

First Quarter of 2025 Earnings Call

H World Group Limited

(NASDAQ: HTHT and HKEX: 1179)



May 20, 2025

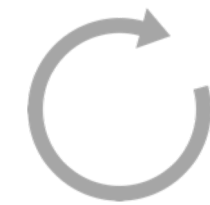
AGENDA

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**25Q1 Business
Update**

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**25Q1 Operational
and Financial
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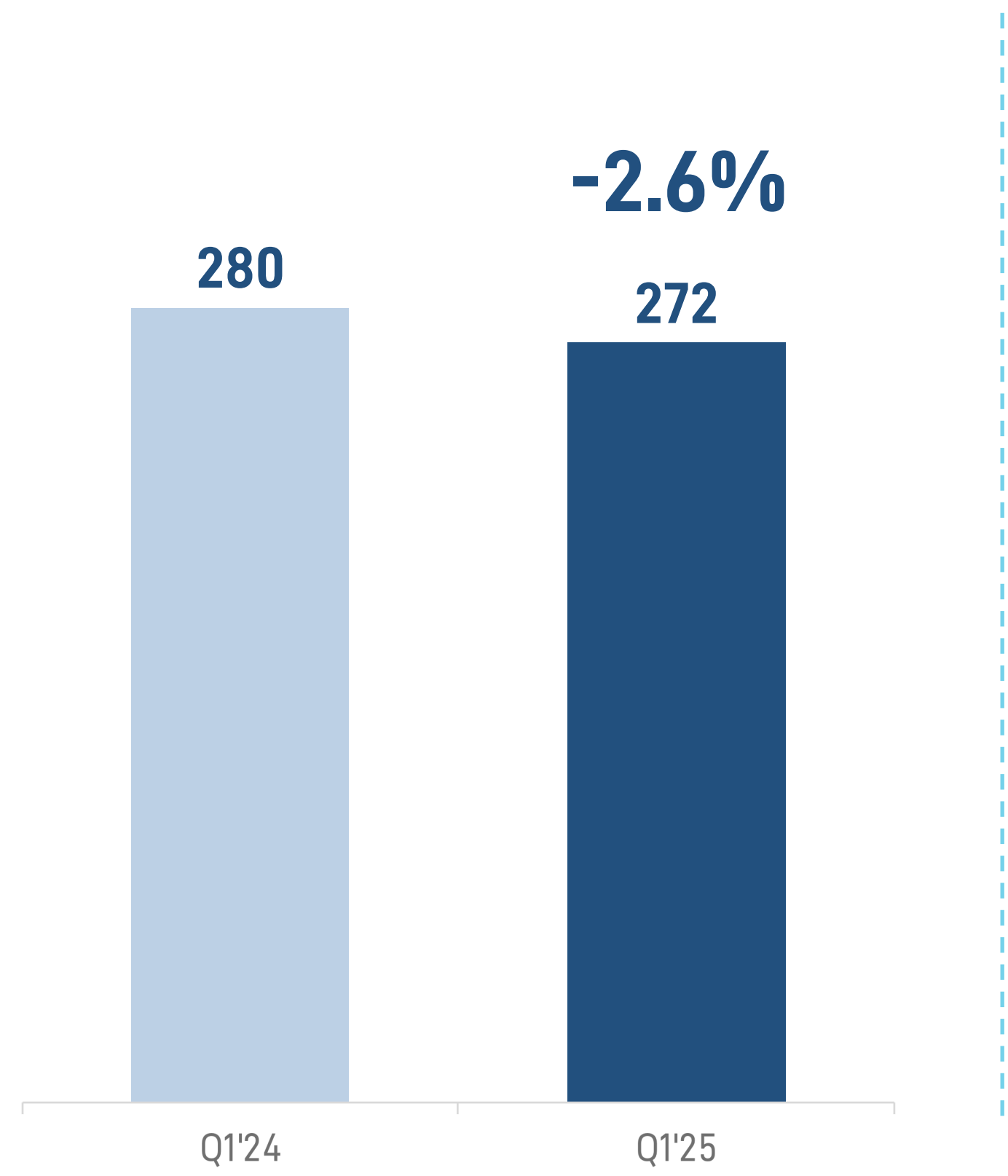


Appendix

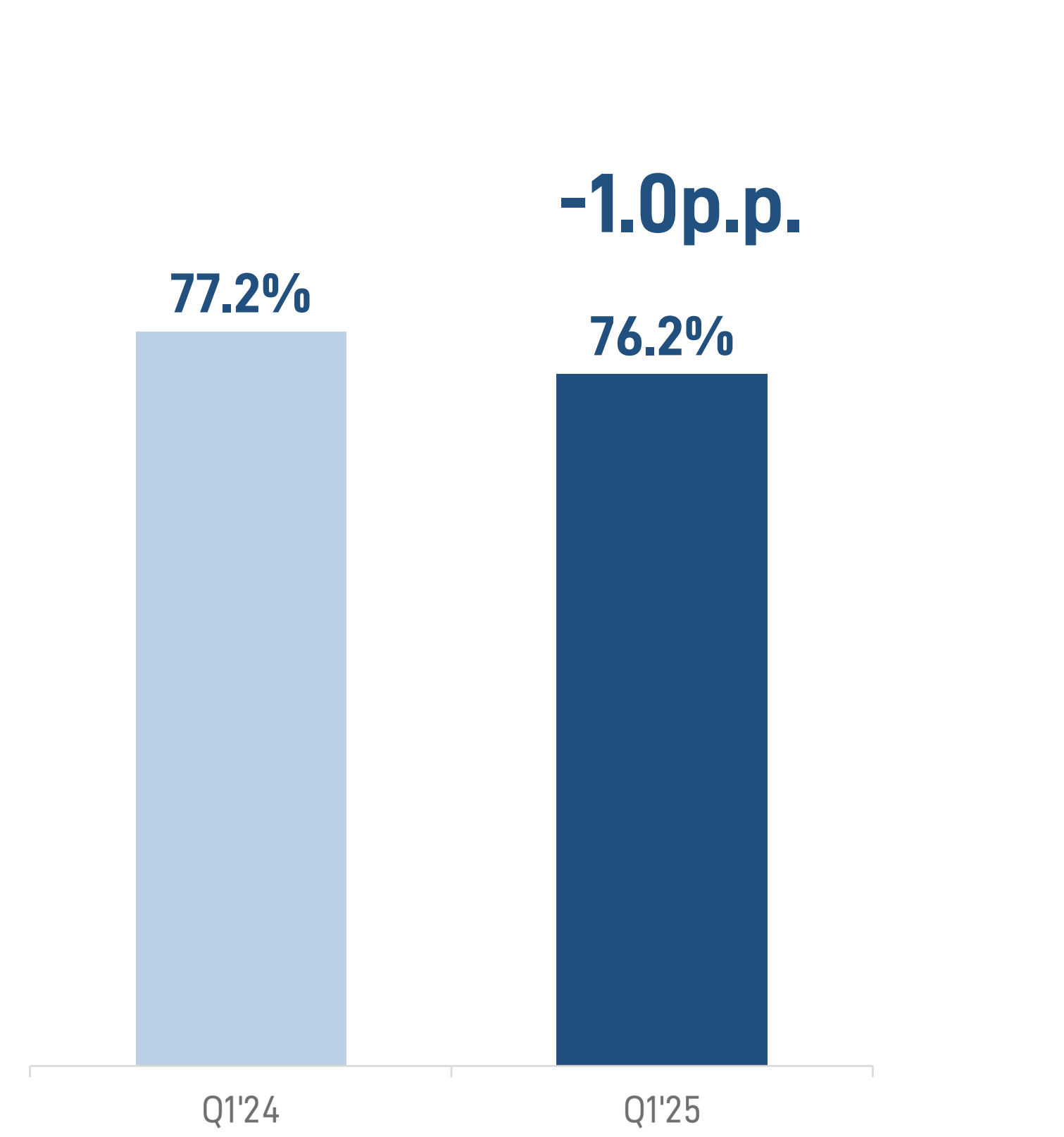
Legacy-Huazhu RevPAR declined 3.9% YoY

华住中国2025年一季度混合RevPAR同比下滑3.9%

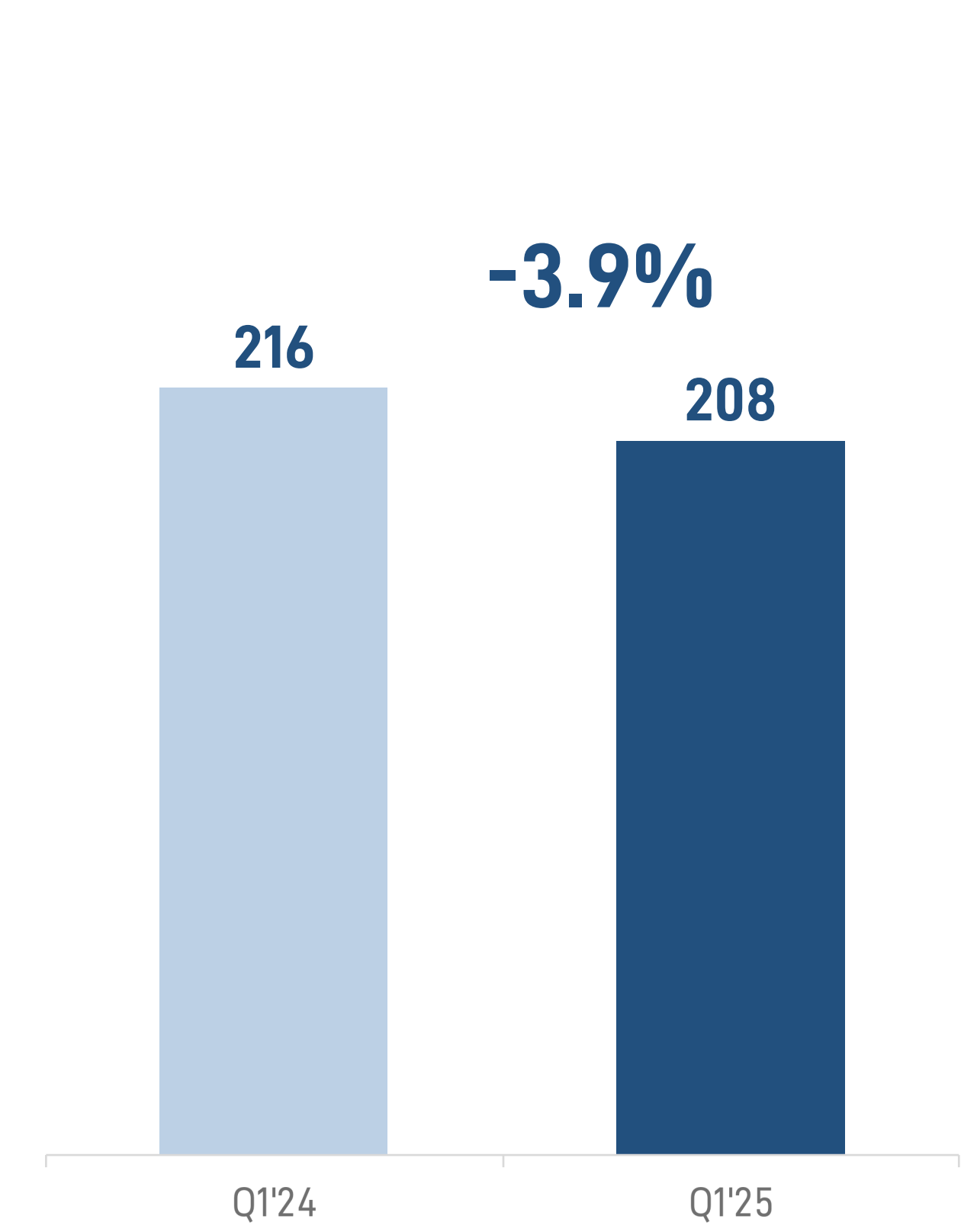
ADR (RMB)



