now have deals signed into the pipeline that will take Hotel Indigo to 16 new countries globally.
 - **voco:** 33 hotels signed across 16 countries in EMEA (11k rooms in total) over the past 18 months. Planning on continuing to accelerate voco's global expansion in 2020.
- **Luxury – (\$60bn global segment with \$35bn growth potential to 2025)**
 - **Six Senses Hotels Resorts Spas:** Ten new signings since February 2019 acquisition, including properties in London, the Galápagos Islands and the Loire Valley.
 - **Regent Hotels & Resorts:** Signed three new properties since acquisition and developed new brand hallmarks to position Regent in the top tier of luxury.
 - **InterContinental Hotels & Resorts:** Reinforced position as largest global luxury hotel brand with nine openings in 2019, including the InterContinental Hayman Island, Australia and the InterContinental Maldives.
 - **Kimpton Hotels & Restaurants:** Global expansion continues with the opening of two further properties in the UK and 11 signings globally in 2019, taking combined system and pipeline to almost 100 hotels.
- **Commitment to operate a responsible business – Providing True Hospitality for everyone**
 - Made further progress in 2019 to reduce plastic waste, including being the first global hotel company to announce our commitment to eliminate bathroom miniatures across our entire estate during 2021.
 - Committing (a) to a Science Based Target to reduce our greenhouse gas emissions, and (b) to implement the recommendations of the Task Force on Climate-related Financial Disclosures.
 - Advancing our existing water stewardship program by becoming a signatory to the CEO Water Mandate.
 - Named as one of the Best Places to Work for LGBTQ Equality by the Human Rights Campaign Foundation for the sixth consecutive year and became a member of The Valuable 500.

Americas – Full year US RevPAR performance in line with the segments in which we compete

Comparable RevPAR decreased 0.1% (Q4: down 1.6%), with 0.2% ADR growth offset by lower occupancy. US RevPAR was down 0.2% for the year with our performance in line with the segments in which we compete. The 1.7% decline in the fourth quarter was driven by ongoing softness in small groups business, which impacted our Holiday Inn and Crowne Plaza brands, along with increased room supply in the Upper Midscale segment. Canada was down 1% (Q4: down 3%), impacted by weaker corporate and group business in Ontario and Alberta. Latin America and the Caribbean were up 6% (Q4: up 4%), with strong performances in Brazil and Colombia. Mexico RevPAR was down 2% (Q4: down 2%).

Reported revenue¹ of \$1,040m was down 1% against the prior year (also down 1% at CER) and reported operating profit¹ of \$700m increased 4% (CER 4%).

Underlying² revenue and underlying operating profit were in line with reported growth rates. Fee business revenue was flat, with growth from net room additions held back by \$9m of one-off P&L marketing assessments in the prior year as previously disclosed. Fee business operating profit was up 4%, benefitting from a continued focus on maintaining an efficient cost base.

Reported Owned, Leased and Managed Lease revenue was down 6% and operating profit was up 6%, with strong trading performances across a number of properties and the mitigation of losses by business interruption insurance at one hotel.

We opened 26k rooms (233 hotels) during the year, our best performance in eight years which included our best performance for our Holiday Inn Brand Family for a decade, and >4k rooms (43 hotels) opened across our Extended Stay brands. We continue to focus on a high-quality estate and removed 12k rooms (87 hotels). Together, this drove a 2.8% increase in net system size which marks a continued acceleration from 1.8% in 2016.

We signed 305 hotels (33k rooms), including nine Kimpton properties and a further 11 hotels for our Hotel Indigo brand. We also signed our first 10 Atwell Suites, following the registration of franchise documents in September 2019.

EMEA – Best ever signings performance and continued growth for voco

Comparable RevPAR increased 0.3% (Q4: up 0.2%) driven by occupancy growth of 0.7%pts. UK RevPAR was up 1% for the year with London up 3% and the Provinces down 1%. Fourth quarter RevPAR in the UK was down 2% with London down 2% due to strong prior year comparables, whilst the Provinces were also down 2%, impacted by softer corporate demand.

Continental Europe RevPAR was up 3% in 2019 (Q4: up 4%). In France, RevPAR was down 1% with performance impacted by social unrest in Paris, and a 3% decrease in the fourth quarter due to the lapping of the 2018 Motor Show. Germany grew RevPAR 2% in the year with a favourable trade fair calendar driving growth of 6% in the fourth quarter.

