Financial results for the full year ending 31.12.22

7 March 2023

International Workplace Group

IWG International Workplace Group

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Results presented in accordance with IFRS except in certain circumstances (as footnoted) where accounting standards pre application of IFRS 16 are presented.

All percentages are at constant currency unless otherwise stated.

Mark Dixon

Founder & Chief Executive Officer

IWG International Workplace Group

New world. **New IWG.**

We have an exciting opportunity to change the world for the better for people and for companies.

Hybrid working makes workers happier and more productive, companies more efficient and profitable, and the planet significantly greener by reducing the need to commute.

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Hybrid working is supported by leading CEOs globally…

Firms don’t do things that lose them money. They do things that make them money. That’s why every firm just about out there is doing hybrid, because it’s such a no-brainer to increase profit.

Prof Nicholas Bloom, Stanford University

“Hybrid work is the perfect solution for companies looking to create a more productive, flexible, and engaged workforce.”

Mark Zuckerberg, CEO, Meta

“Incorporating hybrid working into a workplace strategy can improve work-life balance, boost engagement and productivity, and create a diverse and equitable workforce, driving innovation and growth.”

World Economic Forum

“We believe we’re happier and more productive when we have the freedom to choose where we work. It helps us to find better ways to communicate and collaborate with one another. It means we can work with the very best person for the job, regardless of what city or country they call home.”

Spotify Work From Anywhere Policy

“The future of work is hybrid, human and here to stay.”

Forbes

“Hybrid work is now just work. Every organization is looking to reconnect and reengage the workforce at home, in the office, and everywhere in between.”

Satya Nadella, CEO, Microsoft

“Hybrid work will allow us to achieve the best of both worlds, the focus and collaboration of the office, and the flexibility and autonomy of remote work.”

Tim Cook, CEO, Apple

“Hybrid working is good for individuals, good for companies and good for society. We spend more time with family and friends, we sleep more, and we work more.”

Even Bolstad, President, European Association for People Management

“The new world of work will be hybrid…
To best play to our employees’ strengths,
we have to be flexible, adaptable, and open to what works best for each individual and team.”

Francine Katsoudas
Chief People, Policy & Purpose Officer, Cisco

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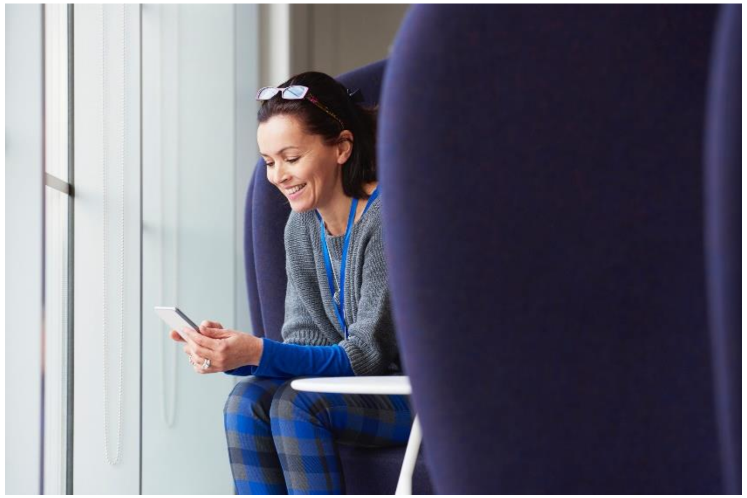
Hybrid working is often misunderstood



It's not about simply working from home. Hybrid working is about supporting companies and their teams wherever they choose to work, maximising productivity for firms and providing a better work/life balance for employees.

Companies are moving from a single or small number of fixed office locations to empowering their people to work where is most convenient, providing access to a network of locations.

The model completely eliminates the need for long daily commutes and delivers lower costs for businesses, greater happiness for staff and a greener environment with fewer carbon emissions.

