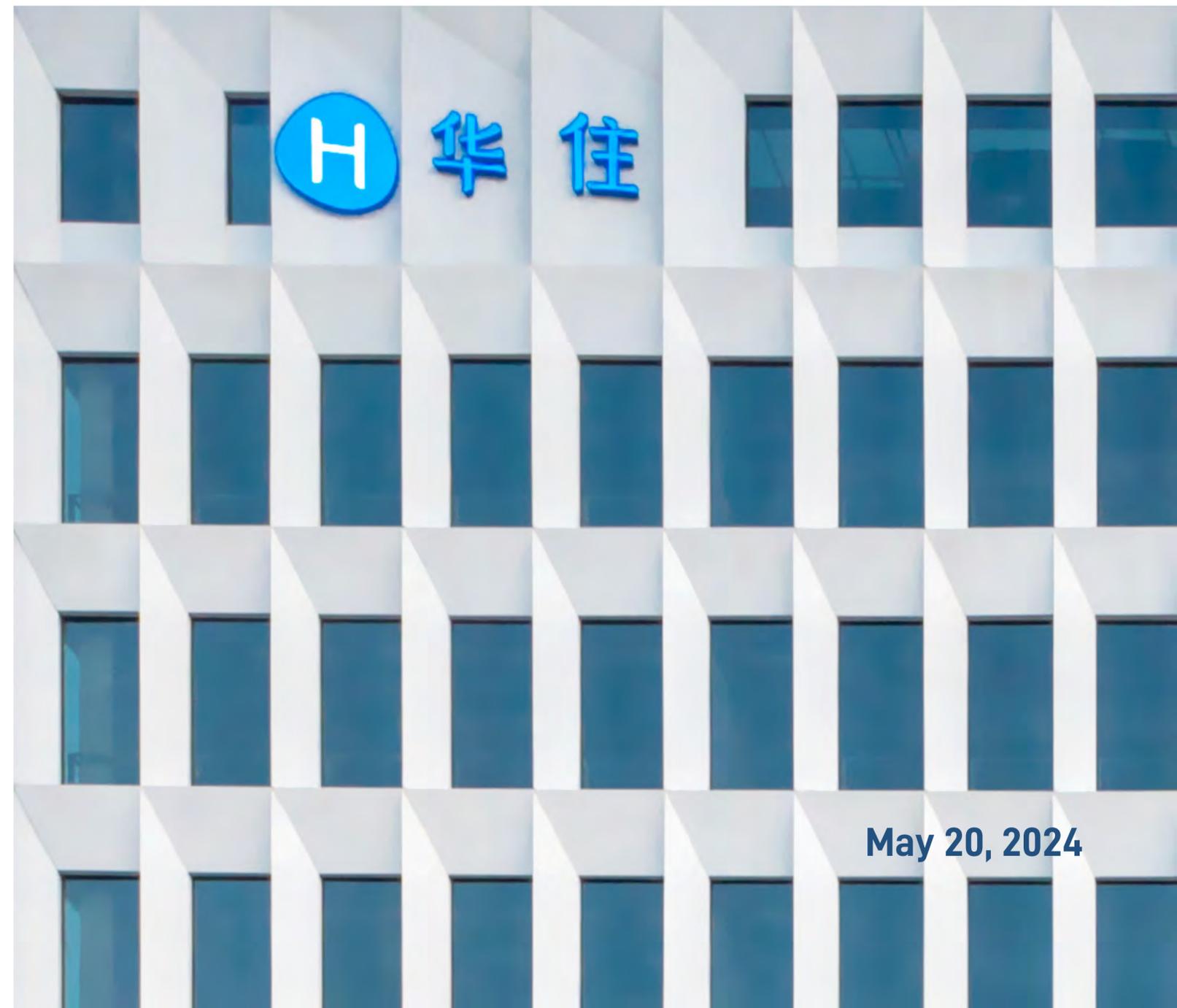


First Quarter of 2024 Earnings Call

H World Group Limited

(NASDAQ: HTHT and HKEX: 1179)



May 20, 2024

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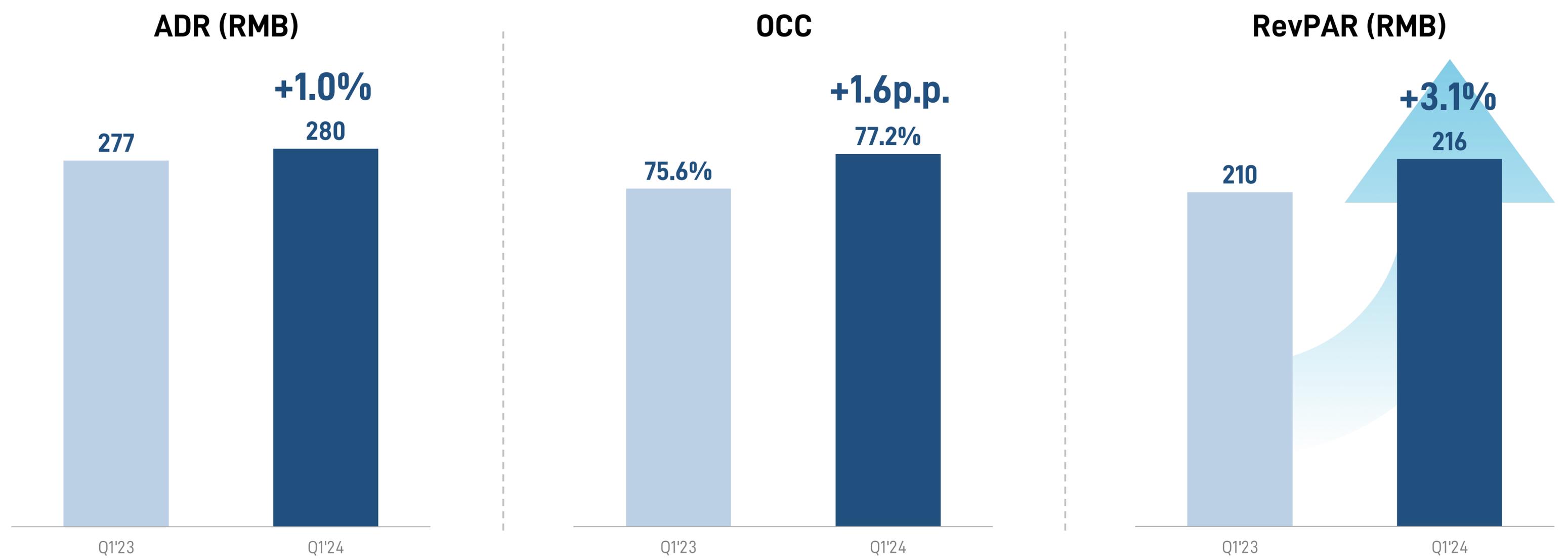
04



