

Apple Leisure Group Acquisition Drives Net Rooms Growth of 19.5% in 2021; Hyatt Portfolio Rooms Mix Transforms to 40% Luxury, Lifestyle, or Resort

CHICAGO (February 16, 2022) - Hyatt Hotels Corporation ("Hyatt" or the "Company") (NYSE: H) today reported fourth quarter and full-year 2021 financial results. Net loss attributable to Hyatt was \$29 million, or \$0.26 per diluted share, in the fourth quarter of 2021, compared to net loss attributable to Hyatt of \$203 million, or \$2.00 per diluted share, in the fourth quarter of 2020. Adjusted net loss attributable to Hyatt was \$306 million, or \$2.78 per diluted share, in the fourth quarter of 2021, compared to Adjusted net loss attributable to Hyatt of \$179 million, or \$1.77 per diluted share, in the fourth quarter of 2020. Refer to the table on page 15 of the schedules for a summary of special items impacting Adjusted net loss and Adjusted losses per share in the three months ended December 31, 2021 and December 31, 2020.

"2021 was a transformative year for our company," said Mark S. Hoplemazian, President and Chief Executive Officer of Hyatt Hotels Corporation. "We completed the largest acquisition in the history of Hyatt with Apple Leisure Group, realized approximately \$630 million of gross proceeds from owned hotel dispositions, and had another year of industry leading Net Rooms Growth driven by a record year of new hotel openings." Mr. Hoplemazian added, "The performance of our core business continues to strengthen, fueled by recovering demand and excellent operational execution."

On November 1, 2021, the Company completed the acquisition of Apple Leisure Group ("ALG"). Fourth quarter and full-year 2021 financial results reflect two months of ALG performance. ALG's contribution to Adjusted EBITDA does not include Net Deferrals and Net Financed Contracts.

Fourth quarter 2021 financial results as compared to the fourth quarter 2020 are as follows:

- Net loss decreased to \$29 million from a loss of \$203 million.
- Adjusted EBITDA increased to \$112 million from a loss of \$98 million.
 - ALG contributed \$4 million of Adjusted EBITDA.
 - Adjusted EBITDA does not include ALG's Net Deferrals of \$19 million and Net Financed Contracts of \$8 million.
- Comparable system-wide RevPAR increased to \$96.75 in the fourth quarter of 2021 and decreased 26.1% compared to the fourth quarter of 2019 on a reported basis.
- Comparable owned and leased hotels operating margins were 24.8% in the fourth quarter of 2021.

Fiscal year 2021 financial results as compared to fiscal year 2020 are as follows:

- Net loss decreased to \$222 million from a loss of \$703 million.
- Adjusted EBITDA increased to \$257 million from a loss of \$177 million.
 - ALG contributed \$4 million of Adjusted EBITDA.
 - Adjusted EBITDA does not include ALG's Net Deferrals of \$19 million and Net Financed Contracts of \$8 million.
- Comparable system-wide RevPAR increased to \$77.80 in fiscal year 2021 and decreased 42.9% compared to fiscal year 2019 on a reported basis.
- System-wide Net Rooms Growth was 19.5% in 2021. Excluding the acquisition of ALG, Net Rooms Growth was 6.1%.
- The pipeline of executed management or franchise contracts increased 12% to approximately 113,000 rooms. Excluding the acquisition of ALG, the pipeline increased 3% to approximately 104,000 rooms.

Mr. Hoplemazian added, "We opened 99 Hyatt hotels in 2021, a new record, excluding ALG's contribution. Our strong organic growth paired with the acquisitions of ALG this past year and Two Roads in 2018 have transformed our portfolio. We have doubled the number of luxury rooms, tripled the number of lifestyle rooms, and tripled the number of resort rooms in only four years. Our portfolio is uniquely positioned to benefit from the strengthening demand environment ahead, especially for our high-end travelers."

OPERATIONAL UPDATE

Comparable system-wide RevPAR in comparison with 2019 levels recovered to 74% in the fourth quarter on a reported basis and 84% in December 2021, before softening to 63% in January 2022, due to the impact of the Omicron variant. Comparable system-wide RevPAR in February 2022 is trending at approximately 68% of 2019 levels through the first two weeks of the month with notable RevPAR acceleration of over 20% for the trailing 7-day period as of mid-February compared to the same 7-day period two weeks prior.

Forward booking trends have also experienced notable acceleration. Gross transient revenue booked for future periods was

approximately 77% of 2019 levels in January and has accelerated to 95% month-to-date through mid-February. Gross group room revenue booked for Americas Full Service Managed properties in January for stay dates in 2022 was 114% of 2019 levels and has accelerated further through mid-February.

Net Package RevPAR for comparable ALG resorts in the Americas in comparison with 2019 levels was 85% in January. Gross package revenue booked for future periods was approximately 93% of 2019 levels in January and has accelerated to more than 135% of 2019 levels month-to-date through mid-February.

