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#### Mark Dixon

Founder & Chief Executive Officer



#### The IWG investment case

01

Market leader in a future mega industry – Flexible work / Platform work

05

40% revenue in USA

02

Fast, capital-light growth

06

Scale delivering structural cost advantage

03

Cash generation while growing

07

Experienced management team

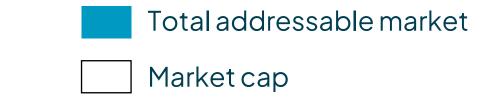
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Global network in 120 countries with coverage advantage

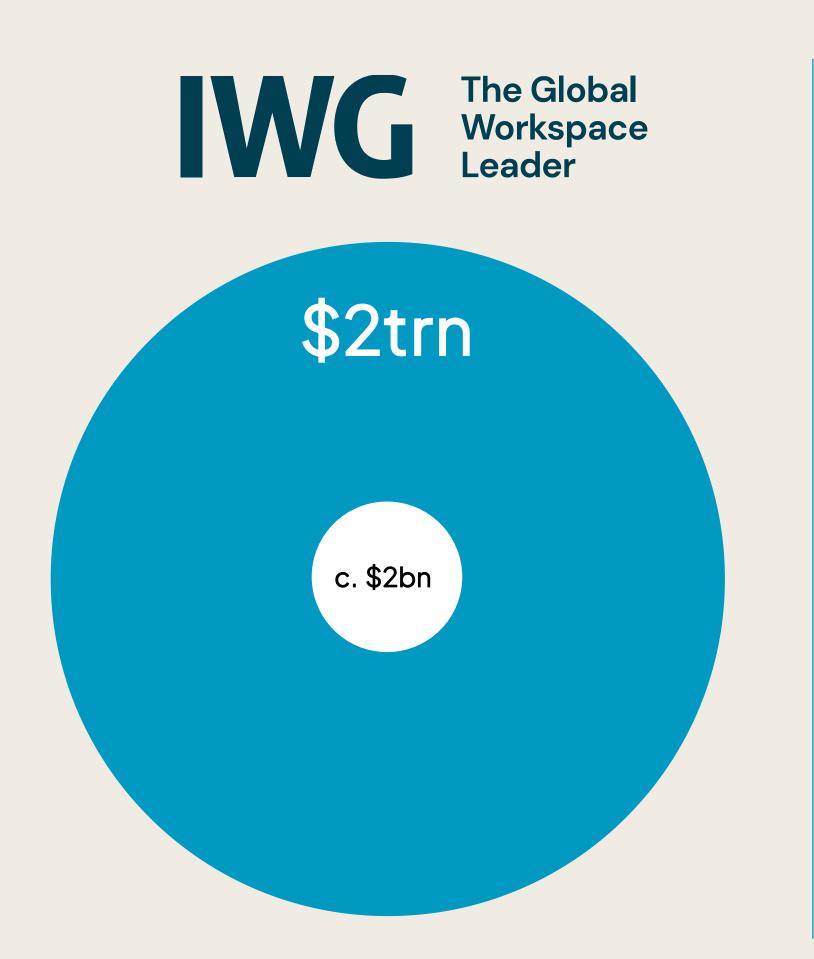
08

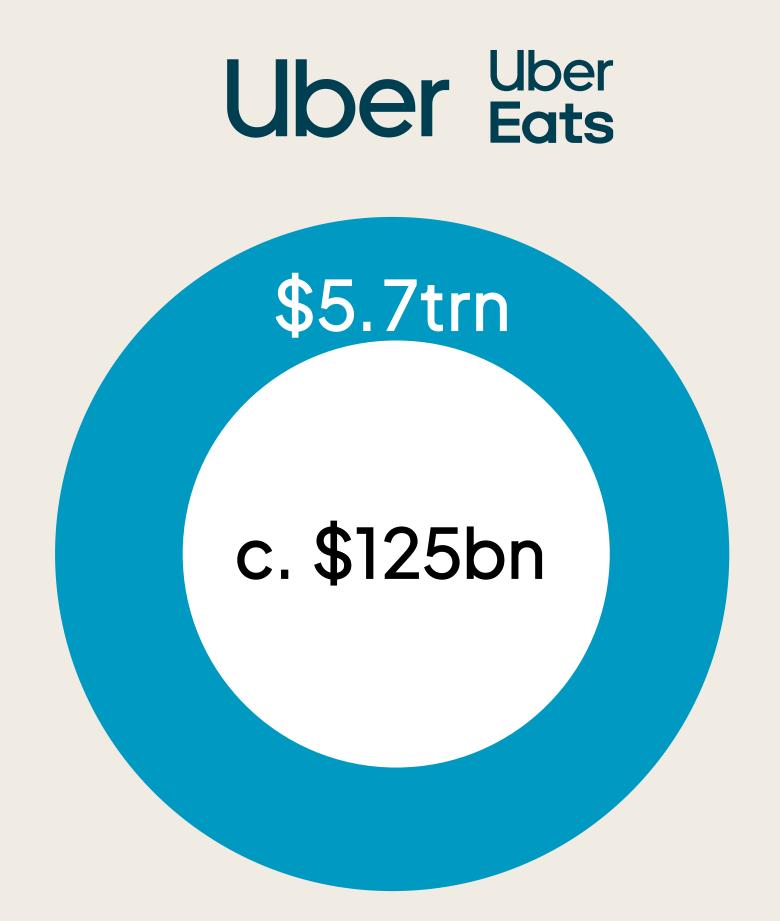
6% / 9% Revenue / EBITDA CAGR (2012-2024)

### The growth opportunity









Sources: Bloomberg / 31/12/2024, TAM: airbnb S-1 Filing, Uber S-1 Filing

### How we support landlords and CRE investors

01

High value-add, cashflow and amenity value from operating activated property

05

Our scale, brands, operational abilities. Sales ability is paramount to our success

02

Control of longevity and future cashflows

06

Opens property to whole new untapped growth market

03

More sustainable revenues

07

Enhances sum-of-theparts value to larger developments and to customer 04

Valuations moving towards cashflow from NAV

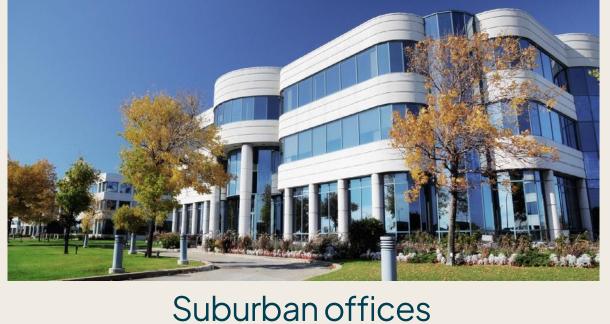
08

Productises real estate, ready to buy and use – turns customer capex to opex

### Any building. Any location.

IWG has unrivalled capability to convert any building, in any location, into a commercially-successful, cash-generating operation.







