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".

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

(in millions)	Three Months Ended March 31,		
	2023	2022	Change (%)
Net income (loss) attributable to Hyatt Hotels Corporation	**$ 58**	**$ (73)**	**179.4 %**
Interest expense	33	40	(16.9)%
Provision for income taxes	47	2	NM
Depreciation and amortization	98	119	(18.5)%
EBITDA	**236**	**88**	**166.5 %**
Contra revenue	10	9	24.4 %
Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(729)	(540)	(34.9)%
Costs incurred on behalf of managed and franchised properties	749	556	34.6 %
Equity (earnings) losses from unconsolidated hospitality ventures	2	9	(83.7)%
Stock-based compensation expense	32	28	15.3 %
Asset impairments	2	3	(33.6)%
Other (income) loss, net	(48)	10	(612.2)%
Pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA	14	6	122.7 %
Adjusted EBITDA	**$ 268**	**$ 169**	**58.6 %**

	Three Months Ended March 31,		
	2023	2022	Change (%)
NET DEFERRAL ACTIVITY			
Increase in deferred revenue	$ 58	$ 49	17.5 %
Increase in deferred costs	(27)	(25)	(7.6)%
Net Deferrals	**$ 31**	**$ 24**	**27.4 %**
Increase in Net Financed Contracts	**$ 17**	**$ 7**	**160.5 %**

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

(in millions)	Three Months Ended March 31,		
	2023	**2022**	**Change (%)**
Total revenues	**$ 1,680**	**$ 1,279**	**31.3 %**
Add: Contra revenue	10	9	24.4 %
Less: Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(729)	(540)	(34.9)%
Adjusted revenues	**$ 961**	**$ 748**	**28.6 %**
Adjusted EBITDA Margin %	**27.8 %**	**22.6 %**	**5.2 %**
Adjusted EBITDA Margin % Change in Constant Currency			**5.0 %**

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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 March 31, 2023 and March 31, 2022.

(in millions, except per share amounts)	**Location on Condensed Consolidated Statements of Income (Loss)**	**Three Months Ended March 31,**	
		2023	**2022**
Net income (loss) attributable to Hyatt Hotels Corporation		**$ 58**	**$ (73)**
Diluted earnings (losses) per share		**$ 0.53**	**$ (0.67)**
Special items			
Unrealized (gains) losses (a)	Other income (loss), net	(43)	10
Fund deficits (b)	Revenues for the reimbursement of costs incurred and costs incurred on behalf of managed and franchised properties; other income (loss), net	11	13
Transaction costs (c)	Other income (loss), net	7	1
Utilization of Avendra and other proceeds (d)	Costs incurred on behalf of managed and franchised properties; depreciation and amortization	4	3
Asset impairments	Asset impairments	2	3
Other	Other income (loss), net	1	5
Special items - pre-tax		(18)	35
Income tax benefit for special items	Provision for income taxes	5	2
Total special items - after-tax		**$ (13)**	**$ 37**
Special items impact per diluted share		**$ (0.12)**	**$ 0.34**
Adjusted net income (loss) attributable to Hyatt Hotels Corporation		**$ 45**	**$ (36)**
Adjusted diluted earnings (losses) per share		**$ 0.41**	**$ (0.33)**

(a) **Unrealized (gains) losses** - During the three months ended March 31, 2023 (Q1 2023) and the three months ended March 31, 2022 (Q1 2022), we recognized unrealized gains and losses, respectively, due to the change in fair value of our marketable securities.

(b) **Fund deficits** - During Q1 2023 and Q1 2022, we recognized net deficits, which we intend to recover in future periods, on certain funds due to the timing of revenue and expense recognition.

(c) **Transaction costs** - During Q1 2023, we recognized $7 million of transaction costs related to the acquisition of Dream Hotel Group.

(d) **Utilization of Avendra and other proceeds** - During Q1 2023 and Q1 2022, 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.

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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 (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 March 31,		
	2023	2022	Change (%)
SG&A expenses	**$ 161**	**$ 111**	**45.1 %**
Less: rabbi trust impact	(16)	28	(160.1)%
Less: stock-based compensation expense	(31)	(28)	(9.9)%
Adjusted SG&A expenses	**$ 114**	**$ 111**	**2.9 %**

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

	Three Months Ended March 31,		
	2023	2022	Change (%)
Americas management and franchising	$ 18	$ 15	21.9 %
ASPAC management and franchising (a)	13	10	36.1 %
EAME management and franchising (a)	7	9	(23.5)%
Owned and leased hotels	4	2	60.3 %
Apple Leisure Group	29	33	(13.8)%
Corporate and other	43	42	4.9 %
Adjusted SG&A expenses	**$ 114**	**$ 111**	**2.9 %**

(a) Effective January 1, 2023, the Company has changed the strategic and operational oversight for our properties located in the Indian subcontinent. Revenues associated with these properties are now reported in the ASPAC management and franchising segment. The segment changes have been reflected retrospectively for the three months ended March 31, 2022.