FOURTH QUARTER RESULTS

Fourth quarter of 2021 financial results as compared to the fourth quarter of 2020 are as follows:

Management, Franchise and Other Fees

Total management and franchise fee revenues increased to \$124 million in the fourth quarter of 2021 compared to \$47 million reported in the fourth quarter of 2020 and reflected a sequential improvement from \$96 million reported in the third quarter of 2021. Base management fees increased to \$59 million, incentive management fees increased to \$28 million, and franchise fees increased to \$37 million during the quarter. Other fee revenues increased to \$25 million in the fourth quarter.

Americas Management and Franchising Segment

Americas management and franchising segment Adjusted EBITDA increased to \$75 million in the fourth quarter of 2021 compared to \$9 million reported in the fourth quarter of 2020. Results were led by increases in base and franchise fees with total franchise fees exceeding 2019 levels on a reported basis.

Americas net rooms increased 4.9% compared to the fourth 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 \$8 million in the fourth quarter of 2021 compared to \$9 million reported in the fourth quarter of 2020. Results reflect lower demand from Greater China while the remainder of the region experienced improving demand and an increase in fees.

ASPAC net rooms increased 7.7% compared to the fourth 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 \$13 million in the fourth quarter of 2021 compared to \$(3) million reported in the fourth quarter of 2020. Results across the region were led by stronger demand in certain parts of Europe and in the Middle East driven by the Dubai Expo.

EAME/SW Asia net rooms increased 9.9% compared to the fourth quarter of 2020.

Apple Leisure Group Segment

On November 1, 2021, the Company completed the acquisition of ALG for a purchase price of \$2.7 billion, net of cash acquired. As of December 31, 2021, the acquisition of ALG added 99 resorts (or approximately 32,000 rooms), and a pipeline of approximately 9,000 rooms.

ALG is reported as one segment and derives its earnings through management and marketing services for all-inclusive resorts within the AMR™ Collection, a paid membership club offering through the Unlimited Vacation Club®, and distribution and destination management services offered through ALG Vacations®.

- In November and December, total ALG segment Adjusted EBITDA was \$4 million. Adjusted EBITDA does not include ALG's Net Deferrals of \$19 million and Net Financed Contracts of \$8 million.
- Deferred revenue from the Unlimited Vacation Club business increased by \$35 million and deferred costs increased by \$16 million resulting in Net Deferrals of \$19 million. The Net Deferrals of \$19 million will be recognized in our consolidated statements of income (loss) over the membership contract term, which ranges from 3 to 25 years, resulting in a material timing difference compared with cash received from members upon signing under membership contract terms. The Unlimited Vacation Club Net Financed Contracts increased \$8 million, this increase represents installments to be paid by members in the future in accordance with the terms of their contract.

Please refer to the table on page 3 of the schedules for further details on revenue recognition, deferrals, and financed contracts relating to the Unlimited Vacation Club.

Owned and Leased Hotels Segment

Total owned and leased hotels segment Adjusted EBITDA increased to \$57 million in the fourth quarter of 2021 compared to \$(48) million reported in the fourth quarter of 2020 driven by improved demand across the portfolio with all hotels re-opened by the end of 2021. Owned and leased hotels segment comparable margins improved to 24.8%, reflecting strong operational execution and average daily rates.

Refer to the tables starting 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.

Corporate and Other

Corporate and other Adjusted EBITDA increased to \$(45) million in the fourth quarter of 2021 compared to \$(65) million reported in the fourth quarter of 2020. The favorability to the fourth quarter of 2020 was primarily driven by a non-recurring expense to provide necessary system-wide services and programs to hotel owners in 2020. This was partially offset by increases in certain selling, general, administrative expenses, including payroll and related costs, and \$6 million of integration-related costs associated with the ALG Acquisition.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses increased 9.8% inclusive of the rabbi trust impact and stock-based compensation. Adjusted selling, general, and administrative expenses increased 44.3% or \$32 million, primarily due to the addition of ALG Adjusted selling, general, and administrative expenses for the two months post-acquisition, an increase in accrued bonus expense, and ALG integration costs.

Refer to the table on page 17 of the schedules for a reconciliation of selling, general, and administrative expenses to Adjusted selling, general, and administrative expenses.

OPENINGS AND FUTURE EXPANSION

In the fourth quarter of 2021, 128 new hotels (or 37,014 rooms) joined Hyatt's system, inclusive of 99 hotels (or 31,887 rooms) from the acquisition of ALG. In fiscal year 2021, 198 new hotels (or 49,834 rooms) joined Hyatt's system, inclusive of 99 hotels (or 31,887 rooms) from the acquisition of ALG. Additionally, 17 properties (or 3,076 rooms) converted to a Hyatt brand during 2021.

As of December 31, 2021, the Company had a pipeline of executed management or franchise contracts for approximately 540 hotels (approximately 113,000 rooms), inclusive of ALG's pipeline contribution of approximately 30 hotels (or approximately 9,000 rooms).

