

Strong Leisure Demand Drives Positive Momentum; 6.5% Net Rooms Growth

CHICAGO (May 4, 2021) - Hyatt Hotels Corporation ("Hyatt" or the "Company") (NYSE: H) today reported first-quarter 2021 financial results. Net loss attributable to Hyatt was \$304 million, or \$2.99 per diluted share, in the first quarter of 2021, compared to net loss attributable to Hyatt of \$103 million, or \$1.02 per diluted share, in the first quarter of 2020. Adjusted net loss attributable to Hyatt was \$363 million, or \$3.57 per diluted share, in the first quarter of 2021, compared to Adjusted net loss attributable to Hyatt of \$35 million, or \$0.35 per diluted share, in the first quarter of 2020. Refer to the table on page 11 of the schedules for a summary of special items impacting Adjusted net loss and Adjusted losses per diluted share for the three months ended March 31, 2021 and March 31, 2020.

Mark S. Hoplamazian, president and chief executive officer of Hyatt Hotels Corporation, said, "First quarter results exceeded expectations as demand improved meaningfully over the course of the quarter. The expansion of vaccine distribution and the easing of travel restrictions in certain markets fueled improved confidence in travel in many of the markets in which we operate. We also reported strong net rooms growth of 6.5%, reaching an important milestone with the opening of our 1,000th hotel in the quarter."

First quarter of 2021 highlights are as follows:

- Net losses increased compared to the first quarter of 2020 to a net loss of \$304 million. The net loss included a \$193 million non-cash full valuation allowance on U.S. deferred income tax assets.
- Adjusted EBITDA decreased 123.3% compared to the first quarter of 2020, to \$(20) million. Comparable system-wide RevPAR decreased 48.9% compared to the first quarter of 2020, and decreased 65.4% compared to the first quarter 2019 on a reported basis.¹
- Comparable owned and leased hotels RevPAR decreased 64.4% compared to the first quarter of 2020, and decreased 72.5% compared to the first quarter 2019 on a reported basis.¹
- Net rooms growth of 6.5%. Pipeline of executed management or franchise contracts for approximately 100,000 rooms.
- As of March 31, 2021, the Company had cash, cash equivalents and short-term investments of \$1,628 million.

Mr. Hoplamazian continued, "While risks do remain in the management of the pandemic, we are optimistic about continued growth of demand in the coming months and the balance of 2021. The demand levels we saw in March have continued through April. While leisure travel continues to lead the recovery, we are encouraged by positive indicators across other travel segments as well."

OPERATIONAL UPDATE

Comparable system-wide RevPAR and comparable owned and leased hotel RevPAR improved in the first quarter of 2021 compared to the fourth quarter of 2020. The pace of recovery varied by region and was favorably impacted by the easing of travel restrictions in certain markets and strengthening demand for leisure-oriented destinations. Consistent with trends in each of the last two quarters, the recovery was led by relative strength in Greater China and United States select service hotels. Additionally, certain resort hotels experienced a notable sequential improvement in demand.

Comparable system-wide RevPAR strengthened through the first quarter, increasing over 50% from January to March 2021, and reaching the highest level since the onset of the COVID-19 pandemic. Results were driven by strong leisure transient demand, particularly on weekends and holidays. Group and business transient demand also gained momentum through the quarter, but at a more modest pace. The Company's overall Adjusted EBITDA for March 2021 was positive.

As of March 31, 2021, 96% of total system-wide hotels (94% of rooms) were open.

FIRST QUARTER RESULTS

First quarter of 2021 financial results as compared to the first quarter of 2020 are as follows:

Management, Franchise and Other Fees

Total management and franchise fee revenues decreased 40.6% (40.7% decrease in constant currency) to \$49 million, reflecting a sequential improvement from \$47 million reported in the fourth quarter of 2020. Base management fees decreased 48.8% to \$24 million, incentive management fees increased 2.2% to \$8 million, and franchise fees decreased 38.0% to \$17 million during the quarter. Other fee revenues decreased 46.7% to \$14 million.

Americas Management and Franchising Segment

Americas management and franchising segment Adjusted EBITDA decreased 59.3% (59.2% decrease in constant currency) to \$28 million, reflecting a sequential improvement over the three months of the quarter and lapping the impact of the COVID-19 pandemic that began in March of 2020. At March 31, 2021, 93% of Hyatt's Americas full service hotels (92% of rooms) and 99% of Americas select service hotels (99% of rooms) were open.

