RevPAR Decline of 28% Due to COVID-19 Pandemic; Net Rooms Growth of Over 6%

CHICAGO (May 6, 2020) - Hyatt Hotels Corporation ("Hyatt" or the "Company") (NYSE: H) today reported first-quarter 2020 financial results. Net loss attributable to Hyatt was $103 million, or $1.02 per diluted share, in the first quarter of 2020, compared to net income attributable to Hyatt of $63 million, or $0.59 per diluted share, in the first quarter of 2019. Adjusted net loss attributable to Hyatt was $35 million, or $0.35 per diluted share, in the first quarter of 2020, compared to Adjusted net income attributable to Hyatt of $48 million, or $0.45 per diluted share, in the first quarter of 2019. Refer to the table on page 13 of the schedules for a summary of special items impacting Adjusted net income (loss) and Adjusted earnings (losses) per share in the three months ended March 31, 2020.

Mark S. Hoplamazian, president and chief executive officer of Hyatt Hotels Corporation, said, "As COVID-19 became a global pandemic, we took prompt and meaningful actions to manage the first phase of the impact of the virus. We obtained substantial additional cash, reduced investment and corporate spending to preserve cash, and we reduced third party hotel owners' direct costs through this period. While we continue to operate in an environment of suppressed demand and great uncertainty, we believe our existing liquidity provides sufficient capacity to cover at least 30 months of operations under current conditions."

First quarter of 2020 financial highlights as compared to the first quarter of 2019 are as follows:

- Net income (loss) decreased 262.8% to a net loss of $103 million.
- Adjusted EBITDA decreased 54.3% to $86 million, a decrease of 53.9% in constant currency.
- Comparable system-wide RevPAR decreased 28.1%, including a decrease of 25.8% at comparable owned and leased hotels.
- Comparable U.S. hotel RevPAR decreased 24.5%; full service hotel RevPAR decreased 25.2% and select service hotel RevPAR decreased 23.0%.
- Net rooms growth was 6.3% in the first quarter of 2020.
- Comparable owned and leased hotels operating margin decreased 1,060 basis points to 14.5%.
- Adjusted EBITDA margin of 18.3% decreased 1,010 basis points in constant currency.

Mr. Hoplamazian continued, "All of the actions we have taken are informed by our purpose of care, which includes protecting the health and safety of our colleagues and guests, the financial health of our hotel owners as well as the long-term health of our business. We have taken many steps designed to demonstrate care and to help us to emerge from this crisis in a position of strength. We are well-positioned to continuously adapt our business so that we may play an important role in providing employment opportunities to members of the Hyatt family over time while caring for our guests, customers and owners so that they can be their best."

OPERATIONAL UPDATE

Occupancy in Greater China, where the impacts of the COVID-19 pandemic were first reported, have shown gradual improvement over the past few weeks, with occupancy approaching 25% at the end of April. Other parts of the world remain under quarantines and travel restrictions, which have resulted in significant declines in occupancy with uncertainty surrounding near-term improvement. System-wide occupancy rates as of April 30, 2020 are averaging approximately 15% for hotels that remain operational.

As of April 30, 2020, operations were suspended at approximately 35% of our system-wide hotels. Operations were suspended at 62% of our full service hotels and 19% of our select service hotels in the Americas, at 17% of our hotels in the ASPAC region, and at 58% of our hotels in the EAME/SW Asia region. Operations were suspended at 82% of our owned and leased hotels.

FIRST QUARTER RESULTS

First quarter of 2020 financial results as compared to the first quarter of 2019 are as follows:

Management, Franchise and Other Fees

Total fee revenues decreased 23.6% (23.0% in constant currency) to $108 million. Base management fees decreased 24.4% to $47 million, and incentive management fees decreased 78.1% to $8 million. Franchise fees decreased 14.8% to $27 million. Other fee revenues increased 105.8% to $26 million. The increase in other fees was primarily driven by license fees in the Americas and ASPAC management and franchising segments.

Americas Management and Franchising Segment

Americas management and franchising segment Adjusted EBITDA decreased 26.6% (26.3% decrease in constant currency).

RevPAR for comparable Americas system-wide hotels increased 2.0% for the month of January and increased 0.3% for the month of February, offset by significant declines in March as a result of the COVID-19 pandemic. RevPAR for comparable Americas full service hotels decreased 24.2%, occupancy decreased 1,650 basis points to 54.3% occupancy, and ADR decreased 1.2%. RevPAR for comparable Americas select service hotels decreased 22.9%, occupancy decreased 1,380 basis points to 56.7% occupancy, and ADR decreased 4.0%. Revenue from management, franchise, and other fees decreased 20.0% (19.7% decrease in constant currency).

