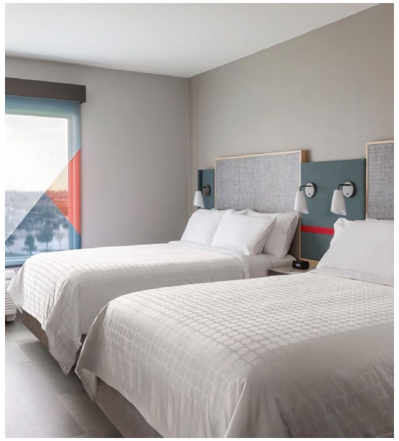
IHG
HOTELS & RESORTS


Intro to IHG
Investor Presentation

May 2024

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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IHG’s strong business model: sustainable competitive advantage

A leading global hospitality company with 6,300+ open hotels in more than 100 countries and a further 2,000+ in the pipeline representing +31% rooms growth

Well-invested portfolio and enterprise platform	High-value geographic and chain scale diversification	Asset-light, fee-based, mainly franchised	Robust pipeline delivering multi-year growth
Proven ability to capture structural demand and supply growth	Efficient cost base, increasing margins and growing earnings	Strong cash conversion and capital allocation	Built high barriers to entry

Underpinned by clear purpose, ambition and strategic priorities

OUR PURPOSE
WHAT WE DO

Provide True Hospitality for Good

OUR AMBITION
WHY WE DO IT

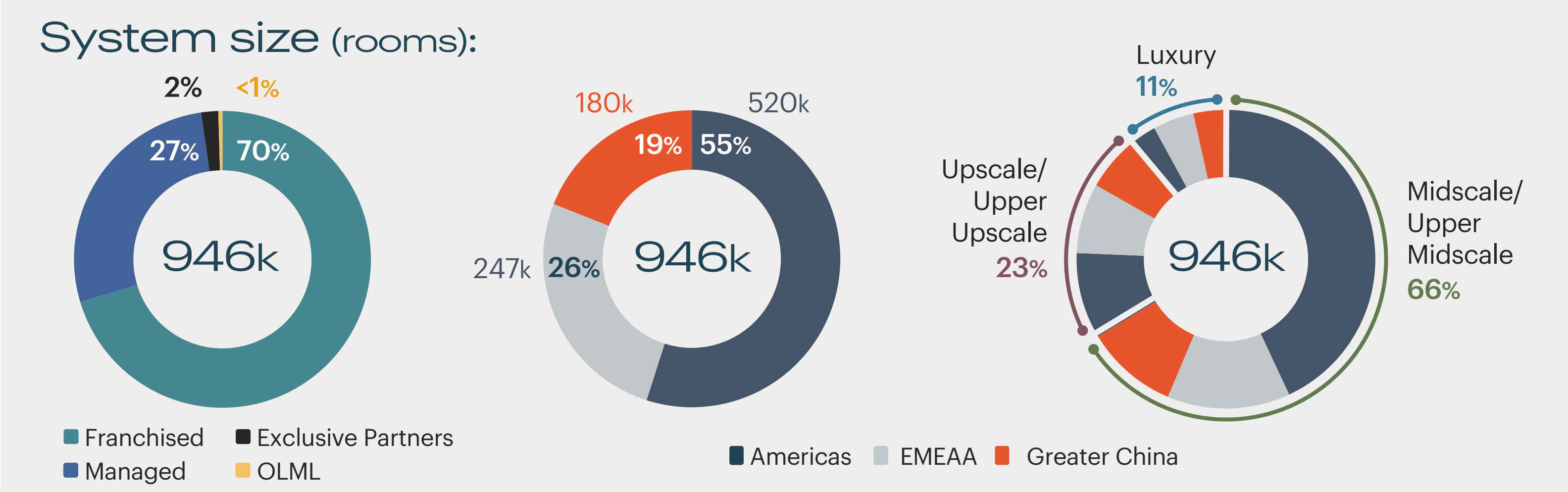
To be the hotel company of choice for guests and owners

