Hyatt Newsroom

CHICAGO (May 1, 2025) - Hyatt Hotels Corporation ("Hyatt," "the Company," "we," "us," or "our") (NYSE: H) today reported first quarter 2025 results. Highlights include:

- **Comparable system-wide hotels RevPAR** increased 5.7%, compared to the first quarter of 2024
- **Net rooms growth** was 10.5%
- **Net income attributable to Hyatt Hotels Corporation** was $20 million and Adjusted Net Income was $46 million
- **Diluted EPS** was $0.19 and Adjusted Diluted EPS was $0.46
- **Gross fees** were $307 million, an increase of 16.9%, compared to the first quarter of 2024
- **Adjusted EBITDA** was $273 million, an increase of 5.4%, or an increase of 24.4% after adjusting for assets sold in 2024, compared to the first quarter of 2024
- **Pipeline** of executed management or franchise contracts was approximately 138,000 rooms
- **Repurchased** approximately 1.1 million shares of Class A common stock for an aggregate purchase price of $149 million
- **Full Year 2025 Outlook:**
    - Comparable system-wide hotels RevPAR growth is projected between 1% to 3%, compared to the full year 2024
    - Net rooms growth is projected between 6% to 7%, compared to the full year 2024
    - Net income is projected between $95 million and $150 million
    - Adjusted EBITDA is projected between $1,080 million and $1,135 million, an increase of 6% to 12% after adjusting for assets sold in 2024, compared to the full year 2024
    - Adjusted Free Cash Flow is projected between $450 million and $500 million, excluding approximately $117 million of cash taxes on asset sales and approximately $43 million of costs associated with the Playa Hotels Acquisition

Mark S. Hoplamazian, President and Chief Executive Officer of Hyatt, said, "In the face of growing volatility in the economy and financial markets, we continue to deliver strong performance, highlighted by our first quarter results. As we look ahead, recent shifts in booking behavior—particularly in shorter-term demand—have led us to modestly revise our outlook for the remainder of the year. That said, we remain confident in the resilience of our asset-light business model, the strength of our brand portfolio, and our ability to adapt to evolving market conditions. We are excited about the momentum in our pipeline and the continued strong demand we're seeing for our brands around the world."

First Quarter Operational Commentary

- Business transient and group travel drove system-wide and United States RevPAR growth. The quarter was impacted by Easter, which took place in the second quarter, whereas the holiday fell in the first quarter last year.
- Gross fee growth of 17% in the quarter with properties from the Bahia Principe and Standard International Transactions contributing approximately $17 million, or 38%, of the total gross fee growth.
    - Base management fees: increased 16%, driven by managed hotel RevPAR growth and the contribution of newly-opened hotels.
    - Incentive management fees: grew 18%, led by newly-opened hotels, Americas all-inclusive resorts, favorable FX, and international hotels, notably in Asia Pacific (excluding Greater China).
    - Franchise and other fees: expanded 17%, due to non-RevPAR fee contributions, RevPAR growth in the United States, and newly-opened hotels.
- Owned and leased segment Adjusted EBITDA grew 18% after adjusting for assets sold in 2024, compared to the first quarter of 2024. Comparable owned and leased margin increased by 70 bps in the first quarter compared to the same period in 2024.
- Excluding the impact of the UVC Transaction, distribution segment results improved by 10%, compared to the first quarter of 2024, from higher pricing, effective cost management, and favorable foreign currency exchange despite lower booking volumes in the quarter.

Openings and Development

During the first quarter, the Company:

- Opened 11,253 rooms, including:

    - The first Hyatt Studios property, Hyatt Studios Mobile / Tillmans Corner.
    - The Venetian Resort Las Vegas, with 7,092 rooms, which became available through Hyatt booking channels in January; these rooms were not included in the 2024 year end pipeline figures.
    - Other notable openings; Andaz Doha, Hotel La Compañia del Valle, part of The Unbound Collection by Hyatt, and seven UrCove properties.

- Announced a new brand, Hyatt Select, an upper midscale, transient conversion brand designed to meet the needs of modern travelers while delivering an efficient, cost-effective model for owners.

Transactions

The Company has provided the following updates on the planned Playa Hotels Acquisition:

- Continues to advance discussions for the sale of Playa's real estate and expects to be in a position to enter into an agreement to sell that real estate in the near future.
- Announced on April 28, 2025 the extension of the tender offer period to 5:00 p.m., New York City time on May 23, 2025.
- Issued $500 million of 5.050% senior notes due 2028 and $500 million of 5.750% senior notes due 2032, and received approximately $990 million of net proceeds. The Company intends to use the net proceeds to finance a portion of the Playa Hotels Acquisition.
- Entered into a credit agreement with a syndicate of lenders on April 11, 2025 for a $1.7 billion delayed draw term loan facility whereby proceeds will be used to finance the remaining portion of the Playa Hotels Acquisition.

