



InterContinental Maldives Maamunagau Resort

Investor Presentation

IHG is well placed to capitalise on industry fundamentals

Industry

Growing industry demand

- Industry total revenue ↑ 5%¹

Shift to scale brands

- Branded share²: 54% Open Rooms / 81% Pipeline
- Top 3 share²: 17% Open Rooms / 44% Pipeline

Attractive asset class

- Near record absolute RevPAR
- Owners continue to generate high ROI albeit against rising cost pressures

Consumer trends shifting

- Increasing demand for distinctive brands

Technology

- Integral to the entire guest journey
- Scale needed to support investment

Sustainability

- Increasingly informing guest preferences
- Scale helps owners seeking support

IHG

Reallocated resources

- Embedded more effective regional structure
- Operating closer to market

Growing market share

- Accelerated net rooms growth from ~3% to 5.6% in three years

Strengthening existing brands

- Continual innovation driving guest preference
- Cost effective build and operational prototypes

Launched new brands

- Five new brands launched or acquired
- Targeting under-served segments

Cloud-based capabilities

- Rolled out IHG Concerto across estate
- Enhanced Wi-Fi platform with IHG Connect

Responsible Business focus

- Continuous focus on sustainable solutions
- Sustainability credentials facilitate owner needs

¹ Source: STR; 2016 – 19 CAGR; ² Source: STR census data; based on room share

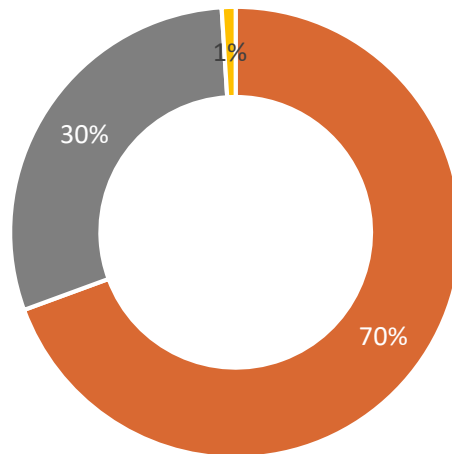
Most pure play, asset light global hotel company - highest quality of earnings

High quality revenue stream

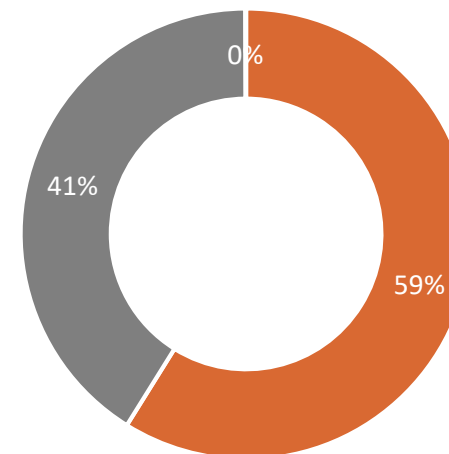
- ~95% of profits from fee business following disposal of InterContinental Hong Kong
- ~80% of IHG's fee revenues linked to hotel revenues
- ~10% of IHG's fee revenues linked to hotels profits

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

FY 2019 Open Rooms

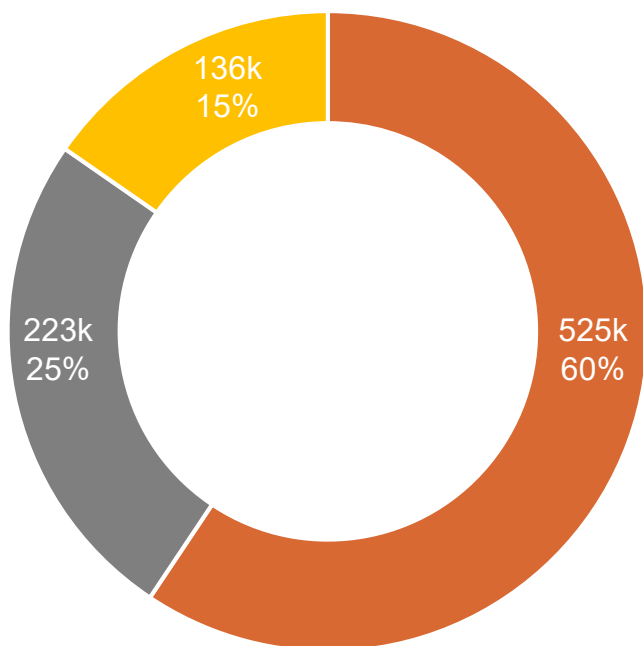


FY 2019 Pipeline Rooms

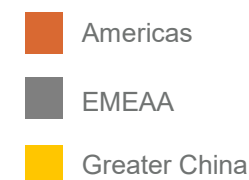
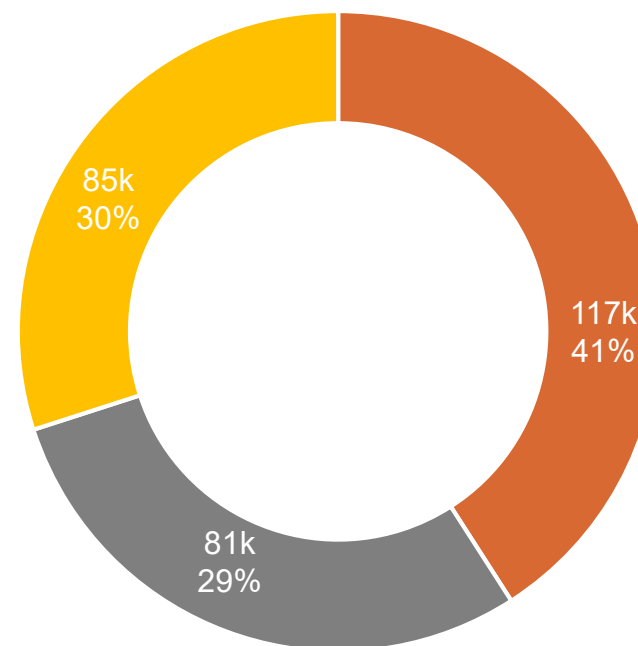


Global business with a presence in over 100 countries; concentrated in the US and China

Closing room count (k)
December 2019
(Global: 884k rooms)



Closing pipeline rooms (k)
December 2019
(Global: 283k rooms)



Executing against our strategic initiatives and accelerating growth

Rooms & RevPAR



- +5.6% net rooms growth, strongest in over a decade
- (0.3)% Global RevPAR
- Record signings in EMEAA and Greater China

Results



- 6% underlying operating profit growth
- 3% adjusted EPS growth
- Highly cash generative business model with \$509m of free cash flow
- +10% Total Dividend

Accelerating growth



- \$125m efficiency programme mostly complete and savings fully reinvested
- Accelerated net system size growth from ~3% to 5.6% over the past 3 years
- Pipeline ~1/3 of our system size; 40% under construction
- Underpinned by our commitment to operate a responsible business

Progress with brands



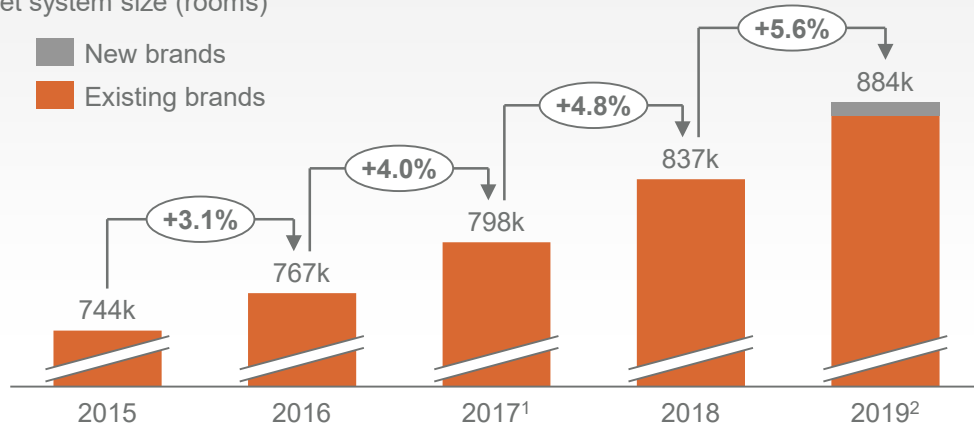
- New room and public space designs delivering uplifts in owner returns and guest satisfaction for established brands
- Launched Atwell Suites with 10 signings in 2019
- 10 avid hotels open, >200 signed since launch
- 12 voco hotels open, with 33 deals signed since launch
- 10 Six Senses properties signed since acquisition

On track to deliver industry leading net system size growth

Accelerating net system size growth from established brands

Net system size (rooms)

■ New brands
■ Existing brands

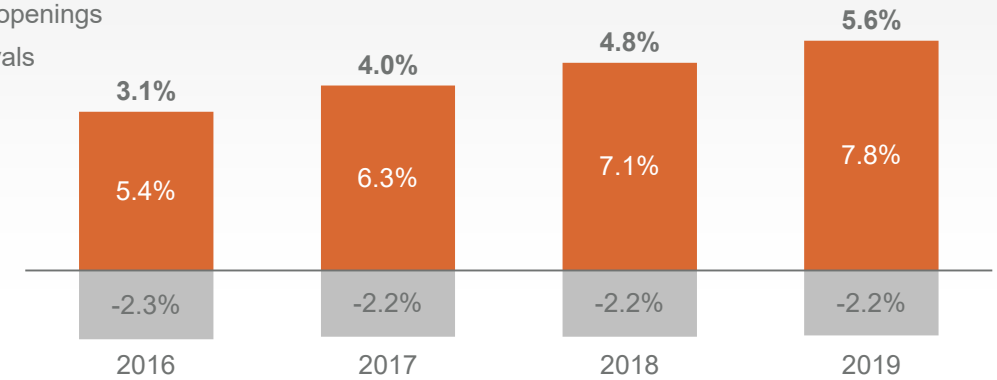


¹ 2017 includes 5.0k room deal in Makkah; ² 2019 includes 5.2k rooms from Sands partnership in Macau SAR

Strong gross openings pace, remain focussed on quality

Gross openings and removals (rooms)

■ Gross openings
■ Removals



Launched five new brands in two years

avid
AN IHG HOTEL

ATWELL SUITES
AN IHG HOTEL

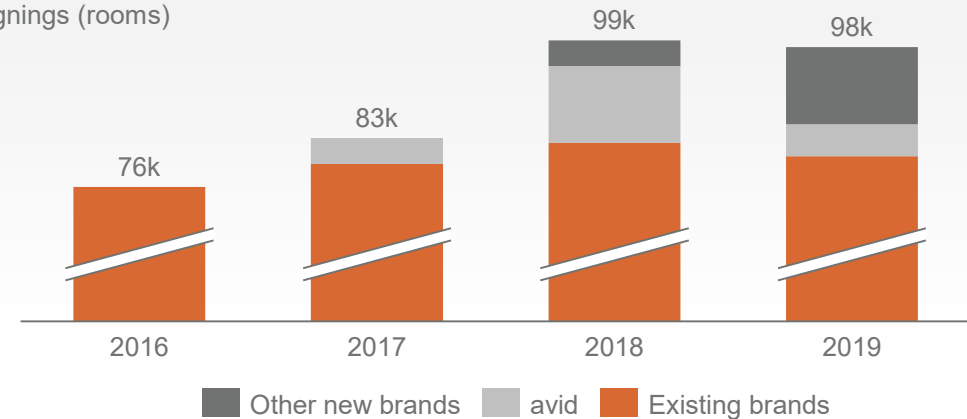
VOCO
AN IHG HOTEL

REGENT

SIX SENSES
HOTELS RESORTS SPAS

Continued momentum in new brand signings

Signings (rooms)

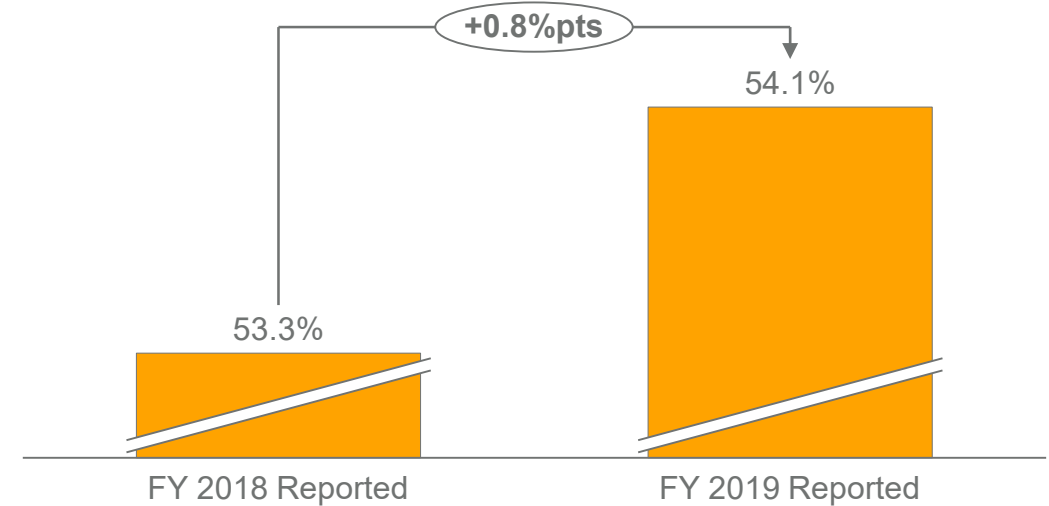


Continued progression in fee margin

Total annual savings of \$125m by 2020

- Total annual savings of \$125m by 2020
- Savings fully re-invested on an annual basis

Progression in fee margin¹



- 2018 fee margin included \$9m one-off P&L marketing assessment revenue and equivalent cost (as previously disclosed)
- 2019 fee margin held back by an operating loss from Six Senses Hotels Resorts Spas
- Excluding these items, fee margin increased 160bps

¹ Reported Fee margin stated at AER

Our strategy for uses of cash remains unchanged



Invest in the
business to
drive growth



Maintain sustainable
growth in ordinary
dividend



Return surplus
funds to
shareholders

Commitment to Investment Grade Credit Rating
2.5x – 3.0x Net Debt : EBITDA¹

¹ Range represents best proxy for investment grade credit rating under accounting standard IFRS 16 – equivalent to 2.0 – 2.5x net debt: EBITDA under the previous standard

