



华住酒店集团

成就美好生活



China Lodging Group (HTHT.US)

Q3 2016 Earnings
November 14, 2016

Strategy Review

Operational and Financial Review

Q & A

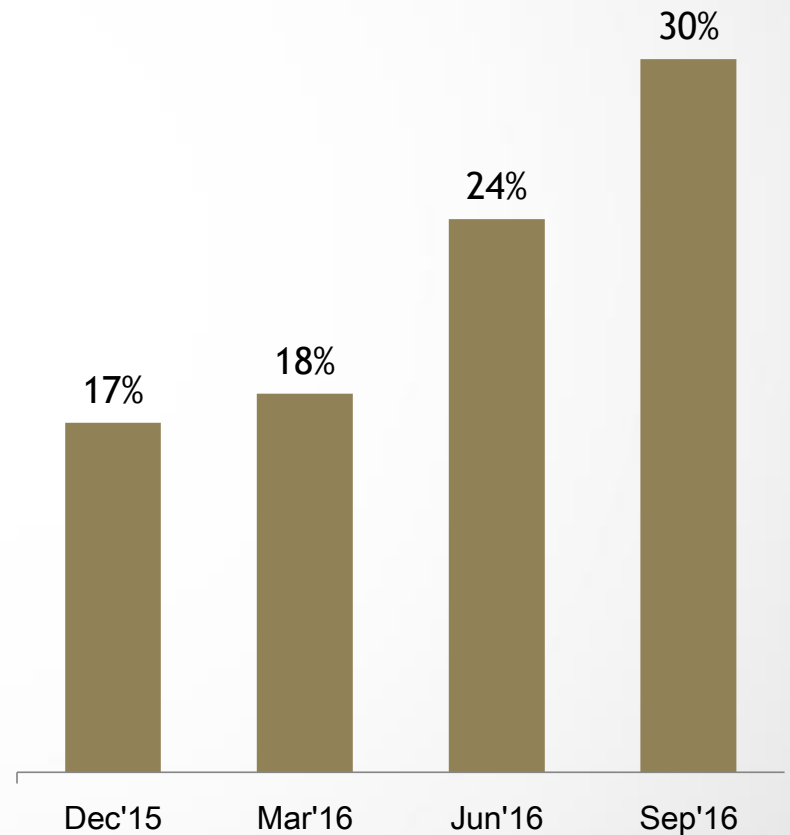
Appendix

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

HanTing Brand Quarterly Blended RevPAR Year-over-Year Growth (Q1'15-Q3'16)



HanTing 2.0 Rooms as % of Total HanTing Hotel Room Inventories





“爱干净 住汉庭”

“Stay Clean, Stay in HanTing”

干净承诺代言人——汉庭阿姨

Our Commitment to Cleanliness

**汉庭
干净承诺**

- 所有水杯紫外线+臭氧双重消毒
- 所有床品等纺织品保证一客一换
- 所有床品消毒用品均达到五星级标准

汉庭
HANTING HOTEL



像妈妈一样，为您收拾一个干净的房间
让看不见的地方也干净

在过去一年里
她消毒过6734个水杯

她总是将每一个水杯
认真清洗后再消毒10分钟

汉庭
HANTING HOTEL



像妈妈一样，为您收拾一个干净的房间
让看不见的地方也干净

在过去一年里
她清洁过3125间浴室

她总是花上10分钟
细致的清洁马桶

汉庭
HANTING HOTEL



像妈妈一样，为您收拾一个干净的房间
让看不见的地方也干净

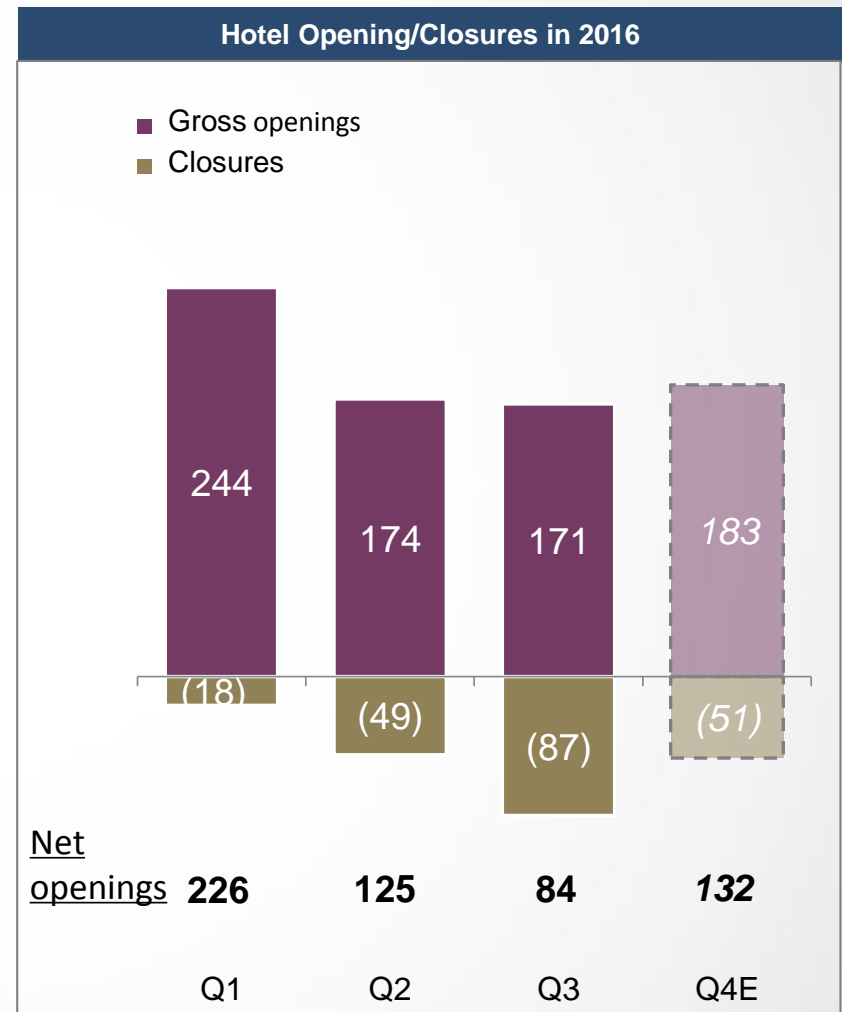
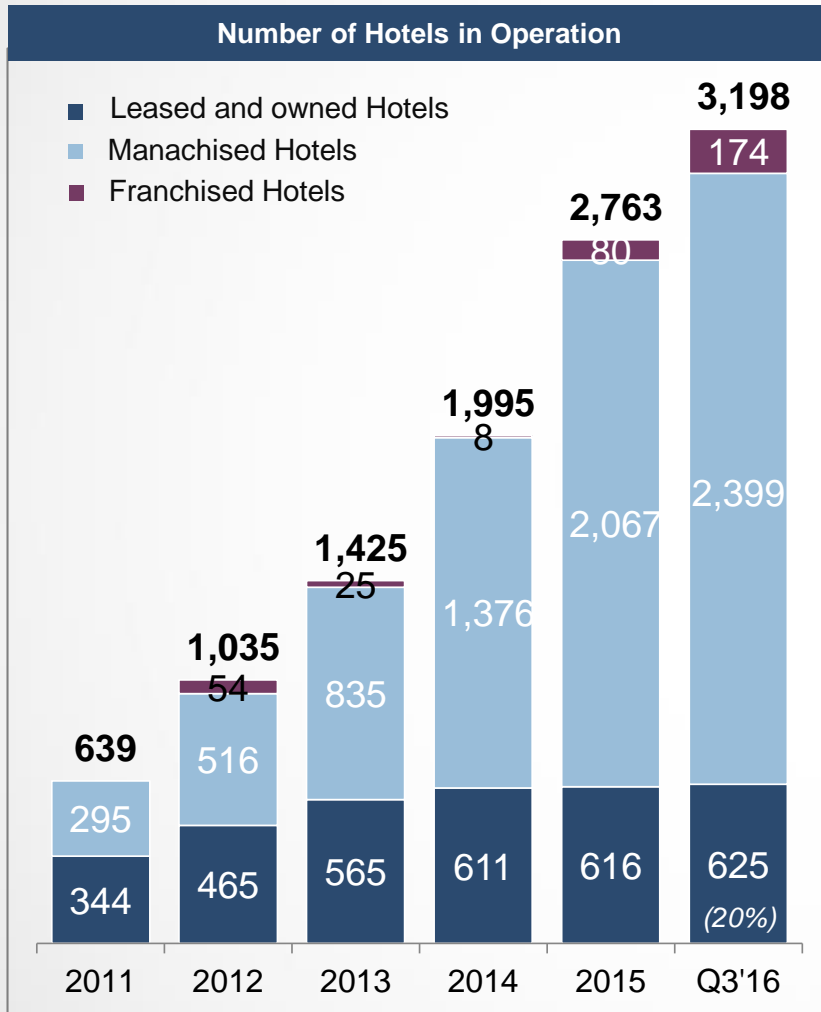
在过去一年里
她打扫过3610间卧室

