2017 INTERIM RESULTS PRESENTATION

8 August 2017

IWG International Workplace Group

Regus SPACES. Signature openoffice kora MOS

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First half highlights

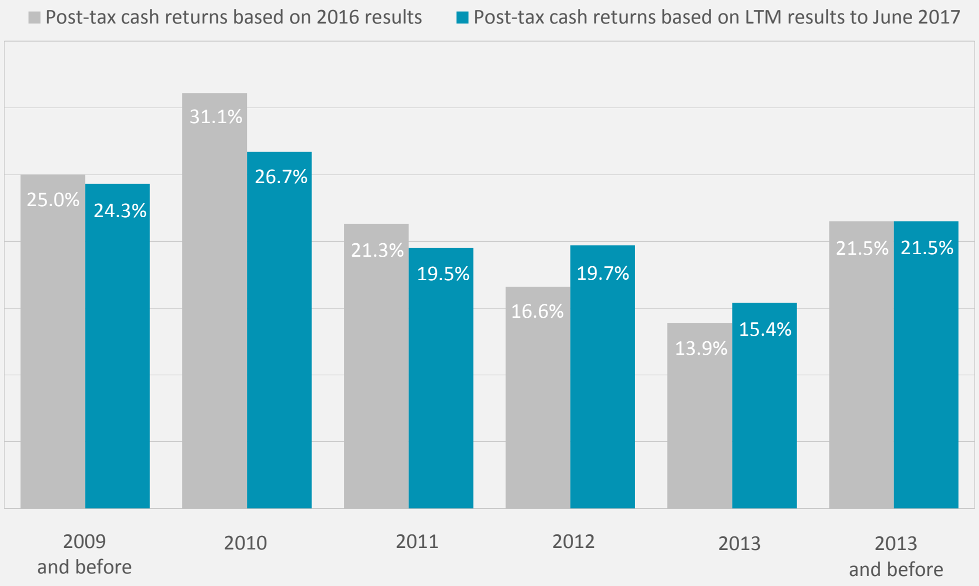
Sequential performance improving and accelerated investment

- Continued strong returns on investment
  - Post-tax ROI on pre-2013 net investment of 23.3% (FY16: 23.6%)
- Group revenues stable at £1,169.7m (up 2.2%* excluding closures)
  - Momentum building through the period and returning to growth in Q2
  - Sequential recovery in mature revenue, positive H2 growth anticipated
- Strong overhead performance – reduced 210bp as a percentage of revenue to 10.6%
- 13% increase in interim dividend to 1.75p, reflecting confidence in long-term outlook
- Significant increase in net growth investment to £179.7m (H1 2016: £83.1m)
  - Including c. £110m on the acquisition of properties
  - Added 149 locations to the network, unrivalled 2,996 locations globally
  - Strong growth in our large co-working format, Spaces
  - Strong traction on partnership deals and measures to improve capital efficiency

* At constant currency

Attractive cash returns

- 21.5% post-tax cash return on all locations opened on or before 31 December 2013
- Returns remain attractive and higher than Group weighted average cost of capital across all year group investments
- Confident recent year group investments will achieve similarly attractive returns
- Anticipated Mature growth in H2 would benefit returns performance



	2009 and before	2010	2011	2012	2013	2013 and before
Net Growth Capital Investment *(£m)	**557.4**	**52.0**	**76.1**	**140.2**	**236.9**	**1,062.6**

*Net investment represents the Growth Capital Expenditure relating to locations opened in the period only

Definition

Post-tax cash return on net investment = $\dfrac{\text{EBITDA less amortisation of partner contribution less tax on EBIT, less maintenance capex}}{\text{Growth capital expenditure less partner contribution}}$

Exciting time for the industry

The industry is growing fast globally

Businesses and individuals have changed the way they work and use office space.

30% of all office floor space

Is forecast to be flexible by 2030

(JLL forecast)

