HYATT REPORTS THIRD QUARTER 2023 RESULTS

New Record Total Fee Revenue of $250 Million

Pipeline Expands to New High of 123,000 Rooms

CHICAGO (November 2, 2023) - Hyatt Hotels Corporation ("Hyatt" or the "Company") (NYSE: H) today reported third quarter 2023 financial results. Highlights include:

- **Net Income** was $68 million in the third quarter of 2023 compared to $28 million in the third quarter of 2022. Adjusted net income was $75 million in the third quarter of 2023 compared to $72 million in the third quarter of 2022.
- **Diluted EPS** was $0.63 in the third quarter of 2023 compared to $0.25 in the third quarter of 2022. Adjusted Diluted EPS was $0.70 in the third quarter of 2023 compared to $0.64 in the third quarter of 2022.
- **Adjusted EBITDA** was $247 million in the third quarter of 2023 compared to $252 million in the third quarter of 2022.
    - Adjusted EBITDA does not include Net Deferrals and Net Financed Contracts of $35 million[1] in the third quarter of 2023, and Net Deferrals and Net Financed Contracts of $43 million[1] in the third quarter of 2022.
- **Comparable system-wide RevPAR** increased 8.9% in the third quarter of 2023 compared to 2022.
- **Comparable owned and leased hotels RevPAR** increased 6.3% in the third quarter of 2023 compared to 2022. Comparable owned and leased hotels operating margins were 23.5% in the third quarter of 2023.
- **Comparable All-inclusive Net Package RevPAR** increased 8.6% in the third quarter of 2023 compared to 2022.
- **Net Rooms Growth** was approximately 6.2% in the third quarter of 2023.
- **Pipeline** of executed management or franchise contracts was approximately 123,000 rooms.
- **Share Repurchases** were approximately 1.25 million Class A shares for $144 million in the third quarter of 2023.

Mark S. Hoplamazian, President and Chief Executive Officer of Hyatt, said, "We had a tremendous quarter, largely driven by the strength in our core business. Our third quarter performance contributed to a 25% improvement in total fees for the first nine months of the year compared to 2022. We expect strong fee growth to continue, fueled by our record pipeline of 123,000 rooms and higher levels of conversion opportunities combined with robust demand for travel around the globe. We continue to successfully execute our asset-light transformation and growth strategy while returning meaningful capital to shareholders."

[1] Represents the sum of Net Deferrals and Net Financed Contracts. Refer to Apple Leisure Group Segment Statistics schedule on page A-17 for additional details.

Refer to the tables beginning on page A-11 of the schedules for a summary of special items impacting Adjusted net income and Adjusted Diluted earnings per share for the three months and nine months ended September 30, 2023 and September 30, 2022.

Note: All RevPAR and ADR percentage changes are in constant dollars. All Net Package RevPAR and Net Package ADR percentage changes are in reported dollars. This release includes references to non-GAAP financial measures. Refer to the non-GAAP reconciliations included in the schedules and the definitions of the non-GAAP measures presented beginning on page A-9.

Operational Update

A record level of total management, franchise, license, and other fees of $250 million were generated in the third quarter of 2023 driven by continued strong global top-line performance and net rooms growth.

Comparable system-wide RevPAR increased 8.9% in the third quarter of 2023, compared to the third quarter of 2022, driven by occupancy up 420 basis points and Average Daily Rate up 2.6%. Overall demand remained resilient, particularly among leisure guests and group customers.

Comparable Net Package RevPAR for ALG properties increased 8.7% in the third quarter of 2023 compared to the same period in 2022. Booking pace for luxury all-inclusive ALG resorts in Cancun is up 8% for the festive period and up 12% for the first quarter of 2024.

Segment Results and Highlights

(in millions)	**Three Months Ended September 30,**		
	2023	**2022**	**Change (%)**
Owned and leased hotels	$ 64	$ 66	(4.0)%
Americas management and franchising	114	114	(0.2)%
ASPAC management and franchising (a)	28	18	55.1 %
EAME management and franchising (a)	16	18	(14.4)%
Apple Leisure Group	50	78	(35.2)%
Corporate and other	(25)	(42)	41.8 %
Eliminations	—	—	114.9 %
Adjusted EBITDA	**$ 247**	**$ 252**	**(1.7)%**

	Three Months Ended September 30,		
	2023	**2022**	**Change (%)**
Net Deferrals	$ 14	$ 17	(17.4)%
Net Financed Contracts	$ 21	$ 26	(20.7)%

(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 September 30, 2022.

- Owned and leased hotels segment: Results were led by group and sustained leisure travel demand. When adjusted for the net impact of transactions, owned and leased Adjusted EBITDA increased $3 million, or 5.5%, compared to the third quarter of 2022 and increased $19 million, or 41.7%, compared to the third quarter of 2019.
- Americas management and franchising segment: Results were led by resilient leisure demand and continued recovery of group. Total fees were up 6.6% compared to the third quarter of 2022, offset by an increase in certain expenses. New hotels added to the system since the start of 2019 contributed $22 million in fee revenue in the quarter.
- ASPAC management and franchising segment: Results were led by recovery across the region. Notably, RevPAR in Greater China was up 56% compared to the third quarter of 2022. Major events, including the G20 Summit, Women's FIFA World Cup, and Asian Games, contributed to performance.
- EAME management and franchising segment: Results were impacted by a significant termination fee from a pipeline hotel recognized in the third quarter of 2022. Excluding this fee, EAME Adjusted EBITDA was up 40%, led by Western Europe, strong international inbound seasonal demand, and increased airlift into the region.
- Apple Leisure Group segment: Results faced headwinds from unfavorable foreign currency, challenging ALG Vacations year-over-year comparisons, and higher travel credits from the third quarter of 2022. Additionally, the Unlimited Vacation Club realized certain incremental costs in part driven by strong engagement from members.

Openings and Development

During the third quarter, 20 new hotels (or 3,262 rooms) joined Hyatt's system. Notable openings included Calistoga Motor Lodge & Spa, seven UrCove properties, and Andaz Macau, the largest Andaz branded property globally with 715 rooms.

As of September 30, 2023, the Company had a pipeline of executed management or franchise contracts for approximately 600 hotels (approximately 123,000 rooms).

Transactions and Capital Strategy

On September 28, 2023, the Company sold its interests in the entities which own the Destination Residential Management business to an unrelated third party for $2 million of base consideration and up to an additional $48 million of contingent consideration to be earned within two years following the sale upon the achievement of certain performance-based metrics and contract extensions.

The Company has signed a definitive purchase and sale agreement in October for one asset, expected to close in the fourth quarter of 2023, and has signed a letter of intent for an asset previously marketed for sale, expected to close in the first half of 2024. The Company has a signed letter of intent for one additional asset and expects the transaction to close in the first half of 2024. The Company launched the marketing process for an additional asset and separately, the Company has been advancing discussions for off-market transactions related to other properties in the portfolio.

The Company remains committed to successfully executing plans to realize $2.0 billion of gross proceeds from the sale of real estate, net of acquisitions, by the end of 2024 as part of its expanded asset-disposition commitment announced in August 2021. As of September 30, 2023, the Company has realized $721 million of proceeds from the net disposition of real estate as part of this commitment.

Balance Sheet and Liquidity

As of September 30, 2023, the Company reported the following:

- Total debt of $3,055 million.
- Pro rata share of unconsolidated hospitality venture debt of $547 million, substantially all of which is non-recourse to Hyatt and a portion of which Hyatt guarantees pursuant to separate agreements.
- Total liquidity of approximately $2.2 billion with $727 million of cash and cash equivalents and short-term investments, and borrowing availability of $1,496 million under Hyatt's revolving credit facility, net of letters of credit outstanding.

Through the first ten months of the year, the Company has repurchased a total of 3,706,291 Class A common shares for approximately $408 million. As of October 31, 2023, the Company had approximately $1.2 billion remaining under its share repurchase authorization.

The Company's board of directors has declared a cash dividend of $0.15 per share for the fourth quarter of 2023. The dividend is payable on December 6, 2023 to Class A and Class B stockholders of record as of November 22, 2023.