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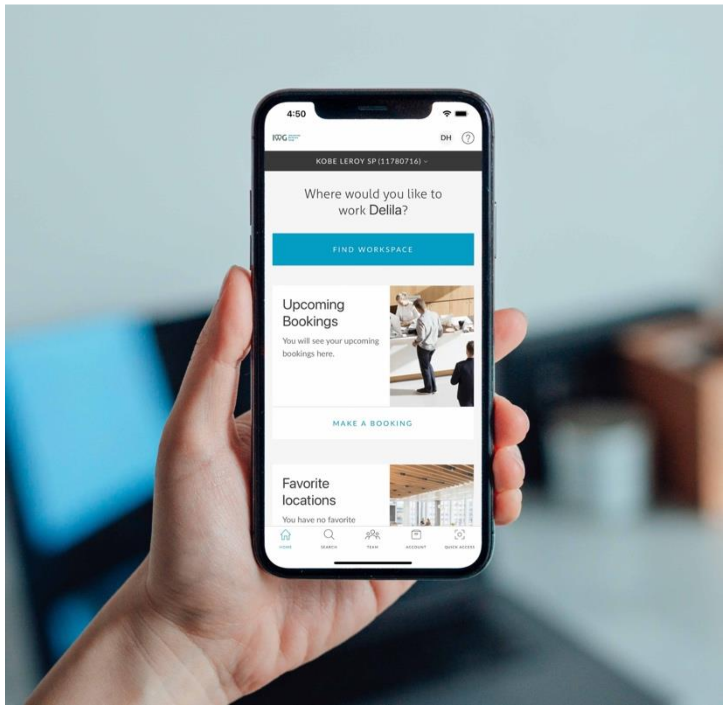
IWG: the global leader in hybrid working

Digital Platform



Physical Platform: World's Largest Network

Empowering people to work where is most convenient

Delivering lower costs and happier teams

2022: IWG delivers highest ever revenue in its 34 year history

- Highest-ever revenue in IWG's 34-year history with 24% growth[1] in system-wide revenue to £3.1bn
- Highest-ever network footprint of more than 65 million sq.ft. - market leader worldwide by far
- Momentum continues in 2023 with higher revenue, higher EBITDA, higher occupancy and higher pricing in December 2022
- Continued strong momentum for new capital-light contracts with 2023 signings on track to exceed 2022
- Continued cost discipline with central overhead costs remaining flat year on year in spite of inflation
- All delivered profitably on EBITDA[2] of £308m and cashflow from business activities[3] of £151m

1 at actual FX
2 Pre-application of IFRS
3 Net cash inflows from operating activities of £1,147m (2021: £735m) less payment of lease liabilities of £(997)m (2021: £(865)m) and other net cashflows of £1m (2021: £(89)m)

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Delivery against strategic objectives/opportunity

Margin opportunity in core business
Margin improvement driven by strong performance on price, new and embedded, sequential improvements in occupancy and service revenue growth

Complete coverage through capital light growth
Accelerate management and partnership contracts to exceed 2022 signings

Create the world's largest digital workspace platform
Revenue from Digital assets (including Instant Group) up 103% year-on-year at constant FX to £271m (2021: £132m)

Enhance cash flow generation
Strong cash generation - £90m before investment in growth (FY2021: outflow of £(240)m)

