

HYATT

+


APPLE LEISURE GROUP®

Q4 2021 Supplemental Presentation

02/16/2022

SECRETS® BAHIA MITA

DISCLAIMERS

FORWARD-LOOKING STATEMENTS

Forward-Looking Statements in this presentation, 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 Hyatt Hotels Corporation's (the "Company") plans, strategies, outlook, leisure transient and group and business demand expectations and rooms revenue composition, earnings mix composition expectations, growth trends, the number of properties we expect to open in the future, cash flow expectations, Apple Leisure Group ("ALG") acquisition integration expectations, 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, among others, risks associated with the acquisition of 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. We caution you not to place undue reliance on any forward-looking statements, which are made only as of the date of this presentation. 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.

NON-GAAP FINANCIAL MEASURES

This presentation includes references to certain financial measures, each identified with the symbol "†", that are not calculated or presented in accordance with generally accepted accounting principles in the United States ("GAAP"). These non-GAAP financial measures have important limitations and should not be considered in isolation or as a substitute for measures of the Company's financial performance prepared in accordance with GAAP. In addition, these non-GAAP financial measures, as presented, may not be comparable to similarly titled measures of other companies due to varying methods of calculations. For how we define the non-GAAP financial measures and a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP measure, please refer to the Appendix at the end of this presentation.

KEY BUSINESS METRICS

This presentation includes references to certain key business metrics used by the Company. For how we define these metrics, please refer to the Appendix at the end of this presentation.

2021 Recap A Year of Transformation



2021 HYATT PERFORMANCE RECAP¹



\$77.80

RevPAR²

+67% vs. 2020



\$257M

Adjusted EBITDA[†]

+\$434M vs. 2020



+12%

Pipeline Growth
year-over-year



+19.5%

Net Rooms Growth
year-over-year



\$74M

Adjusted SG&A[†] Savings
vs. 2019³



\$630M

Asset Disposition Proceeds in 2021

KEY HIGHLIGHTS

- ✓ Acquired Apple Leisure Group (“ALG”)
- ✓ Completed \$1.5B Asset Disposition Commitment
- ✓ Launched New \$2.0B Asset Disposition Commitment
- ✓ Opened 1000th Hotel
- ✓ Entered 47 New Markets⁴

1. Based on full year 2021 and not reflective of stabilized performance due to the meaningful impact of COVID-19 on 2021 results; includes two months of ALG results unless otherwise noted

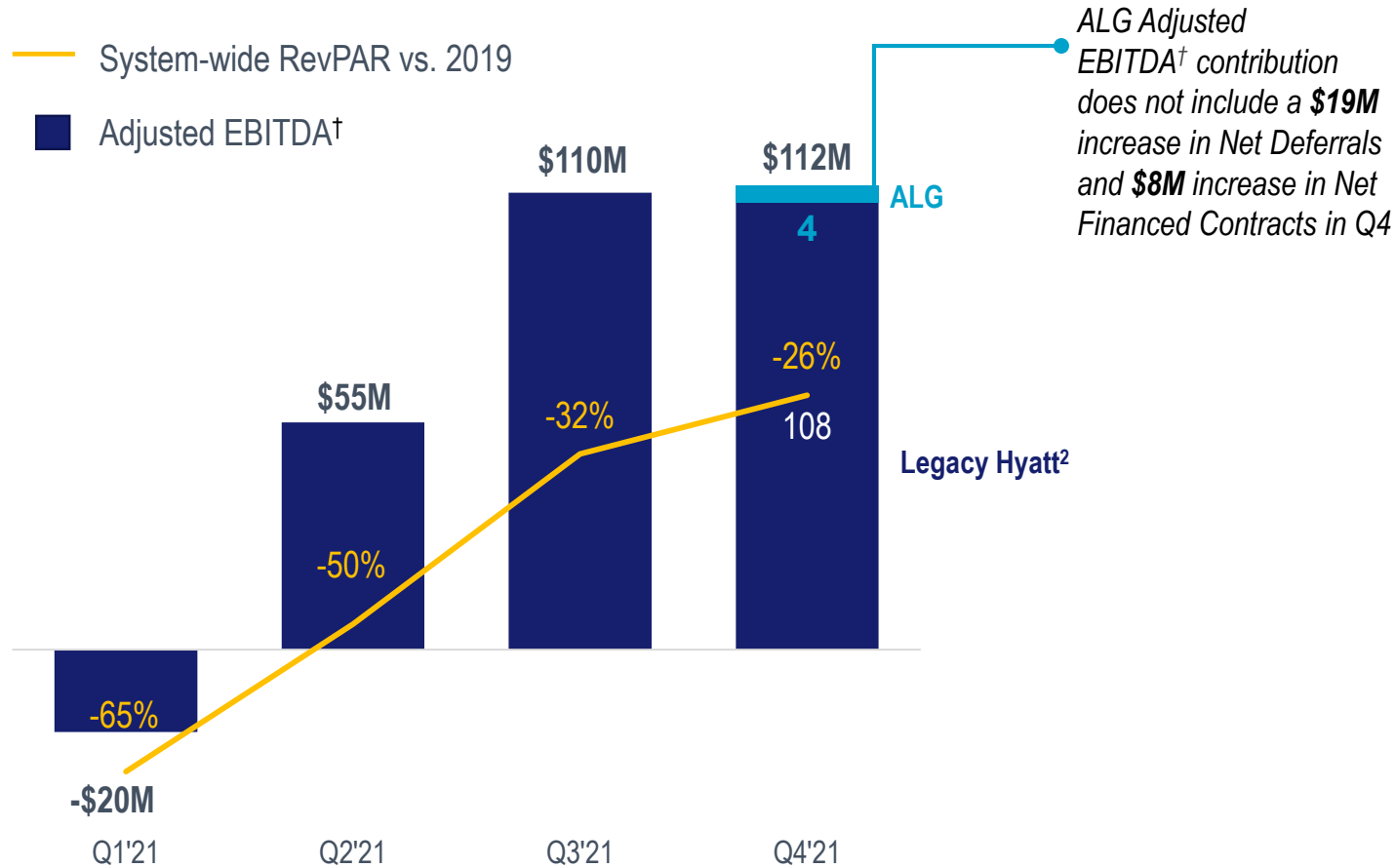
2. RevPAR reflects comparable system-wide hotels only

3. Adjusted SG&A[†] Savings reflects Hyatt Adjusted SG&A excluding ALG; Adjusted SG&A in 2019 includes \$22 million of Two Roads Hospitality integration costs; Adjusted SG&A in 2021 includes \$8 million of ALG integration costs

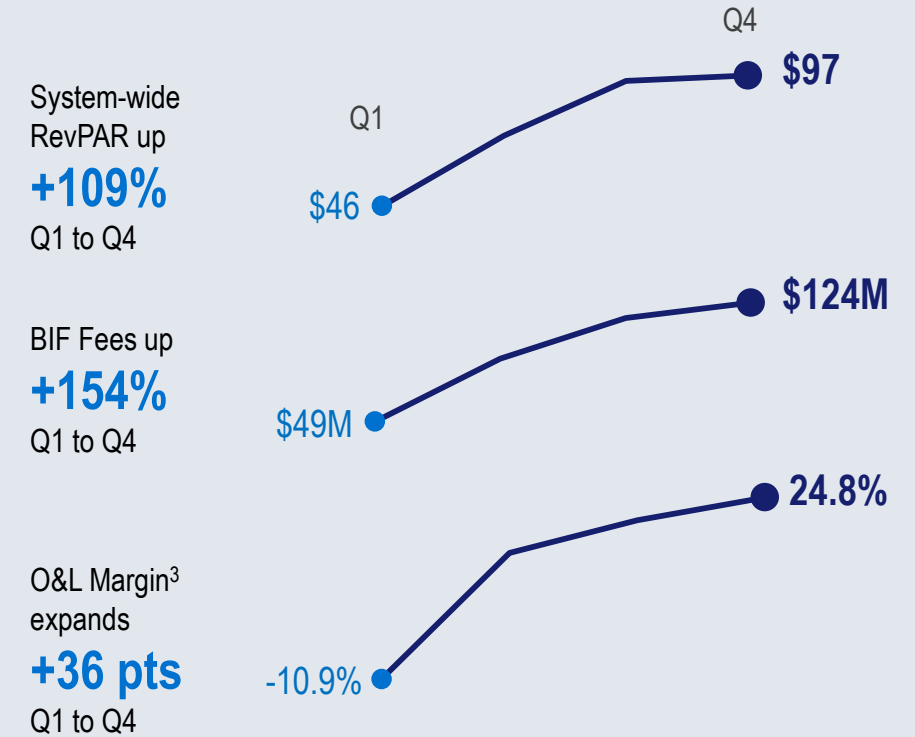
4. Markets as defined by Smith Travel Research (STR) Tract

