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Stuart Ford, SVP Head of Investor Relations

Cautionary note regarding forward-looking statements

Hello and welcome to IHG's 2024 full year results presentation.

I'm Stuart Ford, Senior Vice President and Head of Investor Relations at IHG Hotels & Resorts, and shortly you will be hearing from Elie Maalouf, our Chief Executive Officer, and Michael Glover, our Chief Financial Officer.

Before we proceed, I am obliged to remind all viewers and listeners that the company may make certain forward-looking statements as defined under US law. Please refer to the accompanying full year results announcement and the company's SEC filings for factors that could lead actual results to differ materially from those expressed in, or implied by, any such forward-looking statements.

In addition, the presentation will refer to certain non-GAAP financial measures. Once again, please refer to the accompanying full year results announcement and the company's SEC filings for reconciliations of these measures to the most directly comparable line items within the Financial Statements.

The results release, together with the usual supplementary data pack, as well as the presentation slides accompanying this webcast, can all be downloaded from the 'results and presentations' section under the investors tab on IHGplc.com.

I would also draw your attention to the two additional announcements that accompanied the 2024 full year results – those were the announcement launching a new 900 million dollar buyback programme for 2025, and the announcement regarding our acquisition of the Ruby urban lifestyle brand. Both of those are summarised within the results announcement itself, and with further details within their own individual announcements.

Now, over to our 2024 highlights reel, and followed by Elie...

Highlights reel

Elie Maalouf, Group CEO

Elie Maalouf

Hello and welcome to IHG's 2024 full year results presentation. I'm Elie Maalouf, Chief Executive Officer of IHG Hotels & Resorts.

Speakers and agenda

I'll kick things off in a moment by sharing highlights from 2024, a year of excellent delivery on our clear framework to drive value creation. A framework which we set out in detail at our strategic update event this time last year.

Michael Glover, our Chief Financial Officer, will then provide a financial review, after which I'll share areas of progress on our strategic priorities.

FY 2024

2024 was a very strong year of financial performance, growth, and important progress against a clear strategy that is unlocking the full potential of our business for all stakeholders.

RevPAR grew by 3 percent for the year, driven by rate and occupancy gains, with good performance across Groups, Leisure and Business, and a strong finish in Q4.

We added 59,000 rooms to our system, taking our total estate to 987,000 rooms across more than 6,600 hotels. Gross system growth was 6.2 percent and net system growth was 4.3 percent, representing the third consecutive year of acceleration.

We signed 106,000 rooms across 714 hotels, 34 percent ahead of 2023 levels and equivalent to almost two a day, driven by strong momentum across our brand portfolio. This takes our pipeline to more than 2,200 hotels.

Our fee margin grew 190 basis points, contributing to a 10 percent increase in operating profit from reportable segments. Adjusted EPS grew 15 percent, supported by the 800 million dollar share buyback programme.

Today we launched a new 900 million dollar share buyback, which together with growing ordinary dividend payments, is expected to return over 1.1 billion dollars to shareholders in 2025. We're also very excited to announce the acquisition of the Ruby brand for 116 million dollars, extending our portfolio into the premium, urban lifestyle segment.

Now, let me handover to Michael who will take you through the details of our financial results.

Michael Glover, Group CFO

Michael Glover – Chief Financial Officer

Thanks Elie.

I'm Michael Glover, Chief Financial Officer for IHG Hotels & Resorts. Let me take you through some more detail on the great set of results our teams have delivered through 2024.

Financial performance overview

I'll start as usual with our reportable segments, which is the fee business together with the Owned & Leased portfolio of 16 hotels. Revenue was 2.3 billion dollars and EBIT was 1-billion-124-million dollars, representing growth of 7 percent and 10 percent, respectively.

Within this, fee business revenue increased 6 percent and fee business operating profit increased 9 percent. On an underlying basis, which measures growth at constant currency, fee revenues were up 7 percent and profit was up 11 percent.

Fee margin increased by 190 basis points to 61.2 percent - I'll touch on this in more detail shortly.

Interest increased to 165 million dollars, in-line with guidance. This reflects higher average net debt due to returning capital to shareholders, a slightly increased blended interest rate following a bond refinancing, and the interest charged in the year on the System Fund cash position.

The effective tax rate of 27 percent was also in line with guidance.

Earnings per share included the accretion benefit from the 800 million dollar share buyback programme we completed in 2024, as well as the annualisation of the previous year's 750 million dollar programme.

Through this combination of strong trading performance, fee margin progression, and accretion from buybacks, earnings per share increased 15 percent.

RevPAR, occupancy and ADR performance

Moving on to a summary of RevPAR performance.

The Americas finished the year strongly, with Q4 RevPAR growth of 4.6 percent leading to 2.5 percent for the full year. While ADR growth of 2 percent was the primary growth driver of this, the 0.3 percentage point uptick in occupancy demonstrates the robust demand patterns for the region. By sub-region, economic stability in the US pushed its RevPAR up 2 percent for the year, while Canada, Latin America, and the Caribbean saw growth of 9 percent.

We delivered another very strong quarter of performance in the EMEAA region, with RevPAR growth of 6.9 percent contributing to a full year performance of 6.6 percent. By major geographic sub-markets, 2024 saw growth of over 10 percent in East Asia & the Pacific, which included the benefit of inbound leisure travel from Greater China. There was 6 percent growth in both the Middle East and Continental Europe. And 2 percent growth in the UK.

In Greater China, where RevPAR was down 4.8 percent for the year. As I explained at the last Trading Update, year-on-year comparatives were especially tough in Q3, with RevPAR down 10.3 percent, as we lapped a particularly strong leisure performance in summer 2023. Normalisation then occurred as we progressed through the remainder of the year, with RevPAR easing to 2.8 percent down in Q4. Occupancy was actually up in the fourth quarter, and for the year was pretty much flat – it was the rate decline that drove the RevPAR performance, and this was principally due to higher rate leisure activity in 2023 moving outbound in 2024.

We remain very confident in the attractive medium and long-term growth outlook for Greater China, as reflected in the record level of hotel openings and signings seen in 2024.

So, taking the three regions together, our global RevPAR improved to growth of 4.6 percent in Q4, elevating the performance for the full year to growth of 3.0 percent.

Demand driver performance

This slide presents the Business, Leisure and Groups demand drivers, showing a breakdown of booked revenue, split by room nights and ADR.

Groups showed the strongest performance, globally up 6 percent, as this driver saw strong demand recovery in 2024. Elsewhere, it was particularly pleasing to see an increase in Leisure demand across all three regions, resulting in 3 percent rooms revenue growth. Business demand continued to perform well, with global rooms revenue up 2 percent.

So, on a global basis, all three demand areas showed positive rooms revenue growth.

Net system size growth of +4.3% YOY; strong acceleration of openings in Q4

Turning to system growth. Our openings in 2024 resulted in gross growth of 6.2 percent as 59 thousand rooms joined the system. This was 23 percent more than 2023, and the 24 thousand rooms added in Q4 was the second strongest quarterly performance in IHG's history.

18 thousand rooms exited the system, equivalent to a 1.9 percent removal rate. This is a little higher than the 1.5 percent average we generally expect, but we do not consider the slightly elevated removals seen in 2024 as an indicator of a longer-term trend. The somewhat lumpy nature of hotel exits simply means that there are occasionally fluctuations either side of the mean average.

Taken together, net system growth was therefore 4.3 percent.

Excellent signings performance; up +34% YOY in total, supporting future system growth potential

We signed a very impressive 106 thousand rooms in the year, up 34 percent on 2023, demonstrating the attractiveness of our brands across the chain scales. The signings mix drives the pipeline to be weighted 53 percent across midscale segments and 47 percent across upscale and luxury, which will continue to drive a more balanced system mix and fee stream over the coming years.

While we welcomed growth of 3 percent in the number of new build rooms signed, it was predominantly conversion activity which drove performance, with signings up 88 percent compared to 2023.

Americas highlights

Moving on now to give some further brief highlights for each region. I've already covered RevPAR, so let me touch on profit as well as openings and signings, starting with the Americas.

Operating profit for the Americas was 828 million dollars, up 2 percent, which closely matched the growth in revenue. Fee margin was down by a percentage point as we continued to invest for growth in the region, though as we've said before, there is still further runway for the Americas fee margin.

Gross system growth was 3.2 percent, with openings up 62 percent albeit on 2023's relatively low base. A typical removals rate of 1.6 percent meant that net system growth for the Americas was 1.6 percent.

Meanwhile, the 27 thousand rooms signed in the year were broadly in line with the strong performance of 28 thousand signed in 2023.

We maintained a pipeline of 109 thousand rooms despite the elevated level of openings in the year, and this represents future growth equivalent to 21 percent of the region's system size.

EMEA highlights

In our EMEA region, operating profit jumped 26 percent to 270 million dollars, outstripping the 10 percent growth in revenue. The increase in IMFs of 17 percent was clearly a factor in this, as was improvement in Owned & Leased profitability from a million dollars in 2023 to 12 million in 2024. Fee business margin was up 480 basis points – driven by strong trading and the growth in IMFs.

Gross system growth was 9.6 percent with the opening of 24 thousand rooms, representing the strongest annual performance ever delivered by the EMEA region. The NOVUM portfolio contributed 10 thousand of the room openings.

Over 50 thousand rooms were signed across the EMEA region in 2024 – again, a record performance, and more than double 2023's total. There were nearly eighteen thousand rooms that came with the NOVUM agreement as part of this, but even if you were to exclude these and Iberostar, signings were still up by 31 percent.