她总是在离开房间前
将所有角落再检查一遍

汉庭
HANTING HOTEL



Continue Fast Expansion with Increasing Focus on Quality



87 hotel closures in Q3'16, mainly due to

- Incompliances with the brand and operating standards
- Removal of ibis and ibis Styles hotels that have not been incorporated into Huazhu operating platform for fee purpose

China Lodging Remains a Leader in Terms of Room Growth

Company	Room Growth in 2015	Estimated Room Growth in 2016
Shanghai Jin Jiang	213,020	
China Lodging Group	68,888	53,500
Marriott International	44,565	
Hilton Worldwide	38,715	
IHG	34,073	
AccorHotels	29,221	
Wyndham Hotel Group	17,216	
Starwood Hotels & Resorts	15,742	
Choice Hotels	7,484	
Best Western Hotels & Resorts	-9,933	

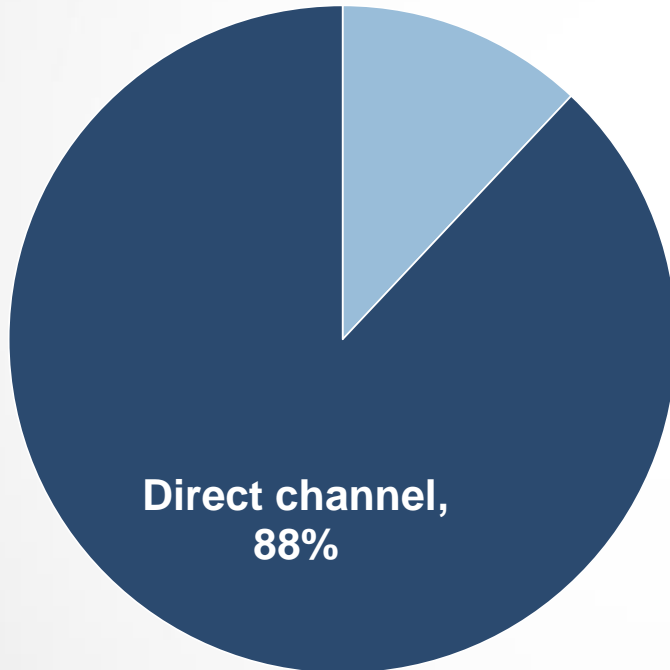
*Note: Shanghai Jin Jiang acquired Louvre Hotel Group (+90K rooms) and Plateno Hotel Group (+210K rooms) in 2014 and 2015, respectively.

Source: Hotels magazine, company reports.

Strong Direct Sales Capability and a Fast-growing Membership Program

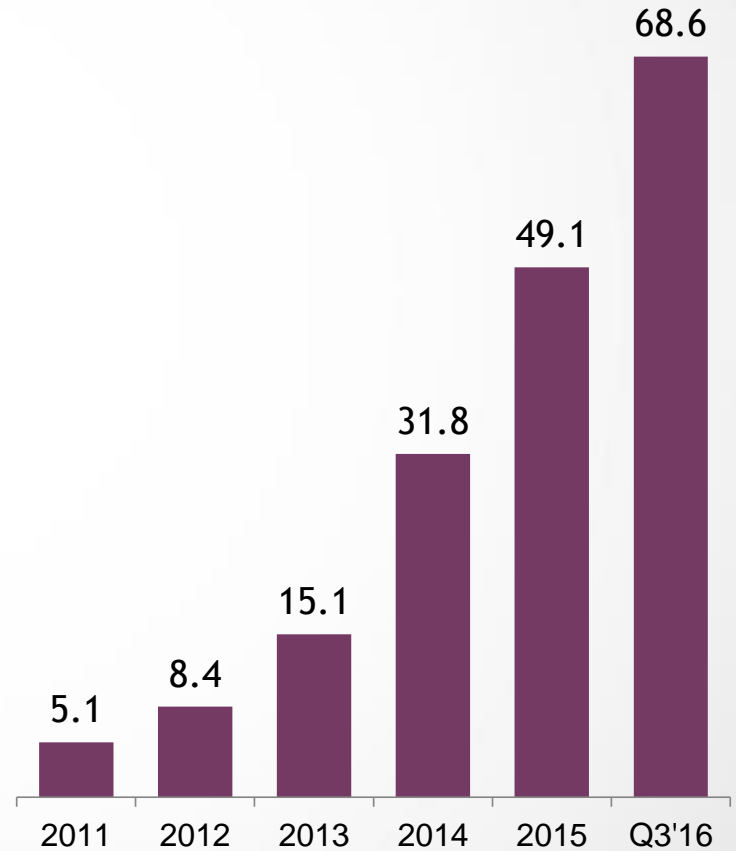
Strong Direct Sales Capability

(By room nights, Q3'16)



Rapid Growth in Membership Program

(in millions)



Best Price Guarantee for Members through Online Booking in Direct Channels



Launched since November 11, 2016 (“Singles Day”)

- Guaranteed best price through mobile app or wechat booking;
- Commit to refund 2X on the price difference

Upgrade for
economy hotels



Fast expansion
of midscale
hotels



Continuous
growth in same-
hotel RevPAR



Improvement in profits and
margins



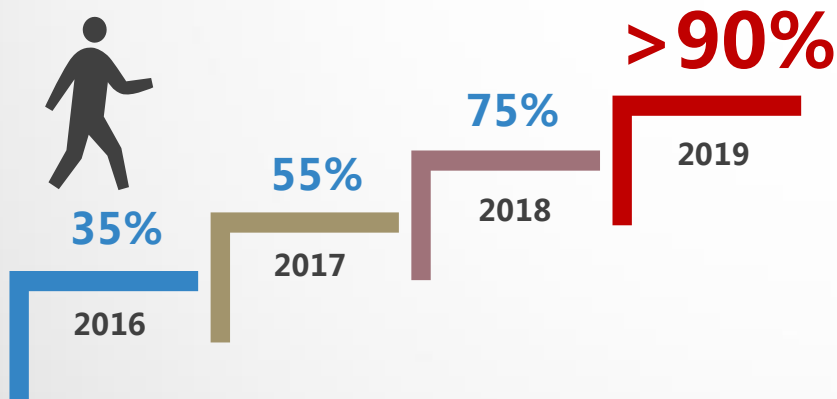
Niice Café in new HanTing 2.0 lobby



Stylish design for ibis lobby



Target for HanTing rooms upgrade



% of HanTing rooms under HanTing 2.0 model and above

Spacious and comfortable ibis room

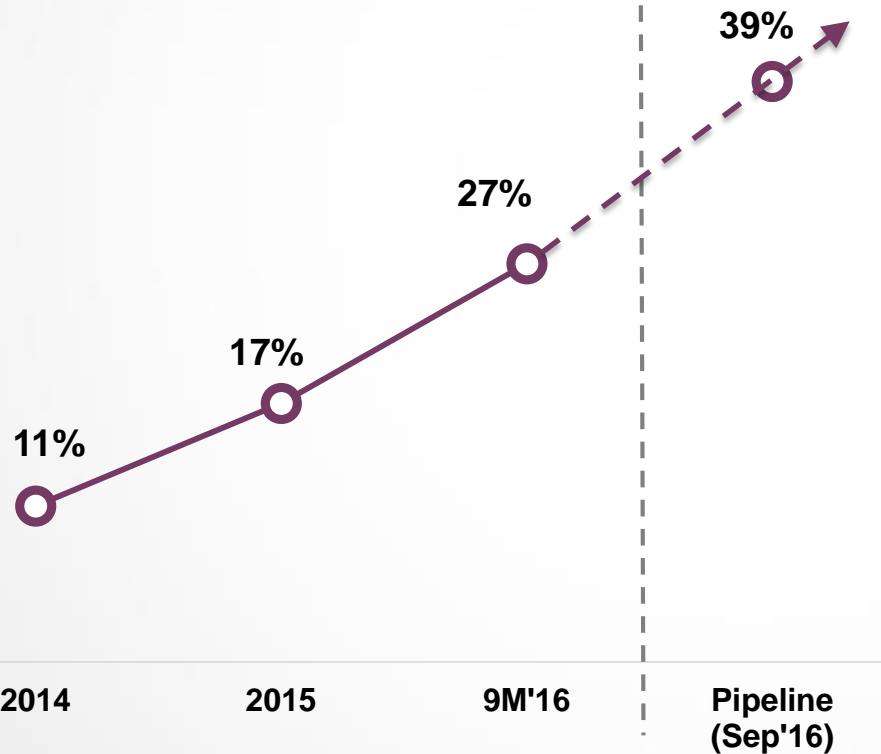


Increasing Proportion of Midscale and Upscale Hotels

Number of Midscale and Upscale Hotels as % of

Net new openings

In pipeline



(midscale)

vs.

