

Hyatt Hotels Corporation

Table of Contents

Financial Information

(unaudited)

<u>Schedule</u>	<u>Page</u>
Net Income Attributable to Hyatt Hotels Corporation to Adjusted EBITDA	A - 1
G&A Expenses to Adjusted G&A Expenses	A - 2
Special Items	A - 3
Outlook: Reconciliations of Non-GAAP Financial Measures	A - 4

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Financial Measure: Reconciliation of Net Income Attributable to Hyatt Hotels Corporation to Adjusted EBITDA

(in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income attributable to Hyatt Hotels Corporation	\$ 471	\$ 68	\$ 1,352	\$ 194
Interest expense	50	41	128	105
Provision for income taxes	137	33	259	107
Depreciation and amortization	81	100	257	297
Contra revenue	27	12	56	34
Revenues for reimbursed costs	(867)	(754)	(2,511)	(2,267)
Reimbursed costs	881	764	2,570	2,302
Transaction and integration costs (a)	8	8	26	31
Equity (earnings) losses from unconsolidated hospitality ventures	13	(7)	(32)	(4)
Stock-based compensation expense (b)	9	12	55	60
(Gains) losses on sales of real estate and other	(514)	(18)	(1,267)	(18)
Asset impairments	35	6	52	13
Other (income) loss, net	(70)	(26)	(152)	(93)
Pro rata share of unconsolidated owned and leased hospitality ventures'				
Adjusted EBITDA	14	14	48	45
Adjusted EBITDA	\$ 275	\$ 253	\$ 841	\$ 806

(a) During the nine months ended September 30, 2024, the Company revised its definition of Adjusted EBITDA to exclude transaction and integration costs, and recast prior-period results to provide comparability. The revised definition excludes transaction costs previously recognized in general and administrative expenses and integration costs. Previously, only transaction costs recognized in gains (losses) on sales of real estate and other and other income (loss), net were excluded from Adjusted EBITDA. As these costs may vary in frequency or magnitude, the Company believes the revised definition presents a more representative measure of its core operations, assists in the comparability of results, and provides information consistent with how management evaluates operating performance. Refer to page A-10 for an explanation of how the Company utilizes Adjusted EBITDA, why the Company presents it, and material limitations on its usefulness.

(b) Includes amounts recognized in general and administrative expenses and distribution expenses.

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Financial Measure: G&A Expenses to Adjusted G&A Expenses

Results of operations as presented on the condensed consolidated statements of income include expenses recognized with respect to deferred compensation plans funded through rabbi trusts. Certain of these expenses are recognized in G&A expenses and are completely offset by the corresponding net gains (losses) and interest income from marketable securities held to fund rabbi trusts, thus having no net impact to our earnings (losses). G&A expenses also include expenses related to stock-based compensation. Below is a reconciliation of this measure excluding the impact of our rabbi trust investments and stock-based compensation expense.

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
G&A expenses	\$ 126	\$ 122	\$ 412	\$ 411
Less: Rabbi trust impact	(17)	8	(43)	(23)
Less: Stock-based compensation expense	(9)	(12)	(52)	(58)
Adjusted G&A Expenses	\$ 100	\$ 118	\$ 317	\$ 330

The table below provides a segment breakdown for Adjusted G&A Expenses:

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Management and franchising	\$ 62	\$ 60	\$ 185	\$ 161
Owned and leased	2	3	7	8
Distribution	—	13	6	36
Overhead	36	42	119	125
Adjusted G&A Expenses	\$ 100	\$ 118	\$ 317	\$ 330

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Financial Measure: Net Income Attributable to Hyatt Hotels Corporation and Diluted Earnings per Class A and Class B Share to Adjusted Net Income Attributable to Hyatt Hotels Corporation and Adjusted Diluted Earnings per Class A and Class B Share

(in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income attributable to Hyatt Hotels Corporation	\$ 471	\$ 68	\$ 1,352	\$ 194
Diluted earnings per share	\$ 4.63	\$ 0.63	\$ 13.04	\$ 1.80
Special items:				
(Gains) losses on sales of real estate and other (a)	(514)	(18)	(1,267)	(18)
Contingent consideration liability fair value adjustments (b)	(9)	2	(20)	1
Unconsolidated hospitality ventures (c)	—	—	(69)	—
Fund (surpluses) deficits (d)	1	(1)	20	5
Unrealized (gains) losses (e)	2	16	4	(9)
Utilization of Avendra and other proceeds (f)	5	3	15	11
Transaction and integration costs (g)	8	8	26	31
Asset impairments (h)	35	6	52	13
Other	(2)	(2)	(3)	—
Special items - pre-tax	(474)	14	(1,242)	34
Income tax (provision) benefit for special items	99	(3)	225	(6)
Total special items - after-tax	\$ (375)	\$ 11	\$ (1,017)	\$ 28
Special items impact per diluted share	\$ (3.69)	\$ 0.11	\$ (9.81)	\$ 0.26
Adjusted net income attributable to Hyatt Hotels Corporation	\$ 96	\$ 79	\$ 335	\$ 222
Adjusted diluted earnings per share	\$ 0.94	\$ 0.74	\$ 3.23	\$ 2.06

(a) During the three months ended September 30, 2024 (Q3 2024), we recognized a \$514 million pre-tax gain related to the sale of Hyatt Regency Orlando and an adjacent undeveloped land parcel. During the nine months ended September 30, 2024 (YTD 2024), we recognized pre-tax gains related to the sale of Park Hyatt Zurich (\$257 million), the UVC Transaction (\$231 million), the sale of the shares of the entities that own Hyatt Regency Aruba Resort Spa and Casino (\$172 million), and the sale of Hyatt Regency San Antonio Riverwalk (\$100 million), and a \$4 million pre-tax loss related to the sale of Hyatt Regency Green Bay. During the three and nine months ended September 30, 2023 (Q3 2023 and YTD 2023), we recognized a \$19 million pre-tax gain related to the sale of the Destination Residential Management business. The gains and losses were recognized in gains (losses) on sales of real estate and other on our condensed consolidated statements of income.