Trading conditions in the Middle East remained subdued, with RevPAR down 3% in 2019 due to increased supply and political unrest weighing on demand. Australia RevPAR was down 1% (Q4: down 1%) impacted by continued supply growth and lower corporate and retail demand. Japan RevPAR grew 1% in the year with increased demand from the Rugby World Cup partially offset by ongoing trade disputes with South Korea.

Reported revenue¹ of \$723m increased 27% (31% CER) and reported operating profit¹ of \$217m increased 5% (9% CER). Results include an \$11m benefit from individually significant liquidated damages, of which \$10m is not expected to repeat in 2020. On an underlying basis², revenue increased 20% and operating profit increased 10%. Underlying fee business revenue was up 2%, with operating profit up 5%.

The full year saw the annualisation of the UK portfolio transaction, which completed in July 2018 and contributed to a \$137m increase in Owned, Leased and Managed Lease revenue for the region. Owned, Leased and Managed Lease operating profit increased by \$11m, driven by solid trading conditions outside the UK for a number of hotels and benefitting from partial usage of the IFRS 16 lease liability for the German leased hotels. Trading conditions in the UK were increasingly challenging through the second half of the year resulting in \$17m of rental guarantee payments being charged against the IFRS 16 lease liability.

We opened 15k rooms (90 hotels), driving 5.8% net rooms growth, including seven InterContinental and two further Kimpton openings in the year.

We signed 29k rooms (160 hotels) in 2019, our best ever performance for EMEAA, including 11 new signings for Hotel Indigo and 8k rooms for voco.

Greater China – Market outperformance in Mainland China; declines in Hong Kong SAR

Comparable RevPAR decreased 4.5% (Q4: down 10.5%), impacted by ongoing unrest in Hong Kong SAR. In Mainland China, RevPAR was down 1%, with market outperformance throughout the year. Tier 1 and 2 cities were flat (Q4: up 1%), with higher levels of corporate demand in Guangzhou partially offset by declines in Shanghai, which saw higher levels of supply growth, and tougher trading conditions in Shenzhen. Tier 3 and 4 cities were down 3% (Q4: down 1%), with softening levels of demand across major industrial cities.

RevPAR in Hong Kong SAR was down 27% for the year, and down 63% in Q4, impacted by the ongoing unrest, whilst Macau SAR RevPAR was down 1% for the year.

Reported revenue of \$135m decreased by 6% (decreased 1% at CER) and reported operating profit of \$73m increased by 4% (CER 7%).

On an underlying² basis, revenue increased by 2% and operating profit increased by 16%, with an anticipated \$5m adverse impact from Hong Kong trading offset by the ongoing ramp up of new hotels and cost efficiencies.

We opened a record 24k rooms (88 hotels), including our 400th hotel in Greater China and our 100th Holiday Inn hotel. This drove 17.5% net rooms growth, taking the total number of open rooms to over 135k (470 hotels). Signings totalled 36k rooms (158 hotels), our highest ever for the region, and included 5k rooms from our InterContinental Alliance Resorts partnership with Sands.

Highly cash generative business with disciplined approach to cost control and capital allocation

Driving fee margin through strategic cost management

- Cost efficiency programme to deliver ~\$125m in annual savings, including System Fund, by FY 2020 substantially complete, with savings being fully reinvested in growth initiatives.
- 2019 fee margin was up 80bps (up 60bps at CER), held back by the acquisition of Six Senses which, as expected, made an operating loss in 2019, partially offset by the non-recurrence of \$9m of one-off P&L marketing assessments (and equivalent cost of investment) in the prior year as previously disclosed. Excluding these items, fee margin increased 160bps (up 140bps at CER).
- Net central operating loss before exceptional items increased by \$8m, (\$11m CER); an increase in central revenues was offset by continued investments in growth initiatives. Central overheads include the reinvestment of a substantial proportion of growth investment funded by savings elsewhere in the business.