Appendix

Legacy-Huazhu - Blended RevPAR Increased 3.1% YoY

华住中国-2024年一季度混合RevPAR同比增长3.1%

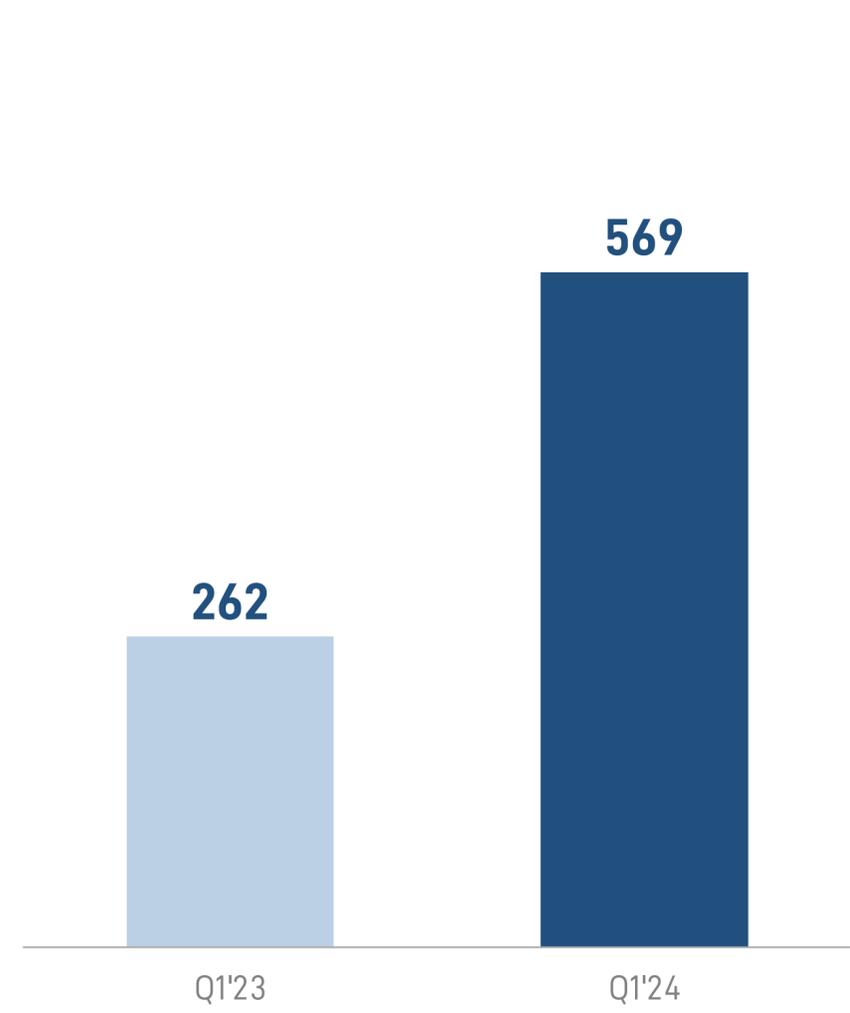


* Numbers in this page refers to Legacy-Huazhu business

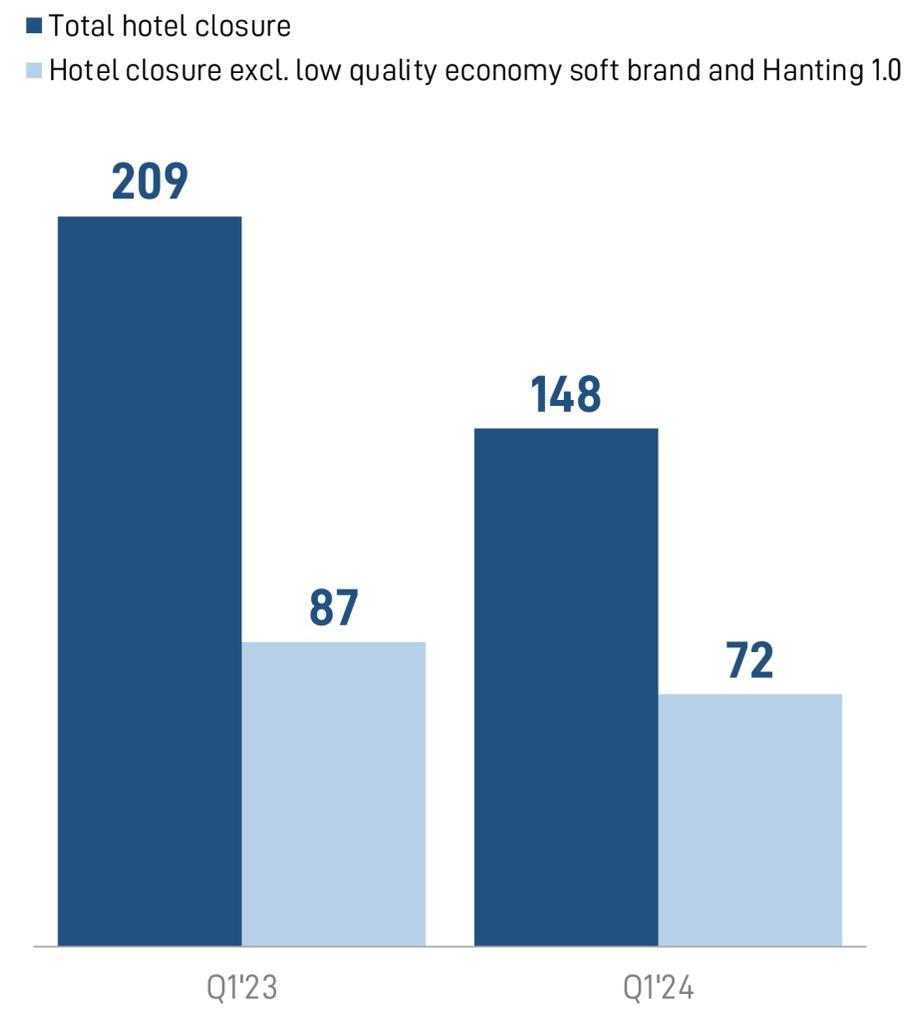
Accelerated Network Expansion in China

酒店网络加速扩张

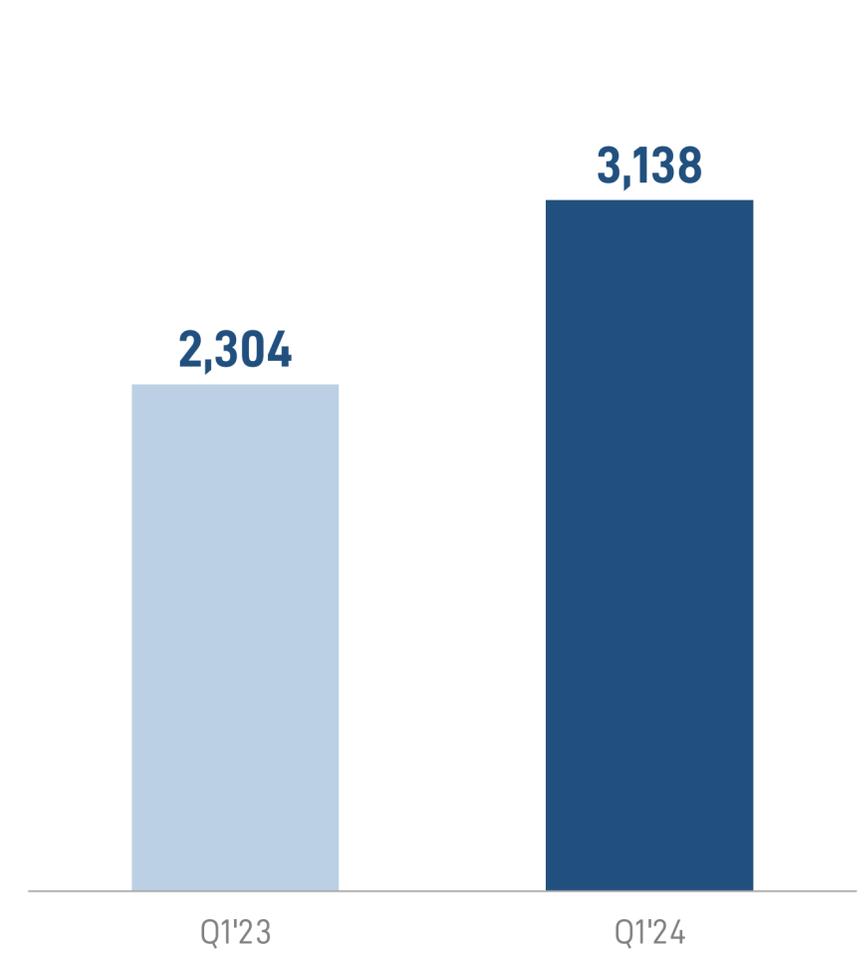
Number of Hotel Opening



Number of Hotel Closure



Number of Hotel in Pipeline (as of Mar 31)

