

Fair value gains on contingent purchase consideration

Contingent purchase consideration arose on the acquisitions of Regent, the UK portfolio and Six Senses (see note 25 to the Group Financial Statements). The net gain of \$6m (2020: \$13m) primarily arises from the conditions related to the Six Senses contingent purchase consideration no longer being met. The total contingent purchase consideration liability at 31 December 2021 is \$73m (2020: \$79m).

Taxation

The effective rate of tax on profit before exceptional items and System Fund^a was 31% (2020: 38%); this was lower than 2020 largely due to the improved profit base. In May 2021, a change to the UK rate of Corporation Tax was enacted which led to a \$30m credit; \$26m was recoded as an exceptional credit within the Income Statement and \$4m within the Statement of Other Comprehensive Income. A net credit of \$3m arose on other accounting exceptional items (2020: \$52m). Further information on tax within exceptional items can be found in note 6 to the Group Financial Statements. Net tax paid in 2021 totalled \$86m (2020: \$41m), and included refunds in the US of \$15m (2020: \$24m). No more significant refunds are expected.

IHG pursues an approach to tax that is consistent with its business strategy and its overall business conduct principles. The approach seeks to ensure full compliance with all tax filing, payment and reporting obligations on the basis of communicative and transparent relationships with tax authorities. The IHG Audit Committee reviews IHG's approach to tax annually, including consideration of the Group's current tax profile. Further information on tax can be found in note 8 to the Group Financial Statements.

 IHG's Approach to Tax policy is available at www.ihgplc.com/responsible-business under policies

Earnings per ordinary share

The Group's basic earnings per ordinary share is 145.4¢ (2020: basic loss per ordinary share: 142.9¢). Adjusted earnings per ordinary share^a increased by 115.7¢ to 147.0¢.

Dividends

The Board is proposing a final dividend of 85.9¢ in respect of 2021, an amount equivalent to the withdrawn final payment in respect of 2019. No interim dividend was paid in respect of 2021. Going forward, dividend payments will be reflective of IHG's prior approach to sustainably grow the ordinary dividend, whilst targeting a level of leverage that maintains an investment grade credit rating and ensuring careful consideration of our responsibilities to all stakeholders. The Board will also continue to actively assess the opportunity for any surplus capital to be additionally returned through special dividends or share buybacks.

Share price and market capitalisation

The IHG share price closed at £47.81 on 31 December 2021, up from £46.90 on 31 December 2020. The market capitalisation of the Group at the year-end was £8.8bn.

For discussion of 2020 results, and the changes compared to 2019, refer to the 2020 Annual Report and Form 20-F.

 www.ihgplc.com/investors under Annual Report

^aDefinitions for Non-GAAP revenue and operating profit measures can be found on pages 73 to 77. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 218 to 223.

Accounting principles

The Group results are prepared under International Financial Reporting Standards (IFRS). The application of IFRS requires management to make judgements, estimates and assumptions, and those considered critical to the preparation of the Group results are set out on page 150 of the Group Financial Statements.

The Group discloses certain financial information both including and excluding exceptional items. For comparability of the periods presented, some of the performance indicators in this performance review are calculated after eliminating these exceptional items. An analysis of exceptional items is included in note 6 on page 165 of the Group Financial Statements.

Performance continued

Group continued

Group Cash Flow summary

	12 months ended 31 December				
	2021	2020	2021 vs 2020	2019	2020 vs 2019
	\$m	\$m	\$m change	\$m	\$m change
GAAP cash flow summary					
Net cash from operating activities	636	137	499	653	(516)
Net cash from investing activities	(12)	(61)	49	(493)	432
Net cash from financing activities	(860)	1,354	(2,214)	(660)	2,014
Net movement in cash and cash equivalents in the year	(236)	1,430	(1,666)	(500)	1,930

	12 months ended 31 December				
	2021	2020	2021 vs 2020	2019	2020 vs 2019
	\$m	\$m	\$m change	\$m	\$m change
Summary of cash flow and net debt					
Operating profit from reportable segments	534	219		865	
Depreciation and amortisation	98	110		116	
Adjusted EBITDA^a	632	329	303	981	(652)
Working capital and other adjustments	110	(27)		(77)	
Impairment loss on financial assets	-	40		8	
Other non-cash adjustments to operating profit/loss ^b	71	60		54	
System Fund result	(11)	(102)		(49)	
System Fund depreciation and amortisation	94	62		54	
Other non-cash adjustments to System Fund result	6	97		52	
Capital expenditure: contract acquisition costs (key money) net of repayments	(42)	(64)		(61)	
Capital expenditure: maintenance	(33)	(43)		(86)	
Cash flows relating to exceptional items	(12)	(87)		(55)	
Net interest paid	(126)	(130)		(107)	
Tax paid	(86)	(41)		(141)	
Principal element of lease payments	(32)	(65)		(59)	
Purchase of shares	-	-		(5)	
Adjusted free cash flow^a	571	29	542	509	(480)
Capital expenditure: gross recyclable investments	(5)	(6)		(19)	
Capital expenditure: gross System Fund capital investments	(19)	(35)		(98)	
Acquisitions of businesses, net of cash acquired	-	-		(292)	
Deferred and contingent purchase consideration paid	(13)	-		(8)	
Disposals and repayments, including other financial assets	58	18		4	
Distributions from associates and joint ventures	-	5		-	
Other items	-	3		-	
Dividends and shareholder returns	-	-		(723)	
Net cash flow before other net debt movements	592	14	578	(627)	641
Add back principal element of lease repayments	32	65		59	
Exchange and other non-cash adjustments	24	57		(132)	
Decrease in net debt	648	136	512	(700)	836
Net debt at the beginning of the year	(2,529)	(2,665)		(1,965)	
Net debt at the end of the year	(1,881)	(2,529)	648	(2,665)	136

^a Definitions for Non-GAAP measures can be found on pages 73 to 77. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 218 to 223.

^b 2020 Excludes \$48m related to trade deposits and loans which were recognised as exceptional items.

Cash from operating activities

For the year ended 31 December 2021 net cash from operating activities totalled \$636m, an increase of \$499m on the previous year, primarily reflecting the increase in operating profit and improvement in working capital and other adjustments.

Cash flow from operations is the principal source of cash used to fund the ongoing operating expenses, interest payments, maintenance capital expenditure and normal dividend payments of the Group.

The Group believes that the requirements of its existing business and future investment can be met from cash generated internally, disposition of assets, and external finance expected to be available to it.

Cash from investing activities

Net cash outflows from investing activities decreased by \$49m to \$12m, driven by \$44m net proceeds from the sale of three hotels in the Americas region. There was an overall decrease in purchases of property, plant and equipment and intangible assets of \$24m. Deferred consideration paid of \$13m related to the acquisition of the Regent brand (2020: \$nil). The Group had committed contractual capital expenditure of \$17m at 31 December 2021 (2020: \$19m).

Cash used in financing activities

Net cash outflows from financing activities totalled \$860m (2020: \$1,354m inflow). This was primarily due to the repayment of the £600m commercial paper under the UK Covid Corporate Financing Facility (CCFF).

Adjusted free cash flow

Adjusted free cash flow^a was an inflow of \$571m, an increase of \$542m on 2020, driven by an improvement in operating profit from reportable segments^a partially offset by related tax payments, coupled with a \$137m improvement in working capital as explained below. Exceptional cash costs of \$12m decreased by \$75m due to lower restructuring expenses and the timing of litigation payments.