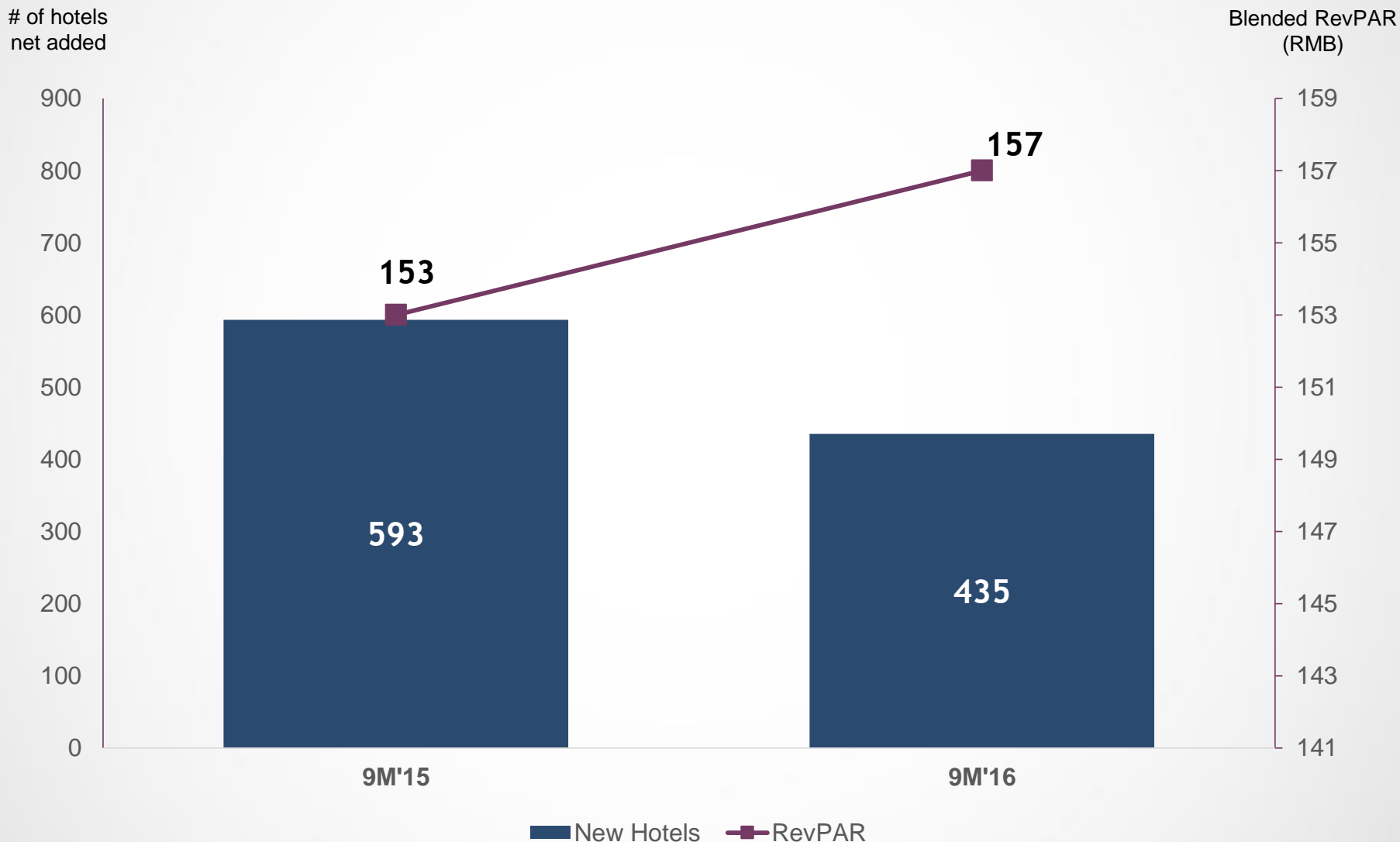


(economy)

Per hotel

# of Rooms	1.4x
RevPAR	1.4x
Revenue	2.0x
EBIT	2.7x

Better Quality and Higher Mix of Midscale Hotels Lead to Better RevPAR Performance

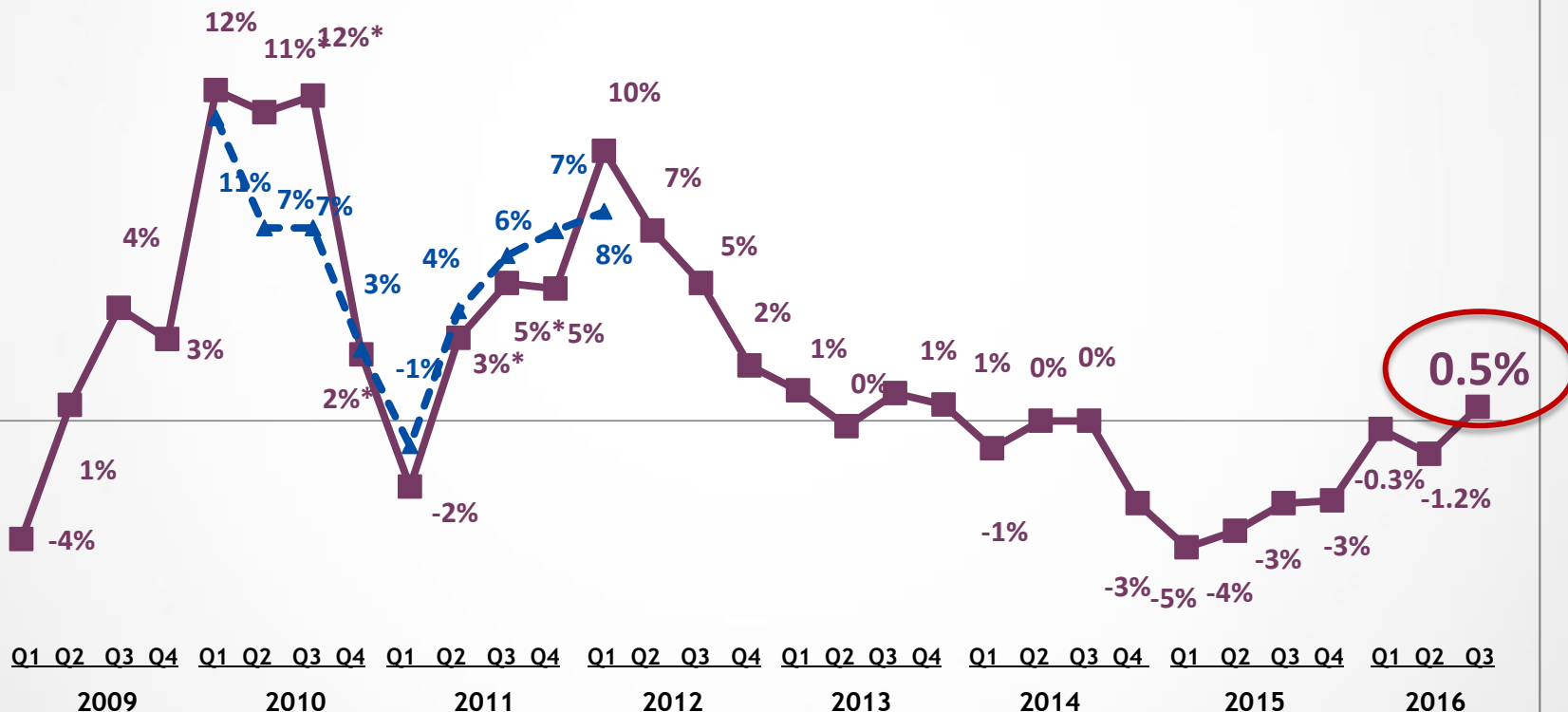


Same-hotel RevPAR Growth Turned Positive in Q3, and Growth Trend Continued in October