Business parks



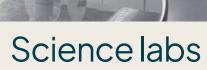


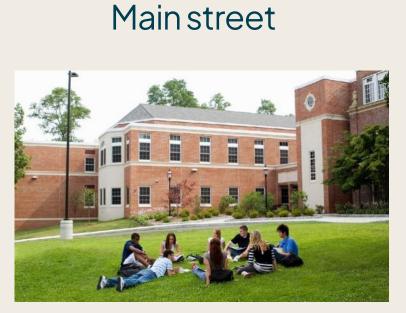




















Residential

Higher education

Warehouses

Airport terminals

Industrial

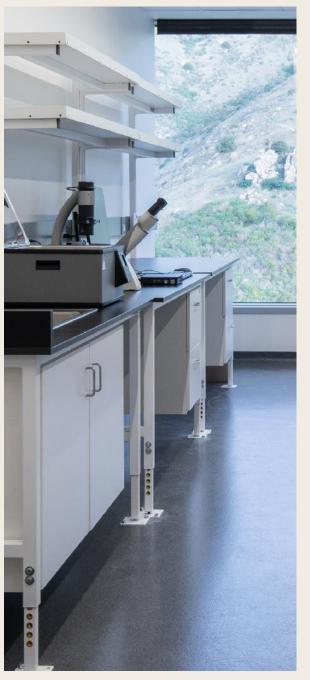
Rural/Farms

## Concepts to meet your needs

A diverse range of scalable concepts, uniquely tailored to maximise each building's characteristics and revenue potential



















Office Workspace



Member's Clubs



Science Labs



Medical Suites



Warehouse & Workshop



On-the-go Workspace



Managed Spaces



Pre-built Suites

### The perfect brand for your space

Our extensive brand portfolio means we have the perfect brand to suit any type of concept and building





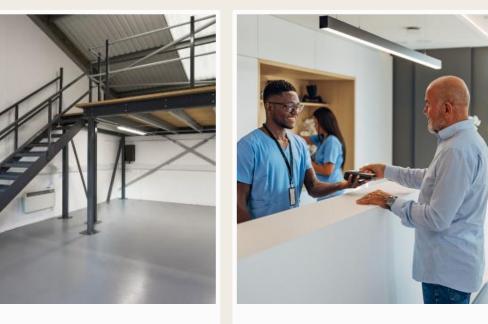














No 18

• SPACES.

Regus<sup>™</sup>

Regus<sup>®</sup> express

Finance Centre

SmartLabs

BASEPOINT

medical centre**⊕** 



Signature



THE CLUBHOUSE



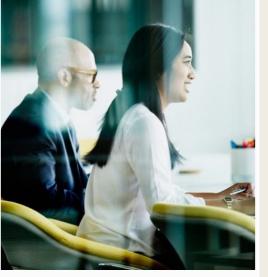








MEDIAO CENTRE

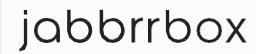


LegalWorks



ENGINEERING CENTRE









## Create more value through additional amenities

We can work with you to help develop & operate an impressive array of amenities to drive revenue & value to your portfolio.



Conference facilities



Wellness facilities



3D Printing



Mail & Courier Service



Storage & Lockers



Podcast Studios



Cafes & Restaurants



Large Format Printing



Gyms & Fitness studio

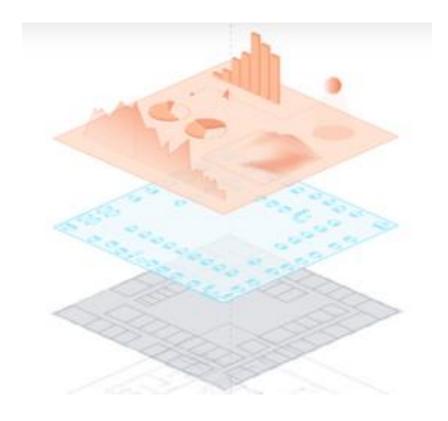


Meeting rooms

## Transforming centres through our CentreWorks service

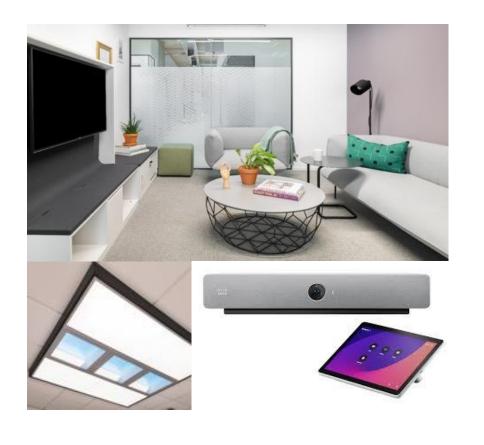


**Project Start** 



#### Design

Leveraging industry leading AI tools combined with 30+ years' experience of designing successful co-working centres



#### Productised Supply Chain

Productised offering of market leading furniture fixtures and technology ordered and coordinated for our partners



#### **Expert support**

Expert team responsible for opening 1000+ centres on hand to support the opening process

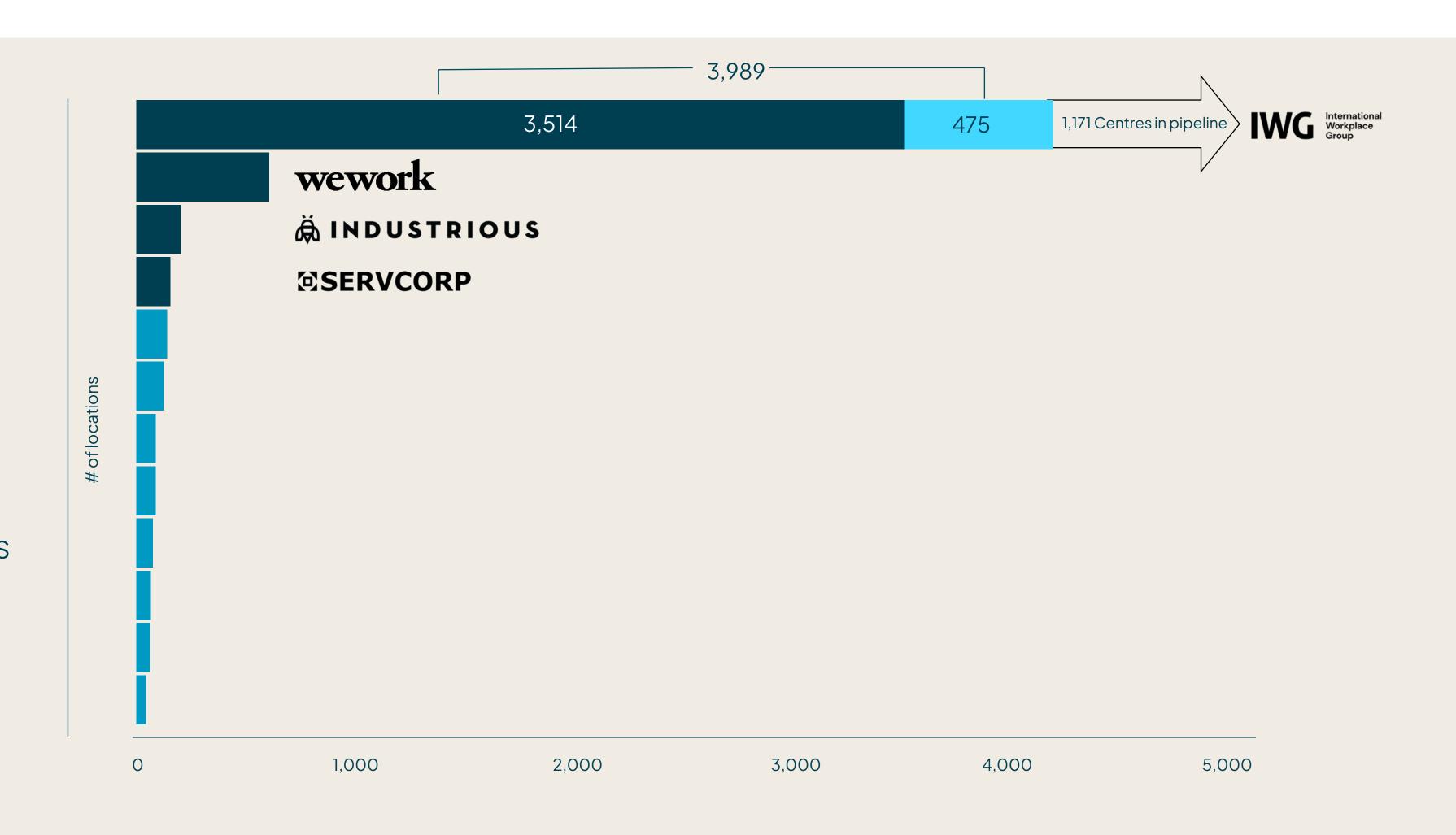


End of project

Our average project duration from signing to opening is 10 months, but can be as short as 30 days