The EMEAA pipeline jumped 26 percent year-on-year, and now at over 100 thousand rooms represents 39 percent growth on the current system size for the region.

Greater China highlights

Moving on to Greater China, where operating profit of 98 million dollars was 2 percent up despite the challenging trading environment. This helped support margin growth which increased 130 basis points to 60.9 percent.

A record number of hotel openings in the year saw 19 thousand rooms join IHG's system, and gross growth accelerated back into double digits at 10.4 percent. Just over 5 thousand rooms left the system, resulting in a removals rate of 3 percent. This was higher than we'd typically expect, though simply reflects the lag of some hotels exiting post-Covid.

A record number of hotel signings saw nearly 30 thousand rooms added to the pipeline. Our broad progress across chain scales saw 93 hotel signings for the Holiday Inn Brand Family, as well as 27 Luxury & Lifestyle hotel signings. It was another strong year for Crowne Plaza too, with 17 signings underlining the continued strength of the brand in the region.

The total pipeline for Greater China is up seven percent, and is equivalent to 58 percent growth of current system size.

Fee margin +190bps ahead YOY, driven by EMEAA strong trading performance, cost control and non-regional ancillary fees streams

Moving to summarise on fee margin, which was up 190 basis points. Positive operating leverage from trading performance delivered 130 basis points of this, as fee revenue growth of 6 percent exceeded fee business cost growth of just 1 percent. On top of this, our margin was further enhanced around 60 basis points due to the previously referenced 25 million dollars of revenue from the sale of certain loyalty points and other ancillary revenues now being included within IHG's reportable segments. As a reminder, ancillary fee streams such as those relating to loyalty points sales and the co-brand credit card are within Central revenue and therefore do not contribute to the regional margin performance.

In 2025, there will be further step-ups in fee margin from the full effect of the change in arrangements regarding loyalty points sales, and from the new co-brand credit card agreements.

Cash flow: lower FCF and conversion at 94% due to planned higher spend in the System Fund and increased key money

Moving on to cash flow. IHG typically converts approximately 100 percent of adjusted earnings to free cash flow. In recent years, we've seen performance well ahead of that, with 2023 delivering record free cash flow of 837 million dollars at a conversion rate of 132 percent. This elevated cash conversion was partly due to the scale of inflows from the System Fund as a result of better than anticipated trading performance driving higher receipts.

We noted at the half-year stage our expectation for cash conversion to be lower than 100 percent in 2024 due to our planned spend down of the System Fund surplus, as well as higher key money outflows. However, initial cash inflows received in relation to the new co-brand credit card agreements improved this measure. We finished the year, therefore, with cash conversion of 94 percent, and expect to return to typical levels of around 100 percent cash conversion going forward.

Targeted capital expenditure to drive growth

A quick look now at capital expenditure in more detail. We have historically seen annual gross capex of up to 350 million dollars, and net capex – effectively key money and maintenance expenditure – of between 150 and 200 million dollars. Due to increased development activity, particularly in the Premium and Luxury & Lifestyle segments, and some key money on the Novum conversion portfolio, net capex was 253 million dollars.

Key money is the biggest component of our net capital spend, and it doubled in the year to 206 million. As a leadership team, we strive to ensure disciplined spend of our capital in order to deliver high quality growth. 2024 was a year in which a number of strategically important growth opportunities presented themselves, and we did not shy away from investing in this future growth, nor will we as we move forward. We expect key money and maintenance capex of 200 to 250 million dollars annually, we expect net capex to also to be around this range, and our guidance for gross capex continues to be up to 350 million dollars a year.

Continuing our capital allocation approach to routinely return surplus capital to shareholders – further \$900m buyback announced for 2025

Our strategy for uses of cash remains unchanged. After investing behind long-term growth, which is the foremost priority, we look to sustainably grow the ordinary dividend. In this regard, we are pleased to propose the final dividend will increase to 114.4 cents, representing ten percent growth. That rate of growth has been consistent for each of our dividend payments over the last three years.

A year ago, we announced an 800 million dollar buyback programme, which completed in December. This repurchased 7.5 million shares and reduced the share count by 4.6 percent. Together with ordinary dividend payments, we returned over one billion dollars to shareholders, which was equivalent to 7.1 percent of IHG's market capitalisation at the start of 2024.

We are pleased to announce that a new share buyback programme will commence immediately, targeted to return 900 million dollars in 2025. On a prospective basis, given expectations for growth in EBITDA and cash generation this year, and together with the acquisition of the Ruby brand for around 116 million dollars, we would expect this to result in leverage around the lower end of our target range of 2.5 to 3 times at the end of 2025.

Modelling considerations

Concluding then with a wrap-up of points for those who maintain forecast models of IHG's performance.

Interest costs will rise from 2024's 165 million dollars to between 190 and 205 million dollars given the increase in average net debt and the slightly higher blended cost of borrowing.

Our adjusted effective tax rate is expected to hold steady around 27 percent, in line with what we have just reported for 2024.

On Capex, as noted a moment ago, our normal course gross capex spend could total up to 350 million dollars, and our normal course net capex is a range of 200 to 250 million dollars.

And as a reminder, this slide also shows a summary of our growth ambitions over the medium to long term.

With that, let me now hand back to Elie.

Elie Maalouf, Group CEO

Progress on Strategic Priorities

Thank you, Michael. Now I'll share an update on our areas of strategic progress in 2024.

Our five areas of focus

I would group these into five areas.

First, we grew our system size and saw very healthy development activity across our brands, and we continued to outperform competitors on externally measured guest satisfaction index scores.

Second, we expanded further into priority growth geographies, driving increased development momentum in the US, delivering record hotel signings and openings in Greater China, transforming our footprint in Germany, bringing new brands to Japan, and expanding our pipelines in high growth markets like Saudi Arabia and India.

Third, we strengthened hotel owner returns, building on the commercial advantages of our industry-leading technology systems and overall enterprise platform.

Fourth, we delivered a step change in the outlook for ancillary fee streams through our new arrangements on the sale of loyalty points to consumers and exciting new co-brand credit card agreements in the US.

Finally, as Michael has already covered, our success in each of these four areas delivered increased profits, dividends, and the return of further surplus capital to shareholders.

Delivering on our growth algorithm

The progress made in these five areas drove an outstanding set of financial results, demonstrating the power of our growth algorithm.

Together, 3 percent RevPAR growth, 4.3 percent net system growth, a step change in ancillary fees, and positive operating leverage, drove a 10 percent increase in EBIT.

And with the strength of our cash conversion, which funded the additional 800 million dollars that we returned to shareholders through the buyback, we delivered adjusted EPS growth of 15 percent for the year. That performance is at the top end of what we laid out as the compound average that we are targeting for the business to achieve over the medium to long term.

We are confident of continuing to deliver on this growth algorithm.

Growing our brands

Now, let's delve into the progress we made against the five areas of focus in more detail, beginning with growing our brands.

Luxury & Lifestyle {1}

Starting with Luxury & Lifestyle, our six brands in this high fee-per-key segment represent 14 percent of our system size and 21 percent of our pipeline. Following strong development performance in 2023, we opened an additional 45 Luxury & Lifestyle hotels in 2024 and signed a further 88 properties. Each of our brands in this segment is delivering new signings and new openings in sought-after destinations.

With Six Senses and Regent, we've approximately doubled the number of open and pipeline hotels since acquiring those brands.

And, with InterContinental, the world's largest luxury hotel brand, we have successfully implemented an exciting brand evolution, which is contributing to revenue share gains, increased enterprise contribution, and impressive signings and openings activity. With a system of 227 hotels and a further 101 in the pipeline, InterContinental still has very strong growth opportunities ahead.

Luxury & Lifestyle {2}

Vignette Collection, just three years on from launch, already has 55 open and pipeline hotels. Our boutique luxury lifestyle brand Kimpton now has nearly 140, and Hotel Indigo nearly 300. This will take Vignette's and Kimpton's presence to around 25 countries and Hotel Indigo to around 45, demonstrating our success in internationalising our brand portfolio.

Premium

Now, turning to premium, which accounts for 15 percent of system size and 20 percent of our pipeline. This segment delivered another year of robust growth, with 55 openings and 95 signings. This included record room signings for voco and a strong performance for Crowne Plaza.

Essentials

Our powerhouse Essentials segment accounts for 60 percent of our system size and 47 percent of our pipeline. It continued to charge ahead with 213 hotel openings and an impressive 415 signings in 2024, driven by Holiday Inn, Holiday Inn Express, and our newest Essentials brand, Garner.

During the year, we invested in new Food & Beverage solutions for Holiday Inn, Holiday Inn Express, and avid, which drive hotel owner returns while improving the guest experience and strengthening the development proposition.

We are also very pleased with the performance of Garner, which reached 117 open and pipeline hotels just one year since launch. The first 23 open hotels are across the US, UK, Germany, and Japan - while the 94 pipeline properties will establish the brand in its next three countries. The strong owner interest, trading performance, and guest satisfaction scores gives us confidence in Garner reaching over 500 hotels in its first 10 years and 1,000 over the next 20.

Suites & Partnerships {1}

Turning to Suites and Partnerships, which together account for 11 percent of system size and 12 percent of our pipeline. In 2024, we launched new prototype options for our three suites brands, and we achieved great results with dual brand properties.

Our newest suites brand, Atwell Suites, also expanded its geographic scope in 2024, with its first two hotel signings in Greater China. We now have three of our eight Essentials and Suites brands in the region, creating scope for even more opportunities for growth.

Suites & Partnerships {2}

Finally, a note on the Iberostar Beachfront Resorts exclusive partnership, which saw the number of hotels in both the system and pipeline increase in 2024, and also two former Iberostar non-beachfront properties were added to our system in the Americas.