Same-hotel RevPAR Growth

For hotels in operation for at least 18 months

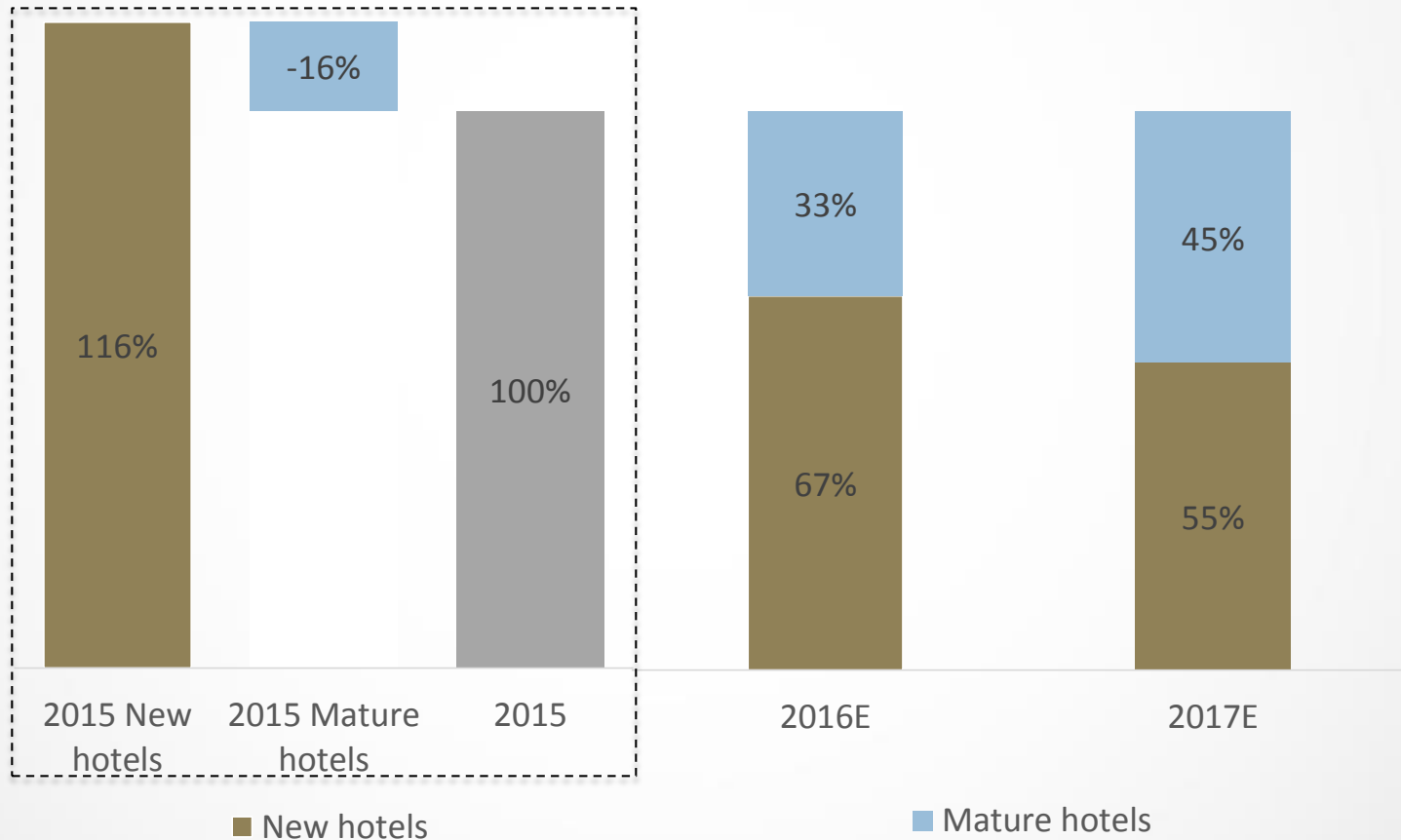
■ All hotels ▲ Non-Shanghai hotels



* Normalized for Shanghai Expo

Increasing Profit Contribution from Matured Hotel Will Lead to a More Balanced Earnings Growth

Contribution to Hotel Income Growth (%)



