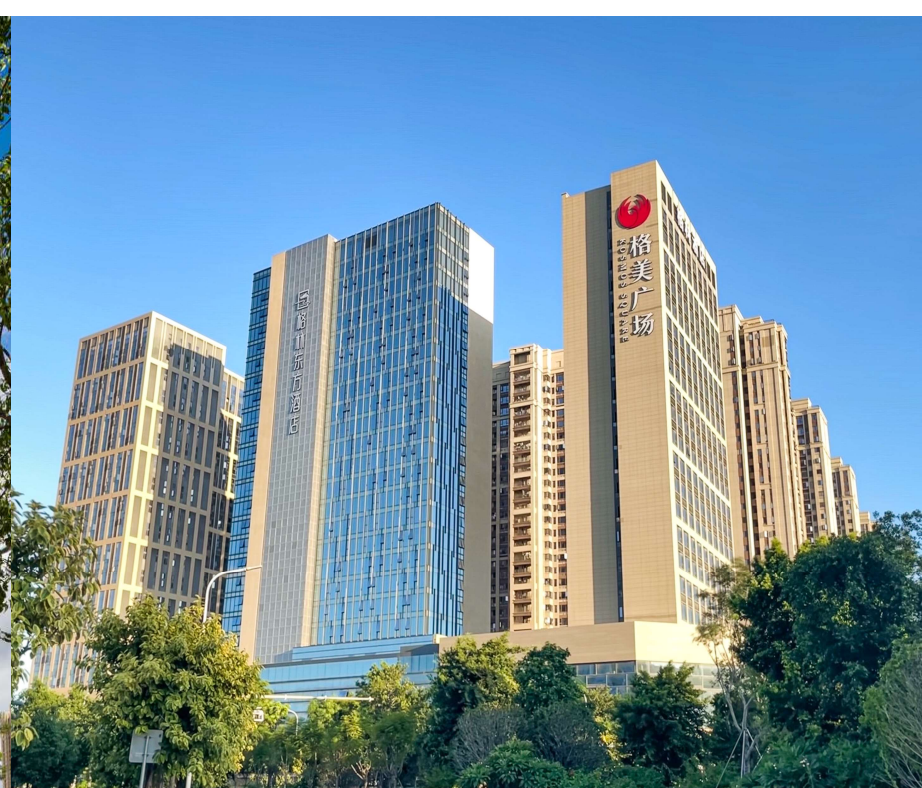
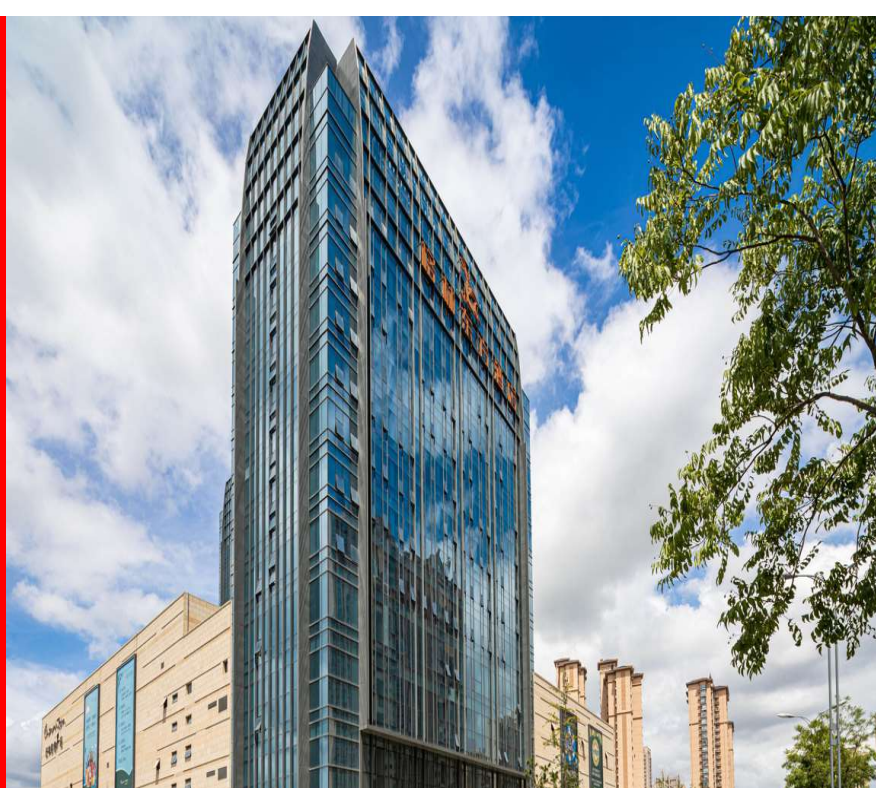




# First Half 2022 Results

**December 27, 2022**







This presentation does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities. Neither this presentation nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. Specifically, this presentation does not constitute a “prospectus” within the meaning of the Securities Act of 1933, as amended.

Our historical results are not necessarily indicative of results to be expected for any future period. The financial data contained in this presentation for the periods and as of the dates indicated are qualified by reference to and should be read in conjunction with our financial statements and related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our public filings with the U.S. Securities and Exchange Commission (the “SEC”).

This presentation includes certain non-GAAP financial measures, which are different from financial measures calculated in accordance with U.S. GAAP. Such non-GAAP financial measures should be considered in addition to and not as a substitute for or superior to financial measures calculated in accordance with U.S. GAAP. In addition, the definitions of Adjusted EBITDA and Margin and Core Net Income and Margin in this presentation may be different from the definition of such terms used by other companies, and therefore comparability may be limited. A quantitative reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures has been included in this presentation.

Except for historical information, all of the statements, expectations, and assumptions contained in this presentation constitute forward-looking statements made under the “safe harbor” provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and the U.S. Private Securities Litigation Reform Act of 1995. These statements include descriptions regarding the intent, belief or current expectations of GreenTree Hospitality Group Ltd. (the “Company”), its officers or its management with respect to the consolidated results of operations and financial condition of the Company. The Company may also make written or oral forward-looking statements in its reports filed with or furnished to the SEC, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. These statements can be recognized by the use of words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to,” “confident,” “future,” words or expressions of similar meaning. Such forward-looking statements are not guarantees of future performance and involve known and unknown factors, risks and uncertainties that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Such factors and risks include, but are not limited to the following: the Company’s goals and growth strategies; its future business development, financial condition and results of operations; trends in the hospitality industry in China and globally; competition in our industry; fluctuations in general economic and business conditions in China and other regions where we operate; the regulatory environment in which we and our franchisees operate; and assumptions underlying or related to any of the foregoing. You should not place undue reliance on these forward-looking statements. Further information regarding these and other risks, uncertainties or factors is included in the Company’s filings with the SEC, copies of which are available for free in the Investor Relations section of the Company’s website at <http://ir.998.com> or upon request from the Company’s Investor Relations Department. All information provided, including the forward-looking statements made, in this presentation are current as of the date hereof. Neither the delivery of this presentation nor any further discussions of the Company after the date hereof shall, under any circumstances, imply that there has been no change in the affairs of the Company since such date. Except as required by law, the Company undertakes no obligation to update any such information or forward-looking statements to reflect events or circumstances after the date on which the information is provided or statements are made, or to reflect the occurrence of unanticipated events.



**01**



**First Half 2022  
Performance Review**

**02**



**First Half 2022  
Strategic Execution**

**03**



**First Half 2022  
Operating and  
Financial Highlights**

**04**



**Appendix**



格林东方酒店

GreenTree Eastern Hotel  
( International Trade City, Yiwu )

01

## First Half 2022 Performance Review

# First Half 2022 (H1) Highlights



	As % of 2021 H1	
RevPAR	<b>79.2%</b>	to RMB <b>92</b>
Total Revenues	<b>77.7%</b>	to RMB <b>457.4 MM</b>
Income from Operations	<b>-303.7%</b>	to RMB <b>-457.7 MM</b> with margin <b>-100.1%</b>
<i>Adjusted Income from Operations<sup>(1)</sup></i>	<b>21.9%</b>	to RMB <b>32.9 MM</b> with margin <b>7.2%</b>
Net Income	<b>-246.7%</b>	to RMB <b>-360.9 MM</b> with margin <b>-78.9%</b>
<i>Adjusted net income<sup>(2)</sup></i>	<b>46.7%</b>	to RMB <b>68.3 MM</b> with margin <b>14.9%</b>
Core Net Income (Non-GAAP) <sup>(3)</sup>	<b>86.3%</b>	to RMB <b>105.9 MM</b> with margin <b>23.2%</b>
Core Net Income per ADS(Non-GAAP)	<b>86.3%</b>	to RMB <b>1.03</b>

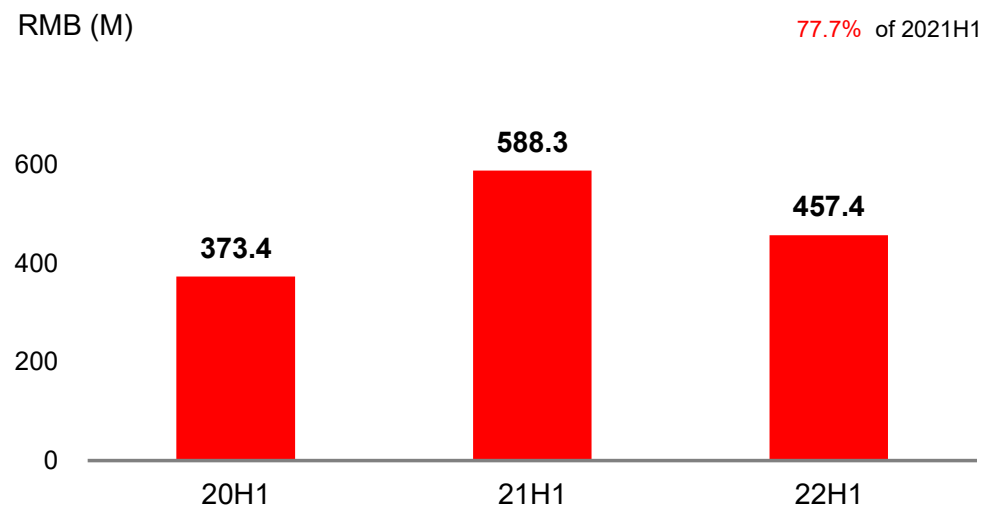
**Note:**

1. Adjusted income from operations is defined as income from operations excluding other general expenses, which includes one-time impairments and provisions for other assets.
2. Adjusted net income is defined as net income excluding other general expenses, which includes one-time impairments and provisions for other assets.
3. Core net income is calculated as net income plus share-based compensation, losses from investments in equity securities (net of 25% tax), one-time fees and expense and impairment charges and provisions for other assets but excludes government subsidies (net of 25% tax), gains from investment in equity securities (net of 25% tax), and other income (net of 25% tax).