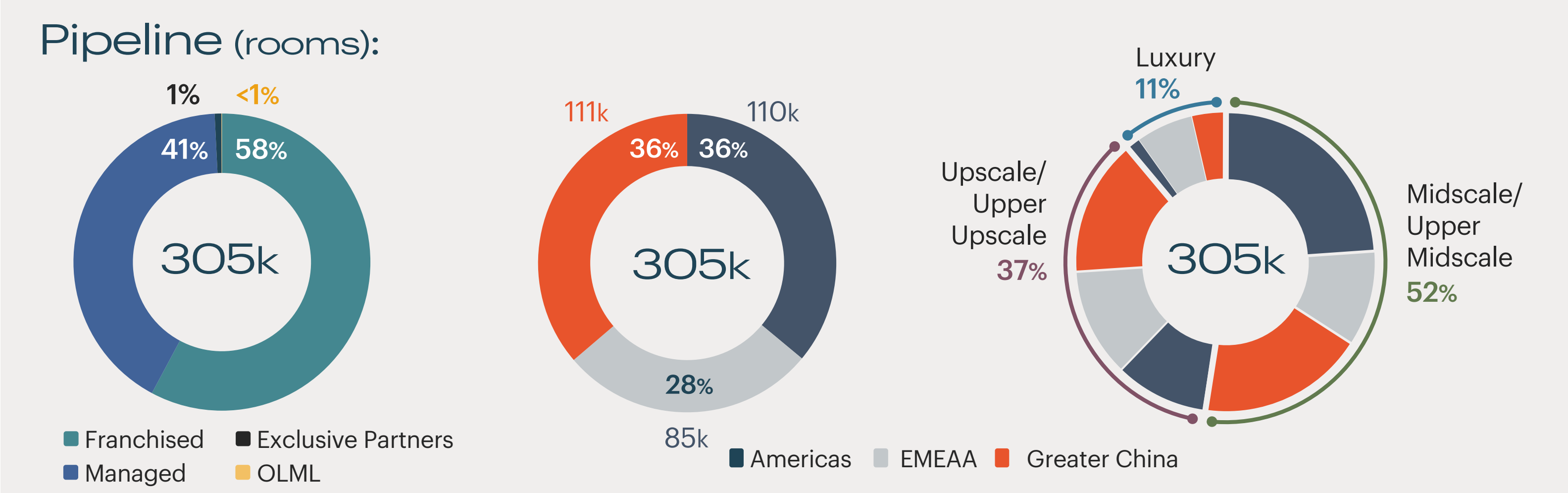
OUR STRATEGIC PRIORITIES
HOW WE MAKE IT HAPPEN

- RELENTLESS FOCUS ON GROWTH
- BRANDS GUESTS AND OWNERS LOVE
- LEADING COMMERCIAL ENGINE
- CARE FOR OUR PEOPLE, COMMUNITIES AND PLANET

Asset light, mainly franchised, and geographically diverse

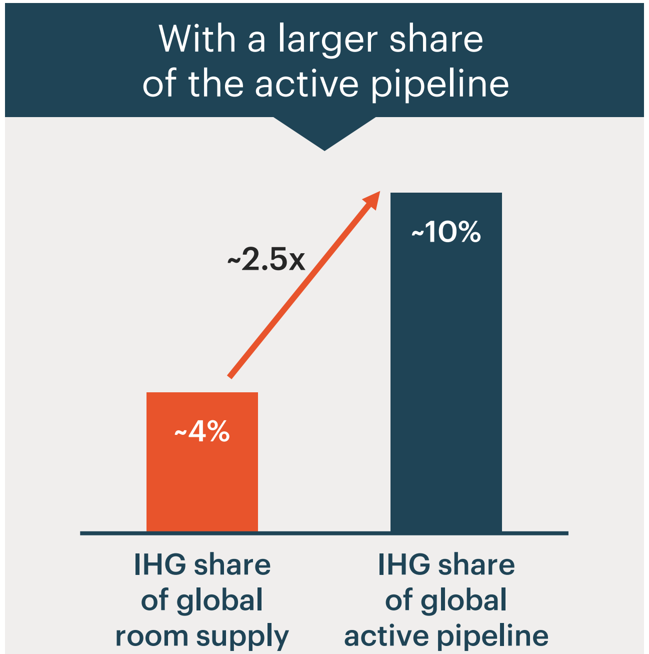
System size and pipeline





Note: data as at 31 March 2024

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



>40% of IHG pipeline under construction

Our asset light business model

Franchised 70%	Managed 27%	Exclusive Partners 2%	Owned, Leased & Managed Lease <1%
Fee revenue: **Royalty Fee:** fixed percentage of rooms revenue	**Fee revenue:** **Base Management Fee:** fixed percentage of total hotel revenue **Incentive Management Fee:** based on hotel's profitability or cash flows	**Fee revenue:** We receive marketing, distribution, technology and other fees for providing access to our enterprise platform.	We record the entire revenue and profit of the hotel in our financial statements. This 'asset heavy' element of IHG's estate has reduced from >180 hotels 20 years ago, to 17 hotels as of 31 March 2024.