2023 Outlook

The Company is providing the following guidance for full year 2023:

	Full Year 2023 vs. 2022
System-Wide RevPAR[1]	15% to 16%
Net Rooms Growth	Approx. 6.0%

(in millions)	**Full Year 2023**
Net Income	Approx. $210
Adjusted EBITDA[2]	$1,005 - $1,025
Net Deferrals	Approx. $110
Net Financed Contracts	Approx. $60
Total Adjusted SG&A[2]	$480 - $490
One-Time Integration Costs[3] (included within Total Adjusted SG&A)	*Approx. $20*
Capital Expenditures	Approx. $190
Free Cash Flow[2]	Approx. $550
Capital Returns to Shareholders[4]	Approx. $500

[1] RevPAR is based on constant currency whereby previous periods are translated based on the current period exchange rate. RevPAR percentage for 2023 vs. 2022 is based on comparable hotels.

[2] Refer to the tables beginning on page A-14 of the schedules for a reconciliation of estimated net income attributable to Hyatt Hotels Corporation to EBITDA and EBITDA to Adjusted EBITDA, selling, general, and administrative expenses to Adjusted selling, general, and administrative expenses, and net cash provided by operating activities to Free Cash Flow.

[3] One-time integration costs are related to acquisition activity and are included within Total Adjusted SG&A outlook.

[4] The Company expects to return capital to shareholders through a combination of cash dividends on its common stock and share repurchases.

No disposition or acquisition activity beyond what has been completed as of the date of this release has been included in the 2023 Outlook. The Company's 2023 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 Hyatt will achieve these results.

Conference Call Information

The Company will hold an investor conference call this morning, November 2, 2023, at 8:00 a.m. CT.

Participants are encouraged to listen to a simultaneous webcast of the conference call, which may be accessed through the Company's website at investors.hyatt.com. Alternatively, participants may access the live call by dialing: 888-412-4131 (U.S. Toll-Free) or 646-960-0134 (International Toll Number) using conference ID# 9019679 approximately 15 minutes prior to the scheduled start time.

A replay of the call will be available for one week beginning on Thursday, November 2, 2023, at 11:00 a.m. CT by dialing: 800-770-2030 (U.S. Toll-Free) or 647-362-9199 (International Toll Number) using conference ID# 9019679. An archive of the webcast will be available on the Company's website for 90 days.

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Forward-Looking Statements

Forward-Looking Statements in this press release, 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 our plans, strategies, outlook, occupancy, the amount by which the Company intends to reduce its real estate asset base, the expected amount of gross proceeds from the sale of such assets, and the anticipated timeframe for such asset dispositions, the number of properties we expect to open in the future, pace and booking trends, the expected timing and payment of dividends, RevPAR trends, our expected Adjusted SG&A expense, our expected capital expenditures, our expected net rooms growth, our expected system-wide RevPAR, our expected one-time integration costs, 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, but are not limited to: 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 the escalating conflict in Israel, Gaza and surrounding areas, and 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, weather and climate-related events, such as earthquakes, tsunamis, tornadoes, hurricanes, droughts, floods, wildfires, oil spills, nuclear incidents, and global outbreaks of pandemics or contagious diseases, or fear of such outbreaks; the pace and consistency of recovery following the COVID-19 pandemic and the long-term effects of the pandemic, including with respect to global and regional economic activity, travel limitations or bans, the demand for travel, transient and group business, and levels of consumer confidence; 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 or other pandemics, epidemics or other health crises; 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 the capital necessary to fund current operations or implement our plans for growth; risks associated with potential acquisitions and dispositions and our ability to successfully integrate completed acquisitions with existing operations, including with respect to our acquisition of Apple Leisure Group and Dream Hotel Group and the successful integration of each business; 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; risks associated with the introduction of new brand concepts, including 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 licensing businesses and our international operations; 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. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. We caution you not to place undue reliance on any forward-looking statements, which are made only as of the date of this press release. 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

The Company refers to certain financial measures that are not recognized under U.S. generally accepted accounting principles (GAAP) in this press release, including: Adjusted Net Income; Adjusted Diluted EPS; Adjusted EBITDA; Adjusted EBITDA Margin; Adjusted SG&A Expenses; and Free Cash Flow. See the schedules to this earnings release, including the "Definitions" section, for additional information and reconciliations of such non-GAAP financial measures.

Availability of Information on Hyatt's Website and Social Media Channels

Investors and others should note that Hyatt routinely announces material information to investors and the marketplace using U.S. Securities and Exchange Commission (SEC) filings, press releases, public conference calls, webcasts and the Hyatt Investor Relations website. The Company uses these channels as well as social media channels (e.g., the Hyatt Facebook account (facebook.com/hyatt); the Hyatt Instagram account (instagram.com/hyatt/); the Hyatt X account (twitter.com/hyatt); the Hyatt LinkedIn account (linkedin.com/company/hyatt/); and the Hyatt YouTube account (youtube.com/user/hyatt)) as a means of disclosing information about the Company's business to our guests, customers, colleagues, investors, and the public. While not all of the information that the Company posts to the Hyatt Investor Relations website or on the Company's social media channels is of a material nature, some information could be deemed to be material. Accordingly, the Company encourages investors, the media, and others interested in Hyatt to review the information that it shares at the Investor Relations link located at the bottom of the page on hyatt.com and on the Company's social media channels. Users may automatically receive email alerts and other information about the Company when enrolling an email address by visiting "Email Alerts" in the "Investor Resources" section of Hyatt's website at investors.hyatt.com. The contents of these websites are not incorporated by reference into this press release or any report or document Hyatt files with the SEC, and any references to the websites are intended to be inactive textual references only.

About Hyatt Hotels Corporation

Hyatt Hotels Corporation, headquartered in Chicago, is a leading global hospitality company guided by its purpose – to care for people so they can be their best. As of September 30, 2023, the Company’s portfolio included more than 1,300 hotels and all-inclusive properties in 76 countries across six continents. The Company's offering includes brands in the *Timeless Collection*, including ***Park Hyatt®***, ***Grand Hyatt®***, ***Hyatt Regency®***, ***Hyatt®***, ***Hyatt Vacation Club®***, ***Hyatt Place®***, ***Hyatt House®***, ***Hyatt Studios***, and ***UrCove***; the *Boundless Collection*, including ***Miraval®***, ***Alila®***, ***Andaz®***, ***Thompson Hotels®***, ***Dream® Hotels***, ***Hyatt Centric®***, and ***Caption by Hyatt®***; the *Independent Collection*, including ***The Unbound Collection by Hyatt®***, ***Destination by Hyatt®***, and ***JdV by Hyatt®***; and the *Inclusive Collection*, including ***Impression by Secrets***, ***Hyatt Ziva®***, ***Hyatt Zilara®***, ***Zoëtry® Wellness & Spa Resorts***, ***Secrets® Resorts & Spas***, ***Breathless Resorts & Spas®***, ***Dreams® Resorts & Spas***, ***Hyatt Vivid Hotels & Resorts***, ***Alua Hotels & Resorts®***, and ***Sunscape® Resorts & Spas***. Subsidiaries of the Company operate the World of Hyatt® loyalty program, ALG Vacations®, Mr & Mrs Smith™, Unlimited Vacation Club®, Amstar DMC destination management services, and Trisept Solutions® technology services. For more information, please visit *www.hyatt.com*.