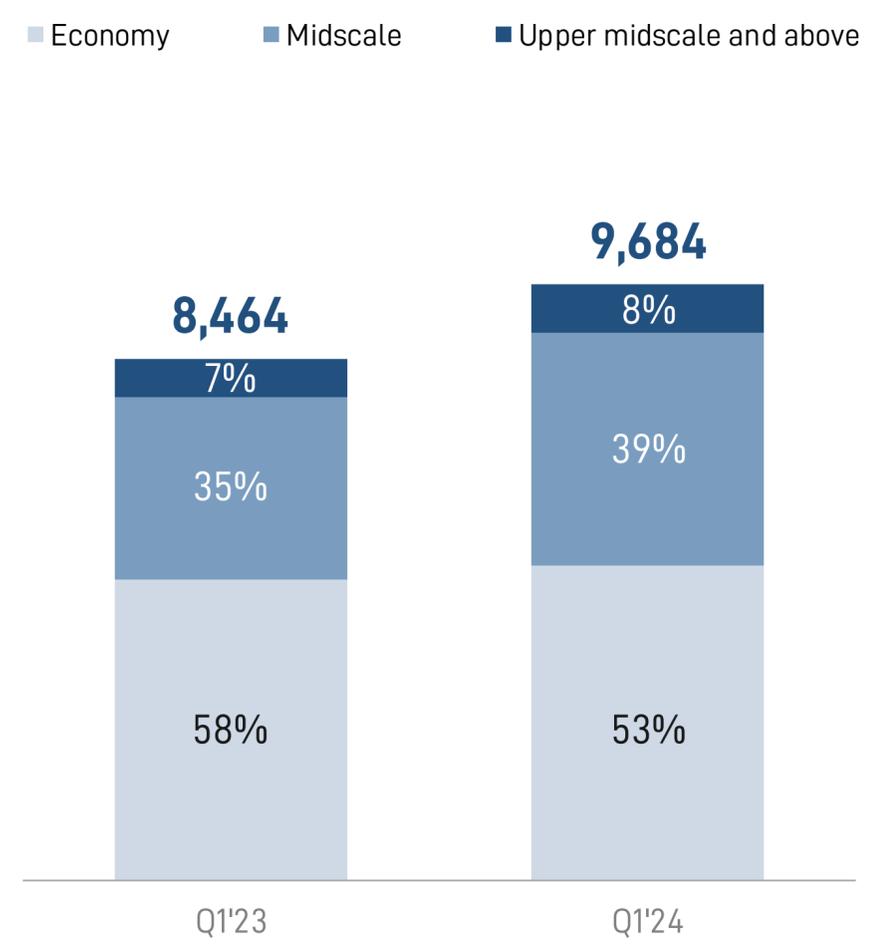


* Numbers in this page refers to Legacy-Huazhu business

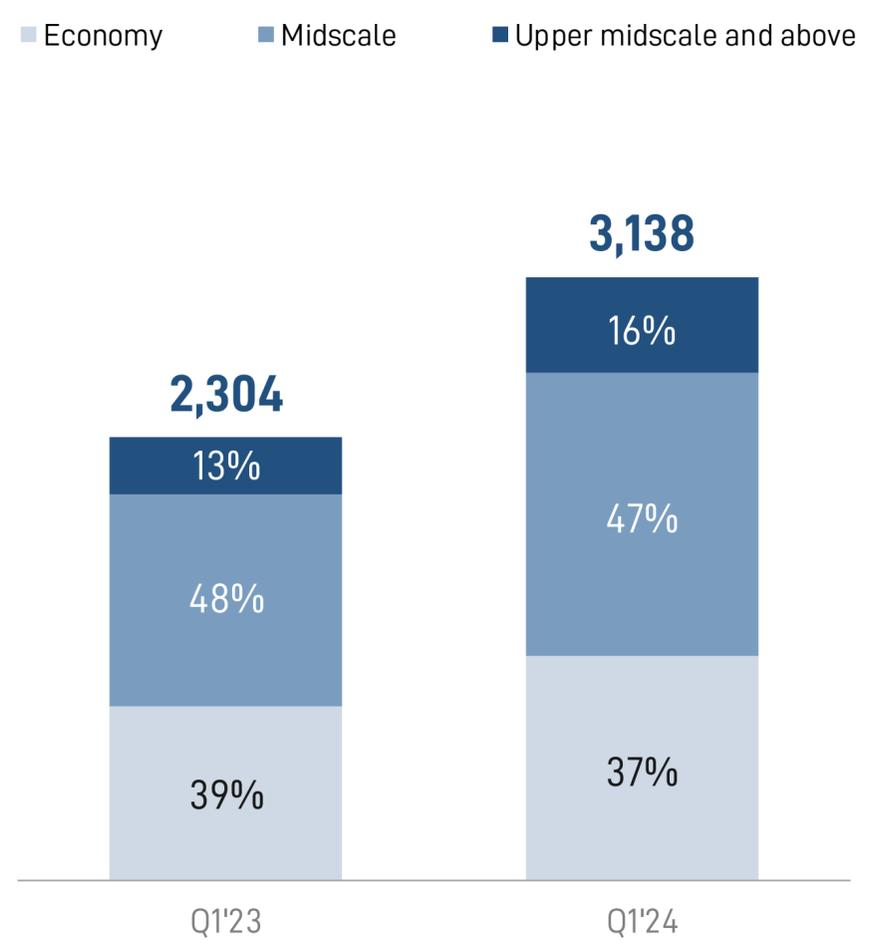
Economy and Midscale as the Core Products Serving the Mass Market

经济型及中档酒店为核心，服务大众市场

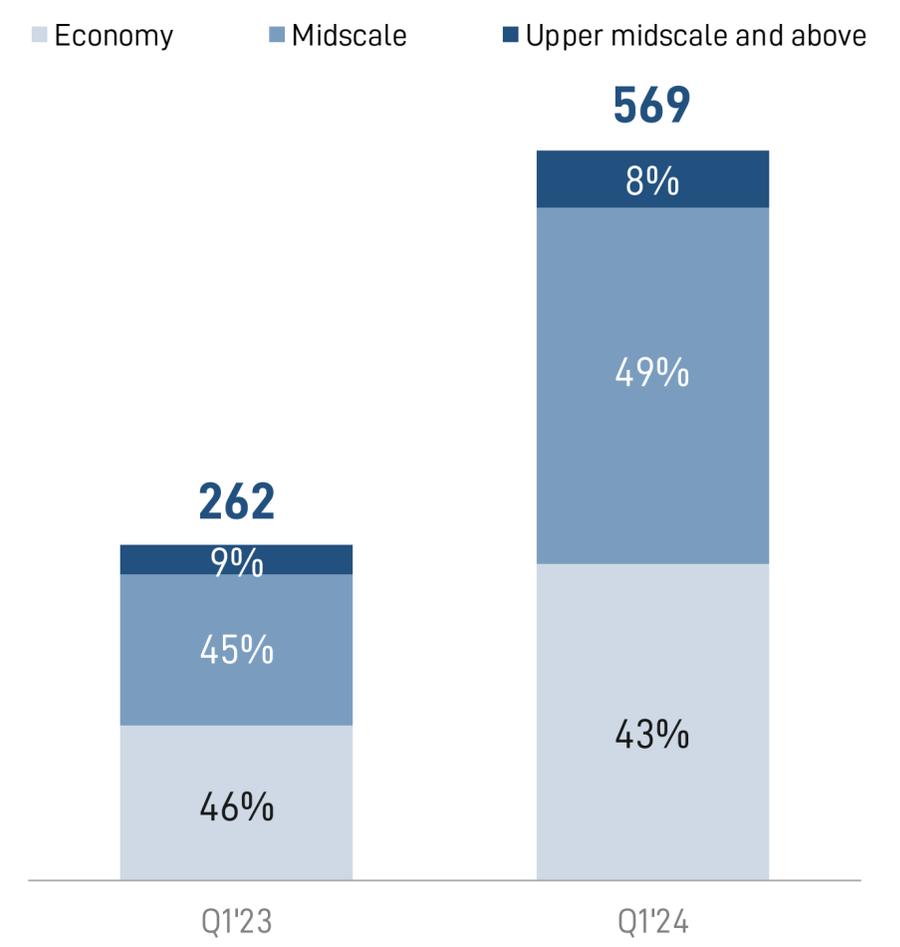
Number of Hotels in Operation
(as of Mar 31)



Number of Hotels in Pipeline
(as of Mar 31)



Number of Hotel Opening



* Numbers in this page refers to Legacy-Huazhu business

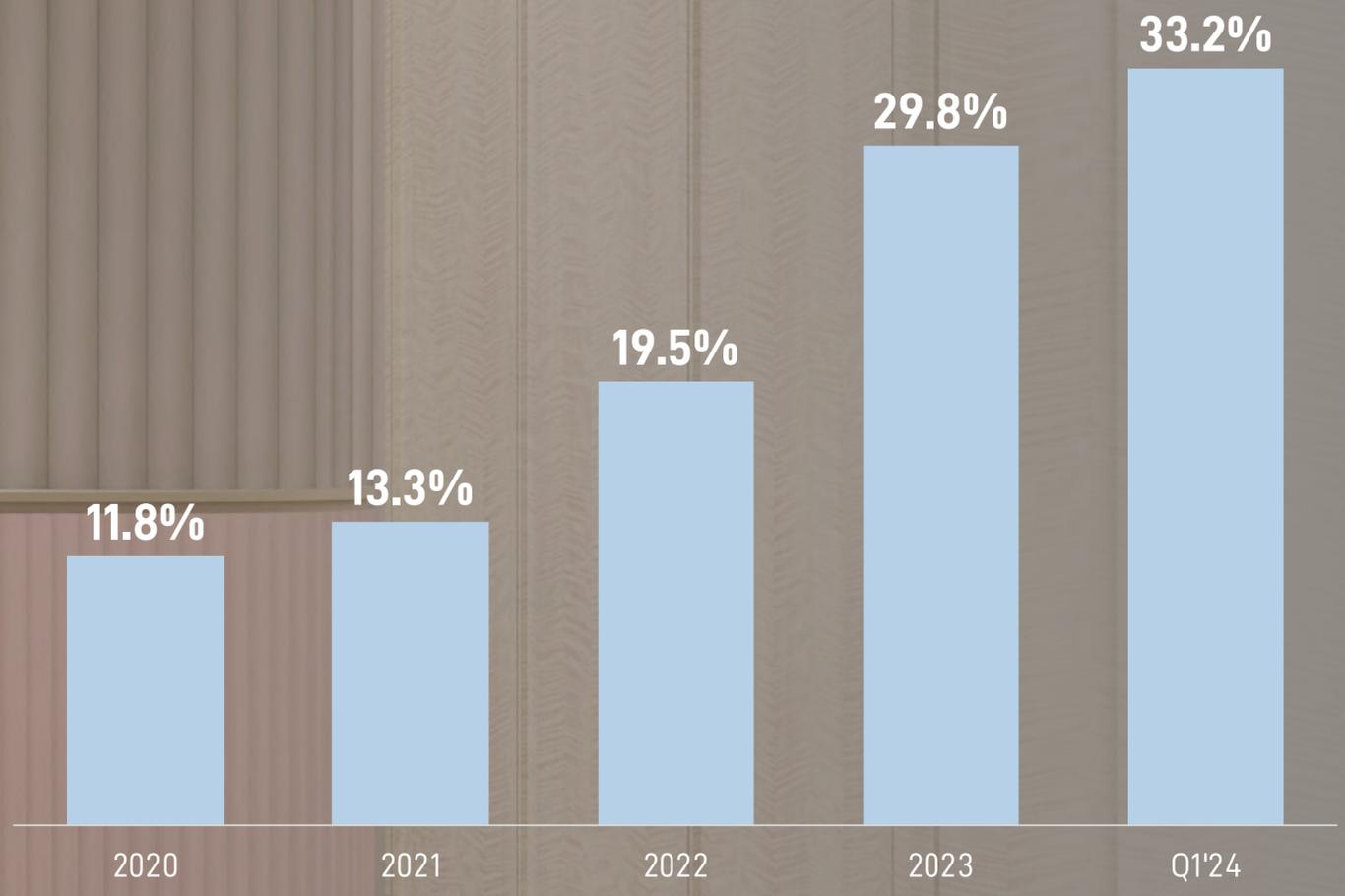
Consistent Product Upgrade for 'Iron-Triangle' Brands - Hanting