Working capital

On the Group statement of financial position, trade and other receivables increased by \$60m, from \$514m to \$574m, primarily due to the significant increase in RevPAR in the fourth quarter compared to 2020. Trade and other payables increased by \$108m, from \$560m to

Sources of liquidity

As at 31 December 2021 the Group had total liquidity of \$2,655m (31 December 2020: \$2,925m), comprising \$1,350m of undrawn bank facilities and \$1,305m of cash and cash equivalents (net of overdrafts and restricted cash). The reduction in total liquidity from December 2020 is due to the repayment of the £600m CCFF in March 2021, largely offset by the net cash flow before other net debt movements of \$592m.

The Group currently has \$2,786m of sterling and euro bonds outstanding. The current bonds mature in November 2022 (£173m), October 2024 (€500m), August 2025 (£300m), August 2026 (£350m), May 2027 (€500m) and October 2028 (£400m). There are currency swaps in place on both the euro bonds, fixing the October 2024 bond at £454m and the May 2027 bond at £436m.

The Group currently has a senior unsecured long-term credit rating of BBB- from Standard and Poor's. In the event this rating was downgraded below BBB- there would be an additional step-up of 125bps payable on the bonds which would result in an additional interest cost of approximately \$35m per year.

The \$1,275m revolving syndicated bank facility (the Syndicated Facility) and the \$75m revolving bilateral facility (the Bilateral Facility) mature in September 2023. The facilities were undrawn at 31 December 2021. The Syndicated and Bilateral Facilities contain the same terms and two financial covenants: interest cover and a leverage ratio. Covenants are monitored on a 'frozen GAAP' basis excluding the impact of IFRS 16 and are tested at half year and full year on a trailing 12-month basis. The interest cover covenant requires a ratio of Covenant EBITDA to Covenant interest payable above 3.5:1 and the leverage ratio requires Covenant net debt to Covenant EBITDA of below 3.5:1. Covenant EBITDA is calculated (on a frozen GAAP basis) as operating profit before exceptional items, depreciation and amortisation and System Fund revenues and expenses. See note 24 to the Group Financial Statements for further information.

These covenants have been amended for test dates in 2022. A minimum liquidity covenant of \$400m has been introduced which will be tested at each test date up to and including 31 December 2022. The amended leverage ratio and interest cover covenant test levels for the facilities are as follows:

	June 2022	December 2022
Leverage ratio	Less than 7.5x	Less than 6.5x
Interest cover	Greater than 1.5x	Greater than 2.0x

At 31 December 2021 the leverage ratio was 3.0x and the interest cover ratio was 4.5x. See note 24 to the Group Financial Statements for further information.

The Group is in compliance with all of the applicable financial covenants in its loan documents, none of which are expected to present a material restriction on funding in the near future.

In the Group's opinion, the available facilities are sufficient for the Group's present liquidity requirements. However, the Group continues to assess its liquidity position and financing options and will take further actions as necessary.

The Group has taken certain actions during 2021 regarding the discontinuation of LIBOR. The Group's main exposure to LIBOR is the underlying reference rate in the Syndicated and Bilateral Facilities. The terms of these agreements will need to be renegotiated to address the discontinuation of LIBOR. The replacement of LIBOR with alternative reference rates is not expected to have a material impact on the Group at this stage.

The Group had net liabilities of \$1,474m at 31 December 2021 (\$1,849m at 31 December 2020).

Net debt

Net debt of \$1,881m (2020: \$2,529m) is analysed by currency as follows:

	2021 \$m	2020 \$m
Borrowings		
Sterling	2,060	3,716
US dollar	431	416
Euros	5	20
Other	35	52
Cash and cash equivalents		
Sterling	(532)	(1,305)
US dollar	(756)	(261)
Euros	(18)	(12)
Canadian dollar	(7)	(8)
Chinese renminbi	(105)	(60)
Other	(32)	(29)
Net debt	1,881	2,529
Average net debt level	2,334	2,554

^a Including the impact of currency swaps.

Cash and cash equivalents includes \$77m (2020: \$44m) that is not available for use by the Group due to local exchange controls and \$9m (2020: \$5m) which is restricted for use on capital expenditure under hotel lease agreements.

Information on the maturity profile and interest structure of borrowings is included in notes 22 and 24 to the Group Financial Statements.

\$668m, primarily due to an increase in bonus accruals compared to prior year. Deferred revenue increased by \$44m, from \$1,569m to \$1,613m, reflecting an increase in the future redeemable points balance related to the loyalty programme.

^aDefinitions for Non-GAAP measures can be found on pages 73 to 77. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 218 to 223.

Performance continued

Group continued

Borrowings included bank overdrafts of \$59m (2020: \$51m), which were matched by an equivalent amount of cash and cash equivalents under the Group's cash pooling arrangements. Under these arrangements, each pool contains a number of bank accounts with the same financial institution, and the Group pays interest on net overdraft balances within each pool. The cash pools are used for day-to-day cash management purposes and are managed daily as closely as possible to a zero balance on a net basis for each pool. Overseas subsidiaries are typically in a cash-positive position, with the most significant balances in the US, and the matching overdrafts are held by the Group's central treasury company in the UK.

Information on the Group's approach to allocation of capital resources can be found on pages 12 and 13.

Off-balance sheet arrangements

At 31 December 2021, the Group had no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Group's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Contingent liabilities

Contingent liabilities include guarantees over loans made to facilitate third-party ownership of hotels of up to \$69m and outstanding letters of credit of \$45m. The Group may also be exposed to additional liabilities resulting from litigation and security incidents. See note 31 to the Group Financial Statements for further details.

Future cash requirements from contractual obligations

The Group's future cash flows arising from contractual commitments relating to long term debt obligations (including interest payable), derivatives, lease liabilities and other financial liabilities are analysed in note 24 to the Group Financial Statements.

Other cash requirements relate to future pension scheme contributions (see note 27 to the Group Financial Statements) and capital commitments (see note 30 to the Group Financial Statements).

The Group also has future commitments for key money payments which are contingent upon future events and may reverse.

Total gross revenue^a in IHG's System

	12 months ended 31 December		
	2021 \$bn	2020 \$bn	% change ^b
Analysed by brand			
InterContinental	2.7	2.0	31.6
Kimpton	0.7	0.4	83.9
HUALUXE	0.1	0.1	36.5
Crowne Plaza	2.3	1.8	25.7
Hotel Indigo	0.4	0.3	73.9
EVEN Hotels	0.1	0.0	127.0
Holiday Inn	4.0	2.8	42.7
Holiday Inn Express	6.5	4.2	54.2
Staybridge Suites	1.0	0.7	38.2
Candlewood Suites	0.7	0.7	11.5
Other	0.9	0.5	51.9
Total	19.4	13.5	42.8
Analysed by ownership type			
Fee business	19.2	13.3	42.8
Owned, leased and managed lease	0.2	0.2	46.3
Total	19.4	13.5	42.8

^a Definitions for Non-GAAP measures can be found on pages 73 to 77. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 218 to 223.

^b Year-on-year percentage movement calculated from source figures, to provide better illustration of relative impact of Covid-19 on brands and on fee business and owned, leased and managed lease hotels.

Total gross revenue in IHG's System increased by 42.8% (40.5% increase at constant currency) to \$19.4bn (70% of 2019 levels), driven by the improvement in trading conditions in many markets, particularly through the second half of 2021.

