IHG FY25 RESULTS PRESENTATION AND Q&A TRANSCRIPT

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Stuart Ford, SVP Head of Investor Relations

Hello and welcome to IHG's 2025 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, 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 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 results announcement and SEC filings for reconciliations of these measures to the most directly comparable line items within the Financial Statements. The results announcement, 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.

Now, over to our 2025 highlights reel, followed by Elie…

Elie Maalouf, CEO

Hello, I'm Elie Maalouf, Chief Executive Officer of IHG Hotels & Resorts. Welcome to IHG's 2025 full year results presentation.

I will kick things off in a moment by sharing highlights from the year, a period of excellent financial performance and further progress on a clear strategy that's unlocking IHG's full potential for all stakeholders. Michael Glover, our Chief Financial Officer, will then provide a financial review, after which I will share areas of progress on our strategic priorities.

We delivered excellent financial performance in 2025. RevPAR grew by 1.5 percent, driven by rate and occupancy gains, reflecting the breadth of our global footprint and the diversification of our demand drivers.

We opened a record 443 hotels in the year to take our total estate to more than 6,900 hotels and over one million rooms. Gross system growth was 6.6 percent and net system growth was 4.7 percent, representing the fourth consecutive year of accelerating growth.

We signed 102,000 rooms across almost 700 hotels, 9 percent ahead of 2024 levels when excluding the Ruby acquisition and NOVUM conversions. Signings were driven by strong momentum across our brands, and our pipeline now stands at almost 2,300 hotels, representing 33 percent future rooms growth.

Our fee margin grew by 360 basis points, further increasing operating profit, and EPS grew even faster, supported by 2025's 900 million dollar share buyback programme.

Today we're pleased to launch a new 950 million dollar share buyback, which together with growing our ordinary dividend payments, is expected to return over 1.2 billion dollars to shareholders in 2026. Cumulatively over five years, this will mean IHG has returned more than 5 billion dollars to our shareholders.

We're also very excited to announce the launch of our new Premium collection brand, Noted Collection. Together with the acquisition of Ruby, this new brand will further strengthen our portfolio and growth potential in the critically important Premium segment. More on this later.

Altogether we delivered another excellent set of results, demonstrating the strength and resilience of our business model and the power of our growth algorithm, despite some turbulent trading conditions. RevPAR growth, system growth, and margin expansion collectively drove a 13 percent increase in EBIT. And, with the strength of our cash conversion which funds our investments, dividends and share buybacks, we delivered adjusted EPS growth of 16 percent.

This performance is above the top end of what we laid out as the compound average that we are targeting over the medium to long term. And we are confident as we enter 2026 that we will continue delivering on this growth algorithm going forward.

Let me now handover to Michael to take you through the details of our financial results.

<u>Michael Glover, CFO</u>

Thanks Elie. I'm Michael Glover, Chief Financial Officer for IHG Hotels & Resorts. Let me take you through some more detail on a great set of results for 2025.

I'll start as usual with reportable segments, which includes the fee business and our Owned & Leased portfolio of 17 hotels. Revenue was 2.5 billion dollars and EBIT was 1-billion-265-million dollars, growing 7 percent and 13 percent, respectively. Within this, we saw similar trends in fee business revenue and fee business operating profit, which also increased by 7 percent and 13 percent, respectively. Fee margin increased by 360 basis points to 64.8 percent - I'll touch more on this excellent performance shortly.

Adjusted interest increased to 200 million dollars, which was at the midpoint of our guidance range of 195 to 205 million. Our adjusted tax rate was 27 percent, unchanged from the prior year.

Adjusted earnings per share includes the accretion benefit from the 900 million dollar share buyback programme executed in the year, as well as the annualised impact of 2024's 800 million dollar programme. The combination of strong revenue growth and fee margin progression, together with the accretion from buybacks, resulted in EPS increasing by an impressive 16 percent.

The total dividend is proposed to increase 10 percent, consistent with the growth rate in each of the past three years.

Moving on to a summary of RevPAR performance. Americas RevPAR grew 0.3 percent for the year, with a 0.5 percent increase in rate more than offsetting a slight 0.1 percentage-point decline in occupancy. After strong growth of 3.5 percent in Q1, RevPAR declined 0.5 percent in Q2 with the shift in timing of Easter between March and April, and the onset of reductions in certain types of business and leisure travel in light of macro-economic developments. RevPAR declined 0.9 percent in Q3 and by 1.4 percent in Q4 when there were tougher year-on-year comparatives due to hurricane-related demand in the 4th quarter of 2024. Outside the US, RevPAR for the year grew 4 percent, with Canada, Mexico and the Latin American & Caribbean sub-region all delivering growth.

In EMEAA, RevPAR grew 4.6 percent for the year, with occupancy up 1.6 percentage points and rate up 2.4 percent. In Q4 RevPAR accelerated strongly to 7.1 percent, driven broadly evenly by increases in occupancy and rate, and with good growth in each of Business, Leisure and Groups. By major geographic markets, full-year RevPAR growth ranged from 1.1 percent in the UK, to 4.2 percent in Continental Europe, 5.5 percent for the East Asia & Pacific sub-region and just under 9 percent in the Middle East.

In Greater China, RevPAR for the year declined 1.6 percent, with occupancy up 0.5 percentage points and rate 2.4 percent lower. The RevPAR decline of 3.5 percent in Q1 was followed by 3.0 percent in Q2, further improving sequentially to a 1.8 percent decline in Q3, before returning to growth of 1.1 percent in Q4, with notable improvement in Leisure demand.

This slide shows the Business, Leisure and Groups demand drivers, presenting booked revenue broken down by room nights and ADR. Global rooms revenue for Business bookings grew 2 percent on a comparable hotels basis, driven by both room nights and rate. Groups revenue increased by 1 percent, predominantly due to rate, while Leisure revenue was unchanged year-on-year, with both occupancy and rate broadly in line with 2024's strong performance.

Turning to development activity. Gross growth was 6.6 percent, as a record number of hotel openings saw over 65 thousand rooms added to the system, 10 percent more year-on-year. Just over half of all openings were conversions. 26 thousand rooms left the system, equivalent to a 1.9 percent removal rate when adjusting for The Venetian. This is slightly higher than the 1.5 percent average we generally expect, though not indicative of a longer-term trend. Higher removals in China, reflecting lagged post-Covid exits, combined with the natural lumpiness of exits elsewhere, led to this temporary variance. Taken together, reported year-on-year net system growth was 4 percent, or 4.7 percent when adjusting for The Venetian.

We signed over 102 thousand rooms in 2025, a 9 percent year-on-year increase when adjusted to exclude the Ruby acquisition and the prior year's NOVUM agreement. Pleasingly, both new build developments, up 8 percent, and conversion activity, up 10 percent, contributed to this performance. A little over half of all signings were new builds.

Moving to cost control. As I noted at our Half-Year Results, IHG has maintained a disciplined approach to cost management for many years, with this mindset embedded in how the business operates. Through process redesign, greater leverage of centralised support, and enhanced use of technology — including AI — we continue to build a highly efficient, scalable cost base, with step-change savings delivered in 2025 that are sustainable over the long term. Set-up expenditure to realign our business in this manner resulted in an exceptional cost within the fee business of 12 million dollars. This delivers a cash-on-cash payback within 12 months, with further savings thereafter.

These actions, alongside those taken in previous years, are therefore already yielding results. Fee business overheads of 666 million dollars in 2025 were 23 million lower than in 2024 — a reduction of 3 percent. Going forward, this sets us up to continue holding overheads growth to a lower rate of increase than revenues, and therefore driving further margin expansion.

Moving then to fee margin, which increased by a very pleasing 360 basis points. This was achieved through a combination of improved core operating leverage — including the disciplined cost management I highlighted — and step-ups in ancillary fee streams.

As a reminder on those step-ups – in 2024 we announced that revenue generated from the sale of loyalty points would begin to flow directly to IHG. Initially, 50 percent of these revenues were recognised in 2024, representing an incremental 25 million dollars to IHG, with 100 percent of revenues – and therefore a further 25 million step-up – recognised in 2025. This delivered an uplift in margin equivalent to 50 basis points. We've also seen a step-up in co-brand credit card fees. When we announced the new arrangements in November 2024, we said we expected an incremental 40 million dollars of co-brand revenue in 2025. This was achieved, and delivered a further margin uplift equivalent to 80 basis points.

Historically, IHG's Central costs exceeded Central revenues, resulting in a Central "loss". With the step-ups in points sales and co-brand fees, this segment now generates a net profit after Central overheads. For analysts and investors who maintain models looking to forecast IHG's Central division, I'd refer you to an episode of 'IHG Checks In On' released today alongside these 2025 results. This episode provides more detail about the composition of Central, how we report it, what has changed in the last two years and how you should think about modelling it going forward.

So, there was the combined 130 basis points of margin improvement from step-ups in ancillaries, and our operational leverage and cost actions drove the other 230 basis points of margin improvement. Both the Americas and EMEAA delivered strong margin expansion, while China saw a slight decrease due to strategic one-off cost investments and lower incentive management fees.

It is worth reiterating that the overall margin achievement in 2025 was unusually strong, driven by the step-ups in ancillaries and by the additional cost action that was taken. Going forward, it remains our ambition to expand the fee margin by 100 to 150 basis points a year on average, which would be driven by achieving fee revenue growth of a high single digit whilst controlling overhead growth to a low single digit increase per year, on average.

