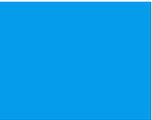




First Quarter of 2021 Earnings Call

Huazhu Group Limited
(NASDAQ: HTHT and HKEX: 1179)

May 26, 2021



AGENDA

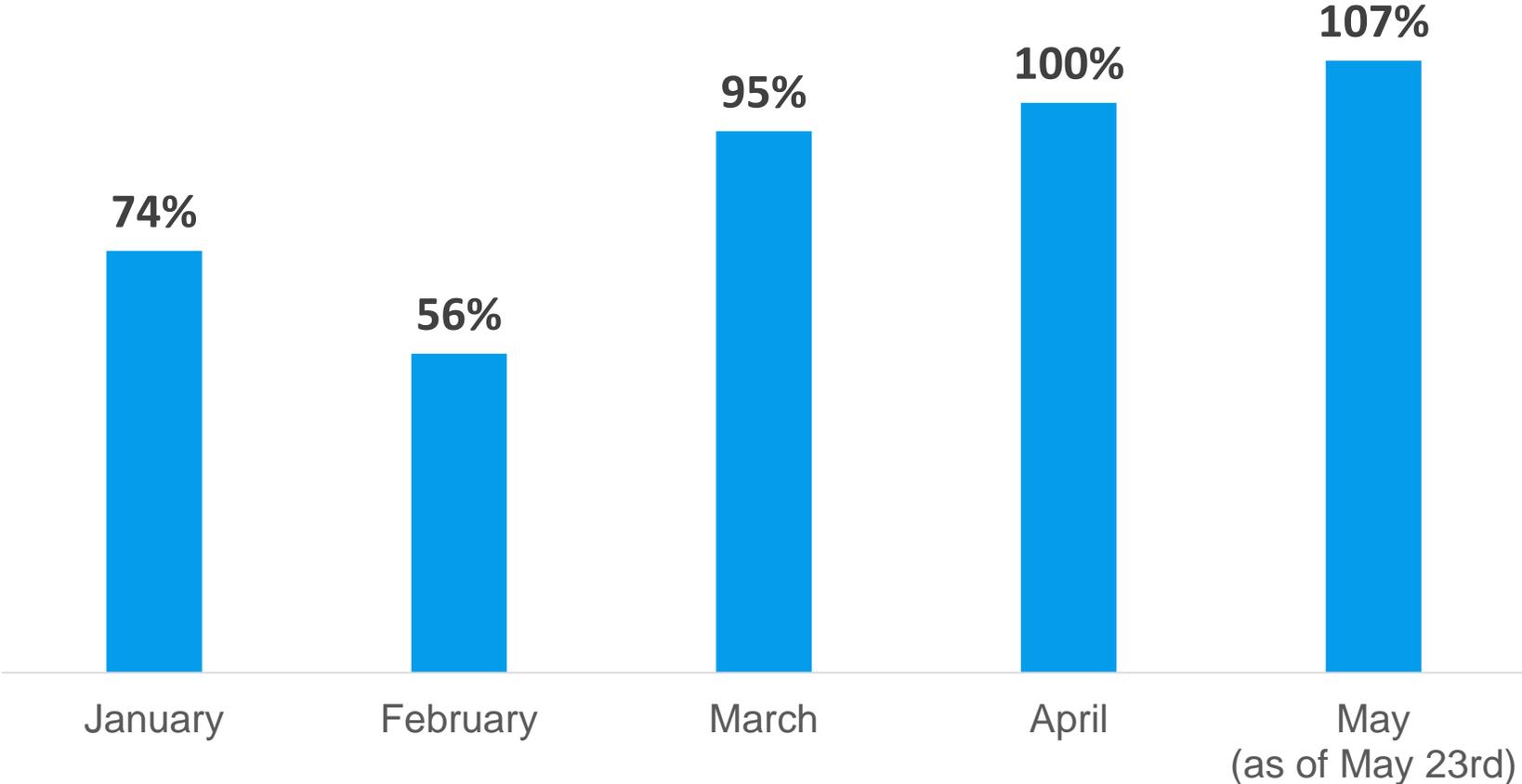
- **1Q2021 Business Updates**
- 1Q2021 Operational and Financial Review
- COVID-19 Updates and Guidance
- Q and A
- Appendix

**Super-large scale growth capability based on
quality hotel expansion**

基于合格门店为基础的超大规模增长能力

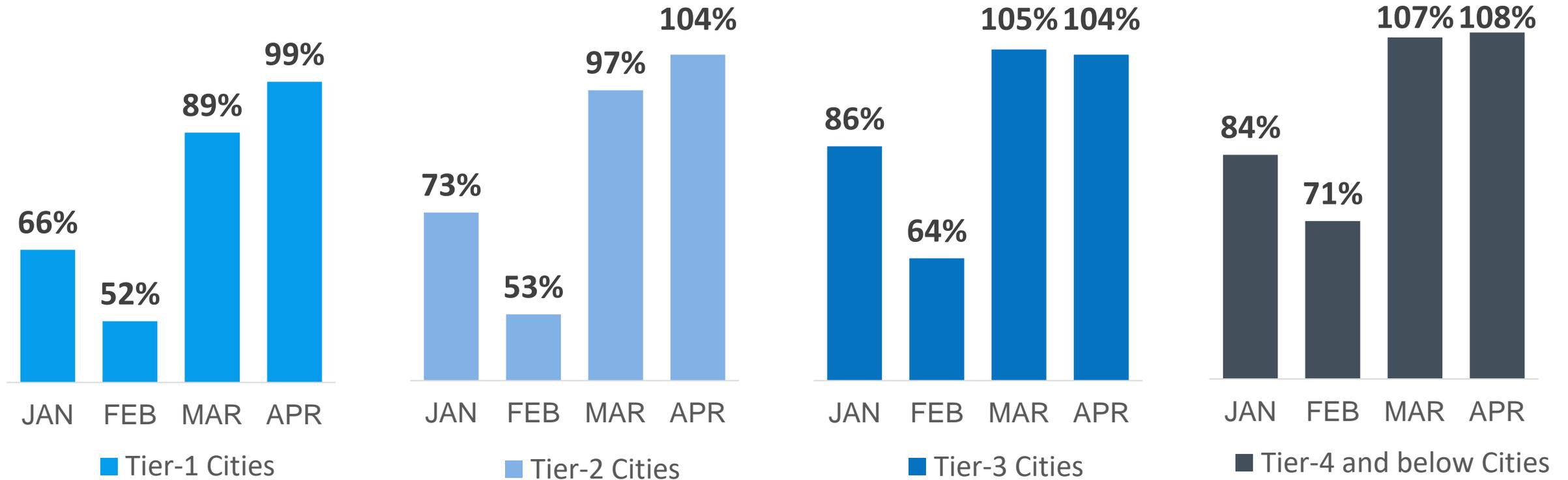
RevPAR in April Starts to Turn Positive Growth 从四月开始，RevPAR同比2019年恢复正增长

Blended RevPAR in 2021 as % of 2019



Faster Recovery in Lower-tier Cities 低线城市恢复更加迅速

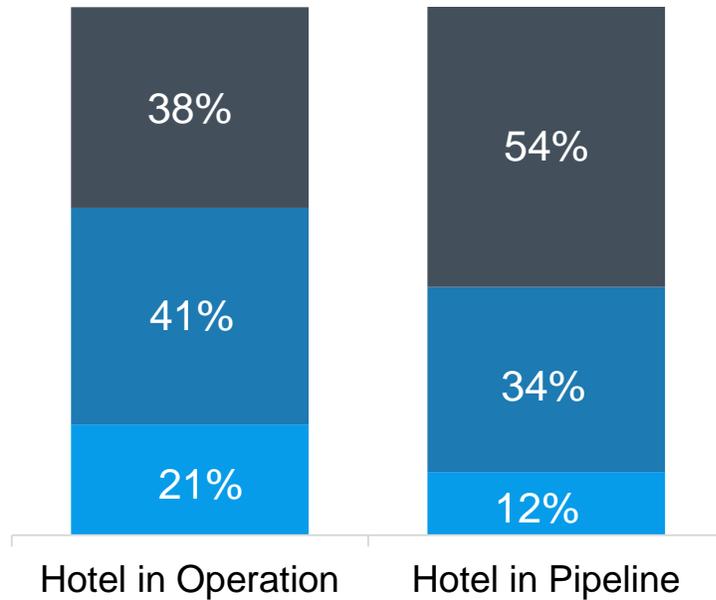
Blended RevPAR in 2021 as % of 2019



Continuously Penetrating into Lower-tier Cities 持续向低线城市渗透

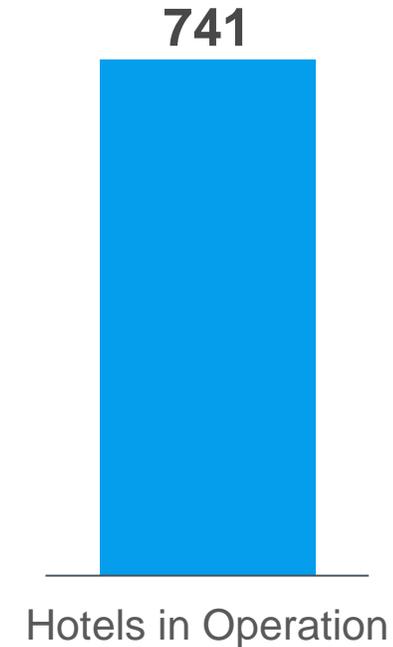
Hotels Breakdown

(as of Mar 31)



