

6 May 2025

## FIRST QUARTER TRADING STATEMENT

International Workplace Group plc, the world's largest hybrid workspace platform with a network in over 120 countries through workspace, professional services and digital brands such as Regus, Spaces, HQ, Signature and Instant Offices, issues its first quarter trading statement for the three months ended 31 March 2025.

### GROWTH AND CONTINUED CASH GENERATION DRIVING INCREASED SHARE BUYBACK PROGRAMME AND LEVERAGE REDUCTION

- System-wide revenue of \$1,057m, growth of 2% on a year-over-year basis
- Network and coverage expansion continues with higher signings and openings year-over-year
  - Q1 2025 signings 224 (2024: 212)
  - Q1 2025 openings 165 (2024: 142)
- Company-owned division year-over-year revenue growth of 3% in open centres
- Managed & Franchised division year-over-year system revenue growth of 23% leading to 43% growth in fee income in the quarter
- Delivering in-line with capital allocation policy driven by cash generation:
  - Reduction in net financial debt by \$83m in the 12 months to 31 March 2025 and further reduction in net financial debt during the quarter
  - As of today, completed over \$30m of the \$50m share buyback programme announced on 4 March 2025
- Increasing share buyback programme from \$50m to \$100m, with the already-announced \$50m expected to be completed by the H1 2025 announcement on 5 August
- Maintaining FY 2025 guidance with pre-IFRS 16 EBITDA range of \$580-\$620m on a constant currency basis and further leverage reduction

**Mark Dixon, Chief Executive of International Workplace Group plc, said:**

"I am delighted with our start to 2025 despite uncertainty globally. March was a record sales month, and lead indicators such as enquiries and tours are running at all-time highs in the US despite the challenging macroeconomic backdrop. We continue to see signings, and openings grow as we further expand our network and coverage, allowing the flywheel of our business model to keep delivering greater cashflow whilst requiring less capital to grow than historically. We are delighted to continue to deliver returns to our shareholders whilst simultaneously reducing debt in-line with our targets."

## SUMMARY FINANCIALS

| (\$m)                                              | Q1 2025 | Q1 2024 | Change |
|----------------------------------------------------|---------|---------|--------|
| System-wide revenue                                | 1,057   | 1,035   | 2%     |
| Managed & Franchised                               | 171     | 139     | 23%    |
| Company-owned                                      | 802     | 799     | 0%     |
| Company-owned (Open Centres)                       | 790     | 764     | 3%     |
| Digital & Professional Services                    | 84      | 97      | (13)%  |
| Digital & Professional Services underlying revenue | 84      | 83      | 2%     |
| Group revenue                                      | 909     | 912     | 0%     |
| Net financial (debt) <sup>1</sup>                  | (708)   | (791)   |        |

1. Before the application of IFRS 16 as defined in the Alternative Performance measures section of the 2024 Annual Report and Accounts

## Managed & Franchised: momentum in system-revenue and fee income continues

Total fee revenue increased 43% in the quarter on a year-over-year basis as system-revenue grew by 23% as previously signed rooms evolve into openings, and already open rooms continue to mature. At the end of Q1, we had 202,000 rooms open, and a further 192,000 rooms signed, not yet open. We expect to see an increase in the run-rate of room and centre openings in Q2 2025 vs Q1 2025. Once these rooms are all open and mature, they are expected to produce system-wide revenues of \$1.5bn per year.

|                                    | Q1 2025 | Q1 2024 | Growth |
|------------------------------------|---------|---------|--------|
| System (Partner) revenue (\$m)     | 171     | 139     | 23%    |
| RevPAR (\$)                        | 301     | 388     | (22)%  |
| <i>Managed</i>                     | 165     | 215     | (23)%  |
| <i>Franchised</i>                  | 470     | 469     | 0%     |
| Fee revenue (\$m)                  | 23      | 16      | 43%    |
| Rooms open                         | 202,000 | 141,000 | 43%    |
| Centres open                       | 1,232   | 800     | 54%    |
| Rooms opened in the period (net)   | 16,000  | 18,000  | (11)%  |
| Centres opened in the period (net) | 116     | 118     | (2)%   |
| Rooms in pipeline                  | 192,000 | 138,000 | 39%    |
| New centre deals signed            | 196     | 179     | 9%     |

## Company-owned: more revenue growth

Company-owned saw a return to revenue growth driven by 3% growth in open centre revenues and margins continued to expand on a year-over-year basis. We signed 28 new locations and opened 43 in the quarter – the majority of these centres are capital-light in nature. Net growth capex continues to fall year-over-year in line with our strategy to grow via our capital-light operating model.

|                                    | Q1 2025 | Q1 2024 | Growth |
|------------------------------------|---------|---------|--------|
| Revenue (\$m) <sup>2</sup>         | 802     | 799     | 0 %    |
| Revenue (Open Centres)             | 790     | 764     | 3%     |
| RevPAR (\$)                        | 344     | 346     | (1)%   |
| Rooms open                         | 774,000 | 769,000 | 1 %    |
| Centres open                       | 2,881   | 2,826   | 2%     |
| Rooms opened in the period (net)   | (1,000) | (3,000) |        |
| Centres opened in the period (net) | 8       | (6)     |        |

2. Network rationalization has had an impact on revenue growth while contributing to margin expansion on a year-over-year basis

## RevPAR

RevPAR is a monthly average KPI, defined as the system-wide revenue of the IWG Network (excluding Digital & Professional Services and excluding centres opened and closed during the year), divided by the number of available rooms, which is defined as 7 square metres across all usable space. Given the scale of the growth and room additions that the Company is adding to the Network, RevPAR excluding centres opened in 2024 is presented below to show RevPAR progression excluding the impact of centres not yet mature.

