Management and Franchise Fee Growth of 12%, Sustaining Industry-Leading Net Rooms Growth of Over 7%

CHICAGO (May 1, 2019) - Hyatt Hotels Corporation ("Hyatt" or the "Company") (NYSE: H) today reported first-quarter 2019 financial results. Net income attributable to Hyatt was $63 million, or $0.59 per diluted share, in the first quarter of 2019, compared to $411 million, or $3.40 per diluted share, in the first quarter of 2018. Adjusted net income attributable to Hyatt was $48 million, or $0.45 per diluted share, in the first quarter of 2019, compared to $40 million, or $0.33 per diluted share, in the first quarter of 2018. Refer to the table on page 14 of the schedules for a summary of special items impacting Adjusted net income and Adjusted earnings per share in the three months ended March 31, 2019.

Mark S. Hoplamazian, president and chief executive officer of Hyatt Hotels Corporation, said, "We had a strong start to the year, highlighted by continued growth of management and franchising fees. The integration of the Two Roads brands remains on track and is expected to fuel future growth in our managed and franchised business. We are pleased to see continued demand for our brands among developers which drove sequential expansion of our pipeline of executed contracts even as we maintained industry-leading net rooms growth."

First quarter of 2019 financial highlights as compared to the first quarter of 2018 are as follows:

- Net income decreased 84.6% to $63 million.
- Adjusted EBITDA decreased 7.3% to $187 million, a decrease of 6.1% in constant currency.
- Comparable system-wide RevPAR increased 1.8%, including an increase of 2.7% at comparable owned and leased hotels. Excluding the benefit from the timing of the Easter holiday, comparable RevPAR at system-wide hotels and comparable owned and leased hotels would have increased 1.4% and 2.2%, respectively.
- Comparable U.S. hotel RevPAR decreased 0.3%; full service hotel RevPAR increased 0.1% and select service hotel RevPAR decreased 1.3%.
- Net rooms growth was 13.7%, or 7.3% excluding the acquisition of Two Roads Hospitality LLC in the fourth quarter of 2018.
- Comparable owned and leased hotels operating margin increased 120 basis points to 24.7%.
- Adjusted EBITDA margin of 28.5% decreased 220 basis points in constant currency.

Mr. Hoplamazian continued, "Our outlook for the balance of 2019 is consistent with our views at the beginning of the year based on underlying business trends. We expect growth in both system-wide RevPAR and hotel rooms to sustain upward momentum in our lodging fees as we continue to evolve to an asset-lighter business model."

First quarter of 2019 financial results as compared to the first quarter of 2018 are as follows:

Management, Franchise and Other Fees

Total management, franchise and other fees increased 6.9% (8.8% in constant currency) to $141 million, driven by hotels added to the system, inclusive of Two Roads, and conversions from owned to managed. Base management fees increased 18.2% to $63 million and incentive management fees increased 0.3% to $34 million. Franchise fees increased 13.9% to $32 million. Other fees decreased 26.3% to $12 million, reflecting $8 million in fees reported in the first quarter of 2018 related to a franchise agreement termination for an unopened property. Excluding other fees, management and franchise fees increased 11.8% (14.1% in constant currency) to $129 million.

Americas Management and Franchising Segment

Americas management and franchising segment Adjusted EBITDA increased 5.3% (5.8% in constant currency). The increase was driven by higher management, franchise, and other fees and notably, a $5 million positive impact from the residential management operations acquired as part of the Two Roads acquisition driven by seasonal strength in that business. RevPAR for comparable Americas full service hotels increased 3.1%, occupancy decreased 30 basis points, and ADR increased 3.4%. RevPAR was driven by strength in certain resort locations outside of the United States. RevPAR for comparable Americas select service hotels decreased 1.5%, occupancy decreased 90 basis points, and ADR decreased 0.2%. Total Americas management and franchising revenue increased 40.8% (41.4% in constant currency) including revenue from the aforementioned residential management operations.