Developing national networks and formats globally

Regus St Marys Axe, London

Spaces Opéra Garnier Paris

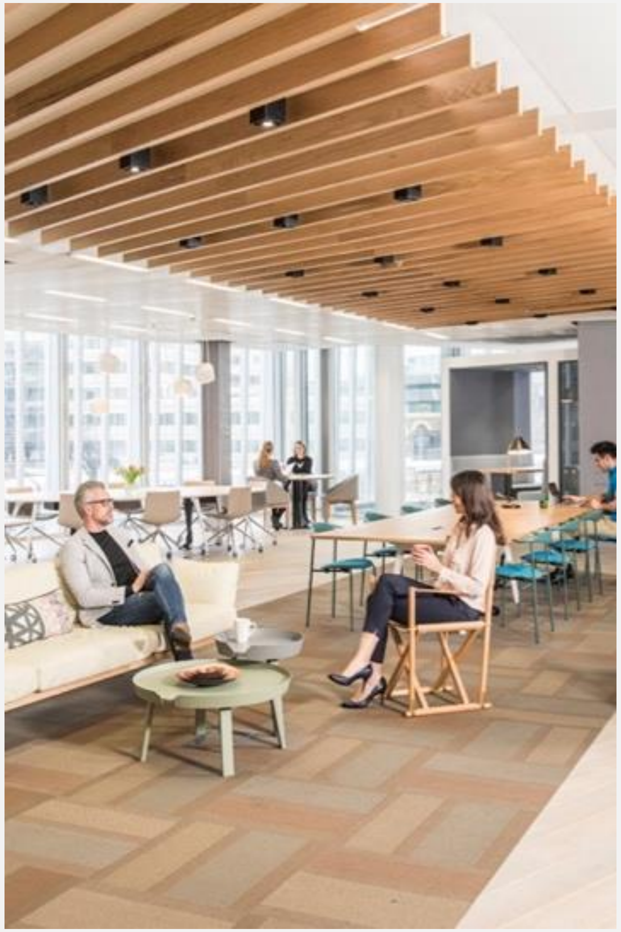
Spaces Ballpark, Denver

Spaces Ropewalks Liverpool

Regus Utrecht, WTC Papendorp

Regus Amsterdam, Vinoly

Regus™





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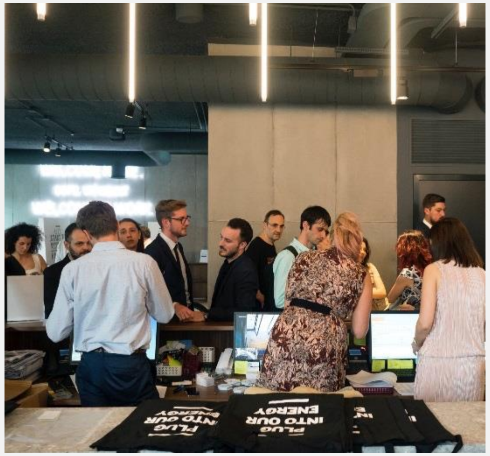
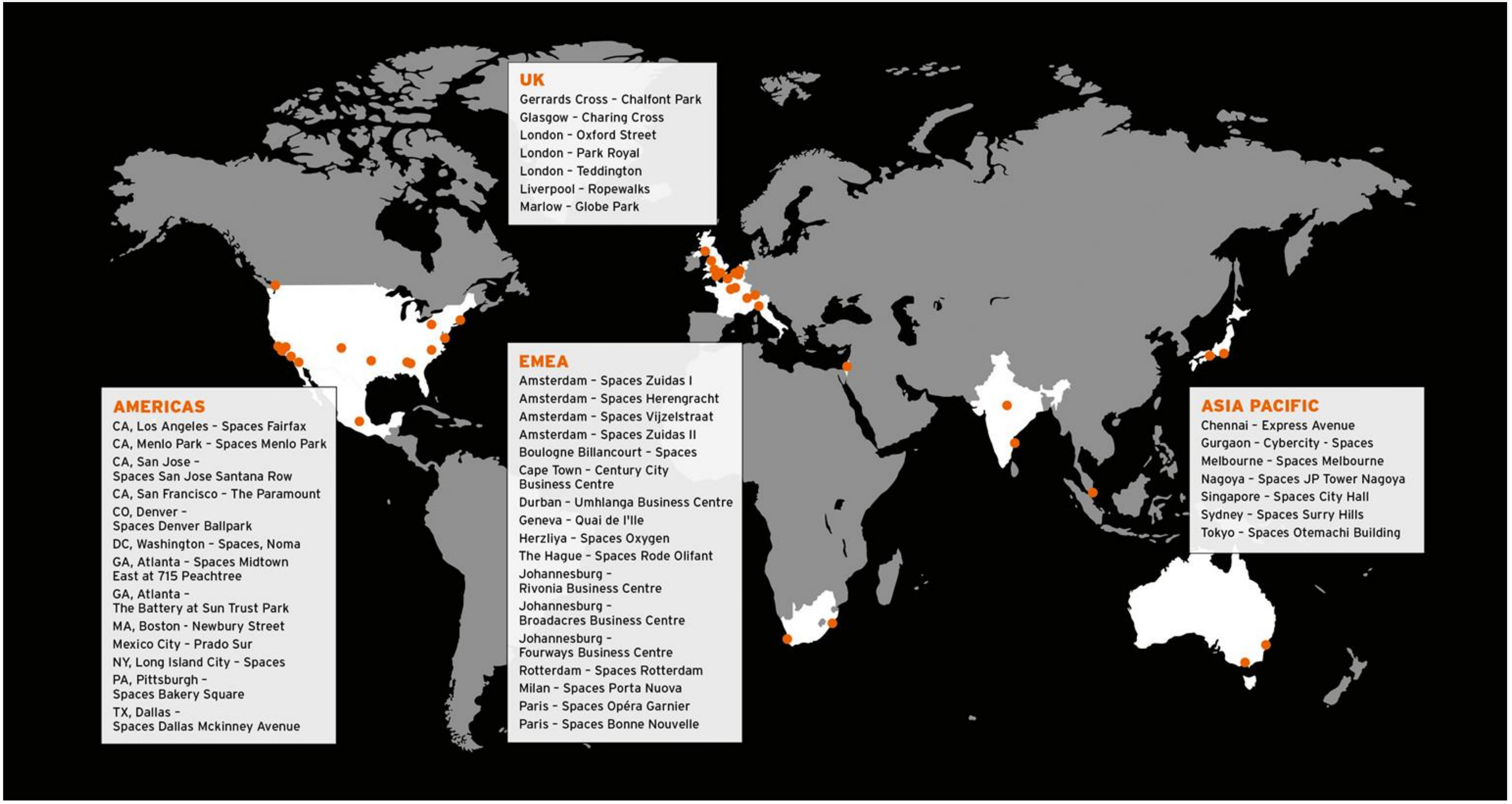