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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 condensed 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)	Year Ended December 31, 2023 Forecast Range	
	Low Case	**High Case**
SG&A expenses	**$ 546**	**$ 556**
Less: rabbi trust impact (a)	—	—
Less: stock-based compensation expense	(66)	(66)
Adjusted SG&A expenses	**$ 480**	**$ 490**

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

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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 (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.

(in millions)	Three Months Ended March 31,		
	2023	**2022**	**Change (%)**
REVENUES			
Comparable owned and leased hotels	$ 310	$ 209	48.9 %
Non-comparable owned and leased hotels	4	62	(93.7)%
Owned and leased hotels revenues	**$ 314**	**$ 271**	**16.0 %**
EXPENSES			
Comparable owned and leased hotels	$ 230	$ 173	32.8 %
Non-comparable owned and leased hotels	8	40	(80.0)%
Rabbi trust impact	2	(3)	149.2 %
Owned and leased hotels expenses	**$ 240**	**$ 210**	**14.3 %**
Owned and leased hotels operating margin percentage	**23.7 %**	**22.6 %**	**1.1 %**
Comparable owned and leased hotels operating margin percentage	**25.9 %**	**16.9 %**	**9.0 %**

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Reconciliation of Non-GAAP Financial Measures: Reconciliation of Net Income (Loss) Attributable to ALG Segment to Segment EBITDA and Segment EBITDA to Segment Adjusted EBITDA; Reconciliation of ALG Segment Total Revenues to Segment Adjusted Revenues; and ALG Segment SG&A Expenses to Segment Adjusted SG&A Expenses

(in millions)	Three Months Ended March 31,		
	2023	2022	Change (%)
Net income (loss) attributable to ALG Segment	**$ 14**	**$ (9)**	**249.6 %**
Provision for income taxes (a)	18	3	470.9 %
Depreciation and amortization	40	55	(28.8)%
ALG Segment EBITDA	**72**	**49**	**45.7 %**
Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(32)	(29)	(8.8)%
Costs incurred on behalf of managed and franchised properties	31	29	5.2 %
Stock-based compensation expense	4	4	8.6 %
Asset impairments	2	2	(20.2)%
Other (income) loss, net	2	1	113.9 %
ALG Segment Adjusted EBITDA	**$ 79**	**$ 56**	**39.9 %**

(a) Provision for income taxes recognized on the ALG segment is not inclusive of all tax impacts related to the ALG segment as a portion is recorded at the consolidated level in interim periods.

(in millions)	Three Months Ended March 31,		
	2023	2022	Change (%)
NET DEFERRAL ACTIVITY			
Increase in deferred revenue	$ 58	$ 49	17.5 %
Increase in deferred costs	(27)	(25)	(7.6)%
Net Deferrals	**$ 31**	**$ 24**	**27.4 %**
Increase in Net Financed Contracts	**$ 17**	**$ 7**	**160.5 %**

The table below provides a breakdown for ALG Segment Adjusted revenues.

(in millions)	Three Months Ended March 31,		
	2023	2022	Change (%)
ALG Segment Total revenues	**$ 440**	**$ 339**	**29.7 %**
Less: Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(32)	(29)	(8.8)%
ALG Segment Adjusted revenues	**$ 408**	**$ 310**	**31.8 %**

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

(in millions)	Three Months Ended March 31,		
	2023	2022	Change (%)
ALG Segment SG&A expenses	**$ 32**	**$ 37**	**(15.7)%**
Less: stock-based compensation expense	(3)	(4)	33.0 %
ALG Segment Adjusted SG&A expenses	**$ 29**	**$ 33**	**(13.8)%**

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Reconciliation of Non-GAAP Measure: Reconciliation of Unlimited Vacation Club Net Deferrals

(in millions)	Three Months Ended March 31,		
	2023	2022	Change (%)
Sales of membership club contracts deferrals	$ 109	$ 88	22.3 %
Membership club revenue recognized	(51)	(39)	(28.3)%
Increase in deferred revenue from membership club contract sales	**58**	**49**	**17.5 %**
Costs of memberships club contracts deferrals	(35)	(27)	(32.6)%
Membership club costs recognized	8	2	407.2 %
Increase in deferred costs from membership club contract costs	**(27)**	**(25)**	**(7.6)%**
Net Deferrals	**$ 31**	**$ 24**	**27.4 %**
Increase in Net Financed Contracts	**$ 17**	**$ 7**	**160.5 %**