KEY METRICS STRENGTHEN SIGNIFICANTLY AS YEAR PROGRESSES

2021 ADJUSTED EBITDA[†] (\$M) & REVPAR¹

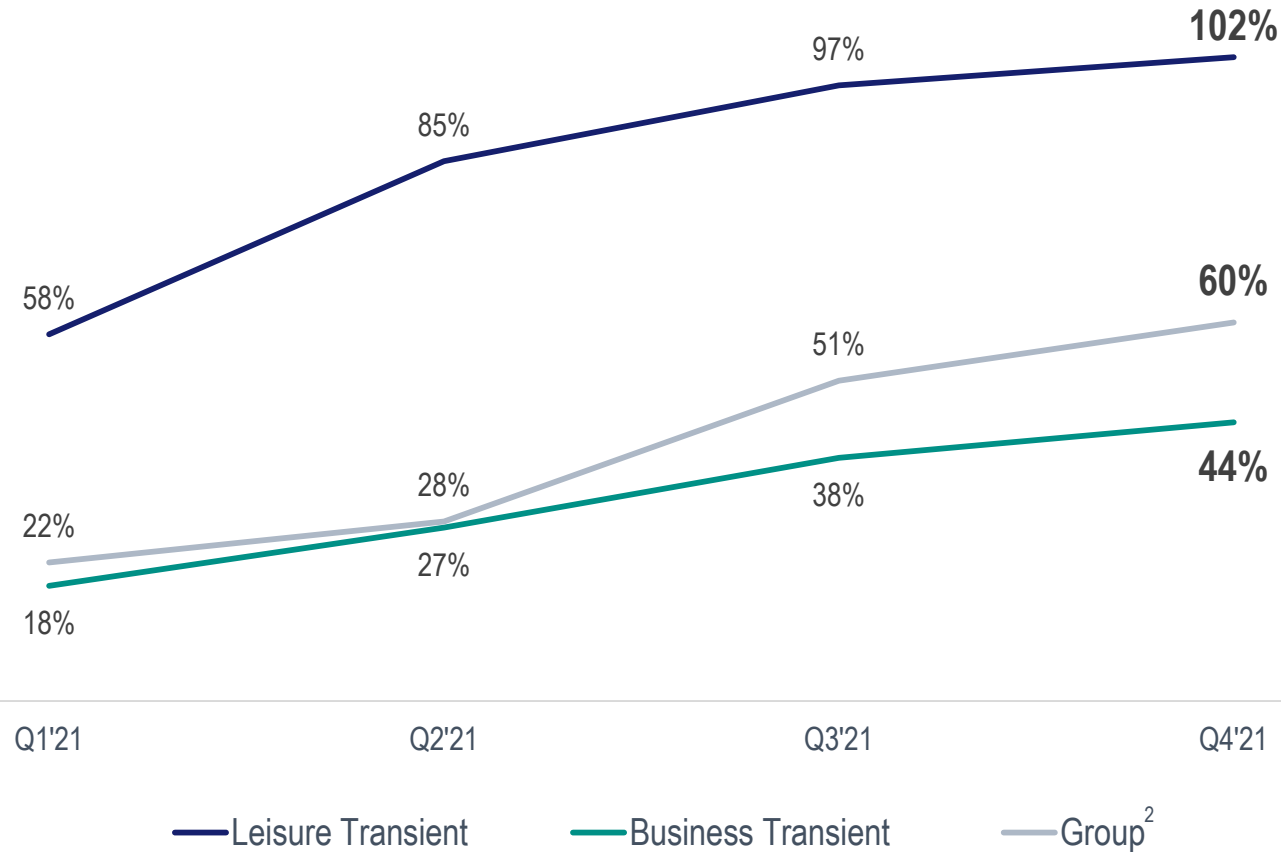


2021 KEY FINANCIAL METRICS



LEISURE TRANSIENT AT RECORD STRENGTH; BUSINESS TRANSIENT AND GROUP PRIMED FOR GROWTH IN 2022

SYSTEM-WIDE ROOMS REVENUE¹
% VS. 2019

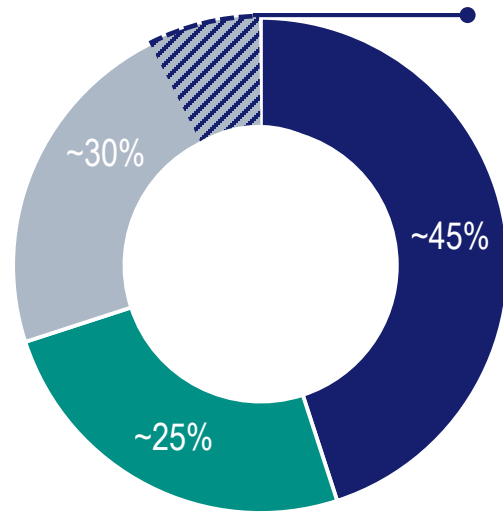


Leisure Transient Revenue Builds on Strong Momentum in Q3; Reaches **Record Level** in Q4

Group and Business Transient Gain Momentum and Significant Upside Remains

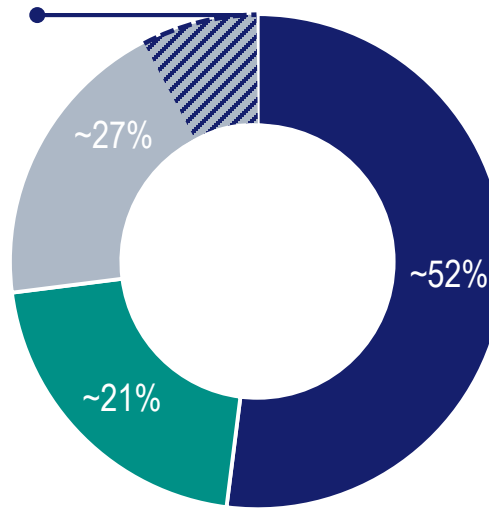
LEISURE MIX GROWS AS A % OF REVENUES WITH ALG ACQUISITION

2019 ROOMS REVENUE¹ MIX



ESTIMATED MIX AT FULL RECOVERY²

~20%
of Group is Leisure



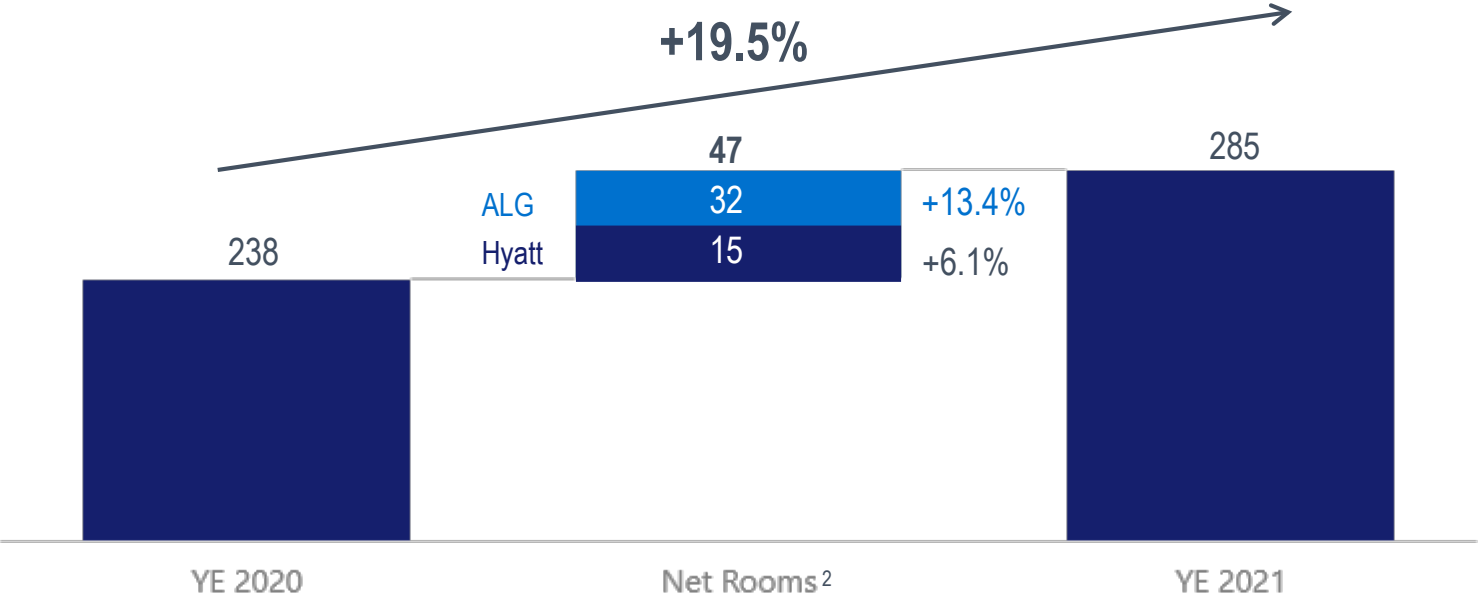
● Leisure Transient
 ● Business Transient
 ● Group³