The growing Spaces network



Spaces - coming soon

Americas

Vancouver

Toronto

Sao Paulo

San Mateo

Raleigh

Arlington

Broomfield

Pittsburgh

Los Angeles (2)

San Diego

New York

Irving

EMEA

Zurich

Oslo

Bergen

Madrid

Barcelona

Brussels

Helsinki

Paris (3)

UK

Brighton

Newcastle

London City Point

Asia Pacific

Seoul

Shanghai

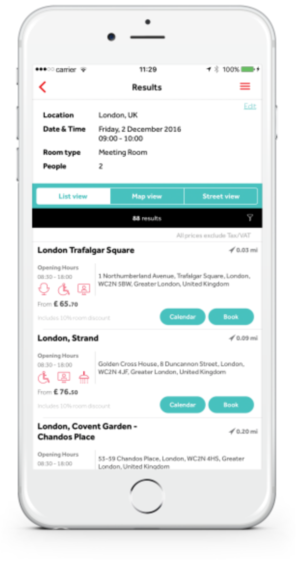
IWG's growth strategy

- Current environment attractive to accelerate growth
- Expect strong returns, through less capital intensive expansion
- Our focus remains on developing national networks offering a range of brands, products and price points
- Streamlined business model to effectively scale
- H1 2017 net growth capital expenditure of £179.7m – 149 locations, 115 organic openings with approximately half the leases signed being variable in nature
- Current pipeline visibility increased – £240m of net growth capex and approximately 310 locations
    - More partnering deals – over 50% of organic openings
    - Strong pipeline for our Spaces format – c. 50 new locations in 2017
    - Includes c. £110m of property acquisitions
    - Remain selective and flexible in the current environment

Supporting our customers' needs

Customer

Digital



Physical

Regus

SPACES.