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Financial Information

(*unaudited*)

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

Hyatt Hotels Corporation

Condensed Consolidated Statements of Income

(unaudited)

(in millions, except per share amounts)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
REVENUES:				
Owned and leased hotels	$ 329	$ 309	$ 984	$ 911
Management, franchise, license, and other fees	250	224	729	582
Contra revenue	(12)	(9)	(34)	(27)
Net management, franchise, license, and other fees	238	215	695	555
Distribution and destination management	222	244	823	746
Other revenues	79	68	238	206
Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	754	705	2,267	1,885
Total revenues	1,622	1,541	5,007	4,303
DIRECT AND SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES:				
Owned and leased hotels	256	236	753	675
Distribution and destination management	182	186	664	586
Depreciation and amortization	100	96	297	320
Other direct costs	81	73	266	209
Selling, general, and administrative	131	108	434	295
Costs incurred on behalf of managed and franchised properties	764	697	2,302	1,881
Direct and selling, general, and administrative expenses	1,514	1,396	4,716	3,966
Net gains (losses) and interest income from marketable securities held to fund rabbi trusts	(9)	(12)	26	(89)
Equity earnings (losses) from unconsolidated hospitality ventures	7	2	4	(6)
Interest expense	(41)	(38)	(105)	(116)
Gains (losses) on sales of real estate and other	18	(1)	18	250
Asset impairments	(6)	(9)	(13)	(19)
Other income (loss), net	24	(24)	80	(53)
INCOME BEFORE INCOME TAXES	101	63	301	304
PROVISION FOR INCOME TAXES	(33)	(35)	(107)	(143)
NET INCOME	68	28	194	161
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	—	—	—
NET INCOME ATTRIBUTABLE TO HYATT HOTELS CORPORATION	**$ 68**	**$ 28**	**$ 194**	**$ 161**
EARNINGS PER SHARE—Basic				
Net income	$ 0.65	$ 0.25	$ 1.84	$ 1.46
Net income attributable to Hyatt Hotels Corporation	$ 0.65	$ 0.25	$ 1.84	$ 1.46
EARNINGS PER SHARE—Diluted				
Net income	$ 0.63	$ 0.25	$ 1.80	$ 1.44
Net income attributable to Hyatt Hotels Corporation	$ 0.63	$ 0.25	$ 1.80	$ 1.44
Basic share counts	104.3	109.1	105.4	109.7
Diluted share counts	106.9	111.0	107.9	111.8

Hyatt Hotels Corporation

Segment Financial Summary

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change (%)	Change Constant $ (%)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change (%)	Change Constant $ (%)
Owned and leased hotels	$ 318	$ 300	5.8 %	3.8 %	$ 981	$ 912	7.5 %	6.8 %
Americas management and franchising	157	155	0.2 %	— %	495	445	10.8 %	10.6 %
ASPAC management and franchising (a)	42	30	39.6 %	43.2 %	122	67	80.9 %	87.9 %
EAME management and franchising (a)	22	26	(15.2)%	(19.0)%	64	57	12.9 %	10.8 %
Apple Leisure Group	329	337	(2.4)%	(3.0)%	1,096	976	12.3 %	12.1 %
Corporate and other	32	16	103.1 %	103.1 %	79	43	84.2 %	84.2 %
Eliminations (b)	(20)	(19)	(2.8)%	(1.3)%	(63)	(55)	(13.3)%	(12.6)%
Adjusted revenues	**$ 880**	**$ 845**	**3.9 %**	**2.9 %**	**$ 2,774**	**$ 2,445**	**13.4 %**	**13.1 %**
Adjusted EBITDA								
Owned and leased hotels	$ 50	$ 51	(5.0)%	(7.7)%	$ 177	$ 181	(2.7)%	(3.8)%
Pro rata share of unconsolidated hospitality ventures	14	15	(0.5)%	(0.8)%	45	38	19.6 %	19.5 %
Total owned and leased hotels	64	66	(4.0)%	(6.2)%	222	219	1.2 %	0.2 %
Americas management and franchising	114	114	(0.2)%	(0.5)%	355	316	12.4 %	12.2 %
ASPAC management and franchising (a)	28	18	55.1 %	59.3 %	90	34	164.2 %	176.6 %
EAME management and franchising (a)	16	18	(14.4)%	(17.2)%	44	32	35.0 %	34.3 %
Apple Leisure Group	50	78	(35.2)%	(35.9)%	178	188	(5.2)%	(5.6)%
Corporate and other	(25)	(42)	41.8 %	41.9 %	(102)	(114)	11.0 %	11.0 %
Eliminations	—	—	114.9 %	114.9 %	1	1	4.7 %	4.7 %
Adjusted EBITDA	**$ 247**	**$ 252**	**(1.7)%**	**(2.9)%**	**$ 788**	**$ 676**	**16.6 %**	**16.2 %**

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change (%)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change (%)
NET DEFERRAL ACTIVITY						
Increase in deferred revenue	$ 40	$ 46	(13.3)%	$ 149	$ 147	1.3 %
Increase in deferred costs	(26)	(29)	10.8 %	(76)	(81)	6.5 %
Net Deferrals	**$ 14**	**$ 17**	**(17.4)%**	**$ 73**	**$ 66**	**10.8 %**
Increase in Net Financed Contracts	**$ 21**	**$ 26**	**(20.7)%**	**$ 52**	**$ 48**	**8.6 %**

(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 and nine months ended September 30, 2022.

(b) These intersegment eliminations represent management fee revenues and expenses related to our owned and leased hotels and promotional award redemption revenues and expenses related to our co-branded credit card program at our owned and leased hotels.

Hyatt Hotels Corporation

Hotel Chain Statistics

Comparable Hotels by Segment

(in constant $)	Three Months Ended September 30,					
	RevPAR		Occupancy		ADR	
	2023	vs. 2022	2023	vs. 2022	2023	vs. 2022
System-wide hotels (a)	$ 145.40	8.9 %	71.9 %	4.2% pts	$ 202.13	2.6 %
Americas management and franchising	$ 152.45	2.9 %	72.1 %	1.4% pts	$ 211.40	0.9 %
ASPAC management and franchising (b)	$ 117.85	41.6 %	72.3 %	12.6% pts	$ 163.11	17.0 %
EAME management and franchising (b)	$ 165.09	5.2 %	69.8 %	2.7% pts	$ 236.57	1.2 %
Owned and leased hotels (c)	$ 194.07	6.3 %	73.1 %	2.9% pts	$ 265.44	2.1 %

	Net Package RevPAR		Occupancy		Net Package ADR	
	2023	vs. 2022	2023	vs. 2022	2023	vs. 2022
Apple Leisure Group (d)	$ 188.90	8.7 %	74.7 %	1.2% pts	$ 252.99	7.0 %

	Nine Months Ended September 30,					
	RevPAR		Occupancy		ADR	
	2023	vs. 2022	2023	vs. 2022	2023	vs. 2022
System-wide hotels (a)	$ 141.88	19.8 %	69.5 %	8.3% pts	$ 204.22	5.5 %
Americas management and franchising	$ 149.81	10.9 %	70.0 %	4.4% pts	$ 213.93	3.9 %
ASPAC management and franchising (b)	$ 113.07	70.2 %	68.7 %	19.2% pts	$ 164.69	22.7 %
EAME management and franchising (b)	$ 158.56	20.8 %	67.6 %	8.0% pts	$ 234.65	6.5 %
Owned and leased hotels (c)	$ 197.48	19.4 %	72.1 %	8.5% pts	$ 273.91	5.4 %

	Net Package RevPAR		Occupancy		Net Package ADR	
	2023	vs. 2022	2023	vs. 2022	2023	vs. 2022
Apple Leisure Group (d)	$ 212.51	14.9 %	75.2 %	3.8% pts	$ 282.63	9.1 %

(a) System-wide hotels figures include managed and franchised and owned and leased hotels and do not include all-inclusive properties.

(b) 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 and nine months ended September 30, 2022.

(c) Owned and leased hotels figures do not include unconsolidated hospitality ventures and do not include all-inclusive properties.

(d) Apple Leisure Group figures include ALG resorts and do not include Hyatt Zilara and Hyatt Ziva. Figures are in reported dollars.