ALG Expected to Expand Leisure Revenue Mix by 700 bps



INDUSTRY LEADING NET ROOMS GROWTH DRIVEN BY ALG ACQUISITION AND RECORD YEAR OF ORGANIC OPENINGS

SYSTEM-WIDE ROOMS¹
ROUNDED TO NEAREST THOUSAND



Hyatt opened **99 HOTELS** (17,800 ROOMS) Including **17 CONVERSIONS** 17% of total



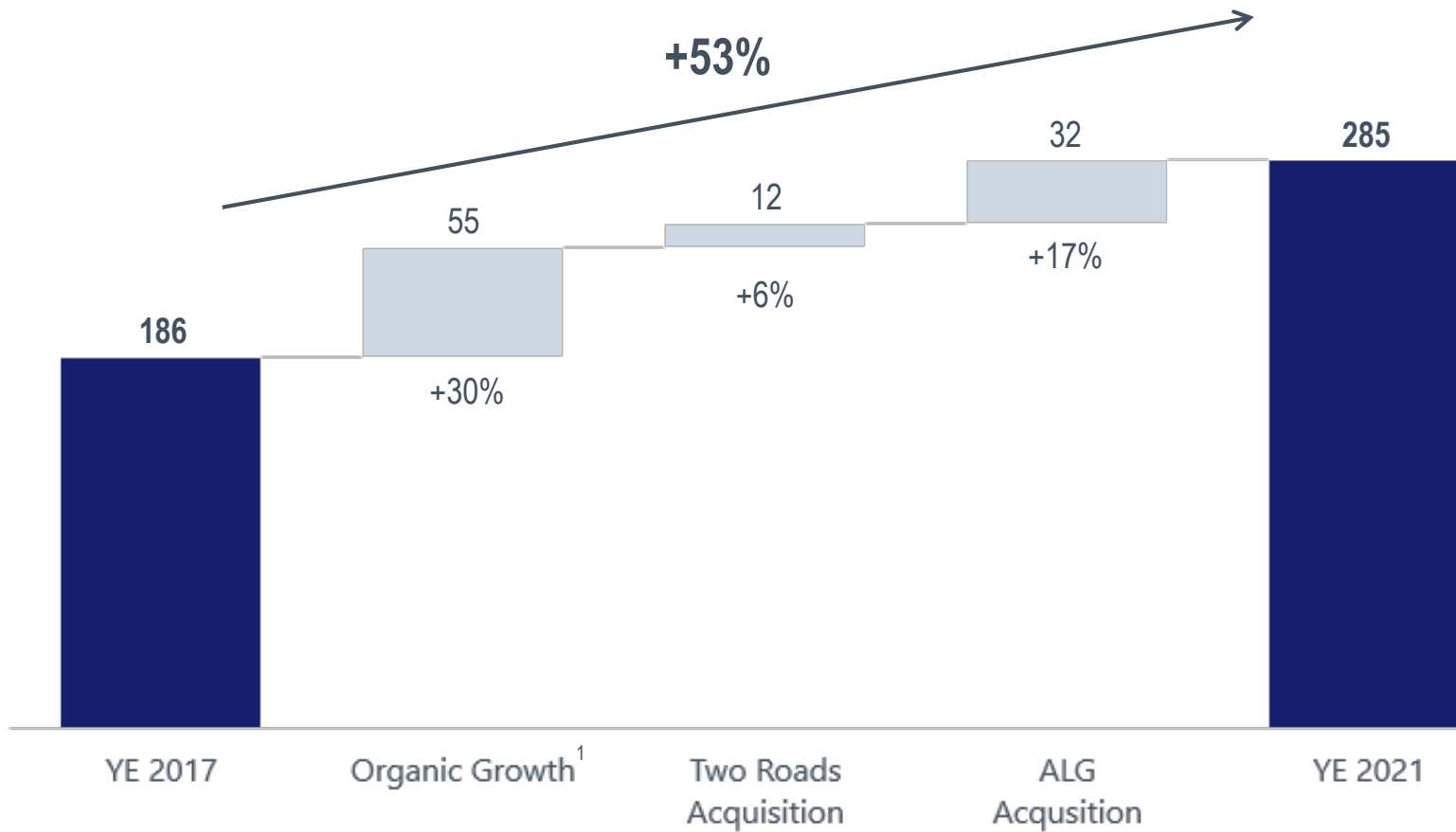
1. Room count is for Managed and Franchised rooms and includes O&L hotels; excludes Vacation Ownership, Residential or Condominium Ownership
2. Net Rooms growth represents new rooms added in 2021 net of terminations



ALILA® NAPA VALLEY

GROWTH IS CONTRIBUTING TO A TRANSFORMED PORTFOLIO; HYATT HAS EXPANDED BY ~100K ROOMS, 53%, IN 4 YEARS

SYSTEM-WIDE ROOMS ROUNDED TO NEAREST THOUSAND



HYATT PORTFOLIO IS UNIQUELY POSITIONED; DRIVEN BY SIGNIFICANT EXPANSION OF LUXURY, LIFESTYLE AND RESORT HOTELS

	YE 2017 ¹	YE 2021	GROWTH
LUXURY ROOMS	43K	85K	Doubled Luxury Rooms
LIFESTYLE ² ROOMS	9K	29K	Tripled Lifestyle Rooms
RESORT ROOMS	21K	66K	Tripled Resort Rooms

HYATT GLOBAL SHARE³



#1

World's Largest Portfolio of Luxury Branded Rooms in Resort Locations



18%

Global Share of Luxury Branded Rooms in Resort Locations



13%

Global Share of Luxury Branded Rooms in all locations

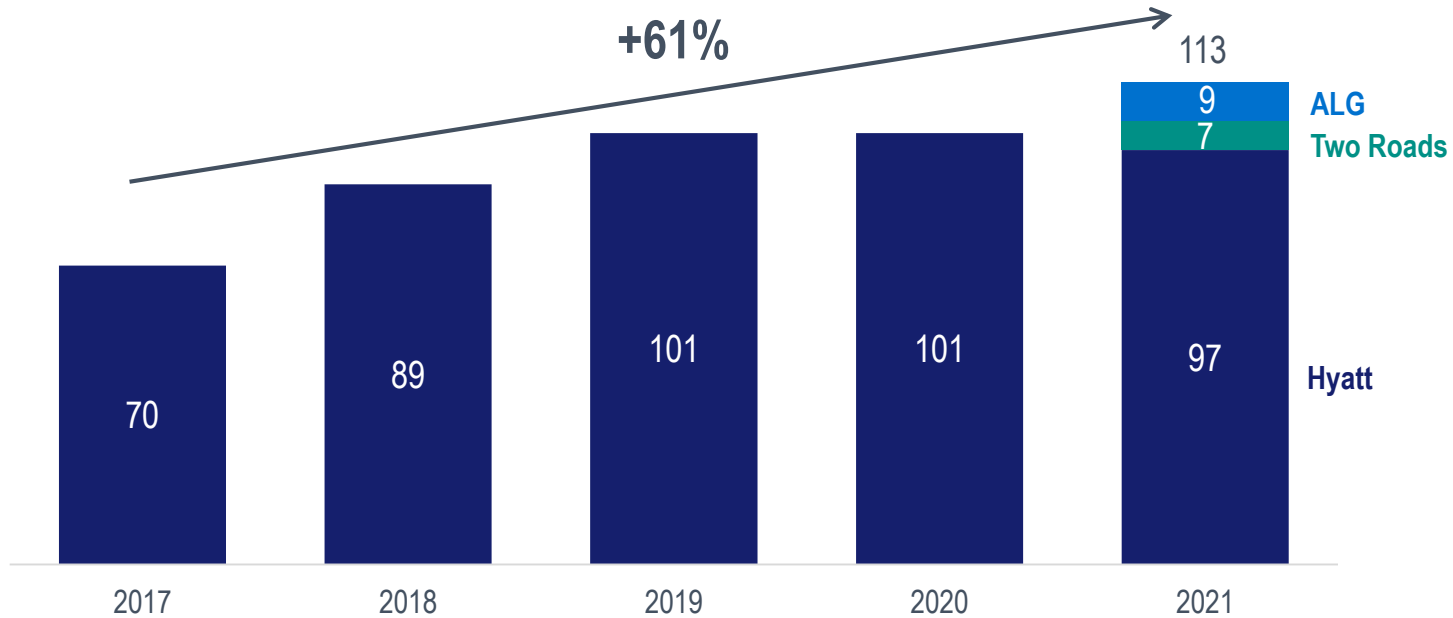
SUNSCAPE® CURAÇAO RESORT



1. Baseline growth since 2017 reflects year when Hyatt launched asset-light strategy
2. Includes JdV by Hyatt™, The Unbound Collection by Hyatt®, Alila®, Andaz®, Thompson Hotels®, and Hyatt Centric®
3. Source: STR Global Census as of 12/31/21; Luxury Branded Rooms as defined by STR Chain Scale Classification

