Hyatt Hotels Corporation
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Financial Information (unaudited)

Hyatt Hotels Corporation

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

For the Three Months Ended March 31, 2018 and March 31, 2017

(in millions)

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017	Change ($)	Change (%)
Net income attributable to Hyatt Hotels Corporation	**$ 411**	**$ 55**	**$ 356**	**643.6 %**
Interest expense	19	21	(2)	(7.4)%
Provision for income taxes	150	34	116	341.8 %
Depreciation and amortization	83	87	(4)	(4.4)%
EBITDA	**663**	**197**	**466**	**237.7 %**
Contra revenue	5	4	1	18.5 %
Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(456)	(430)	(26)	(6.0)%
Costs incurred on behalf of managed and franchised properties	460	445	15	3.2 %
Equity losses from unconsolidated hospitality ventures	13	3	10	360.9 %
Stock-based compensation expense	18	16	2	12.7 %
Gains on sales of real estate	(529)	—	(529)	NM
Other (income) loss, net	18	(43)	61	142.4 %
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA	10	26	(16)	(60.1)%
Adjusted EBITDA	**$ 202**	**$ 218**	**$ (16)**	**(7.3)%**

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

For the Year Ended December 31, 2018

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

(in millions)

	2018 Forecast Range	
	Low Case	**High Case**
Net income attributable to Hyatt Hotels Corporation	**$ 495**	**$ 553**
Interest expense	76	76
Provision for income taxes	202	205
Depreciation and amortization	324	320
EBITDA	**1,097**	**1,154**
Contra revenue	21	21
Costs incurred on behalf of managed and franchised properties, net of revenues for the reimbursement of costs	48	28
Equity losses from unconsolidated hospitality ventures	12	8
Stock-based compensation expense	35	34
Gains on sales of real estate	(529)	(529)
Other (income) loss, net	19	3
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA	62	66
Adjusted EBITDA	**$ 765**	**$ 785**
Adjusted EBITDA (as adjusted for ASU 2014-09) growth, compared to prior year	(3)%	(1)%
Favorable impact of foreign exchange	$ 5	$ 10
Adjusted EBITDA (as adjusted for ASU 2014-09 in constant currency) growth, compared to prior year	(4)%	(2)%

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Reconciliation of Non-GAAP Measure: Earnings per Diluted Share and Net Income Attributable to Hyatt Hotels Corporation, to Earnings per Diluted Share, Adjusted for Special Items and Adjusted Net Income Attributable to Hyatt Hotels Corporation - Three Months Ended March 31, 2018 and March 31, 2017

(in millions, except per share amounts)

	Location on Condensed Consolidated Statements of Income	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Net income attributable to Hyatt Hotels Corporation		**$ 411**	**$ 55**
Earnings per diluted share		**$ 3.40**	**$ 0.42**
Special items			
Unrealized losses (gains) (a)	Other income (loss), net	12	(1)
Realized losses (b)	Other income (loss), net	1	41
Fund deficits (c)	Revenues for the reimbursement of costs incurred and costs incurred on behalf of managed and franchised properties; other income (loss), net	—	12
Utilization of Avendra proceeds (d)	Costs incurred on behalf of managed and franchised properties; depreciation expense	3	—
Gains on sales of real estate (e)	Gains on sales of real estate	(529)	—
Unconsolidated hospitality ventures gains (f)	Equity losses from unconsolidated hospitality ventures	(10)	(2)
Unconsolidated hospitality ventures impairments (g)	Equity losses from unconsolidated hospitality ventures	16	—
Other	Other income (loss), net	(3)	2
Special items - pre-tax		(510)	52
Income tax benefit (provision) for special items	Provision for income taxes	139	(18)
Total special items - after-tax		**(371)**	**34**
Special items impact per diluted share		**$ (3.07)**	**$ 0.26**
Adjusted net income attributable to Hyatt Hotels Corporation		**$ 40**	**$ 89**
Earnings per diluted share, adjusted for special items		**$ 0.33**	**$ 0.68**

(a) **Unrealized losses (gains)** - During the three months ended March 31, 2018 (Q1 2018), we recognized unrealized losses due to the change in fair value of our marketable securities, including our available for sale (AFS) equity securities due to the adoption of the Accounting Standards Update No. 2016-01 Financial Instruments. During the three months ended March 31, 2017 (Q1 2017), we recognized unrealized gains on marketable securities, excluding AFS equity securities.

