



华住酒店集团

成就美好生活



China Lodging Group (HTHT.US)

2016 Q2 Earnings
August 16, 2016

Company Highlights

Operational and Financial Review

Q & A

Appendix

Founded in **2005**

12 brands

3,114 hotels

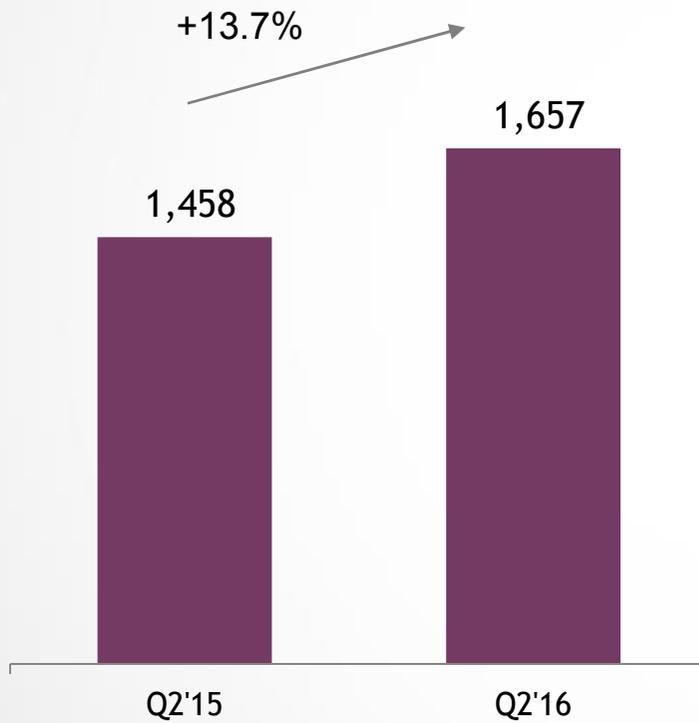
314,811 rooms

357 cities

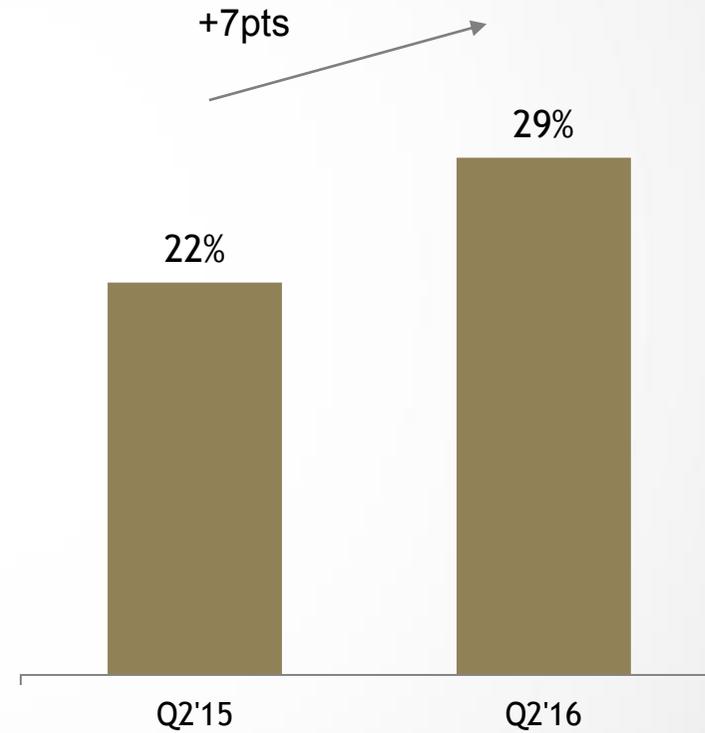


Net Revenues

(in RMB millions)

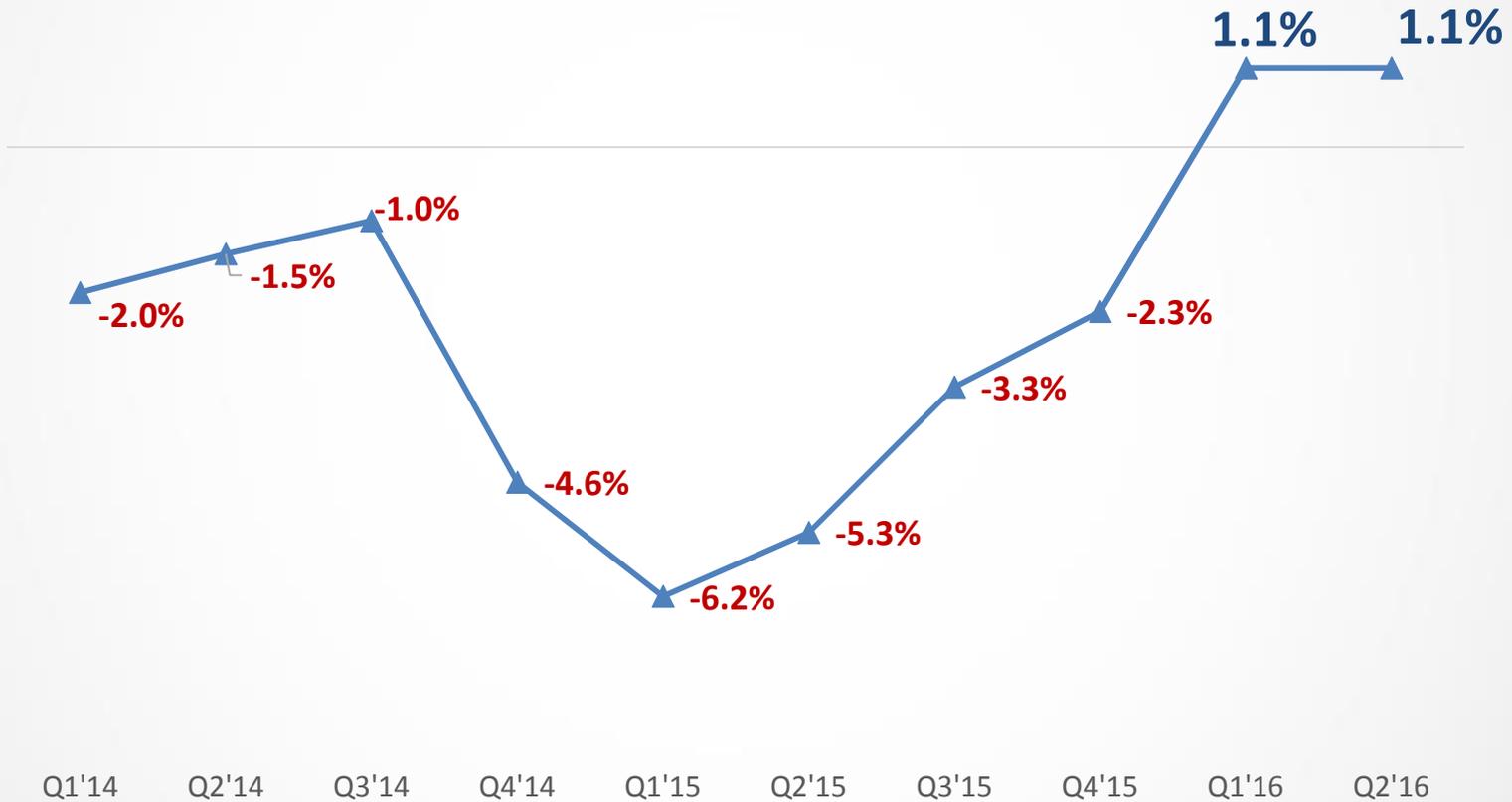


Revenue from Midscale and Upscale Hotels as % of Net Revenues



Positive Blended RevPAR Growth Continued in Q2

Quarterly Blended RevPAR Year-over-Year Growth (Q1'14-Q2'16)



- Strengthen and differentiate HANTING
- Continue FAST expansion
- Further boost DIRECT sales

Redesign and Upgrade for HanTing Brand is Favored by Customers, ...