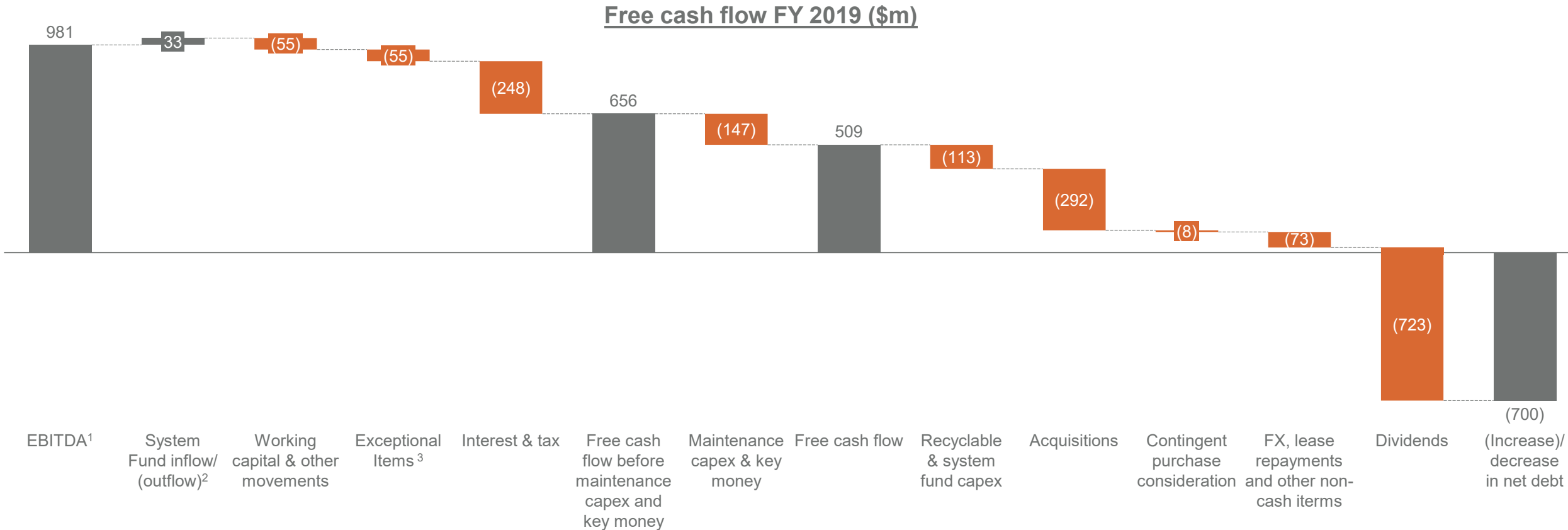
Conclusions

- Strategic initiatives set out two years ago have strengthened our business, accelerating net rooms growth and driving financial results
- Efficiency programme savings are being wholly reinvested to drive long-term sustainable growth
- Total dividend growth of 10% and continued commitment to return surplus cash to shareholders
- Coronavirus; priority remains health and safety on the ground, compelling long term market opportunity unchanged
- Continued commitment to operate a responsible business with new Science Based Target
- Strong industry fundamentals and cash-generative, resilient fee-based model, provides confidence to continue to invest for the long-term



Sources & uses of cash

Cash flow from operations well above capex needs



- Free cash flow down \$102m year-on-year, due to higher cash tax and interest
- Gross capital expenditure of \$265m covered 2.5x by free cash flow before maintenance capex and key money

¹ Before exceptional items and System Fund result; ² System Fund inflow/(outflow) includes \$54m of depreciation and amortisation and excludes exceptional costs of \$28m in relation to efficiency programme; ³ Includes \$46m relating to group wide efficiency programme (\$28m in relation to the System Fund)

Targeted capital expenditure to drive growth

	\$m	FY 2019	FY 2018 ¹
Maintenance capex, key money and selective investments	Maintenance capex	86	60
	Key money ²	61	54
	Total	147	114
	\$m	FY 2019	FY 2018 ¹
Recyclable investments	Gross out	19	38
	Gross in	(4)	(40)
	Net total	15	(2)
	\$m	FY 2019	FY 2018 ¹
System Fund capital investments	Gross out	98	99
	Gross in	(49)	(45)
	Net total	49	54
Total capital investments	Gross total ³	265	253
	Net total	211	166

Medium term guidance:

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

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

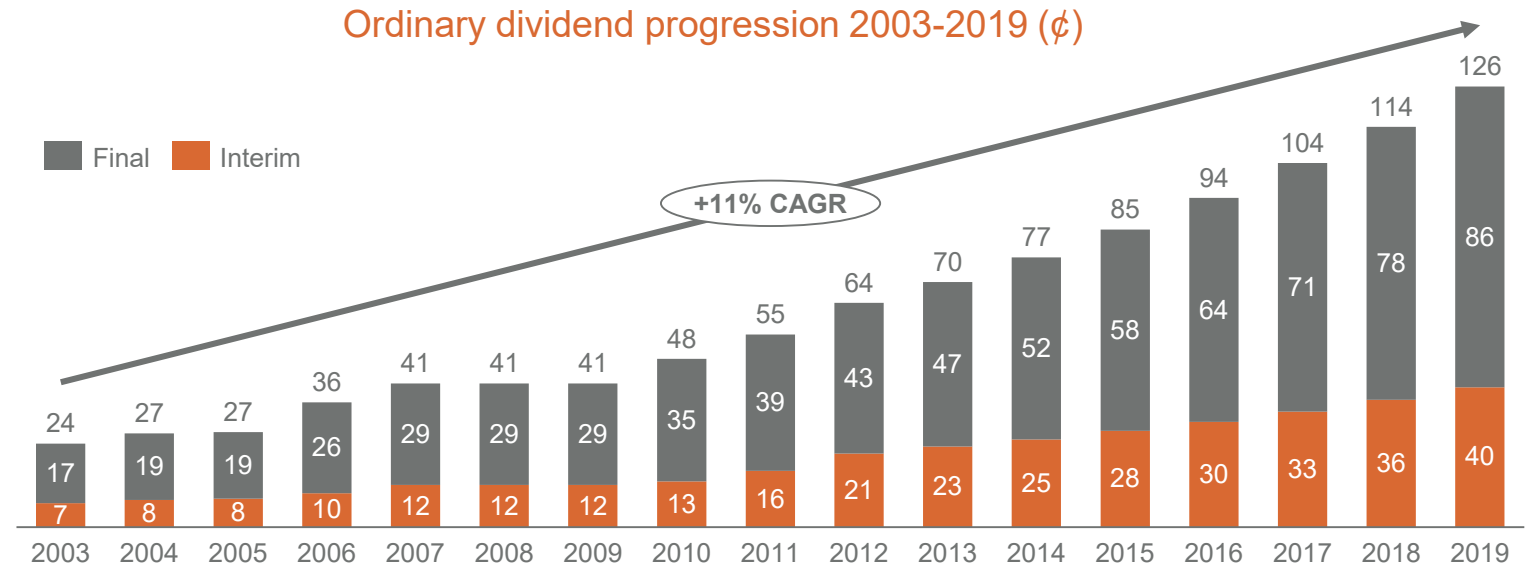
- ~\$100m per annum
- Repaid when depreciation charged to System Fund
- Depreciation of GRS commenced in H2 2018

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

¹ The 2018 comparatives have been restated to reflect the adoption of IFRS 16 'Leases' from 1 January 2019; ² Key money presented net of repayments; ³ Includes gross key money payments of 2019: \$62m and 2018: \$56m

Highly cash generative business driving strong shareholder returns

- Strong cash flows driving consistent shareholder returns
- Total dividend of 125.8¢ with 11% CAGR since 2003
- Total returns of ~\$13.8bn since 2003, ~40% from operations
 - \$2.6bn ordinary dividend
 - \$11.2bn additional
- Strong financial position:
 - \$2.0bn Bonds¹
 - \$1.4bn RCF²



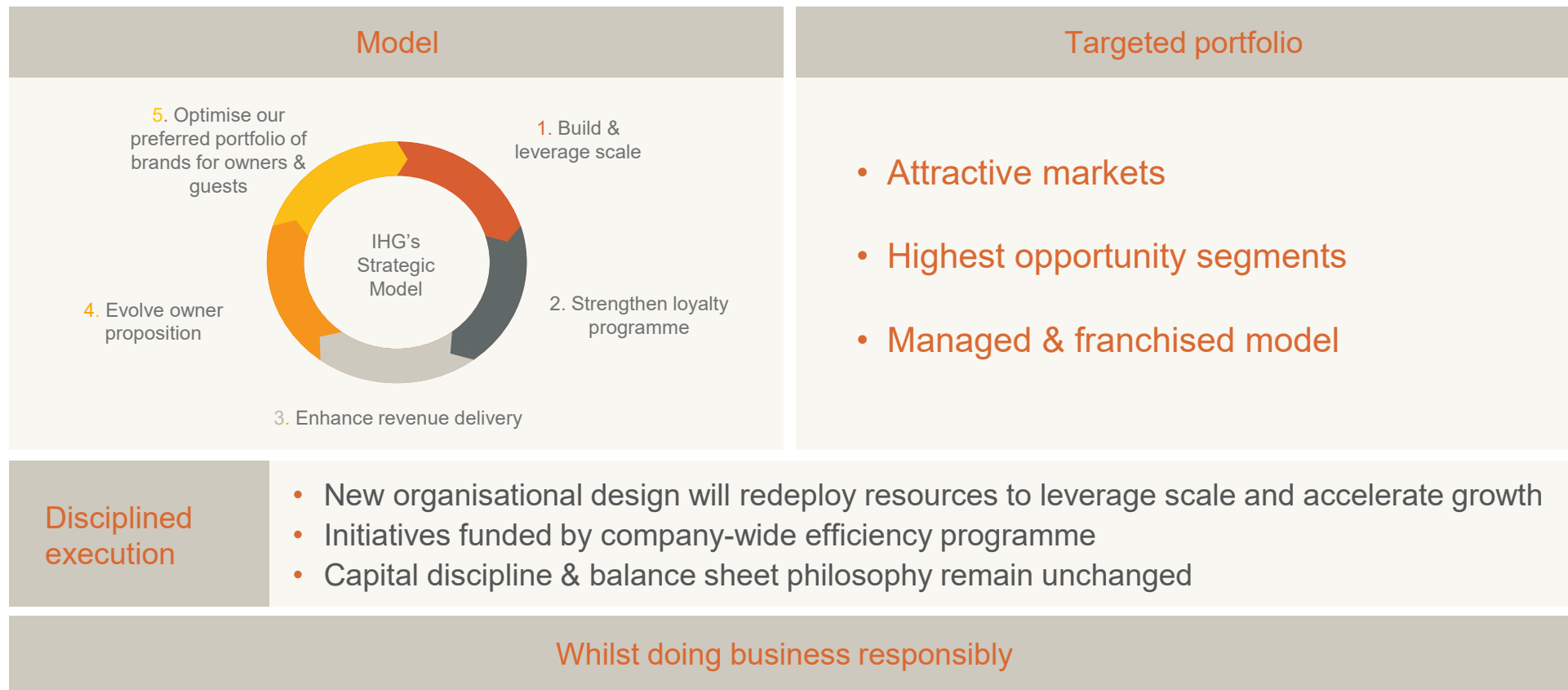
¹ First Bond (£400m) matures in November 2022; ² Revolving Credit Facilities matures in March 2022



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

Value creation: delivering industry-leading medium term net rooms growth



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



Optimise our preferred portfolio of brands for
owners & guests

Optimising our brand portfolio

- Breadth and depth of brand portfolio driving the growth of our business

Established Brands

New Brands

	Mainstream	Upscale	Luxury
	    	   	 
	 		 
Industry Supply YoY ¹	4.1%	3.0%	3.3%
IHG Share of Industry System / Rank ¹	16% / 1 st	4% / 5 th	14% / 2 nd
IHG Share of Industry Pipeline / Rank ¹	24% / 1 st	5% / 5 th	13% / 2 nd

Optimising our brand portfolio

- we have taken a strategic approach to identify opportunities

		Categories				
		Mainstream ¹		Upscale		Luxury
Criteria	IHG's New Offering	 AN IHG® HOTEL	 ATWELL SUITES™ AN IHG® HOTEL	 AN IHG® HOTEL		 SIX SENSES HOTELS RESORTS SPAS
	Owner Opportunity	• New build only • Select service model • Attractive returns enabled by an efficient operating model	• New build led • Focused service model • Attractive returns enabled by an efficient operating model	• Existing hotel owners • Access to IHG systems and revenue delivery • Ideal for conversions	• New build and conversions • High-end specification • Sizeable returns per asset	• New build and conversions • Premium asset locations • Sizeable returns per asset
	Guest Opportunity	• The basics done exceptionally well at a price point ~\$10-15 less than Holiday Inn Express • Streamlined and efficient design	• Stylish experiences and functional benefits at mainstream price • Options and flexibility for longer stay guests	• Hotels connected by their individual characters, making memorable travel dependable	• Top tier luxury offering catering to our most sophisticated guests	• Top tier luxury, leisure focused offering • World renowned, resort locations • Reputation for wellness and sustainability
	IHG's Competitive Offer	Industry leading midscale brand expertise	Track record of delivery with longer stay brands	Industry leading revenue management & reservation tools, strong B2B offer and loyalty programme	Operator of largest global Luxury brand ²	Operator of largest global Luxury brand ²

¹ Mainstream classified as Midscale and Upper-Midscale; ² As per STR data

- Holiday Inn Brand Family innovation driving performance



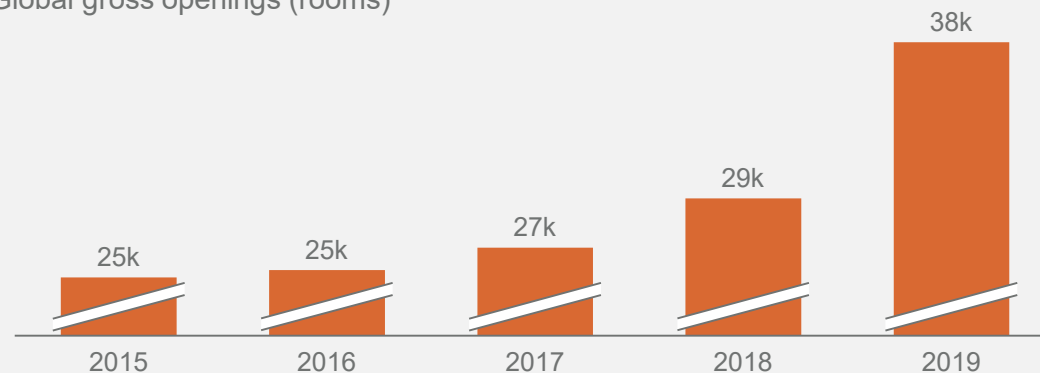
- Updated **Formula Blue** guestroom and public space designs in the US & Canada; >1,600 hotels open or committed
 - Delivering 5pt premium in guest satisfaction and strong owner ROI
- >150 hotels with new room designs across Europe
 - Delivering 5pt premium in guest satisfaction