Hyatt Hotels Corporation

Hotel Brand Statistics

Comparable Hotels by Brand and Chain Scale

(in constant $)	Three Months Ended September 30,					
	RevPAR		Occupancy		ADR	
	2023	vs. 2022	2023	vs. 2022	2023	vs. 2022
Composite Luxury(a)	$ 196.56	12.2%	69.1%	7.1% pts	$ 284.39	0.7%
Andaz	$ 222.47	9.4%	71.4%	6.8% pts	$ 311.55	(1.1)%
Grand Hyatt	$ 167.42	18.4%	72.2%	9.6% pts	$ 231.88	2.6%
Park Hyatt	$ 253.32	17.4%	64.9%	5.5% pts	$ 390.39	7.5%
The Unbound Collection by Hyatt	$ 216.86	(4.5)%	64.2%	0.3% pts	$ 337.61	(5.0)%
Composite Upper-Upscale (b)	$ 141.49	8.8%	70.9%	3.9% pts	$ 199.57	2.8%
Hyatt Centric	$ 159.43	11.6%	75.4%	5.3% pts	$ 211.32	3.7%
Hyatt Regency	$ 137.21	8.3%	70.0%	3.7% pts	$ 195.97	2.5%
JdV by Hyatt	$ 158.43	4.0%	73.2%	2.9% pts	$ 216.35	(0.1)%
Composite Upscale(c)	$ 116.14	5.1%	75.5%	2.4% pts	$ 153.77	1.6%
Hyatt House	$ 128.97	3.9%	77.8%	2.5% pts	$ 165.74	0.4%
Hyatt Place	$ 112.11	5.5%	74.8%	2.4% pts	$ 149.85	2.1%

	Net Package RevPAR		Occupancy		Net Package ADR	
	2023	vs. 2022	2023	vs. 2022	2023	vs. 2022
Composite all-inclusive (d)(e)	$ 206.36	8.6%	73.9 %	1.2% pts	$ 279.19	6.8%
ALG resorts (Americas)	$ 199.91	5.1%	69.1 %	0.4% pts	$ 289.24	4.4%
ALG resorts (EAME) (e)	$ 164.07	20.1%	87.2 %	2.9% pts	$ 188.15	16.1%

	Nine Months Ended September 30,					
	RevPAR		Occupancy		ADR	
	2023	vs. 2022	2023	vs. 2022	2023	vs. 2022
Composite Luxury(a)	$ 197.58	25.1%	67.6%	11.8% pts	$ 292.15	3.3%
Andaz	$ 236.90	21.5%	71.5%	12.0% pts	$ 331.20	1.0%
Grand Hyatt	$ 170.89	31.5%	70.4%	13.8% pts	$ 242.85	5.7%
Park Hyatt	$ 265.84	37.2%	64.5%	12.7% pts	$ 412.22	10.2%
The Unbound Collection by Hyatt	$ 190.24	5.3%	62.2%	6.4% pts	$ 305.88	(5.5)%
Composite Upper-Upscale (b)	$ 136.87	20.8%	68.1%	9.0% pts	$ 201.12	5.0%
Hyatt Centric	$ 157.49	23.5%	71.9%	9.5% pts	$ 219.08	7.2%
Hyatt Regency	$ 133.62	20.5%	67.5%	8.9% pts	$ 198.00	4.7%
JdV by Hyatt	$ 139.09	13.0%	66.5%	5.8% pts	$ 209.04	3.1%
Composite Upscale(c)	$ 110.86	11.7%	72.9%	4.7% pts	$ 152.15	4.5%
Hyatt House	$ 123.28	9.8%	74.6%	3.4% pts	$ 165.27	4.8%
Hyatt Place	$ 106.95	12.4%	72.3%	5.1% pts	$ 147.89	4.5%

	Net Package RevPAR		Occupancy		Net Package ADR	
	2023	vs. 2022	2023	vs. 2022	2023	vs. 2022
Composite all-inclusive (d)(e)	$ 237.39	16.8%	74.9 %	4.2% pts	$ 316.77	10.3%
ALG resorts (Americas)	$ 240.20	14.2%	73.2 %	2.6% pts	$ 327.95	10.0%
ALG resorts (EAME) (e)	$ 130.34	21.0%	81.0 %	7.2% pts	$ 160.99	10.4%

(a) Includes Park Hyatt, Miraval, Grand Hyatt, Alila, Andaz, The Unbound Collection by Hyatt, Destination by Hyatt, and Thompson Hotels.

(b) Includes Hyatt Regency, Hyatt, Hyatt Centric, and JdV by Hyatt.

(c) Includes Hyatt Place and Hyatt House.

(d) Includes ALG resorts [Breathless Resort and Spas, Dreams Resort and Spas, Secrets Resort and Spas, Zoetry Wellness and Spa Resorts, Sunscape Resort and Spas, Alua Hotels and Resorts], Hyatt Zilara and Hyatt Ziva. Figures are in reported dollars.

(e) Certain resorts in Europe operate under a hybrid all-inclusive model, which includes various all-inclusive package options as well as rooms-only options.

Hyatt Hotels Corporation

Fee Summary

(in millions)	Three Months Ended September 30,		Change (%)	Nine Months Ended September 30,		Change (%)
	2023	2022		2023	2022	
Base management fees	$ 94	$ 84	11.6 %	$ 281	$ 223	25.7 %
Incentive management fees	51	43	20.6 %	167	128	31.3 %
Franchise, license, and other fees	105	97	7.1 %	281	231	21.2 %
Management, franchise, license, and other fees	**$ 250**	**$ 224**	**11.4 %**	**$ 729**	**$ 582**	**25.1 %**

	Three Months Ended September 30,		Change (%)	Nine Months Ended September 30,		Change (%)
	2023	2022		2023	2022	
Management, franchise, license, and other fees	$ 250	$ 224	11.4 %	$ 729	$ 582	25.1 %
Contra revenue from management agreements	(7)	(6)	(33.1)%	(20)	(17)	(20.9)%
Contra revenue from franchise agreements	(5)	(3)	(29.5)%	(14)	(10)	(32.8)%
Net management, franchise, license, and other fees	**$ 238**	**$ 215**	**10.5 %**	**$ 695**	**$ 555**	**25.1 %**

Hyatt Hotels Corporation

Properties and Rooms by Geography

	September 30, 2023		September 30, 2022		Change	
	Properties	**Rooms**	**Properties**	**Rooms**	**Properties**	**Rooms**
Americas						
United States Managed	188	70,632	183	69,851	5	781
Other Americas Managed	38	10,884	38	10,812	—	72
United States Franchised	505	83,166	484	79,558	21	3,608
Other Americas Franchised	36	5,660	30	4,789	6	871
Americas Subtotal	**767**	**170,342**	**735**	**165,010**	**32**	**5,332**
ASPAC (a)						
Greater China Managed	99	30,468	92	27,122	7	3,346
Other ASPAC Managed	111	29,495	106	28,872	5	623
Greater China Franchised	41	7,538	24	4,391	17	3,147
Other ASPAC Franchised	11	3,017	8	2,636	3	381
ASPAC Subtotal	**262**	**70,518**	**230**	**63,021**	**32**	**7,497**
EAME (a)						
EAME Managed	95	22,613	95	22,701	—	(88)
EAME Franchised	66	11,072	29	5,316	37	5,756
EAME Subtotal	**161**	**33,685**	**124**	**28,017**	**37**	**5,668**
All-inclusive						
Americas All-inclusive	74	26,026	72	25,785	2	241
EAME All-inclusive (b)	46	12,686	50	13,055	(4)	(369)
All-inclusive Subtotal	**120**	**38,712**	**122**	**38,840**	**(2)**	**(128)**
System-wide hotels total (c)	**1,310**	**313,257**	**1,211**	**294,888**	**99**	**18,369**
Hyatt Vacation Club	22	1,997	22	2,383	—	(386)
Condominium Ownership	—	—	39	1,099	(39)	(1,099)
Residential	38	4,353	38	4,409	—	(56)
Managed Subtotal (d)	628	192,893	619	190,539	9	2,354
Franchised Subtotal (d)	682	120,364	592	104,349	90	16,015
Owned and leased						
United States Owned and leased	18	9,278	19	9,676	(1)	(398)
Other Americas Owned and leased	5	1,555	5	1,555	—	—
EAME Owned and leased	11	2,472	12	2,744	(1)	(272)
Owned and leased Subtotal (e)	**34**	**13,305**	**36**	**13,975**	**(2)**	**(670)**

(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 nine months ended September 30, 2022.

(b) Certain resorts in Europe operate under a hybrid all-inclusive model, which includes various all-inclusive package options as well as rooms-only options.

(c) Figures do not include vacation ownership, residential, or condominium ownership units.

(d) Figures include all-inclusive properties.

(e) Figures do not include unconsolidated hospitality ventures.