Free cash flow generation fuelling investment

- Free cash flow³ of \$509m was down \$102m year on year with higher levels of cash tax and working capital offsetting lower levels of exceptional items.
- Net capital expenditure³ of \$211m (2018: \$166m) with \$265m gross (2018: \$253m). This comprised: \$147m maintenance capex and key money; \$19m gross recyclable investments; and \$98m System Fund capital investments; offset by \$4m net proceeds from asset recycling (down \$36m against the prior year) and \$49m System Fund depreciation and amortisation. Capex guidance unchanged at up to \$350m gross, and \$150m net, per annum into the medium term.
- Exceptional cash costs of \$55m during the year, including \$46m relating to the group wide efficiency programme (\$28m in relation to the System Fund).

Efficient balance sheet provides flexibility

- Financial position remains robust, with an on-going commitment to an investment grade credit rating; the best proxy for which is 2.5-3.0x Net debt:EBITDA following the adoption of IFRS 16 (equivalent to 2.0-2.5x Net debt:EBITDA under the previous accounting standard).
- Net debt of \$2,665m (2018: \$1,965m), including the payment of the \$500m special dividend (announced in October 2018) and \$300m acquisition of Six Senses.
- This results in Net debt:EBITDA of 2.7x at 2019 year end.

Cash generative business driving shareholder returns

- Proposed 10% increase in the final dividend to 85.9¢, taking total dividend for the year up 10% to 125.8¢.

Foreign exchange

The impact of the movement in average USD exchange rates for FY 2019 against a number of currencies (particularly Sterling, Euro and Renminbi) netted to a \$7m negative impact on reported profit⁴. If the average exchange rate during January 2020 had existed throughout 2019, 2019 reported profit would have been unchanged.

A full breakdown of constant currency vs. actual currency RevPAR by region is set out in Appendix 2.

Other

System Fund:

System Fund revenues and costs are recognised on a gross basis with the in-year surplus or deficit recorded in the Group income statement, but excluded from results from reportable segments, underlying results and adjusted EPS, as the Fund is operated for the benefit of the hotels in the IHG System such that the Group does not make a gain or loss from operating the Fund over the longer term.

In 2019 we recorded a System Fund income statement deficit of \$49m, largely due to the continued spend down of a previously accumulated surplus, which was partially offset by favourable adjustments due to changes in the value estimations of outstanding IHG Rewards Club points.

Interest:

Net financial expenses were \$115m. Adjusted³ interest expense of \$133m, which adds back interest relating to the System Fund, was \$18m higher than in 2018, reflecting the annualisation of interest on the €500m bond issued in November 2018.

Tax:

Effective rate⁵ for FY 2019 was 24% (FY 2018: 22%). We expect our full year 2020 effective tax rate will be in the mid to low 20s percentage point range.

Exceptional items:

Before tax exceptional items total \$148m charge and comprise:

- Impairment charge of \$81m recorded against goodwill and IFRS 16 right-of-use assets arising from the UK leased hotel portfolio deal in July 2018, partially offset by a \$38m fair value adjustment credit recorded below operating profit.
- Impairment charge of \$50m recorded against Kimpton Hotels & Restaurants management contracts acquired in January 2015. Impairment testing only applies to the value of contracts acquired as part of the initial deal and does not take into account any Kimpton signings since acquisition.
- \$28m provision for estimated litigation costs; \$20m costs incurred in relation to the group wide efficiency programme; and \$7m of acquisition and integration costs. A further \$28m of costs related to the group wide efficiency programme were incurred by the System Fund and are included within System Fund expenses in the Group income statement.

¹ Comprises the Group's fee business and owned, leased, and managed lease hotels from reportable segments. This excludes exceptional items, System Fund results and hotel cost reimbursements.

² Results from reportable segments excluding significant liquidated damages and current year acquisitions at constant FY 2019 exchange rates (CER).

³ See the Business Review for definition of non-GAAP measures and reconciliation to GAAP measures.

⁴ For definition of non-GAAP measures and reconciliation to GAAP measures see the Business Review.

⁵ Based on monthly average exchange rates each year.

⁶ Excludes exceptional items and System Fund results.