Moving on to cash flow. Adjusted free cash flow was 893 million dollars, representing a year-on-year increase of 238 million. This improvement was driven by the increase in EBITDA of 143 million dollars, or 12 percent. There were also some lower outflows, including cash tax being 36 million lower than the previous year, and capex within free cash flow 29 million lower, which I will come onto in just a moment.

Free cash conversion was a very strong 115 percent of adjusted earnings — well above the around 100 percent average we expect over the medium to long term. After other flows beneath free cash flow, principally the 1.1 billion dollars of returns to shareholders, the overall increase in net debt was 551 million, which resulted in leverage at the end of the year of 2.5 times net debt to EBITDA, thus returning us back into our target range.

Back at our Q3 update I noted that, in September, we issued an 850 million five-year Eurobond, swapped to 990 million dollars, with interest payable semi-annually at 4.9 percent. In December, we then entered into a new, 1.5 billion dollar RCF, replacing the previous arrangement. This new five-year facility is covenant free, and remains undrawn.

A look now at capital expenditure. Key money investment totalled 177 million dollars, 29 million lower year-on-year. We previously indicated that we expected key money spend in 2025 to be broadly in line with 2024, but some of the outflows we had expected in late 2025 have shifted into 2026. Importantly, our total key money and maintenance capex guidance remains unchanged at 200–250 million dollars. Gross recyclable capital expenditure of just 16 million dollars was 52 million lower year-on-year. These arrangements are often inherently "lumpy," and some of these have carried over into 2026, but such that we still remain within our average annual gross capex guidance of 350 million dollars.

This chart shows you the evolution of our capital expenditure deployment. A key takeaway is that our overall capex spend has been stable, while revenue and profit has grown, as I will show you on the next slide. This is testament to our capital discipline. In the earlier four years on this chart, you can see that System Fund capex and Maintenance capex were the largest components. With the completion of our GRS investment and rollout between 2016 and 2019, together with the ongoing reduction of our Owned & Leased estate, and along with the greater utilisation of 'Software-as-a-Service' solutions, capex requirements for the System Fund and Maintenance categories have since decreased. These prior investments have also ensured we have a very well invested, scalable tech stack and enterprise platform to support future growth. Therefore in more recent years, the strong growth of our Premium and Luxury & Lifestyle brands has shifted the mix of capex towards expansionary investment in key money and recyclable capex. In 2025 overall capex spend was lower than anticipated, and in 2026 we may catch up on some timing slippages. But to reiterate, our annual gross capex guidance on average of around 350 million dollars remains unchanged.

The strength of our model is resoundingly evident when comparing the acceleration of our fee business revenue — which has grown at a CAGR of 4 percent over the last decade — and fee business profit, which has grown at a CAGR of 7 percent, against our gross and net capex, which continues to represent a small proportion of income. The takeaway is clear: we are achieving very attractive returns on the relatively limited capital required, which supports our medium-to-long-term growth ambitions, as already shown by the acceleration of fee revenues and profits in the more recent years.

For analysts and investors who want to understand in more detail IHG's approach to capital expenditure, and with particular focus on key money, today we have released a mini teach-in on this topic as a further episode of 'IHG Checks In On'. In this episode I discuss these areas with Stuart Ford, Head of Investor Relations, and two of our regional Chief Financial Officers – Blake Longstaff, CFO Americas, and Matt Woollard, CFO of the EMEAA region.

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, as mentioned, we are pleased to propose a final dividend growing by ten percent. That rate of growth has been consistent for each of our dividend payments over the last three years.

A year ago, we announced a 900 million dollar buyback programme, which completed in December. This repurchased 7.6 million shares and reduced the share count by 4.8 percent. Together with ordinary dividend payments, we returned over one-point-one billion dollars to shareholders, which was equivalent to 5.9 percent of IHG's market capitalisation at the start of 2025.

Today, we are pleased to announce that a new share buyback programme will commence immediately, returning a further 950 million dollars. Together with the anticipated sustainable growth in ordinary dividend payments, this will return another 1.2 billion dollars to shareholders, equivalent to 5.8 percent of IHG's market capitalisation at the start of 2026. Cumulatively for the five years of 2022 to 2026, this will mean IHG has returned more than five billion dollars to our shareholders.

And finally, modelling considerations. The interest expense is expected to increase to within a range of 230-to-250 million dollars for 2026, given the increase in average net debt and a slightly higher blended cost of borrowing. We anticipate no change to our adjusted tax rate of 27 percent. Capital expenditure guidance also remains unchanged, with key money and maintenance capex of 200–250 million dollars within a gross total of up to 350 million on average, annually. For reference, 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

Thank you, Michael. I will now share an update on our strategic progress in 2025 across the five areas shown here.

Starting with the excellent development activity across our brands. Between 2015 and 2025, we doubled our brand portfolio from 10 to 20 brands. And today, we are pleased to announce the launch of our 21st, Noted Collection, in the Premium collection space. Across these brands, we are capturing more guests at more price points and more owner interest than ever before.

At the top end in ultra-luxury, Six Senses is delivering exclusive, one-of-a-kind experiences in sought after leisure destinations, driving average daily rates of over $1,000 per night. At the other end of our portfolio is Essentials. Garner is rapidly scaling and further broadens our presence in the affordable midscale space. In the middle of the brand ladder, we have doubled-down on the fastest growing Premium segments with the acquisition of Ruby in 2025 and today's launch of Noted Collection.

Across all our brands – new and established – we are unlocking the power of our industry-leading enterprise platform for even more owners. Our expanded brand portfolio diversifies our customer mix, enhances the value of our loyalty programme, and brings more property types into our system. And we continue to consider options to further develop our portfolio in the future.

In 2025, we opened a record 443 hotels and added a further 694 into our pipeline.

Our 10 established brands, which include InterContinental, Crowne Plaza, Holiday Inn and Holiday Inn Express, drove the majority of development activity, accounting for around two-thirds of openings and signings. And, with over 900 thousand rooms already in our system and nearly 30 percent growth in the pipeline, these established brands will continue delivering system growth going forward.

Meanwhile, our newer brands are scaling quickly, accounting for one-third of openings and signings in the year. They've grown to already represent 10 percent of our current system size and 22 percent of the pipeline.

By brand segment, we are very pleased with the continued evolution of each of our six brands in Luxury & Lifestyle. Together, these higher-fee-per-key rooms account for 14 percent of our system size and 22 percent of the pipeline.

Our two ultra luxury brands, Six Senses and Regent, are creating a halo effect and opening up new ancillary fee opportunities in areas like branded residential. Regent was recently voted one of the top three most loved hotel brands in Travel + Leisure's prestigious 2025 World's Best Awards, and we are thrilled, in a few weeks' time, to be celebrating the opening of Six Senses London. This landmark hotel will be a cornerstone in the brand's exclusive and growing portfolio and will redefine urban luxury.

InterContinental is delivering even higher guest satisfaction as we continue to reimagine the luxury experience for today's modern traveller. With over 240 hotels open in more than 60 countries, InterContinental is the world's largest international luxury hotel brand. And, 80 years since its launch, the brand is still young and has a long runway for growth with over 100 hotels in the pipeline.

We are also very pleased with the continued growth of Vignette Collection, Kimpton and Hotel Indigo. Vignette Collection, launched in 2021, is tracking ahead of its goal to reach 100 hotels open in a decade; Kimpton further expanded its global footprint with notable openings including a first hotel in Hong Kong; and Hotel Indigo has now exceeded 320 open and pipeline hotels in nearly 50 countries, reflecting its accelerated pace of development.

Turning to Premium, we are focused on expanding our offer in this large and fast-growing category, which is key to unlocking cross-category demand between Luxury and Essentials. Each of our six brands in this category is highly differentiated, capturing a range of stay occasions and guests. Our Premium portfolio is anchored by Crowne Plaza, a trusted name for both business and blended travellers. The brand is building strong momentum with hotel openings and signings increasing over the past four years, taking its total open and pipeline hotels to 578. And, with 34 percent rooms growth embedded in the pipeline, Crowne Plaza's growth prospects are at their highest level in over 15 years. Driving this demand is a successful evolution of the brand and enhanced quality of the estate. Today, 70 percent of Crowne Plaza properties in the Americas and more than 60 percent globally are new to the system or have undergone a renovation.

At the same time, we are doubling down on Premium's fastest growing segments. Our versatile premium conversion brand voco already has 124 open hotels across more than 30 countries since launching in 2018, with a further 108 pipeline hotels, as signings continue to accelerate. Our recently acquired brand, Ruby, had 20 open hotels at the time of acquisition, has signed new deals in new exciting destinations, including the US, and we expect it to reach 120 hotels within 10 years. And Noted Collection, launched today, we expect to also scale rapidly.

Let's take a look at this short reel to give you a brief flavour of the brand…

Noted Collection, which is designed to power the performance of high-quality, Upscale to Upper Upscale hotels with their own unique identity, fills a key space in our brand ladder and further expands our offer for guests. It will initially focus on our EMEAA region where there is a significant proportion of high-quality hotels with strong individual brand equity that would benefit from fast connection to our powerful enterprise, global scale and expertise. We are already in initial discussions with multiple owners, including several with portfolios of hotels, and we expect to reach more than 150 hotels over the next decade. More details about the brand, including the media release and the full highlights reel can be found on our corporate website.