HanTing 2.0

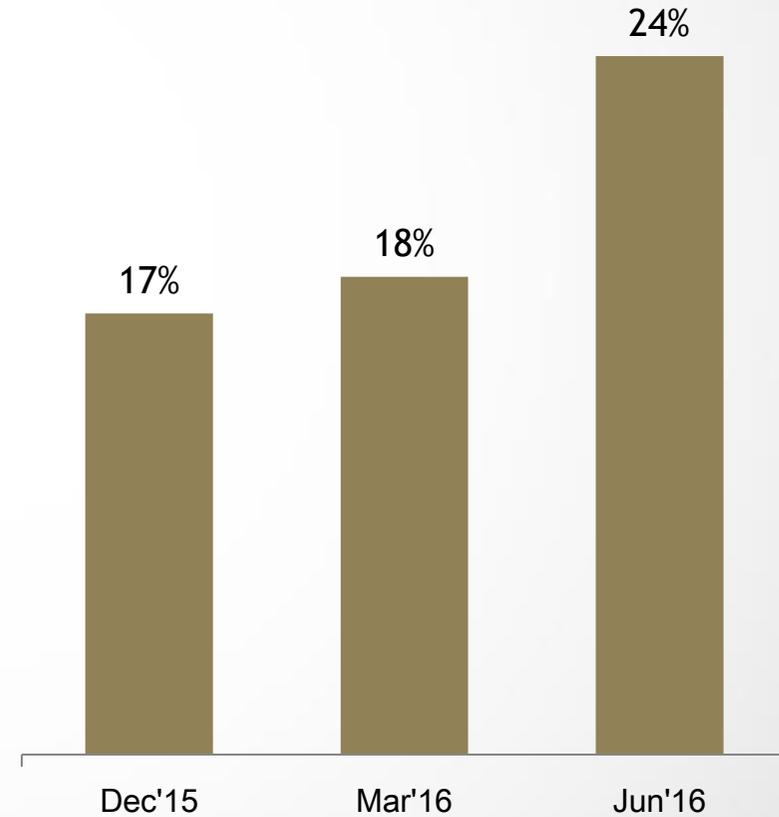


... and Leads to Improved Blended RevPAR YOY Growth

**HanTing Brand Quarterly Blended RevPAR
Year-over-Year Growth (Q1'15-Q2'16)**

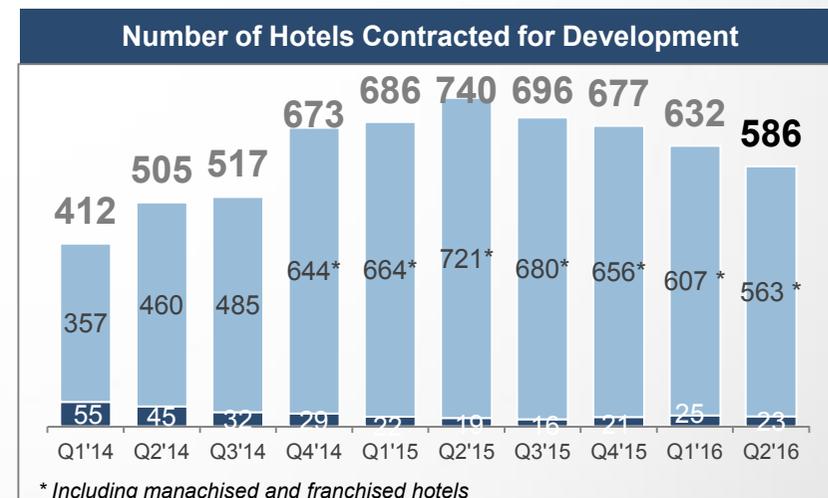
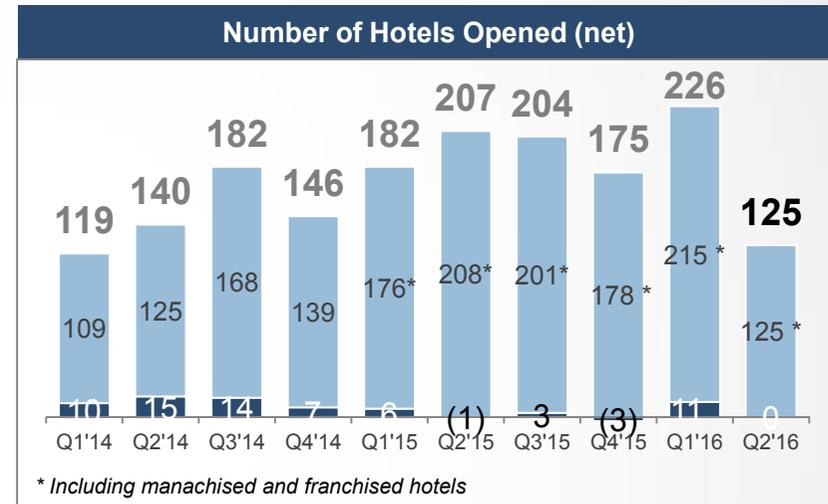
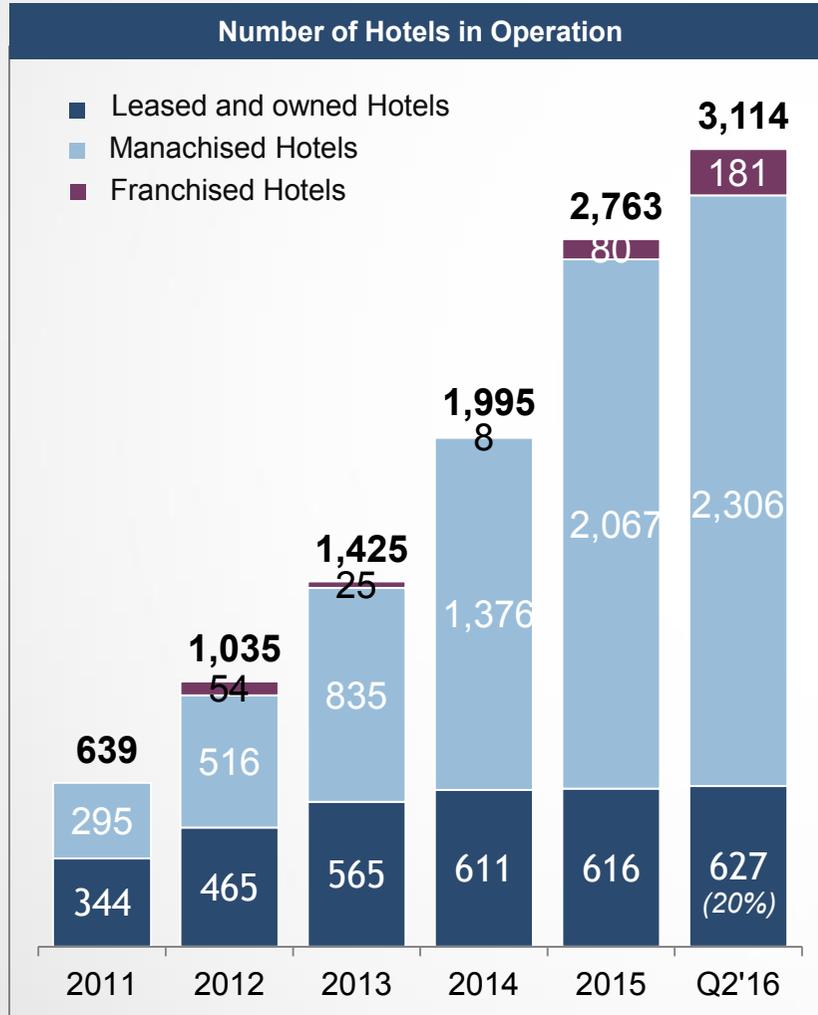


**HanTing 2.0 Rooms as % of Total HanTing
Hotel Room Inventories**



* Normalized for rooms under renovation and upgrade.