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Founded in **2005**

12 brands

3,198 hotels

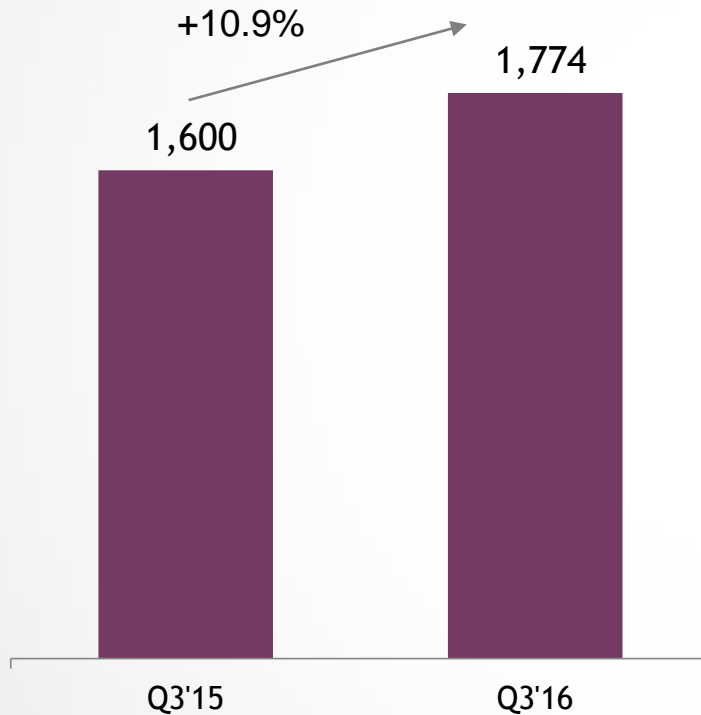
322,785 rooms

365 cities

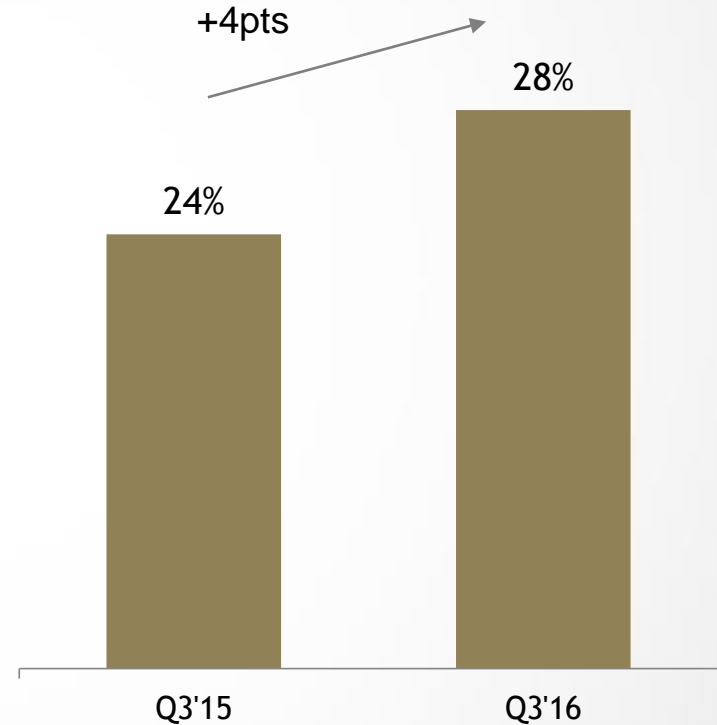


Net Revenues

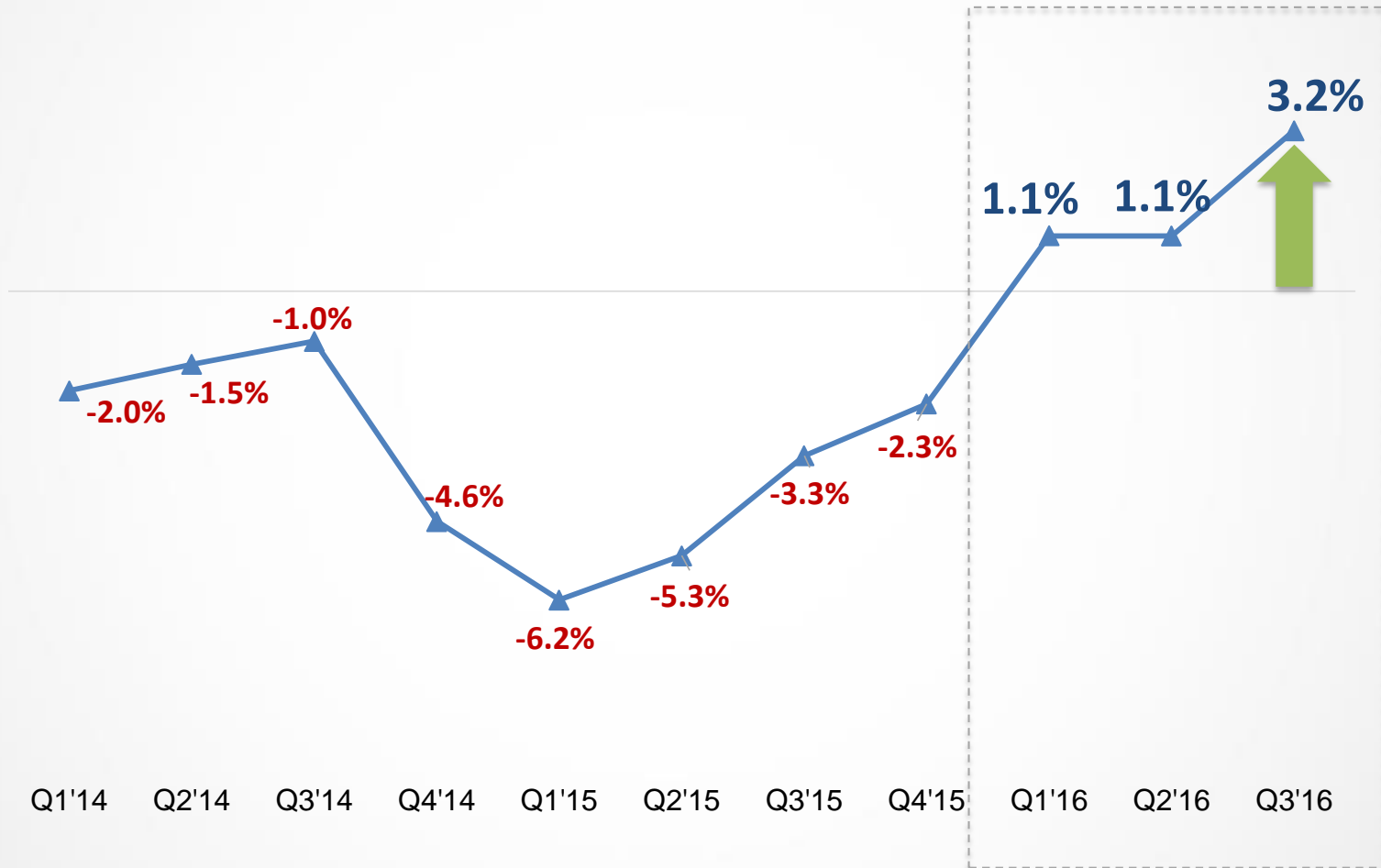
(in RMB millions)



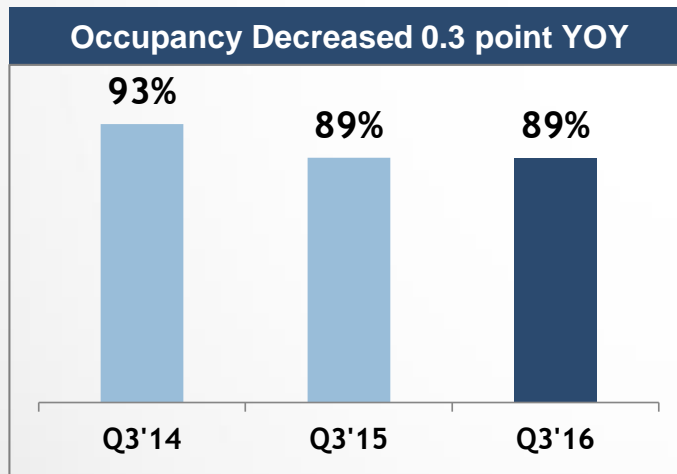
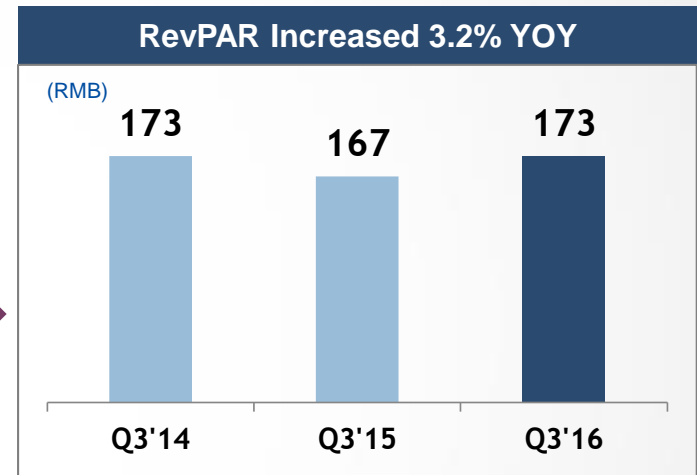
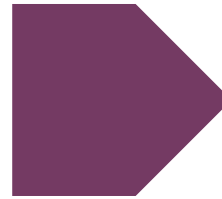
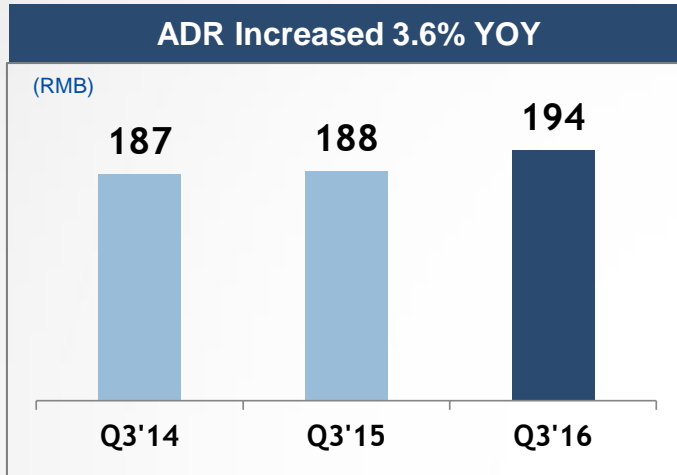
Revenue from Midscale and Upscale Hotels as % of Net Revenues



Quarterly Blended RevPAR Year-over-Year Growth (Q1'14-Q3'16)