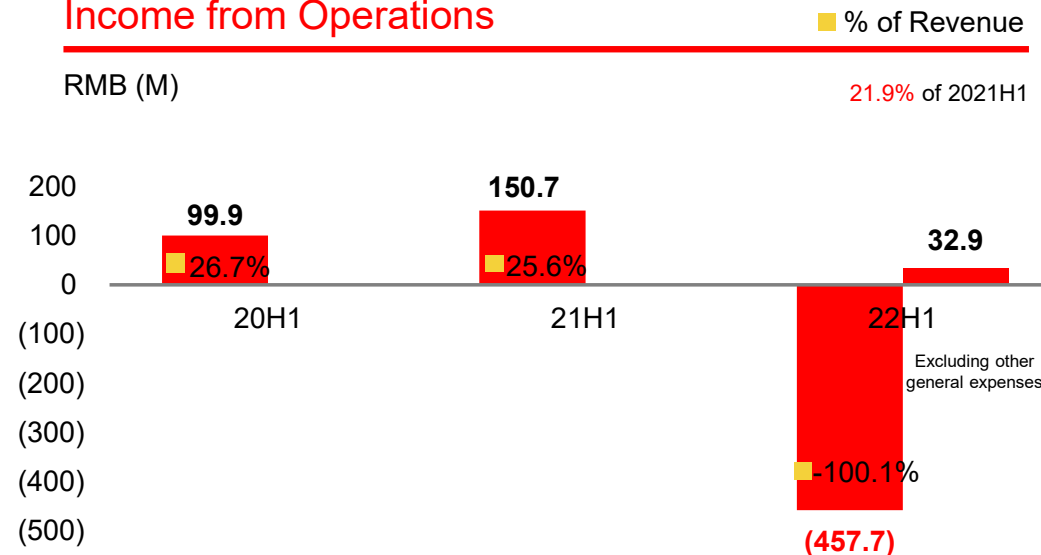
# Overview of 2022 H1



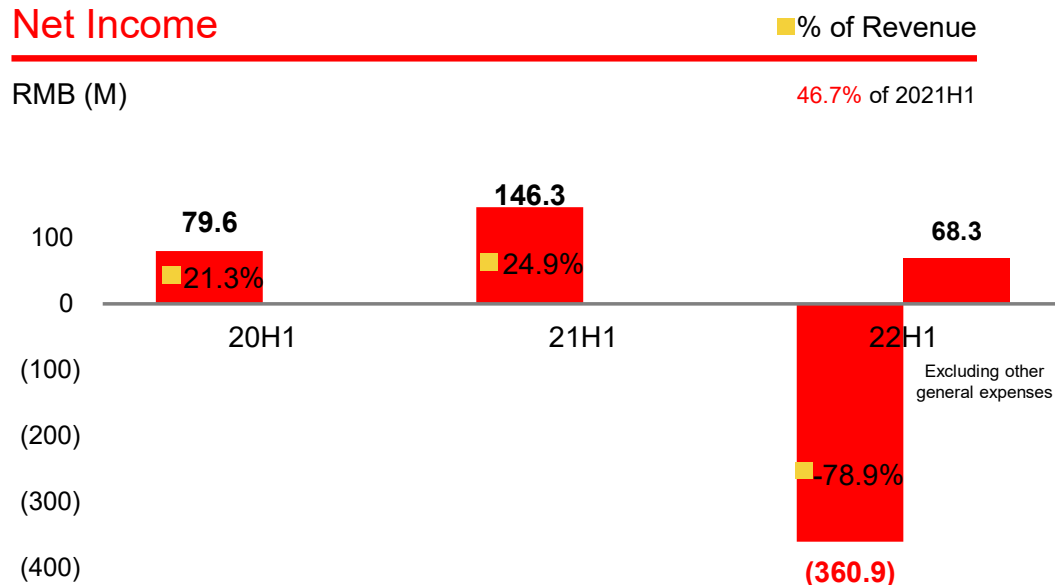
## Total Revenues



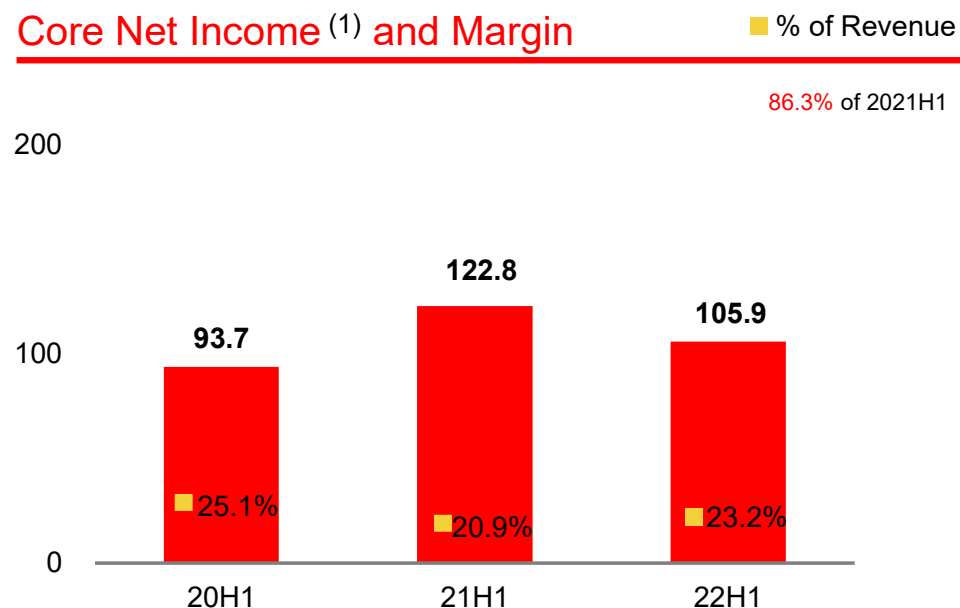
## Income from Operations



## Net Income



## Core Net Income <sup>(1)</sup> and Margin



**Note:**

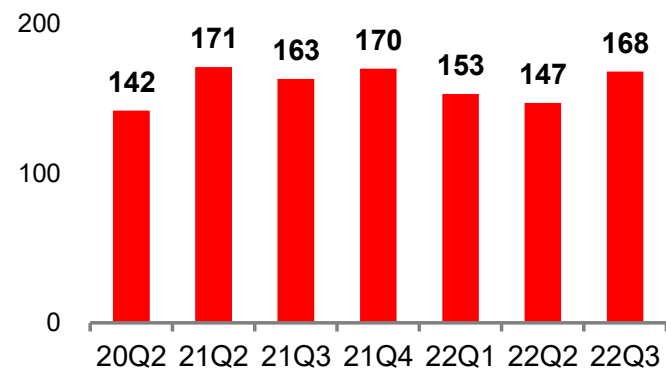
1. Core net income is calculated as net income plus share-based compensation, losses from investments in equity securities (net of 25% tax), one-time fees and expense and impairment charges and provisions for other assets but excludes government subsidies (net of 25% tax), gains from investment in equity securities (net of 25% tax), and other income (net of 25% tax).

# Overview of 2022 H1

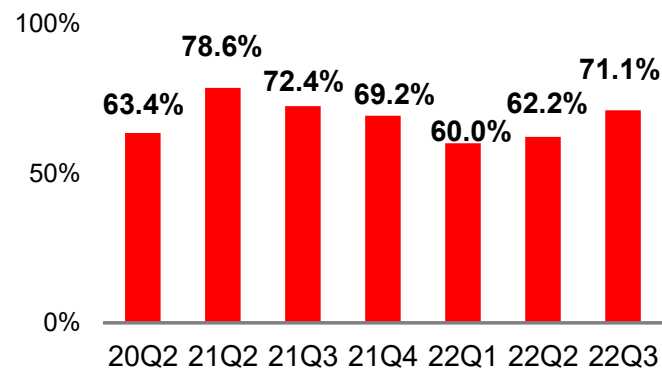


## ADR

RMB

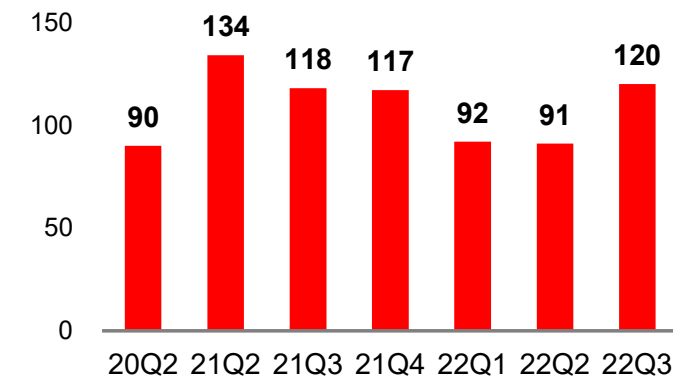


## Occupancy

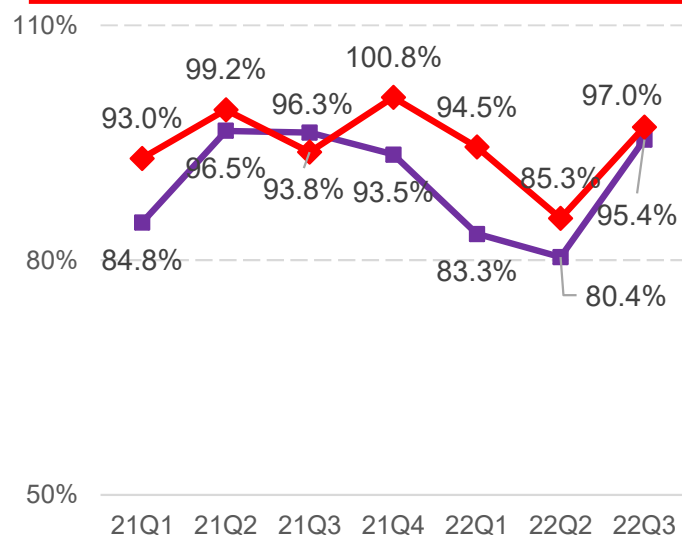


## RevPAR

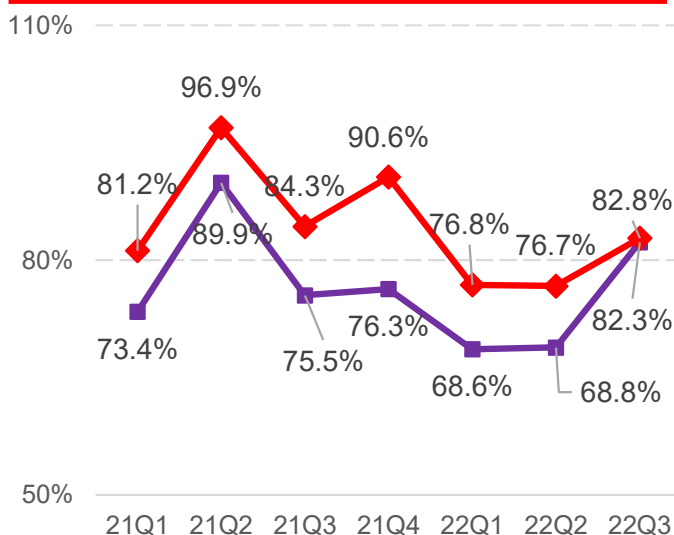
RMB



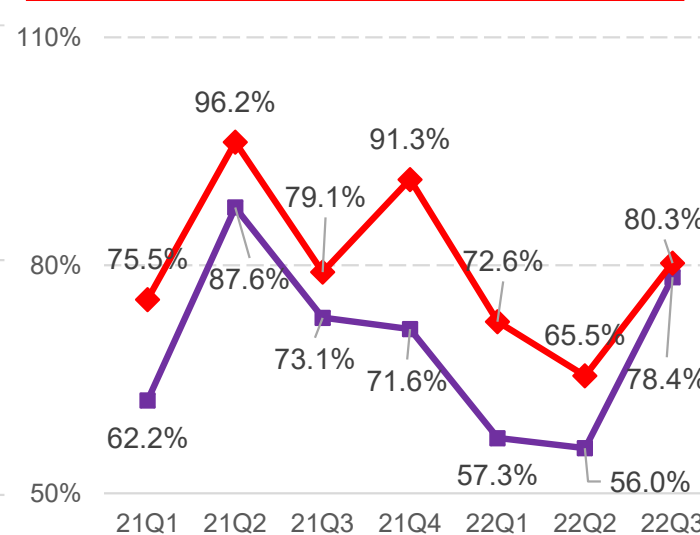
## ADR as % of 2019



## Occupancy as % of 2019



## RevPAR as % of 2019

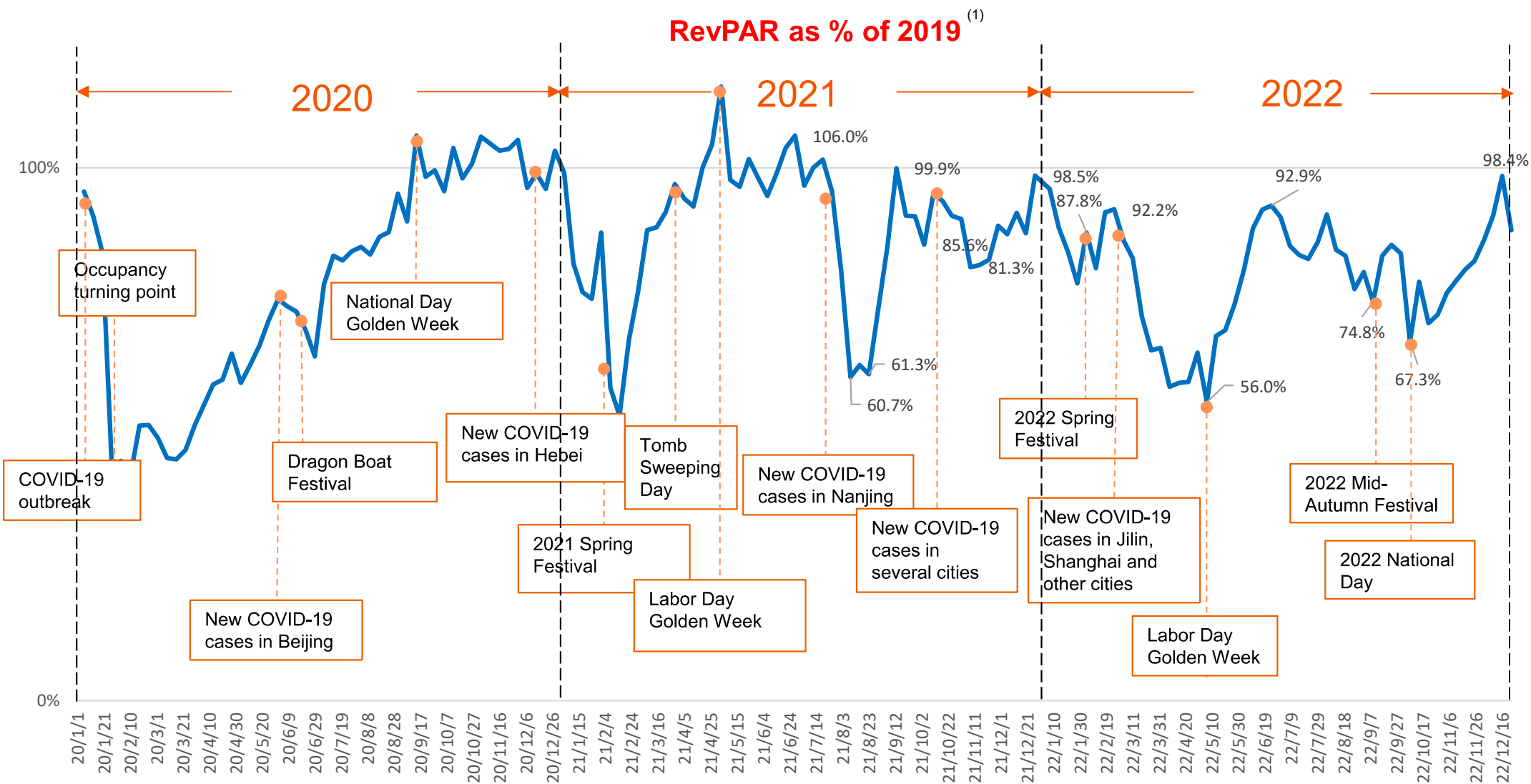


■ Hotels in China <sup>(1)</sup> ■ GreenTree

Note:

1. Based on STR monthly data.

# Overview of 2022 H1



Note:

1. Based upon weekly average RevPAR





02

First Half 2022 Strategic Execution



**Further Expansion into Mid-to-Upscale Segment**



**Greater Penetration in Tier 3 and Lower Cities in Southwest and South China**

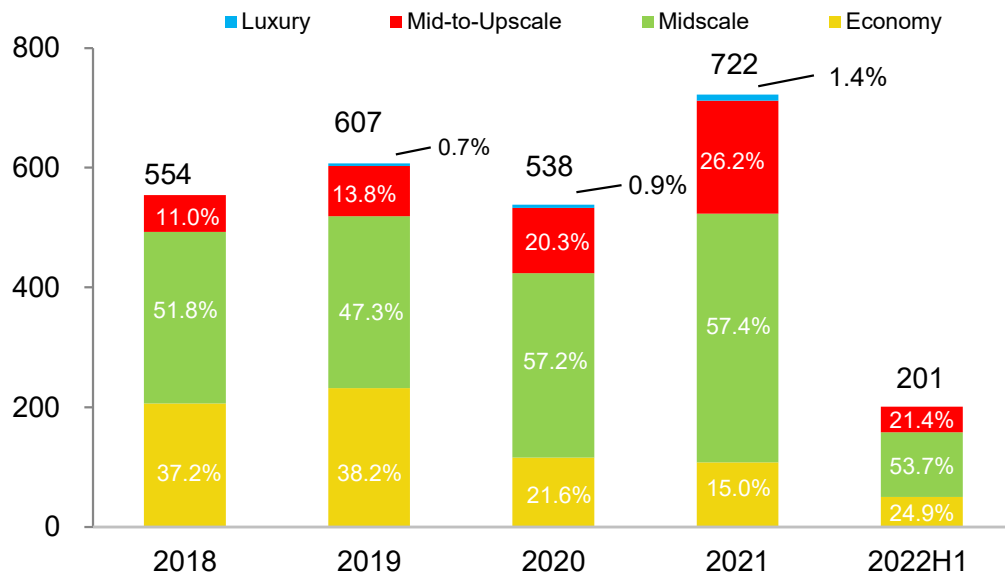


**Newly L&O Hotels Open Follow-up**

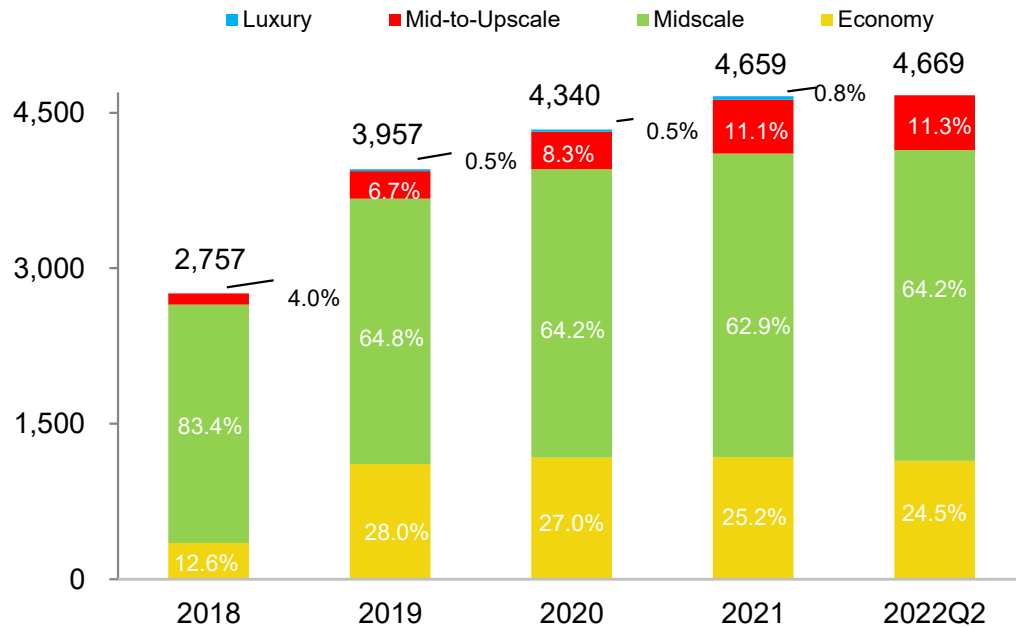
# Further Expansion into Mid-to-UpScale Segment



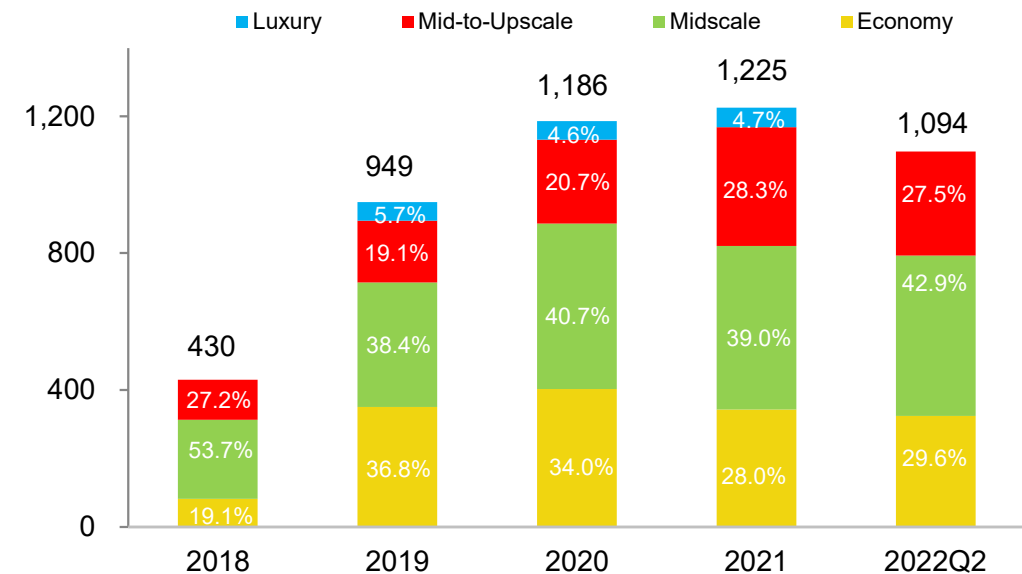
## New Openings Breakdown by Segment



## Hotel Breakdown by Segment



## Pipeline Breakdown by Segment

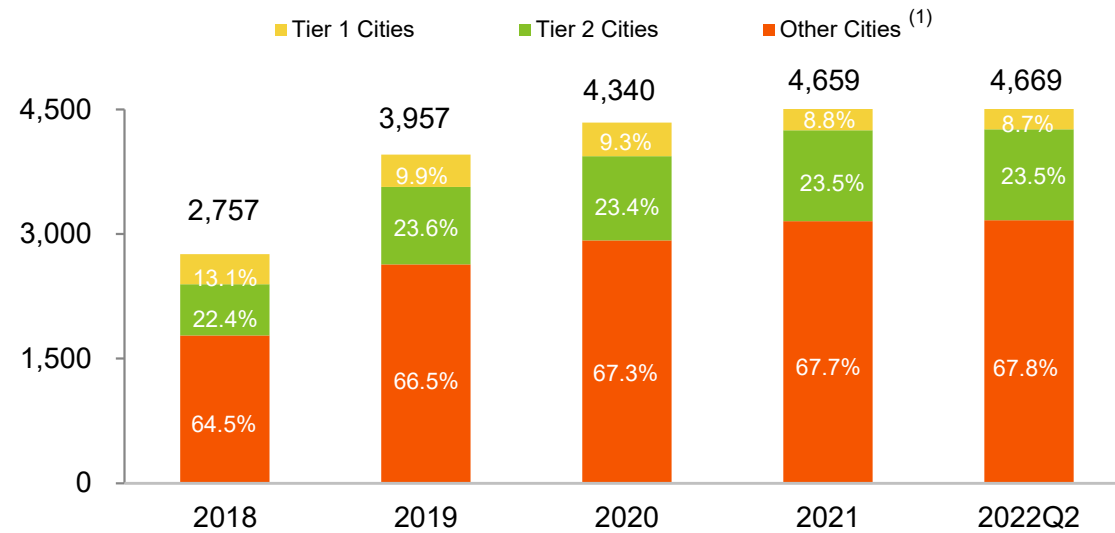




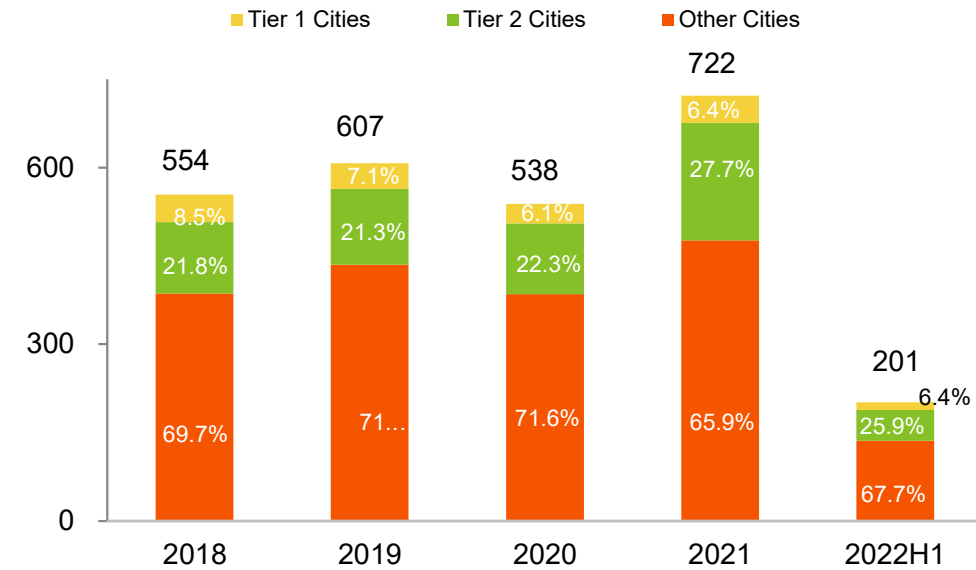
# Greater Penetration in Tier 3 and Lower Cities



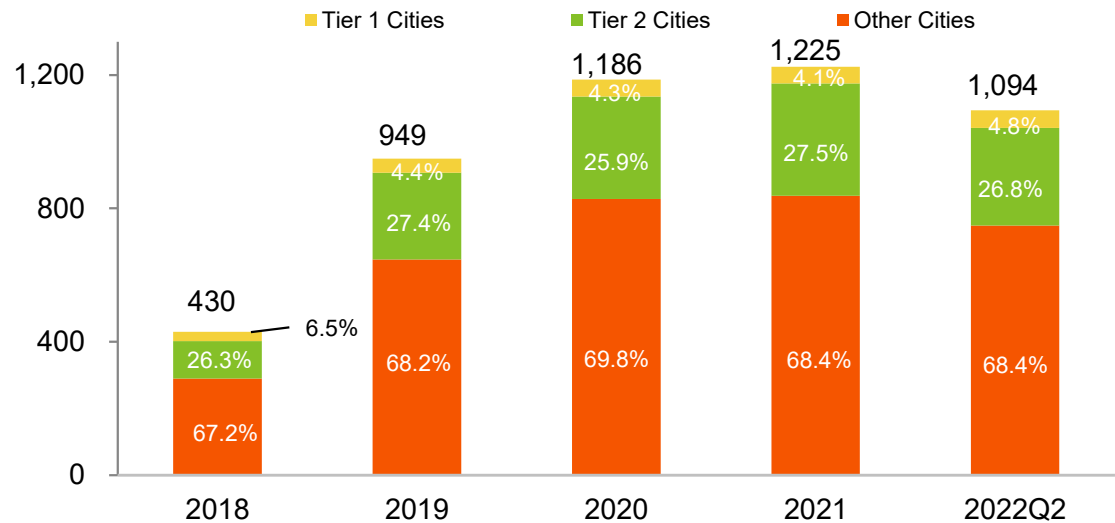
## Hotel Breakdown by City Tier



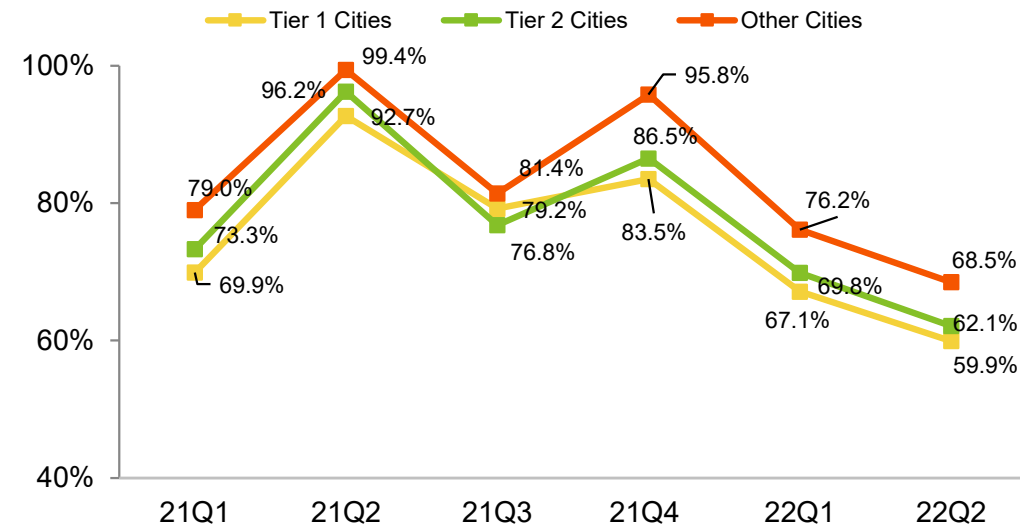
## New Openings Breakdown by City Tier



## Pipeline Breakdown by City Tier



## RevPAR Recovery % by City Tier compared with 2019



Note:

1. Tier 1 Cities refers to Beijing, Shanghai, Shenzhen and Guangzhou; Tier 2 Cities refers to the 32 major cities, other than Tier 1 Cities, including provincial capitals, administrative capitals of autonomous regions, direct-controlled municipalities and other major cities designated as municipalities with independent planning by the State Council.