Guests

Hotel

IHG fee revenue

System Fund

Hotel owner

Franchised
RevPAR
X
Rooms
X
Royalty rate

Managed
Fixed % of total hotel revenue as a management fee and typically a share of hotel gross operating profit after deduction of management fees

Exclusive partners
Fee streams similar to our asset-light model

Note: data as at 31 March 2024

Brand portfolio expansion since 2015

Nine brands added to our industry-leading portfolio through a combination of organic launches, acquisitions and commercial partnerships

IHG HOTELS & RESORTS

LUXURY & LIFESTYLE	SIX SENSES	REGENT	INTERCONTINENTAL HOTELS & RESORTS	VIGNETTE COLLECTION	KIMPTON HOTELS & RESTAURANTS	HOTEL INDIGO
PREMIUM		VOCO	HUALUXE HOTELS AND RESORTS 華邑酒店及度假村	CROWNE PLAZA	EVEN	
ESSENTIALS		Holiday Inn Express	Holiday Inn	Garner	avid	
SUITES		ATWELL SUITES	STAYBRIDGE SUITES	Holiday Inn Club Vacations	CANDLEWOOD SUITES	
EXCLUSIVE PARTNERS			IBEROSTAR BEACHFRONT RESORTS			

IHG ONE REWARDS

Legend

New Brand

Balanced portfolio mix of 19 preferred brands across segments

Luxury & Lifestyle and Premium now represent 29% of the system and 41% of the pipeline

	LUXURY & LIFESTYLE	PREMIUM	ESSENTIALS	SUITES	EXCLUSIVE PARTNERS
IHG SYSTEM	14%	15%	60%	9%	2%
IHG PIPELINE	22%	19%	46%	12%	1%
Brands	Six Senses, Regent, InterContinental Hotels & Resorts, Kimpton Hotels & Restaurants, Vignette Collection, Hotel Indigo	voco, Hualuxe Hotels and Resorts 華邑酒店及度假村, Crowne Plaza, EVEN	Holiday Inn Express, Holiday Inn, Garner an IHG Hotel, avid	Atwell Suites, Staybridge Suites, Holiday Inn Club Vacations, Candlewood Suites	Iberostar Beachfront Resorts

Note: data as at 31 March 2024

Our growth algorithm

Strong track record, recovery and potential for future growth compounding and sustainable shareholder value creation

	IHG's strong track record through to 2019	IHG's strong recovery 2023 vs 2019	IHG's strong potential looking ahead
RevPAR	+3.9% p.a.	+11% ahead	**HSD % CAGR in fee revenue** through combination of RevPAR and system growth
Net system size growth	+3.2% p.a.	System size +7% larger	
Fee margin expansion	+130bps p.a.	+520bps higher	**+100-150bps p.a.** from operating leverage, plus potential for additional improvements
Cash conversion	>100%	>100%	**~100%** adjusted earnings into adjusted free cash flow
Ordinary dividends	+11.0% CAGR	+21% higher	Continue **sustainably growing**
Total capital returned to shareholders	$13.7bn	Further $1.7bn returned	Continue **returning surplus capital,** whilst targeting financial leverage 2.5-3.0x
Adjusted EPS growth	+11.4% CAGR	+24% higher	**+12-15% CAGR**

Notes: track record of REVPAR, NSSG and fee margin are the average annual improvements and Adjusted EPS is the CAGR each for the decade through to 2019; cash conversion is cumulative adjusted earnings conversion into adjusted free cash flow for 2015 to 2019 and 2019 to 2023; ordinary dividends CAGR is 2003 to 2019; ordinary dividend for 2023 vs 2019 is that proposed for each year; total capital returned is cumulative for 2003 to 2019 and 2020 to 2023. Definitions for non-GAAP measures can be found in the 'Use of key performance measures and non-GAAP measures' section of IHG's FY23 results, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.

Continuing our capital allocation approach to routinely return surplus capital to shareholders: $500m 2022, $750m 2023, $800m 2024

#1: Invest in the business to drive growth

#2: Sustainably grow the ordinary dividend

#3: Return surplus funds to shareholders

Objective of maintaining an investment grade credit rating

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

As of 31 December 2023: **Net debt[1] $2,272m / EBITDA[2] $1,086m = 2.1x**

$750m buyback completed in 2023

10.6m shares repurchased at average price £55.88

6.1% reduction in share count to 165.2m at 31 December 2023

FY23: ~$250m ordinary dividends + $750m buyback = ~$1.0bn or 10% of opening market cap

1. Definitions for non-GAAP measures can be found in the 'Use of key performance measures and non-GAAP measures' section of IHG's FY23 results, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.