TRANSACTION/ CAPITAL STRATEGY

During the fourth quarter, the Company completed the following transactions related to its owned and leased portfolio:

- Hyatt Regency Bishkek— a Hyatt affiliate sold its interest in the hospitality venture that owns Hyatt Regency Bishkek to our hospitality partner for approximately \$3 million and entered into a long-term management agreement upon sale.
- Hyatt Regency Miami— a Hyatt affiliate contributed Hyatt Regency Miami to a newly-formed hospitality venture for approximately \$22 million and retained a long-term management agreement.

The Company intends to successfully execute plans to sell approximately \$2 billion of real estate by the end of 2024 as part of its expanded asset-disposition commitment announced in August 2021.

SHARE REPURCHASE/ DIVIDEND

There were no Class A or Class B shares repurchased during the fourth quarter of 2021. The Company ended the fourth quarter with 50,322,050 Class A and 59,653,271 Class B shares issued and outstanding.

During the 2021 fiscal year, the Company issued and sold 8,050,000 shares of Class A common stock and received \$575 million of net proceeds.

The Company has suspended all share repurchase activity and its quarterly dividend.

2022 OUTLOOK

The Company is providing the following guidance for the 2022 fiscal year:

- Adjusted selling, general, and administrative expenses are expected to be approximately \$460 million to \$465 million. This includes selling, general, and administrative expenses associated with the acquisition of ALG, of which \$25 million to \$30

million is related to one-time integration costs in 2022. Refer to the table on page 18 of the schedules for a reconciliation of selling, general, and administrative expenses to Adjusted selling, general, and administrative expenses.

- Excluding ALG, Adjusted selling, general, and administrative expenses are expected to be approximately \$300 million to \$305 million, and include \$25 million to \$30 million related to one-time integration costs in 2022.
- ALG Adjusted selling, general, and administrative expenses are expected to be approximately \$160 million.
- Capital expenditures are expected to be approximately \$215 million.
 - Hyatt capital expenditures, excluding ALG, are expected to be approximately \$190 million.
 - ALG capital expenditures are expected to be approximately \$25 million.
- The Company expects to grow net rooms by approximately 6.0%.

No disposition or acquisition activity beyond what has been completed as of the date of this release has been included in the 2022 Outlook. The Company's 2022 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 December 31, 2021, the Company reported the following:

- Total debt of \$3,978 million.
- Pro rata share of unconsolidated hospitality venture debt of \$581 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 \$2.7 billion with \$960 million of cash and cash equivalents, \$227 million of short-term investments, and available borrowing availability of \$1,493 million under Hyatt's revolving credit facility, net of letters of credit outstanding.

CONFERENCE CALL INFORMATION

The Company will hold an investor conference call tomorrow, February 17, 2022, at 9:00 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: 888-412-4131 (U.S. Toll-Free) or 646-960-0134 (International Toll Number) using conference ID# 9019679 approximately 15 minutes prior to the scheduled start time.

A replay of the call will be available Thursday, February 17, 2022 at 11:00 a.m. CT until Wednesday, February 23, 2022 at 10:59 p.m. CT by dialing: 800-770-2030 (U.S. Toll-Free) or 647-362-9199 (International Toll Number) using conference ID# 9019679. 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 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 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 number of properties we expect to open in the future, booking trends, 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: risks associated with the acquisition of Apple Leisure Group ("ALG"), including the related incurrence of additional material indebtedness; our ability to realize the anticipated benefits of the acquisition of ALG as rapidly or to the extent anticipated, including successfully integrating the ALG business with ours; the duration and severity of the COVID-19 pandemic and the pace of recovery following the pandemic, any additional resurgence, or COVID-19 variants; the short and long-term effects of the COVID-19 pandemic, including on 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 treatments, wide acceptance by the general population of such vaccines, and the availability, use, and effectiveness of COVID-19 testing, including at-home testing kits; 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, rising costs of construction-related labor and materials, and increases in costs due to inflation or other factors that may not be fully offset by increases in revenues in our business; risks affecting the luxury, resort, and all-inclusive lodging segments; levels of spending in business, leisure, and group 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, 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, wages, and other 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 Unlimited Vacation Club paid membership 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 guided by its purpose – to care for people so they can be their best. As of December 31, 2021, the Company's portfolio included more than 1,150 hotel and all-inclusive properties in 70 countries across six continents. The Company's offering includes 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. Subsidiaries of the Company operate the World of Hyatt® loyalty program, ALG Vacations®, Unlimited Vacation Club®, Amstar DMC destination management services, and Trisept Solutions® technology services. For more information, please visit www.hyatt.com.

Media Contact:

Franziska Weber
franziska.weber@hyatt.com

Investor Contact:

Noah Hoppe
noah.hoppe@hyatt.com

https://stage.mediaroom.com/hyatt2/2021_q4_results