PIPELINE CONTINUES TO EXPAND; LEADING POSITION AS % OF EXISTING BASE

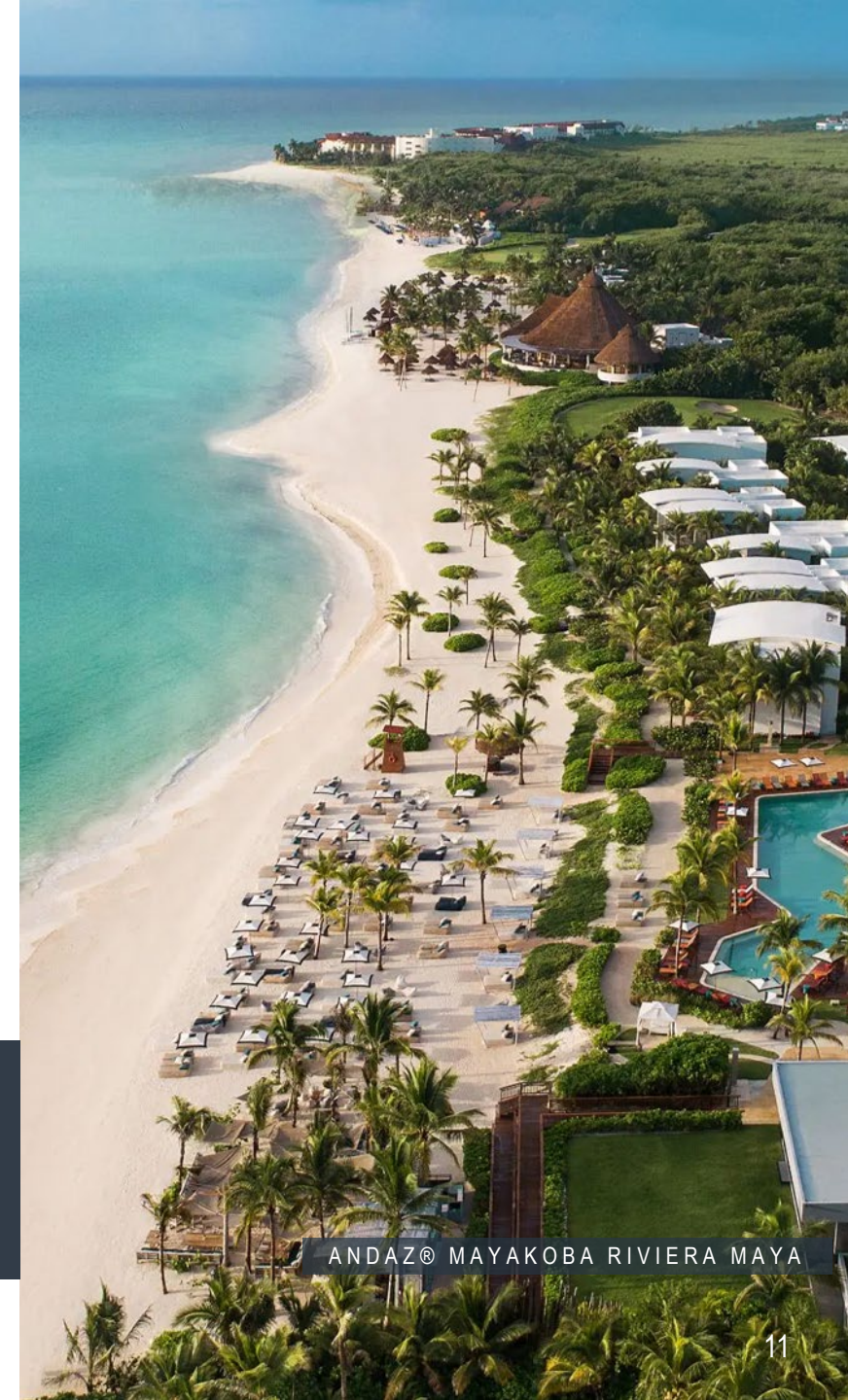
PIPELINE ROOMS¹
ROUNDED TO NEAREST THOUSAND



61%
Industry-leading pipeline
growth over last four years

Pipeline represents
40%
of existing rooms

~40%
of pipeline rooms are
under construction²



EXECUTING ON HYATT'S CAPITAL STRATEGY LEADS TO AN ACCELERATION IN FEE BASED EARNINGS

HYATT'S CAPITAL STRATEGY



Monetize Additional Owned Assets



Provide Funds for Future Growth Investments, Debt Repayment, and Shareholder Returns



Accelerate Toward Greater Fee-Based Earnings

MONETIZING ADDITIONAL OWNED ASSETS

\$3B

Assets sold since 2017

17X

Multiple on Assets Sold

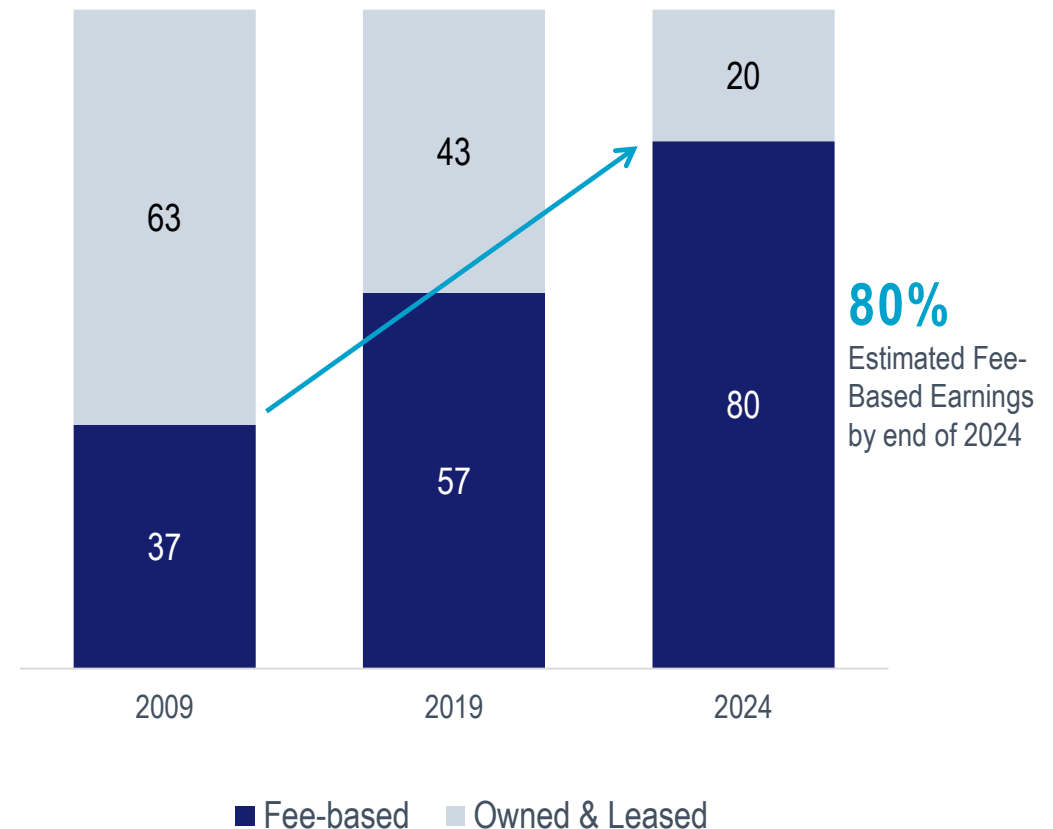
\$2B

New Asset Sell Down Commitment

13-15X

Estimated Multiple on Future Asset Sales

ACCELERATION TO FEE-BASED EARNINGS EARNINGS MIX, % OF TOTAL¹





ALG Results Network Effect Driving Growth

ALG FULL YEAR 2021 RESULTS SIGNIFICANTLY AHEAD OF UNDERWRITING



APPLE LEISURE GROUP®

\$28M

Adjusted EBITDA†

+

\$98M

Net Deferrals

+

\$48M

Net Financed Contracts

FULL YEAR KEY HIGHLIGHTS



- ✓ Net Package RevPAR **ahead** of 2019 from July to December
- ✓ Opened **~8K rooms and 29 hotels**
- ✓ AMR™ Fee Revenue **of \$77M**; Incentive fee recovery expected in 2022
- ✓ Signed 28K new membership contracts **ahead** of full year 2019
- ✓ Membership contribution of **13% of AMR™ room nights** and **15% of hotel revenue**