We also continue to extend our Mainstream leadership through our powerhouse Essentials and Suites brands. Our world-leading Holiday Inn Express brand opened another 95 hotels in 2025, taking its open estate to 3,300. Its strongest level of signings in six years, around 170 hotels, takes its pipeline to 655. And during the year, we also opened the brand's first Gen 5.0 hotels in Greater China and Europe, a format designed to boost both owner returns and guest satisfaction. Our latest Holiday Inn design has also expanded in the US and is delivering performance uplifts. And, as mentioned earlier, we are very pleased with the speed of Garner's growth, becoming IHG's fastest-ever brand to scale globally. Garner entered six new countries in 2025 alone - Mexico, Austria, the Netherlands, Italy, Turkey, and Thailand.

Finally, we continued the strong momentum of our suites brands, with 50 hotel openings in 2025 – up around 30 percent year-over-year based on rooms – and we signed a further 90 hotels into the pipeline. We now have over 1,200 open and under development Suites hotels.

Let's now turn to priority growth geographies, where we are achieving impressive development activity across our regions. Let me first begin with a reminder of our global position today. IHG is a large domestic player in large domestic markets, with the US, Europe and China collectively accounting for 79 percent of our current system size. We are also large domestic players in Canada, Mexico, Saudi Arabia, Japan and Australia. This is by strategic design. In 2025, approximately 90 percent of guests staying at our hotels around the world travelled either domestically or from nearby countries. Therefore, shifting travel flows, while impactful to certain markets and regions, usually have limited impact on IHG's global performance. And, as we approach 7,000 hotels in over 100 countries, we are well-positioned to capture guests even further wherever and whenever they choose to travel.

Our pipeline of 2,300 hotels also deepens our presence in the world's fastest growing economies. Almost 60 percent of this pipeline is located east of Europe and in countries that will collectively see economic output rapidly increase by more than 40 percent over the next 10 years, and the number of middle income households increase by more than 80 percent.

Taking a closer look at our largest market, the US. Development momentum continued to pick up in 2025, with gross openings accelerating for the second consecutive year to grow 11 percent year over year. We opened 156 hotels, driven by momentum across our Premium, Essentials and Suites brands; and signed 233 hotels into the pipeline, highlighting owners' continued confidence in investing behind our brands.

In Greater China, we celebrated IHG's 50th anniversary and our 800th opening in early 2025. By year end, we reached 882 open hotels, with net system growth of nearly 9 percent. It was another record year of both hotel openings and signings, with the latter taking our pipeline to 582 hotels. During 2025, we also opened our first Atwell hotel, so 13 of our brands are now present in Greater China. Many of these brands are still in their infancy in the region, and we will introduce additional brands into this vast market in the coming years, including Garner in 2026.

Looking ahead, 56 percent growth is embedded in our pipeline, and we remain confident in the market's long-term structural growth drivers, supported by a middle class forecast to approximately double over the next 10 years and a significant underpenetration of hotels per capita relative to the US.

Turning now to EMEAA and four priority growth geographies where our strategic focus is delivering strong growth momentum and market share gains. Starting with Germany, one of Europe's largest hotel markets with strong domestic consumption and inbound travel, and also one of the largest sources of international outbound travel globally. In 2025, we doubled our presence in the country to 190 hotels from 96 in 2023. We are also pleased to have signed a further 25 hotels into the pipeline as growth momentum in this strategically important market accelerates.

Momentum is also accelerating in Japan, where the top three global players account for only 5 percent of industry supply. In 2025, we opened 8 hotels and signed another 18, our strongest year in the country since 2007. We also launched several successful local partnership initiatives, including an IHG mini app in Japan's most popular messaging platform, the LINE. We now have 4 million followers, four times more than our closest competitors.

In Saudi Arabia, we opened our first Kimpton in 2025, which takes the number of brands present in the country to 7. We also signed a record 21 hotels, including the launch of EVEN Hotels for the wider EMEAA region, as well as two portfolios totalling six hotels across five different IHG brands. We continue to see tremendous opportunity in Saudi Arabia, with over 80 percent rooms growth embedded in our pipeline, industry-leading signings share in the first nine months of 2025, and nearly 20 percent share of future industry supply.

In India, we surpassed a major milestone of 50 open hotels in 2025 and delivered record signings in this rapidly growing market, taking our pipeline to 89 hotels. Notable signings included the first five Garner hotels, and we opened our first Vignette Collection. This momentum reflects strong owner confidence in our brand portfolio and the power of our enterprise platform in this rapidly growing market. We see large and long-term potential going forward, with around 160 percent growth embedded in our pipeline and an ambition to triple our open and pipeline hotels over the next five years.

Overall, the strength of our brands and global geographic positioning drove our strongest gross and net system size growth performance in six years. With 33 percent further rooms growth embedded in our pipeline, around 50 percent of which is currently under construction, and attractive long-term structural industry growth drivers at play, we remain confident in the momentum of our system growth going forward.

Now, turning to the important progress we're making in developing our leading technology and enterprise platform to capture demand, deepen guest loyalty, and drive hotel owner returns. Our industry-leading connected technology ecosystem is the backbone of our enterprise platform and one of our key competitive advantages, enabling us and our hotel owners to capitalize on the opportunities that new technologies, like artificial intelligence, are creating.

At the centre of how we 'Optimise' operations for owners is our first-in-the-industry Guest Reservation System, which is extremely well-invested in, and is the backbone upon which other core systems connect. The GRS interconnectivity is also central to how we leverage the ecosystem to 'Promote' all IHG hotels and 'Engage' our guests. I will come back to developments across the 'Promote' and 'Engage' pillars in just a moment.

Before that, touching on core systems a little further. In 2025, a further 3,400 hotels adopted our new Revenue Management System, completing the roll-out of the platform across the eligible estate. This new RMS offers best-in-class cloud-based solutions that incorporates data science, machine learning AI and forecasting tools to deliver advanced insights and recommendations to owners. This significant innovation is made possible by the previous roll-out of our GRS.

We are creating even greater value for owners by providing hotels with a next-generation Property Management System through cloud-based, above-property solutions that apply the latest technology and allow the deployment of fast, efficient enhancements. Benefits include quicker colleague onboarding and training, and streamlined front desk processes via mobile and remote access. The accelerated roll-out of our new PMS solutions reached 2,000 hotels in 2025, and we expect to double this to 4,000 by the end of 2026.

Turning then to the next phase of our technology evolution and the ways we are weaving artificial intelligence throughout our enterprise platform and transforming how we deliver on our growth algorithm. Our approach to artificial intelligence can be grouped into three distinct areas: guest acquisition, commercial optimization and cost efficiency. Starting with guest acquisition, our teams are leveraging the latest technology to develop new ways to promote our hotels, drive bookings and deliver more memorable stays for our guests. Within this area, we are pursuing four key initiatives search, discover, book and stay:

First, we will begin rolling out our new Content Platform this year, ensuring the right hotel information is showing up in the right channels at the right time. Second, we are developing foundational AI-powered trip planning capabilities in partnership with Google, a key step in moving towards a more conversational search experience on IHG's owned websites and apps.

Third, we are piloting new AI-powered marketing tools that are delivering meaningful improvement in click-through rates and ROI in initial testing. Fourth, we are refreshing our loyalty platforms and deploying a new AI enhanced CRM platform this year that will help our hotels know their guests on a more personal level and drive deeper loyalty. I will touch on this and the content platform in more detail shortly. Together, these capabilities will strengthen our direct channels, bring more guests to our hotels and keep our most loyal guests coming back.

Turning to our second area, commercial optimisation. Our new RMS, which builds upon our previous investment in GRS and leverages machine learning AI, is fully rolled out and achieving positive impact on owners' top-line performance in the form of revenue uplift and market share gains. Our hotels are also seeing efficiency gains through the use of automatic language translation and digital assistants that answer common guest questions, freeing up time for our hotel colleagues to focus on more value-added activities.

Finishing with our third area, we are leveraging AI to drive cost efficiencies and transform how we deliver on our growth algorithm. By providing our colleagues with the latest technology, we are establishing new ways of working, automating routine tasks, and delivering insights across the business faster and more effectively. As you heard Michael say earlier, this technology, together with process redesign and greater leverage of centralised support, is unlocking a more efficient, scalable cost base, with step-change savings delivered in 2025 that are sustainable over the long term.

Now, let's take a closer look at our new, digital and AI compatible hotel content platform. This platform, which we will begin deploying this year, will bring property features and attractions to life in new and exciting ways with videos, 360-degree images, floor plans, virtual tours, automated language translation and more. It will transform how we structure hotel content and strengthen the digital hooks needed for our hotels to be recommended by AI agents. It will also create new ways to combine and display information, unlocking greater flexibility in how content is created, delivered and personalized. Importantly, this will create new advantages for IHG and our hotels as the search environment continues to evolve.

To deepen loyalty, we are also making big advances to get more familiar with our guests, especially our most loyal guests. We are refreshing our loyalty platform and unifying our customer data with a new cloud-based CRM. We began the roll-out of select functionality in 2025 and will continue scaling this in 2026. This refresh will provide a seamless view of our customer throughout their IHG experience, whether they are engaging digitally, calling a customer care centre, checking into one of our hotels or requesting a copy of their bill post checkout. Combined with AI, we will be able to anticipate their needs, personalize their experience, offer more relevant promotions and benefits, and extend loyalty rewards faster and more effectively. The loyalty platform evolution will bolster our customer acquisition capabilities, widen our competitive moat and unlock the full potential from IHG One Rewards from an already strong base.