## We added more locations in 2024 than our competitors have in total

- We have a bigger network than the top 10 competitors combined
- We finished 2024 with 3,989 open centres and nearly 1m rooms
- Our network covers over 120 countries and we operate in over 40 languages
- In 2024, we opened 624 locations
   net grew our network by 475
- Our pipeline of over 1,100 signed locations will add to our market leadership



## IWG's evolved operating model

1. Managed & Franchised

2. Company-owned

#### **IWG Network**

Route to market

Multiple brands across multiple verticals to ensure we are the best solution to most customers

Financial model

- Locations without leases or IWG capex
- IWG receives a management / franchise fee based on System revenue
- Focus on driving RevPAR, revenue and growing network & coverage

- Focus on expanding margins to drive cash flow
- Risk reduced via flexible Special Purchase Vehicle structure









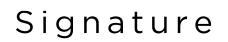




























## IWG's evolved operating model (continued)

	3. Digital & Professional Services
Concept	<ul> <li>Providing tools and services to support employers and employees</li> <li>Full booking systems &amp; dashboards</li> </ul>
Financial model	<ul> <li>Limited capex requirements</li> <li>Increasingly moving towards a fee / subscription model</li> <li>Provides access to the entire market, not just the IWG Network</li> </ul>































### Significant benefits for our customers

01

Technology changes everything – technology continues to distort work practices

05

Services broaden offer.
Move into more
Professional services
supporting companies
and workers

02

Demand increases.
Continued growth in companies moving to platform work. Lower cost and better productivity

06

More sales, same channels. Extension of channels and investment into more key accounts and enterprise sales

03

Capex to opex rules for majority of our clients

07

Add additional bolt on services to grow the range

04

Tools – new multiple layers of software offers dashboards and management tools

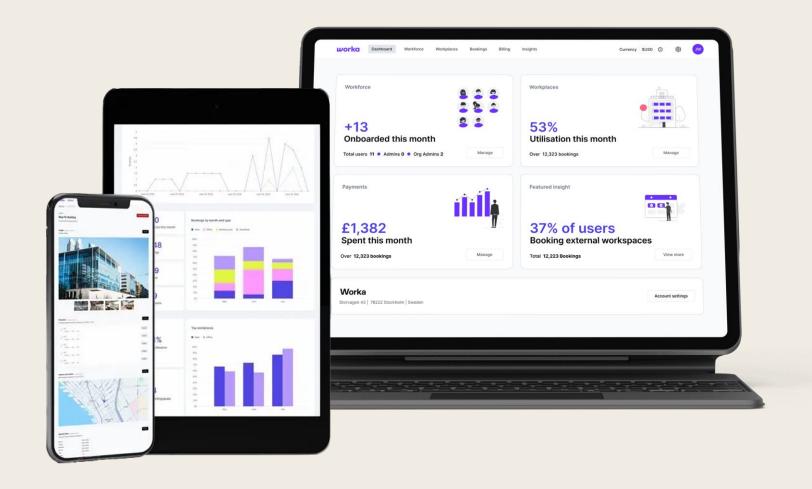
08

Services division becomes a key growth and margin / profits engine

## Unrivalled network with a full service offering



### Complete suite of business tools



#### Management & user tools

- Account dashboard
- Management dashboard & controls
- Custom-branded app
- Single view of usage and spend
- Ability to adjust services and products as needed
- Fully transparent and easy to understand

#### Booking platform

- Digital book & pay capability
- 10,000 locations to book
- Add your own workspaces/ buildings
- Full usage reporting suite
- Full control on who books what

#### Sustainability services

- Paralegal and sustainability subscriptions
- Wellness Index

#### Consulting

- Packages to help plan future workspace needs
- Support moving to hybrid
- Transformation of existing space
- Cost reduction programmes

#### WFH product range

 Growing range of products to support this huge and growing market

#### Membership products

- Fully outsourced membership platforms
- Industry leading operator and programs

#### Financial products

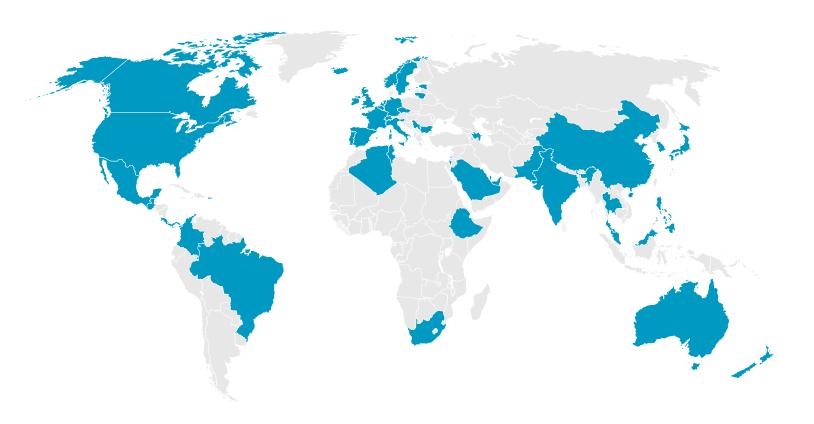
- Mitigation of existing space commitments
- Full outsourcing programmes for existing space
- Reporting fully integrated with financial systems

## Customer case study: Global Technology Company

8,300 Drop-in Visits<sup>1</sup>

957 Locations Used<sup>1</sup>

44 Countries Covered<sup>1</sup>

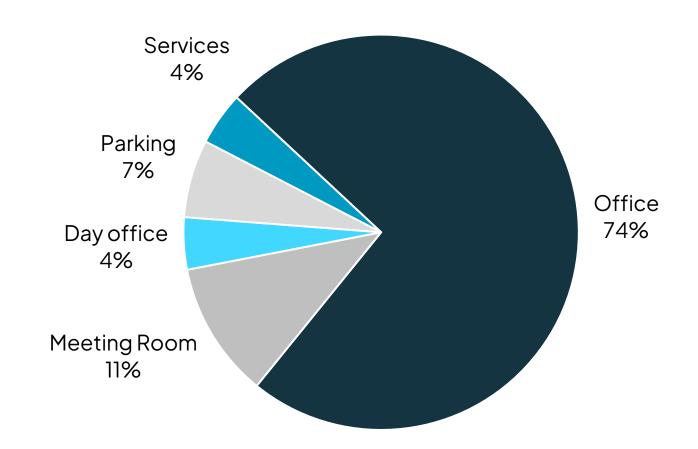


#### Flex Journey

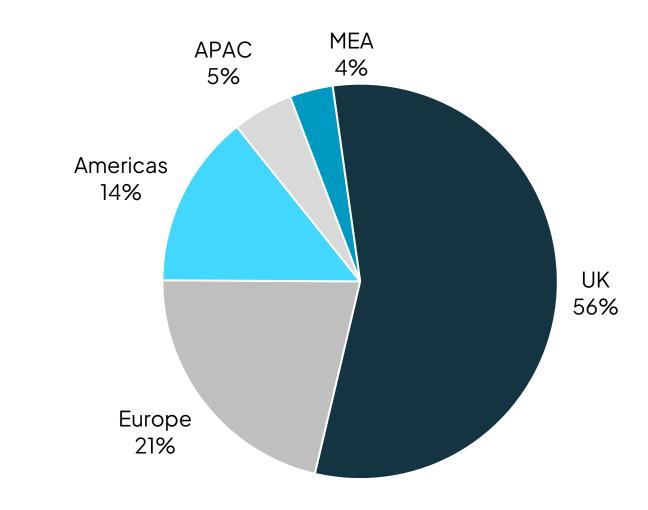
- IWG worked with our client to now provide access for its 120,000 employees to our global network of 4,000 locations
- The client subsequently opened branded collaborative spaces in multiple IWG locations
- Our client has recently required all staff to return to the office, with a "check-in" at an IWG location being included as an office visit
- IWG's flexible solution has received strong support from the client, supporting their staff's hybrid working requirement and reducing their need for long term real estate