(b) During Q3 2024, YTD 2024, Q3 2023, and YTD 2023, we recognized fair value adjustments related to the Dream Hotel Group contingent consideration liability in other income (loss), net on our condensed consolidated statements of income.

(c) During YTD 2024, we recognized a \$79 million non-cash pre-tax gain related to the dilution of our ownership interest in an unconsolidated hospitality venture in India and a \$10 million impairment charge related to one of our unconsolidated hospitality ventures in equity earnings (losses) from unconsolidated hospitality ventures on our condensed consolidated statements of income.

(d) During Q3 2024, YTD 2024, and YTD 2023, we recognized net deficits, which we intend to recover in future periods, and during Q3 2023, we recognized net surpluses, on certain funds due to the timing of revenue and expense recognition in revenues for reimbursed costs, reimbursed costs, and other income (loss), net on our condensed consolidated statements of income.

(e) During Q3 2024, YTD 2024, and Q3 2023, we recognized unrealized losses and during YTD 2023, we recognized unrealized gains due to the change in fair value of our marketable securities in other income (loss), net on our condensed consolidated statements of income.

(f) During Q3 2024, YTD 2024, Q3 2023, and YTD 2023, we recognized expenses related to the partial utilization of the Avendra LLC sale proceeds for the benefit of our hotels in reimbursed costs and depreciation and amortization expenses on our condensed consolidated statements of income. The gain recognized in conjunction with the sale of Avendra LLC was included as a special item during the year ended December 31, 2017.

(g) During Q3 2024 and YTD 2024, we recognized costs primarily related to potential transactions, including the acquisition of Standard International, which closed on October 1, 2024, and the integrations of Apple Leisure Group, Dream Hotel Group, and Mr & Mrs Smith. During Q3 2023 and YTD 2023, we recognized costs primarily related to the acquisitions and integrations of Dream Hotel Group and Mr & Mrs Smith, the integration of Apple Leisure Group, and potential transactions. The costs were recognized in transaction and integration costs on our condensed consolidated statements of income.

(h) During Q3 2024, we recognized \$35 million of impairment charges related to property and equipment, definite-lived intangible assets, and operating lease right-of-use assets. Additionally, during YTD 2024, we recognized a \$15 million goodwill impairment charge in connection with the sale of the shares of the entities that own Hyatt Regency Aruba Resort Spa and Casino. During Q3 2023 and YTD 2023, we recognized \$6 million and \$13 million, respectively, of impairment charges, primarily related to definite-lived intangible assets. The impairment charges were recognized in asset impairments on our condensed consolidated statements of income.

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Financial Measures: Outlook: Net Income to Adjusted EBITDA; G&A Expenses to Adjusted G&A Expenses; and Net cash provided by operating activities to Free Cash Flow

No additional disposition or acquisition activity beyond what has been completed as of the date of this release has been included in the 2024 Outlook. The Company's 2024 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 the Company will achieve these results. Results of operations as presented on the condensed consolidated statements of income include expenses recognized with respect to deferred compensation plans funded through rabbi trusts. Certain of these expenses are recognized in G&A expenses and are completely offset by the corresponding net gains (losses) and interest income from marketable securities held to fund rabbi trusts, thus having no net impact to our earnings (losses). G&A expenses also include expenses related to stock-based compensation. Below is a reconciliation of this forecasted measure excluding the impact of our rabbi trust investments and forecasted stock-based compensation expense.

(in millions)

	Year Ended December 31, 2024 Outlook Range	
	Low Case	High Case
Net income attributable to Hyatt Hotels Corporation	\$ 1,400	\$ 1,450
Interest expense	175	175
Provision for income taxes	259	279
Depreciation and amortization	333	333
Contra revenue	74	74
Reimbursed costs, net of revenues for reimbursed costs	105	95
Transaction and integration costs	38	33
Equity (earnings) losses from unconsolidated hospitality ventures	(27)	(37)
Stock-based compensation expense	70	70
(Gains) losses on sales of real estate	(1,262)	(1,272)
Asset impairments	52	52
Other (income) loss, net	(178)	(198)
Pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA	61	66
Adjusted EBITDA	\$ 1,100	\$ 1,120

	Year Ended December 31, 2024 Outlook Range	
	Low Case	High Case
G&A expenses	\$ 492	\$ 502
Less: Rabbi trust impact	—	—
Less: Stock-based compensation expense	(67)	(67)
Adjusted G&A Expenses	\$ 425	\$ 435

	Year Ended December 31, 2024 Outlook Range	
	Low Case	High Case
Net cash provided by operating activities	\$ 550	\$ 580
Capital expenditures	(170)	(170)
Free Cash Flow	\$ 380	\$ 410