Net System Size Growth

Together, these achievements drove our strongest gross and net system size growth performance in five years. With over 40 percent of our pipeline currently under construction, removals expected to be around the 1.5 percent underlying trend going forward, and attractive long-term structural industry growth drivers at play, we remain confident in the momentum of our system growth.

We don't give formal guidance, but in 2025 we are targeting over 4 percent net system growth again. That would exclude the 0.7 percent impact from the end of the arrangement with the Venetian Las Vegas, which we updated you on back in October.

Large embedded annual fee revenue growth in our pipeline today

Our global pipeline now stands at approximately one third of our system size and has the potential to unlock half a billion dollars of incremental annual fee revenue. This, together with significant scope for further expansion in our priority growth geographies, also gives us confidence in our ability to deliver the high-single-digit fee revenue growth outlined in our growth algorithm over the medium- to long-term.

Today, we're also excited to announce the acquisition of Ruby, a premium urban lifestyle brand for modern travellers to must-visit city destinations. Let's take a look at this short video reel...

Ruby: highlights reel

Our newest brand: Ruby {1}

We're thrilled to bring this new brand into our portfolio and extend our presence into the premium, urban lifestyle segment. Ruby, with its stylish laid-back charm and soul, is already well established in Europe with a portfolio of 20 open hotels across 13 major cities. The open hotels will begin joining our system later this year, followed by an additional 10 hotels in the pipeline. Together, we anticipate these 30 hotels will generate approximately 8 million dollars of incremental fee revenue by 2028. And that's just the beginning.

With further development expected by the seller, and IHG's plans to expand the Ruby brand with other hotel owners globally, as we've successfully done with prior brand launches and acquisitions, franchise fees by 2030 are expected to be in excess of 15 million dollars.

Our newest brand: Ruby {2}

Ruby's cost-efficient space-saving designs, and high degree of operational standardisation and automation, enhance owner economics in an industry segment characterised by high barriers to entry. The brand is both new build and conversion-friendly, including successful office conversions. And it will now benefit from IHG's powerful enterprise platform and one of the world's most powerful hotel loyalty programmes, IHG One Rewards.

We anticipate scaling the Ruby brand to more than 120 hotels over the next 10 years and accelerating to more than 250 over 20 years across owners globally.

Expanding in priority growth geographies

Let's now turn to priority growth geographies where impressive signings and openings activity in individual countries is powering strong development activity across our three regions.

United States

Starting with our largest market, the US, which accounts for the majority of the Americas, as well as 46 percent of our global system size, and 28 percent of our global pipeline.

Development momentum accelerated in 2024 as owner sentiment improved against a backdrop of strong employment conditions, robust consumer spending, and a turn in the interest rate cycle.

We broke ground on 18 percent more hotels and nearly doubled the number of rooms opened as hotel construction continued to recover. This led to a 1.6 percent net increase in our system size. And, we signed 2 percent more rooms into the pipeline on top of a strong year of signings in 2023.

Conversions accounted for approximately half of all US openings and signings, driven in part by conversion-focused brands like voco and Garner scaling up and taking share. Our established brands also performed very well, driving nearly two-thirds of all signings and openings.

We are confident this momentum will continue into 2025, with future US growth underpinned by a pipeline representing 20 percent of current system size and 'in-the-year-for-the-year' conversion opportunities.

Greater China

Turning to Greater China, where our teams delivered a record year of development activity in 2024, with 97 hotel openings and 160 signings taking our system size and pipeline to all-time highs.

This momentum continued into the new year, recently celebrating our 800th hotel opening during IHG's 50th anniversary in the region. Our performance, which builds on a strong track record of compounding growth, underscores the strength of our enterprise platform and ability to grow across chain scales and locations within this vast market. And, we are continuing to invest in our capabilities in the region with our new Design & Innovation Lab in Shanghai, similar to our design centre in Atlanta, honing fresh prototypes for our Essentials and Suites brands to further power our growth.

Our pipeline, which represents nearly 60 percent of the region's current system size, shows the high levels of growth over many years still to come. We also remain confident in the long-term structural growth drivers of this market, which are underpinned by a rising middle class, growing appetite for both business and leisure travel, and the under-penetration of hotels per capita.

Germany and Japan

Turning to EMEAA and focussing on the four markets that drove our record development activity in 2024.

Starting with Germany where 2024 was a transformative year for us. In April, we announced the signing of a long-term franchise agreement with NOVUM Hospitality to convert 119 hotels to IHG brands, of which 111 are in Germany.

The agreement doubles our hotel presence in one of Europe's largest hotel markets, with strong domestic consumption and inbound travel, as well as being one of the largest sources of international outbound travellers globally.

Since the April announcement, we have signed an additional five hotels with NOVUM, underscoring the strength of our relationship and the future growth potential in this high barrier to entry market. And our acquisition of Ruby further strengthens our footprint with nine additional hotels in Germany joining our system and building on our existing network effect in this important market.

In Japan, we introduced three new brands in 2024, including the first three Garner hotels in Osaka and the first for the Vignette Collection. We also expanded the presence of our existing brands with the opening of our fifth Hotel Indigo. These exciting additions bring us to more than 50 open hotels across 10 brands, supporting our goal of doubling our system size in Japan over the coming years.

Saudi Arabia an India

Saudi Arabia today accounts for only two percent of our current global system size. However, its rapid pipeline growth and exposure to Luxury & Lifestyle and Premium brands strengthen our current and future fee growth potential.

We remain confident in the long-term growth drivers of this market, which will host numerous global events over the coming years, including the AFC Asian Cup in 2027, the Asian Winter Games in 2029, Expo 2030, and the 2034 FIFA World Cup.

Lastly, turning to India, we're making important progress in a market where long-term growth is fuelled by a rising middle class and increasing consumer spend on travel and tourism. Another year of strong signings in 2024 drove a 20 percent increase in our pipeline, which is now larger than our existing system size and therefore sets us up to double our presence over the next few years.

Each of these six markets offer meaningful scope to both widen and deepen our presence beyond our current open hotel and pipeline position today.

Enhancing hotel owner returns

Now, turning to the important progress we're making in strengthening our commercial engine to drive hotel owner returns.

IHG's industry-leading connected technology ecosystem

Underpinning the strength of our enterprise is our connected technology ecosystem. Our platforms, including our award-winning mobile app and ihg.com, drive value for owners through direct bookings, performance optimisation and guest experience solutions.

We have been building industry-leading guest reservation, revenue management, and property management systems, bringing these together to drive hotel performance and maximise owner returns. Later in the year we will provide you with a more in-depth review of our ecosystem, but let me touch on some of the latest progress.

Innovating our hotel tech stack

Our industry-leading guest reservation system maximises guest choice and value through the up-sell of unique room attributes along with more effective cross-sell of guest-stay extras. These up-sell capabilities, such as promoting larger rooms and better views, are available across the estate globally. Around 30 percent of guests are seeing an offer during their booking journey. When selected, these offers are achieving average nightly room revenue increases of around \$20 across our Essentials and Suites brands and \$40 for Luxury & Lifestyle. This is driving share-shift into premium rooms and more revenue to hotel owners. And, we will scale this further in 2025.

Next, our new revenue management system incorporates leading data science, machine learning, and forecasting tools to deliver advanced insights and recommendations to owners. This has been rapidly rolled out to over half of our estate in 2024, and we expect to complete the remainder by the end of 2025. User recommendation rates have been high, and results from control testing show encouraging levels of revenue uplift, as well as market share.

Finally, our new state-of-the-art property management systems are making core operational tasks even more efficient to create even greater value for owners. We deployed our new systems to more than 650 select-service hotels in 2024, and we plan to accelerate the rollout in 2025. We are also continuing with pilots to test new PMS solutions in full-service hotels.

Powerful loyalty programme is driving greater enterprise contribution

Now, turning to IHG One Rewards. Our loyalty members are our most valuable guests. They're 10 times more likely to book directly using channels such as our mobile app and ihg.com. They spend 20 percent more than non-members, they stay at our hotels more frequently, and growing numbers of them carry IHG co-brand credit cards.

In 2024, we grew IHG One Rewards to more than 145 million members, with enrolments up 13 percent year-over-year and 37 percent higher than 2019 levels. Globally, loyalty penetration now exceeds 60 percent of all room nights booked, and this figure is even higher in the US and Americas at around 70 percent. Reward night redemptions, a key indicator of member engagement, increased 8 percent year-over-year, and are around 30 percent higher than when the programme was refreshed in 2022, and almost 50 percent higher than 2019 levels.

We're also proud to share that our IHG One Rewards Mobile app recently received three Webby awards, including Best Travel App and Best User Experience, in recognition of its leading capabilities.

The strength of our loyalty programme and direct channels in turn is driving increased digital contribution and total enterprise contribution, generating more revenue for owners and lowering their costs. Our enterprise, across all the channels and sources we manage for our owners, is now providing hotels with 81 percent of all the rooms revenue booked.

Driving ancillary fee streams

Beyond improving owner returns, IHG One Rewards members are also a key driver of the valuable ancillary fee streams generated from purchasing points and using co-brand credit cards.

Co-brand credit cards

2024 was a record-breaking year for credit card applications. Total card customers also increased at double-digit growth rates year-over-year, and total card spend was around 25 percent higher than levels seen before the relaunch of card products two years earlier.

We expect continued growth in card spend and the number of card holder accounts. This, together with the new agreements signed with our financial services partners in November, is expected to drive approximately 40 million dollars of incremental annual fee revenue in 2025, and an additional 40 million by 2028.