OCC



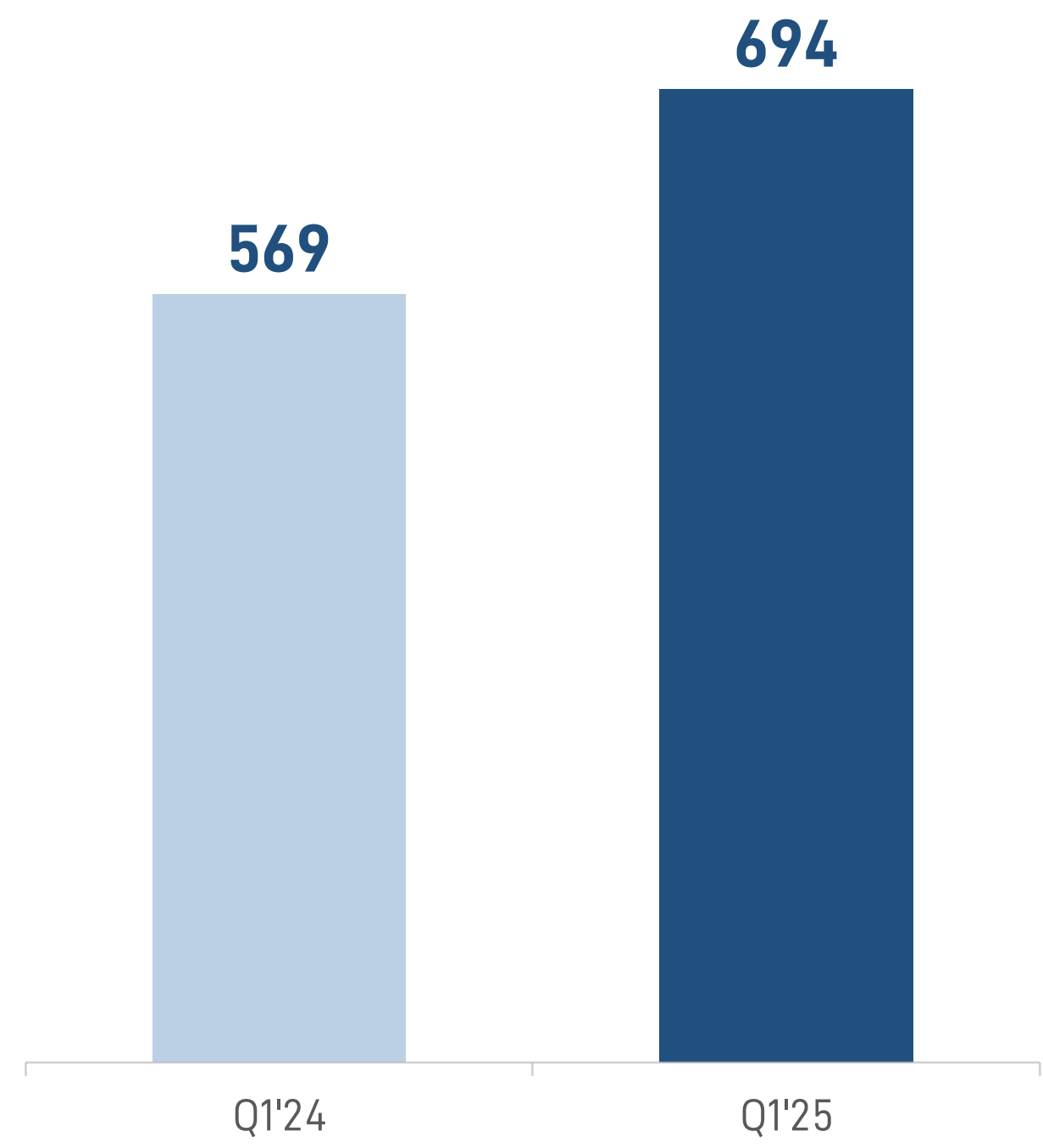
RevPAR (RMB)



Network Expansion

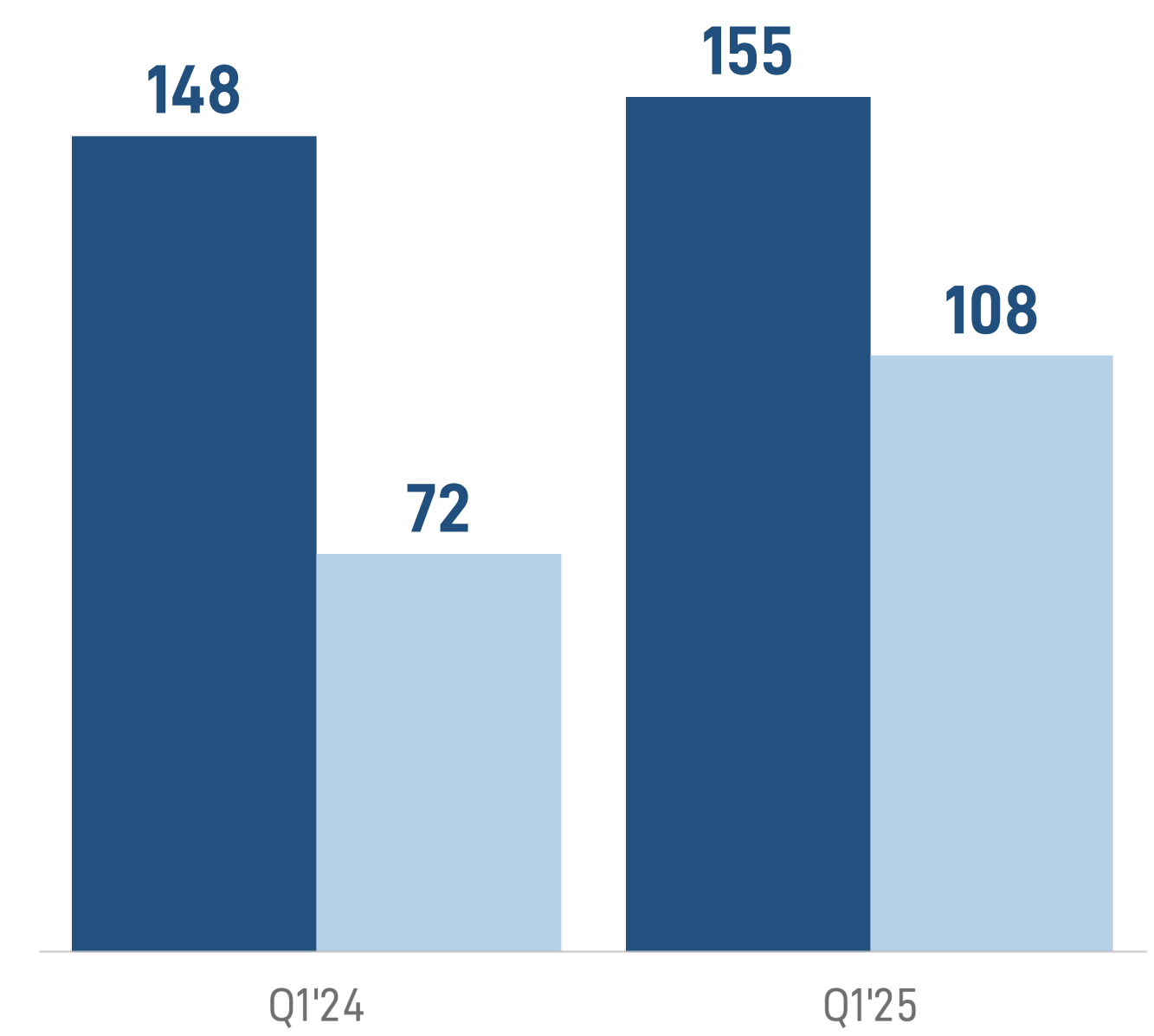
酒店网络快速扩张

Number of Hotel Opening

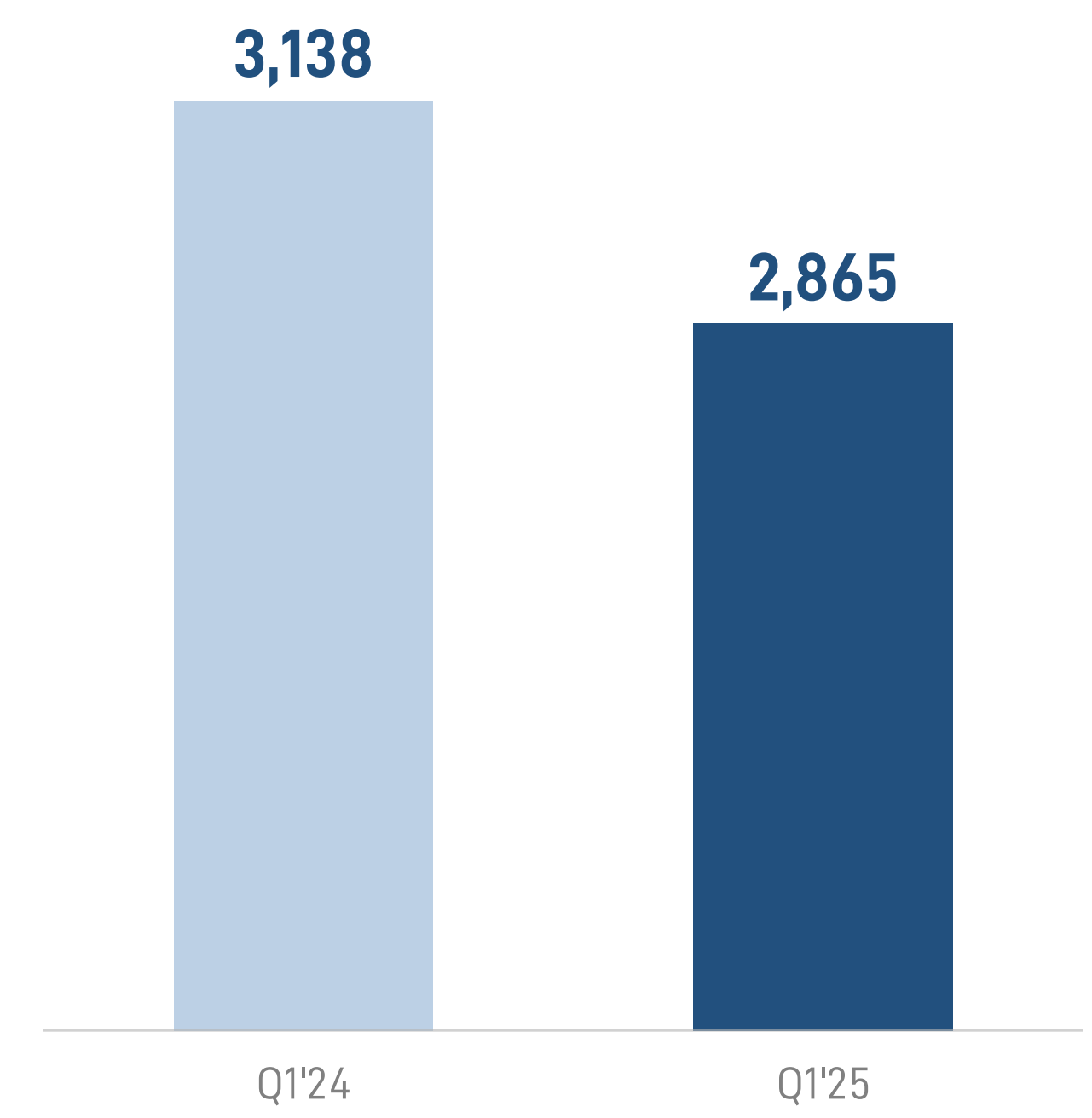


Number of Hotel Closure

- Total hotel closure
- Hotel closure excl. low quality economy soft brand and Hanting 1.0



Number of Hotel in Pipeline (as of Mar 31)