Hyatt Hotels Corporation

Properties and Rooms by Brand

	September 30, 2023		September 30, 2022		Change	
	Properties	**Rooms**	**Properties**	**Rooms**	**Properties**	**Rooms**
Brand						
Alila	16	1,758	16	1,765	—	(7)
Andaz	29	7,132	25	5,610	4	1,522
Destination by Hyatt	16	3,319	16	3,518	—	(199)
Grand Hyatt	62	32,505	60	32,030	2	475
Miraval	3	383	3	383	—	—
Park Hyatt	45	8,372	46	8,615	(1)	(243)
The Unbound Collection by Hyatt	39	6,886	32	6,160	7	726
Thompson Hotels	18	3,770	18	3,767	—	3
Dream Hotels	6	1,160	—	—	6	1,160
Hyatt	13	3,354	13	3,354	—	—
Hyatt Centric	57	11,657	53	10,891	4	766
Hyatt Regency	240	98,152	230	95,081	10	3,071
JdV by Hyatt	58	9,005	23	3,320	35	5,685
Caption by Hyatt	1	136	1	136	—	—
Hyatt House	135	19,154	128	18,270	7	884
Hyatt Place	421	62,143	408	59,593	13	2,550
UrCove	30	4,859	16	2,755	14	2,104
Other	1	800	1	800	—	—
Subtotal	**1,190**	**274,545**	**1,089**	**256,048**	**101**	**18,497**
Hyatt Ziva	6	2,672	6	2,672	—	—
Hyatt Zilara	4	1,210	3	919	1	291
ALG resorts (a)(b)	110	34,830	113	35,249	(3)	(419)
Total All-inclusive	**120**	**38,712**	**122**	**38,840**	**(2)**	**(128)**
Total System-wide properties and rooms (c)	**1,310**	**313,257**	**1,211**	**294,888**	**99**	**18,369**
Hyatt Vacation Club	22		22		—	

(a) Includes four non-branded properties managed by ALG.

(b) Certain resorts in Europe operate under a hybrid all-inclusive model, which includes various all-inclusive package options as well as rooms-only options.

(c) Figures do not include vacation ownership, residential, or condominium ownership units. Includes 11 properties that Hyatt currently intends to re-brand to the respective brand at a future date.

Hyatt Hotels Corporation

Impact of Sold Hotels to Owned and Leased Hotels Segment Adjusted EBITDA

(in millions)	Fiscal Year 2023				
Adjusted EBITDA	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Year to Date**
Owned and leased hotels	$ 60	$ 67	$ 50		$ 177
Less: Contribution from sold owned and leased hotels (a)	—	—	—		—
Owned and leased hotels less contribution from sold hotels (b)	**$ 60**	**$ 67**	**$ 50**		**$ 177**
Pro rata share of unconsolidated hospitality ventures	$ 14	$ 17	$ 14		$ 45
Less: Contribution from sold unconsolidated hospitality ventures (c) (d)	—	—	—		—
Pro rata share of unconsolidated hospitality ventures less contribution from sold unconsolidated hospitality ventures (e)	**$ 14**	**$ 17**	**$ 14**		**$ 45**

	Fiscal Year 2022				
	First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Full Year**
Owned and leased hotels	$ 48	$ 82	$ 51	$ 71	$ 252
Less: Contribution from sold owned and leased hotels (a)	(22)	(9)	(3)	—	(34)
Owned and leased hotels less contribution from sold hotels (b)	**$ 26**	**$ 73**	**$ 48**	**$ 71**	**$ 218**
Pro rata share of unconsolidated hospitality ventures	$ 6	$ 17	$ 15	$ 17	$ 55
Less: Contribution from sold unconsolidated hospitality ventures (c) (d)	—	(1)	(1)	(1)	(3)
Pro rata share of unconsolidated hospitality ventures less contribution from sold unconsolidated hospitality ventures (e)	**$ 6**	**$ 16**	**$ 14**	**$ 16**	**$ 52**

(a) Contribution from sold owned and leased hotels represents the Adjusted EBITDA contribution in each period for hotels that have since been sold and entered into long-term management or franchise agreements, and excludes fee income retained upon sale. Hotels that have been sold include Hyatt Regency Indian Wells Resort & Spa (2Q22), Grand Hyatt San Antonio River Walk (2Q22), The Driskill (2Q22), The Confidante Miami Beach (2Q22), Hyatt Regency Mainz (4Q22), and Hyatt Regency Greenwich (4Q22).

(b) Owned and leased hotels less contribution from sold hotels represents the Adjusted EBITDA contribution from all owned and leased hotels that remain in Hyatt's portfolio as of September 30, 2023.

(c) Contribution from sold unconsolidated hospitality ventures represents Hyatt's pro rata share of unconsolidated hospitality ventures' Adjusted EBITDA contribution in each period for unconsolidated hospitality ventures that have since been sold. Unconsolidated hospitality ventures that have been sold include Hyatt Regency Andares Guadalajara (2Q22), Hyatt Regency Jersey City on the Hudson (4Q22), and Hyatt Place Panama City / Downtown (1Q23).

(d) Contribution from sold unconsolidated hospitality ventures includes the pro rata share of unconsolidated hospitality ventures' Adjusted EBITDA contribution from one property for which the operating lease was terminated during the three months ended March 31, 2023.

(e) Pro rata share of unconsolidated hospitality ventures less contribution from sold unconsolidated hospitality ventures represents Hyatt's pro rata share of unconsolidated hospitality ventures' Adjusted EBITDA contribution from all unconsolidated hospitality ventures that remain in Hyatt's portfolio as of September 30, 2023.

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 September 30,		Change (%)	Nine Months Ended September 30,		Change (%)
	2023	2022		2023	2022	
Net income attributable to Hyatt Hotels Corporation	**$ 68**	**$ 28**	**147.7 %**	**$ 194**	**$ 161**	**20.7 %**
Interest expense	41	38	5.6 %	105	116	(9.6)%
Provision for income taxes	33	35	(5.1)%	107	143	(25.1)%
Depreciation and amortization	100	96	4.2 %	297	320	(7.3)%
EBITDA	**242**	**197**	**22.7 %**	**703**	**740**	**(5.0)%**
Contra revenue	12	9	31.7 %	34	27	25.4 %
Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(754)	(705)	(7.1)%	(2,267)	(1,885)	(20.3)%
Costs incurred on behalf of managed and franchised properties	764	697	9.8 %	2,302	1,881	22.4 %
Equity (earnings) losses from unconsolidated hospitality ventures	(7)	(2)	(174.3)%	(4)	6	(166.4)%
Stock-based compensation expense	12	7	75.4 %	60	47	27.0 %
(Gains) losses on sales of real estate and other	(18)	1	NM	(18)	(250)	93.0 %
Asset impairments	6	9	(39.9)%	13	19	(34.4)%
Other (income) loss, net	(24)	24	(195.3)%	(80)	53	(249.7)%
Pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA	14	15	(0.5)%	45	38	19.6 %
Adjusted EBITDA	**$ 247**	**$ 252**	**(1.7)%**	**$ 788**	**$ 676**	**16.6 %**

	Three Months Ended September 30,		Change (%)	Nine Months Ended September 30,		Change (%)
	2023	2022		2023	2022	
NET DEFERRAL ACTIVITY						
Increase in deferred revenue	$ 40	$ 46	(13.3)%	$ 149	$ 147	1.3 %
Increase in deferred costs	(26)	(29)	10.8 %	(76)	(81)	6.5 %
Net Deferrals	**$ 14**	**$ 17**	**(17.4)%**	**$ 73**	**$ 66**	**10.8 %**
Increase in Net Financed Contracts	**$ 21**	**$ 26**	**(20.7)%**	**$ 52**	**$ 48**	**8.6 %**

Hyatt Hotels Corporation

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

(in millions)	Three Months Ended September 30,		Change (%)	Nine Months Ended September 30,		Change (%)
	2023	**2022**		**2023**	**2022**	
Total revenues	**$ 1,622**	**$ 1,541**	**5.2 %**	**$ 5,007**	**$ 4,303**	**16.4 %**
Add: Contra revenue	12	9	31.7 %	34	27	25.4 %
Less: Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(754)	(705)	(7.1)%	(2,267)	(1,885)	(20.3)%
Adjusted revenues	**$ 880**	**$ 845**	**3.9 %**	**$ 2,774**	**$ 2,445**	**13.4 %**
Adjusted EBITDA Margin %	**28.2 %**	**29.8 %**	**(1.6)%**	**28.4 %**	**27.7 %**	**0.7 %**
Adjusted EBITDA Margin % Change in Constant Currency			**(1.7)%**			**0.8 %**

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Financial Measure: Diluted Earnings per Share and Net Income Attributable to Hyatt Hotels Corporation, to Adjusted Diluted Earnings per Share, and Adjusted Net Income Attributable to Hyatt Hotels Corporation - Three Months Ended September 30, 2023 and September 30, 2022.