#### IWG Network Usage

#### Revenue by Product Type



#### Revenue by Geography



# Summary: Market leader in a structurally growing industry

- More companies, more demand
- Record year financially and operationally
- Continuing to deliver the strategy
- On track to open more locations and rooms in 2025 than ever before
- Expanding the range of concepts and brands
- Adding more professional services



## Financial performance

Charlie Steel
Chief Financial Officer



#### The Plan

We set out a clear plan at the Investor Day in December 2023 and we are delivering it

What we said <sup>1</sup>	What we are delivering
"Delivering from three sources of cash"	<ul> <li>All three divisions delivering underlying growth and cash</li> <li>Revenue up 9% since 2022, cashflow up 60% since 2022</li> </ul>
"We have a laser-like focus on costs"	• Core overhead controlled, and centre costs fallen by 3% since 2022
"Growth capex falls as capital-light accelerates"	<ul> <li>952 new centres opened since year end 2022, growth capex fallen 49% since 2022</li> </ul>
"Maintenance capex falls as we gain efficiencies"	Maintenance capex fallen 16% since 2022
"Consistent delivery of EBITDA which drives cashflow"	• EBITDA up 46 % since 2022
"Net debt falling post The Instant Group acquisition"	<ul> <li>Net debt fallen from \$861 m to \$712m since year end 2022</li> </ul>
"Coupled with EBITDA strength driving an improvement in the balance sheet"	<ul> <li>New credit rating of BBB (Stable) – first ever for IWG</li> </ul>
"Drives a resumption of shareholder returns"	<ul> <li>First dividend paid in 2024 since 2019</li> <li>\$50m share buyback programme</li> </ul>
"We are also making the business financials easier to understand"	<ul> <li>Transition to USD functional currency in 2024</li> <li>Commitment to transition to US GAAP in 2025</li> </ul>

## Delivery of the plan with record results

- Highest-ever system-wide revenue with 6% growth in open-centres, and 2% net revenue growth to \$4.2bn (2023: \$4.1bn)
- Highest-ever EBITDA with growth of 11% to \$557m (2023: \$503m)
- Highest-ever network growth with 899 new centres signed and 624 opened
- Fee income growth of 30% in Managed & Franchised to \$79m (2023: \$61m)
- Contribution margin increased to 25% in Company-owned to \$790m (2023: \$711m)
- Delivery driving a new share buyback programme of \$50m alongside our progressive dividend policy

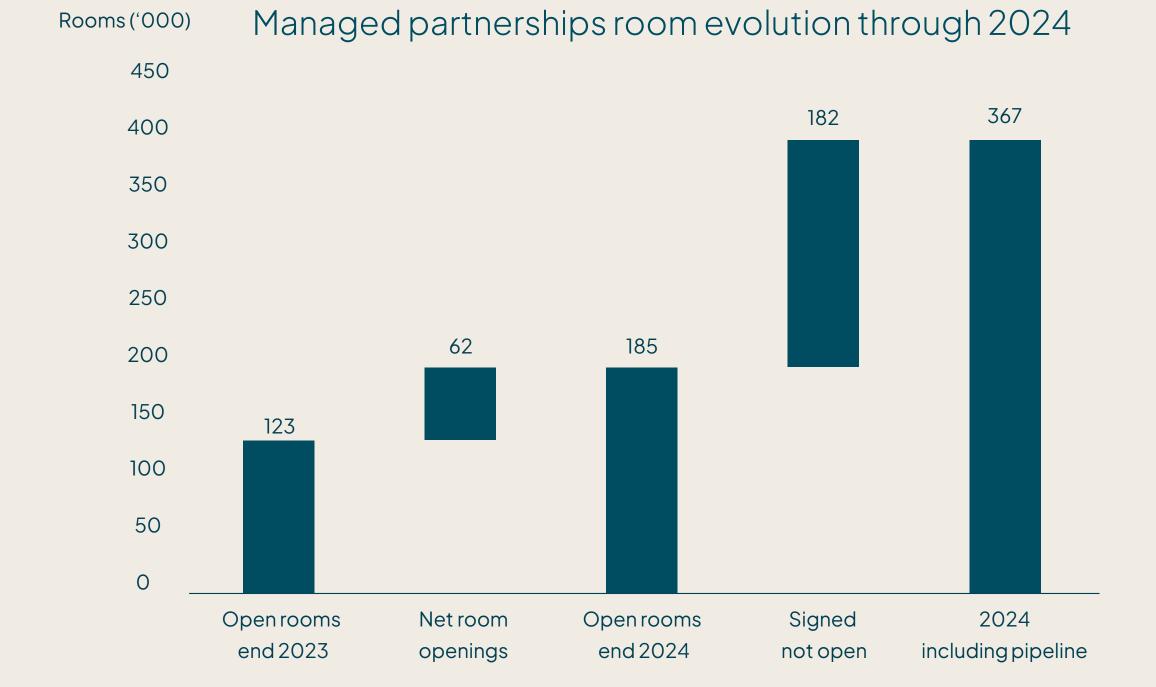


## I. Managed & Franchised

#### 30% growth in total fee income

- Total fees growing from new managed centres opening and continued growth in franchise centres
- Recurring management fees grew 79% in 2024 to \$19m
- Our pipeline continues to expand with further momentum in signings

\$m	2024	2023	Growth rate
System-wide revenue	620	529	17%
Feeincome	79	61	30%
Franchise & JV fees	40	36	11%
Recurring management fees	19	10	79%
Otherincome	20	15	37%
Contribution	79	61	30%
Maintenance Capex	n/a	n/a	n/a
Divisional Free Cash Flow	79	61	30%
Growth Capex	n/a	n/a	n/a