In 2025, our IHG One Rewards membership base rose to more than 160 million members. This means it has grown approximately 60 percent since the programme was relaunched – an outstanding achievement. Globally, loyalty penetration is now approximately 66 percent of all room nights booked, growing by over 3 percentage points in each region, and it is highest in the US and Americas overall at 73 percent. Loyalty members spend more, and are 10 times more likely to book direct, which drives enormous value for owners.

And, our engaged members are the ones driving this program growth. Reward Night redemptions increased by 9 percent year-on-year and there was 12 percent growth in the number of Milestone Rewards selected, as we delivered value to our most frequent guests.

Overall, the strength of IHG One Rewards, together with our industry leading technology ecosystem and all the channels and sources we manage for our owners, is driving increased total enterprise contribution that provides hotels with 83 percent of all the rooms revenue booked. This is generating more high-quality revenue for owners, lowering their costs and enhancing their returns.

Now, an update on our valuable ancillary fee streams driven by the strength of IHG One Rewards and our powerful brand portfolio and enterprise platform. We've said before that our loyalty members are our most valuable guests, spending more, and booking direct. Our co-brand credit card holders stay even more frequently and spend even more in our hotels. In 2025, the number of US co-brand card members saw high single-digit percentage growth, alongside a comparable uplift in total card spend as we delivered more rewards to more cardholders. The continued growth in the program, together with the new agreements between IHG and our US issuing and financial services partners, is driving the step-change in co-brand credit card fees that Michael spoke about earlier.

We are also excited to announce that we have recently agreed a new UK co-brand debit card partnership with Revolut, alongside Visa, with card products scheduled to be launched later this year. Further co-brand opportunities in priority growth markets are targeted for future years.

Turning to point sales, we are very pleased with the growth of ancillary fees as consumers actively engage with IHG One Rewards while buying and redeeming points across our global estate. We expect this product and fee stream to continue growing in the future as our loyalty programme and system size expand further.

Finally, we continue to see meaningful fee growth potential from branded residential developments. The number of properties in this industry segment is forecast to approximately double by 2032, and our industry-leading Luxury & Lifestyle brands give us an advantageous position to capture that growth. We currently have more than 30 open or selling projects in the market across 15-plus countries and more in the pipeline.

Fees earned by IHG from branded residences increased in 2025, benefiting from strong sales at Six Senses Dubai Marina. Signings in 2025 for future branded residences developments included Six Senses Myoko, Japan, and two in Thailand at the InterContinental Phuket Resort and the InterContinental Residences Bangkok Asoke. Further fee growth is expected to be substantial in 2027 and beyond, as more of the current residential units under development are sold, and as we continue to leverage the global reach and potential of our Luxury & Lifestyle brands.

To conclude, we are very pleased with the strength of our financial performance, the growth of our brands, and progress made in 2025 against a clear strategy that is unlocking the full potential of our business for all stakeholders. The strong performance went beyond the growth algorithm, delivering: RevPAR growth of 1.5 percent; net system size growth of 4.7 percent; and 360 basis points of fee margin expansion. We returned over 1.1 billion dollars to shareholders; and this culminated in adjusted EPS growth of 16 percent.

We remain confident in our ability to continue delivering the growth algorithm on average 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; returning surplus capital to shareholders while targeting financial leverage between 2.5 and 3.0 times; and, ultimately, delivering 12 to 15 percent adjusted EPS growth as a compound annual growth rate.

And with that, we thank you for listening to our 2025 results presentation.

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 UK time this morning. It featured myself and Michael Glover, our Chief Financial Officer.

Michael and I are in different locations today. Michael is at our headquarters in Windsor, and I am currently with our business in the US. Do bear with us as we coordinate sharing the questions.

Before we open the lines to take the first question, I will very briefly summarise our excellent performance in 2025. Our RevPAR grew by 1.5 percent, reflecting the breadth of our geographic footprint, the depth of our brands, and the resilience of our operating model. We delivered gross system growth of 6.6 percent and net system growth of 4.7 percent, driven by outstanding development activity and record hotel openings. We signed over 102,000 rooms across 694 hotels, a 9 percent increase over 2024 when excluding the Ruby acquisition in 2025 and the NOVUM Hospitality agreement in 2024. We expanded our fee margin by 360 basis points, driven by operating leverage and step-ups in ancillary fee streams. EBIT grew 13 percent and Adjusted EPS grew 16 percent, supported by the completion of 2025's 900 million dollar share buyback.

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

Touching very briefly on 2026, whilst very early in the year, we have been pleased with the trading performance to date in all three regions.

We have also announced today a new 950 million dollar share buyback programme, and formally launched our latest brand, Noted Collection.

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

Richard Clark, Bernstein

If I'm allowed, I'll do three. I guess, if I look back at 2025, if I was to strip out the cost savings and the boost on card revenues and points revenues, I think your EPS would have grown off algorithm about somewhere in the mid-single digits. I appreciate it wasn't the best RevPAR year. If RevPAR doesn't play ball in 2026 or going forward, do you have other levers to pull to kind of make sure you hit your algorithm?

I guess second question, you said a couple of times, Michael, that there's some key money that's been deferred into the first quarter of 2026, just the scope of that and whether that should make us quite optimistic about unit growth and sort of luxury unit growth in 2026?

And then thirdly, I think there was - your margins were down in China. You made a comment about improving unit economics or owner returns in China. I guess Holiday Inn Express now a $22 RevPAR brand in China? I don't think you'd open a $22 RevPAR brand in the US. So do you need to improve those RevPAR numbers? Do you need to improve owner returns? Does the brand work at that level of RevPAR?

Elie Maalouf

Thank you, Richard. I'll take the key money question first. And then I'll turn over the fee margin triangulation while I'll touch on it briefly, then hand over to Michael for some details and turn over to him the margin question on China. So first on key money, as you saw in Michael's presentation, we have been very prudent and thoughtful deployers of capital across a range of places, and manners in which we deploy capital, whether it's key money, recyclable maintenance and, of course, our capital returns to shareholders.

If you go back over an extended period of time, our capital has been fundamentally stable, up some years, down some years, because some of it's lumpy, but it's been pretty stable, while our revenues and profits have grown significantly, something we're very pleased with. But some of these investments, whether it's key money, whether recyclable, can be lumpy instead of happening towards the end of one year, they may happen in the other.

So we're flagging that, some of it may roll over from '25 into '26, but then you never know what rolls over from '26 to '27. Nonetheless, we are confident in the growth track record that we have. Our 4.7% system size growth in 2025 is the 4th year of acceleration. Our best in six years. Our signings were strong, as you can see, up 9%. Our pipeline grew 4.4%. Our openings were strong at 10%.

And that just shows that we have a lot of firepower. Now, we have more brands with Noted Collection being announced today. We're not putting a ceiling on our growth potential for 2026. The consensus is 4.4%. I would say there's more upside than downside to that number, but we're comfortable with it where it sits. And we think we have even more potential to continue to accelerate system size growth.

Michael will touch on the fee triangulation for 2025. Before he takes on the China margin thing, look, we have a lot of confidence in our trajectory in China. I've been saying for two years now that China is bottoming out gradually. It turned out to actually be true at some point, right? And we saw it gradually bottom out in 2025 quarter-after-quarter, turned positive in the fourth quarter.

Indications are that that will continue in the first quarter of 2026 and into the year. We have a bigger system now with over 880 hotels open, over 550 under development, record signings and openings again. And the economics at a general level, Michael will take you through the details. Our economics work across our brands.

That strong signings, strong performance, strong openings of Express in China last year, where we keep the full economics, economics work for our owners. Now different tier markets have different rates, as you know. But because of the very strong openings that we have, that RevPAR is also influenced by the ramp-up, right? So many of those hotels are new in the year in China. Express is our fastest-growing brand.

It was our latest growing brand, too, the one that started growing the latest because we started with Holiday Inn, Crowne Plaza, and InterContinental. So a lot of these brands are still in ramp-up. And some of them -- in fact, some of the hotels are still ramping up post pandemic. So I think that is influencing the RevPAR. If you look at the RevPAR in total in China, it's about half of where it is in the US, which is a good place to be for a GDP that's per capita that's probably 1/8 of what it is in the US, right?

So you actually see leverage on the RevPAR from the GDP per capita economy, it's growing at 5%, the technology sector that is actually competitive with the US technology sector, leaders in renewables, leaders in many industries, exports again at a record last year. We're confident in the Chinese economy. We're confident in our business in China. We're confident in how our hotels are going to perform in China.

Michael, over to you.

Michael Glover

Thanks, Elie. Yes, let me -- Richard, let me first go to your first question on kind of 2025 in earnings per share without the ancillaries and cost savings. I guess the first thing I would say there is the ancillaries are not going to stop growing. And so, if you look at what we've said kind of moving forward, while we don't have the step-ups next year, we do see strong growth there and at a rate in the double digits, above 10%.

So we do still see that moving forward. The second thing around cost, obviously, we've talked about this a bit at the half year. When Elie and I came in, we really started to focus and look at how we could look at this cost base and how we could change the curve and really be able to take more dollars of revenue to the bottom line. And obviously, you've seen us do that in 2025 with costs being down about 3%.

Now next year, in 2026, what we're looking at, is that being coming back and being around an increase of 1%, but still having some of that savings come through that we've been doing with our programmes. And so we still feel like we'll have strong cost control as we move into 2026. And then, I think the other thing that we also mentioned at the half year was really around the fee triangulation where I think we talk about and many of you will know where you look at RevPAR and system size and look at the fee revenue growth.