Transient rooms revenue at comparable U.S. full service hotels decreased 26.1%, room nights decreased 24.0%, and ADR decreased 2.7%. Group rooms revenue at comparable U.S. full service hotels decreased 23.4%, room nights decreased 23.5%, and ADR increased 0.2%.

Americas net rooms increased 3.8% compared to the first quarter of 2019, or 4.8% when excluding the large hotel that left the system on which we previously reported.

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

ASPAC management and franchising segment Adjusted EBITDA decreased 58.5% (57.6% decrease in constant currency). RevPAR for comparable ASPAC full service hotels decreased 48.0%, reflecting the increase in COVID-19 pandemic cases beginning in late January 2020, primarily in Greater China, and extending to other countries in the region throughout February 2020, as hotels were operating with reduced occupancy rates or suspended operations due to lock downs, travel restrictions, and quarantine measures.

Occupancy decreased 3,150 basis points to 36.3% occupancy, and ADR decreased 3.1% for ASPAC full service hotels. RevPAR for comparable ASPAC select service hotels decreased 47.5%; occupancy decreased 2,640 basis points to 30.6% and ADR decreased 2.3%. Revenue from management, franchise, and other fees decreased 40.6% (39.6% decrease in constant currency).

ASPAC net rooms increased 10.5% compared to the first quarter of 2019.

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

EAME/SW Asia management and franchising segment Adjusted EBITDA decreased 91.2% (90.8% decrease in constant currency). RevPAR for comparable EAME/SW Asia full service hotels decreased 22.5%, driven by the impact of the COVID-19 pandemic beginning in March 2020 as hotels suspended operations and travel restrictions and lock downs resulted in cancellations and decreased demand.

Occupancy decreased 1,350 basis points to 51.3% occupancy and ADR decreased 2.0% for EAME/SWA full service hotels. RevPAR for comparable EAME/SW Asia select service hotels decreased 12.7%; occupancy decreased 800 basis points to 58.2% and ADR decreased 0.7%. Revenue from management, franchise, and other fees decreased 43.0% (42.0% decrease in constant currency).

EAME/SW Asia net rooms increased 13.4% compared to the first quarter of 2019.

Owned and Leased Hotels Segment

Total owned and leased hotels segment Adjusted EBITDA decreased 66.9% (66.8% decrease in constant currency), including a decrease of 47.4% (45.6% decrease in constant currency) in pro rata share of unconsolidated hospitality ventures Adjusted EBITDA. 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 30.7% (30.3% decrease in constant currency), primarily due to the impact of the COVID-19 pandemic on comparable owned and leased hotels and dispositions. RevPAR for comparable owned and leased hotels decreased 25.8%. Occupancy decreased 1,880 basis points to 55.3% occupancy, and ADR decreased 0.5% for owned and leased hotels.

Corporate and Other

Corporate and other Adjusted EBITDA increased 30.6% (consistent in constant currency), primarily due to $5 million of integration related costs in 2019 associated with the acquisition of Two Roads Hospitality, a $4 million decrease of expenses related to our co-branded credit card program, and a $4 million reduction in selling, general, and administrative expenses as a result of decreased payroll and related costs.

Corporate and other adjusted revenues decreased 4.1% (consistent in constant currency).

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses decreased 63.2%, inclusive of rabbi trust impact and stock- based compensation. Adjusted selling, general, and administrative expenses decreased 11.4%, reflecting a decrease of $8 million of payroll and related expenses as a result of the COVID-19 pandemic, and $5 million of integration costs in 2019 related to the acquisition of Two Roads Hospitality. Refer to the table on page 14 of the schedules for a reconciliation of selling, general, and administrative expenses to Adjusted selling, general, and administrative expenses.

OPENINGS AND FUTURE EXPANSION

Twelve hotels (or 1,820 rooms) opened in the first quarter of 2020, contributing to a 6.3% increase in net rooms compared to the first quarter of 2019.

As of March 31, 2020 the Company had executed management or franchise contracts for approximately 500 hotels (approximately 101,000 rooms), compared to approximately 455 hotels (approximately 91,000 rooms) at March 31, 2019.

SHARE REPURCHASE/DIVIDEND

The Company repurchased $69 million shares of its Class A common stock year to date through March 2, 2020. The Company ended the first quarter with 35,570,053 Class A and 65,463,274 Class B shares issued and outstanding.

The Company has discontinued all share repurchase activity effective March 3, 2020, and has suspended its quarterly dividend through the first quarter of 2021.