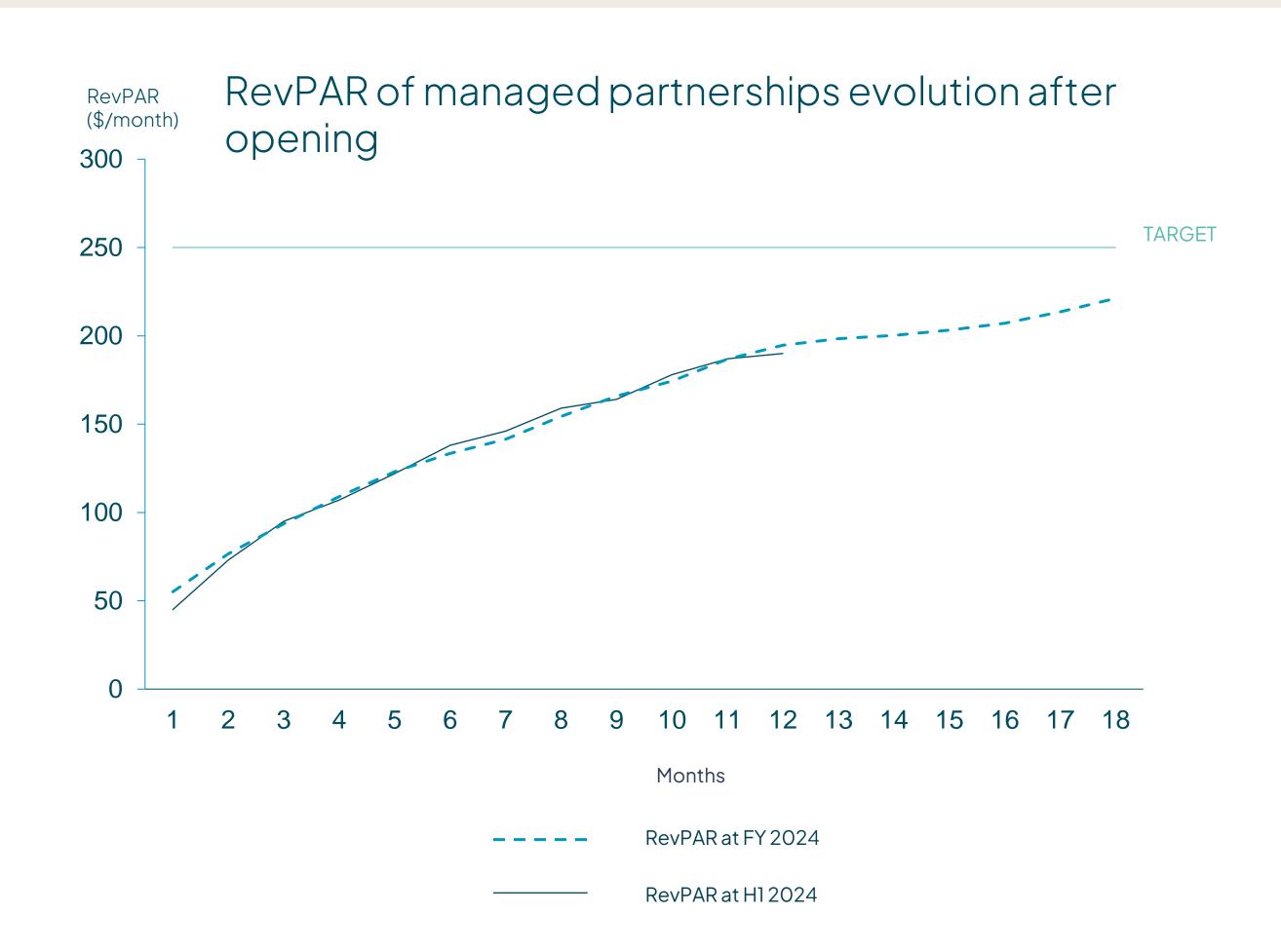




## 1. Managed & Franchised (continued)

Managed Partnership RevPAR evolving as expected

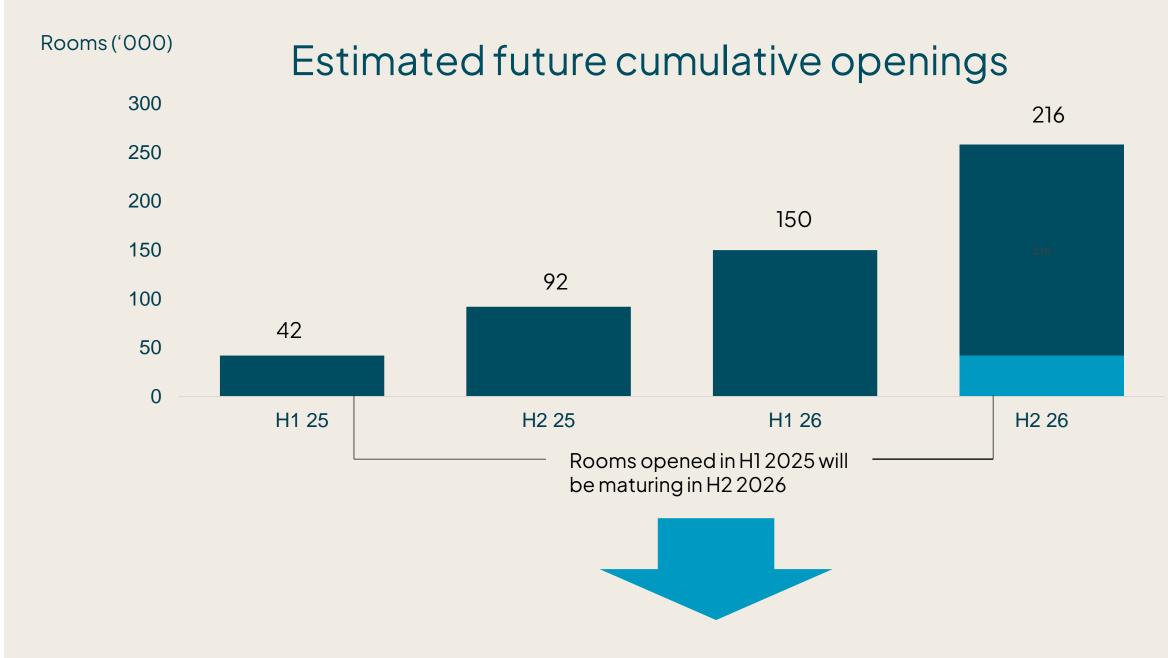
- RevPAR of new Managed Partnerships evolving in line with previous cohorts
- 73,000 gross rooms added to the network in 2024 and starting to generate cashflow
- As rooms open and mature, they will drive incremental system revenue and fee income



## I. Managed & Franchised (continued)

#### Pipeline underpins future growth

- At the end of 2024, 185k Managed & Franchised rooms were open, and 182k in the pipeline when all rooms are open and mature, they are expected to produce \$1.4bn of annual system-wide revenue
- Signings and openings expected to grow in 2025
- Room openings conservatively expected to accelerate, and a source of further upside
- Recurring fee income expected to be \$45m in 2025
- As a reminder, rooms opening in Q12025 should be generating mature RevPAR in Q32026 – underpinning the growth of the division