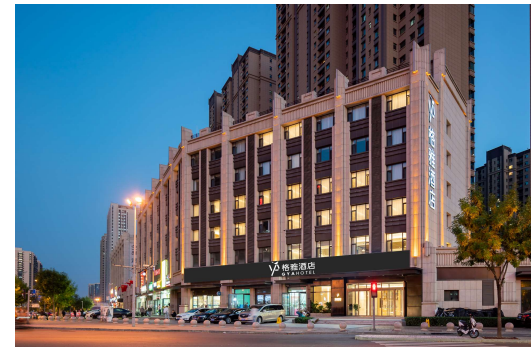
## ➤ Further Expansion into Mid-to-Upscale Brands

### Hotels opened in 2022



#### **Wumian Hotel (Hangzhou Haide Xingang Center Store)**

Open at: 2022.4  
City: Hangzhou  
No. of rooms: 50  
Rate: RMB 300-500



#### **Geya Hotel (Shanxi Grand Hospital, Jinyang Street, Taiyuan)**

Open at: 2022.9  
City: Taiyuan  
No. of rooms: 80  
Rate: RMB 300-500

### Hotels to open in 2023Q1



#### **GreenTree Eastern Hotel ( Haikou East Railway Station)**

To open: Under requisition since 2022.12  
City: Haikou  
No. of rooms: 130  
Rate: RMB 300-600



#### **GreenTree Eastern Hotel (Chongqing North Railway Station North Square)**

To open: 2023Q1  
City: Chongqing  
No. of rooms: 100  
Rate: RMB 300-600



#### **GreenTree Eastern Hotel (South High-speed Railway Station, Fuzhou City)**

To open: 2023Q1  
City: Fuzhou  
No. of rooms: 150  
Rate: RMB 300-600



#### **GreenTree Eastern Hotel (Chongqing Jiangbei International Airport)**

To open: 2023Q1  
City: Chongqing  
No. of rooms: 165  
Rate: RMB 300-600



格林东方酒店

GreenTree Eastern Hotel  
(Nanning Wuxiang  
Headquarter Base Metro  
Station )