... Driven by ADR Growth



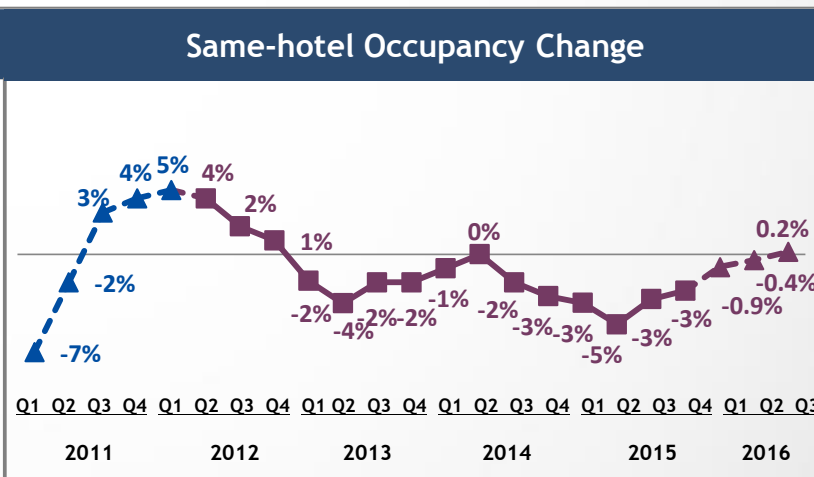
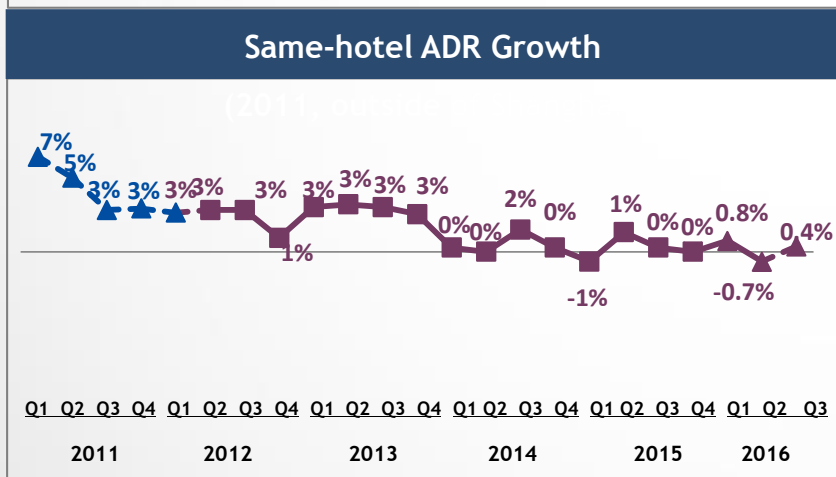
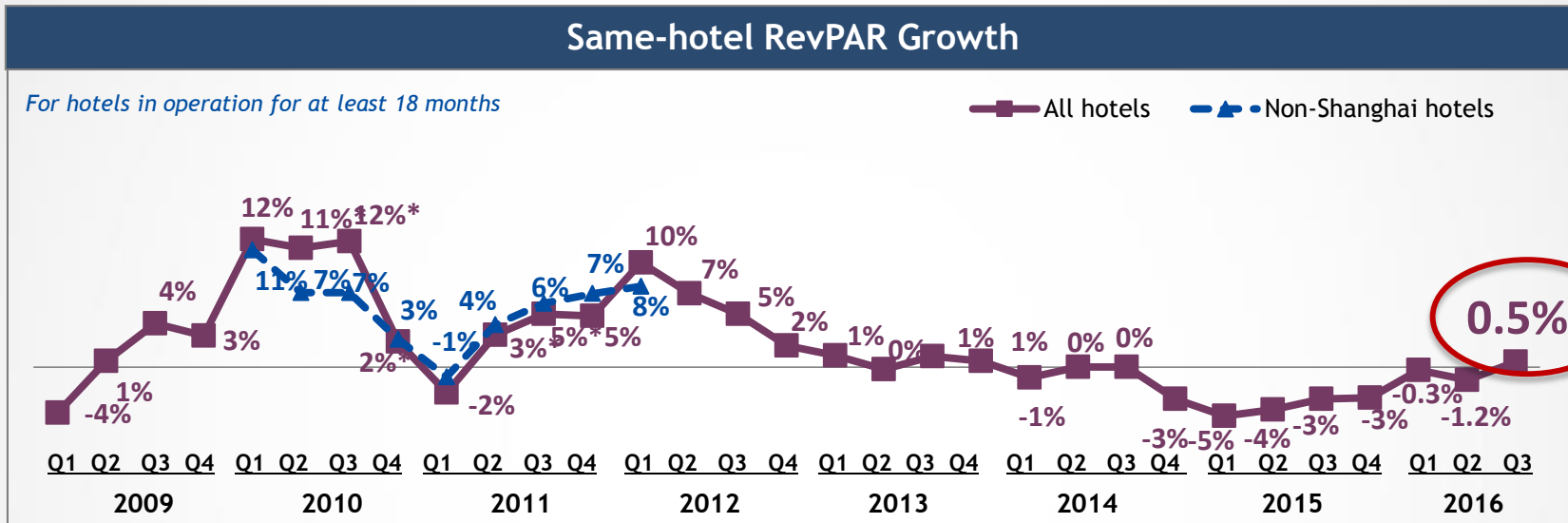
Weight of hotel rooms in 1st- and 2nd-tier cities

Q3'14	Q3'15	Q3'16
77.2%	76.6%	76.6%

Weight of hotel rooms in midscale and upscale segment

Q3'14	Q3'15	Q3'16
8.8%	13.6%	17.4%

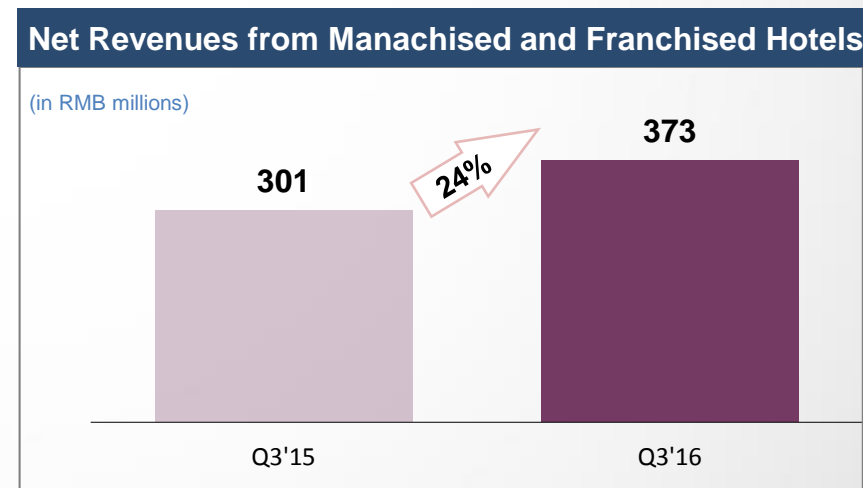
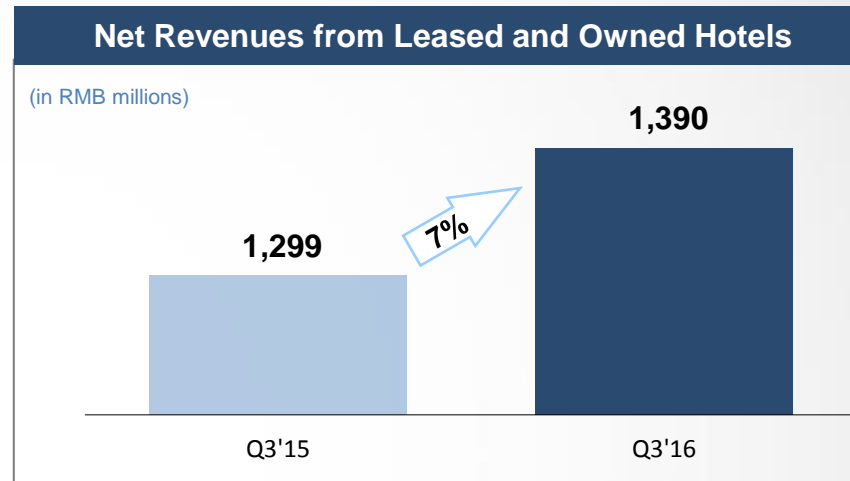
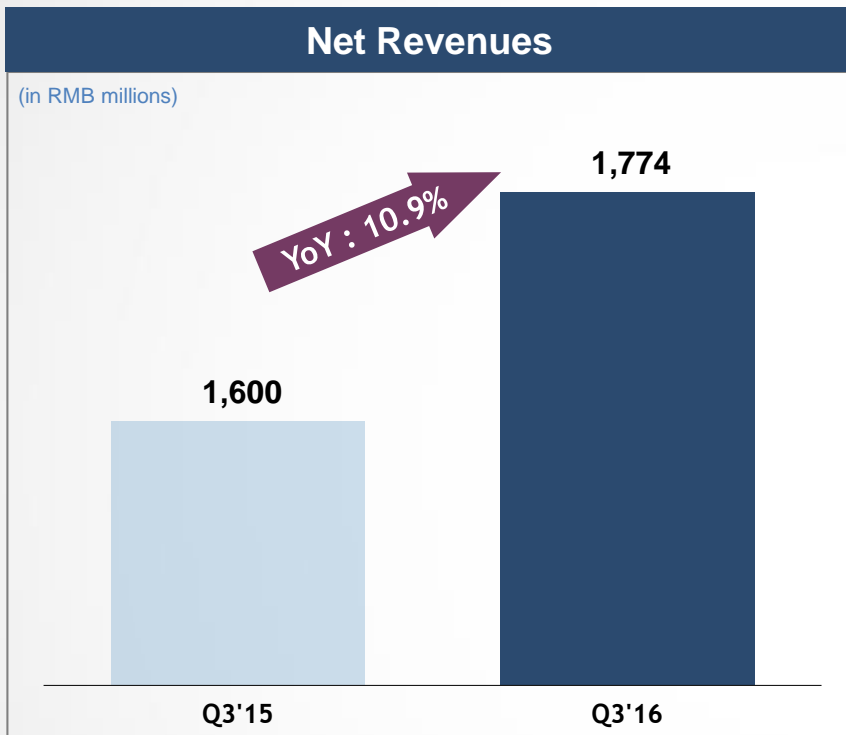
Q3 Same-hotel RevPAR Growth Turned Positive with Both Increases in ADR and Occupancy