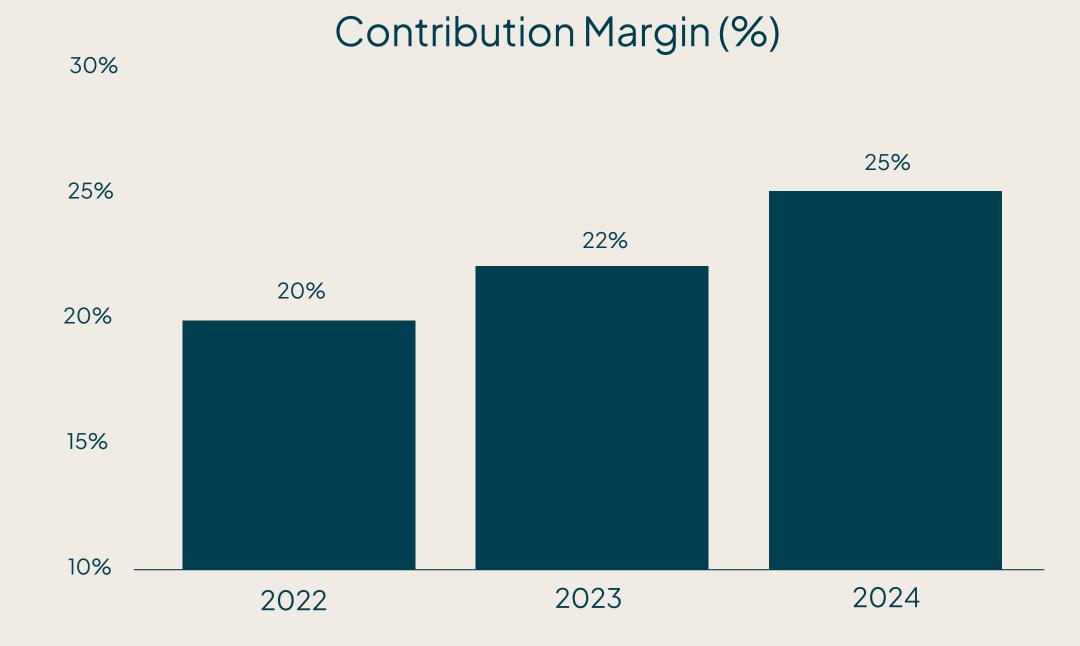


## 2. Company-owned

#### \$79m (11%) growth in Contribution

- Open centre revenue growth of 5%
- Continued focus on costs driving margin expansion
- Growth capex declining and will continue to decline

\$m	2024	2023	Growth rate
Open Centre Revenue <sup>1</sup>	3,179	3,031	5%
Contribution	790	711	11%
Contribution Margin	25%	22%	251bps
Maintenance Capex	(93)	(103)	(9)%
TI amortisation	(110)	(118)	(7)%
Divisional Free Cash Flow	587	490	20%
Growth Capex	(57)	(78)	(27)%



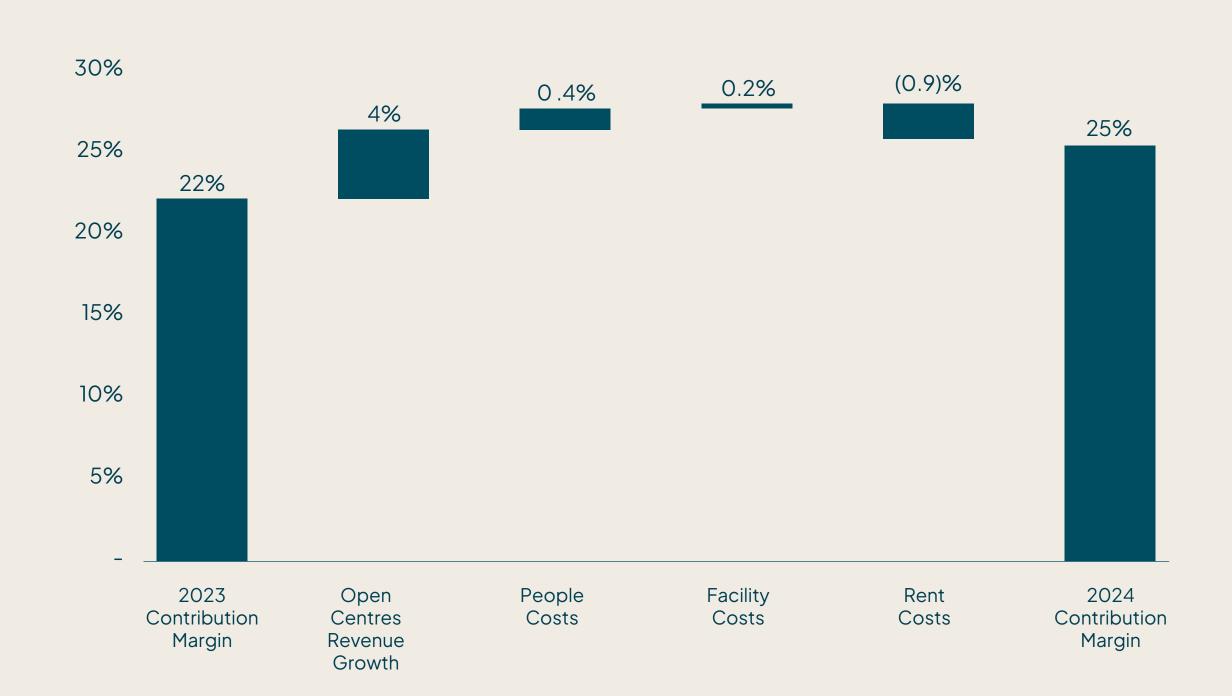


## 2. Company-owned(continued)

#### Continued margin progression

- Margin improvement of 251bps through the year, of which 184bps is recurring
- 5% open centre revenue growth alongside cost discipline driving margin
- One-off benefit from over-estimating utility costs and property taxes in 2023
- Other facility costs reduced through cost control focusing spend on customer impactful spending and strategic buying
  - Disciplined cost control
  - Re-engineering of some cost models