Hotel Network Continues Robust Growth under Manachise and Franchise Model

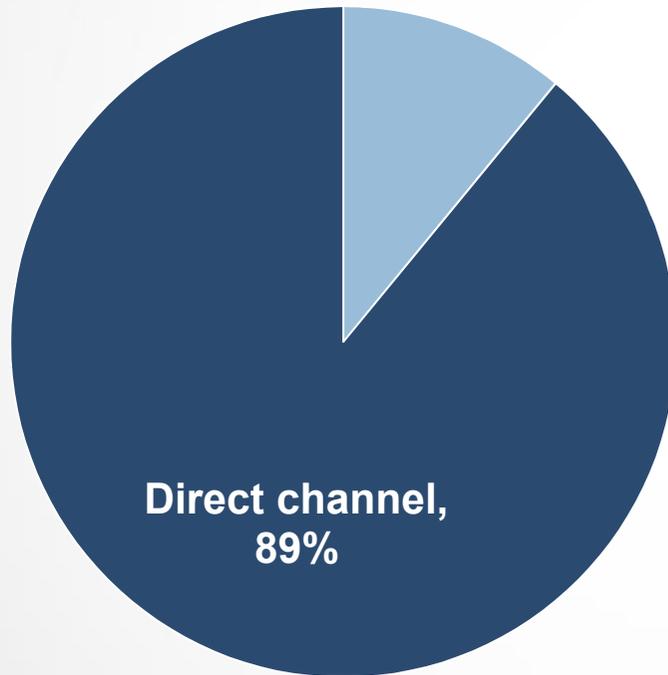


Note: In Q1 2016, 96 Accor hotels were merged to China Lodging's platform due to strategic alliance.

Strong Direct Sales Capability and a Fast-growing Membership Program

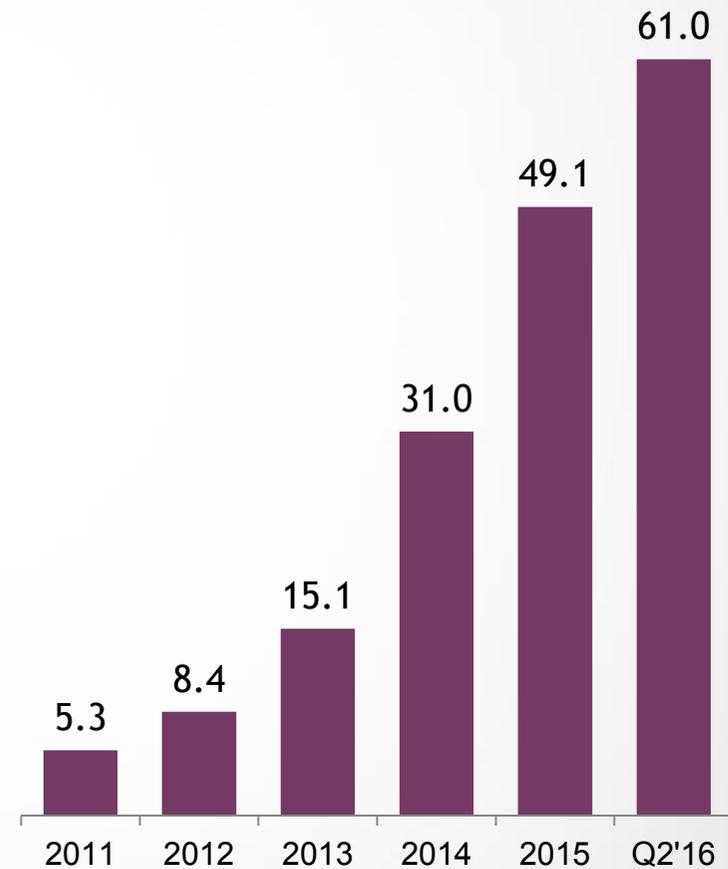
Strong Direct Sales Capability

(By room nights, Q2'16)



Rapid Growth in Membership Program

(in millions)



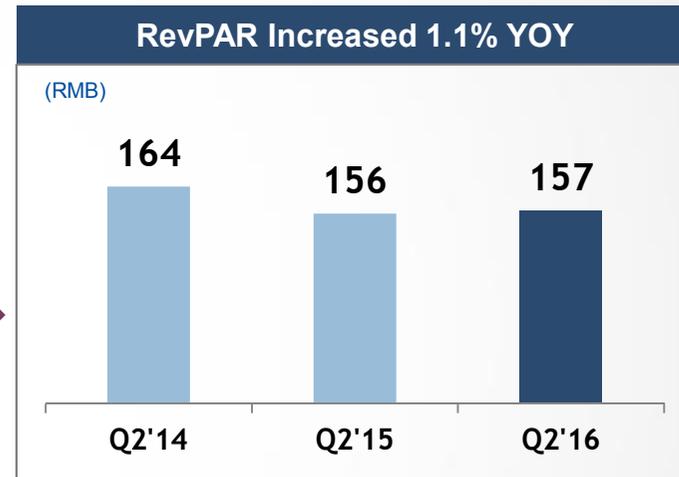
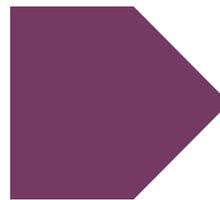
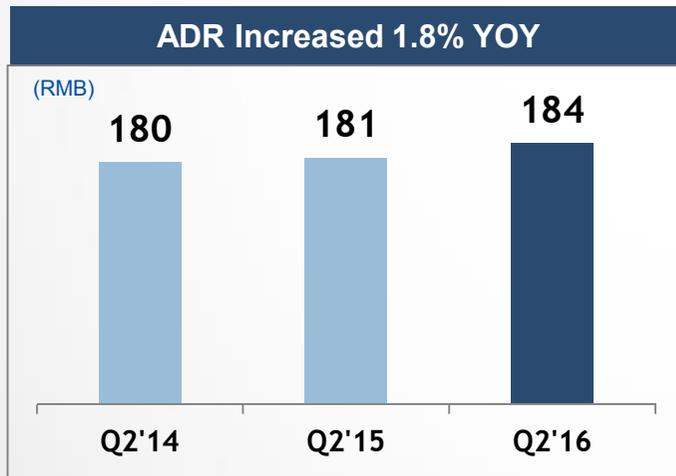
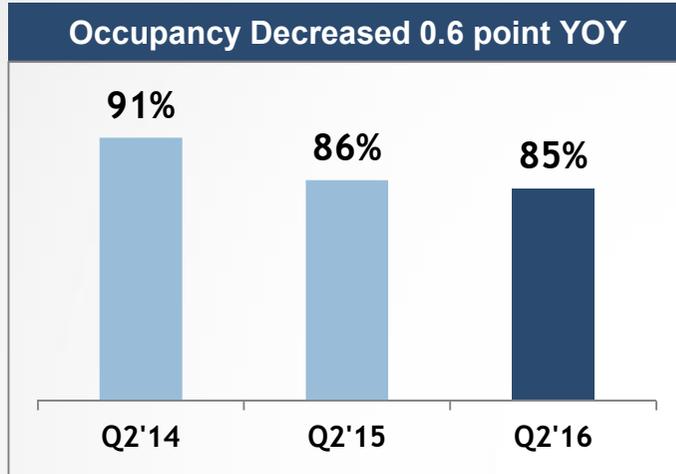
Company Highlights