Balance Sheet and Liquidity

As of March 31, 2025, the Company reported the following:

- Total debt of $4.3 billion.
- Total liquidity of $3.3 billion, inclusive of:
    - $1,805 million of cash and cash equivalents, and short-term investments, and
    - $1,497 million of borrowing capacity under Hyatt's revolving credit facility, net of letters of credit outstanding.
- Total remaining share repurchase authorization of $822 million. During the first quarter, the Company repurchased a total of 1,078,511 shares of Class A common stock for approximately $149 million.
- During the first quarter, the Company repaid the outstanding $450 million of 5.375% senior notes due 2025 at maturity for approximately $460 million, inclusive of $10 million of accrued interest.

The Company's board of directors has declared a cash dividend of $0.15 per share for the second quarter of 2025. The dividend is payable on June 11, 2025 to Class A and Class B stockholders of record as of May 29, 2025.

2025 Outlook

The Company is providing the following updated outlook for the 2025 fiscal year:

	2025 Outlook	**vs. 2024**
System-Wide Hotels RevPAR Growth		1% to 3%
Net Rooms Growth		6% to 7%
(in millions)		
Net Income	$95 - $150	(93)% to (88)%
Gross Fees	$1,185 - $1,215	8% to 11%
Adjusted G&A Expenses[1]	$450 - $460	1% to 4%
Adjusted EBITDA[1]	$1,080 - $1,135	6% to 12%[2]
Capital Expenditures	Approx. $150	Approx. (12)%
Adjusted Free Cash Flow[1]	$450 - $500	(17)% to (7)%

[1] Refer to the tables on schedule A-10 for a reconciliation of estimated net income attributable to Hyatt Hotels Corporation to Adjusted EBITDA, G&A expenses to Adjusted G&A Expenses, and net cash provided by operating activities to Free Cash Flow and Adjusted Free Cash Flow.

[2] Adjusted EBITDA outlook growth excludes the $80 million contribution from sold assets in 2024. Refer to the tables on schedule A-9 for further details.

- Our outlook for system-wide RevPAR implies balance of year growth of 0% at the low end of our range and 2% at the high end of our range, and reflects a continuation of booking trends seen during the past four weeks.
- Net income outlook projected year over year decline is driven by 2024 gains on sale of real estate that are not expected to repeat at the same levels in 2025.
- Adjusted EBITDA outlook is projected between $1,080 million - $1,135 million, growing between 6% to 12% compared to the full year 2024 after adjusting for assets sold in 2024.
- Adjusted Free Cash Flow growth compared to full year 2024 is impacted by elevated levels of interest expense and cash taxes.
- While the Company is not providing an outlook for capital returns to shareholders at this time due to the planned Playa Hotels Acquisition, Hyatt remains committed to its capital allocation strategy including returning capital to shareholders through a combination of quarterly dividends 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 2025 Outlook. Our 2025 Outlook does not account for the planned Playa Hotels Acquisition, however, our Adjusted Free Cash Flow excludes certain costs associated with the Playa Hotels Acquisition. The Company's 2025 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.

Refer to the table on schedule A-8 for a summary of special items impacting Adjusted Net Income and Adjusted Diluted EPS for the three months ended March 31, 2025.

Note: All RevPAR and ADR growth percentage changes are in constant dollars. All Net Package RevPAR and Net Package ADR growth 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 schedule A-6.

Conference Call Information

The Company will hold an investor conference call this morning, May 1, 2025, at 9:00 a.m. CT.

Participants may 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: 800.715.9871 (U.S. Toll-Free) or 646.307.1963 (International Toll Number) using conference ID# 2303828 approximately 15 minutes prior to the scheduled start time.

A replay of the call will be available Thursday, May 1, 2025 at 12:00 p.m. CT until Thursday, May 8, 2025 at 10:59 p.m. CT by dialing: 800.770.2030 (U.S. Toll-Free) or 647.362.9199 (International Toll Number) using conference ID# 2303828. An archive of the webcast will be available on the Company's website for 90 days.