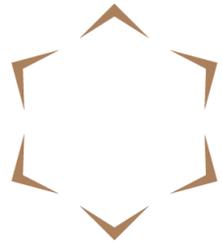
Number of Cities

(as of May 24th)



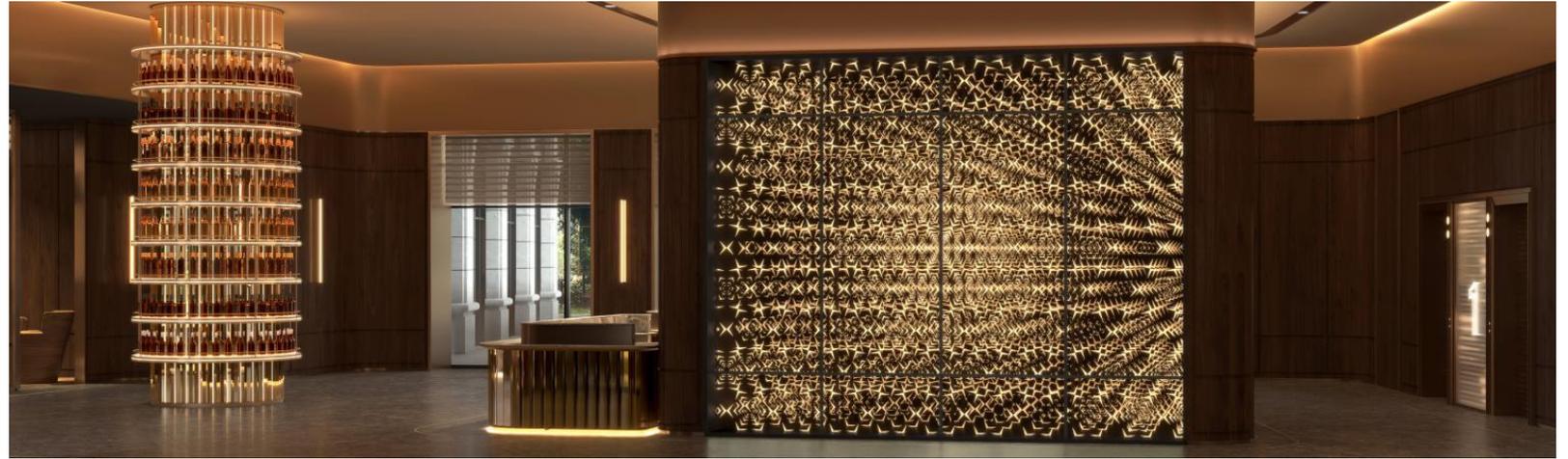
■ Tier-3 and below Cities ■ Tier-2 Cities ■ Tier-1 Cities

Further Exploring “Lifestyle” Market Opportunities 进一步探索 “生活方式” 酒店市场机会



CRYSTAL
桔子水晶酒店
ORANGE

Crystal Orange Flagship Hotel in
Shanghai



Further Exploring “Lifestyle” Market Opportunities 进一步探索 “生活方式” 酒店市场机会

Acquisition



有趣
的人都住CitiGO

CitiGO is always the cool's priority

酷 BRUNCH 健身 存在感 宵夜
分享 音乐 颜值控 品质 CITY
智能 潮人 滑板 环保
自我 小酒 随性 旅行 咖啡
创意 FANCY

UNIQUE



Acquisition of CitiGO 收购欢阁酒店

- **Brand:** CitiGO and CitiGO Reserve
- **Established:** March 2017
- **Number of Cities:** 13
- **RevPAR**
 - Tier 1: RMB384
 - Tier 2: RMB217

	Hotels in Operation	Number of Rooms
Leased and owned hotels	14	2,538
Manachised and franchised hotels	14	2,288
Total	28	4,826

As of May 1st

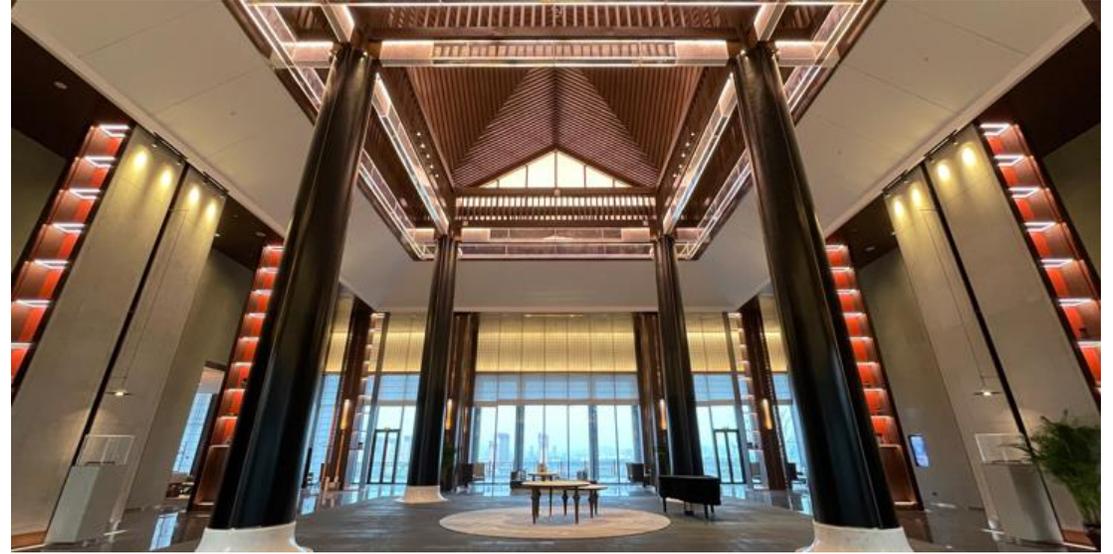
First Steigenberger Hotel in Jinan Coming Soon