Operational and Financial Review

Q & A

Appendix

Q2 RevPAR Increased 1.1% YOY



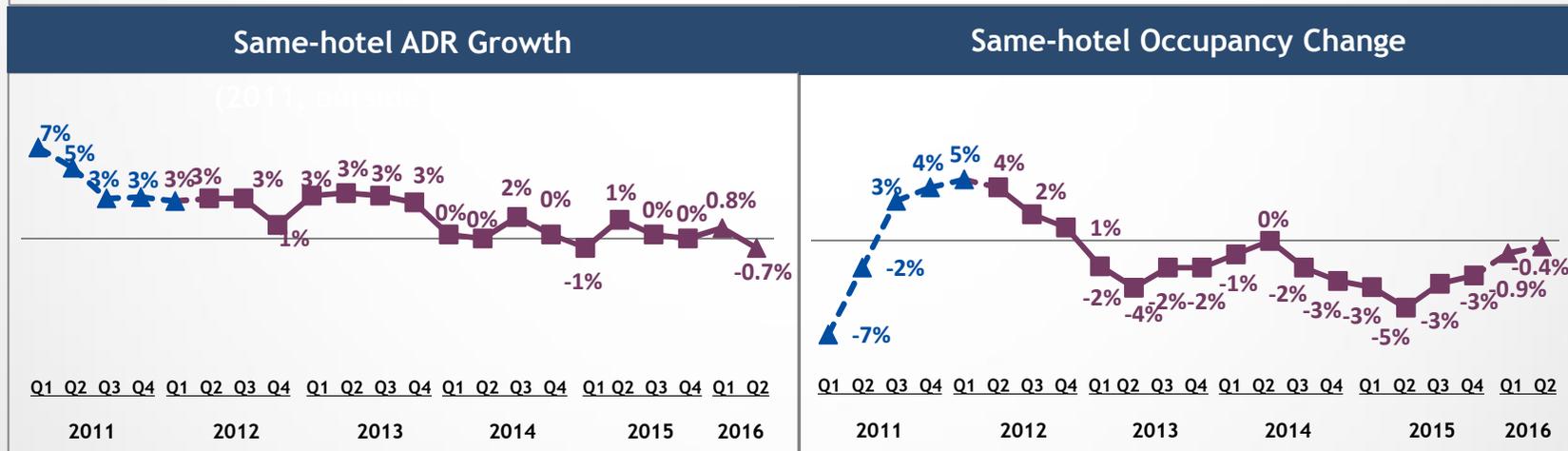
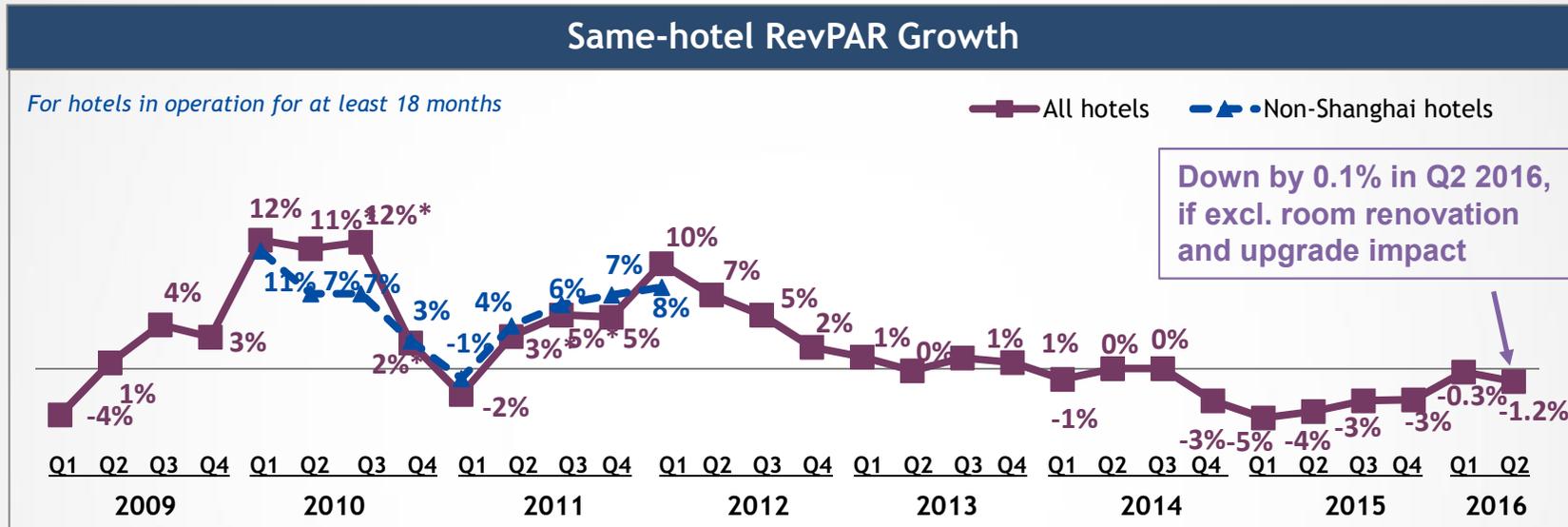
Weight of hotel rooms in 1st- and 2nd-tier cities