Transient rooms revenue at comparable U.S. full service hotels increased 0.4%, room nights decreased 0.9%, and ADR increased 1.4%. Group rooms revenue at comparable U.S. full service hotels decreased 0.7%, room nights decreased 3.8%, and ADR increased 3.2%.

Americas net rooms increased 13.6% compared to the first quarter of 2018, or 5.9% excluding Two Roads.

***Southeast Asia, Greater China, Australia, South Korea, Japan and Micronesia (ASPAC) Management and Franchising

Segment

ASPAC management and franchising segment Adjusted EBITDA increased 6.5% (11.9% in constant currency). RevPAR for comparable ASPAC full service hotels increased 1.2%, driven by strong demand in Japan and Southeast Asia, partially offset by weaker results in Greater China. Occupancy increased 80 basis points and ADR was flat. Revenue from management, franchise, and other fees increased 6.2% (10.2% in constant currency).

ASPAC net rooms increased 17.1% compared to the first quarter of 2018, or 12.1% excluding Two Roads.

Europe, Africa, Middle East and Southwest Asia (EAME/SW Asia) Management and Franchising Segment

EAME/SW Asia management and franchising segment Adjusted EBITDA increased 0.8% (7.3% in constant currency). RevPAR for comparable EAME/SW Asia full service hotels increased 3.0%, driven primarily by strong growth in Europe and Southwest Asia. Occupancy increased 260 basis points and ADR decreased 0.8%. Revenue from management, franchise, and other fees decreased 2.6% (2.8% increase in constant currency), driven by lower incentive fees due to weaker conditions in the Middle East.

EAME/SW Asia net rooms increased 9.5% compared to the first quarter of 2018, or 8.3% excluding Two Roads.

Owned and Leased Hotels Segment

Total owned and leased hotels segment Adjusted EBITDA decreased 10.0% (9.3% in constant currency), including an 8.3% (15.4% in constant currency) increase in pro rata share of unconsolidated hospitality ventures Adjusted EBITDA. The decrease in segment Adjusted EBITDA was driven by transaction activity in 2018. Refer to the table on page 11 of the schedules for a detailed list of portfolio changes and the year-over-year net impact to total owned and leased hotels segment Adjusted EBITDA.

Owned and leased hotels segment revenues decreased 9.6% (8.5% in constant currency), also driven by the transaction activity referenced above. RevPAR for comparable owned and leased hotels increased 2.7%, including an approximate 50 basis point benefit from the timing of the Easter holiday. Occupancy decreased 50 basis points and ADR increased 3.4%.

Corporate and Other

Corporate and other Adjusted EBITDA decreased 29.6% (29.9% in constant currency), inclusive of $5 million of integration related expenses from the Two Roads acquisition.

Corporate and other adjusted revenues increased 8.4% (consistent in constant currency).

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses increased 33.4%, inclusive of rabbi trust impact and stock- based compensation. Adjusted selling, general, and administrative expenses increased 9.9%, or $8 million, including approximately $9 million from the acquisition of Two Roads, of which $5 million is considered to be one-time integration related expenses. Refer to the table on page 15 of the schedules for a reconciliation of selling, general, and administrative expenses to Adjusted selling, general, and administrative expenses.

OPENINGS AND FUTURE EXPANSION

Sixteen hotels (or 3,120 rooms) opened in the first quarter of 2019, contributing to a 13.7% increase in net rooms compared to the first quarter of 2018. Excluding the impact of the Two Roads acquisition, net rooms increased 7.3% compared to the first quarter of 2018. The Company is on pace to open over 80 hotels in the 2019 fiscal year.

As of March 31, 2019, the Company had executed management or franchise contracts for approximately 455 hotels, or approximately 91,000 rooms, compared to approximately 445 hotels or approximately 89,000 rooms at December 31, 2018.