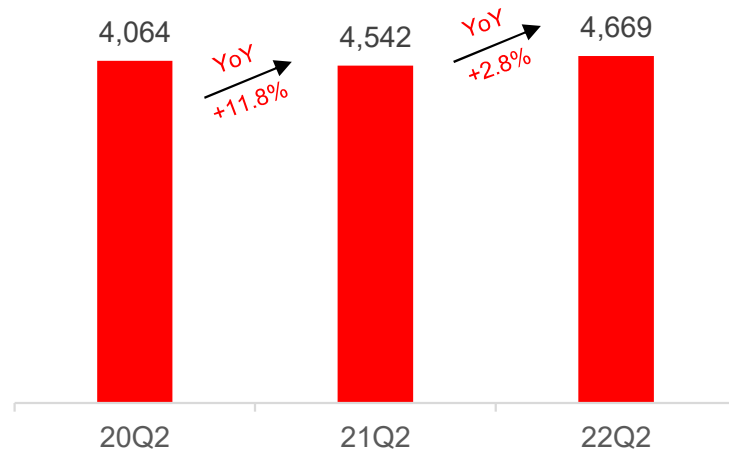


## 03 | Operating and Financial Highlights



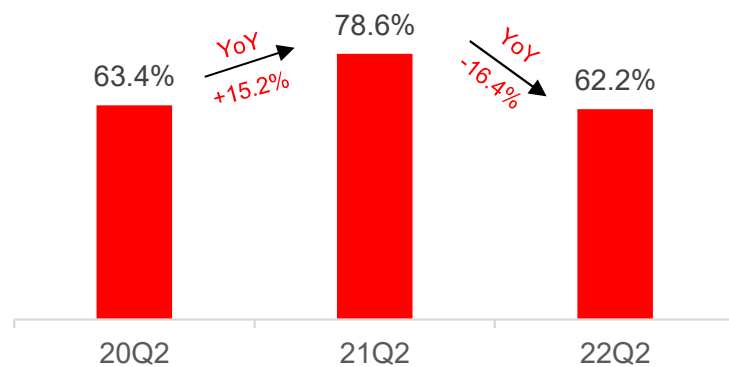
## Number of Hotels

In 367 cities



## Occupancy

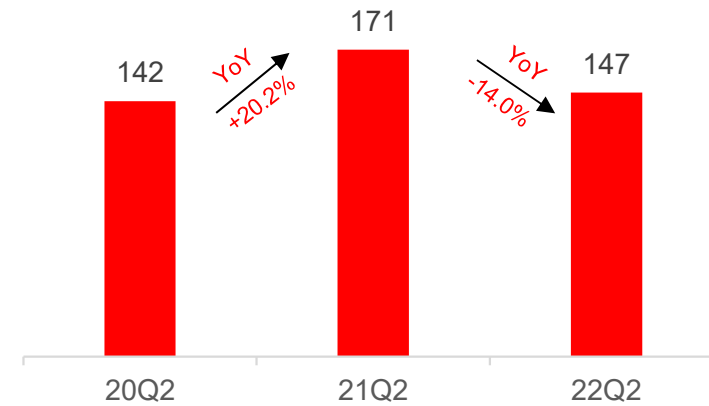
79.1% of 2021Q2



## ADR

RMB

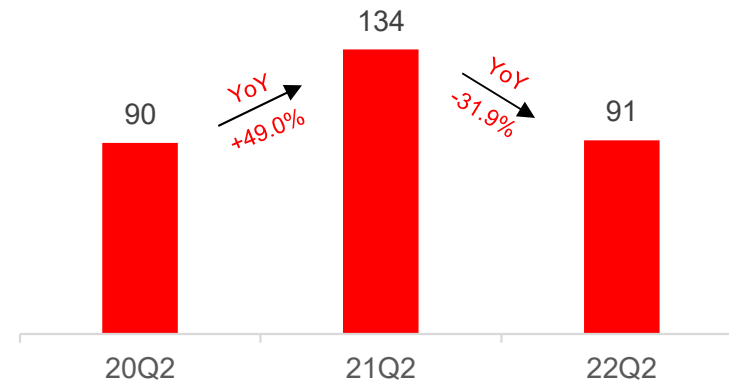
86.0% of 2021Q2



## RevPAR

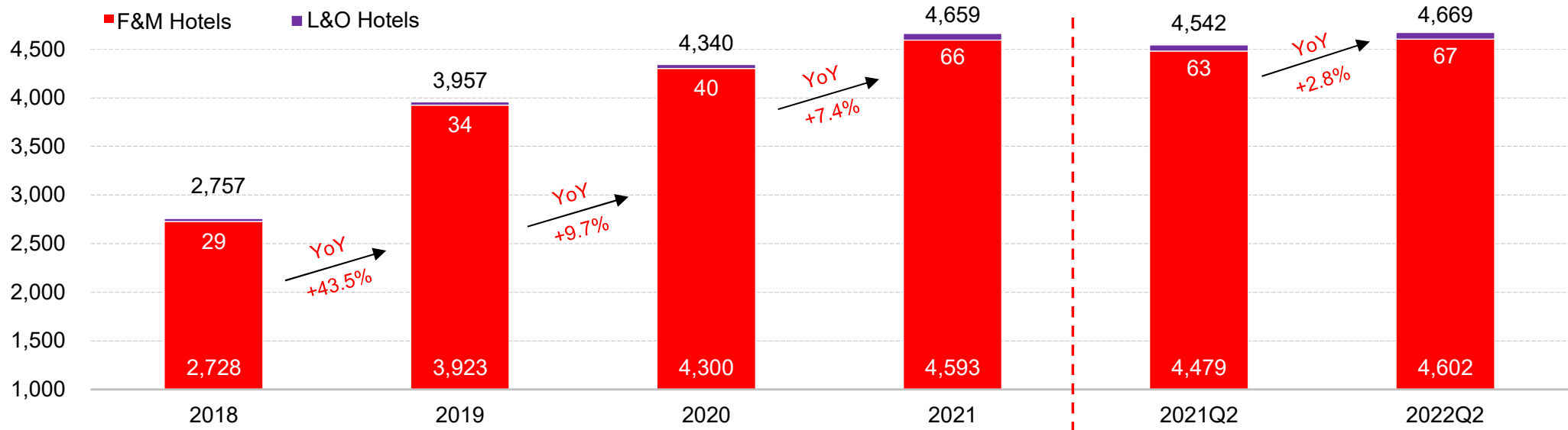
RMB

68.1% of 2021Q2



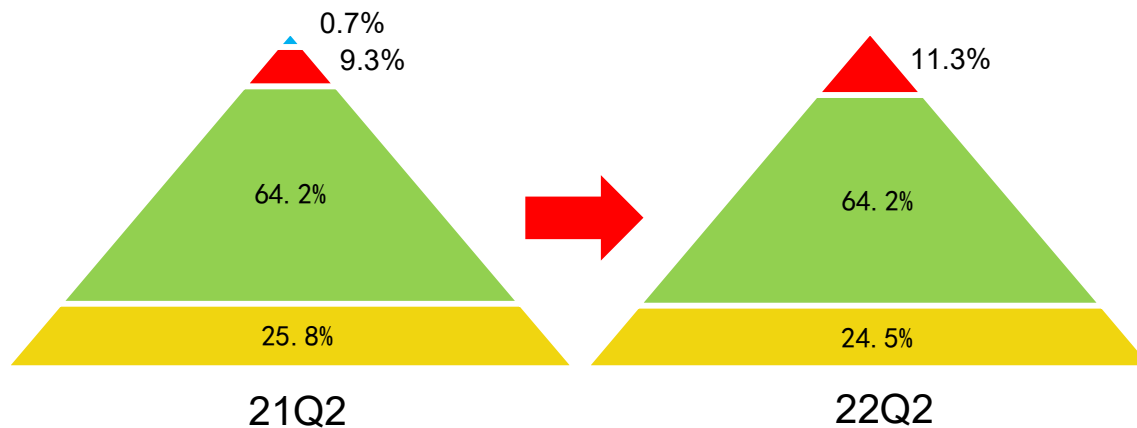


## Increasing Number of Hotels in Operation



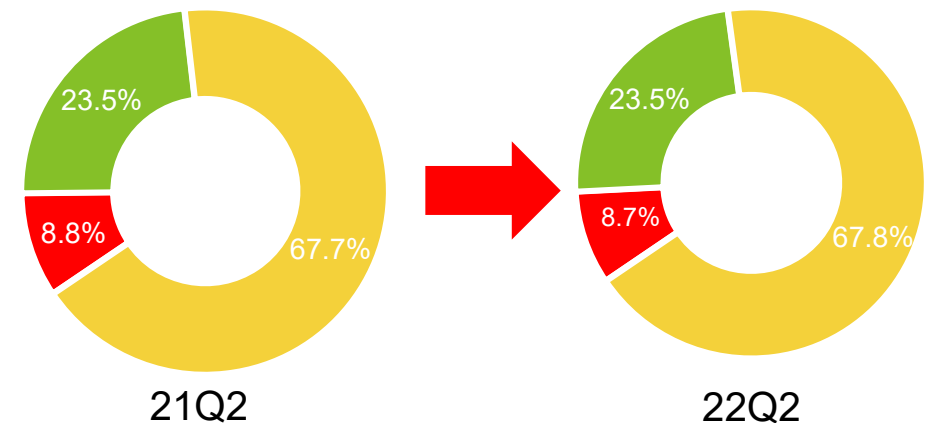
## Growth by Market Segment

■ Luxury ■ Mid-to-Up-Scale ■ Midscale ■ Economy



## Growth by City Tier <sup>(1)</sup>

■ Tier 1 Cities ■ Tier 2 Cities ■ Other Cities



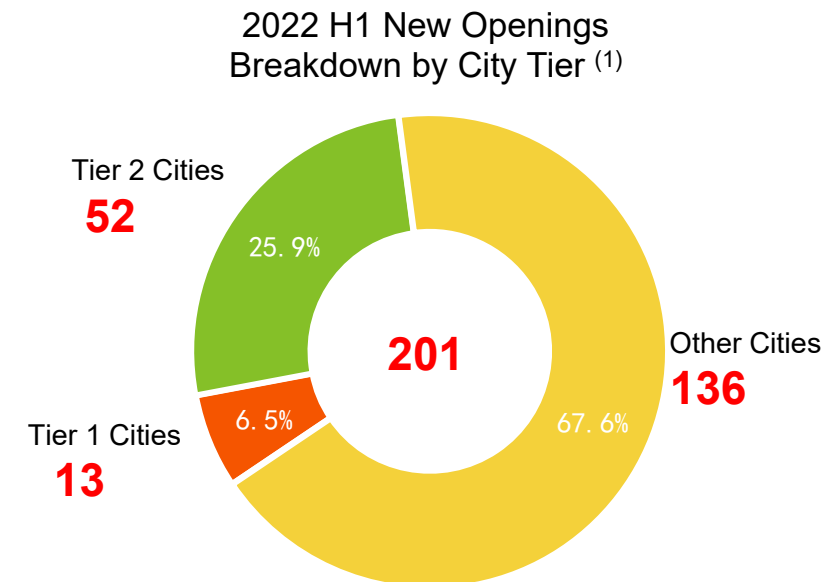
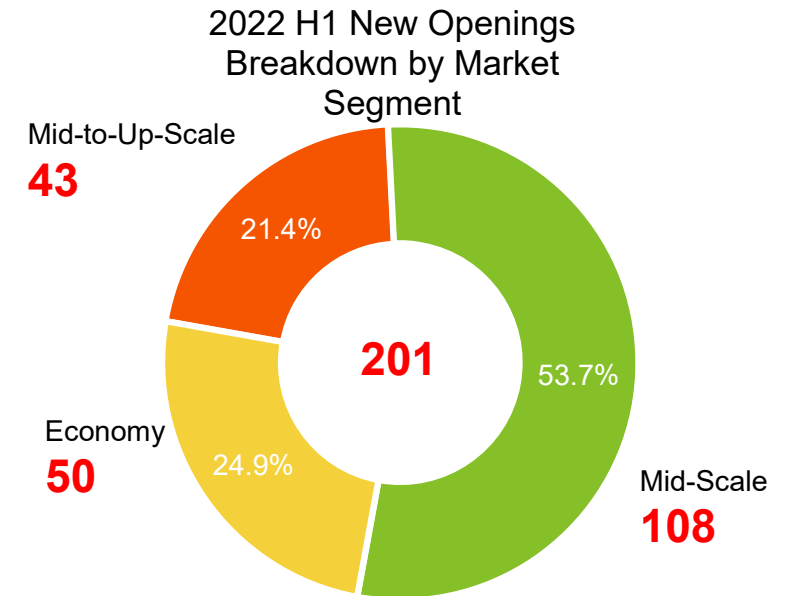
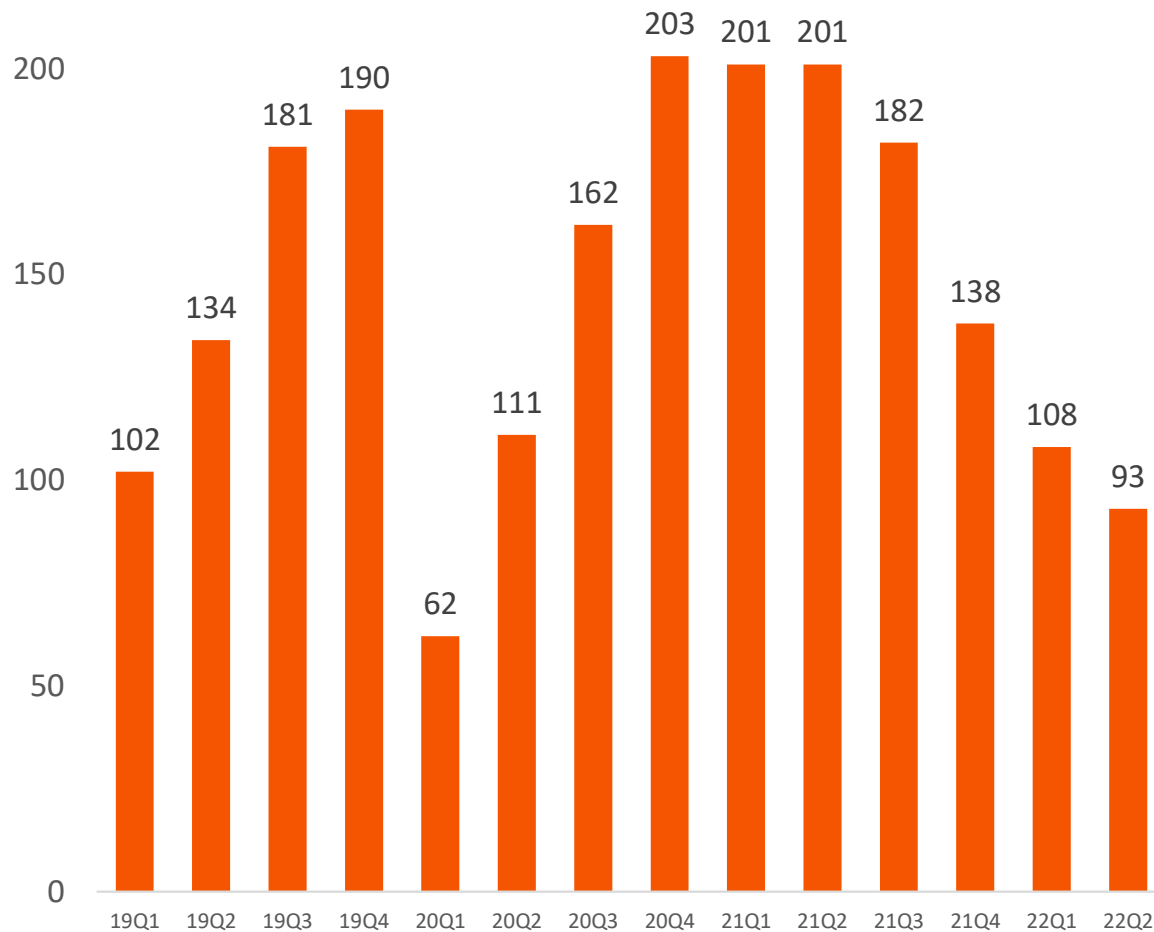
Note:

1. Tier 1 Cities refers to Beijing, Shanghai, Shenzhen and Guangzhou; Tier 2 Cities refers to the 32 major cities, other than Tier 1 Cities, including provincial capitals, administrative capitals of autonomous regions, direct-controlled municipalities and other major cities designated as municipalities with independent planning by the State Council.





## New Hotel Openings



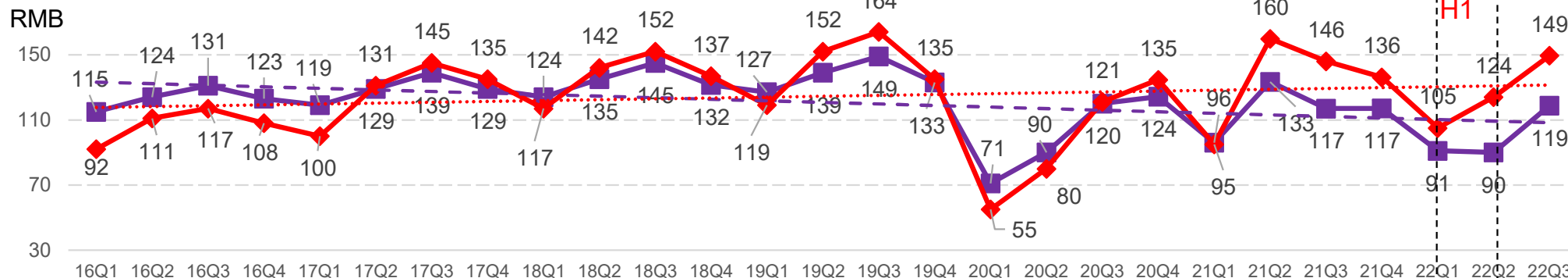
**Note:**

1. Tier 1 Cities refers to Beijing, Shanghai, Shenzhen and Guangzhou; Tier 2 Cities refers to the 32 major cities, other than Tier 1 Cities, including provincial capitals, administrative capitals of autonomous regions, direct-controlled municipalities and other major cities designated as municipalities with independent planning by the State Council.

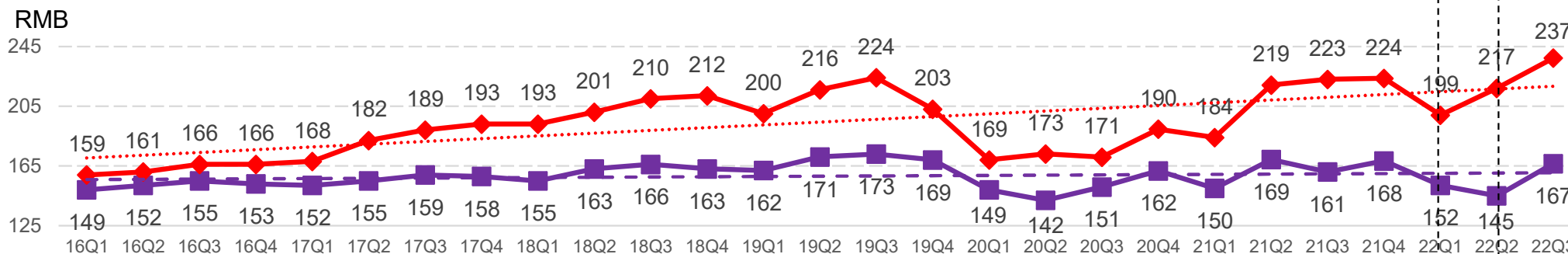
# Hotel Performance



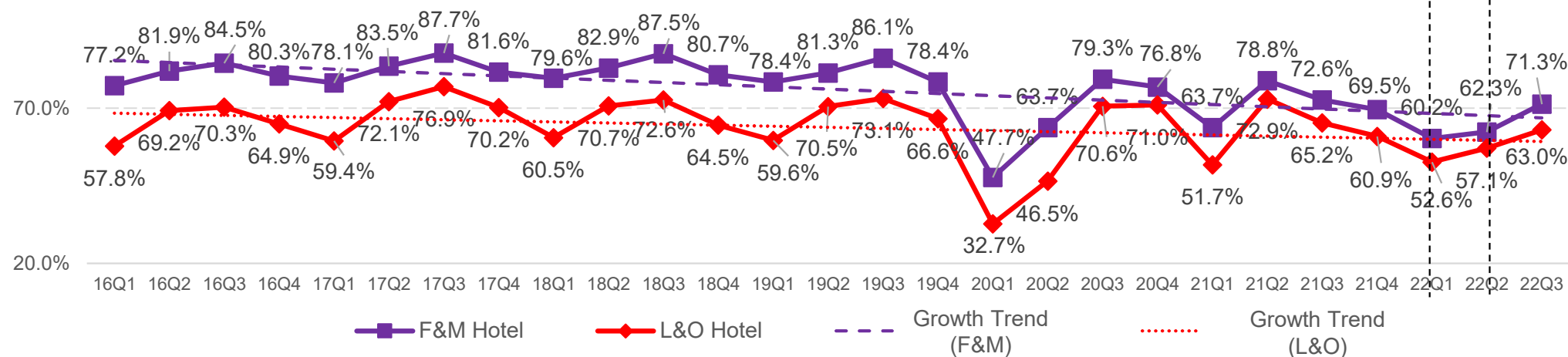
## RevPAR



## ADR



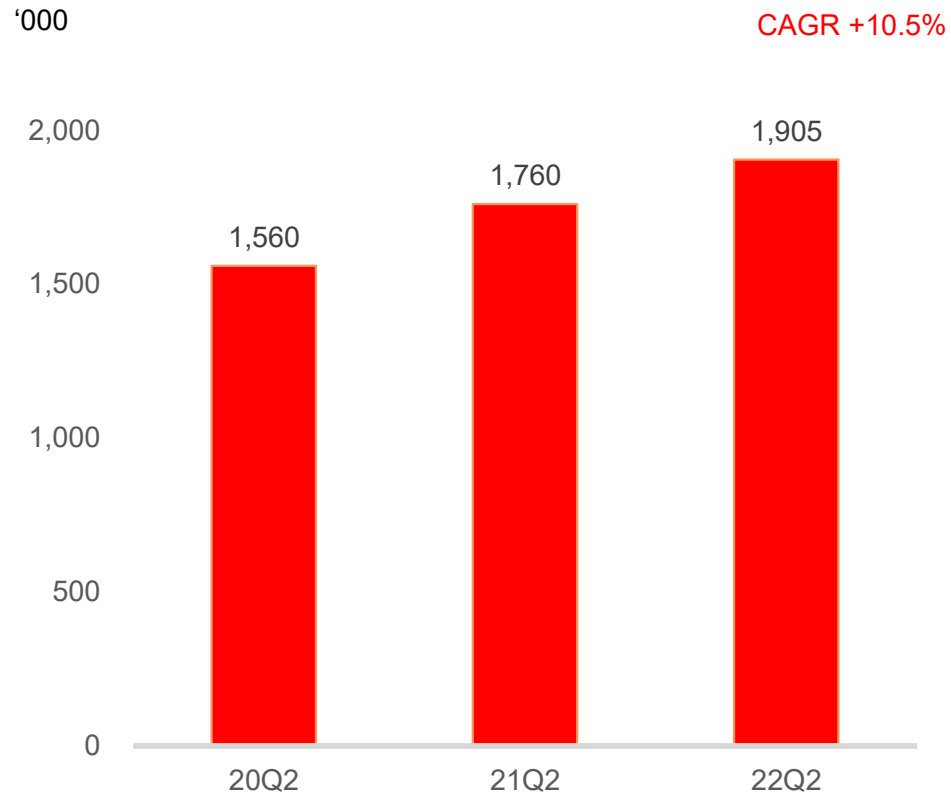
## Occupancy



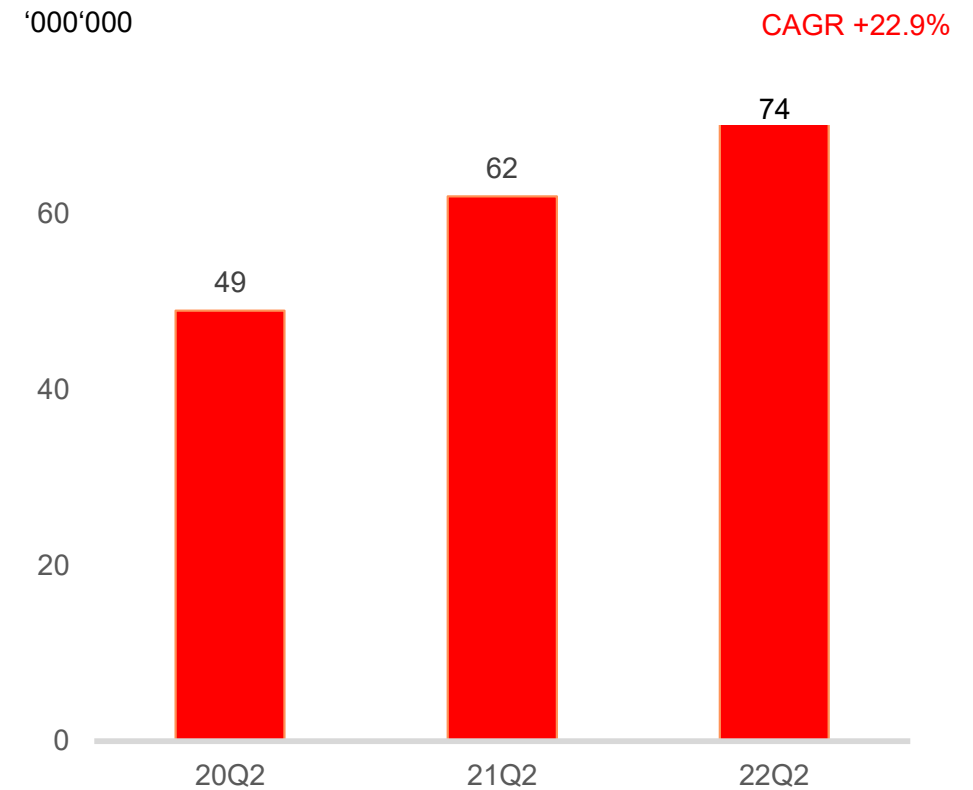
# Improvement in Direct Sales and Membership Support