Appendix 1: RevPAR Movement Summary

	Full Year 2019			Q4 2019		
	RevPAR	Rate	Occ.	RevPAR	Rate	Occ.
Group	(0.3)%	(0.4)%	0.1%pts	(1.8)%	(1.5)%	(0.2)%pts
Americas	(0.1)%	0.2%	(0.2)%pts	(1.6)%	(0.6)%	(0.7)%pts
EMEA	0.3%	(0.6)%	0.7%pts	0.2%	(0.4)%	0.4%pts
G. China	(4.5)%	(4.7)%	0.2%pts	(10.5)%	(11.5)%	0.7%pts

Appendix 2: Comparable RevPAR movement at constant exchange rates (CER) vs. actual exchange rates (AER)

	Full Year 2019			Q4 2019		
	CER	AER	Difference	CER	AER	Difference
Group	(0.3)%	(1.7)%	(1.4)%pts	(1.8)%	(2.1)%	(0.3)%pts
Americas	(0.1)%	(0.4)%	(0.3)%pts	(1.6)%	(1.7)%	(0.1)%pts
EMEA	0.3%	(2.9)%	(3.2)%pts	0.2%	(0.3)%	(0.5)%pts
G. China	(4.5)%	(7.9)%	(3.4)%pts	(10.5)%	(12.0)%	(1.5)%pts

Appendix 3: Full Year System & Pipeline Summary (rooms)

	System					Pipeline	
	Openings	Removals	Net	Total	YoY%	Signings	Total
Group	65,220	(18,198)	47,022	883,563	5.6%	97,754	283,043
Americas	26,121	(11,603)	14,518	524,647	2.8%	32,956	116,862
EMEA	15,335	(3,064)	12,271	223,370	5.8%	29,125	81,106
G. China	23,764	(3,531)	20,233	135,546	17.5%	35,673	85,075

Appendix 4: Full Year financial headlines

	GROUP		REPORTABLE SEGMENTS							
	Total		Americas		EMEA		G. China		Central	
	2019	2018*	2019	2018*	2019	2018*	2019	2018*	2019	2018*
Revenue (\$m)										
Revenue from reportable segments	2,083	1,933	1,040	1,051	723	569	135	143	185	170
System Fund	1,373	1,233	-	-	-	-	-	-	-	-
Hotel Cost Reimbursements	1,171	1,171	-	-	-	-	-	-	-	-
Group Revenue	4,627	4,337	1,040	1,051	723	569	135	143	185	170
Operating Profit (\$m)										
Fee Business	938	910	663	638	202	202	73	70	-	-
Owned, leased & managed lease	52	39	37	35	15	4	-	-	-	-
Central overheads	(125)	(117)	-	-	-	-	-	-	(125)	(117)
Operating profit from reportable segments	865	832	700	673	217	206	73	70	(125)	(117)
System Fund result	(49)	(146)	-	-	-	-	-	-	-	-
Operating profit before exceptionals	816	686	700	673	217	206	73	70	(125)	(117)
Operating exceptional items	(186)	(104)	(62)	(36)	(109)	(12)	-	(1)	(15)	(55)
Operating Profit after exceptionals	630	582	638	637	108	194	73	69	(140)	(172)

*Restated following the adoption of IFRS 16 'Leases'

Appendix 5: Reported operating profit before exceptional items from reportable segments at actual & constant exchange rates

	Total***		Americas		EMEA		G. China	
Reported	Actual*	CER**	Actual*	CER**	Actual*	CER**	Actual*	CER**
Growth / (decline)	4%	5%	4%	4%	5%	9%	4%	7%

Appendix 6: Underlying** operating profit movement before exceptional items**

	Total***	Americas	EMEA	G. China
Growth / (decline)	6%	4%	10%	16%

Exchange rates: USD:GBP 0.78 FY 2019
 USD:EUR 0.89
 0.75 FY 2018

* US dollar actual currency

** Translated at constant FY 2019 exchange rates

*** After central overheads

**** At CER and excluding: significant liquidated damages, current year acquisitions, System Fund results and hotel cost reimbursements

Appendix 7: Definitions

CER: constant exchange rates with FY 2019 exchange rates applied to FY 2018.

Comparable RevPAR: revenue per available room for hotels that have traded for all of 2018 and 2019, reported at CER.

Fee revenue: group revenue from reportable segments excluding owned, leased and managed lease hotels, and significant liquidated damages.

Fee margin: adjusted to exclude owned, leased and managed lease hotels, significant liquidated damages, and the results of the Group's captive insurance company

Reportable segments: group results excluding System Fund results, hotel cost reimbursements and exceptional items.

Significant liquidated damages: \$11m in 2019 (\$11m EMEAA fee business); \$13m in 2018 (\$7m in EMEAA fee business and \$6m in Greater China fee business).