(in millions, except per share amounts)	**Location on Condensed Consolidated Statements of Income**	**Three Months Ended September 30,**	
		2023	**2022**
Net income attributable to Hyatt Hotels Corporation		**$ 68**	**$ 28**
Diluted earnings per share		**$ 0.63**	**$ 0.25**
Special items			
Unrealized losses (a)	Other income (loss), net	16	24
Asset impairments (b)	Asset impairments	6	9
Utilization of Avendra and other proceeds (c)	Costs incurred on behalf of managed and franchised properties; depreciation and amortization	3	3
Transaction costs (d)	Other income (loss), net	2	—
Restructuring costs (e)	Other income (loss), net	—	26
Fund surpluses (f)	Revenues for the reimbursement of costs incurred and costs incurred on behalf of managed and franchised properties; other income (loss), net	(1)	(14)
(Gains) losses on sales of real estate and other (g)	Gains (losses) on sales of real estate and other	(18)	1
Other	Other income (loss), net	—	—
Special items - pre-tax		8	49
Income tax provision for special items	Provision for income taxes	(1)	(5)
Total special items - after-tax		**$ 7**	**$ 44**
Special items impact per diluted share		**$ 0.07**	**$ 0.39**
Adjusted net income attributable to Hyatt Hotels Corporation		**$ 75**	**$ 72**
Adjusted diluted earnings per share		**$ 0.70**	**$ 0.64**

(a) **Unrealized losses** - During the three months ended September 30, 2023 (Q3 2023) and the three months ended September 30, 2022 (Q3 2022), we recognized unrealized losses due to the change in fair value of our marketable securities.

(b) **Asset impairments** - During Q3 2023 and Q3 2022, we recognized $6 million and $9 million, respectively, of asset impairment charges related to intangible assets, primarily as a result of contract terminations.

(c) **Utilization of Avendra and other proceeds** - During Q3 2023 and Q3 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.

(d) **Transaction costs** - During Q3 2023, we recognized $2 million of transaction costs related to the amalgamation transaction associated with our unconsolidated hospitality venture in India.

(e) **Restructuring costs** - During Q3 2022, we recognized $26 million of restructuring expenses related to an owned hotel.

(f) **Fund surpluses** - During Q3 2023 and Q3 2022, we recognized net surpluses on certain funds due to the timing of revenue and expense recognition.

(g) **(Gains) losses on sales of real estate and other** - During Q3 2023, we recognized a $19 million pre-tax gain related to the sale of the Destination Residential Management business.

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Financial Measure: Diluted Earnings per Share and Net Income Attributable to Hyatt Hotels Corporation, to Adjusted Diluted Earnings per Share, and Adjusted Net Income Attributable to Hyatt Hotels Corporation - Nine Months Ended September 30, 2023 and September 30, 2022.

(in millions, except per share amounts)	**Location on Condensed Consolidated Statements of Income**	**Nine Months Ended September 30,**	
		2023	**2022**
Net income attributable to Hyatt Hotels Corporation		**$ 194**	**$ 161**
Diluted earnings per share		**$ 1.80**	**$ 1.44**
Special items			
Asset impairments (a)	Asset impairments	13	19
Transaction costs (b)	Other income (loss), net	13	1
Utilization of Avendra and other proceeds (c)	Costs incurred on behalf of managed and franchised properties; depreciation and amortization	11	9
Fund (surpluses) deficits (d)	Revenues for the reimbursement of costs incurred and costs incurred on behalf of managed and franchised properties; other income (loss), net	5	(16)
Loss on extinguishment of debt (e)	Other income (loss), net	—	8
Unconsolidated hospitality ventures (f)	Equity earnings (losses) from unconsolidated hospitality ventures	—	(4)
Restructuring costs (g)	Other income (loss), net	(1)	26
Unrealized (gains) losses (h)	Other income (loss), net	(9)	68
Gains on sales of real estate and other (i)	Gains (losses) on sales of real estate and other	(18)	(250)
Other	Other income (loss), net	2	9
Special items - pre-tax		16	(130)
Income tax (provision) benefit for special items	Provision for income taxes	(2)	56
Total special items - after-tax		**$ 14**	**$ (74)**
Special items impact per diluted share		**$ 0.13**	**$ (0.66)**
Adjusted net income attributable to Hyatt Hotels Corporation		**$ 208**	**$ 87**
Adjusted diluted earnings per share		**$ 1.93**	**$ 0.78**

(a) **Asset impairments** - During the nine months ended September 30, 2023 (YTD 2023) and the nine months ended September 30, 2022 (YTD 2022), we recognized $13 million and $12 million, respectively, of asset impairment charges related to intangible assets, primarily as a result of contract terminations. Additionally, during YTD 2022, we recognized a $7 million goodwill impairment charge in connection with the sale of Grand Hyatt San Antonio River Walk.

(b) **Transaction costs** - During YTD 2023, we recognized $13 million of transaction costs related to the acquisitions of both Dream Hotel Group ($7 million) and Mr & Mrs Smith ($4 million) and the amalgamation transaction associated with our unconsolidated hospitality venture in India ($2 million).

(c) **Utilization of Avendra and other proceeds** - During YTD 2023 and YTD 2022, we recognized expenses related to the partial utilization of the Avendra LLC sale proceeds for the benefit of our hotels.

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

(e) **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.

(f) **Unconsolidated hospitality ventures** - During YTD 2022, we recognized a $4 million pre-tax gain on the sale of our ownership interest in an equity method investment.

(g) **Restructuring costs -** During YTD 2022, we recognized $26 million of restructuring expenses related to an owned hotel.

(h) **Unrealized (gains) losses** - During YTD 2023 and YTD 2022, we recognized unrealized gains and losses, respectively, due to the change in fair value of our marketable securities.

(i) **Gains on sales of real estate and other** - During YTD 2023, we recognized a $19 million pre-tax gain related to the sale of the Destination Residential Management business. During YTD 2022, we recognized $250 million pre-tax gains on sales of real estate related to the sale of Grand Hyatt San Antonio River Walk ($137 million), The Driskill ($51 million), Hyatt Regency Indian Wells Resort & Spa ($40 million), and The Confidante Miami Beach ($24 million).

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Financial 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 (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 September 30,			Nine Months Ended September 30,		
	2023	2022	Change (%)	2023	2022	Change (%)
SG&A expenses	**$ 131**	**$ 108**	**21.2 %**	**$ 434**	**$ 295**	**46.9 %**
Less: rabbi trust impact	8	11	(27.1)%	(23)	80	(130.0)%
Less: stock-based compensation expense	(12)	(7)	(67.5)%	(58)	(47)	(21.3)%
Adjusted SG&A expenses	**$ 127**	**$ 112**	**13.6 %**	**$ 353**	**$ 328**	**7.6 %**

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change (%)	2023	2022	Change (%)
Americas management and franchising	$ 20	$ 14	46.5 %	$ 58	$ 45	28.0 %
ASPAC management and franchising (a)	13	11	14.1 %	31	32	(5.3)%
EAME management and franchising (a)	7	8	(17.2)%	21	25	(16.4)%
Owned and leased hotels	4	4	16.1 %	13	10	40.4 %
Apple Leisure Group	37	29	27.5 %	98	90	9.0 %
Corporate and other	46	46	(0.2)%	132	126	5.0 %
Adjusted SG&A expenses	**$ 127**	**$ 112**	**13.6 %**	**$ 353**	**$ 328**	**7.6 %**

(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 and nine months ended September 30, 2022.