中国第一家施柏阁酒店即将开业



Song Hotel Coming Soon

宋品酒店即将开业



Further Strengthen Multi-Dimensional Direct Sales



**In-House
Sales**



H-World



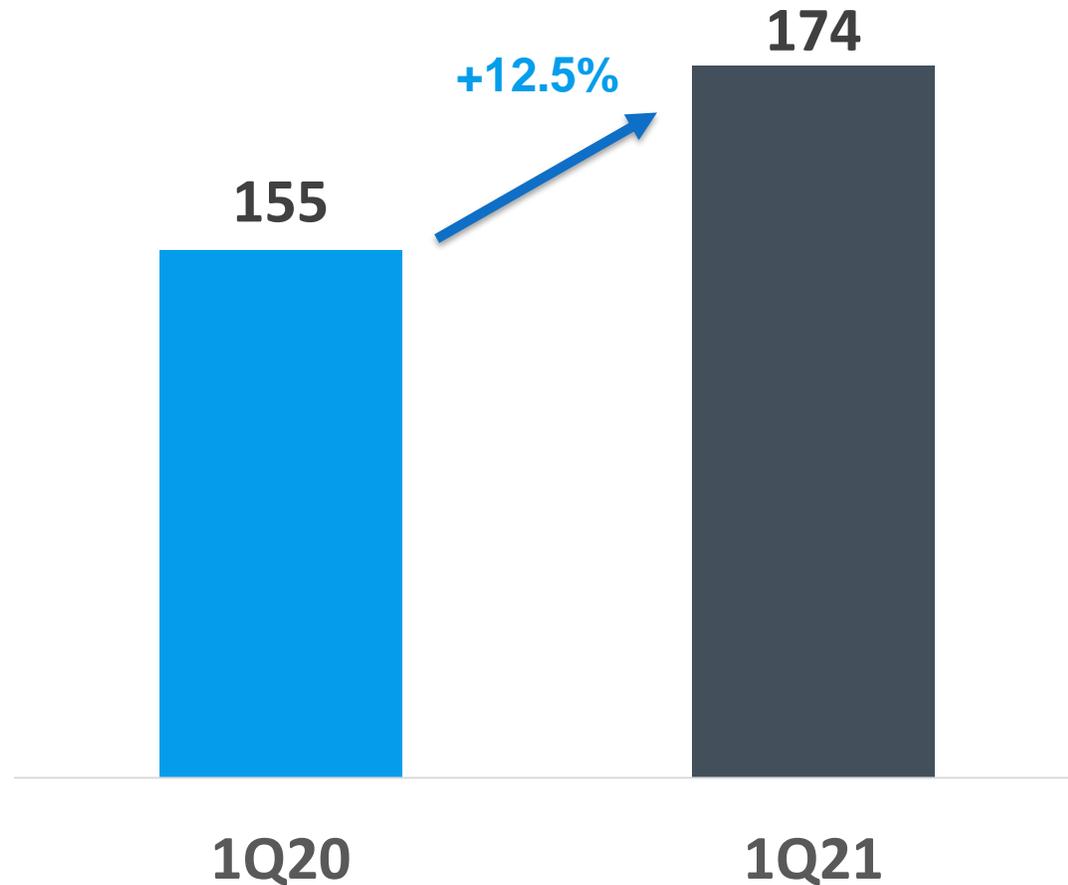
**Corporate
Customers**



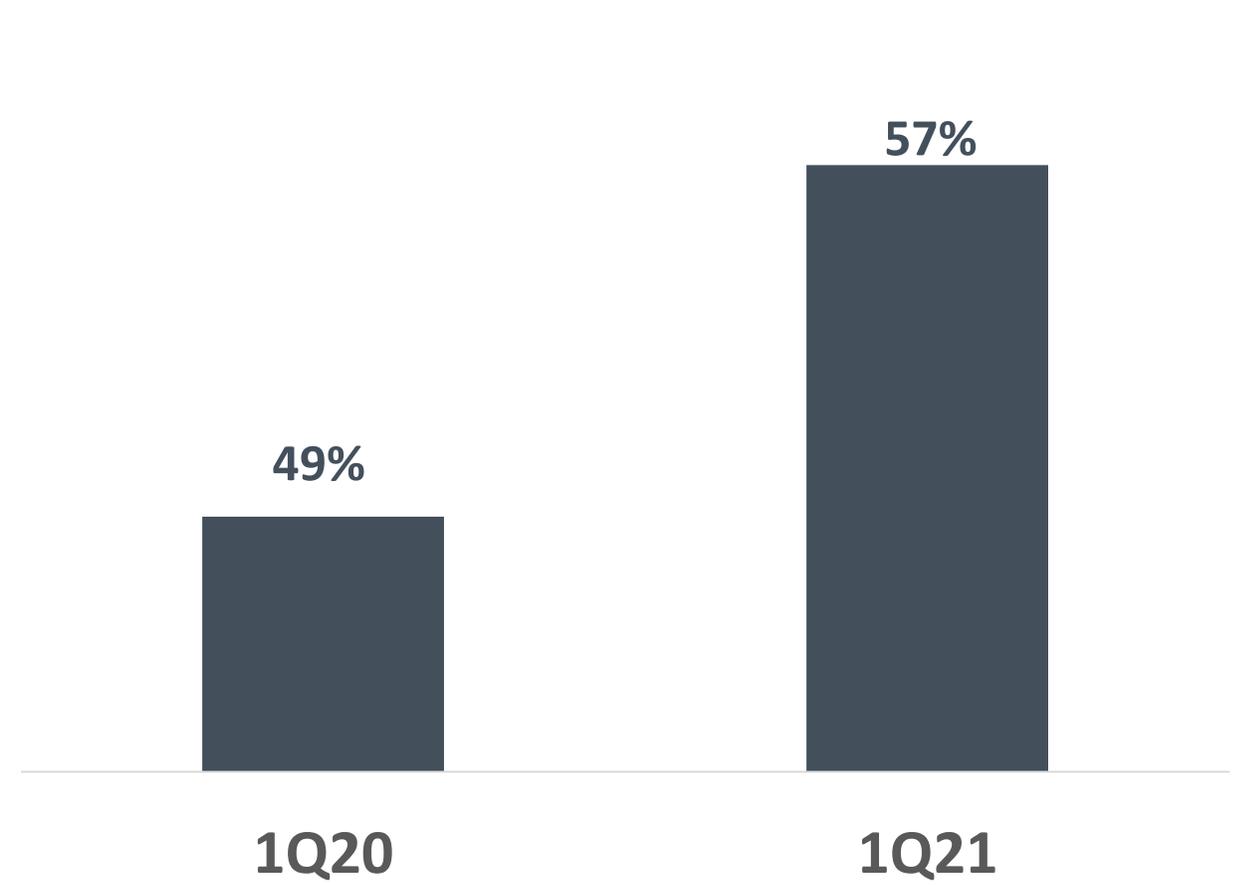
**Cross-industry
Alliance**

Members Increased Steadily 会员数量持续增加

No. of member (in million)



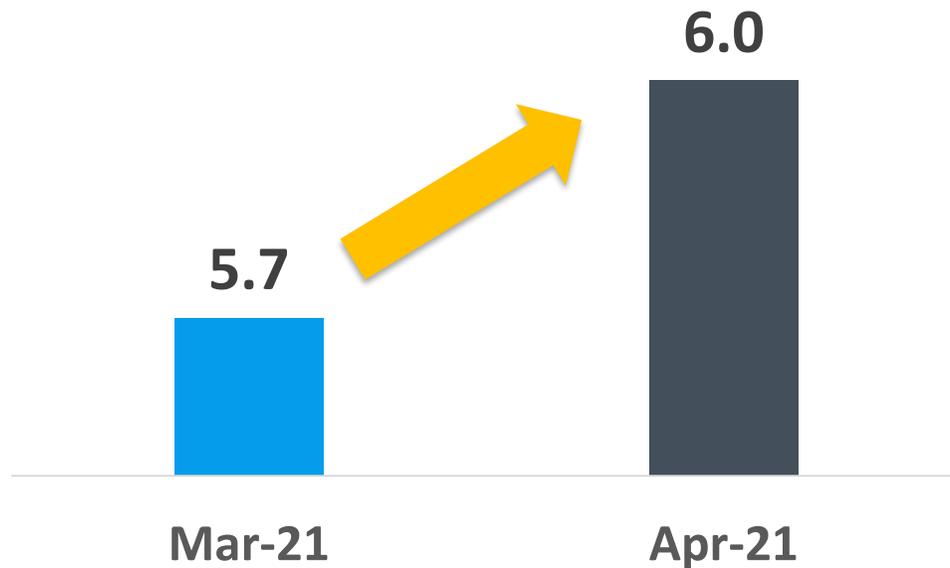
CRS contribution further enlarged



Successfully Launched H-World 3.0 成功发布华住会3.0

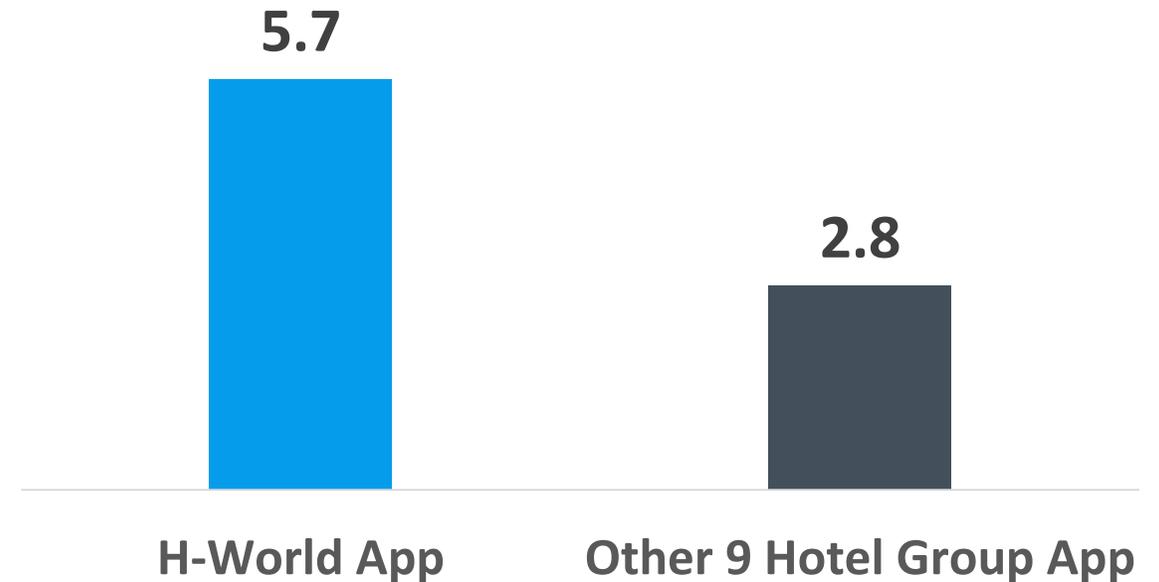
MAU increased by 5% after its official launch on Mar 28th ,2021

H-World MAU (in million)



H-World App's MAU is 2x higher than accumulation of other 9 hotel groups

MAU (in million)