- ✓ **2.2M** Departures
- ✓ **30%** of ALGV bookings from U.S. based customers were to AMR™ Resorts



ALG full year information presents key business metrics and other data used by Hyatt (including Adjusted EBITDA, a non-GAAP financial measure) on a standalone basis for fiscal year 2021, as adjusted to present such ALG information to align with Hyatt's definitions of key business metrics and Adjusted EBITDA. All such information and data is being presented and provided solely for informational purposes to enable investors to evaluate performance on a consistent basis.

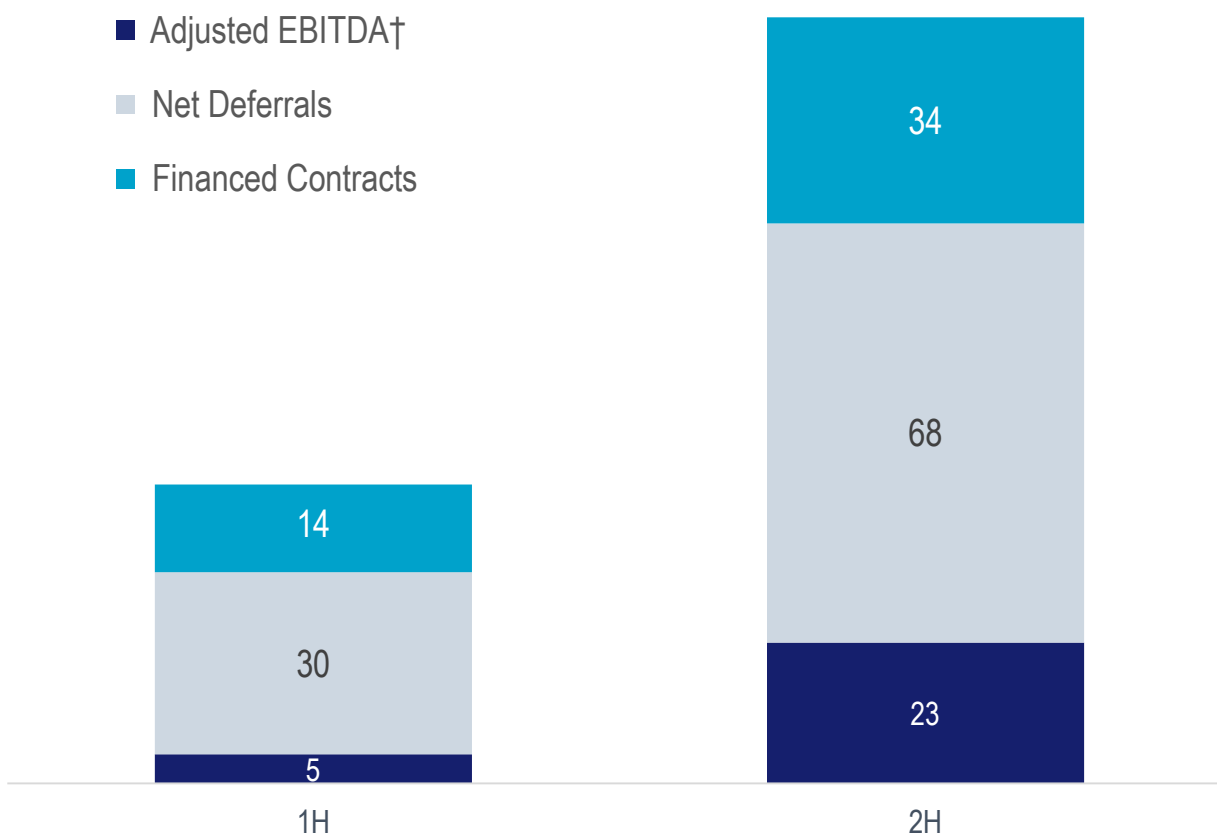


ZOETRY® CASA DEL MAR LOS CABOS

ALG KEY METRICS REACH RECORD LEVELS IN SECOND HALF OF 2021

ADJUSTED EBITDA† + NET DEFERRALS + FINANCED CONTRACTS

\$ IN MILLIONS



KEY OPERATIONAL METRICS

	1H	2H	GROWTH
NET PACKAGE REVPAR	97.17	138.30	↑ 42%
MANAGEMENT FEES	\$25M	\$52M	↑ 108%
SIGNED CONTRACTS	12,027	15,767	↑ 31%

ALG POSTS STRONG RESULTS AS PART OF HYATT FOR TWO MONTHS IN Q4 2021



APPLE LEISURE GROUP®

\$4M

Adjusted EBITDA†

+

\$19M

Net Deferrals

+

\$8M

Net Financed Contracts

TWO MONTH KEY HIGHLIGHTS



✓ Net Package RevPAR **7% ahead** of 2019 for comparable hotels in Americas

✓ AMR™ Fee Revenue of **\$21M; 26% above 2019**



✓ Signed 3.9K new membership contracts; **11% above 2019**

✓ Membership contribution of **11% of AMR™ room nights**



✓ **373K** Departures

✓ December negatively impacted by expiration of one-time credits



SECRETS® ST. JAMES MONTEGO BAY

STRATEGICALLY INTEGRATED PLATFORM DRIVES HOTEL PERFORMANCE



1. As of 12/31/21, Unlimited Vacation Club® memberships are not yet sold at AMR™ Collection's Alua Hotels & Resorts® brand and white-label properties.