Signature

openoffice

kora

MOS

Support

Manilla

Dallas

Barcelona

Kuala Lumpur

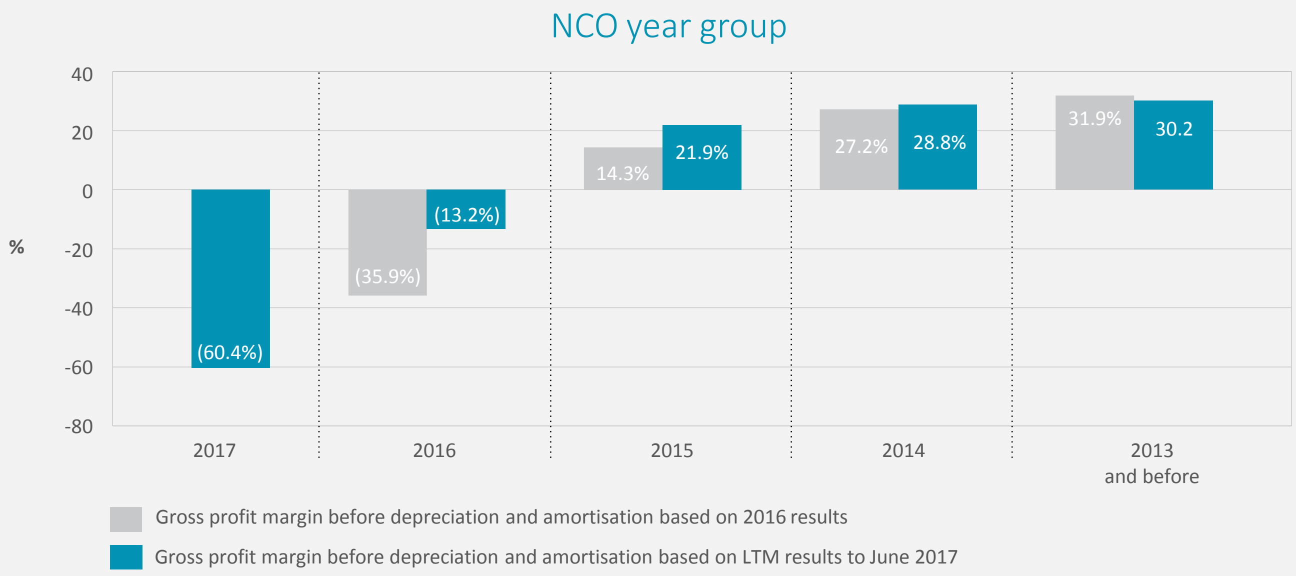
FINANCIAL REVIEW

Returns developing as expected

Gross profit margin*

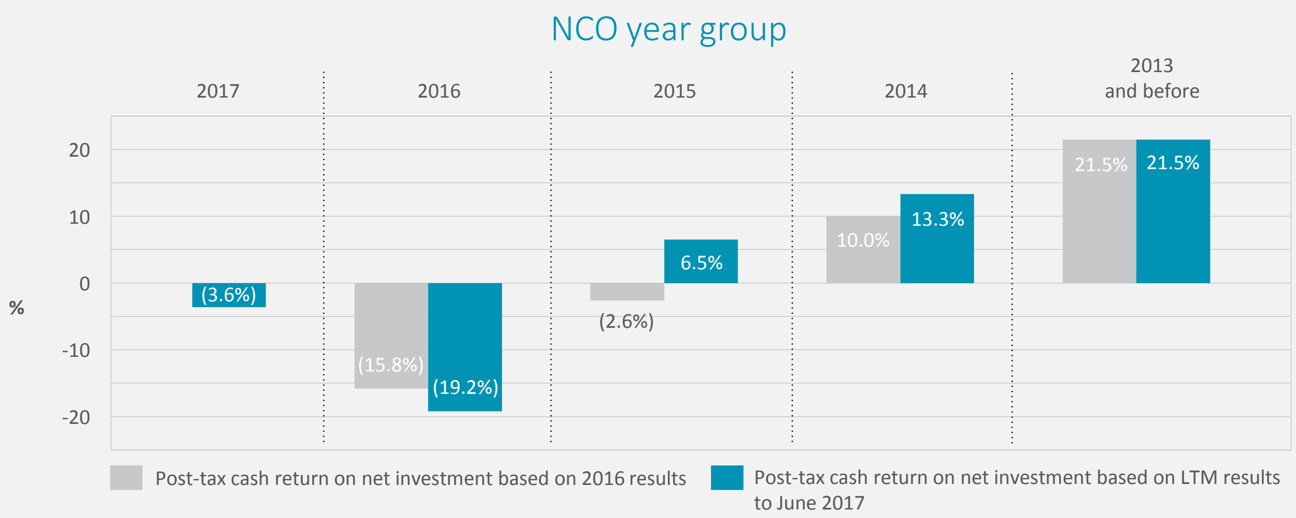
- 2014, 2015 and 2016 additions showing continued improvement
- 2016 & 2017 locations predominately organic additions

*before depreciation and amortisation



Post-tax return on net investment

- We continue to make attractive returns well above our cost of capital
- Benefiting from operational leverage and capital efficiency



