

Hyatt Hotels Corporation

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Financial Information

(unaudited)

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Percentages on the following schedules may not recompute due to rounding. Not meaningful percentage changes are presented as "NM".

Hyatt Hotels Corporation

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

(in millions)

	Three Months Ended December 31,				Year Ended December 31,			
	2022	2021	Change (\$)	Change (%)	2022	2021	Change (\$)	Change (%)
Net income (loss) attributable to Hyatt Hotels Corporation	\$ 294	\$ (29)	\$ 323	NM	\$ 455	\$ (222)	\$ 677	305.0 %
Interest expense	34	40	(6)	(16.6)%	150	163	(13)	(8.2)%
(Benefit) provision for income taxes	(235)	(73)	(162)	(224.3)%	(92)	266	(358)	(134.4)%
Depreciation and amortization	106	91	15	16.7 %	426	310	116	37.3 %
EBITDA	199	29	170	572.4 %	939	517	422	81.5 %
Contra revenue	4	9	(5)	(56.2)%	31	35	(4)	(11.3)%
Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(735)	(501)	(234)	(46.5)%	(2,620)	(1,583)	(1,037)	(65.4)%
Costs incurred on behalf of managed and franchised properties	751	522	229	44.0 %	2,632	1,639	993	60.6 %
Equity earnings from unconsolidated hospitality ventures	(11)	(20)	9	43.1 %	(5)	(28)	23	80.6 %
Stock-based compensation expense	14	8	6	62.6 %	61	50	11	20.2 %
Gains on sales of real estate	(13)	(2)	(11)	(390.4)%	(263)	(414)	151	36.6 %
Asset impairments	19	6	13	232.2 %	38	8	30	376.7 %
Other (income) loss, net	(13)	53	(66)	(125.0)%	40	19	21	109.2 %
Pro rata share of unconsolidated hospitality ventures								
Adjusted EBITDA	17	8	9	111.4 %	55	14	41	290.6 %
Adjusted EBITDA	\$ 232	\$ 112	\$ 120	106.9 %	\$ 908	\$ 257	\$ 651	252.9 %

	Three Months Ended December 31,				Year Ended December 31,			
	2022	2021	Change \$	Change (%)	2022	2021	Change (\$)	Change (%)
Net Deferral activity								
Increase in deferred revenue	\$ 52	\$ 35	\$ 17	48.3 %	\$ 199	\$ 35	\$ 164	469.3 %
Increase in deferred costs	(24)	(16)	(8)	(50.8)%	(105)	(16)	(89)	(557.4)%
Net Deferrals (a)	\$ 28	\$ 19	\$ 9	46.3 %	\$ 94	\$ 19	\$ 75	395.3 %
Increase in Net Financed Contracts (a)	\$ 15	\$ 8	\$ 7	98.4 %	\$ 63	\$ 8	\$ 55	727.1 %

(a) Includes results for the two month period of ownership following the acquisition of ALG during the three months and year ended December 31, 2021.

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Financial Measure: Reconciliation of Total Revenues to Adjusted Revenues

(in millions)

	Three Months Ended December 31,				Year Ended December 31,			
	2022	2021	Change (\$)	Change (%)	2022	2021	Change (\$)	Change (%)
Total revenues	\$ 1,588	\$ 1,076	\$ 512	47.5 %	\$ 5,891	\$ 3,028	\$ 2,863	94.5 %
Add: Contra revenue	4	9	(5)	(56.2)%	31	35	(4)	(11.3)%
Less: Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(735)	(501)	(234)	(46.5)%	(2,620)	(1,583)	(1,037)	(65.4)%
Adjusted revenues	\$ 857	\$ 584	\$ 273	46.8 %	\$ 3,302	\$ 1,480	\$ 1,822	123.2 %
Adjusted EBITDA Margin %	27.0 %	19.2 %		7.8 %	27.5 %	17.4 %		10.1 %
Adjusted EBITDA Margin % Change in Constant Currency				7.9 %				10.1 %

Hyatt Hotels Corporation

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

(in millions)

	Three Months Ended December 31,	Year Ended December 31,
	2019	2019
Net income attributable to Hyatt Hotels Corporation	\$ 321	\$ 766
Interest expense	17	75
Provision for income taxes	92	240
Depreciation and amortization	81	329
EBITDA	511	1,410
Contra revenue	6	22
Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(635)	(2,461)
Costs incurred on behalf of managed and franchised properties	649	2,520
Equity losses from unconsolidated hospitality ventures	8	10
Stock-based compensation expense	7	35
Gains on sales of real estate	(349)	(723)
Asset impairments	5	18
Other income, net	(23)	(127)
Pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA	12	50
Adjusted EBITDA	\$ 191	\$ 754