Source: Umeng data, Analysys

Source: Analysys, as of Mar, 2021

Integrated Customer Service from Online to Offline

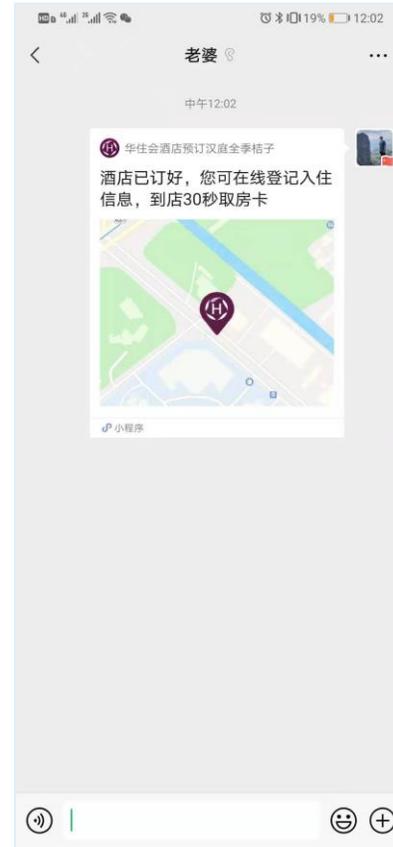
从线上到线下的服务



Popping-up Check-in Invitation on H-world App



Showcasing Check-in Procedure at Front Desk on H-world App



Sharing Order to Companion

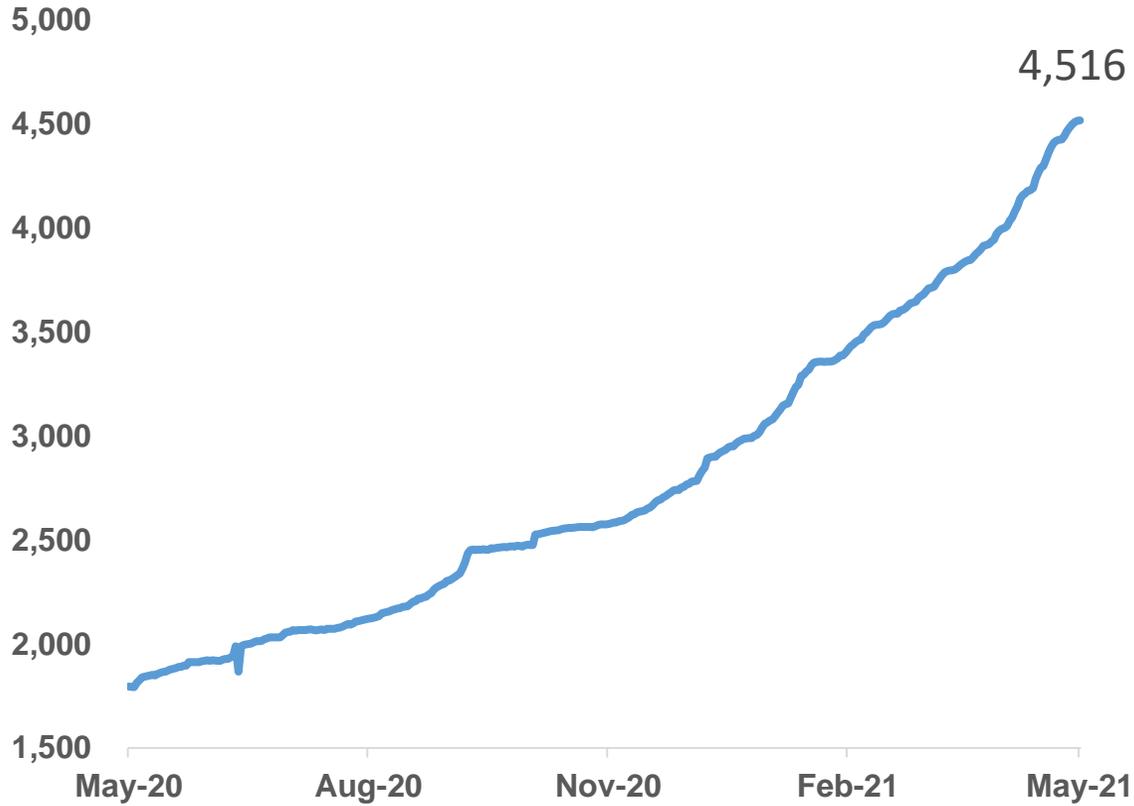


Getting Room Card form Self Check-in Kiosk within 30 Seconds

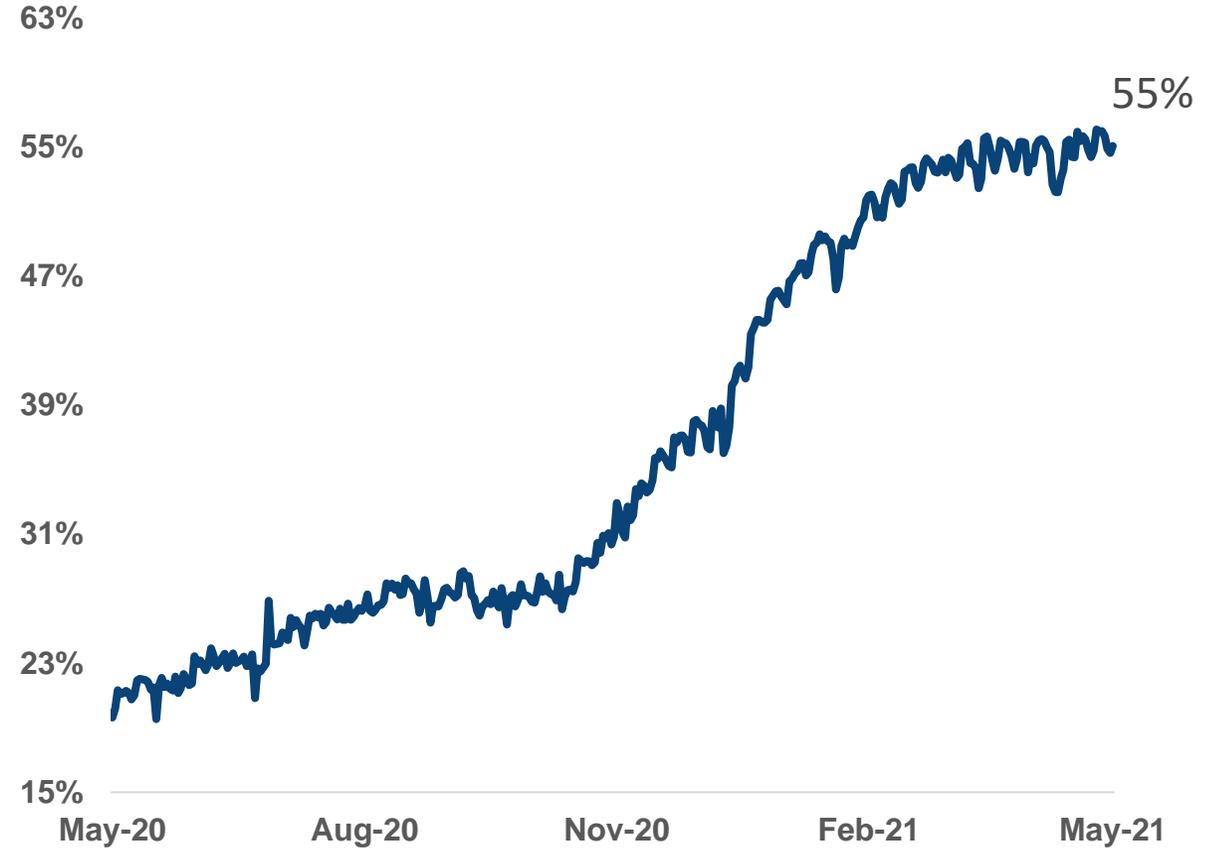
Coverage of 30 Seconds Check-in Service

30秒入住服务覆盖情况

Number of Hotels



% of Orders Check-in within 30 Seconds



Progress of Corporate Customers & B2B2X Alliance

企业用户及第四流量项目进展

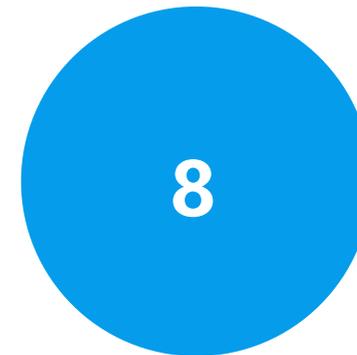
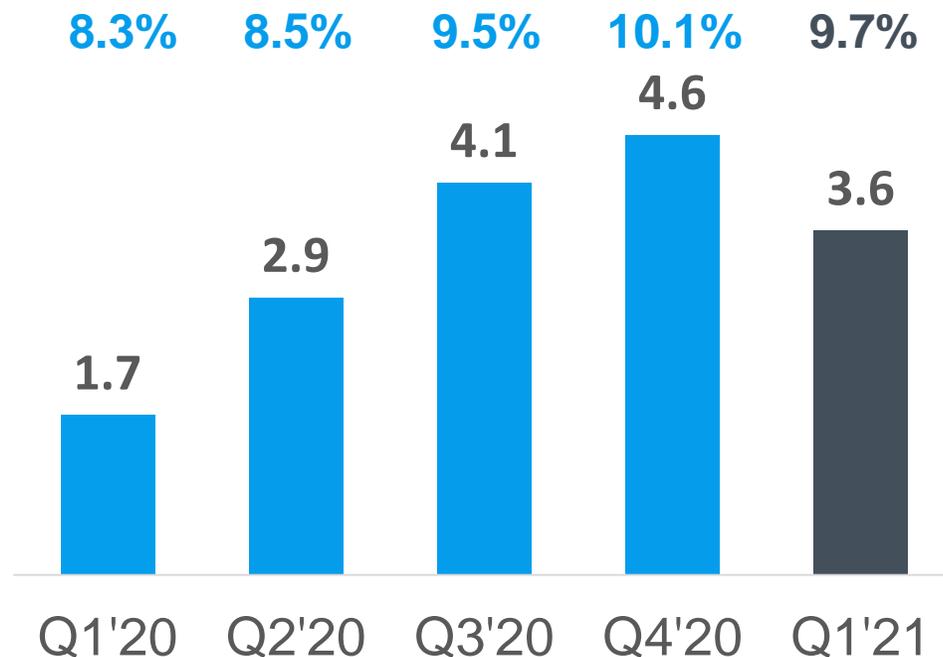
Corporate Customers