Hyatt Hotels Corporation

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

No additional disposition or acquisition activity beyond what has been completed as of the date of this release has been included in the 2023 Outlook. The Company's 2023 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)	**Year Ended December 31, 2023 Outlook Range**	
	Low Case	**High Case**
Net income	**$ 200**	**$ 220**
Interest expense	144	144
Provision for income taxes	128	138
Depreciation and amortization	381	381
EBITDA	**$ 853**	**$ 883**
Contra revenue	45	45
Costs incurred on behalf of managed and franchised properties, net of revenues for the reimbursement of costs	77	71
Equity (earnings) losses from unconsolidated hospitality ventures	(4)	(4)
Stock-based compensation expense	72	72
(Gains) losses on sales of real estate	(18)	(18)
Asset impairments	13	13
Other (income) losses, net	(91)	(101)
Pro rata share of consolidated hospitality ventures Adjusted EBITDA	58	64
Adjusted EBITDA	**$ 1,005**	**$ 1,025**

	Year Ended December 31, 2023 Forecast Range	
	Low Case	**High Case**
Net Deferrals	**$ 110**	**$ 110**
Net Financed Contracts	**$ 60**	**$ 60**

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Financial Measures: Outlook: SG&A Expenses to Adjusted SG&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 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 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 Outlook Range**	
	Low Case	**High Case**
SG&A expenses	**$ 549**	**$ 559**
Less: rabbi trust impact (a)	—	—
Less: stock-based compensation expense	(69)	(69)
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.

(in millions)	**Year Ended December 31, 2023 Outlook Range**	
	Low Case	**High Case**
Net cash provided by operating activities	**$ 715**	**$ 765**
Capital expenditures	(190)	(190)
Free Cash Flow	**$ 525**	**$ 575**

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 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 (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 September 30,			Nine Months Ended September 30,		
	2023	2022	Change (%)	2023	2022	Change (%)
REVENUES						
Comparable owned and leased hotels	$ 317	$ 287	10.5 %	$ 959	$ 796	20.5 %
Non-comparable owned and leased hotels	12	22	(44.4)%	25	115	(78.2)%
Owned and leased hotels revenues	**$ 329**	**$ 309**	**6.8 %**	**$ 984**	**$ 911**	**8.1 %**
EXPENSES						
Comparable owned and leased hotels	$ 243	$ 218	11.6 %	$ 717	$ 601	19.4 %
Non-comparable owned and leased hotels	14	19	(27.1)%	33	83	(60.5)%
Rabbi trust impact	(1)	(1)	35.2 %	3	(9)	127.1 %
Owned and leased hotels expenses	**$ 256**	**$ 236**	**8.7 %**	**$ 753**	**$ 675**	**11.6 %**
Owned and leased hotels operating margin percentage	**22.3 %**	**23.7 %**	**(1.4)%**	**23.5 %**	**25.9 %**	**(2.4)%**
Comparable owned and leased hotels operating margin percentage	**23.5 %**	**24.2 %**	**(0.7)%**	**25.2 %**	**24.5 %**	**0.7 %**

Hyatt Hotels Corporation

Apple Leisure Group Segment Statistics

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change (%)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change (%)
ALG Adjusted revenues						
Owned and leased hotels revenues	$ 19	$ 16	24.6 %	$ 26	$ 20	31.9 %
Management, franchise, license, and other fees	38	40	(4.8)%	113	106	6.8 %
Other revenues	50	37	35.7 %	134	104	29.3 %
Distribution and destination management revenues	222	244	(9.4)%	823	746	10.2 %
ALG Adjusted revenues	**$ 329**	**$ 337**	**(2.4)%**	**$ 1,096**	**$ 976**	**12.3 %**
Owned and leased hotels expenses	$ 12	$ 10	18.3 %	$ 23	$ 19	21.5 %
Other direct costs	$ 48	$ 34	44.7 %	$ 135	$ 93	45.9 %
Distribution and destination management expenses	$ 182	$ 186	(2.7)%	$ 664	$ 586	13.2 %
Adjusted SG&A	$ 37	$ 29	27.5 %	$ 98	$ 90	9.0 %
ALG Adjusted EBITDA	**$ 50**	**$ 78**	**(35.2)%**	**$ 178**	**$ 188**	**(5.2)%**
NET DEFERRAL ACTIVITY						
Increase in deferred revenue	$ 40	$ 46	(13.3)%	$ 149	$ 147	1.3 %
Increase in deferred costs	(26)	(29)	10.8 %	(76)	(81)	6.5 %
Net Deferrals	**$ 14**	**$ 17**	**(17.4)%**	**$ 73**	**$ 66**	**10.8 %**
Increase in Net Financed Contracts	**$ 21**	**$ 26**	**(20.7)%**	**$ 52**	**$ 48**	**8.6 %**

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change (%)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change (%)
OPERATIONAL METRICS						
ALG Net Package RevPAR (a)	**$ 188.90**	**$ 173.76**	**8.7 %**	**$ 212.51**	**$ 184.92**	**14.9 %**
ALG Net Package RevPAR (Americas) (a)	$ 199.91	$ 190.26	5.1 %	$ 240.20	$ 210.32	14.2 %
ALG Net Package RevPAR (EAME) (a)(b)	$ 164.07	$ 136.62	20.1 %	$ 130.34	$ 107.69	21.0 %
Unlimited Vacation Club Signed Contracts	9,460	9,241	2.4 %	27,222	25,512	6.7 %
Departures	616,462	681,552	(9.6)%	2,044,147	2,005,083	1.9 %

(a) Metrics represent comparable properties. Figures are in reported dollars.

(b) Certain resorts in Europe operate under a hybrid all-inclusive model, which includes various all-inclusive package options as well as rooms-only options.

Net Deferrals represent cash received in the period for both new membership down payments and monthly installment payments on financed contracts, less cash paid for costs incurred to sell new contracts, net of revenues and expenses recognized on our condensed consolidated statements of income during the period.

Net Financed Contracts represent contractual future cash flows due to the Company over an average term of less than 4 years, less expenses that will be incurred to fulfill the contract, net of monthly cash installment payments received during the period. At September 30, 2023, the Net Financed Contract balance not recorded on our condensed consolidated balance sheet was $238 million.

Hyatt Hotels Corporation

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 September 30,		Change (%)	Nine Months Ended September 30,		Change (%)
	2023	2022		2023	2022	
Net income (loss) attributable to ALG Segment	**$ (19)**	**$ 13**	**(240.4)%**	**$ (15)**	**$ (2)**	**(774.0)%**
Provision for income taxes (a)	12	7	54.6 %	42	14	199.5 %
Depreciation and amortization	40	40	(0.7)%	119	142	(16.1)%
ALG Segment EBITDA	**33**	**60**	**(46.1)%**	**146**	**154**	**(5.3)%**
Contra revenue	1	1	376.6 %	3	1	333.5 %
Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(30)	(27)	(16.2)%	(94)	(82)	(14.9)%
Costs incurred on behalf of managed and franchised properties	31	28	16.3 %	93	82	13.1 %
Stock-based compensation expense	1	—	NM	7	7	10.0 %
Asset impairments	4	8	(50.3)%	11	10	2.3 %
Other (income) loss, net	10	8	26.1 %	12	16	(20.2)%
ALG Segment Adjusted EBITDA	**$ 50**	**$ 78**	**(35.2)%**	**$ 178**	**$ 188**	**(5.2)%**

(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 September 30,		Change (%)	Nine Months Ended September 30,		Change (%)
	2023	2022		2023	2022	
NET DEFERRAL ACTIVITY						
Increase in deferred revenue	$ 40	$ 46	(13.3)%	$ 149	$ 147	1.3 %
Increase in deferred costs	(26)	(29)	10.8 %	(76)	(81)	6.5 %
Net Deferrals	**$ 14**	**$ 17**	**(17.4)%**	**$ 73**	**$ 66**	**10.8 %**
Increase in Net Financed Contracts	**$ 21**	**$ 26**	**(20.7)%**	**$ 52**	**$ 48**	**8.6 %**

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

(in millions)	Three Months Ended September 30,		Change (%)	Nine Months Ended September 30,		Change (%)
	2023	2022		2023	2022	
ALG Segment Total revenues	**$ 358**	**$ 363**	**(1.3)%**	**$ 1,187**	**$ 1,057**	**12.3 %**
Add: Contra revenue	1	1	376.6 %	3	1	333.5 %
Less: Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(30)	(27)	(16.2)%	(94)	(82)	(14.9)%
ALG Segment Adjusted revenues	**$ 329**	**$ 337**	**(2.4)%**	**$ 1,096**	**$ 976**	**12.3 %**