(b) **Realized losses** - During both Q1 2018 and Q1 2017, we recorded a realized loss of $1 million on the sale of marketable securities. During Q1 2017, Playa redeemed our preferred shares plus accrued and unpaid paid in kind dividends thereon for a full redemption of $290 million, resulting in $40 million of realized losses, which were the result of the difference between the fair value of the initial investment and the contractual redemption price.

(c) Fund deficits - During Q1 2018 and Q1 2017, we recognized an immaterial and a $12 million net deficit, respectively, on certain funds due to the timing of revenue and expense recognition that we expect will reverse in future periods.

(d) **Utilization of Avendra proceeds** - During Q1 2018, we recognized $3 million of expense related to the partial utilization of Avendra sale proceeds for the benefit of our hotels. The gain recognized in conjunction with the sale of Avendra was included as a special item during the year ended December 31, 2017.

(e) **Gains on sales of real estate** - During Q1 2018, we recognized a $529 million gain on the portfolio sale of Andaz Maui at Wailea, Grand Hyatt San Francisco, and Hyatt Regency Coconut Point.

(f) **Unconsolidated hospitality ventures gains** - During Q1 2018, we recognized a gain of $8 million in connection with the sale of our interest in an unconsolidated hospitality venture and a gain of $2 million related to a final distribution in connection with the sale of Avendra LLC in 2017. During Q1 2017, we recognized a gain of $2 million in connection with the sale of a Hyatt Place hotel by an unconsolidated hospitality venture.

(g) **Unconsolidated hospitality ventures impairments** - During Q1 2018, we recognized $16 million of impairment charges.

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Reconciliation of Non-GAAP Measure: SG&A Expenses to Adjusted SG&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 SG&A expenses and are completely offset by the corresponding net gains and interest income from marketable securities held to fund rabbi trusts, thus having no net impact to our earnings. SG&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.

(in millions)

	Three Months Ended March 31,			
	2018	**2017**	**Change ($)**	**Change (%)**
SG&A expenses	**$ 95**	**$ 99**	**$ (4)**	**(3.0)%**
Less: rabbi trust impact	(3)	(12)	9	77.6 %
Less: stock-based compensation expense	(18)	(16)	(2)	(12.7)%
Adjusted SG&A expenses	**$ 74**	**$ 71**	**$ 3**	**6.0 %**

The table below provides a segment breakdown for Adjusted SG&A expenses.

	Three Months Ended March 31,			
	2018	**2017**	**Change ($)**	**Change (%)**
Americas management and franchising	$ 10	$ 13	$ (3)	(18.7)%
ASPAC management and franchising	11	9	2	15.0 %
EAME/SW Asia management and franchising	9	9	—	10.7 %
Owned and leased hotels	4	4	—	10.5 %
Corporate and other	40	36	4	11.6 %
Adjusted SG&A expenses	**$ 74**	**$ 71**	**$ 3**	**6.0 %**

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Reconciliation of Non-GAAP Measure: Comparable Owned and Leased Hotels Operating Margin to Owned and Leased Hotels Operating Margin

Below is a reconciliation of consolidated owned and leased hotels revenues and expenses, as used in calculating comparable owned and leased hotels operating margin percentages. 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 owned and leased hotels expenses and are completely offset by the corresponding net gains and interest income from marketable securities held to fund rabbi trusts, thus having no net impact to our earnings. Below is a reconciliation of this account excluding the impact of our rabbi trusts and excluding the impact of non-comparable hotels.

(in millions)

	Three Months Ended March 31,			
	2018	**2017**	**Change ($)**	**Change (%)**
Revenues				
Comparable owned and leased hotels	$ 430	$ 414	$ 16	3.9 %
Non-comparable owned and leased hotels (a)	85	155	(70)	(45.0)%
Owned and leased hotels revenues	**$ 515**	**$ 569**	**$ (54)**	**(9.4)%**
Expenses				
Comparable owned and leased hotels	$ 326	$ 317	$ 9	2.9 %
Non-comparable owned and leased hotels (a)	58	104	(46)	(44.8)%
Rabbi trust impact	—	3	(3)	(75.4)%
Owned and leased hotels expenses	**$ 384**	**$ 424**	**$ (40)**	**(9.3)%**
Owned and leased hotels operating margin percentage (a)	**25.5%**	**25.5%**		**— %**
Comparable owned and leased hotels operating margin percentage	**24.3%**	**23.5%**		**0.8 %**

(a) Includes results of Miraval.