Other ancillary fee streams

We also strengthened our ancillary fee streams in 2024 through new arrangements which bring fee revenue from point sales and certain other ancillary revenues into our reportable segments. This contributed around 25 million dollars to our annual fee revenue in 2024, and steps up with an additional 25 million in 2025.

Finally, we see meaningful fee growth potential from branded residential developments. We have more than 30 projects in the market across five brands and 15 countries, plus more in the pipeline.

In 2024, notable branded residential signings included Kimpton Monterrey in Mexico and the Regent Residences Dubai at Marasi Marina, along with several for Six Senses. We expect branded residential fees earned by IHG to increase in 2025, and expect substantial future growth potential in years beyond.

Our purpose, ambition and strategic priorities

To recap, we achieved notable milestones across our five areas of focus:

- Growing our brands,

- Expanding in priority growth geographies,
- Enhancing hotel owner returns,
- Driving ancillary fee streams,
- and delivering increased dividends and returns of surplus capital to our shareholders.

These areas of focus underpin three of our strategic pillars:

- Relentless focus on growth,
- Brands that guests and owners love,
- and Leading commercial engine.

We also had significant achievements related to our fourth strategic pillar, Care for our People, Communities and Planet.

Journey to Tomorrow

Starting with our people. We continue to invest in supporting and developing colleagues at all levels of the business, including through new tools and resources for IHG University. We were delighted that Forbes once again recognised IHG as one of the world's top companies for women, and to see IHG rated in the top 10 of the Financial Times 2025 Diversity Leaders rankings of 850 European companies. And our employee resource groups continue to grow around the world, extending to more than 5,000 members and allies across 36 chapters, helping to promote workplace inclusivity.

On communities, we announced a new partnership with Action Against Hunger in 2024 to help support their lifesaving outreach programme designed to spot and tackle malnutrition. As part of this, we will use our scale to help grow awareness of this critical issue with our millions of guests around the globe.

On Carbon & Energy, we continue to focus on reducing the environmental impact of our hotels, including launching our Low Carbon Pioneers programme – the first community of its kind in our industry designed to help us test, learn and share findings on energy sustainability measures.

Our work to improve the efficiency of our hotel estate has reduced both emissions and energy per available room compared to a 2019 baseline. However, the need for greater clean energy infrastructure in major markets, and our success growing and opening more hotels, has led to total emissions increasing, meaning we are not on track to meet our original target of reducing Greenhouse Gas emissions by 46 percent by 2030.

However, we remain committed to reducing emissions and will continue our many initiatives, working closely with our hotel owners, while at the same time continuing to evaluate our approach and performance in the rapidly changing sustainability landscape.

Today, on our corporate website, we have released a separate presentation by Catherine Dolton, our Chief Sustainability Officer, who goes through our Carbon & Energy pillar in more detail for you and the progress being made.

Our growth algorithm

To conclude, we are very pleased with the strength of our financial performance, growth of our brands, and progress made in 2024 against a clear strategy that is unlocking the full potential of our business for all stakeholders.

Specifically, we delivered against the growth algorithm outlined during our strategic update event this time last year, delivering:

- 2024 RevPAR growth of 3 percent,
- net system size growth of 4.3 percent,
- 190 basis points of fee margin expansion,
- adjusted EPS growth of 15 percent,
- and more than one billion dollars of capital returned to shareholders through dividends and share buybacks.

We remain confident in our ability to continue delivering the growth algorithm over the medium - to long-term, driven by:

- high single digit fee revenue growth,
- 100 to 150 basis points of margin expansion per annum from operating leverage,
- approximately 100 percent adjusted earnings converting into free cash flow,
- sustainable dividend growth,
- surplus capital returned to shareholders while targeting financial leverage between 2.5 and 3.0 times,
- and ultimately, delivering 12 to 15 percent adjusted EPS growth.

And with that, we thank you for listening to our 2024 full year results presentation.

Q&A

Intro to Live Q&A

Thank you, and welcome to this Q&A session. I'm Elie Maalouf, Chief Executive Officer of IHG Hotels & Resorts. Hopefully you've all had a chance to watch the results presentation which we made available at 7 o'clock this morning. It featured myself, along with Michael Glover, our Chief Financial Officer, who is here with me today.

Before we open the lines to take the first question, I will summarise our strong performance in 2024.

- Our RevPAR grew by 3 percent, with momentum improving across all regions in Q4.
- We delivered gross system growth of 6.2 percent and net system growth of 4.3 percent, representing the third consecutive year of accelerating system growth.
- We signed 106,000 rooms across 714 hotels, delivering a 34 percent increase in signings over 2023.
- We expanded our fee margin by 190 basis points, driven by 130 basis points of uplift from operating leverage and 60 basis points of uplift from new ancillary fee agreements.
- EBIT grew 10 percent and Adjusted EPS grew 15 percent.
- We completed our 800 million dollar share buyback programme, which, together with ordinary dividends, returned over 1 billion dollars to shareholders.
- Today, we announced the launch of a new 900 million dollar share buyback programme, which together with dividend payments is expected to return over 1.1 billion dollars to shareholders in 2025.
- And, we announced the acquisition of the Ruby brand for around 116 million dollars, a premium, urban lifestyle brand.

In summary, we made excellent progress on our strategic priorities and are confident in the strengths of our enterprise platform and the attractive long-term growth outlook.

And with that, let me turn it over to the operator to take the first question.

Jamie Rollo (Morgan Stanley): Thanks. Good morning. Three questions, please.

Just starting with the key money, if I may, you are talking about over \$200 million, well, it was over \$200 million last year and probably another bit this year. That is about three times what it was in 2019. I just want to work out if that is simply the impact of NOVUM and the high mix of luxury, or is there something else in terms of the competitive environment driving that?

And also, Michael, what is the sort of revenue impact from that? Because I think you deduct it off your fees, and we are now looking at a CAPEX figure running into the mid-teens percent of your fee income.

Secondly, you have a very good margin performance across the Group, but just in the Americas, that is down 100 basis points. You flag certain one-time costs. If you could please quantify that. And also, why were the fees in the Americas in the second half only up 1%, that revenue, when NUG was up about 2% and RevPAR was up around 3%?

And then finally, in China, you have clarified that the removals was a bit of a one-off, that 3%. However, the openings and signings were also down a bit in the fourth quarter. Do you see any changes just generally to the development picture in China? And should we still expect sort of high-single-digit net unit growth there this year? Thanks.

Michael Glover: Yes, Jamie, I will start with the key money. When you look at key money, yes, last year, we guided between \$150 million and \$200 million. It came in a little ahead of that.

This year, we are guiding \$200-250 million, but in total CAPEX, we are still within that \$350 million guidance we have given historically. So we still expect to come within that. And I think you have really three dynamics going on.

As we shift into Premium and Luxury & Lifestyle, that is driving a significant more amount of key money. In fact, nearly 40% of our openings in the year were in Premium and Luxury & Lifestyle. That is obviously driving it.

And of course, with NOVUM, we do not have many deals like that, where we get 17,000 rooms all at once. That has driven a bit of key money. That will have a little bit of an impact into next year as well.

And then I think the third factor that is maybe not as clear is as we have increased the number of conversions, those hotels do not stay in the pipeline as long as they have historically when you have a new build. And so, as you move forward with that, you are seeing that uptick in conversions happening and that key money accelerated in as a result of some of the conversion activity.

So in terms of competitiveness, I think we are actually still around the same amount that we give on a per-unit basis, and we have not really seen any creep from that perspective. So it is just really those three factors.

From a revenue impact of that, it is not as much as you would think. I think overall next year, I would say that increase in key money only has about a \$5-6 million impact on fees next year because, as you know, that key money is amortised over the life of the contract. The contracts tend to be very long, and therefore the impact in the individual year is not very significant.

I will go ahead and take the margin question in the Americas as well. Very comfortable with what we are doing in the Americas. We are investing in the Americas. We sat at roughly 82%. We were at a high, I think, in 2004. We were at roughly 84%. We still feel like the Americas margin continued to move up. We are certainly making some impact.

We are definitely making some investments there to continue growing. The openings tended to be a bit more back-ended-loaded, so you had the system size growth come in, which gives you a full-year number, but the fees did not have the full-year impact, and so we would expect those to come in.

I will pause and do you want to take the next question?

Elie Maalouf: Yes, let me just build also, no, we are confident in the outlook for our total capital guidance of \$350 million, but within that, the key money is driven by the factors that Michael mentioned, Luxury & Lifestyle, conversions, not really doing more key money per key or key money per deal, but it is the mix of deals, and that is good for our mix of fees, higher fees per key, and good for accelerating fees into the business because those conversions open more quickly. So we plan to continue that, and it is part of the mix that we are growing.

On the Americas beyond the fee margin, I would emphasise that we had 60% more openings. We had 13% more ground breaks. We had 9% more applications. So our brands are really on the front foot. Garner, which we launched, you know, a little over a year ago, almost 120 hotels open and in the pipeline around the world, strong signings in the Americas, and it is going to now bring openings in because they are conversion openings. So we think that is going to bring fees in and clearly help the margin.

Let me talk about China. Michael and I were actually there about three weeks ago with our team, spent a week there with our teams, talked to about 100 owners. I am not kidding, Jamie, literally 100 owners visited our properties, talked to our development team. We had a great year of signings in China last year. I mean, you can look at the quarter by quarter, but we had nearly 30,000 signings, record number of hotel signings, record number of hotel openings.