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Additional Information and Where to Find It

This press release is for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell

ordinary shares of Playa or any other securities, nor is it a substitute for the tender offer materials that Buyer filed with the SEC upon the commencement of the tender offer. Buyer has filed with the SEC a tender offer statement on Schedule TO (the "Tender Offer Statement") and Playa has filed with the SEC a solicitation/recommendation statement on Schedule 14D-9 (the "Solicitation/Recommendation Statement") with respect to the tender offer. **THE TENDER OFFER STATEMENT (INCLUDING AN OFFER TO PURCHASE, A RELATED LETTER OF TRANSMITTAL AND CERTAIN OTHER TENDER OFFER DOCUMENTS) AND THE SOLICITATION/RECOMMENDATION STATEMENT ON SCHEDULE 14D-9 CONTAIN IMPORTANT INFORMATION. PLAYA'S SHAREHOLDERS ARE URGED TO READ THESE DOCUMENTS CAREFULLY (AS EACH MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME) BECAUSE THEY CONTAIN IMPORTANT INFORMATION THAT HOLDERS OF PLAYA'S SECURITIES SHOULD CONSIDER BEFORE MAKING ANY DECISION WITH RESPECT TO THE TENDER OFFER.** The Tender Offer Statement (including the Offer to Purchase, the related Letter of Transmittal and certain other tender offer documents), as well as the Solicitation/Recommendation Statement, are available to all holders of Playa's ordinary shares at no expense to them. The Tender Offer Statement and the Solicitation/Recommendation Statement are available for free at the SEC's website at www.sec.gov. Copies of the documents filed by the Buyer with the SEC will also be available free of charge on Hyatt's Investor Relations site at investors.hyatt.com. Copies of the documents filed by Playa with the SEC will also be available free of charge on Playa's website at investors.playaresorts.com or by contacting Playa's investor relations department at ir@playaresorts.com. In addition, Playa shareholders may obtain free copies of the tender offer materials by contacting the information agent for the tender offer by telephone at (866) 828-4304 (toll free) or (210) 664-3693 (non-toll free), or by email at HyattOffer@georgeson.com.

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 the Company's plans, strategies, outlook, the number of properties we expect to open in the future, the expected timing and payment of dividends, the Company's 2025 outlook, including the Company's expected System-wide Hotels RevPAR Growth, Net Rooms Growth, Net Income, Gross Fees, Adjusted G&A Expenses, Adjusted EBITDA, Capital Expenditures, and Adjusted Free Cash Flow, the proposed Playa acquisition and our ability to consummate and finance the acquisition, outcomes of the proposed acquisition, including impact on asset-light earnings mix, our ability to reduce our owned real estate asset base within targeted timeframes and at expected values, financial performance, prospective or future events and involve known and unknown risks that are difficult to predict. As a result, the Company's 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 the Company and the Company's 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 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 geopolitical conditions, including political or civil unrest or changes in trade policy; the impact of global tariff policies or regulations; hostilities, or fear of hostilities, including future terrorist attacks, that affect travel; the effects that the announcement or pendency of the planned Playa Hotels Acquisition may have on us, Playa and our respective business and ability to retain and hire key personnel and maintain relationships with customers, suppliers and others with whom we or they do business; inability to obtain required regulatory or government approvals or to obtain such approvals on satisfactory conditions; inability to obtain sufficient stockholder tender of Playa ordinary shares, stockholder approval or to satisfy other closing conditions; the occurrence of any event, change or other circumstance that could give rise to the termination of the definitive agreement; the effects that any termination of the definitive agreement may have on us or our business; failure to successfully complete the planned acquisition; legal proceedings that may be instituted related to the planned acquisition; significant and unexpected costs, charges or expenses related to the planned acquisition; risks associated with potential divestitures, including of Playa real estate or business and our ability to finalize an agreement to sell Playa's owned real estate on favorable terms or at all; ability or failure to successfully integrate the acquisition with existing operations; ability to realize anticipated synergies of the Playa Hotels Acquisition or obtain the results anticipated; travel-related accidents; natural or man-made disasters, weather and climate-related events, such as hurricanes, earthquakes, tsunamis, tornadoes, droughts, floods, wildfires, oil spills, nuclear incidents, and global outbreaks of pandemics or contagious diseases, or fear of such outbreaks; our ability to successfully achieve specified 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 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; failure to successfully complete proposed transactions (including the failure to satisfy closing conditions or obtain required approvals); our ability to maintain effective internal control over financial reporting and disclosure controls and procedures; declines in the value of our real estate assets; unforeseen terminations of our management and hotel services agreements 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, industry consolidation, and the markets where we operate; our ability to successfully grow the World of Hyatt loyalty program and manage the Unlimited Vacation Club paid membership program; cyber incidents and information technology failures; outcomes of legal or administrative proceedings; and 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 reports on Form 10-K and quarterly reports on Form 10-Q, which filings are available from the SEC. All forward-looking statements attributable to the Company 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 G&A Expenses; Free Cash Flow; and Adjusted 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 LinkedIn account (linkedin.com/company/hyatt); the Hyatt TikTok account (tiktok.com/@hyatt); the Hyatt X account (x.com/hyatt); and the Hyatt YouTube account (youtube.com/user/hyatt)) as a means of disclosing information about the Company's business to its 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 "Investor Email Alerts" in the "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 March 31, 2025, the Company's portfolio included more than 1,450 hotels and all-inclusive properties in 79 countries across six continents. The Company's offering includes brands in the *Luxury Portfolio*, including ***Park Hyatt***®, ***Alila***®, ***Miraval***®, ***Impression by Secrets***, and ***The Unbound Collection by Hyatt***®; the *Lifestyle Portfolio*, including ***Andaz***®, ***Thompson Hotels***®, ***The Standard***®, ***Dream***® ***Hotels***, ***The StandardX***, ***Breathless Resorts & Spas***®, ***JdV by Hyatt***®, ***Bunkhouse***® ***Hotels***, and ***Me and All Hotels***; the *Inclusive Collection*, including ***Zoëtry***® ***Wellness & Spa Resorts***, ***Hyatt Ziva***®, ***Hyatt Zilara***®, ***Secrets***® ***Resorts & Spas***, ***Dreams***® ***Resorts & Spas***, ***Hyatt Vivid Hotels &***