Q2'14	Q2'15	Q2'16
76.8%	76.8%	76.4%

Weight of hotel rooms in midscale and upscale segment

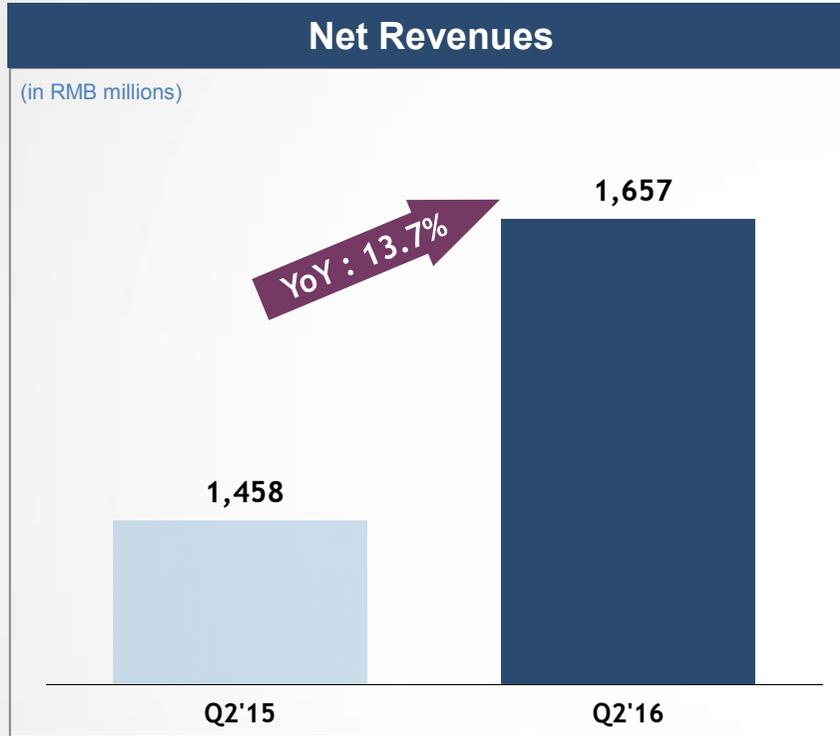
Q2'14	Q2'15	Q2'16
8.3%	12.8%	16.4%

Q2 Same-hotel RevPAR Stabilized, if excl. room renovation and upgrade impact



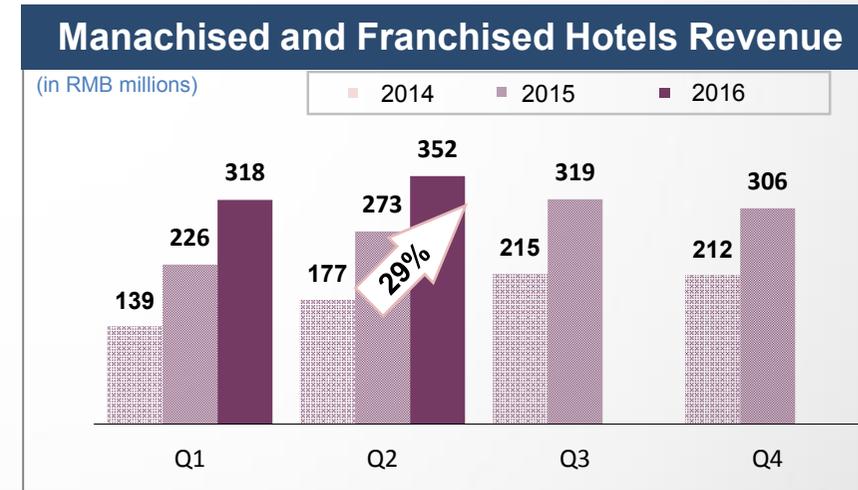
* Normalized for Shanghai Expo

Net Revenues Increased 13.7% Hit Mid-point of Guidance of 12%-15%

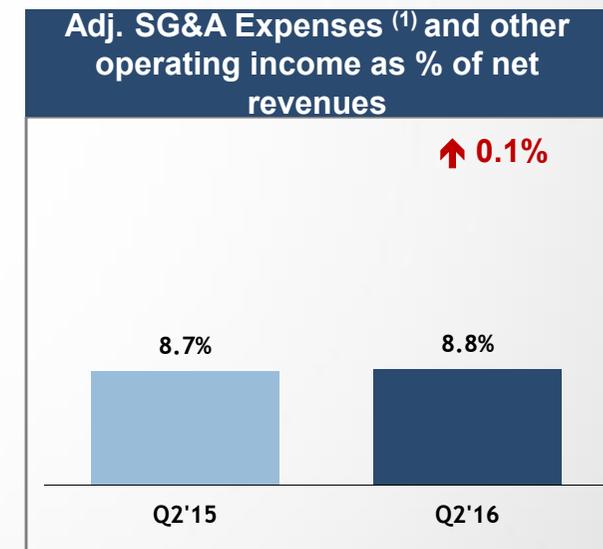
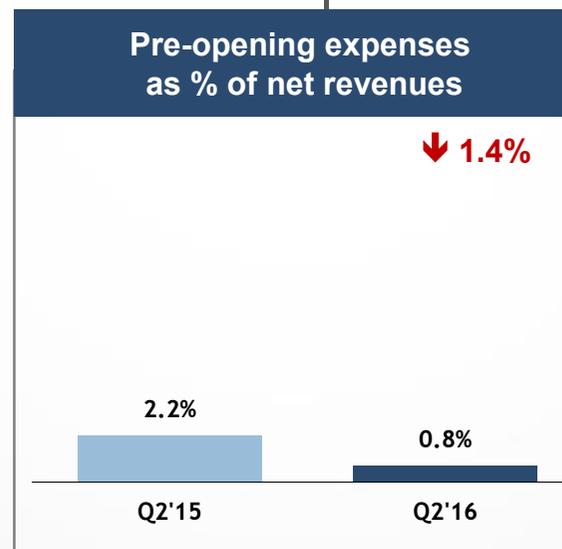
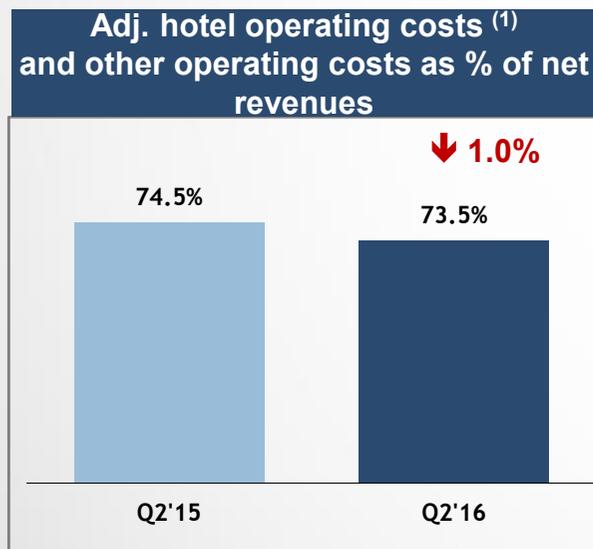
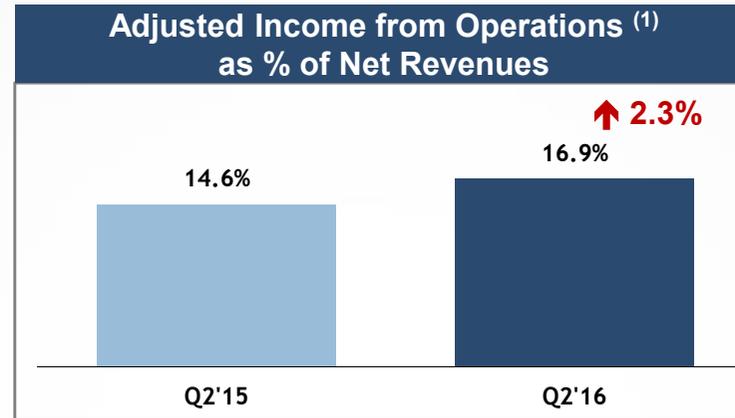


Manachised and Franchised Hotels Revenue as % of Total Revenues

Q2'15	Q2'16
17.7%	20.8%



Adjusted Operating Margin Increased 2.3 Pts

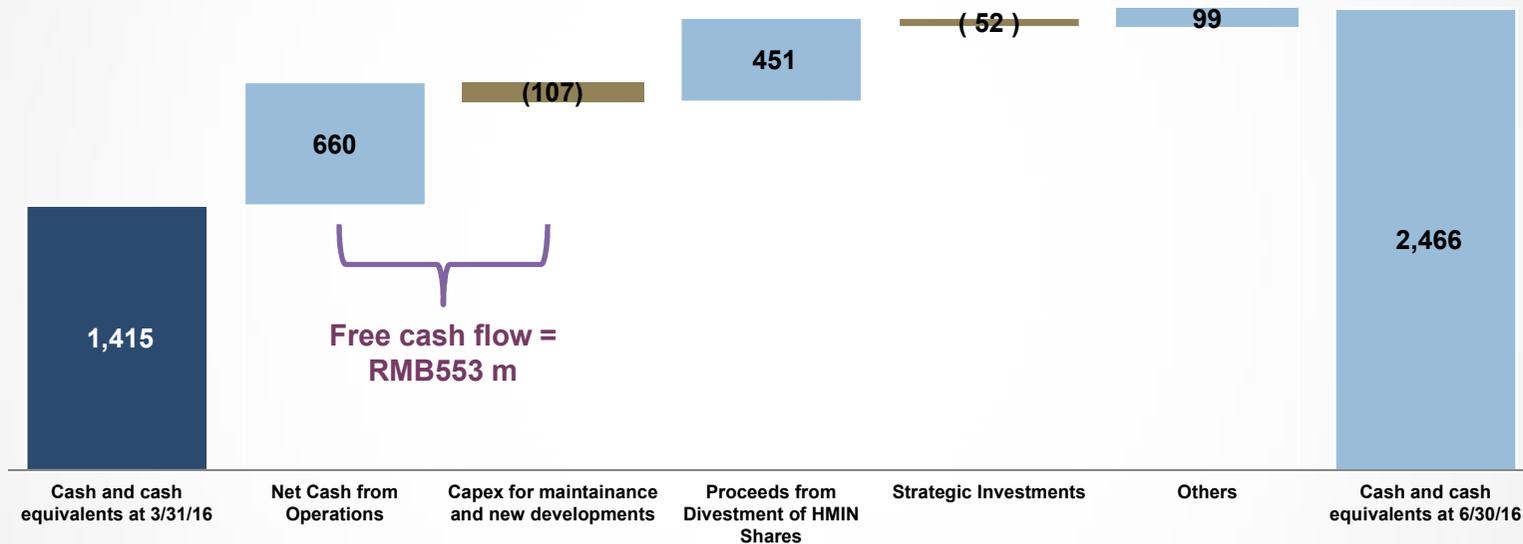


(1) Excluding share-based compensation expenses.

Capital Allocation Supported by Continuing Strong Cash Flow Generation

Abundant Funding Resource for Expansion

(in RMB millions)



- Strategic investments mainly refer to equity investment in apartment businesses
- China Lodging bought Home Inns ADSs from open market in 2015, recouped RMB451 million through partial disposal and recognized a gain of RMB56 million in Q2, 2016

- Reaffirm 2016 full year net revenues to grow
12%-15%
- Expect Q3'16 net revenues to grow
10% to 12.5% year-over-year