IWG committed to ESG
Carbon neutrality to be achieved during 2023

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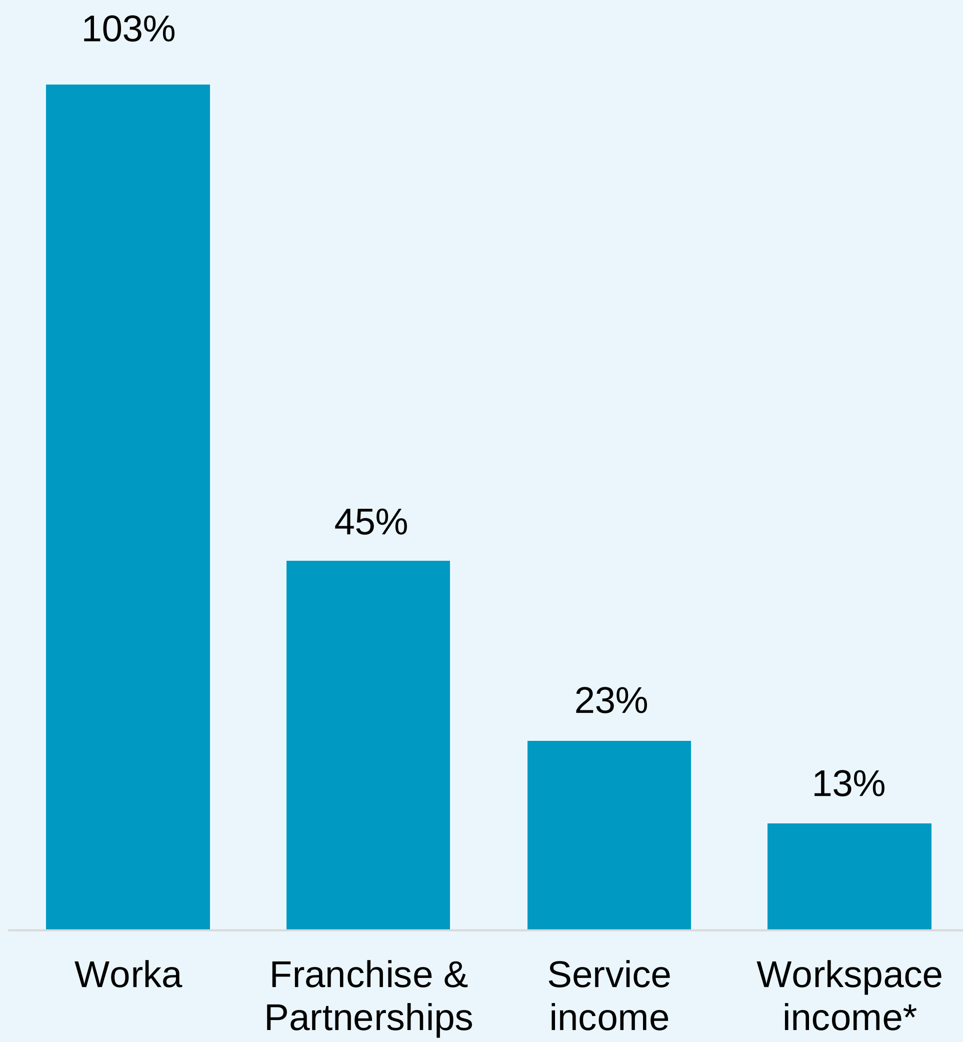
Charlie Steel

Chief Financial Officer

2022 Revenue Growth

- System-wide revenue of +£3.1bn, up 18% at constant FX – a record high for IWG
- Creation of Worka, combining The Instant Group investment with IWG's digital assets
- All segments performing strongly, with increasing diversification
- Signing of 421 capital-light centre agreements fuelling further capacity and driving increases in partnership fees
- 26.5% building capacity remaining from existing centres
    - Occupancy at 73.5% over the year
- Strong pricing power and momentum, up 7% year on year on a per square foot basis



*Open centres

Group returns to operating profitability

- Record revenue combined with cost discipline returned IWG to profitability on an operating profit basis
    - Weakness from Covid persisted during 2022 in Asia, particularly China
- Adjusted[1] EBITDA, pre-application of IFRS, up 251% (at constant FX) to £308m
    - Unadjusted EBITDA, pre-application of IFRS, of £317m
- Increased finance expense driven by global increases in interest rates, and higher net debt from investment in The Instant Group
    - £318m (face value £350m) of net debt as convertible bond with 0.5% coupon
- Pro-forma[2] net financial debt of £694m at 31 December 2022

Preliminary results (£m)