## Corporate Members



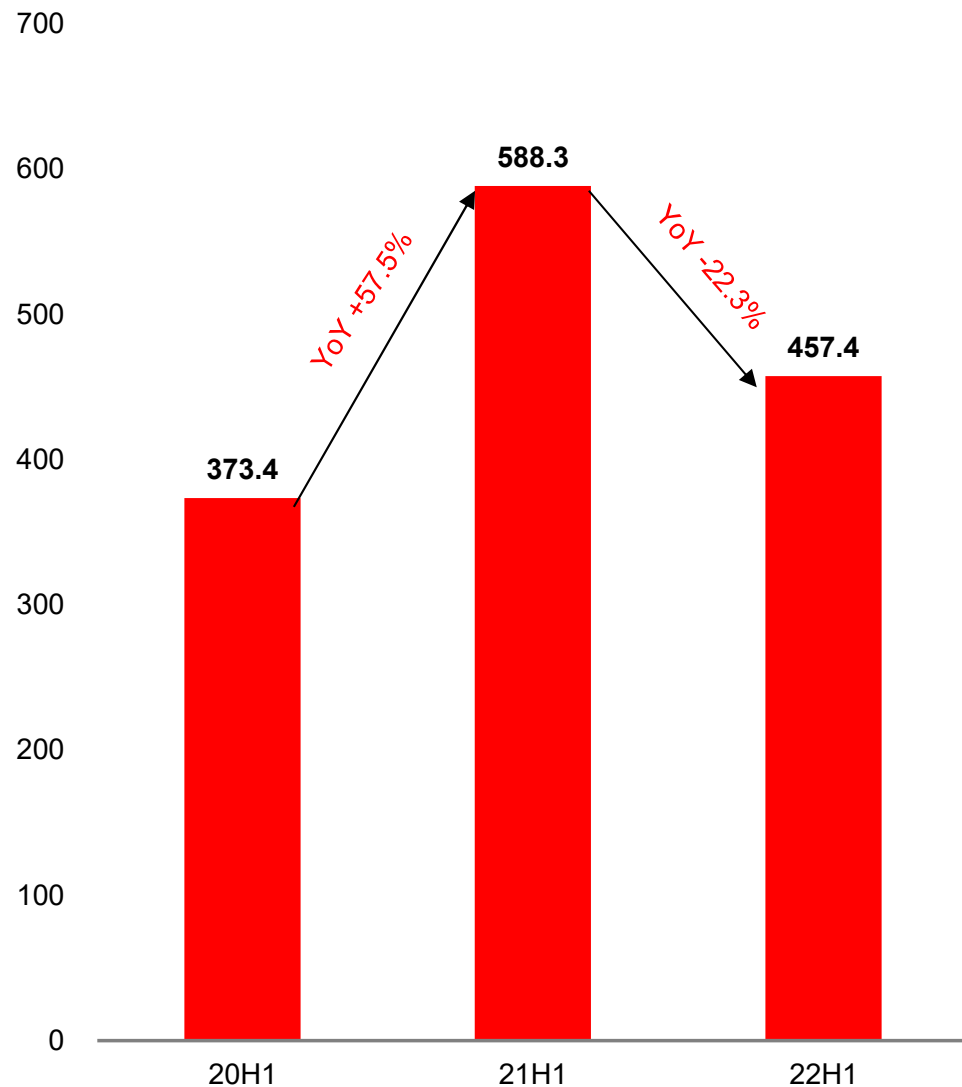
## Individual Members





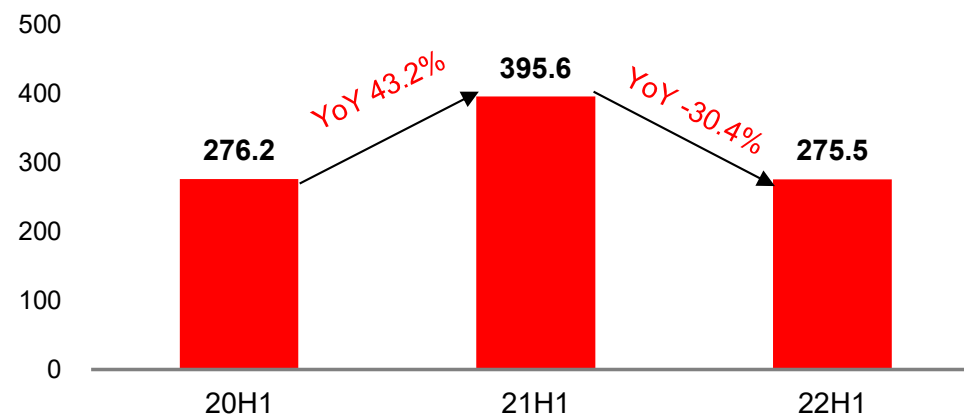
## Total Revenue

RMB (M) 77.7% of 2021H1



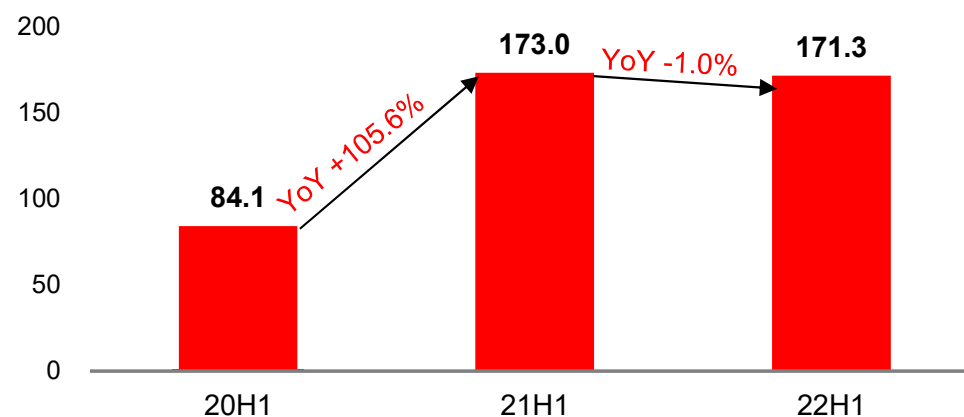
## Revenue from F&M Hotels

RMB (M) 69.6% of 2021H1



## Revenue from L&O Hotels

RMB (M) 99.0% of 2021H1

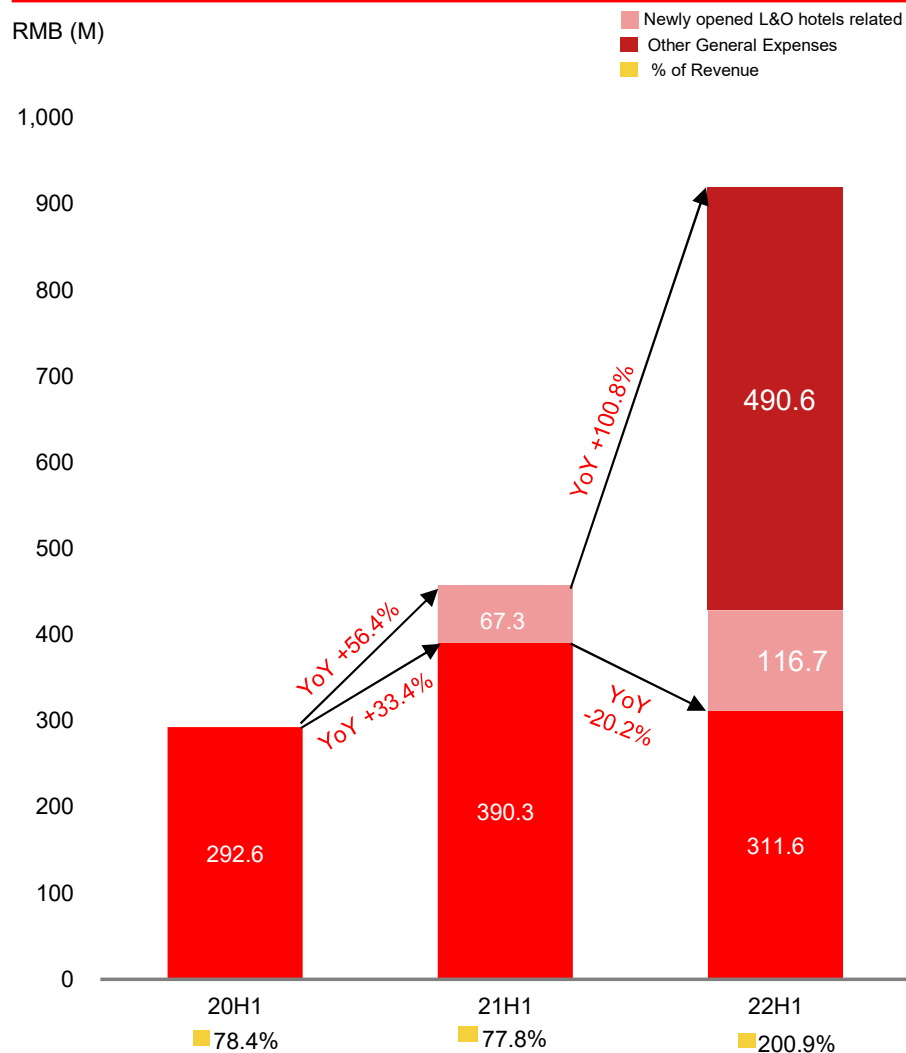




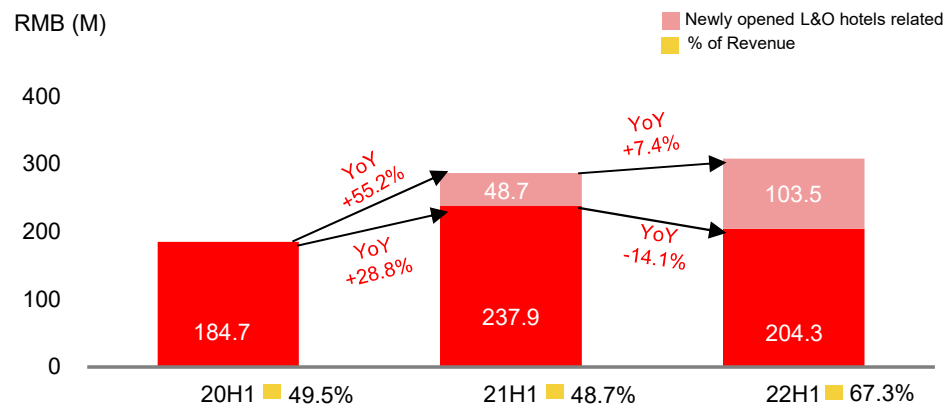
# Hotel Operating Costs and Expenses



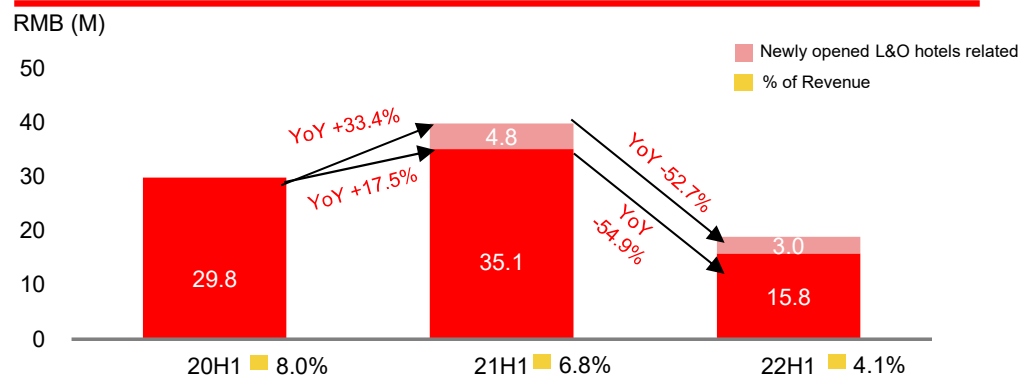
## Total Hotel Operating Costs and Expenses (1)



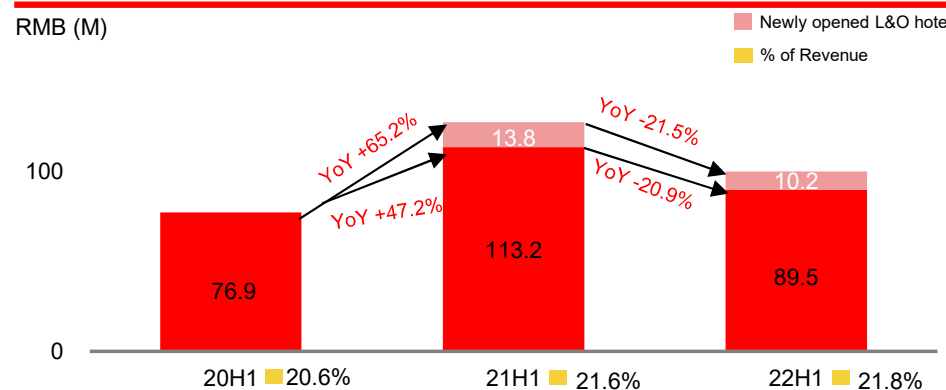
## Hotel Operating Costs (2)



## Selling and Marketing Expenses



## General and Administrative Expenses



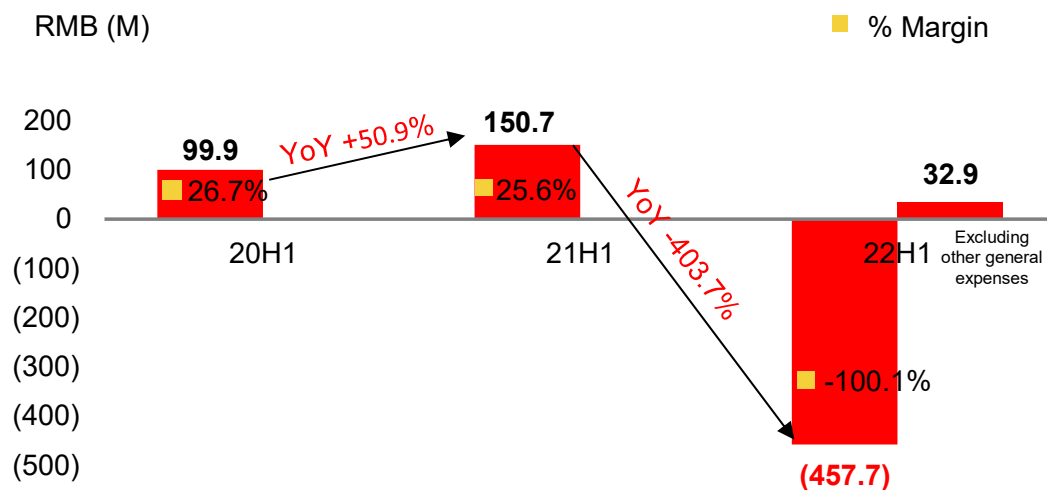
### Notes:

1. Total operating costs and expenses consist of hotel operating costs, selling and marketing expenses, general and administrative expenses, other operating expenses and other general expenses.
2. Apart from LO hotel operating costs, hotel operating costs include FM hotel related costs and other costs.