Company Highlights

Operational and Financial Review

Q & A

Appendix

Company Highlights

Operational and Financial Review

Q & A

Appendix

Transaction summary

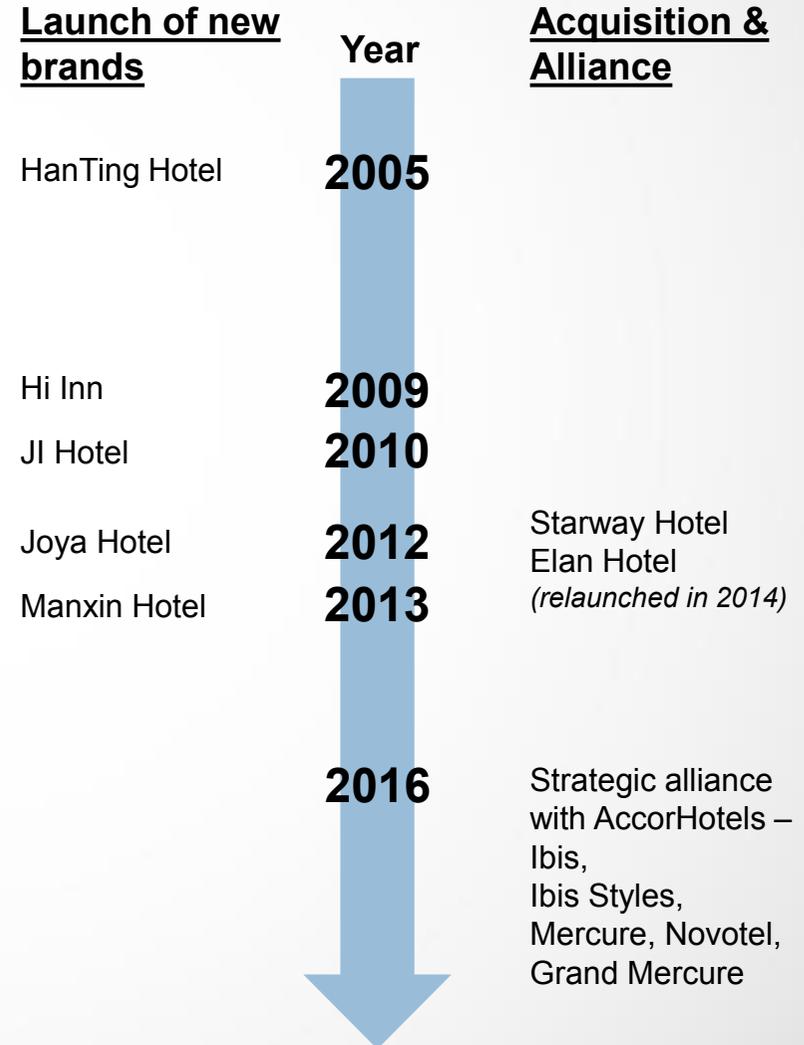
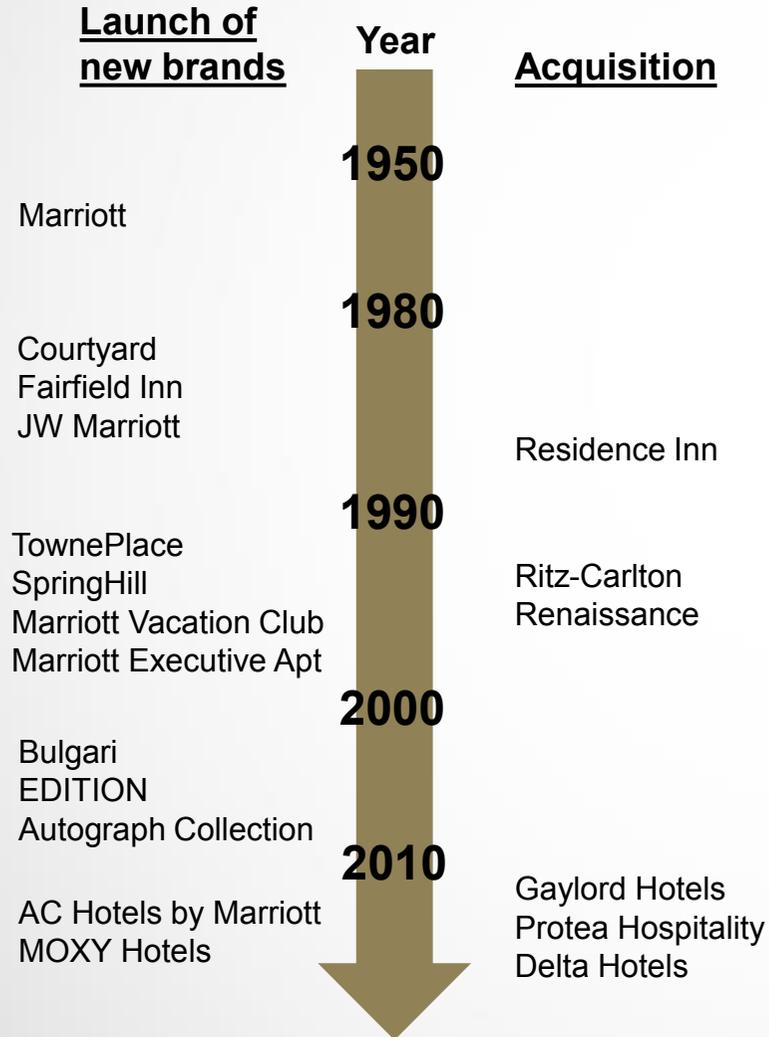
- Master franchisee for Mercure, ibis, ibis styles
- Co-development agreement for Grand Mercure and Novotel
- Non-controlling 28.1% stake in JV for AccorHotels luxury& upscale business in Greater China; 2 out of 5 seats on JV's BOD
- AccorHotels owns 10.8% in China Lodging (9% from new issuance + 1.8% purchased from open market); 1 seat on China Lodging's BOD

Strategic benefits

- Accelerate China Lodging's expansion into mid- and up-scale segments
- Access to a wider customer base of 75 million members combined
- Members benefit from expanded hotel choices with more than 6,500 hotels combined worldwide

Financial impact and development plan

- Accredited to 2016 profit since January
- To develop 350-400 new hotels in China in 5 years

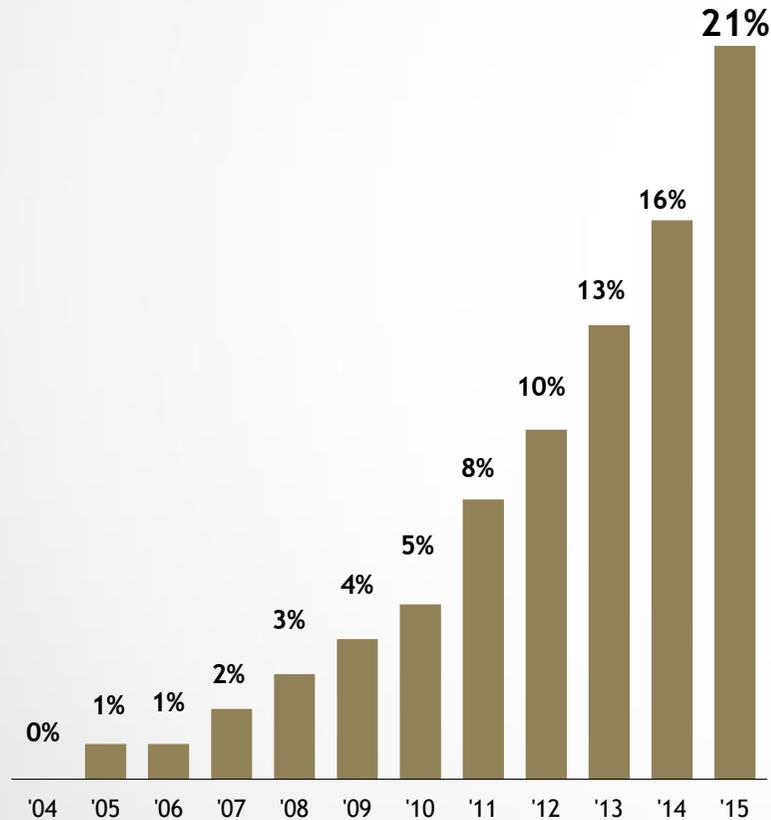


Market Structure of Economy Hotel Segment: Significant Room for Consolidation

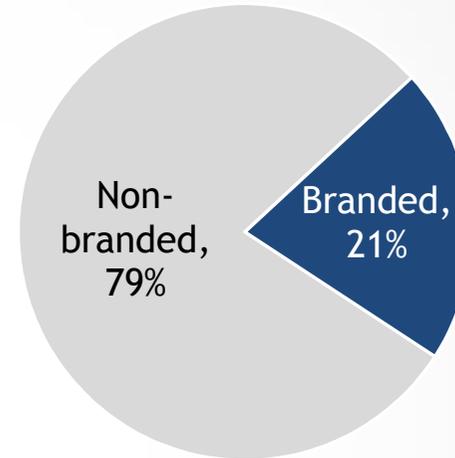
Consolidation has been accelerating...

