# Recovery Momentum Broadens and Strengthens; Net Rooms Growth of 6.9%; Apple Leisure Group Acquisition Complete

**CHICAGO (November 3, 2021)** - Hyatt Hotels Corporation ("Hyatt" or the "Company") (NYSE: H) today reported third-quarter 2021 financial results. Net income attributable to Hyatt was $120 million, or $1.15 per diluted share, in the third quarter of 2021, compared to a net loss attributable to Hyatt of $161 million, or $1.59 per diluted share, in the third quarter of 2020. Adjusted net income attributable to Hyatt was $241 million, or $2.31 per diluted share, in the third quarter of 2021, compared to Adjusted net loss attributable to Hyatt of $150 million, or $1.48 per diluted share, in the third quarter of 2020. Refer to the table on page 11 of the schedules for a summary of special items impacting Adjusted net income (loss) and Adjusted earnings (losses) per share for the three months ended September 30, 2021 and September 30, 2020.

Mark S. Hoplamazian, president and chief executive officer of Hyatt Hotels Corporation, said, "During the quarter, we again produced results that exceeded expectations and demonstrated the resilience of our business. Adjusted EBITDA for the third quarter approached 70% of 2019 levels and more than doubled from the prior quarter. Leisure demand continues to lead the recovery and momentum for business and group travel is growing. The recovery is evident in more markets as travel restrictions ease and borders reopen."

Third quarter of 2021 highlights are as follows:

- Net income increased compared to the third quarter of 2020 to $120 million.
- Adjusted EBITDA increased compared to the third quarter of 2020 to $110 million.
- Comparable system-wide RevPAR increased to $93.70 in the third quarter of 2021, and decreased 31.8% compared to the third quarter 2019 on a reported basis.
- Comparable owned and leased hotels RevPAR increased to $117.33 in the third quarter of 2021, and decreased 35.5% compared to the third quarter 2019 on a reported basis.
- Net rooms growth of 6.9% compared to the third quarter of 2020.
- Pipeline of executed management or franchise contracts for approximately 103,000 rooms, an increase of 2.0% compared to the third quarter of 2020.

Mr. Hoplamazian continued, "We made significant progress in the quarter towards executing our long-term strategy through the acquisition of Apple Leisure Group. The transaction closed on November 1st and I'm thrilled to welcome the colleagues from this truly unique leisure platform into the Hyatt family. This acquisition significantly expands our leisure offerings and positions Hyatt as a leader in the fast-growing luxury all-inclusive resort segment. We also advanced our capital strategy through the completion of our $1.5 billion asset disposition commitment during the quarter and we announced a new $2 billion commitment for additional asset sales by the end of 2024. Through the acquisition of Apple Leisure Group's asset light platform and expansion of our disposition commitment, we expect to transform our earnings to approximately 80% fee-based by year end 2024."

OPERATIONAL UPDATE

Comparable system-wide RevPAR improved 29% in the third quarter of 2021, as compared to the prior quarter, driven by a strong recovery in leisure demand and growing momentum in business and group travel. Leisure transient revenue exceeded 2019 levels in July, and after a seasonal and sequential decline in August, returned to nearly fully recovered levels in September. Business transient and group revenue also gained momentum in the third quarter, improving more than 40% from the prior quarter. Demand in the United States and a strong recovery in Europe were primary drivers of the improved performance.

Comparable owned and leased hotels RevPAR strengthened by 39% in the third quarter of 2021, as compared to the prior quarter, benefiting from strong leisure demand in the United States and the easing of travel restrictions in Europe. Comparable owned and leased operating margins were 20% for the quarter reflecting strong operational execution and an improved demand environment.

As of September 30, 2021, 99% of total system-wide hotels (99% of rooms) were open.

THIRD QUARTER RESULTS

Third quarter of 2021 financial results as compared to the third quarter of 2020 are as follows:

***Management, Franchise and Other Fees***

Total management and franchise fee revenues totaled $96 million in the third quarter of 2021 compared to $40 million reported in the third quarter of 2020, and reflected a sequential improvement from $77 million reported in the second quarter of 2021. Base management fees increased 158.8% to $50 million, incentive management fees increased 54.7% to $10 million, and franchise fees increased 141.6% to $36 million during the quarter. Other fee revenues increased 40.4% to $17 million.

***Americas Management and Franchising Segment***

Americas management and franchising segment Adjusted EBITDA increased to $74 million in the third quarter of 2021 compared to $16 million reported in the third quarter of 2020. Results were led by increases in franchise fees driven by select service properties and base fees driven by resort properties. At September 30, 2021, 99% of Hyatt's Americas full and select service hotels (99% of rooms) were open.