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Financial Measure: Diluted Earnings (Losses) per Share and Net Income (Loss) Attributable to Hyatt Hotels Corporation, to Adjusted Diluted Earnings (Losses) per Share and Adjusted Net Income (Loss) Attributable to Hyatt Hotels Corporation - Three Months Ended December 31, 2022 and December 31, 2021

(in millions, except per share amounts)	Location on Consolidated Statements of Income (Loss)	Three Months Ended December 31,	
		2022	2021
Net income (loss) attributable to Hyatt Hotels Corporation		\$ 294	\$ (29)
Diluted earnings (losses) per share		\$ 2.69	\$ (0.26)
Special items			
Unconsolidated hospitality ventures (a)	Equity earnings (losses) from unconsolidated hospitality ventures	(14)	(32)
Gains on sales of real estate (b)	Gains (losses) on sales of real estate and other	(13)	(2)
Unrealized (gains) losses (c)	Other income (loss), net	(13)	6
Asset impairments (d)	Asset impairments	19	6
Restructuring expenses (e)	Other income (loss), net	13	—
Fund deficits (f)	Revenues for the reimbursement of costs incurred and costs incurred on behalf of managed and franchised properties; other income (loss), net	10	17
Transaction costs (g)	Other income (loss), net	5	27
Utilization of Avendra and other proceeds (h)	Costs incurred on behalf of managed and franchised properties; depreciation and amortization	3	4
Other	Other income (loss), net	—	3
Special items - pre-tax		10	29
Income tax provision for special items	Benefit (provision) for income taxes	(26)	(306)
Total special items - after-tax		(16)	(277)
Special items impact per diluted share		\$ (0.14)	\$ (2.52)
Adjusted net income (loss) attributable to Hyatt Hotels Corporation		\$ 278	\$ (306)
Adjusted diluted earnings (losses) per share		\$ 2.55	\$ (2.78)

(a) Unconsolidated hospitality ventures - During the three months ended December 31, 2022 (Q4 2022), we recognized a \$15 million net gain related to the sale of Hyatt Regency Jersey City on the Hudson by an unconsolidated hospitality venture in which we hold an ownership interest. During the three months ended December 31, 2021 (Q4 2021), we recognized \$32 million of net gains related to sales activity of certain equity method investments.

(b) Gains on sales of real estate - During Q4 2022, we recognized a \$14 million pre-tax gain related to the sale of Hyatt Regency Greenwich. During Q4 2021, we recognized a \$2 million pre-tax gain on the contribution of Hyatt Regency Miami assets to a newly formed hospitality venture, resulting in the derecognition of the nonfinancial assets in the subsidiary.

(c) Unrealized (gains) losses - During Q4 2022 and Q4 2021, we recognized unrealized gains and losses, respectively, due to the change in fair value of our marketable securities.

(d) Asset impairments - During Q4 2022, we recognized \$17 million of impairment charges related to brand and other indefinite-lived intangibles and \$2 million of impairment charges related to management and franchise agreement intangibles, primarily as a result of contract terminations. During Q4 2021, we recognized impairment charges related to intangible assets, primarily as a result of contract terminations.

(e) Restructuring expenses - During Q4 2022, we recognized \$13 million in restructuring expenses related to an owned hotel, net of \$10 million of cash received from the developer.

(f) Fund deficits - During Q4 2022 and Q4 2021, we recognized net deficits, which we intend to recover in future periods, on certain funds due to the timing of revenue and expense recognition.

(g) Transaction costs - During Q4 2021, we recognized \$26 million of transaction costs related to the acquisition of ALG.

(h) Utilization of Avendra and other proceeds - During Q4 2022 and Q4 2021, we recognized expenses related to the partial utilization of the Avendra LLC sale proceeds for the benefit of our hotels. The gain recognized in conjunction with the sale of Avendra LLC was included as a special item during the year ended December 31, 2017.