AMR™ AND UNLIMITED VACATION CLUB® CREATE A POWERFUL NETWORK EFFECT; DRIVE VALUE FOR GUESTS AND OWNERS

MEMBERSHIP
ENGAGEMENT &
SATISFACTION
IS HIGH

18% p.a.
Membership growth,
past 5 years

~20% of signed contracts are existing
members upgrading to a higher tier

<6% average early termination
rate of memberships sold over the
past 5 years

Contract duration secures
share of wallet for years into
the future

UNLIMITED VACATION CLUB FUELS
PERFORMANCE AT AMR™ HOTELS

Accounts for 15% of AMR™ total hotel revenue¹

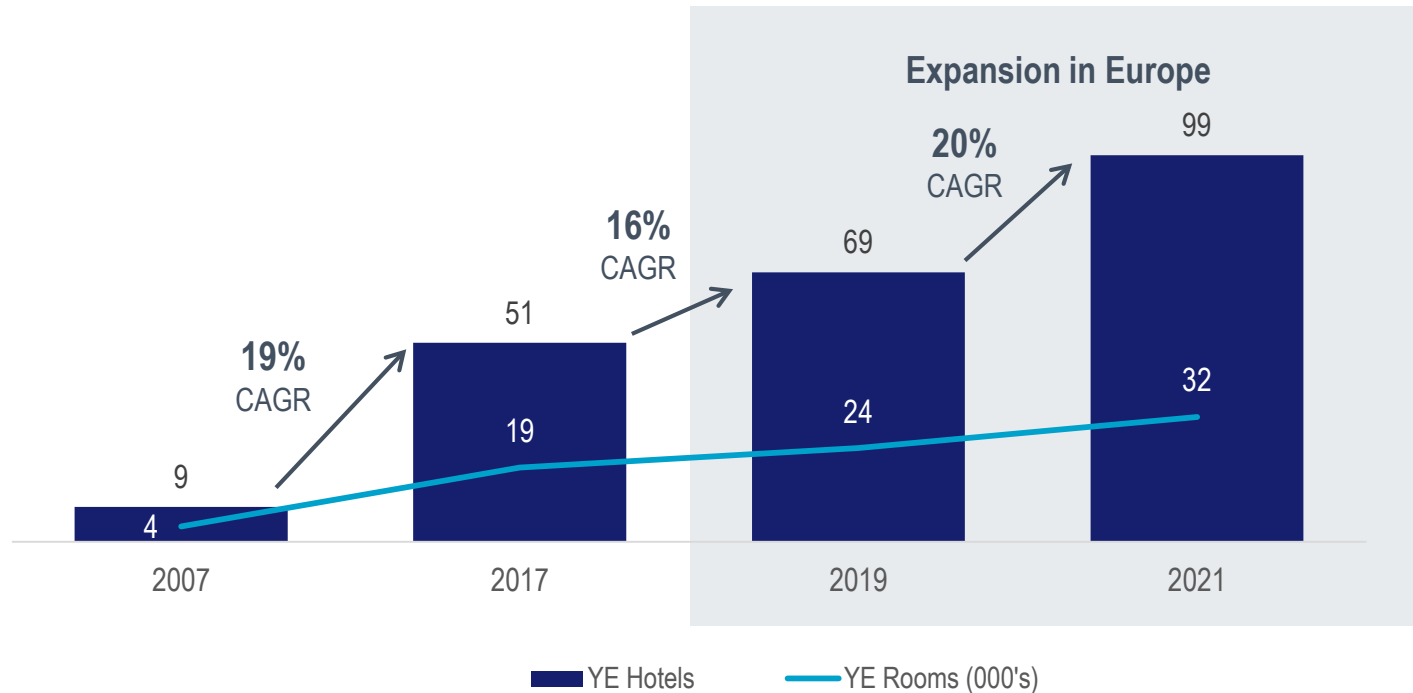
Members are highly
engaged between stays
and serve as brand
ambassadors

Unlimited Vacation Club® is exclusive to AMR™’s 60 Americas hotels today;
expansion outside of Mexico & Caribbean represents step-function opportunity



INTEGRATED PLATFORM LEADS TO UNPRECEDENTED GROWTH & STRONG PIPELINE TO FUEL FUTURE EXPANSION

AMR™ COLLECTION HOTELS & ROOMS¹



AMR™ Collection Pipeline² represents **28%** of existing base

ALG INTEGRATION EXPECTED TO DRIVE INCREMENTAL GROWTH IN 2022 AND BEYOND

VALUE ENHANCEMENTS

- World of Hyatt integration for the Americas in summer of 2022, with Europe to follow
- AMR™ Collection hotels to be fully bookable through Hyatt channels for the Americas in the summer of 2022, with Europe to follow
- Leverage Hyatt's terms with OTAs and third parties to improve the cost of distribution for ALG owners
- Exploration of integrations across Hyatt and ALG technology ecosystems to deliver powerful new booking capabilities for members and guests is underway and expected to increase revenue



Accounting Considerations



AMR™ AND UNLIMITED VACATION CLUB® GENERATE STRONG CASH FLOW; ADJUSTED EBITDA[†] IMPACTED BY NET DEFERRALS

CONTRACT SIGNING

END OF CONTRACT TERM

CASH



Significant portion of cash received at time of signing

Membership fee either paid-in-full at signing or financed with a typical term of less than four years with significant down payment

GAAP EXPENSE



Majority of expenses recognized in period contract is signed

Expense recognition is front-loaded as certain marketing, rent and overhead expenses to acquire new members are incurred when the contract is signed

GAAP REVENUE



Revenue is recognized over the life of the contract

Timing imbalance between revenue and expense recognition results in Adjusted EBITDA[†] loss in year contract is signed with expected Adjusted EBITDA[†] gains thereafter as revenue is recognized



UNLIMITED VACATION CLUB® CREATES NET DEFERRALS AND NET FINANCED CONTRACTS PRIMARILY IN TWO WAYS



NEW CONTRACT SIGNED

Signed Contracts fall into two categories

New Member Joins

80% of contracts on average

Existing Member Upgrades Membership

20% of contracts on average



MEMBERSHIP FEE

Membership Fee is one-time charge with annual renewal fee; Payment is made two ways

1

Finance Portion of Membership Fee

Majority of members choose financing; contract term typically less than four years

2

Cash Down Payment or Full Payment

Members who finance place substantial down payment; a minority choose to pay full membership fee upon signing



ACCOUNTING IMPLICATION

Revenue and expense recognition timing

Net Financed Contracts

Represents portion of contract financed less certain membership-related costs

Collection rate is 85%, Net Financed Contract amount reported is net of a bad debt reserve

Deferred Revenue and Expense

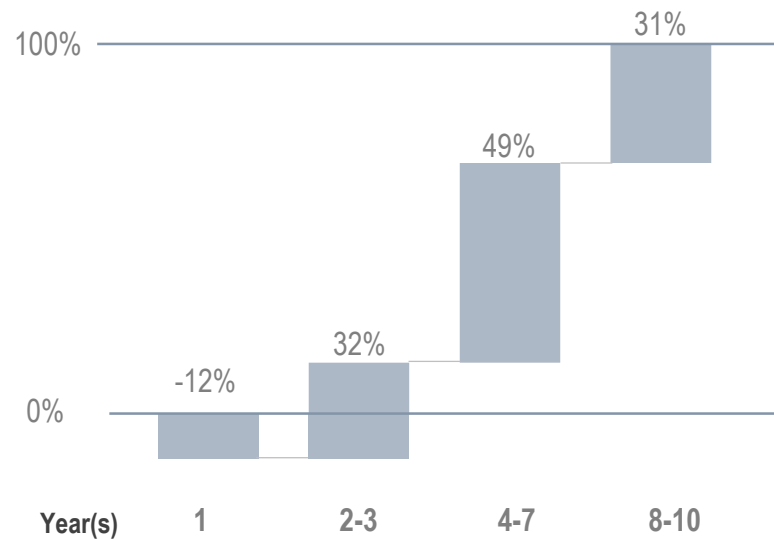
Deferred Revenue created when cash is received through initial down payment, full up-front payment or as members pay down Financed Contract amount

Deferred Expense created when expenses are paid

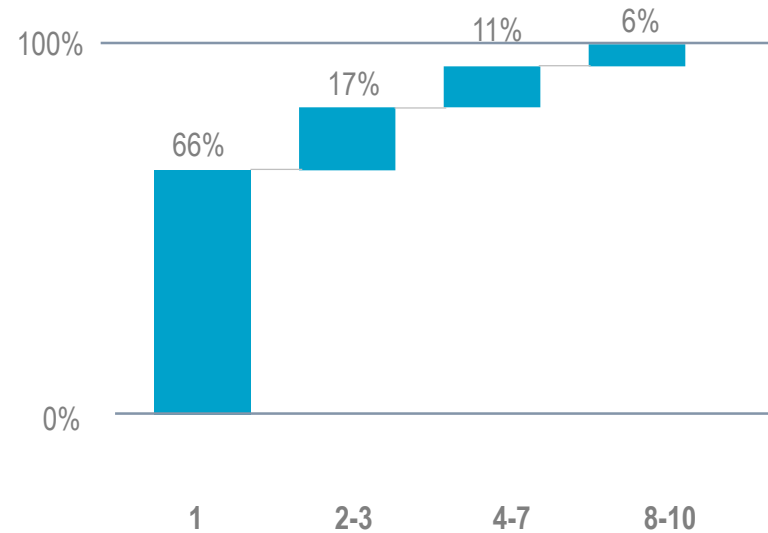
Net Deferrals reflect the revenues and expenses that will be recognized over the customer life

ILLUSTRATIVE 10-YEAR MEMBERSHIP CONTRACT HIGHLIGHTS DIFFERENCE IN WHEN VALUE CREATION IS REFLECTED

Adjusted EBITDA†
% BY YEAR



Adjusted EBITDA† + Net Deferrals + Net Financed Contracts
% BY YEAR



Value creation more fully reflected in period of contract signing through:
Adjusted EBITDA† + Net Deferrals + Net Financed Contracts



ADJUSTED EBITDA[†] + NET DEFERRALS + NET FINANCED CONTRACTS REFLECTS ECONOMIC VALUE CREATION

- ✓ Reflects economic value¹ creation in the period a membership contract is signed
- ✓ Tracks closely with cash flow generation
- ✓ Consistent with how performance is incentivized
- ✓ Allows for period-to-period comparisons that are driven by contract signings



Appendix



DEFINITIONS

Adjusted Earnings Before Interest Expense, Taxes, Depreciation and Amortization (Adjusted EBITDA) and EBITDA

We use the terms Adjusted EBITDA and EBITDA throughout this presentation. Adjusted EBITDA and EBITDA, as the Company defines them, are non-GAAP measures. We define Adjusted EBITDA as net income (loss) attributable to Hyatt Hotels Corporation plus its pro rata share of unconsolidated owned and leased hospitality ventures Adjusted EBITDA based on its ownership percentage of each owned and leased venture, adjusted to exclude the following items:

- interest expense;
- benefit (provision) for income taxes;
- depreciation and amortization;
- amortization of management and franchise agreement assets and performance cure payments, which constitute payments to customers (Contra revenue);
- revenues for the reimbursement of costs incurred on behalf of managed and franchised properties;
- costs incurred on behalf of managed and franchised properties that we intend to recover over the long term;
- equity earnings (losses) from unconsolidated hospitality ventures;
- stock-based compensation expense;
- gains (losses) on sales of real estate and other;
- asset impairments; and
- other income (loss), net

We calculate consolidated Adjusted EBITDA by adding the Adjusted EBITDA of each of our reportable segments and eliminations to corporate and other Adjusted EBITDA.