Momentum improving

Group income statement

£ million	H1 2017	H1 2016	% change actual currency	% change constant currency
Revenue	**1,169.7**	**1,077.6**	**8.5%**	**(0.4)%**
Gross profit (centre contribution)	211.3	225.2	(6)%	(13)%
Gross profit margin	*18.1%*	*20.9%*		
Overheads	(124.3)	(136.5)	(9)%	(14%)
Overheads as a % of Revenue	*10.6%*	*12.7%*		
Operating profit*	**87.0**	**89.1**	**(2)%**	**(13)%**
Operating profit margin	*7.4%*	*8.3%*		
Net finance expense	(6.2)	(4.8)		
Profit before tax	**80.8**	**84.3**	**(4)%**	
Income tax expense	(17.5)	(16.9)		
Profit for the period	**63.3**	**67.4**	**(6)%**	
EPS (p)	**6.9**	**7.2**	**(4)%**	
Dividend per share (p)	**1.75**	**1.55**	**13%**	
EBITDA	190.5	177.7	7%	(3)%

- Revenue down 0.4% at constant currency with growth in all regions except the UK
- Revenue momentum improved through the period, returning to growth in Q2
- Gross profit impacted by accelerated growth & closures
- Strong overhead performance – 14% reduction at constant currency
- Overheads as % of revenue now 10.6%
- Effective tax rate of 21.7%. Expect c. 20% for year
- Interim dividend up 13%

* Including contribution from joint ventures

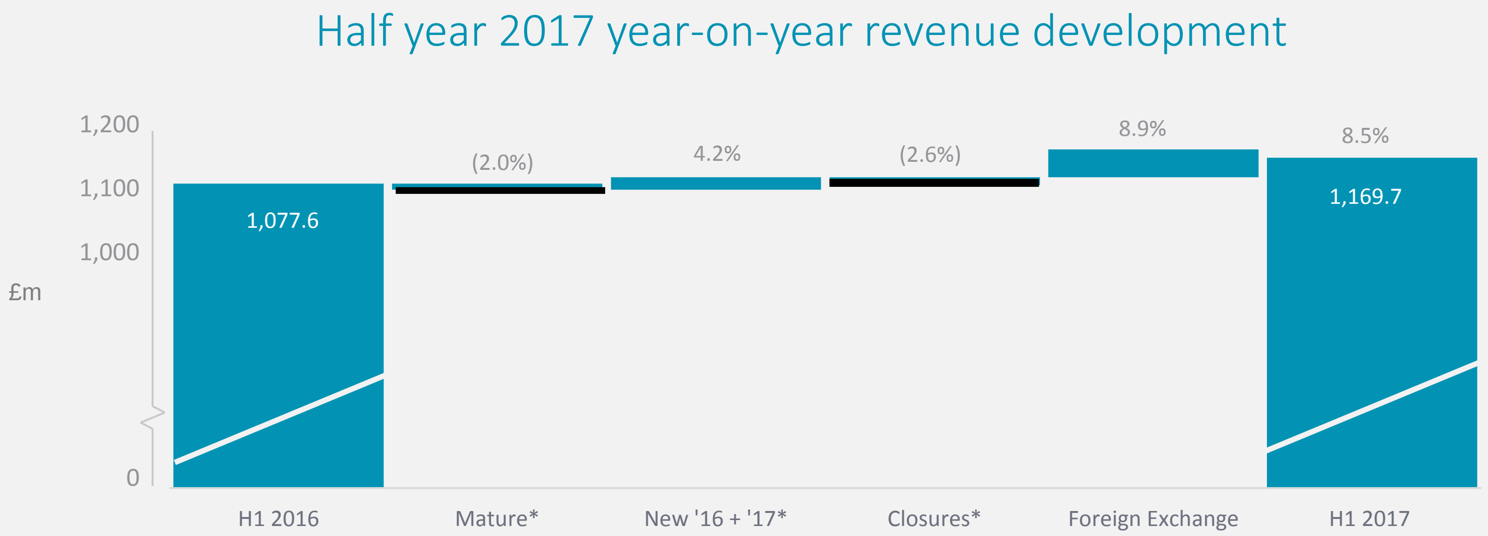
Mature centre performance: by geography*