铁三角品牌的持续升级 - 汉庭



Proportion of Hanting 3.5 and Above in Operation

■ Hanting 3.5 and above

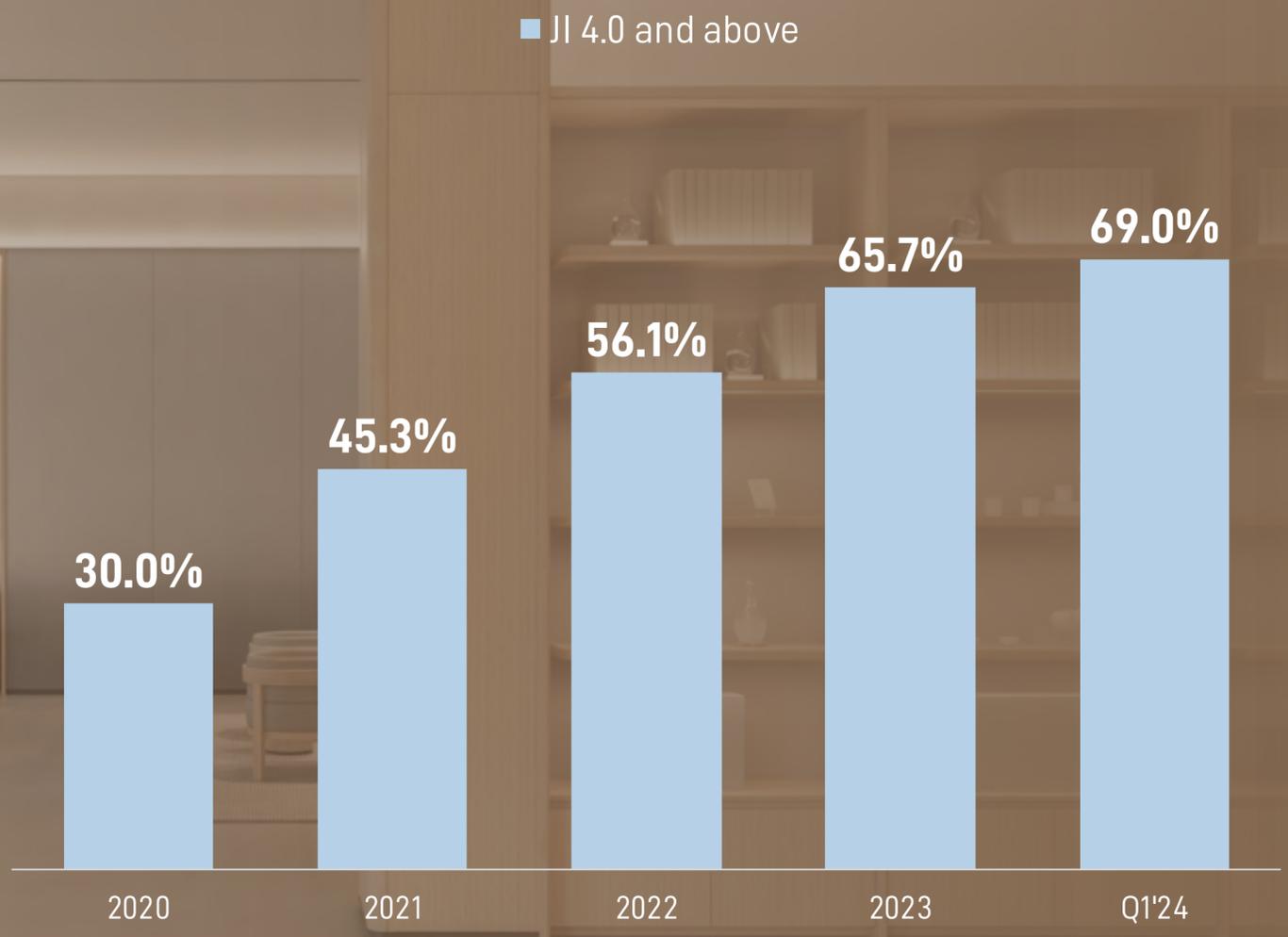


* Numbers in this page refers to Legacy-Huazhu business

Consistent Product Upgrade for 'Iron-Triangle' Brands - JI

铁三角品牌的持续升级 - 全季

Proportion of JI 4.0 and Above in Operation



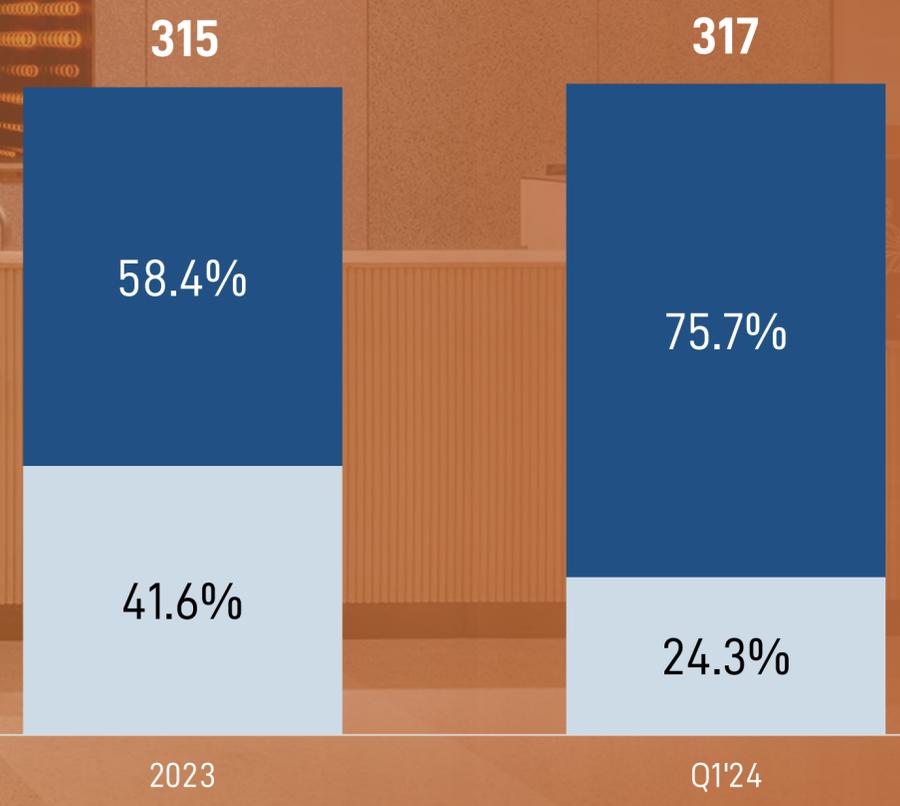
* Numbers in this page refers to Legacy-Huazhu business