And we mentioned kind of a few things that were really impacting us in 2025. First and foremost, which is a good thing, is that we've had a record number of openings. And obviously, as those hotels open, they're not fully ramped. So you don't get the fee income as quickly as you would normally because you're actually accelerating those openings.

So it's not normalised yet year-over-year. And so you're having a bit of that impact in there as well. We also mentioned we have a large number of hotels under renovation that obviously has a fee impact as those hotels close and renovate and then come open again. And then the third thing was we mentioned at the half year was that we had a few large exits, particularly two hotels in New York, where the replacement hotel hasn't come in, but will be coming in and ramping up soon.

So that's affected that fee triangulation and fee growth in the Americas. So we expect that to normalize as we move into this year and not have some of those effects. The other effect is you have the NOVUM Hotels, who came in and are in the process of ramping up. That was a large impact because a large set of hotels have come in over the last year or so.

And then some smaller things like you had one less day with leap year this year. So a few smaller things there. I think we feel confident over the medium to long term, we can still get back to our growth algorithm, and that's still going to grow. I think what we showed this year is really the breadth of our organisation and how we can actually, even in a turbulent time, as we've said, we can still deliver that growth algorithm, and we feel confident that we can continue to do that.

And just I'll just add to Elie's key money point. It is lumpy. And certainly, we have not changed that guidance at all that we're going to be in that $200 million to $250 million range. So same as what we said last year. And that overall capital will be around that $350 million a year mark. So we'll continue with that guidance and view there. In terms of China, the margin was down very slightly.

But yet overall profit was still up by $1 million. So overall, a good result in a year where you had RevPAR negative. And so, I think as we go forward, we've talked about and been saying for quite some time that China RevPAR is bottoming out. And we really saw that happen throughout the year with the fourth quarter actually turning positive, 1.1%.

And as Elie mentioned, we're really pleased with how RevPAR is starting to shape up in Q1. We mentioned last year at the Q3 announcement, we felt like Q1 into 2026 might look negative because of some of the tougher comps. As we sit here today, it looks like all three regions will be positive, and that includes China. And so early training indicating that it looks good.

So let me pass back to Elie and just see if he wants to add anything on there.

Elie Maalouf

No, Michael, that was great. Just on those factors affecting the fee triangulation for 2025, just note that most of those are positive things, right? Strong openings way above the prior year's, renovations, then all those other factors, whether it was a leap year or whatever, all those we start to comp against in a better way. So they were good factors in one end and then they become tailwinds as we go forward. Thank you, Richard.

Jaafar Mestari, BNP Paribas

I have two, if that's okay. The first one is just on the fee business overheads. Those $23 million of cost efficiencies in '25, should we assume they were broad-based across the three regions, across central costs? Or was the restructuring this year particularly targeted in one region, thinking specifically Americas, were you able to flex the costs more in response to what's been a turbulent year?

And then on credit card fees and ancillary fees in general, when you announced your two big renegotiations 18-months ago, loyalty point sales and then credit card fees, you are the only major global company to have something of that materiality going on really. It looks like you were closing the gap with US peers who had historically more material contribution from those.

And it's great that you're able to have a bit of a mark-to-market with issuers as you're much stronger today, et cetera. But since then, we've now seen Hyatt last November and then Marriott just last week, also announced their own major renegotiations, big explicit millions of dollars targets for increases in fee contributions over the next few years.

My question is, once everyone is fully ramped up, so you've had your step up, it will continue to grow. They will have their step-up in the next 12-18 months. When everyone's fully ramped up, where do you think that gap will be? Because historically, you were saying, well, we're a bit behind. We can convince issuers and increase that and catch-up. Where do you think that will be?

Will the gap have closed over 36 months as everyone gets their renegotiations? Or will it have just translated your level of ancillaries and their level of ancillaries, please?

Elie Maalouf

Thank you Jaafar, let me take those questions, and Michael, of course, jump in and build on that. So on the fee business cost, I think we just have to pull back and touch on what Michael said in his presentation earlier, what he mentioned when speaking to Richard's questions. We've always maintained a highly disciplined approach to cost management.

If you look at the presentation, our cost growth over a long period of time has been well below revenue and profit growth. But since Michael and I came in, we've taken a more philosophical view of how do we just shape the whole cost structure for the future, make it future-ready, scalable, using technology, new processes, shared services, locations and now artificial intelligence.

So we can continue in the future to grow revenues and profits at a much higher gradient than cost. This was not a reaction to last year because actually, we started our work, our strategic work when he and I assumed our positions in 2023. And it took some time to really design it strategically. We had outside help. We have inside teams. We had a long runway of work that we started deploying in 2024.

We saw our cost growth in 2024 be only 1%. Then you saw cost reduction of up to minus 3% in 2025. So there's been a trajectory of us bringing in these initiatives in a thoughtful strategic way, not a reaction to a market that was up or a market that was down. It's just really reshaping our cost base and our processes and our technology and taking advantage of new technologies like AI.

So that is generally how we achieved the benefits of 2024 plus 1%, 2025 minus 3%. And we're saying that going forward, low or very low single digits is what would happen on average. It could be a little bit different from year-to-year, but we're not actually done with the opportunities in cost efficiency as technology continues to give us more opportunity.

On the credit card fees, look, I won't comment on what others have renegotiated. Are we negotiating? Will we renegotiate? Those are questions for them, and we don't have the particulars of all the arrangements or where they plan to be in the future. What we do know is we have a lot of upside and a lot of exciting upside. Maybe the most upside, I don't know about other businesses, but we believe we have a lot or maybe the most upside in the industry.

And we started delivering that in 2025 by doubling the fees and credit cards earned from 2023. And then we continue to be on the right track to triple it by 2028. We're not putting a ceiling on it, whatsoever. We think it continues to grow from there. And I think that the -- as we grow our system, a number of hotels, as we grow our membership and IHG One Rewards is now 160 million members at a fast growth rate from 145 million.

As we grow the engagement of our guests, it's not really how many members you have, it's how engaged you are. And now we're at 66% of our members constituting our nightly stays, 73% in the United States. So we're right up there in the industry. So we've got more members. They're more engaged, they're spending more. They're taking out more credit cards. Our sign-ups are up double digits for cards.

And that is all fueling our growth in card fees, and that will continue. We don't see a ceiling to it. How it compares to others, I'm confident we compare very favourably to others. And frankly, the more potential others reveal, the higher our ceiling goes. So I'm not discouraged by what others are doing. In fact, it encourages me.

Michael, do you want to come in?

Michael Glover

Yes, let me jump in on both of those actually. And Jaafar, great question on the overheads. And Elie mentioned it is broad-based, but he also mainly covered the P&L. And I'd say we've also done this within the System Fund as well. Because that gives us more firepower as well. And so actually in terms of total dollars, we've saved more as a part of this program in the System Fund than we have in the P&L, which is actually great, because it allows us to reinvest and go after things that drive revenue.

And then if you look at kind of by region and being broad-based, it was across every region and every function within IHG, but we also had investment. And I think that's important to note as well. Certainly, we had the investment about integrating Ruby coming in EMEAA. That's why you might see some of the costs a little, not as much down in EMEAA actually, I think it was slightly up.

But we're also investing in places like India. And I think that's really important that it's not just about cost reduction, it's about investing our dollars where we can get the most growth in the future and repurposing those dollars. And that's what we want to do. Because we've said many, many times, our biggest risk is not capturing our share of that growth in the future because this is a growth industry, it's an industry that's going to achieve higher highs and higher lows. And we want to be a part of that, we want to participate. We want to compete in that.

On the credit card fees, the only thing I'd add there is we announced a new debit card, Revolut, a deal here in the UK with Revolut, we have more countries we can go to, and it doesn't bring the quantum for sure that the US does, and it's much smaller. But that just shows the power of the loyalty programme as it grows. We have more opportunity in different countries around the world to continue to launch that. It's great to launch one here in the UK, and we're in the process of launching others around the world and as we get those agreements done, we'll let you know about them.

I'll pass it back to you, Elie.

Elie Maalouf

Thank you, Michael. Thanks for Jaafar. I'll just add that in addition to credit cards in our ancillaries, let's not forget our points sales business, which grows very nicely and also has no ceiling to it and our emerging and rapidly growing branded residences, all of which are high margin accretive to our bottom line.

Next question.

Jamie Rollo, Morgan Stanley

Three questions too, please. First, just on that branded residences income. I don't think you've quantified it yet. I know you've got 30 projects, both open and in the pipeline. But what did those generate for you last year? And when you say substantial increase in '27 and beyond, could you sort of give us some numbers behind that, please?

Secondly, on the removals rate, I think it was 1.9% ex the Venetian. Should we expect that to fall back towards sort of 1.5% this year? Is that what's giving you confidence to the upside to the consensus 4.4% net unit growth?

And then just coming back, if I may, on the sort of gap between the comparable and the total RevPAR and then looking at the fees, you've got a helpful slide on slide 56. So there's about a two-point gap between comparable and total RevPAR. And there's also another couple of points in the three regions between underlying fee income and the sum of total RevPAR and available rooms. Are you saying that those timing issues mean that those negative figures turn positive this year or at some point in the future? Just to, sort of, clarify the algorithm.