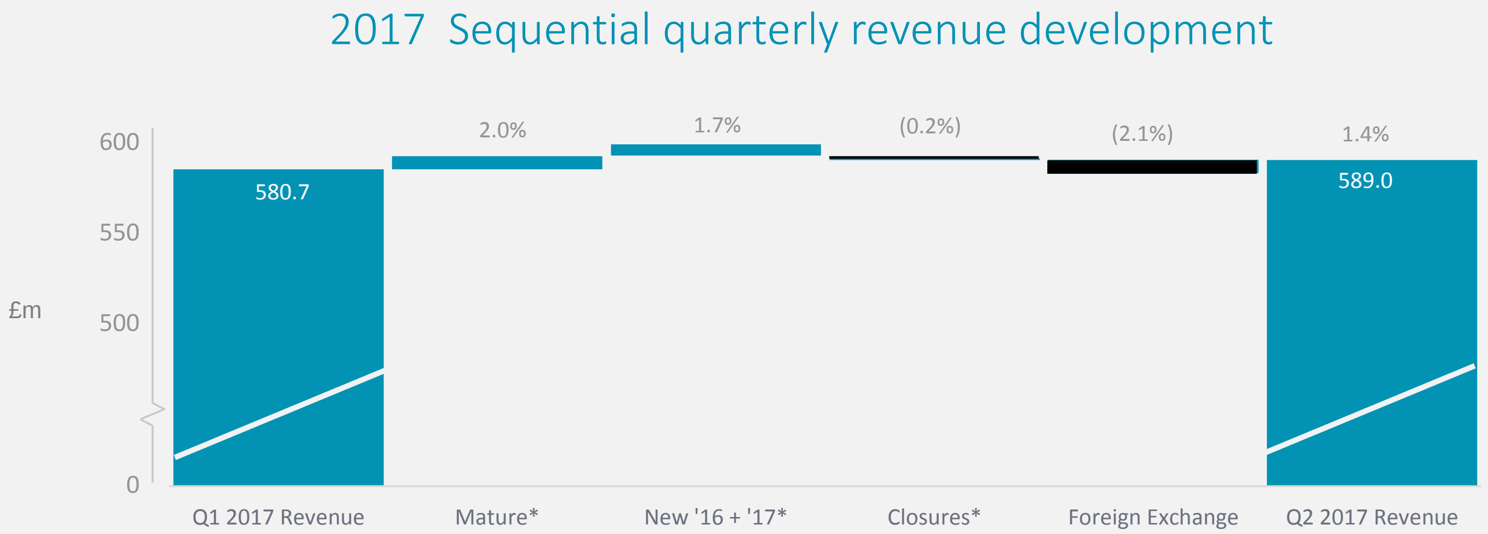
- Increased sales activity now starting to benefit revenue performance
- Mixed performance by individual countries
- Sequential recovery in revenue performance in Q2
- Positive growth anticipated for second half

	Revenue				Contribution		Mature Gross Margin (%)	
£m	**H1 2017**	**H1 2016**	Percentage change at Actual Currency	Percentage change at Constant Currency	**H1 2017**	**H1 2016**	**H1 2017**	**H1 2016**
Americas	472.7	431.1	9.6%	(2.4)%	92.9	86.0	19.7%	19.9%
EMEA	245.6	226.4	8.5%	(1.9)%	54.6	52.6	22.2%	23.2%
Asia Pacific	179.7	164.4	9.3%	(1.4)%	36.9	33.2	20.5%	20.2%
UK	209.0	213.2	(2.0)%	(2.0)%	45.4	50.3	21.7%	23.6%
Other	1.8	1.8			0.4	1.0		
Total	**1,108.8**	**1,036.9**	**6.9%**	**(2.0)%**	**230.2**	**223.1**	**20.8%**	**21.5%**