I was just on the call with our China team yesterday for a monthly review, and they are seeing the same continue into 2025. Very optimistic about it. It was a very strong Q2 last year. And I know sometimes the deals land where they land when you are talking about big transactions, working with our owners there. However, every single one of the owners that I met with to the person is enthusiastic about growing with IHG and felt pretty good. I know that some other sectors, some other industries in China are not doing as well, like residential real estate.

Travel and tourism and IHG brands are doing quite well. So there is nothing really to look at in the quarter-over-quarter. We think 2025 is going to be another strong year of signings and openings in China. Confident in the high-single-digit net unit growth in China for years to come. Not just given the fundamentals, but given our position in China, we inaugurated our 800th hotel when I was there. We have 550 under development. We introduced our third Essentials and Suites brand, Atwell Suites, where we have already signed a few deals for 2025 and we expect more. And when you look at it, you know, out of our six Essentials and Suites brands, we only had two in China, Holiday Inn and Holiday Inn Express. So there is more room for us to expand the map and grow even further.

Jamie Rollo: Great, thank you very much.

Vicki Stern (Barclays): Yes, morning. Firstly, I wanted to circle back on the key money question, maybe stepping away from your specific guidance and the components you pulled out there that are driving that higher next year. Just more broadly in the industry, I think there seems to be a bit of anxiety, that ultimately things are getting a bit more costly, a bit more competitive when it comes to key money.

I am just curious about the trends you are seeing. I think, Marriott were talking about even in the low end now in the US, there is a bit more requirement for key money. Just what are you seeing out there, even if that is not specifically what is driving your key money higher next year?

Second one is on fee growth. Marriott, were also calling out one of the reasons for their lower fee growth guide next year being that lower expected IMFs coming through in China. I am just curious sort of your perspective, I guess, firstly on the RevPAR outlet for China and then your view on IMS and whether those might be lower next year on 2025 versus 2024 for IHG.

And then just lastly, on the broader RevPAR outlook, I guess your US peers are guiding between 2-3%, 2-4%, your key US peers for RevPAR in 2025. Where are you thinking things might land, and if you could sort of give us a bit of a geographical lens on that? Thanks.

Elie Maalouf: Yes, excellent. Good to hear from you, Vicki. You know, I was just in the US a couple of weeks ago at the ALIS conference. Of course, as you know, I spend a lot of time back and forth between here and there. You know, we are not seeing that trend in our mainstream brands in our Essentials and Suites. You know, I mentioned Garner earlier. We have not been doing key money for Garner whatsoever in the US, and do not see a higher incidence of it in our Essentials and Suites brand. The market has always been very competitive, that is for sure. And I do not know that it is different.

Now, without really focussing on any specific companies, but if you are trying to enter a segment that you are not in or strong in, maybe you feel the need to participate differently or to create different incentives. However, we are well-established in the segments that we compete in Essentials and Suites in North America, in the US, and do not feel the need to do any more. You know, our signings made progress, our openings made progress, our ground breaks and applications made progress without really having to commit more in key money.

We are making not bigger commitments per key or per hotel, but it is by sector is in Luxury & Lifestyle and Premium. And that has been part of our strategy from the beginning. And we are persisting with it also in the US, where we had, let us just say, not the same distribution of Luxury & Lifestyle and Premium, made great gains. And opening some really halo properties, including Regent Santa Monica, New InterContinental in Seattle and so forth. And so those pay higher fees and pay for themselves. And we are quite pleased with that.

So we are not seeing the same trend that others, but maybe it is because of where they are participating today and where they are seeking to participate tomorrow.

In terms of China in general, and I will turn it over to Michael about the IMFs, we see a progression of our business in China. If you look at our RevPAR in the second half of the year versus the first half of the year, let us compare it to 2019, which was a baseline year. It was about a four to five point improvement in the second half of the year over the first half of the year. And occupancy was basically flat for us. And yes, rate came down, but a lot of that rate was really influenced by the strong outbound travel to Asia Pacific.

And that has continued in the first half of the year. And we benefit from that, frankly. Chinese New Year just concluded. All the data show record travel domestically, but also even more travel to nearby Asian markets like Japan, Vietnam, South Korea, Indonesia, Thailand, etc. And we benefit from those hotels there, especially the IMFs, as you saw in our figures last year.

I said last year that my sense was that China was bottoming out, digesting the over building in residential real estate. That is clearly the sense we have now. So we think clearly this year is going to be a better year for RevPAR in China than it was last year.

However, Michael, why do not you get into the IMFs more particularly?

Michael Glover: Yes, I mean, I think it kind of aligns with what Elie is saying. If you look at where we fit in 2024, we did \$178 million in IMFs, obviously much smaller than the company you mentioned there. We are definitely more of a franchise business.

However, if you look at that outbound travel out of China, actually, and you look at kind of those areas around EMEAA, EMEAA actually was up \$17 million in IMFs in the whole region. However, a lot of that went into Southeast Asia and we do have managed hotels there where we have been able to more than offset the decline of roughly \$7 million of IMFs in greater China.

And as Elie mentioned, as we started in January, the Chinese were travelling, and they were travelling really well as part of Chinese New Year. In fact, the extended Chinese New Year helped actually that outbound travel. And we saw really strong RevPAR growth in January.

Now, we need to see how it progresses but as Elie said, we feel comfortable about where China is going and where it is moving. So from an IMF perspective, we are not worried about going backwards in terms of feed growth there. We would still see that continuing to grow.

Elie Maalouf: Yes. And, Vicki, I think your last question was US RevPAR compared to what is out there from others and analysts. I think that you look at the projections from STR and others, they are in the high ones for this year, for 2025.

Frankly, we think 2025 can be as good in the US or better. We obviously had a very strong fourth quarter in the US at 4.1%, and we are pleased to see the acceleration. And so, you know, we do not give guidance.

However, if you look at the fundamentals that drive the US travel business, got good GDP in Q4, jobs report in January showed nearly record employment, unemployment coming down, financial markets are strong, consumer confidence is good, supply is not high going into 2025. And so the fundamentals for another good year of RevPAR growth in the US are there. And, you know, Michael can touch on it in some detail, but based on January and February, what we are seeing is at or ahead of what we expected.

Vicki Stern: Great. Thanks very much.

Jaina Mistry (Jefferies): Good morning. Thanks for taking my question. Three as well if I may. The first one is another, unfortunately, on key money.

I mean, you have hopefully given the breakdown by chain scale and segment. Is this key money more of a US phenomenon, or do you deploy it in Luxury & Lifestyle and Premium in Asia and Europe as well to the same extent? And going forward, do you expect key money to remain at that \$200-250 million level in 2026 and 2027?

And second question is on the Ruby acquisition. Congratulations. Do you expect Ruby to be earnings accretive in 2025?

And then just lastly on free cash flow. I wondered what your level of confidence is in achieving 100% free cash flow this year, given that you met it last year in 2024 with the healthy credit card inflows. I guess key money is expected to remain elevated in 2025 as well. So your thoughts there would be very helpful.

Elie Maalouf: Okay. So in terms of where we deploy key money, it is really no different than what it has always been. In the US, say, the Americas, it is in Premium, Luxury & Lifestyle, not really in Essentials and Suites where we are biggest. No different than it has been before, except, I will repeat that, our mix of deals and openings has purposefully, strategically moved further into Premium, Luxury & Lifestyle. That is why we added voco, Vignette, Regent, Six Senses. We have been growing Kimpton. And we are going to continue to do that. And then the conversion mix, which is now 50% of deals open and signed. And that moves up key money, but also moves up fees.

We are happy to pay the key money earlier because hotels are opening earlier versus pay three years from now on a new build. And there is a lower risk of, say, incompleteness of a project when it is a conversion versus a new build. We like them both. However, statistically, everyone will tell you there is a higher probability of opening with a conversion than there is a new build signing because years go on and things could happen.

As you move to the rest of the world, there is no different. In Europe, we have done key money before, especially when it is urban destinations or locations. And it continues, no more, no less than before. Clearly, when you get a package like the NOVUM deal, 119 total properties. And by the way, we have signed another five deals with NOVUM since then, which shows the growth and value of that agreement.

Everybody would do an amount of key money for that, and we did. As you move east from there, in the Middle East, you know, for Luxury & Lifestyle, again, not for mainstream and not for Essentials and Suites. Same thing in Southeast Asia. And in China, actually, we do not do key money in any category and have not, just the structure of the market. So the structure of the market has not changed. We are actually pleased that we are signing more hotels and opening more hotels.

Our signings are up a third year-over-year. Openings are up 23% year-over-year. And if that is coming in the categories where there is key money, like Premium, Luxury & Lifestyle, well, that is fine because that has been part of our strategy.

We have guided to \$200 million or more in key money for this year and for the next couple of years. I think it is going to then moderate back down as we get through the digestion of some really halo projects that are opening over the next couple of years, including the one that completed its opening last year, the Regent Santa Monica. And we have a few of those really halo projects that are establishing our brands in key markets.

However, I think that the amounts are driven by strategy, they are within our total capital guidance, do not change or affect our algorithm. In fact, when we put out our growth algorithm and the statistics that we shared with you last year at this time, that included in our knowledge and view already where key money was going to be headed for the medium to long term, driven by our growth, driven by our expansion, and the mix of our portfolio.

On Ruby, look, we are very excited about Ruby. Just really hits the spot, and in an area we have been looking. You have heard me talk previously about urban micro, and people ask me where would you look? I have mentioned urban micro, it is because we have been looking in that space and really preferring to acquire something so we can scale up much more quickly.