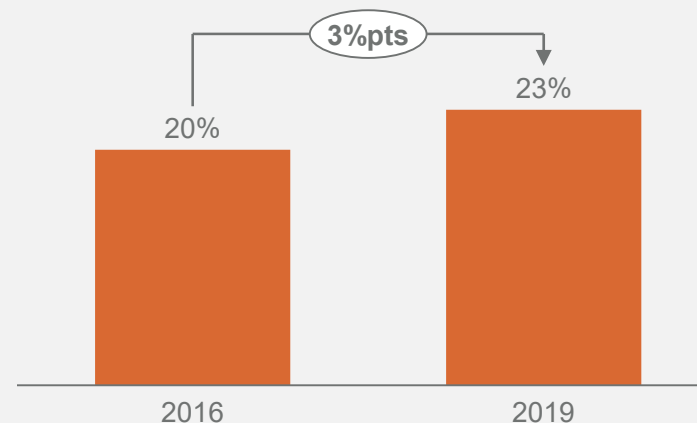
- **New build prototype** launched in US; >180 hotels open or committed across the Americas
 - Integrating new public space and guest room designs
 - Smaller site requirements and cost effective construction methods
- ‘Open Lobby’ new public space open or committed in >90% hotels across Europe
 - Driving uplifts in guest satisfaction and food & beverage revenue

Holiday Inn Brand Family

Global gross openings (rooms)



Share of US openings¹ (rooms)



Mainstream

- Good momentum following launch of avid and Atwell Suites



- 10 hotels open; with strong guest satisfaction
- >200 signings (20k rooms) since launch, including 16 hotels in Q4
- ~70% of signings from existing franchise owners
- >80 hotels under construction or with plans approved for construction



- All-Suites market represents 152m room nights and \$18bn in revenue annually
- Fastest growing segment in the industry, with ~70% system size growth over the past four years
- Strong owner interest with 10 signings in 2019; further 11 applications approved
- First hotels are expected to break ground in 2020 and open in 2021

Mainstream

– New design prototypes across extended stay brands

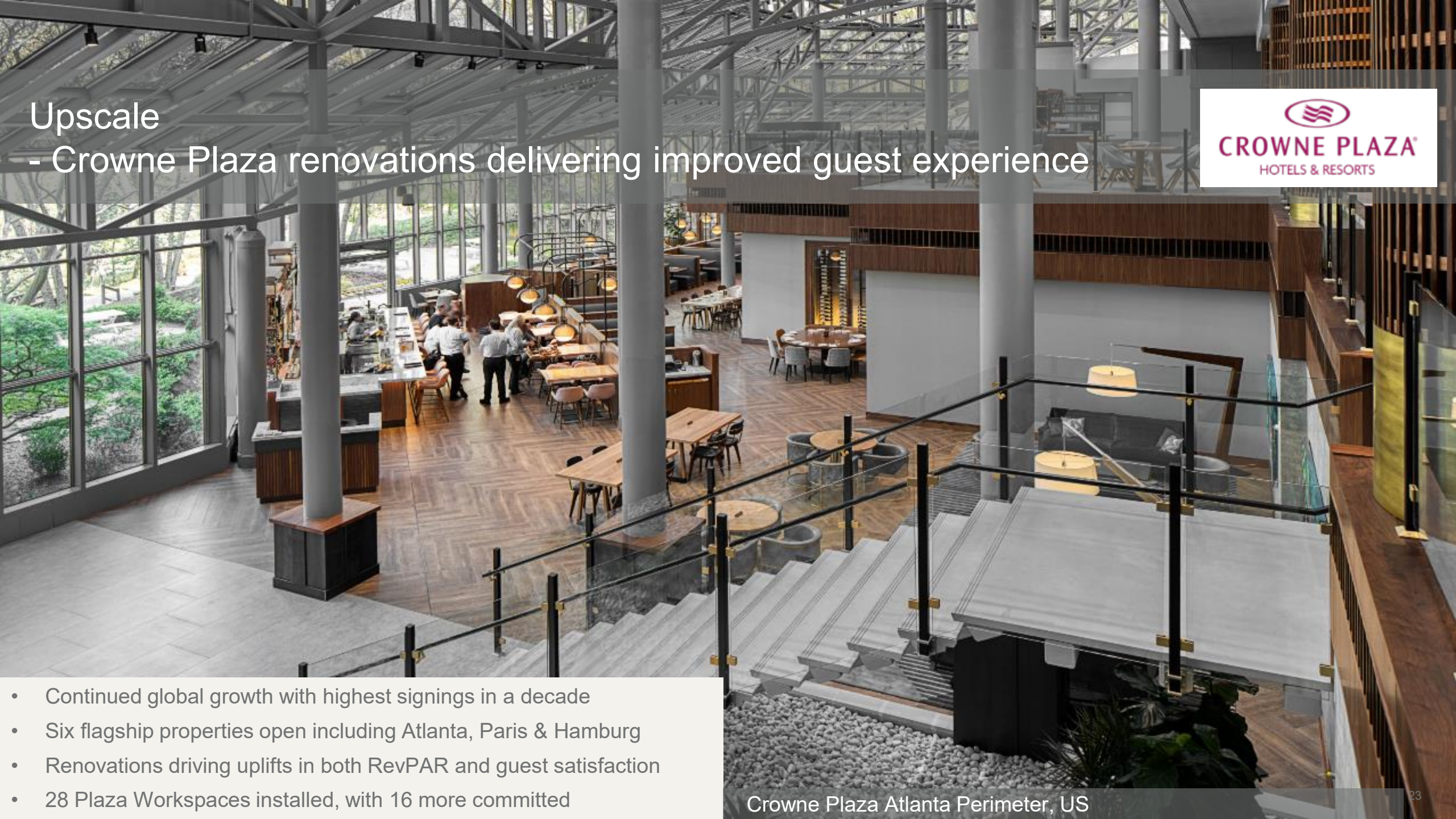


- Launched new build brand prototype
 - Refresh of the hotel design
 - Drive owner returns through more efficient and flexible base plans
 - New brand logo to showcase an elevated experience for guests



- Launched new build brand prototype
 - Based on over 18 months of guest research
 - Drive owner returns through efficiencies
 - Flexible designs which can work on smaller sites and in more markets
- New breakfast offer implemented across estate





Upscale

- Crowne Plaza renovations delivering improved guest experience



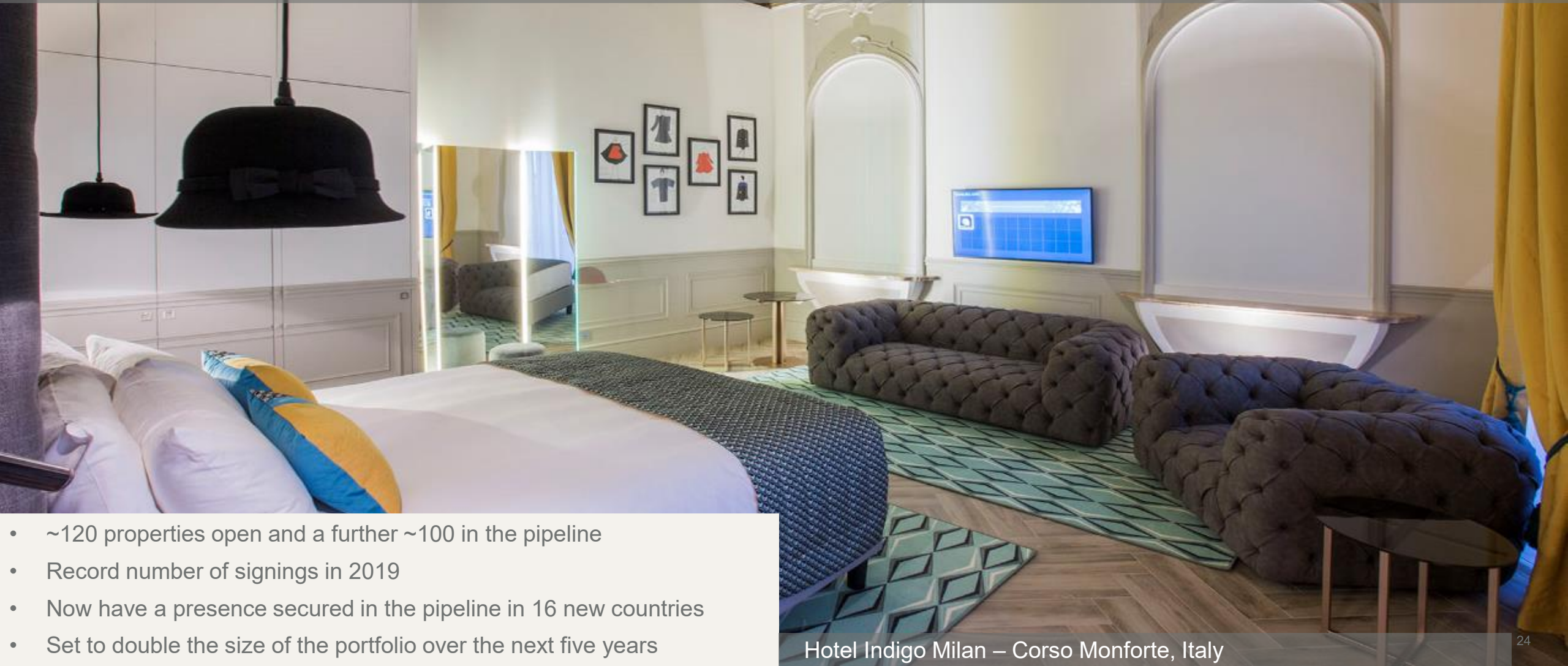
- Continued global growth with highest signings in a decade
- Six flagship properties open including Atlanta, Paris & Hamburg
- Renovations driving uplifts in both RevPAR and guest satisfaction
- 28 Plaza Workspaces installed, with 16 more committed

Crowne Plaza Atlanta Perimeter, US

Upscale

- Increased pace of Hotel Indigo openings and signings

HOTEL
INDIGO

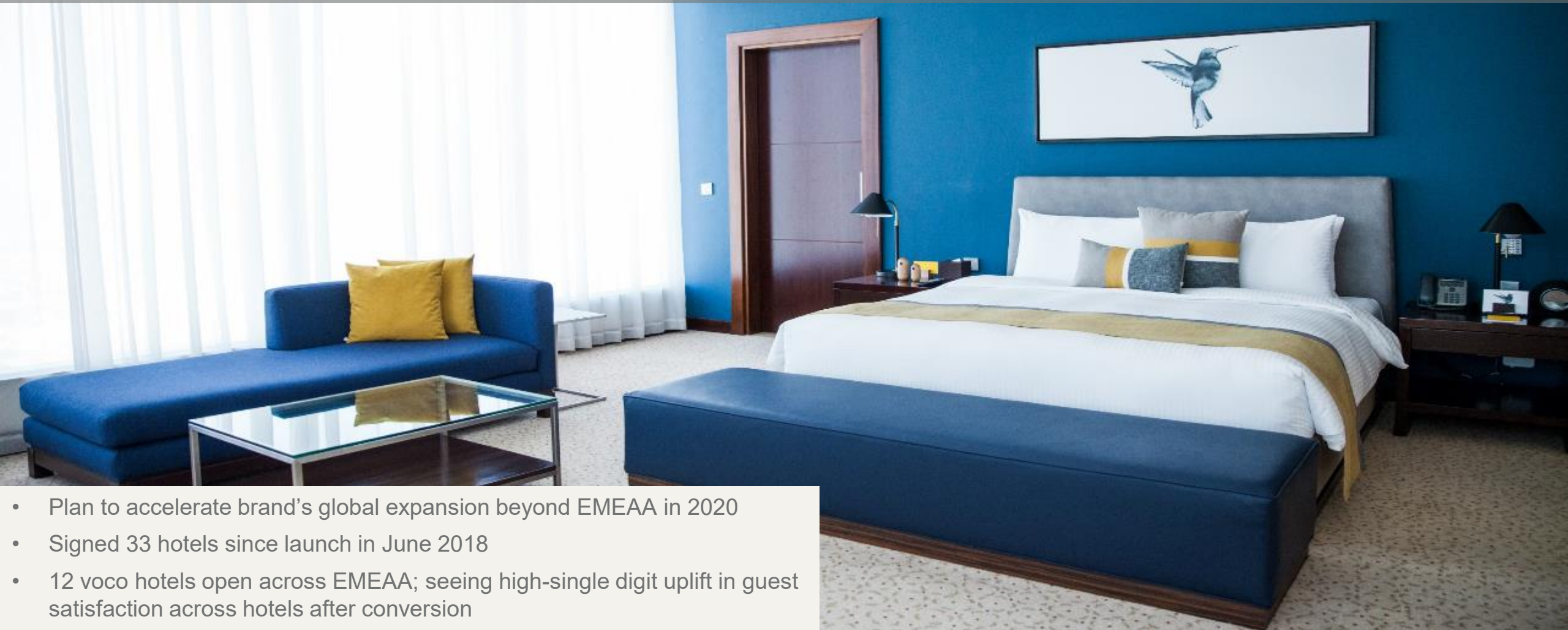


- ~120 properties open and a further ~100 in the pipeline
- Record number of signings in 2019
- Now have a presence secured in the pipeline in 16 new countries
- Set to double the size of the portfolio over the next five years