* Normalized for Shanghai Expo

Net Revenues Increased 10.9%

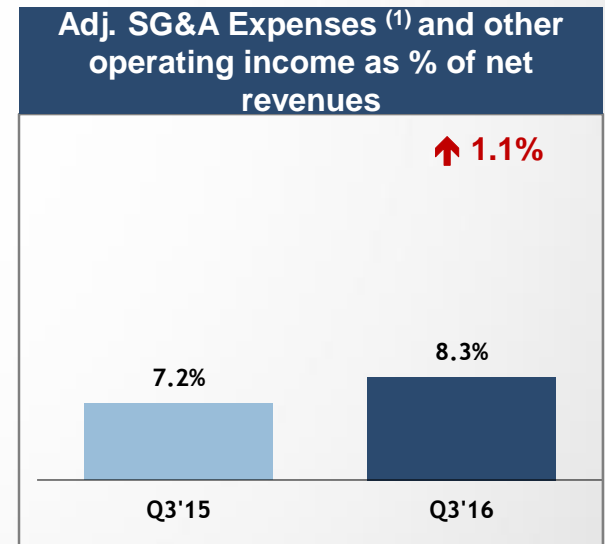
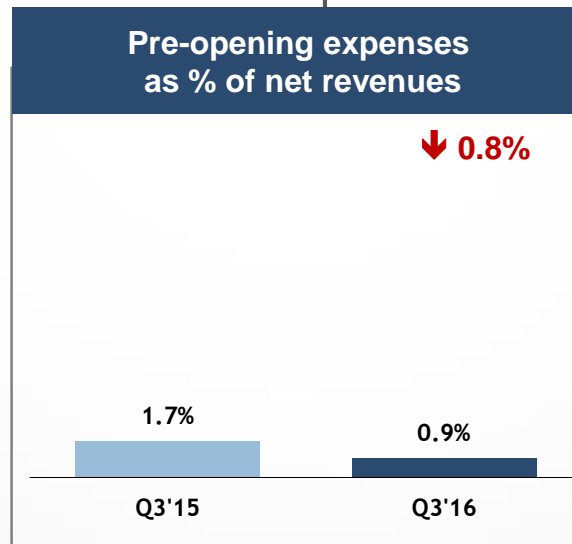
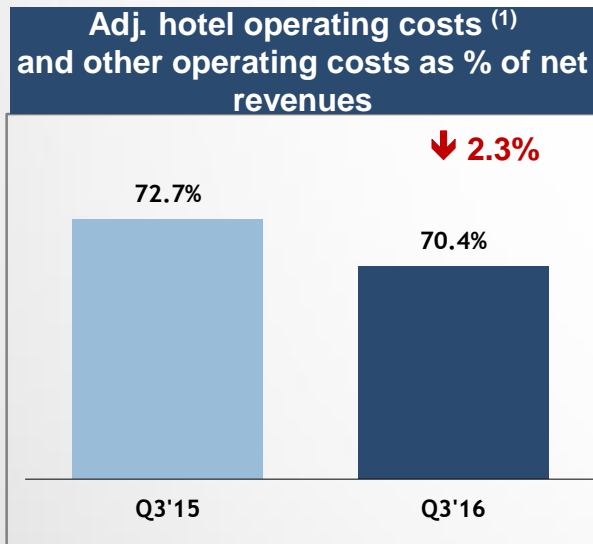
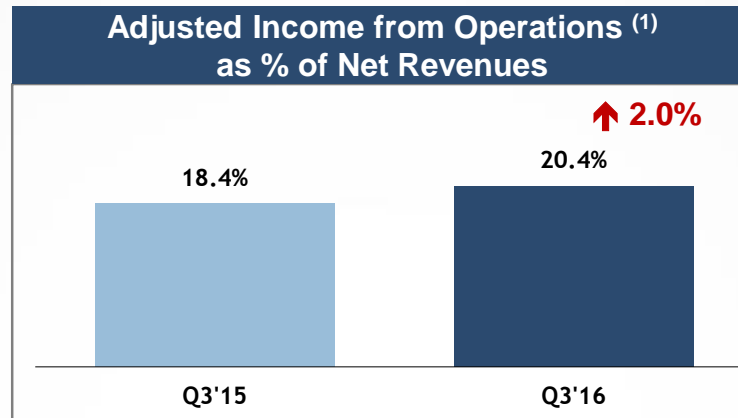
In Line with Guidance of 10%-12.5%



Manachised and Franchised Hotels Revenue as % of Net Revenues

Q3'15	Q3'16
18.8%	21.0%

Adjusted Operating Margin Increased by 2.0 Pts

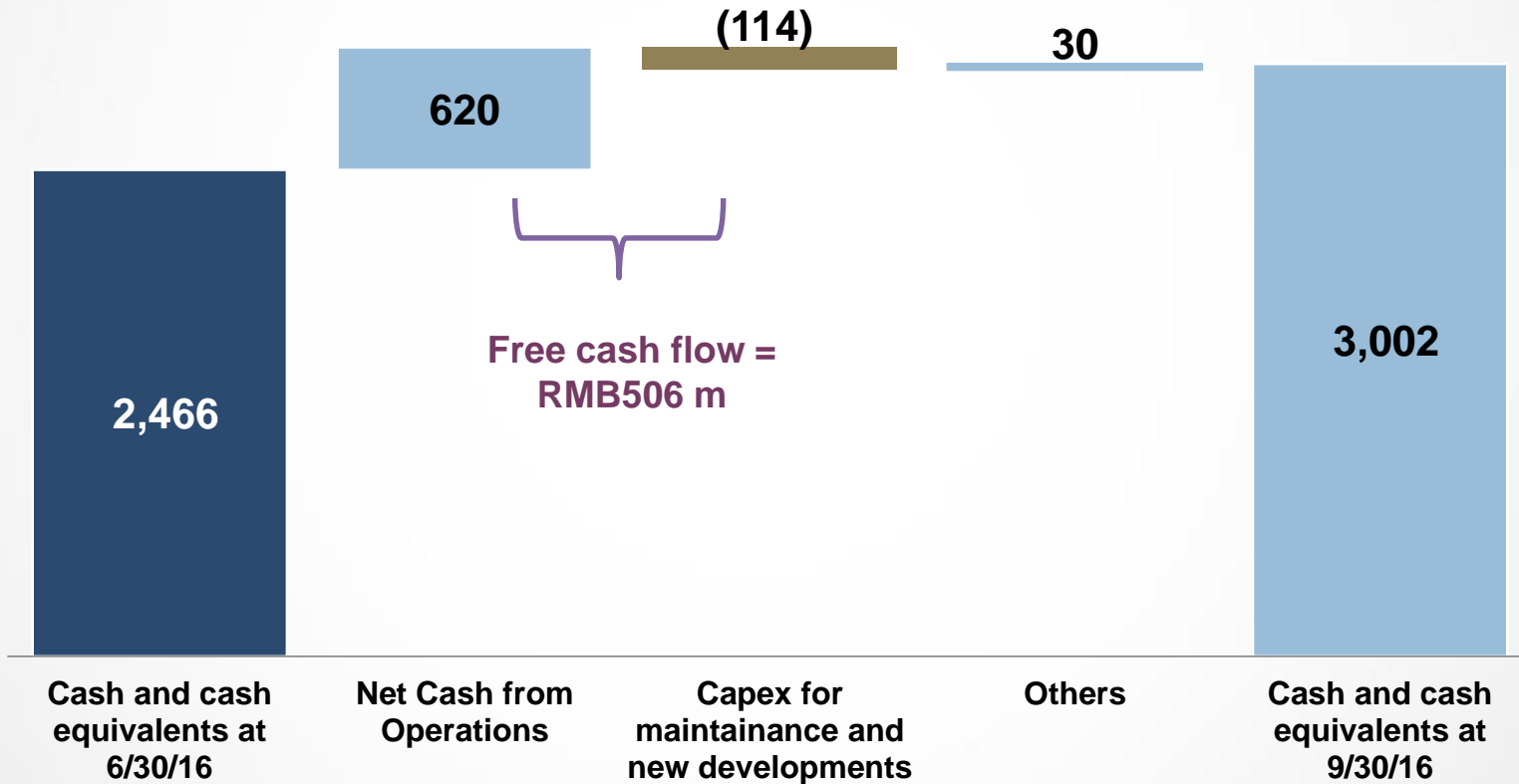


(1) Excluding share-based compensation expenses.