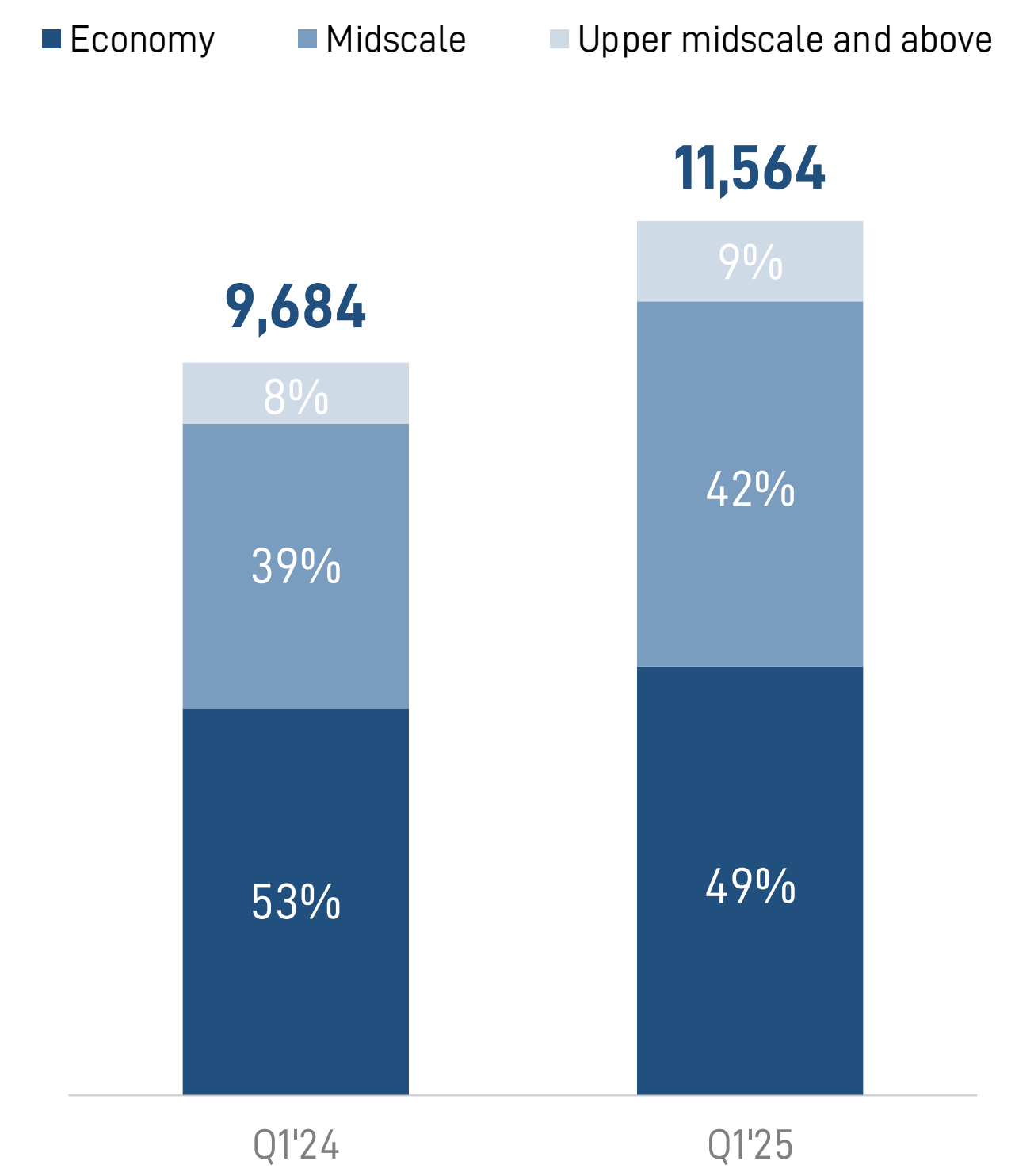


* Numbers in this page refers to Legacy-Huazhu business

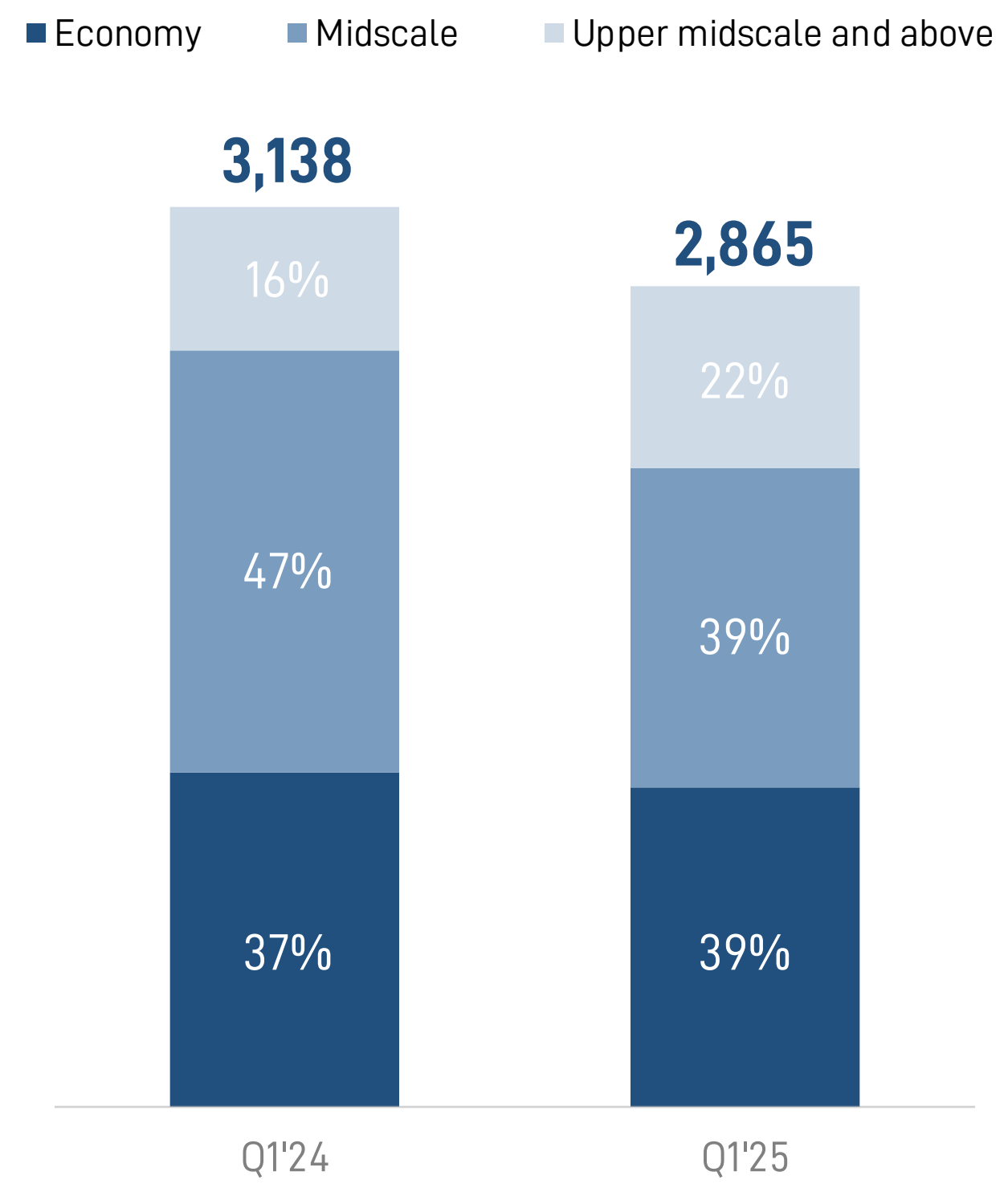
Economy and Midscale as the Core Products Serving the Mass Market

经济型及中档酒店为核心，服务大众市场

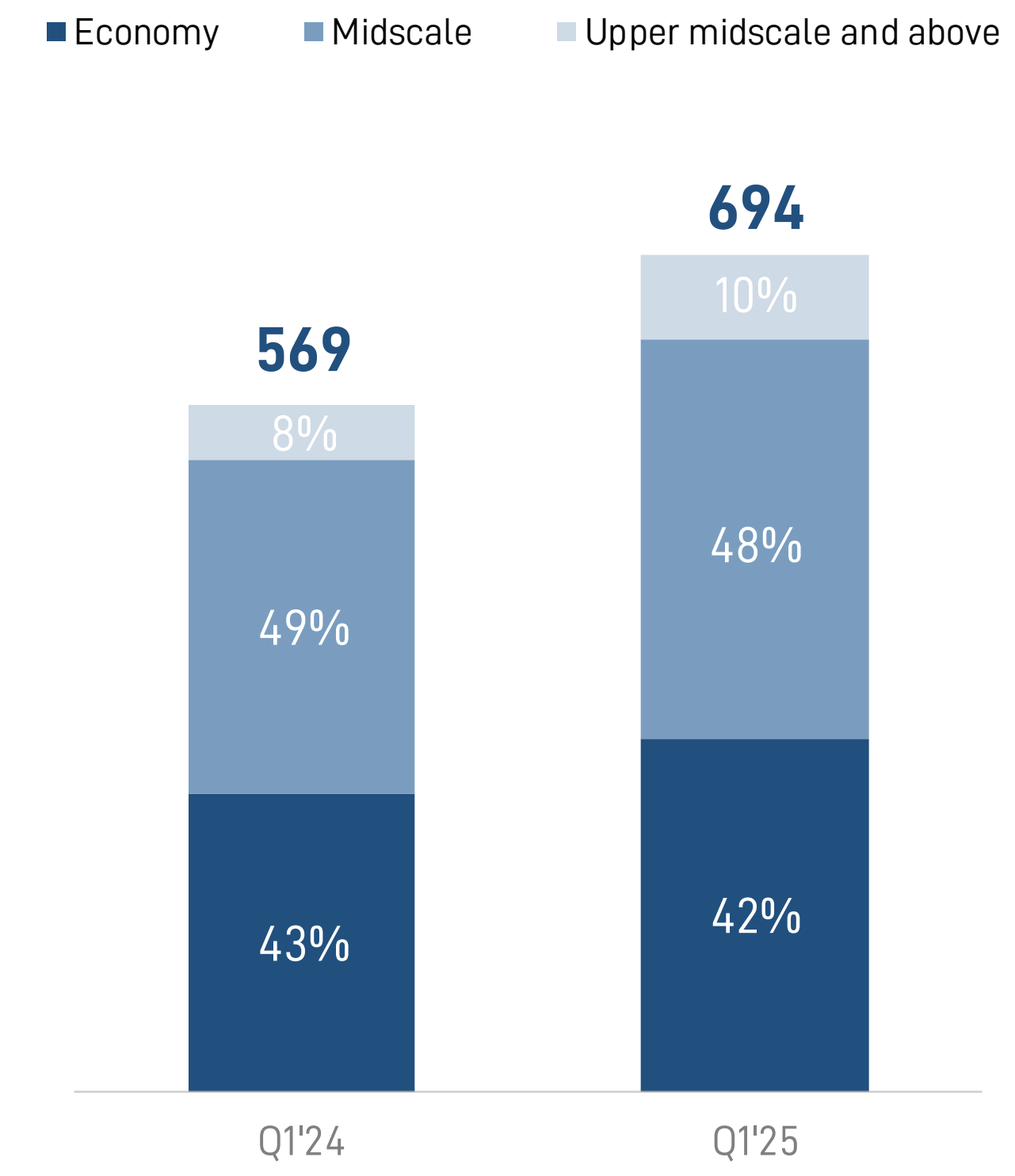
Number of Hotels in Operation
(as of Mar 31)



Number of Hotels in Pipeline
(as of Mar 31)