... but market is still highly fragmented

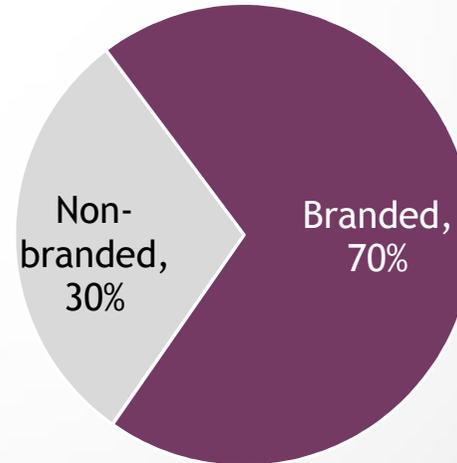
Branded as % of total market



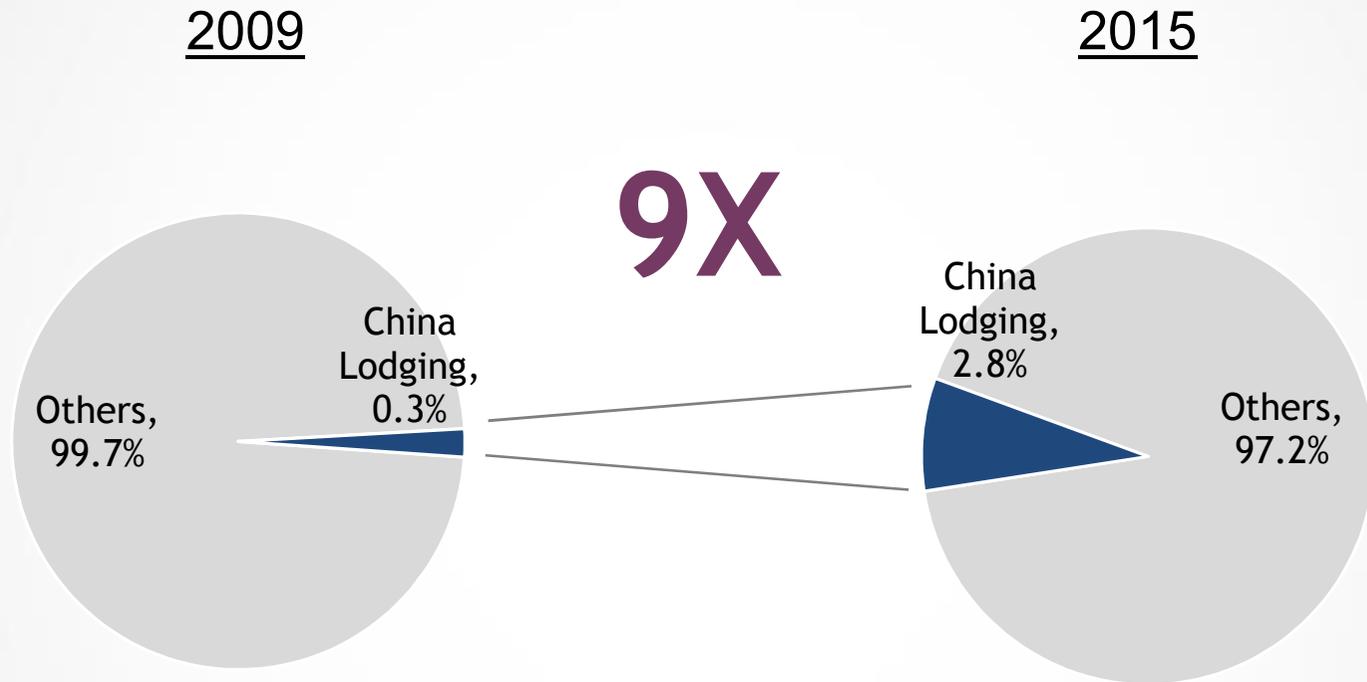
China



U.S.



Albeit small, China Lodging's Share Increased Significantly in Economy Hotel Segment



(Number of Company's economy hotels as % of total economy hotels)

Same-Hotel Operational Data by Segment

	Number of hotels in operation		Same-hotel RevPAR			Same-hotel ADR			Same-hotel Occupancy		
	As of		For the quarter ended			For the quarter ended			For the quarter ended		
	September 30, 2014	September 30, 2015	September 30, 2014	September 30, 2015	yoy change	September 30, 2014	September 30, 2015	yoy change	September 30, 2014	September 30, 2015	yoy change
Economy hotels	1,391	1,391	173	165	-4%	181	180	-1%	95%	92%	-4%
Leased hotels	509	509	174	167	-4%	185	184	0%	94%	91%	-4%
Manachised and franchised hotels	882	882	171	164	-4%	179	177	-1%	96%	92%	-4%
Midscale and upscale hotels	102	102	247	263	6%	283	298	5%	87%	88%	1%
Leased hotels	52	52	272	296	9%	304	324	7%	90%	92%	2%
Manachised and franchised hotels	50	50	214	215	0%	252	258	2%	85%	83%	-2%
Total	1,493	1,493	179	173	-3%	189	190	0%	95%	91%	-3%

	Number of hotels in operation		Same-hotel RevPAR			Same-hotel ADR			Same-hotel Occupancy		
	As of		For the quarter ended			For the quarter ended			For the quarter ended		
	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	yoy change	December 31, 2014	December 31, 2015	yoy change	December 31, 2014	December 31, 2015	yoy change
Economy hotels	1,491	1,491	152	145	-5%	169	167	-1%	90%	87%	-3%
Leased hotels	510	510	156	147	-5%	175	173	-1%	89%	85%	-4%
Manachised and franchised hotels	981	981	149	143	-4%	166	163	-1%	90%	87%	-2%
Midscale and upscale hotels	121	121	224	241	8%	270	282	5%	83%	85%	2%
Leased hotels	58	58	245	276	12%	291	308	6%	84%	90%	5%
Manachised and franchised hotels	63	63	195	196	0%	240	245	2%	81%	80%	-2%
Total	1,612	1,612	158	154	-3%	178	178	0%	89%	86%	-3%

	Number of hotels in operation		Same-hotel RevPAR			Same-hotel ADR			Same-hotel Occupancy		
	As of		For the quarter ended			For the quarter ended			For the quarter ended		
	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	yoy change	March 31, 2015	March 31, 2016	yoy change	March 31, 2015	March 31, 2016	yoy change
Economy hotels	1,637	1,637	136	133	-2%	160	160	0%	85%	83%	-1%
Leased hotels	518	518	138	135	-2%	165	165	0%	84%	82%	-2%
Manachised and franchised hotels	1,119	1,119	134	132	-2%	158	157	-1%	85%	84%	-1%
Midscale and upscale hotels	146	146	203	221	9%	256	269	5%	79%	82%	3%
Leased hotels	66	66	225	252	12%	276	293	6%	82%	86%	4%
Manachised and franchised hotels	80	80	178	184	3%	232	237	2%	77%	78%	1%
Total	1,783	1,783	142	142	0%	169	171	1%	84%	83%	-1%

	Number of hotels in operation		Same-hotel RevPAR			Same-hotel ADR			Same-hotel Occupancy		
	As of		For the quarter ended			For the quarter ended			For the quarter ended		
	June 30, 2015	June 30, 2016	June 30, 2015	June 30, 2016	yoy change	June 30, 2015	June 30, 2016	yoy change	June 30, 2015	June 30, 2016	yoy change
Economy hotels	1,739	1,739	152	148	-3.0%	172	168	-1.9%	89%	88%	-1.0%
Leased hotels	522	522	159	152	-4.1%	179	177	-1.6%	88%	86%	-2.3%
Manachised and franchised hotels	1,217	1,217	149	146	-2.4%	168	164	-2.0%	89%	89%	-0.3%
Midscale and upscale hotels	160	160	230	250	8.6%	281	290	2.9%	82%	86%	4.5%
Leased hotels	68	68	263	292	11.2%	310	322	3.8%	85%	91%	6.1%
Manachised and franchised hotels	92	92	195	204	4.6%	248	251	0.9%	79%	81%	2.8%
Total	1,899	1,899	161	159	-1.2%	183	181	-0.7%	88%	88%	-0.4%