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Financial Measure: Diluted Earnings (Losses) per Share and Net Income (Loss) Attributable to Hyatt Hotels Corporation, to Adjusted Diluted Earnings (Losses) per Share and Adjusted Net Income (Loss) Attributable to Hyatt Hotels Corporation - Year Ended December 31, 2022 and December 31, 2021

(in millions, except per share amounts)	Location on Consolidated Statements of Income (Loss)	Year Ended December 31,	
		2022	2021
Net income (loss) attributable to Hyatt Hotels Corporation		\$ 455	\$ (222)
Diluted earnings (losses) per share		\$ 4.09	\$ (2.13)
Special items			
Gains on sales of real estate (a)	Gains (losses) on sales of real estate and other	(263)	(414)
Unconsolidated hospitality ventures (b)	Equity earnings (losses) from unconsolidated hospitality ventures	(18)	(100)
Fund (surpluses) deficits (c)	Revenues for the reimbursement of costs incurred and costs incurred on behalf of managed and franchised properties; other income (loss), net	(6)	43
Unrealized losses (gains) (d)	Other income (loss), net	55	(14)
Restructuring expenses (e)	Other income (loss), net	39	3
Asset impairments (f)	Asset impairments	38	8
Utilization of Avendra and other proceeds (g)	Costs incurred on behalf of managed and franchised properties; depreciation and amortization	12	16
Loss on extinguishment of debt (h)	Other income (loss), net	9	2
Transaction costs (i)	Other income (loss), net	6	46
Other	Other income (loss), net	8	(1)
Special items - pre-tax		(120)	(411)
Income tax benefit for special items	Benefit (provision) for income taxes	30	88
Total special items - after-tax		(90)	(323)
Special items impact per diluted share		\$ (0.81)	\$ (3.11)
Adjusted net income (loss) attributable to Hyatt Hotels Corporation		\$ 365	\$ (545)
Adjusted diluted earnings (losses) per share		\$ 3.28	\$ (5.24)

(a) Gains on sales of real estate - During the year ended December 31, 2022 (YTD 2022), net gains were \$263 million, primarily driven by pre-tax gains related to the sales of Grand Hyatt San Antonio River Walk \$137 million, The Driskill \$51 million, Hyatt Regency Indian Wells Resort & Spa \$40 million, The Confidante Miami Beach \$24 million, and Hyatt Regency Greenwich \$14 million. During the year ended December 31, 2021 (YTD 2021), net gains were \$414 million, primarily driven by a \$305 million pre-tax gain related to the sale of Hyatt Regency Lake Tahoe Resort, Spa and Casino and a \$104 million pre-tax gain related to the sale of Hyatt Regency Lost Pines Resort and Spa.

(b) Unconsolidated hospitality ventures - During YTD 2022, we recognized a \$4 million pre-tax gain related to the sale of our ownership interest in an equity method investment and a \$15 million net gain related to the sale of Hyatt Regency Jersey City on the Hudson by an unconsolidated hospitality venture in which we hold an ownership interest. During YTD 2021, we recognized a \$69 million pre-tax gain on the purchase of the remaining 50% interest in the entities that own Grand Hyatt São Paulo and \$31 million of net gains related to sales activity of certain equity method investments.

(c) Fund (surpluses) deficits - During YTD 2022, we recognized net surpluses on certain funds due to the timing of revenue and expense recognition. During YTD 2021, we recognized net deficits, which we intend to recover in future periods, on certain funds due to the timing of revenue and expense recognition.

(d) Unrealized losses (gains) - During YTD 2022 and YTD 2021, we recognized unrealized losses and gains, respectively, due to the change in fair value of our marketable securities.

(e) Restructuring expenses - During YTD 2022, we recognized \$39 million of restructuring expenses related to an owned hotel, net of \$10 million of cash received from the developer.

(f) Asset impairments - During YTD 2022, we recognized \$21 million of impairment charges related to brand and other indefinite-lived intangibles, \$10 million of asset charges related to intangible assets, primarily as a result of contract terminations, and a \$7 million goodwill impairment charge in connection with the sale of Grand Hyatt San Antonio River Walk. During YTD 2021, we recognized \$8 million of asset impairment charges related to intangible assets, primarily as a result of contract terminations.

(g) Utilization of Avendra and other proceeds - During YTD 2022 and YTD 2021, we recognized expenses related to the partial utilization of the Avendra LLC sale proceeds for the benefit of our hotels.

(h) Loss on extinguishment of debt - During YTD 2022, we recognized an \$8 million loss on extinguishment of debt for the bonds that were legally defeased in conjunction with the sale of Grand Hyatt San Antonio River Walk.

(i) Transaction costs - During Q4 2021, we recognized \$45 million of transaction costs related to the acquisition of ALG.