Number of Hotel Opening

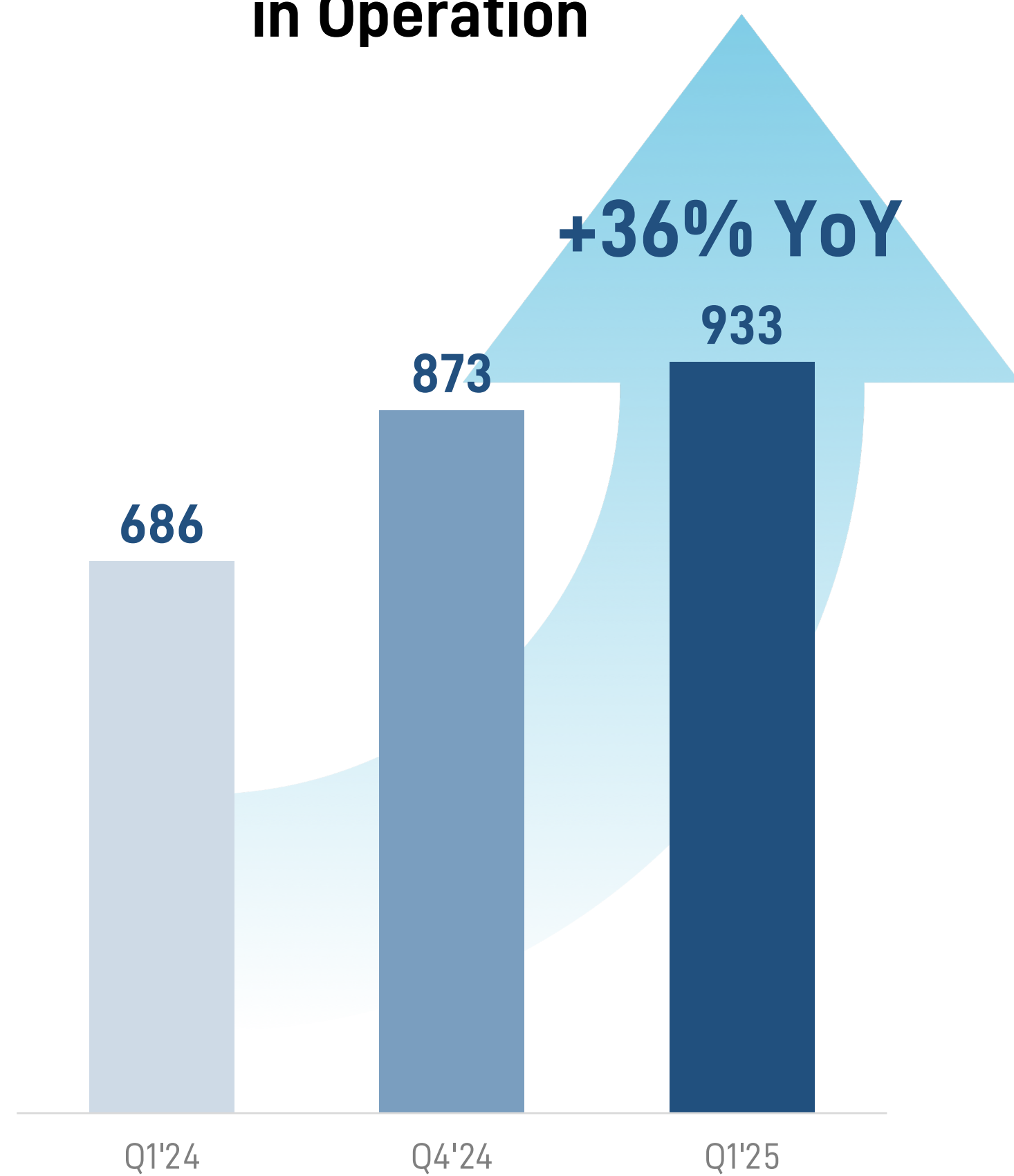


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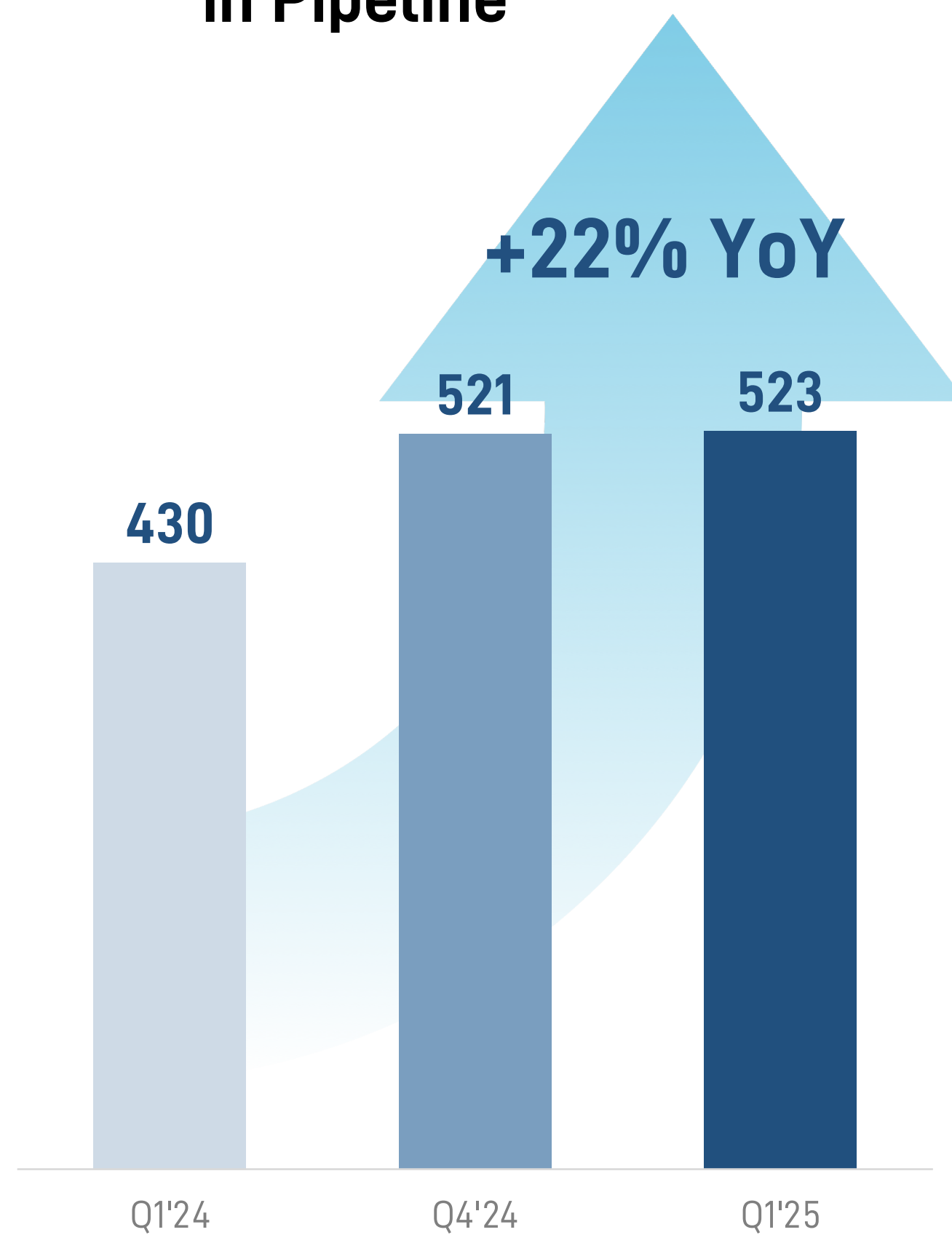
Stepping-Up the Development of Upper-midscale Segment

进一步推动中高档品牌的发展

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

Consistent Product Upgrade - Hanting, Ji, Orange

品牌的持续升级 - 汉庭、全季、桔子

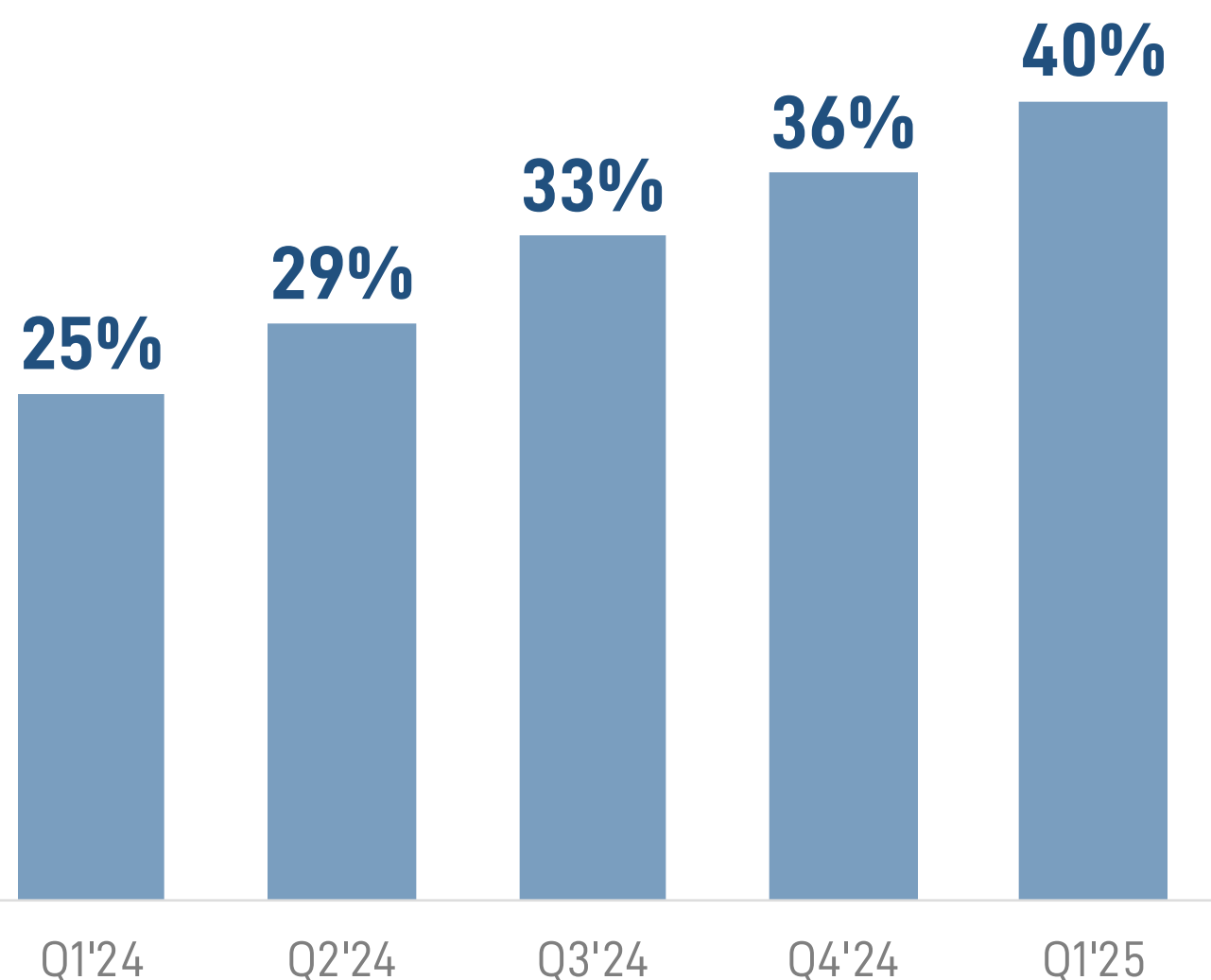


全季酒店



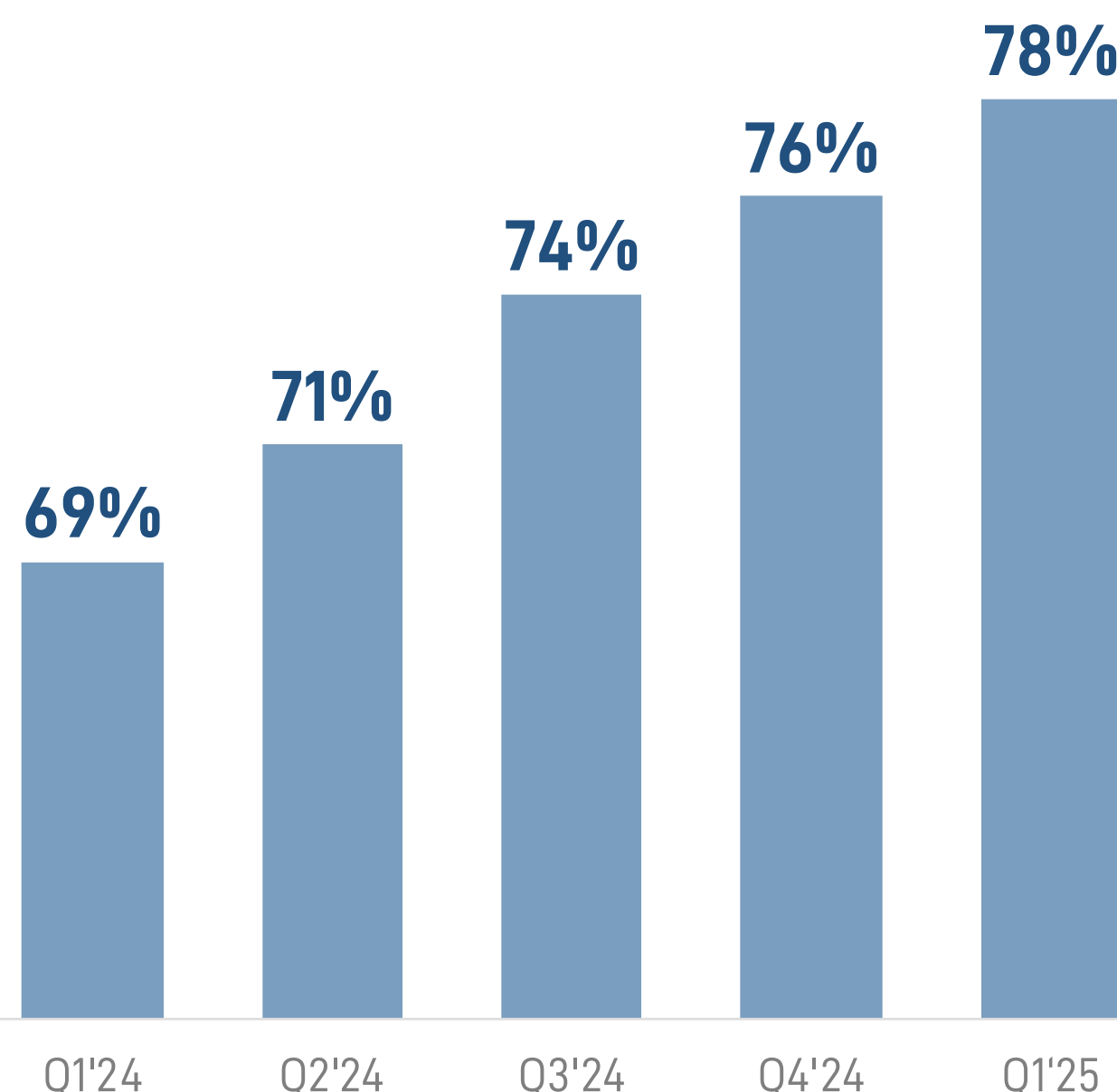
Proportion of Hanting 3.5 and Above in Operation

■ Hanting 3.5 and above



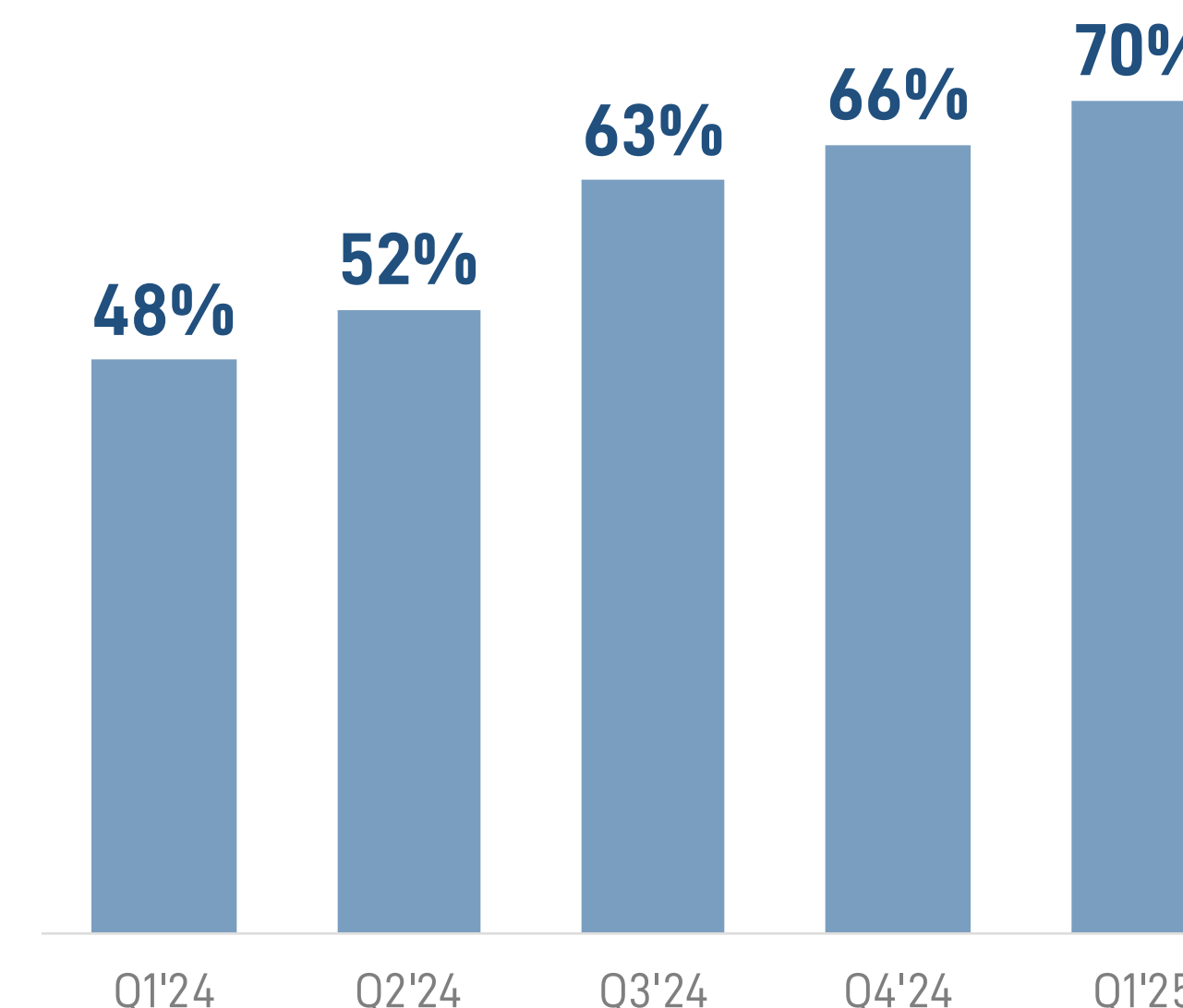
Proportion of Ji 4.0 and Above in Operation