We have launched very successfully in Essentials and Suites, as you have seen with Garner, avid, Atwell. However, in Premium and above, we have generally bought and scaled very successfully. So this brand with 30 hotels open and in pipeline, in fact, it is 31 because just last week they signed a great property downtown Copenhagen, and there is more coming. We can see ourselves scaling this thing to 120 in 10 years, 250 in 20 years. And our track record with other brands shows that this is extremely feasible.

So in 2025, what we have said in our results presentation, there is going to be \$10 million of integration costs that are within our projections, and we do not expect to have a profit reported from that brand in and of itself. It does not really move our projections much at all, given its size and scale.

And then in 2026, you are going to start to see some fee accretion. However, look, this is a very attractive multiple. It was an off-market transaction. In 2028 when the open hotels stabilise, and many of them are really new, we are in mid-teens multiple on the acquisition. And by 2030, we are single-digit, like sub-eight multiple. So this is an attractive acquisition at an attractive price with a lot of growth potential for us.

Michael Glover: Thanks. And I will just pick up the free cash flow question, Jaina. I think if you look at our free cash flow and how it moved this year, we mentioned at the half-year that a large portion of the decrease at the half-year was related to the spend down of the System Fund surplus.

And of course, we have had a bit more of key money in 2024 come in. And then that was offset by about \$100 million of the signing bonus that came in, in 2024 from our various partners.

Now, as we look at 2025, we feel very confident in getting back to that 100%. One, we will not have the spend down of the System Fund surplus to go through again. The key money is normalising. That step-up is normalised. And then we also have another \$37 million that we received in January, actually coming from the co-brand credit card deal across all the partners. So I think we feel very comfortable as we move into the year and looking at where things sit that we would get back and get around 100% conversion, as we said, through our growth algorithm.

Jaina Mistry: Okay. Thank you.

Muneeba Kayani (Bank of America): Good morning. First question around net system growth. Your pipeline, 33%. I think in the video, you said you are targeting around 4% net system growth. How are you thinking about that? And could we see that kind of increasing to, say, a higher level of 5-6% - is the first question?

And then secondly, just on the cash return, the buyback is higher, and you have 10% dividend growth. Your leverage is at 2.3x, which is below your target range. How should we think about that buyback number growing and that dividend growing in the medium term?

And then thirdly, on Ruby, you have talked about your expansion, I think in the US and Asia as well. Just in terms of like the founder, what is the involvement going forward? And can you talk a bit about the incentive programme you have there? Thank you.

Elie Maalouf: Sure. Thank you, Muneeba. I will take the first one, last one, turn over the share buyback to Michael.

We are very pleased with our net system growth in 2024 and the trajectory. It is our third consecutive year of increasing signings, openings and net system growth. And we are confident in 4% or more in 2025. We do not give specific guidance, but we are comfortable in that or more. And so we think that the power of the brands that we have been developing, the ones that we are launching and acquiring, and the strength of our signings puts us in a position to continue to build that growth and keep reaching higher.

We would love to always do more. However, you have heard me also say that we want to do it thoughtfully. We want to grow profitably. We want keys with fees. And so whether we are doing partnerships or we are doing new deals, whether we are expanding into new markets, we are thinking of the whole algorithm. How does that net system growth drive RevPAR, which drives fees, that drive margin growth, that take us down to growth in EBIT and EPS. And we are delivering on that.

So we are delivering at the high end of our expectation in 2024. And we are confident doing that in 2025 with the system growth we got today. And we think we can do better too, which kind of leads me to Ruby because it is another tool in our arsenal to grow system in a space that we have been looking at hard, but we have not been participating.

We are in urban. We are in urban lifestyle with Kimpton, with Indigo, with voco, Vignette. However, we wanted this urban micro premium space. We think it is just a long-term structural trend across most of our markets. So yes, we are definitely going to take it outside of Europe, where it is well-established already. First, we are going to scale it up much more in Europe. And then we are going to go first to the US. And we said we would be there by the end of the year, ready for development, and then start going east from there. I will tell you, our development teams around the world and some of our owners have been pushing us to participate in this space. They are eagerly waiting for us to bring Ruby forward and internationalise it for them.

And you have seen us be successful with internationalising brands that we acquire. When we acquired Regent and Six Senses, since then, we have more than doubled the pipeline that we got, and we have made them extremely successful globally. Kimpton is now 140 hotels open and pipeline around the world, and it was just a domestic brand when we acquired it. So we kind of know how to do this. We may not be smart at many, many things, but this is something that I think we know how to do.

The founder, and he is the founder and principal, but not the only investor. He has got a handful of large institutional investors from Europe that are at the table with him. They are going to remain owning the properties, but developing more properties, which is a built-in engine for us to have growth in Europe. And they are highly committed to do it. And we built an incentive plan for them to do it that, frankly, is ambitious. However, the more they achieve against it, the better it is for us. It actually lowers the overall multiple, lowers the cost for the next property, the next room. So we are confident in growing the brand ourselves, as we have done with many other brands, by franchising it to other capable owners. However, we are confident they will achieve a substantial level of growth. Not sure exactly where on that ambition they will be, but the more, the better for us. And I was actually with them Friday night after finalising the transaction. They are very good at what they do. They have had a very strong compounded growth rate since they launched their brand in 2013, in the 40-ish percent. And they have got a very good pipeline of new transactions coming. So all this will be accretive.

Michael Glover: Great. And on the cash return, I think Elie and I have been very clear since we came in that we were going to return cash to shareholders. And if you look at what we have done in 2022, we did \$500 million. 2023, we did \$750 million. 2024, \$800 million. Now we have announced a \$900 million buyback. And so we have talked about being consistent with that and continuing to deliver that. And we plan on doing that in the future. And actually, if you talk about the future and you just look at where consensus sits today, consensus sits today at about \$1.237 billion. We think that is a little low right now because not all analysts have put in the effect of the co-brand credit card. In fact, I was talking with some of the analysts today that are around \$1.270 billion. I think that is about right in what we think.

And if you just look at kind of where that would take you based on our growth algorithm, you are at \$1.270 billion. And if you look at the interest changes that we have talked about all in, you are probably looking at earnings per share growth in the 17% range. We have told you today that we feel comfortable in the cash conversion and getting back to 100%.

Our net debt-to-EBITDA at the end of this year was 2.3x. With the Ruby acquisition and the \$900 million share buyback, we are talking about it being at the low end of our target range. So if you take all that together, I think you could surmise that it would be another year where we would continue to do share buybacks, assuming everything came in, and the Board decided that is what they wanted to do. However, we feel confident in that.

And if you look at that, that is actually ahead of our mid- to long-term growth algorithm. So I think we feel really good about coming into this year and what we potentially can deliver.

Muneeba Kayani: Thank you.

Jaafar Mestari (Exane BNP Paribas): Hi, good morning. Hi, I have got three, if that is okay. Firstly, on the adverse FX impact, \$16 million for the Group. Could you maybe roughly break that down by region? We tend to think of Americas as mostly USD, but was there a material headwind there on the smaller currencies? And then whether it was a positive on central costs, because a lot of them are still sterling, please?

And then just two related questions on your brand momentum on some of the newer brands. You have made some comments about Garner, Vignette ramping up strongly. On the medium term, where do you think they stabilise? If I take voco, probably your most successful organic launch as a unit, is Vignette 0.3x of a voco, once it is fully ramped up? Is Gartner 0.5x? And just related to that, what about the slightly older, the Even, the Hualuxe, the avid? If I just look at the pipeline, it looks like they are plateauing. Would that be roughly your view as well? Or do you think there is a second leg market where you can still launch them, or things you can do differently to re-accelerate these brands, please?

Elie Maalouf: Okay, well, thank you, Jaafar. I will leave the FX question to Michael. I will talk about the fun stuff. I will talk about the brands.

We are optimistic about the growth potential of all of our brands, and I will take them sort of in order here.

I mean, Garner, we said, would be 500 in 10 years, 1,000 in 20. I mean, we are already nearly 120 open and pipeline in about a year, so we think we are well on track. And it went international much more quickly and broadly than I thought. It is in six and seven countries, and it is very likely to be more countries soon. It is hitting that trend of a desire for conversions and quality mid-scale properties that want to join a strong system, and our system is increasingly proving itself to be among the best in the industry.

I mean, voco and Vignette are clearly, because they are an upscale and upper upscale, they are targeted for smaller but still very good end-state size, and they are on track. They are both exactly on track, although they launched either before pandemic or in the pandemic. voco is about 140 or so open and under development around the world.

And Vignette is on track between what is open or under development. The further up you go in the chain, the smaller the target size as you go to upper upscale and to luxury, but they are both on track to where we want. And they keep appearing in new markets.

Vignette's now in Japan. It is now in China. And we have got more coming. It is not just in the US and in Europe. Vignette's in the Middle East. And voco is in dozens and dozens of countries. So the map is wide for them, too.

Look, and Atwell Suites and avid are doing very well. You know, Avid is over 70 open, over 140 in pipeline, and it is only in one country. Now, well, I guess it is in Canada and Mexico, but it is only in one region. We have not taken it to Asia, to Europe, to China. However, we took Atwell Suites to China, and we think we have a long runway there, and it is growing very well in the US.

So, I mean, they are all on track. They have different trajectories based on where they are in the chain scale and the markets they participate in, but they are on track with the growth lines.

And so then for Ruby, we have its own track. It is not going to be vastly suburban or ex-urban, tertiary cities. It is really key cities and maybe the next level, not so much resort, but maybe a few resorts. And therefore, the dimension that we see for it is 120 in 10 years, 250 in 20. And we are starting with a very good base there, too.