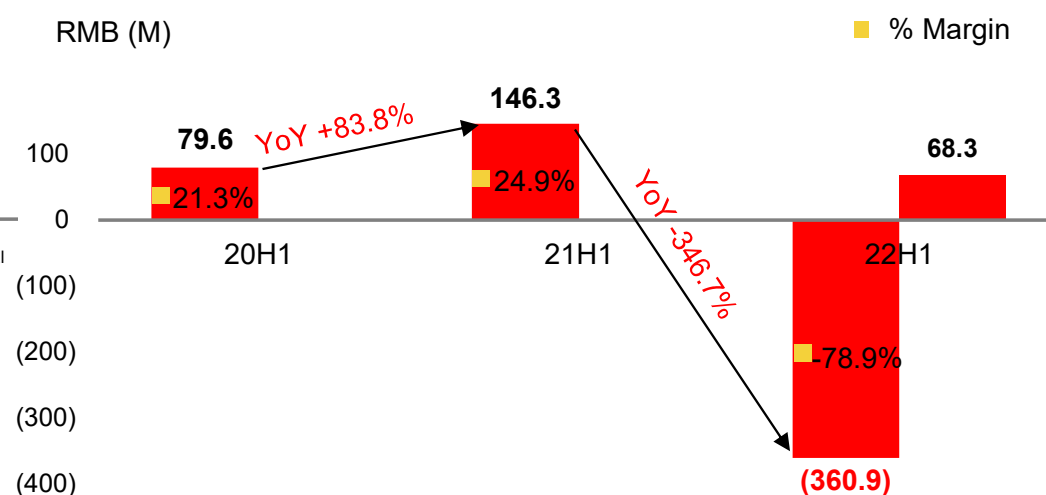
# Profitability



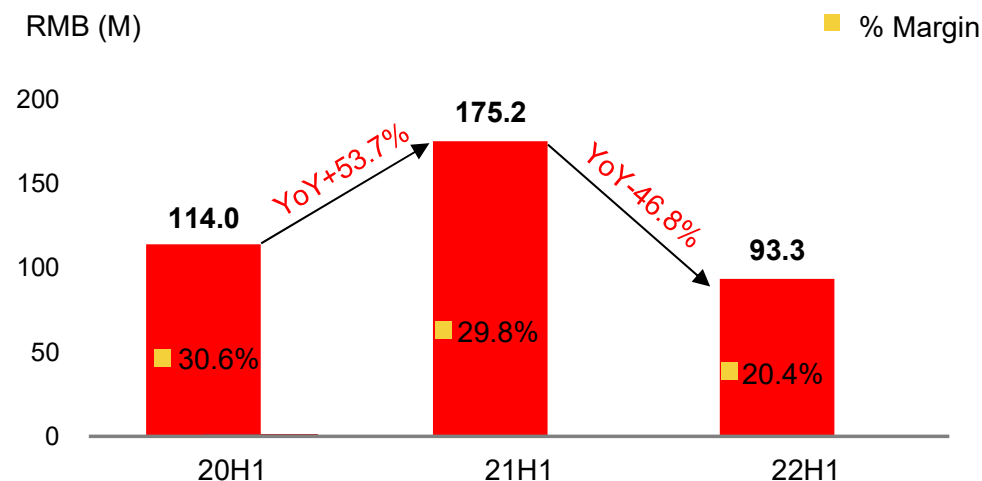
## Income from Operations and Margin



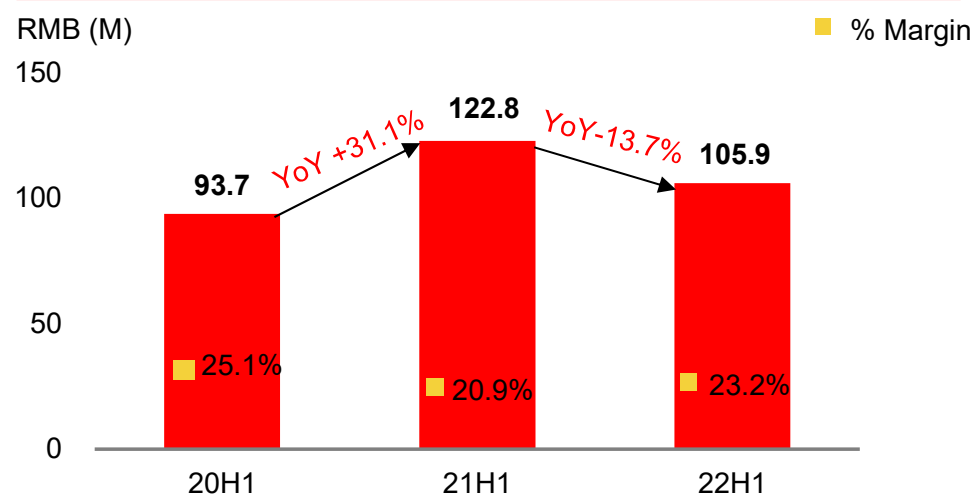
## Net Income and Margin



## Adjusted EBITDA <sup>(1)</sup> and Margin



## Core Net Income <sup>(2)</sup> and Margin

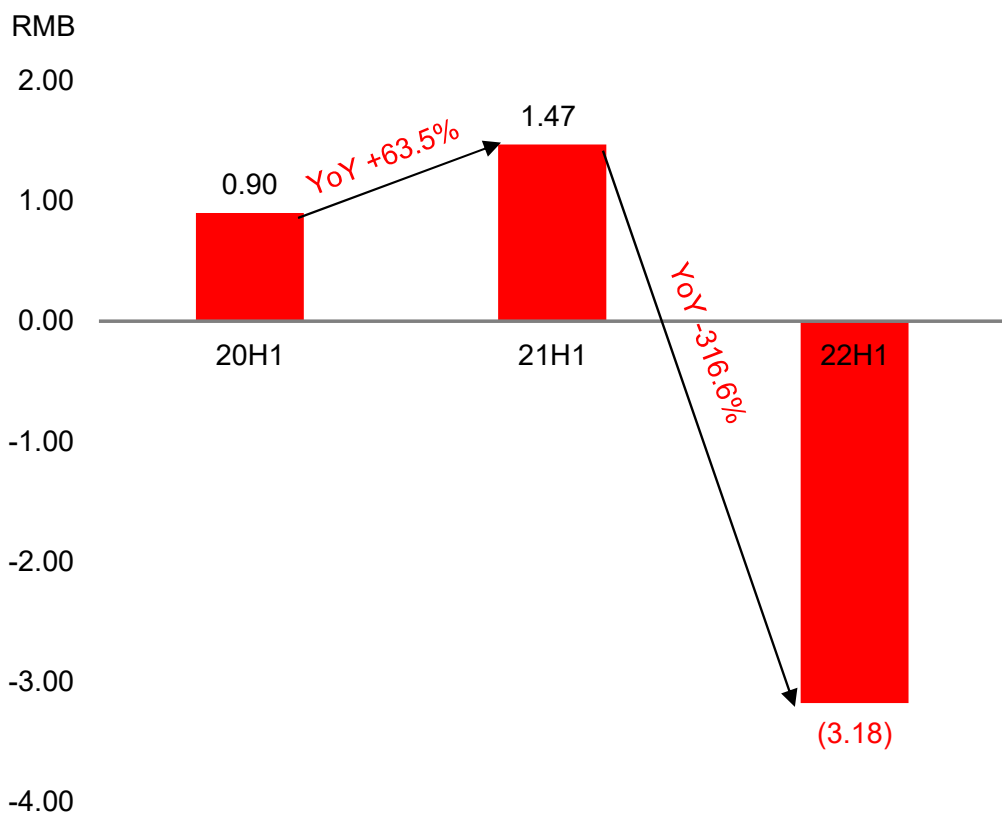


### Notes:

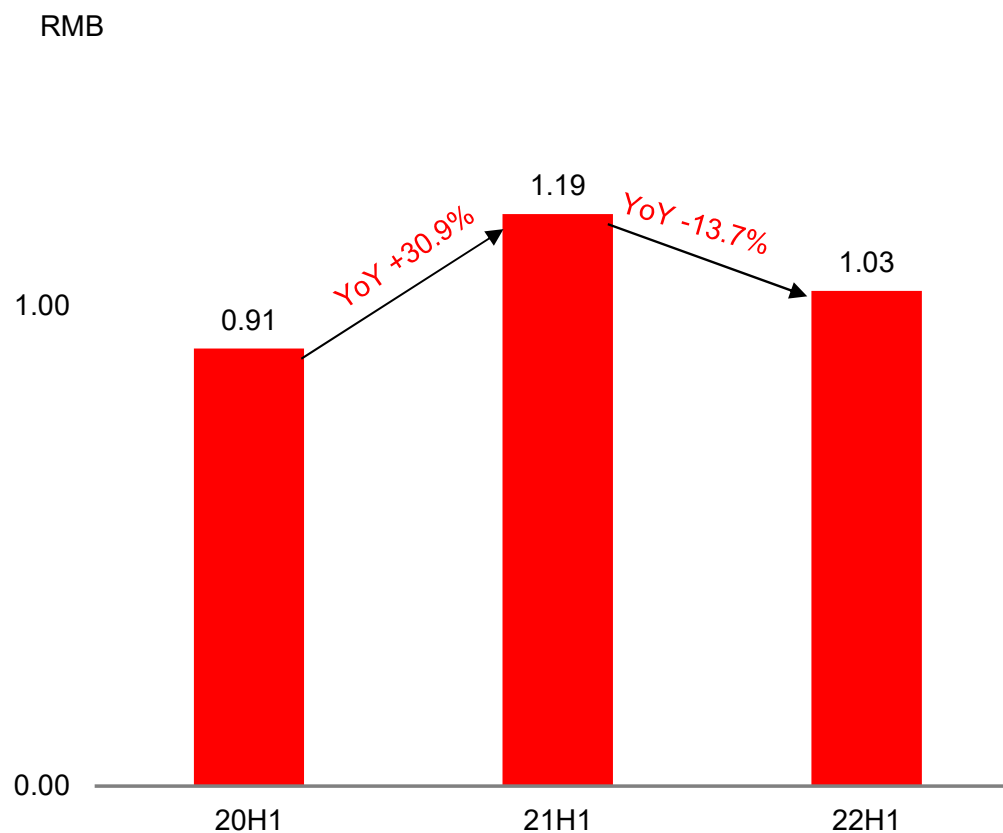
- Adjusted EBITDA (non-GAAP) is calculated as net income plus other operating expenses, other general expenses, income tax expense, share of loss in equity investees, net of tax, interest expense, depreciation and amortization and losses from investment in equity securities but excludes other operating income, interest income and other, net, gains from investment in equity securities, share of gains in equity investees (net of tax), and other income, net. The calculation of Adjusted EBITDA (non-GAAP) included in this report has been aligned according to the abovementioned definition.
- Core net income is calculated as net income plus share-based compensation, losses from investments in equity securities (net of 25% tax), one-time fees and expense and impairment charges and provisions for other assets but excludes government subsidies (net of 25% tax), gains from investment in equity securities (net of 25% tax), and other income (net of 25% tax).