Consistent Product Upgrade for 'Iron-Triangle' Brands - Orange

铁三角品牌的持续升级 - 桔子

Proportion of Orange LOHAS in Pipeline

Others LOHAS



* Numbers in this page refers to Legacy-Huazhu business

Launching New Version of NiHao

推出全新版本 你好

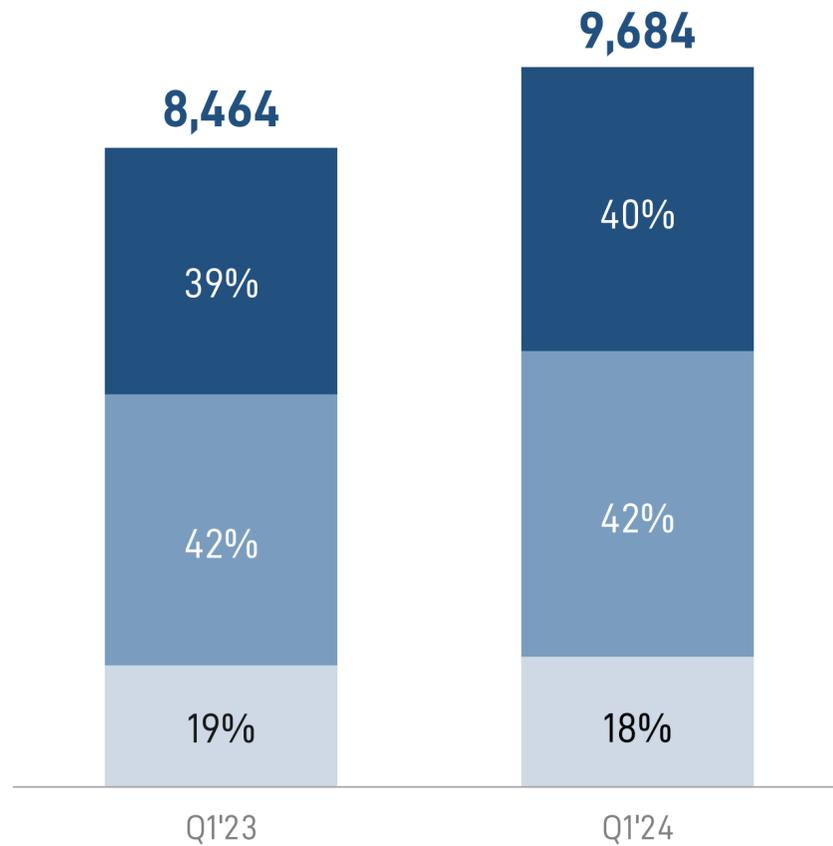


Continuous Penetration in Lower Tier Cities in China

持续渗透低线城市

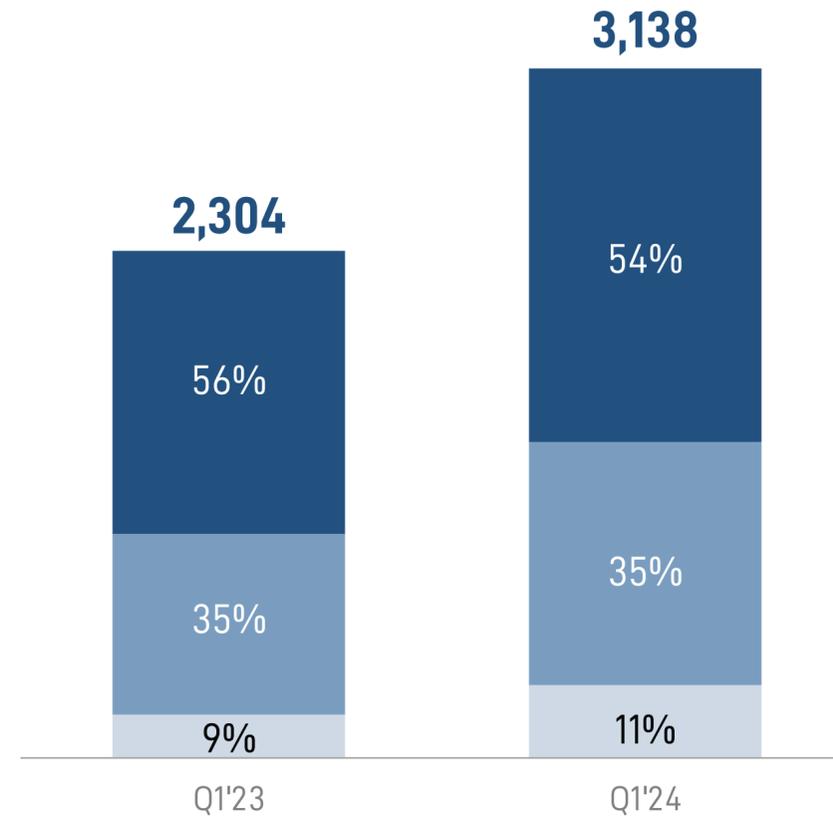
Number of Hotels in Operation
(as of Mar 31)

■ Tier-1 ■ Tier-2 ■ Tier-3, 4 and below

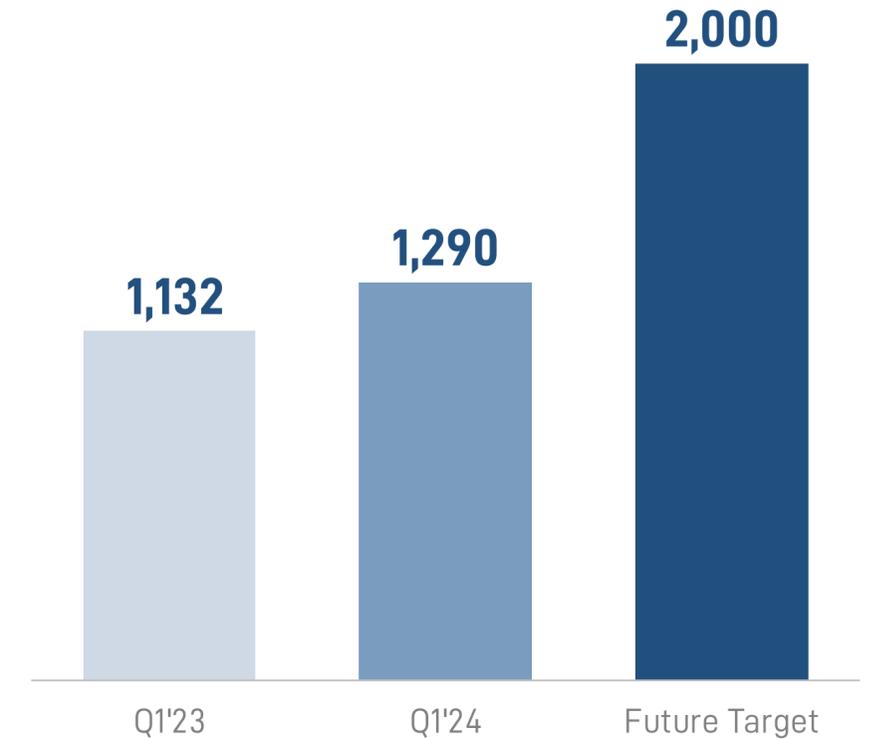


Number of Hotels in Pipeline
(as of Mar 31)

■ Tier-1 ■ Tier-2 ■ Tier-3, 4 and below



City Coverage
(hotels in operation and in pipeline)