B2B2X Alliance



Room nights contribution (in million) & % of total contribution



Number of cooperation in 1Q21



New sales orders per day
(1 order contains 2 or 3 room nights)

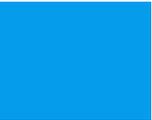
From First DH Hotel to One Global Digital Platform

第一家DH酒店已经开始使用我们的全球数字化共享服务平台



One Global Share Service Digital Platform

1. Seamless Guest Journey
2. Efficiency-driven hotel operation
3. Centralized business model globally



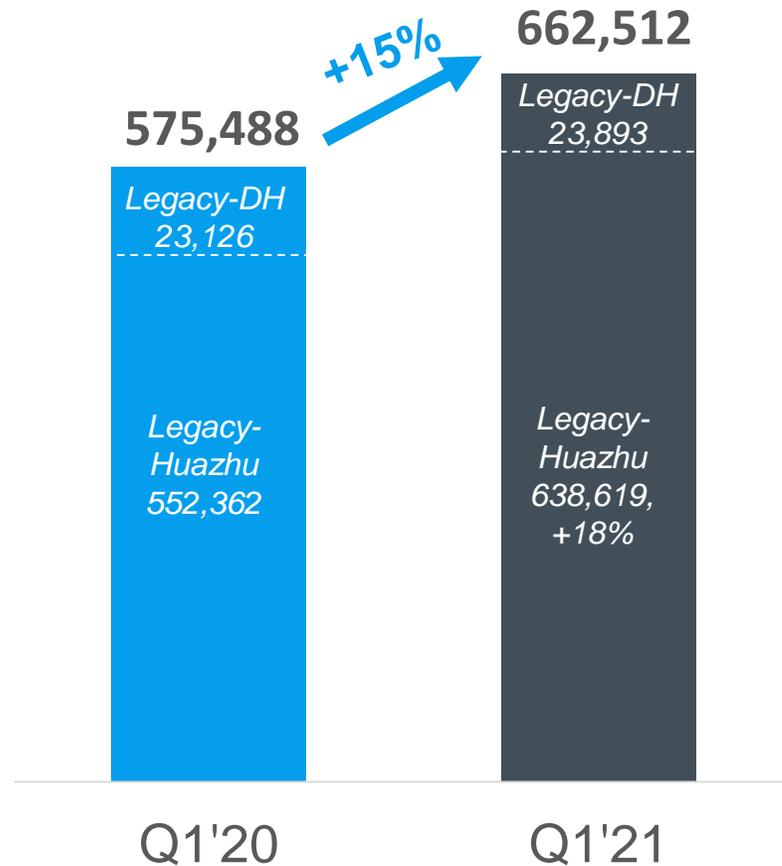
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Hotel Network Continue to Expand 酒店网络持续扩张

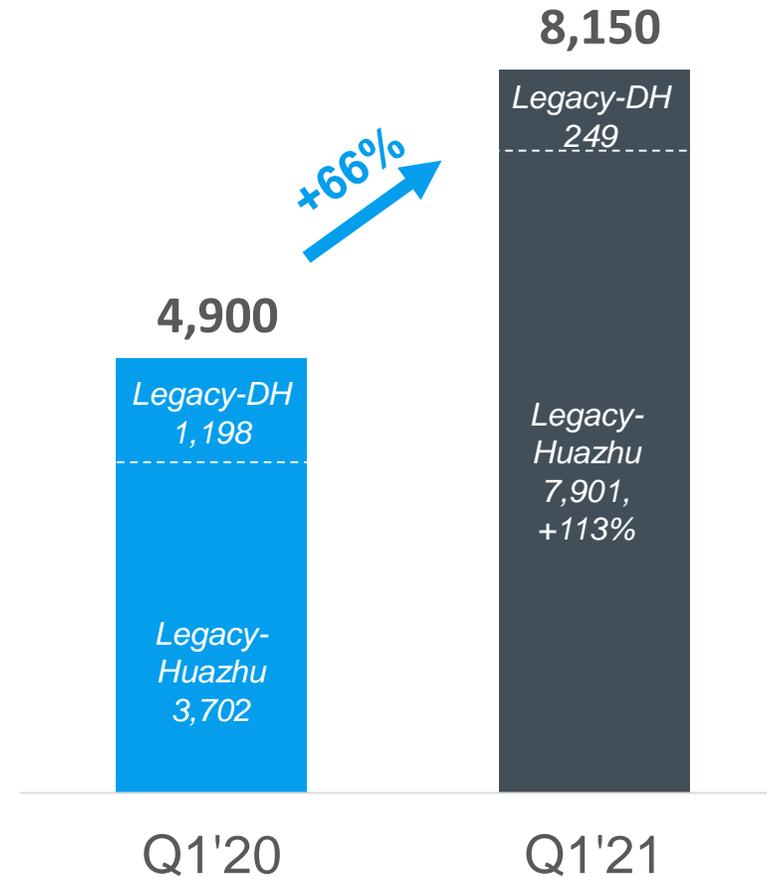
Hotel Network Expansion

(Number of rooms in operation)



Hotel Turnover

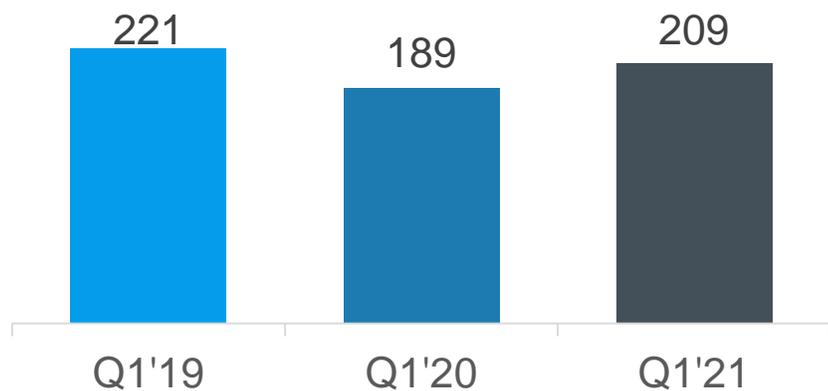
(in RMB millions)



Legacy-Huazhu - Blended RevPAR Increased in Q1'21 yoy 华住中国-一季度混合RevPAR同比增长

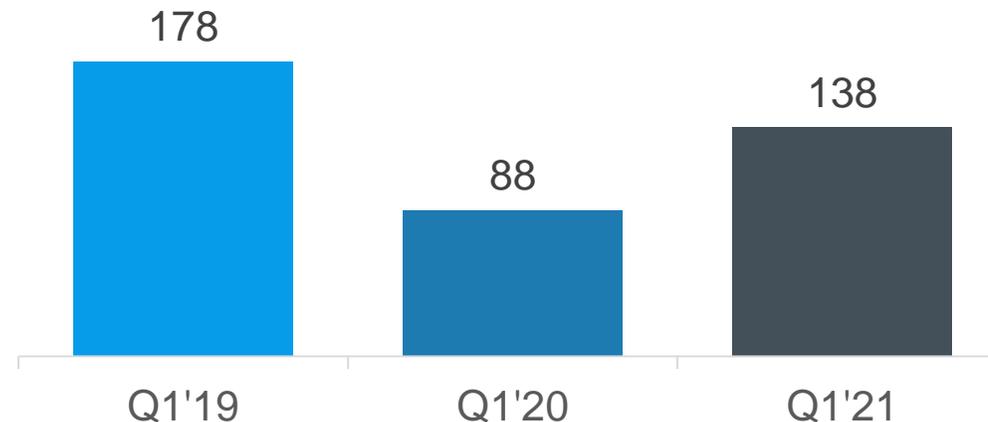
ADR +11% yoy and -6% Compared to 2019

(RMB)