Resorts, ***Sunscape*® *Resorts & Spas***, ***Alua Hotels & Resorts*®**, and ***Bahia Principe Hotels & Resorts***; the *Classics Portfolio*, including ***Grand Hyatt*®**, ***Hyatt Regency*®**, ***Destination by Hyatt*®**, ***Hyatt Centric*®**, ***Hyatt Vacation Club*®**, and ***Hyatt*®**; and the *Essentials Portfolio*, including ***Caption by Hyatt*®**, ***Hyatt Place*®**, ***Hyatt House*®**, ***Hyatt Studios***, ***Hyatt Select***, and ***UrCove***. 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*.

Definitions

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

We use the term Adjusted EBITDA throughout this earnings release. Adjusted EBITDA, as we define it, is a measure that is not recognized in accordance with accounting principles generally accepted in the United States of America ("GAAP"). We define consolidated Adjusted EBITDA as net income (loss) attributable to Hyatt Hotels Corporation plus net income (loss) attributable to noncontrolling interests and our pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA, primarily based on our ownership percentage of each owned and leased venture, adjusted to exclude the following items:

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

We calculate consolidated Adjusted EBITDA by adding the Adjusted EBITDA of each of our reportable segments and eliminations to unallocated overhead expenses.

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 our prior-period and forecasted results as well as our industry and competitors.

Adjusted EBITDA excludes certain items that can vary widely across different industries and among companies within the same industry, including interest expense and benefit or 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 reimbursed costs and reimbursed costs 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. If we collect amounts in excess of amounts spent, we have a commitment to our hotel owners to spend these amounts on the related system-wide services and programs. Additionally, if we spend in excess of amounts collected, we have a contractual right to adjust future collections or expenditures to recover prior-period costs. These timing differences are due to our discretion to spend in excess of revenues earned or less than revenues earned in a single period to ensure that the system-wide services and programs are operated in the best long-term interests of our hotel owners. 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 reimbursed costs 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 and may vary in frequency or magnitude, such as transaction and integration costs, asset impairments, unrealized and realized gains and losses on marketable securities, and gains and losses on sales of real estate and other.

Adjusted EBITDA is not a substitute 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. 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 General and Administrative ("G&A") Expenses

Adjusted G&A Expenses, as we define it, is a non-GAAP measure. Adjusted G&A Expenses exclude the impact of deferred compensation plans funded through rabbi trusts and stock-based compensation expense. Adjusted G&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.

Adjusted Net Income (Loss) and Adjusted Diluted Earnings (Losses) Per Class A and Class B 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.

Asset-Light Earnings Mix

Asset-Light Earnings Mix is calculated as Adjusted EBITDA from the management and franchising segment and distribution segment divided by Adjusted EBITDA, excluding overhead and eliminations. 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.