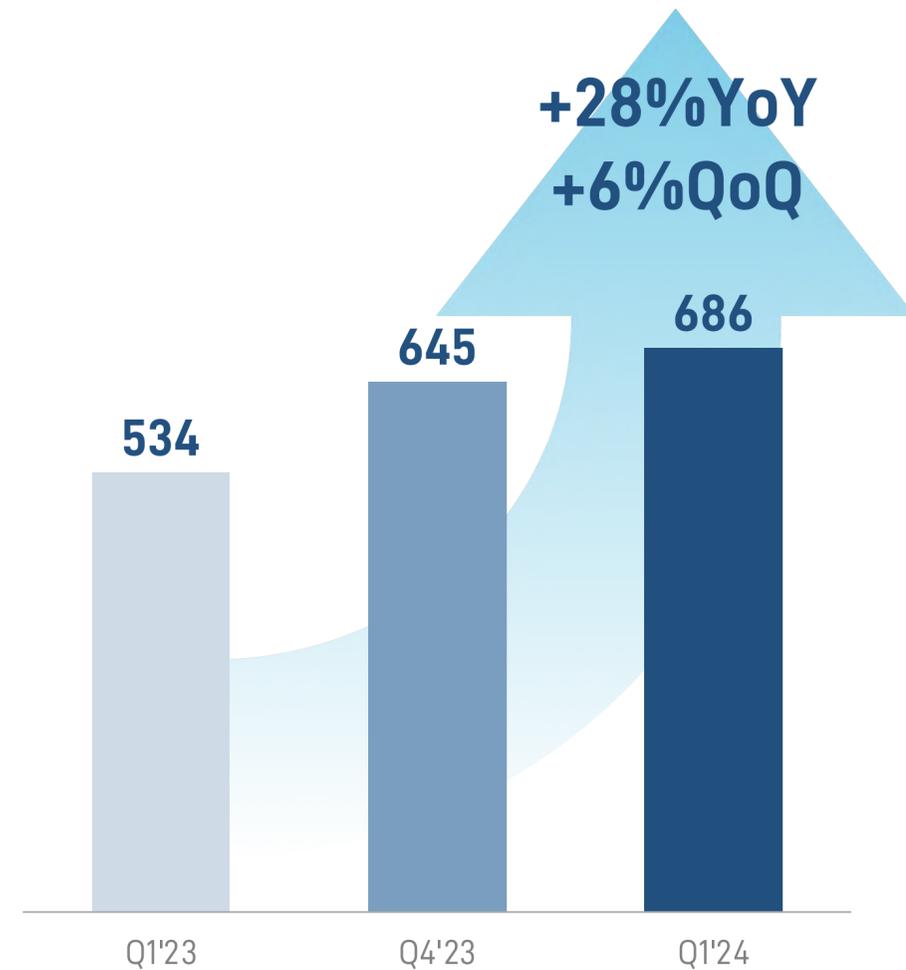


* Numbers in this page refers to Legacy-Huazhu business

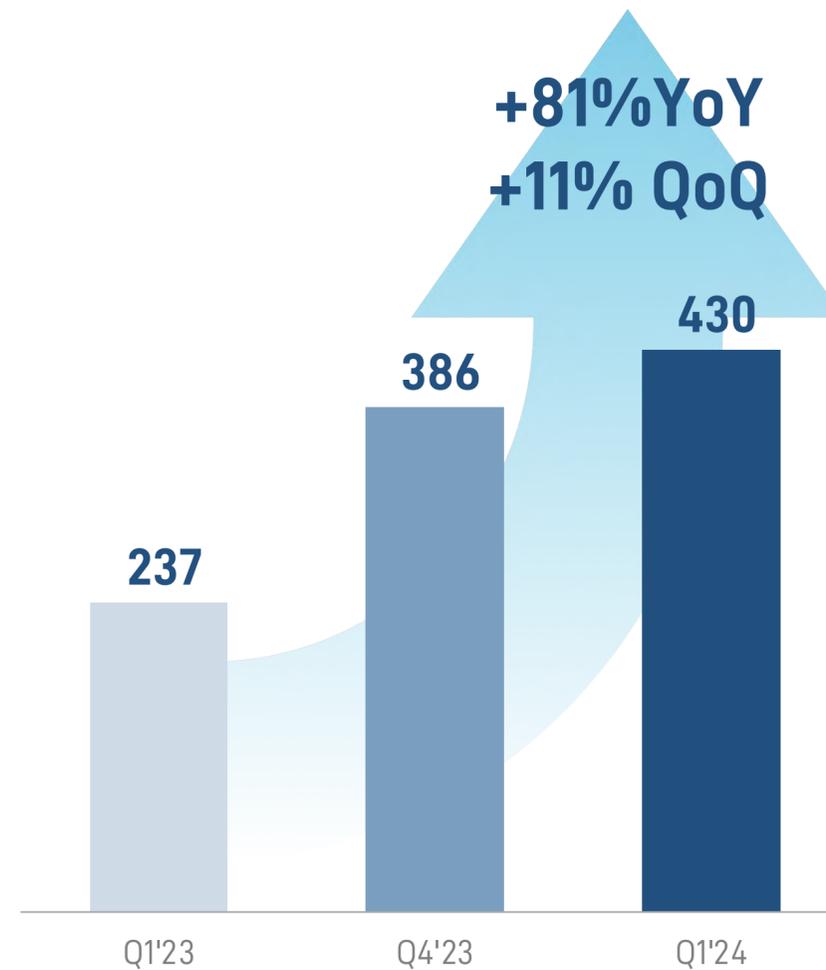
Further Development of Upper-midscale Segment

不断发展中高档品牌

Number of Upper-midscale Hotels in Operation



Number of Upper-midscale Hotels in Pipeline



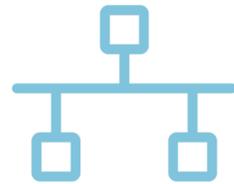
Multi-brand Strategy for Upper-midscale Segment