Our board of directors and executive management team focus on Adjusted EBITDA as a key performance and compensation measure both on a segment and on a consolidated basis. Adjusted EBITDA assists us in comparing our performance over various reporting periods on a consistent basis because it removes from our operating results the impact of items that do not reflect our core operations both on a segment and on a consolidated basis. Our president and chief executive officer, who is our chief operating decision maker, also evaluates the performance of each of our reportable segments and determines how to allocate resources to those segments, in significant part, by assessing the Adjusted EBITDA of each segment. In addition, the compensation committee of our board of directors determines the annual variable compensation for certain members of our management based in part on consolidated Adjusted EBITDA, segment Adjusted EBITDA, or some combination of both.

We believe Adjusted EBITDA is useful to investors because it provides investors the same information that the Company uses internally for purposes of assessing operating performance and making compensation decisions and facilitates our comparison of results before these items with results from other companies within our industry.

Adjusted EBITDA excludes certain items that can vary widely across different industries and among companies within the same industry including interest expense and benefit (provision) for income taxes, which are dependent on company specifics, including capital structure, credit ratings, tax policies, and jurisdictions in which they operate; depreciation and amortization which are dependent on company policies including how the assets are utilized as well as the lives assigned to the assets; Contra revenue which is dependent on company policies and strategic decisions regarding payments to hotel owners; and stock-based compensation expense which varies among companies as a result of different compensation plans companies have adopted. We exclude revenues for the reimbursement of costs and costs incurred on behalf of managed and franchised properties which relate to the reimbursement of payroll costs and for system-wide services and programs that we operate for the benefit of our hotel owners as contractually we do not provide services or operate the related programs to generate a profit over the terms of the respective contracts. Over the long term, these programs and services are not designed to impact our economics, either positively or negatively. Therefore, we exclude the net impact when evaluating period-over-period changes in our operating results. Adjusted EBITDA includes costs incurred on behalf of our managed and franchised properties related to system-wide services and programs that we do not intend to recover from hotel owners. Finally, we exclude other items that are not core to our operations, such as asset impairments and unrealized and realized gains and losses on marketable securities.

Adjusted EBITDA and EBITDA are not substitutes for net income (loss) attributable to Hyatt Hotels Corporation, net income (loss), or any other measure prescribed by GAAP. There are limitations to using non-GAAP measures such as Adjusted EBITDA and EBITDA. Although we believe that Adjusted EBITDA can make an evaluation of our operating performance more consistent because it removes items that do not reflect our core operations, other companies in our industry may define Adjusted EBITDA differently than we do. As a result, it may be difficult to use Adjusted EBITDA or similarly named non-GAAP measures that other companies may use to compare the performance of those companies to our performance. Because of these limitations, Adjusted EBITDA should not be considered as a measure of the income (loss) generated by our business. Our management compensates for these limitations by reference to its GAAP results and using Adjusted EBITDA supplementally.

DEFINITIONS

Adjusted Selling, General, and Administrative (SG&A) Expenses Adjusted SG&A expenses, as we define it, is a non-GAAP measure. Adjusted SG&A expenses exclude the impact of deferred compensation plans funded through rabbi trusts and stock-based compensation expense. Adjusted SG&A expenses assist us in comparing our performance over various reporting periods on a consistent basis because it removes from our operating results the impact of items that do not reflect our core operations, both on a segment and consolidated basis.

Comparable Owned and Leased Hotels Operating Margin We define comparable owned and leased hotels operating margin as the difference between comparable owned and leased hotels revenues and comparable owned and leased hotels expenses. Comparable owned and leased hotels revenues is calculated by removing non-comparable hotels revenues from owned and leased hotels revenues as reported in our consolidated statements of income (loss). Comparable owned and leased hotels expenses is calculated by removing both non-comparable owned and leased hotels expenses and the impact of expenses funded through rabbi trusts from owned and leased hotels expenses as reported in our consolidated statements of income (loss). We believe comparable owned and leased hotels operating margin is useful to investors because it provides investors the same information that the Company uses internally for purposes of assessing operating performance.

Comparable Hotels "Comparable system-wide hotels" represents all properties we manage or franchise, including owned and leased properties, and that are operated for the entirety of the periods being compared and that have not sustained substantial damage, business interruption, or undergone large scale renovations during the periods being compared or for which comparable results are not available. Effective December 31, 2021, hotels that suspended operations due to the COVID-19 pandemic and have not yet re-opened are no longer included in our definition of comparable system-wide hotels. We may use variations of comparable system-wide hotels to specifically refer to comparable system-wide Americas full service hotels, including our wellness resorts, our select service hotels, or our all-inclusive resorts, for those properties that we manage or franchise within the Americas management and franchising segment, comparable system-wide ASPAC full service or select service hotels for those properties we manage or franchise within the ASPAC management and franchising segment, or comparable system-wide EAME/SW Asia full service or select service hotels for those properties that we manage or franchise within the EAME/SW Asia management and franchising segment. "Comparable owned and leased hotels" represents all properties we own or lease and that are operated and consolidated for the entirety of the periods being compared and have not sustained substantial damage, business interruption, or undergone large scale renovations during the periods being compared or for which comparable results are not available. Comparable system-wide hotels and comparable owned and leased hotels are commonly used as a basis of measurement in our industry. "Non-comparable system-wide hotels" or "non-comparable owned and leased hotels" represent all hotels that do not meet the respective definition of "comparable" as defined above.

Constant Dollar Currency We report the results of our operations both on an as-reported basis, as well as on a constant dollar basis. Constant dollar currency, which is a non-GAAP measure, excludes the effects of movements in foreign currency exchange rates between comparative periods. We believe constant dollar analysis provides valuable information regarding our results as it removes currency fluctuations from our operating results. We calculate constant dollar currency by restating prior-period local currency financial results at the current period's exchange rates. These restated amounts are then compared to our current period reported amounts to provide operationally driven variances in our results.

Occupancy represents the total number of rooms sold divided by the total number of rooms available at a hotel or group of hotels. Occupancy measures the utilization of a hotel's available capacity. We use occupancy to gauge demand at a specific hotel or group of hotels in a given period. Occupancy levels also help us determine achievable ADR levels as demand for hotel rooms increases or decreases.

Revenue per Available Room (RevPAR) is the product of the average daily rate and the average daily occupancy percentage. RevPAR does not include non-room revenues, which consist of ancillary revenues generated by a hotel property, such as food and beverage, parking, and other guest service revenues. Our management uses RevPAR to identify trend information with respect to room revenues from comparable properties and to evaluate hotel performance on a regional and segment basis. RevPAR is a commonly used performance measure in our industry. RevPAR changes that are driven predominantly by changes in occupancy have different implications for overall revenue levels and incremental profitability than do changes that are driven predominantly by changes in average room rates. For example, increases in occupancy at a hotel would lead to increases in room revenues and additional variable operating costs, including housekeeping services, utilities, and room amenity costs, and could also result in increased ancillary revenues, including food and beverage. In contrast, changes in average room rates typically have a greater impact on margins and profitability as average room rate changes result in minimal impacts to variable operating costs.

Net Package RevPAR is the product of the net package ADR and the average daily occupancy percentage. Net Package RevPAR generally includes revenue derived from the sale of package revenue comprised of rooms revenue, food and beverage, and entertainment, net of compulsory tips paid to employees. Our management uses Net Package RevPAR to identify trend information with respect to room revenues from comparable properties and to evaluate hotel performance on a regional and segment basis. Net Package RevPAR is a commonly used performance measure in our industry.