Hotel Indigo Milan – Corso Monforte, Italy

Upscale

- Plan to accelerate global expansion beyond EMEAA

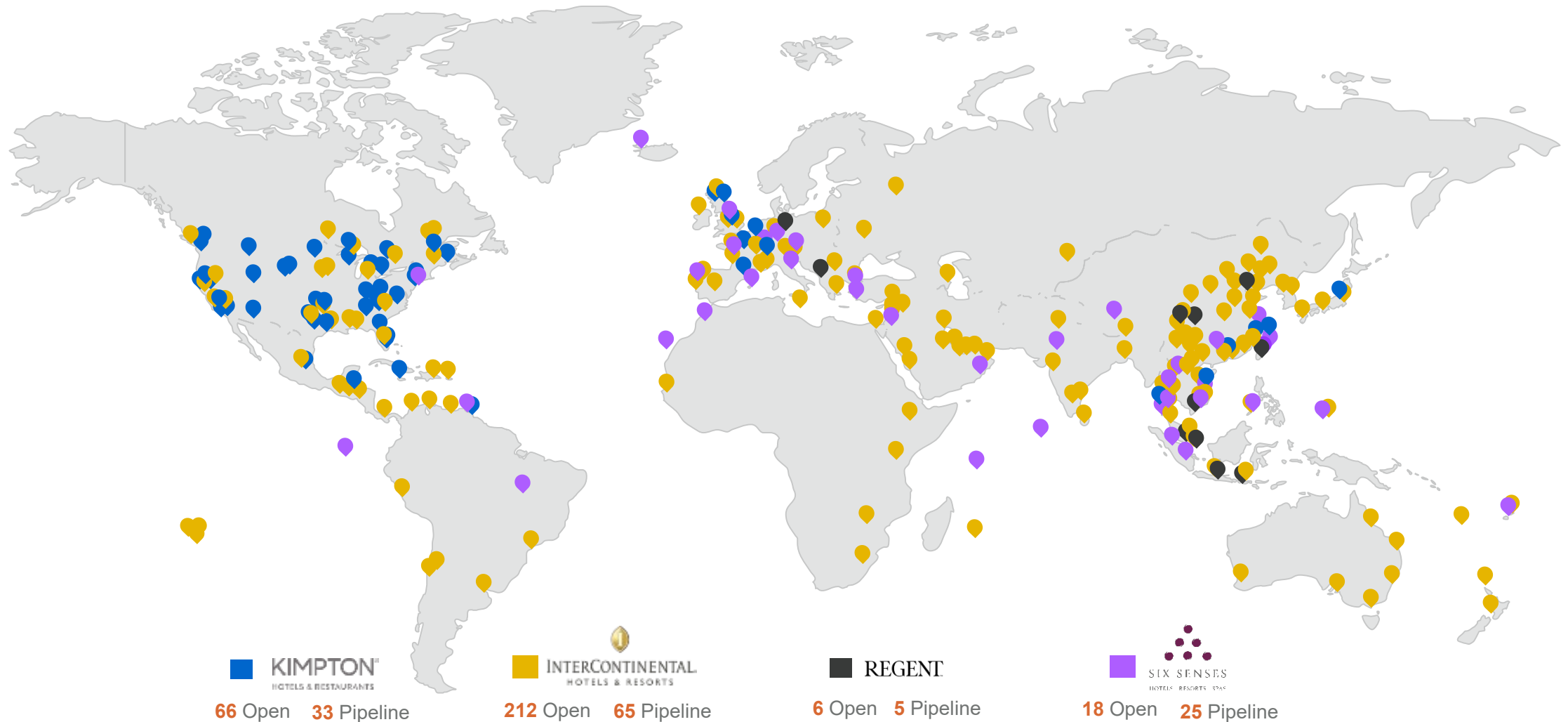


- Plan to accelerate brand's global expansion beyond EMEAA in 2020
- Signed 33 hotels since launch in June 2018
- 12 voco hotels open across EMEAA; seeing high-single digit uplift in guest satisfaction across hotels after conversion
- On track to grow brand to >200 hotels in 10 years

voco Dubai, United Arab Emirates

Enhancing our luxury offering to owners and guests

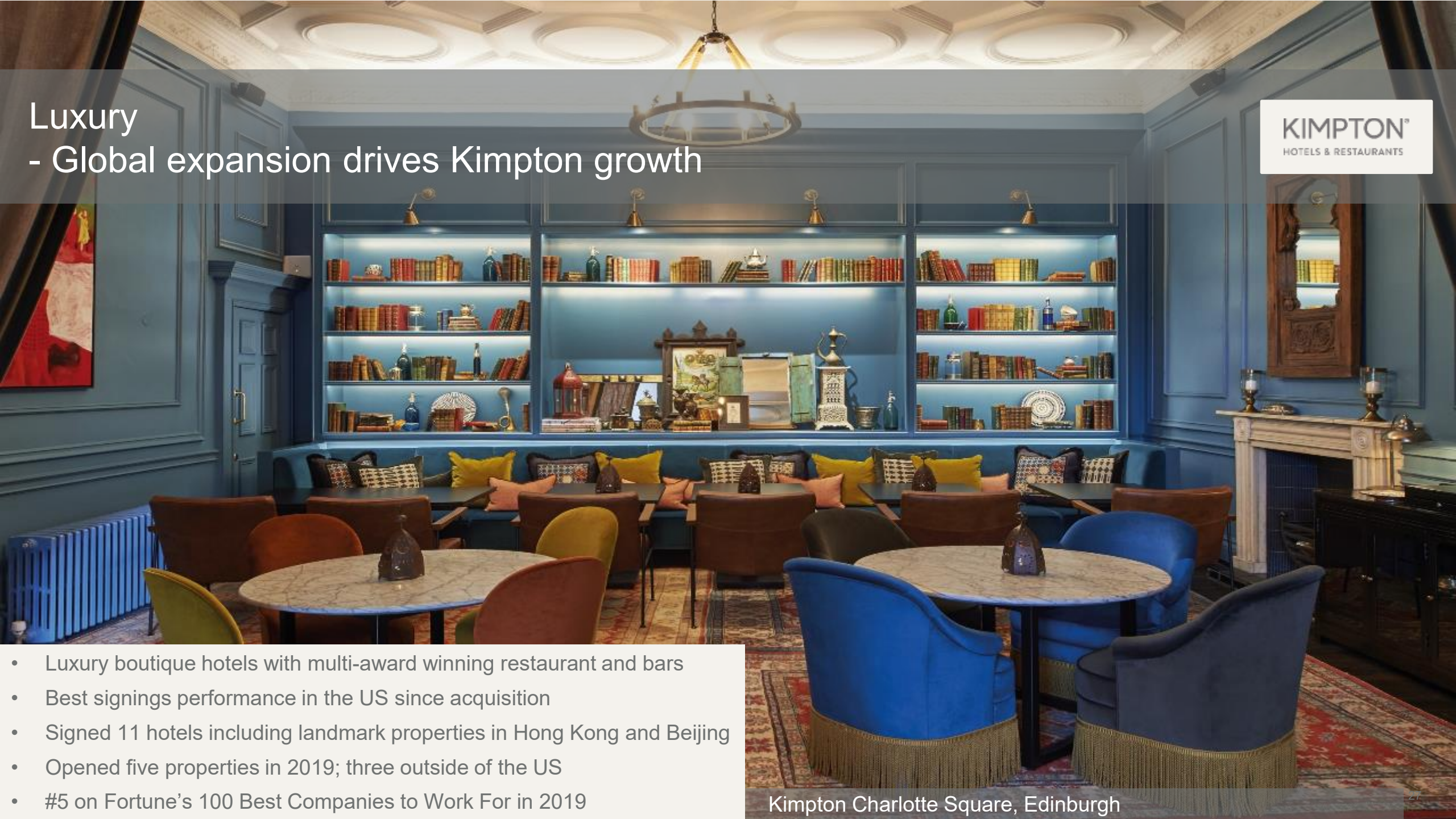
Global luxury footprint – Open and pipeline hotels



Luxury

- Global expansion drives Kimpton growth

KIMPTON[®]
HOTELS & RESTAURANTS

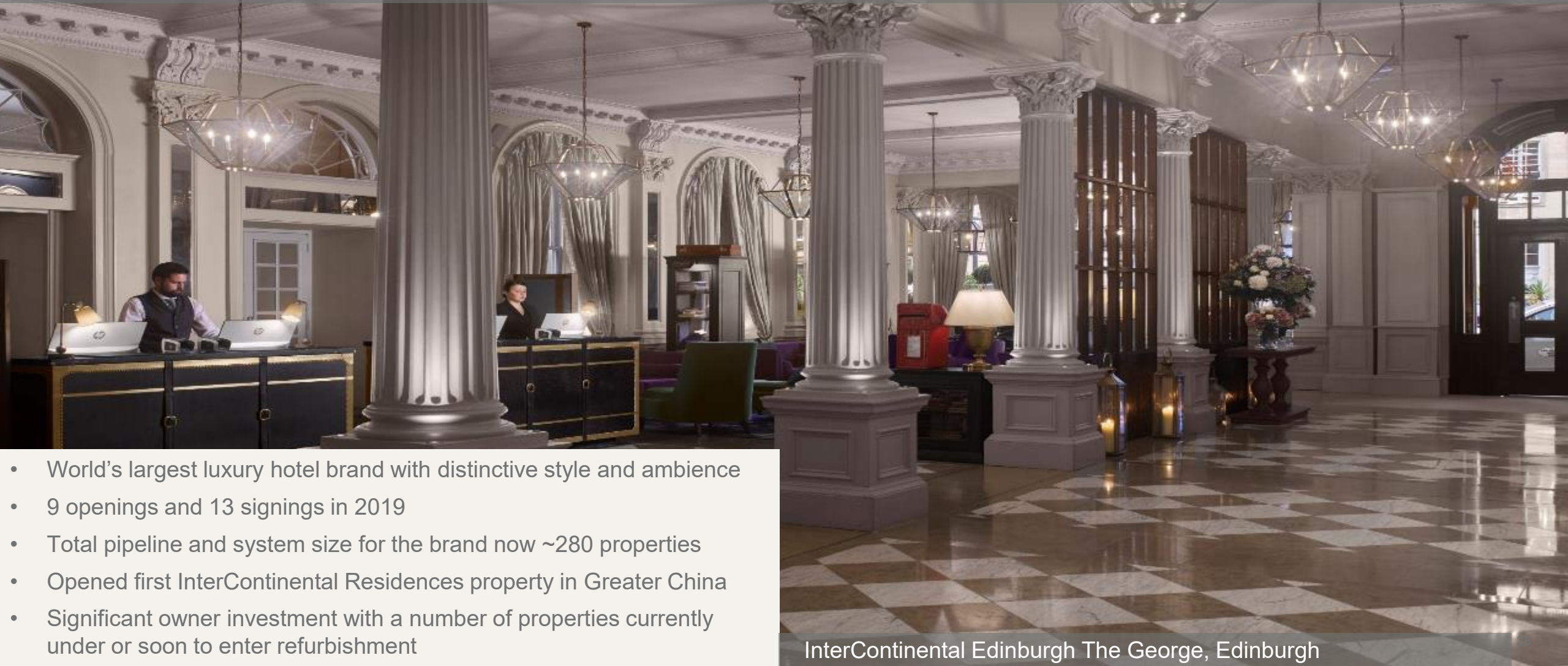


- Luxury boutique hotels with multi-award winning restaurant and bars
- Best signings performance in the US since acquisition
- Signed 11 hotels including landmark properties in Hong Kong and Beijing
- Opened five properties in 2019; three outside of the US
- #5 on Fortune's 100 Best Companies to Work For in 2019

Kimpton Charlotte Square, Edinburgh

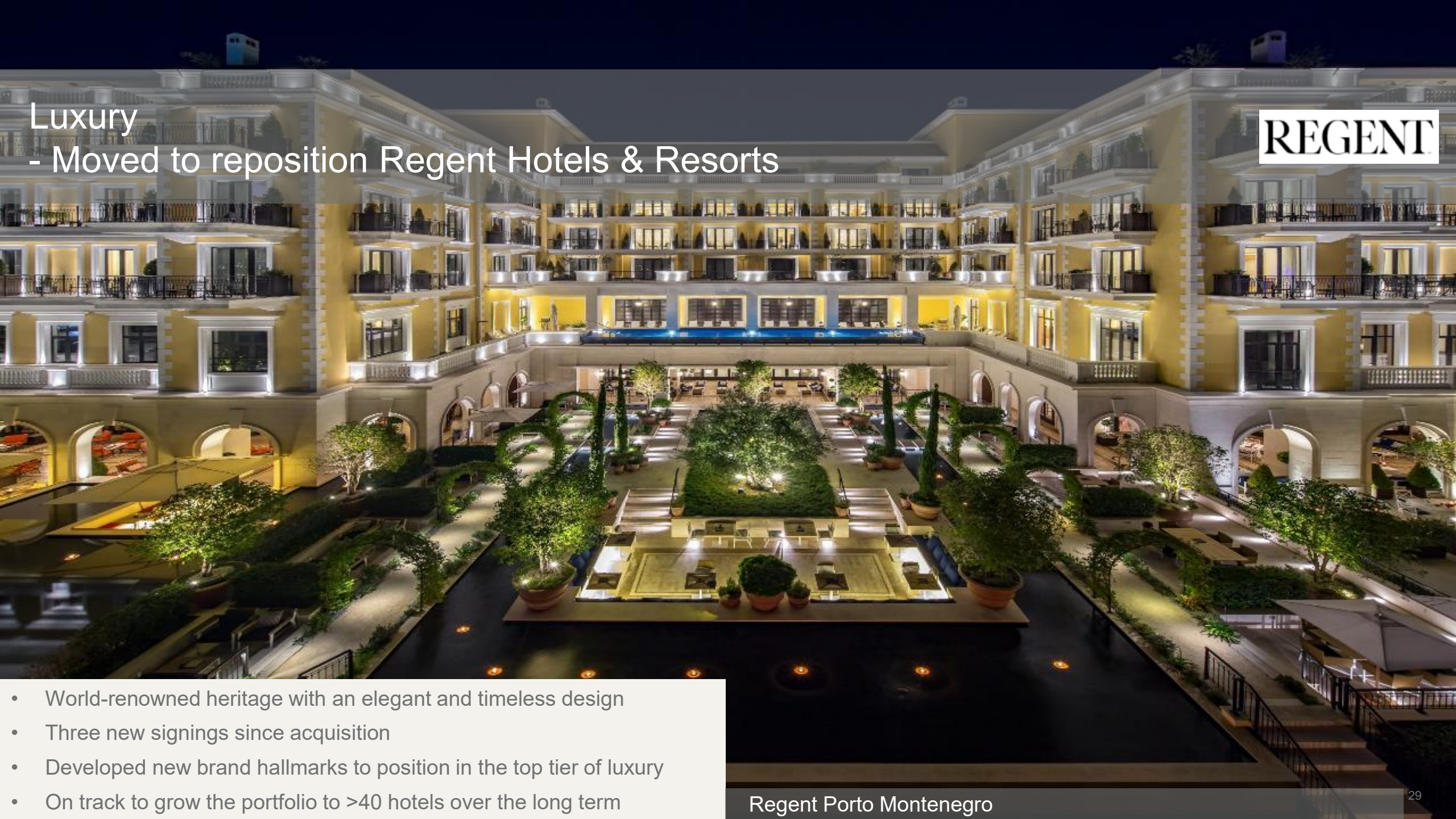
Luxury

- Strengthening InterContinental's position as world's largest luxury brand



- World's largest luxury hotel brand with distinctive style and ambience
- 9 openings and 13 signings in 2019
- Total pipeline and system size for the brand now ~280 properties
- Opened first InterContinental Residences property in Greater China
- Significant owner investment with a number of properties currently under or soon to enter refurbishment