SHARE REPURCHASE

During the first quarter of 2019, the Company repurchased a total of 1,452,858 Class A shares for $102 million. The Company ended the first quarter with 38,401,176 Class A and 67,115,828 Class B shares issued and outstanding.

From April 1 through April 26, 2019, the Company repurchased 208,047 shares of Class A common stock for an aggregate purchase price of approximately $16 million. As of April 26, 2019, the Company had approximately $550 million remaining under its share repurchase authorization.

CAPITAL STRATEGY UPDATE

At the March 5, 2019 Investor Day, the Company described the evolution of its capital strategy and its commitment to grow in an asset-light manner, accelerating the mix of earnings from managed and franchised fees. This included a $1.5 billion expansion of its asset sell-down program over the next three years, assuming market conditions allow for the sale of assets on attractive terms to create shareholder value. To date, there have been no sales of real estate under this recently announced expanded program.

BALANCE SHEET / OTHER ITEMS

As of March 31, 2019, the Company reported the following:

- Total debt of $1,752 million.
- Pro rata share of unconsolidated hospitality venture debt of approximately $550 million, substantially all of which is non-recourse to Hyatt and a portion of which Hyatt guarantees pursuant to separate agreements.
- Cash and cash equivalents, including investments in highly-rated money market funds and similar investments, of $547 million, restricted cash of $24 million, and short-term investments of $54 million.
- Undrawn borrowing availability of $1.4 billion under Hyatt's revolving credit facility.

2019 OUTLOOK

The Company is revising the following information for the 2019 fiscal year:

- Net income is expected to be approximately $144 million to $183 million, and primarily reflects changes in expected Other (income) loss, net and Equity losses from unconsolidated hospitality ventures. Please refer to table on page 13 of the schedules for revised ranges.

The Company is reaffirming the following information for the 2019 fiscal year:

- Comparable system-wide RevPAR is expected to increase approximately 1% to 3%, as compared to fiscal year 2018.
- Adjusted EBITDA is expected to be approximately $780 million to $800 million. These estimates include an unfavorable impact from foreign currency of approximately $7 million (low end of the forecast) to $2 million (high end of the forecast). Refer to the table on page 13 of the schedules for a reconciliation of Net Income to Adjusted EBITDA.
- Adjusted EBITDA contribution from the Two Roads acquisition prior to non-recurring integration-related costs is estimated to be approximately $20 million to $25 million.
- Interest expense is expected to be approximately $78 million to $79 million.
- Adjusted selling, general, and administrative expenses are expected to be approximately $345 million inclusive of $25 million of expenses related to one-time integration costs for Two Roads. Adjusted selling, general, and administrative expenses exclude approximately $35 million of stock-based compensation expense and any potential impact related to benefit programs funded through rabbi trusts.
- The Company expects to grow units, on a net rooms basis, by approximately 7.0% to 7.5%, reflecting over 80 new hotel openings.
- Depreciation and amortization expense is expected to be approximately $347 million to $352 million.
- Other income (loss), net is expected to be negatively impacted by approximately $40 million to $50 million related to performance guarantee expense for the four managed hotels in France.
- The effective tax rate is expected to be approximately 28% to 30%.
- Capital expenditures are expected to be approximately $375 million.
- The Company expects to return approximately $300 million to shareholders through a combination of cash dividends on its common stock and share repurchases.

No additional disposition or acquisition activity beyond what has been completed as of the date of this release has been included in the outlook. The Company's outlook is based on a number of assumptions that are subject to change and many of which are outside the control of the Company. If actual results vary from these assumptions, the Company's expectations may change. There can be no assurance that Hyatt will achieve these results.

CONFERENCE CALL INFORMATION

The Company will hold an investor conference call tomorrow, May 2, 2019, at 10:30 a.m. CT. All interested persons may listen to a simultaneous webcast of the conference call, which may be accessed through the Company's website at investors.hyatt.com, or by dialing 647.689.4468 or 833.238.7946, passcode #6789039, approximately 10 minutes before the scheduled start time. For those unable to listen to the live broadcast, a replay will be available from 1:30 p.m. CT on May 2, 2019 through May 3, 2019 at midnight by dialing 416.621.4642, passcode #6789039. Additionally, an archive of the webcast will be available on the Company's website for 90 days.