Elie Maalouf

Thank you, Jamie. I'll take branded residences, removals, I'll turn over the fee income to Michael, and anything else he wants to build on. So look, branded residences, we're very excited about that business. It builds on the power of our luxury & lifestyle portfolio, that just keeps growing with the six brands we have now, mainly the ultra-luxury brands. Six Senses and Regent.

I mean, just let me just give you an anecdote. I was - I've already been to six countries, it's not even mid-February yet and - or it is just mid-February. And I was in Bangkok early this month, late last month, and we have an InterContinental Residence project that had just started sales in the heart of the city, in December, of speaking to the owner, they were 40% sold by mid-January that raised prices four times.

I told them they have to raise prices again to slow these sales down. That's InterContinental, not even Regent and Six Senses, where we have most of our projects. So there's more coming across more brands. Yes, we have 30 projects today. We have many more that are going into the sales phase. When Six Senses is London is opening this coming month. The branded residences are all sold out or maybe there's one left I understand. Up to now, I'd say the fees range have not been that material. It's been $5 million to $10 million. However, we see substantial increase in that starting in

2027 and beyond. So again, we're not putting a ceiling on that. We think it's totally accretive, and we're very excited about where it's going.

On the removals rate, yes, we're confident it will go back towards the 1.5% over the next few years. There was just a lot of lumpiness going on right now, especially in China as things normalise post-pandemic, but we see a path to clearly back to the 1.5%. I don't think that's the only thing that can give us - it is lumpy - but I don't think it's the only thing that can give us more upside in 2026.

The strength of our signings, the strength of our brand portfolio, the proven enterprise to get more openings going, whether it's conversion or even new build, all of that put together gives us more confidence in our system growth over the medium to long term. Yes, there's opportunity also in lower removals, but that's not the primary thing. It's a combination of everything.

Michael, if you want to build on those and answer the question on fee income.

Michael Glover

Yes, sure. I mean, I was going to say the similar on the net system size. I mean, we've been saying consensus is at 4.4% for next year. We certainly feel like there's more opportunity on the upside of that. Then there is risk to the downside as we move into the year based on the visibility we have. And really, Jamie, it's not just about removals coming down, which we do believe they will. It's really about those openings and how things are proving out and what we look at, we see really strong growth across EMEAA and China. You saw that in our results this year. If you exclude the Venetian, the Americas at 1.5%, we're on the right track record. We're on the right track there. So I think, we feel confident in that, and that's why we're willing to say that there's more opportunity to the upside to that 4.4%.

And on your third question regarding the table in the chart - in the presentation, thank you. We thought that would be helpful. It is. It is helpful, but it also goes back to what we talked about earlier and the reason for that total RevPAR being less than the comparable RevPAR, particularly the ramp-up of hotels.

So it takes some time for hotels once they open to build that base business and then begin to yield as you open more hotels, and we have that acceleration in openings, you've got more hotels in that as a percentage of your system than you used to have. And so that's affecting that. You also have the renovation effect. There's also, of course, the leap year effect, but then also the mix effect as hotels are opening around the world. So I think over time, yes, that gets back and that normalises. We're going to still open as many hotels as we can. So we want to continue that as you see that acceleration. And really, you go back to Elie's point, of us growing our system size over the last four years.

It just puts more openings in there and more hotels ramping up as a percent of the system size versus what we used to have. And so I do think that normalises over time, and we get to a better position.

And I'll pass back to Elie, if there's anything else.

Elie Maalouf

Thank you, Jamie. Next caller.

Ricardo Benevides, Banco Santander

Two questions from my end. Firstly, on the brand portfolio, we've seen these two recent additions to your brand portfolio, right? What I wanted to ask is what other thematics, let's say, are you willing to approach on further brand acquisitions or is it more collections or any other specific team? And I wanted to ask you regarding, I mean, you've had a very strong cash flow generation this year. Your net debt seems to be very under control. Why not a bit more allocated towards your share buyback programme?

Elie Maalouf

Thank you, Ricardo. I'll take the two questions and Michael, if you can build on the cash generation and leverage, if you wish. Look, obviously, we don't comment on what else we're going to launch until we launch and tell you, like today. And so actually, we indicated this collection in Q3, and we just named it today and formally launched, and we're very excited about it, reaching 150 hotels.

We're starting in EMEAA with Noted Collection really because EMEAA has the largest percentage of unbranded hotels and we've typically launched our collection and conversion brands in EMEAA before going to east and west from there. So that's the future of the brand. It won't be just in EMEAA, but we'll go east and west, but establishes itself in EMEAA first.

We do look at M&A from time-to-time, as you know, and we did Ruby acquisition last year. We don't need M&A to grow. It's helpful if we find the right opportunity in the portfolio. It's most likely-- although I won't say exclusively - it's most likely to be in premium and above premium, upper upscale luxury lifestyle, and we tend to launch our own brands, when it's a soft brand like Noted Collection or whether it's a mainstream brand like Garner, those we tend to launch on our own, although there could be exceptions to that.

But we don't need M&A to grow. We have 21 very strong brands now. 11 of which launched in the last 11 years with a lot of runway. So those are still new. Those are basically still new and new to new countries. I think in 2025, there were 32 or 33 instances when we took one of our existing brands to a new country. As far as that country is concerned, that's a new brand launch, right? That's a new brand launch. So we have many more of these new country launches ahead of us for our brand portfolio, while we look at what else we could be interested in. What are some territories it could be appealing to us? We've been very successful in ultra luxury with the Regent and Six Senses. I'd say extremely successful, not just in the hotel brand itself by expanding it, also expanding into branded residences.

If there was a right opportunity, we could add more there. We've talked before about looking at branded shared home rentals. It's something we'll continue to explore. Anything in premium, lifestyle like Ruby is interesting. Only if it's accretive, if it's different and differentiated from the brands you already have, if it's at the right valuation also, or the right trajectory if we launch it ourselves, we don't need it given the strength of our portfolio.

But look, it's a dynamic industry, right? Guests' interest are dynamic, owner, investment interests are dynamic. So our strategy can't be static. That's why we've added to our portfolio thoughtfully, but we're not competing with anybody to have a most number of brands, I don't think that is a recipe for success. We're competing for having the right brands for the right guests and the right owners.

On cash generation, we have a very clear capital allocation policy and philosophy. First, we invest in the business, just like launching Noted or buying Ruby to grow the business because that's where the highest returns on invested capital come from for our shareholders. Number two, we maintain and grow our ordinary dividend. And number three, we return surplus capital to shareholders.

And only when it's surplus. Fortunately, we have a strong asset-light growing cash-generating business that converts 100% on average of adjusted earnings into cash flow. And again, in 2025, we did that. And so we can return surplus capital. And we wanted to get it back into the stated leverage range of 2.5-3x, and we are.

So we're confident that our business model can continue to generate surplus cash flow over the years and that we can return surplus cash flow to shareholders. But we're not commenting on where else our share buyback will go in the future. Michael, do you wish to build on that?

Michael Glover

Yes. I mean, you said that really well. What I would also just say, if you go back and look at kind of where we were when we first started the buybacks again, back in 2023, we were well below the leverage range. And so a lot of what you had going on in our buybacks was a step-up to get back into the range. And we finally have arrived in that.

And I think what's exciting about this buyback is that we're able to actually grow the buyback again this year and be in the range. So we're no longer delivering the buyback and having any of the step-up come in as part of that buyback, which is really a good indication of the kind of cash generation that this business can do. I'm very happy with that.

And there's just a couple of other things, kind of nuanced in there that are really, really helpful. One, we've greatly eliminated the currency translation on our debt. That's a huge benefit for us. And by the end of this year in the first-quarter of next year, we will have completely eliminated that - many of you who have followed us for many years have known about that.

The other thing was we refinanced our RCF this year and have taken out and no longer have debt covenants on that. That gives us a lot of flexibility. And as we've said many times, with our shareholders, and the expectation is that we will continue to do buybacks. And so whether it's delivering cash this year or at the next one, we will do that and we're committed to do that.

You've seen our track record on that from the $500 million we did in 2023 to the $750 million we did in '23, the $800 million we did in '24 and then $900 million we did in '25. We've built that track record, and we'll continue to do that.

Jaina Mistry, Barclays

I have three questions as well, two are follow-ups. So the first follow-up is around branded resi. When we're thinking about your growth algos of 100 to 150 bps on the margin or roughly 10% EBIT growth, should we think about branded resi next year as contributing to growth over and above that algo? And then second question is around net unit growth. I mean, your commentary sounded really quite confident and bullish around it. If we're thinking about net unit growth being around the 4.5% mark in 2026, is this the run rate going forward for the medium term as well, somewhere between 4.5% and 5%? And then very lastly, just on RevPAR, I wondered if you could set the stage for '26. Why are you confident in an inflection? Or indeed, are you confident in an inflection? And could you give some colour by region about what you're expecting?

Elie Maalouf

Thank you, Jaina. Let me start with your last question and then work our way back. Michael, please build on my responses, if you wish. So let me start with RevPAR outlook. Understanding we don't give guidance either by quarter or by year, but just give you some context also by region. Let's start where I'm sitting today in the United States, although by tomorrow morning, I'll be back in London.

And if you look at 2025, we're very pleased with our performance in 2025 in the United States. We believe it was competitive, but we also know there was some burden on the industry 2025, which started very well in January and February. And then we had a series of things that became sort of headwinds. You have the tariff anxiety and uncertainty.