	2022	2021	Constant currency	Actual currency
System-wide revenue	3,086	2,498	+18%	+24%
Group revenue	**2,751**	**2,227**	**+17%**	**+24%**
Gross profit	**575**	**243**	**+124%**	**+137%**
Overheads	(426)	(328)	+27%	+30%
Joint ventures	(1)	(2)	-60%	-73%
Operating Profit/(Loss)	**147**	**(87)**	**n.m.**	**n.m.**
Net finance cost	(252)	(172)		+47%
Loss before tax from continuing operations	**(105)**	**(259)**		**-59%**
Taxation	(16)	(10)		
Effective tax rate	-15%	-4%		
Loss after tax from continuing operations	**(121)**	**(269)**		
Profit after tax from discontinued operations	1	59		
(Loss)/profit for the period	**(120)**	**(210)**		
Basic EPS (p)				
From continuing operations, adjusted	(10.1)	(23.4)		
Attributable to shareholders	(11.2)	(20.4)		
Depreciation & amortisation	1,189	1,110	+2%	+7%
Profit on discontinued operations	-	3		
EBITDA	**1,336**	**1,026**	**+22%**	**+30%**
Total adjusting items[1]	13	31		
EBITDA adjusted	**1,349**	**1,057**	**+20%**	**+28%**
EBTIDA adjusted before application of IFRS	*308*	*80*	*+250%*	*+287%*

1 Excluding net adjusting items on of £13m (2021: £31m) or of £(9)m (2021: £21m) pre-application of IFRS
2 Including £18m fee related to the transfer of the Japan franchise from TKP to Mitsubishi received in February 2023

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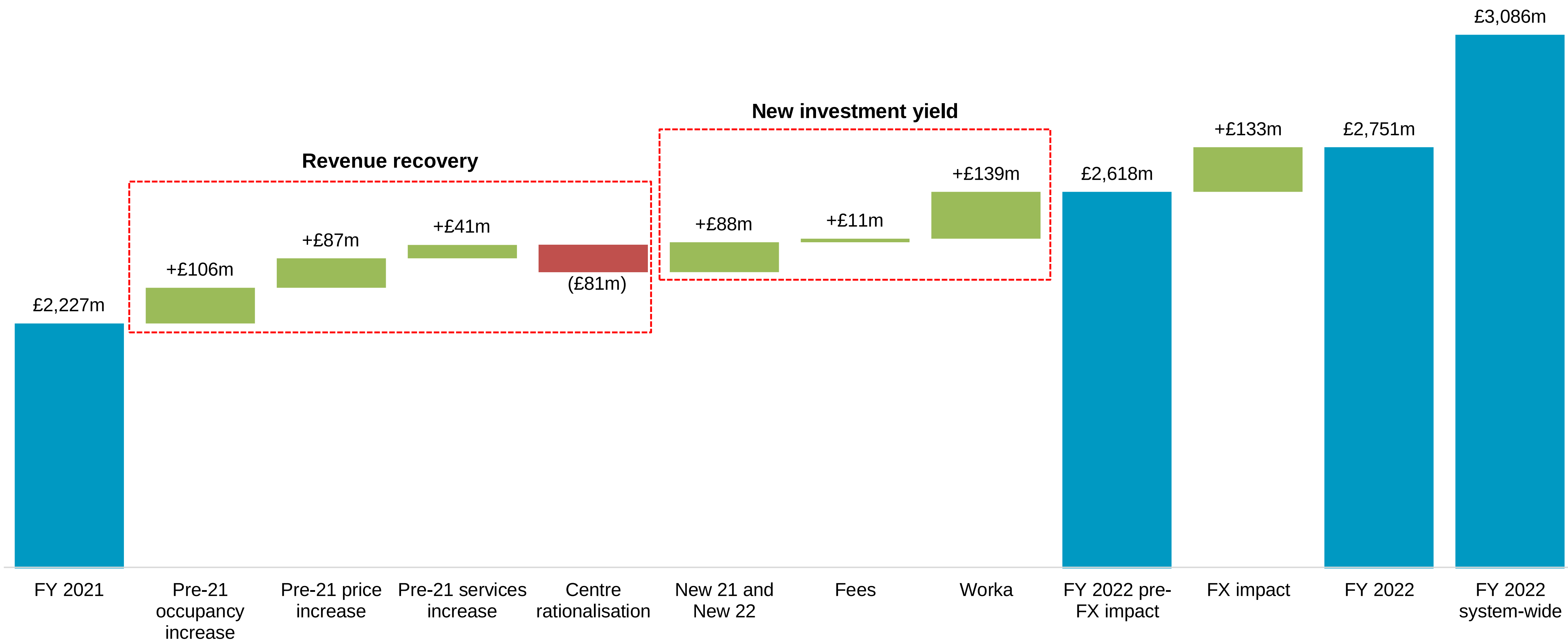
Growth driven by revenue recovery and investment