* Mature centres open on or before 31 December 2015

Group revenue development

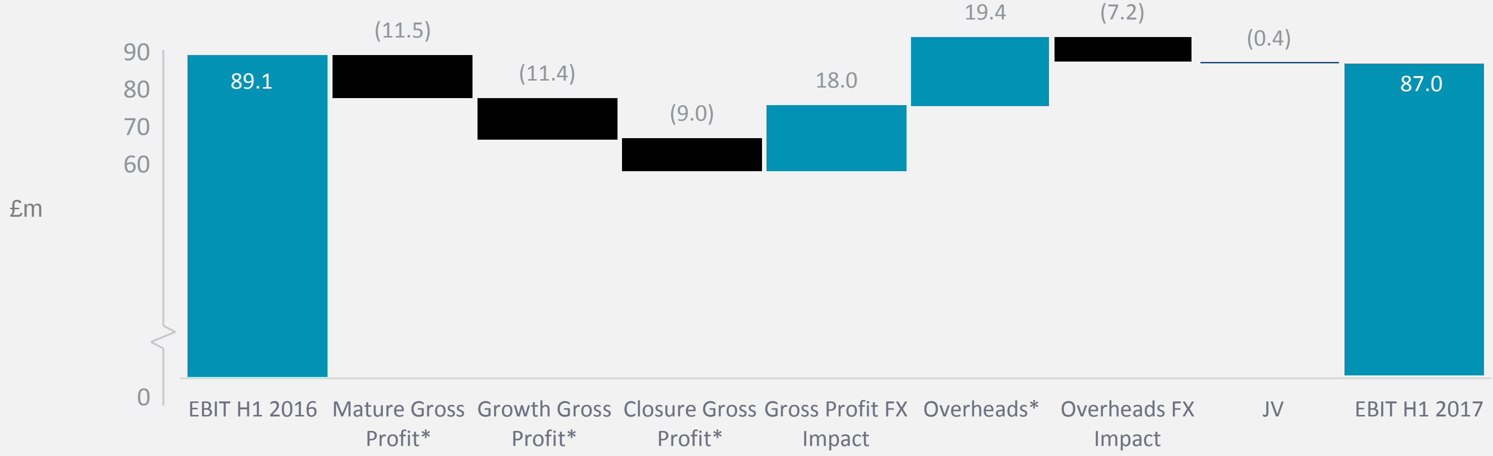




* At constant currency

Group profit development

Group EBIT development



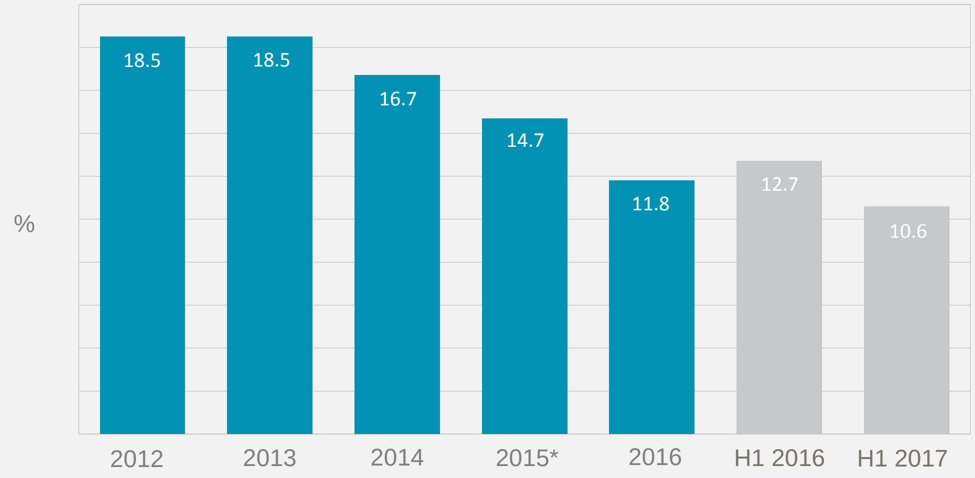
* At constant currency

% movement on H1 2016 EBIT	H1 2017
Mature gross profit	**(12.9%)**
Growth gross profit	(12.8%)
Closure gross profit	(10.1%)
Overheads	21.8%
FX	12.1%
JV	(0.5%)
Movement in EBIT	**(2.4%)**

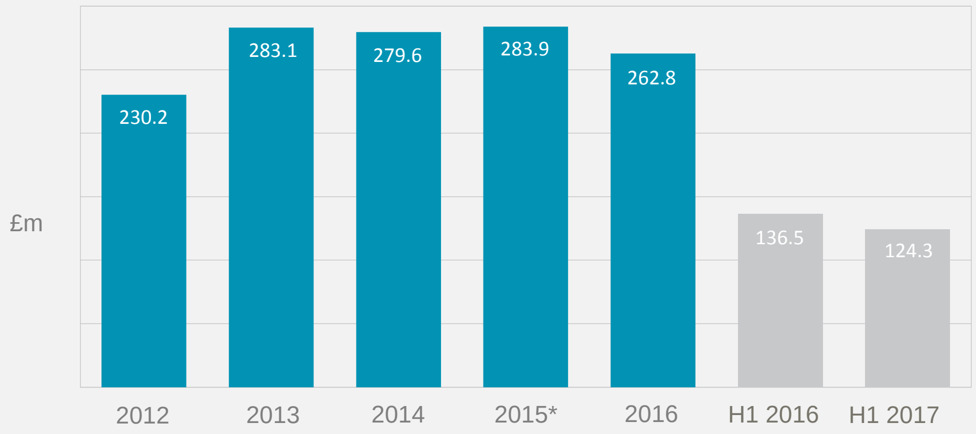
Further overhead efficiency

- Cost leadership a significant competitive advantage
- Overall overheads declined 14% at constant currency, compared to a 5% increase in the number of locations over the last 12 months
- Benefiting from investment last year in new cluster based field structure
- Increased scale also delivering efficiency gains
- Lower reorganisation costs
- Capacity available to support further growth