You had reductions in government spending. The DOGE project, which affected government travel down, say, 20% on average. Then you had reductions in inbound, mostly from Canada, but a little bit also from Mexico and from Europe. Inbound for the US ends up being down 4%. And then you had a record government blend shutdown in the fourth-quarter.

You take all those things, and yet, I think we performed competitively in 2025. Those things either don't reappear in 2026 in the US or they don't get worse. We don't think government travel gets worse, it may not get better. We don't think there's going to be a government shutdown at that length or maybe not even one or whatsoever. Instead of reduced international travel, we have got the World Cup. We've got US 250. In many cases, we've got a weaker dollar, which is not unhelpful. And so the comps get better going into 2026.

But on top of that, on top of that, the structural reasons to be confident in the US are not a few. You have strong GDP growth as an exit rate from 2025. You have strong employment. Some months, the job report is higher than others, but January was surprisingly strong. Regardless, we're still at a record number of people employed in the US, low unemployment, real wage growth, diminishing inflation, improving trajectory for interest rates, they're at least stable to going down. Consumers are still spending up in October, November, 2.6%. Wages are outpacing inflation. The corporate area has clarity on tax after last year's tax bill, and that starts to be beneficial to individuals and to corporations this year with accelerated depreciation and higher refunds coming back.

And so you put those things together, in addition with the super cycle of capital investment from technology companies, not just in AI and in technology, but also in the energy to provide that and infrastructure to provide that. That's just private sector investment. I mean, four companies have announced spending $660 billion. That's just four companies, let alone the others. So we've got a lot of capital investment going in.

So I think that gives you confidence that the US starts to comp against some negative factors last year. It's got a lot of positive factors. We're not putting a number on where the US could be this year, but you'd have to be a big pessimist to believe it doesn't have better fundamentals in '26 than '25.

Then I flip to the other side of the world. In China, I think it's visible, right, that we bottomed out. We've always said it won't be a V-shaped recovery, and we don't think it will be, but it's a recovery. It's a U-shaped recovery. We think the gradient is upward from where we are now ready. And that becomes a tailwind for us with a much bigger system, strong signings, strong openings, a leading position in the industry across all tiers. So we're confident about what's happening there.

And then that China outbound that was up 22% last year at high rates, that is fuelling our growth in Southeast Asia, big numbers in RevPAR, whether it's in Vietnam, Japan, South Korea, Indonesia, all those markets are strong for us because of the Chinese outbound. The Middle East strong double-digit to high single-digit RevPAR whether it's in UAE, in Dubai, regardless of the uncertainty, Middle East, our RevPAR was very strong there. So that region is doing well.

In Europe, yes, low GDP growth, but what do you know? Strong travel growth. Mid-4s RevPAR last year, strong exit rate in Q4. And people travel to Europe from the US was up 3% last year, Middle East going to Europe, Chinese travellers come back to Europe. So when I look across the globe, everything seems to be favourable compared to 2025, where we were negative in China returning positive, where things were flat in the US, there's fundamental for a little more optimism.

And our EMEAA region continues to move at a good pace. So that's kind of why we are constructive about RevPAR going into 2026. And the early indicators, while early, and I'll say that we have a short booking window, as 60% of our bookings come in the last week, but early indicators so far are positive in all regions.

On net unit growth, I think I talked about it earlier. We've had a consistent trajectory now for four years of growing net unit growth, best in six years. In 2025, our strong signings and strong construction starts with 50% of our pipeline now under construction give us confidence in more openings. Our strong signings give us confidence in owner demand for our brands. Our brand portfolio is stronger.

We're not putting a ceiling on where our net unit growth can be. We're comfortable with consensus where it is, Michael and I have both said that we think there's more upside than downside. But we're really more focused about the long-term trajectory for that to be sustainable so that we're not just doing say, unproductive uneconomic things to increase or not to work. You've heard me speak for years now, but keys with fees, not just keys. That's what we're focused on in all of our markets, but we think that's what we're achieving. We're not putting a ceiling on where we can go. We're very ambitious, but we're comfortable with the consensus.

And branded residences. It's going to be a significant contributor over time. I think that probably starts in '27, given the time it takes for some of these projects to come for sale. When you start to look at it within the growth algorithm, all these things start to fall in it. We have a range of 100 to 150, sometimes, some years, some things will push us to the upper end of the range or slightly above the range. Some years, it won't happen quite like that. But at some point, it all starts to work within the algorithm. So we're comfortable that Branded Residences just gives us more confidence about our growth algorithm going forward.

Michael, please jump in.

Michael Glover

Elie, no, I mean I think you covered it in detail. Nothing more for me to add.

Elie Maalouf

Let's take the next caller.

Alex Brignall, Rothschild & Co Redburn

I'm just going to stick to one, if that's okay. It's a similar vein to Richard and Jamie earlier. If I take your fee revenues less your non-RevPAR fee revenues than your sort of take rate as a percentage of gross revenues was down 8 basis points this year, and it was down 6 basis points the year before and is down sort of 25-30 basis points from pre-COVID levels. There was some noise in the COVID years. I can't imagine that this is from existing contracts. So how do we solve for that in terms of the contribution of new properties? The same trend is exactly as seen at Marriott and actually also Hilton this year. So how does that not mean that new rooms are coming with a slightly lower sort of effective royalty rate?

Elie Maalouf

Alex, thank you for your question. I'll take it, then Michael build on it. Our take rate is not reducing. I can tell you that. So there may be -- there are a few factors working into it. As we moved into more Luxury & Lifestyle and Premium, and we've been very open about it, our key money has moved up too, because we're now participating by strategic choice in a sector that has more key money to plan it, but also has higher fees.

So that key money amortisation is starting to come through and affect a little bit of the fee revenue, and we've quantified that actually for you. And so I think that there is that factor but our fee rates that we get, whether it's Mainstream, whether it's some Premium, with a Luxury & Lifestyle have not been diminishing. And so you might be seeing some year-over-year fluctuations due to normalisation of key money or other factors, but it's not a headline fee rate change.

Michael?

Michael Glover

Yes. I mean, I just would go back to the same factors I said on Jamie's question, and Richard's question as well. I mean, it's just a bit of noise, Alex, right now. It goes back to these record level of openings being incrementally more than what we've had in the past. And just to give you an idea, it takes time for a hotel to ramp up.

And because we've had such strong openings, you've got a greater percentage of that in your system. Over time, if openings are normalised, and it equals, it equals. But you've got more hotels earning less fees as they come in. And so that's affecting your fee triangulation and some of that fee growth. Now that normalises over time. So that's why I say it's a bit of noise.

Elie discussed the key money, which we talked about as well. We've talked about leap year, we've talked about renovations. There's a number of things like that, that's kind of in there that's affecting this. As we look out and we look forward and we model this business, there is nothing to suggest that we will not still be able to hit that high single-digit fee revenue growth over time.

I go back to the algorithm. There's no reason to believe we can't generate the 100 to 150 basis points of margin improvement. We've been demonstrating that over the past several years and including that EBIT growth of around 10%. And that earnings per share growth in the 12% to 15% range. Everything we do, everything we look at how we model the business, nothing of that has changed with this noise that we're kind of seeing right now.

Elie Maalouf

I mean, if you look at the pace of openings, Alex, not only was it a record in number of hotels last year, but a lot of our openings tend to be skewed to the second half. Our fourth quarter tends to be our biggest opening. So from an arithmetic point of view, you're not really even getting six-months of fees in that given year for those openings while the unit now accounts for the full year.

Now that's okay if you have the same percentage increase in openings year-over-year because you start to lap over the same amount. But when you have a surge of openings like we've had, then you get a bit of dislocation, which normalises. We're happy with that. We'd rather have more openings happening sooner. And as the hotels ramp up, the fees will come through. That doesn't concern us.

Alex Brignall

That's why I didn't ask the question like Richard and Jamie, I asked it as a percentage of the gross revenues, is there a reason for the fee revenues, just the net fee revenues and the gross revenues to have different timing? I wouldn't have thought that that would affect in a year.

Elie Maalouf

No, I mean, Michael, maybe you can help with that, but the - you get to the net fee from the gross fees and you're not earning the gross fees if the hotel opens in October. You're not earning the same amount of gross fees from a hotel that has a partial year of revenue but has a full year of denominators and net unit growth. So I think that it's - you're not earning the full fees yet. So it's the same thing.

Alex Brignall

But the gross revenues and the gross fees are counted in the same way. That's why I'm not looking at it versus NUG. I'm just looking at it versus gross revenues, which you've disclosed in the release and the net revenues that you've disclosed in the release, and that's where the royalty rate has come down a bit. But we can take it offline.

Elie Maalouf

Yes. Just I want to conclude that there is nothing that we see where our royalty rate is decreasing across any of our brands or our management fees neither. Thank you, Alex.

Andre Juillard, Deutsche Bank

Just two follow-up questions for me. First is on segmentation. Could you give us some more colour about the trend you're seeing segment-by-segment? And do you see a pickup in the MICE segment especially? Second question about AI. I really appreciate the slide 40, 41. Could you give us some more granularity about the disruption you're expecting from AI? Is it mainly a top line driver, a mix of top line and cost optimisation? Is it a real change in the yield management? So I would appreciate any information you could give us.

Elie Maalouf

Okay. Well, thank you, Andre. I'll start with your second question on AI. I'll turn over the question on segmentation to Michael, okay? So just bear with me because when we talk about artificial intelligence, we shouldn't just focus on one small thing, because our strategy around artificial intelligence and what we're seeing is broad and enterprise-wide.