Hyatt Hotels Corporation

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

Results of operations as presented on the consolidated statements of income (loss) 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 (losses) and interest income from marketable securities held to fund rabbi trusts, thus having no net impact to our earnings (losses). 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 December 31,				Year Ended December 31,			
	2022	2021	Change (\$)	Change (%)	2022	2021	Change (\$)	Change (%)
SG&A expenses	\$ 169	\$ 116	\$ 53	46.1 %	\$ 464	\$ 366	\$ 98	26.8 %
Less: rabbi trust impact	(13)	(8)	(5)	(70.0)%	67	(38)	105	279.6 %
Less: stock-based compensation expense	(14)	(8)	(6)	(62.6)%	(61)	(50)	(11)	(20.2)%
Adjusted SG&A expenses	\$ 142	\$ 100	\$ 42	43.0 %	\$ 470	\$ 278	\$ 192	69.2 %

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

	Three Months Ended December 31,				Year Ended December 31,			
	2022	2021	Change (\$)	Change (%)	2022	2021	Change (\$)	Change (%)
Americas management and franchising	\$ 19	\$ 15	\$ 4	26.3 %	\$ 64	\$ 50	\$ 14	26.6 %
ASPAC management and franchising	12	13	(1)	(7.9)%	43	42	1	1.3 %
EAME/SW Asia management and franchising	12	5	7	145.8 %	38	26	12	49.7 %
Owned and leased hotels	3	3	—	19.0 %	13	12	1	11.9 %
Apple Leisure Group (a)	48	23	25	110.7 %	138	23	115	502.8 %
Corporate and other	48	41	7	16.3 %	174	125	49	39.4 %
Adjusted SG&A expenses	\$ 142	\$ 100	\$ 42	43.0 %	\$ 470	\$ 278	\$ 192	69.2 %

(a) Includes results for the two month period of ownership following the acquisition of ALG during the three months and year ended December 31, 2021.

Hyatt Hotels Corporation

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

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. Results of operations as presented on the consolidated statements of income (loss) 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 (losses) and interest income from marketable securities held to fund rabbi trusts, thus having no net impact to our earnings (losses). SG&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)

SG&A expenses

Less: rabbi trust impact (a)

Less: stock-based compensation expense

Adjusted SG&A expenses

Year Ended December 31, 2023 Forecast Range	
Low Case	High Case
\$ 544	\$ 554
—	—
(64)	(64)
<u>\$ 480</u>	<u>\$ 490</u>

(a) Impact of rabbi trust is not forecasted for the year ended December 31, 2023 as performance of underlying invested assets is not estimable.

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Financial 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 consolidated statements of income (loss) 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 (losses) and interest income from marketable securities held to fund rabbi trusts, thus having no net impact to our earnings (losses). Below is a reconciliation of the margins excluding the impact of our rabbi trusts and excluding the impact of non-comparable hotels.

	Three Months Ended December 31,				Year Ended December 31,			
	2022	2021	Change (\$)	Change (%)	2022	2021	Change (\$)	Change (%)
<i>(in millions)</i>								
Revenues								
Comparable owned and leased hotels	\$ 273	\$ 197	\$ 76	38.9 %	\$ 976	\$ 539	\$ 437	81.3 %
Non-comparable owned and leased hotels	51	83	(32)	(40.3)%	259	299	(40)	(13.5)%
Owned and leased hotels revenues	\$ 324	\$ 280	\$ 44	15.4 %	\$ 1,235	\$ 838	\$ 397	47.4 %
Expenses								
Comparable owned and leased hotels	\$ 198	\$ 152	\$ 46	29.8 %	\$ 712	\$ 470	\$ 242	51.6 %
Non-comparable owned and leased hotels	42	67	(25)	(36.8)%	212	250	(38)	(15.3)%
Rabbi trust impact	1	—	1	31.6 %	(8)	5	(13)	(242.4)%
Owned and leased hotels expenses	\$ 241	\$ 219	\$ 22	9.5 %	\$ 916	\$ 725	\$ 191	26.2 %
Owned and leased hotels operating margin percentage	25.4 %	21.4 %		4.0 %	25.9 %	13.4 %		12.5 %
Comparable owned and leased hotels operating margin percentage	27.9 %	22.8 %		5.1 %	27.1 %	12.8 %		14.3 %

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Financial Measure: Reconciliation of Net cash provided by operating activities to Free cash flow

(in millions)

	Year Ended December 31,	
	2022	
Net cash provided by operating activities	\$	674
Capital expenditures		(201)
Free cash flow	\$	473