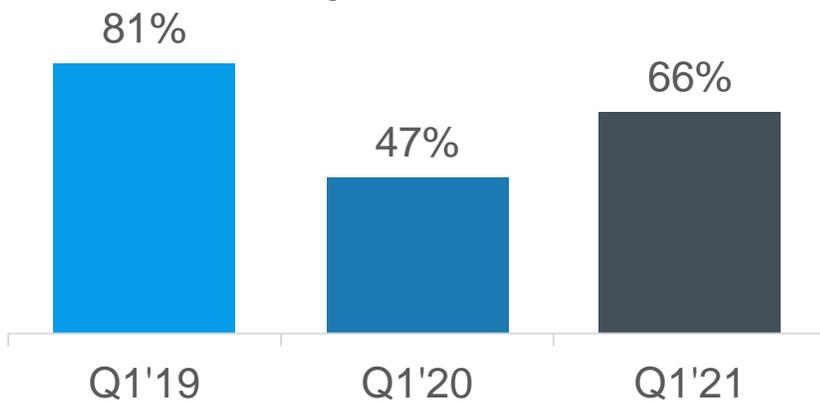


RevPAR +57% yoy and -23% Compared to 2019

(RMB)



Occupancy +19 p.p. yoy and -15 p.p.
Compared to 2019

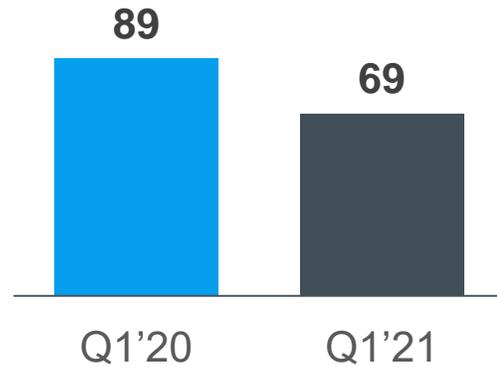


Legacy-DH - Blended RevPAR Declined in 2021

DH-一季度混合RevPAR同比下降

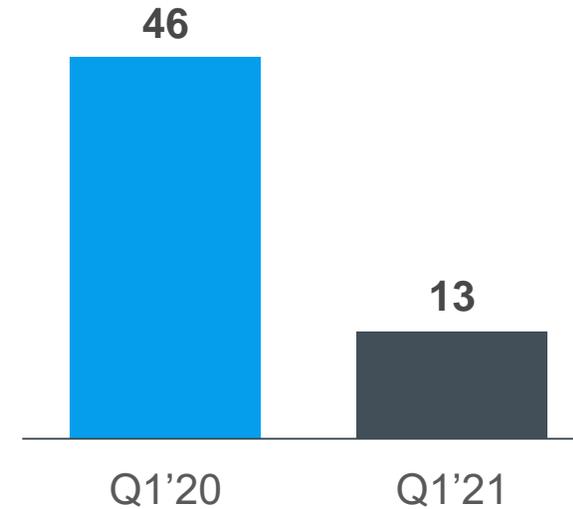
ADR -23% in Q1'20

(EUR)

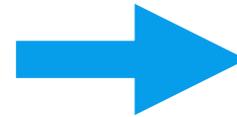
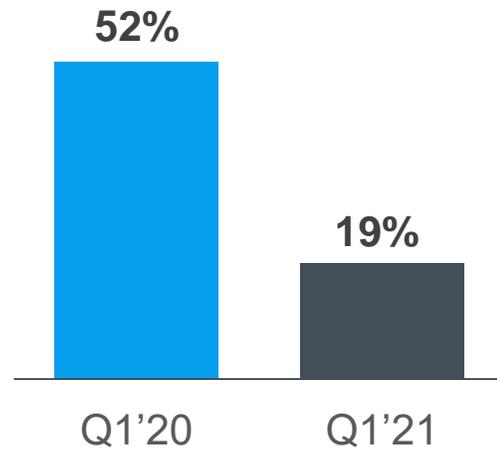


RevPAR -72% in Q1'20

(EUR)



Occupancy -33 p.p. in Q1'20

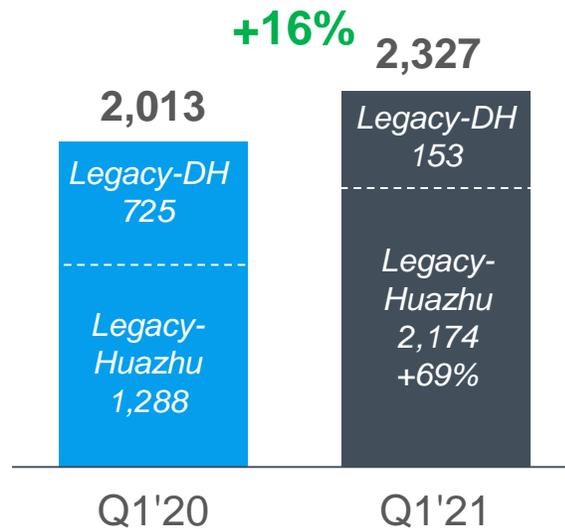


Net Revenues: Q1 Increased 16%

营收一季度增长16%

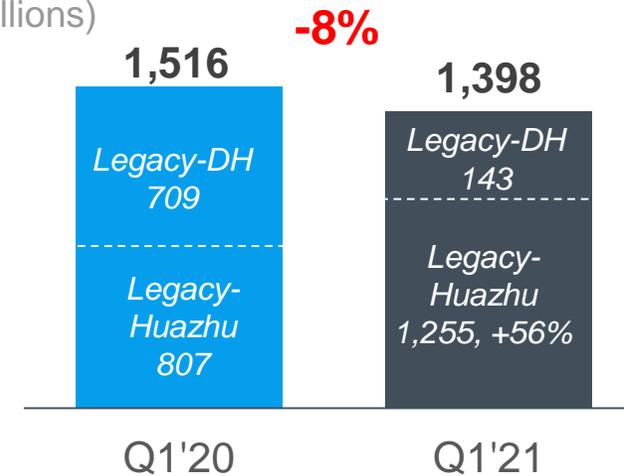
Net Revenues

(in RMB millions)



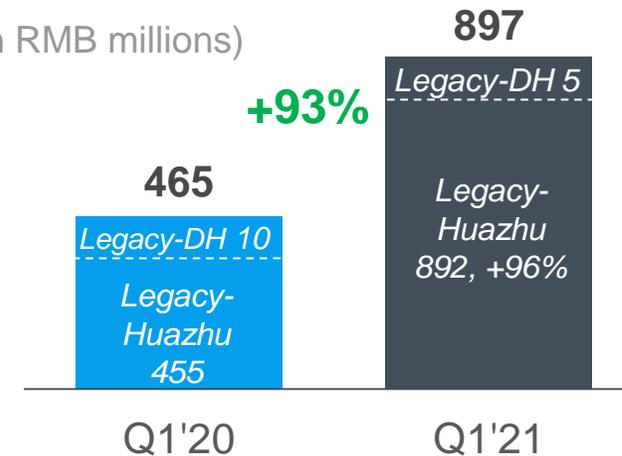
Net Revenues from Leased and Owned Hotels

(in RMB millions)



Net Revenues from Manachised and Franchised Hotels

(in RMB millions)



Manachised and Franchised Hotels Revenue as % of Net Revenues

	Q1'20	Q1'21
Huazhu Group	23%	39%
Legacy-Huazhu	35%	41%

Q1'21 Operating Loss Narrowed YoY

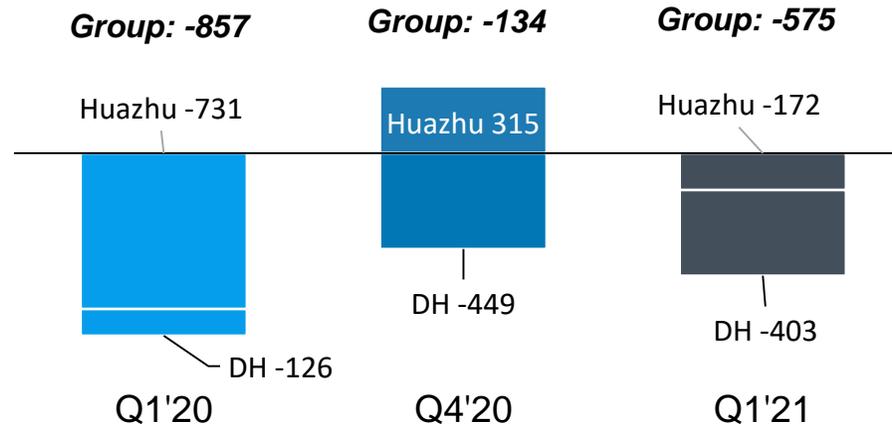
一季度经营亏损同比收窄

Income from Operations

(in RMB millions)