NON-GAAP FINANCIAL MEASURES

The Company refers to certain financial measures that are not recognized under U.S. generally accepted accounting principles (GAAP) in this press release, including: net income, adjusted for special items; diluted EPS, adjusted for special items; Adjusted EBITDA; Adjusted EBITDA margin; and Adjusted SG&A. See the schedules to this earnings release, including the "Definitions" section, for additional information and reconciliations of such non-GAAP financial measures.

AVAILABILITY OF INFORMATION ON HYATT'S WEBSITE

Investors and others should note that Hyatt routinely announces material information to investors and the marketplace using U.S. Securities and Exchange Commission (SEC) filings, press releases, public conference calls, webcasts and the Hyatt Investor Relations website. While not all of the information that the Company posts to the Hyatt Investor Relations website is of a material nature, some information could be deemed to be material. Accordingly, the Company encourages investors, the media, and others interested in Hyatt to review the information that it shares at the Investor Relations link located at the bottom of the page on hyatt.com. Users may automatically receive email alerts and other information about the Company when enrolling an email address by visiting "Sign up for Email Alerts" in the "Investor Resources" section of Hyatt's website at investors.hyatt.com.

DEFINITIONS

Adjusted Earnings Before Interest Expense, Taxes, Depreciation and Amortization (Adjusted EBITDA) and EBITDA

We use the terms Adjusted EBITDA and EBITDA throughout this earnings release. Adjusted EBITDA and EBITDA, as the Company defines them, are non-GAAP measures. We define consolidated Adjusted EBITDA as net income attributable to Hyatt Hotels Corporation plus its pro rata share of unconsolidated hospitality ventures Adjusted EBITDA based on its ownership percentage of each venture, adjusted to exclude the following items:

- interest expense;
- provision for income taxes;
- depreciation and amortization;
- amortization of management and franchise agreement assets constituting payments to customers (Contra revenue);
- revenues for the reimbursement of costs incurred on behalf of managed and franchised properties;
- costs incurred on behalf of managed and franchised properties;
- equity earnings (losses) from unconsolidated hospitality ventures;
- stock-based compensation expense;
- gains (losses) on sales of real estate;
- asset impairments; and
- other income (loss), net

We calculate consolidated Adjusted EBITDA by adding the Adjusted EBITDA of each of our reportable segments and eliminations to corporate and other Adjusted EBITDA. Our board of directors and executive management team focus on Adjusted EBITDA as a key performance and compensation measure both on a segment and on a consolidated basis. Adjusted EBITDA assists us in comparing our performance over various reporting periods on a consistent basis because it removes from our operating results the impact of items that do not reflect our core operations both on a segment and on a consolidated basis. Our president and chief executive officer, who is our chief operating decision maker, also evaluates the performance of each of our reportable segments and determines how to allocate resources to those segments, in significant part, by assessing the Adjusted EBITDA of each segment. In addition, the compensation committee of our board of directors determines the annual variable compensation for certain members of our management based in part on consolidated Adjusted EBITDA, segment Adjusted EBITDA, or some combination of both. We believe Adjusted EBITDA is useful to investors because it provides investors the same information that the Company uses internally for purposes of assessing operating performance and making compensation decisions.

Adjusted EBITDA and EBITDA are not substitutes for net income attributable to Hyatt Hotels Corporation, net income, or any other measure prescribed by GAAP. There are limitations to using non-GAAP measures such as Adjusted EBITDA and EBITDA. Although we believe that Adjusted EBITDA can make an evaluation of our operating performance more consistent because it removes items that do not reflect our core operations, other companies in our industry may define Adjusted EBITDA differently than we do. As a result, it may be difficult to use Adjusted EBITDA or similarly named non-GAAP measures that other companies may use to compare the performance of those companies to our performance. Because of these limitations, Adjusted EBITDA should not be considered as a measure of the income generated by our business. Our management compensates for these limitations by reference to its GAAP results and using Adjusted EBITDA supplementally.