Group hotel and room count

At 31 December	Hotels		Rooms	
	2021	Change over 2020	2021	Change over 2020
Analysed by brand				
Six Senses	21	5	1,412	283
Regent	7	-	2,190	-
InterContinental	204	(1)	69,402	(539)
Vignette Collection	1	1	146	146
Kimpton	75	2	13,283	198
HUALUXE	16	4	4,603	1,170
Crowne Plaza	404	(25)	111,178	(7,761)
Hotel Indigo	130	5	16,343	739
EVEN Hotels	21	5	2,994	594
voco	31	13	7,445	2,368
Holiday Inn ^a	1,218	(50)	224,684	(11,870)
Holiday Inn Express	3,016	50	317,329	7,842
avid hotels	48	24	4,280	2,124
Staybridge Suites	315	12	34,306	1,411
Candlewood Suites	361	(5)	32,025	(410)
Other ^b	123	(5)	38,707	(2,054)
Total	5,991	27	880,327	(5,709)
Analysed by ownership type				
Franchised	5,033	28	626,115	(1,233)
Managed	939	3	249,591	(3,697)
Owned, leased and managed lease	19	(4)	4,621	(779)
Total	5,991	27	880,327	(5,709)

During 2021, the global IHG System (the number of hotels and rooms which are franchised, managed, owned, leased or managed lease) increased by 27 hotels (decreased by 5,709 rooms) to 5,991 hotels (880,327 rooms).

Openings of 291 hotels (43,958 rooms) was 11.6% higher than in 2020. 151 hotels (15,739 rooms) were opened in the Americas, including 85 hotels (9,016 rooms) in the Holiday Inn Brand Family. 52 hotels (10,162 rooms) were opened in EMEAA, with the Greater China region contributing openings of 88 hotels (18,057 rooms).

264 hotels (49,667 rooms) left the IHG System in 2021, including 151 Holiday Inn and Crowne Plaza hotels (34,345 rooms) as we concluded our review of these brands. In 2020, 224 hotels (36,919 rooms) left the IHG System, of which 102 hotels (16,655 rooms) related to the termination of the SVC portfolio in the Americas estate.

^aIncludes 41 Holiday Inn Resort properties (10,454 rooms) and 28 Holiday Inn Club Vacations properties (8,679 rooms) (2020: 47 Holiday Inn Resort properties (11,446 rooms) and 28 Holiday Inn Club Vacations properties (8,679 rooms)).

^bIncludes three open hotels that will be re-branded to voco and one hotel that will be re-branded to Vignette Collection.

Total number of hotels

5,991

Total number of rooms

880,327

Performance continued

Group continued

Group pipeline

At 31 December	Hotels		Rooms	
	2021	Change over 2020	2021	Change over 2020
Analysed by brand				
Six Senses	33	2	2,424	185
Regent	8	2	1,938	483
InterContinental	79	10	19,679	1,985
Kimpton	35	3	6,852	587
HUALUXE	23	(2)	6,045	(862)
Crowne Plaza	96	7	25,261	1,033
Hotel Indigo	114	10	18,452	2,748
EVEN Hotels	29	(2)	4,907	(139)
voco	38	9	10,090	1,911
Holiday Inn ^a	244	(18)	48,078	(3,085)
Holiday Inn Express	645	(38)	83,026	(4,126)
avid hotels	164	(28)	14,495	(3,031)
Staybridge Suites	156	1	16,843	(647)
Candlewood Suites	93	20	7,765	1,396
Atwell Suites	23	4	2,275	426
Other ^b	17	2	2,830	199
Total	1,797	(18)	270,960	(1,097)
Analysed by ownership type				
Franchised	1,290	(20)	157,832	(1,236)
Managed	506	2	112,973	139
Owned, leased and managed lease	1	-	155	-
Total	1,797	(18)	270,960	(1,097)

At the end of 2021, the global pipeline totalled 1,797 hotels (270,960 rooms), a decrease of 18 hotels (1,097 rooms), as the increase in signings to 68,870 rooms was more than offset by strong openings pace out of the pipeline and a normal level of terminations from the pipeline.

The IHG pipeline represents hotels where a contract has been signed and the appropriate fees paid.

Group signings increased from 360 hotels in 2020 to 437 hotels, and rooms increased from 56,146 in 2020 to 68,870 rooms. Signings in 2021 included 205 hotels (31,169 rooms) signed for the Holiday Inn Brand Family, almost half of which were contributed by Greater China (89 hotels, 16,260 rooms). Conversions represented 22% of Group signings in 2021, including six for our newest brand, Vignette Collection.

Active management of the pipeline to remove deals that have become dormant or no longer viable reduced the pipeline by 164 hotels (26,009 rooms), compared to 178 hotels (27,740 rooms) in 2020.

^aIncludes 35 Holiday Inn Resort properties (8,219 rooms) (2020: 34 Holiday Inn Resort properties (7,251 rooms)).

^bIncludes four Vignette Collection pipeline hotels.

Total number of hotels in the pipeline

1,797

Total number of rooms in the pipeline

270,960

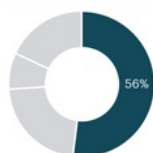
Americas



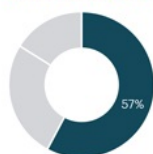
"In 2021 as we welcomed guests back, we met their evolving needs, supported our owners as the pace of recovery increased and executed our strategy to drive growth for the years to come. We've continued to see confidence in our established brands and reached new growth milestones for our newest brands: avid® hotels, Atwell Suites™, and voco™."

Elie Maslouf Chief Executive Officer, Americas

Americas revenue 2021 (\$774m)



Americas number of rooms (499,089)



Comparable RevPAR* movement on previous year (12 months ended 31 December 2021)

Fee business	
InterContinental	73.0%
Kimpton	90.1%
Crowne Plaza	54.4%
Hotel Indigo	82.4%
EVEN Hotels	112.4%
Holiday Inn	56.8%
Holiday Inn Express	53.3%
avid hotels	115.4%
Staybridge Suites	40.4%
Candlewood Suites	30.5%
All brands	53.8%
Owned, leased and managed lease	
All brands	91.6%

Industry performance in 2021

Industry RevPAR in the Americas increased by 63.4% compared to 2020 (declined by 20.7% against 2019), driven by a 19.5% increase in average daily rate and a 14.6ppt increase in occupancy. Many markets across the Americas started to recover during 2021, led by improving occupancy levels, although remained behind pre-pandemic levels. Overall demand for hotel rooms increased by 38.4% and supply increased by 1.2%.

The US lodging industry showed the earliest and strongest recovery in the region, compared against pre-pandemic levels. US industry RevPAR increased by 63.9% compared to 2020 (declined by 18.2% against 2019), driven by increases in both occupancy and average daily rate. RevPAR in the US upper midscale chain scale, where the Holiday Inn and Holiday Inn Express brands operate, increased by 59.3%.

Industry RevPAR increased by 46.9% in Canada and 81.3% in Mexico, driven by increases in both occupancy and average daily rate.

IHG's regional performance in 2021

IHG's comparable RevPAR* in the Americas increased by 54.0% compared to 2020 (declined by 19.8% against 2019), driven by a 15.9ppt increase in occupancy coupled with a 12.2% increase in average daily rate. The region is predominantly represented by the US, where comparable RevPAR* increased by 54.4% compared to 2020 (declined by 17.0% against 2019), and where we are most represented by our upper midscale brands Holiday Inn and Holiday Inn Express. US RevPAR* for the Holiday Inn brand increased by 58.2% whilst the Holiday Inn Express brand increased by 53.5%.