Net Financed Contracts represent Unlimited Vacation Club contracts signed during the period for which an initial cash down payment has been received and the remaining balance is contractually due in monthly installments over an average term of less than 4 years. The Net Financed Contract balance is calculated as the unpaid portion of membership contracts reduced by expenses related to fulfilling the membership club contracts and further reduced by an allowance for future estimated uncollectible installments. Net Financed Contract balances are not reported on our consolidated balance sheets as our right to collect future installments is conditional on our ability to provide continuous access to benefits at AMR hotels to the member over the contract term, and the associated expenses to fulfill the membership contracts become liabilities of the Company only after the installments are collected. We believe Net Financed Contracts is useful to investors as it represents an estimate of future cash flows due in accordance with contracts signed in the current period. At December 31, 2021, the net financed contract balance not recorded on our consolidated balance sheet was \$133 million.

Net Deferrals represent the change in contract liabilities associated with the Unlimited Vacation Club membership contracts less the change in deferred cost assets associated with the contracts. The contract liabilities and deferred cost assets are recognized as revenue and expense, respectively, on our consolidated statements of income (loss) over the customer life, which ranges from 3 to 25 years.

Pipeline reflects fully executed management and franchise agreements

Net Rooms Growth reflects the percentage change in the number of managed and franchised rooms (includes owned and leased properties; excludes Vacation Ownership, Residential, and Condominium Ownership)

RECONCILIATION OF NON-GAAP FINANCIAL MEASURE

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 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)

	Year Ended December 31,	
	2021	2019
SG&A expenses	\$ 366	\$ 417
Less: rabbi trust impact	(38)	(53)
Less: stock-based compensation expense	(50)	(35)
Adjusted SG&A expenses	\$ 278	\$ 329

	Year Ended December 31,	
	2021	2019
Americas management and franchising	\$ 50	\$ 64
ASPAC management and franchising	42	50
EAME/SW Asia management and franchising	26	34
Owned and leased hotels	12	16
ALG (a)	23	—
Corporate and other	125	165
Adjusted SG&A expenses	\$ 278	\$ 329
Adjusted SG&A expenses excluding ALG	\$ 255	\$ 329

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

RECONCILIATION OF NON-GAAP FINANCIAL MEASURE (CONT.)

Hyatt Hotels Corporation

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

(in millions)

	Q1 2021	Q2 2021	Q3 2021	Q4 2021 (a)	FY 2021
Net income (loss) attributable to Hyatt Hotels Corporation	\$ (304)	\$ (9)	\$ 120	\$ (29)	\$ (222)
Interest expense	41	42	40	40	163
(Benefit) provision for income taxes	186	15	138	(73)	266
Depreciation and amortization	74	74	71	91	310
EBITDA	(3)	122	369	29	517
Contra revenue	8	9	9	9	35
Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(260)	(366)	(456)	(501)	(1,583)
Costs incurred on behalf of managed and franchised properties	277	375	465	522	1,639
Equity (earnings) losses from unconsolidated hospitality ventures	(54)	34	12	(20)	(28)
Stock-based compensation expense	28	8	6	8	50
(Gains) losses on sales of real estate and other	—	(105)	(307)	(2)	(414)
Asset impairments	—	2	—	6	8
Other (income) loss, net	(12)	(25)	3	53	19
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA	(4)	1	9	8	14
Adjusted EBITDA	\$ (20)	\$ 55	\$ 110	\$ 112	\$ 257

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

ALG TWO-MONTH CONTRIBUTION TO HYATT CONSOLIDATED INCOME STATEMENT IN Q4 2021

Three Months Ended December 31st, 2021¹

USD in millions	Hyatt excluding ALG	ALG	Combined
REVENUES:			
Owned and leased hotels	\$ 280	\$ -	\$ 280
Management, franchise, and other fees	128	21	149
Contra revenue	(9)	-	(9)
Net management, franchise, and other fees	119	21	140
Distribution and destination management	-	115	115
Other revenues	21	19	40
Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	490	11	501
Total revenues	910	166	1,076
DIRECT AND SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES:			
Owned and leased hotels	219	-	219
Distribution and destination management	-	112	112
Depreciation and amortization	69	22	91
Other direct costs	33	16	49
Selling, general, and administrative	93	23	116
Costs incurred on behalf of managed and franchised properties	513	9	522
Direct and selling, general, and administrative expenses	927	182	1,109
Net gains and interest income from marketable securities held to fund rabbi trusts	8	-	8
Equity earnings from unconsolidated hospitality ventures	20	-	20
Interest expense	(40)	-	(40)
Gains on sales of real estate and other	2	-	2
Asset impairments	(6)	-	(6)
Other loss, net	(48)	(5)	(53)
LOSS BEFORE INCOME TAXES	(81)	(21)	(102)
BENEFIT (PROVISION) FOR INCOME TAXES	80	(7)	73
NET LOSS	(1)	(28)	(29)
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	-	-	-
NET LOSS ATTRIBUTABLE TO HYATT HOTELS CORPORATION	\$ (1)	\$ (28)	\$ (29)

ALG TWO-MONTH CONTRIBUTION TO HYATT ADJUSTED EBITDA[†] IN Q4 2021

Three Months Ended December 31st, 2021¹

USD in millions	Hyatt excluding ALG		ALG		Combined
Net loss attributable to Hyatt Hotels Corporation	\$	(1)	\$	(28)	\$ (29)
Interest expense		40		-	40
(Benefit) provision for income taxes		(80)		7	(73)
Depreciation and amortization		69		22	91
EBITDA [†]		28		1	29
Contra revenue		9		-	9
Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties		(490)		(11)	(501)
Costs incurred on behalf of managed and franchised properties		513		9	522
Equity earnings from unconsolidated hospitality ventures		(20)		-	(20)
Stock-based compensation expense		8		-	8
Gains on sales of real estate and other		(2)		-	(2)
Asset impairments		6		-	6
Other loss, net		48		5	53
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA [†]		8		-	8
Adjusted EBITDA [†]	\$	108	\$	4	\$ 112
Net Deferral Activity					
Increase in Deferred Revenue	\$	-	\$	35	\$ 35
Increase in Deferred Costs		-		(16)	(16)
Net Deferrals	\$	-	\$	19	\$ 19
Increase in Net Financed Contracts	\$	-	\$	8	\$ 8

ALG HISTORICAL PERFORMANCE BY QUARTER IN 2021

	Q1	Q2	Q3	Q4	Year to Date
Net Package RevPAR (Americas)	\$ 75.62	\$ 125.97	\$ 135.47	\$ 168.20	\$ 127.40
Net Package RevPAR (Europe)	\$ 39.72	\$ 50.14	\$ 101.36	\$ 86.11	\$ 87.88
Net Package RevPAR (Total)	\$ 74.67	\$ 117.41	\$ 124.84	\$ 154.29	\$ 120.62
Unlimited Vacation Club Signed Contracts	5,023	7,004	8,169	7,598	27,794
Departures	297,656	678,581	703,607	544,720	2,224,564
<i>USD in millions</i>					
Net management, franchise, and other fees	9	16	24	28	77
Other Revenues	24	26	30	32	112
Distribution and destination management revenue	88	183	181	157	609
ALG Revenue	\$ 121	\$ 225	\$ 235	\$ 217	\$ 798
Distribution and destination management expense	94	153	150	156	553
Adjusted SG&A†	27	32	38	37	134
ALG Adjusted EBITDA†	\$ (17)	\$ 22	\$ 20	\$ 3	\$ 28
Increase in Deferred Revenue	19	42	53	53	167
Increase in Deferred Costs	(16)	(15)	(18)	(20)	(69)
Increase in Net Financed Contracts	\$ 1	\$ 13	22	12	48

ALG quarterly information presents key business metrics used by Hyatt, as well as ALG unaudited historical financial information and other data (including Adjusted EBITDA and Adjusted SG&A, non-GAAP financial measures) on a standalone basis for each quarter in fiscal year 2021, as adjusted, as applicable, to present such ALG historical information to align with Hyatt's definitions of Adjusted EBITDA and Adjusted SG&A, non-GAAP financial measures. All such information and data is being presented and provided solely for informational purposes to enable investors to evaluate performance for such periods on a consistent basis; ALG 2021 Results do not include a license or royalty fee paid from Unlimited Vacation Club® to AMR™ due to intersegment eliminations.

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