Americas net rooms increased 5.2% compared to the first quarter of 2020.

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

ASPAC management and franchising segment Adjusted EBITDA decreased 39.7% (40.8% decrease in constant currency) to \$5 million. Results across the region were led by Greater China. At March 31, 2021, 97% of Hyatt's ASPAC full and select service hotels (96% of rooms) were open.

ASPAC net rooms increased 13.6% compared to the first quarter of 2020.

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

EAME/SW Asia management and franchising segment Adjusted EBITDA decreased 102.5% (103.8% decrease in constant currency), reflecting the impact of the COVID-19 pandemic and travel restrictions across parts of the region. At March 31, 2021, 89% of Hyatt's EAME/SW Asia full and select service hotels (89% of rooms) were open.

EAME/SW Asia net rooms increased 3.3% compared to the first quarter of 2020.

Owned and Leased Hotels Segment

Total owned and leased hotels segment Adjusted EBITDA decreased 183.5% (184.7% decrease in constant currency) to \$(29) million. Owned and leased hotels segment results were heavily impacted by the COVID-19 pandemic, but improved meaningfully over the three months of the quarter driven by stronger demand. Refer to the table on page 9 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. At March 31, 2021, 85% of Hyatt's owned and leased hotels (83% of rooms) were open.

Corporate and Other

Corporate and other Adjusted EBITDA increased 13.3% (13.7% increase in constant currency) to \$(24) million, reflecting a \$3 million improvement as compared to the first quarter of 2020. This increase was primarily due to cost containment initiatives that reduced expenses, predominantly payroll and related costs.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses increased 102.0%, inclusive of rabbi trust impact and stock-based compensation. Adjusted selling, general, and administrative expenses decreased 22.5%, or \$16 million, as a result of cost containment initiatives that drove decreases in payroll and related costs. Refer to the table on page 12 of the schedules for a reconciliation of selling, general, and administrative expenses to Adjusted selling, general, and administrative expenses.

Income Taxes

Net loss in the quarter included a \$193 million non-cash full valuation allowance on U.S. deferred income tax assets. This valuation allowance was based on an accounting assessment, as required by U.S. GAAP, which places significant weight on the Company's recent pre-tax book losses resulting from the impact of COVID-19 on our business. This valuation allowance does not impact cash flows, and does not limit the ability to benefit from current period losses and deferred tax assets on future tax filings.

The Company filed a 2020 U.S. tax refund claim in the quarter and expects to receive a tax refund of approximately \$250 million in the second half of 2021 in connection with 2020 net operating losses carried back to prior years under the CARES Act.

OPENINGS AND FUTURE EXPANSION

Twenty-three new hotels (or 3,919 rooms) opened in the first quarter of 2021, contributing to a 6.5% increase in net rooms compared to the first quarter of 2020.

As of March 31, 2021, the Company had executed management or franchise contracts for approximately 490 hotels (or approximately 100,000 rooms).

TRANSACTION / CAPITAL STRATEGY UPDATE

During the first quarter, the Company completed the following transaction:

- In March 2021, the Company acquired its partner's 50% stake in an unconsolidated joint venture that owned the 467-room Grand Hyatt São Paulo in Brazil for \$6 million of cash and recognized a \$69 million pre-tax gain. The Company also repaid all third-party mortgage debt on the property, totaling \$78 million.

The Company intends to successfully execute plans to sell approximately \$1.5 billion of real estate by March 2022 as part of its capital strategy announced in March of 2019. As of March 31, 2021, the Company has realized proceeds of approximately \$1.0 billion towards that goal from the disposition of owned assets.

SHARE REPURCHASE / DIVIDEND

There were no Class A or Class B shares repurchased during the first quarter of 2021. The Company ended the first quarter with 40,523,505 Class A and 61,238,749 Class B shares issued and outstanding. Effective March 3, 2020, the Company suspended all share repurchase activity, and suspended its quarterly dividend.

2021 OUTLOOK

The Company is providing the following guidance for the 2021 fiscal year:

- Adjusted selling, general, and administrative expenses are expected to be approximately \$240 million. Refer to the table on page 13 of the schedules for a reconciliation of selling, general, and administrative expenses to Adjusted selling, general, and administrative expenses.
- Capital expenditures are expected to be approximately \$110 million. The Company expects to grow units, on a net rooms basis, by over 5.0%.