■ Ji 4.0 and above



Proportion of Orange 2.0 and Above in Operation

■ Orange 2.0 and above

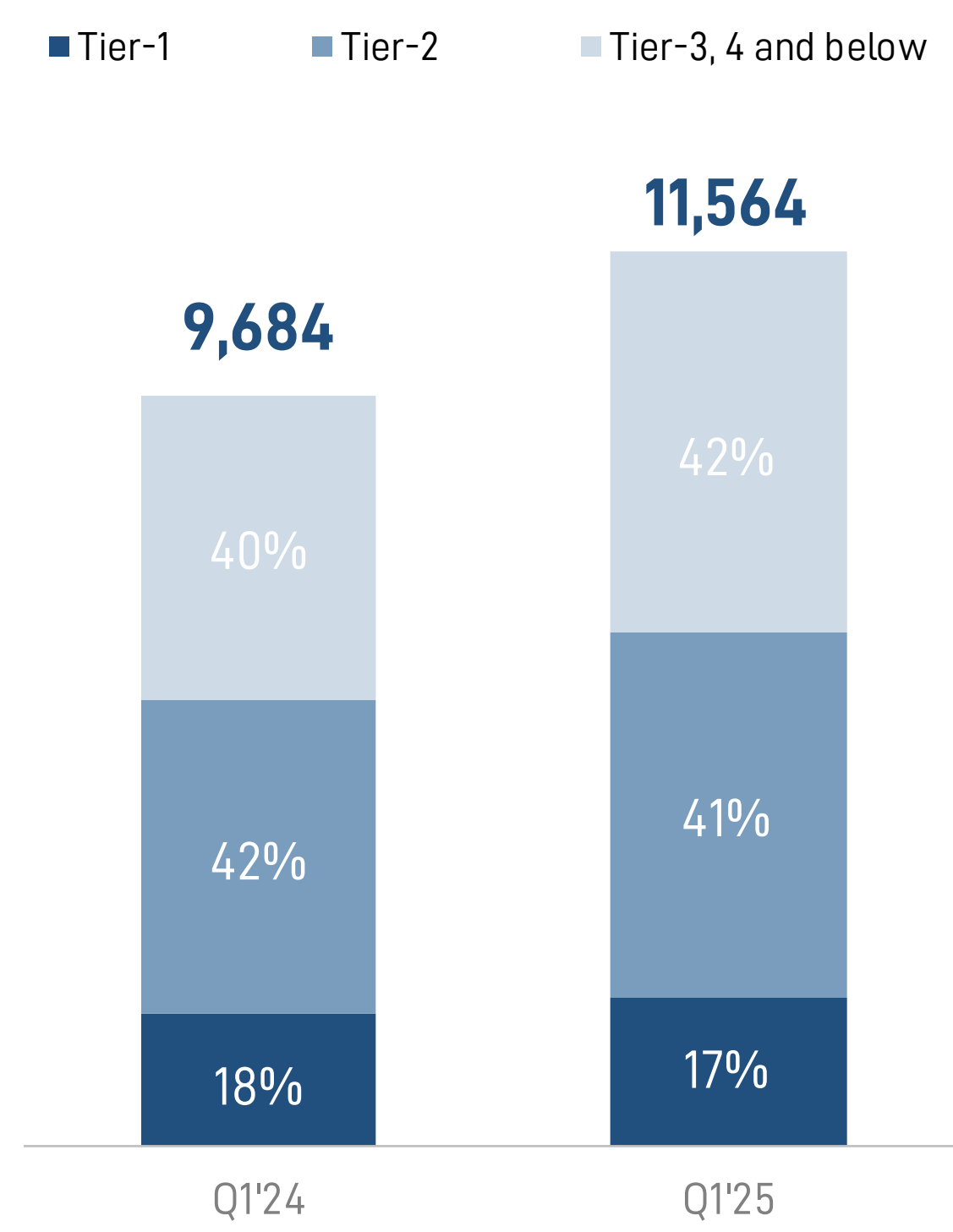


* Numbers in this page refers to Legacy-Huazhu business

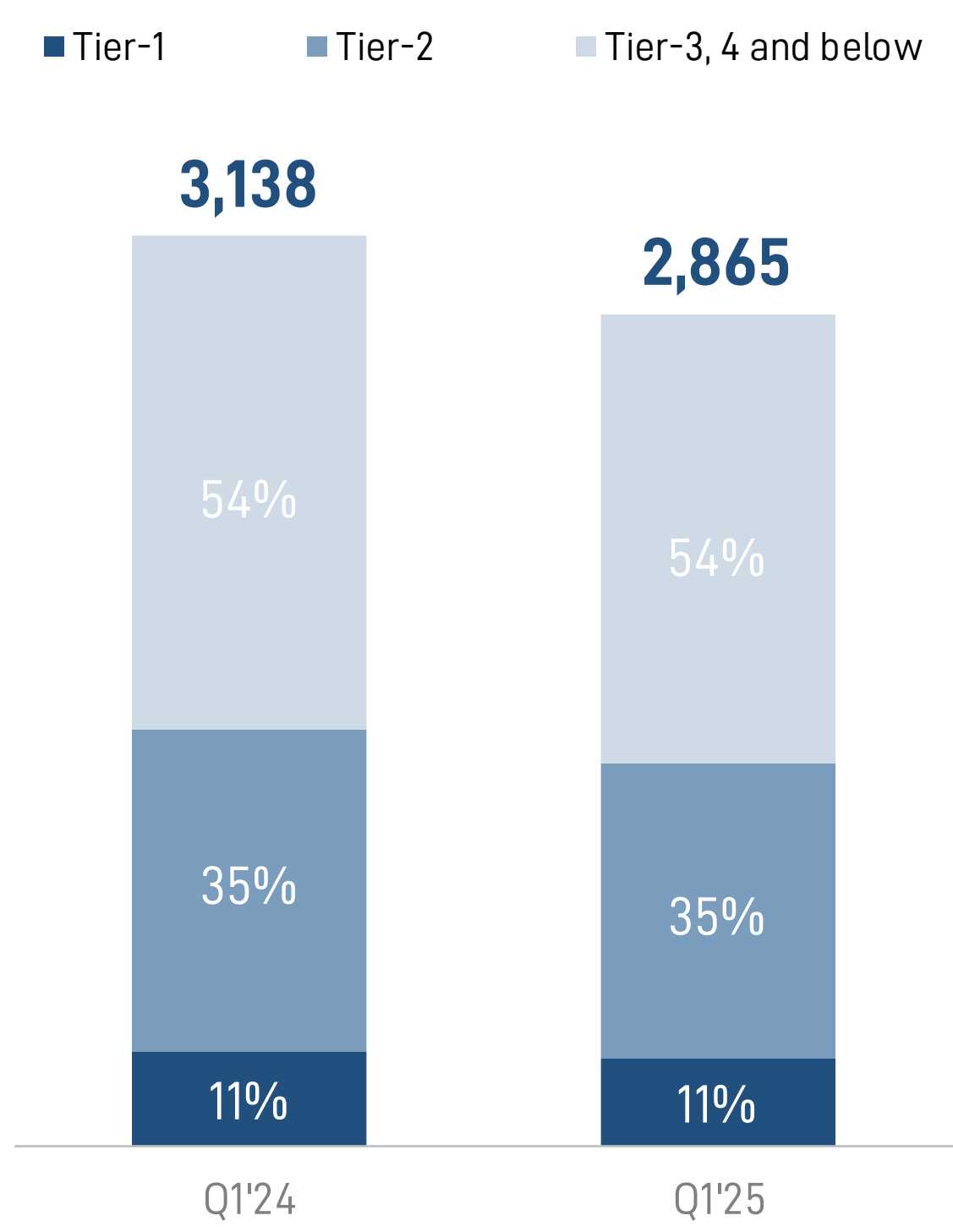
Enhancing Presence in the Lower Tier Cities

加强低线城市布局

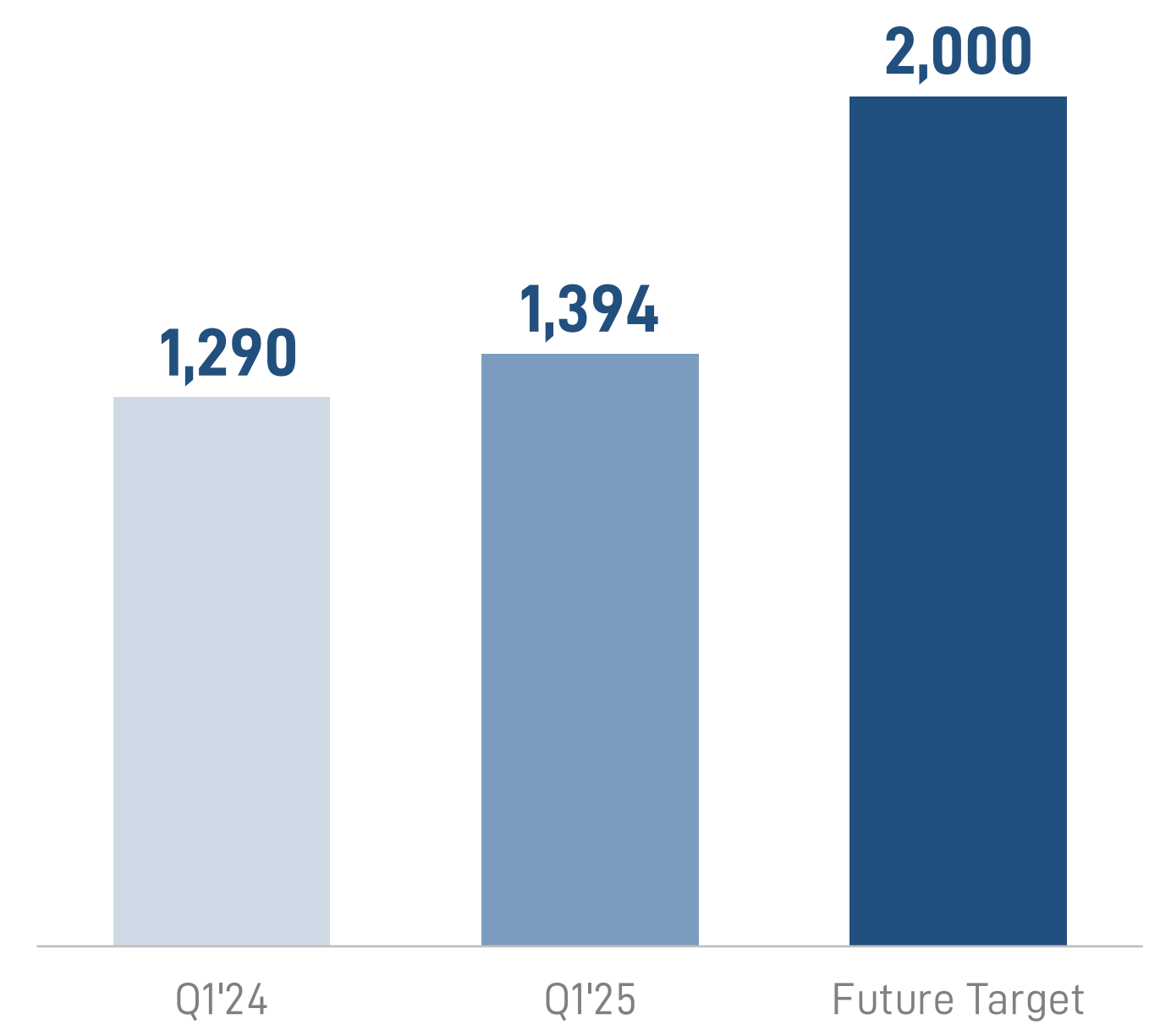
Number of Hotels in Operation (as of Mar 31)



Number of Hotels in Pipeline (as of Mar 31)



City Coverage (hotels in operation and in pipeline)