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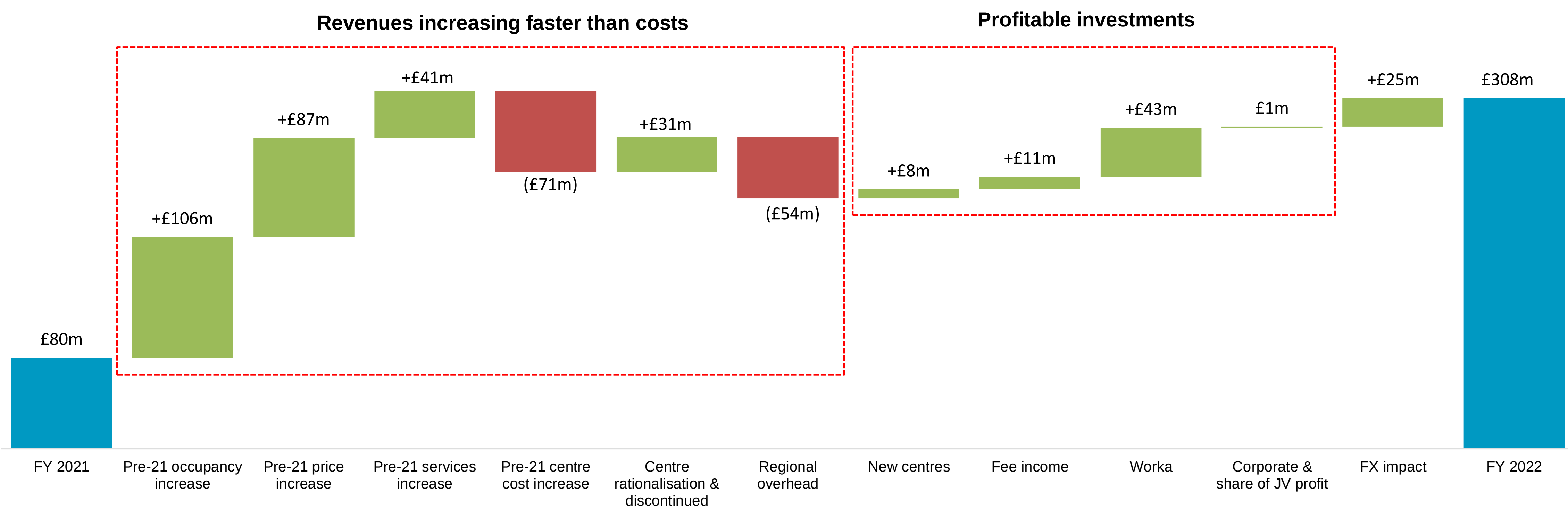
3.5x increase in EBITDA, continuing margin focus



Note: Adjusted pre application of IFRS. See CFO review in the 2022 preliminary announcement for the reconciliation to financial statements