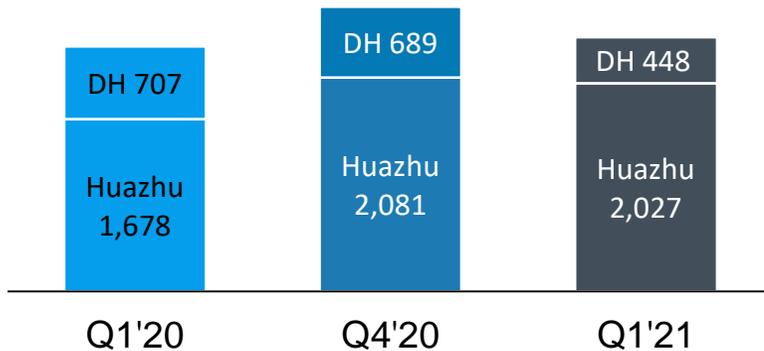
*Huazhu refers to Legacy-Huazhu

*DH refers to Legacy-DH

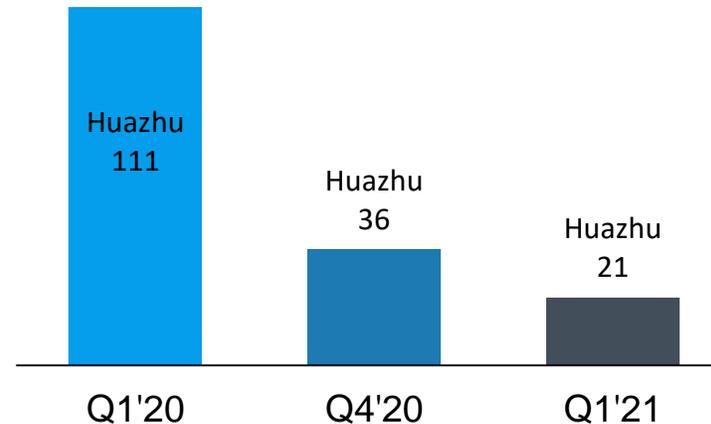


Hotel operating costs and other operating costs

Group: 2,385 Group: 2,770 Group: 2,475

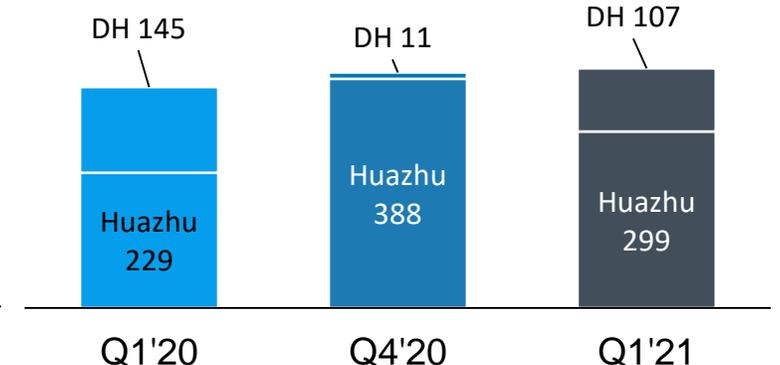


Pre-opening expenses



SG&A Expenses and other operating income

Group: 374 Group: 399 Group: 406

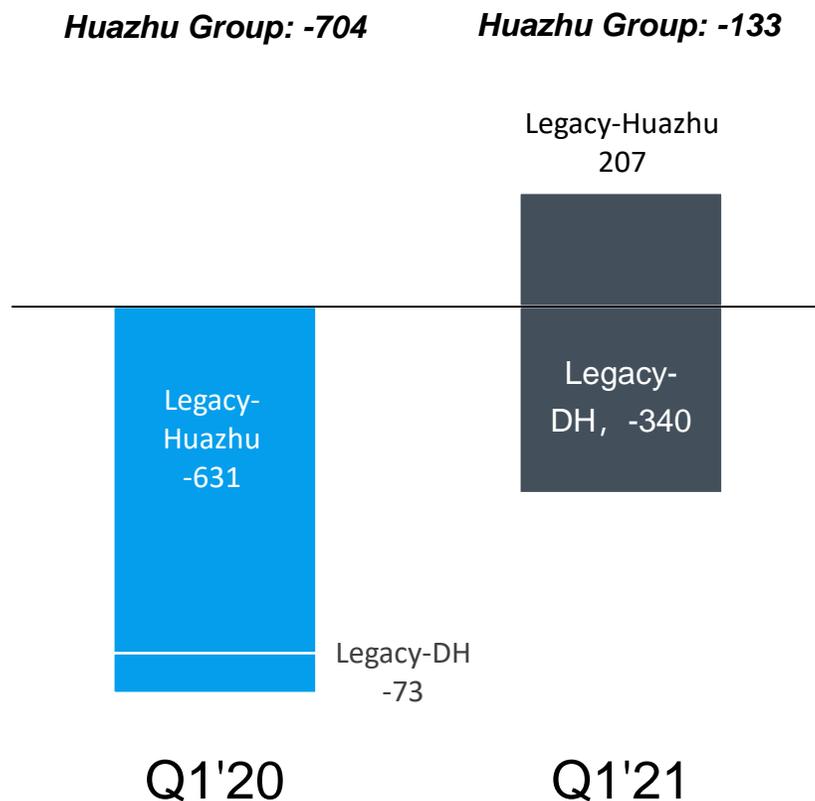


Adjusted EBITDA and Adjusted Net Income in Q1'21

一季度调整后的EBITDA和净利润情况

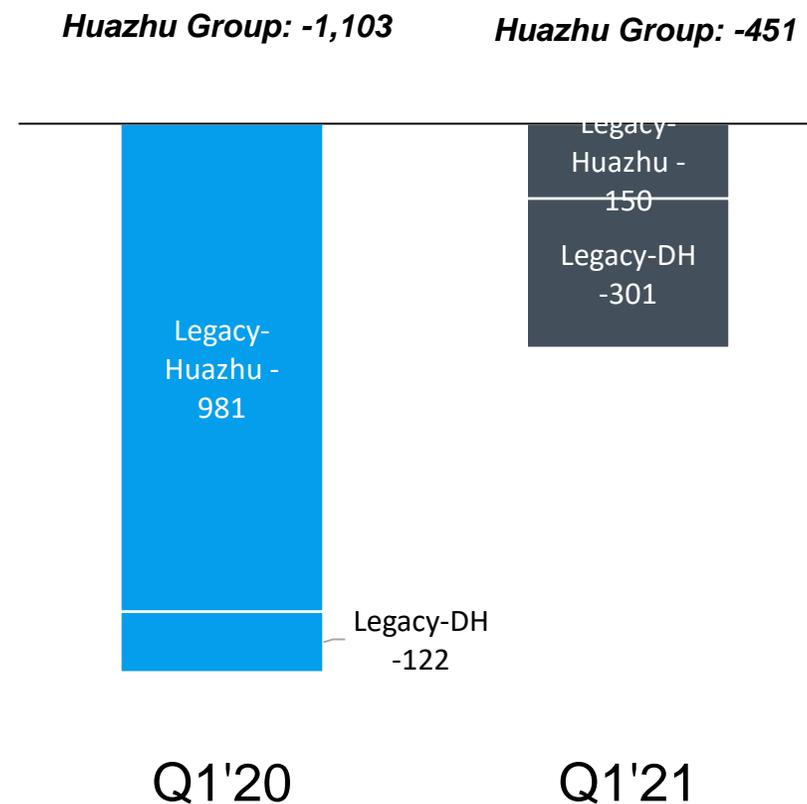
Adjusted EBITDA

(in RMB millions)

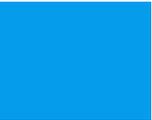


Adjusted Net Income

(in RMB millions)



- Adjusted EBITDA and adjusted net income excludes unrealized gains/ (losses) from fair value changes of equity securities and share-based compensation expenses.



AGENDA

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- Q and A
- Appendix

COVID-19 Update

疫情情况更新

- **Improved liquidity :**
 1. Net debt - **RMB5.2 billion** at March 31, 2021
- **Increased available cash and bank facilities at March 31, 2021**
 1. Cash balance - **RMB5.7 billion**
 2. Legacy-Huazhu Banks facilities – Unutilized bank facilities of **RMB6.5 billion**

COVID-19 Update - Deutsche Hospitality

DH疫情情况更新

- DH occupancy remains ~15% since second and third wave of COVID-19 outbreak.
- 89% or 108 of the hotels remained opened at beginning of May 2021.
- As of May 22nd, about 40% Germans have received at least one shot of vaccine
- Short-time worker compensation as of April 2021 amounted to EUR 12.7M with the policy officially extended to December 31, 2021.
- Lease waiver since beginning of lockdown achieved EUR9.6M
- Ongoing deferral of major cash-outs, such as rental, capital expenditure to manage liquidity
- Available bank credit lines totaling EUR22 million at March 31, 2021.