Total gross revenue: total rooms revenue from franchised hotels and total hotel revenue from managed, owned, leased and managed lease hotels. Other than owned, leased and managed lease hotels, it is not revenue attributable to IHG, as it is derived mainly from hotels owned by third parties.

Total RevPAR: Revenue per available room including hotels that have opened or exited in either 2018 or 2019, reported at CER.

Adjusted Interest: adds back interest relating to the System Fund.

Appendix 8: Investor information for 2019 Final dividend

Ex-dividend date:	2 April 2020	Record date:	3 April 2020	Payment date:	14 May 2020
Dividend payment:	ADRs: 85.9 cents per ADR; the corresponding amount in Pence Sterling per ordinary share will be announced on 24 April 2020, calculated based on the average of the market exchange rates for the three working days commencing 21 April 2020. A DRIP is available, allowing shareholders of ordinary shares to elect to reinvest their cash dividend by purchasing additional ordinary shares.				

For further information, please contact:

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Presentation for Analysts and Shareholders:

A conference call and webcast presented by Keith Barr, Chief Executive Officer and Paul Edgecliffe-Johnson, Chief Financial Officer will commence at 9.30am on 18 February 2020 on the web address www.ihgplc.com/en/investors/results-and-presentations. For those wishing to ask questions please use the dial in details below which will have a Q&A facility.

<https://www.investis-live.com/ihg/5e2b011c8d57e8130019ead1/cdfs>

The archived webcast of the presentation is expected to be on this website later on the day of the results and will remain on it for the foreseeable future.

There will also be a live listen only dial-in facility, details are below:

UK	+44 (0) 203 936 2999
US	+1 646 664 1960
All other locations:	+44 (0) 203 936 2999
Participant Access Code:	12 03 32

A replay will be available following the event, details are below:

UK:	+44 (0) 203 936 3001
US:	+1 845 709 8569
All other locations:	+44 (0) 203 936 3001
Replay pin	50 60 94

Website:

The full release and supplementary data will be available on our website from 7:00am (London time) on 18th February. The web address is www.ihgplc.com/en/investors/results-and-presentations.

Notes to Editors:

IHG® (InterContinental Hotels Group) [LON:IHG, NYSE:IHG (ADRs)] is a global organisation with a broad portfolio of hotel brands, including [Six Senses Hotels Resorts Spas](#), [Regent Hotels & Resorts](#), [InterContinental® Hotels & Resorts](#), [Kimpton® Hotels & Restaurants](#), [Hotel Indigo®](#), [EVEN® Hotels](#), [HUALUXE® Hotels and Resorts](#), [Crowne Plaza® Hotels & Resorts](#), [voco™](#), [Holiday Inn® Hotels & Resorts](#), [Holiday Inn Express®](#), [Holiday Inn Club Vacations®](#), [avid™ hotels](#), [Staybridge Suites®](#), [Atwell Suites™](#), and [Candlewood Suites®](#).

IHG franchises, leases, manages or owns more than 5,900 hotels and approximately 884,000 guest rooms in more than 100 countries, with over 1,900 hotels in its development pipeline. IHG also manages [IHG® Rewards Club](#), our global loyalty programme, which has more than 100 million enrolled members.

[InterContinental Hotels Group PLC](#) is the Group's holding company and is incorporated in Great Britain and registered in England and Wales. More than 400,000 people work across IHG's hotels and corporate offices globally.

Visit www.ihg.com for hotel information and reservations and www.ihgrewardsclub.com for more on IHG Rewards Club. For our latest news, visit: www.ihgplc.com/media and follow us on social media at: <https://twitter.com/ihgcorporate>, www.facebook.com/ihgcorporate and www.linkedin.com/company/intercontinental-hotels-group.

Cautionary note regarding forward-looking statements:

This announcement contains certain forward-looking statements as defined under United States law (Section 21E of the Securities Exchange Act of 1934) and otherwise. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe' or other words of similar meaning. These statements are based on assumptions and assessments made by InterContinental Hotels Group PLC's management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty. There are a number of factors that could cause actual results and developments to differ materially from those expressed in or implied by, such forward-looking statements. The main factors that could affect the business and the financial results are described in the 'Risk Factors' section in the current InterContinental Hotels Group PLC's Annual report and Form 20-F filed with the United States Securities and Exchange Commission.