BALANCE SHEET

As of March 31, 2020, the Company reported the following:

- Total debt of $1,962 million.
- Pro rata share of unconsolidated hospitality venture debt of approximately $596 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 $1,194 million, restricted cash of $18 million, and short-term investments of $68 million.
- Undrawn borrowing availability of $1,149 million under Hyatt's revolving credit facility, net of letters of credit outstanding.

On April 21, 2020, the Company issued $450 million 5.375% senior notes due in 2025, and $450 million 5.750% senior notes due in 2030. In connection with the offering, the Company terminated a new undrawn $500 million Bridge Credit Facility, and paid down $350 million which is the full amount of previously drawn funds from its revolving credit facility. The Company's $1.5 billion credit facility is undrawn, and as previously reported, fully available to the Company under certain covenant waivers through the first quarter of 2021. The Company's next debt maturity is in the third quarter of 2021.

We ended the first quarter of 2020 with a strong balance sheet, and have taken numerous actions to secure additional access to liquidity and maintain financial flexibility. We believe these actions provide us with adequate existing liquidity to fund our operations for at least the next 30 months assuming no improvement in operating conditions.

CAPITAL STRATEGY UPDATE

We have realized proceeds of over $950 million from the disposition of owned assets since we announced plans to sell an additional $1.5 billion of real estate in March 2019. We expect to successfully realize approximately $1.5 billion of gross proceeds from the sale of real estate by March 2022 as per our capital strategy. There are currently no assets actively being marketed for sale.

SEGMENT REPORTING UPDATES

Effective January 1, 2020, we changed the strategic and operational oversight for our Miraval properties, which were previously evaluated as a distinct business by our chief operating decision maker (CODM). The management fees from Miraval properties are now reported in the Americas management and franchising segment, and the operating results and financial position of underlying hotel results are now reported in our owned and leased hotels segment; the results of Miraval properties were previously reported in corporate and other. In addition, the license fees we receive from Hyatt Residence Club are now reported within our Americas management and franchising segment due to changes in the strategic oversight for these license agreements. The segment changes have been reflected retrospectively to the three months ended March 31, 2019.

In addition, effective January 1, 2020, we classified Miraval wellness resorts as full service hotels. All schedules have been updated to reflect this change to our properties and statistics retrospectively to the three months ended March 31, 2019.

CONFERENCE CALL INFORMATION

The Company will hold an investor conference call tomorrow, May 7, 2020, 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 #5533188, 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 7, 2020 through May 9, 2020 at midnight by dialing 416.621.4642 or 800.585.8367, passcode #5533188. 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 (loss), adjusted for special items; diluted earnings (losses) per share, 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 AND SOCIAL MEDIA CHANNELS

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. The Company uses these channels as well as social media channels (e.g., the Hyatt Facebook account (facebook.com/hyatt); the Hyatt Instagram account (instagram.com/hyatt/); the Hyatt Twitter account (twitter.com/hyatt); the Hyatt LinkedIn account (linkedin.com/company/hyatt/); and the Hyatt YouTube account (youtube.com/user/hyatt) as a means of disclosing information about the Company's business to our guests, customers, colleagues, investors, and the public. While not all of the information that the Company posts to the Hyatt Investor Relations website or on the Company's social media channels 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 and on the Company's social media channels. 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.

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 number of months of operations our existing liquidity is expected to fund, the dollar value of owned real estate we expect to sell and the timeline for such sales, 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, the short- and longer-term effects of the COVID-19 pandemic, including on the demand for travel, transient and group business, and levels of consumer confidence; actions that governments, businesses, and individuals take in response to the COVID-19 pandemic or any future resurgence, including limiting or banning travel; the impact of the COVID-19 pandemic and actions taken in response to the COVID-19 pandemic or any future resurgence, on global and regional economies, travel, and economic activity, including the duration and magnitude of its impact on unemployment rates and consumer discretionary spending; the ability of third-party owners, franchisees or hospitality venture partners to successfully navigate the impacts of the COVID-19 pandemic; the pace of recovery following the COVID-19 pandemic or any future resurgence; 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; domestic and international political and geopolitical conditions, including political or civil unrest or changes in trade policy; 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, such as the COVID-19 pandemic; 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 quarterly dividend, including a reduction in or elimination of repurchase activity or dividend payments; 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; 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 the COVID-19 pandemic, 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 and Current Report on Form 8-K filed on April 21, 2020, 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 20 premier brands. As of March 31, 2020, the Company's portfolio included more than 900 hotel, all-inclusive, and wellness resort properties in 65 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 employees, 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®***, ***Caption by Hyatt***, ***Joie de Vivre®***, ***Hyatt House®***, ***Hyatt Place®***, ***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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