So I would say I am excited about the power of all of them. However, as you see us broaden that portfolio and then broaden them geographically, you can see that we have many more avenues for growth. Even in 2024, we had dozens of instances where we took an existing brand but to a new market where it was not participating. And we still have many of those combinations done thoughtfully, done where the fees are right, where the profit is right, but with many more of these combinations to exploit.

Michael Glover: On the FX, yes, I mean, it definitely had an impact this year. We were 10% in operating profit growth. And then if you exclude the FX impact, it was 12%. So really solid growth, but it could have been even more except for the FX.

If you look at that impact from the Americas, it is roughly of the \$16 million, it was roughly \$5 million. EMEA was \$6 million. Greater China, \$1 million. And then across our overheads, around \$4 million. That is actually in the appendix. If you want to look at that slide, that is the currency impact. I think it is page number 64 in the appendix. So if you want to look at it there, it breaks all that out. It also breaks it out by the revenue.

Jaafar Mestari: Super. Thank you.

Jarrod Castle (UBS): Great. Thanks very much. Good morning, everyone.

Maybe three topical kind of questions. Firstly, just the US situation. I mean, how are you thinking about potential impact, a) from, you know, what is going on with removing some of the migrants? Is it potentially going to have an impact on employment costs or the ability for certain hotels to function? Maybe they are not IHG hotels.

And then secondly, obviously related to that, also the tariffs, be it on GDP or procurement. How are you thinking about that?

I guess switching to Europe, just any thoughts on, you know, if there is peace, Ukraine-Russia, would you look to push again in Russia? You know, just thoughts on opportunities.

And then lastly, you touched on ESG aspects, but can you talk a bit about how you are thinking about disruption caused by climate change specifically? I am thinking about recent events in California and Florida, you know, parts of the Med in terms of fires in Greece and floods, etc. How do you see that impacting your footprint both now and going forward in terms of how you are thinking about future signing? Thanks.

Elie Maalouf: Thank you, Jarrod. No, nothing casual about your topics today. Look, on the U.S., I would say we should all just take a deep breath and wait and see what actually happens. What are the final policies? What is the final status? What is the final effect?

Clearly, there is a lot of noise of what will be implemented, will not be implemented, what tariffs get applied, and then they are disappplied. So I just think we should just take a breath. And it has not been even two months. Actually, it has not even been a month since inauguration. That is in a couple of days. And let us just see what actually happens.

Generally, look, we have been in the US 80 years. Almost every time there is a new president from election, it is from the opposite party, with very few exceptions, almost every time in the last, you know, 75 years. And so we are used to a lot of change. Our businesses prospered. It actually prospered under the previous administration from 2024. It prospered under the current administration, which was the previous administration, between 2016 and 2020.

And if I look at the fundamentals of the US economy, they are still pretty solid. And whether there are as many pro-growth policies implemented or not, I think the underlying drivers of the US economy are less government-driven than they are industry-driven. I mean, the best technology in the world, highly educated population, strong infrastructure, strong financial markets, great propensity to travel, strong corporate sector, those things have a propulsion of their own. And we will just have to wait and see what the final status of these policies.

Also on migrants, let us just really wait and see what happens. It is a lot of talk, and we have not seen any effect in our hotels yet. And probably the wisest thing is to wait and see what actually happens, what changes in the context. There has been a lot of conversation around migrants and migration for years. It never has really affected our business. We operate with documented workers. That is our policy in our hotels, whether it is managed or franchised.

On the EU, we hope for peace. We hope for prosperity. We hope for growth in the EU and in the UK. We do not have any plans to go back into Russia at this point, whatever the outcome is of those discussions. However, hopefully, they bring a lasting peace.

And disruptions from climate change, look, we watch it very closely. We take a very serious view on not just ESG, but climate policy. And unfortunately, there are natural disasters that occur frequently.

We are in 100 countries. And I have to tell you that there is something unfortunately happening, whether it is a typhoon or a hurricane or a drought or an earthquake, quite frequently and sadly in our regions at all times. It has not disrupted our overall business. Yes, it may disrupt business in one part until it recovers. However, then our distribution, the 100 countries that we are in, our diversification usually carries us through. And even this last year, despite the hurricanes in Florida, the fires in LA, where I was just two weeks ago, typhoons in Asia, the net-net was not a disruption to our business. We are not saying that we wish for these events. We are just saying that we have got a lot of experience powering through them. And let us not forget that hotels, in most cases, are a place of refuge and comfort.

I got a letter from a chief executive of a major business in Los Angeles was very thankful that she and her colleagues could take refuge at the InterContinental downtown LA when unfortunately their homes were damaged in Pacific Palisades. We hope that none of this happens. However, we are always there for people when there are these events.

Jarrold Castle: Great. Thanks a lot.

Kate Xiao (Bernstein): Great. Thank you very much for taking my question. There is one question on, if possible, the recently announced co-lending agreement with one of the lenders in the US, Avana. I think the announcement was that there is a total commitment of \$250 million in construction loans for certain US-based projects. Can I please ask how much, what kind of level you are expecting from the IHG side? Is it like a 50-50 kind of agreement, or are you expecting less or a bit more? And what is the timeline for that capital you expect to be drawn upon?

And thirdly, do you see this as a temporary solution to just certain brands in the US? Or do you think this could be rolled out potentially as a recurring kind of aid to wider brands for them to stay more competitive with other brands in the market? Thank you.

Michael Glover: Okay. Let me take that, and then I will let Elie work on that or add on, if I miss anything.

First of all, it was something that Elie and I actually were working on in the Americas. And we have been trying to work it for some time, as we think it is a unique way to help owners grow. Unfortunately, Elie and I were not able to do it there, and the great team there now has been able to get it done once we left. So good on them.

And what I would really say, and the way to look at it is, you know, we are partnering with them. The vast majority of capital that goes out will be part of the Avana team. And their capital, we will provide support. However, it would be no more than what we would do with key money for any property. And so I would treat it within that \$200-250 million of capital guidance we have given. That was where it would sit.

So we are very comfortable with that and that approach. It does not put us at any further risk because we will be limited in our risk. However, that is how I would think about it.

And Elie, maybe you can just add on.

Elie Maalouf: I mean, as you know, going out of the pandemic, and then you had inflation, you had interest rates increases, it was harder for our owners to get projects financed. And we have always helped them putting together financing packages, telling the story to their lenders, describing the strength of the IHG brands and their enterprise. And that has been a very important source of help.

We partner very closely with our owners on getting through all the processes. And we thought this was an incremental thing we could do. Yes, the financial markets are improving, thawing out for new development in the US. We see that ticking up. And I have said for now a couple of years, it is going to tick up. It is not going to soar up. It is just going to tick up.

And it is ticking up as inflation and interest rates have stabilised, maybe not gone down as much as people would have liked, but they have stabilised at least. And so while we are sort of grinding up in new development financing, this could be a bit of an accelerator for certain properties and certain owners that we think we can support. However, we do not think we are taking any material risk here. And it is well within our guidance for capital.

Kate Xiao: That is very clear. Thank you very much.

Elie Maalouf: Thank you.

Andre Juillard (Deutsche Bank): Thank you very much. Good morning. Three follow-ups, very short follow-ups, if I may.

First one on Ruby acquisition, which seems to be pretty attractive. Is there a magic number in terms of brands? You are now at 20. If I compare you to Marriott, Accor, they are well above that number. What is the idea behind that? And what is the optimised number of brands you can manage?

Second question about leverage. You were mentioning that you would probably be close to 2.5x net debt-to-EBITDA at the end of 2025. Do you think about any change in your mid-term guidance, or do you still remain on the same number?

And last question, if I may, about tax rate. You have been guiding on 27%. If we listen to what Donald Trump has been saying, he was thinking about lowering the tax rate in the US. Do you have an idea or quantification that we could anticipate, or is it still early stage for that? Thank you.

Elie Maalouf: Well, thank you, Andre. I will take the first question on the brand portfolio.

Look, if the mere number of brands that somebody had was the measure of success, then valuations in the industry would be different than what they are. What really matters is having brands that are relevant to guests and to owners that you can scale in segments that are attractive.

So we think we have a very powerful portfolio today and even before that addresses the main segments that we want to grow in. However, we also know it is a dynamic industry, right? It is not a static industry. So your strategy cannot be static. Ten years ago, we had ten brands. However, in ten years, things changed. People's travel preferences change. And owners' desires to invest capital in different segments change. And we have to adapt with those. However, going to those segments where there is an intersection. An intersection is where there is strong demand by travellers and strong interest from owners to build. And where there is that intersection, we want to be at that intersection. And if we are not, then we want to go there.

We were not at the intersection of uber luxury, where many of our own InterContinental and Kimpton travellers were sometimes wanting something even more exclusive and going. So we went in with Six Senses and Regent very successfully, not because we wanted two more brands and tried to catch up with anybody else that was adding brands, but because there was shareholder value to create. And we have. And we have a lot with Six Senses and with Regent.

And same thing when you get to Essentials and Suites. We launched Garner, not because it was 2024, and we had not launched a brand yet. We saw a space, desire from owners who came to us and said, they would like to join us with their products. It was not quite a Holiday Inn Express, but if there was a conversion solution, etc. So we have been thinking about that for multiple years and then decided that was the right time. And it has been very successful.

So the urban micro space is one that has developed. It was not really much of anything ten years ago, but has developed as real estate prices have increased in centre cities, as people's propensity to travel has increased, as they have been looking for, yes, lifestyle experiences when they travel, but not necessarily just in their room. They want a great pied-à-terre where they land in a city with a smart design, a buzzy, dynamic public space, but not so much where it is not affordable any more. And so this urban micro space one that has been attractive to us, we have been spying it for some time, and we think Ruby is the best entry point in the industry for this. However, that is not because we were at 19 and wanted to be at 20. No, it is because there is a space of profitable growth for us to go.