RevPAR* in Canada increased by 46.0%, whilst Mexico increased by 55.2%.

* Comparable RevPAR and occupancy include the impact of hotels temporarily closed as a result of Covid-19.

voco™ St. James Hotel, New Orleans, US



Performance continued

Americas continued

Americas results

	12 months ended 31 December				
	2021 \$m	2020 \$m	2021 vs 2020 % change	2019 \$m	2020 vs 2019 % change
Revenue from the reportable segment^a					
Fee business	691	457	51.2	853	(46.4)
Owned, leased and managed lease	83	55	50.9	187	(70.6)
Total	774	512	51.2	1,040	(50.8)
Operating profit from the reportable segment^a					
Fee business	568	323	75.9	663	(51.3)
Owned, leased and managed lease	(9)	(27)	(66.7)	37	NM ^c
	559	296	88.9	700	(57.7)
Operating exceptional items	(22)	(118)	(81.4)	(62)	98.3
Operating profit	537	178	201.7	638	(72.1)

Review of the year ended 31 December 2021

With 4,268 hotels (499,089 rooms), the Americas represents 57% of the Group's room count. The key profit-generating region is the US, and the Group is also represented in Latin America, Canada, Mexico and the Caribbean. 92% of rooms in the region are operated under the franchise business model, primarily under our brands in the midscale segments (including the Holiday Inn Brand Family). In the upscale market segment, Crowne Plaza is predominantly franchised whereas, in the luxury market segment, InterContinental branded hotels are operated under both franchise and management agreements, whilst Kimpton is predominantly managed. 14 of the Group's 17 hotel brands are represented in the Americas.

The impact of travel restrictions continued to impact the first two months of 2021, before we saw a notable pick-up in demand in March, benefitting from domestic leisure trips around the spring break period.

As the second quarter progressed, demand continued to grow particularly in non-urban and resort destinations. Over the summer months, leisure demand recovered rapidly. Demand from essential business travellers remained resilient and we saw signs of corporate demand and group meetings start to return. By the end of the second quarter, 13 states in the US saw RevPAR^b ahead of 2019 levels and a further 17 were at least 90% of 2019 RevPAR^b.

The recovery continued into the third quarter, led by the US franchised estate, which benefits from a weighting towards hotels in the midscale segments. Leisure demand remained strong, driving rate. We also saw an increase in discretionary business travel demand and group demand.

The recovery continued into the fourth quarter, with occupancy of 60% (down 5ppts compared to 2019 with rate 1% higher than 2019).

Americas comparable RevPAR^b declined 28% in the first quarter, then grew 154% in the second quarter, 76% in the third quarter, 80% in the fourth quarter and 54% in the full year, all when compared to 2020. When comparing to 2019, prior to the pandemic, Americas comparable RevPAR^b declined 43% in the first quarter, 26% in the second quarter, 10% in the third quarter, 6% in the fourth quarter and 20% in the full year.

Revenue from the reportable segment^a increased by \$262m (51%) to \$774m, (a decrease of \$266m compared to 2019). Operating profit increased by \$359m to \$537m driven by the increase in revenue and a \$96m decrease in operating exceptional charges. Operating profit from the reportable segment^a increased by \$263m (89%) to \$559m (a decrease of \$141m compared to 2019). On an underlying^a basis, revenue increased by \$268m (54%), whilst underlying^a profit increased by \$257m (84%).

Revenue and operating profit from the reportable segment^a are further analysed by fee business and owned, leased and managed lease hotels.

Fee business revenue^a increased by \$234m (51%) to \$691m. Fee business operating profit^a increased by \$245m (76%) to \$568m, benefitting from the improvement in demand, along with the delivery of sustainable fee business cost savings. Operating profit from the reportable segment^a also included the benefit of \$11m payroll tax credits, which relates to the Group corporate office presence in certain countries.

Owned, leased and managed lease revenue increased by \$28m to \$83m, with comparable RevPAR^b up 92% compared to 2020, (down 41% compared to 2019), leading to an owned, leased and managed lease operating loss of \$9m compared to a \$27m loss in the prior year.

Excluding the results of three owned EVEN hotels which were disposed and retained under franchise contracts in November 2021, and the impact of one leased hotel that exited in December 2020, revenue increased by \$34m and operating profit improved by \$14m.

For discussion of 2020 results, and the changes compared to 2019, refer to the 2020 Annual Report and Form 20-F.

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^aDefinitions for Non-GAAP revenue and operating profit measures can be found on pages 73 to 77. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 218 to 223.

^bComparable RevPAR and occupancy include the impact of hotels temporarily closed as a result of Covid-19.

^cPercentage change considered not meaningful, such as where a positive balance in the latest period is comparable to a negative or zero balance in the prior period.

Americas hotel and room count

	Hotels		Rooms	
	2021	Change over 2020	2021	Change over 2020
At 31 December				
Analysed by brand				
Six Senses	1	1	20	20
InterContinental	43	(3)	15,651	(89)
Kimpton	64	-	11,088	-
Crowne Plaza	112	(24)	27,930	(48)
Hotel Indigo	66	(1)	8,745	(4)
EVEN Hotels	19	4	2,743	564
voco	5	4	469	420
Holiday Inn ^a	716	(50)	120,850	(18,092)
Express	2,436	11	221,727	1,886
avid hotels	48	24	4,280	2,124
Staybridge Suites	296	11	31,097	1,040
Candlewood Suites	361	(5)	32,025	(600)
Other ^b	101	(2)	22,544	(1,471)
Total	4,268	(30)	499,089	(14,447)
Analysed by ownership type				
Franchised	4,087	(18)	460,257	(1,545)
Managed	178	(9)	37,505	(2,886)
Owned, leased and managed lease	3	(3)	1,327	(4,447)
Total	4,268	(30)	499,089	(14,447)

^a Includes 19 Holiday Inn Resort properties (5,334 rooms) and 28 Holiday Inn Club Vacations properties (8,679 rooms) (2020: 22 Holiday Inn Resort properties (6,093 rooms) and 28 Holiday Inn Club Vacations properties (8,679 rooms)).

^b Includes one open hotel that will be re-branded to voco.

Americas system size decreased by 30 hotels (14,923 rooms) to 4,268 hotels, a reduction of 2.9% year-on-year. 151 hotels (15,739 rooms) opened in the year, compared to 167 hotels (16,746 rooms) in 2020. Openings included 85 hotels (9,016 rooms) in the Holiday Inn Brand Family, a further 24 avid hotels and the voco Times Square South in New York.

1,545 hotels (30,662 rooms) were removed from the Americas system in 2021, including 92 Holiday Inn and Crowne Plaza hotels (20,127 rooms), driven by the conclusion of our quality review. This compares to 176 hotels (27,381 rooms) that left the Americas system in 2020, of which 102 hotels (16,655 rooms) related to the termination of the SVC portfolio in the Americas estate.