InterContinental Edinburgh The George, Edinburgh



Luxury

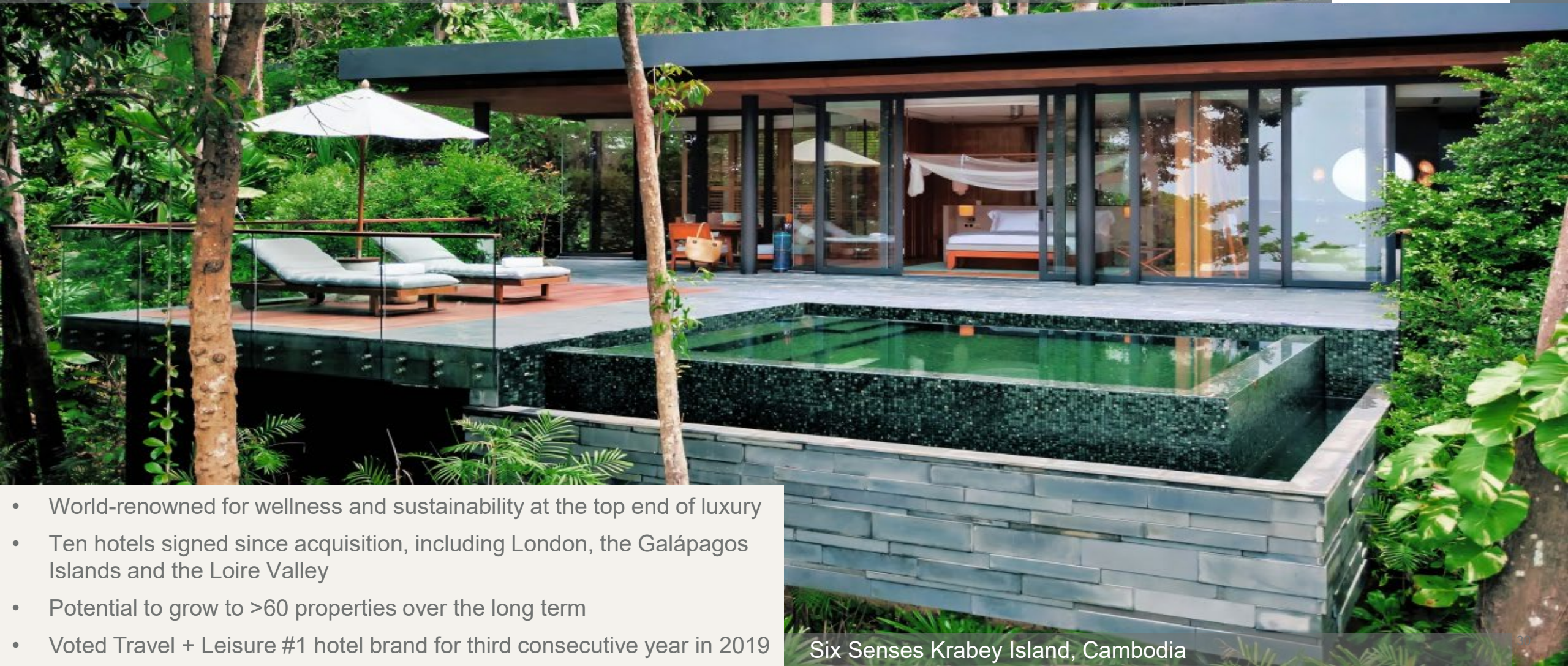
- Moved to reposition Regent Hotels & Resorts

REGENT

- World-renowned heritage with an elegant and timeless design
- Three new signings since acquisition
- Developed new brand hallmarks to position in the top tier of luxury
- On track to grow the portfolio to >40 hotels over the long term

Luxury

- Strong momentum since acquisition of Six Senses



- World-renowned for wellness and sustainability at the top end of luxury
- Ten hotels signed since acquisition, including London, the Galápagos Islands and the Loire Valley
- Potential to grow to >60 properties over the long term
- Voted Travel + Leisure #1 hotel brand for third consecutive year in 2019

Six Senses Krabey Island, Cambodia

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Strengthen Loyalty Programme & Enhance Revenue Delivery

Strengthen loyalty

- Enhancing value of programme through partnerships and innovation

Loyalty contribution

- Loyalty room night contribution¹ ~46%

Unique partnerships

- Offering money can't buy experiences for our members at **US Open Tennis Championships**
- Giving guests the opportunity to earn and redeem points in highly desirable destinations with **Mr & Mrs Smith** and **Sands China** in Macau SAR

Maximising value of points

- Further enriching value proposition through trials of dynamic reward night pricing and option to pay with points during stay for services and amenities



IHG
Rewards
Club

Smith
Mr & Mrs Smith
THE TRAVEL CLUB FOR HOTEL LOVERS



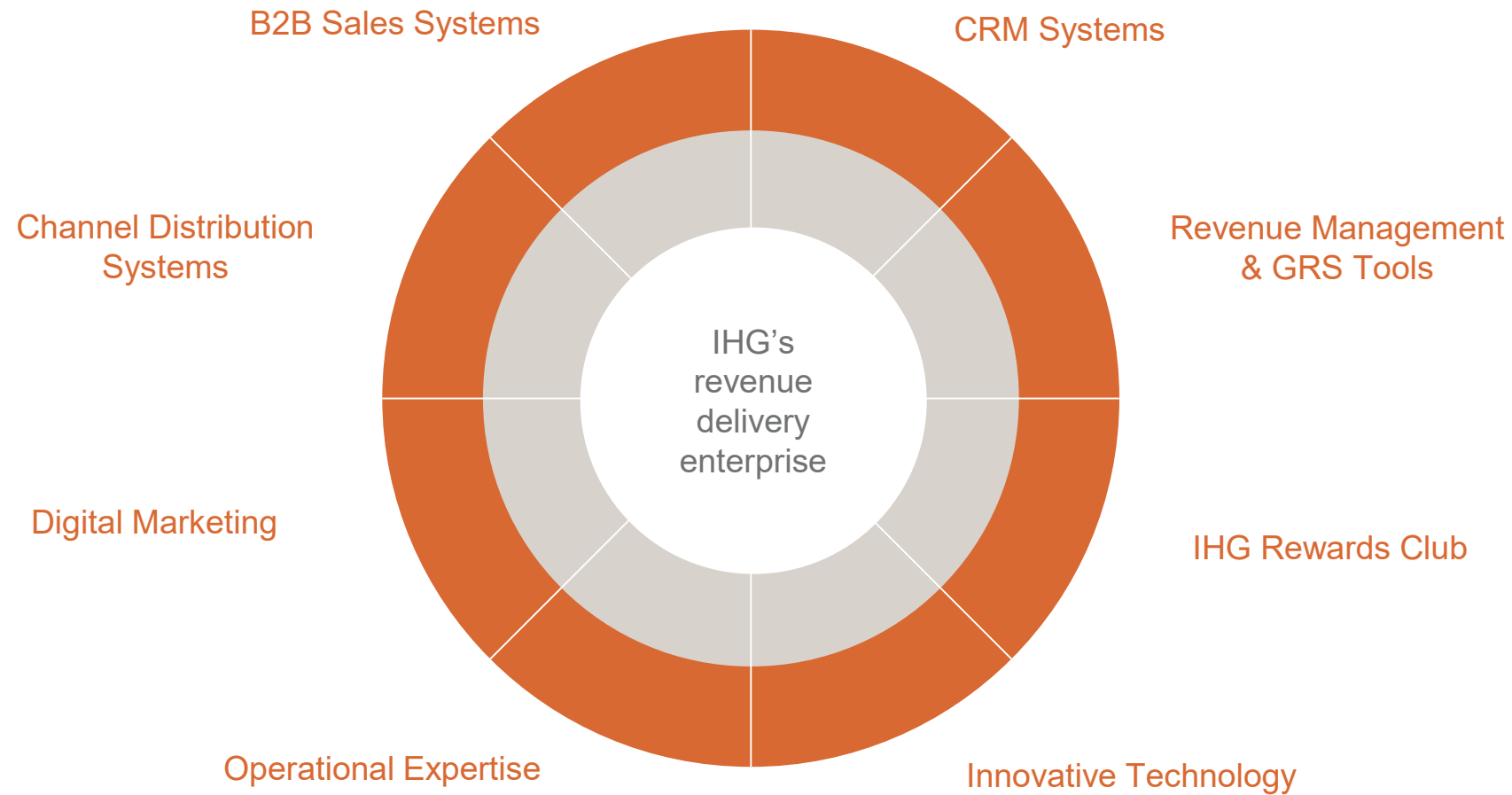
¹ Based on both qualified and redeemed stays

Enhance revenue delivery

- Investment in technology and global sales driving low cost revenue for our owners



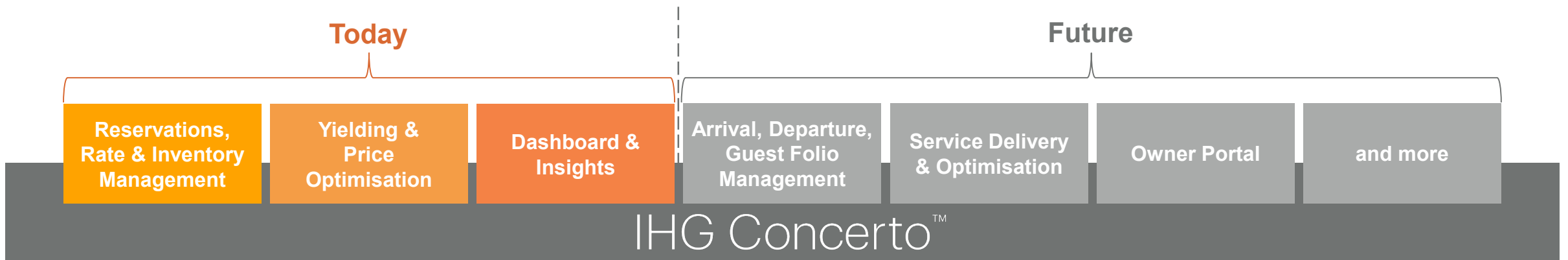
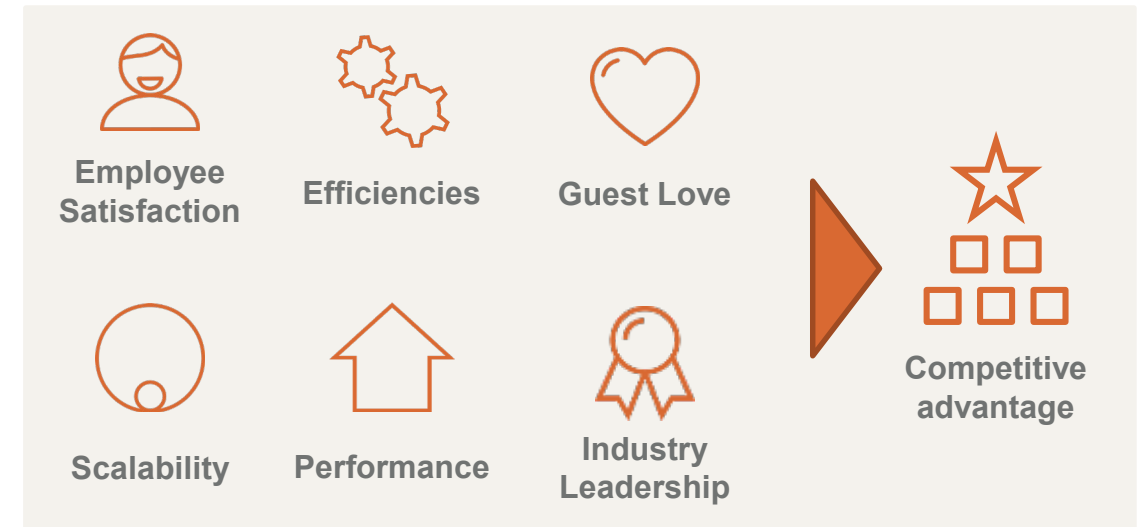
The IHG revenue delivery enterprise supports 5,900+ hotels across ~100 countries and delivers some 79% of rooms revenues



IHG Concerto™

- initial phase of rollout now complete

- IHG Concerto is our proprietary **cloud based**, hotel technology platform
- Initial functionality is now **live** across all our **5,900+ hotels**
- Includes our new **Guest Reservations System**, developed in partnership with Amadeus
- Comprises **industry-leading**, plug and play architecture
- Gives IHG the **flexibility** to adapt to market demands



Guest Reservation System

- Piloting enhanced functionality, including attribute pricing

- The next phase for our GRS will involve developing and piloting **attribute pricing**
- At present, guests are typically offered a choice of **room type** when making a booking
- Attribute pricing will instead allow guests to choose rooms based on specific **attribute type**
- This will give guests a much greater opportunity to **customise** their stay
- It will also give owners the ability to **unlock value** through optimising pricing for desirable attributes
- Functionality will only be available to guests who book direct through IHG channels

From:
Hidden value

Room rate: \$150

King



Illustrative only

To:
Highlighted value

Room rate: \$150+

Executive
\$\$\$

King
+\$

High floor
++\$

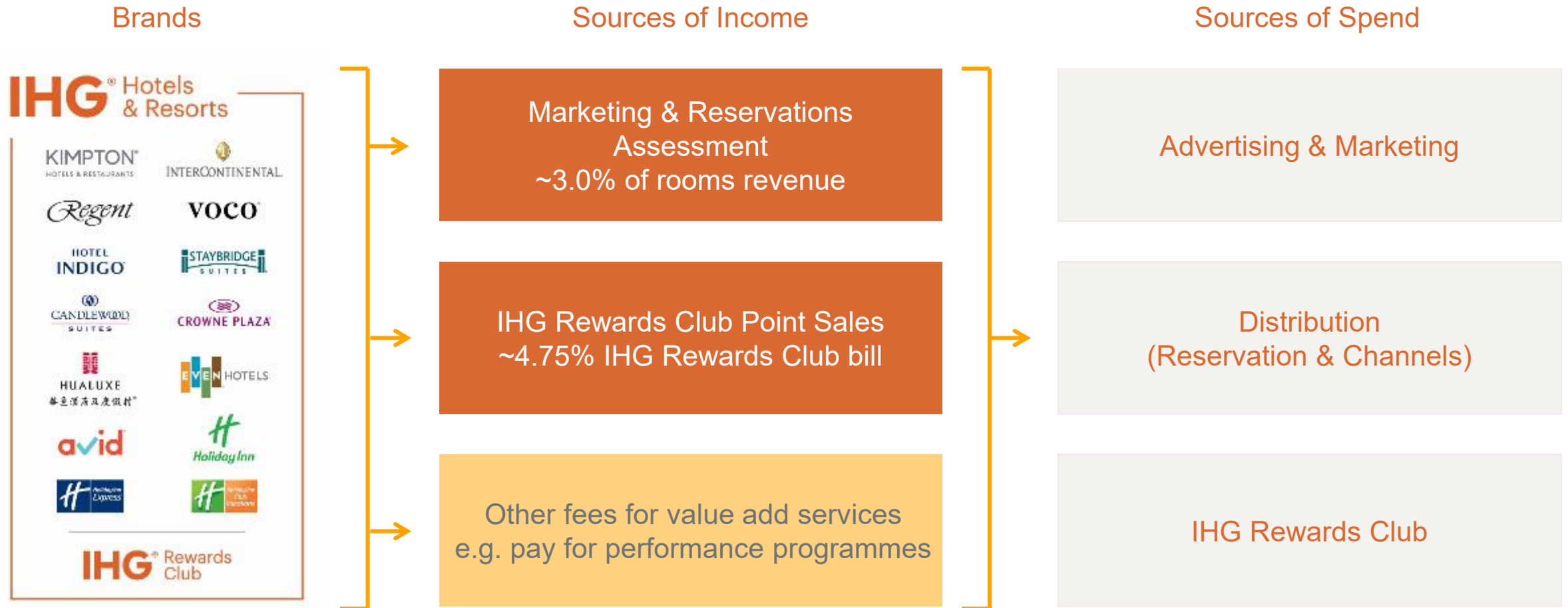
Ocean View
++\$\$

Quiet Zone
+\$



Illustrative only

IHG's ~\$1.4 bn¹ System Fund supports our brand marketing and our revenue delivery system