So I think the industry will continue to be dynamic. I do not know that we will need anything in the near future, but I can tell you five years from now or whatever, as the industry develops, we will be looking at other intersections of guest demand and owner interest to participate in. And if there are no new ones, we have got a lot to grow from the brands that we have already. And if there are new ones, we will choose to participate.

Michael Glover: Yes, I think as we go to the net debt-to-EBITDA question and the change to the medium- to long-term algorithm, I just go back to our uses of capital remain unchanged. We are going to invest in the business. We have done that consistently, whether that is launching new brands or acquiring new brands, like we have just done with Ruby.

We intend to sustainably grow the ordinary dividend and then return excess cash back to shareholders. And, you know, the model is allowing us to do that and do that consistently. And we will continue to do that.

As I mentioned earlier, if you look at, again, where is consensus and where we think it could move to and what that looks like from an earnings per share growth perspective, certainly the co-brand credit card at \$40 million that we have talked about being incremental this year and the \$25 million from the point sales is pushing that to the top end and above those earnings per share targets that we laid out in that medium- to long-term growth algorithm. However, we think about this business for the long term.

And so as you think about the medium- to long-term growth algorithm, we feel like that is the right place to be. Now, obviously, there will be some ups and downs. It is a medium- to long-term growth algorithm. This, the credit card and the point sales, is going to push us over that kind of guidance. So that is a great thing. And it is good for our shareholders. We are just letting that flow through. However, we feel like that algorithm is the right place to be for us longer term.

And then in terms of tax, I just certainly would not put anything in yet and model anything. We have shared today that we feel like modelling at 27% is the right tax rate for now. Let us wait and see what happens and what gets approved and all that turns out. And as soon as we do, we will let you know how to model that differently.

Andre Juillard: Thank you very much. Maybe one follow-up on the brand portfolio. I perfectly understand that 20 is not a magic number, but just wanted to understand if you had an opportunity with Ruby on the urban segment. However, with Iberostar, I think that it was quite interesting to see you moving on the result side.

Do you still feel that there is some potential, some growth potential on that segment as well?

Elie Maalouf: Look, we are excited about the opportunities that the Iberostar relationship has opened up. And we grew it again in 2024, which has given us access to dozens and dozens of beachfront resorts that were not part of our system. And our guests appreciate that now that they can earn and burn loyalty points there and book directly through our channels.

And in our over 400 Luxury & Lifestyle properties that are being developed around the world, there are many, many that are resort properties in North America, especially in Asia, in China, in the Middle East. There is just a collection of resorts that has been opening and that is coming. And some are beachfront resorts, some are mountain resorts. I mean, last year we announced Six Senses Telluride in Colorado. We opened Regent Santa Monica in the LA region. We opened Regent Phu Quoc in Vietnam. We opened Six Senses Kyoto, sort of an urban resort. I mean, Indigo in the Galápagos and Indigo in the Grand Cayman. I mean, it is just a rolling thunder of great resorts that are coming and that have been coming.

So I mean, the map is very wide when you start talking resort. Yes, we are excited about it. And there is more we can do with our brands. And look, if we find another brand opportunity that is differentiated from what we do, we will certainly look at it. Obviously, we take a look at everything out there.

As you have seen, we are pretty thoughtful about what we buy. We do not rush into anything. We try to do it where it is a differentiated offer in our portfolio. We are very careful to find things that are valuable.

We do not overpay. We think that the multiple here in the mid-teens going in and quickly going down to single-digit is very attractive. So we are confident in our organic growth potential in resort and elsewhere, but always looking for what else can happen.

Andre Juillard: Very clear. Thank you very much.

Alex Brignall (Redburn Atlantic): Good morning. Thank you for taking the question. Just one on net unit growth, please.

The general theme of the quarter so far, the full year reporting is disappointment on net unit growth from, I guess, across the peer set with a lot of your peers who gave long-term net unit growth guides, sort of including within their guide things that they have either acquired, one even included the hotel that you gave away, the Venetian within what they called organic. And if we look at your numbers and take off NOVUM, which obviously you paid some money for last year in terms of the deal structure, then you are in the sort of mid-threes, even if we add back the Venetian. So if we look forward and given that occupancy in the US is still several hundred basis points below where it was in 2019, why does net unit growth need to get back to where it was? And do we just need to adjust to the fact that it is just going to be lower?

It seems to be a sort of adjustment that lots of people are saying is temporary, but that just seems a good reason why net unit does not need to be as high, given the demand environment. And it seems to be just pushed up by these little deals. Thank you.

Elie Maalouf: Yes. Thank you, Alex. Good to hear from you. Look, I will not speak for others, what they guided to and what they have adjusted to. And what I will tell you from our point of view, we are actually pretty confident and pleased with where we are at and where we can go.

The Venetian we discussed openly at Q3 was a legacy transaction, did not earn the company any money. We are doing things differently today. And we are very grateful for the relationship we had with them, but we are both going in different directions, and that is just fine with us. However, we were confident in the progression that we made in 2024 over 2023. Even if you did not count NOVUM in signings and openings, it was a progression. However, I would not characterise NOVUM as something similar to some of these other partnerships and acquisition. It was neither a partnership nor an acquisition.

It was a franchise deal, just happened to be 119 separate individual franchise deals. And so there are 20 agreements, they pay full fees, they pay full system, there are no termination rights, and it is growing even further from there. It is not a pay for performance.

It is none of those things that you may or may not have excluded from the numbers of others that should lead to any disappointment. So we do not exclude it from our underlying performance return. We do a lot of conversions in every given year and maybe none necessarily right away of the same scale. However, when you add them all up, it is still a lot of conversions that they could roll up to a big number. And I am confident they will roll up to a big number in 2025 also. So we are confident in the guidance we have given for 2025 at 4% or above.

And it is consistent with where we have been and always inching up and moving forward. It will be our fourth year of solid net system size growth and growing. And if the others have had to change the expectations or meet them in different ways, that is not down to us.

Our algorithm works at the current net system size growth and will work better as it keeps moving up. As you can see, I think where there have been further questions, Alex, is where the changes in net system size growth have not led to the bottom of the algorithm outcome. In our case, that is not the situation. We delivered 15% EPS growth and 10% EBIT growth with clean, clear net system size growth and RevPAR that has been accelerating. So we are confident and continuing on the track we do.

In terms of the industry, occupancy, yes, is a point or two in the US, but rate is strong. However, supply is low. Supply is low and demand keeps growing. And the supply has been constrained by a restrictive financing environment. And you can see that our signings keep growing and those in the industry keep growing. There is demand from owners to build. There is demand from guests to travel. However, the financing market has been thawing out gently. And that is why our signings keep growing in the US, and our openings keep growing in the US. They are not a V-shaped recovery, but they are growing. And that means that demand is there from travellers.

Demand is there from owners. And it is going to continue to build, I think, to be back to where it used to be at a stabilised basis. Maybe not the peak years, but on a stabilised basis.

Alex Brignall: Fantastic. Thank you. If I could just tie it back to key money. Obviously, the NOVUM deal had an element of cash contribution in terms of the conversions. And there is been several questions asked about key money, so we do not need to ask about them any more. However, just in terms of the way that these deals are being structured, we have seen some that are done with a sort of OTA-style fee structure.

When you look out at these deals, you have done particularly well at the ones that you have done. Is it hard to find them where you sort of are happy with the terms being offered? Are you finding other people that are being sort of just taking the rooms because they just want the rooms? And as you said, it then does not end up in fees. Are you just being particularly selective in the ones that you do in a market where others maybe are not being so selective?

Elie Maalouf: Look, again, I will not comment what others are doing and why they are doing it. What I will say is we are not interested in keys without fees. We are interested in growing the value of our business for our shareholders.

And now there are varying fees by market, varying fees by asset class. There are certain incredible halo assets, which may have a different fee structure, but they have got to be creating value for us. Otherwise, we are not going to participate.

When you say the OTA-type of agreements that we have made, I am not aware that we have made any recently.

Alex Brignall: Sorry, I was referring to your peers that have done them.

Elie Maalouf: Okay, well, we will not comment on what they have done. What I can tell you is that we look at a lot of stuff that gets brought to us, and we are very selective about what we do and what works. It has got to contribute to our growth algorithm on the medium to long term, or we do not consider it.

Sometimes key money is involved, but that is only when we still feel like we are getting a substantial level of value. And you know this, Alex, we have said it before. We could go from our growth today to 7% growth – to 6% net unit growth by just having done some of the deals that we would have seen in the last couple of years.

I know it would not create any value, but it would have been a distraction. Instead, we focused our people on growing in the right way in the right markets and on doing the transactions like Ruby, like NOVUM, that are long-term, that are accretive, that pay fees, that are at a good value, that I think build great shareholder value. Or launching Garner, where for very little capital, we are now at nearly 120 hotels open and pipeline in six or seven countries, and I think we are just getting started. Michael and I only have so much time in the day, and when we are allocating it to the higher value opportunities, I think it pays off for everybody.

Alex Brignall: Fantastic. Thank you.

Elie Maalouf: Well, thank you, everyone. It has been really great to connect with you today, update you on our 2024 full-year results and strategic priorities. We are very proud of what our teams have accomplished in the past year, and we remain very confident in our ability to continue delivering on our strategy and driving shareholder value going forward.

Our next market communication will be our first quarter trading update on Thursday, 8 May. Thank you for your time and interest in IHG, and I look forward to catching up with you soon.