* Numbers in this page refers to Legacy-Huazhu business

Strengthening Direct B2B Sales Capability

华住商旅的不断加强



**Direct Room Nights
Booked via B2B**

5mn+
+34% YoY

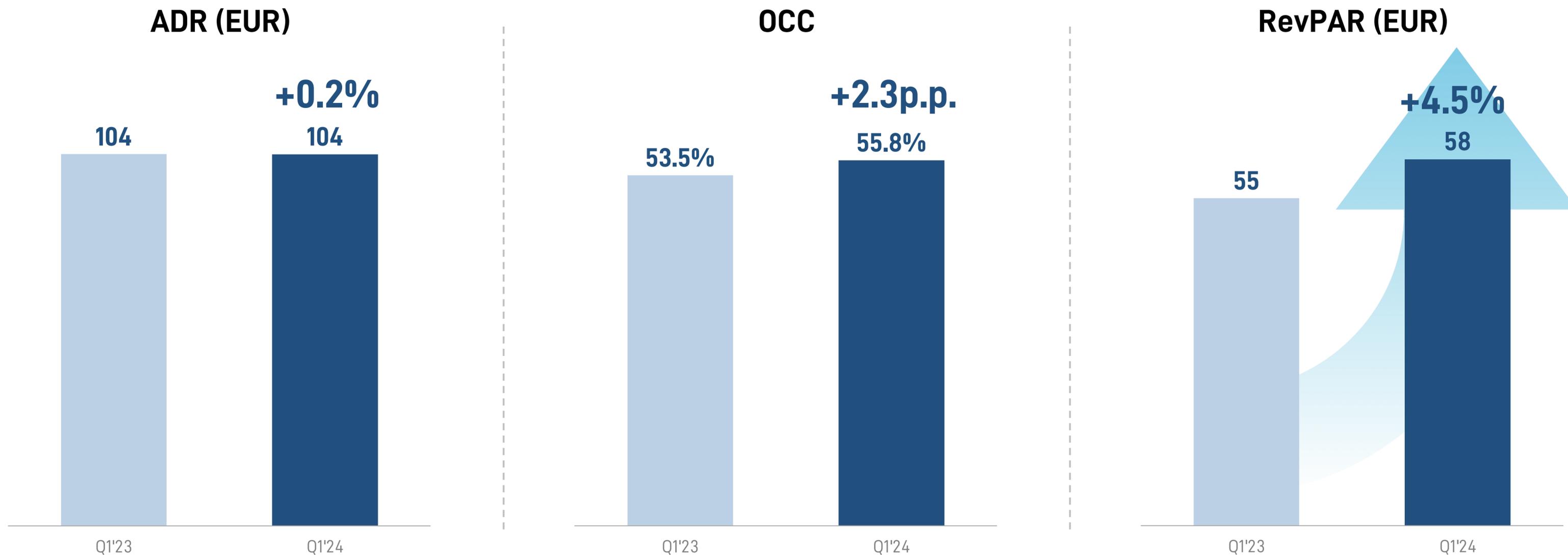


**Number of Active
Corporate Clients**

2,700+
+57% YoY

Legacy-DH - Blended RevPAR Increased 4.5% YoY

DH-2024年一季度混合RevPAR同比增长4.5%

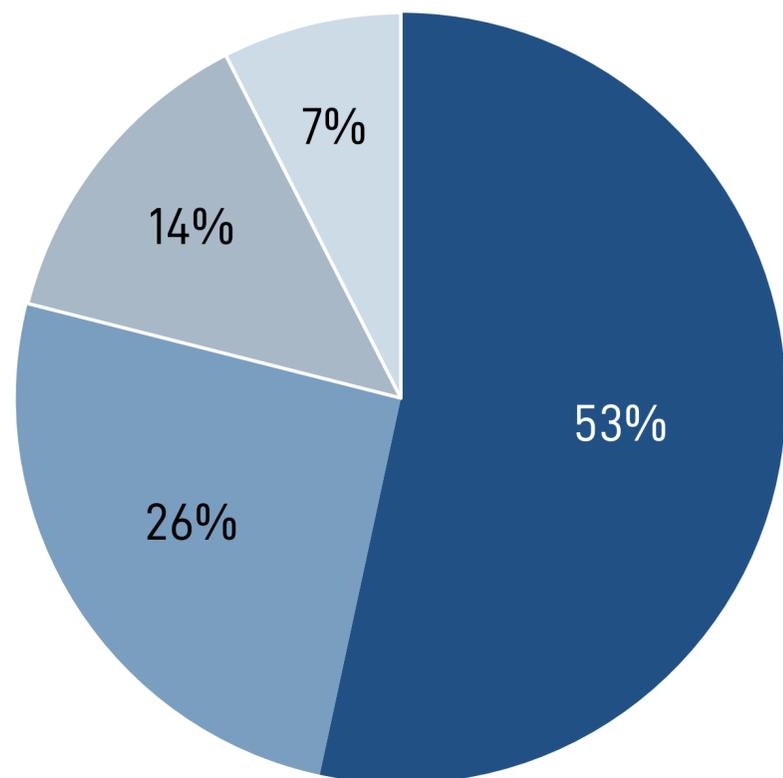


Legacy-DH - Uncovering Global Opportunities

DH-积极推进国际化发展

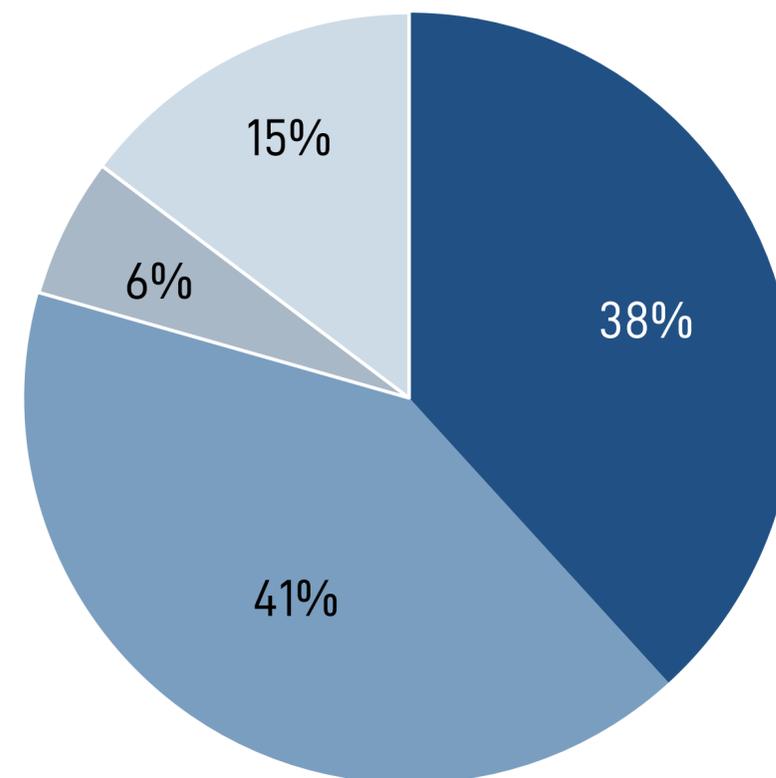
**Hotels in Operation, by region
(as of Mar 31 2024)**

■ Germany ■ Europe (excl. Germany) ■ Africa ■ APAC



**Hotels in Pipeline, by region
(as of Mar 31 2024)**

■ Germany ■ Europe (excl. Germany) ■ Africa ■ APAC



* Numbers in this page refers to Legacy-DH business

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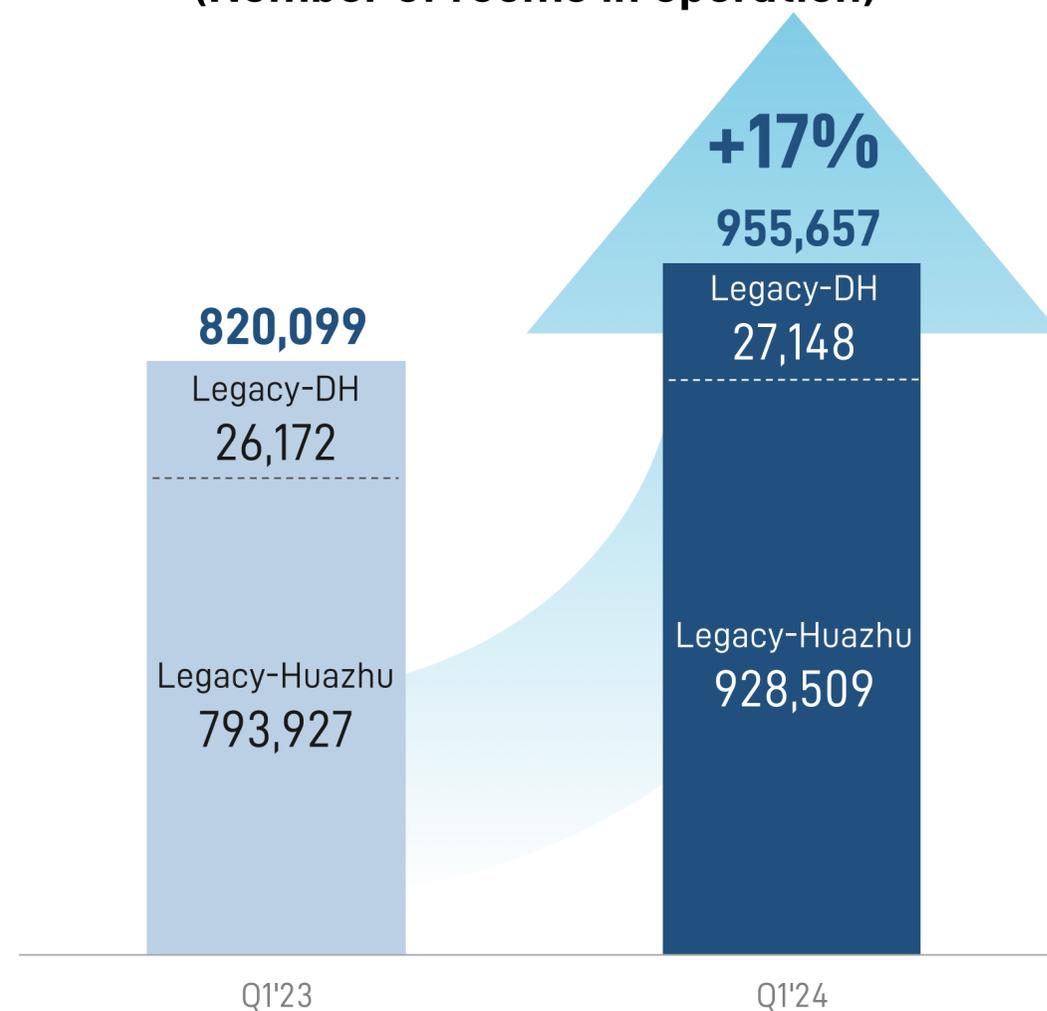


Appendix

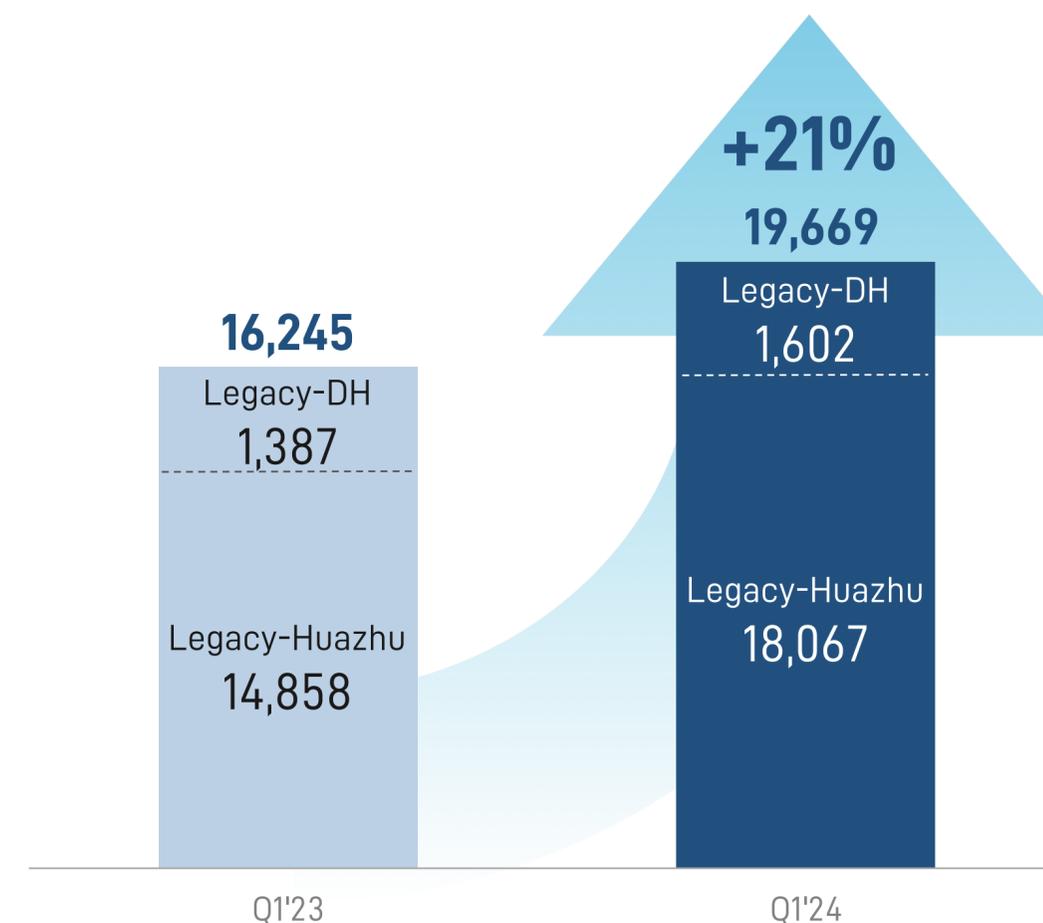
Hotel Network Continues to Expand

酒店网络持续扩张

Hotel Network Expansion
(Number of rooms in operation)