Higher margins driving profitability

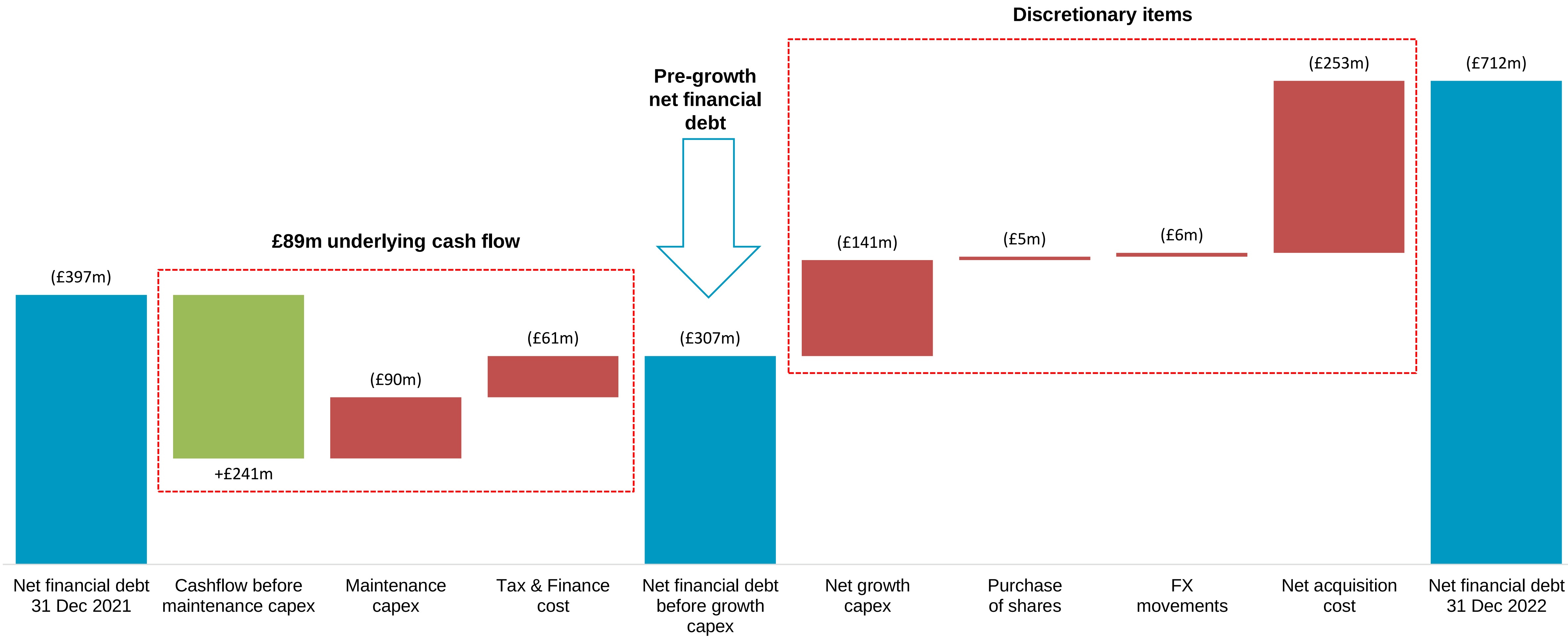
Cash flow from business activities increased £370m, driven by:

- Higher revenues and cost discipline
  - Electricity costs increased, but only to c.2% of revenues
- Increasing revenue driving working capital
- Increase in net financial debt primarily driven by
  - Net growth capital expenditure from legacy centre lease agreements signed during 2019-21
  - Investment in The Instant Group