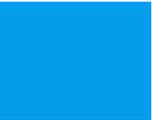
Guidance 业绩指引

Q2 2021

- Net revenues vs. Q2 2020
 - Grow 87%-89%
 - Excluding DH - Grow 90-92%
- Net revenue vs. Q2 2019
 - Grow 27%-29%
 - Excluding DH - Grow 20%-22%

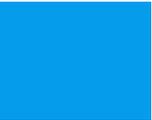
Full year 2021

- Net revenue vs.2020
 - Grow 44%-48%
 - Excluding DH - Grow 50-54%
- Net revenue vs. 2019
 - Grow 31%-35%
 - Excluding DH - Grow 15-19%
- Gross opening target: 1,600-1,800 hotels
- Closure of 500-550 hotels



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Same-Hotel Operational Data by Segment

同店经营数据

Same-hotel operational data by segment

Operational hotels excluding hotels under requisition

	<u>Number of hotels in operation</u>		<u>Same-hotel RevPAR</u>			<u>Same-hotel ADR</u>			<u>Same-hotel Occupancy</u>		
	<u>As of</u>		<u>For the quarter ended</u>			<u>For the quarter ended</u>			<u>For the quarter ended</u>		
	<u>March 31,</u>		<u>March 31,</u>			<u>March 31,</u>			<u>March 31,</u>		
	2020	2021	2020	2021	yoy change	2020	2021	yoy change	2020	2021	yoy change (p.p.)
Economy hotels	2,832	2,832	80	113	42.1%	153	160	4.9%	52.0%	70.5%	+18.4
Leased and owned hotels	417	417	79	120	50.8%	164	175	7.3%	48.5%	68.2%	+19.7
Manachised and franchised hotels	2,415	2,415	80	111	40.0%	150	157	4.4%	53.0%	71.0%	+18.1
Midscale and upscale hotels	1,377	1,377	111	176	58.2%	260	278	7.0%	42.7%	63.1%	+20.4
Leased and owned hotels	198	198	113	191	68.6%	297	326	9.5%	38.1%	58.7%	+20.6
Manachised and franchised hotels	1,179	1,179	110	172	55.6%	251	268	6.6%	44.0%	64.2%	+20.2
Total	4,209	4,209	92	138	50.2%	190	204	7.6%	48.4%	67.5%	+19.2

	<u>Number of hotels in operation</u>		<u>Same-hotel RevPAR</u>			<u>Same-hotel ADR</u>			<u>Same-hotel Occupancy</u>		
	<u>As of</u>		<u>For the quarter ended</u>			<u>For the quarter ended</u>			<u>For the quarter ended</u>		
	<u>March 31,</u>		<u>March 31,</u>			<u>March 31,</u>			<u>March 31,</u>		
	2019	2021	2019	2021	yoy change	2019	2021	yoy change	2019	2021	yoy change (p.p.)
Economy hotels	2,290	2,290	158	110	-30.0%	181	158	-12.7%	87.1%	69.8%	-17.3
Leased and owned hotels	396	396	175	117	-33.1%	199	173	-13.1%	88.1%	67.9%	-20.2
Manachised and franchised hotels	1,894	1,894	153	109	-29.1%	176	154	-12.4%	86.9%	70.4%	-16.5
Midscale and upscale hotels	842	842	248	174	-30.0%	321	279	-13.0%	77.2%	62.2%	-15.0
Leased and owned hotels	173	173	302	189	-37.4%	381	319	-16.4%	79.1%	59.2%	-19.9
Manachised and franchised hotels	669	669	229	168	-26.5%	299	266	-11.0%	76.5%	63.2%	-13.3
Total	3,132	3,132	187	131	-29.9%	224	195	-12.6%	83.9%	67.3%	-16.6

Number of Hotels and Rooms

酒店数量和房间数量

As of March 31, 2021

	Hotels in operation	Rooms	Unopened hotels in pipeline
Economy hotels	4,397	363,494	1,280
HanTing Hotel	2,767	255,385	659
Hi Inn	436	25,228	99
Elan Hotel	972	59,319	468
Ibis Hotel	208	21,901	43
Zleep Hotels	14	1,661	11
Midscale and upscale hotels	2,484	299,018	1,369
Ibis Styles Hotel	70	8,119	26
Starway Hotel	453	38,110	272
Jl Hotel	1,137	139,943	577
Orange Hotel	345	38,537	181
Crystal Orange Hotel	121	16,240	69
Manxin Hotel	63	6,155	54
Madison Hotel	25	3,850	43
Mercure Hotel	108	17,846	64
Novotel Hotel	12	3,387	14
Joya Hotel	10	1,842	0
Blossom House	27	1,272	26
Grand Mercure Hotel	7	1,485	6
Steigenberger Hotels & Resorts	49	11,574	9
IntercityHotel	45	7,931	21
MAXX by Steigenberger	5	777	4
Jaz in the City	2	424	2
Other partner hotels	5	1,526	1
Total	6,881	662,512	2,649

Number of Hotels in Operation 在营酒店数量

	As of 12/31/2013	As of 12/31/2014	As of 12/31/2015	As of 12/31/2016	As of 12/31/2017	As of 12/31/2018	As of 12/31/2019	As of 12/31/2020	As of 3/31/2021
Economy hotels	1,309	1,819	2,453	2,741	2,874	2,892	3,485	4,376	4,397
HanTing Hotel	1,226	1,648	2,003	2,181	2,244	2,283	2,372	2,780	2,767
Hi Inn	83	158	302	375	396	402	465	439	436
Elan Hotel		13	148	185	226	200	648	938	972
Orange Hotel					8	7			
Ibis Hotel								205	208
Zleep Hotel								14	14
Midscale and upscale hotels	116	176	310	528	872	1,338	2,133	2,413	2,484
HanTing Premium Hotel					5	74	214		
Ibis Hotel				72	100	137	185		
Ibis Styles Hotel				10	13	34	55	69	70
Starway Hotel	46	55	118	136	174	212	350	455	453
Ji Hotel	68	117	186	284	390	553	831	1,105	1,137
Orange Hotel					103	172	248	320	345
Crystal Orange Hotel					42	56	85	114	121
Manxin Hotel	1	1	2	2	11	24	46	61	63
Madison Hotel							9	22	25
Mercure Hotel			1	15	20	39	68	104	108
Novotel Hotel				2	4	7	9	12	12
Grand Madison Hotel							4		
Joya Hotel	1	3	3	6	6	6	6	10	10
Blossom House						18	17	28	27
Grand Mercure Hotel				1	4	6	6	7	7
Steigenberger Hotels & Resorts								49	49
IntercityHotel								45	45
Maxx by Steigenberger								5	5
Jaz in the City								2	2
Other partner hotels								5	5
Total	1,425	1,995	2,763	3,269	3,746	4,230	5,618	6,789	6,881
Economy hotels	91.9%	91.2%	88.8%	83.8%	76.7%	68.4%	62.0%	64.5%	63.9%
Mid-upscale hotels	8.1%	8.8%	11.2%	16.2%	23.3%	31.6%	38.0%	35.5%	36.1%

Number of Rooms in Operation 在营房间数量

	As of 12/31/2013	As of 12/31/2014	As of 12/31/2015	As of 12/31/2016	As of 12/31/2017	As of 12/31/2018	As of 12/31/2019	As of 12/31/2020	As of 3/31/2021
Economy hotels	138,576	185,959	238,156	260,557	266,145	261,037	290,615	361,435	363,494
HanTing Hotel	130,747	172,341	205,577	221,157	223,121	220,646	224,626	254,106	255,385
Hi Inn	7,829	12,551	21,340	25,600	26,063	25,403	28,153	25,282	25,228
Elan Hotel		1,067	11,239	13,800	16,120	14,266	37,836	58,753	59,319
Orange Hotel					841	722			
Ibis Hotel								21,633	21,901
Zleep Hotel								1,661	1,661
Midscale and upscale hotels	14,303	23,996	40,687	70,790	113,530	161,710	246,261	290,727	299,018
HanTing Premium Hotel					446	6,656	19,748		
Ibis Hotel				10,251	13,474	16,575	20,533		
Ibis Styles Hotel				1,614	1,841	4,279	6,681	7,992	8,119
Starway Hotel	4,959	6,321	12,138	13,206	16,914	18,878	30,363	38,657	38,110
JI Hotel	9,106	17,052	27,559	39,664	53,054	72,370	104,521	135,737	139,943
Orange Hotel					12,648	19,863	28,821	36,167	38,537
Crystal Orange Hotel					5,629	7,150	11,182	15,400	16,240
Manxin Hotel	97	108	236	78	1,150	1,901	4,133	6,009	6,155
Madison Hotel							883	2,950	3,850
Mercure Hotel			239	4,026	4,664	8,510	12,502	17,486	17,846
Novotel Hotel				629	1,697	2,512	2,928	3,387	3,387
Grand Madison Hotel							772		
Joya Hotel	141	515	515	1,131	1,131	1,250	1,250	1,842	1,842
Blossom House						462	648	1,249	1,272
Grand Mercure Hotel				191	882	1,304	1,296	1,485	1,485
Steigenberger Hotel								11,574	11,574
IntercityHotel								8,056	7,931
Maxx by Steigenberger								777	777
Jaz in the City								424	424
Other partner hotels								1,535	1,526
Total	152,879	209,955	278,843	331,347	379,675	422,747	536,876	652,162	662,512
Economy rooms	90.6%	88.6%	85.4%	78.6%	70.1%	61.7%	54.1%	55.4%	54.9%
Mid-upscale rooms	9.4%	11.4%	14.6%	21.4%	29.9%	38.3%	45.9%	44.6%	45.1%