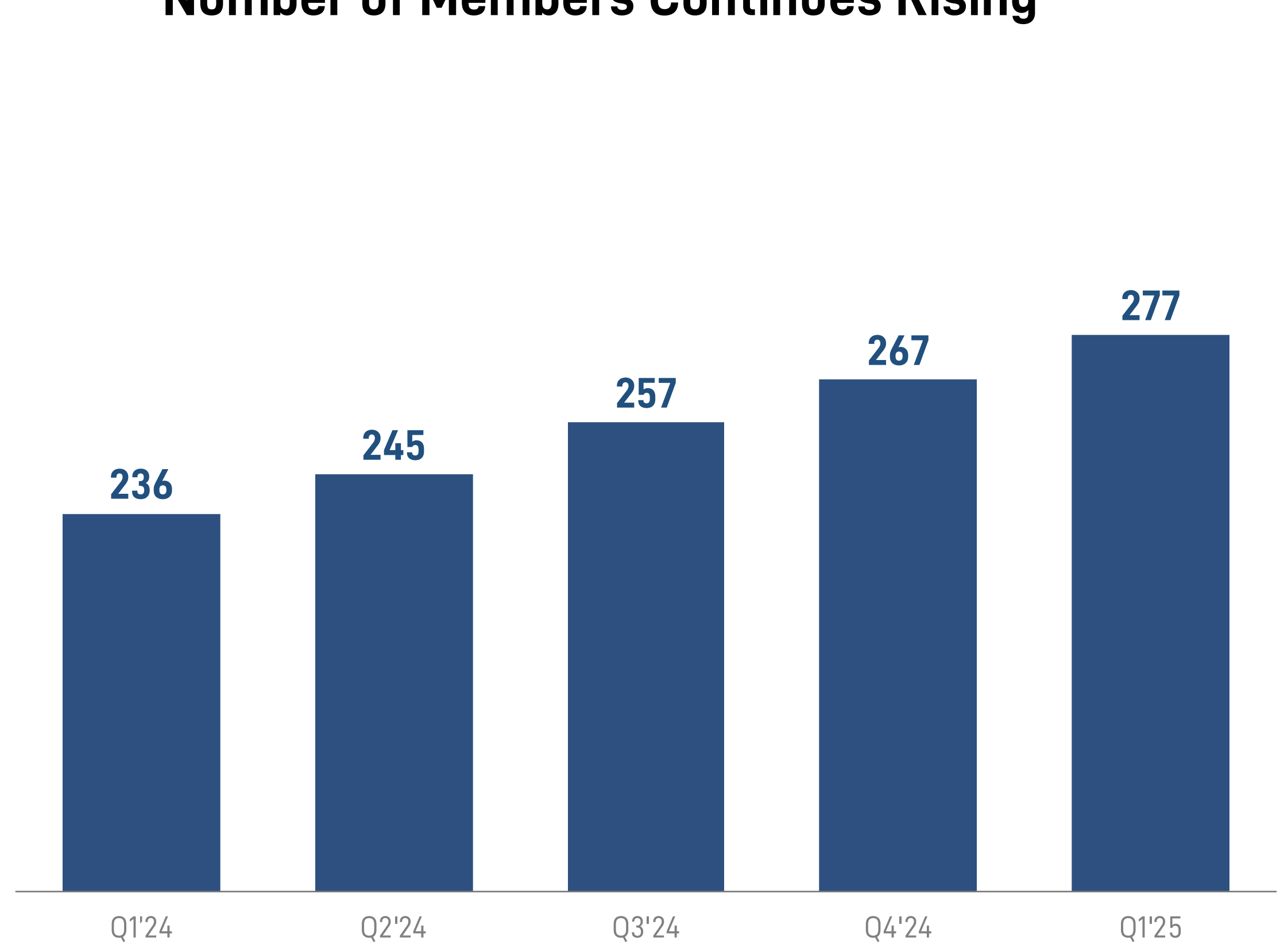


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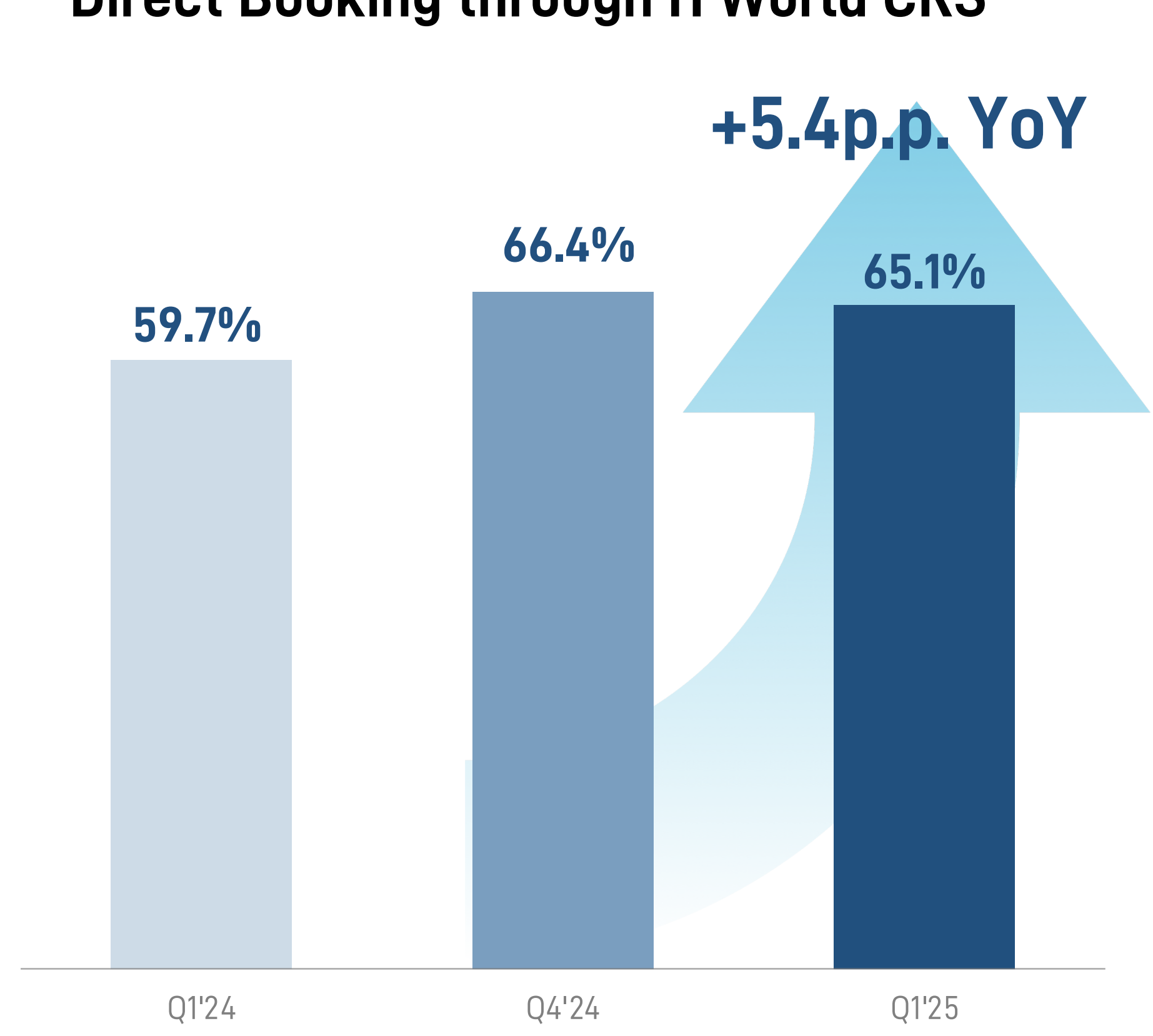
Rising Membership and CRS Contribution

会员规模及中央预定占比提升

Number of Members Continues Rising



Direct Booking through H World CRS

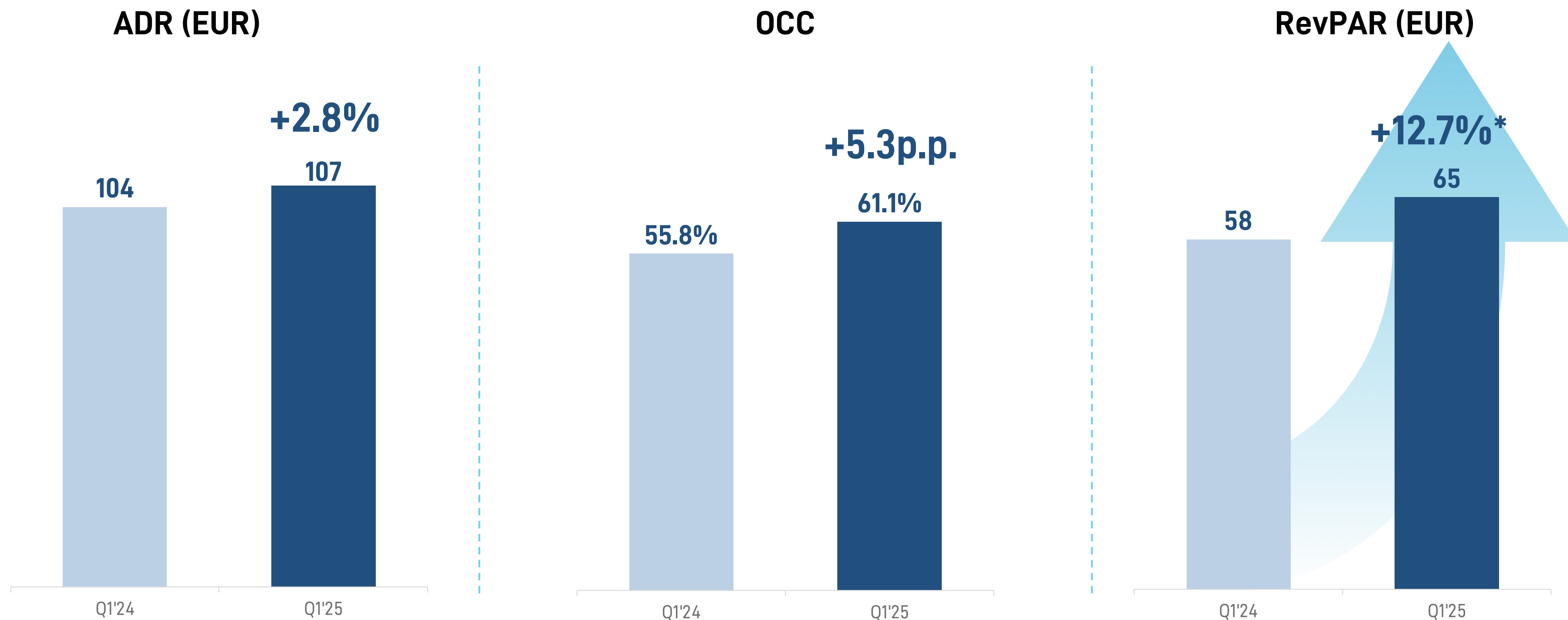


* Numbers in this page refers to Legacy-Huazhu business

* Includes bookings from H World's own online channels only, excludes OTAs and other third party distribution platforms

Legacy-DH – Blended RevPAR Increased 12.7% YoY

DH 2025年一季度混合RevPAR同比增长12.7%



* Numbers in this page refers to Legacy-DH business

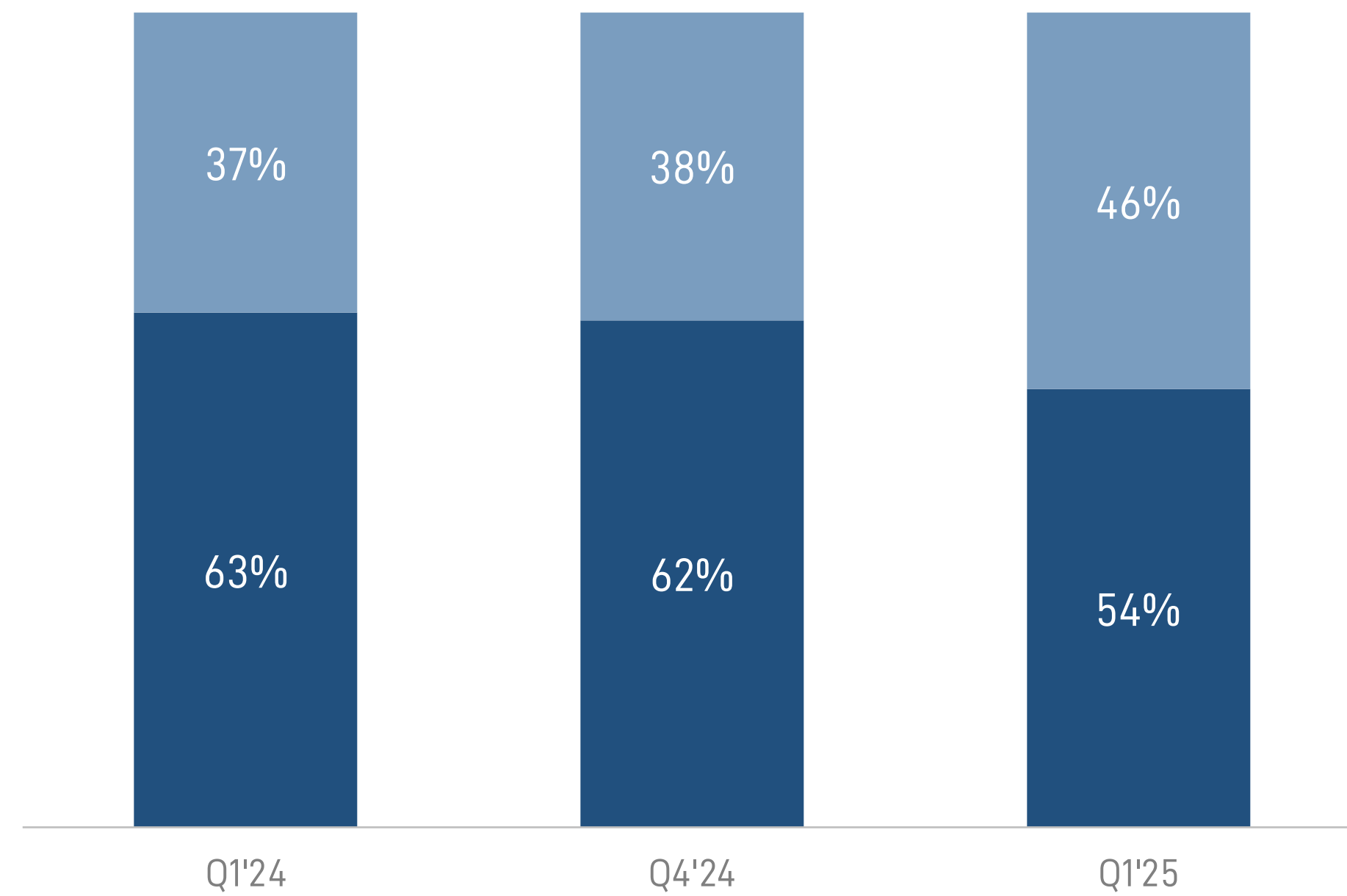
* The RevPAR increase was helped by mix change of DH's hotel portfolio, and accelerated RevPAR performance in certain regions