Capital Allocation Supported by Continuing Strong Cash Flow Generation

Abundant Funding Resource for Expansion

(in RMB millions)



- Expect Q4'16 net revenues to grow
9% to 11% year-over-year
- Project 2016 full year net revenues to grow
12.7%-13.3%

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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		
	December 31,		December 31,		yoy	December 31,		yoy	December 31,		yoy
	2014	2015	2014	2015	change	2014	2015	change	2014	2015	change
Economy hotels	1,491	1,491	152	145	-4.6%	169	167	-1.2%	90%	87%	-3.1%
Leased hotels	510	510	156	147	-5.3%	175	173	-0.9%	89%	85%	-4.0%
Manachised and franchised hotels	981	981	149	143	-4.2%	166	163	-1.5%	90%	87%	-2.5%
Midscale and upscale hotels	121	121	224	241	7.8%	270	282	4.7%	83%	85%	2.4%
Leased hotels	58	58	245	276	12.5%	291	308	5.8%	84%	90%	5.3%
Manachised and franchised hotels	63	63	195	196	0.4%	240	245	2.4%	81%	80%	-1.6%
Total	1,612	1,612	158	154	-2.9%	178	178	0.0%	89%	86%	-2.6%

	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,		March 31,		yoy	March 31,		yoy	March 31,		yoy
	2015	2016	2015	2016	change	2015	2016	change	2015	2016	change
Economy hotels	1,637	1,637	136	133	-1.9%	160	160	-0.4%	85%	83%	-1.3%
Leased hotels	518	518	138	135	-2.1%	165	165	0.0%	84%	82%	-1.8%
Manachised and franchised hotels	1,119	1,119	134	132	-1.8%	158	157	-0.5%	85%	84%	-1.1%
Midscale and upscale hotels	146	146	203	221	8.8%	256	269	5.0%	79%	82%	2.8%
Leased hotels	66	66	225	252	12.1%	276	293	6.3%	82%	86%	4.4%
Manachised and franchised hotels	80	80	178	184	3.4%	232	237	2.2%	77%	78%	0.9%
Total	1,783	1,783	142	142	-0.3%	169	171	0.8%	84%	83%	-0.9%

	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,		June 30,		yoy	June 30,		yoy	June 30,		yoy
	2015	2016	2015	2016	change	2015	2016	change	2015	2016	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%

	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,		September 30,		yoy	September 30,		yoy	September 30,		yoy
	2015	2016	2015	2016	change	2015	2016	change	2015	2016	change
Economy hotels	1,868	1,868	161	160	-0.8%	177	175	-0.8%	91%	91%	0.0%
Leased hotels	518	518	167	165	-0.9%	184	183	-0.5%	91%	90%	-0.3%
Manachised and franchised hotels	1,350	1,350	159	157	-0.8%	173	171	-0.9%	92%	92%	0.1%
Midscale and upscale hotels	182	182	245	263	7.5%	284	299	5.5%	86%	88%	1.6%
Leased hotels	70	70	285	311	8.9%	317	339	6.9%	90%	92%	1.6%
Manachised and franchised hotels	112	112	207	218	5.7%	250	259	3.7%	83%	84%	1.6%
Total	2,050	2,050	171	172	0.5%	188	189	0.4%	91%	91%	0.2%

Hotel Breakdown by Brands

	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	As of 9/30/2016
Economy hotels	1,309	1,819	2,453	2,642	2,726	2,771
HanTing Hotel	1,226	1,648	2,003	2,059	2,105	2,149
Leased hotels	473	502	495	493	492	492
Manachised hotels	753	1,146	1,508	1,566	1,613	1,656
Franchised hotels						1
Hi Inn	83	158	302	332	358	373
Leased hotels	41	41	38	38	37	36
Manachised hotels	42	117	251	264	285	293
Franchised hotels			13	30	36	44
Elan Hotel		13	148	169	180	179
Manachised hotels		13	128	142	149	146
Franchised hotels			20	27	31	33
ibis Hotel				82	83	70
Leased and owned hotels				12	13	13
Manachised hotels				9	13	14
Franchised hotels				61	57	43
Midscale hotels and upscale hotels	116	176	310	347	388	427
Ji Hotel	68	117	186	202	229	256
Leased hotels	48	62	75	77	78	78
Manachised hotels	20	55	111	125	149	176
Franchised hotels					2	2
Starway Hotel	46	55	118	123	136	141
Leased hotels	1	3	4	3	3	2
Manachised hotels	20	44	67	71	84	94
Franchised hotels	25	8	47	49	49	45
Joya Hotel	1	3	3	4	5	5
Leased hotels	1	2	2	2	2	2
Manachised hotels		1	1	2	3	3
Manxin Hotels & Resorts	1	1	2	2	2	3
Leased hotels	1	1	1	1	1	-
Manachised hotels			1	1	1	3
ibis Styles Hotel				6	6	8
Manachised hotels				2	2	5
Franchised hotels				4	4	3
Mercure Hotel			1	8	8	11
Leased hotels			1	1	1	2
Manachised hotels				6	6	8
Franchised hotels				1	1	1
Novotel Hotel				1	1	2
Manachised hotels				1	1	1
Franchised hotels						1
Grand Mercure Hotel				1	1	1
Franchised hotels				1	1	1
Total	1,425	1,995	2,763	2,989	3,114	3,198

Room Breakdown by Brands

	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	As of 9/30/2016
Economy hotels	138,576	185,959	238,156	257,171	263,207	266,554
HanTing Hotel	130,747	172,341	205,577	209,319	213,481	217,825
Leased hotels	54,154	57,306	57,277	56,681	56,461	56,494
Manachised hotels	76,593	115,035	148,300	152,638	157,020	161,267
Franchised hotels						64
Hi Inn	7,829	12,551	21,340	22,934	24,144	25,194
Leased hotels	4,422	3,895	3,698	3,575	3,429	3,412
Manachised hotels	3,407	8,656	16,725	17,482	18,552	19,011
Franchised hotels			917	1,877	2,163	2,771
Elan Hotel		1,067	11,239	12,843	13,338	13,261
Manachised hotels		1,067	9,837	11,009	11,216	10,935
Franchised hotels			1,402	1,834	2,122	2,326
ibis Hotel				12,075	12,244	10,274
Leased and owned hotels				2,330	2,562	2,562
Manachised hotels				1,824	2,339	2,198
Franchised hotels				7,921	7,343	5,514
Midscale hotels and upscale hotels	14,303	23,996	40,687	47,257	51,604	56,231
Ji Hotel	9,106	17,052	27,559	29,751	32,934	36,062
Leased hotels	6,891	10,260	13,195	13,498	13,488	13,504
Manachised hotels	2,215	6,792	14,364	16,253	19,297	22,409
Franchised hotels					149	149
Starway Hotel	4,959	6,321	12,138	12,852	13,760	13,463
Leased hotels	131	451	604	517	517	386
Manachised hotels	2,222	4,939	7,183	7,743	8,785	9,101
Franchised hotels	2,606	931	4,351	4,592	4,458	3,976
Joya Hotel	141	515	515	671	934	945
Leased hotels	141	315	315	315	326	337
Manachised hotels		200	200	356	608	608
Manxin Hotels & Resorts	97	108	236	236	229	203
Leased hotels	97	108	108	108	101	-
Manachised hotels			128	128	128	203
ibis Styles Hotel				1,257	1,257	1,392
Manachised hotels				729	729	973
Franchised hotels				528	528	419
Mercure Hotel			239	1,993	1,993	3,295
Leased hotels			239	239	239	463
Manachised hotels				1,476	1,476	2,554
Franchised hotels				278	278	278
Novotel Hotel				306	306	680
Manachised hotels				306	306	306
Franchised hotels						374
Grand Mercure Hotel				191	191	191
Franchised hotels				191	191	191
Total	152,879	209,955	278,843	304,428	314,811	322,785



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