Adjusted EBITDA Margin

We define Adjusted EBITDA margin as Adjusted EBITDA divided by total revenues excluding Contra revenue and revenues for the reimbursement of costs incurred on behalf of managed and franchised properties ("Adjusted revenues"). We believe Adjusted EBITDA margin is useful to investors because it provides investors the same information that the Company uses internally for purposes of assessing operating performance.

Adjusted Net Income

Adjusted net income, as we define it, is a non-GAAP measure. We define Adjusted net income as net income attributable to Hyatt Hotels Corporation excluding special items, which are those items deemed not to be reflective of ongoing operations. We consider Adjusted net income to be an indicator of operating performance because excluding special items allows for period-over-period comparisons of our ongoing operations.

Adjusted net income is not a substitute for net income attributable to Hyatt Hotels Corporation, net income, or any other measure prescribed by GAAP. There are limitations to using non-GAAP measures such as Adjusted net income. Although we believe that Adjusted net income can make an evaluation of our operating performance more consistent because it removes special items that are deemed not to be reflective of ongoing operations, other companies in our industry may define Adjusted net income differently than we do. As a result, it may be difficult to use Adjusted net income or similarly named non-GAAP measures that other companies may use to compare the performance of those companies to our performance. Because of these limitations, Adjusted net income should not be considered as a measure of the income generated by our business. Our management compensates for these limitations by reference to its GAAP results and using Adjusted net income supplementally.

Adjusted Selling, General, and Administrative (SG&A) Expenses

Adjusted SG&A expenses, as we define it, is a non-GAAP measure. Adjusted SG&A expenses exclude the impact of deferred compensation plans funded through rabbi trusts and stock-based compensation expense. Adjusted SG&A expenses assist us in comparing our performance over various reporting periods on a consistent basis because it removes from our operating results the impact of items that do not reflect our core operations, both on a segment and consolidated basis.

Comparable Owned and Leased Hotels Operating Margin

We define comparable owned and leased hotels operating margin as the difference between comparable owned and leased hotels revenues and comparable owned and leased hotels expenses. Comparable owned and leased hotels revenues is calculated by removing non-comparable hotels revenues from owned and leased hotels revenues as reported in our condensed consolidated statements of income. Comparable owned and leased hotels expenses is calculated by removing both non-comparable owned and leased hotels expenses and the impact of expenses funded through rabbi trusts from owned and leased hotels expenses as reported in our condensed consolidated statements of income. We believe comparable owned and leased hotels operating margin is useful to investors because it provides investors the same information that the Company uses internally for purposes of assessing operating performance.

For further information:

FORWARD-LOOKING STATEMENTS

Forward-Looking Statements in this press release, which are not historical facts, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include statements about our plans, strategies, outlook, occupancy, ADR and growth trends, market share, the number of properties we expect to open in the future, the amount by which the Company intends to reduce its real estate asset base and the anticipated timeframe for such asset dispositions, our expected adjusted SG&A expense, our estimated comparable system-wide RevPAR growth, our estimated Adjusted EBITDA growth, maintenance and enhancement to existing properties capital expenditures, investments in new properties capital expenditures, depreciation and amortization expense and interest expense estimates, financial performance, prospects or future events and involve known and unknown risks that are difficult to predict. As a result, our actual results, performance or achievements may differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," "continue," "likely," "will," "would" and variations of these terms and similar expressions, or the negative of these terms or similar expressions. Such forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by us and our management, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, general economic uncertainty in key global markets and a worsening of global economic conditions or low levels of economic growth; the rate and the pace of economic recovery following economic downturns; levels of spending in business and leisure segments as well as consumer confidence; declines in occupancy and average daily rate; limited visibility with respect to future bookings; loss of key personnel; hostilities, or fear of hostilities, including future terrorist attacks, that affect travel; travel-related accidents; natural or man-made disasters such as earthquakes, tsunamis, tornadoes, hurricanes, floods, wildfires, oil spills, nuclear incidents, and global outbreaks of pandemics or contagious diseases or fear of such outbreaks; our ability to successfully achieve certain levels of operating profits at hotels that have performance tests or guarantees in favor of our third-party owners; the impact of hotel renovations and redevelopments; risks associated with our capital allocation plans and common stock repurchase program and other forms of shareholder capital return, including the risk that our common stock repurchase program could increase volatility and fail to enhance shareholder value; our intention to pay a quarterly cash dividend and the amounts thereof, if any; the seasonal and cyclical nature of the real estate and hospitality businesses; changes in distribution arrangements, such as through internet travel intermediaries; changes in the tastes and preferences of our customers; relationships with colleagues and labor unions and changes in labor laws; the financial condition of, and our *relationships with, third-party property owners, franchisees, and hospitality venture partners; the possible inability of third-party owners, franchisees, or development partners to access capital necessary to fund current operations or implement our plans for growth; risks associated with potential acquisitions and dispositions and the introduction of new brand concepts; the timing of acquisitions and dispositions, and our ability to successfully integrate completed acquisitions with existing operations; failure to successfully complete proposed transactions (including the failure to satisfy closing conditions or obtain required approvals); our ability to successfully execute on our strategy to expand our management and franchising business while at the same time reducing our real estate asset base within targeted timeframes and at expected values; declines in the value of our real estate assets; unforeseen terminations of our management or franchise agreements; changes in federal, state, local, or foreign tax law; the impact of changes in the tax code as a result of the Tax Cuts and Jobs Act of 2017 and uncertainty as to how some of those changes may be applied; increases in interest rates and operating costs; foreign exchange rate fluctuations or currency restructurings; lack of acceptance of new brands or innovation; general volatility of the capital markets and our ability to access such markets; changes in the competitive environment in our industry, including as a result of industry consolidation, and the markets where we operate; our ability to successfully grow the World of Hyatt loyalty program; cyber incidents and information technology failures; outcomes of legal or administrative proceedings; violations of regulations or laws related to our franchising business; and other risks discussed in the Company's filings with the SEC, including our annual report on Form 10-K, which filings are available from the SEC. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. We caution you not to place undue reliance on any forward-looking statements, which are made only as of the date of this press release. We do not undertake or assume any obligation to update publicly any of these forward-looking statements to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.*

ABOUT HYATT HOTELS CORPORATION

Hyatt Hotels Corporation, headquartered in Chicago, is a leading global hospitality company with a portfolio of 19 premier brands. As of March 31, 2019, the Company's portfolio included more than 850 properties in over 60 countries across six continents. The Company's purpose to care for people so they can be their best informs its business decisions and growth strategy and is intended to attract and retain top colleagues, build relationships with guests and create value for shareholders. The Company's subsidiaries develop, own, operate, manage, franchise, license or provide services to hotels, resorts, branded residences, vacation ownership properties, and fitness and spa locations, including under the ***Park Hyatt®, Miraval®, Grand Hyatt®, Alila®, Andaz®, The Unbound Collection by Hyatt®, Destination®, Hyatt Regency®, Hyatt®, Hyatt Ziva™, Hyatt Zilara™, Thompson Hotels®, Hyatt Centric®, Hyatt House®, Hyatt Place®, Joie de Vivre®, tommie™, Hyatt Residence Club®*** and ***Exhale®*** brand names, and operates the World of Hyatt® loyalty program that provides distinct benefits and exclusive experiences to its valued members. For more information, please visit *www.hyatt.com*.

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