DH – Asset-Light Transformation

DH 轻资产化

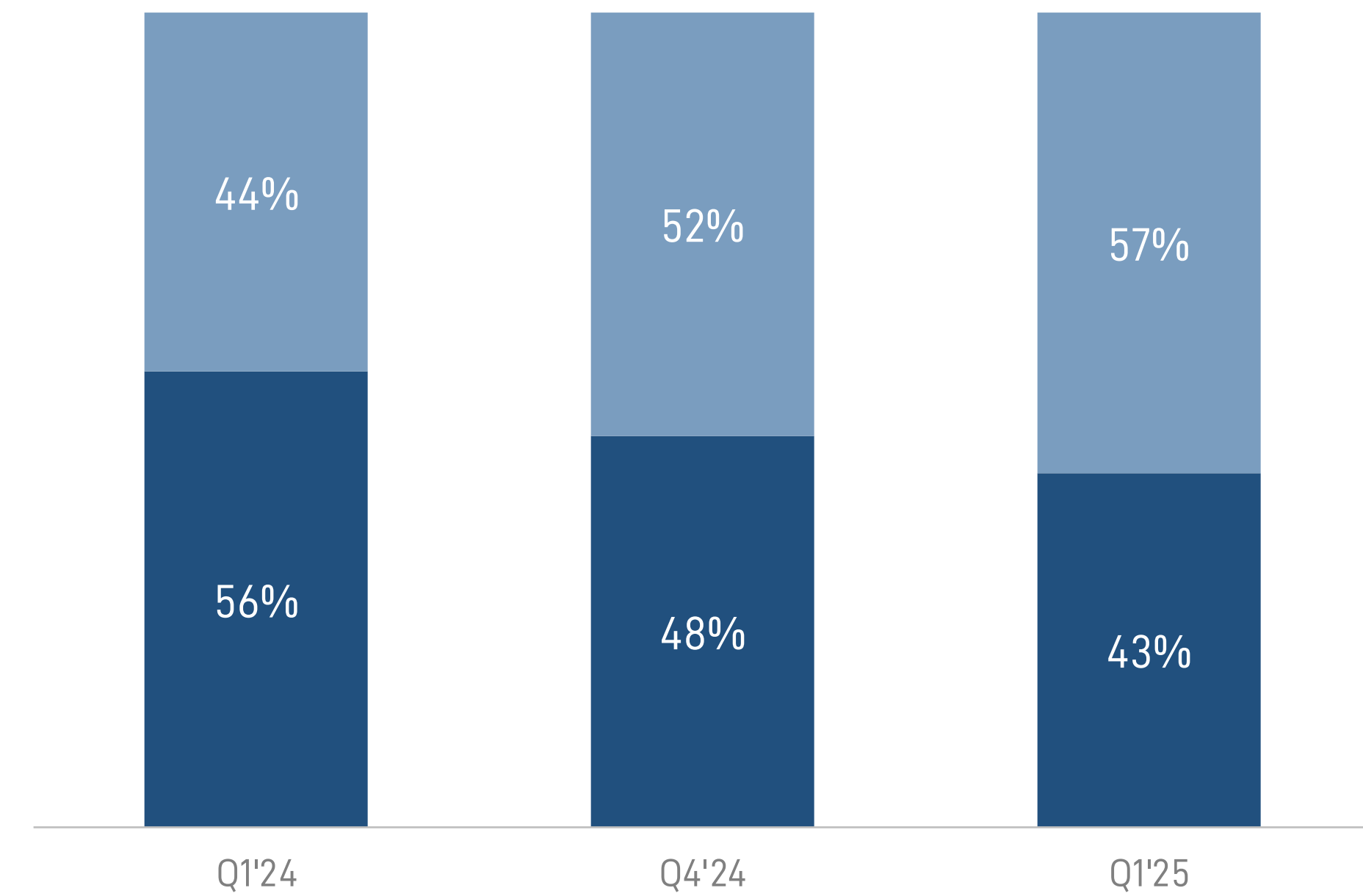
Mix of DH Hotels in Operation

■ Leased ■ Manachised & Franchised



Mix of DH Hotels in Pipeline

■ Leased ■ Manachised & Franchised



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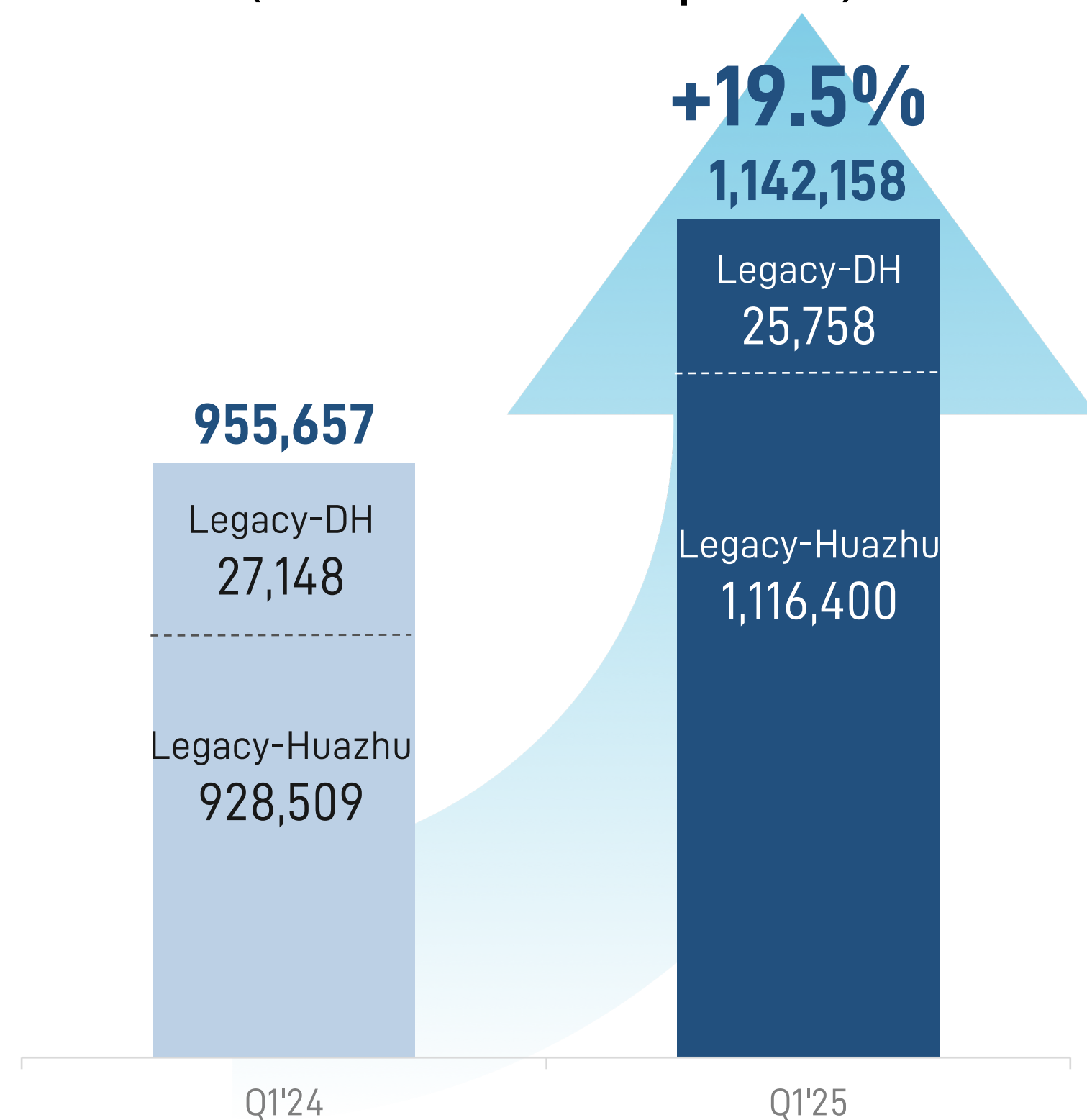
Appendix

Hotel Network Continues to Expand

酒店网络持续扩张

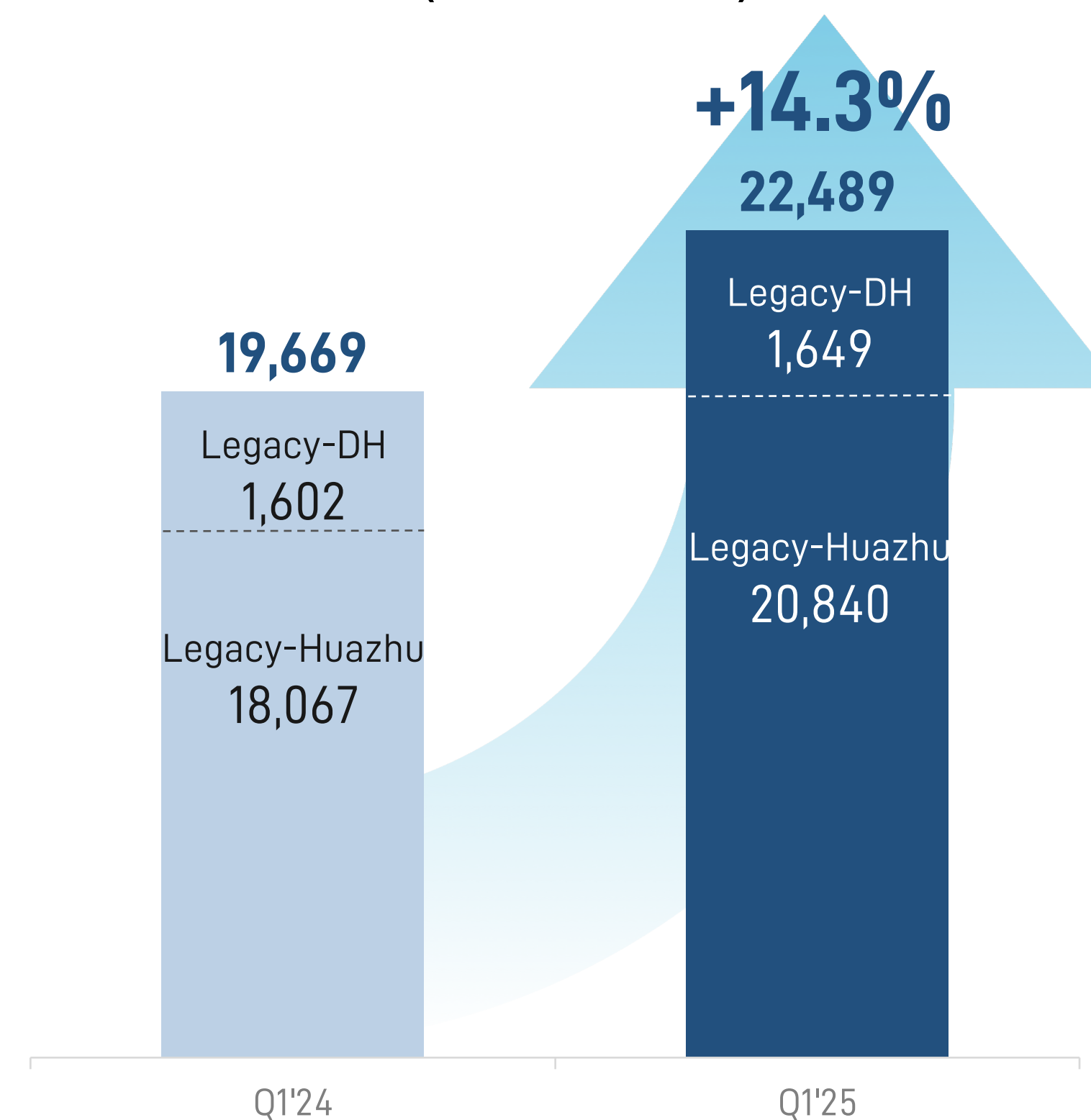
Hotel Network Expansion

(Number of rooms in operation)



Hotel Turnover

(in RMB millions)



Steady Revenue Growth in Q1'25

一季度营收稳健增长

<i>In million RMB</i>	1Q25	1Q24	YoY	4Q24	QoQ
Revenue from Legacy - Huazhu	4,481	4,246	5.5%	4,789	-6.4%
- Leased & Owned Hotels	1,913	2,112	-9.4%	2,178	-12.2%
- Manachised & Franchised Hotels	2,472	2,042	21.1%	2,470	0.1%
- Others	96	92	4.3%	141	-31.9%
Revenue from Legacy - DH	918	1,035	-11.3%	1,241	-26.0%
- Leased & Owned Hotels	876	987	-11.2%	1,195	-26.7%
- Manachised & Franchised Hotels	31	23	34.8%	34	-8.8%
- Others	11	25	-56.0%	12	-8.3%
Elimination	(4)	(3)	Nm	(7)	Nm
Total Revenue	5,395	5,278	2.2%	6,023	-10.4%