Bahia Principe Transaction

During the year ended December 31, 2024, the Company entered into a shareholders' agreement with an unrelated third-party and acquired 50% of the outstanding shares of Management Hotelero Piñero, S.L. The joint venture, which is a variable interest entity, owns the Bahia Principe brand and manages Bahia Principe Hotels & Resorts-branded properties. As we are the primary beneficiary of the joint venture, we consolidate the operating results and financial position of the entity in our condensed consolidated financial statements.

Comparable Owned and Leased Margin

We define comparable owned and leased margin as the difference between comparable owned and leased revenues and comparable owned and leased expenses. Comparable owned and leased revenues is calculated by removing non-comparable hotels revenues from owned and leased revenues as reported in our condensed consolidated statements of income (loss). Comparable owned and leased expenses is calculated by removing both non-comparable owned and leased expenses and the impact of expenses funded through rabbi trusts from owned and leased expenses as reported in our condensed consolidated statements of income (loss). We believe comparable owned and leased 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 system-wide and Comparable owned and leased

"Comparable system-wide" represents all properties we manage, franchise, or provide services to, 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. Comparable system-wide also excludes properties for which comparable results are not available. We may use variations of comparable system-wide to specifically refer to comparable system-wide hotels or our all-inclusive resorts, for those properties that we manage, franchise, or provide services to within the management and franchising segment. "Comparable owned and leased" 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 also excludes properties for which comparable results are not available. We may use variations of comparable owned and leased to specifically refer to comparable owned and leased hotels or our all-inclusive resorts, for those properties that we own or lease within the owned and leased segment. Comparable system-wide and comparable owned and leased are commonly used as a basis of measurement in our industry. "Non-comparable system-wide" or "non-comparable owned and leased" represent all properties 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 current-period 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 and Adjusted Free Cash Flow

Free Cash Flow represents net cash provided by operating activities less capital expenditures. Adjusted Free Cash Flow represents Free Cash Flow less estimated cash taxes on asset sales and costs associated with the Playa Hotels Acquisition. We believe Free Cash Flow and Adjusted Free Cash Flow to be useful liquidity measures to us and investors to evaluate the ability of our operations to generate cash for uses other than capital expenditures, cash taxes on asset sales, and costs associated with the Playa Hotels Acquisition 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 and Adjusted Free Cash Flow are not necessarily representative of how we will use excess cash. Free Cash Flow and Adjusted Free Cash Flow are not substitutes 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 Adjusted Free Cash Flow, and management compensates for these limitations by referencing our GAAP results and using Free Cash Flow and Adjusted Free Cash Flow supplementally.

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 packages at all-inclusive resorts comprised of rooms, food and beverage, and entertainment revenues, 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 below.

Net Package Revenue Per Available Room ("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 packages comprised of rooms, food and beverage, and entertainment revenues, 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 geographical 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 property or group of properties. Occupancy measures the utilization of a property's available capacity. We use occupancy to gauge demand at a specific property or group of properties in a given period. Occupancy levels also help us determine achievable ADR levels as demand for property rooms increases or decreases.

Playa Hotels Acquisition

On February 9, 2025, we agreed to acquire all of the outstanding shares of Playa Hotels & Resorts N.V., a leading owner, operator, and developer of all-inclusive resorts in prime beachfront locations in popular vacation destinations. Pursuant to the purchase agreement, Hyatt has commenced a tender offer to purchase all of the issued and outstanding ordinary shares at a cash price of $13.50 per share, for an enterprise value of approximately $2,600 million, including approximately $900 million of debt, net of cash acquired.

RevPAR

RevPAR is the product of the ADR 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 geographical 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.

Standard International Transaction

During the year ended December 31, 2024, we acquired 100% of the issued and outstanding equity interests of certain entities collectively doing business as Standard International for $150 million of base consideration, subject to customary adjustments related to working capital, cash, and indebtedness, and up to an additional $185 million of contingent consideration to be paid upon the achievement of certain milestones related to the development of additional hotels and/or potential new hotels identified by the sellers through 2028.

UVC Transaction

During the three months ended March 31, 2024, we completed a restructuring of the entity that owns the Unlimited Vacation Club paid membership program business and sold 80% of the entity to an unrelated third party for $80 million. As a result of the transaction, we deconsolidated the entity as we no longer have a controlling financial interest, and we account for our remaining 20% ownership interest as an equity method investment in an unconsolidated hospitality venture. We continue to manage the Unlimited Vacation Club business under a long-term management agreement and license and royalty agreement. The operating results of the Unlimited Vacation Club business prior to the UVC Transaction are reported within our distribution segment.