¹As at 31 December 2019

Underpinned by our commitment to operate a responsible business

– Providing True Hospitality for everyone

Waste reduction



- First global hotel company to mandate bulk-size bathroom amenities across entire estate
- Innovative food waste management

Environmental sustainability



- 2030 Science Based Target¹
- Task Force for Climate-related Financial Disclosures
- CEO Water Mandate

Workplace culture



- Launched colleague share plan
- 'CEO Action' pledge for diversity and inclusion
- The Valuable 500

¹ IHG commits to reduce absolute scope 1, 2 and 3 (Fuel and Energy related activities) GHG emissions from its owned, leased and managed hotels, 15% by 2030 from a 2018 base year. IHG also commits to reduce scope 3 GHG emissions from its franchised hotels 46% per square meter by 2030 from a 2018 base year



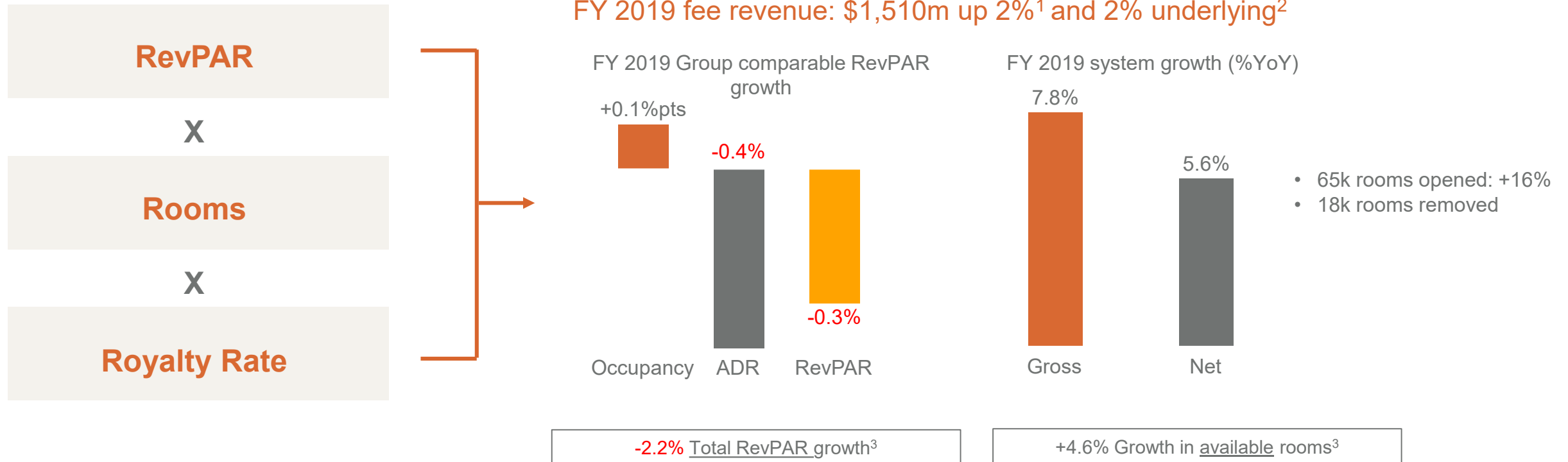
Appendices

Financial performance

Results from reportable segments ¹	Reported			Underlying ²
\$ million	2019	2018 Restated ³	% Change	2019
Revenue ⁴	\$2,083m	\$1,933m	8%	6%
Operating profit	\$865m	\$832m	4%	6%
Revenue from fee business	\$1,510m	\$1,486m	2%	2%
Operating profit from fee business	\$813m	\$793m	3%	5%
Fee margin ⁵	54.1%	53.3%	0.8%pts	
Adjusted Interest ⁶	\$133m	\$115m	16%	
Reported tax rate	24%	22%	2%pts	
Adjusted EPS ⁷	303.3¢	293.2¢	3%	
Total Dividend	125.8¢	114.4¢	10%	

¹ Reportable segments excludes System Fund results, hotel cost reimbursements and exceptional items; ² Reportable segment results excluding significant liquidated damages, current year acquisitions and stated at constant FY 2019 exchange rates (CER); ³ Restated following the adoption of IFRS 16 'Leases' from 1 January 2019 and the amended definitions for fee margin and adjusted EPS. ⁴ Comprises the Group's fee business and owned, leased, and managed lease hotels; ⁵ Excludes owned, leased and managed lease hotels, significant liquidated damages and the results of the Group's captive insurance company. ⁶ Adjusted interest includes \$18m of interest charges in relation to the System Fund ⁷ Calculated using results from Reportable Segments and Adjusted Interest, and excluding changes in fair value to contingent consideration

Resilient fee-based business model driving solid fee revenue growth



¹ Growth stated at AER. ² Underlying fee revenue excludes owned leased and managed lease hotels, significant liquidated damages, current year acquisitions and stated at constant FY 2019 exchange rates (CER) ³ Growth stated for underlying fee business

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

FY 2019	RevPAR Growth %		Net rooms growth %		Underlying Fee Revenue ¹ Growth %	Comments
	Comparable	Total ²	YoY	Available ²		
	Hotels that have traded in all months being compared (i.e. steady state)	All hotels that were open in FY 2019 and FY 2018 (incl hotels that are ramping up)	31 st December 2019 vs 2018	Aggregate number of rooms available for sale in FY 2019 vs FY 2018		
Americas	-0.1%	-1.5%	2.8%	2.6%	0.2%	Underlying fee revenue growth impacted by \$9m of one-off P&L marketing assessments in the prior year as previously disclosed
EMEA	0.3%	-1.2%	5.8%	5.9%	2.3%	Total RevPAR impacted by openings in less developed cities
Greater China	-4.5%	-7.0%	17.5%	11.6%	2.3%	- Total RevPAR impacted by number of properties in ramp up and openings in less developed cities. 17.5% YoY rooms growth includes InterContinental Alliance Resorts in Macau, opened in June 19
Total	-0.3%	-2.2%	5.6%	4.6%	2.0%	

¹ Underlying fee revenue and excludes owned, leased and managed lease hotels, significant liquidated damages, current year acquisitions, System Fund results and hotel cost reimbursements at constant FY 2019 exchange rates (CER)

² Underlying fee business Total RevPAR and Available rooms

Americas

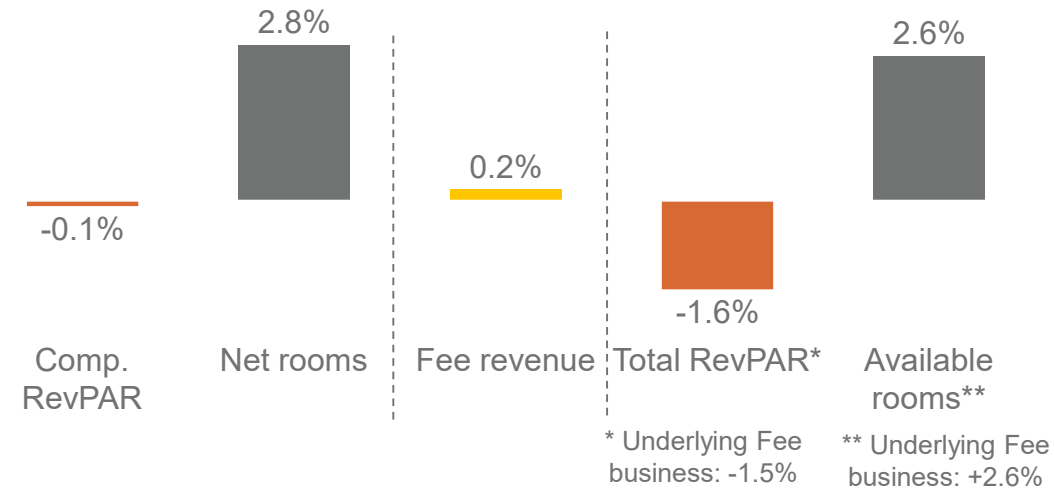
FY 2019 US RevPAR performance in line with the segments in which we compete

- Comparable RevPAR down 0.1%; US down 0.2%
- Q4 US RevPAR down 1.7%
 - Ongoing softness in small groups business
 - Supply growth in Upper Midscale

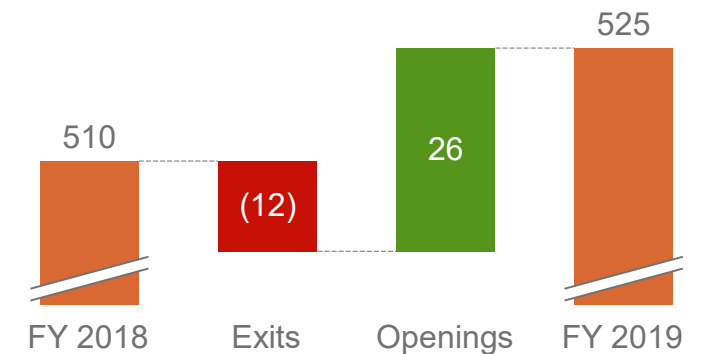
- YoY net rooms growth 2.8% (Gross: up 5.1%)
 - Strongest growth rate in 3 years
 - Highest number of openings in 8 years

- Underlying fee revenue¹ flat, underlying fee operating profit² up 4%:
 - Underlying fee revenue growth held back by \$9m one-off P&L marketing assessment revenue in 2018
- Owned, leased and managed lease profit³ up \$2m

- Pipeline: 117k rooms; 33k signed
- Increase in share of industry signings⁴

FY 2019 Growth in fee revenue drivers¹

FY 2019 Net rooms growth ('000s)

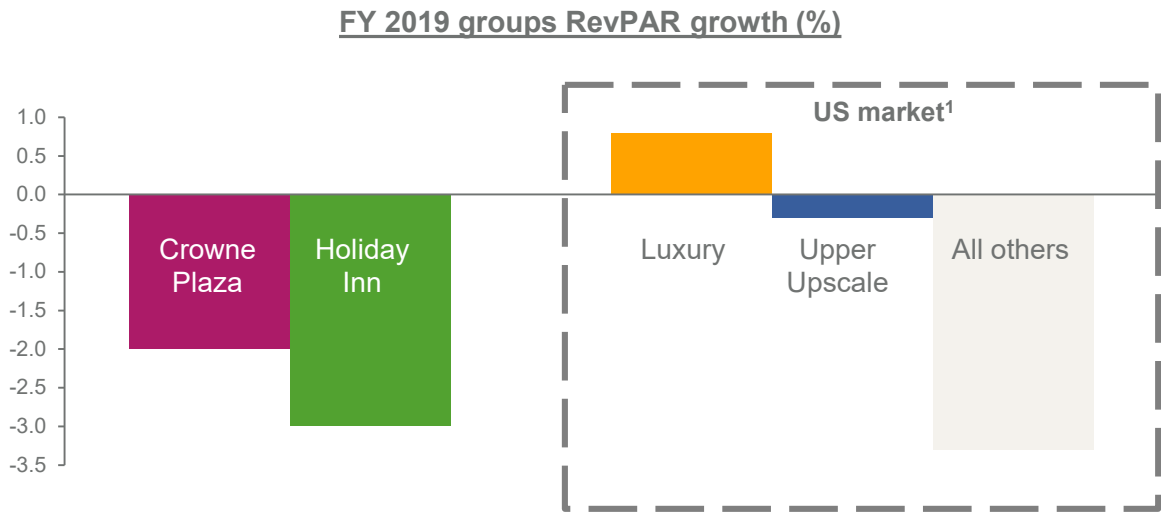


¹ Underlying fee revenue excludes owned, leased and managed lease hotels, significant liquidated damages, current year acquisitions and stated at constant FY 2019 exchange rates (CER); ² Underlying fee operating profit excludes owned, leased and managed lease hotels, significant liquidated damages and current year acquisitions at constant FY 2019 exchange rates (CER); ³ Growth stated at CER; ⁴ Source; STR

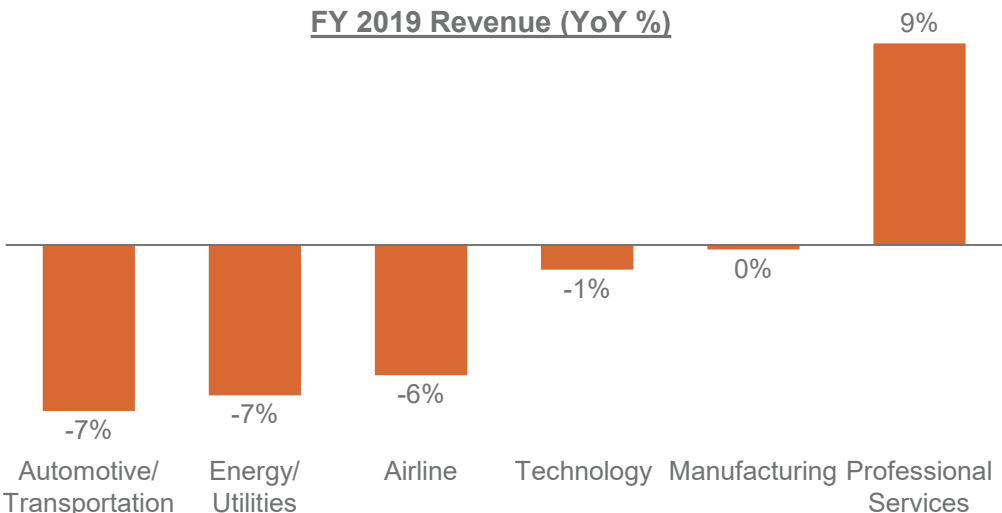
Americas – US

Performance of groups business and supply growth in Upper-Midscale

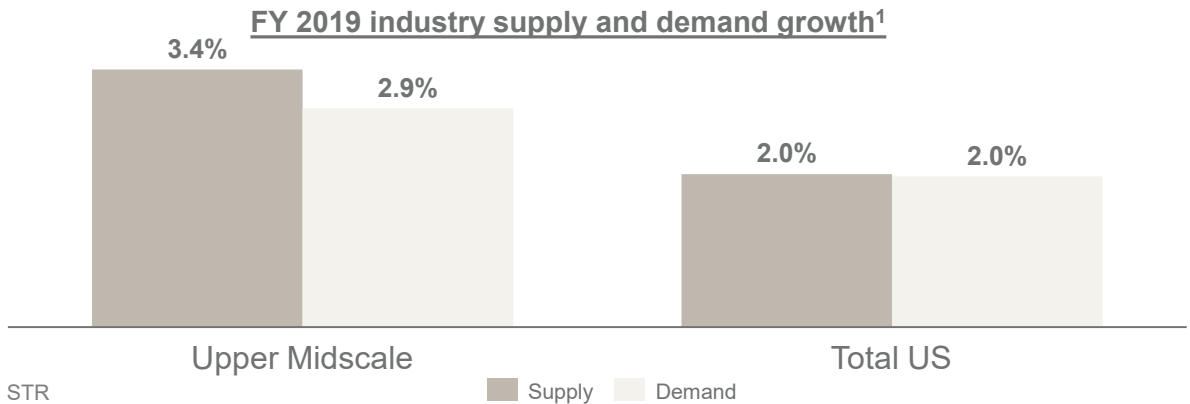
RevPAR growth for groups business across Upscale and Upper-Midscale is challenged