#### Contribution margin evolution



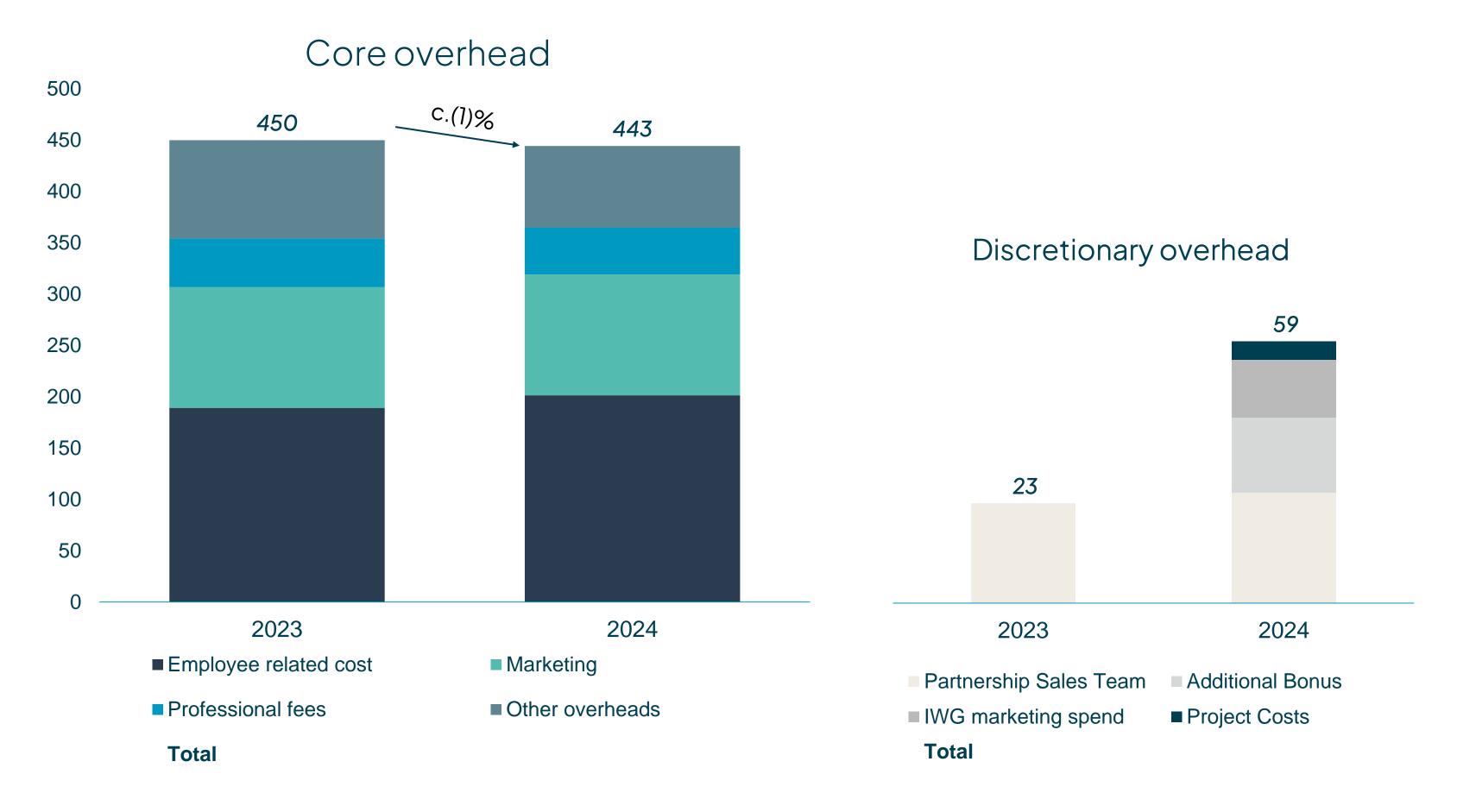
## 3. Digital & Professional Services

Underlying revenue growth

\$m	2024	2023	Growthrate
Underlying revenue <sup>1</sup>	363	335	8%
Contribution <sup>1</sup>	187	167	12%
Divisional EBITDA <sup>1</sup>	142	120	18%
add back EBITDA Impact of contact exit	21	40	
Maintenance Capex	0	(10)	n.m
Working Capital	(19)	14	n.m
Divisional Free Cash Flow	144	164	(12)%
Growth Capex	(31)	(17)	82%

- Underlying revenue growth rate of 8% and EBITDA growth of 18% excluding the impact of the single contract exit
  - The exited contract accounted for a working capital outflow in 2024
- Growth capex of \$31m in 2024 related to technology and platform spend. Expected to fall in 2025
- The division is well positioned to benefit from the underlying growth in the market

## Disciplined cost control and targeted investment



- Total overheads increased year-over-year driven by the increase in investment overheads
- Investment overheads are those which are incurred on a discretionary basis to fuel growth but cannot be capitalised (e.g. headcount for managed partnership sales)
- Core overheads fell by c.1% due to continued focus on cost control and some reengineering of costs

### Operational Cashflow Overview

Underlying revenue growth

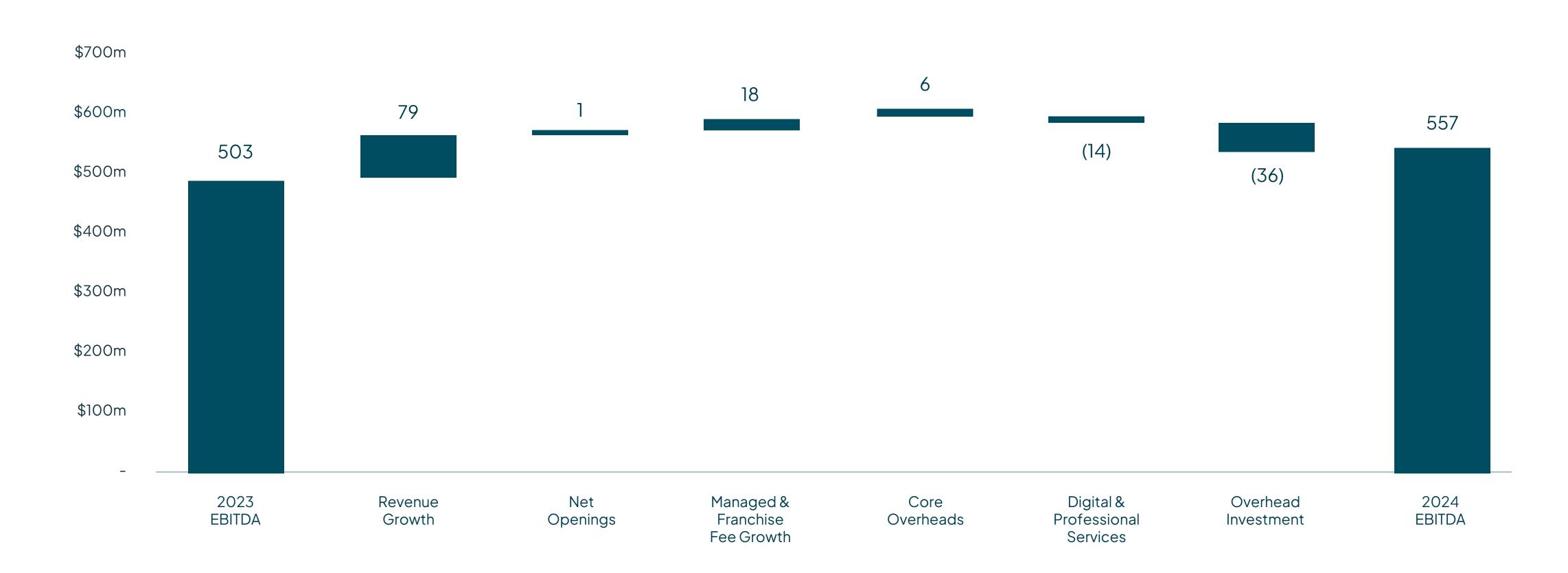
\$m	Company owned	Managed & Franchised	Digital & Professional Services
Divisional Free Cash Flow	587	79	144
Growth capex and acquisitions	(57)	n/a	(36)

\$m	IWG Group
Total cashflow from divisions	717
Central Overhead	(502)
Working Capital and other	(10)
Group FCF from Business Operations	205
Tax	(36)
Interest	(72)
FCF to Equity	97
Dividends	(17)
Reduction in Net Debt	(63)

#### All three divisions performing strongly

- Managed & Franchised network growth is driving fee income and cash flow
- Company Owned margin expansion and cashflow
- Digital & Professional Services underlying growth
- \$205m group free cashflow from business operations

## Record system revenue and cost control driving EBITDA



# A transformational year for finance operations and capital structure

- c\$10m investment in core Finance systems
- First full year operating with USD as functional currency
  - Reduction in constant vs actual currency delta
  - No debt now denominated in GBP and no exposure to UK Interest Rates
- US GAAP financials being finalised by half year
- Working capital improvements expected to deliver more cashflow in 2025 following one offs in 2024
- Refinancing of \$1.4bn debt facilities
  - First ever credit rating Investment grade BBB (Stable)
  - First ever public bond which has traded well post issuance
  - Transaction recognised with deal of the year nomination



### Total capex continues to decline

With a continued pivot to systems

Capital expenditure - \$m	Managed & Franchised	Company Owned	Digital & Professional Services	2024	Managed & Franchised	Company Owned	Digital & Professional Services	2023	Change (%)
Net growth capital expenditure on leased centres	n/a	51	10	61	n/a	70	15	85	(28)%
Growth capital expenditure on Intangible Assets	n/a	6	21	27	n/a	8	2	10	170%
Net Growth capital expenditure	n/a	57	31	88	n/a	78	17	95	(8)%
Net maintenance capital expenditure on leased centres	n/a	45	-	45	n/a	49	-	49	(8)%
Maintenance capital expenditure on Intangible Assets	n/a	48	_	48	n/a	54	10	64	(25)%
Net Maintenance capital expenditure	n/a	93	-	93	n/a	103	10	113	(20)%

• Our capital-light strategy allowed us to significantly increase our network whilst simultaneously cutting capex.