Americas pipeline

	Hotels		Rooms	
	2021	Change over 2020	2021	Change over 2020
At 31 December				
Analysed by brand				
Six Senses	6	(1)	471	(48)
InterContinental	9	2	2,252	528
Kimpton	19	(1)	3,431	(52)
Crowne Plaza	8	2	1,643	(45)
Hotel Indigo	29	(2)	4,070	(24)
EVEN Hotels	10	(6)	1,166	(77)
voco	5	3	1,045	(978)
Holiday Inn ^c	74	(6)	9,468	(4,654)
Express	338	(48)	32,701	(2,846)
avid hotels	164	(27)	14,495	(2,516)
Staybridge Suites	137	2	14,050	1,396
Candlewood Suites	93	20	7,765	426
Atwell Suites	23	4	2,275	(249)
Other	11	(2)	1,771	(6,154)
Total	926	(60)	96,603	(6,154)
Analysed by ownership type				
Franchised	889	(55)	90,732	(5,746)
Managed	37	(5)	5,871	(358)
Total	926	(60)	96,603	(6,154)

^c Includes one Holiday Inn Resort property (165 rooms) (2020: three Holiday Inn Resort properties (490 rooms)).

At 31 December 2021, the Americas pipeline totalled 926 hotels (96,603 rooms), representing a decrease of 60 hotels (6,154 rooms) over the prior year. Signings of 175 hotels (17,647 rooms) were ahead of last year by 38 hotels (3,608 rooms). The majority of 2021 signings were within our midscale and upper midscale brands including the Holiday Inn Brand Family (75 hotels, 7,493 rooms) and avid hotels (358 hotels, 892 rooms). Signings in our Suites brands (Staybridge Suites, Candlewood Suites and Atwell Suites) amounted to 64 hotels (5,669 rooms).

84 hotels (8,062 rooms) were removed from the pipeline in 2021 compared to 105 hotels (11,398 rooms) in 2020.

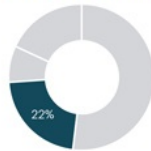
Performance continued EMEAA



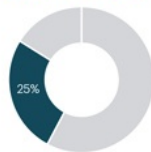
"Although Covid-19 continued to impact travel, our focus remained on supporting our colleagues, guests and owners, while leveraging our model to support sustainable long-term growth. We launched and signed deals for our new Luxury & Lifestyle brand, Vignette™ Collection, sustained strong interest in our established brands and made meaningful progress to improve the quality of our estate."

Kenneth Macpherson Chief Executive Officer, EMEAA

EMEAA revenue 2021 (\$303m)



EMEAA number of rooms (224,200)



Comparable RevPAR* movement on previous year (12 months ended 31 December 2021)

Fee business	
Six Senses	32.7%
InterContinental	26.9%
Kimpton	(8.4)%
Crowne Plaza	34.3%
Hotel Indigo	62.6%
voco	24.1%
Holiday Inn	34.4%
Holiday Inn Express	46.2%
Staybridge Suites	46.2%
All brands	34.8%
Owned, leased and managed lease	
InterContinental	0.1%
Kimpton	111.1%
voco	136.6%
All brands	46.6%

Industry performance in 2021

Industry RevPAR in EMEAA increased by 44.0% compared to 2020 (declined by 49.9% against 2019). An occupancy increase of 8.9ppts was coupled with a 10.5% increase in average daily rate. In Europe, RevPAR increased by 64.7% compared to 2020 (declined by 49.2% against 2019) driven by both occupancy and average daily rate. In the UK, industry RevPAR increased by 90.3% compared to 2020 (declined by 40.4% against 2019). UK room demand increased by 54.4% whilst supply growth remained suppressed at 0.8% partly due to construction delays from supply chain issues. In Germany RevPAR increased by 9.3%, whilst RevPAR in France increased by 68.7%.

RevPAR increased by 61.5% in the Middle East, driven by both occupancy and average daily rates, as restrictions eased, and demand started to return. India saw RevPAR increase by 30.4%.

Elsewhere in EMEAA, RevPAR in Australia increased by 33.6%, whilst Japan and Thailand declined by 11.5% and 41.2% respectively, driven primarily by large reductions in average daily rate.

IHG's regional performance in 2021

EMEAA comparable RevPAR* increased by 35.0% compared to 2020 (declined 51.8% against 2019), driven by a 9.1ppt increase in occupancy coupled with a 5.3% increase in average daily rate. In the UK, where IHG has the largest regional presence, RevPAR* increased by 70.4% compared to 2020 (declined by 41.0% against 2019), led by the Provinces (76.4%), reflecting lower weighting to inbound international travel. Germany saw a RevPAR* increase of 1.2% and France increased by 55.2%.

RevPAR* in the Middle East increased by 34.9%, with the fourth quarter up 109.7% reflecting the Expo 2020 demand in Dubai. India RevPAR* increased by 38.6%.

Elsewhere in EMEAA, RevPAR* increased in Australia by 17.6%, whilst travel restrictions resulted in occupancy led declines in Japan (9.1%) and Thailand (44.7%).

* Comparable RevPAR and occupancy include the impact of hotels temporarily closed as a result of Covid-19.

Holiday Inn Dublin Airport, Ireland



EMEA results

	12 months ended 31 December				
	2021 \$m	2020 \$m	2021 vs 2020 % change	2019 \$m	2020 vs 2019 % change
Revenue from the reportable segment^a					
Fee business	149	107	39.3	337	(68.2)
Owned, leased and managed lease	154	114	35.1	386	(70.5)
Total	303	221	37.1	723	(69.4)
Operating profit/(loss) from the reportable segment^a					
Fee business	32	(18)	NM ^c	202	NM ^c
Owned, leased and managed lease	(27)	(32)	(15.6)	15	NM ^c
	5	(50)	NM ^c	217	NM ^c
Operating exceptional items	(7)	(128)	(94.5)	(109)	17.4
Operating (loss)/profit	(2)	(178)	(98.9)	108	NM^c

**Review of the year ended
31 December 2021**

Comprising 1,137 hotels (224,200 rooms) at the end of 2021, EMEA represented 25% of the Group's room count. Revenues are primarily generated from hotels in the UK and gateway cities in continental Europe, the Middle East and Asia. The largest proportion of rooms in the UK and continental Europe are operated under the franchise business model, primarily under our upper midscale brands (Holiday Inn and Holiday Inn Express). In the upscale market segment, Crowne Plaza is evenly proportioned between the franchised and managed operating models, whereas in the luxury market segment, the majority of InterContinental branded hotels are operated under management agreements. The majority of hotels in markets outside of Europe are operated under the managed business model.

Performance in the region continued to reflect the differing levels of government-mandated closures and restrictions.

Performance in the first quarter was impacted by travel restrictions in a number of markets. The second quarter saw modest improvements in trading as the UK permitted leisure travel towards the end of May, whilst government mandated restrictions remained in much of continental Europe, and South East Asia continued to be impacted by lower levels of international demand.

Through the second half of the year, RevPAR continued to improve before restrictions were reinstated in certain markets following increased cases from the Omicron variant in December.

Hotels continued to reopen, with only 21 hotels remaining temporarily closed at the end of the year, compared to 215 at the start of the year; all 16 of the owned, leased and managed lease hotels were open.

EMEA comparable RevPAR^b declined 62% in the first quarter, then grew 179% in the second quarter, 86% in the third quarter, 118% in the fourth quarter and 35% in the full year when comparing to 2020. When comparing to 2019, prior to the pandemic, EMEA comparable RevPAR^b declined 71% in the first quarter, 65% in the second quarter, 43% in the third quarter, 33% in the fourth quarter and 52% in the full year.