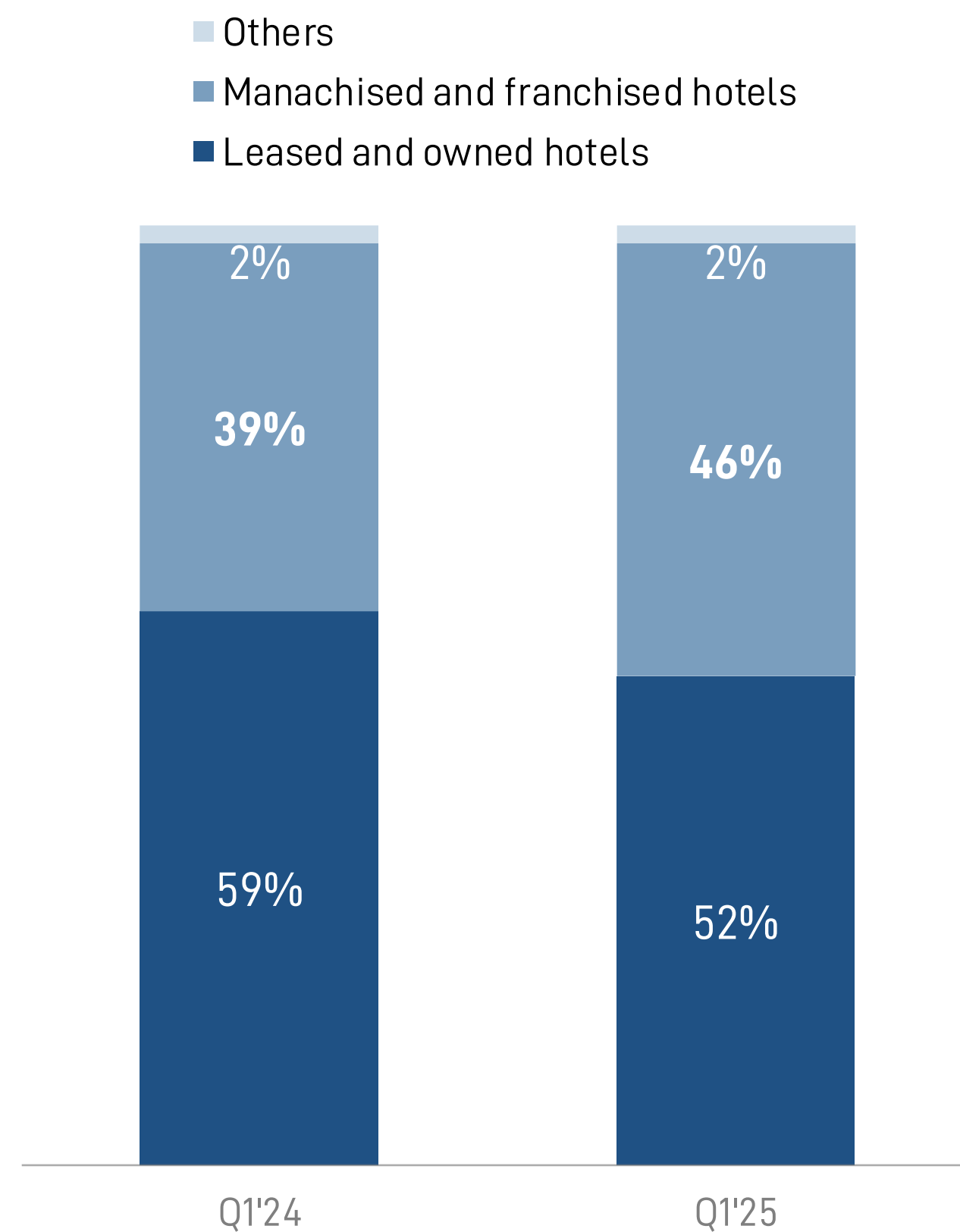
- Legacy-Huazhu revenue increased 5.5% YoY in the first quarter of 2025, in line with our guidance. Revenue from Huazhu's manachised & franchised hotels grew 21.1% YoY, at the high-end of our M&F revenue guidance driven by a strong hotel network expansion.

- Legacy-DH revenue decreased 11.3% YoY in the first quarter of 2025, due to the asset-light transformation as we closed 11 leased hotels in the beginning of the first quarter. Revenue from DH's manachised & franchised hotels increased 34.8% YoY, driven by both RevPAR growth and a growing M&F network as 10 of the leased hotels were transferred to the franchised model.

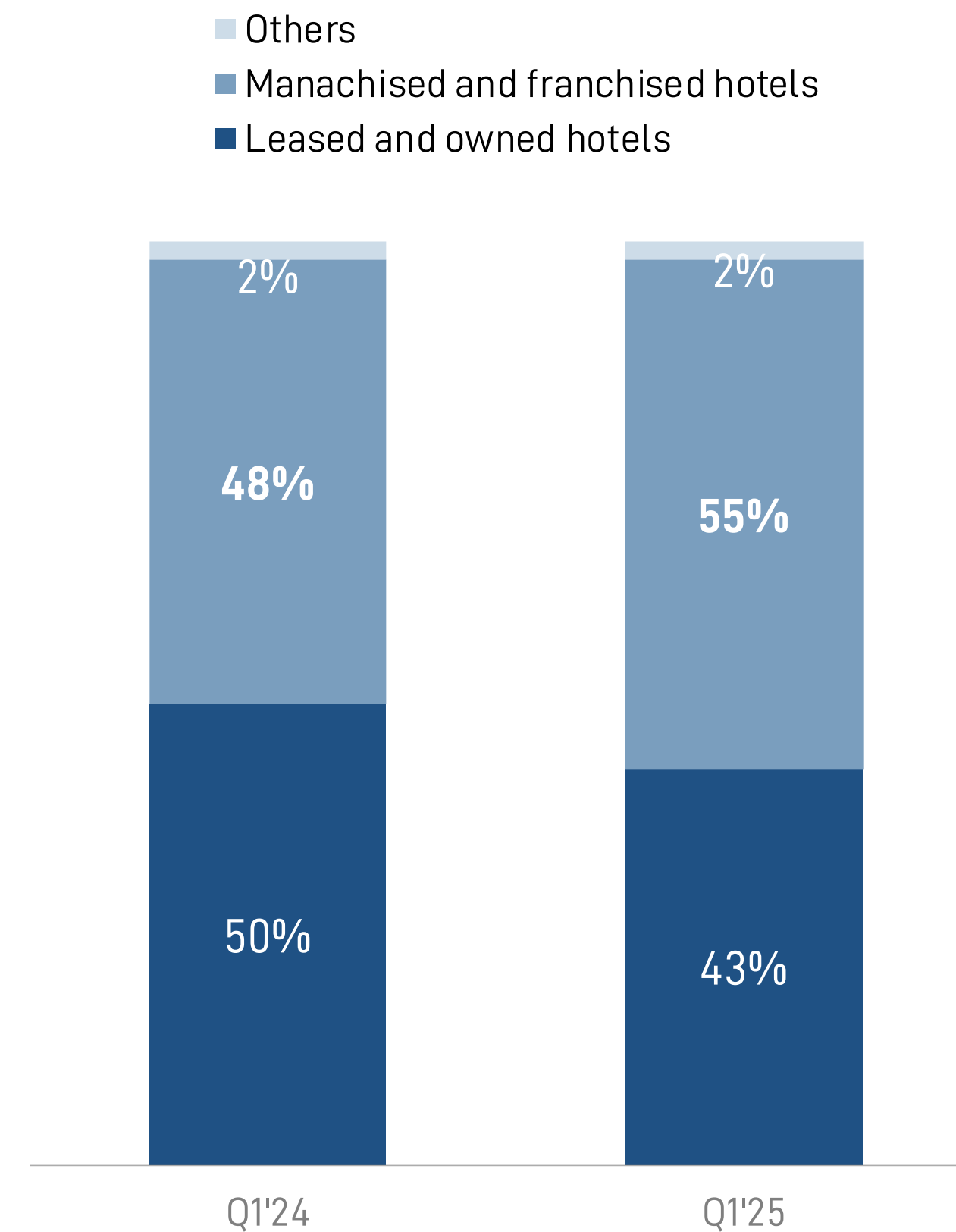
Increasing Revenue Contribution from Asset-Light Model

轻资产收入占比持续提升

H World Revenue Breakdown



Legacy-Huazhu Revenue Breakdown



Adjusted EBITDA Achieved RMB1.5 Billion in Q1'25

一季度经调整后的EBITDA 达到人民币15亿元

<i>In million RMB</i>	1Q25	1Q24	YoY	4Q24	QoQ
Hotel operating costs	3,604	3,565	1.1%	4,190	-14.0%
SG&A expenses	755	769	-1.8%	1,021	-26.1%
Income from operations	1,082	1,003	7.9%	902	20.0%

<i>In million RMB</i>	1Q25	1Q24	YoY	4Q24	QoQ
Adjusted EBITDA*	1,496	1,421	5.3%	1,246	20.1%
- Legacy-Huazhu	1,573	1,487	5.8%	1,493	5.4%
- Legacy-DH	-77	-66	-16.7%	-247	68.8%
Adjusted Net Income*	775	771	+0.5%	321	141.4%

- Hotel operating costs increased slightly by 1.1% YoY in the first quarter of 2025, slower than the revenue growth as we continued transforming to a more asset-light model.
- SG&A expenses decreased 1.8% YoY in the first quarter of 2025, of which Legacy-Huazhu's SG&A rose slightly by 1.6% YoY due mainly to an increase in SBC and DH's SG&A decreased 11.1% YoY thanks to our restructuring and cost optimization effort.
- The Group's adjusted net income increased 0.5% YoY in the first quarter of 2025, which was dragged primarily by higher income taxes.

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

Cash Flow and Liquidity Position

现金流及流动性情况

**Operating
Cash Flow**

RMB580 mn

**Cash Balance (incl.
Time Deposits)**

RMB11.8 bn

**Net Cash (incl.
Time Deposits)**

RMB6.5 bn

* As of March 31, 2025

* Cash balance and net cash position includes RMB3.5bn time deposits and financial products

Guidance

业绩指引

Q2
2025

Revenue vs. Q2 2024

- **Grow 1%-5%**
- **Excluding DH - Grow 3%-7%**

M&F revenue vs. Q2 2024

- **Grow 18%-22%**

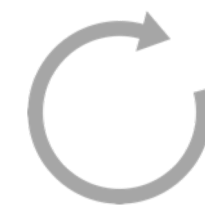
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Same-Hotel Operational Data by Segment

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			For the quarter ended		For the quarter ended			
	March 31,		March 31,			March 31,		March 31,			yoy change (p.p.)
	2024	2025	2024	2025	yoy change	2024	2025	yoy change	2024	2025	
Economy hotels	3,855	3,855	172	156	-9.1%	213	201	-5.7%	80.8%	77.9%	-2.9
Leased and owned hotels	265	265	208	188	-9.3%	248	231	-6.8%	83.7%	81.4%	-2.2
Manachised and franchised hotels	3,590	3,590	168	153	-9.1%	209	197	-5.5%	80.5%	77.5%	-3.0
Midscale and Upper midscale hotels	3,595	3,595	266	245	-7.9%	343	325	-5.3%	77.5%	75.4%	-2.1
Leased and owned hotels	250	250	344	321	-6.8%	429	407	-5.0%	80.2%	78.7%	-1.5
Manachised and franchised hotels	3,345	3,345	257	236	-8.1%	333	315	-5.4%	77.2%	75.0%	-2.2
Total	7,450	7,450	224	205	-8.3%	284	269	-5.3%	79.0%	76.5%	-2.5

* Numbers in this page refers to Legacy-Huazhu business

Number of Hotels and Rooms

酒店数量和房间数量

As of March 31, 2025

	Hotels		Rooms		Unopened hotels	
			in operation		in pipeline	Total
Economy hotels		5,677		464,841		1,123
HanTing Hotel		4,269		370,138		699
Ni Hao Hotel		453		34,145		118
Hi Inn		594		31,182		284
Elan Hotel		129		7,012		-
Ibis Hotel		228		21,707		13
Zleep Hotels		4		657		9
Midscale hotels		4,835		517,060		1,116
Ji Hotel		3,092		351,344		756
Orange Hotel		913		97,144		236
Starway Hotel		722		58,502		120
Ibis Styles Hotel		108		10,070		4
Upper midscale hotels		994		132,474		527
Crystal Orange Hotel		267		33,501		142
IntercityHotel		113		19,158		125
CitiGO Hotel		34		5,144		4
Manxin Hotel		175		16,239		64
Madison Hotel		157		18,185		115
Mercure Hotel		204		31,319		48
Novotel Hotel		34		7,349		23
MAXX		10		1,579		6
Upscale hotels		152		22,016		112
Blossom House		78		3,749		95
Joya Hotel		7		1,234		1
Grand Mercure Hotel		9		1,825		1
Steigenberger Hotels & Resorts		55		14,621		14
Jaz in the City		3		587		1
Luxury hotels		16		2,325		5
Steigenberger Icon		9		1,804		3
Song Hotels		7		521		2
Others		11		3,442		5
Other hotels		11		3,442		5
Total		11,685		1,142,158		2,888