Hotel Turnover
(in RMB millions)



Revenue: Q1'24 Increased 18%, Beat Guidance

营收一季度同比增长18%，优于指引上限

In million RMB	1Q24	1Q23	YoY	4Q23	QoQ
Revenue from Legacy - Huazhu	4,245	3,594	18.1%	4,384	-3.2%
- Leased & Owned Hotels	2,112	2,020	4.6%	2,288	-7.7%
- Manachised & Franchised Hotels	2,042	1,536	32.9%	1,992	2.5%
- Others	91	38	139.5%	104	-12.5%
Revenue from Legacy - DH	1,033	886	16.6%	1,201	-14.0%
- Leased & Owned Hotels	987	854	15.6%	1,165	-15.3%
- Manachised & Franchised Hotels	21	18	16.7%	24	-12.5%
- Others	25	14	78.6%	12	108.3%
Revenue	5,278	4,480	17.8%	5,585	-5.5%

- Legacy-Huazhu revenue increased 18% YoY, exceeded the high-end of our guidance, driven by higher-than-expected hotel openings in the quarter. The QoQ decline was due to seasonality.

- Legacy-DH revenue increased 17% YoY mainly driven by business recovery and favorable foreign exchange.

Operating Income Achieved RMB1.0 Billion in Q1'24

一季度经营利润达到人民币10亿元

In million RMB	1Q24	1Q23	YoY	4Q23	QoQ
Hotel operating costs	3,565	3,250	9.7%	3,996	-10.8%
- Legacy-Huazhu	2,615	2,383	9.7%	2,937	-11.0%
- Legacy-DH	950	867	9.6%	1,059	-10.3%
Pre-opening expenses	8	9	-11.1%	3	166.7%
- Legacy-Huazhu	8	9	-11.1%	3	166.7%
- Legacy-DH	-	0	Nm	0	Nm
SG&A expenses	769	620	24.0%	970	-20.7%
- Legacy-Huazhu	554	429	29.1%	686	-19.2%
- Legacy-DH	215	191	12.6%	284	-24.3%
Income from operations	1,003	664	51.1%	757	32.5%
- Legacy-Huazhu	1,131	822	37.6%	821	37.8%
- Legacy-DH	-128	-158	19.0%	-64	-100.0%

- The YoY increase of hotel operating cost was mainly due to our hotel network expansion, as well as less rental reduction.
- Pre-opening costs maintained at a low level as we continue moving towards asset-light model and stay selective on opening leased and owned hotels.
- Legacy-Huazhu SG&A expenses increased YoY mainly due to continued business growth, as well as return to a more-normal level of selling and marketing expenses, headcount number and compensation from the relatively low base of the same period last year.
- Operating income improved meaningfully YoY, driven by business recovery.

Adjusted EBITDA, Adjusted Net Income and Operating Cash Flow

经调整后的EBITDA，净利润以及经营性净现金流情况

In million RMB	1Q24	1Q23	YoY	4Q23	QoQ
Adjusted EBITDA*	1,421	1,031	37.8%	1,130	25.8%
- Legacy-Huazhu	1,487	1,129	31.7%	1,136	30.9%
- Legacy-DH	-66	-98	32.7%	-6	-1001.7%
Adjusted Net Income*	771	384	100.8%	517	49.1%
- Legacy-Huazhu	938	568	65.1%	607	54.5%
- Legacy-DH	-167	-184	9.2%	-90	-85.6%
Operating Cash Inflow	886	1,844	-52.0%	2,411	-63.3%

- Legacy-Huazhu's adj. EBITDA and adj. net income improved both YoY and QoQ, thanks to continued business growth and our asset-light strategy.
- Legacy-DH's adj. EBITDA loss narrowed YoY.
- 1Q24 operating cash flow decreased YoY mainly due to an increase in payable to franchisees in 1Q23 post reopening, and the QoQ decrease was due to timing difference of compensation and franchisee fee payments.

* Adjusted EBITDA and adjusted net income have been redefined and restated. Adjusted EBITDA and adjusted net income excludes gains (losses) from fair value changes of equity securities, foreign exchange gain (loss), gain (loss) on disposal of investments, and share-based compensation expenses

Liquidity Position Update

流动性情况更新



Cash Balance
(incl. Time Deposits)

RMB8.9 bn



Net Cash
(incl. Time Deposits)

RMB3.1 bn



Unutilized
Bank Facilities

RMB2.4 bn

* As of March 31, 2024

* Cash balance and net cash position includes RMB2.2bn time deposits and financial products

Return to Shareholders

股东回报情况



Cash Dividend

**~USD300 mn
paid in Q1'24**



Share Repurchase

**~USD75 mn
in Q1'24**

Guidance

业绩指引

Q2
2024

Revenue vs. Q2 2023

- **Grow 7%-11%**
- **Excluding DH - Grow 7-11%**

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Appendix

Same-Hotel Operational Data by Segment

同店经营数据

	Number of hotels in operation		Same-hotel RevPAR			Same-hotel ADR			Same-hotel Occupancy		
	As of		For the quarter ended		yoy change	For the quarter ended		yoy change	For the quarter ended		yoy change (p.p.)
	March 31,		March 31,			March 31,			March 31,		
	2023	2024	2023	2024	2023	2024	2023	2024			
Economy hotels	3,732	3,732	166	167	0.7%	211	210	-0.6%	78.6%	79.6%	+1.0
Leased and owned hotels	309	309	192	203	6.0%	243	245	1.0%	79.0%	82.9%	+3.9
Manachised and franchised hotels	3,423	3,423	162	162	-0.2%	207	205	-0.9%	78.5%	79.1%	+0.6
Midscale and Upper midscale hotels	3,067	3,067	261	264	1.0%	345	343	-0.7%	75.6%	76.9%	+1.3
Leased and owned hotels	255	255	322	342	6.3%	427	428	0.2%	75.3%	79.8%	+4.6
Manachised and franchised hotels	2,812	2,812	253	253	0.1%	334	331	-1.0%	75.7%	76.5%	+0.8
Total	6,799	6,799	216	218	0.9%	280	279	-0.6%	77.0%	78.2%	+1.1

Number of Hotels and Rooms

酒店数量和房间数量

As of March 31, 2024

	Hotels		Rooms		Unopened hotels	
			in operation		in pipeline	Total
Economy hotels	5,118		420,702			1,185
HanTing Hotel	3,744		329,477			785
Hi Inn	482		25,014			198
NiHao Hotel	310		23,115			177
Elan Hotel	339		18,193			-
Ibis Hotel	227		22,992			11
Zleep Hotels	16		1,911			14
Midscale hotels	3,787		404,544			1,466
Ibis Styles Hotel	106		10,611			23
Starway Hotel	686		56,525			200
JJ Hotel	2,310		264,944			926
Orange Hotel	685		72,464			317
Upper midscale hotels	747		103,786			439
Crystal Orange Hotel	191		24,478			137
CitiGO Hotel	35		5,308			5
Manxin Hotel	142		12,962			82
Madison Hotel	100		12,283			71
Mercure Hotel	175		28,032			55
Novotel Hotel	27		6,181			10
IntercityHotel	68		12,984			77
MAXX	9		1,558			2
Upscale hotels	139		21,001			75
Jaz in the City	3		587			1
Joya Hotel	7		1,234			-
Blossom House	66		2,955			63
Grand Mercure Hotel	9		1,806			1
Steigenberger Hotels & Resorts	54		14,419			10
Luxury hotels	16		2,360			2
Steigenberger Icon	9		1,847			2
Song Hotels	7		513			-
Others	10		3,264			5
Other hotels	10		3,264			5
Total	9,817		955,657			3,172