Revenue from the reportable segment^a increased by \$82m (37%) to \$303m (a decrease of 58% compared to 2019). The operating loss decreased by \$176m to a loss of \$2m, driven by an increase in revenue and a \$121m decrease in operating exceptional charges. Operating profit from the reportable segment^a increased by \$55m to \$5m (a decline of \$212m compared to 2019). On an underlying^a basis, revenue increased by \$79m (35%), whilst underlying^a profit increased by \$59m, from a \$54m loss to a \$5m profit.

Revenue and operating profit from the reportable segment^a are further analysed by fee business and owned, leased and managed lease hotels.

Fee business revenue^a increased by \$42m (39%) to \$149m. Fee business operating profit^a improved by \$50m to \$32m, benefiting from the improvement in trading and the delivery of sustainable fee business cost savings. Results included \$29m of incentive management fees recorded (2020: \$14m; 2019: \$90m), driven by an improvement in trading, particularly in the Middle East.

Owned, leased and managed lease revenue increased by \$40m to \$154m, with RevPAR^b up 47% compared to 2020 (down 69% compared to 2019), leading to an owned, leased and managed lease operating loss of \$27m compared to a \$32m loss in the prior year, as the lifting of travel restrictions, predominantly in the UK, began to ease the trading challenges on this largely urban-centred portfolio.

For discussion of 2020 results, and the changes compared to 2019, refer to the 2020 Annual Report and Form 20-F.

 www.ihgplc.com/investors under Annual Report

^aDefinitions for Non-GAAP revenue and operating profit measures can be found on pages 73 to 77. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 218 to 223.

^bComparable RevPAR and occupancy include the impact of hotels temporarily closed as a result of Covid-19.

^cPercentage change considered not meaningful, such as where a positive balance in the latest period is comparable to a negative or zero balance in the prior period.

Performance continued

EMEAA continued

EMEAA hotel and room count

At 31 December	Hotels		Rooms	
	2021	Change over 2020	2021	Change over 2020
Analysed by brand				
Six Senses	19	4	1,270	263
Regent	3	-	771	-
InterContinental	108	-	32,561	87
Vignette Collection	1	1	146	146
Kimpton	10	2	2,146	287
Crowne Plaza	182	(6)	44,828	(1,896)
Hotel Indigo	48	2	5,183	117
voco	21	5	5,882	1,802
Holiday Inn ^a	380	(21)	70,824	(4,169)
Holiday Inn Express	333	4	48,548	1,190
Staybridge Suites	19	1	3,209	37
Other ^b	13	(4)	8,832	(1,254)
Total	1,137	(12)	224,200	(3,849)
Analysed by ownership type				
Franchised	767	(7)	125,707	135
Managed	354	(4)	95,199	(3,849)
Owned, leased and managed lease	16	(1)	3,294	(287)
Total	1,137	(12)	224,200	(3,849)

^a Includes 14 Holiday Inn Resort properties (3,229 rooms) (2020: 17 Holiday Inn Resort properties (3,330 rooms)).

^b Includes two open hotels that will be re-branded to voco and Vignette Collection.

Total number of hotels

1,137

Total number of rooms

224,200

EMEAA system size decreased by 12 hotels (3,649 rooms) to 1,137 hotels (224,200 rooms) during 2021, a reduction of 1.6% year-on-year. 52 hotels (10,162 rooms) opened in the year, compared to 61 hotels (11,288 rooms) in 2020, including Hotel X Brisbane Fortitude Valley, Australia, part of the Vignette Collection. 64 hotels (13,811 rooms) were removed from the EMEAA system in 2021, including 48 Holiday Inn and Crowne Plaza hotels (10,741 rooms), driven by the completion of the quality review. This compared to 38 hotels (6,809 rooms) that left the EMEAA system in 2020.

EMEAA pipeline

At 31 December	Hotels		Rooms	
	2021	Change over 2020	2021	Change over 2020
Analysed by brand				
Six Senses	23	2	1,720	169
Regent	6	1	1,341	86
InterContinental	43	10	9,520	2,435
Kimpton	9	3	1,674	546
Crowne Plaza	40	5	10,461	1,360
Hotel Indigo	44	3	7,094	957
voco	31	5	8,753	979
Holiday Inn ^a	98	(10)	21,014	(1,540)
Holiday Inn Express	99	7	15,593	360
avid hotels	-	(1)	-	(115)
Staybridge Suites	19	(1)	2,793	(636)
Other ^b	6	5	1,059	711
Total	418	29	80,932	4,812
Analysed by ownership type				
Franchised	175	20	27,045	1,493
Managed	242	9	53,732	3,419
Owned, leased and managed lease	1	-	155	120
Total	418	29	80,932	4,812

^a Includes 20 Holiday Inn Resort properties (4,849 rooms) (2020: 18 Holiday Inn Resort properties (3,553 rooms)).

^b Includes four hotels that will be re-branded to Vignette Collection.

Total number of hotels in the pipeline

418

Total number of rooms in the pipeline

80,932

At 31 December 2021, the EMEAA pipeline totalled 418 hotels (80,932 rooms), representing an increase of 29 hotels (4,812 rooms) over the prior year. Signings of 109 hotels (20,376 rooms) were ahead of last year by 27 hotels (6,473 rooms), including a multi-property deal which encompassed a new property for voco in Algarve, Portugal and three hotels signed to the Vignette Collection in Austria and Portugal.

28 hotels (5,402 rooms) were removed from the pipeline in 2021 compared to 36 hotels (7,601 rooms) in 2020.

Greater China



"Domestic travel demand showed steady recovery amidst sporadic Covid-19 outbreaks and travel restrictions. We deployed an agile business recovery plan to capture our share of demand, drive owner returns and ensure the safety of our guests, colleagues and communities. In line with the growth strategy, our new deal signings and hotel openings exceeded 2019 levels."

Jolyon Bulley Chief Executive Officer, Greater China

Greater China revenue 2021 (\$116m)



Greater China number of rooms (157,038)



Comparable RevPAR* movement on previous year (12 months ended 31 December 2021)

Fee business	
Regent	9.6%
InterContinental	20.8%
HUALUXE	13.1%
Crowne Plaza	20.4%
Hotel Indigo	33.4%
Holiday Inn	21.8%
Holiday Inn Express	20.9%
All brands	20.6%

Industry performance in 2021

The industry performance across Greater China fluctuated in 2021, impacted by the reintroduction of temporary localised lockdowns. Industry RevPAR in Greater China increased by 27.8% compared to 2020 (decreased by 26.9% against 2019). Supply grew by 3.8% and demand by 16.9%.

Increases in RevPAR were achieved across all of Mainland China against 2020, however, cities in the upper tiers remained further behind 2019. RevPAR in Tier 1 cities increased by 31.3%, driven by an occupancy increase of 8.3ppts and average daily rate growth of 12.5%. Tier 2 cities saw a similar recovery profile with RevPAR increasing by 27.3%, again driven by both occupancy and rate, whilst growth in Tier 3 cities was more limited at 12.6%. Tier 4 continued to benefit from strong domestic demand with RevPAR increasing by 23.5%.

Hong Kong SAR increased by 56.6% compared to 2020 (decrease of 55.0% against 2019), with a 17.4ppt improvement

in occupancy and a 7.5% increase in average daily rate. Macau SAR improved against 2020 by 26.6% (decrease of 76.7% against 2019), driven by occupancy, but remains significantly behind 2019 due to its reliance towards travel from Mainland China.