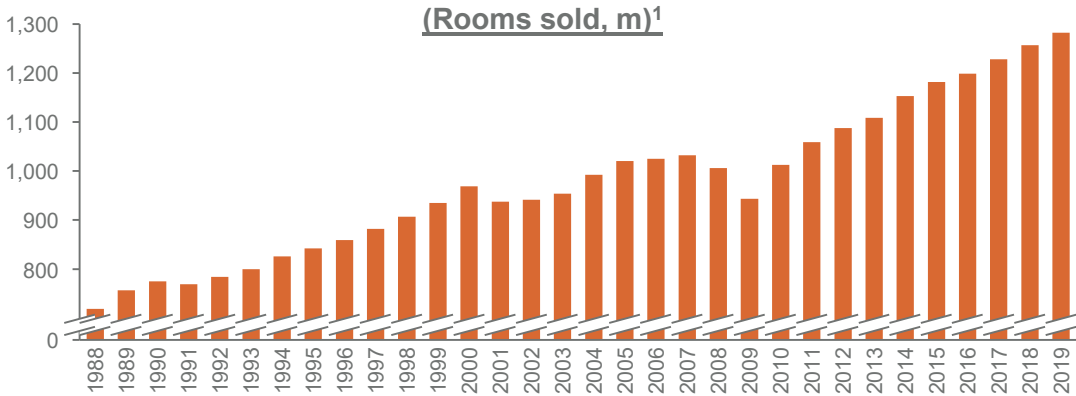
Market weakness in certain corporate segments



Supply growth is higher for Upper Midscale vs Industry



Long-term fundamentals remain strong



¹ Source: STR

Europe, Middle East, Asia and Africa

Strong signings and openings pace; voco momentum continues

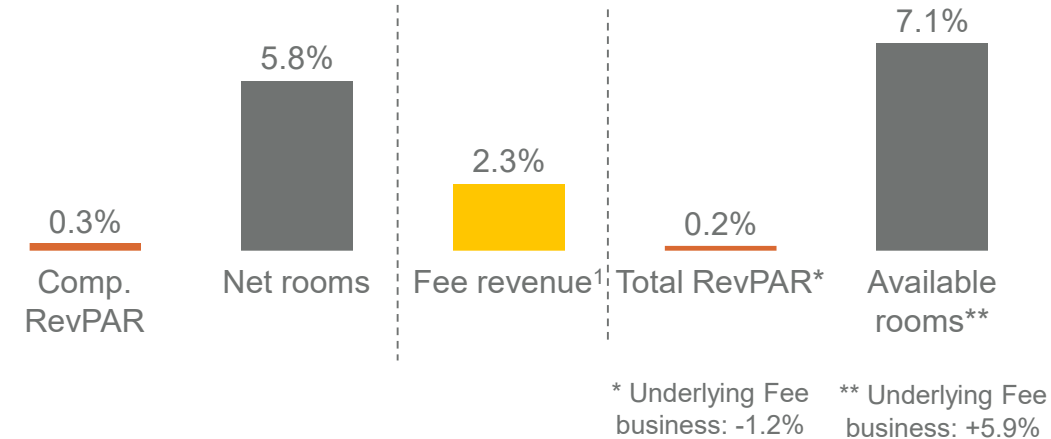
- Comparable RevPAR up 0.3% (Q4 up 0.2%)
- UK up 1%; London up 3%; Provinces down 1%
- Middle East down 3% due to continued increased supply and political unrest

- YoY net rooms growth 5.8% (Gross: up 7.3%)

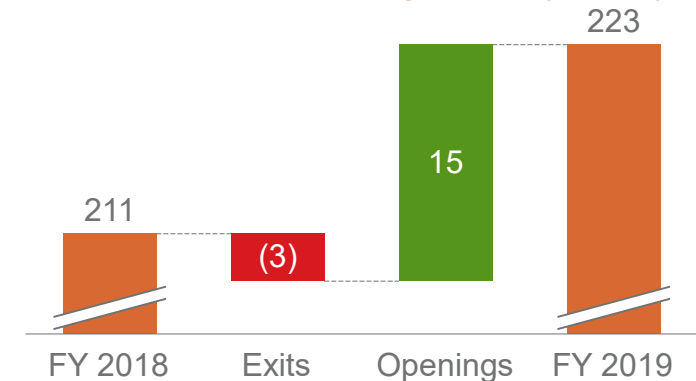
- Underlying fee revenue¹ up 2% and underlying fee operating profit² up 5%
- Owned, leased and managed lease profit³ up \$11m, benefiting from a partial usage of the IFRS 16 lease liability
- Challenging trading conditions resulted in a small operating loss for UK leased hotels after charging \$17m of rental guarantee lease payments against the IFRS 16 lease liability

- Pipeline: 81k rooms; 29k signed
- 33 voco hotels signed across 16 countries over the past 18 months

FY 2019 Growth in fee revenue drivers¹



FY 2019 Net rooms growth ('000s)



¹ Underlying fee revenue excludes owned, leased and managed lease hotels, significant liquidated damages, current year acquisitions and stated at constant FY 2019 exchange rates (CER) ² Underlying fee operating profit excludes owned, leased and managed lease hotels, significant liquidated damages and current year acquisitions at constant FY 2019 exchange rates (CER) ³ Growth stated at CER

Greater China

Record rooms growth and signings; continued industry outperformance

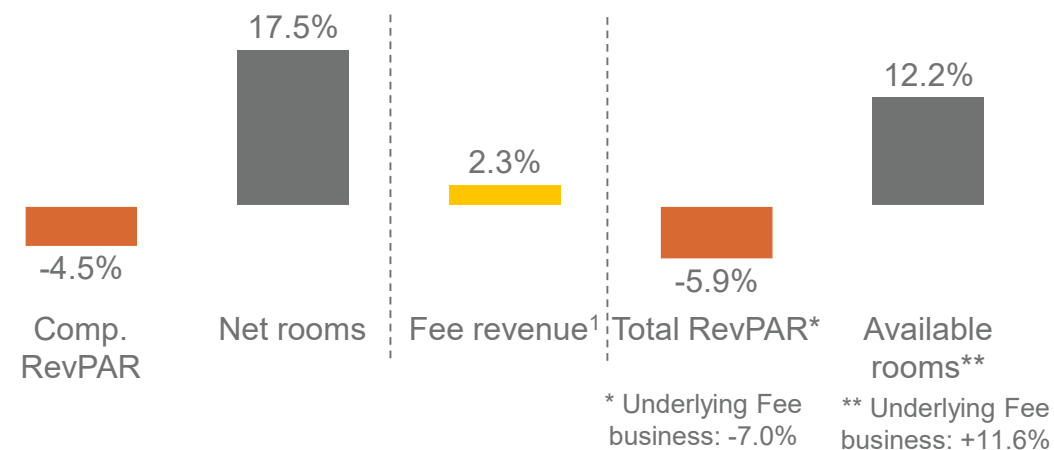
- Comparable RevPAR down 4.5% impacted by the ongoing unrest in Hong Kong SAR
 - Mainland China down 1% (Q4 up 1%)
 - Hong Kong SAR down 27% (Q4 down 63%)
- Total RevPAR down 5.9% due to mix effect of openings in lower RevPAR cities

- YoY net rooms growth 17.5% (Gross: up 20.6%)

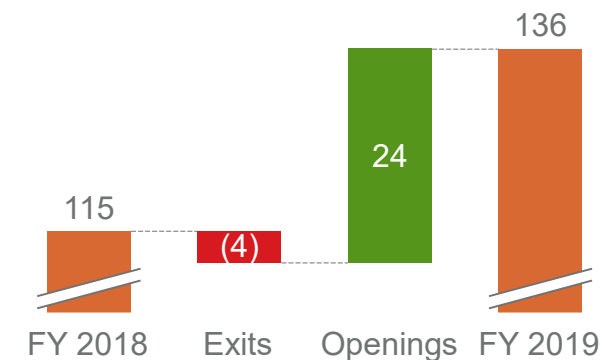
- Underlying fee revenue¹ up 2% and operating profit² up 16% driven by rooms growth and disciplined cost control
 - Fee revenue growth impacted by \$5m fee income loss from the ongoing unrest in Hong Kong SAR

- Pipeline: 85k rooms
 - 36k rooms signed, strongest ever signings performance

FY 2019 Growth in fee revenue drivers¹



FY 2019 Net rooms growth ('000s)



¹ Underlying fee revenue excludes owned, leased and managed lease hotels, significant liquidated damages, current year acquisitions and stated at constant FY 2019 exchange rates (CER)

² Underlying fee operating profit excludes owned, leased and managed lease hotels, significant liquidated damages and current year acquisitions at constant FY 2019 exchange rates (CER)

Fee margin¹ by region

Americas



* Excluding \$9m one-off impact in revenue and costs related to P&L marketing assessments, fee margin would have been 75.8%

Europe, Middle East, Asia and Africa



* Includes an operating loss from Six Senses Hotels Resorts Spa

Greater China



Total IHG



¹ Fee margin excludes owned, leased and managed lease hotels, significant liquidated damages and the results of the Group's captive insurance company; is stated at AER.

² FY 2018 fee margin updated for IFRS 16 'Leases' effective 1 January 2019 and excludes the results of the Group's captive insurance company

2019 impairment charge

Americas

Impairment charge

- \$50m impairment charge on acquired Kimpton Hotels & Restaurant management agreements
- **Non-cash and excluded from adjusted results**

Rationale

- Relates to reduced trading expectations in the US and impact of higher than expected number of exits in 2019 on overall assumptions
- Impairment test does not account for ~40 Kimpton signings since acquisition including 27 signings in the Americas and taking the brand to 14 new markets internationally

Europe, Middle East, Asia and Africa

Impairment charge

- \$81m impairment charge on UK leased hotel portfolio
 - \$49m in goodwill
 - \$32m in IFRS 16 right-of-use asset
- \$38m fair value gain recorded from a related reduction in the value of contingent consideration liability
- Net P&L impact of \$43m
- **Both items non-cash and excluded from adjusted results**

Rationale

- Impairment charge driven by:
 - Higher cost inflation, particularly wages/food
 - Delays and disruption from a refurbishment and rebranding programme across 12 hotels

~100% of efficiency programme costs now recognised; remainder of the \$200m cash cost expected in 2020

	\$m	FY 2017	FY 2018	FY 2019	Total to date
Cash costs	IHG (exceptional)	22	59	18	99
	System Fund (exceptional)	9	47	28	84
	Total	31	106	46	183
Book costs	IHG (exceptional)	36	56	20	112
	System Fund ¹	9	47	28	84
	Total	45	103	48	196

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

Revenue & Operating Profit 2018-2019

	Total Revenue		Total Operating Profit*	
	Full Year		Full Year	
	2019	2018	2019	2018**
Fee Business	853	853	663	638
Owned, Leased & Managed Leases	187	198	37	35
Total Americas	1,040	1,051	700	673
Fee Business	337	320	202	202
Owned, Leased & Managed Leases	386	249	15	4
Total EMEAA	723	569	217	206
Fee Business	135	143	73	70
Total Greater China	135	143	73	70
Central Results	185	170	(125)	(117)
Total Reportable Segments	2,083	1,933	865	832
Reimbursement of Costs	1,171	1,171	-	-
System Fund	1,373	1,233	(49)	(146)
Total IHG	4,627	4,337	816	686

Free Cash Flow Generation

\$m	12 months to 31 Dec 2019	Restated for IFRS 16 Leases 12 months to 31 Dec 2018
Operating profit from reportable segments ¹	865	832
System Fund result ²	(21)	(99)
Depreciation & amortisation ³	170	164
Working capital & other movements	(82)	4
Loyalty programme deferred revenue net movement	52	124
Equity-settled share-based cost	42	38
Retirement benefit contributions, net of cost	(3)	(12)
Purchase of shares by employee share trusts	(5)	(3)
Cash flows relating to exceptional items ⁴	(55)	(137)
Net interest paid & similar charges	(107)	(85)
Tax paid ⁵	(141)	(66)
Principal element of lease payments	(59)	(35)
Capital expenditure: key money (net of repayments)	(61)	(54)
Capital expenditure: maintenance	(86)	(60)
Free cash flow	509	611
- Before System Fund result and exceptional items. - System Fund result stated before exceptional cost of \$28m (12 months to 31 December 2018 \$47m) in relation to efficiency programme. - Includes System Fund depreciation & amortisation of \$54m (12 months to 31 December 2018 \$49m). - Includes \$46m (12 months to 31 December 2018 \$106m) relating to the efficiency programme (\$28m in relation to the System Fund). - Excludes tax paid on disposals.		