Preliminary results (£m)	Cash flow	
	2022	**2021**
Operating profit/(loss)	**147**	**(87)**
Depreciation & amortisation	1,189	1,110
Profit on discontinued operations	-	3
EBITDA	**1,336**	**1,026**
Rent income	50	-
Rent expense	(1,059)	(997)
Centre closure & other costs	(10)	30
EBITDA before application of IFRS 16	**317**	**59**
Working capital (excl. amortization of partner contributions)	22	(129)
Working capital related to the amortisation of partner contributions	(104)	(95)
Maintenance capital expenditure (net)	(90)	(95)
Other items[5]	6	41
Cash flow from business activities[6]	**151**	**(219)**
Tax paid	(24)	(5)
Finance costs on bank & other facilities	(37)	(16)
Cash flow before growth capex and corporate activities	**90**	**(240)**
Net growth capital expenditure	(141)	(104)
Purchase of subsidiary undertakings (net of cash)	(307)	11
Cash flow before corporate activities	**(358)**	**(333)**
Purchase of shares	(5)	-
Investment-related loan receivable	-	283
Net proceeds on transactions	54	19
Net proceeds from loans	386	36
Net cash inflow for the year	**77**	**5**
Opening net cash	78	71
FX movements	6	2
Closing cash	**161**	**78**

[5]Includes capitalised rent related to centre openings (gross growth capital expenditure) of £(12)m (2021: £(20)m)
[6]Cashflow before growth capex, corporate activities, tax and finance cost on bank & other facilities

Net debt falls before impact of growth

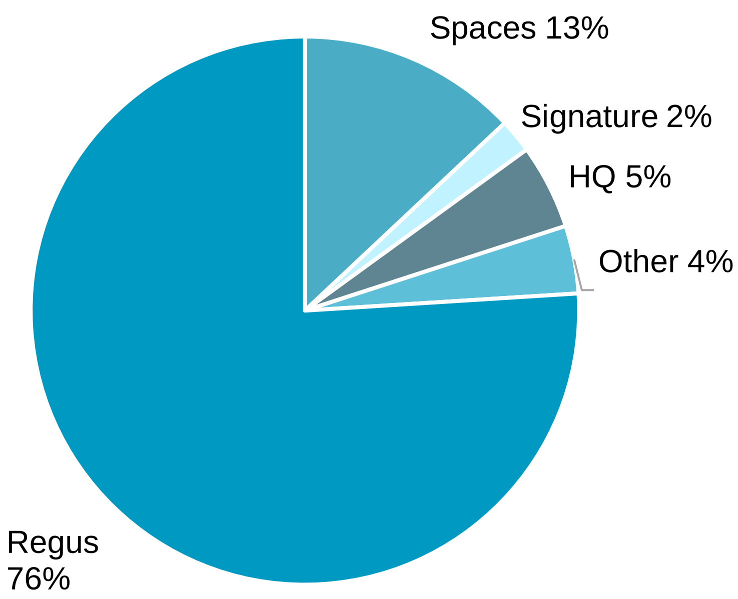


Strengthening balance sheet

- Working capital, intangibles and goodwill impacted by investment in The Instant Group
- Higher customer deposits driven by increasing revenues
- Bridge for investment in The Instant Group within current liabilities

Preliminary results (£m)	**Balance Sheet**	
	2022	**2021**
Cash and cash equivalents	161	78
Trade & other receivables (incl. inventory)	991	754
Total current assets	**1,152**	**832**
Property, plant and equipment	6,234	6,376
Other intangible assets	214	78
Goodwill	934	704
Other long-term receivables & investments	547	422
Total non-current assets	**7,929**	**7,580**
Total assets	**9,081**	**8,412**
Trade and other payables (incl. customer deposits)	1,202	923
Deferred revenue	455	346
Lease liabilities	1,002	932
Other current payables & loans	361	66
Total current liabilities	**3,020**	**2,267**
Lease liabilities	5,037	5,189
Other long-term payables	201	198
Bank and other long-term loans & liabilities	588	453
Total non-current liabilities	**5,826**	**5,840**
Issued share capital & premium	323	323
Treasury shares	(152)	(151)
Retained earnings, foreign currency translation & other reserves	12	124
Non-controlling interests	52	9
Total equity	**235**	**305**
Total equity and liabilities	**9,081**	**8,412**