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

(in millions)	Three Months Ended September 30,		Change (%)	Nine Months Ended September 30,		Change (%)
	2023	2022		2023	2022	
ALG Segment SG&A expenses	**$ 38**	**$ 29**	**31.3 %**	**$ 103**	**$ 97**	**6.3 %**
Less: stock-based compensation expense	(1)	—	NM	(5)	(7)	27.6 %
ALG Segment Adjusted SG&A expenses	**$ 37**	**$ 29**	**27.5 %**	**$ 98**	**$ 90**	**9.0 %**

Hyatt Hotels Corporation

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

(in millions)	Three Months Ended September 30,		Change (%)	Nine Months Ended September 30,		Change (%)
	2023	2022		2023	2022	
Sales of membership club contracts deferrals	$ 92	$ 88	5.2 %	$ 299	$ 267	12.1 %
Membership club revenue recognized	(52)	(42)	(25.8)%	(150)	(120)	(25.3)%
Increase in deferred revenue from membership club contract sales	**40**	**46**	**(13.3)%**	**149**	**147**	**1.3 %**
Costs of memberships club contracts deferrals	(35)	(32)	(9.5)%	(102)	(88)	(15.5)%
Membership club costs recognized	9	3	185.4 %	26	7	265.5 %
Increase in deferred costs from membership club contract costs	**(26)**	**(29)**	**10.8 %**	**(76)**	**(81)**	**6.5 %**
Net Deferrals	**$ 14**	**$ 17**	**(17.4)%**	**$ 73**	**$ 66**	**10.8 %**
Increase in Net Financed Contracts	**$ 21**	**$ 26**	**(20.7)%**	**$ 52**	**$ 48**	**8.6 %**

Definitions

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

We use the terms Adjusted EBITDA and EBITDA throughout this earnings release. Adjusted EBITDA and EBITDA, as we define them, are non-GAAP measures. We define consolidated Adjusted EBITDA as net income (loss) attributable to Hyatt Hotels Corporation plus our pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA based on our 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 one of the key performance and compensation measures 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 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 with the same information that we use internally for purposes of assessing our operating performance and making compensation decisions and facilitates our comparison of results 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 referencing our GAAP results and using Adjusted EBITDA supplementally.

Adjusted EBITDA Margin

We define Adjusted EBITDA margin as Adjusted EBITDA divided by total revenues excluding Contra revenue and revenues for the reimbursement of costs incurred on behalf of managed and franchised properties (Adjusted revenues). We believe Adjusted EBITDA margin is useful to investors because it provides investors the same information that the Company uses internally for purposes of assessing operating performance.

Adjusted Net Income (Loss) and Adjusted Diluted Earnings (Losses) per Share (EPS)

Adjusted net income (loss) and Adjusted Diluted EPS, as we define them, are non-GAAP measures. We define Adjusted net income (loss) as net income (loss) attributable to Hyatt Hotels Corporation excluding special items, which are those items deemed not to be reflective of ongoing operations. We define Adjusted Diluted EPS as Adjusted net income (loss) per diluted share. We consider Adjusted net income (loss) and Adjusted Diluted EPS to be an indicator of operating performance because excluding special items allows for period-over-period comparisons of our ongoing operations.

Adjusted net income (loss) and Adjusted Diluted EPS are not a substitute for net income (loss) attributable to Hyatt Hotels Corporation, net income (loss), diluted earnings (losses) per share, or any other measure prescribed by GAAP. There are limitations to using non-GAAP measures such as Adjusted net income (loss) and Adjusted Diluted EPS. Although we believe that Adjusted net income (loss) and Adjusted Diluted EPS can make an evaluation of our operating performance more consistent because they remove special items that are deemed not to be reflective of ongoing operations, other companies in our industry may define Adjusted net income (loss) and Adjusted Diluted EPS differently than we do. As a result, it may be difficult to use Adjusted net income (loss) or Adjusted Diluted EPS 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 net income (loss) and Adjusted Diluted EPS should not be considered as measures of the income (loss) and earnings (losses) per share generated by our business. Our management compensates for these limitations by reference to its GAAP results and using Adjusted net income (loss) and Adjusted Diluted EPS supplementally.

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.

Asset-Light Earnings Mix

Asset-Light Earnings Mix is calculated as Adjusted EBITDA from the Americas Management and Franchising Segment, ASPAC Management and Franchising Segment, EAME Management and Franchising Segment, and Apple Leisure Group Segment plus Net Deferrals and Net Financed Contracts divided by Adjusted EBITDA, excluding Corporate & Other and Eliminations, plus Net Deferrals and Net Financed Contracts. Our management uses this calculation to assess the composition of the Company's earnings.

Average Daily Rate (ADR)

ADR represents hotel room revenues, divided by the total number of rooms sold in a given period. ADR measures the average room price attained by a hotel and ADR trends provide useful information concerning the pricing environment and the nature of the customer base of a hotel or group of hotels. ADR is a commonly used performance measure in our industry, and we use ADR to assess the pricing levels that we are able to generate by customer group, as changes in rates have a different effect on overall revenues and incremental profitability than changes in occupancy, as described below.

Comparable Hotels

"Comparable system-wide hotels" represents all properties we manage or franchise, including owned and leased properties, 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 Comparable system-wide hotels also exclude properties for which comparable results are not available. We may use variations of comparable system-wide hotels to specifically refer to comparable system-wide Americas hotels, including our wellness resorts, or our all-inclusive resorts, for those properties that we manage or franchise within the Americas management and franchising segment, comparable system-wide ASPAC hotels for those properties we manage or franchise within the ASPAC management and franchising segment, comparable system-wide EAME hotels for those properties that we manage or franchise within the EAME management and franchising segment, or comparable system-wide ALG all-inclusive resorts for those properties that we manage within the Apple Leisure Group segment. "Comparable owned and leased hotels" represents all properties we own or lease 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, Comparable owned and leased hotels also excludes properties 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.

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 condensed 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 condensed 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.

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.

Free Cash Flow

Free cash flow represents net cash provided by operating activities less capital expenditures. We believe free cash flow to be a useful liquidity measure to us and investors to evaluate the ability of our operations to generate cash for uses other than capital expenditures and, after debt service and other obligations, our ability to grow our business through acquisitions and investments, as well as our ability to return cash to shareholders through dividends and share repurchases. Free cash flow is not necessarily a representation of how we will use excess cash. Free cash flow is not a substitute for net cash provided by operating activities or any other measure prescribed by GAAP. There are limitations to using non-GAAP measures such as free cash flow and management compensates for these limitations by referencing our GAAP results and using free cash flow supplementally.

Net Deferrals

Net Deferrals represents 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 condensed consolidated statements of income (loss) over the customer life, which ranges from 3 to 25 years. We believe Net Deferrals is useful to investors as it represents cash received that will be recognized as revenue in future periods.

Net Financed Contracts

Net Financed Contracts represents 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 program contracts and further reduced by an allowance for future estimated uncollectible installments. Net Financed Contract balances are not reported on our condensed consolidated balance sheets as our right to collect future installments is conditional on our ability to provide continuous access to member benefits at ALG resorts 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 September 30, 2023, the Net Financed Contract balance not recorded on our condensed consolidated balance sheet was $238 million.

Net Package ADR

Net Package ADR represents net package revenues divided by the total number of rooms sold in a given period. Net package revenues generally include revenue derived from the sale of package revenue at all-inclusive resorts comprised of rooms revenue, food and beverage, and entertainment, net of compulsory tips paid to employees. Net Package ADR measures the average room price attained by a hotel, and Net Package ADR trends provide useful information concerning the pricing environment and the nature of the customer base of a hotel or group of hotels. Net Package ADR is a commonly used performance measure in our industry, and we use Net Package ADR to assess the pricing levels that we are able to generate by customer group, as changes in rates have a different effect on overall revenues and incremental profitability than changes in occupancy, as described above.

Net Package RevPAR

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.

Occupancy

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)

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.