Uses of Free Cash Flow

\$m	12 months to 31 Dec 2019	Restated for IFRS 16 Leases 12 months to 31 Dec 2018
Free cash flow	509	611
Capital expenditure: Recyclable investments	(19)	(38)
Capital expenditure: System Fund investment	(98)	(99)
Acquisitions	(292)	(34)
Payment of contingent purchase consideration	(8)	(4)
Distributions from associates and joint ventures	-	32
Disposal receipts: Other	4	8
Tax paid – disposals	-	(2)
Ordinary dividend	(211)	(199)
Special dividend	(510)	-
Dividends paid to non-controlling interests	(1)	(1)
Currency swap proceeds	-	3
Transaction costs relating to shareholder returns	(1)	-
Net cash inflow/(outflow)	(627)	277
Exchange, lease repayments & other non-cash items	(73)	11
Opening net debt	(1,965)	(2,253)
Closing net debt	(2,665)	(1,965)

2019 Current Trading

Comparable RevPAR, ADR & Occupancy Growth

Constant US\$	Fourth Qtr			Dec YTD		
	RevPAR %	ADR %	Occupancy %pts	RevPAR %	ADR %	Occupancy %pts
Americas	(1.6%)	(0.6%)	(0.7%)	(0.1%)	0.2%	(0.2%)
EMEA	0.2%	(0.4%)	0.4%	0.3%	(0.6%)	0.7%
Greater China	(10.5%)	(11.5%)	0.7%	(4.5%)	(4.7%)	0.2%
Total IHG	(1.8%)	(1.5%)	(0.2%)	(0.3%)	(0.4%)	0.1%
United States:						
InterContinental	0.2%	(0.6%)	0.7%	0.4%	1.0%	(0.5%)
Kimpton	0.7%	(0.7%)	1.1%	1.5%	0.1%	1.1%
Crowne Plaza	(3.4%)	(0.5%)	(1.9%)	(1.6%)	0.3%	(1.3%)
Hotel Indigo	(3.0%)	(2.7%)	(0.2%)	0.2%	(0.6%)	0.6%
EVEN Hotels	(8.8%)	(12.1%)	3.0%	(3.4%)	(7.8%)	3.8%
Holiday Inn	(2.9%)	(1.4%)	(0.9%)	(1.1%)	(0.2%)	(0.6%)
Holiday Inn Express	(1.2%)	(0.6%)	(0.4%)	0.4%	(0.3%)	0.5%
Staybridge Suites	(0.9%)	0.4%	(0.9%)	0.1%	(0.1%)	0.2%
Candlewood Suites	(2.8%)	(1.4%)	(1.0%)	(1.2%)	(0.4%)	(0.6%)
All Brands	(1.7%)	(0.8%)	(0.7%)	0.0%	(0.1%)	0.0%

Comparable RevPAR – 12 Months to 31 December 2019

Fee Business and Owned, Leased & Managed Leases

Constant US\$	Fee Business							Owned, Leased & Managed Leases						
	Hotels	Occ %		ADR		RevPAR		Hotels	Occ %		ADR		RevPAR	
		2019	%Pts	2019	Growth	2019	Growth		2019	%Pts	2019	Growth	2019	Growth
InterContinental	43	72.4%	(1.7)	212.82	3.0%	154.00	0.7%	1	84.44%	1.5	334.81	1.1%	282.72	3.0%
Kimpton	55	79.8%	1.1	243.92	0.7%	194.62	2.2%							
Crowne Plaza	135	66.6%	(1.3)	129.08	0.3%	86.00	(1.6%)							
Hotel Indigo	45	74.7%	0.7	164.99	(0.7%)	123.20	0.2%							
EVEN Hotels	4	81.7%	2.6	174.86	(8.3%)	142.91	(5.3%)	2	81.9%	6.0	158.03	(6.5%)	129.50	0.9%
Holiday Inn	650	66.5%	(0.5)	113.65	0.1%	75.54	(0.7%)	2	83.3%	0.9	182.50	5.0%	152.10	6.2%
Holiday Inn Express	2,030	69.3%	0.2	114.01	(0.2%)	79.00	0.1%							
Staybridge Suites	235	76.5%	0.1	119.50	(0.1%)	91.47	0.1%							
Candlewood Suites	355	73.5%	(0.5)	86.04	(0.4%)	63.22	(1.1%)							
Americas	3,552	69.6%	(0.2)	121.61	0.2%	84.61	(0.1%)	5	83.3%	2.1	217.18	1.5%	181.02	4.1%
InterContinental	90	73.5%	0.9	202.75	0.2%	149.06	1.5%	4	66.0%	(1.2)	215.99	3.4%	142.51	1.5%
Crowne Plaza	148	74.2%	0.5	118.81	(1.2%)	88.13	(0.6%)							
Hotel Indigo	26	81.0%	1.2	143.62	0.0%	116.40	1.5%							
Holiday Inn	357	73.5%	0.3	98.11	(1.0%)	72.14	(0.5%)	1	94.1%	(1.2)	138.36	3.9%	130.22	2.6%
Holiday Inn Express	269	79.0%	1.6	88.66	(0.9%)	70.04	1.2%							
Staybridge Suites	11	74.7%	(1.1)	122.47	(2.5%)	91.48	(3.9%)							
EMEA	901	75.0%	0.7	117.71	(0.7%)	88.27	0.3%	5	69.5%	(1.2)	202.79	3.5%	140.97	1.6%
InterContinental	34	66.9%	1.1	123.39	(6.1%)	82.52	(4.6%)							
HUALUXE	6	51.7%	3.3	66.53	(0.3%)	34.39	6.6%							
Crowne Plaza	71	61.2%	(0.3)	76.04	(4.5%)	46.52	(4.9%)							
Hotel Indigo	7	66.6%	0.0	140.06	(8.0%)	93.23	(8.1%)							
Holiday Inn	73	65.8%	(0.1)	66.16	(3.8%)	43.52	(4.0%)							
Holiday Inn Express	84	62.8%	0.1	47.20	(4.9%)	29.66	(4.7%)							
Greater China	275	63.6%	0.2	75.78	(4.7%)	48.19	(4.5%)	-	0.0%	0.0	0.00	0.0%	0.00	0.0%
Total IHG	4,728	70.2%	0.1	115.46	(0.4%)	81.06	(0.3%)	10	76.5%	0.4	210.65	2.4%	161.05	3.0%

Comparable RevPAR – 12 Months to 31 December 2019 Total

Constant US\$							
	Hotels	Occ %		ADR		RevPAR	
		2019	%Pts	2019	Growth	2019	Growth
InterContinental	44	72.7%	(1.6)	216.69	3.0%	157.52	0.8%
Kimpton	55	79.8%	1.1	243.92	0.7%	194.62	2.2%
Crowne Plaza	135	66.6%	(1.3)	129.08	0.3%	86.00	(1.6%)
Hotel Indigo	45	74.7%	0.7	164.99	(0.7%)	123.20	0.2%
EVEN Hotels	6	81.8%	3.8	169.12	(7.8%)	138.34	(3.4%)
Holiday Inn	652	66.6%	(0.5)	114.36	0.2%	76.17	(0.6%)
Holiday Inn Express	2,030	69.3%	0.2	114.01	(0.2%)	79.00	0.1%
Staybridge Suites	235	76.5%	0.1	119.50	(0.1%)	91.47	0.1%
Candlewood Suites	355	73.5%	(0.5)	86.04	(0.4%)	63.22	(1.1%)
Americas	3,557	69.6%	(0.2)	122.07	0.2%	84.99	(0.1%)
InterContinental	94	73.1%	0.8	203.35	0.4%	148.73	1.5%
Crowne Plaza	148	74.2%	0.5	118.81	(1.2%)	88.13	(0.6%)
Hotel Indigo	26	81.0%	1.2	143.62	0.0%	116.40	1.5%
Holiday Inn	358	73.6%	0.3	98.28	(1.0%)	72.33	(0.5%)
Holiday Inn Express	269	79.0%	1.6	88.66	(0.9%)	70.04	1.2%
Staybridge Suites	11	74.7%	(1.1)	122.47	(2.5%)	91.48	(3.9%)
EMEA	906	74.9%	0.7	118.47	(0.6%)	88.78	0.3%
InterContinental	34	66.9%	1.1	123.39	(6.1%)	82.52	(4.6%)
HUALUXE	6	51.7%	3.3	66.53	(0.3%)	34.39	6.6%
Crowne Plaza	71	61.2%	(0.3)	76.04	(4.5%)	46.52	(4.9%)
Hotel Indigo	7	66.6%	0.0	140.06	(8.0%)	93.23	(8.1%)
Holiday Inn	73	65.8%	(0.1)	66.16	(3.8%)	43.52	(4.0%)
Holiday Inn Express	84	62.8%	0.1	47.20	(4.9%)	29.66	(4.7%)
Greater China	275	63.6%	0.2	75.78	(4.7%)	48.19	(4.5%)
Total IHG	4,738	70.2%	0.1	115.97	(0.4%)	81.45	(0.3%)

Hotel & Room Count as at 31 December 2019

	Franchised		Managed		Owned, Leased & Managed Leases		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
InterContinental	25	6,972	24	10,102	2	822	51	17,896
Kimpton	4	522	57	11,475	-	-	61	11,997
Crowne Plaza	133	34,623	16	5,252	-	-	149	39,875
Hotel Indigo	59	7,135	5	1,132	-	-	64	8,267
EVEN Hotels	5	657	5	795	3	497	13	1,949
Holiday Inn	768	130,729	13	3,654	2	903	783	135,286
Holiday Inn Express	2,367	214,741	1	252	-	-	2,368	214,993
avid hotels	7	635	-	-	-	-	7	635
Staybridge Suites	257	26,911	26	3,333	-	-	283	30,244
Candlewood Suites	349	30,779	61	7,553	-	-	410	38,332
Atwell Suites	-	-	-	-	-	-	-	-
Other	34	11,561	84	13,612	-	-	118	25,173
Americas	4,008	465,265	292	57,160	7	2,222	4,307	524,647
Six Senses	1	196	15	1,074	1	56	17	1,326
Regent	1	440	1	136	1	195	3	771
InterContinental	16	4,950	92	26,884	5	1,681	113	33,515
Kimpton	-	-	1	274	3	646	4	920
Crowne Plaza	108	24,870	78	21,541	-	-	186	46,411
Hotel Indigo	35	3,509	6	930	-	-	41	4,439
voco Hotels	2	282	7	3,584	3	427	12	4,293
Holiday Inn	314	52,003	79	21,222	1	207	394	73,432
Holiday Inn Express	282	37,950	42	8,504	-	-	324	46,454
Staybridge Suites	12	1,656	5	733	-	-	17	2,389
Other	2	599	8	7,919	5	902	15	9,420
EMEA	773	126,455	334	92,801	19	4,114	1,126	223,370
Six Senses	-	-	1	122	-	-	1	122
Regent	1	538	2	694	-	-	3	1,232
InterContinental	1	570	47	19,000	-	-	48	19,570
Kimpton	-	-	1	129	-	-	1	129
HUALUXE	-	-	9	2,710	-	-	9	2,710
Crowne Plaza	5	1,754	91	32,542	-	-	96	34,296
Hotel Indigo	-	-	13	1,868	-	-	13	1,868
Holiday Inn	7	2,295	100	28,881	-	-	107	31,176
Holiday Inn Express	72	12,490	111	25,297	-	-	183	37,787
Other	3	5,607	6	1,049	-	-	9	6,656
Greater China	89	23,254	381	112,292	-	-	470	135,546
Six Senses	1	196	16	1,196	1	56	18	1,448
Regent	2	978	3	830	1	195	6	2,003
InterContinental	42	12,492	163	55,986	7	2,503	212	70,981
Kimpton	4	522	59	11,878	3	646	66	13,046
HUALUXE	-	-	9	2,710	-	-	9	2,710
Crowne Plaza	246	61,247	185	59,335	-	-	431	120,582
Hotel Indigo	94	10,644	24	3,930	-	-	118	14,574
EVEN Hotels	5	657	5	795	3	497	13	1,949
voco Hotels	2	282	7	3,584	3	427	12	4,293
Holiday Inn	1,089	185,027	192	53,757	3	1,110	1,284	239,894
Holiday Inn Express	2,721	265,181	154	34,053	-	-	2,875	299,234
avid hotels	7	635	-	-	-	-	7	635
Staybridge Suites	269	28,567	31	4,066	-	-	300	32,633
Candlewood Suites	349	30,779	61	7,553	-	-	410	38,332
Atwell Suites	-	-	-	-	-	-	-	-
Other	39	17,767	98	22,580	5	902	142	41,249
Total System Size	4,870	614,974	1,007	262,253	26	6,336	5,903	883,563

Pipeline as at 31 December 2019

	Franchised		Managed		Owned, Leased & Managed Leases		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Six Senses	-	-	5	422	-	-	5	422
InterContinental	3	685	4	864	-	-	7	1,549
Kimpton	4	886	17	2,573	-	-	21	3,459
Crowne Plaza	5	1,093	-	-	-	-	5	1,093
Hotel Indigo	36	5,094	1	78	-	-	37	5,172
EVEN Hotels	15	1,866	-	-	-	-	15	1,866
Holiday Inn	97	12,346	1	160	-	-	98	12,506
Holiday Inn Express	448	43,103	-	-	-	-	448	43,103
avid hotels	206	18,853	-	-	-	-	206	18,853
Staybridge Suites	162	16,874	-	-	-	-	162	16,874
Candlewood Suites	91	8,186	-	-	-	-	91	8,186
Atwell Suites	10	1,000	-	-	-	-	10	1,000
Other	-	-	16	2,779	-	-	16	2,779
America	1,077	109,986	44	6,876	-	-	1,121	116,862
Six Senses	-	-	17	1,179	-	-	17	1,179
Regent	-	-	4	664	-	-	4	664
InterContinental	3	442	28	7,065	-	-	31	7,507
Kimpton	-	-	6	1,092	1	155	7	1,247
Crowne Plaza	11	2,073	24	7,342	-	-	35	9,415
Hotel Indigo	14	1,462	26	4,190	-	-	40	5,652
voco Hotels *	8	1,464	9	4,756	-	-	17	6,220
Holiday Inn	38	7,137	81	18,799	-	-	119	25,936
Holiday Inn Express	80	12,852	32	6,197	-	-	112	19,049
avid hotels	1	215	-	-	-	-	1	215
Staybridge Suites	9	1,526	11	2,334	-	-	20	3,860
Other	1	160	-	2	-	-	1	162
EMEA	165	27,331	238	53,820	1	155	404	81,106
Six Senses	-	-	3	169	-	-	3	169
Regent	-	-	1	280	-	-	1	280
InterContinental	-	-	27	7,962	-	-	27	7,962
Kimpton	-	-	5	1,497	-	-	5	1,497
HUALUXE	1	220	21	5,960	-	-	22	6,180
Crowne Plaza	5	1,398	43	12,600	-	-	48	13,998
Hotel Indigo	-	-	24	4,324	-	-	24	4,324
EVEN Hotels	-	-	11	2,476	-	-	11	2,476
Holiday Inn	15	3,196	43	11,271	-	-	58	14,467
Holiday Inn Express	148	24,510	46	9,212	-	-	194	33,722
Greater China	169	29,324	224	55,751	-	-	393	85,075
Six Senses	-	-	25	1,770	-	-	25	1,770
Regent	-	-	5	944	-	-	5	944
InterContinental	6	1,127	59	15,891	-	-	65	17,018
Kimpton	4	886	28	5,162	1	155	33	6,203
HUALUXE	1	220	21	5,960	-	-	22	6,180
Crowne Plaza	21	4,564	67	19,942	-	-	88	24,506
Hotel Indigo	50	6,556	51	8,592	-	-	101	15,148
EVEN Hotels	15	1,866	11	2,476	-	-	26	4,342
voco Hotels *	8	1,464	9	4,756	-	-	17	6,220
Holiday Inn	150	22,679	125	30,230	-	-	275	52,909
Holiday Inn Express	676	80,465	78	15,409	-	-	754	95,874
avid hotels	207	19,068	-	-	-	-	207	19,068
Staybridge Suites	171	18,400	11	2,334	-	-	182	20,734
Candlewood Suites	91	8,186	-	-	-	-	91	8,186
Atwell Suites	10	1,000	-	-	-	-	10	1,000
Other	1	160	16	2,781	-	-	17	2,941
Total Pipeline	1,411	166,641	506	116,247	1	155	1,918	283,043

*Does not include three open and one pipeline hotel that will be re-branded to voco.

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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