Yes, there is disruption, but I want to start by saying that there are two things that we fundamentally believe are not changing. The first one is that there will always be a guest that will want to travel for business or for leisure. We absolutely see no change in that. In fact, we see more interest in that. And on the other hand, they want to go to a destination that has a live real experience.

The more people experience the virtual, the artificial, the digital, the more they favour live experiences. Sports events, theatre, restaurant, bar and hotel, people want live experience, everything in between, the distribution, how you get there, how you book, how you view it, how you share it, how you search it, that is changing. We don't think it's a disruption for us. We think it's an opportunity for us.

And we feel like we're in a strong position to capitalise on these opportunities and to actually deepen our competitive moat because of the huge strides we've made in recent years to modernise our tech stack. We're in a fortunate position because of the work we've been doing over five, six years.

You've heard me talk about our guest reservation system on the call. We're the first to roll out this industry-leading guest reservation system. Then we migrated our core enterprise data to the cloud and that allows to quickly plug AI powered systems into our tech ecosystem. Since then, we were the first to deploy machine learning AI revenue management to all of our hotels. So to your question about revenue management, we're already doing it. It's in all of our hotels, AI powered.

Then we added new cloud-based PMS platform that will be most of our hotels by the end of this year. And now we're adding new loyalty and digital content platforms. So this foundation of systems, platforms, data solutions, places us in a very strong place to be AI ready. And the areas of focus are generally the ones that you touched on, guest acquisition, commercial optimisation, cost efficiency.

So on guest acquisition, yes, it's about delivering top funnel visibility, driving booking conversion and deepening guest loyalty. I mean today, 66% of our global room nights come through IHG One Rewards. So strengthening that incredible foundation is a big opportunity. And we do that. First, in search, with this new content platform that we discussed in my presentation today, now we're going to be able which we're launching this content platform at scale this year. We already started launching some elements this year.

You're going to be able to take all that digital information, the right information, put it in the right channel at the right time, that strengthens those digital hooks needed for our hotels to be recommended by AI agents. This matters as travel search patterns evolve. It will also create new ways to combine information digitally, move it around, shift it, recombine it, unlocking the greater flexibility and how this content is created, delivered, personalised. So it makes it an even more powerful factor when layering AI-generated search on top of it.

And you're going to have more engaging types of content, which we don't have today, but we will, video, 360 images, virtual tours, automated language translation, floor plans, everything to get the attention, A - of guests searching directly or of their agents doing it. And we're going to begin deploying this platform this year. Second, in discover sort of we're working on trip planning capabilities in partnership with Google.

It's not a stand-alone project for us. It's an evolution of how our guests plan trips and enabling a more conversational search experience on IHG's owned websites and apps. So we are going to be leaders ourselves in this. And we're going to be testing these capabilities with external customers later this year. And then we're adding AI-powered marketing across all of our tools for more targeted, more personalised, meaningful improvements on click-through rates and on ROI.

Then, we mentioned in my presentation, a brand-new CRM system powered by Salesforce that launches this year for our loyalty platform, unifying all of our customer data in a new cloud-based system. This gives us a seamless view of our loyalty members, all their experiences, whether they're calling a customer care centre, checking into hotel, requesting a copy of their bill, we can provide more personalised experiences, more relevant promotions, better benefits, loyalty rewards faster, more efficiently.

And so we can scale our platform across the state. We're going to take this CRM platform and scale it across the state in 2026. And there are many other things that build around these tools to rapidly analyse huge amounts of data, guest feedback and be more responsive to our guests. Lastly, we talked about the commercial optimisation.

This, through the revenue management system that we have launched already is already creating revenue uplifts. You asked about cost efficiency. You see it in our results in 2025, with our costs being down 3%. We're using the latest technology, new ways of working, automating routine tasks, delivering insights through AI across the business.

You've heard us say this technology, together with the process redesigns and greater leverage of our centralised support, it's unlocking a more efficient, more scalable cost base for us. In addition to the step change savings we delivered in 2025, we believe those are sustainable for the long term. So we think this actually is an opportunity to make our business stronger, more scalable, more efficient, build a deeper and wider moat and give us a competitive advantage.

So Michael, do you want to address Andre's question on segmentation?

Michael Glover

Yes, sure. Happy to do that. Well, first, I'll just start with where we ended up the year. As we discussed in my presentation, that Business was up 2%, Leisure was flat for the group and Groups was up 1%. And that's been very pleasing to see in as Elie described a turbulent year across, particularly the US. And so as we look forward in what we're seeing right now, as we started 2026, we actually saw really solid business demand coming in.

Obviously, in the US, that then began to get affected by the storms in the cold weather that hit the US, but overall, still positive and moving forward. And so, then if you then look at Groups and what we see right now, what we see on the books is still almost double digits up year-over-year. So it looks like Groups are going to be strong.

And remember, particularly in the US, 2025 was lapping against the election year, which had the big events like the Democratic National Convention and the Republican National Convention and then all the other events that happen as part of the election. So you're now out of that, and so you should have better comparables there as well as you get in it. So we look at Groups continuing to be strong.

We have less visibility in leisure as, of course, the booking windows on that are shorter. However there's nothing right now to indicate things would be slowing down there. If you go back to Elie's comments on the different markets and how we're seeing things shape up, it seems to be more positive than the previous year. Now we're obviously very early in the year, so we'll need to see how that progresses. But that's how we're seeing it shape up as we sit today.

Andre Juillard

Maybe one additional question, which is a follow-up. If you consider that you have 2/3 of your clients which are a part of the loyalty program, what is a reasonable target for you? And what is proportion of new clients you're welcoming every year?

Elie Maalouf

We're very pleased with the progress of our IHG One Rewards programme hitting 160 million members. We believe that on a member per room, we're right up there and the leadership across the industry. The important thing is that they're very engaged too. You go back five-years, we're below 50% room nights contribution from our loyalty plan. Now we're over 66% globally, over 72% in the US.

That's a remarkable move up. So they're engaged, they're staying more. They're spending more. They're joining our co-brand products. They're spending on those core brand products. So it's a whole flywheel of virtuous behaviour that we're fostering. So we're not putting a ceiling on what our membership could be. We're not putting a ceiling of what our contribution could be.

We're a growing business. Look, with all of this, we still have only 4% of the rooms in the world with 10% of the pipeline. So as we grow our openings to grow our brands, to grow our system around the world, the opportunities for greater membership and greater penetration just continue to expand. We're ambitious, but we're not putting a ceiling on it.

Kate Xiao, Bank of America

Just a quick follow-up question from me. I wanted to ask about your pipeline, obviously, 33% relative pipeline size. And you mentioned over 50% of that is under construction. Is it possible to give some colour around which bit of the pipeline is new build versus conversion? I'm asking that because in the context of conversion accounting for over 50% of the new openings last year and obviously, the 4.7% underlying, excluding the Venetian impact was helped by a bit of conversion and some conversion deals.

I'm just thinking your visibility into kind of conversion this year. Are you looking at new conversion deals that could help kind of maybe give you a bit more confidence to really hit that 4.7% kind of run rate and maybe accelerate after that?

Elie Maalouf

I'll just touch on conversions in general and Michael can take you through the proportions and what that's been. I just want to address, sort of, conversion opportunity and tell you that what we firmly believe is that the conversion opportunity is not as limited as some in the industry might have mentioned, the analyst industry might have mentioned. It is not for us strictly converting from independents.

The addressable market is much larger. Most of our conversions actually come from branded operators, whether large or small or regional, it's owners who see the strength of our enterprise, the strength of our brand portfolio, the strength of our -- support of our people and want to join a stronger system. So we don't think it's limited just to independents and therefore, we think that the addressable market is very large.

And we have now more conversion brands and products with the addition today of noted collection. The success of voco, Vignette, of Garner, all of which are way ahead of our initial projections and are many more markets than we thought they would be early on. And many of our conversions actually come from our non-specific conversion brand.

So we can convert across most of our brand portfolio already, and we have more dedicated conversion brands and the addressable market is broad, and it's not just the US. It's actually EMEAA, where there's the largest unbranded proportion of hotels. And in China, conversions are picking up. So we think there's a lot of runway in conversions. And we're not looking at it as a percentage of signings and openings. Actually, I don't really care about the percentage. What I care is that both grow. I care that new build signings grow, and they grew globally and that conversions grow, and they grow in absolute figures and the proportions can fall wherever they may.

Michael, let me turn it over to you for the detail.

Michael Glover

Sure. Thanks, Elie. Just to give you the numbers here, I think it may be a little surprising to say and to hear that only 20% of our pipeline is typically conversions around that. But there's logic behind that. It's because they come in and out of the pipeline much quicker as obviously, it takes not as much time to get those open as it does a new build.

But if you look at 2025, just to give you a feel of that, if you look at our openings, roughly 40% of those openings around the world were conversions with roughly 54% being new build, and then there were some other items in there as well. And then, of course, our signings were 52% conversions and 43% new build.

So the reason you see those higher numbers in the signings and openings is that they come out quicker. And so that's why we would see overall the pipeline having a smaller percentage over time than what you see opening and signing.

Elie Maalouf

Thank you everyone. It’s been great to connect with you today.

We are very proud of what our teams have accomplished in 2025. And, we remain confident in our ability to continue delivering on our strategy and driving shareholder value creation going forward.

Our next market communication will be our first quarter trading update on Thursday the 7th of May. Thank you for your time and interest in IHG, and I look forward to catching up with you soon.

END