33

- We opened 100% more centres in 2024 than 2023 while total capex fell 13%
- New centre capex expected to continue to decline, expected not to be more than \$25m in 2025
- Growth capex on intangibles includes one off technology and project related spend and should decline in 2025
- Maintenance capex expected to remain broadly flat

### Summary P&L

#### Return to EPS profitability

Preliminary results - \$m	2024	2023	Change (%)
System-wide revenue	4,231	4,157	2%
Group revenue	3,690	3,689	0%
Cost of Sales, incl lease depreciation	(2,586)	(2,957)	(13)%
Gross profit	1,104	732	51%
Margin	30%	20%	
Overheads & Joint Ventures	(594)	(553)	7%
Operating profit	510	179	185%
Net finance cost, incl. lease interest	(457)	(416)	10%
Profit before tax from continuing operations	53	(237)	
Taxation	(34)	(34)	
Profit after tax from continuing operations	19	(271)	
Basic EPS (c)	2.0	(26.7)	
Adjusted EBITDA before application of IFRS 16	557	503	11%

- Record system revenue of \$4.2bn driven by growth in both Company-owned (5% across open centres), and Managed & Franchised (17%)
- Substantial reduction in cost of sales through cost discipline and ongoing focus on expanding Company-owned margin led to strong growth in gross profit
- Strong underlying Group revenue combined with margin expansion and decreasing core overheads delivering EBITDA of \$557m (+11% year-on-year)
- Positive full year earnings for the first time since the pandemic

### Why we focus on pre-IFRS 16 EBITDA

\$m	2024	2023
Operating profit	510	179
Depreciation & amortisation	1,344	1,472
Adjusting items	(30)	117
Adjusted EBITDA – IFRS 16	1,824	1,768
Rentincome	67	76
Rent expense	(1,343)	(1,381)
Othercosts	(4)	(9)
Adjusting items	13	49
Adjusted EBITDA – pre-IFRS 16	557	503

- Adjusted EBITDA on an IFRS 16 basis is \$1.8bn
  - Note that IFRS 16 EBITDA excludes IWG's largest cost
     rent, and therefore is a meaningless figure
- We then deduct the actual P&L rent expense to reach the pre-IFRS 16 EBITDA of \$557m
- This EBITDA measure is used by most equity research analysts and is used for covenant testing in our bond and bank documentation

#### Focus on cash

\$m	2024	2023
Adjusted EBITDA - pre-IFRS 16	557	503
Working capital (excl. amortisation of landlord contributions on leased property)	(51)	118
Working capital related to the amortisation of landlord contributions on leased property	(110)	(118)
Maintenance capital expenditure (net)	(93)	(113)
Otheritems	(5)	(16)
Cashflow from business activities		375
Tax paid	(36)	(43)
Finance costs on bank & other facilities	(72)	(69)
Cashflow before growth capex, financing activities and dividends	190	263
Net growth capital expenditure	(88)	(95)
Purchase of subsidiary undertakings (net of cash)	(5)	(13)
Cashflow before financing activites and dividends	97	155

- Continued to grow our business and revenues whilst managing the cost base resulting in a cash inflow of\$298m
- Working capital one-offs in H12024, discussed on the next slide
- Net growth capex continued to decline in 2024 in line with our pivot to capital light growth
- Maintenance capex well controlled and stable
- Cashflow generation driving further de-levering, progressive dividend policy and share buyback programme
- Cashflow in 2025 expected to be higher than 2024

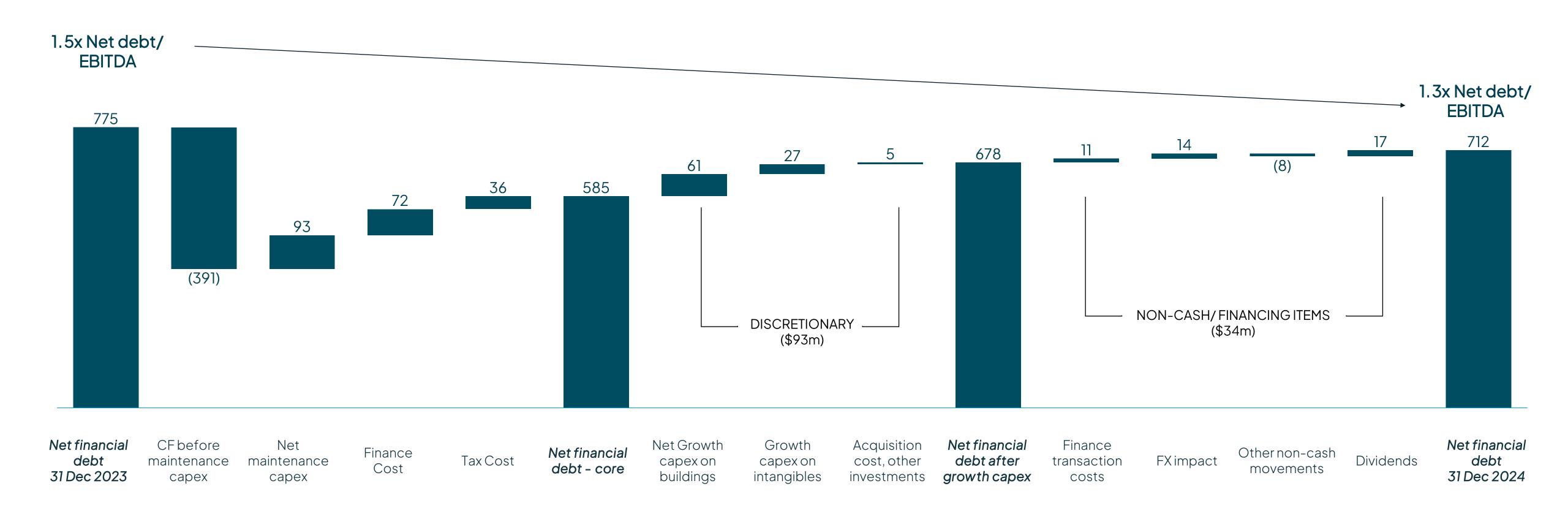
### Working Capital movements

\$m	2024	H1 2024	H2 2024
Trade receivables and deferred revenue	(21)	(16)	(5)
Customer deposit movements (excluding FX)	21	13	8
Trade payables, net of managed partnership receivables	(3)	(1)	(2)
Prepayments and accruals	(39)	(32)	(7)
Landlord contributions relating to leased centres	(9)	(11)	2
Total	(51)	(47)	(4)

- Working capital outflow of \$47m in H12024 as discussed at the half year results in August, but broadly flat in H2
- Deposits, excluding FX revaluation of deposit balance, continue to grow
- One-offs include:
  - Services division contract outflow within trade receivables
  - Prepayments made in H12024
  - \$13m impact from property taxes, as discussed in Company-Owned

#### Net Debt / EBITDA fallen further

Continued progress on de-levering, \$190m cashflow before discretionary items



# Financial model supports enhanced shareholder returns

- Post the milestone debt refinancing extending debt maturities to 2029 / 2030, and the new revolving credit facility, the foundations are in place to consider further returns to shareholders
- The capital allocation policy of leverage reduction and a progressive dividend remain in place, but adding a \$50m share buyback programme
- We maintain our commitment to a BBB credit rating and continued de-levering
- Additionally, we will be acquiring the remaining 10.7% minority shares outstanding in The Instant Group at the original purchase price per share, predominantly using already issued Treasury shares



### 2025 and beyond

#### Delivering in-line with expectations

- Management expects pre-IFRS 16 EBITDA to be in the range of \$580m to \$620m for 2025
- Cashflow generation in 2025 expected to be higher than in 2024
- Reiterate our medium-term EBITDA target of \$1bn
- US GAAP numbers being released by half year
- Final dividend of 0.90c per share recommended
- \$50m share buyback programme announced
- Investor Day to be held on 4<sup>th</sup> December 2025 in New York City