Hotel Breakdown by Brands

Hotel breakdown by brand

	Number of Hotels in Operation				
	As of 12/31/2013	As of 12/31/2014	As of 12/31/2015	As of 3/31/2016	As of 6/30/2016
Economy hotels	1,309	1,819	2,453	2,642	2,726
HanTing Hotel	1,226	1,648	2,003	2,059	2,105
Leased hotels	473	502	495	493	492
Manachised hotels	753	1,146	1,508	1,566	1,613
Hi Inn	83	158	302	332	358
Leased hotels	41	41	38	38	37
Manachised hotels	42	117	251	264	285
Franchised hotels			13	30	36
Elan Hotel		13	148	169	180
Manachised hotels		13	128	142	149
Franchised hotels			20	27	31
ibis Hotel				82	83
Leased and owned hotels				12	13
Manachised hotels				9	13
Franchised hotels				61	57
Midscale hotels and upscale hotels	116	176	310	347	388
JI Hotel	68	117	186	202	229
Leased hotels	48	62	75	77	78
Manachised hotels	20	55	111	125	149
Franchised hotels					2
Starway Hotel	46	55	118	123	136
Leased hotels	1	3	4	3	3
Manachised hotels	20	44	67	71	84
Franchised hotels	25	8	47	49	49
Joya Hotel	1	3	3	4	5
Leased hotels	1	2	2	2	2
Manachised hotels		1	1	2	3
Manxin Hotels & Resorts	1	1	2	2	2
Leased hotels	1	1	1	1	1
Manachised hotels			1	1	1
ibis Styles Hotel				6	6
Manachised hotels				2	2
Franchised hotels				4	4
Mercure Hotel			1	8	8
Leased hotels			1	1	1
Manachised hotels				6	6
Franchised hotels				1	1
Novotel Hotel				1	1
Manachised hotels				1	1
Grand Mercure Hotel				1	1
Franchised hotels				1	1
Total	1,425	1,995	2,763	2,989	3,114

Room Breakdown by Brands

Hotel breakdown by brand

	Number of rooms in operation				
	As of 12/31/2013	As of 12/31/2014	As of 12/31/2015	As of 3/31/2016	As of 6/30/2016
Economy hotels	138,576	185,959	238,156	257,171	263,207
HanTing Hotel	130,747	172,341	205,577	209,319	213,481
Leased hotels	54,154	57,306	57,277	56,681	56,461
Manachised hotels	76,593	115,035	148,300	152,638	157,020
Hi Inn	7,829	12,551	21,340	22,934	24,144
Leased hotels	4,422	3,895	3,698	3,575	3,429
Manachised hotels	3,407	8,656	16,725	17,482	18,552
Franchised hotels			917	1,877	2,163
Elan Hotel		1,067	11,239	12,843	13,338
Manachised hotels		1,067	9,837	11,009	11,216
Franchised hotels			1,402	1,834	2,122
ibis Hotel				12,075	12,244
Leased and owned hotels				2,330	2,562
Manachised hotels				1,824	2,339
Franchised hotels				7,921	7,343
Midscale hotels and upscale hotels	14,303	23,996	40,687	47,257	51,604
Ji Hotel	9,106	17,052	27,559	29,751	32,934
Leased hotels	6,891	10,260	13,195	13,498	13,488
Manachised hotels	2,215	6,792	14,364	16,253	19,297
Franchised hotels					149
Starway Hotel	4,959	6,321	12,138	12,852	13,760
Leased hotels	131	451	604	517	517
Manachised hotels	2,222	4,939	7,183	7,743	8,785
Franchised hotels	2,606	931	4,351	4,592	4,458
Joya Hotel	141	515	515	671	934
Leased hotels	141	315	315	315	326
Manachised hotels		200	200	356	608
Manxin Hotels & Resorts	97	108	236	236	229
Leased hotels	97	108	108	108	101
Manachised hotels			128	128	128
ibis Styles Hotel				1,257	1,257
Manachised hotels				729	729
Franchised hotels				528	528
Mercure Hotel			239	1,993	1,993
Leased hotels			239	239	239
Manachised hotels				1,476	1,476
Franchised hotels				278	278
Novotel Hotel				306	306
Manachised hotels				306	306
Grand Mercure Hotel				191	191
Franchised hotels				191	191
Total	152,879	209,955	278,843	304,428	314,811



2,105

Hotels
in operation

213,481

Rooms

(as of 6/30/2016)



Elan Hotel: New Brand for More Economy Hotels

elan
怡莱酒店

180

Hotels
in operation

13,338

Rooms

(as of 6/30/2016)





海友酒店

358

Hotels
in operation

24,144

Rooms

(as of 6/30/2016)





89

Hotels
in operation

13,501

Rooms

(as of 6/30/2016)





229

Hotels
in operation

32,934

Rooms

(as of 6/30/2016)



Starway Hotel: Rich in Design and Guaranteed in Quality



136

Hotels
in operation

13,760

Rooms

(as of 6/30/2016)



Novotel: Create a new & valuable midscale hospitality experience



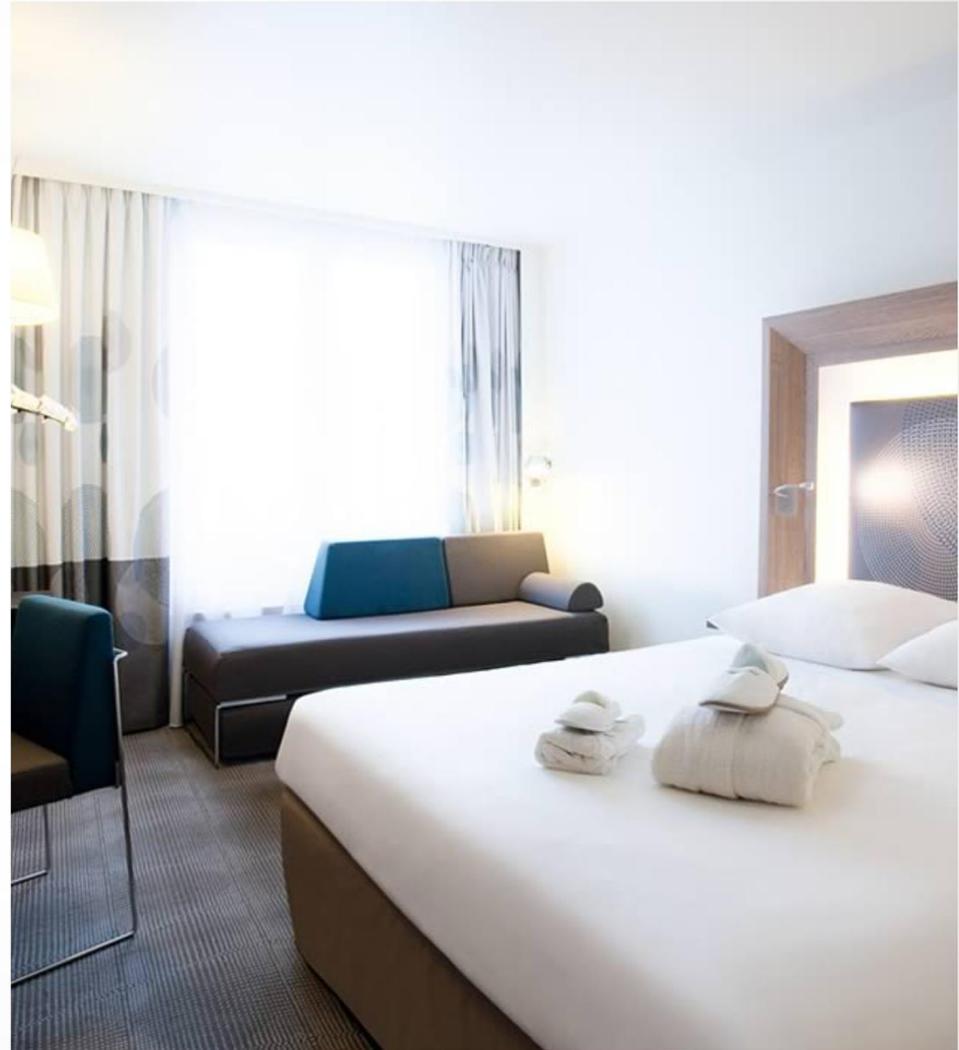
1

Hotels
in operation

306

Rooms

(as of 6/30/2016)



Mercure: A genuine experience, a strong commitment to quality



8

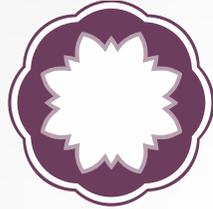
Hotels
in operation

1,993

Rooms

(as of 6/30/2016)





禧玥酒店
JOYA HOTEL

5

Hotels
in operation

934

Rooms

(as of 6/30/2016)



Manxin Hotels & Resorts: Experience A Relaxing and Authentic Holiday



MANXIN HOTELS & RESORTS

漫心度假酒店

2

Hotels
in operation

229

Rooms

(as of 6/30/2016)





GRAND MERCURE

1

Hotels
in operation

191

Rooms

(as of 6/30/2016)





华住酒店集团

成就美好生活