Americas net rooms increased 5.2% compared to the third 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 to $6 million in the third quarter of 2021 compared to $9 million reported in the third quarter of 2020. Results across the region reflect the impact of travel restrictions which continue to impact hotel demand. At September 30, 2021, 98% of Hyatt's ASPAC full and select service hotels (99% of rooms) were open.

ASPAC net rooms increased 12.5% compared to the third 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 increased to $5 million in the third quarter of 2021 compared to $(2) million reported in the third quarter of 2020. Results across the region were led by Europe as travel restrictions eased leading to increased transient demand. At September 30, 2021, 99% of Hyatt's EAME/SW Asia full and select service hotels (98% of rooms) were open.

EAME/SW Asia net rooms increased 7.3% compared to the third quarter of 2020.

***Owned and Leased Hotels Segment***

Total owned and leased hotels segment Adjusted EBITDA increased to $51 million in the third quarter of 2021 compared to $(56) million reported in the third quarter of 2020. Owned and leased hotels segment results improved meaningfully over the quarter highlighting the strong operating leverage within the portfolio. 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 September 30, 2021, 97% of Hyatt's owned and leased hotels (91% of rooms) were open.

***Corporate and Other***

Corporate and other Adjusted EBITDA decreased to $(26) million in the third quarter of 2021 compared to $(15) million reported in the third quarter of 2020. This decrease was primarily driven by an increase in certain selling, general, and administrative expenses, including payroll and related costs.

***Selling, General, and Administrative Expenses***

Selling, general, and administrative expenses remained flat, inclusive of rabbi trust impact and stock-based compensation. Adjusted selling, general, and administrative expenses increased to $64 million in the third quarter of 2021, as a result of prior year cost containment initiatives, primarily payroll and related costs. 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.

***Income Taxes***

The provision for income taxes for the three months ended September 30, 2021 was $138 million, compared to the benefit for income taxes of $59 million for the three months ended September 30, 2020. The change in our benefit (provision) for income taxes was primarily attributable to the tax impact of the sale of Hyatt Regency Lake Tahoe Resort, Spa and Casino combined with a full valuation allowance on U.S. federal and state tax deferred tax assets, and the impact of unbenefited foreign losses.

OPENINGS AND FUTURE EXPANSION

Twenty new hotels (or 4,599 rooms) opened in the third quarter of 2021, contributing to a 6.9% increase in net rooms compared to the third quarter of 2020.

As of September 30, 2021, the Company had executed management or franchise contracts for approximately 505 hotels (or approximately 103,000 rooms). This compares to approximately 495 hotels (or approximately 101,000 rooms) as of June 30, 2021.

TRANSACTION / CAPITAL STRATEGY UPDATE

During the third quarter, the Company completed the following transactions:

- Hyatt Regency Lake Tahoe Resort, Spa and Casino— a Hyatt affiliate sold the 422-room Hyatt Regency Lake Tahoe Resort, Spa and Casino, located in Incline Village, Nevada for approximately $350 million (approximately $343 million, net of closing costs and proration adjustments), and entered into a long-term management agreement.
- Alila Ventana Big Sur— a Hyatt affiliate sold the 59-room Alila Ventana Big Sur, located in Big Sur, California for approximately $150 million (approximately $148 million, net of closing costs and proration adjustments), and entered into a long-term management agreement.

The above two transactions in the quarter led to the successful completion of the asset sale commitment announced at the Company's 2019 Investor Day to realize $1.5 billion of asset sales proceeds by March of 2022. The Company completed the commitment ahead of schedule and above the committed amount. As of September 30, 2021, the Company realized net proceeds of approximately $1.6 billion. Concurrent with the announcement to acquire Apple Leisure Group ("ALG"), the Company committed to realizing an additional $2 billion of proceeds from asset sales by the end of 2024.

COMMON STOCK ISSUANCE / SHARE REPURCHASE / DIVIDEND

During the third quarter, the Company completed an underwritten public offering of Class A common stock at a price of $74.50 per share. The Company issued and sold 8,050,000 shares resulting in approximately $575 million of net proceeds, which was used to fund a portion of the purchase price for the ALG acquisition.

There were no Class A or Class B shares repurchased during the third quarter of 2021. The Company ended the third quarter with 50,287,596 Class A and 59,653,271 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 $245 million to $250 million, inclusive of approximately $5 million to $10 million of expenses related to non-recurring integration costs for ALG. 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 net rooms growth to be greater than 6.0%.