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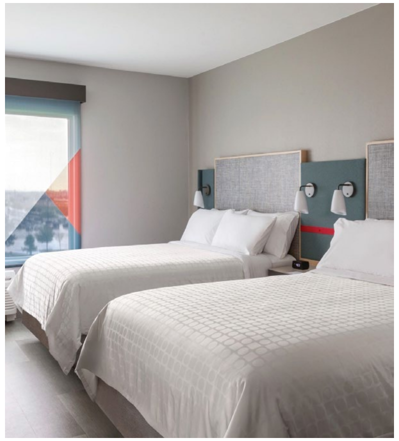

FY 2023 and Q1 2024

FY 2023

A year of strong financial performance, impressive openings and excellent signings; demonstrates the enduring attractions and benefits of our business model

RevPAR

- FY global RevPAR **+16% YoY;** +11% vs '19
- Q4 global RevPAR **+8% YoY;** +13% vs '19
- FY global ADR **+5% YoY;** +13% vs '19
- FY global occupancy **+6%pts YoY;** (1)%pt vs '19

System Size

- **946k** rooms (6,363 hotels)
- **+5.3% gross** system growth **YoY**; **+3.8% net** system growth **YoY**
- Opened **47.9k** rooms (275 hotels) **+16% YoY**[3]
- Signed **79.2k** rooms (556 hotels) **+26% YoY**[3]

Profit and Earnings

- **59.3%** fee margin[1], **+3.4%pts**
- **$1,019m** EBIT[1,2], **+23%**
- **$1,086m** EBITDA[1,2], **+21%**
- **375.7¢** Adjusted EPS[1], **+33%**

Capital Returns

- **$819m** FCF[1,2] ($565m in FY22)
- Total dividend **152.3¢, +10%**
- **$1bn** of capital returned in 2023; **10%** of opening market cap
- Leverage ratio of **2.1x**
- New **$800m** share buyback programme for 2024

Driving future system growth

- **Pipeline 297k** rooms, **+6% YoY,** and represents **>30%** of current system size
- **Q4** delivered the **third strongest** quarterly signings performance on record; **28.3k** rooms signed in Q4, **+50%[3] YoY**
- Continued growth of **Luxury & Lifestyle portfolio;** now **14% of our estate and 22% of pipeline**, around twice the size of five years earlier
- **Conversions 39%[3] of openings** and **36%[3] of signings** in 2023

1. Definitions for non-GAAP measures can be found in the 'Use of key performance measures and non-GAAP measures' section of the results announcement, along with reconciliations of these measures to the most directly comparable line items within the Financial Statements.
2. EBIT refers to operating profit from reportable segments; EBITDA as calculated for the Group's banking covenants; FCF refers to adjusted free cash flow.
3. Increase year-on-year and proportions of openings and signings presented excluding the benefit of the Iberostar agreement reached in 2022.

Q1 2024

Continued growth in RevPAR and development activity; further validation of the attraction of joining IHG's enterprise, and the power and efficiency of our model

Trading performance	• Group RevPAR +2.6% YOY • Regional RevPAR YOY: Americas -0.3%, EMEAA +8.9% and Greater China +2.5% • ADR +2.3% YOY; occupancy +0.2%pts YOY
Development activity	• Net system size growth +3.4% YOY; global system size of 946k rooms (6,368 hotels) • 129 hotels signed (17.7k rooms); global pipeline now 305k rooms (2,079 hotels), +6.6% YOY • 46 hotels opened (6.3k rooms); 3.5k rooms added across our Essentials and Suites brands and 2.0k rooms across Luxury & Lifestyle and Premium
Other highlights	• Agreement with NOVUM Hospitality in April, adding up to 119 hotels or +1.9% system growth • Changes to System Fund arrangements, improving owner economics and growth in ancillary fee streams • $239m of 2024's $800m share buyback programme completed to date, reducing share count by 1.4%

IHG HOTELS & RESORTS

IHG® HOTELS & RESORTS

SIX SENSES
REGENT
INTERCONTINENTAL HOTELS & RESORTS
VIGNETTE COLLECTION
KIMPTON HOTELS & RESTAURANTS
HOTEL INDIGO
VOCO
HUALUXE HOTELS AND RESORTS 華邑酒店及度假村
CROWNE PLAZA

IBEROSTAR BEACHFRONT RESORTS
EVEN
Holiday Inn Express
Holiday Inn
Garner
avid
ATWELL SUITES
STAYBRIDGE SUITES
Holiday Inn Club Vacations
CANDLEWOOD SUITES

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