## Net Income per ADS (Basic and Diluted) <sup>(1)</sup>



## Core Net Income per ADS (Basic and Diluted) (Non-GAAP) <sup>(2)</sup>



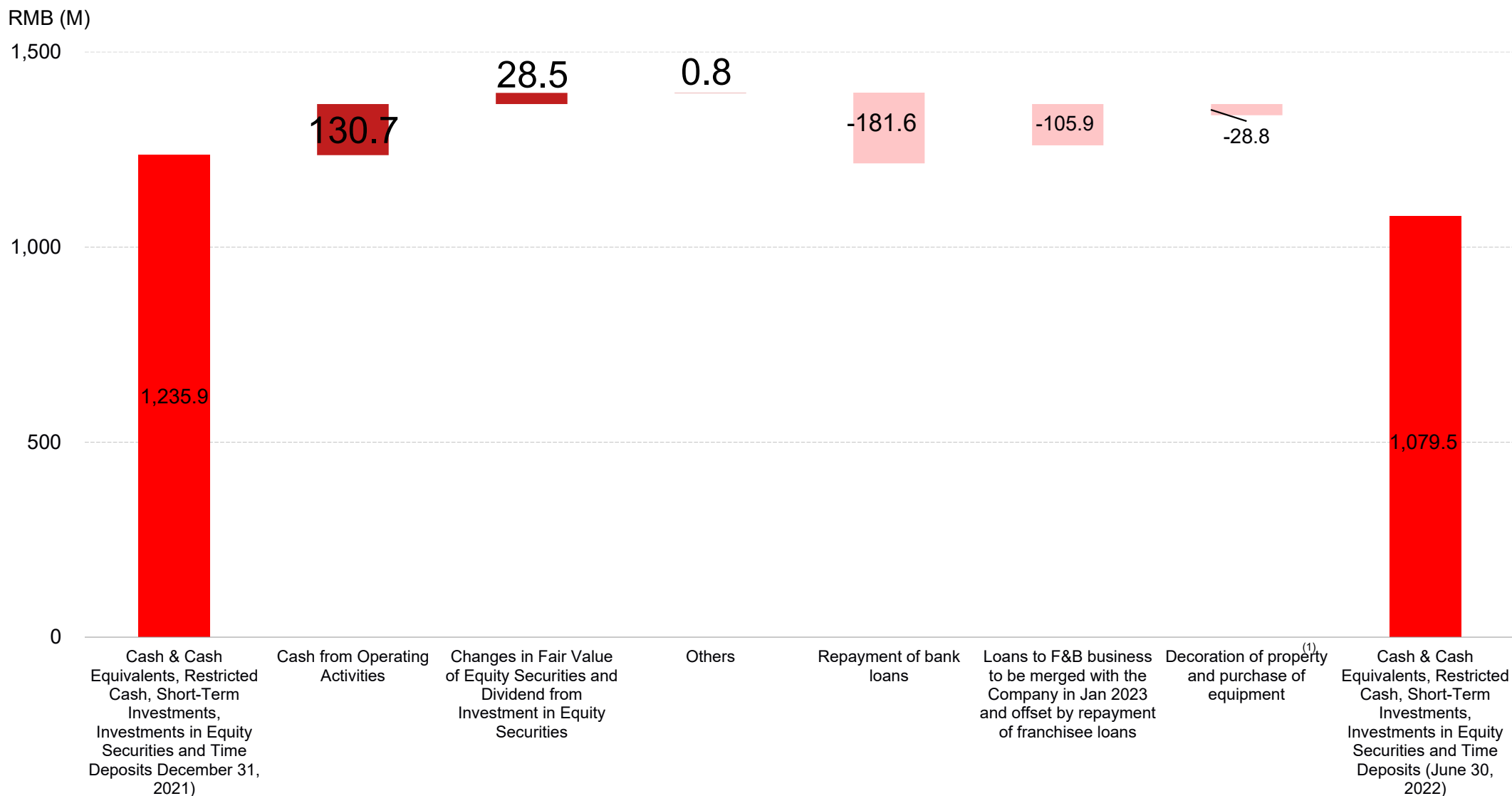
### Notes:

1. EPS, Earnings per ADS (basic and diluted) was calculated as net (loss) income attributable to ordinary shareholders divided by weighted average shares outstanding.
2. Core net income is calculated as net income plus share-based compensation, losses from investments in equity securities (net of 25% tax), one-time fees and expense and impairment charges and provisions for other assets but excludes government subsidies (net of 25% tax), gains from investment in equity securities (net of 25% tax), and other income (net of 25% tax).

# Cash and Cash Equivalents



Total cash and cash equivalents, restricted cash, short-term investments, investments in equity securities and time deposits of **RMB 1,079.5 Million** as of June 30, 2022



**Note:**

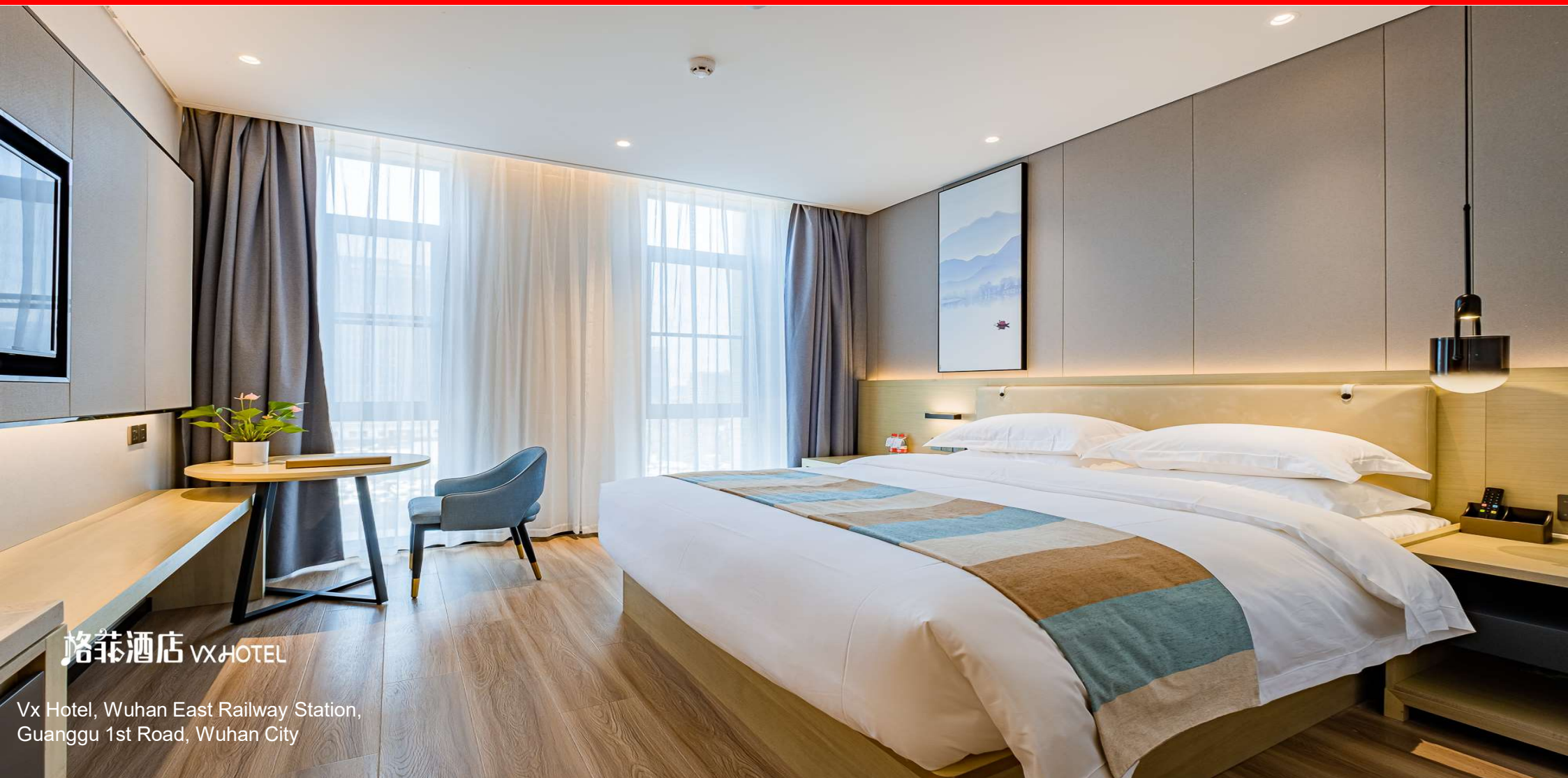
1. Other mainly include Capital contribution from non-controlling interest holders, effect of exchange rate changes on cash and cash equivalents, etc.





- *Total revenues for the full year of 2022 are expected to be: **81%-84%** of the 2021 levels*

***Thank you!***  
**Q&A**



格菲酒店 VX HOTEL

Vx Hotel, Wuhan East Railway Station,  
Guanggu 1st Road, Wuhan City

# 04 | Appendix



As of June 30, 2022

## Mid-to-Up-Scale

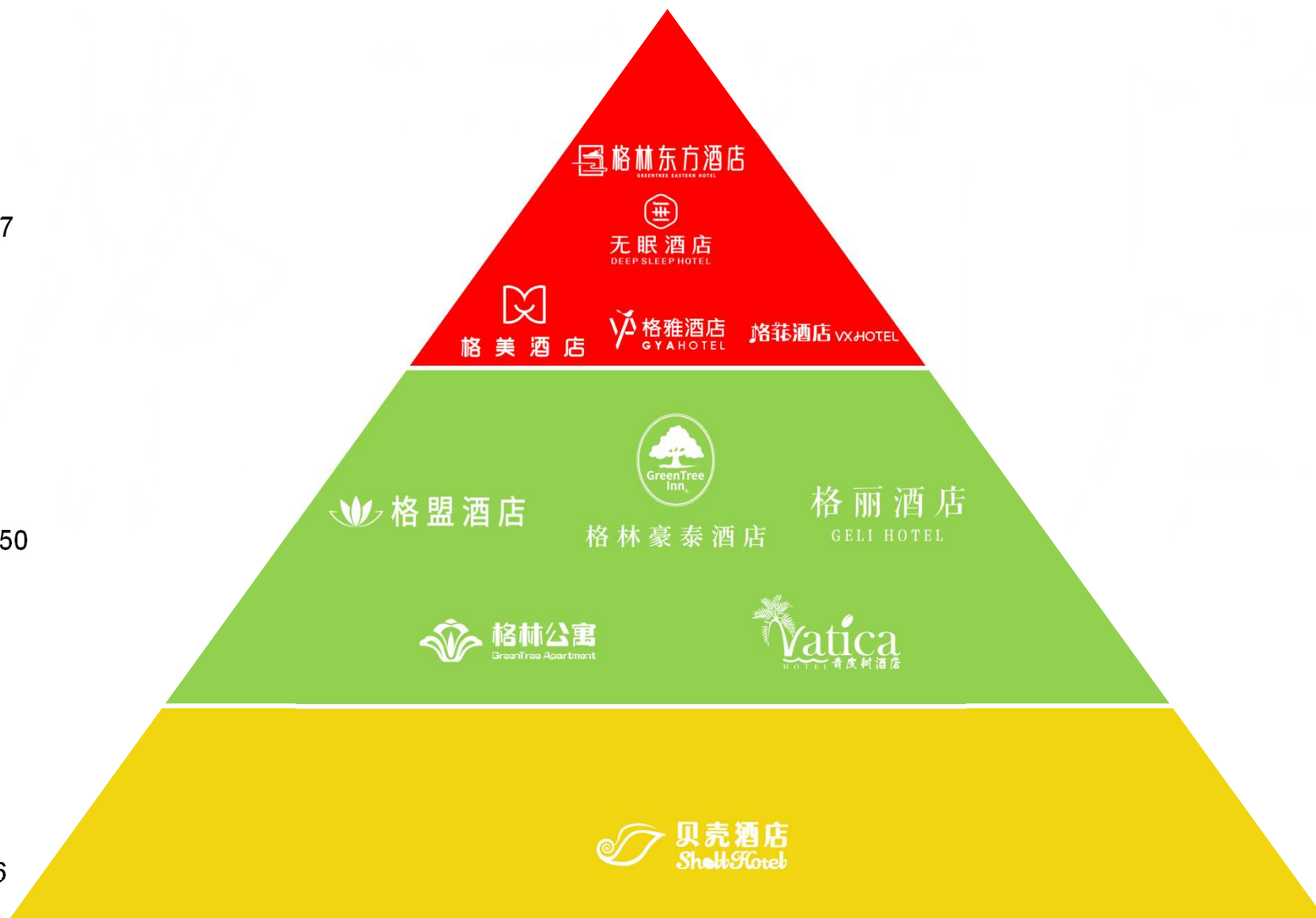
- Hotels in operation: 528
- Hotel rooms in operation: 47,347
- Room rates: RMB 200 - 600

## Mid-Scale

- Hotels in operation: 2,999
- Hotel rooms in operation: 233,950
- Room rates: RMB 150 - 400

## Economy

- Hotels in operation: 1,142
- Hotel rooms in operation: 50,776
- Room rates: RMB 90 - 300



# Hotel Breakdown



By Market Segment and Brand	Number of Hotels in Operation		Number of Hotel Rooms in Operation	
	2021Q2	2022Q2	2021Q2	2022Q2
<b>Luxury</b>	<b>28</b>	<b>-</b>	<b>5,821</b>	<b>-</b>
Argyle	28	-	5,821	-
<b>Mid-to-up-scale</b>	<b>423</b>	<b>528</b>	<b>38,704</b>	<b>47,347</b>
GreenTree Eastern	170	201	18,155	22,402
Deep Sleep Hotel	5	7	356	467
Gem	39	52	3,605	4,728
Gya	50	66	4,212	5,639
Vx	52	81	4,520	7,069
Ausotel	14	-	1,877	-
Urban Garden and others	93	121	5,979	7,042
<b>Mid-scale</b>	<b>2,917</b>	<b>2,999</b>	<b>231,105</b>	<b>233,950</b>
GreenTree Inn	2,158	2,183	179,790	180,255
GT Alliance	508	521	35,937	37,545
GreenTree Apartment	15	19	1,058	1,260
Vatica	115	110	8,386	7,969
City 118 Selected and others	121	166	5,934	6,921
<b>Economy</b>	<b>1,174</b>	<b>1,142</b>	<b>53,143</b>	<b>50,776</b>
Shell	617	648	26,714	28,030
City 118 and others	557	494	26,429	22,746
<b>Total</b>	<b>4,542</b>	<b>4,669</b>	<b>328,773</b>	<b>332,073</b>

# Operating Data



	2021Q2	2022Q2
<b>Total hotels in operation</b>	<b>4,542</b>	<b>4,669</b>
Leased-and-owned hotels	63	67
Franchised hotels	4,479	4,602
<b>Total hotel rooms in operation</b>	<b>328,773</b>	<b>332,073</b>
Leased-and-owned hotels	7,229	6,986
Franchised hotels	321,544	325,087
<b>Number of cities</b>	<b>358</b>	<b>367</b>

	2022Q1	2022Q2
<b>Occupancy rate</b>		
Leased-and-owned hotels	52.6%	57.1%
Franchised hotels	60.2%	62.3%
Blended	<b>60.0%</b>	<b>62.2%</b>
<b>Average daily rate (in RMB)</b>		
Leased-and-owned hotels	199	217
Franchised hotels	152	145
Blended	<b>153</b>	<b>147</b>
<b>RevPAR (in RMB)</b>		
Leased-and-owned hotels	105	124
Franchised hotels	91	90
Blended	<b>92</b>	<b>91</b>