Total overheads as a % of revenue



Total overheads (£m at actual rates)



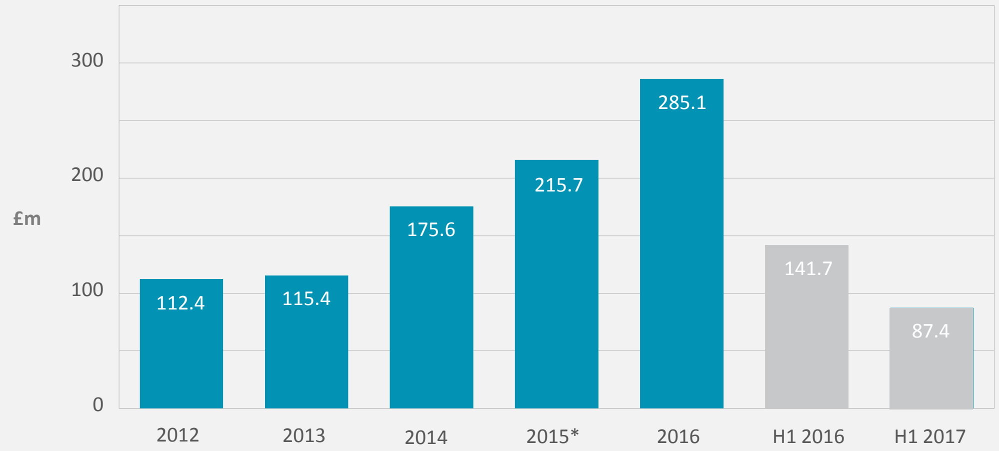
* Excluding non-recurring items

Cash flow

£ million	H1 2017	H1 2016
Group EBITDA	**190.5**	**177.7**
Working capital	(11.7)	50.3
Less growth related partner contributions	(30.6)	(23.7)
Maintenance capital	(44.8)	(33.6)
Income tax expense	(11.6)	(20.2)
Net finance expense	(5.8)	(9.9)
Other items	1.4	1.1
Cash flow before net growth expenditure	**87.4**	**141.7**

- Good cash performance
- Group EBITDA decreased by 3% at constant currency to £190.5m
- H1 2016 benefitted from specific programmes to unlock working capital, resulting in an additional inflow of c. £45m
- Cash generation before net growth investment, share buybacks and dividends of £87.4m

Underlying cash flow before net growth capital expenditure (£m)



* Excluding non-recurring items

Prudent balance sheet

£ million	H1 2017	H1 2016
Cash flow before net growth expenditure	**87.4**	**141.7**
Net growth capital expenditure	(179.7)	(83.1)
Total net cash flow from operations	**(92.3)**	**58.6**
Purchase of shares	(36.0)	(7.5)
Dividend	(32.5)	(28.9)
Other financing activities	3.7	(4.2)
Opening net debt	(151.3)	(190.6)
Exchange movements	1.9	(1.2)
Closing net debt	**(306.5)**	**(173.8)**
Net Debt : EBITDA ratio	**0.8x**	**0.5x**

Balance Sheet

- Net debt to EBITDA ratio at 0.8x. Well within range we consider appropriate

Financial Headroom

- Adequate funding headroom available to execute our strategy
- Key banking facility of £550m - now committed until 2022 with option to extend until 2023
- Denominated in sterling but can be drawn in several major currencies
- Provided by a broad base of international banks

Financial summary

- Strong post-tax cash return on net investment
- Further improved overhead and operational efficiency
- Improving revenue momentum in second quarter
- Net growth investment more than doubled
- More partnership deals & more Spaces locations
- Prudent financial position maintained
- Interim dividend increase of 13%

Outlook

- Very exciting period for the WaaS industry
- As market leader we are perfectly positioned to benefit from the structural growth globally
- Good opportunity to increase network growth
- Very good initial performance from new locations
- Strong pipeline, especially in Spaces to address the fastest growing segment in our market today
- Current pipeline visibility of c.£240m of net growth capital expenditure, representing c. 310 locations
- Improving revenue momentum
- Positive Mature revenue growth anticipated in H2
- Increasingly efficient cost structure
- We anticipate strong cash generation in the second half of the year

QUESTIONS

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