It is expected that the higher-growth segments will show a falling year-over-year RevPAR because new locations that have opened are not yet mature are contained within the calculation.

| System RevPAR (\$, monthly average) | Q1 2025    | Q1 2025 ex 2024 Openings | Q1 2024    | % change    |
|-------------------------------------|------------|--------------------------|------------|-------------|
| Managed & Franchised                | 301        | 421                      | 388        | (22)%       |
| <i>Managed</i>                      | 165        | 286                      | 215        | (23)%       |
| <i>Franchised and JVs</i>           | 470        | 486                      | 469        | 0%          |
| Company-Owned                       | 344        | 355                      | 346        | (1)%        |
| <b>IWG Network</b>                  | <b>336</b> | <b>363</b>               | <b>352</b> | <b>(5)%</b> |

## Digital & Professional Services

Digital & Professional Services is focused on capturing the full value chain from the structural growth of hybrid working through continued investment in and development of the platform by adding new services and geographies to its operations. Underlying revenues, which exclude an exited contract, grew by 2%.

| (\$m)                     | Q1 2025 | Q1 2024         | Growth |
|---------------------------|---------|-----------------|--------|
| Revenue                   | 84      | 97              | (13)%  |
| <i>Underlying revenue</i> | 84      | 83 <sup>3</sup> | 2%     |

3. Excluding the impact of an exited contract

## Financing and Net Debt

| (\$m)                                   | 31 March 2025 | 31 Dec 2024  | 31 March 2024 |
|-----------------------------------------|---------------|--------------|---------------|
| Cash                                    | 144           | 148          | 170           |
| Drawn RCF                               | -             | -            | (521)         |
| 2027 0.5% Convertible Bond <sup>4</sup> | (173)         | (193)        | (419)         |
| 2030 6.5% Corporate Bond <sup>4</sup>   | (653)         | (648)        | 0             |
| Other                                   | (26)          | (19)         | (21)          |
| <b>Pre-IFRS 16 net financial debt</b>   | <b>(708)</b>  | <b>(712)</b> | <b>(791)</b>  |

4. Corporate Bond and Convertible Bond principal are net of derivative hedges to remove USD FX volatility

Net financial debt reduced over the quarter driven by:

- Improved cash flows from our revenue growth, cost control and continued focus on our capital-light operating model
- 2027 0.5% Convertible Bond: £17.5m (\$23m) repurchase in March 2025 (at a weighted average price of 96.5%), representing a total consideration of £17m (\$22m))
- Interest payments on the 2030 6.5% Corporate Bond being made on a semi-annual basis in June 2025 (\$31m) and December 2025 (\$28m)

Offset by:

- Repurchase of 4,362,944 shares for \$10m as part of the share buyback programme as at 31 March 2024
- Annual cash bonus payment, as accrued for at 31 December 2024
- Foreign exchange impacts (\$4m) of a weakening USD against EUR increasing the carrying value of the unhedged portion of the 2030 6.5% Corporate Bond. The remaining unhedged portion was fully hedged on 11 April 2025.

## Outlook and guidance

Whilst the Group's core activities are not directly impacted by trade tariffs, we are cautious given the macroeconomic uncertainty and volatility. March was a record month for sales both globally and in the US; to date we have seen no impact on signings or openings.

Accordingly, our expectations for 2025 remain unchanged. We see continued growth in pre-IFRS 16 EBITDA with FY 2025 expectation of \$580m to \$620m on a constant currency basis, net debt/EBITDA continuing to fall and centre openings and signings above FY 2024 levels.

Saying that, we believe that the impact of the US tariffs on the global economy remains unknown. In the medium term we continue to target \$1bn pre-IFRS 16 EBITDA. We also reiterate our commitment to maintaining an Investment Grade credit rating (at BBB) and we expect to continue to reduce leverage on a net debt / EBITDA basis. We would also reduce the rate of our share buyback programme if doing so would maintain leverage below year-end 2024 levels on a net debt / EBITDA basis, or to maintain our BBB credit rating.

We expect US GAAP to be implemented for the half year 2025 results, and the Group will host investor workshops to discuss the impact of these changes before the Group's interim results.

## Financial calendar

|                 |                                   |
|-----------------|-----------------------------------|
| 20 May 2025     | Annual General Meeting            |
| 30 May 2025     | Final 2025 dividend payment date  |
| 5 August 2025   | 2025 Interim Results              |
| 4 November 2025 | Third Quarter 2025 Trading Update |
| 4 December 2025 | Investor Day in New York City     |

## Details of results presentation

Mark Dixon, Chief Executive Officer, and Charlie Steel, Chief Financial Officer, will be hosting a conference call for analysts and investors at 9am UK time.

Please pre-register through PC, Mac, iOS or Android to attend the conference call using the link below:  
[https://brunswickgroup.zoom.us/webinar/register/WN\\_CG-A\\_6ZtSLuzkCBh1THTqQ](https://brunswickgroup.zoom.us/webinar/register/WN_CG-A_6ZtSLuzkCBh1THTqQ)

## Further information

### International Workplace Group plc

Mark Dixon, Chief Executive Officer  
Charlie Steel, Chief Financial Officer  
Richard Manning, Head of Investor Relations

**Brunswick** Tel: +44 (0) 20 7404 5959

Nick Cosgrove  
Greg Dawson