IHG's regional performance in 2021

IHG's regional comparable RevPAR* in Greater China increased by 20.6% compared to 2020 (decreased by 28.7% against 2019), driven by a 6.9ppt increase in occupancy and a 3.6% increase in average daily rate.

In Mainland China, RevPAR* increased by 19.7%, with the greatest increase in Tier 1 cities, up 25.6%, whilst Tier 2-4 cities increased by 17.3%.

RevPAR* in Hong Kong SAR increased by 81.0% whilst RevPAR* in Macau SAR increased by 3.2%.

* Comparable RevPAR and occupancy include the impact of hotels temporarily closed as a result of Covid-19.

InterContinental® Kaohsiung, China



Performance continued

Greater China continued

Greater China results

	12 months ended 31 December				
	2021 \$m	2020 \$m	2021 vs 2020 % change	2019 \$m	2020 vs 2019 % change
Revenue from the reportable segment ^a					
Fee business	116	77	50.6	135	(43.0)
Total	116	77	50.6	135	(43.0)
Operating profit from the reportable segment ^a					
Fee business	58	35	65.7	73	(52.1)
Operating exceptional items	—	(5)	—	—	—
Operating profit	58	30	93.3	73	(58.9)

Review of the year ended 31 December 2021

Comprising 586 hotels (157,038 rooms) at 31 December 2021, Greater China represented approximately 18% of the Group's room count. The majority of rooms in Greater China operate under the managed business model.

Increases in Covid-19 cases and the reintroduction of temporary restrictions impacted trading in January and February, though the recovery resumed in March with demand returning at pace as restrictions eased.

The recovery continued into April and May before local restrictions were reinstated across south, east and west cities in June. In July, RevPAR^b was just 6% lower than 2019 levels, driven by strong domestic leisure demand. The reintroduction of temporary restrictions meant that August weakened to more than 50% lower than 2019.

The fourth quarter saw volatile trading, impacted by the reintroduction of temporary restrictions.

Greater China comparable RevPAR^b grew 78% in the first quarter and 107% in the second quarter, then declined 8% in the third quarter and 17% in the fourth quarter. Full year growth was 21% when compared to 2020. When comparing to 2019, prior to the pandemic, Greater China comparable RevPAR^b declined 38% in the first quarter, 16% in the second quarter, 30% in the third quarter, 33% in the fourth quarter and 29% in the full year.

Revenue from the reportable segment^a increased by \$39m (51%) to \$116m (a decrease of 14% compared to 2019). Operating profit improved by \$28m, driven by the increase in revenue and a \$5m decrease in operating exceptional charges. Operating profit from the reportable segment^a increased by \$23m to \$58m (a decline of 21% compared to 2019). The improvement in demand at our managed hotels led to \$25m recognition of incentive management fees compared to \$16m in 2020 (2019: \$48m). Revenue and operating profit from the reportable segment^a also included the benefit of a \$6m individually significant liquidated damages settlement.

For discussion of 2020 results, and the changes compared to 2019, refer to the 2020 Annual Report and Form 20-F.

 www.ihgplc.com/investors under Annual Report

^aDefinitions for Non-GAAP revenue and operating profit measures can be found on pages 73 to 77. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 218 to 223.

^bComparable RevPAR and occupancy include the impact of hotels temporarily closed as a result of Covid-19.

Greater China hotel and room count

At 31 December	Hotels		Rooms	
	2021	Change over 2020	2021	Change over 2020
Analysed by brand				
Six Senses	1	–	122	–
Regent	4	–	1,419	–
InterContinental	53	2	21,190	512
Kimpton	1	–	129	–
HUALUXE	16	4	4,603	1,170
Crowne Plaza	110	5	38,420	1,470
Hotel Indigo	16	4	2,415	670
EVEN Hotels	2	1	251	80
voco	5	4	1,094	946
Holiday Inn ^a	122	13	33,010	2,382
Holiday Inn Express	247	35	47,054	5,265
Other ^b	9	1	7,331	368
Total	586	69	157,038	12,863
Analysed by ownership type				
Franchised	179	53	40,151	10,325
Managed	407	16	116,887	2,538
Total	586	69	157,038	12,863

^a Includes eight Holiday Inn Resort properties (1,891 rooms) (2020: eight Holiday Inn Resort properties (2,113 rooms)).

^b Includes one open hotel that will be re-branded to voco.

Greater China pipeline

At 31 December	Hotels		Rooms	
	2021	Change over 2020	2021	Change over 2020
Analysed by brand				
Six Senses	4	1	233	64
Regent	2	1	697	317
InterContinental	27	(2)	7,907	(658)
Kimpton	7	1	1,747	93
HUALUXE	23	(2)	6,045	(862)
Crowne Plaza	48	–	13,157	(720)
Hotel Indigo	41	9	7,378	1,876
EVEN Hotels	19	4	3,741	670
voco	2	1	292	161
Holiday Inn ^a	72	(2)	17,596	(567)
Holiday Inn Express	208	3	34,732	168
Other	–	(1)	–	(297)
Total	453	13	93,425	245
Analysed by ownership type				
Franchised	226	15	40,055	3,167
Managed	227	(2)	53,370	(2,922)
Total	453	13	93,425	245

^a Includes 14 Holiday Inn Resort properties (3,295 rooms) (2020: 12 Holiday Inn Resort properties (3,208 rooms)).

Total number of hotels

586

Total number of rooms

157,038

The Greater China system size increased by 69 hotels (12,863 rooms) in 2021 to 586 hotels (157,038 rooms), an increase of 8.9% year-on-year. 88 hotels (18,057 rooms) opened, including the first InterContinental hotel in Taiwan, voco Wuhan Xinhua and the Crowne Plaza Chongli resort, compared to 57 hotels (11,358 rooms) in 2020.

19 hotels (5,194 rooms) were removed in 2021 compared to 10 hotels (2,729 rooms) in 2020.

Total number of hotels in the pipeline

453

Total number of rooms in the pipeline

93,425

At 31 December 2021, the Greater China pipeline totalled 453 hotels (93,425 rooms), compared to 440 hotels (93,180 rooms) at 31 December 2020. Signings of 153 hotels (30,847 rooms) were ahead of last year by 12 hotels (2,643 rooms). 89 hotels (16,260 rooms) were signed for the Holiday Inn Brand Family. Other notable signings included Regent Sanya Haitang Bay and Hotel Indigo Sanya Haitang Bay as part of a combined complex, and the InterContinental Taipei.

52 hotels (12,545 rooms) were removed from the pipeline in 2021 compared to 37 hotels (8,741 rooms) in 2020.

Performance continued Central

Central results

	12 months ended 31 December				
	2021 \$m	2020 \$m	2021 vs 2020 % change	2019 \$m	2020 vs 2019 % change
Revenue	197	182	8.2	185	(1.6)
Gross costs	(285)	(244)	16.8	(310)	(21.3)
	(88)	(62)	41.9	(125)	(50.4)
Operating exceptional items	-	(19)	-	(15)	26.7
Operating loss	(88)	(81)	8.6	(140)	(42.1)

Review of the year ended 31 December 2021

Central revenue, which mainly comprises technology fee income, increased by \$15m (8.2%) to \$197m, driven by the temporary discounts on technology fees in 2020 no longer being applicable.

Gross costs increased by \$41m (16.8%) year-on-year, as temporary cost saving measures were introduced from the second quarter of 2020, which were not repeated in 2021. When comparing to 2019, gross costs decreased by 8.1%, which includes sustainable cost savings achieved in 2021.