Unrivalled network globally



- Unrivalled global network of 3,345 buildings across 120 countries
- Additional 462 new centre deals signed during 2022
- 421 under capital light model
- Unique brand diversity strategy allows for expansive customer types

	FY 2022	FY 2021	YoY change
Number of buildings	**3,345**	**3,314**	**+31**
Building openings	152	146	
Building rationalisation	(121)	(145)	
Number of square feet	**65.1m**	**64.1m**	**+2%**

Geographic diversity combined with flat corporate overheads

- Global diversity from profitability perspective
- Asia, particularly China, suppressed during 2022 due to pandemic
- Continued discipline on corporate overhead costs
- Worka continues to be a growth driver, impacted positively by investment in The Instant Group
- Pro-forma EBITDA (i.e. as if The Instant Group was included from 1 January 2022) of £117m

Preliminary results	**Adjusted EBITDA**		
£m / % change	**FY 2022**	FY 2021	Constant ccy
EMEA	597	474	+26%
Americas	588	451	+15%
Asia	144	115	+19%
Other	(105)	(109)	-2%
Group pre-Worka	**1,224**	**932**	**+23%**
Worka	112	75	+48%
Continuing operations	**1,336**	**1,007**	**+25%**
Discontinued operations	-	19	
Group	**1,336**	**1,026**	**+22%**
Worka (pro-forma)	117	75	

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IWG committed to ESG

Carbon neutral journey

- Carbon neutrality expected to be achieved during 2023
- Progress own forestry investment - carbon offsets as an asset
- 100% green electricity by 2030, in alignment with RE100 guidelines
- Commitment to Net Zero by 2040

ESG programmes

ARUP

- Launched framework to baseline green buildings in today's estate
- Established ESG supplier assessment framework
- Green cleaning programme underway
- Collaborative research demonstrates hybrid reduces carbon output
- Employee recognition linked to ESG – e.g tree donations for award winners

Recognition

MSCI ESG RATINGS AA

- **AA** Rated by MSCI index (top score AAA)
- **B** Score for 2022 CDP Climate Change and Water Security disclosures (top score A)
- **9.2** ESG Risk Rating score by Sustainalytics (negligible risk band is 0-10)
- **#1** UK leading employer award in 2022
- **£478K** contributed towards charitable organisations in 2022

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Financial outlook

- Cautiously optimistic for 2023
- Revenue and underlying EBITDA (pre application of IFRS) expected to be in-line with management expectations
- Management expects net debt to fall during the year
- Underlying EBITDA, pre application of IFRS, at c.£30m for the month of December 2022
- Mindful of economic headwinds persist as do cost inflationary pressures

Conclusion

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Conclusion

- 2022 has been a record year for IWG with our highest-ever revenue produced in our 34-year history
- More companies permanently embracing hybrid and IWG set to benefit most as by far the leading global player
- Unrelenting focus on delivering our strategy:
    - Growing our margin, driven by strong performance on price, sequential improvements on occupancy and service revenue growth
    - Rapid growth of network coverage using capital light expansion methods
    - Accelerating growth of the Worka business
    - Further improve cashflow and reduce net debt
    - Continued focus on ESG and delivering against Net Zero commitment

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Appendices

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EBITDA reconciliation from IFRS to pre-application of IFRS standards

Preliminary results

£m / % change	**FY 2022**	FY 2021
EBITDA IFRS 16	**1,337**	**1,026**
Rent income	50	-
Rent expense	(1,060)	(997)
Centre closure & other cost	(10)	30
EBITDA before application of IFRS 16	**317**	**59**
Network rationalisation charge	(29)	(60)
Closure cost provision release	71	125
Restructuring costs	(17)	(33)
Provision for expected credit losses	-	(53)
Asset impairment of Russia & Ukraine	(19)	-
Other	3	-
Total adjusting items	9	(21)
Adjusted EBITDA before application of IFRS 16	**308**	**80**