The Company's 2021 Outlook does not include disposition or acquisition activity beyond what has been completed as of the date of this release; however, other than integration costs noted above, expectations related to ALG are not 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 / LIQUIDITY

As of September 30, 2021, the Company reported the following:

- Total debt of $2,988 million.
- Pro rata share of unconsolidated hospitality venture debt of approximately $633 million, substantially all of which is non-recourse to Hyatt and a portion of which Hyatt guarantees pursuant to separate agreements.
- Total liquidity of approximately $4.3 billion with cash and cash equivalents, including investments in highly-rated money market funds and similar investments, of $2,418 million, short-term investments of $357 million, and undrawn borrowing availability of $1,500 million under the revolving credit facility.

On August 14, 2021, the Company agreed to acquire 100% of the outstanding limited partnership interests in Casablanca Global Intermediate Holdings L.P., doing business as Apple Leisure Group, and 100% of the outstanding ordinary shares of Casablanca Global GP Limited, its general partner, a leading luxury resort-management services, travel, and hospitality group, pursuant to a definitive Securities Purchase Agreement ("Purchase Agreement") for $2.7 billion of total consideration, subject to customary adjustments set forth in the Purchase Agreement relating to working capital, cash, and indebtedness. The Purchase Agreement also provides for contingent consideration following the closing of the transaction upon the achievement, if ever, of certain targets related to ALG's outstanding travel credits. The transaction closed on November 1, 2021 and the Company paid cash of $2.7 billion. The transaction was funded with a combination of cash on hand, $1 billion of proceeds from senior note issuances described below, $575 million of proceeds from the common stock issuance, and $210 million of borrowings on the

Company's revolving credit facility.

On October 1, 2021, the Company issued $700 million of 1.300% senior notes due 2023 at an issue price of 99.941%, $300 million of floating rate senior notes due 2023 at par, and $750 million of 1.800% senior notes due 2024 at an issue price of 99.994%. The Company received approximately $1.7 billion of net proceeds, after deducting underwriting discounts and other offering expenses.

On October 15, 2021, utilizing proceeds from the senior notes issuance, the Company redeemed the Company's $750 million of three-month LIBOR plus 3.000% senior notes due 2022 for approximately $753 million, inclusive of $750 million of aggregate principal and $3 million of accrued interest outstanding.

## CONFERENCE CALL INFORMATION

The Company will hold an investor conference call tomorrow, November 4, 2021 at 10:00 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# 3360747 approximately 15 minutes prior to the scheduled start time. A replay of the call will be available Thursday, November 4, 2021 at 12:00 p.m. CT until Thursday, November 11, 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# 3360747. 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, 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 and earnings profile, the number of properties we expect to open in the future, our expected Adjusted SG&A expenses, 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: risks associated with the consummation of the acquisition of Apple Leisure Group; including the related incurrence of material additional indebtedness; the Company's ability to successfully integrate Apple Leisure Group's employees and operations into the Company; the ability to realize the anticipated benefits and synergies of the acquisition of Apple Leisure Group as rapidly or to the extent anticipated;*

*the duration of the COVID-19 pandemic and the pace of recovery following the pandemic, any additional resurgence, or COVID-19 variants; the short and longer-term effects of the COVID-19 pandemic, including the demand for travel, transient and group business, and levels of consumer confidence; 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 and efficacy 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; global supply chain constraints and interruptions; risks affecting the luxury, resort, and all-inclusive lodging segments; levels of spending in business, leisure, and all-inclusive 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 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 and Apple Leisure Group's membership offering; 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 guided by its purpose – to care for people so they can be their best. As of September 30, 2021, Hyatt's portfolio included more than 1,000 hotel and all-inclusive properties in 69 countries across six continents, and the acquisition of Apple Leisure Group added 96 properties in 10 countries as of November 1, 2021. Hyatt's offerings include 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®, UrCove, and Hyatt Residence Club® brands, as well as resort and hotel brands under the AMR™ Collection, including Secrets® Resorts & Spas, Dreams® Resorts & Spas, Breathless® Resorts & Spas, Zoëtry® Wellness & Spa Resorts, Alua® Hotels & Resorts, and Sunscape® Resorts & Spas. Hyatt's subsidiaries operate the World of Hyatt® loyalty program, ALG Vacations®, Unlimited Vacation Club®, Amstar DMC destination management services, and the Trisept Solutions® travel technology platform. For more information, please visit www.hyatt.com.

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