The operating loss before exceptional items increased by \$26m, a decrease of \$37m compared to 2019.

Holiday Inn Queenstown Remarkables Park, New Zealand



Key performance measures

Key performance measures (including Non-GAAP measures) used by management

The Annual Report and Form 20-F presents certain financial measures when discussing the Group's performance which are not measures of financial performance or liquidity under International Financial Reporting Standards (IFRS). In management's view these measures provide investors and other stakeholders with an enhanced understanding of IHG's operating performance, profitability, financial strength and funding requirements. These measures do not have standardised meanings under IFRS, and companies do not necessarily calculate these in the same way. As these measures exclude certain items (for example impairment and the costs of individually significant legal cases or commercial disputes) these financial measures may be materially different to the measures prescribed by IFRS and may result in a more favourable view of performance. Accordingly, they should be viewed as complementary to, and not as a substitute for, the measures prescribed by IFRS and as included in the Group Financial Statements (see pages 142 to 148).

Linkage of performance measures to Directors' remuneration and KPIs



The Annual Performance Plan



The Long Term Incentive Plan



Key Performance Indicators



See pages 104 to 125 for more information on Directors' remuneration and pages 50 to 53 for more information on KPIs.

Measure

Global revenue per available room (RevPAR) growth



RevPAR, average daily rate and occupancy statistics are disclosed on pages 224 and 225.

Commentary

RevPAR is the primary metric used by management to track hotel performance across regions and brands. RevPAR is also a commonly used performance measure in the hotel industry.

RevPAR comprises IHG's System (see Glossary, page 256) rooms revenue divided by the number of room nights available and can be derived from occupancy rate multiplied by average daily rate (ADR). ADR is rooms revenue divided by the number of room nights sold.

References to RevPAR, occupancy and ADR are presented on a comparable basis, comprising groupings of hotels that have traded in all months in both the current and prior year. The principal exclusions in deriving this measure are new hotels (including those acquired), hotels closed for major refurbishment and hotels sold in either of the two years. These measures include the impact of hotels temporarily closed as a result of Covid-19.

RevPAR and ADR are quoted at a constant US\$ conversion rate, in order to allow a better understanding of the comparable year-on-year trading performance excluding distortions created by fluctuations in exchange rates.

Total gross revenue from hotels in IHG's System



Owned, leased and managed lease revenue as recorded in the Group Financial Statements is reconciled to total gross revenue on page 60.

Total gross revenue is revenue not wholly attributable to IHG, however, management believes this measure is meaningful to investors and other stakeholders as it provides a measure of System performance, giving an indication of the strength of IHG's brands and the combined impact of IHG's growth strategy and RevPAR performance.

Total gross revenue refers to revenue which IHG has a role in driving and from which IHG derives an income stream. IHG's business model is described on pages 10 to 13. Total gross revenue comprises:

- total rooms revenue from franchised hotels;
- total hotel revenue from managed hotels including food and beverage, meetings and other revenues and reflects the value IHG drives to managed hotel owners by optimising the performance of their hotels; and
- total hotel revenue from owned, leased and managed lease hotels.

Other than total hotel revenue from owned, leased and managed lease hotels, total gross hotel revenue is not revenue attributable to IHG as these managed and franchised hotels are owned by third parties.

Revenue and operating profit measures

The reconciliation of the most directly comparable line item within the Group Financial Statements (i.e. total revenue and operating profit, accordingly) to the non-IFRS revenue and operating profit measures is included on pages 218 to 223.

Revenue and operating profit from (1) fee business and (2) owned, leased and managed lease hotels, are described as 'revenue from reportable segments' and 'operating profit from reportable segments', respectively, within note 2 to the Group Financial Statements. These measures are presented for each of the Group's regions.

Management believes revenue and operating profit from reportable segments is meaningful to investors and other stakeholders as it excludes the following elements and reflects how management monitors the business:

- System Fund – the Fund is not managed to generate a profit or loss for IHG over the longer term, but is managed for the benefit of the hotels within the IHG System. As described within the Group's accounting policies (page 149), the System Fund is operated to collect and administer cash assessments from hotel owners for the specific purpose of use in marketing, the Guest Reservation System and hotel loyalty programme.

Performance continued

Key performance measures continued

Measure	Commentary
Revenue and operating profit measures continued	<p>• Revenues related to the reimbursement of costs – as described within the Group’s accounting policies (page 149), there is a cost equal to these revenues so there is no profit impact. Cost reimbursements are not applicable to all hotels and growth in these revenues is not reflective of growth in the performance of the Group. As such, management do not include these revenues in their analysis of results.</p> <p>• Exceptional items – these are identified by virtue of either their size, nature, or incidence and can include, but are not restricted to, gains and losses on the disposal of assets, impairment charges and reversals, the costs of individually significant legal cases or commercial disputes and reorganisation costs. As each item is different in nature and scope, there will be little continuity in the detailed composition and size of the reported amounts which affect performance in successive periods. Separate disclosure of these amounts facilitates the understanding of performance including and excluding such items. The Group’s accounting policy for exceptional items and further detail of those items presented as such are included in the Group Financial Statements (see pages 152 and 165 to 167).</p> <p>In further discussing the Group’s performance in respect of revenue and operating profit, additional non-IFRS measures are used and explained further below:</p> <ul style="list-style-type: none"> • Underlying revenue; • Underlying operating profit; • Underlying fee revenue; and • Fee margin. <p>Operating profit measures are, by their nature, before interest and tax. Management believes such measures are useful for investors and other stakeholders when comparing performance across different companies as interest and tax can vary widely across different industries or among companies within the same industry. For example, interest expense can be highly dependent on a company’s capital structure, debt levels and credit ratings. In addition, the tax positions of companies can vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the various jurisdictions in which they operate.</p> <p>Although management believes these measures are useful to investors and other stakeholders in assessing the Group’s ongoing financial performance and provide improved comparability between periods, there are limitations in their use as compared to measures of financial performance under IFRS. As such, they should not be considered in isolation or viewed as a substitute for IFRS measures. In addition, these measures may not necessarily be comparable to other similarly titled measures of other companies due to potential inconsistencies in the methods of calculation.</p>
Underlying revenue and underlying operating profit	<p>These measures adjust revenue from reportable segments and operating profit from reportable segments, respectively, to exclude revenue and operating profit generated by owned, leased and managed lease hotels which have been disposed, and significant liquidated damages, which are not comparable year-on-year and are not indicative of the Group’s ongoing profitability. The revenue and operating profit of current year acquisitions are also excluded as these obscure underlying business results and trends when comparing to the prior year. In addition, in order to remove the impact of fluctuations in foreign exchange, which would distort the comparability of the Group’s operating performance, prior year measures are restated at constant currency using current year exchange rates.</p> <p>Management believes these are meaningful to investors and other stakeholders to better understand comparable year-on-year trading and enable assessment of the underlying trends in the Group’s financial performance.</p>
Underlying fee revenue growth 	<p>Underlying fee revenue is used to calculate underlying fee revenue growth. Underlying fee revenue is calculated on the same basis as underlying revenue as described above but for the fee business only.</p> <p>Management believes underlying fee revenue is meaningful to investors and other stakeholders as an indicator of IHG’s ability to grow the core fee-based business, aligned to IHG’s asset-light strategy.</p>