No disposition or acquisition activity beyond what has been completed as of the date of this release has been included in the 2021 Outlook. The Company's 2021 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.

BALANCE SHEET

As of March 31, 2021, the Company reported the following:

- Total debt of \$3,242 million.
- Pro rata share of unconsolidated hospitality venture debt of approximately \$643 million, compared to \$671 million as of December 31, 2020, 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 \$1,078 million, restricted cash of \$9 million, and short-term investments of \$550 million.
- Undrawn borrowing availability of \$1,499 million under Hyatt's revolving credit facility, net of letters of credit outstanding.

On March 18, 2021, the Company successfully amended its revolving credit facility, reinforcing Hyatt's ability to continue to effectively navigate the COVID-19 recovery period with significant liquidity and flexibility. At March 31, 2021, the Company had approximately \$3.1 billion of total liquidity.

CONFERENCE CALL INFORMATION

The Company will hold an investor conference call tomorrow, May 5, 2021 at 11:30 a.m. CT. Participants may listen to a simultaneous webcast of the conference call, which may be accessed through the Company's website at investors.hyatt.com. Alternatively, participants may access the live call by dialing 833-238-7946 (U.S. Toll-Free) or 647-689-4468 (International Toll Number) using conference ID# 8372726 approximately 15 minutes prior to the scheduled start time. A replay of the call will be available Wednesday, May 5, 2021 at 2:30 p.m. CT until Wednesday, May 19, 2021 at 11:00 p.m. CT by dialing 800-585-8367 (U.S. Toll-Free) or 416-621-4642 (International Toll Number), using conference ID# 8372726. 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](https://www.facebook.com/hyatt)); the Hyatt Instagram account ([instagram.com/hyatt/](https://www.instagram.com/hyatt/)); the Hyatt Twitter account (twitter.com/hyatt); the Hyatt LinkedIn account ([linkedin.com/company/hyatt/](https://www.linkedin.com/company/hyatt/)); and the Hyatt YouTube account ([youtube.com/user/hyatt](https://www.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](https://www.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, the impact of the COVID-19 pandemic and pace of recovery, the amount by which the Company intends to reduce its real estate asset base and the anticipated timeframe for such asset dispositions, the Company's liquidity profile, the number of properties we expect to open in the future, our expected tax refund amounts and timing, our expected Adjusted SG&A expense, our expected capital expenditures, our expected net rooms growth, 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 duration of the COVID-19 pandemic and its short and longer-term effects, including the demand for travel, transient and group business, and levels of consumer confidence, and the pace of recovery following the pandemic, any additional resurgence, or COVID-19 variants; the impact of the COVID-19 pandemic, any additional resurgence, or COVID-19 variants, and the impact of actions that governments, businesses, and individuals take in response, on global and regional economies, travel limitations or bans, and economic activity, including the duration and magnitude of its impact on unemployment rates and consumer discretionary spending; the broad distribution of COVID-19 vaccines and wide acceptance by the general population of such vaccines; the ability of third-party owners, franchisees, or hospitality venture partners to successfully navigate the impacts of the COVID-19 pandemic, any additional resurgence, or COVID-19 variants; 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 ("ADR"); limited visibility with respect to future bookings; loss of key personnel; domestic and international political and geo-political 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, such as the COVID-19 pandemic, 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, share repurchase program, and dividend payments, including a reduction in, or elimination or suspension 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; and 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 offering 20 premier brands. As of March 31, 2021, the Company's portfolio included more than 1,000 hotel, all-inclusive, and wellness resort properties in 68 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 operate, manage, franchise, own, lease, develop, license, or provide services to hotels, resorts, branded residences, and vacation ownership properties, including under the **Park Hyatt®**, **Miraval®**, **Grand Hyatt®**, **Alila®**, **Andaz®**, **The Unbound Collection by Hyatt®**, **Destination by Hyatt™**, **Hyatt Regency®**, **Hyatt®**, **Hyatt Ziva™**, **Hyatt Zilara™**, **Thompson Hotels®**, **Hyatt Centric®**, **Caption by Hyatt**, **JdV by Hyatt™**, **Hyatt House®**, **Hyatt Place®**, **tommie™**, **UrCove**, and **Hyatt Residence Club®** 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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https://stage.mediaroom.com/hyatt2/2021_q1_results